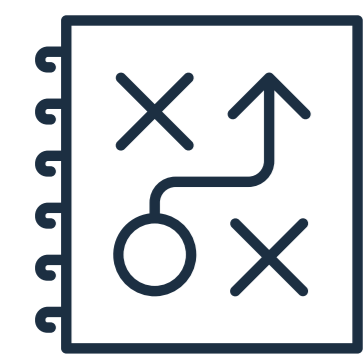
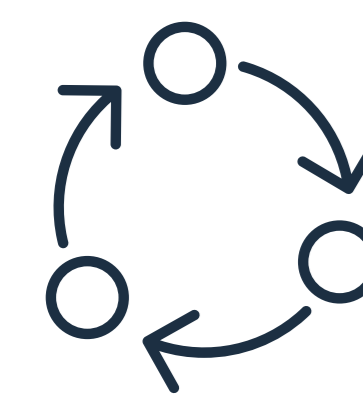


Case Study | Lipstick Change Readiness



Objective

A beauty brand wanted to increase customer retention by establishing what drives people to change – that is, to switch from one product and start purchasing another.



Process

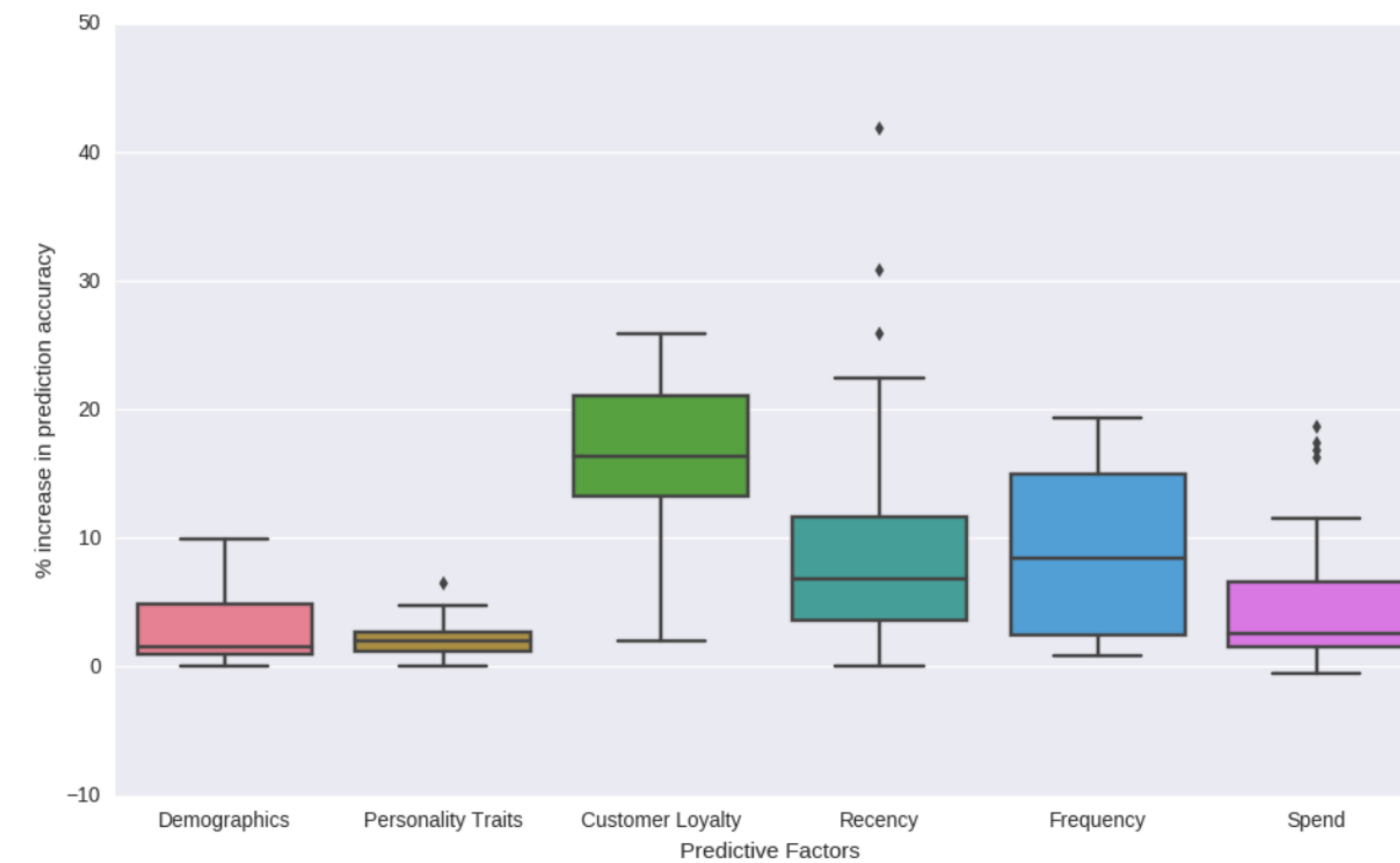
We observed changes using a proxy: frequency of purchases of a lipstick brand, between two sequential periods in time. We also designed a psychological survey and connected it with participants' transactions.

Using the machine learning approach, we were able to predict, for each customer, a 'Change Readiness Index'. A technique called Model Class Reliance enabled us to understand which features predicted lipstick buying.



Result

We enabled our client to: approach customers prone to change in a timely manner; personalise customer engagement based on the factors that drive their behaviour; and predict future sales and adjust their strategic approach.



74% model accuracy using 38 psychology and RFM factors



Interesting Insight

Buying lipsticks is like buying sweets – the more we buy them, the more addicted we become!