

LLYC

**Marketing
Impact**
by LLYC

MAKING MARKETING ACCOUNTABLE

**MARKETING
ATTRIBUTION
MODELLING**

LLORENTE Y CUENCA



MARKETING IMPACT

INTRODUCTION

Marketing Impact is LLYC's global business unit dedicated to audit, train, deploy operational models, monitor, and certify worldwide corporations, agencies, and marketing professionals to increase efficiency and accountability in marketing and communications management. Thanks to a step-by-step evaluation and systematic approach, Marketing Impact can help determine the ROI of projects and campaigns for corporations, foundations, NGOs, and public organizations.

SOME BACKGROUND

Marketing Impact has helped companies across the world and its methodology is currently in use in more than twenty countries. Companies like Heineken, Philips, Novartis, Sanofi, Mapfre, EDP Renewables, and Schneider Electric have already benefited from it. Leading business schools in Europe and Latam have also embraced Marketing Impact's know-how as part of their executive education content. Marketing Impact's contents have been featured by Forbes Magazine, the American Marketing Association (AMA), and the Association for National Advertisers (ANA), among others.

Marketing Impact

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All of Marketing Impact's services aim at providing marketing, communications, stakeholder, and sustainability managers with tools that can deliver economic efficiency and accountability.

1 **MARKETING AUDIT**

Kicking tires about efficiency and profitability

2 **CUSTOMER VALUE SNAPSHOT**

How much is a customer really worth in cash?

3 **ATTRIBUTION MODEL**

Ad-hoc for your product or service and in your market

4 **ROI SENSITIVITY ANALYSIS**

Project economic validation prior to investing

5 **ROI EVALUATION**

Turn-key project or campaign ROI evaluation

6 **MARKETING EFFICIENCY PROGRAM**

Comprehensive full management model

7 **STAKEHOLDER IMPACT PROGRAM**

Managing relations for business impact

8 **3D SUSTAINABILITY PROGRAM**

Business-driven social and environmental impact

WHAT IS MARKETING ATTRIBUTION

Marketing Attribution is a solution Marketing Impact offers to companies and organizations of all sorts to primarily satisfy the need to find and define a cause-effect relationship between marketing projects inputs and business outputs.

The goal of attribution is to be able to determine the actual economic impact of marketing and communications projects on the organization's bottom line. It is a process that every business should undergo (internally or through an external partner) to close the loop of a marketing management that is aligned with the business.

Independent, non-biased, non-conditioned, or limited-in-any-way attribution is of the essence in order to define the real ROI of marketing and communications projects and campaigns.

From the management point of view, not having an attribution model can entail several risks but mainly the ones that are related to a lack of connection between marketing projects and campaigns and the real business world. Managers tend to be so ingrained in the daily marketing operations that it is easy to lose sight of the bigger business picture.

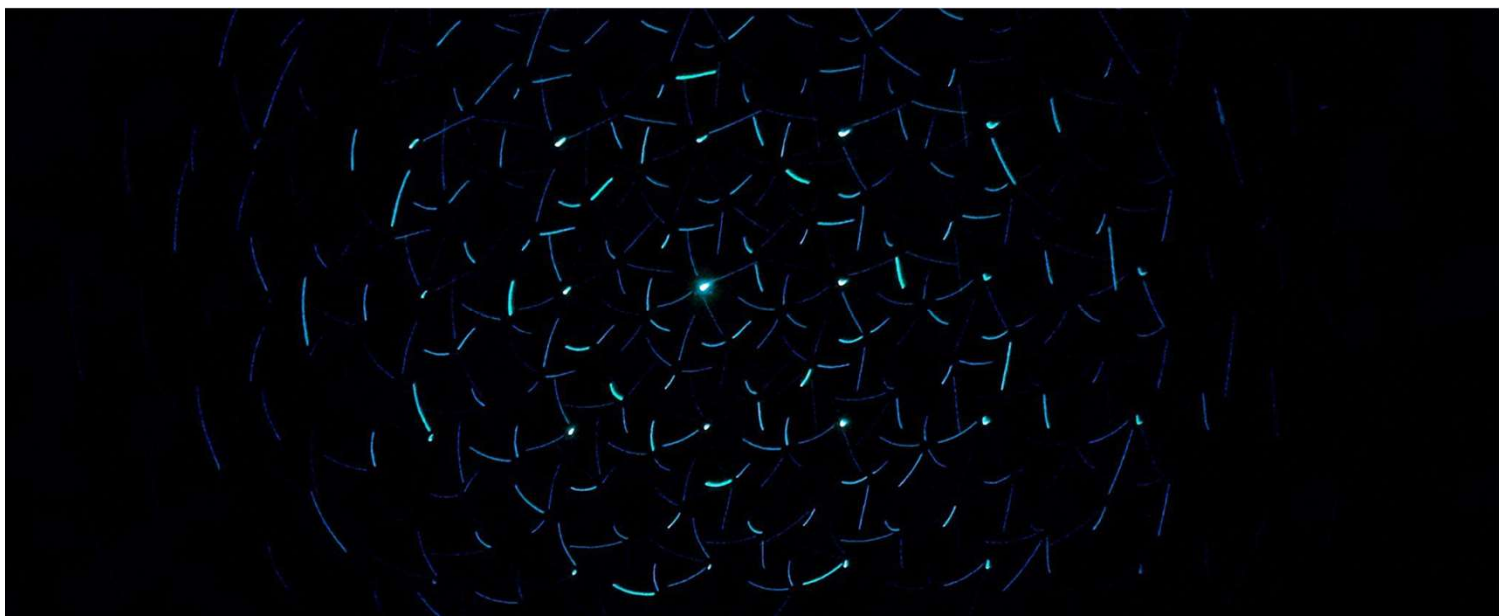
Obvious pitfalls and loopholes are common in marketing performance evaluations that can lead to bad decisions, budget cuts, and negative financial impacts. Marketing Impact can define attribution models that overcome these risks and weaknesses increasing monitorization robustness.

THE POWER OF ATTRIBUTION

Attribution is the key concept that isolates the effects of marketing projects on different business variables. Usually, these variables are related to the way customers and consumers think about a company, product, brand or value proposition. Aspects known as positioning. It sometimes entails also what target groups learn from marketing efforts, products and brands. These are functional or emotional features, transactional issues, and external impact (social and environmental) which knowledge needs to be transferred. Finally, most monitoring efforts in marketing focus on interactions performance metrics. CPC, CTR, visits, leads, sampling, test drives, clicks, likes, attendees, and many more are among these ones.

Seldom do companies evaluate financial performance indicators such as revenues and return. The lack of a robust and credible attribution model is the main cause of this disconnection between marketing management and business management. Marketing Impact's attribution modelling analyzes current and prior financial indicators used in marketing as well as the usual KPIs mentioned above. It will also review the current variables in use and their exhaustiveness, challenging benchmarks and how they are measured.

For any business to thrive it shall minimize operational costs while increasing profits, building social equity, and contributing to improve the environment. Marketing planning decisions shall be based on projects' contribution to these two operational goals as well as to social and environmental sustainability. Attribution models are the ones that must generate the link between marketing inputs and business outputs.



HOW IS IT DONE?

The whole process requires an internal and external vision of marketing inputs and impacts. Marketing Impact works to gather all internal data needed as well as collecting the external information that is key to isolate the effects of marketing on customers and consumers' behaviors. Marketing Impact will analyze the information received and elaborate a comprehensive report including observations, conclusions, recommendations, and the actual proposal of the attribution model that best fits the reality in the market.

It entails the following three steps:

1

ASSESSMENT

Definition of current KPIs in use. Rigor and relevance of metrics being monitored. Evaluation of data collection systems and execution. Access to financial data. Knowledge and current information infrastructure needs.

2

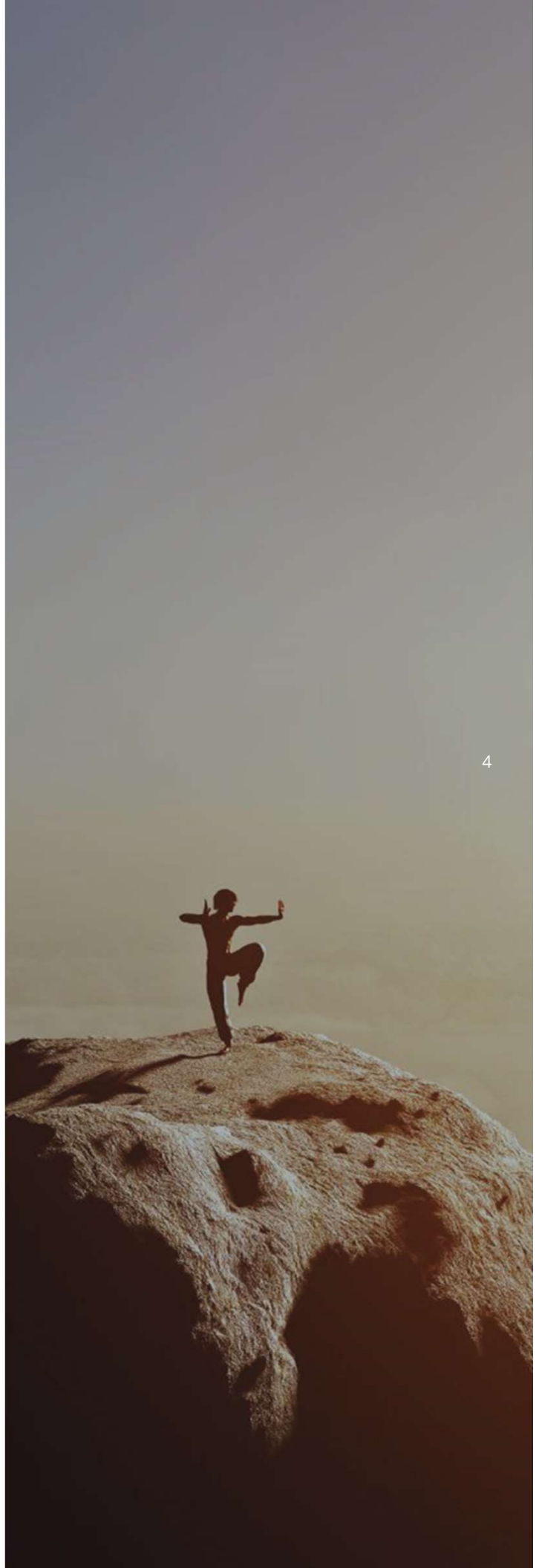
TRACEABILITY

Internal consultation to define the types of projects and ways to trace their impact by isolating the number of acts of purchase that were impacted by each one of them. Traceability will define a data collection plan.

3

INFLUENCE

External quantitative survey or contextual digital analysis to define the actual influence of your marketing projects on the decision-making process of your customers and clients in your market. Decision-making pie definition.



DELIVERABLES

REPORT

A complete report that will define the best attribution model for the types of projects you use in your market.

This report will include but not be limited to:

Objectives definition framework

Projects data collection plan

Customers decision-making pie

Attribution model

BENEFITS

By defining their attribution model organizations will be able to:

- Calculate the actual return on marketing projects and finally treat them as investments rather than as costs.
- Overcome the lack of support and credibility of previous standard attribution models such as first-click, last-click, time-decay, and other arbitrary models that are not really linked to the business.
- Define the opportunity cost of marketing and communications projects and therefore be in a better position to negotiate budgets internally.
- Finally find consensus about the real economic contribution of marketing and communications to the business and respond to the much-dreaded question of "...what is this project going to bring to the business?"
- Isolate the effects of marketing on the profit and loss account for the product, family, or business unit.

BUDGET

the budget is based on the number of segments, categories, and markets to be analyzed. The type of marketing mix and management model in place, as well as the number of KPIs collected. For a small-medium company, it typically ranges from USD 6,000 to USD 15,000, and in the case of larger businesses and multinational companies USD 12,000 to USD 36,000. Estimates need to be defined in every case.



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