



The AI Revolution and Implications for Brands

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PHD Asia-Pacific

In its publication 'Sentience: The Coming AI Revolution and the Implications for Marketing', media agency PHD explores the impact of artificial intelligence on consumers and marketing.

You've watched Watson winning Jeopardy and the footage of Google's self-driving car. Your words may have been translated in real-time whilst talking on Skype. You've probably already read an article in a newspaper that was written by a computer. Artificial Intelligence will be one of the most transformative technologies the world has ever seen, a new utility that uses the data from billions of people and objects to perform tasks, provide services and adapt and learn as it does so.

With both computing power and data collection increasing exponentially, our machines are gaining on us. Within just over a decade from now they will be far more intelligent than we are, AI is crossing the chasm from science fiction to science fact.

Although AI has largely been the domain of academics and large internet companies, it's starting to trickle down into the consumer sphere, and that's where the most noticeable applications will present themselves. Because those applications will be largely ad-supported, marketing will be one of the first disciplines significantly disrupted by AI.

AI-Enabled Marketing: Opportunities and Challenges

The new world of intelligent machines will create new opportunities as well as new challenges for brands. On the one hand, there will be far better tools for finding new audiences and for delivering customised communications to the right people. But it will also create new challenges, as for many consumers personal AIs will take the place of traditional advertising.

The place where AI will become most visible will be in day-to-day consumer products — information-access, entertainment-centric and social-connection platforms accessed across multiple devices.

For premium products where the producer of content can demand it, these products will be accessed on a pay-model. But, based on what we have seen over the last decade, most of the information-access and social-connection products are most likely to be advertising and data-supported payment models.

That is why advertising, and therefore marketing, is most likely to be radically reorganised by this AI-revolution.

The Rise of the Sentient VPA

If you look at the most innovative and arguably most successful products being created today, they are skillfully trying to bridge

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the space more seamlessly between us and the external world: maps and navigation services, image-recognition features in social sites, newsfeeds, recommendation engines and much, much more.

The most interesting bridging device, and the one that is likely to become the ultimate bridge, is arguably the Virtual Personal Assistant (VPA); personal software that uses data and our individual preferences to manage our lives. At present they are very weak in their AI functionality, but at some point our VPAs will have what is ostensibly a sentient mind that spends its entire time and focus managing our lives — making everything easier, removing barriers and boundaries, as well as suggesting opportunities and making recommendations.

These VPAs will be much more than the walled gardens that they currently are. They will be open-ended VPAs — as in they will scan the tagged-up world and manage it for us.

The VPA will have access to the world and will edit it for us — our sense of what the internet is will dramatically contract from an unfathomably large expanse of information into a simple human voice.

The AI Future of Marketing

The more we depend upon AI software to handle tasks on our behalf, and the more power – and data – we give to those AIs, the smarter they will become. Ultimately, they will usher in a new world to which advertisers and agencies will have to adapt.

We will talk to our VPAs – and they will talk back – about our plans, ideas, and questions about the world. It will be these conversations that will underpin the marketing opportunity. Think of it as SEM bid management across millions of live conversations, with advertisers serving messages to VPAs based on the content of those discussions and queries.

The messaging is likely to be algorithm-driven so it links directly to what is being discussed in a seamless way — the transaction will be where the money is made (so it may not even feel like an ad). For example, two people are talking about the cinema tonight and what time to meet and the VPA asks if you want a table for two at Nizuni on Charlotte Street in London at 6:30 p.m. A simple yes and it is automatically arranged via the VPA's links to booking engines, payment details and calendars.

Optimizing to the machine will become the greatest determinant of marketing success. Ensuring that the current disciplines of SEO, PPC and programmatic buying are being embraced and upskilled now will help in the future, as these will be the most transferable skills to the new models.

Ultimately, there will be fewer messages seen by consumers, but the ones that do get through will have been selected based on extremely specific purchasing and behavioral data about us. This will be combined with a bid price from the advertiser, a quality score for the product/service and usage data to confirm the product/service's experience. All of which will be handled in nanoseconds by our VPAs, and served up without us knowing which brands or products narrowly missed out.

When done well, broadcast brand communication will take the form of spectacular content and experiences, indiscernible from entertainment. Because whilst marketing's AI future will usher in a new era of technology and data, creativity will also be reinvented – innovation and ideas will be more important than ever to win attention and recommendation in the conversations between humans and their VPAs.

Marketing and communications won't be spectators to this greatest show on earth – they will be transformed by it. Our algorithms are set to wake up – get ready to say hello.

About the author

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