

Goodbye consumers, hello AI!

By  Sandra Burger

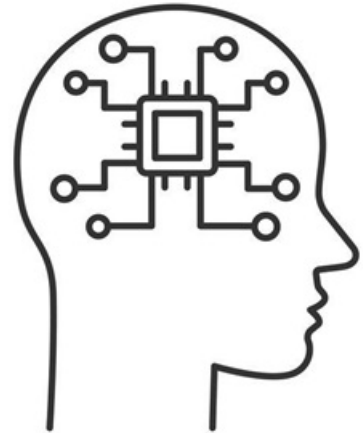
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Smart assistants or rather artificial intelligence (AI), much like butlers or assistants of an era gone by, will require companies to transform their strategies by no longer selling to their previous direct customers and consumers anymore, but rather to preferred AI platforms.

Human needs are satisfied repeatedly while being guided through complex buying decisions. Customers are no longer humans (only) - AI platforms are now the trusted advisers to human consumers. These 'new buyers' and 'influencers' are deemed much more influential than their masters (consumers or end-users) when it comes to routine purchases.

These AI platforms will anticipate what is needed, select a relevant brand and execute the transaction, long before their humans realise that they actually need the product.

AI has such a large intelligence capacity in executing the selection process that brands will be selected on their masters' anticipated needs base.



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Dave Nilsson 11 Sep 2018

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Brands will therefore have to transform and shift their focus to impress AI platforms and compete to be regarded as higher-ranking brands than their competitors, or to even be considered as a selectable brand for demanding AI platforms.

AI's are the new gatekeepers, controlling brands' customers that could make or break them much quicker than humans could through word-of-mouth. It is all about the distinctive algorithms at play, and brand recognition will no longer be relevant in product selection.

How can brands adapt and be recognised by the new intelligentsia?

- Companies and marketers will have to invest aggressively in understanding the algorithm platforms used to recommend and choose their brands, including bespoke weighting for each customer. Algorithms will consider aspects such as: is brand recognition more important than price (e.g. BMW), or are brand names less relevant (e.g. for floor cleaners)?
- Are the direct ties with consumers still relevant for brand building? Well, yes and no. Yes, should we wish to be promoting brand awareness and loyalty of products in the smart and connected consumer electronics categories, or when we wish to collect data from consumers. No, if we are promoting a brand which is less reliant on AI platform intelligence for selection.
- The bulk of retail sales globally, are still brick and mortar stores and brands might still be influential for the near future. However, as online buying increases, brands will have to regularly evaluate just how important physical retail channels

are to them and adjust their strategy accordingly.



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Marketing on AI platforms

There are three questions that need to be answered:

1. Is the platform working for us?

- Select the right platforms for your brands. There is currently a flurry to launch on many platforms, but in reality, only a handful of general purchase platforms will survive: mainly those where the customer's needs are best met and have the best combined sales and service centre.
- As marketers and advertisers, we can ensure that customers use the platforms for the algorithms to better understand the users better.

2. What do we want from the platform?

- We will have to build platform relationships rather than customer relationships. The current efforts to create and sustain omni-channel customer experience by marketers will in all likelihood fade away as the platforms are to become all-in-one fulfilment centres within themselves, providing powerful marketing mediums, sales and distribution.
- Branded products will most probably find themselves in weaker positions when these functions are concentrated within a few platforms. That in turn will supply AI owners with enormous cloud influencing price, promotions and the consumer relationship.
- We will have to trust our successes, which are currently being unified on customer interest, like signalling brand quality, and winning customer loyalty, to an allegiance with trusted AI assistants, who will in all likelihood be much more qualified to predict and interpret our customers' needs.
- Focus on the single channel – the platform(s) - rather than multi ATL, TTL and BTL channels.
- The ability for humans to remember details are quite fallible and we know that people have biases toward things, but computers can remember and interpret the finest details forever. These could range from product pricing, characteristics, past performance and authenticated reviews and past customer behaviour.

3. How can we make sure the platform chooses us?

- We might have to negotiate, and possibly pay platform owners to be able to understand and influence the algorithms applied by the platforms for customised purchasing criteria (and having access to our own customers in the end).
- There might even be an option to list on the platforms, much as brands are now paying for shelf space in brick and mortar retail stores.

- Similar to Google's AdWords bidding, the bidding future on AI platforms would also possibly lead to brands paying extra for preferential positions. In addition, whilst there are brands opposed to this ability, there will always be brands willing to pay to have an advantage over their competitors. In fact, this might just become a major source of revenue for the platforms.
- We as media agents/strategists/buyers will have to recognise the fact that we will have to market through these platforms.
- AI platforms will most likely outperform us in terms of accountability, when it comes to linking consumer behaviour with our media selection/interventions.
- We will have to brace ourselves with the vast amounts of the detailed traditional market and media research we will be able to receive or buy from the platforms. On the positive side, it will be customers' actual behaviour, instead of information at an assumed behaviour level.
- Imagine a world where reliable customer satisfaction and granular behaviour data are readily and speedily available from AI platforms, rather than the limited (and sometimes biased) information from customers we have access to currently through questionnaires, telephone polling, etc.
- Brands will have to sharpen their positioning in the marketplace in ways that platforms will recognise and register them as a brand of interest.
- Platforms will know how to adapt customers' requirements and the exceptions they are willing to take in different contexts, whilst algorithms will be sorting, predicting and executing combinations to satisfy customers at a specific moment in time when it is most relevant to that particular individual and not necessarily mass consumers anymore.

The future has changed and if we have not caught up to that fact, AI is most likely to take over our functions. We will have to brace ourselves to be future thinking in this fast-changing world we live in. Hello AI, my new bestie!

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