Artificial Intelligence as the Basis of a Marketing Strategy

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Abstract

This article is aimed at studying the application of artificial intelligence technology in the theory of marketing communications. The paper considers the theoretical and practical aspects of the use of artificial intelligence. Using the example, the effectiveness of the technology is considered, and the main advantages and disadvantages of using this tool in brand promotion are identified.

Keywords: intelligence, system, marketing, strategy, technology

1. İntroduction

We live in an era when much of the information about ourselves and the world around us (including its commercial component) is digitized. This data is collected by the websites where we make purchases, the services we use, banks, fitness clubs, medical centers, etc.

Definitions of artificial intelligence vary depending on the goals that they are trying to achieve with it.:

– creation of systems that simulate human thinking (general, strong or broad AI). In this case, the result can be used not only to create systems that work in several areas, but also to explain how the human brain works.;

– development of systems designed to solve specific tasks in a chosen field (weak or narrow AI). Such systems, as a rule, cannot work in other areas. For example, IBM's Deep Blue system can beat a human in chess, but it cannot be used in other games.

2. Using Human Reasoning as a Guide to Provide Quality Services or Create Quality Products.

The goal is not to accurately copy the work of the human mind. So, the creators of IBM Watson were guided by the observation that people can come to conclusions without having hard and fast rules, and then collect evidence. As a result, IBM Watson justifies its decisions by reviewing thousands of text fragments (Lee & Chen, 2021, pp. 130–138)

Traditionally, AI technologies are considered as a set of technologies, processes, software systems, and algorithms, characterized in that they allow solving certain tasks in the same way as a human does. Thus, in the National Strategy for the Development of Artificial Intelligence for the period up to 2030, artificial intelligence technologies include computer vision technologies, natural language processing, speech recognition and synthesis, intelligent decision support, and promising artificial intelligence methods (Mitchell, 2019, pp. 50–65).

The accelerated development of artificial intelligence technologies in recent years has been driven by the following factors:

– a high degree of influence on the effectiveness of organizations and people, including those related to managerial decision-making;

– increased availability of computing resources for the development of technological solutions based on artificial intelligence;

– the growing need to process large amounts of data generated by both humans and technical devices.

3. The Actual Topic of Today's is Artificial Intelligence

The use of artificial intelligence (AI) in marketing and advertising is one of the most relevant topics at present, as technological innovations are already leading to changes in the field of business. This technology is used to collect and analyze large amounts of data, which helps to make more informed decisions and improve efficiency in various aspects of product or service promotion. Thus, according to a Dentons study, as of 2024, artificial intelligence is actively used by 30% and tested by 78% of large and medium-sized businesses around the world. In order to understand what tasks AI can solve, it is necessary to refer to its technology.

AI technology is the creation of computer systems that can perform tasks that require intellectual abilities that are usually associated with the human mind. It includes:

1.Machine learning: A computer technology that studies data and trains itself to process new information.

2.Neural networks: systems that are built by analogy with the brains of living beings, simulating networks of neurons.

3.Natural language processing: Systems that allow a computer to analyze, understand, and generate natural language using context, grammar, and semantics.

4.Computer vision: systems that allow a computer to analyze and process images and videos.

5.Robotics: intelligent control systems for robots and automated processes.

Nowadays, AI is increasingly being used by companies to attract new customers en masse. Examples of the use of artificial intelligence in marketing are the collection, analysis and interpretation of large amounts of information about audience behavior, as well as the use of information about previously purchased products or services to create personalized advertising based on the interests of a particular consumer. Using AI to process data allows marketing specialists to quickly identify trends in the industry, understand what is working and what is not effective enough.

One of the most common examples of the use of AI in marketing is chatbots, which are used to automate customer service. Most companies hire employees to process user requests, but this requires high costs to pay such specialists. Chatbots, in turn, can answer frequently asked questions, suggest appropriate solutions, communicate in real time, help consumers place an order, and offer suitable products or services.

In addition, artificial intelligence can also be used to develop advertising campaigns. By scanning a large amount of data on the effectiveness of advertising, AI is able to determine the best strategies that can lead to maximum results.

By scanning a large amount of data on the effectiveness of advertising, AI is able to determine the best strategies that can lead to maximum results. An example, in this case, is the Lexus automobile concern, which was one of the first to use this method in its promotion strategy. The company has used machine

learning technologies to analyze car ads over the past 15 years, which have been awarded prestigious international awards. (Harari, 2022, pp.70-77)

In turn, the AI was taught the concepts of emotional impact on the viewer, the creation of spectacular shots, the basics of consumer feedback and the impact on the perception of information. The main task was to write an emotional script based on which, later, a commercial was shot. Thus, speaking about the advantages of AI, we can single out the following:

— Optimization of the advertising budget. By using artificial intelligence in their marketing strategy, advertisers can reduce advertising costs by eliminating inefficient distribution channels or automating communication processes with the audience.

— More precise targeting settings. So, thanks to the use of machine learning tools, you can more accurately configure the parameters for targeted advertising: age, interests, geography. (Tegmark, 2018, pp.25-43)

- Increase the conversion rate. Thanks to more precise targeting settings and increased prediction accuracy, artificial intelligence can help increase the conversion rate of advertising campaigns.

But with all the advantages, using this technology, you need to keep in mind its imperfections and the risks that follow from this, for example: Imperfection of algorithms. AI can make mistakes in its work that can lead to incorrect conclusions or recommendations.

-Automatic dissemination of prejudice. Algorithms can spread prejudice if they use data that contains stereotypes or discrimination. (Bostrom, 2014, pp.33-34)

-Automatic replies in chatbots. When chatbots use only automatic responses, this can lead to users encountering unwanted responses and not getting the help they need. In addition, automated responses may be inadequate in a number of situations, which may also negatively affect the company.

-Privacy issue. The use of AI in marketing can lead to the collection of a lot of data about consumers, which can violate the confidentiality of their personal information.

-Problems with personalization. If AI is used incorrectly, then the personalization of advertising offers may be incorrect and not meet the needs of users. This can lead to a loss of trust on the part of customers and their outflow.

-Public opinion. Advertising banners that are created with the help of AI and monitor the user seem annoying and intrusive to many people. This can lead to a negative attitude towards the company and reduce the effectiveness of the advertising campaign.

-Using too much information. This may make it impossible for users to cope with information overload.This can cause them to become irritated and have a negative attitude towards advertising.

Some measures that can help reduce these risks:

-Learning algorithms. Continuous training of AI can help it avoid mistakes and understand the nuances of a particular business. (Kurzweil, 2005, pp.90-99)

-Compliance with regulatory standards. Companies must follow the regulatory standards and laws that govern the use of customers' personal information.

-Verification and testing of algorithms. Companies should conduct rigorous checks and testing of algorithms before using them in business.

-Creation of ethical standards. Companies should develop ethical standards that deter them from using AI for undesirable purposes.

-Work with the public. Companies need to do a better job of explaining how their AI is being used to prevent it from feeling opaque or misunderstood.

4. Future AI Trends In Marketing Strategy

The application of artificial intelligence in marketing continues to expand and will go further in the future. However, some trends are also emerging that could further accelerate the development of SI. Let's take a look at some potential future trends:

Micro-moments and customer experience: micro-moments represent small but critical moments that customers decide directly. By analyzing these moments, artificial intelligence allows customers to present the right message at the moment and place they need it. For example, when a customer searches for a specific product, he may be presented with special discount offers or product recommendations in real time. (Kotler et al., 2022 p.823)

Video and visual content created by artificial intelligence: artificial intelligence is able to create not only texts, but also image and video content. Brands will start using tools that will automatically generate videos for their advertising or social media campaigns. For example, there are already AI algorithms for video editing or applying special effects.

Emotion analytics and analysis of customer reactions: artificial intelligence also offers tools that allow you to analyze the emotional reactions of customers. This can help brands further customize the customer experience. For example, by having a deeper understanding of how videos, ads, or social media posts are perceived by customers, more emotionally engaging content can be created in the future (https://en.wikipedia.org/wiki/Artificial_intelligence)

Personal digital assistants: brands can start providing personal digital assistants to deepen the relationship with customers. These assistants will provide solutions tailored to the client's needs, send personal suggestions, and may even answer certain questions. Artificial intelligence can make these assistants smarter and closer to the client.(https://cloud.google.com/learn/what-is-artificial-intelligence)

Website and application optimization: artificial intelligence can perform optimizations on sites and applications by analyzing how users behave on websites and applications. For example, a better user experience can be provided by tracking what the customer clicks on the site and which pages they spend more time on. (https://az.wikipedia.org/wiki/Marketinq)

Social influencers marketing: artificial intelligence allows a more accurate analysis of the activity of social media influencers and the behavior of their followers. Also, brands can better select their target audience using these reviews and develop effective campaigns. Artificial intelligence will facilitate the analysis and selection of influencers.

5. Conclusion

Improving hyper-targeting and advertising: artificial intelligence can more accurately analyze target audiences and display ads that match them. This ensures that the advertising budget is spent more efficiently. For example, it is possible to present more personalized ads based on the customer's age, interests, past purchases and social behavior. (https://www.ibm.com/think/topics/artificial-intelligence)

As a result, I would like to inform that trends like these will make marketing more accurate, more effective, and more customer-oriented in the future. The introduction of artificial intelligence into marketing will allow companies to move faster in the market and build deeper relationships with customers.

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