



Making Artificial Intelligence Real

How brands can use AI to supercharge their marketing stack

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Everyone is talking about big data and artificial intelligence (AI)

There is so much data being created, blah, blah, blah, yada, yada. Marketers, of course, understand the importance of this because aside from their day jobs they are consumers first. Every day they share and receive hundreds of emails, ask Alexa to play a favorite song, share location information in exchange for a precise weather forecast, and tweet about things like how cool it was that Prince Harry invited commoners to his wedding.

What is unique to marketers is that they see the potential in all the data that arises from these activities. Insights from data can elucidate the needs of consumers, revealing more effective ways to reach and engage them and ultimately yield greater financial results for brands. AI technology is the key to unlocking that data, and to an expedited level of learning that will transform marketing as we know it.

Yet, despite all the hype, only 24 percent of CMOs and sales leaders in [a recent survey by the IBM Institute for Business Value](#) say they have a cognitive strategy. And, when asked in [a recent survey by the intelligence technology company Conductor](#) to identify which trending technology they felt most unprepared for, 34 percent of global marketing executives chose AI — the most of any option.

So, what's the issue?

For starters, there is an over-abundance of fragmented, sub-par solutions from which to choose. [According to a 2017 report by marketing solutions company Ascend2](#), 51 percent of companies say they are using more than 21 different marketing technology tools, yet only 9 percent of marketers say they have the tools they need.

The cost of transformation is a hurdle too. In order to fully reap the benefits of AI, companies need to put the right data capture and management systems in place, identify the right talent to shepherd the vision for how to use those systems, and ensure that they are building a culture of collaboration and innovation — tricky things to do overnight, especially when one considers that with transformation come concerns about the security, privacy, and ethical use of consumer data.

As companies embark on their AI journeys, they will need to develop systems on their own as well as look to trusted partners who have expertise. So how does a marketer, who may or may not be able to implement enterprise-wide change, get started?

Here are a few tips on how to make artificial intelligence a reality.



Understand What AI Is and Isn't

Artificial intelligence systems are about combining the best of human and machine to extend human knowledge and expertise. Humans excel at making sense of emotion, understanding images, and learning from previous experiences. Machines, on the other hand, have the ability to process massive quantities of data, identify patterns, and more.

IBM, with its Watson technology, defines AI as the ability to understand, reason, learn, and interact. AI can understand structured and unstructured data (e.g., text, speech, images) at astonishing speeds and volumes; it can reason, grasp underlying concepts, form hypotheses, and infer to extract ideas; it can learn over time by exploring and studying data with the help of experts; and it can interact with people in increasingly natural ways that enable solutions to see, talk, and hear.

Watson, for example, enables these foundational skills through a series of application programming interfaces (APIs), which developers, marketers, and other industry professionals are able to incorporate into their own technology solutions. But it's important to keep in mind that AI isn't a magical entity that can be automatically applied to data to provide answers. Instead, AI should be thought of in context to its users and how its capabilities (such as natural language processors, tone-of-voice analyzers, etc.) can learn from data and then use what it's learned to help solve certain cognitive challenges.

For example, IBM Watson Advertising recently used AI to help brands better engage consumers with more personalized messaging. More than half of consumers (57 percent) will actively ignore communications from companies that send irrelevant, impersonal information, [The Drum reports](#). And yet, [a recent IBM study](#) found that 71 percent of brands still send generic marketing messages. To help, Watson Advertising created an AI-powered creative ad format called Watson Ads that uses machine learning and various APIs to help brands engage in one-to-one conversations with consumers.

In one instance, Watson Advertising used that new ad format to help Toyota, which wanted to share information about the Prius Prime with environmentally conscious consumers interested in purchasing a car. Consumers on The Weather Channel's desktop or mobile properties received an ad encouraging interaction through speech or text. Watson Ads used natural language processing to understand the users' questions and then served relevant answers about the car. Users who had provided The Weather Channel with location data were also referred to local Toyota dealerships where they could take a test drive.

These personalized interactions with consumers increased purchase consideration among men ages 35–49 by 20 percent and generated more than 6,000 user conversations. The average interaction lasted three times longer than Google Rich Media benchmarks. In addition to exceeding the brand's KPIs, all the data gathered during the campaign is available to help inform the brand's next planning session.

In another example of how AI can use data to learn and make decisions to solve cognitive challenges, Watson Advertising analyzed online purchase data to help an e-commerce partner interested in improving its online product sales. Watson helped uncover hidden patterns and behaviors most likely to result in online sales. The insights were then fed into an advanced deep-learning capability to create and auto-adjust a predictive algorithm unique to the brand's consumers and KPIs. Over the course of the campaign, this predictive model continually and autonomously adapted to drive online sales. The net result exceeded the client's stated cost-per-action and cost-per-sale goals by 60 percent.



Use Quality Data, and Quality Partners

Artificial intelligence solutions are only as good as the data they receive. Ideally, solutions will have access to multiple types of meaningful data sources, both structured data (i.e., data that lives in fixed fields within a record or file, such as customer, sales, or market data) and unstructured data (i.e., data that exists outside of spreadsheets, such as social media posts or weather data).

In many cases, partners will offer access to various data sources in the solutions they sell. Marketers should be sure to inquire about a partner's data collection methods to ensure fidelity. First-party data shared willingly by the customer is always more valuable than data that's inferred or extrapolated.

Recently, IBM Watson Advertising was able to use its first-party data to help a leading maker of work boots. The brand was interested in using data-driven marketing to increase foot traffic in specific markets. Using Watson Advertising's weather data to find where weather conditions are optimal for footwear sales, the brand laid that information over data of real-world consumer behavior that involved visiting places like construction sites. By reaching relevant consumers at the right moments across its target markets, the brand was able to increase store visits by 41.4 percent. Furthermore, by leveraging first-party data and serving ads only to qualified consumers, the brand saved nearly one-third of its plan from underachieving placements.

But quality data is just one piece of the AI puzzle. Selecting partners that safeguard data and build consumer trust is critical. In fact, trust is the one factor that is common to all purchasing decisions, [according to findings from the 2016 Harris Reputation Quotient](#). Additionally, 74 percent of respondents said that security or data breaches that expose personal information have the greatest impact on reputation — a fact that's been proven true a number of times just this year alone.

Because building more meaningful relationships with customers can ultimately help drive more sales, evaluating partners on their ability to have a client-first, proprietary, and secure approach to working with data is critically important for marketers



Just Get Started

The advertising industry is at a pivotal crossroads where data represents both big opportunities and also big challenges. The amount of data being produced is overwhelming. Consumers, in an increasingly connected world, are demanding personalization without intrusion. Aside from saving time and money, AI for marketers holds the power to deepen customer relationships and achieve one-to-one connections by harnessing that data.

To the AI newcomer, all of this can seem daunting, but the brands that succeed will be the ones that embrace this new way forward, fail fast, and learn from their mistakes.

It's time to take smart risks by leveraging trusted tools and expertise to help navigate marketing's AI transformation.