

CASE STUDY

Magazine Luiza increases campaign ROI by 15% with attribution analysis and modelling using Google Analytics Premium and BigQuery



Magazine Luiza is one of Brazil's largest retail chains. The company sells durable goods ranging from TVs and cellphones to toys and bath towels, and enjoys a strong geographic reach across Brazil.

Magazine Luiza was already using Google Analytics in 2013 when they decided to hire digital marketing consultants DP6 to improve and manage their analytics and data collection. In addition, they wanted support in transforming all their data into meaningful insights.

The goal was to understand multi-channel consumer behavior for each product category and help departments optimize their media investments based on a more holistic view of the consumer. It was both a technical challenge, to implement a solution that could handle cross-channel data, and a business challenge, to foster a cultural change toward a more data-driven media budget.

Multi-channel and cross-device data

The adoption of Google Analytics Premium gave Magazine Luiza easier access to unsampled data and helped them analyze it in custom ways. Using the BigQuery Export feature, Magazine Luiza was able to export raw data directly into BigQuery, enabling super-fast, SQL-like queries against append-only tables, using the processing power of Google's infrastructure. After that, they could segment, filter and cross-analyze their data using advanced queries.

After activating Premium features and data exports, the next step for DP6 was to build custom attribution models according to Magazine Luiza's analysis needs. These were implemented through advanced queries in BigQuery for deeper analysis, and using Custom Channel Grouping and the Model Comparison Tool for daily analysis in the Google Analytics interface.

About Magazine Luiza

- Durable-goods retail chain with more than 740 physical stores in Brazil plus an online store
- www.magazineluiza.com.br

About DP6

- DP6 is a leading digital analytics firm in Brazil and both a Google Analytics Certified Partner and Google Premium Authorized Resellers. With multidisciplinary teams, DP6 offers both technical and data analysis services from Tag Management to Big Data, Media Mix Analysis, Marketing Attribution, and Business optimization.
- www.dp6.com.br

Goals

- Map and understand multi-channel consumer behavior for each product category
- Optimize media investments for each department

Approach

- Adopt Google Analytics Premium, enable BigQuery Export and Advanced Analysis for raw data
- Build and compare different custom attribution models and gather insights and media optimization opportunities
- Share and train different teams on understanding multi-channel concepts and applying best practices in daily optimization

Results

- PLA campaigns have reduced CPA by 11% and increased ROI by 15%
- A data-driven marketing attribution culture has spread across the digital team

The learning curve to extract valuable insights

No data platform works on its own: it needs people and a data-driven business culture to succeed.

Once Magazine Luiza had all its data centralized on BigQuery, they could analyze all digital media investment, multi-channel conversions and ecommerce performance data to look for insights and optimization opportunities.

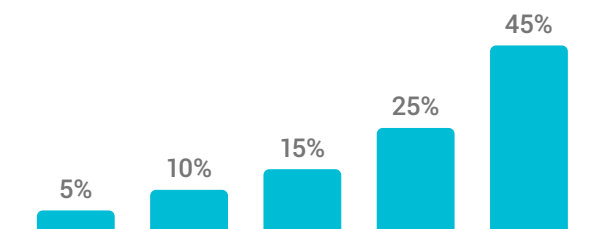
The data analysis teams started by building and comparing multiple attribution models to find the best fit for Magazine Luiza's media buying patterns, creative focus, and user behaviors. The models look at path length and time to conversion and assess the expected timeframe for the consumer decision journey for each department.

At this stage, the most prominent model to assess this scenario was a modified version of the time-decay pattern, called "time-decay non-natural traffic." It is similar to the original time-decay model, in which the latest touchpoint gets most of the credit, but with an important assumption: If the latest touchpoint is "direct," a domain redirection or a Google Maps click, it is considered "natural" traffic originated by the previous touchpoint and it doesn't receive any credit.

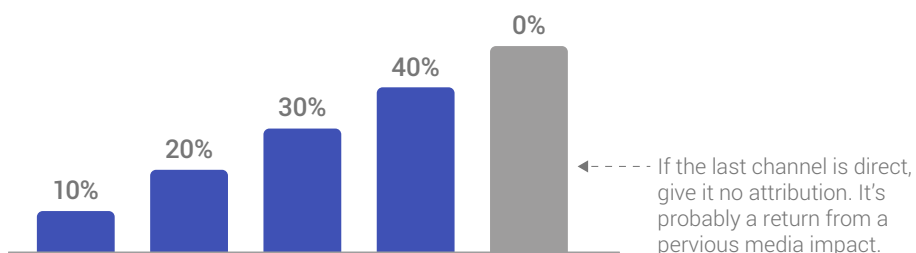
Learn more

- [Attribution Modeling](#)
- [BigQuery Export feature](#)
- [AdWords Shopping Campaigns](#)

Default Model: Time-Decay



Custom Model: Time-Decay Non-Natural Traffic



After analyzing the data and uncovering channel reallocation insights and attribution models to evaluate the digital marketing performance, DP6

team set sail to spread the word about the value of multi-channel analysis among different teams at Magazine Luiza. The Marketing Insights & Analytics team led a roadshow for digital and nondigital teams (including the Online Media Buying team, Social Media team, SEO team, CRM team, and the Products and Sales teams) presenting all the media attribution analysis and doing a hands-on training on its daily use.

Optimizing campaigns based on shopping behavior

Following the multi-channel analysis, Magazine Luiza learned that Google Product List Ads (PLA) and Google branding Campaigns are very much mutually dependent. PLA is heavily assisted by Branding Campaigns and when analyzed using Magazine Luiza custom "Time-Decay Non-Natural Traffic" model, this relationship becomes more prominent.

Magazine Luiza is a well-known brand, so demand and traffic for its Branding Campaigns are steady and very difficult to grow by even a single percentage point. The opportunity that the analysis uncovered was to bring more people to the consideration stage using PLA which would consequently lead to more sales from Branding Campaigns at the preference stage of the purchase journey. Using this approach, the media mix changed, and so did the results.

PLA campaigns have reduced CPA by 11% and increased ROI by 15% using this coordinated approach to budget allocation along the purchase cycle.

Google Branding Campaigns increased almost 40% in attributed revenue and 25% in traffic acquisition. Direct traffic and organic search revenue had a significant impact as well, due to their role in how users navigate using brand terms.

Scaling attribution through a data-driven culture

Thanks to Magazine Luiza's work to implement attribution and advocate it internally, attribution concepts are now discussed daily among digital teams. Assisted conversions, attributed conversions, channel path, and purchase journey are considered in every media optimization decision, and custom attribution models are used daily in Google Analytics by every team involved in media management. Magazine Luiza is truly building an attribution culture.

About Google Analytics Premium

Google Analytics Premium is the enterprise-class analytics solution that offers rich insights into digital audiences and marketing effectiveness. With powerful, flexible, and easy-to-use features, companies large and small measure engagement to create more effective marketing initiatives, improve user experience, and optimize digital strategies. Sophisticated conversion attribution and experimentation tools help savvy marketers determine the best allocation of media and resources to drive results.

For more information, visit google.com/analytics