Innovation Guide for Generative AI in Marketing

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By Analyst(s): Tia Smart, Benjamin Bloom, Rob Brosnan, Alan Antin

Generative AI has emerged as the latest technology disruption that impacts the entire enterprise. CMOs must orient themselves around its offerings and how it will impact their function. Uncover the dynamics of this market while learning how to pilot generative AI use cases.

Overview

Key Findings

- Generative AI (GenAI) is forcing CMOs to reevaluate their marketing roadmaps and add flexibility to incorporate GenAI in future plans. In fact, 45% of marketing leaders shared their time horizon to invest in GenAI is 12 to 24 months.
- Marketing budgets are facing increased scrutiny as martech spend remains stable but its usage continues to plummet. GenAI provides marketing leaders a sense of reprieve, with 60% of marketing leaders finding GenAI highly rewarding to support their marketing strategies.

Recommendations

- Evaluate your martech stack's existing capabilities of AI and machine learning (ML). Many vendors in your existing agreements are using AI/ML to power your tools; it is time to review how GenAI changes their existing roadmaps.
- Support the creation of GenAI use cases within the marketing function, and plan for how marketing can use it. Partner with relevant leaders (IT, D&A, legal/privacy) once you've outlined your GenAI usage.

Strategic Planning Assumption(s)

- By 2024, 70% of brands will redeploy at least 10% of their media budget to product placement in entertainment content.
- By 2025, organizations that use AI in the marketing function will shift 75% of their staff's operations from production to more strategic activities.
- By 2027, 80% of enterprise marketers will establish a dedicated content authenticity function to combat misinformation and fake material.

Contribute to Beta Research

The following research is a work in progress that does not represent our final position. We invite you to provide constructive feedback to help shape the research as it evolves. All relevant updates and feedback will be incorporated into the final research.

Market Definition

GenAI is not a market per se, like AI in general; it permeates the entire technology stack and the majority of verticals. The new way to interface with technology is bringing disruption to the technology usage patterns for both consumers and workers.

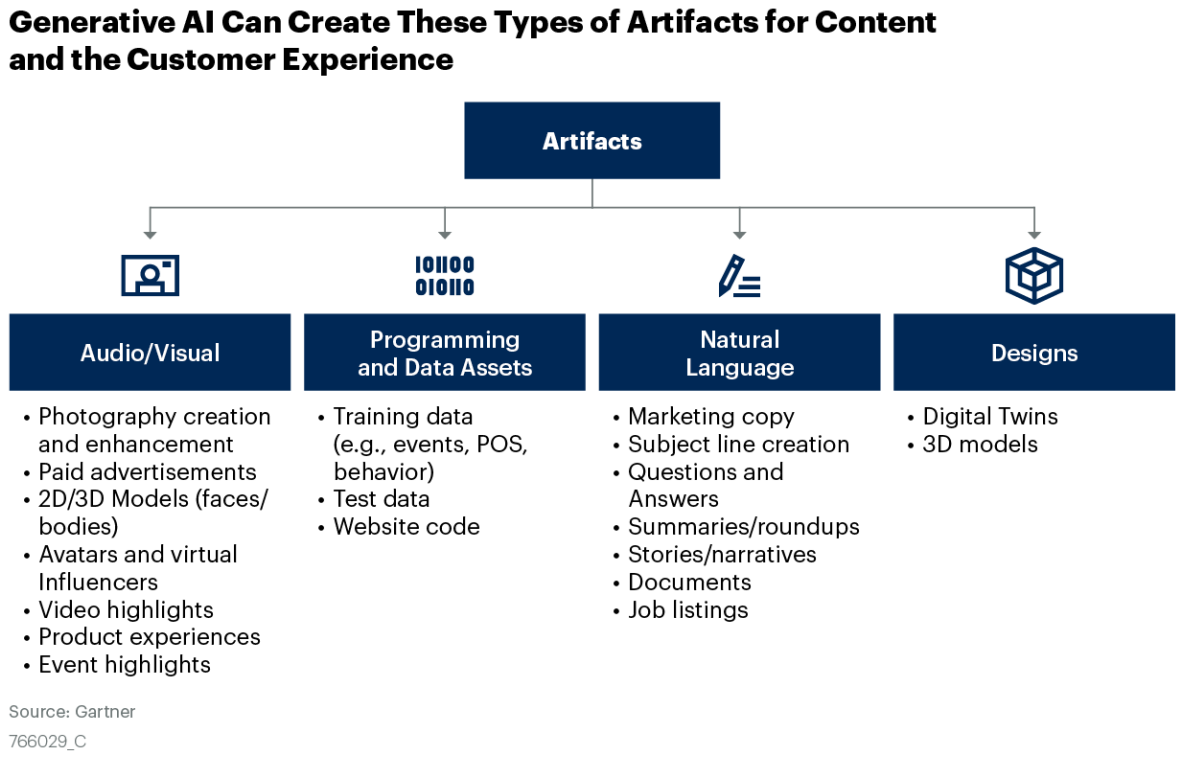
Gartner defines generative AI as technologies that "can generate new derived versions of content, strategies, designs and methods by learning from large repositories of original source content. GenAI has profound impacts on the business including content discovery, creation, authenticity and regulations; automation of human work; and the customer and employee experience."

GenAI in marketing can be used to create artifacts for content and customer experience. Vendors often can create multiple artifacts (see Figure 1):

- **Audio/visual** — This segment includes vendors who focus on using GenAI for image or video creation. It can be used to create 3D models, avatars and virtual influencers.
- **Programming and data assets** — This segment of vendors are for data scientists and web developers. The assets the vendors can create include website code, allowing for the testing and training of data.

- **Natural language** — The vendors in this segment are primarily used for marketing copy and subject line creation. They can also be used to create summaries, stories/narratives and even job descriptions.
- **Designs** — The use is primarily for new content types and uses (e.g., avatars, metaverse). This segment includes vendors who focus on creating 3D models for product content on e-commerce sites or product development, digital twins to use for virtual influencers or even deepfakes.

Figure 1: Generative AI Can Create These Types of Artifacts for Content and the Customer Experience



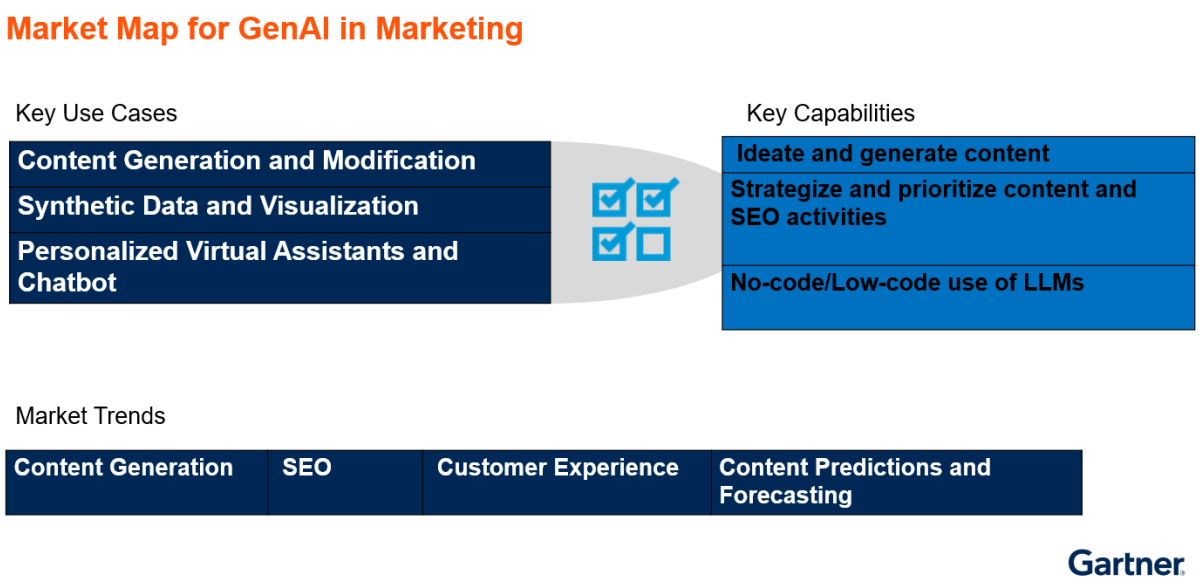
Gartner

GenAI has had several niche applications in the last few years, especially targeting use cases such as simulation, synthetic data generation, conversational AI, advanced intelligent document processing and search. The research in transformer-based models and large language models (LLMs) has been progressing rapidly over the last three years with a major breakthrough in 2022, culminating in the release of the GPT-based ChatGPT chatbot from OpenAI. The capabilities of ChatGPT illustrate the massive opportunity for LLMs being used in reinventing the interface with technology and the way we use data analysis and synthesis (structured, semistructured, unstructured).

Market Map Visual

Figure 2 shows the three primary use cases for GenAI in marketing. We observe the following market trends occurring for the use of marketing: content generation (audio, blogs, images, social media), SEO optimization, personalized customer experience interactions through chatbots and virtual assistants, and the ability to quickly predict and forecast content performance.

Figure 2: Market Map for GenAI in Marketing



Market Dynamics

Generative technologies and applications are diverse today, with a number of available vendors having multiple products within their GenAI product lines. For marketers, the primary usage driver we've seen so far in the market is creativity and content production. GenAI is a top priority for many vendors to include into their product portfolios if they haven't already. In fact, we predict that by 2026, more than 80% of independent software vendors will have embedded GenAI capabilities in their enterprise applications, up from less than 1% today.

GenAI already exists in martech solutions, and it will continue to expand as it becomes more of a staple in the martech landscape. Enthusiasm is rising for the potential of AI and its benefits, but CMOs already face a challenge — dropping martech use with a three-year low of 33% of estimated martech utilization. [1] Marketers believe GenAI's rewards are greater than the risk, but failing to solve for low martech use can hinder CMOs' ability to take on future investments (see 2023 Martech Survey: Utilization Plunges and Generative AI Anticipation Rises).

Market Evolution

The release of OpenAI's ChatGPT skyrocketed GenAI into the lexicon. ChatGPT captivated the world's attention and forced other mega vendors such as Google (Bard) to release their own AI earlier than expected. Existing marketing technology providers have named their AI tools as they create new GenAI offerings. AI is not a new capability; it has existed in martech solutions for decades, primarily in predictive (e.g., next best offer, predicting customer churn) and prescriptive (e.g., content recommendation) instances. AI/ML has been used interchangeably, but with the rise of GenAI, it may be time to revisit what these terms mean and how it will impact an organization's adoption of this new form of AI.

Put simply, the terms of AI and ML are:

- **AI** — Uses machines to mimic human intelligence to perform tasks
- **ML** — A type of AI, but you can develop AI through models that can "learn" from data patterns without human direction
- **GenAI** — An algorithm that creates new content (e.g., images, audio, texts, videos)

GenAI is reshaping how marketers could be working. The possibilities of it becoming a productivity enhancer is the primary selling point of why marketers are interested. Overall, three different types of GenAI are available in the market today:

- **Underlying technology** — This is primarily for the data scientists and software engineers who are familiar with data modeling and creating and building their own models. It allows for flexibility to provide marketers with low-code and no-code experiences.

- **Existing vendors** — As previously mentioned, AI capabilities already exist throughout your martech stack. GenAI has challenged existing vendors to show immediate value with their AI capabilities and how GenAI will differentiate them. Many have released limited options of their GenAI (e.g., copywriting assistants), and many have use cases in beta but are not generally available. The following vendors may exist in your current martech stack: Adobe (Sensei), Braze (Sage AI), Google (Bard), Optimove (Optibot, OptiAI), Salesforce (Einstein, AI Cloud).

- **Emerging vendors** — ChatGPT and DALL-E made a splash as they were released publicly. Emerging vendors are focused on content creation and increasing productivity for marketers. Many of the tools are building their own LLMs from OpenAI.

Business Benefits

As AI is being tested across organizations, CMOs have found a new purpose to bring value and enhance productivity. Gartner inquiries over the past year have shown digital marketers asking the following categories of questions:

- How are others using GenAI?
- How can I protect my brand with the rise of GenAI use?
- How can I use GenAI?

CMOs must empower their teams to stay abreast of emerging trends, but they must also face the complication of low use of existing marketing technologies. On top of this, 75% of CMOs report they are facing increasing pressure to cut their martech spend to deliver better ROI. [2] How can one champion the need for additional spend without proving the value of existing martech investments? While GenAI is upending existing roadmaps, it's providing CMOs an opportunity to revert from building two- to 3 year roadmaps, and instead build shorter roadmaps that allow flexibility and options to experiment. Instead of longer roadmaps, the goal is for agile ones, and ones that keep current martech investments' futures in mind to coordinate with.

The perception of what GenAI is capable of is high. Today, employees are concerned that they will be replaced by GenAI. In reality, its current uses are to do and replace tasks (e.g., subject line generation, image generation), but it will evolve to creating processes. GenAI's promise today is that it will enhance productivity so associates can work on more strategic initiatives. However, its future will radically reshape how marketers will work in the years to come. In marketing, the use cases vary, but GenAI has the most impact for marketing in the following use cases.

Content Generation and Modification

GenAI's biggest immediate benefit for CMOs is its ability to be a productivity enhancer. Instead of spending hours, days or even weeks generating ideas or drafts, GenAI can support idea generation. Marketers can use GenAI to modify audio, images, text and videos by typing simple sentences in most tools.

Synthetic Data and Visualization

The importance of first-party data and proving the value of marketing's impact to the organization continues to be a top priority. Synthetic data can be used to optimize limited data sources, mitigate bias and preserve privacy. It can also be used to train AI models and generate synthetic media (e.g., deepfakes, predicting eventual outcomes). GenAI can support data visualization tables and presentations.

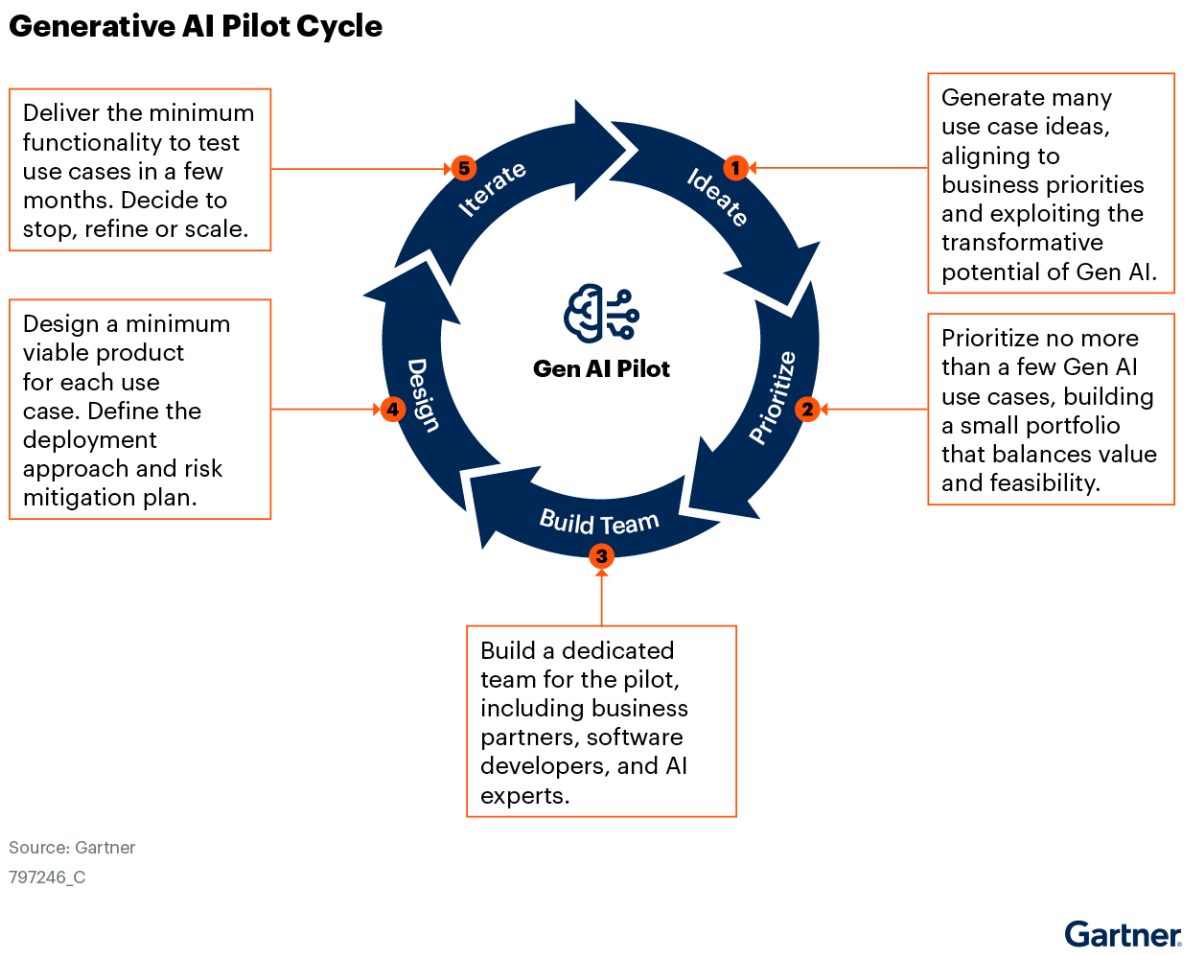
Personalized Virtual Assistants and Chatbots

While chatbots are used and trained on specific prompts, GenAI is adding new personalized customer experiences using natural language to engage with customers and prospects. GenAI has brought no-code capabilities to build and train chatbots and use customer data and profiles to provide customized experiences for virtual assistants and chatbots.

Piloting and Evaluating Vendors

A common theme when considering testing and evaluating GenAI vendors is understanding where to begin. CMOs must empower their teams to form possible uses of how GenAI could be introduced to help move the organization from tactical, on-the-fly workflows to strategic planning. Use this six-step process to pilot and evaluate GenAI vendors (see Figure 3).

Figure 3: Generative AI Pilot Cycle



Step 1: Ideate

The goal of this stage of deployment is to learn how GenAI can drive strategic value to not only marketing but also the wider organization's goals. GenAI has created buzz among organizations, but it can quickly become a disjointed initiative if organizations do not begin to identify use cases and stakeholders to support a unified and cohesive strategy of testing and using GenAI.

CMOs can stay ahead by building a marketing-led AI plan that outlines how marketing can begin piloting specific use cases that will impact the business. Work internally within the marketing function to begin laying out specific business goals and marketing plans to achieve with GenAI. Begin identifying key stakeholders within IT, D&A and legal functions who can be supporting partners (an advisory board) to support your pilot phase and ensure you are following your organization's protocols. The goal of the tests should be experimental.

Step 2: Prioritize

The ideate stage should generate multiple use cases for marketers to pilot in the efforts to test and learn with GenAI. However, a common pitfall of piloting tests is testing out too many pilots at the same time, and without a direction. Choose two to three specific GenAI uses that marketing would like to pilot. Then prioritize the chosen use cases by scoring them based on their **business value** and **feasibility:**

- **Business value** — How much does this particular use case contribute to your organization's strategic objectives (e.g., improved customer satisfaction, increased employee productivity and top-line revenue growth)?
- **Feasibility** — Does your marketing team have the capacity to support a pilot? Is this use case currently feasible with the technology available? How much support from the marketing function will you need to implement the use case?

Set timelines for how long the test will last, and outline specific metrics to track (e.g., increased productivity timelines, increased campaigns generated).

Step 3: Build a Team

The pilot team should include all relevant parties required to run the full pilot.

Primary team members should include the following:

- **Digital marketer/marketing operations** — These associates will be the primary owners of the pilot, who can help align the pilot to the marketing function's strategic goals.
- **AI ethical leader/privacy** — This role is less likely to exist within your organization currently, but this should be a leader who may be within your marketing or D&A function. This leader most likely will be a data scientist who understands your current data usage, who should have deep skills in knowledge transfer and help support the ethical use of data in the pilot tests.
- **IT leader** — This role serves as an advisory role and helps support the pilot's implementation. These leaders' goal is to provide front-end application support.

The team should stay in place for the duration of the pilot. Their level of involvement may evolve depending on the chosen use cases. However, their participation is key, as it places CMOs in a better position to pivot and improve when necessary and pull relevant resources to complete the pilot test.

Step 4: Design

The pilot team must quickly complete a design and planning sprint that lasts one to two weeks. The goal of this step is to plan to test a use case that will validate a hypothesis of the value it could create for customers or employees. Additional features will come later.

The hypothesis's value will be to tie to a specific business KPI to ensure the AI use case provides improvements to the business.

Assess the potential risks to the organization from a pilot GenAI test. Given the nature of many models coming from open sources, the imputed data/information you upload may be used to help teach the LLM you are using. All data provided may be factually incorrect or biased. Work with potential vendors to try to avoid the use of intellectual property in the pilot. While it may be difficult to avoid at this nascent stage of the technology's usage, seek out vendors who have formed coalitions to protect intellectual property. Adopt a deployment risk mitigation plan that factors in that solutions in this market may not have enterprise-specific sandboxes. Ensure you take the following steps to ensure your GenAI plan protects your organization:

- **Define policies.**
- **Use security controls.**
- **Opt out of hosting vendor's history.**

Step 5: Iterate

The final stage is an iterative process that your piloting team will build, test and refine the pilot's implementation. Set and adhere to time limits for each use case. Consider that each pilot should last no more than two months. This allows teams to move on to other ideas if the use case's intent is not reached.

Deliver the use cases, and based on defined KPIs and timelines, decide to stop, refine or scale the pilot.

Managing Risks

The rapid acceleration drives organizations to quickly adopt GenAI so they do not fall behind their peers. It can be hard to resist the urge to quickly test out any one of the numerous available solutions. Yet, there are not only brand implication risks but also risks to your organization's intellectual property. When taking on the challenge to test GenAI initiatives, CMOs need to manage the risk its implications may have on their organization. GenAI will have an impact across the organization, with IT holding primary responsibility for activities related to the use of AI/ML technology investments, with the marketing function as the second responsible owner. [3] As organizations coalesce around a unified strategy, marketing is at risk of ceding too much control over to IT. To avoid this, CMOs must participate directly in cross-functional discussions around the use of AI and share with key stakeholders marketing's perspective of the use of AI.

When adding GenAI into your marketing plans, plan for its use to apply only to specific instances, and outline the rules on how and who can use it, along with its intended purposes. Understand which security protocols would need to be in place when piloting GenAI activities. Consult your security/privacy leaders prior to launching the pilot. Consider the impact your AI use may have on your customers and prospects. Ensure any pilot testing that involves owned first-party data is updated in privacy policies, and voluntarily add notices when a customer/prospect is engaging with content or services generated by AI.

Vendor Profiles

The vendors listed in this Innovation Guide do not imply an exhaustive list. This section is intended to provide more understanding of the point solutions and their offerings in this market.

Table 1: Vendors

(Enlarged table in Appendix)

Vendor	Location	Product Name	Use Case(s)
AdCreative.ai	Paris, France	AdCreative	Content Generation and Modification
AI-Writer	Regensburg, Bayern, Germany	AI-Writer	Content Generation and Modification
Alpha3D	Tallinn, Harjumaa, Estonia	AI 3D Model Generator Designer Studio	Content Generation and Modification
Anyword	New York, New York, United States	Data-Driven Editor Blog Wizard Copy Intelligence Platform Anyword Boost Extension Security	Content Generation and Modification
Athics	Milan, Italy	Crafter.aiPortrait	Personalized Virtual Assistants and Chatbots, Synthetic Data and Visualization
Appier	Taipei, T'ai-pei, Taiwan	CrossX AIXPERT AiDeal AIQUA BotBonnie AIXON Woopra	Personalized Virtual Assistants and Chatbots, Synthetic Data and Visualization
Descript	San Francisco, California, United States	Descript	Content Generation and Modification
Frase	Boston, Massachusetts, United States	Frase	Content Generation and Modification
Gan.ai	Las Vegas, Nevada, United States	Gan.ai	Content Generation and Modification, Personalized Virtual Assistants and Chatbots
IFTTT	San Francisco, California, United States	Social Media Productivity Customer Communications	Content Generation and Modification
Landbot	Catalonia, Spain	Website Chatbot WhatsApp Automation Chatbot Platform	Personalized Virtual Assistants and Chatbots
Locofy	Singapore, Central Region, Singapore	Figma to code Adobe XD to code	Content Generation and Modification
LOVO	Berkeley, California, United States	LOVO	Content Generation and Modification
Luma AI	Palo Alto, California, United States	Flythroughs Imagine 3D Video to 3D API	Content Generation and Modification
Madgicx	Herzliya, Israel	Automation Creatives Targeting	Content Generation and Modification
Memorable	Dover, Delaware, United States	Memorable	Content Generation and Modification
neuroflash	Hamburg, Hamburg, Germany	neuroflash	Content Generation and Modification
Omneky	San Francisco, California, United States	Omneky	Content Generation and Modification
Outranking	Middletown, Delaware, United States	Outranking	Content Generation and Modification
Panjaya	Tel Aviv, Israel	Panjaya	Content Generation and Modification
Parallel Domain	San Francisco, California, United States	Data Lab Step	Content Generation and Modification
Pictory	Bothell, Washington, United States	Pictory	Content Generation and Modification
Rephrase.ai	San Francisco, California, United States	Rephrase.ai	Content Generation and Modification
Simplified	San Francisco, California, United States	AI Writer Graphic Design Social Media Video Editor	Content Generation and Modification
Synthesia	London, England, United Kingdom	Synthesia	Content Generation and Modification
Synthesis AI	San Francisco, California, United States	Synthesis Humans Synthesis Scenarios	Content Generation and Modification
Tavus	Houston, Texas, United States	Tavus	Content Generation and Modification
TextCortex	Berlin, Germany	TextCortex	Content Generation and Modification
Tome	San Francisco, California, United States	Tome	Content Generation and Modification, Synthetic Data and Visualization
Visme	Rockville, Maryland, United States	Visme	Content Generation and Modification, Synthetic Data and Visualization
WriterZen	Singapore, Central Region, Singapore	WriterZen	Content Generation and Modification
Zibra AI	Kyiv, Ukraine	Zibra Effects	Content Generation and Modification, Synthetic Data and Visualization

Source: Gartner (September 2023)

Contact Us

This is beta research and will be updated frequently in the content and variables presented. Gartner recognizes the vibrant and innovative GenAI community we are a part of and invites vendors to propose the inclusion in this tool by emailing us with relevant details.

Evidence

[1] **2023 Gartner Marketing Technology Survey:** This survey aimed to investigate the state of technology acquisition, adoption and use, including best practices for managing the technology stack, specific technologies in use and the degree of their adoption. It was conducted online from the end of May through June 2023. In total, 405 respondents were surveyed in their native languages across North America (n = 200), Western Europe (n = 173) and the Nordics (n = 32). Qualifying organizations reported enterprisewide annual revenue for fiscal year 2022 of at least $100 million, with 80% of the respondents coming from organizations with $1 billion or more in annual revenue. The respondents came from a variety of industries: financial services (n = 39), insurance (n = 39), manufacturing (n = 41), consumer products (n = 38), retail (n = 39), travel and hospitality (n = 34), healthcare (n = 38), pharmaceuticals (n = 31), media (n = 34), tech products (n = 34), and IT and business services (n = 38).

All the respondents were required to be senior decision makers, where the majority of their daily responsibilities mostly aligned with either business- or IT-focused marketing. Sixty-two percent of respondents were aligned to the marketing function, 18% to brand management, 11% to product marketing and management, 9% to customer services and 2% to IT or other business units.

Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

[2] **2023 Gartner CMO Spend and Strategy Survey:** The purpose of this survey was to look at top-line marketing budgets and identify how evolving customer journeys, C-suite pressures and cost challenges impact marketing's strategies and spending priorities. The research was conducted online from March through April 2023 among 410 respondents in North America (n = 205) and Western/Northern Europe (n = 205). Respondents were required to be involved in decisions pertaining to setting or influencing marketing strategy and planning, as well as have involvement in aligning marketing budget/resources and/or lead cross-functional programs and strategies with marketing. Eighty percent of the respondents came from organizations with $1 billion or more in annual revenue. The respondents came from a variety of industries: financial services (n = 44), tech products (n = 39), manufacturing (n = 55), consumer products (n = 43), media (n = 41), retail (n = 45), healthcare (n = 34), pharma (n = 38), IT and business services (n = 34), and travel and hospitality (n = 37).

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[3] **2021 Gartner Cross-Functional Customer Data Survey:** This study was conducted to establish guidance for marketing leaders who increasingly confront cross-functional data needs before they can properly execute customer experience innovation. The research was conducted online from May through July 2021 among 402 respondents in the U.S. (47%), Canada (5%), France (11%), Germany (11%) and the U.K. (26%). Respondents were required to have involvement in decisions pertaining using technology to integrate and/or using customer data to facilitate marketing, sales, analytics, etc. Eighty percent of the respondents came from organizations with $1 billion or more in annual revenue. The respondents came from a variety of industries: financial services (48), tech products (52), manufacturing (57), consumer products (36), media (48), retail (47), healthcare providers (40), IT and business services (31), and travel and hospitality (43).

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Recommended by the Authors

Some documents may not be available as part of your current Gartner subscription.

Use Generative AI to Enhance Content and Customer Experience

How Synthetic Data Is Creating New Marketing Opportunities

How to Pilot Generative AI

Board Brief on Generative AI

Tool: Vendor Identification for Generative AI Technologies

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