Abstract—With the dawn of internet revolution and digital marketing, the light on mass media advertising has been diminishing at a staggering rate and things like personalisation, neuro marketing, conversion optimisation, marketing automation, voice recognition have been booming, allowing the technology like Artificial Intelligence (AI) to grab the limelight. Although AI has originally been conceived during the 1950s, it has taken nearly half a century for businesses to enjoy the real benefits from its applications. It was only during the twentieth century that the insight related AI-based marketing application took a rapid and wide leap due to the accumulation of rich consumer data generated from popular social engines and private influence of industrial giants. However, AI for marketing is already on the hype and has become a pervasive part of today’s competitive world. Businesses, no matter small or large, are utilising the marketing opportunities to procure big goals and create massive breakthrough using AI. Since marketing is truly dynamic in nature and deals with the ever-changing people’s emotions, AI takes its form in different business verticals, formulating itself to be the real game changer. Hence this paper attempts to address the prominent use cases of AI in marketing and also aims to establish the future scope of artificial intelligence in various marketing activities.

I. INTRODUCTION

Marketing, in the present scenario, is attracted towards emails, Chabot’s, personalization, and recommendations owing to automation. Hence, it is time to reveal the black box secret, which is named as artificial intelligence (AI), and thoroughly understand its applications in marketing [1]. Although there are numerous definitions for AI, it simply denotes “making machines act like human mind”. Basically, AI is of three types:

- Weak AI, that is, Artificial Narrow Intelligence (ANI), which works on something which is specific. 
- Strong AI, that is, Artificial General Intelligence (AGI), which mimics human-level intelligence. 
- Superintelligent AI (ASI), which is capable of creative and scientific thinking, exceeding the human-level intelligence [2, 3].

So far, weak AI has encountered numerous implementations in the marketing domain. For example, Amazon, Google DeepMind, Google’s AlphaGo, DeepStack, and Texas Hold’em Poker use some form of weak AI. While, Strong AI strives marketing through visual recognition, language processing, voice recognition, intelligent computing and robotics [2]. Currently, both the weak and strong AI are playing a dominant role in the marketing industry trying to change its base right from strategy to sales.

Although AI finds its application in many sectors, marketing and sales department, in particular, is on the verge of revolution and hence shows early adoption [4]. This is because AI will allow the marketers to match and format their product information with the information that the buyers are searching for, so as to ensure effective consumption of products and services. For instance, the American Marketing Association (AMA) applied AI in data collection process, and for analysis and findings. It was named LUCY, which helped to retrieve more relevant data based on customers’ queries [1]. Further with innovation in AI and introduction of new algorithms and cloud-based data sets, companies of various industries are able to experiment AI in different ways. For example, Nutella tried AI-powered algorithm in 2017 and designed seven million labels, which marked a history in sales by selling all the “Nutella Unica” jars within one month in Italy [5].

Currently, AI impacts almost all aspects of human life. All technologies, such as smart devices to Chabot’s to driverless cars, pursue AI’s participation to convert consumers’ needs or wants or preferences into a customized experience. AI provides the marketers with better opportunities to understand and connect with buyers in more intelligent ways. Patrick Chaupham, EVP of Creative Technology Strategy at Weber Shandrick, stated that “Marketers have to creatively involve customer segments in understanding the benefits of AI” [6]. The truth is that the next industrial revolution will be driven by AI and those who have adopted it earlier are the ones to gain the most competitive advantage. Gartner survey has found that by 2021, early adaptors (firms or brands) of AI who tend to redesign their websites supporting voice and visual search are sure to increase their digital commerce revenue, at least by 30 percent [7].

To all recent-trend marketers, artificial intelligence has turned to be a must-have scenario because consumers are demanding the marketers to make communication on a 1-on-1 level and in a more personalized way [7]. Moreover, the marketers believe that AI is capable of improving
personalization and customer targeting more effectively than before. The Works, the leading discount retailer, has witnessed an increase of 37% in its e-commerce sales during the 2017 Christmas trading by implementing RichRelevance, an AI-powered personalized online search functionality to its website [8].

A. Artificial Intelligence in Marketing – A Wide Umbrella

A recent survey conducted by Weber firm has identified that worldwide, consumers are considering the impact of AI on society to be positive and not negative. Moreover, a report - “AI-Ready or Not,” conducted by KRC Research, commissioned by Weber Shandwick on June 2016 polling 150 CMOs in the UK, China, and the US has concluded that about 55% of CMOs are expecting AI to pose a strong impact on marketing and communications better than the social media. Further, the firm conducted an online survey among 2,100 respondents of the UK, US, Brazil, China, and Canada and identified that: Seventy-eight percent of brands believe to create better customer experiences in the next 4 years through virtual reality. Nearly 80% of businesses will make customer interaction through Chabot’s by 2020 [9, 10, and 11].

Later, a Forrester study, commissioned by Emarsys, a marketing automation platform, surveyed 717 marketers to know its impact on marketing strategy. Among the respondents, 79% felt that AI will enable the marketers to progress towards a more strategic workflow [12]. For instance, the founder of Gallery Furniture, Houston, and Jim McIngvale partnered with Albert, an AI marketing platform to strategically automate, manage and test his customer information along with digital campaigns [13]. AI tools such as natural language processing (NLP), algorithms and predictive analytics can express their strengths in a keyword, social media, and marketing research. A perfect example is Quill, which is capable of extracting insights from the brand data with respect to user context [14]. Also, brands such as Volkswagen and Cosabella have declared that AI is succeeding in being more effective when compared to their usual media agencies [12].

B. AI in Marketing – A Dominant Role

The Vice President of Smarketing, Amahl Williams has mentioned that AI development has rocketed in recent times supporting B2B and B2C Marketing [15]. According to ‘Senior Executives Worldwide’ report, June 2017, 79% of executives have voted that AI helps in creating new insights and better analysis of data, 74% have stated that AI makes their organization more creative, while 71% have declared AI guides them in making better management decisions [4].

The year 2017 has been focusing on native advertising, influencer marketing, live streaming, content marketing and mobile-first strategy. Whereas, the year 2018 aims at consolidating and integrating all the modern-age strategies. The maturation of artificial intelligence can be perceived in this year through online integration with offline retail. In addition, the digital payment and online buying will become common in rural areas too [16]. AI is becoming smarter and smarter in analyzing human behavior as well. Amazon has initiated “Anticipatory Shipping”, wherein it may relocate products to the nearest delivery center just by anticipating customer’s order [12].

C. Applications of AI in marketing – an Overview

With the entry of AI, many unique plans rooted up in the field of marketing. For instance, Google has developed self-driving cars, which has crossed 700,000 miles successfully without any sabotage; Uber has also started constructing a robotics research lab in Pittsburgh to develop independent taxi fleet; a company named GRID has begun to automate website redesigning; and Google’s new platform can anticipate the information that consumers require or search for [5, 16 and 17]. Long back, AI took control over the advertising and marketing industry with analytics, machine learning and big data. In spite of prevailing chaos and hype in the marketplace, AI technologies such as natural language processing, machine learning, and deep learning are showing promising results and growth [4].

A healthy ecosystem of APIs, that is, the cloud-based systems and open-source software are facilitating AI adoption, speeding up new capabilities as well as scaling and personalizing marketing campaigns in a more cost-effective way [4]. One of the important advantages that AI provides is shooting up the sales. Nearly 1,000 executives were surveyed by Consultancy Capgemini and the results revealed that organizations which implemented AI systems showed increased inbound user leads and sales [12]. Hence, it is clear that AI has a wide-range of applications in different business verticals. In this paper, all the key AI’s marketing applications and its impacts will be discussed in detail.

II. AI MARKETING AUTOMATION

AI enables marketers to access algorithms that will help in personalizing marketing techniques based on customer preferences. This has led to the development of customer base with more and more satisfied and loyal customers. The truth is businesses leveraging marketing automation will be able to understand the end-to-end ROI as well as share important information with their customers/clients and team. From 2018, AI-automated marketing can be seen in our everyday activities, that is, while working, shopping, relaxing, etc. The changes caused by AI as a result of marketing automation are as follows:

A. Automated Social Media Marketing

A recent study, ‘MarketingSherpa’ has shown that about 58% of consumers follow products/brands via social media. Owing to the fact that, worldwide, over 2 billion people use different social media platforms, thereby providing an opportunity for the marketers to use social media networks for interacting with a large number of panoramas [18]. Social media automation tools, for instance, SocialDrift automates several interactions difficult to
complete manually. Such interactions can trigger a social media user to carry out actions including visiting the company’s website or following a specific brand. Later the company’s system applies machine learning algorithms to engage with social media users by monitoring their follow-ups, likes, and comments [19].

B. Ad Targeting
In terms of digital marketing, ad targeting basically sticks to the metrics of cost-per-acquisition (CPA) and cost-per-click. AI and machine learning algorithms aid in optimizing these metrics by analyzing large volumes of data for detecting user trends. This will cover anything, right from images or product promotion to copying specific demographic data. AI tools can typically analyze consumers’ behavior by following their accounts with specific promotions or ads [20].

One of the Chief Scientists at Baidu Research, Andrew Ng, has stated that “Deep learning is capable of handling more signal for good detection of trends through user behavior. Basically, serving ads run through a recommendation engine, managed well by deep learning.” Andrew Ng adds that “The ‘CHINESE GOOGLE’ is making huge revenue using AI to target ads” [21]. With respect to programmatic ads targeting, AI and machine learning tend to increase the chances a consumer will click a product. This may optimize the display of product mix while retargeting or to decide the use of ad copy as per demographics [22].

C. Lead Scoring
Apart from retaining existing clients, companies who want to stabilize their position in the competitive world should continuously score and generate new leads. Upon proper integration, machine learning algorithms can identify leads with the greatest chance for conversion. Here, AI will be associated with a precision search tool which is capable of going through the raw information so as to identify the potential leads that convert well. Example, Cien, a sales productivity app, uses AI to support sales and marketing teams in improving lead scoring, accelerating sales cycles and increasing win rates [23].

Further, predictive lead scoring can spot the best performing channels rather than waiting for weeks or months to move down the leads. One of the best examples is Salesforce Einstein, which was introduced as an add-on component in 2016. It includes a set of additional tools offering predictive lead scoring, an integrated dialer and activity capture. The lead scoring element helps in choosing the lead score that should be pursued first. Automatically, the activity capture element syncs the email data and calendar with a record. The integrated dialer permits a user to make a call inside the Salesforce platform. The main aim of Einstein AI is to save consumer time by automatically collecting data [24].

Here are other solutions to organize predictive lead scoring:
1. Mintigo – A predictive intelligence platform for sales and marketing.
2. Infer – Platform for driving predictive customer acquisition.
3. Wise.io – Predictive lead scoring created under the platform of GE Digital [22].

D. Blockchain
This is one of the latest benchmarks being used to uplift B2B industry. Blockchain enables to view information by multiple parties, stored in an immutable and decentrally owned data store. In addition, it addresses data ownership, data privacy compliance, data attribution and data security. Once completely developed and incorporated into the present systems, blockchain helps marketers to reach the consumers directly without any middlemen or agencies [15]. As per 2018 survey conducted by the TechTarget IT Priorities/the Computer Weekly, blockchain and AI serve as an important area of attention for IT system buyers of the UK, the Middle East, Europe and Africa [25].

III. AI AND SALES OPTIMIZATION
The business world is greatly persuaded by AI, even in the unreliable arenas traditionally managed by humans, such as the ‘sales department’. This doesn’t imply that machines will replace the salespeople entirely. With the sales portion becoming highly data-driven, AI-analytics will make it effective and smarter. At present, there are many AI-integrated sales software elements in the market that brings easy improvisations into complex sales processes. But, even the most experienced leader may struggle with choosing the right one. Some of the AI-driven sales software are mentioned below [26].

1. Nudge – It ensures that the sales team doesn’t miss any best chance to engage any potential consumer.
2. Chorus – Capable of recording and transcribing on spot conversation. Now, the sales team can permanently transcript each and every sales call.
3. Conversica – An intelligent e-mail assistant for initiating contact, providing information and for contacting sales team member whenever the lead is ready for sales.
4. InsideSales – It includes an overall suite of advanced AI for assisting the team to increase its quota.
5. Cogito – The AI integrated Cogito can monitor speech patterns for detecting the energy level, tone, empathy, interruptions, the speaking pace and the participation level for every participant.
6. Growbots – This ceases the manual consumer search by replacing it with automated prospecting. Marketers can develop custom criteria to trace the best prospect for their company [26, 27].

One of the startling fact posted by HubSpot is “Salespeople spent only one-third of their time for selling, last year”. More clearly, the sales team had spent more time in
searching relevant content rather than selling due to AI’s impact [27].

Here are some uses of AI to improve the sales process.

**A. Less Admin and Better Performance**

In general, most of the sales team depends on a CRM tool for managing business connection and its associated information. In several cases, this tool may tend to chock the salesperson because of outdated information. However, a CRM tool with an AI capability can decrease the time spared in administrative work allowing the sales executive to concentrate on closure sales. For example, Tact, an AI-driven tool helps the salesperson to work in a more efficient and logical way via smart devices. Tact assembles multiple tools and databases onto a single interface avoiding the use of different apps such as Salesforce, e-mail, calculator, LinkedIn, etc.

**B. Maintaining Predictive Accuracy and Intelligent Recommendations**

The flourishing e-commerce has paved way for a new range of strategies that vary from basic SEO to hidden techniques – collaged to understand the need of customers and make a sale. On the other hand, AI-powered CRM like Einstein facilitates in delivering better insights for the sales and marketing team. It also serves to render smart predictions and recommendations according to the Salesforce data. It analyses the past sales data and prioritizes leads, which are likely to convert.

**C. Sales Forecasting**

AI’s forecasting ability directs the machines to analyze the probability of a purchase made by a customer, that which will provide the company with both the short- and long-term insights on its turnover. Similar to predictive customer service, the received emails from customers can be analyzed for taking appropriate action based on the previous conversions and behaviors. AI can help in filtering information like ‘Should a mail be drafted, an alert is triggered, or the lead is disqualified altogether? Machine learning can help in the filtering process. For instance, Danone, a food product company, used machine learning capabilities with analytics to monitor their demand plans. This brought about 92% forecast accuracy, 30% reduction in loss, and 6% rise in ROI during the first year [28].

**D. Sales Recommendation**

It is believed that AI can make suggestions for all retail purchases, but in reality, it is capable of making smart recommendations for other services or products from tax consulting, to business software to cargo containers. Other than product recommendation, it also recommends the salesman with certain things, like what kind of white paper should be mailed to optimize a chance for closing any deal. For instance, Adobe Target’s Auto-Target feature can determine a better-preconized experience that offers an advanced recommendation engine to include offers.

**E. Query Solving at Scale**

Today’s business believes in ‘helping to promote selling’. Rather than forcing products on users, they tend to help people and check whether their product can solve their problem. However, the toughest part is that teams cannot respond 24/7 to query leads. Even research has revealed that customers must receive a response from sales team within 5 min (William Oldroyd, 2007). An intelligent CRM integrated AI tool can assess user requirements, send personalized replies immediately as well as functions at scale.

**F. Optimize Content Contribution**

AI-powered tools can increase the efficiency and effectiveness of content, making sure that the content investment is returned as the best leads with more success deals. They help in identifying the right sources that can provide the best sales results so that marketers can earn lead volume as well as profit.

**G. Dynamic Price Optimization**

Since several factors influence the sales model, an evaluation of the price elasticity or price to sales ratio is always welcomed. AI and machine learning algorithm can aid in correlating the sales trends with pricing trends, and then for aligning the correlated date with other factors including product or service cost and product management goals.

**H. Churn Prediction**

Machine learning and AI can help in identifying segments of user database at the stage of churning or leaving for a new competitor. According to Content Marketing Institute (CMI), “The combined effort of professional content and AI-enhanced churn prediction can engage more users, resulting in better lifetime-values and revenues. Since every product or brand has its own unique churn prediction, it is necessary to adjust or alter the machine-learning algorithms so as to create effective content that can be sent to disengaged users” [29].

**IV. AI POWERED CONTENT CREATION**

Basically, marketing via content helps in accomplishing authority, loyalty, brand recognition and authenticity. “Content marketing is no longer a nice-to-have. It’s a must-have”, stated by Rebecca Lieb in her book, “Content Marketing” [30]. In recent times, marketers use AI-writing program to create content on a financial report, an upcoming event, or sports news, or even market trend information. Some examples include Contenttop, Wordsmith, WordAi, and Articulo [21].

The writing style and insights of narrative generated by AI depend on the established formats and rules to serve the audience better. Example, Rocco, AI-powered tool can recommend novel social media content to engage brand’s followers [31]. ‘WordSmith’, an AI-writing tool, has created 1.5 billion units of content, featuring to report on data-driven events, such as sports events, quarterly income reports, and
market data. According to HubSpot report, 2017, about 53% of marketers have accepted that blog content serves as their inbound priority. Even, Google decided to invest over $800,000 for generating news narratives exclusively created by AI, in the Press Association’s initiative [32].

A study titled ‘Enter the Robot Journalist’, published in the year 2015, in the New York Times, compared the results of two stories, one written by a human (journalist) and the other written by a machine (writing software). Scores were analyzed based on a set of descriptive adjectives. Surprising, the results revealed that the scores of the machine exceeded the journalists score in certain descriptions [22]. AI helped the marketers to target customers by enabling content curation and content automation.

A. Content Curation

It means finding, organizing and presenting relevant content to targeted audiences, thereby ensuring better engagement of customers. This task is a time-saving approach that enables the marketers to generate quality content developed by other creators, thereby seeking audience’s attention. Curating relevant content and making it engaged is not an easy task. But tools like BuzzSumo has made it easier for researchers to pick on the trending topics. Formulated algorithms collect data of the targeted audience more quickly. This may include “what they prefer to buy”; “what questions they require the answers”; and “any concerns on specific business” [14, 33]. Another best support is provided by automated tools like Netflix which displays blogs based on recently viewed articles, provides suggestions related to recently sold items, and so on. Also, it integrates viewed data and uses AI programs to display similar shows or movies for users’ convenience [21, 34].

B. Content Automation

Marketers can now automatically produce content applying artificial intelligence, including simple stories for sports reports and stock updates. Many times, people would have read articles developed by an algorithm without even realizing it. Here is an example of a sports story developed by an algorithm: “Tuesday was a great day for W. Roberts, as the junior pitcher threw a perfect game to carry Virginia to a 2-0 victory over George Washington at Davenport Field” [14].

Publishing companies like that of Forbes, LA Times and Associated Press seek the support of several language processing tools to create fact-based reports, articles, and summaries. Such algorithm-generated automated content basically contains data points along with some simple facts [14]. Wordsmith enables automatic creation of news articles from financial reports which enters into a CSV [22].

V. ENHANCED AND POWERFUL AI TOOL IMPACTING MARKETING

A. AI-powered Voice/Text Recognition

This is a type of interactive AI which implements intelligent processing method to recognize a voice. Earlier, the processing was carried out with comparative algorithms, but today it involves simple neural network software. It is predicted that by the end of 2020, almost 50% of product searches will be voice searches. Google declares that already 20% of its mobile searches has voice recognition capability. Basically, voice recognition changes consumers’ interaction with brands. For instance, Mercedes A-Class integrates the German automaker's machine learning and voice recognition technology. The dashboard system of Mercedes "MBUX" is capable of understanding “what the user says” and “what the user means”, just like Amazon’s Alexa, Alphabet's Google or Apple’s Siri [35].

Usually, voice search queries tend to be longer than the text counterparts comprising 3 to 5 keywords (in length), and users can raise a question, starting with words like what, when, who, how, why and where expecting that the search engines would revert an answer. China’s leading voice recognition tech company, IFlytek enjoys over 70% market share. The AI-powered voice recognition platform developed by South Korean mobile messaging giant, Kakao is used by Kia and Hyundai vehicles, wherein drivers can now search for tourist spots, restaurants, and repair service centers they look for.

Behind voice recognition stands the tasks of language recognition. Yet another application of AI and machine learning – language recognition which may increasingly be used by brands/salesperson to digest unstructured data from the prospects and customers. The start of 2016 served as the best platform for chat and speech interfaces crossing its boundaries in the marketing world. Amazon’s Alexa and Apple’s Siri are the most popular AI tools that rely on NLP [36].

According to eMarketer, 40 million voice-supported devices are being used in the US and certainly, this number may shoot up to 67 million by the end of 2019. As per the records of eMarketer, Amazon Echo uses the e-commerce voice AI named Alexa, which owns roughly 70% of the smart speaker market. With this ability, users can make purchases just by speaking to a machine [37].

B. AI-enhanced Personalization/Hyper Personalization

This refers to the data used to generate highly targeted and personalized content, products and services. Previously, marketers used to gather consumer’s data through third-party resources. At present, technology has enabled the advertisers to target customers and collect their data in a personalized way. For instance, by knowing customer’s location, that is, whether he is in market or railway station, the marketer can target him with ad campaigns related to his location [38]. Thus, personalization creates better customer experience because marketers are able to provide solutions based on customer’s needs. The Aberdeen Group, an American technology company recently stated that “about 41 percent of market-leading retailers involve in website’s data analysis for
personalizing their e-commerce experience. Moreover, they claim that appropriate data helps to identify problematic areas and improve them with personalized campaigns. The reports generated by McKinsey conveys that today’s technology has reached the point where marketers can easily produce “real-time personalization” [39]. AI-implemented Adobe Audience Manager provides an enhanced personalized modelling to target prospects sharing similar interests and profiles as existing users [2]. Here are the advantages of integrating AI for creating the personalized experience.

1. **Content Personalization:** The Content Marketing Institute defines it as “a strategy that exploits visitor or prospect data to deliver relevant content based on the interests and preferences of the target audience.” Content personalization deals with previous: buying and browsing behaviors of the consumer; website clicks, views, and pathing; product reviews; and social media followers and likes. A Demand Metric study in 2016 has found that 80 percent of marketers feel personalized content is more effective than that is “not personalized” [40].

2. **Website Personalization:** This is mostly represented as one-to-one marketing, facilitating online shopping much easier for e-commerce consumers as well as retailers. By presenting direct and pertinent content, websites turn to be useful, interesting and engaging. Besides boosting revenue, it decreases bouncing rate of the site. For instance, Personali, the AI platform, provides an excellent incentive platform for E-commerce by using machine learning and AI algorithms to target website visitor with an incentive that helps to enhance their possibility of converting.

3. **Intelligent AI algorithms can help to personalize website experience and push notifications.** The Real-time Personalization Survey conducted by Evergage in the year 2017 expresses that 33% of the marketers used AI to deliver personalized website experience, 63% of the respondents declared better conversion rates along with 61% stating value-added customer experiences [31].

4. **Propensity Modeling:** This refers to the use of machine-based learning algorithms to process copious amounts of historical data, enabling the creation of a propensity model that can make accurate predictions on things like contact information and lead elements. It also enables the automation of manual tasks such as lead scoring as well as app and web personalization [23].

**C. Predictive Intelligence**

Besides making businesses more proficient, predictive intelligence aids in understanding an individual user and prepares personalized content owing to meet their interests and needs. Moreover, it offers marketers insight into content selection for targeting the right customer [14]. By knowing the journey of buyers (via lead scoring), information can be applied to target the appropriate style of content that users are interested to engage. In general, nearly 86% of marketing professionals have declared that they have experienced a positive ROI in predictive analytics and marketing strategy [41].

Recently, Gartner study has strongly stated that predictive intelligence for B2B marketing leaders is a must-have scenario [41]. Engagement Labs Inc. have declared the release of AI and machine-learning integrated platform. TotalSocial® version 3.0 (2018) to identify word-of-mouth and social media strategies for boosting customer sales. In 2017, 490 executives and managers were surveyed by Harvard Business Review to identify the influence of AI on businesses. The results showed that 82% of respondents accepted the positive impact of predictive analytics on their businesses. As per 2017 report, VC has doubled the investment on artificial intelligence for predictive analysis, thereby attracting an investment of $12 billion globally [42].

**D. Chatbots**

They are nothing but artificial intelligent computer programs that mimic user’s conversation through spoken or written text using chat interfaces like WeChat or Facebook Messenger [43]. Chatbots aiming to make natural conversation with consumers use NLU (AI capability). This indicates that if a customer is willing to change his address, he can simply state “I have shifted to a new house”, or “My door number has changed”, the system will understand the customer’s intent. The Royal Bank of Scotland has initiated a Chatbot in 2017 for answering limited questions which the customers may ask. This chatbot was named LUVO and uses IBM Watson’s Conversation AI capability for interacting with customers using bank’s app or website [44].

The ‘Facebook Messenger’ uses Chatbots to execute quasi-conversations with consumers, that is, answering questions and issues in real-time. Also, the Chatbot’s can send promotional content to users whenever the interaction is initiated [14]. Similarly, the US flower delivery service provider, ‘1-800-Flowers’ employed a chatbot for helping the customers in placing an order through Facebook Messenger [44]. Now that the user can simply type the query to get an answer rather than filling out a lengthy form. However, Chatbot’s do not limit themselves to direct consumer interaction service. For instance, Sephora’s Kik bot triggers a mini quiz to the users to know their makeup preferences [31].

**VI. MARKETERS AND CONSUMERS IN AI WORLD**

Four things that marketers must remember about AI according to Andrew Stephen, the Associate Dean for Research and the Head of the Marketing Faculty at the University of Oxford’s Said Business School. First is the data quality – marketers must collect as many data points as
possible and measure each variable appropriately. Second is to gather immense knowledge on machine learning, AI, and advanced analytics. The third point to remember is that ‘automation is necessary but not mandatory for everything’. And the last, yet the important thing to keep in mind are ‘consumers’, who are needed for the success of AI in marketing [45].

A. Understanding User Behavior – AI Trends

With AI, marketers are able to completely understand consumers’ behavior and maintain a personalized relationship which was difficult or impossible before. The following are notable applications of AI to generate consumer insights.

1. Customer Targeting and Lifetime Value Enhancement: According to Brian Solis, a principal analyst at Altimeter Group, “Customer Lifetime Value (CLV) tied to artificial intelligence (AI) and machine learning focuses marketers and developers on targeted engagement and growth. The idea is to drive profit by investing in more value-added user experiences and personalized offers. Doing so intentionally cultivates meaningful relationships with key customers” [29]. Hence, to reach more high-value users, AI and machine learning use the data from the existing high-value users so as to move other users towards effectual interactions. A study conducted by Bain in the banking industry revealed that about $4 will be expended whenever a customer visits or calls the bank, while only $1.10 will be spent when customers make use of digital app [29].

2. Customer Engagement: One of the most important aspects that determine sales and marketing tactics is the key insights on consumer buying patterns and behaviors. Based on the buying preferences of consumers, AI can give suggestions/recommendations to retailers on product displays and cataloguing. As per the JDA PWC Annual Retail CEO survey, retailers spend 18 cents to satisfy customers for each dollar generated via online, predicting that the number will increase [46].

3. Customer Experience: According to Adrian McDermott, the President of Products (Zendesk), AI will significantly strengthen customer experience in three different ways. 1) Automating simple interactions with consumers; an example is sending an informative article to customers through a bot. 2) Augmenting the abilities of an agent that is predicting the bad experience encountered by a customer. 3) Automating the internal tasks, such as forwarding a consumer request to the right department or agent [47].

4. Customer Loyalty: As per the trend, customer attention span is becoming shorter day by day, and it is highly important for marketers to catch hold of their interest. For instance, Mirza, a cosmetic brand, uses AI to hold its customers back after their first service visit, framing an automatic renewal plan. This way Mirza is able to analyze data and find out when its customers may require the product again that they have purchased recently. The company later sends an automated e-mail reminding them to reorder [48].

5. Emotion Recognition: Today, marketing is not restricted to target ads based on consumer’s needs, instead it is aiming to produce an emotional connection with the users. Simon Sinek, a famous marketing analyst, highlighted in one of his Ted Talks: “People don’t care what you do, they care why you do it”. Hence, brands believe analyzing emotions from consumer conversations to be an essential segment of marketing [19]. Few years before, AI failed to express or understand human emotions. However, the current technological advancement had made this possible. At present, AI can recognize and deal with feelings such as anger, sadness, sarcasm or frustration. This capability to understand emotions and react to humans would expand AI application in other sectors like education or medical counselling department too [47].

VII. CONCLUSION

For the past few years, artificial intelligence has stepped into marketing, helping marketers to enhance marketing strategies, product planning, and customer experience in a considerable manner. It has an amazing potential in gaining competitive advantage and strengthening customer relationships. It serves as a helping hand for marketers by reducing their manual workloads, simplifying the work plan, and supporting them in making rapid and effective personalization decisions, thereby ensuring easy targeting. In short, AI allows the marketer to know what works and what does not, and finally lead to smart and competent marketing.

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