GENERATIVE AI IN ADVERTISING: TRANSFORMING THE MEDIA INDUSTRY



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AGENDA

Generative AI refers to AI systems capable of producing new content, such as text, images, and videos.

In the advertising world, this technology is reshaping how campaigns are developed, launched, and optimized. By automating tasks that used to require human input, AI is enabling faster, more personalized, and more cost-efficient advertising experiences. However, AI, at the same time, disrupts and poses challenges to the industry.

- Content Creation At Scale
- Cost Efficiency and Media Buying
- Disrupting Creative Roles in Advertising
- AI-Driven Consumer Insights

CONTENT CREATION AT SCALE

With AI, we can create content with a simple prompt.

AI allows ideas to come in quick as well instead of having to sit through hours of brainstorming sessions.

AI tools are cheaper to use, so it saves a lot of time and money while using it for content creation

Available for anyone to use, making it accessible and easy to create content with it

77% of companies are using AI for insight and content creation

COMPANIES THAT IMPLEMENTED AI FOR THEIR AD CAMPAIGNS

Coca-Cola

nutella

COCA-COLA'S "CREATE REAL MAGIC" CAMPAIGN













COCA-COLA'S "DESTINATION Y3000" OOH AD



"The intent was to use AI and HI (high technology) to understand how people think of the future: the emotions, the color, the flavors, the taste. We used those insights and then we worked with our R&D (research and development) team and they came up with a formula for Y3000."

- Coca-Cola's Selman Careaga

NUTELLA'S "NUTELLA UNICA" CAMPAIGN



COST EFFICIENCY AND MEDIA BUYING

Automated Desicion-making

Programmatic Advertising

- Analyze user data and automate ad purchasing through real-time bidding (RTB)

Personalized campaigns

- Use historical and behavioral data to segment audiences and create campaigns

Predictive Analytics

- Evaluate trends and patterns, make proactive adjustments



Optimizing Ad Placements

Audience Targeting

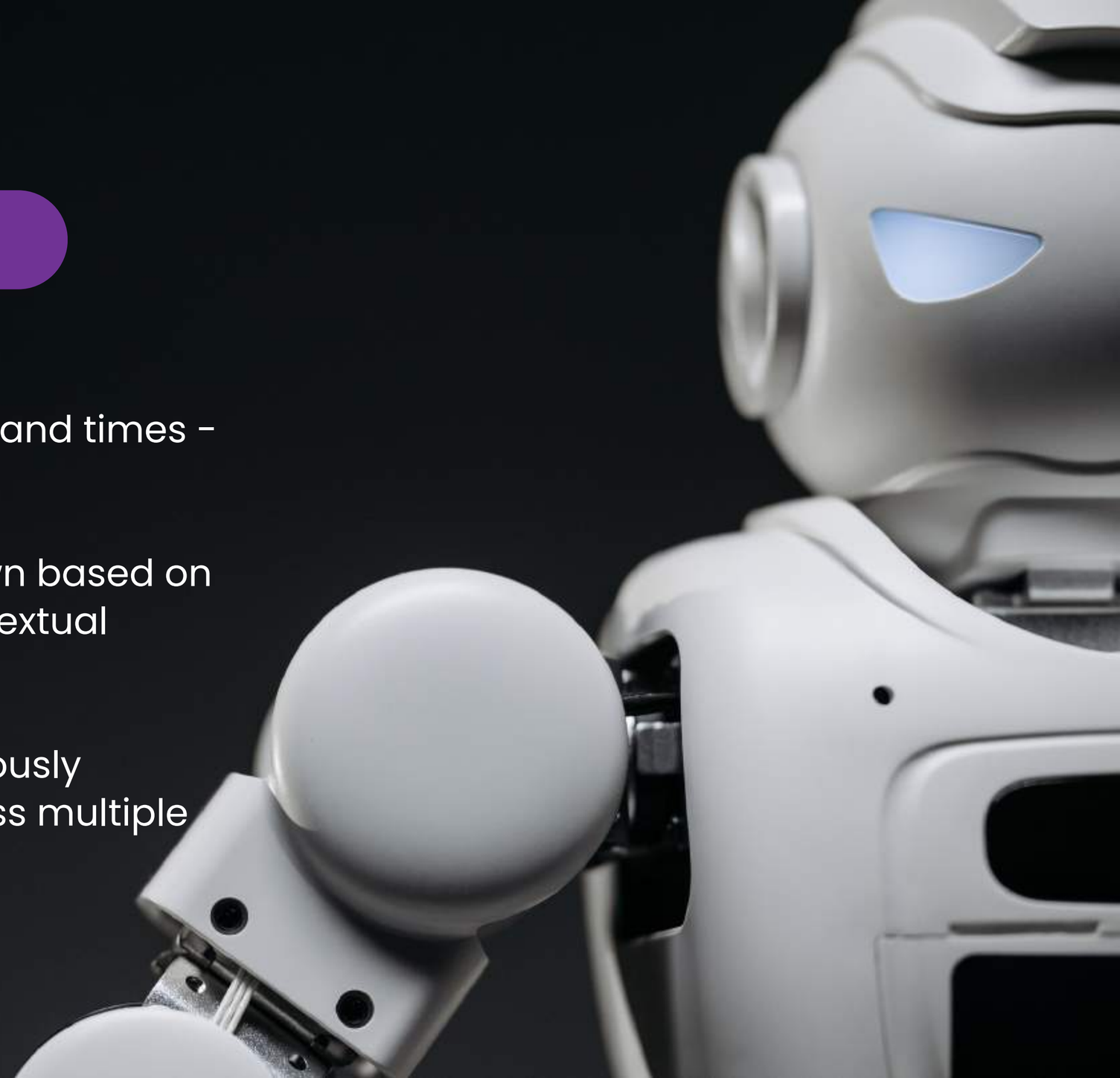
- Identify the most relevant channels and times - audiences effectively.

Dynamic Ad Placements

- Optimize where ads should be shown based on user engagement metrics and contextual relevance.

A/B Testing and Scalability

- Run multiple campaigns simultaneously
- handle large amounts of data across multiple platforms



PROS AND CONS OF AI-DRIVEN MEDIA PURCHASING

PROS

Efficiency and Speed

- Automation allows for rapid ad placement without human intervention, saving time and reducing operational costs

Real-Time Optimization

- Continuous monitoring and real-time adjustments improve campaign effectiveness on the go

Cost Efficiency

- By eliminating wasteful spending on underperforming channels, AI maximizes return on investment (ROI)

CONS

Lack of Human Insight

Data Privacy Concerns

- Reliance on user data raises privacy issues, especially with evolving regulations like GDPR and CCPA

Over-Reliance on Algorithms

- Blind trust in algorithms can lead to errors, such as targeting mismatches or ad fraud

Transparency Issues

- Some AI-driven platforms act as “black boxes,” making it hard to understand how decisions are made

TRADITIONAL CREATIVE ROLES

Strategy

- develop and guide campaigns by combining data-driven insights with creative direction
- brand positioning, media buying, digital content planning, or audience engagement
- cross functional teams
- ensure that campaigns are effective, cohesive, and optimized for success across all platforms

Copywriting

- write the text, or copy, that appears in advertisements
  - short headlines, slogans, and taglines
  - long-form copy in social media posts, print materials, websites, or scripts for video and radio ads
- the creation of ideas that help tell a brand, product, or service's story that will compel consumers to act in a desired way

Visuals

- graphic designers, UI/UX designers, photographers, motion graphics designer, animators, video directors, etc
- work with software, applications, and equipment that require high level of proficiency and expertise
- create the visual content used in ads, including graphics, illustrations, interfaces, high-quality images, moving elements, and videos
- capture the brand's vision in a visually compelling way and work well with the messaging of the campaign

HOW AI HAS CHANGED THESE ROLES

PERSONALIZED CHAT BOT

- AI has empowered strategists by providing advanced analytics and machine learning algorithms to analyze vast amounts of data more efficiently, enabling deeper consumer insights and predictive modeling. Strategists now rely on AI-driven tools to develop more personalized campaigns that can be optimized in real-time.
- Through the AI chatbot promoted in Instagram and Facebook ads, Coca-Cola connects users with nearby restaurants, streamlining the process of discovering dining options and making reservations via direct messaging.
- The chatbot also generates a personalized invitation that you can send to someone after it thinks you have booked a reservation.



HOW AI HAS CHANGED THESE ROLES

AI COPY WRITER

- Chase discovered that AI-generated marketing messages and ad copies are more powerful than human-written copies.
- Human: “Access cash from the equity in your home.”
- AI: “It’s true—You can unlock cash from the equity in your home.”
- This shift allows copywriters to focus more on overseeing AI outputs and refining brand messaging rather than crafting each message manually, enabling more efficient and data-driven copywriting processes.

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CMO TODAY

JPMorgan Chase Taps AI to Make Marketing Messages More Powerful

Company seeks big gains from tweaking the word choice in its pitches

QUARTZ

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LEADERSHIP

JPMorgan Chase has an AI copywriter that writes better ads than humans can



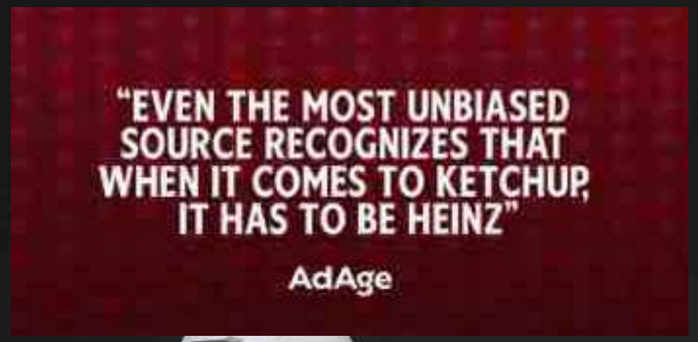
HOW AI HAS CHANGED THESE ROLES

DALL-E IMAGE GENERATOR

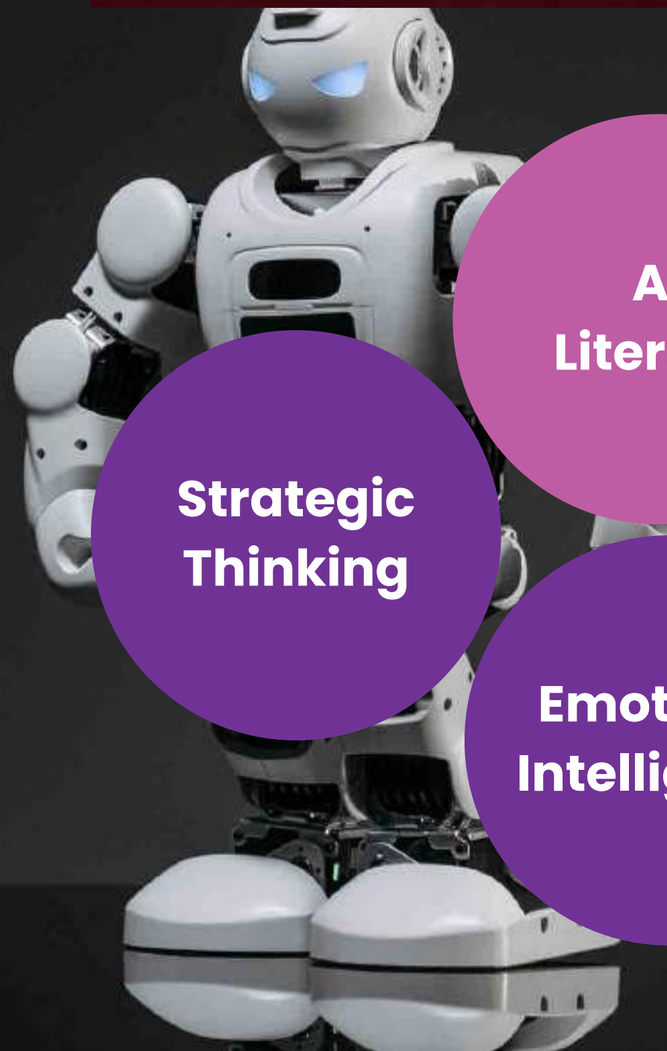
- In Heinz's AI Ketchup campaign, they asked Dall-e 2 to generate images of ketchup, and all the images generated looks like Heinz's ketchup bottle. And even when the prompts get weirder, from "Ketchup Dog" to "Ketchup Rocketship", they still look like Heinz.
- AI can create relevant and compelling visual content, all while maintaining brand identity. And this automation allows graphic designers and photographers to focus on more conceptual and strategic work, while AI handles the production of bulk content.







ESSENTIAL SKILLS FOR PROFESSIONALS



AI Literacy

Problem Solving

Strategic Thinking

Adaptability

Emotional Intelligence

Cultural Literacy

- AI tools like DALL-E are trained on vast datasets that may inherently reflect cultural, historical, or even brand-specific biases. In this case, the AI's output consistently associating ketchup with Heinz could be influenced by the brand's dominance in the market and how often it appears in relevant data used to train the AI model.
- AI tools are only as unbiased as the data they are trained on, and creative professionals need to be aware of these underlying biases when working with AI-generated content. To successfully navigate this landscape, creative professionals require a range of essential skills

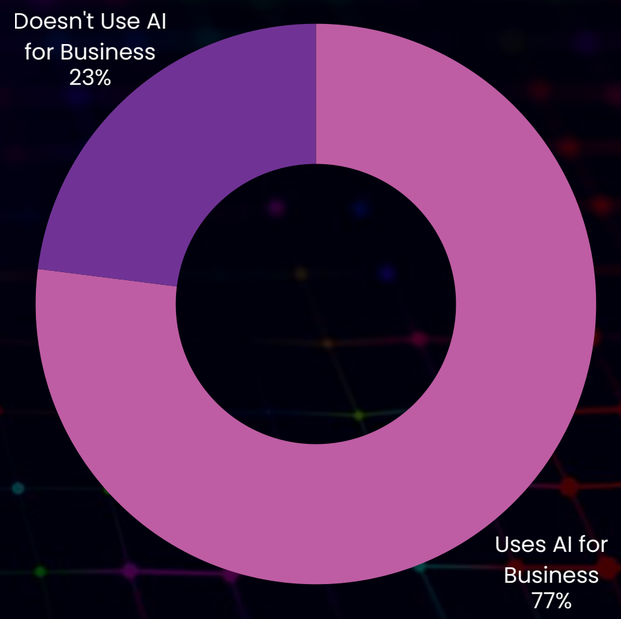
AI-DRIVEN CONSUMER INSIGHTS

ANALYZATION

- generates summaries and data sets easily
- recognize common patterns in audiences
- recognize target audience
- tracks who and how long an individual views an ad
- Can predict future consumer behavior
- Can assess campaign effectiveness in real time

LIMITATIONS

- Can’t relate with human behavior and emotions
- Can’t detect sarcasm and can take words and phrases literally
- AI cannot replicate complex emotions
- AI does not have moral and ethical judgment
- Can provide bias outputs and solutions



“77% of companies are either using or exploring the use of AI in their businesses”

-National University 2024

DISCUSSION QUESTIONS

- In what ways might consumers perceive AI-generated ads differently from human-created ads? Do you think audiences care whether the content is created by AI or not?
- Are there any aspects of creative work that you believe AI will never be able to replicate? Why or why not?
- What are some risks of relying too heavily on AI-driven consumer insights for campaign decisions? Can AI predict changes in consumer behavior accurately? Will AI eventually be free of biases?
- How do you think AI will change the skill sets needed for advertising professionals in the next 5 to 10 years? How do you think academic and professional programs will adapt to address these changes?



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THANK YOU!