WPP launches a text-to-video product at peak interest in genAI marketing

Article

The news: **WPP** and **Nvidia**'s artificial intelligence partnership has borne fruit in the form of **Production Studio**, a generative AI tool that will **allow brands to create text, images, and**

even video with prompts.

- Production Studio will be available within WPP Open, the agency's existing AI platform for clients. The product has been in testing for 12 months, with **Ford** and **L'Oréal** as pilot partners.

- Brands can use Production Studio to create advertising materials like 3D product models and translations into multiple languages. Production Studio is also linked to WPP data for performance insights and targeting recommendations. WPP emphasized that "human oversight is present at every stage of the workflow."

Good and bad timing: WPP's Production Studio is arriving as interest rises in text-to-video generative AI. Earlier this week, **Toys R Us** turned heads when it released an ad made with **OpenAI**'s text-to-video product, **Sora**. While the ad was met with fierce pushback, its convincing fidelity has likely piqued the interest of CMOs at other companies.

- Production Studio is WPP's attempt to win cost-conscious brands' business by linking AI tools to data insights. WPP has invested more than $300 million into AI applications for the advertising industry, a move that other "Big Four" ad agencies are following.

- But while full-funnel AI products can help large agencies win business, **WPP and others are staring down a trend of brands taking creative tasks in-house** and increasingly valuing first-party data over large ecosystems.

- Thirty percent of marketers moved more creative work in-house in the last year, per a recent Canva survey cited by Ad Age, and 31% plan to make a similar change in the next 12 months. In 2023, the **Association of National Advertisers** reported that 82% of its members had in-house creative agencies, versus 78% in 2018.

In-housing with AI: The rise of generative AI is enabling more marketers to bring creative in-house, which can significantly reduce costs. Rather than paying large companies like WPP for access to their tools and data, brands can simply license a tool like Sora and work with their preferred data partners.

But there's a balance to strike. While AI and in-housing can certainly reduce creative costs, a focus on quality is important. In the same Canva survey, 83% of respondents said bringing creative in-house reduced spending, but 61% said that outsourcing led to higher-quality creative materials.

Our take: WPP's established track record and partnership with a leading AI company in Nvidia could help it work around the trends of in-housing creative and relying on first-party data. There's still a strong negative halo effect around AI, but consumers are becoming less and less able to identify its use, which could entice brands to continue using it without disclosures.

Current and Expected Use of Generative AI for Select Tasks According to Content Professionals Worldwide, Q4 2023

% of respondents

	Currently using	By end of 2024	Later than 2024
Customer insights	61%	90%	100%
Copy translation	51%	85%	98%
Creative ideation/concepting	47%	83%	99%
Administrative support (e.g., documentation, summarization, reporting)	46%	80%	99%
Channel optimization	43%	82%	100%
Media mix/budget planning	40%	83%	99%

Note: executives and professionals from a variety of industries who drive the strategy, operations, and technologies used to create/manage content at their organizations
Source: IBM, Adobe, and Amazon Web Services (AWS), "The Revolutionary Content Supply Chain" conducted by Oxford Economics, March 25, 2024

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