

ADAPTIVE MARKETING WITH AI

Digital marketing is focused on delivering the right content to the right audiences in the right channel at the right stage of the marketing funnel. It is hard to get this right without experimentation, particularly with media saturation. But conventional MarTech is not designed for this rapid, frequent experimentation.

Now, AI is emerging as the catalyst by blending behavioral sciences with data sciences. It simplifies conventional processes, challenges conventional wisdom, and has led to what industry is calling “adaptive marketing”. It is the continuous optimization of digital campaigns in response to real-time data and consumer behavior - a perpetual process of testing, learning, and refinement.

HOW DOES IT WORK?

While GenAI (Generative AI) functions as a content generator, ML (Machine Learning) serves as the decider for which content to serve when a consumer is online. It is not necessary to get it right the first time as it will improve with each iteration. With automated learning, it is not hard to imagine digital marketing on auto pilot.

It starts with three capabilities that are not new, but made easier with AI:

1. Segmentation – ML models can define consumer segments from audience attributes, engagement, and transaction history. They are good at detecting signals that will predict the behavior of a similar audience online.
2. Personalization – GenAI with prompt engineering can generate a wide range of content tailored to audience segments.
3. Differentiation – Varied content can test performance within targeted audience segments. GenAI can create variants at a much faster pace than expert marketers, when structured correctly.

In adaptive marketing, best content is whichever outperforms others in each iteration, regardless of what experts agree on the message and aesthetics. It is the 'survival of the fittest'.

WHAT ARE THE OPTIONS?

MarTech vendors are racing to offer these AI capabilities. Between the establishment (Salesforce, Adobe, Hubspot), disruptors (C3 AI, Palantir) and Tier-1 (AWS, Azure, Google), there are many options to choose from off-the-shelf to a generic AI platform that can be customized. However, a novice marketing team would face many challenges:

1. Complexity and Learning Curve
2. Accuracy and Performance
3. Integration Challenges
4. Limited Customization
5. Privacy Concerns

WHERE TO START?

Uncertainties are inevitable with AI. Planners should consider a safe approach without disrupting status quo. One such approach is decoupling AI infrastructure, processes, and people from business-as-usual.

With a parallel AI infrastructure and interim talent, companies can test the business case until the decision to move forward (or roll-back) is clear. Reverting to business-as-usual could be painless with this approach.

Building a parallel environment might be daunting for many companies. Interestingly, AI with no-code offers an alternative solution without IT bottlenecks, deep integration, or complex learning curve. Often overlooked, this AI/no-code approach can fit smaller budgets and can be delivered faster than integrating existing MarTech applications.

In summary, adaptive marketing could be the initial test case for corporations intrigued by AI. With commitment from leadership, there are many technology options to consider - depending on the budget and level of disruption that can be tolerated.

Combinatree can launch a safe, budget-friendly, adaptive AI trial at short notice.

Contact Sanjay.iyer@combinatree.com for details.