For this week’s discussion board, I wanted to take a deeper look into uplifting modeling and its applications in the world of persuasion and in data science. When it comes to various predictive modeling that we have come across throughout this course, it seems to revolve around the predictive score that we obtain as the output. However, with uplifting modeling, we are not as concerned about the predictive output as much. In the text, Predictive Analytics: The Power to Predict Who Will Click, Buy, Lie, or Die, it provides a definition of uplifting modeling which is: a predictive model that predicts the influence on an individual’s behavior that results from applying one treatment over another. (Siegel, 2016) With this is mind, how does it truly differ from the other predictive models.

Prediction Model:

Characteristics of an individual 🡪 Predictive Model 🡪 Predictive Score

Uplifting Model:

Characteristics of an individual 🡪 Uplift Model 🡪 Uplift Score

Since we have an idea of what a predictive score is, what does an uplift score indicate for us? The uplift score will identify the probability the individual in question will be influences. (Siegel, 2016) We are not concerned as much as what the individual will end up doing in the situation, but if an outside factor will play a role in their decision.

Portraying this into a market situation, it can be broken down into two questions. The first question is will the customer buy if contacted and the second question is will the customer buy only if contacted. In this light, a company wants to focus their advertisement efforts on people that it will actually influence into purchasing product or a service. They do not want to spend time, money, and effort into those that are going to buy it no matter what or those who will have no effect on. An easy way to view this is in the diagram below which was provided within the text (Siegel, 2016):

|  |  |  |  |
| --- | --- | --- | --- |
| Buy if **do** receive an offer | No | Do-Not-Disturb | Lost Cause |
| Yes | Sure Things | Persuadable |
|  | Yes | No |
|  | Buy if **don’t** receive an offer | | |

Like I mentioned above, the goal is to aim for those that are in the persuadable grouping since there is a chance they will make a purchase if they are contacted in some form or another. Now, for the technical side of this process, it operates again a little different than other predictive models since they incorporate two data sets. The two data sets come from the customers who were contacted and the other customers who were not contacted from the company. (Siegel, 2016) For the entire process, the two data sets are used to train the uplift model followed by the characteristics of an individual which would be our “test”, like in other modeling, to determine the uplift score which will give us the probability of persuasion and if they are worth contacting. However, in some cases, the text mentions how there are situations where we must be cautious of contacting those in the “Sure Things” on multiple occasions. (Siegel, 2016) The caution comes from customers possibly becoming annoyed with content when they have already purchased from them.

References:

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