



## Understanding multi-touch attribution is key to winning today's digital auto shoppers



### Scene:

a medium-sized dealership north of Toronto. Sam, an Internet Marketing Manager and our story's hero, is approached by his dealership's Director.

"Sam, how's that new marketing program working so far?"

"Great, boss! Lots of activity, I'm happy with it."

"Is the increase in our marketing spend this quarter worth it? What's the return on our investment so far?"

"... errr ..."

"Well, is it at least more cost-effective than last quarter? Should we shift our budget again?"

"... Let me get back to you on that."

**Sound familiar?** The very things that make digital marketing so effective—its granularity, its ability to connect with car shoppers at all points of their purchase journey, and most especially its measurability—also make it extremely complex to determine exactly which digital touch points have the most influence on your customers' decisions.

## Digital is at centre:

**900**  
digital interactions

**71%**  
of interactions were on a mobile device

A Google/Luth study found that across three months of a consumer's auto purchase journey, a single car shopper had more than 900 digital interactions

**75%** of shoppers use at least 3 different sites when searching for their next vehicle\*.

\*CarGurus Consumer Survey, n= 2,000, March 2017

No doubt you are already investing in digital: search ads, display ads, third party classified sites, email, and social media. And no doubt, you're seeing positive results—at least, directionally positive.

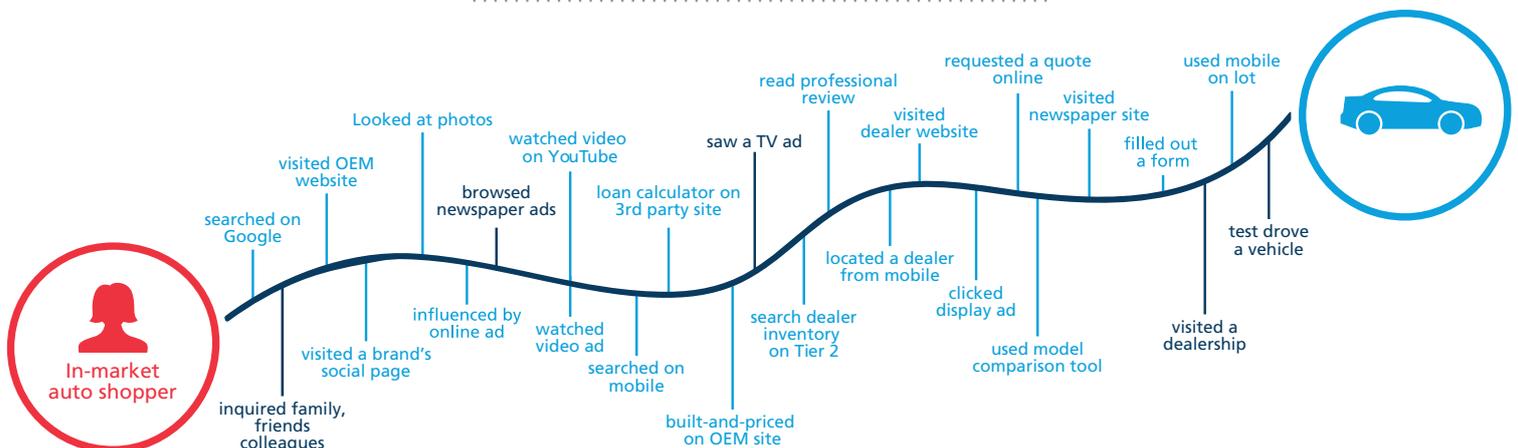
The problem isn't that there's a lack of opportunities or places to spend your money. In fact, it's quite the opposite. With so many digital channels available, it's hard to know where you should be investing your marketing budgets for maximum ROI.

Today's shopper uses an astounding number of channels and devices in their car search. In fact, a recent Google/Luth study found that across three months of a consumer's auto purchase journey, a single car shopper

had more than 900 digital interactions, 71% of which were on a mobile device. Additionally, research from CarGurus shows that more than 75% of shoppers use at least three different sites—and even more astonishing, a quarter visit more than seven sites. Factor in the rest of the digital ecosystem—searches, social ads, retargeting—and you wind up with a very complex attribution picture that cannot provide a straightforward answer.

For dealerships to accurately measure marketing ROI, they need to understand the multiple influences that occur before a shopper comes onto the forecourt to buy a car. That's where multi-touch attribution comes in, and it is key to the ROI-style thinking that can be game-changing for dealerships.

## The modern-day consumer's journey is non-linear, multi-device, and multi-platform



# Old attribution models just don't cut it anymore

Attribution modeling aims to solve the problem of 'where to spend' by helping you understand which channels influence each of your sales. Most dealerships are already trying to attribute sales to different marketing channels. For example, if a classified ads site sends you a lead, and that shopper ends up converting, you tend to attribute the sale to that particular site.

But this traditional model of attribution doesn't tell the whole story, especially in a multichannel, multi-device world. What touchpoints did that customer engage with in between their lead submission and the sale? And which mattered most? If you are unable to answer that question, you're probably not attributing your sales effectively enough.

## First Click Attribution Model



**First-Touch Attribution** looks at the channel that brought a customer in the door and allocates all credit to that touchpoint. First touch attribution can tell you, for example, which email campaign brought in more new customers, or whether search ads or banner ads are more effective at getting people's attention. However, you also want to know what influenced the shopper to make that final decision to buy from you – and a simple click on an ad or an email doesn't quite capture this information accurately enough.

## Last Click Attribution Model



**Last-Touch Attribution**, predictably, is the opposite of first touch attribution, ignoring everything except the last interaction before the sale. Last touch can show you whether it was an online chat, a phone call, or an e-lead that got a shopper to come visit you and leave with a vehicle.

The downside is that last-touch gives little insight into why a shopper picked you over other dealers, or what other interactions they had with your marketing during their journey.

The bottom line, neither first nor last-click models capture the all-important midsection of the shopper journey. We've all seen the data that shows just how much research shoppers now do before they visit a dealership, yet conventional attribution methods are neglecting this very important part.

## Multi-Touch Attribution

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**Multi-touch attribution** provides the total picture by applying a methodology that considers all steps in the car buyer's path to purchase, and allocates appropriate value to all the touchpoints that precede the point of conversion.



## Multi-touch attribution provides the total picture

The solution is not as complex as some may perceive. Simply put, all it requires is looking at attribution with a more holistic lens, and that is through multi-touch attribution—a methodology that considers all steps in the car buyer's path to purchase, and allocates appropriate value to all the touchpoints that precede the point of conversion.

The good news is technology and tracking has evolved to the point where you can quite easily get a more accurate picture of what your shoppers are doing and when. This allows you to refine and optimise your marketing approach in the process and seek the most value from your spend.

What multi-touch attribution will show you is that no one interaction can tell you the full story. In addition to visiting multiple digital platforms, many shoppers—according to CarGurus research—won't submit a lead at all and will simply show up at a dealership. Understanding these shoppers and what they do before a sale will help you identify your stronger digital channels and enable you to make productive marketing decisions.

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**If there are two things to take away to kick start this new style of attribution thinking in your dealership, they are that:**

- The shopper journey is non-linear, multi-device, and multi-platform, and therefore
  - The key to marketing success is to measure your ROI by way of a disciplined and accurate multi-touch attribution model
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