



PREDICTIONS 2024

Exploration Generates Progress

When the early explorers faced down the unknown on the high seas, they weren't just trying to get somewhere — they were trying to find the safest and fastest passage. To succeed, they had to continually forge ahead, but they also needed to be ready to adjust, reassess, and potentially launch themselves down another path. Luckily, new tools allowed explorers to move faster and undertake formerly unthinkable journeys.

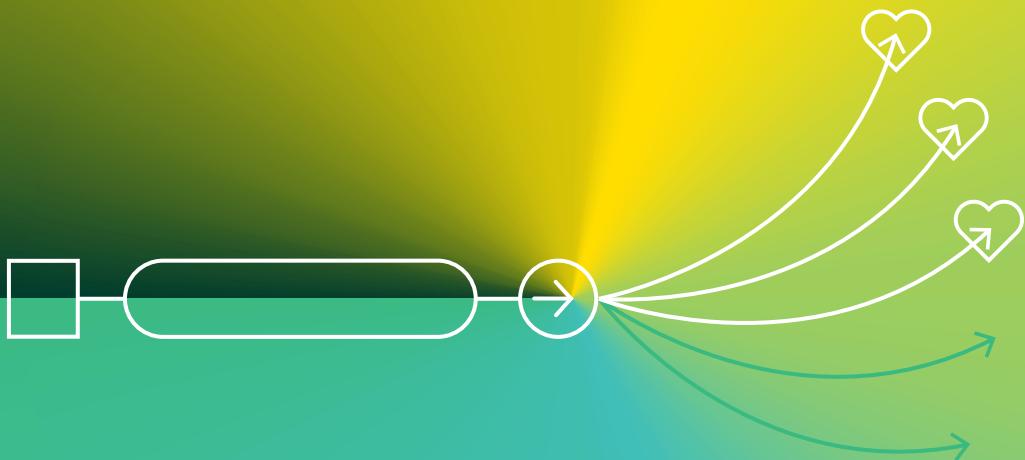
In 2024, business leaders like you will need to emulate these explorers to succeed. You're now armed with the greatest technological advancement since the internet: generative AI. It's not the time to "wait and see" how this technology shakes out. Generative AI is here. It's up to you to discover its value.

Experimentation with generative AI will occur amid a tense social and economic background: High-stakes political elections around the world will create moments of acute societal tension; employee engagement and sentiment are likely to slump; and inflation will continue to cast a long shadow, with the overall macroeconomic picture remaining cloudy.

Despite this uncertainty, the greatest risk is to wait by the shore hoping that someone else will figure out the way first. Generative AI will be the fulcrum that businesses rely on to enhance, empower, and engage employees and customers — with or without you. Embrace the misstep, and think big.

Welcome to 2024.

Generative AI will seep into consumers' lives.

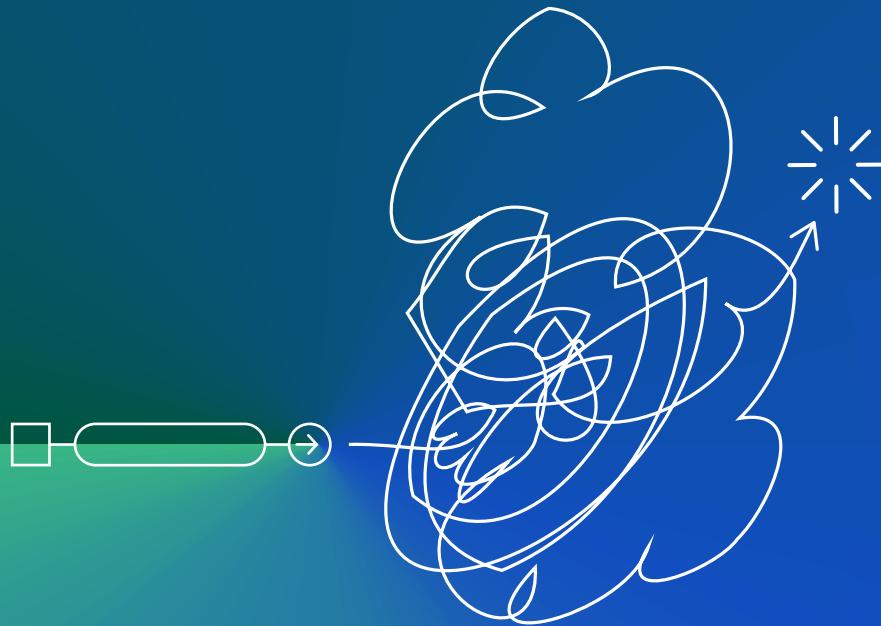


**60% of skeptics will use
(and love) generative AI —
knowing it or not.**

Generative AI (genAI) is the talk of the town. As is often the case with poorly understood tech that promises to change the world, there is a flurry of consumer concern about ethics and human impact. As one member of Forrester's ConsumerVoices Market Research Online Community told us, *"People need to learn and think for themselves. [GenAI] is only helpful as an additional tool, not a replacement for human thoughts, intelligence, and interaction."* Forrester finds that 50% of US and 43% of French online adults who have heard of AI say that generative AI poses a threat to society. That number is not going to decrease anytime soon.

Yet a vast majority of these skeptics will, over the course of 2024, use (and love) generative AI — whether they know it or not. Tech companies are embedding genAI capabilities into their platforms and tools and into the apps and products that consumers use every day: [Adobe Photoshop's generative fill feature](#) works like magic; Google search allows users to opt in for [Bard](#); and [LinkedIn's AI-generated content](#) helps create posts for users. Like it or not, know it or not, genAI will seep into consumers' lives seamlessly and invisibly.

AI will spur the age of creativity.

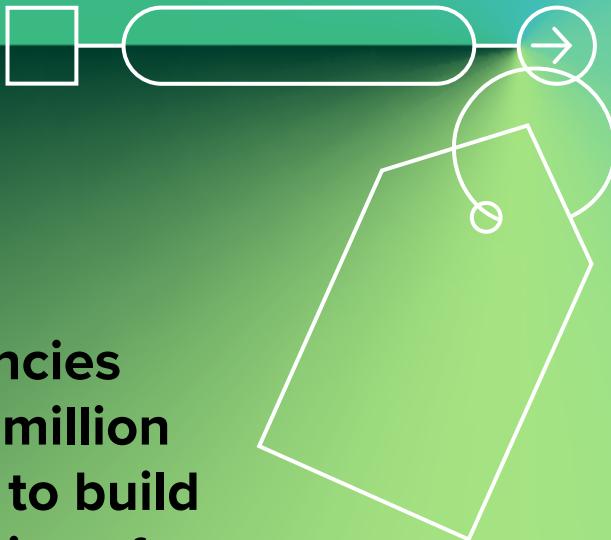


Enterprise AI initiatives will boost productivity and creative problem-solving by 50%.

Building on multiple investments over the past decade, generative AI is poised to increase productivity across IT operations. Current projects already cite improvements of up to 40% in software development tasks. Visionary tech execs will seize this opportunity to strategically realign IT resources to unlock the immense creative potential within their teams — not just among developers but across all IT roles. They will leverage this AI moment to create an environment that promotes innovation, interdisciplinary teamwork, continuous learning, and alignment with the broader business strategy. This shift in focus will free up to 50% more time for employees to engage in creative problem-solving, driving customer-centric innovation and creating unprecedented business value. Businesses will benefit as their tech teams provide products and services that deliver better, more innovative customer experiences. Behold the age of creativity.

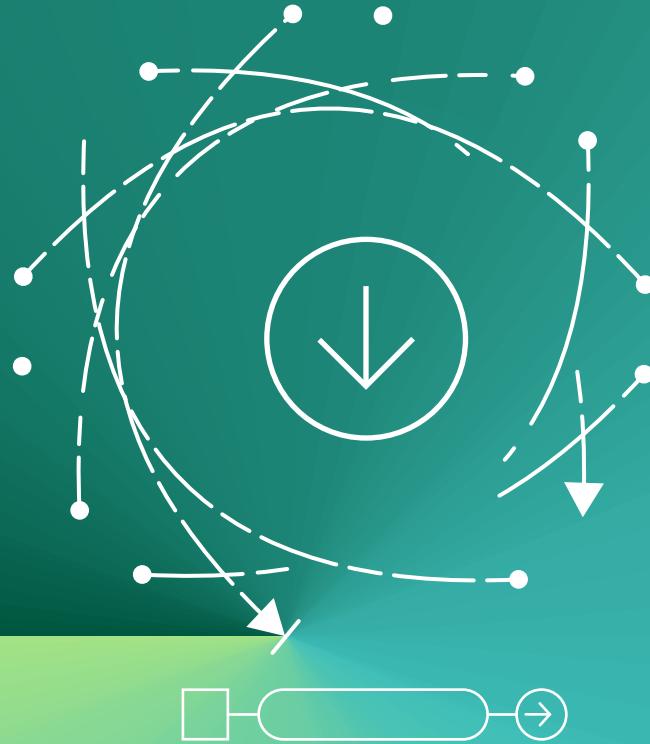
Agencies will bet big on “brand-specific” AI models.

The top 10 agencies
will spend \$50 million
in partnerships to build
custom AI solutions for
enterprise clients.



In 2024, agencies will invest heavily to build bespoke, enterprise-ready AI solutions, formed by a combination of foundational AI models from tech partnerships, their own audience and creative intelligence, clients' first-party data, and the brand's standards. These customized brand language models will enable marketers to (finally) scale personalized marketing campaigns and brand experiences. We predict that the top 10 agencies will spend a combined \$50 million in partnerships to build custom AI solutions for enterprise clients. The announcement of ChatGPT Enterprise only accelerates investments. Several agency holding companies, including Accenture, Dentsu, Omnicom, Publicis, and WPP, are well underway in customizing their solutions with foundational AI models, having inked deals with multiple AI providers such as Adobe, Anthropic, AWS, Google, IBM, Meta, Microsoft, NVIDIA, and OpenAI. We anticipate agency networks like DEPT, Horizon Media, Media.Monks, Stagwell, and Tinuiti to also introduce competitive brand language models.

AI processing will hit a wall in 2024.



Limited chip availability will drive common sense and tamper down irrational AI expectations.

The mad dash for AI has demand for GPUs and related chip production at its limits. With constrained capacity to make more of these chips, AI processing will hit a wall in 2024. This shortage will most acutely affect large buyers such as Meta, OpenAI, Tesla, and various cloud providers. Lofty ambitions for billion-parameter large language model (LLM) applications will feel the pinch, but more modest enterprise efforts should be fine. Technology providers like Dell and Hewlett Packard Enterprise partner with chipmakers such as Intel and NVIDIA to power these smaller-scale enterprise applications — these relationships are sacred, with significant attention on the robust supply chains involved.

Expect a pragmatic approach to AI, driven by availability, silicon economics, and sustainability. The popular NVIDIA H100 AI processor sells for more than \$40,000, a price that is frequently inflated due to demand. It also burns up to 700 watts of power. These things are hot, so building enough compute capacity for LLMs will prove prohibitively expensive and ecologically abusive. Forrester predicts that these hardware issues will tamper ambitions and that aspirants will be forced to prioritize applications, settling on those with the most obvious ROI.

The clouds will launch prompt engineering services to no avail.

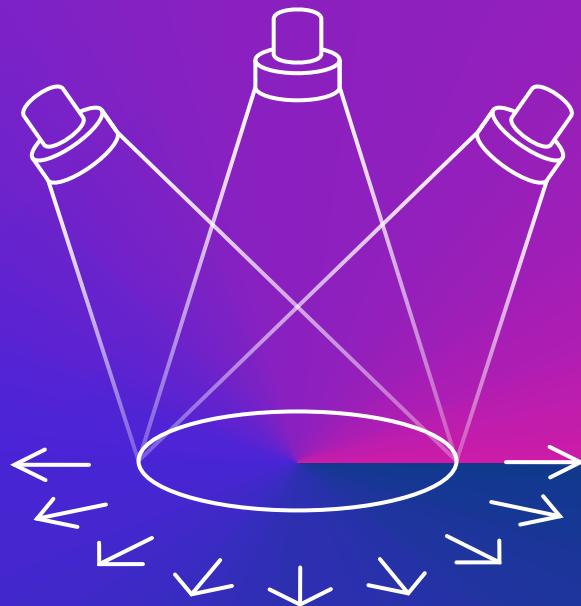


80% of firms will add prompt engineering talent internally to accelerate value delivery.

The transformational shift of foundation models and genAI is all the rage. [Hyperscalers have all the building blocks](#) for data science, except for prompt engineering. In 2024, all hyperscalers will announce either a preview or general availability of prompt engineering — i.e., the processing of text so that it can be understood by a genAI model. For example, Google Cloud already put [grounding prompt](#) in the product vision of its AI Platform, while Baidu AI Cloud published training courses on prompt engineering for its Wenxin series.

Enterprise adoption will be limited, however. Most (80%) will add prompt engineering talent internally using business SMEs and data scientists to accelerate model grounding and value delivery. What is driving this? Due to incomplete contextual data and limited experience in natural language and prompt engineering among data scientists, cloud providers' first-gen prompt engineering services will not suffice when it comes to addressing tailored, fine-tuned needs.

Backstage will take center stage.



Backstage will be the #1 framework for self-service developer portals.

Backstage is an open source developer portal [created by Spotify](#) and donated to the CNCF (Cloud Native Computing Foundation). Its purpose is to consolidate the discovery, creation, and management of developer resources such as Git repos, build pipelines, APIs, and infrastructure automations into a single portal that all developers can use as a service. The number of top-tier companies investing in a Backstage implementation is astounding; based on [forks listed in GitHub](#), they include American Airlines, Ericsson, Lowe's, and Mercedes-Benz. In 2024, we expect Backstage adoption to expand and become the number one framework for IT infrastructure and operations teams to automate and expose infrastructure capabilities in the form of a developer portal. We also expect that this will begin to chip away at internal API portal vendors as IT shops seek a one-stop portal for all their internal development needs.

GenAI will augment customer service agents' capabilities.

CX will improve for the first time in three years.



The global average customer experience (CX) will improve for the first time in three years — the last time that gains outpaced losses was in 2021. Most brands' CX will remain flat, however, and the number of brands that get better and worse will be equal. Improvements will be most pronounced in Europe and APAC. In North America, the US will improve, while Canada will continue to struggle.

The key to many of 2024's improvements will be [behind-the-scenes genAI](#) that augments customer service agents' capabilities. This will help agents contribute to success in common top drivers of CX: answering questions faster and better, resolving problems on first contact, communicating clearly, and leaving the customer feeling respected. To help ensure that [new customer service technologies](#) contribute to the company's CX strategy, CX leaders should design, execute, and measure new or reimagined customer service experiences.

Marketers will become privacy champions.

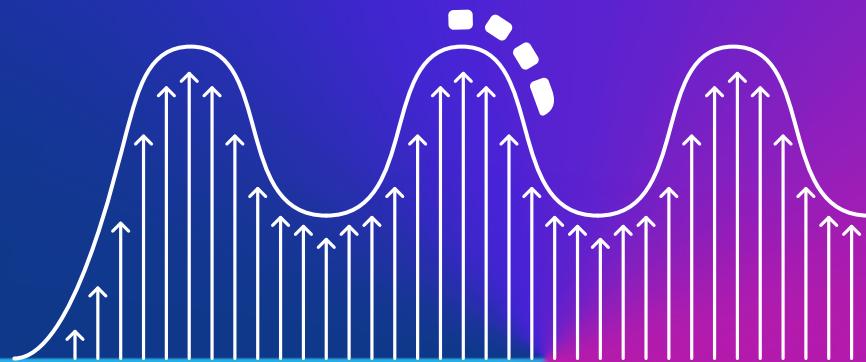


CMOs at five large consumer brands will fund dedicated privacy resources.

2 024 will be a busy year for marketers as four US state laws take effect, the EU undertakes a review of GDPR enforcement, and Google rolls out Privacy Sandbox to Chrome users. As they try to stay on the right side of company and regulatory policies, marketers are increasingly involving their privacy counterparts in marketing strategy discussions and campaign approval processes, as they should.

But an ongoing [privacy talent shortage](#) will frustrate marketers as they run up against privacy teams that are already stretched thin balancing company priorities and that lack marketing proficiency — only 17% of privacy decision-makers say that their organization's privacy team has marketing competencies or skills. To bust this bottleneck, five large B2C brands will earmark a portion of their marketing budget specifically to fund additional headcount to the privacy team and/or upskill existing privacy colleagues.

Generational differences will alter B2B buying preferences.



Two out of five Millennial buyers will demand early access to B2B product experts.

Buyers aged 25 to 44 will make up 75% of business buying teams in 2024. When engaged in face-to-face buying, Forrester's data shows that these buyers find personal interactions with product experts more meaningful than all other in-person activities. We expect that the need to address these preferences will become an imperative as [Millennial buyers increasingly shift into decision-making roles](#).

We predict that 40% of younger buyers will rate person-to-person meetings with [product experts as their most meaningful personal interactions](#). As a result, successful sellers will need to match buyer needs to appropriate offerings — and their representative experts — earlier in the sales process. To alleviate buyer friction points in a smarter, more seamless manner, top sellers should forge effective partnerships with these experts and effectively orchestrate all person-to-person interactions. Sellers who practice this will see their time spent on direct buyer engagement rise to 25% or more of their overall work week.

An “EX Winter” will freeze employee experience investments.



Only 20% of companies will fund a DEI function with an endorsed strategy and personnel — a 7-point drop from 2023 levels.

In 2024, many teams that drive employee experience (EX) will suffer from a lack of funding or focus. Take diversity, equity, and inclusion (DEI): The percentage of companies that funded a DEI function with an endorsed strategy and personnel dropped from 33% in 2022 to 27% in 2023. We predict that this number will fall to 20% by the end of 2024 in the wake of cuts that disproportionately affect DEI teams. We also expect the trend of heavy attrition rates among DEI leaders — already seen at Apple, Disney, and Zoom — to continue.

Some companies will default to “check the box” DEI efforts such as heritage days, though DEI-influenced recruiting will continue at leading firms because it’s good for business. Tech investments won’t drive EX forward, either: While 66% of technology decision-makers who work in software say that they will invest in EX/human capital management software next year, those investments won’t be used to their full advantage. Many companies will prioritize spending that makes HR functions efficient over spending that improves EX outcomes. This will create an opportunity for companies that consciously choose to zig toward EX while so many others are zagging away from it.

Europe will lead hybrid work adoption.

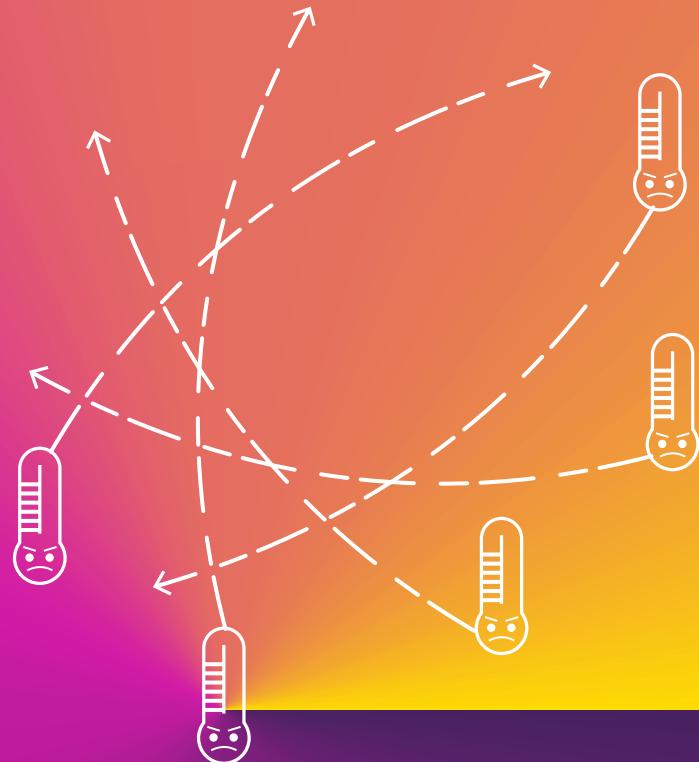


40% of European employees will work from home regularly.

The Netherlands leads the continent in its support for flexible working, with [74% of workers](#) allowed to work remotely in 2023. Hybrid working is less common in other European countries, which brings the current European average to 30%. Only [11% of European business leaders](#) expect employees to return to the office full-time. For comparison, in 2023, [28% of all US employees' workdays](#) are spent working from home; that number is 8% in South Korea and 26% in Australia.

We predict that Europe will outpace the US in flexible working in 2024, with 40% of Europeans working remotely at least some of the time. We also expect additional flexible working legislation to come into force in the UK and the EU next year. European firms will need to invest in [a new model of collaboration](#) to empower their hybrid workforce.

Climate risk will become employee experience risk.



Employee action will force adaptation accommodations at five Fortune 500 firms.

Crippling heat waves in 2023 put climate-related issues at the heart of organized labor strikes and contract negotiations globally, such as [UPS workers](#) in the US, [tourism workers](#) in Greece, and bus drivers in Italy. Until now, climate-triggered strikes have primarily come from industries such as construction, delivery, and food preparation, where employees either work outdoors or in environments that aren't climate-controlled. But that's changing. With heat waves now affecting education, commuting, and other aspects of everyday life, we predict that non-union workers will use organized labor's blueprint, employing legal precedent established by a [Montana state court](#) and leaning on [US OSHA protections](#) "to assure safe and healthful working conditions" in order to force their companies into policy changes and investments to adapt to the ongoing effects of climate change. Prepare by adding climate risk to your risk register and evaluating the impact of climate risk on employee experience.

Customer trust will remain up for grabs.



News organizations will have a resurgence as trusted sources of information.

In a world of misinformation fueled by AI-generated images, deepfakes, and faux human influencers, together with social media's disintegrating reputation, news outlets such as The New York Times and the BBC, as well as independent journalists, will become coveted sources of information. According to Forrester's 2023 data, social media's reputation is disintegrating across the globe: 81% of online adults in the US, the UK, Spain, and Italy agree that there is a lot of fake news and misinformation on social media. The numbers aren't much better in metro China, where 63% of online adults agree with this sentiment.

Due to these circumstances, there will be a much-needed rebound for trust in media. This resurgence must serve as a bellwether for social media and tech firms to prioritize source credibility and data provenance. As the line between real and fake blurs further, organizations must double down on marketing activities aligned to tier-one media and ensure that they are seen as reliable and trusted sources for journalists, buyers, investors, and other critical audiences. Brand safety concerns should also encourage orgs to dissociate from media that fails to quell the tide of fake news.

APAC firms will struggle to operationalize customer trust.



25% of APAC multinational corporations will adopt customer trust as a key mission, but only 5% will measure it.

Customer trust is an imperative, not a slogan. Misinformation, lack of transparency, price discrimination, data security breaches, privacy violations, fraud, scandals, and corruption are but a few of the symptoms that epitomize the decline in public trust and emphasize its fragility. Trust should be at the heart of any organization's strategy, because without it, customers, employees, partners, and the public at large will simply disengage. Doing right by customers, on the other hand, earns their trust and loyalty. But how many APAC multinational corporations are willing to take customer trust seriously and imbue it within their corporate culture? We estimate that by the end of 2024, 25% of APAC's largest companies will vocalize their strategic commitment to customer trust, but only 5% will effectively codify that commitment through measurement and organizational KPIs.

Regulators will have genAI in their sights.



An app using ChatGPT will be fined for its handling of personal identifiable information.

Regulators have been busy with genAI. The OpenAI [investigation in Italy](#) is ongoing, and lawyers in Poland are dealing with a [new lawsuit](#) for several potential GDPR violations. As a result, the European Data Protection Board has launched a [task force](#) to coordinate enforcement actions against ChatGPT, and the [US Federal Trade Commission is also investigating](#) OpenAI. While OpenAI has the technical and financial resources to defend itself against regulators, other third-party apps running on ChatGPT do not. In fact, some apps bear a greater risk of getting fined than OpenAI, as they introduce risk via third-party tech providers but lack the resources and expertise to [mitigate it appropriately](#). Companies must identify apps that could increase their risk exposure and double down on third-party risk management.

Seize The GenAI Opportunity — And More — In 2024

Forrester Decisions is designed for moments like this. Our research services represent a new option for business and technology leaders who need help solving problems, making decisions, and taking action to deliver results. Get a winning combination of research, models, frameworks, and hands-on guidance that will empower your organization to gain value from genAI, tackle your most critical business priorities, and achieve your desired outcomes.

Explore Forrester Decisions

[LEARN MORE](#)

Discover More Complimentary Predictions 2024 Resources

[EXPLORE NOW](#)

Let Us Know Directly How We Can Help

[CONTACT US](#)

Ready to get started now? Give us a call:

Americas: +1 615.395.3401

EMEA: +44 (0)207 323 7741

Australia: +61 2 9159 4925

Singapore: +65 6426 7060

India: +91 1142840027

Forrester Decisions Research Services

[B2B Marketing Executives ↗](#)[B2B Sales ↗](#)[B2C Marketing Executives ↗](#)[Customer Experience ↗](#)[Demand & ABM ↗](#)[Digital Business & Strategy ↗](#)[Partner Ecosystem Marketing ↗](#)[Portfolio Marketing ↗](#)[Product Management ↗](#)[Revenue Operations ↗](#)[Security & Risk ↗](#)[Technology Architecture & Delivery ↗](#)[Technology Executives ↗](#)[Forrester Market Insights ↗](#)