



Assessing Financial Implications of AI Adoption in Indian Advertising Agencies: A Descriptive Study of Leading Indigenous Agencies

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Abstract

The advertising industry in India is undergoing a major shift, particularly as digital-first campaigns and programmatic media buying come to dominate. Artificial Intelligence is bringing a major change in how advertising agencies operate and make financial decisions. With the growing shift toward digital-first campaigns and data-driven decision-making, AI tools are now influencing how agencies plan budgets, allocate resources, and evaluate financial outcomes. The increasing reliance on AI-based solutions has not only changed creative and operational practices but also introduced new considerations related to investment, cost optimization, and profitability. This study aims on assessing the adoption rate and financial impact of AI in leading indigenous advertising agencies in India. Using a descriptive research approach, the study based on secondary data which is collected from industry reports, company publications, and authenticates online sources. The research also explores to what extent AI is being applied in areas such as campaign design, media planning, consumer data analysis, and decision-making. It also evaluates the financial outcomes of AI adoption which includes cost savings, profitability, and overall efficiency. This study also examines how Indian advertising agencies integrate AI adoption into their financial planning specifically budgeting for AI, tracking of returns (ROI) and aligning AI expenditures with financial integration practices. The outcomes suggest that Indian advertising agencies are gradually adopting AI, though the extent of adoption depends on factors like agency size, financial resources, and technical capability. Agencies that have invested in AI show better performance in terms of productivity and their client satisfaction. The study concludes that AI can play a key role in improving the financial and creative strength of India's advertising industry.

Keywords: Artificial Intelligence, Advertising Agencies, Financial Implications, Adoption Rate, Indian Advertising Industry

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