

Transcript

December 19, 2024, 4:29PM

M **Mariana Peneva | Institute for Real Growth** 4:02

Well, let's start with the very first question, which is very much it's quite broad, but it's really about how has marketing been leveraging AI to drive growth. In the case of 711.

JM **Jarratt, Marissa** 4:15

We've leveraged AI for, I think, many years.

In our martech systems, in terms of you know our customer data loyalty and CRM, you know different types of insights systems, even when you think about.

Media execution and how we optimize for particular campaign performance.

So AI has been, I think in use for, you know, quite a while.

I think the advent of generative AI is what we've been trying to get a better handle on in the last year or two.

And we've we really look at generative AI.

Capabilities and solutions in three different areas of marketing.

The first is in the insight space and that can be, you know, consumer customer insights as well as business insights and how use generative AI specifically to help us synthesize insights or information much faster.

Than we have in the past and there's different kinds of use cases.

But one that comes to mind is, you know we have a proprietary consumer research panel that's called the brain Freeze collective and it's made-up of about 300,000 of our customers who participate in research with US qualitative research, quantitative research, they provide, you know, zero party.

Data on their different attitudes and beliefs and you know, different types of, you know, like description, descriptors, etc.

And we are able to use Gen. AI to help coal through.

Their responses and to kind of thematic understanding of different topics.

M **Mariana Peneva | Institute for Real Growth** 5:52

Mm hmm.

JM Jarratt, Marissa 5:56

So if we're asking them about, you know, what's their, what's a problem that they're trying to solve with on the go, snacking, you know, pretty open-ended type questions?

We can use AI that's built into our insights platform to help us more quickly kind of at mass scale, right?

So it's not like we're talking to 10 people.

M Mariana Peneva | Institute for Real Growth 6:13

Yeah, yeah.

JM Jarratt, Marissa 6:14

We might be talking to 5000 customers to get to that sort of synthesis, so that's. Maybe 1 sample.

The second area is around kind of creative development and we're we're playing around with generative AI in two different areas right now in creative development, probably more, but you really come to mind. The 1st is on the actual initial development of creative.

Ideation. So for example, the team might be using a a generative AI platform to develop a mood board.

For a particular you know product design that they're coming up with or particular campaign message that they're trying to explore or different campaign messages that they're trying to explore.

So it's not creative that actually gets used, but it helps the creative team kind of refine their thinking and sort of explore different areas much faster than if they had put that information together from scratch.

So that's kind of one area, the second area.

Be around the creative and the on the production side of the creative problem, and in particular for 7-11 we often have to version out our creative, so we might sell a cup of coffee for \$1.50 in New York City and it might be a dollar.

In Dallas, TX and there are different flavors across the country.

There's kind of a localized or regionalized Portman and kind of pricing and things like that.

So we have to oftentimes create multiple versions of a creative asset.

And we have for a long time worked with offshore partners to do that at a much lower cost and now we're looking at what's the right combination of offshoring and generative AI to to speed that process up and make sure it's done accurately. So there's that piece.

M **Mariana Peneva | Institute for Real Growth** 8:11
Mm hmm mm hmm.

JM **Jarratt, Marissa** 8:13
I think even there's a third one and that's that's a little bit in the production side. We have been installing.
In store radio.
In our 13,000 stores and part of our retail media network, we call it GULP Radio. Like the gulp you know, the drink that we sell, GULP radio and for that we work with on the this radio.

M **Mariana Peneva | Institute for Real Growth** 8:25
OK.

JM **Jarratt, Marissa** 8:39
They have a generative AI platform that helps us create the radio spots that we play in stores.

M **Mariana Peneva | Institute for Real Growth** 8:44
OK.

JM **Jarratt, Marissa** 8:45
So we'll play music, but we'll also play advertising in our stores. And The thing is similar to kind of printed creative assets or digital creative assets.

M **Mariana Peneva | Institute for Real Growth** 8:49
Yeah.

JM **Jarratt, Marissa** 8:54
We have to vert so we're able to develop our.

You know, essentially radio.

Multiple versions of radio spots you know much for AI. Then typically you would with a radio production.

That's kind of secondary. And then the third area would be in the media space.

And specifically around media planning as well as media execution. And I think this is the area where we see the potential and we haven't yet landed a tool.

That we that we're using particularly from a planning perspective.

In in execution, there's very. There's various different AI solutions in media execution already in place, but on the plan side is where I'm really interested to get to a better place in the next year. I'd like be able to, you know, dump our historical media plans into a.

Generative AI tool our current goals budget. You know, all that kind of stuff.

And then half an AI.

Help us prepare different scenarios that we could work with today.

It also takes a lot of time and it's very.

Well, it's very time intensive and you know I I think there's a big use case for Janae.

I just speed up that process, kind of like on the creative development side. Get it to a point where the experts, the people who understand the media marketplace, the business, they can take some scenarios and then sort of refine them, craft them, play around with them, but it.

Getting to that first step, that could really help us in our process.

So those are kind of as the insights, the creative development and production and then media planning and execution.

Maybe I'll stop there.

See what questions you have.

M Mariana Peneva | Institute for Real Growth 10:43

Yeah. Well, my next question would be who?

Who do you see as your partners internally on all of this?

Like what are the other functions that you're working with on all of this? And I know probably, John.

I think that John fee, yeah, he's probably one of them, but I'm also just curious to explore specifically for AI.

Who would you say your partners are?

JM Jarratt, Marissa 11:01

You're absolutely right.

John is a partner and within his team.

He has a team that's focused specifically on generative AI solutions that are, you know, appropriate for industrial or enterprise use.

So they've gone through the right evaluation process to ensure that, you know, we can use them and put our proprietary data into them, et cetera.

So we worked closely with his team, who's focused specifically on data and AI solutions.

M Mariana Peneva | Institute for Real Growth 11:27

Mm hmm mm hmm.

JM Jarratt, Marissa 11:34

Across across from that or aside from that, I would say another big partner is really our legal and data like privacy partners, compliance partners.

M Mariana Peneva | Institute for Real Growth 11:44

Yeah.

JM Jarratt, Marissa 11:45

They're, you know, overseeing all the risk and governance of of company assets, which data is one of them.

And so we are often working with them to help educate them on here's a new solution or a new tool that we want to pilot, or we want to work on.

You know what's the best way for us to do an MVP or a proof of concept?

See if this is something that would work, you know.

So that's probably another area that's really important.

M Mariana Peneva | Institute for Real Growth 12:15

And how do you keep the the marketing team up to date with all this?

How do you obscure the team and equip them with the right skills for this?

JM Jarratt, Marissa 12:24

Yeah, I think it's a couple of different approaches.

I mean, for any types of. Well, first as a as a leadership team, we sit down once a year and craft our business objectives. And as part of that, we discuss what are some of the new capabilities that we need to build in the department to achieve those.

M **Mariana Peneva | Institute for Real Growth** 12:33

Mm hmm.

JM **Jarratt, Marissa** 12:44

Goals and obviously building generative AI capability is a big part of that and we need people to understand. Sure, how do you write a prompt?

All the way to how do you think about AI as part of your workflow process and where can you look for opportunities to integrate it?

What are the right questions to ask?

You know what are the the new and upcoming tools that are in the marketplace?

So we start first with like, where do we think are the capability gaps that we have as a team and then how do we go about solving them?

So we have a couple of different approaches.

11 approach is to have what I would describe as like a mass sort of kind of training approach to.

Hey, everyone needs to understand the basics of Gen. AI like for marketing.

You know what does that look like?

What everyone needs to be conversant in this new and emerging area. And so we may have a training, we may, you know all get a book that we need to read.

We may share information on our on our internal we use Microsoft Teams, so we may share information like hey everyone, check out this article or listen to this podcast.

So there's just kind of.

A.

A culture of information sharing.

And knowledge sharing on the team, kind of at a mass scale, you know?

Not really.

Like customized, the second would be to go to each of the different leaders on my team and really work with them on what are the use cases in their area of focus.

M **Mariana Peneva | Institute for Real Growth** 14:10
Mm hmm.

JM **Jarratt, Marissa** 14:11
What are pilots that they want to start to implement in the next year or six months or three months, whatever it looks like? And for the people on the team that are appropriate to lead those and in some cases it might just be the the functional owner that.
You know that.
Is going to do it in other cases it might.
We might select someone because we think it's a great developmental opportunity and it'll challenge them and take them outside of their, you know, current job and almost be kind of like a reward, you know, like we want to pick you to work on this project because it's so.
New and different. You know you can think differently.
You can like write the rules. You know all that kind of stuff.

M **Mariana Peneva | Institute for Real Growth** 14:48
Mm hmm. Mm hmm mm hmm.

JM **Jarratt, Marissa** 14:49
But that's kind of the second piece and we try and I think intersperse throughout the year.
Those masks, I'm calling them kind of mass training or mass knowledge.

M **Mariana Peneva | Institute for Real Growth** 14:58
Mm hmm.

JM **Jarratt, Marissa** 14:58
With the more specific or discreet, and then the last areas you know we we work with our external partners like our external partners, our.
Just other external partners who we work with to ask them to help us get smarter.
And so that may not happen in a workshop format or in a meeting format that may

just be by working alongside of each other and constantly figuring out how do we improve.

M **Mariana Peneva | Institute for Real Growth** 15:25
Mm hmm mm hmm.

JM **Jarratt, Marissa** 15:26
Product that we're developing the output of whatever we're trying to create.

M **Mariana Peneva | Institute for Real Growth** 15:30
And those external partners that would be, for example, Microsoft.

JM **Jarratt, Marissa** 15:34
It could be Microsoft.
It could be Salesforce.
It could be dense as our agency partners, yeah.

M **Mariana Peneva | Institute for Real Growth** 15:41
Yeah. Yeah. OK.
And have you been so from a marketing point of view?
Have you also been involved in any organization wide AI initiatives?

JM **Jarratt, Marissa** 15:53
Yeah, my team is helping to pilot.
We have a a generative AI chatbot that's an enterprise chat bot that they're they're working on.
We're also involved in just different tests and pilots that the team is trying to that the data and AI team are trying to stand up.

M **Mariana Peneva | Institute for Real Growth** 16:04
Mm hmm.

JM **Jarratt, Marissa** 16:11
We always raise our hands and say, you know, we want to participate in any test that you have going.

Whether it's like if it's Microsoft, like a copilot test or ChatGPT test or something, you know, we do that.

M **Mariana Peneva | Institute for Real Growth** 16:25

Mm hmm mm hmm.

And what's the reason for that curiosity or?

JM **Jarratt, Marissa** 16:30

Part of it's curiosity. Part of it is I think we view our department in marketing.

We view ourselves as change agents, not only for the consumer and what we're trying to achieve with consumer behavior, but also internally in the company. We want to help drive change transformation in the company. And so to the extent that we can be a thought partner or an.

M **Mariana Peneva | Institute for Real Growth** 16:45

Mm hmm mm hmm.

JM **Jarratt, Marissa** 16:52

Implementation partner with other functions like.

It on some of these big initiatives, you know we want to help them be successful.

So we want to be at the forefront of that.

M **Mariana Peneva | Institute for Real Growth** 17:02

And what do you believe that let's say the marketing function can bring to that AI transformation or adoption. However we call it.

Domain.

JM **Jarratt, Marissa** 17:12

Have such a high?

Understanding of empathy.

And you know, we use that empathy primarily with our consumer or our customer, but we can also apply that skill to an employee experience to a experience to, you know, to different types of audiences or end users if you want to think about it that way. And as a result.

We can help our partners think, think more broadly about the application.
Of what they're developing.

M Mariana Peneva | Institute for Real Growth 17:48

OK.

So if we think about the future and AI as an enabler of driving growth, I mean the examples you gave already about generating insights, creative development, media planning.

So these are all very current if we think in the future, where do you see AI taking us?

So in a sense, what are the big opportunities that you see for?

Yeah. For business growth, when it comes to marketing in AI.

JM Jarratt, Marissa 18:15

Well, the hot topic around the department has been how do we need to start thinking about who are we actually marketing to and are we marketing to the end consumer or should we be marketing to different types of AI platforms to help drive preference on the platforms for?

For our brands and products, and Kantar actually just did their annual presentation with Jay, Walter, Scott and.

He talked about that how important it is for marketers to understand that the game is changing.

But yeah, we do still need to market to consumer actual users, but also the role of AI assistants, AI platforms.

That are really going to become the influencer to the end consumer that we need to have a strategy in place for how to market to those things, right? So in the future, you know, you may say, gosh, I'm not going to bother with.

Checking Google for the best restaurant or.

You know, figuring out.

Where to stop to to get something on the way home?

I'll just ask my personal assistant and they'll make a recommendation.

M Mariana Peneva | Institute for Real Growth 19:30

And yeah.

JM Jarratt, Marissa 19:30

What I mean, we're starting like, oh, how do we do that?

What does that look like?

M **Mariana Peneva | Institute for Real Growth** 19:36

And how do you see then this sort of tension or friction between, you know, the the human side of things and then the whole artificial intelligence? And of course, when we talk about humanized growth for us, that's also a very interesting topic.

So how do you see that one?

JM **Jarratt, Marissa** 19:51

Well, the thing with generative AI that I always remember is that it it is only as smart as the information that it's that's in it.

So it's kind of like a backward looking to create something for the future.

M **Mariana Peneva | Institute for Real Growth** 20:05

Hmm.

JM **Jarratt, Marissa** 20:05

And and it's very logical, right?

It's gonna be very rational.

It's using rules based approaches etcetera.

Where the magic happens in marketing is through creativity, and that creativity sometimes isn't logical.

It might be irrational.

It might be taking.

Making two completely disparate ideas and mashing them together to create something that's never been thought of before. And that's hey, anyway, that's not something that Gen. AI does or does well.

M **Mariana Peneva | Institute for Real Growth** 20:33

Yeah.

JM **Jarratt, Marissa** 20:34

And so that human kind of guidance and intervention and sort of management about it like that is so important. 'cause I think AI can help us so much like I like, I

love my chat gpti just adore it.

But it's not enough, you know, to deliver breakthrough marketing. That's gonna.

So it's to me it's a yes and and we need to utilize it for what it can be great at. And

then I I mean, I'm just excited about the potential to free my brain up to think more creatively and more strategically.

M **Mariana Peneva | Institute for Real Growth** 20:59

Mm hmm mm hmm.

JM **Jarratt, Marissa** 21:09

Get inspired by possibilities of of how to drive the business differently versus today.

So often as marketers, we're mired in the minutia of, you know, is the data accurate

and do I have everything? And what is it, you know, putting together spreadsheets

like we got to move on.

From that and I I really see.

AI as a you know as a way to help us with that.

M **Mariana Peneva | Institute for Real Growth** 21:34

Very interesting.

Yeah, it's funny when you.

I mean it's it's quite interesting that you also talk about this logical versus creative in

a in another conversation somebody was telling me about, let's say this concern

about losing the brand and the importance for the marketers to actually inject that

brand differentiation through the creative.

JM **Jarratt, Marissa** 21:54

Yeah.

M **Mariana Peneva | Institute for Real Growth** 21:55

So it's quite interesting to hear from you as well.

JM **Jarratt, Marissa** 21:56

Over that fart, you know, you gotta have that. You gotta keep that.

M **Mariana Peneva | Institute for Real Growth** 22:00

Yeah, yeah, yeah. OK.

Well, I think now by the questions I asked you, you know more or less what we are looking for in that study. But then I'm wondering, so is there something else that you as a marketing leader would hope to get out of this study?

So if we're in Cannes and you're listening to the presentation, is there something that you need, something that you would?

JM Jarratt, Marissa 22:23

So I do not have a good handle on how I should be thinking about budget allocation for Gen. AI solutions, tools and even with external partners. I expect that generative AI will replace some functions or some, you know, parts of my budget that I have today, but I.

Not quite sure how to think about that like year one, year two, year three and beyond.

And then additionally for agency external agency partners.

What's the right glide path there? You know, as I'm assuming that agencies are looking at where can they get more efficient?

How can they utilize generative AI and long term there'll be an implication for their labor model.

You know their whole agency model. So and I think that's probably a two year window.

M Mariana Peneva | Institute for Real Growth 23:07

Mm hmm.

JM Jarratt, Marissa 23:10

Maybe it's less.

I don't know, but what is?

How should I be thinking about that? And you know, some of the old?

Or I would say like legacy sort of benchmarks we have for.

Non working versus working or add production percent of the budget or things like that.

How how should that change once?

More mature because I've heard and I've seen even initially, you know, generative AI isn't free.

M **Mariana Peneva | Institute for Real Growth** 23:37
Mm hmm.

JM **Jarratt, Marissa** 23:41
There is an investment required both from a technology perspective, a data perspective and then a human resource perspective. Just to you know, manage and utilize it.
But I I don't have a good understanding yet of like what's the offset and how is? Then that gonna change the landscape for what I can go deploy.
So if there are any best practices or guidelines out there that we can, you know, start to understand and play around with, that would be, I think that is I'm sure this exists.

M **Mariana Peneva | Institute for Real Growth** 24:03
Mm hmm mm hmm.
Mm hmm mm hmm.

JM **Jarratt, Marissa** 24:13
I just haven't seen one. I haven't seen one.
I don't.

M **Mariana Peneva | Institute for Real Growth** 24:18
And have you already noticed any differences in the way that you work with your agencies?

JM **Jarratt, Marissa** 24:24
Some of them are more mature than others. I would say there are some that are very laggggred. You know very much lagggggg and we're pushed then and really start to say like, hey, we're gonna expect X amount of you know, we're gonna expect these types of processes to.

M **Mariana Peneva | Institute for Real Growth** 24:31
Mm hmm.

JM **Jarratt, Marissa** 24:42

Utilize generative AI and from that should come some sort of, you know, cost reduction that we can redeploy healthcare potentially.

It doesn't necessarily have to be like.

A 0 sum game.

Or it doesn't have to be negative necessarily to their P&L?

We can, you know, redeploy the dollars elsewhere. But we wanna be using them smarter, you know.

M **Mariana Peneva | Institute for Real Growth** 25:05

Mm hmm. Mm hmm mm hmm.

JM **Jarratt, Marissa** 25:06

Another these are way more advanced, but I would tell you what really what I've seen thus far, at least from the larger agency companies, is they're working to develop generative AI consulting and technology solutions that are add-ons to, you know, the current scope of work that we have.

Versus how are they utilizing generative AI in their processes to be able to deliver?

Like to be at the client so so there should be both.

M **Mariana Peneva | Institute for Real Growth** 25:32

Yes.

JM **Jarratt, Marissa** 25:35

I mean there should be.

M **Mariana Peneva | Institute for Real Growth** 25:37

Well, that's a really good point for us to consider and explore a bit a bit deeper.

JM **Jarratt, Marissa** 25:42

Yeah.

M **Mariana Peneva | Institute for Real Growth** 25:43

So yeah. Well, thank you so much.

It has been very insightful as always with you.

JM **Jarratt, Marissa** 25:50

Thank you.

M **Mariana Peneva | Institute for Real Growth** 25:50

Now finally, our partner on this is Google and they're also curious to learn from these conversations. And they're also looking for best practices, case studies and CMOS to feature in their publications and events.

Are you fine with me sharing the transcript with their team as well?

JM **Jarratt, Marissa** 26:10

Absolutely no problem.

Anything we can do to help you.

M **Mariana Peneva | Institute for Real Growth** 26:12

Thank you for that.

And yeah, wishing you a lovely Christmas break.

JM **Jarratt, Marissa** 26:19

You too had a great holiday and I I won't be at the New York event in January unfortunately, but I will be there in spirit.

M **Mariana Peneva | Institute for Real Growth** 26:20

And we'll be in touch.

Oh, that's a shame.

JM **Jarratt, Marissa** 26:29

I'll be thinking about you guys wishing the new group like great luck.

M **Mariana Peneva | Institute for Real Growth** 26:29

OK. And we maybe see each other in Cannes.

JM **Jarratt, Marissa** 26:35

Planning, OK.

Great. Well, it's good to see you. Say hi to everyone.

 **Mariana Peneva | Institute for Real Growth** 26:36

Fantastic.

Bye. Bye. Marissa. I will. Bye bye.

 **Jarratt, Marissa** 26:39

Happy holidays.

 **Jarratt, Marissa** 26:40

Thank you. Bye.

□ **Mariana Peneva | Institute for Real Growth** stopped transcription