Marketing's metamorphosis
A bold look at marketing's gen AI-powered future

IBM iX

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IBM

IBM iX' Point of View

Generative AI is introducing radically new ways of working in marketing. Over the next three years, its impact will be profound, changing the very foundations of marketing operations, workflows, skills—even the nature of the creative process. Here's a glimpse of what's ahead.

Imagine if ...

...you could depend on human and AI capabilities to execute a campaign in minutes for any market, in multiple languages, personalized to every customer, adapting it in real time for the best ROI.

...you had a trusted marketing "nervous system" that senses customer needs, aligns with business strategy and market trends, and responds with on-brand content at scale with automated workflows.

...you could "talk" with your customer personas, gather feedback, test creative concepts, and fine-tune your approach in real-time for best-in-class customer engagement, loyalty, and marketing ROI.

Content

Marketers are doing things they used to only imagine
And it's only the beginning

The combination of artificial intelligence (AI), automation and human capability is rewriting the future of marketing. Sixty-seven percent of CMOs plan to implement generative artificial intelligence (gen AI) in the next 12 months—86% expect to in the next 24. And 76% believe that they will significantly hurt their competitiveness if they are failing to adopt gen AI.[1] Recent research shows CEOs moving from expecting gen AI to fuel cost savings to expecting it grow revenue. This amps up the pressure on CMOs to adopt gen AI smartly.

Gen AI introduces a new standard for AI in marketing. Generative multi-modal models interact in a way that wasn't possible before. They use natural language prompts to execute marketing workflows in an automated manner in line with brand and data governance. Marketers get insights from company and third-party data by asking open-ended questions, executing workflows conversationally with direct integration into their marketing tech stack. In this environment, and as models are embedded in every

marketing platform across the workflow, data will become the most important element of brand differentiation.

Gen AI has only just begun to transform marketers' day to day. Keystroke and voice inputs are automating manual tasks. Human-machine brainstorming is upending creative ideation. One-to-one personalization at scale is much closer to reality. Gen AI is already handling some specialized tasks such as persona generation, multivariate testing →

67%
of CMOs plan to implement generative artificial intelligence (gen AI) in the next 12 months

86%
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76%
believe that they will significantly hurt their competitiveness if they are failing to adopt gen AI

Marketers are doing things they used to only imagine.
And it's only the beginning

"Gen AI will transform the end-to-end marketing process. We don't yet know all of what's ahead. But the evolution will play out differently from every other function. Marketing organizations are caretakers of customer data, and marketers own the brand. That's a starting point to do incredible things, but it also demands tremendous responsibility."

Senior marketing leader

optimization, marketing copy and image development, and more. New roles that require skills in prompting engineering are being introduced. These changes are taking place in a challenging environment. Amid shrinking budgets, marketing leaders are expected to deliver improved marketing performance and seamlessly connect with sales and customer service to understand and serve customers holistically.

Marketing has come full circle in this new world. It was always a creative discipline, but that evolved with data-driven marketing. Ever since, marketing has been a domain that requires both art *and* science. With gen AI as a powerful resource, right- and left-brained marketers can lean into their natural affinity. This boosts their ability to deliver for customers and grow revenue while reducing costs.
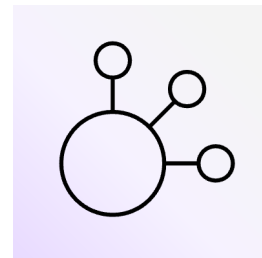
The marketer's gen AI journey
An evolution from assistants to invisibility

The marketing operating model will soon orbit around gen AI. In turn, expect marketers' relationships with gen AI to evolve fast.


Now
Assistants

Marketers work with gen AI-powered marketing assistants embedded into their existing workflows. Assistants understand and speak marketers' language. They know everything about the business and the brand. The assistant is a custodian, customer whisperer, creative administrator and operator—a specialist in everything that gives marketers answers at the moment.

Soon
Omnipresence
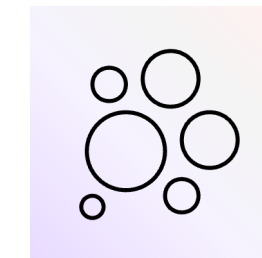
Marketers choose how they want to engage with gen AI assistants. Some will want a single interface tailored to job role to access all of their AI tools. Others will prefer more seamless engagement with gen AI that is fully embedded in tools and workflows. It's completely fit for purpose for individual marketers. And the more that the assistant learns, the more fit for purpose it becomes.

Future
Invisibility

The marketing assistant becomes completely invisible to marketers over time. They are so accustomed to assistants being fully integrated into their workflows that "the new" is "the norm." This is the epitome of seamlessness. No one thinks anymore about how they used to do things. Augmented by gen AI, marketers will do some tasks themselves that they rely on specialists for today. For example, gen AI will excel at executing existing concepts based on predicted inputs. In these cases, using gen AI will simplify marketing workflows, making time-consuming handovers a thing of the past.

The marketer's gen AI journey
An evolution from assistants to invisibility

We also expect the specifics of marketers' interaction with gen AI to evolve in important ways. Today, interactions are task oriented.
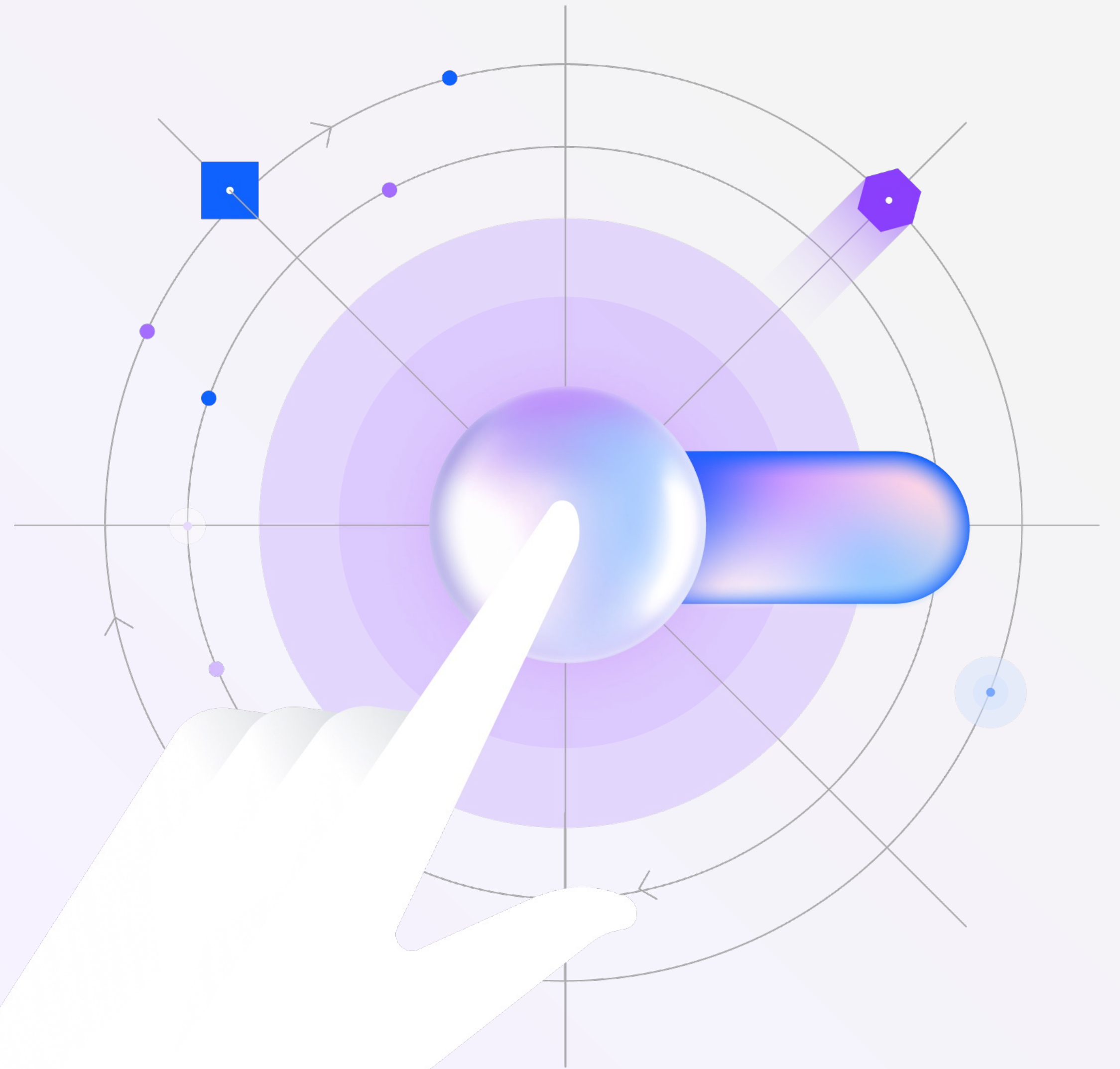
The marketer asks a question through a prompt, and the AI responds. As multi-modal generative models become smaller and can respond faster with less latency, "goal-oriented interactions" will become the norm. Instead of prompting a task, marketers set a goal.

So, instead of asking for a catchy headline for a new campaign, a marketer tells the gen AI tool that the goal is to grow customer engagement in the new campaign by 30% over the next six months.

Fast forward to 2027
The future of marketing

The future of marketing

With gen AI complementing automation and advanced machine learning models, the future holds exciting opportunities for the craft of marketing. But it also raises big questions:

What skills are non-negotiable for marketers to have in this new world?

How far will gen AI push the boundaries of creativity and reinvent how creatives work?

How do marketers make gen AI a true competitive asset?

How do marketers anticipate change and design for gen AI so adoption is easy and intuitive?
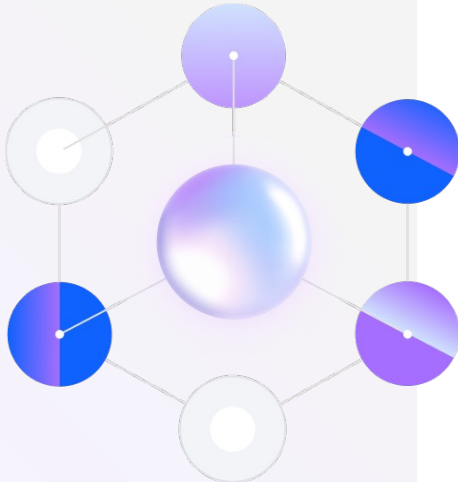
How do marketing organizations protect the brand with trusted outcomes with gen AI?
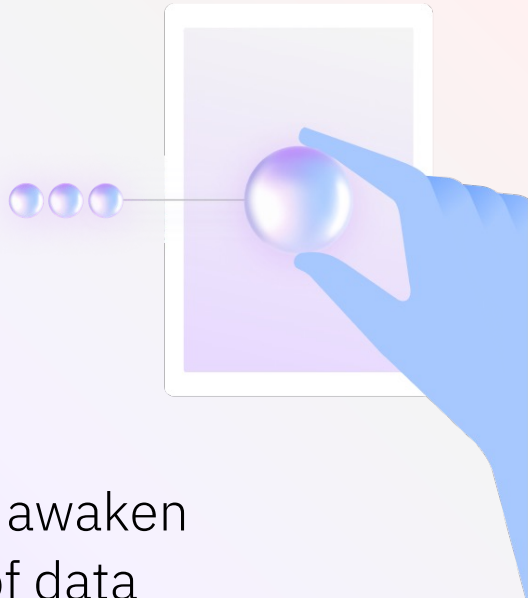
The future of marketing

The gen AI future is coming fast.
In this spirit, we are flashing
forward to 2027. What is
experimental and cutting-edge
today will be the norm.
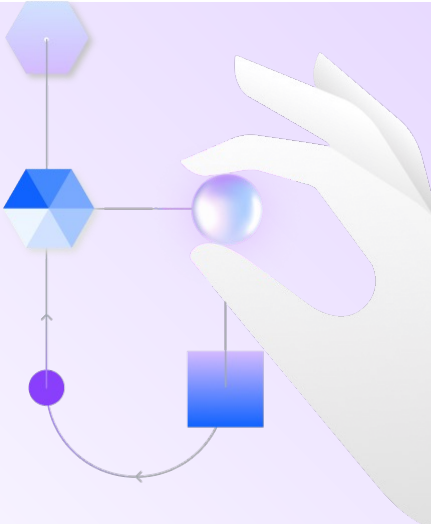Here's what we expect.

Leadership 2027

CMOs rethink marketing
operations and lead by example
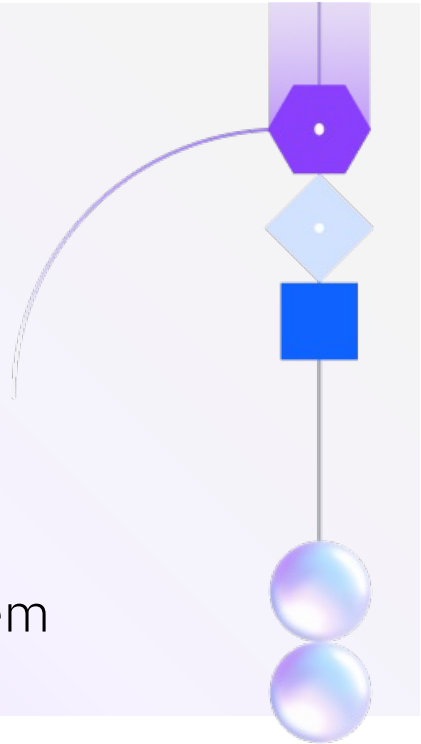
Data 2027

Proprietary models awaken
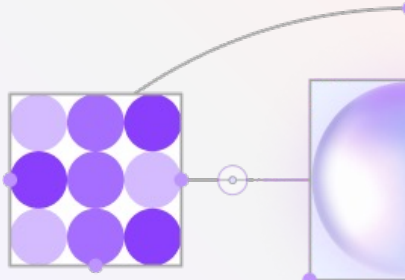the sleeping giant of data

Content creation 2027

True personalization at scale
changes everything

Skills 2027

Gen AI happens for and
by marketers, not to them

Trust and governance 2027

Cultivating trust protects
the brand—and the business

CMOs rethink marketing operations and lead by example

Because of the critical role of data and Martech in modern marketing, CMOs have developed strong relationships with technology leaders. Flash forward three years, and marketing has a primary seat at the technology table. Relationships between CMOs and CIOs/CTOs and CDOs are even closer.

Future CMOs have primary responsibility for rethinking their entire marketing operations in the context of gen AI. They provide use cases to IT and ensure that future technology solutions are built with AI-powered marketing workflows in mind. And they make certain that brand governance and customer data are appropriately controlled and managed.

The unique nature of the gen AI models used in marketing makes CMOs' tech savvy and tech relationships even more important. The models are customer facing and include personal identifiable information (PII). There is an elevated level of sensitivity and additional brand and reputational risk to control for when developing model explainability, governance and data security.

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CMOs rethink marketing operations and lead by example

"I'm a storyteller at heart. But to be effective in my role, I follow the pulse of technology change. When it comes to gen AI, I'm completely hands on. I use the tools that my marketers use. I am the first to try what's new so that I can truly understand the potential and pinpoint use cases that will work for my team."

Chief marketing officer

In addition, future CMOs lead by example to drive organic change. They use gen AI tools with a creator's mindset. They foster an open environment—a gen AI playground—where marketers have the inspiration, space and permission to make the most of gen AI to disrupt norms and innovate quickly. CMOs champion and, depending on the organization, lead comprehensive change management programs to help their people adapt and excel as gen-AI powered marketers.

At IBM, marketing leadership is already leading by example when it comes to gen AI. As part of a program of AI-generated content creation, they identified use cases to support a faster time to market with quality content.

In one instance, concept ideation and design went from 65 days to 8 days. With an AI-powered content engine, the potential to put creative in market in seconds, not weeks, is very real.
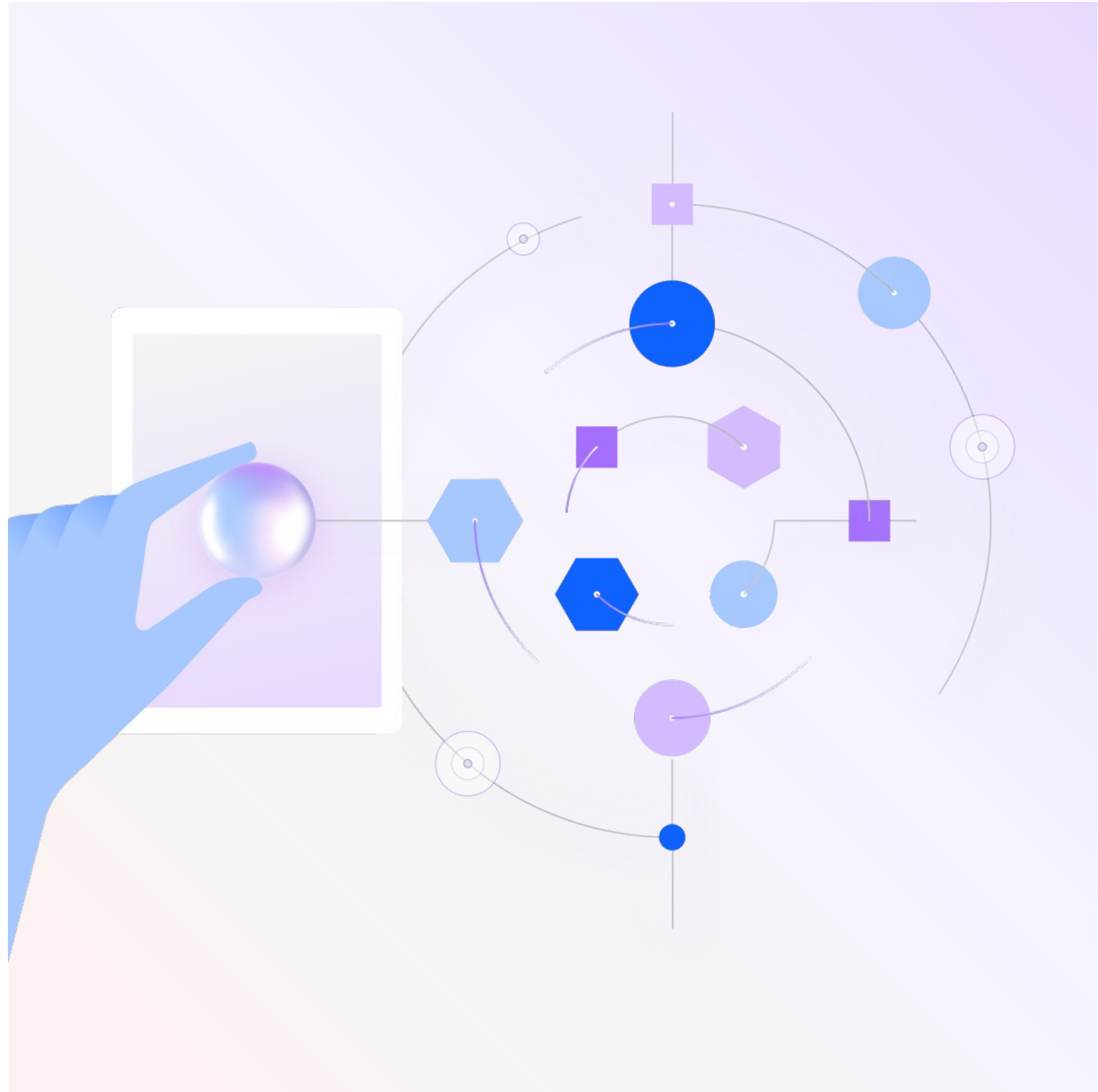
Data 2027
Proprietary models awaken the sleeping giant of data

"For generative AI to be used at scale within the enterprise, tuning and training models to be brand knowledgeable is a necessity."

Alexis Zamkow
IBM Marketing Global Offering Leader

50%

of CMOs say they have plans to build foundation models with proprietary data before the end of 2024

Relying solely on the general intelligence of public models isn't an option for marketers in 2027. They have proprietary gen AI models that have deep intelligence of their brand, products, customers, and industry nuances that they can continually augment with learnings from the market.

Just over half (51%) of CMOs say they have plans to build foundation models with proprietary data before the end of 2024.[2] With control of the model, marketers can calm their fears about how using gen AI could threaten brand safety, intellectual property and proprietary data.[3]

Proprietary models rely on good data (both structured and unstructured) to work well. Marketing organizations train these models on specific data—design, brand values, positioning, tone and voice, products, customers, personas, campaigns, service transactions and synthetic data to fill data gaps. In the future, marketing organizations double down on asset management to optimize data for proprietary models. Only those that do this well apply gen AI at scale successfully. They take a disciplined approach to rationalizing, cleansing, building taxonomy and ensuring comprehensive tagging. $\longrightarrow$
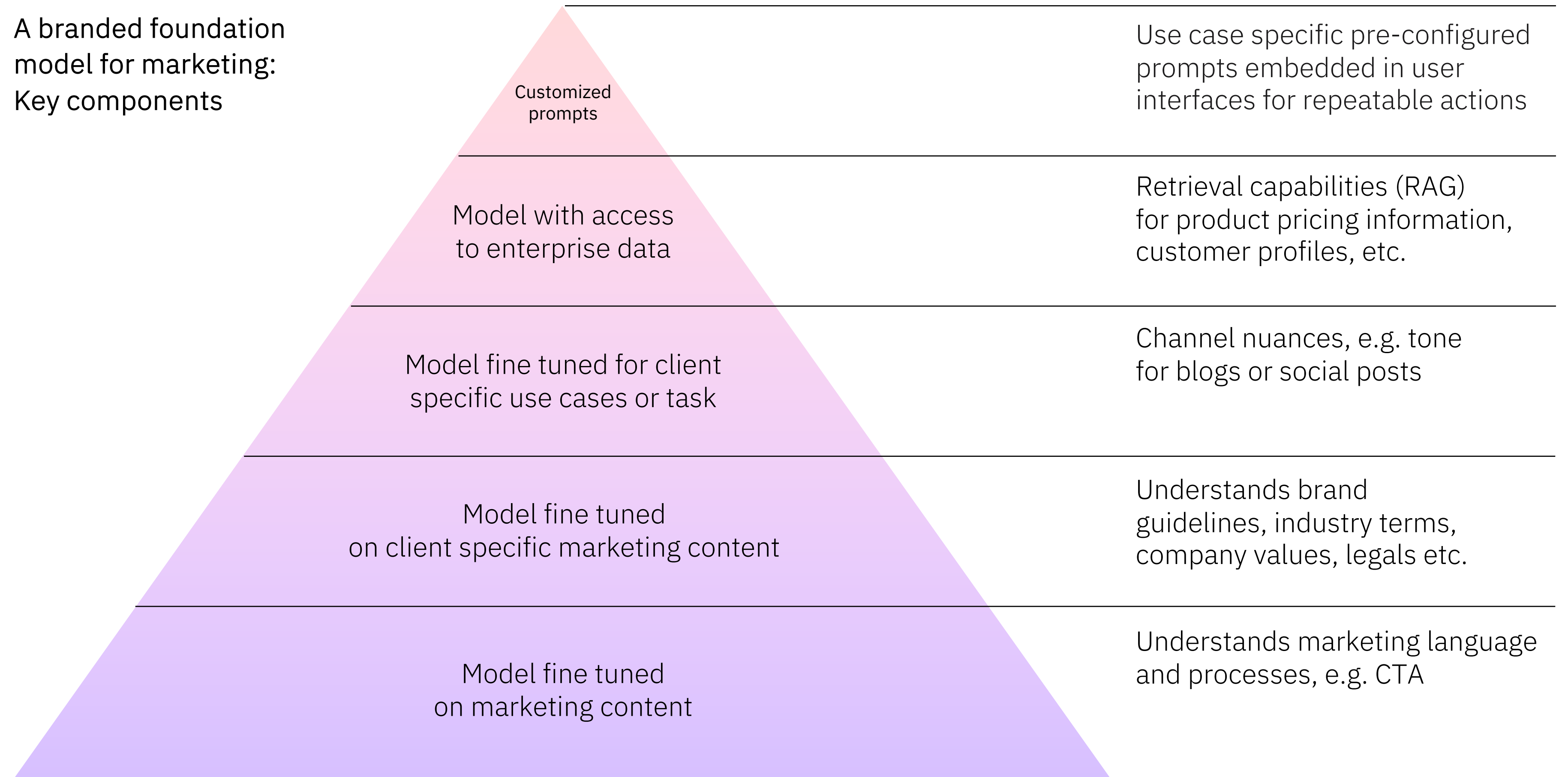
2 IBM Institute for Business Value, The CEO's Guide to Generative AI: Marketing 2023
3 IBM Institute for Business Value, Disruption by Design: Evolving Experiences in the Age of Generative AI 2024

Proprietary models awaken
the sleeping giant of data

Marketing organizations also train models to "unlearn" out-of-date information while using quality reference documents for images and text to train for accuracy and alignment with brand standards.

Marketing data today is uniquely multi-modal. In three years, it's even more so. Marketing organizations manage data that runs the gamut from typefaces and logos to videos, animation and data visualizations, and includes a raft of unstructured data. They rely on models that can convert different mediums to machine language through image-to-text, video-to-text and audio-to-text prompts. It's a world of "any input and any output."

A branded foundation
model for marketing:
Key components

Customized prompts

Model with access
to enterprise data

Model fine tuned for client
specific use cases or task

Model fine tuned
on client specific marketing content

Model fine tuned
on marketing content

Use case specific pre-configured prompts embedded in user interfaces for repeatable actions

Retrieval capabilities (RAG) for product pricing information, customer profiles, etc.

Channel nuances, e.g. tone for blogs or social posts

Understands brand guidelines, industry terms, company values, legals etc.

Understands marketing language and processes, e.g. CTA

Data 2027
Proprietary models awaken
the sleeping giant of data

Game on with gen AI

## Redefining the fan experience at some of sports' most iconic events

Wimbledon

The 2024 Wimbledon digital experience used match data with gen AI from IBM's watsonx to update fans. The new feature displayed pre- and post-match player cards with AI-generated stories and analysis. Player cards were personalized based on fan preferences. Pre-match content included analysis of recent performance and as well as predictions of likelihood to win. Post-match content included statistics and highlights and daily summaries of play.[4]

The Masters

IBM introduced text and voiced narrative as golf commentary for every golf shot at the Masters through the Masters app and masters.com platform—a first in major golf tournaments. We took multiple foundation models and trained the AI in the unique language of golf at the Masters, automating the process of adding spoken commentary to video clips, making them more informative and engaging.
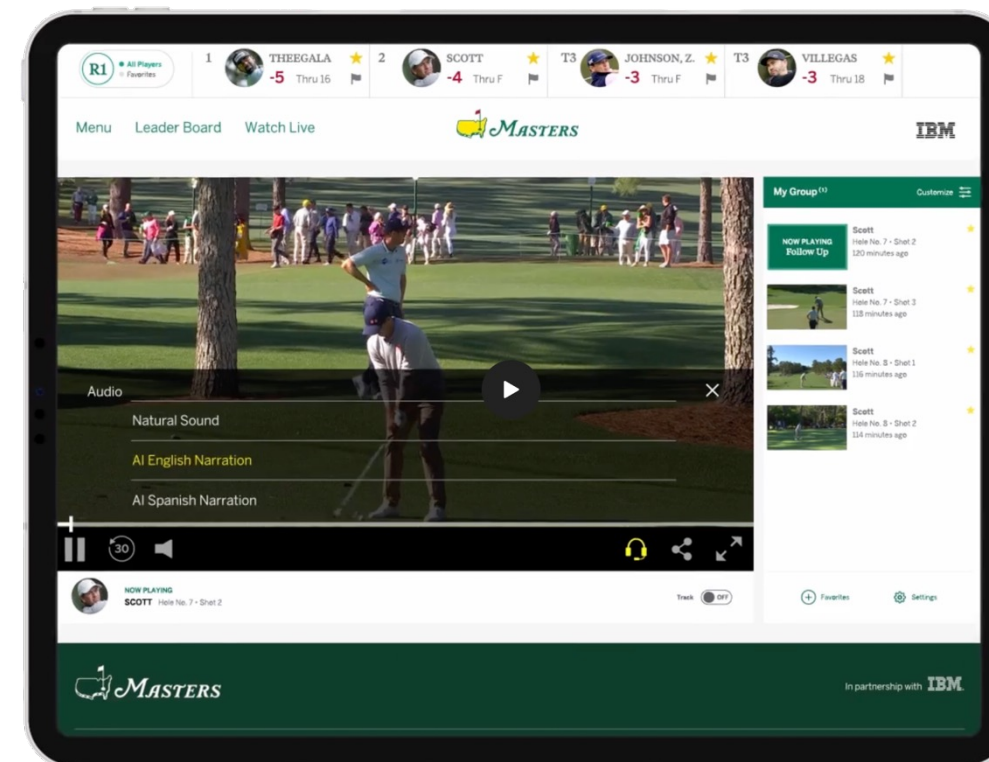

The US Open

To help the US Open stay on this cutting edge of customer experience, IBM developed gen AI models that transformed tennis data into insights and original content on the US Open app and website. IBM watsonx built and managed the entire lifecycle of the AI models that produce key app features such as Match Insights and the new AI Commentary for US Open highlight reels. The effort captured and analyzed seven million data points and delivered world-class digital experiences for more than 10 million tennis fans around the world.

True personalization at scale changes everything
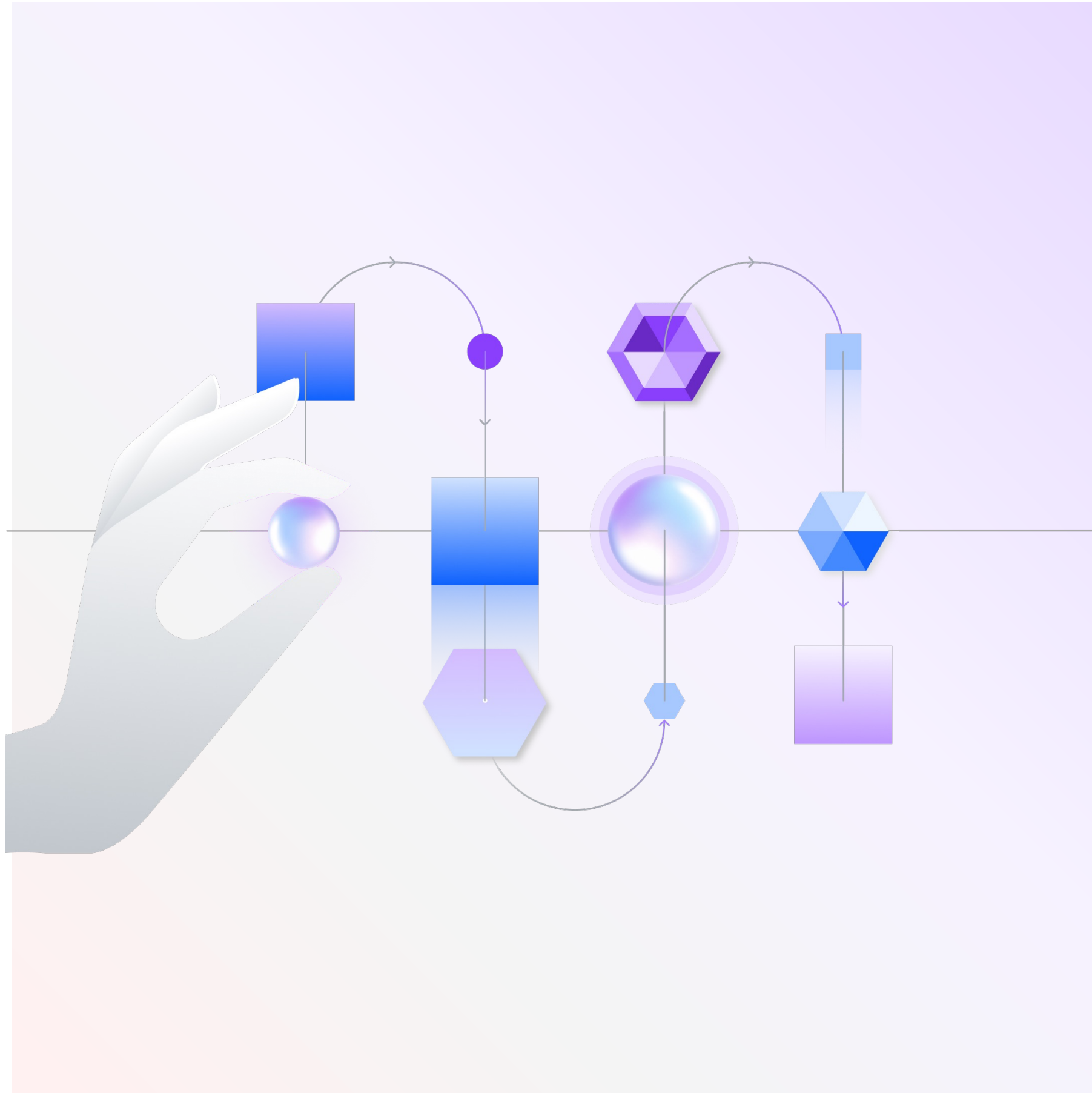
AI generated images and content are the accepted standard in 2027—and harder to spot. This is thanks to the continued advance of gen AI technology and the broad use of proprietary models that have an intimate understanding of brands and customers.

This doesn't mean that AI completely takes over the creative process or the need for stellar human creatives in marketing organizations. While gen AI handles basic concept execution, skilled designers and copywriters develop the big ideas—the high-impact, brand defining creative.

Don't be surprised to see a whole generation of artists and writers spark a new medium of AI-augmented creative output.

At the same time, content modalities expand with the emergence of high-quality 3D content and gen AI-fueled augmented reality, experiential content.

Not only do marketing organizations create different types of content in new ways, but they also create incredibly dynamic content. Finally, segment-of-one personalization is a reality.

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True personalization at scale changes everything

Gen AI creates endless options for multivariate testing so marketers can get extremely precise about what campaigns, messages and offers go to which customers when and how.

True personalization at scale is the norm with insight into the 360-degree customer profile and customer journey analytics.

What does this look like in practice? At best, marketing emails today are personalized by segment in only a few fields. But in 2027, every word of marketing emails, and even the tone of the language, is tailored for each customer. Content is so personalized that marketers' final output isn't a complete marketing deliverable. Think of it like metadata, like blueprint for a new operating model that will deliver uniquely for each customer.

In three years, marketers won't just be creating super personalized content for humans. They will be beginning to provide the same level of personalization for AI-powered bots who research, shop and purchase on behalf of humans.

These bots essentially replace traditional search, upending search engine optimization (SEO) as we know it today. In fact, Google has already begun using AI to improve search results. In this world, SEO becomes AIO (AI optimization).[5] Marketers have to optimize for AI bots to recommend their content over competitors' in third-party channels. Brands that underestimate the importance of marketing to AI bots lose relevance, and ultimately, revenue.

Marketers at MOL, an integrated oil and gas company, wanted to move to a behavior-based model where customer signals are automatically harmonized into a persona profile with relevant hyper-personalized offers generated and sent to customers.
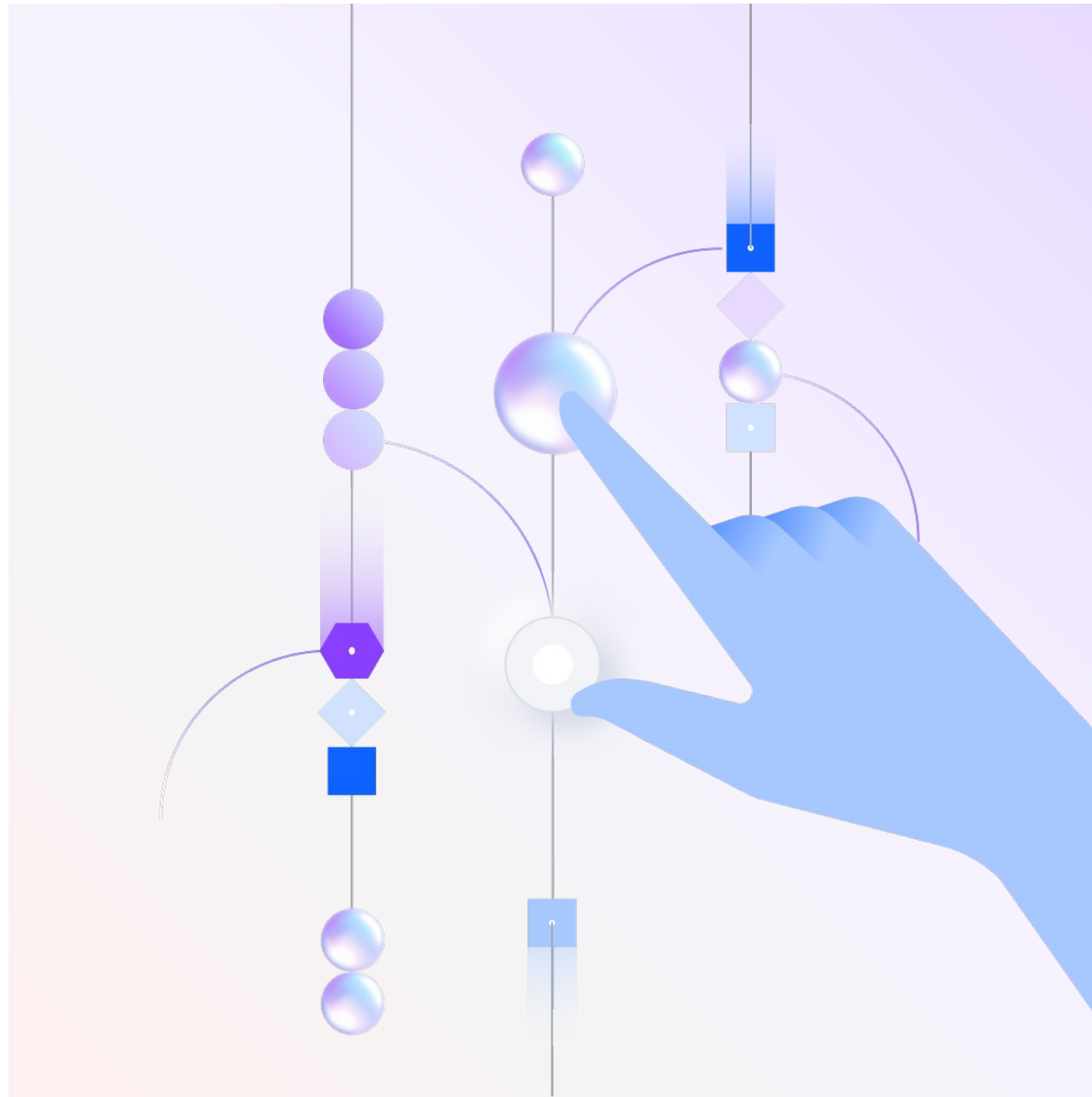
As part of a pilot, we helped them use gen AI to enhance customer profiles and dynamically A/B test content and subject lines on auto-generated personas per country. Campaign managers could generate hyper-personalized emails and push notifications in the local language in one click. Marketers are more efficient, and voucher redemption rates and product sales are up 24%.[6]

24% ↗

voucher redemption rates and product sales

5 IBM iX, No More SEO? How Google's New AI Features Affect Website Optimisation, July 1, 2024
6 IBM iX, How To Accelerate Hyper-Personalisation in Marketing with Generative AI, April 30, 2024

Gen AI happens for and by marketers, not to them

Over the next several years, gen AI fuels massive shifts in the marketing workflow. While core marketing skills are still critical, future marketing executives also recruit and reskill for new skills.

CMOs want gen AI-literate marketers who effortlessly use ChatGPT, Dall-E and Adobe Firefly for AI-augmented storytelling and content curation. They build teams with expert prompt engineers and marketers who are well trained in ethical AI use. Skills in research, user experience design, content strategy, coding, data analysis and visualization and project management are highly sought after.[7]

On top of these skills, the most successful marketers are continuous learners who are open to going where AI technologies take them— and the practice of marketing.

Tomorrow's marketing leaders often revisit which skills are redundant and which are required. They ask themselves: Can we do this work ourselves if we augment our people with gen AI? Those that answer yes bring more work in house,

→

Gen AI happens for and by marketers, not to them

reducing their reliance on traditional ecosystem partners. Others look outside for trusted partners that can help them accelerate their gen AI journey.

In all of this, the best marketing leaders stay close to the implications of generative AI on individual creatives and on marketing culture. The recognize that transitions are difficult and support their team in evolving to gen AI-augmented ways of working. They see the gen AI evolution in marketing as a very human story and create a culture grounded in empathy, creating a

psychological safety for their people to engage them and spur creativity. This empathy-based culture provides an excellent foundation to infuse empathy into the gen AI tools because marketers themselves help train them.

>60%

executives believe creativity and decision making will be the most coveted skills a year from now

When experience executives were asked which skills would be most coveted a year from now for designers, 63% said creativity and 62% pointed to decision making. Yet just 29% and 21% chose ethics and empathy. The takeaway? Functions that develop customer experiences—including marketing—have work to do to embrace and cultivate the skills that humans need to thrive in machine-driven workflows.[8]

Trust and governance 2027
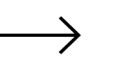# Cultivating trust protects the brand—and the business
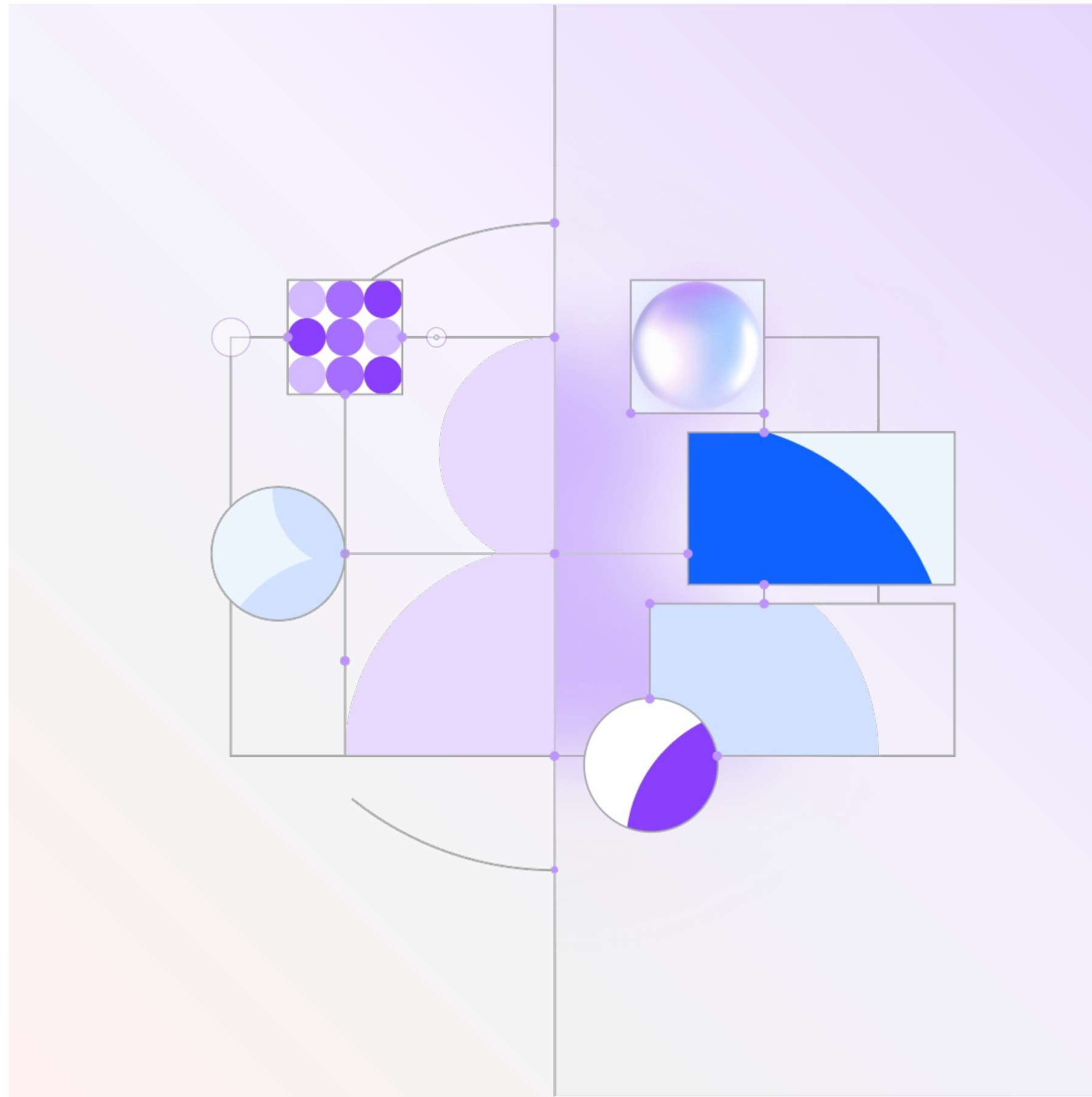
The content, images and campaigns that gen AI models generate with human supervision embody the brand to the world. Trustworthiness —models' explainability, fairness, robustness, transparency and privacy—is paramount. It's a top priority for every marketer, no matter their role.

In three years, there are industry standards that codify responsible AI practices for marketing. For example, labelling of images and content created or enhanced by gen AI is standard. Customers expect brands to be transparent in this area.

To comply, marketing organizations emphasize governance for gen AI asset creation, management and storage.They also rely on a consistent taxonomy and metadata for advanced search capabilities to know how all of their assets are created.

As marketing organizations create proprietary gen AI models in the coming years, they ensure that security and governance are rock solid given the sensitive nature of PII personalization and customization.

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Trust and governance 2027
Cultivating trust protects the brand—and the business
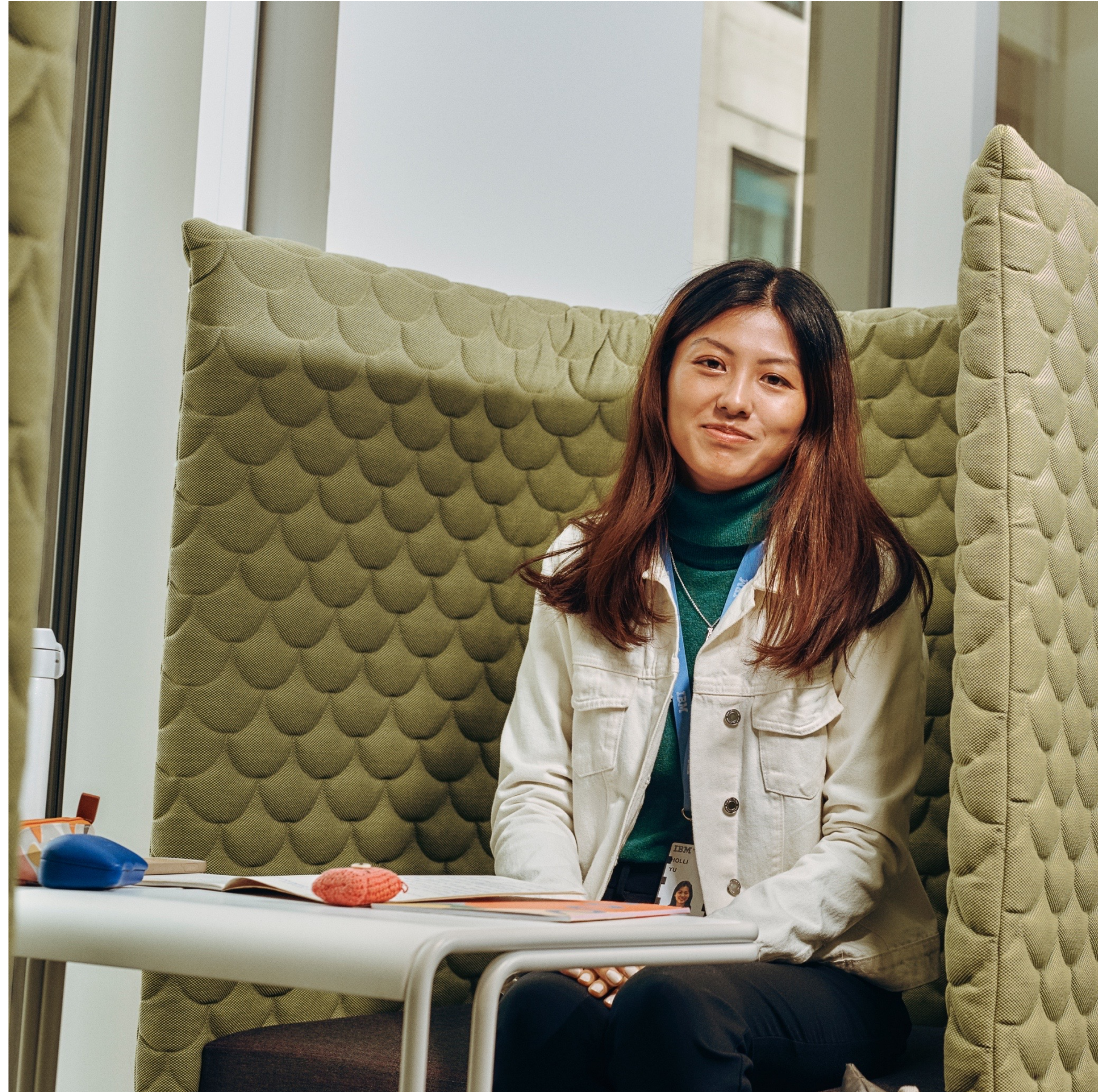
Only 5% of customer experience and marketing professionals surveyed have an organization-wide approach for gen AI best practices and governance. Half are still establishing these measures.[9]

No matter the specific focus, governance is always dynamic, constantly refreshed to address changing ethical, legal and regulatory and operational concerns.

AI governance extends beyond the marketing organization with marketing leadership playing a convening role. Representatives from marketing, sales, customer service, legal and IT meet regularly in AI ethics councils. The councils foster consensus and codify best practices. They address issues like model governance, design standards and monitoring and controlling

gen AI hallucinations. Oversight and guidance from senior marketing and business leaders ensures that efforts are fully aligned with marketing and business strategies.

Trust and governance 2027
Cultivating trust protects
the brand—and the business

When gen AI helps creates a campaign about gen AI

IBM and Adobe partnered to create a "Trust What You Create" campaign educating marketers about the hazards of gen AI gone wrong. The campaign stars some eye-catching fish that symbolize the risk of gen AI doing "fishy" things.

The team used Adobe Firefly for the ideation process and for refining the fish concepts before going into production. The results were powerful. Using gen AI helped reduce time spent on creative iteration from 15 days to 2 days. Soon enough, expect to see time reductions that move from days to hours, and even minutes.

The marketers involved were positive about the experience. Not only did they produce a meaningful and memorable campaign on deadline, but they also had more time to think about additional cross-channel campaign elements.

Prepare today for tomorrow
Your architecture
# is the ultimate enabler

As marketing leaders prepare for this exciting future, it's not too early to put the technology foundation in place that will enable it. We encourage CMOs to work with CIOs/CTOs and CDOs on these technology fundamentals.

Get your data to be AI-ready now

It's garbage-in, garbage-out for proprietary generative multi-modal models. This is why is essential for marketing organizations to ensure that data from customer interactions, sales, social media, website analytics and CRM systems is accessible and reliable. Ensure that data is cleaned and organized into structured formats for easier processing and analysis and tagged and integrated into a unified platform.

Continue investing in a modern architecture
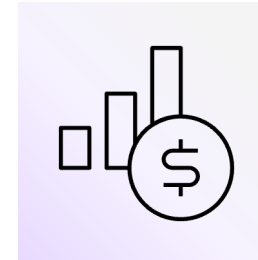
Marketing organizations will struggle to reap the benefits of gen AI without a MACH architecture. The flexibility, speed and scale that comes with microservices, APIs and being cloud-native and headless is non-negotiable. Every API that isn't supported is a lost opportunity to interact with an AI agent. A monolithic architecture is like running a race while dragging a massive weight.

### Don't put off your omnichannel strategy
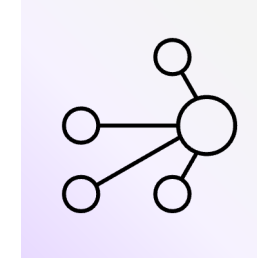
Marketing organizations know the importance of executing on their omnichannel strategy. Even so, few have gotten as far on the journey as they would like. It's time to double down on omnichannel because flexing across channels is essential in a world where marketers are marketing as much to AI bots as they are to humans.

Optimize owned channels for accessibility

Optimizing a brand's online properties for accessibility with features like structured data and semantic HTML, alternative text for images, and straightforward languages creates a more structured, clear and user-friendly environment. This not only helps people with disabilities, but it also enhances gen AI's ability to interpret and learn from online content.

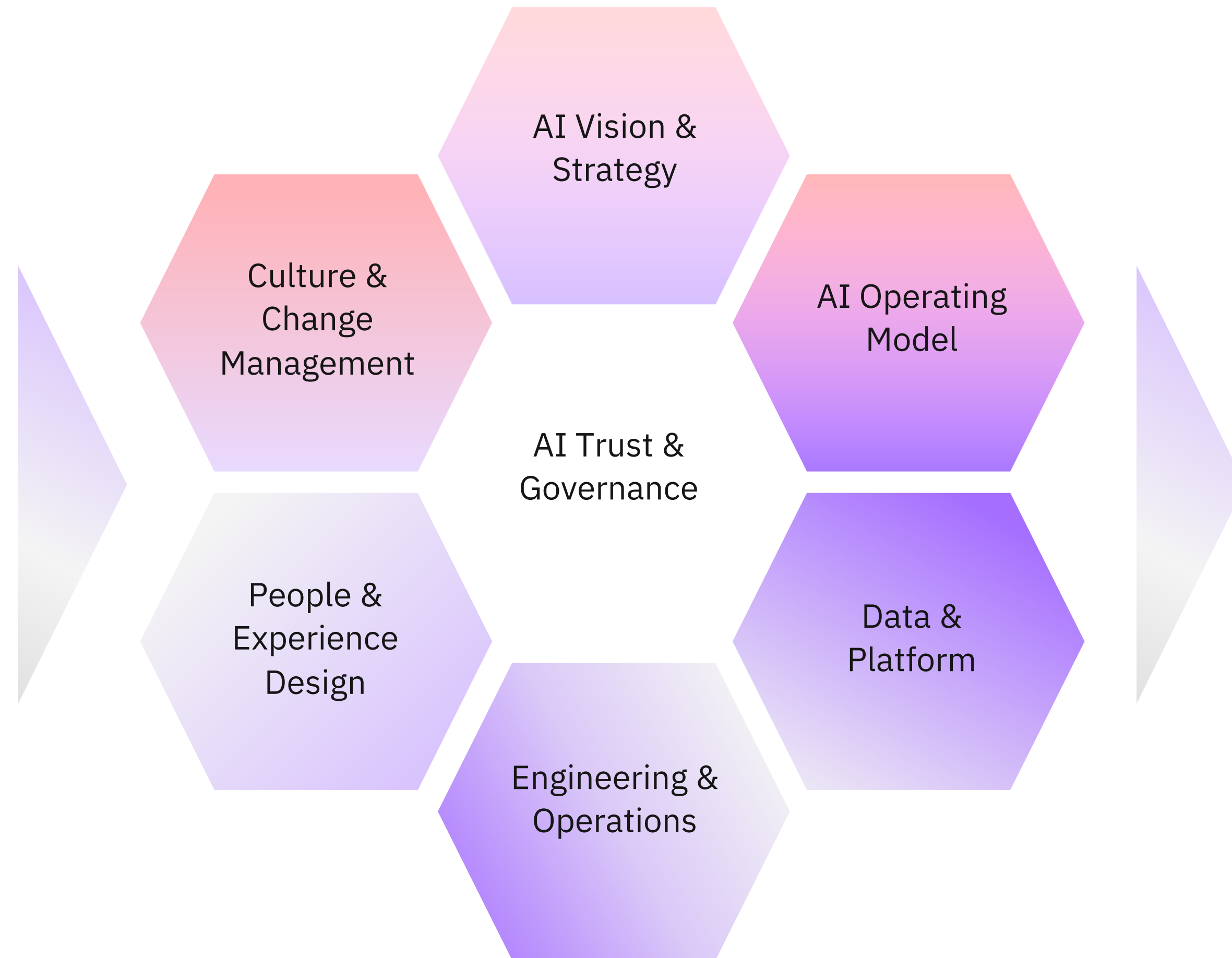### Stay close to the pulse of change
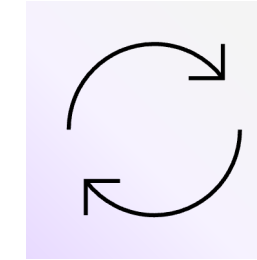
It's essential to continue experimenting with gen AI to understand the relationship between high-potential use cases and technological enablement. As more products for the marketing tech stack are sold with AI embedded inside, CMOs should be strategic about where to get leading gen AI capability, understanding whether its best leveraged on chip, on device or architecturally.

The future of marketing is calling
How will you respond?

Gen AI will change everything in marketing. We help marketing leaders ask and answer the right questions, develop a strategy and execute at scale to deliver on business goals and meet customer and employee needs. The best way forward can be keeping marketing operations in house, augmenting marketers with gen AI tools. It can involve a mix of gen AI-augmented internal and outsourced resources and partners. And for some marketing organizations, making the most of gen AI can mean filling skills and experience gaps with external AI-related services, delivered through a trusted partner with the right people and skills.

AI Vision & Strategy

Culture & Change Management

AI Operating Model

AI Trust & Governance

People & Experience Design

Data & Platform

Engineering & Operations

2027 is only three years away. But given the rapid pace of gen AI advancements and all the breakthrough capability that's ahead, three years might as well be a lifetime.

By making people the center of their gen AI strategy and leading with empathy for end users and each other, marketing organizations can go beyond imagining what's possible and do it.

When it comes to gen AI, we are our own client zero

At IBM, we're leading by example, promoting gen AI literacy in everything from upskilling initiatives to hackathons.

Our marketers are using gen AI for:

– Campaign planning and intake

– Asset creation and variations

– Review and approval

– Distribution and measurement

– Campaign analysis and optimization

Is your marketing organization ready for a gen AI-powered future?

Let's discuss how to start preparing today.
contact us at: info@ibmix.de

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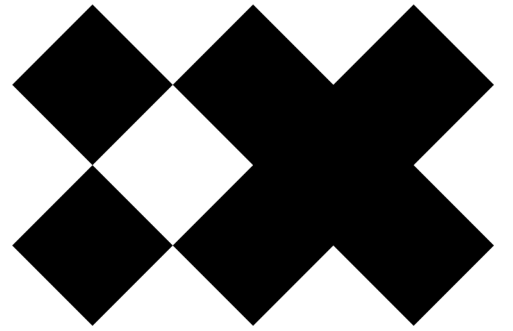Distinguished Engineer

Katrin Erl
Creative Director

for their perspectives and expertise.

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— More than 1,000 performance metrics, supported by business practices
— Coverage for all geographies and all industries

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