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ARTIFICIAL INTELLIGENCE IN ADVERTISING

Artificial intelligence (AI) has significant potential to streamline advertising processes. It can help you determine what types of content are most effective in generating attention and converting leads, as well as automating your media buying and audience targeting processes.

AI can be used to analyze large amounts of data and identify patterns that can help determine the most effective advertising strategies. This may include determining the best time and place to advertise, analyzing campaign results, and identifying the key points that lead to conversions.

One of the most widely used applications of AI in advertising is machine learning, which is used to create personalized advertising messages and content. Machine learning can help determine what type of content is most likely to grab attention and generate personalized advertising messages based on the interests and behaviors of a particular audience.

AI can also help with automatic audience targeting and bid-per-click (CPC) optimization. Automated media purchasing systems can use AI to automatically make ad inventory purchasing decisions based on past campaign data and audience behavior patterns.

Artificial intelligence (AI) in advertising is used to improve the effectiveness of advertising campaigns, optimize advertising costs and increase conversions. Below are some examples of the use of AI in advertising:

- personalized advertising. AI can analyze the behavior and preferences of potential customers to create personalized ads that will be more attractive to the target audience;

- automatic placement of advertisements. AI can determine the best ad placements based on user behavior and interests, as well as take into account competitive ads and price offers;

- optimization of rates. AI can analyze click and conversion data to optimize ad bidding to achieve maximum performance at minimum cost;

- analysis of competitors. AI can analyze competitor data and provide recommendations to improve advertising campaigns and competitiveness;

- data analysis. AI can analyze huge amounts of data to identify trends and predict the results of advertising campaigns.

The use of AI in advertising can significantly increase the effectiveness of advertising campaigns, reduce costs and improve user experience. However, ethical aspects of the use of AI, such as transparency, data protection, and consumer fairness, need to be taken into account.

Real cases: Dynamic pricing is used Dynamic pricing is used by Amazon to drive demand for selected items. The sales forecasting system detects a growing popularity item. Several actions are triggered automatically. Amazon updates the inventory forecast and optimizes the supply chain system across warehouses. The final users see more recommendations of the popular item at an adjusted price. The results change the sales forecast again.

An in-store bot called LoweBot by Lowe's is a mobile collection of cameras and sensors that capture and process data about the store. For instance, it can recognize misplaced prices and products, and empty shelves, while escorting customers and interacting in 60 languages.

Next Best Action is a feature offered by Salesforce's Einstein that leverages rules-based and predictive models to provide agents with contextual recommendations and customer offers. These «next best actions» suggested to employees, such as «give free shipping» or «offer zero percent financing» lead to higher customer loyalty and upselling opportunities.

Below are three perspectives on AI's prospects.

1. Technology: accelerating development

In the past six years, the technologies behind AI have rapidly progressed, allowing its development to accelerate exponentially.

2. Business: great potential in every sector

As the technology evolves fast, organisations from many sectors are applying it to drive productivity and insight.

3. Investment: divorcing hype and reality

Just like the Internet 20 years ago, the AI investment story is being hyped. There is a danger that AI is already being viewed too soon as the answer to many

problems, causing disappointments. In fact, many of today's applications are relatively narrow and need higher investments and iterations of improvements than the excitement suggests.

SOURCES

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