

Actable ML Models Double Repeat Purchase Rate

The Challenge

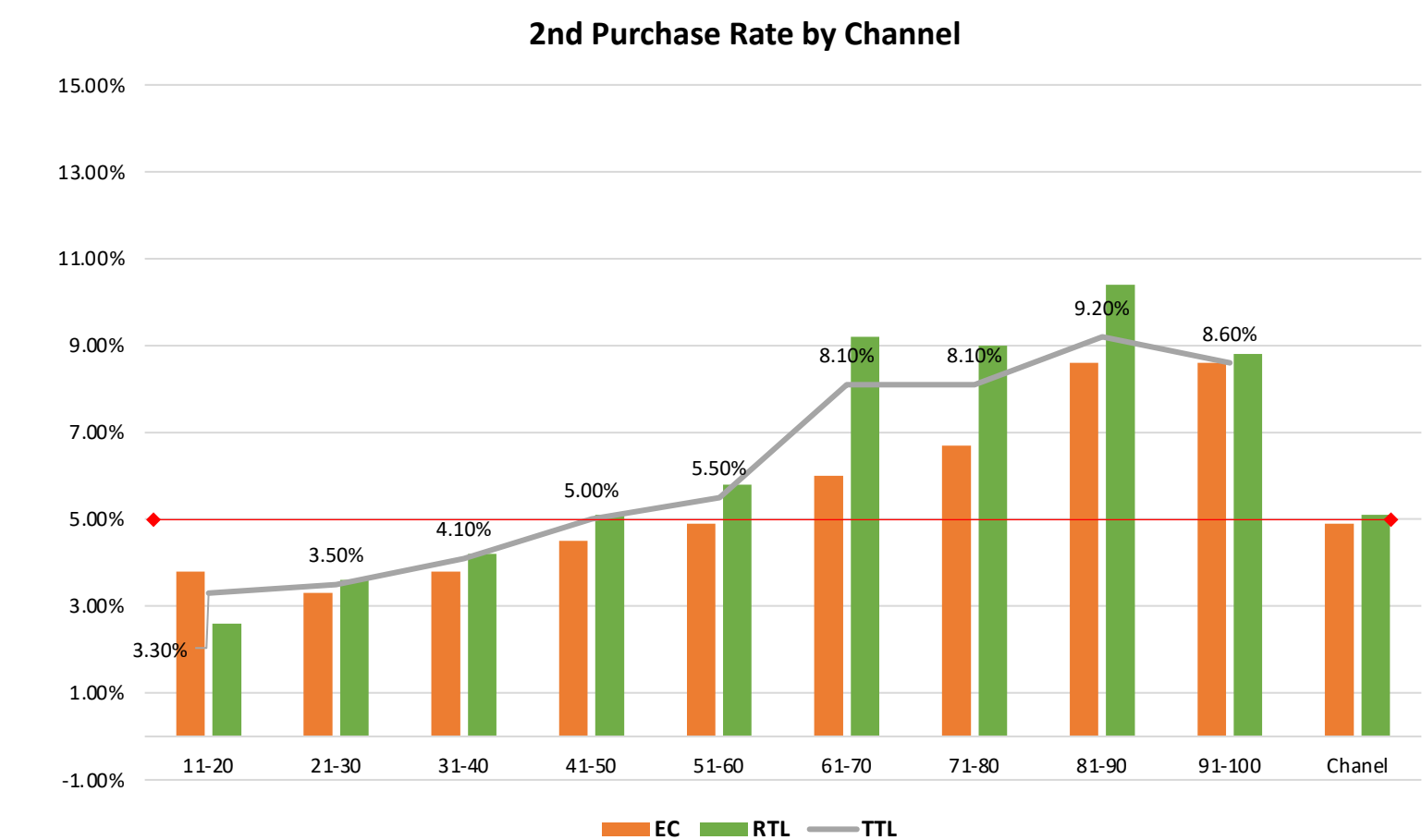
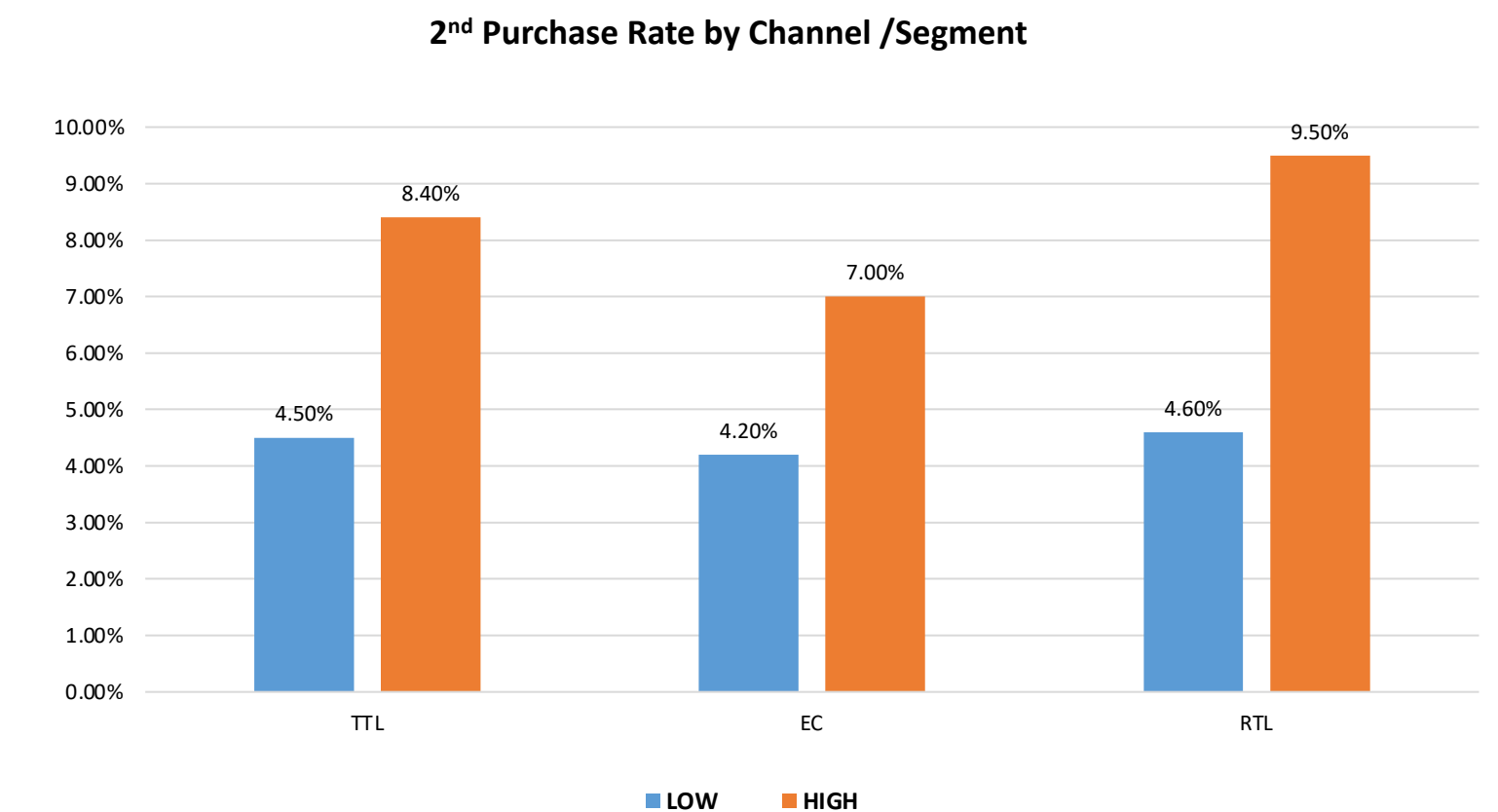
A multi-channel beauty brand struggled with “one and done” purchase behavior despite having a successful customer loyalty strategy after a second purchase occurred. The brand had significant intelligence on customer purchase behavior through transactional data sets as well as rich site-side data from their e-commerce portal, but wasn’t harnessing any of this intelligence to influence outbound marketing through paid or unpaid channels to drive repeat purchase among their customer base.

Solution

- **Actable built a bespoke Machine Learning Model**, which synthesized data from various sources into learning signals, and then **scored individual customers based on their propensity to make a second purchase**. Example variables included:
 - Products purchased on first purchase
 - On-site behavior patterns
 - Media exposure / referrals
 - Sales channels / locations
- The **scoring model** was then deployed to a virtual machine in the client’s cloud environment, enabling **programmatic daily updates**
- **Scores were** syndicated programmatically to downstream marketing platforms, including their ESP and social media platforms, and updated daily
- Targeted messages were then sent to **1st purchasers via email and social channels in an a/b split** to measure the messaging and investment strategy against high-scoring vs. low-scoring customers

Results

- **Customers who received “high” scores (top 30%) converted nearly 2X the rate of the “low” score group.**
- Media investments now targeted to high-scoring customers for cost-savings and efficiency gains
- Model being deployed across high-cost channels (e.g. direct mail) to drive further efficiency



Customers scored 60+ (high group) outperform low score group by nearly 2x in both ecommerce and retail channels