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Embedding Artifical Intelligence across the Sales and Marketing Value Chain

Real-life use Cases on how to drive Topline Growth and Deliver a Superior Customer Experience with AI

White Paper

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Sales and marketing organizations face unique challenges in the experience economy

As expectations of customers evolve rapidly due to their everyday interactions with big tech companies, the sales and marketing function across industries is striving to deliver carefully curated, hyper-personalized experiences to consumers. Success in today's experience economy largely depends on ensuring customer-centricity throughout the customer lifecycle. However, creating better emotional connections with customers may prove to be a daunting exercise considering the explosion of data, lack of in-house data and analytics expertise, decreasing attention spans of consumers, and shrinking marketing budgets.

The 2018 CMO Spend Survey by Gartner revealed that marketing executives are looking to make strategic investments in marketing technology, innovation, and personalization. These technological interventions can help companies boost engagement and retention, enhance customer lifetime value (CLV), and, more importantly, drive topline growth. Integrating artificial intelligence across crucial sales and marketing workflows will be a critical piece of the puzzle considering the significant business value it can bring in the form of deep insights into customer behavior, streamlined and contextualized customer interactions, and automated real-time marketing activities.

Unearthing intelligent automation opportunities across the sales and marketing value streams

Artificial intelligence can create significant value at every stage of the customer journey, both in B2B and B2C scenarios. For instance, according to industry experts, 25% of customer service and support operations will be powered by virtual customer assistant (VCA) or chatbot technology by 2020.

Let us discuss other areas where we see the most potential of augmenting existing processes to achieve sales and marketing objectives faster, more effectively, and cost-efficiently.

The B2C customer journey typically consists of five stages – awareness, interest, consideration, purchase, and retention and advocacy. The following table lists out critical interventions carried out at each of those stages to drive sales.

Awareness	Interest	Consideration	Purchase	Retention and Advocacy
• Media, TV, print advertising • PR • Word of mouth	• Online/PPC advertising • Email campaigns • Social media promotion	• Blogs • Reviews • Targeted email campaigns • Retargeting	• Website • Ecommerce • Store	• Aftersales service • Community forum • Promotions • Loyalty program • Social networking • Newsletter

Figure 1 – Sales and marketing activities across the B2C customer journey

At each of those stages, AI can help deliver superior outcomes. Understanding customer attitudes toward the brand and products is essential before planning awareness efforts, and intelligent technologies help marketers perform sentiment analysis on social conversations to dissect and analyze the voice of the customer. Later, by analyzing customer data, marketers can create more targeted segments and reach out to the customer base with tailored advertisements for better conversions.

Shopping experience plays a critical role in determining the consideration and purchase phases. The online shopping experience can be augmented by helping consumers discover products through suggestions and contextualized search results. Similarly, the physical shopping experience is enhanced with personalized in-store recommendations, intelligent mobile applications that help customers navigate a store to find a product faster, and AR/VR solutions that make the experience more immersive and engaging.

For prompting repeat purchases, the marketing and sales organization must first learn to anticipate customer demands. AI can help do that based on historical data by sending reminders and promotional emails to drive sales. Further, creating loyalists from repeat customers requires boosting service center performance, and smart technologies enable that with predictive routing, making a smarter customer-agent match to ensure seamless interactions. These processes only scrape the surface of what can be achieved with the implementation of AI in the B2C space.

In the B2B context, we can illustrate the sales journey – both for new purchases and repeat purchases – with the help of simple flowcharts.

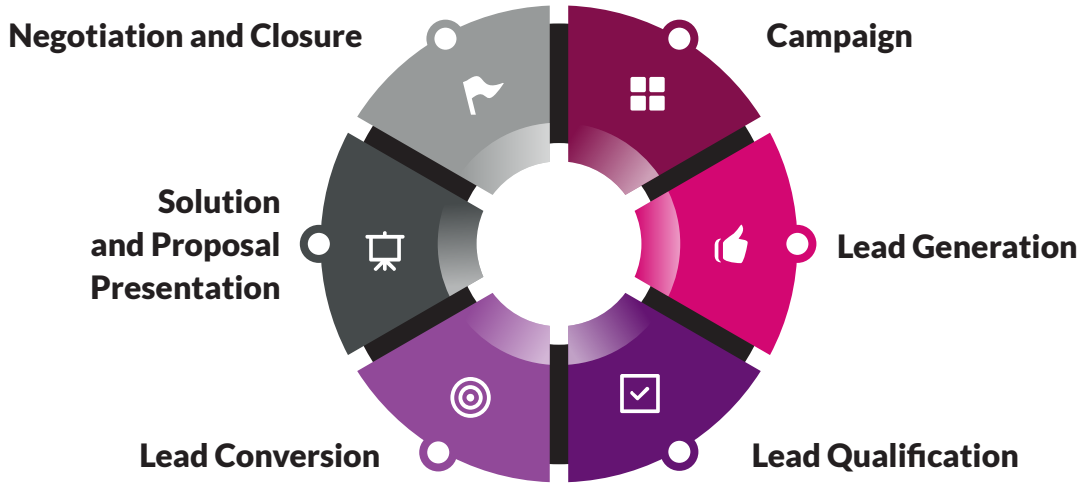

Figure 2 – Sales Journey for New B2B Business

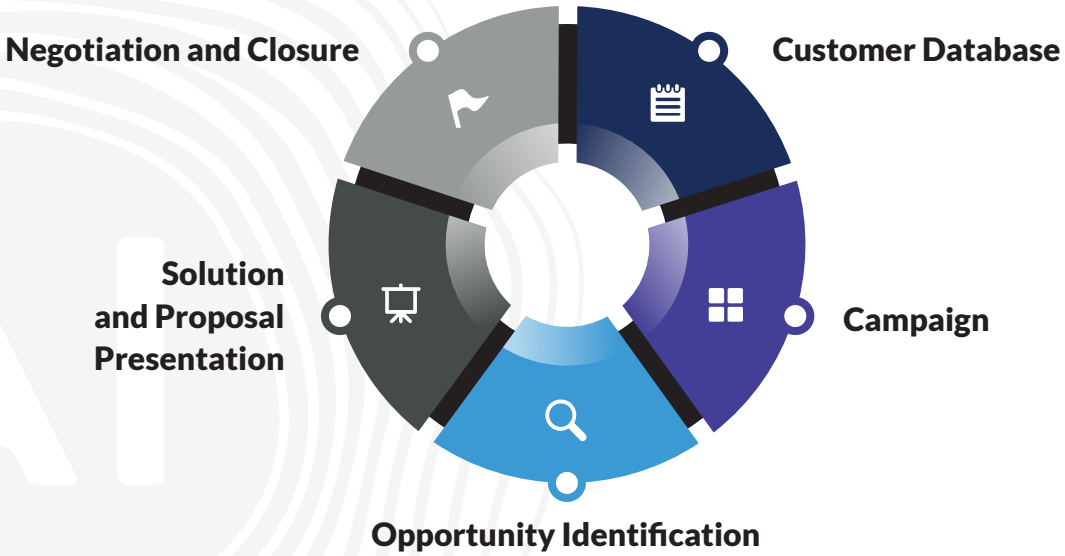

Figure 3 – Sales Journey for Repeat B2B Business

In both of the above scenarios, AI tools can help sales and marketing organizations streamline the way they manage leads, forecast sales and prices, and curate the overall customer experience.

At first, marketers can bolster the effectiveness of inbound campaigns with hyper-targeted content, automatically collated by the AI engine by crawling the company's website for blog articles, case studies, white papers, ebooks, videos, and more. They can also create visually-appealing advertisements that are contextualized for each customer in real-time, boosting engagement and conversion from campaigns.

Further, the task of cold calling can be automated with AI solutions such as virtual assistants so sales executives can divert their time and effort toward building stronger relationships with customers and closing deals. Lead qualification is another process that can benefit greatly from the adoption of AI. By enabling predictive lead scoring and account scoring, companies can narrow down on prospects who are most likely to close, should be targeted next, or match the customer profile of the company.

Pricing analytics is another interesting use case where the optimal price of a product is determined based on historical selling, pricing and buying data, thereby setting achievable, forward-looking sales targets. That reflects a paradigm shift from static pricing to dynamic pricing where the price is adjusted in real time based on external factors and customer buying patterns. And AI-powered pricing analytics have proven helpful for organizations looking to boost their conversion rates and reduce marketing spend on acquiring new business. An interesting example would be that of cloud businesses who are selling a commoditized product – compute and storage – and can drive sales by being cognizant of price sensitivity. The same may hold true for most commoditized B2B products and services.

Customer retention strategies can also be shaped significantly by proactively predicting customer churn and taking corrective measures, honing account-based marketing programs with rich data insights, and identifying revenue leakage across accounts.

In later sections of this whitepaper, we will discuss AI use cases specific to the sales and marketing functions in three industries – retail, banking, financial services and insurance (BFSI), and high-tech manufacturing.

Exploring the EDR dimensions of AI for sales and marketing success

In our thought paper, Demystifying the "Enterprise Opportunity Spectrum," we discussed how AI use cases can be classified into three modes – experience AI, decision AI, and research AI. Experience AI aims to enrich the customer experience through prediction and automation, encompassing applications such as facial recognition, augmented reality, hyper-personalized experiences, virtual agents, and natural interfaces. On the other hand, decision AI bolsters core processes and functional areas by employing machine learning and advanced analytics, facilitating the deployment of adaptive applications, enterprise bots and intelligent RPA, and enabling development and testing automation. Finally, research AI focuses on future-readiness by defining new applications of AI and identifying new challenges that can be tackled using intelligent technologies.

When we look at the marketing and sales value chain, we can classify the use cases of AI into experience AI and decision AI. And interestingly, some use cases exhibit bimodal characteristics, employing both experience AI and decision AI modes.

Experience AI	Decision AI	Experience and Decision AI
• Sales chatbots • Targeting and segmentation • Immersive UI	• Predictive lead scoring • Sales forecasting • Customized advertisements	• Sentiment analysis • Account -based marketing • Visual trends analysis

A prime example of that bimodal approach is that of sentiment analysis where natural language processing (NLP) is used to read and understand unstructured information on social media and other channels, and an AI algorithm – based on specific linguistic cues – deduces the prominent emotions emanating from that data. Similarly, when marketers look for visual trends from images on social media using image processing, which is the experience AI component, there is machine learning at the back end representing the decision AI component.

Apart from use cases discussed in previous sections of this whitepaper, companies across industries are actively pursuing AI and machine learning projects that challenge traditional business models, far beyond merely automating tasks and boosting customer experience. They are making significant investments in intelligent technologies to uncover greater possibilities of creating exponential efficiencies and cost savings and advancing innovation. That is in line with Gartner predictions, which state that 40 percent of companies by 2025 will shift from designing for humans to architecting humans by deploying human augmentation technologies and methodologies.

The most futuristic use cases of AI can be classified as research AI, where technological developments, as recent as six to twelve months ago, have presented substantial evidence around the role AI can play in augmenting business processes. Some of the notable innovators of research AI use cases include:

- **People.ai:** This company has a revenue intelligence system which collects data on sales activity to understand where sales team spend most of their time and effort. It analyzes that data to deliver critical insights, helping sales executives decipher why deals are stuck, while recommending the possible course of action. Moreover, it allows them to benchmark their performance against top sales reps and highlights attributes that make them star performers.

- **Calendar:** The application helps sales executives find the best meeting times by studying and analyzing data from their calendar use. Using its in-built smart scheduling features, sales reps can minimize time and effort spent on back and forth emails for setting up meetings.

- **Crystal Knows:** Using information scattered across the web and on platforms such as LinkedIn and Salesforce, Crystal Knows creates a personality profile for every prospect a sales professional meets. Moreover, it provides personality-based email templates so the sales rep can interact with the recipient more engagingly.

- **Quill:** A revolutionary idea in the content marketing space, Quill from Narrative Science is a natural language generator that analyzes online content and digital data to identify critical facts, words, and language that should be a part of the company's sales interactions. Based on those insights, it builds content that complies with brand guidelines and style and tone of voice choices.

Reality or hype: Busting AI myths with proven industry use cases

In this section, we will discuss the application of AI across marketing and sales workflows in retail, BFSI, and high-tech manufacturing industries.

Retail

According to a report by BCG, retailers that implement personalization strategies see a 6-10% increase in sales two to three times faster than retailers who don't. Personalization is not only restricted to online commerce where historical transaction and browsing data is leveraged to enable product recommendations and contextual interactions. It may also extend to the in-store experience where targeted notifications can be sent to consumers' mobile phones based on where they are in the store and their propensity to buy a product near them. That way, brands can interact with customers within their stores without having to employ a large salesforce, while matching the same level of customization that comes from interacting with a human sales representative.

On the merchandising front, AI can help in deciding the product layout within the store. Using sales data and employing machine learning, retailers can mine patterns in customers' buying preferences and find out which products are usually bought together. Such insights can help merchandisers decide which products to place next to each other, ultimately boosting sales. Moreover, retail heatmaps can be built from already existing CCTV footage where the video feed is analyzed to demarcate "hot" and "cold" areas based on shopper flow. Hot areas would represent locations within the store where customers are spending most of their time and cold areas showcase zones that are often ignored. From heatmap technology, merchandisers can get a sense of where they should direct their efforts to overhaul the look and feel of store zones. Further, the heatmaps can pinpoint times of the day when shopper flow is the highest and marketing efforts must be concentrated to yield better sales.

Other interesting use cases of AI have also emerged with clothing stores using AR/VR technologies in smart mirrors that allow customers to try on items of clothing without having to change their outfits in the dressing room. The technology superimposes selected items of clothing onto the person's image in the mirror, allowing them to browse through more SKUs, improving the chances of a sale. The same technology has also been used by Sephora to enable customers to try makeup products virtually. As AR/VR adoption is scaled up, retail stores will improve the customer experience significantly as buyers would not be forced to wait in long queues to try on items of clothing or feel restricted by the number of items they can try at a time (which is capped at most stores). It would also mean that the store's capacity to handle customer flow will increase and less cost and effort will be incurred on maintaining dressing rooms, restocking items that have been tried on, and preventing shoplifting.

Chatbots are also increasingly being used in the retail environment to enhance customer engagement. Chatbots or virtual assistants help customers by providing contextualized answers to their questions without having to interact with a human. Furthermore, retailers are improving the online buying experience by introducing image recognition capabilities within their website and mobile applications, allowing users to search for products by clicking a picture of an item they are looking to purchase. With lessening attention spans and challenges of information clutter, it becomes even more important for marketers to shorten the buying cycle — right from the discovery and interest generation stage. Enabling the buyer to find the right product to match requirements as quickly and efficiently as possible can make all the difference.

Banking, financial services and insurance (BFSI)

Predictive modeling is being extensively used in the BFSI sector to predict consumer behavior and inform sales and marketing strategy. By comparing the attributes of a loyal customer with those who have churned, AI-powered engines can help determine the factors that significantly affect the churn rate. Based on that information, customers can be ranked on their likelihood to leave, and marketers can build and run tailored campaigns to prevent churn.

Another exciting application of AI emerges in the form of "algorithmic trading," where a trading engine manages entire portfolios. Such intelligent platforms also provide portfolio recommendations based on the short- and long-term goals of the investor. Similarly, AI-based price forecasting applications leverage historical data and information on market dynamics to identify patterns in price movements and help investors predict market performance with accuracy.

In insurance, by harnessing telematics data from a customer's vehicle, AI can analyze driving behavior and adjust the policy premium to reflect how safely the insured is driving the car. Such innovative offerings — usage-based insurance in this case —are helping insurers promote customer-centricity and pushing the idea of choice. By empowering customers to make decisions on how much risk they expose themselves to, insurance companies are adjusting premiums to reward desirable behaviors. That would not only help insurers to improve policyholder experience and minimize claims, it would also attract new customers and lead to more renewals. While insurance may have a reputation for having been commoditized, AI is opening doors to create significant competitive differentiation.

Other common uses cases of AI in the BFSI space focus on customer experience – chatbots, virtual assistants, social listening, personalized ads, and more – which are being seen across industries. From programmatic advertising to hyper-contextualized email campaigns and retargeting, B2C banking and investment services are utilizing AI to drive conversions and harvest upselling and cross-selling opportunities. Considering the fast-paced lives that millennials lead, banks are increasingly embedding AI and machine learning across customer service processes in the form of next-generation self-service tools, enabling a tech-savvy experience and empowering the consumer. This intelligent technology is also being used for fraud prevention and to protect consumers and their data from hackers. This promotes goodwill and loyalty, necessary for boosting the lifetime value of the BFSI customer.

High-tech manufacturing

With the proliferation of IoT, real-time data collection has become the norm, and enterprises are being flooded with customer data, making it difficult for them to store, process and monetize that data. The adoption of AI can help companies effectively leverage that data to deliver exceptional results across product development, maintenance and repair operations, and customer experience.

For manufacturers of consumer electronics, data collected from connected devices serves as a critical input in the research and development of newer products. That information also helps uncover glitches and bugs that may have been missed during testing, which can be fixed promptly, preventing product recall and warranty claims. For instance, mobile phone companies ask users to participate in their user experience program to study how users are using their devices, which apps they install and use regularly, and any performance issues they might be facing. Insights from such analyses drive product strategy and help in building a more holistic, feature-rich products.

On the other hand, fast-moving consumer goods (FMCG) giants face serious challenges across the sales and distribution value chain that may be difficult to tackle without the use of augmented human intelligence solutions. Restocking and placing the right product at the right point of sale at the right time is of utmost importance. By training AI/ML algorithms with FMCG/distributor/retailer relationships, companies can do so faster and more effectively. In the long run, such AI-enriched planning can help minimize trade partner churn by predicting demand accurately over time and recommending a perfectly balanced product selection to each store.

In the medical devices space, personalized health monitoring is emerging as a popular trend. That is in line with the paradigm shift in mindset from treatment to cost-effective preventive care. An example would be that of connected continuous glucose monitors (CGMs) used by diabetes patients to track glucose levels. AI can be used to correlate glucose patterns with patient behaviors and send personalized alerts to them in real time so they can understand how their lifestyle is affecting glucose levels. Wearable medical devices are also being used as early warning systems, where data regarding the patient's vitals is monitored continuously by an intelligent engine that compares it to prescribed thresholds and relays alerts to healthcare providers if there is a possibility of a life-threatening crisis occurring. Such interventions affect customer loyalty by ushering in an era of superior customer experience that is empathetic, personalized and highly responsive.

Another concept that is gaining popularity is that of product-as-a-service, owing to the advancements in IoT and sensor technology and proliferation of cloud, mobile devices and high-speed internet. Manufacturers can now lease their products to customers for a specified

period and manage their usage remotely. Data is regularly gathered from the installed products with the use of sensors and relayed to the manufacturers via cloud. AI algorithms are then used to analyze the data to identify usage trends, unearth upselling and cross-selling opportunities, and enable predictive maintenance. The same technology is also used to send personalized alerts to customers through mobile applications about the health status of their product, service updates, and exclusive offers to prompt orders for new products and services.

Conclusion

In the coming years, the marketing and sales function will make tremendous strides in the way it utilizes data and intelligent technologies to help companies achieve their growth and revenue objectives. With AI technologies, companies will be able to automate repetitive, time-consuming tasks, allowing sales and marketing professionals to focus on more value-adding activities and contribute significantly to the top line. From automating digital marketing campaigns and providing deep insights into customer behavior to streamlining contact center operations and personalizing after-sales service, AI will transform every process in the sales and marketing value streams.

For companies looking to empower their sales and marketing professionals with intelligent technologies, it is essential to remember that designing a prudent AI adoption strategy will be critical to the success of such a digitization program. On the road to achieving AI maturity, CMOs and chief revenue officers (CROs) may face multiple challenges such as budgetary constraints, lack of in-house technical skills, and organizational inertia to change. However, by forging a strategic partnership with a proven AI solutions provider and following a phased, incremental AI adoption approach, those challenges can be overcome.

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