

webAI ■

AI Trends **Report**

Unlocking the impact & potential of AI

All science. No fiction.

The concept of AI has existed for many years — some argue since the development of famed mathematician Archytas' robotic wooden dove around 350 BC.

But it wasn't until recent advancements in GenAI and advancements in Transformers outlined in the Attention is All You Need paper just a few short years ago that AI became "real" to the general public, jumping from the screens of our favorite movies into our everyday lives.

While the world is awed by the stuff of science fiction suddenly come to life, few fully comprehend the power and possibility of AI — and the risks and responsibilities that come with it.

We surveyed AI buyers to gain a better understanding of how they currently harness AI in their organizations, results they've seen, challenges they face, and what they believe the future holds.

The results offer insight into four key trends that technical leaders can use to help shape their AI strategies, successfully integrate AI into their businesses, and unlock the real value of this revolutionary technology.

This report explores the results of our research and analyzes each of these trends in detail.

Four trends shaping our intelligent future

Trend 01

Early adoption provides greater advantages

Although AI is still fairly young and rapidly evolving, distinct differences in outcomes are emerging between companies that adopted the technology three or more years ago compared to those that adopted it within the last two.

Trend 02

Local AI deployments are on the rise

While cloud remains the predominant AI deployment method, local AI is gaining notable traction by delivering on its promises of enhanced data privacy and security, unmatched cost efficiency, increased accessibility, and more.

Trend 03

Data privacy & security concerns don't prevent breaches

Despite companies' heightened concerns and precautions around data privacy and security when deploying AI, a shocking number of breaches over the last twelve months indicate that it may be time for a different approach.

Trend 04

AI initiatives are (mostly) company-wide

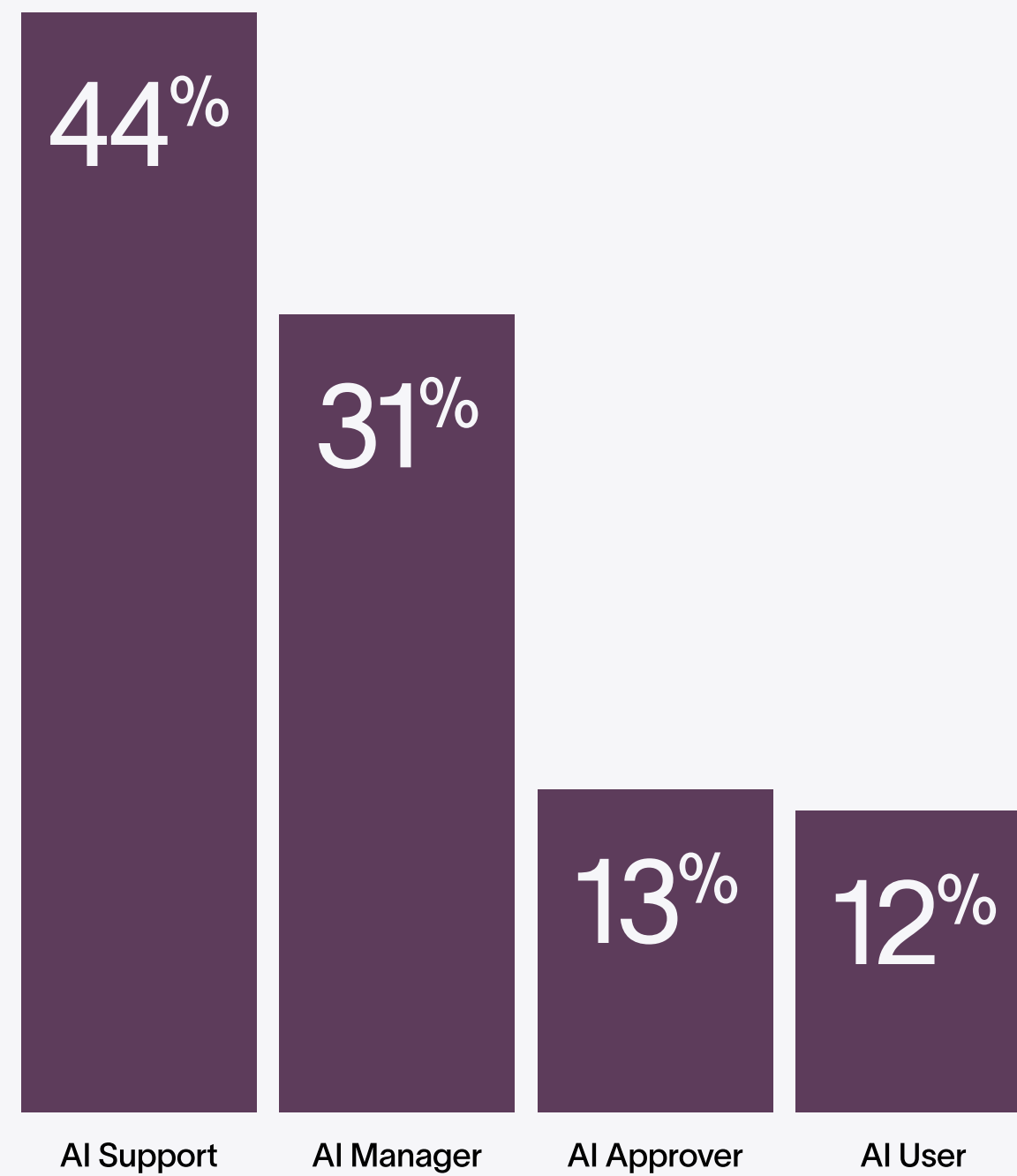
Companies' annual AI budgets and the number of departments involved in evaluating and purchasing AI-related technologies continue to grow, yet customer-facing teams are still struggling to adopt and realize the benefits of AI.

About This Survey

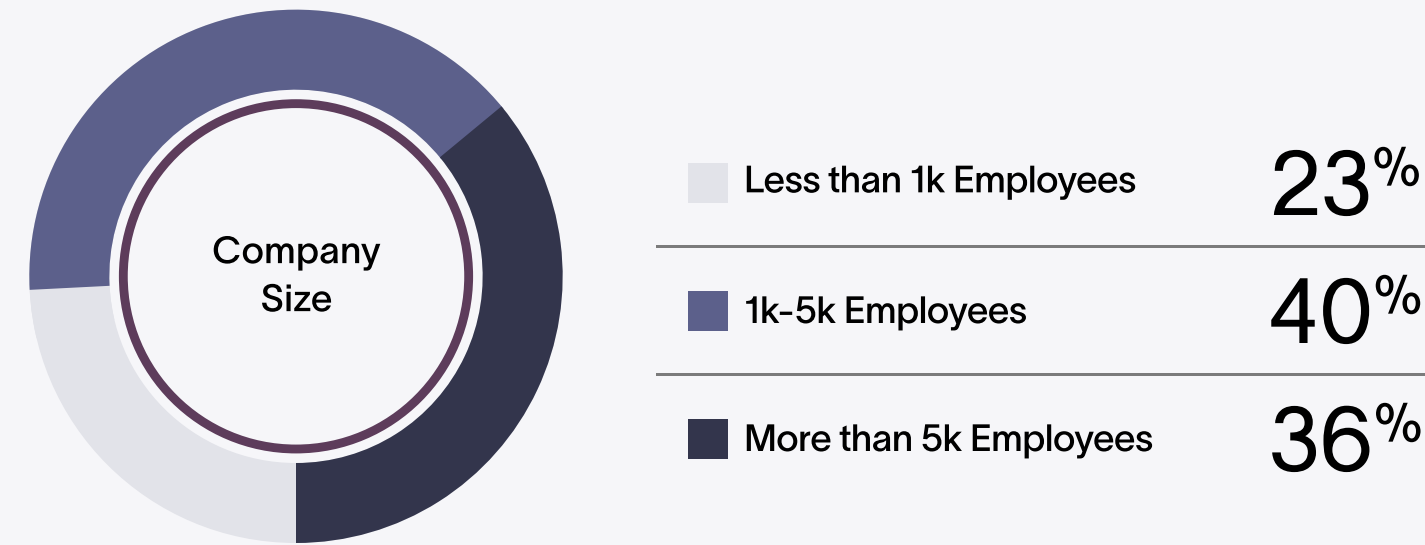
webAI gathered feedback from 283 business leaders about their opinions and experiences with AI, including how their organizations currently harness this technology and plan to use it in the future. The survey was conducted in August 2024.

*Please note that not all percentages may add up to 100% due to rounding

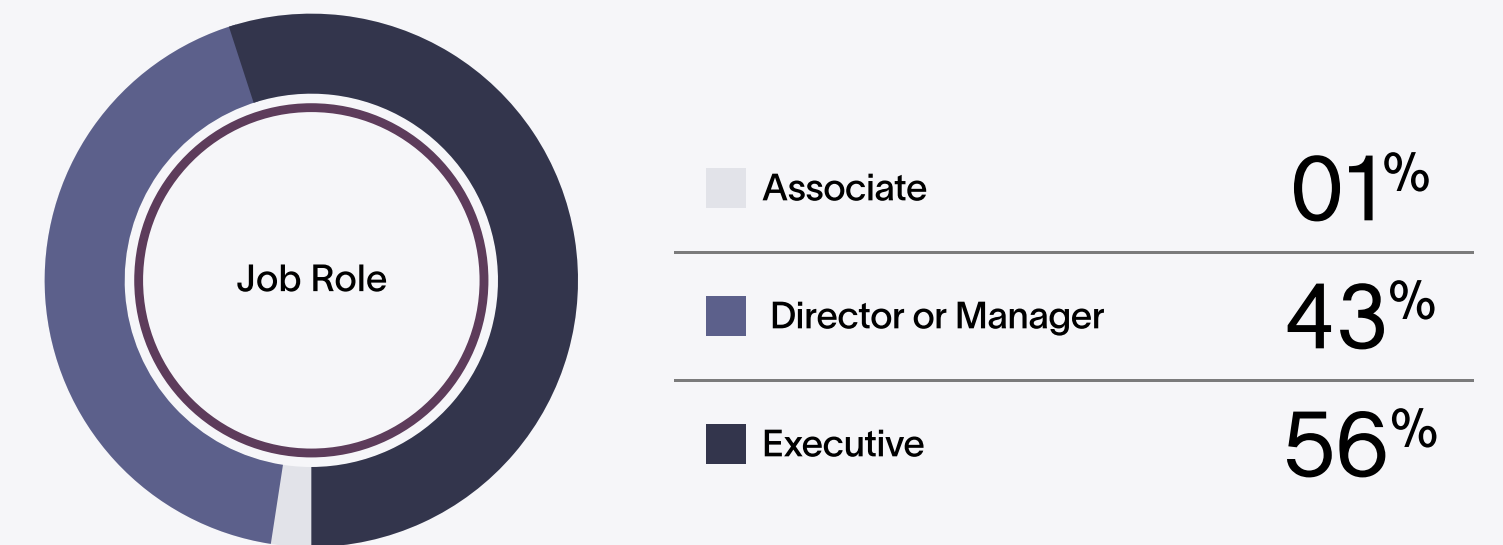
AI Responsibility



Company

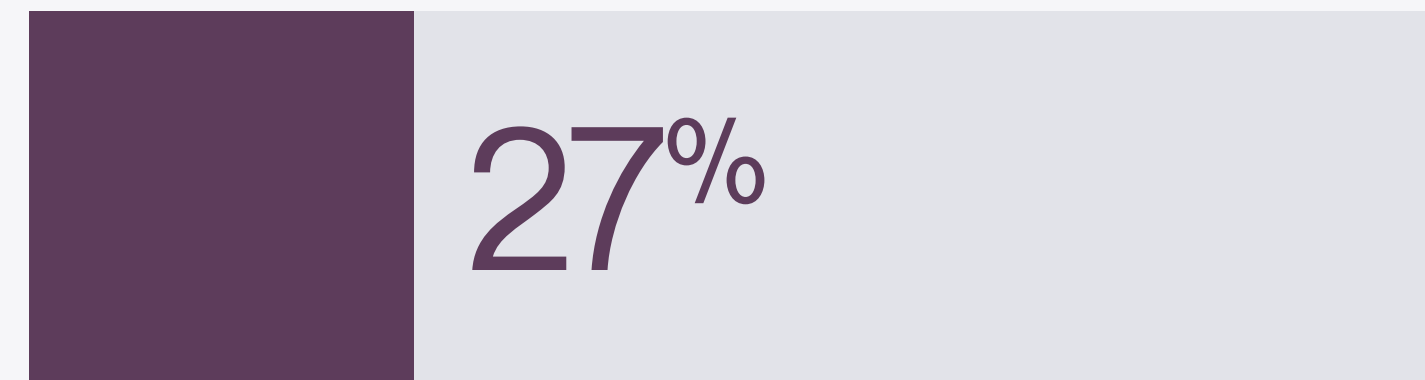


Job Role

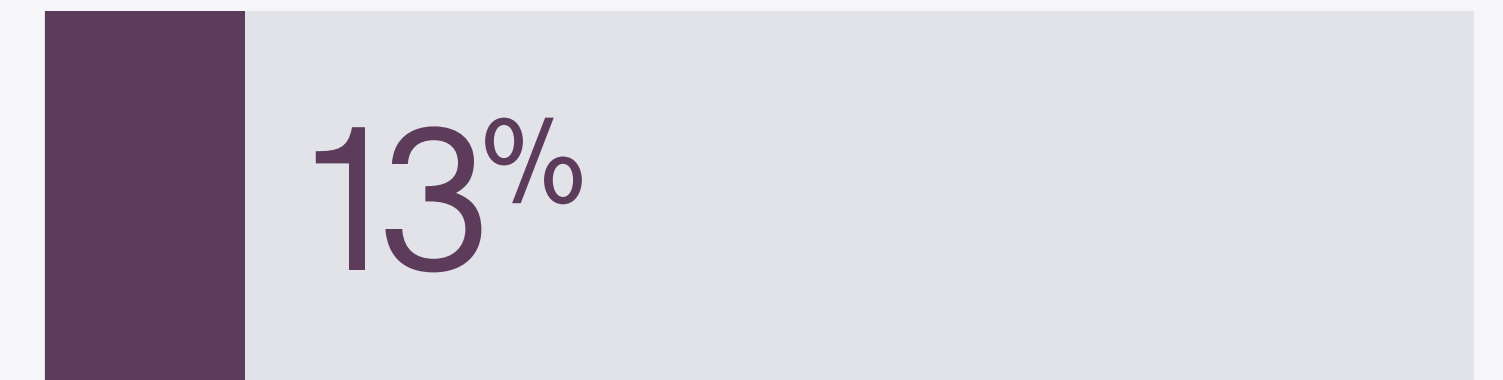


Industry

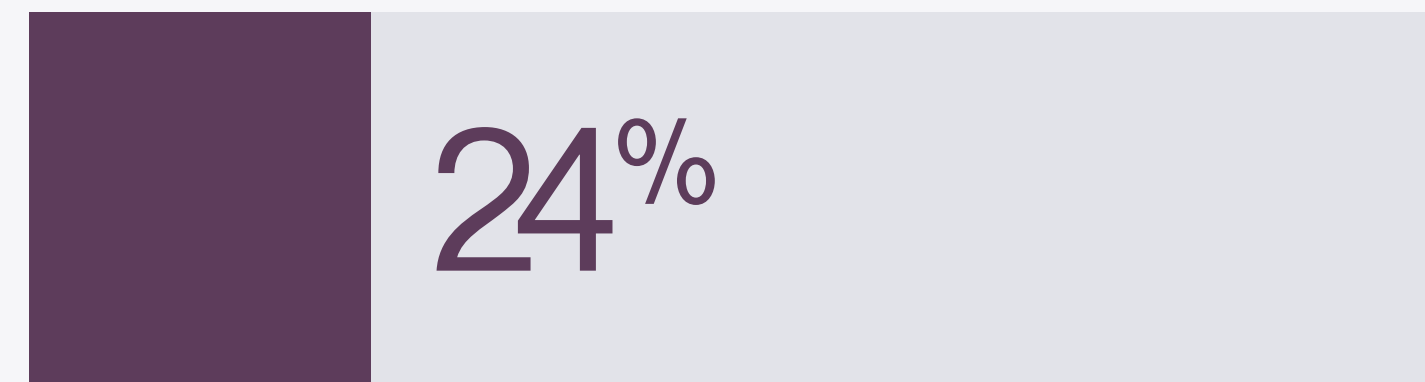
Financial Services



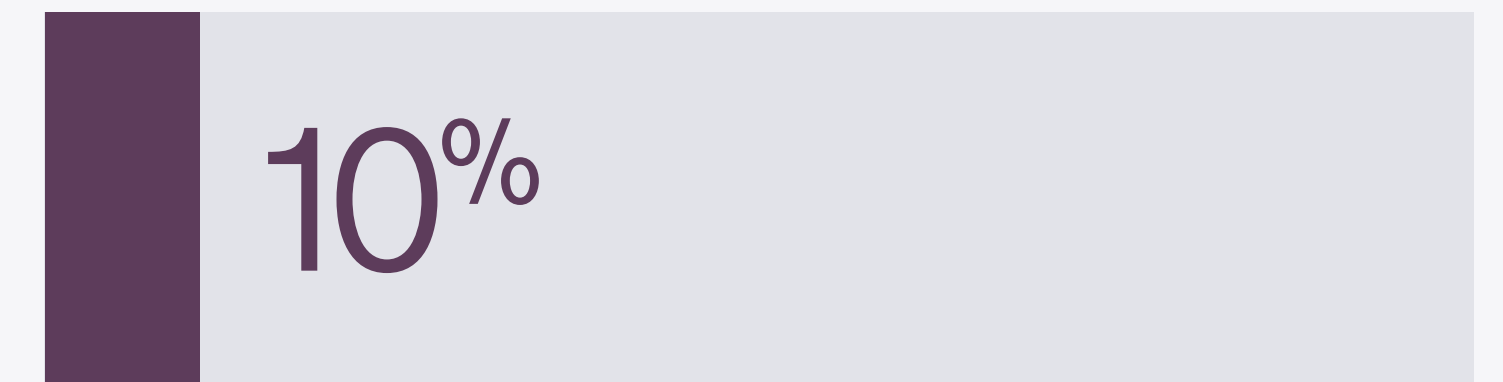
Public & Non-Profit



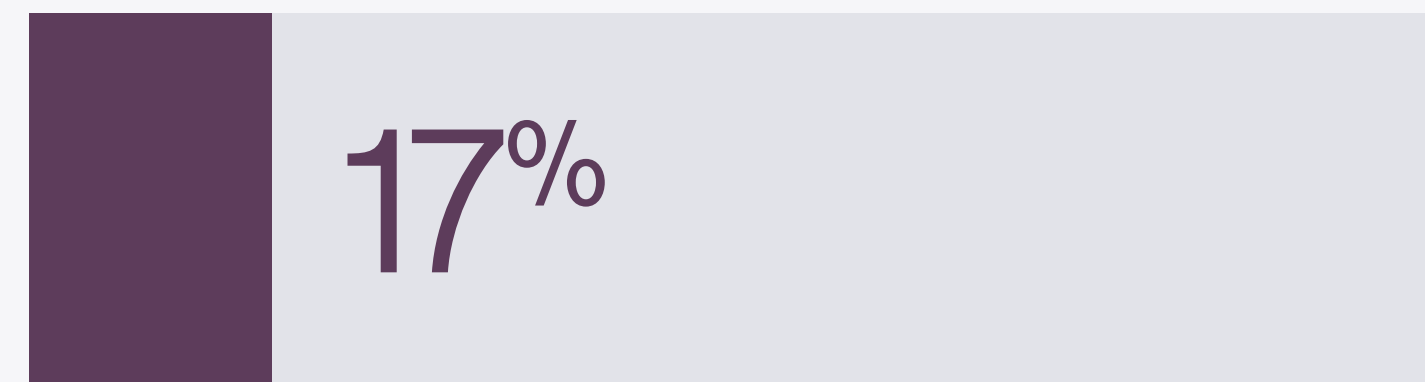
Technology & Telecoms



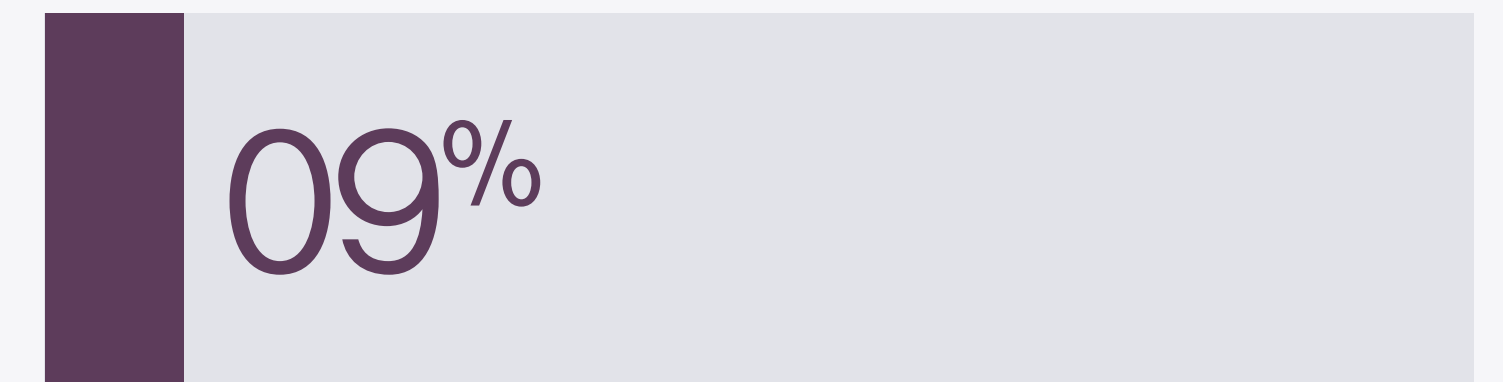
Consumer Goods & Services



Industrial & Manufacturing



Transportation & Logistics



Trend 01

Earlier adoption
provides greater
advantages

Duration of AI use shapes outcomes

The average duration respondents have been using AI is three and a half years, a reminder of both how young this technology is and also how far we've come in such a short period of time. The amount of time a company has been using AI plays a key role in shaping how they benefit from the technology.

Unsurprisingly, companies who have been using AI for 3 years or longer (Early Adopters) are more likely to report advanced applications and greater impact. Those with 2 years or less of experience (Recent Adopters) are still in the early stages of exploring AI's potential. There are important similarities and differences between the two camps.

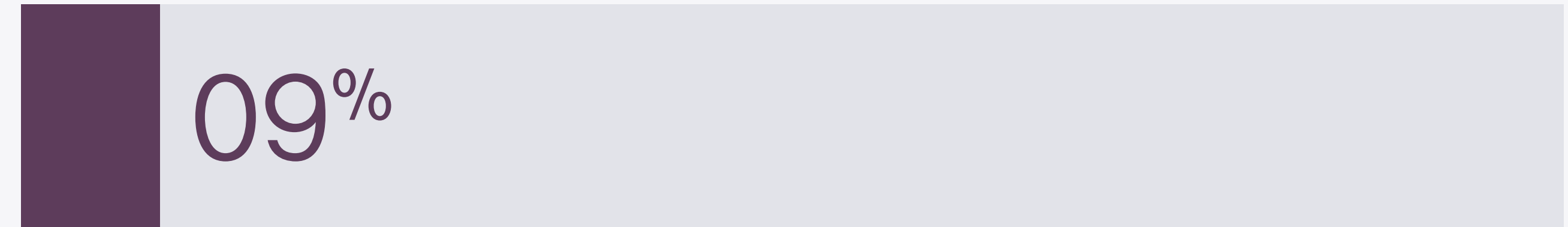
On average, respondents have been using AI for 3.5 years

Early Adopters	56%
Recent Adopters	44%

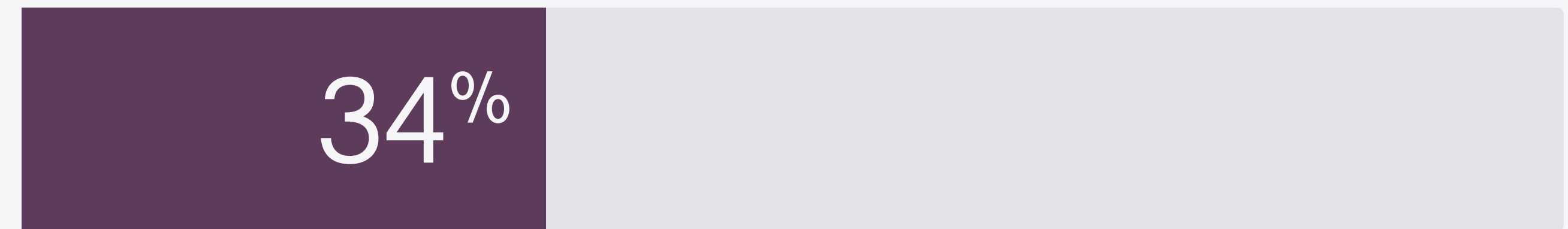
Early adopters are companies who have been using AI for 3 years or longer. Recent adopters are companies who have been using AI for 2 years or less.

How long has your company been using AI technologies?

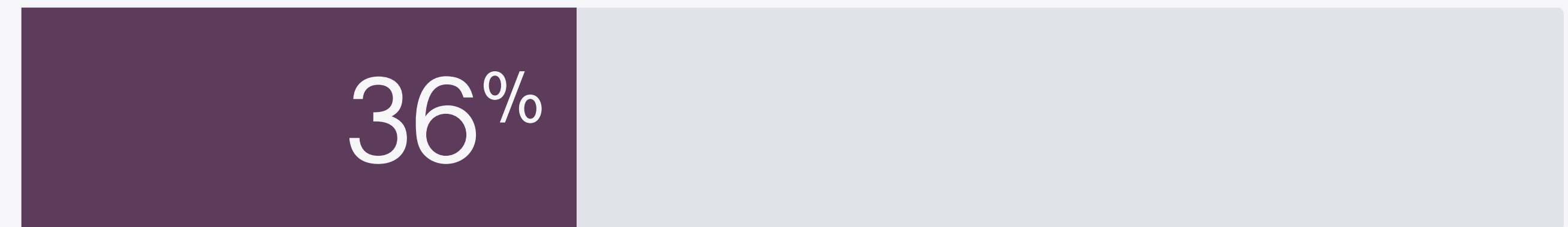
Less than 1 year



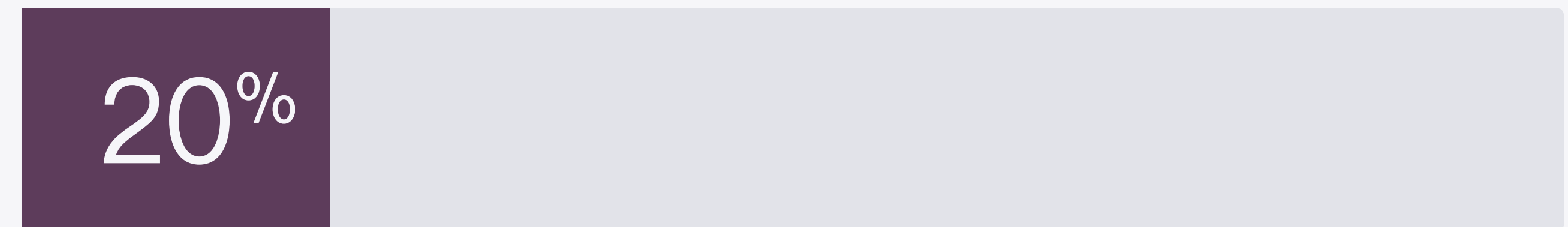
1 to 2 years



3 to 5 years



More than 5 years



Common motivations & investment priorities

Regardless of differences in AI tenure, companies are guided by the same motivators for adoption and intentions for investment. Both early and recent adopters want to improve efficiency and customer experience, make data driven decisions, and gain competitive advantage. Reducing costs is a bit of an outlier, which matters noticeably more to those that have been using AI for two years or less.

These drivers reflect the widespread recognition of AI's potential to boost efficiency and improve business outcomes quickly.

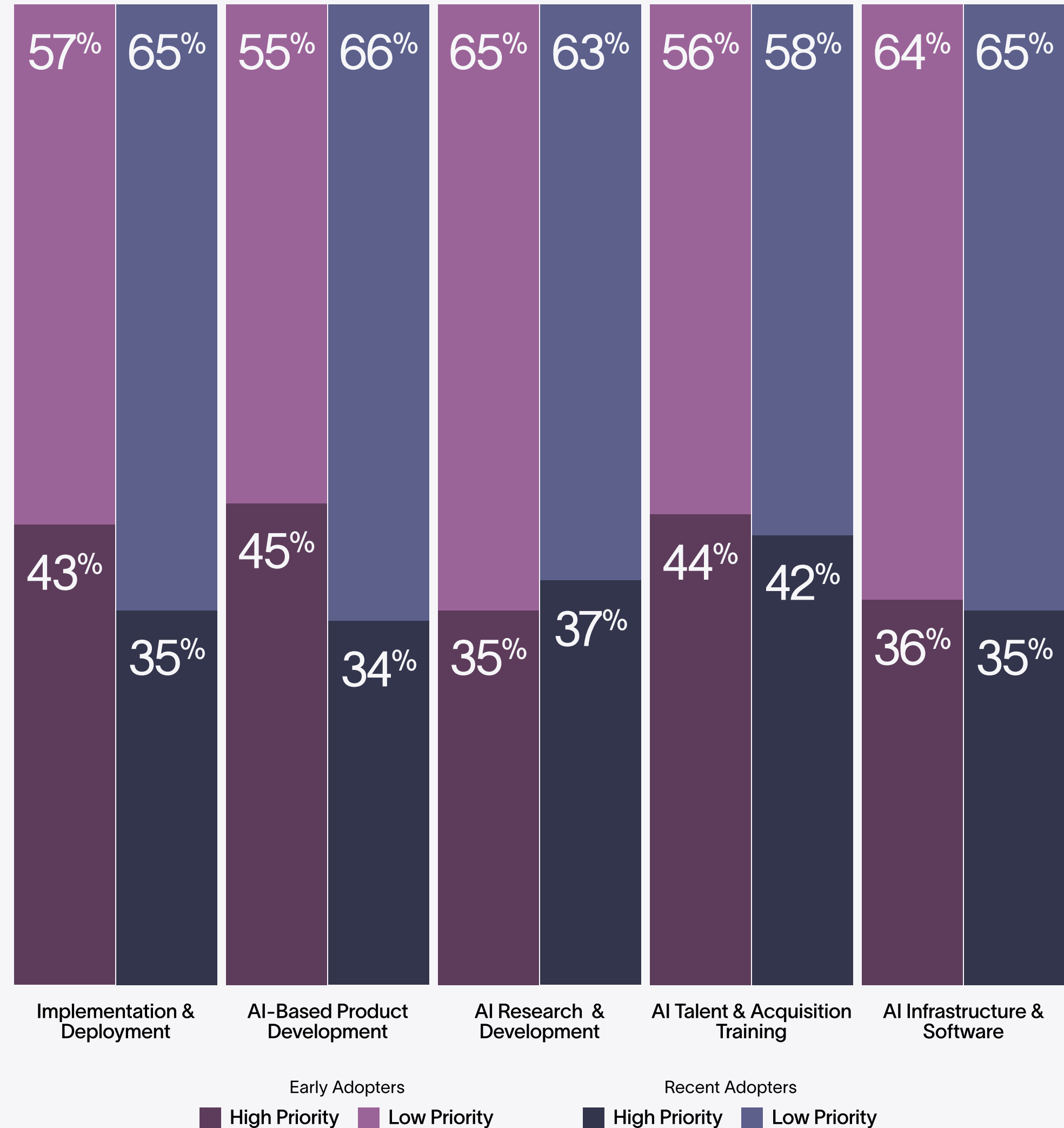
Additionally, companies from both groups identify similar priority investment areas for the next 12 months. Regardless of where they are in their AI journey, organizations are mostly aligned in how they plan to expand their usage of AI.

What reasons are driving your company's decision to adopt AI technology?

	Early Adopters	Recent Adopters
Improve Efficiency	86%	85%
Data-Driven Decisions	83%	83%
Reduce Costs	73%	85%
Customer Experience	78%	77%
Competitive Advantage	73%	79%
Regulatory Compliance	74%	71%
Product Innovation	73%	71%
Reduce Headcount	59%	57%

*Net Responses for respondents citing the importance of each reason as "important" or "Very Important"

What are the priority areas for investment in your company over the next year?



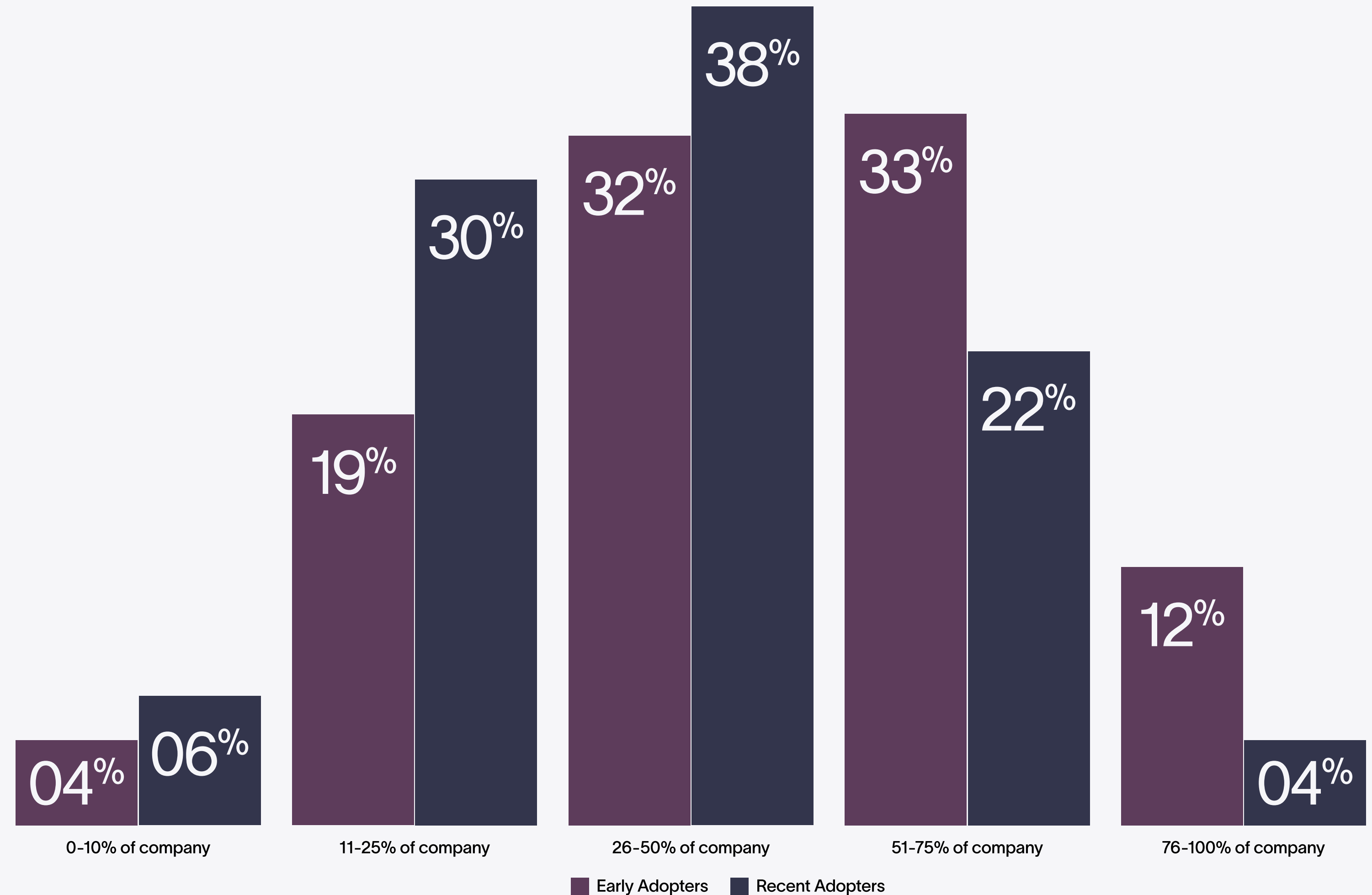
AI expectations grow with experience (and GenAI hype)

As AI usage increases, company expectations for its capabilities tend to grow. This could be fueled in part by the increasing attention around Generative AI, but it also suggests that the longer a company uses AI, the more value they expect—and are able—to extract.

45% of early adopters are already utilizing AI across more than 50% of their company, and their results exceed expectations 56% of the time (as opposed to met or fell short). Whereas for recent adopters 74% have yet to crest 50% utilization, and their expectations are exceeded only 48% of the time.

And as we'll see, the longer your company has been using AI, the more likely you are to report positive results. This highlights a key takeaway: The deeper AI is embedded in business processes, the greater the impact.

What percentage of your company is currently utilizing AI technologies?



Deeper integration drives greater satisfaction and impact

With greater experience, deeper integration, and longer term adoption comes greater utilization and satisfaction. Early adopters are more likely to report success, with 79% stating that AI has been effective in addressing key challenges, compared to 67% of recent adopters.

Similarly, early adopters see more significant business impacts, with 86% reporting a positive influence on outcomes like cost reduction, compared to 77% of recent adopters.

It's of course also noteworthy that in less than two years 7 out of 10 companies already see positive impacts on outcomes and in addressing challenges.

Success is not only about length of adoption, but also adoption rates. The more people you have using AI, the more likely you are to exceed expectations and achieve cost savings. There is a massive uptick in both as adoption rates increase.

How effective and impactful has AI been in solving specific business challenges in your organization?

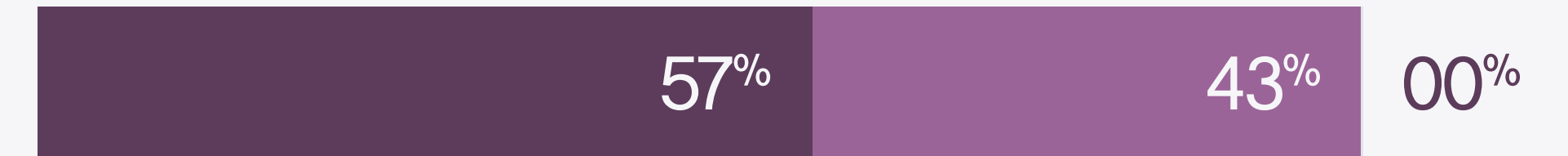
	Early Adopters	Recent Adopters
Effectiveness	79%	67%
Impact	86%	77%

Are you getting the results you expected from your AI investments?

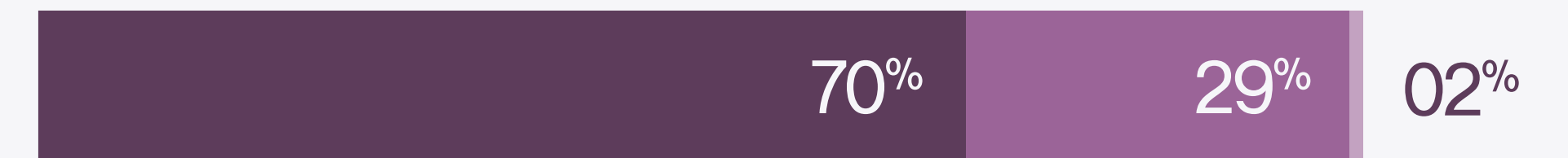
Less than 25% adoption rate



26%-50% adoption rate



More than 50% adoption rate



Are you realizing the cost savings you set out to achieve with AI?

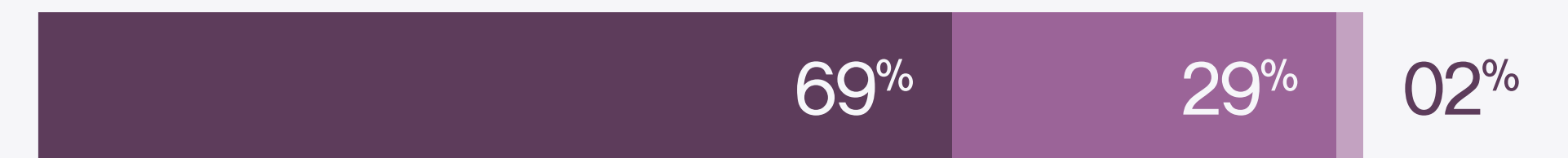
Less than 25% adoption rate



26%-50% adoption rate



More than 50% adoption rate



Exceed Expectations Met Expectations Below Expectations

Differences in AI applications emerge over time and across industries

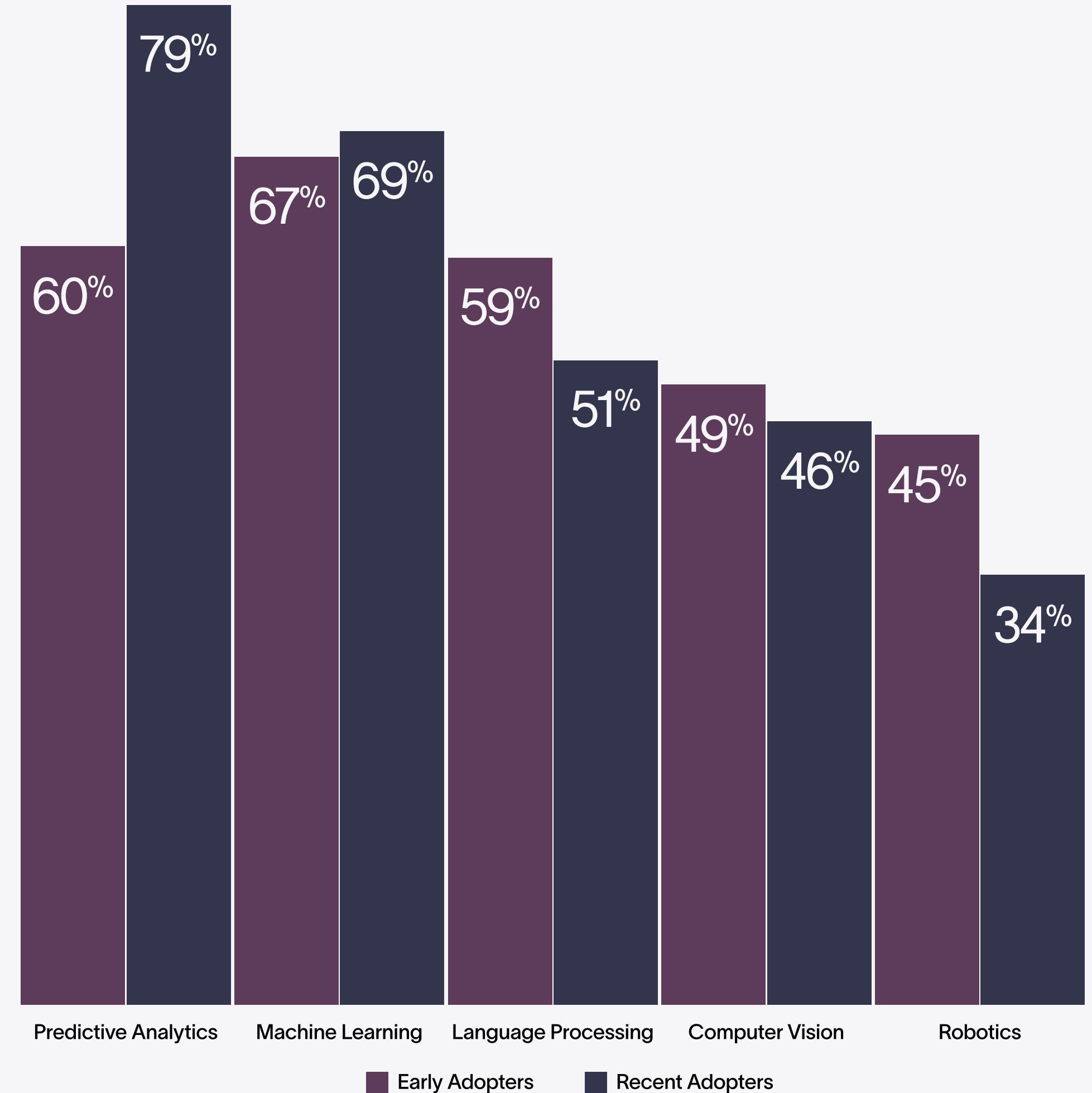
As companies deepen their AI experience, their focus on applications evolves. Recent adopters are more focused on predictive analytics—79% use AI for this purpose, compared to just 60% of early adopters. However, early adopters are further along in implementing more complex technologies like robotics, with 45% using AI for this purpose, versus only 34% of recent adopters.

This trend of maturation is visible across industries. Transportation and logistics, which rely heavily on robotics, have longer AI usage, with 31% of respondents reporting 5+ years of usage. In contrast, technology and telecommunications companies—heavier user of predictive analytics—are newer to AI, with over half having adopted AI in the past two years.

How Long has your company been using AI Technologies?

	Early Adopters	Recent Adopters
Industrial & Manufacturing	51%	49%
Public & Non-Profit	52%	49%
Financial & Professional	64%	36%
Transportation & Logistics	62%	39%
Consumer Goods & Services	65%	35%
Technology & Telecoms	49%	51%

Which of the following AI technologies does your company use?

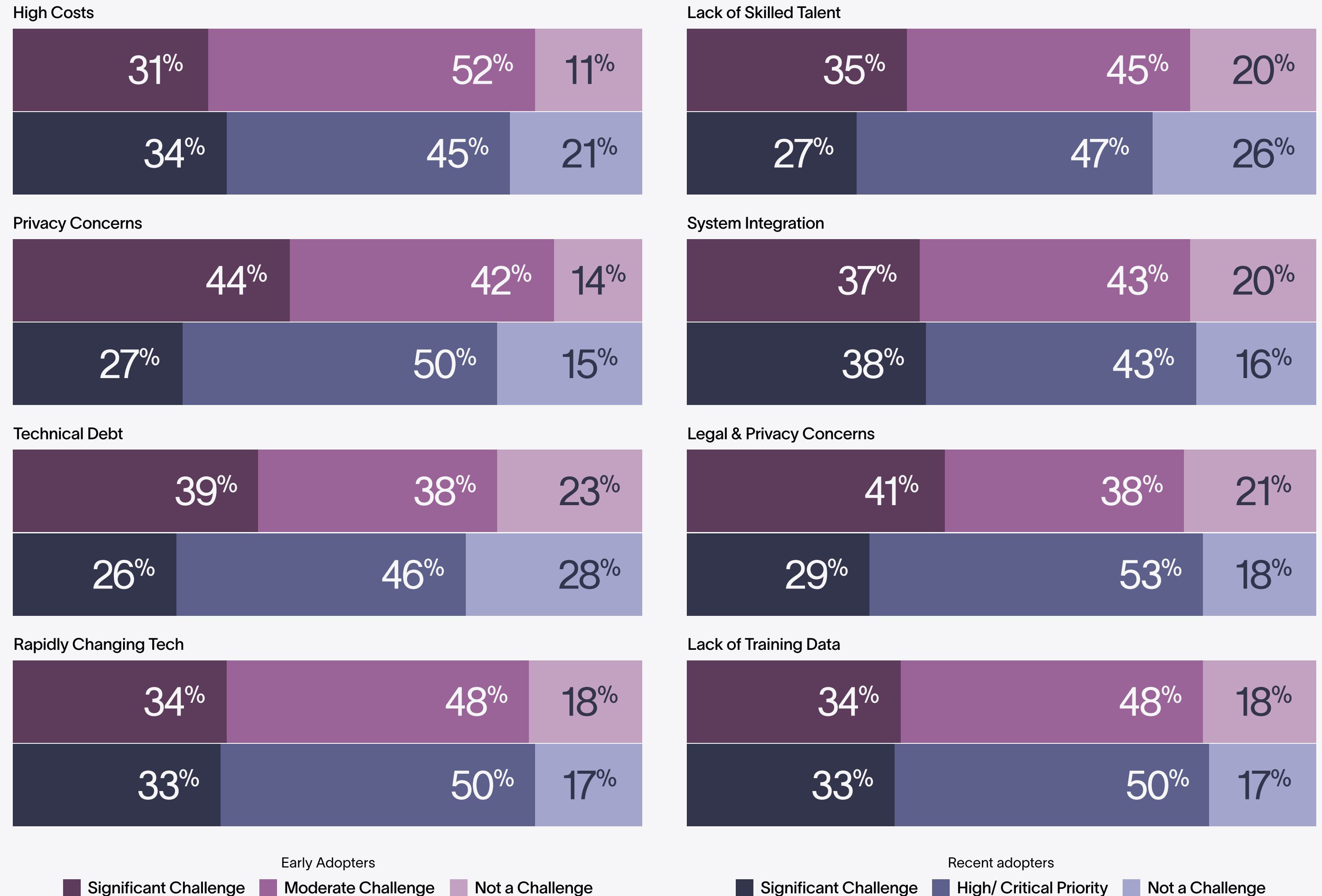


Challenges increase as AI matures

Early adopters face more significant hurdles when scaling their AI efforts. The longer you've been using AI, the more likely you are to report successes, positive outcomes, and exceeded expectations, but you're also more likely to have encountered trials and tribulations along the way. This could simply be a function of time; you've had more opportunity to run into trouble. Or it could be that as utilization rates increase, so do associated complexities. These companies are more likely to report challenges such as lack of training data, high technical debt, and legal and privacy concerns.

Another notable discrepancy between these two groups is purchase process timeline. Generally, the purchase process is less rigorous for recent adopters. 33% of purchases take over 6 months for early adopters, versus 22% for recent. And an impressive 13% of recent adopter purchases take less than 1 month.

How significant are the challenges your company faces in adopting AI technologies?



The sooner, the better for AI adoption

The data clearly shows that early adoption of AI results in deeper integration and utilization, greater satisfaction, and more significant business impacts. Companies with more than three years of AI experience are realizing advanced applications and reaping rewards like cost reduction and operational efficiencies. Yet even recent adopters are already seeing positive impacts on business outcomes, showing that AI delivers value early in its adoption life cycle.

The path to success comes with challenges. Early adopters face greater hurdles as their usage matures, from navigating legal and privacy concerns to dealing with technical debt and vendor complexities.

While longer term AI adoption amplifies its benefits, even those new to AI can begin unlocking value quickly, with the right approach and a focus on increasing adoption rates across the workforce.

Trend 02

Local AI
deployments
are on the rise

The rise of local AI in recent adopters

In developing AI deployment strategies, companies have a choice between local and cloud-based AI solutions. While most organizations use a mix of both, cloud-based still dominates with 45% of respondents reporting that a large portion of all of their AI is deployed on the cloud, compared to 35% who rely primarily on local devices.

Interestingly, for companies where more than half of their AI is deployed locally, 47% have been using AI for less than two years, while only 38% of cloud-heavy companies fall into this recent adopter category.

This points to rising interest in local AI, suggesting a possible shift in the future, where local deployments may gain ground over cloud-based solutions.

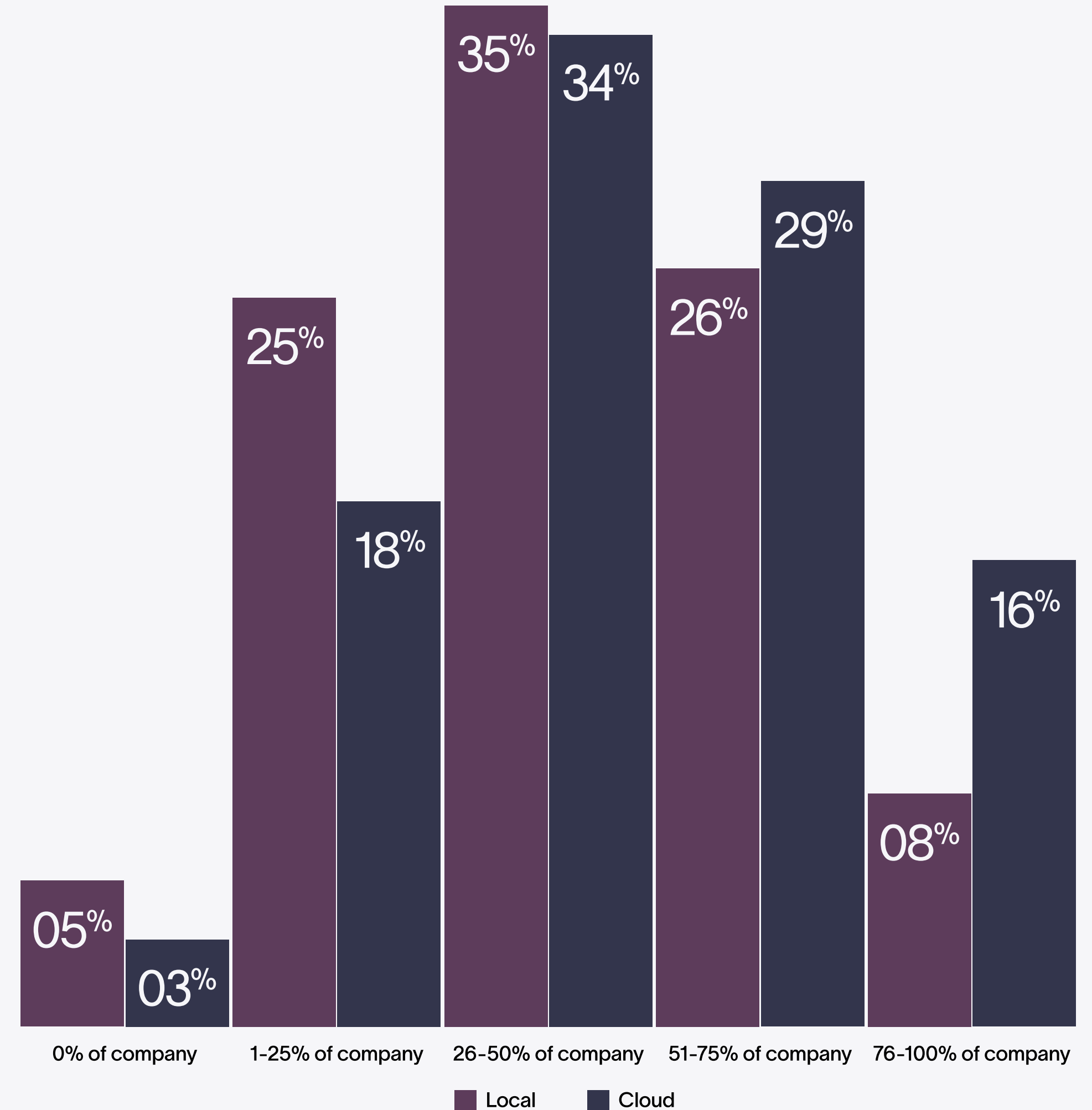
Respondents reasons for choosing cloud versus local AI are quite evenly distributed across the board. But in aggregate, it's interesting to examine what drives companies to one or the other. For local deployments, companies are often seeking long term cost efficiency, increased privacy and security, and greater control and customization. Whereas for cloud, companies are looking for fast scalability and ease of deployment, accessibility, and lower upfront costs.

What are the primary motivators for choosing local vs cloud AI?

	Local	Cloud
Data privacy & security	38%	36%
Cost efficiency	35%	32%
Hardware control	32%	25%
Regulatory compliance	27%	24%
Ease of deployment		36%
Access to tools and controls		32%
Overall scalability		32%
Lower upfront costs		25%
Reduced latency		24%

*Respondents could choose up to 3 answers

What proportion of your AI workloads are currently deployed on local / cloud?

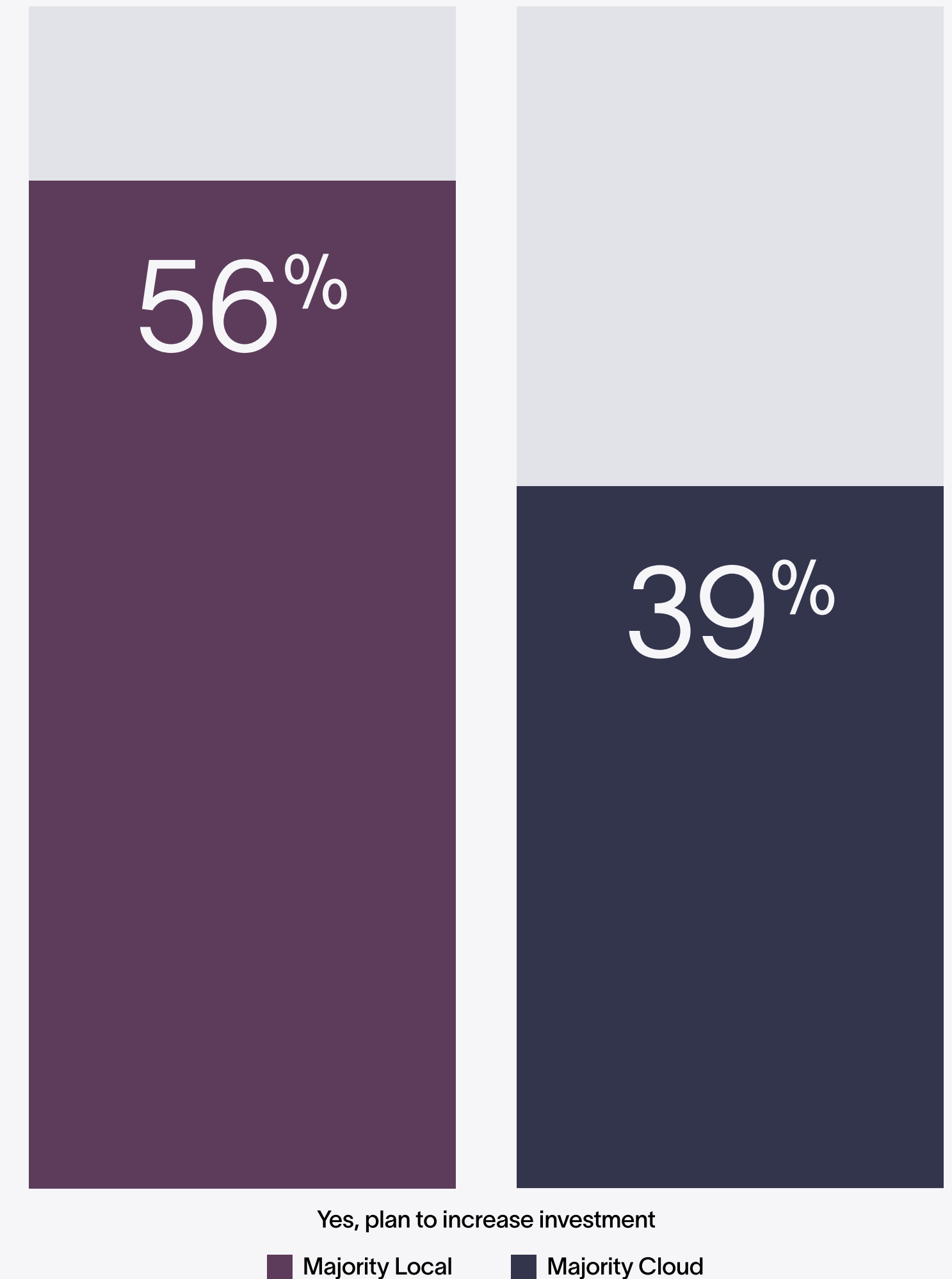


Additional investment on the horizon, especially in local AI

So appealing are the cost efficiencies of running AI locally that 56% of local AI majority companies plan to increase their AI investment over the next 12 months, compared to just 39% of companies that run the majority of their AI in the cloud.

Some 94% of respondents also report that they would be willing to purchase new hardware to better support their AI initiatives. This finding is in line with research firm Canalys' recent findings that AI PCs made up 14% of Q2 '24 personal computer shipments, with estimates that this number will rise to 19% in 2025 and 60% by 2027.

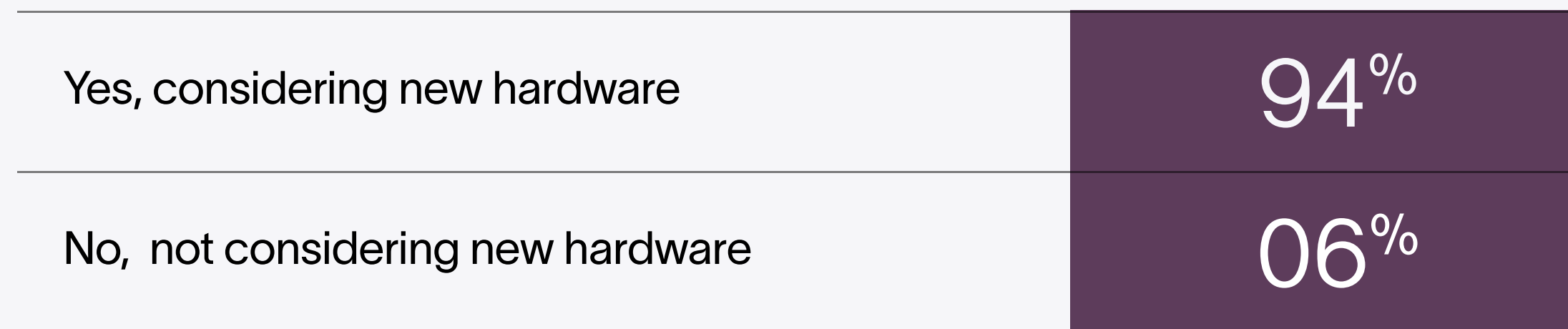
Do you plan to increase AI investment over the next 12 months?



“With a strong foundation now set, AI-capable PC shipments are poised to gain further traction in the second half of 2024.”

- Ishan Dutt, Principal Analyst, Canalys

Would you consider purchasing new hardware to better support your AI initiatives?



Local AI users report smoother adoption & greater satisfaction

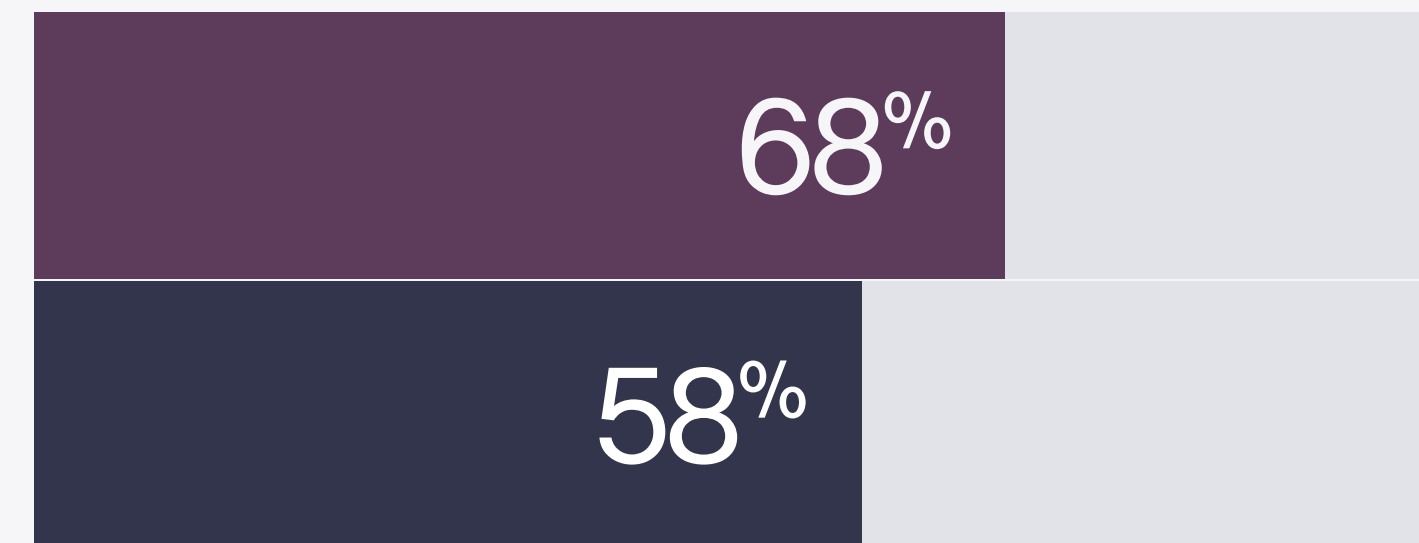
The greater willingness of local AI users to increase their investment over the next year, compared to cloud AI users, can be attributed to differences in reported adoption success and effectiveness. Nearly half (48%) of companies with a majority of AI deployed locally describe their adoption process as “very smooth,” compared to 40% of cloud-heavy businesses. Local AI users also report higher utilization, with 63% of these companies fully leveraging AI, versus 55% of cloud-majority companies.

Moreover, 73% of local AI users say their AI investments have “exceeded expectations,” and 57% are “very satisfied” with how AI has addressed business challenges. This contrasts with 61% and 42%, respectively, among cloud AI users.

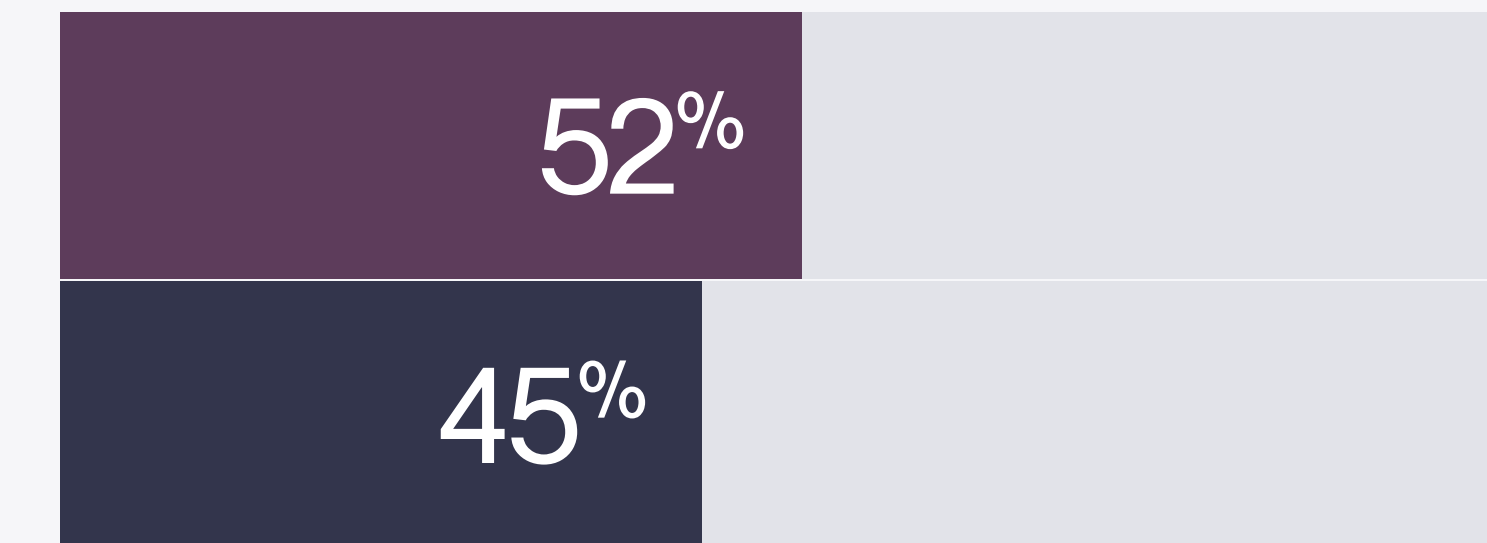
Notably, those with 50% or more of their AI deployed locally find the technology more effective in solving business challenges, particularly in improving operational efficiency and reducing costs.

How effective has AI been at helping your organization address the following business challenges?

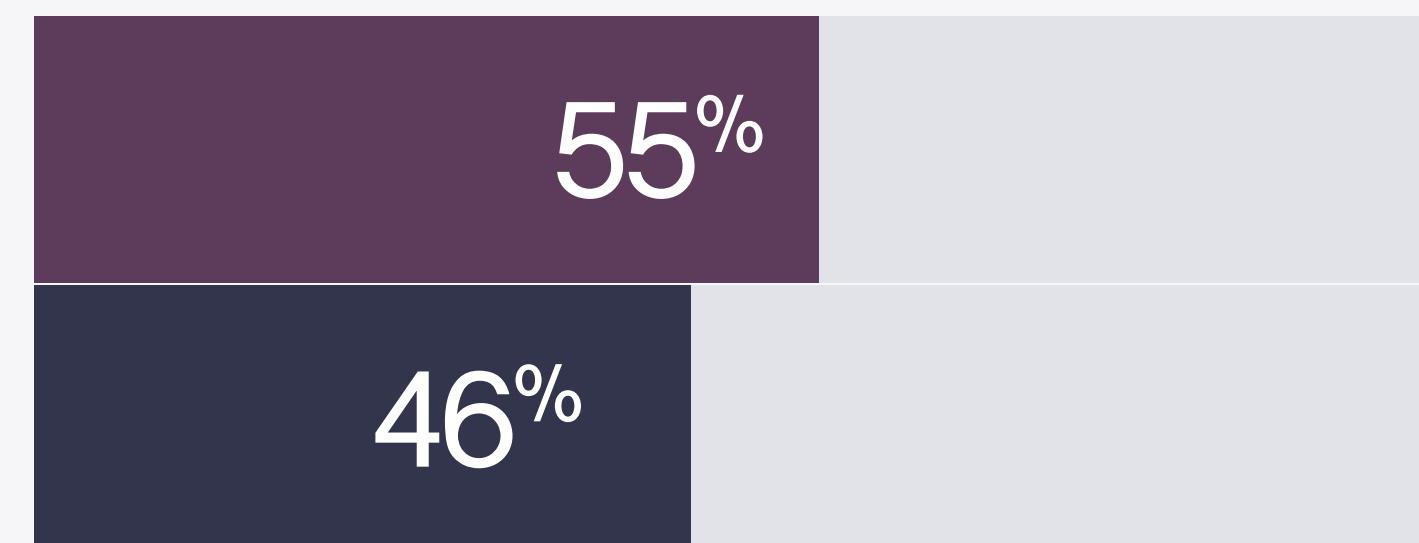
Operation Efficiency



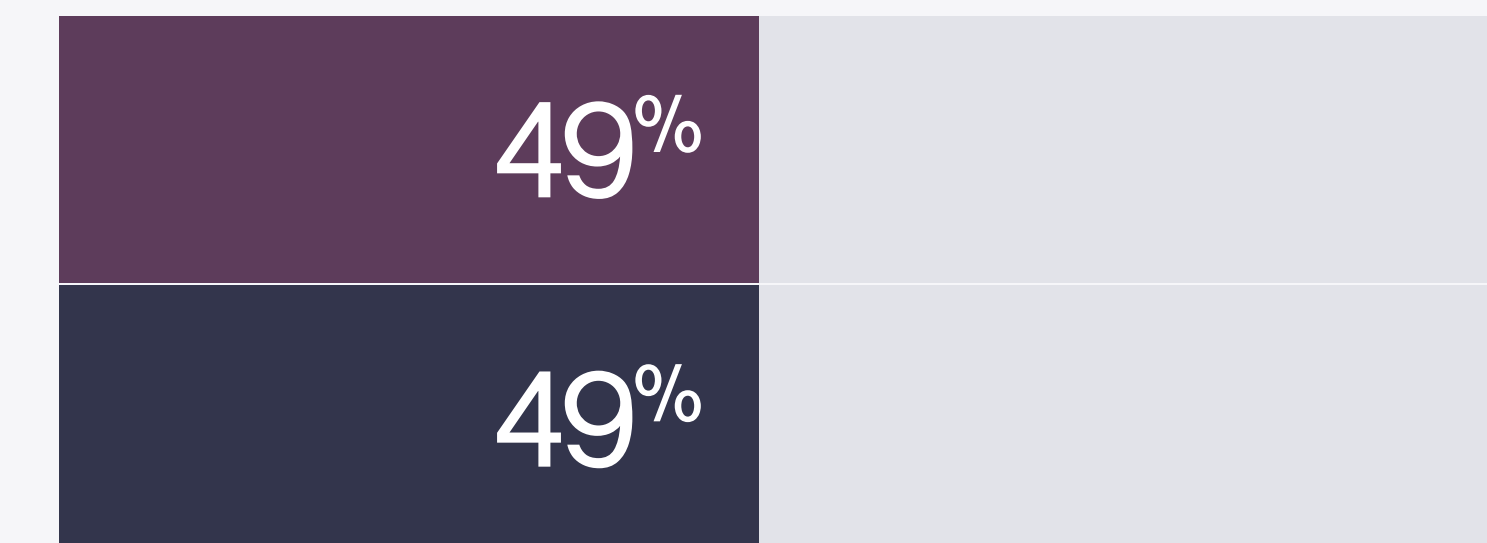
Customer Service



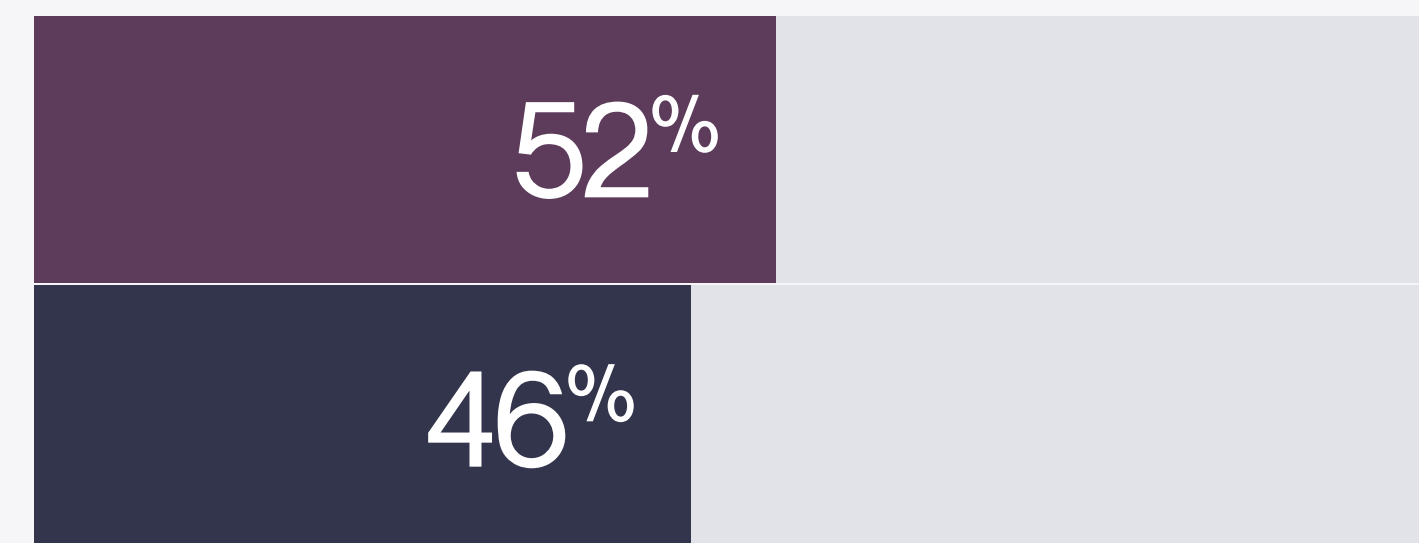
Reducing Costs



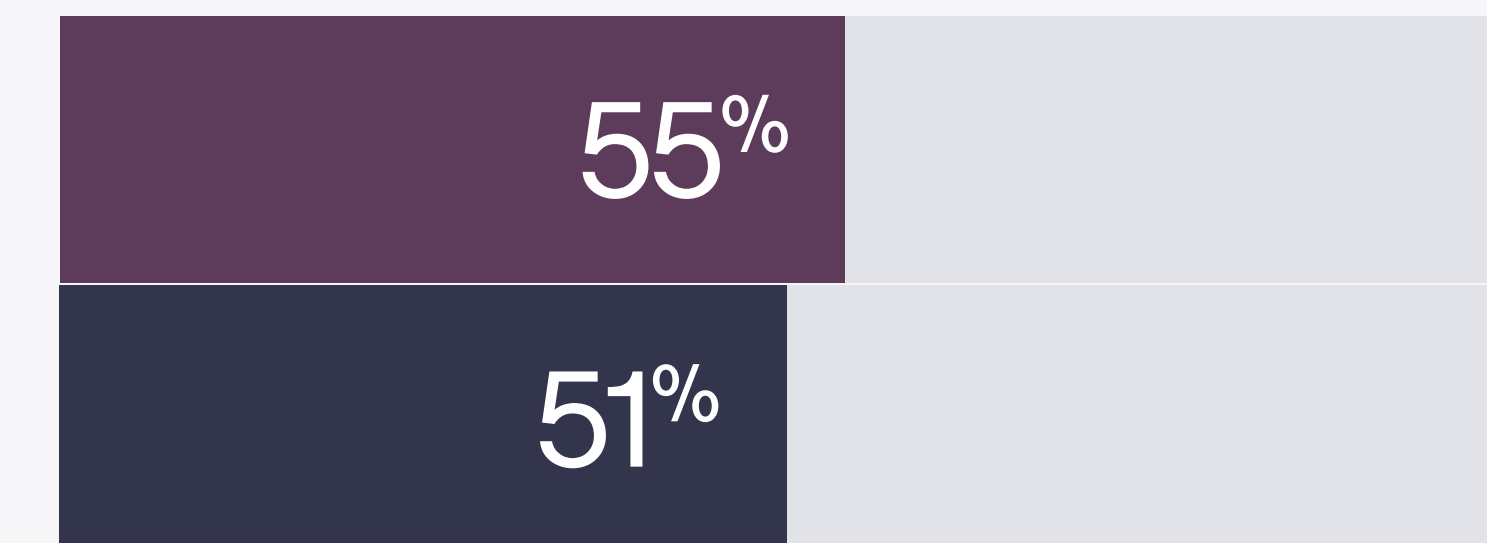
Sales & Revenue



Supply Chain Management



Data Analysis & Insight



■ Majority Local ■ Majority Cloud

Local AI gains momentum as a strategic choice

Local AI is rapidly gaining traction as an attractive alternative to cloud-based deployments. Its appeal lies in enhanced privacy, better cost and operational control, which have led to smoother adoption experiences and higher satisfaction among its users. Notably, over half of local AI users plan to increase their investment in the coming year, a testament to its growing success.

While cloud AI remains dominant due to its scalability, local AI's benefits in privacy and efficiency are hard to ignore. As companies continue to explore AI strategies, local deployments offer a powerful option for those prioritizing data security and long-term cost efficiency, positioning it as a strategic choice for future growth.

Trend 03

Data privacy & security
concerns don't
prevent breaches

AI strategies prioritize data security, but breaches highlight ongoing risks

Perhaps unsurprisingly, data privacy and security was ranked as the number one consideration in choosing both local- and cloud-based AI (38% and 37%, respectively) implementations. Both groups also take a number of measures to help ensure data privacy and security when deploying AI, the top three of which are data encryption (58%), regular security audits (53%), and compliance with industry standards and regulations (47%).

Yet despite these precautions, a shocking 44% experienced data breaches in the past year. Industrial and manufacturing companies lead the pack with the highest percentage of data breaches over the last year at 51%, while public and non-profit organizations claim the lowest at just 25%.

Has your company experienced any data breaches or security incidents related to AI in the past 12 months?

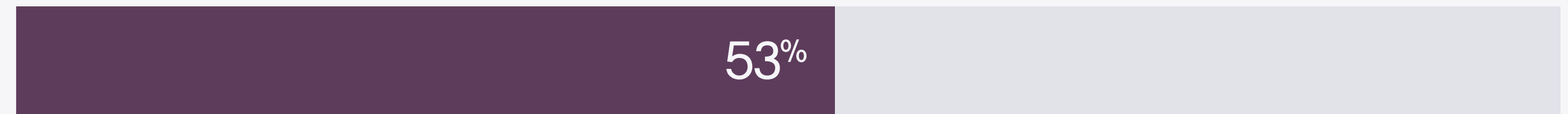
Experienced Data Breach	44%
No Data Breach	53%
Declined to Answer	03%

What measures does your company take to ensure data privacy and security in AI deployments?

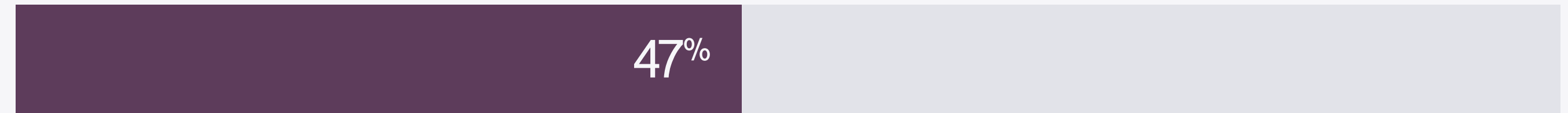
Data Encryption



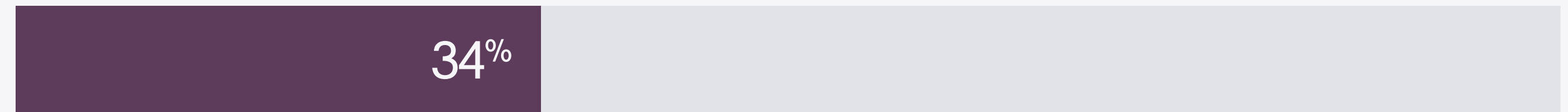
Security Audits



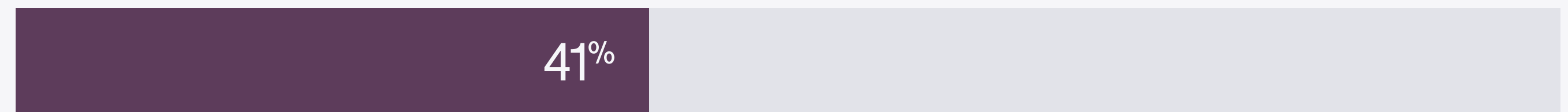
Regulatory Compliance



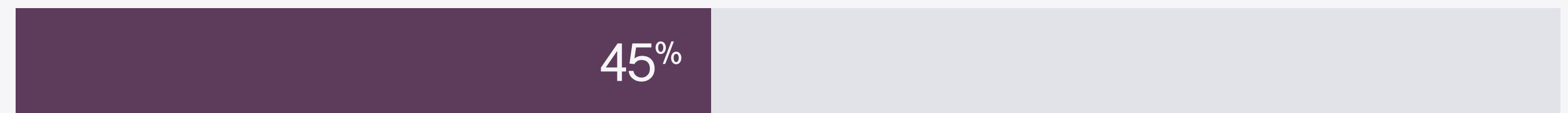
On-Premise Operation



Access to Controls



Employee Training



Data privacy concerns remain top barrier to AI adoption, especially for larger companies

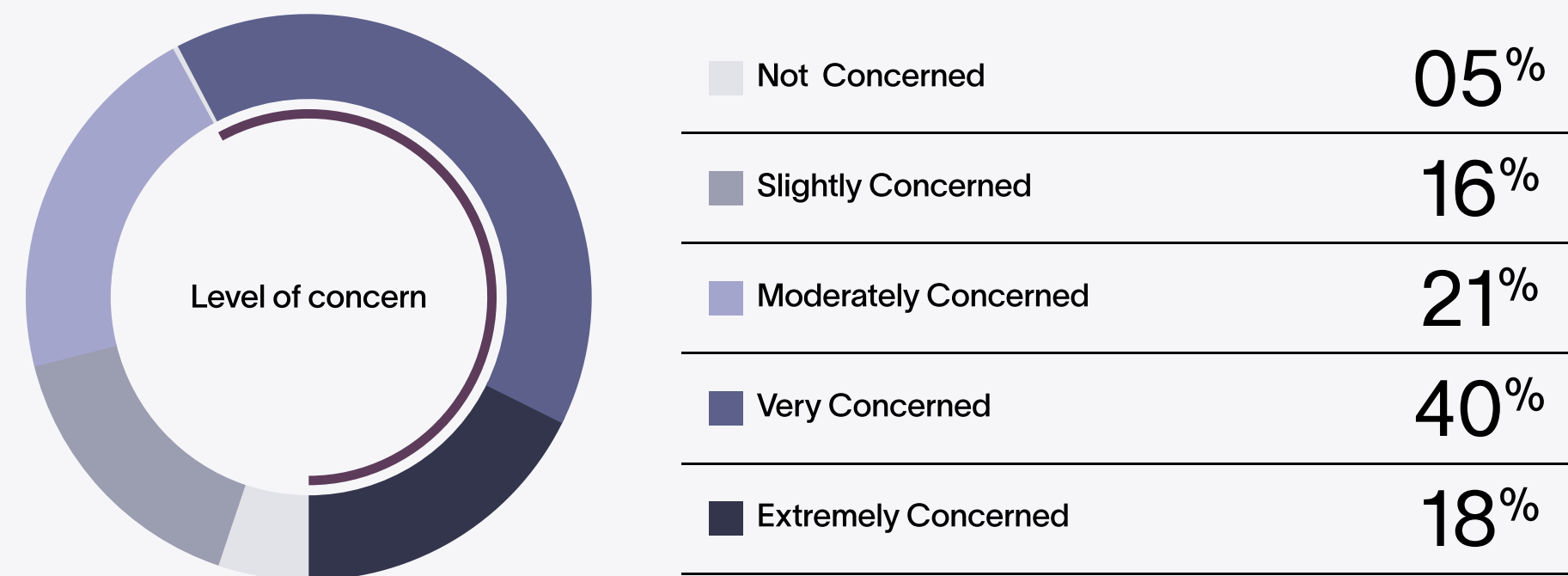
95% of respondents are concerned in some way about data privacy, with 79% at least moderately concerned, and 58% at least very concerned.

And the larger the company, the larger the concern and challenge when it comes to managing AI data privacy and security.

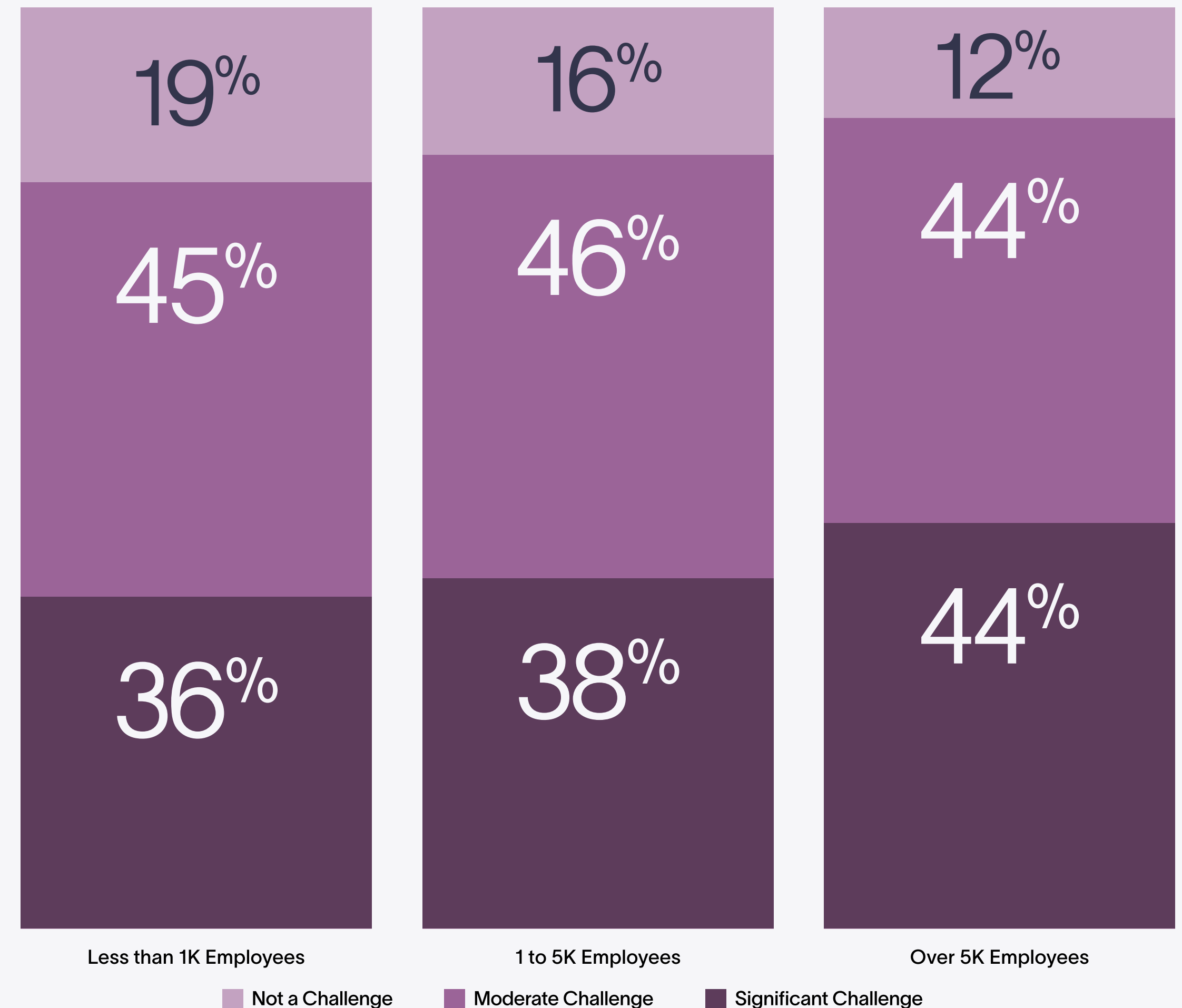
As AI adoption increases, the risks for larger companies are amplified by the sheer volume of data they handle.

Larger companies also face growing pressure to comply with a patchwork of stringent data privacy regulations such as GDPR in Europe and CCPA in California.

Safeguarding sensitive customer data and protecting intellectual property are essential for fostering loyalty and ensuring long term business success.



How significant is the challenge of managing AI data privacy & security?



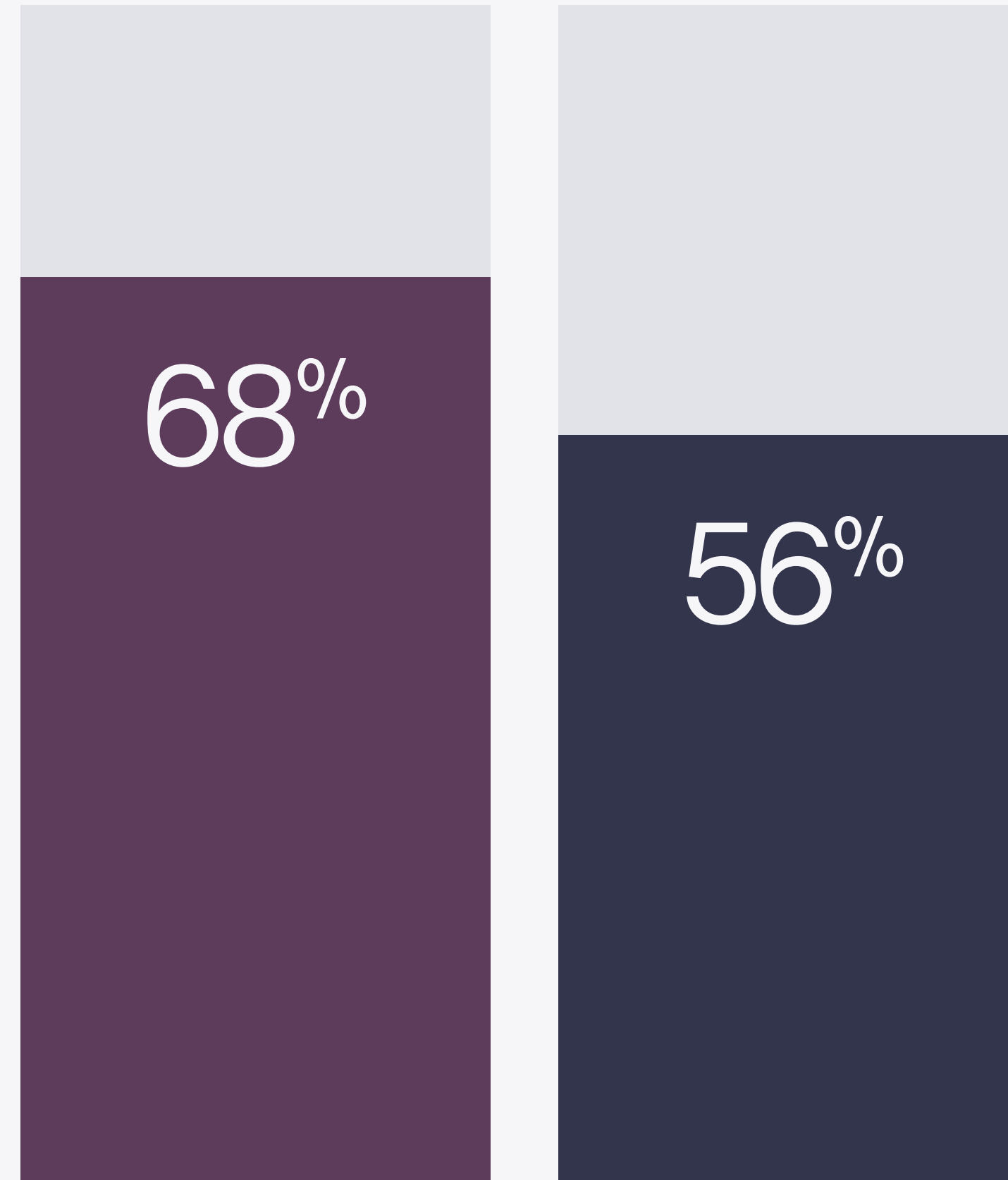
Mac over PC and local over cloud for data-cautious companies

Interestingly, companies that use primarily Mac hardware are more likely to be concerned about data privacy (68%) and security than those with Windows (56%) or mixed hardware (55%). This finding once again echoes the [Canalys' report](#) stating that Mac captured 60% of the AI PC market in Q2 2024.

Companies leveraging local AI are also more likely to be more concerned about privacy and security (74%) than those leveraging cloud solutions (58%).

This likely indicates that, just as Macs are known for being more secure than most PCs and are the obvious choice for [data-cautious companies](#), local AI security is considered superior to cloud AI and therefore is also likely the preferred deployment method for companies with heightened privacy and security concerns.

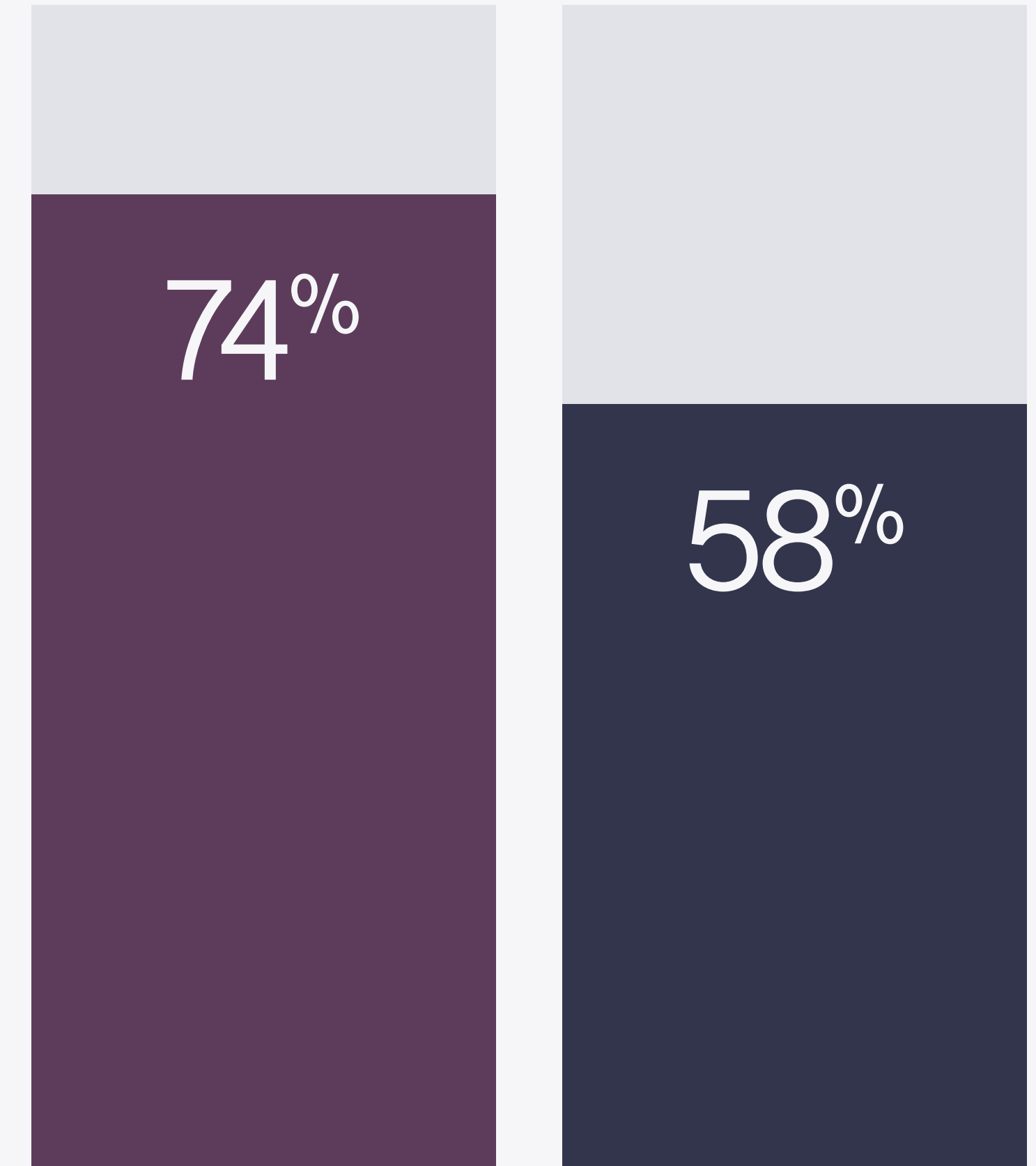
How concerned are you about data privacy when using AI technologies?



*Indicating Very Concerned and Extremely Concerned

■ Mac Only ■ PC Only

Describe your companies overall sentiment towards adopting AI technologies



*Indicating Very Concerned and Extremely Concerned

■ Majority Local ■ Majority Cloud

Persistent breaches call for rethinking AI security approaches

The persistence of data breaches highlights that existing approaches to AI privacy and security are falling short, even as companies continue to prioritize these areas. In the face of growing concerns, particularly among larger organizations, local AI is gaining traction as a more secure and controlled alternative to cloud-based solutions.

Local AI's ability to offer greater control over data, coupled with its cost efficiency and enhanced

privacy, positions it as an ideal solution for companies with heightened security needs. As AI adoption accelerates, the shift toward local deployments could play a crucial role in addressing the evolving challenges of data privacy and security, making it a smart choice for organizations looking to future-proof their AI strategies.

Trend 04

AI initiatives
are (mostly)
company-wide

AI adoption is growing rapidly, with most organizations expecting broader integration and increased budgets

While AI usage is decidedly middle of the road at most organizations, it's gaining traction quickly. Just 9% of respondents can say that 75%+ of their companies' workforce is using AI, but only 5% say less than 10% of their workforce uses the technology.

However, almost everyone (91%) expects usage to increase over the next 12 months. Annual AI spend is also increasing, with 53%

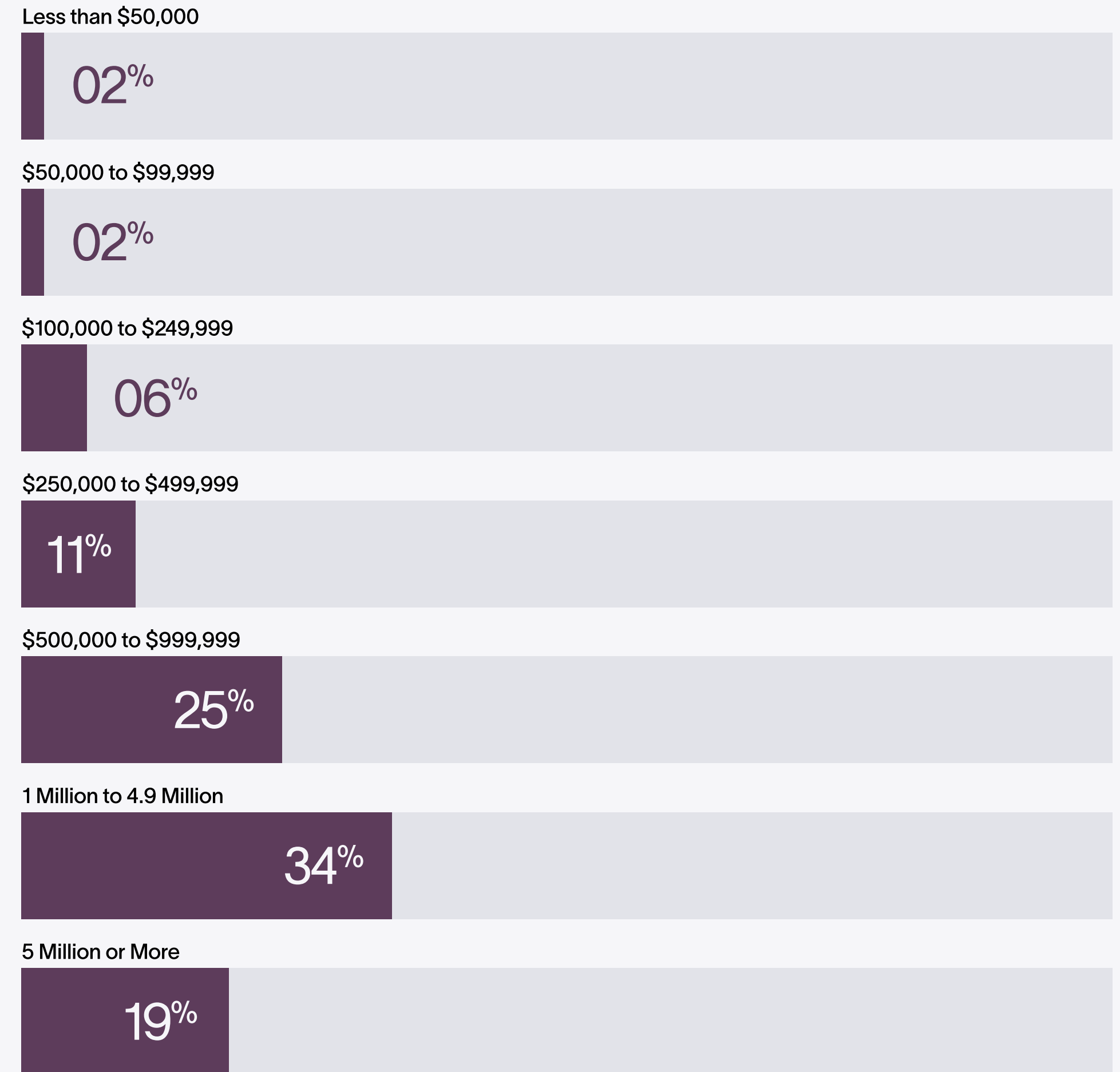
spending over \$1MM on AI related initiatives, and nearly 20% of companies already spending \$5MM or more. 84% of all respondents expect their allocations to increase over the next 12 months.

All this increased integration and spend makes sense, because the data shows that companies where the majority of the workforce has adopted AI are seeing the largest positive impacts on their business.

What percentage of your company is currently utilizing AI technologies?

0% to 10% of Company	05%
11% to 25% of Company	24%
26% to 50% of Company	34%
26% to 50% of Company	28%
76% to 100% of Company	09%

What is your company's annual budget for AI-related initiatives?



Customer-facing teams lag in AI implementation and adoption

AI adoption has taken off among internal teams like engineering and product, but customer-facing teams have been slower to follow suit. This lag stems from the immediate efficiency gains AI offers internal teams, which often deal with data-heavy tasks that are prime for automation.

Customer-facing roles, however, rely on personal interaction, leading to concerns that AI could undermine the customer experience. There's also the lingering fear that AI may "steal" jobs from sales, marketing, and support teams. Fortunately, we found that reducing headcount is the least common reason that companies implement AI, suggesting that AI is more about enhancing roles than eliminating them.

High costs and technical complexity have also likely contributed to slower adoption. Many customer-facing teams find AI solutions expensive and challenging to deploy. As these tools become more accessible and demonstrate their value in customer interactions, adoption is likely to increase.

What departments are involved in the implementation of your AI solutions?

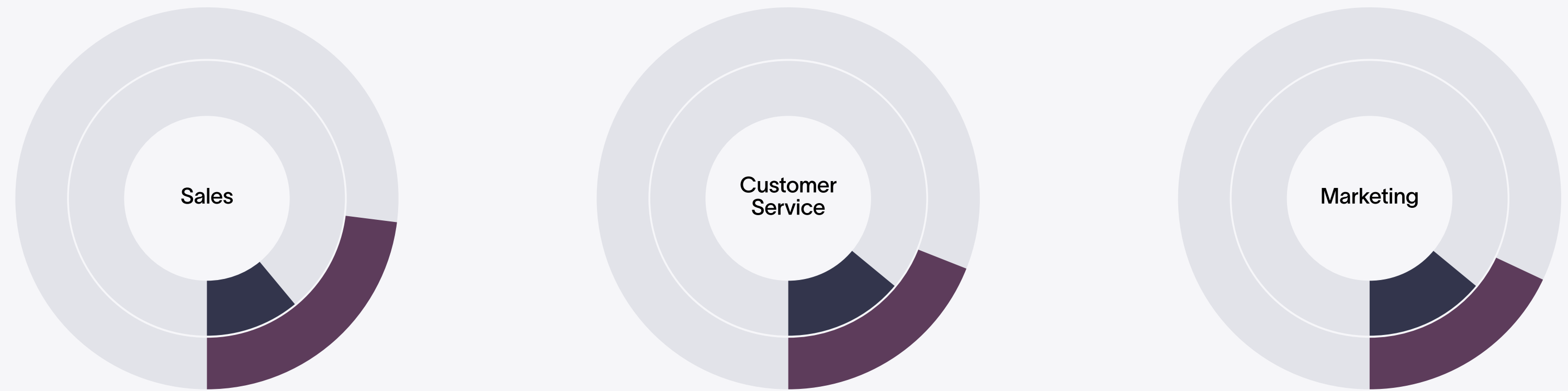
IT & Technology	67%	Finance	17%
AI & Machine Learning	40%	Sales	15%
Data Science & Analytics	33%	Legal	15%
Executive Management	25%	Human Resources	14%
Operations	24%	Procurement	14%
Engineering	23%	Customer Service	13%
Research & Development	20%	Marketing	11%

Customer-facing teams are more involved in local AI purchase processes

Interestingly, sales, marketing, and customer service teams are substantially more likely to be involved in the purchase process at companies where 50%+ of AI deployments are local versus majority cloud. Remember that this same group sees slightly smoother adoption and higher utilization rates compared to majority cloud AI users.

Local AI deployments often allow for more tailored, on-premise solutions that can be customized to meet the specific needs of customer-facing teams. Their increased stake in the buying process makes sense: These teams may require fast, responsive AI applications—such as chatbots and customer support tools—that benefit from being hosted locally to reduce latency and provide real-time customer interactions.

What departments are involved in the purchase of your AI solutions?



	Local	Cloud
Sales	23%	11%
Customer Service	19%	14%
Marketing	18%	14%

*Companies with greater than 50% local or cloud deployments

Company-wide adoption drives success, but customer-facing teams lag behind for now

AI adoption is growing rapidly across organizations, with increasing budgets and broader workforce integration on the horizon. Companies that have embraced AI company-wide are already seeing significant benefits, with higher adoption rates linked to greater positive impacts on business outcomes.

However, customer-facing teams remain slower to adopt AI compared to internal teams like engineering and product.

Concerns about AI undermining personal interactions and fears of job displacement have contributed to this lag. High costs and technical complexity have also made adoption more challenging for these teams. Yet, as AI tools become more accessible and demonstrate value in customer interactions, this gap is expected to close. Broader adoption across the entire organization is key to unlocking AI's full potential.

Creating the intelligent future

As AI adoption accelerates, it's clear that companies stand to gain significant advantages, particularly those that adopt early and integrate AI deeply into their operations. Early adopters are realizing more advanced applications, greater efficiencies, and higher satisfaction, while newer entrants are just beginning to tap into AI's potential. However, the challenges faced by early adopters—ranging from technical debt to legal concerns—underscore the complexities of scaling AI.

Data privacy and security remain pressing concerns, with high-profile breaches demonstrating the limitations of current strategies. Local AI is emerging as a strong solution, offering greater control and privacy protections. As more companies explore local AI, this approach may become central to their AI strategies, especially in industries that prioritize security.

While AI adoption is expanding company-wide, customer-facing teams still lag behind, driven by concerns about cost, complexity, and the potential disruption to human interactions. Yet, with increasing involvement in AI purchase decisions—particularly for local deployments—these teams are poised to catch up as the technology proves its value in enhancing customer experiences without displacing roles.

Looking ahead, AI is set to play an even more transformative role in business operations. The organizations that invest in AI, embrace the benefits of local deployments, and drive adoption across all teams will be best positioned to unlock AI's full potential and navigate the evolving challenges of privacy, security, and workforce integration.

AI trends report key takeaways

01

Early adoption drives better results

The gap between early and recent AI adopters is growing. Companies that have used AI longer report higher adoption rates and significantly better business outcomes.

02

Local AI is growing in popularity

More companies are shifting to local AI deployments, citing better cost efficiency, increased user adoption, and improved business outcomes compared to cloud-based solutions.

03

Strengthening data privacy and security is critical

Concern only gets companies so far, and the shocking number of recent AI-related breaches shows that technical leaders must up their data privacy and security game.

04

Customer-facing teams are key to company-wide AI success

For AI to deliver its full potential, adoption must extend beyond internal teams to include customer-facing roles, which are crucial to driving broader organizational impact.

About webAI

webAI is redefining the future of artificial intelligence with local solutions that move beyond the limitations of cloud-based systems. Our platform delivers full data privacy, control, and efficiency by empowering businesses across industries to build, deploy, and scale AI models directly on their own devices

[Learn more at webAI.com](https://webAI.com)

