

THE STATE OF

GenAI Chatbots in Marketing

botco.ai



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Executive Summary

Generative AI (GenAI) is fundamentally changing what it means to be a marketer. Copywriters, communications specialists, and other marketing roles are adopting tools ChatGPT en masse. There are precious few reasons to spend a week working on ad copy outlines that an AI can spit out in ten minutes, after all, and no one wants to be the agency that gets left in the dust.



As with any foundational change, it's important to analyze the why and how that has fueled the transition – especially at such a rapid pace. In a time of economic uncertainty, it would be criminal to write off GenAI as nothing more than a cost-saving measure.

Botco.ai surveyed 1,000 marketing professionals to learn more about GenAI's applications in marketing departments across the US, as well as how those AI tools are affecting business outcomes.

The results of the survey paint a picture of marketing's future and the speed at which GenAI tools are becoming a core part of creative toolkits. We found that marketers are using GenAI well, but are underutilizing one crucial piece of it: chatbots.

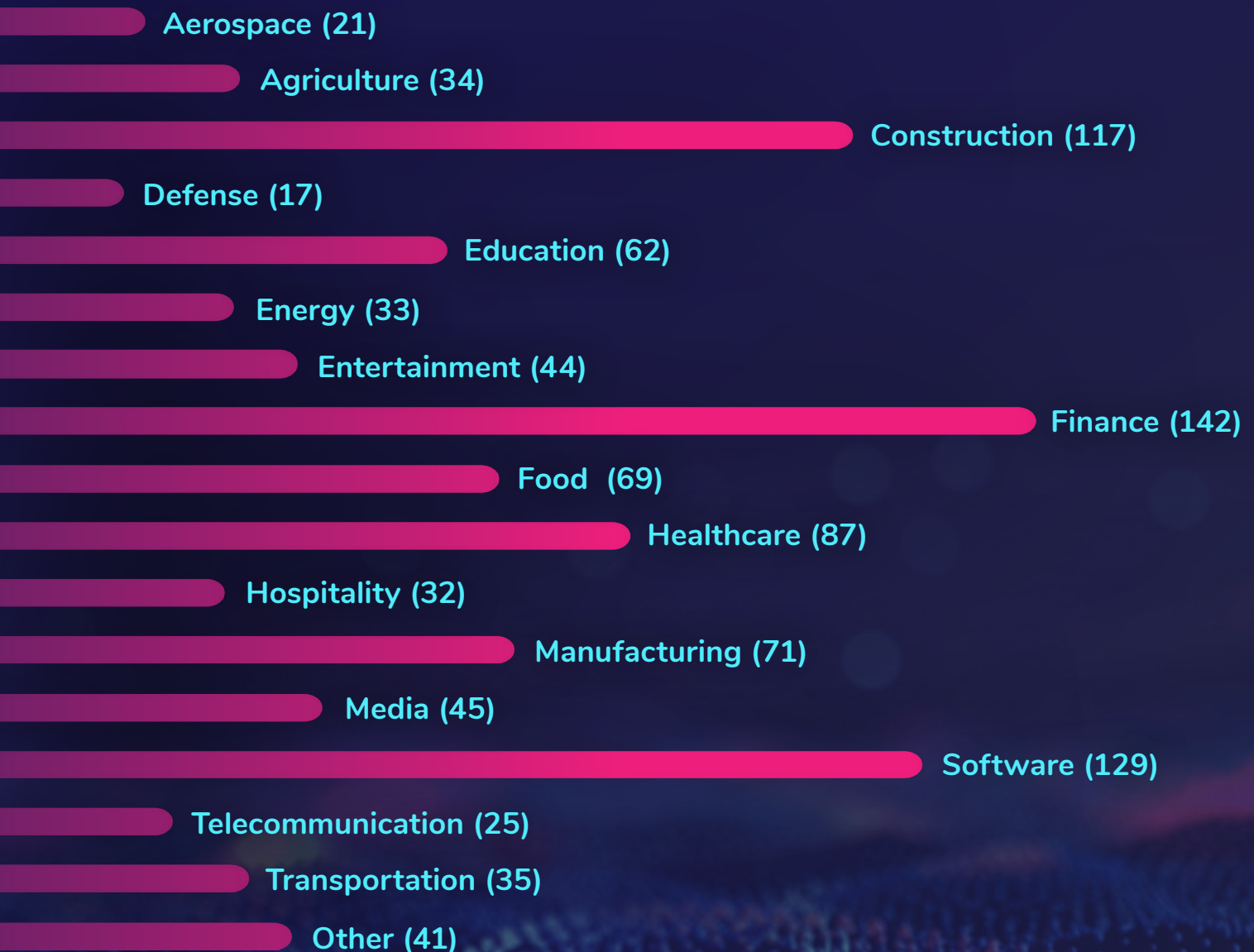
The logo for botco.ai features the text 'botco.ai' in white lowercase letters inside a teal speech bubble. To its right is a smaller pink speech bubble containing three white dots, suggesting a continuation of the conversation or a list of items.

The following report provides a broad overview of GenAI adoption among marketing professionals as well as a closer look at how chatbots can be a force multiplier for other GenAI content initiatives. This data lets marketers accurately gauge their place in the industry as well as understand the benefits and drawbacks their peers are finding with GenAI.

Methodology

In March 2023, Botco.ai surveyed 1,000 marketing professionals to determine whether they're using GenAI tools, how they're applying the tools, and what the roadblocks have been for non-adopters. The study was conducted using the following demographics:

Industry:

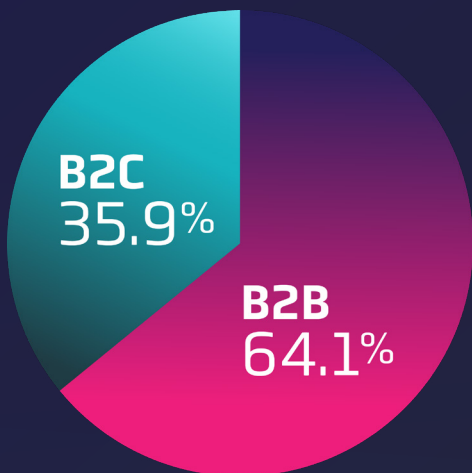


The results of this survey provide valuable insight and data to help contact center leaders assess the current digital landscape and make a case for investments in intelligent chatbots moving forward.

Job Roles:



Business:



- Marketing Manager/Associate/Director
- Demand Generation Manager
- Marketing Executive/Leadership
- Marketing Director

Organization Size (Employees):



How Marketers Are Using GenAI

The reality of generative AI is benign — it's a tool like any other. Marketers can use GenAI to create practically anything, from website copy to complex types of sales collateral, in a matter of seconds. The content it produces is imperfect, but it's a springboard to a faster, clean final product.

With so much utility, it will come as no surprise that marketers are adding GenAI to their communications toolkits.

A whopping 73% of respondents say that their companies are using generative AI to help create text, images, videos, or other content, while just 17% of marketers say that their company isn't.

For context, that means that GenAI tools are nearly as common at marketing agencies as blogs are at Fortune 500 companies.¹ Among the non-adopters, 31% say that they expect to start using the tools within 12 months and 46% say that they'll do so within two years. That means that generative AI will be a near-universal feature of marketing agencies in the next two years.



Marketers are using GenAI to produce content

However, the adoption rate isn't the true test of GenAI's potential. Rather, it's the caliber of copy that it creates, and its ability to personalize that copy to individual customers. AI may someday be capable of orchestrating marketing campaigns as iconic as [Apple's 1984 ad](#), but in ways that resonate on an individual level. For example, instead of an iPhone ad highlighting the device's broad feature suite, it could speak to the specific interests of the individual viewer.

The possibilities are endless, but marketers must first work out what's to be considered "fair play." Right now, there's a decided split on how to use AI in the content creation process; two-thirds use GenAI for creative brainstorming sessions, first drafts, and outlines, while

49% say they rely on AI to produce final content. Adoption is skewed towards B2B companies, with 78% using GenAI compared to 65% of B2C companies.



Over
50%
of marketers are using
AI to create **Text**,
Video and **Audio**

Applications of GenAI

Application and Adoption Rates of Generative AI

Image Creation

69%

AI is capable of generating several variations of an image based on a description in seconds. These images can then be used as ad creative, concept images, or in other applications.

Audio/Voice

50%

GenAI can be used to create audio and voice snippets based on a description or through dialog samples. They can also be used to create music, generate sound effects, and replicate an individual's speech patterns.

Text Creation

58%

Tools like ChatGPT have fueled the rapid popularization of text-based GenAI. These platforms can be used to create product descriptions, web copy, blog posts, and more.

Chatbots

37%

Chatbots have both business-facing and consumer-facing applications, helping answer questions, resolve issues, and streamline the support process, as well as provide personalized product recommendations.

Coding

36%

GenAI can be used to create snippets of code in a variety of languages. In their current form, these tools are mostly used for basic functions but have potential applications for complex software development in the future.

At least

243

out of

marketers use
AI to brainstorm

66%

of companies that use
GenAI have received a
positive ROI



Common Roadblocks of GenAI Adoption

While GenAI has seen widespread adoption and tangible benefits for marketing agencies that use it, it's not without its faults. The most common roadblock to adoption is the team training required to use it effectively, which 50% of respondents cited as an issue. Meanwhile, 45% cited the cost of generative AI and another 45% cited privacy and security concerns as obstacles.

Lesser challenges include data scarcity and poor quality of content, which received 31% and 29% responses, respectively. Additionally, 24% of respondents marked unethical biases as a concern, a fear that isn't unfounded with generative AI content. AI is created by humans, and is thus imperfect. If it analyzes prejudiced or biased data, it's possible that it will recite that information. It's not uncommon for AI tools to "hallucinate" — the longer some AI engage in a single conversation, the more likely it is that they'll make up facts or non-sequiturs.² Marketers must carefully choose their GenAI tools to mitigate the risk of hallucinatory content slipping through the cracks.

It certainly doesn't help that there's a lack of parity in the content between AI models. While some applications are capable of stringing together complex ideas in a way that seems relatively fluid and natural³, that's not necessarily true across the board.

Even when these models write confidently, they might not do it competently. They typically train on publicly available data, such as the information one could find on Wikipedia. As a result, AI will often cite erroneous information in the text it generates. Worse, inaccurate data is often presented as truth, making it difficult to identify without point-by-point fact-checking.

However, about three-quarters of respondents say their generative AI tools are trained on their proprietary content, which theoretically circumvents the issue by removing erroneous data from the pools that internal and proprietary GenAI use.

²New York Times - <https://www.nytimes.com/2023/03/29/technology/ai-chatbots-hallucinations.html>

³CNET - <https://www.cnet.com/tech/computing/ai-gets-smarter-safer-more-visual-with-gpt-4-update-openai-says/>

ChatGPT

is an AI language model designed to generate human-like text and participate in conversations.

Copy.ai

uses natural language processing to generate marketing content, product descriptions, social media content, and more

Jasper.ai

is another AI-based copywriting assistant. It creates content like blog posts, social media updates, and marketing materials.

Peppertype.ai

is an AI content generator designed to create written content, such as blog articles, ad copy, and social media posts.

Lensa

is an AI-powered job search platform that utilizes machine learning algorithms to analyze resumes, skill sets, and preferences to provide personalized job recommendations.

DALL-E

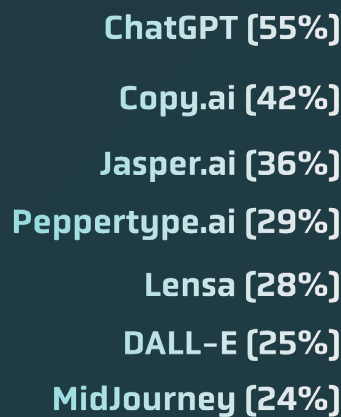
combines image generation with natural language understanding to create original images that accurately represent the given prompts.

MidJourney

is another image-generation AI. Similar to DALL-E, it uses natural language understanding to create images based on a prompt.

GenAI tools by popularity

About three-quarters of respondents say that their Generative AI tools are trained on their proprietary content



How GenAI Is Helping Marketers

Marketers generally see favorable results when using GenAI to create content. The most cited benefit was increased performance, which 58% of respondents reported. The rest of the creative process has seen similar perks. Half of the respondents reported increased creative variety, while 47% reported faster creative cycles.

Investing in GenAI is paying off in most cases. Of the companies that use GenAI, 66% have received a positive ROI, with 43% saying they experience a 2x ROI and 22% saying they've received a 3x ROI. Only 7% of respondents report seeing a negative ROI thus far. Additionally, 50% of respondents indicated that cost efficiencies improved over time.

Nearly **3** out of **4**
marketers are currently using AI tools



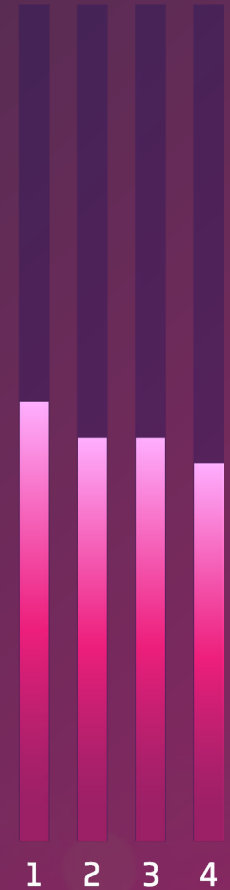
58% of marketers agreed they see an increase in performance as the biggest benefit using Generative AI for their business

It's not unlikely that the widespread adoption of GenAI tools is partially, if not primarily, related to the resulting cost benefits that marketing departments are experiencing. Now is a time of shaky economic footing, and marketing is often one of the first departments to experience headcount reductions in times of belt-tightening. Improving cost efficiencies, lead generation, and customer conversion is vital, and if GenAI can do it, it only makes sense to use it.

The best thing marketers use is GenAI to ensure they do so to full effect. One of the most under-valued ways to create more value with the tools is to leverage chatbots, drastically enhancing marketers' ability to reach and engage with customers.

Marketers' benefits

1. **58%** see increased performance
2. **50%** see increased creative variety
3. **50%** see cost efficiencies
4. **47%** see faster creative cycles



How Chatbots Can Fuel Better Outcomes

Chatbots have emerged as a powerful tool for businesses to enhance their marketing strategies and improve the overall user experience. By leveraging the power of chatbots, organizations can streamline customer interactions and create a more personalized and engaging experience for users. This can, in turn, help businesses expand their reach, drive growth, and increase customer satisfaction.

When integrated with other generative AI applications, chatbots can help businesses create more personalized and targeted marketing campaigns that resonate with their target audience. By leveraging the power of chatbots, organizations can stay ahead of the curve, drive growth, and ensure long-term success in today's competitive market landscape.

Organizations can introduce chatbots into their workflow as easily as they can other forms of generative AI, as long as they have a strong partner — like Botco.ai.

botco.ai



Applications of Chatbots in GenAI Marketing

Personalization and Customer Segmentation

Chatbots can be programmed to analyze user data and preferences to create a highly personalized experience. This can help businesses segment their target audience more effectively and tailor marketing campaigns based on individual preferences, interests, and behaviors

Instant Customer Support

With chatbots, businesses can provide instant, 24/7 customer support capable of handling a range of tasks, including answering frequently asked questions, assisting with product or service inquiries, and providing troubleshooting support. By offering quick and accurate assistance, chatbots can help businesses retain customers and reduce the burden on human customer service representatives.

Lead Generation and Nurturing

Chatbots can be an invaluable tool for generating and nurturing leads. They can engage with prospective customers, gather relevant information, and qualify leads based on pre-set criteria. By automating these tasks, chatbots can streamline the sales funnel and allow sales teams to focus on higher-value activities. Moreover, chatbots can also assist in nurturing leads by sending follow-up messages and personalized content to keep prospects engaged.

Enhancing Other Generative AI Tools

Chatbots can be combined with other generative AI applications, such as content creation tools, to enhance their capabilities. For example, AI-driven content creation tools can be used to generate personalized messages or marketing materials based on chatbot interactions with users. This can help businesses create more targeted and engaging content, resulting in a more effective marketing campaign.

Data Insights

Chatbots can collect valuable data and insights from user interactions, which can be used to improve marketing strategies and optimize customer experiences. By analyzing these insights, businesses can identify trends, pain points, and opportunities for improvement.



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Botco.ai is the GenAI Chat Cloud company. Botco.ai enables businesses to engage people through helpful, relevant and personalized conversations that convert strangers into customers. Enterprises rely on Botco.ai's end-to-end Generative AI Chat Cloud to rapidly find, retrieve and present information from across their enterprise data systems in order to engage visitors at all stages of the customer journey. Botco.ai empowers businesses from a range of industries to deliver exceptional, trustworthy customer experiences that generate high quality pipeline, increase sales conversions, and accelerate revenue. Recipient of the Arizona Innovation Challenge "Most Outstanding Startup" award, best SaaS platform from the Arizona Commerce Authority (ACA), the TiE50 Award, and others, Botco.ai is transforming the way businesses communicate with their prospects and customers.

For more information, visit

www.botco.ai

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