

Welcome as we explore the trends we expect to see make a significant impact to business during the year. Our deep analytics experience underpins this narrative and suggests pathways through an increasingly chaotic landscape.

### AI Delivering More Accurate Predictions

We are very excited to examine the latest developments in the field of artificial intelligence (AI) and how they can be applied to drive business growth.

Significant advancements in AI have recently seen a coming of age for natural language processing (NLP) techniques such as machine learning and deep learning. These techniques have greatly improved the ability of computers to understand and process human language, making it more realistic for businesses to automate customer service, improve search engine results, and assist in writing factual information.



Correct factual information lies at the heart of AI adoption and we have all seen the impact and ensuing debate in the media that followed Google's failed launch of its own AI product, Bard, recently. This has highlighted the challenges the IT industry faces in ensuring information delivered is accurate and avoids skews towards particular political belief systems and/or propaganda.

One of the most widely cited natural language AI developers, Queensland born Christopher Manning, warns that disinformation is too easily spread: "It's easy to produce plausible good sounding text..." this could include ..."falsely generated images of people..." The expected result will be more tracking of provenance and a premium for trusted news outlets. He sees applications of this current AI wave in customised emails, copywriting, manipulating images and videos so tasks like making CGI movies much more accessible.

### ChatGPT: A Leap Ahead (GPT 'Generative Pre-training Transformer')

Launched late in 2022, ChatGPT is a fascinating exemplar of what AI can do. It was created by OpenAI, but is often associated in the media with Microsoft, who are heavily invested in it and plan to integrate it into their software. The application uses Large Language Models to draw on and learn from a vast amount of information from the web presented via a chatbot. Within a month of launch it had over a million users and is growing fast.

- **Yes, but what can it do?** It can research topics and assemble information based on very specific instructions. It dramatically broadens the scope and depth of information you can easily access, but without any guarantee of accuracy.

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## Humans are NOT obsolete

We should consider any technology as an enabling tool that needs guidance and experience in order to deliver strategic benefits. Success relies on how well your organisation's aims are translated and interpreted into requirements of the technology – so a clear alignment is created. This is, and will remain for sometime, a subtle process requiring deep human expertise. Furthermore, there's always a risk of misuse or abuse, so it's crucial to have a clear ethical framework in place to ensure that the technology is used responsibly.

We first started playing with the pre-cursor to AI, Neural Nets back in the late 90's with Microsoft. It was fascinating to see how that early application to predictive analytics improved marketing effectiveness and reduced costs. Over the last 10 years, we have been exploring the vast number of ways you can apply AI and Machine Learning (ML) for effective outcomes whilst the span of available tools continues to expand. These tools allow businesses to make more informed and accurate decisions and provide them with a critical competitive edge.

AI can provide ongoing essential learning for those who recognise the competitive advantages it can deliver. So we encourage you to start thinking about on where it might fit within your own planning.

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## ESG (Environmental, Social & Governance) Missing Investment Upside

Our prediction is the next 12 months will see the Social in ESG gain more traction in the comms mix for organisations - with 0.6 probability. The Environmental aspect will continue to play a part in relation to climate action and optimal messaging, however, as the reality of transition costs and interest rate rises start to bite, we anticipate priorities will change. This could see an opportunity emerge for organisations to connect with their audiences through CSR (Corporate Social Responsibility) to further build both credibility and trust. Our prior modelling work based on international research links those critical intangibles with successful financial outcomes. Authenticity and human connection are precious gems at the heart of any successful organisation or brand.

This year sees the ACCC focus on Compliance and Enforcement relating to consumer and fair trade concerns around 'green claims'. The result to date indicates 57% of organisations made concerning environmental claims, forming the basis for future investigations.

ASIC is also spearheading the global fight on greenwashing with its first-ever court action against Mercer Superannuation. ASIC recognises the negative impacts of Greenwashing on the genuine intent of ESG focused organisations and behaviours.

## Customer Insight

As global markets get more competitive and our economy tightens, customers become far more discerning about how and where they spend their money. Their tendency is to select organisations and brands that they can identify as trustworthy, transparent and good value.

This is where strategic communications can be implemented to deliver massive financial benefits. However, those comms need careful planning around current customer insights, which clarify and structure HOW customers see value. Helping clients use the insight from Value Proposition research translates to helping them grow by better alignment to their market – both in perception, through comms, and in delivery, via products.

Leveraging customer information is important to efficiently develop brand equity, targeting new prospects and locking-in loyalty. Research and analytics are the tools that will enable you to unlock the data you have and gain deep insight in to what really matters to your customers. Effective strategies can then be developed to help maintain and increase your market. This [recent blog I wrote for a US communications institute](#) further outlines our thinking.

As always, we look forward to hearing from you. If you have any questions or would like assistance with any current challenges, we would very happy to discuss these with you over coffee, phone or video conference.

**We look forward to connecting!**

Best regards,

Michael & team

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