AI Forum New Zealand
Te Kāhui Atamai Iahiko o Aotearoa

A BI-ANNUAL SNAPSHOT | REPORT 2 | MARCH 2025

AI IN ACTION

Exploring the Impact of Artificial Intelligence on New Zealand's Productivity

In partnership with:

Callaghan Innovation Te Pokapū Auaha

Victoria University of Wellington Te Herenga Waka

Thank you to our **partners**

This report was made possible with the support of Callaghan Innovation, Te Herenga Waka Victoria University of Wellington, and Amazon Web Services. We cannot thank these organisations and our sponsors Minter Ellison Rudd Watts, ElementX, Maximon, Kōwhai AI and Fraxional AI enough for supporting us to produce a high quality report that will be freely available to all in the ecosystem.

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AI adoption surges across New Zealand businesses

Artificial intelligence (AI) adoption and innovation have accelerated significantly across Aotearoa New Zealand during the past six months, according to our latest AI in Action survey.

Madeline Newman
Executive Director,
AI Forum

Businesses are integrating AI across multiple functions, driving measurable productivity gains. A striking 96% of New Zealand workers report increased efficiency due to AI, reinforcing earlier findings that 93% of businesses see AI enhancing workforce productivity.

In February, the AI Forum launched the 2025 Update to our AI Blueprint first published in July 2024. This living document charts a clear path for Aotearoa New Zealand's AI-powered future, with six key sectors leading the charge in responsible AI research, education, development and adoption. It continues to guide strategic AI investments, ensuring AI's transformative potential is maximised across critical industries.

AI investment and training on the rise

Harnessing AI effectively remains crucial to addressing New Zealand's productivity challenges and ensuring global competitiveness. Encouragingly, 81% of businesses now support AI training for their staff, though ongoing investment in AI skills remains essential.

Additionally, our latest survey included new insights on Māori inclusion in AI design and development, reflecting a growing commitment to equitable AI adoption - though there is still work to be done.

Government steps up with AI frameworks

We commend the Government on the launch of the Public Service AI Framework in January 2025, which provides a structured approach to responsible AI deployment across the public sector. Aligned with the developing National AI Strategy, this framework ensures AI adoption remains inclusive, human-centred and accountable, while leveraging international best practices, including the OECD AI Principles.

Looking ahead: a thriving AI ecosystem

As AI continues to evolve, the AI Forum remains committed to fostering a responsible and thriving AI ecosystem for Aotearoa New Zealand. Through collaboration with industry, academia, and government, we will continue to drive informed AI adoption.

We'd like to acknowledge Callaghan Innovation for its integral role in supporting this research and initiatives such as GovGPT and the AI Activator.

The rapid pace of AI development presents both opportunities and challenges. By embracing AI responsibily, we can ensure it drives a prosperous, inclusive, and equitable future for Aotearoa New Zealand.

AI in Aotearoa: powering our future, responsibly

I commend the AI Forum, researchers and sponsors for their commitment to presenting this regular snapshot of AI adoption in New Zealand.

Kirsten Patterson
Chief Executive Officer,
Institute of Directors

The findings provide valuable insights into AI's role in transforming how businesses operate and offer critical perspectives for boards of directors navigating this evolving landscape.

One of the most striking trends from the survey is the widespread recognition of AI's role in enhancing efficiency and productivity.

An overwhelming 93% of respondents reported that AI has made workers more efficient, while 56% noted a positive impact on financial output.

These findings align with the Institute of Directors' emphasis on leveraging technology to drive business performance and competitiveness. Using AI effectively is part of the answer to New Zealand's poor productivity.

It's promising to see a growing proportion of respondents report that AI is not only automating tasks but also creating new career opportunities. We expect this trend only to strengthen as more businesses apply AI to good effect, freeing up staff to be redeployed to higher value roles.

However, the research also raises concerns about job displacement and ethical considerations. There is a growing need for boards to address these issues proactively through efforts to upskill and reskill workers for an AI-driven world.

As AI adoption grows, governance and ethics become increasingly important. The survey shows that while many businesses have some form of AI governance, there is still a need for clearer guidelines and standards. Boards and senior managers must ensure that AI is integrated responsibly, with a focus on transparency, accountability, and fairness.

That's why the Institute of Directors developed A Director's Guide to AI Board Governance, a comprehensive guide for boards seeking to lay the groundwork for responsible use of AI in the organisations they govern.

AI should be viewed as a strategic tool rather than a tactical solution. Boards need to ensure that AI aligns with overall business objectives and enhances long-term value creation. This study offers compelling evidence that our businesses have matured in their approach to using AI, with the associated case studies offering useful insights into the widely differing ways AI is providing impact.

I look forward to gaining more insights into AI adoption in New Zealand as this valuable research project continues.

Executive Summary

Key survey findings

93%

Productivity boost

93% of respondents say AI has made workers more efficient.

56%

AI is a cost saver

56% reported AI having a positive financial impact (up from 50%), with 71% acknowledging savings on operational costs due to harnessing AI.

82%

Increased uptake in AI

82% of respondents reported some level of AI use in their organisation, a 15 percentage point increase from the first survey.

72%

Off-the-shelf AI

72% of companies use pre-existing AI solutions, while only 13% use custom-built solutions pointing to the cost and speed advantages of leveraging the existing AI apps and platforms

7%

Workforce Impact: Minimal job displacements

The technology is not a significant job-killer yet with just 7% reporting AI replacing workers, however there is evidence that it is impacting the number of new hires.

73%

Widespread training on offer

Nearly three-quarters (73%) of our survey respondents reported having received AI training in their organisation suggesting employers are taking seriously the need to upskill the workforce to make the most of AI tools and platforms.

Executive Summary

Key survey findings continued...

Generative AI takes the lead

The widespread adoption of Gen AI tools including Claude, ChatGPT, Microsoft CoPilot and Perplexity has made them the most prevalent AI technologies across industries, revolutionising workflows and driving productivity gains.

Top 5 use cases for AI

1.	2.	3.	4.	5.
Administration	Marketing	Software Development	Project Management	Design

Responses by Industry

- Professional, Scientific and Technical Services 32.6%
- Education and Training 14.4%
- Information Media And Telecommunications 14.0%
- Public Administration and Safety 8.8%
- Financial and Insurance Services 5.1%
- Health Care and Social Assistance 3.7%
- Arts and Recreation 3.7%
- Transport, Postal, and Warehousing 3.3%
- Administrative and Support Services 2.8%
- Retail Trade 2.3%
- Other Services 2.3%
- Manufacturing 1.9%
- Electricity, Gas, Water and Waste Services 1.4%
- Construction 1.4%
- Agriculture, Forestry and Fishing 1.4%
- Wholesale Trade 0.9%

200
Valid responses

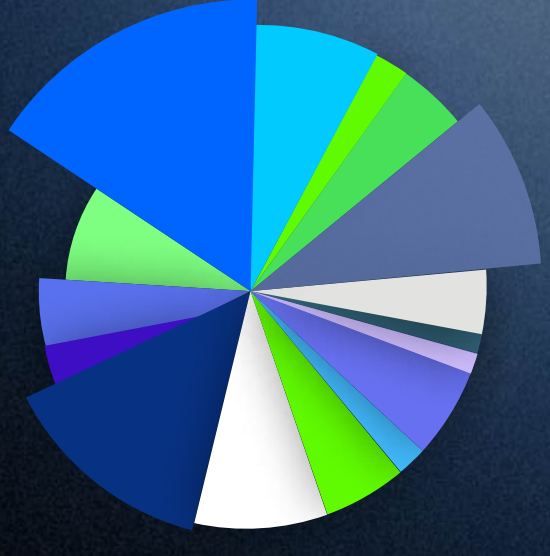
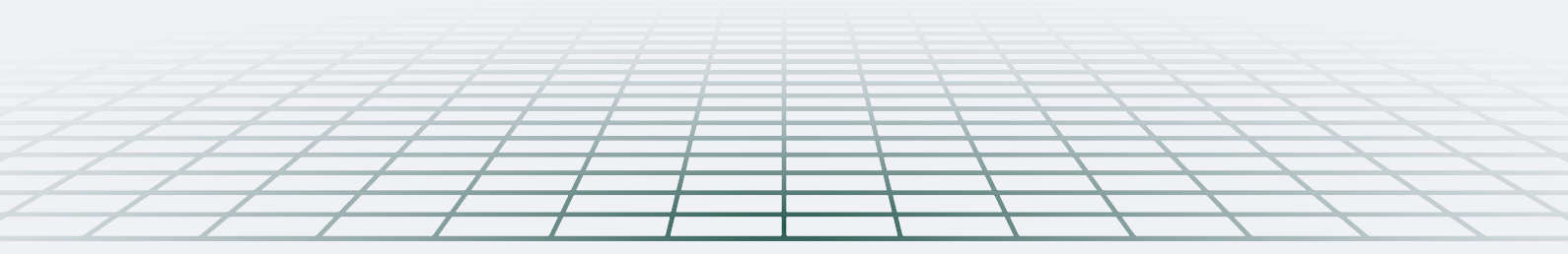


Figure 1: The sectors study respondents work in

Introduction

As artificial intelligence (AI) adoption accelerates globally, understanding its impact on New Zealand's productivity and economy is more critical than ever.



"We are able to produce higher quality work in the same amount of time or usually faster."
Arcanum AI

However, this remains an under-researched area, leaving key decision-makers without the insights needed to navigate AI's growing influence.

To address this gap, this initiative conducts biannual surveys, tracking AI adoption trends and their impact on productivity in New Zealand over time. These findings provide government, academia, and the business community with evidence-based insights to inform strategic decision-making and policy development.

This second survey builds on the first, maintaining a consistent scope to identify emerging trends in AI utilisation over the past six months. Additionally, several new questions explore the integration of Māori perspectives in AI development and use, ensuring a more inclusive and representative understanding of AI's role in Aotearoa.

AI has become a competitive advantage

Increased usage: AI usage continues to rise across New Zealand businesses, with 82% of respondents reporting using AI, up from 67% in the previous study. Generative AI remains the most commonly used AI technology, reflecting its rapid integration into workplace processes.

"With generative AI tools able to suggest and troubleshoot code, businesses report being able to tackle more complex tasks and improve output quality without any formal training."
Madeline Newman

This overall increase signals growing confidence among organisations and employees in adopting AI tools to enhance productivity and competitiveness.

As in the first report, AI use varies significantly across businesses. the most common response was that

33%

of all staff use AI. This is an 8 percentage point increase from the previous report.

Of the remaining responses, the majority represent businesses where less than 50% of staff use AI.

Few businesses report between 50% and 90% of AI use. This suggests a bimodal distribution - businesses either integrate AI widely or use it on a limited basis.

Interestingly, adoption rates spike at 50% and 100%, which may reflect a common tendency for respondents to round figures to 'nice' numbers even when actual usage may be slightly above or below these thresholds.

This data highlights the growing role of AI as a strategic asset, while also underscoring the need for continued support in AI integration across all levels of business.

5 key drivers of AI adoption

Our survey results highlight five key drivers of increasing AI use in New Zealand businesses.

"One survey respondent, a telecoms and media company, reported a 'massive reduction' in time spent on small tasks as a result of deploying AI."

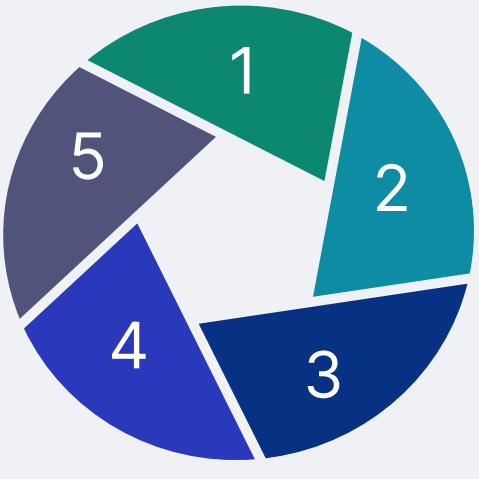
Andrew Lenson

Accessibility

The rapid advancement of AI technologies has made them more accessible, user-friendly and widely available. As awareness increases, businesses are recognising the potential benefits of AI integration. The proliferation of generative AI tools has been a major catalyst, with many businesses actively experimenting with these technologies.

New opportunities & innovation

As AI adoption grows, businesses that fail to embrace it risk falling behind. Many companies are implementing AI not just for efficiency gains, but to maintain a competitive edge, ensuring they stay relevant in an increasingly AI-driven market.



Productivity & efficiency gains

AI is significantly enhancing workplace efficiency, with 93% of businesses reporting improved worker productivity. By automating repetitive tasks, AI allows employees to focus on higher-value, strategic work, driving overall business performance.

Competitive advantage

As AI adoption grows, businesses that fail to embrace it risk falling behind. Many companies are implementing AI not just for efficiency gains, but to maintain a competitive edge, ensuring they stay relevant in an increasingly AI-driven market.

Financial impact

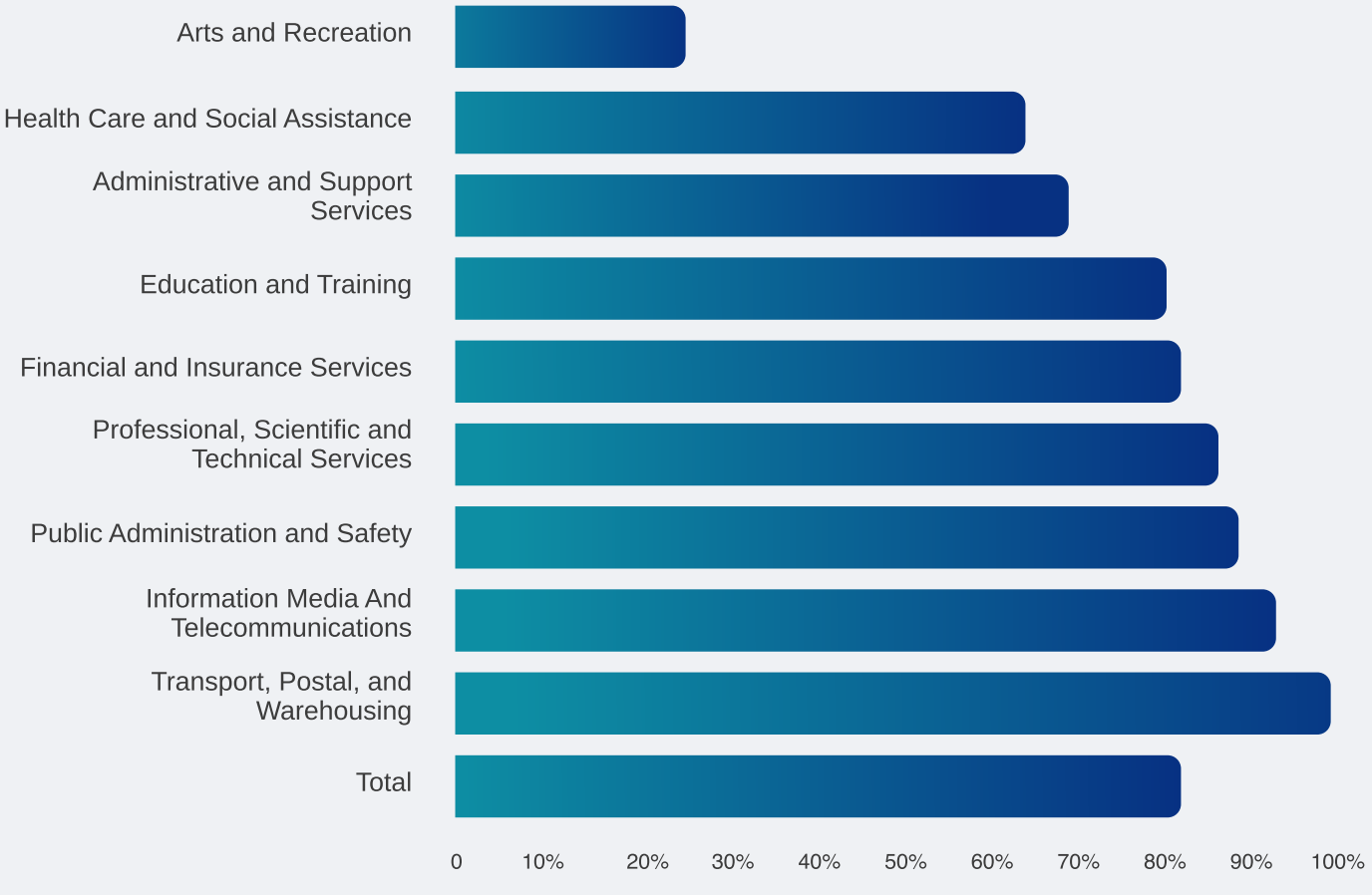
Our findings also show AI adoption is delivering measurable financial benefits:

- 56% of businesses report a positive impact on financial output
- 71% have reduced operating costs. These cost savings and revenue gains are strong incentives for businesses to adopt AI solutions.

5 key drivers of AI adoption

Continued...

Businesses using AI by industry



The chart above shows AI adoption in New Zealand by industry category, based on our survey responses. It suggests that uptake of AI is highest in transport, postal and warehousing, in information, media and telecommunications, and public administration and communications. Arts and recreation in contrast showed relatively low uptake of AI. Across the board, AI uptake sits at 82%.

Strong preference for off-the-shelf AI tools

New Zealand businesses overwhelmingly favour pre-existing AI tools over custom-built solutions. According to our survey, 73% of organisations have opted for off-the-shelf AI tools like ChatGPT, Microsoft Copilot and Google Gemini. Only 13% have invested in custom-built solutions.

Cost-effectiveness

Pre-existing AI tools typically provide a more affordable entry point, eliminating the need for costly development and specialised expertise. Custom AI solutions can require significant investment, often making them impractical for small and medium-sized enterprises (SMEs), which form the backbone of New Zealand's business landscape.

Rapid deployment

Off-the-shelf AI solutions can be implemented quickly, allowing businesses to start benefiting from AI immediately. In today's fast-paced market, this speed-to-market advantage is crucial for maintaining agility and competitiveness.

Ease of use & integration

Many off-the-shelf AI tools are designed with intuitive interfaces, requiring minimal technical expertise. This makes it easier for businesses to seamlessly integrate AI into their existing workflows without extensive training or hiring AI specialists.

Reliability & support

Established AI platforms offer regular updates, technical support and proven reliability. Businesses can adopt AI with greater confidence, reducing the risks associated with untested or in-house-developed solutions.

Scalability

Off-the-shelf AI solutions frequently provide scalable options, allowing businesses to start small and expand as their AI needs evolve.This flexibility is particularly beneficial for growing businesses or those testing AI adoption before committing to larger investments.

"An e-learning company is using generative AI tools to build custom Javascript apps, allowing is to create more complex modules without specific Javascript expertise."

Madeline Newman

AI's growing role in key business functions

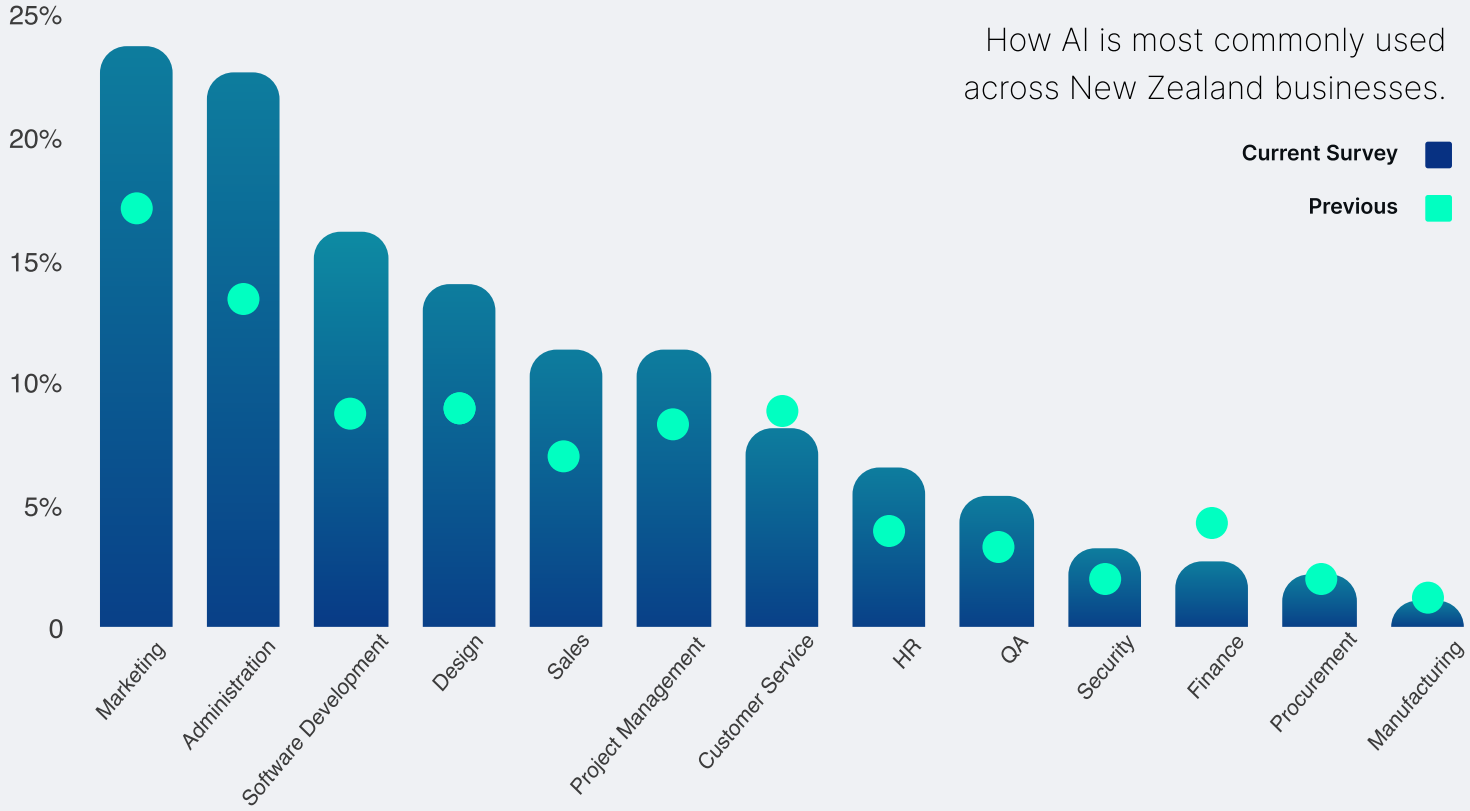
The top five use cases for AI in New Zealand businesses remain consistent with our first survey results.

Across workplaces, AI is widely adopted for general business administration and marketing, streamlining routine tasks and enhancing efficiency.

Software development continues to see outsized AI adoption, particularly among startups and digital economy businesses. The rapid expansion of AI-powered development tools in the past six months has further accelerated this trend (see case study, 'How Fraxional AI achieved a 50% productivity boost'.

"One respondent from a safety organisation expected AI to save dollars, but warned it would also cost jobs and entrench systemic racism, sexism, ageism."
Andrew Lenson

How AI is most commonly used across New Zealand businesses.



Trending:
top AI use cases

These five business functions are at the forefront of AI adoption in New Zealand, largely due to their reliance on digital processes and data, which make them well-suited for AI-driven automation.

Administration

AI streamlines repetitive tasks like scheduling, document management, and data entry. This improves efficiency and reduces manual workload.

Marketing

AI-powered analytics and personalisation tools help businesses leverage vast amounts of customer data for targeted campaigns and improved engagement.

Software Development

AI tools can assist with coding, testing, and debugging, accelerating development cycles and enhancing software quality

Project Management

AI analyses project data, timelines, and resources to optimise workflows, track progress and generate real-time reports.

Design

AI tools enable faster and more efficient creation, editing and manipulation of digital designs, making them a natural fit for this field.

Why these areas lead in AI adoption

These sectors see rapid productivity gains and an immediate return on investment (RoI) compared to industries like manufacturing where AI integration requires significant upfront investment, planning and training. For example, in software development, AI can instantly speed up coding and reduce errors, allowing teams to work more efficiently and deliver projects faster.

Lower risk of negative impact

Unlike areas such as human resources or finance, these five leading AI use cases typically involve less sensitive personal data, reducing privacy and compliance risks.

Additionally, they face fewer regulatory constraints, making AI easier to implement with lower stakes in decision-making. This minimises the potential harm from AI errors, allowing businesses to experiment and adopt AI more confidently.

"A respondent from a professional services company noted that AI solutions have helped several staff with disabilities to participate more fully."
Madeline Newman

AI Implementation lower cost options now available

Most businesses report relatively low costs for AI implementation, consistent findings from the first survey. However, AI adoption still requires a clear investment case, with 54% of respondents reporting set-up costs and 70% reporting ongoing expenses.

Notably, fewer businesses reported setup or ongoing costs exceeding $50,000 compared to the first survey. This trend may reflect increased investment in AI as businesses gain confidence in its value as the technology has matured or it may also be due to the different demographic responses in this survey round.

Also, since the first survey, more off-the-shelf AI offerings have become available on a subscription basis, reducing the need for costly custom-built solutions.

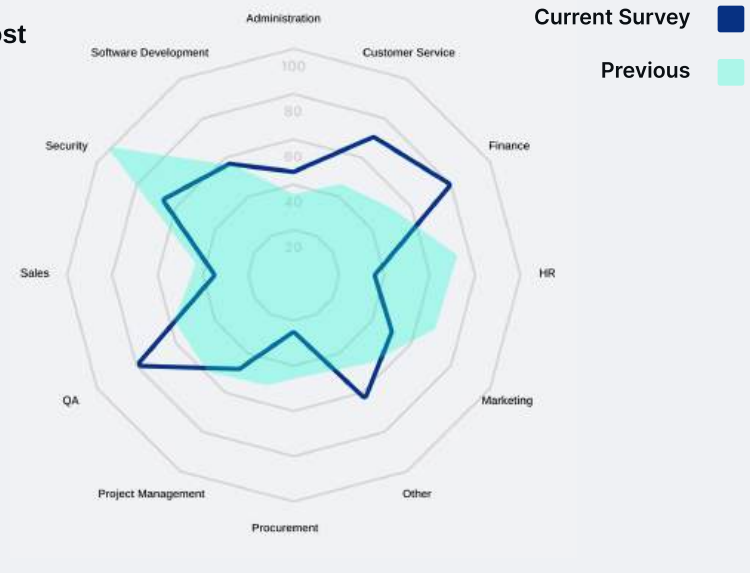
Evolving cost-impact relationship

A strong correlation (0.82 Spearman) between setup and ongoing costs suggests businesses maintain consistent investment patterns once AI is implemented.

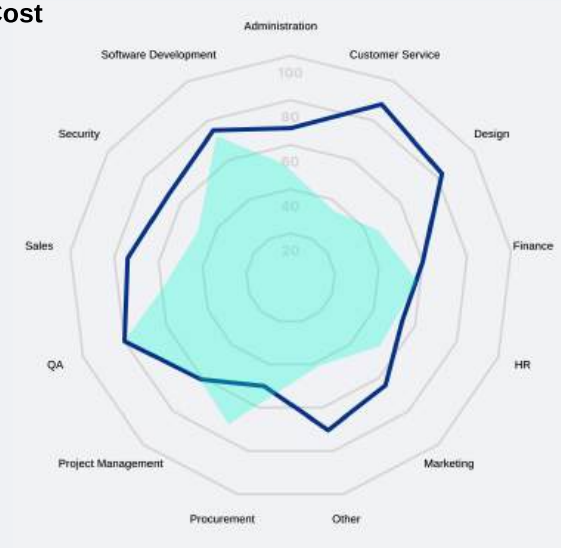
However, the correlation between AI costs and positive business impact has weakened (0.32 to 0.42 vs 0.68 to 0.78 in the first survey). This shift indicates that as AI adoption matures, returns on investment are becoming more complex and dependent on business-specific factors.

Overall, the decline in high-cost AI implementations, alongside an increase in adoption, suggests that AI is becoming more accessible to businesses of all sizes, enabling broader adoption without requiring significant upfront investment.

Setup Cost



Ongoing Cost



These chart shows the proportion of respondents that indicated they incurred benefits as part of their businesses AI experience, for different business functions. The further out from the centre of the web, the greater is the proportion of respondents. The centre of the web indicates 0 per cent, and the outer ring 100 per cent. The previous survey's results are shown for comparison as the shaded area. Note that the chart does not report on the quantum of benefits incurred. Manufacturing was excluded from the chart because of insufficient responses.

Positive returns driving AI adoption

56% of respondents reported a positive impact on financial performance, (+6pp from first survey).

71%

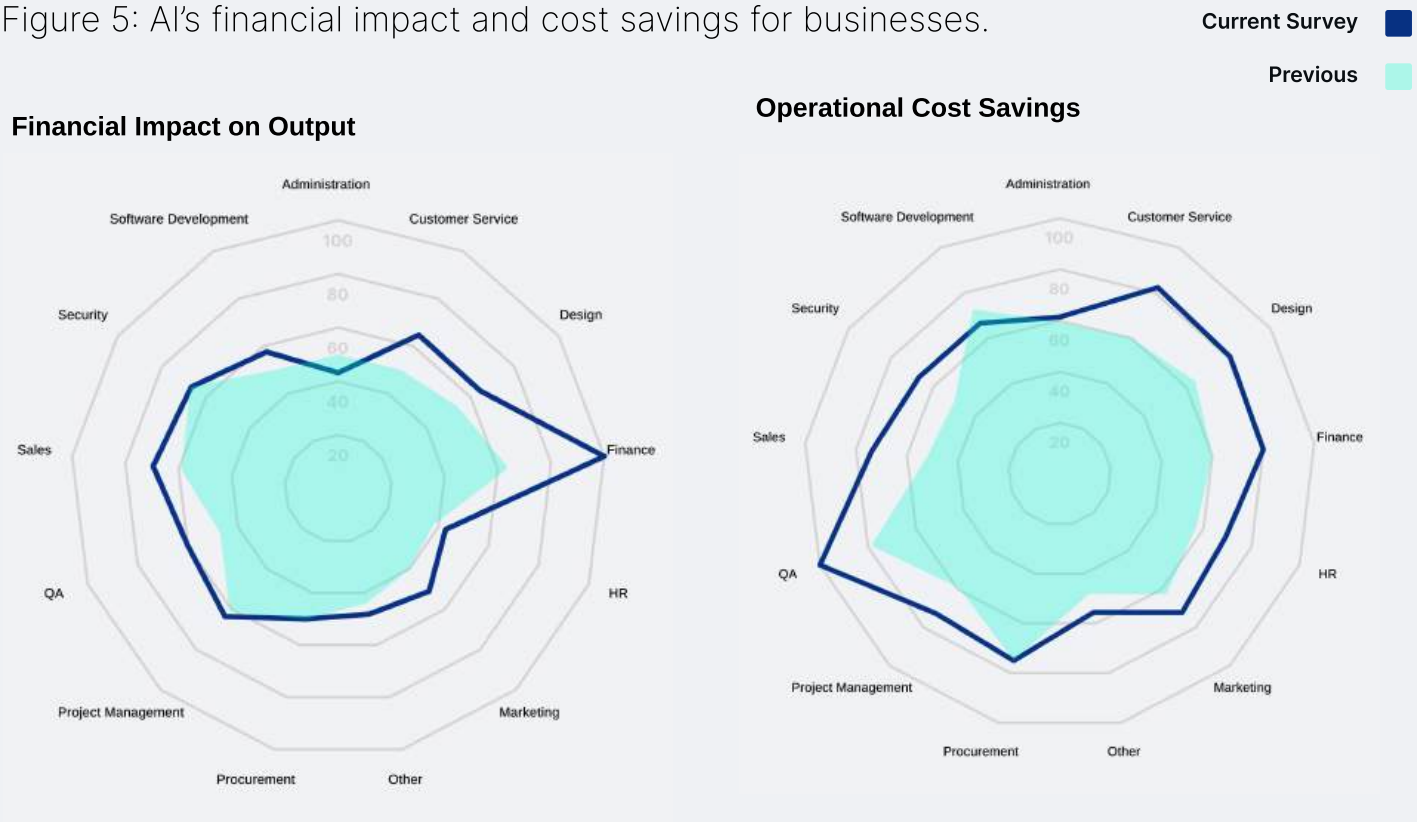
Reported savings on operating costs (+9pp from first survey). Many businesses reported financial gains between $1,001 and $50,000 for both growth and cost savings.

Our latest findings show AI adoption is delivering tangible financial benefits. The high percentage of businesses reporting financial benefits suggests a positive return on investment (ROI) for AI implementation.

However, this survey also saw an increase in respondents choosing not to disclose financial impacts, possibly indicating growing sensitivity regarding AI-related financial data.

Overall, these findings reinforce that while AI implementation costs remain manageable, its financial benefits are becoming increasingly clear, encouraging more businesses to adopt and invest in AI technologies.

Figure 5: AI's financial impact and cost savings for businesses.



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What is the real human impact of AI adoption?

Only 7% of respondents report that AI has replaced workers while 93% state that AI has made workers more efficient.

AI is transforming workplaces, but its impact on jobs is more nuanced than outright replacement. The 93% reporting increased efficiency reinforces AI's role in augmenting productivity rather than eliminating jobs.

According to our survey only 7% report AI replacing workers, consistent with our first survey. However, 40% of respondents report less need to hire new employees due to AI, an 11pp increase from the previous survey. This suggests AI is gradually reshaping workforce demands. The trend toward fewer new hires may indicate a 'sinking-lid' approach where businesses upskill existing employees in AI rather than replacing departing staff.

While direct job displacement remains low, AI is reshaping roles and skill requirements.

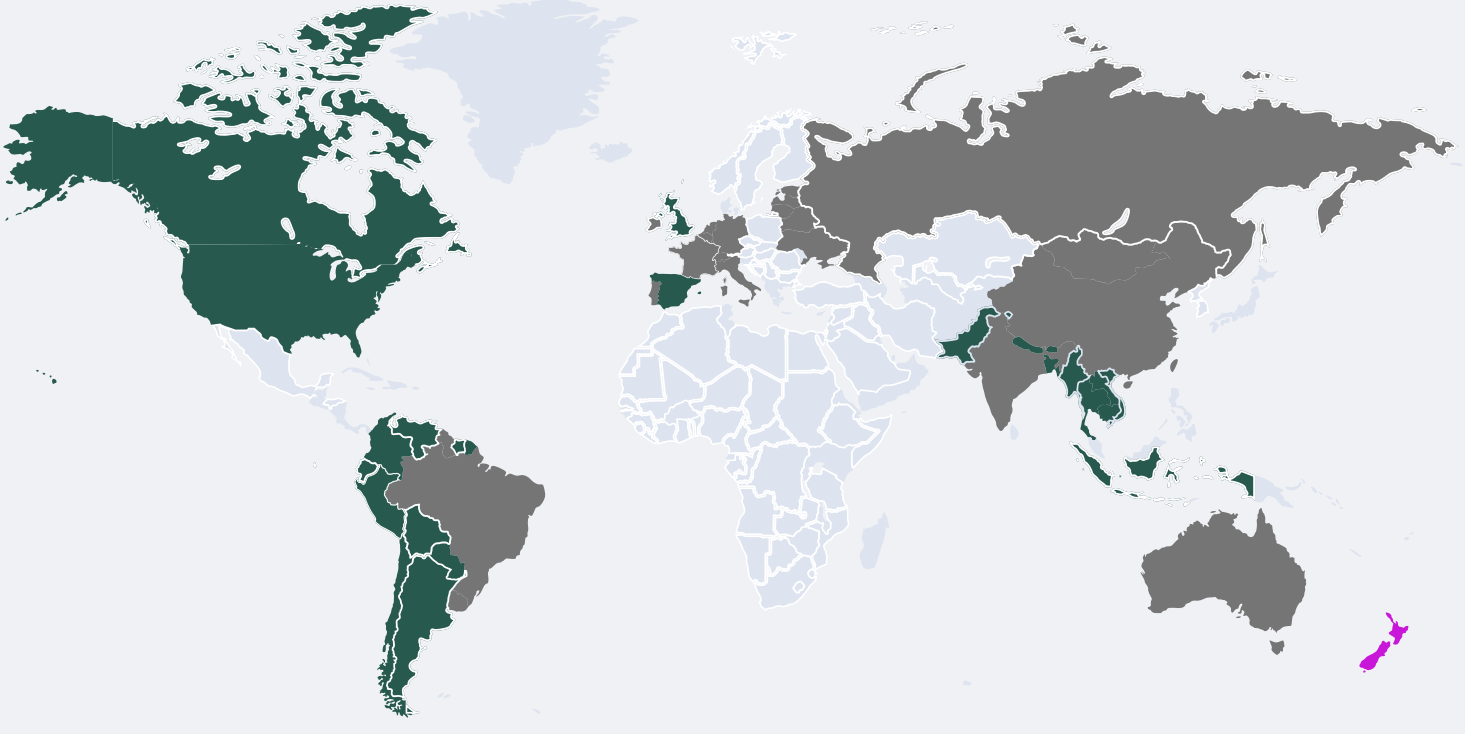
In our survey 62% say AI is creating new career opportunities in their organisation, a 13pp increase.

This demonstrates AI's role in the evolution of work rather than mere job elimination. Training also appears to be widespread, with 81% of businesses supporting internal and/or external AI training, highlighting a strong commitment to upskilling employees.

These results indicate that while AI is reducing the need for some new hires, it is also creating new roles and enhancing worker productivity.

What is the real human impact of AI adoption?

New Zealand Versus Global Trends



The AI Forum's recent findings align with some global trends but differ in others:

Job creation: The World Economic Forum (WEF) predicts AI will create 170 million new jobs globally by 2030, while displacing 92 million.[1] Our results suggest a similar trend of job creation in New Zealand.

Productivity gains: Global studies, including by WEF, emphasise AI's role in boosting productivity, which aligns with the AI Forum's finding of increased worker efficiency.

Skill shift: Both global and New Zealand data highlight the importance of upskilling and reskilling to adapt to AI's growing presence in the workplace.

Job displacement: While global forecasts predict significant job losses, the AI Forum's findings suggest minimal direct job losses in New Zealand so far. However, as AI adoption expands, this could accelerate across a broader range of industries.

AI is primarily augmenting human work rather than replacing it entirely. The strong emphasis on training and new opportunities suggests New Zealand businesses are adapting to AI to enhance workers, rather than replace them.

However, this could also indicate that New Zealand businesses are lagging behind international trends in using AI to reduce labour costs. As AI becomes more deeply embedded in business operations, ongoing investment in workforce adaptation and reskilling will be critical to ensuring AI's benefits are widely shared.

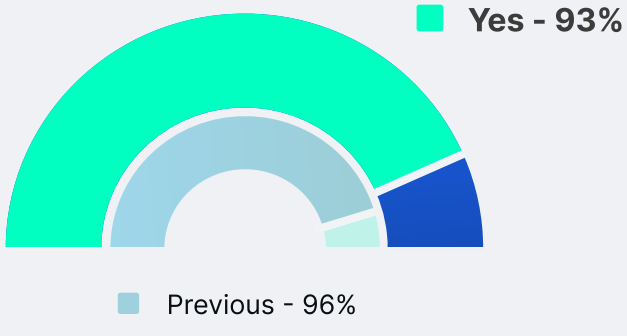
[1] https://www.weforum.org/publications/the-future-of-jobs-report-2025/digest/

What is the real human impact of AI adoption?

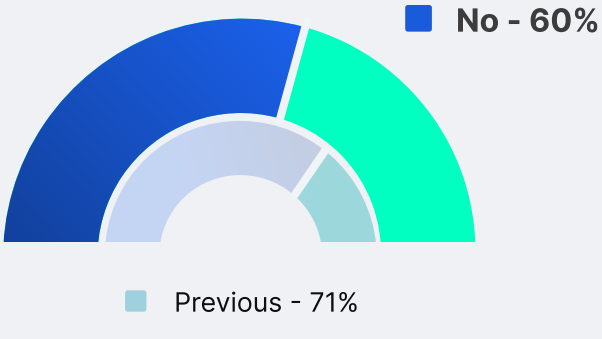
Continued...

Figure 6: AI's impact on workforce dynamics: job replacement, efficiency gains, hiring reductions and new employment opportunities.

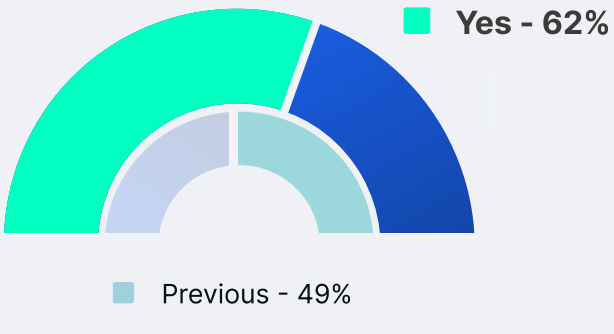
Has AI made workers more efficient?



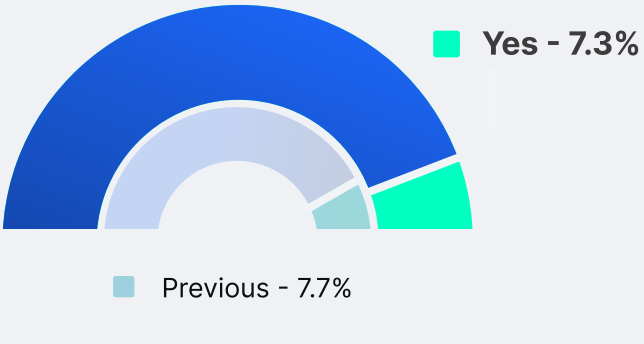
Has AI resulted in less need to hire employees?



Has AI created new career opportunity for your workers?



Has AI replaced any workers?



The Māori perspective on AI

Nearly 40% of New Zealand businesses engage with Māori during the design of AI systems and include Māori voices in the development process. This result exceeds expectations but also highlights the need for further progress. ..

"An education provider's strategic plan allowed for offering personalised support to students this year via use of generative AI assistants."

Madeline Newman

We asked Dr Karaitiana Taiuru, Chair of the AI Forum's Kāhui Māori Atamai Iahiko, to comment on the survey results:

These survey results reflect Aotearoa New Zealand's diverse multicultural country and recognises that our founding constitutional document Te Tiriti o Waitangi has relevance within the AI industry.

With the Māori economy estimated to be worth $30 billion in 2023 (8.4% of GDP), it makes good commercial sense to include Māori within the AI lifecycle.

Meaningful engagement with relevant Māori stakeholders, and continuing to include Māori businesses and Iwi in decision-making seats at tables across society, is essential in creating more beneficial outcomes for everyone.

Promising start, but more to do:

While the results are promising, they do show that the majority of organisations still do not engage Māori at all, and many who do may be relying on individual staff members to provide a voice for Maori rather than engaging with wider Māori society.

There is a clear need for more resources and help to build better relationships with appropriate Māori organisations.

By 2040, 1.2 million people or 20% of the population is estimated to identify as Māori, with 700,000 (58%) of those in the workforce.

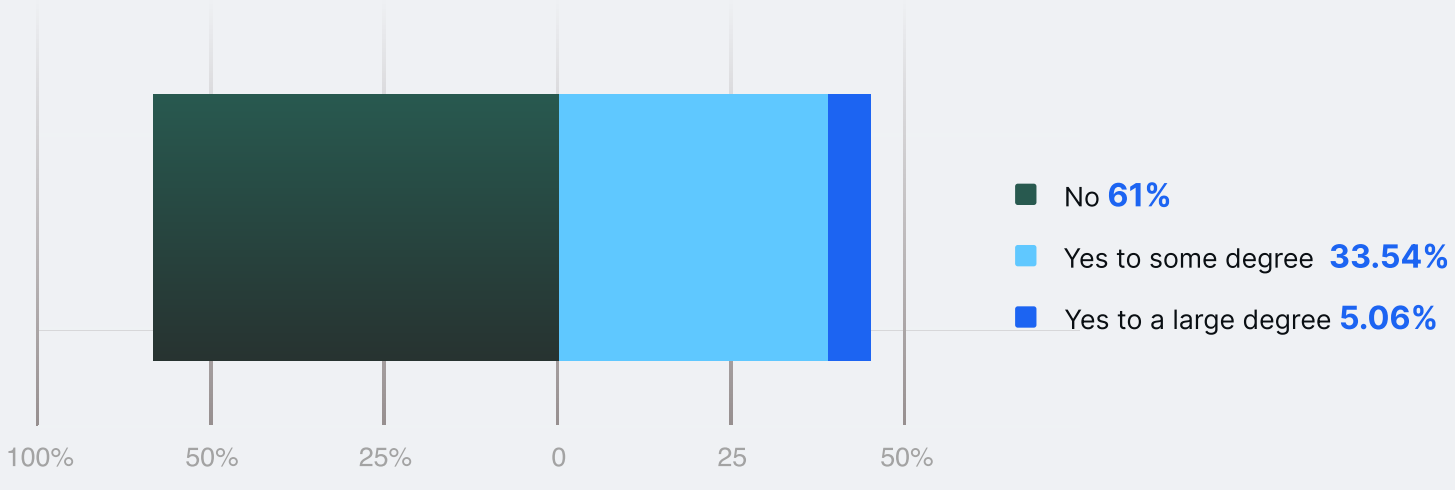
Focusing on developing AI skills will help drive both career mobility for Māori and better outcomes for businesses - it is a strategic investment in building a more inclusive, equitable, and prosperous Aotearoa New Zealand.

We welcome this survey as it gives us a clear pathway to broaden the range of questions in the following surveys and is helping us understand the full extent of Māori engagement and impacts. It also provides the AI Forum's Kāhui Māori with the data necessary to help identify issues and needed resources in order for our AI community to be effective.

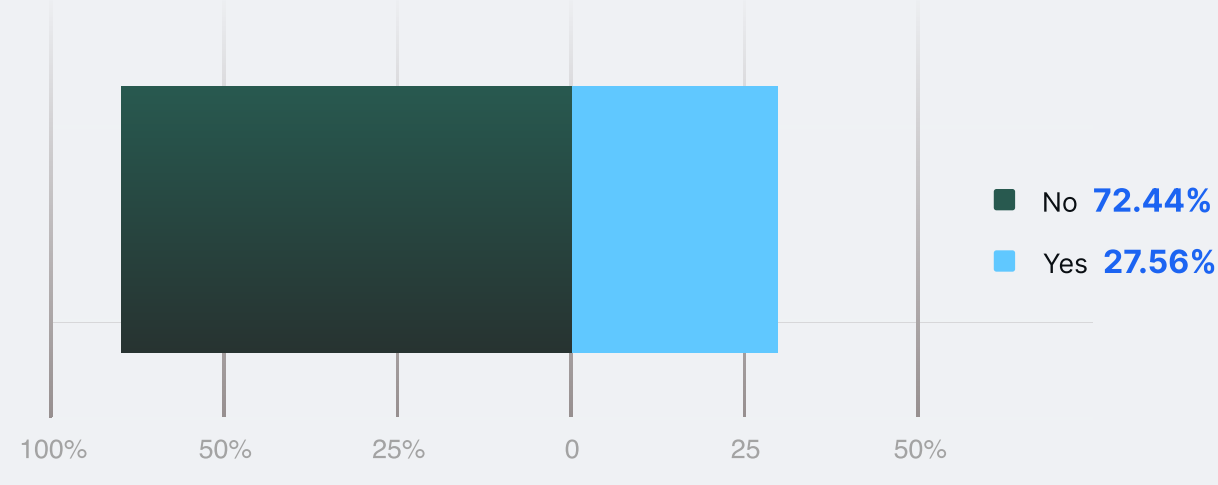
The Māori perspective on AI

continued...

Does your business / organisation engage with Maori during your AI design and development process?

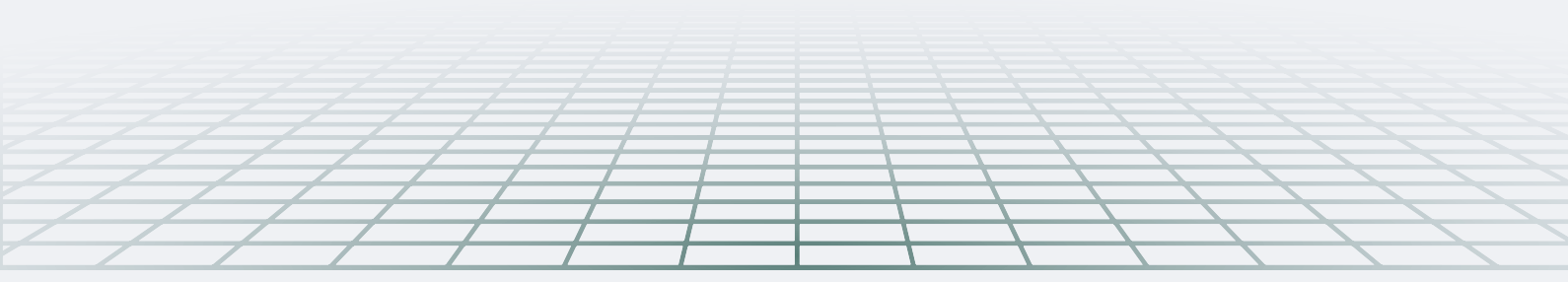


Does your business / organisation include Maori voices in their AI design and / or development process?



Research Conclusions

This second report marks a critical milestone in understanding the impact of AI on productivity across industries in Aotearoa New Zealand. By providing a second data point, it enables us to track trends, shifts and emerging patterns in AI adoption.



The data collected offers valuable insights into;

- **demographics** - who is using AI and in what capacity
- **types and areas of AI use**, including key business functions where AI is most prevalent
- **Costs and financial impact**

While many results align with our first report, several notable changes emerged in:

- **where AI is used** - new areas of adoption and expansion
- **the financial impact of AI** - increasing evidence of AI's role in cost-saving and revenue generation
- **workforce effects** - AI's evolving role in job creation, efficiency and hiring trends

Our new survey questions focused on AI literacy, professional development and Māori engagement have provided deeper insights into the broader societal impact of AI in Aotearoa.

Encouragingly, many businesses are adopting AI intentionally, with a strong emphasis on staff training and upskilling.

Future reports will enable us to:

- **Track long-term trends** - helping us distinguish between demographic shifts and real changes in AI adoption
- **Refine insights** - by continuing to analyse AI adoption and its impacts, we will expand our understanding of AI's evolving role in business and society.
- **Guide decision-making** - this research will provide valuable insights to guide evidence-based decision-making for government, academics and the business community.

By continuing to monitor AI adoption and its impacts, this research is a valuable resource ensuring that AI contributes to a more prosperous, inclusive and equitable future for Aotearoa New Zealand.

Case Studies

Maximon AI

Leading marketing's AI transformation

Vikrant Batra, Co-founder of Maximon AI

"Marketing has never stood still, but AI has completely changed the pace. The strategies that once worked -carefully planned campaigns, slow-moving analytics, decisions based on instinct - aren't just outdated, they're holding teams back.

As the second AI in Action report notes, marketing is a top-five category where AI is already playing a significant role in New Zealand organisations. Vikrant Batra, Co-founder of California-based Maximon AI, is helping Fortune 500 companies transform their marketing using AI tools. In this case study, he outlines how the use of AI is delivering meaningful results in everything from content automation to customer engagement.

Marketing has never been more powerful or intimidating. Because of the avalanche of data, content, and competition, brands can't afford to make slow judgments, squander resources, or run ineffective campaigns. In today's world, yesterday's solutions don't apply.

AI's potential goes well beyond accelerating marketing. It also has the potential to make it smarter. In the midst of chaos, it unearths patterns that others overlook and seizes opportunities as they arise.

Simple AI enhancements are not our speciality here at Maximon AI. To keep up with the ever-changing marketing landscape, we are developing systems that can generate, evaluate, and adjust content at lightning speed, adapting just as fast as the market moves.

AI-powered marketing intelligence

Challenge: A global healthcare company needed to assess internal sentiment and strengthen communications following a significant organisational crisis.

Solution: We collaborated with corporate affairs leadership to analyse employee sentiment through comprehensive internal interviews. Leveraging advanced AI, we transcribed, processed, and structured qualitative feedback, then applied sophisticated AI-driven analysis to identify critical themes and sentiment patterns. Our generative AI platform created dynamic, tailored reports that delivered specific insights for diverse stakeholder requirements.

Outcome: Leadership gained precise, data-backed visibility into employee trust levels, messaging effectiveness, and alignment with core company values - enabling targeted communication strategies that successfully rebuilt confidence and meaningful engagement.

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Continued...

Content automation and competitive positioning

Challenge: A technology company was hindered by inefficient, manual content production and fragmented competitive intelligence, making it impossible to scale messaging effectively or navigate rapidly evolving market trends.

Solution: Maximon AI engineered an advanced AI-powered content automation framework that seamlessly integrates competitive intelligence, SEO optimisation, messaging strategy, and content generation into a unified, automated ecosystem. The solution also employed AI-driven coding to generate web pages and programmatically adapt content at enterprise scale.

Outcome: Content development cycles were compressed by 70%, empowering marketing teams to produce, optimise, and distribute high-volume content instantaneously instead of being constrained by traditional production bottlenecks.

AI-optimised engagement and customer insights

Challenge: A major enterprise needed to extract actionable intelligence from vast volumes of market and competitor data to refine its positioning and uncover untapped opportunities.

Solution: We developed a sophisticated AI-powered customer intelligence system that processes complex market signals, audience sentiment patterns, and competitor trends, enabling marketing teams to identify white space opportunities and dynamically refine their messaging strategy.

Outcome: Armed with AI-powered insights, brokers and agents conducted more relevant, high-impact conversations, significantly improving both engagement metrics and conversion rates.

AI-driven customer engagement and sales enablement

Challenge: Insurance brands needed to equip their brokers and sales teams with AI-personalized messaging capable of adapting to real-time market dynamics.

Solution: Maximon AI constructed an innovative AI-driven engagement and enablement framework that delivers adaptive scripts, contextual market insights, and real-time customer intelligence. This empowers brokers and sales teams to calibrate their messaging based on AI-identified trends and evolving customer needs.

Outcome: Armed with AI-powered insights, brokers and agents conducted more relevant, high-impact conversations, significantly improving both engagement metrics and conversion rates.

Key takeaways for marketing leaders

Beyond the buzzword: AI isn't merely a tool—it's a transformative operating system for marketing. While some are still debating AI's potential, forward-thinking organizations are already leveraging it to reinvent their approach. Those still treating AI as an "add-on" aren't just missing opportunities—they're falling behind the innovation curve entirely.

The real competitive edge: Speed alone isn't the differentiator-strategic adaptability is the critical

advantage. AI-native marketing teams don't just move faster; they adjust before competitors can react and capitalize on opportunities others fail to recognize. They're playing an entirely different game.

Leadership revolution: The future belongs to AI-fluent leaders. The next generation of marketing executives won't simply oversee AI adoption - they'll orchestrate AI-powered organizations that think, create, and execute in ways traditional teams could never achieve. The question isn't whether you'll adapt, but whether you'll lead or follow.

AI isn't just reshaping marketing—it's rewriting the rules

Marketing has never stood still, but AI has completely changed the pace. The strategies that once worked—carefully planned campaigns, slow-moving analytics, decisions based on instinct—aren't just outdated, they're holding teams back.

The brands that succeed now are the ones that can react instantly, spot opportunities before they're obvious, and adapt without hesitation. At Maximon AI, we create advanced marketing systems that handle the hard work for you. Our AI goes beyond mere data analysis; it transforms information into meaningful insights. It goes beyond mere task automation; it refines and enhances strategic approaches. It links the elements more swiftly than any human team could—ensuring that marketing is not merely responding, but leading the charge.

This transformation is occurring now. The moment is unfolding before us. Some teams have already gained a competitive edge, leveraging AI-driven systems that enhance their speed, precision, and overall effectiveness like never before. Some are still discussing their initial moves.

The divide is expanding. Where do you envision yourself?

Let's create the future together.

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Vikrant Batra
Co-founder of Maximon AI

Fraxional AI

How Fraxional AI achieved a 50% productivity boost

Patricia de Villa & Ren Saguil, Co-founders at Fraxional AI

"Instead of having to add additional headcount, we leverage all these different types of AI assistants to improve our workflows and engineering practices. It has dramatically increased our productivity by 40 to 50%."

Software development startup Fraxional has embraced artificial intelligence, dramatically enhancing its productivity and competitiveness in the process.

Fraxional has achieved a remarkable 40-50% increase in productivity by integrating AI tools into their software development process. The company utilises a suite of AI-powered code assistants, including:

- **GitHub Copilot**
- **Gemini Code Assist**
- **Amazon CodeWhisper**
- **Claude**
- **ChatGPT**
- **Stack Overflow**

These tools enable Fraxional's lean product engineering team to punch above their weight. As Patricia explains:

"Instead of having to add additional headcount, we leverage all these different types of AI assistants to improve our workflows and engineering practices. It has dramatically increased our productivity by 40 to 50%."

The AI assistants generate code snippets and recommendations, enabling developers to focus on higher-level problem-solving and code quality rather than writing every line manually. This elevates the entire development process.

"Our engineers are able to generate code with the help of the code assistants. It means that now they are spending more time analysing, evaluating and comparing code, and testing and refining it. It requires a deeper level of focus, but lets them spend more time on higher value work," says Patricia.

Accelerating learning and adaptation

AI has also accelerated Fraxional's ability to adapt to new technologies and platforms. When faced with deploying on Google Cloud Platform for the first time, AI tools helped flatten the learning curve:

"We were able to get up to speed quickly because of the available tools in the cloud. Even the knowledge base on Google Cloud is so rich you can prompt it if you have specific questions, and then it will show you samples of how to do it."

Streamlining sales and administration

Beyond coding, Fraxional leverages AI to enhance its sales and administrative processes, including using AI for drafting contracts.

"Utilising AI tools, we can create initial drafts with New Zealand legislative and regulatory references in a fraction of the time. However, a lawyer's expertise is paramount for validating accuracy and identifying critical legal subtleties. This approach not only streamlines contract development but also significantly enhances our business's legal acumen," says Ren.

The future of AI-powered development

Fraxional's experience demonstrates the transformative potential of AI in software development.

Patricia emphasises that embracing these tools is now a competitive necessity:

"We believe that our strategic investments in AI skills will provide us with our competitive edge in software development, data science, machine learning, and AI. We are proactively upskilling our remote teams and encouraging responsible integration of AI in our ways of working," she points out.

However, both co-founders stress the importance of responsible AI use, including fact-checking and maintaining human oversight.

"You still need your brain, right? But AI increases your velocity and delivers better output," says Ren.

"We were able to get up to speed quickly because of the available tools in the cloud. Even the knowledge base on Google Cloud is so rich you can prompt it if you have specific questions, and then it will show you samples of how to do it."

Patricia de Villa & Ren Saguil

Co-founders
Fraxional AI

Arcanum AI and Momentum Consulting

AI is freeing recruiters to spend more time with clients

Nick Roberts, Chief Executive Officer at Momentum Consulting

"Momentum has freed up part of an FTE in finance and reduced management time spent answering questions by 15% and are only at the beginning of their journey."

As one of New Zealand's leading recruitment agencies with offices in Auckland and Wellington, Momentum Consulting is all about people, matching the best candidates with job positions that will allow them and their employers to thrive.

Momentum wanted to increase operational capacity without significantly expanding its team size and overhead costs. Its recruiters were spending excessive time on administrative tasks, diverting their expertise from high-value recruitment activities.

After first meeting Asa Cox and the team at Arcanum AI in 2018, Momentum CEO Nick Roberts turned to the Wellington-based AI specialist to help tackle the administrative talks that were consuming valuable recruiter time.

Momentum, founded in 1996 and 100% New Zealand-owned, needed to be able to pursue scalable growth without proportional cost increase and was keen to explore use of AI as a way of helping it stay competitive in the recruitment industry.

"Through Arcanum's partnership with Amazon, they've been able to build us a couple of really good apps," says Nick.

"One is a policy compliance checker which has allowed us to get on top of our policies, but also identify the gaps that we have."

The other application is a generative AI-powered secure, searchable knowledge base using Amazon Q apps, which has made accessing important data much faster and simpler, says Nick.

Numa and AWS = lower admin workload

Arcanum deployed its Numa Platform, which features a series of AI productivity tools powered by AWS's Amazon Q technology, its Bedrock large language model (LLM) system, and extract, the AWS service that uses optical character recognition to extract text and handwriting from documents.

The Numa platform has not only allowed Momentum's consultants to navigate policies much more effectively, but has also streamlined accounts payable and receivable

processing and overall financial administration. A future update will improve candidate management by integrating with the applicant tracking software that Momentum uses.

The implementation has significantly reduced administrative burden, allowing Momentum's recruiters to focus on relationship building and strategic talent acquisition.

“Having formed a great relationship with Asa and the team over the last five years, we totally trust and believe in what Arcanum are doing,” says Nick.

“The products and services that they’ve introduced us to are allowing us to think about how we exponentially grow the human capability that we have in our organisation, and allow those individuals to not do the mundane but fun, interactive humanistic elements of their job.”

Enhancing knowledge based work

For Arcanum, applying Numa to Momentum’s recruitment business showcases the potential of AI to reduce administration and free up employees in any knowledge-based industry.

“Most businesses have extensive databases of documents, contracts and policy materials that they need to draw on regularly,” says Arcanum founder Asa Cox.

“Being able to draw on all that knowledge via a simple chat interface drawing on powerful AI really supercharges the ability to make the most out of the institutional knowledge built up in your organisation.”

For Nick, AI lets Momentum focus on the all-important human relationship aspects that are inherently important to the recruitment business.

“We don’t just want to rely on AI,” he says. “But we want to make sure that we can leverage AI to make sure we are giving a consistent approach to all of our candidates and clients.”

"Being able to draw on all that knowledge via a simple chat interface drawing on powerful AI really supercharges the ability to make the most out of the institutional knowledge built up in your organisation."

Nick Roberts
Chief Executive Officer
Momentum Consulting

Mott MacDonald

Data-driven decisions for better city planning and management

"Opportunities now exist to enhance the provision of public services and to extract greater value from the infrastructure we already have in place through leveraging data sets and applying AI technology."

Mott MacDonald is a global engineering, management, and development consultancy that plans, designs, builds, and maintains infrastructure. It has a focus on digital solutions, including, AI, machine learning and data services.

In New Zealand it is assisting Auckland Council in gaining the most from its assets, leveraging data-driven insights to inform decision-making.

Following the amalgamation of eight councils into the 'super city' 14 years ago, Auckland Council's Healthy Waters team focused on improving the collection, standardisation and management of their data sets.

One of the key challenges with this approach was not just deploying new technologies, but identifying, validating, organising and assessing the quality of the data spread across siloed systems.

As data surfaced, quality issues emerged, requiring iterative improvements to ensure it was AI ready. To better serve its citizens, the Council needed a more efficient way to integrate important datasets.

Fast forward to 2024 and the strong data management discipline that Council has developed is proving valuable in the age of AI.

Today, the team has implemented several AI and machine learning (ML) applications that are enhancing service delivery and greater value to Aucklanders.

Image processing for pipe blockages

Auckland Council in collaboration with Mott MacDonald and Lynker Analytics has developed an innovative AI-powered system to enhance stormwater management.

The solution combines simple wildlife outdoor cameras with AI to monitor, analyse and consolidate data on pipe blockages and flooding at the city's most critical stormwater structures.

By detecting blockages early, the system helps create a more sustainable and resilient stormwater network, while improving maintenance team productivity, reducing costs and minimising disruptions to the public. Previously, these discharge sites had to be manually inspected on rotation especially before major rainfall events. The new AI-driven approach streamlines monitoring, enhances efficiency and ensures faster response times.

Pipe condition prediction

Using the existing dataset of stormwater pipe inspections, the team have also developed a machine learning model to assess the condition grade of pipes over their lifespan. This hybrid machine learning model predicts the age at which a pipe will deteriorate, aiding Council to better plan their asset renewals and target this spending more effectively.

Flood Warning Systems

The team is now developing a solution to predict surface flooding in real-time through Machine Learning, using data generated from existing hydraulic models. This involves using existing modelling assets in new ways to enable the city to create relevant and targeted flood alerts that can be used for emergency response and community warning.

The advances that Auckland is now realising through AI technologies have been made possible through the hard work put in over the past decade to organise and enhance their data and build an ecosystem of aligned service providers.

This approach has driven effective collaboration across the supply chain ecosystem using digital mediums to develop and deploy these new services leveraging an organised and well managed data system.

"Opportunities now exist to enhance the provision of public services and to extract greater value from the infrastructure we already have in place through leveraging data sets and applying AI technology," says Steve Couper, Chief Digital Officer - Asia, Pacific, New Zealand & Australia (APNA).

"However, to realise these benefits our experience is that the hard work around data and information management is key, and this is often where the effort needs to be applied."

Mott MacDonald
Case Study

Kōwhai AI

Powering an app revolution with intelligent automation

Bex MacPherson - AI Client Service Lead at Kōwhai AI

"Microsoft's Power Platform has long been used to automate processes and free up employees from burdensome admin."

Auckland-based Kōwhai AI offers consultancy services, with a special focus on developing AI solutions to enhance efficiency, optimise decision-making and drive innovation across their customers' businesses.

The company has experience in applying AI across various industries, including healthcare, manufacturing and retail. Kōwhai AI recently helped a fast-moving consumer goods (FMCG) company solve a critical operational issue - its payment reconciliation process had become a time-consuming manual task, requiring a full-time employee.

Using Power Automate and AI to overcome complexity

As business expansion accelerated, the workload was projected to exceed eight hours a day. The complexity arose from integrating SAP with multiple bank portals while managing inconsistent master data, making the process cumbersome and inefficient.

Partnering with Microsoft, Kōwhai AI leveraged the Power Platform, using Power Automate and Copilot Studio to streamline the process. An Intelligent Agent was deployed to securely automate bank file downloads, while a fuzzy logic model matched payments and updated SAP's clearing table - automating 80% of the workload. Instead of hiring additional staff, the existing role was redefined to focus on customer-centric initiatives, such as training customers on master data accuracy and enhancing account management services.

The project was delivered in just six weeks, sparking a broader automation movement within the organisation. It also showcases how AI-driven solutions can drive efficiency and scalability in high-growth environments.

"Microsoft's Power Platform has long been used to automate processes and free up employees from burdensome admin," says Bex MacPherson, Kōwhai AI's Client Service Lead.

"When you combine the Power Platform with AI, you have the ability to automate more complex processes and transactions with a high level of accuracy and ensure data security in the process. We see huge scope for New Zealand businesses to improve their efficiency by taking advantage of these technologies."

McLeod Cranes

Crane company laying the foundations to harness agentic AI

Scott McLeod, Managing Director at McLeod Cranes

"Agents will help us get the right information at the right time, so we can operate more efficiently and deliver better service to our customers throughout New Zealand."

McLeod Cranes, a family-owned company based in the Bay of Plenty,-specialises in crane, transport and drilling rig logistics and services. Nearly 20 years ago, Managing Director Scott McLeod took over from his father and has since leveraged his IT systems expertise to boost productivity and strengthen the company's commitment to health and safety compliance.

With depots in Mt Maunganui, Hamilton, and Taupo and a team of 180 members, McLeod Cranes has modernised its data infrastructure ahead of implementing AI tools. This strategic foundation enables intelligent automation, tackling key business challenges while delivering measurable benefits across operations.

Business challenges

Like many New Zealand businesses, McLeod Cranes faced several operational challenges that impacted efficiency and growth:

- Critical internal knowledge was scattered across multiple systems, old physical documents and the expertise of individual team members.
- Limited access to information with teams working across multiple locations struggling to access real-time, business-critical data.
- Inefficient decision-making due to data silos hindering visibility.
- Scaling constraints and limited growth potential requiring significant increases in administrative overhead.

These challenges exist against a broader national productivity issue. According to the OECD Economic Surveys: New Zealand 2024, New Zealand's labour productivity remains well below the OECD's top performers.

The construction and services sectors, where McLeod Cranes operates, have seen particularly slow productivity growth of less than 1% annually over the past decade.

McLeod Cranes

Crane company laying the foundations to harness agentic AI

Continued...

Strategic approach to AI adoption

Rather than rushing to implement AI without proper groundwork, McLeod Cranes took a methodical approach:

1. **Data infrastructure preparation:** Consolidated company knowledge and operational data from legacy systems into Slack Canvas, creating a centralised digital knowledge base.
2. **Structured data organisation:** Reorganised information specifically to support future AI integration, ensuring data is accessible and organised in a machine-readable format.
3. **Clear use case identification:** Identified specific business processes where AI could deliver the most value, focusing on dispatch operations and customer service.
4. **Integration planning:** Designed an ecosystem where business tools (Salesforce Field Service) will be able to connect with AI agents through Slack, creating a seamless workflow.

This approach emphasises the importance of data readiness before AI implementation.

“I don't think enough companies are laying their data foundations now. That's a big issue. For large and small companies, they need to. They will lose significant advantage if digital machines are doing business faster and cheaper than humans. We're about eight months into our journey. We're probably eight months ahead of others,” says Scott.

Benefits realised and anticipated

Getting the foundations right has provided benefits to the team at McLeod’s, especially those working on site and needing immediate access to detailed information. Scott expects the benefits of agentic AI, which they will be working on next, to be much broader right across the business.

From scheduling the right size crane for a job, identifying the best operator and providing site inspection data through to broader industry data sharing, which ultimately can improve health and safety for his team, and his competitors.

"With agents in Slack, I can see a future where we'll be able to respond faster and more accurately, making our dispatch process seamless,” says Scott.

“Agents will help us get the right information at the right time, so we can operate more efficiently and deliver better service to our customers throughout New Zealand."

Immediate Benefits

- Improved information accessibility for employees across the country
- Streamlined operations through centralised knowledge management
- Enhanced collaboration through unified data access
- Reduced time spent searching for critical information

Anticipated AI-Specific Benefits

- Faster, more accurate dispatch decision-making through AI assistance
- Real-time operational insights on resource availability
- Automated customer service support
- Two-way communication between systems, allowing conversational triggering of business actions
- Smarter resource allocation and scheduling

"Our ability to share time-critical health and safety advice using Make and Slack, is amazing. It's real-time advice. We have 180 people, mostly field workers. We might take 10-15 mins to get to them. AI can talk to them within seconds of an event and eight out of 10 times it can provide robust actions for them to take immediately. It also follows up with our health and safety coordinators on what to ask and consider when reporting." *As told to Holly Knill.*

Key lessons for New Zealand businesses

McLeod Cranes' experience offers valuable lessons for other Kiwi organisations considering AI adoption:

1. **Prepare your data first:** AI effectiveness depends on having structured, accessible data.
2. **Start with clear business problems:** Identify specific operational challenges where AI can deliver measurable improvements.
3. **Build integrated systems:** Create an ecosystem where AI agents can interact with your existing business systems.
4. **Focus on productivity enhancements:** Target AI implementations that enhance human capabilities rather than simply replacing them.
5. **Take a phased approach:** Begin with data organisation and clear use cases before fully implementing AI solutions.

"I don't think enough companies are laying their data foundations now. That's a big issue. For large and small companies, they need to. They will lose significant advantage if digital machines are doing business faster and cheaper than humans. We're about eight months into our journey. We're probably eight months ahead of others"

Scott McLeod
Managing Director
McLeod Cranes

Appendix

Methodology

Te Herenga Waka—Victoria University of Wellington researchers used the Qualtrics platform to undertake the survey.

The survey saw good engagement across various industries, with the highest participation from the professional, scientific, and technical services sector (~32% of responses). This represented a clear change from the first survey, which had the most responses from the education and training sector. Responses were mostly from small and large businesses, with only 14% of respondents employed in a medium-sized business.

The research was approved by the Te Herenga Waka—Victoria University of Wellington Human Ethics Committee (approval number 2024/HE314541).

About the survey

As with the first report, the survey platform Qualtrics was used to collect the data for this report. The survey was split into two major parts:

1. **Demographic and Adoption Questions:** This section consisted of simple multiple-choice and numerical questions to gather demographic information and consistent data on AI adoption across various fields and application areas.
2. **Case Study Collection:** This section included text-based, long-form questions designed to elicit detailed case studies. Participants were also required to complete an external consent form provided through a separate Qualtrics survey.

Below, we have outlined the modifications made to the survey in the second round. For a comprehensive discussion of the survey's structure, readers are encouraged to consult the report on the initial round of this survey.

Demographic information

Two additional demographic questions were added to the survey:

1. Has the respondent personally received any training in AI use?
2. How would the respondent rate their personal AI knowledge?

This set of questions breaks down results based on respondents' knowledge of AI, allowing us to contextualise their ability to accurately report the use of AI in their business or organisation.

Simple AI Questions

Based on feedback from tangata whenua, three new questions have been added to gauge the level to which Māori voices are included in the AI design process:

1. Does the business/organisation engage with Māori during the AI design and development process?
2. Does the business/organisation include Māori voices during the AI design and development process?
3. If so, in what ways are Māori voices included?

Per Area Questions

Two additional questions have been added for each area of AI use within the business/organisation to improve data accuracy:

1. Respondents were asked if they could answer questions about this specific area.
2. Does the business use a custom AI system or a pre-existing product?

Usage Impact Questions

One final question has been added that captures AI professional development:

1. Does your business/organisation support internal and/or external AI training for your staff?

Case Study Questions

The case study questions are unchanged from the previous report.

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