

Review Article

Artificial Intelligence in Marketing: A Theoretical Overview from a Developing Economy

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Introduction

The marketing industry can greatly benefit from Artificial Intelligence (AI). It supports the expansion of information and data sources, the development of complex and sophisticated algorithms, and the enhancement of software's data management skills. Brands and customers are interacting differently as a result of AI. The way this technology is used is very much influenced by the sort of business and website [14]. Marketers especially from developing economies like Nigeria may now pay closer attention to customers' requirements and respond to them instantly. On a long term basis, Artificial Intelligence (AI) will be a crucial component of every business organisation worldwide [8]. The recent developments in AI-driven automation are a direct result of significant changes in the AI environment. It is clear from the revised concepts, priorities, and financial commitments made in the area of business adoption of AI [4]. There are significant ramifications for numerous corporate applications because this technology is advanced enough to detect faces and things. Object detection can be used to separate and analyse photos, while facial recognition can be used to identify people for security purposes. In order to provide more individualised services based on user preferences, AI treats human photos like cookies. Some companies are experimenting with facial recognition to identify their clients' emotions and, as a result, provide the best product recommendations.

Abstract

Marketing offers a lot of potential for Artificial Intelligence (AI). It assists in expanding information and data sources, enhancing software's data management abilities, and developing complex and sophisticated algorithms. The interactions between businesses and customers are altering as a result of AI. The way this technology is used depends a lot on the sort of business and website being used. Marketers are now better able to concentrate on the customer and immediately address their demands. Because AI gathers and generates data through its algorithms, businesses can swiftly decide what content to target customers with and which channel to use when. When AI is used to personalise user experiences, users are more comfortable and likely to make purchases. AI techniques can also be used to examine the effectiveness of rival efforts and uncover the expectations of their target audiences. Computers can now analyse and interpret data without explicit programming thanks to machine learning (ML), a subset of artificial intelligence. Furthermore, ML helps people solve issues effectively. As more data is fed into the algorithm, it learns and gets better at performing and being accurate. This paper theoretically highlighted on the essentiality AI in marketing in developing economies like Nigeria

Keywords: Artificial intelligence; Marketing strategies; Developing economies; Nigeria

In digital marketing, Nair and Gupta (2021) posited that user retention and lead conversion are AI's main concerns. It can drive a user into a path that is consistent with the objectives of the company by utilising perceptive AI chat bots, clever email marketing, interactive web design, and other digital marketing services [5]. The effect of AI on digital marketing is determined by a variety of factors. Computer programmes that access data and utilize it to learn on their own are the focus of ML, a subset of AI. It gathers information from numerous sources, including as websites, online reviews, menus, and social media accounts. The information is then used by AI to create and deliver content that is appropriate for the viewer. Online restaurant and patron analysis is made possible by AI software [1]. Businesses can use the data at their disposal more effectively and reach potential customers with engaging advertisements at more convenient times by incorporating AI into their marketing strategies.

AI and Marketing in Nigeria

In Nigeria, Kafar (2023) argued that the news stories that are most prevalent are very different from those in the West. First, there will soon be elections. While the rest of the world celebrates innovations in Artificial Intelligence (AI), Machine Learning (ML), Augmented Reality (AR), Virtual Reality (VR), the Internet of Things (IoT), and other fields, Nigerians are celebrat-

ing the Bimodal Voter Accreditation System (BVAS) and INEC Election Result Viewing Portal (IREV), which some stakeholders have referred to as "innovations." The National Bureau of Statistics data also shows that "63% of persons living within Nigeria (133 million people) are multidimensionally poor." According to Premium Times, "adult illiteracy in Nigeria now stands at 31%." Regarding media habits, AMPS 2020 reports that radio in Nigeria has the highest reach at 81%, followed by terrestrial TV at 75%, out-of-home advertising at 67%, and the internet at 47%. While MTN is deploying a 5G network, Technext notes that "some Africans only have access to 2G and 3G networks" and that "only about 10 to 20%" of Nigerians own smartphones, according to Statista. The statistics allow for the following inferences about AI and the direction of marketing in Nigeria:

Certain marketing principles, like knowing your target market, won't alter. This is due to the fact that elements influencing the operating environment, such as customer demographics, literacy rates, and technology adoption, will continue to have an impact on how companies promote their goods to customers. As a result, not all markets will adopt Artificial Intelligence (AI) in marketing at the same rate. Although it may sound cynical, Nigeria may be one of the countries that lags behind in terms of technological adoption. But if AI is used in marketing, it might take off like wildfire. The mix of marketing communications will still be decided by customer segmentation. According to Anna Holopainen, a B2B SaaS consultant, "Nothing is dead," according to a recent article by Marketing Edge. Advertising dollars are effective. Signs on the street are effective. It's effective to use direct mail. Telesales are successful. Successful inbound marketing. Social selling functions. Campaigns that are drip-fed are effective. SEM is effective. Just determine if it is effective for YOU. The challenging but enjoyable thing is that. Tiktok started and has Gen Z's attention while some social media users switched from Facebook to Instagram. Yet some people in their 70s are only now joining Facebook. In other words, "nothing is dead."

More so, Kafar (2023) posited that according to analysts, among other reasons, robots lack emotional intelligence, so AI won't be able to completely replace humans. However, ChatGPT provides prompt and, theoretically, remarkable responses to enquiries. In this way, AI will make marketing more efficient and time-saving. As we've already seen, content writers can improve their copywriting by using tools like Grammarly and headline analyzers. Originality and ingenuity will still be advantageous because ChatGPT delivers outcomes based on already available data. Marketers will be able to more easily obtain background data for marketing planning thanks to AI's enhancement of desk research. The fact that all technology is controlled by people means that the adage "garbage in, garbage out" also applies to artificial intelligence. Because of this, marketers can't rely solely on algorithms. In order to analyse research data, human judgement will still be needed. Marketers who immediately utilise AI will succeed, just like the early adopters of social media. Don't forget that typists who didn't use computers early became obsolete. Therefore, sleeping is losing.

AI Framework

Marketing AI can be categorized according to two broad dimensions: intelligence level and whether it's stand-alone or part of a broader platform. Some technologies, such as chatbots or recommendation engines, can fall into any of the categories; it's how they're implemented within a specific application that determines their classification.

Task Automation

These applications perform repetitive, structured tasks that require relatively low levels of intelligence. They're designed to follow a set of rules or execute a predetermined sequence of operations based on a given input, but they can't handle complex problems such as nuanced customer requests. An example would be a system that automatically sends a welcome email to each new customer. Simpler chatbots, such as those available through Facebook Messenger and other social media providers, also fall into this category. They can provide some help to customers during basic interactions, taking customers down a defined decision tree, but they can't discern customers' intent, offer customized responses, or learn from interactions over time.

Machine Learning

To develop very complicated predictions and judgements, these algorithms undergo extensive training on vast amounts of data. These models can distinguish between images and text, divide up the consumer base, and predict how the public will react to particular activities, such as promotions. Customer Relationship Management (CRM) systems, e-commerce recommendation engines, and sales propensity models are all already powered by machine learning. The most popular AI technologies are it and its more complex variant, deep learning, which are quickly becoming into potent marketing tools. Nevertheless, it's critical to make clear that current machine-learning programmes still only do specific jobs and require extensive data sets for training.

Stand Alone Application

These are most effectively understood as distinct or separate AI programmes. They're distinct from the main channels people use to learn about, purchase, or receive help for using a company's products or services, or the channels staff members use to market, advertise, sell, or provide customer service for those products. Simply said, using the AI requires customers or staff to travel outside of traditional channels.

Integrated Applications

For the customers, marketers, and salespeople who use them, these AI applications embedded into current systems are frequently less noticeable than stand-alone ones. Platforms that manage the entire ad buying and placement process, for instance, come with machine learning that makes split-second decisions about which digital ads to present users. For more than ten years, Netflix's integrated machine learning has provided users with video recommendations; these recommendations simply show up in the menu of options visitors see when they visit the website. If the recommendation engine were standalone, they would have to visit a specific app to ask for recommendations.

Relationship between Artificial Intelligence and Marketing Strategies

The field of Artificial Intelligence (AI) trains computers to understand and mimic human behaviour and communication [16]. Based on the available data, AI has developed a new intelligent machine that behaves, thinks, and completes tasks in a similar manner to people.

Robotics, speech and image recognition, natural language processing, problem-solving, and other highly specialised and specialised tasks are all tasks that AI is capable of performing.

Paters et al., (2021) suggested that group of technologies collectively known as AI is capable of carrying out operations that require human intelligence. These technologies can learn, act, and perform with intelligence akin to humans when used in common business activities. By simulating human intellect in robots, it helps us conduct business more quickly and for less money [7].

AI aims to develop intelligent machines that can think and behave like people. For a variety of industries, it offers outstanding potential. The introduction of AI has either worried or fascinated every industry listed [5]. Artificial Intelligence (AI) develops smart machinery and gadgets that can act and think like people. The "next step" in the industrial revolution has been named this technology. The majority of today's challenges are seen to have solutions in AI and ML.

In order to categorise customers and move them to the next stage of their journey, marketers can utilise AI to get deeper consumer insights and better understand how to deliver the best experience [3]. By carefully reviewing customer data and understanding what consumers genuinely desire, marketers may enhance ROI without spending money on unproductive efforts. Furthermore, they won't have to waste time watching boring commercials that annoy customers.

AI will customise marketing in a number of different ways. Numerous businesses already customise their websites, emails, social media postings, videos, and other materials with AI in order to better meet client requests [12]. Automation of tasks that once required human intelligence is one of the main objectives of AI. Significant efficiency gains are made possible by the reduction in the quantity of labour resources needed by an organisation to complete a project or the amount of time a person must spend performing menial tasks.

Why is AI Marketing important?

The impact of artificial intelligence in digital marketing is huge. If you don't know, 76% of customers expect companies to understand their needs and expectations. AI marketing allows marketers to crunch a huge amount of marketing data analytics from social media, emails, and the Web in a relatively faster time. That's why AI marketing is a must for every business. Let's dive in more details about the benefits of AI marketing:

Automation

AI makes your marketing automation more intelligent. It can work with marketing automation to enable translating data into decisions, meaningful interactions and positively impact your business outcomes. Everything is about data, but what matters more is quickly and accurately turning data into actionable insights. In other words, the speed with which the marketing tasks are executed and implemented is a critical element that AI marketing can bring to your business. AI can help marketers scale the number of campaigns they create, determine the next best actions for customers, and then define which campaign to send to them properly.

AI in email marketing automation is somewhat of a dinosaur that businesses can use to increase customer engagement and the email open rate while saving. In particular, AI goes one step ahead of a copywriter by optimizing subject lines for clicks and tracking their performance. AI can also generate and optimize content in multiple email formats that are friendly and relevant to receivers. Additionally, AI is used in social media automation;

just like in the case of email marketing, businesses utilize it to increase customer engagement and optimize content.

Minimizing Errors

Humans are naturally prone to making mistakes. AI and human error - a broadly-discussed topic that many have come to an argument over whether AI can be a remedy for human error? Unquestionably, Artificial Intelligence exists to avoid human intervention that eliminates the likelihood of human error. Provenly, AI can help with human errors, especially in the most concerning aspect:

Data Security

The common data security problems make many businesses worry about the lack of ability of their employees to safeguard customer data and other critical data of the business. The cyber-attacks increase is the risk that every eCommerce business has to weigh. Fortunately, AI can help address these problems by learning, adapting, and reacting to the cyber security a business needs.

The Role of Artificial Intelligence in Marketing

Change is the only constant in life. And right now, the marketing industry is seeing a significant turmoil. With the introduction of intelligent marketing tools and generative AI like ChatGPT, AI marketing is playing a larger role and providing a wealth of chances for marketing teams to do more of what they do best [15]. This is a crucial benefit for marketers. AI marketing provides incredibly precise insights into your customer journey and market trends by fusing AI technologies with customer and brand experience data. Consequently, let's get down to the nitty-gritty of how AI is helping marketers and how you can take full advantage of it.

Social Medias Listing

Social media listening when social marketing is powered by AI, it increases your efficiency by taking social listening to a whole new level. For example, Sprout's upcoming Queries by AI Assist feature will use Open AI's GPT model to serve up a vast range of suggested terms to include in your tracking, helping marketers discover essential audience insights faster. AI algorithms use aspect-clustering to identify and extract relevant details from social listening data that can span millions of data points in real time. They help you cut through the noise and gain a deep understanding of the customer's mind through social media sentiment analysis. This allows you to anticipate your customers' next move and take strategic actions for intended results.

Content Personalization

Personalizing content is one way AI is used in marketing. So, based on the consumer's online activity or whether they have filled out a form for your business, AI may alter the customer experience. Dynamic material, for instance, adapts to the user's name, profession, online activity, etc. AI analyses a user's online behavior to provide them with a more individualized experience with marketing materials such site pages, social media posts, and emails. The useful tool 6Sense uses artificial intelligence to sort through intent data. When you know who in your audience is considering buying something, you can tailor your marketing efforts.

Data Analysis

Data analytics is one of the main uses of AI in marketing. AI can collect and sift through large amounts of data from several marketing campaigns and summarize the findings. AI can predict the outcome of marketing campaigns by using historical data, such as consumer engagement metrics, purchases, time-on-page, email opens, and more. This will help you save time when strategizing and developing marketing assets for your campaigns. Pro tip: HubSpot Sales Hub has conversational intelligence capabilities to help you understand how your team performs on customer calls through data-driven insights. Learn how to use account-based marketing recommendations powered by AI.

Content Generation

AI can be used to create content as well. Captions, social media postings, email subject lines, and even blog material can all benefit from it. Everyone is familiar with the ability of AI to write articles given a specific topic. However, it's crucial to remember that the majority of AI-generated content isn't yet prepared for publication. Today, the majority of marketers employ generative AI to create articles and promote content. In order to make AI's writing sound more human, they then fact-check, edit, and make necessary adjustments.

Using AI to help you get started is the greatest method to use it for content development. Marketers who use insights from AI to make content more quickly provide the best, high-quality content.

Media Buying

Media buying is a further application of AI in marketing. To reach a target demographic and increase ROI, AI technology can anticipate the best ad and media placements. Use AI tools designed to assist your media buying team to put this strategy into action. One illustration is Pattern89. In order to boost performance, you can target the appropriate demographic with the help of this AI marketing tool, which offers advice on your ad expenditure. Moreover, if you utilise Google Ads, you have already come into contact with the AI that supports the auction process.

Automated Email Marketing Campaign

Automated email marketing has also been around for years. But AI tools can help produce more engaging email content and learn about your email list behaviors. The goal is to have your marketers spend less time researching and brainstorming so they can focus on sending successful campaigns. As AI expands and improves, automated email marketing software becomes even more important to include in your marketing stack. HubSpot Content Assistant can help you create marketing emails. Write a prompt about what you'd like to promote — from a discount to a webinar to a blog post — and AI can generate a message with the right tone.

SEO

The capability of content optimization for search engines is one of the most important benefits AI can offer to SEO. AI systems are able to follow competitor activity, analyze website traffic, and find keywords that will help websites rank better in search results. Additionally, marketers can tailor their content to their audience's interests by learning about their preferences with AI-powered technologies. Visit HubSpot Academy to dis-

cover more about the effects AI may have on your SEO efforts. Our course on keyword research for SEO covers the use of AI by search engines to recommend similar keyword searches.

Conclusion

The marketing sector as we currently know it could undergo a near-total transformation thanks to artificial intelligence, but the technology is not yet ready to take the position of human marketers. The present marketing strategies can be streamlined and optimized using AI and ML instead. Both technologies are also capable of doing monotonous jobs, freeing up their human team members to concentrate on what they do best and create innovative campaigns that engage more clients than ever before. The use of artificial intelligence in marketing in Nigeria has the potential to greatly raise customer engagement, marketing effectiveness, and business profitability. A personalised, frictionless, and interesting experience for customers may be offered by businesses using AI-powered personalisation, predictive analytics, and conversational interfaces. By employing AI programmes to develop and produce distinctive advertising campaigns without having to spend a significant sum of money on celeb endorsers, content providers, and other third parties, it aids marketers in reducing costs associated with the design of advertising campaigns. Businesses can benefit from AI by having a greater understanding of the behaviour and preferences of their customers, which will improve marketing efforts and boost client happiness. To ensure that customer data and privacy are protected, organisations must employ AI ethically and transparently [10]. Overall, Artificial Intelligence (AI) is a potent technology that, when properly applied, may assist organisations in providing excellent customer experiences and gaining a competitive edge.

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