



ARTIFICIAL INTELLIGENCE IN MARKETING

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Abstract:

The marketing activities adopted by different organisations are reshaped by the use of digital technologies in its operations. Artificial Intelligence (AI) is making a robot or computer act or think like a human. The various operations of an organisation can be automated with the help of Artificial intelligence. This is qualitative research; the main purpose of this study is to understand the concept of AI in marketing, to bring out the significant application and benefits of AI in marketing, and the different AI techniques which can be adopted by the organizations to remain competitive in the industry. AI's Compelling benefits make its adoption inevitable to various organizations. It helps the organizations for providing better customer service which in turn increases customer experience, engagement, and customer satisfaction.

Key Words: *Artificial Intelligence, Customer service, customer experience.*

Theoretical Framework

Digital technologies have given a new horizon for the business organizations. Business organizations are adopting digital technologies to work efficiently and to stay competitive in the business world. To increase operational efficiency and improve customer satisfaction, many companies and their marketing teams are moving towards the adoption of intelligent technologies. By using these technologies, the marketers can understand the customer's wants and needs in a better way and are trying to develop the production base which will satisfy the customers' requirements. The Oxford Dictionary defines Artificial Intelligence (AI) "as the theory and development of computer systems able to perform tasks normally requiring human intelligence, such as visual perception, speech recognition, decision-making, and translation between languages". (Definition of artificial intelligence in English by Oxford Dictionaries, 2019).

Business organizations are using artificial intelligence to leverage the availability of technology and become successful by knowing the customer expectations from their organization and to take utmost effort to satisfy those expectations to increase customer experience and satisfaction. In this article, we will see the application of Artificial intelligence in marketing and the uses of AI for different companies.

Review of Literature

1. Thomas Davenport, Abhijit Guha, Dhruv Grewal, and Timna Bressgot have written a research article on "How artificial intelligence will change the future of marketing". The authors conducted a qualitative study. The authors have given a different approach towards AI in marketing. The authors had addressed how the marketing strategies and the behavior of consumers will change in the future. Important policy questions which are related to privacy, bias, and ethics were highlighted in the article.
2. Parasmehak Khokhar & Chitsimran has written a research article on "Evolution of Artificial Intelligence in Marketing, Comparison with Traditional Marketing". The study made was quantitative study. A questionnaire was used to conduct the study to know the awareness of customers towards artificial intelligence in marketing and the factors which lead to the adoption of artificial intelligence in marketing. The authors have found that more people are aware of artificial intelligence in marketing and some were aware that companies were using real-time personalization, chat bots, voice recognition, etc., But some people are not aware of the artificial intelligence, for whom the companies should provide knowledge and awareness to make the best use of Artificial intelligence. The study concluded that it will take some time for all the companies and customers to make the fullest use of artificial intelligence.



3. T.Thiraviyam has conducted a descriptive study on “Artificial Intelligence Marketing”. The author has proposed various marketing strategies which can be adopted by business organizations in the digital era and how organizations can improve their digital marketing efforts using artificial intelligence. It was concluded that the adoption of artificial intelligence will help marketers to succeed in the present competitive world.
4. Ming-Hui Huang & Roland T. Rust has written a research article on “A strategic framework for artificial intelligence in marketing”. The authors have conducted qualitative research. The authors have developed a three-stage framework for strategic marketing planning which included mechanical AI which can be used for automating repetitive functions in marketing, Thinking AI for data processing, and Feeling AI for customer interaction, and for capturing human emotions. This article gave an idea of how to implement AI for different marketing strategies.

Objectives of the study

- To understand the concept of Artificial Intelligence (AI) in Marketing
- To bring out the significant application and benefits of AI in Marketing.
- To identify different AI techniques which can be adopted by organizations?

Artificial Intelligence in Marketing

Artificial intelligence is used in different fields, say for example driverless cars, delivery of products by using Drone, Products, and cosmetics recommendations in the Fashion industry, personalized recommendations made to customers based on their searches, etc., Many companies which are using digital platforms have started adopting AI. “Artificial intelligence marketing (AI Marketing) is a method of leveraging customer data and AI concepts like machine learning to anticipate your customer’s next move and improve the customer journey”. (Lindsay Tjepkema, Marketing, what is AI in Marketing, 2016). Marketers use big data, machine learning and deep learning to automate the process of marketing. Artificial intelligence will be used by marketers who wanted to complete the work faster by making use of the technological advancements. AI tools are helpful for analysing the data and helps the organisations to communicate with the customers which will increase the relationship of the company with the customers. “Big Data is a term related to a vast volume of information that no human can fully absorb and analyse”. (Rock content writer, 2020) AI uses big data, through which it uses the wide databases available in the organizations and uses it to deliver the products and services to the right customers at the right time. “The field of machine learning is concerned with the question of how to construct computer programs that automatically improve with experience”. (Definition of Machine learning, Tom Mitchell, Machine Learning) AI uses machine learning to know the patterns of customer purchases and to make recommendations to the customers based on their searches and complementary products. Deep learning is a subset of machine learning comprised of extremely large neural networks and a massive collection of algorithms that can mimic human intelligence. Example: When google gives direct answers to your questions that is an example for machine learning and when google suggests you with some section like others also ask for, that is an example for deep learning.

Types of AI used in Marketing

Artificial Intelligence in Marketing has been classified into three types based on its application in marketing research, marketing action, and marketing strategy. The Three types are Mechanical AI, Thinking AI, and Feeling AI. (Ming-Hui Huang & Roland T. Rust, A strategic framework for artificial intelligence in marketing, 2020).



Source: Springer.com

Benefits of using artificial intelligence in marketing

- Companies can increase the marketing return on Investment by using AI Technologies. AI technologies will help the companies to use the financial resources efficiently by doing better marketing campaigns which will be powerful and attracting the targeted audience will help the companies achieve the sales goals which will improve the company's ROI.
- AI helps marketers to deliver personalized content to the customers which will increase the customer's experience and satisfaction.
- With the help of AI marketers can make better reporting and measurement of a marketing campaign which otherwise would be a great task for the marketers to use manually, considering the amount of data which are collected during a marketing campaign.
- AI helps the organizations to analyze the data much faster, which helps the marketing team to concentrate on the marketing strategies based on the analytics done using AI.

Limitations of using AI in Marketing:

Large companies are already leveraging AI by considering its benefits. But for small organizations implementation of AI may be time-consuming, costly, and require more skilled people to understand the concept and application in the business. Still, some of the start-ups have already started adopting AI to remain competitive in the industry.

Application of AI in Marketing

AI marketing tools:

- For enhancing customer service companies are using "Chatbots" which will interact with customers 24/7 and will give replies and solutions for customer queries.
- Customers can be reached at great ease through content personalization.
- IFTTT (If this, then that) AI tool helps the marketers to schedule the tasks so that they need not constantly check whether all tasks are done one after another properly. The scheduled tasks will be executed by the AI tools.



- AI provides a personalized website experience. In 2017, 63 percent of survey respondents indicated that artificially intelligent website personalization increased conversion rates and about 61 percent boosted overall customer experience. (Eric's Giles, 2020)
- Companies can connect with the customers and provide them better customer services by using the AI tool of Image recognition.
- Automated Email helps companies to send personalized emails to their customers to increase customer interaction and customer engagement in the buying process.

Different AI techniques adopted by organizations

Given below are lists of successful companies which are using AI to stay competitive in the industry

List of Companies	Adoption of AI
Apple	Uses AI tools for Personalised web searches, Siri (Voice assistant) results. Self-driven car space, Customers can shop using images than keywords, Improved iPhone photography using AI-powered photo enhancement
Amazon	Provides personalised recommendations to customers, helps customers to use filter option to select the product which will suit their needs. Amazon’s warehouse is more advanced with the use of robotics and other innovation, which helps amazon faster delivery of products.
Alphabet (Google)	More than 50 products of google have adopted machine learning to make deep learning work. The google company employees are working towards developing an AI assistant which can proactively automate and manage our daily life.
Harley-Davidson	Uses AI to improve online advertisement performance.
Citrix	Uses AI for predicting the marketing efforts which will bring them more benefits.
P&G	Uses AI to extract actionable insights from data.
Nestle	Uses AI to create better-performing content.
Starbucks	Uses predictive analysis for providing personalized
Alibaba	Using AI has opened a Fashion AI store in Hong Kong to provide a better fashion retail experience to the customers.
Sephora	Beauty brand Sephora has used AI Chatbots to help the customers narrow down their choices and to help them choose a better product that suits their needs.

Conclusion

Considering the Benefits and Challenges in implementing AI in marketing, AI implementation provides more benefits to the companies, which are using AI in their business operations. The Companies which have adopted AI are remaining competitive in the industry as they can easily collect data, process data, and analyze data with the help of AI, and by using AI tools the companies can give personalized recommendations to the customers and increase customer engagement and satisfaction. The customers feel satisfied when their queries are answered quickly through a chatbot and when their products are delivered at the right time when the company uses AI for managing the delivery system. A satisfied customer will always remain a happy customer and will also recommend the product or services to others. Thus, companies should try to adopt AI because of the various



benefits offered by AI in the field of marketing, which will ultimately help the companies to increase brand awareness, brand loyalty, customer engagement, and customer satisfaction.

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