USE CASE: PROPENSITY MODELLING

Mailing the Catalog Only to Customers Who Will Open It

CHALLENGE

A leading Japanese beauty group sells through web and e-commerce, a call centre and stores. It treated all of them as one list. Printed catalogs went to everyone who had bought in the past two years, so mailing cost grew with the base while response stayed flat. First-time buyers with real repeat potential got the same treatment as lapsed ones.

HOW AI WAS APPLIED

One customer view: Behaviour from web, call centre and stores now sits in one profile per customer.

Segmentation: Clustering on cosine similarity groups customers by value and buying pattern, not channel.

Propensity scoring: Random forest models score every customer, new ones included, on likelihood to buy.

Activation: The list drops to high-propensity names, with segment-triggered campaigns across channels.

OUTCOMES

~30%
"A place where I feel welcome" among multicultural shoppers

~2x
Same measure among other long-standing core shoppers

3
Channels unified: web, call centre, stores

Source: client-reported outcomes from the engagement. Figures are rounded.

Material is a global growth intelligence company.

For 50 years, Material has built behavioral science into the insights, strategies, brands, experiences and platforms that move markets. Its culture-shaping design studio, Aruliden, gives that work form, from identity and product to packaging and environments. Material is building the intelligence layer ambitious companies use to understand demand and act on it faster.

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