AI: Unlocking a Sixth Sense for Brands
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A home improvement retailer maintained its position as a leading seller of Christmas trees, plus encouraged consumers to purchase holiday gift items. A national coffee brand got customers to go beyond their regular coffee drink order and try something new. A leading soup brand brought to life its mission to make real food that matters for “life’s moments” – such as everyday events like family dinners, gatherings of friends, or tailgate parties, rather than just holidays and special occasions.

How did each of these brands achieve their objectives? The answer is artificial intelligence (AI).

AI is powerful because it goes beyond processing and computing information to expand and help accelerate the capabilities of the human brain. Humans are intuitive, thinking, and feeling creatures. We use our senses, as well as past, present and future experiences to understand, anticipate, and respond to the world around us. AI, with its abilities to understand images and tone, apply common sense, suggest new ideas, learn from mistakes, and more, can give brands that sixth sense.

These abilities are particularly important in our increasingly connected world where unstructured data - things like pictures, video, tweets, and voice - represent the majority (~approximately 80%) of all data being created.

The growth of unstructured data has given rise to AI technology like IBM Watson that is designed to enable systems to understand, reason, learn, and interact with unstructured data. Watson, once known for winning Jeopardy and now for helping to transform industries like healthcare and tax prep, is now set to help revolutionize the field of marketing.

Acquired by IBM in 2016, The Weather Company’s ad sales group is now Watson Advertising, an ecosystem of media, data, and AI technology solutions designed to help marketers connect with customers and drive higher return on investment. The ecosystem is guided by the principles that marketers should be able to leverage solutions and insights across all of their marketing efforts and should have access to the data, so they can continually optimize how they go about reaching and engaging customers.

For the home improvement retailer, Watson Advertising tackled one of the largest unstructured data sets out there - the weather - and analyzed it in connection with customer sales data. Learning that seasonal firsts drive energy, optimism, and a strong consumer response, the team deployed holiday messaging when customers felt that first seasonal change in weather. The campaign succeeded in helping the home retailer maintain a leadership position by successfully engaging highly qualified customers and exceeding the client’s click-through rate benchmark by over 1000%.

For the coffee brand, the pain point was that customers are highly ritualized creatures, and tend to stick to their normal drink order versus venturing out and trying new items which could help the brand increase loyalty and market share. The task at hand was to find and reach relevant coffee drinkers - wherever they may be - and encourage them to try something new. Watson Advertising went beyond campaign borders by collaborating with The Trade Desk to integrate weather, location, and first-party loyalty data to create audiences and event-based targeting that reached regular hot-coffee drinkers when the weather was warmer than usual and encouraged them to try an iced-coffee (and vice versa). The campaign succeeded in expanding the coffee drinkers’ repertoires and exceeded the brand’s engagement benchmark by 33%.

It is estimated that in just two years, one third of all web browsing will be done without a screen. The leading soup brand that was looking to move beyond “special occasions” put Watson’s speech and language capabilities to work to capitalize on this trend. Targeted ads were sent to customers experiencing weather conditions conducive for soup consumption. These ads encouraged people to use text or speech to share an ingredient in their fridge and have Chef Watson create a custom soup recipe. The campaign delivered over 10,000 active one-on-one conversations with consumers, creating brand experiences that lasted up to 5x longer than the time a person typically spends in a rich media ad. In addition to the campaign driving meaningful engagement, it also generated rich product insights - such as the finding that customers are searching more often for kale than bacon ideas. All of these learnings will be applied to future campaigns.

AI is much more than robots or chatbots.
With Watson, AI breaks through the barriers of big data sets, extracts meaning, and can ultimately drive action. That’s the sixth sense. Using AI to help improve ROI and increase sales? That’s just common sense.

More examples of campaigns that were reshaped by AI, and how that is leading the industry to new solutions, can be found at watsonadvertising.com.