By using similar approaches, marketers can keep customers engaged and provide satisfying experiences that cement loyalty.

THE ROLE OF ARTIFICIAL INTELLIGENCE IN MARKETING ANALYTICS

AI gives marketers the ability to gather, manipulate, and use data in ways that would have been described as science fiction only a decade or two ago – and still feel futuristic today.

AI algorithms can process datasets so large that they make the lakes of information handled during the big data era seem like backyard swimming pools. They can recognize patterns that would not have registered without an artificial intelligence sorting through the data. They can also make predictions that are eerily accurate, allowing businesses to make marketing decisions and execute on campaigns with confidence.

Here are some of the primary functions AI serves in marketing analytics.

Data Processing and Analysis

AI does more than collect and store vast amounts of data. These algorithms are also excellent at managing and processing the information it collects.

Marketers can rely on AI algorithms to clean the data, sort it, and apply preliminary labels to it. It can then analyse the data with exceptional speed and accuracy.

An e-commerce platform could apply this technology to analyse customer purchase history, website interactions, and social media identity to identify customer preferences and emerging trends.

Pattern Recognition

AI algorithms are pattern recognition machines – they excel at finding correlations and similarities across complex datasets. By processing huge amounts of data practically in an instant, these algorithms can dig deep below the surface and uncover patterns that are far from obvious.

A retail company could make use of this ability to detect purchasing patterns, identify seasonal trends, and be notified of emerging product preferences. Based on this real-time information, it can ensure each of its locations stocks the right numbers of products and make specific items available when customers are most likely to want them.

Forecasting and Predictive Analytics

Data analytics used to be shackled to the present. Analysing historical data provided companies with a great window into their past and how they got to where they are, but

it gave them very limited insights about the future. Predictions were broad and decisions made on them were often miscalculated. If the market changed, much of the historical data became irrelevant, with marketers having no way of knowing which trends were still relevant and which were rapidly becoming outdated.

Predictive analytics has almost entirely eliminated that problem. By analysing an organization's historical data, AI can make remarkably accurate and precise predictions about future trends, anticipate changes in customer behaviour, and adjust its forecast as conditions change.

This predictive capability is invaluable for strategic planning. A fashion retailer can use AI to predict which styles will be in high demand in the upcoming season, based not only on past sales data but also social media activity, patterns in consumer behaviour, and emerging aesthetic trends.

Customer Segmentation

Customer segmentation is a method that gives companies a more nuanced understanding of their customer base. It also allows marketers to target different types of customers with campaigns and marketing materials that will resonate with their needs, preferences, and personal tastes.

This can be done without the use of AI, but AI can sort customers at a faster rate and create segments that take into account a number of different customer characteristics. Marketers using sophisticated analytics tools may not notice that their customers like to be physically active also have a penchant for orange-coloured products, but AI could pick up on that unusual quirk.

Netflix has done this exceptionally well. Its AI-powered algorithm segments viewers into highly precise categories, then presents them with movies and TV series that match the user's profile so well they feel like personal recommendations.

Personalized Online Experiences

AI can provide highly personalized online experiences based on user behaviour and preferences. This is something many customers have come to take for granted. Shoppers expect to see a series of relevant product recommendations, customers interacting with customer service livechat assume the chatbot will accurately guess which order they need help with, and everyone browsing online expects to be served ads that are designed for them.

Meeting these expectations is crucial to providing a smooth and streamlined customer experience. Without AI, it's nearly impossible to deliver that level of customization.

Amazon has been a leader on this front. Its use of AI to provide product recommendations based on a close analysis of each user's browsing history has created a fast and precise shopping experience that enhances user engagement and drives high levels of customer satisfaction.

Dynamic Email Campaigns

Email might seem like a simple tool, but backed with analytics and AI it becomes an effective way to reach prospects, convert them, and foster loyalty with existing customers. Personalized emails are far more effective at generating engagement. Marketers have traditionally achieved this kind of targeted customization through A/B testing, email metrics like open rates, and good old fashioned customer research. AI does this far more effectively and rapidly. It can assist marketers in crafting email campaigns that are suitable for each customer while adjusting subject lines, text, and other elements based on real-time changes in email metrics.

Many people don't realize how many of the emails that make it to their inboxes are powered by a single company – Mailchimp. It provides an email platform that countless companies rely on to reach their customers and analyse the success of their email campaigns. Mailchimp provides more than just scheduling and dashboards, however. It also uses AI capabilities to tailor emails to individual subscribers based on their interactions with previous emails and website activity, resulting in higher open rates and click-through rates.

ARTIFICIAL INTELLIGENCE APPLICATIONS IN MARKETING

So far, we have spoken of AI as a singular entity – an algorithm that can gather, processing, and using data at lightning speed. In fact, that basic concept takes on different shapes depending on how it's applied. Companies and customers interact with AI using different tools and interfaces.

It's important for marketers to understand these different applications and get a sense of the way AI can enhance their workflows as well as the customer experience.

Chatbots

While customers interact with AI on a daily basis through personalized recommendations and tailored marketing materials, when customers think of AI, they typically think of chatbots. That's not surprising, given how quickly AI chatbots have developed in recent years. Just a few years ago, interacting with an automated chatbot meant going through a decision tree with a friendly face – often with the sole intention of finding the right combination of steps to get to speak to a human being. Now, AI has evolved to the point where customers can barely tell whether they are chatting with a human representative or a chatbot that can expertly imitate human interactions.

Companies can now offer a customer service experience that feels human without having to hire a vast labour force to handle the deluge of requests and issues they have