

Marketing Pulse Survey

Irish business is positive about AI in marketing but clear strategies needed

Businesses think that artificial intelligence and data will have a transformative impact, but initial approaches to the technology have been timid, this Red C poll finds, writes **Jason Walsh**

Senior managers across Irish business are bullish about the prospects of augmenting digital marketing efforts with artificial intelligence (AI), the latest Marketing Pulse Survey commissioned by marketing and digital transformation agency Core Optimisation and undertaken by Red C Research and *Business Post* has found.

The Marketing Pulse Survey, June 2024, reported that three-quarters of marketers said they are confident of AI's role in marketing, with only one in ten taking a negative view.

Caroline Dunlea, chief executive and co-founder, Core Optimisation said that at the root of this was recognition of the transformative role data already plays in digital marketing but that it was obvious that more change was on the way.

"For marketing, obviously a lot is changing," she said.

"Everybody is talking about AI at the moment. You can't turn your head right now without hearing people talk about it and, indeed, see massive strides being made in the technology."

However, uptake of AI for marketing has been slow thus far, revealing a gap between aspiration and ability.

Just over one in five companies have agreed on a strategy, while half have at least started working on one, while more than four in five at least plan on developing one.

Interestingly, small and medium companies are more likely to have agreed on a strategy, the survey found.

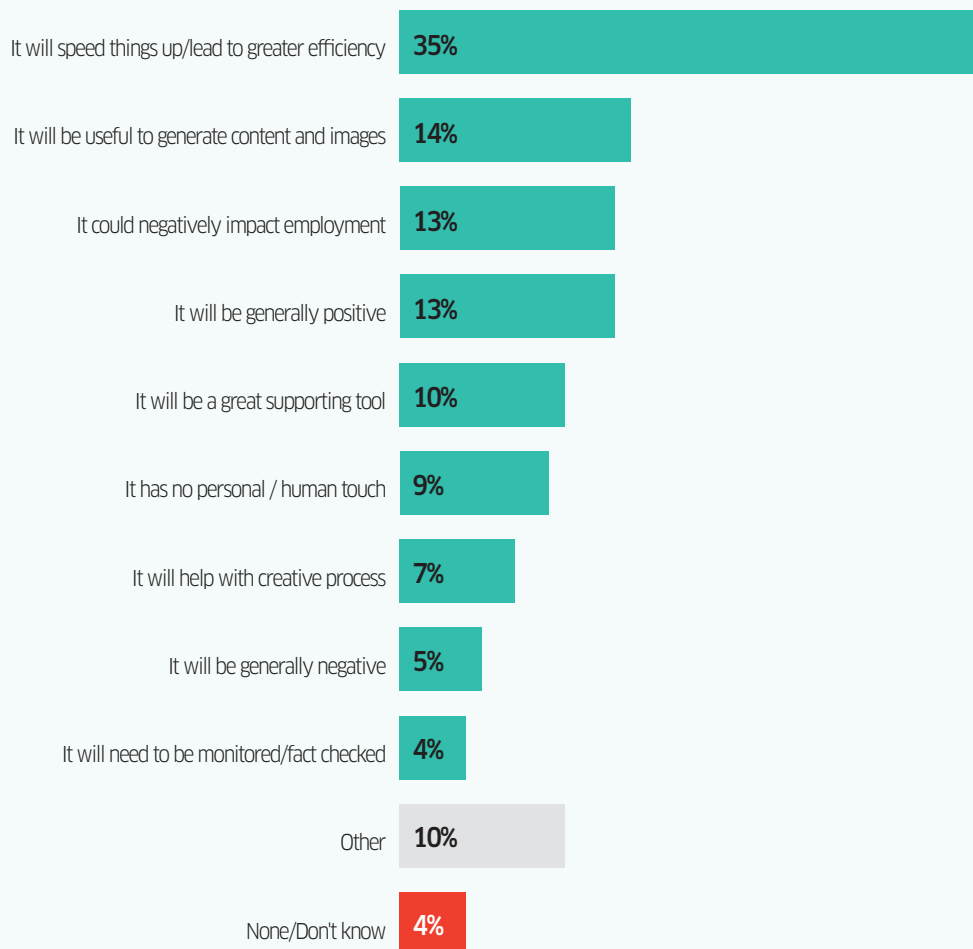
Data-driven decisions are a critical part of overall business operations today, Dunlea said, so the slow uptake of AI strategies shows that more businesses do need to adapt to changing behaviours, including consumer preferences.

"It's evolving massively and it's evolving quickly, so we need to stay cognisant of what consumers want when we are building those strategies," she said.

"One of the biggest challenges is they don't know where to start when they go to develop a strategy for implementing AI in their business. Their initial focus is likely to be exploratory and then looking at areas where they can introduce automation and streamline processes".

In the longer term, Dunlea said, these baby steps will give way to deeper use of AI, including data analytics.

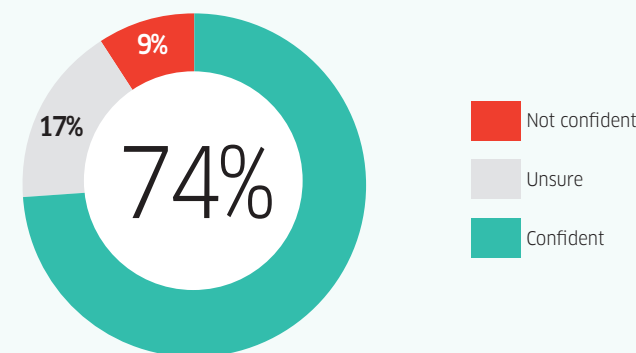
Thoughts on impact of AI on marketing delivery



Marketers confident that AI will play a positive role

Three quarters of marketers say they are confident of AI's role in marketing, with only 1 in 10 saying they are not confident. Confidence is higher among medium-sized companies.

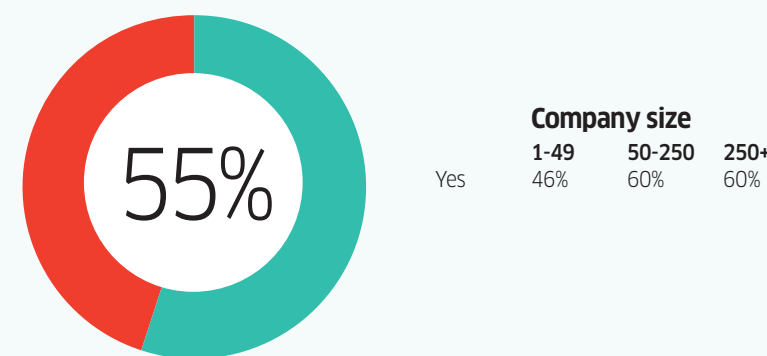
Confidence that AI will play a positive role in marketing industry



Over half of companies have a first-party data acquisition strategy

Companies with over 50 staff are more likely to have one in place

Percentage that have a first-party data acquisition strategy



Caroline Dunlea, chief executive and co-founder, Core Optimisation

"The survey shows that C-suites are, at the moment, unsure of how to line it up with their business processes, and there is also a little bit of resistance in terms of defending existing processes.

"However, I truly believe we will see a lot more opportunities emerge for companies that engage with AI, and even their business models may change. For those that do adopt it in a significant way, I think it will give them a really good competitive advantage," she said.

The survey found that businesses were aware of the benefits of data-driven decision making: over half (55 per cent) of the companies surveyed reported having a first party data acquisition strategy, and companies with over 50 staff are more likely to have one in place.

As AI runs on data it is crucial that businesses are collecting the right data and able to store and use it in a compliant manner in order to leverage it effectively, Dunlea said.

Marketing agencies, she said, have a responsibility to not only assist clients with their AI and data strategies, but

also quantify their return on investment. "I definitely feel that we put an importance on being the trusted partner that is aligned with clients' business goals to deliver maximum return on investment. We want to make impactful business decisions that drive growth."

While only one in six businesses expect marketing budgets to grow in the coming year, there was a broad consensus that budgets were unlikely to shrink. Medium-sized companies were most likely to expect marketing budgets to grow, the survey found.

In this context, Dunlea said, agencies will need to demonstrate the benefits of AI and data.

"Performance tracking, setting really clear KPIs and benchmarking are all essential," she said.

Overall, Dunlea said, the outlook was positive for digital marketing, with businesses keen to draw in specialised experience, such as advanced analytics, social advertising and search advertising and learn from agencies' experiences in other industry sectors.

"They still see digital marketing as the quickest and most effective route to their customer. Digital is still the most transparent and visible when it comes to understanding metric and market impact of your spend," she said.

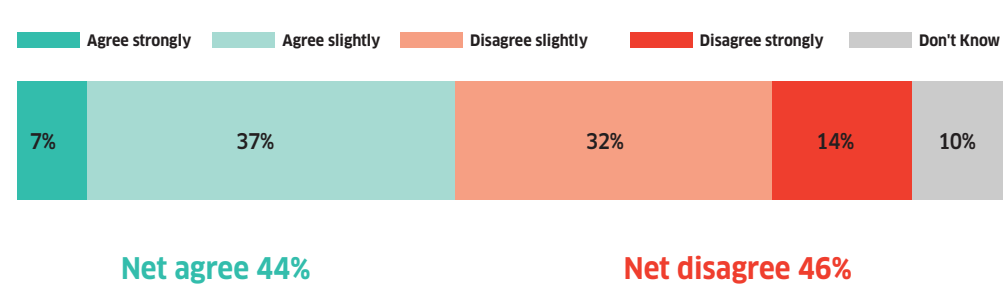
"I think the next 12 months will be very interesting as we will see what has stuck. From my point of view, I think customers have to be our first priority. We have to make sure we are adapting and listening to our clients and be there to act as a conduit for these new tools and technology, acting as a guide and support to get the best results for their businesses."

The survey also found business leaders had a positive outlook on the future overall; however, confidence in their own businesses outstripped faith in the wider domestic economy. While seven in ten are confident in the Irish economy, almost nine in ten say they are confident in the future of their business. In addition, large companies expressed more confidence in their own business than did smaller companies.

Top five priorities for marketing teams in next 12 months (Based on NET top three priority)



Are graduates emerging with skills needed in evolving marketing landscape?



Marketing executives see deeper analysis of customer behaviour as the path forward

JASON WALSH

Understanding customer behaviour and demonstrating marketing's return on investment are the two top priorities for senior marketing executives working in Irish business.

46 per cent of executives want to develop an understanding of customer behaviour as the key priority, with 41 per cent saying they want to demonstrate marketing's impact on the top and bottom line.

In addition, 38 per cent saw securing budgets as a priority, while 30 per cent were seeking to reduce costs, and 29 per cent wanted to improve creativity.

The figures come from the latest Marketing Pulse Survey, June 2024, commissioned by Core Optimisation and

undertaken by Red C Research and *Business Post*, which saw 112 senior Irish marketers polled between May 8 and June 11, with over a 30 per cent response from director/C-suite level.

Ciara Clarke, director at Red C Research and Marketing, said that the priorities were linked and formed something of a virtuous cycle.

"If you understand customer behaviour you unlock growth. Then if you demonstrate the value, you can then unlock budget," she said.

The survey results come against a backdrop of growing interest in artificial intelligence (AI) and data, which are widely believed will have a significant impact on marketing.

Most think AI will be a net positive, with 74 per cent saying so.

"AI should positively impact lower-tier tasks, but higher-chain activities such

as creative and partner execution will remain in the purview of people-based teams," one survey respondent said.

Others reported hopes that the technology would "simplify the creation of content [and] through algorithms lead to more targeted campaigns and tailored content" and "eliminate tedious, manual labour from roles such as editing creative and photoshopping images".

However, there are concerns about the potential for reductions in staff numbers as well as an almost even split on whether or not new graduates were leaving college with the right skills.

Three in five senior marketers agreed with the proposition that AI would lead to a reduction in headcount in marketing departments, though only one in ten strongly agreed with the proposition. Notably, agreement was higher among small companies.

44 per cent said they slightly agreed or strongly agreed to the question asking if university graduates were leaving education with the skills needed in an evolving digital marketing landscape.

46 per cent disagreed slightly or disagreed strongly, potentially indicating some uncertainty about the potential future impact of technologies whose impact has yet to be felt fully.

Clarke said that, despite pockets of uncertainty, she saw the results as reflective of a positive sentiment about the future, including the deployment of new technology in the form of AI.

"I think it's much more about positivity. We're at the other side of a few challenging years and the arrival of AI is being seen as potentially helpful. We're really at the infancy stage of it so it's very much a case of 'watch this space'," she said.

RED C

- Red C carried out this research on behalf of Core Optimisation and the *Business Post*
- 112 senior Irish marketers took part in the research
- Fieldwork was conducted between May 8 and June 11
- The objective was to carry out research among marketers in Ireland in order to ascertain their behaviours and views around:
 - The future of their business
 - Confidence in the Irish economy
 - Top areas of spend, budget expectations, and business priorities
- Services carried out in-house vs by external agencies
- Confidence in and approach to AI's role in marketing
- It is intended for this to be a resource for all Irish marketers and businesses
- Further waves of research will be conducted with key metrics being tracked over time
- Key findings and results are to be published in the *Business Post*, and also made available as a resource for marketers and businesses in Ireland.