# "BETTER DATA AND ALGORITHMS ENABLE BETTER DECISIONS!"





Agentic architecture to reduce decision paralysis.





Backed by PeakXV (formerly Sequoia SE Asia) & Matrix Partners India



ZALORA















# Aampe aims to personalize app marketing with algorithms

Kyle Wiggers @kyle\_I\_wiggers / 3:30 PM GMT+2 • October 11, 2023

Comment

Aampe founder Paul Meinshausen AAMPE

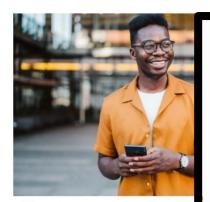
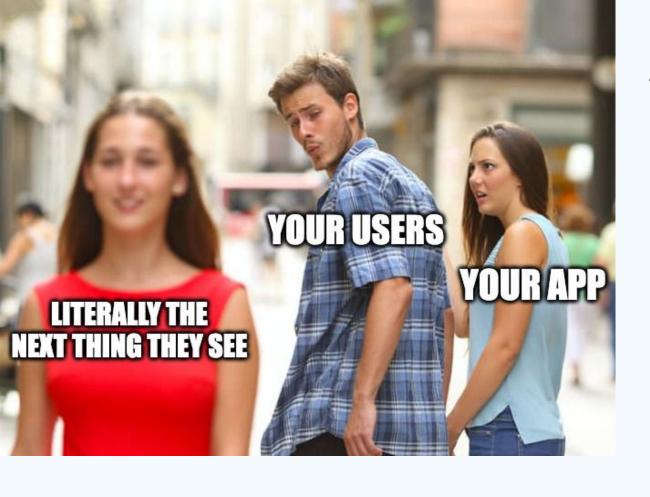


Image Credits: Getty Images





There are tons of apps, and their biggest problem is getting and keeping users' attention.

# The big challenge is decision connectivity.



Website visits

Mobile events

Email interactions

SMS/Whatsapp clicks

POS systems

Social media

Device ids

Demographics

Third-party data

Surveys/feedback

### **DS/Analytics**

**Integrate** data sources

**Unify** customer profiles

**Update** data regularly

Segment

customers

**Analyze** patterns

### **Surfaces**

Email

Mobile push

App content

SMS

Whatsapp

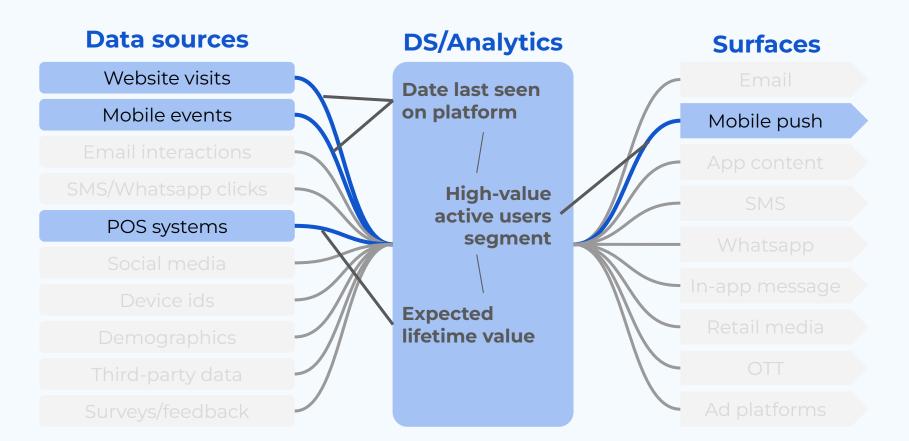
In-app message

Retail media

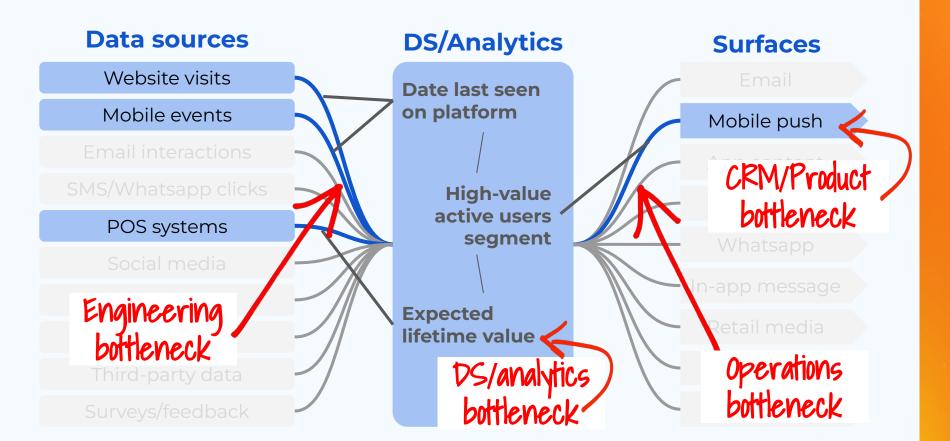
OTT

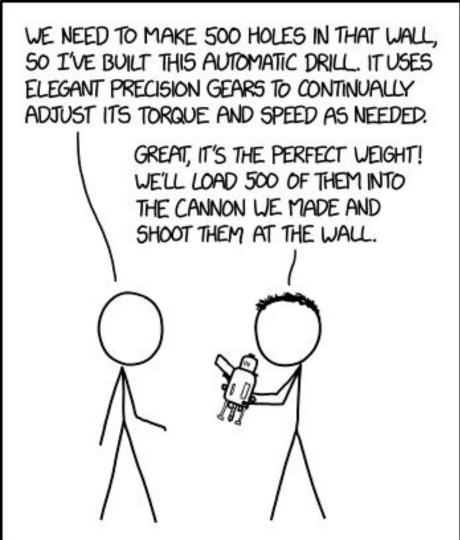
Add platforms

# The big challenge is decision connectivity.



# The big challenge is decision connectivity.

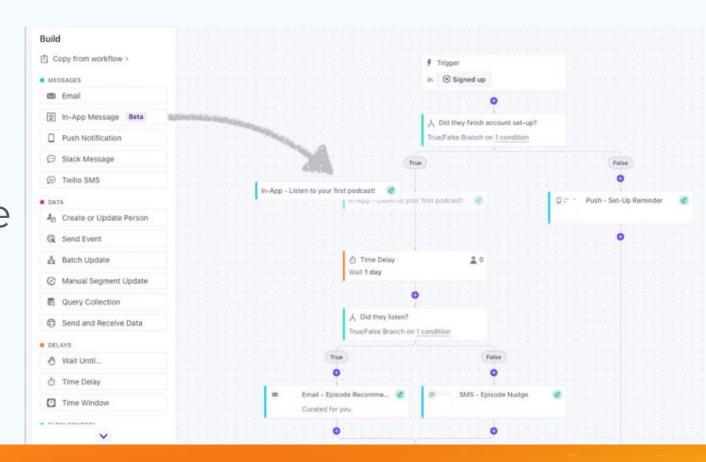




Garbage in, garbage out.

Software and algorithms are only a small part of what goes in to most business decisions.

Static segments and trigger rules are the standard way of doing business.



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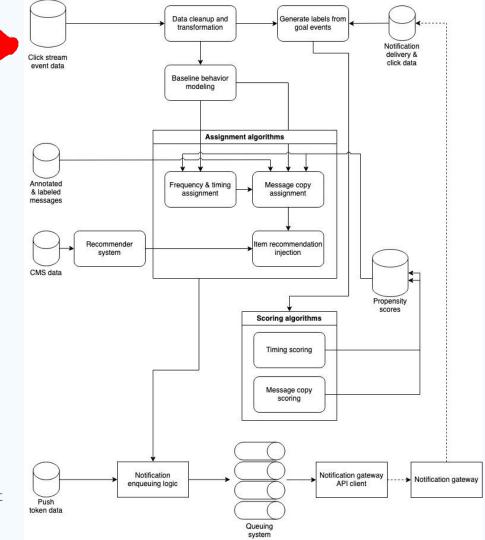
An agentic CDP resolves decision paralysis.

It's not an algorithmic problem. It's an architecture problem.



# Super important but too detailed for today.

- Collect and tokenize recent message history
- Determine message eligibility
- Ensure selected messages are as different as possible from recent message history (to reduce desensitization)
- Ensure explore/exploit balance (to avoid local maxima)
- Fit an environment model capturing baseline behavior from event stream (and consolidate sparsity)
- Fit a treatment model based on policy and subsequent user behavior (target)
- Fit a control model using the control group behavior (baseline)
- **Compute weights** for individual users for each treatment
- And more....



# Agents map data to options and then they do something about it.

#### **User attributes**

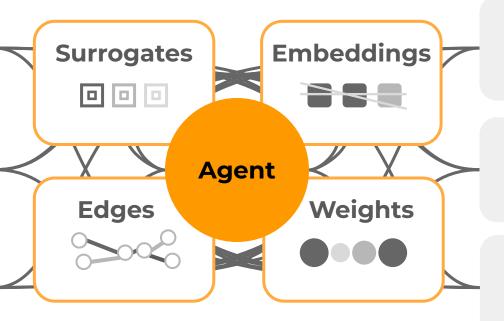
Demographics Third-party data Surveys/feedback

#### **Context**

Inventory metadata Matched controls Funnel stage

#### **User Behavior**

App events Website visits POS systems



#### **Surfaces**

Product pages
Push notifications
Email

### **Timing options**

Day of week Time of day Time since event

### **Copy variation**

Value framing Rich description Keywords

### **Constraints**

- Objectives
- Segments
- Triggers
- **( )** Bounds



### **Surrogates**

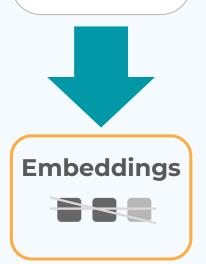


# Anticipation: condense the event stream into surrogates.

- Arbitrary (business-determined) objective events.
- Optional segments/triggers for contextual messaging
- Contextual constraints on messaging frequency (global, per channel, per trigger, etc.)

**Algorithmic distillation**: **surrogates** model the impact of each event in the event stream upon the identified objectives. This gives the agent the ability to **anticipate user behavior** the ability to infer whether a user is "headed in the right direction."

# Context Events Messages Controls

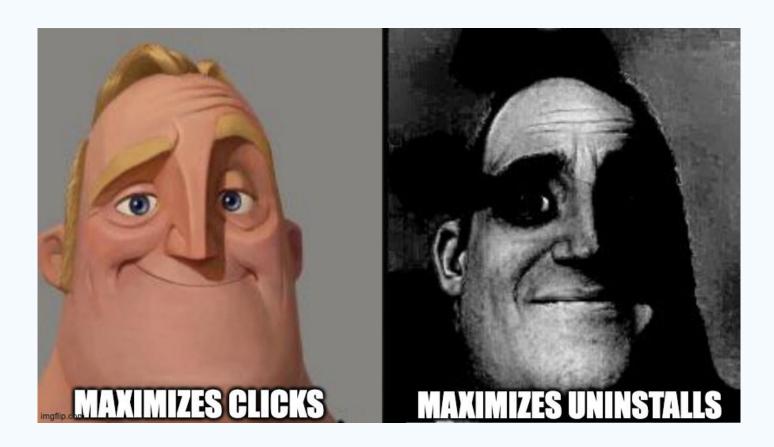


# Differentiation: embed behavior/messaging histories.

- Behavioral embeddings that reflect short-, mid-, and long-term patterns.
- Message embeddings that reflect the amount of contact a user has received.
- Match messaged users to nearest-neighbor controls.

Algorithmic distillation: embeddings model individual user history as it relates to major learning objectives. This gives the agent the ability to infer the similarity of a user to other users.

# Messaging optimization is risky.



# Inventory Products Modules



## **Edges**



# Optionality: graph product and messaging inventory edges

- Import CMS inventory and metadata to recommend specific inroads into the app experience.
- Modularize and semantically label copy so it can be selected and recombined.

Algorithmic distillation: graph product and messaging inventory so edges indicate product and content relationships. This gives the agent the ability to consider different content options for messaging.

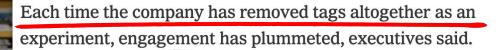
The New Hork Times

# A Few Words About Netflix's Success: Vivid. Snappy. Tags.

The descriptive tags that the streaming service runs near each title — like "slick" for the show "Suits" — have proved crucial to getting people to click play.

Over **3,000 tags**.

Over **30 full-time** tag managers.



"People would take much longer to choose," Mr. Donald said. "They would drop out of a title because they didn't like it too much or because they didn't know what they were getting."



89% Match | TV-14 | 9 Seasons HD

About Nothing • Ensemble As Netflix widens its Secretariat-like lead in the so-called streaming wars, the descriptive, if sometimes banal, tags stand out as an example of how the company stays ahead. Most rival streaming services don't bother displaying tags, or don't have the same financial resources to support a group of employees to do all the work behind them.

### **Actions**

- Timing
- Channel
- Copy



### Weights

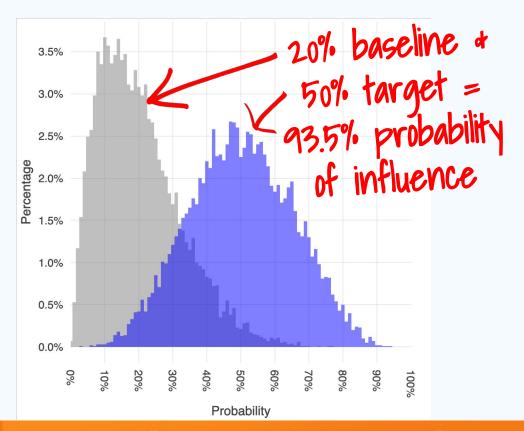


# Evaluation: let actions operate as repositories for preferences

- Timing: day of week, time of day), hours from trigger, holiday, pay period, etc.
- Copy: persona, value proposition, product category, call to action, or even aesthetic choices like tone, greeting, or emoji.

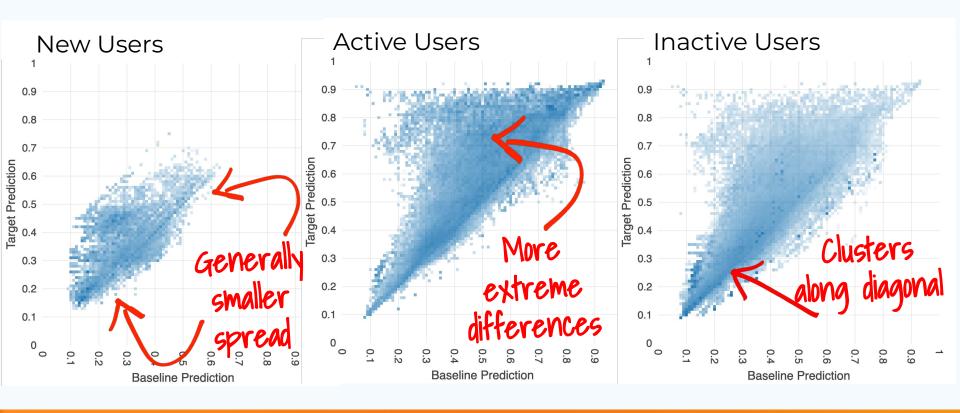
Algorithmic distillation: let each individual agent learn action weights based on (1) outcomes from other agents' assigned users, and (2) actions of matched control users in order to estimate optimal choices.

# Baseline (control) and target distributions



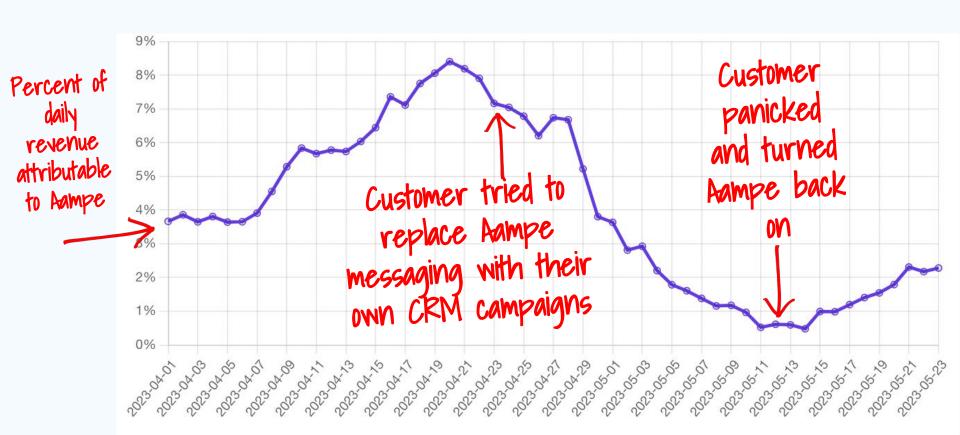
- It's the intuition behind Thompson Sampling repeated random draws simulate the influence probability.
- Allows decision making on both probability of action and probability of <u>causing</u> the action.
- Allows selection of a no-go action for timing.

# Model weights give agents durable memory

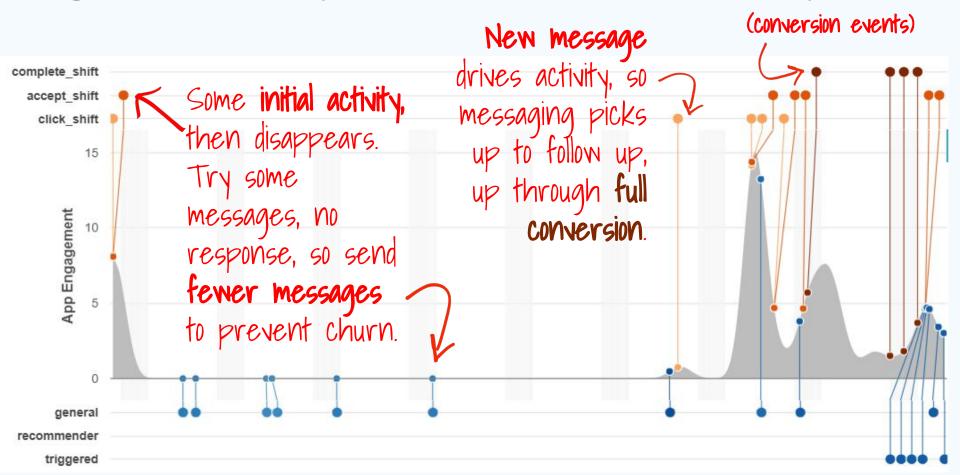


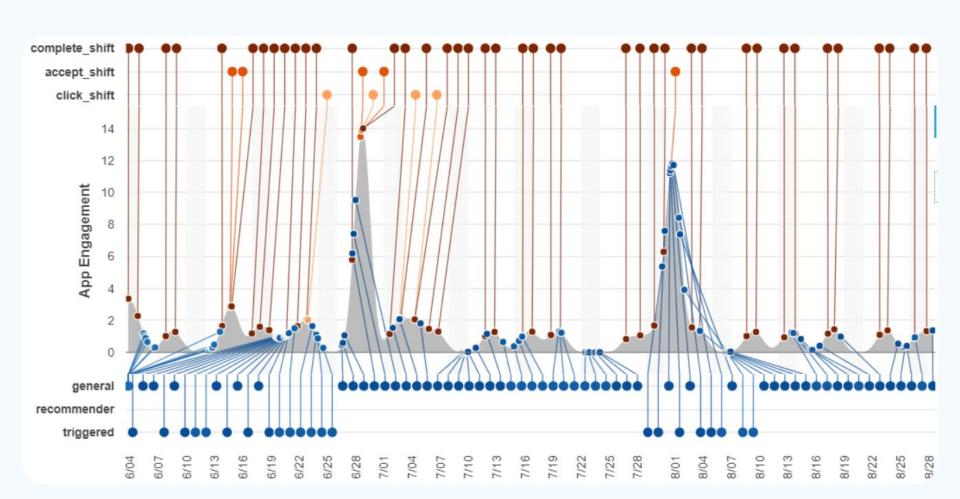
	Visit rate		Basline rate		% Difference in rate		
		Aampe	Manual	Aampe	Manual	Unadjusted	Adjusted
Danch marks  Phase 1 - Averages over 8 weeks							
Benchmarks	Α	9.6%	9.9%	7.8%	8.5%	-3.0%	5.9%
	В	10.3%	10.1%	8.0%	8.7%	2.2%	11.6%
<ul> <li>Agent-orchestrated timing and copy vs manual process.</li> </ul>	C	10.8%	8.7%	8.2%	8.6%	24.9%	30.7%
	o D	10.1%	9.2%	7.9%	8.5%	9.3%	17.8%
	Category <b>1 1 0</b>	11.1%	11.1%	8.3%	9.7%	0.6%	17.9%
	e F	10.3%	10.4%	7.8%	8.9%	-0.9%	13.3%
<ul> <li>100% holdout control - no synthetic matching</li> </ul>	G	11.2%	8.1%	8.1%	8.6%	38.2%	46.7%
	Н	9.9%	7.9%	7.9%	7.9%	26.3%	26.0%
synthetic matering	I	10.0%	9.5%	7.9%	9.2%	6.2%	23.9%
<ul> <li>After 8 weeks, change</li> </ul>	All categories	10.4%	9.4%	8.0%	8.7%	11.5%	21.5%
copy to also advertise	Phase 2 - Averages over 3 weeks						
discount incentives.	Α	10.7%	9.6%	8.0%	9.1%	11.1%	26.9%
Measure visit rate within	В	10.5%	10.1%	8.0%	9.3%	3.6%	20.0%
	C	9.8%	8.9%	7.7%	9.3%	10.5%	33.5%
12-hour window of	Category	11.2%	9.0%	8.5%	9.1%	24.9%	34.2%
message send.	6 E	10.5%	12.0%	7.9%	9.7%	-12.8%	7.5%
	ë <b>F</b>	8.5%	11.4%	7.3%	9.6%	-24.9%	-0.5%
	G	10.1%	8.1%	7.6%	9.2%	23.8%	49.7%
	Н	9.0%	7.5%	7.6%	8.5%	20.1%	34.2%
	1	10.0%	10.4%	7.8%	9.3%	-3.5%	15.0%
	All categories	10.0%	9.7%	7.8%	9.2%	5.9%	24.5%

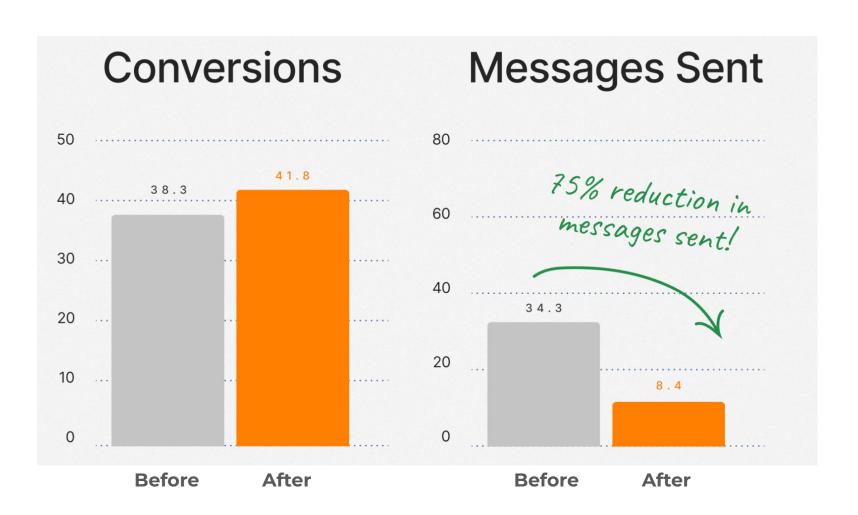
# Observable impact (when used correctly)



# Agents enable personalized attention/response







Every action in the system can be represented as a tag, and attached to specific copy.

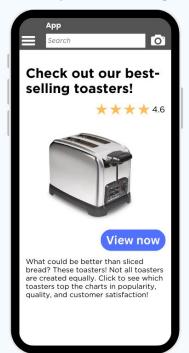
The actions then act as preference storage.

```
"2b23be22-dd48-4232-b056-32a769505449": {
    "Assortment": 0.1102946994848839,
    "Availability": 0.34640212602552234,
    "Bestsellers": 0.09669559043278242,
    "Convenient": 0.9309143809493408,
    "Efficiency": 0.47303762805809624,
    "Quality": 0.46894028113151076,
    "Top Rated": 0.022960432892572658,
    "Value": 0.24974653802872993
"0c5fef94-0683-4b3d-86c3-b2d35a8364c8": {
    "Assortment": 0.8986916763587117,
    "Availability": 0.4952455430665107,
    "Bestsellers": 0.6682155618968443,
    "Convenient": 0.0945105711349229,
    "Efficiency": 0.6969984712303366,
    "Quality": 0.4640204635158407,
    "Top Rated": 0.16780328685584545,
    "Value": 0.9196775826852358
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    "Convenient": 0 025602378728114328.
```

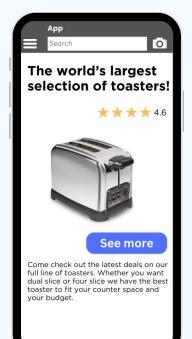
## Affordability



# Popularity



## Selection



3 hooks.3 descriptions.

Just one toaster.

# Control input



#### You

Can you help me find a dress for a formal event?



#### **Bot**

I'd love to help you find a dress for your event. Do you have a specific style or color in mind?



#### You

Um....blue?



#### Bot

Great choice! Blue is a classic color for formal events. What length are you looking for? Are you interested in something long and elegant, or perhaps a shorter cocktail dress?



#### You

Something a little longer. Not sleeveless.



#### **Bot**

Got it! Let me find some options for you. Are there any specific features you'd like, such as lace, sequins, or a particular neckline?



#### You

Not really. I'd like to see a variety.

# Control output



#### **Bot**

Here are a few options:

**Royal Blue A-Line Dress:** This elegant gown features long sleeves and a flowing A-line silhouette, perfect for a formal occasion. It has a subtle v-neckline and a cinched waist for a flattering fit.

Navy Blue Lace Evening Gown: This stunning dress combines sophistication with a touch of romance. It has long lace sleeves and a floor-length skirt with a slight train. The intricate lace detailing adds a beautiful texture to the gown.

Midnight Blue Satin Ball Gown: If you're looking for something with a bit of glamour, this satin ball gown is a great choice. It features long sleeves with a modest bateau neckline and a full, sweeping skirt. The deep midnight blue color is rich and luxurious.

Please click on the links to view more details and images of each dress. Let me know if any of these catch your eye, or if you'd like to see more options!

# Test system prompt.

You are a chatbot for a clothing e-commerce retailer.

Here is the profile of the user currently chatting.

Please make sure your responses take this information...

- 1. What this user values about the product.
- Trendsetting (80% association): Express your unique...
- Fresh (50% association): Items feature cutting-edge...
- 2. What this user values about the shopping experience.
- Effortless (90% association): Shopping should be smooth...
- Personalized (75% association): Tailored product recomm...

Begin the chat by simply saying: 'Hello! What can I help...

# Test input



#### You

Can you help me find a dress for a formal event?



#### **Bot**

Of course! I'd love to help you find the perfect dress for your formal event. Since you're looking for something for a special occasion, I'll focus on our trendsetting and fresh styles that will make you stand out. Could you please provide me with some more details? Such as your size, preferred colors, and any specific styles you have in mind? This will help me narrow down the options for you!



#### You

Um...do you have anything in blue?

# Test output



#### **Bot**

Absolutely! Blue is a fantastic choice for a formal event. Let's see what we have available.

I've found a couple of options that might catch your eye:

**Elegant Navy Gown**: This gown features a sleek silhouette with a hint of shimmer in the fabric. It's perfect for a formal affair and will definitely make a statement.

Powder Blue A-Line Dress: For a more subtle yet sophisticated look, we have this A-line dress in a soft powder blue. It's timeless and elegant, perfect for various formal occasions.

Would you like more details on either of these options, or are you looking for something specific like a certain length or neckline?

# Compete multiple models/ systems against each other.

# Choosing a "best" system leaves too much value on the table.

- 42.8% of users showed no positive response to best-performing system.
- Worst-performing system worked for 15.1% of users, and exclusively worked for 8.8%.
- 17.4% of users showed positive response to multiple systems.

ystem	% users
A	45.4%
3	16.8%
	11.7%
	8.8%
A, B	4.9%
A, D	3.5%
A, C	2.5%
3, D	2.0%
3, C	1.5%
C, D	1.1%
A, B, D	0.7%
A, B, C	0.5%
A, C, D	0.3%
3, C, D	0.3%
A, B, C, D	0.1%





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in schaunwheeler

# Backup slides

## **VentureBeat**

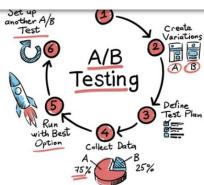
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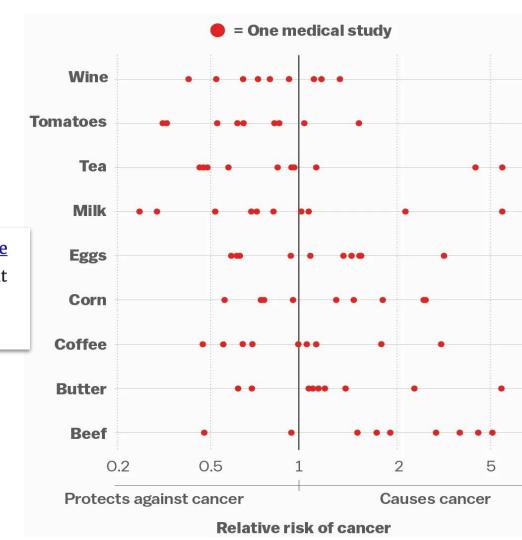
Guest

# Why most A/B tests give you bullshit results

Justin Megahan, Mixpanel

<u>AppSumo</u> revealed that <u>only 1 out of 8 tests produce</u> results. <u>Kaiser Fung</u> estimates that 80 to 90 percent of the A/B tests he's run <u>yield statistically</u> insignificant results.





"Better" decisions arent better if they're not durable.

You in an A/B test

You in a bandit algorithm







Generative Al creates a huge amount of differentiated content.

All by itself, that's another problem, not a solution.