Considering AI? Choose a Model That Aligns With Your Strategic Goals

PLUS: Put your understanding to the test with some real-world scenarios.

It's not exactly a secret that artificial intelligence is taking the world by storm. Whether you've asked Siri for driving directions or put together some unforgettably funny images in DALL-E, we're all familiar with the stunning power and potential of this emerging technology.

But when it comes to AI, here's the real [$184 billion question](): What specific applications can companies tap into, today, that might unlock that immense value for their own organizations?

Predictive and Generative AI Models

The key here is understanding the different kinds of AI models available in the marketplace, and how each might uniquely address the problems facing your business.

Two well-known examples include the **predictive** and **generative** AI models:

- **Predictive AI** is trained on a specific set of historical data, enabling it to identify broad, complex patterns that might be otherwise overlooked by human observers. From there, it can employ these insights to predict the likelihood of certain scenarios or forecast outcomes—think business applications like opportunity scoring, sales forecasting, and fraud detection.

- **Generative AI** on the other hand, creates entirely new images, texts, or other data based on an external prompt (e.g., ChatGPT). These systems can be great for summarizing large amounts of information, brainstorming new content ideas, or even enhancing conversational chatbots.

Of course, if you've ever used generative AI, it's easy to see why the models are driving so much excitement—frankly, people just think they're neat. And businesses think so, too: [one report]() found that organizations are expected to spend around $38.8 billion this year on generative AI models *alone*.

But while many companies may see value here, for others, the path to success is not so clear-cut—particularly when it comes to determining how these platforms can fit into their own business strategies. Obstacles [like significant costs](), the need for specialized technical expertise, and a dependency on high-quality data can all pose major hurdles when implementing generative AI.

It's why, despite the recent buzz about generative models, most companies who find success with AI are instead leaning on the data-driven insights provided by their predictive counterpart. Unlike generative AI—whose outputs can sometimes lead to hallucinations and other "uncanny valley"

problems requiring human review—predictive models can operate with reliable autonomy. They're also much cheaper to operate, and shown to [produce consistently higher ROI](#)—at least, for now.

Hybrid AI Models

It's *also* why so many businesses who effectively experiment with generative AI tend to utilize a **hybrid** model (i.e., pairing it with an existing predictive AI system) to ensure optimal results.

For example, a business may use predictive AI models to identify high-value customers, while using generative AI to draft extremely well-targeted offers for them. Alternatively, if a marketing team's predictive AI system has scarce or incomplete data, generative AI can 'fill in the blanks' by creating synthetic data for forecasting purposes, enhancing their real-world predictions.

Long story short: by pairing generative AI with predictive models, businesses can more efficiently handle large, data-driven tasks that require both precision and creativity. The dual approach can also make it easier to scale these systems in the long term, without necessarily sacrificing accuracy or personalization.

Real World Business Applications of Predictive, Generative, and Hybrid AI

It was a quick overview, but now that you're familiar with the basic ins-and-outs of these three models, we thought it might be fun to test your knowledge by applying it to solve some real-world problems.

Below, we've outlined four business scenarios. Your mission—should you choose to accept it, of course—is to determine which AI model would be the most effective in each case: predictive, generative, or hybrid.

Scenario #1

You work for Rizz 'n Co, a nationwide fashion distributor that specializes in providing stylish seasonal wear across various regions in the United States—each with its own distinct climate.

Eager to improve profitability and streamline operational costs, your boss tasks you with finding a reliable way to track how changes in local weather conditions might impact overall demand. For example, consider how an unusually warm winter in one region could reduce winter coat sales, or a sudden cold snap in another might call for an early restocking of thermal wear.

Which AI model is best suited for the task?

Answer: The *predictive* model would be most effective. By analyzing historical customer data, weather patterns, and regional consumer behavior, Rizz 'n Co can forecast demand under varying conditions, providing a wide range of actionable insights.

Scenario #2

Your digital creative agency, Wizzywig Designs, specializes in building custom websites for a wide, diverse range of clients.

The good news? It's been a great year for the sales team, and business is *way* up. The bad news is, with multiple projects in the pipeline, your developers are now quickly exhibiting all the tell-tale signs of chronic collective burnout.

To streamline their workflow, your boss asks you to find a solution that can automate some of their more repetitive, routine responsibilities—tasks like generating responsive design elements or automating the creation of reusable content blocks. That way, she anticipates, they'll quickly regain focus on the more engaging, creative elements of their job.

Which AI model is best suited for the task?

Answer: A *generative* model is the ideal choice. Given the proper prompts, this model can easily handle many of the repetitive tasks facing Wizzywig's developers, offering some much-needed breathing room.

Scenario #3

You work for PogPalace.com, the premiere online retail destination for collectors of vintage Pogs and Pog accessories. Yes, they do exist.

Despite the naysayers, business steadily grew for the past several years—that is, until last quarter, when you took note of a small drop in repeat business. While not yet an emergency, it's evident that some of your most loyal customers are starting to go cold. Left unchecked, the trend could lead to a serious impact on overall revenue.

The CMO proposes a plan to tackle the problem head-on: a proactive anti-churn campaign. Sounds great, you think, but you're a team of just four people—and everyone has dozens of responsibilities on their plate already. You'll need to find a solution that can identify which customers are at risk, and develop personalized offers to re-engage them—while requiring as little human intervention as possible.

Which AI model is best suited for the task?

Answer: A *hybrid* model. Predictive AI can analyze customer purchase behavior to identify those who are likely to churn, while generative AI automates the creation of personalized offers, tailored to each customer's unique interests—however niche or eccentric they may be.

Scenario #4

You work for TeleTonic, one of the world's largest mobile internet providers.This month, you're offering a special promotion: any existing customer with at least four years of service can get two months free when they renew their annual contract early.

However, confusion about eligibility criteria—such as recent account adjustments or address changes—has led many agents to incorrectly disqualify a large number of eligible customers.

Your boss, eager to nip this in the bud, asks you to find a solution that can quickly and accurately verify customer eligibility. He also wants you to identify any previously disqualified customers and create a targeted re-engagement campaign, ensuring subscribers are aware that they can still take full advantage of the promotion.

Finally, given all the agent confusion surrounding the promotion, he'd—ideally—like to explore removing the human element from the equation entirely.

Which AI model is best suited for the task?

Answer: A *hybrid* model would work well in this situation. Predictive AI can verify customer eligibility at scale by analyzing account data and call records, flagging any customers who were incorrectly disqualified. Generative AI can then create a targeted re-engagement content that notifies the affected customers they are, in fact, eligible for the promotion—no agent confusion necessary.

Finding The Right AI Models For Your Business

With AI reshaping the business landscape in countless ways, it's more important than ever to understand these different models: how they work, how they work together, and the kinds of value they can bring to your business.

Whether it's leveraging predictive AI for actionable insights, generative AI for creativity, or a hybrid approach that blends the strengths of both, the key to success lies in strategic implementation.