REDEFINING DIGITAL MARKETING- IN THE MODERN ERA OF ARTIFICIAL INTELLIGENCE

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Abstract

The emergence of Artificial Intelligence (AI) technology has caused a paradigm change in digital marketing. The incorporation of AI into digital marketing strategy is becoming more and more essential for companies looking to gain a competitive edge as the technology continues to develop and change numerous industries. The transformational potential of AI to redefine digital marketing practices is explored in this research study. It explores the strengths and weaknesses of AI, covers the difficulties and ethical issues surrounding its adoption, and focuses on successful case studies where AI has been successfully applied in contemporary digital marketing efforts. At the conclusion of the article, insights and recommendations are offered to assist businesses in utilising AI to approach digital marketing in a more efficient, customised, and data-driven manner. As AI's impact on digital marketing continues to grow, this research paper aims to provide a comprehensive understanding of how businesses can harness the power of AI to redefine their marketing strategies in the modern era. Businesses may plough the way for a more successful, efficient, and customer-centric approach to digital marketing by investigating its potential, problems, ethical issues, and practical applications.

Keywords: *Digital Marketing, COVID, Marketing, Internet Marketing, AI*

Introduction

Digital marketing is the activity of promoting goods and services via online channels including social media, search engine optimisation, email, and various applications. Digital marketing is any type of advertising that uses electronic media. Any form of marketing that involves electronic devices is considered digital marketing. Digital marketing is a form of direct marketing that links consumers with sellers electronically using interactive technologies like emails, websites, online forums and newsgroups, interactive television, mobile communications etcetera (Kotler and Armstrong, 2009).

Search Engine Optimization, pay-per-pay-per-click advertising, Social Media Marketing, Content Marketing, Copy writing, Video Production, Web Analytics, and rate Optimization are the famous and popular areas in digital marketing.

The concept of Digital Marketing was envisioned in the early time of 1990s when Web 1.0 was built which helped users find the data they needed. It was the period when the personal computer revolution was at its peak and the emergence of client-server architecture was there. The first clickable ad was introduced in 1994, It was an advertisement for AT&T in 1994, and people tapped on it insanely.

Digital Marketing over Traditional Marketing

Marketing is thought to be a communal activity where people or groups can trade goods or services according to their needs and desires. (1) "Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create an exchange that satisfies individual and organizational objectives."(2)

Classic Marketing is a broader concept that comprises different types of advertising and marketing.

Traditional Marketing is a kind of offline form of marketing that has print media, radio, television, hoardings, etc. used for advertising purposes. Its main task is to reach a larger audience of consumers.

Digital Marketing permits the organization to pick out the consumer who are spending most of their time: **online**.

A wide range of industries, including banking, healthcare, manufacturing, retail, supply chain, logistics, and utilities, could be significantly impacted by the development of AI technology.

Benefits of digital marketing include Global reach, cost-effective, effective targeting, increased engagement, and greater brand credibility.

The conventional marketing method, which helped to reach out to a semi-targeted audience with a variety of offline advertising and promotional strategies that may have changed over the previous few decades, existed before digital marketing. Digital marketing encompasses all marketing campaigns that involve a computer, a phone, or the internet in some way. Businesses employ digital platforms, such as search engines, social media, email, and other websites, to interact with their current and potential clients. The use of numerous digital channels and tactics to communicate with customers who spend a lot of time online is known as digital marketing. E-commerce has fundamentally altered how business is done in our nation. As per Ibef, the Indian E-commerce market is likely to expand to US Dollar 188 billion by 2025 as compared to US Dollar 46.2 billion as of 2020. By

Categories of Digital Marketing



Fig 1: Types of Digital Marketing

2030, it is predicted to cross US dollars 350 billion. India's e-commerce market is envisioned to make US dollars 99 billion by 2024 and US dollars 190 billion by 2026. (3) India's digital payment to reach 1 trillion US Dollars by 2023.

Email Marketing: Email marketing is a kind of direct marketing that allows to share the list of new products, sales, or updates. It is a strategy of marketing in which businesses can send promotional messages to stack quantities.

Search Engine Marketing: It is one of the most crucial marketing avenues that expands the reach via sponsored search services.

Social Media Marketing: It is an entity that connects with customers using social media platforms in order to develop your brand, increase sales, and drive website traffic.

Content Marketing: It is the process of planning, developing, and distributing relevant, useful & high-level content to target your customers and drive more engagement.

Search Engine Optimization: It is a process to improve the quality and quantity of web traffic towards the website or webpage or search engine result pages (SERP) and ranking higher through organic search.

In the **pay per click advertising model,** the advertiser is charged a fee each time one of their ads is clicked. It's a method of directing traffic from a sponsored source to the website.

Instant Messaging: It is one of the fastest growing marketing tools and is rapidly accepted in the business community for real-time communication among users on the internet.

Affiliate Marketing: It involves referring to a product or service by which an affiliate earns the amount on the sales you generate for a seller.

How to measure the effectiveness of digital marketing?

As more businesses are embracing the digital development of brands so that they can measure their efforts. As long as you are providing a significant user experience on your website is a vital key to achievement in digital marketing. The website is the brand online and should not only spread information but also offer easy tools to trade the products and services or attract clients to purchase your product. Marketing professionals can utilise KPIs to help them define clear targets when it comes to the campaigns and methods they use for any particular component of the internet marketing tactics they use, such as:

SEO, PPC, social media marketing, email marketing, etc. are some examples of online marketing techniques.

Measuring the effectiveness of digital marketing is essential to determine the success of marketing efforts, identify areas for improvement, and allocate resources wisely. Here are some key metrics and methods to measure the effectiveness of digital marketing:

1. **Key Performance Indicators (KPIs):** Define and track specific KPIs that align with your marketing goals. Common KPIs for digital marketing include website traffic, conversions, click-through rates (CTR), bounce rates, leads generated, customer acquisition cost (CAC), return on investment (ROI), and customer lifetime value (CLV).
2. **Website Analytics:** Utilize tools like Google Analytics to monitor website performance. Analyze metrics such as total visits, unique visitors, time spent on the site, page views, and the most popular pages to assess user engagement and website effectiveness.
3. **Conversion Tracking:** Implement conversion tracking on your website to measure actions that align with your goals, such as form submissions, product purchases, or newsletter sign-ups. This data helps evaluate the effectiveness of specific marketing campaigns or channels.
4. **Social Media Metrics:** Each social media platform provides analytics and insights that allow you to measure engagement, reach, clicks, and audience demographics. Analyze these metrics to gauge the effectiveness of your social media marketing efforts.
5. **Email Marketing Metrics:** Track email open rates, click-through rates, and conversion rates to assess the performance of your email campaigns. A/B testing different elements of your emails can help optimize performance.
6. **Search Engine Rankings:** Monitor your website's search engine rankings for relevant keywords. Improvements in search rankings indicate the effectiveness of your search engine optimization (SEO) efforts.
7. **Cost Per Acquisition (CPA):** Calculate the average cost of acquiring a new customer or lead through digital marketing campaigns. Lowering the CPA indicates more efficient and effective marketing strategies.
8. **Customer Engagement:** Measure customer engagement metrics, such as comments, likes, shares, and retweets on social media. High engagement indicates that your content resonates with your audience.
9. **Return on Ad Spend (ROAS):** For paid advertising campaigns, calculate the ROAS, which represents the revenue generated for every dollar spent on advertising. A ROAS greater than 1 indicates a positive return on investment.
10. **Customer Feedback and Surveys:** Collect customer feedback through surveys and reviews to understand their satisfaction level and the impact of your marketing efforts on their decision-making process.

11. **Cohort Analysis:** Use cohort analysis to track the performance of specific groups of customers over time. This helps identify trends, retention rates, and the long-term impact of your marketing initiatives.
12. **Heatmaps and User Behaviour Analysis**: Analyze user behaviour on your website using heatmaps and user session recordings. Understanding how visitors interact with your site can reveal opportunities for improvement.
13. **Customer Churn Rate:** Monitor the churn rate, which measures the percentage of customers who stop using your product or service over a specific period. A lower churn rate indicates better customer retention.

Regularly review these metrics and analyze the data to gain insights into the effectiveness of your digital marketing strategies. By continuously monitoring and adjusting your marketing efforts based on the results, you can optimize performance and achieve your marketing goals more effectively.

Role of Artificial Intelligence in Digital Marketing

Artificial intelligence (AI) and digital marketing are now being employed in a variety of disciplines, particularly marketing because it is the most popular activity doing significant changes in the market.

The marketing and advertising sectors are not an exception to the rapidly growing role that artificial intelligence (AI) is playing in contemporary digital life. From the witty and knowledgeable Siri to Tesla's self-driving cars to Google AI, which can learn video games in a matter of hours, artificial intelligence is revolutionizing several industries one at a time. (8)

Artificial intelligence can be applied to a variety of tasks, such as identifying data trends to reduce market risks, improving customer service with virtual personal assistants, or even analyzing millions of documents across a company's servers to spot compliance flaws.

Businesses may apply AI to enhance their digital marketing in several ways. One is when marketers use AI to estimate client demand, create customer profiles, carry out programmatic ad buying, and other backend tasks. The other is the customer-facing aspect, in which marketers employ AI to enhance the customer experience, building the brand and increasing sales. 75% of businesses that use AI and machine learning claim that it increases customer satisfaction by even more than 10%.

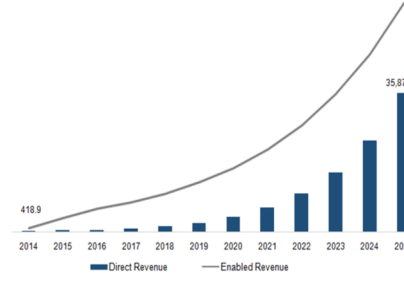
Google formally announced in November 2015 that Rank Brain, a machine learning AI, has been included in their query-filtering system. Each user query is analyzed by Rank Brain, which then applies its learnings to subsequent queries. With the aid of artificial intelligence (AI) machine learning, Google can recognise the natural language

that users submit online, which it then utilizes to present the most relevant search results. RankBrain enables Google to provide pertinent search results by assisting it in understanding the intent behind the search queries. Instead of only looking at the actual texts in a search query, it helps search engines grasp the context.

Artificial intelligence (AI) plays a large and varied part in contemporary marketing techniques. By enabling data-driven decision making, personalisation, and improved consumer experiences, AI technologies have completely changed how firms approach marketing. Some of the technologies are defined here:

Data Analysis and Insights: Data analysis and insights: AI-powered systems are capable of processing enormous amounts of data quickly and gleaning important information from consumer interactions, preferences, and behaviour. Marketers may make data-driven decisions and find patterns that can guide more successful marketing campaigns thanks to this data analysis.

Personalization: AI enables marketers to design highly individualised customer experiences. AI systems can pinpoint consumer preferences, behaviours, and purchasing trends by analysing enormous amounts of data. With the use of this data, marketers may give personalised offers, product suggestions, and content that will increase conversion rates and customer retention. Providing the most information will enhance the user experience. The graph below gives a clear picture of how artificial intelligence has developed over time in international markets.



Additionally, AI can speed up and lower the cost of developing such campaigns while also enhancing their efficacy (Roggeveen & Sethuraman, 2020). But from a scientific perspective, it's intimidating to know where we are and where we might go**.**

Growth in Digital Marketing in today's Era

The development of digital marketing in the modern era has been nothing short of astonishing, significantly changing how companies interact with their audiences and fostering previously unheard-of levels of connectivity and outreach. This expansion can be given to several important elements that have combined to produce a dynamic and quickly changing environment.

Increased Internet Access: The number of online users has significantly increased as a result of the global growth of Internet access. Businesses have turned their focus to digital marketing to more successfully reach their target audience as more people spend time online.

Adoption of Mobile Devices: The widespread use of smartphones and other mobile devices has altered consumer behavior. The rise in mobile internet usage has forced firms to adapt their marketing plans for mobile platforms.

Social Media Dominance: With a large and active audience, social media platforms have dominated people's daily lives. Social media is used by digital marketing to increase brand recognition, interact with customers, and boost sales.

E-commerce Growth: As people flocked to online buying for convenience and security during the COVID-19 epidemic, e-commerce grew rapidly. For e-commerce enterprises, digital marketing is essential for increasing traffic and conversion rates.

Advanced data analytics solutions offer insightful data about client behaviour, preferences, and purchasing trends. By using a data-driven strategy, organizations may develop personalised marketing strategies that increase client retention and satisfaction.

AI and personalization: Advanced personalisation in digital marketing has been made possible by artificial intelligence (AI) and machine learning. To deliver personalised information, product recommendations, and targeted advertisements, AI systems analyse user behaviour.

Chatbots and automation: Marketing process automation solutions make it possible for companies to run effective campaigns. Instant customer service is offered via chatbots, which also improve user interfaces on websites and social media.

Virtual and augmented reality: As technology develops, digital marketing is beginning to use virtual and augmented reality. Immersive experiences are used by brands to display their goods and draw in customers.

Trust and Data Privacy: As the use of digital marketing increases, customer trust and data privacy have become major issues. To keep customers' trust, businesses must put data security and open communication first.

Extensive Digitalization: As digital gadgets like smart phones, tablets, and laptops have become more widely used, the world has become more and more digitised. As more people of all ages and demographics spend more time online, businesses have access to a huge and diverse digital audience.

Data explosion: Every day, the digital world produces tremendous amounts of data. When used appropriately, this data can reveal important information about trends, preferences, and consumer behaviour. Due to solutions powered by advanced analytics and AI, businesses can make data-driven decisions and change their marketing strategy as needed.

Personalization and Targeting: Traditional forms of advertising fall short of the level of personalization and targeting that digital marketing can provide. Businesses may produce highly relevant and personalized content that resonates with certain consumers through data analysis and AI algorithms. Digital marketing is changing as technology and customer behavior do.

Ethical Considerations in AI-Driven Marketing

As technology develops and companies increasingly rely on AI algorithms to optimise their advertising strategies, ethical considerations in AI-driven marketing have grown in significance. The following are some important ethical points to remember:

Disclosure and Transparency: Businesses employing AI in marketing should be honest and forthcoming about how they utilize AI algorithms and how they collect data. When their personal information is being gathered and utilized to tailor marketing messages, consumers have a right to know. Privacy policies must be transparent and easily accessible.

Informed Consent: While collecting and using users' data, it's important to get their informed consent. Users should have the choice to consent to or reject the acquisition of their data and personalized advertising. A precise, informed, and willing consent should be granted.

Data security and privacy: Securing client data is crucial. Companies must abide by data protection laws like the California Consumer Privacy Act (CCPA) in the US and the General Data Protection Regulation (GDPR) in Europe. To prevent data breaches, AI systems should be constructed with robust security safeguards.

Human control is still necessary even though AI can automate many tasks related to marketing. To be sure AI-generated decisions and content comply with the brand's values and objectives, marketers should carefully analyze them.

Minimization of Harm: Whether it's connected to data breaches, discriminatory practices, or detrimental psychological effects on consumers, try to minimize any potential harm brought on by AI-driven marketing.

These moral issues should be incorporated into AI-driven marketing strategies to develop consumer trust, a favorable brand image, and a more ethical and sustainable marketing environment. Companies should regularly educate themselves about new ethical challenges and modify their strategy as necessary.

Conclusion

In conclusion, the incorporation of artificial intelligence (AI) into digital marketing signifies the dawn of a revolutionary era that is both incredibly promising and fraught with difficulty. AI offers unparalleled prospects for improved personalization, efficiency,

and interaction with customers as we revolutionize the field of digital marketing. The way that brands interact with their audiences is being revolutionized by AI algorithms' capacity to analyze massive volumes of data and generate meaningful insights.

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