Unit-2
A I for Marketing

Solving the Marketing Problem : One-to-One Marketing, One-to-Many Advertising, The Four Ps, what keeps a Marketing Professional Awake? The Customer Journey, We will Never Really know, How Do I Connect? Let Me Count the Ways, Why Do I Connect? Branding, Marketing Mix Modelling, Econometrics, Customer Lifetime Value, One-to-One Marketing — The Meme, Seat-of-the-Pants Marketing, Marketing in a Nutshell, What Seems to Be the Problem?

" If I had an hour to solve a problem I'd spend 55 minutes thinking about the problem and 5 minutes thinking about solutions".

—Albert Einstein.

Understanding the problem is crucial in an era when new technologies are so often brought in because they are the shiny, new object.

When the WWW was opened for commercial use, most of the websites were non-interactive brochureware and only allowed people to click from one page to the next.

Business Person : What have you got?
Technology Person : What does you want?
Business Person : What can it do?
Technology Person : What do you need it to do?
Business Person : Can it solve my problems?
Technology Person : What are your problems?

with no understanding of the technology, the marketing side of the house has a tough time figuring out how to apply a new capability. with no clear description of the problem the marketing department is trying to solve, the technologists can only shrug their shoulders.

Business: So which data should we collect?

Technology: That depends, what problem are you trying to solve?

Business: what sorts of problems can I solve with AI?

Technology: that depends on what data you have.

One-to-One Marketing:-

One-to-one marketing is about personalized interactions with customers, tailoring products and services to meet individual needs, fostering stronger relationships and increasing loyalty.

Identify key components such as data analytics, customer segmentation, personalized communication, and customized offerings.

The challenges such as privacy concerns, data security issues, and the complexity of managing large datasets.

Emerging trends like AI and ML for deeper personalization, omnichannel integration, and real-time marketing.

One-to-Many Advertising:-

One-to-many advertising involves reaching a large audience with the same message, often through mass media channels like TV, radio, or billboards.

It involves broadcasting messages to a broader audience rather than customizing them for individual consumers.

Key components are mass media platforms, digital advertising n\ws, and outdoor advertising.

Outline emerging trends such as targeted advertising within mass media channels, integration of digital and traditional media for cohesive campaigns, and the use of data analytics for better audience segmentation.

The Four P's:-

The four p's in marketing refer to Product, Price, Place, and Promotion. They are the key elements of a marketing mix strategy used by businesses to effectively market their products or services.

Product:

Product as goods or services offered by a company to meet the needs and wants of customers.

The importance of product a decisions in terms of features, quality, design, branding, and packaging.

Price:

Price as the amount customers pay for a product or service.

pricing strategies such as cost-based pricing, competitive pricing, value-based pricing, and penetration pricing.

The factors influencing pricing decisions, including market demand, competition, production costs, and perceived value by customers.

place:

Place as the distribution channels through which products reach customers.

Distribution strategies like direct distribution, indirect distribution through wholesalers in retailers and online distribution.

The importance of place decisions in terms of accessibility, convenience, and availability to target customers.

promotion:

Promotion as the activities that communicate the benefits and value of products & services to target customers.

Promotional mix elements such as advertising personal selling, sales promotion, public relns, and direct marketing.

The role of promotion in creating awareness, influencing purchase decisions, and building brand loyalty.

What keeps a marketing professional Awake?:-

Sending a message out into the universe and tracking its impact requires keeping tabs on a multitude of stages.

→ Distribution   → Impression   → Attitude shift
→ Exposure   → Recall   → Response

→ Lead qualification → channel
→ Engagement → Profits
→ Sales → Loyalty
→ Customer Lifetime value → Advocacy
→ Influence.

Marketing professionals often lose sleep over staying ahead of competitors, meeting sales targets and adapting to changing consumer preferences and market trends.

→ Meeting Targets and Goals
→ Competitive Pressure
→ Campaign Performance
→ Budget Constraints
→ Adapting to change
→ Managing Stakeholder Expectations
→ Data Security and Compliance
→ Brand Reputation
→ Work-life Balance.

These factors highlight the complex and dynamic nature of the marketing profession, where professionals often navigate challenges that require strategic thinking, resilience and effective problem-solving skills to succeed.

Branding :-

Branding is the process of creating a unique identity and image for a product, service or company through consistent messaging, design and customer experience.

Audio/Video

Product Placement
Movie
Digital TV Nwor
Satelite Radio
Nwo TV
Satelite TV
HD Radio
Cable
Online Radio
Podcasts

Online

E-Commerce
Gaming
Search

Online Advertising
Videocast
Websites
Email
Social Networking
Blogs
Podcasts

Mobile Devices

Handhed Game Console
Phone / PDA
MP3
Mobile Apps

Public Relations

Financial & Investor Relations
Media Relations
Issue Management
Events, Sponsor ships &
                 Promotions
Speaking & Executive
                 Visibility
Internal Communications
New Media
Word of Mouth
Corporate & Social Responsibility.

Direct Marketing

DRTV
Direct Mail
Radio
Tele marketing
Print

Place - Based

Work
In-store
Recreation
Education

Print

Magazines
Trade Magazines
Newspapers
Alternative Delivery
Customer Publishing.

Out of Home	Experiental
Transit	Tour Attractions
Digital	Organizations
Traditional Billboards	Arts
Nontraditional Static	Festivals	Fairs
Spectaculars	Cause Marketing
Guerilla	Sports.
Mobile (vehicles)	

The key elements of branding are brand identity, brand positioning, brand messaging, and brand personality.

The Importance of developing a comprehensive brand strategy that aligns with business objectives and target audience preferences.

Marketing Mix Modeling :- MMM

MMM is a concept that most marketing and finance managers can actually grasp.

New methods and techniques have emerged to help better decompose the base effects, isolate, long-term brand impacts.

MMM is a statistical analysis techniques used by marketeors to quantity the impact of various marketing activities on sales & other key performance indicators.

MMM, it measures and evaluates the impact of marketing activities on business performance metrics like sales, revenue & market share.

ROI —Return On Investment

The key components of marketing mix modeling are variables, historical data, statistical models, and s/w tools.

The typical methodology used in MMM including data collection and preprocessing, model specification, estimation, validation, and interpretation of results.

The benefits of MMM for businesses as such as improving marketing effectiveness, optimizing budget allocation across different channels, identifying the most impactful marketing activities and quantifying the ROI of marketing compaigns.

Highlight challenges associated with MMM including data availability and quality issues, the complexity of modeling interactions b/w marketing variables and external factors and the need for specialized analytical skills.

Econometrics :-

If you built a model that also accounted for: GDP, Interest rates, Housing starr, unemployment, Education levels, stock prices, weather, Concert ticket sales, Price of tea in china.

Econometrics is the appn of statistical methods to economic data to test hypotheses, forecast future trends, and analyze the relationship b/w economic variables.

Econometrics is a branch of economics that applies statistical methods and mathematical models to analyze economic data.

The key components of econometrics include economic theory, data collection, statistical models, and econometric s/w.

Common econometric methods and techniques such as:

Regression Analysis: used to estimate the relationships b/w variables, such as the impact of price on demand.

Test-Series Analysis: Analyzes data collected at different points in time to identity trends on forecast future values.

Panel Data Analysis: examines data collected from multiple entities over time to study individual and time effects simultaneously.

Applications:

→ Macroeconomics
→ Microeconomics
→ Finance
→ Marketing

Customer Lifetime Value :-

CLV is the total value a customer brings to a business over the duration of their relationship, taking into account their purchases, loyalty, and potential referrals.

CLV as the predicted net profit attributed to the entire future relationship with a customer. customer.

It helps businesses understand the long-term value of acquiring and retaining customers, guides strategic decisions, and informs resource allocation.

Historical CLV: Based on past transaction data and avg customer behavior.

Predictive CLV: Uses predictive analytics to forecast future customer behavior, taking into account factors like purchase frequency, avg order value, and churn rate.

Discounted Cash Flow Method:
Calculates CLV by discounting future cash flows to present value, considering factors like retention rates, customer acquisition costs, and discount rate.

Customer Acquisition Costs: The cost incurred to acquire new customers.

Retention Rate: The % of customers who continue to purchase from the company over time.

AOV: Avg Order Value
The avg amount spent by customers per transaction

Churn Rate: The rate at which customers stop buying from the company.

Segmentation and Targeting: Using CLV to identify high-value customer segments and tailor marketing efforts accordingly.

CRM: Customer Relationship Management
Focusing on building long-term relationships with high CLV customers to maximize lifetime value.

Resource Allocation: Allocating marketing budgets and resource based on CLV to optimize RoI and profitability.