DIGITAL MARKETING

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Module : Digital Innovation and Trends
- AI, Machine learning
- Chatbots
- Personalization
- Influencer marketing.
- Wearables
- Programmatic advertising
- Conversational marketing
- Online communities and co-creation

Artificial Intelligence

Artificial intelligence is a technology that enable computers or machines as intellectual as humans, able to perform activity is associated toward those performed similar to the human brain. in current scenario technology advances as well as artificial intelligence (AI) is being used in almost every aspect of life. It has been used in associated with digital marketing to make easier for the businesses reach the consumer at the right time. According to Jain (2020), "Marketers can process massive amounts of information, conduct customers expectation. It has been that ensure customer satisfaction with the help of AI" (Jain & Aggarwal, 2020). Advanced Analytics, machine learning, and customer insights specific to the sector are some of the techniques used in digital marketing utilizing AI. The use of the internet in India is increasing, which enhance new opportunities for business growth. Modern artificial intelligence (AI) is a wide topic that utilizes advanced techniques to extract perspectives from massive amounts of data. The fundamental principle behind AI is to train machines to learn, purpose, and resolve issues that we deal with daily basis. The advent of machine learning in the early 20th century has accelerated AI development. This increase can be attributed to the hardware and processing capacity of machine learning techniques. Even though computational power expands in possibility, so does development in the field. AI's future could include aspects that will enable machines to learn and think more like humans (Lake et al. 2016). Adopting artificial intelligence (AI) at the organisational level could perhaps enhance the efficiency and productivity of critical decision making (Knight 2015). Despite the fact that studies show a various benefit to implement the changes in organisations. It also have additional challenges in adopting AI technologies (Chui and Malhotra 2018). One of the factors that cause behind the difficulty is organizations' lack of understanding where and how to integrate the AI. A further possible in organizations' failure is to principal component analysis at the business level in order to successfully implement the business strategy on AI adoption. Before determining where to integrate Technology at the enterprise level, it's indeed essential to consider the fundamental factors involved. The purpose of this study is to perceive the employee perspective of AI in order to better understand the factors that can influence AI adoption at the enterprise level.

Artificial Intelligence (AI) on Digital Marketing:

To understand how artificial intelligence (AI) appears to contribute in digital marketing techniques, we must first analyze the important sub-fields of artificial intelligence (AI). Following that, we examine whether any of those fields implement to digital marketing techniques one by one. This would demonstrate how artificial intelligence (AI) impacts digital marketing research. Aspects of the research of artificial intelligence (AI) have been discussed. Artificial Neural network have been used in brain modelling, time series prediction, and classification procedures, among many other things. Genetic algorithms, genetic programming procedures, and so on are examples of evolutionary computation. Object recognition, image conceptual understanding, as well as other image-processing procedures are examples of vision. Robotics is a phrase that relates to intelligent control, autonomous exploration processes, etc. Expert Systems encompass management information systems, instructional systems, and so on. Recognition system includes voice recognition, production process, etc. Machine translation referred to Planning, game play procedures, etc., are examples of planning. Data mining, decision tree learning, and other types of machine learning.

Applications of Artificial Intelligence in Digital Marketing:

Earlier Digital Marketers were reluctant regarding the usage of AI in Digital Marketing but with the growth of AI and its results of AI has proved that it will bring dynamic changes in the marketing world.

Generating Content: Machines can now create content from scratch based on data fed in coding. These can be helpful to save time and resources. AI can write reports and news based on data and information. Automated Journalism is now used by many leading news giants like BBC news, The New York Times, Washington Posts and more. Also, Facebook uses AI to remove fake news.

Product Recommendation and Content Curation: Not just creating content but helping recommending products and services based on the user's search, interest and behavior. Artificial intelligence can rightfully understand the behavior of the targeted audience and what is better than finding the right products or services that you are already looking at. Netflix recommends you content based on your interest. Artificial Intelligence technology is commonly used to make personalized content recommendations that the user may find interesting, such as the if people buy X product, they might like Y product too, similar products just like Amazon.

Use of AI Chatbots: We are aware of automated responses used by businesses to solve customer queries and also used in data collection, keeping the audience updated about products and services. They can serve clients 24/7 and retain their data for future use. Also, the applications of chatbots are huge and the amalgamation of Chatbots with Artificial Intelligence and Machine is the new game changer.

Web Design: Without the help of a programmer or a designer, you can still have your website through the use of Grid, that uses Artificial Intelligence to do the work for you based on the

information provided like images, text, calls-to-action, etc. they can make the website look professional in much less time and at affordable price. Predictive Analysis: Artificial Intelligence uses data to make probable future projections. Predictive analysis is just the use of data, statistical algorithms, and machine learning.

Digital Advertising: Digital Advertising is widely using Artificial Intelligence to ensure maximum success, it is being used across platforms like Facebook, Google, Instagram to provide the best possible experience. Analyzing user information like gender, age, interest, and other aspects to show them relevant ads. With the help of AI technology, marketers can spot micro trends and even predict trends. They can then make strategic decisions as a result; brands can reduce digital advertising waste and ensure that their spend delivers the best possible results.

Online Search engine: The way of searching content has changed and marketers will need to create and change content accordingly. New innovations include Voice Search and Google's algorithm and other AI advances. Other innovations include Amazon Echo, Apple's Siri, Microsoft's Cortana, and Google Home where they can perform searches just by voice command or pressing a button.

Email Marketing: Brands are customizing emails to reach their target audience with the power of AI. They can now personalize content based on customer behavior and preferences. Machine learning or automatic learning can now determine the best time and days of the week to contact the user, the recommended frequency through analyzing millions of data. Now they can understand which content catches most attention and which subject and titles get more click.

Future Artificial Intelligence on Digital Marketing: In future, marketers can expect the following impacts from artificial intelligence on digital marketing

Smarter searches: As technology solutions become wiser and more perfect, it is essential to mention that the public's requirements become more sophisticated. People can find what they need quickly thanks to social media and fast search engines like Google. Artificial intelligence and big data can analyze these search models and assist marketers in identifying the key areas where they should concentrate their efforts.

Smarter Ads: Marketers are still looking to attract customers with smart advertisements today, but using artificial intelligence allows them to do so faster and more efficiently. Online ads are becoming smarter and more effective as a result of big data. For human solutions, artificial intelligence can delve deeper into data, social networks, Profiles as well as other online content.

Relying on Bots: A further area where artificial intelligence can play a vital role in the evolution is consumer care and retention. Conversation functions and other direct-to-consumer engagement will be handled by artificial intelligence bots very soon. Businesses will save time for employees and cut costs in this manner. The artificial intelligence bots will also have access to the entire internet's information and search history, allowing them to outperform humans.

Continuous Learning: Using artificial intelligence, it will not only reveal some hidden data, but it will also instruct them and integrate them in to the new promotion strategy, as well as

optimize the messages to the most relevant users. Artificial intelligence solutions will become more intelligent as well as effective over time, promoting real-time decision making.

EXAMPLES

Starbucks Uses Predictive Analytics to Serve Personalized Recommendation

According to the research firm Aberdeen, companies identifying customer needs through predictive analytics can increase their organic revenue by 21% year-over-year, compared to an average of 12% without predictive analytics.

Starbucks is one example of a brand using its loyalty card and mobile app to collect and analyze customer data. They announced plans for personalization back in 2016.

Source: GeekWire

Since then, they've built quite the app experience. It records the details of purchases, including where they are made and at what time of day. Starbucks uses predictive analytics to process this data and serve customers with personalized marketing messages. These messages include recommendations when a user approaches a local store and special offers to increase the customer's average order value.

Assistants like Apple's Siri, Google Assistant, Amazon's Alexa, and Microsoft's Cortana. These AI-powered chatbots are made to converse with users and help them by providing a variety of information and fulfilling their other information wants. Amazon's echo look even rates your look based on machine learning algorithms with advice from fashion specialists.

Smart Content Curation: AI powered content curation allows you to better engage visitors on your site by showing them content relevant to them. This technique is most commonly found

in the 'customers who bought X also bought Y' section on many sites, but can also be applied to blog content and personalizing site messaging more widely. It's also a great technique for subscription businesses, where the more someone uses the service, more data the machine learning algorithm has to use and the better the recommendations of content become. Think of Netflix's recommendation system being able to consistently recommend you shows you'd be interested it.

Voice search: Voice search is another AI technology, but when it comes to using it for marketing, it's about utilizing the technology developed by the major players (Google, Amazon, Apple) rather than developing your own capability. Voice search will change future SEO strategies, and brands need to keep up. A brand that nails voice search can leverage big gains in organic traffic with high purchase intent thanks to increased voice search traffic due to AI driven virtual personal assistants.

Predictive analytics: Propensity modeling can be applied to a number of different areas, such as predicting the likely hood of a given customer to convert, predicting what price a customer is likely to convert at, or what customers are most likely to make repeat purchases. This application is called predictive analytics, because it uses analytics data to make predictions about how customers behave. The key thing to remember is that a propensity model is only as good as the data provided to create it, so if there are errors in your data or a high level of randomness, it will be unable to make accurate predictions.

IBM empowers companies to fine-tune their marketing strategies with artificial intelligence. The AI assistant IBM Watson locates prospective audiences, selects relevant creative content and engages target audiences in one-on-one conversations. As a result, businesses have found better ways to spend their marketing budgets while shaping ad campaigns around audiences' interests.

Types of AI Marketing Solutions

It's clear that artificial intelligence holds a vital role in helping marketers connect with consumers. The following components of AI marketing make up today's leading solutions that are helping to bridge the gap between the vast amounts of customer data being collected and the actionable next steps digital marketers can take in their future campaigns:

Machine Learning

Machine learning is driven by artificial intelligence, which involves computer algorithms that can analyze information and improve digital marketing campaigns automatically through experience. Devices that leverage machine learning analyze new information in the context of relevant historical data, which can inform digital marketing campaigns based on what has or hasn't worked in the past.

Big Data and Analytics

The emergence of digital media has brought on an influx of "big data", which has provided opportunities for digital marketers to understand their efforts and accurately attribute value

across channels. This has also led to an over-saturation of data, as many digital marketers struggle to determine which data sets are worth collecting. AI marketing can help parse through all that data at lightspeed, filtering it down to its essentials and not only analyzing it but also recommending the best elements of future digital marketing campaigns.

AI Marketing Platforms & Tools

Effective AI-powered marketing solutions provide digital marketers with a central platform for managing the huge amounts of data being collected. These AI marketing platforms have the ability to glean insightful marketing intelligence from your target audience so you can make data-driven decisions about how to best reach them. For example, frameworks such as Bayesian Learning and Forgetting can help marketers gain a clearer understanding of how receptive a customer is to a specific digital marketing effort.

Challenges for AI Marketing

Modern marketing relies on an in-depth understanding of customer needs and preferences, and the ability to act on that knowledge quickly and effectively. The ability to make real-time, data-driven decisions has brought AI marketing solutions to the forefront for marketing stakeholders. However, marketing teams must be discerning when deciding how to best integrate AI into their campaigns and operations. The development and use of AI marketing tools is still in its early stages. Therefore, there are a few challenges to be aware of when implementing AI into your digital marketing strategy.

Training Time and Data Quality

AI marketing tools do not automatically know which actions to take to achieve marketing goals. They require time and training, just as humans do, to learn organizational goals, customer preferences, historical trends, understand overall context, and establish expertise. This learning process also requires data quality assurances. If your AI marketing tools are not trained with high-quality data that is accurate, timely, and representative, you'll end up with inaccurate data decisions that don't truly reflect consumer desires, making your shiny new AI marketing tool nothing more than a toy.

Privacy

Consumers and regulating bodies alike are cracking down on how organizations use their data. Digital marketing teams need to ensure they are using consumer data ethically and in compliance with standards such as GDPR while implementing an AI marketing strategy, or risk heavy penalties and reputation damage. Unless your AI marketing tools are specifically programmed to observe specific legal guidelines, they may overstep in what is considered acceptable in terms of using consumer data for marketing personalization.

Getting Buy-In

It can be difficult for digital marketing teams to demonstrate the value of AI marketing investments to business stakeholders. While KPIs such as ROI and efficiency are easily

quantifiable, showing how AI marketing has improved customer experience or brand reputation can be less obvious. With this in mind, digital marketing teams need to ensure they have the right measurement tools to attribute these qualitative gains to AI investments.

Machine learning in marketing

Machine learning enables marketers to significantly improve their decision-making by analyzing huge data sets and generating granular insights about the industry, market, societal trends, and customer profiles. With the ever-growing processing power of computing systems and the increasing sophistication of machine learning algorithms for marketing, organizations can deliver hyper-personalized offers, content, products, and services.

Benefits of machine learning in marketing

Decreased costs	Hyper-personalization	Content optimization	Improved segmentation
With ML-enabled marketing automation, companies can drive down costs and free marketers' time for more value-added tasks.	Machine learning allows companies to have a much better understanding of consumer profiles, create personalized offerings at scale, and increase customer lifetime.	With advancements in natural language processing and generation, machine learning enables companies to deliver content that resonates with customers and increases their engagement.	With the help of machine learning in digital marketing, organizations can automate customer segmentation and discover new, more potent customer groups.

Role of machine learning in marketing

The role of machine learning in marketing is to allow you to quickly make decisions based on big data.

The algorithm for the work of marketers is as follows: Marketers create hypotheses, test them, evaluate them, and analyze them. This work is long and labor-intensive, and sometimes the results are incorrect because information changes every second.

For example, to evaluate 20 advertising campaigns considering 10 behavioral parameters for five different segments, a marketer will need about four hours. If such an analysis is carried out every day, then the marketer will spend precisely half their time assessing the quality of campaigns. When machine learning is used, evaluation takes minutes, and the number of segments and behavior parameters is unlimited.

With machine learning, you can respond faster to changes in the quality of traffic brought by advertising campaigns. As a result, you can devote more time to creating hypotheses rather than to carrying out routine actions.

The value of your results depends on the relevance of the data on which the analysis was conducted. As data becomes obsolete, its value decreases. A person simply can't process the volumes of information that are collected every minute by analytical systems. Machine learning systems can process hundreds of requests, organize them, and provide results in the form of a ready answer to a question.

Key benefits of machine learning in marketing:

- Improves the quality of data analysis
- Enables you to analyze more data in less time
- Adapts to changes and new data
- Allows you to automate marketing processes and avoid routine work
- Does all of the above quickly

What are the different types of machine learning?

Classical machine learning is often categorized by how an algorithm learns to become more accurate in its predictions. There are four basic approaches: supervised learning, unsupervised learning, semi-supervised learning and reinforcement learning. The type of algorithm data scientists choose to use depends on what type of data they want to predict.

Supervised learning: In this type of machine learning, data scientists supply algorithms with labeled training data and define the variables they want the algorithm to assess for correlations. Both the input and the output of the algorithm is specified.

Unsupervised learning: This type of machine learning involves algorithms that train on unlabeled data. The algorithm scans through data sets looking for any meaningful connection. The data that algorithms train on as well as the predictions or recommendations they output are predetermined.

Semi-supervised learning: This approach to machine learning involves a mix of the two preceding types. Data scientists may feed an algorithm mostly labeled training data, but the model is free to explore the data on its own and develop its own understanding of the data set.

Reinforcement learning: Data scientists typically use reinforcement learning to teach a machine to complete a multi-step process for which there are clearly defined rules. Data scientists program an algorithm to complete a task and give it positive or negative cues as it works out how to complete a task. But for the most part, the algorithm decides on its own what steps to take along the way.

Examples

Today, machine learning is used in a wide range of applications. Perhaps one of the most well-known examples of machine learning in action is the recommendation engine that powers Facebook's news feed.

Facebook uses machine learning to personalize how each member's feed is delivered. If a member frequently stops to read a particular group's posts, the recommendation engine will start to show more of that group's activity earlier in the feed.

Behind the scenes, the engine is attempting to reinforce known patterns in the member's online behavior. Should the member change patterns and fail to read posts from that group in the coming weeks, the news feed will adjust accordingly.

In addition to recommendation engines, other uses for machine learning include the following:

Customer relationship management. CRM software can use machine learning models to analyze email and prompt sales team members to respond to the most important messages first. More advanced systems can even recommend potentially effective responses.

Business intelligence. BI and analytics vendors use machine learning in their software to identify potentially important data points, patterns of data points and anomalies.

Human resource information systems. HRIS systems can use machine learning models to filter through applications and identify the best candidates for an open position.

Self-driving cars. Machine learning algorithms can even make it possible for a semi-autonomous car to recognize a partially visible object and alert the driver.

Virtual assistants. Smart assistants typically combine supervised and unsupervised machine learning models to interpret natural speech and supply context.

What are the advantages and disadvantages of machine learning?

Machine learning has seen use cases ranging from predicting customer behavior to forming the operating system for self-driving cars.

When it comes to advantages, machine learning can help enterprises understand their customers at a deeper level. By collecting customer data and correlating it with behaviors over time, machine learning algorithms can learn associations and help teams tailor product development and marketing initiatives to customer demand.

Some companies use machine learning as a primary driver in their business models. Uber, for example, uses algorithms to match drivers with riders. Google uses machine learning to surface the ride advertisements in searches.

But machine learning comes with disadvantages. First and foremost, it can be expensive. Machine learning projects are typically driven by data scientists, who command high salaries. These projects also require software infrastructure that can be expensive.

There is also the problem of machine learning bias. Algorithms trained on data sets that exclude certain populations or contain errors can lead to inaccurate models of the world that, at best, fail and, at worst, are discriminatory. When an enterprise bases core business processes on biased models it can run into regulatory and reputational harm.

Chatbot

A chatbot is a computer program that simulates human conversation through voice commands or text chats or both. Chatbot, short for chatterbot, is an artificial intelligence (AI) feature that can be embedded and used through any major messaging application. Bots leverage on messaging platforms like Slack, Facebook Messenger, telegram, etc., and serving purposes like ordering food, booking a cab, carrying out a transaction among other things.
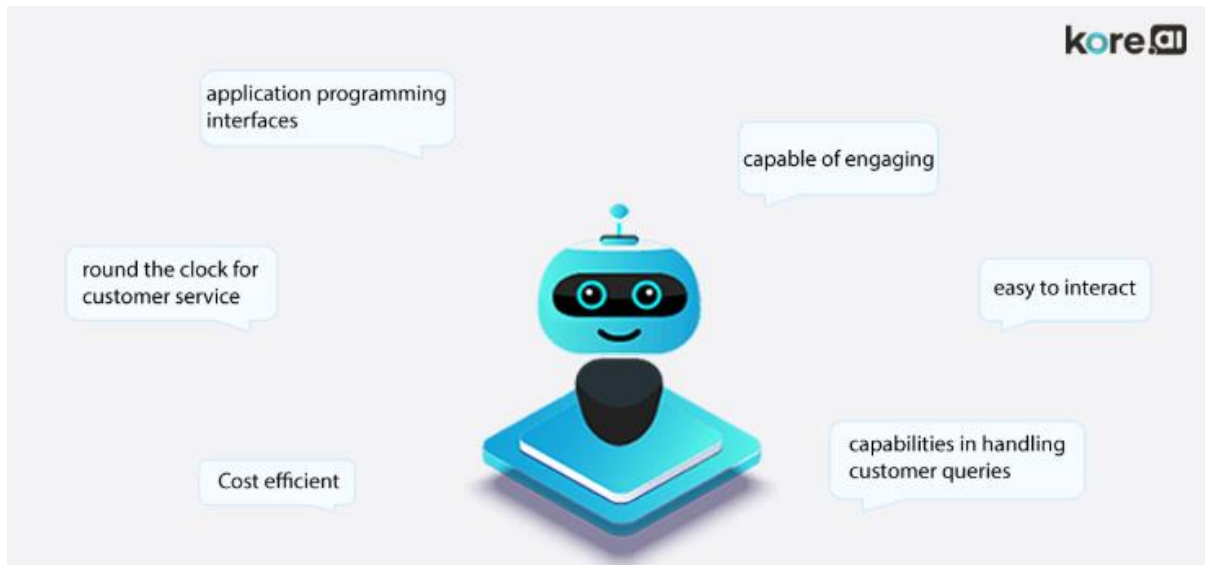
Importance of Chatbots

Chatbots streamline interactions between customers and services and enhance customer satisfaction. Implementing a chatbot in your business can improve customer engagement and save costs in hiring employees for traditionally driven tasks. And, when a conversation gets complex, chatbots hand over the call to the human customer agent.

Who's talking? Chatbots vs. conversational agents vs. virtual assistants

CHATBOT	CONVERSATIONAL AGENT	PERSONAL OR VIRTUAL ASSISTANT
Operates on a single-turn exchange basis	Engages user in conversation to understand the nature of the problem	Exhibits its own personality and is uniquely associated with an individual user, similar to a human personal assistant
EXAMPLE		
A user asks, "Ok, Google, what's the tallest mountain in the world?"	A conversational agent is trained to ask a set of questions that can pinpoint the problem and potentially solve it	Retains information associated with the user to provide contextualized answers
	EXAMPLE	Answers improve over time as virtual assistant learns more about the user
	A customer states, "I'm having a problem with my car's GPS."	EXAMPLES
		Can remind a user of meetings, check flight information and manage to-do lists

How have chatbots evolved?

Chatbots such as ELIZA and PARRY were early attempts to create programs that could at least temporarily make a real person think they were conversing with another person. PARRY's effectiveness was benchmarked in the early 1970s using a version of a Turing test; testers only correctly identified a human vs. a chatbot at a level consistent with making random guesses.

Chatbots have come a long way since then. Developers build modern chatbots on AI technologies, including deep learning, NLP and machine learning (ML) algorithms. These chatbots require massive amounts of data. The more an end user interacts with the bot, the better its voice recognition predicts appropriate responses.

Chatbot use is on the rise in business and consumer markets. As chatbots improve, consumers have less to quarrel about while interacting with them. Between advanced technology and a societal transition to more passive, text-based communication, chatbots help fill a niche that phone calls used to fill.

A BRIEF
HISTORY OF
CHATBOTS:

ELIZA
1966
- Represents a mock Rogerian Psychotherapist
- Was written in MAD-SLIP

PARRY
1972
- Represents a person with paranoid schizophrenia
- The first chatbot to pass the Turing Test

A.L.I.C.E
1995
- Artificial Linguistic Internet Computer Entity
- Was rewritten in Java beginning in 1998

SMARTER CHILD
2001
- Developed by ActiveBuddy, Inc.
- Provides real-time information via IM, MSN,& Yahoo Messenger

SIRI
2010
- Virtual Assitant
- Uses voice queries and a natural-language user interface

GOOGLE NOW
2012
- Popular Science named Google Now the "Innovation of the Year" for 2012

ALEXA
2015
- More than 5000 amazon employees are hired to work on Alexa

CORTANA
- Named after an AI character in Microsoft's Halo video game series

Types of chatbots

There are many types of chatbots available. A few of them can be majorly classified as follows:

Text-based chatbot: In a text-based chatbot, a bot answers the user's questions via a text interface.

Voice-based chatbot: In a voice or speech-based chatbot, a bot answers the user's questions via a human voice interface.

There are mainly two approaches used to design the chatbots, described as follows:

In **a Rule-based approach**, a bot answers questions based on some rules on which it is trained on. The rules defined can be very simple to very complex. The bots can handle simple queries but fail to manage complex ones.

Self-learning bots are the ones that use some Machine Learning-based approaches and are definitely more efficient than rule-based bots. These bots can be further classified into two types: Retrieval Based or Generative.

There are many types of chatbots available, depending on the complexity. A few of them can be majorly classified as follows:

Traditional chatbots: They are driven by system and automation, mainly through scripts with minimal functionality and the ability to maintain only system context.

Current chatbot: They are driven by back-and-forth communication between the system and humans. They have the ability to maintain both system and task contexts.

Future chatbot: They can communicate at multiple levels with automation at the system level. They have the ability to maintain the system, task, and people contexts. There is a possibility of introducing of master bots and eventually a bot OS.

Top Applications of Chatbots

- Virtual reception assistant
- Virtual help desk assistant
- Virtual tutor or teacher
- Virtual driving assistant
- Virtual email, complaints, or content distributor
- Virtual home assistant [example: Google Home]
- Virtual operations assistant [example: Jarvis from the movie Iron Maiden]
- Virtual entertainment assistant [example: Amazon Alexa]
- Virtual phone assistant [example: Apple Siri]
- Assist the visually impaired person in describing the surroundings
- Can help a warehouse executive in locating the stocked product

Advantages and Disadvantages of Chatbots

Chatbots are convenient for providing customer service and support 24 hours a day, 7 days a week. They also free up phone lines and are far less expensive over the long run than hiring people to perform support. Using AI and natural language processing, chatbots are becoming better at understanding what customers want and providing the help they need. Companies also like chatbots because they can collect data about customer queries, response times, satisfaction, and so on.

Chatbots, however, are still limited. Even with natural language processing, they may not fully comprehend a customer's input and may provide incoherent answers. Many chatbots are also limited in the scope of queries that they are able to respond to. This may lead to frustration with a lack of emotion, sympathy, and personalization given fairly generic feedback. In addition to customer dissatisfaction with not reaching a human being, chatbots can be expensive to implement and maintain, especially if they must be customized and updated often.

Chatbots
Pros

- Lower cost than human workers
- Online 24/7
- Can be used as a sales & marketing tool

Cons

- May not understand user queries
- Lacks emotion and is not personalized
- May be expensive/complicated to install and maintain

Examples of Chatbots

Today, chatbots are ubiquitous on corporate websites, e-commerce platforms, and other customer-facing sites online (on the web or via app). These can help with customer support such as how to return or replace an item, how to request a refund, and so on.

Chatbots have also been implemented to help with public policy and inform citizens if they have certain questions. For example, in response to the COVID-19 pandemic, several health chatbots were created by governments and healthcare providers. A recent study of such chatbots identified five key applications of the current health chatbots, which were:

- disseminating health information and knowledge;
- self-triage and personal risk assessment;
- monitoring exposure and notifications;
- tracking COVID-19 symptoms and health aspects; and
- combating misinformation and fake news

How are chatbots changing businesses and CX?

The rapidly evolving digital world is altering and increasing customer expectations. Many consumers expect organizations to be available 24/7 and believe an organization's CX is as important as its product or service quality. Furthermore, buyers are more informed about the variety of products and services available and are less likely to remain loyal to a specific brand.

Chatbots serve as a response to these changing needs and rising expectations. They can replace live chat and other forms of contact, such as emails and phone calls.

Chatbots can enhance CX in the following ways:

- reduce customer wait times and provide immediate answers;
- offer customers 24/7 support;
- remove the potential for unpleasant human-to-human interactions that moods and emotions of both the service or sales representative and the customer dictate;
- reduce wait times and streamline conversations to minimize the potential for customers' stress and annoyance;
- improve the redirection of customer queries;
- add customized elements to the chatbot to advance brand personality; and
- personalize CX with AI-enabled chatbots.

Additionally, major technology companies, such as Google, Apple and Facebook, have developed their messaging apps into chatbot platforms to handle services like orders, payments and bookings. When used with messaging apps, chatbots enable users to find answers regardless of location or the devices they use. The interaction is also easier because customers don't have to fill out forms or waste time searching for answers within the content.

What are the benefits of using chatbots?

In addition to chatbots' benefits for CX, organizations also gain various advantages. For example, improved CX and more satisfied customers due to chatbots increase the likelihood that an organization will profit from loyal customers.

Other benefits include the following:

- Can hold multiple conversations at once. Chatbots can converse simultaneously with thousands of buyers. This increases business productivity and eliminates wait times.
- Cost-effective. A chatbot is a faster and cheaper one-time investment than creating a dedicated, cross-platform app or hiring additional employees. In addition, chatbots can reduce costly problems caused by human error. User acquisition costs also decrease with a chatbot's ability to respond within seconds.
- Saves time. Chatbots can automate tasks performed frequently and at specific times. This gives employees time to focus on more important tasks and prevents customers from waiting to receive responses.

- Proactive customer interaction. In the past, organizations relied on passive customer interaction and waited for buyers to reach out first. With chatbots, organizations can interact proactively, as bots can initiate conversations and monitor how customers use the websites and landing pages. Organizations can then use the information gathered from monitoring to offer specific incentives to buyers, help users navigate the site and answer future questions.
- Monitors and analyzes consumer data. Chatbots collect feedback from each interaction to help businesses improve their services and products or optimize their websites. Bots can also record user data to track behaviors and purchasing patterns. This information can offer organizations insight into how to better market their products and services, as well as common obstacles that customers face during the buying process.
- Improves customer engagement. Most companies already engage their customers through social media. Chatbots can make this engagement more interactive. Buyers rarely talk to the people within businesses, so chatbots open a communication channel where customers can engage without the stress of interacting with another person.
- Eases scalability to global markets. Chatbots can solve customer concerns and queries in multiple languages. Their 24/7 access enables customers to use them regardless of time or time zone.
- Expands the customer base. Chatbots can improve lead generation, qualification and nurturing. Chatbots can ask questions throughout the buyer's journey and provide information that may persuade the user and create a lead. Chatbots can then provide potential customer information to the sales team, who can engage with the leads. The bots can improve conversion rates and ensure the lead's journey flows in the right direction -- toward a purchase.
- Measures lead qualifications. Chatbots can help sales teams determine a lead's qualifications using identified key performance indicators, such as budget, timeline and resources. This can prevent companies from wasting time on unqualified leads and time-consuming customers.

What are the challenges of using chatbots?

While chatbots improve CX and benefit organizations, they also present various challenges.

- New technology, new obstacles. Chatbot technology is still new and faces obstacles that organizations may not know how to handle. While AI-enabled bots can learn from each interaction and improve their behaviors, this process can cost organizations a lot of money if the initial interactions cause customers to disengage and turn away.
- Security. Users must trust the chatbot enough to share personal data. Therefore, organizations must ensure they design their chatbots to only request relevant data and securely transmit that data over the internet. Chatbots should have secure designs and be able to prevent hackers from accessing chat interfaces.
- Varieties in how people type their messages. This can lead to misunderstood intentions. Chatbots must handle both long and short sentences, as well as chat bubbles with lengthy content versus multiple short submissions.

- The different ways in which humans talk. Chatbots can struggle to understand these variations. For example, the user may use slang, misspell words or use acronyms. Unfortunately, NLP is limited and cannot fully resolve this challenge.
- Unpredictable human behavior, moods and emotions. Humans are random and emotions and moods often control user behavior, so users may quickly change their minds. After initially asking for a suggestion, they might want to give a command instead. Chatbots must adapt to and understand this randomness and spontaneity.
- User satisfaction. Users always want the best experiences but are rarely satisfied. They always want the chatbot to be better than it currently is. This means organizations employing chatbots must consistently update and improve them to ensure users feel like they're talking to a reliable, smart source.

Future of chatbots

Many experts expect chatbots to continue growing in popularity. In the future, AI and ML will continue to evolve, offer new capabilities to chatbots and introduce new levels of text and voice-enabled user experiences that will transform CX. These improvements may also affect data collection and offer deeper customer insights that lead to predictive buyer behaviors.

Voice services have also become common and necessary parts of the IT ecosystem. Many developers place an increased focus on developing voice-based chatbots that can act as conversational agents, understand numerous languages and respond in those same languages.

Personalization

What personalization means today

Remember when seeing your name in an email subject line seemed like a revolutionary advancement in digital marketing? Today, personalization — offering customers tailored experiences that keep them engaged — requires a far more robust and strategic approach, and is essential to remaining competitive in a crowded and increasingly savvy marketplace.

Customers today are gravitating toward brands that feel like they listen to them, understand them, and pay attention to their specific wants and needs. That's where personalization comes in. It's a way for brands to contextualize the messages, offers, and experiences they deliver, according to each visitor's unique profile.

Think of it as an evolution from marketing communications to digital conversations, with data as the starting point. Collecting, analyzing, and effectively using information about consumer demographics, interests, and behaviors will help you create campaigns, content, and experiences that resonate with your target audience.

Personalization has changed marketing from the bottom up, improving the customer experience, and, in turn, making businesses more profitable. Yet, many companies continue to fail at implementation. The overzealous ones appear creepy. The lazy ones settle for adding a first name to email subject lines. Some are so confused they don't even try. Today, we clear up some questions surrounding personalization, and what it takes to get right.

In 2017, Accenture reported that due to poor personalization and lack of trust, 41% of consumers switched companies, which cost U.S. organizations a staggering $756bn.

Suffice it to say that people demand personalization. Their appetite for personalized products is stronger today – so much so that they're willing to pay for products unique to them. They also don't mind sharing personal data in exchange for receiving personalized recommendations and offers.

How Personalization is Different from Customization

It's quite painful to see people use personalization and customization interchangeably. Yes, it's true that both keep users at the center and want to engage them with exciting, contextually relevant experiences, but their ways are completely different.

So how are the two not the same?

Personalization, as you know by now, is about creating a one-to-one marketing experience for customers. It begins with collecting ample, qualitative data about your audience. Amazon is a brilliant example of personalization done right, and so are Netflix and YouTube. Recommendations rain down depending on users' on-site activities.

Here's Lancôme's product recommendation engine telling me what else I should consider buying, based on the product I've added to my cart. Customization, on the contrary, is about giving people the liberty to be able to custom-make a product or service, based on their particular taste. Put simply, it puts them in the center, having complete control over everything they'd like to keep or lose.

For example, Canva, a free online graphs and chart maker, has plenty of customizable templates. Users can make changes in fonts, color, layout etc. and also add/delete elements in an existing design or start from scratch.

The Benefits of Personalized Marketing

There are numerous advantages of personalized marketing, for both businesses and consumers. When strategies are implemented successfully, the following benefits come into play:

Improved Customer Experience. Customers are more comfortable providing personal information to their favorite brands if they get something in return. They fill out forms, download whitepapers, participate in surveys to get discounts, and indicate their favorite purchases or preferences. So, what's the catch? With all of this customer data being offered, the consumer expects brands to protect any sensitive information and offer more personalized experiences when they come back.

Drive Revenue. By identifying and responding to the preferred channel for each customer, companies can increase ROI. With the right automation technology, marketers can identify which channel customers engage with, then automatically follow up across channels as part of an omnichannel approach.

Increase Brand Loyalty. When consumers provide information and data, they expect to be treated as unique individuals with specific preferences. Businesses that dedicate time and resources to implement successful personalized marketing strategies will benefit from a competitive advantage in both brand loyalty and customer satisfaction.

Create Consistency Across Channels. Consumers are interacting with brands across a number of channels, including email, social, mobile, etc., sometimes all in a single day. For this reason, it's more important than ever for brands to create consistency across various channels. The in-store experience should match the app experience, which should match email messaging.

Challenges of Personalized Marketing

Like all marketing strategies, there are challenges that arise when it comes to personalized marketing. Let's take a look at some of the most common hurdles:

Finding the Right Technology. One of the biggest problems with personalized marketing comes from outdated technology that is not fit for the mobile era. A key element of personalization success is data collection and automation, and with this comes the need for an intelligent algorithm. Unfortunately, many marketers struggle to find a smart personalization engine that meets their needs.

Time and Resources. While the right software is needed for personalization, companies also need a devoted team. Not all companies are prepared to dedicate the time and resources toward a successful personalized marketing strategy.

Creating a Single Customer View. When looking for common threads across channels, marketers are able to establish a better picture of who the customer really is by piecing together their customer data into a single unified customer profile. However, research shows that marketers have trouble linking data to individual customer profiles.

Implementing Smart Segmentation. Smart segmentation across channels isn't just for show, it actually boosts performance. Unfortunately, many marketers still struggle to get past basic segmentation strategies. In fact, 85% of brands agree their segmentation strategy is based on broad segments and simple clustering.

Personalized Marketing Strategy
No one said it was easy. When launching a successful personalized marketing strategy, the following should be considered:

- **Compare.** To start, if you're not using any kind of content personalization engine, you should be. If you are already leveraging a personalization platform, make sure to compare your existing solution against any other that claims to offer more value.
- **Capture.** Typically, the implementation of this type of solution is fairly easy (requiring only a few lines of code on your webpages). Once code has been added to your website, you can start capturing data, including clicks, time on site, abandoned shopping carts, purchase history, and much more.

- **Analyze.** Capturing data, building analytical capabilities, and developing adaptable websites are all beneficial to an organization, but they are most valuable when fully synchronized with each other. After just a few short weeks, your personalization solution should be able to provide relevant content recommendations to customers. This is when you should run an A/B test to validate the performance of your system vs. a control.
- **Act.** Data collection and analysis inform your marketing decisions, but you should still let the machine do the heavy lifting. Don't play with the calculation method more than necessary (for example: new promotions, out of stock products, etc.)

Examples of Personalized Marketing Campaigns

Nowadays, the average consumer is fully expecting personalization in every campaign your brand runs. Here's a look at some examples of personalized campaigns that can lead to a great deal of success.

- **Targeted Emails**

Marketers are using personalization to jumpstart their email campaigns. Through personalization, marketers can create and send individualized emails to a specific group with certain needs.

Getting a better understanding of your audience is key to increasing the relevancy of email content. One way to start collecting customer information is through sign-up forms. When someone signs up, they would fill out a questionnaire with details about themselves that could range from their birth date to particular interests. For example, a clothing retailer might send emails based on age and interests to potential customers to determine what clothing styles they would like best.

- **Custom Video Messages**

Did you know that the average online reader loses interest in about? Leveraging videos with custom messaging can be a very effective approach to keep customers engaged.

Perhaps you've seen the dancing holiday elves before – you can add a picture of yourself and friends, then watch as the elves boogie down with your faces on them. Or, social media videos that show your name and personalized information that you might've included in your profile.

Although this type of personalization is memorable for your audience, it can be time-consuming without the right automation technology in place. So, be sure that you have the tools and resources needed to make this as scalable as possible.

- **Product Recommendations**

This is a pretty common tactic and for good reason – it works. This type of campaign uses data collection to determine what type of product, service, or offer a user is most likely interested in and tailor's recommendations accordingly.

Say the last three movies you watched were all drama, it wouldn't make sense if you were recommended the latest Adam Sandler film. Similarly, customers have the ability to rate these campaigns and provide feedback based on whether they enjoyed it or not. This allows customers to filter through what they like and don't like much easier without having to go through the trouble watching everything.

- **Social Media Marketing**

  Interacting with consumers and potential customers across social media networks can help increase customer satisfaction and brand loyalty. Not surprisingly, social media has quickly become the backbone of multichannel initiatives and has helped continue conversations online that keep brands in the minds of potential customers. By sending highly personalized and relevant social media messages through automation, marketers are able to collect responses and customer data from social media channels, which in turn helps improve communication and drive conversions.

- **Fear of Missing Out (FOMO)**

  Want to know what really drives conversions? Fear – or fear of missing out to be exact. As humans, we aggressively seek out information that could be deemed vital and get an uneasy feeling when we sense we're missing out on something special. By showing how many other people are currently looking at this same product or have bought it recently, e-commerce sites are incorporating FOMO personalized messages as a way to convince customers that they need to make a purchase before leaving. These messages are oftentimes brief and to the point, while requiring very little effort from a marketers' standpoint.

Influencer marketing

Influencer marketing is a type of marketing that focuses on using key leaders to drive your brand's message to the larger market. Rather than marketing directly to a large group of consumers, you instead inspire / hire / pay influencers to get out the word for you.

Influencer marketing often goes hand-in-hand with two other forms of marketing: social-media marketing and content marketing. Most influencer campaigns have some sort of social-media component, whereby influencers are expected to spread the word through their personal social channels. Many influencer campaigns also carry a content element in which either you create content for the influencers, or they create the content themselves. Though social-media and content marketing often fit inside influencer campaigns, they are not synonymous with influencer marketing.

WHAT'S THE DIFFERENCE BETWEEN WORD-OF-MOUTH MARKETING AND INFLUENCER MARKETING?

Although some people use word-of-mouth marketing and influencer marketing interchangeably, there's a real difference between the two disciplines. Whereas influencer marketing is the concept of engaging key individuals to leverage their influence among friends and family, word-of-mouth marketing is the actual avenue by which this communication takes place. So, almost all influencer marketing includes word-of-mouth marketing activities by its nature, but not all word-of-mouth marketing is driven by influencer campaigns.

IS ADVOCATE MARKETING THE SAME AS INFLUENCER MARKETING?

Advocate marketing isn't influencer marketing, either. The best way to understand the difference is that advocate marketing focuses on encouraging or incentivizing already-loyal customers to share their love of your brand or product. The sharing might happen by way of product reviews and customer references.

With influencer marketing, you're more focused on finding influencers—not necessarily current customers—to spread your message. Another distinguishing factor between influencer marketing and advocate marketing is that influencers are almost always paid in some way, either with money or free products. Advocate marketing focuses less on payment, more on driving brand loyalty, which in turn multiples the number of vocal advocates.

Why is Influencer Marketing Important?

Influencer marketing is closely related to social media marketing, as most opinion leaders gather their audience from social platforms. This channel gives you access to an enormous audience – half of the global population uses social networks.

Better yet, influencer marketing enables you to reach people you can't attain through traditional advertising. Two-thirds of consumers use ad blockers, but the same people willingly take advice from influencers. 80% of users have purchased something based on an influencer's recommendation.

Brands that already employ influencer marketing have proven the effectiveness of this channel. 89% of marketers say that ROI from influencer marketing is comparable to or better than other marketing channels. It's no wonder that 17% of companies spend over half of their marketing budget on influencers.

So, influencer marketing is crucial in the age of social media and ad fatigue. This channel helps build trust for your brand and drives impressive results. Now, let's move on to the other benefits influencer marketing provides.

Benefits of IM

Influencer marketing is an effective way to improve your marketing strategy, reach business objectives, and even cut expenses. Let's get into details and find the benefits influencer marketing has for your brand. Few benefits are:

- Reach a bigger audience
- Build trust for your brand
- Grow your social following
- Increase site traffic
- Get more leads
- Drive sales

Brand awareness growth

40% of marketers use influencer marketing to boost brand awareness, and this strategy works great. Opinion leaders share your brand's story, mission, and values with their follower base. It automatically expands your outreach and positioning online.

Content strategy enrichment

Influencer marketing is a golden opportunity to liven up your social media posts. You can repost the influencer's content or encourage their followers to create user-generated content, as 24% of brands do. You can also use blogger's images for other marketing channels, such as targeted advertising. To avoid problems with copyright, include it in the contract.

Quality lead generation

36% of brands use influencer marketing to generate leads. 72% of them believe that this channel brings higher quality leads compared to other channels. People generally feel positive about the brands their favorite blogger advertises. Better yet, some types of content, such as reviews, attract warmer leads in the middle stages of the sales funnel.

Cost-effectiveness

Other marketing channels require regular influxes of cash from your budget. For instance, to promote your brand through search engine marketing, you have to top-up your account on the advertising platform. Otherwise, your ad disappears from the search engine results page.

A well-thought-out influencer marketing strategy can drive better results for lower fees or even allow you to barter in the future. Another note on influencer marketing efficacy – on average, brands make $5.20 for every $1 spent on this channel.

Influencer marketing can contribute to your business by helping you grow brand awareness and online presence, as well as ensuring lead generation. Depending on your objectives, you can choose different types of influencer marketing campaigns.

<ins>Some popular tactics that you can use in your influencer marketing strategy.</ins>

Social media takeover

This type of influencer marketing works great for growing your follower base on social networks. However, it takes a lot of courage as the brand delegates running its account to an influencer for an agreed period of time.

Most often, a brand lets an influencer manage their profile for a day. Another option is to invite an opinion leader to run a stream.

Affiliate marketing

Affiliate marketing is a relatively cheap and effortless way to generate leads. This strategy boils down to paying an influencer for each customer who came from their website or social media account. Meanwhile, you don't have to waste time choosing influencers and negotiating – simply publish an affiliate program on your website and wait.

Sponsored content

This type of influencer marketing often appears on Instagram. Brands pay for publishing a promotional post on the influencer's account. The opinion leader takes care of content creation and puts out a post made according to the client's guidelines.

Unboxings

Brands often send gifts to influencers hoping that the social media star will open and review them. It costs next to nothing compared with the fees influencers charge for advertising. However, this strategy is quite risky.

First of all, the opinion leader may not review your product at all. Another point is the influencer's negative feedback often becomes dangerous for brands. Finally, sometimes businesses lay themselves out to please bloggers but cut corners packing orders for customers, which drives backlash. So, work around these possibilities before employing this tactic.

Brand ambassador programs

Some people love specific brands so much that they are ready to promote them even for free. Influencers are no exception, so companies offer them brand ambassador programs. This tactic works because opinion leaders recommend their favorite brands heartily.

Influencer Marketing Strategy

1. Define your target audience
2. Set goals and KPIs
3. Find the right channel
4. Determine your campaign budget
5. Pick the right influencers
6. Set up the campaign

1. Define your target audience

Pinpointing your target audience is the core of every kind of promotional campaign. There are a lot of ways to find this group of potential customers. You may go for people who resemble your best clients. Survey your clientele and define what social media channels and influencers they prefer, the values they share, how they make purchase decisions, and so on.

If your goal is to win new audiences, you need to explore them from scratch. Start by answering the following questions about your audience:

- **Who are they?** Define their age, social status, income, pain points, and so on.
- **What is their stage in the** marketing funnel**?** You can rely on different marketing tools, such as Ben Hunt's customer awareness ladder.
- **What are their interests?** To spot them, you can study content on the platforms your prospects prefer, find online forums and media, explore social media profiles, and so on.

- **What are their behaviors?** Focus on the studies big brands and agencies publish. Opt for reports on social media, media consumption, or influencer marketing.

Encapsulate this data in customer profiles to keep it on hand and address the information anytime you need. To create a buyer persona, follow our comprehensive guide.

43% of people use social networks to research products before buying them. To make use of this, apply the jobs-to-be-done approach. Define why people search for your products and in which situations they use them. It will help you address their needs with your influencer marketing campaigns.

2. Set goals and KPIs

Like any other type of promotional campaign, influencer marketing can be used to pursue various goals. Your task is to form your objectives clearly, as the mechanics you'll employ depend on it.

Remember to set key performance indicators – they help you understand whether you achieved the desired outcomes or not. Here are examples of KPIs for brand awareness campaigns:

- total outreach;
- total engagement;
- traffic to your website (e.g., views, uniques, clicks);
- search interest;
- media mentions.

If your influencer marketing campaign aims at sales or specific user actions, make them your indicator. In this case, the KPIs are the number of purchases, registrations, app downloads, email signups, and more.

Avoid setting several goals for one piece of content – contradictory calls to action confuse users and decrease your conversion rate. To get the best results, follow our guide on conversion rate optimization.

3. Find the right channel

Marketers believe that specific social media platforms can be more or less valuable for influencer marketing. According to MediaKix, Instagram is paramount for a whopping 89% of brands. As a result, over two-thirds of marketers spend their budget on promotions through this platform.

However, Instagram won't necessarily be the best option for you. Pick a platform by relying mainly on your audience's interests, business goals, and the opportunities each channel provides. For instance, B2B businesses may benefit more from choosing LinkedIn. This channel accumulates 630 million professionals and 90 million senior-level influencers.

Take all the statistics above with a grain of salt. Eventually, the only proven way to find the perfect channel for you is testing. Pick several platforms your audience may be present on and run low-cost effective campaigns to choose the best option.

4. Determine your campaign budget

This step is essential, as total campaign outreach depends on the budget you allocate. Influencers set prices according to the size of their follower base, market rates, advertiser interests, and so on. Thus, a post on account with 1 million followers may cost you thousands of dollars.

If you're tight on budget, opinion leaders with smaller follower bases may be a better option. They can help you achieve your objectives for smaller investments. You can also test the effectiveness of influencer marketing for your brand nano- and micro-influencers.

Chances are a limited budget won't allow you to achieve all of the desired results with only an influencer marketing campaign. So, revise your goals and KPIs according to the resources you have when you get started.

5. Pick the right influencers

All of the work done in the previous steps flops if you choose the wrong influencer. For a perfect match, pick an opinion leader who shares your brand's values. Do not promote a sustainable fashion brand through shopaholic bloggers. Opt for influencers who advocate minimalism, zero waste, awareness, and so on.

Another problem with influencer marketing is the risk of scams and fake followers. To reduce the odds of being fooled, check the influencer's account carefully.

- Look over the number of bots or fake subscribers that are subscribed to the influencer. To measure this, use special tools, such as trendHERO.

- Make sure followers catch up with the influencer's updates. You can request account statistics on the engagement rate from the profile owner.

- Beware of account duplicates – check the name and contacts several times.

- Ensure that the influencer's audience is loyal. Some bloggers can gather more haters than advocates. Promoting through them won't get you new subscribers or sales, so examine the comment section.

Choosing the right influencer is arduous work. You can do it manually if you have a limited list of opinion leaders to work with. Another option is to use platforms to find and check influencers – such as Markerly or Klear.

6. Set up the campaign

On average, content creation is the influencer's job. However, you should communicate your campaign expectations and goals clearly if you want to achieve your goals. The best option is to craft a campaign brief, which includes the following points.

- **Define the platform and profile.** Many influencers own several accounts on various channels.

- **Explain the campaign goals.** Provide the opinion leader with clear-cut CTAs.

- **List messaging points.** Create a roster of fewer than four things the influencer should say about your product.

The final recommendation is to develop a contract with a blogger. The document should clarify campaign details, duties of participants, the terms of content ownership, deadlines, desirable outcomes, and guarantees. Include any points you may find important or controversial and be precise about each of them. Remind the blogger to work according to FTC guidelines – federal rules that prohibit unfair or deceptive advertising.

How to measure influencer marketing success

Many brands struggle to measure an influencer marketing campaign's effectiveness. The ways to evaluate it depend on the goals and KPIs you set for the campaign.

If your goal is to boost brand awareness or social media visibility, track impressions, engagement rate, and outreach. The best way to do so is to request statistics from the influencer you worked with. If you want to track search interest and media mentions, do it with Google Analytics and internet monitoring software.

It's even easier to track leads and sales. You can use tracked links, which will show the source of each contact for purchase you receive. Craft them with UTM link builders, such as Tilda or Google Analytics. Remember to shorten links with special services – they will look nicer on social media.

Another way to track leads is to use promo codes. You can create a unique code for each influencer or the whole campaign. This decision depends on how detailed the end data should be. This tactic has one more advantage – it provides the additional incentive to make a purchase.

Use this algorithm to make sure you don't miss something important while launching your influencer marketing campaign. To take your influencer marketing to the next level, follow the tips we've prepared for you.

How Much Do Influencers Cost?
Successful influencer marketing campaigns do not come cheap. In fact, brands will spend $15 billion on influencer marketing in 2022.
While you may be able to send free products to nano influencers, don't expect a huge amount of traction. Influencers with larger audiences expect to be paid and campaigns can quickly reach five, six, and seven figures.

There are several ways you can pay influencers. Most will charge a flat fee for a post. Some may request an affiliate commission rate where they receive a percentage of every sale they make.

How much influencers cost depends on a number of factors, including:
- audience size
- platform
- engagement levels
- niche

Rates vary broadly. A report by Fox Business found that influencers with over one million followers can charge more than $100,000 per post. Micro-influencers, on the other hand, charge up to a few thousand dollars per post and can make upwards of $100,000 per year.

Why Do Influencers Matter For Your Brand?

Consumers trust recommendations from a third party more than from a brand itself, particularly if they are seen as knowledgeable and trustworthy. An influencer is a great example of this kind of third party. Working with influencers passes the trust they've built with their audience to your brand and makes you seem much more credible.

It makes sense if you think about it in a more personal context; you don't usually trust a person at a cocktail party who comes up to you and brags about himself or herself and spouts fun facts about his or her personality to convince you to be a friend. Instead, you often believe your mutual friend who vouches for that person. An influencer is the mutual friend connecting your brand with your target consumers.

An influencer also significantly expands your brand's reach. When you align your brand with an influencer, not only do they bring their audience, but they also bring their audience's network as well. Because of the loyalty of their audience, an influencer has the ability to drive traffic to your site, increase your social media exposure, and flat-out sell your product through their recommendation or story about their experience.

With the fall of traditional outbound marketing, influencer marketing is becoming one of the most effective ways to attract customers and clients. Modern-day consumers are self-sufficient and want to research a brand on their own and hear about it from someone they trust.

How do influencers assist with your inbound marketing? They generate content about your brand, they recommend your brand to their loyal following, and they insert themselves into conversations surrounding your brand. Getting them on your side before your competitor does can make a huge difference in the success (or lack thereof) of your company or product.

TYPES OF INFLUENCERS

The Pyramid of Influence

The Pyramid of Influence encompasses the full spectrum of your influencer relationships. Here is a breakdown of how that pyramid works from the top down. Not all influencers are the same. Over the past few years, there is a big shift in focus from these high-end influencers to micro-influencers. To explain the different types of influencers, StarNgage uses the Pyramid of Influence. Influencers with a high reach and lower relevance, like celebrities and thought leaders, are at the top of the pyramid, while those with lower reach but higher relevance, like advocate and current customers are at the bottom. Micro-Influencers is a mix of people who have reach, but more importantly, have a high relevance among their audiences. Their influence lies in their niche understandings and the mutual trust with their audiences.

Spectrum of Influencers

The term 'influencer' used to describe celebrity and social media elite. But the mass adoption of social media leveled the playing field to include bloggers, instagrammers, youtubers and even everyday consumers. As such, the industry is working to establish a common taxonomy to talk about influencers. Influencers can be identified among the following three types:

Mega-influencers: Actors, artists, athletes and social media stars who have 500k+ followers and drive 2% to 5% engagement per post. They have the highest reach on the influencer spectrum, with their influence driven by their celebrity (they tend to be brands in their own right). They have the lowest overall resonance when it comes to driving actions on behalf of a brand.

Macro-influencers: Professional bloggers, and YouTubers who have large base of 100,000 to 500,000 followers and drive 5% to 20% engagement per post. They have the highest topical relevance on the spectrum, with category-specific influence – such as lifestyle, fashion or business.

Micro-influencers: Everyday consumers who have 1,000 to 100,000 followers and drive 25%—50% engagement per post. They have the highest brand relevance and resonance on the spectrum of influencers, with influence driven by their personal experience with a brand and their strength of relationship with their networks.
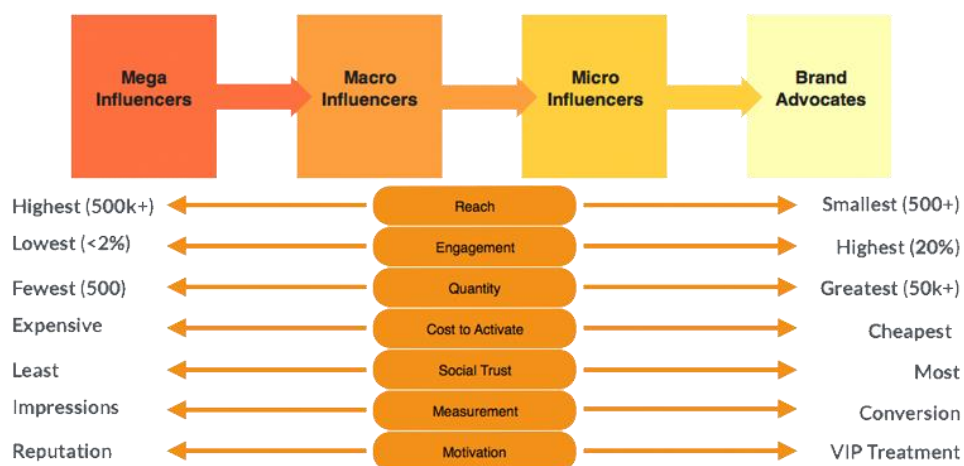
Social Media Influencer Landscape in India

Mega-influencers: Earn their living some other way (e.g. athlete, actor, artist, top model, celebrity), and monetize their influence as a secondary source of income. (For example Shah Rukh Khan, Virat Kohli, Deepika Padukone, Priyanka Chopra and Amitabh Bachchan)

Macro-influencers: Earn their living as an influencer (e.g. professional blogger, creator, or journalist). (For example Amit Agarwal, Amit Bhawani, Archana Doshi and Saffron Trail)

Micro-influencers**:** Consumers who have relevant influence and may not know it, or aspire to become a macro-influencer. (For example Shivani Patil, Rati TS and Shereen Sikka Bharwani)

Brand Advocates: Consumers who are passionate and willing to share, but have little influence.
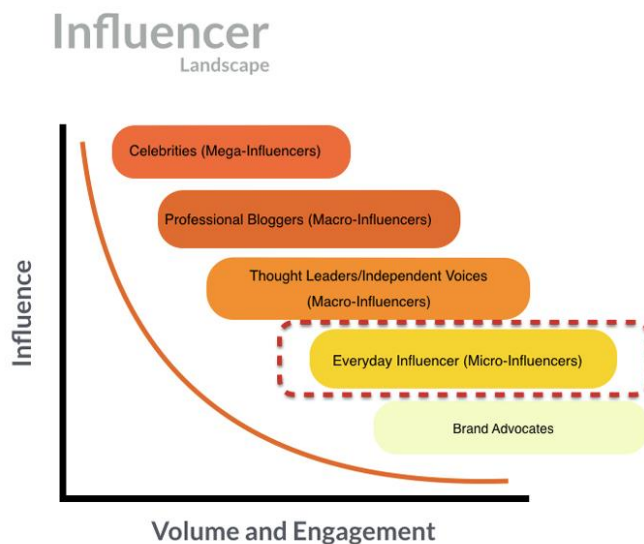
Top Youtubers (Youtube Influencers) in India

Sandeep Maheshwari   Nisha Madhulika   TsMadaan

Top Instagrammers (Instagram Influencers) in India

How To Choose Your Influencer Marketing Content Types

Brand Generated

Brand creates the content and influencers are activated to share it with their networks.

- Pros: Influencers don't add any personalization; they simply share the content. Least risk.
- Cons: Less Creativity and personalization. Least impactful.

Co-Developed

Brand develops guidelines for the content and influencers create their own content based on adaptation. For example: "Share a picture of your selfie in Singapore Botanic Garden".

- Pros: Moderate Impact Pontential
- Cons: Mild risk.

Influencer Generated

Content is generated by Influencers based on their creativity. Brand gives loose and generic direction.

- Pros: Influencers have full creativity with loose guideline from brands. Maximum impact.
- Cons: Review process is needed as part of risk management as the risk is higher.

- **How To Choose the Right Incentive for Your Influencer**

  There are different factors you should consider before making a decision on what kind of incentives you offer to your influencers.
  Exclusivity: Incentives should be exclusive to only influencers that you like to activate in order to motivate participation in your influencer marketing campaign.

  Influencer type: Most of the mega-influencers and macro-influencers will require cash payment, while micro-influencers will consider other form of compensations aside from cash.

  Brand affinity: The most enduring and valuable level of influencer relationship is based on the mutual belief that the influencers and the brand share common values. It is advisable to activate relevant influencer who is passionate about your brands for best results. Branded incentives will work best in this case.

  Fulfilment Effort: If more effort is required by the influencer to create and share branded content, then a higher incentive value is needed.

  Types of Incentives

  Cash

  For most of the mega-influencers and macro-influencers, you will have to use payments for incentives. However for micro-influencers, some of them are open to receive VIP treatments and special branded incentives other than cash.

  VIP Treatment

  When activating micro-influencers, the most popular incentive is an exclusive experience. This type of incentive works best when they are passionate about your brand. This could be in the form of a discount, gift card, limited product giveaway, VIP free trial etc.

  Recognition

  Micro-influencers are more than happy to receive non-monetary rewards such as recognition. You can do this by featuring their content on your owned media such as Website or share their voices and give them a limelight on your social media channel.

  Common Incentives Ideas
- Exclusive Event
- Early Access
- Discounts
- Free Trial
- Contest Entries
- Gift Cards
- Experience Box
- Limited Product Sample
- Priority Service

Wearables:

Wearables are electronic technology or devices incorporated into items that can be comfortably worn on a body. These wearable devices are used for tracking information on real time basis. They have motion sensors that take the snapshot of your day to day activity and sync them with mobile devices or laptop computers. After the invention of smartphones, wearable electronics are the next big innovation in the world of technology.

Even before the wearable technology entered the consumer market, these wearable devices were used in the field of military technology. In fact, these devices were an integral part of the medical and healthcare sector in the military forces. Devices like 'Wearable Motherboards' or 'Smart Shirts' used to monitor the health and wellbeing of the patients and send back information to the hub station in real time.

Different types of Wearables devices present in the market today!

Smart Watches: A watch that does more than just telling time. It provides users notifications on their calls, messages, emails, social media updates, etc.

Fitness Tracker: Helps keep a track of the number of steps the user walks each day and continuously monitors the heart rate. Using this information, the devices is able to calculate and report accurate data on calorie burn and exercise done by the user.

Head Mounted Display: Takes you to a different world of virtual reality. It provides virtual information directly to your eyes.

Sports watches: The wearable devices is especially built for sports personnel who love running, cycling, swimming etc. These devices come with GPS tracker and records information on the user's pace, heart rate etc.

Smart jewellery: Smartwatches are designed as jewelries specially targeting women. These jewelries notify the users of their text messages, calls or emails when their phone is out of reach.

Smart Clothing: The smart electronic devices are incorporated into the Wearable Clothing to give an interesting and fashionable look.

Implantable: These wearable electronics are surgically implanted under the skin. These are usually used for medical reasons like tracking contraception's, insulin levels etc.

Key Challenges of Wearables:

The biggest challenge for the wearable industry is to get a sustainable customer engagement. Many wearable electronics are short lived because of its short term customer engagement. Bad quality, pain to sync with smartphones, poor battery life, uncomfortable and awful design, UX problems, are some of the functional reasons which put the user off the device. However, you might find wearable devices that are very strong functionally and physically and still bomb at the market simply because, they failed to create any meaningful impact on the users, their lives, habits or behaviors.

The need for Wearables Technology:

The Wearable technology aims to influence the fields of health and medicine, fitness, aging, disability, education, transportation, enterprise, finance, gaming, music, etc. The goal is to smoothly enter the daily lives of individuals and become a functional part of them.

The hands-free nature of the wearable computing devices makes it very useful for businesses. Tracking the emergency and rescue team becomes easy thus making the workplace more efficient and safe. Hands-free access to important data and information through smart glasses and smart watches helps researcher, engineers, and technicians to be more efficient at their work.

Programmatic Advertising

It is a way to automatically buy and optimize digital campaigns, rather than buying directly from publishers.
It's designed to replace human negotiations with machine learning and AI-optimisation. The goal is to increase efficiency and transparency for both the advertiser and the publisher.
This is done through real-time auctions where ads are bought at the same as a visitor loads a website.
Programmatic advertising exists in a wide range of digital channels, including display, mobile, video, and social.
Traditional offline channels are well way on their way to becoming digitized too.
We're starting to see out-of-home channels advertise programmatically through digital screens on bus stations, shopping malls, and billboards.
Previously, programmatic campaigns has been reserved for larger budgets and media agencies, but the rapid rise of self-service tools (like Match2One) gives smaller brands increased access to the technology and offers them the ability to compete with larger brands without going through expensive middlemen.

Programmatic advertising is essentially turning the process of buying advertising space on its head while at the same time revolutionizing campaign planning and targeting. So much so that we need to start asking ourselves if traditional media trading has seen its day. Many advertising professionals have recognized the advantages of programmatic, data-driven marketing and are now leveraging the initial hype as an efficient, profitable basis for their asset management. In its latest Programmatic Data Report, the online marketing company emetriq found that nearly a third of all display ads were programmatically placed in 2021.

Conversational Marketing:

Conversational marketing is marketing that engages customers through dialogue that puts the focus on interactions with the customers through two-way communications in real-time conversations. Conversational marketing includes engaging website visitors, converting them into leads or being a vehicle for existing customers to continue engage with a company.

Conversational marketing allows for quicker engagement and encourages an increased pace through the customer journey. The term was originally coined by Drift, a marketing and sales company. It changed the way companies can communicate with their prospects and customers, allowing teams to communicate faster with their website visitors and ultimately get those visitors the answers and information they need in a timely fashion. This creates an authentic experience between brand and consumer and often builds a stronger foundational relationship between the parties.

By taking a conversational marketing approach, brands don't need to stop their more traditional methods of lead capture into a marketing funnel or remove many of the other one-way communication styles. It is another tool used to engage an audience based on their preference or communication styles with a brand. By offering customers multiple channels to engage, it also lets them choose how to communicate with a company. Conversational marketing is increasing in popularity due to its improved results of moving visitors through a funnel in a more streamlined fashion with increased conversion rates.

Traditional marketing approaches are focused on making a sale by influencing prospects as quickly as possible. In contrast, conversational marketing puts the customer front and center. This can happen through live chat on a website or support portal, or by using chatbots and AI to help navigate users toward their intended destination or answer their questions. Conversational marketing also can take a heavy burden off of sales teams by gaining insights about prospects early, leading to more meaningful conversations when the time comes to engage in the sales process.

Benefits of conversational marketing

For marketing teams adopting conversational marketing tactics, there are a significant amount of advantages and reasons to allocate resources and tools toward this effective route, including the following:

Humanize the customer experience. Conversational marketing gives sales and customer experience teams the ability to deliver a more human touch with prospects. This begins the relationship on a positive foot, especially when the conversation is more personalized for the user.

Increase engagement. One-to-one communications with a brand give consumers the feeling that they have direct access to the lifeline that they need. This may lead to an increase in

engagement from prospects who may not have previously identified themselves as someone who may need information or support.

Provide a boost to the <u>sales funnel</u>. When conversational marketing is a deployed tactic, businesses are able to quickly identify quality leads as they come in and share information that is crucial to the selling process. Through a conversation, this could lead to an increase in conversions and a shortened sales cycle.

Quickly recommend products or services. Through inputs or comments from consumers, live agents and chatbots can be used to direct consumers quickly to recommended products or services that may be aligned with their needs. With data about past purchase history, chatbots can also pop up to make recommendations for other products based on customers who may be a part of a similar persona profile group.

Maintain customer relationships. Being able to rapidly respond to customer support issues or provide information on other products and services provides a positive feeling for those customers. With customer retention and revenue growth over time, conversational marketing will not only maintain a positive customer relationship but can also grow one as well.

Respond in real time. Especially with customer support issues, submitting a support ticket and waiting to hear back can be a cumbersome and frustrating experience for teams. Being able to respond in real time reduces the resolution of an issue, but also could lead to more sales from new prospects, as they work through their customer <u>decision-making process</u>.

Collect important visitor data easily in the engagement process. When dealing with static lead capture mechanisms -- such as forms -- marketers can collect data from prospects, but often not without hesitation from the end user. Forms are commonplace and many users are hesitant to give information up about themselves. With conversational marketing, data point collection can be built into the interactive experience. The data points collected will be shared organically through the conversation and collected in a marketing automation or CRM tool.

Examples of conversational marketing

To roll out a conversational marketing strategy, human-directed rules and strategies should seamlessly blend with the technologies used to deliver and capture the conversational experiences. Many companies use some or a combination of tools, such as chatbot or live

chat software, customer support, marketing automation tools, SMS texting and even streaming services for live video conversations.

Social media platforms also have built-in messenger features that allow social followers to reach out to a brand from their social channels just as they would on a customer support portal or marketing website. Many companies employ conversational marketing well, including the following examples:

Whole Foods

Chatbots are becoming more commonplace in the food and beverage industry with an aim at increasing brand awareness, booking reservations or providing recipe and meal ideas. Whole Foods has a Facebook Messenger bot that prompts users to decide the groceries they may need or recipe ideas. Through various filtering options based on meal or event types, they can narrow down the options a user may need to find the perfect meal for their occasion. They also make it fun and interactive, showing they have a clear understanding of their personas.

HubSpot

HubSpot is a leader in marketing automation software and has its own chat tools built into its technology. Whether a prospective customer is looking for a solution to fit their needs or an existing customer seeks support, conversational marketing is used at various steps. HubSpot also offers a form of video conversational marketing through their social and streaming channels, hosting user groups for thought leadership sharing or new tips and updates.

Okta

Conversational marketing doesn't always have to begin at the *first touch* opportunity. Okta uses a return visitor chatbot. Their website stores cookie data in the user's browser to detect when a user begins a repeat visit and personalizes it with a "Welcome back" prompt to help let the user pick up where they left off. This is helpful for encouraging more conversion focused activities, such as booking a meeting with the sales team or getting in touch with a support representative.

Conversational marketing strategy and best practices

When beginning any strategic planning, it is important to keep in mind the goals and how the organization will attain them through the efforts. Selecting a particular strategy can be

subjective between organizations. Built-in planning, implementation, testing and optimization cycles will help the program to succeed. Here is a look at a few general strategies and best practices for rolling out an effective conversational marketing initiative.

- **Nail down the communication channels.** A chatbot or a live agent feature on a website is a great way to kick off conversational marketing with web visitors, but most companies are deploying more multi-channel campaigns. Select channels that have the ability for reciprocating conversations and make it easy for users to find and engage with them.

- **Determine the right mix of questions and answers.** When executing a conversational marketing strategy through chatbots, marketing teams should work with sales to uncover the important pain points, pushbacks and persona-level profiles of the audience. Analytics from web traffic or previous purchases can also lend a hand in this, but the logic needs to be built into the rules of the chat flow. Know the audience and the questions they are likely to ask when building branches to lead users down, depending on their inputs. Learn more about that visitor by organically placing questions about who they are and what they are interested in. This could enrich their record in a database, but also allow the answers displayed to connect people with a brand.

- **Have analytics tracking in place.** Make sure there is a destination to store these chat conversations or data about the prospects and customers submitting the information through these experiences. Most chat tools have their own analytics tracking, but can also integrate with marketing automation systems and CRM The technology used will give marketing teams the insight they need and a location to store the data, but it is important to use this information to measure the success of those conversation points or identify gaps that require optimization.

- **Use personalization.** With more information collected through these conversational methods, a brand can create a more personalized experience. If a website detects a returning visitor or an existing customer, their conversational experience should be slightly different than a first-time web visitor. Make sure to find opportunities to personalize the experience and increase the human-to-human relationship by using their names, or recommending products related to past purchases.

- **Use different conversations for different personas.** If a brand sells toward different persona groups, each group should have a unique experience. For example, if a company sells different software for different departments, each software product section of its

website should have a different conversational experience. Outside of the website, make sure to collect information in a way that would allow users to self-identify what persona group they may be a part of and move them down their appropriate path.

- **Ask for feedback.** Both chatbots and live chat experiences provide ample opportunity to solicit feedback in the form of surveys or other feedback loops. Try to build in space for feedback throughout the channels to collect more user experience data that could inform future decisions for the company.

Online Communities and Co- creation:

Co-creation is when businesses include outsiders in the ideation and development process. Most companies keep new products and processes strictly internal; some even work hard to keep them secret.

But co-creation lets companies collaborate outside the business to gather fresh ideas and break from their own status quo. They acknowledge that they don't have all the answers in-house, and they make it easy for others to bring the answers to them.

What are the benefits of co-creation?

A well-designed co-creation process is a step towards creating value all across the company. Here are five clear ways that your business stands to gain value:

1. Better products based on customer desires

The most obvious (and likely best) reason to invest in co-creation is to **make something new**. Every business wants to be unique, to blaze a trail, and to disrupt. But with the same voices always pitching similar ideas, you're more likely to end up with variations of what you already produce.

Co-creation brings in **new viewpoints to help businesses disrupt themselves**. You don't have to predict what consumers or influencers are going to want - they'll tell you themselves.

And the result is new products that reflect the way that real consumers think.

In one study, **61% of businesses said that co-creation leads to more successful products**. It may take a little more energy than simply updating last year's range, but the reward can be far more significant.

2. Better financial performance

This is probably all you need to hear: co-creation efforts are **consistently shown to be good for your bottom line**.

51% of businesses say co-creation improves financial performance. Companies save huge sums on research and development, marketing costs, and see lower customer churn.

Take DHL for example. According to Forbes, executives were initially sceptical that crowdsourcing ideas would bring any value. But "the result has been well worth it. CSAT scores are over 80% and on-time delivery performance is 97% or higher worldwide. **Customer churn rates are down and revenue from new services and products is up**."

3.New and unexpected ideas

One of the biggest inhibitors to corporate innovation is specialization. On its face, it makes perfect sense that employees should be bona fide experts in your company's products and processes. That's why **companies tend to hire staff who'll fit right in**.

But if one of your goals is to create new and exciting goods, or to overhaul your current product development, **your in-house experts may be too accustomed to the way they've always worked**.

By definition, co-creation brings new voices and ideas into the fold. These may not be the kinds of people you'd normally hire. In fact, **the best ideas can come from totally alien industries**, or from people with no subject matter expertise at all.

Provided you're open to their submissions and willing to consider each on its own merit, you'll be able to approach issues from a whole new perspective.

4. Making the consumer part of the creation process

From a purely bottom-line perspective, co-creators are truly valuable. You essentially **increase your workforce without adding to payroll**.

That's exactly what Cigna has done, developing dozens of new products through a three-step process:

1. Spark: Nurture and capture innovative ideas, concepts and technologies;

2. Shape: Prototype, test and advance the best innovative ideas and insights; and

3. Spread: Implement the best ideas, and maximise the value.

5.Removing barriers between industries

The "silo effect" is a popular concept in businesses all over the world. Mostly we think of silos existing between different corporate teams - your marketing team is siloed from sales or product, for example.

But **the silo effect exists between industries as well**. A software company doesn't think about the latest trends in retail or delivery. It hires staff with a specific set of skills, which they narrow and refine until they're exceptional in their area of expertise.

Working with co-creators brings brand new skills into the company. You may not even realize how a supply chain expert or mechanical engineer could help you design the next great handbag, tea bag, or sleeping bag.

The beauty is, you have access to these skills with no risk. And if their ideas are no good, you simply move on to the next one.

4 excellent examples of co-creation

Co-creation takes many forms, and works for all kinds of businesses. So to illustrate, we've identified five companies that collaborate in different ways outside the business, each having a positive effect on the business.

1. Anheuser-Busch

The brewing company behind some of the world's most famous beers, Anheuser-Busch is perhaps not what you'd think of as an innovator. After all, fans drink Budweiser, Beck's, and Stella Artois because they're familiar. You always know what you're going to get.

But that doesn't mean that the company can rest on its laurels. Food and beverage markets are notoriously competitive, and beer companies always need to find new ways to promote themselves and create new products that will generate buzz.

In 2012, Budweiser was outselling its four closest competitors combined. And yet it was still selling only a third the amount of beer as it did in 1988. The market for "premium regular beer" had shrunk.

So Anheuser-Busch held a competition to come up with a special edition Budweiser. The company asked its 12 Budweiser brewmasters to develop a new flavor that would debut in a Super Bowl ad in early 2013.

In this case, co-creation didn't come at the recipe level. Rather, **the company used its legion of fans as judges**.

By the time the Super Bowl ad ran, **people already knew about and were interested in Black Crown**. The result, according to the CEO of Anheuser-Busch, was good immediate sales of Black Crown and even stronger sales of Budweiser overall, not to mention a whole lot of buzz.

2. Sodexo

It shouldn't be a surprise to see Sodexo on this list. The food services company was relatively early to begin online co-creation & innovation management program, and launched its own accelerators.

Sodexo's online platform powered by Braineet, "Innovhub" lets employees and clients **submit their best suggestions and best practices that supports innovation challenges and best practices catalogues at global and local scale.**

To embrace this ambition, Sodexo built, with our crowdsourcing software, a global platform to empower every Sodexo collaborator to share and realize innovative ideas and launch crowdsourcing initiatives.

Tens of thousands of participants joined the Hub (digitally), leading to hundreds of distinct product and service ideas. One of the most amazing innovations is a Robot food delivery on campus and beyond.

The most interesting aspect of Sodexo's co-creation Hub is not a single idea. Nor the hundreds of new potential products that were also unearthed.

More importantly, **a web community grew around the platform**. Hundreds of comments are posted on ideas from different countries, and a hundred idea evaluations are given. Web users are not only submitting ideas, **they also show Sodexo how to assess new creations**.

3. DEWALT

Based on pure user numbers, DEWALT's Insights Panel makes BMW's look small. More than 12,000 stakeholders interact on the platform - most of them active tradespeople.

The purpose of this community is very clear: **to give DEWALT's end users a voice in developing and improving the tools they rely on every day**. Unlike our two previous examples, it doesn't revolve around one-off competitions. The community works just like any

online forum - users discuss their favorite tools, what they'd like to see next from DEWALT, and help each other solve DIY problems.

The difference is that **DEWALT actively uses these conversations to improve products**. It can solicit specific feedback on new packaging and design, and even on website updates.

And to really stimulate innovation, the community also has an invention submission system. Users can suggest new products they'd like to see, and others can comment on these suggestions.

The result? "Product testers respond faster, research is empowered to make product lifecycle decisions, and DEWALT has saved over $1 million in study costs in 2016 and close to $6 million since establishing the DEWALT Insights Panel."

This creates **an end-to-end innovation cycle involving customers the whole way**. From the first idea, to initial designs, to production, and then to user reviews, it all takes place inside the community.

4. IKEA

Swedish furniture empire IKEA has perhaps the clearest example of long-term, sustainable co-creation on this list. It has developed a truly robust platform - Co-Create IKEA - through which it can work directly with consumers on any project it chooses.

Activities always cover at least one of three main areas:

1. **Exploring life at home**. Polls, surveys, and other customer feedback to understand "the emotional and functional needs" in normal people's lives.

2. **Ideas and prototypes**. Based on the results of the first step, IKEA's team develops working models with the help of customers.

3. **Voting and feedback**. Platform users give direct feedback on both in-progress prototypes and help choose the finished products.