

**Hakuhodo, Hakuhodo DY Media Partners and DAC establish
cross-company strategic organization
HAKUHODO DX_UNITED**

**Bring together 700+ specialists to streamline implementation of
marketing DX and media DX**

Tokyo, April 5, 2021—Hakuhodo Inc., Hakuhodo DY Media Partners Inc., and D.A.Consortium Inc. (DAC) are pleased to announce the formation of HAKUHODO DX_UNITED, a cross-company strategic organization that will support the digital transformation (DX) of clients and partner companies with integrated marketing DX and media DX.

HAKUHODO
DX_UNITED

With digital technology playing a growing role in everyday life, various touchpoints between companies and *sei-katsu-sha*—Hakuhodo’s term for the holistic person—are evolving into interfaces (Note 1) that enable two-way communication and interaction.

With this, companies’ marketing activities are also expanding from mass media and digital media to integrate owned media, e-commerce, in-store, and other media and interfaces, making always-on, full-funnel digital marketing an increasingly topical issue.

In addition, companies’ marketing activities are rapidly undergoing digital transformation. To create further growth, companies must move beyond efficiency and cost reductions and implement **value-creating DX** that uncovers latent demand and encourages new preferences and actions in *sei-katsu-sha* to create better lifestyles and a better society.

To respond to these changes, HAKUHODO DX_UNITED was established as a three-company strategic organization that supports **marketing DX** in branding, CRM, EC/D2C, owned media and store marketing, as well as **media DX** for maximizing media return on investment across both mass media and digital media. This integrated approach realizes value-creating DX.

HAKUHODO DX_UNITED is comprised of five divisions at Hakuhodo that handle marketing DX, two divisions across Hakuhodo DY Media Partners and Hakuhodo that deal with media DX and one division at DAC that handles digital frontline functions. With these eight specialized functions from three companies, the new organization will enable the approximately 700 specialists across various fields to organically work together as a united team.

■ Eight specialized functions necessary for value-creating DX



■ Integration and value propositions from combining eight specialized functions

HAKUHODO DX_UNITED will combine the above eight specialized functions to implement value-creating DX that integrates such fields and themes as the following.

Integrating client, *sei-katsu-sha* and platform provider data = Uncovering latent demand

Data owned by the client is statistically linked safely and securely with data owned by HakuHodo, HakuHodo DY Media Partners and DAC, as well as platform provider data, converting client data into *sei-katsu-sha* data. This enhances understanding of customers and helps in uncovering new needs.

Integrating media and interfaces = Maximizing return on marketing investment

Planning that integrates mass media, digital media, and various interfaces with *sei-katsu-sha* that are emerging as a result of advances in digitalization to, for instance, maximize the synergistic effects of television and digital. With systems as our foundation, we will utilize a suite of solutions based around our next-generation advertising media business model, Advertising as a Service (AaaS), which aims to maximize media ROI, to integrate more effective media and interfaces.

Integrating technology and branding = Creating new interest and connections

By not merely utilizing technology effectively, but incorporating the client's unique characteristics and societal value (purpose) within it, we will create new interest and connections that go beyond convenience and ease of use. We will utilize our expertise in branding nurtured over many years to the fullest extent in the digital domain.

Integrating online and offline = Triggering new behaviors and actions

Besides considering the digital realm, we will trigger new *sei-katsu-sha* actions with communication and promotion leveraging TV, in-store and other offline vehicles; channel strategies that integrate bricks and mortar stores and EC/D2C; and digital sales promotion efforts in real-world spaces.

Integrating advertising and CRM = Creating a cycle of new customer acquisition and development

By building data infrastructure that combines advertising with CRM and developing owned services that utilize digital and technology, among other initiatives, we will integrate advertising, owned media, owned services, CRM and more, creating a cycle that spans the gamut from brand awareness to new customer acquisition to customer development.

■ Active efforts to increase hiring

In line with the establishment of HAKUHODO DX_UNITED, Hakuhodo, Hakuhodo DY Media Partners and DAC will increase their efforts to recruit "DX personnel," further enhancing their capabilities by securing personnel in the marketing, media, creative, technology and data management domains that will support companies' marketing and media DX efforts.

Through HAKUHODO DX_UNITED, the Hakuhodo DY Group will support clients' DX endeavors end to end and contribute to the creation of new relationships between companies and *sei-katsu-sha*.

Note 1: With digitalization, *sei-katsu-sha* are now connected constantly and interactively with all kinds of companies and objects, and new services and experiences are appearing in the interfaces that form the touchpoints between them. Hakuhodo calls these the *Sei-katsu-sha* Interface Market.

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