

Hakuhodo Inc.
Hakuhodo DY Media Partners Inc.
D.A.Consortium Inc.

**HAKUHODO DX_UNITED launches Data Science Boutique, a
dedicated AI and data science marketing team that takes marketing
into the next generation**

Tokyo, August 29, 2022—Hakuhodo Inc., Hakuhodo DY Media Partners Inc., and D.A.Consortium Inc. (DAC) are pleased to announce that HAKUHODO DX_UNITED, a cross-company strategic organization spanning all three firms, has launched Data Science Boutique, a team dedicated to applying AI and data science¹ to solving marketing challenges. HAKUHODO DX_UNITED has already served numerous clients with such approaches as marketing mix modeling², which leverages advanced analytics in the data sciences field. The launch of Data Science Boutique will, in addition, strengthen its capabilities in the increasingly in-demand area of AI and machine learning.

In recent years, with the spread of digital technology, *sei-katsu-sha*—Hakuhodo’s term for the holistic person—have become interconnected with all manner of everyday objects around the clock. This has led to an unprecedented accumulation of *sei-katsu-sha* data that is transforming marketing. Applying AI and data science techniques to the mass of big data now available affords greater insights into the psyche and behavior of *sei-katsu-sha*. This enables the making of decisions based on quantitative marketing analytics and the execution of activations based on behavioral forecasting.

But companies differ considerably in the marketing challenges they face and the data environment in which they operate. To take their marketing further into next generation, it is vital to understand their individual challenges and data environment, then consider what AI and data science solutions are best for each.

Hakuhodo has acted as marketing partner to numerous clients. While assisting them in overhauling and implementing marketing programs, it has built up a wide range of marketing knowledge. In addition, it has developed expertise in AI and data science by hiring people with the requisite skills, conducting many different forms of R&D and supporting clients.

Hakuhodo thus possesses a combination of marketing knowledge and data science expertise. Data Science Boutique, an expert team spanning the entire Hakuhodo Group, has been set up with the goal of integrating the two capabilities.

Data Science Boutique helps clients take their marketing into the next generation by genuinely understanding their challenges and data environment—and delivering AI and data science solutions customized specifically to them.

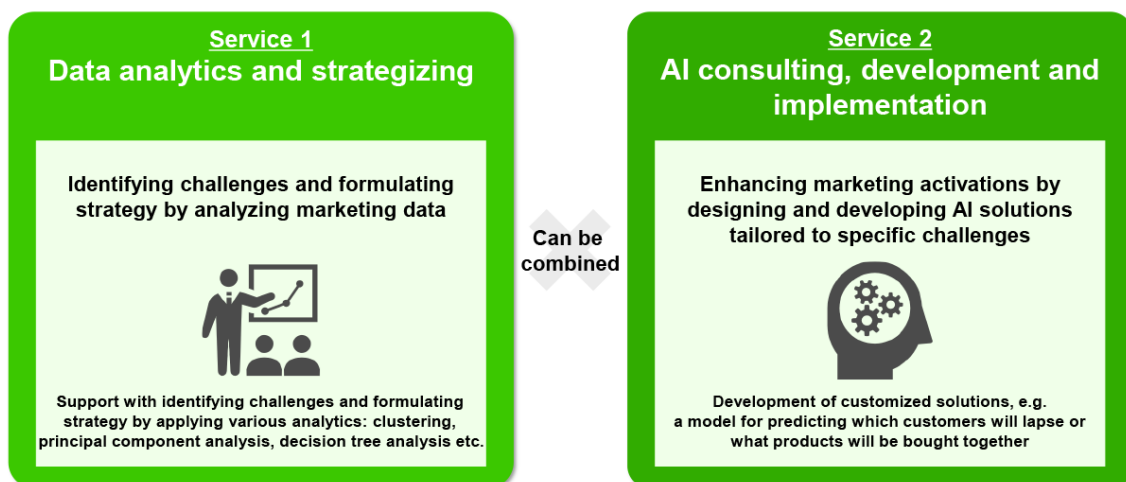
What is Data Science Boutique?

- A crack team of professionals possessing a combination of marketing skills and AI and data science skills.
- Experts possessing a multitude of skills work together as integrated teams. They operate as a one-stop shop offering end-to-end service, from assessing the client's marketing challenges, analyzing data, and formulating strategies, to implementing AI models and executing activations.

Examples of services offered

- Data analytics and strategy partnership: Analyzing marketing data (including the client's own first-party data and other actual data, as well as research data), and identifying challenges, formulating strategies, and setting and monitoring KPIs.
- AI consulting, development, and implementation: Designing, developing, and implementing AI solutions tailored to the client's challenges.

Data Science Boutique's Customized Services



In August 2022, Hakuhodo announced the formation of a capital and business partnership with Laboro.AI. Data Science Boutique will work jointly on building a service delivery platform and developing solutions with Laboro.AI. Laboro.AI develops AI systems and provides consulting services on their adoption and use. Partnering with it will strengthen Data Science Boutique's ability to offer AI solutions tailored to each client's individual marketing challenges.

The first joint project was for a client in the direct marketing business. It involved constructing a prototype of a model for predicting which customers will lapse and executing the proof of concept (PoC) to validate its accuracy. By using AI (machine learning) to identify with a high degree of accuracy customers who are likely to lapse, this model enables the client to approach them one on one. It has thus taken CRM to a new level.

Going forward, Data Science Boutique will undertake customized problem-solving projects for individual clients while leveraging AI and data science. It will also develop its own series of proprietary solutions. It will thus offer a full range of services that propel clients' marketing into the next generation.

Further, it will work on expanding its services into other fields. That includes AI consulting and implementation at all stages of the client's value chain, not just marketing.

■ About HAKUHODO DX_UNITED

A cross-company strategic organization formed by Hakuhodo, Hakuhodo DY Media Partners, and DAC to support the digital transformation (DX) of clients and partner companies by integrating marketing DX and media DX.

Notes:

1. "AI" stands for "artificial intelligence." It encompasses both basic technologies such as machine learning and deep learning and applied technologies such as image recognition, voice recognition, and natural language processing.

"Data science" is a field of research and technology that combines the techniques of information science and statistics to extract the knowledge and insights required for problem-solving.

2. "Marketing mix modeling" is an analytical approach used to systematically determine and

quantitatively visualize how and to what extent each marketing factor contributes to business KPIs and KGIs.

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