

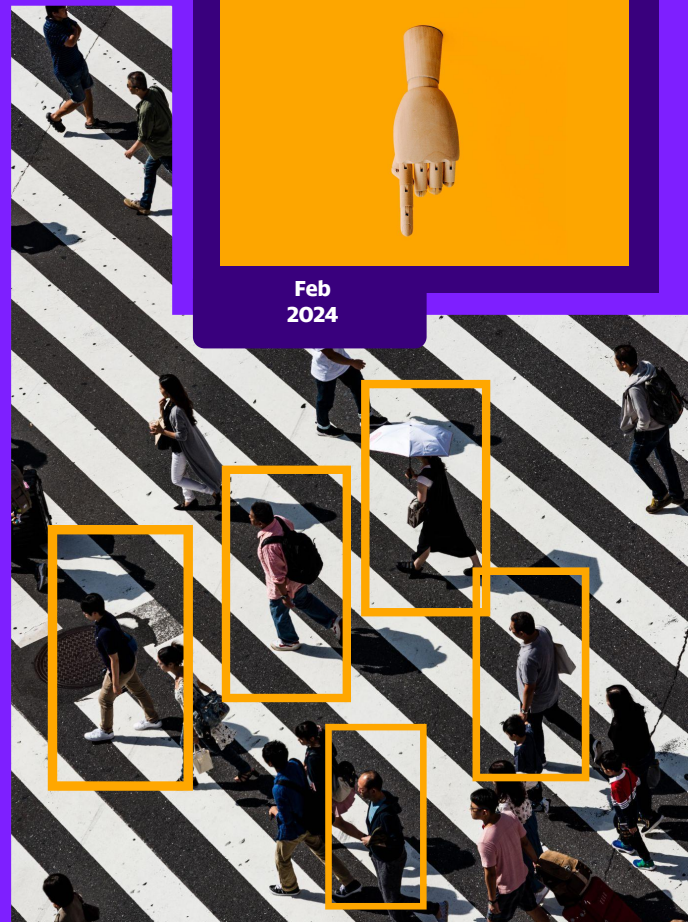
Future of AI & Advertising



**Trust
Through
Transparency**



**Feb
2024**



ebco



yahoo!

**PUBLICIS
MEDIA**

Welcome

In the rapidly evolving landscape of AI, a discernible knowledge gap has emerged between advertisers and consumers.

Yahoo and Publicis Media partnered on original research to illuminate the differences in understanding, usage, and sentiments surrounding AI. This study also aims to identify key opportunities, enhancing advertiser utilization of AI and inform strategies to foster trust among consumers.



Background & Methodology

Yahoo & Publicis Media conducted a multi-phased body of work including an in-depth B2B qualitative exploration and two quantitative national surveys, among advertising professionals and gen pop consumers. This study uncovers AI perceptions, usage, key benefits, and biggest hurdles among the two groups.

Key Objectives

- 1** Understand overall consumer and advertiser awareness, acceptance, familiarity, and usage of AI.
- 2** Ascertain acceptance of AI-generated imagery and impact of AI disclosures in advertisements.
- 3** Uncover ways of building trust with both advertisers and consumers when it comes to AI.

Qual Phase



60-minute IDIs



Uncover AI trends, emerging use cases, and trajectory



N=21 AI experts, senior leaders, and practitioners in advertising and marketing

B2B Advertiser Survey



16-minute online survey



Conducted between Oct. 20th – Nov. 1st, 2023



N=351 US advertising and marketing professionals; Mix of ad categories, agency /brand, titles/ levels

Consumer Survey



21-minute nationally representative online survey Including an AI-generated imagery ad exposure test

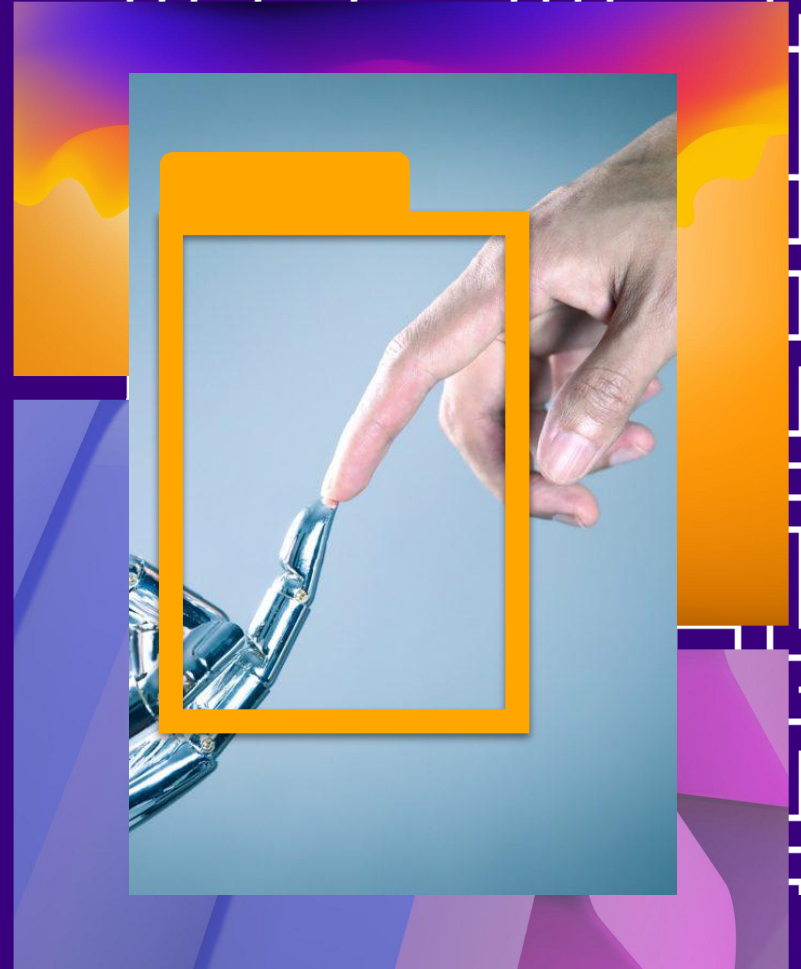


Conducted between Oct. 27th – Nov. 13th, 2023



N=1,202 US gen pop consumers between the ages of 18–68 ; No AI awareness/usage qualifier

The AI Knowledge Gap Between Advertisers and Consumers



Advertisers feel generally positive about the impact of AI and express a measured approach toward AI technologies.

Positive Sentiment Toward AI Among Total

77%

Advertisers



Advertising professionals have already witnessed the benefits of AI in their field...

“

AI today is exactly what the internet was in the 90's. There was a lot of pontification and fear, but here we are now.

Senior Managing Director in Tech Industry

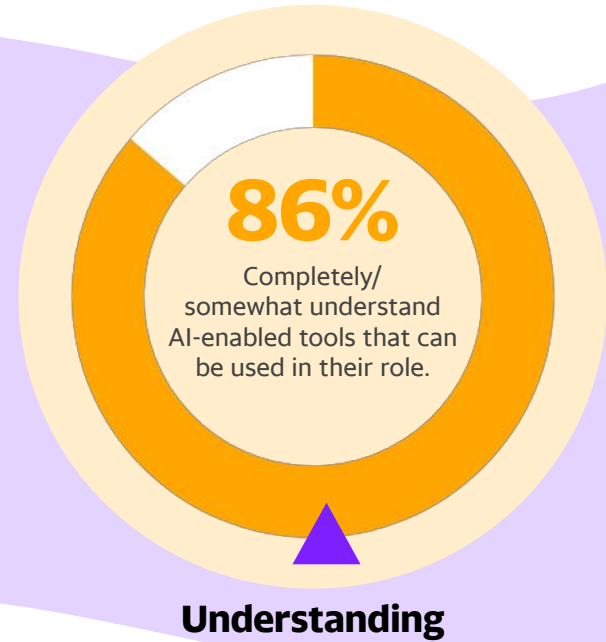
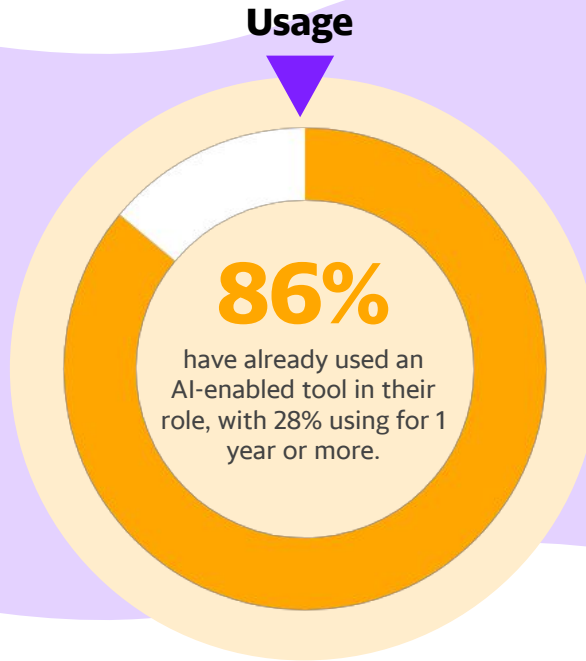
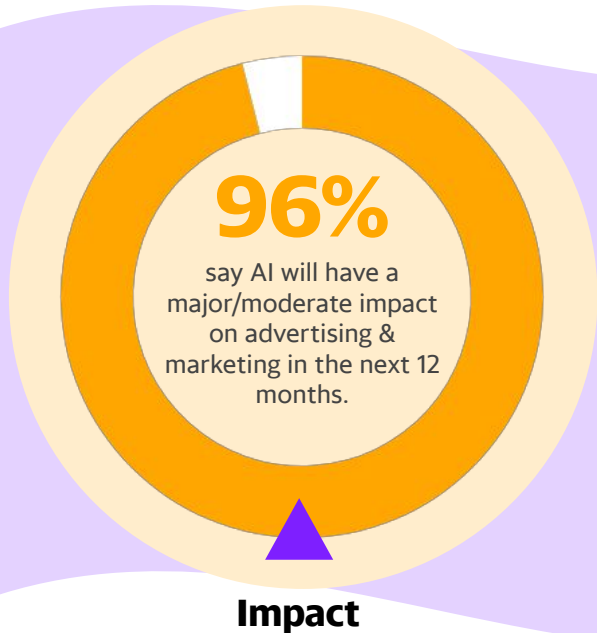
AI makes it possible to personalize recommendations, advertising, and services, increasing user satisfaction.

Marketing Manager in Apparel Industry

Base: Advertisers / Marketers n=351 | Consumers n=1,202

Q33/Q8. On a scale of 1-5 with a "1" being net negative and a "5" being net positive, in your opinion, what will be the net impact of artificial intelligence (AI) on society as a whole? [5-pt Positive-Negative Scale]; Q34/Q9. Why do you say that? [Open-End]

This could be due to advertisers already using the AI tools available to them, and subsequently, their higher receptivity toward AI.



Base: Advertisers / Marketers n=351

Q1. How much of an impact do you think artificial intelligence (AI) will have on advertising and marketing in the next 12 months? [4-pt Major-No Impact Scale]; Q3. What is your personal level of understanding of artificial intelligence (AI) or AI-enabled tools that can be used in marketing and advertising? [4-pt Completely-Not at All Scale]; Q4. Have you ever used artificial intelligence (AI) or AI-enabled tools in your marketing / advertising role? [Single-Select]

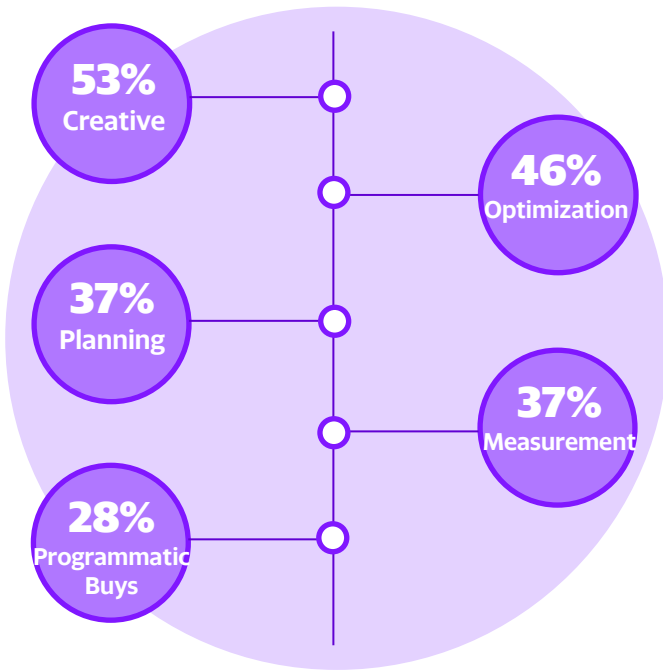
Advertising professionals are also already using AI-enabled tools for high-reward applications in their roles, especially for creative & optimization.

Top AI-Enabled Tools They're Using Among Total

Chatbot	<ul style="list-style-type: none"> #1 ChatGPT #2 Bing ChatGPT #3 Microsoft Bard
Visual Tool	<ul style="list-style-type: none"> #1 Canva AI image generator #2 DeepBrain AI #3 DALL-E 2
Text Generation Tool	<ul style="list-style-type: none"> #1 InstaText #2 Jasper.ai #3 Copy.ai
Audio Tool	<ul style="list-style-type: none"> #1 Speechify #2 Murf.ai

5
Avg. number of AI-enabled tools professionals use

Primary Use Cases for Tools Among Those Using Each Tool (Average)



Base: Advertisers / Marketers n=351 | Those Who Use Tool n=52-163

Q10. Which of the following AI-enabled tools have you ever used in your role? [Multi-Select]; Q11. You said you have used the following

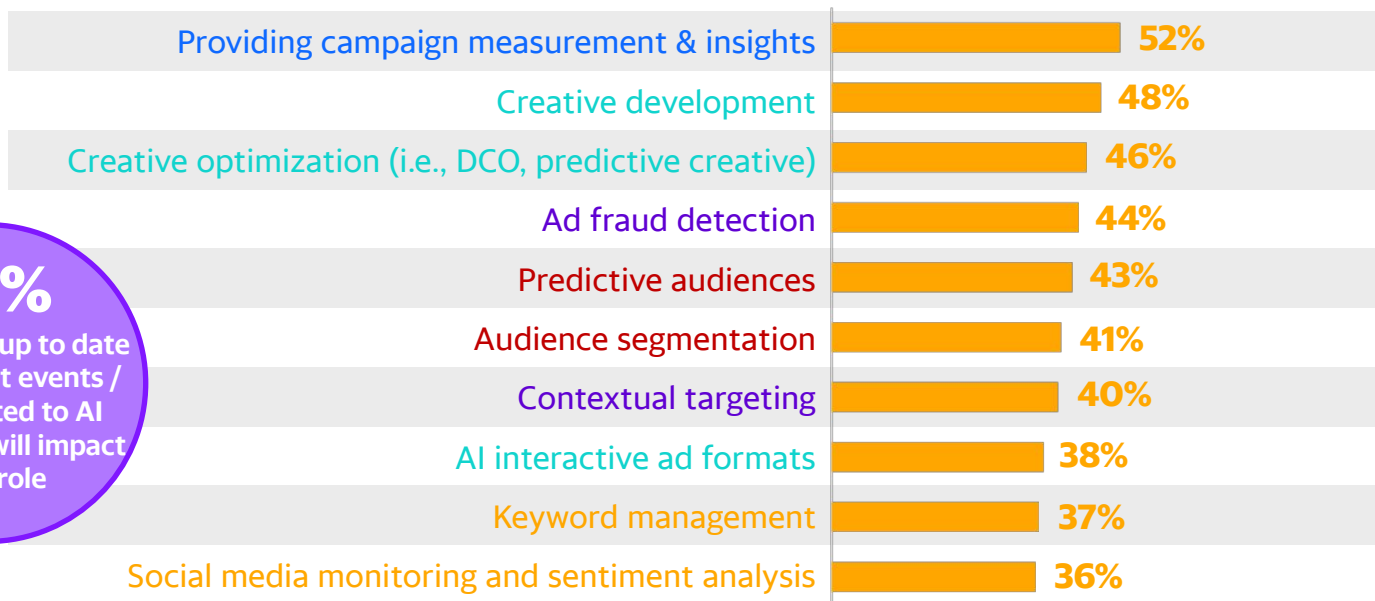
AI-enabled tools in your role. For each of the following use cases, please select the AI-enabled tools that you used, if applicable. [Multi-Select]

Measurement & insights and creative development/optimization are the top tasks advertisers see the biggest impact from AI in the near future

Tasks They Think Will See The Biggest Impact from AI

% Selected Among Total (Top 10)

Creative Targeting & Segmentation Brand Suitability & Safety Campaign Strategy & Optimization Measurement



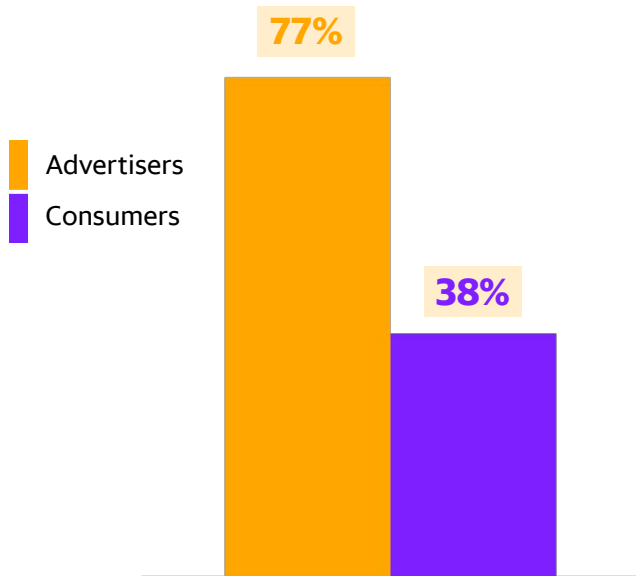
92%
are staying up to date with current events / news related to AI and how it will impact their role

Base: Advertisers / Marketers n=351

Q17. Which of the following tasks do you think will see the biggest impact from artificial intelligence (AI) or AI-enabled tools in the near future? [Multi-Select]; Q18. Are you staying up-to-date with current events / news related to artificial intelligence (AI) to determine how it might impact your company and/or role? [Single-Select]

On the other hand, consumers lag behind professionals in adoption and acceptance of AI

Positive Sentiment Toward AI Among Total



Base: Advertisers / Marketers n=351 | Consumers n=1,202

Q33/Q8. On a scale of 1-5 with a "1" being net negative and a "5" being net positive, in your opinion, what will be the net impact of artificial intelligence (AI) on society as a whole? [5-pt Positive-Negative Scale]; Q34/Q9. Why do you say that? [Open-End]

Advertising professionals have already witnessed the benefits of AI in their field...

“

AI today is exactly what the internet was in the 90's. There was a lot of pontification and fear, but here we are now.

Senior Managing Director in Tech Industry

AI allows personalizing recommendations, advertising, and services, increasing user satisfaction.

Marketing Manager in Apparel Industry

...while consumers often say it's too early to tell or they don't know enough about AI.

“

I do not know enough about it to have a valid opinion. I do think there should be some control and that it should be combined with human intelligence and creativity.

Female, 33

The jury is still out on this rapidly evolving technology. It is not yet fully known how it will ultimately be used or even how it will be integrated into our daily lives. Will only the rich and affluent have access, and therefore an advantage. Too early to tell.

Male, 57

Consumers are at a crossroads with being equally curious and concerned



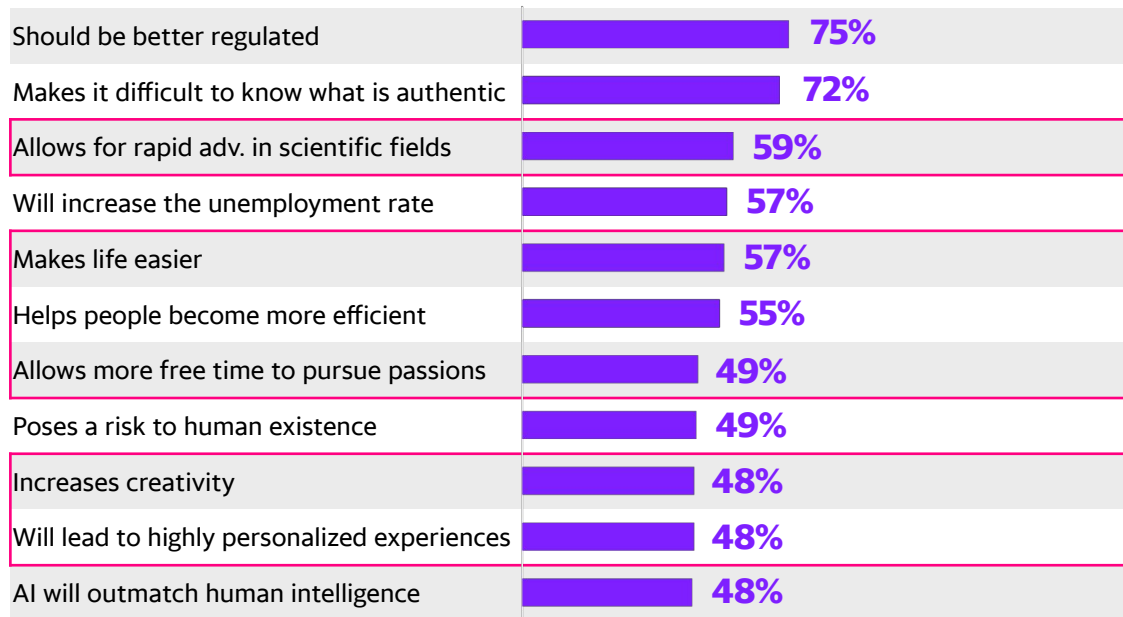
Base: Consumers n=1,202

Q6. Which of the following describes your current feelings about artificial intelligence (AI)? [Multi-Select]; Q7. To what extent do you agree or disagree with each of the following statements? Artificial intelligence... [5-pt Strongly Agree – Strongly Disagree Scale]

Consumers have mixed feelings. The majority advocate for improved AI regulation, citing challenges in discerning authenticity while many also acknowledge AI's potential for scientific advancement, making life easier and fostering creativity.

Thoughts on AI

% T2B Agree Among Total



Indicates a positive sentiment

Base: Consumers n=1,202

Q6. Which of the following describes your current feelings about artificial intelligence (AI)? [Multi-Select]; Q7. To what extent do you agree or disagree with each of the following statements? Artificial intelligence... [5-pt Strongly Agree – Strongly Disagree Scale]

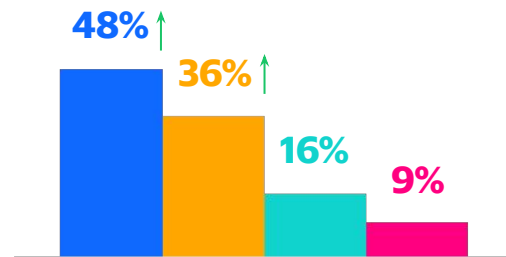
Consumer may be on the fence because only 27% are acquainted with AI tools, with Gen Z and Millennials showing notably higher familiarity compared to other generations



8 in 10
who are familiar are either Gen Z or Millennial

Familiarity with Available AI Tools % T2B Among Total

Gen Z Millennials Gen X Boomers



↑ Arrow indicates significantly higher than Gen X and Boomers at 95% CI

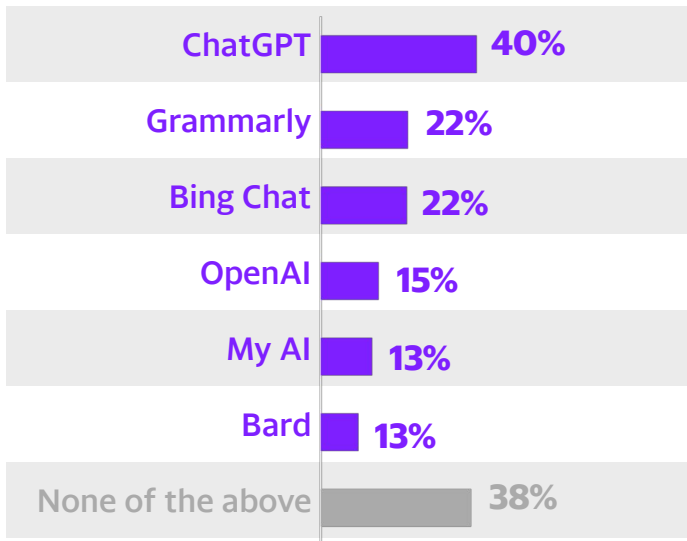
Base: Consumers n=1,202

Q1. How familiar are you with artificial intelligence (AI)-enabled tools that are available for you to use today? [5-pt Extremely-Not at All Scale]; Q3. Which of the following artificial intelligence (AI)-enabled tools have you ever used? [Multi-Select]

Compared to advertiser professionals at 86%, consumer usage of AI tools is lower as it's still nascent. Those who are more familiar and are currently using AI tools are primarily Gen Z or Millennials (the digital natives).

Top Tools Usage Among Total Consumers

At Least One Tool Net: **62%**



Tool Usage % Selected Among Total	Gen Z	Millennials	Gen X	Boomers
At Least One Tool	84%	68%	54%	40%
ChatGPT	55%	45%	35%	23%
Grammarly	34%	24%	18%	14%
Bing Chat	20%	26%	22%	16%
OpenAI	19%	21%	10%	7%
My AI	24%	21%	5%	0%
Bard	5%	11%	10%	10%
n-size	221	397	361	223

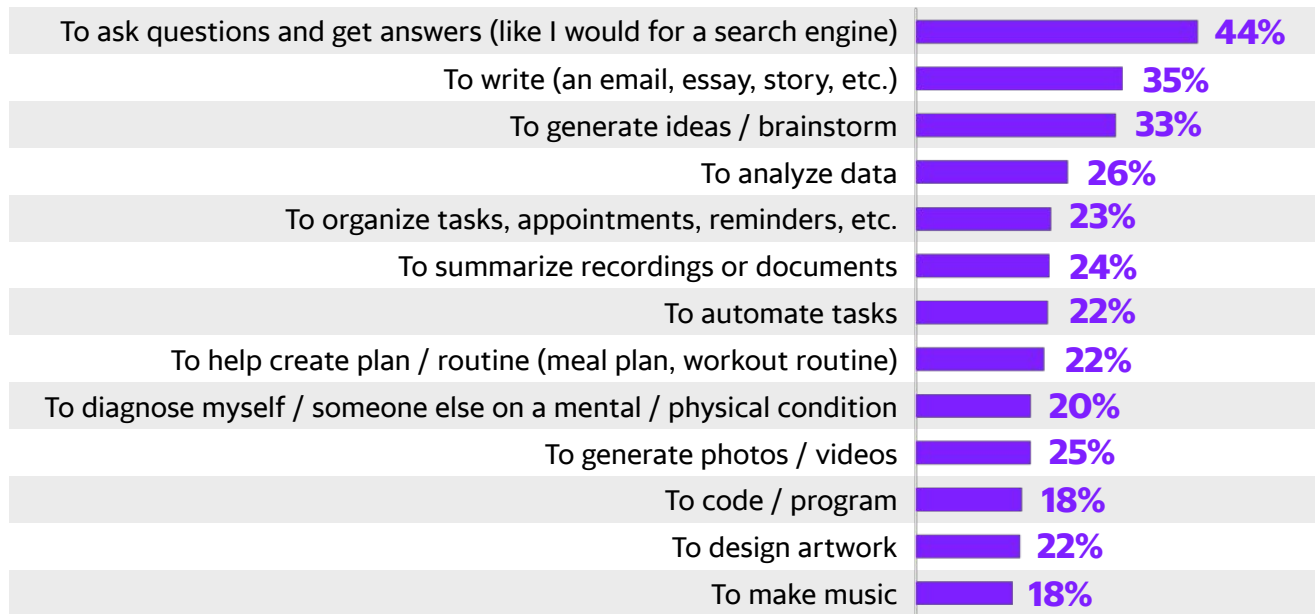
Base: Consumers n=1,202

Q3. Which of the following artificial intelligence (AI)-enabled tools have you ever used? [Multi-Select]

Consumers are finding utility in AI, with consumers leveraging it for basic tasks and creative purposes

Top Use Cases

% Selected Among Consumers Who Use any AI Tool



Gen Z are significantly more likely than other generations to use ChatGPT to brainstorm, while Millennials are more likely than others to use Bing Chat to help automate tasks and summarize recordings.

Base: Consumers Who Use Any AI Tool n=740

Q4. You said you have used the following artificial intelligence (AI)-enabled tool(s) before. How did you use each of the following? [Multi-Select]

Implications

Overview



ADVERTISERS BULLISH on AI

There is already widespread adoption of AI in the industry and clearly agree that AI will be a driver of change in 2024, impacting every aspect of the ad-buying journey.

Implication

Define an integrated vision and roadmap for what AI has the potential to unlock to guide advertisers



CONSUMER SKEPTICISM

Consumers are still developing their stance on AI and there is an overall sense of excitement and apprehension.

Brands will need to navigate consumers' mix of curiosity and uncertainty through understanding what their concerns are and acknowledging them. Transparency will be key in building trust.

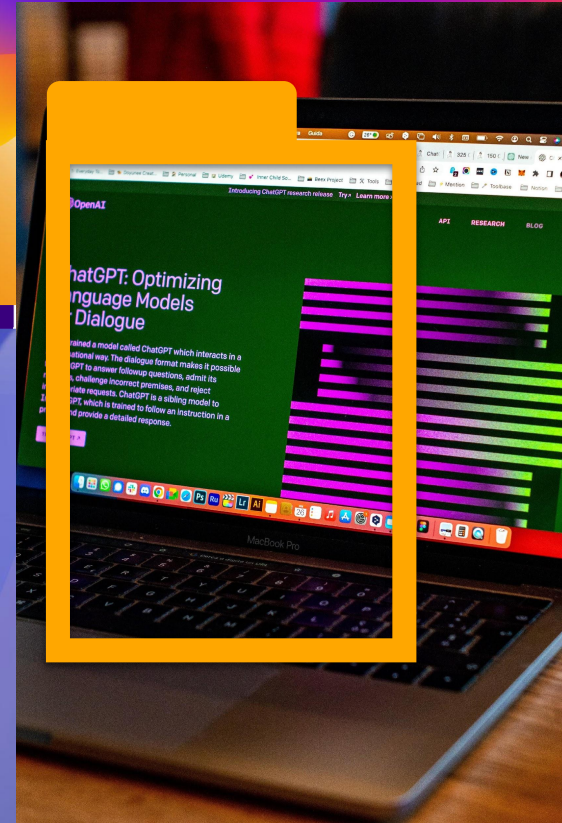


KNOWLEDGE IS POWER

Consumers who understand AI perceive the value in personalization and express greater comfort with usage.

It's crucial to bring all consumers along, regardless of their current level of familiarity with technology.

Delivering Benefits for Advertisers and Consumers



Advertisers see a high return on AI, with benefits falling into three categories: greater efficiency, more time for higher-order tasks, and positive impact on the org's bottom line.

BENEFITS OF AI IN THEIR ROLE

% T2B AGREE AMONG TOTAL

1

GREATER EFFICIENCY

- 87% Reduce the time I spend on manual tasks
- 85% Produce content faster
- 82% Help me get ideas and inspiration

2

HIGH-ORDER TASKS

- 83% Allow me to spend more time on the creative aspects of my role
- 83% Allow me to spend more time on the strategic aspects of my role
- 74% Help me enjoy my job more

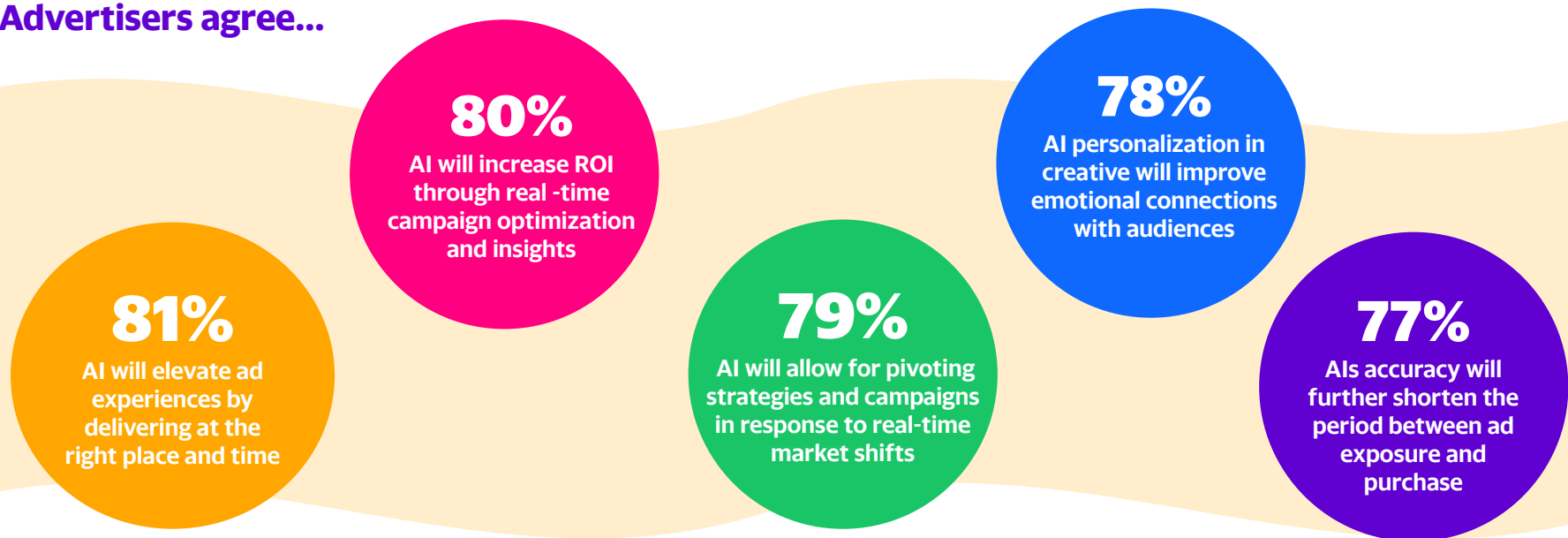
3

FINANCIAL RESULTS

- 81% Increase sales for the organization
- 81% Increase awareness
- 75% Save money for the organization
- 75% Reduce costs (CPA, etc.)
- 74% Increase ROAS
- 74% Help us exceed campaign benchmarks

Advertisers will leverage AI's personalization and accuracy to deliver the right ad, at the right time and place through real-time adjustments at scale

Advertisers agree...



Base: Advertisers / Marketers n=351 | Consumers n=1,202

Q24. How much do you agree or disagree with each of the following? [5-pt Strongly Agree-Strongly Disagree Scale]; Q15. What are the benefits, if any, of having ads that are personalized for you by AI? [Multi-Select]

Advertisers will look to DSP partners who have AI-enabled features and tools to augment these benefits - focusing on creative, media planning/optimization and measurement

Top 5 Most Important AI-Enabled Features/Tools when considering DSP Partners % Selected Among Total

- #1** Creative optimization (i.e., DCO, predictive creative)
- #2** Media planning
- #3** Automated campaign optimization
- #4** Providing campaign measurements & insights
- #5** Predictive audiences

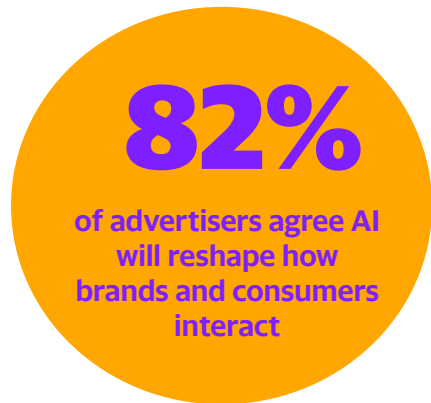
More automation and precision means advertisers can level up.

“

Skills will definitely evolve. An advertiser's role will go from being really operational to everyone's favorite word, 'strategic.' So, roles that previously had that operational focus will go offshore or to AI. The marketing manager will be someone who is a much higher-level thinker and maybe works across a broader portfolio because all of that operational work is being done [by AI]. It's being done in a way that you can count on, like things are being set up correctly, the data is accurate, it's being tied back to your business priorities correctly.

Karl, Marketing Manager, Tech

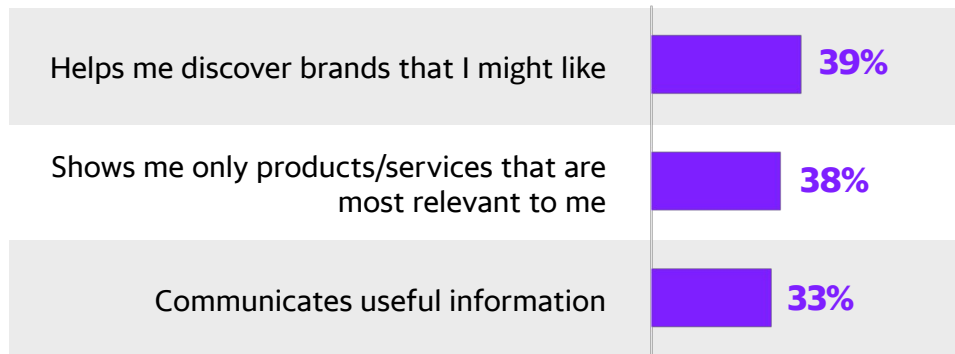
AI's precision, real time optimizations, and hyper-personalization will shift how brands interact with consumers



“ I'm really excited about how AI will help us hyper-personalize our creative for users. In the same vein, we'll be more precise in targeting too. *Mendy* ”

Real-time optimizations and accuracy will deliver the discovery, personalization, and relevance that people would want from AI-personalized ads.

Benefits of Ads Personalized by AI among Consumers
% Selected Among Total

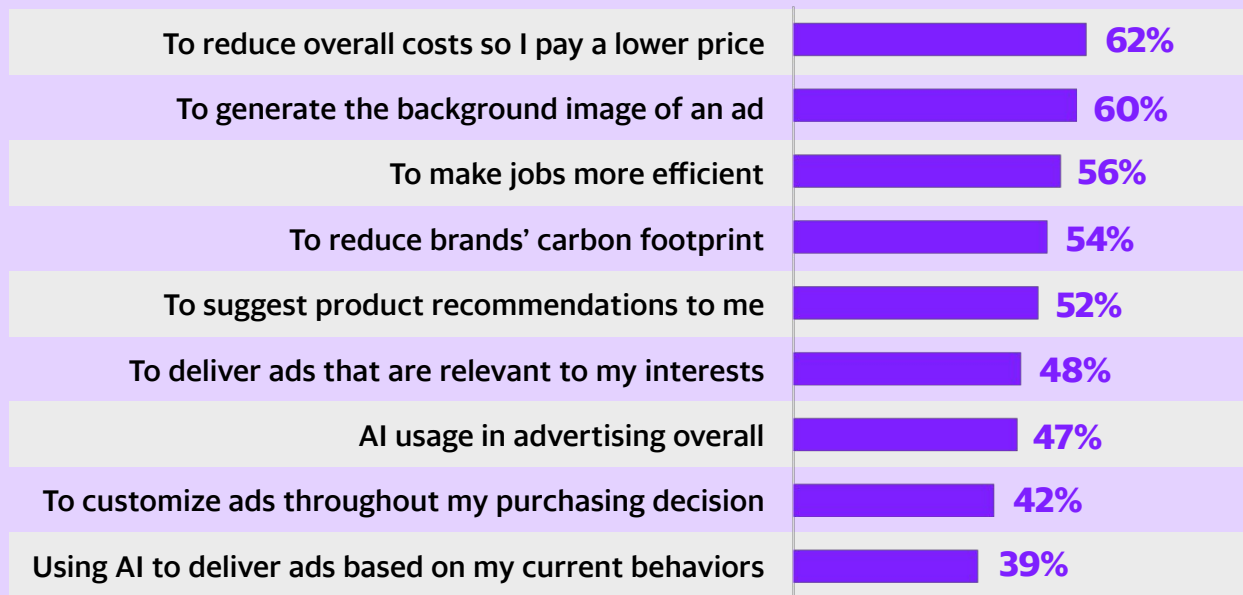


Base: Advertisers / Marketers n=351 | Consumers n=1,202

Q24. How much do you agree or disagree with each of the following? [5-pt Strongly Agree-Strongly Disagree Scale]; Q15. What are the benefits, if any, of having ads that are personalized for you by AI? [Multi-Select]

Consumers favor AI in advertising when it delivers measurable benefits, like lower prices, efficiency, and reduced carbon footprint.

Acceptance of Uses of AI in Advertising % T2B Acceptable Among Total



They are most accepting of AI-generated background imagery and text...

- 60% background image
- 50% written text/copy
- 44% all imagery
- 37% model/person

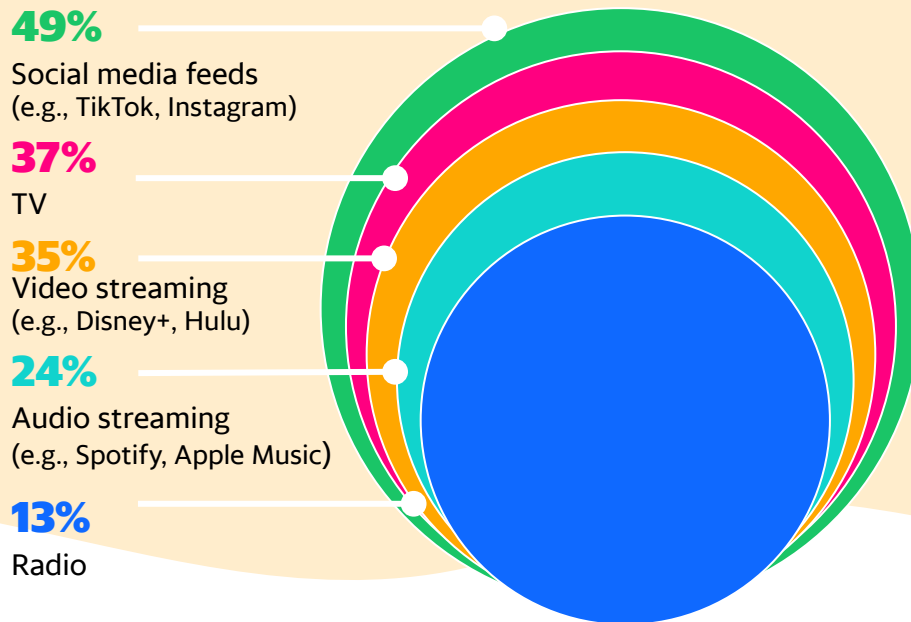
Base: Advertisers / Marketers n=351 | Consumers n=1,202

Q24. How much do you agree or disagree with each of the following? [5-pt Strongly Agree-Strongly Disagree Scale]; Q15. What are the benefits, if any, of having ads that are personalized for you by AI? [Multi-Select]

Consumers are more open to personalized ad experiences on social media feeds and while consuming video content

Channels They Want to Hear/See Personalized Ads

% Selected Among Total



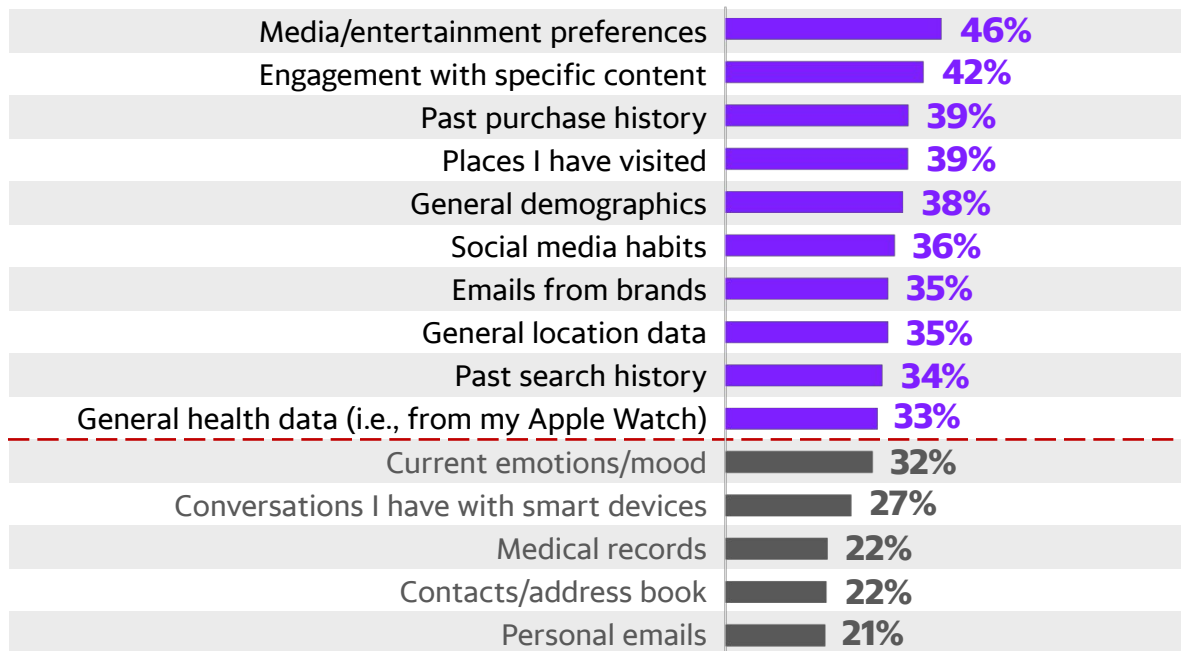
Base: Consumers n=1,202

Q15B. In which of the following would you prefer to hear / see ads that are personalized for you? [Multi-Select]; Q17. Please imagine that you could interact with advertisements as you experience them in the moment, and tailor the advertisement based on what you want to see. If brands could provide this ability, would you use it? [Single-Select]

Consumers are willing to continue exchanging personal data for a highly curated, convenient ad experience but are hesitant to share more than they currently do unless the value exchange shifts dramatically.

Openness to Sharing Types of Data For Personalized Ads

% T2B (“Extremely/Somewhat Open” on 5-pt scale) among Total



On average, Gen Z’ers, Millennials, and Gen X’ers are more likely than Boomers to be open to sharing different types of data.

Most consumers draw the line at more personal data.

Base: Consumers n=1,202

Q16. In advertising, AI relies on personal data to deliver ads that are personalized to your interests and behaviors. How open are you to exchanging each of the following types of personal data for highly relevant advertisements that felt like they were made just for you? [5-pt Extremely Open-Not at All Open Scale]

Advertisers believe co-creation between people brands are in the future through new interactive ad formats and consumers are willing to take an active role in the process

77%

of advertisers agree AI will encourage co-creation between people and brands

(i.e., push toward interactive ad units, in which consumer feedback / engagement is directly embedded within an advertisement)

65%

of consumers would interact with ads in the moment to tailor their ad experience

(i.e., ability to easily tell brands exactly what product/service they are looking for, to receive ads catered to their needs)



8 in 10

Gen Zers are significantly more inclined than any other generation in their willingness to do this

Base: Consumers n=1,202

Q24. How much do you agree or disagree with each of the following? [5-pt Strongly Agree-Strongly Disagree Scale]; Q17. Please imagine that you could interact with advertisements as you experience them in the moment, and tailor the advertisement based on what you want to see. If brands could provide this ability, would you use it? [Single-Select]

It will be critical for advertisers to mitigate bias and still allow for natural discovery for consumers.

Consumers express some concern about biased data sets and limited content...

37% are concerned that overly personalized content would limit their ability to discover new brands on their own.

36% are concerned that brand advertisements would become too biased and exclude certain groups of people.

67% wish AI was trained on unbiased and fair data.

“ AI is only as good as the programmer who wrote the code. His biases can impact the results.

Male, 67

...while advertisers want to know how to maintain brand consistency in an AI-driven age.

77% say it will be more important to maintain brand consistency despite greater personalization for consumers.

42% say that tools/strategies to protect against brand dilution would help alleviate concerns about using AI.

“ There's some hesitancy around using AI to generate images and content because we want to ensure that the voice and tone of the brand are consistent. It brings us to this question: 'How can we get artificial intelligence to understand the nuance in that? How do we ensure that through prompts and brand guardrails, we adhere to that integrity model we want to keep in place?'

Ben, Global Marketing, Finance

Base: Advertisers / Marketers n=351 | Consumers n=1,202

Q33. To what extent do you agree or disagree with each of the following statements? [5-pt Strongly Agree-Strongly Disagree Scale]; Q26. Which of the following would help alleviate your concerns about using artificial intelligence (AI) or AI-enabled tools in your role / department? [Multi-Select]; Q27. Thinking about an advertising world that's largely driven by AI, how much more or less important would each of the following be? [5-pt Much More Important-Much Less Important Scale]

Implications

Overview



EFFICIENCY & UPSKILLING

Advertisers are optimistic about AI's potential to handle mundane tasks that will allow them to focus on more creative and strategic aspects. However, this will evolve skill sets needed.

Implication

As AI shifts the demands on the advertising workforce, it's important that advertisers expand their toolboxes to stay hireable during a transitional period, especially for junior & mid-level level roles.



PERSONALIZATION & EXCHANGE OF DATA

As AI enables advertisers to understand consumers beyond their consumption, people desire a sense of agency and autonomy within this new value exchange.

While consumers are open to personalized ads and co-creation, they're still hesitant to share personal data. This highlights the need for a significant incentive or shifted value exchange for it to feel worth it for consumers.



AVOIDING BIAS

Both consumers and advertisers share concerns over biased data sets. Consumers don't want AI to overtly limit or confirm their biases, while hyper-personalization could also dilute a brand.

It will be important for advertisers to deliver on personalization, while ensuring that consumers are still discovering new brands. Advertisers should look to protect against brand dilution.

The Question of AI Disclosure Responsibility



To gauge consumer acceptance of AI-generated imagery, consumers evaluated different types of advertisements, with and without AI disclosures

What

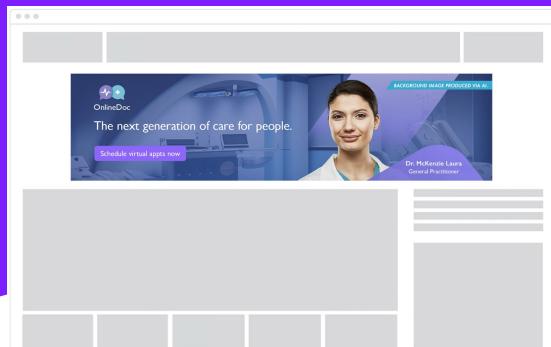
Randomized, controlled experiment testing the acceptance of AI-generated imagery and the impact of disclosure on perceptions. Each respondent was exposed to three mock AI-generated advertisements spanning healthcare, retail, finance, tech, food, and travel industries.

Sample size: n= 1,200 gen pop

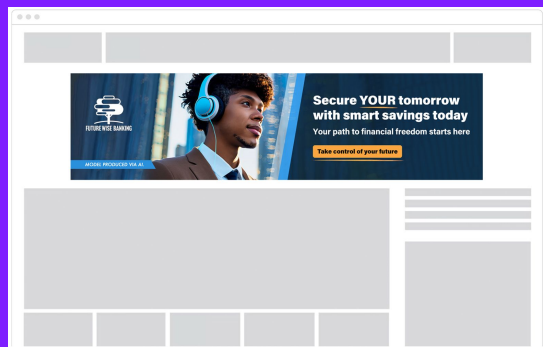
- **Control group:** n= 302; No AI disclosure
- **Test Group:** n= 900, AI disclosure

3 types of AI-generated imagery tested*

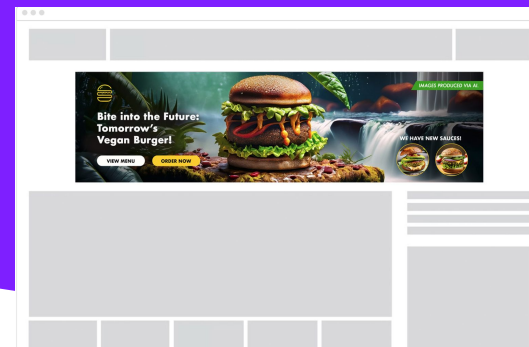
AI-generated background



AI-generated model



All AI-generated imagery



Ad Test Example

AI Generated Model

AI disclosure




The advertisement features a man in a brown suit and blue headphones looking out a window. In the top left corner is the FutureWise Banking logo, which consists of a stylized tree icon above the text "FUTUREWISE BANKING". At the bottom left, a blue banner contains the text "MODEL PRODUCED VIA AI.", which is circled in yellow. On the right side, the text reads "Secure YOUR tomorrow with smart savings today" and "Your path to financial freedom starts here". At the bottom right, there is a yellow button with the text "Take control of your future".

Secure YOUR tomorrow with smart savings today
Your path to financial freedom starts here

Take control of your future



No AI disclosure



The advertisement features a man in a brown suit and blue headphones looking out a window. In the top left corner is the FutureWise Banking logo, which consists of a stylized tree icon above the text "FUTUREWISE BANKING". On the right side, the text reads "Secure YOUR tomorrow with smart savings today" and "Your path to financial freedom starts here". At the bottom right, there is a yellow button with the text "Take control of your future".

Secure YOUR tomorrow with smart savings today
Your path to financial freedom starts here

Take control of your future



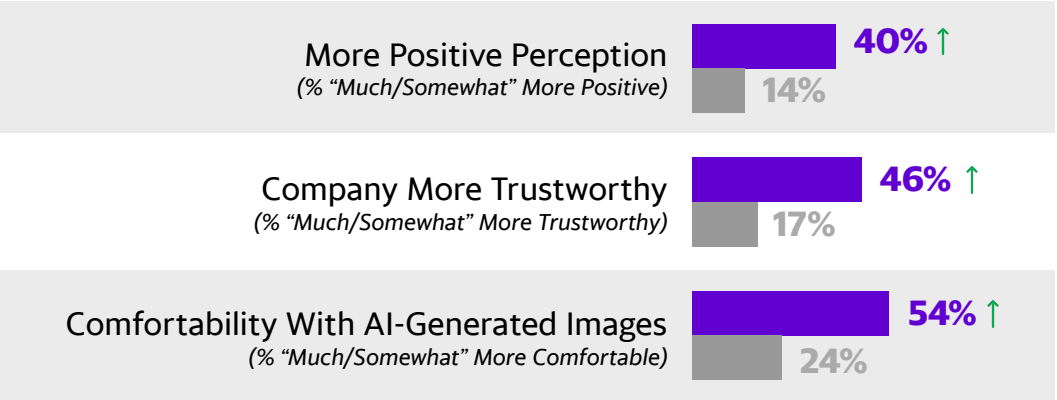
*Ad mocks used in the study include Ai-generated images and fictitious brands

1 in 4 noticed AI disclosures, which significantly boosted overall perceptions and trust in the advertisement compared to those who did notice the disclosure in the same ads



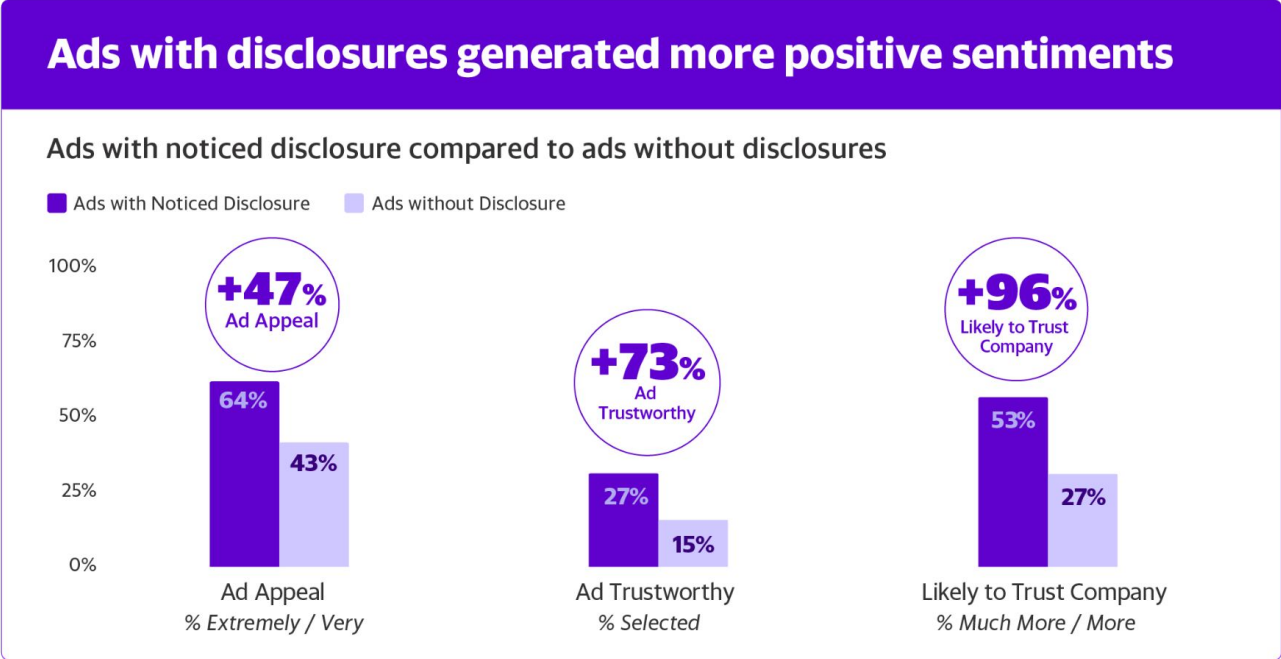
Impact of Noticing the Disclosure Among Total

■ Noticed Disclosure ■ Did Not Notice Disclosure



Base: Consumers Who Saw Disclosure n=900 | Noticed Disclosure n=220 | Did Not Notice Disclosure n=680
 Q28. Did you notice the disclaimer about AI-generated images in the advertisement you just saw? [Single-Select]; Q29. How does the presence of the AI usage disclaimer impact your perception of the advertisement, if at all? [5-Pt Much More - Much Less Positive Scale]; Q30. Still thinking about the advertisement you just saw, how does the presence of the AI usage disclaimer impact your level of trust in a company that might publish this advertisement? [5-Pt Much More Less Trustworthy Scale]; Q31. How much more or less comfortable are you with AI-generated images in advertising when the company explains which element was AI-generated with a disclosure statement (e.g., the background image, the model, all images)? [5-Pt Much More Less Comfortable Scale]

Including AI disclosures significantly drove stronger ad appeal and ad trust in the leading to an overall boost in trust for the brand behind the ad.



Base: Consumers Who Saw Disclosure and Noticed Disclosure n=220 | Consumers Not Exposed to Disclosure n=302
 Q22/Q32/Q32C. How appealing or unappealing was the advertisement that you just saw? [5-Pt Extremely Appealing – Not at All Appealing Scale]; Q25/Q35/Q35C. Which three words best describe the advertisement that you just saw? [Multi-Select]; Q36. Of the three advertisements you just evaluated, which one do you prefer the most? [Single-Select]; Q26. To what extent does the advertisement for this [PIPE INDUSTRY ASSIGNMENT] company make you more or less likely to trust them?

This is true across industries, especially in influencing trust among brand categories with historical sensitivities



Healthcare

% Change (% With Noticed Disclosure - % Without)

+103%	Ad Appeal
+100%	Ad Trustworthy
+132%	Likely to Trust Company



Finance

% Change (% With Noticed Disclosure - % Without)

+90%	Ad Appeal
+60%	Ad Trustworthy
+148%	Likely to Trust Company



Food

% Change (% With Noticed Disclosure - % Without)

+86%	Ad Appeal
+110%	Ad Trustworthy
+78%	Likely to Trust Company



Retail

% Change (% With Noticed Disclosure - % Without)

+86%	Ad Appeal
+150%	Ad Trustworthy
+52%	Likely to Trust Company



Tech

% Change (% With Noticed Disclosure - % Without)

+54%	Ad Appeal
+85%	Ad Trustworthy
+97%	Likely to Trust Company



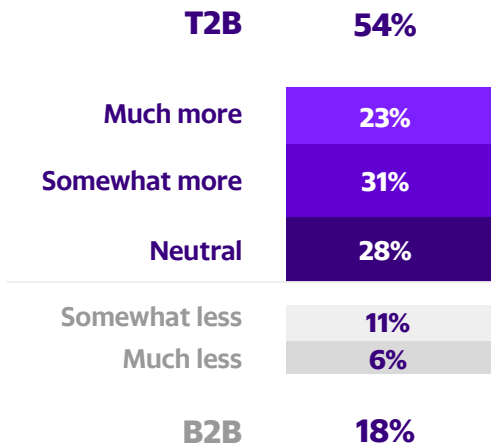
Travel

% Change (% With Noticed Disclosure - % Without)

+78%	Ad Appeal
+71%	Ad Trustworthy
+58%	Likely to Trust Company

A disclosure signals genuine transparency for consumers, who want more of this from advertisers when they use AI in their imagery

Those who noticed the disclaimer say it makes them feel more comfortable with AI-generated images overall.



75%
consumers feel AI should be better regulated

72%
consumers agree that AI “makes it difficult to know what is authentic.”

74%
consumers wish “more companies disclosed when they use AI and why it was used.”



Advertisers can consider nudging brands to disclose AI usage in advertising guidelines, providing a level of guidance that doesn't exist today.

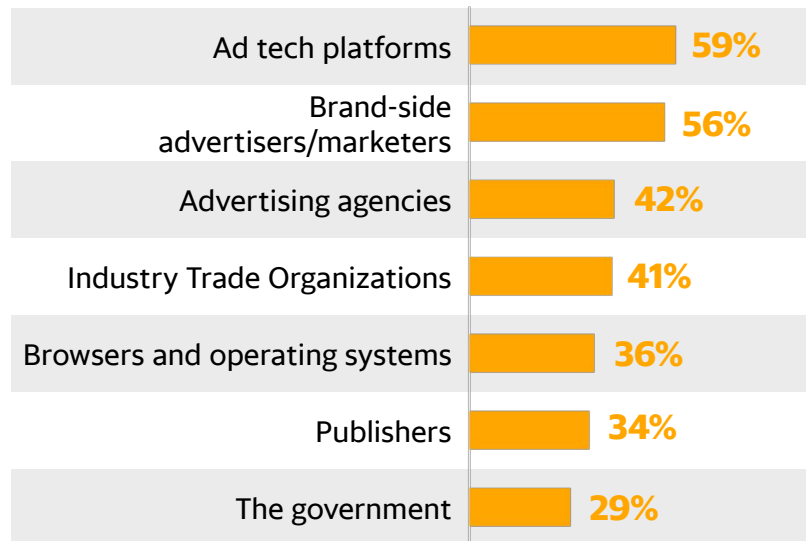
Base: Consumers n=1,202 | Consumers Who Saw Disclosure n=900 | Noticed Disclosure n=220 Q7/Q33. To what extent do you agree or disagree with each of the following statements? [5-pt Strongly Agree-Strongly Disagree Scale]; Q31. How much more or less comfortable are you with AI-generated images in advertising when the company explains which element was AI-generated with a disclosure statement (e.g., the background image, the model, all images)? [5-Pt Much More Less Comfortable Scale]

Companies largely agree that it is their responsibility to disclose AI-generated content to audiences

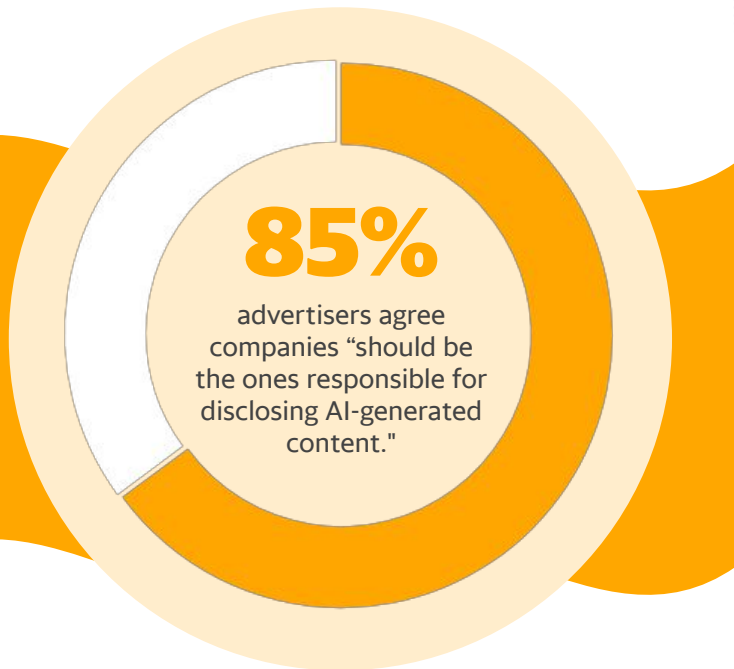
Ensuring targeting is bias-free should be a unified effort across multiple parties.

Responsibility for Fair Targeting

% Selected Among Total



4.4
parties
selected on
average



Base: Advertisers n=351

Q28. How much do you agree or disagree with the following statement? Companies should be the ones responsible for disclosing the use of AI-generated content. [5-pt Strongly Agree-Strongly Disagree Scale]; Q30. Thinking about the ethicality of AI in advertising specifically, who do you believe has the responsibility to ensure targeting is fair and free of bias? [Multi-Select]

Implications

Overview



TRUST IN DISCLOSURES

This research highlights strong consumer receptivity of disclosures and the value adds of trust, positivity and comfort.

Implication

Provide advertisers the ability to test and optimize disclosures to ensure they are building positive sentiment in exposure, getting ahead of anticipated regulations



CONSUMER-FACING USAGE MANUALS

Consumers demand greater transparency in how advertisers use AI, not wanting to be left in the dark.

Building platform partnerships with advertisers to develop AI usage standards and publish for public consumption



ACCOUNTABILITY COMPLEX

Advertisers see fair usage and bias reduction in AI as a shared responsibility across businesses, governments, and ad platforms.

Partnership and transparency in AI deployment to empower and inform advertisers about their choices

Building Trust Between Advertisers & Their Audiences



Despite wide adoption of AI in advertising, consumers are unaware of when and how it is used.

68%

of advertisers say they are using AI for **at least half** of their campaigns.

Consumers aren't recognizing it...

53%

are not familiar with companies' use of AI in advertisements.

61%

assume AI is used in ads, but don't know when/where.

“

When they have noticed AI in advertising, it's fallen into uncanny valley.

I've seen images of people with weird hands that look very creepy.

Male, 29

It just didn't look human.

Male, 29

Base: Advertisers n=351 | Consumers n=1,202

Q9. What share of campaigns are you using artificial intelligence (AI) or AI-enabled tools for?; 5-Pt All or most-None Scale]; Q1. How familiar are you with artificial intelligence (AI)-enabled tools that are available for you to use today? [5-Pt Extremely-Not At All Scale]; Q11. To what extent do you agree or disagree with each of the following statements? [5-Pt Strongly Agree-Strongly Disagree Scale]; Q13. Please think about a time that you saw an advertisement that you think used AI. How did you feel about it? [Open-End]

Advertisers and consumers share similar concerns over privacy, misinformation, and biased datasets when it comes to AI.

Consumers want more ownership over their personal data.

76% wish they could control exactly what companies know about them.

56% I could control companies' use of algorithms when creating advertisements for me.

“

It will be useful for a lot of things, but since consumer computers aren't powerful enough to use it without connecting to a "mainframe," AI as a tool will be controlled by the rich and used as an ad delivery and stalking platform that's used to collect data about consumers.

Male, 29

In a similar vein, advertisers are also concerned about internal data security.

54% are concerned about data security and privacy when it comes to AI.

49% say the ability to train on data that stays within their organization would alleviate concerns about AI usage.

“

The idea of cognitive liberty is interesting. To some degree, it's available today; we can pay to go ad-free on different platforms. It's a very basic way to opt-out. However, there is no mechanism that exists today to shut off all data signals that we create. Individually, we generate thousands of signals a day, and we don't recognize it. Getting machine learning to learn less about someone would be an interesting challenge.

Jordan, CMO Media Agency

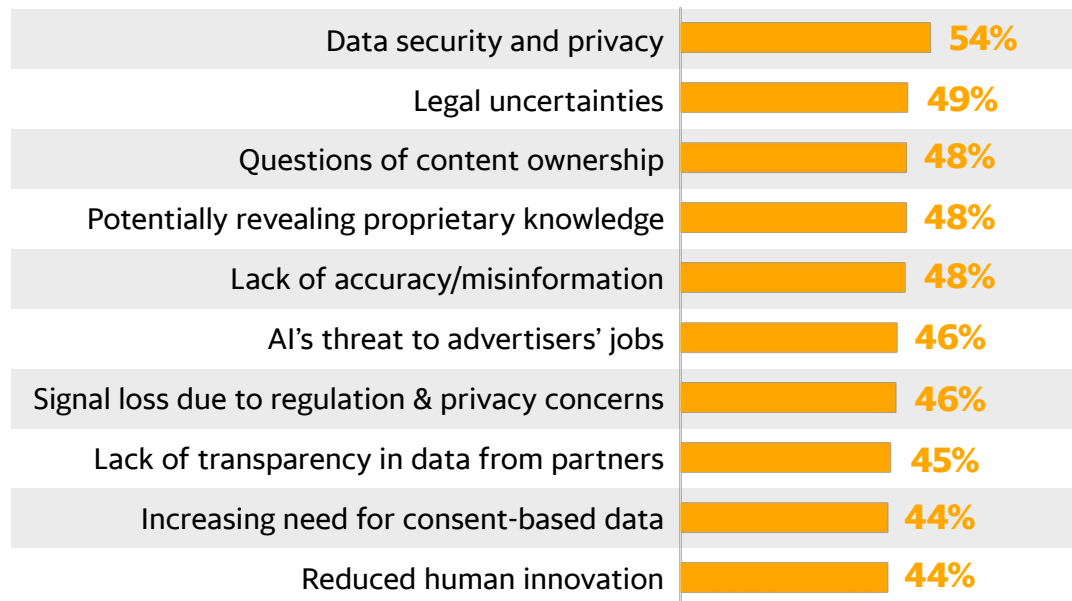
Base: Advertisers n=351 | Consumers n=1,202

Q9. Why do you say that? [Open-End]; Q33. To what extent do you agree or disagree with each of the following statements? [5-pt Strongly Agree-Strongly Disagree Scale]; Q30. Thinking about the ethicality of AI in advertising specifically, who do you believe has the responsibility to ensure targeting is fair and free of bias? [Multi-Select]; Q25. How concerned are you about each of the following?; Q26. Which of the following would help alleviate your concerns...?

Advertisers specifically want reassurance that the data used in AI-enabled tools is secure and stays within the organization.

Top 10 Concerns About AI Usage

% T2B Concerned Among Total



Base: Advertisers n=351

Q25. How concerned are you about each of the following as they relate to using artificial intelligence (AI) or AI-enabled tools in advertising? [5-Pt Extremely-Not at All Concerned Scale]; Q26. Which of the following would help alleviate your concerns about using artificial intelligence (AI) or AI-enabled tools in your role / department? [Multi-Select]

Tech partners should consider the ways advertisers express how their concerns could be alleviated...

50%

Implementing strict data privacy & security regs.

49%

Ability to train on data that stays within my org.

44%

Genuine transparency from AI-tool vendors.

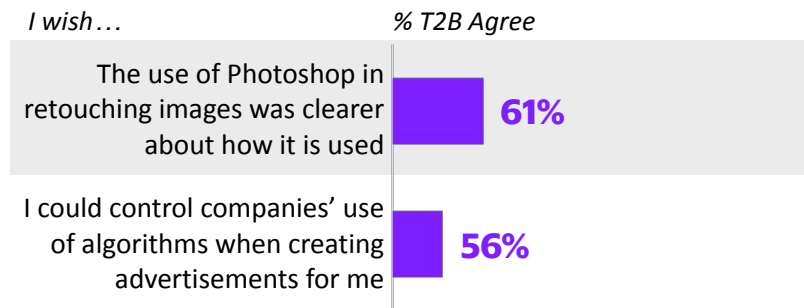
39%

Partnerships to understand how decisions are made w/ AI.

However, they are cautiously optimistic. Autonomy and transparency is key in building trust with the brand.

61% are at least somewhat comfortable with companies using AI in advertisements...

...as long as they feel companies are transparent and they can have a say.



Experts speak to the impact of consent on the value exchange with audiences.

"The user has to have some sense of autonomy, or they'll have very little trust in the message that they receive. They're bombarded with advertising messages, and their natural inclination in terms of propensity is to shut it down, right? You have a really small, finite amount of time to get people's attention and get them to interact, but they need to have some trust first."

Ari, Carnegie Mellon Professor

"There's a new concept now: zero-party data. The brand promises, 'If I collect data, I will exchange value with you,' then, when the consumer decides they don't want to share anymore, the company will delete their data and profile. More and more consumers are aware of that and require options like consent management."

Will, Global Media Agency

Base: Consumers n=1,202

Q10B. How comfortable are you with companies' use of artificial intelligence (AI) in advertisements? [5-Pt Extremely-Not at All Comfortable Scale]; Q33. To what extent do you agree or disagree with each of the following statements? [5-Pt Strongly Agree-Strongly Disagree Scale]

Implications

Overview



DATA PRIVACY AND SECURITY BUILD RELATIONSHIPS

Consumers and advertisers prioritize data protection when interacting with brands and exploring AI use, respectively.

Implication

Brands that are trustworthy data stewards will earn consumer trust and have potential to develop first-party flywheels, making them less susceptible to a zero-party data movement



AI SHIFTING VALUE EXCHANGE

Consumers are primarily open to AI in advertising with the promise that it will offer better experiences.

Explore ad formats that encourage interactivity and a sense of play as co-creation, collapsed consumer journeys and more direct brand-to-consumer relationships scale



DSPs: DATA SECURITY PLATFORMS

The utility of DSPs is incredibly valuable, but advertisers aren't always clear on how AI integrations impact them or best practices in usage for optimal data privacy.

Guide advertisers in how AI data is collected, stored and deployed, so that advertisers are informed on their choices before an error occurs (as mistakes for some industries could be incredibly high stakes)

Buzzy Discoveries



Buzzy Discoveries

The Future is Already Here

Advertisers are optimistic towards AI in 2024. A majority of advertisers (86%) are already using AI-enabled tools in their role for activities related to creative (53%) and campaign optimization (46%). Advertisers see the many benefits of AI including enhance ad experiences between brands and their audiences and increasing ROA.

Equal Measures

While pros seem to have accepted that AI is the future and are pressing ahead, consumers are very much on the fence. Consumers are both curious and concerned about AI (49% and 46%, respectively). Three-quarters of consumers feel AI should be better regulated and feel it makes it difficult to know if something is real. At the same time, a majority recognizes it will advance science and technology, making life easier.

Trust Is Built Through Transparency & Autonomy

Consumers recognize the benefits of personalization but want more control & transparency over algorithms and how their data is used. Consumers respond favorably to an AI disclosure, which boosts positive perceptions of the ad (+47%) and trust in the company (+96%).

AI as a Tool vs. Content Generator

While advertising professionals see value in AI as both a tool for efficiency and to create illustrations or copy, consumers are more accepting of the utility of AI to make life easier (57%) over its use in advertisements. Transparency can drive trust and ultimately, acceptance.

Maximizing the impact of every impression with AI

YAHOO DATA

Powered by over 335 million logged-in Yahoo users globally¹ and refined through more than twenty years of AI innovation.

AI SOLUTIONS WITH YAHOO ✨

Next-Gen Solutions

Next-Gen Solutions, a part of Yahoo Identity Solutions, is an AI-built solution for non-addressable environments. It leverages our authenticated users as a panel audience to ensure campaign effectiveness when user or device identifiers are absent.

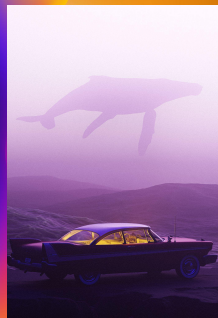
Yahoo Blueprint

Yahoo Blueprint is the AI engine that architects end-to-end campaign performance in the DSP. It forms the connecting foundation across AI-based products that together make buying in the DSP easier, faster, and more effective.

Creative

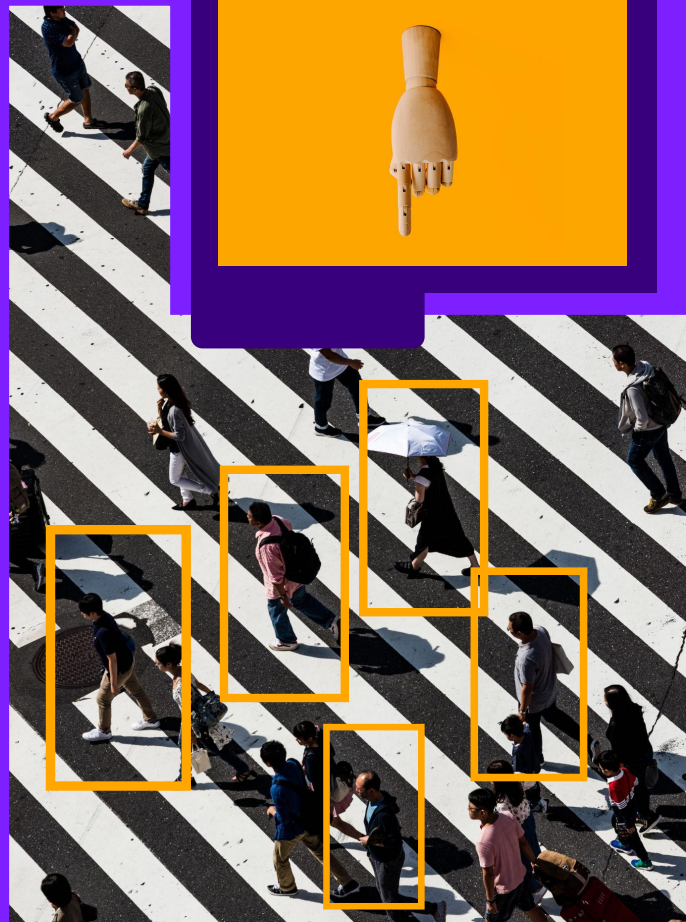
Yahoo Creative Studios will make it easier than ever to get your message right with AI-driven optimization and customization for each individual consumer by providing a range of options to determine the most-effective strategy.

THANK YOU



Questions or
comments?

betsy@theEbco.com



Appendix

AI-Generated Ads Tested



Healthcare Industry: Advertisement Snapshot

With Disclosure



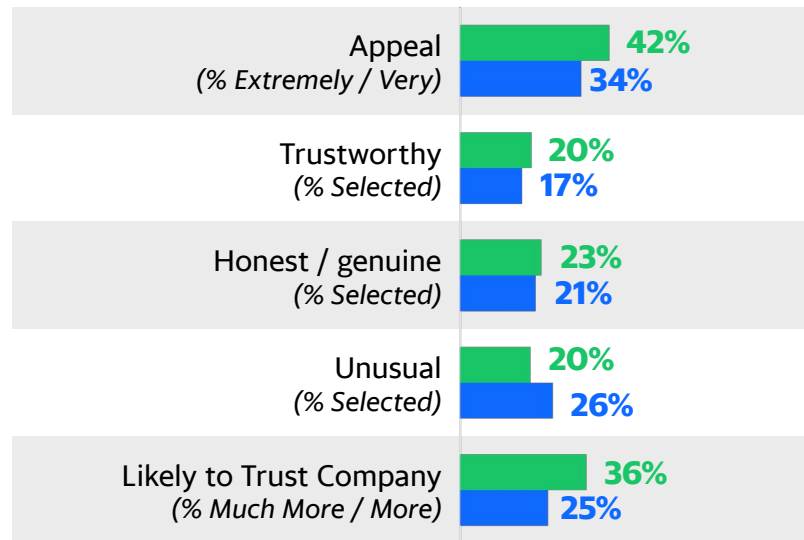
Without Disclosure



42% trust companies in healthcare considerably or a great deal

Ad Perceptions

Among Those Who Saw a Healthcare Advertisement

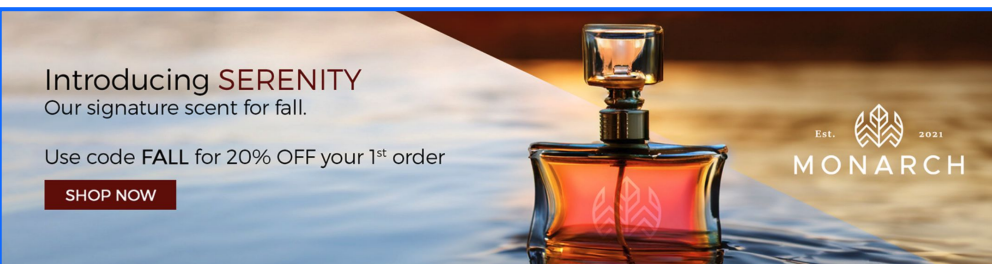


Retail Industry: Advertisement Snapshot

With Disclosure



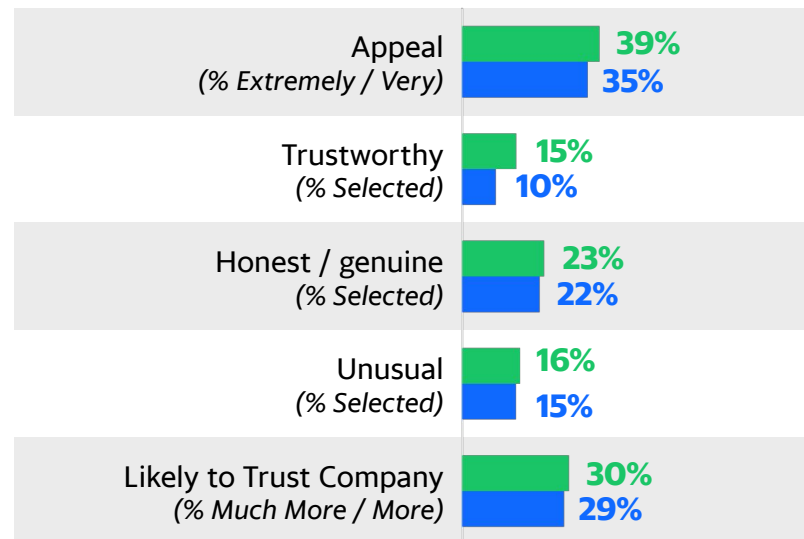
Without Disclosure



26% trust companies in retail considerably or a great deal

Ad Perceptions

Among Those Who Saw a Retail Advertisement



Finance Industry: Advertisement Snapshot

With Disclosure

Secure YOUR tomorrow with smart savings today
Your path to financial freedom starts here

Take control of your future

FUTURE WISE BANKING

MODEL PRODUCED VIA AI.

Without Disclosure

Secure YOUR tomorrow with smart savings today
Your path to financial freedom starts here

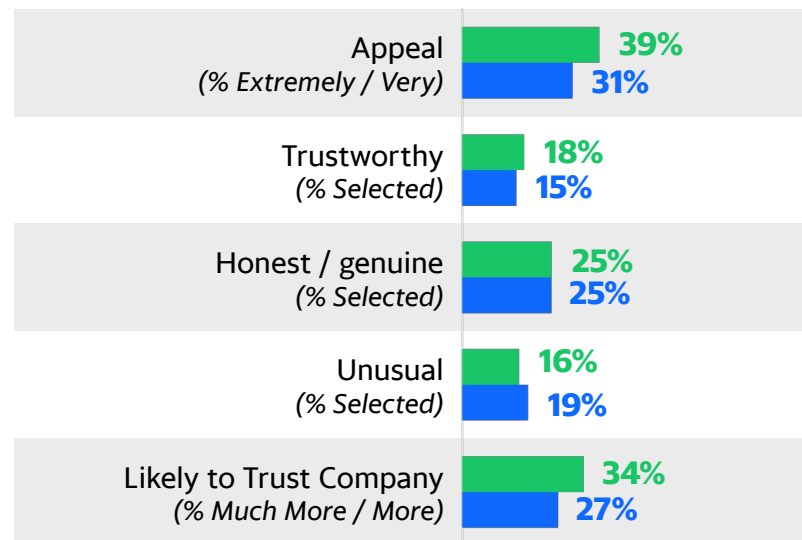
Take control of your future

FUTURE WISE BANKING

30% trust companies in financial services considerably or a great deal

Ad Perceptions

Among Those Who Saw a Finance Advertisement



Tech Industry: Advertisement Snapshot

With Disclosure



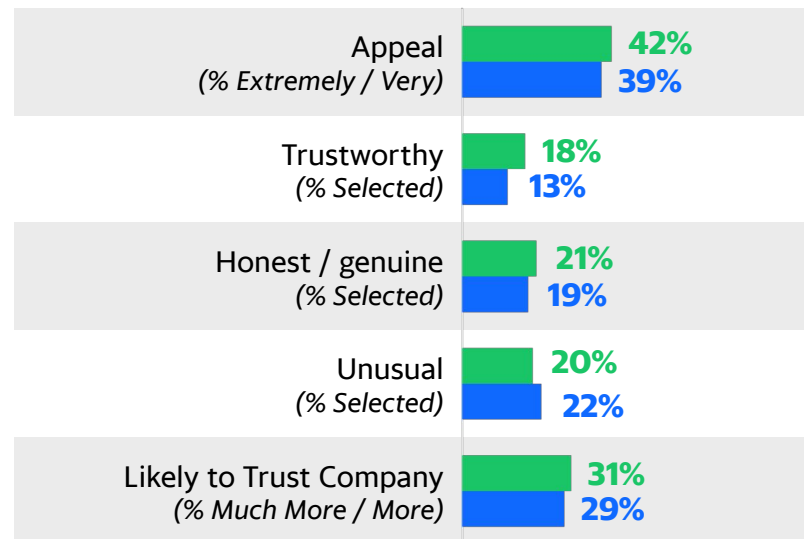
Without Disclosure



27% trust companies in tech considerably or a great deal

Ad Perceptions

Among Those Who Saw a Tech Advertisement



Food Industry: Advertisement Snapshot

With Disclosure



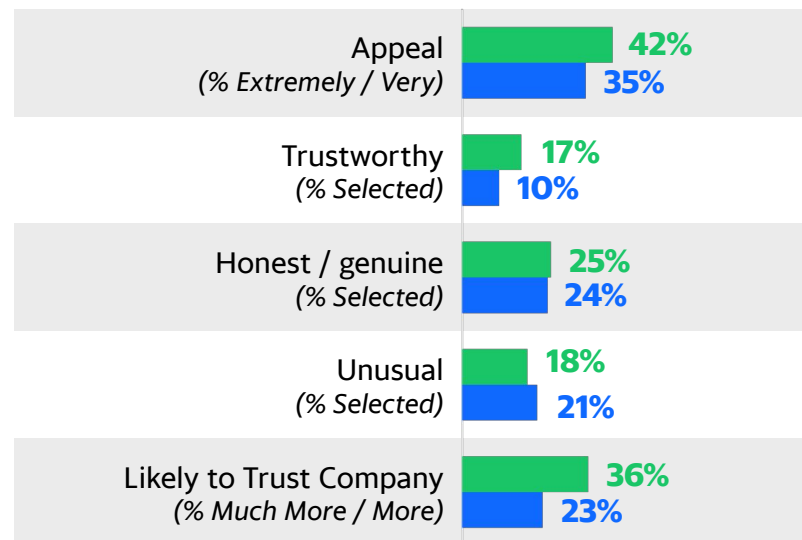
Without Disclosure



50% trust companies in food considerably or a great deal

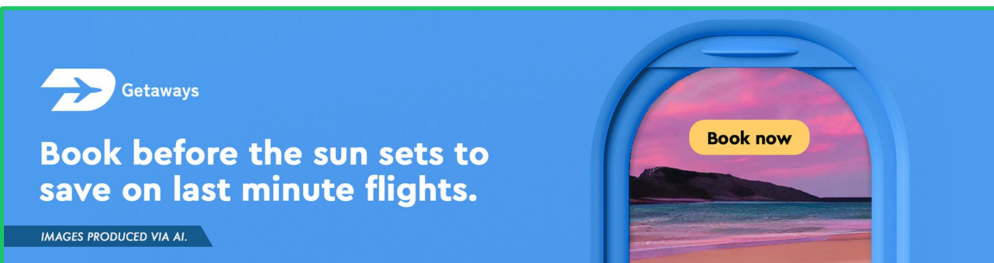
Ad Perceptions

Among Those Who Saw a Food Advertisement

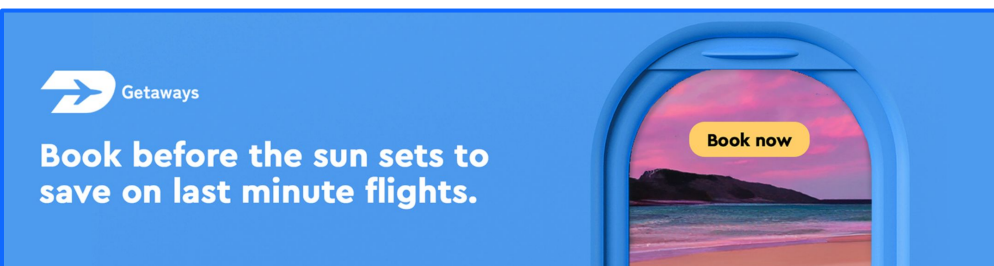


Travel Industry: Advertisement Snapshot

With Disclosure



Without Disclosure



36% trust companies in travel considerably or a great deal

Ad Perceptions

Among Those Who Saw a Travel Advertisement

