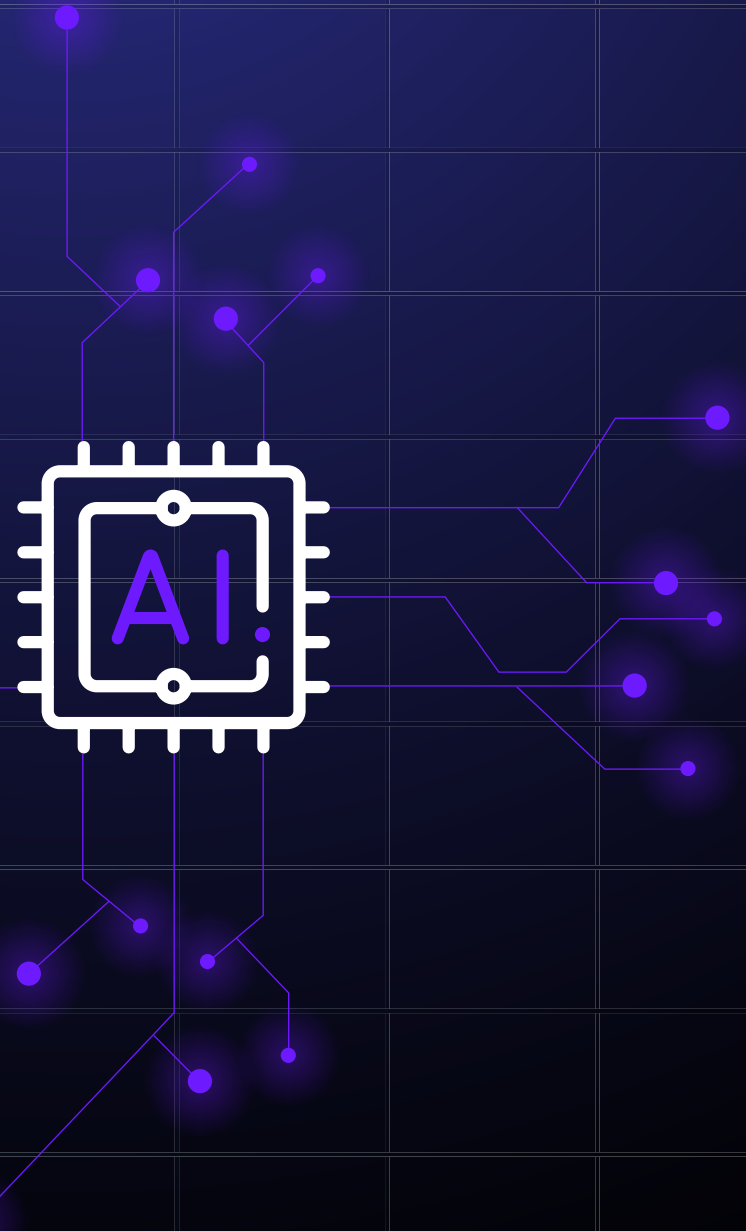


UNDERSTANDING THE ADOPTION AND APPLICATION OF AI IN DIGITAL ADVERTISING



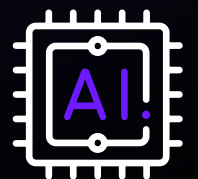
EXECUTIVE SUMMARY



This report delves into the burgeoning adoption of Generative AI within the digital advertising sphere, highlighting its diverse applications. Beyond mere operational streamlining, professionals are increasingly leveraging Generative AI for content creation and creative endeavours.

However, a significant consensus emerges regarding the pressing need for enhanced education in this field. Industry stakeholders, particularly associations, are urged to take the lead in providing this essential knowledge. Moreover, stakeholders stress the importance of transparent delineation between human and Generative AI outputs to bolster trust in these technologies.

Effectively addressing these imperatives will be pivotal in fostering broader acceptance and utilisation of Generative AI across the advertising industry and beyond.



THE UTILISATION OF GEN AI IN DAILY WORK ENVIRONMENTS EXTENDS BEYOND CONVENTIONAL OPERATIONAL ENHANCEMENTS.

SECTION 1: INTRODUCTION



Generative Artificial Intelligence promises to transform the digital advertising landscape including the way brands advertise by providing new ways of reaching consumers, automating complex tasks to help make more informed, data-driven decisions and assisting in the creation of advertising copy and imagery. Indeed, advertisers selected AI as the number one driver of programmatic growth in IAB Europe's latest [Attitudes to Programmatic Advertising Report](#). In order to assess this promise and the current state of play in terms of Generative AI adoption, usage and perceptions, IAB Europe and Microsoft surveyed a wide range of industry stakeholders.

What is Gen AI?

Before we explore the findings of the survey, it is important to define what we mean by Generative AI (Gen AI). [According to Microsoft](#), Gen AI is a category of AI that uses systems called neural networks to analyse data, find patterns and use these patterns to generate or create a new output, such as text, photo, video, code, data, and more.

Artificial Intelligence is the ability of a computer system to deal with ambiguity, by making predictions using previously gathered data, and learning from errors in those predictions in order to generate newer, more accurate predictions about how to behave in the future.



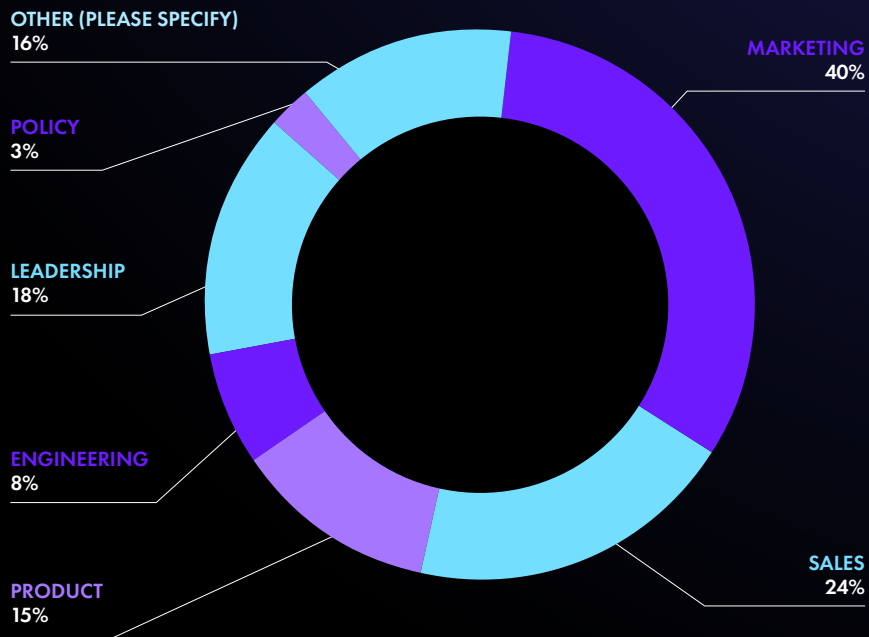
GENERATIVE ARTIFICIAL INTELLIGENCE PROMISES TO TRANSFORM THE DIGITAL ADVERTISING LANDSCAPE INCLUDING THE WAY BRANDS ADVERTISE.

SECTION 2: METHODOLOGY & PARTICIPANTS

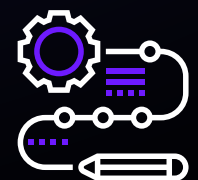
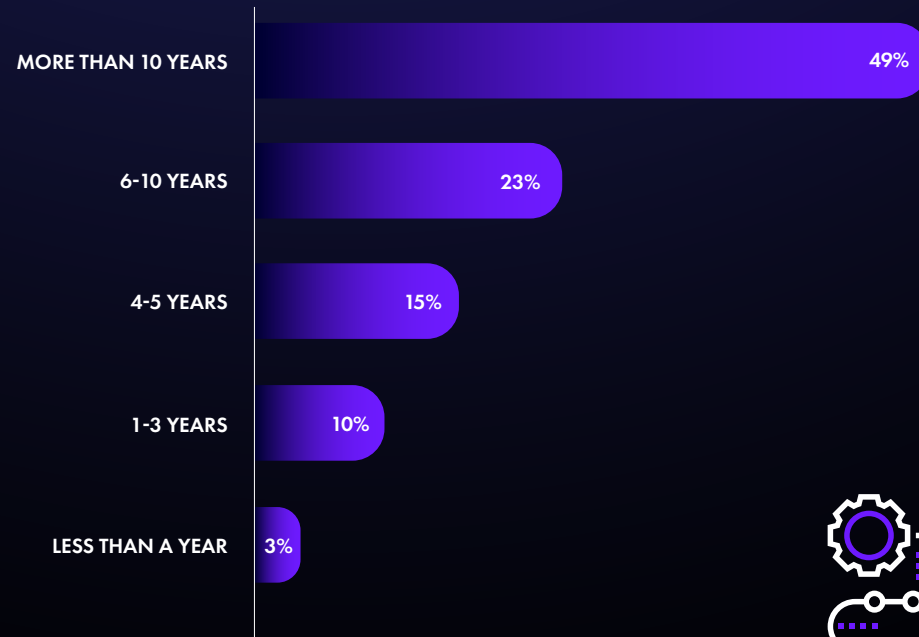


This survey leveraged IAB Europe's network of National IABs and corporate members across Europe and received 146 respondents that have some understanding of Generative AI. In the field from December 2023 to February 2024, nearly 50% of respondents have over 10 years experience working in the digital advertising industry across a variety of departments and markets in Europe.

Q: What department do you work in?



Q: How long have you been working in the digital advertising industry?



**IT IS ENCOURAGING
TO SEE THAT MANY
RESPONDENTS
UNDERSTAND
WHAT GEN AI CAN
BE USED FOR.**

SECTION 3: LEVEL OF GEN AI KNOWLEDGE



We started out by asking participants about their knowledge of Generative Artificial Intelligence (Gen AI) in order to get an assessment of how well understood it is. To get a good level of insight into the applications of and perceptions of Gen AI, the survey only included respondents that said they can give examples of AI, define AI or speak confidently about it.

Most respondents can either provide examples of or speak confidently about Gen AI; 38% said they can define AI and give examples whilst 31% said they can speak confidently about it and its applications.

Strong Foundation for Further Implementation of Gen AI in Digital Advertising

Most of the respondents correctly described Gen AI and its applications:

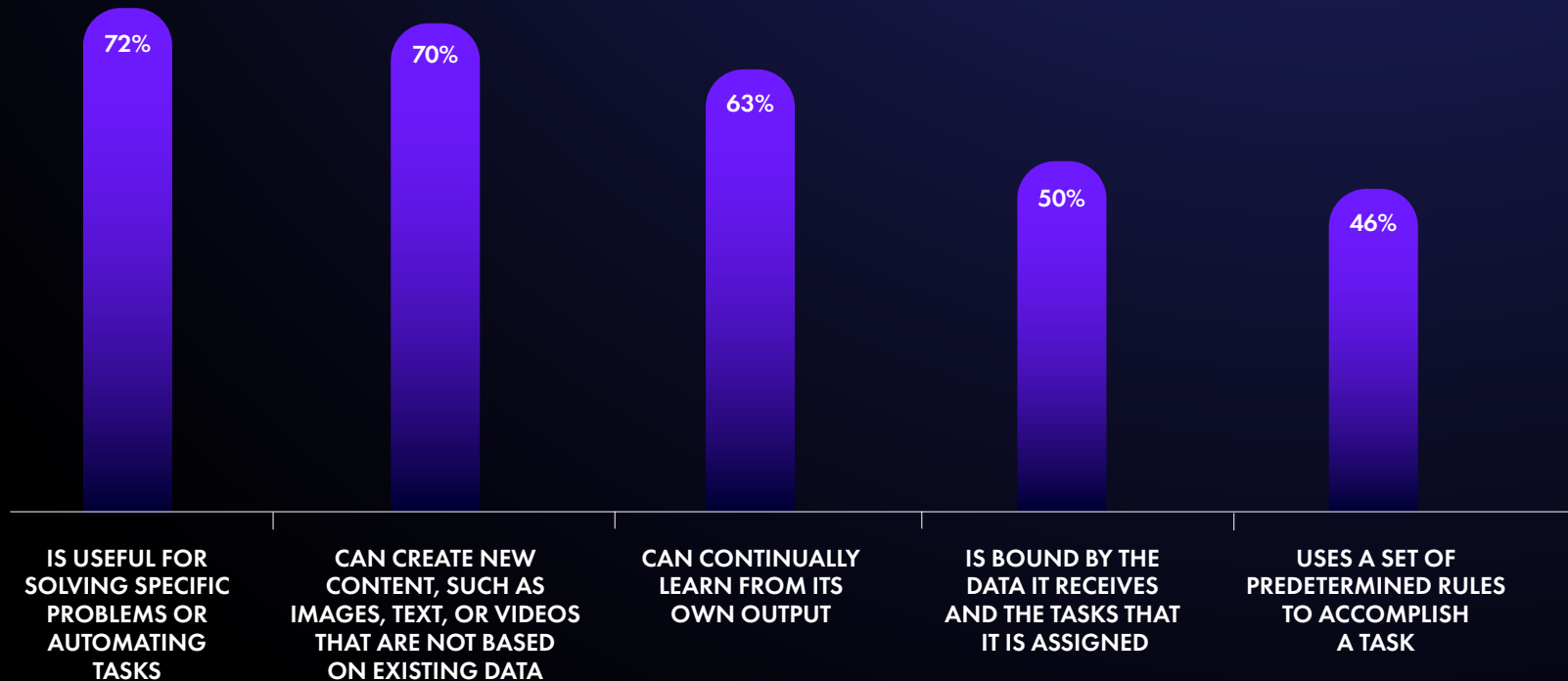
- 72%** described Gen AI as useful for solving specific problems or automating tasks
- 70%** understood it as a tool to create new content, such as images, text, or videos that are not based on existing data
- 63%** noted that it can continually learn from its own output

It is encouraging to see that many respondents understand what Gen AI can be used for; this is a strong foundation for further implementation of Gen AI into the day to day tasks of digital advertising.



SECTION 3: LEVEL OF GEN AI KNOWLEGDE

Q: To the best of your knowledge, which of the following describes Generative AI?



SECTION 3: LEVEL OF GEN AI KNOWLEGDE



The understanding of Gen AI and its applications increases amongst those that state that they can speak confidently about Gen AI:

87% understood it as a tool to create new content, such as images, text, or videos that are not based on existing data

74% described Gen AI as useful for solving specific problems or automating tasks

68% noted that it can continually learn from its own output

The industry is dedicated to learning about AI with more education needed

The survey results also show that professionals within the digital advertising industry are dedicated to learning about AI whilst acknowledging that more education is needed.

38% of respondents are spending more than one hour per week on upskilling in AI.

This significantly increases to 63% when we look at those who already state that they can speak confidently about AI.

89% of all respondents also agreed that the industry needs more education on Generative AI.

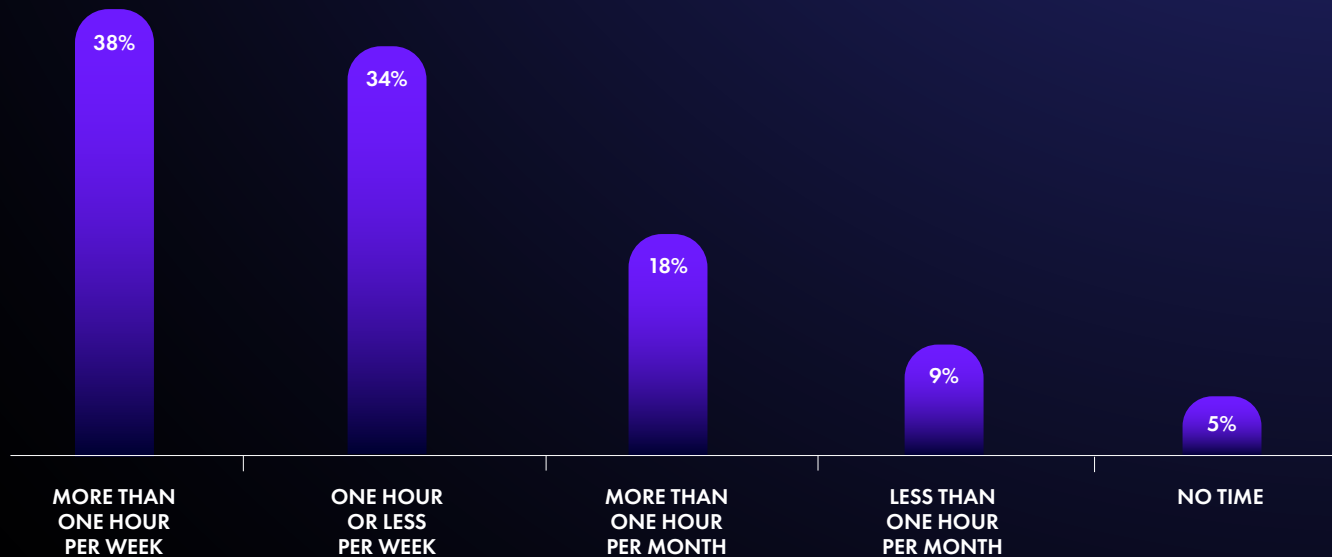
Whilst we have seen that many respondents understand the applications of Gen AI, it is important that we continue to develop understanding of what Gen AI tools are and how they work.

When asked which sources the respondents would like to see industry education come from, the majority (85%) said industry associations such as IAB Europe followed by two thirds (65%) citing companies that provide AI services.



SECTION 3: LEVEL OF GEN AI KNOWLEGDE

Q: On average, how much time do you personally spend upskilling yourself in AI?



This doesn't align with the sources that professionals are currently using which may be due to a lack of awareness of content or availability of content; social networks and internal company resources are the two top sources that respondents cited for upskilling themselves in Gen AI. Other sources cited include e-learning platforms, specific company courses such as MIT and AWS as well as blogs, videos, newsletters and industry news.



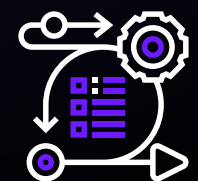
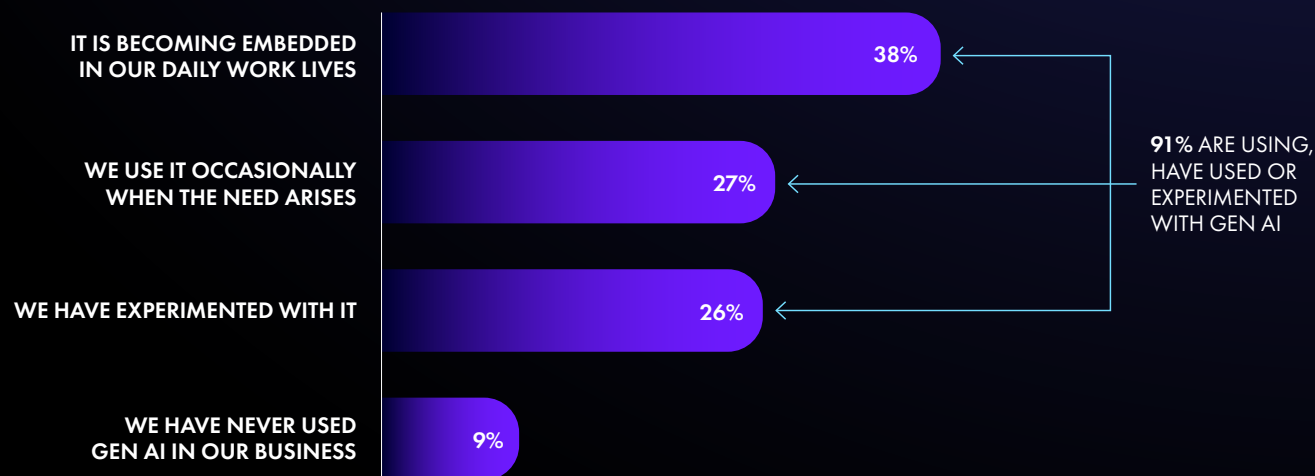
**WE CAN EXPECT THE
NUMBER OF BUSINESSES
EMBEDDING GEN AI
IN THEIR DAILY
WORK PROCESS
TO INCREASE.**

SECTION 4: ADOPTION AND USE OF GEN AI

Gen AI is becoming integral to many digital advertising businesses

When asked about the current usage of Generative AI within their business, 38% of respondents said it is becoming embedded within their daily work lives and only 9% said they have never used Gen AI in their business. This demonstrates that 91% of respondents are using, have used or experimented with Generative AI in their business. We can expect the number of businesses embedding Gen AI in their daily work process to increase; of those that are not yet using or testing Gen AI, 90% said that they plan to test it within their business in the next 6 months. In addition, half (49%) of all respondents said that they expect their businesses' adoption of Gen AI to significantly increase over the next 12 months.

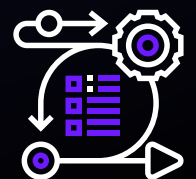
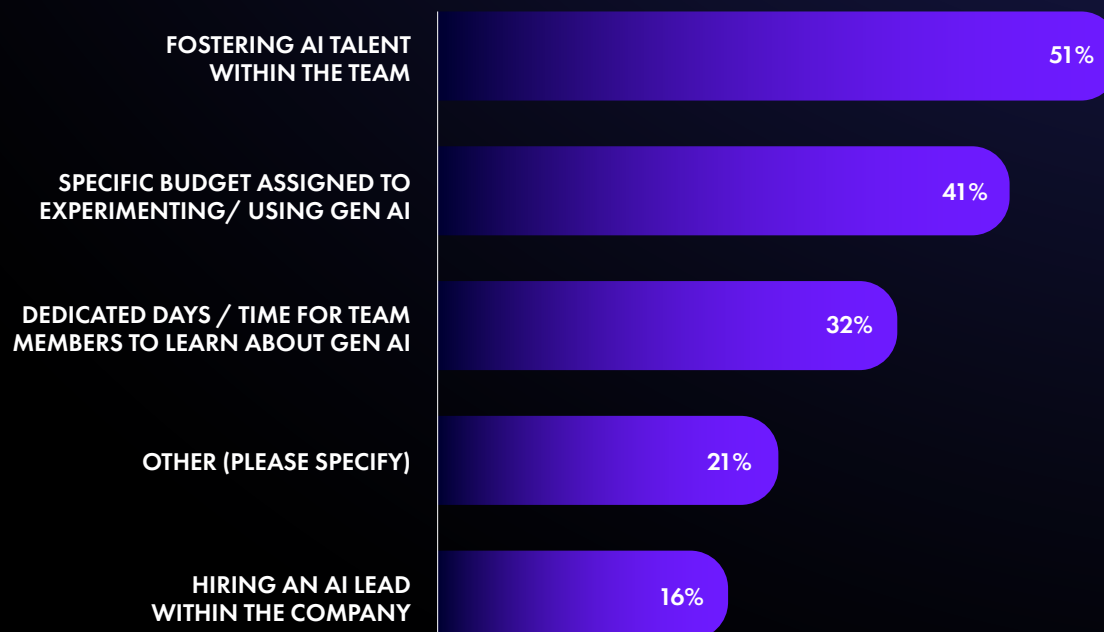
Q: How would you describe your business' current usage of Generative Artificial Intelligence?



SECTION 4: ADOPTION AND USE OF GEN AI

41% of respondents said that they have a specific budget assigned to experiments with and using Generative AI whilst half (51%) are fostering AI talent within the team (e.g. upskilling current teams and hiring new talent). Almost one third (32%) said that their company is providing dedicated days and time for team members to learn about AI. Other responses on how companies are building their adoption of AI include the development of partnerships with AI consultancies, developing internal task forces and the implementation of internal policies for its use.

Q: How is your company currently building adoption of Gen AI?

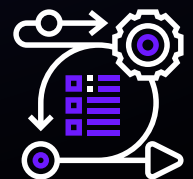
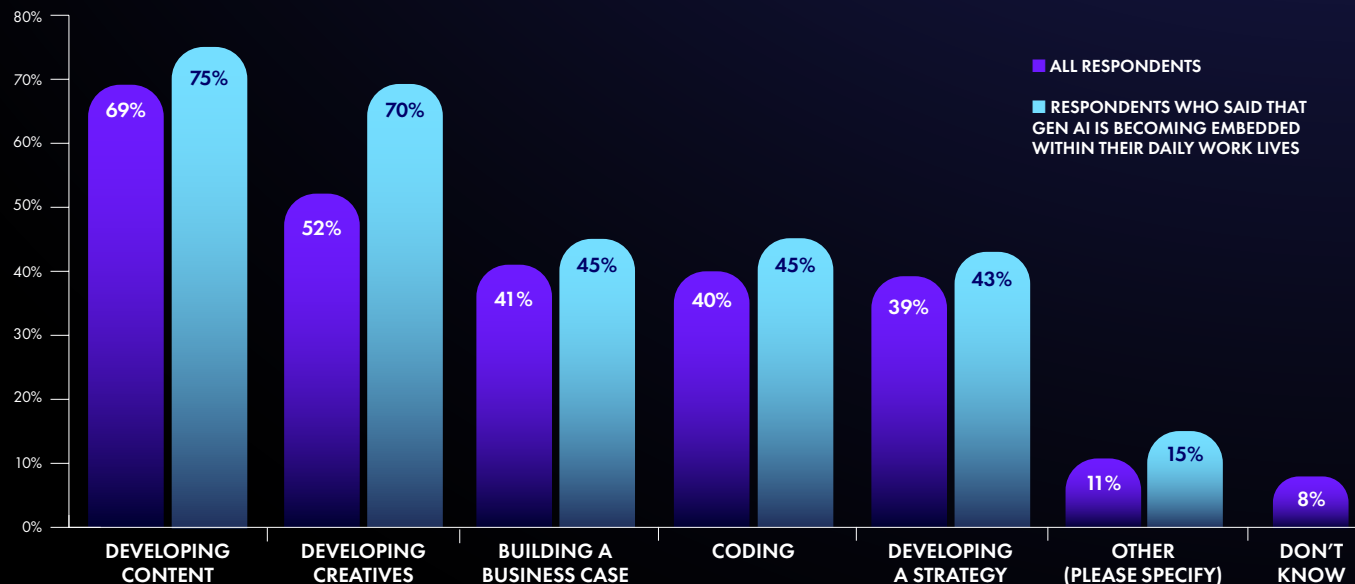


SECTION 4: ADOPTION AND USE OF GEN AI

Gen AI takes the weight off when it comes to content and creative development

In terms of use cases for the adoption of Gen AI, more than two thirds (69%) are using Gen AI within their business to develop content followed by half (52%) using it to develop creatives. These use cases are more pronounced when we look at those that note that AI is becoming embedded in their daily work lives (of advertising professionals); three quarters (75%) are using it to develop content and 70% to develop creatives alongside other applications include building a business case (45%) and coding (45%).

Q: What problem or use case are you trying to solve with the use of Gen AI within your business?



SECTION 4: ADOPTION AND USE OF GEN AI

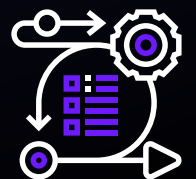


Gen AI is driven by efficiencies and developing competitive advantage

A key driver of the adoption of Generative AI is operational efficiencies with 78% of respondents selecting this as a driver. 60% also cited competitive advantage and 57% cost efficiencies.

Those who have embedded Gen AI into their daily work lives see a more holistic view of the usages of Gen AI. They are solving for a variety of barriers, whereas those who have only experimented with Gen AI see it predominantly as a way to increase operational efficiencies.

Nearly three quarters of daily users (71%) report that Gen AI leads to competitive advantage whereas those that only use it occasionally or have only experimented with it primarily see it as a means for operational efficiencies (63%). This data suggests that Gen AI initially improves operational efficiencies which in turn and over time leads to competitive advantage.

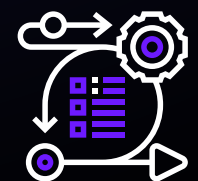
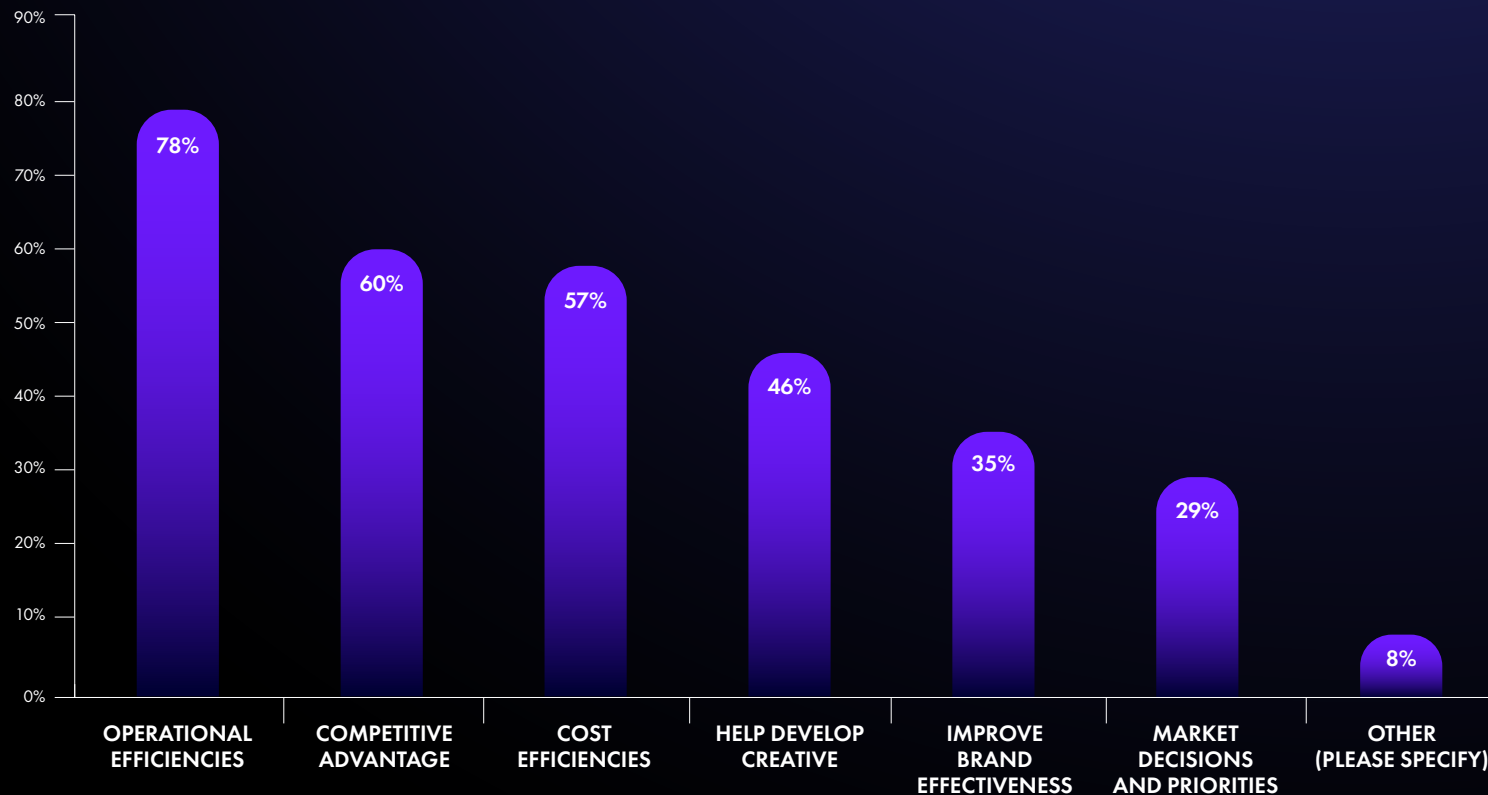


SECTION 4: ADOPTION AND USE OF GEN AI



When respondents were openly asked about how Generative AI gives their company a competitive edge, repeated answers include, analysis/analytics, time efficiency and creating new solutions and content across many mediums.

Q: What are the key reasons for adopting Gen AI within your business?

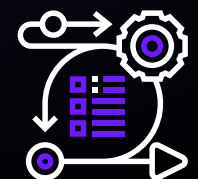
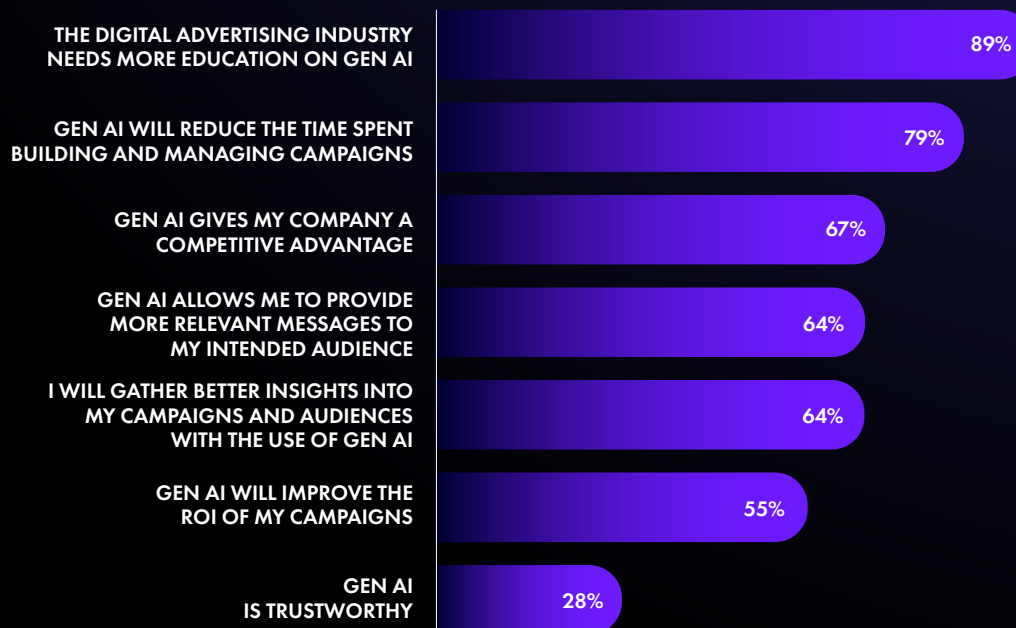


SECTION 4: ADOPTION AND USE OF GEN AI

Current Perceptions of Generative AI

Respondents expressed a diverse range of perspectives on the benefits of Generative AI for themselves and their companies, with an overall positive sentiment. A significant majority, comprising two-thirds (67%), believe that Gen AI provides their company with a competitive edge. Furthermore, an overwhelming 79% anticipate that Generative AI will streamline the process of building and managing campaigns, potentially reducing the time investment, allowing employees time for more strategic tasks.

Q: How much do you agree or disagree with the following statements?

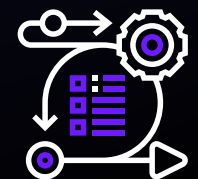
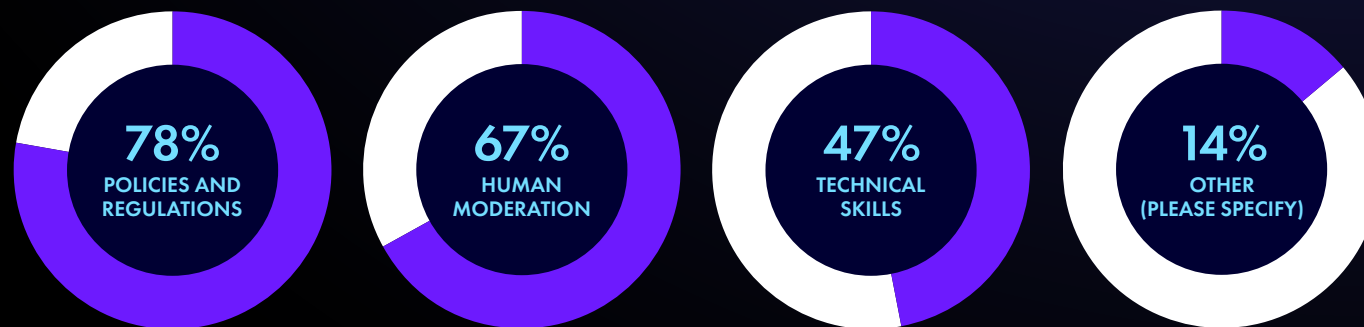


SECTION 4: ADOPTION AND USE OF GEN AI

However, when it comes to trust in Generative AI, opinions were more varied. Nearly half of the respondents (45%) neither agree nor disagree that they trust Gen AI. Addressing the need for increased trust, a substantial majority (78%) emphasised the necessity for additional policies and regulations. Additionally, two-thirds (67%) emphasised the importance of human moderation to instil trust in AI.

The survey results consistently highlighted the significance of human presence and differentiation, as evidenced in multiple open-ended questions throughout the study. When asked for any further comment respondents picked out that delivering a human experience/ presence is needed when using Gen AI.

Q: Which critical factors do you think are needed to create trust within Generative Artificial Intelligence?



**NEARLY HALF OF
THE RESPONDENTS
(45%) NEITHER AGREE
NOR DISAGREE
THAT THEY
TRUST GEN AI.**

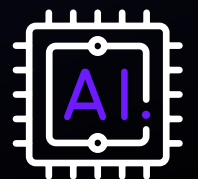
SUMMARY AND CONCLUSIONS



This report highlights the transformational power of Gen AI for those working in digital advertising. The survey found those that use Gen AI in their daily work lives see beyond the initial perceptions of creating operational efficiencies and note that it can solve for a variety of business use cases such as, developing content and creatives. This transformation is not without its hurdles; more education is needed alongside clear human moderation and clarity and definition between human and Gen AI outputs to build further trust.

Industry Collaboration & Education - New IAB Europe Gen AI Working Group

IAB Europe has launched a new Generative AI Working Group which aims to foster a collaborative and informed community, empower stakeholders across the digital advertising ecosystem with the knowledge, resources, and support necessary to navigate the evolving landscape.



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