AI & MARKETERS, WHY DO THEY NEED EACH OTHER?

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Sayah Chennoufi | Follow
Associate Partner, Head of Marke...

Companies are facing extraordinary complexity due to customers habits that have turned digital and so have the relationships between customers and companies in all industries; they are "Mobile First" today and will be "Mobile Only" tomorrow. It has changed the customers' expectations but also the business models: the development of connected, always reachable customers, creates **great opportunities for those who will be able to digitally disrupt the customer relations and experience**, and Artificial Intelligence will be a major enabler for that.

Nevertheless, surprisingly, a recent survey by Resulticks showed that almost half of the professionals questioned thought Artificial Intelligence was an overhyped industry buzzword, 40% felt skeptical when they saw or heard the term, and 47% of marketers believed AI was more fantasy than reality. Is it?

In fact, **AI is certainly peaking on the Gartner Curve**, creating all kinds of fantasy and expectations about its future Marketing applications... while its actual applications are often underrated or even forgotten. The industry and Marketers are **moving from buzz words and hype to concrete, tangible AI applications** in order to **generate significant ROI** mostly in terms of customer acquisition and conversion, customers satisfaction and loyalty increase, and sales development.

By computing and structuring tremendous amounts of data in an immediate way, AI allows marketers to **make more accurate decisions, more quickly**. This is key to survive in a context where customers expect the companies to give them exactly **what they want, when and where they need it**, and to **be treated as "individuals who matter"** rather than as sole transactions.
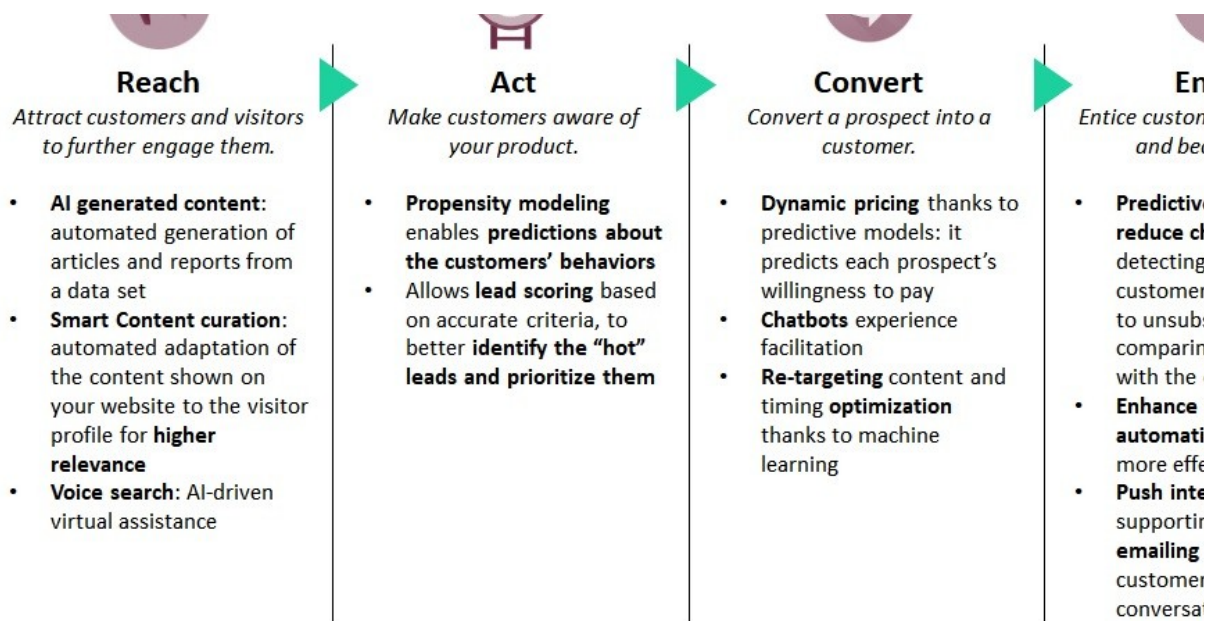
In order to reach this level of personalization and **1:1 real-time relationship at scale**, understanding and implementing AI capabilities will be Marketers struggle for the following years.

I.   AI is able to impact all steps of the customer journey...

What we call "AI" currently actually includes 3 main areas:

1.   **Machine Learning Techniques** which use algorithms that learn from sets of historical data to create propensity models

2.   **Applied Propensity Models** allowing to **predict future events, behaviors and reactions** based on the history

3.   **AI applications** are these other AI forms that **mimic human actions** such as directly interacting with customers, answering their questions, automatically writing contents, etc.

These 3 assets can **bring added value at all stages of the customer path** and ultimately in all parts of Marketing. The scheme below shows some examples of the contributions AI can bring at each step of the buyer journey:

Reach	**Act**	**Convert**	**En**
Attract customers and visitors to further engage them.	*Make customers aware of your product.*	*Convert a prospect into a customer.*	*Entice custom and be*
• **AI generated content:** automated generation of articles and reports from a data set • **Smart Content curation:** automated adaptation of the content shown on your website to the visitor profile for **higher relevance** • **Voice search:** AI-driven virtual assistance	• **Propensity modeling** enables **predictions about the customers' behaviors** • Allows **lead scoring** based on accurate criteria, to better **identify the "hot" leads and prioritize them**	• **Dynamic pricing** thanks to predictive models: it predicts each prospect's willingness to pay • **Chatbots** experience facilitation • **Re-targeting** content and timing **optimization** thanks to machine learning	• **Predictiv reduce cl** detecting customer to unsub comparin with the • **Enhance automati** more effe • **Push inte** supportir **emailing** customer conversat

II.   ... Leading to content hyper-relevance

A.   Focusing on micro-moments delivers to customers exactly what they need, where and when they need it

Offering a personalized 1:1 relation at each step of the path is now a basic expectation of the customers. However the current personalization model focusing on customers' purchasing behaviors and relatively fixed attributes is actually turning obsolete. **Hyper-relevance** in contrast, **focuses on understanding customers' micro-moments and needs in a given circumstance and their evolving context**, also considering the channel or step of their path, to propose **real-time individualized content at scale**.

For example, an insurance company will be able to push new offers to a customer who is reported to have just bought a house; while a hotel company will be able to push relevant offers to a customer who just missed his flight back home, generating added value for the customers and increased conversion for the company.

B.   Agility infused in the whole company is key to succeed

Hyper-relevance is **breaking the silos in the organizations**, particularly between Marketing, Sales and Customer Service teams, by putting the sole customer's needs at the heart of the approach. The startup Tact (https://tact.ai/) is an excellent example of this capacity to break the silos between services to get the most out of the customers as well as prospects data to provide efficient tools to the sales force and ultimately boost the sales.

Furthermore, infusing **agility and capacity to test** within the whole organization, throughout all processes is also necessary. As of today, companies that start major IT projects are taking big risks. This is why significant investments are being done to **implement agile solutions allowing to quickly test solutions' relevance and reduce their time-to-market**.

C.   Augmented experiences imply augmented data

To deliver an augmented experience, companies will need to get an **augmented view of the customers**, not only considering the classic data related to the purchasing path, but more **contextual** ones. **Higher volumes of data and more personal ones** are needed, such as permanent geolocation, real-time health data, parametric information, etc.

The **continuous analysis of emotions and behaviors** then its integration in offers and content strategies will also be a significant competitive advantage in the augmented personalization race. This "Netflixisation" phenomenon is expected to go beyond the sole digital markets and grow in all industries in the near future.

D.   Mutual Trust is paramount

The good news is, **customers are no longer surprised by the fact companies collect and use their personal data**. On the contrary, they are **open to share them as long as it generates added-value for them**, meaning relevant personalized contents and offers. The key challenge for the companies is hence not to break trust: **delivering the promised experiences and answering customers' expectations is paramount**.

deliver high value

A.   Good AI relies on data quality...

Yet to deliver the promise, a good AI is not sufficient: **data quality is the basis**. Indeed, AI is math, not magic and as they say: "crap in, crap out". Problem is, **maintaining data quality is actually one of the main challenges in Marketing** as of today. Recently, 83% of the B2B Marketing & Sales professionals polled by Demand Gen Report outlined that their data were old / outdated, and 71% admitted they did not have time or resources to implement an effective process.

Hence an **efficient data management process** must be implemented to guarantee the success of AI: from relevant data collection process, to adequate data governance, architecture and performing maintenance processes.

B.   ... and on efficient control

If reliable data is the basis, the second step is to transform them into valuable inputs thanks to a properly mastered algorithm. Recruiting the **accurate skills and competencies** is key to release the full potential of AI. On the other hand, implementing the **right governance** and the **right control processes** is also primordial to establish safeguards and prevent from any abuse or unexpected outcomes.

Ultimately, an **AI-human partnership is needed to get the most of AI potential**: AI brings mathematical and predictive accuracy; while human brings "common sense" necessary to the constant improvement of machine learning. AI and human therefore produce higher value outcomes together than separately.

Indeed, as shown in the examples below, poorly mastered or controlled AI can cause harm and unfortunate consequences.

Some AI fails examples:

·   **A poor algorithm can kill your company's image**

Solid Bomb Gold was a company selling tee-shirts, who used AI to generate and print phrases on the outfits. One of the sentences its algorithm created was "Keep Calm and Rape a Lot." The algorithm had been designed to pick a verb randomly on a list: the database of verbs should originally not have included "rape". As a consequence of the disastrous image created, Amazon banished the company which closed doors.

·   **Without human check, Machine Learning finds its limits**

Nikon implemented a blinking identification feature in its cameras, warning the user when a blinking person is detected on a picture. With an inefficient Machine Learning algorithm setting which did not integrate enough human check, it was misreporting blinks on Asian people pictures.

IV.   So, what's in it for Marketers?

What does all of that mean for Marketers? To take the best out of AI and go hyper-relevant at scale, consider the 6 following steps:

1.   **Adopt a new customer approach**: do not only consider the customer path and traditional demographics anymore, but get a 360° real-time vision of your customers and focus on understanding their micro-moments, at scale.

2.   **Switch from data to meaningful insights**: enrich your data with various types and sources, including external ones – data from partners, parametric data... Do not only consider the past facts but focus on the future with predictive analytics.

3.   **Always deliver your promises**: never break your customers' trust. Your customers will be happy to provide you data, as long as you are delivering them the added value they expect in exchange.

4.   **Align your organization**: consider what needs to be done to acquire, manage and maintain the data and the algorithms. Structure your company accordingly both in terms of talents management and in terms of governance & controls, while breaking the silos between marketing, sales and customer service to adopt a real customer-centric approach.

5.   **Think big, start small, scale fast**: the real risk is to lose competitive advantage by not onboarding the trend while the majority of the companies will ultimately do. The "first mover" advantage is also huge there and has to be considered. Start defining a clear ambition and find the adequate tools that are easier to test; then scale it while developing IT agility to reduce your time-to-market.

6.   **Think end-to-end and measure the ROI of your actions**: define the relevant data, KPIs, captors at each step and analytical skills necessary to measure the ROI of each action. The ROI can mostly be considered in terms of: churn reduction, upsell and cross-sell, acquisition, conversion and number of customers, and margin improvement.

 To put it in a nutshell, tomorrow's marketer will have to develop a **grit mindset** as a perseverance and passion **for developing these technologies on the long-term, in a continuous way**.

supporting consultants in decision-making with predictive and augmented analysis, leading to "**augmented consultants**".

Based on its experience in Marketing & Sales Digital Transformation, Sia Partners **helps companies to outperform competition with efficient and differentiating augmented Marketing & offer strategies based on data**. Through its Marketing and Customer Experience practice, Sia has developed **specific data-focused offers** to help its clients develop a competitive advantage by exploiting all data and AI assets, including:

· **Insights generation and real-time decisioning**: get the most of your data to generate insights in order to build tailor-made and predictive offers in real-time

· **Data-based offers creation**: propose more relevant products and services to your customers using data

· **Real-time Personalization**: acquire mass personalization capabilities to address the highest customer expectations

· **Customer-centric operating model**: break the silos in your company to adapt a customer-centric and agile strategy

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Sayah Chennoufi
Associate Partner, Head of Marke…

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What an interesting post, I appreciate the perspective Sayah.

J'aime   Répondre

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