

Marketing Mix Models and Attribution Modeling: An Analysis of Positive and Negative Aspects



Conducted by Sequent Partners

	Marketing Mix Models		Attribution Modeling
Positives	Gives the organization, particularly finance, confidence		Agile and dynamic
	Evaluates all marketing expenditures on the same basis		is highly granular and works at a finer cadence.
	Offers holistic view		
	Broad and comprehensive, but shallow		Granular and fast
	Lacks granularity and timeliness to guide campaigns		Measures the effect of individual creative executions
	Reveals the drivers of the brand's marketplace results		Operates continuously in campaign, drives more effective copy and media placement decisions in-flight
	Correctly identifies the contribution of each of the underlying causal factors.		Now based on sound statistical modeling with parameters fitted to real data.
			Offers the ultimate in granularity and timeliness, promising clear and immediate guidance
			Can drive better ad choice and placement decisions in a continuous improvement process
Negatives	Too slow, too macro and too backwards-thinking		Blind to the effect of traditional media, the <i>rest</i> of the marketing mix and the brand itself.
	Campaign-level creative is rarely considered		Grossly overstates of the impact of digital media
	Can't isolate the effect of the <i>right message to the right consumer in the right moment</i> ,		Previously, credit for sales generation was assigned <i>a priori</i>
	Assesses last year's campaign, not the current campaign		Techniques in use range from time-series models to game theoretic approaches; No consensus yet on which techniques are most suitable
	Limited ability to drill deeply into the factors that caused the outcome		Challenge busting the media siloes between digital and traditional media
	Only broad media types are evaluated		Other traditional media have proven to be more difficult
			Important non-media marketing factors outside the realm
			Challenge of identifying all of the digital devices the household uses
			A lot of coverage, bias, imputation, and estimation go into the process