

Last Click Attribution vs. Machine Learning Attribution

Which Channels are Misattributed?

Last Click Attribution vs. Machine Learning Attribution: Which Channels are Misattributed?

Looking to our data, we've discovered that merchants misattribute 8.2% of their sales. With that many sales attributed incorrectly, we have to wonder **how much potential revenue is being left on the table.**

At Divvit, we've had a lot of questions about how marketing attribution affects revenue for our merchants. We've explained how it can impact ROI, but we think it's time to really see it in action.

So we've put our Machine Learning attribution model to the test against every channel group for every merchant to see just how much of a difference there was against the most widely used attribution model: last click attribution.

Channel Groups Overvalued by Last Click Attribution

Channel Group	Percentage of Overvalue
Retargeting	8.44%
Affiliate	8.33%
Referral	7.43%
Organic Social	1.56%
Display Advertising	0.87%

Channel Groups Undervalued by Last Click Attribution

Channel Group	Percentage of Undervalue
Paid Social	-13.68%
Paid Search	-6.3%

Organic Search	-5.01%
Direct	-1.33%
Email Marketing	-0.81%
Price Comparison	-0.48%

Last Click Attribution vs. Divvit's Data Driven Machine Learning Attribution

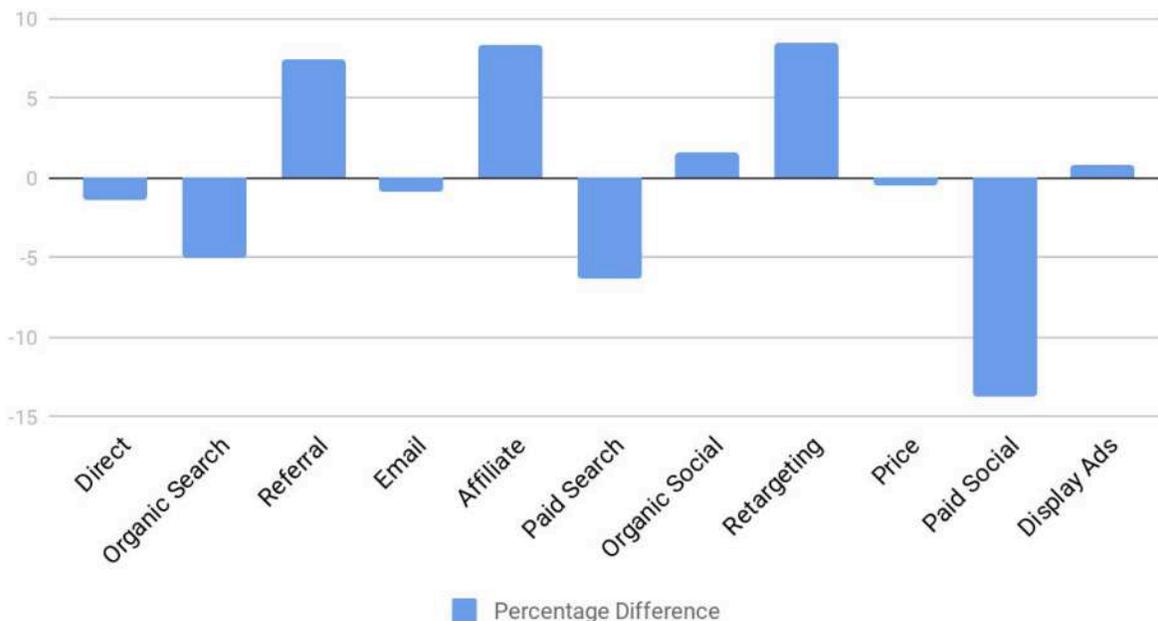
Many marketers and ecommerce managers are still using [last click attribution despite obvious flaws](#) for its simplicity and standardization.

In fact, in the nearly 2 million orders we analyzed, we found that the average difference in channel group between last click attribution and Divvit's Machine Learning attribution was by at least 8.27%.

8.2% **OF SALES ARE**
MISATTRIBUTED
TO
THE WRONG CHANNEL GROUP

As we know, last click attribution favors the converting channel, or the last touchpoint in the customer journey. With that knowledge, we can easily understand how channel groups are under or overvalued between the two attribution models:

Difference between Last Click & Machine Learning Attribution



Which Channels Were Undervalued by Last Click Attribution?

We found that paid search and social ppc ads (or pay-per-click ads on social media) were the most undervalued by last click attribution. Paid search was misattributed by 6.3% and social PPC ads were undervalued by 13.68% overall.

LAST CLICK UNDERVALUES
PAID SOCIAL ADS
by more than
13%

This makes perfect sense when you think about the dynamic between PPC and last click attribution works. **PPC ads are typically used to target new customers who will come to your site from those ads**, making them the lead channel or the first touchpoint in the customer journey.

Today's customer is multichannel, and it's not typical to go back to a PPC ad to revisit a site. Since last click favors the final touchpoint, it's normal that these channels would be undervalued. Even organic search, the champion of valuable channels, was undervalued by over 5% with last click attribution.

It's a bit of a shame since PPC ads are an effective way to drive new customers to your site. Using last click attribution might lead you to believe that these channels aren't providing enough value for your store.

Which Channels Were Overvalued by Last Click Attribution?

While social PPC and display ads were undervalued, we also found that certain channels had the tendency to be overvalued by last click attribution.

Referral campaigns were overvalued by an average of 7.43%, while **affiliate channels were overvalued by 8.3%**. Retargeting channels had the highest levels of misattribution, being overvalued by last click attribution by 8.4%.



Does this mean that these channels don't provide value? No. **Every touchpoint is an opportunity that pushes a customer closer to conversion.**

But let's think critically about the role that referral and affiliate campaigns play in the customer journey. Referral campaigns may come from **reviews of a product, which a customer is likely to look up when searching for more information on a product before purchasing.**

Depending on the referral campaign, like affiliate campaigns, they can be **attached to a discount code for a special offer, which a customer will then use to click through to purchase.**

It's not that these campaigns don't provide value- but merely that they're more of in the right place at the right time for customers.

When was the last time you purchased something online without looking for a discount code before finalizing your purchase?

Key Takeaways: What to Do with Information on Over and Undervalued Channels?

No matter what attribution model you use, it's important to think critically about why those results occur.

Using a data driven attribution model will provide you with better insights and help you make better decisions about your online store. But to harness those insights, it's important to examine why they happen by using your other KPIs to get a full picture of how your channels are performing.

While Last Click Attribution may undervalue PPC and display ads, and overvalue referral and affiliate campaigns, these channels still provide value to your online store.

Understanding the value they provide touchpoint by touchpoint is the best way to make the best decisions about your marketing spend.