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AI Is The Missing Ingredient To Improve Your Marketing

By **Andrew Pearson** Contributor Jun 21, 2020, 21:00 PM

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technologies that are inspired by—but typically operate quite differently from—the ways people use their nervous systems and bodies to sense, learn, reason, and take action.”

AI helps companies understand customers and can be used in personalized marketing to develop simple, seamless, strategies. The technology can provide tailored offers to a market of one, rather than blast a shotgun of generic offerings to many. AI also allows businesses to crunch data in real-time, helping with personality insights, website morphing, chatbot services, programmatic advertising, emotional, image, and facial recognition technology.

In an article titled “Artificial intelligence Unlocks the True Power of Analytics,” Adobe explains the difference between marketing in a rules-based analytics way and an AI-powered way. Here are a few key comparisons:

Find your best customers:

- **Rules-based analytics:** manually examine customer segments to identify what makes high-quality customers unique.
- **AI-powered analytics:** automatically identify statistically significant attributes common in high-performing customers, then create customer segments to act upon.

Evaluate campaign effectiveness:

- **Rules-based analytics:** manually set rules and weights that attribute the value of each customer touch that led to a conversion.
- **AI-powered analytics:** automatically weight and report factors that lead to each successful conversion, then attribute credit to each campaign element accordingly.

Identify customers who are at risk of defecting:

- **Rules-based analytics:** manually study reports on groups of defected customers to try to uncover hidden patterns.

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campaigns:

- **Rules-based analytics:** manually consider and theorize about customer attributes, which might have some predictive power.
- **AI-powered analytics:** automatically create segments based on attributes that currently drive the desired response.

For many companies, gaining a 360-degree understanding of their customer includes collecting demographic and purchase data as well as listening to a customer's social media posts to get a sense of their feelings about the brand and discovering their social influence.

'Know your customer' initiatives could extend from the customer's online presence, all the way up to the client's interaction with a company's website. Morphing—the automatic matching of the basic 'look and feel' of a website to a browser's cognitive style—is one way a brand can hyper-personalize the shopping experience. In a paper published by MIT called, "Website Morphing," author John Hauser explains that Bayesian updating can be used to infer cognitive styles from a user's clickstream data. As Hauser sees it, "retailers might serve their customers better and sell more products and services if their websites matched the cognitive styles of their visitors."

Psychographics, the study and classification of people according to their attitudes, aspirations, and other psychological criteria, is an important element of personalization and has become more significant in recent years as data collection continues. Large tech companies seem to be following what I call the "A-B-C-D-E's" of data collection, or, Always Be Collecting Data Everywhere. All with an attitude of privacy be damned. Facebook may have been burned by the Cambridge Analytica privacy scandal, but Twitter has remained unscathed because Tweets are public. Customer psychometric profiles can be gleaned from this public data.

The IBM Watson™ Personality Insights service derives insights about personality characteristics from social media, enterprise data, and other digital

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prefer various products, services, and activities.

In the article "Lookalike modeling breathing new life into old channels," published in MartechToday, Jordan Elkind claims that lookalike marketing modeling has "been a mainstay of the ad tech industry for years, used to help advertisers expand digital audiences while maintaining relevancy of targeting." Tomorrow's lookalike modeling could include contextual, geolocation, social, and perhaps even emotional data.

The 'know your company' side of this equation comes in clearer visibility on stock levels, replenishment needs, as well as strong demand forecasting capabilities. Understanding marketing and distribution costs is important as well.

Sun Tzu famously said, "Victory comes from finding opportunities in problems." In the daily battle that is business, where companies spend fortunes to outcompete one another, AI could be the perfect tool for modern-day marketers to not only understand their customers on an individual level but also help them slay their competitors.

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