



Navigating the Rise of AI in Marketing: *From Hype to Impact*

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OC&C
Strategy consultants



BRIGHT TOWER



Marketing has always been defined by *waves of change*

IT IS WORTH KEEPING THIS CONTEXT IN MIND, AS WE CONSIDER THE IMPACT, REALIZED AND STILL TO COME, OF AI IN MARKETING. EACH NEW WAVE HAS ALTERED THE WAY CONSUMERS ENGAGE WITH BRANDS, HOW CAMPAIGNS ARE DESIGNED AND MEASURED, AND WHICH PLAYERS ULTIMATELY CAPTURE VALUE. ARTIFICIAL INTELLIGENCE POWERS THE LATEST AND MOST SUBSTANTIAL WAVE.

Where previous evolutions typically added new channels and technologies to the marketing play book, the application of AI and machine learning in marketing has the potential to reshape the entire operating model.

The global marketing industry has expanded dramatically over the last thirty years, with each successive innovation growing the pie as it opened up fresh avenues for engagement.

Marketing spend grew steadily through the shift from mass media to digital, for example – and AI-powered innovation may well have the same effect, but with a key difference. Instead of merely adding to the toolkit, AI has the potential to redefine who controls discovery, how decisions are made, and how campaigns are delivered.

So, how progressed is AI adoption in marketing, what impact is it having, and what might we expect going forward?

Looking back: *the story so far*

MODERN MARKETING CAN BE THOUGHT OF IN THREE BROAD ERAS.

IN THE PRE-DIGITAL WORLD, television, print, and out-of-home dominated. Campaigns were broad in scope, expensive to produce, and measured with limited precision.

DIGITAL TRANSFORMATION upended this model: the rise of search, social, and programmatic advertising enabled a new, performance-driven discipline. Brands were newly able to target with far greater accuracy, and attribution shifted towards clicks, conversions, and other measurable actions.

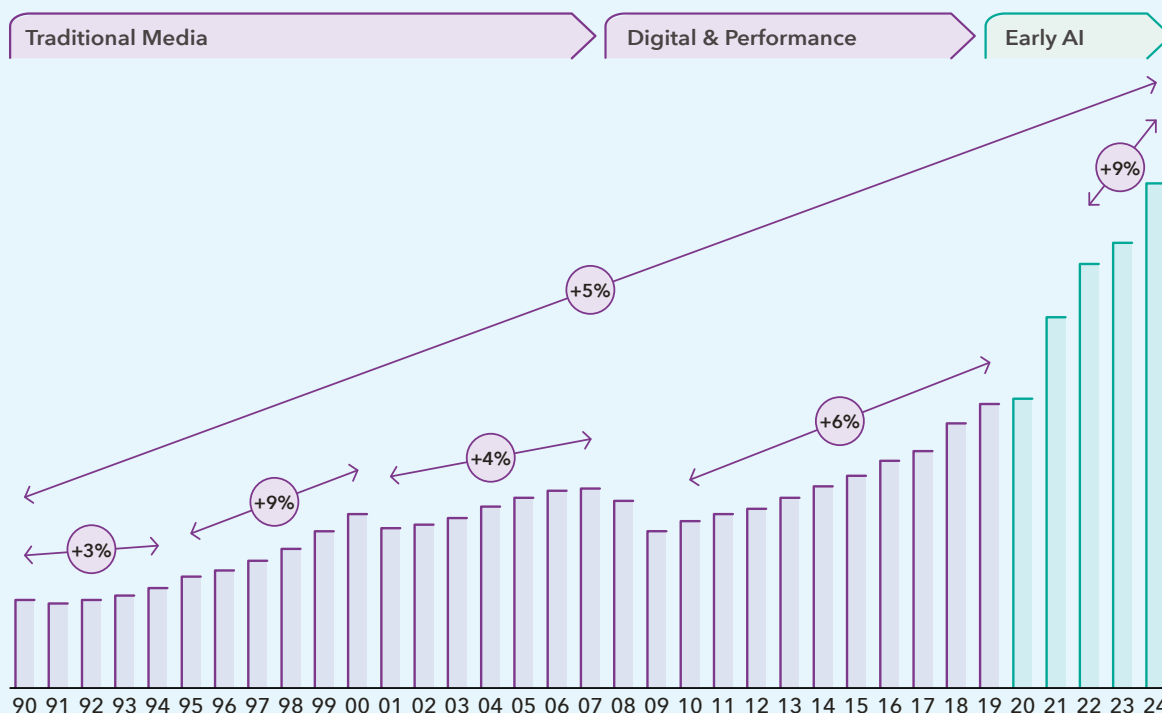
THE LAST FEW YEARS HAVE SEEN EARLY STEPS TOWARDS AI-AUGMENTED MARKETING. Tools capable of generating content at scale, optimizing media spend in real time, and personalizing customer interactions are beginning to be deployed across the industry.

While each era has built on the last to improve marketing effectiveness, this nascent AI-enabled era heralds the prospect of a deeper and more structural realignment.

MARKETING & MEDIA EVOLUTION



GLOBAL ADVERTISING SPEND



Source: WARC



AI adoption today: *real but uneven*

AI ADOPTION ACROSS BUSINESSES HAS REACHED CRITICAL MASS IN TERMS OF BREADTH, BUT THE NUMBER OF DEPLOYMENTS THAT ARE SUCCESSFULLY DRIVING ROI ARE FEW AND FAR BETWEEN.

Most organizations report deploying AI in at least one function, and in marketing the level of experimentation is particularly striking. However, the reality is that only a small fraction of these efforts have scaled to full production impact. The technology is promising, but widespread transformation remains a work in progress.

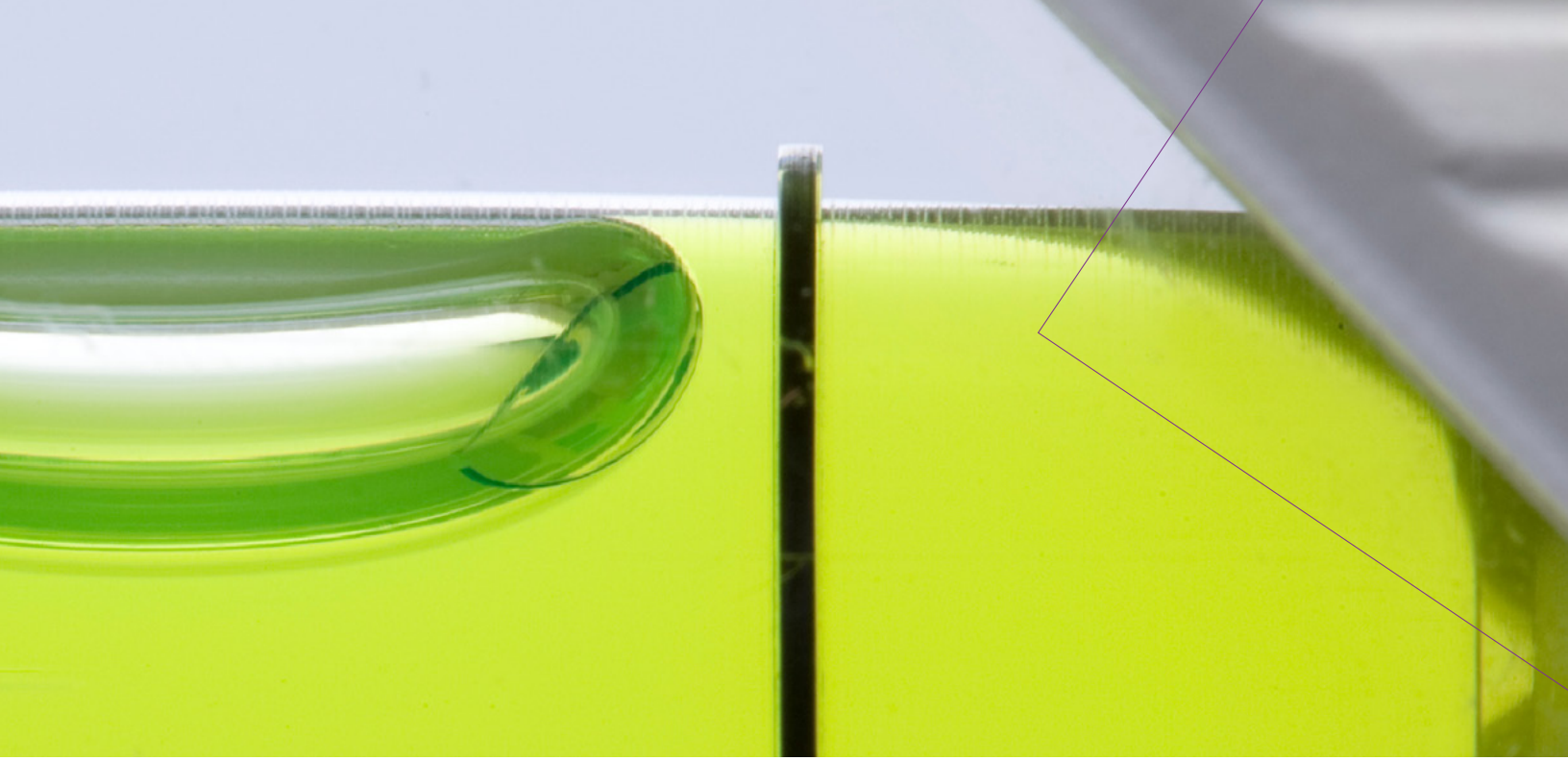
Marketing leaders are excited about what AI offers in three areas:

- Accelerating content generation
- Improving testing, forecasting, and predictive analytics
- Enabling personalisation at scale

Chief Marketing Officers do retain a degree of caution, though creativity, brand judgement, and strategic oversight are not easily replicable; AI is being embraced more as an accelerant than a substitute.

“There were no big creative ideas from AI at Cannes Lions last week, the good ideas are still from people.”

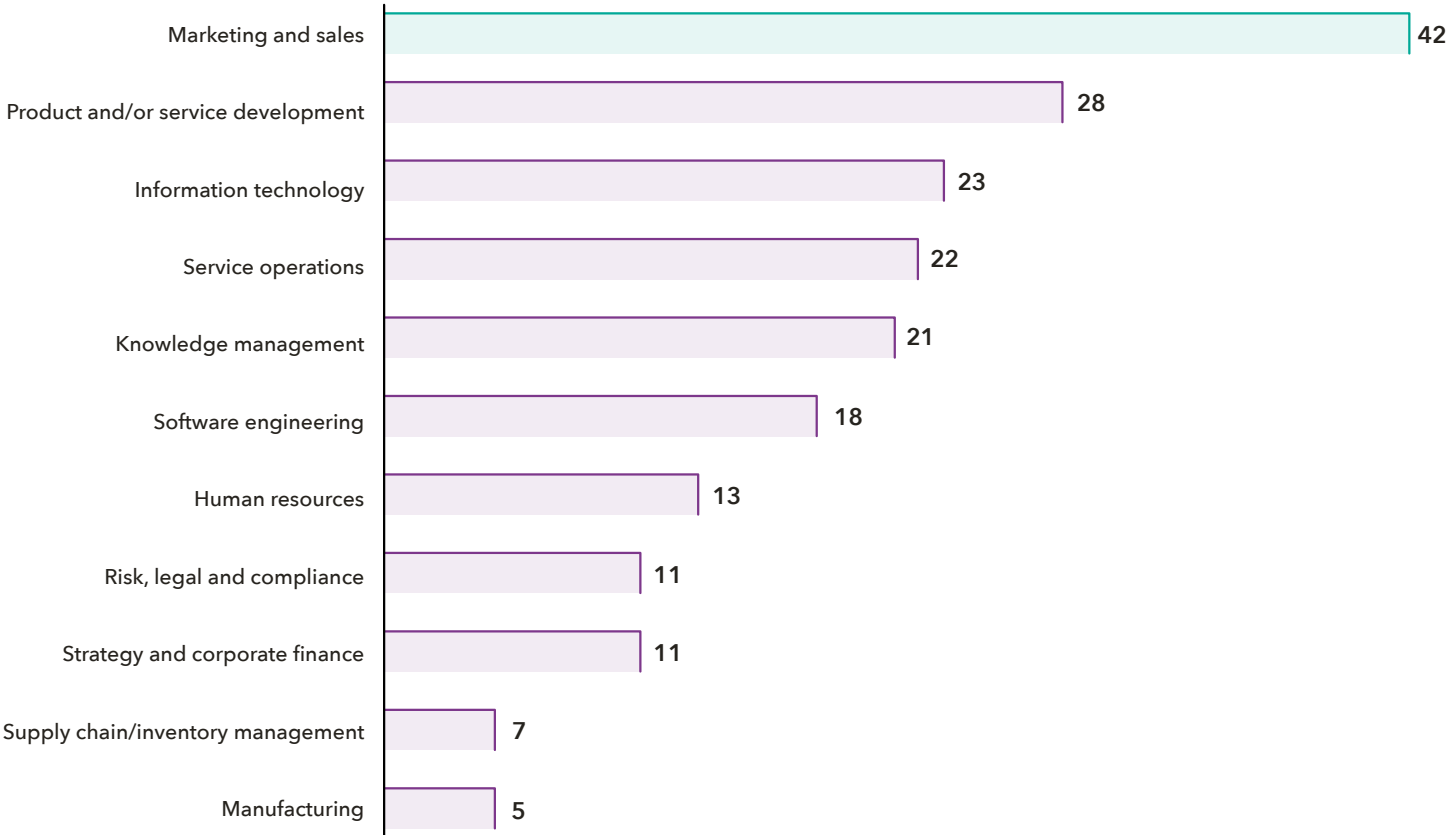
CMO, Tech Company



AI Adoption in Organizations

USE OF GENAI BY BUSINESS FUNCTION

(% of respondents)



1. Definition: % of organizations that have adopted AI in at least 1 function.
Source: McKinsey Global Surveys on the state of AI March 2025, MIT The GenAI Divide July 2025, OC&C analysis.

Emerging impact *across the value chain*

ALTHOUGH UNEVEN IN MATURITY, AI IS ALREADY RESHAPING THE MARKETING VALUE CHAIN.

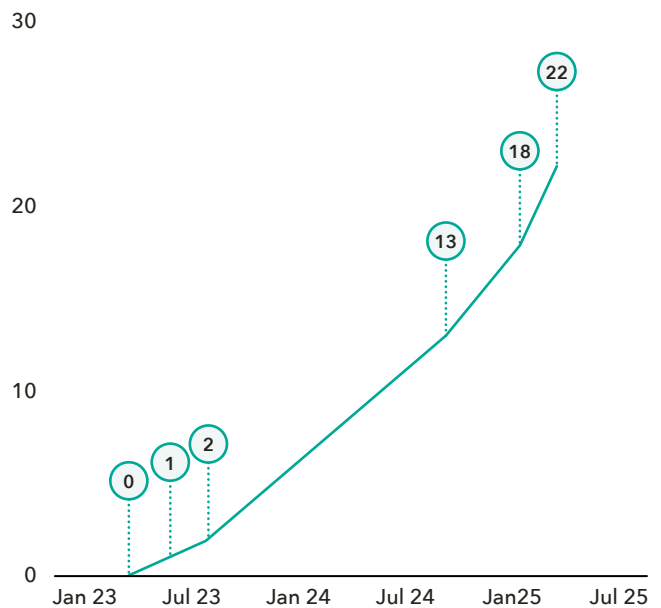
CREATIVE PRODUCTION is being transformed by generative AI tools, which compress iteration cycles and multiply the number of assets available. At the same time, high-value creative remains the preserve of human teams, reflecting the need for storytelling, brand nuance, and stakeholder alignment.

“I feel super passionately that the extraordinary comes from humans, and there is no way AI could replicate what our agency has done for us.”

Creative Director, Tech Company

CUMULATIVE NUMBER OF DIGITAL ASSETS GENERATED USING ADOBE FIREFLY, 2023-25

(#BN)



Source: Adobe Press Releases.

Creative AI tools are now mainstream

- Firefly adoption has exploded, with users generating over 20 billion assets in under 2 years.



Unilever Beauty AI Studio



CASE STUDY

UNILEVER'S BEAUTY AI STUDIO, FOR EXAMPLE, HAS TURNED WHAT WAS ONCE A CAMPAIGN OF TWENTY ASSETS INTO A PROCESS GENERATING HUNDREDS OF TAILORED VARIATIONS AT A FRACTION OF THE TIME AND COST.

- Unilever has built a **generative AI assembly line** for its digital creative
- The studio is used to make assets for paid social, programmatic display inventory, and e-commerce usage across brands including Dove, TRESemmé, and Vaseline
- **Beauty AI Studio creates 400 creative assets per product**, where it used to be just 20 assets per campaign
- **Reportedly, the studio is generating content 65% faster and 55% cheaper** – as well as generating an uplift in brand intent and purchase intent



Pencil
A Brandtech Company



BrandDNAi

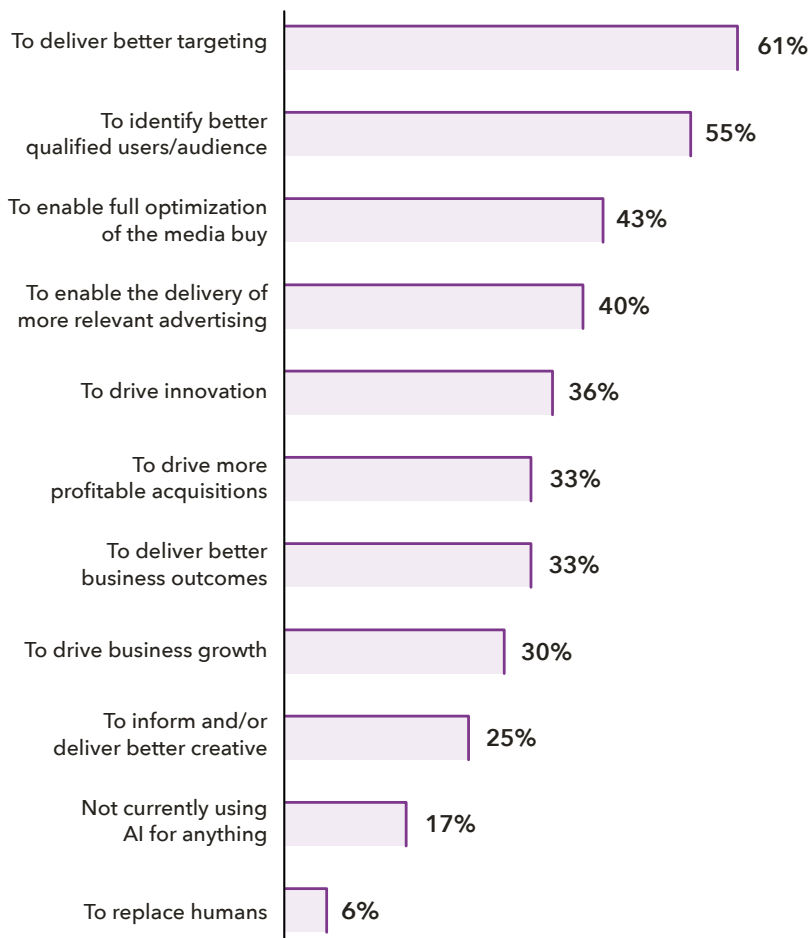


Advertisers are embedding bespoke creative tools; early pilots show uplift in cost, speed, and effectiveness.

MEDIA BUYING also continues to evolve along the path of the past decade; ad platforms such as Meta and Google are integrating AI into every stage of the workflow, from planning and placement to optimization. These systems enable closed-loop campaign creation, delivery, and management that can operate almost autonomously once objectives and budgets are set, though they remain siloed within their respective ecosystems.

MOST COMMON APPLICATIONS OF AI IN DIGITAL MARKETING AMONG AGENCIES

(% of respondents)



Source: IAB, OC&C analysis.

In digital marketing, AI adoption has focused on improving **targeting, personalization, and ROI** – more than automation of full campaign execution / team replacement.



AD PLATFORM INNOVATION



- Consolidates all Google inventory (Search, YouTube, Display, Maps, Gmail) into one automated campaign
- Uses AI to optimize across creatives, placements, audiences, and bidding
- Closed-loop when paired with GA4
- Also supports automated creative asset generation to deliver relevant content to users based on intent



- Meta's end-to-end campaign automation system
- Uses AI to optimize creative, placements, audiences, and bidding in real time
- Runs in a near "set-it-and-forget-it" mode once goals and budgets are defined
- Closed-loop visibility from impression to conversion (via first-party and Pixel data)
- Advantage+ often applied by default without explicit permission, leading to some marketer frustration over loss of control and transparency

“What we buy is judgement and guidance – we don’t want a tool; we want a partner.”

Global President, CPG Company



“Qualitative market research is an area where you genuinely need human intelligence to understand nuances.”

CMO, Energy & Utilities

RESEARCH, DATA, AND ANALYTICS

are being accelerated by AI's ability to synthesise and code large volumes of data, as well as by predictive tools that move beyond rear-view reporting to forward-looking insights.

Here too, though, buyers continue to put a premium on a trusted human interpretation layer – partly for storytelling, and partly given strong residual concerns about data privacy as well as accuracy.

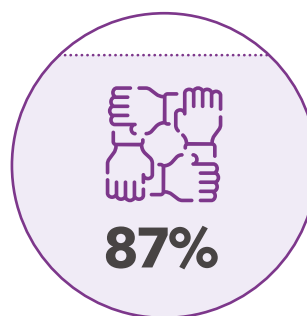
CONSUMER DATA is being refined, as AI improves identity resolution and enables personalization at scale.

Here, the challenge is not the technology but governance, transparency, and compliance. There is also still a clear preference and desire for data and research responses from real humans, rather than synthetic data generated by AI.

HOW STRONGLY DO YOU AGREE WITH THESE STATEMENTS?



“Empathetic human truth will become more important in a world of perfect information.”



Agree that “Modern strategy will require more creativity, empathy, and humanity.”



Agree that “Hearing from real customers is more relevant than ever in an AI-driven world.”

Source: Dentsu Creative 2025 CMO Report.



Where next: *augmentation to autonomy?*

AT PRESENT, MOST APPLICATIONS FALL INTO THE CATEGORY OF AUGMENTATION; AI TOOLS ARE TYPICALLY USED TO ACCELERATE AND REFINE HUMAN WORKFLOWS. YET, SIGNS OF A MOVE TOWARDS AUTONOMY ARE BEGINNING TO EMERGE.

Discovery journeys are increasingly AI-mediated, whether through chatbots, voice assistants, or AI-generated overviews. Our latest estimates suggest that these types of search journey now represent 10%-15% of the global total.

Apple is working to embed intelligence directly at the operating system level, creating a default role for AI in shaping decisions. Payments companies such as Visa and Mastercard are laying the infrastructure for agent-led transactions, while consumer-facing brands like Expedia and Instacart are building themselves directly into large language model prompt flows.

From where we are now, we see future scenarios lying on a spectrum between two points:

AI Overviews now appear in ~15% of Google searches, leading to a significant drop in click-through rates, and new implications for marketers. Brand visibility now means ranking not just in search, but in Overviews too.

1

INCREMENTAL SHIFT (I.E. "THE NEXT SOCIAL"):

AI creates new formats and platforms but leaves the campaign-based operating model largely intact, adding layers rather than displacing them.

2

STRUCTURAL DISRUPTION:

AI agents automate the end-to-end marketing cycle - from insight to execution - reshaping the ecosystem.

The closer the future lies to the right hand side of this spectrum, the more challenge we would see to value and margins in execution-heavy models, with this value moving towards those with some combination of data ownership, strategic advisory, and brand distinctiveness.

The structural shifts *are already underway*

REGARDLESS OF THE TRAJECTORY AI IN MARKETING ULTIMATELY TAKES, A HANDFUL OF STRUCTURAL SHIFTS ARE ALREADY MATERIALIZING – AND ARE EXPECTED TO ACCELERATE FURTHER.

FIRST, agency pricing models are moving away from proxy measures such as impressions and clicks towards outcomes rooted in business impact.

SECOND, cross-channel orchestration is emerging, with platforms dynamically allocating spend across channels in real time, even if true integration across walled gardens remains elusive.

THIRD, creative and media, once held apart, are converging, as asset creation is increasingly embedded directly into campaign execution.

FOURTH, just as digital media reduced the size of the 'entry ticket' to run a campaign, the ability to spin-up high-quality AI-generated creative assets is likely to further shift SME marketing budgets into digital media – expanding the market.

FINALLY, brand spend is beginning to rebalance as large language models and AI agents redefine discoverability, prompting Chief Marketing Officers to audit and influence how their brands are represented in AI-generated environments.

	Shift	Description	Examples / Early Signals
1	Outcome-based pricing models	As AI increases measurability and pressure on ROI, agency pricing will shift from proxy metrics (clicks, impressions) to real business outcomes (sales, ROAS, lifetime value)	Retail media (e.g., Amazon Ads, Walmart Connect) already operates this way – advertisers pay based on commercial value, not just exposure
2	Cross-channel orchestration	Spend is no longer optimized within silos – AI is pushing towards real-time, multi-channel allocation. Agencies need to be fluent across CTV, search, social, retail media, and more	Google Pmax and Meta Advantage+ already automate delivery across formats (but full “cross-channel” integration is still limited by walled gardens)
3	Creative and media convergence	AI is bringing creative and media closer together through dynamic, automated asset generation. However, this shift is likely to impact only lower-stakes performance-driven assets, while top-tier brand and conceptual work remain distinct, valued for strategic input, storytelling, and stakeholder alignment	Unilever’s Beauty Studio is creating 400+ assets per product to plug directly into paid media; Google’s Asset Studio is integrated into Pmax to support direct creative to media workflows
4	Democratising media access	The ability to create high-quality assets at low cost will make digital advertising much more accessible for SMEs	Tools like Midjourney and HeyGen can rapidly and cheaply generate high-quality video ads, translations, and dynamic content
5	Budget mix rebalancing	As LLMs influence discovery and agents drive decisions, brand visibility within these ecosystems becomes more valuable. Budgets may rebalance across brand, performance, and AI-driven reputation strategies	Some CMOs are investing in “AI reputation” diagnostics to assess their brand’s presence in LLMs– and starting to adjust budgets accordingly; new tools all also emerging to run “AI audits”



Implications for *agencies and service providers*

HISTORICALLY, AGENCIES HAVE ADAPTED WELL TO DISRUPTIVE TECHNOLOGICAL CHANGE. PREDICTIONS OF DISINTERMEDIATION DURING THE RISE OF DIGITAL NEVER FULLY MATERIALIZED. INSTEAD, TRADITIONAL AGENCIES ADAPTED THEIR OFFERINGS THROUGH M&A, SPECIALISTS EMERGED, AND THE INCREASING COMPLEXITY OF THE ECOSYSTEM DROVE BRANDS TO CONTINUE RELYING ON EXTERNAL PARTNERS.

We see the most likely path for AI-driven change as following a similar pattern - but at unprecedented speeds, heightening pressure on agencies to adapt. The good news is that innovation is still being driven mainly by vendors - not buyers, who typically remain a little more hesitant - for now.

This has several implications for the winning AI era blueprint - most importantly, that there is real opportunity for those ready to re-define the AI-enabled operating model.

To do so will require taking customers along on this journey - winning players will twin track customer education and thought-leadership with acting rapidly to preserve value.

The agencies that succeed will be those that:

- Shift their focus up the value chain, owning orchestration, insight, and strategy while allowing execution to become increasingly automated
- Master large language models and agentic marketing, ensuring that brands remain visible and relevant in AI-mediated discovery and commerce
- Productise proprietary tools, embedding them with clients to create lock-in and sustain margins
- Redeploy talent, moving away from execution-heavy resourcing towards AI-enabled advisory and creative roles.

Other service providers will also need to evolve. Market research firms will combine machine learning-enabled prediction and generative tools with trusted interpretation. Data providers will become ever more central in enabling transparent, compliant audience resolution as walled gardens tighten.

Investor *considerations*

FOR INVESTORS, AI IN MARKETING SIGNALS A REALLOCATION OF VALUE. SERVICES AT THE STRATEGIC END OF THE SPECTRUM - THOSE THAT ENGAGE SENIOR STAKEHOLDERS AND SHAPE BRAND, MEDIA, AND DATA STRATEGY - WILL REMAIN RESILIENT, COMMANDING PRICING POWER AND DIFFERENTIATION.

AI is no longer a hypothetical future for marketing. Adoption is widespread, use cases are embedding across the value chain, and the first signs of autonomy are already present.

What remains uncertain is the scale and speed of disruption. It could be incremental, layering new platforms and formats onto the existing model, or it could be structural, rewiring the system from the ground up.

For agencies, brands, platforms, and investors, this moment represents both risk and opportunity. The winners will not simply deploy AI tools but use them to reimagine how they operate, build defensible moats around data and creativity, and continue to deliver differentiated value in an increasingly automated world.

As BrightTower & OC&C work with our clients to understand where and how to invest, we observe six standout themes driving transactions and value creation in marketing services:

1. Product development cycles accelerating with the opportunity to launch new revenue line items faster and cheaper
2. Data-driven organizations leveraging proprietary content and datasets to drive novel customer insights, better marketing outcomes, and new data products
3. Marketing goal alignment to business outcomes and better closed loop insights, analytics, and attribution within the org and shared with clients
4. Account management and execution cost savings that are increasing margins while upping the game on customer success
5. Increased value in authoritative content and trusted content sources that overly index in LLMs are influencing both consumer and business spending
6. The increasingly steep AI maturity curve and its impact on "usage versus operationalization" as well as talent development



How OC&C *can help*

OC&C HAS A LONG TRACK
RECORD OF HELPING
CLIENTS NAVIGATE INDUSTRY
INFLECTION POINTS.

In the AI era, we support marketing and media businesses in three essential ways. We work with them to evaluate their propositions, repositioning them to win in a transformed market. We help them stay ahead of the threat, identifying competitive risks and building defensible models, and we ensure they are fit for the fight by reshaping operating models, talent structures, and capabilities.

For investors, our role is to identify the markers of long-term winners in this shifting landscape: businesses with exposure to the right structural growth themes, proprietary data and tools, and evidence of effective AI adoption.

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