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Advertising Agencies and Their Clients in the Age of Generative Artificial Intelligence – The
Case of M&C Saatchi

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Abstract

This research investigates the impact of artificial intelligence on the business models of advertising agencies by spotlighting the innovative campaigns from M&C Saatchi and Blitzworks. The project dives into the potential of GenAI, underscoring its capacity to refine marketing through personalization and streamlined operations. While recognizing the up-and-coming state of AI applications, the research discusses continuous technological and ethical progression. The findings suggest that AI will prove its position as a competent sparring partner to humans in advertising, recommending that agencies adopt AI to enhance their daily doing.

Keywords

Advertising - Artificial Intelligence - Innovation - Business Models

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1. Introduction

In advertising, the rise of generative artificial intelligence (GenAI) initiates a transformative shift, ready to redefine brand engagement strategies. This thesis explores the influence of GenAI on the business models of advertising agencies, spotlighting the pioneering initiatives of M&C Saatchi and Blitzworks. GenAI's potential to reshape advertising through personalized marketing, enhanced operational efficiency, and real-time content optimization is enormous, yet several vital aspects must be considered (Sutherland, 2020; Davenport & Ronanki, 2018).

The advertising landscape has long been guided by human creativity and intuition. Still, as GenAI becomes increasingly sophisticated, it challenges traditional practices, introducing a new blend of data-driven and creative processes (Hebborn, 2021). Integrating AI into this domain extends beyond automation, fostering innovation where algorithms and analytics generate remarkable, personalized content (Bughin et al., 2017).

However, with disruption comes complexity. This thesis examines the challenges and opportunities presented by AI, with case studies such as M&C Saatchi's Knife Campaign and Blitzworks' project for Coca-Cola serving as examples of AI's transformative role in advertising (Smith, 2020; West, 2019). These cases illustrate how AI, while undoubtedly a valuable tool in content creation, also necessitates an evolution in the role of advertisers - from creators to strategic interpreters (Chaffey, 2017).

This integration calls for a fundamental shift within agency business models, demanding a strategic realignment to make the best possible use of the capabilities of AI. As agencies reimagine their operational frameworks, they are confronted with the need to recalibrate their roles and strategies, considering the growing influence of AI (Marr, 2021). Moreover,

introducing AI requests a reevaluation of ethical standards, as agencies must navigate the delicate balance between leveraging data and respecting consumer privacy (Martin, 2016).

Despite the potential of AI, the current application within the industry presents limitations. The study acknowledges the nascent stage of AI adoption in advertising, highlighting the need for continuous innovation and ethical oversight (The Conversation, 2015). This approach ensures that agencies remain at the forefront of the AI revolution, adapting to the technology's rapid evolution while retaining their unique value proposition—creative and strategic human insight (Fjord, 2021).

As this thesis progresses, it discusses how AI creates value for marketers and advertising experts. It is addressed that the extent of agencies' success in the AI era will depend on their ability to integrate AI into their workflows, enhancing human expertise rather than displacing it (Bughin et al., 2017; West, 2019).

This work lays the groundwork for a deeper analysis of AI's role in advertising agencies, offering a strategic framework to navigate the complexities of this technological revolution. The subsequent chapters will dive into the case studies of Blitzworks and MC Saatchi in greater detail, evaluate the impact of AI on agencies' business models, and critically assess the path forward in the AI era.

2. Background & Literature Review

In the dynamic commercial ecosystem, the significance of a well-defined business model is vital, serving as a strategic canvas for value creation, delivery, and capture. Osterwalder and Pigneur's seminal framework (2010) describes the business model as the organizational logic behind value processes. However, the emergence of Generative AI forces a reevaluation of this established understanding, challenging advertising agencies to adapt their traditional methods, which have centered around creative promotion for other businesses (Osterwalder & Pigneur, 2010; Teece, 2010).

Advertising agencies find their business model at a crossroads as GenAI reshapes the terrain of creative services. The capacity for AI to automate and augment creative processes demands a transformation in how agencies operate, necessitating agility and foresight in their business strategies (Bughin, Catlin, Hirt, & Willmott, 2018). Agencies must now align the technological possibilities offered by AI with their established practices, matching their business models with the market's changing needs, driving innovation, and sustaining revenue streams (Fjord, 2021).

As such, the business model in advertising is not merely a static blueprint but a dynamic construct that must evolve with technological advancements. This evolution is characterized by a shift from traditional advertising tactics to data-driven, AI-enabled strategies that promise enhanced efficiency and personalization (Davenport, Guha, Grewal, & Bressgott, 2020). Agencies are tasked with reimagining their value propositions, exploring novel revenue models, and redefining how they engage with clients and consumers (Kumar et al., 2017).

The transformative impact of AI on advertising business models also extends to organizational structures and talent management. There is a growing need to balance the art of creativity with

the science of data analytics, integrating cross-functional teams that include data scientists and creative professionals (West, 2021). This integration calls for a reevaluation of talent acquisition and development strategies, underlining the importance of cultivating an AI-savvy workforce that can cope with the power of GenAI while maintaining the human sensitivity that is essential to creativity in agency practices (Brynjolfsson & Mitchell, 2017).

The traditional business model of advertising agencies is undergoing a significant transformation, influenced by the integration of GenAI. This necessitates reevaluating core operations, realigning value propositions, and a strategic pivot towards a more technologically advanced, data-driven approach. The agencies that will thrive in this new landscape recognize the complementary relationship between human creativity and AI, leveraging both to drive innovation and deliver value to clients in a continually evolving market (Hirt & Willmott, 2021).

2.1 Business Model Analysis

Advertising firms' economic success and sustainability are built upon client relationships, which are critical to their business model. Magretta (2002) emphasized the significance of a robust business model in transforming creative efforts into economic value, a concept that is the essence of advertising operations.

Osterwalder and Pigneur (2010) offered the Business Model Canvas (BMC) to navigate and comprehend these complicated frameworks. This tool deconstructs business models into nine key components, from customer segments to cost structure. This tool is beyond helpful for advertising agencies, allowing them to align their creative and strategic objectives with a structured approach (Osterwalder & Pigneur, 2010; Zott et al., 2011).

The BMC serves as a visual map, facilitating a holistic view of a firm's value proposition and infrastructure alongside its financial metrics. It makes it an invaluable ally for agencies to plan and adapt their operations in line with evolving industry trends and client demands (Teece, 2010). Employing the BMC enables agencies to critically evaluate and grow their business models, combining creative skills with economic sustainability in an environment marked by rapid evolution and competition (Johnson et al., 2008).

However, as generative AI emerges as a transformative force, it challenges these agencies to redefine creativity and client engagement, integrating technology into the structures of these traditional pillars. Greenough (2023) claims that GenAI is revolutionizing content creation across various domains, necessitating reevaluating agency business models to stay competitive and innovative (Greenough, 2023; Kane, 2017). A report by Boston Consulting Group corroborates this shift, noting that most CMOs have already integrated GenAI into their practices, with others actively experimenting, indicating a rapid adoption across the industry (BCG, 2021).

The forthcoming analysis will explore the historical evolution of advertising agencies' business models. Additionally, the study provides an outlook on how emerging technologies like GenAI can be embedded into agencies' value propositions to ensure sustained viability and relevance in the vividly advancing environment.

2.1.2 Advertising Agencies' Business Model

In an era where artificial intelligence (AI) reshapes industries, advertising agencies are experiencing a profound shift in their business models. The Business Model Canvas (BMC), as conceptualized by Osterwalder and Pigneur, serves as a navigational tool for agencies to align

their operations with contemporary technological advancements (Osterwalder & Pigneur, 2015). This section will compare traditional business model components with their modern AI-influenced counterparts, drawing from recent developments to understand this evolution.

2.1.2.1 Customer Segments

Traditionally, agencies' customers have been classified into large enterprises and SMBs, with agencies offering tailored marketing strategies to meet the unique demands of these distinct groups. With the rise of GenAI, agencies are now leveraging technology to identify niche market segments, offering even more tailored services. Christensen's (2016) 'Jobs to be Done' theory remains relevant, advocating for a deep understanding of client needs, which GenAI can elucidate with greater precision and nuance (Christensen et al., 2016; Huang & Rust, 2018).

2.1.2.2 Value Proposition

Agencies have expanded their value offering beyond the creative capital to include the strategic utilization of AI-driven insights, enhancing campaign efficiency and effectiveness. The delicate balance of creativity and analytics has become pivotal in delivering enhanced client value and fostering engagement (Kumar & Rajan, 2022; Luo et al., 2019).

2.1.2.3 Channels

Once dominated by traditional media such as print and broadcast, the channels have evolved with the digital revolution, necessitating a shift towards a diversified omnichannel strategy. The expansion of digital and social media platforms has required agencies to recalibrate their channel strategies to maintain effectiveness and impact, a transition significantly influenced by the capabilities of AI (Edelman & Singer, 2015; Libai et al., 2020).

2.1.2.4 Customer Relationships

Retainer models and long-term relationships have been foundational to the business models of advertising agencies, as Sheehan and McMillan (2013) describe. The stability provided by these models has allowed agencies to engage in more strategic, long-term planning for their clients. Iacobucci and Calder (2003) further elaborate on the value of these relationships, noting that they foster deeper collaboration and a more profound understanding of the client's business, leading to more effective and targeted campaigns.

2.1.2.5 Revenue Streams

While agencies traditionally rely on commissions and retainers, AI enables performance-based pricing models, aligning agency compensation with measurable results such as consumer engagement and conversion rates (Edelman & Singer, 2015).

2.1.2.6 Key Resources

Agencies' essential Resources have expanded from predominantly human creative talent to include AI as a critical asset. Agencies are now tapping into AI for data processing and market insight generation, reshaping the resource landscape within the industry (Holt & Cameron, 2020; Srinivasan et al., 2013).

2.1.2.7 Key Activities

Key Activities have been transformed by AI, with agencies increasingly automating routine tasks and focusing human expertise on complex strategic initiatives. This shift has implications for how agencies approach campaign development and market research, integrating AI to enhance these foundational activities (Lovelock & Patterson, 2021; Clow & Baack, 2016).

2.1.2.8 Key Partnerships

Key Partnerships evolve as agencies form alliances with tech companies and data providers, enabling access to advanced AI tools and capabilities. These partnerships are crucial for agencies looking to broaden their service offerings and keep pace with technological advancements (O'Donnell, 2008; Naik & Peters, 2009).

2.1.2.9 Cost Structure

Cost Structure considerations are adapting to the new reality of AI integration. Investing in AI technologies must be carefully balanced against the traditional costs associated with creative talent and media buying, ensuring agencies maintain profitability while embracing innovation (Hackley, 2003; Feldwick, 2015).

The Business Model Canvas is a crucial tool for advertising agencies navigating the transformative wave of generative artificial intelligence. The rise of GenAI is not a volatile trend but a paradigm shift strengthening its permanence in the industry. Agencies must now demonstrate agility and strategic foresight, reimagining their core components, especially their value propositions outlined by Osterwalder's Value Proposition Canvas, to thrive in this new era (Osterwalder et al., 2014).

2.2 Creativity & AI

When discussing advertising agencies, a key term one has to explore is that of “creativity,” as such firms are often referred to as “creative agencies” (Pratt, 2006) in many contexts. As mentioned, when discussing the value proposition of such an agency business model, creativity, in this context, meaning the delivery of creative services and output, is right at the heart of these firms. However, what is creativity at its core?

This question has been asked long before AI's possible impact on the creative industry has been discussed. Maitland (1976) found that “creativity is one of the most significant, yet least well understood, areas of human life.” Moreover, it truly is a crucial question to be asked, Gaut (2010) argued that adequately dealing with topics surrounding creativity “requires attention to the rich (...) literature on creativity” (p. 1034). Unsurprisingly, a question as fundamental to human existence as that of creativity has also been brought to the context of technology, especially AI.

Researchers like Lee (2022) have stated that creativity must be dehumanized and understood on a functional level to be copied through machines and algorithms. Since creativity seems so fundamental for human intelligence, it can be viewed as a crucial challenge and milestone of artificial intelligence. However, Boden (1998) argues that “AI will have less difficulty in modeling the generation of new ideas than in automating their evaluation” (p.347), and we have already established that generative AI (AI that actively generates output like written content) is increasing – yet there is no actual use case for evaluative AI when it comes to creative work.

2.3 AI's impact on advertising agencies

Up to this point, this paper has already discussed the rise of (generative) AI and the business models of advertising. Henceforth, the goal is to bring those two topics together and understand the existing scientific discourse on how the related technological and cultural developments impact these businesses. Unfortunately, peer-reviewed scientific literature on the matter is limited. One possible reason might be that these are still relatively new topics, and proper scientific research usually takes longer than writing simpler, less-reviewed articles. The latter are published more frequently by business magazines and research firms.

One closely related aspect frequently discussed is AI's impact on advertising in general and how it is carried out in companies and the industry. Consulting firms like Deloitte and magazines like Forbes have dealt with the topic (Deloitte, n.d.; Liddicoat, 2023). The joint takeaway: It can help identify audiences better, help utilize big data, and take some workload off employees.

At the same time, it seems unlikely that all too many jobs will be replaced. Research by Forrester (2023) estimates that 7.5% of advertising agency jobs might fall victim to AI automation. However, the paper concludes that creative jobs might be spared because these roles benefit from higher productivity, leading to more and smaller firms. One industry sharing similarities to the advertising agency business is the industry of business and management consulting firms, often even competing as they are both service-oriented businesses that primarily exchange their expertise and personnel for billable hours or other income streams. Since such consultancies often research and publish the results to pursue market insight and an expert position (Nissen, 2019), the entire industry is somewhat sensitive to trends, technology, and disruption. Therefore, there are quite a few reports on how this industry reacts – or is

expected to react – when it comes to AI. These will be discussed in the following to make some deductions on the related industry of advertising agencies.

On an organizational level, Ginguta et al. (2023) concluded that it is crucial for companies to “include frequent training opportunities and (tackle) communication between employees and managers” to harvest the potential of AI in this industry. However, this could be said for almost all sectors and is hardly unique in the business services industry (Kumain et al., 2020). Findings by McGinley (2021) do not support the current steep upward trajectory of AI as his research concludes that “for now, potential benefits (...) are largely hunches over proven” and that “both consultants and clients are (...) failing to envision new and innovative (...) formats” (p.2).

Other, more practical-sided sources are more eager to express the eminent potential for change AI bears. One article, for instance, states that the business consulting industry is “particularly vulnerable to AI disruption” (Kaplan, n.d.). Another review by Sloan Management even concludes that management consulting is experiencing an “existential crisis” (Beck & Libert, 2018) due to the rise of AI.

The previously mentioned idea of a more democratized agency landscape with more yet smaller firms might also apply to the management consulting industry. A Forbes article states that “when consultants leave large firms to go independent, as we have seen more and more senior consultants do, they lose access to the support that helped them operate efficiently” (Younger, 2023). While that was historically proven to be a problem, AI can replace that operational effort and support independent consultants. This could threaten larger firms and force them to improve the attractiveness of working for them, especially at more senior levels (Chabra & Sharma, 2014).

Several research and report pieces regarding AI, advertising, and consultancies have been reviewed. However, as stated above, when these aspects come together, and the question of AI's impact on the businesses of advertising agencies is raised, the literature is limited. Researchers like Qin & Jiang (2019) observe the singular effects of AI and suggest an adjusted 4-step advertising process: Consumer insight discovery, ad creation, media planning, and impact evaluation. Typically, the tasks of advertising agencies fall into one of three bigger buckets (Chaisuwan & Sriweawnetr, 2021): Strategy (where the analytical backbone of the work is built), Creation (where the creative work is developed), and Engagement (where media is bought and roll-outs as well as reach are handled). These three pillars will be discussed multiple times in the following research.

However, similar processes have been mentioned before the age of AI (Stidsen, 1970), and the study only investigated the Chinese market. Moreover, like the work of Leszczynski et al. (2022), who looked into the acceptance of AI in advertising agencies, their research only focuses on minor aspects. It needs to consider the overall impact on the businesses. Leszczynski et al. (2022) too, come to a similar conclusion as Ginguta et al. (2023), stating that “managers need to gain knowledge of the potentialities and consequences of AI” but also realize the “need to answer these agencies' role and market position” (p.5).

Once again, it helps to look into more practical publications like an article by Forbes that acknowledges the lasting relevance that human employees play for agencies, having to remain the overseeing entities for AI-developed output for the foreseeable future (Forbes, 2023). One aspect that other researchers and media outlets also bring up is that client brands must start to distinguish between AI-generated and human-made deliverables and that the value of human work might even increase (Greenough, 2023).

3. Research & Methodology

Based on this gap in research connecting the previously established rise of AI and the ever-changing nature of advertising agency business models discussed above, the following research question must be asked:

“How can advertising agencies adjust their business models to deal with the rise of (generative) artificial intelligence?”

3.1 Research Proposal

Since this research question yields several practice-oriented implications, a case study analysis as a rather suitable method of qualitative analysis is a logical choice. According to Johanson (2007), a case study should meet the following requirements: (1) It should stand as a complex functioning unit; (2) It should be put and investigated in its natural context; (3) It should be contemporary. Another requirement was established by Baxter and Jack (2010), who argue that case studies are best used to answer ‘how’ questions. This is the case for the research question developed above.

Thus, all these criteria are certainly applicable to this research. When it comes to the methodology of a case study, literature often refers to the work of Robert Yin. Yin (1981) established different modes of reasoning depending on the setup and goal of various case study approaches. Due to the clear domain and connection to the previously discussed theory, this research will follow the deductive principle through the “procedure of testing hypothesis” (Johanson, 2007, p.48).

Therefore, several hypotheses must be formulated to be validated or falsified later in the case study analysis process. Based on the literature review and the purpose of this research, the following research hypotheses can be stated:

H1: There will be a differentiation between human- and machine-made advertising work.

H2: Productivity will drastically increase, leading to smaller agencies as overall demand stays steady.

H3: A culture of tech-savviness will replace a culture of creative arrogance.

H4: The dominant business model will be a hybrid agency utilizing an AI powerhouse and human oversight.

The first hypothesis can be layered by incorporating other sub-hypotheses that dictate its meaning. A critical aspect of client-agency collaboration in the future will be to what extent agencies will transparently show what they came up with solely through their human employees and at which points they utilized generative AI.

The second hypothesis can seem somewhat self-fulfilling at first. (Creative) productivity is incredibly likely to increase to some extent due to AI. However, the question is how this will impact the agency landscape and business model. If overall client demand for campaigns and other creative work stays similar, increased productivity per employee could lead to downsizing. This, again, could lead to either a more fragmented market of small agencies or the continuation of large agency networks bundling smaller boutique ones.

The third hypothesis is the heavy impact of the rise of AI on company culture. Once AI is no longer seen as an exciting tool. However, as a default resource, an essential skill of employees

will be their ability to deal with technology and to gather and analyze data to make data-driven decisions (data literacy). As advertising agencies were historically prone to be driven by dominant minds that combine years of experience with an aura of creative genius, this could lead to exciting confrontations between those two groups.

The last hypothesis combines elements of the first three. One idea that first has been mentioned in the literature review above is that of the “hybrid agency” (Greenough, 2023). That is an agency that utilizes the output power of AI but relies on humans to curate the work as well as make sure the infrastructure of advertising work stays intact: “receiving a brief, defining objectives, servicing an account, measuring results, and invoicing for work—these things take time (...) to be automated” (Greenough, 2023). This also means that there could be agencies with even lower human involvement, possibly at the lower end of the price scale, as well as agencies that still rely (entirely) on human creative work towards the upper scale, demanding a premium for the “human-made badge” – the same way some customers are currently willing to pay more for other hand-made things like clothing or accessories.

3.2 Methodology

After establishing the foundation of essential criteria and use cases of case study research, a process for carrying out said research needs to be lined out. Heale and Twycross (2017) suggest a four-step process: (1) Selecting and defining the case; (2) Gaining an understanding of the case; (3) Analyzing the case; (4) Forming arising themes into assertions.

Since Heale and Twycross (2017) leave some leeway for interpretation and do not define their steps down to the last detail, it is possible to complement their suggested approach with additional supporting insights from other authors. For example, a question regarding step one

is selecting the proper case. One standard answer is that a “good” case is “most likely to confirm or falsify (...) a hypothesis” (SAGE, 2011, p.301).

Another open point is what the “analysis” of step 3 is supposed to consist of. Johansson (2007) provides good guidance for this purpose when he, as previously discussed, outlined that a case study should be put and investigated in its natural context. Therefore, the process of Heale and Twycross (2017) will be put into practice the following way during this research:

1. Selecting and defining a public and insightful lighthouse case that is representative of a more significant shift in the advertising industry.
 - a. A case will consist of a stand-out advertising campaign utilizing artificial intelligence by a central advertising agency.
 - b. The focus will be not only on the campaign and technology but also on the agency behind it.
2. Establishing a profound understanding of the case by reviewing it from several angles and sources to gain insights into the background, process, and goals of each case/campaign.
3. Conducting a detailed analysis of the campaign by putting the attained insights into the context of the changing advertising industry and the implied meaning for clients, employees, employers, and – after all – business models in the industry.
4. Taking the themes and learnings that will arise to form them into explicit assertions that can be used to validate or falsify the hypotheses.

Because of the practical implications of this research, the findings of this process will be used to write a guide for agencies, which will advise them on how to deal with the rise of AI and

how to adjust the business model in the end. Once this has been conducted, an industry expert, a strategist of one of Europe's most renowned and successful advertising agencies, will review these findings, allowing the researchers to further reflect on their work and to provide an immediate assessment of the real-life usability of the guide and its insight

4. Case Study Analysis

In the following section, the Blitzworks and M&C Saatchi cases will be analyzed based on real-world campaigns that were brought to life by applying artificial intelligence. Each part examines the instances based on the four hypotheses mentioned

4.2 The case of M&C Saatchi

The rise of generative artificial intelligence (AI) has reshaped numerous industries, with advertising being one of the most significantly impacted domains. Among the pioneers of this technological revolution in advertising is M&C Saatchi, a globally recognized agency known for its innovative approaches and effective campaigns.

M&C Saatchi was established in 1995 by Maurice and Charles Saatchi and has embraced a philosophy of "brutal simplicity of thought." This approach has driven the agency's recognition and growth within the competitive advertising landscape (M&C Saatchi PLC, 2023). The agency's strategy to serve international markets has strengthened its reputation for innovative advertising, as evidenced by its influential "This is not just food" campaign for Marks & Spencer (The Drum, 2023).

The agency has notably integrated artificial intelligence in campaigns like "Clever Buoy," demonstrating the fusion of technology with creative solutions, which has been pivotal in maintaining its industry edge (Campaign Brief, 2019). Their work, well-known for creativity and effectiveness, has received numerous honors, underscoring their importance as an industry leader (Campaign Live, 2023). M&C Saatchi has adeptly navigated digital transformation, integrating digital innovations with traditional techniques in recent campaigns and showcasing their adaptability (AdWeek, 2023).

This case study explores the transformative impact of generative AI on M&C Saatchi's business model, focusing on two campaigns: The **Knife Campaign**, established in 2023, and the **Self-Evolving Billboard Campaign** from 2015. These campaigns exemplify the practical applications of generative AI in advertising and reflect the dynamics of client engagement, public perception, and the agency's positioning as a technological leader in the generative AI space.

Generative AI, characterized by its ability to create new content by learning from existing data, offers unparalleled opportunities in the world of advertising. It allows for the development of more personalized, dynamic, and engaging content, which is critical to capturing the ever-shifting attention of modern audiences. Through its campaigns, M&C Saatchi's foray into this technology has enhanced its creative capabilities and redefined how advertising content is conceptualized and delivered.

The Knife Campaign, which employed generative AI to create a fictional character to raise awareness about domestic violence. This campaign is a great example of how AI can be utilized for social purposes. This campaign reflects a significant shift in M&C Saatchi's approach, using AI to transcend commercial interests, thus resonating powerfully with a broad audience (Ntoutsis et al., 2020). By leveraging AI in this manner, M&C Saatchi demonstrates its commitment to employing technology for societal good, setting the tone in the industry for the potential of AI in creating impactful and meaningful narratives.

On the other hand, the Self-Evolving Billboard Campaign represents a significant advancement in digital advertising, showcasing the potential of AI in creating dynamic and adaptive content.

This campaign used generative AI to generate new content autonomously, highlighting real-time adaptability and personalization in advertising (Lu et al., 2017).

The two campaigns have broader implications for M&C Saatchi's business model. They underscore the agency's innovation and adaptability, key in the rapidly evolving field of digital advertising. Furthermore, by showcasing its proficiency in applying Generative AI, M&C Saatchi attracts a more diverse and technologically inclined client base while retaining existing clients looking for state-of-the-art advertising solutions. Most importantly, these campaigns position M&C Saatchi as an advertising agency and a leader in technological evolution within the advertising industry. The integration of generative AI into M&C Saatchi's campaigns can be seen as a strategic move that redefines its role in the advertising industry.

4.2.1 M&C Saatchi's Strategic Embrace of Generative AI in Advertising

M&C Saatchi's strategic embrace of generative AI (GenAI) represents a pivotal shift in the advertising landscape, reinforcing its standing as a market innovator in a dynamically evolving industry (M&C Saatchi PLC, 2023). The agency's deployment of GenAI has significantly transformed its creative operations, as vividly exemplified by its "Clever Buoy" campaign, which adeptly combined AI with creative storytelling to enhance public safety (Campaign Brief, 2019).

Utilizing GenAI, M&C Saatchi has forged personalized advertising solutions, employing AI tools to glean deep insights into client preferences and consumer behavior, thereby crafting campaigns that resonate on a more personal level (AdWeek, 2023). This adept use of technology for data analysis and consumer insights demonstrates the agency's commitment to crafting highly tailored advertising experiences.

Moreover, M&C Saatchi has applied GenAI to conduct comprehensive market research and data analysis, positioning them as a leader of identifying market trends and understanding consumer insights. AI-driven analytics have become integral to their campaign strategies, ensuring their innovative advertising solutions are closely aligned with shifting consumer demands (Forbes, 2022). GenAI has evolved into an indispensable asset for M&C Saatchi in digital advertising. The technology underscores their online content management and enhancement across various platforms, including social media and SEO. AI also plays a pivotal role in improving online engagement and precisely measuring digital campaign effectiveness (Harvard Business Review, 2020).

Operational efficiencies at M&C Saatchi have seen significant improvement owing to GenAI. By automating routine tasks, the agency has streamlined workflows, enabling the creative team to dedicate more time to strategic and innovative aspects of advertising. This operational evolution has fostered a more dynamic and responsive creative environment (Business Insider, 2023).

However, AI integration in advertising has challenges and ethical considerations. M&C Saatchi has conscientiously addressed these issues, especially about data privacy and the honest creation of AI-generated content. The agency is committed to balancing leveraging AI for efficiency and upholding creative integrity and ethical standards (Ad Age, 2015).

With an eye on the future, M&C Saatchi continues to invest in AI technologies, recognizing their potential to influence upcoming advertising trends and applications significantly. This forward-thinking approach ensures that the agency remains at the forefront in a predominantly

digital advertising era (TechCrunch, 2023). The agency's pioneering adoption of GenAI underscores a strategic vision that harmonizes innovation with practical application. Not only has AI enhanced M&C Saatchi's creative capabilities, but it has also cemented its status as an avant-garde leader in the advertising sector. As they continue to explore the capabilities of AI, M&C Saatchi sets new industry standards for creativity, efficiency, and the integration of emerging technologies in advertising.

4.2.2 The Knife Campaign

M&C Saatchi's groundbreaking "Knife Campaign" represents a paradigm shift in using generative AI in advertising. By harnessing the power of AI to tackle the critical issue of domestic violence, this campaign showcases how technology can be employed to create emotionally resonant and socially impactful narratives (M&C Saatchi London, 2023). The campaign centers around a fictional character, "Knife," ingeniously crafted by AI to connect with audiences on a profound level. This initiative underscores M&C Saatchi's commitment to leveraging technology for societal good and demonstrates AI's potential to revolutionize advertising storytelling (The Drum, 2023).

4.2.2.1 Campaign Strategy and Target Audience

The heart of the campaign was a machine-learning algorithm, a product of advanced technological research and development. Its task was to activate real-time advertising in response to the audio triggers of ambulance sirens, which often signaled knife crime incidents (Marketing Beat, 2023). This algorithm was designed to reach two specific audience groups.

- The primary audience was the at-risk youth, individuals whose circumstances might lead them to carrying a knife as a necessity or a symbol of power.

- The secondary audience represents the broader community, such as neighbours, family members, paramedics or policymakers who are continuously confronted with the consequences of knife violence.

4.2.2.2 Execution and the Role of Real-time Data

To bring this vision to life, M&C Saatchi engineered a system that used AI to create a dialogue with the public. By employing outdoor digital posters equipped with audio detection technology, the campaign could instantly pivot its messaging upon detecting an ambulance siren (Acast, 2023). This real-time response system (as seen in Figure 1) used pattern recognition algorithms trained to distinguish sirens from the noises of city life. The resulting display was a message from mothers to their sons, urging them to neglect the path of violence (The GO Network, 2023; Clear Channel UK, 2023)



Figure 1: Display of the Campaign (M&C Saatchi London, 2023)

4.2.2.3 Overcome Challenges & Breakthroughs

The development team at M&C Saatchi faced significant challenges in keeping the algorithm's accuracy. The urban soundscape is a complex set of noises, and distinguishing the specific sound of an ambulance siren requires innovative audio processing techniques (Acast, 2023).

The breakthrough came with a combination of machine learning and edge computing, which allowed for the immediate processing of data and update of billboard content without the latency that would have diminished the campaign's impact (Marketing Beat, 2023). The analyses conducted after the campaign reflected on its profound implications. One instance involved a high-risk neighborhood where billboards were shown to prompt discussions among local youth about the real dangers of knife crime, directly addressing the issues at the root of the problem. These dialogues showed the campaign's ability to reach its intended audience (Oystercatchers, 2023).

In speaking with the engineers and data scientists behind the campaign, a picture emerged of a team deeply committed to using their expertise for social good. They shared insights on the ethical considerations of deploying such technology in public spaces, emphasizing the careful thought given to privacy and the sensitive nature of the campaign's messages (Performance Marketing World, 2023)

4.2.2.4 Industry Echo

The positive public and media reception to M&C Saatchi's campaign highlighted AI's potential for societal impact, igniting industry-wide conversations about the future role of advertising in driving social change (The Media Leader, 2023). This campaign departed from traditional advertising norms, harnessing AI to reach and resonate with audiences on a deeper, more human level. It set a standard for the intersection of advertising and technology as a force for social advocacy, offering insights into an emerging era where advertising goes beyond commercial objectives to champion social justice and the collective good (Campaign Live, 2023; Marketing Beat, 2023).

4.2.3 The Self-evolving Billboard Campaign

In 2015, M&C Saatchi launched an experiment 2015 long before the hype of GPT: A AI-driven poster campaign. This represents a significant step forward in interactive and personalized advertising. M&C Saatchi's pioneering effort took the creative potential of AI and translated it into a real-world application that redefined the essence of audience engagement and real-time data analysis (Fast Company, 2015; Campaigns of the World, 2016).

As M&C Saatchi describes it, the team started with the creation of a, from their perspective, a very dull coffee brand called "Bahio Coffee," whose ads should catch the attention of the passengers on the street. The main question David Cox, CIO at M&C Saatchi, and his team asked themselves in the project's setup: "Can we create an advertisement that writes itself?" More precisely, M&C Saatchi's ambition was to force the creation of the world's most attention-grabbing ad by AI (The Stable, 2015).

4.2.3.1 The Campaign's Conception and Technological Execution

The concept behind the AI-generated posters was to create a system where ads were not just seen but interacted with, evolving based on viewer reactions. M&C Saatchi leveraged the AI's ability to read and interpret human emotions, using facial recognition technology to adjust and refine the billboard's content in real-time (Springwise, 2015).

The result was a series of self-evolving ads that resonated more effectively with the audience, as depicted in Figure 2 (The Stable, 2015).

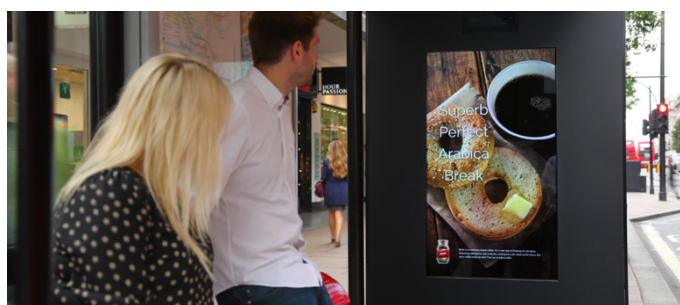


Figure 2: Bahio Coffee AI Poster Ads (The Stable, 2015)

The campaign's development necessitated a substantial investment in technology. The costs of developing the AI algorithm, including the necessary hardware, such as cameras and sensors, were significant. In addition to these setup costs, ongoing expenses were needed for monitoring the system, data analysis, and content creation for the evolving ads (Ad Age, 2015; The Conversation, 2015).

The specifics of the campaign's execution were as complex as they were innovative. The genetic algorithm was very much like it is seen in nature: Survival of the fittest. In this instance, the algorithm monitored the performance of each component of the advertisement and created the best-

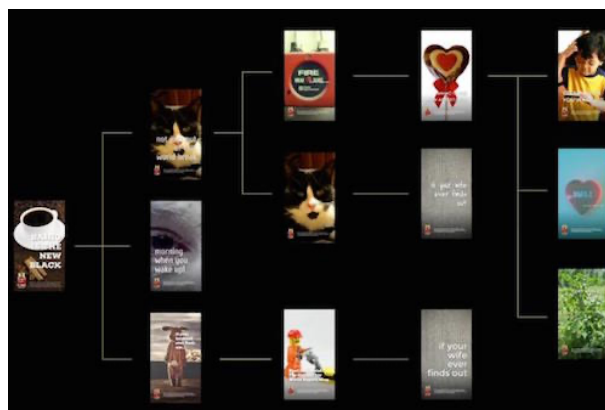


Figure 3 Decision Tree of the Algorithm (The Stable, 2015)

performing copy. Figure 3 depicts how the decision tree looked on a very high level. Behind these variants, complex algorithms and data analyses were performed to derive the most effective components, such as the logo, slogan, visuals, animations, and text. (City Monitor, 2015; The Stable, 2015). The multi-variant testing set-up was designed to evaluate the expressions of passers-by using sophisticated sentiment analysis. This data drove the decision-making process, determining which ads were successful and which needed to be adapted or discarded. (Springwise, 2015).

Integrating AI, in this case, presented a unique set of challenges. The creative team had to ensure the AI was sensitive enough to pick up subtle emotional cues from a diverse audience. Overcoming these challenges led to breakthroughs in responsive advertising, establishing a new

benchmark for engaging viewers and creating adaptable content that could respond to the mood and engagement level of the audience (Pradhan, A., 2016).

4.2.3.2 Broader Impact of the Campaign.

The AI poster campaign can be seen as a bold investment in innovation without the anticipation of substantial returns. By setting new precedents in audience engagement and data-driven content creation, M&C Saatchi delivered immediate value regarding their future development efforts and showed a path forward for the future of interactive and responsive advertising (Clear Channel UK, 2015; Hollis, 2020). M&C Saatchi's willingness to invest in the campaign demonstrated its commitment to stay on top of digital advertising trends and proofing the potential of dynamic and personalized advertising content (The Conversation, 2015).

This AI-driven campaign by M&C Saatchi has been considered a crucible moment in the advertising industry. It showcased intelligent billboards' potential to revolutionize how companies communicate with their audience. Using AI to create a more dynamic and responsive advertising experience, M&C Saatchi pushed the boundaries of creativity and set the tone for future campaigns (Clear Channel UK, 2015).

4.2.4 Business Model Insights & Implications

M&C Saatchi's efforts in AI-driven campaigns present a blueprint for transformation within the advertising sector. The agency's innovative approach, particularly showcased in its knife crime campaign, illustrates the imperative for advertising agencies to evolve their business models to capitalize on cutting-edge technologies. The adaptation of such models is essential to address multifaceted social issues innovatively.

This shift underscores the need for a business structure that champions continuous innovation, enabling the creation of dynamic campaigns that respond to live data and contribute to social good (Hebborn, 2021).

The AI Poster Campaign symbolizes the seamless integration of data analytics into the creative process. Modern agencies increasingly adopt a model recognizing data as a cornerstone of creativity, leveraging real-time insights from audience interactions to shape campaign narratives. Investing in such analytical capabilities requires substantial initial capital but offers the potential for delivering highly customized content that resonates with audiences on a personal level (Chaffey, 2017).

Furthermore, M&C Saatchi's Self-Evolving Ads campaign exemplifies the transformative power of AI in generating content that dynamically adapts to audience engagement. This paradigm shift moves away from fixed advertising towards fluid content strategies that evolve in response to consumer behavior. For agencies, this necessitates cultivating skills to curate and manage a versatile content repository, ready to be deployed responsively based on AI-driven insights (Hopkins, 2018). Such innovative campaigns also highlight the importance of a collaborative business model. A synergistic operational framework that unites creative directors, data analysts, and strategists is crucial. This cross-disciplinary collaboration ensures the informed application of AI, culminating in campaigns that are technologically sophisticated, creatively compelling, and ethically mindful (Burgess, 2015).

Moreover, the application of AI, as observed in the Knife Crime and AI Poster Campaigns, raises critical considerations surrounding data ethics and privacy. It is incumbent upon agencies to adopt transparent practices in data utilization, advocating for a business model that enshrines

ethical principles and nurtures consumer confidence (Martin, 2016). Each campaign signifies a distinct level of investment in AI, with the return on investment, particularly in enhancing brand perception and fostering enduring customer relationships, underscoring the necessity for financial frameworks that accommodate the initial AI outlay while emphasizing the prolonged value these technologies offer (Rosenwald, 2021).

M&C Saatchi's campaigns serve as a testament to the need for advertising agencies to reinvent their business models in the face of technological progress. Those who adeptly incorporate AI into their strategies can anticipate augmented campaign efficacy and elevated status as vanguards at the nexus of technology and creative innovation.

4.2.5 Practical Lessons & Insights: A Blueprint for Agency Innovation

The integration of generative AI into advertising, as exemplified by M&C Saatchi's innovative campaigns, has sparked a debate on the future role of traditional advertising agencies. A critical examination of this debate reveals that while AI brings transformative capabilities, the assertion that advertising agencies will become obsolete is unfounded. Instead, combining AI with human creativity, ethical judgment, and strategic insight suggests a future where agencies evolve rather than dissolve.

M&C Saatchi demonstrates that AI can catalyze innovation and growth when harnessed correctly. This guide aims to unfold the lessons from M&C Saatchi's AI adoption, providing a pathway for agencies to leverage AI for creative enhancement, operational efficiency, and strategic client engagement (Sutherland, 2020; Davenport et al., 2020).

- **Foster Innovation:** M&C Saatchi's integration of AI into the creative process has shown that AI can go beyond operational efficiency to enhance creative outputs.

Agencies seeking growth can learn from this approach to produce campaigns that combine AI innovation with human creativity (Hebborn, 2021).

- **Data as the Foundation of Business Model Transformation:** M&C Saatchi's data-centric business model transition has been pivotal. Emerging agencies can take this data-driven strategy as a role model, ensuring campaigns are anchored in quantifiable insights for more successful outcomes (Chaffey, 2017).
- **Personalization of Client Strategies:** AI's predictive analytics and customer segmentation capabilities have enabled M&C Saatchi to create personalized marketing strategies. This is a lesson for agencies to tailor their strategies effectively, resulting in better client engagement and ROI (Fjord, 2021).
- **Operational Efficiency:** AI has significantly streamlined operations at M&C Saatchi. It can be a model for peers aiming to improve productivity and let their teams focus on strategic work (Bughin et al., 2017).
- **Elevating Campaign Effectiveness:** M&C Saatchi's campaigns showcase how AI can optimize creative outputs in real-time, a strategy that can be adopted to reach new heights in campaign effectiveness (Smith, 2020).
- **Ongoing Learning and Development:** Investing in continuous learning is crucial, as demonstrated by M&C Saatchi's commitment to employee training in AI. This ensures that teams can effectively leverage AI tools (Marr, 2021).
- **Boost Client Acquisition and Retention:** AI has become a selling point for M&C Saatchi, attracting clients seeking innovative marketing solutions. Other agencies can emulate this approach to strengthen client relationships (West, 2019).

4.2.6 Initial Hypotheses

As we delve into the case of M&C Saatchi, we have witnessed a fusion of generative AI with creative marketing strategies, leading to impactful campaigns. This analysis sets the stage to explore hypotheses that address the future trajectory of the advertising industry influenced by AI. We anticipate uncovering whether distinctions between human and AI creations will blur, how productivity enhancements may reshape agency structures, the potential cultural shift towards tech-savviness, and the emergence of a hybrid business model that synergizes AI capabilities with human oversight.

H1: There will be a differentiation between artificial and machine-made.

M&C Saatchi's campaigns, especially the Knife Campaign, exemplify the evolving synergy between human creativity and AI's capabilities. This amalgamation challenges the dichotomy between artificial and machine-made creations. The hypothesis that there will be a clear differentiation may be under threat as AI-generated content gains complexity and emotional intelligence. Rather than a clear divide, we will likely witness a collaboration where AI augments human creativity, offering new dimensions to storytelling and content creation. The Knife Campaign showcased that AI could embody a narrative that speaks to societal issues with a human touch, suggesting that the future of creative work may not be about who created it but the impact it achieves.

H2: Productivity will drastically increase, leading to smaller agencies as overall demand stays steady.

The Self-Evolving Billboard Campaign reflects how generative AI can drastically increase productivity. This campaign, which adjusted advertising content based on real-time audience reactions, demonstrates that AI can effectively reduce the time and human resources required

for market testing. The hypothesis that increased productivity could lead to smaller agency sizes aligns with M&C Saatchi's approach. As AI takes on more routine and analytical work, agencies could shrink in size, becoming more focused on strategic and creative direction rather than production. However, as generative AI becomes more mainstream, the demand for bespoke, nuanced campaigns that blend technology with human insight could rise, potentially offsetting the reduction in agency size.

H3: A culture of tech-savviness will replace a culture of creative arrogance.

The strategic embrace of generative AI by M&C Saatchi signals a shift in agency culture. There is a growing recognition that technological prowess can coexist with and even enhance creative talent. This shift could see the diminishing of what has been termed "creative arrogance," the belief that creative intuition alone is the key to compelling advertising. Instead, a culture of tech-savviness that values data, analytics, and the predictive capabilities of AI may become the new norm. In this environment, creatives must be adept at storytelling and leveraging technology to inform and shape their narratives.

H4: The dominant business model will be a hybrid agency utilizing an AI powerhouse and human oversight.

The success of M&C Saatchi's AI-driven campaigns points to the viability and necessity of a hybrid agency model. This model harmoniously blends AI's analytical and predictive power with the nuanced understanding and creative execution that only humans can provide. The dominant business model of the future is likely to be one where agencies possess robust AI capabilities for data analysis, trend prediction, and content optimization, supervised by human experts who can contextualize and adapt AI outputs to fit complex human emotions and

societal dynamics. This hybrid approach could lead to more personalized, engaging, and effective campaigns, setting a new standard in the advertising industry.

4.2.7 Conclusion

M&C Saatchi's trailblazing use of generative AI in their campaigns indicates an evolutionary trend in the advertising industry, challenging the notion that AI will make traditional agencies obsolete. Instead, their campaigns demonstrate that AI augments human creativity and agency agility, fostering a culture where technological innovation complements rather than overshadows human ingenuity. By adopting a hybrid model that marries AI's analytical prowess with the nuanced insight of human storytellers, M&C Saatchi has set a precedent for the industry, proving that agencies can thrive by integrating AI in a way that values and enhances the human element.

5. Conclusion

So, what does that mean in practice for advertising agencies? In conclusion, after analyzing the different cases and looking beyond their direct implications, AI has and will continue to impact the advertising agency industry in several ways.

5.1 Implications

As displayed before, (generative) AI is highly likely to disrupt the type of work that agencies are performing. Through the possibilities of AI for both agencies and others, on the one hand, agencies are forced to offer more specific services as clients have an enormous in-house repertoire. Still, on the other hand, they can improve the quality of their deliverables and explore new opportunities in strategy, creation, and engagement. Therefore, all advertising agencies are strongly advised to try and stay on top of the latest developments in AI technology. They must constantly evaluate where it makes sense in each case.

5.1.1 Practical Guide

However, the following guide will help ensure that AI implementation is managed correctly. Based on this research, these are three essential recommendations for dealing with AI as an advertising agency:

Embrace Transparency.

Advertisers must remember that significant use of AI applications, especially in the creative process, draws additional attention. This means two things: First, transparency must be protected throughout the process. Agencies must address to clients where they used AI and for what reasons. Failure to be honest about artificially generated work can lead to substantial

public backlash. In November 2023, Sports Illustrated was involved in a scandal where it was discovered that they had been publishing articles written by artificial intelligence yet labeled as reported by authors (whose names were made up) (Guardian, 2023). Apart from the ethical aspect of transparency, it is still beneficial to preface work that humans have yet to conduct as it continues to create public interest. Therefore, transparency should be seen as a chance since it positively impacts various dimensions.

Use wisely.

A critical realization must be made that AI is not a one-size-fits-all solution for any problem and task an agency might be dealing with. Instead, they need to evaluate when and where implementing AI is beneficial. Only some clients and projects are suitable for an AI approach, and some tasks are appropriate. While strategists, consultants, and people dealing with project coordination and media roll-out can be supported in their daily tasks, the big fuzzi lies in content creation. This is where AI bears the most potential, and the headlines are being made. However, the technology should only be used to replace creative employees and entire teams. View it as a chance to create incredible work and empower the people within the agency to enhance their human creativity technologically.

Change culture.

Firms may think of the best strategies and task forces, but leveraging AI's potential in the end requires people who understand how to work with it; it is about culture. Creativity will not forever be an exclusively human trade, and advertisers need to realize that they must be able to provide value for clients in ways other than just thinking of smart slogans. As AI somewhat democratizes access to creative ideas, agencies need to consult clients more holistically and realize that using AI is not a question of "Should I use it?" but one of "Where can I use it?"

5.1.2 Critical Expert Reflection

With this guide, the researchers reached out to a personal contact with tremendous practical background to gain first-hand insights into the real-life usability of the findings. Annika Puchert is a Senior Account Manager at Serviceplan, one of Europe's largest independent agency groups. She received a summary of the cases discussed and the recommendations from above alongside the following written questions: (1) To what extent do these findings match your personal AI experience in the advertising space so far? (2) Where do you see the biggest obstacles for agencies dealing with the business model shift caused by AI? (3) How much will the demands of your job role change in the next 10 years due to AI?

To summarize her responses (Appendix 1), she agrees with our key findings and stresses that AI is an important topic across the boards of every large ad agency she knows as everybody wants to be on top of the game. Moreover, she stresses that she is pretty satisfied with how AI is being handled in her agency, as the joint opinion is that AI creates chances; it is exciting, not dangerous. Lastly, she explains that her accounts manager tasks are not impacted that heavily, but she sees many opportunities in the creative department. Finally, her feedback was that the research precisely captures the state of the industry and that our recommendations contribute to how they deal with their AI-related challenges. However, she suggests that her agency would require more in-depth input, for example, through a workshop, to get the most out of the guide.

5.2 Research Outlook

To conclude this case study analysis, it is crucial to consider the limitations and gaps of this research to guide the path forward for further research around the interface of advertising agencies and AI. While the insights provided a significant depth of insights, the importance of a balanced view should not be neglected.

The cases rely predominantly on publicly available data, which may not capture the full internal dynamics of agencies' application of AI. The rapidly evolving nature of AI technologies also means that findings might become quickly outdated, necessitating ongoing research to stay on top of the latest developments. As with all case studies, findings of a few cases can only be viewed as general rules for an entire domain to a limited extent, even though learnings across the various cases align.

The specific AI technologies employed by the agencies in question, while touched upon, should have been investigated in detail. A more technical exploration would clarify how AI impacts advertising practices' creative and operational pillars. Furthermore, the study could be broadened to examine how AI influences organizational culture and the roles within creative teams, offering insights into how agencies can navigate the transition to an AI-dominated culture. A comparative analysis including a spectrum of agencies would have enriched the study, presenting a more comprehensive view of the industry's adaptation to AI. Such analysis would help to discuss whether the findings from M&C Saatchi and Blitzworks/Coca-Cola indicate broader trends or if they represent outliers.

Moreover, this study acknowledges the need for a more in-depth examination of the client perspective in recognizing the interdependence of agencies and their clients. Future research could investigate how clients perceive and adapt to the integration of AI in agency services and the implications this has on their marketing strategies and business outcomes. Such analysis would provide a comprehensive understanding of the shifts in client expectations and the consequent strategic responses required from agencies. It would be particularly insightful to explore the extent to which clients are informed about the capabilities and limitations of AI and how this knowledge influences their collaboration with advertising partners. This prospective

research would address a gap in the current study and contribute to the broader discourse on the future of AI in the advertising industry, where client agency symbiosis plays a pivotal role.

Furthermore, in-depth interviews with industry experts would complement the primary research, offering a more rounded understanding of AI's practical impact on advertising. These insights could further inform strategies for integrating AI into business models that are both innovative and sustainable. However, these would have extended the scope of this research as an efficient approach was proactively chosen.

In summing up the specific case study of M&C Saatchi and Blitzworks/Coca-Cola and the broader implications of generative AI in advertising, this thesis underscores a crucial juncture in the industry. While AI presents unparalleled opportunities for innovation and efficiency, it simultaneously demands reevaluating traditional agency roles, ethical standards, and business strategies. The limitations of this study, particularly in the scope of data and rapid technological progression, highlight the need for continued research. As agencies navigate this new terrain, they must balance AI's capabilities with the value of human creativity and ethical decision-making. This delicate balance will define the advertising agency of the future—neither rendered obsolete by AI nor entirely dependent on it, but instead reinvented to thrive in an AI-augmented landscape. This thesis concludes with a call to the industry to embrace the AI revolution not as a threat of displacement but as a catalyst for evolution and growth.

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Appendix

Appendix 1

Answers by Annika Puchert (Translated from German)

- 1) Your findings actually match my personal experience very well. I think it really suits the current situation in the industry and the suggestions that you make would certainly be of good use for us, even though we would probably need a couple of consulting sessions with you to dive deeper :). Above all, I notice that, at least at the moment, there is no danger of agencies being 'replaced' by AI, but rather that it is seen as an opportunity in all areas. If I try to summarize the mood in the industry a little, I have to say that everyone is trying to make the topic their own and be a pioneer. It's also on our internal agenda because everyone is a bit afraid of missing out. It's all happening very gradually, but you can tell that something is happening. One of the reasons for this is that more and more cool cases are coming out of works with AI, and we have already implemented one or two projects that I thought were strong, but of course, wrong, but of course I also noticed the Coca-Cola case - that was a great campaign. So in conclusion, I can only reflect on this from practical experience, that the whole topic currently raises many question marks and everyone is trying to make exclamation marks out of it. You have already done a very good job of this in your work. And accordingly, it is of course also strategically relevant for us.
- 2) To be honest, I don't see any major obstacles in the increasing implication of AI; I don't think the agency sector is doing too badly, at least if you believe the way most of them present themselves. On the internal organizational side, however, our culture is a recurring theme. Advertisers like to be guided by intuition, we see ourselves as creative, innovative and unusual - especially the creatives. I notice, for example, that the strategists, who are more used to working with data in an analytical way anyway, use a

comparatively large amount of AI (especially since ChatGPT became big, a lot has changed there), but the creatives honestly find it rather difficult. But even there, I think it's only a matter of time before the mindset adapts a little. At least this is now being encouraged and demanded at management level.

- 3) Well, since as an account manager I'm mainly in contact with customers and am busy managing briefings, coordinating projects, setting deadlines and generally keeping our customers as happy as possible, I personally haven't noticed AI that much so far, and I don't think that will change that much in the near future. Of course, I also realize that it's becoming more and more symbiotic, and I probably use AI a little more often unconsciously because it's simply becoming part of my normal way of working. But in addition to the account team (and the aforementioned strategists), we also have the creation team. And I see that as a much bigger lever. If it is accepted by the guys and gals, AI can create a lot of freedom here and offer completely new opportunities to be creative. What's more, some things simply go faster and require less effort, which is something that I as a consultant notice again, as customers naturally benefit from this. This will certainly increase significantly over the next 10 years, with more variations of advertising media being created and perhaps working a little faster in general - but as I said, I don't think my personal working day will change much in terms of the nature of the tasks.