Future_scape

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Technology & Innovation

AI revolutionises brand discovery

By 2030, **IAB UK's Futurescape Barometer** predicts that ad spend with Gen AI platforms (i.e. where the AI platforms and tools are serving ads) is likely to reach £3.34 billion, rising to £6 billion if there is faster than anticipated development and uptake of ad solutions. At the same time, AI is expected to account for a significant share of ad spend in Search as AI-powered services and personal assistants streamline consumer journeys and aid planning.

Beyond spend, AI will have become a key content curator for entertainment, product information and news. In short, it will fundamentally change the media and advertising landscape, as well as how consumers discover brands and products. The result will be that brand marketing will become more important than ever to achieve cut-through and connect with consumers. While industry leaders are broadly optimistic about the impact of AI, concerns about regulation and privacy remain and will need to be addressed in the coming years.

Supercharging efficiency & effectiveness
Efficiencies will be improved as AI services and tools developed by ad tech, platforms and agencies improve advertisers' ability to identify the right audiences and, in some cases, predict audiences' needs. AI tools also stand to improve the quality of media with fine-tuning of frequency management and greater data analysis and measurement capabilities delivering improved outcomes. When it comes to creativity, many industry leaders anticipate that embedding AI into processes will lead to a greater focus on creative output and more time dedicated to it, rather than just analysis. The human touch remains crucial within this - not only for bringing fresh ideas but also for disrupting predictability. Often, the most impactful creativity stems from the spontaneous, making people essential for truly groundbreaking work.

The challenges for privacy & data protection
The shift to AI-led data collection will undoubtedly offer transformative benefits, but it will also present complex challenges for privacy and data protection. For example, the scale of data collection will make it difficult to anonymise effectively, as AI algorithms can often re-identify individuals from de-identified datasets. Public attitudes to this remain cautious with high levels of concern overall about how AI uses personal data. Existing privacy frameworks may struggle to keep pace with AI advancements, requiring updates to laws like GDPR or CCPA.

Disrupting the discovery process
Gen AI is expected to play a growing role in brand discovery and product selection, with consumers increasingly relying on the technology to shape their purchasing journeys across various categories and brands. Advertisers will need to stay ahead of these changes - a survey by Ericsson revealed that some consumers believe AI could make traditional advertising obsolete. While this is an extreme prediction and unlikely anytime soon, it underscores the need for advertisers to prepare for change. This includes adapting content and marketing strategies to meet AI-driven demands and exploring new advertising solutions, where AI itself may become the primary "target audience" for content briefs.

How to future-proof for 2030

1 Understand the decision-making process. AI will disrupt the research and decision-making stages of the consumer journey by helping people to make decisions, reducing the time spent on research, and keeping users engaged within platforms longer than traditional search engines. Advertisers will need to understand how consumers are using AI in their decision-making process for specific categories - whether it is simply a tool or the actual decision-maker

2 Go big on brand advertising. In an AI-driven world, advertisers will need to focus more on brand advertising to capture consumers' hearts and minds, ensuring their brands are at the forefront of the purchasing process

3 Get the balance right. While AI is a powerful tool for delivering content to consumers, brands must also focus on creating innovative, original content to attract new audiences, rather than relying too heavily on AI algorithms to drive growth

4 Use AI to attract new audiences. Media owners will need to think strategically about how their content can be discovered and explore ways to leverage Gen AI to attract new audiences

5 Adopt a test-and-scale approach. Advertisers will need to be ready to relinquish some control to AI in generating ads and content that are relevant within AI platforms. However, they must do so with a test-and-scale approach, while ensuring compliance with privacy and data regulations

6 Consider the sustainability impact. AI should be used to improve effectiveness and efficiency in the context of a sustainable media policy and framework to avoid excessive carbon impact

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> The integration of AI into the consumer journey, such as with platforms like Gemini or ChatGPT, fundamentally alters the landscape. It's akin to 'search on steroids.' This evolution necessitates discussions around content ownership, compensation, and creating a fair value exchange for publishers contributing to these ecosystems.

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