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Digital

How Generative AI is powering next-gen content marketing operations.

New research reveals the benefits accruing to today's early adopters.

April 2024

As a marketing leader you recognize that Generative Artificial Intelligence (GenAI)—the machine-powered ability to create something entirely new from existing data, words, images, video, audio or code—will likely have a transformative impact on content marketing. Even if you haven't started implementing it yourself, you already see the impacts around you. Once-cautious competitors are making sudden moves. Upstarts are staking new territories. Customers are noticing—for better and, sometimes, for worse.

Are you ahead or behind? On the right track or veering off the rails?

You might be feeling pressure to foresee the path ahead and lead the charge toward GenAI-powered, next-generation content operations. But that's not the only pressure you face. In most businesses, the demand for more (and more effective) marketing content is expanding at an unprecedented rate. Customers see ever-more personalized, relevant, right-on-time content and experiences from other brands, and expect the same improvements from you.

How can you juggle those demands effectively while preparing for tomorrow's opportunities rapidly?

In this research report* we look at how the first wave of GenAI early adopters are tapping its potential to improve content quality and quantity while accelerating production and delivery. We explore the results they've achieved—as well as the challenges and concerns they face. Based on their experiences and our own work with clients, we map out a series of foundational considerations to help your own organization and brand move forward effectively, efficiently, safely and strategically— no matter where you are on the journey to GenAI-powered transformation.

* This report highlights results from a survey of 650 marketing leaders at US business-to-consumer and business-to-business companies representing a wide range of industries. In this report, "early adopters" are defined as those companies that as of September 2023 had *already* implemented GenAI as part of their content marketing operations.

The statistics and insights highlighted in this report are based on that research survey.

For a detailed methodology, please see page 12.
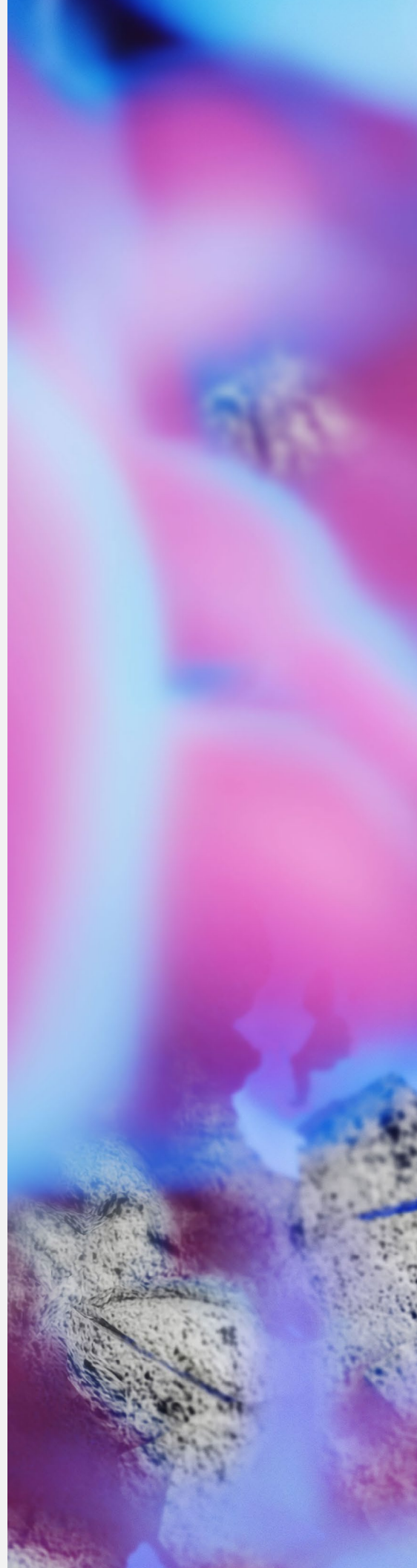
Growing demand—
and widening gaps.

Marketing leaders today overwhelmingly agree that content marketing is a critical component of their digital marketing strategies—and that its importance continues to grow. Ninety-three percent of respondents said content marketing became more important to their strategy over the previous year, with higher brand awareness, increased revenue and higher customer trust cited as the top benefits achieved.

With increasing importance comes increasing demand: Survey respondents reported that in 2023, the volume of content they were expected to produce grew by 54% year over year. This surge in content demand has been driven by the need to adapt to more channels, provide greater variety with less repetition and improve accessibility. Further compounding these challenges is the demand for greater relevance. It's not enough to simply produce more content; it needs to be better targeted and more personalized.

Trouble is, marketers can't keep up. Respondents reported they only meet content demands 55% of the time. And it's not just about what gets produced. In our work with clients across industries, we see that many organizations struggle to implement the right data foundation to produce actionable audience insights and real-time personalization, measurement and attribution. Even when that's in place, the connected tools, automated processes and skilled talent needed to meet the scale of demand may be lacking. It's not uncommon to find global enterprise marketing organizations still managing their content pipelines via spreadsheets, or relying on performance data from a month or more prior to guide tactical and creative optimizations.

Those old ways of working can't keep up with new ways of growing. Many CMOs are now confronting the reality that the gaps between what their organizations *should do* and what they *can do* continue to grow.

Between 2022–2023, business demand for content grew by 54%—yet marketers only met that demand 55% of the time.
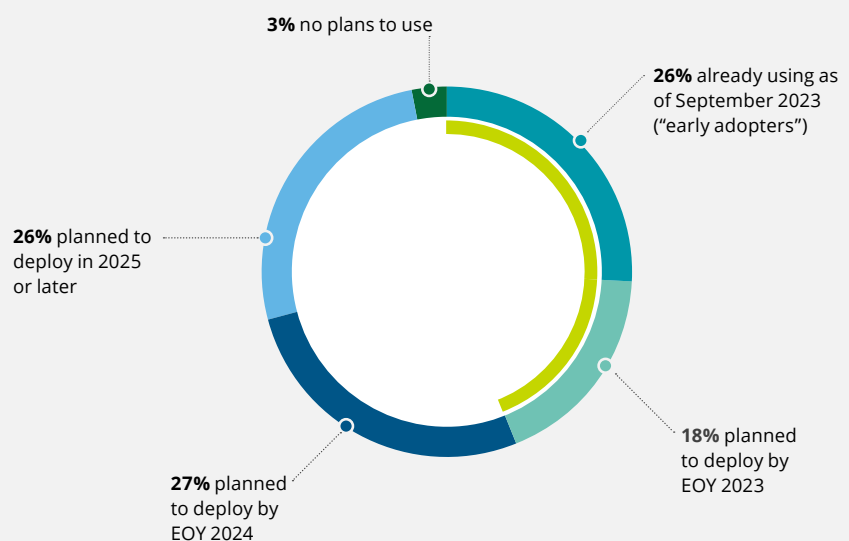
| Original image | GenAI-edited image |

For early adopters, Generative AI shows rapid ROI.

Given these many interconnected challenges, GenAI's emergence as an enterprise-ready solution for marketers could hardly have come at a better time—and plenty of companies jumped in fast. When our survey was completed in September 2023, more than 1 in 4 organizations had already implemented GenAI to expand capacity and capability across their content marketing operations. That proportion is expected to rise to 71% by the end of 2024. (*See chart.*)

For early adopters that had already taken the plunge, positive results came fast. Enterprise-ready GenAI tools and models had been available for less than a year at the time of our survey, and early adopters reported an average 12% return on investment—and none reported a negative return. That value was bolstered by a very human benefit: On average, early adopters said GenAI had eliminated 11.4 hours of work per week for content marketing employees, enabling them to focus on higher-value activities. Top-line benefits were reported as well, with early

NEARLY HALF OF ALL COMPANIES USE GENERATIVE AI FOR MARKETING CONTENT NOW.

3% no plans to use

26% already using as of September 2023 ("early adopters")

26% planned to deploy in 2025 or later

18% planned to deploy by EOY 2023

27% planned to deploy by EOY 2024

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adopters saying their content marketing efforts were *directly* responsible for an average 11% increase in revenues during the previous year—compared to just 5% for companies that reported no plans to use GenAI.

It's important to keep in mind that those results have been achieved by organizations with no established blueprint to follow, using first-generation commercial tools that were often trained on months- or years-old public data and/or limited sets of first-party data and content.

It's also worth noting that efficiency gains aren't coming from the replacement of human workers. In fact, early adopters were significantly more likely than future adopters to say they expected GenAI to moderately or substantially increase the size of their marketing teams. This indicates that GenAI is more likely to serve as a collaboration tool that streamlines workflows across a variety of roles.

In the next section we'll look closer at what early adopters are doing to achieve positive outcomes—and what they're learning along the way.

RIGHT ON SCHEDULE, FASHIONABLY LATE … OR MISSED THE PARTY?

In the near term, can the benefits achieved by early adopters continue to compound—and can future adopters replicate those results? Will GenAI drive durable advantage and self-sustaining value—or will it turn out to be just another efficiency play?

For both questions, the answer is likely … *"It depends."*

Early adopters currently enjoy a sizeable head start. Ironically, their greatest advantage may be human: 70% of *all* respondents said a shortage of internal GenAI expertise is a moderate or major obstacle to implementing or expanding the use of GenAI in content marketing operations—but early adopters were significantly more likely than other respondents to answer the survey that their content marketing teams were "proficient" or "expert" in using GenAI.

The opportunity isn't yet lost for future adopters. Those companies may benefit from a faster on-ramp as technology matures, best practices are refined and the regulatory environment around

GenAI becomes clearer. The urgency to move is real, but future adopters have a window of opportunity to build a more strategic, secure and resilient operational foundation—whereas many early adopters now face the work of reverse-engineering that foundation.
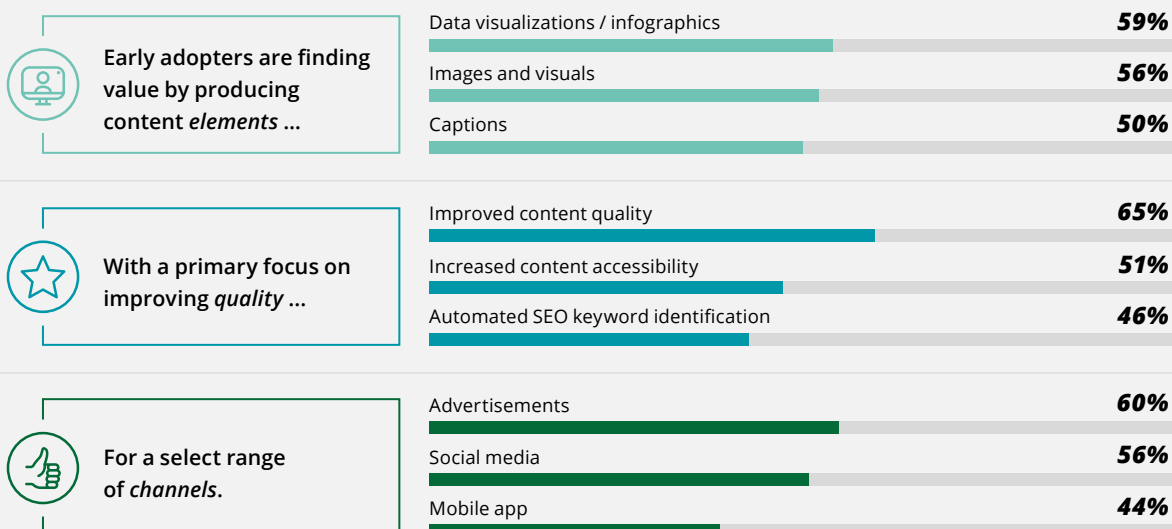
As to where this all leads, it's informative to recall other major technology disruptions of recent decades. The desktop computer revolution of the 1980s, the internet's widespread emergence in the 1990s: These shifts impacted every industry, business and worker. Some companies seized the moment to pioneer new business models, new products, new ways of working, new sources of value. Others identified new opportunities to lower costs and drive efficiency. Surely none of those companies would wish to go back in time now—much less be counted among the companies that missed the moment and went out of business.

Similar dynamics will likely play out in coming years as GenAI matures. Ultimately, we believe there is no opt-out. And for some, the opportunities are well worth leaning in.
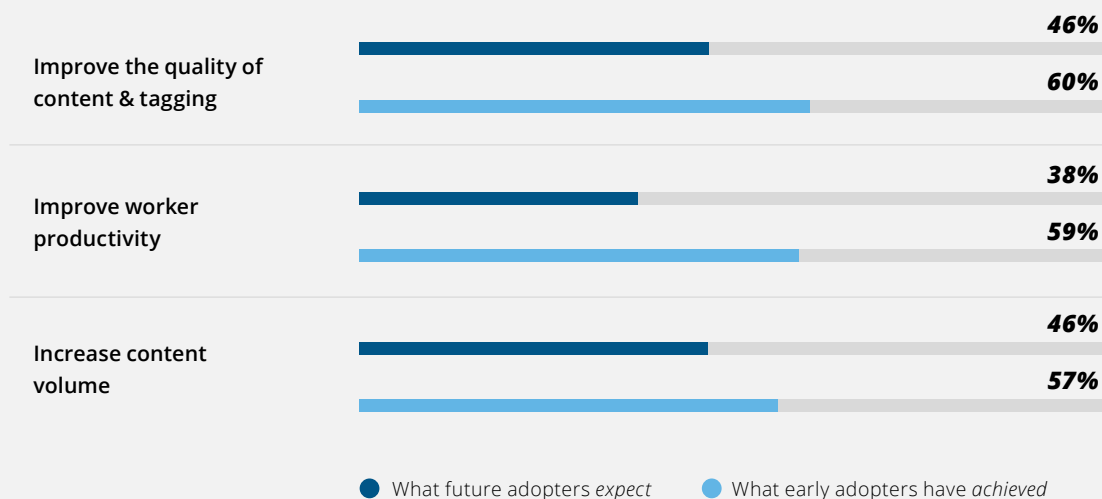
Limited uses, unexpected impact.

Today's early adopters have primarily focused on applying GenAI in operational use cases, with most using the technology to *improve and adapt* marketing content rather than to *generate* complex or complete content. Despite those limited uses, early adopters said GenAI was already involved in the development of 46% of their content, on average. And their results have been better than expected. *(See charts.)*

TAKING SMALL STEPS ...

Early adopters are finding value by producing content *elements* ...

Data visualizations / infographics	**59%**
Images and visuals	**56%**
Captions	**50%**

With a primary focus on improving *quality* ...

Improved content quality	**65%**
Increased content accessibility	**51%**
Automated SEO keyword identification	**46%**

For a select range of *channels*.

Advertisements	**60%**
Social media	**56%**
Mobile app	**44%**

... AND EXCEEDING EXPECTATIONS.

Improve the quality of content & tagging
- 46%
- 60%

Improve worker productivity
- 38%
- 59%

Increase content volume
- 46%
- 57%

● What future adopters *expect*　　● What early adopters have *achieved*

Reality is also positively outpacing expectations when it comes to *where* GenAI can (or does) impact content development and delivery. In 11 of the 14 channels we tested, early adopters were more likely to be deploying GenAI capabilities than future adopters expected. The gaps were especially pronounced for advertisements, social media posts and sponsored content.

This rapid success and expansion of use cases has been aided by the fact that early adopters appear to have been better prepared to take advantage of GenAI in the first place. For example, early adopters were 3x as likely to have a fully functioning project planning process in place, with dedicated tools for content marketing. They're 3x as likely to have a formal, analytics-driven process to balance content supply and demand. And they're 3x as likely to have a very high level of automation for content fulfillment and distribution.

Those and other capabilities will likely prove increasingly essential as GenAI use cases expand beyond low-complexity use cases. Over time, GenAI has the potential to impact nearly every activity of the content marketing organization. Strategically, it can help with audience insights and market analysis as well as journey mapping and search engine optimization (SEO) strategy. Creatively it can help brainstorm new ideas, iterate concepts, and synthesize inputs to produce entirely new activations. Operationally it can help automate and enhance a range of processes beyond quality assurance—including personalization, content delivery, performance reporting and real-time optimization.

Few organizations today are prepared to tackle such higher-complexity, higher-value use cases. Let's now look at what it could take to get there—no matter where you are on the journey.

A SPECTRUM OF MACHINE INTELLIGENCE AND AUTOMATION.

GenAI's sudden emergence and rapid evolution have left many business leaders scrambling to understand where GenAI can provide value to their organizations. At a more basic level, there are misperceptions about the distinctions between GenAI and traditional artificial intelligence—and even, in some cases, robotic process automation.

All three categories of machine intelligence we believe will continue to hold their place in driving efficiency and value.

Robotic process automation (RPA) is the automation of rule-based processes that previously required manual and repetitive human *work*.

Example use cases: extracting content engagement data from social media, automatically backing up content libraries.

Artificial intelligence (AI) is the capacity for machines to perform tasks that previously required human *intelligence*. Traditional AI models are typically built for task-specific use cases.

Example use cases: cleansing and unifying customer data from multiple sources, checking spelling and grammar in a document.

Generative AI (GenAI) is the capacity for machines to create novel outputs that previously required human *creativity*. GenAI models can be applied to multiple use cases.

Example use cases: identifying new sources of customer data and insights, authoring an original email based on content from a video.

A resilient foundation for fast transformation.

When implementing new technologies, leaders often reference the "crawl, walk, run" methodology. That tried-and-true approach has powered plenty of effective transformations.

In the case of GenAI, few CMOs believe they have the luxury of crawling. Instead, many feel they need to run but are flying blind, attempting to chart a trajectory toward transformation even as they're weighed down by disorganized data, outdated processes, unclear governance and undertrained talent.

Little wonder that more than 3 in 4 early adopters said they remained significantly concerned about potential brand risks introduced by GenAI, including intellectual property and legal risk, cultural insensitivity, impersonal experiences and lower creative quality. Nearly as many said they remained concerned about talent and change management challenges.

GenAI itself can't solve those concerns. As a marketing leader, your vision and leadership today will determine how much

and in what ways GenAI creates value into the future: the trustworthiness of your models, quality of outcomes, scale of application and variety of uses.

We've identified **seven foundational considerations that can help marketing leaders not only launch in the right direction but accelerate the potential** of GenAI across content operations.

01

STRATEGY & GOVERNANCE

When it comes to GenAI, there's little that it *can't* impact in content marketing—so it's crucial to prioritize investments strategically. Each GenAI use case should be planned, implemented, communicated and managed with the aim of achieving rapid impact and accelerating momentum. To ensure organizational alignment, training programs and clear governance should be put in place. Key performance indicators and milestones should be established to gauge progress against expectations and adjust where needed.

This is a big change—likely one of the biggest that your organization will ever undertake. So it's especially important to set the right course today.

02

COMPLIANCE & LEGAL

In early 2023 the US Supreme Court effectively affirmed a ruling that AI-generated inventions cannot be patented.[1] A few months later, a federal district court ruled that images created by GenAI tools cannot be copyrighted.[2] Meantime, a number of lawsuits have been filed claiming that GenAI inputs and/or outputs infringe existing copyrights.[3] And around the world, dozens of countries have taken up policy initiatives aimed at addressing issues that arise around artificial intelligence.[4]

In this environment, it's important for every enterprise leader to understand and carefully think through the regulatory and legal challenges that may arise with the use of GenAI. Marketing leaders should work with enterprise legal and risk leaders to identify use cases for GenAI that balance new opportunities for marketing innovation and competitive advantage with risk tolerance—all with a focus on testing, learning and eventually expanding.

TURNING MARKET IMPERATIVE INTO COMPETITIVE ADVANTAGE.

For some companies, the GenAI revolution in content operations is already a do-or-die imperative. Deloitte Digital helped one such company understand how market pressures would impact its business and what strategic shifts were needed to remain relevant—and then helped it to activate on the opportunities that were identified.

To start, we ran multiple rounds of targeted, primary and secondary market research with potential enterprise buyers to understand their needs and preferences. We then provided user experience and user interface capacity to rapidly integrate GenAI capabilities into the client's core product. We also helped design, develop and launch a novel product that complements the client's existing offerings.

As a result, the company was able to rapidly launch and market test multiple waves of GenAI products that have helped it stay ahead of market demand, maintain competitiveness and highlight differentiation from emerging GenAI startups.

03

DATA MANAGEMENT

Many marketing organizations struggle to tame data complexity. Siloed teams and systems—combined with an ever-changing range of data sources and ever-expanding volume of available data—often keep the goal of comprehensive data integration and management frustratingly out of reach. And effective data management is key to successful GenAI transformation at scale.

Fortunately, it's not necessary to reach data management nirvana *before* starting on the GenAI path. By identifying GenAI use cases built on your most robust and well-managed data assets, plenty of opportunities can still be seized—opportunities that will likely inform how you improve data management and activation in other areas of your organization.

04

CHANGE MANAGEMENT & TRAINING

While you don't need to fully solve your data management challenges before beginning to activate GenAI, the same is likely not the case for change management. Teams should be trained not only in new ways of working, but also in the benefits that GenAI can produce—for them as well as the business.

Resistance can arise in your workforce due to uncertainties about future job roles or processes—so find ways to demonstrate that GenAI is not a replacement for human talent, but rather a tool that can enable people to work more effectively and efficiently. For instance, when developing an email campaign a writer might resist using GenAI, believing it would be easier to craft the content from scratch rather than edit the output of a GenAI tool. In such cases, it can be helpful to reframe the opportunity: Once the writer has drafted the email, GenAI can be used to produce multiple variations targeting different audience segments and stages of the journey—thus shifting the task of creating each variation manually.

05

OPERATING MODEL

For GenAI to catalyze meaningful change and produce real value, new talent models, organizational structures, processes and capabilities will likely be needed. The speed at which GenAI can perform tasks means that some timelines and processes will be significantly streamlined. But a social media post that's written and designed in minutes does the business little good if approval and posting processes still require days to complete. Moreover, the higher volume of content that GenAI tools can help produce will soon turn into a backlog of unused assets if team structures and talent resources aren't realigned and expanded in ways that can keep that content moving through the pipeline.

In order to achieve impact from GenAI at scale, leaders should be ready and empowered to adapt operating models rapidly—and to do so repeatedly over time.

06

TECHNOLOGY & TOOLING

With so many vendors today touting so many GenAI tools, it's easy to become overwhelmed. But when it comes to identifying the best tools for your needs, an effective place to start your assessment is with your existing technology stack. After all, you've invested plenty to get it where it is today. And an increasing number of leading enterprise applications have GenAI-powered features already built in or on the way soon.

For those use cases that do require entirely new solutions, your existing technology is may still be the right starting point. Any new solution should integrate effectively with what you already have. Otherwise, it may not serve your needs at scale.

07

VENDORS & PARTNERSHIPS

On average, content marketing leaders reported they outsource 38% of their marketing content creation. GenAI will bring complex new considerations to how those agency and other external vendor relationships are structured. For example, you wouldn't give your agency of record all of your sensitive business data—so who trains the models the agency uses, and how do you protect your training data and prompt inputs from exposure? If the agency is using public models as part of its own processes, how do you ensure that what it produces is compliant with laws and industry regulations? Who owns the work product, given the current limitations on copyrighting AI-generated content?

These and other questions will necessarily impact the nature of your relationships— how your contracts are structured, who "owns" the risks, how work is produced, whether you even continue to engage.

MODELING A PATH TO GROWTH.

An important consideration for companies is whether to deploy GenAI using public or private learning models. **Public models** are built on massive data sets—text, images and videos, sound and music—making them useful to capture a broad swath of cultural information. **Private models**—those trained on a company's own creative assets and trusted data—can help produce content that feels not only human and relevant, but also strategic and on-brand.

Both bring potential blind spots that businesses must illuminate. Sensitive business or personal information input into a public model brings a significant risk of accidental exposure. Private models, in addition to being more expensive (at least initially) and requiring large amounts of business data to effectively train, may suffer from latency issues that impact user experience. And both types of models remain susceptible to so-called "hallucinations"— where the model perceives patterns or facts in source data that simply do not exist.

4 in 10 early adopters are **primarily using proprietary models** to train GenAI tools.

Conclusion

GenAI opens a world of potential for marketers. That's the good news. The challenge: This is a largely uncharted world.

It's the world you're in now—whether your brand has activated GenAI-powered use cases yet or not. What's your destination, and how do you get there? What resources and skills do you need today to fertilize growth tomorrow? Which clouds on the horizon will bring new risks, and which will rain new opportunities?

You don't need to know all the answers. You don't even need to know all the questions. Where you're at … is where you're at. In this time of rapid transformation, what's important is to start moving.

According to our research, today's early adopters of GenAI are doing that. They're picking GenAI use cases that are likely to produce fast, predictable and valuable (if incremental) results—and that help them develop new ways of working. They're implementing programs and milestones to continually improve over time through agile processes, testing and learning strategies, training programs, and measurement and optimization capabilities. And they're finding return on their investments.

AS YOU START TO MAP YOUR OWN PATH, HERE ARE SOME QUESTIONS TO CONSIDER:

1. What areas of my company's workflows could be accelerated or improved using GenAI?

2. What capabilities, talent models and ways of working do we need to realize GenAI's potential?

3. Do we have the right tech stack and tooling capabilities in place? Does our technology position us for scale?

4. Do we have processes and talent in place to monitor and improve AI-produced content quality in real time?

5. Are we adequately managing IP, privacy, security and other legal risks?

6. What support do we have across the enterprise, including from legal and risk? What more do we need?

7. How do we orchestrate an effective and efficient partner ecosystem and prioritize the right players?
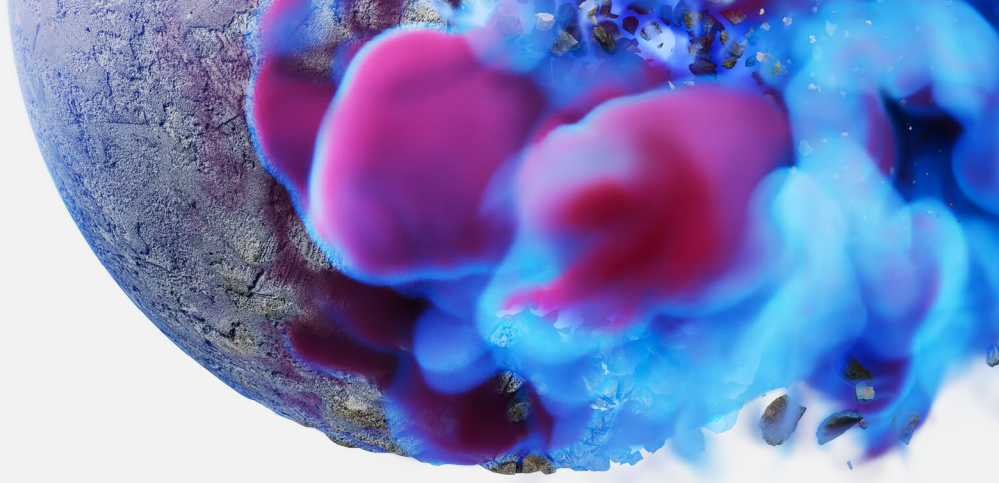
METHODOLOGY

All statistics cited in this report are based on a blind survey conducted by Lawless Research on behalf of Deloitte Digital between August and September 2023.

Respondents included 650 leaders at US business-to-consumer and business-to-business companies with 100 or more employees and $50 million or more in annual revenue. Respondents represented the following types of businesses: automotive, consumer goods / services, education, energy / utilities, financial services, insurance, health care, life sciences, hospitality, manufacturing, media / entertainment / publishing, real estate, retail, technology, telecommunications, travel, and transportation.

All respondents were senior managers or above working in e-commerce, marketing and/or product marketing departments, with responsibility for one or more of the following: communications, content creation / marketing, editorial / publishing.

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