Carrefour online groceries achieved +21% LifeTimeValue ROAS of new acquired customers thanks to including LTV signals powered by an ad-hoc ML model that predicts high value customers after the first purchase.

The challenge
For online retail groceries, Lifetime Value (LTV) plays a key role. Measuring Customer loyalty and making marketing decisions based on LTV is essential to keep on acquiring new loyal customers. One of the biggest challenges about LTV is its difficulty to include these signals to improve SA 360 campaigns due to not having the LTV after a long period of time.

The approach
Carrefour, in collaboration with Google and Neo, focused on 2 workstreams:

1. Understand the total value of its online groceries clients (LTV of acquired customers) and identify online consumer behaviors that are statistically significant to higher Long-Term Value

2. Activate these insights to acquire higher long term value customers by leveraging an ad-hoc Machine Learning model which detects, based on the first purchase, key variables/behaviors that better predict higher customer value in the long term. Carrefour has included LTV as key signal for bidding in SA 360 thanks to offline conversion import.

The results
- +21% LifeTimeValue ROAS from acquired customers.
- High Value customer profiling for future business growth, identifying a target audience that reports 3X more purchases in a year than the average and 25% more Cart Revenue.
- Ad-Hoc LifeTimeValue attribution model that allows to measure the impact of marketing campaigns

Product features
- GA360 user behaviour data and user level transaction data, integrated in BigQuery thanks to BigQuery export feature.
- Ad-hoc AutoML Machine Learning model which predicts high LifeTime Value Customers after the first purchase.
- Google Cloud Functions for daily data transformation and prediction.
- Offline Conversion import that feeds Predicted LTV into SA360.
- SA360 Budget bid strategies with auction time bidding to maximize conversions auto bidding strategy.

"Thanks to optimising towards high LifeTime Value customer signals rather than just transaction value, we are able to truly align marketing campaigns with our internal goal of acquiring high LTV customers. I am proud to see the results from the effort my team, Neo and Google have put together in the project."

- Francisco Javier Pérez García, Head of Paid Media, Carrefour Spain