

AI Certain to Help Marketers Increase Pipeline, Revenue and Brand Equity



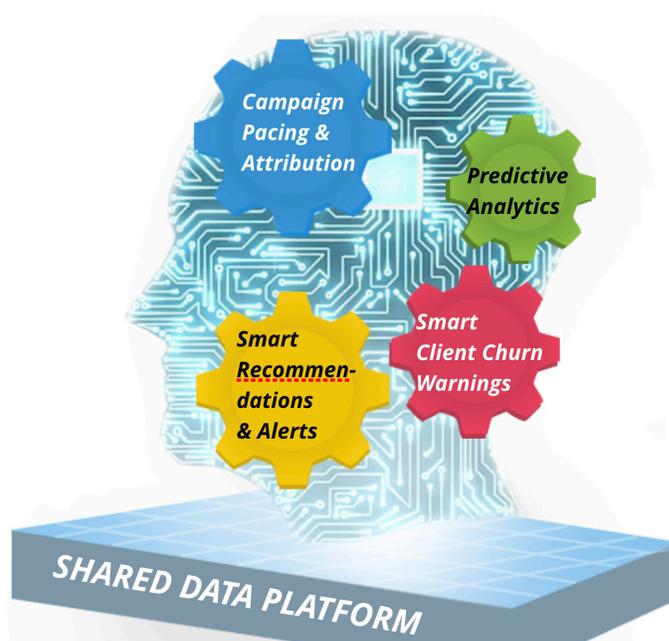
WHITE PAPER

Introduction

Artificial Intelligence (“AI”) has now moved out of the lab and into the enterprise, especially in marketing as Chief Marketing Officers (CMOs) who find that AI solves many challenges and see themselves as early adopters. This piece discusses the challenges CMOs face and how AI adds value by increasing pipeline, revenue, brand equity, and prospects for the two classes of AI-technology providers targeting CMOs for their technology spend.

THIS PAPER WILL HELP YOU DISCOVER:

- 1 The Seven Habits of Highly Challenged Marketers in the pre-AI World
- 2 When Marketing becomes “AI-Centered”, the Seven Habits Transform into Seven Virtues



Seven Habits of Highly Challenged Marketers in the pre-AI World

For about two decades, CMOs have adopted Marketing Automation and CRM systems to increase the velocity and effectiveness of marketing. However, these systems have not helped teams overcome challenges:

1. Broad Customer Segments

Human marketers are unable to understand hundreds of sub-segments based on like behavior or interest (let alone a single consumer intent) at scale; this results in generic messaging, low engagement, and low conversion rates.

2. Limited Scale

Marketers can only run a few campaigns at a time due to human inability to focus on more.

3. Limited Creativity = Limited Content

Human marketers have limited experiences and creativity to draw upon when generating content. A majority of so called creative content is really cut-copy-pasting and reworking the ideas of others from the public domain; a task machines can scale much more efficiently.

4. Rules-based Processes

Most marketing follows a few rigid, pre-assembled combinations of content (i.e. website, headlines, images, email copy, landing pages, downloadable assets), few web-design templates, and limited publisher formats. These limitations do not generate rich customer experiences. Humans cannot recommend what a prospect may like based on what they did before or what other customers like them buy, in real-time and at scale.

5. One-way Impersonal Customer Interactions

Marketers can't perform customer interaction at scale because voice-based human interaction with each customer is expensive and email systems do not encourage customers to reply back. Marketers also don't have a way to gather customer feedback when the customer views emails.

6. Wasteful Media Spending

Millions of dollars of online media spending gets wasted as CMOs are unable to precisely target ads to relevant audiences. Ads get wasted on employees, competitors, students, and future employees instead of potential customers with a check book.

7. The Best Guesser Wins!

Marketers spend a lot of time guessing which leads to devote their time and energy to, what prospects will convert, what price they'll pay for each conversion, and which customers will buy again. These decisions are often based on gut feel and guess work, but without any data or intelligence.

CMOs are challenged by a volume-centered marketing world, where they target broad groups of prospects at high volumes, hoping that a few will convert. A spray and pray approach is not intelligent marketing.

When Marketing becomes “AI-Centered”, the Seven Habits Transform into Seven Virtues

AI’s impact on marketing is transformational, to say the least. AI almost magically transforms the seven marketing challenges into virtues, enabling CMOs to unleash the full power of marketing.

1. Segments of One (or More)

Machines have an infinite ability to understand people’s nuanced and changing preferences over time and develop the right message for each, at scale. AI can work hand-in-hand with marketers who know the domain and develop customer segments of one, leading to scores of specific sub-segments or thousands of individuals who could be addressed uniquely.

2. Intelligent Automation at Mass Scale

Machines can run through billions of points of customer data and establish the most effective steps, sequences, channels, form factors, times to make contact, and what words in the copy are most effective, among a multitude of other factors. Machines can also run thousands of campaigns at the same time. Developments in Reward-based and Bandit-based learning bode well for scaling marketing processes. Two companies making strides in this space are [AgilOne](#) and [Adobe Sensei](#).

3. Can a Machine Create Good Content?

For certain marketing activities, AI content writing programs are able to pick elements from a dataset and structure a near-human article. The AI program [WordSmith](#) has produced 1.5 billion pieces of content and is growing popular across verticals. [The Grid](#) is a website design platform where the web-site designs itself based on AI. Using intelligent image recognition and cropping, an algorithmic palette, and typographic selection, The Grid uses AI in several areas to effectively automate web design.

4. AI Recommendations are not just for Netflix

AI can power content curation using 'customers who bought X also bought Y' learning which can be applied to ecommerce shopping carts, website content, and blogs. Developments in Deep Learning will power a new, innovative ability to assemble and recommend awesome digital content

5. I see you, hear you, know you and know what you are searching for...now let's do business

AI is powering advances in image recognition (e.g. [Baidu's DuLight](#)) that can search content, language recognition (e.g. IBM Watson powered [WayBlazer](#)) that digests unstructured information, voice search (e.g. Siri, Alexa) that will change the future of Search Engine Optimization, web and app personalization that use propensity models to predict a prospect's stage in the buyer's journey and then shows the most relevant content.

6. Ad Targeting, Retargeting & Programmatic Media Buying

AI algorithms can process large sets of past data to establish which digital ads perform well on which audience segments and at what stage of the buyer's journey. Using this learning, they can serve the right audiences the most compelling content at the right time leading to higher conversion and lower cost per acquisition (CPA). Machine learning can build accurate prediction models of what content works best to win back various prospect segments and can be used to optimize digital retargeting ads to increase conversion.

7. Predictive Prospect Scoring, Dynamic Pricing, Customer Sentiment & Churn Analytics

Marketers spend a lot of time guessing which leads to devote their time and energy to, what prospects will convert, what price they'll pay for each conversion, and which customers will buy again. These decisions are often based on gut feel and guess work, but without any data or intelligence.

Machine learning can build a propensity model of which traits show a customer is likely to need an offer to convert and which are likely to convert without the need for an offer. Predictive analytics can be used to work out which customers are most likely to unsubscribe from a service by assessing what features are most common in customers who do unsubscribe. The predictive analytics can also analyze social media comments to understand customer sentiments. Marketers can then reach out to these customers with offers, prompts, or assistance to prevent them from churning.

An AI technology built by Saffron, now a division of Intel analyzes thousands of factors and matches the broad patterns of customer behavior to those of individual members. Saffron's AI has so far helped USAA improve its incoming customer contact guess rate from 50% to 88%, increasingly knowing how users will next contact the company and what products they'll ask for.

In summary, CMOs have the opportunity to significantly improve the impact marketing has on the enterprise, by moving away from a volume-centric to an AI-centric mindset.



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