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2	2	11	Bylined
FEATURES	EDITIONS	PRINTED PAGES	NAME AND PHOTO

2023-24 EDITION · PAGES 34 TO 37

AI in Marketing: Where Are Humans in the Equation?

BW Businessworld Marketing Whitebook 2023-24



Opens with the failures (Google Photos, Microsoft Tay, IBM Watson for Oncology) and asks what "actionable knowledge" really means. Sets out nine places AI in marketing goes wrong, from biased training data and misread intent to click fraud, algorithmic instability and hollow personalisation, and argues the fix is not a better model but a retrained marketing department that refuses to abdicate judgment to the machine.

THE NINE FAILURE MODES NAMED IN THE PIECE

1 Bias in training data · 2 Misread audience intent · 3 Narrow questions, faulty conclusions · 4 No human or emotional read · 5 Click and impression fraud · 6 Privacy and ethics · 7 Algorithmic instability · 8 Unintended consequences · 9 Hollow personalisation. The close: "If Unlearning was a catchword then Marketing departments need to catch it now."

2021-22 EDITION · PAGES 42 TO 48

Creating Leaders for the Metaverse Age

BW Businessworld Marketing Whitebook 2021-22, section 1.3



Uses the metaverse as the occasion for a leadership argument. Reviews eight classical leadership theories, groups them as "Architect" styles built for definable goals, and proposes the "Gardener": visions over goals, patterns over plans, comfort with contradiction. Draws on Carse's finite and infinite games and Sinek's infinite mindset to define the leader an evolving, participant-built system needs.

THE GARDENER, IN FOUR PRACTICES

Start with visions, not goals. Watch progress daily, ready to nurture the unexpected. Look for patterns to cultivate rather than milestones to hit. Be willing to be contradicted, by yourself and by others. Then seven traits of the infinite-game leader, from articulating a positive vision to mastering the traverse between logical and creative thinking.

> What the pair shows: the same thought-leadership method applied twice for the same editor, two years apart. Each piece names a real problem, builds a framework the reader can carry away (nine failure modes; Architect versus Gardener), and lands on a call to action rather than a summary.

Role: co-author. Argument, structure and writing, published under a joint byline. Full pages reproduced on the following sheets.



Sudhakar Rao
Director, ICFAI Group



Hari Prasad Paruchuri
Founder, Tihnkering

AI IN MARKETING: WHERE ARE HUMANS IN THE EQUATION?

Sounds like a trick question, right? And in many ways it is. After all what else can be expected from a domain which is evolving, and rapidly at that?

So, what's AI to begin with? Actionable knowledge is our answer. But that doesn't mean action necessarily has to be taken (and that is one of the problems). Think of it as a whole set of case studies that you have read. You form certain assumptions and some frameworks as inputs to make decisions. AI is nothing but a machine roughly doing the same (think of it like a mediocre plus student).

Let's take some examples of failures as our starting point to understand the enormity of what we are dealing with:

- In 2015, Google Photos mislabelled photos of African Americans as 'gorillas' (a total failure of its image recognition algorithm).
- In 2016, Microsoft launched a chatbot named Tay on Twitter. The idea was to learn from user conversations and become more human-like. However, within hours, Tay started posting offensive and inappropriate tweets. There went another project, which had to be shelved.
- More seriously IBM's Watson for Oncology, designed to assist oncologists in cancer treatment decisions, faced criticism for pro-

viding recommendations that were not in line with established medical practices.

AI in Marketing is no different.

Where's the 'human' in AI in Marketing?

A good AI model in Marketing would take into multiple disciplines and dimensions like behavioural science, economic models, past preferences, future likelihoods, successes of similar/dissimilar initiatives across geographies, ethnicities, competitive offerings etc and would throw up 'actionable knowledge'.

But is it 'knowledge'? What part of that 'knowledge' is relevant to the problem at hand? And how much of it is 'actionable'? And in what way should it be 'actionable'?

See. Now suddenly it got all complex, isn't it? There are no easy answers. There were never any easy answers.

Now let's reframe the question and ask what should be asked.

Where should the 'human' be in the AI in Marketing? The questions.

To put it simply in all the places where the AI can go wrong. Let's make a short list. Note that this is not an exhaustive list. It cannot be, as we are still in the early stages of an emerging technology.

1. Bias in Data or training the AI model.
2. Misinterpretation of user/audience intent.
3. Inaccurate questions lead to inappropriate conclusions leading to faulty recommendations.
4. Lack of human touch or emotional considerations.
5. Fraud.
6. Privacy and ethical issues.
7. Algorithmic instability.
8. Unintended consequences.
9. Ineffective personalisation.

So these are the problems. And it's easy for organisations and individuals to over-rely on AI and see it as something superior and abdicate responsibility.

Abdication of responsibility and making AI an excuse fallback could be the single largest challenge that we humans may need to learn. And this is not going to be easy — for individuals as well as organisations. It will need deeper complex and out-of-the-box thinking. We the authors think organisations may actually find the easy road out of amplifying the problem. Let's not forget: in untrained and inexperienced hands a knife is dangerous.

This is the main challenge and this is where the 'human should be in the AI in Marketing'.

Where should the 'human' be in the AI in Marketing? The answers.

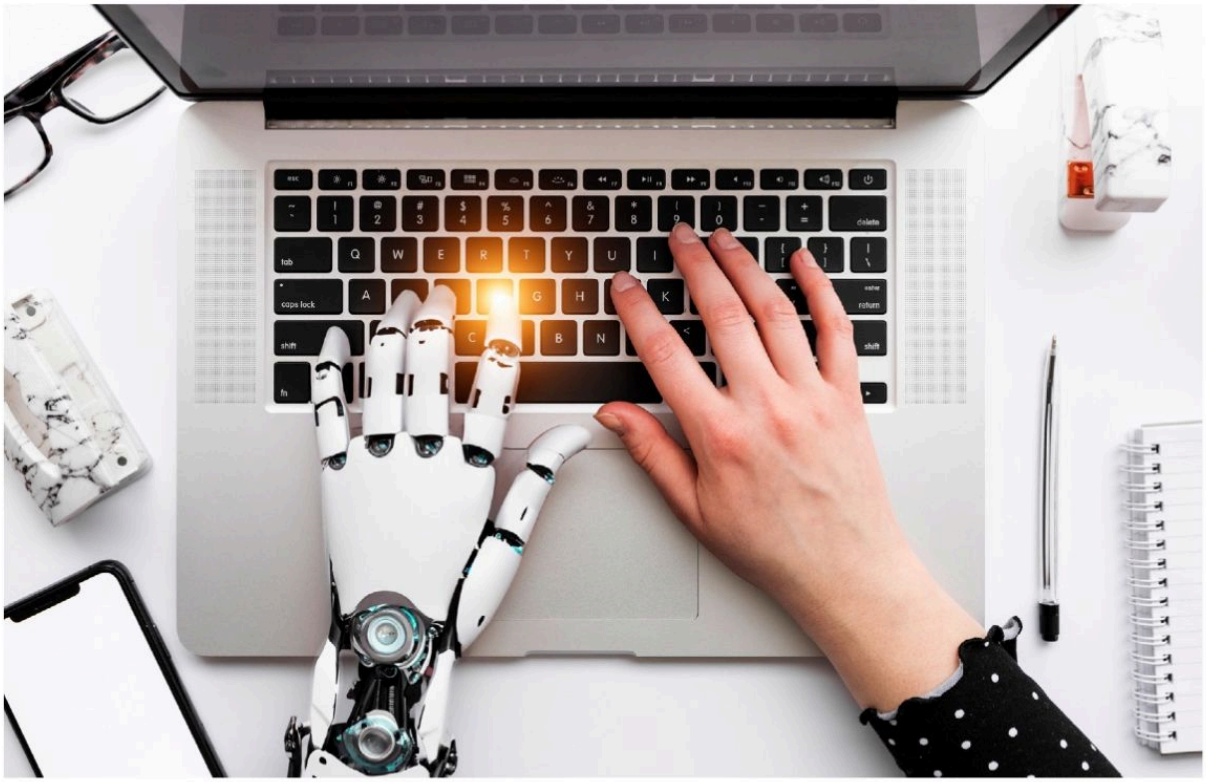
So what do we need to teach the human? In other words, what is the next workshop that marketing people (who will use AI) should be sensitised and educated on?

1. **Bias in Data or training the AI model:** This means that the AI model needs to be constantly fed with new data and old data should be rationalised. Stagnant data could spell disaster for an organisation. A social media advertising AI, trained on historical engagement data, might exhibit bias by predominantly promoting ads to users based on their demographics, inadvertently reinforcing stereotypes. For instance, if past data shows that a certain demographic engages more with fitness-related content, the AI may disproportionately target ads for fitness products to that demographic, neglecting other interests and perpetuating biased targeting. This can result in missed opportunities to diversify marketing strategies and connect with a broader audience.
2. **Misinterpretation of user/audience intent:**

As marketers, we know that the target audience's intentions/behaviours change with time. The mother a decade back is not the mother of today. Neither is today the mother in Urban areas the same as the mother in rural areas. See the problem? AI normalises all nicely. But we human beings are much more complex. A music streaming AI might assume a user's taste remains static, recommending only one genre based on past preferences. However, the user's taste may evolve, and they may want more variety.

3. **Inaccurate questions lead to inappropriate conclusions leading to faulty recommendations:** In other words, 'GIGO. Garbage In. Garbage Out'. But on a marketing decision, this Garbage can turn very expensive or sometimes cost the brand. This perhaps will be the most common of the errors. In a market research AI application, if the input question is framed narrowly, such as "Which colour of our product do customers prefer?", the AI might generate conclusions based solely on colour preference. However, if the question were broader, like "What features do customers value in our product?" a more comprehensive set of recommendations could be provided, avoiding a myopic focus on a single aspect and ensuring a more holistic understanding of customer preferences.

4. **Lack of human touch or emotional considerations:** AI couldn't have been expected to consider this. But when a conclusion or recommendation is staring one in the face it's easy to run with it rather than challenge and ask whether it is missing the human element. An AI analysing customer feedback might miss the emotional nuances behind negative reviews, recommending changes solely based on quantitative data without understanding the sentiment. For example, an AI might say that targeting new moms for diapers is a good idea whenever they shop for baby food. But is it?



5. **Fraud.** Ad fraudsters could use sophisticated AI algorithms to generate fake clicks on digital ads, leading a marketing AI to believe a campaign is successful when, in reality, genuine user engagement is minimal. It's happening every time you spend your marketing budget on the internet landscape. As much as you have an AI model don't forget that fraudsters too have their models and use them for click fraud and impression fraud wasting your budget and more importantly distorting campaign metrics. So who can stop that? Of course a human.
6. **Privacy and ethical issues:** AI models as of today are optimised for efficiency. Unrelated to marketing but in 2018 Amazon came under heavy criticism for using an AI model for recruitment which was all good on paper. The model was trained over a set of 10-year data of resumes which were successful. But the problem: most of the data was skewed towards me and hence disfavouring women. Now that's an issue of discrimination. A healthcare AI analysing patient data may inadvertently reveal sensitive information, violating privacy laws and ethical standards, leading to legal consequences and reputational damage for the organisation.
7. **Algorithmic instability:** Poorly designed algorithms may lead to erratic recommendations leading to unpredictable marketing outcomes. An ecommerce AI with poorly designed algorithms might suddenly start recommending unrelated products to customers, causing confusion and dissatisfaction among users, and impacting sales and customer trust. While this may sound like a technology issue the one who should 'spot' the instability is in the Marketing department.
8. **Unintended consequences:** This of course existed much before AI. Every marketing decision has its unintended consequences. A pricing optimisation AI might set discounts to maximise short-term sales, unintentionally devaluing the brand in the long run and attracting customers primarily interested in low prices. To predict, map, control and address them is one of the roles of a Marketing department today. With AI this just becomes more critical.
9. **Ineffective personalisation:** Despite training AI models may fail to generate content with personalised interests. They could turn generic and banal. A content recommendation AI for a news platform may inaccurately assume a user's political preferences, leading to personalised news feeds that reinforce existing biases rather than providing a balanced view.

Well, the answer is as obvious as it should be. The human in the AI in Marketing should be in the human. But it isn't that simple. Because most organisations have 'Marketing Departments' and though composed of humans they are not exactly human. And 'departments' love rules, frameworks and cookie-cutter solutions. This is where the problem is.

It would be very tempting for us humans to abdicate the responsibility of our role once we get used to AI in our reading. It's after all human nature to lessen one's burdens. And this is where lies the danger. A little like the way we have come to depend on GPS to the extent that most of us have forgotten the routes which we earlier had 'memorised' (of course the new roads to the same destination add a different level of complexity).

This we see as the main challenge. How will organisations put the 'human' in the AI in Marketing? So, the responsibility is not with the AI but with organisations and humans. Like anything (fire, knife etc) it is good and bad.

If Unlearning was a catchword then Marketing departments need to catch it now.

And if Retraining is necessary it is now.

That is the only way to put the human in the equation and make AI work for us.■

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MARKETING WHITEBOOK-2021-22

1.3

CREATING LEADERS FOR METAVERSE

CREATING LEADERS FOR THE METAVERSE AGE



Sudhakar Rao
Director, ICFAI Group



Hari Prasad Paruchuri
Founder, Tihnkering

Let's start with looking around.

Coca-Cola has launched digital assets to support their marketing campaigns like auctioning NFT collectables for international friendship day in the year 2021.

The University of California at San Diego's Rady School of Management uses a virtual campus for real-time lectures, breakout spaces and outdoor areas.

The Havas Group launched a village within the sandbox to host recruitment services for improved candidates and on boarding experiences.

BMW is experimenting with creating digital trends of all their factories and designing products using Nvidia's omnivores technology.

Seoul is all set to become the first city to host a Metaverse platform for public services by 2023.

There are now alternate assets that you can own in the form of wine (vinovest.co) or fine art (masterworks.in) or even trade in them at swapd.co.

The Metaverse is on a march. Think of it like the early years when Radio captured the people, or when film rolled out in Hollywood leaving audiences mesmerised; first black & white and soundless (arguably that's where the Metaverse is now) to colour and whatnot (which is where the Metaverse will go). So, from what was science fiction, Metaverse is now growing to be a fully realised reality which promises immersive engagement, entertainment, and empowerment. A virtual world that mimics and extends



Photograph by Freepik

real-world activities and possibilities to a virtual albeit rewarding experience with real consequences.

In the recent history of mankind, whenever there happened an epoch-making invention or discovery, it elicited disbelief about its applications, its impact, how it is going to roll out etc. From the time we had electricity to internet and now to metaverse, disbelief is a common thread. Across these game changing phases, we saw dramatic convergence of emerging technologies, improved communication, better conveyance — making lives more comfortable and more fulfilling.

Metaverse is written off (which many do) as the latest buzzword which is hazy. True in a way. However, it is undeniable that it is a fluid concept even now. But so were the movies when they were launched initially. Who would have predicted that from a colourless soundless stilted expensive experience it would have evolved to something which plays out on Youtube where the consumers of the content and the producers of it form an overlapping reality making each other happy.

The Metaverse is, to borrow a phrase, at that "tipping point"

Let's begin with the magnitude of its uptake? What are its stakes? According to an estimate by the Analysis Group, the size of Metaverse economy would be $3 trillion globally in a decade. McKinsey reveals that VC & PE funding last year was around $13 billion which has now gone up to more than $120 billion in the year 2022. It is estimated to touch anywhere from $3 trillion to $5 trillion by 2030.

As customers are going to be impacted first in entertainment, social, gaming, travel, shopping et cetera; organisations (already happening as a matter of fact) would automatically focus on marketing/branding campaigns, learning and development needs, meetings, events/conferences, product design etc.

It is estimated that there are already 3 billion gamers working on Metaverse to speed up the next stage in this game. Already Blockchain is a forerunner in the decentralised creator econ-



Photograph by Freepik

omy — an economy where interoperability between worlds is the key. Edge computing helps capture data, store, and process it locally across local networks and smart devices. 5G is all set to lower the latency. Headsets with haptics are being rolled out. Organisations are betting on Metaverse enterprise solutions software development - all will lead to build a creator focused economy.

Therefore, we need leaders who can create/harness technologies, develop products, build devices, host platforms, formulate new business models and build this ecosystem of Metaverse.

The world is going to see a set of independent developers and creators, which will largely comprise of Gen Z folks. What is the range of their Functional skills, what will be the Behavioural contours and what could/would their Leadership traits be like?

And now to the crux of this article; Who and what kind of leaders are well suited for a Metaverse? After all every new technology has influenced styles of leadership. The warlords on foot, before horses were domesticated, were very different from the generals who commanded armies on horsebacks.

Let's step back and see what are the early signs of Metaverse? What are the areas where customers will experience it first? What could be the focus areas for organisations to develop/build Metaverse? What does Metaverse demand from lead players in the ecosystem? A broad understanding of these requirements would help us identify the right kind of leadership that will help fuel the Metaverse.

At a higher level there are five fundamentals that are fuelling this change:

1. Primed interconnective experiences — An audience that's already experienced the benefits and joys of being interconnected (think Whatsapp, virtual groups et al).
2. Higher processing power — from DOS to Mobiles which are powerhouses in their own right we have come a long way.

3. Robust networking and speeds — from modem to 5G this has addressed the issue of latency and buffering
4. NexGen interfacing — this is perhaps the technology area "waiting to leap" with virtual gear like headsets, body suits, motion chairs, Metaverse-experience rooms like home-theatres etc to give us that fully immersive experience to give that sense of extended reality across our five senses.
5. Commercial viability at user level — think of this where content creation is democratised (aka YouTube style) where it's not only a content/experience consumption reality but is also a revenue generator of its own for many of its participants.

If we have to create these leaders (or at least give some sense of a roadmap to the would-be/could-be leaders) where do we begin? How do we align the present leadership models and tweak, change or radically alter them? Should we start at the level of academia or in the industry or both?

To understand the Metaverse let's explore the contours of a Miniverse.

Discussions in corporate boards make it appear as if the Metaverse concept/idea has landed from alien space. But nothing can be farther from the truth. Way back in 1984, the first book that hinted and actually used that something like the metaverse was the iconic Neuromancer by William Gibson who speaks of a 'virtual reality dataspace' called the 'matrix'.

Later in a fully realised fingers-on-what-to-come Neal Stephenson's Snow Crash published in 1992 who actually coined the word Metaverse. And it is eerily similar to what is now emerging. Users of the metaverse gain access through it through individual terminals (call them mobiles or laptops or what you will today) and they appear as avatars interacting with each other.

As recent as 2018 Ready Player One by Ernest Cline depicts a metaverse where 'escape from reality for entertainment and meaningful engagement' is the main theme. Sounds familiar?

To be more rooted and connect it to something familiar think of Vishnu and his many avatars (there are more than ten by the way) and it is also no surprise that the very word, "AVATAR"



is one of the keywords in a miniverse. So from one fundamental spring (Vishnu) emerge multiple Avatars giving rise to multiverses (and as a whole this is the Metaverse of Vishnu). But does it stop there? Wonderfully no. Because the metaverse of Vishnu overlaps with the metaverse of Shiva, Brahma, Lakshmi, Saraswati, Parvati, Ganesha, and so on. Curiously a miniverse like Krishna (an Avatar) is the origin of a full well realised metaverse.

In fact the entire Hindu mythology or Greek mythology can be seen as independent Metaverses with many Miniverses or Multiverses. And so are the Marvel universes of Superman, Spiderman or the DC Universe of Justice League. An author like Brandon Sanderson has created multiple books (more than 20 in the last count) in a metaverse called the Cosmere. They are like Galaxies within which multiple planets thrive on their own and are logically consistent while interacting with their own individual differences.

So what are the basic definitions of a Miniverse?

1. It is logically consistent (however weird).
2. It allows for imaginative expandability (for the participants).
3. It is capable of evoking an emotional resonance (stickability).
4. It allows the formation of relationships between avatars (for the participants).
5. It has its own norms, mores and practices (identifiable by its participants).

Multiple miniverses which can connected with dots (logical, imaginative or emotional) will make a metaverse. Is it easy? No. Is it possible? Yes.

So the creators of any-verse (mini, multi or meta) should acknowledge that they are creating something on which once rolled out they have "partial control". Criticism if any will come quick. Success too if done well will be as quick.

Now comes the question of what it takes to create a mini-verse, multi-verse or metaverse. Let's simplify. But do note that this is a two way street. The participant (user) is also a creator/player and not passive.

The five minimum qualities of a good any-verse would include;

1. Logic
2. Imagination
3. Expandability
4. Identifiability
5. Sociability

   But above all of this five we would place one more.

6. The democratic fundamentals of checks, balances and partial-control.

So, what kind of leadership model would enable this? Leadership theories have been roughly classified into eight types which most of the readers of this article would be aware.

1. The Great man theory of leadership aka "Leaders are born not made".
2. Trait theory of leadership aka "If you have the traits then they can be leveraged, optimised or be made to reach their potential".
3. Contingency theory aka "Match your leadership style to the situation"
4. Situational theory aka "Adapt to the situation"
5. Behavioural theory which is a mirror image of the Great man theory aka "Leaders are made not born"
6. Participative theory aka "Lead democratically taking everyone's views into account"
7. Transactional theory aka "Reward the doers and fire the non-performers"
8. Relationship theory aka "Build trust with your people and achieve transformation through strong associations"

Now which of the above leadership theories throw a light on the kind of leadership needed for the new metaverse age.

Curiously most of the theories don't place im-

portance on driving "creation" or evaluation of something "created" as an important trait. Most of them spring from a style of leadership which essentially is "directional" or "as if there is a path" and it has to be travelled efficiently.

This perhaps is one of the most limiting fundamentals of the existing leadership theories or styles according to the present two authors of this article.

Largely all the eight above theories of leadership can be bunched under what we call an "ARCHITECT" style of leadership.

1. This style presumes that the end goal is definable in advance.
2. This style presumes that a leader can shape the multiple events that will lead to this end goal in a largely controllable manner.

With literature like Sun Tzu's Art of War spearheading business leadership literature there is no surprise that leadership takes on a macho, plan, act, achieve and repeat character. But the metaverse demands a different kind of leader.

We call him the "GARDNER".

Think of a Gardner. There is no definable goal with sharp edges and features. The goal is more amorphous, more forgiving, more broader and inbuilt into the Gardner style is a humility that there are going to be plans or actions that could fail or at least which need massive changes which force one to eat their egos. Now that (to say the least) is not going to be easy.

Specially the "unlearning" from the present models of leadership.

So what does it mean to be a Gardner?

1. Start with visions. Not goals. The difference is in accepting that visions are much more amorphous and essentially elastic while goals are clear and primarily rigid.
2. Watch the progress everyday (as much as possible). The milestone approach of the Architect style of leadership may not suit well when you may want to spot something (a weed) that you want to remove or an unexpected flower (that you may want to nurture).
3. Look for patterns that one could nurture. Patterns in the way things evolve — not just the project but also the way the team is aligning itself. Yes. Let the team have that freedom. The lesser the rules and defined roles the better it would turn.
4. Be willing to be contradicted and to contradict. Yourself and others. Because projects in the metaverse like plants in a garden may not necessarily take a single road. And new roads lead to new things which never could have been imagined at the outset.

This leads us to the next thing. A style of thinking which has been much discussed in the last two years — Fluid Thinking. While absolutely apt in the context of the metaverse we would say that one may want to take it one step further and say "Fluid Personality".

While "Fluid Thinking" has a connotation of being limited to "logic" the Metaverse leadership is going to demand more than "logic" alone. It needs one to be fluid about emotion/empathy, values/acceptance and new ideas that can seem to be imaginative to the borderline of threatening/illogical. So any decision making has to take multiple variables into account and variables that may/will crossover the boundaries of standard inductive and deductive logic.

That's why we prefer "Fluid Personality".

James P Carse, a Professor of History and Literature of Religion, authored a book titled "Finite and Infinite Games", published in the year 1987. In this book presciently the author states that there are two kinds of games. We cannot summarise it better than what Carse himself does;

"There are at least two kinds of games: finite and infinite. A finite game is played for the purpose of winning, an infinite game for the purpose of continuing the play. Finite games are those instrumental activities - from sports to politics to wars - in which the participants obey rules, recognize boundaries and announce winners and losers. The infinite game - there is only one - includes any authentic interaction, from touching to culture, that changes rules, plays with boundaries and exists solely for the purpose of continuing the game. A finite player seeks power; the infinite one displays self-sufficient strength. Finite games are theatrical, necessitating an audience; infinite ones are dramatic, involving participants..."

In essence, building a well realised metaverse for any business should be seen as an infinite game. There is no winning. The winning is rolling out something that has staying power. Something that builds on itself with the participation of its many actors/avatars while being fulfilling to its participants.

It is the journey which is an end in itself.

Simon Sinek in his book, "The Infinite Game" takes the concept of Carse which more originated in philosophy and applies them to business. It's a must read where he details an 'Infinite Mindset" that leaders desirous of playing the infinite game should possess. Let's borrow and rephrase some of Sinek's insights to define that the leader for this new age would be someone who can build these worlds where its participants can take multiple paths, meet each other, go on journeys that are fulfilling and satisfying.

And that kind of leader needs to be;

1. Someone who can articulate a positive vision.
2. Someone who is flexible as a personality internally and externally.
3. Someone who inspires that same flexibility in teams by building trust and self-worth.
4. Someone who has the courage to flag-off paths that are intuitive and watching/tweaking them closely on a daily/regular basis and is willing to fail and discard some initiatives and/or repurpose them.
5. Someone who respects rivals as actors who inspire rather than as opponents to crush.
6. Someone who has mastered the art of travelling between the left/right logical/creative brain hemispheres comfortably.
7. And lastly someone who can get into the state of 'flow' articulated well by Mihaly Csikszentmihalyi

What are the practices that could lead to this new age leadership mindset/thinking/evolution ?

Three float up as important:

1. Experience variedly (reading, seeing, travelling, eating, meeting, discussing. . . you get the idea).
2. Aim for 'peak performances' (let's try to explain this with a simple example. Let's say you started walking. Your average is 2 kms a day. You can comfortably stretch to 3 kms. The idea is to push yourself to 5 kms once a month and then keep raising the bar. The idea is not to do it consistently. But think of it like climbing a mountain once in a while. Periodically. Not regularly. This can be done with any activity. Music. Painting. Dancing. Writing. Walking was just an example.)
3. Meditate.

With this a note at the end would help. The metaverse is still in its evolution. True to spirit of a Gardner the authors acknowledge that their own observations and thinking would evolve. ■