Ad Measurement and Revenue Attribution 2021

Identity Crisis Adds to Long-Standing Challenges

Attributing revenues to marketing touchpoints is one of marketers' biggest challenges. Holistic approaches to attribution help marketers plan media budgets, optimize within channels, and drive incremental outcomes for their business in the most cost-effective way. But putting such approaches into place can be unwieldy—and it's getting harder. This eMarketer Report investigates how marketers and their partners are approaching ad measurement and revenue attribution, and explores best practices for addressing both lingering and new problems facing attribution strategies.

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Dear eMarketer Reader,

eMarketer is pleased to make this report, **Ad Measurement and Revenue Attribution 2021: Identity Crisis Adds to Long-Standing Challenges,** available to our readers.

This report features eMarketer data and insights, and investigates how marketers and their partners are approaching ad measurement and revenue attribution, and explores best practices for addressing both lingering and new problems facing attribution strategies.

We invite you to learn more about **eMarketer's approach to research** and why we are considered the industry standard by the world's leading brands, media companies, and agencies.

We thank you for your interest in our report and **Acxiom** for making it possible to offer it to you today.

Best Regards,

Nancy Taffera-Santos

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SVP, Media Solutions & Strategy, eMarketer

Ad Measurement and Revenue Attribution 2021: Identity Crisis Adds to Long-Standing Challenges

Attributing revenues to marketing touchpoints is one of marketers' biggest challenges. Holistic approaches to attribution help marketers plan media budgets, optimize within channels, and drive incremental outcomes for their business in the most cost-effective way. But putting such approaches into place can be unwieldy—and it's getting harder.

How will the "identity crisis" affect ad measurement and advertisers' ability to attribute revenues to marketing touchpoints?

Major changes are coming to how advertisers and others in the ecosystem can identify users across channels and devices. The loss of third-party cookies and changes to Apple's Identifier for Advertisers (IDFA) will affect ad addressability, but also measurement and attribution. Advertisers are taking steps in response, including more emphasis on first-party data, data collaborations, and modeling-based approaches.

What other problems still exist in cross-platform measurement, and how are advertisers confronting these challenges?

A host of long-standing problems in measurement and attribution still plague marketers, including a lack of standards, issues with basic data accuracy and infrastructure, a lack of organizational alignment, and the difficulty of understanding and validating attribution models.
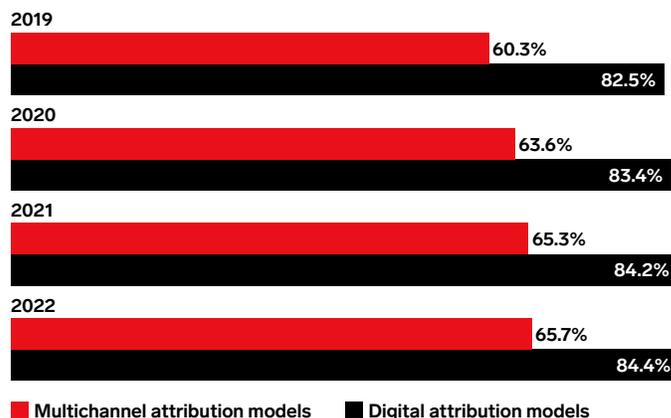
What should marketers be doing in 2021 to prepare for post-cookie attribution methods?

Past best practices will continue to serve marketers well as they deal with identity-related disruptions. This starts with a serious audit of the data advertisers currently rely on, as well as understanding what data will be lost to them in the future. Implementing a data strategy is a must, along with getting the organization aligned with business outcomes that matter and having channel-level key performance indicators (KPIs) that roll up to those outcomes.

WHAT'S IN THIS REPORT? This report investigates how marketers and their partners are approaching ad measurement and revenue attribution, and explores best practices for addressing both lingering and new problems facing attribution strategies.

US Companies Using Digital Attribution Models, 2019-2022
% of total

Year	Multichannel attribution models	Digital attribution models
2019	60.3%	82.5%
2020	63.6%	83.4%
2021	65.3%	84.2%
2022	65.7%	84.4%

■ **Multichannel attribution models** ■ **Digital attribution models**

Note: companies with 100+ employees that use at least one digital marketing channel; an attribution model is a way to differentiate the respective contributions of various marketing channels to a desired outcome; includes first- and last-touchpoint models and more complex multichannel models; multichannel attribution models are attribution models capable of attributing marketing credit to more than one marketing channel or touchpoint to differentiate the respective contributions of various marketing channels to a desired outcome; models can include both digital and nondigital channels and touchpoints
Source: eMarketer, Dec 2020

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KEY STAT: We estimate that 84.2% of US companies with at least 100 employees will use digital attribution models of some kind in 2021, with 65.3% using multichannel attribution models.
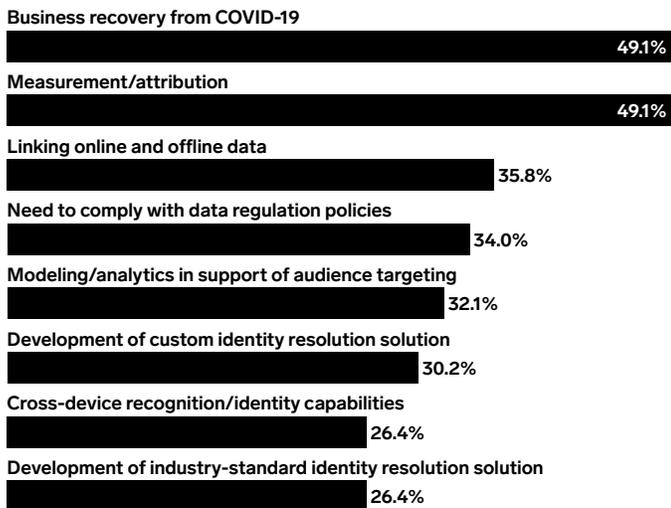
Contents

Revenue Attribution in 2021

Understanding how marketing touchpoints contribute to revenues is one of marketers' most challenging yet vital tasks. Being able to demonstrate this contribution can turn marketing from a cost center into an investment that effectively drives market share gains for a business. Even with the rise of digital advertising, attribution has remained difficult at best—but more marketers continue to work on the problem.

Nearly half of data professionals in North America surveyed in May 2020 by Winterberry Group and the Interactive Advertising Bureau (IAB) said they expected measurement and attribution to command their attention in the next year—tied for first place with business recovery from the pandemic.

What General Topics/Industry Trends Do Data Professionals in North America Feel Will Command Their Attention the Most in the Year Ahead?
% of respondents, May 2020

Business recovery from COVID-19	49.1%
Measurement/attribution	49.1%
Linking online and offline data	35.8%
Need to comply with data regulation policies	34.0%
Modeling/analytics in support of audience targeting	32.1%
Development of custom identity resolution solution	30.2%
Cross-device recognition/identity capabilities	26.4%
Development of industry-standard identity resolution solution	26.4%

Source: Winterberry Group, "The State of Data 2020" in partnership with Interactive Advertising Bureau (IAB), July 22, 2020

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Attribution: Key Terms

This report focuses mostly on a type of attribution known as "holistic attribution," but many other forms of attribution, both digital and nondigital, exist today.

Digital attribution: Includes attribution models that focus on digital marketing exposures and the effects they have on a desired outcome. These models are often fed impression-level data, sometimes at the user level. Some models offer real-time analysis that can be used to optimize channel-specific efforts more routinely. Digital attribution takes many forms; and it is sometimes referred to as a bottom-up model.

Last-click or last-touch attribution: A type of digital attribution that assigns full credit for a conversion action to the last ad or marketing message that a user either clicked on or was exposed to.

First-click or first-touch attribution: A type of digital attribution that assigns full credit for a conversion action to the first ad or marketing message that a user either clicked on or was exposed to.

Multitouch attribution: A type of digital attribution that apportions credit for a conversion action to multiple ads or marketing messages that a user was exposed to. Often referred to as **MTA**. Models deployed across multiple marketing channels are known as **multichannel attribution** and can include both digital and traditional channels and touchpoints.

Within multitouch attribution models, there are various ways to credit contributing touchpoints. These models can be used either in a single channel or in multichannel campaigns. They include:

- **Linear attribution** models, which assign equal credit for a desired outcome to every touchpoint or exposure.

- **Position-based attribution** models, which assign customized weights for a desired outcome to every touchpoint; weighting is typically determined manually and not via statistical methods.

- **Time-decay** models, which assign the greatest amount of credit for a desired outcome to the most recent touchpoints; weighting is typically determined manually and not via statistical methods.

- **Algorithmic attribution** models, which assign weighted credit for a desired outcome to every touchpoint, and the weights are determined via statistical analysis; sometimes referred to as **data-driven attribution**.

Holistic attribution: A type of attribution that assigns credit to both marketing and nonmarketing touchpoints. Marketing touchpoints include both digital and traditional media, which often necessitates that such models are capable of combining multichannel digital attribution models with marketing mix models. Nonmarketing touchpoints may include everything from call centers to merchandising information. External data sets such as weather, pricing, or competitive info are also commonly factored in. Weighting is always determined via statistical modeling. Such models are often generated with larger business outcomes in mind (e.g., growing customer lifetime value [LTV] or revenues) as opposed to channel-specific outcomes (e.g., conversions, view-to-completes). Also known as **unified measurement** or **unified analytics**.
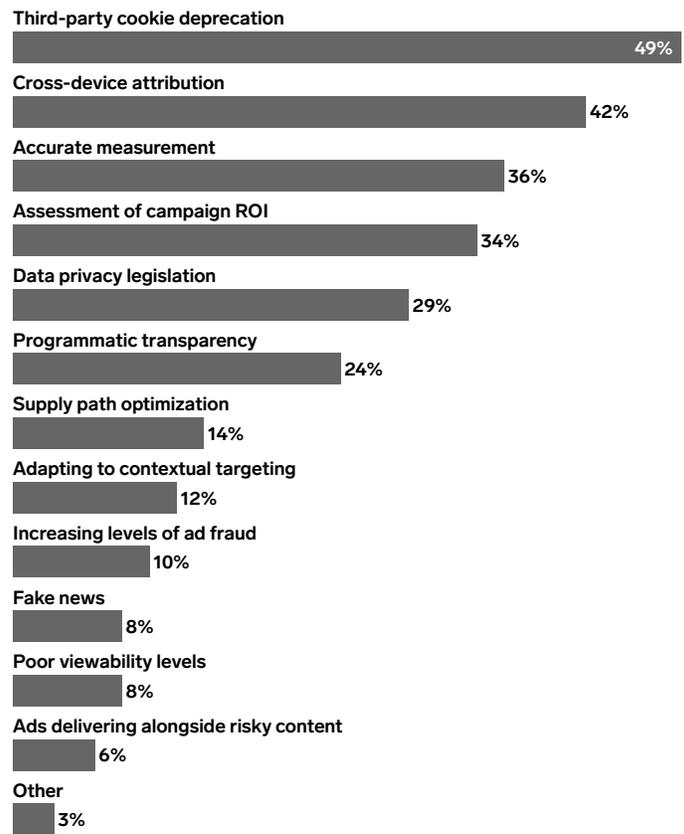
Marketing mix model or media mix model (MMM): A type of top-down model that's historically been used for traditional media planning and budgeting purposes. Sometimes called a **commercial mix model** since it can include factors like distribution. Unlike many digital attribution models, marketing mix models look at channel contributions at an aggregate level. Reporting is also less frequent than for digital attribution; many consult these models quarterly or yearly. Models may incorporate digital marketing data, but it is often added in aggregate. These models also typically pull in external influences affecting a desired outcome—pricing, weather, competitor data, etc.

When demand-side platform (DSP) The Trade Desk polled North American agency and brand marketers in September 2020, 84% said they were facing new pressure to prove the effectiveness of their ad spend since the onset of the pandemic.

A few months later, in October 2020, ad verification firm Integral Ad Science (IAS) asked US digital media professionals—most of whom worked for agencies or publishers—about what they saw as the industry's biggest challenges in the year ahead. Several attribution-related problems were cited by more than one in three respondents, including cross-device attribution (42%), accurate measurement (36%), and assessment of campaign ROI (34%). Third-party cookie deprecation—which will affect all of the above—was in the lead at 49%.

Digital Media Challenges According to US Digital Media Professionals, Oct 2020
% of respondents

Challenge	%
Third-party cookie deprecation	49%
Cross-device attribution	42%
Accurate measurement	36%
Assessment of campaign ROI	34%
Data privacy legislation	29%
Programmatic transparency	24%
Supply path optimization	14%
Adapting to contextual targeting	12%
Increasing levels of ad fraud	10%
Fake news	8%
Poor viewability levels	8%
Ads delivering alongside risky content	6%
Other	3%

Note: top 3 responses; in the next 12 months
Source: Integral Ad Science (IAS), "The 2021 Industry Pulse Report: US Edition," Dec 8, 2020

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Working Toward Holistic Attribution

We estimate that by the end of 2020, 83.4% of US companies with at least 100 employees were using digital attribution models of some kind, including first- and last-touch models as well as more complex options. Some 63.6% of companies were using a multichannel attribution model that is capable of attributing credit for an outcome to more than one marketing channel or touchpoint.

US Companies Using Digital Attribution Models, 2019-2022
% of total
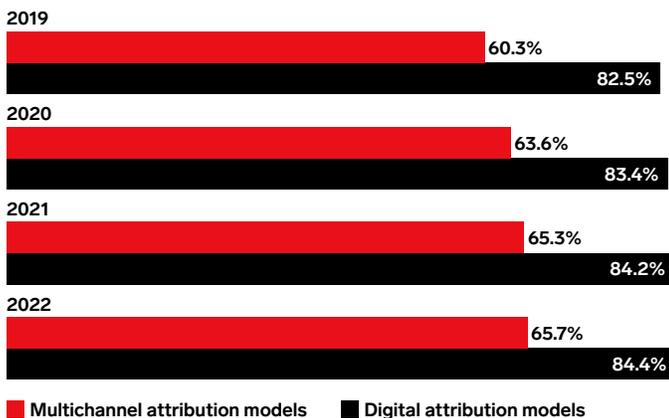
2019
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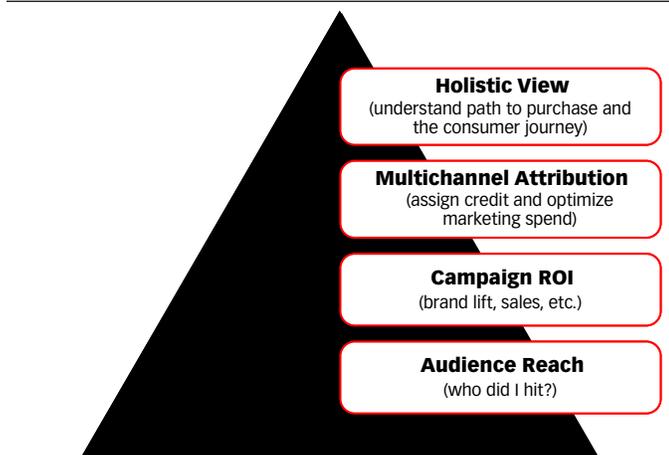■ Multichannel attribution models   ■ Digital attribution models

Note: companies with 100+ employees that use at least one digital marketing channel; an attribution model is a way to differentiate the respective contributions of various marketing channels to a desired outcome; includes first- and last-touchpoint models and more complex multichannel models; multichannel attribution models are attribution models capable of attributing marketing credit to more than one marketing channel or touchpoint to differentiate the respective contributions of various marketing channels to a desired outcome; models can include both digital and nondigital channels and touchpoints
Source: eMarketer, Dec 2020

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In the past, we've discussed a hierarchy of marketing measurement. At the bottom of this hierarchy, only basic metrics are available to evaluate things like reach and the return on investment of individual campaigns. Bringing multiple channels together in an approach like MTA allows marketers to assign credit for revenues in more complex ways, allowing for better optimization but still lacking a truly holistic view of what drives revenues for the business. Most of the experts we spoke with continued to recommend unifying a bottom-up approach like MMM with a top-down approach like marketing mix modeling (MMM) in order to achieve a holistic view.

Marketing Measurement: a Four-Level Hierarchy

Holistic View
(understand path to purchase and the consumer journey)

Multichannel Attribution
(assign credit and optimize marketing spend)

Campaign ROI
(brand lift, sales, etc.)

Audience Reach
(who did I hit?)

Source: eMarketer, Feb 2019

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MMM takes a host of factors into account beyond just advertising and marketing touchpoints, including elements like seasonality, weather, promotions, and other commercial factors that might influence revenues.

"The best-of-breed method is integrating together the top-down MMM approach that allows you to estimate all channels and influences with a bottom-up MTA approach that leverages customer event streams to inform contact strategies," said Scott Nuernberger, senior vice president of analytic solutions at performance agency Merkle. "To some extent, what's happening now is that more weight is being shifted toward MMM because it can compensate for where data is lacking. The MTA side is not going away. There's still a lot that can be done, especially around first-party identity graphs that are available, but the MMM side plays a bigger and bigger role."

This type of approach allows for the planning of media budgets as well as a better view of incrementality than MTA alone can provide.

"We still lean on aggregate analytics—MMM effectively—to do annual media planning, and we look at things like the impact of seasonality or the impact of a pandemic," said Allyson Dietz, director of product marketing at measurement partner Neustar. "But then on the other side, what we find is that marketers still want that agility and ability to be able to manage things on a more tactical level. Should I invest more of my spend in young moms for my frozen pizza or that single male? Where am I going to get my greatest return on ad spend? And that's where you need something like user-level analytics or MTA, to help optimize that piece of your marketing plan and do that more on the fly. Combining those two things is really where you get the greatest bang for your buck."

Long-Standing Challenges Haven't Disappeared

In the past, we've noted that achieving holistic attribution is "more a journey than a goal"; that remains true. Measurement is about getting closer to the truth through data but recognizing that it will never be perfect. It is getting better, based on most of the comments from the experts we spoke with for this report. But a host of familiar struggles remain, from basic issues of media measurement and data quality to the existence of walled gardens and other data gaps.
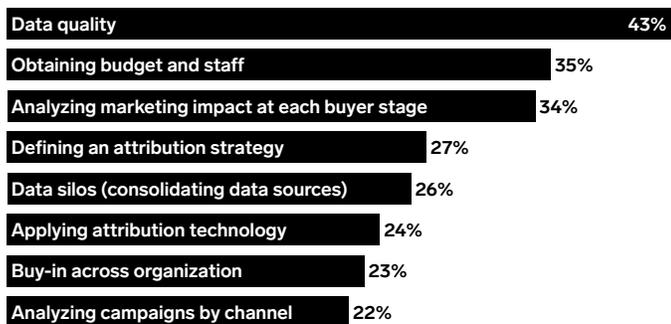
Data Quality and Infrastructure

The quality of data—including things like accuracy, precision, recency, and relevance—is key to its usefulness. According to June 2020 polling by marketing automation firm PFL and marketing software-maker Demand Metric, 73% of US marketers said data accuracy had high importance in multichannel campaign success.

Yet it remains one of marketers' biggest challenges. One in three (33%) business decision-makers surveyed worldwide in July 2020 by cloud data analytics platform Exasol said one of the biggest technological roadblocks to making decisions at their company was that data quality needs to be improved. The problem was essentially tied for first place with security or General Data Protection Regulation (GDPR) concerns (34%).

In October 2020, marketing tech consultancy DemandLab and marketing research firm Ascend2 found that data quality was the leading barrier to revenue attribution success, cited by 43% of marketing professionals surveyed worldwide. About one in four (26%) also said data silos were a problem.

Barriers to Revenue Attribution Success at Their Company According to Marketing Professionals Worldwide, Oct 2020
% of respondents

Data quality	43%
Obtaining budget and staff	35%
Analyzing marketing impact at each buyer stage	34%
Defining an attribution strategy	27%
Data silos (consolidating data sources)	26%
Applying attribution technology	24%
Buy-in across organization	23%
Analyzing campaigns by channel	22%

Source: DemandLab, "The Leadership Outlook on Revenue Attribution" in partnership with Ascend2, Dec 21, 2020

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Among the data and analytics professionals surveyed in August 2020 by Transforming Data with Intelligence (TDWI) and big data analytics platform ThoughtSpot, 49% cited data infrastructure as an obstacle to their company's analytics journey—making it the leading response.

"It doesn't matter if the data science is good and if you've got some fancy interfaces that output analytics—because if the inputs aren't accurate and it's not fast, it's just not actionable," said Sean Muller, founder and CEO at TV ad measurement company iSpot.tv. "The hardest piece of all of this is, at scale, getting user-level data that's accurate, that's modeled up to US census where you remove all the skews and the biases, and then do it all in real time."

(Lack of) Standardization

There are still many areas of both digital and traditional ad measurement where standards don't exist or are inadequate, and organizations including the Media Rating Council (MRC), the Coalition for Innovative Media Measurement (CIMM), and the World Federation of Advertisers (WFA) are working to put more and better standards into place.

It's especially a pain point for TV and video advertisers—who don't have a unified cross-screen currency for buying or measuring their campaigns. Even the long-standing way TV measurement is done by Nielsen is essentially unfit for sophisticated approaches to revenue attribution.

"Marketers thought television was simple," said Jane Clarke, CEO and managing director at CIMM. "But now that we have TV data, it's a lot more complicated because we hadn't had ad measurement in television up until now. Nielsen will be launching ad measurement this year, but right now advertisers buy television based on the average of all the ads throughout the entire program. The C3 rating is the rating of all the minutes with a preponderance of ads in them, averaged over the entire show. It's not the same as digital."

That's just one example of how conflicting (or nonexistent) standards result in metrics appearing to be the same when they aren't. Marketers have the opportunity to make their needs understood as more standards are researched and developed. The MRC is currently working on a project around standards for outcome-based ad measurement and expects a notice and comment period later in Q1 2021.
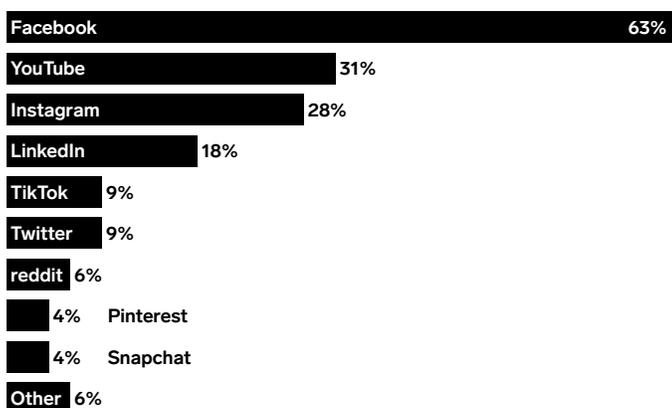
Garden Walls

Within digital media channels, probably the longest-standing gap in measurement information lies with the walled gardens—a group that includes Google, Facebook, a host of other walled social platforms, and Amazon. Some in the industry are also talking more of walled gardens—or attempts to build them—in the connected TV (CTV) or over-the-top (OTT) space.

The October 2020 DemandLab/Ascend2 research found 44% of marketing professionals worldwide said social media marketing was among the most difficult digital marketing channels to attribute sales revenues to.

Respondents to the October 2020 IAS survey suggested that the lack of transparency on the part of these walled gardens might result in less advertiser spending. Specifically, 63% of US digital media professionals thought insufficient transparency with respect to media quality metrics was most likely to affect Facebook, followed by 31% who said the same of YouTube and 28% who cited Instagram. The difference in responses between Facebook and Instagram, when the two platforms use the same buying and reporting interface, is notable.

Social Media Platform Spending Most Likely Affected by Insufficient Transparency in Media Quality Metrics According to US Digital Media Professionals, Oct 2020

% of respondents

Facebook	63%
YouTube	31%
Instagram	28%
LinkedIn	18%
TikTok	9%
Twitter	9%
reddit	6%
Pinterest	4%
Snapchat	4%
Other	6%

Source: Integral Ad Science (IAS), "The 2021 Industry Pulse Report: US Edition," Dec 8, 2020
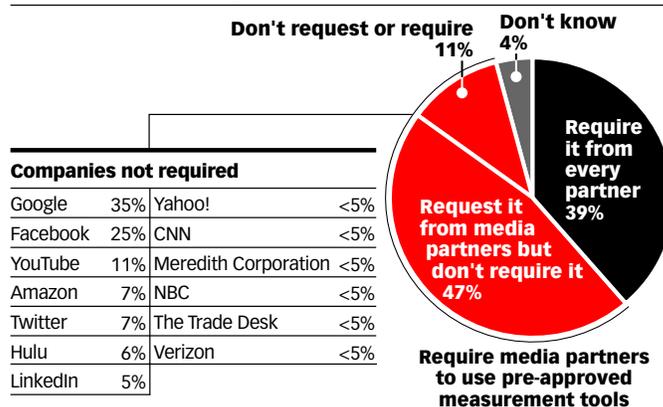
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Other research from last year suggests US marketers and agencies generally remain willing to give the walled gardens a break when it comes to their normal measurement requirements. Two in five respondents to a July 2020 Advertiser Perceptions survey required all their media partners to use the buyer's preapproved measurement tools—which can be frustrating for publishers, who have a variety of reasons for not working with any given provider. Among those who didn't require preapproved tools of every media partner, it was typically the biggest walled gardens that didn't have to participate.

Do the Companies of US Marketers and Agencies Require Media Partners to Use Pre-Approved Measurement Tools?

% of respondents, July 2020

Companies not required

Google	35%	Yahoo!	<5%
Facebook	25%	CNN	<5%
YouTube	11%	Meredith Corporation	<5%
Amazon	7%	NBC	<5%
Twitter	7%	The Trade Desk	<5%
Hulu	6%	Verizon	<5%
LinkedIn	5%		

Note: numbers may not add up to 100% due to rounding
Source: Advertiser Perceptions, "Measurement 2020," Oct 28, 2020

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Shane McAndrew, chief data strategy officer at media agency network Mindshare USA, explained that walled gardens were one area where incrementality testing could help fill in gaps in reporting. And because of how quickly advertisers can turn advertising on and off within the walled gardens, they can run rapid experiments with relative ease.

Marketers taking a sophisticated approach to revenue attribution want to understand not just whether a given touchpoint or media channel influenced a customer, but whether it drove incremental revenues for the business. **Incrementality** is often investigated through experimentation, using test and control groups. See the next section for more on experimentation in ad measurement.

Understanding Methodologies and Validating Results

Another lingering difficulty for marketers hoping to attribute revenues to the right touchpoint is the opacity of various methodologies for doing so and the difficulty of validating the results of those methodologies. This is part of the problem the MRC is working on in its research on outcome-based ad standards.

"One of the things that we aim to do, which we think is needed in this space, is just explain what those methodologies are, the strengths and weaknesses of each, and build some guardrails around when we think the methodologies may or may not be appropriate to use," said George Ivie, CEO and executive director at the MRC. "Because that's missing, it's kind of up to each advertiser to experiment and learn that through the school of hard knocks on their own, and we'd rather take some of the mystery out of that."

For more information on the MRC's research, tune in to the November 2020 episode of our "Behind the Numbers" podcast, **"The Ad Platform: How the MRC Is Creating Standards for Measuring Outcomes."**

One common point of skepticism that came up in interviews with industry figures was around the fact that some attribution methodologies will always credit a marketing touchpoint for an action, even though all marketers know that some conversions are made organically. Another point that came up in many of our interviews was the idea that "I've never seen a lift study that didn't show a lift."

The experts we spoke with discussed two major ways for marketers to consider validating their models currently. The first is to simply compare the results of the model with what they know about their business and how it works. Sometimes the results don't pass this basic smell test—and that's when marketers should investigate whether their data sources are clean and trustworthy, to make sure the problem isn't with the inputs.

But the gold standard for validating these models—and for doing a lot of the experimentation and test-and-learns described in the rest of this report—is the randomized controlled trial (RCT). There are various methods of experimentation in digital advertising, and not all involve an RCT. RCTs have limitations, but many of the experts we spoke with say these tests are becoming more popular, though sometimes advertisers still balk at the idea of paying to win impressions they won't use for their own ads. Still, using some type of experimentation process to test incrementality is gaining traction, and virtually all of the experts we spoke with for this report discussed its importance as a way of continually refining MMM and MTA models.

"Where we're spending a lot of our time providing our clients guidance is on incrementality testing," McAndrew of Mindshare said. "It's been around for some time, but for some reason or another, whether it be discipline or the know-how, or simply the desire for something a little bit more 'silver bullet,' historically we've not seen marketers embrace incrementality testing at scale with consistency. That's actually the centerpiece of our measurement infrastructures now, because we're learning from these incrementality tests how to adjust the curves within our MMMs and within MTAs."

A few options exist for ad experimentation today:

- **Experiments that use public service announcements (PSAs) as the control group.** This is a traditional form of digital ad experimentation, but it does require advertisers to buy impressions that are used for PSAs, not their own ads. And ad servers that use machine learning to feed users ads they're likely to click on could mean that your control group skews toward people who like to engage with PSAs, not the exact same types of people your own campaign would have targeted.

- **Experiments that use ghost ads.** Ghost ads have been around for a few years now and allow marketers to run experiments similar to those that use PSAs. However, the control group is tagged instead with a "ghost ad"— an ad you don't pay for that no one sees, but whose metadata is appended to whatever other ad really won the auction. This allows for a better control group that is directly comparable with the treatment group, but it can be executed only in partnership with the entity running the auction.

- **Natural experiments** investigated through your own campaign data. For example, advertisers running display campaigns with millions of impressions will find that some portion of those impressions were 100% not in view. It's possible to deduplicate that campaign audience and isolate users who were "exposed" only to 100% nonviewable ads and make them a control group.

"There are good options for any advertiser for which incremental sales matters, ranging from highly robust and expensive to proxy and free," said John Goulding, head of strategy for the US at programmatic partner MiQ. "Within that spectrum, I would encourage any advertiser to find what works for them. We feel really passionately that people have to be in test-and-learn mode at the moment."

The Identity Crisis Brings New Challenges

Identifying users across devices and channels is itself a long-standing measurement and attribution challenge. Third-party cookies were never truly universal identifiers. Consumers have spent the majority of their digital media time in the cookieless environments known as mobile apps for years. Still, cookies were useful—along with IDFAs—and losing identifiers will disrupt many current practices.

This section recaps some of the major changes coming up and explains how they'll affect measurement and attribution. The next section discusses best practices for dealing with these changes—as well as other challenges in attributing revenues to marketing touchpoints. For more information on how these identity-related disruptions will affect targeting, see our September 2020 report, **"Identity 2020: Changes to Cookies, Ad IDs, and Regulations Take Aim at Tracking,"** or listen to our October 2020 podcast episode, **"Addressable Media Is Having an Identity Crisis."** To learn more about how publishers are meeting these challenges, look out for our March 2021 report on publisher approaches to ad monetization after the deprecation of third-party cookies.

Apple's Mobile Ad ID Becomes Opt-In

In late January 2021, Apple announced that its new AppTrackingTransparency framework will go into effect "in early spring"—months before Chrome is expected to deprecate third-party cookies. The framework will require users to opt in before any app can collect the IDFA, a persistent mobile device identifier. Most in the mobile app industry expect opt-in rates to be low.

A majority (53%) of the mobile marketers surveyed worldwide in September 2020 by mobile attribution provider AppsFlyer and MMA Global expected at least a 50% reduction in the availability of IDFAs once the planned changes go into effect. Experts we interview typically talk about expected opt-in rates around 20% to 30%. (There's a contrarian, optimistic view that users will be eager to "tap away" any type of notification and semiconsciously opt in.)

How Much More Do Mobile Marketers Worldwide Expect Apple's Planned Changes to iOS 14 Will Reduce Identifier for Advertisers (IDFA)?
% of respondents, Sep 2020
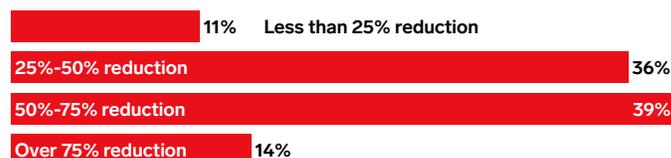
11%	Less than 25% reduction
25%-50% reduction	36%
50%-75% reduction	39%
Over 75% reduction	14%

Source: AppsFlyer and MMA Global, "Apple, IDFA and iOS14: New Challenges, New Opportunities for Marketers," Nov 17, 2020

The mobile marketers surveyed by AppsFlyer and MMA Global expected significant negative effects from the new framework on several attribution-related functions including cross-device measurement (71% said it would be affected at least somewhat negatively), multitouch attribution (62%), conversion measurement (66%), and impression measurement and verification (56%).

Expected Impact of Apple's Planned Changes to Identifier for Advertisers (IDFA) on Select Marketing Capabilities According to Mobile Marketers Worldwide, Sep 2020
% of respondents

	Very negative	Somewhat negative
Audience targeting/suppression/remarketing	34%	40%
Cross-device measurement	31%	40%
Multitouch attribution	31%	31%
Conversion measurement	20%	46%
Contextual targeting	17%	26%
Frequency capping	17%	42%
Impression measurement and verification	17%	39%
Dynamic creative optimization	15%	44%

Source: AppsFlyer and MMA Global, "Apple, IDFA and iOS14: New Challenges, New Opportunities for Marketers," Nov 17, 2020
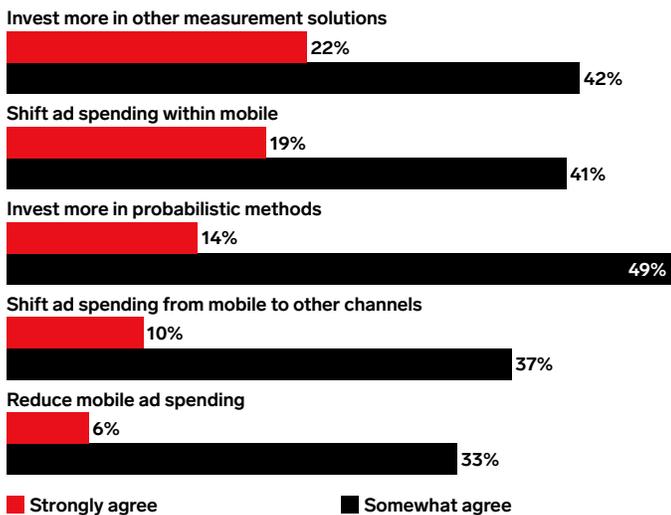
These challenges are expected to drive budget into other advertising channels. They will also spur adoption of different forms of measurement. More than six in 10 respondents said they would be investing more in probabilistic methods, and a similar share said they would invest more in alternative measurement solutions generally.

What Actions Do Mobile Marketers Worldwide Intend to Take in Response to Apple's Planned Changes to Identifier for Advertisers (IDFA)?
% of respondents, Sep 2020

Invest more in other measurement solutions
22%
42%

Shift ad spending within mobile
19%
41%

Invest more in probabilistic methods
14%
49%

Shift ad spending from mobile to other channels
10%
37%

Reduce mobile ad spending
6%
33%

■ **Strongly agree**   ■ **Somewhat agree**

The respondents to the AppsFlyer/MMA Global survey had a fairly good awareness and understanding of the IDFA-related changes coming up, and some of these respondents were themselves app developers. We've heard repeatedly that there are big gaps in sophistication across mobile app advertising programs and that some advertisers may not understand the importance of Apple's planned changes.

"The downstream effects are going to change how people are looking at measurement," said Andrew Richardson, senior vice president of analytics and marketing science at performance agency Tinuiti. "For example, Facebook is changing the default attribution window from 28 days to seven days, with 28 days going away. There are a lot of marketers, especially in the D2C [direct-to-consumer] space, that rely on that 28-day window currently to optimize their campaigns and to report out the success of their business." Based on Tinuiti's findings so far, there's a significant shift in client metrics when looking at a seven-day or one-day attribution window versus a 28-day window—and that's just one example of downstream capabilities that are changing or going away.

Many of those downstream changes involve the limited amount of information that will be available from Apple's SKAdNetwork, which will be the only source of deterministic attribution data about in-app ads for users who don't opt to share their IDFA with an app. SKAdNetwork reporting

is complicated and limited, and mobile measurement and attribution partners are experimenting with various setups now while IDFAs are still available to compare results.

Mobile measurement partners like **AppsFlyer**, **Branch**, **Kochava**, and **Singular** have been interpreting Apple's announcements and experimenting with the SKAdNetwork since last summer. Ad tech partners like these and others in the mobile app space—most notably, Eric Seufert's **"Mobile Dev Memo"** blog—continue to publish detailed blog posts and host educational webinars as they explore the contours and consequences of these policy changes.
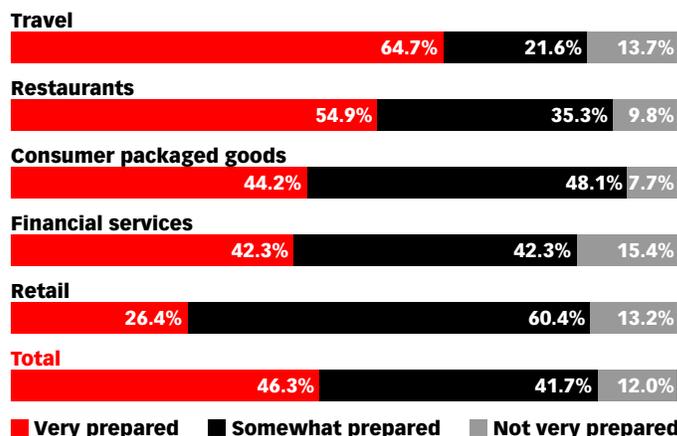
Chrome Deprecates the Third-Party Tracking Cookie

Chrome will deprecate third-party tracking cookies in early 2022—a step that has already been taken by other major web browsers.

Most US marketers were still at least moderately reliant on third-party cookies in September 2020, according to research by outcome-based marketing agency Epsilon and research firm Phronesis Partners—including 38.6% who described themselves as "very reliant" on this soon-disappearing technology. Even so, most said they were also at least somewhat prepared to adapt to life without third-party cookies.

How Prepared Are US Marketers' Companies to Adapt Their Digital Ad Strategy to Account for the Deprecation of Third-Party Cookies?
% of respondents, Sep 2020

Travel
64.7%   21.6%   13.7%

Restaurants
54.9%   35.3%   9.8%

Consumer packaged goods
44.2%   48.1%   7.7%

Financial services
42.3%   42.3%   15.4%

Retail
26.4%   60.4%   13.2%

Total
46.3%   41.7%   12.0%

■ **Very prepared**   ■ **Somewhat prepared**   ■ **Not very prepared**

According to July 2020 research by Advertiser Perceptions, 65% of US marketers and agencies surveyed thought campaign reporting and insights would be among the most challenging phases of ad campaigns in a cookieless environment.

Ad Campaign Phases that Will Be the Most Challenging in a Cookieless Environment According to US Marketers and Agencies, July 2020
% of respondents

Campaign reporting/insights	65%
Optimization	63%
Buying/implementation	30%
Planning	26%
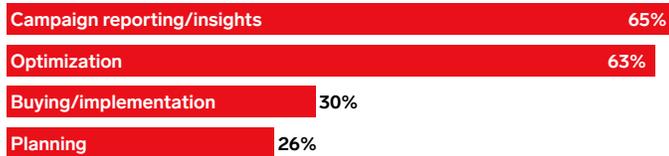
Note: n=200; top 2 responses on a scale of 1-5 where 1=yes (very) and 5=no (very/adamant)
Source: Advertiser Perceptions, "Identity: Are we headed toward resolution, revolution or regression?" Oct 19, 2020

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Along with the Chrome team's announcement that third-party cookies would be going away, it also announced the Privacy Sandbox initiative, a place for interested parties to suggest and test other potential infrastructure to be adopted by the World Wide Web Consortium (W3C)—infrastructure that would incorporate principles of privacy by design.

Most of the Privacy Sandbox proposals to date have dealt with targeting-related applications of cookies. For example, the TURTLEDOVE proposal outlines a method of privacy-preserving interest-based ad targeting. Measurement- and attribution-related proposals include:

- **Google's Conversion Measurement API**, an alternative platform for reporting ad-click conversions.

- **Private Learning and Interference for Causal Attribution (PeLICAn).** Neustar's proposal outlines how browsers could incorporate principles of differential privacy in reporting on the results of cohort-based advertising.

"Last year, the W3C was really focused on, 'How are we going to target audience? How do we create audience segments?'" said Angelina Eng, vice president of measurement and attribution at IAB. "We're just starting to hear about proposals around what does data look like? How are companies going to collect data and use machine learning to optimize and predict audiences? And so, I'm optimistic that proposals are coming in, and then we'll start really focusing on that."

Marketers who are interested in learning more about these proposals can check them out in detail on GitHub and continue to be widely encouraged to participate in the deliberative process at the W3C. Some of the proposals under consideration involve new ways of executing ad auctions, with some decisions being made by the browser rather than the ad server, which would have implications for measurement.

For more information about PeLICAn and ad-measurement-related applications of differential privacy, listen to this January 2021 episode of our **"Behind the Numbers"** podcast featuring guest Allyson Dietz.

Best Practices for This Year

In 2021, advertisers and their partners will be taking a number of steps to prepare for the transition to fewer IDFAs and no third-party cookies. Many of the best practices for dealing with this disruption are familiar—just as long-standing challenges still exist, so too are long-recommended practices still relevant.

Just over half (52%) of US and UK respondents to Merkle's November 2020 research said the rise in privacy-related data restrictions was pushing them to adopt digital experiences and other strategies to collect more first-party data. Other leading responses to the issue included prioritization of ID resolution technologies (36%) and omnichannel orchestration tech like customer data platforms (26%).

Respondents to Epsilon and Phronesis Partners' September 2020 survey were thinking along similar lines. About two-thirds were building out a customer data platform, while slightly fewer were strategizing around first-party data or building a private ID graph.

Steps Taken by US Marketers' Companies to Address the Impact of the Deprecation of Third-Party Cookies, Sep 2020
% of respondents

	1	2	3	4	5	6
1 Consumer packaged goods		3 Restaurants		5 Travel		
2 Financial services		4 Retail		6 Total		
Building a customer data platform (CDP)	66.7%	62.5%	70.8%	66.7%	70.0%	67.3%
Strategizing around first-party data	88.9%	58.3%	58.3%	38.9%	55.0%	61.9%
Building out a private ID graph	44.4%	58.3%	58.3%	77.8%	70.0%	60.2%
Moving to contextual targeting strategies	59.3%	54.2%	58.3%	55.6%	40.0%	54.0%
Getting a data clean room	22.2%	12.5%	29.2%	33.3%	30.0%	24.8%

Note: n=259
Source: Epsilon, "Preparing for a world without third-party cookies" in partnership with Phronesis Partners, Oct 27, 2020

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But a key step this year, for anyone who hasn't already done it, must be evaluating exactly how reliant you are on the identifiers that are going away or becoming less available.

"Really take a step back and look at the loss of third-party cookies and other privacy changes, and assess what impact they're going to have on the organization to come up with a plan of how to address it," Merkle's Nuernberger said. "With some of the companies that I work with, it feels like too many are jumping in and saying, 'Well, I've got to try to fix this attribution problem. I'm no longer going to be getting the Google log data, and so I've got to try to fix that.' But they're not necessarily taking a look at it holistically, how it's impacting media, targeting media measurement, reporting, and so on."

Audit Your Metrics and Map Customer Journeys

That means marketers must scrutinize their current practices, and whether it makes sense to continue them.

"Do a measurement audit," said Lauren T. Fisher, executive vice president of business intelligence at research firm Advertiser Perceptions. "Really sit down, understand how you're measuring everything you're measuring, the tools you're using. Start understanding what potentially could break or should break. And then start going back in and understanding where you need to plug holes, where you need to ask more questions, perhaps where there is opportunity to start test-and-learn, and approach some of these alternate methods with a little bit more of a game plan versus just trying things out to see what sticks. If marketers are serious about moving measures more toward actual outcomes that matter for their business, now is the time to really think about what that looks like. Now's the time to really think about how all those channel-specific KPIs can roll up into larger outcomes."

The need for channel-level KPIs to align with higher-level KPIs that are focused on important business outcomes is still acute, according to many of the experts we spoke with, including on the buy and sell sides. There was consensus that marketers still struggle to both understand customer journeys and, additionally, to monitor the appropriate metric at the appropriate place and time in those journeys.
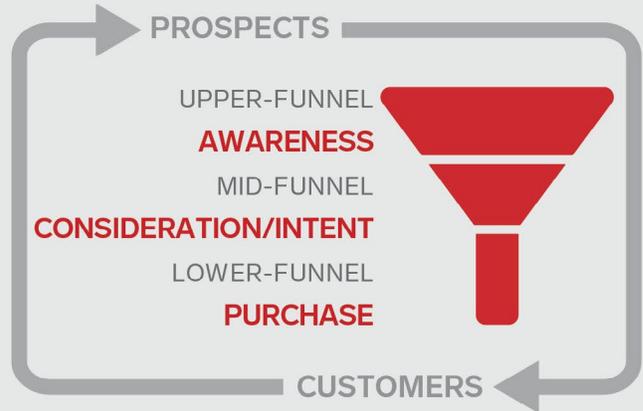
MAPPING CUSTOMER ENGAGEMENT METRICS

1 IDENTIFY YOUR COMPANY-LEVEL OBJECTIVE

Objectives might include:

📈 **Increase lifetime value (LTV)**

♻️ **Increase customer loyalty**

Increase brand affinity, awareness, share of voice

2 CONSIDER ALL STAGES OF THE CUSTOMER JOURNEY

PROSPECTS

UPPER-FUNNEL
AWARENESS
MID-FUNNEL
CONSIDERATION/INTENT
LOWER-FUNNEL
PURCHASE

CUSTOMERS

3 MAP THE METRICS TO THE CUSTOMER JOURNEY

Identify all the channels and touchpoints:

NOW MAP IT TO THE METRICS!

Example: paid search & website

MEDIA & MARKETING

Television
Radio
Print
Out-of-Home
Direct Mail/Catalogs
Coupons
Events

DIGITAL

Paid Media: search, display, email, digital audio, social, etc.

Owned Media: website, social, app, etc.

Earned Media: social, organic search, etc.

PAID SEARCH

— **IMPRESSIONS**

— **CLICKS**

— **CONVERSIONS, SALES**

BRAND HEALTH

Brand-health surveys focused on awareness, intent, affinity, loyalty, etc.

OFFLINE

In-Store
Call Center/Customer Service
Sales

WEBSITE

— **IMPRESSIONS, VISITS**

— **CLICKS, TIME SPENT**

— **CONVERSIONS, SALES**

It's easy for marketers to generate lists of dozens of metrics that might be useful—but collecting more information than you need to drive business outcomes is not helpful and will be less so in the future.

"You don't have to collect that much data," said Sharon Harris, CMO at digital marketing agency Jellyfish. "We got into this ethos that more data is better, and that's not true. Less data is better, because you need to have in mind the end game of how to activate against the data. Don't collect data you don't need, don't collect data you don't have permission for, and don't collect data you can't activate against. But some companies have volumes and volumes of data with zero governance that's often ripe for data breaches, or just useless."

A Data Strategy Is No Longer Optional

The instruction for brands to "get a first-party data strategy" has been repeated in the industry since before the GDPR went into effect in 2018. Thanks to privacy-related changes, the emphasis on first-party data has never been greater. But even for brands with a lot of it, first-party data isn't a panacea. Partnerships are typically needed in some form, and underlying it all, a strategy.

Thirty percent of UK and US executives surveyed in November 2020 by Merkle said collecting and storing more first-party data was "the highest priority" for their organization in the next six to 12 months, with another 58% describing it as a high priority.

In an earlier survey by Winterberry Group and the IAB, 60.4% of data professionals in North America polled in May 2020 said they would be increasing spending and emphasis on first-party data as a result of losing third-party cookies. More than one-third planned to work more on second-party data relationships and on developing in-house ID resolution systems.

Advertiser Perceptions also found marketers planning to lean more on ID graphs based on first-party data—almost two-thirds of US marketers and agencies surveyed in September 2020 said they would do this as third-party cookies are being phased out. About half said the same of second-party data co-ops with others on the buy-side or from publishing partners.

Tactics US Marketers and Agencies Are Using to Address Identity Resolution in the Future as Third-Party Cookies Are Being Phased Out, Sep 2020
% of respondents

Relying more heavily on ID graphs built on first-party data
65%

Relying more heavily on second-party data built via data co-ops with other agencies and brands
51%

Relying more heavily on second-party data from publishing partners
48%

Still relying on third-party-based identity resolution solutions, but ensuring they are built to last
31%

Note: n=302
Source: Advertiser Perceptions, "Identity: Are we headed toward resolution, revolution or regression?" Oct 19, 2020
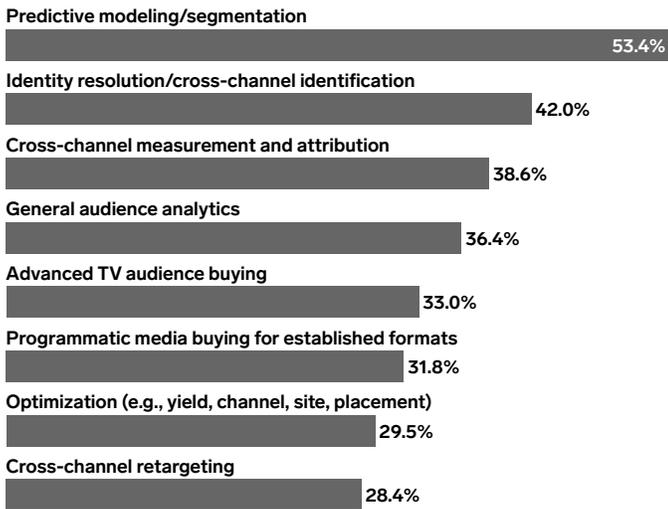
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Attribution isn't the only reason marketers are doing this work, but it's an important one.

Among marketers worldwide surveyed by the WFA in Q1 2020, 53% said campaign attribution was a "critical" use of their first-party data, and another 26% said it was important, but not critical.

Cross-channel measurement and attribution was the No. 3 use case for first-party data that respondents to the May 2020 IAB/Winterberry Group survey expected to occupy their resources last year. The No. 2 use case, identity resolution and cross-channel identification, itself feeds into and aids cross-channel measurement and attribution.

Which First-Party Data Use Cases Do Data Professionals in North America Expect Will Occupy Their Time, Attention, and Resources During 2020?
% of respondents, May 2020

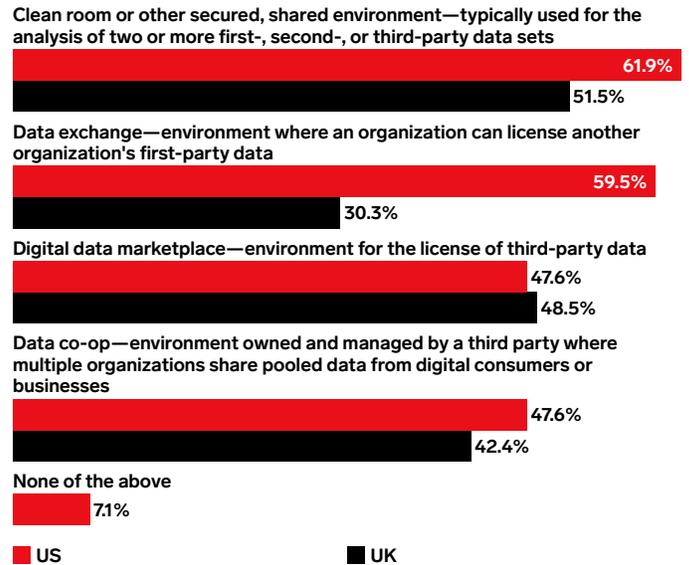| Use Case	%
Predictive modeling/segmentation	53.4%
Identity resolution/cross-channel identification	42.0%
Cross-channel measurement and attribution	38.6%
General audience analytics	36.4%
Advanced TV audience buying	33.0%
Programmatic media buying for established formats	31.8%
Optimization (e.g., yield, channel, site, placement)	29.5%
Cross-channel retargeting	28.4%

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Measuring marketing performance was the third-leading use case for US companies' customer ID resolution programs, according to October 2019 polling by Forrester Consulting for Epsilon-Conversant, selected by 43% of respondents. In addition, 33% were using customer ID resolution programs for attribution analysis, 31% to identify and address wasted marketing spend, 28% for media mix modeling, and 3% for all of the above (and more).

According to September 2020 research from Advertiser Perceptions, 67% of US marketers and agencies said identity resolution capabilities were very important to them for the purpose of enhancing measurement—and only 4% said they did not use identity resolution for that purpose.

Data strategies are about much more than just collecting and making use of a brand's own data assets. Data collaboration—which can take various forms—is becoming more popular. According to November 2020 polling by Winterberry Group among brand marketers with at least $20 million in annual marketing spending, about six in 10 US respondents had used some type of secured, shared environment (like a clean room) to analyze multiple data sets, and a similar share had participated in data exchanges. About half had used data marketplaces or data co-ops.

Data Collaboration Solutions Their Company Utilized to Support Advertising and Marketing Efforts According to UK/US Brand Marketers, Nov 2020
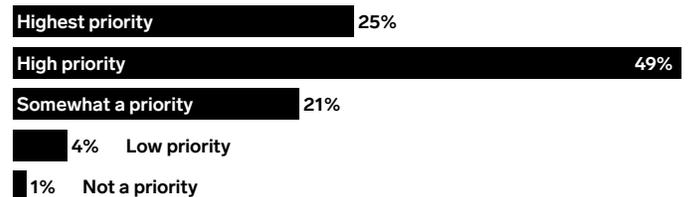*% of respondents*

Solution	US	UK
Clean room or other secured, shared environment—typically used for the analysis of two or more first-, second-, or third-party data sets	61.9%	51.5%
Data exchange—environment where an organization can license another organization's first-party data	59.5%	30.3%
Digital data marketplace—environment for the license of third-party data	47.6%	48.5%
Data co-op—environment owned and managed by a third party where multiple organizations share pooled data from digital consumers or businesses	47.6%	42.4%
None of the above	7.1%	

■ US   ■ UK

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The same survey also found that about two-thirds of US respondents (64.3%) had collaborated with other companies in some fashion to share first-party data.

For Merkle's respondents, second-party data partnerships were almost as important as collecting more first-party data. About three in four said these partnerships were at least a high priority (compared with 88% who said the same of first-party data collection).

Importance of Second-Party Data Partnerships to Their Company According to UK/US Executives, Nov 2020
% of respondents

Priority	%
Highest priority	25%
High priority	49%
Somewhat a priority	21%
Low priority	4%
Not a priority	1%

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In many cases, these data collaborations take place in a secure environment where neither party has access to the granular information in the other's data set. These environments could be clean rooms or other similar setups. According to the November 2020 Merkle research, 61% of UK and US executives said they would be increasing their investment in data clean rooms. The same survey found 23% had "prioritized" data clean rooms as a result of privacy-related changes. And the Epsilon and Phronesis Partners research, cited earlier in this report, found 24.8% of US respondents were getting a data clean room due to the cookieless future.

Clean rooms are getting more attention, but their definition is still a bit unclear. According to the experts we spoke with, typical marketers will still need help from partners to make the most of clean rooms—though some big brands or D2C advertisers with in-house data science expertise may be able to tackle them.

How Do UK/US Brand Marketers Define "Clean Room"?
% of respondents, Nov 2020

Platform where data is exchanged without exposing it directly to either party or the room provider
45.3%

Controlled environment used in science and manufacturing where pollutants can be minimized
40.0%

Platform where users can securely match to commercially provided data sets
36.0%

Platform where data sharing is facilitated by a third party who may have access to the data
30.7%

Data marketplace where data is shared between two or more parties
24.0%

Don't know
8.0%

Note: n=75
Source: Winterberry Group, "Collaborative Data Solutions: Data and Identity in the Era of Permission," Jan 14, 2021

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Get Your Organization Aligned

The underpinnings of meaningful revenue attribution programs are complex. Data from many parts of the organization must be brought together. Channel-level KPIs must roll up to business outcome-level KPIs in a way that makes sense. Strategy around data partnerships must be set at the organizational level to ensure the data is useful. As we've written in the past, both in our coverage of attribution and of other major initiatives in contemporary marketing organizations, top-down organizational buy-in is a must for execution to be successful.

While most of the experts we spoke with for this report expected marketers to have partners on their measurement and attribution journeys, many advised that some kind of internal "owner" of attribution was required. The complexities of attribution models, the need to have those models customized in a way that makes sense for the business, and the need to explain and validate the models internally all point toward an in-house role.

Merkle's Nuernberger described the situation of dealing with many different data sources, and the reality that it involves more of a hub-and-spoke approach than a singular store of information.

"Even if you have your own first-party data clean room, you're still going to need the media platform clean rooms," he said. "You won't ever get access to the Google-specific data unless you're in Google's environment, or the Facebook-specific data unless you're in Facebook's environment, or the Amazon-specific data unless you're in Amazon's environment. So, you're going to need to be leveraging all of them as components of your measurement, in addition to your own MTA, your own first-party data, MMM, and research studies. A critical success factor for any organization is a measurement champion or expert who knows how to digest and distill all of those pieces into a coherent report for decision-making."

Half of data and analytics professionals worldwide surveyed by TDWI and ThoughtSpot in August 2020 said they wanted their organization to create a center of excellence or other similar organizational structure for data and analytics.

Marketers throughout the organization will also likely have to get used to new ways of doing things as they continue on their attribution journey in a more privacy-conscious world. For example, the IAB's Eng noted that there will be limitations on how marketers can use a lot of data sets beyond what they generally deal with now.
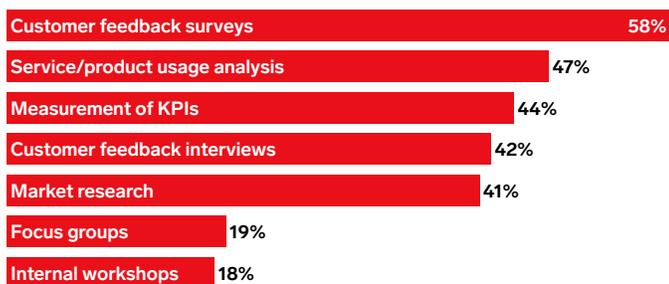
"Marketers may be limited to what types of reports they pull at the same time," she said. "Because they don't want advertisers and companies to overlap that data and potentially figure out PII [personally identifiable information] or sensitive data. Or marketers can query it, but for only a certain period of time." She suggested that marketers might start thinking of themselves as having a "privacy budget" and needing to pick and choose which data sets are most important, rather than having access to everything, at any time, and in any combination.

Work to Understand Your Customers

Understandably, marketers may feel like these changes are making it more difficult to understand their customers. But they're also driving the industry to some traditional methods of learning, like surveys and panels. According to August 2020 polling by Ascend2, 58% of marketing professionals worldwide thought customer feedback surveys were the most effective way to collect data for mapping customer journeys.

Most Effective Way to Collect Data for the Journey Mapping Process According to Marketing Professionals Worldwide, Aug 2020
% of respondents

Customer feedback surveys	58%
Service/product usage analysis	47%
Measurement of KPIs	44%
Customer feedback interviews	42%
Market research	41%
Focus groups	19%
Internal workshops	18%

Source: Ascend2, "Customer Journey Mapping," Aug 31, 2020

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Surveying customers has advantages in a privacy-first world. Surveyed users, or panelists, consent to share their information and opinions. As nonconsented data options dry up, and pools of nonauthenticated, unidentifiable impressions account for more bid requests than ever, these types of approaches have the potential to answer questions for marketers that they can't answer elsewhere.

"Marketers should be thinking about what kind of relationship they want to have with the people involved in their market research," said Anne Hunter, vice president of product marketing at panel-based research firm DISQO. "Do I view research as an ethical ingredient in my success? Or do I view research as a technical function? Is research understanding my clients and competitors better? Or is it a data analytics exercise?"

One use case for panels that many of the experts we interviewed mentioned was the idea of extrapolating what you can learn from a panel to a wider audience of nonauthenticated traffic. There seem to be widespread plans to use this technique in various ways. For example, in the past, The Trade Desk explained that it expects web-based digital advertising to continue functioning well past the end of cookies, as long as a certain threshold of users opts to use identifiers like its Unified ID 2.0 solution, because advertisers will be able to use modeling to understand the rest of their audience.

"We don't need to have all the data," Mindshare's McAndrew said. "We just need to have a representative set of data, and we can now do a lot more with it than we ever thought possible. That's because where we started to face data limitations; new and improved applications of statistics are allowing us to create incredibly accurate simulations of populations right down to which audiences should be targeted with what types of ads and what types of outcomes can be expected. And when we're testing simulations based on synthetic populations versus real world, we're seeing a small-enough variation to convince us that we need to keep moving down that path."

Some caution is warranted, however, and marketers should be aware that if panelists aren't representative of the larger population, extrapolation won't work well.

The Future of Measurement and Attribution

The identity-related disruptions coming for marketers' current practices, on top of the struggles they already have on their attribution journeys, might appear discouraging. But almost everyone we spoke with about these issues advised marketers to look at the changes as an opportunity to reevaluate current approaches—which are decidedly imperfect—and implement something better for the future.

That might mean a mindset change—and that's OK. One key element, especially this year, is to prepare for uncertainty and developing agile responses to it.
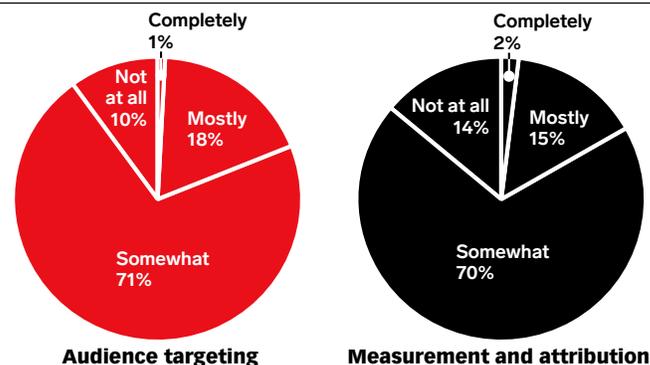
"You've got to get comfortable knowing only about 60% or 70% of what's going on because the pace of change is so dramatic," said Alice Sylvester, partner at measurement and attribution consultancy Sequent Partners. "That's not necessarily anything new, but I do think the number of moving parts is accelerating beyond our wildest imagination. We just have to get comfortable not knowing and not being certain. The notion of agility means what do I have to do right now? And what do I have in place to react to all the changes that are happening so quickly?"

One possible mindset change will be getting more comfortable with probabilistic approaches to both identity resolution and attribution itself—and to be clear, that includes the vast majority of current practices that go beyond a basic last-click model.

According to the AppsFlyer/MMA Global research from September 2020, mobile marketers were deeply ambivalent about probabilistic methods, on both the addressability and attribution sides. Just 17% of mobile marketers surveyed worldwide said they mostly or completely trusted probabilistic solutions for measurement and attribution.

Extent to Which Mobile Marketers Worldwide Trust Probabilistic Data for Audience Targeting and Measurement/Attribution, Sep 2020
% of respondents

Audience targeting
- Completely 1%
- Not at all 10%
- Mostly 18%
- Somewhat 71%

Measurement and attribution
- Completely 2%
- Not at all 14%
- Mostly 15%
- Somewhat 70%

Note: numbers may not add up to 100% due to rounding
Source: AppsFlyer and MMA Global, "Apple, IDFA and iOS14: New Challenges, New Opportunities for Marketers," Nov 17, 2020

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Of course, probabilistic methods are not 100% accurate representations of reality—by definition. And some methods are better than others. The AppsFlyer/MMA Global research explains that the use of multiple signals as opposed to a single signal can improve accuracy from 88% to 97%—when the lookback window is 30 minutes. Both types of models have decaying levels of accuracy over longer lookback windows.

But ambivalence doesn't mean marketers won't use these methods—on the contrary, most already do use them in some form or fashion.

"I believe buyers will be open to probabilistic methods," said Amanda Martin, vice president of enterprise partnerships at programmatic partner Goodway Group. "As the end of the third-party cookie gets closer and closer, we will come to terms with the reality that we've been working in a far more probabilistic world than we maybe care to acknowledge."

That opinion resonated with a number of other experts we spoke with for this report. At its heart, this is a question about the epistemology of ad measurement and revenue attribution, and the nature of abstractions: The map is not the territory—but a map can still be a very useful thing that helps get marketers from point A to point B.

"The question is how it gets framed to the marketplace now," said Justin Fromm, executive vice president of business intelligence at Advertiser Perceptions. "There's always going to be someone who comes in and dismisses it by saying, 'Well that's just probabilistic.' But buyers and sellers for the most part are going to say, 'Actually, our science has gotten better, and we can be better partners for our consumers by aggregating their data and protecting their privacy, and still be as accurate.'"

Key Takeaways

- **Marketers are still on a journey toward a holistic view of revenue attribution.** And that holistic view has become more important than ever as many of the data signals marketers have relied on for digital attribution are becoming harder to come by. Unifying a top-down approach like MMM with a bottom-up approach like MTA gives marketers a better view of incrementality and media planning while still allowing for channel optimization and agility.

- **The identity crisis will make attribution more challenging because it will be harder to identify customers across channels.** And it's important to remember that the ultimate driver of changes to cookies and mobile ad IDs is consumer dissatisfaction and a desire for more privacy-preserving methods of targeting and measuring advertising. That means consent and respect for the consumer are important even aside from technical limitations to identifiers.

- **Organizational alignment will be key to successful revenue attribution.** The point of measuring marketing activities and attributing revenues to various touchpoints is to drive better business outcomes and ultimately gain market share. The only way to do that is to have the right KPIs at a business level and make sure teams across the organization are working toward KPIs that ultimately roll up to those business-level goals. Working toward the right metrics will be the foundation of any program that gets the desired results.

Adapt your predictive model now to ensure future success

This article was contributed and sponsored by Acxiom.

Lawrence Hsu
Vice President, Data Analytics,
Acxiom

What happens to your predictive models when the unpredictable happens? There's no denying that the COVID-19 pandemic has wreaked havoc on more than just our everyday lives. During and after the pandemic, your analytics teams may find themselves mystified by unpredicted behavior—and worse, predictions applied to future efforts won't be reliable.

Global and local events like the pandemic quickly change people's habits, priorities, and behaviors, and can make historical patterns unreliable for predicting current and future patterns. For instance, in a survey of 10,000 people, Acxiom found that 83% said safety, not budget, is the new priority for travel. This is just one example from the pandemic research that points to the need to adjust models (that may have been tuned into price as a leading factor in travel offers) to account for new behavior. So, how can the investment of tech, time, and talent in modeling be used to understand people better and achieve the same pre-pandemic results you expected from your modeling team?

The first thing to understand is that you'll need to change your model and approach. Let's look at some steps you can take to get back to the pre-pandemic level of comfort you had with achieving actionable results.

Here are some of our top tips:

- Revise and review segments—geography and conditions should be a variable

- Brands have to shorten the cycle time from data collection to activation

- Machine learning and journey solutions are now more important than ever

- Move up testing in order to learn and adapt

- Data latency, or lack thereof, is the new currency of confidence

- Consider incorporating additional data sources, and reconsider the relevance of historical data elements

- Look at dashboards early and often, and adjust as needed

- Understanding consumer attitudes and sentiment can protect you from sounding tone deaf or out of touch. Social media data can help here

- Looking at predictive analytics models and then the purchase channels, both digital and offline, needs to be a significant consideration in both marketing strategy and analytics

- Understanding what is happening and what may happen because of it (both locally and globally) will help you predict how people may or may not change their future behavior as local conditions change and brands adapt to serve people's new expectations and needs

For more on how Acxiom can help with customer point-in-time predictive models and help your team create or adjust models to better account for unpredictable events, explore our COVID-19 impact strategy and analytics resources.

ME,

MYSELF,

AND IDENTITY

TELLS MY WHOLE STORY

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EXPERIENCES MATTER

Insider Intelligence Interviews

Insider Intelligence and eMarketer research is based on the idea that multiple sources and a variety of perspectives lead to better analysis. Our interview outreach strategy for our reports is to target specific companies and roles within those companies in order to get a cross-section of businesses across sectors, size, and legacy. We also look to interview sources from diverse backgrounds in order to reflect a mix of experiences and perspectives that help strengthen our analysis. The people we interview for our reports are asked because their expertise helps to clarify, illustrate, or elaborate upon the data and assertions in a report. If you would like to be considered for an interview for one of our reports, please fill out this form.

Rick Bruner
Founder and CEO
Central Control
Interviewed January 19, 2021

Lauren T. Fisher
Executive Vice President, Business Intelligence
Advertiser Perceptions
Interviewed January 15, 2021

Jane Clarke
CEO and Managing Director
Coalition for Innovative Media Measurement
Interviewed January 15, 2021

Justin Fromm
Executive Vice President, Business Intelligence
Advertiser Perceptions
Interviewed January 15, 2021

Shailin Dhar
Founder and CEO
Method Media Intelligence
Interviewed January 19, 2021

Marc Goldberg
Chief Revenue Officer
Method Media Intelligence
Interviewed January 19, 2021

Allyson Dietz
Director, Product Marketing
Neustar
Interviewed January 15, 2021

John Goulding
Head of Strategy, US
MiQ
Interviewed January 26, 2021

Stephen DiMarco
Chief Digital Officer
Kantar
Interviewed January 21, 2021

Sharon Harris
CMO
Jellyfish
Interviewed January 25, 2021

Paul Donato
Chief Research Officer
Advertising Research Foundation
Interviewed January 8, 2021

Anne Hunter
Vice President, Product Marketing
DISQO
Interviewed January 20, 2021

Angelina Eng
Vice President, Measurement and Attribution
Interactive Advertising Bureau
Interviewed January 22, 2021

George Ivie
CEO and Executive Director
Media Rating Council
Interviewed January 25, 2021

Chris Feo
Chief Revenue Officer
Tapad
Interviewed January 22, 2021

Harry Kargman
Founder and CEO
Kargo
Interviewed January 5, 2021

Raghu Kodige
Co-Founder and Chief Product Officer
Alphonso
Interviewed January 21, 2021

Amanda Martin
Vice President, Enterprise Partnerships
Goodway Group
Interviewed January 19, 2021

Shane McAndrew
Chief Data Strategy Officer
Mindshare USA
Interviewed January 26, 2021

Mike Menkes
Senior Vice President
Analytic Partners
Interviewed January 20, 2021

Satya Menon
Executive Vice President, Analytic Practice
Kantar
Interviewed January 21, 2021

Charles Mi
Chief Technology Officer
Adara
Interviewed December 22, 2020

Ian Monaghan
Manager, Product Marketing
Adobe Advertising Cloud
Interviewed January 22, 2021

Sean Muller
Founder and CEO
iSpot.tv
Interviewed January 8, 2021

Scott Nuernberger
Senior Vice President, Analytic Solutions
Merkle
Interviewed January 14, 2021

Marco Parente
Senior Vice President, Product Management
Kantar
Interviewed January 21, 2021

Ron Pinelli
*Senior Vice President,
Digital Research and Standards*
Media Rating Council
Interviewed January 25, 2021

Lance Porigow
*Executive Vice President,
Head of Ecommerce Growth*
The Shipyard
Interviewed January 21, 2021

Andrew Richardson
*Senior Vice President,
Analytics and Marketing Science*
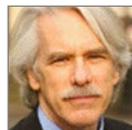**Tinuiti**
Interviewed January 20, 2021

Loch Rose
Chief Analytics Officer
Epsilon
Interviewed January 21, 2021

Jim Spaeth
Partner
Sequent Partners
Interviewed January 11, 2021

Greg Stuart
CEO and President
MMA Global
Interviewed January 14, 2021

Alice Sylvester
Partner
Sequent Partners
Interviewed January 11, 2021

Gabe Ubatuba
Manager, Advertising Measurement and Strategy
Adobe Advertising Cloud
Interviewed January 22, 2021

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