AI in Product Management

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Lecture - 32

AI in Brand Management

Welcome to this NPTEL online certification course on artificial intelligence and product. Now we are talking about module 32, which is AI in brand management. So this is what we are now discussing. This is part 7, which is developing AI-enhanced product strategy, and we are talking about the role of AI in brand management. To give you an overview, we will start with the introduction and discuss examples of AI in brand management.

Then we will move on to explain the application of AI in brand management, discuss product managers' use of AI for brand management, Understand the four P's of AI brand impact. Learn about various tools and their benefits for brand management and discuss the disadvantages of using AI for brand management. So we will start with the introduction to brand management using AI. What is brand management?

Brand management can be defined as the effort to ensure that the brand is being perceived and communicated in line with the aspired brand identity. Aiming to achieve the desired positioning of a brand in the appropriate market. Rather than consumers solely using products for their functionality, brands nowadays play a more significant role in consumer lives, providing symbolic and social meaning which consumers can associate with. The advancement of AI generates new customer demands and changes organizational structures and competencies internally in companies. As such, marketers have begun experimenting with

AI to improve their brand management efforts. But unlike other marketing tasks, brand management involves more than just repeatedly executing one specialized function. Long considered the exclusive domain of creative talent, it encompasses multiple activities designed to build the reputation and image of businesses, such as crafting and communicating the brand story, ensuring that the product or service and its price reflect the brand's competitive positioning, and managing customer relationships to forge loyalty to the brand. A brand is a promise to customers about the quality, style, reliability, and aspirations of a purchase.

AI cannot fulfill that promise on its own, at least not anytime soon, but it can shape customers' impressions of a brand at every interaction, and it can automate expensive creative tasks, including product design. Mixing brands and automation is a delicate affair. AI has the potential to adversely affect a brand, so successfully implementing it in this context often involves confronting resistance and backlash from both customers and employees.

Nevertheless, AI is becoming an integral part of brand management. Now, we will look at various examples of AI in brand management. AI is an evolving field that is constantly opening up new opportunities for brand management. For example, the technology can be used to better understand customers, deliver personalized content, and improve customer interactions.

Some of the most interesting examples of AI in branding are, first, that of Reebok. Reebok has developed an app called ZPUMP Fusion 2.0 that allows users to customize and adapt their shoes to their individual needs. This is made possible by an algorithm that analyzes the user's foot shape and then recommends which shoe size to wear. Next is L'Oreal. L'Oreal has developed an algorithm that is able to analyze skin color and tone, as well as hair texture, and derive the perfect foundation shade for each customer.

This service is already available in 600 stores worldwide and will be expanded in the future. The next example is that of Nike. Nike has optimized its Nike Plus app with the help of AI. This app now offers personalized workout programs based on the user's running console, as well as their speed, distance, and heart rates. Now we will look at the AI applications. In brand management, one is automated customer service. It can automate responses and provide customers with the requested information, as well as respond to customer queries quickly and in real-time. Many companies are using AI-powered chatbots, which are computer programs that interact and communicate with users. Using automated customer service creates new opportunities for brands to satisfy and fulfill customer needs. Assuring personalized service anytime and anywhere. The next is intelligent advertisements. AI provides possibilities for improving brand communication and brand awareness through the use of intelligent advertisements that use AI technologies in real-time.

To predict consumer behavior patterns, interests, advertisement preferences, and specific touchpoints, enabling the ability to deliver personalized and relevant content. Intelligent advertisements gather data about consumers, which allows optimization of brand

communication. This results in improved and more relevant messages. Which, in turn, contributes to stronger consumer-brand relationships. The next comes the recommendation system.

AI can help generate insightful information for brand managers regarding what to recommend to their consumers by using data regarding customers' search information, interests, and preferences. Recommendation systems, or RAs, facilitate consumers' growing demand for personalization within one's brand communication. Due to this, brands are able to enhance the convenience and seamlessness for consumers by reducing search costs. Then comes the consumer segmentation system, which is the CSS. Consumer segmentation is essential when analyzing customer behavior and setting up brand management strategies.

Segmentation is often considered a central part of a branding strategy and is said to be an important part of brand positioning and differentiating one's brand in the market. CSS uses AI algorithms that help identify patterns and natural groupings of customers within extensive datasets, allowing brands to differentiate themselves according to the right audience. The next application is the Conversion Rate Optimization System. They can efficiently test and evaluate a large number of website designs in real time. Accordingly, brands can evaluate which versions provide a seamless solution for their consumers and thereby optimize the conversion rate of their website.

By creating a better online experience, the conversion rate optimization system can increase customer satisfaction, which improves brand image and customer-brand relationships. Then comes the next: propensity modeling. AI can help identify the customer value to a company by analyzing big data files. AI technologies can measure and evaluate attributes such as a consumer's lifetime value, re-engagement likelihood, and the propensity of churn.

Propensity modeling can specifically be used to help retain customers by identifying early signals of potential customer loss, which can help firms prevent it from occurring. This information can then be used by brands to focus on improving brand communication towards these individuals based on the predicted metrics. Dynamic pricing, the price of a product, can be an important part of a brand's positioning strategy. AI makes it possible for brands to automatically adjust prices based on data regarding demand consumer behavior, seasonality, and competition, optimizing value for the customers. Now we will talk about the product manager's use of AI for brand management.

The first is maintaining brand voice and consistency. So, we will start the talk with AI-powered content generation. AI tools like Jasper or ChatGPT can help product managers create brand-aligned content by adhering to established brand guidelines. Tone, style, and voice. By training AI on existing brand assets, product managers can generate marketing copy, social media posts, or even product descriptions that maintain the brand's unique voice across all channels. The next is real-time content analysis.

AI can analyze existing content across platforms to ensure consistency in language, tone, and messaging. This helps maintain a cohesive brand presence across all customer touchpoints, avoiding inconsistencies that could dilute the brand's identity. Then comes AI in branding guidelines. AI can assist product managers in developing and enforcing branding guidelines by automating the application of visual and textual elements according to predefined rules.

AI tools can flag deviations from these guidelines and ensure adherence across teams and projects. The second is monitoring brand perception and sentiment. And we will start with AI in sentiment analysis. Product managers can use AI tools to track and analyze online sentiment about the brand in real time across social media, reviews, and other digital platforms. AI can flag positive or negative shifts in brand perception, enabling managers to address issues quickly or capitalize on positive sentiments.

Customer feedback analysis. AI-driven NLP can analyze customer feedback, reviews, and surveys to provide insights into how customers perceive the brand. This helps product managers identify opportunities for improvement and keep the brand aligned with customer expectations. The third is optimizing brand campaigns, and we will start with AI for campaign planning and execution. AI can predict how well different marketing strategies will perform by analyzing past campaigns and market data. This helps product managers optimize campaign resources, from deciding on ad placements to identifying the best time to launch a campaign for maximum impact.

Next comes content optimization for SEO and reach. AI tools help product managers optimize content for search engines and user engagement by suggesting SEO-friendly copy and analyzing what kind of content resonates most with the target audience. AI ensures that brand messaging reaches the right customers effectively. The fourth is visual brand identity, and we will start with AI-enhanced design. AI can assist in creating on-brand visual assets, logos, banners, and images by following the established brand color schemes, fonts, and design guidelines.

Product managers can use AI tools to generate or tweak visuals, maintaining a cohesive visual identity. The fifth is brand protection and crisis management, monitoring brand mentions and competitor activity. AI tools can track mentions of the brand or competitors across digital platforms. Product managers can monitor any threats to brand reputation or detect competitors' movements that may affect their brand positioning. AI-driven crisis detection.

AI can identify early signs of a potential brand crisis. Negative sentiment spikes before it escalates. Product managers can use these insights to take preventive actions or craft a response that protects the brand's reputation. Now we will look at the four P's of AI brand impact. AI can improve performance at each stage of the customer management lifecycle, from acquisition to development and even retention.

Those performance improvements, in turn, can reinforce and extend a brand's equity. They can be grouped into four basic categories of impact. One is productivity. AI increases the efficiency and convenience of accomplishing marketing tasks. Improving the customer experience and driving brand loyalty.

The next P is prediction. AI reduces uncertainty, augmenting what the brand can promise, thereby building confidence and trust in the product and the company. The third is personalization. AI increases engagement and relevance for the firm's offering by tailoring elements to each customer. Thus forging the image of a brand that cares about the customer's needs on an ongoing basis.

The fourth P is proposal. AI offers new creative solutions and value drivers while staying true to the brand's essence. Although new forms of AI are constantly being developed, the aforementioned four P's accommodate the main role that it can and will play. For example, classification algorithms like the ones that Sort for spam in your email contribute to each of the first three P's, whereas generative AI can contribute to all four and is especially suited for personalization and proposals.

Brands should use this framework as a simple guide for navigating a complex and expanding industry. If an AI program does not contribute to any of the four P's, it is probably not worth the risk to the brand associated with the technology. Now let's look into the framework to see how some companies are already using AI to improve their brand management. Brands could use this framework as a simple guide for navigating a complex and expanding industry. So we start with productivity.

So, customer service reps are your favorite frontline ambassadors. And arguably, the most important step in brand management is retaining expensively acquired and developed customers. The risk that a customer will be unable to resolve an issue with a product, a service, or a payment satisfactorily and will then abandon the brand is one of the biggest challenges a company faces. When customers have problems, they contact customer support, and most would rather wait in line for a human agent than get help immediately from a chatbot. The biggest complaints about bots are the lack of understanding and an inability to solve complex issues.

However, unlike chatbots, humans are not eternally attentive, patient, and cheerful, especially when faced with a relentless queue of angry callers. Intuit is a global financial technology platform that makes software for personal finance, small business operations, and tax prep, offering products including TurboTax, MailChimp, Credit Karma, and QuickBooks. At one point, it was dealing with a barrage of customer questions and complaints regarding the use of its software. To improve its customer service, Intuit wanted to provide the agents with frequent feedback on their performance. To overcome that challenge, Intuit used transcripts of the calls to do that.

Customers had rated to train an AI model to detect which interactions were most likely to result in customer satisfaction. Because all calls were recorded and could readily be transcribed, Intuit could use the trained AI model to provide personalized daily feedback to all its agents based on all calls, whether they have been customer-rated or not. The second is prediction. Caterpillar, a maker of heavy-duty construction and mining equipment, uses AI to deliver additional value by literally foreseeing the future.

When faced with the problem of a customer's equipment breaking down, the repairs were often very expensive because A part had deteriorated to a point where it damaged the rest of the machine. In some cases, an engine overhaul was required, and the downtime to get the necessary parts and conduct the expensive repairs was costly for both the customers and the firm. Furthermore, when their machinery did break down, customers sometimes turned to unauthorized third-party vendors, resulting in lost business for the firm. The firm believed that it could deliver significant value by detecting part failure before it rendered the equipment inoperable.

Much the way a medical checkup can detect a clogged artery and prevent a heart attack. The first step was to establish the infrastructure necessary to harvest data. The firm embedded sensors in the machines to continuously harvest information on the state and use

of all the machine parts. After amassing enough failure incidents, the company trained AI to combine signals from various parts of the equipment with past data patterns to predict with 97% accuracy.

Which piece of equipment was at risk of breaking down and what the exact problem would be. Using these predictions, the firm alerted customers and selectively sent its technicians to validate the diagnosis and determine the level of service or repair required. If the customer agreed, the equipment would be repaired with minimal, if any, downtime or more cheaply than if the customer had waited for the machine to malfunction. The next step comes personalization.

Getting customers through the door is an achievement, but they may make only a single purchase, sign up for the most basic service, or buy a limited quantity of the company's product. And customers may become less excited about an offering over time and feel that they are overpaying, seriously restricting their lifetime value. To see how AI can enable a company to provide tailored offerings that keep existing customers engaged with the brand, let us turn to an unorthodox car insurance app, which is called Loop. The app does not use several standard insurance premium criteria. Such as credit scores, income level, and occupation, which tend to introduce biases against certain minority groups.

It can afford to omit them because, as an AI-powered smartphone app, it constantly collects risk-relevant data about where customers drive, type of road, traffic volume, and weather. And how speeding, hard braking, and talking on a cell phone. Its unique approach combines that data with extensive information on road accidents to predict, using AI, whether a customer who tends to drive in a particular way or on a particular road is at a high, medium, or low risk of filing a claim. Using the AI's prediction, Loop makes additional offerings to customers, including much cheaper rates. Loop not only helps create safer roads, it lowers the chances that its customers will get into an accident and file a claim, increasing their lifetime value.

In short, AI helps achieve a win-win for the customer and the company while building the image of a brand that is fair and cares about customers well-being beyond the initial point of sale. The next P is proposal. So managers fear that using generative AI could result in losing their brand's unique voice. Creating generic content or producing false information, that is hallucinations, which could damage the brand's reputation.

There is concern that inputting priority data into AI models might make it accessible to competitors, raising fears about data privacy and the potential loss of confidential

information. In short, they see a trade-off between marketing efficiency and staying in control of the brand's image and integrity. Here is how Jasper AI, a marketing content generator, navigates the trade-off. Let's say you want to create a marketing campaign.

You begin by helping Jasper learn your brand's unique tone of voice through uploading examples of previous posts that you believe best reflect your brand. Jasper will learn your brand's personality, that is, attitude and feelings about a topic. Style, word choice, sentence structure, rhetorical devices, and other aspects of the language you typically use in branded communications. Jasper will generate marketing material for communication campaigns. It will conjure a solid first draft of, say, a blog post that is not only optimized for search engine visibility but is also written in your brand's unique voice and

accurately incorporates facts about your company. Thus, Jasper can eliminate the trade-off between efficient marketing and controlling your brand's identity, allowing you to creatively communicate at scale without losing your brand's distinctive voice, veering away from the facts, or giving up your trade secrets. So, the benefits of using AI brand management tools First is that it streamlines your system, keeps data organized, saves time and money, and most importantly, ensures brand consistency. Now let us look at AI tools for brand managers.

Brand managers play a pivotal role in shaping and maintaining a company's brand identity and reputation. Tasked with strategizing, executing, and monitoring brand initiatives, They face numerous challenges, from staying ahead of rapidly evolving consumer trends to managing an increasingly complex digital landscape. Here are a few AI tools poised to transform brand management. Now we look at the brand sponsorship and ROI analysis powered by AI.

And this is the tool BrandCut. It uses advanced visual AI technology for real-time brand logo detection in sports sponsorships. This empowers brand managers, event organizers, and sponsors with comprehensive metrics and actionable insights. So, BrandCut offers 1.

Real-time visibility: Provides immediate insights into brand exposure during sports events by real-time brand logo detection, tracking every broadcast, pinpointing areas for brand logo placement improvement, and conducting wide-space analysis. This helps sponsors identify branding opportunities and make strategic adjustments on the spot. Then it provides granular brand analytics. It analyzes logo presence across different broadcast angles, tracks quadrant visibility, and measures sponsorship ROI by correlating brand exposure with conversion rates. Yet another thing that it does is brand exposure analysis.

Brandcut utilizes AI-based computer vision technologies to gather valuable data on logo exposure, including frequency, duration, clarity, size, prominence, audience engagement, and conversion rates. Then it also performs competition analysis. It identifies competitors' brand strategies, secures exclusive sponsorships and high-visibility areas, and leverages these insights for a competitive advantage. The next thing it does is brand impression analysis.

AI-powered image recognition delivers precise data on brand appearance during games, broadcasts, and social media, analyzing factors like logo clarity and prominence compared to competitors. So, here it is Visit Saudi. UpStock, RuPay, Tata New. AI-optimized content generation.

Jasper AI is an example of that. Jasper is an enhanced content generation platform that creates content across a range of styles on any topic for your brand management at 10x speed. It produces coherent, contextually relevant text and engages in dynamic interactive dialogues. Jasper AI enhances applications by improving user interactions, customer service, voice recognition, and language translation. Its virtual assistants and chatbots ensure seamless information delivery and task execution, while real-time processing aids customer support with immediate solutions.

Also, it offers personalized recommendations based on user behavior and enhances the user experience. Next is AI-driven predictive analytics and market research. And the example is IBM Watson. The predictive analysis tool is a sophisticated AI-driven platform that utilizes ML algorithms and NLP capabilities to analyze vast amounts of data and generate predictive insights. So, one thing that it does is forecast future outcomes.

It analyzes historical data. Current trends and external data to forecast future outcomes and trends. Then it looks for the identification of patterns. The tool identifies patterns and correlations within data sets, enabling you to make informed decisions and anticipate market changes proactively. It also gives personalized suggestions.

IBM Watson provides recommendations and suggestions based on the analyzed data, helping you optimize marketing strategies, product development, and customer engagement initiatives. Then, design and marketing automation tools enhanced by AI. Canva Pro AI stands for a comprehensive solution for streamlining design processes and the creation of marketing material, making it ideal for users who need to produce and optimize visual content. What it does is automated design suggestions. Canva Pro utilizes AI algorithms to analyze design elements and provide automated suggestions for the

maintenance of a brand's visual identity. Layout, color schemes, and typography. Smart image recognition.

The tool employs AI-powered image recognition to suggest relevant visuals and graphics based on the content and context of the design project. Intelligent object positioning. Canva Pro AI functionality intelligently positions and aligns design elements, ensuring aesthetic coherence and professional presentation. The next thing it does is enhanced collaboration.

So, AI-driven collaboration features facilitate seamless teamwork by suggesting design edits and improvements based on user inputs and preferences. The next thing that the AI tool does for brand managers is image recognition and creative optimization tools for design. And the example that clarifies is an innovative image recognition tool using advanced technologies to analyze image content effectively. It analyzes images and utilizes deep learning and neural networks to identify patterns, objects, and features within images.

It excels in feature extraction, recognizing contours, textures, and colors. The continuous learning process enhances image recognition capabilities through rigorous training on datasets. Clarify offers a user-friendly interface that is accessible to developers and non-technical users alike. Its high accuracy in image recognition, especially with custom-trained models, ensures reliable results across diverse applications. Its customizable training features enable users to tailor the software to specific use cases, rendering it a flexible and versatile solution adaptable to various industries.

Now, what are the two disadvantages of AI in brand management? AI-powered tools and solutions have made it easier for businesses to analyze customer behavior, develop targeted marketing campaigns, and automate various tasks. However, like any technology, AI has disadvantages, particularly in brand management. The first is the lack of human touch. While AI can automate many tasks such as data analysis and customer segmentation, it cannot replicate human empathy and creativity.

A brand is more than just a logo or a product. It is an emotional connection between the business and its customers. Creating this connection requires a human touch which AI cannot provide. The second disadvantage is its inability to adapt to unpredictable situations. AI works best in predictable and structured environments.

However, in the real world, brand management is often unpredictable and requires quick thinking and adaptation. AI tools may be unable to handle unexpected situations such as negative social media feedback or sudden changes in customer behavior. Brands need

human expertise to manage such situations and make quick decisions based on real-time information. The third is bias and discrimination.

AI is only as good as the data it is trained on. If the data is biased or discriminatory, the AI algorithms will replicate that bias. Leading to unfair treatment of certain groups of people. This is particularly problematic in brand management, where a brand needs to appeal to a diverse audience. AI algorithms can unintentionally exclude certain groups of people, negatively impacting the brand's image and reputation.

So, to conclude this module, we have discussed the concept of using AI for brand management. We have also learned about the application of AI in brand management and then discussed product managers' use of AI for brand management. Then we have understood the four P's of AI brand impact, learned about various AI tools and their benefits for brand management, and understood the challenges of using AI for brand management. These are some of the sources from which the material for this module was taken. Thank you.