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CONTENTS

O1 Introduction to The Marketing Challenge

Data And Analytics Approach

Descriptive Analytics

In-depth Analysis and Insights

- Project Background
- Marketing Problem
- Significance
- Dataset Introduction
- Data Preparation and Variables

- Correlation Analysis
- Segmentation Analysis
- Regression Analysis
- Analysis on Negative Feedback

Strategic Business Recommendations

- Key insights and strategic actions
- Future directions for research / improvement





Project Background

Digital Market Evolution:

- Shift towards online direct marketing in the 2000s
- Emphasis on platforms like Facebook and Twitter

Challenges in Modern Marketing:

- Increased complexity allowing for personalized marketing
- Variety of digital marketing options—choosing the best approach
- Necessity for targeted advertising on search engines

WHAT WE NEED TO DO...

Retargeting Campaigns

Optimize Marketing Message Delivery

Predict Future Performance

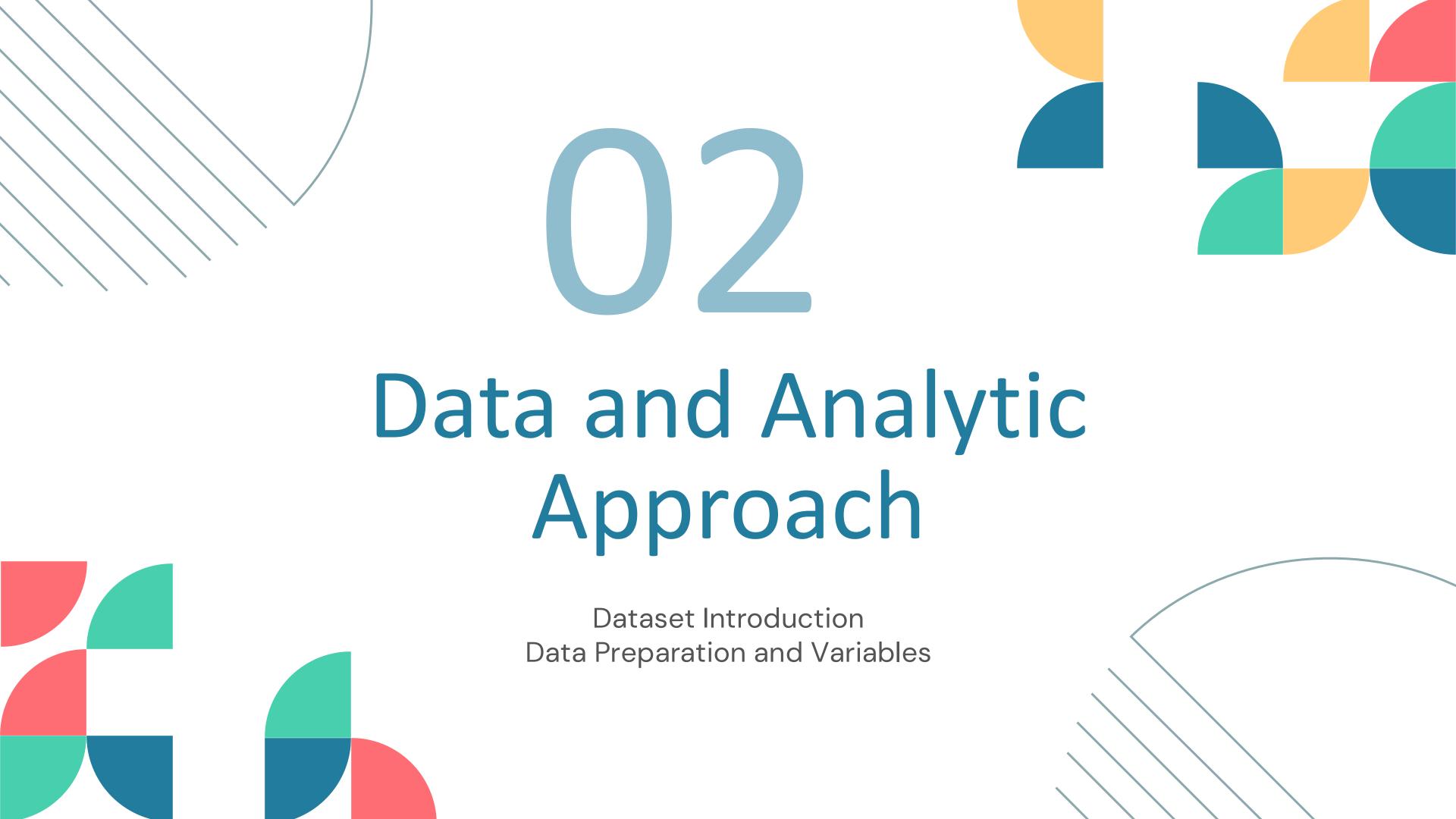
Data Sources:

Data from Kechinov, M. (2023a): "Direct messaging campaigns dataset overview" Data from Kechinov, M. (2023b): "E-commerce multichannel direct messaging 2021-2023"

How to optimize the effect of campaign on consumers by adjusting the characteristics of the MARKETING PROBLE Campaign message

WE SEEK TO TEST...

- Relationship between consumer's different behaviors
- The effects of different campaign message's characteristics on consumer's behaviors
- How to adjust the characteristics to optimize the effect brought by the campaign message
- A way to predict the effect of future campaign message on consumer's behaviors



Dataset Introduction -

About the Dataset

- Retail company's multichannel messaging campaigns for over two years, extracting from REES46 (a multinational marketing company)
- Focused on a medium-sized retail company from Russia
- Combined with 2 datasets



"CAMPAIGNS"

All messages that are related to the campaigns.

- Describes the characteristics of each campaign
- bulk / trigger / transactional
- Attains most of the campaign's characteristics (IV)



"MESSAGES-DEMO"

All messages received by each user, describing the delivery methods and consumer's actions

- Consumer's actions as our DVs, identifying user behaviors towards each message
- Delivery methods (e.g. delivery channel) as IVs (filtered to include only bulk campaigns)

Analytic Methods Used

Descriptive analytics helps us understand the current state by exploring relationships and patterns, while **predictive analytics** forecasts future trends and outcomes through regression modeling.

DESCRIPTIVE ANALYTICS

Correlation Analysis

Explore whether variables are related and how strongly

Clustering Analysis

Segment the types of message sent

PREDICTIVE ANALYTICS

Regression Analysis

Find out the influencing factors on different consumer's behaviors

Table 1: Data description for "campaign" dataset

Column Name	Description	Variables Type
id	Unique campaign ID only for the specific campaign type	
campaign_type	Campaign type (bulk, trigger, transactional)	
channel	Channel (email, mobile_push, web_push, sms)	decision variables
topic	Meaning of a campaign (sale out, happy birthday, etc.)	decision variables
started_at	Bulk campaign start datetime	decision variables
finished_at	Bulk campaign finish datetime	decision variables
total_count	Total recipients in bulk campaign	decision variables
subject_length	Email subject length	decision variables
subject_with_personalization	Subject contains recipient's name	decision variables
subject_with_deadline	Subject has deadline meaning	decision variables

Column Name	Description	Variables Type
subject_with_emoji	Subject has emoji symbols	decision variables
subject_with_bonuses	Subject mentions bonuses for actions	decision variables
subject_with_discount	Subject mentions a discount	decision variables
subject_with_saleout	Subject mentions a sale out	decision variables

Table 2: Data description for "message-demo" dataset

Column Name	Description	Variables Type
id	Message sequence ID *will not be used	
message_id	Message unique ID	
campaign_id	Campaign ID from campaigns.csv)	
message_type	Campaign type (bulk, trigger, transactional)	decision variables
client_id	Client ID	
channel	Message channel (email, web_push, mobile_push, sms)	decision variables
category	Category *will not be used	
platform	Device type used to open a message	
email_provider	Public email provider (for email messages)	
stream	Additional identifier of data source (desktop, ios and android)	
date	date in YYYY-MM-DD when a message was sent	

Column Name	Description	Variables Type
sent_at	Datetime when a message was sent	
is_opened	Boolean flag if a message was opened by a recipient	outcome variables
opened_first_time_at	First time when a message was opened	
opened_last_time_at	Last time when a message was opened (can be equal to opened_first_time_at, if the message was opened only once)	
is_clicked	Boolean flag if a message was clicked by a recipient	outcome variables
clicked_first_time_at	First time when a message was clicked	
clicked_last_time_at	Last time when a message was clicked (can be equal to clicked_first_time_at, if the message was clicked only once)	
is_unsubscribed	Boolean flag if a recipient clicked unsubscribe link in a message	outcome variables
unsubscribed_at	Datetime when a recipient clicked unsubscribe link in a message	
is_hard_bounced	Whether the message was hard bounced	

Column Name	Description	Variables Type
is_soft_bounced	Whether the message was soft bounced	
soft_bounced_at	Datetime when a message was "soft bounced"	
is_complained	Boolean flag if a recipient clicked SPAM button in email client	outcome variables
complained_at	Datetime when the message has been complained	
is_blocked	Boolean flag if a delivery attempt was temporarily blocked by email provider	outcome variables
blocked_at	Datetime when a delivery attempt was temporarily blocked by email provider	
is_purchased	Boolean flag if a recipient clicked any link in a message, opened a website or mobile app and made a purchase	outcome variabl <mark>es</mark>
purchased_at	Datetime when a recipient made a purchase after click on email or other message	
created_at	Datetime when the message is created *will not be used	
updated_at	Datetime when the message is updated *will not be used	

Data Cleaning

Table: Data description for omitted variables in campaign dataset

Column Name	Description	Action for values	Action for column	
campaign_type	Campaign type (bulk, trigger, transactional)	Only retain values for bulk-type message	deleted	
ab_test	Bulk campaign with A/B test mode *will not be used	Deleted messages used for ab_test	deleted	
warmup_mode	Bulk campaign with warmup mode	Deleted messages used for	deleted	
hour_limit	Hour limit for a bulk campaign with warmup mode	warm_up mode	deleted	
is_test	Whether it's a test campaign (bulk campaigns only)	Deleted messages used for test	deleted print(df['subject_with_e	moji'].value_count
subject_with_emoji; subject_with_bonus; subject_with_saleout	Whether the sent messages contains emoji/ bonus info/ sale-out info	/	print(df['subject_with_b subject_with_emoji True 1220393 Name: count, dtype: subject_with_bonuses	int64

subject_with_bonuses
False 1220393
Name: count, dtype: int64

Data Cleaning

Main process

- 1 Random sampling
- 2 Merge datasets
- Delete the omitted columns
- 4 Dummy coding

Coding part

```
message = df2[df2.message_type=='bulk'].sample(frac=0.2, random_state=123)
message
```

Foreign key

```
df = pd. merge(message, df1, or='campaign_id', how='left')
df
```

```
df = df.drop(['client_id', 'started_at', 'finished_at', 'campaign_type', 'topic'], axis=1)
## Only one type of value in these columns so drop these columns (cannot give us any insight in the analysis)
df = df.drop(['subject_with_emoji', 'subject_with_bonuses', 'subject_with_saleout', 'message_type', 'stream'], axis=1)
```

```
## Transform "channel" into dummy variable "is_email"
df. channel = df. channel.replace({'mobile_push':0,'email':1})
df = df.rename(columns={'channel':'is_email'})
```

Reason

The original dataset was too large to process

To combine IVs and DVs together

To simplify the result table

To take the effect of categorical variables into account

Descriptive Analysis **Correlation Analysis** Clustering Analysis

Relationship between IVs and different DVs

For positive actions, the differences are mainly from three IVs

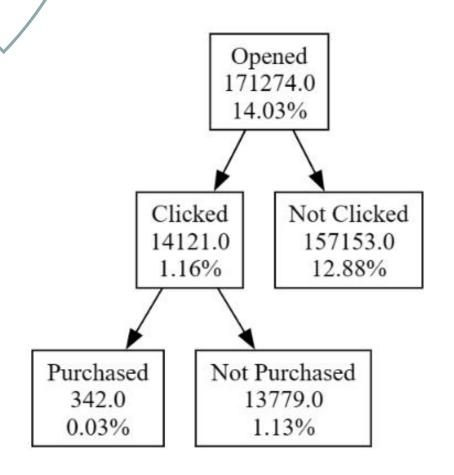
	f.groupby	("is_opene	u /[var].me	,411()		7		
		is_email	total_count	subject_length	subject_with_personalization	subject_with_deadline	subject_with_discount	
	is_opened							
	0.0	0.343609 7	12449.352848	107.488693	0.000827	0.007246	0.000827	
	1.0	0.437165 69	0666.824807	113.332783	0.002505	0.008472	0.002505	
5]: d	f.groupby	(″is_click	ed")[var].n	ean()				
51.								
.0J:		is_email	total_count	subject_length s	subject_with_personalization	subject_with_deadline	subject_with_discount	
	is_clicked	is_email	total_count	subject_length s	subject_with_personalization	subject_with_deadline	subject_with_discount	
		0.349711 70		subject_length s	subject_with_personalization 0.001012	subject_with_deadline 0.007505	subject_with_discount 0.001012	
	0.0		9791.005215					
	0.0 1.0	0.349711 70 0.957085 67	9791.005215	108.075805 128.218327	0.001012	0.007505	0.001012	
	0.0 1.0	0.349711 70 0.957085 67	9791.005215 5335.098081 ased")[var]	108.075805 128.218327 . mean()	0.001012	0.007505 0.000000	0.001012	nt
6]: d	0.0 1.0	0.349711 70 0.957085 67 ("is_purch is_email	9791.005215 5335.098081 ased")[var]	108.075805 128.218327 . mean()	0.001012 0.005382	0.007505 0.000000	0.001012 0.005382	nt
6]: d	0.0 1.0 f. groupby	0.349711 70 0.957085 67 ("is_purch is_email	9791.005215 5335.098081 ased")[var]	108.075805 128.218327 . mean() nt subject_lengti	0.001012 0.005382 h subject_with_personalization	0.007505 0.000000 n subject_with_deadlin	0.001012 0.005382 ne subject_with_discoun	

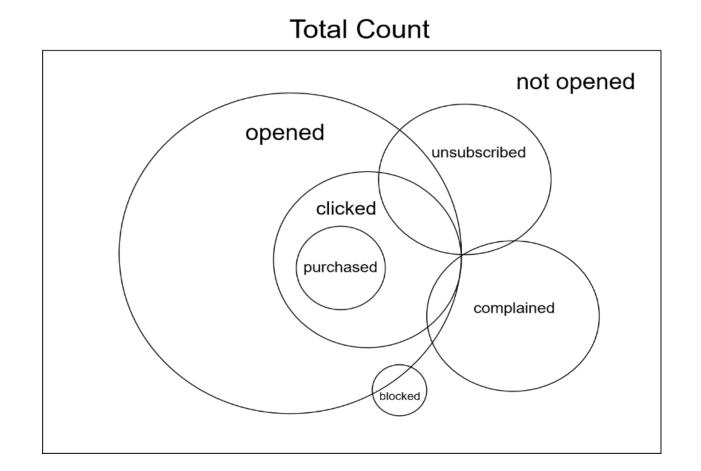
Relationship between IVs and different DVs

For negative actions, there are some initial insights...

:	is_emai	l total_count	subject_length	subject_with_personalization	subject_with_deadline	subject_with_discount
is_unsubscri	bed					
	0.0 0.372774	700049.163317	108.752872	0.001114	0.007712	0.001114
	1.0 0.026409	901874.492460	99.161834	0.000018	0.001363	0.000018
: df.groupby("is_complai	ined")[var].me	ean()			
:	is_email	total_count	subject_length	subject_with_personalization s	subject_with_deadline s	ubject_with_discount
is_complaine	d					
0.	0 0.356548	709424.959067	108.304796	0.001063	0.00742	0.001063
	0 1.000000	599392.618785	122.044199	0.000000	0.00000	0.000000
1.	1.000000	000002.010.00	122.011100	0.00000		
-		d")[var].mean(0.00000		
: df.groupby(″is_blocked		0	ject_with_personalization subj	ect_with_deadline subj	ect_with_discount
: df.groupby(″is_blocked	d")[var].mean(0		ect_with_deadline subj	ect_with_discount
df.groupby("is_blocked	d")[var].mean(total_count subj	0		ect_with_deadline subject_0.007418	ect_with_discount 0.001063

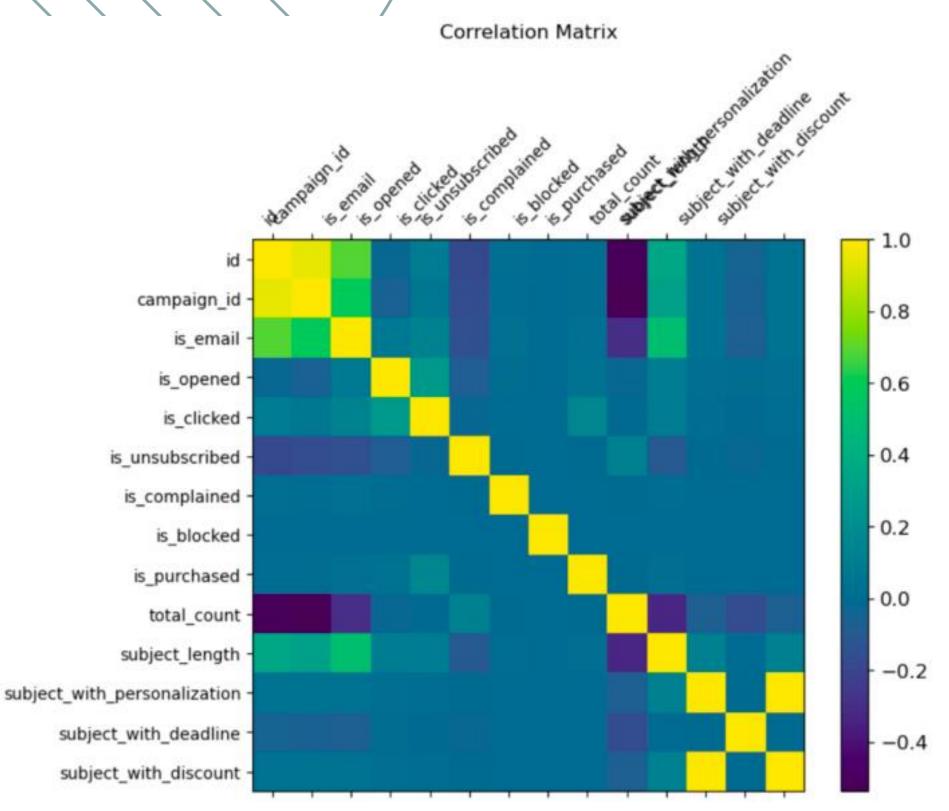
Relationship between DVs





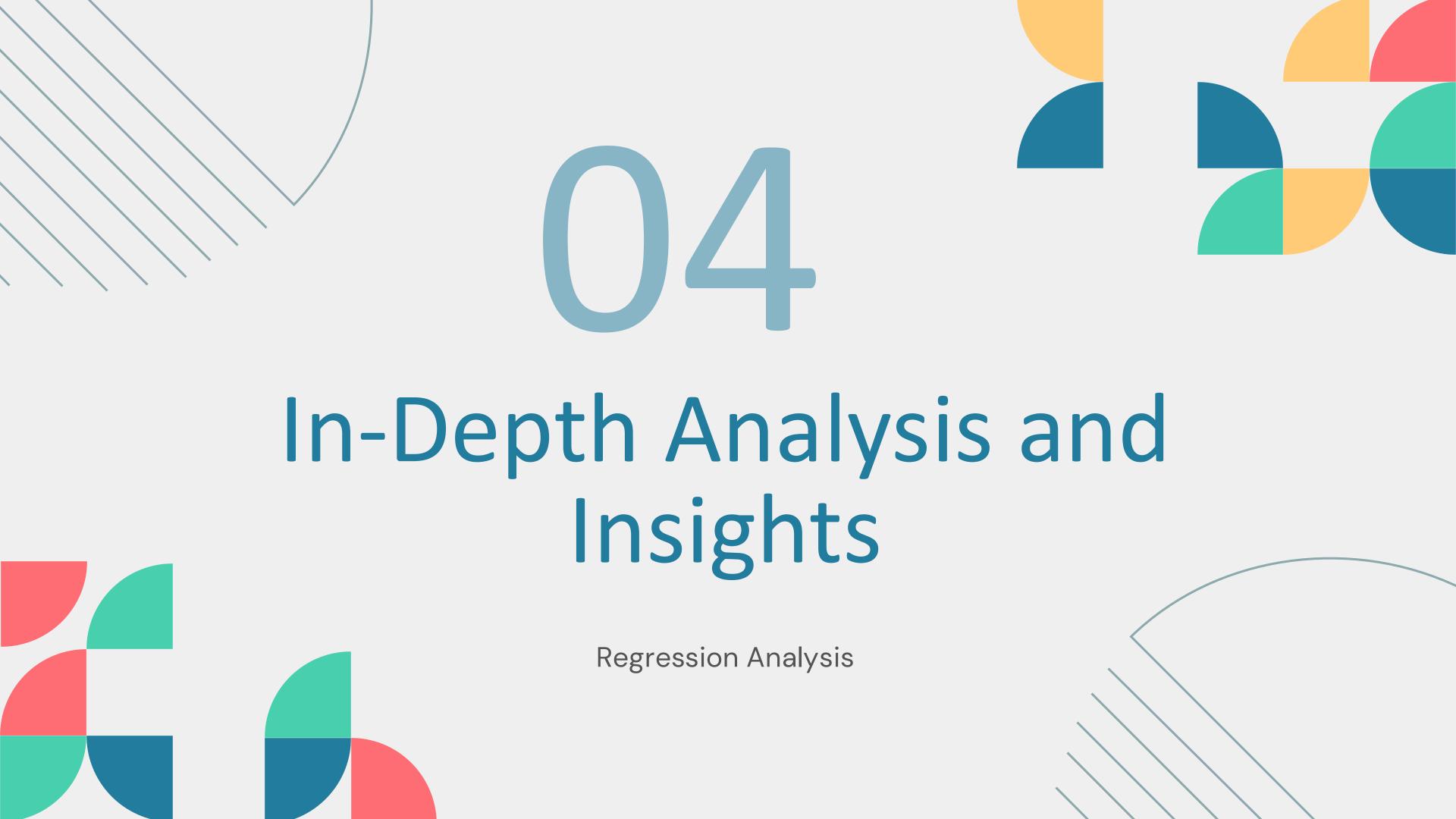
- Conversion chain:
 - Open → Click → Purchase
- There is no clear relationship between negative actions of consumers
- Most of the people who send negative feedback do not open the message
- We will mainly focus on the effect of IVs on Open, Click, and Purchase behavior, especially the **Purchase action** which has the lowest conversion rate.

Correlation Matrix



- "subject_with_personalization" and "subject_with_discount" are highly correlated, so we deleted one of them
- "total_count" means the number of receivers of the message, this is meaningless in the real world since receiver has no idea about the total count. So we decided to deduct this IV

03 - IN-DEPTH ANALYSIS AND INSIGHTS



Regression Analysis -- includes 3 stages

- There is a clear conversion chain among the relationship between: Open, Click, and Purchase
- It is more reasonable to test the Click action among all the users who have opened the message (is_open=1); and test the Purchase action among all clicked users (is_click=1)
- All the DVs are dummy variables

Logistic Regression Model

Conversion chain: Open → Click → Purchase

Stage	IV	Sample Set
Stage 1	is_opened	The whole sample set
Stage 2	is_clicked	The opened dataset (is_open = 1)
Stage 3	is_purchased	The click dataset (is_click = 1)

Stage 1: Open

Optimization terminated successfully.

Current function value: 0.400384

Iterations 6

Logit Regression Results

						===	
Dep. Variable:	is_ope	ened	No. Observa	tions:	1220	393	
Model:	Lo	ogit	Df Residuals	s:	1220	388	
Method:		MLE	Df Model:			4	
Date:	Tue, 16 Apr 2	2024	Pseudo R-sqt	1. :	0.01	283	
Time:	19:06	3:47	Log-Likeliho	ood:	-4.8863e	+05	
converged:	1	Γrue	LL-Null:		-4.9497e	+05	
Covariance Type:	nonrol	oust	LLR p-value	:	0.	000	
=======================================		coef	std err	Z	P> z	[0. 025	0. 975]
Intercept		3. 2245	0. 015	-209. 049	0.000	-3. 255	-3. 194
subject_length	(0.0122	0.000	85. 105	0.000	0.012	0.013
is_email	(). 1560	0.006	26. 367	0.000	0.144	0.168
subject_with_person	nalization (). 1030	0.060	1.721	0.085	-0.014	0. 220
subject_with_deadl:	ine (). 2363	0.029	8. 187	0.000	0.180	0. 293

- DV: "is_opened"
- IV: "subject_length", "is_email" and "subject_with_deadline"
- p<0.05 and positive coef:
 - All three DVs have significant positive relationship with the likelihood of recipients opening email
- Interpretation:
 - In the form of an email, increasing the length of the message and adding an deadline can encourage more users to open the message.

Stage 2: Click

Logit Regression Results

Time: converged:	is_clicked Logit MLE 16 Apr 2024 19:06:50 False	No. Observation Df Residuals Df Model: Pseudo R-squal Log-Likelihoo LL-Null:	:	0. 2 -38 -48	763.	
Covariance Type:	nonrobust	LLR p-value:		-	. 000	
Intercept subject_length is_email subject_with_personalization subject_with_deadline	-11. 5545	0. 001 0. 042 0. 136 111. 164	-78. 714 40. 632 71. 020 -15. 476 -0. 104	0. 000 0. 000 0. 000 0. 000 0. 917	-9. 273 0. 034 2. 922 -2. 380 -229. 431	-8. 822 0. 038 3. 088 -1. 845 206. 322

- **DV:** "is_opened"
- IV: "subject_length", "is_email", "subject_with_personalization"
- p<0.05 and positive coef:
 "subject_length" and "is_email" have
 significant positive relationship with
 the likelihood of recipients opening
 email
- p>0.05 and positive coef:
 "subject_with_personalization" has a
 significant negative correlation with
 "is_clicked".
- Interpretation:
 - Using email and increasing the length of the message can encourage more users to click on the message links.
 - However, messages with personalization will <u>reduce</u> users' clicks on the message links.

Stage 3: Purchase

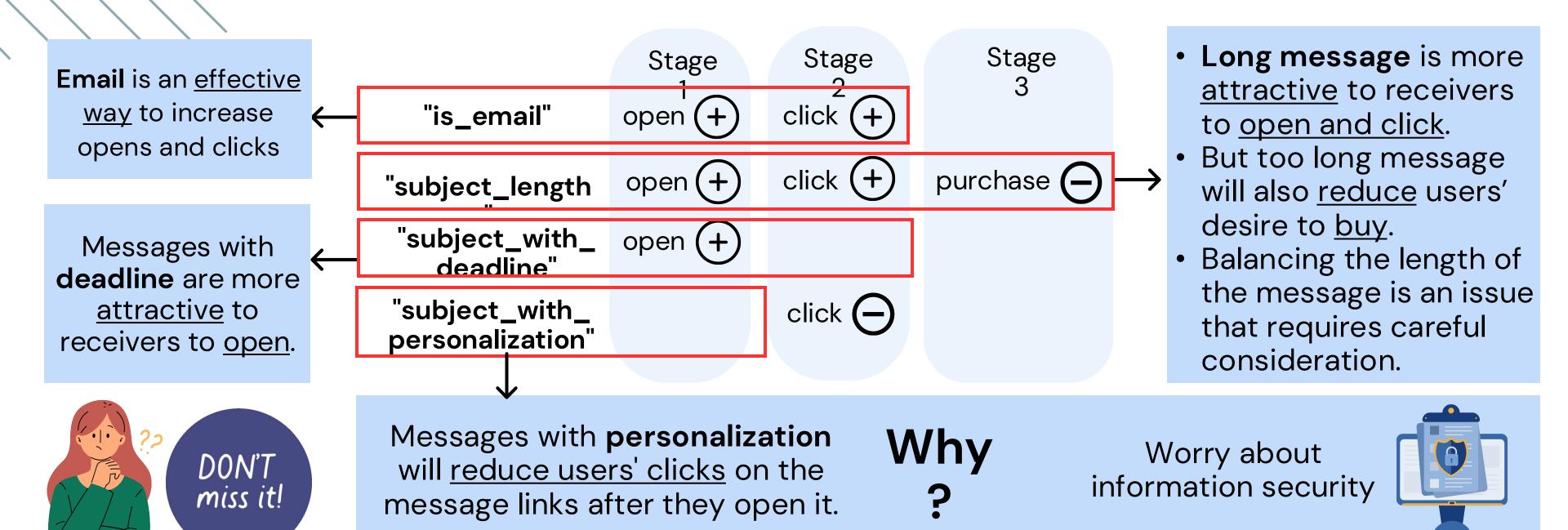
Due to multicollinearity we removed "subject_with_deadline"

	Logit	Regres	sion	Results
--	-------	--------	------	---------

Dep. Variable:	is_purchased	No. Observat	ions:	1	4121	
Model:	Logit	Df Residuals	3:	1	4117	
Method:	MLE	Df Model:			3	
Date:	Tue, 16 Apr 2024	Pseudo R-squ	1. :	0.0	1237	
Time:	19:06:51	Log-Likeliho	ood:	-15	90. 4	
converged:	False	LL-Null:		-16	310.3	
Covariance Type:	nonrobust	LLR p-value:		1. 159	e-08	
	coe	f std err	Z	P> z	[0.025	0.975]
Intercept	-19. 752	7 1761. 039	-0. 011	0. 991	-3471. 325	3431. 819
subject length	-0.018		-3. 179	0.001	-0.030	-0.007
is_email	18. 498		0.011	0. 992	-3433. 074	3470. 070
subject_with_person			1. 385	0. 166	-0. 457	2. 655

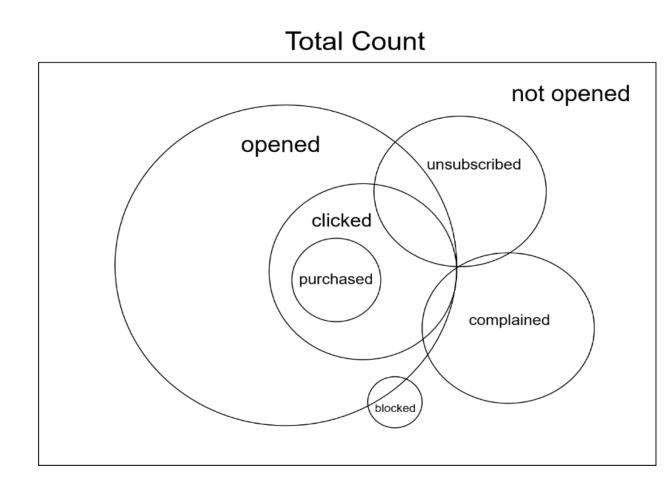
- **DV:** "is_purchased"
- IV: "subject_length"
- p>0.05 and negative coef:
 - The result shows that
 "subject_length" has a
 significant negative
 correlation with
 "is_purchased".
- Interpretation: In the case where the user has opened and clicked the link, too long messages reduce user purchase.

Brief Summary and Interpretation



Other DVs (negative feedback)

DVs	The Whole Dataset	The Open Dataset	The Click Dataset	
Unsubscribe	Significant negative correlation	Significant negative correlation	No significant relationships	
Complained	No significant relationships	No significant relationships	No significant relationships	
Block	No significant relationships	No significant relationships	No overlap	



Logit Regression on Other DVs (negative feedback)

Unsubscribe action

(In the entire sample set)

Logit Regression Results Model: 1220388 Df Residuals: Method: Df Model: 0.08868 Date: Tue, 16 Apr 2024 Pseudo R-squ.: Time: 19:07:02 Log-Likelihood: -2. 0848e+05 LL-Null: -2. 2877e+05 converged: -91.3240.000 -1.989-2.077Intercept -24.600-0.00540.000 -0.006-0.005subject length 0.027-111.130-3.029-2.924is_email -2. 9767 subject_with_personalization -1.151-3.1130.810 -1.15161.001 subject_with_deadline -2.3570.115 -18.619

- The result shows that "subject_length", "is_email" and "subject_with_deadline" have a significant negative correlation with "is_unsubscribed".
- In the form of an email, increasing the length of the message and adding an deadline can reduce the probability of being unsubscribed.

(In the opened sample set)

			sion Results				
Dep. Variable: i	s_unsubscrib Log	ed	No. Observat Df Residuals	tions:	17	71274 71269	
Method: Date: Tue Time:	M e, 16 Apr 20 19:07:	24	Df Model: Pseudo R-squ Log-Likeliho			4 . 1438 340. 7	
converged: Covariance Type:	False nonrobust		LL-Null: LLR p-value:		-6237. 8 0. 000		
		coef	std err	z	$P \!>\! \mid z \mid$	[0.025	0.975]
Intercept subject_length is_email subject_with_personalize subject_with_deadline	-0. 25. ation -0.	8350 0291 1664 0029 3295	5633. 374 0. 003 5633. 374 1. 019 4. 47e+04	-0. 005 -9. 772 0. 004 -0. 003 7. 37e-06	0. 996 0. 000 0. 996 0. 998 1. 000	-1. 11e+04 -0. 035 -1. 1e+04 -2. 000 -8. 76e+04	1. 1e+04 -0. 023 1. 11e+04 1. 994 8. 76e+04

- The result shows that "subject_length" has a significant negative correlation with "is_unsubscribed".
- In the case where the user has already opened the message, the longer the length of the message, the less likely it will be unsubscribed.



A higher number of words may correspond to more detailed content.

Sample set	Result	Interpretation
Entire Sample Set	The result shows that "subject_length", "is_email" and "subject_with_deadline" have a significant negative correlation with "is_unsubscribed".	In the form of an email, increasing the length of the message and adding an deadline can reduce the probability of being unsubscribed. This may be because messages with rich content are more difficult to view as spam and therefore unsubscribed.
Opened Sample Set	The result shows that "subject_length" has a significant negative correlation with "is_unsubscribed".	In the case where the user has already opened the message, the longer the length of the message, the less likely it will be unsubscribed. The reasons may be similar to the above. A higher number of words may correspond to more detailed content. Users find it valuable after opening and reading, so they are less likely to unsubscribe.
Clicked Sample Set	The result indicates that no significant relationship exists.	-

DV	Result	Interpretation
Entire Sample Set	The result indicates that no significant relationship exists.	-
Opened Sample Set	The result indicates that no significant relationship exists.	<u>-</u>
Clicked Sample Set	The result indicates that no significant relationship exists.	-

DV	Result	Interpretation
Entire Sample Set	The result indicates that no significant relationship exists.	-
Opened Sample Set	The result indicates that no significant relationship exists.	_
Clicked Sample Set	Because there is no overlap between click and block, we did not analyze it in the clicked sample set.	_







DV: "is_unsubscribed", "is_complained", "is_blocked"
IV: "subject_length", "subject_with_personalization",
"subject_with_deadline"

- Analysis of negative feedback has yielded limited results.
- Except for unsubscription, other conditions (complaints and blocking) have no significant relationship with the characteristics we studied.
- Form of an email: increasing the length of the message and adding an deadline can reduce the probability of being unsubscribed.
- <u>User has already opened the message:</u> the longer the length of the message, the less likely it will be unsubscribed.
 - This reflects that message length also remains an important factor in negative feedback.

Business Recommendations Key insights and strategic actions Future directions for research / improvement

Key Insights and Strategic Actions

Research Findings

Open → Click → Purchase

- No clear relationship between negative actions of consumers
- Most of the people who send negative feedback do not open the message



Relationship between consumer's different behaviors





Open: Increase message length and add a deadline

Click (msg links): Increase message length, but avoid personalization

Purchase: for users who have opened and clicked the link --> avoid long messages

The effects of different campaign message's characteristics on consumer's behaviors

How to adjust the characteristics to optimize the effect brought by the campaign message



(new model)

A way to predict the effect of future campaign message on consumer's behaviors

Key Insights and Strategic Actions

Business Recommendation



Email



Use email instead of SMS



Lengt



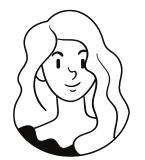
Be detailed but not too long



Deadline



Appropriate display event time



Personaliz



Reduce personalization that may raise information security concerns





Push based on region and consumption habits





External personalization



Personalization that the recipient can <u>perceive</u>, such as real name



Tuesday, April 23, 2024 at 17:21:08 China Standard Time

Subject Looking for a Chinese tattoo? Why get branded like a Chinese outcast? Get a necklace instead! - I would like to get a tattoo of my late husband's l...

Date:

Sunday, 21 April 2024 at 16.13.58 China Standard Time

From:

Chinese Characters 漢字

To:

xxxxxxxx@gmail.com





Chinese Characters 漢字 · 27.6K followers

A space to share stuff about Chinese characters and Chinese languages

Looking for a Chinese tattoo? Why get branded like a Chinese outcast? Get a necklace instead!



Robert Matthews (馬學進), Univ. retired multilingual Eng/Fre/Chi as For. Lang teacher (40+ yrs experience)

Posted Apr 6

Discreet and respectful, without negative connotations. A great suggestion by Lynne LiKeywords for search engines: Chinese {character, name, surname) + {necklace, pendant}

I would like to get a tattoo of my late husband's last name, in Hanzi. Would that seem disrespectful? I am not Chinese. What would be the best character(s) for Wong?

Thanks for asking.

Well, in the Chinese culture, people rarely get a tattoo featuring a surname. In my humble opinion, you could choose to wear a pendant featuring the Chines...



Read more »

27 upvotes 2 comments

Example

How difficult is characters?



Use email instead of SMS Detailed but not too long

Appropriate display of event time

Reduce personalization

We mostly use Arab

statistics work. And we use a simplified system of characters in some formal reports, but that's not ...

Read more »

2 upvotes 3 comments

How does the written Chinese language deal with novel concepts? Can new characters be invented, or do they combine existing characters to express new ideas?



平岡 行雄, former I used to be a high school language teacher Answered April 10

Chinese characters are used in Japan as well as in China, but there are slight differences in their daily usage.



As an ordinary Japanese, these small differences are interes...

Interested to get one of your own necklaces? Click the link below to purchase for half price before 30 April!

Read more in Chinese Characters 漢字

Future Directions for Research / Improvement

Research Limitations

1. Low level of fit

Pseudo R-squ.: 0.2172

- Can only explain a small part of the variation
- Reason: small number of IVs/Unsuitable model

2. Further research for "Personalization"

The reason for such phenomenon

Variables not considered/Interactive effect

Future actions to take



 Add variables or introduce interactions to improve our model

- 3. Limited findings about negative feedbacks

No significant • lack of more relevant data

relationships • Solution: try to collect more datas

- 4. Further research to optimize buying process
- Since our decision tree showed 1.16% of consumers clicking and 0.03% of them purchasing, we suggest urgent further research in optimizing methods to improve these performances

