

# Guide to Marketing Attribution in retail

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**Retail journeys:** How to optimize marketing spend with effective attribution

What is marketing attribution and why is it important to retail companies?

What prevents retail organizations from delivering effective marketing attribution?

How to solve for these problems

Deliver growth with effective marketing attribution, powered by behavioral data



#### **Retail journeys:**

How to optimize marketing spend with **effective** attribution



Customer journeys in retail are increasingly complex. With numerous touchpoints across platforms (on and offline), devices, and channels, it can be difficult to gain an accurate understanding of how a customer has actually arrived at a purchase.

Without an all-encompassing view of your customer journey, you cannot attribute credit to the different marketing activities that contribute along the way; ultimately, this means that you're unable to optimize your marketing spend or increase conversion rates.

For retail organizations to succeed today, accurate, flexible, and customizable marketing attribution (based on a single customer view) is an absolute necessity.

In this piece, we'll delve deeper into the why and provide a high level roadmap on **how to implement marketing attribution** to propel your company forward.



Marketing attribution is a process or framework that is used to assign or attribute credit to different channels or touchpoints in a customer's journey, conversion or purchase decision.

It's important because it allows you to better understand the effectiveness of different marketing activities in driving sales and conversions. It enables you to:

Optimize your marketing spend to increase conversions

Implement more advanced use cases, including marketing automation and personalization

Gain a solid understanding of your customer journey, identifying common drop-off points Identify which marketing channels provide the greatest return-on-investment

In order to capture the **complete** customer journey, each brand touchpoint needs to be tracked across **multiple domains** both online (website, ads, apps, search, email, social media) and offline (phone, offline sales, customer service/contact center, in-person/in-store).

Whilst marketing attribution is important for organizations of all industries, it's particularly important for those in **retail**. This is because customer journeys in retail are becoming more complex and it's becoming more difficult to attribute credit to the different stages in that journey. Effective marketing attribution requires a single customer view, encompassing every touchpoint so that you can identify and attribute credit to the right points.

Examples of these multiple touchpoints include:

Product page visits on websites Soci

Social media engagements

Email opens

ChatBot interactions

App logins

In-store interactions (as long as there's something to tie to the customer, like a store card or membership ID)

Call-center questions

If a customer buys a product because they saw an ad on social media, many companies would give that ad all the credit (when using a last-click attribution model). In reality, the customer could have gone through multiple other paths to get to that ad.

Perhaps they first found the website through an organic search, then signed up to a newsletter - all of this nurtures the customer towards the ad, which then acts as the final trigger to complete the purchase. Therefore, attributing credit to the social ad alone is a misrepresentation of the customer's whole journey. This approach can lead to other touchpoints being neglected in future strategies despite being influential to the conversion.

### What prevents retail organizations from delivering effective marketing attribution?



#### **01.** An incomplete view of the customer journey

An incomplete picture of the customer journey prevents effective marketing attribution; without **capturing engagements** from each brand touchpoint, you risk misattributing credit for conversions.

Packaged analytics platforms like Google Analytics and Adobe Analytics allow organizations to gain a good, basic understanding of their customer journeys, but can be **limiting** for companies that want to gain a deeper understanding of their customers' behavior.

They're not able to capture behavioral data from each point within a complex, organization-specific customer journey, and are therefore not able to accurately assign credit for conversions.

A collection of point solutions, on the other hand, may be able to capture the data needed to shape a complete customer view, but this can cause problems downstream; your data team would need to spend time wrangling the data in order to make it ready for analysis.





#### **n?** Web privacy updates

A number of web browsers (most prominently Safari, but also Firefox and Edge) are restricting the use of cookies with the aim of protecting users' privacy. Their measures target third-party data collection, as is done by ad tech companies as well as packaged analytics platforms.

The strictest of these measures (at the time of writing), **Apple's ITP 2.3** (announced in September 2019), limits first-party client-set cookies (and the equivalent use of local storage) to a single day. Relying on third-party data collection, retailers are unable to build a comprehensive customer view that spans longer periods of time and covers multiple domains.



#### **03.** Inability to run custom attribution models

An attribution model determines how much credit is assigned to different points within a customer journey for a conversion. With the 'Last click' model, as already mentioned, 100% of credit is assigned to the last engagement made by a customer before making a purchase. Marketing attribution is however most useful when it accurately takes account of the entire customer journey; for this, custom attribution models are required.

Whilst packaged analytics platforms do allow you to create custom attribution models, these models are only as good as the behavioral data being fed into them; limited by what you can track, you're unable to assign credit to meaningful steps in your customer journey.





**01.** The Modern Data Stack

Truly effective marketing attribution in retail is only achievable through the modern data stack. By combining best-in-class tools at each stage of your stack, from data collection through to storage, modeling, Reverse ETL, and visualization, you can drive significant commercial value with behavioral data.

For a deeper understanding of the modern data stack, <u>read this article</u> from Snowplow's Product Strategist, Archit Goyal.



**02.** BDF

Behavioral Data Platforms (BDPs) form a fundamental part of the modern data stack. BDPs stream behavioral event data from web, mobile and other connected devices, to describe the full customer journey to a level of detail that is both broad and deep.

A BDP captures, validates, and delivers behavioral data to a destination of choice, and therefore sits upstream of your data warehouse, lake or stream.





How to solve for these problems



**03.** Snowplow BDP

Snowplow BDP generates, governs, and models high-quality, event-level behavioral data, allowing you to capture rich end-to-end customer journeys across multiple domains. With Snowplow BDP, you can power advanced marketing attribution models and evolve them with your business.

The behavioral data that Snowplow captures can also be used to fuel other use cases relevant to retail, including <u>product</u> recommendation engines, abandoned cart recovery, and <u>search</u> engine optimization; with each use case (and their evolution), the ROI of your behavioral data increases.



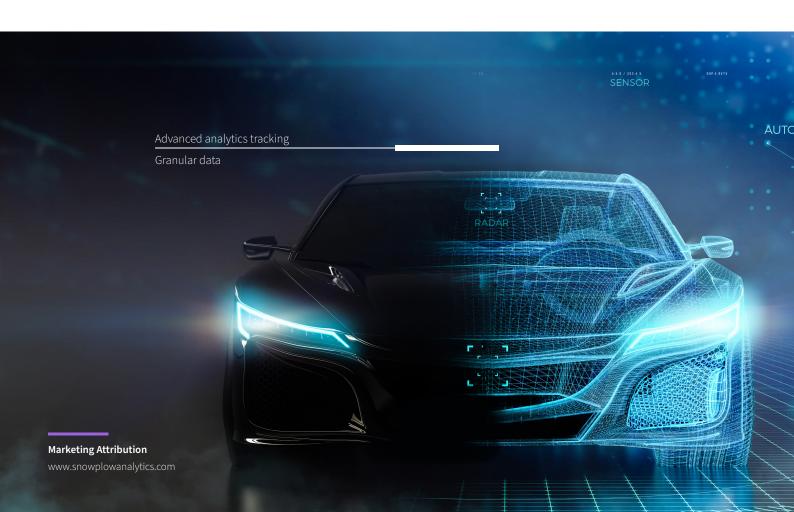
### **04.** Retail businesses driving value with behavioral data

#### **Auto Trader**



AutoTrader UK is the UK's largest digital automotive marketplace. They decided to use Snowplow to replace a homegrown data pipeline solution they built themselves. AutoTrader now uses more advanced analytics to track more complicated interactions and attribute marketing spend.

Snowplow goes beyond Google Analytics to collect more granular, event-level behavioral data and tracking display ad impressions, and mobile app data (using Branch.io and Snowplow), to start building a true multi-touch attribution model.



#### **Green Building Supply**



Green Building Supply is a niche, eco-friendly, home building supplier who were looking to compete with big-box retail competitors and grow an online presence as well as their revenue. GBS has a long sales cycle with many touchpoints (both online and offline). They weren't able to know which ads were leading to sales without joining their data and moving beyond Google Analytics.

This was where Snowplow BDP came in. Since implementing Snowplow, GBS were able to stitch together past and present multi source data so they are able to have a rounded view. They also built an accurate end-to-end data attribution model which resulted in a +137% boost in revenue and a +106% conversion rate, all of which could be tracked to specific ad spend and customer-journey touchpoints leading to an eventual sale.

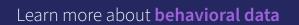
These results are all down to being able to pinpoint where in the customer journey users are falling off and being able to implement marketing funds to get them back into the mix.



## Deliver growth with effective marketing attribution, powered by behavioral data

For retail companies to succeed today, they need to know which touchpoints in the customer journey drive conversions and how to optimize them. As customer journeys become more complex, spanning numerous touchpoints across multiple domains, it will be increasingly important to understand how each step (however insignificant) contributes to revenue.

To deliver truly effective marketing attribution with custom, multi-touched models tailored to your specific business, you need to move away from packaged analytics solutions and towards a modern data stack; by integrating a BDP with other best-in-class tools, you can empower your organization with rich, high-quality behavioral data, and pave the way for significant growth.



Book a demo to learn how behavioral data can propel your retail business forward

