# BEYOND THE BARCODE

Artificial Intelligence and the Future of Marketing

WHY USE AI?

Most consumers today own smartphones and are constantly connected to the world through these mini mobile computers. As our society has become more dependent on devices, consumer interest has driven advancement in artificial intelligence that is transforming the world we know today. This technological revolution begs the question: How will AI impact the CPG industry?

Learn more about how you can use AI to impact your brand in this edition of Beyond the Barcode: Artificial Intelligence and the Future of Marketing.
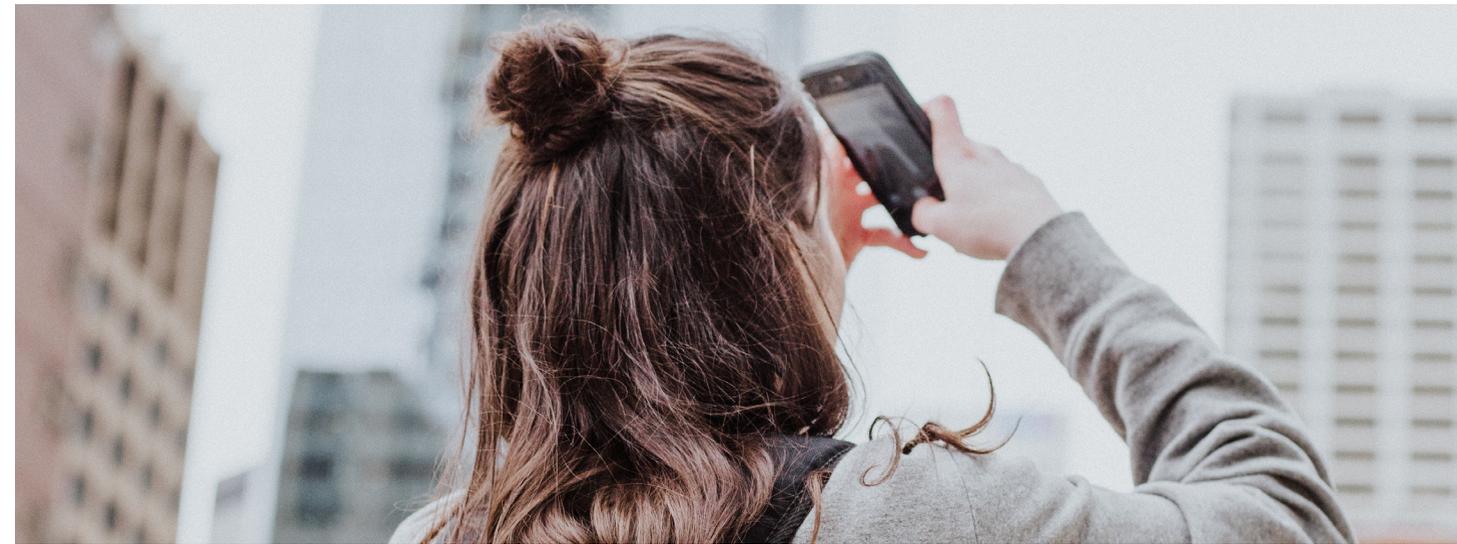
21 HOURS
Average time spent on phones/tablets each week
Source: Nielsen

THE FUTURE IS AI

Over the past few decades, the use of computers and the internet has grown at drastic rates, becoming intricately woven into almost every aspect of modern life.
Source: US Census Bureau

By 2020, 85% of customer interactions will be managed by AI
Source: Symphony Retail

In 1984, 8% of households reported owning a computer. By 2016, 89% of households had one
Source: US Census Bureau

89%
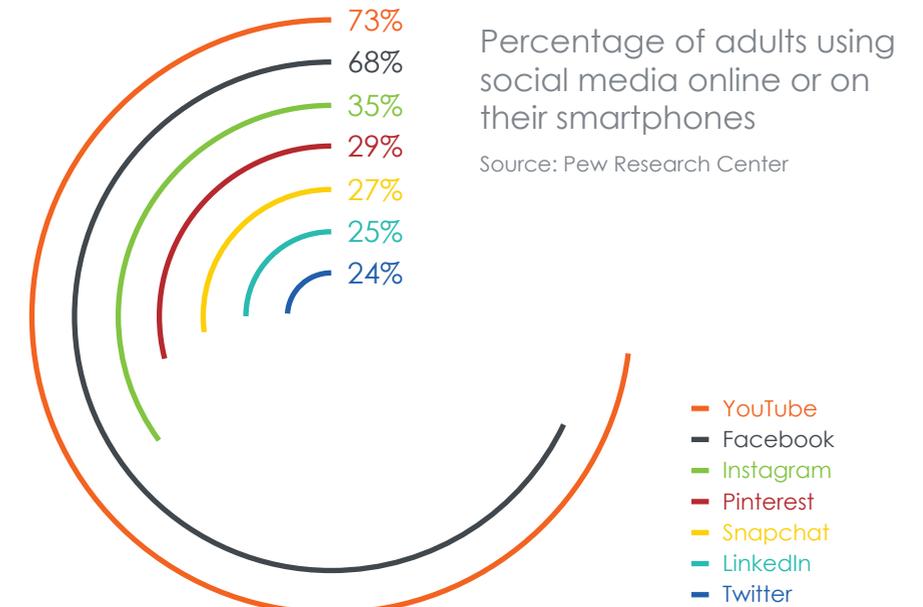
8%

1984

2016

CUSTOMERS ARE MORE ENGAGED

95% of Americans own a cellphone and of that, 77% own a smartphone. Through the use of smartphones, over 75% Americans go online at least once daily.

The typical smartphone user is more urban, well-educated, and higher income. There is no significant difference between genders and races.
Source: Pew Research Center

20%
of consumers are smartphone-only internet users
Source: US Census Bureau

Urban   Educated   High-Income

73%
68%
35%
29%
27%
25%
24%

Percentage of adults using social media online or on their smartphones
Source: Pew Research Center

— YouTube
— Facebook
— Instagram
— Pinterest
— Snapchat
— LinkedIn
— Twitter

FACIAL RECOGNITION

Marketers depend on the accuracy of demographic research to maximize return on their investment. AI removes generalizations and takes the guesswork out of research in a way that would never have been possible years ago.

Through machine learning and natural language processing (NLP), targeted marketing has become more sophisticated than ever before. CPG brands can harness this technology to increase brand awareness and build a loyal customer base.

Walmart has patented technology that would enable cameras to capture shoppers' facial expressions while in the checkout lines so it could measure levels of dissatisfaction or satisfaction.
Source: Forbes

Consumers who research online are 2.4x more likely to buy and spend 2.6x more than those who don't.
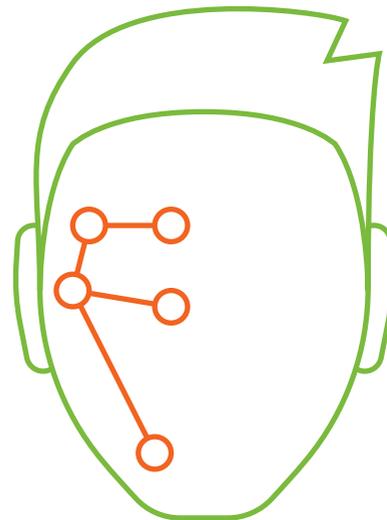Source: Salesforce

Your faceprint can be scanned at a distance. It's created by measuring distances between points on your face

Facial Recognition can be used to recognize your:

identity   age   gender   ethnicity

76
77
78

NATURAL LANGUAGE PROCESSING

Natural Language Processing (NLP) is a machine's ability to understand, analyze, and generate human speech. A computer listens to a natural language spoken (or written) by a person, processes the meaning and responds. NLP can allow retailers to request detailed information about a specific store, product, shipping method or other topic without touching a PC simply by using their voice and then getting a systemtic answer from the AI solution. Additionally, NLP allows marketers to target consumers by supplying relevant advertising based upon need states and emotional connections to brands/products.
Source: Symphony Retail

Panic! At The Disco killed it last night!
name   positive verb   timing
Emotion: Excitement

STRATEGIC PARTNERSHIP

Nielsen Connect is inspiring companies to glean more value from their data and sparking a movement for the industry to reimagine its approach to data strategy.

Through advanced analytics and artificial intelligence services built on Microsoft Azure, Nielsen Connect is helping companies integrate data assets to more easily spot emerging trends, diagnose performance gaps, and act faster on opportunities to grow.
Source: Cision PR Newswire

AI Can:

Spot Emerging Trends

Diagnose Performance Gaps

Act on Opportunities
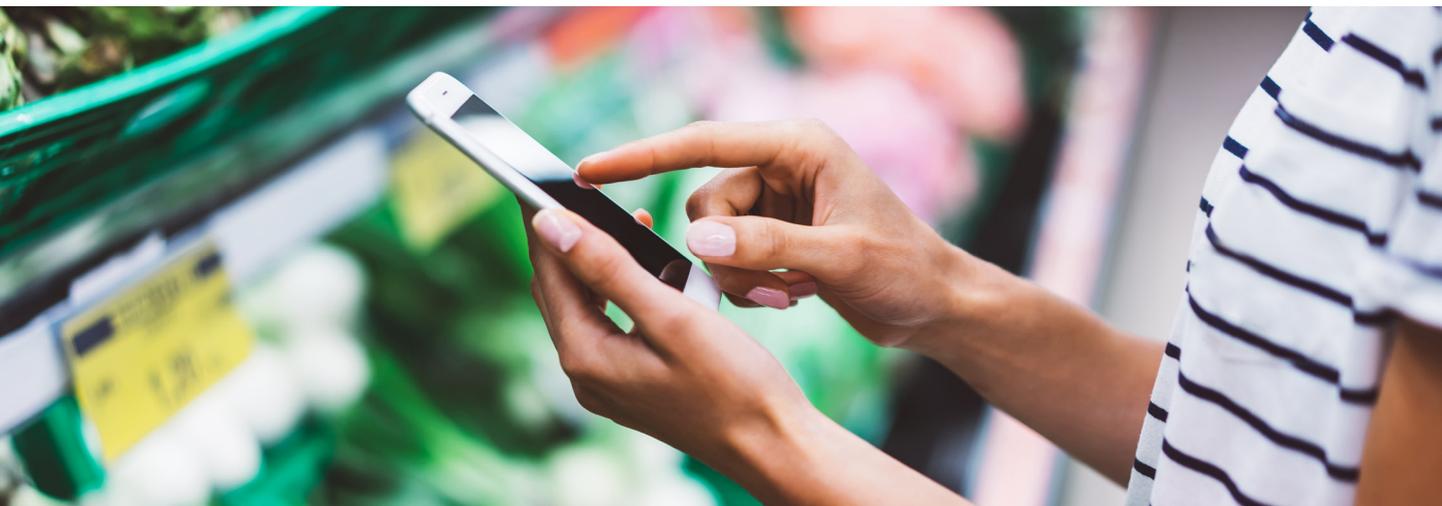
STRATEGIC SITE SEARCH

Artificial intelligence has transformed the retail shopping experience through generating personalized product recommendations. Consumers can now easily locate the right product at the right time. "Product findability" will improve drastically in 2019 as AI is applied to search in immensely impactful ways.

According to Salesforce Predicts Retail in 2019: "AI-based image recognition and product matching technology will play a critical role in [product findability]. Simply put, your camera is now the new search box. We know from research that shoppers use their phones to search while browsing in stores to greater and greater degrees. This means that the camera will soon become the search box for the physical store. AI's next frontier in 2019 will be to help shoppers search through clicks, not taps. Search is becoming visual in 2019, and AI is the secret sauce to make it happen."

Source: Salesforce

> AI takes personalization to the next level, based on situation, location and views. Personalized advertising means consumers won't be bombarded with unwanted advertising, improving brand perception and reducing costs for CPGs.
>
> Source: PWC Global

AI CHANGES THE MARKETING LANDSCAPE

'Artificial intelligence will allow marketers to become more effective' - agree or disagree

10%   2%

46%

42%
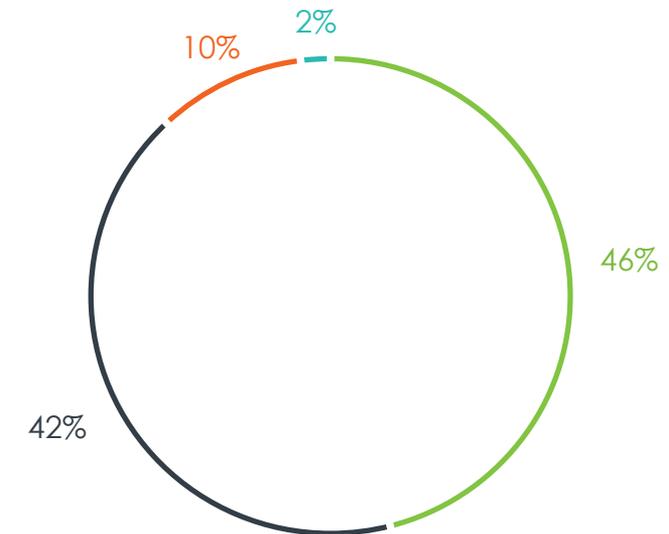
- Strongly Agree
- Somewhat Agree
- Somewhat Disagree
- Strongly Disagree

The increasing complexity of the CPG landscape and sheer volume of data available makes AI more important than ever before. AI enables marketers to synchronize data across channels, develop actionable insights from consumer interactions, serve more relevant content to targeted audiences, and adjust programmatic campaigns on the fly, all while ensuring privacy compliance.

Source: Media Math

MARKETING USES AI

Marketers were most likely to be using AI for audience targeting, with 47% of respondents selecting it. Audience segmentation and dynamic creative were a close second and third.

Are you planning to use artificial intelligence in your online advertising?

	Currently Using	Planning to Use	No Plans to Use
Audience Targeting	47%	34%	19%
Audience Segmentation	45%	35%	20%
Dynamic Creative	42%	27%	31%
Campaign Planning & Modeling	41%	30%	29%
Media Spend Optimization	39%	31%	30%
Personalized Offers	38%	35%	27%

— Currently Using   — Planning to Use   — No Plans to Use

Source: Media Math

Audience Targeting

More than 81% of marketers are either planning to, or are using, AI in audience targeting. Marketers can use AI to objectively find the right consumer based on need states, their interests, and past behaviors rather than on static factors or demographics.

Audience Segmentation

AI has made significant advancements in the ability to segment consumer groups. As the digital ecosystem becomes increasingly complex, the ability to move consumers in and out of audience segments in real time creates a competitive edge. Spending decisions are made within minutes or hours of browsing a product. It is critical that a consumer is served appropriate advertising at the right time; speed is now the key to success.

Dynamic Creative

Dynamic creative enables marketers to craft experiences that resonate with the proper audiences. Two-thirds (69%) of advertisers are planning to – or are using – dynamic creative in their campaigns.

In an omnichannel world, marketers need to take advantage of the immense amount of data technology has made available. Investing in an infrastructure to make data easily accessible allows marketers to take full advantage of AI capabilities. Data is driving companies to deeper insights to create more effective advertising campaigns than ever before.

Source: Media Math

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