



# The **Multi-Touch** Twenties

Why 2020 has forced brands  
to revamp affiliate attribution  
for a new marketing era



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## Introduction

With 2020 nearing to a close, we can finally take a breath and look at how things have evolved in the digital ad industry over the last 12 months. **And it goes without saying it's been tumultuous.**

We won't revert to the same overused phrases about a 'new normal' and the 'unprecedented times' we've all lived through thanks to coronavirus, but a selection of headlines from the year go some way to conveying the massive disruption we've all adapted to:

- ➔ Global GDP is set to drop by over 4% in 2020, with the world's economy expected to be some \$4tn smaller by 2022 because of the virus, according to the OECD.
- ➔ US e-commerce sales will reach almost \$800bn this year, representing a 32% increase on 2019's volume.
- ➔ In Q1, Amazon was tracking nearly \$10k in sales every second on its platform as shoppers went online in hoards.
- ➔ British retailer Marks and Spencer posted a profit loss for the first time in 94 years in its H1 results.
- ➔ The French government temporarily suspended Black Friday sales to accommodate the forced closure of physical stores across the country.

- ➔ The UK witnessed its biggest ever recorded fall in ad spend in Q2 to -50.7%, exceeding the drop witnessed in the immediate aftermath of the 2008 financial crash.

- ➔ The travel industry is forecast to lose some \$318bn in revenue because of disruption caused by the pandemic, with Bill Gates suggesting 50% of business travel could disappear forever.

- ➔ Cyber Monday was the biggest ever online sales day in US history according to Adobe.

Suffice to say, it's been a bumpy year.

During it all, marketers have had to attempt to see through the fog... making decisions around where to invest their next marketing dollar on the fly as chaos reigns around them.

It's been a precarious business, not helped by constantly changing conditions in which supply chains are disrupted, local lockdown restrictions are enforced at a moment's notice, consumer confidence fluctuates wildly from week to week, and ad budgets are slashed.

News of effective vaccine treatments being developed and made available in the coming months may point towards more economic and social stability in 2021, but it is still very early days.

What this year has demonstrated to marketers more than ever is knowing how effective your ad spend has been is vital.

John Wanamaker's century-old dilemma of knowing half his ad spend is wasted but not knowing which half has never felt more pertinent. And this despite more access to data than ever in the quest for an ultimate ROAS truth.

This whitepaper will take you through these dilemmas and illustrate how brands are beginning to take advantage of multi-touch attribution models - like SingleView - to better understand their advertising investments.

We believe it's this kind of approach that should, and will, be adopted by the broader performance industry over the coming years and which, for the earliest of adopters, will provide a huge competitive advantage in 2021.



# Digital's thwarted promise of measurement



The great promise digital advertising first offered nearly two decades ago, a means of measuring individual interactions online and tying them to a performance-based model of attribution, has largely remained undelivered.

Instead, a combination of marketing siloes, opaque arbitration, invasive ad trackers, reactionary regulation and walled gardens have undermined its potential.

It was only earlier this year the UK's trade body for advertisers, ISBA, [published](#)

a damning report on the state of programmatic display highlighting an 'Unknown Delta' of 15% of ad spend that couldn't be explained because of that channel's extreme complexity (Fig 1).

Foregoing that complexity in favor of one centralized ad platform with huge reach and scale, like a Google or Facebook, understandably sounds like a much more appealing prospect. For most advertisers that's certainly been the story of the last decade.

Almost 70% of global ad spend is now funneled through these platforms.

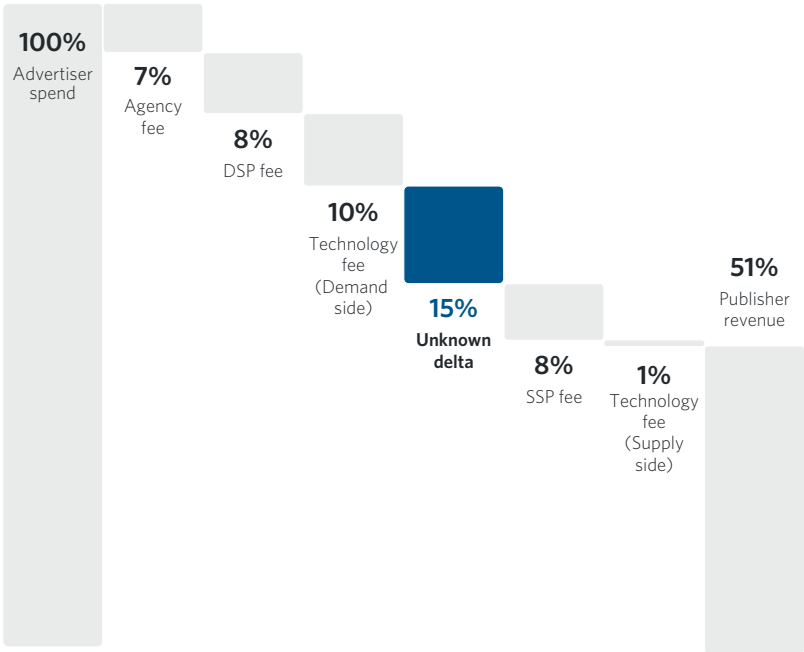


Figure 1: ISBA's Programmatic Supply Chain Transparency Study, May '20

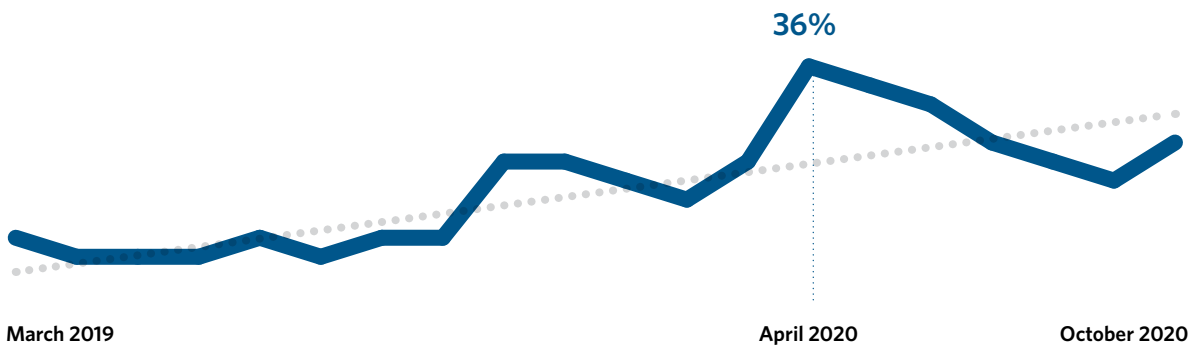


Figure 2: Growth of tracked new customers, Awini, Mar '19 - Oct '20

But they bring with them their own set of dilemmas. Quite apart from the whole 'endangering democracy' and monopolistic power issues they provoke, these are black boxes - entities that [mark their own homework](#) when it comes to ad reporting without effective recourse for advertisers.

The duopoly are not the only candidates here. Amazon's own trailblazing success this year has been bolstered by its nascent ad platform. If reporting discrepancies are the hallmark of walled gardens, [LinkedIn's](#) admission of its own \$10m hiccup earlier this year establishes their credentials as another member of this elite group.

For the biggest advertiser in the world, [Procter & Gamble](#), the response has been to build its own customer profile database and use these 1.5bn IDs to take marketing measurement into their own hands.

Combined with the rising trend among brands for in-house and their simultaneous [DTC efforts](#) (Nike expects to generate \$21bn in DTC sales alone this year), this all suggests a collective desire from advertisers to, for want of a better phrase, take back control.

It's never been more important to have this kind of control over your marketing's effectiveness. Advertising budgets have been dramatically

slashed this year. Marketing is often the first department to suffer in a recession, despite [studies](#) supporting the value of the opposite strategy. With less to spend, brands need to ensure the money they do put to work is working for them.

Not only that, with digital marketing there has never been more people to address. Forced into lockdown with most physical retail temporarily closed, millions have migrated online to buy their goods and services. Many for the very first time.

During the height of the first lockdown, Awini witnessed a surge in new

customers being tracked by many of our advertisers' affiliate programs. At one point in April it was almost 40% higher than it had been 12 months prior, and that rate continues to persist even as some regions have relaxed restrictions and reopened shops (Fig 2).

With new customers up for grabs online and open to buying from alternative retailers per McKinsey's research (almost 40%), this is a unique competitive moment for brands (Fig 3).

But of course, to have any chance of acquiring these new customers you need first of all to be in the right places to find them.

## Consumers who have tried a new shopping behavior since COVID-19 started (%)

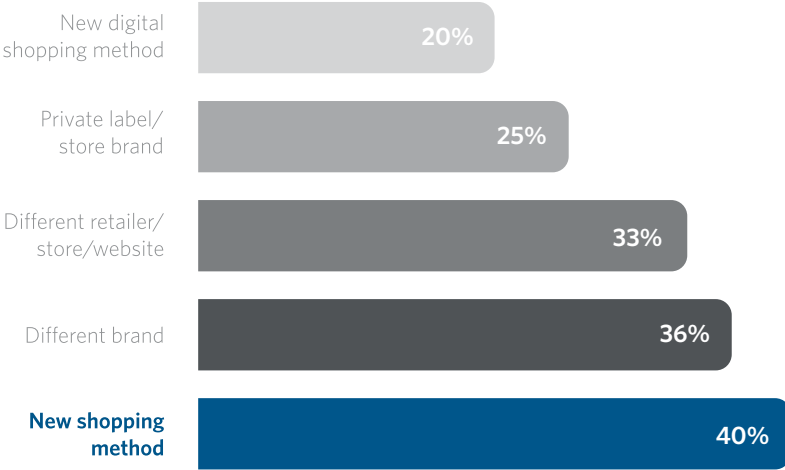


Figure 3: COVID-19 Consumer Pulse Survey, McKinsey & Company

# Google's Messy Middle and the myth of the typical customer journey

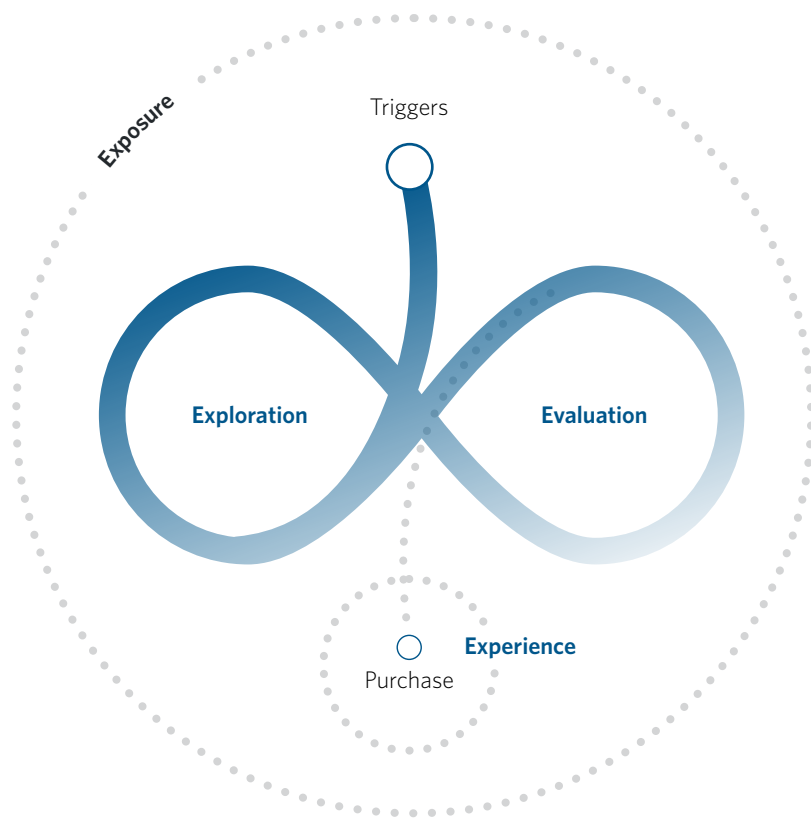


Figure 4: Decoding Decisions: Making sense of the messy middle, Google, July '20

**Published** earlier this year, Google's research into consumer online buying behavior made for fascinating reading. In it they discarded the traditional sales funnel analogy that moves in a relatively straightforward line from awareness and interest, through deliberation, and finally to purchase.

Instead, with the growing volume of different sources and touchpoints that constitute modern online browsing behavior, Google reimagined this straight line as a looping one of exploration and evaluation between the two primary points of an initial trigger and an eventual purchase (Fig 4).

The reality of that simple looping movement of exploration and evaluation is actually much more complex than it looks, hence the title of their research. For Google this is the phase where consumers are researching their buying options and narrowing them down using a range of online sources, including those referenced to the right (Fig 5).

Clearly the affiliate channel is playing an instrumental role in this space then, as practically all of these online sources and types of website are well represented in our channel.

And yet it is here - in this messy middle - conventional marketing attribution has failed to tease out the value of these numerous touchpoints as shoppers make their way, zigzagging, towards a purchase decision.

Let's take the example of a current Awin client to give you some idea of the levels of complexity that exist here.

PrettyLittleThing, a UK-based online fashion retailer, have been one of the first brands to adopt SingleView's multi-touch attribution solution through Awin and were initially eager to understand what a typical journey for one of their customers might look like.

This appeared a reasonable enough request. Every brand would like to

understand what characteristics their customers tend to display before purchasing from their site so they can optimize against them. However, when it came to looking under the hood, it quickly became apparent this wasn't so simple.

Out of over 200,000 tracked transactions, 25% of them had completely unique paths to conversion. And this was with SingleView analyzing only the very top level of channel data (SEO, Google Ads, affiliate, display, etc.) At this point, they weren't even considering individual partners within those channels or isolated campaigns those partners may have been running.

For PrettyLittleThing's Marketing Acquisition Manager Lee Carter, this was initially a frustrating insight as it demonstrated the colossal complexity they were up against. However, it also proved to be an enlightening one as far as their strategy going forward was concerned.

"Once we got past the notion there was no typical customer journey, and recognized the role that different channels and partners were playing," Carter said, "we could better target our spend towards those actions that were driving the most value for us."



- Search engines
- Review sites
- Video sharing sites
- Portals
- Social media
- Comparison sites
- Forums
- Interest groups/clubs
- Retailer sites
- Aggregators
- Blogging sites
- Voucher/coupon sites
- Branded sites
- Publishers
- Noticeboards

Figure 5: Shopping touchpoints observed, Decoding Decisions: Making sense of the messy middle, Google, July '20

# SingleView and the value of marketing agnosticism

It's this kind of impartial perspective that anchors any robust attribution model. For too long the siloed nature of how marketing departments operate has led to warring factions within the same business, each attempting to take credit for the sales they believe their efforts generate.

PPC teams wrestling with SEO, social, display and affiliate at budget meetings, each with their own quantifiable data set and KPIs justifying why their campaigns deserve more investment.

Yet when the sales data is combined across all of these different departments, it frequently doesn't stack up and reflect the true results.

More often than not, 2+2=5.

Instead, what's required is an all-encompassing view across all of these channels and a methodology that can standardize measurement for these activity types to comprehensively understand where true marketing value lies.

SingleView's solution offers a data-driven, multi-touch attribution model to provide precisely this service to Awin clients.

As it works across all of an advertiser's digital channels, it can build a thorough view on how these elements work

*"Looking at attribution at the individual touchpoint level is what will unlock huge value for brands."*

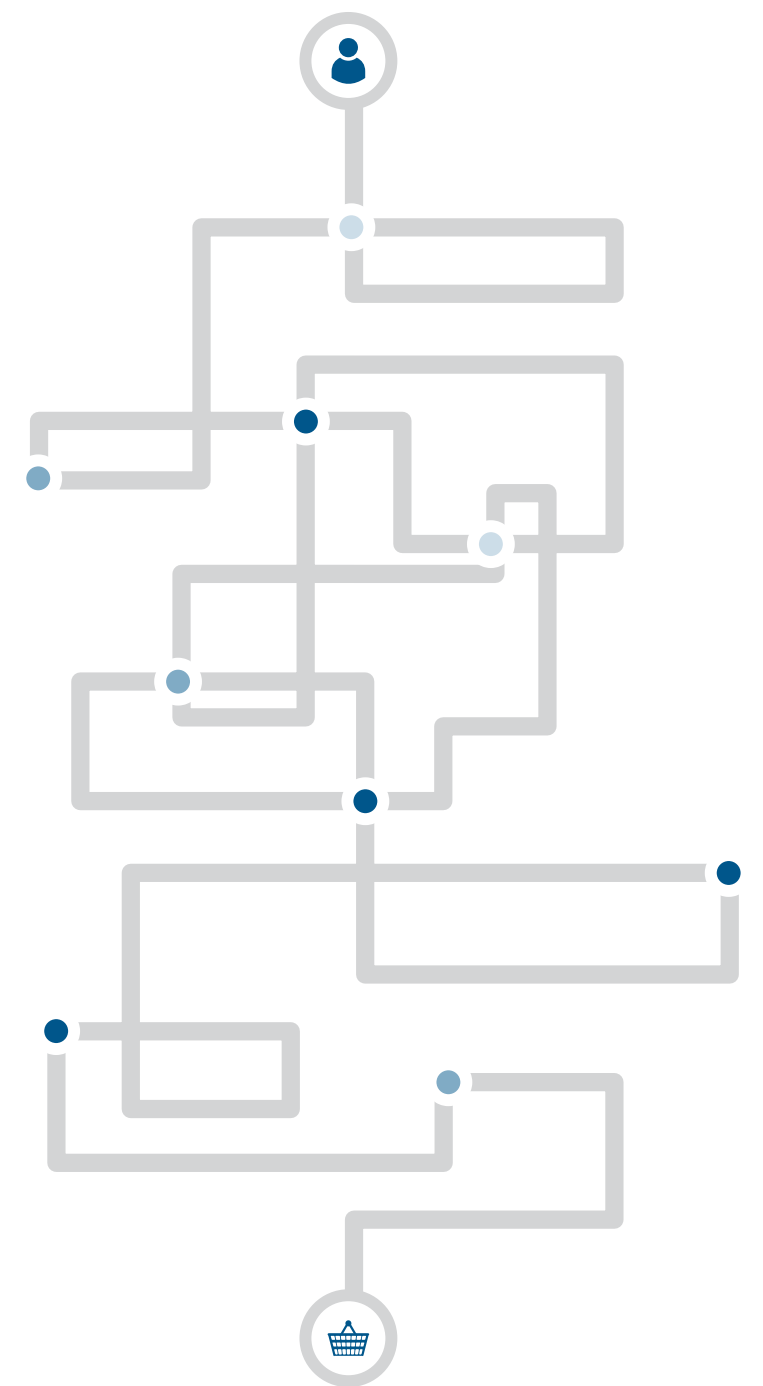
collaboratively to help drive conversions on a brand's website.

Rather than following the basic rules of a blunt attribution system like first or last-click, SingleView can calculate the value of each touchpoint and each individual partner or campaign in a journey. It uses an algorithmic approach to determine whether the involvement of that touchpoint in a converted journey was instrumental to that sale occurring.

By looking at both converting *and* non-converting journeys, it can offer a definitive assessment on whether an individual marketing touchpoint was incremental to a brand's objective or not – thus giving advertisers a much clearer indication of how to optimize ad spend at the most precise level.

This notion of looking at attribution at the individual touchpoint level, rather than at the channel or even partner level is what will unlock huge value for those brands who choose to embrace this approach.

Instead of basing marketing tactics on perceived assumptions of what each channel is thought to be good at, it makes much more sense to base them on the individual elements in all channels which we know are working.



# A closer look at individual channel and partner value

To illustrate the kinds of assumptions we're referring to and show you why they need to be rebuffed, let's take a look at those related to the affiliate channel.

If you think of the affiliate channel you might think simply 'conversion' and that's definitely true to some extent.

We know affiliate is generally an expert channel for converting traffic, largely thanks to the last-click attribution model that pervades the industry and the incentive-based activity of discount and cashback strategies these affiliate types have mastered.

Looking at the aggregated data below from a number of Awin retailers using SingleView, we can see how more revenue is generated on a last-click basis (in blue) from affiliate than any other channel - almost 30%.

This has naturally led to assumptions affiliates are cannibalizing the sales of other channels and the perception affiliate is taking credit from other channels, not contributing a value of its own.

But when we look at the overall contributions of affiliates, that larger proportion of activity (over 70%) is made up of either solo

Path to conversion by channel

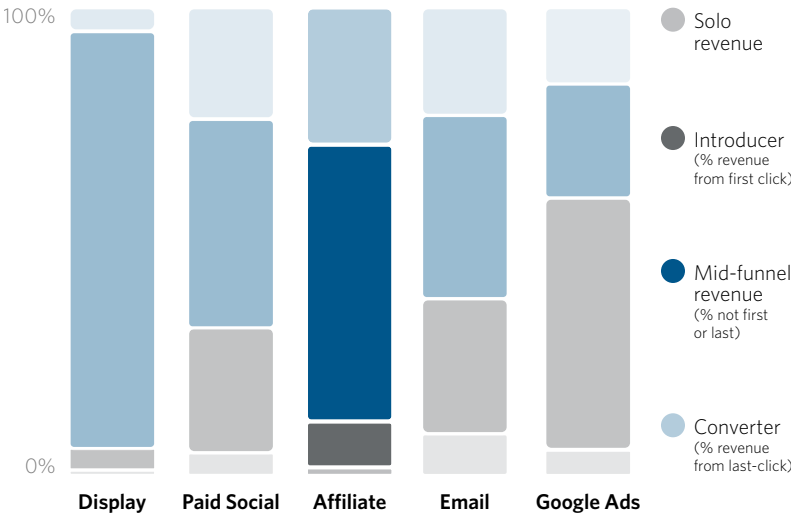


Figure 6: Aggregated SingleView cross-channel data from a selection of retailers

Affiliate type | Impact on AOV

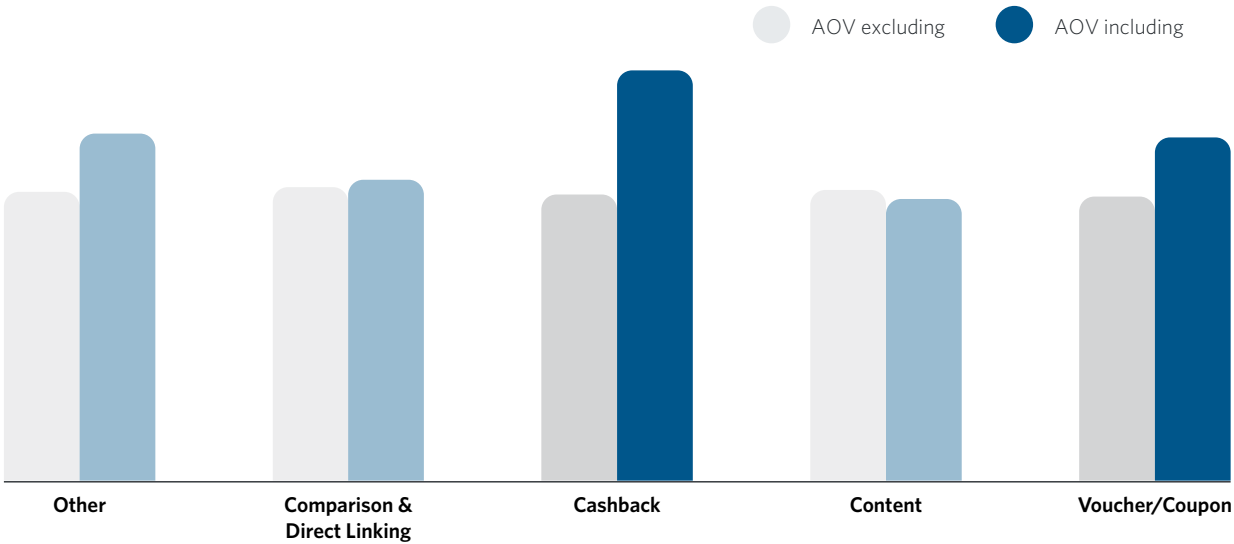


Figure 7: SingleView data from Ferrero

conversions (initiating sales as the very first touchpoint) or as a mid-funnel player, interacting with other channels to help customers along their way to converting somewhere else (Fig 6). Clearly there is a huge amount of unrecognized contribution going on here that is frequently neglected by assumptions made about the wider channel.

This neglect is arguably why the channel's ROI is considered to be so much higher than other marketing modes. At an average of \$16:1 across the industry, it appears exceptionally efficient from an advertiser perspective.

This is perhaps due to a fundamental flaw in the last-click model being deployed for activity driving value elsewhere in the messy middle, further away from the conversion.

In 2019, Awin took a measure of how much value its global network of publishers were driving for brands beyond just sales. In addition to the 170m sales being tracked, there were +5bn clicks and +60bn impressions generated for our advertisers. Paid on a pure CPA model, the

vast majority of that marketing contribution was going unrewarded.

But let's go one step further and look closer at the specific partner types that arguably exemplify the perception of affiliate marketing as a credit-stealing channel: cashback and discount partners.

When we actually scrutinize the value they can bring to a brand when used effectively, we begin to reconceive some of those critical notions around value.

AOV is frequently considered to be a hugely important metric by which sales value can be defined. For the European confectioner Ferrero, AOV was a priority KPI and, using SingleView, they were able to quickly understand it was their cashback and coupon partners driving more value for them in this respect.

The above graph from Ferrero's activity illustrates how the presence of a discount code or cashback offer in the path to conversion had a profoundly positive impact on the eventual conversion, improving their

average basket value enormously (Fig 7). Understanding that value made it much easier for Ferrero to justify working with these partners.

As their Head of Ecommerce, John Alexander Rowley stated, "Having that full view on how incentive affiliates were contributing incrementally to our sales meant we could really maximize our offers and leverage the strengths of these partners and their massive audiences."

Clearly, assumptions around marketing channels or even publisher types are not helpful. By using them we run the risk of over-investing in one set of partners because we can see the evidence of their effect on a last-click model. But as a consequence of that same rationale, we then under-invest in other partners because it's harder to justify this activity on the same basis.

Real insight exists at a deeper level beyond these general categorizations, at an individual partner or even campaign level.

# Affiliate attribution:

## Descending into the particular

If we decide to go deeper in our analysis, we can start to pick out the variations and contradictions that reside within our assumptions about specific partner types. And having a multi-touch attribution model in place means we can definitively measure the precise value of specific affiliate partners.

The truth, inevitably, is not all partners are equal.

To demonstrate this variance within publisher categorizations, we took a sample set of SingleView data from across a number of Awin retail clients and aggregated it. We then sought to compare the difference between the value these publishers were currently being recognized for on a traditional last-click model, and the value

SingleView's model revealed them to actually be providing based on their attributed value.

While we're happy to share the names of those publishers that were revealed to have provided positive benefits in these instances, we have used pseudonymized names for those that saw a decline in attributed value.

Remember though, the very point of this exercise is to show the variance that occurs on an individual basis. And that goes as much for the brands involved as it does for the partners who are promoting them. The value of a partner to one brand might be radically different to its value to another rival brand, depending on what that advertiser is measuring and attempting to achieve.

### Exercise A

#### Not all content is king

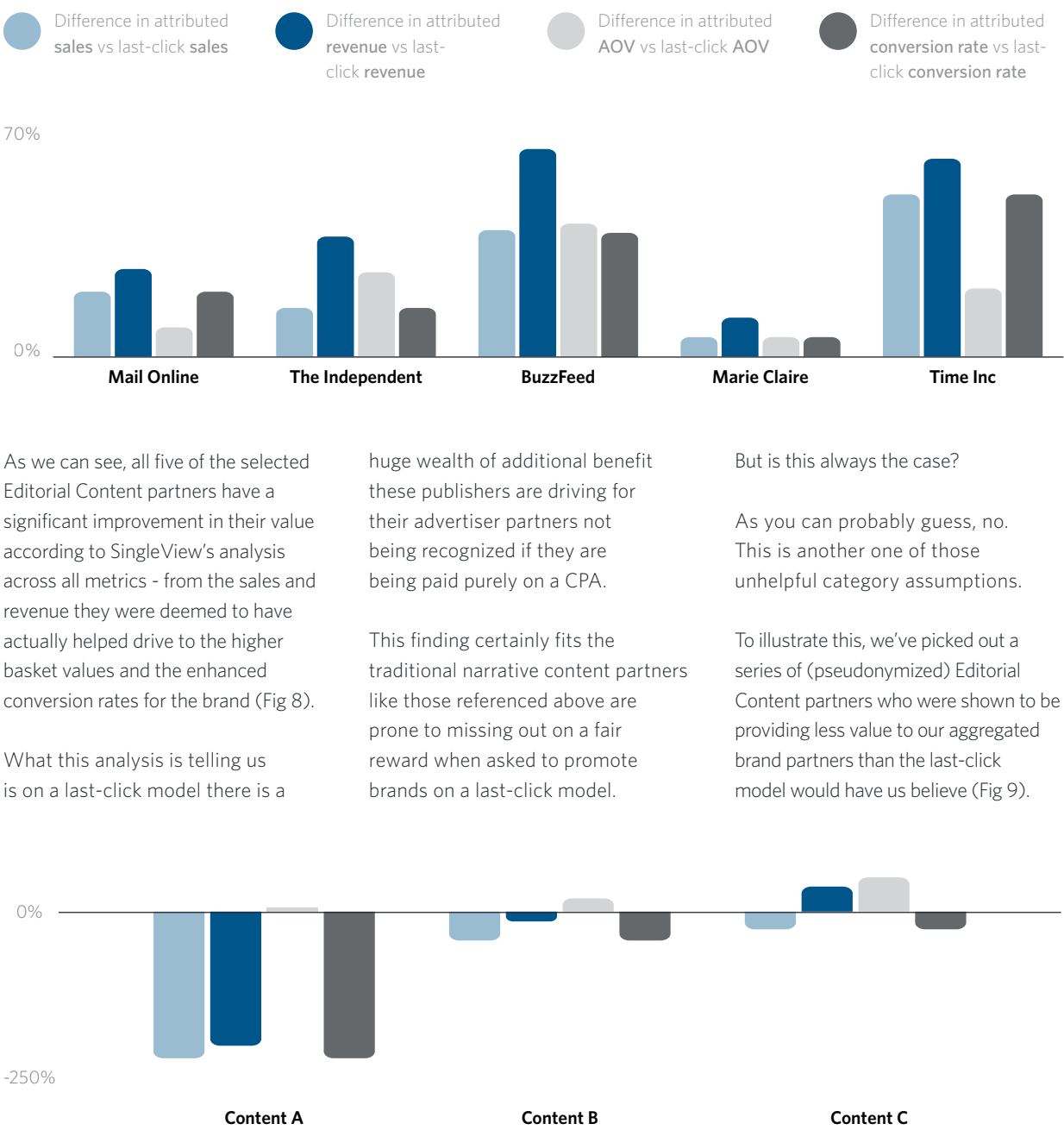
Editorial content sites are frequently held up as aspirational partners for affiliate programs with brands often eager to diversify their partnerships by working with these sites.

This category usually includes everything from mass media news and magazine sites to more niche

content bloggers with smaller but highly-engaged audiences.

Looking across a number of common performance metrics, let's see how SingleView's algorithm values the efforts of these publishers versus how they're currently valued on a last-click model:

### Attributed vs. last-click value



Figures 8 and 9: Aggregated SingleView data from a selection of Awin retailers

Unlike those who featured in our last graph we can see that these content partners are actually earning more on a last-click model than SingleView's analysis is suggesting they should be.

As far as sales and conversion rates are concerned, these partners are not providing an incrementally positive contribution to the customer journey.

However, even within this set of partners we can see there is some contradiction. While they may not be helping in terms of sales and conversions, these partners are all considered to be benefitting the brands' AOV rates positively.

If - like Ferrero - this is a key priority for you as a brand, then

these partners may still be of value to your overall objectives.

What is vital to appreciate here is the nuance. Not all Editorial Content partners are the same and it's only by looking closely at the value they individually drive we can make sound judgements on who is best to work with.

*“What is vital to appreciate is the nuance. It’s only by looking closely at the data we can make sound judgements on who is best to work with.”*

Exercise B

Comparing comparison sites

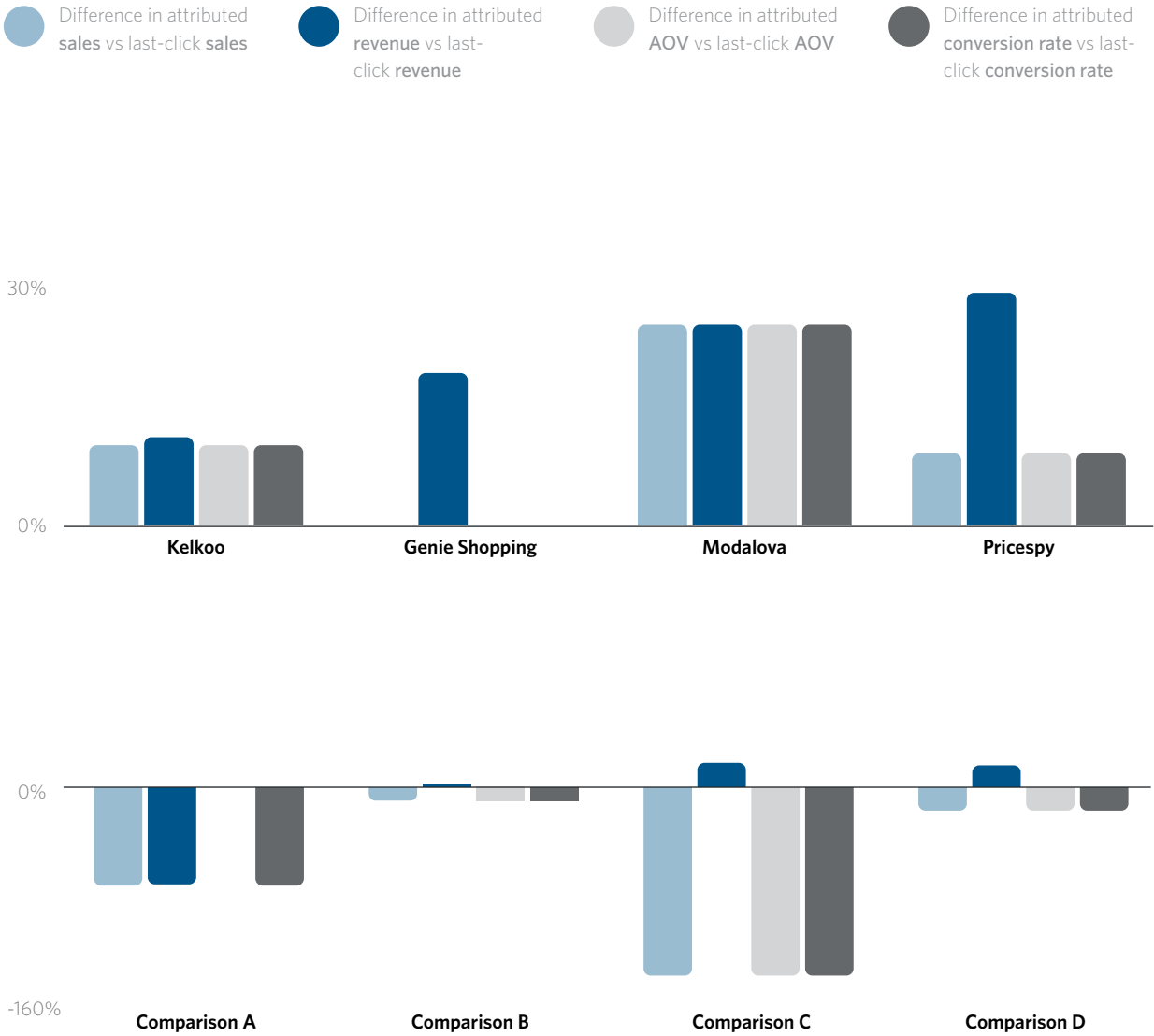
Comparison websites are another partner type that, in theory, stands to gain from a multi-touch attribution model that considers value beyond the last-click.

Comparison sites generate huge volumes of traffic and are a vital part of the ‘evaluation’ phase in Google’s Messy Middle. These sites frequently help consumers narrow down their options once they have a

particular product or service in mind.

However they are often considered to be not quite close enough to the conversion to always earn that CPA commission. This explains the propensity for many to work directly with brands on a CPC model or to negotiate tenancy fees for additional exposure on site as a means of recompensing for their lost value on a last-click.

Attributed vs. last-click value



Figures 10 and 11: Aggregated SingleView data from a selection of Awin retailers

As in our previous exercise, let’s start with the positive. Here we can see a selection of comparison site partners for whom SingleView found their contributions to be of more value than a last-click model would ordinarily reward them (Fig 10).

Interestingly, for Genie Shopping, this discrepancy is most acute when it comes to attributing the

value the site generates for brands on a revenue basis. Across all the other metrics, the analysis suggests they are considered to be earning a fair CPA for their contributions to sales, AOV and conversion rates.

Now, let’s consider the negative aspect (Fig 11).

A closer inspection at the incremental value being driven

by these comparison partners reveals them to be not as helpful as the previous set of partners.

Although yet again, aside from Comparison A, we can see from a revenue perspective all of these partners are providing an incremental benefit. Depending on your individual objectives as a brand, you may still see some value in investing with these partners.



# Understanding the effect of individual campaigns and placements

Beyond reappraising our view of the value different partners bring to brands, with multi-touch attribution in place we can also look to analyze the value individual placements with individual partners bring.

This is the holy grail for marketers as it allows them to optimize their spend based not just on what channel they should be focusing on, nor what partner type, nor even which partner. Instead, we can now understand what specific type of activity we should be booking in

with individual partners based on its overall contribution to our objectives.

This is a key dilemma for the affiliate channel when it comes to tenancy-based placements, those promotional slots brands pay for up front. For many clients, this type of activity is a necessity if you want to work with affiliate partners and earn additional exposure to their audiences.

However, measuring how effective these placements have been has relied upon what their direct impact

*“With multi-touch attribution in place we can also analyze the value that individual placements with individual partners bring.”*



## Measuring the impact of tenancy placements

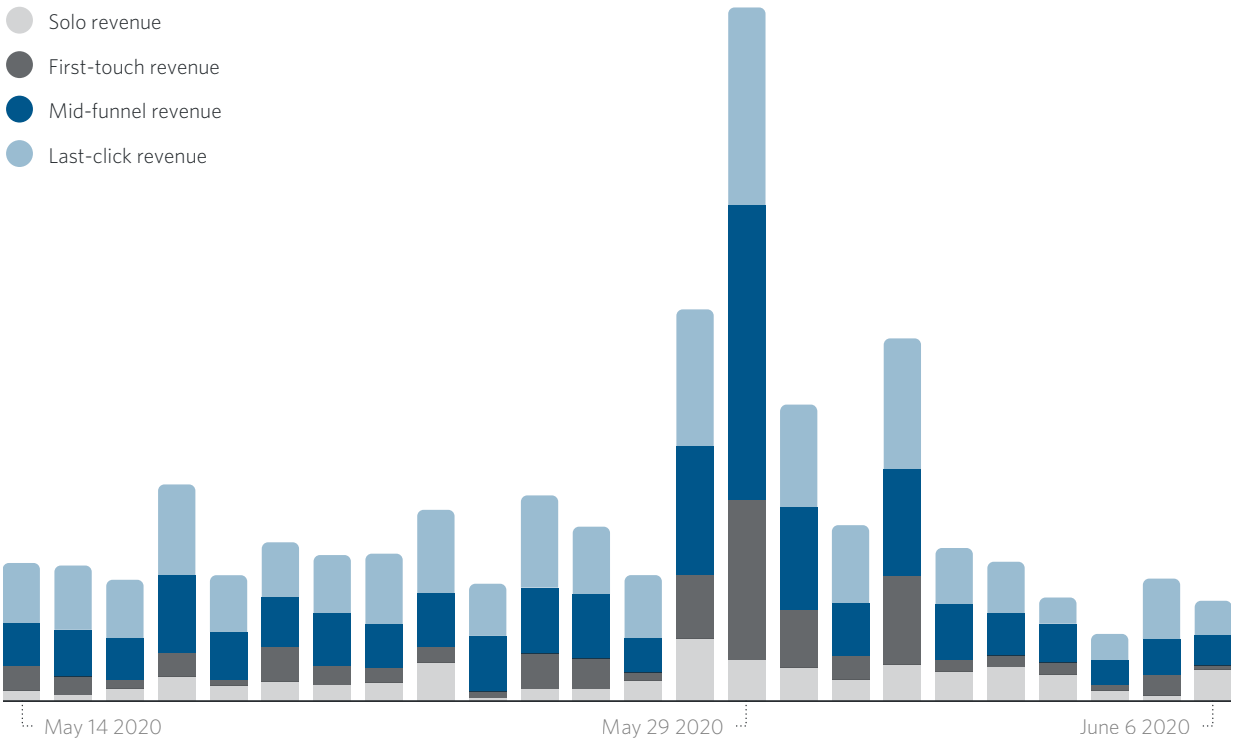


Figure 12: Anonymized Awin client using SingleView

has been. With SingleView in place though, advertisers can learn the indirect value of these placements and how they may have helped influence conversions via other channels.

Above, we can share an example of what this looks like for a brand who ran a tenancy placement with a partner (Fig 12).

As is to be expected, the additional exposure with this partner induced a spike in solo- and lower-funnel revenue the affiliate was generating. But what is also interesting to note is the similar improvement in mid- and upper-funnel activity too.

For this partner, its typical upper-funnel revenue share jumped

from between 5%-17% to a much improved 30% following the booking. SingleView was able to quantify there was a halo effect from the exposure which had helped to influence sales that were being attributed to other marketing channels. For another brand that has been using SingleView's solution,

*“Solutions like SingleView offer the scope to optimize further by facilitating attribution down to a campaign level.”*

they compared the effect of several different types of promotion with one partner to see which worked best.

In the graph to the right, we can see how this analysis looks over the course of a month with several different types of placement being booked in and the revenue that has subsequently been attributed to this partner (Fig 13). By overlaying the attributed revenue data from SingleView with details on when a campaign placement went live, and how much discount was being promoted by the partner, we can begin to weave these elements together to understand what activity works best.

In this instance it was found homepage and category-page highlights were particularly effective, while inbox messaging and push notifications provided less pronounced value to the brand.

The bundled campaign featuring placements within the partner’s newsletter, a homepage highlight and top post also performed well, and that was without having to provide any discounts - which helped the brand’s margin too. With this kind of insight to hand the brand, we’re able to identify those specific placements which had been the most effective and efficient and to then focus their subsequent marketing efforts on these.

This is just the start of what can be achieved at an individual campaign level. Solutions like SingleView offer the scope to optimize further by facilitating attribution down to a campaign level, thus providing an incentive for publishers to develop multivariate testing functionalities.

Because of this, brands can provide multiple variations of an ad or offer to their affiliate partners so they can be tested simultaneously with their audiences to identify which is the most relevant and effective.

In doing so, advertisers gain precious

insight into which of their individual campaigns are working at the most precise level, while affiliate partners can also quickly understand what resonates for their audience.

Finally, it seems, John Wanamaker can rest more easily in his grave.

#### Attributed revenue by publisher touchpoint

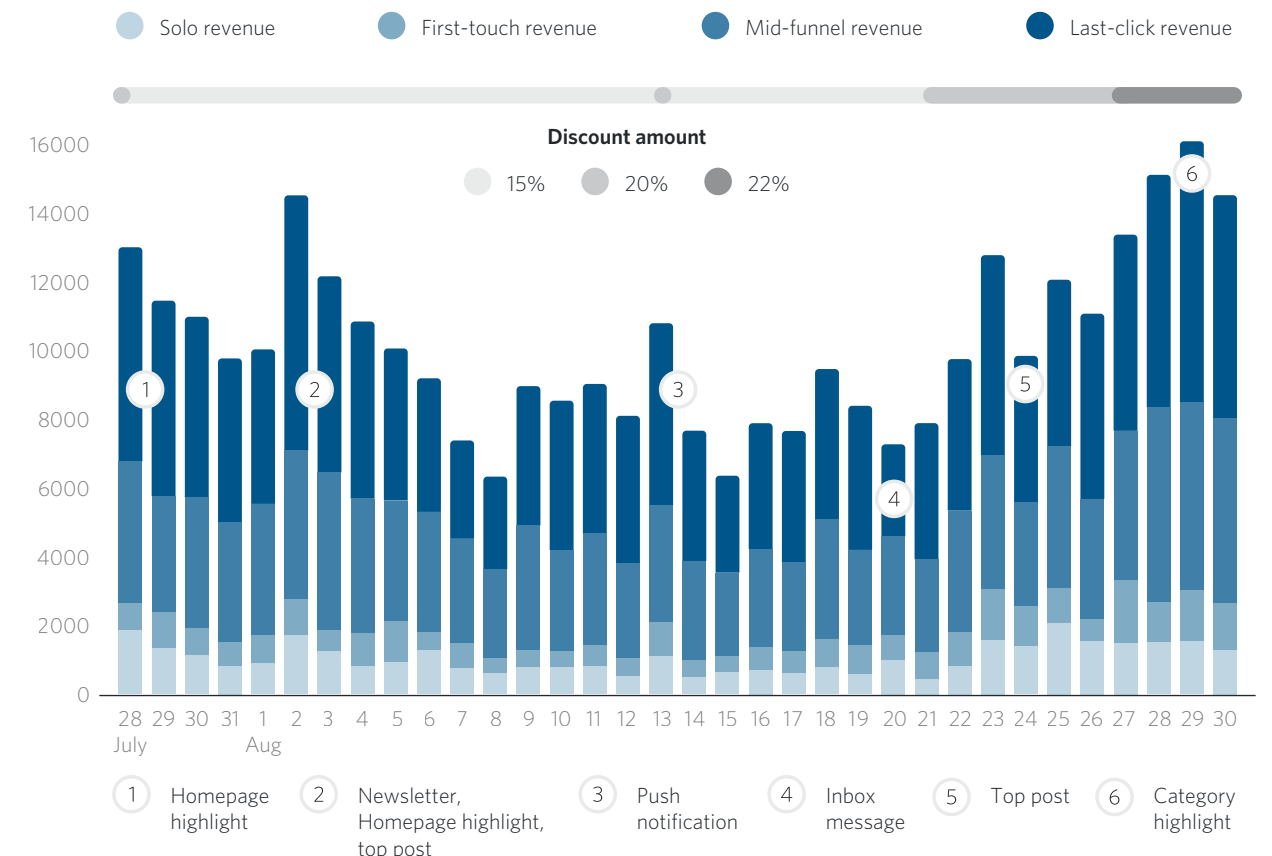


Figure 13: Anonymized Awin client using SingleView

# Preparing your brand for the Multi-Touch Twenties

*“If anything, the middle is getting messier.”*

What this whitepaper has ultimately aimed to demonstrate is the power of connecting the dots of your marketing efforts.

That sentiment applies from the very macro level of a business, in terms of removing departmental silos and establishing a common view across channels, down to the micro levels that involve scrutinizing the value of individual partner types, partners themselves, and the activity they are undertaking for you.

By exploring the value of the specific touchpoints where consumers are interacting with your marketing exposure and understanding how these interactions connect to your broader results, you can begin to get a much firmer grasp of what is working.

As 2020 draws to a close and we prepare to reboot again in 2021, there is - despite (and because of) the chaotic headwinds we’ve faced this year - a unique opportunity to make our marketing go further by implementing attribution models that allow us to connect these dots.

The tech analyst Benedict Evans

recently suggested one of the effects of the lockdown has been to initiate a ‘market reset,’ with new behaviors being established by populations around the world thanks to the physical restrictions we’ve all faced.

Of course one of the major beneficiaries of this reset is e-commerce, with a new volume of consumers now becoming increasingly familiar with online searching and shopping for the products and services they want to purchase.

But it’s worth recognizing it’s not just the quantity of online traffic that will have changed over the course of 2020; the quality has too.

How people search online, the resources they refer to, the authorities they defer to, is also changing.

In the US, where online product search is dominated by Amazon, search experienced a huge change in complexion during the lockdown with traffic reverting to a far more diverse range of sources and channels (Fig 14).

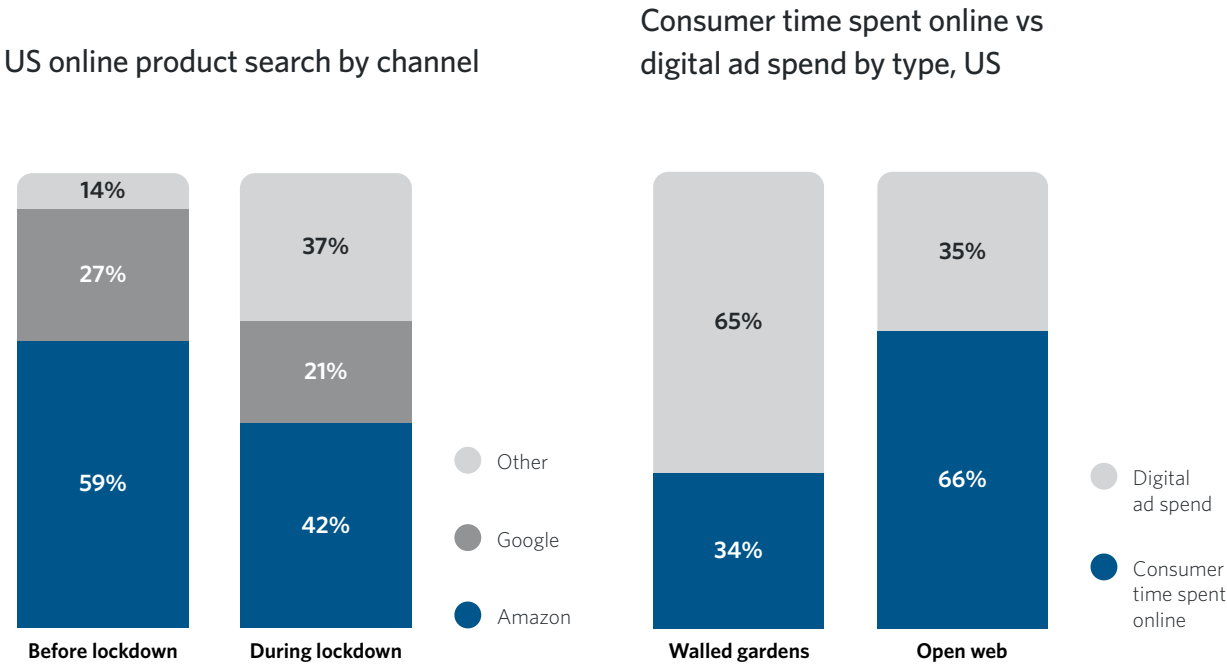


Figure 14: The Post-Covid-19 Agenda for Technology and Media Companies, Activate Consulting, July '20

Figure 15: Technology & Media Outlook 2021, Activate Consulting, Oct '20

It is this kind of evolving change that only underlines Google’s findings on the messy middle. If anything, it is getting messier.

And although many advertisers may feel compelled to continue funneling their ad spend into walled gardens because of the relative simplicity they offer in terms of targeting and scale, there is a growing and increasingly neglected opportunity on the open web for engaging many more customers.

After all, walled gardens already capture a disproportionate share of ad spend relative to the time

users spend in these environments versus the open web (Fig 15).

As Google themselves declares in their own whitepaper, today’s marketers need to think less about specific channel strategies and more about ensuring they have diverse coverage across the right spaces where their audiences are.

“Although we believe that a comprehensive search strategy is essential, showing up isn’t just a question of keywords and ads. Depending on your category, price comparison engines, social media platforms,

video, news, and niche content such as gaming or technology sites may be equally important when maintaining parity of brand presence. Comprehensiveness is key – any gaps in your media plan could see you locked out of the loop as consumers begin exploring their options.”<sup>1</sup>

For those brands that have the means of measuring marketing effectiveness across channels, across partners, and across individual campaigns and touchpoints, 2021 promises to establish a ‘new normal’ for their performance.

For more information on SingleView and how Awini can support our clients with the journey beyond last-click attribution, please reach out to your account manager or get in contact via [global-strategicpartnerships@awin.com](mailto:global-strategicpartnerships@awin.com).

<sup>1</sup>Decoding Decisions: Making sense of the messy middle, page 80, Google, July '20