

## It's time for AI to finally walk the walk for marketers (and customers!)



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I'm not ashamed to admit I'm an old-timer when it comes to Marketing Technology. I've been building products for the last 15 years that have promised to automate the mundane and make a marketer's life easier (and make them more money!) while improving the customer experience. I'd like to think I've had some success in this, but I don't envy the CMO. The range of technologies available to them is daunting – from DSPs to CDPs, marketing clouds to best-of-breed standalone platforms, it's a pretty overwhelming choice.

This promised land for marketers was supposed to become even more of a reality around five years ago, when AI entered the scene as the next shiny new object. And since then, AI-driven platforms and capabilities have been seen by many CMOs as "must-haves", even though they've rarely lived up to the hype. So why has the promised land not yet been realized?

Here are three challenges that AI for marketing faces:

### **1) What you put in is what you get out.**

The world's best boffins can create seemingly bulletproof algorithms or machine learning methods that automate marketing. But those algorithms are often only as good as the fuel they are supplied – the data. For example, personalization has long been a target use case for AI in marketing, be that product recommendations, behavioral targeting, or even one-to-one personalization. But the effectiveness of AI is constrained by what it knows about the customer. If, as a brand, you can't provide high quality, consistent customer profile data, it doesn't matter how good the machine is; it just won't work.

### **2) Trust in the machine (or not).**

In my experience, marketers are inherently cautious when it comes to handing over control to a machine. And rightly so – being brand safe is just as important as finding ways to automate and scale. The "set and forget" or "black box" approach of many AI marketing technologies puts unnecessary risk on a brand's reputation, as well as its ability to correctly engage with its customer base. Marketers are also rightly concerned by the "message overkill" that some automated approaches can lead to; customers can become weary very quickly if automation leads to cross-channel, cross-device stalking. The answer here is that often there needs to be human oversight, but how do you balance this with the benefits that automation can bring?

### **3) AI for AI's sake.**

Many CMOs feel pressured to invest in AI just because they think they're supposed to, rather than focusing on the business problem they are trying to solve. There is no doubt that AI can help solve real customer challenges. CMOs need to focus on those and pick a solution that can clearly demonstrate a solution and prove a return. It's also important to start small and then increase investment in these tools once they have shown success, rather than investing huge sums of money upfront without having clear and measurable metrics for success.

## And now, let's talk about language

I'd like to take a quick detour here and talk about the role of language in marketing and customer experience. (This is related to AI, so bear with me.) To state the obvious, **language is one of the most powerful tools a marketer has to connect and engage with their customers**. The wrong language can leave us cold. But when marketers get language right, **the impact can be huge**. Consider the great slogans of our time – "Just do it", "Think different", "I'm lovin' it", "Because you're worth it", "Breakfast of champions".

When it comes to language, it seems more emotional rather than scientific or data-driven – but it doesn't have to be. It's possible to take a data-driven approach to language, which can deliver emotive messages that **amplify the essence of your brand**. If marketers get their message right, they can not only improve their bottom line, but create an engaged and loyal customer base.

So what does this have to do with AI? Well, AI makes it possible. Natural language generation (NLG) is a field of AI that has been around for decades, but when you combine it with deep learning and optimization techniques, **you get a powerful tool** that can solve a real marketing problem: how do I get the right message in front of my customers at the right time and make it **consistent across channels**?

In the last few months, NLG has become more prevalent in the media with the release of GPT-3, a huge pre-trained language model that can be used to generate human-like text. But it still suffers from some of those challenges that I outlined earlier – it is truly a black box approach, with no human oversight. The result of this is that whilst it can generate diverse and creative language for use in marketing, it can also suffer from what we call "hallucination". This is where the generated language leaves out critical information, or even worse, produces language that is offensive or completely off-brand. A quote I love from a recent article on GPT-3: *"It is like coaching a super-intelligent cat into learning a new trick: you can ask it, and it will do the trick perfectly sometimes, which makes it all the more frustrating when it rolls over to lick its butt instead."*

The answer to this conundrum is what Phrasee has built. The Phrasee platform **combines proprietary NLG, deep learning and optimization** with human-specified guardrails that ensure **all language is on-brand** and tuned to the needs of each marketing campaign.

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This combination solves the three challenges for AI:

1. It's trained only on your brand voice so that **every message it generates is on point**.
2. It provides scale and automation, but has human oversight and approval workflows built in to **give marketers the confidence they need**.
3. It solves a real problem and proves its ROI. It **finds the optimal message to send for each campaign** and calculates the impact in dollars and cents.

But it's not just about the bottom line. Our **work with Walgreens** during the COVID-19 pandemic has been vital to the pharmacy giant's efforts to vaccinate as many customers as possible. The goal was simple: a higher email open rate would mean more people reading critical information on vaccination appointments. Phrasee's ability to generate optimized language **drove a 30% average email open rate uplift**, and therefore helped Walgreens deliver an invaluable public health benefit.

Our collaboration with Walgreens has enabled it to understand where it needs to simplify messaging, and where it needs to tone down/up its brand language. It's all about **consistency, authenticity and creating optimized messaging** throughout the entire end-to-end customer experience.



## A customer-focused future

If anything, brands are even more aware of the value of language today than in the pre-COVID-19 world. Connecting with customers has become more nuanced – **communication must be mindful** and attuned to the new priorities of consumers. Diverse and inclusive messaging is a must, and so a marketer's tools need to be sophisticated enough to accurately reflect the brand values of its clients as they navigate a quickly evolving landscape.

In a recent survey Phrasee conducted with Dynata, 30% of respondents say that their CEO pays more attention to the power of language now than before the COVID-19 pandemic. 64% report that COVID-19 has made language more important than ever in helping them connect with customers. 71% expect to focus more on content and language when they do their next marketing plan and budgeting.

**The pandemic has changed how brands connect with their customers.** It's created a huge new captive digital audience, as consumers and advertising dollars shift from the storefront to the screen. It's driven a surge in demand for world-class content. And it's **placed language at the heart** of any customer experience strategy.

Yes, it's a more challenging world for marketers than the one we knew in 2019, but one full of opportunity if you have the right tools in hand.

**Matt Simmonds** is an experienced product, engineering and design leader focused on marketing and advertising technology. Matt has deep expertise building complex marketing automation platforms, ensuring they both solve the real problems marketers face, whilst making the user experience as seamless and self serve as possible. Prior to Phrasee, Matt was CPTO at Partnerize the leading Partnership Automation platform and has also held leadership positions at Oracle, GroupM and Yahoo!. Matt holds a BSc in Economics from the London School of Economics and an MSc in Computer Science from Imperial College London.