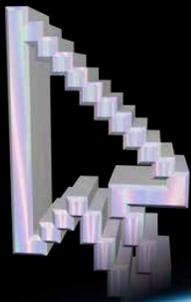




SEPTEMBER 2024

The Last Days of Last-Click?

How expanding attribution away
from last-click will unlock growth



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Last-click attribution is an easy but flawed metric, and it's limiting marketing.

Just one in five (21.5%) marketers are confident last-click attribution is a reasonably accurate reflection of a platform's long-term impacts on business, according to a new survey by EMARKETER in partnership with Snap.

"It's the devil marketers know," said EMARKETER's vice president of content Paul Verna. "It falls well short of representing what's really going on." Because it doesn't paint a full picture, it doesn't accurately reflect marketing's impact on conversions.

Among marketers, **74.5% are either moving away from last-click attribution or would like to do so**, per our survey.

Many are looking to more holistic models, like media mix modeling (MMM), due to its ability to represent engagement across platforms and throughout the funnel. But these models are complicated and can be difficult to implement.

US marketers will spend \$302.77 billion this year on digital advertising, per EMARKETER. Relying on imperfect metrics to track campaigns and inform media decisions could lead to inefficient choices, like overinvesting in last-click-friendly ad formats that drive immediate clicks and underinvesting in marketing that leads consumers down the funnel. All this happens at the expense of brand equity.

The following report details the results of a July 2024 survey of 282 US senior-level marketers who spent more than \$500,000 on digital advertising in the past 12 months, designed by Snap and executed in partnership with EMARKETER. It highlights marketers' frustration with last-click attribution. It presents MMM as an alternative measurement strategy that would help marketers make more accurate media decisions in a landscape that is overemphasizing performance at the expense of healthy brand growth.



Executive Summary

Marketers rely on last-click, but many wish they didn't. The metric is used by most marketers because it's the easiest way to track campaigns' attribution, but most of these users acknowledge last-click is far from ideal.

That reliance on last-click is impacting media decisions.

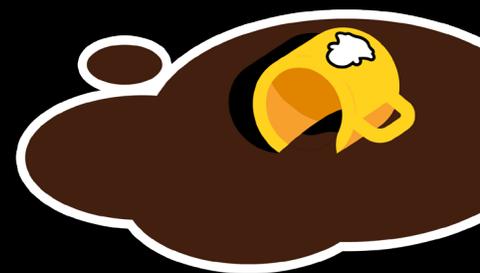
By focusing measurement at the very bottom of the purchase funnel, marketers are investing in ad formats that lead to immediate clicks and conversions without taking into account the journey that brings consumers to that final click.

MMM would provide a more holistic view for marketers.

By accounting for multiple variables, MMM is a better strategy for understanding consumer behavior, platform contribution, and making informed media-buying decisions.

The move toward MMM is part of a greater trend toward full-funnel marketing. After years of heavy investment in performance marketing, many are revisiting brand marketing strategies to maintain consumer awareness. Compounding limitations in third-party data collection are also driving this trend.

Marketers should feel empowered to move away from last-click attribution and toward more holistic measurement. Frustrations with last-click attribution are nearly universal, and though MMM can be relatively difficult to implement, it can help media dollars go further long term. Marketers consider MMM the best solution for identifying drivers of business value.



Marketers use last-click attribution but aren't happy about it.



Most marketers (78.4%) use last-click use last-click attribution and web analytics to measure media efficacy, per our survey. This metric attributes full credit of a conversion to the last ad a user clicked on before converting.

Despite common reliance, most are displeased with last-click attribution. "It doesn't give the full picture of the consumer journey," said EMARKETER senior analyst Evelyn Mitchell-Wolf. "It over-attributes the effectiveness of that last touchpoint, whereas in reality we know that the consumer journey is more complex."

63.5%

of marketers don't think last-click is **aligned with how people actually shop**, per our survey.

69.9%

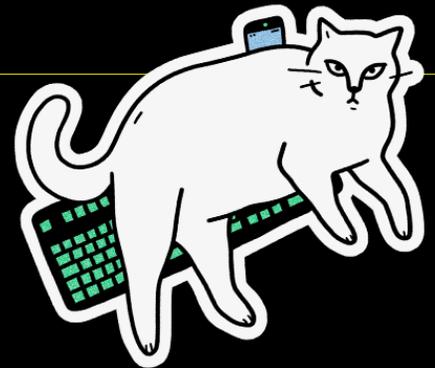
of marketers believe last-click has **gaps in tracking** on most platforms.

21.5%

of marketers say **no one at their company believes** in last-click attribution.

29.9%

of marketers **trust last-click attribution less** than they did a year ago.



Marketers think last-click attribution is troublesome

Brand campaigns impact lower-funnel performance

2.8%



Last click is the easiest way to track campaigns but not the best way to measure

2.8%



Last click is not aligned with how shoppers actually shop

3.9%



Last click tends to ignore the upper-funnel journey (including on social, through creators, etc.)

3.9%



Last click misses the engaging content or brand experiences that drive consideration or brand excitement

3.6%



Last click has gaps in tracking most platforms

2.1%



● Completely disagree ● Disagree somewhat ● Neither agree nor disagree ● Agree somewhat ● Agree completely

Source: Snap and EMARKETER "Media Measurement Survey," July 2024

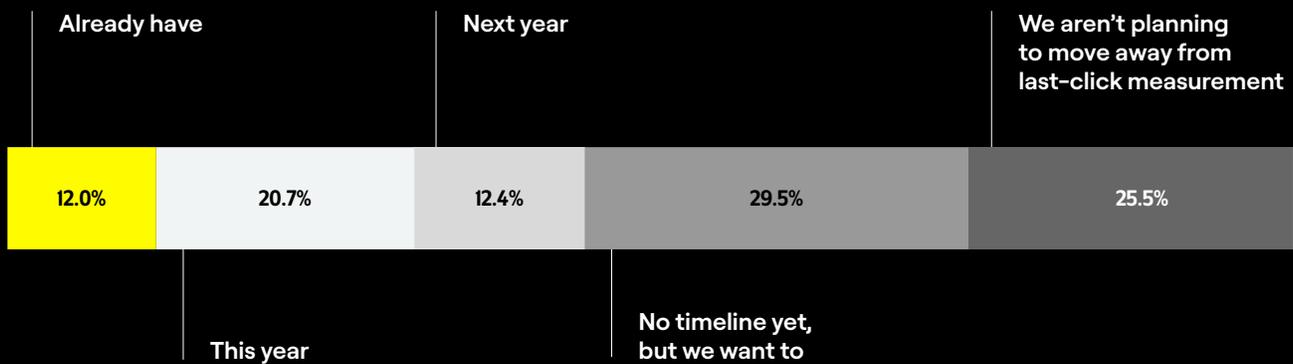
Last-click attribution is popular because it's easily available, not because it's accurate at identifying drivers of business value. Indeed, 77.0% of marketers think last-click attribution is the easiest—but not best—way to track campaigns.

Because last-click attribution has these limitations, marketers are moving away from it.



“It’s clear that while last-click measurement remains pervasive globally, brands and agencies trust these tools less and less in our fragmented and privacy-oriented media landscape,” said Darshan Kantak, SVP revenue product at Snap. “Most believe that last-click limits their activation strategy, and is not the best judge of platforms’ contribution. Three in four have moved away, or are working to move away, from last-click in favor of more holistic measurement strategies.”

If you are planning to move away from last-click measurement, what is your expected timeline for doing so?



Source: Snap and EMARKETER
 “Media Measurement Survey,” July 2024

That choice to move away from last-click attribution is wise, because imperfect measurement tactics not only impact marketers’ understanding of past purchases—they impact media planning as well.

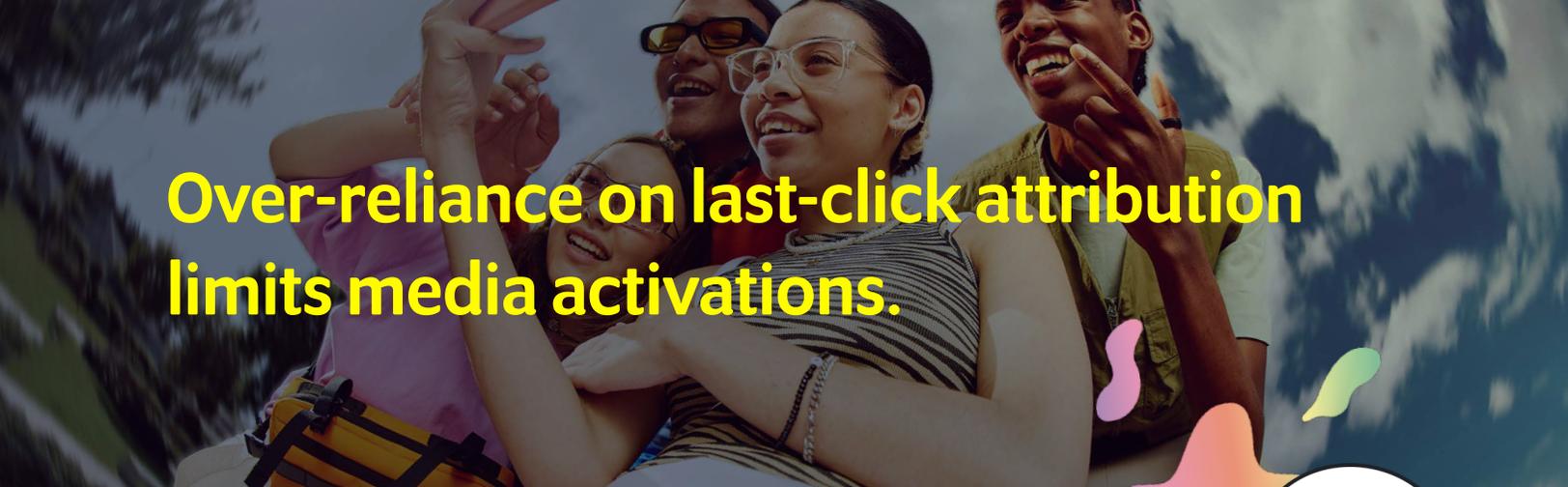
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— Darshan Kantak, SVP Revenue Product at Snap

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Over-reliance on last-click attribution limits media activations.

Companies that rely on last-click attribution are counting clicks instead of building a healthy long-term brand identity—**60.6% of marketers agree last-click attribution limits their media activation strategy**, per our survey.

Last-click attribution undervalues upper-funnel and brand marketing tactics, according to marketers.

72.0%

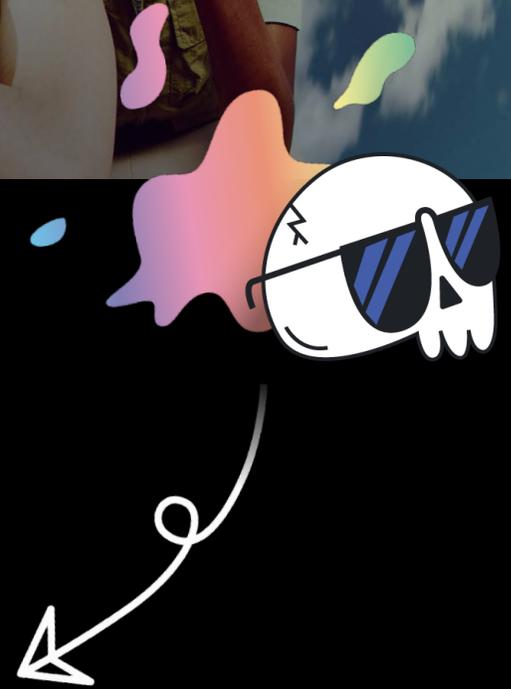
agree it **ignores the upper-funnel journey**, per our survey.

75.2%

agree it **misses engaging content or brand experiences** that drive consideration or brand excitement.

But most marketers (69.9%) think brand campaigns impact lower-funnel performance. That's something last-click attribution can't accurately represent. These issues result in marketers under-valuing social media marketing campaigns and over-valuing campaigns that can be tied to an immediate click-through conversion.

"The limitations of last-click are particularly acute when it comes to social media marketing," said EMARKETER's Verna. "A lot can happen in that customer journey along social media interactions that will influence a purchase or a purchase decision or a conversion, but it's not going to be measured by the last click."



Reliance on last-click attribution leads marketers to invest in platforms that over-index on that metric, such as paid search. While data may show paid search leads to clicks, it doesn't account for all the upper-funnel marketing that lead to a search occurring in the first place.

- Click-through rates (CTRs) from search are high, **averaging 1.63% worldwide in Q2 2024 compared with social's 0.66%**, per Skai.
- **Search ad spend will reach \$124.59 billion in the US this year** and account for **41.2% of US digital ad spend**, per a March 2024 EMARKETER forecast.

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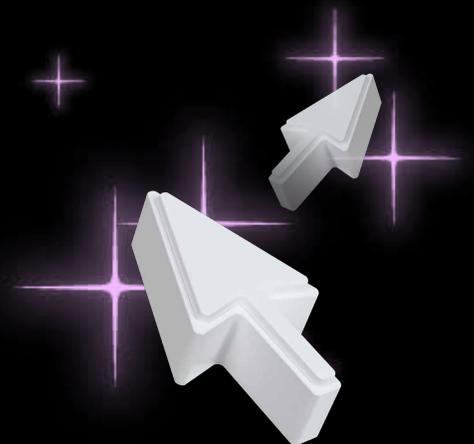
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— Paul Verna, EMARKETER vice president of content

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There's good reason to invest in paid search. Search is measurable and close to point of sale, especially on retail platforms. But high CTRs don't indicate what other factors lead to those clicks, nor do they represent if a purchase occurs. It may take several impressions on other platforms like connected TV and social media before a consumer clicks an ad and makes a purchase.

“We share the industry viewpoint that last-click is antiquated and limiting, and are excited to keep working with advertisers to achieve real business outcomes and drive their businesses forward with full-funnel strategies and thoughtful performance measurement,” said Snap's Kantak.



Marketers prefer MMM.

“There’s always been an acknowledgement that last-touch attribution falls short in a lot of ways, and there has been a general acknowledgement that MMM is an important component of a comprehensive measurement strategy,” said EMARKETER’s Mitchell-Wolf. “But it’s also just been really expensive historically, which is why it tends not to be used quite as widely as last touch.”

MMM is a method used to show how multiple aspects of marketing and advertising contribute to a conversion. The method uses statistical analysis to account for multiple variables, including marketing spend, product price, and user engagement to conversion. In this way, it shows a more holistic view of campaigns than lower-funnel metrics like last-click attribution do. And it’s something marketers are already doing. In fact, **more than half (53%) of US brands and agencies were somewhat or significantly more focused on MMM last year**, per November 2023 data from the Interactive Advertising Bureau (IAB).

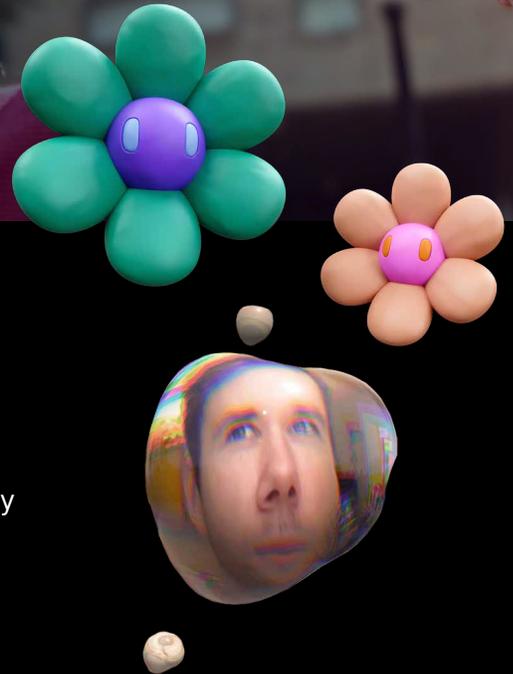
Our survey found:

61.4%

of marketers are augmenting measurement with **better and faster MMM.**

30.1%

of respondents consider MMM **the best type of measurement for identifying brand value** and business outcome drivers.



Which type of measurement do you believe is best at identifying drivers of business value or outcomes?

Media mix modeling (MMM)



Web analytics (e.g., Google Analytics, Adobe)



Incrementality lift testing



Third-party multitouch attribution (e.g., Neustar, Ipsos)



Internal multitouch attribution



Platforms' attribution



Something else



Source: Snap and EMARKETER
"Media Measurement Survey," July 2024

"MMM—specifically more granular, faster, next-gen MMM—is a focal point of most brands' road maps," said Kantak, noting that marketers often expect platforms to perform well both via MMM and via legacy KPIs like last-click attribution.

The struggle with MMM is implementing it in a way that is both "attainable and sustainable," Verna said.

Historically, MMM has been a complicated metric requiring massive data collection from multiple sources. After collection, that data would be sent to an MMM provider that would need six to eight weeks to collate it and draw insights. Automation has streamlined this process and allowed MMM providers to create more actionable dashboards, but it remains more time-consuming than last-click attribution.

Despite these challenges, investing in MMM allows marketers to make more informed decisions reflective of how the ad market actually functions.



The move toward MMM is part of a greater trend toward full-funnel marketing.



“We’re in a part of a pendulum swing where, as an industry, performance has been front and center,” said Mitchell-Wolf. As a result, last-click attribution and other bottom-of-funnel metrics have been prioritized. “But the pendulum is swinging back toward an equilibrium,” Mitchell-Wolf said. That means top-of-funnel tactics’ worth can be more accurately considered.

One thing pushing that proverbial pendulum back toward equilibrium is signal loss. The volume of customer data available to marketers is being limited by regulation (like Europe’s General Data Protection Regulation), tech innovations (like Apple’s AppTrackingTransparency), and consumer behavior (like people opting out of third-party cookie tracking in Chrome). Marketers cannot personalize ads with the same degree of granularity as they once could.

“MMM is better suited to doing more with non-user level data,” said Mitchell-Wolf. The shift toward MMM will help marketers understand—and demonstrate to leadership—how impactful awareness and brand campaigns are to conversions, even if that impact isn’t immediate.

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— Evelyn Mitchell-Wolf, EMARKETER senior analyst

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How do marketers implement MMM?



Because it takes a more holistic approach than performance metrics like last-click attribution, MMM adoption can be a difficult process. Here are some steps to get marketers started:

1. Establish a North Star: Choosing an ultimate evaluation KPI.

Before adopting an MMM strategy, marketers need to be clear in what they want to improve. For many marketers, the goal will be gaining a holistic understanding of the customer journey. Some may seek to understand the biggest conversion drivers or to optimize their media mix.

2. Get buy-in.

More than half (53.0%) of marketers say leadership is the biggest believer in last-click measurement. That means lower-level marketers may have to convince their executives to move away from last-click. Fortunately, the data in this report shows that most marketers are already looking to implement better and faster MMM to augment their marketing strategies.

3. Determine MMM approach.

MMM options are becoming more saturated and evolving as AI and machine learning mature. Organizations looking to adopt MMM may work with an established MMM provider, partner with a startup, build their own product, or work with an ad agency. Other options include Meridian, the open-source product for building an MMM that Google released in March 2024, or Robyn from Meta.



4. Have a clear data-collection strategy.

MMM requires data on sales and media spend. Models may also incorporate competitive data, macroeconomic data like GDP growth, or consumer data. Maintaining clean data is crucial to MMM implementation.

5. Validate results.

If implemented correctly, MMM should result in increased conversion rates. Validate MMM predictions against sales data or use incrementality studies to provide another lens on specific platforms.

Conclusion

Last-click attribution may not disappear anytime soon, but marketers will likely see MMM and other holistic measurement models continue to grow in popularity. This evolution will allow marketers to understand the impact of higher-funnel media buys on conversions as part of an overall industry trend toward a healthy mix of brand and performance marketing campaigns.



About the survey

This survey of 20 multiselect questions was developed by Snap and fielded by EMARKETER during one week in July 2024.

We surveyed 282 high-level advertising professionals at US companies that have spent more than \$500,000 on digital advertising in the past 12 months to assess their attitudes toward ad measurement.

About this guide

Research for this report was compiled by members of the EMARKETER Studio team in partnership with Snap Inc., using reports, forecasts, and research by EMARKETER on digital advertising, measurement, and media activations conducted in July 2024.

EMARKETER forecasts used:

Digital Ad Spending, US

Search Ad Spending, US

Programmatic Digital Display Ad Spending, US



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