



The Growth Report 2023

The AI Edition

Brought to you by Twilio Segment



Contents

- 03 Introduction
- 06 Key findings
- 09 Methodology and data sources
- 11 **Finding 01:** AI is officially everywhere
- 18 **Finding 02:** AI is changing the marketing game
- 23 **Finding 03:** From data to dollars, AI is delivering real ROI
- 27 **Finding 04:** The key to unlocking AI? Quality data
- 33 Conclusion
- 35 Recommended reading

Introduction





More than meets the AI

When we published Twilio Segment's annual Growth Report last year, there was a looming elephant-sized recession in the room. Our survey results spoke to the growth at all-costs era being over. Respondents talked about scaling down, battening up, and doing more with less.

Fast forward 12 months, and we're hearing a similar refrain from our respondents. A recession is still feared. Layoffs have happened. Technology spending remains prudent. Companies have remained remote in favor of brick-and-mortar locations.

And yet...

In this year's survey, what was most apparent was a spirit of cautious optimism in the room; a resiliency. Yes, there are headwinds, but experimentation is still happening. New channels and technologies are being discovered. The 'at-all-costs' era may be over, but building for the future is alive and well.



Speaking of the future, AI emerged in this year's survey as the primary means by which businesses are looking to grow revenues and operate efficiently.

Despite being a concept over 50 years old, AI adoption has seen a meteoric rise in the workplace in the past 12 months. While there remain outstanding questions around privacy, intellectual property, and transparency, our survey shows that AI technologies are being embraced for everything from basic copywriting to sophisticated AI-powered algorithms.

In this year's Growth Report, we surveyed 2,450 marketing, CX, and data leaders from across industries to explore what it means to grow sustainably in 2023, and how companies are using AI to do just that.

Key findings



1. AI is officially everywhere

What once seemed like a far-off idea from the pages of science fiction has now blossomed into a global phenomenon. AI technology is transforming industries and touching every aspect of our lives, from personal devices to large-scale business operations. And it's not just talk; it's happening right before our eyes. AI adoption has grown exponentially, with 88% of businesses using some form of AI in their organization this year.

These same companies are putting their money where their mouth is, with **more than half of businesses (54%) expecting to spend more on AI-driven campaigns in the next 12 months**. In essence, the buzz you're hearing about AI is real – because AI is truly everywhere.

2. AI is changing the marketing game

Our survey showed the significant impact AI is having on the marketing department. **83% of businesses surveyed are already experimenting with AI across their marketing channels**.

Specifically, AI will be leveraged most by respondents in the form of automated chatbots (38% of our respondents already use them or are planning to in the next 12 months).

But chatbots are just the tip of the iceberg. Over a quarter (26%) of respondents are using AI to help build intelligent customer journeys for marketing campaigns, while 24% use AI to automatically create personalized product recommendations.



3. From data to dollars, AI is delivering real ROI

While there's a learning curve for many (22% say they need to experiment with AI further to form an opinion and 26% are still trying to understand where it will be most useful) the prevailing sentiment about AI at work leans towards optimism.

More than a quarter of those surveyed are optimistic AI will enhance marketing efforts, especially for tasks like content creation (41%) and research (36%).

But where does this optimism come from? It likely stems from the fact that **90% of organizations believe AI will deliver either time or cost savings for their business.**

4. The key to unlocking AI? Quality data

While the adoption and ROI of AI is clear from our survey, the organizational readiness for AI is not.

How data is collected and stored has an outsized effect on the success of any AI strategy, and **71% of our survey respondents feel like AI could be more useful with access to higher-quality data.**

Other organizational hurdles that emerged in our survey were a lack of employee training around AI applications, (38% of respondents), and concerns about data privacy. (28% of respondents)

Methodology

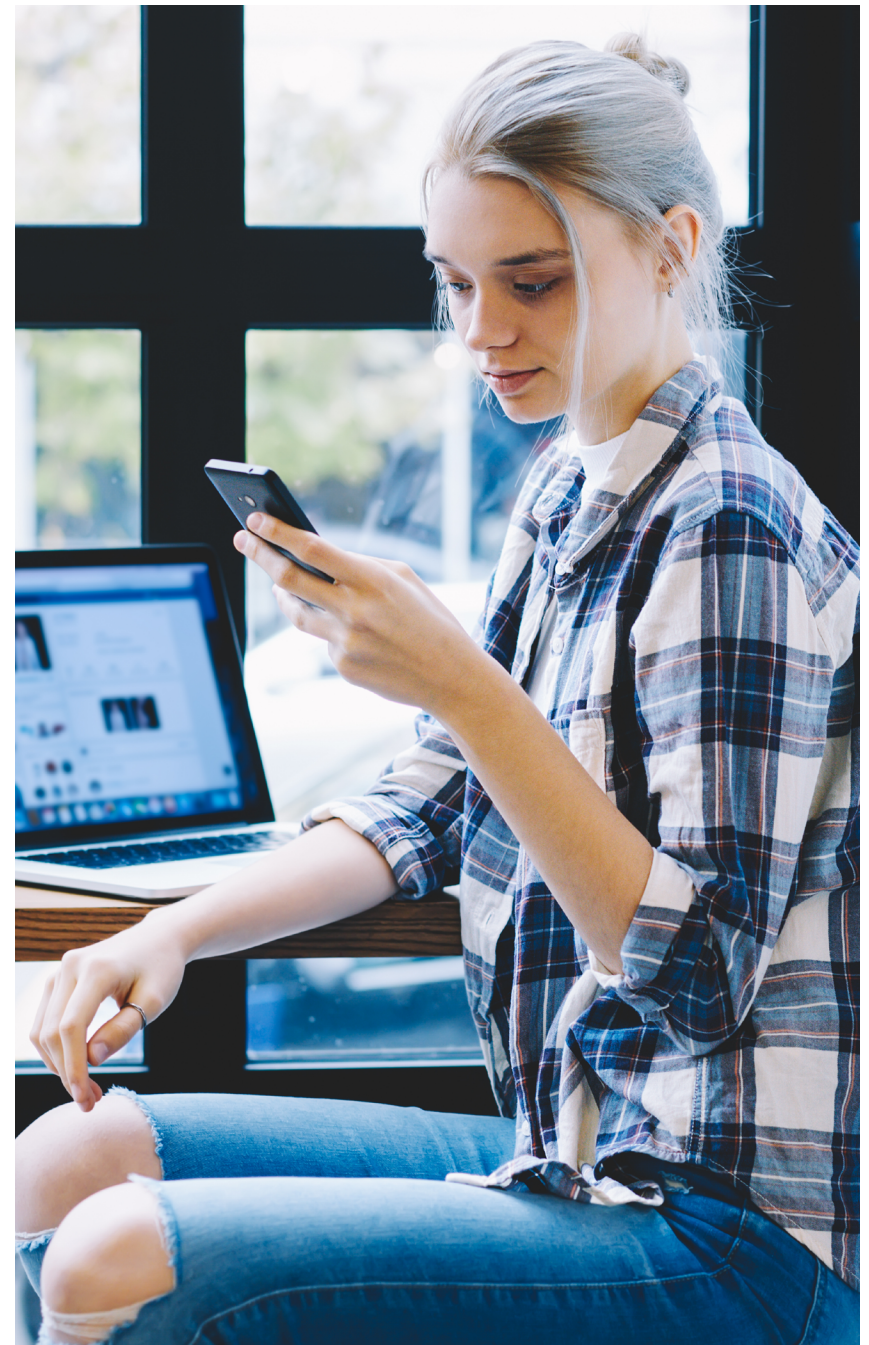
Methodology

Segment conducted this research using an online survey prepared by Method Research and distributed by Cint among n=2,450 full-time employees familiar with the company's growth strategy working in marketing, engineering, UX, product, and customer services roles at B2B companies with 75+ employees.

The sample consisted of n=1,000 respondents from the United States, n=300 from each of the United Kingdom, Brazil, Germany, and France; and n=250 from Australia. Data was collected from August 3 to August 30, 2023.

Disclaimer

This report, The Growth Report, contains statistical data, estimates, and expectations that are based on the above publicly available report. This data does not represent, and should not be construed as indicators of Twilio's historical or future financial performance or the actual or potential demand for Twilio's products and solutions, and such information is solely presented as context for broader market trends.



FINDING 01

AI is officially everywhere



Despite AI's nascent public availability, and some mixed economic signals, experimentation with AI tools and technology is already relatively common amongst our respondents.

This indicates that organizations are adopting these new tools in significant numbers, and are budgeting to spend more on them in the months ahead.

88%



of businesses are using some form of AI in their organization this year

64%



of businesses say they intend to adjust their strategy around AI in the next year

54%



expect to spend more on AI-driven campaigns in the next 12 months

CUSTOMER SPOTLIGHT

“We’re currently building an AI model to predict users’ propensity and readiness to upgrade to a paid version of our product. The AI model is trained on the product analytics data we collected through Segment. We plan to use Reverse ETL to bring the predictive score to our CRM for downstream actions such as nurtures and sales engagement. This is an exciting use case of AI-driven marketing operations with the power of Segment.”

Alan Zhang, Ph.D.

Head of Growth Analytics & Marketing Operations, Cisco

Signs of AI caution in EMEA

Despite **63%** of French businesses having increased their AI capabilities in the past 12 months, less than half (**48%**) expect to increase spending on AI-driven campaigns in the next 12 months.



The enthusiastic adoption of AI technology is mirrored in other parts of the technology stack too.

As reported earlier this year in our annual [CDP Report](#), the growth of “composability”, and the demand for applications to fill specific, business-critical needs has never been higher, and businesses are looking at their technology budgets with a growth mindset.

While some businesses are adding entirely new AI-related tools to their tech stack, others are expanding their existing capabilities with current vendors.

64%



of businesses will increase spending on technology in the next year

6%



say they expect to decrease their spending on marketing technology, a substantial drop from 2022 when 38% of businesses said the same

KEY INSIGHT

1 in 4 businesses are considering cutting customer relationship management systems (CRMs) in the coming year

Those looking to cut back on spending this year have one area squarely in mind – CRM.

The rise of CDP, and other warehouse-native tools, is quickly displacing what was once the “single source of truth” for your business.

24%



of respondents say they plan to simplify, remove, or reduce their CRM spend in the coming 12 months

REGIONAL SPOTLIGHT

US lags peers in technology spending for 2023

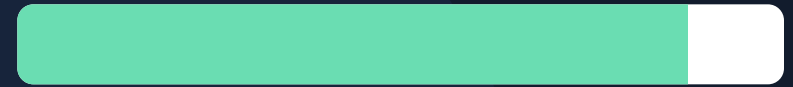
Our survey shows that other regions are catching up to the US with regards technology spending.

Just **58%** of US companies expect to increase spending on technology in the next 12 months, compared to **87%** of Brazilian companies, **73%** of Australian, **66%** of UK, **63%** of German, and **52%** of French.

USA: 58%



Brazil: 87%



Australia: 73%



UK: 66%



Germany: 63%



France: 52%



FINDING 02

AI is changing the marketing game



While AI has gained a strong foothold across organizations, it has forged strongest roots in departments such as marketing and customer experience.

Whether it's generative AI's ability to support real-time interactions with customers, or predictive AI's ability to make informed, personalized recommendations, businesses are relying on AI for measurable, revenue-generating outcomes.

83%



of businesses are experimenting with AI on their marketing channels

Chatbots are the most common way businesses expect to use AI automation

38%

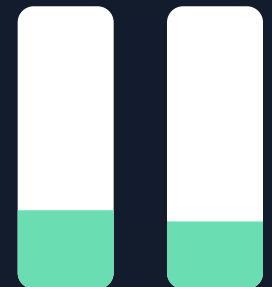


of businesses reporting they'll use chatbots

Other commonly reported use cases are using AI to help build intelligent customer journeys (26%), followed by using AI to automatically create personalized product recommendations (24%)

26%

24%

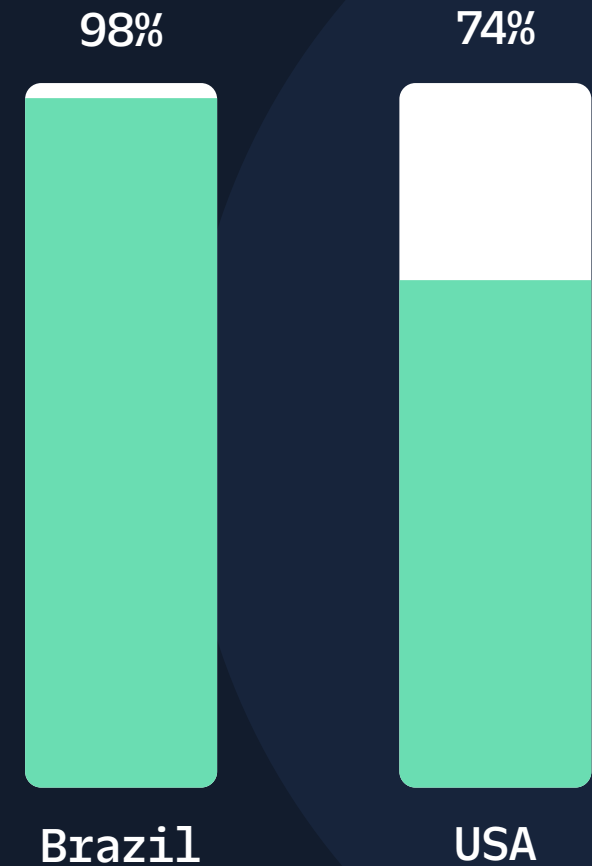


REGIONAL SPOTLIGHT

Brazil leads Latin America in AI adoption

An astonishing **98%** of Brazilian businesses surveyed are experimenting with AI on marketing channels – more than any other country.

The country with the lowest rate of AI experimentation on marketing channels? The US, where **74%** are experimenting, below the global average.



The conversation around AI is advancing quickly within organizations, with capabilities becoming much more sophisticated than expected in a short space of time.

While generative AI tools (from ChatGPT to DALL-E) have garnered the majority of the headlines, our survey shows that businesses are actively using predictive AI* in greater numbers.

This underscores the extent to which AI has transitioned from a fun thought experiment to a core business decision engine.

*Predictive AI – using historical and current data to extrapolate patterns and provide recommendations on future customer actions.

34%



of respondents are currently using predictive AI, with another 24% using generative AI

17%



of respondents say they don't use AI in their job

KEY INSIGHT

The most common obstacle to AI use? Employee training

Despite the explosive growth of AI, several roadblocks remain.

38%



of companies, a lack of employee training is the biggest obstacle to their AI adoption and use


28%



cite concerns around data privacy

FINDING 03

From data to dollars, AI is delivering real ROI

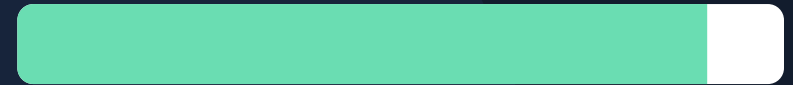


The trend of businesses amplifying their investment in AI signifies more than just a passing inclination.

Our survey showed that bold bets in AI undertaken over the past year are delivering significant benefits across four main areas – time or cost savings, process improvement, increased customer satisfaction, and competitive advantage.

This shows that businesses are keenly eyeing strategic benefits (better customer experiences and differentiation) but also leveraging AI to fuel efficiency (automation and time savings).

90%



of organizations believe that AI will deliver either time or cost savings for their business

66%



believe that customers will welcome the use of AI in their marketing efforts if it delivers better service and experiences

CUSTOMER SPOTLIGHT

“We recently launched AI-based product recommendations using Twilio Segment data and saw a 13% increase in order conversions.”

Alan Chang

Principal Product Manager, TechStyle

In fact, those who've already forayed into including AI in their campaigns have seen greater success by doing so.

It's not just about algorithms and data; it's about intelligently harnessing that data to craft more resonant, effective, and impactful campaigns.

This trend suggests a pivotal shift in strategy, where AI isn't just a supplementary tool but a core component in driving campaign success.

More on that in a beat.



of businesses say some of their most successful campaigns in the last year have included AI

FINDING 04

The key to unlocking AI? Quality data



The transformative impact of AI on the business landscape is undeniable. However, the true potential of AI in driving growth hinges on the quality of the data it processes.

The trend is leaning heavily toward first-party data, with 85% of businesses marking it as a top priority for the upcoming year. This is a noticeable jump from the 71% in 2022, indicating a growing recognition of its value.

After all, your AI is only as good as your data.

71%



of respondents say AI could be more useful with access to higher-quality data

85%



of businesses are prioritizing capturing and leveraging first-party data better in the coming year; more than the 71% who said the same in 2022

CUSTOMER SPOTLIGHT

“ In a digital world, it’s essential that we keep a real-time pulse on what our customers need, when they need it. Having the ability to consolidate and integrate customer data from multiple sources has allowed us to gain a holistic view of our customers, which was not possible before a CDP. ”

Ale Dimitriu

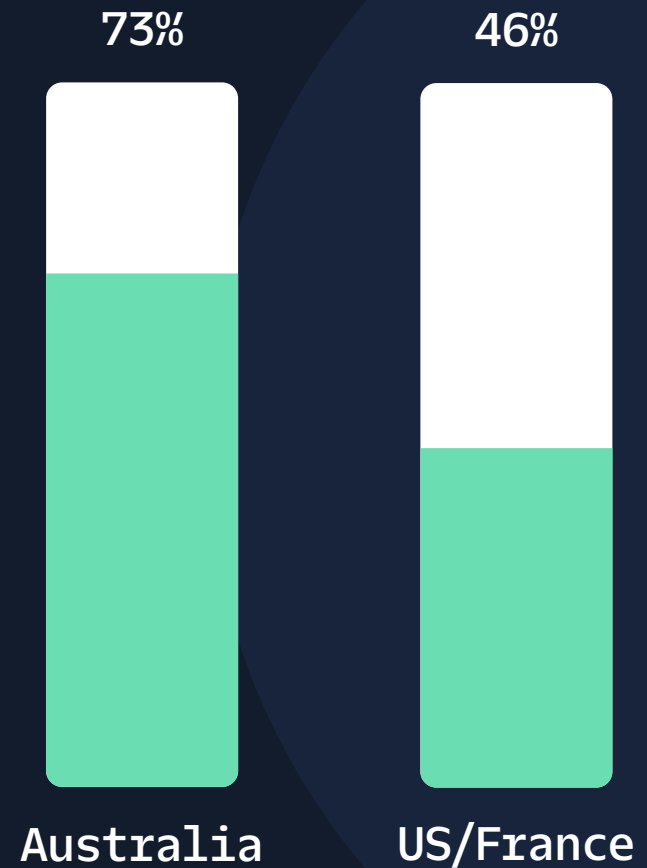
Senior Marketing Operations Manager, MongoDB

REGIONAL SPOTLIGHT

Not everyone is equally prepared for the death of the third-party cookie

In spite of the growth and adoption of AI, the imminent demise of third party-cookies is still top of mind for businesses.

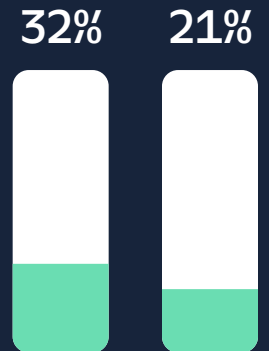
But not all regions are ready to quit the cookie habit just yet. While an impressive **73%** of Australian businesses say they're prepared for the cookieless future, just under half (**46%**) of French and US businesses feel the same.



It's no surprise businesses that harness a CDP grow faster than those that don't. If you have immediate access to quality data, you can make sure your marketing campaigns are up to par and let AI do the rest.

Alternatively, 40% of businesses are struggling with technology infrastructure or low-quality data, highlighting the pivotal role of relevant, timely data in unleashing the full power of AI.

Companies* using a customer data platform had an average **32%** growth rate over the last 12 months compared to a **21%** growth rate at companies not using a CDP



60%

of businesses say quality, accurate data is the most important ingredient for growth

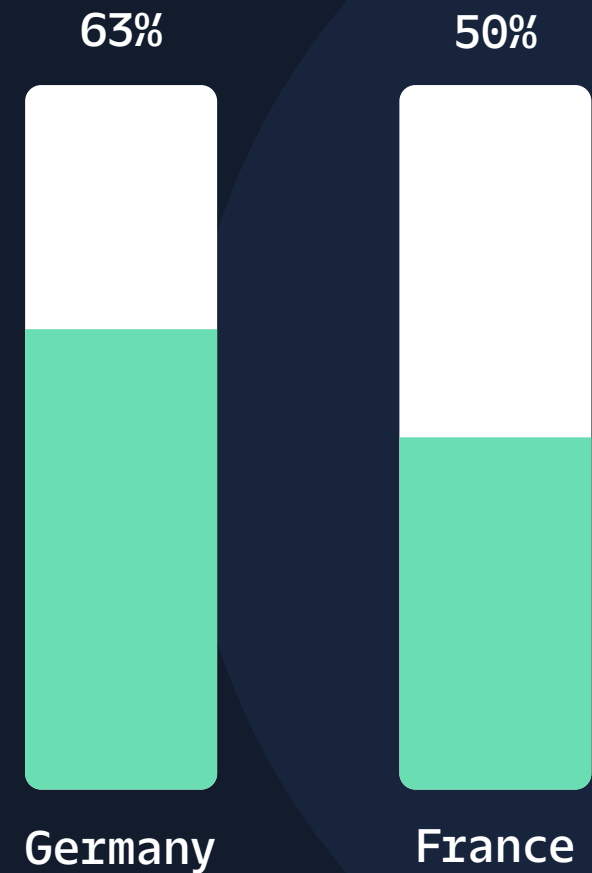
*US & UK only

REGIONAL SPOTLIGHT

Employee talent is top of mind for EMEA

Despite more venture capital in Europe than ever before, and a thriving technology ecosystem, EMEA businesses are concerned that a shortage of talent may be holding them back.

While Brazil, US, and UK identified quality data as their most important ingredient for growth, in Germany and France, **63%** and **50%** respectively called out employee talent as the most important growth lever.



Conclusion



Data drives the 'AI'-lgorithm of success

In the complicated dance of business growth in 2023, it's clear that AI is setting the rhythm but data will always choose the tune. Without rich, quality data to guide it, even the most sophisticated AI remains directionless.

As businesses continue to look for new (and sustainable) pathways to growth, making sure they have access to the best information to power their campaigns (in whatever capacity) will be integral to that success.

Curious about how to get started in corralling, analyzing, and segmenting your own customer data to enhance your AI strategy while delivering better customer experiences?

A customer data platform can help you with that.

[Sign up](#) for a free CDP trial today, or [chat with a member](#) of our team to find out what a CDP can deliver for your business.



Recommended reading

The Customer Data Platform Report 2023

Our new CDP Report 2023 analyzes real data from the Twilio Segment platform (nearly 12 trillion API calls, to be exact) to examine the biggest digital trends happening in customer engagement.

[Get the report](#)

7 Ways to Use AI to Superpower Your Marketing Strategy

Seven useful, clever ways to use AI in your existing marketing strategies to work smarter, not harder.

[Download the guide](#)

The Buy-In Blueprint: Unlocking Support for New Technology

Our step-by-step roadmap for achieving alignment and cross-functional collaboration for marketers and engineers to launch new software that supports both teams' needs.

[Download the guide](#)



Millions of developers around the world have used Twilio to unlock the magic of communications and customer engagement to improve any human experience. Twilio is enabling innovators across every industry – from emerging leaders to the world’s largest organizations – to reinvent how companies engage with their customers.