Rise of the Machines

As I write, we are on the precipice of the 2020 US presidential election. The most careful polling meta-analysis I have seen is done by Nate Silver's fivethirtyeight.com. As of October 28, 2020, Silver gives Trump an 11% chance of winning and Biden an 88% chance of winning. Nate Silver's analysis does not say that Biden _will_ win. Instead, it says that Biden is very _likely_ to win.

Each of us likely feels differently about both this election and its outcome -- and that brings me to an important topic: the rise of individually-targeted media. In the last 15 years, our world has changed drastically in ways that are hard to see. However, the end result is that we have progressively handed control over to "the machines."

What do I mean by "the rise of the machines?" Until the mid-1990s, mass-media truly <u>was</u> tailored to the masses. The left and the right, the short and the tall, the rich and the poor, and the white and the black all largely consumed the same newspapers and television news programs. Typically, these were local newspapers and TV stations, and to avoid alienating half their audience, these media outlets had to produce balanced, centrist content.

In 1996, the first cracks in mass-media appeared. In that year, cable news channels like Fox News and MSNBC launched. Instead of providing balanced, centrist content to a defined geographical area, these channels differentiated themselves by providing biased content to a narrow ideological group.

About 15 years ago, major internet media companies like Facebook, Twitter, and Google began. Instead of simply targeting content to an ideological group -- like the cable news channels did -- these internet media companies used artificial intelligence (AI) to target content to a particular individual. In essence, AI killed <u>mass</u>-media and replaced it with <u>individual</u>-media.

How does AI target content to you, individually and specifically? It is very simple. The companies use clever mathematics and the gobs of personal data they have collected on you, to tune exactly what you see. Their aim is to keep you on their platform as long as possible. The longer you are on their platform, the more ads you will view; and the more ads you view, the more money they will make. Simply put, tuning your content optimizes their profits.

Media companies -- whether old-generation cable news channels or new-generation internet companies -- want to grab and retain your attention. That may be great for their bottom lines, but it is very negative for society. Why is that? First, it is easiest to capture users' attention through negative emotions, like fear, anger, distrust, or disgust. Second, targeted content creates an echo chamber or an information silo, which gives the false impression that everyone else agrees with your views. Both of these factors combine to create a bifurcated, polarized us-vs.-them view of the world.

In their article, "The dark side of technology: An experimental investigation of the influence of customizability technology on online political selective exposure," Ivan Dylko, Igor Dolgov, and others studied the effects of such customizability technology. They concluded:

1. "Due to its <u>automatic</u> and <u>unobtrusive</u> operation, customizability technology may be particularly effective at reducing cognitive dissonance associated with avoidance of challenging information."

2. "Customizability technology … encouraged ideologically moderate individuals to behave similarly to ideologically extreme individuals in terms of their [lack of] exposure to counter-attitudinal political information."

3. "If ideologically moderate individuals are strongly affected by customizability technology (and we show that in our study they were), their levels of selective exposure become increased, and selective exposure is known to promote political polarization."

4. "Taken together, these findings show that customizability technology can undermine important foundations of deliberative democracy. If this technology becomes even more popular … we can expect these detrimental effects to increase."

I. Dylko et al. / Computers in Human Behavior 73 (2017) 181–190
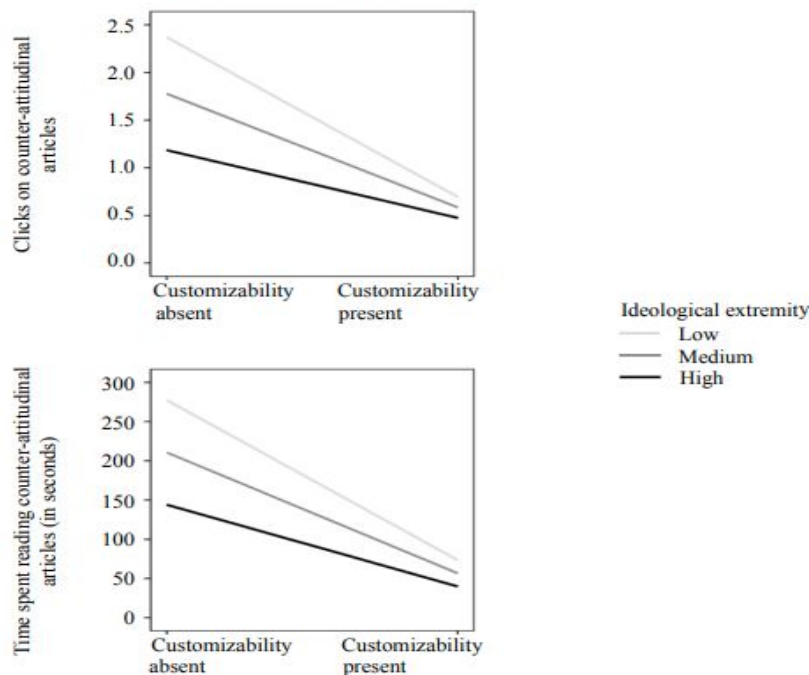
If the current trend continues unchecked, it may very well produce a destabilized society, where every human loses, and only the machines win. This is a very real existential threat. For instance, in the last few election cycles, AI has spawned ads targeted to individuals. Imagine a world in which just a few thousand votes can sway an election. (For instance, in the 2018 election, just 1 vote determined the winner of the Kentucky House of Representatives 18th District and the Alaska House of Representatives 1st District, while 2 votes determined the winner of the New Hampshire House of Representatives 3rd District.) With personalized ads, candidates could make separate, inconsistent promises to just enough voters to win election -- or a foreign power could easily sway an election's outcome. Like Aldous Huxley's dystopian novel, this is a brave new world.

Now that you are aware of this, I hope you will notice when the machines feed you stories in order to capture your attention. In order to escape from our echo chambers, we must each consume media from sources that do not align with our natural political leanings. This is the only way to both fill in the knowledge holes that the machines create, as well as to train the machines to provide us with more balanced content. We must rise to the occasion, in order to counteract the rise of the machines.

David R. "Chip" Kent IV, PhD
Portfolio Manager / General Partner
Cecropia Capital
Twitter: @chip_kent