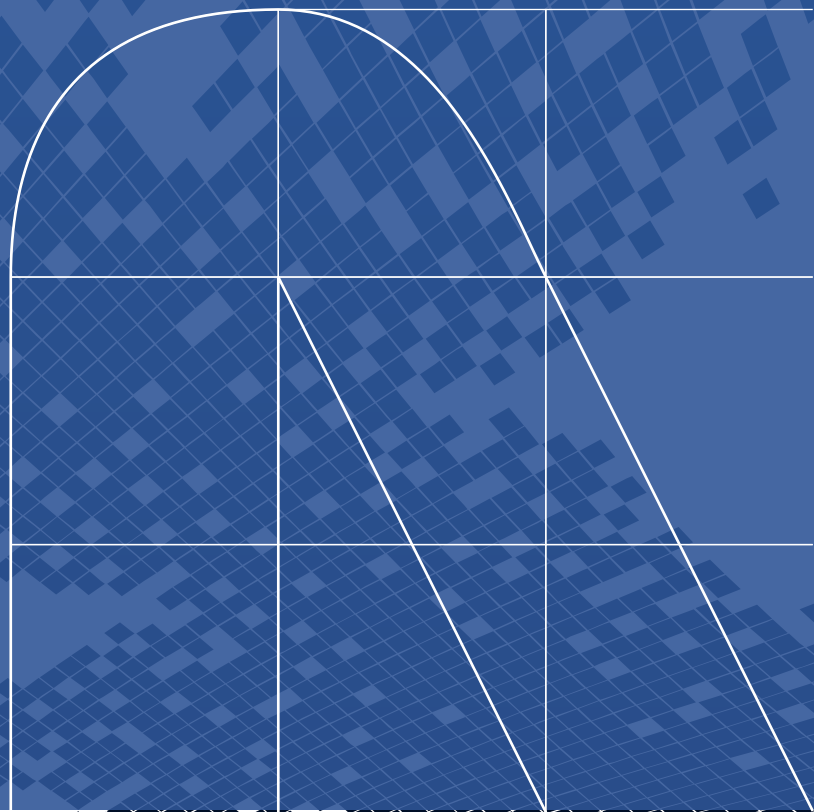


Cutting Edge Marketing Unleashed: Embrace Gen AI

NTT DATA point of view on marketing powered by Generative AI
and how it allows marketers to tailor their strategies.

NTT DATA Point of View



The Marketing Mantra

In the fierce battleground of commerce, big corporations pour millions into marketing and outreach programs to outclass their rivals and take the lead. To achieve this feat their go to weapon is strategic marketing, wherein brands create and maintain their prominence and seize victory in the war for consumer attention. A recent survey by McKinsey revealed that global marketing spending is estimated to reach \$1 trillion¹ annually.



Think Las Vegas. Beyond entertainment, the city is also known for its marketing extravaganza, where larger-than-life attractions constantly aim to outshine the last. Enter the \$2.3 billion marvel, the Sphere⁹—a colossal sphere with an outer LED dome fitted with 1.2 million hockey puck-sized LEDs that can be programmed to flash dynamic imagery on a massive scale, a visual masterpiece that doubles as the world's largest billboard.

The Sphere emerges as Las Vegas' newest jewel and is a prime example of how innovation and audacious marketing can redefine a live entertainment industry.

How effective is this colossal expenditure? Well, only the future will tell. The traditional marketing methods, while still relevant, often find themselves straining to capture the attention of consumers who have grown accustomed to highly tailored and engaging online experiences.

Today's digital age powered by AI (Artificial Intelligence) and ML (Machine Learning) is reshaping the marketing landscape and bringing forth a new era. These technological marvels are paving new avenues for organizations and helping them predict consumer behavior and provide personalized content, driving sales.

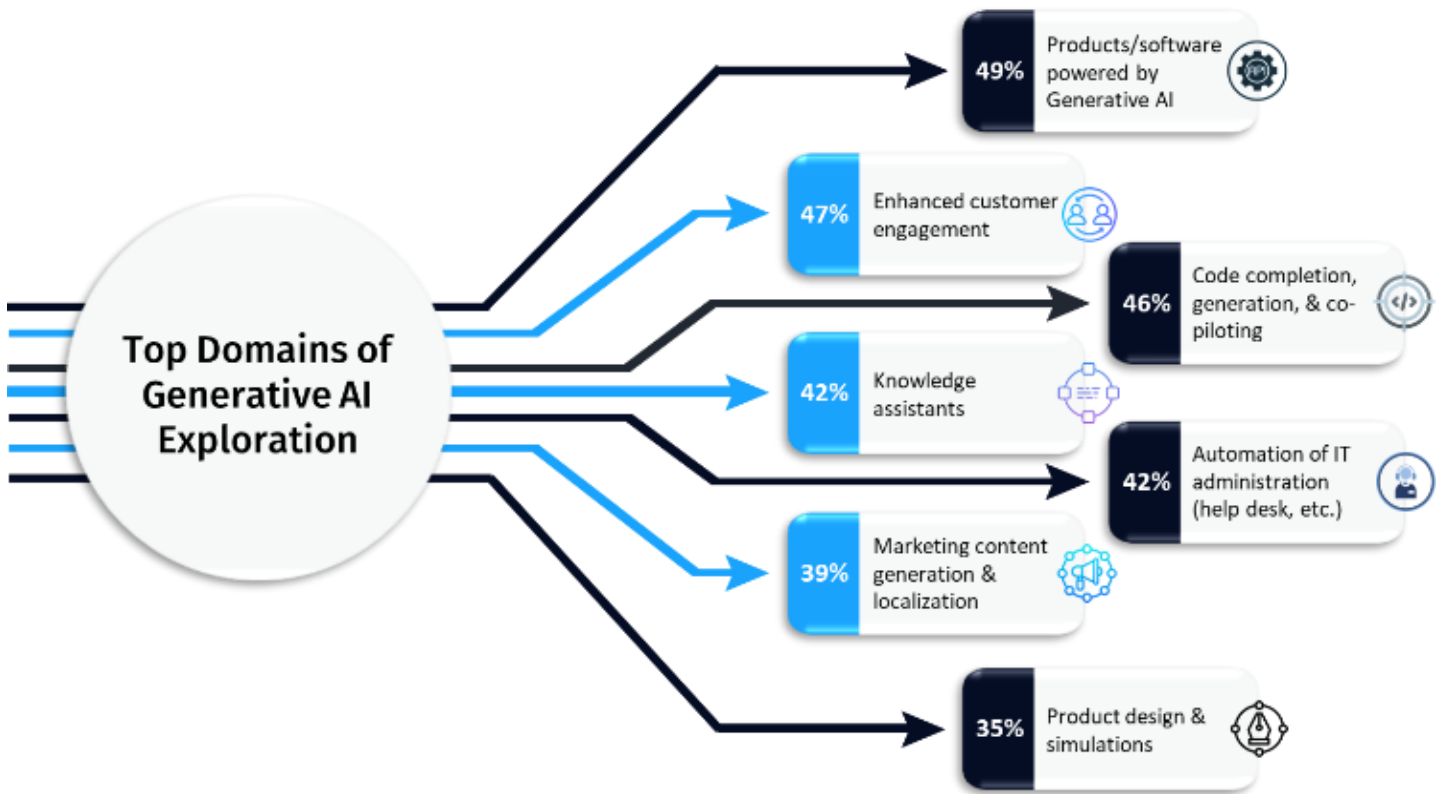


And just when we thought the technology had plateaued, we got hit by Generative AI. The industry witnessed an increasing investment in AI-driven innovations, which will disrupt status quo.

In this paper, we embark on a journey through the marketing maze, exploring how Gen AI will impact marketing both B2B and B2C scenarios. Also, we would deep dive and analyze how this new-gen tech would enhance customer experience and assess transformative potential that Gen AI holds.

The Magic of GenAI: Transforming Marketing

It is well established by now that Generative AI or Gen AI is not just a buzzword; it is a revolution that has potential impact across various industries. Gen AI embodies a new wave of technological revolution that not just harness the existing Machine Learning (ML) and Artificial Intelligence (AI) to connect and understand the consumer's requests but also caters to their needs based on their own preference, behavior and likes.



This inert ability of Generative AI has found its applications in consumer-facing industries, which makes marketing a hotspot for Generative AI's potential to engage customers effectively.

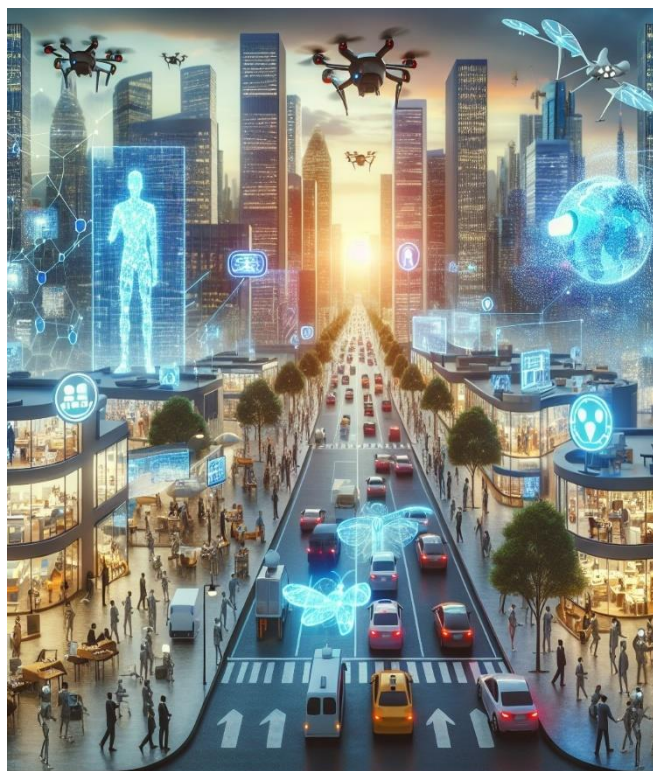
The impact of Generative AI on marketing would be nothing short of revolutionary. It has the capability to cater to the user with smart personalization, cognitive intelligence and with on-the-fly insights.

The Evolving Consumer Landscape

In the dynamic world of marketing, consumer behavior acts as a compass for organizations to build their strategies and decisions. With the exponential growth in technology and the rise of Generative AI, this compass is changing rapidly. Let's understand how the consumer landscape is changing in today's age of technology.





Smartphones, for example, have changed consumer behavior completely. They are more connected than ever, with a hunger for instant gratification and FoMo – the Fear of Missing out.

Key transformations include:



Digital Dependency	User are literally chained to their devices, depending on them for information, entertainment and updates. This acts as goldmine of data that generative AI can leverage to understand the end user.
Multi-channel Engagement	Reading the lines between offline and online engagement. Gen AI can help understand and engage such missing link.
On-demand Expectations	Consumer's need for rapid response time and catering to their needs. In the world of quick deliveries Gen AI can relate unseen parameters to meet such needs.

Marketing Powered by Gen AI

-  Enhances customer engagement levels.
-  Optimize marketing spend by identifying the right set of target audience.
-  Enabling seamless customer journey by providing tailored experience.
-  Enabling business to adapt swiftly to ever changing market dynamics.

Navigating GenAI: Challenges and Opportunities

Our journey of amalgamating the power of Generative AI with marketing is no easy street, as we stand on the crossroad of this technological revolution, where traditional marketing practices are still prevalent, introducing Gen AI comes with its own set of challenges.



Few initial hurdles foreseen are:

Mastering the Data: The issue of biased data can make marketing campaigns unfair and at times confusing which may also raise transparency issues. Additionally, it is important to keep a check on ethical lines that may lead to shaky results.

Late Adoption: Many existing AdTech and Marketing tech solutions lack the agility and scalability required for seamless integration with Generative AI models. Upgrading legacy systems

or migrating to cloud-based solutions can be a significant investment, posing a challenge for late adopters with limited resources.

Issues related to Data Privacy: The primary source of generative AI is data, which raises concerns about privacy and compliance regulations such as GDPR. These issues must be navigated carefully to strike a balance between privacy and delivering personalized experience.

Workforce expertise: The transition from traditional marketing to Generative AI needs a skilled workforce that can work along with AI, machine learning and data analytics. Failing to do so, the workforce may not harness the full potential of Generative AI.

Opportunities Unleashed

Today's consumer wishes for content and experiences that cater to their unique taste. Generative AI can catapult the domain of marketing in the era of customized content and services to the user based on their preferences and making every interaction a well-crafted narrative.

This, however, goes way beyond the basic CRM data and is about reading between the lines and understanding the desires, habits and needs at individual customer level. This way marketing can resonate with everyone rather than interacting with large groups broadly.

Hyper-personalization: In the world of information being dissipated from all directions, consumers yearn for experiences tailored to their unique preferences. Marketers now have the canvas to paint personalized experiences that resonate deeply with each consumer with the help of Generative AI.

Real-Time Insights: Gen AI now enables marketers to understand real-time insights derived from quick data analysis, wherein the marketers can dynamically adapt or modify their strategies. The underlying fact is, with the help of Gen AI consumer behavior would no longer be a mystery.

Cost Efficiency: Marketers can achieve more with less, by automating repetitive tasks, optimizing resource allocation, and maximizing the impact of every marketing dollar. Gen AI is not just a strategic advantage but also an economic catalyst that ensures marketing endeavors are not just effective but also efficient.

Enhanced Customer Experience: No matter what avenue companies use to market it all boils down to one thing, customer experience. Gen AI enables companies to orchestrate a seamless and personalized touch in all interactions. Right from the first interaction to post purchase engagement, customers can enjoy a curated journey. Not just that, Generative AI for digital marketing provides a significant advantage with its 24/7 virtual assistance.

Cutting-Edge Marketing Strategies: Gen AI in Action

Marketing is an extremely dynamic game, there is no standard playbook and is constantly evolving. To catch up with these ever-changing dynamics, we need to integrate cutting edge strategies which can be powered by Generative AI. As we explore cutting edge strategies fueled by GenAI, we will explore how.

Generative AI (Gen AI) fuels an end-to-end marketing strategy, revolutionizing every stage of the journey. From crafting visually stunning imagery and dynamic ads to automating website development and dataset generation, Gen AI accelerates campaign deployment while optimizing user experiences. Its natural language processing capabilities generate engaging copy, facilitate interactive sessions, and write compelling narratives that would resonate well with its audience.

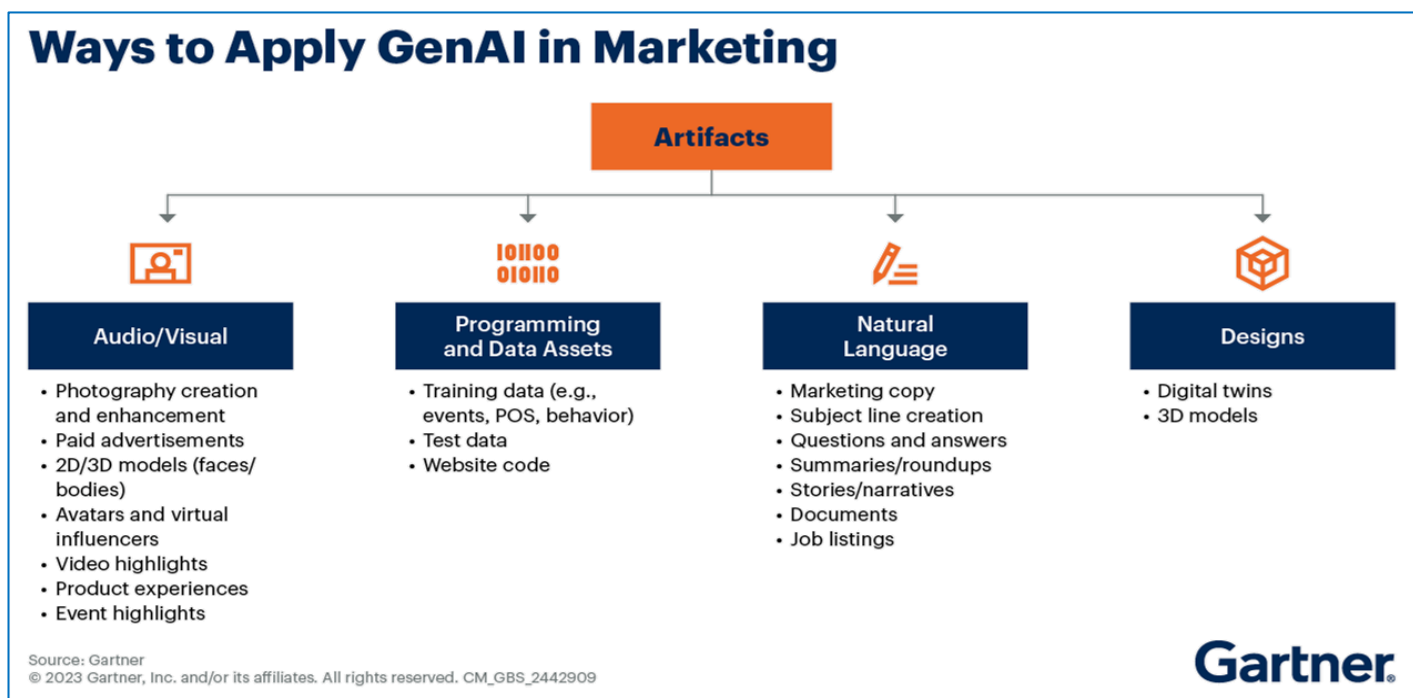
In terms of design, Gen AI unlocks creativity, producing immersive 3D models that captivate consumers. In essence, Gen AI empowers businesses to innovate, streamline, and captivate across the entire marketing spectrum, driving growth and differentiation in today's competitive landscape.

Let's explore a few possibilities that can be achieved using GenAI.

Modern Marketing Strategies

Conversational AI Assistants: One thing which ticks off consumers is mundane robotic type customer engagement. With the help of Generative AI consumers now can experience top notch, natural sounding interactions. By implementing chatbots and voice assistants powered by Gen AI, brands engage with consumers, offering real-time assistance, product recommendations, and a tailored shopping experience.

AI-Enhanced Content Creation: One of the primary abilities that Generative AI possesses is data analysis. This ability enables companies to create content that not only understands the customers' needs but also adapts in real time. Dynamic ad campaigns, customized audio-visual content and tailored websites content can ensure that each customer engages with a unique narrative.

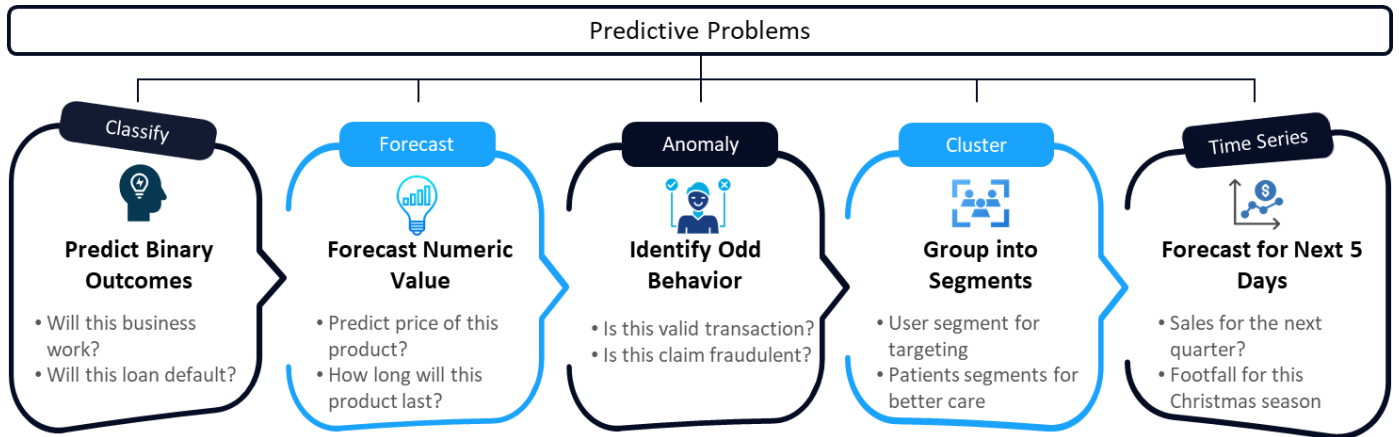


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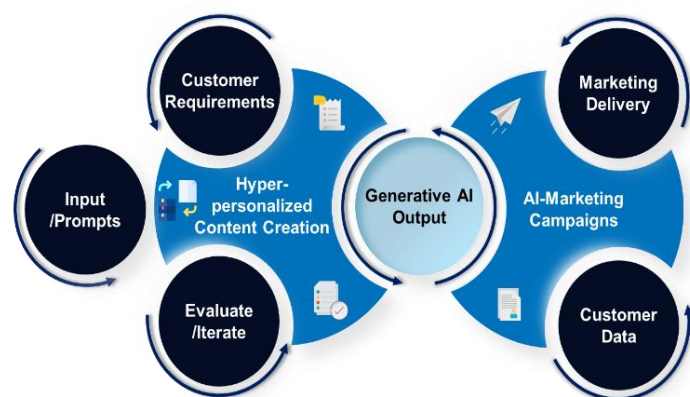
Predictive Personalization: Predictive algorithms powered by Gen AI more closely define the most appropriate channels and messages to use in marketing.

These algorithms can analyze historic behaviors and trends to forecast future consumer preferences. This gives companies an edge as they can offer tailored product recommendations and promotions.

data. These designs are then readily available for human evaluation and tweaking, allowing users to provide additional inputs or “prompts” to refine the options further. Finally, users have the freedom to select the design that best aligns with their vision and objectives.



Immersive Experiences: Consumers increasingly crave interactive and visual engagement rather than static experience. With the help of GenAI and Augmented reality (AR) brands are now subjecting their consumers to experiences like never before. For example, consumers can virtually try products, visualize items in their own spaces, and create memorable and shareable experiences that go beyond traditional marketing channels.



The integration of Generative AI makes digital development remarkably user-friendly and efficient. The process can be performed in 4 simple steps, it begins with input data, where users provide requirements or parameters to guide the Generative AI's creative process. Next, the Generative AI swiftly takes on the task, generating multiple designs based on the input

Real World Gen AI Use Cases for Marketing

Let's witness the magic of Gen AI in our real world, where brands have already started pushing the boundaries.

Coca-Cola's Creativity: This iconic beverage company is known for creating iconic ads and is taking bold steps to keep themselves relevant.

Even now, it is one of the first companies to dive in the world of Gen AI.

Recently, Coca-Cola⁶, in partnership with OpenAI, launched an AI-powered global campaign titled "Masterpiece," masterfully fusing art and live-action elements for an unparalleled viewing experience which was using their DALL-E2 generative image model and ChatGPT.

The company, with the help of GenAI aims to merge AI with human creativity to bring in the wow factor in building brand identity and advertising. In addition, Coca-Cola is also focused on empowering independent artists and small studios through initiatives like the Real Magic Creative Academy and Coke Studio, a free, AI-augmented music-making platform.

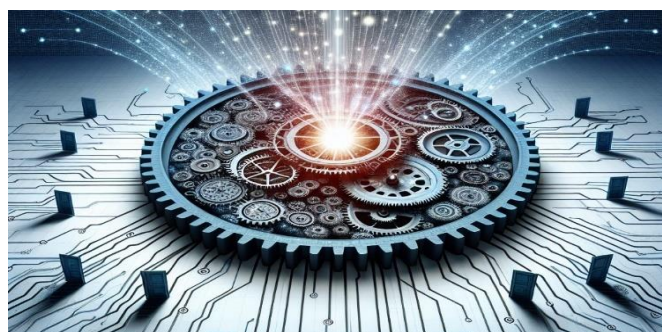
Nestlé and Mondelez Personalization Through AI⁷: In a recent advertisement campaign Nestlé and Mondelez created an ad showcasing a prominent actor from Indian film industry. The ad featured the actor asking passers-by to shop at 2,000 local stores during Diwali festival. Small businesses used a microsite to generate versions of the ads featuring their own store that could be posted on social media and other platforms.

This experiment was created using Generative AI software like ChatGPT and DALL-E to cut costs and increase productivity.

As we dive deeper into the impact of these cutting-edge strategies, exploring how businesses can harness the new dimensions of marketing with Gen AI as their compass.

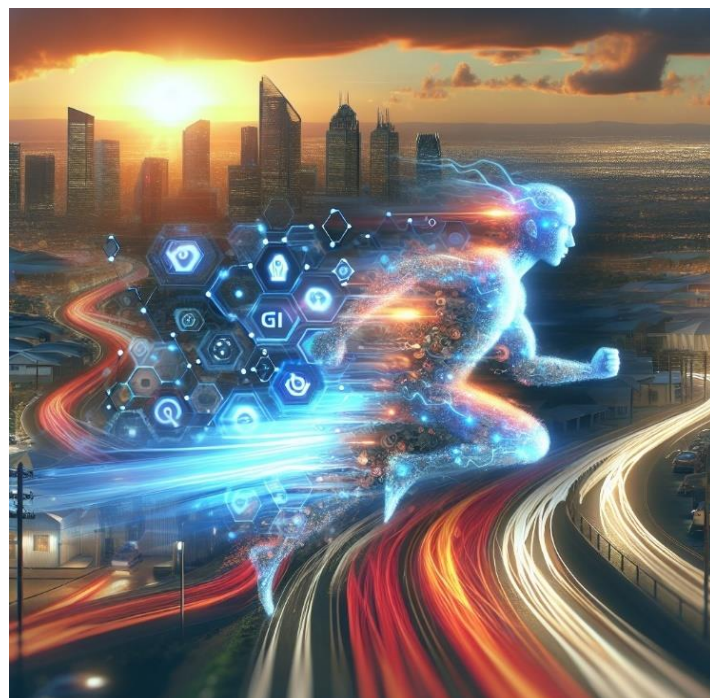
The horizon of Gen AI in branding extends beyond these illustrations. Brands like Heinz have harnessed Gen AI to solidify their brand association, making Heinz synonymous with the word ketchup. We also saw PepsiCo using Gen AI to craft personalized video messages.

These real-world marketing use cases are shining examples, illuminating the potential for innovation and success in the era of Gen AI-driven marketing.



Data and Technology: Crafting an Effective Strategy

Generative AI is marching into a new era of customized communications, allowing marketing teams to achieve greater reach and personalization. To enable Gen AI, to construct a solid marketing strategy requires the integration of cutting-edge technologies and advanced data science methodologies. As we walk through the path of Gen AI, we will explore the nuances that are essential to build a data-driven Generative AI marketing strategy.



Gen AI's Thirst for the Right Data

In the Gen AI ecosystem, the efficacy of AI models relies heavily upon the quality and relevance of the data they are fed. This highlights the importance of implementing a stringent data governance framework, employing techniques such as Data Management Association (DAMA) Framework to refine and amalgamate heterogeneous datasets.

Building a Data-Driven Generative AI Marketing Strategy

Even before we embark on our journey to introduce effective Generative AI solutions in marketing, we need a strategy to implement AI foundation models. It's essential to define our use cases² and understand the benefit and risk of each use case to chart a step-by-step journey that suits our model training process.

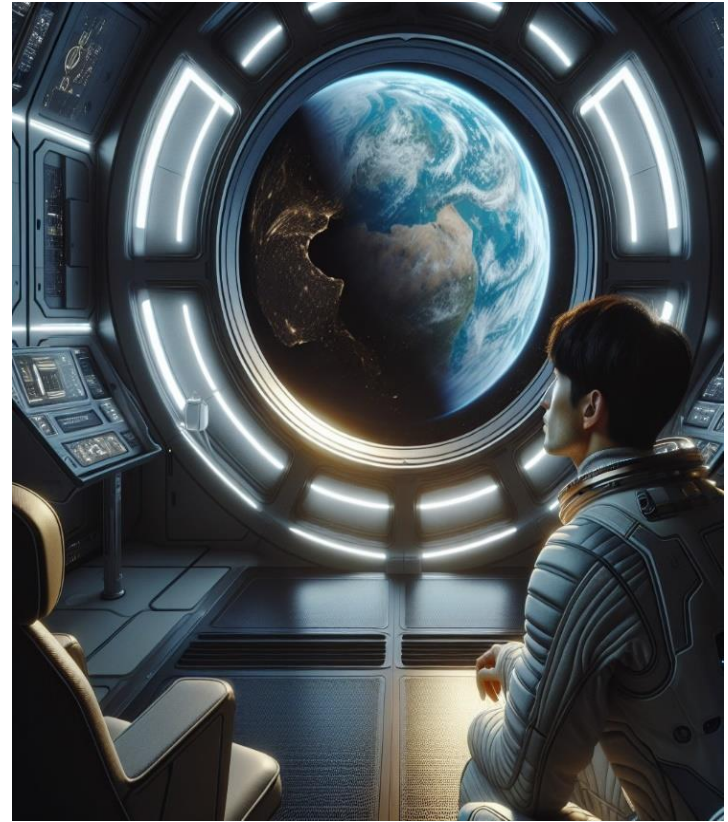
Here are a few essential pointers which ensure a successful implementation.

- **Data Collection and Integration:** Implementing API integrations that allow us to aggregate data from plurality of sources, fostering a unified avenue and comprehensive dataset. The deployment of real-time data pipelines ensures that the Generative AI model is continuously fed with the latest data comprising of trends, consumer interactions, impressions etc.
- **Data Cleaning and Preprocessing:** A major issue in not just Generative AI, but in AI in general is inaccuracies and sometimes biased output. It is evident that a model is as good as the data which fuels the model. Hence, it's imperative to leverage techniques such as anomaly detection and tools like NTT DATA's patented AI Data refiner³. This ensures that dataset is not only validated and sanitized from inaccuracies but also optimized, to ensure more accurate and contextually aware AI models.
- **Real-time Learning and Adaption:** It is important to factor in the fact that trends and consumer habits change frequently. We need to assimilate these evolving trends and patterns in real-time. Hence, employing models that facilitate continuous adaptation of the Generative AI model is extremely important. This ensures companies adapt to real time insights that mirror the dynamic nature of consumer behavior.



Generative AI Needs Human Marketing Teams

Deploying Generative AI is just half battle won. Gen AI models need continuous refinement as they interact with consumers. Hence, human supervision is essential in our deployment strategy.



Here are a few pointers that would help us on this journey.

- **Strategic Oversight:** Integrating Gen AI into marketing workflow needs a very important to have a robust explainable AI framework. This not only interprets and explains the output coming out of Gen AI by providing insights but also provides marketers with a transparent view of the model. This gives the marketers a transparent view of the decision-making processes, ensuring alignment with strategic objectives.
- **Interpreting Results:** Employing unsupervised learning techniques alongside domain-specific expertise equips marketing teams to decipher intricate patterns within the AI-generated results. This hybrid approach ensures for a balanced and accurate interpretation, which not only bridges the gap between the data driven insights but also provides updated actionable marketing strategies.

Gen AI Marketing: Legal Implications

We have already established the fact that Generative AI has the potential to bring in significant advancements to the advertisement sector. It aims to revolutionize the way we would create content, customer engagement and improve reach and gain targeted impressions.

Through the power of Gen AI, brands can create original content such as text, articles, images, video at a click of a button. Despite all the advantages such as improved productivity and cost saving, Generative AI does come with its fair share of legal implications and issues that organizations need to consider.

Issues such as data breach, copyright infringement that are very prevalent that comes along with usage of Gen AI. Additionally, there are issues related to ownership of AI generated content content/IP, potential bias, and fake information. Please consult with your attorneys before embarking on your Gen AI journey

Let's list down a few of the issues that one must address to mitigate legal issues.

Copyright Infringement

When it comes to copyright infringement, Generative AI can get tricky. Recently, AI generated music has gained immense popularity in South Korea, with users using Gen AI to re-create existing tracks with other artist's voice. This trend often involves the unauthorized use of an artist's voice and music and might be subjected to copyright lawsuit.

Is AI a legal entity?

Post the famous case of DABUS⁴, AI-generated content faces uncertainty regarding copyright protection due to AI not being recognized as a legal entity, raising concerns about ownership and infringement.

Brands and creators may encounter challenges in claiming legal ownership of AI-generated works.

In addition, it's not just creation of content, the issue also arises from the content AI model ingests as training data. Using copyrighted material as training data has its own set of legal implications.

Misinformation via Gen AI

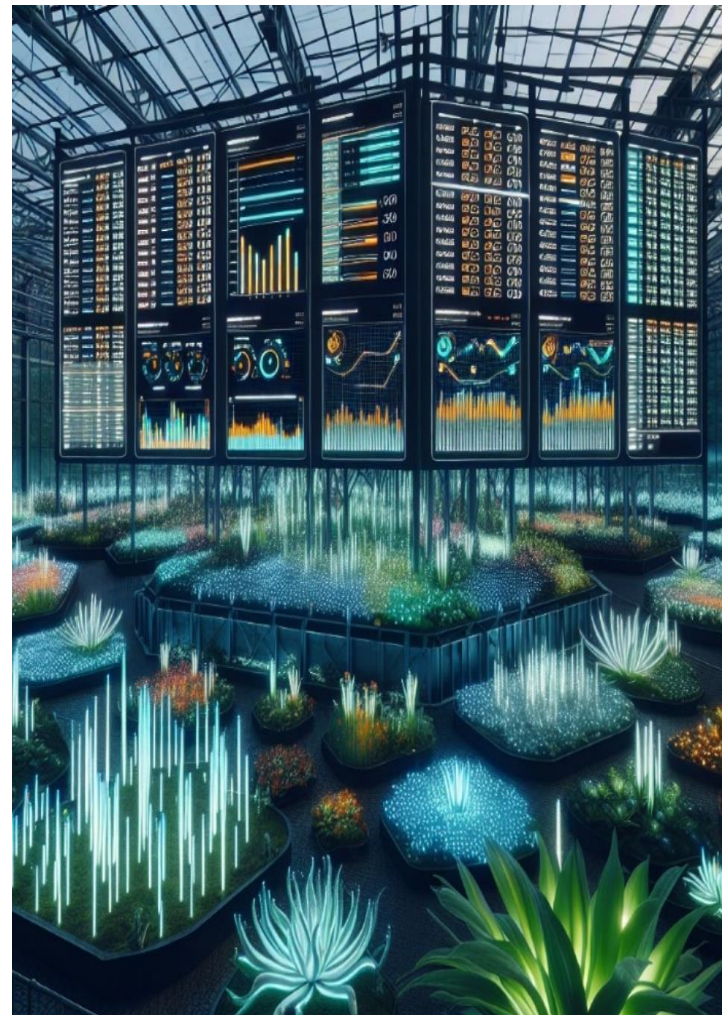
The data that is used to train the AI models is sourced from open/public sources or from the internet that can introduce biases, hallucination, misinformation, and misleading content. Wrong dataset or limited diverse dataset may lead to bias, misrepresenting race, community, genders, and propagating stereotypes.

How to Mitigate Risks

Since AI is not recognized as a legal entity in most jurisdictions across the globe, it means that the ownership of AI generated content remains with the brand/agency which created it.

To mitigate such issues, brands/agencies should review the content before being used as training data and secure authorizations for copyrighted content, and carefully avoiding prohibited input.

In addition, there is a need for stringent guidelines, regulations, and disclaimers to mitigate potential liabilities. Furthermore, there is also a need to maintain human control and employ explainable AI models which ensure responsible AI use, and effectively minimize legal and ethical risks.



NTT DATA's Gen AI Outlook

NTT DATA believes in Generative AI with a purpose – a future where AI and humans can work together. We think that the mutual growth of humans and AI will lead to a more sustainable, better world.

Recently NTT DATA rolled out 'tsuzumi'⁵ a large-scale language model that is lightweight yet has top-level Japanese language processing capabilities. The parameter size of 'tsuzumi' ranges from 0.6 to 7 billion, which is relatively small, reducing the cost needed for learning and tuning. 'tsuzumi' supports both English and Japanese and allows for inferencing on a single GPU or CPU. It is named after a handheld Japanese drum. By developing our own Gen AI model, "tsuzumi," NTT DATA envisions a future where data-driven insights and advanced technologies redefine marketing dynamics.

NTT DATA advocates for the integration of Gen AI in marketing. However, it is necessary to implement Gen AI under human supervision, drawing inspiration from real-world examples and prioritizing legal and ethical considerations and above all with a commitment to responsible AI practices.

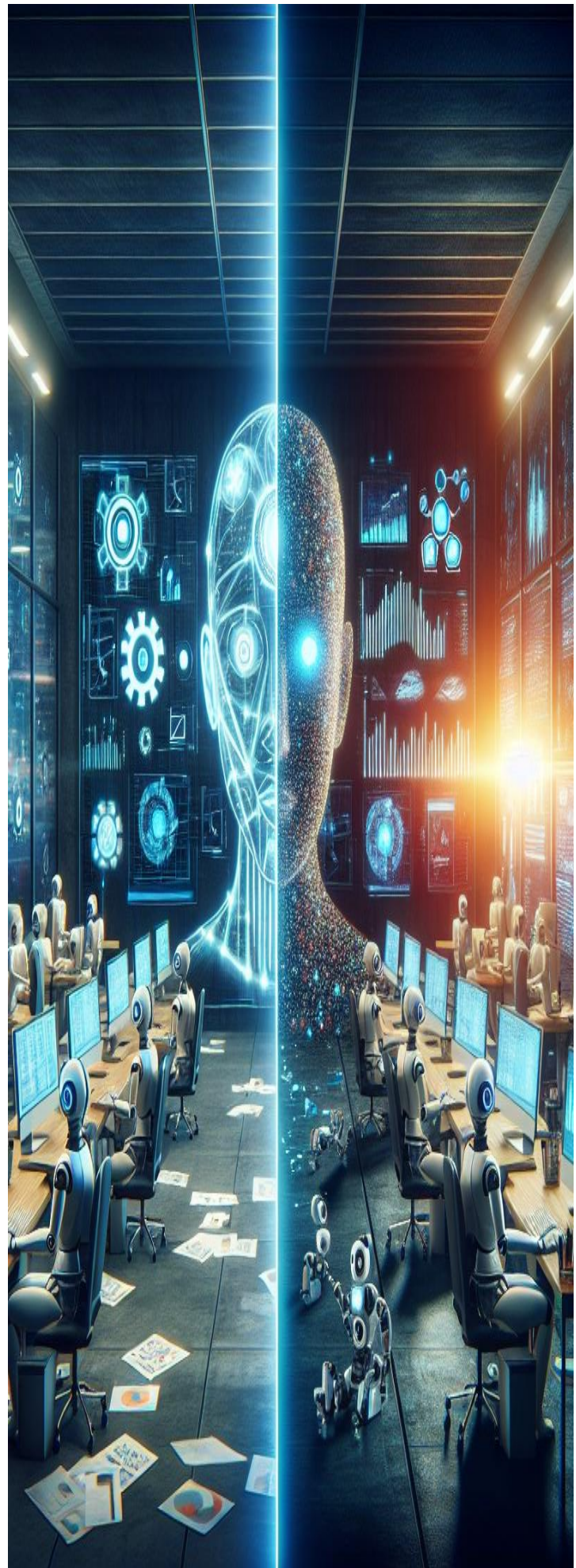
The Way Forward

Generative AI is revolutionizing digital marketing and is reshaping how businesses engage with consumers.

The world has witnessed just the tip of Generative AI's magic to implement cutting-edge marketing strategies and it can be further honed to understand customer journeys deeper and improve overall attribution effectiveness.

This journey, however, needs a dynamic craft woven with innovation and strategic foresight and we at NTT DATA see the future as both promising and challenging.

With the rise of Generative AI, CMOs are all set to succeed. Are you ready for launch?



Let's get started

See what NTT DATA can do for you.

- Deep industry expertise and market-leading technologies
- Tailored capabilities with your objectives in mind
- Partnerships to help you build and realize your vision.

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Sources

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