
The Use of AI Technology

In Market Research



[Source] www.stock.adobe.com

Executive Summary

Artificial Intelligence has been an increasingly popular conversation topic among marketers trying to keep up with the latest technology. This tool will assist marketers in conducting market research tasks revolving around data analysis. Data analysis is a very time-consuming process that is used by marketers to conduct market research. Depending on the size of the data set and the number of variables, this can

consist of hours of work for a human because of the complex calculations required. With the help of an AI, this task would take seconds, and a detailed report would be at your fingertips that can be used to launch your marketing strategy. This white paper aims to explore the future of AI in marketing and answer the question, “How can AI technology strengthen the way I conduct market research?

Introduction

Artificial Intelligence is a relatively new technology that can be implemented in a variety of situations. AI has the capability to reason, learn, problem-solve, perceive, make decisions, and much more. AI shows no sign of slowing down either; A study conducted by Precedence Research found that the value of the artificial intelligence industry could be worth \$2.5 trillion by 2032 (Precedence Research, 2023). In this white paper, I aim to focus on AI integration into marketing, exploring the many ways it can be helpful and why you should consider implementing it into your marketing strategy. “Of all a company’s functions, marketing has perhaps the most to gain from artificial intelligence” (Davenport, Guha, Grewal, 2021). Many manual marketing research methods, such as focus groups, surveys, data analysis, and analyst reports, can be labor-intensive, slow, and costly. AI has the potential to streamline these processes by using its powerful analytical capabilities to process vast amounts of data quickly and accurately.

Artificial Intelligence (AI)

- One or more computer systems that have the ability to perform tasks that would typically require human intelligence.

Market Research

- The action of gathering, recording, and analyzing data on consumer needs and preferences.

Marketing

- The activity or business of promoting and selling products or services, including market research and advertising.

Data Analysis

- the process of inspecting, cleaning, transforming, and modeling data to discover useful information, inform conclusions, and support decision-making.

Previous Approaches

The term “marketing” was coined in the late nineteenth century and was described as assisting in the buying or selling of products and services. Marketing as we know it today is obviously immensely different from that of the past, consisting of many more moving parts that simply were not possible in the nineteenth century. Early marketing efforts would often involve going door to door describing a product or service and trying to convince a consumer to buy verbally.

How Market Research Is Conducted

Marketers often stumble upon problems that lead to the need for a solution. The main way marketers seek solutions is through market research. Market research allows businesses to make informed decisions that can result in increased customer loyalty, sales, and profitability. Most research starts with a research plan, which entails the methods by which research will be collected, how long it will take, and how much money it will cost. There are many ways to conduct market research, one of which is focus groups. Focus groups are a convenient way to collect qualitative data from a group of people quickly. They often consist of 8 to 10 individuals who are knowledgeable on the topic, and there is usually some sort of incentive for attending the focus group. Surveys and questionnaires are an easy way to collect quantitative data. They are often used to gauge customer satisfaction, understand buying patterns, and determine which new offerings to develop. After the data is collected, it must then be analyzed through a lengthy process that involves many complicated calculations. As your data set and sample size grow, this analysis can become increasingly more complex.

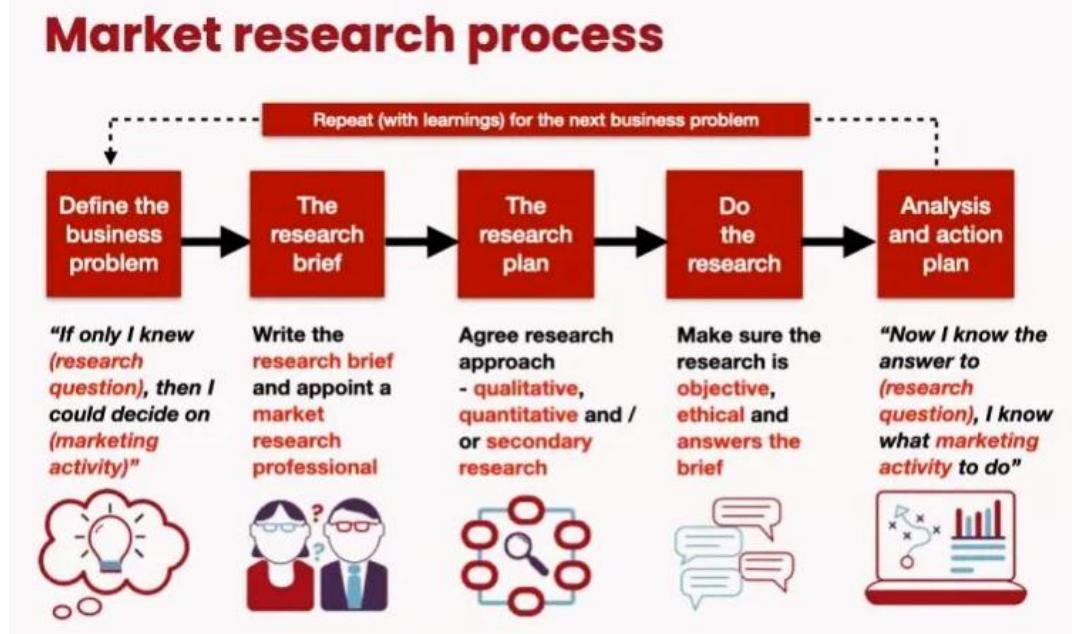
Qualitative Data

- Non-numeric data that describes characteristics or qualities

Quantitative Data

- Data that can be counted, measured, or given a numeric value.

Market research process



[Source] www.three-brains.com

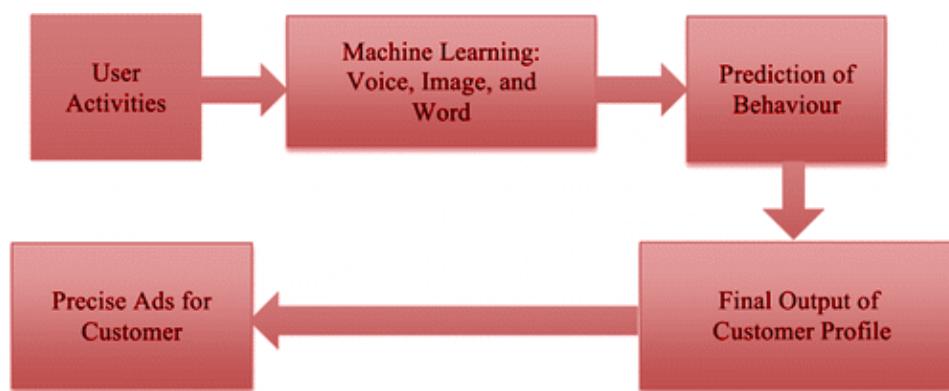
New Findings

AI-Enabled Consumer Intelligence (AICI) Systems

80% of marketers say AICI systems have the most significant effect on how customers interact with their brand (Minasyan, 2024). AICI systems are complex software programs that use data analytics, machine learning, and artificial intelligence to gather, process, and evaluate enormous volumes of customer data from various sources. These platforms give marketers a comprehensive understanding of customer behavior, preferences, and sentiment by using algorithms to extract insights, trends, and patterns from data. AICI systems combine data from a multitude of sources and transform them into graphics that can be easily read, saving time and money. Polymer states that AICI systems can perform a task that usually takes a human analyst 20 hours in 20 seconds (Polymer, 2024). With the help of AICI systems, marketers can focus on consumer efforts.

Predictive Analytics

Predictive analytics refers to the use of algorithms and machine learning to analyze data and predict future trends related to consumer behavior and market dynamics. The integration of AI-driven predictive analytics profoundly impacts market research strategies. World Scientific states that With the assistance of complicated algorithms and machine learning techniques, AI has the capacity to sift through extensive datasets, discover patterns, and predict future trends with remarkable precision (Haleem et al., 2022).



[Source] How AI Targets Customers, www.worldscientific.com

AI Chat-Bots

Chatbots are marketers who are always available. This AI technology engages customers with automated interactions and keeps viewers engaged because of the feel of a personal experience. It is 82% more likely that a viewer will become a customer if they've chatted with you first. (Barton, 2023). AI Chatbots interact with customers, conducting surveys, answering questions, and gathering valuable insights from customers. Chatbots are effective not only in retaining customers but also in market research. By having an always active chatbot, you are constantly gathering more quantitative and qualitative data on your clientele.

Job Security

Marketers are not going anywhere. Just like any other technology, AI has to be monitored very closely at certain times to ensure that it does not come to any incorrect conclusions. AI algorithms have access to massive amounts of data but lack real-world expertise. No AI is perfect just quite yet, they may come up with an idea that makes sense to them on paper, but in reality, it is completely out of the realm of possibility. While AI is dominating the data analytics side of marketing, some marketing jobs aren't ready for a complete AI takeover yet.

Tasks that researchers don't want to hand off to AI:



Sharing surveys
results



Making
recommendations



Writing a survey

[Source] www.qualtrics.com

Conclusion

All in all, the integration of artificial intelligence technology into market research is an important step in the industry, providing marketers with effective tools to improve their strategies. Predictive analytics, AI chatbots, and AI-Enabled Consumer Intelligence systems are just a few examples of the AI solutions that have completely changed the way marketers collect, evaluate, and use consumer data, as this white paper has shown. Although AI technology has enormous potential for improving market research capabilities, it's important to recognize that human marketers will always be needed to supervise and analyze AI-generated findings. Even with AI's improvements, human creativity and knowledge are still necessary to guarantee the relevance and accuracy of marketing campaigns.

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