

THE POWER OF PRINT

Artificial Intelligence Is Real: Upsides and Downsides

Artificial Intelligence (AI) is a big story these days. It's on a rapid growth trajectory with the potential for world-changing impact, but it poses significant risks to Marketers focused on digital marketing, reinforcing the value and effectiveness of mail-delivered print.

97%

Of Mobile Users
Chatted with
AI-Powered
Voice Assistants
in 2023¹

AI is exploding, showing real value in its ability, among other benefits, to empower hyper-precise marketing personalization, along with dangers such as questionable integrity of data and outputs. Both support the case for keeping print in the marketing mix.

\$1.8tn

\$1.8 Trillion
Projected Global
AI Market by 2037²

Most agree that AI will be a game changer, with impacts both immediate and far-reaching, exciting and frightening. What is AI, exactly? How does it work, in layman's terms? What are its use cases for marketers? What are the dangers? Read on.

AI BASICS: ARTIFICIAL INTELLIGENCE AND MACHINE LEARNING

AI is the science of leveraging data to enable machines to think and make decisions like humans. There two general types—predictive, which is focused on analyzing data to predict future events, and generative, which leverages huge databases to complete a wide variety of tasks.

Machine learning is an application of generative AI that trains computer systems to perform specific tasks without explicit programming. In its more advanced forms, it uses artificial neural networks—complex algorithmic structures modeled on the human brain—to process huge amounts of unstructured data from across the internet for guiding popular applications such as Apple's Siri, Google Assistant, ChatGPT and an ever-growing number of others.

HOW MARKETERS ARE USING AI

In retail, AI and machine learning can improve demand forecasting, make pricing decisions and optimize product placement. AI also enables new levels of precision in customer segmentation, using behavior and psychographics data to create ads, content and images aimed at very specific segments.

With the ability to adjust continuously based on performance and feedback as well as predict how customers will react and respond, AI has the potential to open entirely new frontiers in marketing and advertising.²

AI-DRIVEN SEARCH: A MARKETING GAME CHANGER

In traditional search, users type in a query and advertisers pay browsers to show their website links in ranked results. AI-driven search delivers greater relevance and precision by taking into account objective factors like user browsing history, intent commonly associated with words used, and highest-performing results from similar searches, among others.

AI-based search utilizes computer programs called chatbots to generate human-like responses and create a more conversational feel to the experience. With chatbots, the average query length and number of searches are increasing while overall search time is decreasing.³ One burning question for marketers: How will paid ads fit into the conversational nature of searches where a chatbot is expected to provide unbiased responses?

AI RISKS

There are a number of risks related to AI technologies that are emerging, ranging from IP issues to audience manipulation and misinformation.⁴

Copyright infringement is a major one. If data or content utilized in AI applications like ChatGPT is copyrighted, it could constitute infringement. In fact, there are currently a number of cases involving large plaintiffs like *The New York Times* and *Wall Street Journal* in progress.⁵

AI represents a double-edged sword, with exciting potential and issues to consider for marketers and other decision makers.

There appear to be deeper dangers. In March of 2023, more than 1,000 tech leaders and researchers called for a moratorium on development of AI systems because of “profound risks to society and humanity,” as reported by the *New York Times*. Among their concerns: misinformation, and AI’s potential to use it with unprecedented effectiveness to influence beliefs, emotions, and behaviors across large populations.⁶

AI also can be used to skew marketing and advertising data by manipulating views, likes, comment sections, search results, reach and frequency metrics, among others. Case in point: Last year Spotify took down tens of thousands of songs because of the suspected use of AI bots to create the songs and inflate their streaming numbers.⁷

It’s not easy to tell when AI is involved in digital marketing. For many, AI’s issues around misinformation, inaccurate results and potential copyright infringement put the credibility of all digital marketing in question. If anything, the effect of these AI downsides magnifies the benefits of print and direct mail.



PRINT: IMMUNE TO AI DOWNSIDES, BENEFITING FROM THE UPSIDES

Emails get significantly lower open rates than direct mail, thanks to growing use of spam filters.⁸ In addition, once opened, mail-delivered print has proven to enjoy longer attention durations than electronic media marketing.⁹ Both of these advantages are unaffected by AI.

The lack of human involvement in the growing trend of AI-driven programmatic advertising elevates the chance that your ad or marketing message appears near brand-damaging objectionable content such as hate speech,¹⁰ also not a concern with mail-delivered print materials. And assuming that your print communications are properly vetted, your brand is also safe from the effects of inaccurate or manipulated AI-generated content.

At the same time, the precision engagement benefits of AI—its ability to mine vast amounts of customer and consumer data for new insights on attitudes, preferences and trends—can only help print become more relevant and targeted. With AI rapidly automating so many facets of marketing, keeping print in the mix provides both proven performance and a much-needed human touch for your brand.

— Source 1: “AI Statistics & Enterprise Adoption—2023 Trends & Insights,” Sybill AI, November 8, 2023

— Source 2: “Eight Analyst Predictions on the Future of ChatGPT and Generative AI in Marketing and Retail,” Insider Intelligence/eMarketer, April 21, 2023

— Source 3: Microsoft Rolls Out New Chat Ads API as Part of Ad Blitz,” Marketing Dive, May 8, 2023

— Source 4: “AI-Powered Marketing and Sales Reach New Heights with Generative AI,” McKinsey, May 11, 2023

— Source 5: “AI: The Latest Big Tech Assault on Publisher Revenues,” What’s New in Publishing, April, 2023

— Source 6: “Despite Concerns Over AI, Brands Leverage It for Creative, Attribution,” MediaPost, May 12, 2023

— Source 7: “AI is Eating Our Industry—and Maybe the World,” MediaPost, May 12, 2023

— Source 8: “The 2023 Spam Report,” Orbit Media Studios, DataProt, 2023

— Source 9: “The Time We spend with Mail,” A JICMAIL Attention Study, June 2023

— Source 10: EMARKETER forecast, 2023



billerud.com

