[Commentary] Transformative Strategies for Marketing in the AI Era

Dr Shruti Choudhary[1]

1 Woxsen University

Abstract

This paper examines how artificial intelligence (AI) is transforming marketing strategies and practices. It categorizes AI marketing applications into four types based on intelligence level and composition: standalone automation, integrated automation, standalone machine learning, and integrated machine learning. Integrated machine learning solutions within existing platforms are highlighted as most valuable long-term. However, a gradual, diversified approach to adopting AI is recommended based on organizational needs and capabilities. While AI offers benefits like efficiency and personalization, marketers must have realistic expectations about current limitations. With careful deployment focused on enhancing human capabilities, AI can make marketing more creative, precise, and customer-centric. But it also introduces new complexities requiring an open, nuanced perspective to harness the potential while mitigating the risks.

Keywords: Artificial Intelligence (AI), Machine Learning (ML), Marketing automation, Customer personalization, Future of marketing.

Welcome to the world of AI-powered marketing. As technology advances at an unprecedented rate, organizations must adapt and utilize the power of artificial intelligence (AI) to remain competitive. Will AI change everything for the better or for the worse? Will it enable marketers and customer service representatives to thrive or perish? Artificial intelligence is undeniably transforming the marketing industry.

In this article, we'll look at how artificial technologies are changing marketing.

AI (Artificial intelligence) is described as the replication of human intellect in computers that have been trained to think and act in the same way as people do. Advanced models such as Google Gemini, Bard, and ChatGPT 4.0 are the greatest examples of the most recent AI-based models with human-like features, such as understanding, summarizing, reasoning, coding, and planning, making them more significant in the business sector, particularly in marketing.

According to studies, marketing has the most to gain from artificial intelligence of any business function. As we all know, the main functions of marketing are identifying client demands, matching them to products and services, and convincing

people to buy—capabilities that AI may significantly improve. No wonder, according to a 2018 McKinsey study that examined more than 400 advanced use cases, marketing was the sector where AI will provide the most value.

According to another research, a 2020 Deloitte worldwide survey of early AI adopters revealed that three of the top five AI objectives were marketing-related: improving existing goods and services, developing new products and services, and improving customer connections.

Let us first examine the current role of these AI models in the marketing area.

- Artificial intelligence (AI) assists organizations in analyzing enormous volumes of data in order to obtain insights and build marketing plans. Customer behavior, tastes, and trends are all included.
- By offering individualized recommendations and material to specific consumers, AI can increase customization and the customer experience.
- AI-powered marketing automation solutions may save time and enhance efficiency in a variety of marketing tasks, including email marketing, social media marketing, and content generation.
- AI may also help organizations improve their ad campaigns in real-time by assessing and changing ad targeting, bidding, and creative components.

Overall, AI is an effective tool that may assist marketers in making better educated decisions, successfully reaching their target audience, and improving the customer experience.

However, this is not the end. As AI technology advances, it is projected to play a more important part in marketing tactics in the future.

According to a Gartner estimate, by 2025, AI will have automated 80% of marketing tasks. It also claims that firms who apply AI across marketing divisions would move 75% of their employees' operations away from production and into more strategic tasks. AI looks to be a game changer like no other in the history of the ever-changing field of marketing.
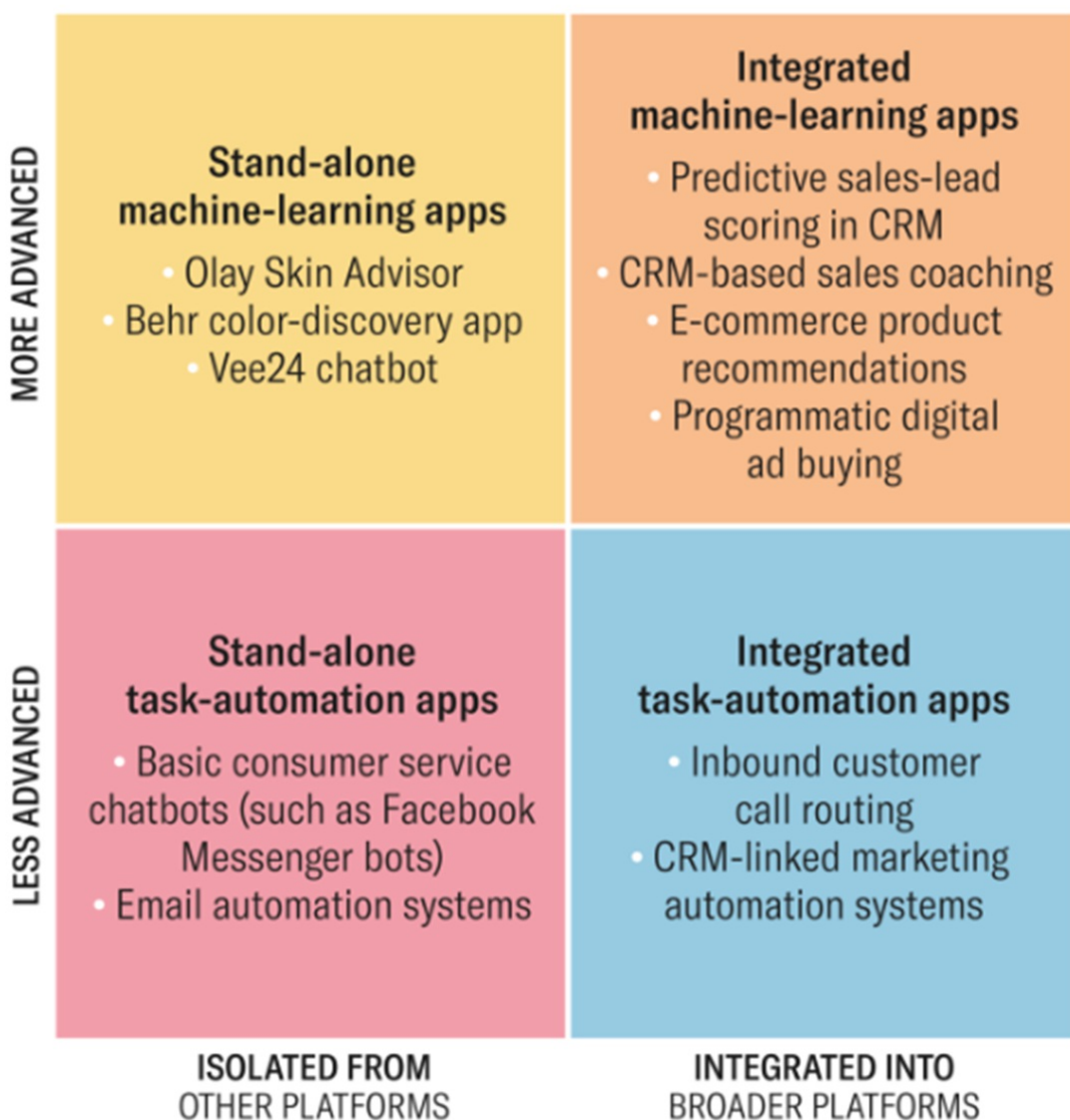
Given the technology's great potential, CMOs must understand the many types of marketing AI apps available now, how they may develop, and, most importantly, which application they can utilize for their business.

Types of Marketing AI

Not every marketing AI has been made equal. Its classifications are based on intelligence level (ranging from simple task automation to more complicated machine learning) and composition (whether it stands alone or integrates into software). However, current marketing software frequently combines automation and machine learning, blurring the distinctions between these groups.

The Four Kinds of Marketing AI

Categorizing potential applications according to their intelligence level and structure can help companies plan the rollout of their marketing AI. Simple stand-alone apps are a good place to begin because they're easier to set up, but their benefits are limited. Once companies acquire AI skills and amass data, they can add apps that are more advanced and are part of other platforms, working their way up to integrated machine learning, which has the potential to create the most value.

MORE ADVANCED

Stand-alone machine-learning apps
- Olay Skin Advisor
- Behr color-discovery app
- Vee24 chatbot

Integrated machine-learning apps
- Predictive sales-lead scoring in CRM
- CRM-based sales coaching
- E-commerce product recommendations
- Programmatic digital ad buying

LESS ADVANCED

Stand-alone task-automation apps
- Basic consumer service chatbots (such as Facebook Messenger bots)
- Email automation systems

Integrated task-automation apps
- Inbound customer call routing
- CRM-linked marketing automation systems

ISOLATED FROM OTHER PLATFORMS

INTEGRATED INTO BROADER PLATFORMS

▽ HBR

Standalone Automation applications

Automation is extremely powerful, but it does not need the same level of intelligence as machine learning algorithms. Stand-alone automation applications aren't part of a larger program, such as a CRM, and they don't "learn" from their interactions in the same way that machine learning apps do. They are capable of performing automated operations and powering complicated processes. There is a low level of intricacy. Automated publishing platforms that post information on a specified timetable, for example, and chatbots that guide users through a pre-made decision tree are two examples.

Integrated automation apps

Integrated automation applications also adhere to logic-based rules, do not learn from encounters, and need minimal intellect. However, unlike standalone programs, they work as part of a broader system. In CRMs, integrated automation is frequently utilized to aid with simple tasks such as customer classification based on behavior. This software The difficulty level is low. To further understand, consider the following example: If a customer purchases the small business edition of an accounting tool, the CRM may classify them as a small business rather than an enterprise-level corporation.

Stand-alone machine learning apps

Machine learning is where the "I" in AI comes into play—it's where the actual magic happens. Machine learning programs that function on their own utilize massive quantities of data to make complicated judgments. Advanced machine learning technologies can even enhance their predictions and conclusions by learning from user involvement. The level of complexity in this application is High. Tools that develop personalized programs for users (such as a skincare regimen based on face analysis) and smart chatbots that monitor user behavior to determine when to transfer users to a live customer service agent are two examples.

Integrated machine learning apps

When combining machine learning with a software such as a CRM or advertising platform, you can get the most out of AI. Machine learning programs that are integrated can evaluate user activity and swiftly decide what to give consumers. Unlike standalone machine learning applications, integrated apps safeguard data and deliver insights without the user having to ask. Here The difficulty level is high. As an example, To give highly targeted adverts, an integrated machine learning software might collect user browsing and purchase data.

We must recognize that there is no single answer, just as there is no single "AI platform" that will suit all of your requirements. Every platform serves a unique purpose, and with the rate at which AI is progressing, practically every platform will employ AI in some shape or form in the coming years.

Having That being stated, here are some crucial aspects to keep in mind while selecting applications to handle your AI marketing needs.

- Identify gaps and opportunities: Would automating a certain job save substantial time? Is there a certain marketing sub-department that is missing? Spend your effort adopting AI in areas where it will have the most impact on your bottom line and personnel.
- Diversify your AI applications: Some systems may aid in the optimization of blog copy, while others may aid in the customization of ad campaigns. AI is evolving at breakneck pace, so keep a look out for new possibilities to increase your usage of it.
- Determine the extent of the investment: Will adopting a certain tool necessitate access to sensitive or expensive data? Would you have to recruit new people to make it worthwhile? Is the instrument itself costly? Compare these expenses

to the expected return on investment and spend your money sensibly.

We believe that pursuing integrated machine-learning solutions will eventually provide the most value to marketers, albeit basic rule-based and task-automation systems can enhance highly organized processes and deliver good economic returns. However, job automation is rapidly being integrated with machine learning to extract crucial data from messages, make more sophisticated judgments, and customize communications, resulting in a hybrid that spans quadrants.

Stand-alone apps will continue to have a place where integration is difficult or impossible, while their benefits are limited. As a result, we urge marketers to gradually integrate AI into existing marketing platforms rather than relying on stand-alone applications. Indeed, many firms are moving in that general direction; 74% of global AI leaders agreed in a 2020 Deloitte study that "AI will be integrated into all enterprise applications within three years."

Building or buying basic rule-based apps is an excellent place to start for organizations with less AI competence. Many businesses take a "crawl-walk-run" strategy, beginning with a non-customer-facing task-automation software, such as one that instructs human service workers who interact with clients.

Once a company has basic AI skills and a large amount of customer and market data, it may begin to transition from task automation to machine learning.

Conclusion

While marketing AI offers immense promise, CMOs should be realistic about its present capabilities. We believe that AI will eventually alter marketing, but it will be a long path. AI has enormous promise but also major difficulties. While technology offers increased efficiency, creativity, precision, and tailored experiences, it also introduces numerous unknowns and emphasizes the importance of cautious and deliberate deployment. We must traverse these transitional times as leaders with an open and reasonable mind. while a result, it's critical that we constantly adapt and enhance our own viewpoints, ensuring that while we try to harness AI's capabilities, we comprehend its ramifications and prioritize the essential essence.