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February 18, 2020  
ZOZO, Inc.



## ZOZO, Inc. to Launch Joint Research with Yale University Applying Economics to Maximize Customer Lifetime Value for ZOZOTOWN Users

Utilizing the methods in Quantitative Marketing and Empirical Industrial Organization in Economics, we aim at profound understanding of incentives behind customer behavior at optimizing customer relationship management.

ZOZO, Inc. (Headquarter: Chiba, Japan / President and CEO: Kotaro Sawada), Japan's largest online retailer of apparel and accessories, launched joint research with Dr. Kosuke Uetake, Associate Professor of Marketing at Yale University in the United States, aiming at further enhancement of the services on ZOZOTOWN to maximize customers lifetime value.

### ■ Aim of the Research

The objective of this joint research is to understand customer incentives and psychology behind their purchasing behavior and to optimize communications tailored for each user, utilizing both the expertise of Dr. Uetake, who specializes in quantitative marketing and empirical industrial organization, and ZOZOTOWN's large-scale and diverse data. Through this initiative, we aim to further enhance our services on ZOZOTOWN and maximize customer lifetime value for ZOZOTOWN users.

### ■ Expected Research Outcome

Currently, ZOZOTOWN communicate with through a variety of ways, including brand coupons and sales announcements. However, it is essential to have a deep understanding of the customer incentives and psychological mechanisms behind users' purchasing activities about "WHO", "HOW", and "WHEN" to send those messages in order to maximize long-term customer value. There is, however, no clear scientific answer at this point from the CRM perspective on "WHEN" such communication should be done. Hence, we launched a joint research project for a profound study about optimal communication for each user, using tools in the field of Quantitative Marketing and Economics. By doing so, we hope to maximize the value of use for all users of ZOZOTOWN and create more convenient services.

### Joint Research Members

#### ■ Kosuke Uetake, Associate Professor at Yale University



Dr. Uetake earned his Ph. D. in Economics from Northwestern University, U.S.A, and currently serves as an Associate Professor of Marketing at Yale School of Management as well as a member of the editorial review board of Marketing Science, one of the top journals in marketing. He teaches data-driven marketing in the university's MBA program, which involves analyzing consumer behavior using big data. He specializes in quantitative marketing (in particular, CRM, pricing, and recommendations), empirical industrial organization, and market design. He also works with a wide range of companies, including joint research with both Japanese and U.S. tech companies.

■ Ryosuke Okada, VP / Data Scientist, Business Analytics Department, ZOZO, Inc.



Mr. Okada earned his Master of Science (MSc) in Economics from the University of Edinburgh, the United Kingdom. Before joining ZOZO, he worked for a consulting company and subsequently for a financial institution as a quant / fund manager in charge of development of investment strategies utilizing econometric models and machine learning. He joined ZOZO as a Data Scientist in May 2019, and currently being responsible for analyzing effectiveness of management strategies, policy changes, and marketing campaign etc. to support company-wide decision-making processes.

### Recruitment Information

We are currently recruiting data analysts, data scientists and marketing scientists.

■ Data Analyst/Data Scientist (<https://corp.zozo.com/recruit/recruit-zozo/analysis/>)

■ Marketing Scientist (<https://www.wantedly.com/projects/420709>)

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Representative Director, President & CEO Kotaro Sawada  
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