How can CMOs win the balancing act created by generative AI?

ISAAC SARPONG: Isaac is the Partner in charge of Tax Services. He has over 26 years' experience in the provision of multi-faceted advice to both local and international clients in taxation, accountancy, audit & assurance, and corporate law, among others. Isaac is a Chartered Accountant, a Chartered Tax Practitioner and a Lawyer.

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New research from EY and Adobe finds that, in marketing, the best Generative AI use cases are ones optimized for humans.

In brief

‣ Marketing executives should put human needs first – meaning those of both customers and employees – when deploying GenAI.
‣ Show employees how GenAI can help them in their jobs so they can embrace the technology with confidence.
‣ Position marketing at the center of a GenAI control tower to drive governance as the wider organization adopts the technology.

Harnessing the capabilities of generative AI (GenAI) is a business imperative but one the C-suite struggles to come to grips with. Ninety-eight percent of CEOs are investing in their company's GenAI capability, but 66% are still uncertain of the optimal adoption path for their organization.[1]

This is also keenly felt by chief marketing officers (CMOs), who already face the tension of balancing cost and performance in customer experience. How can CMOs and marketing departments deploy GenAI to create authentic, relevant customer experiences that drive customer loyalty and competitive advantage? What does it take to harness the enormous potential of new generative technology in a way that makes a human difference, both for customers and the users of GenAI tools?

To answer these questions, the EY organization and Adobe recently asked executives across marketing, creative, customer experience (CX), data, legal, risk and compliance about how they are exploring and deploying GenAI within a commercial context to gather experiences and practical advice.

The findings are explored in our guide. The key takeaway is that unlocking competitive advantage with GenAI demands human agency and connection. GenAI is fast becoming democratized – your competitors are already adopting it and developing customer use cases. Even your customers are starting to deploy it. This research shows that CMOs face tensions in deploying GenAI:

‣ The company's desire to create efficiency, while maintaining strong governance.
‣ The customer's demand for increasingly personalized experiences, based on trust.
‣ The employee's skepticism about GenAI despite its job-enhancing potential.

Differentiation comes from addressing the human dynamics of customers and employees

Finding the way

98%

of CEOs are investing in their company's GenAI capability

66%

are still uncertain of the optimal adoption path for their organization

There are three steps CMOs need to take to unlock this human – and competitive – advantage:

1. Dial up transparency as you improve the relevance of customer experiences.
2. Transform skeptical and novice employees to empowered GenAI pros.
3. Drive GenAI innovation with confident governance.

Dial up data transparency as you improve the relevance of customer experiences

To create the most authentic and relevant customer experiences, organizations need first-party data – the data provided by customers – but there are obstacles to obtaining it.

Customer acquisition costs through digital marketing are high. Retaining and growing existing customers is a proven way to benefit from loyalty economics, so CMOs should think about what first-party data they want to own, and how to get that data with the right consent and permissions to be able to use it.

Accessing first-party data requires building confidence. Customers are wary about this – 79% are concerned or very concerned about how companies are using their personal data.[2]

To work around this, one surveyed Chief Data Officer at a consumer-packaged goods company reported that offering customers clarity in the moment about how the company will hold and use data is essential to winning trust and the consents they

need to engage customers with their augmented reality experiences.

Going a step further, sharing data back with the customer and being transparent about what it reveals, rather than only taking from them, can engender confidence and loyalty by shifting the relationship dynamic from "the brand understands me" to "the brand helps me understand myself."

This need for confidence underscores the importance of balancing human values with convenience when identifying GenAI use cases. Adobe research has found that 80% of customers prioritize knowing when they are talking to a human being or a chatbot3 – so bots that sound too human may not be well received.

Personal data and trust

79%

oof customers are concerned or very concerned about how companies are using their personal data

As GenAI-powered customer experiences begin to encompass voice and video and become more immersive, the risk of creating the Uncanny Valley effect increases – people can be unsettled by human-like representations and interactions that are not good enough, or that are too perfect or betray too much knowledge of them.

Instead of delegating customer experience to machines, finding such opportunities to create signature moments with human sensibility and agency will be key. In a world increasingly driven by machine intelligence, human values, behavior and emotion will differentiate customer experience.

With this in mind, CMOs should make customer benefits central to decisions. For example, could GenAI make a customer experience more empathetic, more accessible or more timely?

Some organizations factor in satisfaction ratings or other customer experience indicators when using GenAI, enabling them to start where the real customer value is, and to monitor the impact on customer experiences. For example, one multinational retail organization measures the impact of its GenAI chatbot by how many requests are resolved within it, rather than transferred to an employee. The retailer also

tracks any increase in sales following a chatbot interaction.

Themes for CMOs to consider:

‣ Differentiated experiences will emerge from balancing the powers of AI technology with human judgement and interactions.
‣ Both the customer and the customer experience teams must be able to direct and validate the outcomes of interactions.
‣ Finding opportunities to create signature moments with human sensibility and agency will be key.

Transform skeptical and novice employees to empowered GenAI pros

Senior executives cite "basic AI understanding for all employees" and "advanced AI skills training for key staff" as their top priorities for preparing their employees to work effectively with GenAI.[4]

This inclusive approach could help alleviate the anxiety some employees may feel around GenAI. The global EY organization's AI Anxiety in Business survey (via EY.com US) found that more than two-thirds of employees fear falling behind at work and losing out on promotions for not knowing how to use AI.

(CONTINUED IN NEXT EDITION) ∎

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Continued from previous edition

Teams must be enthusiastic about exploring GenAI before they can begin to capture fully the new opportunities it brings. This relies on building the "what's in it for me?" around GenAI.

Assign pilot projects and let insights grow organically as an essential first step that not only begins upskilling employees but also reduces their anxiety. An internal EY study found that the proportion of employees concerned about GenAI reduced from 98% to 12% after participating in a pilot.[5]

Optimizing content workflows for marketing teams is a good first move for GenAI adoption. GenAI can help speed up processes such as creative concepting and ideation, copy or image drafting, iterations and refinement, or producing content variations for testing. The technology can also boost the quality, quantity and reusability of content to drive personalization across channels, with human agency helping to maintain consistency in brand messaging, imagery and tone of voice.

Employees concerned about GenAI

98%

before participating in a pilot

12%

after participating in a pilot

GenAI can also be an invaluable tool to amplify human creativity. For example, a surveyed executive at a global fashion brand reported using GenAI to develop prompts and visualizations for product designers, drawing on trends harvested from customer sentiment analysis.

As the technology frees up time for larger, more impactful work, it should create a positive cycle: Satisfied employees help make satisfied customers, which in turn helps boost employee satisfaction, because employee experience and customer experience are interlinked.

This correlation was a major discovery in a customer experience optimization program at Dow – in the vast majority of instances, customer pain points aligned to employee pain points.
For example, if customers were having to wait for answers to a question, the delay was typically because employees were struggling to find the right information. This is a clear use case for empowering employees with AI-powered tools to serve customers faster and better, and to make their own roles more rewarding.

Themes for CMOs to consider:

▸ Determine the needs and pain points of the people delivering customer experiences – both employees and channel partners. Customer experience and employee experience are interdependent.

▸ Define and deliver training programs and learning labs, or provide space to experiment for all employees, from executives to practitioners.

▸ Have a clear strategy to validate that GenAI-produced content is aligned to your brand guidelines.

Drive GenAI innovation with confident governance

To unlock the potential of GenAI, organizations need to develop governance that can help explore opportunities while mitigating risks.

As a foundation, CMOs should choose solutions that are built for specific use cases, with business outcomes such as cost savings or content acceleration in mind. The solutions should also meet unique criteria and have the right controls in place. For example, the base large language model (LLM) must provide transparency into data provenance and be designed for commercial safety. And any data used in the solution must be secure and private, not shared with other businesses or used to train a publicly available model.

As organizations move GenAI from pilot to production, they need "air traffic control," a team comprising marketing, compliance and technology heads, to coordinate and direct GenAI development across the organization.

"It's crucial for the marketing function to be positioned at the heart of an AI control tower strategy. With an em-phasis on efficient content creation, AI personalization, and advanced analytics focused on the consumer, it's critical that marketing coordinates with legal, cybersecurity, privacy and technology stakeholders to harness and action data insights effectively," says Tom Edwards, Managing Director, Applied & Generative AI Lead, EY. "This centralized approach facilitates a unified direction and decision-making, to move at the speed of business while mitigating risk."

AI governance must extend to the creation and delivery of customer experiences. As AI increasingly becomes autonomous, capable of creating, personalizing and anticipating using customer data, people must remain central to creative and commercial decisions. Offering experiences without an adequate filter of human judgment could have commercial and reputational repercussions.

Themes for CMOs to consider:

▸ Select vendors and partners who are passionate about preserving intellectual property and content credentials, and are helping to guide global regulation.

▸ Establish a distinct GenAI Center of Excellence to govern opportunities across the business and operating model, and to identify and mitigate risks.

▸ Optimize governance of GenAI tools within the organization and evolve the existing internal controls framework.

Artificial intelligence with real human values

GenAI can provide an unprecedented understanding of human behavior, but there will always be aspects of the customer that cannot be fully understood or anticipated by a machine. It may know what we want, but likely doesn't know why we want it.

GenAI can be a transformative force in customer experience, both for practitioners and audiences – and at the heart of that transformation is human agency.

Far from taking away creative work from marketing teams, GenAI can supercharge it, creating exponential value, and putting a new palette of customer experience capabilities at the fingertips of the whole team, which further builds confidence.

Today, people have greater confidence in humans than machines. But as machines take precedence in marketing, the organizations to succeed with GenAI will be the ones that use it to unlock human advantage.

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Summary

Knowing how to adopt GenAI is a proving a challenge for most organizations. But there are significant and accessible opportunities for CMOs to lead the uptake of this technology.

New research by the EY organization and Adobe explores some compelling use cases and reveals some key factors to keep in mind.

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