

DeepSeek's marketing potential brings security risks

Article

Chinese startup DeepSeek shook the AI landscape this week. Its open-source R1 model, which performs at a level comparable to OpenAI's GPT-4o, was allegedly trained at just 3% to 5% of the total cost of competitors' models. **DeepSeek's revelation rocked Big Tech markets and challenged the US' AI leadership.** Nvidia's shares cratered by as much as 17% Monday,

wiping out \$595 billion in value before it started to rebound Tuesday. DeepSeek's rise also drove brief stock selloffs in other US chip, energy, and infrastructure stocks.

DeepSeek can integrate with various marketing platforms, workflows, and tools to implement strategies across channels. It can also automate segmenting audiences using real-time data, ensuring that the segmentation remains relevant and timely. Its AI, which is currently free to use, can analyze large data sets to identify patterns and trends in customer behavior, preferences, and demographics.

Affordable AI can level the playing field for marketers by allowing them to compete with larger agencies. However, DeepSeek presents considerable data privacy concerns, given that its customer data is hosted on servers in China. Its privacy policy states that it may share user information to “comply with applicable law, legal process, or government requests,” per [Mashable](#). That caveat will mean AI companies that host their users' data on US servers will continue to be more attractive to businesses even if their services come with fees.

DeepSeek collects user input, including text, audio, files, feedback, and chat history. It also keeps device data like keystroke patterns, IP addresses, and system languages. DeepSeek's privacy policy says the company retains users' information indefinitely or “for as long as necessary to provide our services.” Vague security and data collection practices could disqualify DeepSeek from the majority of US corporate IT security policies.

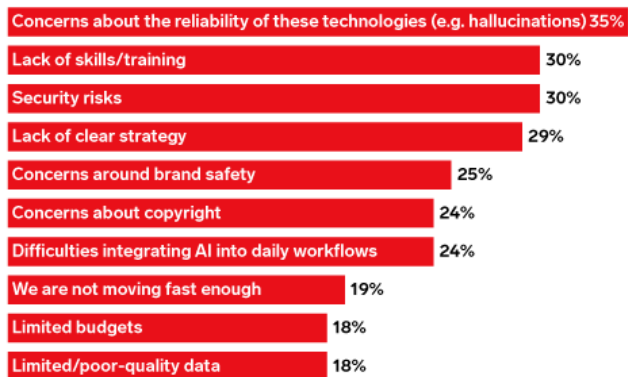
Key stat: 30% of brand marketers worldwide cite security risks as a challenge to their company's use of generative AI (genAI) over the next two years, per Econsultancy.

The emergence of affordable AI, and a potential pricing race to the bottom, could accelerate AI competition and adoption. The AI industry refocusing on open-source AI would be a departure from [Big Tech's trillion-dollar AI ambition](#) to build proprietary solutions. Marketers will need to navigate the opportunity carefully and balance cost against potential security risks.

[Read the full report: Evaluating DeepSeek: The Dual Edge of Affordable AI and Data Privacy in Marketing.](#)

Challenges to the Company's Use of Generative AI in Marketing Over the Next 2 Years According to Brand Marketers Worldwide, Oct 2024

% of respondents



Note: n=586; top 3 responses

Source: Econsultancy, "The Future of Marketing," Dec 6, 2024

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