



Machine Learning in Digital Advertising

Optimized Media Plan to Reach the First-Time Ecommerce Shoppers

This Xen.AI use case will illustrate how retailers can use Artificial Intelligence, Machine Learning and Data Science technologies-based Advertisement solutions to target infrequent shoppers and turn them into brand loyalists.

Industry

Advertising, Ecommerce

Business Needs

Turn infrequent shoppers into habitual shoppers.

Solutions

- Audience segment concentration estimation.
- Optimal media planning and delivery.

Benefits

- Efficiently target your marketing dollars to expand your loyal customer base.
- Measure the efficiency of your marketing budget.

The Challenge

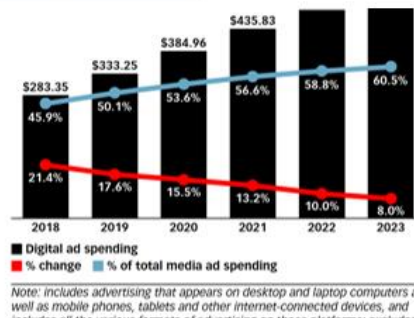
The stay-at-home orders due to the Covid-19 pandemic accelerated a long-running trend in shopping habits where more individuals embrace e-commerce platforms instead of shopping in person. This presents markets with new opportunities where they can turn one-time shoppers who successfully experimented with the platform into habitual shoppers who increasingly spend on their platform. The questions that are facing marketers are:

- Who are those first-time shoppers?
- What media should I buy to reach these new shoppers, efficiently?
- How can I measure the ROI on my media spend?

The Solution

- Use machine learning techniques to quantify the concentration of the targeted audience on different media (TV, digital video/display, search and social).
- Find the right media mix which optimizes reach at the right frequency for the desired audience segment.
- Measure ROI as campaign progresses
- Optimize campaign and media mix on-flight Run models using online data streams. Develop dashboard that would help track sensor behavior and failure status.

Different media provide different ROI against the targeted audience. The question is not “What media to buy?” but “What mix of media to buy, to achieve maximal incremental reach?”



Benefits

- Identify the new customers who have familiarity with your brand and sales channel and turn them into loyalists.
- Measure ROI on your marketing spend and continuously optimize against it.

Applications

- Find the right marketing budget mix between reaching out to never-shopped-before customers, one-time customers and your loyal customers.
- Look-alike modelling to identify new customers.
- Develop propensity models to identify the most effective offers that will entice customers to spend more

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