IN-HOUSE AGENCY

AI SURVEY 2024

Contents

Foreword by IHALC

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With so much hype around AI we wanted to get under the skin of how our community of in-house agency leaders are actually using the technology, what they think the opportunities are with AI and the challenges to fully realising them. In this survey, you will find analysis of responses from in-house agency leaders at over 50 major brands and organisations in the UK and EMEA.

The potential of AI can no longer be in doubt, but that potential comes with major concerns around ethics, bias, copyright, IP and its impact on the lives of the photographers, illustrators, filmmakers and other specialists on whose skills the creative industry relies. As leaders of in-house teams who, by definition, operate within larger corporate structures, our community is at the sharp end of figuring out how to negotiate this new landscape.

Overwhelmingly, they recognise the exciting opportunities of GenAI, but they also recognise their responsibilities to their teams, partners, customers and stakeholders, as you will see from the responses on the pages that follow.

Thank you to everyone who gave up their time to contribute to this research and to Adobe, our partner for the survey and for much of the work we do at the In-House Agency Leaders Club.

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About IHALC

The In-House Agency Leaders Club brings the in-house agency community together to learn from, support and inspire each other. Through events, content and research, IHALC helps in-house agencies to work better and do better work. It was launched in 2020 by ex-Creative Review Editor and D&AD Trustee and CEO, Patrick Burgoyne and founding partner, WDC. Our community now numbers over 700 senior in-house agency leaders from organisations including Deloitte, Just Eat Takeaway.com, Allwyn, Citi, Deloitte, Shell, Ocado, Three, Mastercard, Reckitt and more. Find out more about us and our upcoming events at **ihalc.com**.

About WDC

Consultancy WDC is the founding partner of IHALC. At WDC, we deliver change. We'll help you transform your marketing and creative operations to get better quality, more effective work, at less cost and with less pain. To know more about how we can help your business, contact us at **www.wdc-london.com**.

Foreword by Adobe

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Artificial Intelligence (AI) is rapidly transforming industries across the globe, including the creative sector. According to recent Adobe research, 85% of consumers believe generative AI will make their lives easier, and 80% say it will help them be more creative.

As AI becomes more integrated into daily life, creatives are finding innovative ways to leverage AI tools to enhance their creativity, streamline workflows, and produce groundbreaking content.

Adobe is delighted to be partnering with IHALC to produce this AI-focused survey, and we're excited to share the findings with you. This report explores the relationship between creatives and AI, delving into how these technological advancements are revolutionizing the creative process.

We hope you enjoy the insights in this report and look forward to connecting with you to drive the future of in-house agencies together.

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Executive Summary

AI and In-House Agencies: Test and Learn

While the vast majority (78%) of in-house agencies responding to our survey are using Generative AI in their operations already, it is very much in the spirit of testing and learning at this stage. Most activity is taking place in Creative Concepting, with 70% of respondents reporting that they are using GenAI tools to work up ideas, produce multiple options and visualise different routes at speed. IHAs have also seized the opportunity to utilise AI tools (or existing tools with added AI functionality) for image editing.

Almost all (93%) had used AI to create images: 62% had used it for body copy and 40% for headlines. Perhaps surprisingly, 31% had used AI to create voiceovers. Moving image usage was less common, with just 20% having used it to create 'live action' video and 11% animation - we expect to see these values rise as tools such as Sora feed into the marketplace and other systems add moving image functionality.

However, relatively few are using GenAI to create assets that have been used in live work for external audiences - just 28%. In a year's time, respondents told us, this could rise to 50%, but, if GenAI is used in this way, IHAs believe it is important that consumers are made aware of this: when we asked respondents to tell us how important it is that consumers are made aware that images or video have been created using AI on a scale of one to ten, 60% gave a score of 8 out of 10 or more, with 28% scoring it a 10.

Copyright and IP are the biggest concerns

While the AI hype machine may be encouraging us to imagine that all brands will soon be using GenAI to create their campaigns and content, legal and regulatory concerns mean that, in reality, organisations are more cautious about its use. As departments within larger corporate entities, IHAs may be governed by corporate-wide policies on the use of AI (see Section 3 for what these policies typically cover) which could mean that they are slower to deploy it than their external agency peers.

Our survey revealed that 58% of organisations have AI policies in place (AI policies or strategies specifically for the in-house agency are less prevalent with only 28% of respondents reporting that they had one).

These policies typically cover governance, compliance, legal and security issues, with an emphasis on protecting the organisation from exposure to legal action and keeping their own IP and data safe. Some organisations reported a blanket ban on the use of any AI tools, while others cited lengthy corporate approvals processes before anything can be deployed by IHAs.

Copyright infringement and IP safety were cited as the biggest challenges by respondents.But ethics issues are also being considered: one media organisation told us that the use of AI has been banned as it conflicts with the company's desire to be seen to be supporting content creators.

Creatives also cited their own ethical concerns about what AI will mean for the craft industries and that it may "hollow out" creativity and lead to "Boring, eye-candy work that is devoid of meaning and therefore forgettable".

Sustainability issues were also raised, particularly for organisations with environmental targets to hit.

Automating the mundane, to set us free

Notwithstanding the concerns about AI detailed in Section 5, IHAs are generally optimistic and enthusiastic about its potential. This optimism also translates to their teams, with our data showing a broadly positive attitude to AI.

Rather than seeing AI as a threat to jobs (only 22% thought the introduction of AI would result in them having a smaller team) the overriding view among respondents is that "AI's role in creativity will be primarily as an assistant to human creative teams" (80% of respondents agreed with this statement). By automating mundane tasks that soak up so much of their time currently, the majority of respondents believe, AI will enable in-house teams to concentrate on higher value work. As one respondent told us, "As a team, we've always been busy and are always under-resourced. Automating mundane tasks is a great opportunity for us. It will free everyone up from the tedious work, allowing them to focus on more strategic, high-value activities that drive real impact and innovation. This not only benefits the company but also allows everyone to tap into their full potential and find more creative solutions."

When we asked our respondents to score the potential of AI across a number of opportunities, the highest scorers, ie the areas in which our respondents feel that AI will have the greatest positive impact on their work, were Improving Briefs, Creative Concepting (around 50% scoring AI an 8 out of 10 or higher for both), Automating Mundane Tasks (81% scoring it an 8 or higher), and Saving Time (74% 8 or higher). But not everyone is convinced: "The sell around AI is that it will free up time, but I don't believe it for a second," one respondent told us. "Equally, I think we're pointing AI at the wrong thing: The creative bit. The fun part. The reason we do our job. If people end up being content machines powered by AI, then I think we've got something wrong."

When it came to Cost Saving, only 50% scored AI an 8 or higher with respondents perhaps mindful of the costs of setting up AI systems and the potential gap between their promised impact and reality.

Respondents were similarly unenthused about AI's potential to lead to new styles or genres of work. Over 50% scored AI at a five or less for this. Respondents were also undecided over whether AI would improve the Effectiveness of work, with 63% scoring it between a 5 and a 7, although virtually no-one thought it would have no positive effect at all. Cutting the wastage of assets has also been touted as a major opportunity for AI, but the scores here from respondents were very mixed, with only 45% scoring it a seven or higher.

Getting beyond the hype

IHA leaders recognise the potential for AI to transform the way the way they work and are broadly excited by the opportunity. The enthusiasm of most is driven by a belief that the right AI tools can free up time, resource and focus to enable in-house teams to further decouple themselves from lower tier work and provide renewed impetus to their journey toward becoming valued strategic partners to their organisations.

But this is allied to some clear-eyed perspective on where we are with AI currently, with several respondents contrasting it with the early days of digital: "My hope is that, with AI, we're at the 'rotating logos on fire' moment, like we were when the internet was the new shiny thing," one leader told us. "We played with that for a long time, doing things just because we could, and then it settled down and we found the best way to harness its power. I hope AI will be the same story."

About the survey

With so much speculation about AI and its impact on creativity, we wanted to hear direct from in-house agency leaders about how they are currently using the technology and what they think the future holds.

Respondents come from approximately 50 businesses and organisations within the UK and EMEA. We believe that our respondents constitute a representative sample of IHAs according to size and remit, with sectors including **Charities, Media, FMCG, Financial Services and Retail**. Research was carried out in March and April 2024.
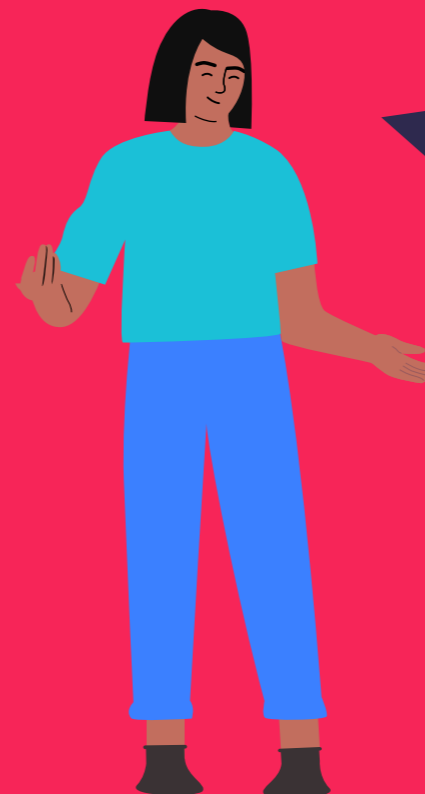
How are you currently using AI ?

We began by asking if in-house agencies are currently using AI at all in their operations, including tools which have some form of AI functionality: 78% said yes, they are, but 22% of respondents are not using AI at all. Of those who are currently using AI, 58% are using Open AI tools, (ie the publicly accessible version of tools such as ChatGPT), while 28% are using Closed AI systems, including bespoke systems created for their organisation. 14% did not know if the AI systems they were using were Open or Closed.

Is your in-house agency currently utilising AI in its operations?

Yes
78%

No
22%
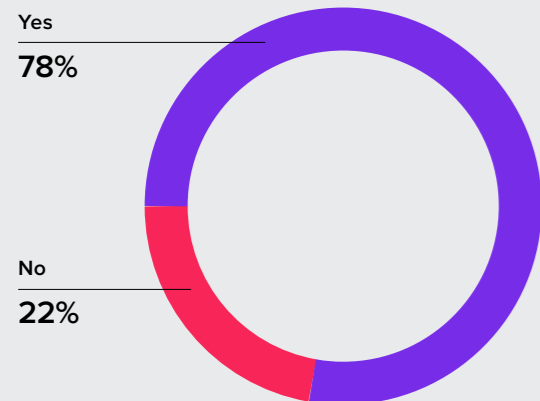
Are you using Closed AI (ie a non-publicly accessible, proprietary AI system developed for your business) or Open AI (ie the publicly accessible version of tools such as ChatGPT)
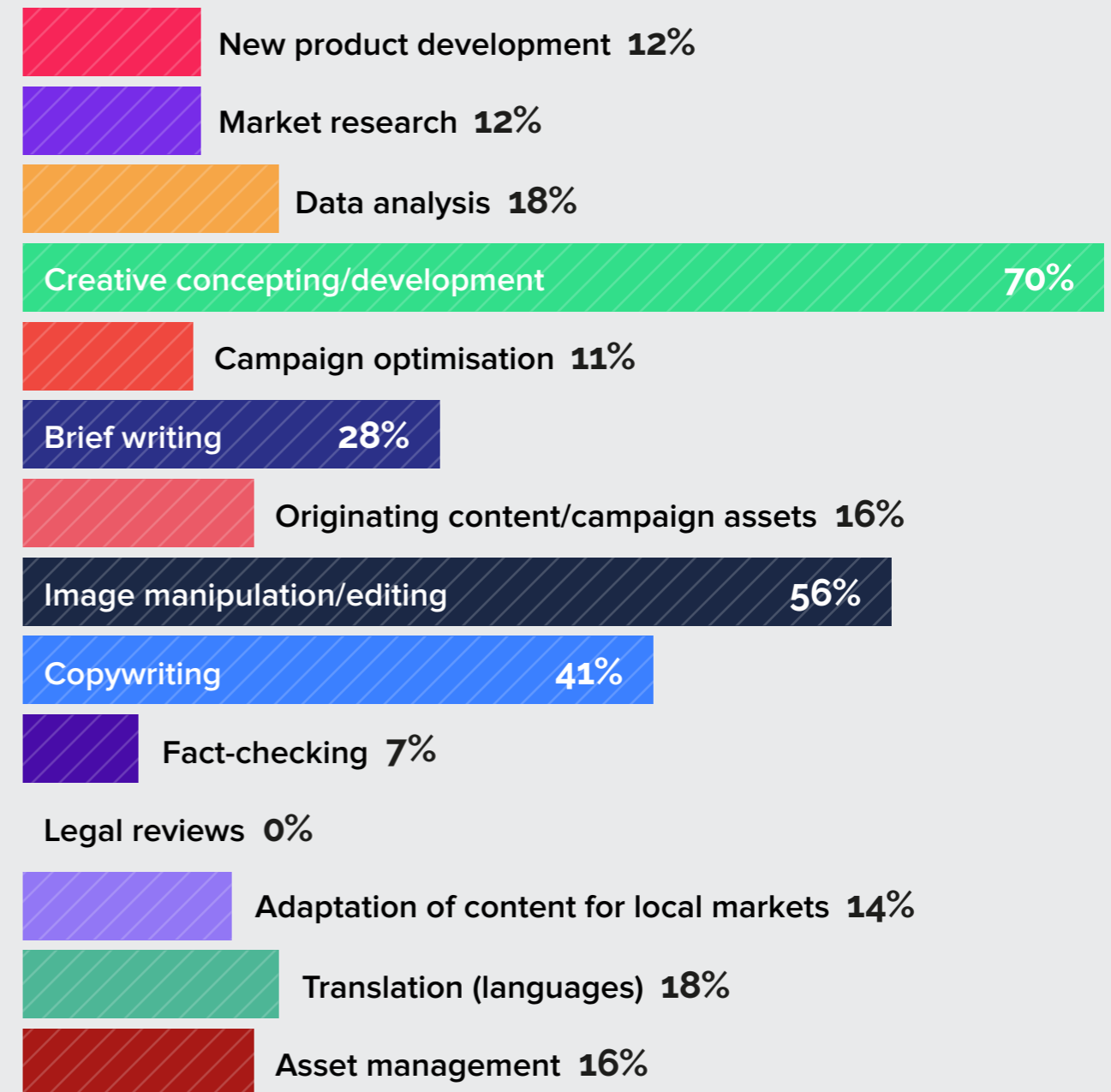
Open AI
58%

Closed AI
28%

Don't know
14%
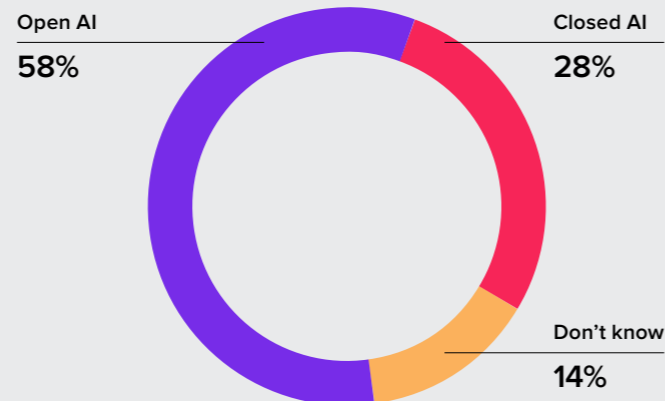
We then asked IHAs to tell us what kind of tasks they are currently using AI for. Unsurprisingly, the most popular answer here was for creative concepting and development, with 70% of respondents saying that they use GenAI for this task. Next came image manipulation and editing (56%), copywriting (41%) and brief writing (28%). Just 16% of respondents told us that they are currently using AI for the origination of content or campaign assets.

AI is being used for language translation by 18% of respondents and for data analysis by a similar amount. 'Upstream' tasks such as new product development and market research score lowly at just 11% but this may be that these tasks do not fall under the remit of all IHAs surveyed. Only 16% of respondents reported that they were using AI for asset management.

Additionally, respondents told us that they were using AI for tasks such as writing presentations, SEO site audits and keyword research, and style or brand guides.
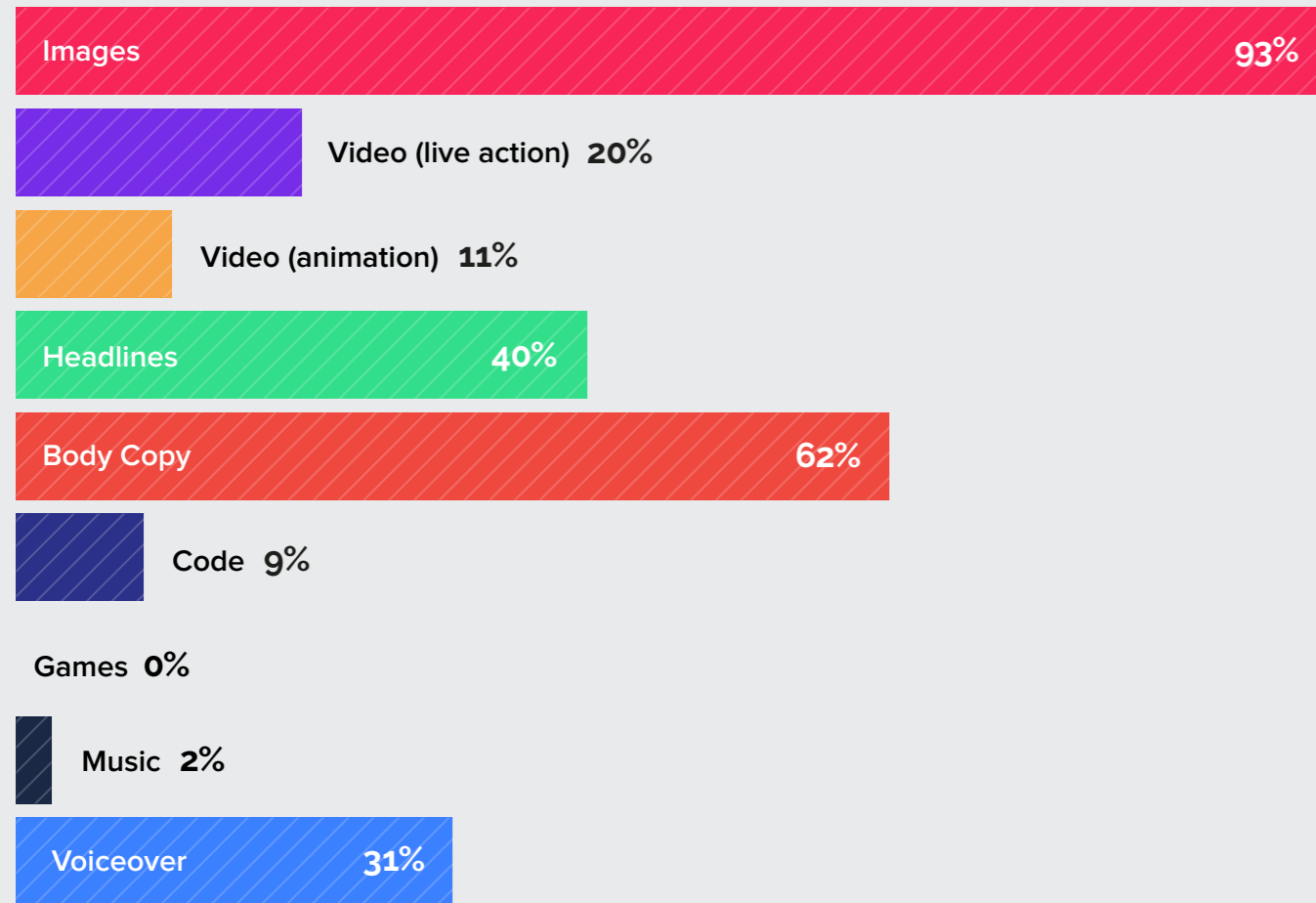
If you are using AI, please specify the areas or processes where AI is currently deployed

New product development **12%**

Market research **12%**

Data analysis **18%**

Creative concepting/development **70%**

Campaign optimisation **11%**

Brief writing **28%**

Originating content/campaign assets **16%**

Image manipulation/editing **56%**

Copywriting **41%**

Fact-checking **7%**

Legal reviews **0%**

Adaptation of content for local markets **14%**

Translation (languages) **18%**

Asset management **16%**

We then wanted to find out what kind of assets our respondents had used AI to create, even if it was just for experimental or internal use. Almost all (93%) had used GenAI to create images: 62% had used it for body copy and 40% for headlines. Perhaps surprisingly, 31% had used AI to create voiceovers. Moving image usage was less common, with just 20% having used it to create 'live action' video and 11% animation - we expect to see these values rise as tools such as Sora feed into the marketplace and other systems add moving image functionality.

Respondents have also used AI to create storyboards and subtitles.

What kind of assets have you used AI to create (even if just for tests or internal use)

- Images **93%**
- Video (live action) **20%**
- Video (animation) **11%**
- Headlines **40%**
- Body Copy **62%**
- Code **9%**
- Games **0%**
- Music **2%**
- Voiceover **31%**

How important is it that consumers are made aware that images or video have been created using AI? (score from 1 to 10, with 10 as essential)

- 1 **2%**
- 2 **4%**
- 3 **2%**
- 4 **4%**
- 5 **16%**
- 6 **6%**
- 7 **6%**
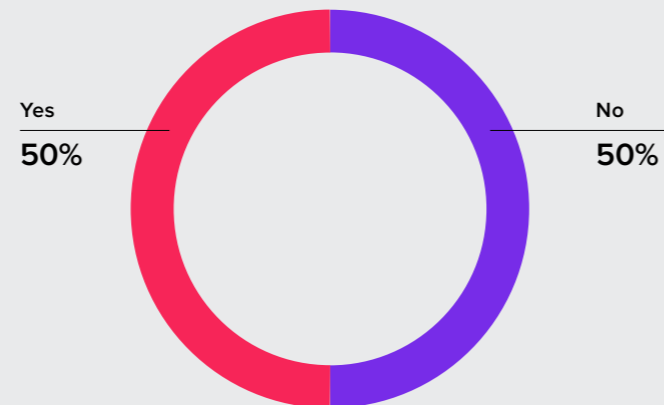- 8 **20%**
- 9 **12%**
- 10 **28%**

While there is a lot of experimentation going on internally with AI, only 28% of respondents told us that they have used AI-generated images in any live campaigns. Half expect to do so in the next 12 months and recognise the need to let consumers know that this is happening: when we asked respondents to tell us how important it is that consumers are made aware that images or video have been created using AI on a scale of one to ten, 60% gave a score of 8 out of 10 or more, with 28% choosing 10, indicating that they think it is of the utmost importance.
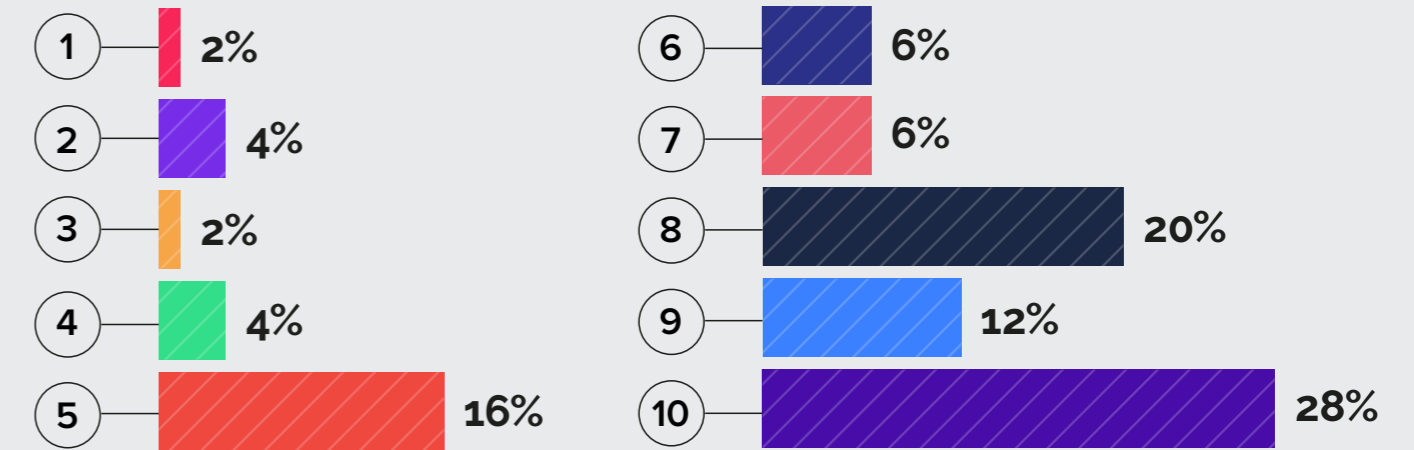
Have you used AI-generated images in any live campaigns or other live work?

No **72%**   Yes **28%**
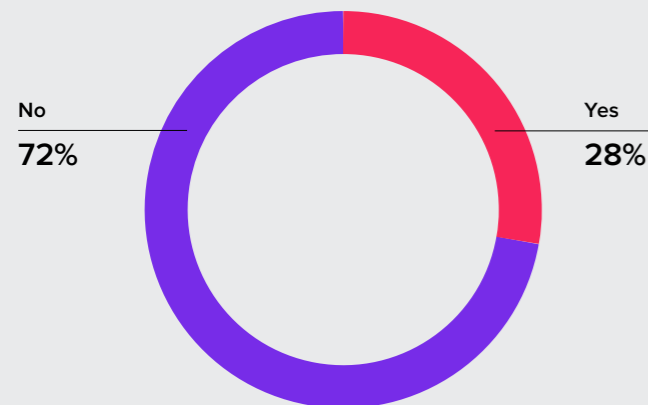
Do you anticipate using AI-generated images in any live campaigns or other live work in the next 12 months?

Yes **50%**   No **50%**
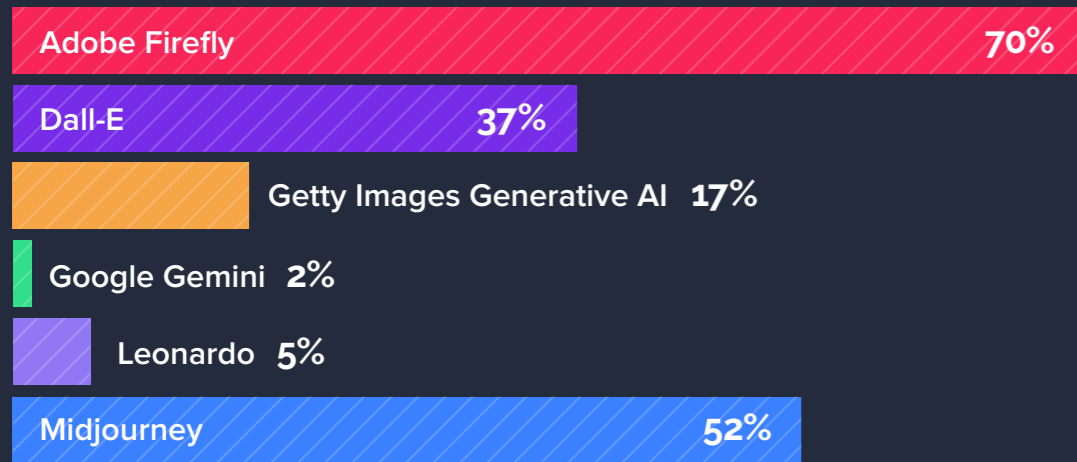
Tools and technologies

With such an enormous variety of GenAI tools available, for both creative and marketing teams, we wanted to understand which ones our community is currently using
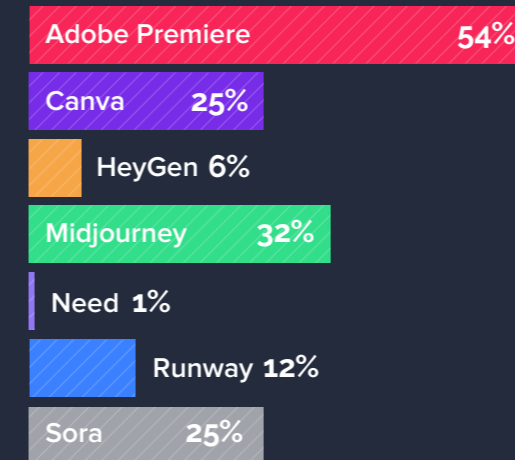
Text/Research

ChatGPT	87%
Claude	7%
BingChat	2%
Google Gemini	17%

In Other, Microsoft CoPilot was the top answer, cited by 5% of respondents

Image Creation

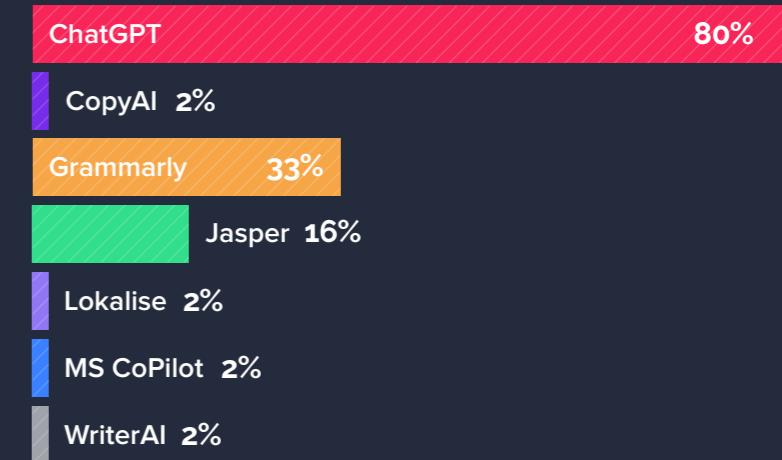|	
Adobe Firefly	70%
Dall-E	37%
Getty Images Generative AI	17%
Google Gemini	2%
Leonardo	5%
Midjourney	52%

In Other, **Shutterstock AI** was the top answer with **7%** of respondents using it

Video Creation

Adobe Premiere	54%
Canva	25%
HeyGen	6%
Midjourney	32%
Need	1%
Runway	12%
Sora	25%

Copywriting

ChatGPT	80%
CopyAI	2%
Grammarly	33%
Jasper	16%
Lokalise	2%
MS CoPilot	2%
WriterAI	2%

Audio/Voiceover

Eleven Labs	53%
Murf	7%
Otter	23%
Speechify	7%

Design

Adobe Firefly	75%
Canva	3%
Designs.ai	3%
Figjam	15%
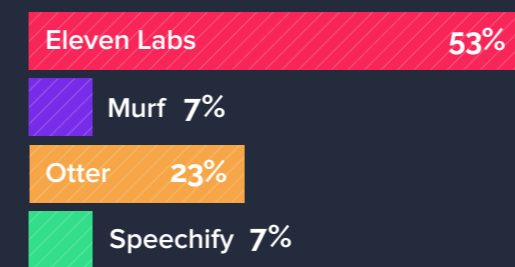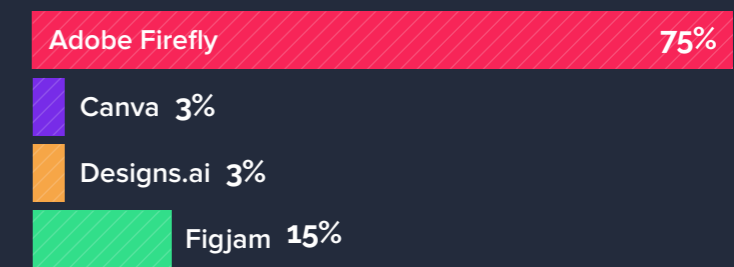
Marketing Ops/Asset management
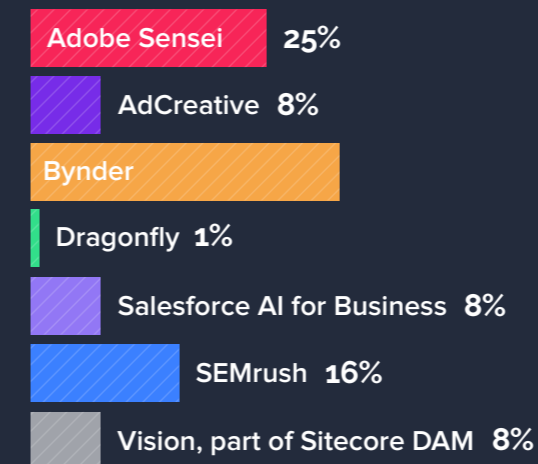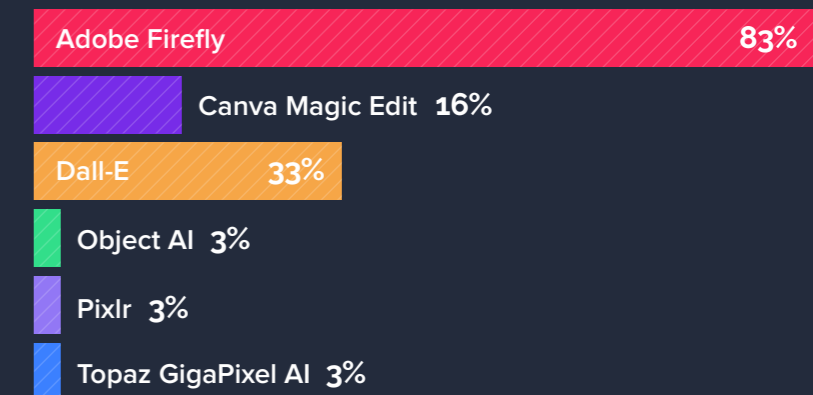
Adobe Sensei	25%
AdCreative	8%
Bynder	
Dragonfly	1%
Salesforce AI for Business	8%
SEMrush	16%
Vision, part of Sitecore DAM	8%

Image Manipulation/Editing

Adobe Firefly	83%
Canva Magic Edit	16%
Dall-E	33%
Object AI	3%
Pixlr	3%
Topaz GigaPixel AI	3%

Other AI systems cited: Creative X, Pendular and CreateTotally

AI *in* Action

with **Trevor Chambers**
ECD at TSB's in-house agency, Kindred

IHALC: Tell us about your background and Kindred.

Trevor Chambers: I've been in the creative industries for over 30 years as an ECD and creative director at a number of agencies, and then went in-house, just over four years ago to TSB. We've built, from the ground up, a full service, integrated creative shop, which we call Kindred. We do everything from the day-to-day stuff like email to in-branch posters to small social campaigns, right up to TV and everything in between. We manage about 95% of the current workload within TSB.

IHALC: What's your overall view of AI in the creative process?

TC: AI is redefining how we look at how we work. It challenges the idea of being that lone creative, that genius or the person who does it on your own – you sit there and you solve that creative problem or design problem or whatever it is. Now you've got this new collaborator in the room with you who's going to assist you and help you push the boundaries further. It's like having another team member to share things with and to suggest things back to you and give you more time to focus on the bit that is the most valuable, which is the creativity and the craft.

IHALC: How have you begun to use GenAI at Kindred?

TC: Last year, McCanns developed a new brand character for TSB Bank – a small elephant called Tiny. Their idea was that money is the elephant in the room. It's the thing that nobody talks about, it seems quite big and scary, but actually with TSB Bank, we can help you shrink your elephant and you end up with Tiny, which is our little pink friendly elephant.

Early on we started to explore what Tiny looked like, her character and shape, how she moved. The scale of the options it produces and the ability to formulate creative direction and approach and style very quickly with AI was a great advantage here.

We played with all the different GenAI platforms and McCanns were doing a lot of this themselves as well, creating options just to test the ground being playful with it. With AI you can do this at speed to play and explore the idea very early on. The advantages of AI here are huge.

We also found that using the different platforms could give you quite different responses and widen your creative exploration. With Adobe Firefly, for example, you've got so many different filters that you can adjust, going from photography to illustration, to the style of photography, to the colour, the tone. From all the platforms, there is still a randomness to what you get back, and then you have to refine and refine. And, as in any creative process, sometimes something random will just trigger something else in your mind. So it's just giving you something to bounce off.

If you go back 15, 20 years, we would be doing scamps. And it was actually easier to sell ideas as a scamp because people didn't focus on the detail. With the development of the Mac, even concepts became highly finished, which means that when you share with your stakeholders internally, you find you're focusing on a lot of detail very early on. When you are using AI to visualise at a very high standard very early on, it can be dangerous because it can set up expectations for what the end result is, but, I think there's no way back: People expect it. We can't go back to hand-drawn scamps anymore.

IHALC: Are you using AI tools in areas other than visuals?

TC: We are using Chat GPT and testing Google Bard on headline and copy options to kick writers off. We're actually not writing copy using Chat GPT, we're using it to get all the rubbish out of the way. If you're trying to write headlines, you're going to write down the obvious stuff first. If you can shortcut all that stuff with AI, you are getting to the craft a lot quicker. So you are using it really as the wider net to capture everything, and then you can sharpen that, and get it really good a lot quicker.

IHALC: Is your whole team using AI? How is it changing the way they work?

TC: I've encouraged the creatives at Kindred to use all the tools they can just to get a wider variety of ideas. And then we review, and it's like any normal creative process. We still have the creative reviews and we still refine down and their final examples and final creative presentations are always based on their ideas, but they're using AI to inform those ideas and to improve those ideas.

We're also getting the writers and the art directors to swap roles to test the difference so they're not sticking in their channels. And then for the art workers and design team, Photoshop, with its generative AI features, has become just part of the every-day. Very simple tasks are done in seconds rather than maybe half an hour and then there's lots of other little design and retouching features that make things just a lot more efficient and quicker, at that level. Again, it is at speed and, you can do multiple variations of an idea without having to fight your way through a photolibrary.

Most designers and creatives can think of nothing worse than sitting in front of a photolibrary for hours on end just searching through library shots of a man on a mobile phone or something. One of the great things with Firefly is the ability just to shortcut that and get to something quicker. Rather than searching through a photolibrary, you go straight into Firefly, refine the style you're looking for from a photographic point of view, then you end up with something that is good enough at that stage for the visual - but we're not using it for the final work.

IHALC: How have you talked to the business about AI and how you are using it?

TC: We've not made a big play about money or saving cost because at the same time that AI is coming in, you've got this explosion of assets. We are all heading towards hyper-personalisation in all the channels with multiple versions of campaigns. And so what AI's allowing us to do is to keep up with that explosion without having to expand the team. We've not really talked about saving money. We've talked about better, more effective, communications and more personalised campaigns.

Bear in mind that we are a bank, we are massively risk-averse. We are implementing Adobe Experience Manager at the moment, so it's a big system change across the business. We're in the process of working through that and the checks that will be in place. We're not doing anything with AI at the moment that isn't public data, that isn't advertising. We wouldn't use it for legal copy or anything like that at this stage.

My advice would be don't sell AI up to the business before you've really got your own idea of how you're going to approach it. Don't ignore it. Start to play, start to get your head around it, and encourage everyone, not just the designers and the creatives and the copywriters, but your account managers, your producers, It will help you deliver better work wherever you work within the creative agency.

Then make sure you have a mission and a brand statement for AI. Ours is, we are trying to create a perfect blend of art and science without our brand losing the authenticity of reality.

We've been slowly engaging our chief marketing officer and head of brand and a couple of key people to explain what we've been doing. We're trying to set the mood that we are on this journey together.

Don't have the fear, embrace it and don't talk about or think about how it might replace people, think about how it can help you produce better and more effective work. That's been the messaging to teams who are, understandably worried about it. If you grasp it, you're in control of it, and you're in control of your future and in control of your agency. Just use AI as your launch platform, not your final answer.

IHALC: What have you learned about how to write effective prompts?

TC: Learn the structure and how to write prompts and test and learn and keep up because it's moving super fast. There's lots of tips and advice around, cheat sheets and things like that, but you've got to do it yourself and experience it.

Take notes and record when things have been a success, when you've got to an answer quickly and the way that you've done it. There are still times when you just don't understand why you're not getting the right response. You tap something in and you prompt it, and then you get back something that's completely not what you expected. You just have to keep trying to write the prompt in a different way. Keep it short, keep it succinct, keep it clear, But it's practice makes perfect, unfortunately.

IHALC: What do you think the potential of AI is in terms of personalisation?

TC: Our view is that personalisation has to come firstly from the data you have. Let's say you are trying to sell a football and you want to make the colour of the football the same as the colour of the team of the person you are selling to. Can you find that level of detail out and be certain that it's correct? Because that's where hyper-personalisation could go. My question is, can all brands have the level of data to do that? And the danger is that you could make assumptions in that data and end up by presenting visuals that are not necessarily right.

IHALC: Do in-house agencies have an advantage in the use of AI versus external agencies?

TC: I think we have an advantage because we can, with regards to, say, legal, probably get those things sorted and implemented quicker. It levels the playing field further for us in a sense compared to external agencies. The danger is that outside agencies will be very good at getting ahead with this stuff. That's why I've been really conscious that we are on the front foot and we are at least level-pegging with our external agencies, so we feel like we're in partnership with them and not behind. That's always a danger for in-house agencies — that you get complacent or you are so focused on the day-to-day that you forget that you've got to keep up.

IHALC: Do you think you will be using GenAI to create final campaign images?

TC: I don't think we will be putting out images as a brand that are AI-generated. Brands will have to decide which way they want to go with this. You should bring that up as an agency within your brand and actually get that discussion going very early. There may be regulation that comes down the line. The ASA will get involved at some point about how brands communicate

the fact that they've used AI in campaigns. The danger is that if people start to realise that every image is generated from AI, your brand loses authenticity and actually it weakens a brand. If you're supposed to be a brand of the people, but you're using images that are actually not real people, then that's not authentic.

And then also there's the other side of this which is the amount of jobs that could be lost, if you're not using real photographers or illustrators anymore. So where does that boundary lie? My feeling is, from our brand point of view, that we will lean against it rather than let AI take over everything.

Everyone talks about the fact that AI gives you speed, but speed doesn't equal better. So, you have to remind people that just because you can do it quickly, it doesn't mean it's going be brilliant or better. Just because you can doesn't mean you should. And I think that's the big question for us all. How can we use AI in an authentic and original way?

AI has the ability to ideate and scrutinise data and discern patterns and can streamline the creative process. It's really good at exploratory work, but it can't emulate our human essence and the nuances of understanding that we have in what we do, the human emotion, intention and meaning that we put in marketing communications, particularly in big campaigns.

It's a fantastic tool if used by the right people in the right way, but there are dangers and we should take small steps, but enjoy the experience.

Policy/Regulation

How are IHAs and the organisations to which they belong preparing for AI from a legal, ethical and regulatory standpoint? Of the IHAs who responded to our survey, 58% reported that their parent organisation already has a company-wide AI policy in use. AI policies or strategies specifically for the in-house agency are less prevalent with only 28% of respondents reporting that they had one in place.

These policies typically cover governance, compliance, legal and security issues, with an emphasis on protecting the organisation from exposure to legal action and data protection. But ethics issues are also being considered: one media organisation told us that the use of AI has been banned as it conflicts with the organisation's desire to be seen to be supporting content creators.

Does your organisation have a company-wide policy regarding the use of AI?

Yes	No
58%	42%
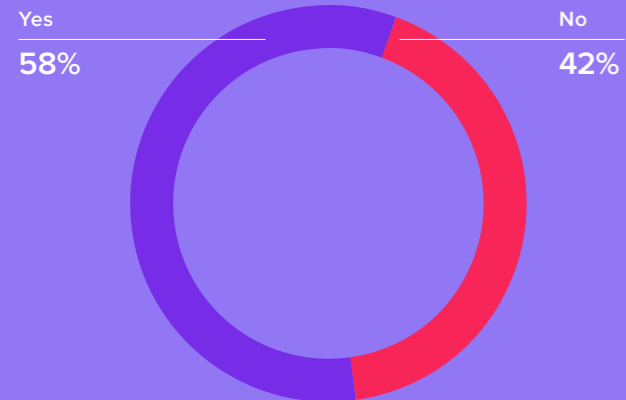
Does your in-house agency have an AI policy or strategy?

Yes	No
28%	72%
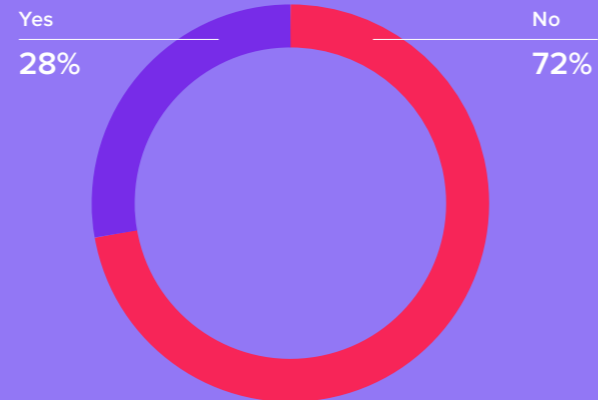
Comments from respondents:

"I work in financial services and there is a strict ban on third party AI platforms. We may be able to use tools from some of our blue chip software suppliers with AI features, but they will need to go through stringent checks, which is a lengthy process, done on a case-by-case basis."

"We don't have a specific policy, but AI is covered in our information, technology and security policy."

"Our policy mostly covers privacy matters (eg. using our own internal version of ChatGPT over anything external) and making sure that no sensitive or important company data are shared through these platforms. Plus, there is to be no use of GenAI in marketing asset creation if the models have been trained using work sourced online without paying the source material artists any usage rights."

"We have to be open and transparent about any use of AI and ensure the clients know if AI has been involved at all."

"Our Responsible AI policy includes ethics, strategy, governance, compliance, legal and security. We are to engage with the appropriate parties at inception. Specifically for the Visual Content team, at the moment, we're not allowed to use AI to manipulate imagery, video or audio."

"We're committed to future-proofing ourselves as a team. We do this via pilots in collaboration with our Global colleagues as well as extra curricular research projects which team members are fully resourced on."

"Our IHA has a defined mission which is to 'drive business results and be a force for good through content, using the best combination of people and technology'. From this, we have identified key areas of impact: time/cost efficiency, CO2 reduction and team work-life balance and are testing tools which show potential in those areas."

"We've been asked for legal reasons, not to use AI until further notice or unless we have further clearance."

Opportunities

We know that IHAs are excited by the potential of AI, but where do they think it will have the greatest positive impact? We asked our respondents to score the potential of AI across a number of opportunities. The highest scorers, ie the areas in which our respondents feel that AI will have the greatest positive impact on their work, were Improving Briefs, Creative Concepting, Automating Mundane Tasks, and Saving Time.

50% of respondents scored Improving Briefs an 8 or higher, with a similar score for Creative Concepting. 81% of respondents scored Automating Mundane Tasks an 8 or higher. 74% scored Saving Time an 8 or higher. When it came to Cost Saving, only 50% scored AI an 8 or higher with respondents perhaps mindful of the costs of setting up AI systems and the potential gap between their promised impact and reality.

Respondents were less enthused about AI's potential to lead to new styles or genres of work. Over 50% scored AI at a five or less for this. Respondents were also undecided over whether AI would improve the

Effectiveness of work with 63% scoring it between a 5 and a 7, although virtually no-one thought it would have no positive effect at all. Cutting the wastage of assets has also been touted as a major opportunity for AI, but the scores here from respondents were very mixed, with only 45% scoring it a seven or higher.

Overall, the highest average scores were for Automating Mundane Tasks, which scored an average of 9, and Saving Time, which scored an average of 8. Creating new styles/genres of work scored an average of just 5, by far the lowest scoring category.

In which areas do you think AI offers the greatest opportunities? Rate each one, from 1 to 10

Category	Score
Innovation/new product development	6
Improving briefs	7
Creative concepting	7
Customer experience	6
Automating mundane tasks eg image editing	9
Saving time	8
Cost saving	7
Creating new styles/genres of work	5
Personalisation	7
Effectiveness	7
Cutting wastage of assets	7

In a free text question, we asked IHA leaders to tell us **"What most excites you about AI and its potential in the creative industry? Why?"**

"Optimisation of assets for audience and channel, allowing creative to work on ideas"

"Not much to be honest. I'm actually very worried about the impact it will have in our industry and to society in general."

"Taking care of the mundane so we can focus on where we really add value."

"It makes everyone rethink their operations and search for talent. Something that used to take a skilled creative one full day can now be done in minutes. It's not only about the technical creative skills anymore, but now everyone with a good creative and design mind can create."

"A tool to simplify the mundane".

"AI will help with automating time-consuming tasks, elevating the quality of briefs and copy, but the most exciting aspect is how it can generate and manipulate images, video and audio. I see AI being used to quickly generate concept videos and images and perhaps even full ads further down the line."

"Enabling in-house teams to focus on the big strategic initiatives and campaigns by spending less time curating and optimising BAU content."

"I'm genuinely most excited about removing the mundane tasks that are better preformed by tech so people can focus on what they're good at. I'd like AI to not just speed up the workflow, but to help find more moments for the power of slowness. I see so much potential for how it can help improve briefs, shake away unnecessary information and help us get to what's important. And, ultimately, help us determine real creative value to businesses beyond cost per hour."

"As a team, we've always been busy and are always under-resourced. Automating mundane tasks is a great opportunity for us. It will free everyone up from the tedious work, allowing them to focus on more strategic, high-value activities that drive real impact and innovation. This not only benefits the company but also allows everyone to tap into their full potential and find more creative solutions."

"Its ability to make mundane tasks quicker and effective allows creative teams to focus on ideation and then helps brings ideas to life in a quicker (cost effective) visual way. VO will also be a very interesting development as we move away from traditional artist recordings to AI-supported workflows that can adapt and translate across languages in text and in VO audio."

From curiosity to essential tool:

the rapid rise of generative AI

by **Suzanne Steele**
VP and MD, Adobe UK, Ireland,
Middle East and Africa at Adobe

Last year's IHALC Benchmarking Survey barely mentioned AI. This year, its presence is clearly felt. Rarely does a technology move so quickly into so many spheres of life, changing from curiosity to essential tool in less than two years. AI is the focal point of discussions among governments, corporations and businesses about the future of pretty much everything.

Yet despite this awareness, AI is still misunderstood and, crucially, it's under used. There is a gap between the potential we all see in AI and the way we use it. The opportunities it offers the creative industries are enormous: customers and consumers are ready for it and accepting of its use. In fact, they expect it. In our recent Adobe Age of Generative AI research, carried out earlier this year, we found a high level of understanding and use of generative AI among the British public, as well as an expectation that brands would use it to provide better experiences.

> *'AI has the potential to claw back that time, freeing humans from the jobs no-one really wants to do and allowing them to do the ones that only humans can do.'*
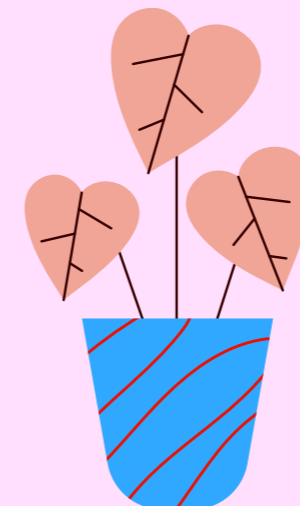
Generative AI is already a part of people's everyday lives: 73% of the people we surveyed said they used it outside of work. It's used as a search tool, a drafting tool and a summarising tool, for inspiration and education and recreation. At this low-level, daily use, its benefits don't need to be explained any more. It is widely understood and accepted.

This makes the adoption of AI by business easier. So where does this leave the creative industries who make the content for these audiences? It's clear that generative AI is becoming an important part of the in-house agency tool kit, but how can agencies use it better? Are they getting the most from the technology, and how can they address the blockers associated with new technology that slows them down?

One of the most significant AI-created issues faced by creatives is responding to and managing the increase in content production it allows. It's a double-edged sword – AI has made it easier to produce the content, but the increase in production makes managing output harder.

Content supply chains are complex things, made harder to navigate by the increase in demand for content and their subsequent increase in size and reach. Multiple teams, workflows, technologies and applications need to be managed and a lot of the work is repetitive but requires accuracy. Approvals and quality control grow exponentially with the volume of work.

The need to produce and supply more content, and to personalise it, is not about to decrease. Variations in content for different markets, such as backgrounds in images or product colours, are time and labour intensive to produce. They're also not a lot of fun to do. After all, it's unlikely any designer ever asked to do more mass retouching of images.

It is precisely this sort of work that generative AI can and should be doing. AI's accuracy and consistency allow it to carry out repetitive tasks perfectly each time, and quickly. In last year's IHALC report agency creatives listed lack of time as the number one barrier to producing better creative, while speed and agility were listed as what their business appreciated most about them.

AI has the potential to claw back that time, freeing humans from the jobs no-one really wants to do and allowing them to do the ones that only humans can do. An integrated content management system, with AI as its engine, keeps a content supply chain working.

There will be a need for investment, both in human capital and capital expenditure. Proper training is needed to get the most from these systems, and prompt engineering has become an art and a science in itself. To use generative AI properly requires humans to learn, and getting the right tools for the job requires businesses to invest.

None of this speed and efficiency can come at the expense of honesty and authenticity. The willingness of customers and consumers to accept AI is a gift to brands and agencies; trust in the technology has already been generated by their own experiences of it. It is up to creators to honour that trust.

One way to build trust is by being transparent about which content has been AI-generated and being clear about where AI has been used in the content creation process. Adobe is a founding member of the Content Authenticity Initiative (CAI), a global coalition of over 3,000 members including the BBC, Google, Microsoft, OpenAI, Getty Images, Leica, and WPP. The CAI works in tandem with the Coalition for Content Provenance and Authenticity (C2PA), an open technical standards organisation Adobe also co-founded, to implement Content Credentials.

Content Credentials are the equivalent of a "nutrition label" for digital content, much like how food bought from the supermarket is labelled to indicate its makeup. They show when and where a piece of content was created, who created it, how it may have been edited, and whether AI was used to create or alter it. This level of transparency builds trust in content.

Bias, too, is an issue. Adobe has invested enormous amounts of time and effort in countering bias in its AI solutions, weeding out problems and retraining systems to deal with it. This is a field in which we're all learning the best way to get the right outcome; as Adobe's Julianna Roswell, who was closely involved in removing bias from Adobe Firefly, says, "There were no templates for this work when we began."

It is a complex process requiring numerous iterations and, like AI's end users, as the originators of this tech we're also learning as we go. But it is necessary. We will continue to iterate and improve and learn, in the same way that agency creatives will. And together, we'll make great things.

'The willingness of customers and consumers to accept AI is a gift to brands and agencies; trust in the technology has already been generated by their own experiences of it. It is up to creators to honour that trust.'

Concerns and Challenges

AI comes will some well-documented issues, from the legal and ethical to worries about its carbon footprint and impact on individual creatives, particularly film-makers, illustrators and photographers. We wanted to find out what our community was most worried about, therefore we asked them to rate a number of factors out of 10, with 10 representing the maximum level of concern. Copyright Infringement and Brand Safety came out top: half of respondents gave each of those issues a maximum score of 10. Worries about the sustainability of AI and it undermining the value of creativity were less pronounced, with fewer than 20% of respondents scoring either of those a ten.

In terms of the barriers to adoption of AI, training and a lack of access to or investment in the right tools came top. Budgets and restrictive corporate policies were not seen as a major barrier.

Rate the following potential areas of concern that you may have about the impact of AI (with 1 meaning you are not concerned at all and 10 extremely concerned). Average scores shown

Category	Score
Copyright Infringement	9
Brand IP Safety	9
Impact on Jobs/Livelihoods	7
Quality of Creative Work	7
Bias in Results	7
Distinctiveness/Originality of Creative Work	8
Consumer Trust	7
Undermining Value of Creativity	6
Sustainability/Carbon Footprint	6

We asked respondents to tell us what concerns them most about AI and why:

"Job security. It is my hope that team members of all levels and disciplines spend time future-proofing themselves and understanding how their area will be impacted."

"I have loads of concerns. What concerns me most is the legal risk creatives are taking using tools commercially that they assume come risk-free when it comes to rights infringements."

"Copyright infringement. Legislation will have to adapt to this new technology, otherwise there will be endless amounts of lawsuits about IP. On the other hand, AI technologies need to be regulated and configured in a way that it becomes more transparent if IP is used to generate something new. Source referencing is needed."

"The fact that it is the tech giants that control the technology...their track record is not great."

"That people will mistake it for an opportunity to reduce headcount and undermine creativity as a whole."

"Making authentic work that customers trust. And keeping the business on side on how best to use it."

"That it will place even greater expectations around delivering work fast and cheap, without actually leaving room for valuable creative thinking and execution. Also the stealing of artists' work."

"It hollows out the creative industry."

"Compensation to those who provide assets to build the system."

"Boring, eye-candy work that is devoid of meaning and therefore forgettable."

"Unlocking something we're not ready to accept or control."

"We are searching for the right time to leverage AI. It's waiting for the right moment and the right use case. Our company is very accepting of AI, so I don't see a problem with rules limiting the use of AI. Another limiting factor I see is training. Prompt engineering is a hard and tedious task. You need to train people to write good prompts to generate quality results."

"Its carbon footprint and the impact on climate change and meeting environmental targets."

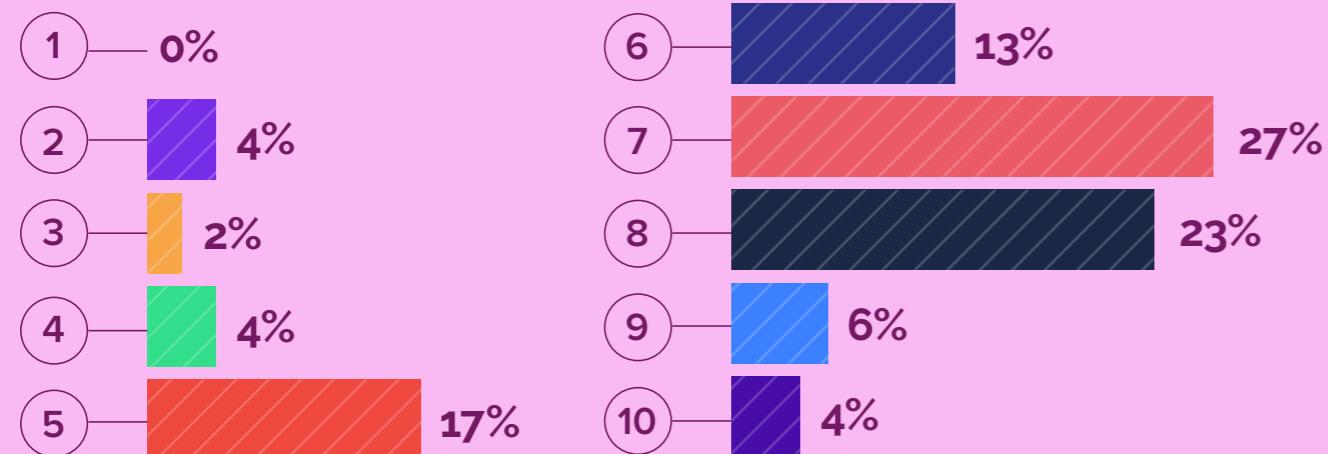"Managing expectations versus reality to CEO / CFO."

Team Dynamics

How is AI impacting IHA teams and how are leaders preparing for it? We asked respondents to tell us what the overall sentiment towards AI is in their teams – is it viewed positively or negatively? Overall, the results show that leaders believe their teams are broadly positive, with **50% of respondents scoring sentiment a 7 or 8 on a scale of one to 10, where 10 is entirely positive**. Over half (55%) have already provided training or upskilling on AI for their teams.

Despite well-documented concerns that AI will result in job losses, our respondents were more positive in outlook: **71% believed that they will have the same size teams** following AI's introduction, with only **22% believing that it will result in smaller teams.**

Have you provided training or upskilling opportunities for your team to adapt to AI technologies?

Yes
55%

No
45%
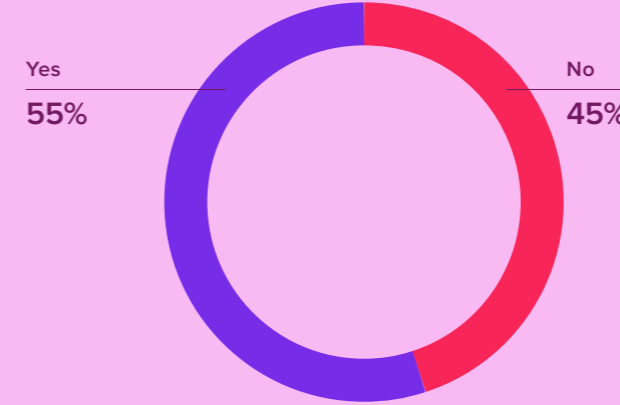
Do you anticipate the impact of AI resulting in you having a larger team, smaller team, or the same size team?

Same size
71%

Larger
7%

Smaller
22%

How would you assess the overall sentiment towards AI in your teams, from 1 as entirely negative to 10 as entirely positive?

1	0%
2	4%
3	2%
4	4%
5	17%
6	13%
7	27%
8	23%
9	6%
10	4%
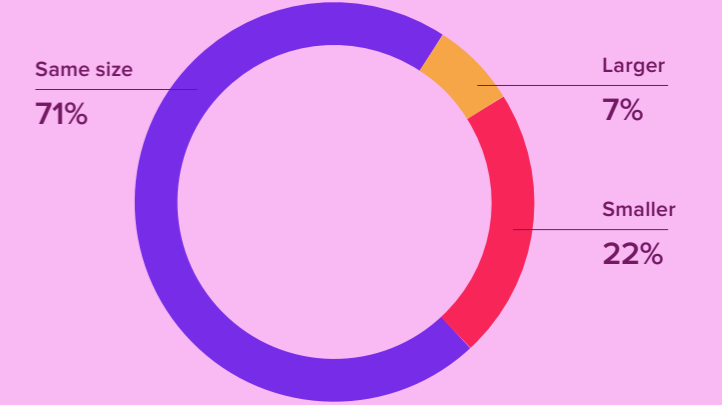
Future Outlook

In our final section, we asked respondents to tell us whether they agreed with a range of statements about AI. We also asked them to give us their overall view of AI and how it will impact their work.

Which of these phrases do you agree with:

AI's role in creativity will be primarily as an assistant to human creative teams
80%

In future, our in-house agency will be using AI tools every day
72%

In future all creative assets will use AI in their creation at some stage
49%

AI will never entirely replace human craft in image or video creation
76%

AI will never entirely replace human craft in writing
66%

By taking care of routine tasks, AI tools will free creative people up to concentrate on solving bigger challenges
82%

AI won't take your job, but people using AI will
70%

Comments from respondents:

"The sell around AI is that it will free up time, but I don't believe it for a second. Equally, I think we're pointing AI at the wrong thing: the creative bit. The fun part. The reason we do our job. If people end up being content machines powered by AI, then I think we've got something wrong."

"My hope is that, with AI, we're at the 'rotating logos on fire' moment, like we were when the internet was the new shiny thing. We played with that for a long time, doing things just because we could, and then it settled down and we found the best way to harness its power. I hope AI will be the same story."

"Creative operations is a necessary must to enable the space for great quality creative work to happen. AI has an amazing opportunity to really streamline the operational excellence of creativity, and to allow operational teams to focus more on strategic service delivery."

"AI is another tool and we must always remember that. Anyone can learn to use a tool, but not everyone can look at something and see an opportunity, a fresh angle or a true insight."

"We're currently focusing on keeping a lean internal team of producers and strategic and tactical thinkers, while outsourcing all that is dependent on technology and its evolution - from motion graphics to editing etc. So in our case, our external partners are the ones mostly using AI in the day-to-day for content creation, while most of our team uses ChatGPT and AI assistants to speed up admin, conceptual and stakeholder work."

"It will be a bumpy transition and fears around job security will be rife. On balance I think it will take more time than we think to get there, hopefully giving people ample time to upskill and pivot. For example, in the productivity pilot we're currently running, the gains are pretty small - way less than anticipated."

"It's exciting, I think we will see a democratisation of budgets. Smaller brands will be able to deliver production value on par with bigger brands."

"There are massive opportunities but it's the more mundane implementation of AI that will be the game-changer in reality for most companies - lifting the load with day-to-day repetitive tasks that free up the team to focus on more creative areas."

"The pace at which it's going is almost impossible to keep up with. I have never witnessed technology move at such speed. The challenge is keeping up."

"The rush towards AI does feel a bit similar to tech trends from the past 10 years - the Internet of Everything, machine learning, metaverse, NFTs etc – in that it's currently overindexing in discussions versus our actual understanding of how it will show up. I think it's truly early days and it's likely to have some big reputational challenges before it's widely adopted."

"Whilst it's exciting to learn about AI's potential, I don't like the idea that it's moving at a rapid speed, which one day may be uncontrollable or a risk to security."

"I think the biggest problem and solution is time - it will mean we can do things quicker, but in an already fast-paced environment is pace the most important thing? Does it give us the opportunity to think deeply and engage with what we're doing?"

"There are opportunities in automating mundane adaption and versioning tasks, and in real-time optimisation of campaign assets. This could free up time and help tailor content to audiences better and faster in a world of ever multiplying touchpoints and formats. The challenge will be pressure to reduce cost if this is seen as more important than effectiveness and quality of content."

"I see many opportunities for the creative industry to leverage AI more. The technology is developing at lightning speed and cost is coming down. It won't take long before AI is a commodity, available to everyone around the world. Professionals will have to learn and train themselves how to work with AI and how to make best use of these technologies in the creative process. The industry will have to adapt.

I don't really see a way around it. AI is here to stay. As with any new technology there is great optimism but also anxiety. People that are afraid AI will replace them should embrace AI the most. Yes, it will change the status quo, but instead of looking at that as something negative, people should embrace it, experiment with it, educate themselves and explore how this technology can improve business, processes, and outcomes. And, it may even make your job more fun by taking away repetitive tasks, freeing up time for you to focus on the things that add more value to your business and you personally."

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Tribe

"Fact. You will leave an IHALC event inspired by new ideas, enriched by relevant conversations and connected with like-minded people."

Shelley Morrell
Head of Creative Hub,
National Lottery

"IHALC isn't just a community, it is an authority. Through their continuous support and direction they are helping people like me raise the benchmark of what an in-house agency can achive in terms of creativity and effectiveness"

Mat O'Brien
ECD, Three

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