

Amazon's Al Creative Studio enables audio ads for merchants

Article



The news: Amazon is adding an Audio Generator to its Al Creative Studio, building on the tool's existing video and still image capabilities. The new feature allows advertisers to create Al-generated audio ads for use on Amazon Music and Alexa-enabled devices.

- The ads work best for brands already selling on Amazon. Advertisers can link the Audio Generator to their product listing and it will create a 30-second audio spot based on the product's description. Ads can be tweaked with additional input and parameters.
- Amazon's AI tools are attempting to meet <u>increasing demand for AI creative</u> among marketers. Several major ad platforms including **Google**, <u>Meta</u>, <u>LinkedIn</u>, and more have launched AI creative tools for advertisers in the last year.

Amazon's playbook: The retail ecommerce giant has aggressively expanded its advertising presence this year, primarily by <u>launching ads on Prime Video</u>. Amazon's ad offerings have been heavily integrated with its retail business, enticing sellers to spend more on the platform and encouraging advertisers to list their products on Amazon's marketplace.

- Al ad tools can help Amazon and other platforms open new pools of spending from brands that were hesitant to invest in creating their own ads. It also adds to Amazon's long list of incentives to spend more on its platform: Sellers are already funneling significant revenues back into Amazon for more prominent placement in search results and during events like Prime Day.
- But there are drawbacks to Al's production ease and scale. In their nascent form, Al creative tools can produce a large volume of similar ads that dilute attention and quality—though Amazon is still fleshing out its tools and will likely add more variety.

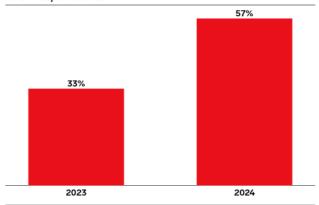
Turning to AI: The ad industry is increasingly relying on AI for everything from creative production to data processing.

- 57% of US advertisers and agencies said they would be willing to use Al-generated creative if accuracy and brand suitability could be verified in an August Advertiser Perceptions survey, up from just 33% in 2023.
- Agencies and brands have used AI to significantly cut advertising costs. In an extreme case that <u>could foreshadow changes for the ad industry</u>, payments firm **Klarna** laid off thousands of employees and curbed ad costs by leveraging AI.
- While Klarna's moves could <u>rattle nerves in the ad industry</u>, it's not a death knell for ad jobs: Human oversight is still essential regardless of the AI use case, and consumers have <u>reacted</u> <u>somewhat negatively</u> to large ad campaigns that transparently prioritize AI.



US Advertisers and Agencies Willing to Advertise Within AI-Generated Content If Accuracy and Brand Suitability Can Be Verified, 2023 & 2024

% of respondents



Source: Advertiser Perceptions, "Trust in Advertising: Have Advertisers Moved the Needle on Supporting Brand Safety, News Integrity and Quality Publishers?" Aug 28, 2024

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