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Future Trends Working Group

Future Trends Volume 19: The Future of Artificial Intelligence (AI)

Introduction: The Future of Artificial Intelligence (AI)

Brad Moss, Online Content and Communications Executive, IAB UK

For the first Future Trends Paper of 2017, the IAB Future Trends Working Group decided to look into the fascinating world of AI.

- Sakshi Dewan, Senior Digital Strategist, PHD talks about AI and chatbots. Sakshi argues that the possibilities for business and marketing created by AI innovation are immense. She discusses how the big industry players are investing in chatbots and how chatbots are becoming part of our daily lives.
- Adam Taylor- Foster, Head of Sales at Anyclip, questions what AI will mean for advertising, advertisers and audience. Adam argues that understanding the purchase process is essential to AI improving advertising.
- Tim Elkington, Chief Strategy Officer, IAB UK writes about fake news and how AI can validate whether or not content is legitimate or fake. Furthermore, Tim talks about the extraordinary ways that AI can actually create and write news.

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Artificial Intelligence – the next big step

Sakshi Dewan, Senior Digital Strategist, PHD

The marketing and communications business has been abuzz with headlines about AI-powered innovation. There is hardly a conference, talk or article where the words artificial intelligence, chatbots and virtual assistants aren't used with great enthusiasm. This excitement (and apprehension) about AI has transcended the world of tech and marketing, and is now a part of the mainstream discourse, as indicated by the success of a TV drama like *Humans* that gives us a glimpse into a future which seems tantalisingly (and worryingly) close!

Services and devices powered by Artificial Intelligence is such promising territory, that the world's biggest tech companies are aggressively competing to bring them to the mainstream and integrate AI into people's daily lives. Whoever succeeds in doing this will own the next technological epoch and so the stakes are very high.

Google has been investing in Artificial Intelligence for some years now. It famously acquired DeepMind Technologies, a leading AI company in 2014 and hasn't looked back since. Google is exploring applicability of AI in many different ways ([A.I. Experiments](#)) and messaging is one key area. Last year, Google launched its messaging app, [Allo](#) that is powered by [Google Assistant](#). The app learns how we communicate with our friends, and suggests responses to conversations in keeping with our personal style. It is meant to understand the context of our conversations and help with useful suggestions and services. The app is still new and learning, but another challenge is its small share of the messaging market which is dominated by Facebook and WhatsApp. So Google is taking another route to embed its AI technology in people's lives. [Google Assistant](#) will now come pre-loaded on a number of smartphone devices. In doing so, Google is fighting back against Amazon Alexa and its dominance of the Voice AI market.

[Amazon Alexa](#) powers the smart speaker Amazon Echo and has been one of the biggest success stories of 2016. Alexa is a voice assistant that consumers can speak to and they have loved it. Sales have soared, making Alexa-powered devices the top selling products across all categories on Amazon.com during the 2016 holiday season. Part of the reason behind this success is the ease of use and the range of services that Alexa comes pre-loaded with. From streaming music on Spotify, to ordering a taxi on Uber, to seeking medical advice from Web MD, Alexa does it all through a simple conversation. Even with all its success Alexa needs to build a user base, which is where Facebook has an inherent advantage.

Facebook owns the largest share of the messenger market and made headlines last year when it launched the [Chatbot API for Messenger](#) for developers. This essentially allowed external parties to create AI powered services for Messenger. Facebook's chatbot announcement garnered great attention because of all the exciting possibilities it opened up. By creating their own chatbots businesses could deliver one-to-one customer service without maintaining expensive call centres or sales departments. The chatbot announcement created a frenzy for bot development, which is reminiscent of the heady days of app development, when every brand wanted their own app and every developer had a new app idea!

The possibilities for business and marketing created by AI innovation are immense. In my view, the AI-led transformation is hinged on the opportunity to *personalise at scale*. Brands can deliver products, messages and services through AI technologies to the right consumer at the right time, in a way that just hasn't been possible before. So if you're fashion retailer, you will no longer need to drive customers to your website or app. Instead you will be able to curate a personal collection for each individual

customer, based on their tastes and needs and present it to them when they are most likely to buy. While this is an irresistible proposition for marketers, we must tread carefully. The technology is still nascent and adoption is still small. Recently, Facebook announced that its [bots had hit a failure rate of 70%](#). So before we jump on the bandwagon and create more bots than we know what to do with, let's start small and learn from our success and failures.

As virtual assistants and chatbots become part of our daily lives (and it is a matter of when, not if!) all our experiences - from conversations, to entertainment, to shopping will be delivered by someone who really knows and understands us. This someone will be able to pre-empt our needs, our moods, our likes and dislikes. This someone will be our friend, our confidant, our doctor and our legal advisor. This someone will be an AI powered machine and is already knocking on our door.

How AI could make advertising better

Adam Taylor-Foster, Head of Sales Anyclip

Like it or not, AI is already the present and most definitely the future. So, with that in mind, what will it mean for advertising, advertisers and audience?

AI has many uses already in the marketing mix

AI can shorten the stages in the purchase process, know when a user is primed to buy, and close the deal.

It can learn product consumption trends of individuals and know when a user will require a new product. Already P&G and Amazon are offering a tool that re-orders items when disposed of and Samsung has a smart fridge that will know when you remove an item and don't replace it, thus AI understands the need for a replacement. With this direct trade possible, will advertisers need to change what they advertise? As well as advertising individual products, will they increase promotion of replenishment services? This is already very possible across FMCG markets for example, and we are seeing the foundations of this play out with Amazon's Prime subscription.

Improving the process – personalisation:

Companies like Anyclip are using AI to tag, edit and distribute content ensuring they understand a multitude of elements within a piece of content, so vast amounts of content can be ingested in to a system and then AI can create bespoke content based on an users data. This will increase engagement and improve the user experience and brand perception.

Who said that?

Alexa? Siri? Most of us are aware that Amazon and Apple provide this AI interface for home and on the go, but now brands are starting to use their own AI in the form of customer service chat-bots, and more recently, even replacing the advertising agency entirely. As recently discussed on Campaign by Amy Tan, US lingerie business Cosabella has started to use Albert, created by Adgorithms. (LINK?)

"As a first test, Adgorithm's Albert was tasked with identifying and converting high-value audiences. It was given Cosabella's paid search and social media marketing efforts to manage and was allowed to autonomously execute Cosabella's digital marketing efforts using creative and KPIs provided by the brand. In the first month alone, Albert increased Cosabella's search and social return-on-ad-spend (ROAS) by 50% and decreased its adspend by 12%.

Courtney Connell, Marketing Director of Cosabella has said "An ad agency will charge 15-20% of your media spend. Albert charges 18% and had no monthly cost or implementation fee... He doesn't sleep, he's fast, he doesn't get into a fight with his girlfriend and lose focus," Cornell commented, speaking of Albert as if of a favourite employee. (source?)

Improving user experience:

What will AI developed advertising do to improve advertising for individuals? Understanding the purchase process is essential to AI improving advertising. Seeing where the user is in that process will allow the AI to predict next stages and close the purchase. Understanding that the user has now purchased the product is key. This will mean once you've searched for a shed, and purchased a shed, you

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will no longer get chased across the internet by shed adverts, a very welcome development in digital advertising. I have a shed...

Could AI save us from fake news?

Tim Elkington, Chief Strategy Officer, IAB UK

Fake news has become a big problem, manipulating beliefs, winning elections and leaving consumers unsure of what to trust and what not to trust. But in a world where people can't be certain of what's genuine and what's not, could Artificial Intelligence help us tell the real from the fake?

Fake news is a widely used term, but just to be sure, [the Guardian reports a useful definition](#) 'fake news is completely made up, manipulated to resemble credible journalism and attract maximum attention and, with it, advertising revenue'. The Guardian article goes on to reference three existing Google Chrome plug ins that claim to be able to rid your life of fake news – FiB, BS Detector and Media Bias / Fact Check all of which highlight the reliability or possible bias present around online articles. Another option is the Australian site [ClaimBuster](#) which offers live fact checking and allows you to [paste your own text into its demo](#) to assess how reliable it is.

Most people agree that fake news is pretty annoying. This is interesting as it was annoyance that led to the uptake of ad blockers (though [latest research suggests that this is stabilising in the UK](#)), so with the precedent set that I may choose to block things online that I find annoying, if I can block ads then why not content? What if the industry developed an AI based Fake News blocker that screened out online articles whose accuracy and sources could not be verified? How popular could that be? I can see a tool that puts the user in control (maybe via a slider through which they can indicate the veracity of content that they are happy to accept) being a popular way of screening out fake news.



But why stop there? If Artificial Intelligence can validate the news, maybe it can also write it. After all, a recent study showed that the majority of people would [prefer an algorithm over an editor](#) when it comes to choosing their news. There's an excellent exploration of how the AI Bot Heliograf is producing stories for the Washington Post in [Wired](#) essentially taking real time election data and combining it with key phrases put together by journalists in order to write an article. Rather than being an example of how robots might replace people in the workplace, it's arguable that this is a case of increased efficiency with AI performing the more mundane tasks and allowing journalists to concentrate on the more complex, investigative side of journalism.

The downside of all of this of course is that the algorithm is only as good and as genuine as the person that wrote it and people are equally able to produce an article writing bot that pens fake news as they are to weed out the fake news for the genuine facts. But given these limitations, why not use AI to produce or validate news? We can serve ads, block ads, serve content, match content and more using technology, why not use it to save us from the world of fake news?

