

New Gen AI Research From Google Cloud and National Research Group Shows Strong ROI for Early Adopters

- *Among those with gen AI in production, 86% of those report an increase in revenue, estimating growth of 6%+*
- *Majority (61%) of senior execs say their organizations are actively using gen AI, but C-suite buy-in critical for full-scale production*

SUNNYVALE, Calif., Aug. 8, 2024 /PRNewswire/ -- Google Cloud today shared new global research that showcases the tangible return-on-investment (ROI) of generative AI (gen AI) initiatives across industries and markets worldwide. Conducted by National Research Group and commissioned by Google Cloud, the comprehensive study is based on a survey of 2,500 C-Suite leaders, including CEOs, CIOs, CFOs, CMOs, CTOs, CISOs, and COOs of global enterprises with more than \$10 million in revenue.

New global research from Google Cloud shows the tangible return-on-investment of generative AI worldwide.

According to the research, the majority of executives (61%) are harnessing the power of generative AI, with at least one application in production. Among these early adopters, 86% of those reported an increase in revenue, estimated at more than six percent. The survey found that gen AI initiatives that are in production are driving benefits in four primary areas:

- **Productivity:** Almost half (45%) of executives who reported improved productivity indicated that employee productivity has at least doubled as a result of gen AI rollouts at their organizations.
- **Security:** 56% of executives reported that gen AI has bolstered their organization's security posture, with 82% of those execs citing improved ability to identify threats and 71% reporting a reduction in time to resolve a security issue.
- **Business growth:** 77% of execs reporting business growth said they have improved leads and customer acquisition as a result of gen AI solutions.
- **User experience:** 85% of executives reporting an improved user experience indicated specifically that user engagement has increased from gen AI, and nearly the same number reported improved user satisfaction (80%).

"Generative AI is not just a technological innovation; it's a strategic differentiator," said Oliver Parker, vice president, Global Generative AI Go-To-Market, Google Cloud. "Our research shows that early adopters of gen AI are reaping significant rewards, from increased revenue, to better customer service, to improved productivity. Organizations investing in gen AI today are the ones that will be best positioned to succeed in the coming decade."

C-Suite champions key to closing gen AI adoption gap

The speed by which organizations move from piloting gen AI to full-scale production is a strong indicator of its success, according to the research. Of the executives surveyed that are currently leveraging gen AI in production, 84% say their organizations were able to move from pilot to production in under six months.

However, a significant adoption gap remains: 39% of enterprises overall have still yet to implement the technology in production, with 21% actively testing, 12% evaluating use-cases, and 5% not started. This lag is particularly pronounced in regulated industries like financial services and manufacturing. In the EMEA region, organizations are significantly less likely to have been leveraging gen AI in production for more than one year.

C-Suite champions are key to gen AI success as 91% of respondents with robust C-level support of gen AI at their organization also report increased revenue estimates of 6% or more. Additionally, "Gen AI Leaders" – organizations that extensively utilize and invest in generative AI – exhibit key characteristics that set them apart:

- **Strategic alignment:** 76% of leaders effectively aligned their AI strategies with broader business goals, compared to the global average of 69%.
- **Dedicated teams:** 54% of leaders invested in dedicated generative AI teams, 13% more than their counterparts.
- **Significant investment:** A staggering 86% of leaders plan to allocate at least half of their future AI budgets to generative AI, a stark contrast to the 67% average.

"Our data underscores the importance of executive-level support and strategic alignment for maximizing the potential of generative AI," said Carrie Tharp, vice president, Strategic Industries, Google Cloud. "By connecting financial business drivers with technology drivers, organizations can ensure that AI strategies are not just innovative but also tightly intertwined with core business goals. This strategic alignment is the key to escaping the dreaded 'pilot purgatory,' and accelerating towards tangible business impact, leveraging AI to transform operations, enhance customer experiences, and unlock new avenues for growth."

An emerging gen AI reinvestment cycle: technology, talent, and data

The early success of gen AI is sparking a reinvestment cycle that's driving further innovation and growth. Nearly half of respondents surveyed (49%) plan to reinvest the gains from gen AI to further improve operating profit margins. Specifically, the top three areas for investment are:

- **Technology:** 47% plan to invest in aligning business and technology to support change management for user adoption of AI.
- **Talent:** 46% plan to invest in upskilling their workforce and attracting new talent with AI expertise.
- **Data quality:** 43% said they plan to invest in data quality and knowledge management to ensure their gen AI applications are built on a solid foundation of accurate and reliable data

"The most successful organizations aren't just implementing gen AI. They're fostering a culture of innovation through experimentation," Parker added. "By reinvesting early gains in technology, talent, and data, these companies are building a sustainable AI ecosystem, creating a flywheel of innovation that will continue to drive growth and competitive advantage in the years to come."

To review the full findings and learn more about where organizations stand in their gen AI journey, download the ROI of Generative AI Research [here](#).

About Google Cloud

Google Cloud is the new way to the cloud, providing AI, infrastructure, developer, data, security, and collaboration tools built for today and tomorrow. Google Cloud offers a powerful, fully integrated and optimized AI stack with its own planet-scale infrastructure, custom-built chips, generative AI models and development platform, as well as AI-powered applications, to help organizations transform. Customers in more than 200 countries and territories turn to Google Cloud as their trusted technology partner.

Survey Methodology

This report is based on a survey of 2,508 senior leaders of global enterprises (\$10M+ revenue), conducted by Google Cloud and National Research Group from February 23-April 5, 2024. The breakdown of roles surveyed include:

- CEO and CIO: 758
- CFO, CMO, and CTO: 746
- CISO, CDO, CSO, COO, Director of Digital Strategy, VP of IT: 517
- IT Director, and Head of Innovation: 487

The survey respondents represent organizations from North America, Latin America, EMEA, and APAC, and across key industries including Financial Services, Manufacturing & Automotive, Retail & Consumer Packaged Goods, Telecommunications, Healthcare & Life Sciences, and Media & Entertainment.

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