

Do what matters

# Al: The catalyst for marketing's next evolution

The role AI can play in marketing and its ability to transform customer experiences

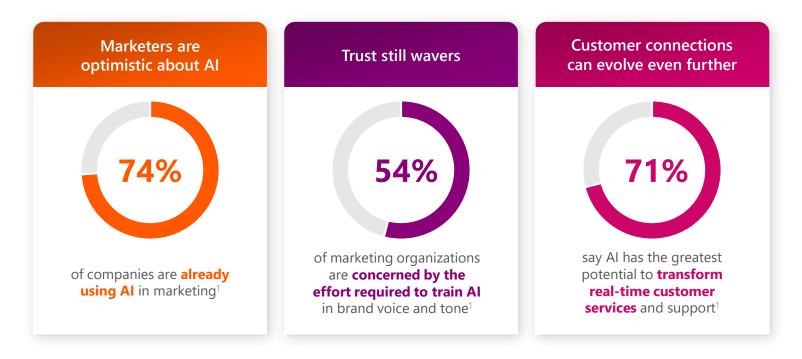
In collaboration with:

Hicrosoft

SITECORE

# Al: The catalyst for marketing's next evolution

This research analysis presents **Avanade's insights into the evolution of AI in marketing** based on our collaborative research with **Microsoft** and **Sitecore**. Our analysis assesses how AI is being adopted by marketers and gives you a baseline with which you can measure the current state of your business and next steps for developing more effective AI-driven customer experience (CX) strategies.



## **Research approach**

This analysis covers our perspective on "From Content to Experience: How AI is Shaping the Future of Marketing", a report conducted in collaboration with Avanade, Microsoft and Sitecore. The research, collected and analyzed by Incisiv, was gathered through a comprehensive survey of mid-market marketing leaders across the retail, consumer packaged goods (CPG) and manufacturing industries in North America, the UK and Australia.



#### **\$1-5BN** annual revenue of organizations surveyed

**69%** of respondents in VP-level roles or higher

**400+** marketing leaders surveyed



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#### Do what matters <sup>2</sup>

# The gap between promises and preparedness

From personalized experiences to cuttingedge service, **74%** of companies are already harnessing AI for marketing. But with only **12%** prepared to fully scale it across their operations, **is there a looming gap between ambition and reality?** 

**82%** of marketing leaders surveyed say they plan to use AI in their marketing efforts over the next few years, showcasing its operational necessity.<sup>1</sup>

Most corporate AI strategies and goals cite widespread AI use as their ultimate ambition. However, the disconnect seems to be in their ability – or readiness – to **cross over from experimentation to scaled use of AI** in their everyday workflows.



are still developing a business case and **44%** are stuck at proof-of-concept stage<sup>2</sup>

### Roadmap versus reality

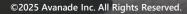
74%

12%

**74%** of companies are already using AI in marketing<sup>1</sup>

But only **12%** feel fully prepared to scale AI across their operations<sup>1</sup>





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# Move beyond experimentation to transformation

## Marketing's critical role in customer engagement, data-driven insights and its potential to generate quick-wins makes it a natural fit for adopting and experimenting with AI.

Even though AI use is still inconsistent and siloed, the marketing industry is leading in both practical and aspirational AI activation. As a marketing leader, your familiarity and knowledge give you an opportunity to amplify marketing's impact in the boardroom and help shape your company's future with AI. To embrace this, marketing leaders must take bold steps to move beyond small-scale experiments and integrate AI into daily workflows.

10%	are using standardized tools across their marketing organizations <sup>1</sup>
<b>76%</b>	feel overwhelmed by the volume and complexity of Al tools <sup>1</sup>
80%	rely on out-of-the-box Al features <sup>1</sup>
<b>79%</b>	plan to grow investment in Al training and fluency <sup>2</sup>

Although companies are eager to integrate Al into their marketing workflows, Al adoption remains **fragmented** across marketing organizations, further compounded by the complexity, rigidity and number of tools available.

But marketing leaders are looking to remedy this gap, recognizing the need for people to have the knowledge – as well as the tools – to work alongside AI.



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## Four steps to advance your AI impact

## Align your AI and company strategies

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Your AI marketing objectives should reflect your overarching company strategy, ensuring alignment across the organization. In doing so, you can **enhance your marketing effectiveness by connecting AI-driven market analysis directly to campaign creation and optimization**, allowing for a faster response to market opportunities while maintaining consistent messaging.

## Simplify and standardize which AI tools you use

Al integration can significantly improve efficiency and productivity, but it also introduces complexity. **Working with IT to standardize tools** not only helps alleviate the risk associated with tech inconsistency and sprawl but also **ensures seamless integration of Al into marketing processes and organizational structures.** Training, support and maintenance are easier to manage when everyone is using the same set of tools.



Al usage

Marketers should **actively seek opportunities to integrate AI into their workflows** to enhance productivity and innovation. This involves identifying areas where AI can automate tasks – like email marketing, social media management and customer personalization and experimentation –, provide data-driven insights and improve decisionmaking processes.

## Provide practical AI

Companies need to support marketers by offering practical AI tools and comprehensive training. This ensures that marketers have the **necessary guidance and resources to use AI solutions effectively.** Training should cover **how to use AI tools** on a basic level, **define use cases** in which it can be the most helpful, outline **best practices** for workflow integration and **address common challenges** such as brand consistency and governance.

## What good looks like

#### Avanade's experience with integrating Microsoft Copilot company-wide indicates that employee usage of AI increases with training and experience.

To ensure the successful adoption of AI within our business, we worked diligently to ensure that Avanade's global workforce of 60,000+ professionals had the resources, skills and support for an AI-first world. This included the launch of our School of AI to equip all Avanade employees – not just technologists – with valuable skills to navigate generative AI, responsible AI and prompt engineering. We've also leveraged this training material to help our clients roll out similar upskilling across their organizations.

We distilled hundreds of ideas from across Avanade to determine areas of opportunity where AI could be most efficient – in one example, providing our marketing teams with an AI-powered tool to identify patterns and themes for our customer data.

#### Learn more (>

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## **70**%

of Avanade employes using Al reported a greater likelihood of fostering a creative approach to tasks<sup>3</sup>

## 84%

felt a greater sense of accomplishment in their work<sup>3</sup>

## Marketing's lovehate relationship with AI

Trust in AI is one of the bigger barriers to entry not just for marketers, but across all corporate functions. While marketers have accepted and champion the use of AI in certain areas of marketing, they're hesitant to use it in others.

- 71% of marketers believe AI excels at personalization and analytics, but 54% are concerned by the effort required to train AI in important areas like brand voice and tone.<sup>1</sup>
- 39% of marketing leaders identified maintaining brand consistency across distributed teams and channels as the highest risk area for implementing AI in marketing.<sup>1</sup>

This lack of trust is one of the significant barriers holding marketers back from getting the most out of Al. But why?

Is it because marketers understand the inherent value of brands and the risk of damage? Or that we're already familiar with MarTech tools performing data-driven activities like personalization?

Regardless of the reason, if we focus on properly training AI to further help us with foundational tasks across marketing, we can eliminate mindless chores and confidently step into the role of strategic 'editors in chief'.



plan to develop responsible AI guidelines to ensure that the data feeding their AI tools and models is accurate and reliable <sup>2</sup>

of marketing organizations are concerned by the effort required to train AI on brand voice and tone



54%

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# Harmonize AI and human efforts to build trust

Building trust means finding the best balance between your existing MarTech tools, AI and human contribution. By combining the power of Al's automation and analytics capabilities with human oversight and creativity, you can adjust the way you use it to fit your organization's unique needs.

Al is another tool in your marketing toolbox – an important, collaborative one that handles repetitive tasks and enables you to focus on strategic planning and creative direction. And, as our research suggests, there are some areas where AI might never be trusted and others where humans will have to train AI to do the work. By collaborating with AI and guiding its development, marketers can harness its full potential and also maintain control over what goes to market.

Marketers have embraced AI in areas where creativity and nuance are limited

1 in 3 companies have fully integrated AI into website personalization and A/B testing<sup>1</sup>

But they are less trusting of AI in areas where it could negatively impact creative processes and external brand perception.

#### Less than

companies have fully integrated AI into areas 1 in 5 like content creation, team collaboration and social media engagement<sup>1</sup>

maintain that brand values 74% brand valu and voice require human expertise<sup>1</sup>

expect creative strategy and brand 40% strategy and bra management to remain fully human-driven<sup>1</sup>



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# Three steps to strengthen your partnership with AI



## Implement resilient content governance frameworks

To thrive in an Al-powered world, brands need to strengthen their content governance frameworks by **evolving traditional company standards and brand guidelines into machine-readable parameters** that Al can consistently apply. This enables companies to **scale content creation while maintaining brand authenticity**, thereby leveraging Al's full potential to enhance marketing efforts and leaving more room for creativity.



## Think of AI as a coworker, not the competition

By leveraging AI for activities such as website personalization, A/B testing, content collaboration, team collaboration and social media engagement, **marketers can free up more time to focus on creative strategy and leadership.** Just as a business trains a new employee, once AI is trained, it can help a company with brand insights, pulling from relevant data streams. This means marketers have more time to focus on value-add activities, instead of repetitive tasks.



#### Teach AI to be better

To address concerns about brand voice, marketers should **actively teach AI systems to understand and replicate their brand's tone and style.** You can provide AI with examples of real-life, well-crafted content that accurately reflects your brand with examples of best practice marketing assets like blog posts, social media updates and other relevant content. Ensuring AI understands brand voice and tone is an ongoing process and will require continuous training. Regularly update AI tools with new content and feedback on outputs to **ensure alignment with your company's evolving brand identity.** 

"We've only scratched the surface of what AI can do for brand and content creation. Taking the bold step to embrace it as a partner—not a replacement—requires courage, but the rewards are immense. Human insight remains the guiding force, ensuring that technology enhances creativity rather than diminishing it."

**Brand creation** 

videos in 3 hours vs. 3 days.<sup>5</sup>

Expedia Group integrated AI into their marketing

efforts to maintain brand consistency, execute a

global rebrand and enhance project collaboration.

By leveraging AI for their designs, they save 7,800

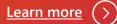
design hours in a year. Their teams can now create

- Michele Fisher, Global Director of Business Strategy at Microsoft<sup>4</sup>

## What good looks like

#### **Brand agents**

Nestlé collaborated with Sitecore and Microsoft innovation teams to harness the power of generative AI within Nestlé's brand guidelines and toolkits. This partnership led to the creation of the Sitecore Brand Assistant, integrated into Sitecore Content Hub with Sitecore Stream, designed to enhance brand and category knowledge and empower their creative partners.







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## **Changing customer connections**

Marketers are increasingly adept at using Al for data analysis and connectivity, enhancing customer interactions by surfacing the right content at the right time. And continuing to use Al in this way will only enhance those outcomes.

**71%** of those surveyed said that real-time customer services and support has the greatest potential to transform in the next 3-5 years, with **76%** saying that personalization and increased response speed are key factors to enabling this.<sup>1</sup>

Al has the potential to revolutionize customer services, interactions and experiences by enabling personalized engagement, automating routine tasks and providing deep insights into customer behavior.

And, unlike their opinion of AI to deliver consistent brand messaging and create content, marketers are more than ready to adopt the technology in new ways to transform their customer experiences.



of business and IT executives agree AI can help organizations create exceptional new customer experiences<sup>6</sup>

## 71%

say AI has the greatest potential to transform real-time customer services and support

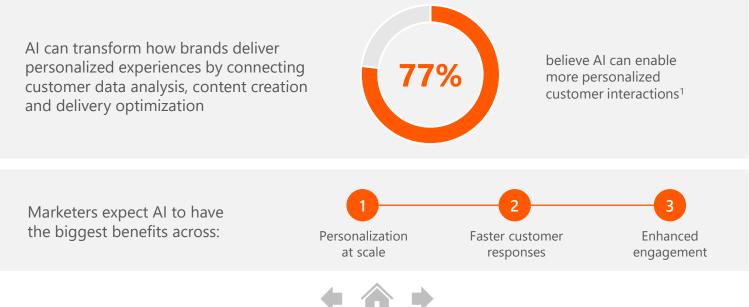


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# Deliver personalized marketing experiences

#### Customers' needs and expectations are rapidly changing – and marketers have to keep up.

Al enables us to connect with customers on their terms by rapidly processing consumer data points that enable you to deliver personalized marketing experiences. It can manage millions of interactions, allowing teams to focus on strategic planning and creative direction while enhancing customer journeys and boosting brand loyalty, engagement and conversion rates.





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## Three steps to exceed your customers' needs



## Generate personalized content

**Personalization is crucial to customer experiences**, with 77% of marketers believing AI facilitates more tailored customer interactions. AI-driven tools excel in generating personalized content, such as email subject lines and ad copy, that can be **tailored to individual customer preferences and past interactions.** With AI taking on the workload of personalization, you can ensure your marketing messages resonate deeply with each customer.

#### **Respond in seconds**

**Real-time personalized support** is provided through Al-powered chatbots, **addressing queries promptly and enhancing overall customer experience.** Faster customer responses improve your engagement and long-term customer relationships.



## Predict future needs and preferences

Integrating AI capabilities like predictive analytics into marketing workflows enables teams to create more relevant, engaging customer experiences that **enhance the success of marketing campaigns and drive higher customer satisfaction.** By using AI to **evaluate vast amounts of customer data from various sources** – such as social media, browsing history and purchase patterns – you can **optimize cross-selling and up-selling strategies** to ensure customers receive the most relevant offers and recommendations. AI not only helps predict future customer preferences, but it allows marketers to quickly evolve and scale their marketing strategies based on market trends to increase their customer reach.

## What good looks like

#### **Playing customer quarterback**

Avanade partnered with Brazilian airline, Azul Linhas Aéreas, to build an AI chatbot that created an improved and accelerated service experience for more than 200,000 customers each month. Customer wait times have been reduced to nearly zero, retention rates have increased and employees responding to inquiries can do so more efficiently.

Learn more

#### **Tailored customer experiences**

Stitch Fix, the online personal styling service, relies heavily on AI-powered algorithms that deliver personalized styling recommendations and inventory options that meet the unique tastes of each of their customers. They gather data directly from customers with AI-enabled tools where they can indicate items they do or don't like, providing insights into their personal taste and style.

In 2024, reactivations were up **17% YoY** for the company, which they attribute to improvements in the user experience and their targeted, personalized marketing approach.<sup>7</sup>





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## How will you use AI to revolutionize your content and experiences?

No matter where your marketing organization is on its AI journey, Avanade can help. We will work with you to unlock the value of AI by:

- Assessing AI readiness
- Developing a responsible AI framework
- Identifying and prioritizing use cases
- Co-developing prototypes and experiments
- Building and delivering technology-enabled roadmaps

Contact us

Do what matters 12

## **Unparalleled expertise**

40K+ **19x** 20+ years of Microsoft Sitecore Platinum Partner Microsoft Partner data & Al technical expertise **Specializations** professionals of the Year 1400 +700+ 1000 +(0) +workplace experience customer experience Al projects Al/machine learning professionals projects delivered professionals delivered **Our end-to-end services** ▶ Ď ► B ► I ► X CX & EX Emerging Industry Solution & Managed technology services expertise delivery expertise



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## **Do what matters**

# When it really matters, we deliver

Looking for more insights about how AI is shaping the future of organizations beyond marketing?

Download our Avanade Trendlines: Al Value Report

### About Avanade

Avanade is the world's leading expert on Microsoft. Trusted by over 5,000 clients worldwide, we deliver Aldriven solutions that unlock the full potential of people and technology, optimize operations, foster innovation and drive growth.

As Microsoft's Global SI Partner we combine global scale with local expertise in AI, cloud, data analytics, cybersecurity and ERP to design solutions that prioritize people and drive meaningful impact.

We champion diversity, inclusion and sustainability, ensuring our work benefits society and business.

Learn more at <u>www.avanade.com</u>

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