The Power of Artificial Intelligence

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The Role of AI-Powered Tools

With OpenAI, ChatGPT and other generative artificial intelligence tools amassing in popularity, marketers are once again turning their attention to the potential capabilities that artificial intelligence (AI) can bring to the marketing industry and the impact AI can have on business transformation. Artificial intelligence is continuing to rapidly transform the digital marketing landscape, enabling businesses to gain deeper insights into their customers, optimize their ad campaigns, and personalize their marketing efforts. As the volume of digital data continues to increase exponentially, traditional marketing techniques are becoming less effective. That's why AI has become an essential tool for marketers, allowing them to leverage machine learning algorithms and predictive analytics to better understand their audience and deliver more relevant and engaging experiences. In this white paper, we will explore three key ways artificial intelligence is improving digital marketing performance: **improved audience targeting, optimized ad campaigns, and enhanced customer insights.**

Improved Audience Targeting

With the growing competition in the digital space, businesses are now looking for ways to optimize their ad campaigns and reach the right audience more efficiently. One of the most effective strategies is audience targeting, which involves identifying and targeting people who are more likely to convert into paying customers. This approach requires advanced technology and tools that can help businesses analyze their target market and deliver personalized messages to each audience segment.

AI-powered predictive audience targeting is one such tool that uses machine learning algorithms to identify the ideal audience for a particular campaign. By analyzing historical data and behavior patterns, AI algorithms can predict which audience segments are more likely to engage with the campaign and take the desired action. Once the target audience is identified, businesses can use AI-powered bidding algorithms to determine the optimal bid amount for each ad placement. These algorithms use various signals such as device, location, time of day, re-marketing lists, language, and operating systems to make bid decisions. This ensures that businesses get the maximum return on their ad spend while reaching the most relevant audience. This is largely due to the fact that with AI-powered algorithms "you can cast a wider net to find more valuable converting customers while maintaining relevance and ROI. You can also help shorten the "learning period" and accelerate AI's ability to drive results by sharing the unique insights you have about your customers" (Google).

Optimized Ad Campaigns

Dynamic creative is another tool that leverages AI to serve up personalized messages to each prospect. By analyzing user behavior and preferences, dynamic creative platforms can serve up the optimal combination of creative components such as headlines, descriptions, images, CTAs, and landing pages that are most likely to convert each prospect. This is utilized in Google's Performance Max, which is built on AI and uses predictive metrics to optimize ad campaigns. Performance Max also incorporates advanced features such as attribution modeling, budget forecasting, and data-driven attribution to help businesses make informed decisions and optimize their ad campaigns for maximum performance. At Location3, we already leverage Performance Max campaigns in addition to other AI-based Campaign types and ad formats on behalf of our partners, including Dynamic Search Ads, Responsive Search Ads, and Responsive Display Ads.

Enhance Customer Insights

Another challenge that businesses face in the digital space is data signal loss due to the deprecation of third-party cookies. This can impact their ability to track and measure campaign performance accurately. However, AI can help to fill in measurement gaps by intelligently combining a marketer's first-party data with other available signals (Think with Google). By leveraging the power of AI, businesses can continue to deliver personalized and effective ads while measuring campaign performance accurately in a post-cookie world.

In conclusion, audience targeting, and media campaign optimization are critical to the success of any digital advertising campaign. With the help of AI-powered tools, businesses can gain efficiency in analyzing their target markets, identifying their ideal audiences, and delivering personalized messages that are more likely to convert. AI-powered bidding algorithms, dynamic creative, and attribution modeling are just the beginning of some of the tools leveraged by artificial intelligence that businesses can use to optimize their ad campaigns and achieve better results.

At Location3, we utilize this power of artificial intelligence to ensure campaigns are optimized and efficient for every marketing dollar. If you are interested in learning more about how we leverage artificial intelligence in our marketing campaigns, we welcome the opportunity to speak with you more about your marketing goals and how we can advance your marketing strategies.

Generative AI and How It Changes Content Strategies and Ad Creative

Artificial intelligence (AI) can be broadly classified into two categories – narrow AI and generative AI. Narrow AI systems are designed to perform specific tasks within a limited domain, and are proficient at executing these tasks. In contrast, generative AI systems can perform a wide range of tasks and can learn and adapt to new situations. A great example of Narrow AI are the first versions of chatbot assistants (Apple's Siri, the Google Assistant, and Amazon's Alexa), these chatbots are only able to provide responses they are programmed with initially. Whereas Generative AI (like ChatGPT) uses deep learning algorithms and neural networks to simulate the human brain's learning and decision-making processes. The primary difference between these two types of AI is that narrow AI is designed to excel at specific tasks, while generative AI has the potential to be more versatile and adaptive. Generative AI can create various types of content, including text, imagery, audio, and synthetic data.

Chatbot Conversations

One of the most common use cases of generative AI is chatbot conversations. Chatbots are becoming increasingly popular in industries such as e-commerce, customer service, and healthcare. These chatbots can answer customers' queries, provide assistance, and even make recommendations. The underlying technology that powers these chatbots is generative AI, which uses natural language processing (NLP) to understand and respond to users' queries in a conversational way. Chatbots continue to rise in popularity also because they help bridge the gap for businesses that are not able to hire a full customer service team. Chatbots can help customers get the answers they need before involving customer service. In fact, "virtual customer assistants help organizations reduce call, chat, and email inquiries by 70%" (Gartner).

Lookalike Audiences

Another application of generative AI is in creating lookalike audiences. In the world of digital marketing, advertisers use generative AI algorithms to find other people that "look like" their first-party customer set. The AI algorithm continually learns and refines its knowledge about people's online activity, creating highly targeted audiences for advertisers.
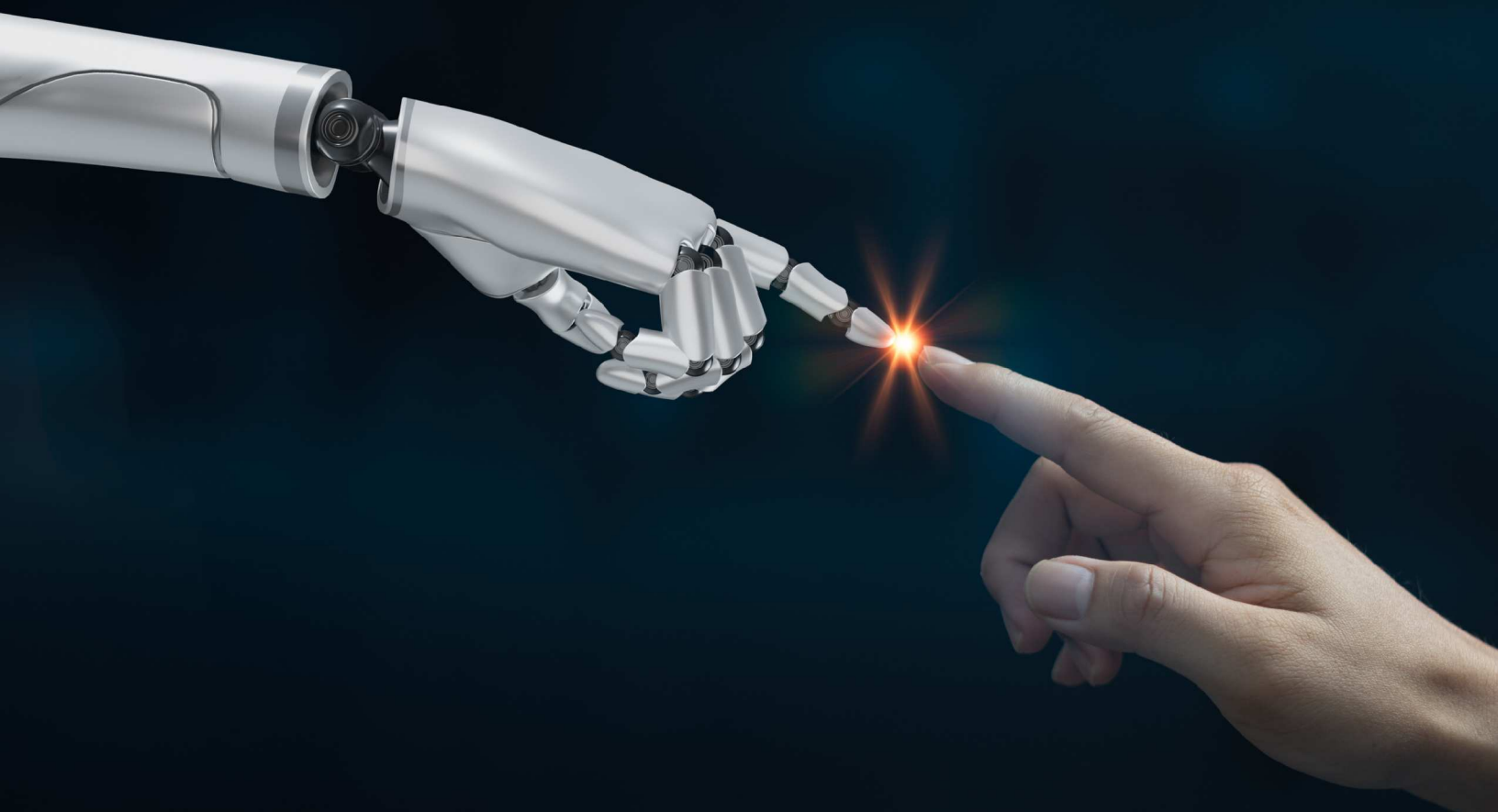
Marketing Copy and Written Content

Generative AI has also found its way into the world of marketing copy and written content. With the proliferation and democratization of AI, tools have emerged that use generative AI to write ad copy and blog content based on a detailed prompt. These tools use machine learning algorithms to generate content that is not only grammatically correct but also highly engaging and persuasive. This is especially helpful for assistance with creating larger sets of ad copy campaigns. When there are more ad copy sets for Google or Facebook to choose from with their responsive ads (also thanks to AI), campaigns can be more optimized and adaptable.

ChatGPT is a model that is rising in popularity to help fill the gap in marketing content and written copy. By leveraging its natural language processing capabilities, ChatGPT can analyze data and generate text that is tailored to the target audience and effectively communicates the desired message. Whether it's creating product descriptions, social media posts, email marketing campaigns, or website copy, ChatGPT can provide valuable assistance in developing content that captures the attention of customers and drives sales. Additionally, with its ability to generate natural-sounding language, it can help businesses save time and resources by streamlining the content creation process.

ChatGPT can also work within various Microsoft apps such as PowerPoint, Word, and others. In these apps, ChatGPT can assist with tasks such as generating text, suggesting language or content, and aiding in the creation of presentations and documents. For instance, ChatGPT can help users draft compelling presentations by suggesting language that is engaging and informative. Additionally, ChatGPT can assist with research by providing relevant information on a particular topic or subject. In Word, ChatGPT can provide suggestions for grammar, sentence structure, and vocabulary to help users improve the quality of their writing. With its advanced language processing capabilities, ChatGPT can understand the context and intent of the user's requests and provide tailored suggestions that can save time and improve the overall quality of their work.

Code Generation

As an AI language model, ChatGPT can work within Microsoft's Copilot as a coding language assistant. When working in Copilot, it can provide suggestions for code completion, offer relevant code snippets, and assist with writing code documentation. By analyzing the context of the code being written and the programming language being used, ChatGPT can provide tailored suggestions that can save developers time and improve the quality of their code. Additionally, ChatGPT can assist with debugging and help developers identify and resolve errors in their code. With its advanced natural language processing capabilities, ChatGPT can communicate with developers using natural language and help bridge the gap between human and machine communication in the coding process.

Audio Content

AI is also making strides in generating audio content. With the advent of AI-powered tools like Descript, technology platforms can learn to sound like a unique person's voice and generate speech that mimics them. This technology has immense potential in fields like podcasting and audiobook production, where it can be used to create high-quality audio content at scale.

Image Generation

Finally, generative AI is also making waves in the field of image generation. Tools like Dall-e 2 and Mid Journey use generative AI to generate incredibly detailed and unique images and artwork based on a detailed prompt. Even companies like Adobe are entering this AI space with their latest release of Adobe Firefly. Unlike Dall-e, Adobe Firefly will also have 3D capabilities and an emphasis on copyright protection. All of these tools have been trained on vast amounts of visual data and use deep learning algorithms to create highly realistic and intricate images.

The rise of generative AI comes with its pros and cons. The quick advancement of this technology is also raising concerns about potential unintended consequences, such as bias, privacy violations, and safety issues. The lack of regulation and oversight to govern AI development and use is creating legal and ethical challenges, highlighting the need for careful consideration of the societal implications of AI. At the same time, generative AI is transforming the way we create content, whether it's in the form of chatbot conversations, marketing copy, audio content, or visual content. As technology advances, we can expect to see more exciting use cases emerge, making generative AI a critical tool for content creation in the future. It will just be a matter of balancing this creation and its uses as it advances, that will be imperative.
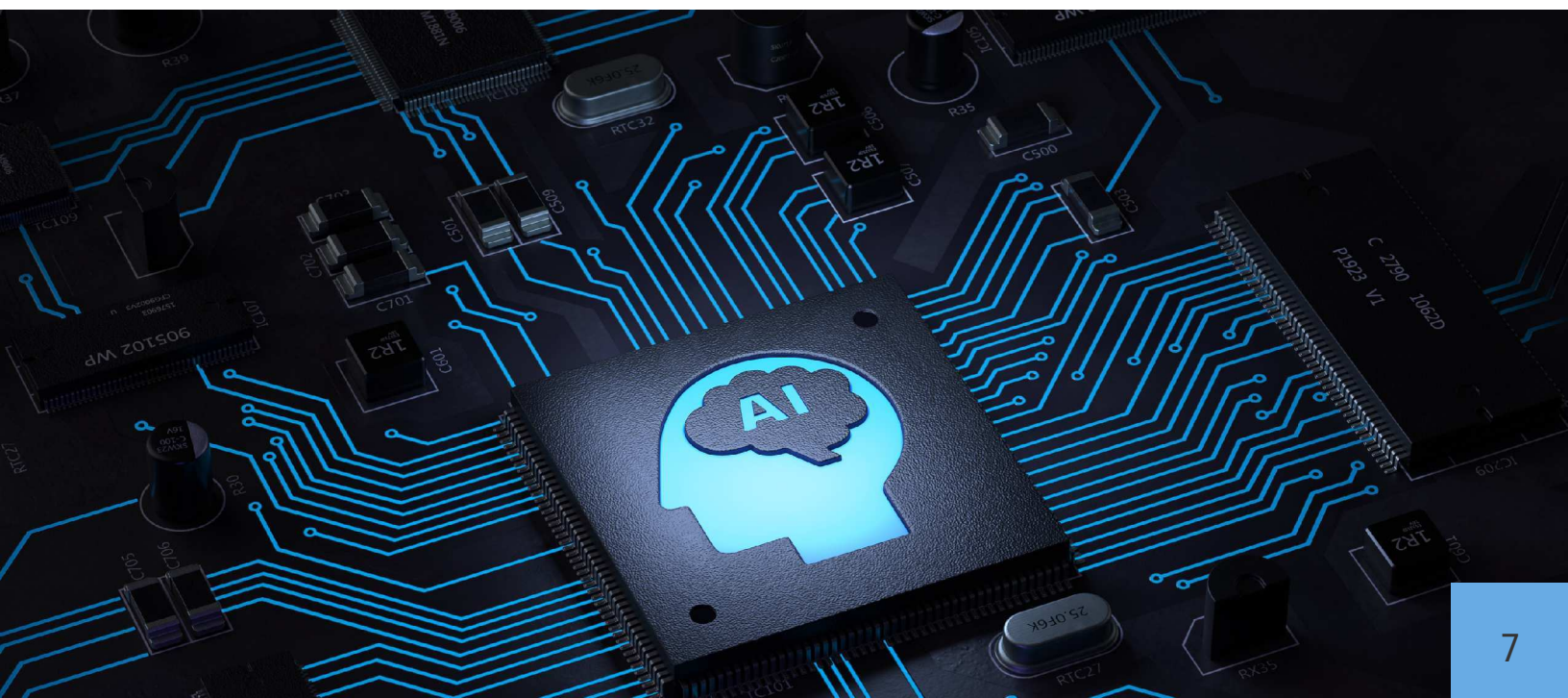
How ChatGPT and Google's Bard Are Impacting the Search Engine Landscape

Chatbots like ChatGPT, and Google's Bard are designed to understand natural language and provide accurate responses to users' queries. As such, these AI-powered tools have the potential to revolutionize the way people search for information and interact with businesses online. Search engine optimization (SEO) and pay-per-click (PPC) campaigns have been the go-to methods for businesses to increase their visibility online and reach their target audience. However, with the advance of artificial intelligence chatbots such as ChatGPT and Google's Bard, the landscape of SEO and PPC is set to change dramatically in the coming years. At Location3 we are leaning in to understanding these changes as AI continues to advance so we can further optimize our partner's SEO and PPC campaigns.

Search Engine Optimization:

One significant way in which ChatGPT and Bard will affect SEO is through the way in which search engines rank websites. Traditional SEO techniques, such as keyword optimization and link building, will become less important as AI chatbots become more sophisticated in understanding the context and intent behind search queries. Search engines will prioritize websites that provide the most relevant and accurate information to users, as determined by AI-powered chatbots.

Businesses will need to focus more on creating high-quality, informative content that satisfies users' needs and provides value to their audience. With the increasing sophistication of AI-powered chatbots, search engines are moving towards more complex algorithms that can understand the context and intent behind search queries. Rather than simply relying on the presence of certain keywords on a webpage, search engines now aim to provide the most accurate and relevant information to users based on their search query.

This means that the easy way-out SEO tactic of simply stuffing keywords into a webpage will be penalized further than before. This spammy and manipulative technique of keyword stuffing and other "black hat" SEO techniques will become increasingly ineffective as AI-powered chatbots become more prevalent. According to Google, "you'll see AI-powered features in Search that distill complex information and multiple perspectives into easy-to-digest formats, so you can quickly understand the big picture and learn more from the web" (Google).

Additionally, as chatbots become more prevalent in customer service and support, businesses will need to ensure that their websites are optimized for conversational queries. This means creating content that is easily readable and understandable by chatbots and optimizing website structure to accommodate these conversational search queries. According to Microsoft, Bing will become your copilot for the web, "For more complex searches – such as for planning a detailed trip itinerary or researching what TV to buy – the new Bing offers new, interactive chat. The chat experience empowers you to refine your search until you get the complete answer you are looking for by asking for more details, clarity and ideas – with links available so you can immediately act on your decisions" (Microsoft).

Pay-Per-Click (PPC) Campaigns:

Similarly, PPC campaigns will also be impacted by the rise of AI-powered chatbots. As chatbots become more advanced in understanding user intent, businesses will need to create more targeted and personalized PPC campaigns that cater to specific user needs. Generic, one-size-fits-all campaigns will become less effective as chatbots enable businesses to target their advertising efforts to specific user groups and demographics.

Luckily, AI can help campaign managers in creating more options and keywords for personalized campaigns. With ChatGPT and Bard, also functioning in the generative AI space, they can be utilized to not only come up with additional keywords, but they can assist in keyword classification and optimization. Search Engine Journal put ChatGPT to the test and found that "While Google's Keyword Planner is a great tool for finding new keywords, ChatGPT provides a good alternative. You can prompt it with the landing page you want keywords for and get a few suggestions" (Search Engine Journal).

Summary

In summary, the rise of AI-powered tools such as ChatGPT and Google's Bard will continue to have a significant impact on the SEO and PPC landscape as brands, marketers, Microsoft and Google continue to adapt to their increasing use and influence on search marketing. Businesses will need to adapt their strategies to cater to the evolving needs of chatbot-powered search and advertising. Turning a focus to creating high-quality, informative content and personalized campaigns that cater to specific user needs. As AI continues to evolve, businesses that can successfully leverage these technologies will be best positioned to succeed in the digital marketplace. At Location3, we'll continue testing these tools and other AI-powered technology to improve our partners' performance, in addition to gathering quality data and insights that inform future strategic plans and tactical execution. Stay tuned to our blog for more updates and use cases as we go forward.

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About Location3

At Location3, we help our partners drive growth through digital transformation.

We focus on driving business outcomes
Our team of digital experts and data analysts help you transform your brand and business by developing robust strategic roadmaps that go beyond marketing to drive critical business outcomes.

Optimizing for today's customer journey
We work with you to break down barriers between your technology stack, data sets, media plans, creative and more, to create holistic full-funnel strategies that align with today's customer journey.

Innovation and future-proofing
From identifying new opportunities in media and technology, to developing closed-loop reporting systems and marketing attribution models, we make sure you stay ahead of the competition and your brand stays top-of-mind in the marketplace.

We've been helping brands and businesses successfully connect the dots between strategy, data, creative, media and technology since 1999. We can help you too. Contact us directly if you'd like to speak with someone on our team.

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