

Industry Trend

# How AI is shaping the next era of brand domination

In today's digital-first world, AI is rewriting the marketing playbook – one prompt at a time. Although the intelligence is artificial, the potential for brand owners to mine the rewards are real, with AI transforming the way brands connect, communicate and convert.

Media Precinct

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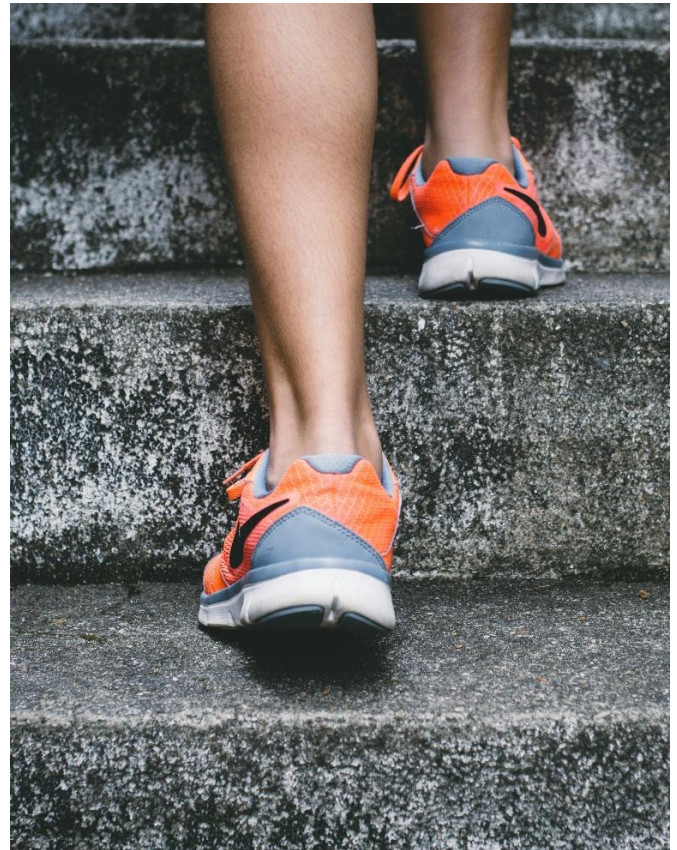


**When Nike needed a clever way to commemorate its half-century it avoided all the traditional routes of runaway egotism expected of such legacy brands.**

Instead, it sought to showcase the importance of its long-term partnership with Serena Williams by highlighting the power of her game and its growth.

In a campaign called 'Never done evolving', Nike harnessed the power of advanced AI, by creating a series of matches between 1999 Serena when she won her first Grand Slam title, and an older version of herself, when she won the 2017 Australian Open.

Using archival footage, machine learning was used to model each era's playing style, decision-making, shot selection, reaction time, recovery and agility. This clever AI-assisted evolution of storytelling where viewers could see both Serena's play one another saw 1.7 million viewers watch the 'grand final' via YouTube, an increase of 1,082% in organic views compared to other Nike content.



## AI at work

The simple days of linear customer journeys where consumers were served a message and acted on it through to purchase are now gone.

Today, in any given nanosecond, consumers will be bombarded with personalised shopping experiences and precision-targeted ad campaigns. Instead of segmenting customers into a handful of cohorts based on their spending habits, AI allows for a multitude of dynamically adjusting segments.

With detailed metrics on how consumers browse, what content they engage with, when they engage, how they respond to different messaging and even their emotional sentiment, brands can create very detailed sub-segments based on those correlations and behaviours enriched with individual nuances.

The potential of such personalisation at scale, as well as the impact of Predictive AI, Generative AI and Conversational AI applications on task allocation, content creation, insight extraction and optimised decision-making, are just some of the key factors influencing the rate of AI adoption in Australia.

According to Canva's [The State of Marketing and AI 2025 report](#), 87 per cent of Australian marketers allocated budgets for AI in 2024 and a further 75 per cent expected to increase their AI investment in 2025.

Even amid economic uncertainty, 62 per cent of marketers anticipate AI budgets to grow by at least 25 per cent.

This is in line with research by IAB Australia, the nation's peak online advertising organisation, that shows [the adoption of generative AI in media planning and activation is on the rise](#), with 42 per cent of buyers actively using it and an additional 36 per cent exploring its potential.

Meanwhile, [Capterra's 2024 GenAI for Social Content Survey](#), which included over 1,600 social media marketers worldwide, found an average of 49 per cent of Australian businesses are already using Gen AI for social content, with this figure expected to rise to 61 per cent by 2026.



## The benefits of getting personal

Adel Gilani, the digital planning and trading lead at [The Media Precinct](#), believes AI's surge in popularity within the advertising and marketing sphere has come about because it has obliterated the one-size-fits-all approach to marketing.

Successful brands are now able to use AI to speak directly to ever more finely sliced niche audience segments with tailored content. And that's down to the enormous and growing capability of machine learning algorithms to sift through billions of data points and join those myriad dots to paint realistic pictures of emerging audience clusters and the individuals within them.

Twilio's [State of Customer Engagement Report 2023](#) found that personalisation was found to boost customer lifetime value. It found that 79 per cent of Australian consumers believe personalised experiences increase brand loyalty and spend, while 89 per cent of businesses agreed that access to real-time data is essential to their organisation's growth.

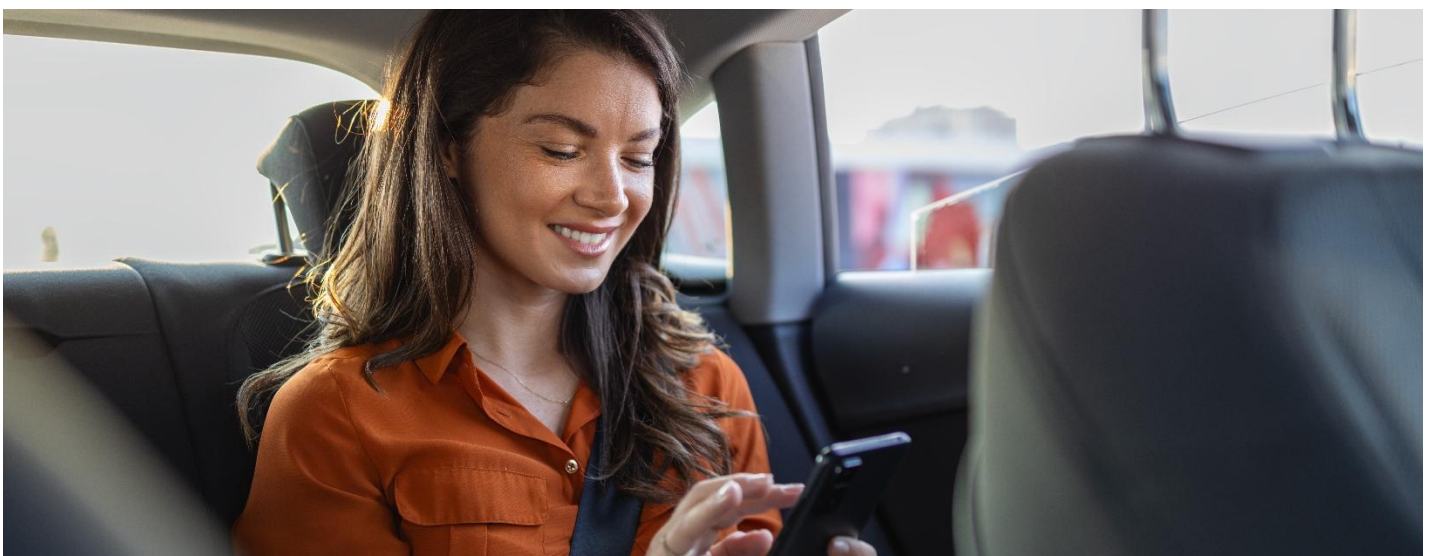
By analysing a range of signals, such as location, device use and search queries in real time, brands making the most of AI toolboxes can deliver the right message at precisely the right time, helping to increase engagement, productivity and efficiency while reducing wasted spend.

He cites **Sephora** as a great example of a brand successfully using AI to enhance the customer experience and improve efficiencies, he says.

The beauty brand saw a 30 per cent lift in sales by integrating AI into its customer service virtual chat, with its AI chatbot then advising the user by providing personalised recommendations as well as virtual try-ons through augmented reality. To continuously improve its recommendations, it employs AI tools to analyse the interactions and feedback.

**Uber** is another brand that has been using AI as a core component of its business process for several years now. As well as using it to optimise the rideshare function and set dynamic pricing, it also relies on it to route customer service interactions to the most relevant agents – a move which resulted in a 10 per cent improvement in efficiency, plus concurrent jumps in customer satisfaction levels.

Gilani says while there are many AI tools and platforms that assist marketers, in his experience, there is one that offers better returns than others. "[Google Ads' Performance Max](#) has driven a strong ROI for most campaigns I've run as it has found additional audiences and search terms standard search campaigns aren't able to. Its ability to use machine learning to optimise across all of Google's network has driven low cost per acquisition as it was able to nurture users down the marketing funnel.



## Algorithm anomalies

Big tech platforms are constantly refining their algorithms, with the constantly advancing AI technology responsible for much of the change.

This has been evidenced through Google's shift to AI-first search through its [Multitask Unified Model](#) (MUM) and [Gemini](#) personal AI assistance products while platforms such as Meta and TikTok are using AI-driven engagement prediction models to serve the most relevant experiences.

Understanding how these algorithms work and how to work alongside them is key for brands looking to amplify their presence, differentiate themselves from their competitors and accelerate their revenue.

Ad technology veteran Tyler Ervin, who founded [Archie AI](#) (a suite of AI products built for the future of digital content and publishing) says he likes to use the old dog analogy when describing the ways AI models are changing to adapt to the constant shifts in consumer behaviour.

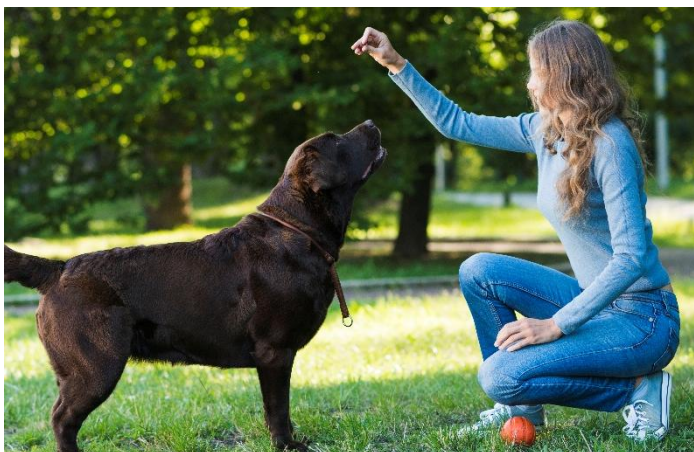
"Old algorithms are like a dog that knows one trick and does it very well so it can get a treat. AI models are more like that dog that learns to sit but then keeps learning. Maybe it figures out that if it sits faster, it gets a treat quicker. Or it notices that when you get home from work, you're likely to give extra treats every time it sits, so it sits repeatedly without being instructed to. Or maybe it learns that if it sits then rolls over it gets a bigger treat. It's constantly observing, learning, testing and refining its approach to get better outcomes."

AI algorithm models learn incrementally over time, giving them the ability to react much faster than traditional reporting and analysis processes. As new data comes in by way of a trend or a market shift, AI uses it to update its understanding of consumer patterns, getting smarter with every interaction, Ervin says.

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While most algorithms go beyond simple correlations and can identify complex and often non-obvious patterns in large, diverse datasets, custom algorithms are really where brands can gain a competitive edge, he says.

"Standard AI tools are fantastic for general tasks [however] custom algorithms tuned to understand your unique customer journeys, drivers and market dynamics are far more impactful than generic models. They're designed to specifically ingest and interpret your unique first-party data giving you exclusive and actionable intelligence. Having a more precise insight into your market and consumers can be a significant differentiator yielding personalised experiences and quicker market responses than competitors."



## A multi-faceted approach

But it's not just in customer engagement where AI can make its marketing mark.

*Gilani says he regularly integrates AI learnings into his work and now considers it as just another team member to consult with for ideas.*

"I can export and attach data from different advertising platforms into AI and provide details about my approach, prompt for feedback and what questions the client may ask. This allows me to be better prepared and tweak if I need to.

As I'm working with AI on smaller tasks, it has allowed me to gain insights from my team on bigger strategies which utilises their time more efficiently."

It is savings in productivity that are behind Gilani's belief that AI will reshape the marketing role dramatically in the next few years. Greater strategic thinking will come about because of its ability to reduce manual tasks through the adoption of AI technology in apps and wearables and other process efficiencies, he says.

However, what excites him most is the difference it can make to creative assets – such as video, image, music and curation of social feeds – which will become a lot easier to put together.

"This will still require creativity in ensuring clear prompts are being used as well as an overall vision. Rather than replacing marketers, AI will alter their roles, emphasising creativity, relationship-building, and evolving skill sets toward strategy."

## Where size doesn't matter

Both experts agree AI has the potential to level the playing field for smaller and emerging brands by breaking down barriers to entry.

In pre-AI days, starting and launching a brand used to require a large amount of human and financial capital. By actively breaking down barriers to entry, the availability of AI tools now means it is becoming increasingly easier and cheaper to deploy a new brand.

"We're already seeing new entrants pop up in every market, as well as highly niche, singular product brands or services that only solve a micro problem, because the cost of building a brand and launching it has plummeted."

Another factor working in their favour is that smaller or emerging brands often have an inherent advantage in that they're typically much closer to the customer and are actively in a growth mode, Ervin says.

AI empowers them to punch well above their weight and to drive growth rather than just cutting expenses.

"They're agile, responsive, and hungry for market share. They thoughtfully incorporate AI to help them gain more customers and expand their footprint without needing enormous capital expenses and resources. They can use AI to hyper-personalise outreach, automate customer interactions, or gain deep insights from their growing base, all at a fraction of the cost a large enterprise might incur."

"By comparison, you often see legacy brands with stable and very predictable growth, looking at AI primarily as a cost-cutting measure. While efficiency is good, sometimes those savings aren't directly correlated to product innovation or enhancing customer experiences. It can become more of a race to the bottom on cost as opposed to a race to deliver more value."



Gilani believes it comes down to a matter of expertise.

If smaller brands, for example, don't have the marketing knowledge of larger brands although they can prompt for ideas and best practices, they may not know the best ways to apply the information. By contrast, a larger brand may have greater experience and greater trial and error in knowing which AI ideas will work and which ones won't.

"With that being said, if the expertise and experience is there from a smaller brand, AI could limit the need for a larger team and allow efficiency, reporting and analytics usually required from individuals."



## The relevance of authentic connection

As companies adopt more sophisticated and integrated AI applications, other considerations may arise.

Maintaining the authenticity of AI-generated content is one such issue. Ervin concedes that some brands are wary of integrating AI into their advertising because of perceived difficulties in building trust with their consumers when they know AI is heavily involved in the process.

Unsurprisingly he feels differently, arguing that ultimately, people connect with brands because of the product or service itself.

"It makes their lives better, it makes them feel good, it solves a problem, or it fulfils a desire. Our goal in creating effective marketing and advertising campaigns is to help evoke that emotion and make that connection. That should always be the main priority for a brand."

AI is a powerful tool to enhance that core connection and to produce better products and services, so rather than being a barrier to trust, it actually helps enable it, he argues.

"When brands focus on AI as a means to deliver better products, more relevant experiences and create a stronger connection with their audience, you have a far better chance of growing your brand and turning customers into evangelists. It's about letting AI help us be more human, more responsive, and more valuable to our customers instead of letting it dilute our relationship."

Those seeking to ensure themselves or their teams that human creativity remains at the core of AI content creation, need look no further than Large Language Models (LLMs), Ervin argues.

"They take all the insights we uncover and give them a voice, making them incredibly dynamic. AI models allow us to uncover correlation and insight, but LLM allows those insights to become dynamic output. They can act as a hyper-efficient first drafter or ideation partner, translating data-driven directives into actual creative output almost instantly. The sheer volume and diversity of ideas an LLM can generate in seconds is amazing. I'm not saying use them verbatim, but they can spark new directions and help push past creative blocks. It's really based on a core philosophy of not using AI as a creative but as a co-pilot in the creative process."

## Marketers Guide: Integrating AI

1. **Start with pain points.** Integrating AI tools and platforms into your business can be overwhelming which is why it's important to start with small steps.

While it's easy to get swept up in the hype surrounding AI, that can be a huge distraction, potentially even detrimental to your current operations, Ervin warns.

Instead of starting your AI journey by looking for a particular product, it makes more sense to start by identifying a core business problem – perhaps where you're already feeling pain points or where you believe you need to see improvement.

“Maybe you're realising you lack intelligence around your customer base and you need a better lens on their behaviours and preferences. Maybe your e-commerce site isn't maximising volume and you want to increase average transaction value. These are the kinds of specific challenges you should set out to have AI address.

2. **Start small.** “Once you've pinpointed a problem to solve, that's your starting point for building an AI strategy. You're not looking to overhaul processes and procedures overnight. Instead, aim for marginal and incremental improvements, focusing on existing inefficiencies. You can then mitigate the risk of wasting time, money, and valuable resources on solutions that don't actually move the needle. If you're successful, you're not just riding the AI Wave but you're making a measurable impact on your business.”
3. **Start now.** Whether you decide to dip your toe into AI or dive in boots and all, the message is clear; those who understand and exploit AI's capabilities will shape the future – those who don't risk being left without one.





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