Attribution: digital marketing's broken promise

A survey-based report from QueryClick

June 2019

QUERYCLICK

Attribution is broken, and it's screwing up your entire approach to digital marketing

by Chris Liversidge, founder and managing director, QueryClick

All businesses love Paid Search. Easy to switch on and off. Immediate results. Easy to measure, easy to see revenue flow in when you spend. It makes for a happy team and a happy boss.

And of course a happy boss means less pressure. So what's wrong with this picture?

At a glance, Paid Search (or "PPC") looks like the easiest to understand of all marketing channels - especially for someone who doesn't work at the coalface. It seems so clear and uncomplicated in its connection to spend and return.

But this comfortable reversion to PPC when other channels look less connected to driving revenue growth has unbalanced your digital marketing strategy and created a bigger problem - because everyone's doing it. The channel has now become saturated, and naturally results are no longer what they were. Where do you go now your go-to channel is letting you down, and how do you justify it to those who put you in this position?

Knowing that results and return on investment are sub-optimal must surely be a major source of considerable stress for those charged with maximising the value of marketing budgets, even if that stress is concealed beneath calm exteriors.

At least some of the scenario above is very real: we're approaching two full decades of marketing strategy "optimisation" that is routinely informed, or even driven, by attribution models which confer unjustifiable significance on the "last click", inexorably biasing marketer towards paid search, in the quest for instant, attributable results. The rest? Well, until now we weren't sure.

But to confirm our suspicions about the causes and consequences, we commissioned a survey of 200 digital marketers – at various levels, but all of them people who work at the coalface, just like you – for their views. This report contains the results, and highlights:

- The extent to which digital marketing decisions are influenced by factors that ought not to play a part
- The degree to which the digital marketer's work is hampered by a lack of really good attribution models and solutions, no matter how big the companies behind today's popular solutions
- Why this will mean that programmatic isn't going to solve everything for you without fixing broken attribution

Of course, it's not all bad news. Attribution is improving all the time; our own attribution platform, Corvidae, applies machine-learning to overcome the insufficient/dirty data problem and to forecast the future. In a digital environment that offers little room for genuinely powerful performance improvements, Corvidae changes the rule book for attribution, offering you the ability to take back control of your decision-making, to believe in maximising ROI again and to think long term. If you like the sound of that, I hope we end up speaking.

Whether that happens or not, I hope you find our report interesting, informative and helpful in improving performance.

Chris L

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The survey

Sample

Respondent employers/ organisations

Our respondents were all digital marketing professionals from retail (UK top 500), travel (UK top 100) and finance (UK top 100) businesses.

Respondents

We set out to survey certain aspects of life 'at the coalface', so our respondents were not overly senior: marketing managers and senior marketing managers, often with "digital" in their job title too, with a say in the investment decisions across multiple digital marketing channels. "Directors" and "Heads of", for example, were excluded, as were junior roles.

Of 200 respondents, 175 were male and 25 female. Of the 200, 175 were aged between 35 and 54, suggesting that, at such premium companies, "manager" remains a title of value, and most likely reflecting significant experience.

Methodology

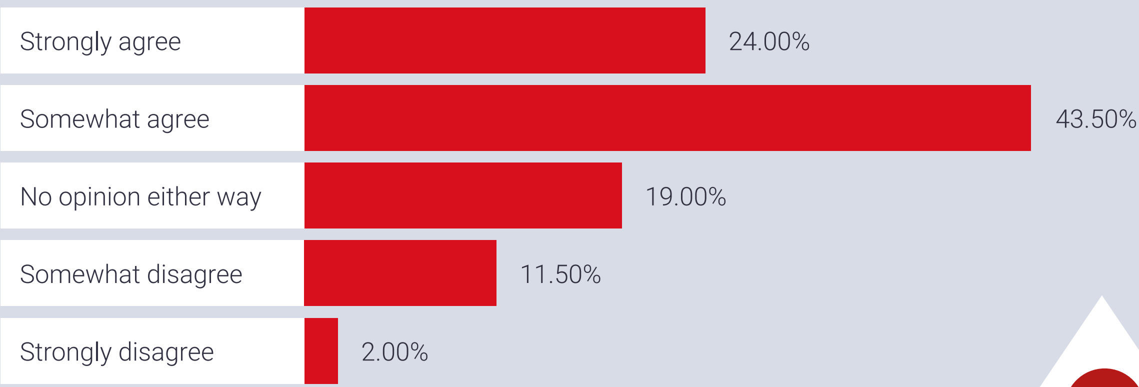
The survey was carried out on behalf of QueryClick by independent survey consultants Censuswide, over a two week period in the first half of May 2019. Respondents were sourced by Censuswide according to the parameters above, with responses collected online. Qualifying questions ensured that responses were collected only from respondents meeting the definition above. Both the survey and Censuswide are compliant with the Market Research Society code of conduct.

Digital marketing decision-making

Short-termism

More than two-thirds of respondents (67.5%) report that internal stakeholder pressure restricts their option to employ marketing activity that has a longer payback period than last-click measures. Only 13.5% of respondents disagree that this is the case.

"Internal stakeholder pressure restricts my option to employ marketing activity that has a longer payback period than last-click measures."



Base: all respondents, n=200.

Whenever such pressure exists, and unless it is successfully resisted either through defiance/force of character (at one extreme) or the persuasive powers of objective, assumed-to-be-accurate data, it is probable that the marketing activities of the organisation in question are not optimised for sustainable, long-term success – which makes this a very significant admission from our respondents.

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> ***Chris Liversidge:***
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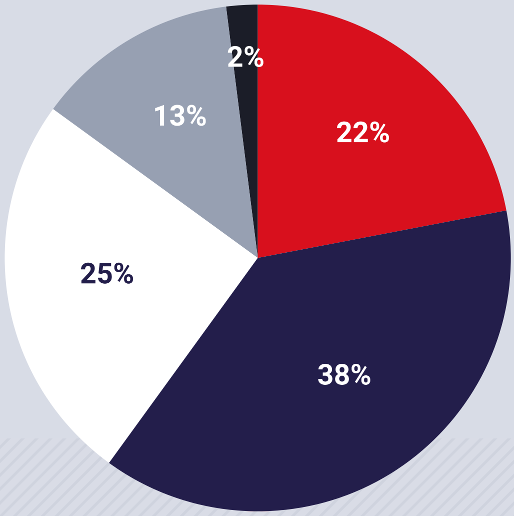
> Given the high proportion of respondents investing in programmatic [see ***Programmatic*** section, p. 22], this response strongly suggests that digital marketers continue to view (and, crucially, have persuaded their internal stakeholders to view) programmatic advertising very much a 'direct response' tool. This means programmatic's true value, as a top or mid-funnel activity that can hit the sweet spot of delivering branding value and conversion, is completely wasted. We discuss the potential for Programmatic to target potential new customers cost-effectively but precisely, later in the report."

The emphasis on 'last-click' activities means it is no surprise to find that 60% of respondents feel under pressure to over-invest in Paid Search, precisely because of its instant results and easy measurability. Only 15% of respondents don't feel pressure to do so.



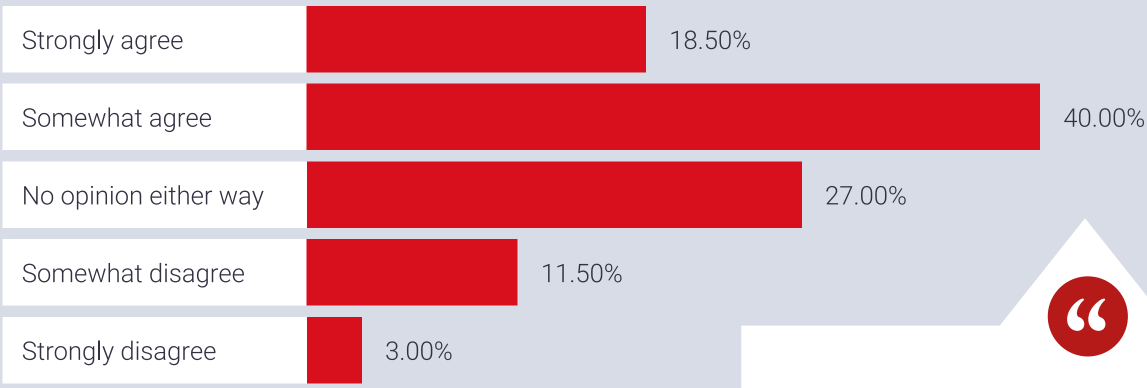
"I feel under pressure to over-invest in Paid Search because of its instant results compared to other channels and its easy measurability."

- Strongly agree
- Somewhat agree
- No opinion either way
- Somewhat disagree
- Strongly disagree

Base: all respondents, n=200.

Probably as a further consequence of the as-yet-undefined 'pressure' to invest in particular channels, almost 6 in 10 respondents (58.5%) suspect that their SEO and PPC strategies are not aligned for maximum overall return on investment (ROI) for their marketing budgets.

"I suspect that our SEO and PPC strategies are not aligned for maximum overall ROI."



Base: all respondents, n=200.

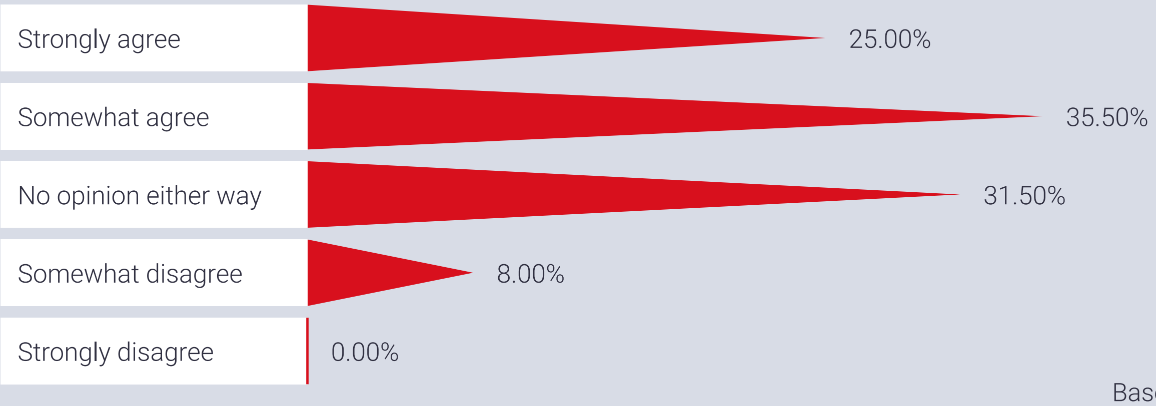
We also examined the relationship between feeling under pressure to over-invest in Paid Search and misaligned SEO/PPC strategies. The hypothesis would suggest a substantial correlation but, curiously, only 59% of respondents agreed with both statements. This is a statistically identical proportion to the 58.5% of respondents from the overall sample which suspects misaligned strategies.

Chris Liversidge:

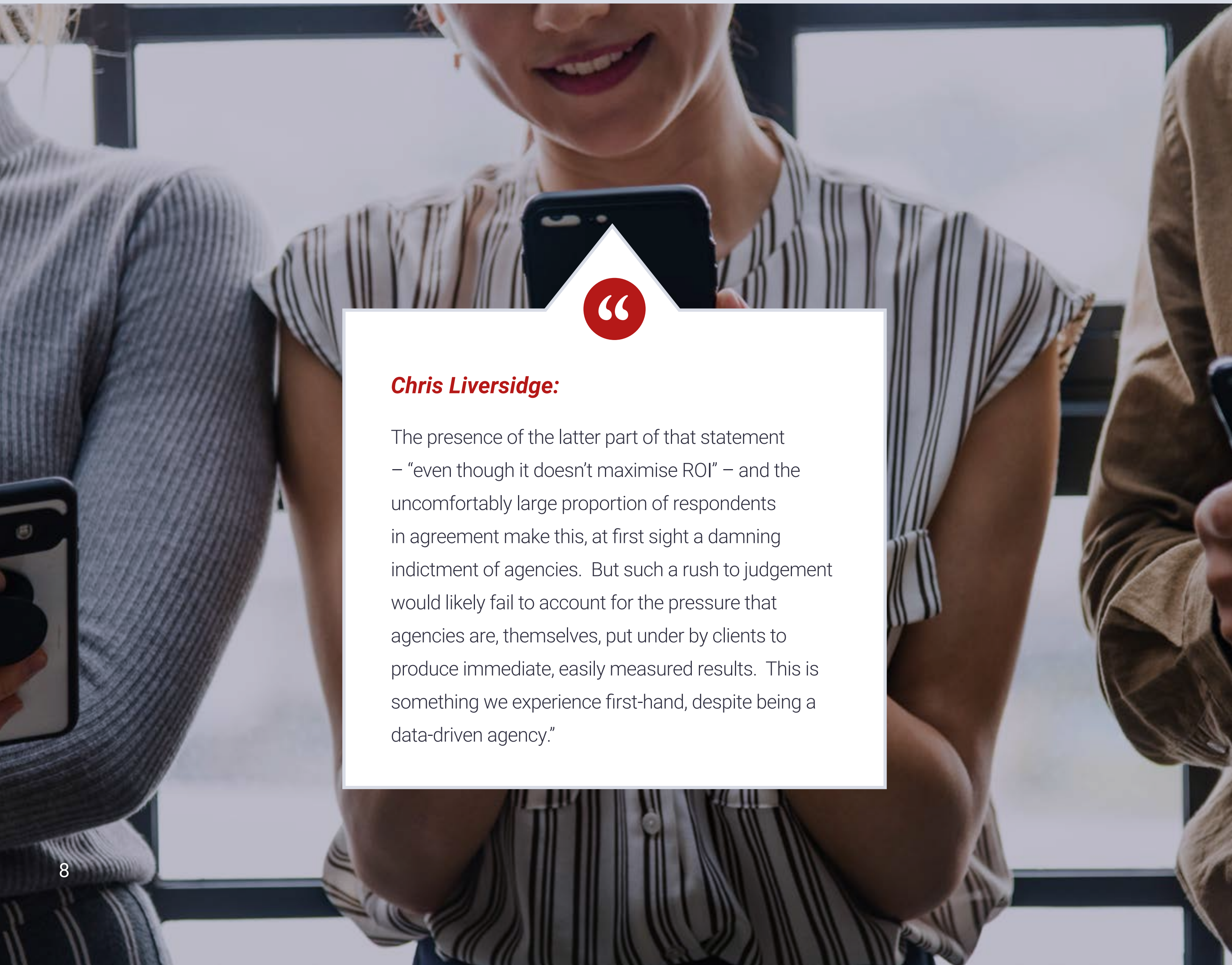
We might have expected to see a bigger overlap between those feeling under pressure to over-invest in Paid Search and those who feel their SEO and PPC strategies are out of whack. The absence of a larger overlap could be another indicator that, actually, digital marketing managers are operating in something of a vacuum as far as accurate information is concerned. Alternatively it may signify that, while digital marketing managers feel the pressure, they are successfully resisting it at least to some degree.

In the opinion of our respondents, agencies – which often claim to help their clients maximise ROI – are culpable for behaviour that does not help to maximise ROI. A substantial 60.5% of respondents agree that agencies tend to over-focus on PPC because it enables the agency to demonstrate immediate results, even though it doesn't maximise ROI for clients.

"Agencies tend to over-focus on PPC because it enables the agency to demonstrate immediate benefits, even though it doesn't maximise ROI for clients."

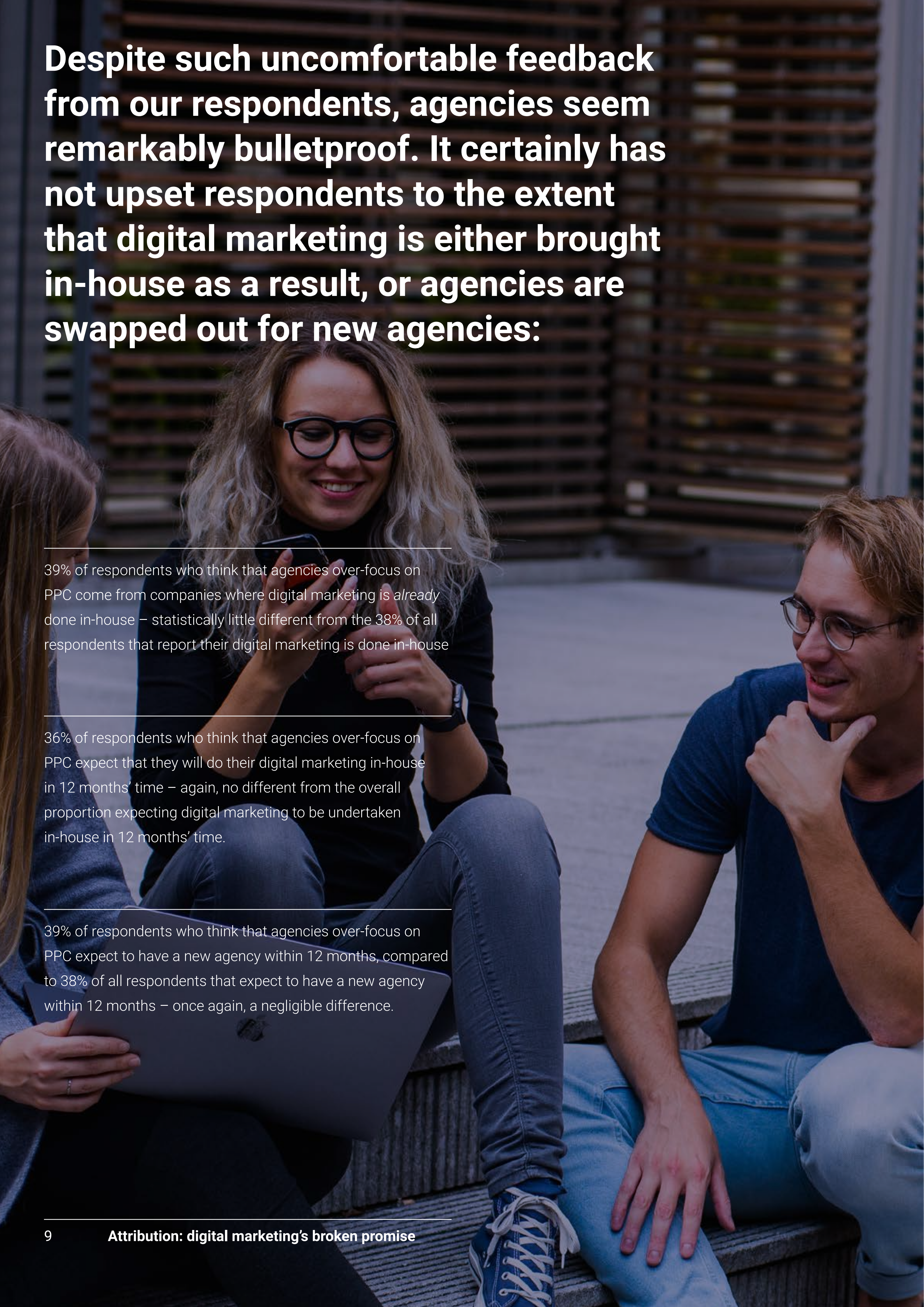


Base: all respondents, n=200.



Chris Liversidge:

The presence of the latter part of that statement – "even though it doesn't maximise ROI" – and the uncomfortably large proportion of respondents in agreement make this, at first sight a damning indictment of agencies. But such a rush to judgement would likely fail to account for the pressure that agencies are, themselves, put under by clients to produce immediate, easily measured results. This is something we experience first-hand, despite being a data-driven agency."



Despite such uncomfortable feedback from our respondents, agencies seem remarkably bulletproof. It certainly has not upset respondents to the extent that digital marketing is either brought in-house as a result, or agencies are swapped out for new agencies:

39% of respondents who think that agencies over-focus on PPC come from companies where digital marketing is *already* done in-house – statistically little different from the 38% of all respondents that report their digital marketing is done in-house

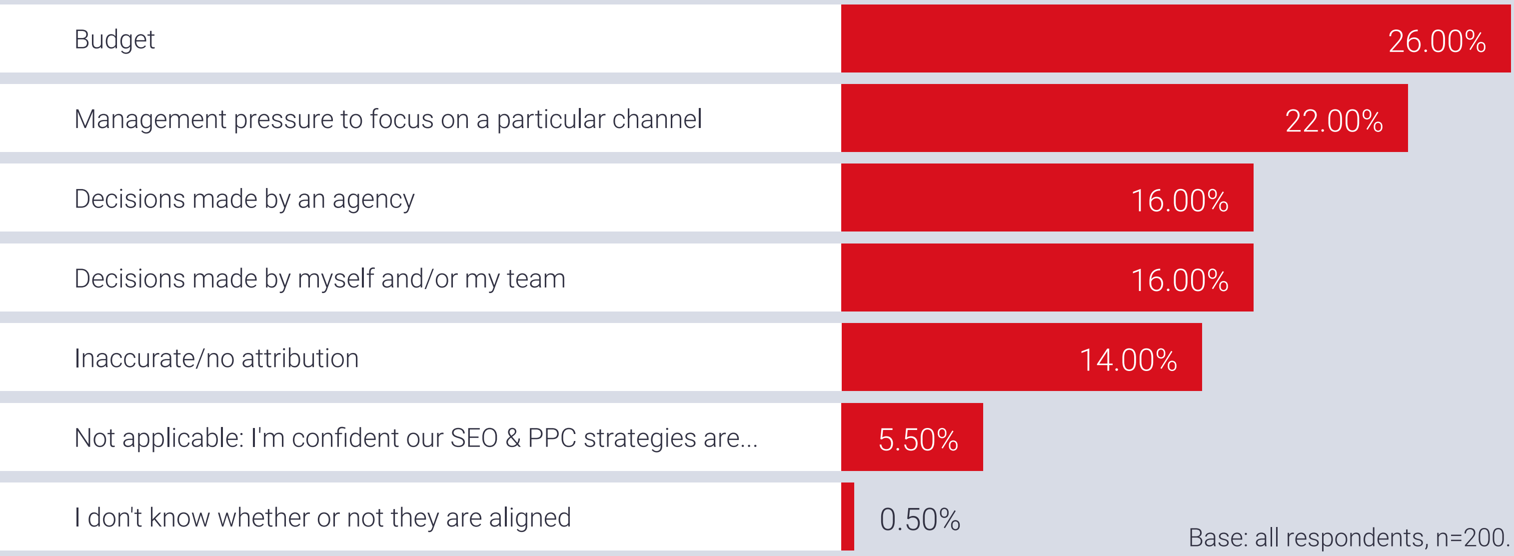
36% of respondents who think that agencies over-focus on PPC expect that they will do their digital marketing in-house in 12 months' time – again, no different from the overall proportion expecting digital marketing to be undertaken in-house in 12 months' time.

39% of respondents who think that agencies over-focus on PPC expect to have a new agency within 12 months, compared to 38% of all respondents that expect to have a new agency within 12 months – once again, a negligible difference.

Sources of pressure

Asked for the primary reason why their SEO and PPC strategies were not aligned for maximum ROI, only 5.5% of respondents replied that they are, in fact confident that their strategies are aligned. Just one respondent, i.e. 0.5%, admitted to not knowing – leaving 94% of respondents freely admitting their investments are *knowingly not optimised*. While that 94% did not point the finger overwhelmingly at any single reason, budget is always an easy target and heads the list of reasons.

What is the primary reason your SEO and PPC strategies are not aligned for maximum ROI?



Base: all respondents, n=200.

Inaccurate/no attribution ranked lowest at 14% which, given the pasting that attribution comes in for later in this report, is an interestingly low number. With the question itself asking only for the *primary reason*, it may be that other reasons simply took precedence in respect of this particular issue.

Marketers may be despondent to learn that management pressure to focus on a particular channel was cited by well over a fifth of all respondents. Given the experience and seniority of our respondents, the potential explanations for this are not especially edifying, among them:

- Management is taking a short-term view and wants immediate results at the expense of long-term optimisation
- Management has access to better information than the digital marketing team
- The digital marketing team does not have sufficient credible information to be able to resist management pressure

Chris Liversidge:

"As committed proponents of data-driven digital marketing, we find this result particularly uncomfortable, even though we've long suspected it to be a real phenomenon. It's particularly discomfiting because one of the most attractive aspects of digital marketing is its measurability. For management to disregard that measurability is illogical, and probably a bit dispiriting for those in their teams who will often feel that they are being ignored."

(Refers to graph on previous page)

Sources of pressure – cross-referenced

We examined the *sources* of pressure on those respondents who say that they feel under pressure to over-invest in Paid Search:

- 62.5% of this subset of respondents feel constrained by their attribution model from strategies with a long-term payback, a modest increase over the 58% of all respondents. However we can therefore infer that attribution difficulties are one significant source of pressure to invest in PPC.

<table>
<tr><th>I feel constrained by our current attribution model from implementing marketing strategies with a long-term payback</th><th colspan="2">All respondents (n=200)</th><th colspan="2">Respondents who feel under pressure to over-invest in Paid Search (n=120)</th></tr>
<tr><td>Strongly agree</td><td rowspan="2">58.0%</td><td>24.5%</td><td rowspan="2">62.5%</td><td>24.2%</td></tr>
<tr><td>Agree</td><td>33.5%</td><td>38.3%</td></tr>
<tr><td>No opinion either way</td><td>31.0%</td><td>31.0%</td><td>30.8%</td><td>30.8%</td></tr>
<tr><td>Disagree</td><td>11.0%</td><td>8.5%</td><td>6.7%</td><td>5.0%</td></tr>
<tr><td>Strongly disagree</td><td></td><td>2.5%</td><td></td><td>1.7%</td></tr>
<tr><td></td><td>100%</td><td>100%</td><td>100%</td><td>100%</td></tr>
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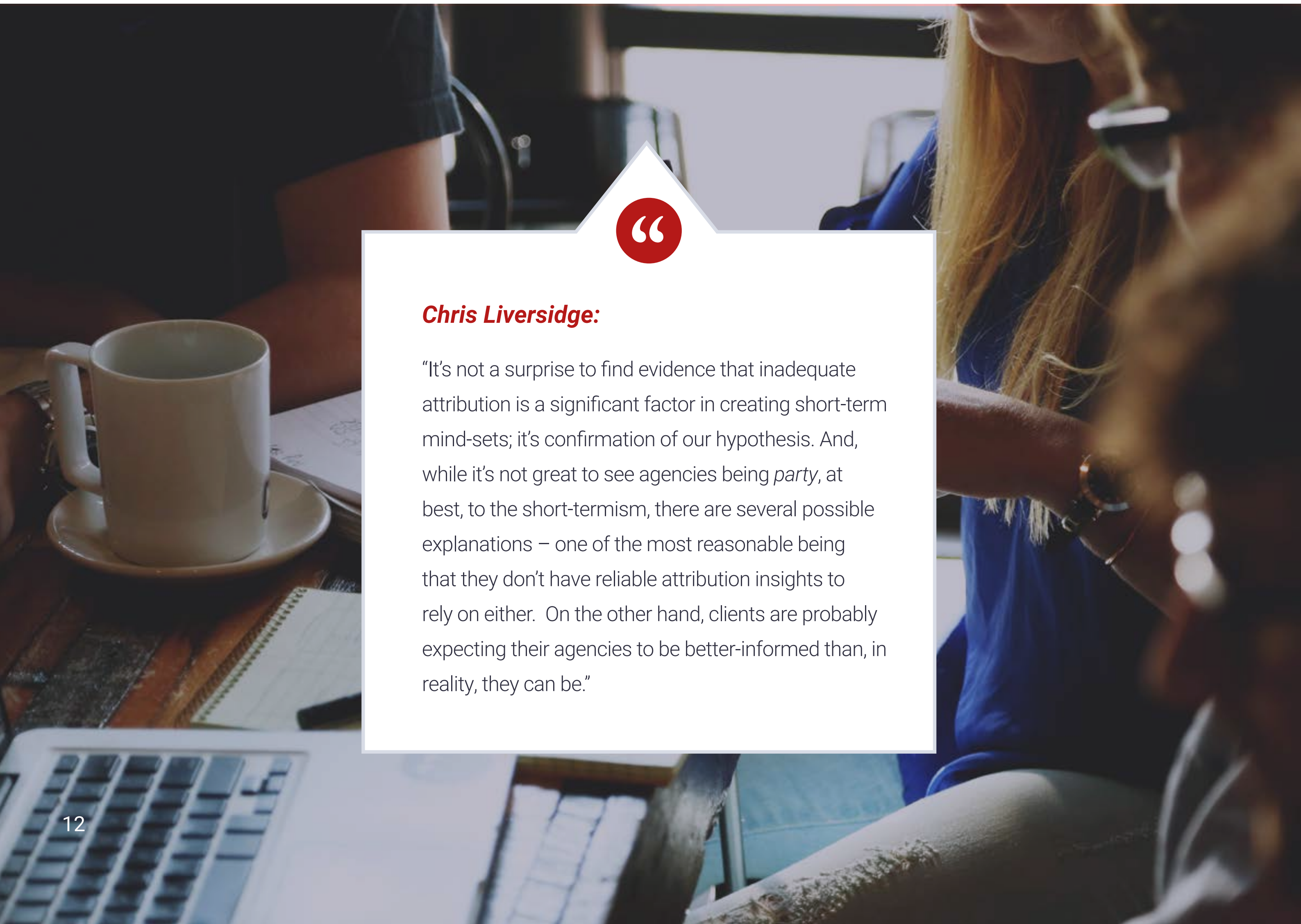
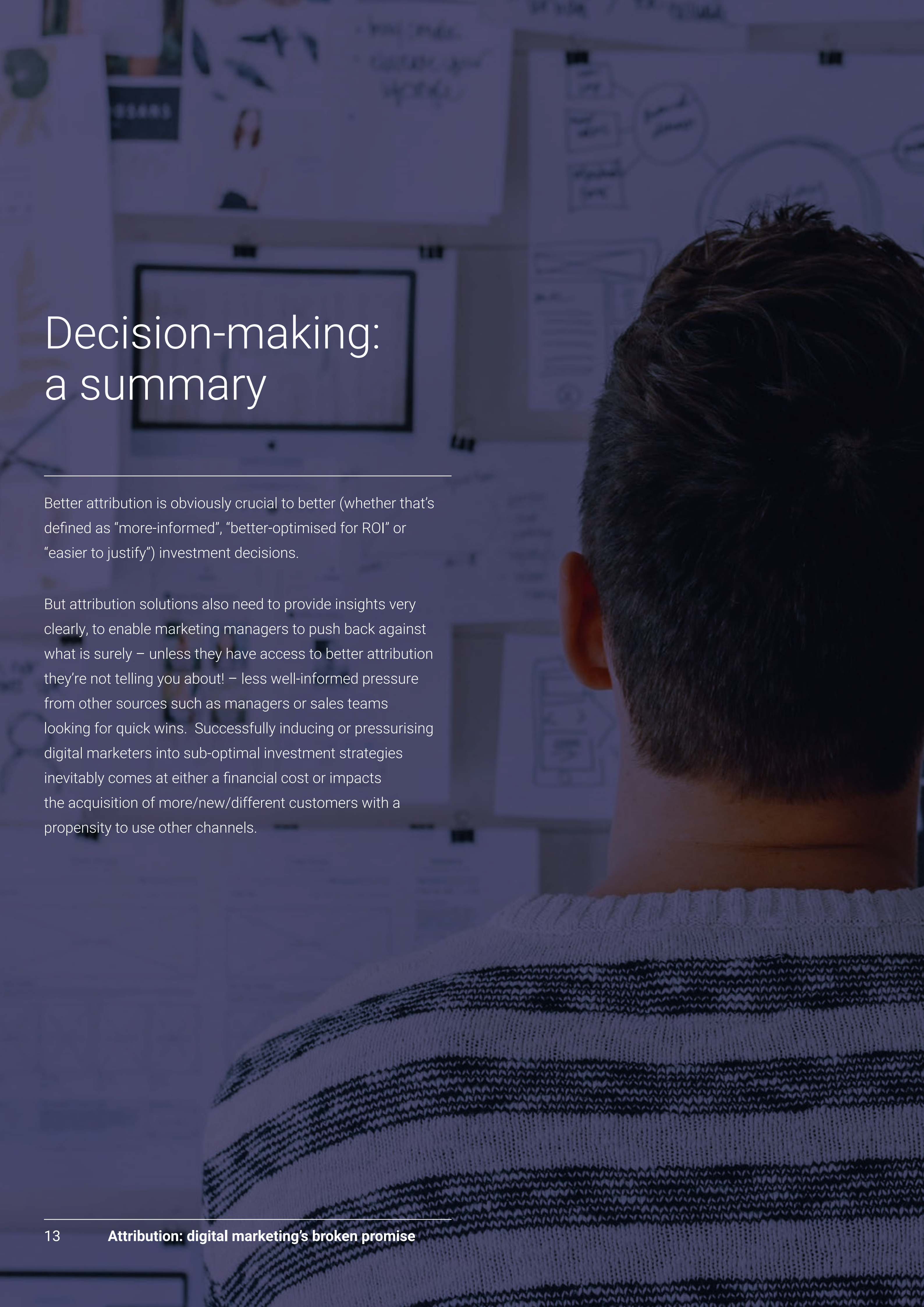
- The 'primary reason why SEO and PPC strategies are not aligned' responses of this subset of respondents were generally similar to the responses of the whole sample. The standout differences are a slightly increased inclination to point the finger of blame at their agency, while budget is noticeably less likely to be behind the imbalance. We can infer that agency pressure may be a factor in over-investment in Paid Search.

"Primary reason SEO and PPC strategies are not aligned for maximum ROI"	All respondents (n=200)	Respondents who feel under pressure to invest in paid search (n=120)
Budget	26%	21.7%
Management pressure to focus on a particular channel	22%	22.5%
Decisions made by my agency	16%	19.2%
Decisions made by myself and/or my team	16%	15.8%
Inaccurate/no attribution	14%	15.0%
Not applicable (confident SEO and PPC are aligned for maximum ROI)	6%	5.8%
	100%	**100%**



Chris Liversidge:

"It's not a surprise to find evidence that inadequate attribution is a significant factor in creating short-term mind-sets; it's confirmation of our hypothesis. And, while it's not great to see agencies being *party*, at best, to the short-termism, there are several possible explanations – one of the most reasonable being that they don't have reliable attribution insights to rely on either. On the other hand, clients are probably expecting their agencies to be better-informed than, in reality, they can be."



Decision-making: a summary

Better attribution is obviously crucial to better (whether that's defined as "more-informed", "better-optimised for ROI" or "easier to justify") investment decisions.

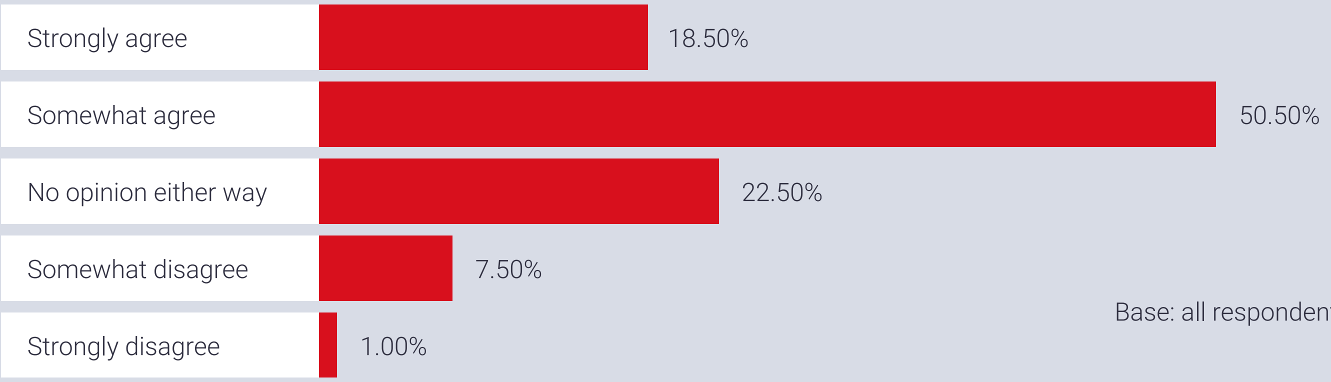
But attribution solutions also need to provide insights very clearly, to enable marketing managers to push back against what is surely – unless they have access to better attribution they're not telling you about! – less well-informed pressure from other sources such as managers or sales teams looking for quick wins. Successfully inducing or pressurising digital marketers into sub-optimal investment strategies inevitably comes at either a financial cost or impacts the acquisition of more/new/different customers with a propensity to use other channels.

Attribution

Models

Last Click is the default attribution model for Google Analytics and, of course, has appropriate use cases. However 59% of all respondents agreed that Last Click attribution is, or would be if they didn't use it, a terrible over-simplification, given their overall range of marketing activity.

"I know that last-click attribution is [or would be, if you don't currently use it] a terrible over-simplification given our overall range of marketing activity."



Base: all respondents, n=200.

Even among a respondent sample which should have more in common than differences between them [*see* ***Sample*** *above*], opinion clearly varies: a notable 8.5% of respondents *disagreed* that Last Click would be an over-simplification of attribution.

Given the make-up of the respondent sample, it's curious that not far short of a quarter (22.5%) of respondents expressed no opinion on whether last-click is an over-simplification. In fact, the prevalence of 'no opinion either way' responses is a feature of the 'statement' questions in our survey; this is examined further in ***Other observations***, later in the report.

"

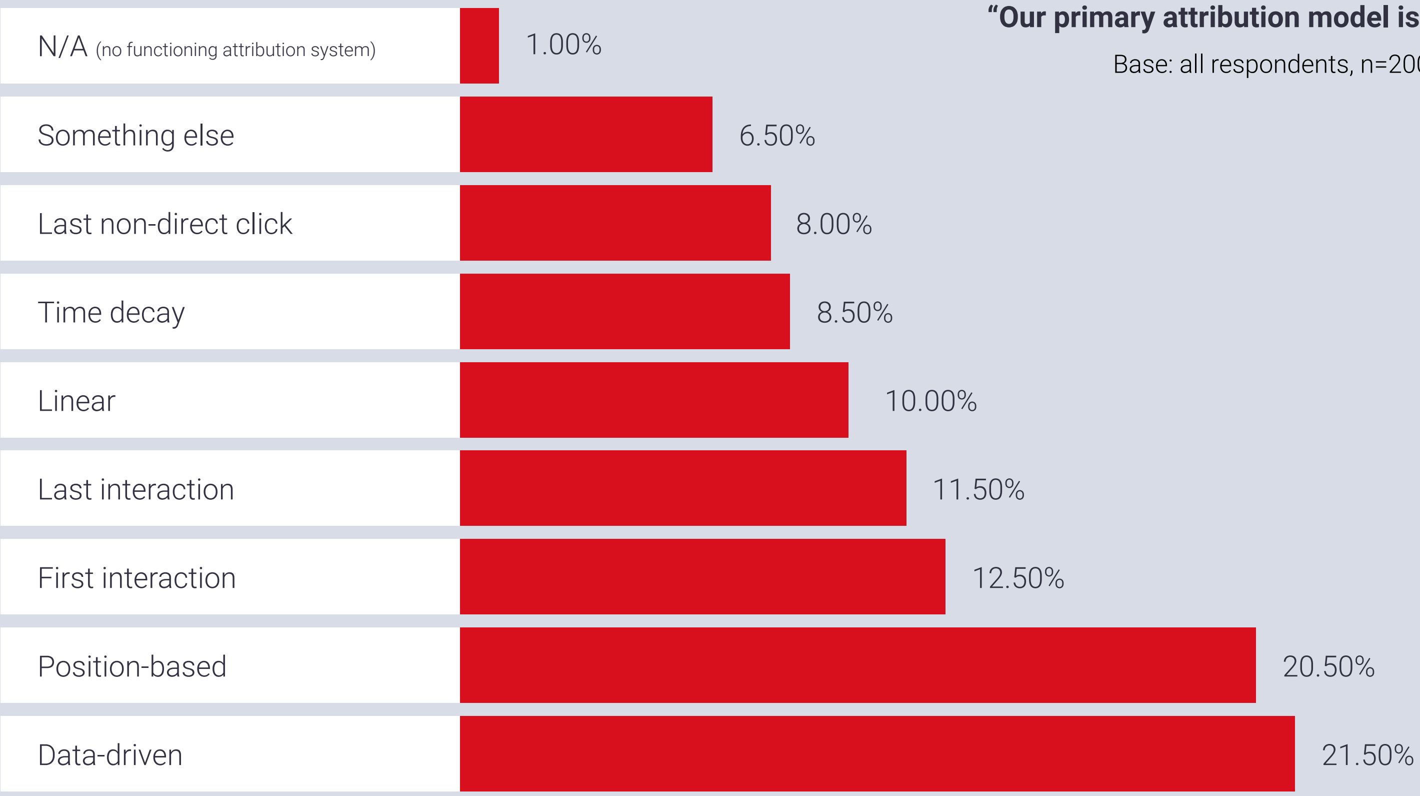
Chris Liversidge:

In view of the large majority agreeing, it would have been a reasonable assumption that these contrary voices come from use-cases where Last Click is considered a sufficiently valid model. But this is not the case: none of the respondents 'defending' Last Click attribution reported that it is, in fact, *their* primary attribution model.

Given the hostility towards just one named attribution model (Last Click), it's unsurprising to find a broad range of attribution models in use or to learn that over 90% of all respondents apply more than one model.

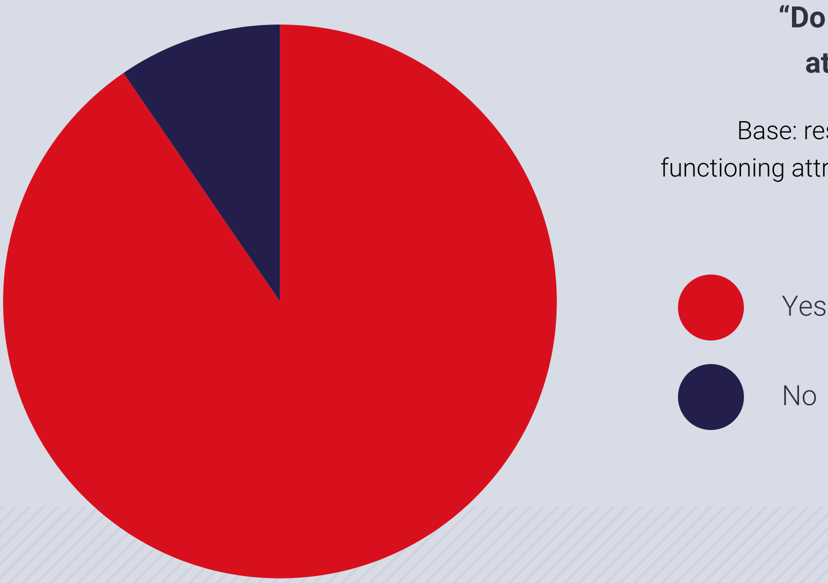
"Our primary attribution model is..."

Base: all respondents, n=200.



"Do you apply multiple attribution models?"

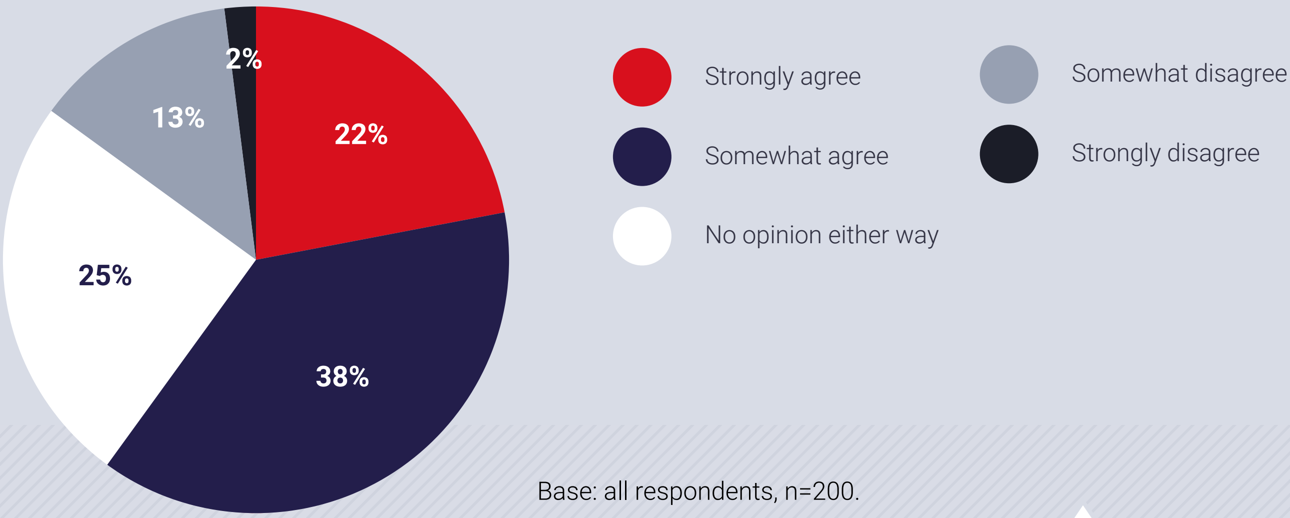
Base: respondents who have a functioning attribution system, n=198



Attribution and predicting the future

Despite the abundance and variety of attribution models in use, 58% of respondents feel constrained by their current attribution model(s) from implementing marketing activities with a long-term payback, with only 11% in disagreement.

“I feel constrained by our current attribution model from implementing marketing strategies with a long-term payback.”



Base: all respondents, n=200.

This represents the extraordinary admission that, irrespective of internal stakeholder pressure, other pressure for immediate results, or even agency pressure (see Digital marketing decision-making, above), almost nine in ten digital marketing managers feel unable to use attribution to calculate and demonstrate the value of (and therefore argue for) activities with a long term payback.

“

Chris Liversidge:

One plausible explanation is that attribution is regarded simply as a historical reporting tool, recording what investments are believed to have yielded ‘yesterday’, and that attribution insights that should help to invest more efficiently ‘tomorrow’ are considered to be of little accuracy or value. But this explanation raises a further question: if the historical record is apparently of little use in predicting the future, then to what extent is that historical record an accurate one? And how on earth is it being validated if not with predictive ability?

To establish where the 'blame' for this may lie (in respect of the attribution models themselves) we cross-referenced the question about our respondents' primary attribution model with the question about the extent to which respondents feel constrained by their current attribution model from implementing marketing strategies with a long-term payback. This is what we see.

Primary attribution model	Used by all respondents	Used by respondents that feel constrained...	Diff.	% change
Position-Based	20.5%	23.3%	2.8%	**13.54%**
Data-Driven	21.5%	19.0%	-2.5%	**-11.79%**
First Interaction	12.5%	15.5%	3.0%	**24.14%**
Linear	10.0%	9.5%	-0.5%	**-5.17%**
Last Interaction	11.5%	9.5%	-2.0%	**-17.54%**
Time-Decay	8.5%	8.6%	0.1%	**1.42%**
Something else	8.0%	7.8%	-0.2%	**-3.02%**
Last Non-Direct Click	6.5%	6.9%	0.4%	**6.10%**
n/a	1%	0%	n/a	**n/a**
	100.0%	**100.0%**		

And it's a counterintuitive set of results, in both directions. The '% change' column suggests that marketers relying on a 'First Interaction' attribution model are disproportionately likely to feel uncomfortable about investing in long-term marketing strategies – despite First Interaction attribution models giving more credit than other models to earlier, top-of-funnel, less conversion-oriented (i.e. long-term payback!) marketing activities. Position-Based attribution model users are second-most likely to feel constrained.

Conversely – and equally counterintuitively – marketers using a 'Last Interaction' model are most likely to feel comfortable investing in long-term payback strategies, although their model gives credit to short term activities. Users of Data-Driven attribution are second most-likely to feel comfortable about implementing strategies with a longer-term payback, which makes more natural sense.

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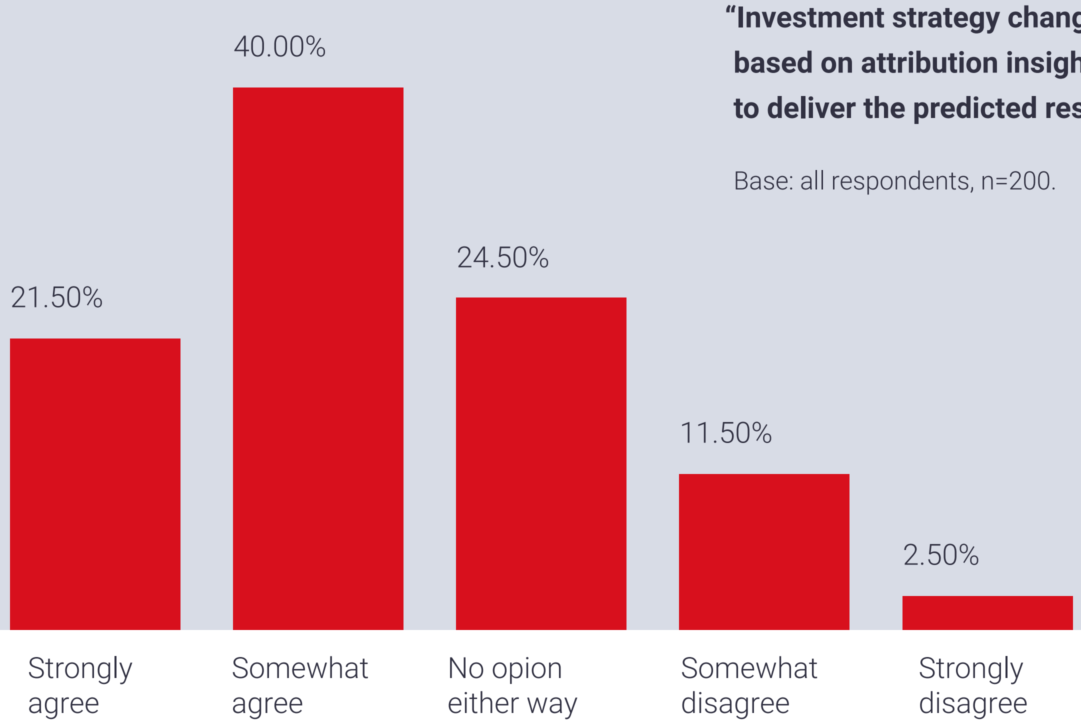
Chris Liversidge:

I'd love to offer a compelling explanation for this, but there is no obvious one. I think it likely reflects the less-than-ideal levels of confidence that marketers have in their current attribution models as the basis for adjusting their marketing strategies. I also feel we have a fertile field for further investigation as out 'in the wild' I regularly encounter attribution models being discussed and used when they only attribute within a siloed channel! Doubleclick's 'Data Driven' model (now in DV360) is a classic example of this completely false impression of attribution providing utility when in reality it's simply a faster horse compared to the power of a cross-channel attribution model.

Faced with the statement "Investment changes we make based on attribution insights generally fail to deliver the predicted results", 61.5% of respondents agreed, over one-fifth of them strongly. Fewer than one-in-seven disagreed – suggesting that for marketing professionals current attribution insights tools are, for the purpose of improving investment performance, of negligible (even potentially negative) value.



"Investment strategy changes we make based on attribution insights generally fail to deliver the predicted results."

Base: all respondents, n=200.

This response is consistent with the 58% of respondents that feel their current attribution model doesn't support them in respect of long-term payback activities, discussed above. As we wrote then, it seems plausible that attribution (all models) is widely regarded as a historical reporting tool, enabling users only to report on the performance of their investments.

Chris Liversidge:

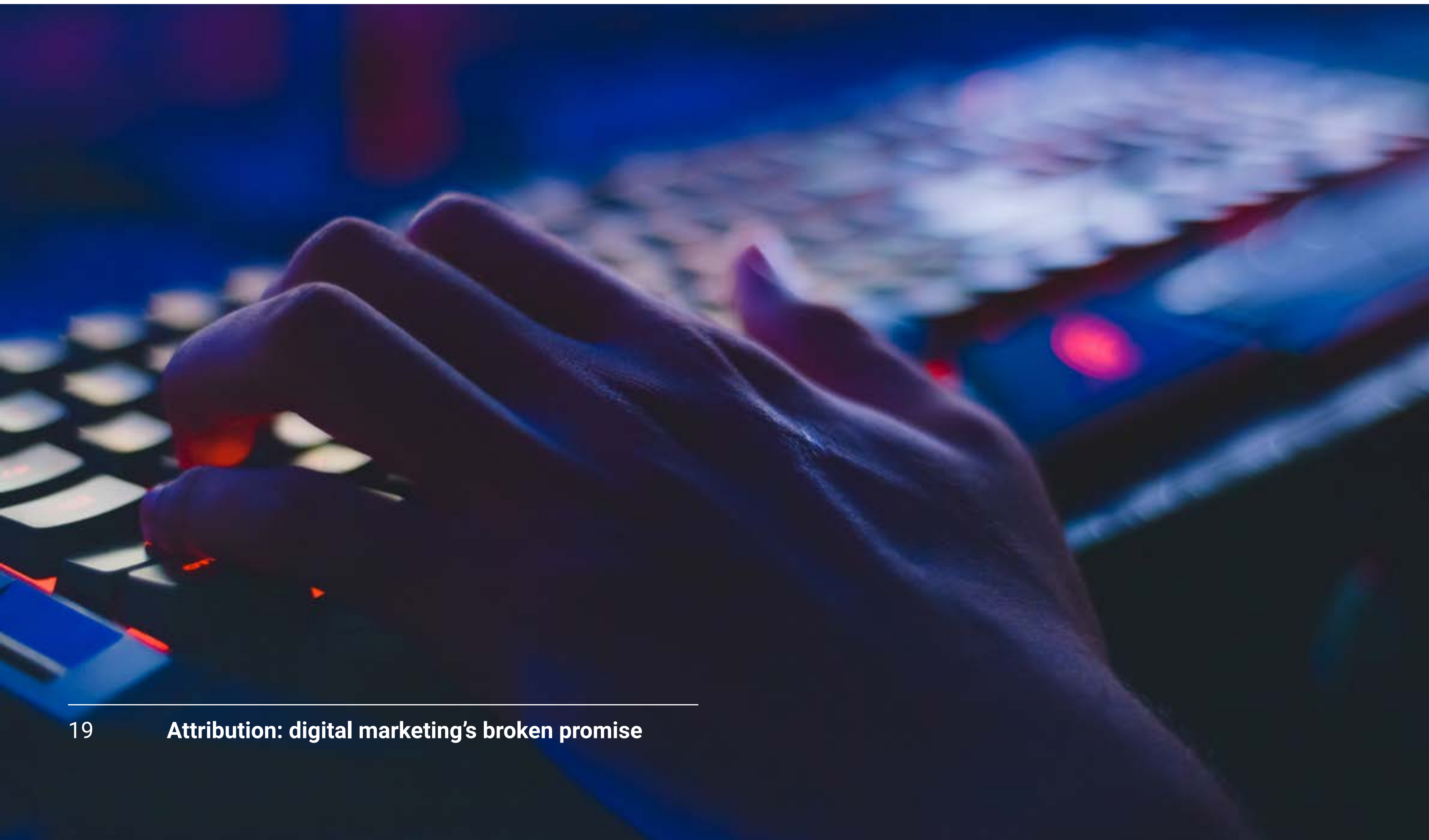
The reality is that current attribution solutions are purely historical: they accord value to marketing activities across some preceding period. Yet our respondents' reactions to the survey statement indicate that such attribution is broadly useless in terms of optimising future marketing investments. For marketers this poses an awkward question: if your historical attribution insights don't enable you to optimise your future investments, then isn't the reasonable explanation that your historical insights are, in fact, woefully inadequate or even plain wrong? By the evidence of this survey, whatever faith exists in current attribution solutions is wildly misplaced or even outright damaging.

By cross-referencing respondents that find attribution insights to be unhelpful with their primary attribution model, we discover which models are regarded by respondents as more/less helpful.

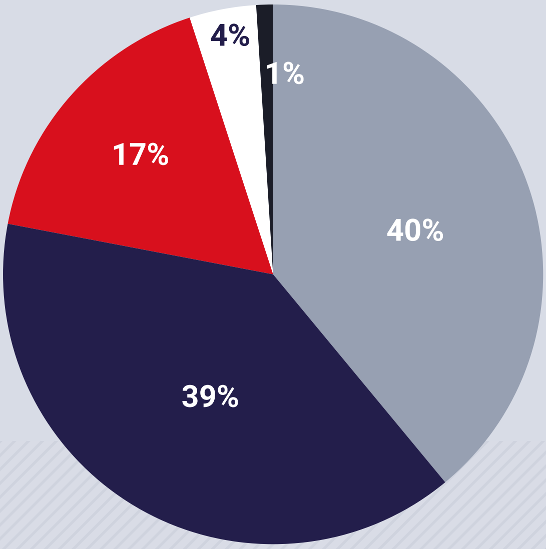
Primary attribution model	Used by all respondents	Used by respondents that find attribution insights unhelpful	Diff.	% change
Position-Based	20.5%	23.6%	3.1%	**15.01%**
Data-Driven	21.5%	17.9%	-3.6%	**-16.81%**
First Interaction	12.5%	16.3%	3.8%	**30.08%**
Linear	10.0%	8.9%	-1.1%	**-10.57%**
Last Interaction	11.5%	11.4%	-0.1%	**-1.03%**
Time-Decay	8.5%	7.3%	-1.2%	**-13.92%**
Something else	8.0%	7.3%	-0.7%	**-8.54%**
Last Non-Direct Click	6.5%	7.3%	0.8%	**12.57%**
n/a	1%	0%	n/a	**n/a**
	100.0%	**100.0%**		

Marketers using a First Interaction model of attribution are disproportionately least likely to find the resulting insights helpful, followed by marketers using Position-Based and Last Click models.

Marketers using Data-Driven attribution are disproportionately more likely to find their insights of assistance in changing their investment strategies.



A very high 78.5% of respondents are confident in the capability of their attribution system to measure and account for the impact of TV/radio on their other marketing channels.



"I'm confident in the capability of our attribution system to measure and account for the impacts of TV/Radio on my other marketing channels."

- Strongly agree
- Somewhat agree
- No opion either way
- Somewhat disagree
- Strongly disagree

Base: all respondents, n=200.

Chris Liversidge:

Given previous responses, this is revealing. Consider: a strong majority says that adjusting investments based on attribution insights fails to deliver predicted results, yet an even larger majority is confident that their current attribution solutions do measure and account for TV/R. Can both be true? Can attribution be so bad and so good at the same time? In fact, misplaced confidence in TV/R attribution is actually part of the reason that investment adjustments don't usually work out: digital attribution is heavily affected by non-digital, part of the reason that adjusting investment decisions fails to bring the predicted benefits (the other part of the reason being the poor cleaning of that data).

Attribution: a summary

Digital marketers are, understandably, required to account for their investments, perhaps to a greater extent than any marketers before them. And this is entirely reasonable: one of the perceived benefits of digital marketing is that everything is expected to be measurable, and digital marketing can chew through budgets quickly without yielding results if it goes wrong – the saving grace being that it can, at least, be closed down immediately should any such failure be identified.

Yet our respondents paint a picture which might be described, at best, as confused. Effectively all of them use a well-known attribution model, the overwhelming majority more than one. But the value of the output of these attribution models is, quite clearly, open to serious question.

A majority of marketers have such a lack of faith in their attribution systems that they feel constrained from long-term payback strategies and cannot effectively adjust investment strategies based on the supposed insights from their attribution.

Simultaneously a majority believes that their attribution system accounts for TV/Radio (some of the most difficult and contentious measurements in the book), contradicting their previously stated lack of faith.

This all tends to suggest that attribution is something that is done as a matter of course, but without much conviction. And, perhaps, without much point at all: if the insights gleaned from historical analysis cannot help marketers to perform better 'next time', then the accuracy of that historical analysis must be in doubt.

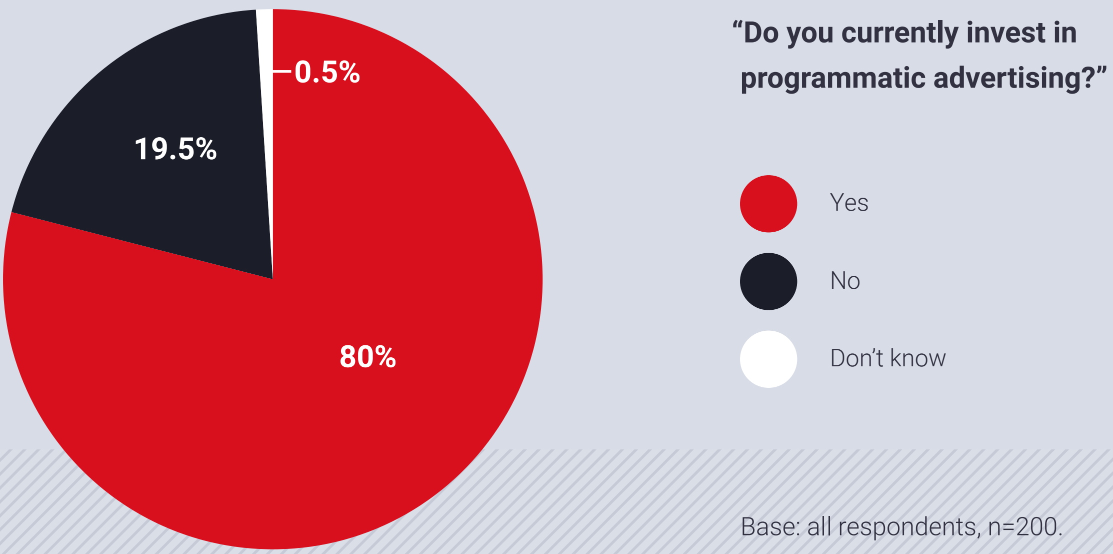
When we factor in that marketers feel under pressure from management and agencies to invest in specific channels, we might also speculate that management and agencies are, therefore, aware that much attribution is, in fact, verging on a charade?

Programmatic

In order to examine the important link between attribution and the ability to invest 'well' in programmatic advertising, our survey progressed to look at respondents' deeds and thoughts about programmatic:

- The proportion of businesses already engaging in it; and
- Whether they plan to do more or less of it; and
- Whether they do this despite believing that some proportion of ads are viewed by bots rather than humans

80% of respondents report that they already invest in programmatic advertising.



Base: all respondents, n=200.

However this was one area of the survey where regional variations surfaced, which can be stated with reasonable statistical confidence:

- In Greater London, 91% of respondents say they engage with programmatic advertising
- In the West Midlands, the figure is 74%
- In NW England, the figure is just 58%

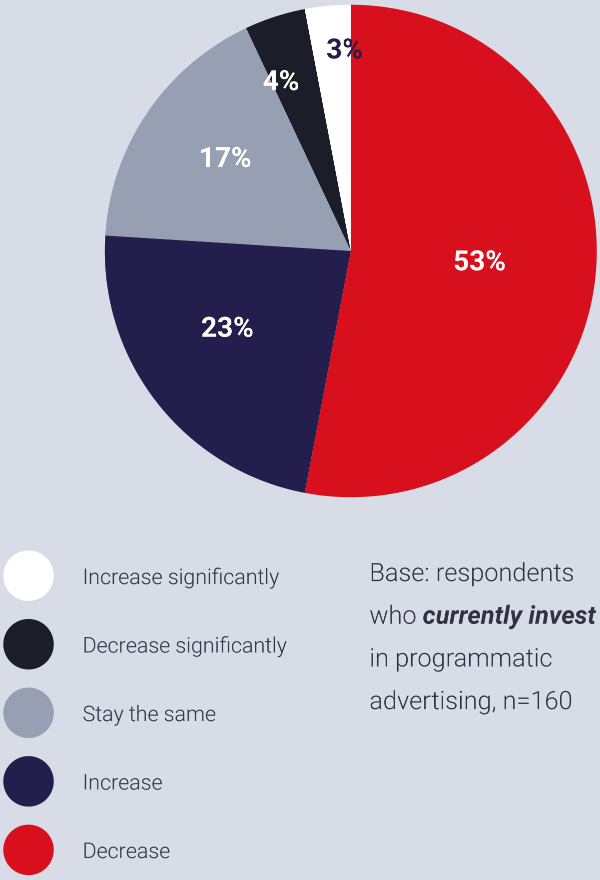
Bearing in mind our respondent sectors, it's possible that the type of businesses in the non-London regions is a factor in these variations[1].

[1] Results in other areas varied considerably, but with no statistical confidence due to the lower sample size in those areas.

Just short of half of all respondents report plans to increase their investment in programmatic over the next 12 months. This includes almost a quarter of the 20% of businesses that don't employ programmatic today and which are, clearly, planning to start investing in that channel. Of those already engaged with programmatic, a larger proportion (56%) plan to increase their investment.

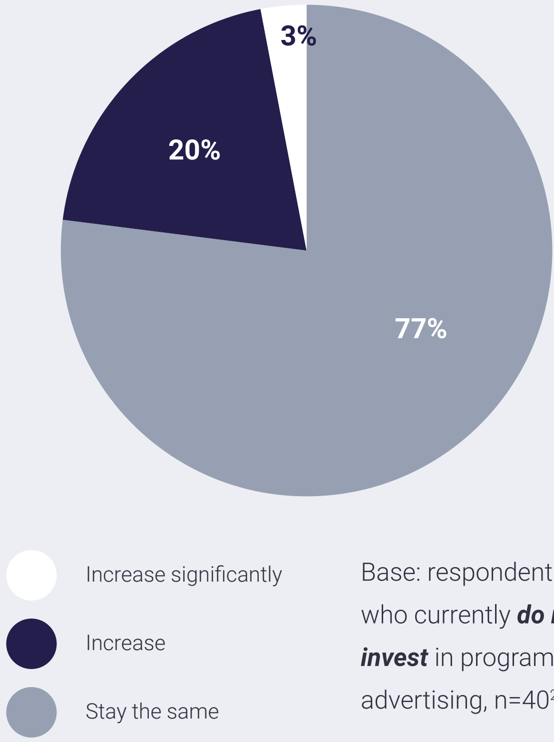
However, over a fifth (21.3%) of those that already do programmatic say they plan to decrease their investment.

"How do you expect your investment in programmatic advertising to change over the next 12 months?"



Base: respondents who ***currently invest*** in programmatic advertising, n=160

"How do you expect your investment in programmatic advertising to change over the next 12 months?"



Base: respondents who currently ***do not invest*** in programmatic advertising, n=40[2]

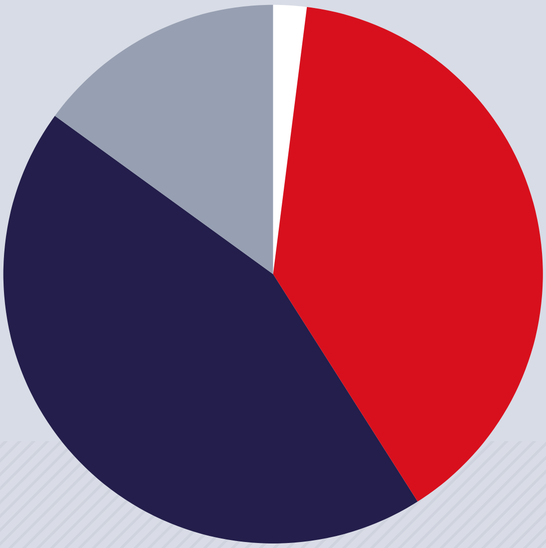
Chris Liversidge:

Evidently success with programmatic is not experienced uniformly across the board. This isn't wholly surprising, as marketers are still exploring what it can do for them – and, as we'll read next, there is still a good deal of scepticism out there. It's also possible that marketers are expecting programmatic ads to deliver customers in the same way as Paid Search does, i.e. immediately, and that's not always the case. Programmatic advertising also fulfils a 'brand' function but, as we've already read, digital marketers are, by and large, unable to justify investing in such long-term payback activities. If they're not seeing direct responses, perhaps they quickly start to think about turning off the ads or reducing spend even as demand for growth intensifies.

[2] Respondents who indicated that they do not invest programmatic advertising and also indicated that their investment in it would decrease have had their latter response treated as if they answered 'Stay the same', i.e. at zero investment, since a 'negative investment' is not possible.

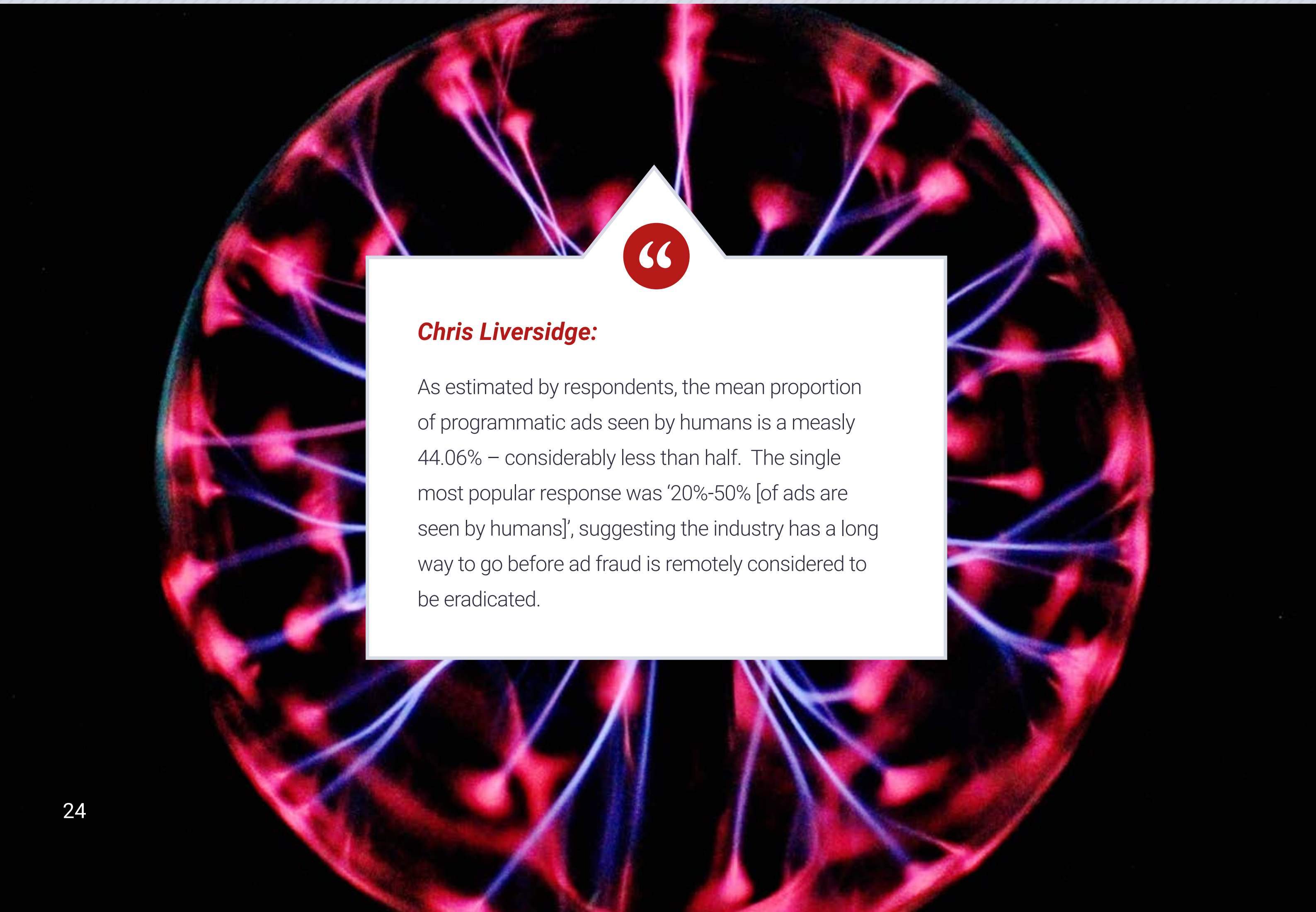
Programmatic and bots

Despite the increasing investment in programmatic, and improvements in anti-fraud techniques such as white-listing, our respondents are still profoundly cynical about the proportion of such ads that are actually seen by potential customers.



"Thinking of your own programmatic adverts if you invest in them (or "thinking generally" if you don't): what proportion of [your] programmatic adverts do you believe are viewed by humans rather than bots?"

Base: all respondents, n=200.



Chris Liversidge:

As estimated by respondents, the mean proportion of programmatic ads seen by humans is a measly 44.06% – considerably less than half. The single most popular response was '20%-50% [of ads are seen by humans]', suggesting the industry has a long way to go before ad fraud is remotely considered to be eradicated.

The regional variation described above is visible here too. In fact, responses to this question offer an explanation as to the lower use of programmatic in the West Midlands and NW England:

- In Greater London, respondents believe a mean 50.48% of programmatic adverts are viewed by humans rather than bots. Just 1.1% of respondents think that less than 20% of programmatic ads are seen by humans
- In the West Midlands, the mean falls to 30.9%, and 41.9% of respondents believe that less than 20% of programmatic ads are seen by humans
- In NW England, the mean is 31.53%, and 35.5% of respondents believe that less than 20% of programmatic ads are seen by humans

The apparent lack of faith in those areas that ads are seen by human eyes goes a considerable way to explaining the lower popularity of the channel in those areas. (Results in other regions also varied considerably, but with no statistical confidence due to the lower sample size in those areas.)

Programmatic: a summary

Programmatic is evidently a channel 'on the up': investment is rising, and more digital marketers expect to use it within 12 months, even if success appears not to be assured.

But, assessed in conjunction with the responses on attribution and decision-making, it seems likely that marketers largely consider programmatic advertising as another 'direct response' tool, not as the brand-building tool or the capture-you-customer-early tool that it can be. This interpretation is based simply on the premises that our respondents have told us:

- Their activities focus unduly – whether compliantly in the face of pressure or willingly – on short-term or immediate payback activities such as Paid Search
- They are unable to attribute longer-term payback activities, so tend to feel constrained about employing them

Therefore, if they are investing in programmatic, it is because they see it as a short-term payback tool – and the degree of investment and its upward trajectory suggests this view is currently justifiable.

Conclusions

Our survey confirms an unwelcome aspect of the circular relationship between decision-making, attribution and programmatic.

1

Decision-making tends to focus on short-term payback activities, sometimes for their ease of measurability but also because of pressure felt by marketers. Pressure may come either from 'above' or there may be pressure to justify their own activities. Maximising ROI may be offered as a priority, but this is evidently 'for show' since marketers evidently prioritise expediency above it.

2

Expediency carries the day in decision-making because of the overall inadequacy of **attribution** models and solutions. Marketers' lack of faith is such that long-term payback activities suffer and, by their own evidence, when they try to adjust investment decisions based on attribution insights, it is unsuccessful. Who can blame the marketers for expedient decision-making when they are without credible means of resisting someone else's gut feeling, whether that's their agency, team or management?

3

A consequence of this focus on the short-term – by almost everyone – is that the 'go to' channels for measurable, "immediate" results (ok, Paid Search) are increasingly saturated. Fortunately for marketers, **programmatic** has emerged to offer a new short-term strategy – into which, despite their huge cynicism over the eyeball rate, marketers are clearly diving. It is cost-effective and apparently working. But it is still short-term.

In fact, programmatic offers marketers the opportunity to capture customers, cost-effectively, earlier in the buying journey – increasing ROI. But this is actually true only if:

- Marketers have accurate attribution insights that enable them to pre-justify such spend - i.e., to resist pressure, perceived or actual, to invest in easily measured, rapid-result channels such as Paid Search. The current situation is that digital marketers don't enjoy access to great attribution, can't resist the pressure, and so knowingly don't optimise investment for overall ROI
- Those marketers have access to richer targeting data that enables them to target potential new customers via programmatic, earlier and more cost-effectively in their journey, proving their point to the business with real results and higher overall ROI

Our survey shows that neither of these conditions is being widely met due to the clear inadequacy – as indicated by our respondents – of current attribution solutions on the market.

As a result, programmatic will yield results but not the results that it could yield, and decision-making will continue to revolve around last-click measures despite marketers' unambiguous rejection of that attribution model.

Other observations

All our statement questions – with which respondents were asked whether they strongly agree, agree, have no opinion either way, disagree, or strongly disagree – were designed so that respondents ought to be able to say that they either agreed or disagreed.

This was a deliberate ploy to discourage fence-sitters. Indeed, given the profile of our respondents, we felt they certainly should have an opinion, one way or another, on all the statements. For example, it would be reasonable to assume that respondents would, by such a stage in their career, consider last-click attribution to be a valid model or an invalid model – not that they would have no opinion either way.

Curiously, though, the eight 'statement' questions yielded a "no opinion either way" response from an average of almost 25% of respondents. It is not possible to determine whether this proportion includes "don't know" responses, although any significant presence of such a response would come as a surprise given the levels of experience and seniority of the respondents.

Corvidae

Forecast attribution from QueryClick

QueryClick is a challenger digital marketing agency to the big five advertising groups. Founded in 2008, QueryClick managed £3.1 billion pounds of client revenues last year, delivering an uplift of £366m on behalf of their clients in Search and averaging 12:1 ROI for new customer growth.

QueryClick brought its Unified Analytics solution, Corvidae, to market in 2018. Using a completely new approach to attribution, it blends online and offline data, of any type or quality, using a patented machine-learning approach. It cleanses marketing data and reveals up to 334% more data for attribution than any other available solution. During its first pilot, Corvidae delivered a 37% media spend reduction and a £976k revenue uplift across £11.8m of multichannel media spend, giving an overall ROI of 40:1 for the client.

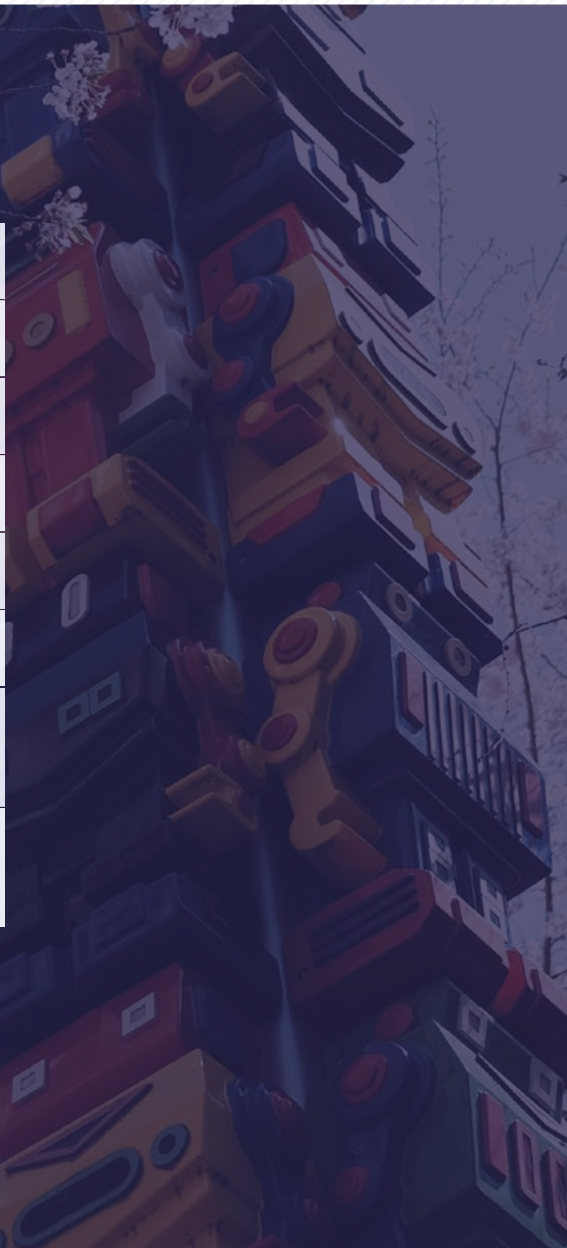
Solving attribution’s data problem with Corvidae

Using proprietary machine-learning, Corvidae delivers unique-to-market attribution forecasting that enables you to optimise your future marketing investments to meet your priorities, whether those are short-term (urgent customers) or long-term (with branding strategies for long-term, sustainable success) or maximising ROI on finite budgets.

Corvidae delivers its best-in-class attribution data at near-live frequency, allowing proactive multichannel marketing spend adjustments, delivering immediate paid marketing spend performance improvements and ensuring the highest possible overall ROI.

Corvidae outcomes:

- Growth opportunities in underused marketing channels
- Reduced budget wastage (for example, on saturated channels with poor returns on the horizon)
- Identification of a single customer view across all datasets. This is a highly customisable process that supports all data sources and can be tailored to your marketing strategy
- Segmentation down to 'individual entity' level, and the entity's individual path through the data – as well as their predicted future path. No other attribution tool available commercially today can achieve a similar level of granularity
- Insight into each customer's lifetime value, in addition to accurate marketing channel touchpoints, enriched with demographic and behavioural data from Programmatic channels. (This allows cohort grouping, typically to 'First Touch' engagement with brand, enabling prospecting to your most valuable cohorts early in the See, Think, Do, Care conversion path.)
- Attribution strategy refinements, as machine-led media-mix analysis simulation discovers the true drivers of performance in your marketing mix



In our recent Corvidae 12 month impact case study:

51:1 ROI for incremental retargeting activity (Programmatic & Paid Search).
Remove 39% of TV spend to deliver same revenue impact.
Remove 68% of Radio spend to deliver same revenue impact.
Remove 16% of Paid Search spend to deliver same revenue impact.
4.8 : 1 ROAS for incremental Paid Programmatic & Social prospecting.
91% more revenue from Email using attributed data & retargeting.
Ultimately, a 37% Media Spend reduction across all channels, delivering same £976k revenue uplift.
That is a 40 : 1 ROI for Corvidae deployment across all marketing channels for our standard deployments.

About QueryClick

QueryClick is an independent digital marketing agency founded in 2008. It quickly established a reputation for new levels of digital marketing performance at a time when internet access, particularly from mobile devices, was spiralling, ad inventory was proliferating, and high performance was increasingly difficult to find.

From offices in London and Edinburgh, it delivers best-in-class multi-channel insights and strategic consultancy to enable blue-chip businesses to maximise their growth. Work is backed by a commitment to a data-driven approach, and a continuous investment in our pioneering in-house technology. Marquee clients include B&Q, BT, EE, New Look and Tesco.

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