

Artificial Intelligence in Advertising

JAKE DUNN & COLIN GUY

INTRODUCTION

How can AI-powered video generation be used in marketing to make advertising videos more efficient to produce?.

Generative AI is a form of AI that is able to create original content. "It can produce original footage, enhance existing content, or blend elements in imaginative ways – all without the need for heavy human intervention."

When generative AI is used in advertising, it allows users to create simple prompts that produce high-quality content for a fraction of the cost of traditional advertising. This technology eliminates the need for a film crew, actors, props, and most editing software. It also significantly reduces the production time.

AI VIDEO-GENERATED ADVERTISING

SORA 2

- Developed by OpenAI
- Offers 1080p Full HD
- Realistic motion and physics
- Fast rendering speeds
- Currently used by social media content creators



Veo 3

- Developed by Google
- Offers 4k Ultra HD
- More user control
- Has access to YouTube's video library
- Currently used by Fortune 500 companies



AI PERFORMANCE DATA

- **47%** increase in click-through rate
- **29%** reduction in cost per acquisition
- **75%** decrease in campaign launch time
- **175%** increase in customer engagement rate
- **31%** increase in customer retention rate

CONCLUSION

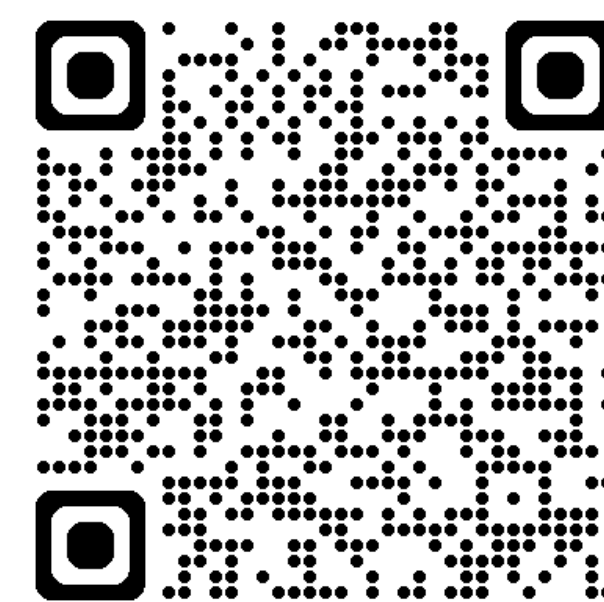
- AI can drastically reduce production time
- AI doesn't require actors, directors, or filmmakers
- AI allows small businesses and content creators can produce their own ads
- AI performs best when paired with human judgment
- AI users must align with ethical guidelines and laws to prevent problems

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SCAN HERE

AI IN ACTION

- **Coca-Cola's** newest ad launched on November 3rd. an AI remake of a 1995 Coca-Cola Christmas ad. Coca-Cola's chief marketing officer claims, "Before, when we were doing the shooting and all the standard processes for a project, we would start a year in advance. Now, you can get it done in around a month". The ad received backlash from viewers claiming that certain elements look fake.
- **Google** used its own AI video generator Veo 3 to create a Thanksgiving ad that began running on October 31st. According to The Wall Street Journal, "The search giant becomes the biggest name yet to generate an ad entirely with its Veo 3 and other artificial-intelligence tools".
- **Kalshi** produced an NBA Finals ad for 2,000 dollars in less than 72 hours. A traditional ad like this would have cost at least 50,000 dollars. Just days after the ad was launched, it had over 10 million impressions. Following the incredible success of the NBA Finals ad, Kalshi has produced multiple new ads using Veo 3.
- **Virgin Voyages** used generative AI to introduce "JEN AI" which is an AI form of Jennifer Lopez. Virgin Voyages secured the rights to Jennifer Lopez, but this specific use of generative AI raises ethical concerns if companies don't obtain the represented individual's consent.



Kalshi



OBJECTIVE

The purpose of this research is to examine how collaboration with artificial intelligence can enhance the quality of marketing while maintaining cost-efficiency.

METHOD

This research was completed using AI collaboration. Chat-GPT and Copilot were used to assist in research to find relevant sources. The information compiled in this presentation comes from articles, videos, and blogs. The conclusions and applications come from an analysis of all the information discovered during research.

