

Digital Advertising Attribution and Conversion in 2024

By Luke Meijer with the VERB Analytics and Performance Media teams

The topics of ad attribution and conversions come up almost constantly between strategists at VERB and with our clients. Understanding where to place the attribution is key in making future decisions about strategy and budget. Knowing this is a hot topic for everyone in this industry, the VERB team collaborated across disciplines to provide you with a holistic and well-researched overview and rationale for our preferred attribution method.

Part 1: Attribution

What is attribution in marketing?

Marketing attribution is the analytical science of determining which marketing channels and tactics are contributing to KPIs (typically a purchase or other hard conversion like Booking Engine Entrances (BEE), form submit, etc.), and by how much, in other words it allows for the proper weighting of each interaction a consumer takes, assigning appropriate "credit" to the channels or tactics that are driving the most impact.

For example, if a consumer is exposed to a display ad, a YouTube ad, and a search ad in that order, but only converts after seeing the search ad, marketers may note that this piece of collateral played a larger role in driving the sale than the display or YouTube ad (depending on the attribution model – but just as an example).

Why is attribution important?

This is important as marketers can better understand the consumer journey, and then determine the degree (if at all) to which tactics play a role in noteworthy conversions, and therein decision makers can devote more resources to those tactics that are driving the best results, helping to optimize spend, creative, improve personalization, and ultimately driving more of their KPIs as efficiently as possible.

Types of attribution models

There are various models that have been built by advertising networks that measure attribution in different ways, referred to as 'attribution models'.

An important caveat is that all attribution models work off a certain degree of assumptions – there is no perfect attribution model due to the vast complexity of the digital world and privacy regulations. Regardless, below are the most common and accepted models to have come out of the past decade:

» First Touch

Full credit to the very first interaction the user had with your ads before conversion.

Example: user clicks display ad first, a week later clicks YouTube ad, and another week later clicks a search ad then books a stay for \$500. 100% of the \$500 will be attributed to that *first display ad* in your reporting.

» Last Touch

Full credit to the very last interaction the user had with your ads before conversion – the inverse of First Touch. This is one of the most common attribution models.

Example: user clicks display ad first, a week later clicks YouTube ad, and another week later clicks a search ad then books a stay for \$500. 100% of the \$500 will be attributed to that *last search ad* in your reporting.

» Linear

Equal credit is given to all interactions the user had with your ads before conversion. This is a more well-rounded approach, however doesn't help determine which channel is most effective.

Example: user clicks display ad first, a week later clicks YouTube ad, and another week later clicks a search ad then books a stay for \$500. 33% (100%/3) of the \$500 will be attributed to *each* of the interactions in your reporting.

» Time-Decay

Largest credit is given to the interaction closest in time to when the conversion happened and is scaled down gradually the further back in time the interaction happened from the conversion.

Example*: user clicks display ad first, a week later clicks YouTube ad, and another week later clicks

a search ad then books a stay for \$500. 50% of the \$500 will be attributed to the search ad, 35% to the YouTube ad, and 15% to the display ad. **may not necessarily be these exact %'s, this is just an example of the positive relationship between lower attribution and additional time from conversion.*

» **Position-Based**

Largest credit is given to the very first and very last interactions the user had with your ads before conversion. Specifically, 40% for both first and last, and 20% across the remaining interactions that took place in between the two.

Example: user clicks display ad first, a week later clicks YouTube ad, and another week later clicks a search ad then books a stay for \$500. 40% of the \$500 will be attributed to the search ad, 20% to the YouTube ad, and 40% to the display ad.

» **Data-Driven**

Credit is given based on how people engage with your various ads, meaning Google uses data from your account to calibrate models which help to determine which campaigns have the greatest impact.

Example*: user clicks display ad first, a week later clicks YouTube ad, and another week later clicks a search ad then books a stay for \$500. Google may determine that 73% of the \$500 will be attributed to the search ad, 8% to the YouTube ad, and 19% to the display ad based on prior account data.

**may not necessarily be these exact %'s, this is just an example of what Google's system might determine those interactions are worth.*

assumptions, so no one model is perfect, nor will they ever be. Google phased out all attribution models except last click and data-driven in June of 2023, and all conversions that were previously using now-retired models were automatically switched to the data-driven model.

So really the question today becomes; is data-driven or last click the better attribution model?

The VERB performance media team worked with senior team members across various disciplines to determine our point of view.

» **Analytics Implementation Lead, Development Team:**

"Whichever model that gives attribution to the platform I'm working on is the one I will prefer, and therefor *data driven will almost always be the best choice* for the performance media team, because it has the most efficacy."

» **Senior Analyst, Analytics Team:**

"We're at the mercy of GA4 and Google, and it's best to adapt your attribution approach to those platforms, so *data driven does make the most sense.*"

» **Senior Search Lead, Performance Media Team**

"*Data driven attribution 100%*, this model captures more data and more evenly assigns credit to tactics."

VERB Supports the Data-Driven Attribution Model

For the purposes of VERB's clients and the hospitality industry in general, the Data Driven attribution model makes the most sense to use and is recommended by all teams.¹

So, Which attribution model is best?

This can depend on your business, and the product or service you are selling. Again, an important caveat to attribution modelling is that they all function on

1. The majority of VERB's GA4 reports use the last click attribution model. This is because Google doesn't provide batch data loading for data driven reports so the analytics team prefers that one to data driven. This does not mean the Google Ads attribution model shouldn't be set to data driven, it's just a difference in how the analytics team prefers to report on the numbers within GA4.

Part 2: Conversions

What's the difference between primary and secondary conversions in Google Ads?

Primary conversions: If you set a conversion action to 'primary' Google will use that action for bidding optimization.

- » Reported in the standard Google Ads 'conversions' columns such as Conversions, Conversion Value, Conversion Rate, etc.
- » Best practice is to only set *one* primary conversion in an account, and that typically will be Purchases/Bookings/Transactions or, if there is no ecommerce tracking, Booking Engine Entrances. This also avoids conversions being double counted which – if it were not done this way – would artificially prop-up KPIs like revenue and ROAS.

Secondary conversions: If you set a conversion action to 'secondary' Google will not use this goal as the number-one bidding optimization driver, it's more so for observational purposes as opposed to bidding optimization.

- » Reported in the Google Ads 'all conversions' columns which need to be added as custom conversions to see, such as All Conv., All Conv. Value, All Conv. Rate, etc.

How are conversions created?

Conversions can be generated for use in Google Ads from two sources: GA4 and Google Ads itself.

- » At VERB, GA4 conversions are set up as events in the clients' GA4 account by our Analytics Team as part of the measurement plan and are then importable into Google Ads. Typically post measurement plan and set-up, we'll have access to importable conversions such as bookings, BE Entrances (BEE), form submits, etc. from GA4.

- » Google Ads conversions are set up manually by the Performance Media Team in Google Ads, and then we send the code (conversion ID and label) to the Analytics Team to be implemented in the GTM container on site. Once that's done, the pixel on site will start firing and Google Ads will recognize the link between the account and the website. Typically, this is done for bookings, but they can also be set up for secondary conversions such as BEE and form submits.

What should your primary conversion be between the two methods?

The GA4 conversions are set up to generally track website activity and a piece of that activity is advertising, however advertising is not necessarily the focus, whereas the Google Ads tag's only goal/main objective is to attribute web results to the advertising campaigns in that account.

Furthermore, GA4 conversions do not import view-through conversions, engaged-view conversions, or cross-device conversions, whereas the Google Ads tag does allow us to import those additional conversion types. Due to these factors, the Google Ads tag collects more data and has more signals to work with than the GA4 conversion equivalent, which allows the Google Ads algorithm to make better optimizations within the account when optimized toward that Google Ads tag conversion. *This makes the Google Ads tag superior to the GA4 conversion for campaign optimization and ultimately performance².*

The VERB performance media team worked with senior team members across various disciplines to determine our point of view.

» Analytics Implementation Lead, Development Team:

"The Google ads tag is the best combo with the data driven attribution model. GA4 conversions don't care about ads like the Google Ads tag does, that's why you should

2. GA4 conversion values and Google Ads conversion values are based on lookback windows and attribution logic, one or the other isn't "correct" they just work differently.

use your google ads tag for optimization in a Google Ads account”.

“95% of the time the Google Ads tag gives more credit to campaigns than the GA4 conversions, of 30 tested accounts (2023 data) only three showed lower attribution for the Google Ads tag than the GA4 conversions, and each of the three that did weren't using the same GTM triggers as the Google Ads tag, or the lookback window was set to less than 30 days... in other words set-up was incorrect. So, in every account with proper set-up the Google Ads tag got more credit.”

» **Senior Analyst, Analytics Team**

“Use the Google Ads tag – optimize to this conversion action and over time you will see conversion value on all tactics including discovery, display, etc. on the contrary, with the GA4 conversion most – if not all – will go to search, which is just not as fair, it's all about the signals and the Google Ads Tag has more. The Next level/step is enhanced conversions.”

Should we include Google Ads tag data in our dashboards?

- » In majority of cases no, because if you include Google Ads tag revenue data that's revenue data coming in from a non GA4 source, and since all the other revenue data in the dash (organic, direct, referral, etc.) is directly from GA4, then you'd have inconsistent revenue attribution.
- » So, when reporting to client the results on the dashboard will likely be different, potentially lower than what we see in Google Ads. This may be somewhat disappointing, but the account is as optimized as possible, and that additional layer of best practice should result in better performance either way, and that better performance will surface in both the Google Ads tag data, and the dashboard's GA4 data. ³

3. In certain scenarios when we have no choice/are unable to access a client's GA4 data, we will report on platform data, which would include the Google Ads tag revenue data.

Looking Ahead

What does the future of attribution look like?

In 2024, the biggest focus as it pertains to attribution and measuring conversions will be on the “cookieless future” (specifically third-party cookies). The question becomes; how are we going to measure conversions when front end third-party cookies no longer exist?

Currently there are five clear steps/solutions to help bridge the gap, they include:

- » **Conversion Linker (Google Ads only):** a feature in Google Tag Manager to help measure click data so conversions can be measured effectively. The conversion linker tag automatically detects the ad click information in your conversion page URLs and stores this information in first-party cookies on your domain for web pages and passes the data in URLs for AMP pages. In other words, when a site visitor takes an action that you've tagged as a conversion (when a Google Ads tag is fired), the click information is used to associate that conversion with the click that brought the visitors to your site. (This also further points to the importance of having a Google Ads tag setup for every account.)
- » **Enhanced Conversions (Google Ads only):** a feature in Google Ads which allow the platform to ‘fill the gap’ instead of relying on the decreasing pool of observable data (due to privacy changes), Google fills-in the unknown using conversion modeling to predict conversions that aren't directly observable. The modelling works through leveraging a one-way hashing algorithm called SHA256 on your first-party customer data and sending that data to your website in a privacy safe way. Ultimately, this results in improved accuracy of your conversion data. This feature is relatively easy to toggle on in the conversion settings of Google Ads.

- » **Meta First-Party Cookies (Meta/Facebook only):** a feature in Meta that allows your pixel to collect first-party data on users, although Meta is cryptic about how this process exactly takes place, this type of data collection is more widely accepted by browsers and is also relatively easy to toggle on in Events Manager.
- » **Protected Audiences API:** a privacy sandbox technology to serve remarketing and custom audience use cases, designed so third parties cannot track user browsing behaviour across sites. The Protected Audience API uses interest groups to enable sites to display ads that are relevant to their users. When a user visits a site that wants to advertise its products, an interest group owner (typically DSP) can ask the user's browser to add membership for the interest group, if request is successful, the browser records the name of the interest group, the owner of the interest group, and the interest group configuration information. Later, when the user visits a site with available ad space, the ad space seller (typically SSP) can use the 'Protected Audience' to run an ad auction to select the most appropriate ads to display to the user.
- » **Customer relationship management (CRM) first-party data (1P Data) collection:** 1P Data is information collected directly from a client's audience, whether customers, site visitors, or social media followers. In building out a 1P Data strategy tactics like surveys, contests, preference centres, customer feedback, purchase history, online chat etc. should all be captured inside a CRM to be actioned through marketing

channels including email nurturing, paid media, personalization and the sales process. 1P Data can also be used to learn what an ideal or best-fit customer looks like, giving you more information about how to reach out to new audiences. With the deprecation of third-party cookies, we encourage all clients to employ the tactics listed above to collect 1P Data and have the most recent information appended to customer profiles.

Use case I: Some of VERB's clients employ Marketing Cloud's Ad Studio platform to market to CRM and email lists, for retargeting, and building lookalike audiences. Using 1P Data makes the list smaller, but it's a more qualified pool.

Use case II: using CRM 1P Data for ad personalization, this can be leveraged to build brand awareness, reduce churn, send timely ads and drive more qualified leads.

Use case III: injecting ads into email journeys, so if someone doesn't open an email within 2 days, they will be served an ad to try and win the conversion.

As we complete this document, the attribution, conversion, and privacy landscape continues to evolve and change. VERB's integrated team of Media, Analytics, Development, SEO, and CRM subject matter experts, are working to ensure our clients' marketing activities are working as hard and as efficiently as possible as we research and apply multiple solutions and enhancements to our processes to meet the changing technology, tracking, and reporting landscape.

Sources

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