

Measuring the value of your digital marketing budget and performance by marketing channel

Part 2

Are you prepared for advanced data analysis to help drive bookings?

In my [last post](#) I discussed the concept of attribution, and how approaches have evolved over time to enable marketers both within the hospitality industry and across many sectors of ecommerce to gain a better insight on the value and performance of the increasing number of digital channels.

We have progressed from 'last click' measurement to algorithmic, or data-driven, attribution, in which both converting and non-converting website visits are included in a statistical or machine learning model, in order to produce attributed values that are more accurately linked to the influencing contribution to bookings or purchases. However, the continually evolving and fragmented digital ecosystem that is presented to all marketers today requires an even more sophisticated approach.

While we can use complex algorithms to attribute increasingly accurate values to channels, this approach is flawed because of the increasingly fragmented and connected consumer behaviour such as cross-device product research and purchase paths. Adding to this is the contribution of macroeconomic factors to sales trends. This means that to really understand which areas of marketing are providing the best returns we need to be able to identify and assess the impact of these factors within our data.

Here is a scenario example to illustrate the point, (a) potential customer receive an email on a desktop computer at work, (b) they organically search for the website on their phone while travelling home, (c) they send it via WhatsApp to their travelling companion, (d) travelling companion then visits the site directly on their tablet and (e) then finally clicks on a PPC "brand term ad" and purchases via the home laptop two days later. (f) In addition to this, the macroeconomic fact that the euro is currently strong against the pound is a key deciding factor for them.

With this behaviour in mind, it is becoming increasingly important to invoke cross-device tracking technologies to enable attribution to work effectively. This is important for a number of reasons, but one that is becoming particularly relevant is the rise of investment in content, and understanding the value that it plays in conversion. Investment in content or content personalisation technologies is a growing line-item on budgets, and evaluation of its contribution to bookings as part of the marketing mix is not yet fully appreciated.

A hotel property may see an increase in bookings over a certain period, but is that down to an improvement in digital marketing channel performance, the creation of a series of embedded videos, or a revamped landing page template. If it's a combination of all three, which played the biggest part? Very few advertisers are considering content and marketing as part of the same measurement framework, but it's something that will need to become standard as investment in content continues. Including content and placing a value on its context depending on where / when in the purchase funnel it features and incorporating it as

part of the attribution model may be something we begin to see in the future.

This sort of in-depth analysis has become more feasible as the cost of storage and CPU processing has dropped. However while the technology is readily available, a plan is still required to achieve it – do you try to pull data from various systems together in a data management platform (DMP), or create a proprietary analytics solution that solves these questions?

When you consider the significant and increasing level of complexity around data management and attribution, it is imperative that a proper organisational strategy for the management of data is developed, and yet very few businesses have one. One of the challenges is the high cost of recruiting data specialists (there is a global skills-shortage in the field, also businesses may have a reluctance to pay for this new highly skilled resource), and so the outsourcing of expertise is likely to be the go-to tactic for most hospitality businesses over the next five years. During this time, the in house teams should be learning from the external experts with the plan to take over this function.

Bringing in external experts can also help to mitigate the risk of unscrupulous 3rd-party providers carrying out technical changes to your owned platforms through over-zealous tagging solutions, or even using your data to enhance their offering to your competitors, with their own bottom line being the ultimate beneficiary... After all, your data is an extremely valuable commercial asset that should not be shared indiscriminately.

While the cost of innovation in new areas is generally high at first, as is the case in any rapidly changing landscape those who do pioneer have the advantage of learning and experience over their competitors.

With a properly managed attribution programme in place, being able to ensure that your business is providing machine-learning attribution models with the right data to ensure your business is making genuinely data-driven decisions could be the competitive difference between success and failure in the new digital economy.

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He has adopted and adapted various attribution solutions over the last 10 years, the latest platform being www.quantdeck.com, for whom he now acts as non-executive advisor.