AI in Marketing
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Week 6
Lecture-30 AI and New Brand Realities-I

Welcome to this NPTEL online certification course on artificial intelligence and marketing. Now we will talk about module 30. So now as you can see from this slide, these two modules 30 and 31 they will be talking about AI and new brand realities. So, this is part 1 of AI and new brand realities and module 30. Let us look at what are the things that we will cover in this module. So we will start with discussing artificial intelligence as agents of achieving anthropomorphism for brands.

Then we will study anthropomorphized AI technologies as possible ambassadors for brands. Then we will discuss the implications of human experience of brand using AI and then we will study what makes an AI device human-like. So now let us start with understanding AI and new brand realities. AI is fundamentally changing our world and with it how business works and their environment.

Every aspect of business are being significantly impacted by the dawn of AI as we have been discussing throughout this course. Brands are also transforming in the way they work and deliver benefits for firms in this new smart technological environment. The use of AI and related smart technologies is bringing brands into a new reality as we have already been discussing over the course of this chapter. So, there has been two significant developments which have resulted from the use of AI and which is changing the entire game of branding. One is AI augmented brand anthropomorphism and the second is brand platformization.

Over the course of these two modules on AI and new brand realities we will discuss these two developments in detail. Although they are not entirely new domains in branding, AI and related smart technologies have transformed these and many other aspects of brands some of which we have already discussed. So now we will see when AI becomes the new face of your brand. That is brand anthropomorphism using AI. Brand anthropomorphism can be a powerful mechanism for connecting with the customers.

It is the tactics of giving brand symbols, people like characteristics. So now those brand symbols are given human characteristics. Think of Tony the Tiger and Michaela Mann. Some companies are taking brand anthropomorphism to a whole new level with sophisticated AI technologies. Given the simplicity of their conversational interfaces

advanced Chad Watts like Apple's Siri, Amazon's Alexa and Microsoft Cortana enable customers to spend increasingly more time engaging with a company's AI than with any other interface including the firm's own employees.

And over time Siri, Alexa and Cortana and their individual personalities, their individual personality, personality of Siri, Alexa and Cortana could become even more famous than their parent companies. As Chad bots and other AI technologies increasingly become the face of many brands, companies will need to employ people with new types of expertise to ensure that the brands continue to reflect the firm's desired qualities and values. Executives should also be careful of how AI increases the dangers of brand disintermediation as brands assumes more and more AI functionality. Businesses must proactively manage any potential ethical and legal concerns. A recent research published in HBR that is Harvard Business Review wanted to gain insight on use of AI by brands.

They surveyed how AI is being implemented at more than 1000 global companies. Finding reveals that many of those firms are already using or have been experimenting with AI to orchestrate the brand experience across a number of business processes. These include customer service, that is 39% of the companies, marketing and sales 35% of the companies. And even brands use AI for managing non-customer external relationships. 28% of the companies where brand power is key such as in attracting top talent into the organization's recruiting pipeline.

The observations from these deployments give several insights around three new types of decisions executive fields at the intersection of technology personality and strategy. So, these are the three interfaces. These three decision making domains for marketers relating to AI augmented brand anthropomorphism are discussed in the next slides. The first is beyond chatbots. Chatbots are just one type of AI technology being used to establish or reinforce companies brands.

In fact, there is a spectrum of intelligent personalities and form factors such as screens, voice, physical boxes like ameza neko, text and so on that companies are using to deliver a brand experience. Cognitive agents like IP softs, Amelia, are in coordinated as virtual people on a user's computer screen and future advances where deploy hologram technology to make those agents even more lifelike. In Hong Kong, Hanson robotics is developing robots with human features. These robots can see that and respond to facial expressions and are equipped with natural language processing. Such robot can become the literal front office brand ambassador for company.

Whatever the form factor, companies must skillfully manage any future shifts in customers interaction since each interaction provides an opportunity for a customer to judge the AI system and therefore the brand and the company's performance. In the same way that people can be delighted or angered by an interaction with the customer service

representatives, they can also form a lasting impression of a chatbot, physical robot or other AI system. The interaction with AI can be more far-reaching than any one of conversation with a salesperson or customer service rep. A single bot in coordinated or myriad devices for example can theoretically interact with tens of thousands of people at once. Because of that good and bad impressions may have long-term global reach.

The next is how to properly rear your brand ambassador developing brand personality using AI. Executives need to make judicious decisions about their use of an anthropomorphic brand ambassador, its name, voice, personality and so forth and what qualities will best represent the values of the organization. IBM's Watson converses in a male voice. Cortana and Alexa uses female voices. Siri is and the nameless AI of Google home can use either.

The personalities of all these assistants seems helpful like a nerdy friend ready with lots of information or g-rated joke yet still a bit stilted perhaps because they take everything we say so literally. It may also be hard to believe they are as remorseful as they say when they cannot answer our question or understand our commands. Alexa comes across as confident and considerate. She does not repeat profanity and does not even use slang very often. Siri on the other hand is sassy.

Her personality is smart and witty with a slight edge and she is prone to cheeky responses. When asked about the meaning of life Siri might respond I find it odd that you would ask this of an inanimate object. Siri can also become jealous especially when users confuse her with another voice search system. When someone makes that mistake her retort is something along the lines of why don't you ask Alexa to make that call for you. All this is very much in keeping with the Apple's brand which has long espoused individuality over conformity.

Indeed, Siri seems more persona than product. It is not always necessary for AI to develop specific personalities. Since there are brands that already have their personalities and therefore AI is not needed to create a distinct personality for them. So, keep in mind that AI is not there to develop specific personalities because brands are already brands already have personalities. So, AI should reinforce that personality.

But consider how a technology like Siri or Alexa has already become so closely associated with Apple and Amazon brands. As a result, personality training is becoming such a serious business and people who perform their task can come from a variety of backgrounds. Take for example Robin Ewing who used to develop and pitch TV scripts to film studios in Hollywood. As now Ewing is deploying her creative talents to help engineers develop the personality of Sophie an AI program in the healthcare field. As one

of its tasks Sophie reminds consumers to take their medication and regularly checks with them to see how they are feeling.

At Microsoft a team that includes a poet, a novelist and a playwright is responsible for helping to develop Cortana's personality. In other words, executives may need to think about how best to attract and retain different types of talents that they never needed before. In the future companies might even be incorporating sympathy into their AI systems. That may sound far-fetched but the startup Coco which is from the MIT media lab has developed a machine learning system that can help chatbots like Siri and Alexa respond with sympathy and depth to people's questions. Humans are now training the Coco algorithm to respond more sympathetically to people who might for example be frustrated that their luggage has been lost, that the product they purchase is defective or that their cable service keeps on going on the blank.

The goal is for the system to be able to talk people through a problem or difficult situation using the appropriate amount of empathy, compassion and maybe even humor. The third is the curious incident of brand disintermediation. As AI systems increasingly become the anthropomorphic faces of many brands those brands will evolve from one-way interactions, brand to consumers to two-way relationships. Furthermore, as those systems become increasingly capable, they could potentially lead to brand disintermediation, that is reduction in the use of intermediaries between producers and consumers. Disintermediation occurs whenever a step in the supply chain is eliminated.

Alexa for example can already orchestrate a number of interactions on behalf of other companies allowing people to order pizzas from Domino's, check their Capital One bank balance and obtain the status updates of Delta flights. In the past companies like Domino's, Capital One and Delta owned the entire customer experience with their customers. Now with Alexa, Amazon owns part of that information exchange and controls a fundamental interface between these companies and their customers, and it can use that data to improve its own services. This might be one reason why Capital One, which initially had built capability on top of Alexa, recently developed and introduced its own chatbot Pino. And then there are ethical challenges.

Amazon, for example, recently added a camera to its Alexa eco-platform so the company can use its AI technology to offer personality driven fashion advice. But what are ethical issues of potentially collecting photos of barely dressed consumers? And as these AI systems become increasingly adept at communicating, they could appear to act as a trusted friend, ready with sage or calming advice. Have companies adequately considered how such applications should respond to questions that are deeply personal? In 2016 JAMA Internal Medicine Study looked at how well Siri Cortana, Google Now and S Voice from Samsung responded to various prompts that dealt with mental or physical health issues. The researchers found that the bots were inconsistent and incomplete in

their ability to recognize a crisis, respond with respectful language and refer the person to a helpline or health resource. For companies that are implementing such AI systems and in-house ethicists should help navigate the complex moral issues.

With many new innovations the technology often gets ahead of businesses ability to address the various ethical societal and legal concerns involved. With AI any issues become all the more pressing as those systems increasingly become the face of many company brands. As Amazon CEO Jeff Bezos once remarked, your brand is what other people say about you when you are not in the room. And that would presumably hold true even if your AI system might be listening. Now let us look at brands as human experience using AI.

The deployment of AI is transforming the consumer experience in today's always on environment. Thanks to AI our shopping experiences are efficient and easier. Our search is more meaningful, and material and our entertainment consumption is customized and curated. Customized and curated. Virtually all of our modern-day interaction with brands are driven by backbone of an AI algorithm.

AI has become so pervasive that it is both expected and invisible to the average user. As a result, consumer's choice has exploded, and you don't have to be Amazon or Google for AI to have a big impact on your brand. Every brand today is touched by AI in some way. Take an Uber, the platform loves how to appropriately deploy enough drivers based on volume.

Use Yelp to rate a restaurant. AI is used to rank and sort meaningful data. The whole of social media is driven by AI. That is why it is such a big deal when Facebook announces changes to its newsfeed algorithm. Even brands that don't deploy AI internally are affected by AI externally.

So, you cannot be left alone. Even the smallest of the companies needs to be concerned about search engine optimization, Google rankings and keyword search. Because AI algorithm shifts through data and refine relevant results. After all, how are people going to find you if you don't rank? AI in the brand environment allows companies to gather information, study human behavior, act on insights to enhance experience. So, these are the three things that it does. Gather information, then study human behavior and act on insights to enhance your experiences.

In short, AI allows brands to learn from human behavior in a way that was hard to imagine even a decade ago. Brands nowadays need to offer holistic experiences to their customers made up of multiple touchpoints which can potentially offer meaning to consumer's life. Holistic, Integrated Technological changes have influenced consumers' expectations regarding a seamless brand experience throughout all touchpoints almost

giving a human-like experience of brands, increasing the demand on brands. Because of this, brands need to continuously adapt and implement new technologies to offer customers a coherent brand experience, coherent and seamless and integrated. The changes within the field of brand management have led brands to exist in a complex environment in which companies are required to fully comprehend how to capture consumers' attention and create real value for their target group in order to build a strong brand.

The objective of companies using AI is to build their brand experience for users by using AI to improve the customer journey. Companies can boast content performance, understand their audience and personalize their content for the users. Content performance, how the content is performing, understand their audience and then personalize that content, personalize this content for the users. So, human experience using AI, this is an example. So, this is giving the weight and detail and details and distance and and steps and so on so forth.

In this day and age, there are multiple fitness apps including Under Armour apps that track your fitness, weight loss and calories. Under Armour has made an app called record which can automatically detect and record your progress 24 by 7 all by itself. This app can track your sleep, steps, heart rate, calories burned etc. It behaves like a fitness watch. Besides putting in your calorie intake, the app can collect all the information on its own.

So, you have to just give your calorie intake. All other information will be collected by the app itself. From your information, the app can make and suggest certain healthy habits and workouts. This IBM cognitive coaching system is an experience design based solely on the consumers. Now, let us look at what makes an AI device human like. So, let us the first thing is consumer's acceptance of AI anthropomorphism in brand and the first is perceived anthropomorphic characteristics of AI.

Brand anthropomorphism is an important concept for marketers as well as a relevant and valid predictor of both brand trust and brand commitment. There have been divergent results on the impact of anthropomorphic characters in the acceptance of artificial intelligence. Anthropomorphizing a less intelligent entity can be a useful strategy for its adoption. While a device equipped with a strong intelligence might be perceived as a threat to human identity. Since artificial intelligence brings several advantages in the interaction between consumers and companies regarding both increased efficiency of processes and financial gains, incentives must be developed to properly integrate AI as a communication interface between consumers and brands.

Accepting AI devices is not just about efficiency, fascination and gratification but also involves deeper social, emotional and empathetic aspects. So, now keep in mind that when we are accepting AI devices, it is not only about efficiency, fascination and

gratification but something more deeper. For example, social, emotional and empathetic aspects. The need for anthropomorphized AI devices and products for consumers depends to a great extent on social dispositional factors such as consumers' social life, their relationship with peers or social orientation in their local culture. The second is the need for empathy in human AI interaction.

Empathy can be defined as a combination of emotional reactions and the cognitive understanding of other people's experiences and feelings. Because of the importance of mutual understanding between consumers and service agents, empathy is an important concept in the relationship marketing and in the service industry. Similar to the empathetic human employees who can increase their satisfaction and relationship quality between a consumer and a brand, the existence of a form of empathy in the relationship between AI devices and consumers can increase acceptance and trust towards these. Taking into consideration the fact that AI devices already have a higher ability to individualize offered services because of their capacity to analyze greater datasets. AI also has the ability to focus on the specific needs of consumers, consequently showing a form of empathy.

The third is interaction quality in human AI relations. The implementation of AI devices in different service industries requires communication between consumers and AI so that the desired service can be provided. Interactivity is one main predictor of consumer engagement with mobile applications or chatbots. So, this interactivity will lead to satisfaction that is meeting expectations by way of consumers engagement. Consumers are willing to interact with AI devices, but the messages in the consumer AI interactions are shorter and less extrovert or self-disclosing than consumer-human-employee interactions. However, consumers tends to interact for a longer time in the case of human like chatbots or AI devices.

In computer science and engineering, anthropomorphism has played a crucial role in designing computer-human interactions as they seem to facilitate social behavior. This approach is sustained by the computers as social actors theory, according to which individual expects computers and different media to act like social actors in compliance with the existing rules of the society. So, now computers are social actors. Therefore, the same expectation is applicable to other devices also, for example, artificial intelligence devices. According to this theory, consumers expect AI to be empathetic like human employees.

But the lack of empathy and personal touch as well as the inability to deal with complex situations make human reluctant to use AI devices in certain situations. The fourth is acceptance and trust towards AI. The role of AI in our society. Human-like behavior of AI increases the perception of consumers that they are interacting with another social entity and not a machine or computer. Anthropomorphic behavioral characteristics such

as friendliness increase the consumer's willingness to interact and develop affective relations with AI devices.

Future Robo with self-expressive abilities could start to play a proactive role in buying decisions and might be considered equal to humans. Their increasing importance as intelligent assistants has strengthened their role as an interface between consumers and brand. There are different negative scenarios in which AI devices will become more intelligent than their creators. Being self-aware, capable of scientific creativity, gaining social skills which will increase their independence in the society. Derived from these characteristics, negative or pessimistic scenarios about the development of AI have been forecasted.

All these negative scenarios about the development of AI devices raises a certain skepticism in consumers' mind. It is therefore important to gain trust and acceptance of AI among consumers and humans in general. Therefore, to benefit from the advantages of AI, it is important to set clear rules about what AI is and is not allowed to do. To establish proper regulations regarding the use of AI and its technological boundaries. So, in order to conclude this module, we have discussed AI agents as means of achieving brand anthropomorphism.

Then we have studied implications for human-like AI technologies to act as possible brand ambassadors. Then we have discussed about the human experience of using AI augmented brands. And we finally discussed how AI devices achieve human-like characteristics and the important pointers for acceptance of AI anthropomorphism in brands by the consumers. And these are the 6 sources from which the material for this module was taken. Thank you.