

70% Of Media Companies Not Fully Using AI, IAB Report Finds via @sejournal, @MattGSouthern

IAB's latest "State of Data" report reveals that despite recognizing its potential, 70% of agencies, brands, and publishers have yet to integrate AI into their campaigns fully.

Here's a look at the study, which examines the current use of AI in advertising, the challenges of adoption, and the opportunities for success.

Current State of AI Adoption

A report from the Interactive Advertising Bureau (IAB) surveyed over 500 experts and found that AI use varies across the industry:

- 30% of companies have implemented AI in their media campaigns.
- Agencies (37%) and publishers (34%) are more advanced in using AI compared to brands (19%).
- Half of the companies that haven't adopted AI plan to do so by 2026.
- Most organizations (85%) are using general AI tools, while fewer are using custom solutions (45%) or proprietary tools (24%).

One SVP from an undisclosed brand stated in the report:

“We have been slow to fully implement AI into our day-to-day processes. We are wary to go ‘all in’ until it’s become a bit more of a societal norm with a long-standing track record of scalable success.”

AI Perceptions

Companies using AI generally have positive experiences:

- 82% say AI meets or exceeds their efficiency expectations, saving time and costs.
- 75% believe AI helps their media campaigns effectively.
- 73% find AI reliable over time.

AI excels in data-heavy tasks, like audience segmentation and targeting, but struggles with tasks needing human judgment, such as RFP management and campaign setup.

Adoption Barriers

The research found several barriers to adopting AI in media campaigns:

- 62% said they’re concerned about how complex it is to set up and maintain AI.
- 62% worry about the risk of data security.
- 61% noted that their organizations lack AI knowledge.
- 60% have concerns about how accurate and transparent AI is.

Interestingly, job displacement isn’t seen as a major issue, with only 37% identifying it as a concern.

Buy-Side vs. Sell-Side Challenges

Agencies, brands, and publishers face unique challenges with AI:

- Publishers struggle with complex technology (67%) and scattered capabilities (62%).
- Brands and publishers (56% each) lack a clear AI vision.
- Agencies encounter the most resistance to change from teammates and clients (61%).
- Additionally, 51% of brands worry about transparency in how their partners use AI.

Looking Ahead

AI is changing media campaigns, and IAB's report highlights some important points.

First, many companies are in the early stages of adopting AI, but this is happening faster than before. Companies without clear plans risk falling behind by 2026.

Second, companies need good data and solid governance guidelines to succeed with AI. Organizations should train their teams in best practices and set clear goals.

Standards for transparency, privacy, and reliability are still being developed across the industry. Companies that collaborate to set these standards will be best positioned to handle this change in digital advertising.

The full "State of Data" report is available through IAB.

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