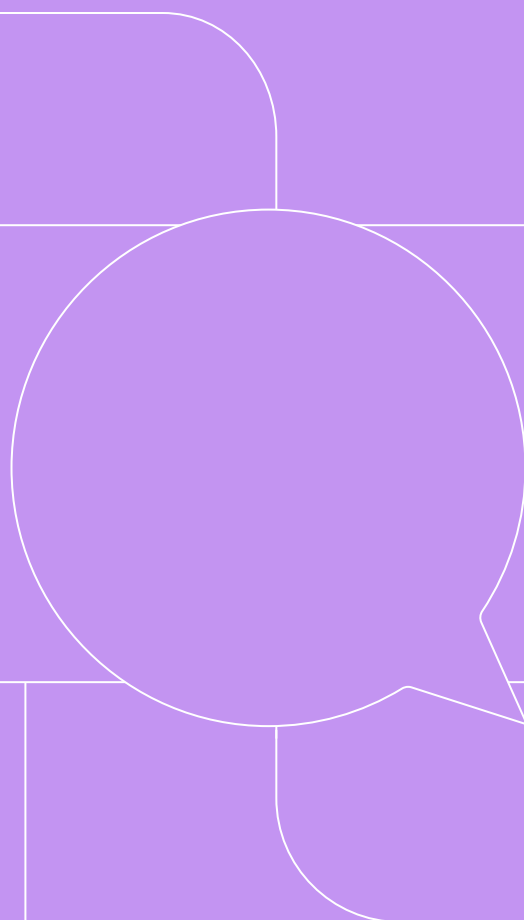
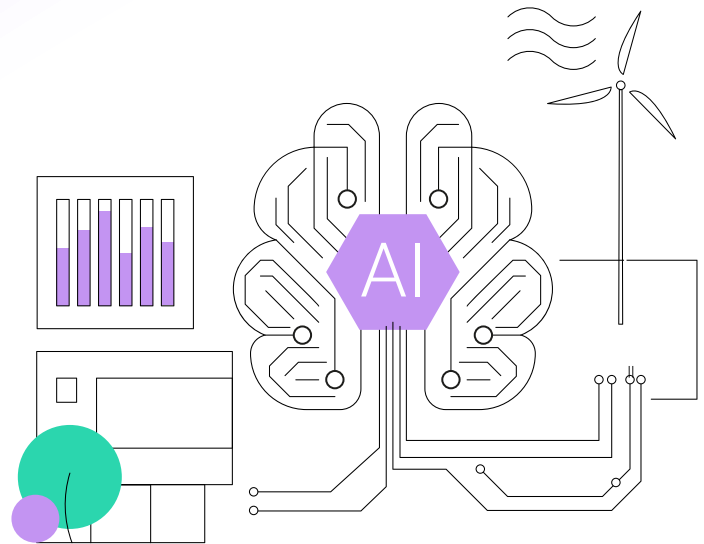


A White Paper from Ingager

Excel in the AI Era: Staying Competitive with Your Social Media





Inspiration, insights and knowledge

Ingager is a result-focused organization and we believe in the importance of constantly learning and developing. Our ambition with this brief paper is to highlight a topic we find relevant and interesting.

We hope that you'll find inspiration from this paper for your continuous learning path.

Everything will change - and most things stay the same

If you are interested in remaining relevant and competitive within digital marketing, then we recommend that you continue reading the following pages. The world around us is something that constantly evolves, and you need to adapt to this. The fact that things change has been highlighted to many of us since the introduction of generative AI. The context we act in has always been evolving, generative AI is yet another indicator that everything changes. Sometimes changes happen fast, other times at a slower pace.

It doesn't matter what line of work you are in, if you are an agency or a brand, the technological development around us will create an impact on your abilities to create value. This impact is driven by the general desire from companies, and especially social media platforms, to be competitive towards both users and clients.

The competition, over users attention and advertisers budgets, between the large social media platforms has rapidly intensified over just a few years. All platforms work hard to be the best in what they do, hence the breakthrough of AI is seen as a great opportunity to leverage. Executives within social media view AI as a chance to make their product more personalized, more efficient, better optimized and more profitable. Even though machine learning and AI has been a part of the operations for all the social platforms, new tools are always welcomed.

The platforms are not alone in projecting amazing things from the AI hype. Advertisers and brands also imagine a brighter future, resulting from AI taking a larger part in their marketing operations. Some brands might even see a future where they can manage all their marketing operations on their own. No longer needing specialists, content creators or agencies.

Expectations on the impact from AI are massive, and the hype has led brands to forecast a future where AI transforms the value chain of digital marketing and all its disciplines. Social media users are of course part of the AI equation, perhaps not in the sense that they'll use AI tools during their time on social media, but they will most likely be affected in other ways.



Let's investigate some potential effects from the technological development known as AI. As social media users will be exposed to more and more AI generated content with hyper-personalized copy is it likely that their expectations rise, in comparison to current expectations. Advancements in technology, in this case AI tools, can also result in new requirements on brands in terms of creativity, authenticity and relevance. One effect which all brands, and platforms, should acknowledge is related to fake content. Users of today are well aware that content can easily be manipulated which creates a skeptical sentiment among users. How can one be sure that the ad in the feed isn't fake?

Human beings are by nature curious and have a desire to try out new things. The effect of our behavior has, among other things, resulted in technical advancement over the years which has developed and transformed industries, companies and professions. AI will have an impact on several aspects of digital marketing, including social media. All parties involved in social media marketing will to some extent need to adapt to the new conditions brought about by AI, machine learning and of course generative AI.

Advertisers, agencies, brands, content creators and performance specialists can either fear that their value will be replaced by AI, or try to adapt and thrive. It's obvious that changes will happen within the digital marketing industry, but it is difficult to understand how, where, and to what extent improvements will take place. Everyone working with social media will see how processes, KPI's, tools and valued skills shift in different directions as new technology becomes a more vital part of all parts of social media operations.

Over the next few pages can you take part in insights on the effects of social media from various scenarios that AI potentially can result in. Regardless of your industry, if you are an advertiser or agency will this paper provide value for you.



What can you expect?

Assumingly have most advertisers and brands noticed the effects from AI in social media advertising and digital marketing in general. To identify potential is one thing, the question is what needs to be done to not lose competitiveness over time. Will advertisers need to add new competences, should they outsource a larger part of their operations and how to write a brief which takes AI into consideration?

Much of the interest we've witnessed around AI has been highlighting the potential of specific tools, not so much how value will be created by different parties in the value chain. Let's have a look at how the inclusion of generative AI has impacted the landscape of digital marketing so far. By looking at the different entities, that combined creates the process of digital communication, will it be easier to who will be impacted by the current shift.



Building AI tools and systems is not something that any company is capable of doing. It is extremely costly to build your own AI system, hence is it only the really big companies that can do so. In the world of digital communications does this translate to the platforms. Meta, LinkedIn, Snapchat, TikTok etcetera are capable of both building their own systems and acquiring relevant AI tools.

A few of the global advertisers are also able to build and acquire, but we'll leave them out of this discussion. In terms of impacting the digital marketing industry, social media platforms are the ones who sit on the power to affect agencies and advertisers. The platforms will offer various AI-based tools for content creation and other visual effects but the biggest impact will come from a different angle.



It is all in the details

The one place where social media managers spend a lot of time is in the different ad manager tools belonging to the different platforms. Up until now the work in ad managers has been primarily manual, taking up a lot of time from everyone involved in that part of the process. Since the ad manager systems are the only way to publish ads on each platform is it a step of the process shared by all advertisers and agencies.

When the platform builds more and more AI features in their ad managers will free up time for both agencies and advertisers. Already now are the platforms releasing AI features in their ad management systems, it is not a question of if this will have an impact on the industry but to what extent. The overall effect from ad managers handling much of the operations which used to be manual is that the persons previously doing these tasks manually will have time to add value elsewhere.

The leading company within social media - Meta is currently the social media company which is investing most resources in new AI features within their ad management system.

Given that Meta holds a very strong position among both users and advertisers will the effects be noticed among everyone working in these systems. Other social platforms are also working in the same direction but one cannot underestimate the impact from updates within the platforms which Meta control.

The tricky part is to grasp the speed of adaptation and identify actions to adapt. Agencies that today are offering services related to social media advertisement will continue to hold an important role within the marketing ecosystem. But only if the agencies manage to offer valuable skills and competences, the ones that are hard to automatise.



Digital marketing is a hotspot for AI

All industries that manage information and data can potentially witness effects from the progress within AI and automation. Most routine tasks in any workplace, that involves numbers, are likely to face some kind of automation. Perhaps not this week or even this year but over time will we see many tasks being managed by AI rather than humans. This is a scenario which has a high degree of probability for agencies working with social media, and digital marketing in general. We can assume that AI within the ad management systems will manage a large part of the actions needed to operate a marketing campaign.

Exactly when this will become reality is impossible to predict but all trends point in that direction. This inevitable shift from humans enabling value, to technology enabling similar value can seem scary.

Will technical development make humans, and agencies, obsolete? The fear of the impact from new technologies on the labor market isn't something new, we've lived with these feelings for a long time.

Understanding effects from automation

Digital marketing is one of the sectors that potentially will see a large transformation regarding how big of an impact that technology will have. The reason behind this prediction is related to the fact that digital marketing nowadays is based very much around managing digits on a screen. One example of this is the rise of programmatic advertising that we've seen during the last decade.

The automation of the process where ad inventory meets advertisers demand have proved the effectiveness of automation. In parallel has programmatic advertising made trust a focal point due to endless mistakes that have had the potential to decrease advertisers brand value. The breakthroughs within generative AI will unlock more opportunities for anyone who operates within digital marketing.

┌ **The effects will be noticeable for everyone working with digital marketing, but it does not need to result in everyone going out of business.** └

Some companies or organizations will go out of business resulting from lack of capabilities to adapt and others will thrive as their adaptation to a new context increases their competitiveness. The fallout will most likely be seen in stages, in a shorter termed perspective will there not be massive changes. Instead, should the near future be perceived as a period where organizations can prepare for a new context, where new capabilities will rise in importance.

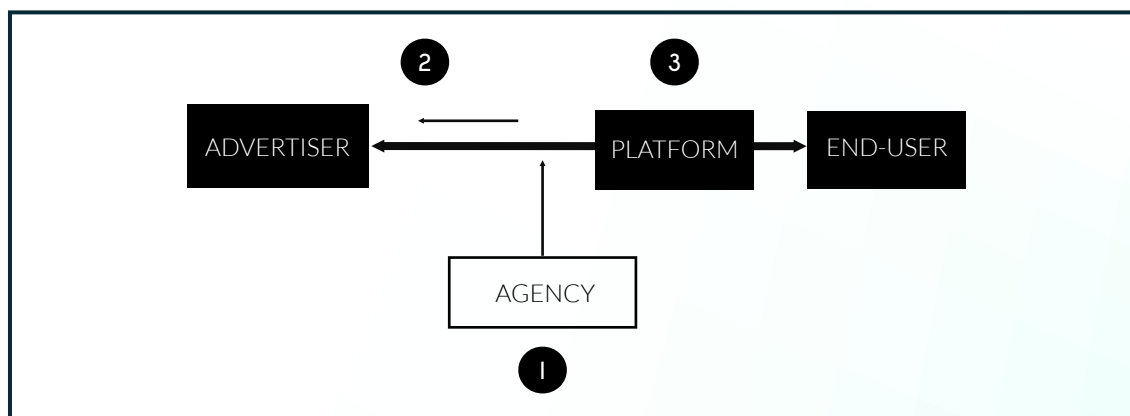


Which scenarios do you bet on?

The number of potential scenarios are endless, hence is it important to create a more tangible overview of how our future might play out. Three parameters that are important to consider when increasing your understanding can be found below.

- To what extent will AI affect the current state of operations?
- Can AI result in more effective operations, new business offering or both?
- Within what timeframe can we expect to notice the impact from changes?

Potential scenarios for transformation of value chain



SHIFTS IN THE VALUE CHAIN FOR AGENCIES

1. MAINTAIN CURRENT POSITION

2. SHIFT IN VALUE CREATION

3. POTENTIAL FOR AGENCIES TO CREATE VALUE IS ELIMINATES



Discover your future

All organizations active within digital marketing should discuss their own perceptions on the effects on their own operations for advertising on social media platforms. The ad management systems have, during the last 2-3 years, been injected with AI functionalities. The social media platforms seem to really believe in the power of AI as there are several new AI functions released every week from the major platforms.

What happens when these new functions are released is that tasks which were previously conducted by humans can now to a larger extent be done by AI. Agencies that for many years have been offering, and invoicing, their clients for performing these tasks (which now can be done by AI) find themselves in a situation which needs attention. Once AI can manage a specific part of operations, will the perceived value of that specific task slowly shrink to zero. Or close to zero at least.

Agencies need to package their offering in new ways to maintain a relevant service that clients are willing to pay for. Before calculators existed, people used tools such as an abacus, slide rule, and logarithm tables to calculate math and science equations. People also used pencil and paper to perform calculations, but this would have been very time consuming and error prone. Once the calculator was introduced on a wider scale could we see a shift in perceived value.

During the era prior to the introduction of calculators was it expensive to have advanced calculations performed, and also time consuming since it was all manual work.

Once calculators could perform these tasks did the perceived value drop, there were few people who would pay a human being to do the same work as a calculator could do basically for free. This is one of many examples when the introduction of new technology creates a shift regarding what products or services that people and companies are willing to pay for. Often resulting in a situation that requires part of the workforce to add new competences to their skill set in order to remain relevant.

Don't be a calculator

Managing data, operating in digital systems and analyzing data can very well be skills that, due to AI and automation, can drop in value just as calculation did in the past. Agencies offering the services of managing, targeting, publishing, optimizing and analyzing social media ads on behalf of their clients must pay attention to this potential shift.

There will be a decreased demand for services that can be managed by different AI tools. Or to be precise, the services will remain in demand but no one will be willing to pay for a service that a program can perform without much human interaction.

Anyone following the development of AI tools are aware that AI is capable of doing much more than just analyzing data. Agencies should acknowledge that AI also has great powers when it comes to creating content, for example images or videos. Despite the fact that the use of AI generated images or videos can be debated from a copyright perspective is it likely that the use of this kind of content will increase. Given that content creation no longer is exclusive for humans can we assume that parts of the content production will face a future similar to the calculation industry prior to the introduction of the calculator.

Many agencies have included content production as one part of their commercial offering. As the development of AI tools designed to assist on content creation precedes is it necessary for agencies to adapt their operations and offering. Content can often be the subject of individual and subjective opinions, in a way that data seldom faces. Perhaps this can translate into a slower adaption pace compared to the use of AI tools for managing data.

Find your next commercial offering

Change has during all times been present among humans, and there has always been possible to find solutions to the new challenges. AI and automation provides efficiency and optimization for companies willing to explore the opportunities that are presented. Likely there will be companies that go out of business as they fail to adapt, develop and find a new way forward. For agencies within digital marketing is it particularly important to observe various trends and opportunities resulting from AI.

Several of the services offered by agencies have high potential to be affected by the introduction of different AI tools.

Both tools that are introduced within the ad systems where ads are managed and external AI tools that enable for example content creation.

An important assignment for all agencies will over the coming years be to identify areas within their current offering which have the potential to experience a decreased perceived value from clients, since AI tools can offer comparable results. Once there is an acceptance of the fact that new technology, such as AI, will update the context in which agencies operate should there also be an understanding for the need to update the commercial offering.

Naturally should agencies create a vision where their business model is not relying on activities which don't add enough value for clients. Short-term can appear to be a dreadful thing to do since parts of most agencies offer are within this scope, hence things need to change. Once there is an acceptance of the fact that new technology, such as AI, will update the context in which agencies operate should there also be an understanding for the need to update the commercial offering.

The last few years have been a special period for many marketing professionals. The release of new generative AI tools resulted in a massive interest around the potential effects of these new tools. Endless reports and posts on LinkedIn ensured everyone that most people would lose their job and everything would be managed by AI before the end of the month.

Has the initial hype created a larger buzz than needed? We will never know for sure but the hype did serve a purpose in the sense that the interest for AI increased. Most advertisers, and agencies, increased their attention on AI, and of course aims to understand the impact on their own business.



The basics remain the same

Instead of getting too carried away with the potential effects from a new feature in some AI tool, it can be wise to take a few steps back when grasping what's actually happening? In order to not get too stressed, or carried away, is it important to acknowledge that some things will stay the same for years to come.

- **Brands will want to sell their products or services to someone.**
- **Most brands will also in the future want to reach an audience with their message.**
- **Brands will, in most cases, use multiple platforms and formats during marketing.**
- **Paid advertising will remain key to gain reach of a message.**
- **Creativity and innovation is likely to increase in importance.**
- **Digital marketing continues to require a high level of technical expertise.**
- **Very few brands and advertisers are able to host all these competences and capabilities internally.**

The relationship between advertisers, platforms, agencies and the end-consumer is not likely to drastically change, the potential change lies within potential shifts within the value chain. Depending on a combination of pace of development for AI tools and the ability to adapt to the new context will agencies experience shifts in their ability to provide value.

Each agency and advertiser possess unique characteristics, competencies, capabilities and culture. The current capabilities and offer should therefore act as a starting point when the agency explores, identifies and develops the potential effects from AI on digital marketing.

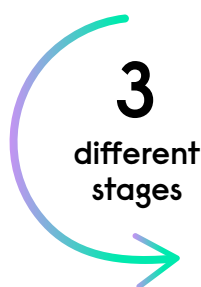
As for now, AI must be perceived as a tool which can support digital marketers on certain tasks, not as a technology that can manage operations by itself. AI uses complex algorithms to analyze large amounts of data, identify patterns and make predictions based on what it has learned from the past. AI can support digital marketers with specific tasks but not replace them, this might change in the future.



A holistic approach is the best way forward

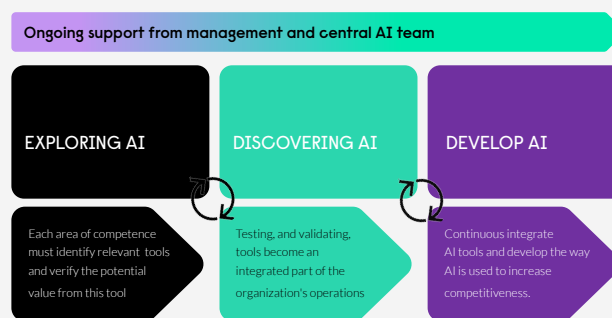
Given the lack of historic evidence and best practices there is no exact solution for brands and advertisers with the ambition to understand how to best adapt to a context influenced by AI.

The best way forward is a holistic approach as organizations work on understanding potential ways forwards. This holistic approach can be translated into three different stages for increasing understanding and creating relevant tests and experiments.



These stages should not be seen as binary, instead are they iterative phases that need to be given attention at all times. Neither AI or technology will halt their progress, hence exploration, identification and development must be an integral part of both agencies and advertisers. To realize the potential value from AI and increase competitiveness is it important to establish a holistic way of working with the ambition to increase the pace of adaptation.

- ▶ Exploring AI
- ▶ Discovering AI
- ▶ Developing AI



Full speed forward - at a cautious pace

Exploring AI can in theory sound pretty easy, almost like something that might be interesting. But since we all know that theory and practice seldom match, we should acknowledge that this will be an extra task for your organization, hence motivation and engagement is key. AI is yet not a self-playing piano that you add-on as a widget, it takes time and effort before any organization can experience added value.

The approach should therefore not only be holistic but also long-term, an approach that requires change from your organization.

Change is a lovely idea, but whether at the individual or collective level, the idea starts to lose much of its appeal once we become aware of the effort, persistence, and struggle needed to execute on it.

In fact, what we like is not change, but to have changed. So, too, with generative AI: the notion of having an organization that has already gone through the phases of experimenting with it, leveraging its powers, and scaling or industrializing it, is enticing. However, the process of navigating these stages and going through these experiences is the actual job to be done. Thus, organizations should approach the adoption of AI like individuals would approach the acquisition of a new language or completion of a new college degree: with patience, time, dedication, and a fundamental awareness that what matters is not so much the destination as the journey.

Manage the shifts you can identify

Many assume that data-driven and repetitive tasks are the ones most affected by AI. This might be the case, but we might as well face a future where AI becomes a champion of creating content. But not the creative process. The potential we assume that AI might deliver to digital marketing is still uncertain. What is more certain is that things will continue to change for everyone working within digital marketing.

As described previously, change can feel as something that requires a lot of energy and therefore organizations often postpone actions which aren't urgent. At first sight can we expect that many agencies and advertisers lack a sense of urgency since much of the AI hype has passed and operations seem to progress as normal.

AI and social media go hand in hand to improve marketing operations and provide better user experiences. From content creation and customization to influencer marketing and ad monitoring, artificial intelligence can help brands get more value and engagement from their social media activities and transform how they market across social networks. As AI evolves, it will become more valuable in social media marketing since more innovative and sophisticated tools enhance the social media experience.

To relax is a luxury you can't afford

Don't overestimate the value of your own skills, or the operations of your agency. It can be very dangerous to assume that you're special and that you offer something unique which can't be replaced by technology. Just because we don't see any immediate changes with large impact doesn't mean that things won't change and develop. Now is the time to start acting in a way that slowly future proofs your skills or the capabilities of your organization. Simultaneously as you discover and explore relevant AI tools you should also spend time on shifting and updating your mindset. Humans will never be faster than an AI when it comes to analyzing large data sets but there are skills that you possess which are unique for humans.

To be able to create value from these skills is it necessary to accelerate the way we strengthen these skills. AI, and technology in general, is unbeatable when it comes to everything that has to do with hard facts and data. The outcome is depending on historic data and information, hence it needs to have something that the program can analyze. It is unlikely that we as humans will be competitive in this field.

Instead our contribution to value-creation will lie within areas that sometimes are referred to as soft skills.

If analytics no longer will be where you and your team add value, where will it be? To enhance, and complement, the outcome from AI tools humans should add non-digital capabilities. These capabilities are (at least for now) out of scope for any AI program.

Non-digital capabilities, which are the ones where humans still are competitive can for example be:



STRATEGY



CREATIVITY



EMPATHY



TRUST



SOCIAL



INTUITION

A willingness to add unfamiliar value

Given that we cannot compete with the capabilities of AI tools it is essential to find, and develop, areas that can enhance the value delivered to advertisers and brands. In parallel to exploring, discovering and developing AI as an integrated part of the way agencies operate it is necessary to also develop complementary skills.

Agencies, and individuals working in digital marketing, need to adapt to a context where AI generates a shift in demand for various services related to digital marketing. On one hand must AI be incorporated in the day-to-day operations simultaneously as there must be a willingness to develop skills that can complement the technical development and its impact.

There is no optimal solution to foster the complementary non-digital capabilities, instead these can only take form as individuals strive to continuously improve their understanding of the complex landscape that digital marketing today presents.

It might feel like a paradox to develop soft skills when the impact from AI at the same time is increasingly evident. Don't pay too much attention to this paradox, instead try to see the logic in continuously evolving and learning new things in a context that changes by the hour.

Continuous learning is essential in today's dynamic and rapidly evolving world. As industries and technologies constantly advance, individuals and teams who commit to ongoing learning gain a competitive edge and adaptability crucial for success.

Embracing a continuous learning mindset fosters personal and professional growth, allowing individuals, and teams, to acquire new skills, stay relevant in their fields, and enhance their problem-solving abilities.

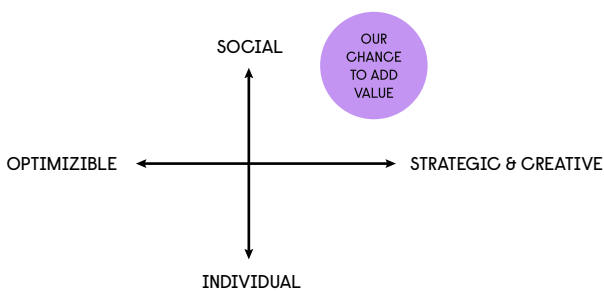
A responsibility to find new ways forward

Agencies have a responsibility to promote a learning culture to foster continuous learning in your organization. In this culture, employees are always looking for new information, sharing it with others, gaining new skills, and applying new ideas in their work.

To survive and thrive in today's era of digital marketing, agencies need to be innovative and adaptive, which depends on employees' skills and knowledge. Continuous learning must become the new norm if individuals and organizations want to stay ahead. The world of digital marketing changes quickly - if your employees can't keep up, your organization will fall behind. Use different formats and methodologies to promote a continuous learning environment that supports team members.

The starting point to understand which adaptations make sense is off course to start evaluating the existing skills and mindsets in your organization.

Once you understand the direction that you need to aim for, can you and your organization can embark on the exciting journey of shifting competences to better match the future demands of the market. This can sometimes result in that we need to abandon perceptions of which skills and competences that are relevant, skills and competences that we've perhaps taken great pride in championing.



It's urgent to increase your own understanding

The initial enthusiasm and flurry of activity in 2023 is giving way to second thoughts and recalibrations as companies realize that capturing gen AI's enormous potential value is harder than expected. With 2024, and perhaps even 2025, shaping up to be the year for gen AI to prove its value, companies should keep in mind the hard lessons learned with digital and AI transformations:

competitive advantage comes from building organizational and technological capabilities to broadly innovate, deploy, and improve solutions at scale—in effect, rewiring the business for distributed digital and AI innovation.

Adapting our way of working, our commercial offering and our mindset on value creation isn't an easy task. In addition to being a difficult thing to manage, is it also a challenge that will stay with us forever, since the world will always develop around us.

The characteristics of digital marketing makes the industry stand at the front of the impact from AI. There is no best practice on how to manage the current changes and shifts in the industry, simply because this has never happened before. Doing nothing is the only thing that's not recommended.

Finding an approach and methodology that allows agencies to benefit from the opportunities created from AI is one important part of adaptation that enables competitiveness. Additionally it is crucial to constantly work on our mindset since this is one key enabler to finding new and relevant ways to add value for clients.

Advancements in technology increase everyone's expectations on the level of value that can be delivered. Once expectations increase the perceived value of previously delivered services. When the perceived value that agencies generate shifts should organizations challenge their commercial offering, previous methods will no longer be as relevant. Agencies with an ambition to stay in business are required to adapt their offering to match the new expectations from the market. Sounds pretty easy in theory but has turned out to be very challenging for many. Knowing this, it is recommended to understand yourself, know what's relevant for your clients and continuously plan for the next step of your development.

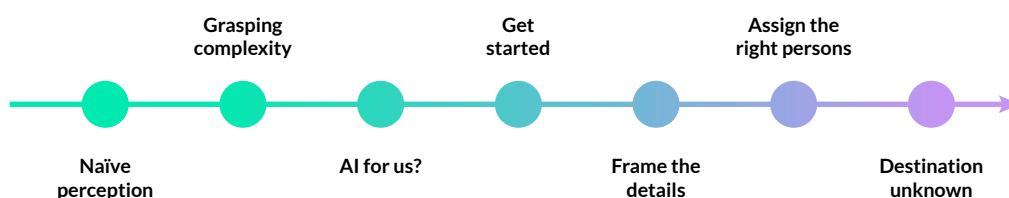
The importance of an updated understanding and knowledge of the impact from AI is not isolated to agencies - advertisers must also find new ways to remain competitive in relation to the advancements in technology. The only thing we know for sure is that everyone is required to adapt.

YOU + **AI** = **Increased competitiveness**

One way to get started


Adapting yourself and your organization to a world influenced by technology and shifting value offerings is much more than only a technical challenge.

- In order to involve the entire organization in the development is it wise to have some kind of gathering to create a unified perception for what AI can be.
- There is often a naive view on AI, either people think that it can manage everything, or that it is close to useless. The truth is likely somewhere in between.
- Once you get started on exploring AI you will probably find that it is more complex compared to your initial understanding. Focus on the parts that matter for you.
- Aim to identify how you can benefit from AI. This differs from all organizations.
- Start testing AI tools. You'll never be fully prepared so just get started.
- Administrate your findings. There are so many tools that you should have a unified way of how to test and evaluate tools and methods.
- Decentralization is key. Only team members with specific competences and skills are able to evaluate tools relevant for their function.
- Maintain a high level of testing and encourage your team to take part.
- Evaluate potential value from various AI tools and how these can become a part of your existing workflow - or perhaps you'll need to update your workflow.
- Pay attention to news and trends within AI that's related to your business.
- Take a long-term perspective on everything related to AI. We'll live with AI for an unforeseeable future, hence we must all continuously adapt.



Never Stop Learning!

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