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Unlocking Marketing Potential:

Impact of Artificial Intelligence on Future Proofing Marketing

The Power of Artificial Intelligence in Marketing May, 2024

In the age of digital transformation and data-driven decision-making, the integration of Artificial Intelligence (AI) has revolutionized marketing and offers various opportunities to scale marketing operations. New innovations and technology have led to a rise in the usage of AI for marketing, especially Generative AI which is becoming increasingly important for marketers.

The volume of content that companies need to produce to meet customer demand has increased by 54% (*) on average in the last year, while marketers report they are only able to meet 55% (*) of content demands. Moreover, content is expected to be increasingly dynamic, personalized, everchanging and, on top of that, it needs to be delivered in real time.

A recent Deloitte Digital <u>research</u> has shown that marketers that are leveraging generative AI platforms are able to meet customer content demands 66% of the time which is 20+ points higher than lower-maturity companies. Generative AI also saves the content marketing workforce an average of 12.2 hours (*) per FTE per week. Human employees can therefore pivot their focus to bigger decisions and creative ideas rather than having to execute tedious, time-consuming tasks. Last but not least, research indicated that 63% (*) of companies leveraging AI saw an increase in their annual revenue. Generative AI will thus be crucial for marketers to be able to rise up to the changing and demanding landscape.

For marketing directors and managers, it is crucial to understand the impact of AI and how it is applied in audience analytics, predictive insights, content creation, and other areas. This article not only provides conceptual insights but also emphasizes the need for marketing leaders to incorporate AI tools into their arsenal, streamlining marketing strategy and operations for sustainable success.

The Growth of Artificial Intelligence in Marketing

To better understand the diverse uses of AI in digital marketing, it is important to first examine relevant cases that illustrate the current state of this new technology.

The AI market continues to mature rapidly and organizations are gaining competency. According to a <u>Deloitte Survey</u> of 2.620 global business leaders, 94% of the respondents believe AI will be critical for success over the next 5 years (**).

A recent <u>survey</u> conducted by Salesforce (***) found that more than half of all marketing leaders (approximately 51%) have already begun to utilize the advantages of Al. Moreover, an additional 27% of these leaders are actively planning to incorporate Al into their marketing strategies within the next 24 months.

Organizations should start as soon as possible to experiment with AI capabilities, with a focus on existing internal processes.

^{2 (*)} Source: https://www.deloittedigital.com/us/en/insights/perspective/adobe-max-genai.html (**) Source: https://www2.deloitte.com/content/dam/Deloitte/us/Documents/deloitte-analytics/us-ai-institute-state-of-ai-fifth-edition.pdf

How can you, as marketer, leverage Al?

There are several ways in which marketeers can leverage AI in their day-to-day operations:

Use AI algorithms for audience analytics

The introduction of AI marks the beginning of a new era in audience analytics, empowering marketers with deep insights about their target audiences. AI algorithms, by analysing data, reveal customer preferences and behaviours that were previously unidentifiable. This knowledge enables the creation of more precise customer personas, more efficient targeting and highly personalized campaigns.

Generate personalized content

The emergence of AI has revolutionized content generation. With the capacity to create quality content at scale, AI-driven content creation optimizes time and resources significantly. Marketers can leverage AI tools to generate ideas, create drafts for further editing by copywriters, enhance existing content, and create visuals faster. Nonetheless, AI doesn't replace human input and some manual effort would still be needed.

Leverage efficient marketing automation

Al augments marketing automation by facilitating the creation of dynamic, personalized campaigns. These campaigns dynamically adapt in real-time to user interactions, ensuring that each customer receives the most relevant messages.

Optimize A/B Testing

A/B testing platforms driven by AI have the capacity to swiftly analyze an extensive volume of data in real-time, identifying intricate patterns and trends, often providing more accurate results than human analysis. By using AI in A/B testing, marketers can make informed decisions that lead to the best possible business outcome.

Leverage the power of predictive analytics

Machine learning algorithms carefully examine historical data to anticipate upcoming trends, giving marketers the knowledge to make informed decisions and allocate resources judiciously. For example, using historical data is a great way for marketers to predict which customers have a higher chance of leaving, enabling them to define effective retention strategies.

Provide personalized recommendations

Tailoring customer experiences is the focal point of modern marketing, and Al-driven recommendation engines excel in this field. By closely analyzing user behavior, purchase history, and preferences, these engines provide recommendations on products or content that align with individual interests.

Experienced Chatbot

Al-powered chatbots can engage with visitors on the website to collect contact information, qualify leads, or gather feedback from customers. This enables companies to expand their customer base and leverage valuable insights to improve customer experience.

Benefits from using Artificial Intelligence

For marketing directors and managers, incorporating AI in their marketing operations brings numerous benefits:



Operational Efficiency

Al offers marketing teams a significant boost in operational efficiency by streamlining processes, reducing manual work, and providing valuable insights. Marketers get to focus their efforts on more strategic and creative activities, which, in turn, enhances the overall effectiveness of marketing campaigns.



Expediting Time-to-Market

Al-driven tools equip marketeers with almost real-time research and experimentation insights into customer behaviors, help to automate content generation for individual customer segments, and even transform the ideation process. This not only helps marketeer to quickly identify the most effective marketing strategies, but also allows them to become more agile, answer quickly to market trends and launch marketing campaigns faster.



Tailored Customer Experience

Every marketeer dreams about unwavering customer loyalty. The only way to achieve that is by offering customers an exceptional experience, making them feel truly seen and valued. By leveraging Al algorithms to decipher customer preferences, behaviors, and patterns, marketers can deliver highly personalized content and recommendations, creating a strong one-to-one connection with each customer.



Cost Optimization

By automating tasks and workflows, AI confers substantial cost savings across various aspects of marketing. Routine and time-consuming tasks, such as data entry, content creation and customer support can be automated, reducing the need for manual labor.



Quality-Based Decision Making

Al-driven analytics have the capacity to process and make sense of vast amounts of data in real-time. This capability provides marketing teams with actionable insights. By understanding customer behavior, market trends and campaign performance at a granular level, businesses can make easy and quick data-driven decisions.



Competitive Advantage

In today's fast-paced and data-driven business landscape companies need to leverage AI to stay ahead of competition. By recognizing unexplored market niches, dissecting evolving trends and proactively anticipating the ever-shifting demands of customers, marketeers can take advantage of unrealized opportunities, drive innovation and ultimately stay ahead of competition.

Are you ready for this change?

The emergence of AI in marketing is a transformative journey that requires careful consideration. The potential of AI to revolutionize marketing practices is immense, as demonstrated by the data. Now is the perfect time to integrate AI into your marketing strategy to enhance efficiency and achieve superior results in a highly competitive landscape.

At Deloitte, we have embarked on global and local AI initiatives, including the establishment of an AI Community Practice and Advisory Board and the Deloitte AI Institute, aimed at fostering positive AI growth and development. One significant outcome of these efforts is our Generative AI Dossier, tailored per industry to provide insights into how Generative AI can benefit various sectors, while highlighting its impact and challenges. Additionally, our internal chatbot, PairD, enhances the efficiency and security of our consultants' work with clients.

We advocate for starting with a specific challenge, idea, objective or use case you wish to test. By forming a small, focused team with a co-creation approach, selecting the right tool and running experiments, you can measure and assess the results. Learn from these experiments through continuous improvement and scale up when successful. Deloitte's experts are here to guide you through this journey.

This approach brings several advantages: introducing new technology with low risk, fostering innovation, facilitating change management, encouraging a mindset shift towards data-driven decisions, developing unique selling propositions for your brand or company and introducing novel ideas. As we continue our exploration with AI, we invite you to join us every step of the way. Empower your marketing teams with AI capabilities.



Contact us

... and take the leap towards a transformative future starting with a personalized inspiration session.



KATHLEEN PEETERS

Partner kpeeters@deloitte.com



SILVIA BUTEAN

Lead sbutean@deloitte.com



Senior Consultant nwaem@deloitte.com

NIELS WAEM

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