CORVIDAE
By QueryClick



FOR RETAIL · FOR RETAIL ·

Solving the Retail Attribution Puzzle

corvidae.ai

Dramatic changes in the retail environment - from the financial and behavioural impact of a global pandemic, to increasingly complex customer journeys that are more multi-device and multi-channel than ever - mean the pressure is on retail marketers to effectively connect marketing spend to revenue and growth.

In this ebook we take a look at:

03 Why effective retail attribution matters right now

07 5 issues holding effective retail attribution back

12 How to select the right attribution solution for your needs

Why effective retail attribution matters right now

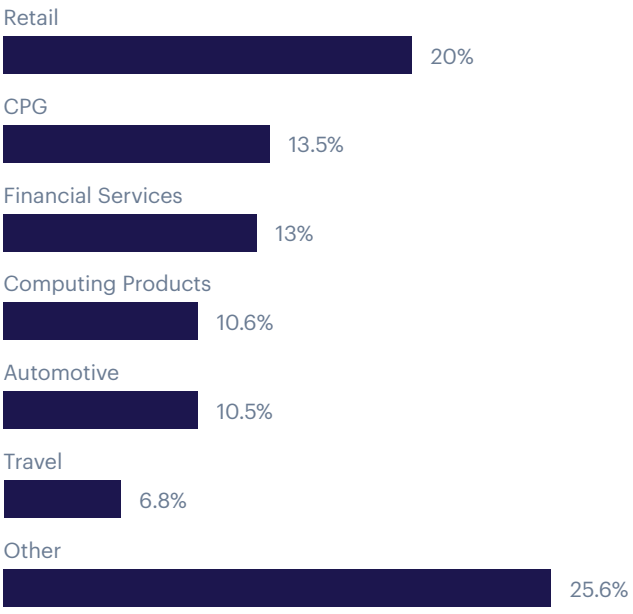
Measurement is a hot topic in retail marketing and for good reason.

Like any other industry retail marketers need to work hard to demonstrate ROI and effectiveness of their efforts. But there is a concern that the focus is on what is easily measured versus what is accurately measured. And what is actually useful, in terms of linking spend to revenue and growth.

So, the race to improve the effectiveness of attribution in retail is on. And it is being driven by a number of key factors that we explore in more depth below.



Digital Ad spending share in the UK, by Industry, 2020
% of total



Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet connected devices, and includes all the various formats of advertising on those platofrms.
Source: emarketer, August 2020

The sheer value of retail media spend demands effective measurement

At the most fundamental level, effective attribution matters for retailers due to the sheer scale of marketing budgets being invested in retail marketing.

Take Digital Ad spending for example. According to emarketer digital ad spend in the UK in 2020 totaled £15.08 billion.

They also state that the retail sector was the biggest digital ad spender in sectoral terms. In fact, the sector will account for one in every five of digital ad pounds spent.

And that's just digital. Many retailers are also heavily invested in using offline media to support and drive sales of their products. So, getting an understanding of what they are getting for their investment is crucial to delivering true value for the companies and brands they represent.

The explosion in channels and an increasingly complex customer journey

A new age of retail has emerged in the last decade. There have been dramatic shifts in the way that consumers research, find and buy retail products. In fact, the customer journey is almost unrecognizable from the one of 10 years ago.

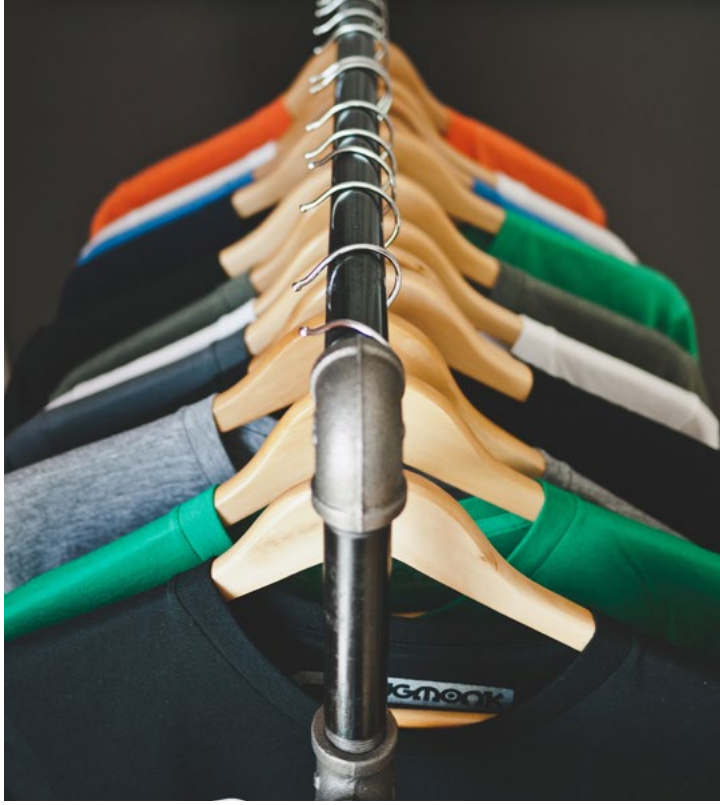
Consumers now flip between a wide array of devices that includes phones, tablets and laptops on their buying journey. And interact with a wide a range of touchpoints, different purchase paths and digital "nudges" that all partially influence their final buying decision.

The impact of social media channels has been unprecedented in this new world. For example, according to research by Visa, 1 in 4 online purchases are now made via an interaction with a social media platform.

The challenge for retail marketers is getting a true understanding of the impact of their marketing activities on purchasing decisions. Digital is only one part of what is an increasingly complex picture. Just as important is how retail marketers effectively attribute the impact of offline – which ranges from out of home to store based promotions

1 in 4 online purchase are now made via an interaction with a social media platform.

Source: Visa



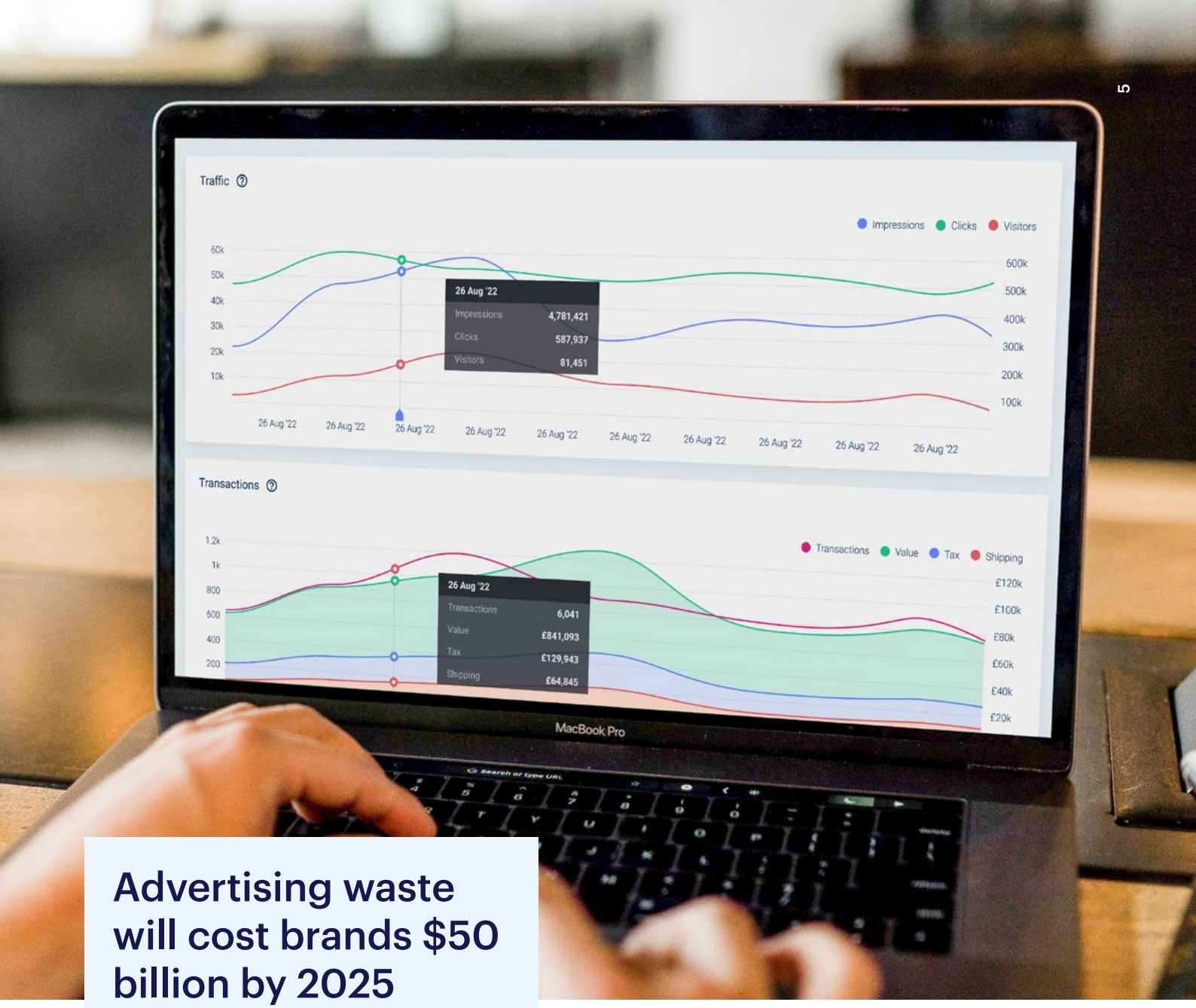
The need to cut out wasted ad spend is more pressing than ever

Cutting wasted spend is a priority for retail marketers at any time. However – despite the fact the current pandemic has created both retail winners and losers – this is perhaps even more of a priority for some retailers as the impact of reduced revenue feeds through into spend and budget decisions.

For example, as reported by Econsultancy, Marks and Spencer has posted a financial loss for the first time in 94 years and the recent IPA Bellwether report showed the biggest drop in marketing budgets for 20 years. Whilst the pandemic is a clear factor in this, there is also the backdrop of radical changes that are taking place in the retail sector as competitive pressures, changing retail business models and the impact of rapidly shifting consumer preferences bite. And revenues are affected.

Advertising waste matters in this scenario – and its scale is huge. With the World Federation of Advertisers forecasting it will cost brands $50 billion by 2025.

Effective attribution is central to identifying it and rooting it out.



Advertising waste will cost brands $50 billion by 2025

Source: World Federation of Advertisers

A real drive for actionable, real-time data that drives marketing results

Alongside this is pressure to find data to justify retail marketing decisions.

This was prevalent even before the more recent challenging retail environment. According to a survey by Digiday in November 2019, marketers were under more pressure than ever to show their homework. And to bring more effective data and actionable analysis to marketing decisions with more effective attribution at the heart of this approach. A situation that has only become more pressing due to recent events.

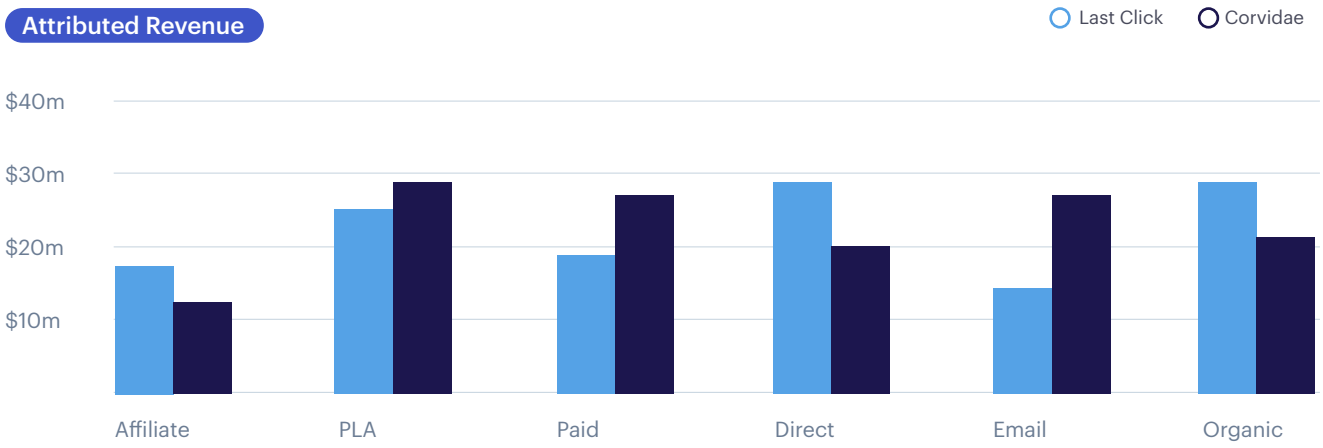
According to research by the Royal Mail a staggering 87% of UK retail purchases are made online and, in addition to a heavy reliance on digital, consumers are taking increasingly complex paths to purchase. Carefully unravelling the impact of each touchpoint – both on and offline - is crucial for retailers and basic measurement approaches like last-click attribution are still being used by many retailers which means specific channels are under or over-valued in the process.

Couple this with the fact that many retailers are working with historical data – that is often week or months old – and you have a perfect storm in terms of potential misattribution.

Effective, AI driven attribution drives more revenue

So, improving the quality of attribution is a big step towards linking marketing activity and marketing outcomes. But data for data's sake isn't helpful. And beware of fancy retail marketing data reports that look great but don't actually give you much insight.

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What retailer marketers really need are real-time attribution dashboards that not only tell you the state of play across creatives, channels and the entire customer journey, but also what they should do with the findings to drive marketing ROI.

Advances in machine learning technology and AI have made these types of attribution solutions a reality. For example, using the capability in our own Corvidae solution we can rebuild, unify and effectively attribute customer data for retailers. For example:

- **B&Q store and digital data:** we identified 1% of digital customers in a day were responsible for 15% of total business revenues over the next three days in the UK, all trackable and targetable by Corvidae
- **New Look:** we uncovered that 50% of all revenues over the three-day period were generated by just 10% of visitors, proving that although retargeting is often overlooked, it can be responsible for significant revenue generation. And, in combination with real-time attribution data, can be used without cannibalising other spend channels.

This is the real power of effective attribution. Being able to drill down to marketing customer specifics and uncover data that is actionable. And that can highlight new media and revenue opportunities that can transform your retail marketing performance in real time. Not in 6 months.



5 issues holding effective retail attribution back

Despite the undoubted benefits of having effective retail attribution in place – for example Forrester estimates that having personal-level unified marketing measurement in place can improve budget efficiency by a game-changing 30% - it appears to be an elusive concept for many retail marketers.

In fact, research by BrightPearl points to the fact that only 56% of retail marketing specialists have access to the type of data they need to be effective. And access effective marketing attribution in retail is clearly a challenge.

So, what is holding things back?

We think there are 5 key issues for retail marketers:

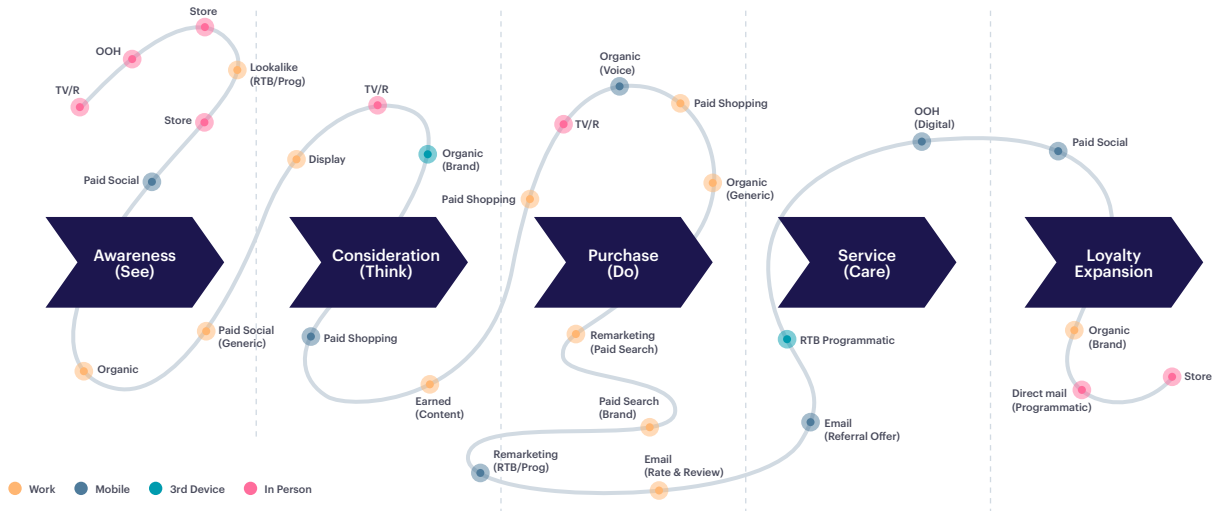
1. Inability to integrate offline and wider customer journey data

Rapid advances in technology have enabled retail marketers to reach out to consumers in a way that is couldn't have been imagined just a decade ago – using a glittering array of media choices and options that are consumed digitally, out of home and instore.

But the sheer speed of the technology transition has left many of the same marketers scrambling to keep pace – especially when it comes to measurement and attribution.

and offline data is crucial to effective retail attribution.

However, because that can be challenging, there can be a tendency to default to collecting and analysing data that is easy to lay your hands on. For example, simplistically bringing together online data on PPC and display and connecting this to sales reports will give you attribution data. But it won't be accurate if you are also concurrently running media activity offline on



Their challenge is being able to draw a line from the start of the retail customer buying journey – which increasingly begins on a mobile – and following the consumer as they flit backwards and forwards on and offline, right through to purchase. And then analysing that entire journey and identifying the tipping point – the touchpoint that made the real difference to conversion. Which is why connecting online – and following the consumer as they flit backwards and forwards on and offline, right through to purchase. And then analysing that entire journey and identifying the tipping point – the touchpoint that made the real difference to conversion. Which is why connecting online

out-of-home media and platforms like TV and radio. Which all have an impact on the customer journey too – and the way you need to attribute it.

For example, Accenture found out that their multi-platform TV ads had a halo effect on search and display activity that meant that they were reporting 18% of campaign ROI incorrectly.

That is why comprehensive, omni-channel attribution – that includes the impact of offline media – matters to retail marketers. Now more than ever.

2. Channel-based data silos

Closely tied to the issue above is the restrictions that data silos can place on marketing attribution in retail.

Very often retail marketing teams are organised along channel lines. In fact research by Experian suggests that less than 30% of marketers work within fully integrated teams and typically a combination of this - and agency based relationships - mean that attribution is carried out on a "per channel" basis.

This means that channels like search, programmatic, social, outdoor and display are effectively 'marking their own homework' and using a variety of different measures perform retail attribution analysis. And sometimes using a very channel specific "lens" that, unfortunately, leads to over-reporting on media effectiveness and over-valuing contribution to revenue and ROI.

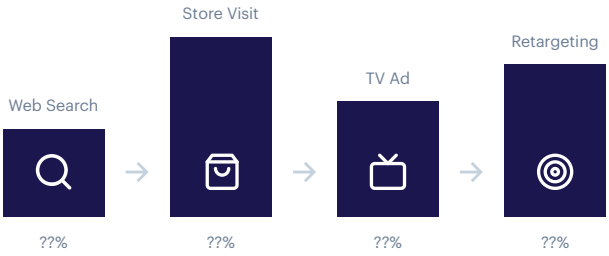
Add in the complexity and challenge of successfully integrating data from social platforms - like Facebook and Amazon - that take a "walled garden" approach to data availability for analysis outside of their own analytics and you begin to understand some of the challenges in unifying your analysis around a single data source.

Channels like search, programmatic, social, outdoor and display are effectively 'marking their own homework'.

3. Over-reliance on outdated and ineffective attribution models

Another key issue for retail marketers is continuing reliance on outdated and simplistic attribution models that haven't kept pace with changes in technology and complex buyer journeys.

Approaches like First-click and Last-click attribution evolved at a time when customer journeys were simpler. Particularly for online retailers. For example, where customers looking for a laptop went on to their desktop, were targeted with an ad for the laptop and then clicked to purchase it. But that approach doesn't reflect the current omni-channel, multiple media, multi-device world retailers now operate in.



Nowadays the same type of customer might start their initial research through a web search on their mobile, conducts a store visit to assess the laptop, views a TV ad for the product, does a little more research on their tablet including seeing an ad for a discount on the product before a certain date and finally clicks a re-targeting ad to purchase it. Is providing 100% of the value for conversion to either the initial web search or the final re-targeting ad really the right way to attribute in this case?

By using either First-Click or Last-click attribution retail marketers are creating a bias to either a single top of funnel or bottom of funnel touchpoint. Which is vastly suboptimal and oversimplified – and results in mis-directed spend as more spend and resources are applied

on the back of the flawed attribution. Even slightly more sophisticated models like Linear, U-shaped and Time decay models have their limitations.

What really matters is gaining a clear understanding of the impact of touchpoints right across the customer journey using a multi-touch – and ideally visit level - attribution approach that enables you to drill down to individual user journey mapping.



4. The poor quality of data attribution inputs

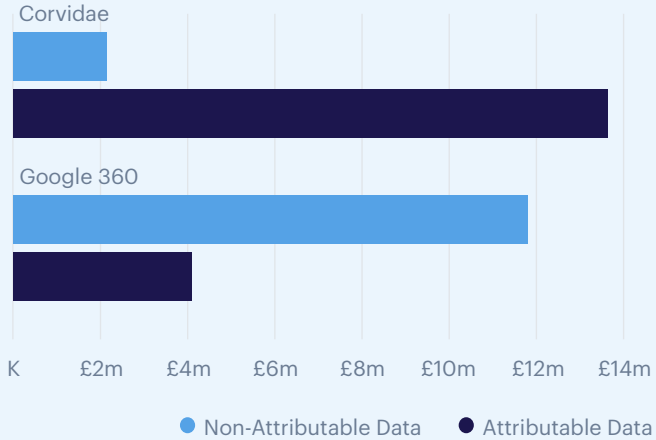
Even if you get your choice of attribution model right, It will only ever be as effective as the data you feed into it.

Put very simply, if you feed poor quality data into your attribution process then you better prepare to get poor quality analysis out of it at the other end. A significant number of retailers depend heavily on reporting data from channel partners like Google, Facebook and now Amazon and our experience with clients tells us that there are often very really issues with data quality here.

Take Google for instance.

Their approach to collecting the vast majority of digital marketing is based on a pixel-plus-cookie based approach. This session-based approach is based on tracking a device accessing a specific website or other web property. Not around identifying an individual – who just happens to be on a complex, multi-device journey. And as a result, it does a poor job of attribution – in fact, it generates data that is around 80% incorrectly attributed as shown on the right.

Daily attributable data (i.e. Repaired broken sessions & enhanced cross device)



In this example – for a leading UK food and clothing retailer – QueryClick was able to use its Corvidae platform and take existing Google 360 data and effectively rebuild it. And adjust the level of attributable spend from £4.1m to £13.6m in the process.

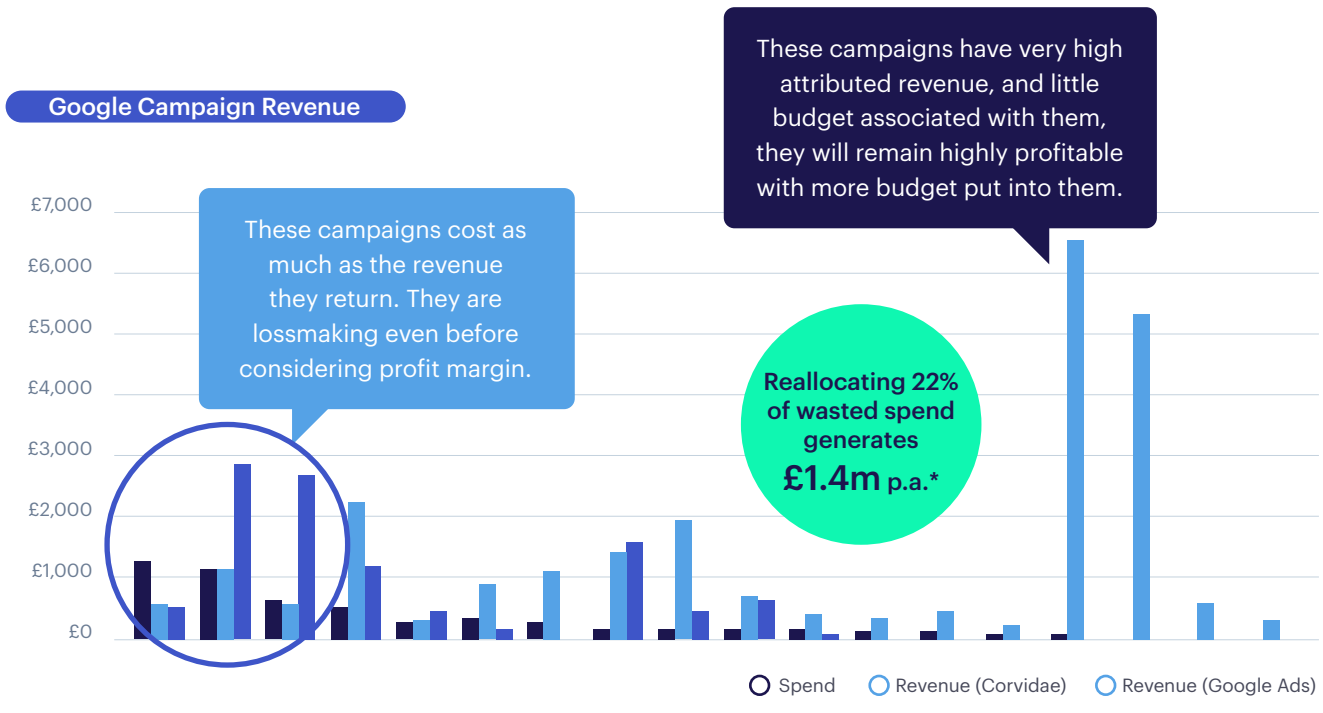


5. Dashboards that provide “so what” analysis

A quick final note of caution on the quality of the outputs from your attribution process. The dashboards or reporting that your attribution efforts provide you with.

Be careful of shiny retail marketing attribution dashboards that look great but don’t actually really tell you much in the end. Least of all where your marketing efforts need to go next. Effectively “so what” type analysis.

For many retail marketers dashboards like this, that provide purely historical and partial data views, limit their scope to improve revenue performance and ROI. So, look for attribution solutions that provide more proactive data and that turn consumer intelligence into actionable insight. That include optimization recommendations on spend and ROI – at a channel, creative, visit and individual level.



How to select the right attribution solution for your needs

So, getting attribution right for retail marketers is a challenge. But how do you ensure that you select the right attribution solution in retail?

We believe there are 5 key areas of focus as follows:

Look for a solution with the capability to rebuild your data.

Get the quality of your data input right upfront

Much of the focus in attribution inevitably veers towards the selection of an attribution model. But the quality of your underlying data is just as, if not more, important. If you only have poor quality data, then it follows that the quality of your attribution will also be poor.

In fact, the quality of your retail marketing data is foundational.

95% of all marketing attribution is done using Google Analytics (GA 360) or Adobe Analytics. And a host of other tools - including SaaS based ones – have been developed by other companies and the bulk of these simply ingest Google or Adobe data to perform their own special brand of attribution magic.

The problem is that – as we saw in section 2 of this ebook - this raw data is up to 80% inaccurate. So look for a solution that has the capability to rebuild your data using Machine Learning techniques to define the full customer journey.





Ask some difficult questions of your reporting dashboards

As reported in emarketer:

"Just because a dashboard gives you a number, it doesn't mean that the number actually means anything."

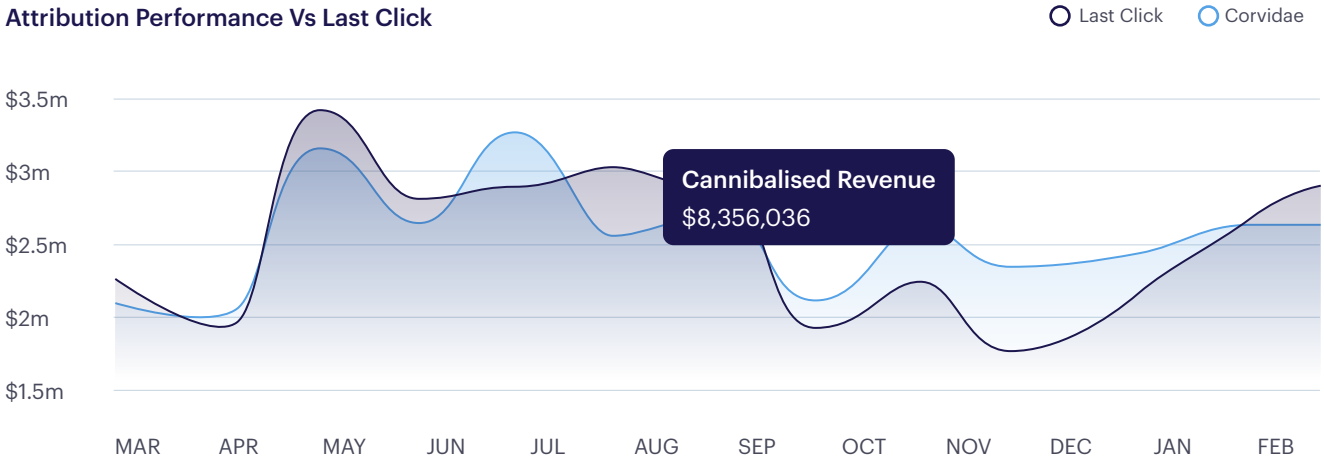
Duncan Blair, Director of Marketing at Article (furniture retailer)

A combination of factors from the impact of the pandemic to rapid changes in the way that people research, consider and purchase products mean that retail marketing spend decisions and budgets are under greater pressure than ever before.

Beware of fancy bells and whistles and fancy dashboards vs what's really important to drive effective insight and marketing ROI.

Most retail marketing departments are drowning in enough unconnected data to sink them completely. And there really isn't any business case for adding more "so what" type data - without actionable insight – into the mix.

So, as you consider attribution solutions – think carefully about how you can potentially use the data you are seeing to action improvements.

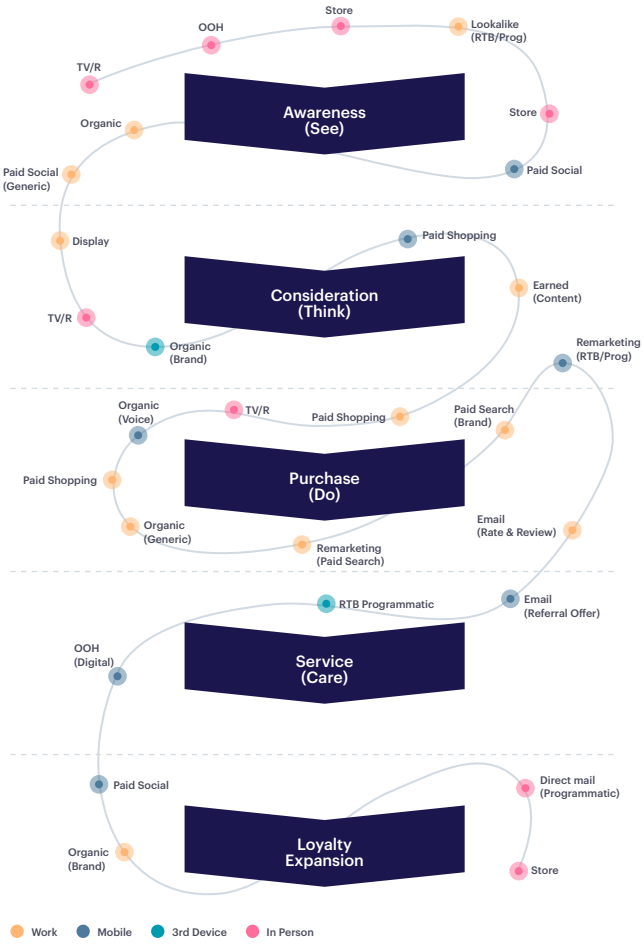


Track the entire retail customer journey - on and offline

The customer buying journey in retail is complex these days. Involving a wide range of devices, media touchpoints and brand interactions that happen both on and offline. And your approach to attribution has to reflect that.

Each and every interaction has an impact.

So, ensure you are able to correctly value top of funnel content, including brand and non-converting activity and include it in your analysis. This is only really possible when your attribution solution in retail is able to leverage sophisticated modelling, Machine Learning and AI techniques that enable you to join together journeys that were previously unidentifiable – to create a full 360 degree customer view that is capable of driving your marketing decisions.



Channel Level Attribution

ONGOING ROI

Removes 3rd party Cookie dependency

Optimisation of media spend by channel

- Spend reallocation (manual)
- Predictive Paid customer aquisition (automated)

Google Analytics

Campaign Level Attribution

ONGOING ROI

Optimisation to individual campaign level

- Granular campaign performance data (manual)
- Bid adjustment (automated)

Google Ads

Microsoft Advertising

Impression Level Attribution

ONGOING ROI

- Optimisation of social display and video
- Optimisation of individual creatives

TikTok

Look for deep dive analysis capability that impacts ROI

With views up, down and across the customer journey at channel, campaign, creative and individual visit level.

It is only by unravelling the complexity of the wide variety of touchpoints on individual customer journeys - and accurately attributing the correct level of impact to each – that you can make the direct link between marketing spend and revenue.

And work at both strategic and tactical levels to improve your marketing programmes from the top down and bottom up.

To drive ROI performance improvement across your marketing mix.



Harness the power of predictive analytics to automate and drive conversion

Finally, you want an attribution solution that enables you to use the full extent of data - collected from right across the customer journey - to improve the performance of your customer acquisition activity.

One that is able to harness the power of Machine Learning and AI to accurately predict propensity to convert and increase ROI by reducing the waste in your campaigns through better targeting, retargeting and significant improvements in CPA and revenue performance.

The example above is from a leading online clothes retailer who used the Corvidae platform to effectively rebuild their existing data and identify that almost 4% of Facebook spend was effectively being wasted. They were able to quickly pivot – and reallocate the spend into the highest performing campaigns to generate an additional £13k per month in revenues.

So effective attribution in retail is a challenging business. But the current environment, in particular, means that connecting marketing media impact to revenue and ROI is non-negotiable.

As you evaluate attribution solutions be careful not to underestimate the importance of ensuring your underlying data is accurate before you start the attribution process. And look for one that has the capability to provide you a view right across the customer journey – and to provide highly actionable insight that enables you to allocate spend more effectively and drive real marketing ROI.

Revenue & ROAS Comparison



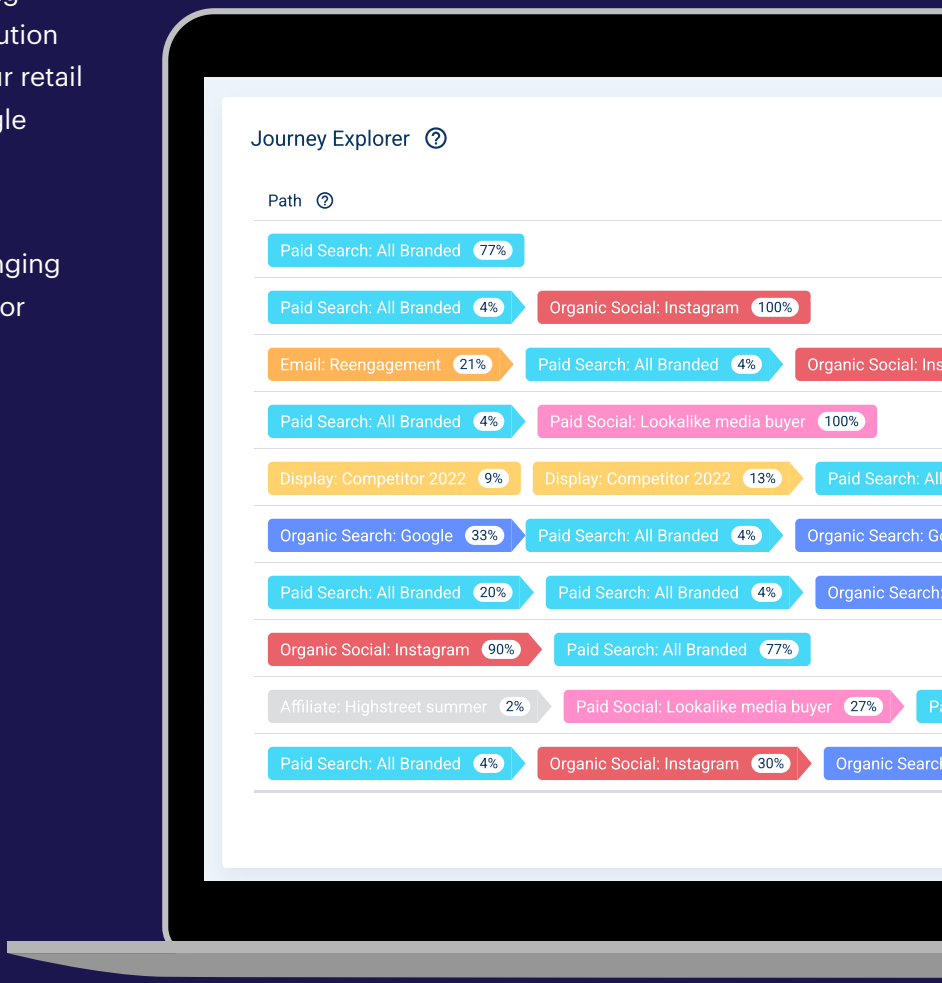
CORVIDAE
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Talk to us about Corvidae

Corvidae is QueryClick's SaaS marketing attribution platform and the only attribution solution which completely rebuilds your retail marketing data, reaching beyond Google 360 and Adobe Analytics.

It reveals **up to 334% more data for attribution** and is providing game changing accuracy and predictive performance for multiple retail businesses.

Get started



"Corvidae reveals up to 334% more data for attribution than market-leading competitors. Providing game changing accuracy and predictive performance."