



CLICK.CO.UK®

PAID SEARCH: WHERE ARE YOUR CONVERSIONS COMING FROM?

MEASURING YOUR CUSTOMERS' PATHS TO CONVERSION



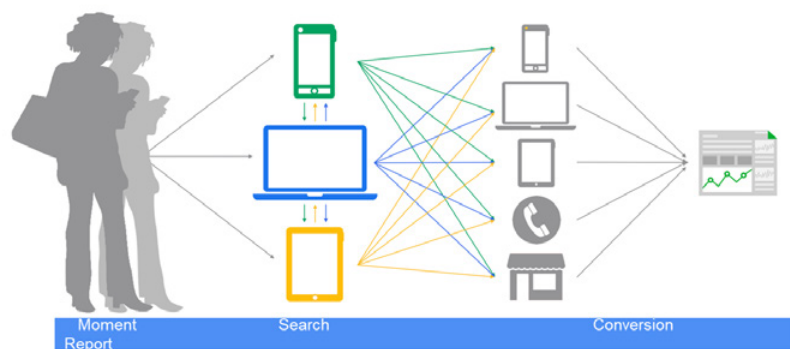
INTRODUCTION

Digital marketing has offered brands completely new possibilities in terms of tracking and measuring almost everything about consumer behaviour across a range of touchpoints.

The level and ease of data available for analysis has transformed beyond the wildest dreams of most early 20th century marketers, particularly since the introduction of Google AdWords in 2000.

The other side of the coin is that the customer journey much more complex and fragmented than ever before, with 90% of consumers moving across devices and 38% across digital channels, according to Google.

Today the customer journey is much more fragmented



Source: Google

With your marketing spread out across so many channels (like organic search, paid search, display, social and email), it can be difficult to determine how each channel is working and which ones are truly driving sales and growing your business.

WHAT IS ATTRIBUTION?

Attribution is a method of looking at the entire customer journey and determining which channels should receive credit for achieving conversions (such as goals, sales or events) and putting the performance of different keywords into the proper perspective, helping you to develop smarter bidding strategies.

This eBook focuses on paid search (PPC), helping you understand the impact and the ROI of your ads by measuring conversions across channels, and using this information to optimise campaigns and inform future budget and strategy.

WHY IS ATTRIBUTION IMPORTANT?

With the rise of mobile devices, customers may interact with your ad to learn more about a product and then call your business, download your app, or finish their purchase on a different device.

So it's essential not to overlook the part a channel has played in influencing a user's journey.

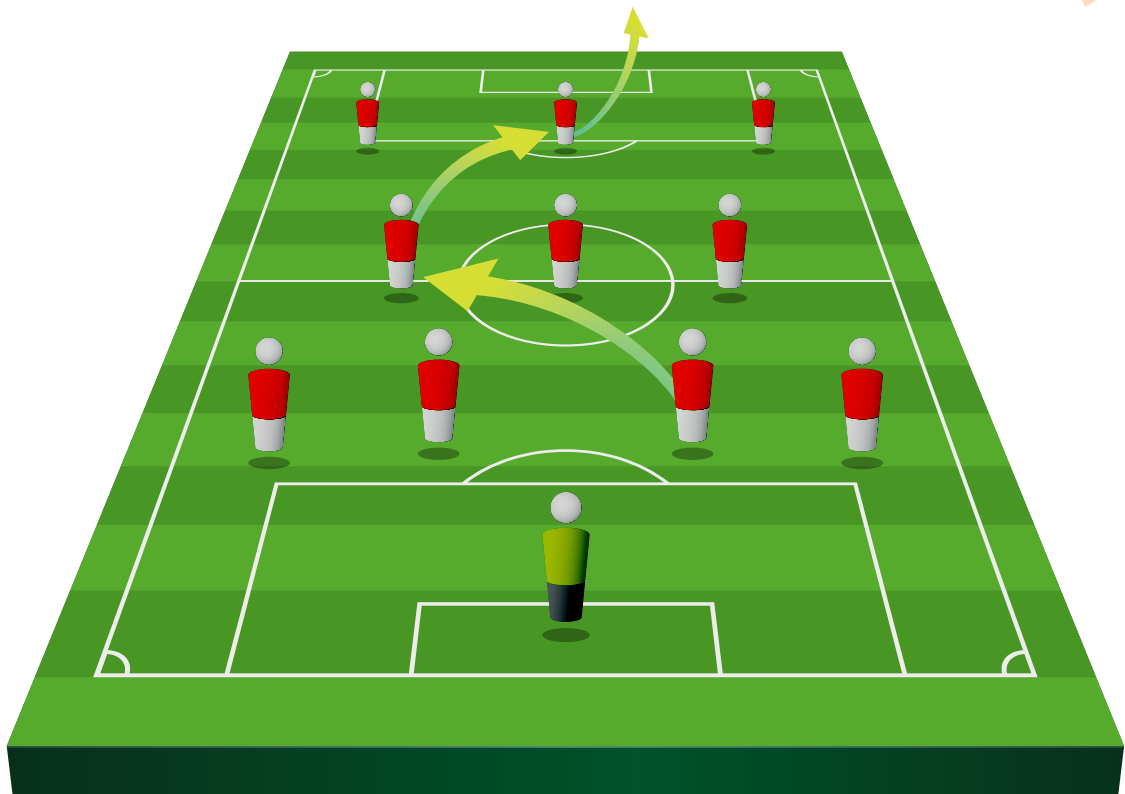
Click Consult's Head of Paid Search, Dave Karellen, uses this helpful football analogy:



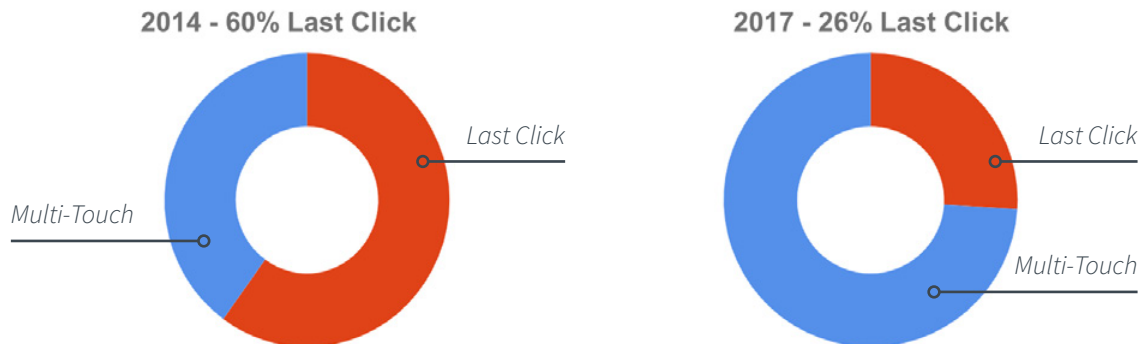
To what extent can you really blame a midfielder if he consistently passes to a striker, but the striker always fails to score?

You would expect a football manager to be able to tell how any of their players performed, even if the game ended nil-nil. So one of the biggest questions you must ask is exactly how you can measure this 'pass completion rate metric'.

The ideal attribution model is one that looks beyond a channel's position in the conversion path, and takes into account a channel's ability to stimulate further interactions. It's difficult, considering most Analytics tracking tools are naturally focused on conversion paths.



Google's own research has shown that there is increasing demand for cross-channel attribution, as businesses wake up to the limitations of the traditional 'last click' model:



ATTRIBUTION MODEL LIMITATIONS

Google's standard rules-based models for attribution focus on a channel's position in the conversion path. More recently, Google has developed a data-driven attribution model that uses both converting and non-converting paths to decide what a keyword is worth, and uses dynamic algorithms to assign credits to touch points based on fractional credit rather than fixed, static rules. This promises to offer the most precise attribution model available so far.



ATTRIBUTION MODELS

The standard attribution model in Google Analytics is 'last click' and for AdWords it is to attribute a conversion to the last AdWords click; this means that the full value of every conversion is attributed to the keyword that generated the click that led the user landing on the site and converting in that session, or when the user then came back direct to the site (often through a bookmark) and converted.

However, this attribution model ignores the value of any interaction that assists a user by moving them down a purchase funnel without actually getting them to convert yet.

There are several other attribution models to consider when managing your paid search campaigns. Each has pros and cons, and so the onus is on an advertiser to decide which one most adequately meets their business objectives.



Last click

The last interaction receives 100% of the credit for the sale/conversion (more detail in the following section).



Last non-direct click

Direct traffic is ignored here, in favour of the last channel the consumer clicked through prior to converting.



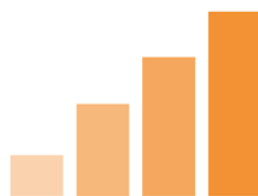
First click

The customer's first interaction with one of your brand's channels receives 100% of the credit (more detail in the following section).



Linear

Each channel with which the consumer interacts is given equal credit for the conversion.



Time decay

This attributes more value to the channels the closer they get to conversion.



Position based

40% of the credit for the conversion goes to both the first and last interaction and the remaining 20% is distributed to the intermediate stages.

An example purchase funnel with three 'clicks':

Action	Searches for...	Searches for...	Bookmarks page
Keyword	socks	yellow socks	direct / (none)

In the example below, here is how each model would attribute a conversion in the last session:

Attribution model	Socks	Yellow socks	Direct / (none)
Last Non Direct Click		£30	
Last Click			£30
First Click	£30		
Linear	£10	£10	£10
Time Decay	£5	£10	£15
Position Based	£12	£6	£12

Custom

This allows for additional weighting to be given to certain channels or if the channel has driven certain engagement metrics. However, the model doesn't allow you to differentiate between a second or fourth interaction in a particularly long path to conversion.

Data-driven attribution (DDA)

A recently introduced model that gives credit based on how people search for your brand and decide to become your customers using data from your account to determine which ads, keywords and campaigns have the most impact on your business goals (you need to have enough clicks and conversions to qualify for this model - see page 10 for more details).

COMPARING THE MODELS

The 'Search Funnels' reports in Google AdWords and the 'Model Comparison Tool' in Google Analytics can be used to find and analyse attribution data. You can select up to three attribution models at a time and compare the results generated through each model in a consolidated table:

Secondary dimension

advanced

MCF Channel Grouping	Last Interaction		Linear		First Interaction		% change in Conversions (from Last Interaction)	
	Conversions	Conversion Value	Conversions	Conversion Value	Conversions	Conversion Value	Linear	First Interaction
1. Organic Search	1,499.00 (46.41%)	£51,232.49 (43.91%)	1,761.01 (53.35%)	£61,079.58 (52.35%)	2,185.00 (66.19%)	£77,066.76 (66.06%)	17.48% ↑	45.76% ↑
2. Direct	1,341.00 (40.62%)	£49,787.94 (42.67%)	1,157.61 (35.07%)	£42,828.02 (36.71%)	806.00 (24.42%)	£29,415.14 (25.21%)	-13.68% ↓	-39.90% ↓
3. Referral	267.00 (8.09%)	£9,920.07 (8.50%)	167.89 (5.09%)	£6,251.36 (5.36%)	70.00 (2.12%)	£2,693.16 (2.31%)	-37.12% ↓	-73.78% ↓
4. Email	189.00 (5.73%)	£5,576.96 (4.78%)	209.48 (6.35%)	£6,358.49 (5.45%)	235.00 (7.12%)	£7,342.40 (6.29%)	10.84% ↑	24.34% ↑
5. Social Network	5.00 (0.15%)	£150.89 (0.13%)	5.00 (0.15%)	£150.89 (0.13%)	5.00 (0.15%)	£150.89 (0.13%)	0.00% =	0.00% =

Show rows:

10

Go to:

1

1-5 of 5

Source: LogicSpot

ATTRIBUTION ANALYSIS

Attribution analysis can help you to understand the true effectiveness of your particular keyword and also help formulate bidding and advertising strategy. For instance, you can bid more aggressively on keywords that generate conversions through the 'first click' attribution model as you are aware that they will lead to sales/conversion action later in the conversion path.

You can use your findings to help plan content and to understand what your visitors are looking for.

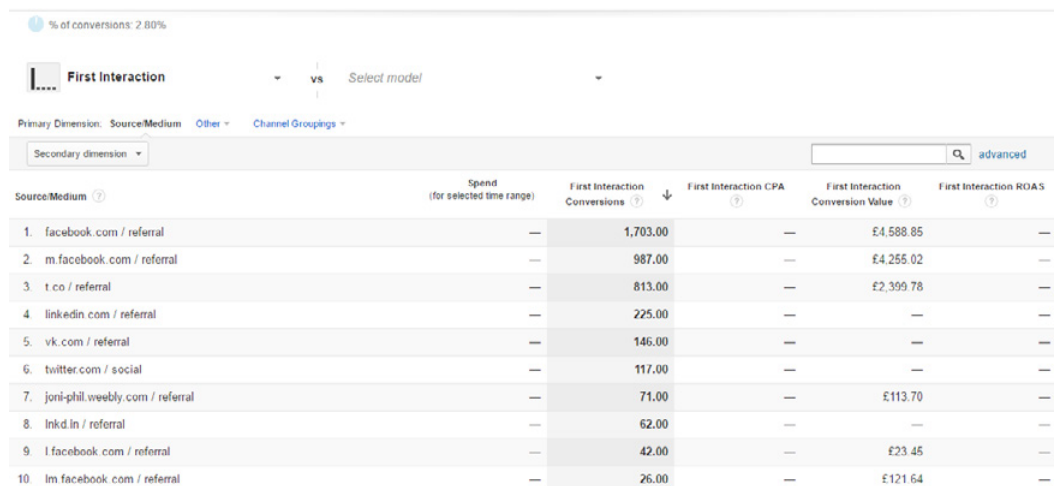
THE FIRST AND LAST CLICK MODELS

Though we would recommend a more thorough method of attribution modelling, as a quick overview the standard first and 'last click' methods, despite their limitations, can give you a good idea of how your content is performing across various platforms.

First click

The below is an example of conversions for which the first interaction was a share on various social platforms. Here you can see which platform is serving your present content strategy best with a view to rethinking approaches for platforms which are underperforming, specifically looking to adapt content to the forms of content which perform better on that specific site.

'First click' indicates that a conversion began with a specific referral (in this case, from social media) and, though there may have been many interactions since, a cookie was placed during this particular visit and the conversion took place within a range of time so will be attributed to this particular source (so ensure you calculate the standard lifecycle of a conversion to ensure accurate reporting).



% of conversions: 2.80%

First Interaction vs *Select model*

Primary Dimension: Source/Medium Other Channel Groupings

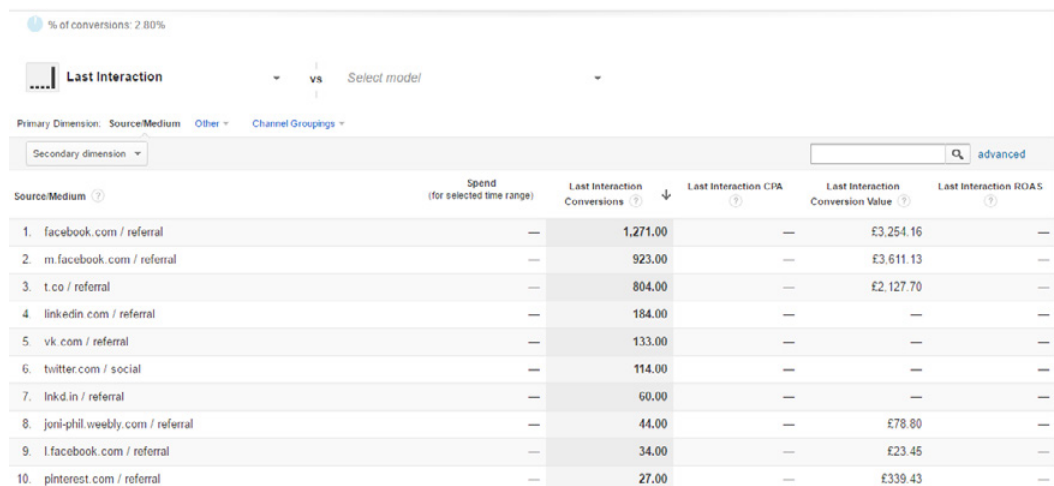
Secondary dimension

Source/Medium	Spend (for selected time range)	First Interaction Conversions	First Interaction CPA	First Interaction Conversion Value	First Interaction ROAS
1. facebook.com / referral	—	1,703.00	—	£4,588.85	—
2. m.facebook.com / referral	—	987.00	—	£4,255.02	—
3. t.co / referral	—	813.00	—	£2,399.78	—
4. linkedin.com / referral	—	225.00	—	—	—
5. vk.com / referral	—	146.00	—	—	—
6. twitter.com / social	—	117.00	—	—	—
7. joni-phil.weebly.com / referral	—	71.00	—	£113.70	—
8. lnkd.in / referral	—	62.00	—	—	—
9. l.facebook.com / referral	—	42.00	—	£23.45	—
10. lm.facebook.com / referral	—	26.00	—	£121.64	—

This model can be appropriate if your campaign is designed to raise initial awareness and/or interest.

Last click

Similarly, 'last click' shows the number of conversions and their value from visits with a last interaction before conversion that have come from various platforms. Though the value of these conversions is obviously important, the main use of this section of Analytics is to monitor the performance of and inform your content strategy. You can draw inference from various performances, and look to capitalise on success and improve on underperforming channels.



The screenshot shows a web analytics interface for 'Last Interaction'. At the top, it indicates '% of conversions: 2.80%'. Below this, there are filters for 'Primary Dimension: SourceMedium' and 'Secondary dimension'. The main table displays data for 10 different source mediums, ranked by 'Last Interaction Conversions'. The columns include 'Spend (for selected time range)', 'Last Interaction Conversions', 'Last Interaction CPA', 'Last Interaction Conversion Value', and 'Last Interaction ROAS'.

SourceMedium	Spend (for selected time range)	Last Interaction Conversions	Last Interaction CPA	Last Interaction Conversion Value	Last Interaction ROAS
1. facebook.com / referral	—	1,271.00	—	£3,254.16	—
2. m.facebook.com / referral	—	923.00	—	£3,611.13	—
3. t.co / referral	—	804.00	—	£2,127.70	—
4. linkedin.com / referral	—	184.00	—	—	—
5. vk.com / referral	—	133.00	—	—	—
6. twitter.com / social	—	114.00	—	—	—
7. lkd.in / referral	—	60.00	—	—	—
8. joni-phil.weebly.com / referral	—	44.00	—	£78.80	—
9. l.facebook.com / referral	—	34.00	—	£23.45	—
10. pinterest.com / referral	—	27.00	—	£339.43	—

This model can be useful if your campaign is designed to attract people at the moment of purchase. However, it can be misleading since our path to purchase usually starts long before the last click.

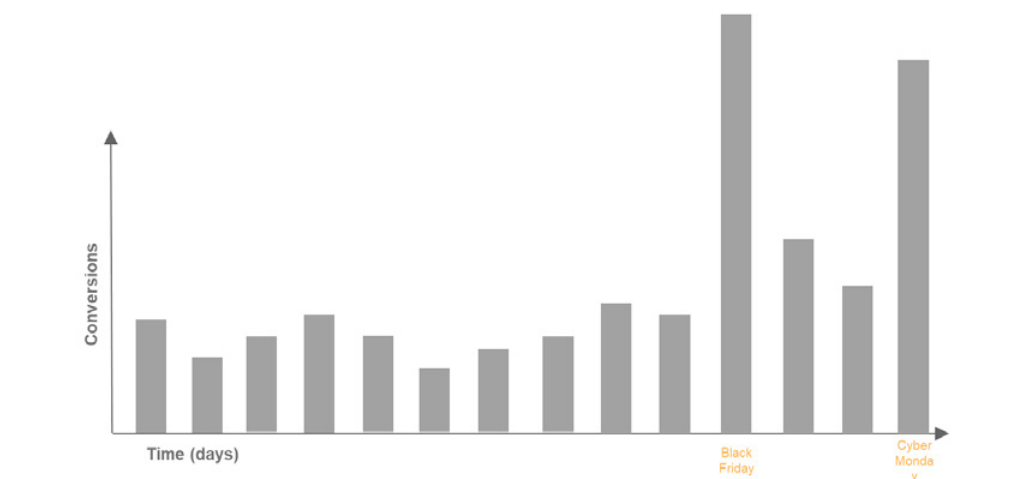
THE DATA-DRIVEN SOLUTION

Data-driven attribution (DDA) is different from the other, rules-based, attribution models, in that it uses your conversion data to calculate the actual contribution of each keyword across the conversion path. Each data-driven model is specific to each advertiser.

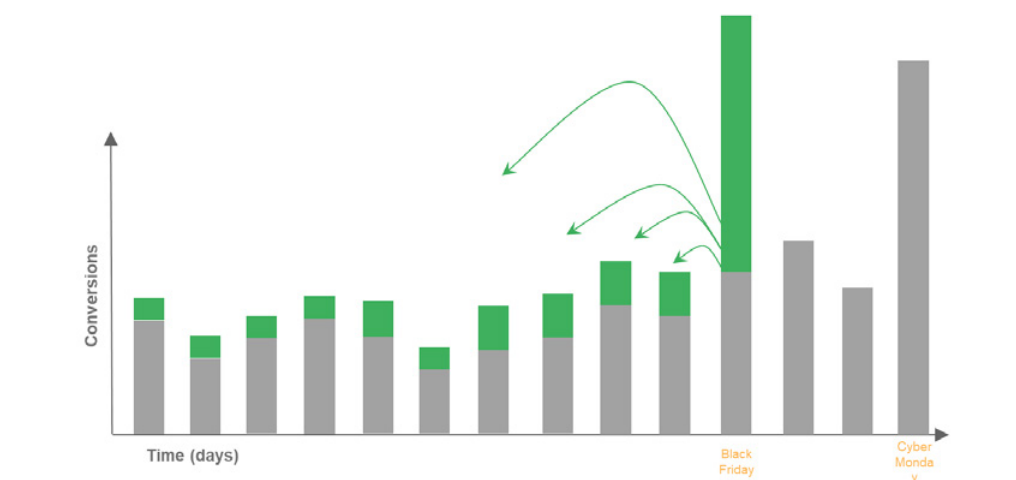
While the DDA model requires a minimum of 15,000 clicks and at least 600 conversions within 30 days to be used with an account, it promises to offer the most precise attribution model available so far.

Obviously this level of insight into the conversion path of your consumers offers a tremendous opportunity for increasing ROI and optimising campaigns to ensure the best possible performance by taking into consideration all available interactions across all channels.

This contrasts with the 'last click' model, which doesn't allow you to see the value of the consideration period in the run up to a sale, as these graphs demonstrate:



'Last click' insights into sales and events



DDA attributes conversions to all contributing clicks, showing that two thirds of revenue can be attributed to searches that took three to four weeks before the event

There are multiple benefits of DDA:

- Values all steps on the conversion path
- Calculates the incremental impact on conversion rate
- Tailored to you and your customers' behaviour
- Takes converting and non-converting paths into account
- Works even on very short conversion paths
- Not static, and constantly updating
- Quick and easy to implement



CONCLUSION

Key takeaways:

- When evaluating the effectiveness of your channels, use attribution models that reflect your advertising goals and business models. Obviously, this means a clear understanding of the business objectives as well as marketing goals is paramount.
- Choose an attribution model that reflects the goals for your AdWords account. Certain strategies tend to be growth oriented, while others are more focused on efficiency.
- You can use the Model Comparison Tool in Google Analytics to compare how different attribution models up to three) impact the valuation of your marketing channels. By experimenting using the tool, you can increase or decrease investment in a channel as guided by the model output, then observe your results in the data.
- While not all keywords in paid search campaigns will generate conversions and revenue at your target CPA (cost per acquisition) or ROI, you should look to analyse their performance in relation to the full customer journey, as they may be assisting conversions for which other keywords or sources are getting credit.

There is no single, solution to attribution – it's not yet a perfect science. But it is a way for advertisers to get better answers on the value of media investments than their current strategy allows.

While the ultimate goal of attribution is to be able to accurately assign varying targets on each channel, it is important to note that attribution analysis can often provide secondary insights that are just as critical to overall performance. If a channel is failing to either convert or stimulate further interactions, then yes, we should be assigning less attribution value. But moreover, we should be looking at why this is the case. The content and ad copy may vary greatly between this channel and others. If so, then it is important to address this disparity to ensure there is a seamless experience between channels.



EXPERTS IN SEARCH. SIMPLE.

ABOUT US

Located in North West England, Click Consult is a multi award-winning search marketing agency with a focus on organic (SEO) and paid search (PPC), with over 70 professionals employed and with a portfolio of over 60 clients from across the UK, Europe, Americas and Australia.

Click was named Best Digital Agency and Best Large eCommerce Agency in 2017, adding to its long list of other awards and accolades, and also ranks within both RAR's and Econsultancy's 'Top 100 Digital Agencies', and Prolific North's 'Top 50 Digital Agencies'.

ADDITIONAL RESOURCES

Blog

Click Consult regularly posts actionable insights on its blog – dealing with all aspects of search marketing. From technical SEO to PPC, content marketing and Analytics advice, the Click Consult blog has something for everyone of any ability.

eBooks

Click Consult produces in depth eBooks on all aspects of search marketing on a regular basis, dealing with the latest best practices, changes to standard practices, methods of improvement and more.

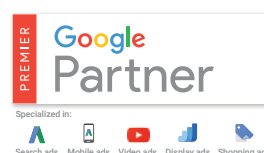
Infographics

Sometimes what you need is a quick point of reference about complex subjects. Thanks to its team of highly talented designers, Click Consult is also able to distil its vast experience into easy to understand visual content.

Follow us on [Google+](#), [Facebook](#), [Twitter](#) or [LinkedIn](#), or to find out what Click Consult can do for you, call:

0845 205 0292

OUR ACCREDITATIONS



OUR AWARDS



OUR TECHNOLOGIES

monitor **TRAX** rank **TRAX** feed **TRAX** link **TRAX** pro **TRAX** page **TRAX**