Return on investment or ROI is a term thrown around in a corporate setting regarding many departments, including Marketing. Key Performance Indicators or KPIs is another term used to help determine ROI in the corporate environment within Marketing and other departments. Within the realm of marketing, ROI is usually referring to metrics that can be attached to a dollar amount when reviewing results; whereas, KPIs refer to metrics that cannot be directly linked to a dollar amount but influence the ROI (Google Academy, 2021).

For example, a person on a website that makes a purchase, also known as a checkout,t would be ROI; however, a product page view is a KPI. The person who views the page is looking at the products for more information before deciding to purchase. The information on the product page helps to influence the consumer's decision, thus making it a KPI because it can attach no revenue amount to product views; however, they do help drive sales. A person who checks out with the product is ROI because the consumer finished purchasing, and a direct dollar can apply an immediate dollar amount to their purchase. A consumer who abandons their cart in the process of checking out is lost ROI (Google Academy, 2021).

Different types of attribution models are used when tracking ROI, the main three being first click, last click, and multi-touch or multi-channel attribution. First click attribution is when full credit for the sale, ROI, or revenue is given to the first source the consumer interaction comes from (Google Academy, 2021). Last click attribution is when full credit for the sale is given to the previous source the consumer came from (Google Academy, 2021). Finally, Multi-click or multi-channel attribution gives credit to multiple sources on the consumer journey credit for the sale, ROI, or revenue (Google Academy, 2021). When multi-channel attribution is used to track ROI, KPIs become an essential metric in determining the multi-channel funnel to track the sources used in the consumer journey (Google Academy, 2021).

ROI is critical to the C-suite and decision-makers that participated in the survey (Zaeske, 2021). Being able to attach a dollar amount to the campaign's success is a key-value point to decision-makers in determining the success of a marketing campaign. The Automotive Industry will focus since most of the surveys completed were from this industry's professionals (Zaeske, 2021). The positions polled were Internet Manager, BDC Manager, General Sales Manager, General Manager, Marketing Manager, and Owner (Zaeske, 2021). When inquired of what metrics produce ROI, the following were the most commonly agreed upon: e-mails, phone calls, chats, texts, people who stated they saw the dealership through a specific medium, coupons, and geographic location tracking (Zaeske, 2021). These were chosen because they could be tracked within the dealership CRM with the same front-end and back-end profit of the vehicle (Zaeske, 2021).

It is essential to understand that many dealerships rely heavily upon first-click or last-click attribution in their ROI tracking models. This is due to the customer retention manager or CRM having limited capabilities in ROI attribution along with the Dealer Management Solutions or DMS (Selly Automotive, 2021). The DMS and CRM have to be compatible (Selly Automotive, 2021). The DMS is where once the sale is being completed, it is "desked" or drawn up, and it is where all the financial information is stored (Selly Automotive, 2021). The CRM is where the consumer journey information is stored and customer history, including sale information from the DMS (Selly Automotive, 2021). When integrating the CRM and DMS, only 1-2 fields depending on the CRM and DMS can be logged, resulting in the last-click or first-click attribution model necessity for dealerships (Selly Automotive, 2021). Very rarely will a dealership rely upon multi-click or multi-channel attribution?

Within the Survey, KPIs were met with mixed results. The dealers who relied heavily upon the first or last-click attribution models had little to no interest in KPIs (Zaeske, 2021). Those who utilized Google Analytics within their tools to track ROI and understood the online consumer journey placed a great deal more importance on KPIs (Zaeske, 2021). While ROI still heavily outweighs KPI's importance, there was still interest in looking at the metrics related to what influenced the sale. This brings about the question of what is a more effective marketing attribution strategy; last_click, first_click, or multi-channel/multi-click?

To answer this, first, it is essential to review a typical car buyer's journey. 65% of consumers start on a third-party site to find a vehicle of interest (Cox Automotive, 2019). It's a mixed bag as to whether or not the consumer knows what make or brand they wish to purchase when first starting their search, and they are usually open to influence as to which make or brand to go with. The third-party site is where the consumer decides on which make of vehicle and which model or what type of car they wish to purchase, and what dealership to buy from. 31-35% of car buyers end their search on the dealership website before purchasing (Cox Automotive, 2019). Consumers spend an average of 96 days in the market for a vehicle before buying it (Cox Automotive, 2019). A consumer can have 900+ online touchpoints before purchasing their vehicle (Gevelber, 2016). This means lots of research is being done online to pick the right car and pick the dealership that the consumer wishes to purchase from. The more study a consumer does online, the less time they have to spend inside the dealership when they get there (Cox Automotive, 2019).

The majority of online research is done on a mobile device, and the other portion is done on a laptop or tablet (Gevelber, 2016). This means that cross-device capabilities are essential.

A consumer will only visit 2.5 dealerships when at the point of purchase (Cox Automotive, 2019). To select a dealership, consumers will read reviews about the dealership they are interested in (Cox Automotive, 2019). Reviews reflect the brand and reputation of the dealership. The first dealership that a consumer goes to is the one that they generally wish to purchase at. A dealership may lose a customer's business, causing them to go elsewhere for a few reasons. Sometimes the consumer's vehicle inquiring about gets sold before the consumer receives there, creating the need to show other similar vehicles if another of that make and model is not available on the dealership lot anymore. The price of the car sometimes causing a consumer to look elsewhere if they feel that they are not getting a good deal or are being tricked. Overall experience and how the consumer is treated is another common reason that a consumer would head to a different dealership to purchase a vehicle.

Another vital factor to consider is the media plan or the marketing mediums strategy of the dealerships. Dealerships in the past have used a heavy traditional marketing strategy with direct mail, local tv slots, newspaper ads, billboards, and sponsoring local sports teams (Corr, 2020). However, there has been a shift in the advertising spend for dealerships with the pandemic, with much less of the budget allocated to traditional media and more emphasis on digital, SEO, SEM, and social media platforms (Corr, 2020). Dealerships spent about $150 per vehicle sold on digital advertising and about $1,581 per vehicle spent on traditional advertising (Corr, 2020). The cost per vehicle for advertising in a recent study by DealerSocket shows that $1,702 on average for traditional and $2,514 on average for digital (Corr, 2020).

Attribution methods haven't shifted much within the CRM, given the changes in shopper behavior (Corr, 2020). Some dealers have started in corporations Google Analytics into their marketing spend evaluations; however, last click or first click attribution is still the most common (Corr, 2020). Additionally, many dealerships rely upon their sales staff to ask a consumer what marketing medium brought them to a dealership, and some will use a simple survey to find out. This leads to many misattributed sales within the CRM. In addition to this issue, when a lead (e-mail, phone call, online chat) is submitted to a CRM, it is automatically added, sometimes causing duplicates within the CRM where sources who may have had the first click do not get credit for it. All of these issues create an unreliable tool being used to make media planning decisions.

There are issues with each form if each type of attribution related to the dealership's marketing strategies is reviewed. First click attribution runs into the issue of knowing which site did have the first click. When the CRM and staff are relied upon to find out the first source of consumer, things get muddled, or they forget to ask. Another issue is the consumer usually cannot recall the first source they came from and instead remember the source they spent the most time on or the most recent one they looked at. This allows for a large margin of error within the attribution. The other argument against this model considers the consumer journey. Since most consumers come into the market undecided on which vehicle and dealership, that would mean that the first click isn't the source responsible for the sale at all (Cox Automotive, 2019). Instead, the first click is more of a KPI that indicates the influence towards the sale.

Last click attribution runs into similar issues as the first-click attribution with credit within the CRM and dealership error. The other major problem with last-click attribution is that the dealership website usually gets most of the credit for last-click attribution because it is the last place a consumer goes before arriving on the dealership lot (Cox Automotive, 2019). However, this does not take into account how the consumer found the dealership's website. If the clicks prior did not occur, would the consumer have even seen the dealership or dealership website in the first place? Possibly not, and the consumer could have ended up at a different dealership without the other clicks and research did if the dealership didn't put its marketing spend in the earlier places that led the consumer to the purchase point (Gevelber, 2016).

Multi-channel or Multi-click attribution provides a solution to the attribution issues raised with first and last-click attribution models. Multi-click attribution also considers the consumer journey and the stages of a consumer's purchase process (Gevelber, 2016). With so much information at consumer's fingertips, it's common for research to be done to make an informed decision when making large purchases (Gevelber, 2016). In addition, each site visited has some level of influence over the sale in some capacity. Incorporating KPIs that help track the impact of each channel that pushed the sale help with making more informed marketing spend strategies. This reduces the need to rely upon first and lack click attribution, which can cause a dealership to cut something from its marketing budget that may have been a heavy influence on the sale.

Tools like Google Analytics and Google Display were created to track and show the multi-channel habits of consumers. KPIs such as map views, Vehicle Display Page Views, Dealer Page Views, video views, bounce rate, directions look-ups, and review views are all purchase indicators that are steps towards the sale. Things such as e-mails, chats, phone calls, and people walking into the dealership known as walk-ups or lot ups are easy to attribute ROI to, especially within a CRM with such limited capabilities. However, fewer and fewer consumers submit e-mails, chats, and phone calls with the information readily available to them online (Cox Automotive, 2019). Amazon taught consumers online shopping habits. Submitting an e-mail or phone call is not commonly done when purchasing on Amazon. However, viewing the product page details and reading reviews is something a consumer does.

Placing more value on KPIs in tandem with ROI results and using multi-click or multi-channel attribution models is the most effective way to measure if a marketing campaign is working. Consumers visit multiple sources of information when shopping or multiple product pages when making a decision (Gevelber, 2016). Therefore, tracking the consumer along their online purchase journey provides the most significant amount of information to the decision-making when evaluating a marketing budget. This will prevent heavily influential marketing tools from being cut from the budget.

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