

2024

Advertising and AI: Showcasing applications and responsible use.



**ADVERTISING
ASSOCIATION**

CREDOS

Advertising's
Think Tank

This report is brought to you by Credos, the UK advertising industry's think tank. We produce research and insights about advertising's impact on society, culture and the economy.

We are grateful to the members of the Advertising Association and the Front Foot network who help to fund the work that Credos undertakes.

VCCP was responsible for the design of this report and used an AI-driven workflow to supercharge the creative process.

The Advertising Association promotes the role and rights of responsible advertising and its value to people, society, businesses, and the economy. We bring together companies that advertise, their agencies, the media and relevant trade associations to seek consensus on the issues that affect them. We develop and communicate industry positions for politicians and opinion-formers, and publish industry research through advertising's think tank, Credos, including the Advertising Pays series which has quantified the advertising industry's contribution to the economy, culture, jobs, and society.

The membership of the Advertising Association is very broad and includes the associations representing industry sectors, such as the advertisers (through the Incorporated Society of British Advertisers), the agencies and advertising production houses (through the Institute of Practitioners in Advertising and the Advertising Producers Association), all the media (from broadcasters and publishers, cinema, radio, outdoor and digital), advertising intermediaries and technology providers (which include platforms and the IAB UK), market research (through the Market Research Society) and marketing services such as direct marketing (through the Data and Marketing Association).

**Edited by:
Konrad Shek & Will Lane**

Foreword

The advertising and marketing industry stands at an inflection point, with AI emerging as a transformative force that can revolutionise how we approach every facet of the process. From strategy and creative ideation to production, media buying, and regulatory compliance, AI promises to enhance efficiency, unlock new creative frontiers, and drive unprecedented levels of audience engagement. But it needs to be used responsibly and ethically.

This is why we decided to establish the Advertising Association's AI Taskforce last year. The Taskforce's aim is to ensure that the UK remains the best place to develop and champion AI in order to reinforce its position as a world-leading hub in advertising and marketing. At the same time, the Taskforce felt it had an important role to increase the standard and clarity of industry policy on AI – informed by policy in related areas, such as data privacy and ethics. Constructing high-quality prompts, curating rich data, fostering transparency and complying with all applicable law are paramount. But we must also thoughtfully navigate, and not shy away from, issues around intellectual property, privacy, fairness, bias, accuracy and sustainability.

We know that policymakers and regulators take these issues seriously – the UK has taken a pro-innovation approach to AI regulation, the EU recently adopted its AI Act, the US published its AI Executive Order and China has implemented its interim measures for the management of generative AI.

2024 is shaping up to be a pivotal year in terms of elections across several countries, including the UK, United States, India, in EU Member States and the European Parliament. Additionally, the EU will have a new Commission, with a new leadership and a new mandate. Whether this results in significant shifts in policy directions or governance is unclear at this stage, but the importance of fostering responsible and ethical AI systems will undoubtedly persist as a priority on the global political agenda.

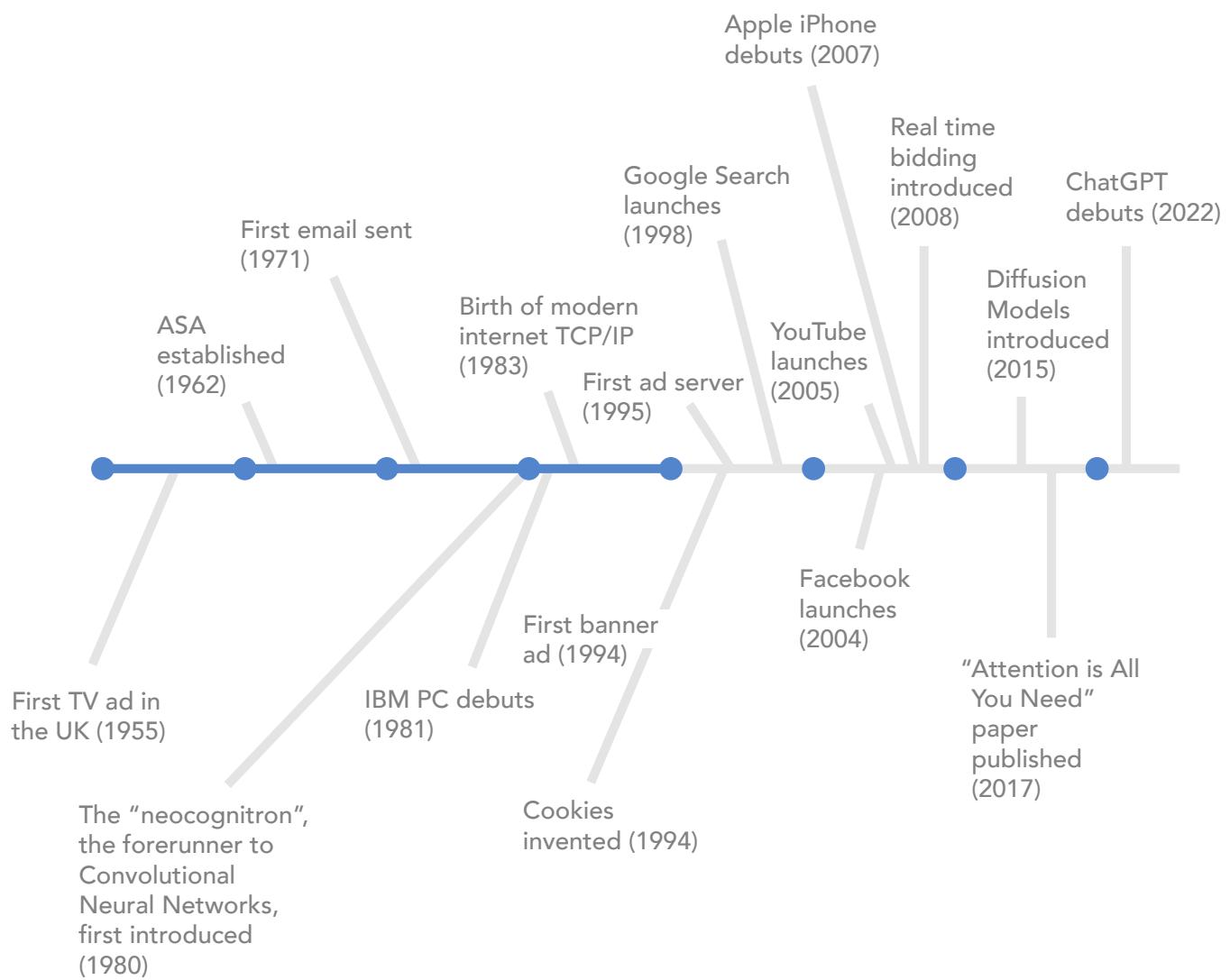
This report, which incorporates contributions from members of the AI Taskforce, is intended to showcase case studies from our Taskforce members, shining a light on the value currently being added by AI technologies across the advertising value chain. It is not a policy document, nor does it collectively represent the policy views of all Advertising Association members. Rather, it highlights how large language models, computer vision, machine learning, and custom trained models can supercharge targeted campaigns, automate repetitive tasks, and surface critical insights. The results speak for themselves – significant time and cost savings, richer creative explorations, enhanced regulatory monitoring, and measurably impactful marketing activations.

This report is not a panacea for the legal and ethical challenges described above, instead what we hope is that through the experiences of our Taskforce members we uncover key lessons, ethical principles, and best practices for harnessing AI's potential while upholding our core values. At the end of the day, if AI can be used responsibly and ethically then certainly AI can be a collaborative partner that can amplify and enhance human ingenuity. Our hope is that, by looking at best practice, industry can embrace AI as a catalyst for creativity and business impact.

Whilst this report is a snapshot of industry developments it tries to emphasise foundational learnings to make the document more enduring over time. Additionally, this report is intended to help those companies embarking on their AI journey and discovery on ways to strategically deploy AI as well as to cultivate a responsible and ethical approach to using this technology.

Alex Dalman & Yves Schwarzbart
(AI Taskforce Co-chairs)

Timeline of Advertising and Major Technological Shifts



Key Findings

01

AI is already transforming advertising and marketing across the fields of strategy, creativity, production, media buying, and regulatory compliance. It is also driving efficiency and unlocking new creative frontiers.

02

Early adopters are seeing significant time and cost savings by using AI for tasks like idea generation, content creation, campaign optimisation, and ad monitoring.

03

Generative AI can enable richer creative exploration and expression, when used responsibly, while AI systems can contextualise messaging and drive meaningful audience engagement.

04

Responsible and ethical AI adoption is not optional. Nor should AI be used in a manner that is likely to undermine public trust in advertising. This requires careful navigation around issues such as privacy, IP, fairness, bias, accuracy, transparency and sustainability.

05

High-quality prompt engineering and access to rich training data are critical for effective AI use in advertising workflows.

06

AI should be viewed as a collaborative partner that amplifies human ingenuity rather than replaces it entirely.

07

The advertising and marketing industry must be a global leader in developing robust ethical frameworks for AI development and deployment. The [ISBA/IPA 12 guiding principles](#) for agencies and advertisers on the use of generative AI in advertising are a clear testament of the industry's intent to lay down some common understanding on how to act responsibly and ethically.

08

While the technology is rapidly evolving, AI adoption guided by the foundational principles in this report can cement advertising and marketing as a creative catalyst and driver of social and societal good. Fundamentally, this will benefit individual interactions and relationships, as well as the structures and the systems which make up society.

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Part 1

Context and Opportunities

2024

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While artificial intelligence may feel like a new and disruptive force, the reality is that AI has been steadily transforming the advertising landscape for years. Our industry is at the forefront of technological innovation.

While artificial intelligence may feel like a new and disruptive force, the reality is that AI has been steadily transforming the advertising landscape for years. Our industry is at the forefront of technological innovation, and we have already begun to experience AI's potential to make advertising and marketing more efficient, effective, and impactful.

In this section, we will hear directly from three leaders making the case that, if we're to continue down the path of adopting AI, we must do so responsibly. First, Google provides critical context on the current state of play, as they consider our industry to be at an inflection point even though the technology itself and its use in advertising have long preceded this period of development.

Google reinforces the view that while the UK advertising industry is leading AI developments globally, we must be mindful of our impact. In other words, there is a need to address the many ethical considerations, two of which are privacy concerns, and mitigating bias. To that end utilising responsible development and deployment frameworks are crucial.

Next, we hear from ISBA, who speak to responsibilities advertisers have to undertake due diligence, ensure human oversight, handle customer data legally and responsibly, and guard against bias and prejudice – including when using AI. ISBA are clear that AI should be used in a

manner consistent with the industry's 12 principles, if advertisers are to meet their responsibilities.

Finally, we turn to M&C Saatchi who share their learnings from embedding AI across their operations. Their key takeaway? AI is reducing time and cost while improving quality and consistency – but only when human strategists understand the technology's real capabilities and limitations.

As M&C Saatchi has found through their journey, there are at least eight areas of use among strategy teams where AI can reduce time, improve quality, consistency, reduce third-party costs, and uniquely, help strategists uncover unexpected insights to make more informed decisions.

Humankind's new cooperative partnership with AI is already emerging...

Chapter 1

Impact on Our Industry: AI in Context

By Google

It was only last year that AI erupted into our collective consciousness. Google searches for AI skyrocketed by 300% thanks to an explosion of generative AI tools that people all over the world could now use and experiment with. Chances are that most of us reading this report have not left a meeting in these last 18 months without a discussion on the impact of AI on our own organisations or those that we work with – for good reason.

The opportunities that AI can bring to the advertising industry are already being felt. We, just like many of our peers, consider our industry to be at an inflection point. Yet, the technology itself and its use in advertising have long preceded the moment we are finding ourselves in. When it comes to the application of AI, the advertising industry has been a leader for some time, with the UK right at the forefront of developments.

To illustrate this point and to set the scene for what is to follow in later chapters of the report, it is worth going on a whistle stop tour of Google's own AI journey in the hope this provides a window through which to see the impact AI has had on our everyday lives and – more specifically for the purpose of this report – on our industry already.

Over twenty years ago, in 2001, we began using machine learning to help with spell check at scale in Search – a feature so common now that few would make the connection to AI. Five years later, we launched Google Translate, making it possible for people to automatically translate text into hundreds of different languages at the click of a button. Fast forward to 2014, when we brought

Deepmind into the Google family and with it placed some of Google's most advanced AI work that has sparked innovations, from predicting the makeup of proteins (AlphaFold), to making weather forecasts more accurate than ever (GraphCast) right here in the UK. In 2017, we then introduced Transformers, the grandparent of modern language models. That development, along with our important advances in diffusion models, have spawned much of the AI activity we see today, including our largest and most capable model to date, Gemini.

With the advent of generative AI , we are also starting to see the immense potential that the technology can bring to business transformation and creativity.

Much of this work has been underpinning the technological innovations that we have experienced in our own industry. Advertising has not only been an early adopter of many of the advances made by AI, but also been a clear leader in applying the technology. Initially, this has helped propel digital advertising into the juggernaut it has become over the last decade, now making up 75% of all ad spend in the UK. But the gains AI brings are becoming increasingly commonplace across all media channels – whether CTV or Digital Out of Home – and are used by ever more sophisticated small and large advertisers.

There is no debate that AI is and has been transforming every aspect of marketing. And while generative AI has dominated the headlines for the last year and upended the world's understanding of what AI can do, there are these other branches of AI — Analytical and Predictive AI — that are less prominent, but have already had a major impact on our industry for years, by making advertising more efficient and more effective in a number of ways:

Personalisation

AI enables advertisers to deliver more personalised and relevant ads to consumers with the help of data.

Targeting

AI can help advertisers target their ads to the right audience. This is done by using algorithms to identify consumers who are most likely to be interested in a particular product or service.

Measurement

AI can help advertisers measure the effectiveness of their ad campaigns. This is done by tracking key metrics, such as clicks, conversions, and sales.

Automation

AI can help advertisers automate many of the tasks involved in running an ad campaign. This can save time and money, and it can also improve efficiency.

With the advent of generative AI, we are also starting to see the immense potential that the technology can bring to business transformation and creativity. Organisations of all sizes and sectors have started using generative AI to help change the way they operate, tapping into the many productivity gains that generative AI can already achieve. Advertisers across the globe, from the biggest advertisers to the smallest challenger brands, have also started using generative AI tools to fuel their vision and create countless new

creative assets to experiment with and deploy, often with the help of simple prompts. Whether it is text, image or video, generative AI's ability to let everyone tap into its hugely promising creative potential has perhaps been its most dramatic impact on the advertising industry to date and we can see some great work in this space later in this report.

No discussion on AI would be complete without also considering the challenges that come with any new technology, not least with one this powerful. And while this chapter and the report more generally adopt a clearly optimistic take on the potential of AI, we — just like the industry more broadly — also recognise that advancements in its capabilities can raise important issues that must be addressed clearly, thoughtfully, and affirmatively.

The 12 guiding principles for agencies and advertisers on the use of generative AI in advertising, recently announced by Taskforce members, ISBA and the IPA, are a clear testament to the industry's intent to lay down some common understanding on how to act responsibly and ethically. They also serve as a good example of applying general AI principles to specific use cases, in this instance advertising. Google has had AI principles in place since 2018 which describe our commitment to developing technology responsibly and areas we will not pursue. We believe that these can serve as ongoing inspiration as we in the advertising industry continue to evolve our own thinking and actions to mitigate and manage some of the challenges that new AI models bring.

This is a time to be optimistic, yet mindful. One where we can ensure that the potential of AI turns into real, positive outcomes for the whole ecosystem. And at Google, we are committed to playing our part in making this a success and are excited to be on the journey with the industry. So let us be bold and responsible. Together.

Chapter 2

Two Possible Futures: The Importance of Responsible AI

By ISBA

Melvin Kranzberg's often-quoted first law of technology is that "technology is neither good or bad; nor is it neutral". It suggests that while technology does not by its nature contain moral value, the use of it can result in positive or negative outcomes. As our technological knowledge continues to grow, the size and impact of those outcomes grows with it – and such is the transformative power of AI.

That is a power which will only continue to grow (Kranzberg's second law holds that every technical innovation requires additional advances in order to make it fully effective) – which is why brands, agencies, influencers, trade bodies and indeed government are all continuing to scramble to understand AI's capacities and what it means for our sector, economy, and wider society. What is clear is that AI will bring enormous disruption – potentially both constructive and destructive – to our industry.

Part of ISBA's purpose is to advocate for a more trusted and accountable advertising environment, including bringing transparency to otherwise opaque processes which impact on brands and consumers. The responsible use of AI therefore sits squarely among our priorities, and we consider that some guardrails around its adoption are sensible and desirable.

This is the case because there are two possible futures. AI is a transformative technology that will fundamentally change our economy and society. It

has the potential to exacerbate the best – and the worst – of our industry. On the one hand, AI could be deployed by brands across the ad campaign journey: from understanding what sort of content increases reach, to writing more compelling copy, to making astonishing creative; it could build in-flight measurement models in minutes, rather than days. All this could be done not simply in the name of selling products, but in promoting the kind of behaviour change that could literally save the planet.

By the same token, AI's power and capacities could also lead to the mass generation of low-quality ads, be used for more convincing scams, or worsen the industry's climate impact with its high energy demands. There is also the question of digital competition, and how particular platforms' dominance could be reinforced by their access to the vast quantities of data needed to help AI evolve.

We have been working as an industry to tackle deep-seated questions of trust. Promoting transparency and accountability – as we have done when it comes to programmatic supply chains, or encouraging influencers to adopt greater standards of ad disclosure – must remain our lodestar in the face of an advance which has the capacity both to deliver better campaigns at scale, and to deceive.

With this fork in the road in mind, we have worked with the IPA to publish initial high-level principles which we believe should be borne in mind when generative AI is used in the advertising

sector. There are 12 principles in total, and they can be found in full online. However, it will be useful here to emphasise a selection.

AI should not be used in a manner that is likely to undermine public trust in advertising. This includes preventing the use of undisclosed deepfakes – or fake, scam, or otherwise fraudulent advertising.

Advertisers and agencies should ensure that their use of AI is transparent, where it features prominently in an ad and is unlikely to be obvious to consumers.

AI should not be used in a manner that is likely to undermine the rights of individuals – including with respect to use of their personal data. With AI trained on huge swathes of data, which is publicly available, advertising cannot take unfair advantage of that. It is also essential that AI is not used in a manner likely to discriminate or show bias against individuals, or particular groups. There have already been disturbing examples of AI arriving at prejudicial judgments or outcomes thanks to pre-existing gender, racial, political and other biases in the data it is fed – the very definition of ‘garbage in, garbage out’. The risk to individuals – and to the reputation of the advertising industry, which is working hard to promote diversity and inclusivity – is clear.

We are also strongly of the view that the potential impact of AI on employment and talent needs to be closely watched. AI should be additive and an enabler of capacity and creativity – helping, not replacing, people. Job displacement is a real risk. The workers in today’s creative industries should be skilled up to make the best use of AI; they should not expect to be told to make way for it, nor should it be used to replace other talent, such as those currently in front of the camera.

In short: AI’s power should help us take the next step in advertising’s evolution and help solve the problems facing our industry and society. It should not be deployed in such a way – or lie unregulated in such a way – that it makes them worse. Advertisers have a responsibility to undertake due diligence, ensure human oversight, handle customer data legally and responsibly, and guard against bias and prejudice.

AI is moving fast, and legislation and regulation will run to keep up. As those discussions – and the technology itself – evolve, the advertising industry should be a responsible partner and resolve to keep evaluating its use of AI in a way which commands public and regulatory confidence. For our part, ISBA will seek to disseminate best practice on AI’s use and point our members towards points of controversy or risk.

Kranzberg wrote six laws of technology in all, and perhaps it is the sixth law which should most be borne in mind as we go forward: that technology is a human activity: “Behind every machine, I see a face – indeed, many faces: the engineer, the worker, the businessman or businesswoman ... The function of the technology is its use by human beings – and sometimes, alas, its abuse and misuse.”

Chapter 3

In Search of the AI Advantage: Embracing the Unexpected

By M&C Saatchi

In the ever-evolving realm of marketing and advertising, AI innovations promise not to just enhance productivity, but also to change the way we uncover and make use of insight in our strategies and decision making.

At M&C Saatchi we have used advanced language models like OpenAI GPT-3.5, GPT-4 and GPT-4 Turbo, along with several others including LLaMA (from Meta) and Falcon-180B (from the UAE Technology Innovation Institute) that have been tested as part of the development of our projects. We have also utilised the Open-Source Microsoft AutoGen library to explore multi-agent conversation frameworks. For image and video generation by strategists, DALL E 3, Midjourney, Adobe Firefly and Runway have also proved useful.

But as we look to adopt new AI capabilities, we should also remember we are creative and advertising people at heart learning to work with AI; not AI engineers learning about creativity. Ultimately, powerful creative ideas are ones that resonate with people's real thoughts and feelings, and these grow from inspired creative minds, embracing an insightful creative brief. Hence, the strategist's role here is to find, reveal and sell this insight.

Using AI does makes logical sense. After all it is trained on the knowledge and information publicly available on the internet. You would think that strategists would be revealing more accurate and deeper insights at an ever-faster pace. Unfortunately, that has not been the case because AI simply gives you exactly what you ask for—but not necessarily

what you need. To find what you need, we must reframe what an insight ought to be. Although strategists will debate endlessly about what an insight is, Richard Storey, Head of Behaviour Change at M&C Saatchi, eloquently describes it to be:

“...something you know to be true, but you didn’t know you knew it, until I told you.”

Something unexpected, yet equally understandable.

Yet, it is finding this insight which unlocks direction, for selling the idea, and supporting the creation of numerous highly effective campaigns.

Seeing things differently is a hallmark of being a great strategist. In fact, rather counterintuitively, one of the ways strategists can extract juicier insights from AI might actually be from analysing its hallucinations! This is because in practice understanding AI calls for building a base level comprehension of its novel features and emerging concepts. For example, try experimenting with the 'temperature' in your text generator or try a high 'chaos' value in your image. Only then will you appreciate how these variables alter the nature of the received output. Sometimes it makes sense to give the AI tool room to be less precise in its outputs.

At M&C Saatchi, AI is helping us address three core problems:

1

Reducing time spent on a task

We have found working with AI allows strategists to complete several sub-tasks necessary for their roles with greater efficiency. Whether it is searching for and distilling substantial amounts of information into more digestible forms or acting as an intuitive springboard when drafting documents and ideas, we have seen consistent reductions in the amount of time taken to complete a task. Our project evaluation of a secure private conversational large language model within M&C Saatchi found a minimum of 20% and an average of 58% reduction in time spent on a variety of short (1 hour) and long (8 hours of more) activities. Additionally, 30% of users found the overall quality of their work to be 'significantly better' and 53% 'slightly better' when compared to those not using AI.

2

Improving quality consistency

Colleagues at M&C Saatchi have reported greater clarity and quality of work. For example, helping to clarify thoughts and enhancing work quality by being more consistent and checking grammar, phrasing, and tone.

3

Reducing third-party cost

Focus groups are a frequent tool used by strategists to assist with strategy development and decision making, often bringing valuable feedback and perspectives from real people. However, it can be difficult to recruit respondents for focus groups, they can take a long time to reach a conclusion, and incur external costs. It is not unusual for a large pitch or annual response to incorporate three or more rounds of research, each time bringing additional cost to the process.

More broadly, our explorations have revealed eight areas of use among strategy teams.

- 1. Strategic Planning Analysis:** "...for generating SWOT & PESTEL analysis documents. I tested against Perplexity (which also provided sources), Claude, and Bard to see how Maurice compares."
- 2. Idea Generation:** "Suggesting creative ideas and providing thought-starters for campaign messaging strategy, e.g. 'provide a list of reasons why young parents in Ethiopia may experience vaccine hesitancy.'"
- 3. Content Review and Improvement:** "Mostly for enhancing the copy I put into presentations, briefs and documents."
"To review my writing and summaries and ask it to be more concise (I tend to waffle)."
- 4. Cultural Sensitivity Expertise:** "We pay cultural sensitivity experts, so keen to see how the output compares. We set it up to act like a cultural expert in Mandarin, Arabic and Vietnamese then had it answer 3 specific questions around what the name means in their language and if it is appropriate for a government brand. It worked really well, and we QA'd vs a live project, it was exactly right."
- 5. Drafting and Structuring:** "To structure and improve initial outlines."
"Helping me start projects and draft things I don't know where to start with."
"To help me draft emails, improve my language, and think about presentation structures."
- 6. Clarification:** "...to get faster answers to more complex questions that Google can't help with. I used it when I have a vague idea / notion / question, it helps to clarify ideas, thoughts and concepts."
- 7. Verification and Exploration:** "For summarising info and checking blind spots."
"Getting the obvious ideas out of the system."
"Getting different points of view on a topic."
"To interrogate claims and reasons to believe provided in a client brief."
- 8. Persona Development:** "...creating text for personas and new audiences, helping us to expand on their interests, attitudes and expectations."

As an agency we are constantly looking for innovative ways to gather consumer insights and hence we have been exploring the potential of AI to augment traditional research methods such as focus groups.

Synthetic Focus Groups

One of our projects at M&C Saatchi explored the possibilities for 'synthetic focus groups' during the very first stages of strategy development and as our initial ideas are formed.

Our approach to exploring synthetic focus groups emerged from the idea of letting AIs talk to each other. By simulating a first-person group discussion, we wondered where the conversation would go. We followed best practice for establishing traditional focus groups but substituted AI where possible.

The synthetic focus groups mimicked the norms of a typical physical focus group in that there is a discussion guide, everyone was made comfortable, and questions are eased into. The moderator is also required to carefully prompt and nudge for clarification. At all times, a human strategist oversaw the AI, and was on hand to steer, confirm and update the AI moderator.

Define Scope

Clearly outline what we want to learn, from whom, objectives and outcomes.

Brief Supplier

Communicate needs to the supplier, ensure they understand.

Agree Method

Work out number groups and participants for budget.

Recruit Respondents

Identify and recruit participants that match profile/screener.

Create personas

Prep Stimulus & Discussion Guide

Develop materials that will be presented to participants and finalise discussion guide.

Write guide

Logistics

Arrange venues, video calls, and incentives.

Moderation

Facilitate the focus group, ensuring all participants have opportunity to contribute.

Moderate group

Analysis

Analyse transcripts and responses to identify themes, insights, and patterns.

Analyse responses

Implications

Document findings and discuss implications on strategy and creative.

Draft implications

We ran two side-by-side proof-of-concept explorations for synthetic focus groups with traditional focus groups, assisted by experienced strategists and insight professionals. This revealed that overall, the synthetic response appeared consistent with the human response – similar comments and themes appear in both groups. The synthetic research group responses were clear, to the point, often without the messy, indirect answers humans can give in a research setting. When nudged by the moderator (and strategist companion) to deepen an answer, synthetic responses were more articulate and precise in their response.

We also found that the turnaround time for these groups was significantly shorter than traditional methods, but importantly they did not overly compromise the range and clarity of response. Another advantage we found was the potential to remove the recruitment and incentive costs of respondents in traditional research groups, as this was no longer needed.

In addition to exploring synthetic focus groups, we also recognise the value of curating high quality and useful prompt templates when working with AI.

Prompt Templates

As a strategist, being able to see, update and iterate on prompts that seek counterpoints, ask for hot takes, or go against conventional wisdom is a useful capability. For example, an initial M&C Saatchi prompt library was developed as a shared resource and contained twenty-two pre-selected prompts. These prompts have helped our strategists develop inputs for brand, content, and customer projects. As AI models continue to advance, maintaining and evolving these prompt libraries allows us to leverage these tools nimbly for generating novel ideas and challenging conventional thinking.

Brand	Brand Schwartz Values	Align a brand with Schwartz's human values to enhance relatability and appeal.
	Brand Archetypes	Identify with Jungian archetypes to give a brand a strong and memorable character.
	Brand & competitors	Analyse and differentiate a brand from competitors to highlight USPs.
Content	Give it a name	Craft a distinctive and memorable name that resonates with unique qualities.
	Name starters for 10	Generate a list of potential brand names that capture the essence of your brand.
	Outline content plan	Develop a structured content strategy focused on target keywords to improve SEO.
Customer	Unspoken rules	Uncover the tacit guidelines that govern customer engagement with brands or topics.
	Quick persona	Create a concise profile of your target customer to inform marketing strategies.
	Customer Journey	Map out the customer's experience from discovery to purchase, targeting specific goals.
	Customer Value Prop	Define the key value proposition that differentiates the brand from its competitors.
Frameworks	5 Whys root cause	Delve into the underlying reasons behind a problem.
	PESTLE	Conduct a comprehensive external analysis.
	SWOT	Assess internal strengths and weaknesses against external opportunities and threats.
Ideas	Provocations	Align a brand with Schwartz's human values to enhance relatability and appeal.
	Counterpoint	Identify with Jungian archetypes to give a brand a strong and memorable character.
	r/showerthoughts	Analyse and differentiate a brand from competitors to highlight USPs.
	Creative norms	Explore conventional creative strategies to establish a baseline.
Thinking	Topics	Identify and summarise the main themes within a given text.
	Thought clarification	Refine and structure your thoughts on a subject to achieve clarity.
	Summarise	Distil the essence of provided text into concise bullet points for quick understanding.
	BSOT	Roleplay the 'Brutal Simplicity of Thought' to make the idea simple and powerful.
	Quick sentiment	Assess the general tone or mood conveyed by a piece of content swiftly.

Lessons learnt

Whilst it is still incredibly early in terms of AI's technological advancement, which actually might prove to be one of the largest technology transformations in mankind, we can already see both the potential and the challenges of integrating AI into strategy work in advertising, marketing and media. Saving time and simultaneously improving the quality of work is an appealing opportunity.

The synthetic focus group trials also highlighted that whilst largely consistent, in a real research group setting, societal norming, i.e. being seen to say the right thing by the other respondents, influenced how vocal a respondent was in relation to difficult and sensitive topics, whereas a synthetic respondent did not have the same need to conform. However, as we look towards more developed creative concepts, replacing traditional research groups with synthetic groups 'feels like' a step too far, for now. The human element, with its inherent messiness and indirect responses, has often been the source of memorable anecdotes and insights that inspire creatives and engage clients. One of the implicit key benefits of traditional research is this authenticity and weight it lends to the voices of a brand's clients. This can be crucial in convincing clients and selling our creative ideas, and we should be mindful of any risks that undermine this.

We have also found that investing time and budget in education and permission to explore, along with quality and clarity of prompt instructions, leads to a far better quality of response. We often found first responses to be high level and we needed to improve the prompt to probe below the surface detail in search of nuance and deeper understanding. High quality prompt instructions matter. Hence it requires the strategist or insight professional to develop this capability, or for it to be pre-coded in a template.

By experimenting with both synthetic focus groups and prompt engineering, M&C Saatchi has been exploring how we can integrate AI capabilities into our strategic planning and consumer insight processes. When combined with human oversight and domain expertise, AI may unlock new frontiers in how agencies develop brand strategies and campaigns that better resonate with customers.



Part 2

AI in Action

While the potential of AI feels vast and nebulous, organisations across the advertising industry are already putting these technologies into practice in novel, impactful ways. Through the IPA and its member agencies, we showcase the “Creative Possibilities” case study series in this section of the report. These are real-world examples of how leading agencies and brands are leveraging AI as a catalyst for creativity, engagement, and positive change.

As M&C Saatchi states, AI may not be a creator in itself, but it can be a valuable tool to enhance human imagination and push creative boundaries. Their work demonstrates how AI can augment ideation and execution. Similarly, Dark Horses’ “Hope Sogni” campaign and Leo Burnett’s “McDonald’s Audio Journeys” showcase imaginative use cases which enrich branded storytelling. VCCP/faith meanwhile, looks at generative AI through a different lens by deploying it to create AI generated content at scale.

Additionally, Clear Channel and the DMA provide a different perspective. They highlight how AI has been used to create purpose-driven advertising campaigns, through a number of case studies, by contextualising messaging and driving meaningful audience interaction in areas such as knife crime, food insecurity and women’s self-esteem. Their work demonstrates advertising’s role in affecting positive societal change.

The future opportunities for using AI in our industry are immense, but what is most exciting is that businesses across our sector are using AI now, to add value, grow, and deliver wider societal benefits. For all that we can say about responsible use, unless we are using AI responsibly, our words will not carry weight.

Through their experiences, we uncover key lessons, ethical principles, and best practices for harnessing AI’s potential while upholding our core values.

The creative possibilities are bounded only by our imagination and integrity ...

Chapter 3

Creative Possibilities

By the IPA & Member Agencies

Is AI creative? Perhaps not, as it stands today. AI emerges not as a creator but as a catalyst, able to transform the fuzzy substance of ideas and thoughts into sharpened forms of visuals.

Creativity is inherently collaborative, as we see in the team-driven approach that fuels many creative departments. What is more, bringing a creative campaign to life is a collective achievement, the successful ones often likened to having “many parents” — a testament to the multifaceted contributions that shape the final work. AI, in this context, is not the source of creativity but an invaluable tool that amplifies human imagination when wielded with skill and insight.

There is plenty of support for using AI to generate the obvious solutions early, but this barely scratches the surface of its potential. The real opportunity begins when AI is used to delve beyond that into the semantics and semiotics of messy ideas, pushing boundaries, inverting concepts, and painting a canvas of imaginary worlds. To get to the greatest concepts, visual references and storyboards.

Our experiences highlight the power of going beyond initial ‘diffusion’ image generation models, which can take a few minutes to generate, to work with LoRA (Low Rank Adaptation) AI models, which offer the capability to refine and transform an image or idea in real-time. This instant feedback loop is crucial for revealing creative intuitions. Just as a strategist might find clarity achieved through writing or journaling, a creative mind will often respond to the immediacy of seeing a visual materialise, fostering a flow of creativity guided by your hand and real time AI.

More broadly, creativity thrives on collaboration. Current tools predominantly offer a one-on-one interaction with AI, but we see a future where multiple minds engage with a single AI, or one person harnesses the insights of multiple AIs.

By viewing AI as a superpower tool, we can enhance our capabilities, making the best even better. In this light, AI becomes an essential partner for creativity, enabling us to see the unimagined and to richly bring to life our collective imagination.

Case study 1

HOPE SOGNI – The 10th FIFA President

Dark Horses

Misogyny is one of football's most pressing challenges. Key issues are given insufficient airtime, such as sexual abuse, ethics oversight, financial accountability and voting reform.

The need for more women in key decision-making roles is vital, but the women who have publicly challenged the leadership in football have found themselves systematically sidelined. Representing the collective voices of women, the 10th FIFA President starts a public conversation about the need for gender parity within the game, providing a vehicle for women in football to share opinions and hard truths about its governance, anonymously and without fear of retribution.

Created using human-like AI, with AI company, Twise, Hope can and will say the things that need to be said publicly. She has created a manifesto to launch her hypothetical presidential bid, which you can watch [here](#).¹ She can make keynote speeches, respond to real time incidents, take PR interviews, and provide soundbites on sensitive topics that might currently damage the careers of senior women in football. Fans can talk to her in real-time and question her policies [here](#).²

Over 10 months, we worked closely with Moya Dodd (the former vice-captain of Australia and one of the first women to join the FIFA Council) and Maggie Murphy (CEO of Lewes FC) to train the AI on the Twise platform. We also gathered insight and articles from a WhatsApp group of prominent female leaders in football (who wished to remain anonymous) to give her an encyclopaedic female perspective on FIFA, football governance and the issues facing women in football.

We managed to get a dominant 'photo' of Hope – an artificial candidate, not even an athlete – on the back page of the print edition of The Guardian, and a full-page story inside, including images of her campaign posters. You can read the article [here](#).³

The news of Hope's FIFA President candidacy went global, covered in 42 countries, in multiple languages, across key national titles. Within a week, the campaign had reached a total audience of 364 million, with over 6,200 social engagements. The website hosting Hope, Twise, saw 39,810 page views, from numerous countries, leading to 13,800 sessions, 7,600 users, and 4.4 minutes Average Session Duration.

It raised an international debate around the issue of a lack of senior women in football. We have had requests for Hope's involvement in initiatives, including the Malala Fund, and the National Football Museum. As her reputation grows, we expect to see more. True success would be a real woman running for the 10th FIFA presidency in 2027.

Topicality is everything, so it is imperative for Hope's authenticity that we keep her updated on the latest developments in football, so that she can respond appropriately. This is a time-consuming labour of love, but worthwhile to drive necessary change.

Watch the case study [here](#).⁴

1. <https://www.youtube.com/watch?v=E6OMiqa19nk>

2. <https://twise.ai/HopeSogni>

3. <https://www.theguardian.com/football/2023/nov/22/ai-football-expert-hope-sogni-fifa-infantino>

4. <https://youtu.be/a4UMk2BSFNY>

Case study 2

McDonald's 'Audio Journeys'

Leo Burnett

In the Spring of 2023, rising costs meant that 16 million families had stopped coming to McDonald's. Making up 50% of visits, it was business-critical that we win this audience back. With the summer holidays fast approaching, we spotted our window of opportunity...

While the problem lay with visits, reactive price fighting was not the answer. Research revealed that when it came to making purchase decisions, families were scrutinising both the price paid and the value of the experience received. We realised we needed to do more than just save them money to win them over.

We made a shift: From being a value brand, to proving to families that we were a valuable brand.

To fulfil this, we had to go beyond advertising, to provide a tangible act of generosity.

Research revealed families' biggest summer bugbear: families were spending an average of 103 hours in the car (that's more time than at the beach!). With 32 motorway restaurants and 938 Drive-Thrus across the country, we knew we had a credible role to play. We would provide families with some much needed in-car entertainment!

The AI solution was 'Audio Journeys': a generative AI experience, combining ChatGPT with voice AI to produce personalised audio books, starring your own family and featuring your own road trip locations, all within seconds. To add to the surprise and delight, these bespoke stories were even narrated by a celebrity!

'Audio Journeys' was a resounding success. A whopping 17,725 families downloaded our stories and our activation boosted Brand Love above previous levels (HOT, 2023).

Critically, the activation also boosted visit frequency, bringing families back to our restaurants and helping to supercharge our market share to an all-time high of 18.8%.

Case study 3

O2 Bubl Generator

VCCP/Faith

With Bubl, O2 joined a long list of brands that make use of a brand character in their marketing. The small blue robot, created to symbolise the network that is always with you, has a superpower that Tony the Tiger, the Pillsbury Doughboy or Smash Martians could never have imagined – Bubl can be generated by an AI tool that faith has built. Brand mascots are often created to increase brand warmth and iconicity yet are constrained to high-budget campaigns. By leveraging generative AI, we have overcome the high costs and long timelines inherent to asset creation, allowing us to significantly enhance Bubl's presence across digital platforms and endow him with a more compelling personality to help communicate O2's core values of See What You Can Do...

The Bubl Generator is a custom-trained image model based on Stable Diffusion. By using simple text prompts, we can generate images of Bubl in almost any fathomable context, giving creatives a lot more

creative freedom. We learnt that we needed to custom train the model using images of Bubl from numerous unconventional perspectives (e.g. from behind) to closely control our output. To achieve this, we integrated a 'digital twin' of Bubl into Unreal Engine, allowing us to animate him in dynamic and novel poses. This travel-loving, gig-attending, tech obsessed robot can now help communicate O2's core values across more touchpoints.

The tool significantly reduces asset creation costs by 97% and shrinks timelines from days to minutes, freeing up producers' bandwidth and enabling a broader and more engaging portrayal of Bubl. The project has enhanced the quality and reach of O2's content, setting a new industry standard for leveraging brand mascots and marks a progression from mere AI experimentation into action.



Chapter 5

AI for positive social change

By Clear Channel and the DMA

AI has the capacity to impact nearly every aspect of our economy and society. Beyond the advertising industry, the opportunities are transformational – advancing education, improving transport, public services, speeding up and improving diagnosis and treatment of diseases and much more. Within the advertising industry, it can enhance efficiency, accuracy, creativity and accessibility, leading to positive outcomes for individuals and society as a whole.

However, to truly be a force for good it is crucial that our industry addresses ethical considerations, privacy concerns, and potential biases to ensure that AI is deployed responsibly and equitably.

AI models can contain and magnify biases ingrained in the data they are trained on, reflecting societal and historical inequalities and stereotypes. Biases – often subtle and deeply embedded – compromise the equitable and ethical use of AI systems – making it difficult for AI to improve fairness in decisions and deliver customer-centric creative solutions.

To mitigate this, we need to create AI models that are fuelled by a values-driven data ecosystem – embracing transparency, accountability and the responsible use of data to build and maintain consumer trust as outlined in the DMA Code.

Within the UK we've seen several advertising applications that have utilised subsets of AI to responsibly deliver thought-provoking creative that has benefited public awareness and brand purpose messaging.

Transparency with audiences has been core within the development of these campaigns, all have undergone data protection impact assessments (DPIA), none of the campaigns store any personal information, and links are provided to provide audiences with further information. During the campaign, steps were also taken to prevent unauthorised modification of data, thereby preserving data authenticity.

These examples have harnessed AI to contextualise messaging and drive audience interaction, whilst creating change within communities.

Case study 4

Siren Poster

The Ben Kinsella Trust / M&C Saatchi / Clear Channel

In 2023, 315 people were admitted to hospital with knife-related injuries around Mother's Day. Sadly, too many did not make it home. Working with The Ben Kinsella Trust, Clear Channel and M&C Saatchi, we developed a campaign powered by machine learning to raise awareness of the dangers of knife crime, highlighting the thoughts that go through a mother's mind whenever she hears an ambulance siren.

A machine learning model was created and used to train the computer to recognise the sound of an ambulance siren vs other emergency services; the source data for the model was created from recording London ambulance sirens. The software was connected to a microphone that would listen for ambulance sirens, and if detected, it would change the creative displayed on the digital out of home (DOOH) screen.

The triggered creative featured anxious messages from real mothers and their sons imploring to them to stay safe and not to carry a knife. Every time an ambulance drives past, or is in proximity, its siren triggers the technology installed to show these powerful messages from mothers to their sons, making the connection between ambulances and the genuine worry mothers have when they hear one stronger and more powerful than ever before.

During the campaign period, The Ben Kinsella Trust had a 107% uplift in website traffic and a 105% increase in new visitors versus the same period in 2022. The campaign is slated to run again in 2024 in support of Bristol and Bournemouth City Councils' knife crime awareness weeks.



'Siren Poster' – The Ben Kinsella Trust / M&C Saatchi / Clear Channel

Case study 5

Give a Smile

Belvita / Elvis / Publicis Media / Clear Channel / Ocean Outdoor

In 2023, over 13 million people in the UK experienced food insecurity. Belvita's purpose driven mission was to use the power of positivity for a greater good, showing how a small gesture like a smile can have a positive impact in the world, especially during challenging times. Belvita committed to helping fight food poverty by donating meals to FareShare – for a simple smile interaction with their campaign.

To complement the through-the-line activity, Clear Channel developed computer vision software that, with a simple call-to-action, was able to detect when someone was smiling at the Digital Out-Of-Home screen. Upon detecting a smile, a change in the creative would occur, resulting in the person in the

creative smiling back at you. This was combined with messaging letting audiences know that their smile had resulted in a donation to FareShare. The computer vision software was trained only to detect smiles, based on facial pattern detection; no data, or images of any type were stored during the campaign.

Over the two weeks, Clear Channel screens alone detected 10,000 smiles, all which helped the fight against food poverty.

'Give a Smile' – Belvita / Elvis / Publicis Media / Clear Channel / Ocean Outdoor



Case study 6

Toxic Influence

Dove / Ogilvy UK / Mindshare

Since the Campaign for Real Beauty of 2004, Dove has been a shining example of purposeful marketing, using its platform to promote women's self-esteem. But by 2021, other brands were encroaching on the positioning, new threats to girl's self-esteem were emerging on social media and purpose marketing was coming under scrutiny.

The objective was to continue to take an 'actionist' stance to detoxify beauty by undermining threats to self-esteem and raising awareness of the Dove Self-Esteem Project, building brand equity and driving growth in the process.

Research revealed new threats from toxic beauty advice promoted by influencers. Teens were developing parasocial relationships: one person extends emotional energy, while the influencer stays blissfully unaware. This led to an imbalance with 39% of girls trusting influencers more than their parents.

This blind spot was damaging girl's self-esteem. The new campaign would be the first to call out toxic influencers, exposing wrong-doing and helping girls understand how to respond.

The creative approach needed to make the impact of insidious influencers immediate to parents. Behind some of the more harmless and inviting posts, girls were being advised to file their teeth down, or to use baby Botox – advice no mother would give her daughter.

This inspired the creative hook: putting the advice of toxic influencers into the mouths of mothers so they could see just how toxic and dangerous it was.

Real girls and their mothers were invited to a venue where, using deepfake technology, they were shown footage of the mother giving toxic beauty advice taken from her daughter's feed, starting a conversation between mum and daughter. Expert support was provided, facilitating a positive discussion.

Consumers were also directed towards educational resources including #DetoxYourFeed DSEP video guides. The campaign made an impact in culture and started a new conversation about the impact of toxic influencers on young girls as a result of this DMA gold winning campaign.



'Toxic Influence' – Dove / Ogilvy UK / Mindshare

Part 3

Regulation, Sustainability and the Ethics of AI

As AI capabilities rapidly evolve, so too must the guardrails that ensure these powerful technologies are developed and deployed responsibly. In this section, we hear from key voices addressing the ethical and regulatory issues essential for fostering trust as AI permeates advertising and marketing.

First, the Advertising Standards Authority (ASA) underscores AI's role in enabling effective regulation of online advertising at scale. AI systems can review large volumes of ads and summarise or select the most relevant ones, allowing expert attention to be focused where it is most needed. However, collaborating with the industry to access the necessary data to power this AI-driven oversight is critical.

Global media agency Spark Foundry looks at AI from a sustainability angle and explores its potential to reduce advertising carbon footprint. VCCP then explores the balance between automated ad creation within defined brand guidelines and protecting artists' rights. Their perspective reinforces that transparency and ethics are essential to maintain trust and respectful collaborations.

Finally, behaviour insights consultancy, Behave, weighs in on ethics and responsibility amid AI's rise. They assert that responsible AI adoption is about shifting the needle from restricting poor use of AI to enabling good use of AI. Hence, fostering critical thinking, accountability, and self-reflection through practices like the Socratic method can be beneficial to that end.

Our industry is committed to using AI responsibly; but it is important to develop robust ethical frameworks to guide that use within the industry. Likewise, to maintain the integrity of the self-regulatory system, the industry needs a strong and well-equipped ASA that leverages the power of AI to effectively police content and at scale.

As we navigate this emerging technological landscape, we must remain vigilant about core principles like consent, privacy, transparency, and IP protection. Ethical AI development and deployment is an ongoing process of mindful self-reflection and cross-industry collaboration.

Getting it right is essential for maintaining public trust while unlocking AI's immense potential...

Chapter 6

AI in Self-Regulation

By the Advertising Standards Authority

The UK's advertising self- and co-regulatory model is seen as the gold standard globally and is based on long-established consumer protection standards developed as part of EU and UK law over many decades. The Advertising Standards Authority (ASA) system has shown that it is able to extend and adapt to meet the regulatory imperatives of an evolving landscape – without the need for legislation. Established more than 60 years ago, the ASA is the largest and best

resourced advertising self-regulatory system in the world. It has also been an innovator in pursuit of high standards, many of which have been adopted in other jurisdictions. Consumers benefit from a proportionate set of protections that apply to ads in all media and business benefits from joined-up and consistent regulation. This consistent approach is based on the following four principles: adverts should be legal, decent, honest and truthful.

Regulating online advertising is challenging. People in the UK are exposed to millions of unique ads on any given day. To regulate effectively the ASA needs to understand what ads are present online and spot any that are irresponsible quickly.

It is impossible for ASA experts to review every ad that is out there, but we are finding AI is increasingly enabling us to have visibility of online advertising at scale. AI systems can review large volumes of ads and summarise or select the most relevant ones,

allowing expert attention to be focussed where it is most needed. Our Active Ad Monitoring system is now processing over 1 million ads each month and supporting our teams in delivering effective regulation across many high-priority projects.

Since 2021 we have been developing our Active Ad Monitoring system, a set of machine learning and AI-based tools that are able to capture large volumes of ads and process them to identify the most relevant ones. The system is made up of three components:

Ad capture at scale

The system captures ads from social media, search and display using a mix of public sources such as "ad libraries", our own internal monitoring tools, and data bought from third parties.

AI-based filtering

Machine learning models are configured to spot the ads that are most likely to be relevant to a given issue, or to have specific compliance problems.

Expert review

Our experts can browse and search content related to their work via a web interface that allows them to quickly assess issues, and flag any problematic examples for action.

Today when the ASA identifies a potential area of interest in online advertising, the Active Ad Monitoring system can be configured rapidly to capture relevant ads across online channels and deliver focussed intelligence to our teams.

from our Data Science team describing what kinds of climate-related language or imagery is being used in a given sector. This can help us prioritise areas of greatest concern, or equally decide that the scale of an issue is small and further action would not be proportionate.

In some cases, this means high-level intelligence about the state of advertising in a particular area. For example, the ASA's "Climate Change and Environment" project has made use of reports

In other cases, the output is more enforcement focussed, for example in our work on ads for irresponsible cosmetic surgery abroad. Rulings the

ASA published in 2023 made it clear that some of these ads would likely mislead consumers, for example by suggesting that having cosmetic surgery was a trivial decision, or implying a trip for surgery was like a holiday. In 2024 the ASA's Compliance team is continuing this work by taking proactive action against ads that similarly are likely to mislead. The Active Ad Monitoring system is being used to deliver regular reports to compliance experts containing all the ads our systems think are likely to break the rules and need review.

As well as processing over 1 million ads each month, the Active Ad Monitoring system now supports most of the high-priority proactive projects at the ASA, including recent work on climate claims, gambling, vaping, prescription-only medicines and influencer disclosure.

The Active Ad Monitoring system has been built in-house by our Data Science team over the past two years, with support from colleagues across the ASA who have provided crucial collaboration and been willing to adapt their processes to take advantage of the new tools we have built. The process of developing our AI capability has been as much about organisational change as developing technology and hiring a technical team.

The Active Ad Monitoring system itself is built on cloud-based infrastructure and combines publicly available state-of-the-art image and text models with our own training data labelled by ASA experts to deliver powerful machine learning models. When we decide to take on a project, we work with those relevant experts to define the types of content they are looking for, configure the system appropriately and iteratively refine our filtering to ensure our intelligence is relevant to their needs. Content is delivered via a web interface that enables fast review and collaboration.

AI-based tools like our Active Ad Monitoring system can clearly enable us to regulate more effectively and give us much greater visibility of online advertising. We are now convinced that these tools are core to the way the ASA will operate in the future. Our continued commitment to developing our capabilities is laid out in the title of our new five-year strategy "AI-assisted Collective Ad Regulation".

We also understand that getting the greatest impact from these systems will require closer collaboration with industry partners. The systems can only be applied to the ads we can see, and this means working together to ensure the ASA has the access it needs to ad libraries and other sources of information. Equally in some cases effective action from the intelligence we generate requires co-operation from relevant platforms or intermediaries to close the loop and remove ads that are not compliant.

Chapter 7

An Eye on Sustainability

By Spark Foundry

The climate crisis is one of the most pressing challenges facing humanity, and our advertising industry has a pivotal role to play in driving positive change. We must harness our full potential to empower businesses and individuals to confront this existential threat and forge a more sustainable future. Doing so is not only crucial for maintaining public trust but also a critical factor in attracting and retaining top talent within our industry. Combating climate change demands a multifaceted approach. Beyond raising

awareness and promoting behaviour modification, we must also decarbonise our operations, particularly in production and media planning. In this regard, generative AI presents a potent tool with the capacity to revolutionise our efforts. In this chapter Spark Foundry offers their thoughts on how the advertising and media industry can not only embrace generative AI but do so in a way that is aligned with both business objectives and environmental responsibility.

Given the evolution of technology, it is easy to assume that generative AI will have an adverse effect on sustainability. After all, technology requires energy use, and energy use leads to carbon emissions. However, this perspective does not capture the whole picture.

Recent studies suggest generative AI could actually result in lower carbon footprints. When writing tasks were compared between an AI versus a human with a laptop, the AI reduced emissions by 99%.

Rather than this being a simple, 'either or' debate, it's about synergy – humans and AI working together to produce more creative possibilities, with less impact on the environment.

The advertising industry is already witnessing a shift in this direction, with creative agencies using it to produce highly customised creative, or to use brand mascots in scenarios that were previously cost prohibitive. Media agencies are jumping into it too, adopting generative AI-driven media plans that significantly reduce the manual work required.

Nonetheless, the road ahead is not without its hurdles. A major concern is the potential overuse of these tools. The allure of automation could tempt us to generate a multitude of creative scenarios and scamps, under the guise of thoroughness. Agencies must resist the temptation to indulge in excessive planning—producing countless variations simply to cover all bases. Far from being productive, this approach could undo the environmental benefits

offered by generative AI, plunging teams into a sea of creative indecision and confusion.

The key lies in strategic prioritisation. It's about making informed decisions rather than scattering efforts across too many fronts.

For agencies about to embark on this journey, consider the following:

Begin with a benchmark

Establish a clear understanding of your current carbon emissions. This baseline is essential for measuring the impact of any changes you implement.

Test in small doses, then escalate

Employ generative AI in specific, controlled scenarios to verify its effectiveness. Once you are confident in the technology, you can broaden its application swiftly.

Prioritise, do not proliferate

Avoid the pitfall of generating more, just for the sake of it. Instead, focus on creating value and maintaining sustainability.

People first, AI powered

No form of technology is better than the experts who live and breathe the brand. But the use of AI can augment their work, and free them from manual duties that add little value to their duties.

By following these guidelines, the advertising and media industry can not only embrace generative AI but do so in a way that's aligned with both business objectives and environmental responsibility.

Chapter 8

Artists in Advertising

By VCCP

The advertising industry continues to evolve and embrace cutting-edge technologies and generative AI is one innovation that holds tremendous potential. This powerful tool promises to streamline asset creation, enabling agencies to respond with agility to emerging trends and client demands. However, the integration of generative AI into the creative process raises important legal and ethical considerations, particularly regarding intellectual property rights, consent, and fair compensation for artists. In this chapter, VCCP share their learnings, illustrative case studies, and key takeaways, offering insights into how they are leveraging generative AI while upholding their core principles and fostering mutually beneficial relationships with artists.

As a global, integrated creative agency we are known best at VCCP for creating iconic 'Brand Worlds' for our clients. Typically, these Brand Worlds are composed of a set of distinctive visual, verbal, sonic and interactive assets that ensure every touchpoint is 'indelibly branded' – the brand is instantly recognisable, even if the brand's logo is covered up.

We often engage artists, illustrators, animators in the creation of these Brand Worlds.

Throughout this process, a balance always needs to be struck between obtaining the widest possible rights and preserving the rights of artists. Rights may be negotiated for a fixed period or in perpetuity and may include the right to creative derivative works so that the Brand World can be flexed to meet the requirements of every touchpoint.

Typically, the wider the rights we obtain, the wider the usage of Brand World assets can be. Consequently, the brand's presence becomes stronger across every touchpoint.

And by "every touchpoint" we do not mean every touchpoint that VCCP "owns" or is directly responsible for, leaving other touchpoints to the social agency or in-house teams to do with what they please. We mean every touchpoint where the brand shows up, period. "It Only Works If It All Works", as we like to say.

Generative AI promises to democratise asset creation. For us, it promises to streamline the creation of assets within a well-defined Brand World. Better, faster, cheaper.

Imagine a social agency able to respond to trending topics in real-time by quickly generating the brand mascot in novel poses and scenarios.

Imagine an internal comms team able to record company-wide announcements using the voice of the brand, without bringing a voice actor into a booth every time.

Imagine product teams that can create imagery for entirely new products in the brand's distinctive illustration style.

When launching our AI creative agency, faith, we focused firmly on how we might use AI responsibly as an accelerator of human creativity. We made a commitment to four core principles:

1. Be transparent when AI is being used.
2. Be authentic – fact-check generated content.
3. Be compliant and break no laws.
4. Be ethical – only use AI for good.

These are really important to us and frame how we will and will not use generative AI with respect to artists' creations. Principally, we are happy to use generative AI when it lets people do more than they could otherwise, but not when it is being used to displace or replace human artists.

We will not ask generative AI to copy an individual artist's style without their involvement and permission; just as we would not ask a human artist to recreate the style of another. And just as we would with human briefs, we may provide a range of references as part of a brief to create something wholly new. But never to create something derivative.

There are situations where we are asking generative AI to recreate output that mimics what a human artist would otherwise have created – but only with the artist's permission. As always, a balance needs to be struck between obtaining the widest possible rights and preserving the rights of artists.

Off the shelf, generative AI models can do a lot. But out of the box, they are not very good at generating assets from within a predefined Brand World. They do not know the brand well enough to generate anything usable.

To solve this problem, we have built our own tools and models on top of these foundation models. For example, our Brand Image models extend the capabilities of Stable Diffusion so that visual assets can be generated that correctly use

a brand character or correctly mimic a brand's illustration style. Our Brand Copy models extend the capabilities of GPT-4 so that copy can be checked against or generated from a brand's tone of voice. Generally, these Brand Models make it possible for almost anyone to generate high-quality distinctive brand assets quickly and consistently.

In the process of developing these tools and models, we have had to navigate a number of legal and ethical questions regarding copyright and trademark protection:

- How to train AI to recreate a brand's IP/trademarks whilst also protecting the IP from unauthorised use.
- How to negotiate fair and equitable use for artistic works/performances when using AI.
- How to avoid infringing the copyrights of others when using base models that use copyrighted material in their training data.

There are also ethical questions surrounding consent and fair compensation where generative AI models have been trained on unknown material or material which is protected by copyright.

The legal and ethical uncertainties and ambiguities introduced by generative AI create risks for developers, content creators, and copyright owners. Ultimately, new approaches are needed that find a balance between innovation and respecting existing rights.

How we use AI in practice

Using generative AI to recreate a brand character or mascot

Situation: The agency created a brand mascot/character with the help of a third-party production partner. At creation, the agency negotiated usage that allowed for the creation of derivative works. This allowed the agency to create a digital twin of the character in Unreal Engine – a powerful 3D creation tool for those that can use it.

Complication: Generative AI would allow almost anyone to create using the brand character. But given the newness of generative AI, does using the character with AI constitute a new use or an existing (already agreed upon) use?

Resolution: A “walled” model was trained on a wide array of images created specifically for model training from within Unreal Studio (as previously agreed usage), none came from the artist directly. And the resulting model was initially only available to teams that could have reasonably used Unreal Studio to create assets. All artists’ rights that existed before Gen-AI were still intact after Gen-AI. And as such the existing agreement was deemed sufficient.

Results: Reduced asset creation time from days to minutes (full data is confidential).

Client Feedback: “The models we’ve developed together create consistent, high-quality distinctive brand assets and copy at speed, allowing us to work in ways that would not previously have been possible. It’s exciting to keep learning by doing, as the Gen-AI space continues to evolve”.

Using generative AI to recreate a brand illustration style

Situation: The agency commissioned an illustrator to create a distinctive look and feel for a brand’s imagery. The agency had previously agreed usage for assets created by the illustrator but not for derivatives. The illustrator undertook to create an image library for the brand to draw freely from and agreed a fixed fee and schedule for any new illustrations required. This agreement was on a limited time basis with a predefined renewal schedule.

Complication: New illustrations could only be produced at the speed the illustrator could work. They become a bottleneck in the process. The agency would have been well within their rights to create new illustration styles without the illustrator’s involvement – but not to sidestep the illustrator whilst continuing to use the style. This might accelerate the process but would result in loss of earnings for the original creator.

Resolution: At the next contract renewal. Agency and illustrator agreed to a higher “buy-out” rate that explicitly included allowing the use of generative AI to produce derivative works.

Results: Increasing income for the original creator and the value for the buyer. (Full data is confidential).

Using generative AI to recreate a recognisable brand voice

Situation: A few brands wanted to explore using generative AI with recognisable brand voices for characters or voiceovers. Both saw the potential for generative AI to ease some of the production strains that come from a voice becoming a single point of failure. Both wanted to secure access to these voices in the event that an actor was unavailable for fast turnaround projects, or for higher volume use cases than a single human could possibly record.

Complication: The creation of generative AI voice models faces many of the same challenges faced by image models and then some such as IP ownership, reduction in earnings for human actors and the potential misuse of outputs.

Resolution: This is a thorny area and despite lots of promising discussions, most of these negotiations are still pending at the time of print. (For example, see Scarlett Johansson OpenAI controversy) For fictional characters, the IP owner would need to agree with any voice actors if any of the resulting audio recordings might be used as training data for AI. In addition, due consideration needs to be given to any potential loss of earnings. For example, we may look to agree a usage fee per generation or high upfront buyouts.

For example, how will the actor be informed about how their likeness is being used now and in the future? What rights do they have to object or halt any use cases they had not foreseen as they arrive?

It is still early days. How we respect and protect the rights of voice artists in this brave new world calls for a cautious approach. Any negotiation needs to start with understanding where all parties sit on the spectrum of apprehension. And be prepared to flex on a case-by-case basis, at least until legislation and industry standards mature.

Key challenges, learning points and takeaways

Generative AI is not without its challenges. Here at VCCP, we are optimistic and hopeful for the future. But to fully realise the benefits that this new technology promises, it is essential that we maintain the trust of the artists that contribute so much – as their input is vital, both to the work we do as an industry, and to the training data that enables generative AI models to create. Until the law catches up with this new and rapidly evolving technology, faith will always try to act in good faith with our founding principles to guide us:

Be transparent and upfront when AI is going to be used with clients, consumers and artists.

Do not present AI work as entirely original. Be clear where AI has been or will be involved in the process.

Be authentic

Human brand guardians are essential. Avoid treating AI as a fully autonomous creative system. Have human reviewers examine the generative AI's output. Think co-pilot not auto pilot – steering is vital at every stage, including legal oversight.

Be compliant and break no laws

Check and discuss all output with legal teams to minimise the risk of infringement.

Be ethical, only use AI for good

Consider whether your usage of generative AI is likely to compete with creator's own work, depriving them of payment and credit. Consider mutually beneficial arrangements (e.g. providing the same usage fee for a voice actor whilst saving on studio fees and time). No one should have their likeness cloned without prior consent, including the ability to object to any derogatory usage of their likeness.

Chapter 9

Responsible AI adoption by advertising professionals

By Behave

The advertising industry stands to reap significant immediate benefits from AI, with the potential to unlock new levels of efficiency and productivity. However, focusing solely on AI's immediate benefits would be folly. Instead, advertising professionals must extend their gaze beyond the direct effects and examine the potential trade-offs and consequences of AI adoption. Responsible AI adoption is an imperative, but achieving it is not without challenges. AI is complex and therefore it necessitates a nuanced and iterative process.

Responsible AI adoption is not a fixed destination; it is a continuous journey marked by refinement. As advertising professionals progress through this journey and become more experienced with AI, they will become better equipped to critically assess AI's implications. This experience plays a crucial role in unearthing ethical implications associated with AI adoption.

Responsible AI adoption is about shifting the needle from restricting poor use of AI to enabling good use of AI. Therefore, fostering responsible AI adoption requires more than just a set of principles, rules and regulations. At its heart, it requires a framework to cultivate the two pillars of responsibility, namely ethics and accountability, within advertising professionals. The Socratic Method, with its emphasis on open-ended questions and critical thinking, can be a useful tool to help achieve this.

The complexity of responsible AI adoption

The path to responsible AI adoption presents a complex labyrinth because AI systems are inherently complex:

- Numerous components work together in intricate ways, making it difficult to understand how individual parts influence overall behaviour.
- Small changes can have unforeseen consequences, making it challenging to predict outcomes and ethical implications.
- The combined interaction of various parts can lead to unexpected ethical implications.
- Outputs can influence their own inputs, further complicating long-term implications.
- Constant learning and evolution require ongoing evaluation and adaptation of ethical frameworks.

However, the complexity of AI systems also give rise to several ethical implications:

Accountability and transparency: The “black box” nature of AI often makes decision-making processes opaque.

Fairness: The training of AI models on biased datasets perpetuates and aggravates societal biases.

Privacy: The development of personalised ads, which relies on the collection and analysis of vast amounts of individual data, can be beyond individual's knowledge or direct control.

Environmental impact: The training and running of one AI model can emit roughly 284 tonnes of CO₂ equivalent, which is roughly five times the lifetime carbon emissions of an average passenger car (Heikkiläarchive, 2022).

To address these and other ethical implications effectively, fostering a strong sense of responsibility and accountability among advertising professionals is crucial. In the context of adopting responsible AI in advertising, this translates to:

1. Identifying potential consequences.

2. Setting clear and responsible intentions as an anchor point, influencing advertising professionals; decision-making and actions related to AI use.

3. Implementing practices that minimise unintended consequences of AI use.

4. Establishing mechanisms to hold advertising professionals accountable for the outcomes of AI-driven decisions.

5. Encouraging a forward-looking approach where advertising professionals actively consider the potential impact of their actions regarding AI use and align them with ethical standards and obligations.

Fostering responsible AI adoption

The human mind often relies on mental shortcuts called heuristics which help us make fast decisions, but they can be problematic when applied to complex ethical judgments, as this can lead to unintended consequences. One way to address this is for individuals to question their current stances and assumptions and then find new answers themselves (Lotto, 2017). This is where the Socratic method can play a role, as it is a useful tool for deconstructing these heuristics and fostering responsible AI adoption.

This method rests on open-ended questions posed by a facilitator who acts as a guide. Using open-ended questions during the initial stage is key (Vlastos, 1995) as it serves as a springboard for critical thinking and deeper exploration of the ethical implications surrounding AI adoption. The Socratic method unfolds in five steps (Farnsworth, 2021):

- 1. The facilitator poses thought-provoking questions about a specific AI application and ethical dilemma the company faces.**
- 2. The advertising professionals voice their initial stances and assumptions.**
- 3. The facilitator challenges these stances through further questioning, encouraging advertising professionals to consider alternative perspectives and potential biases in their heuristics.**
- 4. The advertising professionals re-evaluate their initial stances and refine their understanding.**
- 5. The advertising professionals implement concrete steps towards responsible AI adoption (e.g. designing AI prompts that encourage users to examine their assumptions and biases, designing mitigation strategies, revising AI development processes).**

By applying this method, companies can quickly move up the maturity levels in achieving responsible AI adoption as it fosters a culture of critical thinking, shared responsibility, and accountability.

Guideline for implementing the Socratic method as a practical tool for responsible AI adoption

01

Preparation

Identify facilitator: Select a facilitator (e.g. internal trainer, external consultant) familiar with the Socratic method, AI adoption, AI ethics and, ideally, the company's culture.

Choose the focus: Define the specific AI application and ethical dilemma the company will explore, whilst ensuring it goes beyond readily available information.

Gather participants: Assemble a diverse group of advertising professionals representing different departments to participate in the dialogue.

02

Method

Questioning: The facilitator begins by posing open-ended, thought-provoking, questions related to the chosen focus (e.g. what potential benefits and risks do we see in implementing this AI application, how might this AI system impact the privacy of our customers, what ethical considerations should we prioritise when developing this AI solution) to create productive discomfort friction. The facilitator frames these questions in a way that encourages consideration of both potential benefits and risks. The facilitator encourages active participation and diverse perspectives from all participants.

Hypothesis: The facilitator listens to advertising professionals' initial stances and assumptions about the ethical implications of the chosen focus.

Refutation: The facilitator challenges these initial stances through further questioning by using "why" and "how" questions to encourage critical thinking and expose potential biases in reasoning. The facilitator presents alternative perspectives by introducing different viewpoints and potential consequences not yet considered.

Evaluation: The facilitator guides participants in re-evaluating their initial stances considering the previous steps. The facilitator enables a group discussion to refine participants' understanding of the ethical implications.

Action: The facilitator guides participants on agreeing on clear and concrete steps towards responsible AI adoption.

03

Follow up

The facilitator summarises the key takeaways and action items. The facilitator assigns clear responsibility for implementing the agreed-upon actions. In doing so, the facilitator designs mechanisms that reinforce the advertising professionals commitment to the agreed-upon actions. The facilitator schedules follow-up sessions to monitor progress and address any emerging ethical implications.

Conclusion

The advertising industry stands at an inflection point, poised to harness the immense potential of AI as a catalyst for creativity, efficiency, and positive change. This report has illuminated the transformative impact AI can have across the entire advertising value chain – from strategy and ideation to production, media execution, and regulatory compliance.

The case studies showcase how pioneering agencies, media and brands are already leveraging AI to supercharge creative exploration, automate repetitive tasks, contextualise messaging, drive audience engagement, and deliver impactful marketing activations. AI is reducing time and costs while enhancing quality, creativity and business outcomes.

Developing high-quality prompts, curating rich training data, fostering transparency and complying with the law are paramount. However, unlocking AI's full potential also requires mindfully navigating issues around intellectual property, privacy, fairness, accuracy and sustainability. Robust ethical frameworks that prioritise consent, accountability and upholding core industry values must steer AI's adoption and deployment throughout the industry. Above all, this report emphasises that AI should be

embraced as both a business transformation tool and a collaborative partner that extends and elevates human ingenuity. While the technology will continue to evolve rapidly, the foundational learnings shared here can guide our industry towards an ethical, responsible integration of AI – one that cements advertising and marketing's role as a creative catalyst and engine for widespread benefit.

The future beckons with unprecedented opportunities. By thoughtfully combining human and AI, as a form of co-intelligence, we can reshape what is possible in creativity, business impact, and social good.

The road ahead has challenges, but our industry has proven itself ready to be a global leader in paving the way for AI's transformative possibilities.

Checklist for Responsible AI Adoption

The top priorities outlined in this checklist are designed to enable our industry to harness AI as a powerful tool and collaborative partner, while upholding our core values.

Checklist for Responsible AI Adoption in Advertising:

- Implement robust ethical frameworks prioritising consent, accountability, and core industry values.
- Consider the implications around intellectual property, privacy, fairness, bias, accuracy, and sustainability.
- Foster transparency about when and how AI is being used.
- Ensure compliance with all applicable laws and regulations.
- View AI as a collaborative partner to enhance human creativity and ingenuity, not replace it entirely.
- Establish clear guidelines and best practices for prompt engineering.
- Develop high-quality prompts and curate rich training data for AI models.
- Implement human oversight and fact-checking for AI-generated content.
- Protect creative rights and negotiate fair compensation for artists when using their works in AI training.
- Provide education and dedicated resources for exploring AI capabilities responsibly.
- Continuously re-evaluate AI adoption practices as the technology evolves.
- Collaborate across the industry to develop standards and share learnings.

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Further Reading

THE EU'S AI ACT

<https://www.consilium.europa.eu/en/press/press-releases/2024/05/21/artificial-intelligence-ai-act-council-gives-final-green-light-to-the-first-worldwide-rules-on-ai/pdf/>

GATES NOTES – AI is about to completely change how you use computers <https://www.gatesnotes.com/AI-agents>

MCKINSEY – The economic potential of generative AI: The next productivity frontier <https://www.mckinsey.com/capabilities/mckinsey-digital/our-insights/the-economic-potential-of-generative-ai-the-next-productivity-frontier#introduction>

MRS DELPHI GROUP PODCAST: Using synthetic data and artificial respondents – <https://www.mrs.org.uk/campaign/id/synthetic?MKTG=SYNTHETIC>

THE MRS DELPHI GROUP REPORT – BEST Framework for Gen AI: How and when to build AI into your research processes – <https://www.mrs.org.uk/campaign/id/genai?MKTG=GENAI>

MRS DELPHI GROUP REPORT – Using synthetic respondents for market research: part two of the BEST Framework for Gen AI – <https://www.mrs.org.uk/campaign/id/synthetic?MKTG=SYNTHETIC>

MRS ETHICAL GUIDANCE: MRS Guidance on Using AI and Related Technologies https://www.mrs.org.uk/pdf/MRS_AI_Guidance.pdf

NEWS MEDIA ALLIANCE'S GLOBAL

PRINCIPLES ON AI <https://www.newsmediaalliance.org/global-principles-on-artificial-intelligence-ai/>

TRACTION DESIGN – AI ANSWER ENGINES ARE EATING THE SEARCH ENGINE WORLD

<https://tractiondesign.substack.com/p/ai-answer-engines-are-eating-the>. The UK's pro-innovation approach to AI regulation <https://www.gov.uk/government/publications/ai-regulation-a-pro-innovation-approach/white-paper>

ONE USEFUL THING – HOW AI WILL RESHAPE WORK <https://www.oneusefulthing.org/p/centaurs-and-cyborgs-on-the-jagged>

THE VERGE – WHY AI AND SOCIAL MEDIA ARE CAUSING A FREE SPEECH CRISIS FOR THE INTERNET

<https://www.theverge.com/23929233/lawrence-lessig-free-speech-first-amendment-ai-content-moderation-decoder-interview>