# Press Release

trans cosmos
people & technology

transcosmos releases AI-based ad operations service for retargeting optimization

"DataRobot" builds prediction models. Boosts conversions by 160% whilst improving ROI

transcosmos inc. (Headquarters: Tokyo, Japan; President and COO: Masataka Okuda) is delighted to announce that the company releases its new ad operations service using AI for retargeting optimization as one of its data-driven communication services that combine "DataRobot," a cutting-edge AI which automates the machine learning process, and "transcosmos decode (DECode)," transcosmos proprietary data management platform (DMP) in March 2019. transcosmos aims to implement this service to more than 20 companies by the end of FY 2019.
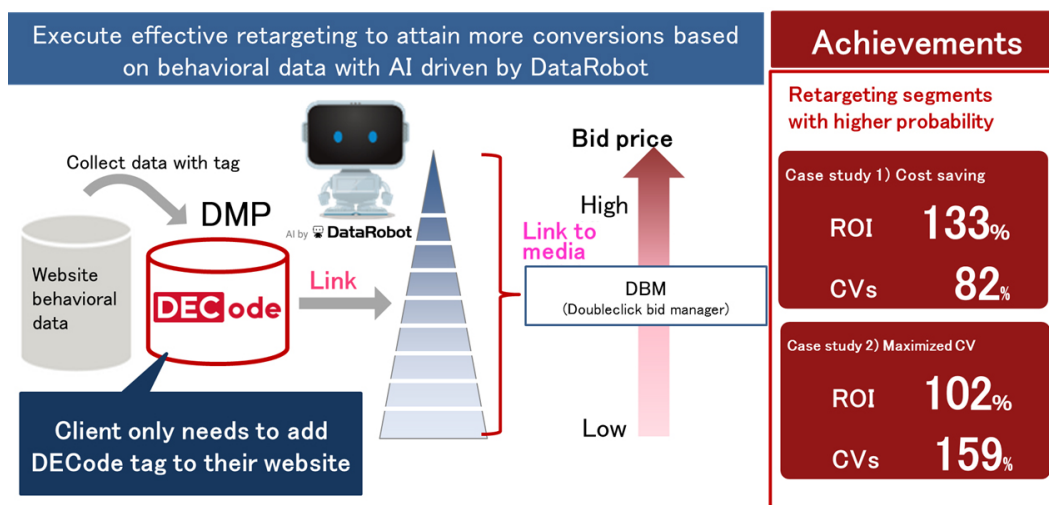
■ **Initiatives toward the "Democratization of AI"**

Given the current trend towards the "Democratization of AI," (a trend in businesses across industries to promote the utilization of AI for all kinds of operations) a growing number of businesses are trying to leverage AI and machine learning for their marketing communication. According to this trend, they require to retain experts such as data scientists and AI engineers, collect and process data, build prediction models, perform sophisticated probability and statistical analysis, develop business system using the models and implement the system to actual operations. However, executing this whole process is hard for most companies.

Recognizing this challenge, transcosmos developed its proprietary DMP "DECode" and launched its operations in April 2017 with the aim to help clients across industries achieve their AI democratization. "DECode" integrates and manages data across multiple channels including websites, e-commerce and call centers, and links the data to AI tools such as "DataRobot." Since then, transcosmos built a scheme which enables data-driven communication by linking DMPs and AI. To date, transcosmos has already executed over 20 pilot projects and continues to transform the outcomes of these projects into new services and tools that boost productivity at worksites.

■ **About ad operations service that optimizes targeting with the power of AI**

The new AI-powered retargeting optimization service due to be released in March 2019 is one of the new services derived from the above mentioned initiatives.

As a first step, transcosmos will officially release a system which enables clients to integrate their website access logs and CRM data with "DECode," build prediction models with "DataRobot," and directly link to Google Display Network (GDN) and DoubleClick Bid Manager (DBM) when delivering retargeting ads to customers who have higher probability scores.

With a traditional ad operations approach, it is generally the ad operations team who is responsible for identifying and setting preconditions for target segments by trial and error using their intuition and experience. Yet, only using human power, it is practically impossible to accurately and comprehensively verify and decide which customer segments the team should prioritize when delivering ads. For example, whether they should prioritize a customer who browsed only the top page a day before or a customer who spent a long time viewing product details 7 days ago.

Now, with this AI-powered retargeting optimization service, clients can use "DataRobot" to learn behavioral patterns that indicate customers who are more likely to make conversions (make purchases, etc.; CV) from an enormous volume of customer behavioral patterns collected on clients' websites and cookies, and automatically assign predicted CV probability scores to unknown customers. Ultimately, this approach lets clients deliver highly accurate segmented ads at speed compared to the traditional approach that solely relies on human power. What's more, a client's ad operations team only needs to add a DECode tag to their website, meaning clients no longer need to secure data scientists with machine learning expertise and skills and AI engineers who can build and implement a system from the prediction models.

■ **Case study: Conversions up 1.6 times whilst improving ROI in a short span of time**
In a pilot project using the AI-powered retargeting optimization service, transcosmos used "DECode" to integrate the client's website view logs that were accumulated on the client's database on a daily basis with customer attributes, and used "DataRobot" to create daily customer segments that are prioritized for retargeting. By changing bid price per segment, transcosmos built a highly accurate prediction model that covers 80% of loyal customers. The result of segmented ads that used the model was a huge success, boosting ROI by 130% compared to the number achieved with the traditional ad operations approach, realizing the cutting-edge digital promotion with the power of AI and machine learning technology in a short time span.

Considering the fact that merely seeking ROI will result in down-scaled delivery, transcosmos reduced delivery to segments that are apparently meaningless, and then used various operational tactics in order to utilize the saved budgets that include concentration of resources to segments with higher CV provability scores and utilization of other media and channels in order to discover new customers and enhance activities to nurture prospective customers. As a result, transcosmos successfully expanded delivery scale and grew conversions approximately 1.6 times higher than before whilst further improving ROI.
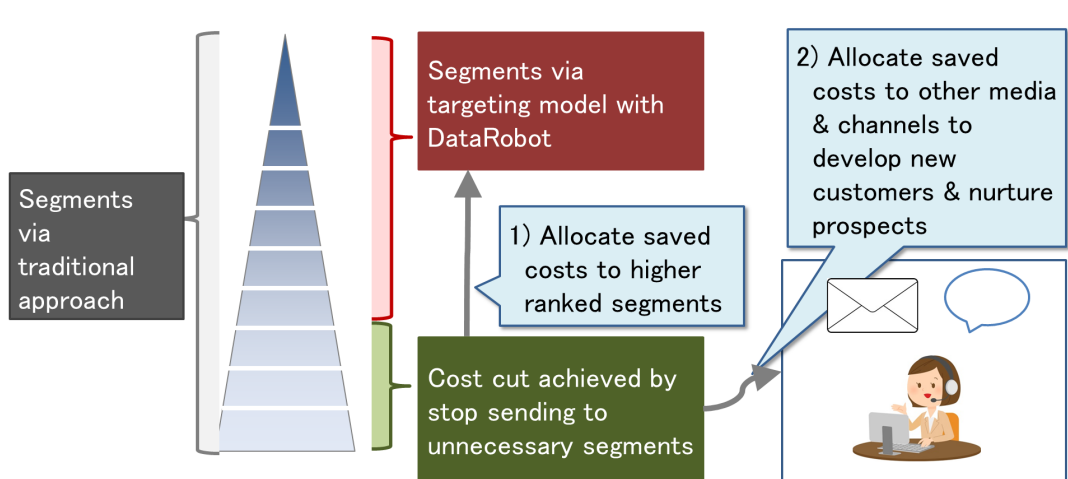
transcosmos continues to contribute to clients in improving profits and achieving the "Democratization of AI" by offering data-driven communication services through adding new features to "DECode" and expanding operations services built on "DECode."

About transcosmos inc.

transcosmos launched its operations in 1966. Since then, we have combined superior "people" with up-to-date "technology" to enhance the competitive strength of our clients by providing them with superior and valuable services. transcosmos currently offers services that support clients' business processes focusing on both sales expansion and cost optimization through our 170 locations across 31 countries with a focus on Asia, while continuously pursuing Operational Excellence. Furthermore, following the expansion of e-commerce market on the global scale, transcosmos provides a comprehensive One-Stop Global E-Commerce Services to deliver our clients' excellent products and services to consumers in 49 countries around the globe. transcosmos aims to be the "Global Digital Transformation Partner" of our clients, supporting the clients' transformation by leveraging digital technology, responding to the ever-changing business environment. Visit us here https://www.trans-cosmos.co.jp/english/