

CMOs strengthen customer connections in the age of Al

As AI technology progresses faster than people can absorb its implications, marketers are seeking to harness its content production capabilities to gain competitive advantage.

But free and low-cost generative AI tools used by consumers and agitators are escalating the potential hazards of fake content in social media. This makes it even more essential for brands to monitor content as part of efforts to maintain trust with customers.

Adding to these challenges is the need to collect first-party data to deepen customer relationships and loyalty.

To help you meet these challenges, this year's marketing predictions explore the rise of AI content generation alongside the growing need for content verification. In addition, they provide a look forward to the future of marketing where marketers will build strengthened loyalty and brand connection with customers.

Marketers can use these predictions to:



Prioritize strategic adoption of AI technologies with C-suite peers



Increase vigilance to respond to social media attacks and misinformation



Strengthen trust and customer loyalty



Prediction No. 1

Al-augmented operations allow for smarter data-driven decisions

By 2025, organizations that use AI across the marketing function will shift 75% of their operational activities from production to more strategic activities.



Source: Gartner

Al-augmented operations allow for smarter data-driven decisions



The evidence

Using AI to amplify content and journey orchestration will optimize segmentation and personalization efforts. As generative design AI accelerates time to market, marketers can use data to drive more agile responses.



The impact

- Applications of AI are set to improve KPIs of timeliness, quality and consistency.
- Machine learning and analytics can turn mountains of metrics into proactive operations that deliver unprecedented levels of availability and efficiency.
- Managing AI will require greater focus on upskilling of existing talent and end-to-end consideration of diversity, equity and inclusion.



The opportunity

- Focus on responsible AI that accounts for business and societal value.
- Create a fusion team of marketing, data and IT to collaborate on the technology stack.
- Start small. Once in production, begin shifting resources to focus more on data and insight activities.

Gartner clients can dive deeper into using AI to make smarter data-driven decisions: Use Generative AI to Enhance Content and Customer Experience



Increasing volume of fake content requires constant monitoring

By 2027, 80% of enterprise marketers will establish a dedicated content authenticity function.



Source: Gartner

Increasing volume of fake content requires constant monitoring



The evidence

The proliferation of generational AI and usergenerated content (UGC) will dramatically increase the volume and variety of content brands must monitor. Reputation management will become increasingly difficult in a volatile, polarized, high-velocity landscape.



The impact

- As the scale and complexity of AI-generated content increases, your brand will need dedicated resources to properly address massive content volumes.
- To monitor multiple concurrent topical threads for inaccurate or defamatory content at scale in real time, you'll need both technology and focused teams.
- Choreographed marketing efforts will allow you to better respond to social toxicity and content authenticity issues.



The opportunity

- Assess your current capabilities for monitoring content authenticity and social toxicity issues to identify the need for resources.
- Implement a more holistic approach to reputation management and content authenticity issues across your organization.
- Prioritize your investments in reputation and social toxicity response resources and technologies.

Gartner clients can dive deeper into how brands are monitoring and protecting their reputations: How to Prioritize Your Reputation-Building Efforts in Times of Pressure



Prediction No. 3

Consumers view product placement favorably

By 2024, 70% of brands will redeploy at least 10% of their media budget to product placement in entertainment content.



Source: Gartner

Consumers view product placement favorably



The evidence

By 2023, 85% of consumers with household incomes above \$120,000 (about 16% of the U.S. population) will pay for ways to avoid advertising. Two-thirds of consumers in 2022 say they'd rather see product placements in entertainment content than in separate ads.



The impact

While digital video advertising and digital display advertising are two of the top 5 channels into which brands have poured more investment in 2022, consumers with means are working harder than ever to run from online ads. However, sponsored content, including product placement, is a form of marketing that consumers say they largely approve.



The opportunity

- Assess your brand's maturity in the product placement space and prepare to experiment with the format.
- If product placement won't work for your brand's products and services, plan to invest more in the sponsored content formats that consumers find more tolerable than traditional digital advertising formats.

Gartner clients can dive deeper into how marketers are finding new ways to connect with customers: How to Mitigate the Effects of "Toxic" Ad



Loyal customers are essential for growth

One in three businesses without a loyalty program today will establish one by 2027 to shore up first-party data collection and retain high-priority customers.



Source: Gartner

Loyal customers are essential for growth



The evidence

Personalized loyalty content can engage highpriority segments and improve wallet retention and growth. By 2023, both B2B and B2C companies will increase their investments in loyalty programs as a percentage of their total marketing budget. But loyalty programs are not the only method to reward and retain customers.



The impact

The competition for customers' attention and first-party data will continue. The most effective loyalty programs will encourage ongoing digital engagement and customer data gathering. Personalization will become a competitive advantage and eventually an essential element for marketers in every industry.



The opportunity

- Center your loyalty program objectives around customer needs and expectations.
- Capture metrics for your loyalty programs across both attitudinal and transactional definitions of success.
- Leverage first-party data to segment member bases and deliver hypertargeted messages.

Gartner clients can dive deeper into how marketers are growing customer loyalty and business: How to Design Loyalty and Retention Marketing Programs That Engage Consumers



Prediction No. 5

AI in marketing can be used for good or bad

By 2025, 70% of enterprise CMOs will identify accountability for ethical AI in marketing among their top concerns.



Source: Gartner

Al in marketing can be used for good or bad



The evidence

As marketing organizations rely more heavily on AI, brands must avoid using advanced technology to influence consumers in creepy and inequitable ways.

By 2024, at least a dozen enterprises will come under fire in the media and legal proceedings for ethical lapses in their use of automation in marketing campaigns.



The impact

As governments draft guidelines for ethical use of AI, marketing is uniquely positioned to understand customer perspectives and the risks to an organization's trust and reputation. This puts the onus on marketers to address ethical AI issues, including algorithmic discrimination, data privacy, disclosure, explanation and consent.



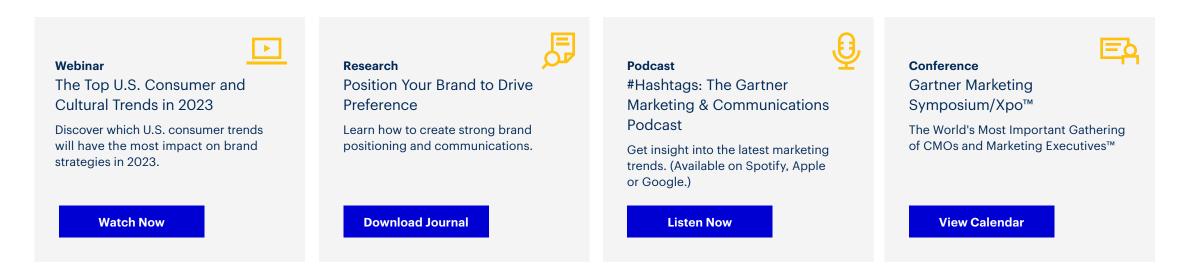
The opportunity

- Look beyond privacy to avoid manipulation and bias rather than just securing consent.
- Assure that marketing personnel, both internal and external, are fully versed in the relevant principles of data ethics.
- Allow customers to drill deeply into explanatory text on demand, use opt-outs as defaults and label Al-generated elements clearly for users.

Gartner clients can dive deeper into how marketers are managing AI ethics: Digital Marketing Leaders Need to Take a Bigger Role in Ethical Oversight of AI/ML

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