EUROPEAN MARKETING CONFEDERATION

EUROPEAN MARKETING AGENDA 2025

“DATA-DRIVEN AI REVOLUTION MEETS BRAND MANAGEMENT”

Ralf Strauß | Chairman of the Board European Marketing Confederation (EMC)


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EUROPEAN MARKETING AGENDA 2025 …

AI UNLIMITED

Since early 2023, the discussion around Generative AI has given a further boost to the debates on artificial intelligence (AI) and the ongoing digitalisation of marketing and sales. The disco ball of data-driven customer interaction is spinning faster and faster. However, the drama begins at the start: different ideas meet new terms and often lack fundamental strategies, data, processes, methods, and applications in marketing and sales. Endless (MarTech) Love: At the same time, the market for MarTech applications continues to grow - reaching a total of 14,106 applications by May 2024, an increase of 9,304 % since 2011. In the coming years, we will foreseeably continue to experience "Moore's Law on steroids" - the speed of change is increasing dramatically, and the collaboration between functional areas (marketing, sales, IT) and external partners (agencies, software providers) follows the often-cited political credo of "no alternative".

Feedback from all conferences, workshops, interviews, and presentations shows that there is still a lack of fundamental elements, such as a common language and terminology. Many discussions about "Customer Experience Management" are often conducted as platitudes within the context of data-driven marketing without a common understanding of the application scenarios and requirements they are supposed to fulfil, the internal/external process landscapes they are based on, or how they could or should fit into a company-specific context.

New terminologies consequently meet users with very different content interpretations. The constant striving of providers to position themselves uniquely in the market and differentiate from competitors leads to a steady stream of new terms from software manufacturers, often fueling free-floating confusion. Combined with accompanying service providers, this results in a continuum of PowerPoint presentation orgies with usually little conceptual explanatory contribution. The consequence: many of the once enthusiastically started projects fail or do not achieve the initially targeted goals. The reasons are as trivial as they are serious: lack of substantive depth, the desire to make a “career-boosting move” as quickly as possible, and to differentiate oneself internally. Long-celebrated differences and dysfunctional political intrigues act as accelerators for a “fail faster” approach following the motto: first claim a topic with the help of “fancy” AI generated PowerPoint charts and a lot of enthusiasm and then face the cruel project reality in implementation. AI also acts as a turbo booster here, with a new topic, but the same patterns as before. Almost unnoticed, the hype around many topics like the Metaverse has collapsed like a cooling soufflé after a brief flare-up.

It is not about “old vs new”, “innovation vs tradition” or “brand vs digital”. Rather, it is about how instruments are repeatedly orchestrated anew along different phases and context-related customer needs. In other words: not “A or B”, but “A and B”. This presents companies with completely new challenges, from the lived cross-functional “way of working”, to the required competencies, common goal images, and IT applications.

Warm regards,

Dr. Ralf E. Strauss, on behalf of the board of EMC
Chairman of the Board European Marketing Confederation (EMC)

Our ambition as marketing associations in Europe, with now more than 100,000 marketing professionals, will be in 2025 to accompany this change and present and discuss current and forward-looking concepts. A heartfelt thank you goes to all participants of the survey for the European Marketing Agenda 2025 for the multitude of suggestions, ideas, engagement, and the underlying “brain power” ... and time. We hope that the present European Marketing Agenda 2025 once again offers many suggestions and discussion points, and that we can deepen these together in 2025 in various formats across Europe. At the same time, we are very pleased that the survey will also be rolled out in Africa thanks to the African Marketing Confederation (AMC).

We look forward to many substantive discussions and exchanges in 2025!

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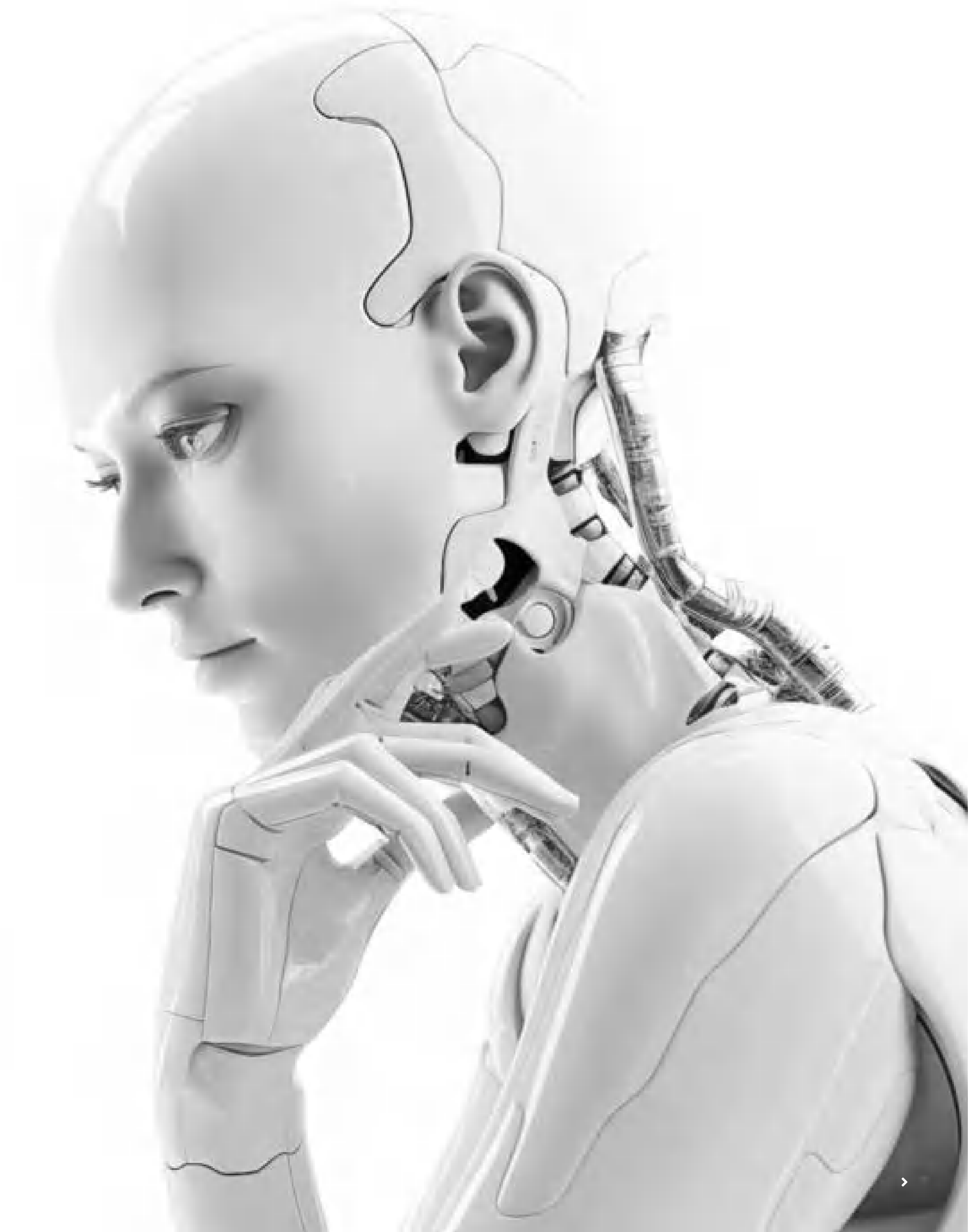

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STRATEGIC FOCUS IN 2025 …

AI DISPLACES BRAND AND DIGITALISATION FROM POLE POSITION

The central questions of the **European Marketing Agenda 2025** are the most important topics and challenges for 2025 from the perspective of marketing and sales. More than 10,000 marketing/sales managers in Europe were asked for their assessments, resulting in a total of 1,698 complete responses. Participants consistently included CMOs (23 %), marketing directors (19 %), and senior marketing managers (19 %).

When asked about the strategic focus for 2025+, the range of topics has changed drastically compared to previous years: key topics such as brand management (upper funnel; 34 %) and sales and performance marketing (lower funnel; 33 %) fade in comparison to the use and application of AI in pole position (44 %; Figure 1).

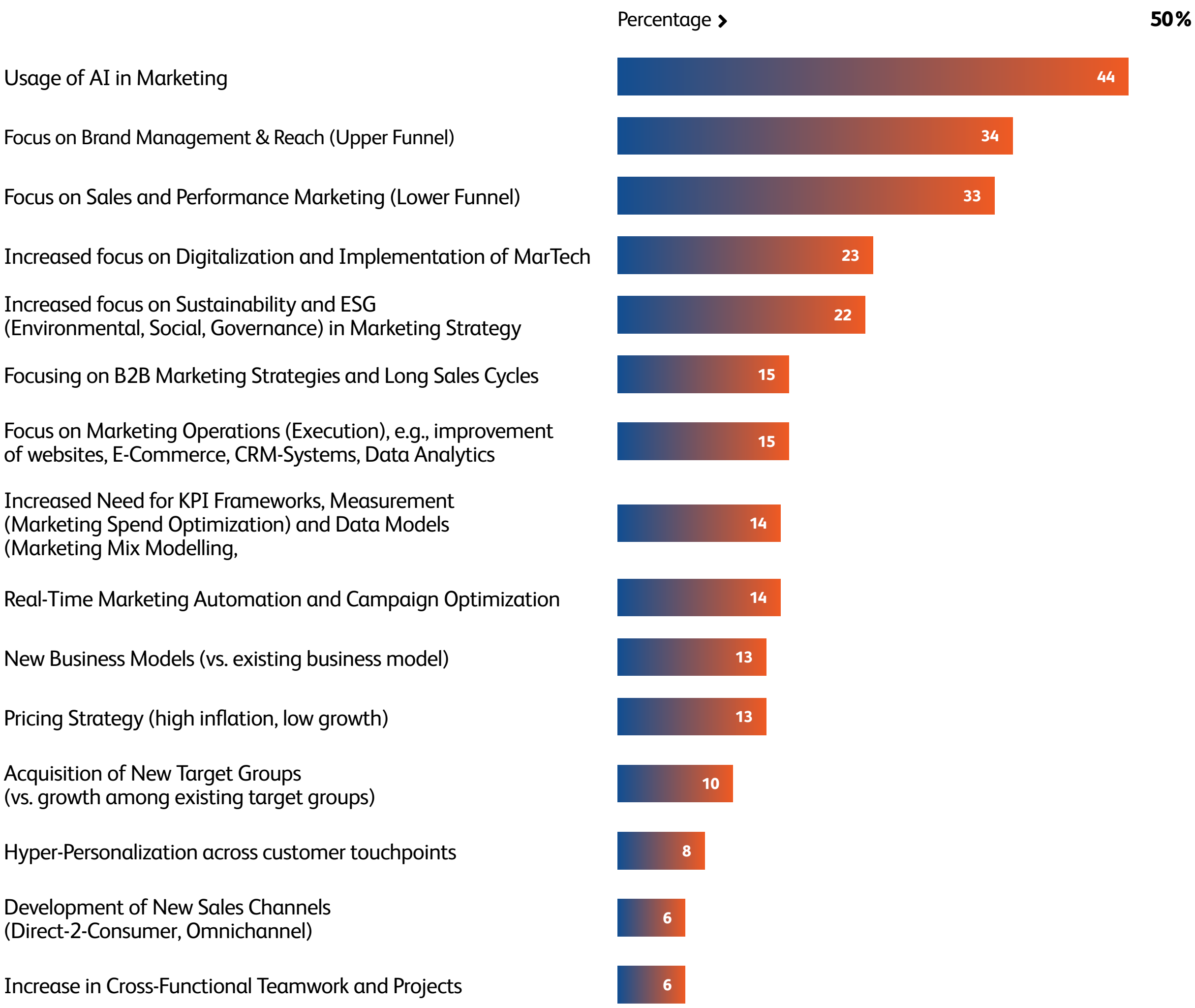

Figure 1 | Strategic Focus in 2025 (Top 3, Mult Response, in percent, n=1,698)

Aspects such as sustainability and social and ecological responsibility play a larger role from the perspective of brand managers than in previous years. Attitude or "purpose" is a long-term topic that must be communicated and lived internally. Without consistency internally and externally, attitude is quickly exposed as a purely opportunistic sales tool. Contrary to expectations, "purpose" is cited by only 2 % of marketing managers. According to their own statements, the topic often appears as a sub-theme in areas such as "brand strategy & management" or, more specifically, in "sustainability."

While the focus in previous years was on topics such as brand management or digital marketing (in total), the use and application of AI overshadows everything else in 2025 (Figure 2). The specific application scenario around hyper-personalization must take a back seat given the abundance of available tools (8 %).

Strategic Priority	2023	2024	2025
1	Digital Marketing (in total, 41 %)	Brand Management & Reach (Upper Funnel, 49 %)	**Usage of AI in marketing (44 %)**
2	Customer Experience Mgmt (34 %)	Marketing Operations (Execution, 49 %)	**Brand Management & Reach (Upper Funnel (34 %)**
3	Brand Strategy & Mgmt (26 %)	Increased Focus on Digitalisation & Implementation of MarTech (45 %)	**Sales & Performance Marketing (Lower Funnel, 33 %)**

Figure 2 | Comparison of Strategic Focus between 2023 and 2025 (Top 3, Mult Response, in percent, Different Sample Sizes)

The countries present themselves extremely differently in terms of strategic issues: Germany, the Netherlands, and Portugal focus on the use of AI in marketing, sales, and service, while in the Alpine countries Austria and Switzerland or Lithuania, the focus is more on generating revenue in the lower funnel (Figure 3).

Prio.	Austria	Germany	Hungary	Lithuania	Netherlands
1	Focus on Sales and Performance Marketing (Lower Funnel, 52 %)	Usage of AI in marketing (58 %)	Focus on Brand Management & Reach (Upper Funnel, 50 %)	Focus on Sales and Performance Marketing (Lower Funnel, 41 %)	Usage of AI in marketing (51 %)
2	Focus on Brand Management & Reach (Upper Funnel, 44 %)	Increased focus on digitalization and implementation of MarTech (40 %)	Focus on Sales and Performance Marketing (Lower Funnel, 48 %)	Usage of AI in marketing (32 %)	Focus on Brand Management & Reach (Upper Funnel, 38 %)
3	Usage of AI in marketing (37 %)	Increased Need for KPI Frameworks, Measurement (Marketing Spend Optimization) and Data Models (Marketing Mix Modelling (23 %)	Usage of AI in marketing (31 %)	Focus on Brand Management & Reach (Upper Funnel, 32 %)	Focus on Sales and Performance Marketing (Lower Funnel, 32 %)

Prio.	Portugal	Slovenia	Switzerland	UK
1	Usage of AI in marketing (49 %)	Focus on Brand Management & Reach (Upper Funnel, 46 %)	Focus on Sales and Performance Marketing (Lower Funnel, 50 %)	Focus on Brand Management & Reach (Upper Funnel, 42 %)
2	Focus on Brand Management & Reach (Upper Funnel, 33 %)	Usage of AI in marketing (42 %)	Usage of AI in marketing (39 %)	Usage of AI in marketing (37 %)
3	Increased focus on Sustainability and ESG (Environmental, Social, Governance) in Marketing Strategy (31 %)	Focus on Sales and Performance Marketing (Lower Funnel, 42 %)	Focus on Brand Management & Reach (Upper Funnel, 27 %)	Focus on Sales and Performance Marketing (Lower Funnel, 34 %)

Figure 3 | Comparison of the strategic focus between the countries in Europe in 2025 (Mult Response, in percent, n = 1,141, statistically significant)

The growth and hype around **retail media** will continue unabated in 2025: IAB Europe forecasts an increase in retail media advertising spend to €14.3bn in 2024 ... an increase of 35.9 % compared to the €10.5bn in 2022. Enthusiastic forecasts already expect retail media spend to surpass traditional TV in the coming years. At least 4-5 lines of development are emerging:

- **Non-retailers will build media networks**: Due to an increased demand for 1st party data, other companies (such as *Marriott International* as early as 2022) will also enter retail media. Other travel and hospitality companies as well as quick service restaurants are likely to follow suit.

- **Lack of scale**: Not every retail media network will be able to stand out from the crowd and scale. Most advertisers state that they do not (want to) work with more than four (larger/relevant) retail data partners. The rest must enter data sharing partnerships or dissolve, like *Gap Inc.*'s Retail Media Network in 2023.

- **Self-service offerings for advertisers will emerge (Retail Media as a Service)**: To stand out from the competition, retail media networks will set up self-service platforms for advertising customers. The self-service options include budget optimization, customizable target groups (selections) or reporting and analysis tools.

- **Focusing on a few (indispensable) ad tech partners**: Media partners will help to open new advertising formats and provide advertisers with more accurate data.

- **Focus on offsite retail media**: After the first wave in the onsite sector, further development will be driven mainly by offsite - either Retailer Managed or Retailer Data / Self-Service (Figure 4). Offsite advertising will already play a greater role than onsite in 2024. According to *eMarketer*, a third of advertisers plan to invest money in offsite advertising including display, online video, CTV and social in the next twelve months.[1]

1 eMarketer: Why Off-Site Advertising Can Lead Retail Media's Next Big Growth Phase, March 2024.

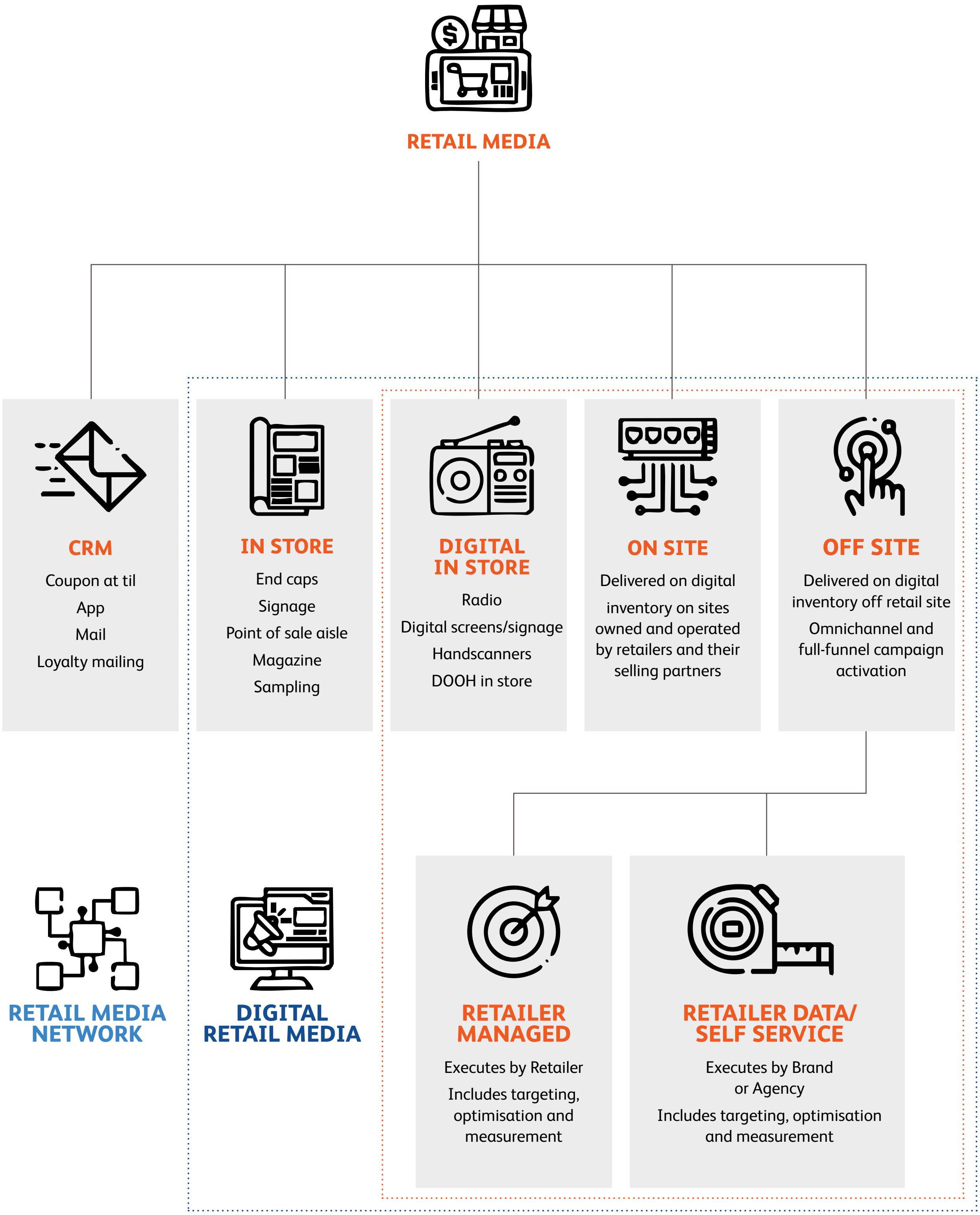

Figure 4 | Forms of retail media (according to IAB)[2]

2 IAB: Retail Media in Europe, Retail Media Definitions, January 2024.

The growing number of providers in a fragmented technology landscape is generating more and more problems, for example, with IT integration and the exchange of data in compliance with the GDPR and is increasing the shortage of qualified personnel. In other words, while the use of all other media channels is already legion, with the use of many possible business models, new partnerships and platforms are constantly emerging between retailers, agency groups and technology providers, and therefore retail media only comes in at the bottom of the list of strategic priorities (5 %). From the perspective of CMOs and heads of marketing, the greatest challenges lie in the lack of reach of individual providers, the large number of different business models and the necessary activation of 1st party data on 3rd party inventory.


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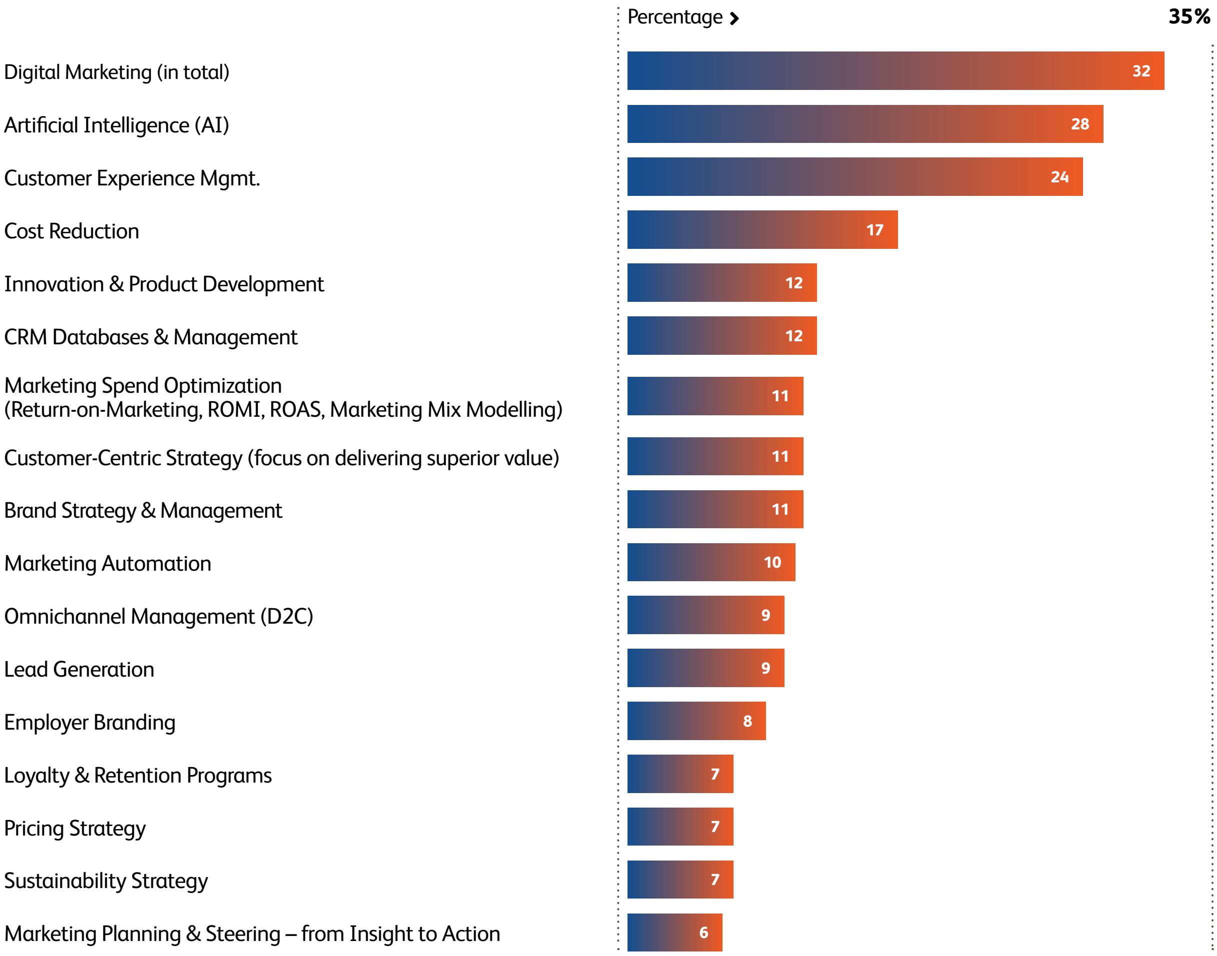
OPERATIONAL FOCUS IN 2025:

AI AS A TURBO BOOSTER FOR DATA-DRIVEN CUSTOMER ENGAGEMENT

In terms of **operational focus areas for 2025**, digital marketing (32 %) continues to dominate, followed by AI (28 %) and customer experience management (24 % , Figure). While the strategy is dominated by AI, operational implementation is already much more focused on scenarios around digital marketing or customer experience management in the form of further personalization or next best offer management. Topics such as “sustainability” (2 %) or “purpose” (4 %), which dominate the general perception, are clearly falling behind a data-driven “AI imperative”.



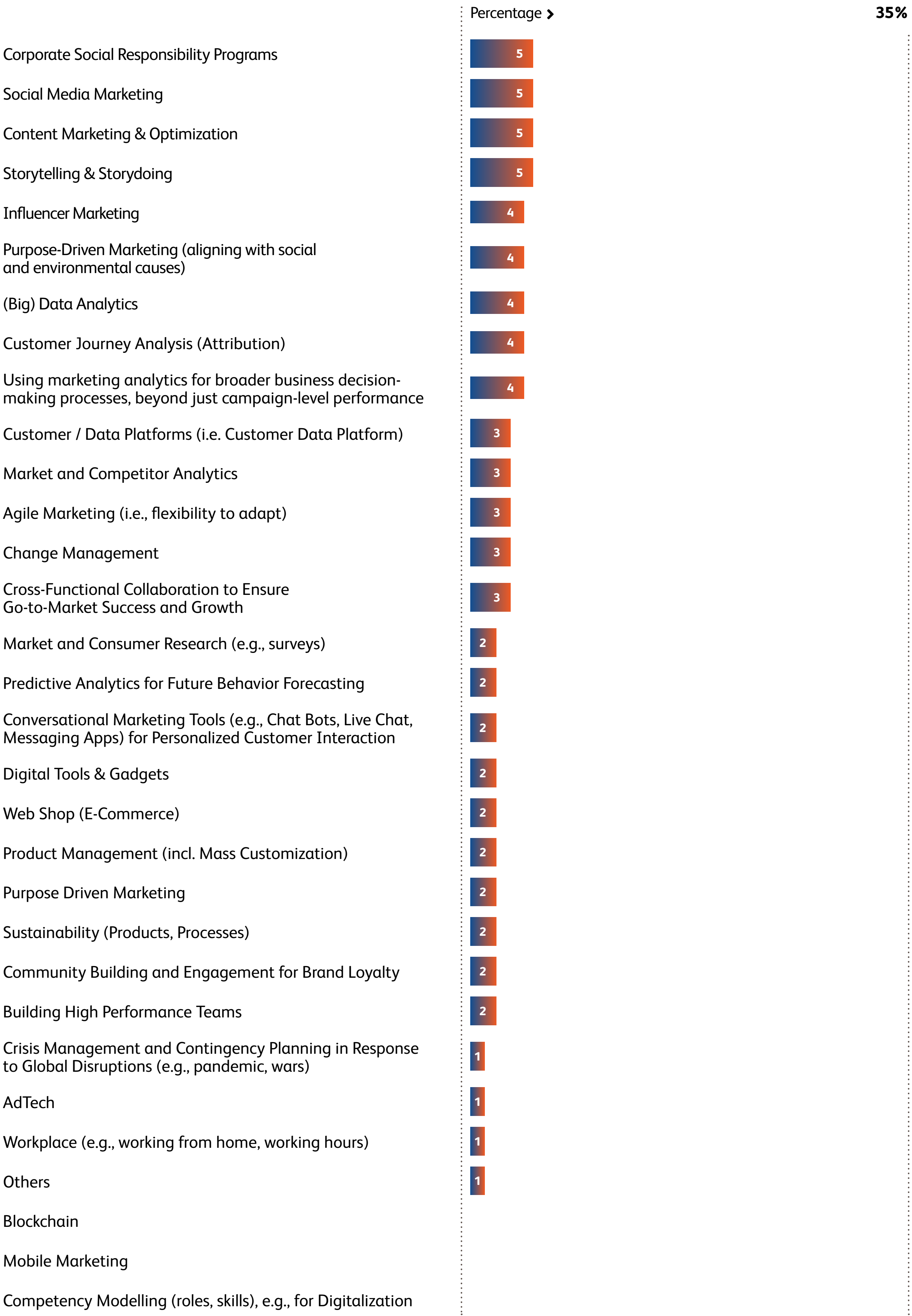


Figure 5 | Operational focus in 2025 (top 3, Mult Response, in percent, n=1,094)

Contrary to all the **CRM discussions** over the last 25 years, some marketing executives are only now (re) discovering **customer experience management** as an overarching concept (17 %). This gives CRM and CX a further tailwind:

- The need to link online and offline and the pursuit of an integrated omnichannel approach means that the traditional offline business model needs to be linked with digital media across all touchpoints.

- The need to differentiate from the competition due to increasingly homogeneous product and service offerings and growing market transparency. Increasingly smaller perceived differences in quality are leading to more and more interchangeable products and services, making it more difficult to differentiate from the competition. In addition to legal retention options (such as contract terms and the associated barriers to switching), it is necessary to build and expand customer loyalty through unique, mass personalized customer experiences.

- The loss of 3rd party data due to regulation (ePrivacy Regulation), browser-side exclusion or ad blockers are ensuring that interaction based on personalized 1st party data is experiencing a revival.

- Linking functional properties of the product with experience-creating, emotionally characterized elements. Tectonic shifts in the needs and value structure of consumers contribute to the fact that individual expectations and wishes are becoming increasingly important - accumulated in the "moment of truth".

Countries are very different in this respect: while "cost reduction" is the top priority in Austria, Hungary and the Netherlands, Lithuania, Slovenia and the UK are more on the side of the CX apostles. AI is at the top of the operational wish list for 2025 in Germany, Portugal and Switzerland (Figure 6).

Prio.	**Austria**	**Germany**	**Hungary**	**Lithuania**	**Netherlands**
1	Cost reduction (33 %)	AI (51 %)	Cost reduction (24 %)	Customer Experience Mgmt. (25 %)	Cost reduction (25 %)
2	AI (20 %)	Customer Experience Mgmt. (47 %)	Brand Strategy & Mgmt. (20 %)	Lead generation (17 %)	AI (23 %)
3	Brand Strategy & Mgmt. (12 %)	Marketing Automation (18 %)	Innovation & Product Development (20 %)	Loyalty & Retention Programmes (17 %)	Brand Strategy & Mgmt. (20 %)

Prio.	**Portugal**	**Slovenia**	**Switzerland**	**UK**
1	AI (29 %)	Customer Experience Mgmt. (24 %)	AI (21 %)	Customer-Centric Strategy (focus on delivering superior value, 20 %)
2	Brand Strategy & Mgmt. (13 %)	Cost reduction (22 %)	Employer branding (20 %)	Lead generation (18 %)
3	Sustainability Strategy (15 %)	Customer-Centric Strategy (focus on delivering superior value, 17 %)	Innovation & Product Development (17 %)	Customer Experience Management (17 %)

Figure 6 | Comparison of the operational focus between the countries in Europe in 2025 (Mult Response, in percent, n = 1,094, statistically significant)

Established sales channel structures in general and retail in particular are still in a state of upheaval. More than ever, it is the customer who determines the direction in which they develop. The days of the maxim "quantity of goods generates sales" are over. The price war is raging and online will continue to grow strongly. The lack of customer focus and insufficient courage to change has already led to the mass demise of retailers in the USA ("retail apocalypse"), especially in shopping malls, which were previously heavily hyped and considered safe.
Even today, brand manufacturers often still have no direct contact with their end customers and therefore no access to important 1st party data to generate vital consumer insights. For this reason, most brand manufacturers have launched "omnichannel" or "direct-to-consumer" projects to at least further restrict retail as the sole access to the end customer and sales channel. Adding water to the euphoric "D2C wine": The noble advantages of a D2C approach are:

- Intermediaries are eliminated in the sales process (lower funnel). This allows the manufacturer brand to set the end customer price itself. This results in a higher profit margin for the brand and a lower price for the end consumer. At the same time, brands are less dependent on retailers in terms of product presentation and customer service. The risk of being pushed off the shelves by retailers' own brands is minimized.

- Marketing (upper funnel) is about interacting directly with end consumers and collecting 1st party data. This allows the direct generation of consumer insights and the elimination of intermediaries in the media mix, such as media agencies.

However, they also face operational challenges such as:

- Data fragmentation through the integration and consolidation of data.
- Inconsistencies in the customer experience.
- Integration of different IT applications.
- Change management and internal resilience .
- Complex goods logistics and coordination between the channels.

Which is why omnichannel has only found a place on the hit parade for 9 % of companies in Europe.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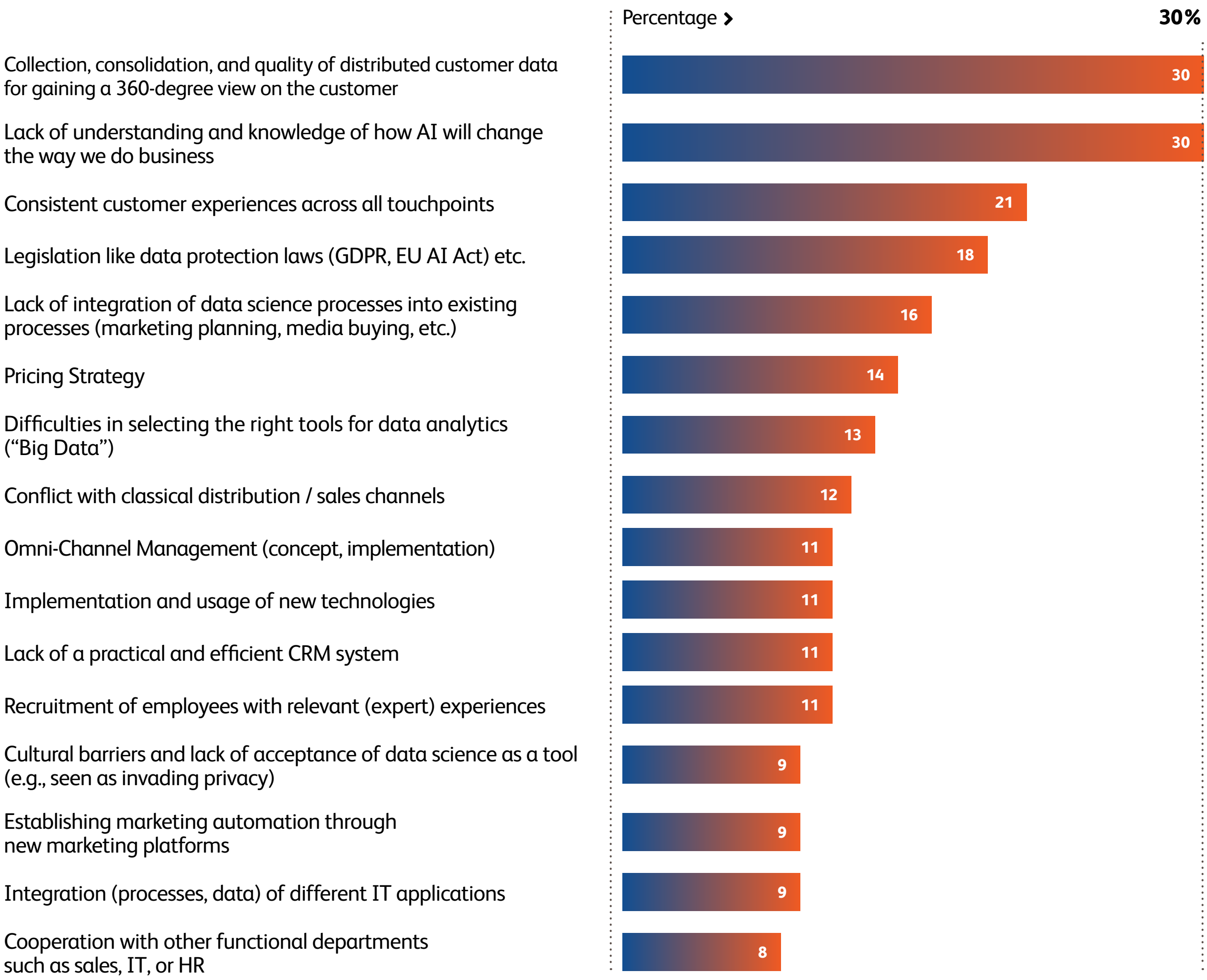
HURDLES AND CHALLENGES IN 2025:

BETWEEN HYPE AND HOPE IN THE DIRECTION OF "DATA-DRIVEN CUSTOMER ENGAGEMENT"

If we once again aggregate the most important challenges for **marketing & sales in 2025 across Europe**, the challenge "*Lack of understanding and knowledge of how AI will change the way we do business*" catapults to first place (30 %), together with (a real evergreen) "*Consolidation of distributed customer data to determine a 360-degree customer view*" (also on 30 %), directly followed by a consistent customer experience along all touchpoints (21 % , Figure 7). The platitudinous discussions about the use of AI and the call for customer centricity fade away in the face of insufficiently systematic collection and utilization of customer data.



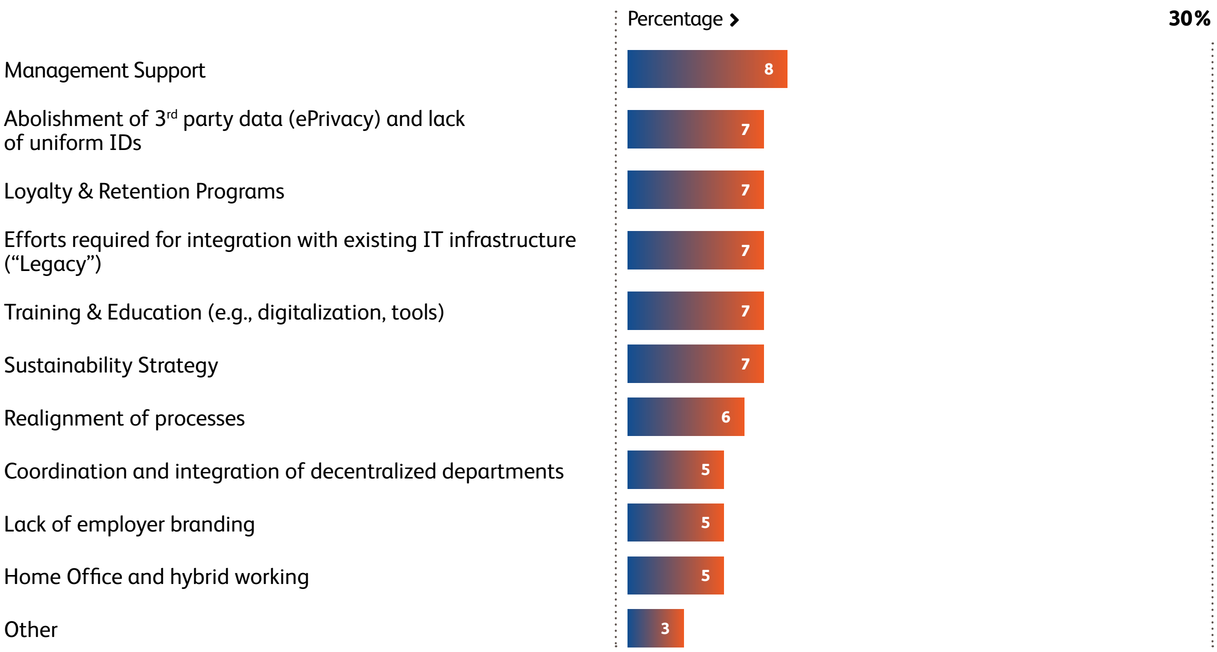


Figure 7 I Most important challenges & barriers in the coming 12 months in marketing in Europe in 2025 (top 3, Mult Response, in percent, n=1,173)

The causes lie primarily in the CRM area (Personal Identifiable Information, PII) in:

- The distribution of necessary customer data on different IT systems without standardized syntax and semantics (naming convention).
- Customer contacts and interactions are seen as "master knowledge", especially in B2B sales, and are maintained in individual contacts (such as *Microsoft Outlook*) rather than in a CRM system that is also accessible to other areas and would make this customer knowledge replicable and transparent (in time).
- The lack of a key identifier to assign the same entities: 1st party, 2nd party, and 3rd party data are not yet collected in a user profile (ID). As a result, customers are not precisely identified at all touchpoints.
- The maintenance of customer data is always put on the back burner due to the effort involved in day-to-day business as data maintenance is rarely a "career-boosting move".
- The customer data is not immediately available in the required granularity.

Logical consequence: for the next 2-3 years, the consolidation and harmonization of user data (anonymized, personalized) will have top priority with a significant impact on the continued existence of companies. Otherwise, it is to be expected that the phalanx of "fancy AI projects" will hardly deliver the expected results. Challenges such as the consolidation of data and the fundamental understanding of the impact of AI on one's own business model are in a neck-and-neck race across Europe - only Austria, Hungary and Slovenia are struggling with a changed pricing strategy (Figure 8).

Prio.	Austria	Germany	Hungary	Lithuania	Netherlands
1	Pricing Strategy (24 %)	Collection, consolidation, and quality of distributed customer data for gaining a 360-degree view on the customer (58 %)	Pricing Strategy (30 %)	Collection, consolidation, and quality of distributed customer data for gaining a 360-degree view on the customer (39 %)	Lack of integration of data science processes into existing processes (marketing planning, media buying, etc., 32 %)
2	Collection, consolidation, and quality of distributed customer data for gaining a 360-degree view on the customer (22 %)	Lack of under-standing and knowledge of how AI will change the way we do business (30 %)	Lack of under-standing and knowledge of how AI will change the way we do business (22 %)	Consistent customer experiences across all touchpoints (30 %)	Lack of under-standing and knowledge of how AI will change the way we do business (22 %)
3	Implementation and usage of new technologies (20 %)	Consistent customer experiences across all touchpoints (24 %)	Conflict with classic distribution / sales channels (18 %)	Lack of integration of data science processes into existing processes (marketing planning, media buying, etc., 24 %)	Cooperation with other functional departments such as sales, IT, or HR (20 %)

Prio.	Portugal	Slovenia	Switzerland	UK
1	Lack of under-standing and knowledge of how AI will change the way we do business (28 %)	Pricing Strategy (29 %)	Lack of under-standing and knowledge of how AI will change the way we do business (44 %)	Lack of under-standing and knowledge of how AI will change the way we do business (28 %)
2	Sustainability Strategy (19 %)	Lack of under-standing and knowledge of how AI will change the way we do business (24 %)	Conflict with classical distribution / sales channels (19 %)	Collection, consolidation, and quality of distributed customer data for gaining a 360-degree view on the customer (28 %)
3	Consistent customer experiences across all touchpoints (17 %)	Collection, consolidation, and quality of distributed customer data for gaining a 360-degree view on the customer (19 %)	Collection, consolidation, and quality of distributed customer data for gaining a 360-degree view on the customer (18 %)	Consistent customer experiences across all touchpoints (26 %)

Figure 8 | Comparison of the most important challenges between the countries in Europe in 2025 (Mult Response, in percent, n = 1,173, statistically significant)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THE HOUSE OF AI CARDS ...
BEYOND THE HYPE

With *ChatGPT* as an application in the field of large language models and supervised/reinforcement learning, the deployment and use of AI has slowly left the embryonic stage. The contours for future use are already emerging on the ultrasound device, which has led to a real boom in investments. While in *2023* no company (0 %) had the topic of "artificial intelligence" on their radar, AI jumped to the top spot in 2025. Beyond the hype, analysts expect this to increase labour productivity by up to 35 % .[3] For around 80 % of workers, at least 10 % of their work tasks will be affected by *GPT models* and, for 19 % of workers, at least 50 % of their tasks will be completely replaceable.[4]

In reality, the application scenarios for AI are in almost equal proportions in the areas of production (content production, 47 %), strategy (e.g. next best offer, customer journey analysis, 47 %) and creation (asset creation, 44 % ; Figure 9). In other words, GenAI application scenarios currently dominate usage, while comparatively higher-value applications, such as Causal AI, tend to be implemented selectively in individual projects (26 %).

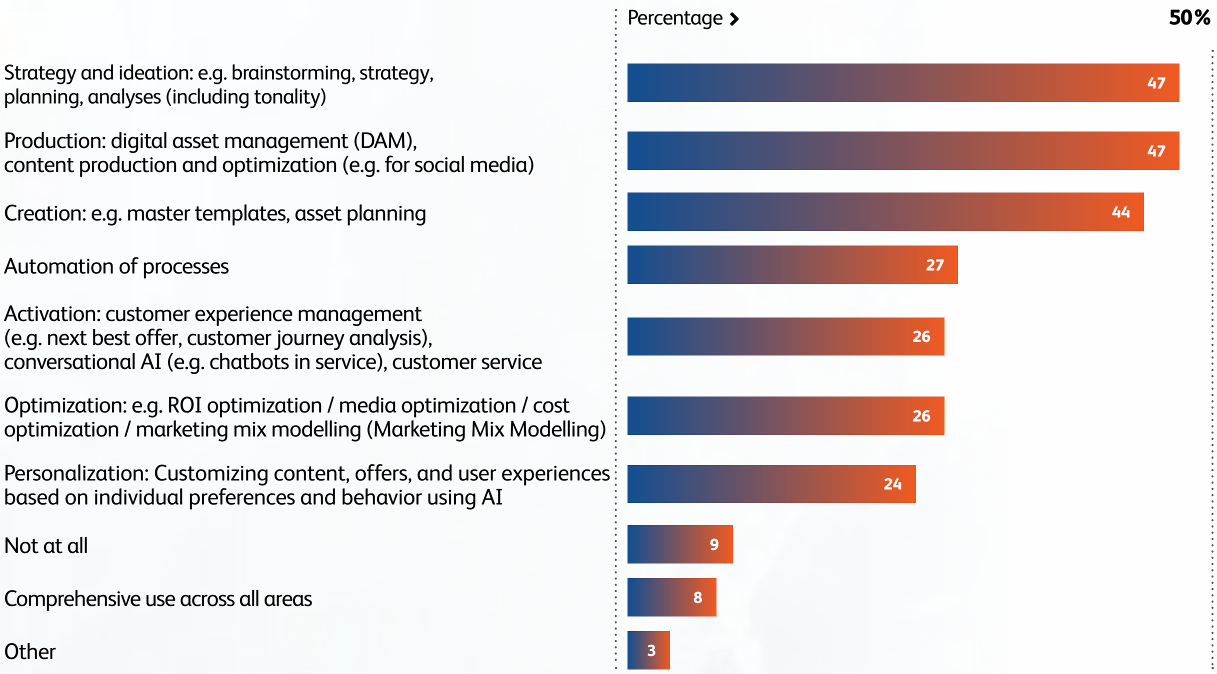

Figure 9 I Fields of application of AI in companies (Mult Response, in percent, n=1,698)

3 Noy, S.; Zhang, W.: Experimental Evidence on the Productivity Effects of Generative Artificial Intelligence, MIT, Boston, March 2, 2023; AI Geek: An AI Engineer's Guide to Machine Learning and Generative AI. Everything you need to know about the underlying ideas, scientific innovations, & technologies that are powering modern AI; in: Medium, October 3, 2023.

4 Manning, S.; Mishkin, P.; Rock, D.; Eloundou, T.: GPTs are GPTs: An Early Look at the Labor Market Impact, Potential of Large Language Models, University of Pennsylvania, March 21, 2023.

The most important challenges on the company side are:

- A lack of **detailed application expertise** (41 %).
- **Integration** with other applications (34 %).
- Dealing with a sea with currently **more than 4,000 dedicated AI applications** in marketing (33 %; Figure 10). [5]

Beneath aspirational headlines and explosive technical advances, AI projects have a poor track record as of today. Analysts unanimously estimate up to 85 % of AI projects fail before or after deployment, which is double the rate for software.[6] The problems in the implementation are rather the projection screen for other challenges such as an insufficient project set-up, a lack of focus on business issues to be solved, problems in the operational processes or even an insufficiently detailed requirements engineering in terms of content and details. Success or failure is usually already anchored in the project DNA "by definition" at the start of the project. Overall, only 9 % of marketing managers state that they have invested sufficient time in all phases and fields of action.

The most common challenges and mistakes in AI projects are accordingly (Figure 10):[7]

- **Knowledge:** insufficient knowledge about business benefits and AI application scenarios as well as insufficient insight of those involved regarding the intended overall system and very often missing or insufficient knowledge in the business area about detailed process flows and the resulting requirements for an AI scenario (41 %).
- The **integration** of different systems with each other (34 %).
- Or simply **the high number of AI tools** in the market, mostly overlapping in functions and use cases covered (33 %).

5 Strauß, R.; Thierbach, C.; Riemersma, F.: Marketing Agenda 2024, Hamburg 2024.
6 Bojinov, I.: Keep Your AI Projects on Track, in: Harvard Business Review, November-December 2023.
7 Liu; E.: Why Do AI Projects Fail?, in: Towards Data Science, April 30, 2024; Iris AI Innovations: Why Do AI Projects Fail? A Deep Dive into the 85 % Failure Rate, in: Medium, July 29, 2024; Ferguson, P.: Why AI Projects Fail and How to Ensure Success. Strategies for success in AI implementation, in: Clearlead AI, June 25, 2024.

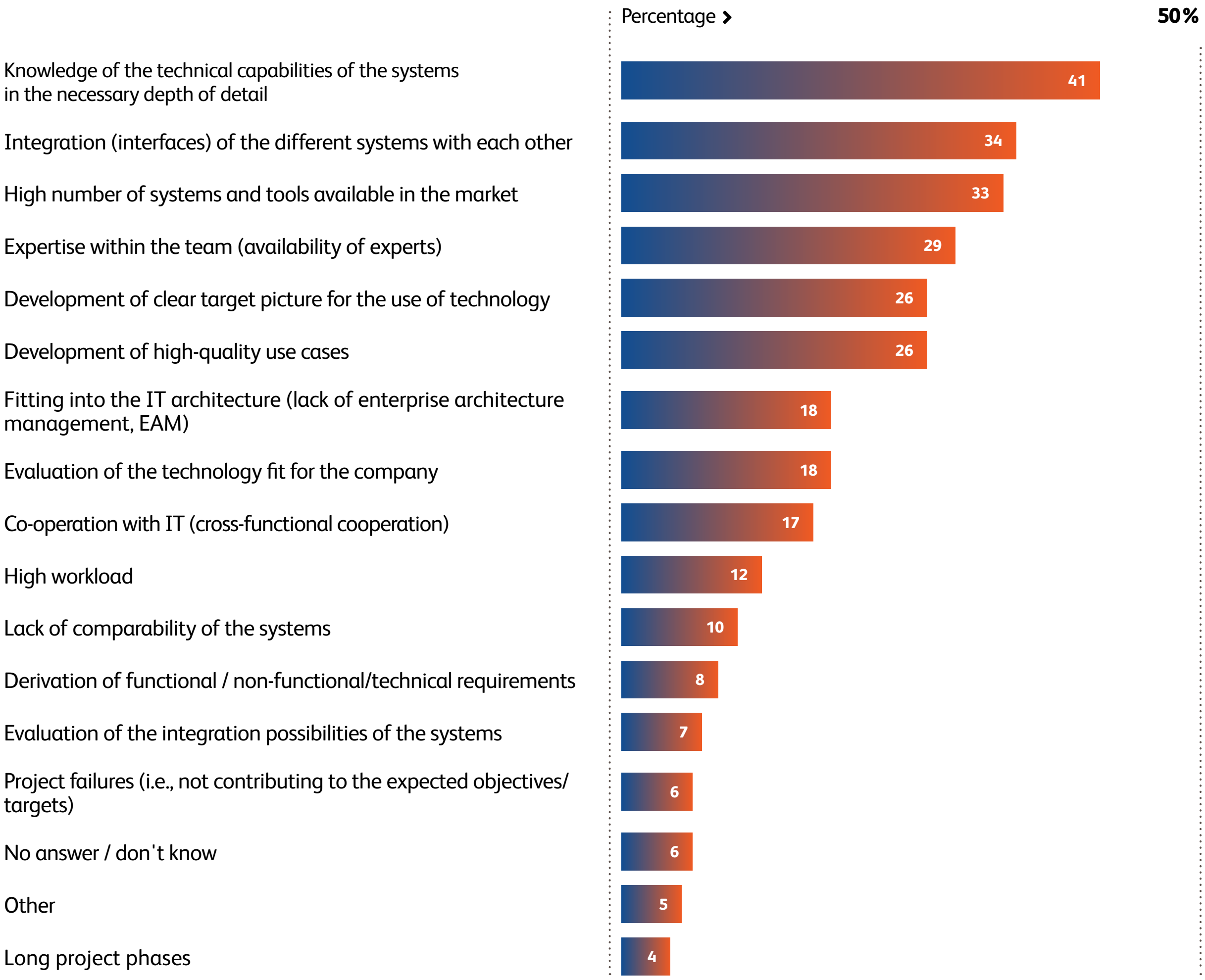

Figure 10 | Challenges when using artificial intelligence (AI or machine learning) in marketing, sales and service (Mult Response, in percent, n=1,698)

It is foreseeable that AI application scenarios will become an integral part of other applications in the areas of CRM, social media management and Digital Asset Management (DAM). The myriads of possible application scenarios ranges from digital voice assistants (such as *Google Assistant*), big data analytics (e.g. for pattern recognition in user behaviour), the classification of websites and advertising content according to relevance, hyper targeting and (content) personalization, chatbots in customer service, next best action or offer in marketing automation, price optimization or even personalized content or content creation.

The multitude of available IT applications means that the functions and possible application scenarios in the field of AI can hardly be overlooked. Due to a lack of knowledge of the detailed possibilities and fit into the existing process and application landscape, a hot-blooded, albeit irrelevant, discussion about functions and features of the respective tools arises. From a management perspective, this leads to concerns about:

- **Data protection and data security:** by disclosing sensitive company data, which leads to the creation of an AI manifesto and guidelines, among other things.
- **Security risk (prompt injection):** manipulating AI responses through malicious input.
- **Validation and avoidance of hallucinations:** Ensuring the accuracy of AI-generated content and preventing "hallucinations".
- **Reputational risk:** through misuse or misinterpretation of AI-generated content.
- **Compliance with legal regulations:** Compliance with the evolving legal framework for the use of AI as "unchartered territory".
- **Ethical use:** in line with the company's values and social norms.

Contrary to expectations, the hype has not yet led to a third of companies in Europe establishing a dedicated organizational unit. Instead, a mixture of central coordination and decentralized projects usually dominates (20 %; Figure 11).

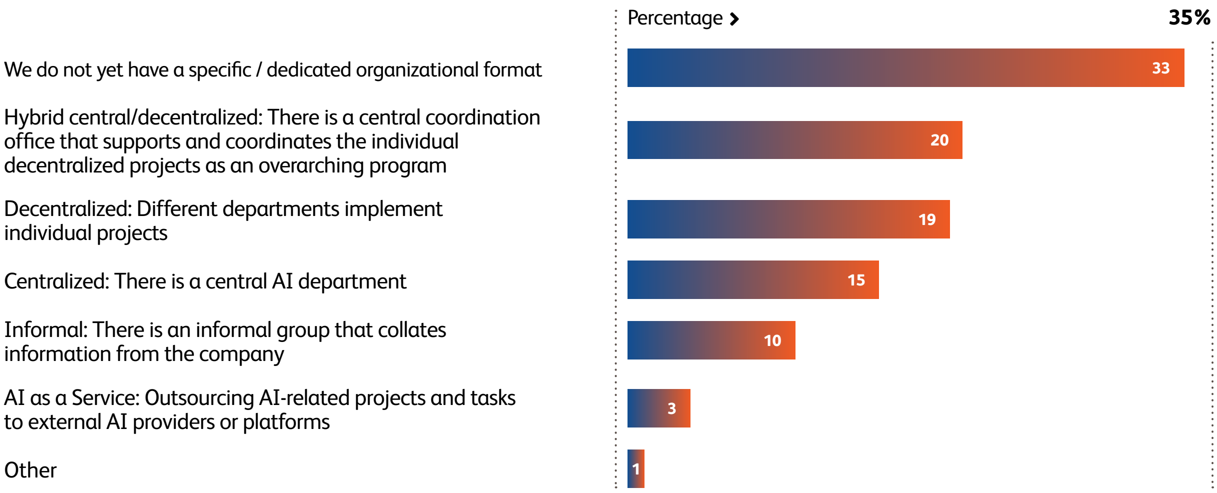

Figure 11 | Organisation of AI in European companies (in percent, n=1,698)

The "AI Walk of Fame" is based on a cross-functional approach across the "People", "Process" and "Technology" levels.8 These benefit from constant management support and a culture that promotes innovation (Figure 12). Pioneers have already laid the foundations in the form of defined process models for the use of new technologies and have introduced AI on a broad basis. Thanks to proactive and rapid introduction throughout the company, they are more likely to be able to monetise the potential of GenAI, for example.

		Fast Followers	Pioneers
People	**Training**	Just in time/point of use. Upfront, mandatory.	
	Access	Narrow access. Limited to few.	Enterprise-wide access.
	Talent	Insource + outsource.	Heavily leaning into building the expertise (e.g. hire AI/ML engineers)
Process	**Use Cases**	Back office, co-pilots, narrow, low-stakes, nonrevenue driving functions.	Front & Backoffice, full process automation. Use cases across the org, higher stakes functions.
	Documentation	Keeping documentation of all inputs and outputs for audit and monitoring purposes.	
	Approvals	Utilizing sandbox environments to test and learn before approval.	Approving pilots on a use-case basis.
Technology	**App Control**	Waiting for controls in place.	Adopting and then monitoring usage to inform governance protocol.
	Models	Hyper-scalers such as OpenAI and Bard.	Open-source and specialty models. Building LLM in-house.
	Vendors	Adopting governance processes from OpenAI/Microsoft/Azure.	Creating governance protocol in house and utilizing startups and consultants to accelerate.

Figure 12 | Differences between fast followers and pioneers in the use of AI[9]

8 Ardent Venture Partners: Best Practices from 50+ Fortune 1,000 Industry Leaders on Managing Generative AI Governance and Risk, in: Medium, November 29, 2023.

9 Ardent Venture Partners: Best Practices from 50+ Fortune 1,000 Industry Leaders on Managing Generative AI Governance and Risk, in: Medium, November 29, 2023.


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NO PARKING ON THE AI DANCEFLOOR …

AGENTIC AI ANTE PORTAS

AI agents will shape the next evolutionary development phase of AI, with the ability to act autonomously and solve more complex problems. With the rise of AI agents, we are witnessing a seismic shift in the way we approach work, and it's changing everything. The next wave of AI is waiting already around the corner. In its essence, AI agents are software programs that interact with their environment, process data, and make autonomous decisions. They are designed to perform specific tasks, and they can operate independently or collaboratively with humans. AI agents work by using sensors to perceive their environment, processing data, and making decisions based on that data. They can learn from experience, adapt to new situations, and improve their performance over time. AI agents can be integrated with various systems, such as databases, APIs, and messaging platforms, to access and process data.

There are several types of AI agents, each with its own strengths and weaknesses:[10]

- **Simple Reflex Agents**: These agents don't remember past experiences and make judgements based on the present moment. They're useful for simple tasks, such as responding to customer inquiries or performing routine maintenance tasks.
- **Model-Based Reflex Agents**: These agents maintain an internal model of the environment to make decisions. They're useful for tasks that require understanding of the context and relationships between different variables.
- **Goal-Based Agents**: These agents focus on achieving specific goals and don't rely on memory. They're useful for tasks that require achieving a specific outcome, such as optimizing a process or maximizing revenue.
- **Utility-Based Agents**: These agents make decisions based on utility functions that maximize outcomes. They're useful for tasks that require balancing competing objectives, such as resource allocation or portfolio optimization.
- **Learning Agents**: These agents use machine learning to improve decision-making over time. They're useful for tasks that require adapting to changing environments or learning from experience.

10 Subramanian, H. S.: The Rise of AI Agents: Revolutionising Productivity and Automation, in: Level Up Coding, October 3, 2024.

AI agents offer several benefits across all customer interactions, including:[11]

- **Automation**: AI agents can automate repetitive and mundane tasks.
- **Improved Productivity**: AI agents can process data faster and more accurately. AI agents that create micro software programs on-the-fly to fulfil requests - often without the person requesting even being aware that a software program was written and executed on their behalf - are the next stage of the democratization of software development.
- **Better Decision-Making**: AI agents can analyse large amounts of data and make decisions based on patterns and trends.
- **Enhanced Customer Experience**: AI agents can provide personalized customer service, respond to customer inquiries, and offer tailored recommendations such as Next Best Offers (NBO).
- **Cost Savings**: AI agents can reduce labour costs, minimize errors, and optimize resource allocation.

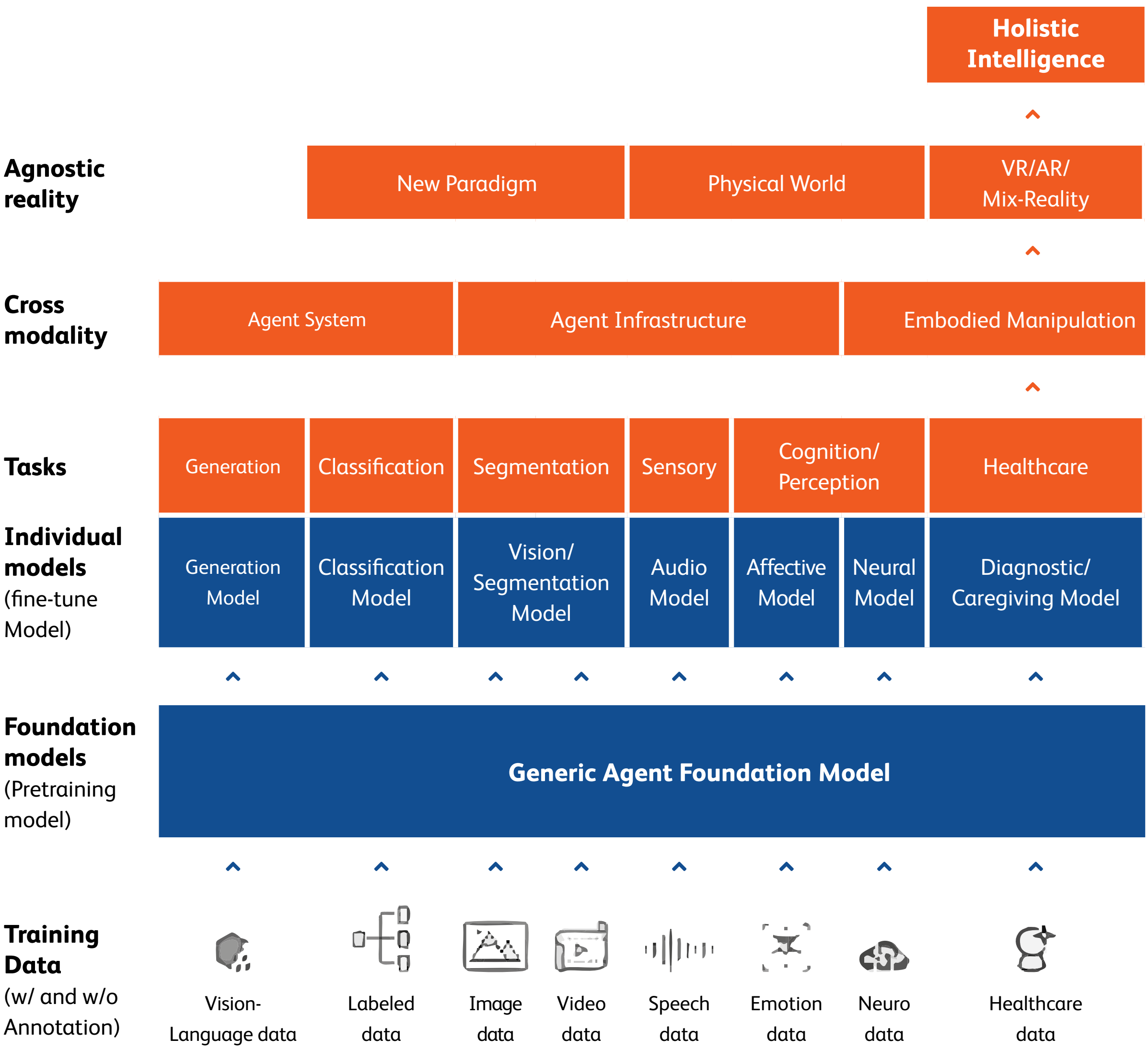


Figure 13 | Overview of Agent AI System.

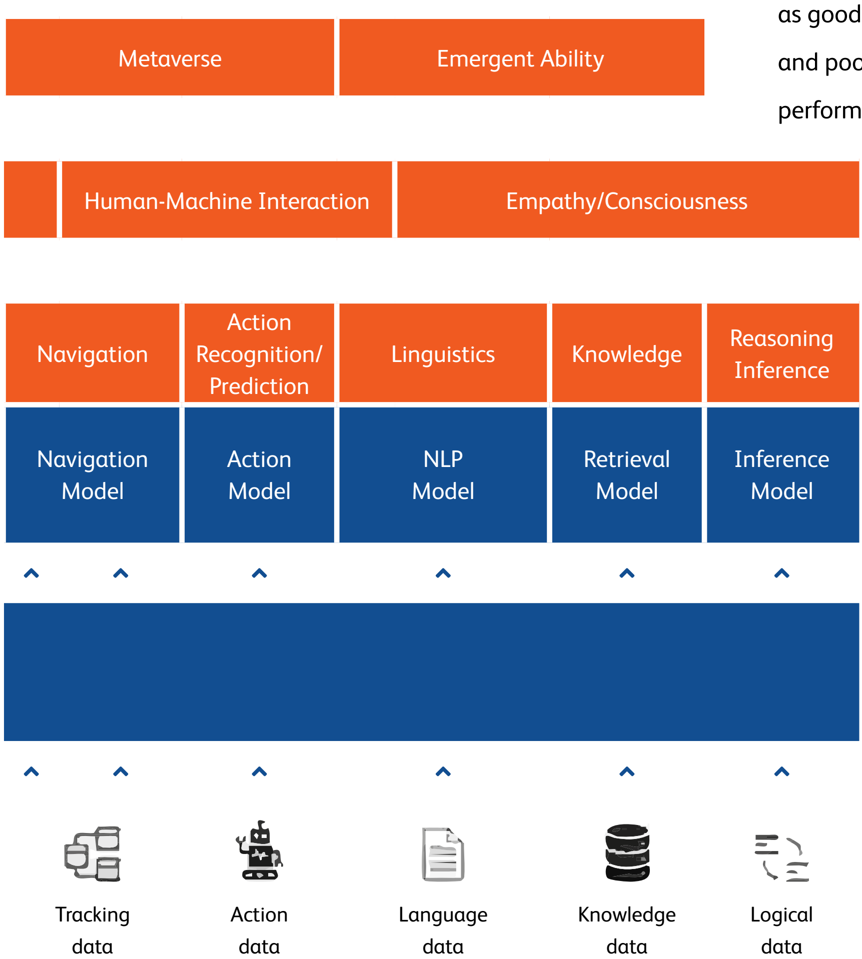
11 Strauß, R.: AI Start-Up Bootcamp 2024, Summary, Hamburg 2024.

Large Language Models (LLMs), such as *Google's Gemini* and *OpenAI's GPT-4*, are the "brains" behind many AI agents; these models work across different application scenarios and industry use cases (Figure 13):[12]

- **Natural Language Understanding**: LLMs can comprehend not only the content of sentences, but also complex linguistic features like context, tone, sarcasm, and jargon. This allows them to understand instructions in natural language and make sense of the information they encounter.
- **Language Generation**: LLMs can generate fluent and coherent text and audio, adapting their style and tone to suit different contexts and voices.
- **Reasoning and Problem-Solving**: LLMs are capable of complex reasoning. They can solve problems that require understanding of the context and applying knowledge learned during training.

While AI agents offer many benefits, there are also some challenges to consider:

- **Data Bias:** AI agents can perpetuate biases in the data they're trained on, leading to unfair outcomes.
- **Lack of Accountability:** AI agents are just code, and they can't be held accountable for their actions.
- **Code Modifications:** Changes to the code can introduce new bugs and affect agent performance.
- **Lack of Transparency:** AI agents can make decisions that are difficult to understand or explain.
- **Dependence on Data Quality:** AI agents are only as good as the data they're trained on, and poor data quality can lead to poor performance.



12 Sweenor, D. The Rise of AI Agents: Harnessing Autonomous AI to Drive Business Results, in: Medium, July 9, 2024.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ORGANISATION
AS A “PERMANENT DIGITAL CONSTRUCTION SITE”

As in previous years, organisational performance is attracting a great deal of attention, for the establishment of a holistic customer experience or channel management (Figure 14). While traditional structures are geared towards the status quo and optimised, new forms of organisation are trying to make change and adaptability the structural core and develop maximum innovative strength. Against this backdrop, a trend towards **insourcing** has been observed for around two years, with specialised expertise being built up in separate departments. In other words, the future of the marketing organisation is likely to be more centralised, with a high degree of internal vertical integration and the centralised provision of processes and IT platforms, with all the consequences for both the internal organisation and external partners (agencies). The focus is on end-to-end processes for efficient customer interaction and collaboration with IT. The establishment of a "project management couple" has proven to be efficient for the collaboration between the marketing department and IT across various projects: The specialist department and IT manage the project with joint, cross-functional responsibility. The advantage: joint responsibility for both the "what" and the "how", for example, in higher-value use cases such as the management of individual touchpoints or marketing mix modelling.

Figure 14 | Evaluation of the Marketing and Sales Organisation (Top Boxes, n=1,018)

The focus of organisational design is therefore on setting framework conditions for the implementation of self-organisation, such as planning and information systems, salary systems or the management structure. Hierarchical supervisor roles usually undergo a lasting change in the implementation of self-organisation compared to previous influence and design options: The management of self-organising units' changes to the role of a "facilitator" along the value creation and learning processes, and is limited to setting the formal framework conditions to enable

"LEADING OTHERS TO LEAD THEMSELVES."[13]

This implies a higher proportion of self-organisation and "fail faster" instead of traditional Roman autocracy and a strict orientation towards rigid hierarchical bureaucratic structures.

The aim of organisational design measures around **management and corporate culture** is to ensure organisational flexibility. The focus is on increasing the speed of decision-making for operational and strategic tasks that arise. While the industrial age was still characterised by "authoritarian leadership through hierarchical power", the demands on leadership are changing dramatically. In the mechanistic and deterministic image of leadership and organisation, employees were required to turn up on time, complete their (largely) predetermined tasks in a disciplined manner and exchange as little information as possible with colleagues in carefully demarcated cubicles. Since the 1960s, concepts and analysis of leadership and organisational development, for example in the context of organisational learning or cross-functional teamwork, have increasingly found their way into everyday corporate life.[14] Agility is currently the greatest source of hope when it comes to countering the dynamics of disruptive change. In the *State of Agile Marketing Report*, more than 50 % of companies regularly state that they have implemented elements of agile working.[15] However, the well-known agile methods and processes such as Scrum, Kanban and Design Thinking only address the team level, while the underlying organisational models remain in hierarchical agony. A mixture that leads to problems. No matter how well teams can work exploratively and complete their tasks in a self-organised manner, they inevitably clash with structures and management routines that still follow an old pattern, including silo thinking and coordination deficits. This puts the marketing organisation and employee motivation to the test. Agile organisational models are therefore in demand. However, their key feature is to dissolve rigid hierarchies. However, these are too deeply rooted in many companies to be easily abolished without overburdening those involved and the organisation as a whole. In addition, there are areas in many companies that still need hierarchies to function. Quick and radical approaches are therefore hardly an option even if they are often called for by "Wannabe New Work apostles".[16]

13 Manz, C. C.; Sims, H. P. Jr.: SuperLeadership. Leading others to lead themselves, New York 1989.
14 Manz, C. C.: Self-Leading Work Teams: Moving Beyond Self-Management Myths, in: Human Relations, Vol. 45 (1992), No. 11, pp. 1119 - 1140; Manz, C. C.; Sims, H. P. jr.: Self-Management as a Substitute for Leadership: a Social Learning Theory Perspective, in: Academy of Management Review, Vol. 5 (1980), No. 3, pp. 361 - 367; Tjosvold, D.: Making a Technological Innovation Work: Collaboration to Solve Problems, in: Human Relations, Vol. 43 (1990), No. 11, pp. 1117 - 1131.
15 Fryrear, A.: Agile Acceleration: 4th Annual State of Agile Marketing Report, Agile Sherpas, April 2021.
16 Strauss, R.: Data-Driven Customer Engagement. Mastering MarTech Strategies for Success, Heidelberg 2024.

In contrast to the hierarchical coordination mechanisms that are often found, **self-organisation** opens up a wide range of options for the realisation of digital organisations and a "digital culture":

- **Relieving** the otherwise necessary hierarchical coordination and thus reducing formal, vertical communication processes.
- Increasing employee **motivation**, stimulating additional joint learning processes ("organisational learning").
- Increases the **flexibility** of the organisation.

The practical implementation of **self-organisation** takes various **forms**, from (Figure 15):

- **Self-management**: The responsibility of employees extends not only to the correct execution of (hierarchically) assigned tasks, but also to the permanent monitoring and control of task execution along the overarching processes; this is associated with self-coordination between different members of a working group for the distribution of tasks within the group.
- **Self-structuring**: Organisational members also have the opportunity to independently define and design the organisational structure and the interfaces to other groups (such as IT or category management).
- up to the **unit setting its own goals**: realistically reserved for participative goal setting, usually at management level.

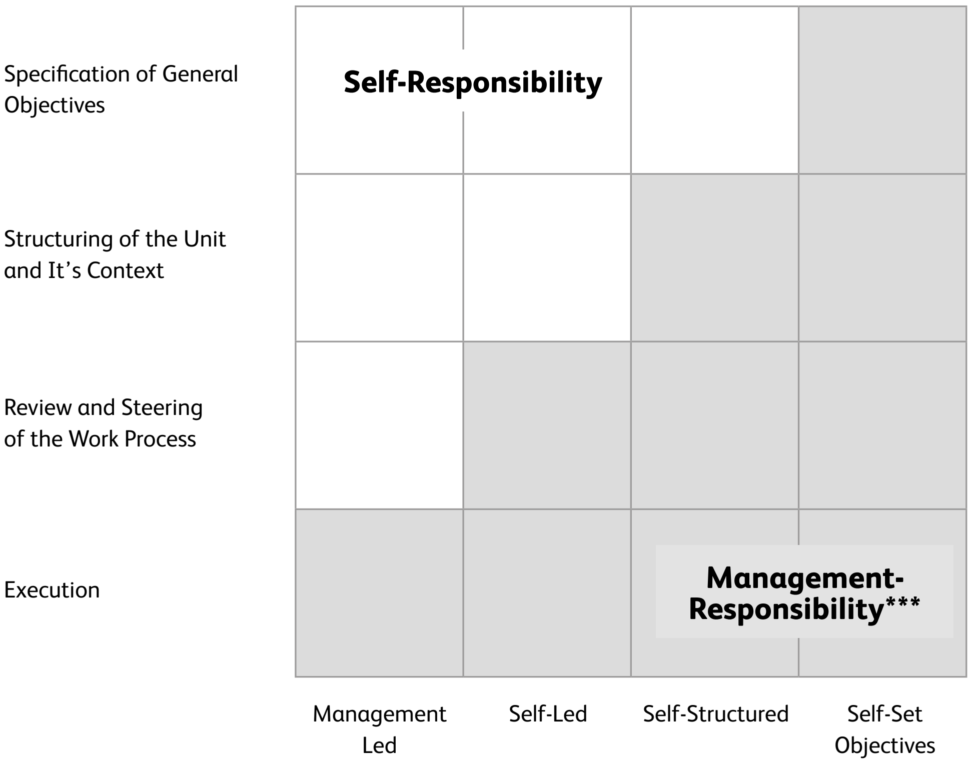

Figure 15 | Forms of self-organisation[17]

17 Hackman, J. R.: The Psychology of Self-Management in Organisations, in: Pallak, M. S.; Perloff, R. O. (eds.): Psychology and Work: Productivity, Change, Employment, Washington 1986, pp. 89 - 139.

The accompanying interviews and projects show that:

- After a phase of the “agile saviour”, **agility** is not or cannot be a panacea for everything.
- "Agility" is often intuitively equated with "chaos", even though agile collaboration methods also require a high degree of **“ownership”**.
- It becomes clear that agility has a lot to do with **“mindset”** and that “mindset” is often confused with “method” (such as Scrum).
- **Self-organisation and fast processes** tend to be thwarted by existing management and incentivisation processes and systems.
- Agile tends to be seen as “chic” and “hip” without being based on **systematic success criteria** as in Objectives and Key Results (OKR).
- The focus in the implementation of agile principles is primarily on **daily stand-ups, user stories and retrospectives**.[18]
- Principles of agility can **hardly be taught in a one-day seminar** and learning success can hardly be measured solely by the volume of sticky post-its.

The mantra of **agile working** is therefore currently the greatest source of hope when it comes to countering the dynamics of disruptive change (Figure 16). Agile marketing is based on principles such as self-organisation, learning through mistakes, simplicity and transparency.[19]

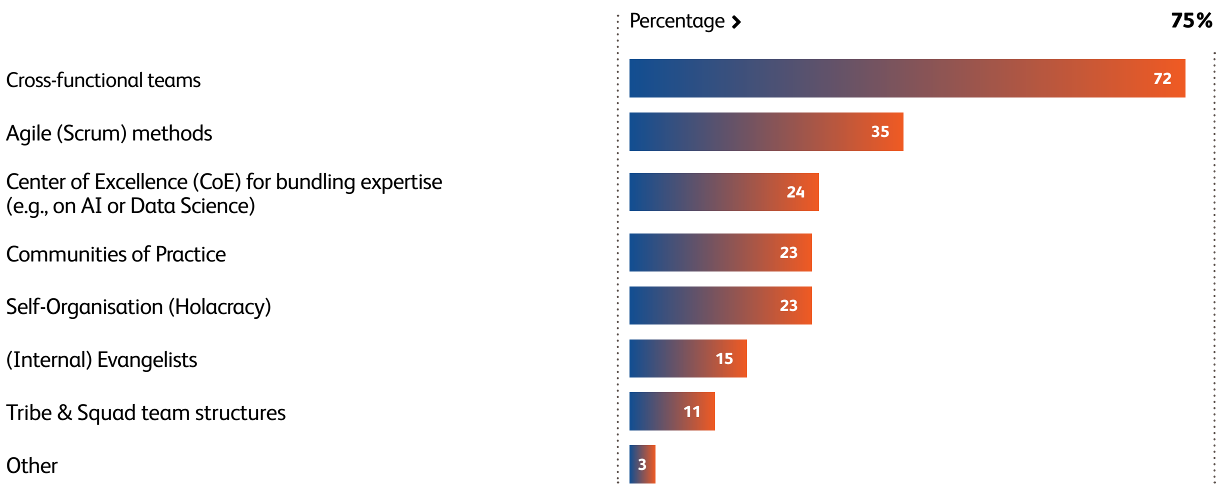

Figure 16 | Concepts in Organisational Design (Top Boxes, n=1,006)

18 Fryrear, A.: Agile Acceleration: 4th Annual State of Agile Marketing Report, Agile Sherpas, April 2021.
19 Agile Marketing Manifesto, 29.10.2021; Ackermann, S.: Living the 10 principles of agile marketing, in: MarTech, 26 November 2021; Strauß, R. E.: Determinanten und Dynamik des organisationalen Lernens, Wiesbaden 1996.

Portugal, Slovenia, Switzerland and the UK "come out" as supporters of self-organisation (Figure 17).

Prio.	Austria	Germany	Hungary	Lithuania	Netherlands
1	Cross-functional teams (75 %)	Cross-functional teams (87 %)	Cross-functional teams (58 %)	Cross-functional teams (74 %)	Cross-functional teams (56 %)
2	Agile (Scrum) methods (40 %)	Agile (Scrum) methods (38 %)	Communities of Practice (30 %)	Agile (Scrum) methods (22 %)	Agile (Scrum) methods (41 %)
3	Self-organisation (Holacracy) 25 %	Communities of Practice (30 %)	Agile (Scrum) methods (22 %)	Self-organisation (Holacracy) 20 %	Centre of Excellence (CoE) for bundling expertise (e.g., on AI or Data Science, 37 %)

Prio.	Portugal	Slovenia	Switzerland	UK
1	Cross-functional teams (57 %)	Cross-functional teams (76 %)	Cross-functional teams (56 %)	Cross-functional teams (66 %)
2	Self-organisation (Holacracy, 34 %)	Self-organisation (Holacracy, 32 %)	Self-organisation (Holacracy, 46 %)	Self-organisation (Holacracy, 20 %)
3	Communities of Practice (19 %)	Communities of Practice (22 %)	Communities of Practice (27 %)	Centre of Excellence (CoE) for bundling expertise (e.g., on AI or Data Science, 20 %)

Figure 17 | Comparison of the organisational concepts used between the countries in Europe in 2025 (Mult Response, in percent, n = 891, statistically significant)

Action heroes with new, digital competences are needed who are supposed to fix things but, without any influence or budgets, therefore run the risk of getting caught between the worlds. The challenge: to prevent new hires from being “streamlined” by corporate culture and leadership behaviour, and forcing the reproduction of adapted “corporate soldiers” or “clone warriors”, which seems to require a change in leadership culture.

It is therefore even more surprising that managers themselves - as well as companies - make comparatively little effort to build up the necessary competences, for example through training (Figure 18). The topic is rarely addressed systematically and in a structured manner in training programmes. In some cases, "fig leaf" training is provided, but then more on "fancy lifestyle" topics such as "digital life".

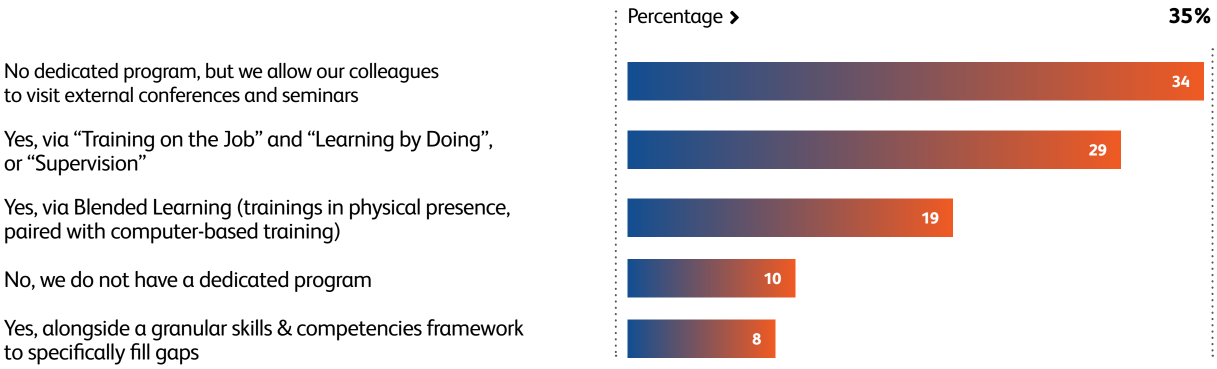

Figure 18 | Dedicated programme & budgets for enhancing skills & competencies (n=1.006)

The almost schizophrenic chicken-and-egg problem: the exchange of experience requires experienced and competent dialogue partners which, however, can hardly exist without a corresponding system and the teaching of specific skills. In the opinion of decision-makers, further postponement of the training requirements that are unanimously proclaimed as necessary goes hand in hand with the risk of recklessly gambling away existing competitive advantages. The (fig leaf) will is there, but the (implementing) flesh is hardly willing (Figure 19).

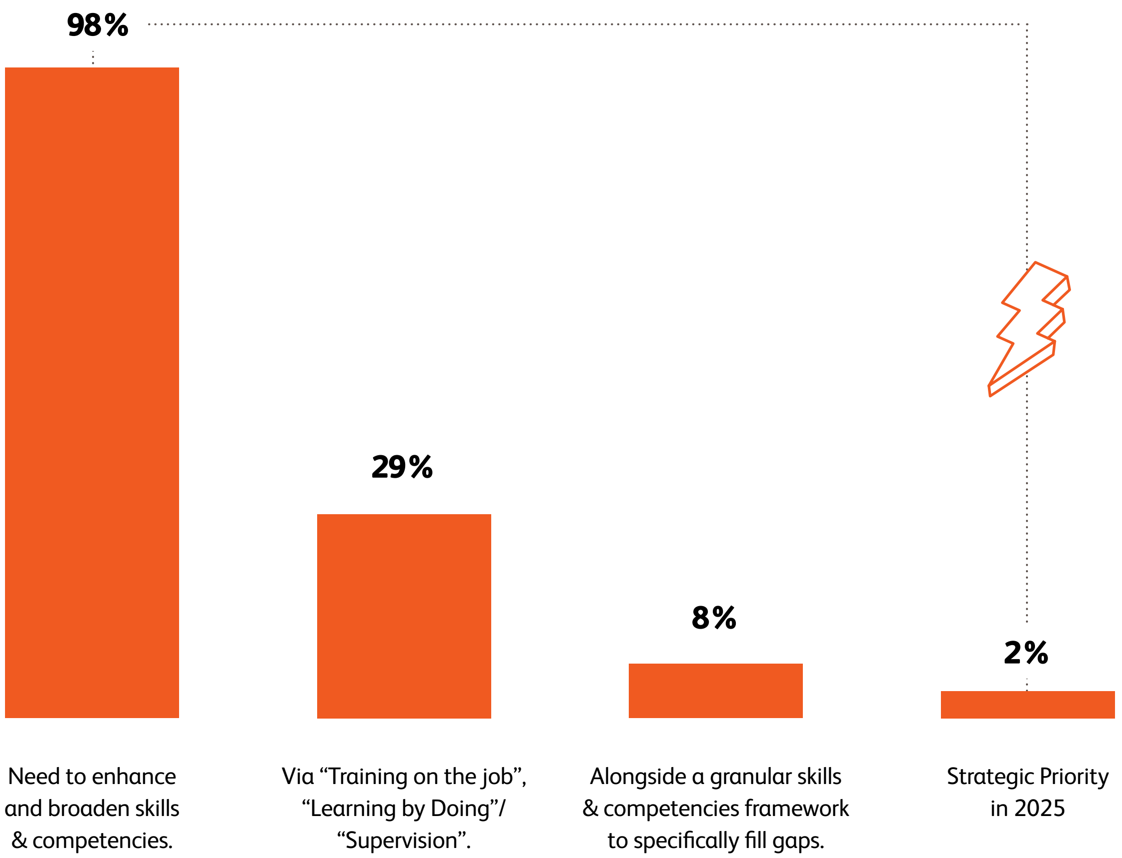

Figure 19 | Differences between articulated importance of training and enhanced skills & competencies vs. program & budgets for enhancing skills & competencies in reality (different sample sizes, n=1.284, n=1.006)


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PROJECT MANAGEMENT RELOADED

The most common mistakes in the development of strategies and their implementation are just as complex as they are diverse in their causes and effects (Figure 20):[20]

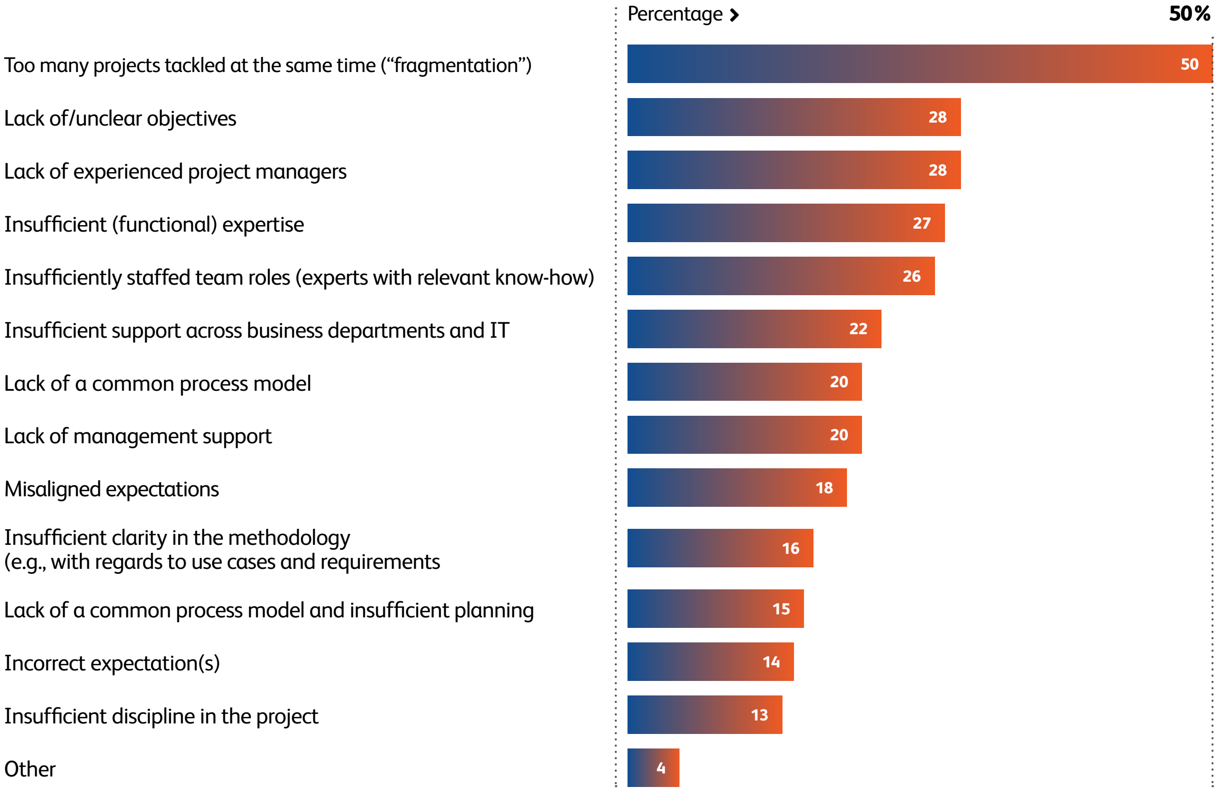

Figure 20 | Biggest challenges in strategy development and implementation (n=984)

20 Strauß, R.; Thierbach, C.; Riemersma, F.: Marketing Tech Monitor 2024, Hamburg 2024.

- "**Too much, too soon" (50%):** Too many projects are tackled at the same time, which inevitably leads to "bogging down". Multitasking may have long since become obsolete as proof of personal commitment, but it usually has fatal consequences for the quality of individual projects and the state of mind of those involved in the project.

- **Experienced project managers (project management, 28%):** Inadequate management of people and resources, so that, for example, important key people and know-how carriers are not on board or can only allocate insufficient time to this project. Above all, prioritisation means deliberately not doing something.[21]

- **Lack of/unclear objectives (28%):** If you don't know the goal, no path is the right one: unclear objectives prevent effective project results from the outset. To paraphrase *Mark Twain*, the credo "*As soon as we lose sight of the goal, we redouble our efforts*" often applies.

- **Insufficient functional/technical expertise (27%):** inadequate knowledge and understanding as well as insufficient insight on the part of those involved regarding the desired overall system. And, very often, a lack of or insufficient knowledge in the specialist area about detailed process flows and the resulting requirements. To paraphrase *Napoleon*, "*Chance* may *be the only legitimate ruler of the universe*." ... but is hardly helpful for successful projects.

- **Insufficiently staffed team roles (26%):** In many cases, the role of the Scrum Master and Product Owner is underestimated. As a result, the roles are often not filled with dedicated people, or they lack the necessary qualifications. Here too, "availability" beats the criterion of "expertise" or "experience".

- **Politically motivated pro-forma staffing:** Due to political pressure, projects must be staffed, but this is done less based on competence and knowledge, and more according to the criterion of "dispensability" or "availability" of the seconded colleagues.

- **Lack of actual management support (20%):** beyond the steering committees, which are often dominated by their own internal and power-political interests.

- **Insufficient clarity in the methodology (16%):** For example, the required granularity and precision of use cases or even requirements.

- **"Youth In Research" ("Jugend forscht"):** Instead of experiential knowledge, the result is dominated by harsh *PowerPoint romanticism*, usually seconded by the lack of experienced project managers. In the projects, there is usually a positive correlation between insufficient experience and the depth of content vs. the number of pages of *PowerPoint charts* generated.

21 Nieto-Rodriguez, A.: How to Prioritize Your Company's Projects, in: Harvard Business Manager, December 13, 2016.

- **Communication:** Usually goes hand in hand with poor communication (and collaboration) between all parties involved.

- "**Head to toe":** insufficient support from the departments and IT involved. The reason: the justification ("reason why") and the responsibility, urgency and importance were not clearly communicated at employee level. The individual incentive for support - in addition to day-to-day business - remains rather vague.

- **Insufficient planning (15%):** Poor agile requirements engineering inevitably results in poor quality user stories. These are often not clearly described or incomplete, e.g. acceptance criteria are missing, or they do not correspond to the "Definition of Ready" adopted at the beginning. The same applies to buffers for unscheduled tasks such as coordination meetings, support or hotfixes, meaning that these must be cancelled as a result. Too tight, overambitious schedules and the (repeated) missing of milestones tend to lead to frustration on the part of the project participants.

- **False expectations (14%):** the idea that everything can be done faster and more cost-effectively with agility and Scrum, that proper project planning will become obsolete, that requirements can be changed "on demand" at any time or that the door to total control over all activities of all employees will be opened. "Downside" of agile methods: A substantive approach with maximum involvement of all employees and the overcoming of traditional maxims and patterns requires more time and effort, but at the same time is usually rewarded with higher quality results.

- **Lack of discipline (13%):** no timeboxing in planning and team meetings and insufficient moderation by the Scrum Master. As a result, the backlog of the current development sprint is not stable, new requirements are added several times or changed "on the fly". To avoid maximum confusion, teams usually fall back into traditional patterns such as completing tasks "on demand".

- **Agile is hip:** Even if the term "agile" suggests that there are no rigid guidelines, an agile process model (such as Scrum) is one of the most structured and rigid project methods of all.

- **Omitting important process steps:** An agile process model according to Scrum includes basic process steps such as refining, planning, daily stand-up, implementation, review and the retrospective. These process steps are essential for Scrum and cannot be omitted arbitrarily. A retrospective ensures learning from experience to improve both the process and the resulting product.

- **Documentation:** incorrect, incomplete or inaccurate documentation of requirements.

In other words, instead of lofty PowerPoint-driven platitudes, professional project structures with sufficient content/conceptual depth must be established to fulfil the promises of data-driven marketing with real-time customer interactions. In the words of the *alchemist*, "*There is only one way to learn … it's through action*".
In some cases, there are considerable differences between countries (Figure 21).

Prio.	Austria	Germany	Hungary	Lithuania	Netherlands
1	Too many projects tackled at the same time ("fragmentation", 53 %)	Lack of experienced project managers (47 %)	Too many projects tackled at the same time ("fragmentation", 57 %)	Insufficient (functional) expertise (37 %)	Too many projects tackled at the same time ("fragmentation", 62 %)
2	Lack of/unclear objectives (35 %)	Too many projects tackled at the same time ("fragmentation", 42 %)	Lack of a common process model (34 %)	Misaligned expectations (30 %)	Lack of/unclear objectives (46 %)
3	Insufficient (functional) expertise (27 %)	Insufficient support across business departments and IT (34 %)	Insufficiently staffed team roles (experts with relevant know-how, 28 %)	Lack of a common process model and insufficient planning (26 %)	Misaligned expectations (31 %)

Prio.	Portugal	Slovenia	Switzerland	UK
1	Insufficient (functional) expertise (31 %)	Lack of experienced project managers (31 %)	Too many projects tackled at the same time ("fragmentation", 59 %)	Too many projects tackled at the same time ("fragmentation", 54 %)
2	Insufficiently staffed team roles (experts with relevant know-how, 29 %)	Insufficient support across business departments and IT (26 %)	Misaligned expectations (29 %)	Lack of/unclear objectives (43 %)
3	Lack of a common process model (26 %)	Misaligned expectations (23 %)	Insufficient clarity in the methodology (e.g., with regards to use cases and requirement (25 %)	Lack of a common process model (24 %)

Figure 21 | Comparison of the greatest challenges in strategy development and implementation (projects) between the countries in Europe in 2025 (Mult Response, in percent, n = 872, statistically significant)


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ACROSS EUROPE

The cluster analysis across Europe demonstrates that the “Via Dolorosa” towards a data-driven, agile organisation is yet to come for almost half of the companies across Europe (Figure 22):

- **Cluster 1 (22%): Sales focused performers:** Small/medium-sized sales driven businesses. Strong focus on: **(1)** Focus on Sales and Performance Marketing: This cluster has a relatively high value for sales and performance marketing (0.71), indicating that these companies focus strongly on generating direct sales and measurable results. **(2)** Usage of AI in Marketing: a modest but significant use of AI in marketing. **(3)** Focus on Brand Management & Reach: suggesting these companies focus on brand awareness (Upper Funnel). Focus on awareness stage.

- **Cluster 2 (59%): Digital driven innovators:** Large-sized businesses focused usage of AI in marketing. Strong focus on: **(1)** Usage of AI in Marketing: The value of 0.49 is quite high, suggesting that these companies are significantly investing in AI for their marketing strategies. **(2)** Focus on Digitalization and Marketing Tech: Innovation in marketing technology is key. **(3)** Focus on Sales and Performance Marketing: Sales performance is also a key focus.

- **Cluster 3 (31%): AI-driven brand builders:** Micro/small-sized businesses focused usage of AI in marketing and brand oriented. Strong focus on: **(1)** Usage of AI in Marketing: The value of 0.45 is quite high, suggesting that these companies are significantly investing in AI for their marketing strategies. **(2)** Focus on Brand Management & Reach: suggesting these companies focus on brand awareness (Upper Funnel). Focus on awareness stage. **(3)** Focus on Marketing Operations: The value of 0.23 is the highest among the three clusters, indicating that these businesses pay significant attention to optimizing their marketing processes.

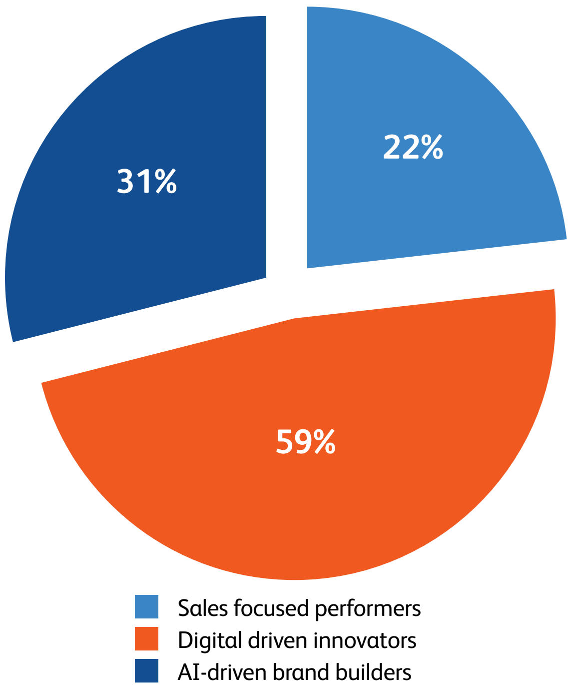

Figure 22 | Clusters of Companies Across Europe (n=1.522)

salesforce LUKKIEN

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