Advanced
Social media conversion attribution

Myth: Social media ROI is impossible to measure

Touch point?

The marketing channel that sends traffic in, with the goal to make or assist to a conversion.

For example search, email, referral, social network, paid ads.

Day 1	Day 5	Day 7 Bought a book!
FACEBOOK	SEARCH	PAID AD
Touchpoint	Touchpoint	Last Touchpoint

Before this customer bought a book, it came first from facebook, then a few days later searched your website, and after a week bought a book. But who gets credit for this sale?

The myth of ROI

One of the biggest myths about social ROI is that it's immeasurable. Where does this myth come from?

The first problem is that the last touch point impact for social media is limited. Traditionally companies who measure touch points use the last touch point attribution model. By using this model search and affiliates would take up the bulk of attribution.

Search is funneling demand that already exists, the customer just does not know where yet. Affiliates are usually cash back and discount websites, where the decision is already made when the user claims the coupon or discount code.

Social media and display advertising speaks to customers when they are not already in existing purchase funnels. Those interactions and awareness take much earlier place in the purchase funnel. Simply put, from a last touch point perspective, they don't make much impact.

Instead that companies adjust their attribution models to a model that is able to attribute earlier interactions, they take the easy way out and stick with their current model. Most analytic programs use a last touch attribution.

From a last touch point perspective, social media is very hard to measure. The solution is to switch to a different attribution model which we will explain in more detail in this paper.

Why use attribution models at all?

Attribution modeling measures those channels who prove to be most effective, and provide valuable information to justify marketing budgets.

Without measuring marketing channel effectiveness, you are basically flying blind.

Here are the most important reasons to use attribution modeling:

Justify marketing budgets
Marketing channels that have the biggest impact on ROI are the easiest budgets to justify.

Optimize marketing budgets
Knowing the most optimal mix of digital marketing channels that provides the highest ROI, allows for budget optimization for the strongest combination of channels.

Outperform competitors
Measuring and acknowledging impact of marketing channels early stage, creates awareness and brand affinity long before competitors focusing on later stage marketing channels.

Fair attribution
Assignment of credit and budget is more fairly based on campaign and marketing goals. Every marketing channel does make a contribution towards the eventual sale. Different positions in the funnel have different purposes for each marketing channel.
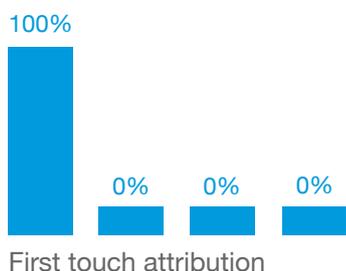
Single touch attribution models

Let's start with some basic attribution models before we jump in to explain the more advanced attribution model LeadSocial uses.

100%

0%   0%   0%

Last touch attribution
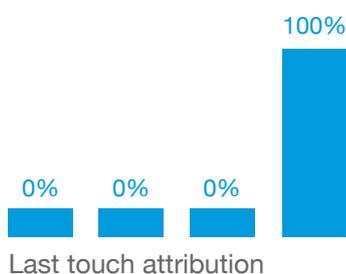
Last Touch Attribution
Most analytics and Google Analytics by default, use the last touch attribution model.

This model only credits the last touch point and assigns no value to previous touch points. Because of this limitation, many marketers have abandonded this method.

SEARCH → FACEBOOK → REFERRAL → PAID AD

Conversion value
100%

100%

0%   0%   0%

First touch attribution

First Touch Attribution
This model assigns all credit to the first touch point. Nurturing potential customers and closing the sale is as important. Which immediately shows the models' flaw. It is most useful for brands who purely focuses on brand discovery.
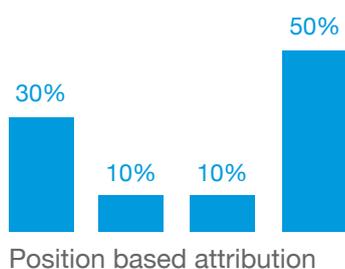
SEARCH → FACEBOOK → REFERRAL → PAID AD

Conversion value
100%

Multi touch attribution models

Multi touch attribution forms the fundament of many custom models. Each model assigns credit to each touch point.
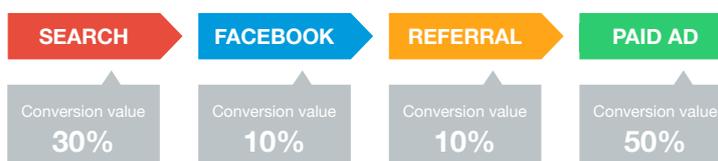

Linear attribution
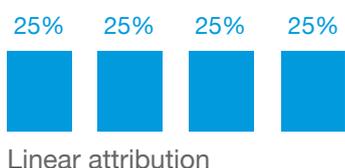
Linear

The linear attribution assigns each touch point an equally amount of credit. It is best used when it is hard to determine an individuals touch point value.

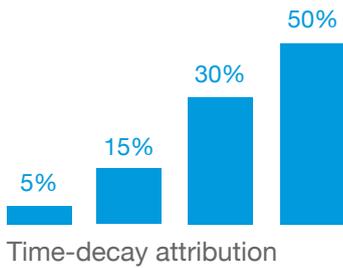| SEARCH	FACEBOOK	REFERRAL	PAID AD
Conversion value **25%**	Conversion value **25%**	Conversion value **25%**	Conversion value **25%**

Position based attribution

Position based

The position based (also known als U-model) attribution model gives more credit to specific positions. Usually the first and last touch point. This model assumes the first and last touch point are the most important and deserves more credit than the touch points in between.

A popular distribution is the 80/20 rule, which credits 80% value to the first and last touch points. The remaining 20% is distributed among all the touch points in between.

SEARCH	FACEBOOK	REFERRAL	PAID AD
Conversion value **30%**	Conversion value **10%**	Conversion value **10%**	Conversion value **50%**

Multi touch attribution models
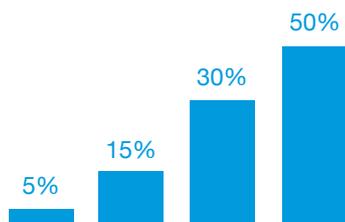

5% 15% 30% 50%

Time-decay attribution

Time-decay

The time-decay model progressively attributes the touch point closest to the conversion.

This model has the least weaknesses and every touch point is giving credit for their work towards the conversion. The discussion is whether how much the last touch should be attributed, but overall it makes sense to attribute less to touch points further away from the conversion.

SEARCH | FACEBOOK | REFERRAL | PAID AD
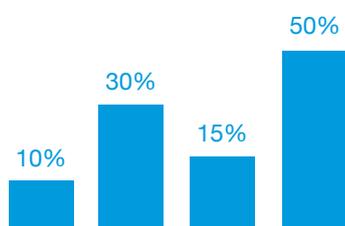
| Conversion value | Conversion value | Conversion value | Conversion value |
| **5%** | **15%** | **30%** | **50%** |

LeadSocial Attribution Model

The time-decay model forms our base

This is possible with our extended custom model

Attribution also relative to time between touch points

Base model

Our goal is to make the most fairly attribution model for every marketing channel involved. Yes, we do save more data for social touch points but every touch point passes through the same algorithm and model.

We archive all processing results and raw data logs. To back up your reports by hard data and how we came to specific numbers on request.

Since the time decay model has the least weaknesses and attributes earlier touch points progressively, this is our starting point for our custom model.
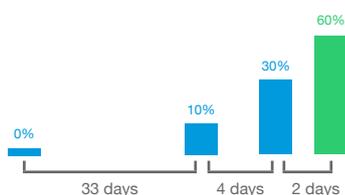
Extended time decay model

The custom model is extended with page depth, time on site, and interval between touchpoints.

The more pageviews a touch point generates the more important it was for the conversion. Time on site is a bit tricky to tell. We take time on site into consideration but does not give it as much weight as page depth.

If the time between touch points is longer than 30 days, the previous touchpoint would not receive any attribution at all. This is only **between** touch points, the conversion as a whole may take longer than 30 days.

The interval is relative to the time passed. The longer the touch point is away from the touch point coming after, the less attribution it receives.
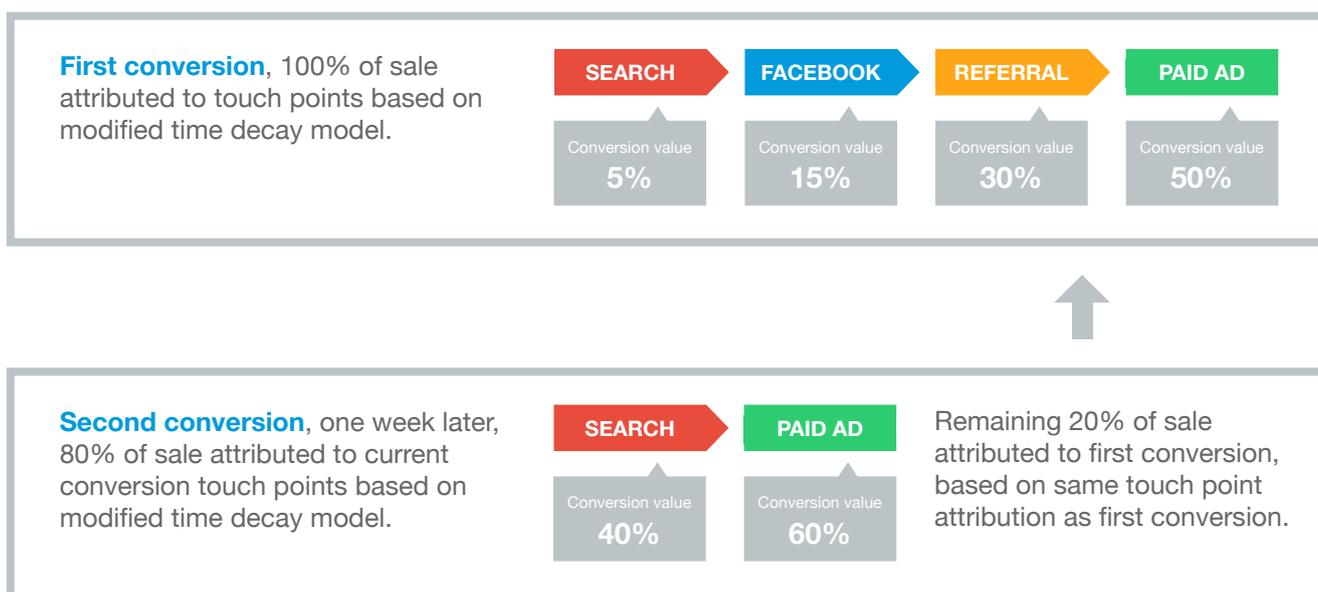
LeadSocial Attribution Model

Following conversions

The first conversion is usually hardest, your brand recognition is low, the working of the website is unknown, and customer loyalty and trust needs to be build up.

Any following conversions can benefit from earlier efforts. The conversion path for following conversions is usually shorter, simply because the customer already knows your brand and the checkout flow. It would be unfair for the marketing channels to be cut out of following conversions when previous efforts played a role to make the latest conversion short and sweet.

To solve this a **small portion** of the current sale is taken and attributed to previous conversions from the past 30 days. This portion is also based on a time decay model. Previous sales within 30 days closer to the current conversion will receive a higher portion than previous conversion farther away from the latest conversion.

First conversion, 100% of sale attributed to touch points based on modified time decay model.

SEARCH	FACEBOOK	REFERRAL	PAID AD
Conversion value **5%**	Conversion value **15%**	Conversion value **30%**	Conversion value **50%**

Second conversion, one week later, 80% of sale attributed to current conversion touch points based on modified time decay model.

SEARCH	PAID AD
Conversion value **40%**	Conversion value **60%**

Remaining 20% of sale attributed to first conversion, based on same touch point attribution as first conversion.

Tracking conversions

<body>

Paste first snippet on every page before the body tag (1 minute)

Thank you

Paste the second snippet of code at the thank you page **after** a conversion (sale, booking, signup, download etc.) (10 minutes)

It is no problem to place the second snippet on different conversions, for example one for signups and one for a sale.

Tracking method

Our tracking method registers all referral traffic, eventhough the visitor did not yet interact with your social media channels. We focus on the conversion path from the beginning to the end, and do not start tracking only when social is involved. This gives you a more fairly attribution across marketing channels.

Our attribution model works with two snippets of code. If you have implemented Google Analytics and the Google conversion pixel, then you know how to implement our tracking system. It takes about 10 minutes of work.

Note: No UTM codes are required in facebook posts to track post level sales. We can even track sales without links, like photo's. If you do already use UTM codes, we use it to increase accuracy.

By implementing our tracking method you gain insights in 2 out of the 5 social ROI methods.
- **Direct sales**
- **Assisted sales**
- Media value
- Brand loyalty
- Brand reach

In conclusion

Attribution conversion has always been a challenge. The weaknesses of some widely used models became more prominent as social media received more attention within businesses. This made fair conversion attribution even more challenging than it already was.

Fair attribution is not only better for the marketing channels involved, but also as a whole for the companies bottom line. It is not about what is the most obvious and easiest way to track conversions, but by understanding the real contribution of every marketing channel involved. This can only be understood when conversions are fairly attributed.

About LeadSocial
LeadSocial helps social media marketers, managers & experts, to measure their return on investments on social media.

We do this by deeply analyzing social data and back our reports with hard data and real numbers from different sources.

For more information, visit www.leadsocial.com