

A cleaner planet starts with loyalty

How Shampoo Bars leveraged Customer Lifetime Value to drive change for planet and profit.



SHAMPOOBARS.NL

**FRIENDS
OF SEARCH**

BY DDMA iab.nl



Business Organization



2017

Idea &
market research

2018

1st product launch
ShampooBars.nl live

2020

Scaled up production
Assortment extended

2021

Start of the
Shampoo Bars Family

2022

Improved recipes
by co-creation

2024

Fully implemented
the lifecycle strategy

Challenge (1/2)

1. Increasing CPC's in the market

Hard to run profitable Google Ads campaigns based on ROAS

2. Limited marketing budget

Operating in a declining niche market

3. No ROAS or short-term revenue

Not fair to steer on because of repeat purchases (avg. lifespan of Shampoobars is 80 washes)

Challenge (1/2)

Next to the previous challenges we operate in a market where the demand to eco-friendly shampoo products is declining. Making it more important to stimulate demand.



Objectives

50%

Growth in revenue

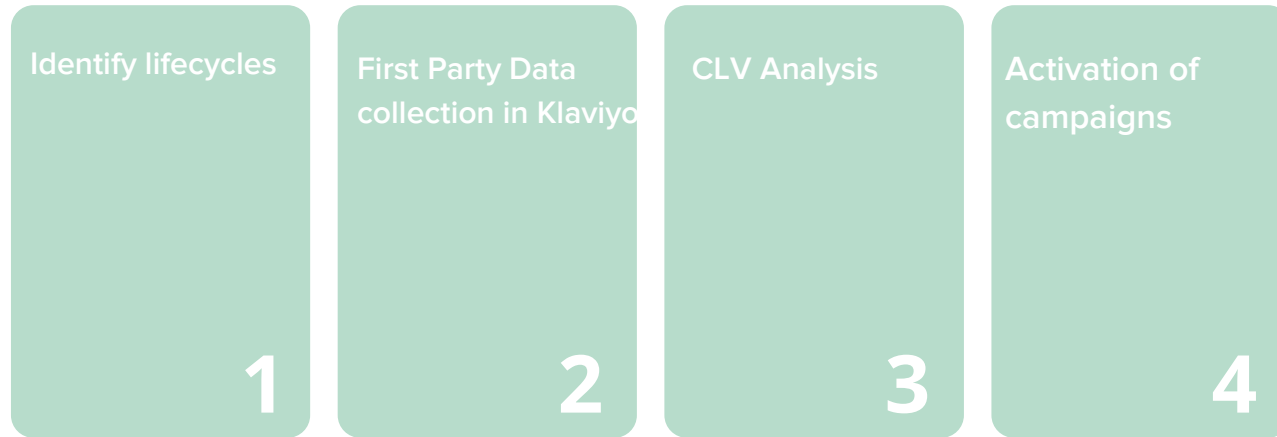
15%

CLV Growth YoY

300.000

Reduction in plastic waste

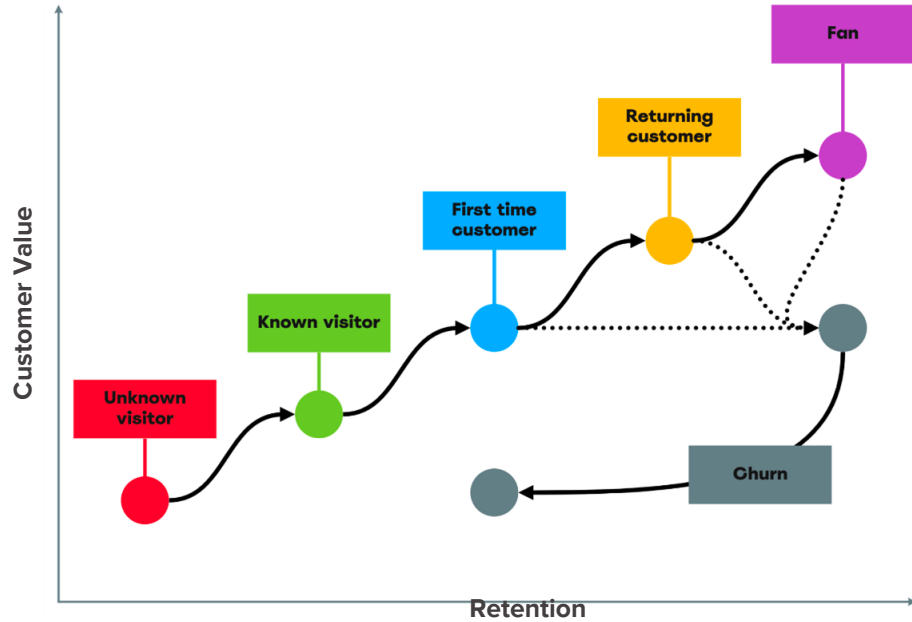
Strategy



Periodic CLV analyses to measure uplift

Identifying lifecycles

- 1 Dutch Households
- 2 Unknown visitors
- 3 Known visitor
- 4 First time customer
- 5 Returning visitors
- 6 Churn



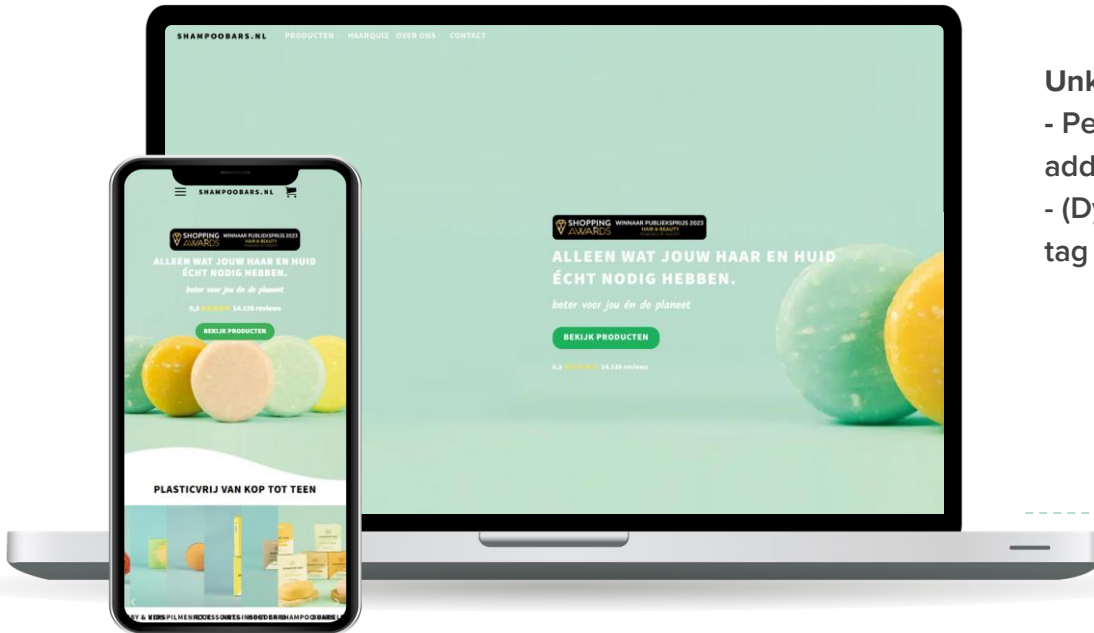
Dutch Households

Basically, every Dutch person that washes his/her hair is a member of Shampoobars' target audience. We can however, distinguish two main groups:

- 1 **Households using plastic bottles**
but need convincing to make the step to plastic free
- 2 **Households that are aware of the pollution**
making them the perfect Shampoo Bars users



Unknown visitors

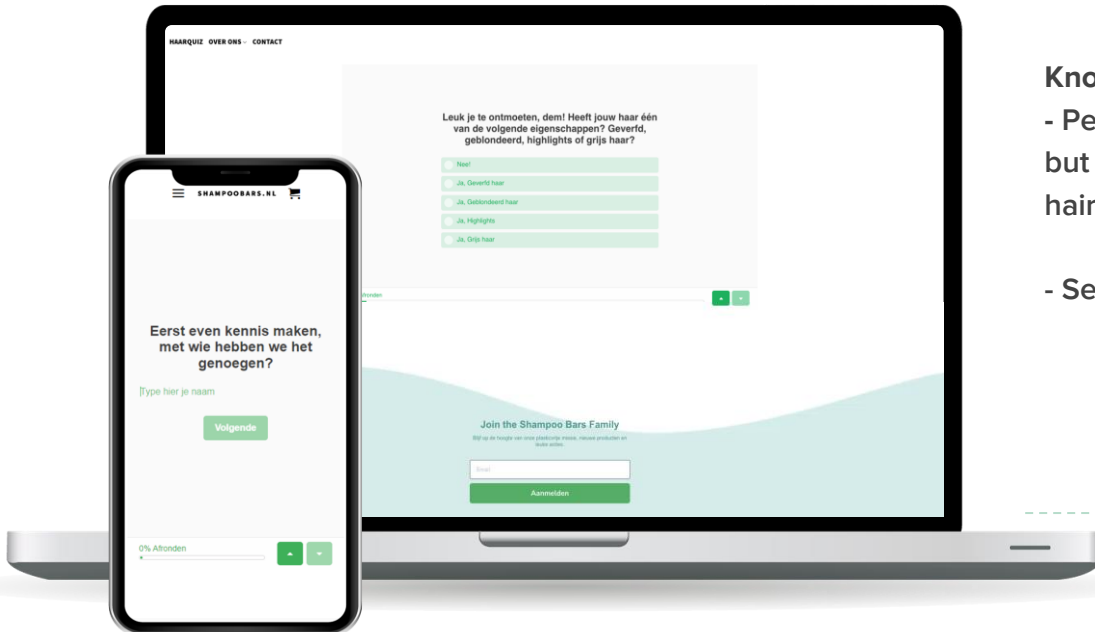


Unknown visitors

- People that did not leave their email address
- (Dynamic) remarketing via Google Ads tag



Known visitors

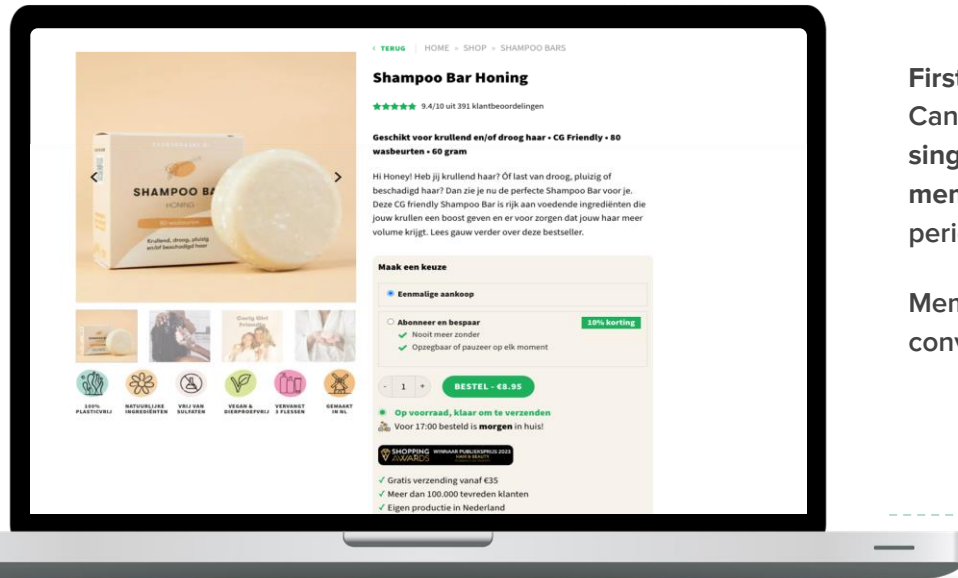


Known visitors

- People that did not buy any products but left their email address in the hairquiz
- Segmented per hair type with Klaviyo



First time customers



First time customers

Can be recognized as those who buy a single product or who apply for a membership that provides them with a periodic refill.

Memberships receive additional value in the conversion pixel

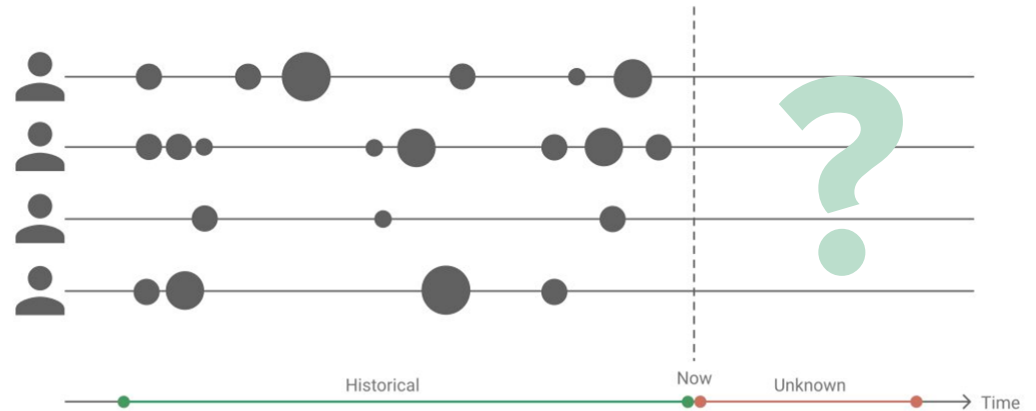


Returning customers

Returning customers have been identified and placed in clusters.

“Who of them is most valuable?”

We need a minimum of 2 purchases per customer to cluster returning customers based on CLV.



Returning - Customers - CLV Classification

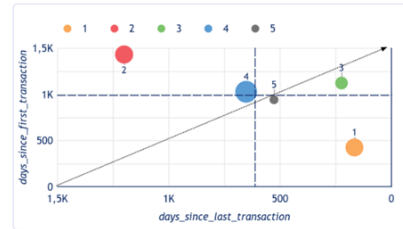
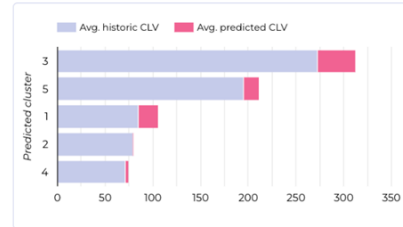
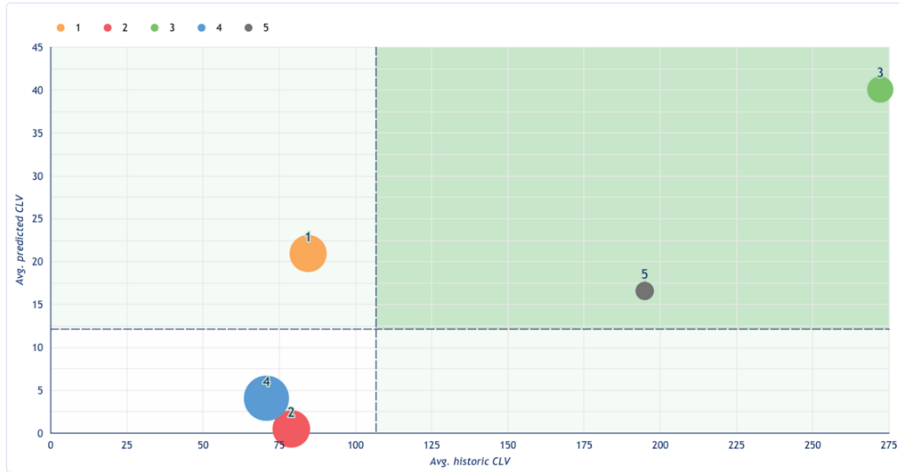
Based on our CLV analysis we assigned our customers to different segments. We used these as input for our marketing channels.

CLV is based on recency, monetary value, frequency & tenure

- **R (recency)** - Days since last purchase
- **F (frequency)** - Number of orders
- **M (monetary value)** - Average order value
- **T (tenure)** - Days since first purchase

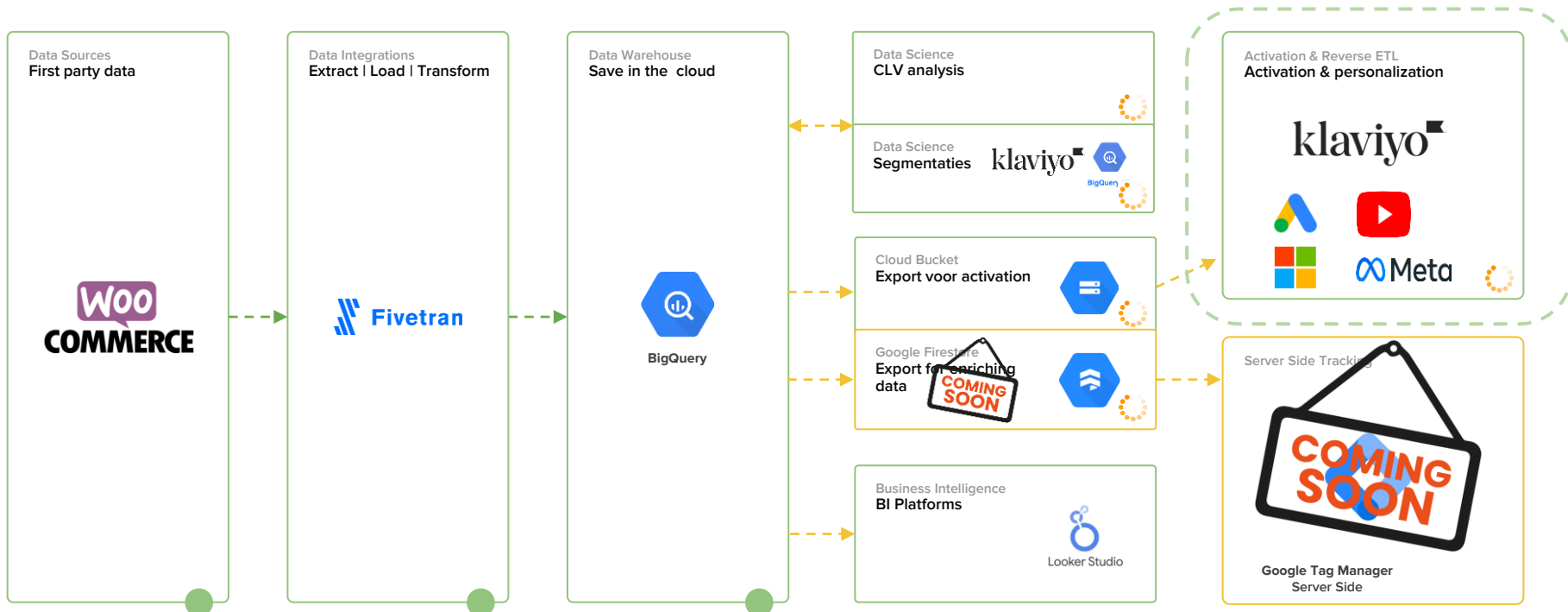
- **Historic CLV** - Sum of historic order value
- **Predicted CLV** - Sum of predicted order value (*next 12 months*)
- **Total CLV** - Historic CLV + Predicted CLV

CLV Dashboarding



Predicted cluster	Cluster size	%	Avg. days since first purchase	Avg. days since last purchase	Avg. order frequency	Avg. order value	Avg. historic CLV	Avg. predicted CLV	Avg. total CLV
3	2.602	12%	1.122	224	8	€ 32	€ 272	€ 40	€ 312
5	1.281	6%	942	527	3	€ 64	€ 195	€ 17	€ 211
1	5.217	24%	425	166	3	€ 30	€ 84	€ 21	€ 105
2	5.340	24%	1.432	1.201	3	€ 30	€ 79	€ 0	€ 79
4	7.746	35%	1.028	652	3	€ 26	€ 71	€ 4	€ 75

CLV Activation in campaigns



CLV Activation - Upper-Funnel

Example audience 1.

- Custom intent - Curly Hair keywords
- Klaviyo audience - Curly girl non-buyers



- First time buyer (single or membership)
- Returning customer
- Known visitors
- Unknown visitors



BigQuery

Woo

COMMERCE



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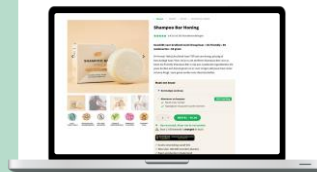
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CLV Activation - Upper-Funnel

Example audience 2.

- Klaviyo audience - Lookalikes of high CLV audiences



- First time buyer (single or membership)
- Returning customer
- Known visitors
- Unknown visitors



BigQuery



WooCommerce



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CLV Activation - Low-Funnel



Product-based

Recognizing products with high expected CLV in Prospecting P*max campaigns solely focused on new customers



Audience-based

Segment Standard shopping based customer match based on CLV data. And add this as audience signals to the campaigns.



Conversion - adjustments

Sending offline conversions based on transaction_id



Shopping | High CLV / Churn / Promising



Primary transaction conversion, either single transaction or membership



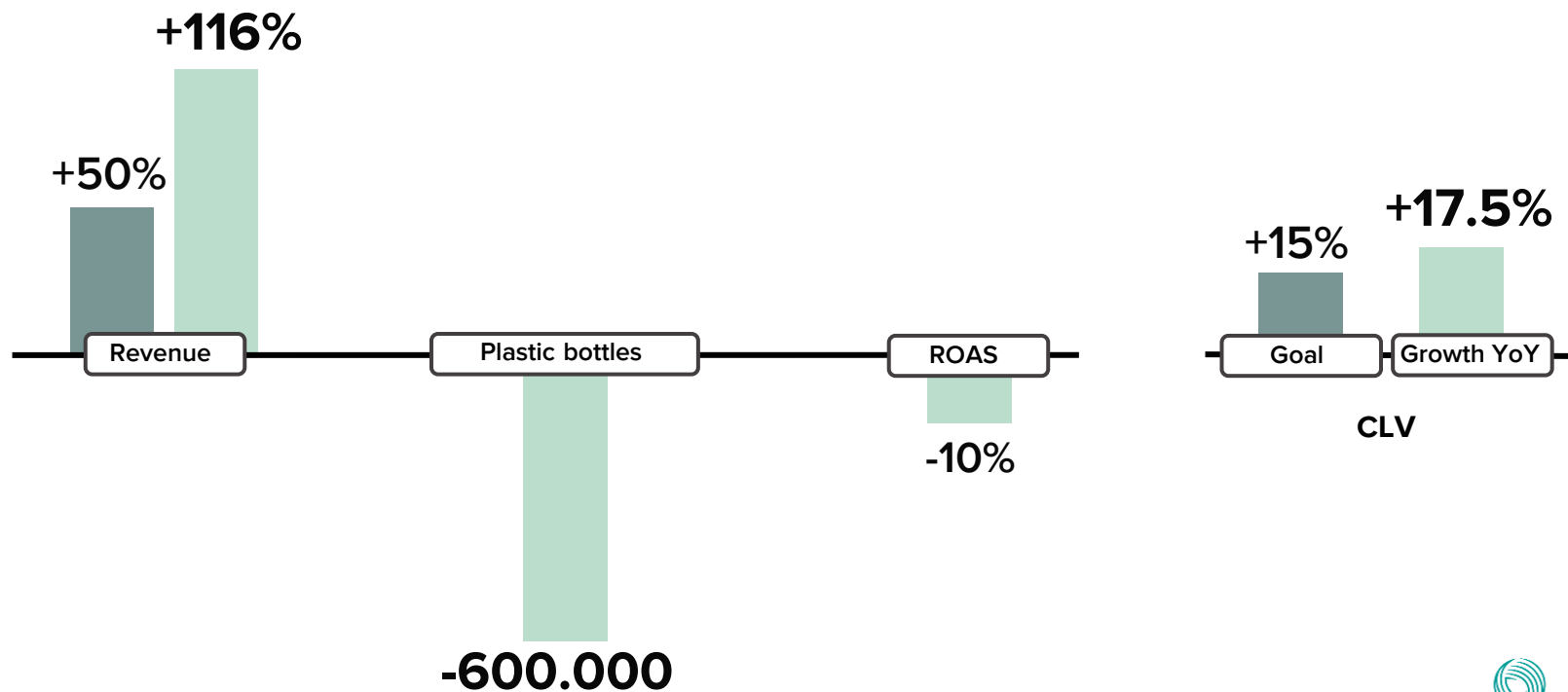
Conversion adjustment based on transaction_id



Always-on marketing automation flows based on type of customer & CLV segmentation

Audience: Known visitors & customers

Results



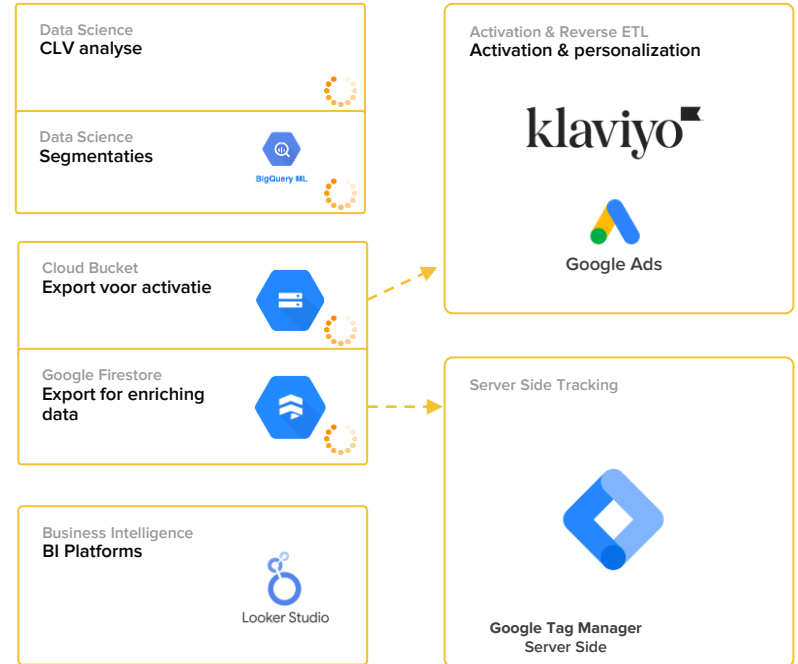
Next steps

Automated CLV analysis

We have applied manual CLV analyses. However, this is not scalable. We are now working on an automated way of doing CLV analysis.

CLV in the conversion pixel

Instead of conversions adjustments we want to provide CLV in the Google Ads conversions itself. Server-Side tagging will make this possible.



Thanks for your attention!



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