The role of artificial intelligence in improving marketing ROI

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Abstract

AI is becoming a powerful enabler for companies looking to engage audiences. In analyzing massive volumes of data at a rapid pace, AI can help a marketing team understand patterns, predict trends, and generate insights at speeds far surpassing human capabilities. This enables companies to make data-driven decisions that maximize digital marketing spend and enhance customer satisfaction. AI technology has enabled transformative marketing practices, including advanced customer segmentation, automated customer interactions, predictive analytics, and hyper-personalized campaigns. Many organizations have already undergone AI transformation. 74% of organizations using generative AI already see a return on their investment. There's a key reason why: AI boosts conversions. More studies show that AI-driven customer acquisition tactics increase conversion rates by as much as 30%.

Keywords: Artificial Intelligence, Chatbots, Customer Segmentation, Digital Marketing

I.   Introduction

A report by PwC predicts that the impact of AI's deployment in business and elsewhere will add $15.7 trillion to the global economy and boost the gross domestic product (GDP) in local economies by 26% by 2030. And now, with advancements like generative AI, artificial intelligence is experiencing a period of hyper-growth. Generative AI can be used to create content including text, images, audio, and video. For companies using AI for marketing, this technology opens the door to analyzing marketing data, creating personalized campaigns, and enhancing customer interactions with much greater efficiency, speed, and scale. McKinsey, which conducted research on the economic impacts of generative AI, asserts that the technology "is poised to transform roles and boost performance across functions" — including marketing, sales, and customer operations.Artificial Intelligence (AI) has become a game-changer in marketing. Let's discuss how to use AI for marketing and how it can reshape and redefine marketing strategies.

Predictive Analytics: According to a survey, 53% of marketers utilize AI for data analysis purposes. AI algorithms analyze vast datasets to predict future trends and consumer behavior. Businesses can make data-driven decisions by understanding patterns and correlations and optimizing their marketing efforts for maximum impact.

Personalization at Scale: Gone are the days of generic marketing messages. Using AI in marketing enables hyper-personalization by tailoring content to individual preferences, increasing engagement and conversion rates.

Chatbots and Conversational AI: Did you know that the projected size of the global chatbot market is estimated to reach $1.25 billion by 2025, according to AI consultants? Providing instant customer support and engagement, AI-powered chatbots enhance user experience. Whether answering queries, guiding users through the sales funnel, or offering product recommendations, they operate 24/7, ensuring consistent and efficient communication.

Content Creation and Curation: AI tools can generate and curate content at a scale that was once unimaginable. From writing compelling copy or AI paraphrasing to suggesting topics based on audience interests, AI augments the creative process, allowing marketers to focus on strategy and innovation. Nowadays, an AI photo editor can also have a profound impact on content creation and curation by streamlining the editing process and enhancing the overall quality of visual content.

Ad Targeting and Optimization: AI algorithms analyze user behavior and preferences, enabling targeted advertising. Using AI in advertising thus maximizes ad relevance and optimizes budget allocation, ensuring marketing resources are used efficiently" - says Jacek Zmudzinski, Team Lead at MakoLab.

Applications of AI in Marketing

Now, let's examine some of the top ways an AI marketing platform and similar solutions can help to support marketing teams in their everyday work:

Customer Segmentation and Targeting: Machine learning models that use cloud infrastructure can handle customer segmentation at scale, allowing marketers to work with large volumes of data with ease and slice and dice that information for use in campaigns. They can personalize and customize marketing assets much more effectively and efficiently with help from AI.

For example, many marketers rely on insights from Invoca's AI-driven conversation intelligence platform to help them optimize marketing spend. The solution analyzes and extracts data from first-party phone conversations with consumers. So, an HVAC company's marketing team might learn, for instance, that the business is receiving a high number of calls from consumers in Texas inquiring about air conditioner repair. Invoca's AI technology identifies the key phrase and demographic in the call data, providing a strong signal for marketing to run a new round of digital ads to customers in Texas touting a discount on A/C repair services.

Marketing Automation and Campaign Optimization: AI marketing platforms enable automation at scale for repetitive tasks such as email, social media posting, ad placement, and content distribution. Removing routine processes frees up more time for marketers to focus on higher-value tasks, like creative marketing and campaign strategy. Capturing campaign data from phone calls also provides marketing with a missing link when it comes to attribution. Clicks make it easy to attribute sales to email or digital ads, but phone calls have been an opaque area when it comes to getting attribution. AI changes that. Now marketing can get full attribution for every call. Why is attribution so important? Call attribution helps you to optimize your campaigns so they'll drive more high-value phone leads. For example, call attribution data might help you decide to allocate more marketing spend to high-performing Google Ads keywords and ads that are driving sales over the phone, helping you to drive more revenue at a lower cost.

Data Analytics and Predictive Modeling: AI can analyze vast amounts of structured and unstructured data, identify patterns in that data, and generate actionable insights into customer behavior and predictive analytics. For example, purchase history and web browsing patterns allow companies like Amazon to anticipate customer needs and personalize customer outreach based on that data through emails, texts, web ads, and digital assistants like Alexa. ("Last month you purchased dishwashing detergent. Would you like to buy it again?") AI can also detect insights from customers in real time. Have you ever abandoned your cart while shopping online? How quickly did you receive an email or text asking if you had forgotten something? That's AI at work.

Natural Language Processing (NLP) in Marketing: NLP is AI's tool for understanding and interpreting human language. NLP plays a vital role in helping marketing teams with sentiment analysis, social media monitoring, and voice-activation marketing, such as voice search. NLP can be customized for each user to hyper-personalize experiences. So, for instance, a chatbot can accompany web users on the customer journey and make suggestions for where to go next on the site for more information. NLP also monitors social media. AI pushes detailed analysis of customer sentiment from social posts and other interactions to marketing to inform new campaigns, and when to change up tactics for existing campaigns so they will resonate better with consumers.

Content and Lead Generation: AI can analyze customer preferences, interests, and browsing behavior to generate relevant and engaging content for those customers. The ability to create compelling content with speed and ease saves marketing teams time and money. It also allows marketers to curate existing content so that customers see only relevant ads and other marketing outreach from the business. AI can also shorten the lead time between finding the right customer and selling to them. AI quickly analyzes data and matches up similarities between your product or service and potential customers. For example, if your company just landed a big account in the healthcare sector, AI could quickly scan customer databases and create lists of other healthcare businesses with similar needs that your organization could market and sell to.

Benefits of Integrating AI in Marketing
As you've no doubt gleaned by now, the use of AI in marketing can deliver significant benefits. Here's a quick overview of some of the most valuable ones for marketing organizations:

1. Improved Targeting and Personalization
Personalization and effective targeting of consumers are key goals for marketing functions. Both are easily achievable using AI.

2. Competitive Advantage and Cost Savings
AI marketing platforms can automate and streamline processes, saving time and resources — and that leads to cost savings and more strategic resource allocation.

3. Enhanced Marketing ROI
AI algorithms optimize marketing campaigns in real time by analyzing data, identifying trends, and adjusting tactics based on customer behavior and preferences. Algorithms can track the customer's entire journey, even phone interactions, so that marketing can receive accurate attribution for customers' purchases.

4. Increased Data-Driven Decision-Making
AI analyzes big data quickly and efficiently, picking up valuable insights, trends, and patterns that humans would take far longer to detect, or would otherwise miss. This enables and accelerates more effective decision-making in marketing.

5. Improved Customer Experience and Satisfaction
AI's predictive capability helps businesses anticipate customer needs so they can address them proactively, further enhancing the customer experience and preserving brand loyalty.

AI tools helping marketing
The synergy between Artificial Intelligence (AI) and marketing tools is set to redefine the entire game. Here's how AI can help marketers and small business owners.

Hyper-Personalization: AI will turn personalization into an art form. Tools like Adobe Target and Dynamic Yield will analyze user behavior with surgical precision. The result? Marketing messages so tailored that it feels like your brand is hand-delivering precisely what customers want.

Voice Search Revolution with SEO: With voice searches rising, AI-driven tools like SEMrush and Ahrefs will become indispensable. They'll help marketers optimize content for voice queries, ensuring your brand is heard loud and clear in the audience's ears.

AI-Generated Creatives: Tools like Canva will evolve with AI integrations, offering marketers design assistance and creative suggestions powered by algorithms. ChatGPT's DALL-E integration is another example of how brands can get their hands-on creatives on a budget.

Augmented Reality (AR) Marketing: AR marketing, backed by AI, will reshape the consumer experience. Tools like Shopify AR will allow businesses to showcase products in AR, letting customers virtually try before they buy. This type of shopping experience will bring a whole new dimension of engagement.

Why Businesses Should Embrace AI
Some may hesitate to use AI, perhaps fearing the unknown or clinging to familiarity. But let's pause for a moment and consider the possibilities that AI brings to the table.AI's predictive analytics capabilities enable businesses to anticipate market trends and consumer behavior with unprecedented accuracy. Microsoft's CEO Satya Nadella aptly says, "AI is the runtime that's going to shape all of what we do going forward." This runtime isn't just about making predictions; it's about making informed decisions that drive success.

Moreover, AI facilitates personalized experiences at scale. From chatbots providing instant customer support to algorithms tailoring marketing messages, AI enhances engagement and fosters stronger customer connections. As Sundar Pichai, CEO of Google, asserts, "AI is probably the most important thing humanity has ever worked on."

But perhaps the most compelling aspect of artificial intelligence for marketing lies in its ability to augment human potential. By automating repetitive tasks and providing actionable insights, AI liberates business owners to focus on higher-value work.

Outsourcing artificial intelligence marketing strategy to a virtual assistant can be a strategic move for businesses looking to leverage technology efficiently and cost-effectively. Here are several ways in which this approach can benefit businesses:

Cost-Effectiveness: Hiring a virtual assistant for AI marketing tasks can be more cost-effective than hiring a full-time employee or investing in expensive marketing automation software. Virtual assistants often operate on a flexible payment

model, allowing businesses to pay only for the services they need, whether running ad campaigns, analyzing data, or managing social media accounts.

Expertise and Efficiency: Virtual assistants specializing in AI marketing bring expertise and efficiency to the table. They are often trained in the latest AI tools, algorithms, and marketing strategies, enabling them to execute tasks precisely and effectively. Businesses can tap into this expertise without investing time and resources in training their employees.

Scalability: As businesses grow, their marketing needs evolve. Virtual assistants offer scalability, allowing companies to scale their marketing efforts up or down based on demand. Whether it's managing a small-scale campaign or orchestrating a large-scale marketing initiative, virtual assistants can adapt to meet the needs of the business.

Data Analysis and Insights: They can track key performance metrics based on data collected with AI, conduct A/B testing, and identify trends and patterns in consumer behavior. By leveraging these insights, businesses can make data-driven decisions to optimize their marketing strategies and maximize ROI.

Personalization and Targeting: AI algorithms can help businesses personalize their marketing campaigns based on customer preferences, browsing history, and demographic information. Virtual assistants can segment audiences, create targeted messaging, and deliver personalized recommendations, increasing engagement and conversion rates.

Adaptability to Emerging Trends: AI marketing constantly evolves, with new tools, techniques, and trends emerging regularly. Virtual assistants stay ahead of these developments, ensuring businesses remain competitive in the ever-changing digital landscape. Outsourcing AI marketing tasks to a virtual assistant can significantly streamline your operations and enhance your marketing effectiveness. Here are some key tasks that you can entrust to a virtual assistant:

Data Analysis and Insights:

Your virtual assistant can analyze marketing data collected from various sources, including website analytics, social media platforms, and customer relationship management (CRM) systems.They can identify trends, patterns, and correlations within the data to extract actionable insights that inform your marketing strategies.By leveraging AI-powered analytics tools, your virtual assistant can provide valuable recommendations for optimizing campaigns, improving targeting, and enhancing overall performance.

Content Creation and Curation:

Virtual assistants can assist in content creation by researching topics, drafting blog posts, creating social media updates, and developing email newsletters.AI-driven content generation tools can be utilized to generate compelling copy, headlines, and descriptions tailored to your target audience.Additionally, your virtual assistant can curate relevant content from reputable sources to share with your audience, establishing your brand as a trusted source of information in your industry.

Social Media Management:

Your virtual assistant can manage your social media accounts by scheduling posts, responding to comments and messages, and engaging with followers.AI-powered social media management platforms can help analyze audience behavior, optimize posting schedules, and identify opportunities for increased engagement.By monitoring social media metrics and performance indicators, your virtual assistant can refine your social media strategy to drive better results and foster meaningful connections with your audience.

Email Marketing Campaigns:

Virtual assistants can design, execute, and monitor email marketing campaigns to nurture leads, promote products or services, and drive conversions.AI-driven email marketing tools can personalize messages based on recipient preferences, behavior, and past interactions with your brand.Your virtual assistant can segment your email list, conduct A/B testing, and analyze campaign performance to refine your email marketing strategy and achieve higher open and click-through rates.

Search Engine Optimization (SEO) Optimization:

Your virtual assistant can conduct keyword research, optimize website content, and monitor search engine rankings to improve organic visibility and drive targeted traffic.AI-powered SEO tools can analyze competitor strategies, identify optimization

opportunities, and track search engine algorithm changes.By staying abreast of SEO best practices and implementing data-driven strategies, your virtual assistant can help boost your website's search engine rankings and enhance its overall online presence.

Campaign Performance Monitoring and Reporting:

Your virtual assistant can monitor the performance of your marketing campaigns in real time, tracking key performance indicators (KPIs) such as click-through rates, conversion rates, and return on investment (ROI).

AI-driven analytics platforms can generate customized reports and dashboards that provide insights into campaign effectiveness, audience engagement, and revenue generation.By regularly analyzing campaign metrics and identifying areas for improvement, your virtual assistant can help optimize your marketing efforts and maximize your ROI.

ChatGPT

ChatGPT, owned and developed by OpenAI, only debuted in November 2022, but its ability to create generative AI content, both written and spoken, has already created a major stir. ChatGPT uses a language model designed for conversation, so it's a logical candidate for use as a chatbot in customer service contact centers. And for marketing teams, specifically, the technology can help with everything from content creation (e.g., blogs, video scripts) to email marketing (e.g., A/B testing, subject line optimization) to lead generation (e.g., lead scoring, target email campaigns) — and much more.

Facebook

Meta (aka Facebook) is deeply entrenched in AI, and at the forefront of using the technology to create the artificially intelligent, virtual reality world known as the metaverse. And Facebook, as the social platform is still known, uses AI in digital marketing in various ways, including to deliver personalized ads to highly targeted audiences. Facebook collects mounds of data about users' behavior on and off the social platform and then feeds it into machine learning models to generate quality scores for customers' ads. Over time, as more people click on ads and the data volume increases, Facebook's models get better at predicting which ads will be opened by more people.

Challenges of AI Adoption in Marketing

So, now that we've covered some of the key benefits of adopting AI in marketing, let's discuss a few of the challenges that can accompany embracing this evolving area of technology:

1. Data Privacy and Security

AI allows companies to gather and store vast amounts of customer data, raising concerns about data handling and protection. Companies can overcome these concerns by implementing strong security measures, complying with relevant regulations, and being transparent with customers about how and why the business is collecting and using their data.

2. Integration with Existing Systems

Some AI tools may not integrate easily with your tech stack, which could undermine performance and create disruptions. Be sure to ask providers about technology integrations before adopting AI solutions.

3. Ethical Considerations

Personalized marketing powered by AI and AI-generated content raises ethical concerns regarding privacy invasion, data manipulation, accuracy, and the potential for manipulation of consumer behavior. Maintaining a strong code of AI ethics is essential to putting your customers (and partners) at ease.

4. Technical Expertise and Skill Gap Considerations

Implementing AI in marketing requires technical expertise and skill sets that may not be readily available in-house. To get the most from an AI investment, make sure to work with a provider that is invested in your success and provides resources to help ensure that your team is well-trained to use the technology.

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