

The State of Generative AI in Marketing

August 2023



State of GenAI and the next 12 months

Foreword

The dynamic landscape of GenAI has been a subject of intrigue, anticipation, and speculation for many. As we stand at the cusp of a technological revolution, it becomes imperative to understand the perceptions, aspirations, and apprehensions surrounding this transformative technology. The MMA Global's comprehensive report, based on extensive surveys with over 100 companies, offers a timely snapshot of the state of GenAI as of July 2023.

Our findings reveal a fascinating interplay between the overarching **perceptions about GenAI** and the **strategic approaches** companies plan to implement for its **deployment** in the next 12 months.

As the narrative around GenAI is set to undergo significant shifts within this period, influenced by evolving perceptions and groundbreaking innovations, our commitment is unwavering in closely monitoring and understanding these imminent trends, we remain committed to keeping our finger on the pulse of these trends.

Overall Perceptions about GenAI

1. **Optimism Amidst Disruption:** A significant 75% of companies anticipate a major upheaval due to GenAI, with half of them sensing this transformation is already underway and gaining momentum. This disruption, is met with a prevailing sense of optimism, especially concerning its implications for individual careers but wanes slightly when considering broader impacts on nations and families. Furthermore, a consensus emerges around the need for regulatory measures, provided they strike a balance and do not stifle innovation.
2. **Hesitancy & Caution:** Despite the optimism, there's a palpable hesitancy. The majority prefer to tread cautiously, aiming to capitalize on industry insights as "fast followers". This cautious stance is further underscored by the fact that two-thirds of companies are still in the exploratory phase, and many grapple with concerns of potentially lagging behind.

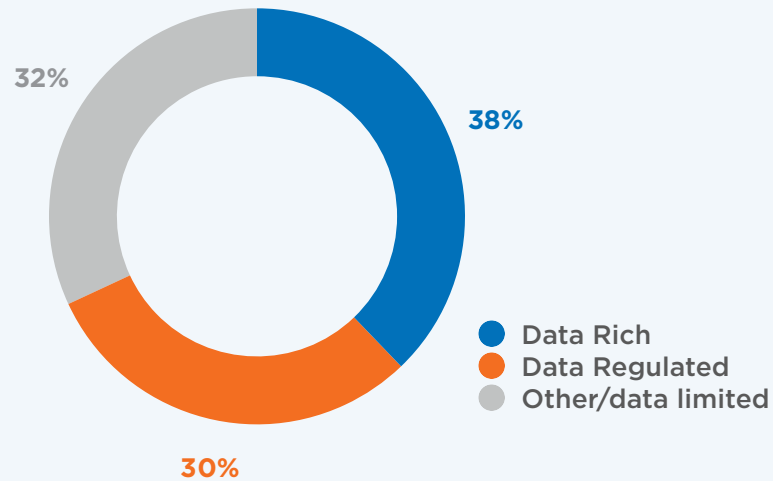
The Road to Adoption

1. **Pursuit of Efficiency:** At the heart of GenAI adoption lies the quest for enhanced efficiency, which has emerged as the most sought-after outcome. Yet, this pursuit is not without its challenges. Companies foresee an increased reliance on external partners in the upcoming year to navigate migration to GenAI and navigate its complexities.
2. **Use Cases in Focus:** The potential of GenAI to disrupt is evident across a myriad of use cases. Customer Support, Content, Forecasting, and Creative Optimization are at the forefront of this disruption, with most marketers conducting testing in these areas. Similarly, marketing channels, especially search and content, are poised for significant transformation.
3. **Risk Prioritization:** As with any innovation, GenAI brings its set of risks. Legal, reputational, and financial risks have been identified as primary concerns, in that order. Interestingly, companies are currently more inclined to strategize around mitigating financial risks, possibly at the expense of reputational risks.

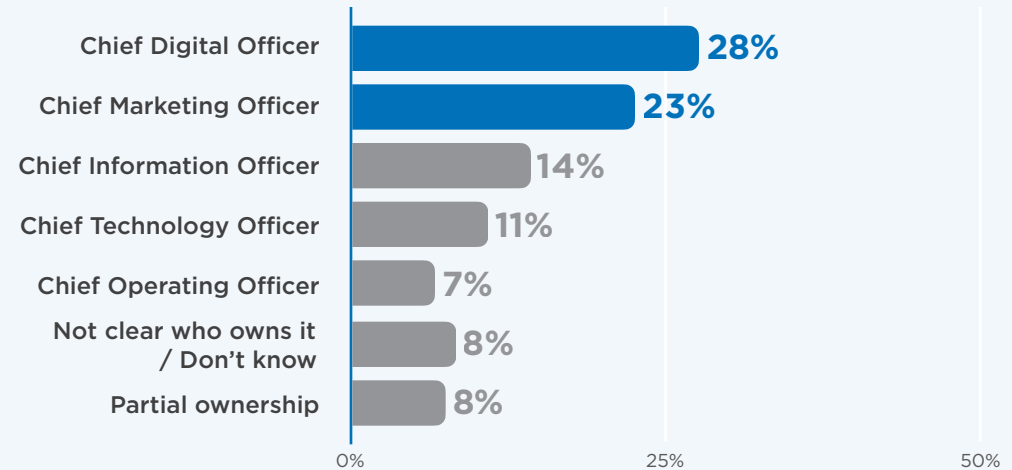
Study objectives

1. Understand key perceptions and strategies when it comes to GenAI.
2. Assess how organizations are approaching adoption of the new technology.
3. Establish a benchmark to track industry trends.

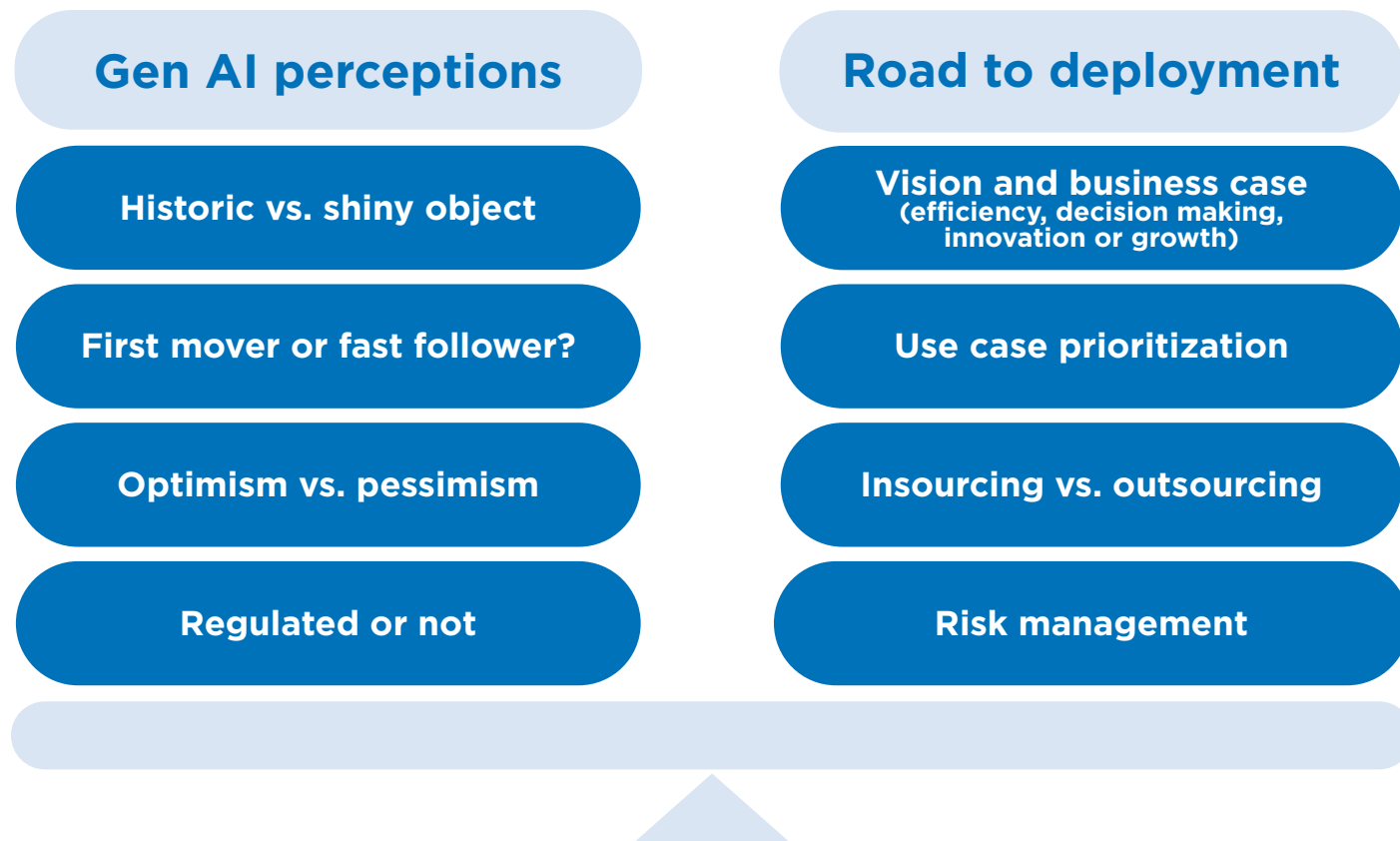
Company Sector



Owner of GenAI



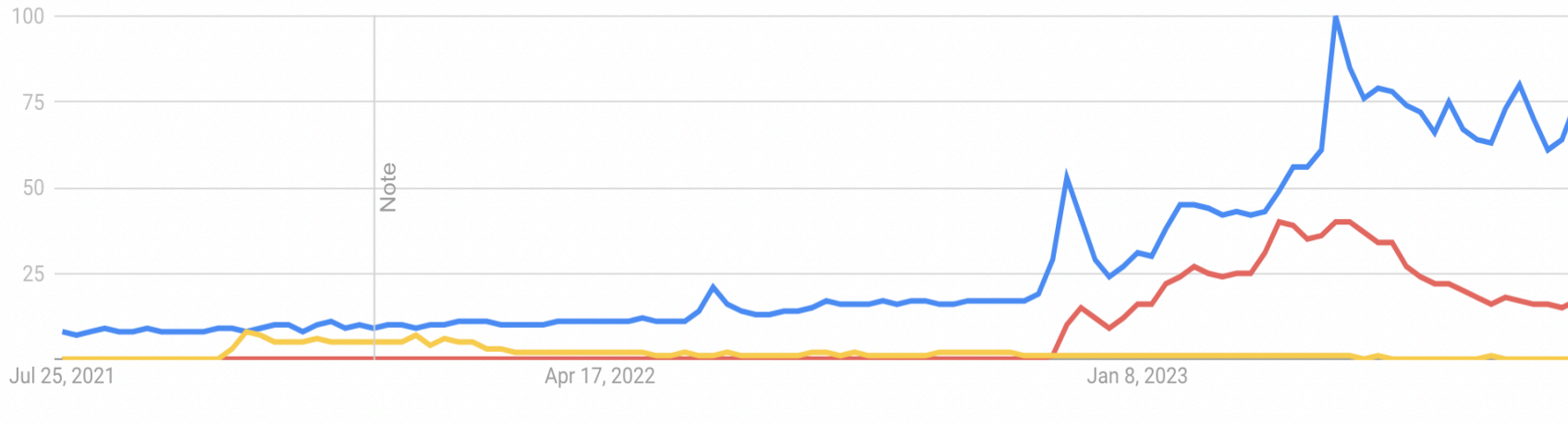
Scope of the investigation: the study examines the interplay between overall perceptions about GenAI and how companies will approach deployment





STUDY TIMING: Fieldwork took place in July 2023

As of the writing of this report, perceptions about AI and GenAI are very fluid



AI

ChatGPT

Metaverse

Caveats:

1. AI perceptions are highly dynamic and fluid
2. Survey captures a moment in time

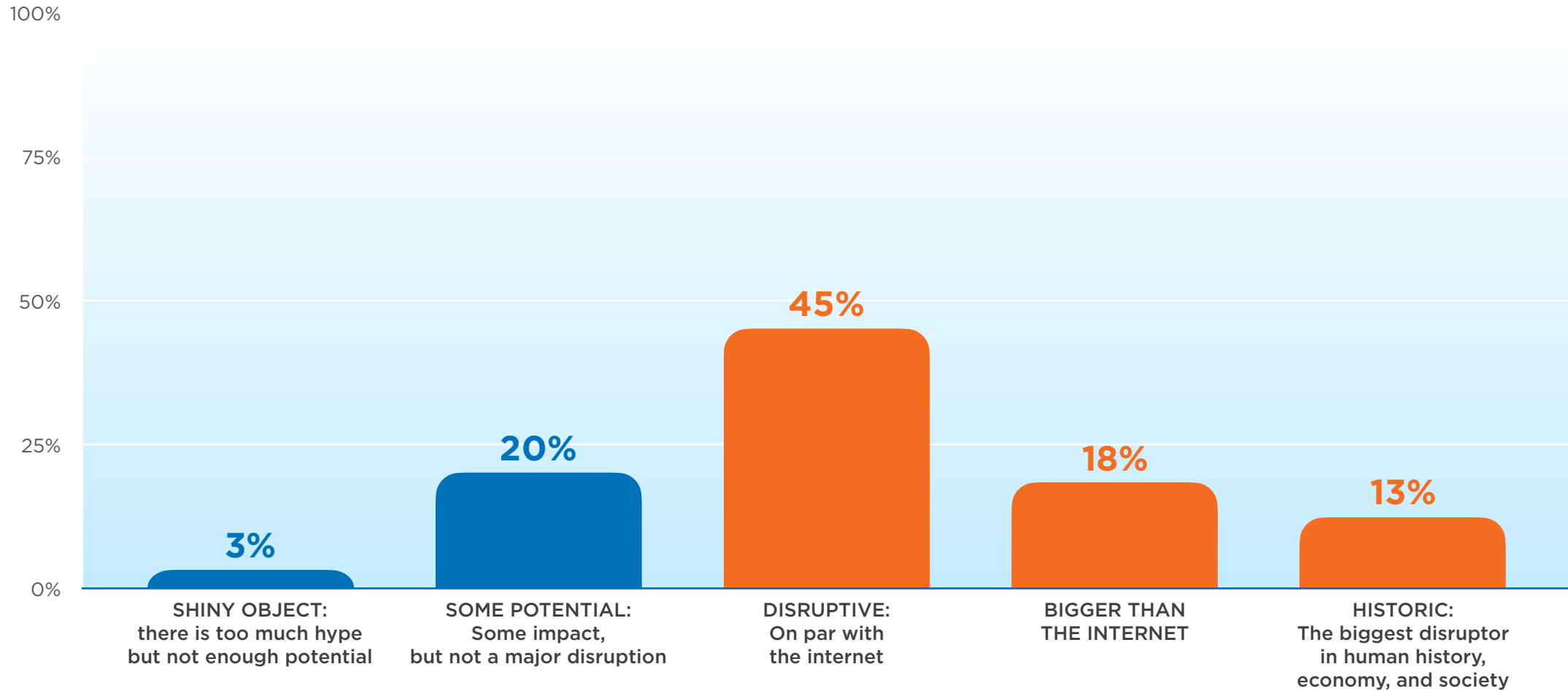
GenAI Perceptions

- 1 **OPTIMISM** in the face of **DISRUPTION**
- 2 **HESITANCY** in the face of the **UNKNOWN**

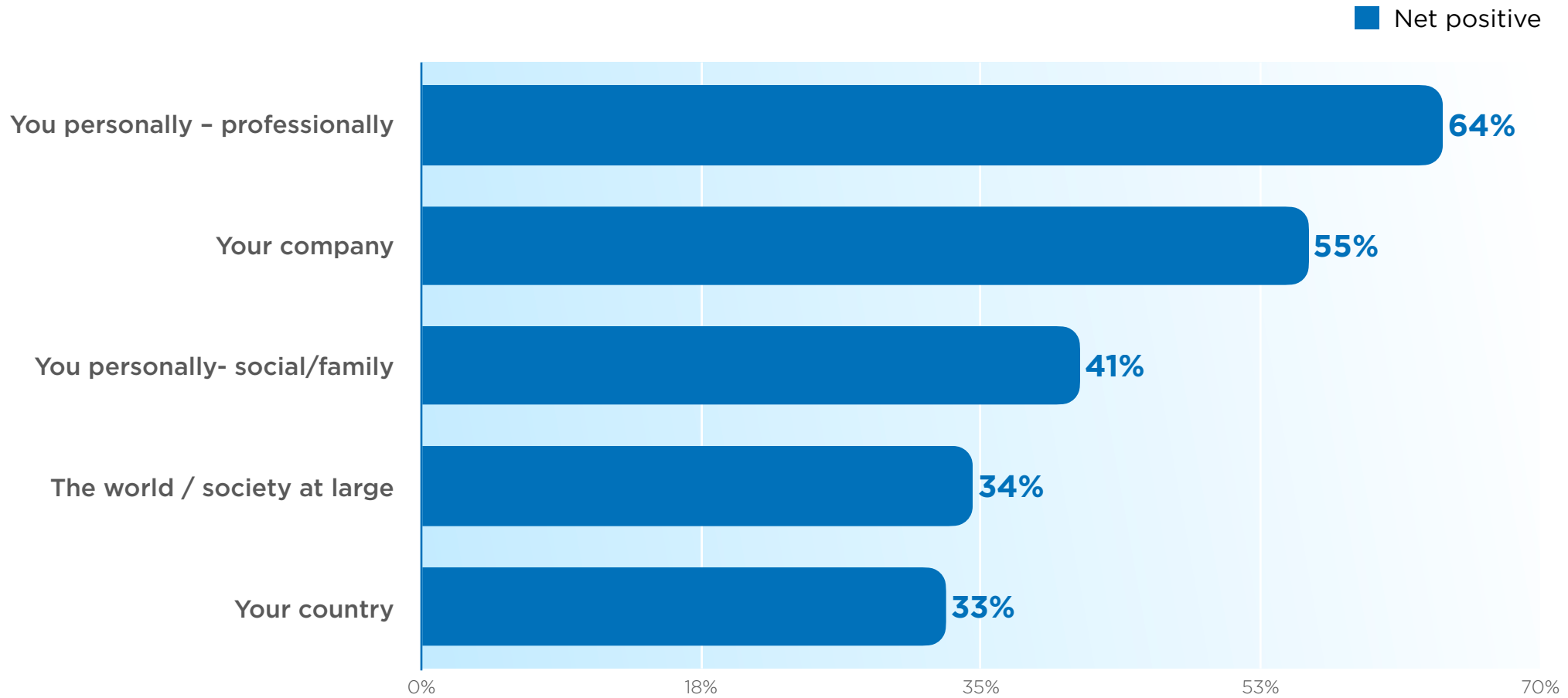


DISRUPTION FROM GenAI:

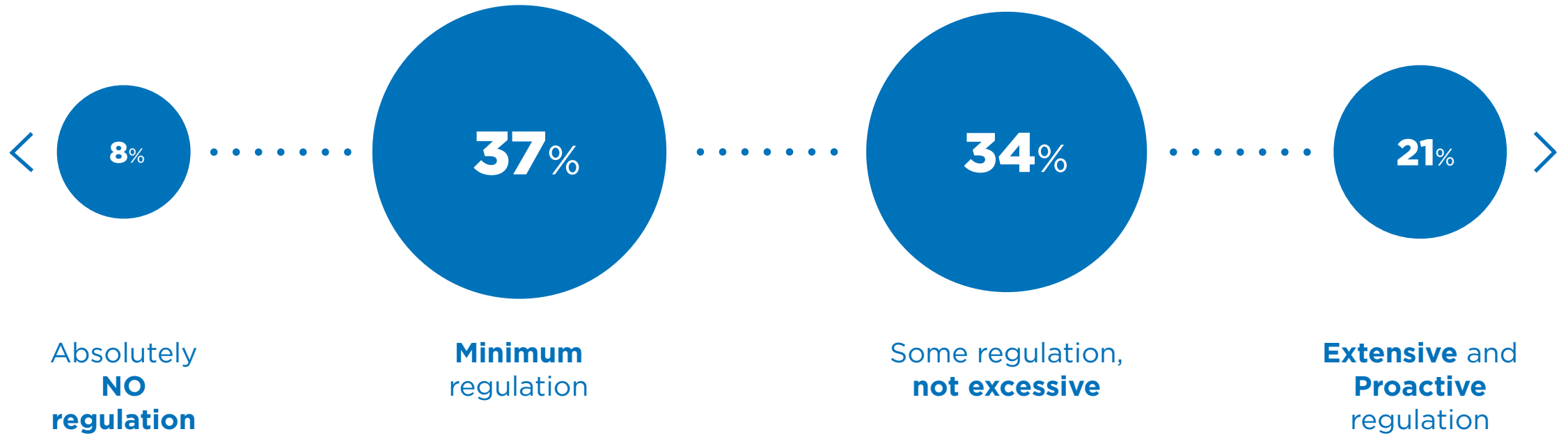
Three quarters expect GenAI will be a major disruption



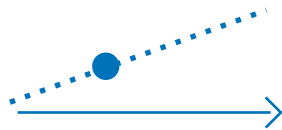
SENTIMENT: Broad sense of optimism, although a little less for the world



REGULATION: Minimum or some, but not excessive



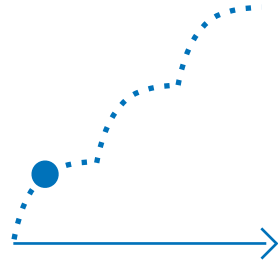
|| PACE OF CHANGE: More than half (58%) think a big acceleration is happening



Linear

18%

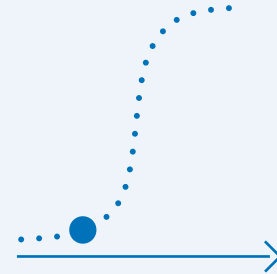
Steady and linear advancements over the next 5 years



Discontinuous

24%

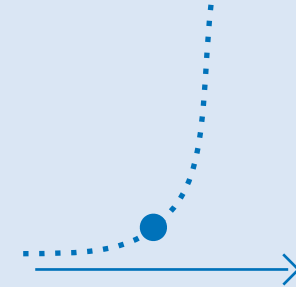
There will be periods of sudden leaps followed by relatively slow progress



S-Curve

24%

After a slow start, we are now seeing an acceleration, that will eventually level off / reach maturity

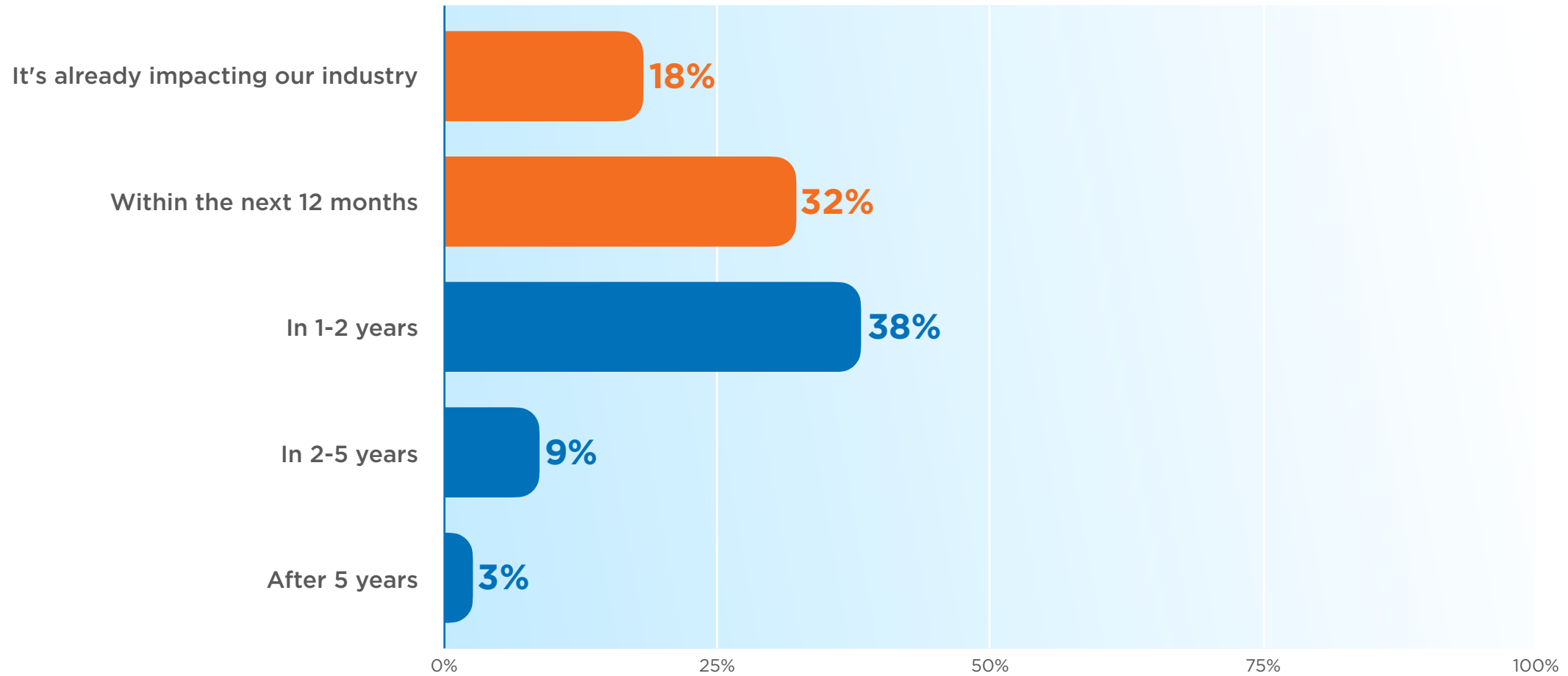


Exponential

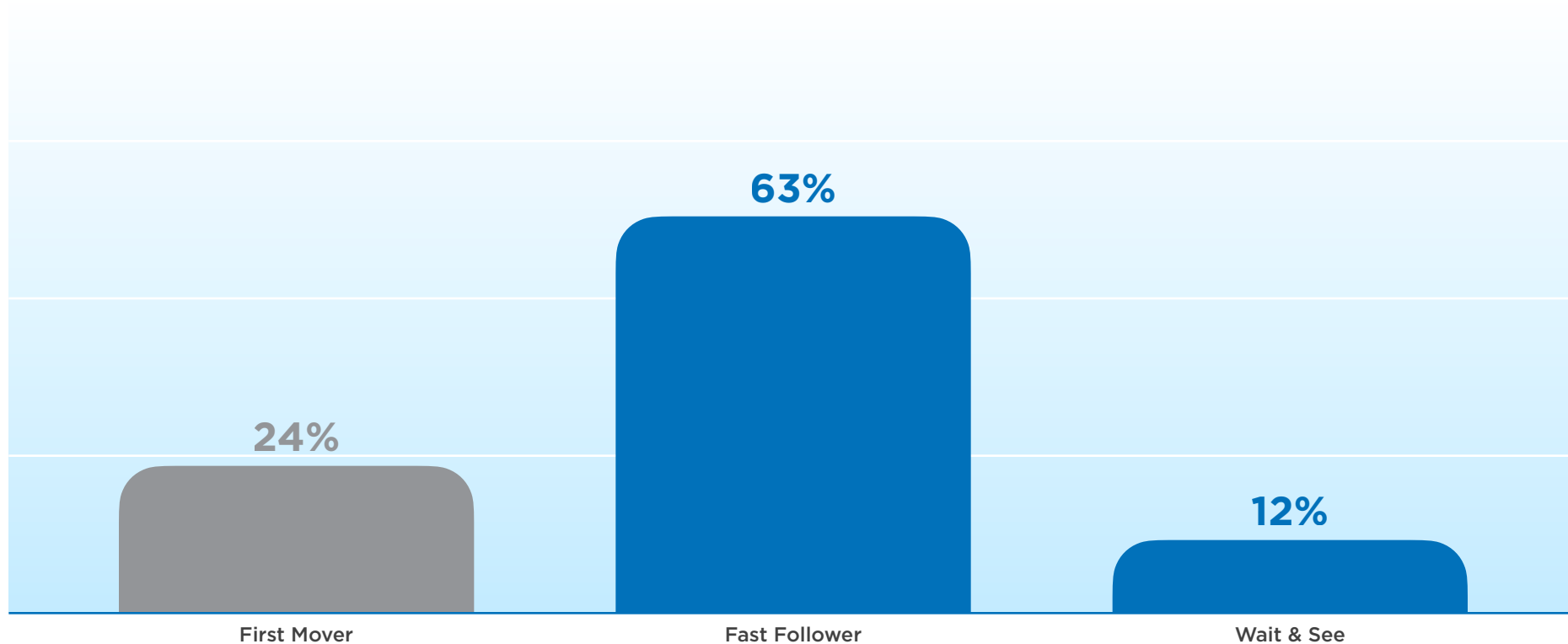
34%

The pace of change only accelerate in the next 5 years

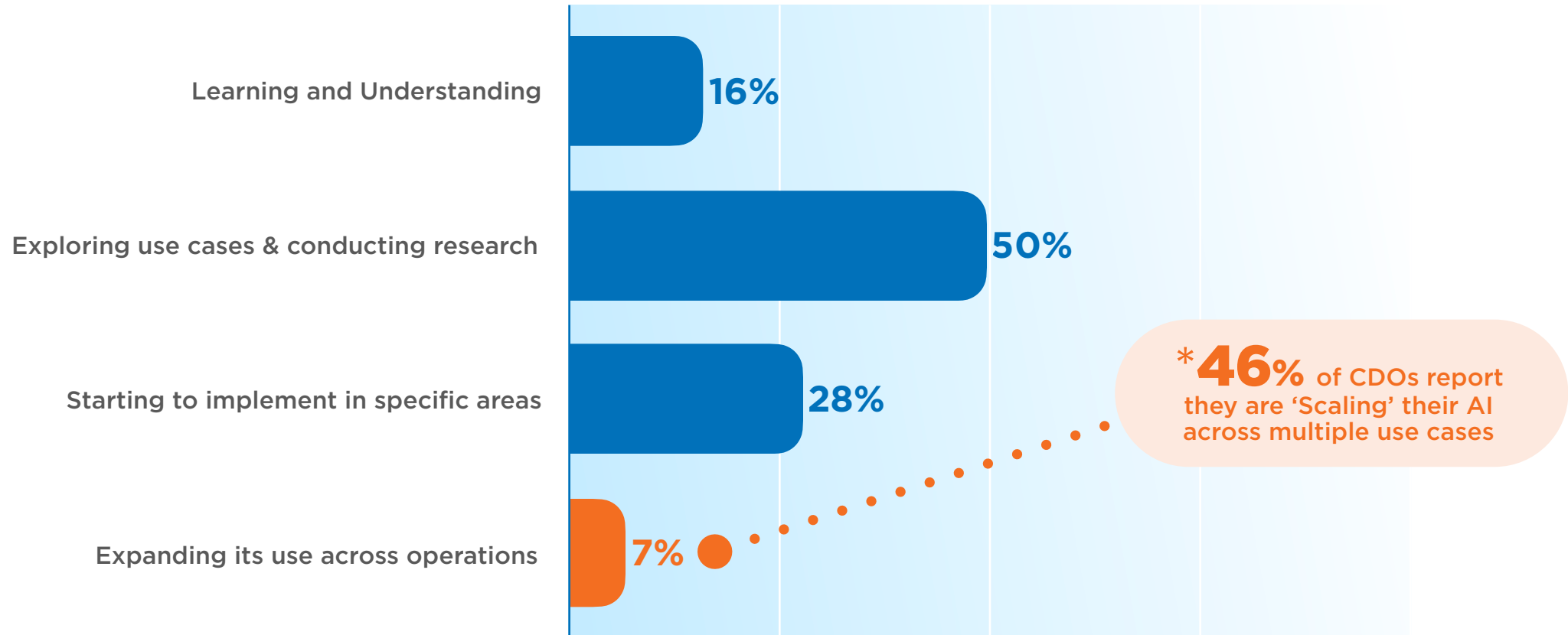
IMPACT: For many, GenAI is already “real”



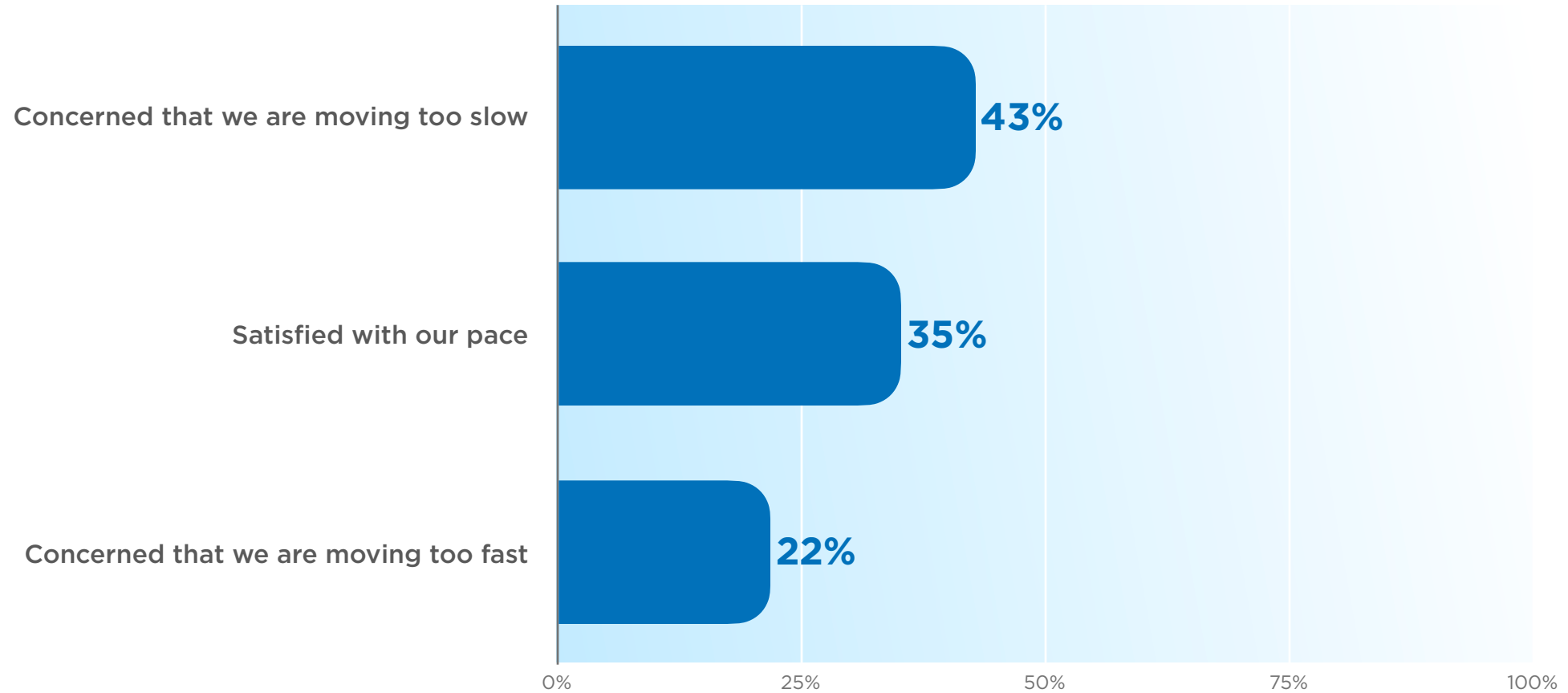
PACE OF ADOPTION: The majority prefers to build on Industry learnings



STAGE OF ADOPTION: Most are in stages of learning & exploration



LEVEL OF CONFIDENCE: Many are concerned they move too slow



Overall perceptions on GenAI

OPTIMISM in the face of DISRUPTION

1. Three quarters of companies expect a major disruption from GenAI, while about half think that the change is already happening and accelerating
2. There is a general sense of optimism, primarily for the impact of GenAI on personal careers, but less on country and family
3. The majority of companies are in favor of some regulation, as long as its not excessive

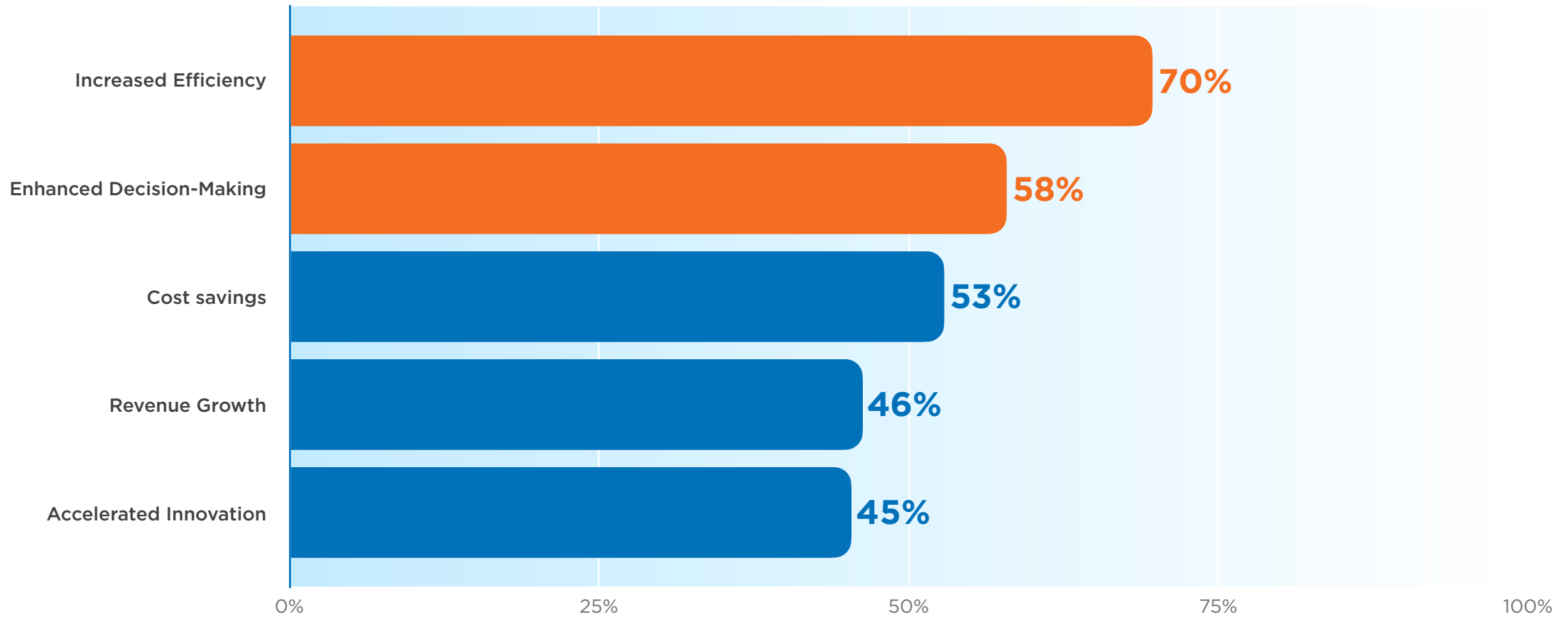
HESITANCY in the face of the unknown

1. Still, the majority is planning to be a fast follower and build on Industry learnings, so two thirds are still in stages of learning & exploration
2. Many companies second guess their choice, being concerned they are moving too slow

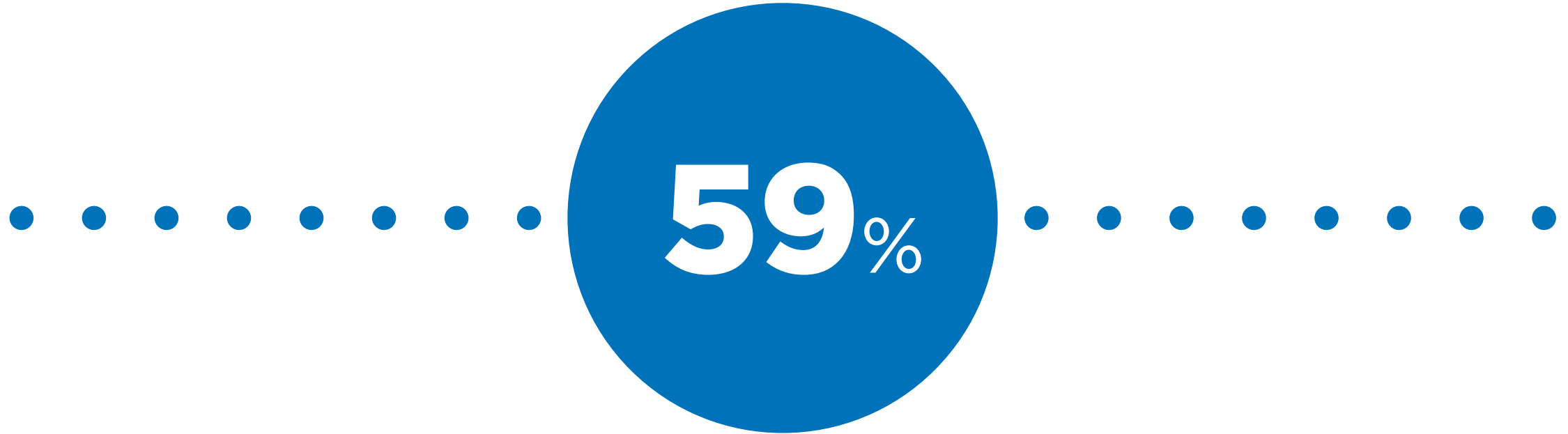
The road to adoption

- 1 The Search for Efficiency
- 2 Prioritizing Use Cases
- 3 Prioritizing Risks

OUTCOMES: Efficiency & decision making are the main “lenses” for GenAI



USE CASES:
Significant disruption is expected across the board

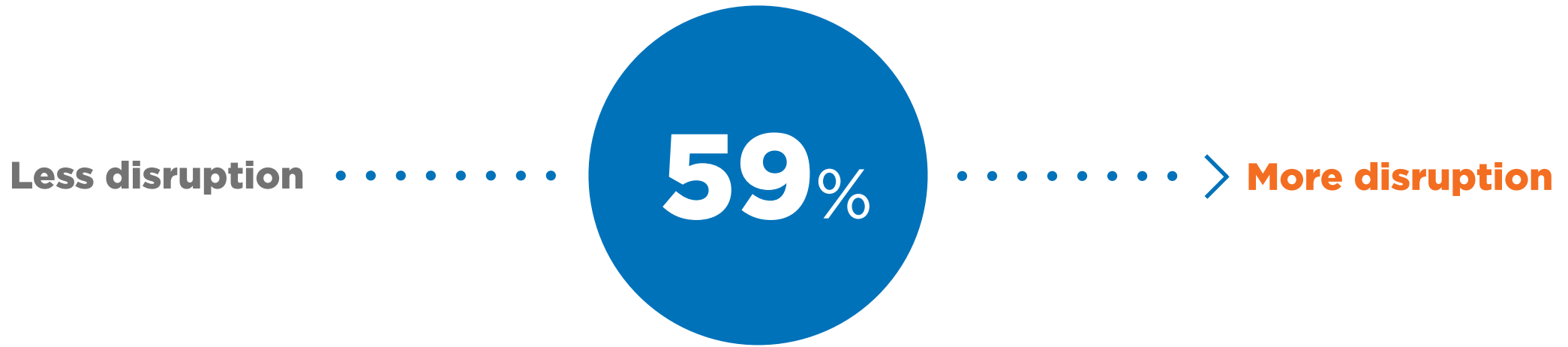


**Significant change / disruption
across use cases**



USE CASES MOST DISRUPTED:

Customer support, content, forecasting & optimization



Measurement & Attribution

HR & Talent Management

Risk Management

Supply Chain

Media Allocation

Software Development - in-house

Product Development

Journey Orchestration

Customer Analytics

Customer Support

Data & Forecasting

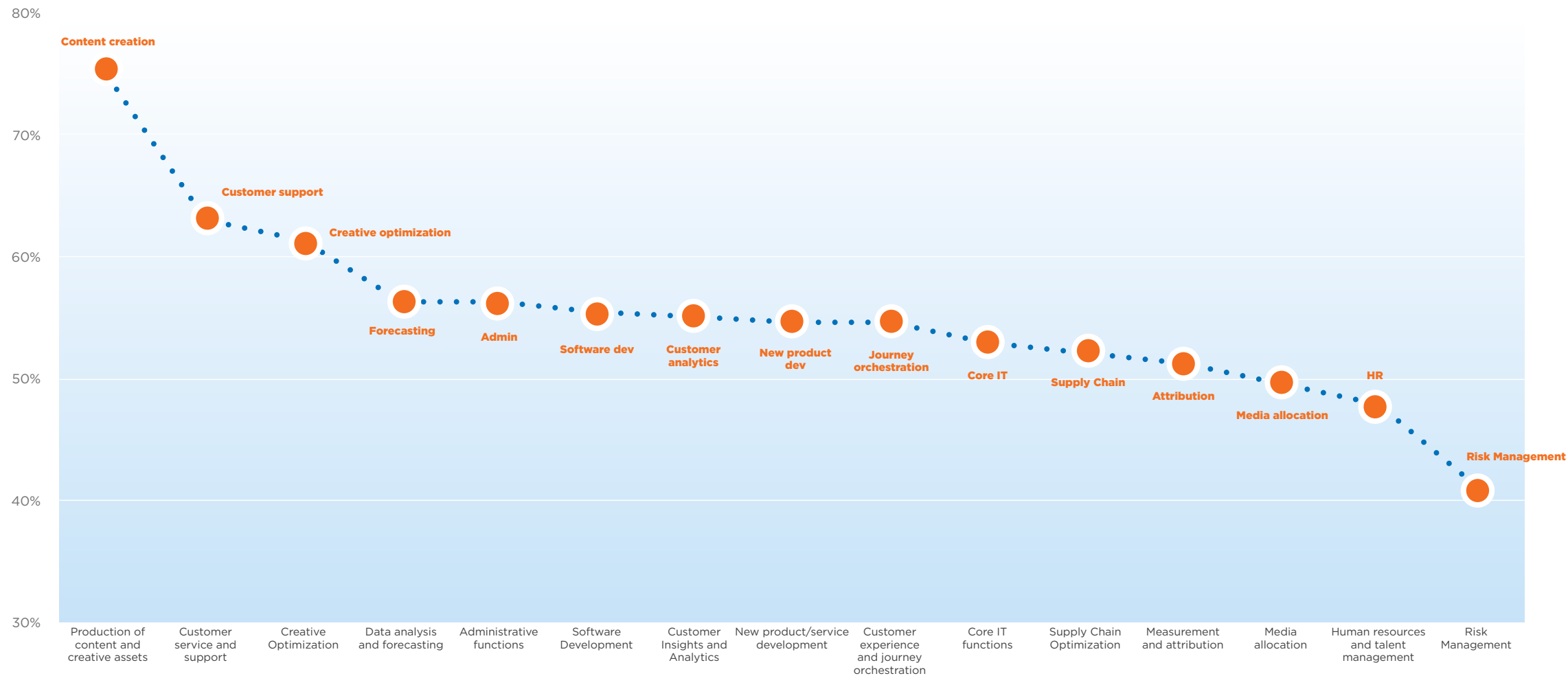
Creative Optimization

Content Production



TESTING vs USE CASES:

Content creation, customer support, creative optimization are leading



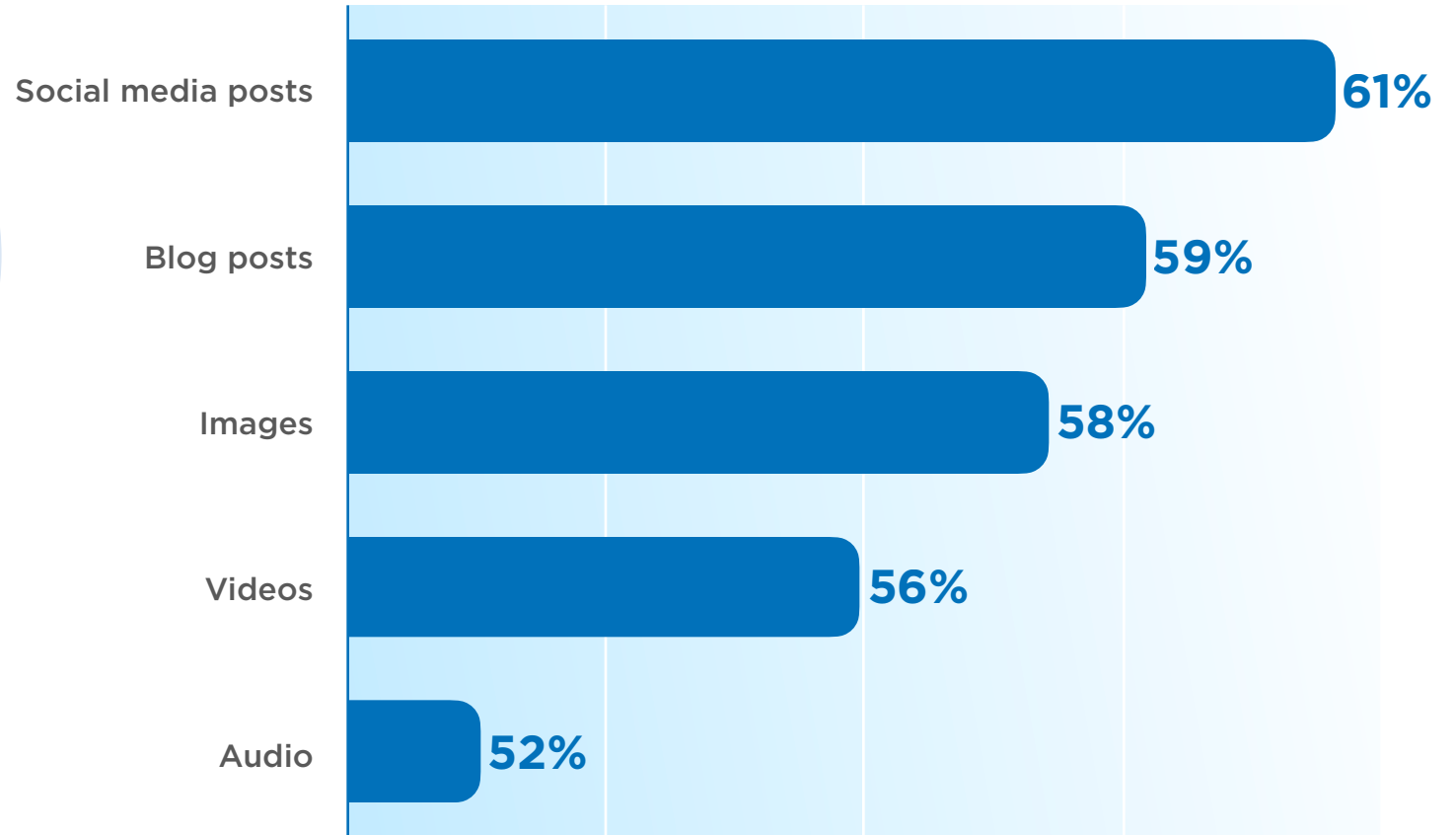


CONTENT TYPES:

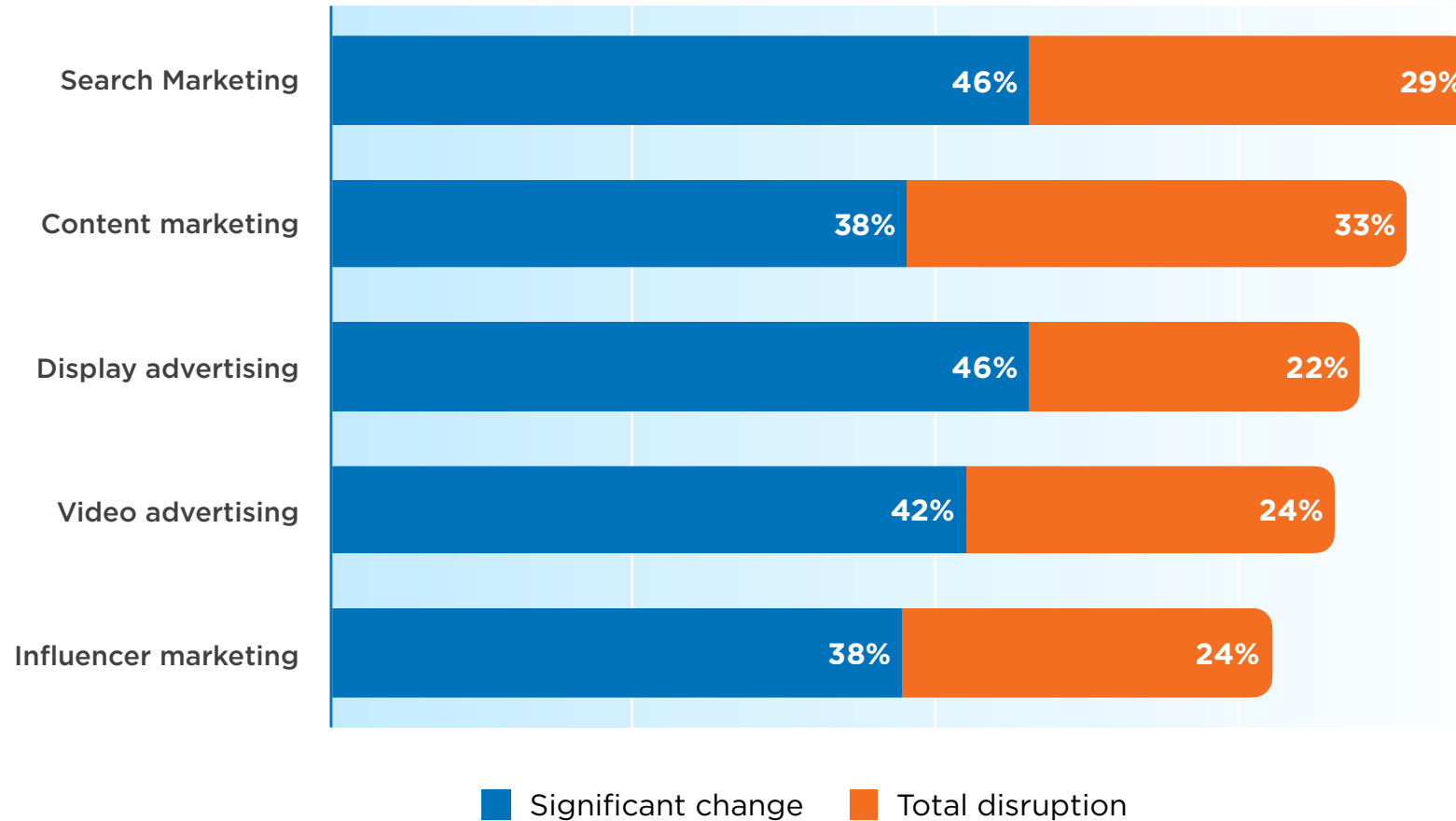
Marketers are experimenting with text, image, video/audio

75%

Exploring or Testing use of GenAI for content



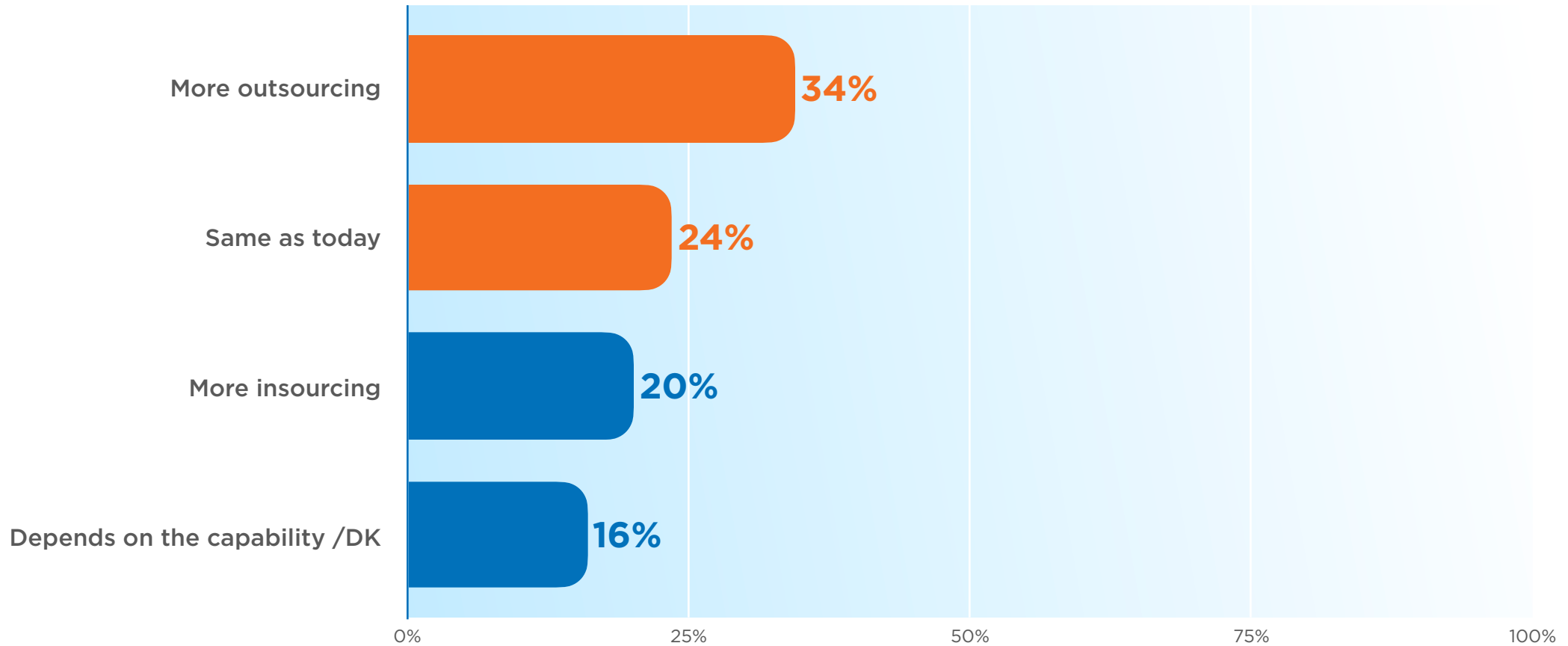
MARKETING CHANNELS: Significant impact from GenAI, primarily on search & content





OUTSOURCING:

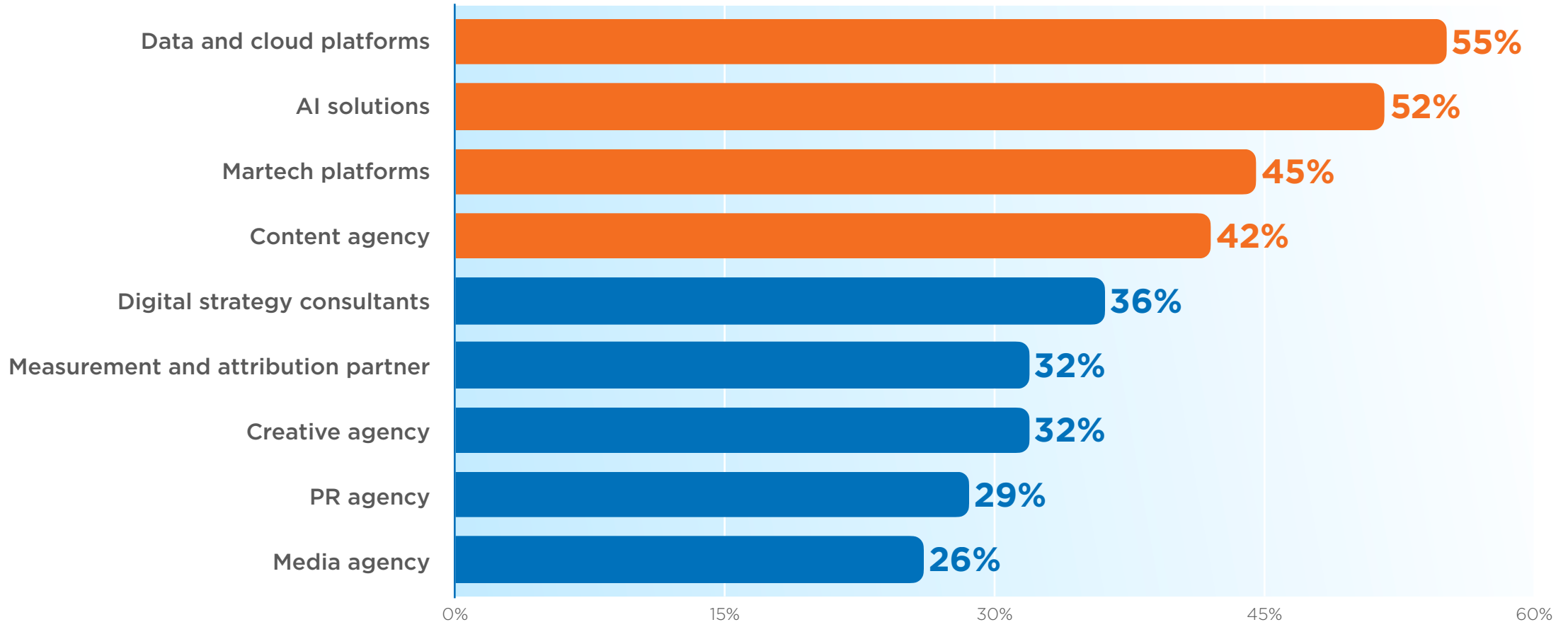
Despite the search for efficiencies, the majority expect the same or more support from external partners in the next 12 months





PARTNERS:

In order to navigate the disruption, companies will rely more on vendors in the areas more impacted



||| RISKS: Legal, reputational, financial, human

% agree it's a meaningful risk from GenAI

1

LEGAL

Regulatory compliance, privacy, security

47%

2

REPUTATION

Lack of control over content & products / PR backlash

35%

3

FINANCIAL

Blackbox leads to wrong decisions. Our competitors surpass us. Not seeing return

29%

4

HUMAN

Avoiding workforce reduction

29%



RISKS:

Currently more focus to avoid financial vs. reputation risks

% agree it's a meaningful risk from GenAI

% taking action to manage risk

1

LEGAL

Regulatory compliance, privacy, security

47%

45%

2

REPUTATION

Lack of control over content & products / PR backlash

35%

30%

Needs Attention

3

FINANCIAL

Blackbox leads to wrong decisions. Our competitors surpass us. Not seeing return

29%

32%

4

HUMAN

Avoiding workforce reduction

29%

20%

Needs Attention

State of GenAI Adoption

The search for efficiency

1. Improved efficiency is the #1 outcome from GenAI application
2. Despite the search for efficiencies, Companies expect they will need more support from external partners in the next 12 months

Prioritizing risks

1. Three types of risks emerge: legal, reputational and financial in order of importance
2. Companies are currently focusing more on how to avoid financial vs reputation risks

Prioritizing Use cases

1. Significant disruption is expected across multiple use cases, with Customer Support, Content, Forecasting & creative optimization leading.
2. Significant impact is expected across marketing channels, with search and content leading
3. Most testing is taking place in these leading use cases (content, customer support, creative optimization, forecasting) but also software

About MMA Global

MMA Global is a non-profit industry association dedicated to dramatically improving Marketing's ability to deliver on a company's growth agenda. With 800+ member companies and offices in 15 countries around the world, the MMA is organized and run by Marketers and the only trade body to include all aspects of the marketing ecosystem (adtech/martech, platforms, media, agencies), which is crucial in addressing the industry's most pressing challenges.

MMA invests in scientific research leveraging research consortiums and in-market experiments to discover new approaches to improve the return on investments in marketing. These initiative are executed through three Think Tanks each with a mission to drive step-function improvement in marketing-led growth and profitability.



Marketing Attribution Think Tank (MATT):
Empower marketers with a true impact of Marketing through advancing scientific approaches to measurement that will ultimately increase the value of their company.



Marketing Organizational Strategy Think Tank (MOSTT): Empower marketers to build & execute winning data & customer strategies that will ultimately increase the value of their company.



Marketing Data and Customer Experience Think Tank (DATT):
Empower marketing executives to understand and implement evidence-based Organizational Structures that will ultimately increase the value of their company.

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