

**GENERATIVE AI IN MARKETING WITH SPECIAL REFERENCE
TO BANKING INDUSTRY**

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Abstract

Generative Artificial Intelligence (GenAI) is rapidly reshaping how banks design, produce, and personalize marketing communications. This paper examines the adoption, applications, and strategic implications of GenAI in banking marketing, drawing on industry market-sizing data, adoption surveys, and documented case studies from global and regional banks. The global GenAI-in-banking market is estimated to grow from roughly \$1.4 billion in 2025 to over \$4 billion by 2030, reflecting a compound annual growth rate above 23%. Within this trend, marketing has emerged as one of the most visible use-case categories, spanning hyper-personalized offers, conversational chatbots, automated content generation, and AI-optimized campaigns. The paper analyses quantitative adoption data across banking functions, evaluates consumer sentiment toward AI-generated content and personalization, and presents illustrative case studies including Wells Fargo, Bradesco, HDFC Bank, and Axis Bank. It further discusses the operational benefits — cost reduction, speed, and precision — alongside key risks such as data privacy, regulatory compliance, model hallucination, and brand-trust erosion. The paper concludes with strategic recommendations for banks seeking to responsibly scale generative AI within their marketing function.

Keywords: Generative AI, Large Language Models, Banking Marketing, Personalization, Customer Engagement, Chatbots, Financial Services.

Introduction

Marketing in the banking sector has historically relied on broad segmentation, mass communication, and relatively static product messaging. Over the last decade, digital transformation and the proliferation of customer

data have pushed banks toward data-driven personalization. The emergence of Generative Artificial Intelligence — large language models (LLMs) and diffusion-based image/video generators capable of producing human-like text, visuals, and conversation — has accelerated this shift dramatically.

Unlike earlier predictive-AI systems that primarily scored or classified customers, generative models can create new content: emails, advertisements, chat responses, product descriptions, and even personalized financial narratives. For banks, this capability intersects directly with marketing, customer experience, and compliance functions, making it one of the most consequential technology shifts of the current decade.

This paper investigates how generative AI is being adopted within banking marketing specifically. It combines secondary market data, adoption statistics, and documented industry case studies to answer three questions: (1) What are the dominant use cases of GenAI in bank marketing? (2) What measurable adoption and impact trends exist? (3) What risks and strategic considerations should guide responsible adoption?

Objectives of the Study

1. To examine the scale and growth trajectory of generative AI adoption in the banking sector.
2. To identify and categorize the principal generative AI use cases within bank marketing functions.
3. To analyse available data on customer sentiment, adoption rates, and functional deployment.
4. To evaluate the benefits, risks, and regulatory considerations associated with GenAI-driven marketing.
5. To propose strategic recommendations for banks planning or scaling GenAI marketing initiatives.

Literature Review

1. Kshetri et al. (2024) examined the applications, opportunities and challenges of Generative AI in marketing. The study highlighted content creation, personalization and customer engagement as important marketing applications, while also identifying ethical, organizational and implementation challenges. The study provides a foundation for understanding how GenAI is transforming conventional marketing practices.

2. Dwivedi et al. (2023) examined the organizational implications of ChatGPT and Generative AI across different sectors. The study identified significant opportunities for productivity, communication and automation, while emphasizing concerns related to misinformation, privacy, bias and responsible implementation. These findings are particularly relevant to banking, where accuracy and trust are critical.

3. Moharrak and Mogaji (2025) investigated Generative AI adoption in the banking sector using qualitative interviews with bank managers and industry experts. The study emphasized managerial preparedness, regulatory compliance, data privacy and operational challenges. It demonstrated that successful GenAI adoption requires a balance between technological innovation and responsible governance.

4. Panda et al. (2026) conducted a systematic literature review of 134 studies on GenAI and consumer behaviour. The study found that personalization, consumer decision-making, trust and technology adoption are major themes in the emerging GenAI literature. It also highlighted the importance of transparency and ethical use in developing

5. Ribeiro et al. (2025) systematically reviewed the influence of AI on consumer behaviour toward brands. The study identified convenience, effectiveness, trust, security and personalization as important factors influencing consumer decisions and loyalty. The findings suggest that AI can strengthen marketing strategies through improved customer understanding and personalization.

6. Thakur (2025) reviewed research on GenAI, consumer experiences and behavioural responses. The study emphasized the growing role of GenAI in marketing and identified changes in consumer interaction, engagement and decision-making as important areas for future research.

7. Ghosh and Raman (2026) critically reviewed research on GenAI and consumer behaviour using theories such as the Technology Acceptance Model, UTAUT and Theory of Planned Behaviour. The study identified trust, digital literacy, cultural context and perceived usefulness as important factors influencing consumer acceptance and purchase intention.

8. Ravichandran and Bick (2026) synthesized research on GenAI applications across the banking value chain. Their work identified applications such as personalized recommendations and automated content generation as important mechanisms through which GenAI can contribute to banking business-model innovation.

9. Khalfallah and Keller (2025) examined authenticity, ethics and transparency in AI-driven marketing. The study emphasized that transparency and perceived authenticity influence consumer trust and engagement, highlighting the importance of responsible communication when organizations use AI-generated marketing content.

10. Panda et al. (2026) further emphasized that GenAI is reshaping consumer-brand interactions through personalization, conversational engagement and AI-generated content. The review identified trust, authenticity, privacy and ethical considerations as important determinants of successful AI-enabled marketing relationships.

Research Gap

Taken together, the reviewed literature suggests three things. First, generative AI's marketing-relevant capabilities — personalization, content generation, and conversational engagement — are consistently identified as high-value use cases across both academic and industry sources. Second, empirical evidence specific to banking marketing, as distinct from banking generally or marketing generally, remains limited, with the most rigorous available studies favoring qualitative interview-based methods (e.g., Moharrak & Mogaji, 2025) or conceptual and bibliometric frameworks (e.g., Ravichandran & Bick, 2026) rather than quantitative, cross-source synthesis. Third, few existing works integrate market-sizing data, adoption statistics, consumer sentiment data, and documented case studies into a single analytical account. This paper addresses that gap by combining quantitative market and

adoption data with qualitative case evidence specifically within the banking marketing function.

Research Methodology

The study adopts a descriptive research design based on secondary data to examine the adoption, applications and strategic implications of Generative Artificial Intelligence (GenAI) in banking marketing. The study focuses specifically on the use of GenAI for personalization, content generation, customer engagement and conversational marketing.

Sources of Data:

Secondary data were collected from peer-reviewed research articles, industry reports, market research publications, banking-industry reports and published case studies. Major sources include Research and Markets, The Business Research Company, CoinLaw, Statista, Capgemini Research Institute, Celent/Zest AI, Bain & Company, Salesforce and NiCE, along with relevant academic literature.

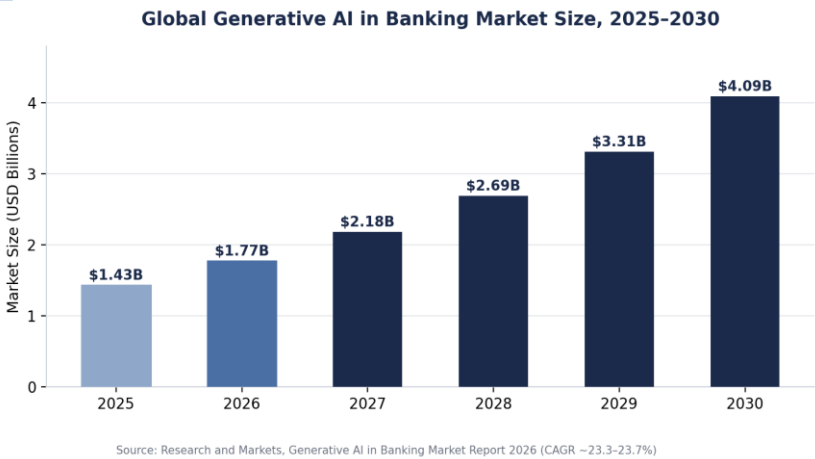
Data Analysis:

The collected information was organized and analysed using descriptive analysis, comparative analysis and trend analysis. Market-size data and GenAI adoption rates were compared across years, while consumer-sentiment indicators were examined to understand acceptance of AI-driven banking marketing. Published banking case studies were also reviewed to identify practical applications and benefits.

Data Analysis and Findings

Market Growth Trajectory

The global generative AI in banking market was valued at approximately \$1.43 billion in 2025 and is projected to reach \$1.77 billion in 2026, growing at a compound annual growth rate (CAGR) of roughly 23.7%. Extending this trajectory through the CAGR reported for the 2026–2030 period (approximately 23.3%) implies the market will surpass \$4.09 billion by 2030 — nearly a threefold increase in five years. This growth is attributed to expanding digital banking adoption, rising demand for hyper-personalized services, and increasing investment in AI infrastructure.



Adoption Momentum Across Financial Services

Beyond market value, adoption surveys point to fast-rising usage. Statista reports that 61% of financial

services firms had actively deployed generative AI by 2025, up from 52% in 2024 — a nine-percentage-point increase in a single year. This places GenAI adoption ahead of many other enterprise technology categories and signals that marketing and customer-engagement teams are increasingly operating alongside AI-generated content as a baseline capability rather than an experimental add-on.

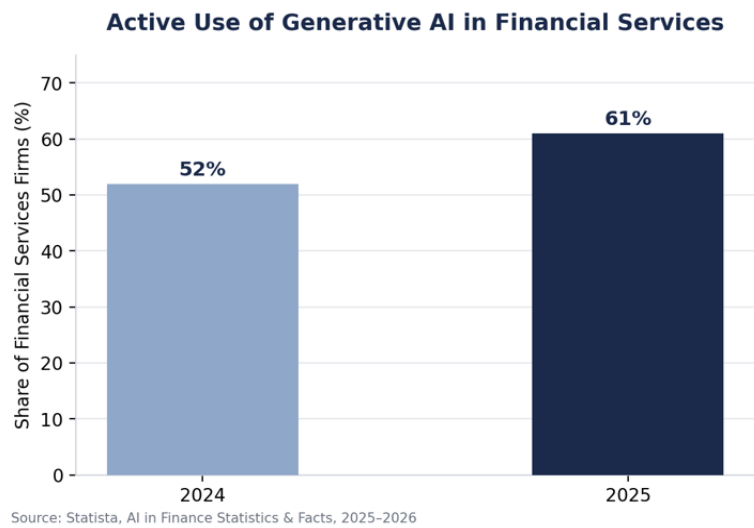


Figure 2: Active Use of Generative AI in Financial Services, 2024 vs. 2025

Functional Distribution of AI Adoption

AI adoption is not distributed evenly across banking functions. Fraud detection and prevention lead adoption by a wide margin, reported at 87% of global financial institutions, reflecting the maturity and risk-reduction value of that use case. Marketing-adjacent functions — sales and administration — currently report comparatively lower direct adoption (around 18%), suggesting meaningful headroom for growth as generative tools mature and governance frameworks catch up. Trading (33%), credit approval, and KYC/AML (28% each) occupy the middle of the adoption curve.

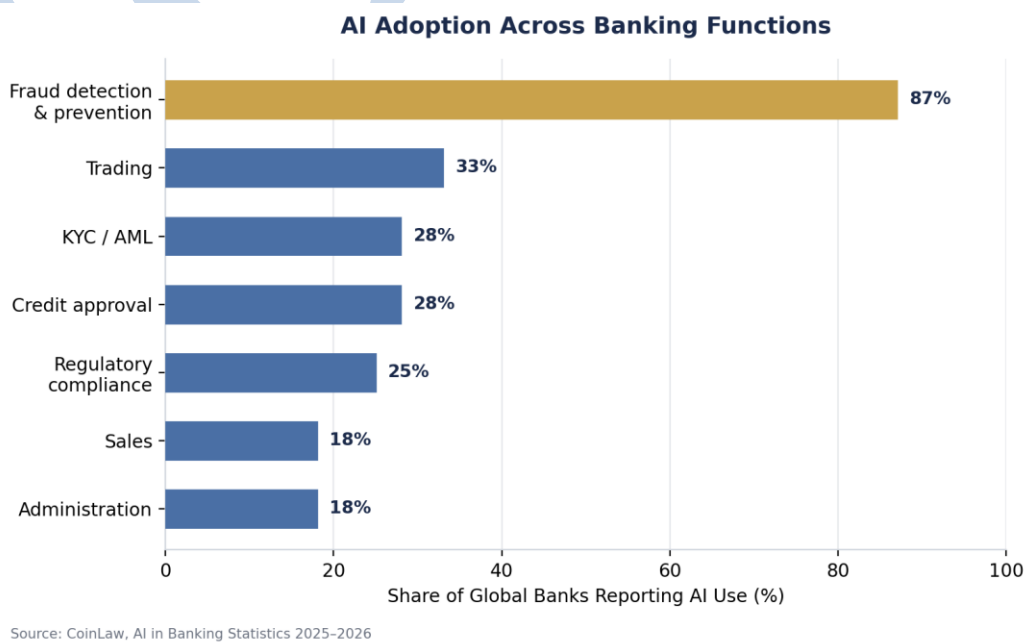


Figure 3: AI Adoption Across Banking Functions (% of Global Banks Reporting Use)

Consumer Sentiment Toward AI-Driven Marketing

Consumer receptiveness is a critical precondition for effective GenAI marketing. Capgemini Research Institute data shows that 73% of surveyed consumers trust content written by generative AI, and 53% have faith in GenAI-assisted financial advice. Separately, industry research (Blend) finds that 65% of consumers want banks to make it easier to shop for and find tailored products, and 72% consider offers more valuable when personalized. Additionally, 83% of organizations in a Capgemini survey deem chatbots relevant for automating customer engagement and service.

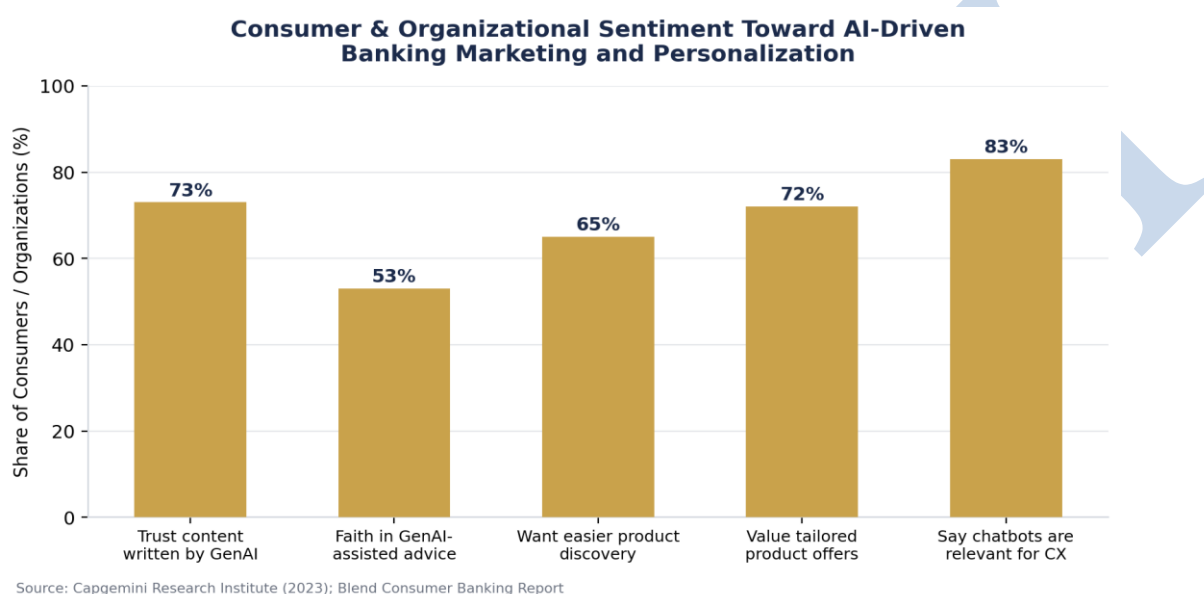


Figure 4: Consumer and Organizational Sentiment Toward AI-Driven Banking Marketing

Taken together, these figures suggest that customer trust is not the primary barrier to GenAI-driven marketing; rather, the gap lies in banks' ability to operationalize personalization at scale while maintaining accuracy and compliance.

Findings

1. Generative AI adoption in banking is growing rapidly, with the market projected to exceed \$4 billion by 2030.
2. Financial-sector GenAI adoption increased from 52% in 2024 to 61% in 2025.
3. Personalization, content generation and chatbots are key GenAI applications in banking marketing.
4. 72% of consumers perceive personalized offers as more valuable.
5. 73% of consumers trust GenAI-generated content, indicating growing acceptance.
6. Marketing-related AI adoption remains relatively low, showing significant scope for future growth.
7. GenAI can improve marketing speed, cost efficiency, customer engagement and campaign precision.
8. Major concerns include data privacy, regulatory compliance, hallucination, bias and customer trust.

Suggestions

1. Banks should develop a clear GenAI marketing strategy.
2. Use GenAI for personalized offers and customer communication.

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3. Maintain human oversight for AI-generated financial content.
 4. Strengthen data privacy, security and AI governance.
 5. Train employees in GenAI tools, ethics and responsible AI use.
 6. Continuously monitor AI outputs for accuracy, bias and compliance.
 7. Use measurable KPIs to evaluate customer engagement and marketing ROI.
 8. Build customer trust through transparency and human support.

Conclusion

Generative AI has significant potential to transform banking marketing through personalization, automated content creation and improved customer engagement. However, successful adoption requires strong governance, data protection, regulatory compliance and human supervision. Banks that balance AI innovation with customer trust and responsible implementation can achieve greater marketing efficiency and competitive advantage.

Scope for future study

Future studies can explore customer acceptance, satisfaction and loyalty towards GenAI-based banking marketing and compare adoption between public and private sector banks. Further research may examine the impact of GenAI on marketing performance, ROI, employee readiness, privacy, ethics and regulatory compliance, as well as its long-term influence on banking marketing strategies.

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