The Evolving Role of Artificial Intelligence in Marketing

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Abstract

Artificial intelligence, blockchain, big data analytics, and the internet of things are examples of disruptive technologies that have altered how businesses function. Artificial intelligence (AI) is the newest disruptive technology with the most potential to completely revolutionize the marketing industry. The next wave of corporate business disruption is being unleashed by the digital transformation that is being promoted by the increasing usage of artificial intelligence (AI). One of the business streams that is most intensely undergoing this change is marketing. In an effort to assure quicker success, modern marketing has started experimenting with cutting-edge technology like artificial intelligence (AI) and implementing it in regular operations. This paper aims to study the role of artificial intelligence in marketing along with its benefits and limitations. It will also evaluate the future of artificial intelligence in marketing.

Keywords : Artificial Intelligence, digital transformation, internet, marketing.

Artificial Intelligence

The simulation of human intelligence in robots that are designed to think and behave like humans is known as artificial intelligence, or AI. It includes a wide range of tools and methods, such as robots, computer vision, natural language processing, machine learning, and others. Artificial intelligence (AI) makes it possible for robots to carry out activities like speech recognition, visual perception, decision-making, and language translation that normally need human intelligence. With little assistance from humans, these algorithms identify patterns in data, learn from them, and make judgments.

With investments of \$5–8 billion and \$1.5-2.5 billion, respectively, in 2016, the USA and China lead the world in artificial intelligence. Europe comes in second with \$1.1–1.7 billion in investments. Even though AI investment has increased around three times since 2013, the technology is still only being used by 20% of the

market, which is a rather low adoption rate (McKinsey, 2017). "organizations that outperformed their peers in several financial criteria are more likely to believe they are ready to implement cognitive computing (88%) than other organizations (57%), according to a study published by the IBM Institute for Business Value. Additionally, they are more likely to think that technology will play a significant role in the future of their company (91% vs. 64%) and that AI is mature enough to be market ready (93% vs 59%)" (John Ellett, 2017).

The adoption of AI will quicken in the digital frontier, widening the divide between early adopters and later adopters across a range of sectors, industries, and geographical areas. Although AI is being applied throughout the value chain, significant investments are being made in the segments of the value chain that are closest to the company's core. According to a quote from Peter Drucker, a company enterprise has two core functions—marketing and innovation—and only two. Thus, one of the essential links in the value chain that has seen the greatest adoption of AI is sales and marketing, which produces enormous volumes of data (McKinsey, 2017).

Artificial Intelligence in Marketing

AI's transformative potential is particularly relevant to sales and marketing. The ability to provide personalized services and analyze projected client behavior demonstrates the power of AI and ushers in a new era of marketing efficacy. The development of AI in marketing offers a chance to modernize outmoded methods and improve customer engagement. Utilizing AI capabilities for data-driven advertising tactics helps businesses traverse the massive volume of internet data. Comprehensive studies of consumer buying behaviors and evolving client needs via data analysis are just two examples of the dynamic range of AI uses in marketing. An artificial intelligence system can evaluate consumer data and provide customized recommendations that go beyond product selections. AI helps marketing staff by automating tedious tasks so they can concentrate on meaningful interactions that lead to positive customer relationships. With so many applications for AI, the concept of contextualized marketing—where businesses strategically provide information that connects with the unique circumstances of their customers—has emerged. Using AI-powered tools, such as emotion detection technologies and intelligent robots, enhances marketers' capacity to deliver exceptional consumer experiences, which gradually supports customer retention. The impact of AI varies by industry, with the travel, finance, and physical goods sectors experiencing a wider range of AI marketing applications as a result of their regular interactions with various consumers and huge data collecting.

Objective of Study:

- To study the role of Artificial Intelligence in marketing.
- To analyze the benefit and challenges of Artificial Intelligence in marketing.
- To determine the future of Artificial Intelligence in marketing.

Research Methodology:

The descriptive research design is being used in the investigation. The researcher employed secondary data in the research investigation. The secondary data was gathered from academic publications, books, blogs about human resources, websites, and research reports from various research groups.

Review of Literature

According to Russel and Norvig (2016), Artificial Intelligence is the term used to characterize devices (computers) that mimic the emotive and cognitive capacities of humans. Artificial intelligence has advanced tremendously over the past few decades, thanks to the hard efforts of specialists who have laboured to expand the field's concepts. The effort produced some significant advancements, such as machine learning and big data analytics applications in a variety of contexts and sectors.

Chintalpati & Pandey (2021) comprehend and clarify the wider applications of AI in marketing. Studying some of the subtle changes made by AI to conventional sales and marketing operational models has enormous potential. AI will eventually surpass human capacity for creative thought as it continues to develop to become smarter and cleverer to support human thought. As AI develops, security issues will likely grow, and the continuing privacy vs personalization argument will likely enlarge to include softer parts of marketing. Furthermore, it is anticipated that the sustainability frontier of AI in marketing would expand and deepen, gradually producing research inputs with more robust and useful insights.

Wang et al. (2017) show how transfer learning can be utilized to model the tail of the distribution. Because of the flexibility in aggregation and disaggregation, marketers are able to determine the ideal segment size. By learning from the head of the distribution and applying that knowledge to the data-poor tail.

Mahabub Basha (2023) concluded that customers, media attention, competitive pressure, and digital maturity are the key influencing factors in integrating AI in advertising. Marketing experts list the following as the main advantages: greater productivity, reduced time spent on marketing tasks, higher conversion rates, enhanced customer knowledge, more practical marketing choices, higher return on investment, insights, better customer satisfaction, and more. Enhanced data analysis and streamlined marketing operations are two more benefits. Furthermore, the primary hurdles, ethical considerations, and applications presented firms with a roadmap for implementing AI in marketing. Firms should pay attention to the aspects and problems of incorporating AI into marketing.

Ebtisam Labib (2024) has done the bibliometric analysis of 522 studies. It stated that AI in marketing domain has six clusters: psychosocial dynamic of AI, AI-enhanced market dynamic & strategies, AI for consumer services, AI for decision making, AI for value-transformation and AI for ethical marketing. The review study emphasizes that developing a thorough model or theory that accurately captures the present state of AI system adoption in the marketing industry could help to clear the way for the future. Furthermore, by starting these

research paths, future scholars may be able to provide insight into the decisions, procedures, and factors that incorporate AI-based marketing systems into the modern business environment.

Examples of Artificial Intelligence in Marketing

Content generation: A plethora of new applications for artificial intelligence have emerged after the November 2022 introduction of Open AI's generative AI platform, ChatGPT. By producing blogs, marketing messages, copywriting materials, emails, subject lines, video subtitles, website copy, and many other types of content targeted at a specific audience, artificial intelligence (AI) may help marketing teams save time and money.

Audience segmentation: AI enables companies to effectively and intelligently group their clientele according to a range of characteristics, passions, and actions. This improves targeting and launches more successful marketing campaigns that raise consumer engagement and boost return on investment.

Chatbots for customer care: More and more, marketers are looking into how to use AI chatbots to improve specific areas of customer service. After being educated, these bots can engage with clients wherever they are in the customer journey, assist in efficiently and speedily resolving tickets, and boost client happiness.

Programmed   Advertising

Advertising that is purchased and placed automatically on websites and applications is known as programmatic advertising. AI has greatly improved businesses' capacity to use context, customer history, and preferences to provide more relevant ads with higher conversion rates through programmatic advertising.

Search engine optimization (SEO): Using artificial intelligence (AI) to improve SEO helps businesses create more effective campaigns and raise page rankings. Marketers may generate and optimize content with AI's assistance to satisfy the new criteria.

E-commerce: By automating activities and streamlining workflows, AI is assisting businesses in enhancing their e-commerce initiatives and digital marketing skills. It also gives them a more sophisticated understanding of the demands and purchasing patterns of their customers.

Benefits of Artificial Intelligence in Marketing

Faster and more intelligent decision-making: Marketing teams with state-of-the-art artificial intelligence (AI) solutions may observe the results of their marketing campaigns almost immediately and modify their strategy accordingly. Using machine learning (ML) algorithms, AI marketing systems can generate AI marketing plans, evaluate data more quickly than people, and suggest actions based on sentiment analysis of past consumer data.

Increased return on investment (ROI) for marketing campaigns: Artificial intelligence (AI) solutions enable marketers to quickly extract relevant insights from campaign data. The same technologies may also assist in determining the best media buy channels and even the best spot for an advertisement depending on consumer behavior. Stakeholders may make sure they are getting the maximum return on their campaign investment with the use of contemporary AI marketing solutions.

More precise KPI measuring The volume of data generated by digital campaigns can be overwhelming for humans, making it challenging to assess the effectiveness of marketing operations. Marketers may better understand what is and is not working for them by connecting the success of their campaigns to particular techniques they have implemented with the aid of AI-enhanced dashboards.

Enhanced customer relationship management (CRM) capabilities: By automating repetitive operations like the preparation of client data, artificial intelligence (AI) technology assist marketing teams in improving their CRM programs. They can also identify at-risk customers, send more tailored customer messaging, and lessen the possibility of human error.

More insightful conclusions from consumer data: In today's world, a lot of marketers find it difficult to go through the vast quantity of data at their disposal while organizing a campaign. AI can assist by employing quick, effective machine learning (ML) algorithms to do predictive analytics on client data, quickly and efficiently processing vast volumes of data in seconds. It makes use of data to predict future consumer behavior, recommend better tailored content, and identify trends in massive data sets that may be used by marketers.

Challenges of Artificial Intelligence in marketing

Training AI solutions: AI solutions need a lot of training to learn new tasks, just like humans do. For instance, you will need to devote the time and money required to train an AI system if you want it to converse with your clients in an interesting manner. You will need a lot of consumer preference data and possibly data scientists with training in this area to develop an application such as this one.

Ensuring data correctness and quality: The quality of the data used to train AI systems determines how effective they will be. No matter how sophisticated a tool is technologically, its responses and judgments will be flawed if the training data isn't reliable and representative will be low quality and ineffective.

Respecting privacy laws: Since AI is trained on sensitive client data, it is imperative that the regulations governing usage be scrupulously adhered to. Businesses that use AI for marketing must be able to comply with consumer data laws or else they run the danger of paying hefty fines and harming their brand. According

to HFS Research, there is now more pressure for more regulation in North America and Europe due to the reputational harm caused by media coverage of erroneous AI installations.

Future of Artificial Intelligence in Marketing

The use of AI in marketing has enormous promise for coming years. While there will undoubtedly be obstacles, AI will support businesses in their efforts to become more efficient while also meeting customer expectations for personalized content. AI will be used more often by marketers to make predictions based on unstructured data. Additionally, they'll learn to rely on first-party data to direct generative AI in order to generate outputs that are customer-focused and consistent with their brand. Security will come into sharper focus as technology advances. With 68% of consumers stating that trustworthy businesses are increasingly important due to AI advancements, marketers have a chance to ensure that their privacy and security measures are strong. In order to guarantee that first-party data grounding is secure, reduces prejudice, and doesn't leak private information into publicly accessible platforms, brands will employ a trust layer.

Conclusion:

The marketing sector has been found to be one of the sectors of the economy with the highest potential to improve. The study found that a positive impact of artificial technology, market automation on digital marketing exists. Marketers have high expectations that artificial intelligence (AI) will keep evolving automation parameters and that automation will eventually replace most marketing processes. In order to connect with every consumer and effectively communicate their needs, marketers of today are eager to understand how to enhance digital marketing. T. It can be expensive and superfluous for marketing managers who are still unfamiliar with AI technology to include it into their campaigns. Moreover, some marketers firmly believe that AI is incapable of understanding human intelligence. They seem to believe that automation will continue to address problems and make their lives and job easier, but they are worried about losing control of their campaigns.

The development of marketing processes and structures through technological advancement is essential to the field's future. AI technology is predicted to fully dominate the marketing industry, enabling the creation of customer-tailored experiences and propelling marketing to absurdly high heights. Because artificial intelligence and market automation are becoming widely acknowledged technologies, marketing managers ought to want to integrate them into their systems. It is anticipated that AI technology would stimulate the economy by raising GDP through investment returns. Technology is gradually taking the place of human marketing functions like communication, making other tasks easier to complete and become better at them. Every consumer interacts with the AI as human-like as possible thanks to the virtual assistant mode.

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