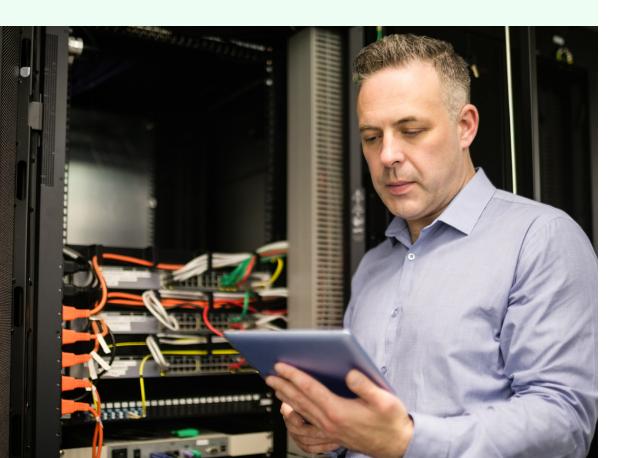
7 Ways to Use Al to Superpower Your Marketing Strategy





Al to the rescue



Artificial intelligence (AI) is the hot topic of the moment. And if you're anything like us, you can't find any piece of news or dig into your inbox without seeing an article about how it's changing the world (for better or worse). Regardless of your stance, there's no denying this fast-moving technology, and it's hard to tell exactly where it'll go.

At Twilio Segment, we typically lean toward early adoption of the latest in innovation. How can we better interface with the latest technology and improve the experience for our customers and in turn, their customers? Is it possible for us to do so safely, protecting your data while also pushing that innovation forward?

Below, we outline seven different ways to use AI to improve, safeguard, personalize (and more) your marketing campaigns as this technology continues to evolve.

7 Ways to Use AI to Superpower Your Marketing Strategy

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This content is co-authored by Twilio, SendGrid, and Segment teams.

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1. Amplify marketing automation



One of the biggest selling points for AI is the potential for automation. People use AI tools to build everything from a weekly grocery list to a 10-day itinerary for their next vacation.

For marketers, the automation that AI offers can be a revolutionary tool in making smarter customer communication, building customer loyalty, and tailoring customer recommendations. By simplifying processes and enhancing the overall customer experience using real-time data, AI-powered marketing automation gives you the tools and time back to keep enhancing those experiences.

Here are three ways to use AI to amplify marketing automation:

Facilitate chatbot communications

One of the key benefits of AI marketing automation is its ability to facilitate seamless interactions between marketers and customers using existing customer data to provide useful, intelligent feedback. And a great way to facilitate these interactions? Chatbots. Chances are, if you've dealt with one recently, it probably harnessed some level of AI.

Al-powered chatbots can engage with customers in real time, providing personalized recommendations (more on this in a bit) while resolving queries promptly without the delay that sometimes comes with human interaction. Over time, these chatbots increasingly utilize natural language processing capabilities that allow them to understand your customer and respond with empathy.

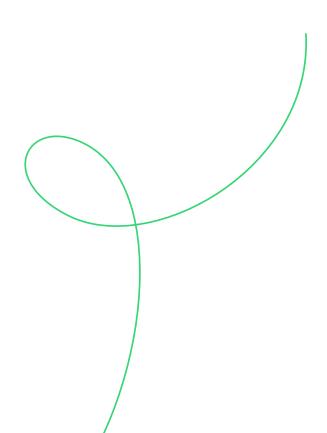
A great example of this is Segment customer Dialpad, a leading AI-powered communications and contact center platform. Dialpad worked with Segment to create a unified customer view by implementing a customer data platform (CDP). This platform allowed the team to collect and analyze data from various touchpoints, enabling targeted messaging and timely delivery via their AI-powered chatbot.

The integration of this real-time customer data empowered Dialpad to identify and resolve errors during the self-service checkout process, resulting in a 25% lift in sign-up completions supported by the implementation of an AI chatbot.



Implement smarter loyalty programs

Al can also empower customers by making brand loyalty a natural part of their customer journey. Traditionally, loyalty programs require customers to actively participate by accumulating points or coupons. By leveraging customer data, Al algorithms can identify loyal customers and automatically reward them with personalized offers or exclusive benefits. This automation simplifies the loyalty process, making it effortless for customers to stay engaged with a brand, fostering stronger customer retention.



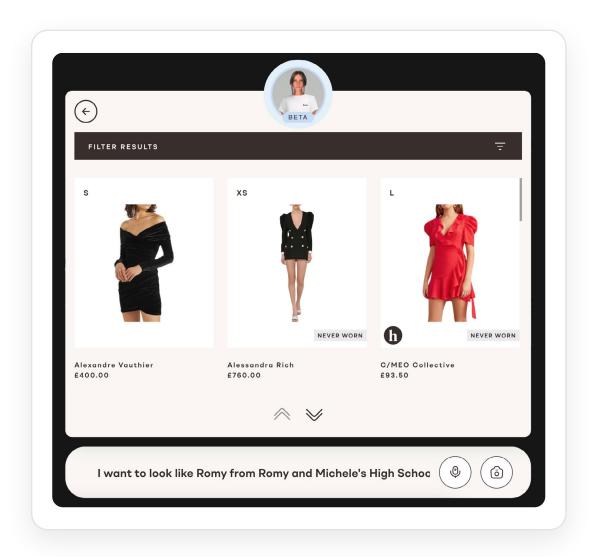


Tailor recommendations

Al-powered automation can also be a powerful recommendation tool, providing tailored suggestions based on individual preferences and needs.

A great example of this is the AI chatbot MAIA on luxury resale site <u>Hardly Ever Worn It</u>, which allows users to type in what they want (such as "I want to look like Romy, from 'Romy and Michele's High School Reunion,'" or "I need something to wear on a yacht in Croatia in August") and it'll pull all product on the site that Romy might wear or what you'd consider wearing on a yacht on a European island.

Automation like this saves the potential customer time and energy they might otherwise spend browsing through pages of product online or dealing with unorganized racks or an overzealous sales associate in person. Although you can implement this level of customized automation in various use cases, the bottom line is that it improves customer satisfaction and increases the likelihood of successful conversions.



2. Hyper-personalize customer experiences



The personalization aspect of AI is an exciting feature because of AI's ability to analyze vast amounts of customer data quickly and turn it into a customized experience for your customers. Personalization has proven to be a key driver in customer satisfaction and loyalty, with the average consumer expecting a certain level of personalization to continue doing business with your brand.

With AI algorithms, companies can use existing customer data to generate more meaningful insights and predict preferences and behaviors.

Here are a couple of ways AI can create more meaningful personalization for your business:

Use real-time data for better product recommendations

We already discussed MAIA, the AI-powered chatbot that can automatically pull products from across the Hardly Ever Worn It site with one question from a potential customer. This type of personalization is also available across other sites in ways you're probably even more familiar with, such as in "Recommended for you" sections on websites or apps like Netflix and Spotify

Recommendation engines can increase conversions by 50%.

Learn how outdoor adventure retailer Norrøna built a complete recommendation platform in six months.

See how →

But AI-powered recommendations are only as good as the customer data available. Similar to ChatGPT, which can only access information from before September 2021, if an AI bot doesn't have access to the most recent product catalog or real-time customer preferences, the recommendations presented won't be current and not as relevant or useful to customers.

An integral part of intelligent product recommendations is allowing the algorithm to analyze real-time data to make quality recommendations internally (such as product supply, popularity, and price point) and externally (such as customer browsing behavior and purchase history) From there, the AI can identify patterns to predict customer preferences and recommend relevant products or services that make the most sense for that user.



Use real-time customer interactions to create dynamic content generation

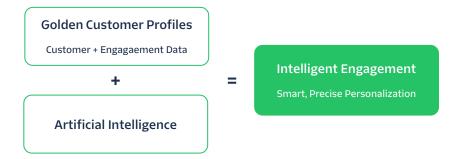
Another powerful way AI can help reach your customers is through AI-driven content customization, which is a fancy way to say you can use an algorithm to create tailored messages for customers based on segmentation.

Once again, having quality data is crucial here because your AI can analyze that data to segment the audience based on preferences, demographics, or behavior and generate personalized content variations for those segments.

Al can also take this personalization and adapt content based on real-time customer behavior. For example, if a customer frequently engages with sustainable fashion articles or filters search results to display eco-friendly products, a website can highlight its sustainable fashion initiatives and showcase environmentally-friendly options in real time to demonstrate immediate value to the consumer as they browse the site.

You could also use this personalization within marketing materials like email campaigns. Using the same example as above: after your customer/user reads a few sustainability articles and makes an eco-friendly purchase, you can send them emails with customized subject lines, curated content, and relevant product recommendations that help increase email open, click-through, and conversion rates.

Unlock better personalization with Twilio's CustomerAI.



Twilio's CustomerAI technology combines living customer profiles and real-time engagement data with AI to help businesses serve customers better. With Segment's "golden customer profiles" and generative and predictive AI, your business can build smart, precise personalization that engages your customers and keeps them coming back for more.

<u>Learn more →</u>

3. **Segment better, faster, and stronger**



We've already briefly touched on the value of customer segmentation and how doing so with real-time quality data can be instrumental for personalizing and automating your marketing campaigns.

Customer segmentation is when you target specific customer groups for effective messaging and campaigns. It helps you improve marketing return on investment (ROI) by tailoring strategies to different customer segments.

While (technically) you could segment your customers manually, automating it with AI has two benefits:

- It can quickly and accurately analyze large volumes of data for precise segmentation, then identify patterns within that data to create accurate customer profiles.
- It can use those personas to build quality ad campaigns using powerful optimization to ensure you reach the right audience with the right message at the right time.

Below is a look into how you can use Al's adept segmentation for the immediate benefit of your marketing campaigns:

Build meaningful customer personas

Once again, an algorithm is only as good as the data available to it, so collecting relevant, timely, and useful customer data via technology like a CDP will only help your AI perform better. You can also corral your data piecemeal, but a CDP is much more efficient and quicker at pulling in information like transactional records, social media, email addresses, and so on to have your data in one place. After doing so, you can put your algorithm to work, mining and processing this large volume of data into initial categories, like psychographics and behavioral data.

From there, your AI can process the data even further, identifying distinct customer segments by analyzing data patterns to group customers based on similarities. For example, if you were a gym looking to target your customers by certain classes and fitness goals, you could build audiences around workout patterns, classes, workout times, time spent at the gym, and other preferences. You could then create categories like "weight-loss programs," "strength trainers," or "early birds" and tailor your marketing strategy, messaging, and specific business offerings to suit each segment's preferences better.

Reach those personas with hypertargeted ads

After setting up various customer personas, use your AI to match those segments to relevant ads on Google or social media and enhance each campaign with real-time optimization. Then, optimize aspects of each ad, like the placement, formatting, and specific messaging and imagery, based on customer responses.

Continue to use AI to A/B test variations to improve engagement and conversation rates over time and don't forget to update personas as your customers' needs and behaviors change. To increase ad effectiveness and drive conversions, you need to continually utilize your algorithm to drive precise targeting through segmentation.

We'll share more ways AI can help improve your advertising strategy in our "Target and optimize ads" section.



4. Settle the (lead) score

Need to set up more efficient lead scoring for your business?

Check out our recipe with MadKudu for a step-by-step guide to set up a lead score strategy that will improve sales efficiency and accelerate your pipeline.

Get the recipe →

Traditionally, marketing teams score leads based on user behaviors, like downloading a piece of content, requesting a demo or sample, or signing up for a newsletter. Marketers give each of these activities a value, and once the lead has accumulated a certain number of points, they pass it off to sales.

Since this process can be manual and prone to human error, AI can help improve the efficiency and effectiveness of your company's lead scoring system. By tracking every interaction a user has with your brand and comparing that data against your best customers, AI can predict highintent and high-quality leads. Using AI, your business can quality and score leads more quickly, helping your sales team take action faster to engage a prospect at the right time in their journey.

Of course, AI-powered lead scoring can also help direct your marketing efforts. After identifying your high-intent customers, you can focus on creating more personalized, targeted campaigns and experiences for these users to win over their business and loyalty

5. Al copywriting



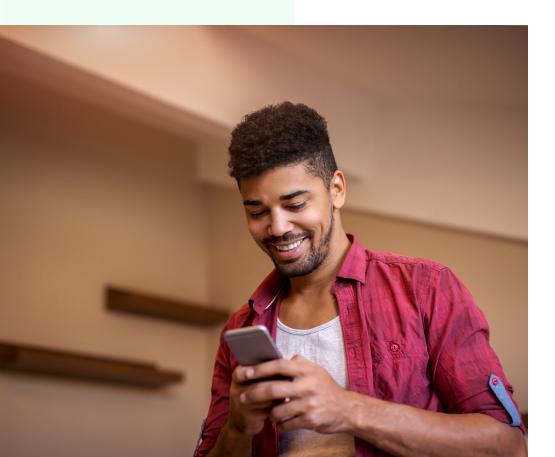
Al can also help marketers create effective copy in a fraction of the time. Instead of starting with an intimidatingly blank document, marketers can use Al to create outlines, rough drafts, and polished final drafts of:

- Ads
- Emails
- SMS messages
- Blog posts
- Landing pages
- Social media posts
- Product descriptions
- Webpages

Just remember, the quality of AI-generated copy depends on the information you give it. So be sure to use prompts that clearly explain what you need, what information it should include, and what tone or style the tool should use to create your copy.

Of course, no one knows your business and your audience better than you. That's why it's a good idea to scan any AI-generated content before you use it to ensure it's on brand and accurate (and fact-checking is a must). While it might not give you a polished final version on your first try, AI can give you a strong head start on creating content. And if you're someone who hates writing from scratch, you might love partnering with AI and using the tool to become a significantly more productive and efficient writer.

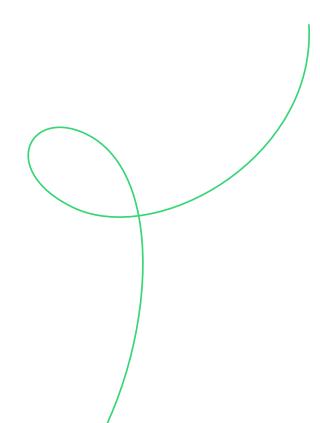
6. Understand tone, intent, and emotions in messaging



Al can use natural language processes (NLP) and machine learning to understand the tone of messages referencing your brand. Do your users talk favorably about your brand? Does the media harp on certain product issues and harm your business' reputation?

Instead of reviewing blogs, social media, chatbots, and news outlets manually, AI can quickly scan and analyze any text and tell your business the tone, intent, and emotions behind a message, also known as sentiment analysis.

Here are two ways marketers can use Al sentiment analysis to help their teams:



Measure customer sentiment

Sentiment analysis allows your business to understand how your customers feel about your products and services. Was their last product review favorable? Is there an opportunity to upsell them here? Or were they disappointed with the customer service they received when they called in with an issue, meaning your business should move cautiously for a while or try to win back their loyalty with an enticing offer?

Manually reviewing customer call logs, scanning social media posts, and reading product reviews isn't scalable. But AI can quickly analyze these data sources and understand the tone and intent of a statement rather than just the positive or negative connotation of the words a customer used.

This can help your brand:

- Identify and address user complaints quickly to improve customer satisfaction
- Understand how customers feel after a big announcement or product release
- Learn where your business delights customers
- Determine key areas of growth for your business

Track market sentiment

Your business can also use AI to analyze how media outlets, forums, and blogs talk about your business. Any negative media coverage can help your business identify areas of opportunity and take immediate action before these issues affect your brand's reputation. Of course, any positive coverage can help your business learn what works and help you refine your messaging to emphasize these strengths.

Together, tracking positive and negative market sentiment can:

- Help with brand monitoring
- Direct your business' PR strategy
- Analyze where your business succeeds
- Identify areas where your company can grow

7. Target and optimize ads

With rising customer acquisition costs (CAC) and the end of third-party cookies looming on the horizon, many marketers are turning to AI to help stretch their ad dollars further and improve lead quality. While it can help with ad text and imagery, AI can do so much more for advertisers, especially optimizing campaign performance and improving audience targeting.

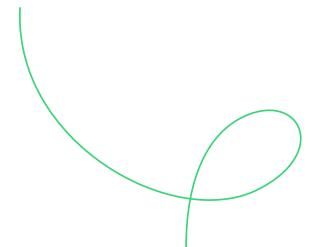
Leverage look-alike audiences

Do you know what your ideal buyer looks like? With look-alike audiences, your company can target users with similar characteristics and behaviors to your highest-value customers. Chances are, these users will be the most likely to convert and do business with your brand, so identifying and marketing to them is valuable.

Al can analyze your top customers and compare their demographics, behaviors, attitudes, and more against your prospects to help you identify the key accounts to pursue. This allows you to target relevant audiences at exactly the right time, ideally improving conversion rates and the efficiency of your advertising campaigns.

Experiment with audience exclusion

Targeting the right users is only half of advertising. Ensuring you don't target the wrong users is the other half. With Al, your business can identify audiences you don't want to serve your ads to, whether current customers, users who have already converted, users from a specific location, or unqualified leads. AI can also help build and maintain exclusion audiences that you can sync directly to your downstream ad platforms. Excluding these users from your ads can optimize your ad budget and ensure your business only spends money serving your ads to qualified prospects



Unlock better ROI with retargeting

With cookies going away in 2024, advertisers need new ways to recognize audience behavioral patterns and use this data to serve ads to high-intent users at the right time. Al can help sort through and make sense of your first-party customer data, allowing you to identify qualified audiences that have demonstrated their interest in your business. Whether a customer has abandoned their cart, browsed and left your site, or hasn't made a purchase in a while, your business can use Al to build custom audiences for ad retargeting to serve users content targeted to their stage of the buyer's journey. Do this efficiently, and you can entice your prospects to try your products and services and your customers to continue doing business with your brand.

Are you prepared for third party cookies to disappear?

Download "Your Guide to Quitting Third-Party Cookies" for four ways to reduce your dependence on cookies before 2024.

Read now →



Superpower your marketing strategy with Twilio Segment



There are two ways to view AI.

You can fear and avoid it, wondering about its power but never trying to understand it. Or you can work to see the value it provides your business and educate yourself on how it can assist your company to work smarter, not harder.

Like all new technology, the education and onboarding process is often the most time-consuming. After learning how AI can interface with your existing platforms, take the time to ensure your customer data is in a great place before you implement this technology. After all, AI is only as smart as the data you give it. That's why you'll want to ensure you feed it clean and accurate data.

Segment can give you the tools you need to collect and clean customer and engagement data in real time. Our trusted data infrastructure, unified profiles, and open platform provides a mission-critical foundation for you to confidently and successfully transform your business with AI.

Learn how you can get AI-ready data with Segment, <u>schedule a demo now</u>.

Recommended reading



The 2023 Guide to Collecting and Analyzing Data

In this guide, we share what customer data is, the four customer data types, and how you can start to put it to good use for your customers in a safe, secure way.

<u>Download Now ></u>



The Ultimate Guide to Customer Segmentation

We explore the pros and cons of building or buying a customer data platform and discuss a third option, a blend of both

Download Now >



The Buy-In Blueprint: Unlocking Support for New Technology

Our step-by-step roadmap for achieving alignment and cross-functional collaboration for marketers and engineers to launch new software that supports both teams' needs

<u>Download Now ></u>



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If you would like to learn more about what Twilio can do for your business, please contact the Segment sales team.