

A Comparative Analysis of Artificial Intelligence in Marketing and Traditional Marketing

Sumitha K.*

Abstract

Present trends in business are very vibrant, evolving day by day. Such innovations can be seen in each and every domain of the business. The marketing sector has also not been left untouched. With the change in the approach of communication and integration, conventional marketing has been progressing into non-conventional marketing, through the inculcation of artificial intelligence in marketing. The development of this has led to change in the marketing sector. To study the evolution of AI in marketing, along with the adoption and the perspective of customers towards AI marketing through the medium of this research is a desire. Artificial intelligence (AI) is an essential portion of many sectors, including marketing. The way in which we use data to make important marketing decisions and improve customer experience has been revolutionised by AI. The objective of this study was to determine the future of artificial intelligence in marketing, and to compare artificial intelligence marketing and traditional marketing. This research focused on the comparative study of AI with traditional marketing, its risks, benefits, and its impact on digital marketing and its future. A qualitative research methodology was utilised to address these topics. The theoretical framework discusses the topic of artificial intelligence in marketing, comparing it with traditional marketing. With the incredible progress in AI, machine learning, and deep learning in its sub-segments, businesses are reaching new levels of data analytics productivity, which has an impact on the whole sector. For this thesis, the qualitative research method was applied by examining the marketing use of AI, to investigate how AI is changing the digital marketing sector. The objective of this approach was to do a broader and more detailed study of AI in marketing. Based on the findings of this thesis, it can be concluded that AI is going to fundamentally change how marketers do their work, making ads more personalised, predictive,

and automated, than it has ever been. It is found that AI is an inevitable part of the future marketing and sales environment. The sooner we get acquainted with AI capabilities, the better.

Keywords: Artificial Intelligence, Marketing, Traditional Marketing, Machine Learning

Introduction

Artificial intelligence (AI) marketing is a system of using client data to anticipate the client's next move and ameliorate the client trip. AI offers a way to bridge the gap between data gathering and execution, by sifting through and assaying extensive data, which was formerly an invincible process.

As Sterne points out, data is the primary asset of AI-grounded marketing approaches. Data for marketing comes from a company's own systems, agencies, third-party syndicators, client online actions, and numerous other sources; and clearly comprises 'big data' in the total. About 25 per cent of moment's marketing budgets are devoted to digital channels, and nearly 80 per cent of marketing organisations make technology-acquainted capital expenditures – generally hardware and software – according to a recent Gartner check. Easily, some of that capital will be spent on AI.

The creation and construction of data is expanding at a tremendous rate; it is growing exponentially every day. By 2020, it is anticipated that the world will have created over 40 zettabytes of data (1 zettabyte = 1 trillion terabytes), with 80-90 of it being unshaped. The elaboration of big data and advanced logical results have made it possible for marketers to make a clear picture of their target group.

* Associate Professor, Hindustan Business School, Bengaluru, Karnataka, India. Email: sumipraba05@gmail.com

Artificial intelligence can reuse both structured and unshaped data with exponentially more speed and delicacy than any human could. It is a crucial point of interest for companies floundering to organise their consumer data in a simple way. Marketers are using the capability of machine literacy to make connections between data points to gain perspective on their client base. These systems can dissect speech to determine emotion from spoken language, produce visual definitions to show social media trends, and crunch data to make prognostications.

Still, AI is an important supporter, “If you’re in marketing. However, marketing is a rich problem set, If you’re in data wisdom.” – Jim Sterne.

“Artificial Intelligence (AI) had an advance time in 2016, not only with machine literacy, but with public mindfulness as well. And it’s only going to continue. This time, utmost marketers believe consumers are ready for the technology.” Artificial Intelligence Roundup, eMarketer, February 2017.

World in the current script is going through a surge in digitalisation; the husbandry are evolving going from the point and mortar to the structure of click and bricks. This modernisation is affecting each aspect of the ultramodern life; and business, being dynamic, has not been left untouched by this metamorphosis. The invention, always being of utmost significance in the business world, is inculcating similar digital changes in its functioning. The impact of similar inventions can be seen in each scrap of business – manufacturing, client services, order placement, estimations, and marketing. Kother observes that marketing which has been doing for any of the business form, set up with the identification of the target client group, and selling the products for them using the right blend of the marketing tools and similar marketing tools could be either direct or indirectly create impact in the market. Marketing is a division of the business which plays a significant part in the success of the business, including the setting up of the target member of the customers and using suitable approaches for connecting with the target group.

According to Kother, each targeted member of the customers can be reached using different ways, to make marketing successful. Now these marketing approaches are being mixed with the modernised approach or non-conventional approach, which are providing fruitful results

to the business organisations. One of these approaches is the inculcation of artificial intelligence or machine intelligence in the marketing tools. These marketing tools have opened up the supplementary ways of doing marketing and conducting business; along with this, they have been developed as a way to prize the plethora of databases related to the different aspects of business. In the marketing division, artificial intelligence can be used to value and collect data related to client management, client preservation, client creation, and client services. The data mining, done through the artificial intelligence, points the way to reach the implicit customers, retaining the loyal customers, and so on.

Favourable Side of Artificial Intelligence: Machine literacy, which can be applied to the colourful different fields, and which can inter-relate the colourful fields with each other, which can grow, indicate its mind and intelligence into colourful fields by relating each other. This literacy is used in the e-commerce spots.

Slighting Side of Artificial Intelligence: The machine literacy which is concentrated on just one field and ply this intelligence in just that area and don’t relate the different areas. Like the machine literacy in GPS.

Comparing artificial marketing with traditional marketing, the latter is the selling of products using the conventional way of commerce with the stakeholders like social medias, journals, advertisement agencies etc. These marketing ways have different impact factors and different life spans; these styles may have a particular touch, which facilitates two-way communication or one-way communication only. Artificial intelligence is a way of marketing which develops over time, saves the data for an endless time period, and provides a wider base for one-to-one marketing which less operations of financial reserves of an organisation. In the period of globalisation, artificial intelligence evolved as a boon for the small-scale businesses, as it provided them the opportunity to go transnational and conduct business over the Internet. Artificial intelligence has grown in truly effective and productive ways in the globalised field of business, where the marketing is done over a website and the backing is handled by the software system.

Krishnamurthy (2016) discussed that e-marketing is the use of Internet technologies and the internet, web and related information technologies have supported for the transformational. E-marketing is using the synthetic

intelligence and automation to sell the products over the Web. This marketing focuses on the event of a system-led solution to a problem, and also allows human interaction to develop a precious solution to the issue faced in the business context, like segmentation of the business markets, management and development of customer relations, business channel relationship management, structuring the supply-chain management, personal selling, customised solutions, pricing strategies, production development consistent with customer specifications, and so on. The platform used by major websites like Google and Facebook is governed by artificial intelligence which collects and provides vast information. They use various ways of interacting with people to accumulate the info and build the info base system, which displays the products matching the buyer's preference. In the foreseen future, it is certain that businesses are going to suffer because of synthetic intelligence in a number of ways, where synthetic intelligence would be able to replace the human element in the business. This study basically covers the evolution of synthetic intelligence in the field of business, reviews the factors affecting the adoption and evolution of synthetic intelligence in the minds of the customers or consumers, and well-connected and accepting to either traditional or artificial marketing within the minds of the purchasers.

The most popular AI applications in marketing are content creation, voice search, predictiveness analysis, lead scoring, ad targeting, and dynamic pricing. With these AI applications, marketers can analyse customers based on their movement and behaviour over time, to achieve dynamic micro-segmentation and forecast their future movements, in general. With all these specific information, marketers can focus on the specific needs and create a long-term relationship with the brand. Micro-segmentation is helping brands to communicate in person with each customer, and to improve loyalty and life-time value.

Brands are using the power of the AI for personalisation of email/SMS marketing campaigns, which provides better connection, and transformation of these users into clients. Digital advertising is the area with the most successfully adopted AI. Facebook and Google are good examples of AI and machine learning usage. They analyse the user's information, their interests, and demographics, to learn and

detect the best audience for their brand. Predictive analysis is the usage of data, statistical algorithms, and machine learning techniques with the goal of identifying all the future conclusions, based just on data history. Besides, AI can lower production costs and increase competitiveness.

Therefore, AI does not exist to replace the jobs of the marketers or advertisers, but to help them develop their creative and strategic potential. In addition, they should learn to use the advantages of AI.

In this paper, the comprehensive analysis of AI and ML application in marketing is given. AI really came into existence with the birth of computers, around the 1940s and 1950s. During the earlier period of its development, attention was clearly focused on getting computers to do things. In the 1960s and 1970s, there was a real philosophical discussion about how close human brain and computers could be. The next decade, from the 1980s to the 1990s, brought a whole new approach. Artificial computer brains had opened up possibilities and created a completely new set of questions.

The next decade has brought advanced software intelligent agents. An intelligent agent is a software with a possibility of assisting people and acting on their behalf. Agents can automate repetitive tasks, remember things that users forgot, learn from the user, or can make recommendations. AI could be intelligent in its own way now: there is a potential to be bigger, faster, and better. People realised that the artificial brain could outplay the human brain. AI technologies are used in numerous Internet tools: search algorithms, recommendation systems, and systems for creating websites.

AI is unsurpassed by the human brain nowadays. AI applications in the nance, military, and manufacturing sectors are something that a human brain cannot compete with. Artificial brains now have their own bodies. They are supported by the ability of the AI to learn from experiences and adapt over time. First capability includes images, sounds, and speech. Facial recognition is the latest practical proof of improving productivity. Natural language and inference engines make better comprehension of collected information. AI systems can take different actions through technologies in the physical world. Auto-pilot in cars is the best example.

Research Methodology

The Objectives of the Study

- To determine the future of artificial intelligence in marketing.
- To compare artificial intelligence marketing and traditional marketing.

This is an exploratory research based on literature and the desire to find out the persuasive results in the E-Commerce Company and Regular customer use the online shopping. Both primary and secondary data have been used to fulfil the requirement of achieving the objectives. An extensive survey has been used to collect the primary data from the employees and customers, mainly through a questionnaire.

Research Design

An empirical and descriptive research structure has been followed to get the information related to our objectives, which deals with the factors governing the adoption and future of AI in marketing. Along with this, qualitative research design is used to have an in-depth insight into factors governing the adoption of AI, as it may be a new phenomenon, and for the researcher to possess an in-depth understanding of the behaviour of the customer, alongside the conceptual and theoretical framework of AI application. The primary study has been conducted on 200 people using convenient sampling.

Review of Literature

- According to T. Thiraviyam (2018), “Artificial intelligence (AI) marketing is a method of leveraging customer data to anticipate the customer’s next move and improve the customer journey. AI offers the way to bridge the gap between data science and execution by sifting through and analysing huge dumps of data which was once an insurmountable process.”
- Ramin Muhammadian (2020, July), “AI is becoming popular due to it being more accurate and precise than humans, which leads to more work efficiency. Visual search, video branding, and block chain technology will determine the marketing sector in the

future. Analysis, adjustments, and predictions in digital marketing are easier now with the help of AI. Methods can be tested in smarter ways without losing too much money. On the other hand, users are becoming more aware of how their information is used. Therefore, marketers have to attract customers in meaningful ways, without copying too much of their personal information. In spite of marketing obstacles that will emerge in the future, such as regulations, digital marketing is ready for possibility and variety. In the author’s opinion, AI is going to fundamentally change how marketers are doing their work and making ads more personalised, predictive, and automated than it has ever been. While the computer analyses and decides at much higher rates and precisions than before, people still have the skills to challenge the conclusions of the machine and take final decisions”.

Evolution of Artificial Intelligence in Marketing

The evolution of AI is clear because lately, the discussions within the data science space is not just crammed with data modelling issues; it involves building a platform for machine-specific learning so that the machine can perform beginning-to-end functioning through continuous specific learning. With the necessity for greater efficiency every day, marketing and sales are at the middle of the AI evolution. Companies that vastly believe in inbound leads and inbound marketing practices, believe that the customer data helps to know customer behaviour. The importance lies in understanding the customer’s journey, and therefore, the need to improve customer experience continuously is a thing that does not need emphasis any longer. Similarly, outbound teams are also using AI to big advantage, in streamlining their CRM systems, thus ensuring that their sales teams are those that specialise in the proper leads with the highest sales propensity. From the machine learning perspective, it all starts with data processing, followed by the subsequent stages of model building, and deployment and monitoring.

Data Processing Stage: The information processing stage typically involves collecting, cleaning, and formatting data, which may be fed into the models. Models are as good as the data inputs, which makes info processing supremely critical for marketers and salespeople. At this

stage, most companies use a combination of SQL queries and Python scripts to aggregate and format data from multiple sources.

According to Teradata's 'State of AI for Enterprises' report in October 2017, 80% of the businesses have implemented artificial intelligence mechanisms to carry out production and other business operations; most of this adoption is happening in the Asian region.

With all the major tech companies reorienting themselves around AI and the advertisement of tone-driven buses from several machine majors, we can say with conviction that the AI surge has arrived. With its Azure platform, Microsoft is taking a big step forwards in helping businesses harness this technology. As Microsoft stated at the Ignite event, its ideal is to support businesses in the areas of client service and deals support. Through its Dynamics 365 AI result, which is being tested with companies similar to HP and Macy's, AI is being used to help guests get the products and installations they need.

The Way Forward: For marketers and salesmen, the factual pain point is getting the right information about the prospect or client at the right time, and intelligence on what interests them and why. For example, as a salesman, you might want to know the accounts that are likely to convert into deals. Also, a marketer might be interested in knowing what content will probably reverberate the most with the client.

Findings

It has been agreed by a majority of the respondents that artificial intelligence-grounded marketing has better effectiveness than traditional marketing. AI allows us to gain or sustain a competitive advantage; this is the positive side. It was understood that AI-grounded marketing is most effective when the product needs to be placed according to different classes. From the analysis, it was understood that AI-grounded marketing provides a better result when the product needs to be placed in a different position; and the position or platform impacts the results of the marketing crusade. Traditional marketing also has better effectiveness as artificial intelligence-grounded marketing. A majority of the respondents believe that artificial intelligence is not only the technology that powers the marketing channels, but is also the empowering tool for

businesses thereafter. Artificial intelligence not only helps marketers in executing their marketing strategies, but also helps in forming them. AI operations are incorporated in all areas of marketing; different AI technologies are used within marketing practices.

Need of Conforming AI as a Marketing Strategy

Effective marketing strategy will need the right decisions to make a company successful online. To achieve a successful marketing strategy, it is necessary to follow up on new social trends and keep interacting with the client. Therefore, the power of artificial intelligence systems in digital marketing strategies enables a marketer to request his products or services, and succeed in his business operations.

Conclusion

We have to develop one-on-one connections with the consumer. That is the need of the hour; that is what will make us survive in the new world. Marketing, at its core, is about the mind and heart. It is about intelligence and emotion. Though we have to give the functional benefits, we also have to enthrall the emotional space in the minds of the consumers.

The way it has been communicated with consumers has changed marketing. It is morphing every day and that is where the big shift has happened. The big change that is happening in marketing are artificial intelligence and machine literacy. This creates new openings for fabricator and marketing. It will change how people interact with information, technology, brands, and services. Therefore, marketers must acclimatise artificial intelligence systems in their marketing strategies to succeed in the present period of digital marketing. It saves both time and plutocrat for the marketers, guests, and prospects, and occupies the minds of guests without mortal intervention.

References

- Benefits of Artificial Intelligence and Machine Learning in Marketing. Retrieved from researchgate.net
- <https://emarsys.com/learn/blog/artificial-intelligence-marketing-solutions>

Marketing and Artificial Intelligence. Retrieved from researchgate.net

Marketing and Artificial Intelligence - Wikipedia

Muhammadian, R. (2020, July). *Artificial intelligence in marketing: How AI is revolutionizing digital marketing* (Thesis, Centria University of Applied Sciences Business Management).

Traditional Marketing vs. Digital Marketing. (2021, Updated Edition). Retrieved from simplilearn.com

Thiraviyam, T. (2018). Artificial intelligence marketing. *International Journal of Recent Research Aspects*, 449-452.

What is Artificial Intelligence Marketing? MaArketo Engage.