

Marketing professionals are exploring OpenAI's ChatGPT chatbot without restriction. CMOs must assess its impact on creation, branding and operations. They must act now and establish policy and controls, even as the technology transforms marketing outside of any system of governance.



Published 7 October 2022 - ID G00774471

Quick Answer

What should marketing leaders know and do about ChatGPT?

- ChatGPT, along with other generative AI programs available in the public domain, is scrambling the formula for content production, ideation, market research and many other labor-intensive functions of marketing.
- Generative AI capabilities have deep implications for talent, budgets and marketing strategy. They also raise new ethical concerns.
- For many organizations, leveraging custom models under IT governance, with an eye toward marketing's pragmatic use cases, will yield the most transformative benefits.
- Although some organizations have attempted to restrict employee access to ChatGPT, its availability on mobile devices and unmanaged personal computers makes these efforts dubious.
- CMOs urgently need to compile a list of active use cases impacted by ChatGPT and collaborate with peers to establish policies and practical guidelines to steer its responsible use.

More Detail

ChatGPT is a chatbot from OpenAI released to the public in December 2022. It's an example of generative artificial intelligence (AI), which refers to programs that can produce text and images (among other things). ChatGPT produces text; you may also be familiar with OpenAI's image-generating AI DALL-E, which made waves earlier last year.

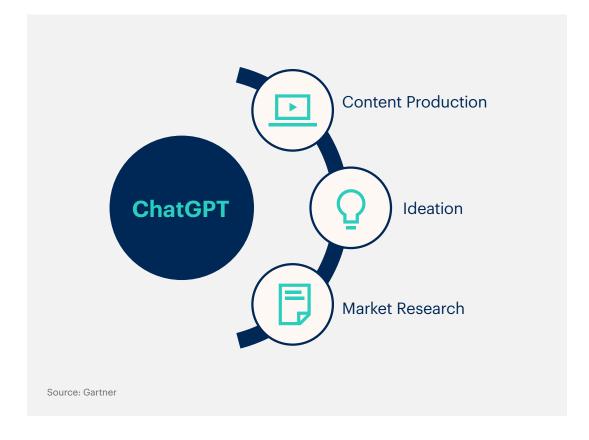
ChatGPT is best understood as a web interface to a more general language model called GPT (Version 3.5). The GPT models support programmatic access through OpenAI APIs for custom applications such as personalization, tailored help and more futuristic visions of brand avatars, virtual influencers and interactive product features based on custom modeling. The most immediate corporate impact of ChatGPT, however, is in its ad hoc, self-service use by employees.

As access and services advance, organizations will use keys to keep proprietary data secure and private. In the meantime, use caution with the types of data you permit users to enter. ChatGPT conversations are not confidential and OpenAI samples and reviews them for compliance and to make improvements. ¹

Employee adoption of free access to ChatGPT is well underway. Marketing professionals have been particularly keen to test-drive the tool, with 37% saying they've used AI at work.² The following marketing functions are most likely to be impacted by the near-term, unsupervised adoption of ChatGPT:

- Content Production. Although vendors like Adobe have been touting Al's ability to improve creative productivity by eliminating mundane tasks for years, tools like ChatGPT have raised the bar by creating draft copy and briefs on par with interns or entry-level employees. Entry-level writing skills may now be redundant and junior staff should be sourced and evaluated on the ability to act as editors and supervisors for machine-generated marketing copy and proposals, such as agency creative briefs. Relieved of first-draft writing tasks, they'll need the editorial skills to turn generic prose into distinctive expressions of brand voice and business goals while catching anomalies. They'll need to understand the strengths and weaknesses of large language models like ChatGPT and how they impact user experience (see a sample chat in the evidence section for more details). For example, ChatGPT works by predicting the most likely next word in a sentence; factual accuracy is not a product of this technique.
- Ideation. ChatGPT and its visual counterparts are powerful tools for creative brainstorming. Creative directors and their staff are rapidly developing new skills in the art of prompt engineering. This means learning how to use language in chatbot sessions with ChatGPT to issue prompts and prompts with content. These iteratively articulate and surface boundless ideas that can be instantly rendered and refined. This skill will accelerate and broaden the scope of creative concepts that can be generated and tested. It will challenge traditional branding methodologies by encouraging "out-of-the-box" thinking that existing guidelines may not anticipate. Although generative AI tools for text and images are currently distinct, expect them to merge or combine as OpenAI integrates GPT with DALL-E and other models. Of course, one can use them together today, alongside other free and low-cost tools, to explore concepts across modalities.
- Market Research. ChatGPT is skilled at emulating personas in hypothetical interviews. While caution is warranted in mistaking its answers for actual field research, ChatGPT can clearly refine the design of surveys and focus studies by providing a baseline for testing hypotheses and methodologies. It can also be directed to ask questions from a persona's viewpoint. This may spark insights into key areas of research that are not initially obvious.

Figure 1: ChatGPT Impacts Marketing Functions



Recommendations

- **Talent.** In the longer term, CMOs will need to build a culture that values Al's contribution to ideation, while reinforcing the essential role of creative supervision and brand sensibilities that are still uniquely human. Meanwhile:
 - Review staffing plans, skill sets and job descriptions to emphasize skills and experience reviewing, editing and fact-checking text (extra credit for experience with generative text).
 - Assure that existing talent (both internal and agency) are up-to-speed on public AI usage policies by co-creating guidelines and resources with other policy leaders.
 - Skills at prompt engineering are a new area for talent evaluation. Consider designing a mentoring program to upskill employees.
 - Have AI-augmented creatives show their work, focusing on how they
 use prompts to refine generative content to align with brand strategy.
 Seek out creative developers familiar with the ChatGPT API and similar
 programming capabilities.

- Budget. As accelerated ideation and content production drive down upfront campaign costs, budgets will shift to testing and optimization of treatment variants. Free and low-cost tools like ChatGPT may be able to replace some costly features and functions supported by legacy martech applications and agency fees.
 - Rebalance the allocation of time and resources away from production activities toward testing and refinement of ideas and treatments and monitoring of competitive branding initiatives to optimize differentiation.
 - Work with IT to identify redundant capabilities, but be aware that some requirements, such as service availability, support and security are lacking in public tools.
 - Expect agency labor and materials budgets for content production to drop significantly in the next year (if they don't, consider an agency review).
 - Evaluate trade-offs between cost savings and increased production, including necessary content quality checks.

- Strategy. Accelerated content generation will put more pressure on distinct brand positioning as copy production explodes and more competitors rely on common models.
 - Use newfound employee capacity to create diverse internal testing and review panels to speed up the evaluation of messaging, ads, social posts and other assets before committing to distribution.
 - Develop use cases with developers who will soon be able to use ChatGPT's API to pass custom variables as input data to generate personalized content or fill in placeholders. ³ Ensure generated content is subject to human review. Google and other competitors will soon follow suit with their own APIs, so plan for competitive testing.
 - Automated functions like text translation lower the cost of developing new markets and regions (although, again, review is warranted). Resist temptations to produce more than customers want or need, and fortify your review process for generated content.

- Ethics in Marketing. The use of ChatGPT and generative AI generally in marketing has raised many ethical concerns that marketers should be aware of as they plan for responsible use. 4
 - Misinformation. ChatGPT, like the internet it learns from, lacks veracity. It's trained to predict the content of an answer without evaluating its basis in fact. Its lack of truth-based context demands that brands continue to apply human oversight.
 - **Bias.** Having been trained on historical data, ChatGPT often reflects historical bias in its associations and tends to propagate stereotypes that may conflict with a brand's commitment to diversity, equity and inclusion in its positioning.
 - Copyright. Large language models reveal a host of copyright issues that are yet to be resolved in the legal system. Marketing leaders need to get up to speed on these topics and participate in the development of policy standards to address them.
 - Transparency. Disclosing and explaining the use of generative AI in the production of personalized and interactive marketing materials can be awkward, but end users have a right to understand what they're dealing with and make informed choices. Amend privacy disclosures to include information about the role these tools play in shaping digital experience.

Additional cautions for marketing teams

- Availability. Until service levels can be established for paid tiers of access, organizations won't be able to rely on ChatGPT's availability, which has been sporadic.
- Numerical challenges. Large language models like ChatGPT converse by predicting what's next in a text. The current model doesn't handle logic or numbers well, which limits its ability to support specific industries like finance and more technical writing.
- **Dated data.** ChatGPT is trained on data prior to 2022. This results in outputs that lack current information and context, and based on the learning model this means that while the data will be updated, the model will not be "real-time."
- Competitive brand intelligence. Gathering and curating information is what ChatGPT does best. Brands can use ChatGPT to gather and curate competitive information across messaging, product offerings, advertising and reviews. This also means competitors can do the same.
- **Brand safety.** Tools like ChatGPT are also likely to increase the volume of text produced by bots in social media with ill intent. This will escalate the need for organizations to monitor and respond to false and defamatory content.

- Impact on search. Currently, ChatGPT is a complementary and partial alternative, since it focuses on generative approaches to answers rather than content discovery (this document, this sentence). Many search and insight engine vendors have been using the base GPT technology, but it's currently not a replacement. Marketers should keep a close eye on how the increase in data in the training set and supervised learning continues to advance new versions of GPT.
- **Designed for consistency.** ChatGPT's out-of-the-box ability to produce consistent results limits the variability of its output. Attention to prompt details will be required along with the human review of generated content to ensure that empathy, cultural awareness and perspective are provided to develop novel ideas.
- **Backlash.** Tools like ChatGPT understandably generate anxiety in teams and individuals who feel threatened by its disruptive abilities. Guide your team through adoption and address their concerns by acknowledging changing roles and ways of working.

Recommended by the Author

Quick Answer: What is ChatGPT?

Quick Answer: How Can Enterprises Leverage ChatGPT and GPT3?

Quick Answer: Is a Digital Twin of a Customer the Future of a 360-Degree View

of the Customer

Evidence

- ¹ ChatGPT: Optimizing Language Models for Dialogue, OpenAI.
- ² Survey Reveals 30% of Professionals Have Tried ChatGPT at Work, Time
- ³ ChatGPT API is still in development at the time of this writing.
- ⁴ Digital Marketing Leaders Need to Take a Bigger Role in Ethical Oversight of AI/ML

The following unedited sample illustrates ChatGPT's limited grasp of branding topics (as of). Note that some of the information in ChatGPT's answers is wrong. Can you spot the errors?

Prompt:

Let's talk about branding. How would you characterize the differences between the Coca-Cola and Pepsi brands in terms of brand values, promises and personality?

ChatGPT:

Coca-Cola and Pepsi are two of the largest beverage companies in the world, each with a distinct brand identity.

Coca-Cola:

Brand Values: Happiness, refreshment, optimism, tradition.

Brand Promise: To provide consumers with a moment of happiness and refreshment in every bottle.

Brand Personality: Approachable, warm, friendly, and fun-loving.

Pepsi:

Brand Values: Youthfulness, excitement, boldness, and adventure.

Brand Promise: To offer consumers a youthful and exciting taste experience.

Brand Personality: Confident, bold, adventurous, and energetic.

Prompt:

Can you describe an ad for Coca-Cola and an ad for Pepsi that illustrate these differences?

ChatGPT:

Sure! Here's an example of an ad that illustrates the differences between Coca-Cola and Pepsi's brand values, promises, and personality.

Coca-Cola Ad:

The ad might feature families and friends enjoying the moment of happiness and refreshment that Coca-Cola provides.

The ad could be set in a cheerful, bright, and inviting location, with upbeat music playing in the background.

The ad could end with the tagline "Open Happiness."

Pepsi Ad:

The ad might feature young adults engaging in exciting and adventurous activities.

The ad could have an energetic soundtrack, with fast-paced visuals and bright colors. The ad might show someone taking a sip of Pepsi, followed by the tagline "Live For Now."

Prompt:

Can you identify some iconic symbols that these brands have used in their advertising?

ChatGPT:

Yes, here are some iconic symbols that Coca-Cola and Pepsi have used in their advertising:

Coca-Cola:

The Contour Bottle: Coca-Cola's iconic shape has been a symbol of the brand for over a century.

The Red Disc: The red disc was introduced in the 1920s and became one of the most recognizable logos in the world.

Santa Claus: Coca-Cola is often associated with Santa Claus due to its use of Santa in advertising campaigns since the 1930s.

Pepsi:

The Globe: Pepsi's iconic logo features a circle with the brand name inside, surrounded by stars and stripes.

The Pepsi Challenge: Pepsi's "Challenge" campaign was launched in 1975 and became a major part of the brand's identity.

The "Yeah" Campaign: Pepsi's "Yeah" campaign, which was launched in 2003, featured celebrities and athletes saying "Yeah" in a youthful and energetic way.

Prompt:

If you were a beverage company, how would you position your brand to compete with Coca-Cola and Pepsi?

ChatGPT:

As a language model, I do not have personal experiences or preferences, but here's an approach a beverage company could take to position its brand to compete with Coca-Cola and Pepsi:

Identify a unique value proposition: The company should determine what sets it apart from Coca-Cola and Pepsi and focus on this unique quality in its branding and marketing efforts.

Define a target market: The company should identify a specific group of consumers that are not well served by Coca-Cola and Pepsi and tailor its branding and marketing to appeal to this target market.

Create a strong brand personality: The company should develop a strong, consistent brand personality that is appealing to its target market and differentiates it from Coca-Cola and Pepsi.

Use innovative marketing strategies: The company should use innovative marketing strategies to reach its target market, such as influencer marketing, social media marketing, and event sponsorship.

Emphasize the health benefits of its product: If the company's product has health benefits, it should emphasize this in its branding and marketing efforts to appeal to health-conscious consumers.

Foster a strong sense of community: The company should encourage consumers to engage with its brand and create a sense of community around it, for example through user-generated content or social media initiatives.

Prompt:

Assume your brand promise is healthier living, your target audience is health-conscious American youth, and your brand personality is snarky but cool. Write a creative brief for an agency to guide their development of an ad campaign that competes with Coke and Pepsi.

ChatGPT:

Creative Brief: Healthier Living Campaign for Health-Conscious American Youth Objective:

To create a compelling and attention-grabbing ad campaign that positions our brand as the healthier alternative to Coca-Cola and Pepsi and appeals to health-conscious American youth.

Target Audience:

Health-conscious American youth, ages 18-24. They are tech-savvy, environmentally aware, and prioritize health and wellness in their daily lives. They are looking for a fun and refreshing beverage option that aligns with their lifestyle and values.

Brand Promise:

Healthier living. Our brand promises to provide consumers with a delicious and refreshing beverage option that supports their health and wellness goals.

Brand Personality:

Snarky but cool. Our brand is confident, bold, and unapologetic, with a sense of humor that appeals to young adults. We challenge convention and push boundaries, while still maintaining a fun and relatable vibe.

Key Message:

"Say goodbye to sugary drinks and hello to a healthier alternative."

Tone:

Edgy, fun, and lighthearted. Our campaign should appeal to the youth's sense of humor and challenge their perceptions about what a healthy beverage can be.

Visuals:

Bright, bold, and eye-catching. Our visuals should reflect our brand personality and convey the message that our product is the healthier, more refreshing alternative to sugary drinks like Coca-Cola and Pepsi.

Channels:

Social media, online video, influencer partnerships, and in-store displays. Our campaign should reach our target audience where they spend the most time — online and on social media.

Measurement:

Our success will be measured by increased brand awareness, increased sales, and positive customer feedback. We will track engagement and conversion metrics on our social media and online video channels, as well as in-store sales data.

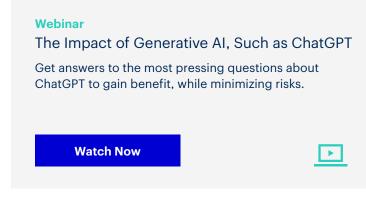
Timeline:

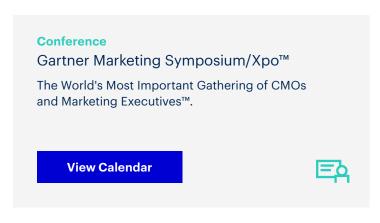
The campaign should launch in the next quarter and run for a period of 6-12 months.

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