



Ipsos Connect



Smartificial Intelligence



WHERE CAN AI TAKE US?

HOW HUMAN UNDERSTANDING REMAINS CRUCIAL IN A WORLD OF AI

Artificial intelligence (AI): the development of sophisticated computer systems that learn to perform tasks typically achieved by a human, using the same intelligence or reasoning. Sounds pretty smart.

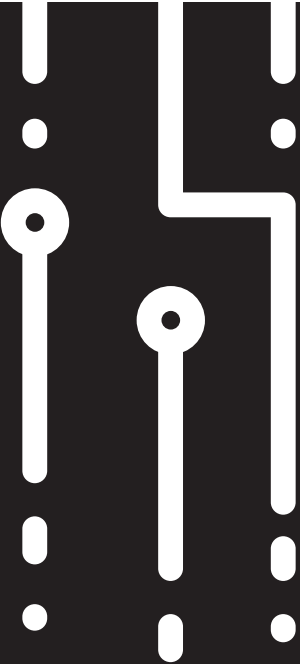
Now let's be clear from the start, artificial intelligence is far, far more significant than its implications for marketing. In fact, AI is described by many as the most significant general purpose technology of our time (for other general purpose technologies see the steam engine, the internal combustion engine, electricity, etc.) and through the power of learning and automation, it's delivering unrivalled cognition that will have a transformational effect on all industries.

The commercialisation and use of AI has grown exponentially over the last few years (largely due to the democratisation of the technology and its home in the cloud), with a whole host of tools and technologies increasingly infiltrating every aspect of our lives. Behind the scenes, complex neural nets are diagnosing disease, making credit decisions, trading stocks and shares, detecting malware, running security systems, and much more. In our living rooms and in our pockets, Alexa, Google Assistant, and Siri are now

household names, performing the mundane as well as stealing our role as trusted source of endless pub trivia. Chatbots and Intelligence Assistants strive (not always successfully) to make our lives more efficient. In our daily lives, AI systems can answer our questions, make recommendations, foresee our behaviour, and predict our purchase preferences. They can even beat us at our own games... As long ago as the '90s, 'Deep Blue', the infamous IBM Supercomputer, had us hooked on chess of all things, as it beat previously undefeated World Champion Garry Kasparov. As recently as this year an AI system called Libratus beat four world class poker pro's at heads up, no limit Texas Hold'em. In fact, winning strategic games has long been the yardstick for cognitive AI systems, but what makes Libratus so impressive is that it has mastered a game of imperfect information. As smart, creative, and imaginative as you have to be to win at games like Chess and Go, you have all of the information in front of you. This is not the case with Poker. **AI machines... 1 Mere mortals... 0.**

WHERE CAN AI TAKE US?

So, when we start to look specifically at marketing where else can AI take us? As a team focused on media, brands, and communications, we are particularly drawn to the opportunities linked to more personalised and relevant ad brand experiences, whether that be adverts, content, or utilities.



Artificial Intelligence is often mooted as the ‘future’ for our industry. Many lead us to believe that we are headed for an AI utopia; that ‘optimised’ ad experiences fuelled by big data insights gleaned solely by machines, tailored to individuals, and served to them programatically with impeccable timing in the right time and right context, is almost within reach. However, when we take a step back to consider this, how close are we really; and is it even what we want at all?

There are certainly some great examples of AI being used in advertising and even some early-stage evidence that AI can be an adequate replacement for human performance and creativity. AI software already exists that we execute and optimise seamlessly between PPC, social advertising, programmatic display, and email marketing. Albert.ai is one example of this and is a software that already has hundreds of clients, producing some incredible results including a 50% increase in ROAS in month for a client just across PPC and social. We’ve also seen the first AI Creative Director [AI-CD] pitted against a human CD to create the best commercial for Clorets Mint Tab, a Mondelez Japanese candy brand. Put to an initial public vote, the human CD’s ad was narrowly selected [54%], but in a later vote amongst 200 advertising executives at an ISBA Conference, the results were unfortunately not in his favour... **AI machines... 2 Mere mortals... 0.**

However, when you lift the lid on the AI Creative Director it becomes apparent that whilst the machine was responsible for writing the creative direction [based on mining a database of hundreds of correctly tagged TV adverts] it was still humans who had to make the advert! Moreover, when we talk to experts from across the industry, the message is clear: right now, there’s more talk than scaled and definitive action. As Colin Strong at Ipsos has said “We’re at the talking and pontification stage, rather than the do-ing. There aren’t a lot of great examples of AI being used for personalised advertising or recommendations. There are a small number of companies, like for example Spotify, whose whole business model has from the start been around deriving insight from digital data. They are way ahead in this. However, other companies have legacy systems. A great deal of work has to be done to bring their technology up-to-speed before they can do anything particularly smart around personalisation”.

It seems this might not be a landslide victory for AI after all... Let’s bring in the big guns...

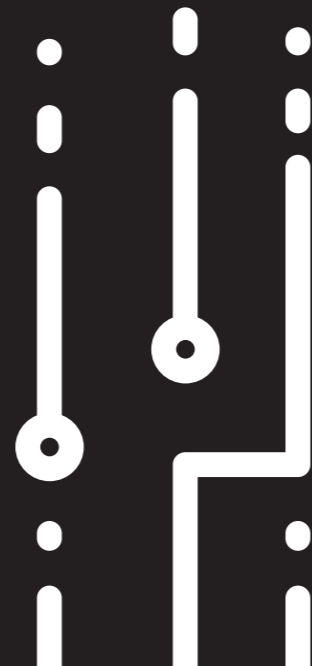
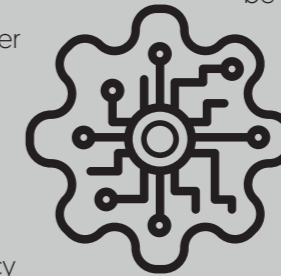
There are undoubted and well documented benefits of using AI for more tailored, timely and better performing advertising and content experiences. However, together with OMD UK’s Chris Lewis-Jones

[Executive Director, Digital & Technology Development], Hamid Habib [Chief Innovation Officer] and Sarah Gale [Head of Insight], Ipsos have explored some of the unintended consequences, as well as the important role that human intelligence can play in over-coming these consequences, to unlock AI’s true potential.

COOL OR CREEPY? A PERSONALISATION PROBLEM

Provision of personalised advertising and content recommendations inevitably requires information to be collected about an individual’s behaviour and profile. For some, this feels comfortable; a welcome and acceptable exchange for more useful and relevant content. However, for others there is a limit to that acceptability. The ‘Uncanny Valley’ is a term originally coined by Japanese roboticist Masahiro Mori in 1970 to describe the tipping point at which human-like qualities in robots stop being impressive and become creepy or uncomfortable. It has subsequently been adopted by AI commentators to describe the point at which targeted advertising or recommendations cross the line from being ‘cool’ to being ‘creepy’.

As brands seek to build more relevant connections with consumers, knowing the exact location of the tipping point is essential, to ensure they achieve the





DO WE RISK STIFLING INDIVIDUALS' NATURAL INCLINATION TO CHOOSE?

optimal level of personalisation without over-stepping the mark, raising suspicion and losing consumer confidence. Importantly, this will differ by brand, by creative and by consumer group, as highlighted by the latest Ipsos MORI Technology Tracker. Human intelligence can, therefore, play an essential role in disentangling the relationship between these factors, to understand why reactions occur, how they manifest, and how best to target different groups effectively.

IPSOS MORI TECHNOLOGY TRACKER

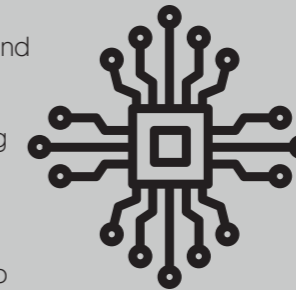
- Age is a key differentiator. Young adults and particularly young men demonstrate the greatest tolerance of targeted advertising and content recommendations, being most likely to describe various uses of AI as 'a good idea', 'useful' and likely to 'grab their attention' and make them feel 'positive about the brand or product being advertised'.
- Whilst younger people may be more familiar and accepting to these uses of AI, they may therefore have a polarising affect across the population as a whole. Older audiences are more likely to find personalised ads 'annoying' or 'creepy'.

Source: Ipsos MORI Technology Tracker, Q3 2017.

Base: 1,004 GB adults aged 15+. Face-to-face interviews.

DO WE RISK STIFLING INDIVIDUALS' NATURAL INCLINATION TO CHOOSE?

Then, what about personal choice and the excitement of discovery? Perhaps consumers like exploring new things and perhaps it is our moral duty to ensure they have the opportunity to do so. In letting AI systems provide increasingly tailored recommendations and advertising experiences, do we also risk dampening curiosity and stifling individuals' natural inclination to choose for themselves?



This phenomenon has been termed the 'Death of Serendipity', where personalised recommendations based on past behaviours act only to reinforce people's existing repertoires and limit their ability to discover unexpected information or choices.

The filter bubbles created by the automated and personalised curation of our news and commentary may have already played a significant role in the surprise outcomes of national votes and elections.

We caught up with Colin Strong and he described how "all of this automation creates a sense of passiveness for the role of the consumer, which can be counter-intuitive to the brands using AI. We get used to being spoon-fed, so become less creatively engaged".

This suggests that if brands are looking to create and grow connections with consumers, it is in their interest to maintain high levels of engagement and avoid passive discovery of their offer. Deciphering this delicate balance between 'pushing' content and encouraging its discovery is therefore essential and human intelligence can play a crucial role in maintaining curiosity, building excitement around the discovery of brands and their offers, and encouraging different consumer groups to make active and effective brand choices.

DO WE RISK HYPER-OPTIMISATION?

Finally, we have the important questions of who wins when all campaigns are optimised to the individual? How can we differentiate? And how can we ensure we are true to brands?

There's a clear danger that with high levels of personalisation driven by AI systems analysing the same data sets, the fundamental identity of the brand could become diluted and too tailored. We risk making it too difficult to bring a sense of the brand and its particular characteristics to its target audience, because the focus of the campaign is shifted towards the individual and the myriad. In optimising our advertising and our content recommendations, are we actually going full circle and failing to fulfil the needs of the individual by offering the same as everybody else?

Ultimately this is where the true value of human intelligence really comes in. When exposing consumers to our advertising and our content, it is essential that we maintain a full and in-depth understanding of impact, of cause and effect (not just automated discovery of data patterns), of why people react the way they do, and the long-term contributors, both online and offline. AI systems powered by big data can get us some of the way there, but when AI combines with human thinking and instinct, it becomes even smarter.

SO THE SCORE IS STARTING TO LOOK PRETTY EVEN...

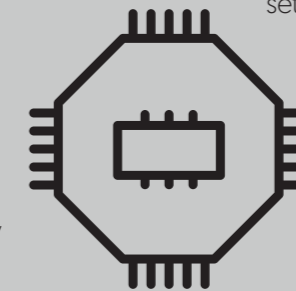
AI already plays a huge role in our work and our day-to-day lives. It is undoubtedly the future of personalised advertising experiences, providing valuable opportunity for efficiencies, optimisation, relevance, timeliness, and performance gains. However, it's important to remember that there is a thin line between feeling that you have received something 'useful' and feeling invaded. Views are polarised on whether it is 'cool' or 'creepy' and brands also need to consider how the optimisation and personalisation driven by AI will affect their consumers and whether they might be encouraging a sense of passivity among them.

DOES AI NEED A HUMAN TOUCH?

To truly understand the impact of AI, we must truly understand people and not just data patterns. To differentiate in an age of optimisation, we must think beyond existing behaviours and trends. Human intelligence is, therefore, crucial to the success of AI. When they co-exist, they become even more powerful.

Even the smartest systems still require humans to set the rules and parameters in which they operate and their effectiveness depends on human insight, intelligence, and decisions. Pablo Picasso once said of computers 'but they are useless. They can only give you answers' and whilst computers and the AI systems that now operate within them are anything but, it perfectly highlights the point that humans are essential in order to ask the right questions and pose the right challenges.

We earlier described Artificial intelligence as the development of sophisticated computer systems that learn to perform tasks typically achieved by a human using the same intelligence or reasoning. Layering on human thinking allows us to take that intelligence to another level. Now that does sound pretty smart.





**WHEN AI COMBINES
WITH HUMAN THINKING
AND INSTINCT, IT
BECOMES EVEN SMARTER**



SENIOR DIRECTOR, IPSOS CONNECT

Beckie is Senior Director, specialising in media research at Ipsos Connect. She works on some of our biggest and most exciting accounts, combining traditional research with new thinking and approaches to design and execute bespoke solutions that answer our clients' questions. She helps clients to identify and understand audiences, their needs, behaviours and relationships with brands, to help them make better business decisions.

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Chris Lewis-Jones is Executive Director of Digital and Technology at OMD UK. With over 13 years' experience in the industry, he focuses on helping the agency's clients transform their business through the smart application of digital media, platforms, technology and data, leading the overall digital agenda for a number of OMD UK's clients including McDonald's, Disney and the NSPCC.

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SENIOR RESEARCH EXECUTIVE

Laura is a Senior Research Executive who joined Ipsos Connect on the graduate scheme. She is particularly interested in helping clients optimise creatives across all media channels and how best to leverage artificial intelligence and the role it plays in understanding consumers. She has experience of tracking studies across a range of sectors from FMCG, Cosmetics, Banking and Telecommunications.

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Ipsos Connect



ABOUT IPSOS CONNECT

Ipsos Connect are experts in brand, media, content and communications research. We help brands and media owners to reach and engage audiences in today's hyper-competitive media environment.

Our services include:

- **Brand & Campaign Performance:** Evaluation and optimisation of in-market activities to drive communications effectiveness and brand growth.
- **Content and Communications Development:** Communications, content and creative development from early stage idea development through to quantitative pre-testing alongside media & touchpoint planning.
- **Media Measurement:** Audience measurement and understanding.

Ipsos Connect are specialists in people-based insight, employing qualitative and quantitative techniques including surveys, neuro, observation, social media and other data sources. Our philosophy and framework centre on building successful businesses through understanding brands, media, content and communications at the point of impact with people.

