



THE DPMI[®]
MARKET INSIGHT REPORT
ARTIFICIAL INTELLIGENCE EDITION

IN PARTNERSHIP WITH  **sysomos**

Introduction

Brands are beginning to invest in emerging technologies like artificial intelligence (AI) to shape their marketing strategies. A recent study by Forrester of over 700 business leaders found that 78% planned to spend at least 5% more on AI marketing technologies in the next 12 months. Meanwhile, 54% said they're already using AI marketing to better personalise the customer experience across channels or touchpoints.

But the automation of jobs remains a big concern. Our survey found over half of marketers (61%) believe the integration of AI will result in a loss of jobs. However, when it comes to creativity, 63% are confident it will not become automated by AI.

This market insight report explores some of these issues and how AI will impact the marketing agenda over the next five years. The Drum partnered with social media analytics company Sysomos to survey over 200 marketing professionals to gain a deeper understanding of how marketers view AI, how actively they are investigating the use of AI and whether the rise of AI will lead to job losses. The survey findings are supplemented by contributions from Sysomos, included in the report.

What did we discover?

Our headline findings included:

54%

of industry professionals believe their company is overlooking the full capabilities of AI. While the full capabilities of AI are not being realised, 37% of organisations are investigating potential use cases for AI – suggesting that businesses are becoming better equipped to take on AI services.

In certain areas, the application of AI is viewed more favourably. Companies want to use AI in:

CUSTOMER SERVICES/CRM

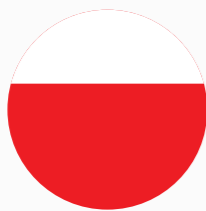
51%

COMPETITIVE INTELLIGENCE

34%

MEDIA BUYING AND PLANNING

34%



Over half (61%) of marketers believe the integration of AI will result in a loss of jobs. But when it comes to creativity, 63% are confident it will not become automated by AI.

85%

85% believe that AI is going to make a significant impact on their marketing activity over the next five years.

What is AI?

AI can be seen in everyday examples from Netflix’s recommendation services to virtual personal assistants like Apple’s Siri and Microsoft’s Cortana. Yet, despite the term being around since the 1950s, confusion persists about what it actually means.

In a Stanford University paper, computer scientist John McCarthy defined AI as the “science and engineering of making intelligent machines, especially intelligent computer programs. It is related to the similar task of using computers to understand human intelligence, but AI does not have to confine itself to methods that are biologically observable”.

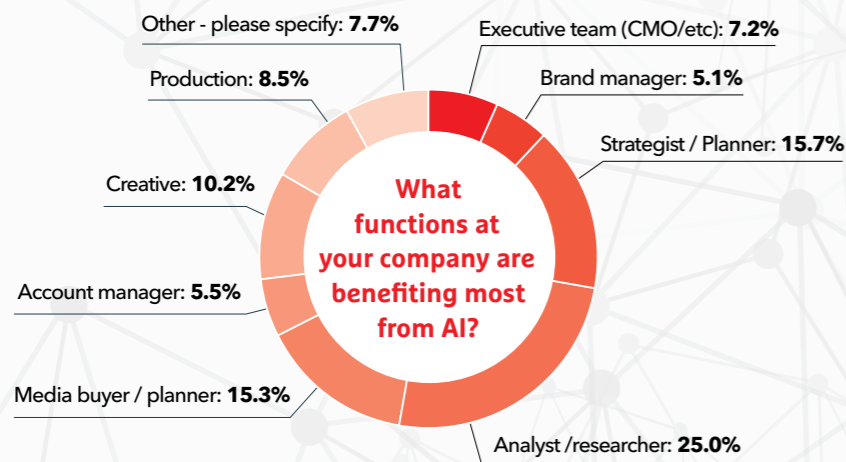
AI expert and author Jerry Kaplan believes the term AI itself is somewhat responsible for the fear that has been generated around robots. In an MIT Technology Review article he says, had it “been named something less spooky, it might seem as prosaic as operations research or predictive analytics”. For Kaplan, it would be better if we could stop describing these technologies as “proto-humans and instead talk about them as a new generation of flexible and powerful machines.”

While there is no general agreement on what AI means, perhaps Professor Istvan S. N. Berkeley of University of Louisiana at Lafayette sums it up best:

“AI is the study of man-made computational devices and systems which can be made to act in a manner which we would be inclined to call intelligent”.

What company functions use AI?

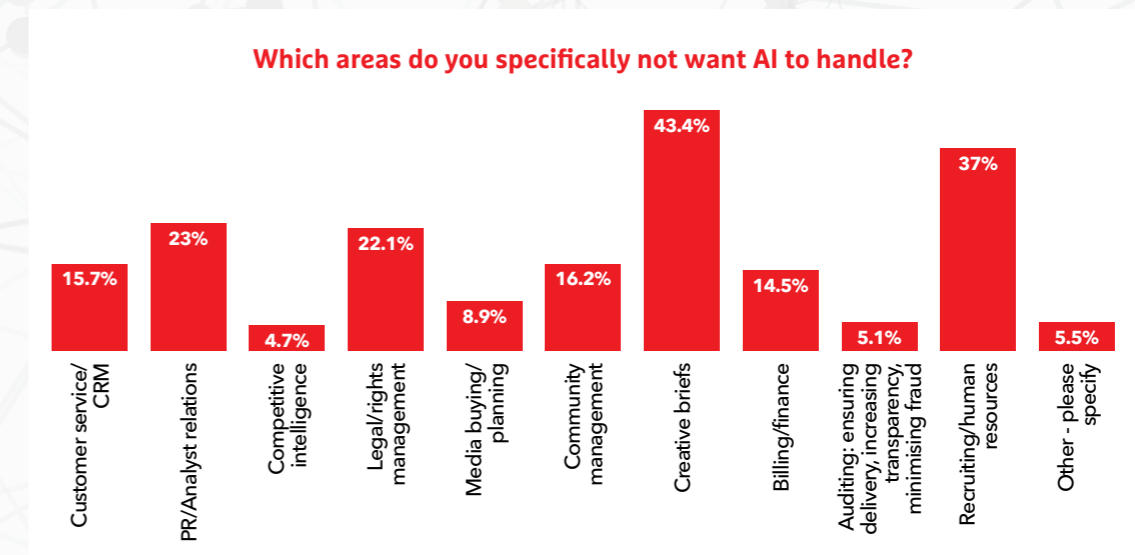
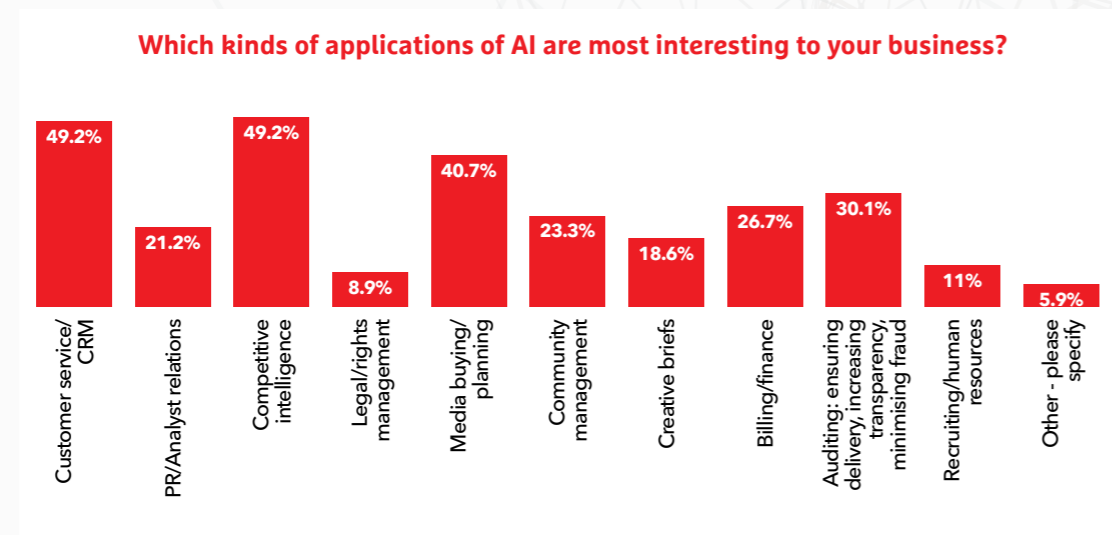
We began our survey by examining how AI is enhancing various business functions. Currently the people that are benefiting the most from AI are analysts/researchers (25%), media buyers/planners (15%), and strategists/planners (16%).



As the graph shows, our respondents are most interested in applying AI in customer services/CRM (49%), competitive intelligence (49%) and media buying/planning (41%). This supports a 2017 survey by Tata Consultancy Services of 835 large companies. The research found that in marketing, 19% of companies are using AI to anticipate future customer purchases and are presenting offers accordingly, while 16% are using it to improve media buying.

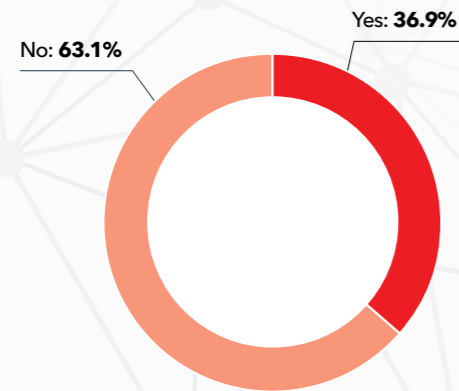
Marketers do not want AI in creativity or recruitment

Top applications for AI



Interestingly, when it comes to specific areas marketers do not want AI to handle, creative briefs (43%) and recruitment (37%) came out on top.

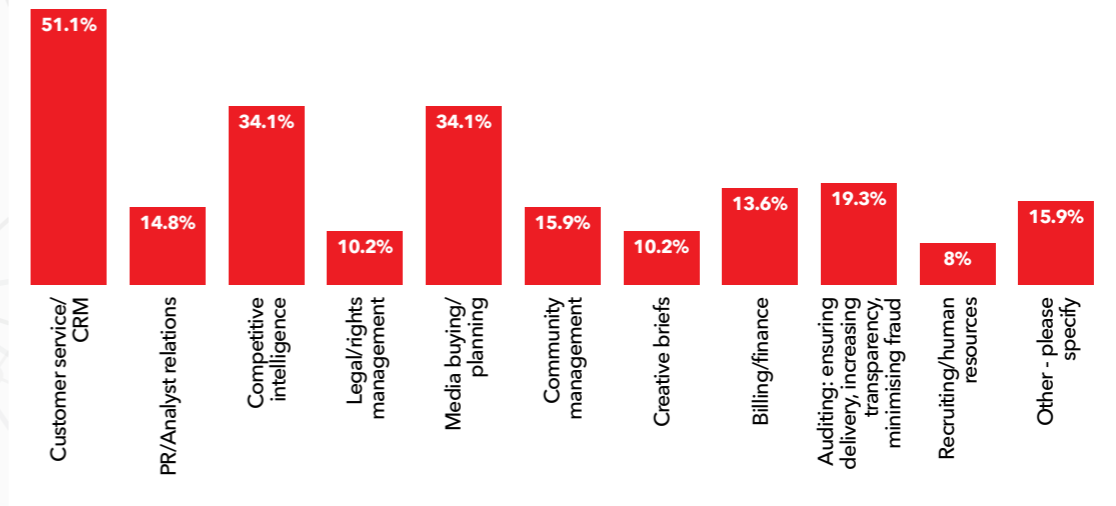
Are marketers investigating the potential of AI?



Our survey revealed that only 37% of organisations are investigating potential use cases for AI.

SYSOMOS'S VIEW
It makes sense because not everyone is actively investigating AI right now. Back-office and client-facing roles often happen in completely different parts of an organisation so there's a lot of siloed knowledge.

Areas being investigated

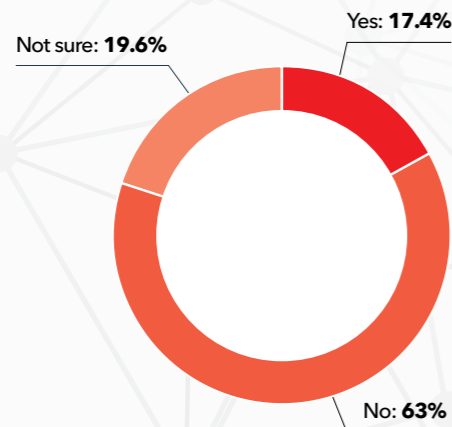


As the graph above shows, marketers are investigating: customer services/CRM (51%), competitive intelligence (34%) and media buying/ planning (34%).

Our findings support Forrester's study, Building Trust and Confidence: AI Marketing Readiness in Retail and e-Commerce, which reveals that marketers want to use AI to better serve their customers. Retailers are leveraging AI to personalise the customer journey (54%) and better understand customer behaviours (54%).

A separate survey by American cloud computing company, Salesforce, based on interviews with 3,500 marketers worldwide, found 75% of marketing leaders currently used marketing analytics, followed by CRM and email campaign management. The marketing leaders anticipate marketing analytics and CRM to see significant year over year growth of 23% and 25% respectively.

AI will not automate creativity



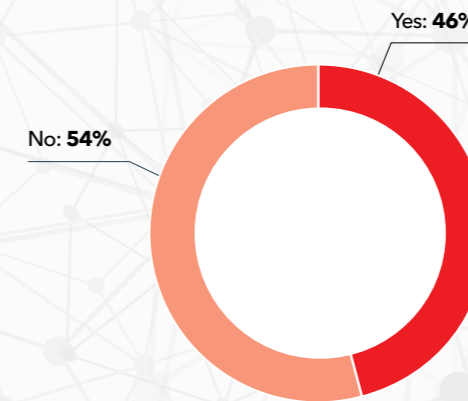
While the automation of marketing roles seems a big concern, our survey found that marketers are quite confident creative functions will not become automated. A recent report by Nesta, a UK-based innovation and research foundation, found that creative jobs will be much more resistant to automation.

As outlined in The Guardian, Martin Ford, futurist and author of Rise of the Robots: Technology and the Threat of a Jobless Future, classifies resilient jobs as ones that involve “genuine creativity, such as being an artist, being a scientist, [or] developing a new business strategy”.

SYSOMOS'S VIEW

This is going to be one of the big defining questions over the next couple of decades. How much do we really embrace what humans can do and what they can't do? How much do we value something produced by a human versus software? Are we going to just hand over our keys to the machine?

Do marketers understand AI?



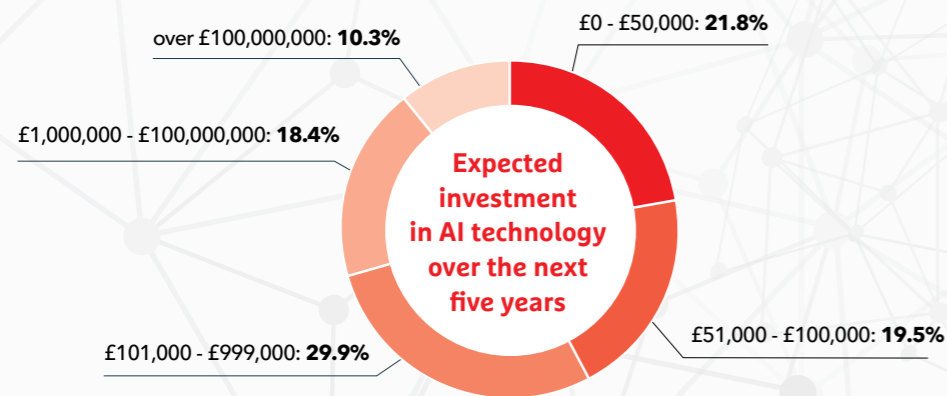
According to our survey, just under half (46%) of industry professionals believe their company has a good understanding of the capabilities of AI. So what is causing this knowledge gap? According to Forrester's in-depth study of 150 marketing professionals in AI: The Next Generation of Marketing, marketers are having trouble understanding their current contextual marketing capabilities, let alone AI technologies. Furthermore, many marketers are confused about what AI-driven marketing is, with over 40% thinking they have adopted AI-driven marketing.

In another survey conducted by account-based marketing leader Demandbase, when it comes to top concerns in using AI technology, marketers are most worried about integrating AI into their existing technology (60%) training employees (54%) and difficulty interpreting results (46%). The study concludes by saying overall there is a general lack of understanding around AI technologies available.

SYSOMOS'S VIEW

AI plays a role in so many different areas of an organisation. It's almost impossible for any organisation to fully tap into what AI can do.

Investment in AI technology

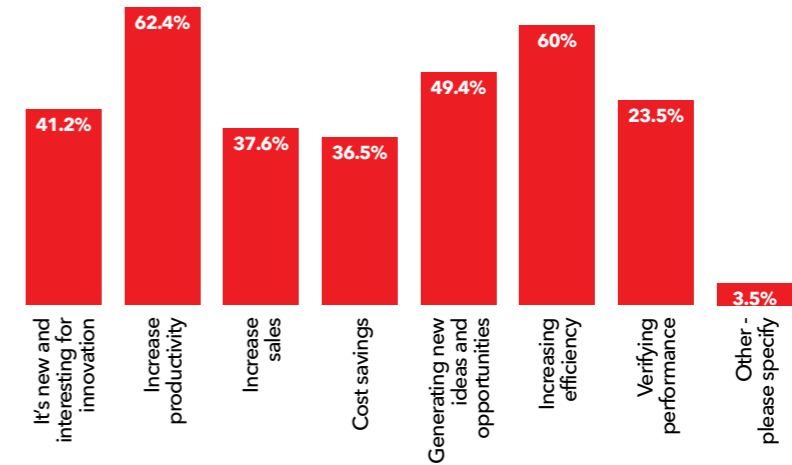


When it comes to spending over the next five years, industry professionals are looking to spend £1million or less on AI. Of that, 20% of directors want to spend £51,000-£100,000 and 22% want to spend £0-£50,000.

Other survey findings support investment in this area. A recent report from Narrative Science, a leader in advanced natural language generation, reveals that 62% of enterprises will use AI technologies by 2018 and 38% are already doing so. The International Data Corporation (IDC) projects that CMOs will drive \$32 billion in technology spending by 2018 and automation software alone will be a \$5.5 billion market by 2019.

Why do marketers want to invest in AI?

What are the main reasons for your interest in AI?

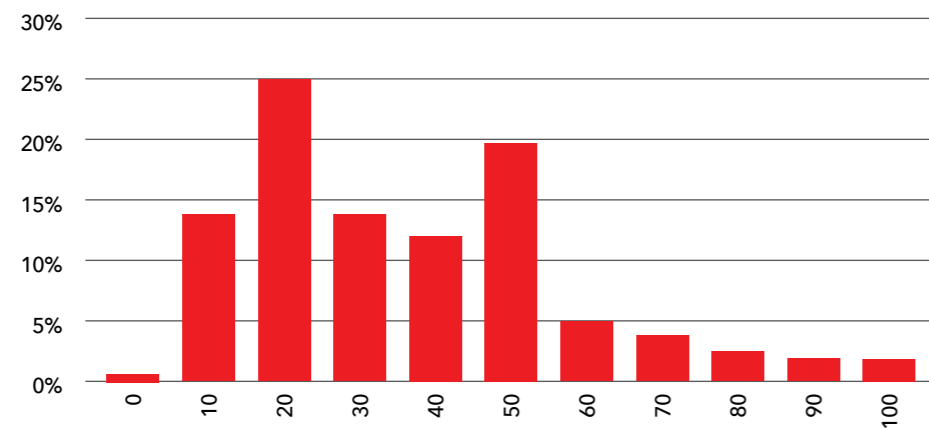


Most of our marketers surveyed feel very positively about investing in AI. There is a consensus that AI will increase productivity (62%), increase efficiency (60%) and generate new ideas and opportunities (49%).

This supports Forrester's survey findings from Unraveling the Hype: AI Marketing Readiness in Retail & E-Commerce. A poll of marketing decision-makers revealed that AI-powered marketing will make marketing teams more efficient (86%) and reinvent the ways marketers work (82%).

Will the rise of AI lead to job losses?

How much of your job today do you think could be replaced by sophisticated AI by the end of the decade?



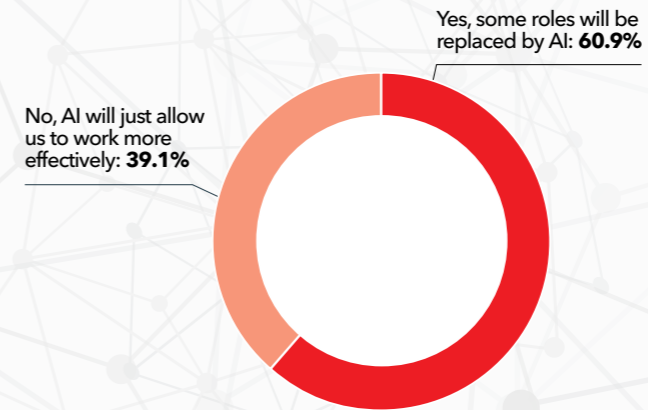
As the graph above shows, 25% of marketers think that AI will take over 20% of their daily job, while 20% think it will take 50% of their role. But only 1% believe AI will take 90 or 100% of their role – which means most people still think they will be needed in their current job.

According to Ford, the jobs that are most at risk are those which “are on some level routine, repetitive and predictable”.

And what about the jobs least likely to be automated? Oxford University researchers Carl Benedikt Frey and Michael Osborne, in their study of how technology will impact the future of work, found these jobs to be ones that “require skills of creative intelligence, social intelligence or physical dexterity”. They predict call centre roles, data entry and dishwashing to be automated in the future.

Daniel Susskind, lecturer in economics at Balliol College, expects 12 new kinds of jobs to appear in the future. Some of these include: knowledge engineers, data scientists, and process analysers.

Will AI harm jobs in marketing?



The advancement of sophisticated technologies has put jobs at risk and 61% of industry professionals in our survey believe the integration of AI will result in a loss of some jobs. Forrester predicts that by 2021, 6% of all jobs will have been eliminated by robots.

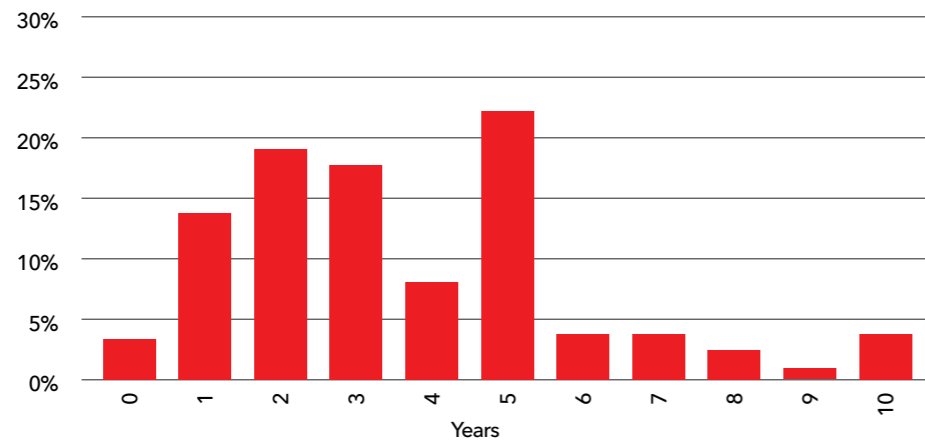
SYSOMOS'S VIEW

It seems inevitable that AI will cause jobs to disappear. There are millions of professionals out there who have no administrative assistance or support, and it's here AI can make their jobs better without displacing anyone.

The advent of programmatic media for instance hasn't created a massive loss of jobs for media planners and buyers. Five years ago, this might have been a major concern if you were a media buyer. This established form of media buying has not gone away. Even within the ad industry there are reasons for not being too pessimistic yet. It makes sense that this concern is top of mind for most people in the survey.

Impact on marketing activity over the next five years

How long do you think it will be before AI makes a significant impact on your marketing activity?



Despite showing some reservation in adopting AI, 85% of our respondents are optimistic about AI's impact on their marketing activity over the next five years. So which marketing areas do marketers want to see improvements in?

According to a 2017 survey by Salesforce, marketing leaders would like to see improvements in efficiency and personalisation over the next five years.

When asked which specific areas they would like to see improved, 60% of respondents want to use AI in campaign analytics, digital asset management and the collection of business insights across systems. AI is also expected to have an impact on programmatic advertising and media buying.

SYSOMOS'S VIEW

I think this is one area that people can agree on. Maybe this is because the question is framed in a way that is more performance-driven so people can anticipate its outcomes. A lot of the other findings show people on the fence and the results are more ambiguous.

Conclusion

Marketers are excited by the possibilities of incorporating AI into their marketing strategies. As our survey shows, over half of our respondents believe the use of AI will lead to greater efficiencies, productivity and generate new ideas and opportunities.

But there are obstacles to overcome. Just over half of marketing professionals understand the capabilities of AI and just over a third are actively investigating its potential use cases – which shows further education needs to be done in order to maximise AI's full capabilities.

The survey also reveals marketers are conscious of AI taking over some of their daily job functions but remain unperturbed about it affecting creative jobs. This shows a high degree of confidence in creativity remaining firmly in the human realm – at least for now.

References

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Contributing thanks: this report was authored by The Drum Studios, with contributions from David Berkowitz, chief strategy officer at Sysomos.

Sample and research process

The Drum partnered with leading social media analytics company Sysomos to conduct research into how marketers are investing in AI, their views on AI and creativity and whether they believe AI is going to make a significant impact over the next five years. In order to gauge opinion on marketers' perception of AI, The Drum conducted a survey of over 200 marketing professionals. Questions centred on: company functions benefiting most from AI, expenditure in AI, whether AI will take jobs and whether marketers believe AI is going to make a significant impact on their marketing activity over the next five years.

Responses were collected during the month of May 2017. Respondents were based in a wide variety of sectors, including technology providers, media owners, brands and agencies. The vast majority of our respondents were senior management level or above.

About Sysomos

Turn social media data into actionable insights with Sysomos

We equip the world's best digital marketers with the technology they need to demonstrate and optimise the value of their work. Whether you are a brand marketer or an agency, our unified, insights-driven social platform is designed to help you search, discover, listen, publish, engage and analyse at scale across earned, owned, and paid in a highly efficient and effective way that makes you look like a rock star every day.

Trusted by 1,000 of the world's top global brands and agencies

At Sysomos we work with customers of all sizes from all industries and all geographies. With over 1,000 customers our experience is extensive and diversified covering top brands and leading agencies that operate regionally or globally. We also help businesses leverage social insights to inform business decisions and actions outside of marketing, too. Customer care, research, human resources, legal, and operations to name a few.

About The Drum Studios

The Drum Studios is the branded content arm of The Drum, working in collaboration with our commercial clients to deliver content their customers love. We use unrivalled audience understanding and editorial expertise to create compelling brand stories that help drive more business.

The Drum is a global media platform and Europe's largest marketing website. Every day we share industry news from around the globe, and every fortnight we showcase 'world-changing' marketing in our magazine.

With bases in Glasgow, London, Singapore and New York, our AOP Editorial Team of the Year informs and inspires our global readership, delivering first-class content across all mediums.

