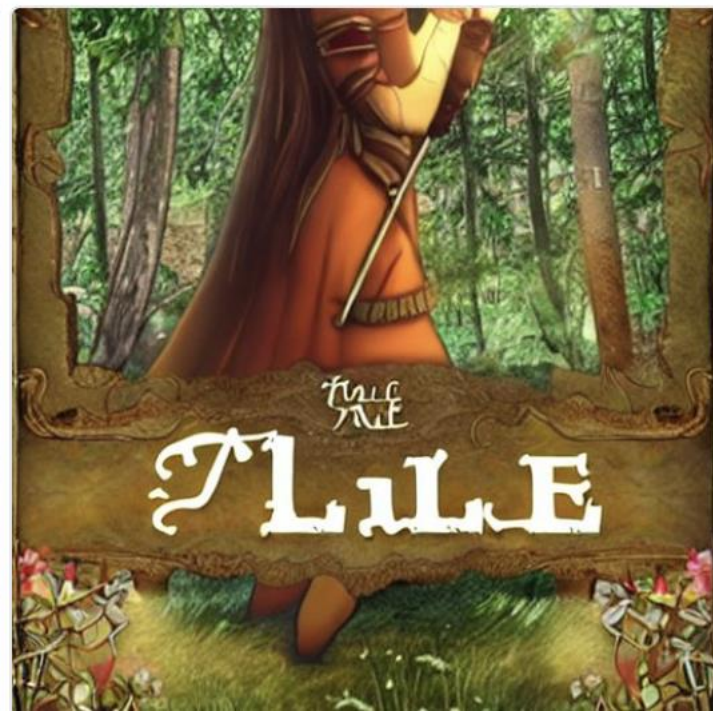




Stories we tell about GenAI

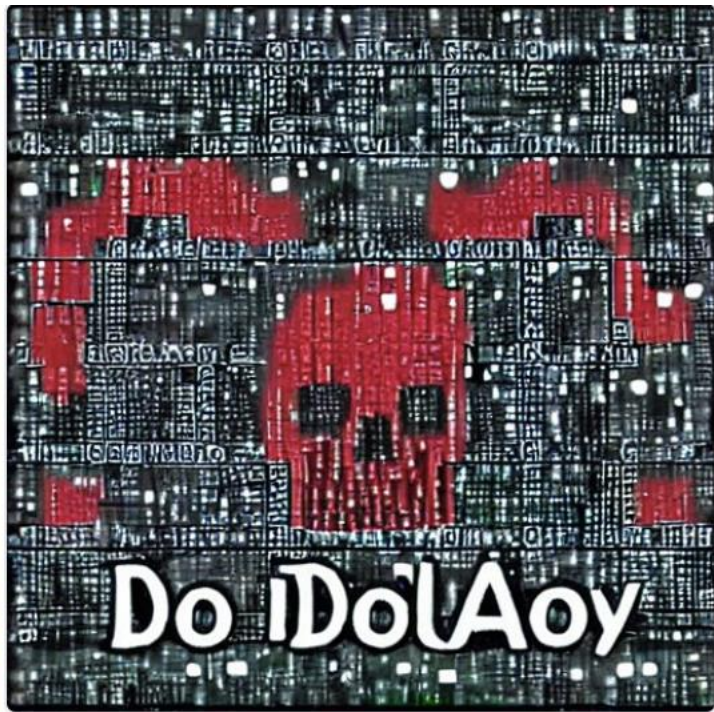
PRELIMINARY FINDINGS FROM MMA'S STATE OF GEN AI





7 stories

we like to tell
about GenAI
in 2023

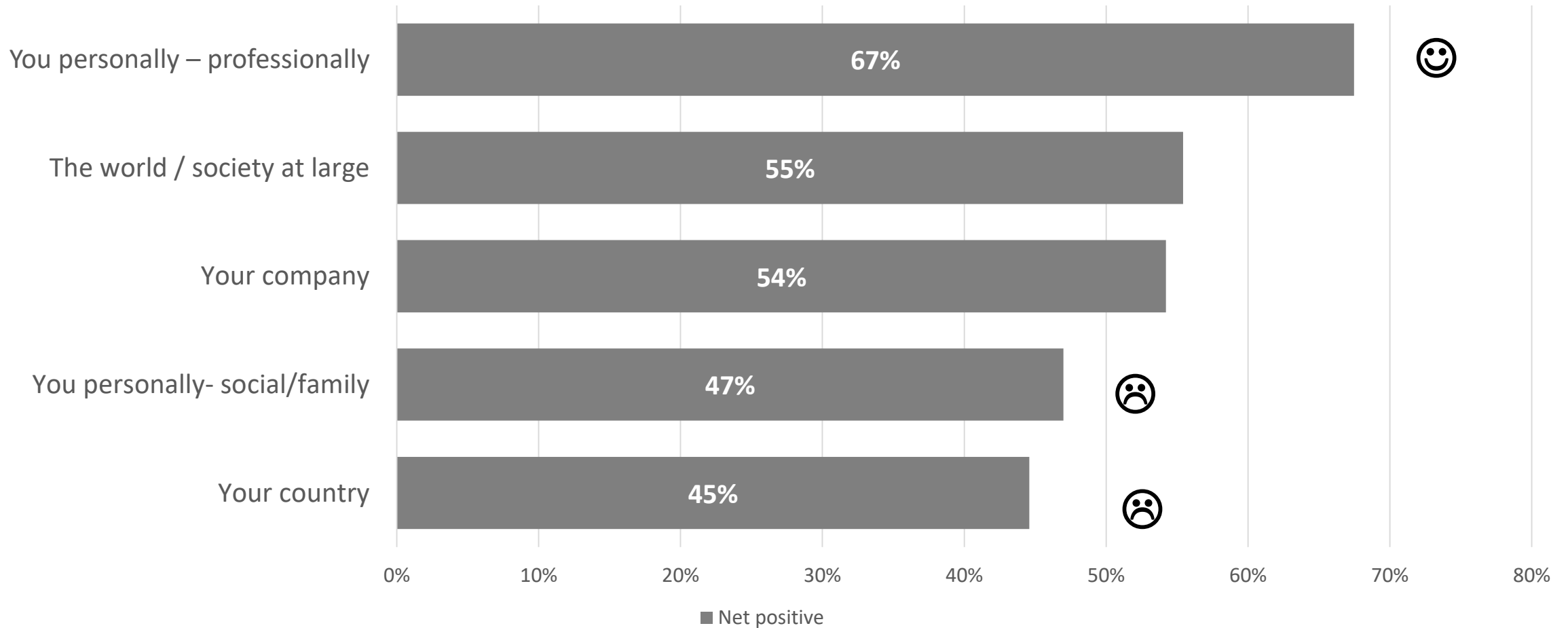


Story #1:

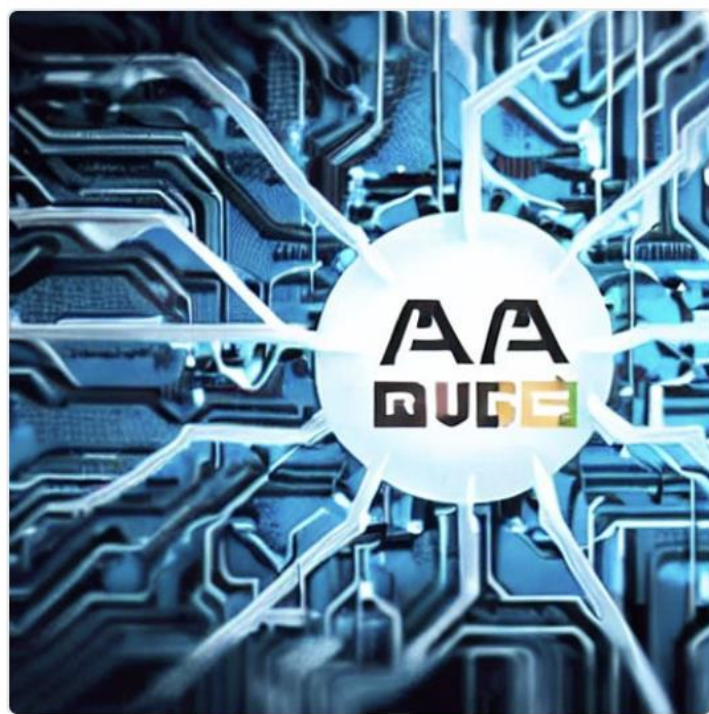
It's all doom and gloom: Gen AI will take your job and kill your family



Actually, there is general sense of optimism, primarily for personal career, but less for country and family

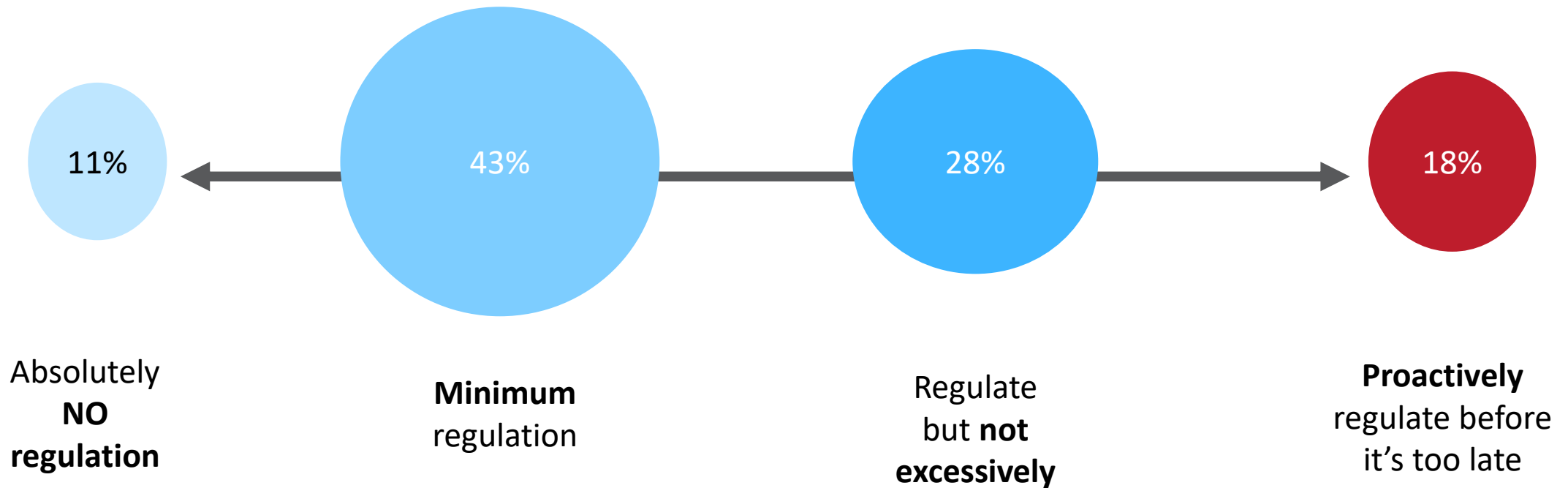


4 Q10. When considering the broader implications of generative AI, please indicate your level of optimism or pessimism regarding its impact on each of the following: (N=)

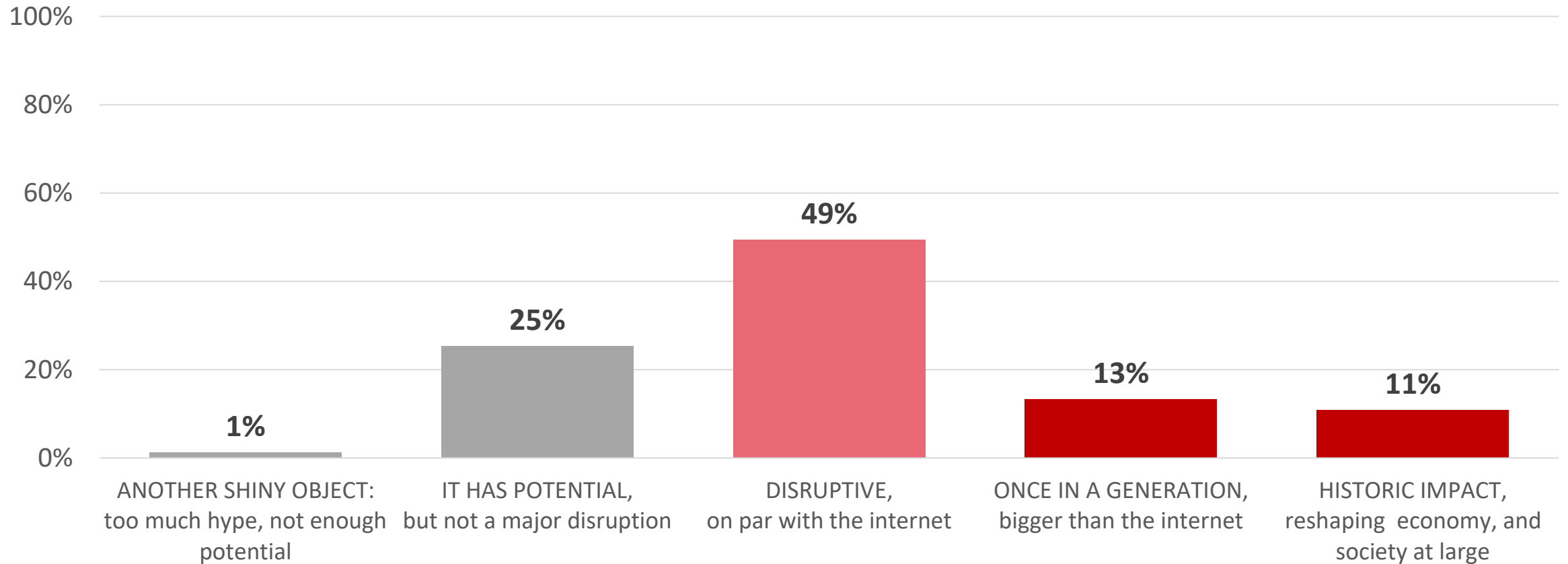


Story #2:
We need to seriously regulate genAI, (or we will die)

We are in favor of some regulation, but it should be thoughtful and not excessive



Gen AI will be disruptive, but not historic





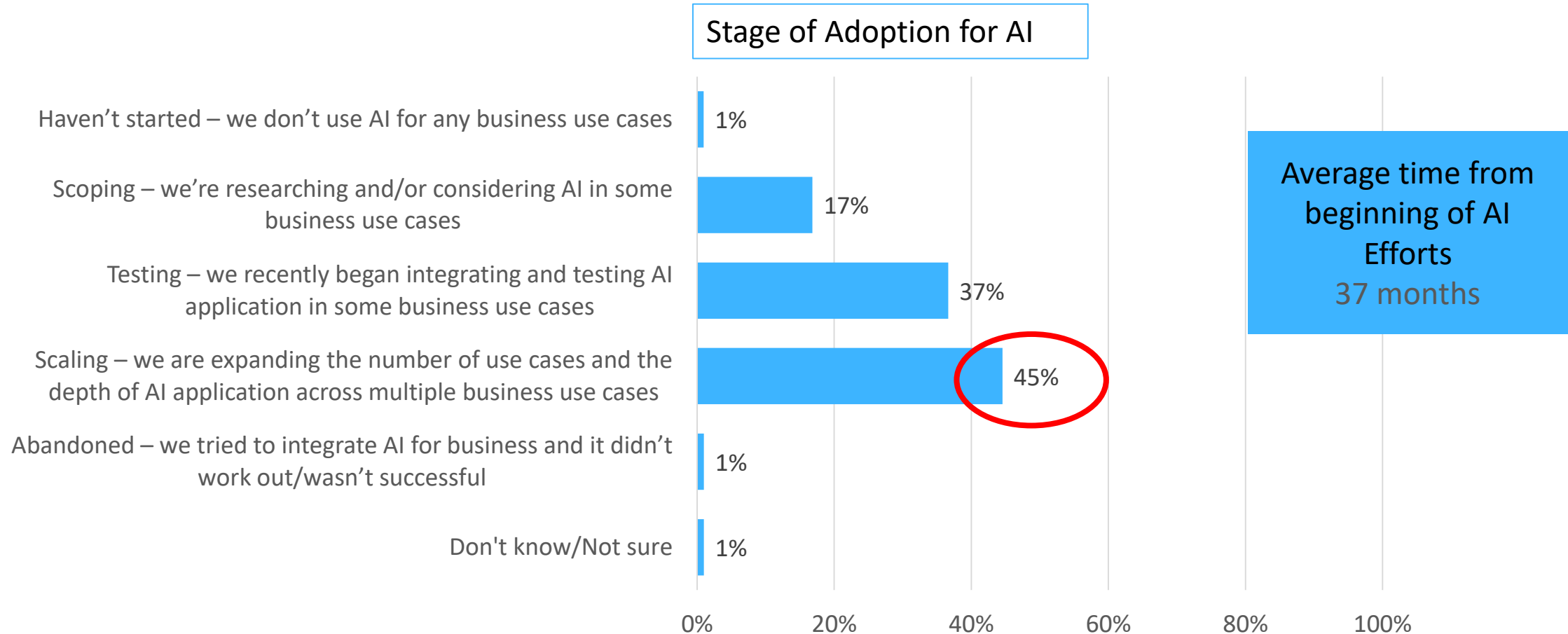
Story #4:

We are already
too late with
GenAI and *WE* are
the only ones who
don't get it.

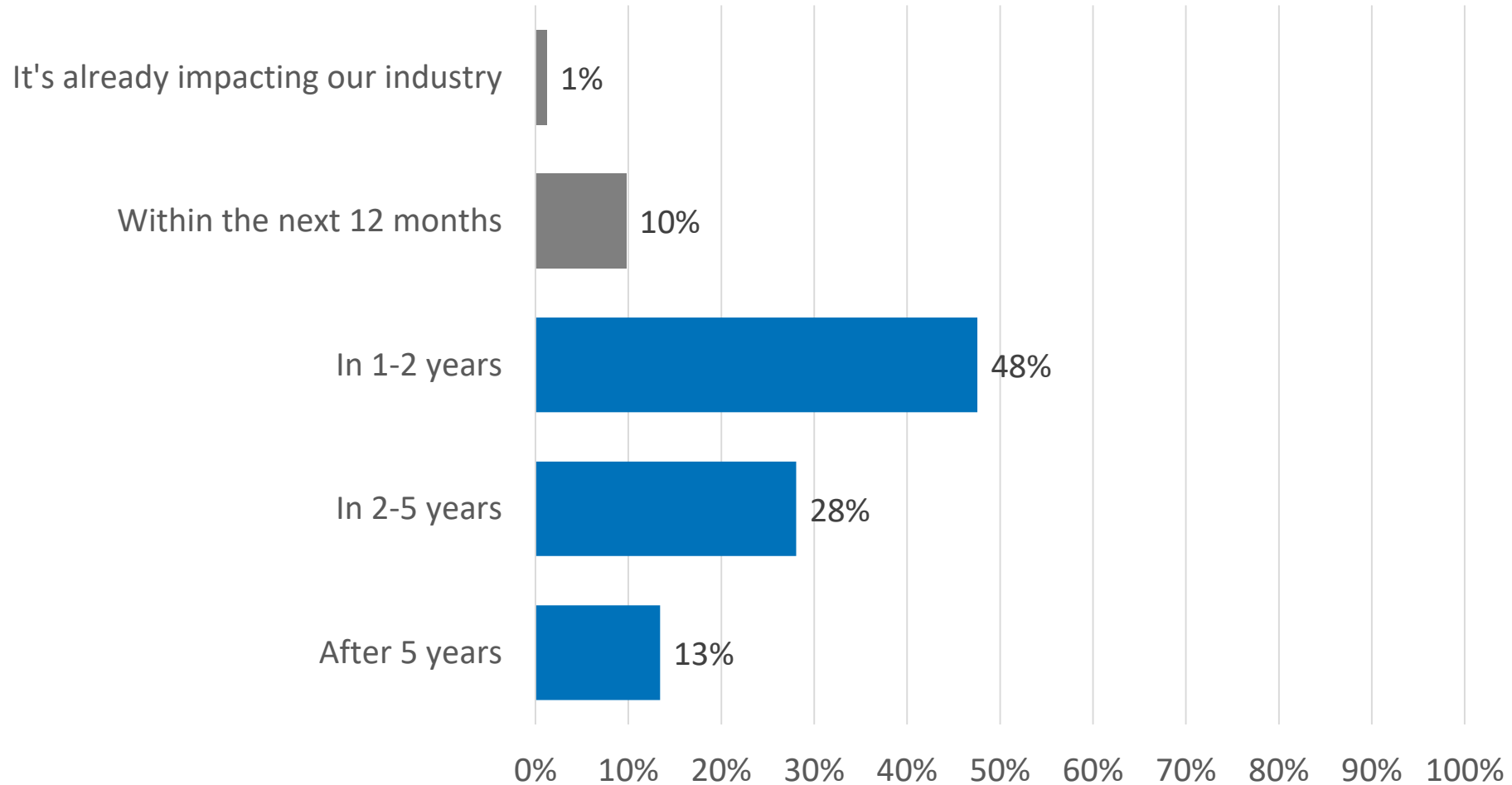


We are not starting from scratch:

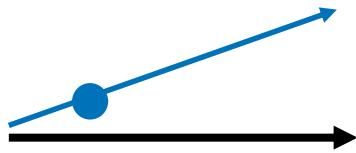
Before GenAI became the focus, CDOs already spent the last 3 years testing AI and half are currently scaling their efforts



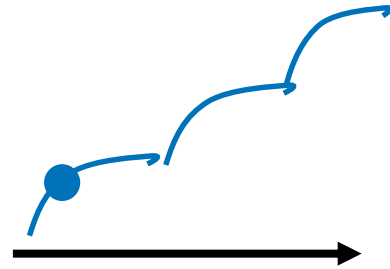
Impact from GenAI is not expected for at least another year



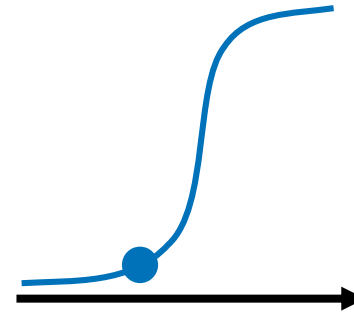
|| The pace of change is unclear to most



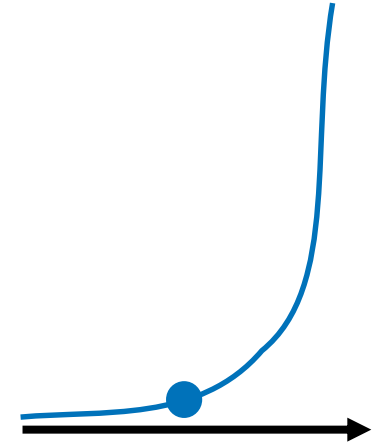
LINEAR: 23%
Steady and linear
advancements
over the
next 5 years



DISCONTINUOUS: 25%
there will be periods of
sudden leaps followed by
relatively slow progress



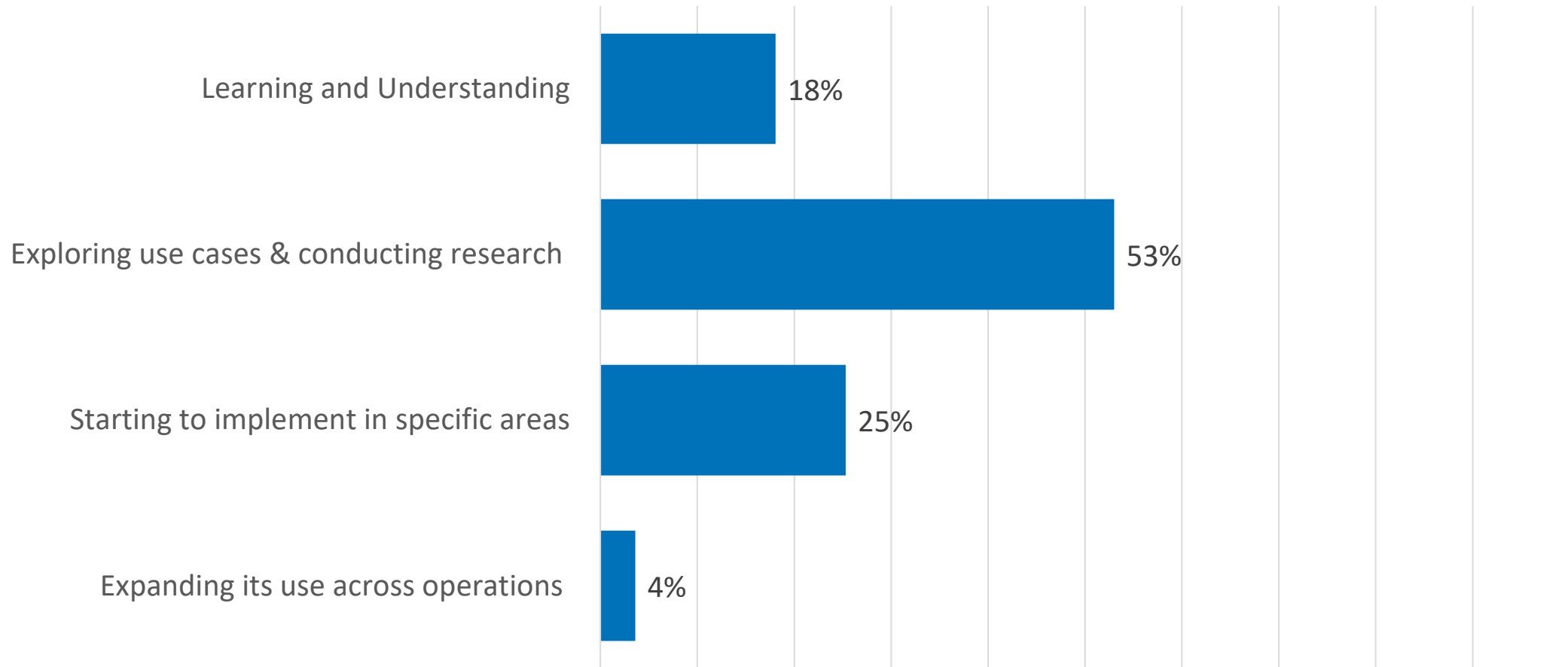
S-CURVE: 27%
after a slow start, we
are now seeing an
acceleration, that will
eventually level off /
reach maturity



EXPONENTIAL: 25%
the pace of change only
accelerate in the next 5
years

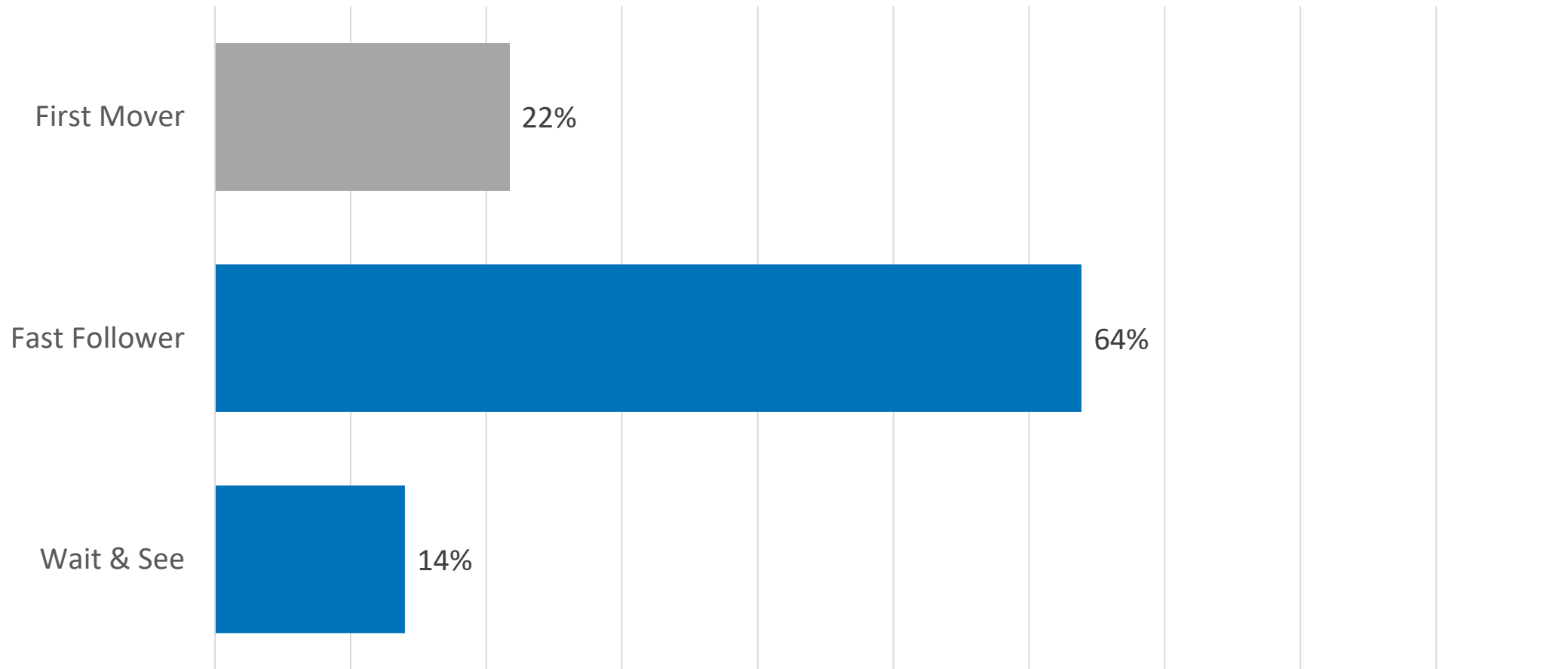


Most companies are now in stages of learning & exploration



Everyone wants to be thoughtful:

The majority plans to be a fast follower and build on Industry learnings



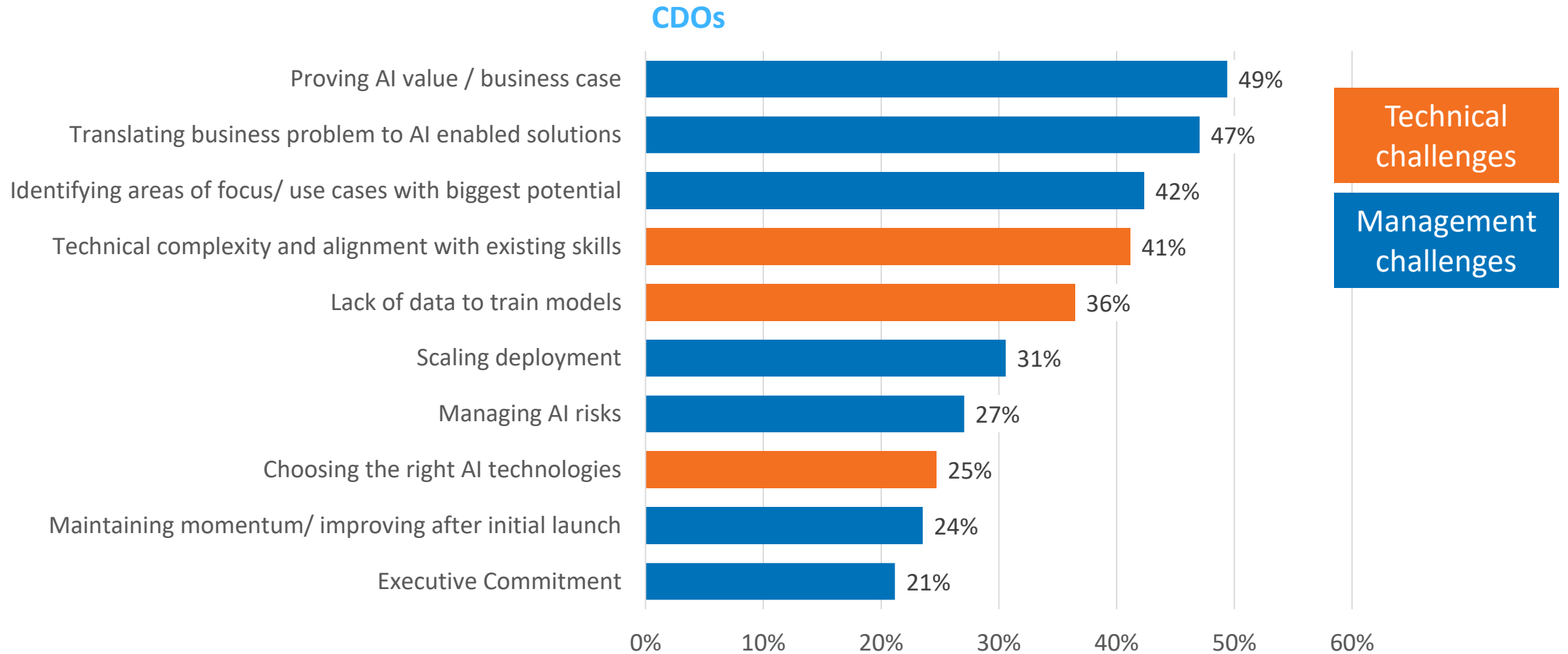


Story #5:

We are all
completely lost
when it comes to
*managing GenAI
risks*



Companies do understand that AI brings a new mix of technical and management challenges



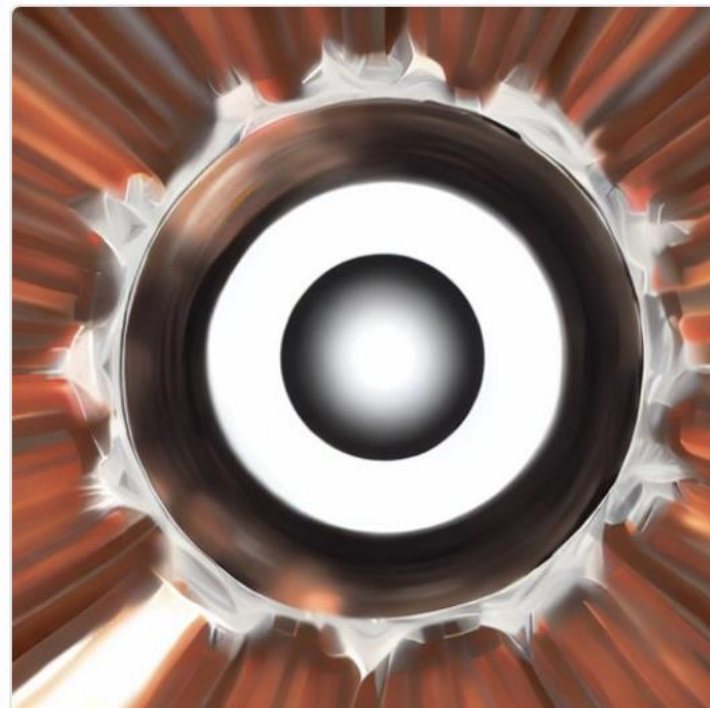
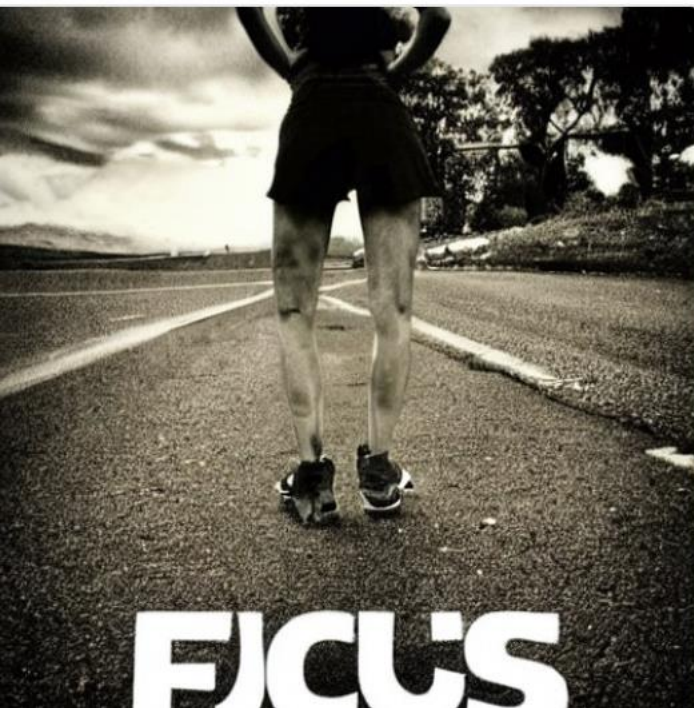
Three main types of risks emerge for Gen AI

<p>1. LEGAL: Regulatory compliance, privacy, security</p>	<p>>40%</p>
<p>2. REPUTATIONAL: Lack of control over content & products/ PR backlash</p>	<p>30%-40%</p>
<p>3. FINANCIAL: Blackbox leads to wrong decisions. Our competitors surpass us. Not seeing return</p>	<p>10%-35%</p>



Companies are currently focusing more on how to avoid financial vs reputation risks

<p>1. LEGAL: Regulatory compliance, privacy, security</p>	<p>>40%</p>	<p>In line</p>
<p>2. REPUTATIONAL: Lack of control over content & products/ PR backlash</p>	<p>30%-40%</p>	<p>Needs attention</p>
<p>3. FINANCIAL: Blackbox leads to wrong decisions. Our competitors surpass us. Not seeing return</p>	<p>10%-35%</p>	<p>Higher than expected</p>

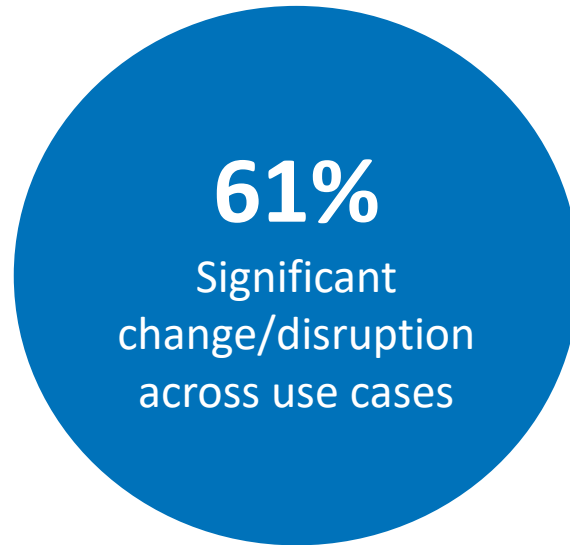


Story #6:

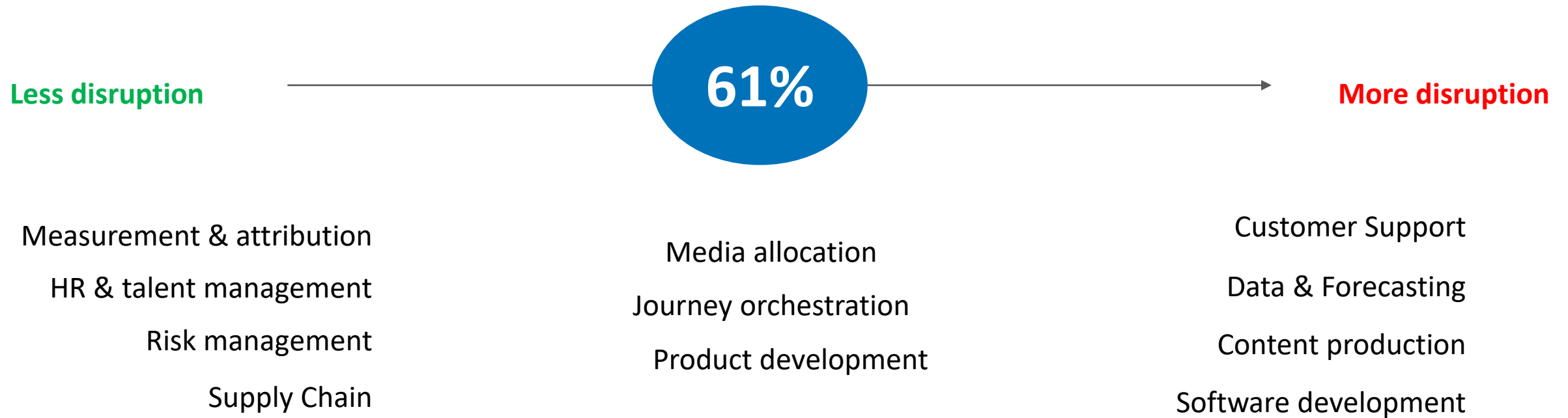
Everything is
changing so fast,
so we don't know
where to focus



Significant disruption is expected across multiple use cases



4 areas rank to the top: Customer support, Content, software and data

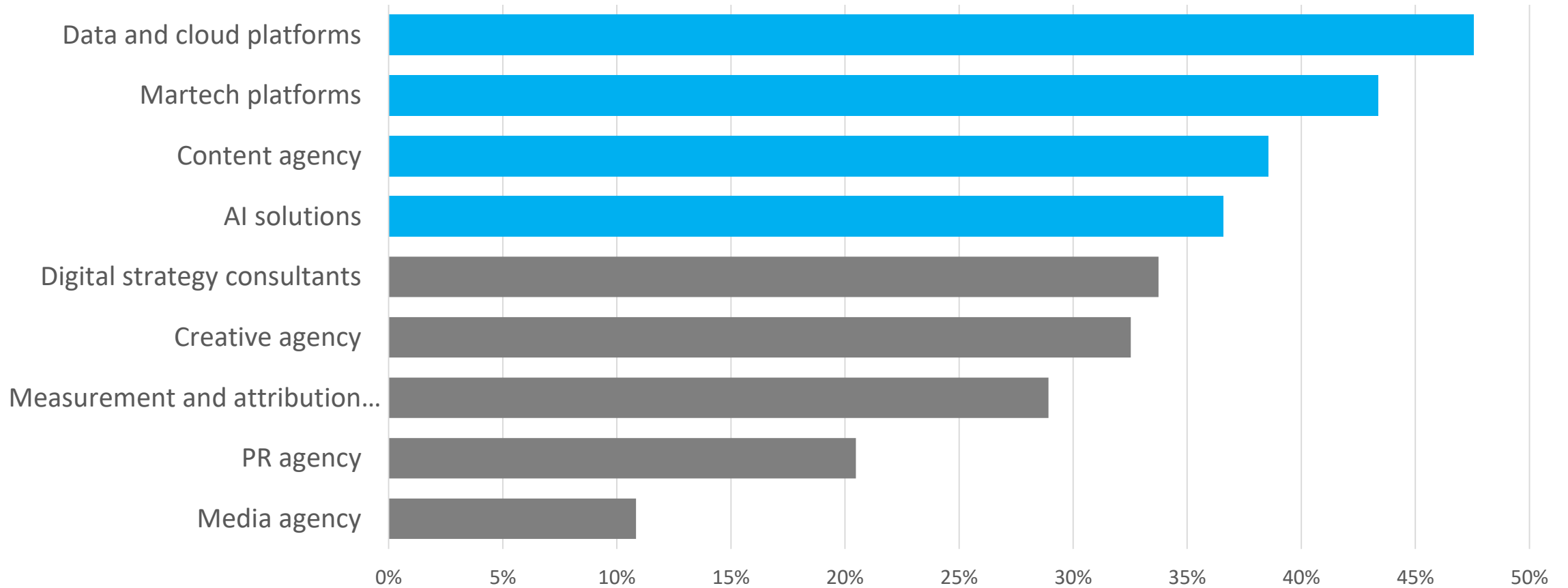




Story #7:

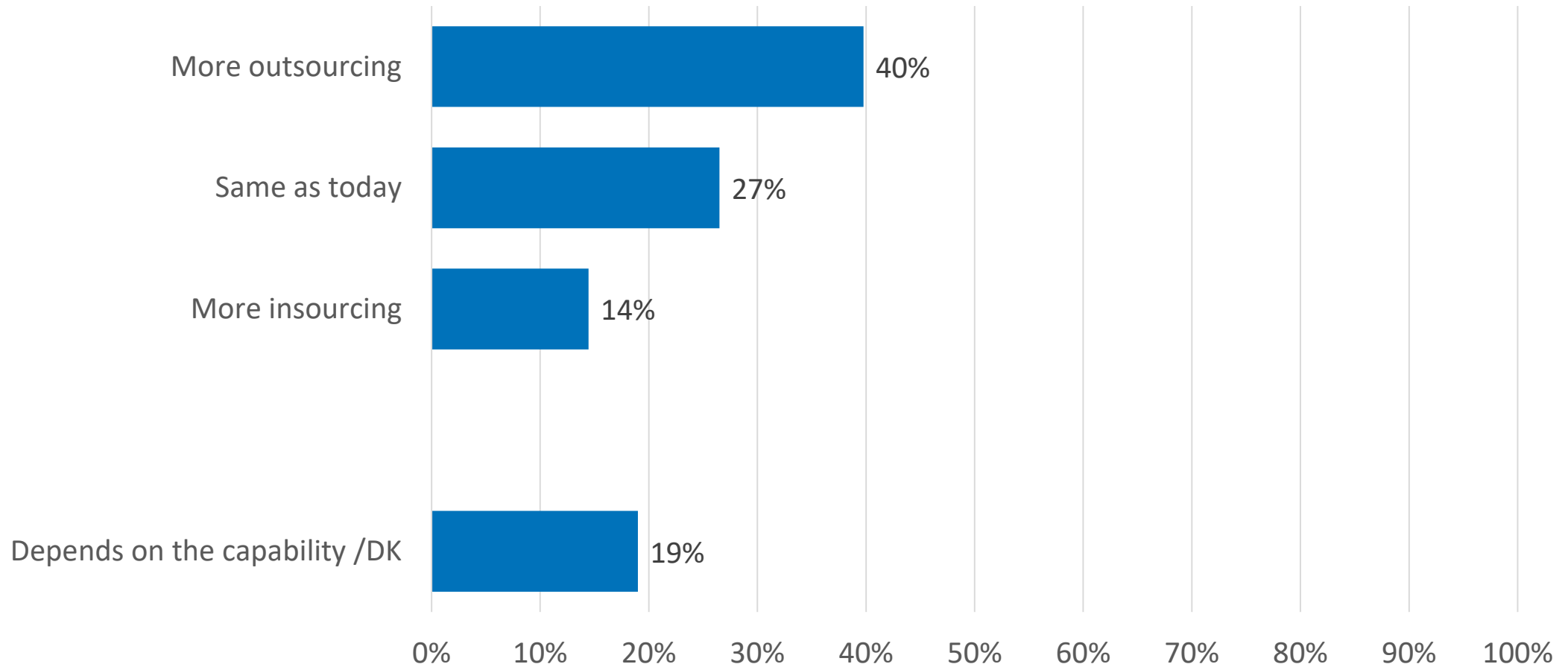
Gen AI will bring a ton of insourcing/in housing as marketers create their own content and software

Companies will rely more on their partners to navigate key areas of disruption





Despite the search for efficiencies, companies expect they will need more support from external partners in the next 12 months



7 things we believe about GenAI in 2023

1. **General Optimism:** Most companies are optimistic about GenAI
2. **Limited regulation:** No excessive regulation is supported
3. **Disruption, but not historic:** Companies don't expect GenAI to be bigger than the internet
4. **Thoughtful adoption:** 8 out of 10 plan to be a fast follower, to get the right foundations
5. **3 risks:** Legal, reputational, financial, but not in the right order
6. **4 key use cases:** Customer support, data and forecasting, content production, software development
7. **Reliance on partners:** Two thirds of marketers expect more outsourcing

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