AI in advertising and marketing agencies:
Creativity, media planning and M&A

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Speakers:

- o **John Kaiser**, Partner, Oaklins Desilva+Phillips
- o **John Matthews**, AI Specialist, Oaklins
- o **Emily Wengert**, Managing Director, Global Head of AI Strategy, Huge
- o **Emma Cookson**, Partner, The Brandtech Group
- o **Katie Comerford**, EVP, Chief of Strategy & Operations, Horizon Media
- o **Quentin George**, Co-Lead, Media & Advertising Practice, McKinsey & Company

Transcript

John Kaiser:
Welcome to the AI and Advertising webinar. We have an exceptional group of panelists today representing different sectors of the industry, including consulting, and I'm sure you'll enjoy the discussion.

I'm John Kaiser. I lead the advertising and marketing services practice at Oaklins Desilva+Phillips. If you're not familiar with Oaklins, it's a leading mid-market investment bank with 60 offices in 40 countries.

TMT is our most active M&A vertical. Oaklins Desilva+Phillips co-leads the TMT practice focused on media marketing and technology.

Within TMT, AI has been a focus of ours for many years. We held an AI summit in 2019, and this will be our fourth webinar on AI. The previous one was on Agentic AI.

I'll start with a brief overview of AI, and then we'll move into the panel discussion.

Reid Hoffman, co-founder of LinkedIn and partner at VC firm Greylock, was prescient when he stated nearly three years ago that AI is going to reshape every industry and every job.

Today, artificial intelligence is reshaping the advertising and marketing industry in ways more profound than anything we've seen before. It's not just a new technology. AI is a fundamental shift in how agencies create, target and measure campaigns.

AI is not new. It has been used in advertising since the 1990s, but today is quite different. The depth of first-party data, the sophistication of AI-powered analytics, the rise of powerful generative models and AI's integration into major platforms have ushered in an AI revolution that impacts all aspects of the business.

AI is optimizing workflow, targeting, budget allocation and measurement to drive more efficient and effective campaigns.

Generative AI is augmenting human creativity, enabling the exploration of concepts and development of ideas at unprecedented speed. It also allows agencies to produce ad variations tailored to different audiences at scale.

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AI makes one-to-one marketing achievable. AI predicts preferences, optimizes messages and determines the perfect moment to engage individuals.

AI is experiencing explosive growth. There are an estimated 10,000 tools worldwide, and 500 to 1,000 new AI companies are being launched each year. We're currently seeing a wave of task-specific tools across content ideation, copy optimization, visual and video content and SEO.

The market is growing, and investment in AI is staggering. Global AI spending is projected to reach $1.5 trillion this year, with big tech accounting for about $400 billion in infrastructure. Through October, venture capital firms have invested nearly $200 billion in AI startups, representing about half of all VC spending globally and 64% of VC investments in the United States.

If you're a company looking for VC support and you're not AI, good luck.

Investments ultimately lead to exits. There have been a considerable number of transactions recently, many focused on sectors or tasks including commerce, media buying, creative and ad optimization and influencer marketing.

AI transaction activity is setting new records for the shortest time from launch to exit. It's extraordinary, as are the valuations.

In terms of adoption, the large agency networks have leaned into AI and, through acquisitions, partnerships and integration, have developed internal AI platforms. Eighty to ninety percent of the larger agencies are currently using generative AI.

Despite the many benefits of AI for advertising and marketing agencies, there are challenges. Trust and transparency are essential — AI content and targeting must align with brand values. Missteps can be costly.

Agency workflows must be rethought, particularly with the rise of Agentic AI. Agency personnel need to be AI-fluent. And client relationships are shifting: many clients now have in-house agencies and internal AI platforms. AI represents both a threat and an opportunity.

More than 90% of marketers report using AI, while 40–50% admit they don't know how to extract maximum value from it.

With that as background, I'll turn it over to John Matthews, who will be moderating the session. John is a specialist in AI, having worked in technology and AI for many years before joining Oaklins Desilva+Phillips. One housekeeping note: we'll take questions at the end via the Q&A button.

John?

John Matthews:
Thanks very much for that, John. Yes, there are quite a few Johns here today.

Let's dive into the panel. I'm really excited about this discussion, given what Katie, Emma, Quentin and Emily have been doing. I think we'll hear some truly interesting insights.

Let's begin with introductions. Please introduce yourself, explain what your organization is doing with AI, where you are in the journey, where you're headed, any lessons learned and your perspective on what's happening in this space.

Quentin, perhaps you can also share insights from the McKinsey side — client work, recent studies and developments in the MediaX practice.

Emily, let's begin with you.

Emily Wengert:
Hi everyone. Good morning from the East Coast. I'm really pleased to be here — thank you for having me.

I work at Huge, a design and technology company, where I lead AI strategy across our global client base.

Your question is a wild one, John, because at this point the question is almost: what isn't AI? It's in our conversations, in our workflows, in our tools and increasingly in our solutions. And in some cases, it's even in our end consumers' hands — which is where I get most excited.

We've seen a major shift this year from hesitancy to something approaching a default expectation. Some clients still refuse to touch AI, and we must follow their lead — that's important. But the majority now understand that AI requires experimentation.

At Huge we talk a lot about "intelligent experiences" — using the latest technology, especially generative AI, to bring intelligence into everything we do.

A recent example is the AI search experience we created for the Olympics last year. With 7,000 hours of content, how does someone find what they really want? We built a system that allowed users to find exactly what they were looking for. It wasn't novelty — it was meaningful.

We also invested heavily in a data platform called Live — for three years before ChatGPT launched. It can scrape the web, hold first-party data and help us understand customer journeys in entirely new ways. We connect external behaviour, beliefs and triggers to understand how clients' brands are perceived in real time.

Then we convert that into "intelligent twins" — narrative explanations of those journeys that everyone in the marketing organization can understand.

For one retailer focused on boomers, we simulated journeys and uncovered a key issue: when items were out of stock, boomers had no clear next step. That wasn't obvious from traditional segment thinking.

We're also thinking a lot about GEO — generative engine optimization — understanding how LLMs surface information and how brands can influence that, even when they can't spend their way into those systems.

But to do that, we must understand how people phrase questions. LLMs reflect human phrasing, not brand phrasing.

It's a complex topic, but I'll stop there for now.

John Matthews:
Thanks, Emily. Emma, over to you.

Emma Cookson:
Hi everyone, I'm Emma Cookson, a partner at The Brandtech Group. We're about ten years old as a company, and in this discussion I believe we're likely the largest GenAI marketing business — and we intend to remain that. We've been focused on this since day one.

At the center of our group is Pencil, our proprietary GenAI platform. It aggregates all the leading foundational models relevant to marketers.

We use Pencil to scale generative AI deployment for global brands. Google's own marketing teams use Pencil. Other clients include Unilever, Diageo, NatWest, L'Oréal and many more.

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Generative AI will transform every aspect of marketing and advertising. But the biggest early use case is content creation and optimization. Pencil was originally built in 2018 on GPT-2 — prehistoric in today's terms — to generate social ads. It now generates social, e-commerce, email and many other creative formats.

The efficiency gains are remarkable. In the first quarter of this year, for just three big clients, we generated nearly 240,000 live assets — 60% cheaper, 55% faster and 40% better performing.

But the most interesting part is long-term effectiveness. With so many assets and so much performance data, we learn which creative elements actually work.

We also recently built an Agentic media platform. We're already seeing major efficiencies in the way we activate and plan campaigns.

Ultimately, our mission is to help clients capture the full benefits of generative AI — which go far beyond content, though content is often where they begin.

John Matthews:
Thank you, Emma. Katie?

Katie Comerford:
I'm Katie Comerford, Chief of Strategy and Operations at Horizon Media.

My role often requires explaining itself — but AI has made that easier. AI underpins how we modernize our strategy and transform workflows so that everyone in the company has speed to insight.

We help our teams shift to data-first thinking: understanding audiences differently and building smarter, faster decision-making paths.

We're evolving from being solely a media agency to being a product-powered partner. Blue, our connected marketing platform, is a major part of that.

Blue mines the open web, analyzes client information, creative documents, earnings calls and more. It synthesizes all of that into a client-specific ecosystem. We ingest first-party data and map audiences — giving us insights like propensity, incrementality and churn.

It lets us tie media directly to business results.

A favourite example is SafeLite. You can't tell from data when someone has a cracked windshield — but you can tell the revenue potential of their service appointment from the car's year, make and model. SafeLite also has technician capacity constraints. So, we help match demand to capacity and prioritize revenue effectively.

It changes us from media planners into business partners.

We also ran an RFI to see which AI tools can sit on top of our platform. Pencil is one of them. This is enabling personalization at scale.

We train clients to use our LLM interface. The prompt-training was one of the best parts — learning how to ask the right questions is a fundamental skill now.

John Matthews:
Thank you, Katie. Quentin?

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Quentin George:
I'm Quentin George, co-lead of McKinsey's media and advertising practice.

I grew up in creative and digital agencies and then in digital transformation at a major holding company before joining McKinsey six years ago. I've seen this industry change in dramatic waves.

McKinsey will celebrate its 100th anniversary next year. The firm was founded to help companies navigate disruptive change. But I don't think, in a century, we've seen anything as transformative as AI.

We typically underestimate its impact in the short term — and we underestimate it even more in the long term.

We advise companies across the entire advertising and marketing value chain. While creative demos get the spotlight, much of the true business value lies in operational workflows: billing, reconciliation, forecasting, utilization, resource management.

In the past six months alone, we've seen dramatic improvement in these foundational processes.

We also had to transform internally. I meet weekly with a technical assistant to review my workflow. Agents now read all my trade publications and generate a 15-minute podcast summarizing them. Others automate performance-review preparation or expense management.

These are small steps toward a larger shift.

I imagine a future where agents manage client relationships — knowing birthdays, preferences and budgets, and even purchasing gifts. That sounds provocative but demonstrates what's possible.

This requires not just workflow redesign but rethinking the nature of human labour orchestration. Should humans perform certain tasks at all?

Many companies launch innovation initiatives — but "letting a thousand flowers bloom" is not the answer. We lock teams in a room with the hardest, most painful workflows and redesign them using AI.

This leads to deep strategic questions: Should we be doing this at all? Is our model viable? How do we transform?

The companies willing to confront these questions will thrive.

John Matthews:
Thank you, Quentin. Let's move into Agentic AI. Emma, you mentioned your Agentic media planning work — can you expand?

Emma Cookson:
Yes. First, fully agree with Quentin's readiness framework.

On tech readiness: staying open to multiple LLMs is critical. No one can predict which models will win.

On skillset: training must be continuous. And we value attitude over fixed capability — curiosity, self-learning, leaning in.

On Agentic AI: Everything generative AI can do today will increasingly be done by agents.

Pencil has been rebuilt to support agentic workflows. When you log in now, the interface begins with agents you can use or build.

For media planning, we break the workflow into stages: planning, building, trafficking, measuring, optimizing. Each becomes an agent. In strategy, you need agents for research, insights and synthesis. In creative, agents for each content format.

Agents become expert team members — shared across teams and constantly optimized.

This will become the norm.

John Matthews:
Emily, how is Huge approaching agents?

Emily Wengert:
It's a mix of top-down and bottom-up.

Yesterday I received a 55-page content audit created in two hours by a single person who built an agent. It analyzed a full client site and highlighted key issues.

This raises governance questions: is the agent personal or organizational? What do we standardize? How do we avoid ten different versions of the same idea?

We also build more complex agents with server-side components for creative-to-code conversion, product delivery optimization and growth processes.

Agent governance and evolution will be major topics for us in 2025.

Quentin George:
At enterprise scale, agents are powerful but risky.

They require strict access controls — authentication, permissions, kill switches. If an agent issuing payments goes wrong, the consequences are severe.

Choosing the right LLM matters: lightweight models for cost efficiency, larger ones for complex reasoning.

And agent-to-agent protocols are still immature.

Infrastructure providers are advancing rapidly, but enterprises must approach agent deployment with caution and discipline.

Katie Comerford:
At Horizon, our approach is to train people, provide access and encourage curiosity.

Some people have transitioned into agent-oriented roles — working with teams to turn an idea into an agent and to scale it across the company.

An idea that solves one team's problem often becomes something everyone can use.

This accessibility is unlocking innovation.

John Matthews:
Let's look ahead two years. Emily?

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Emily Wengert:
Predicting is risky, but I'll share my view.

Our offering will change dramatically. I don't think we'll be delivering the same things we do today.

Large foundational-model providers are trying to build super-apps — ecosystems where users spend most of their time. That will shift how we reach people.

We'll still have websites and media, but our routes to customers will evolve quickly.

For employees, the most important skill will be adaptability — the ability to change rapidly as the environment shifts.

Emma Cookson:
Three expectations:

1. **There will be many AI-first new entrants** — especially creators and influencer-based companies that understand new content ecosystems.
2. **We will market to machines, not just humans.**
   GEO — generative engine optimization — will become essential.
3. **Change management will be its own industry.**
   Humans resist change. Organizations need structured transformation to thrive.

Katie Comerford:
I agree. Agentic commerce will grow — agents purchasing on behalf of humans.

When fear creeps in about job loss, I remind myself: every technological shift promised this, and every time jobs evolved. Curiosity will safeguard relevance.

Quentin George:
Most AI value so far has been B2B. The next wave will hit consumer products. Someone will build the AI-native equivalent of WhatsApp or Netflix.

For agencies, if everyone can build agents, what is your value? Perhaps agencies become "agents of agents."

There will be winners and losers — but tremendous opportunity.

Audience Q&A

LLMs and hallucinations

Quentin George:
Today is the worst LLM performance we will ever see. Things improve daily. With the right training protocols — synthetic data, human-guided behaviour — hallucinations can be dramatically reduced. Tools are getting easier.

Emma Cookson:
We don't build LLMs; we aggregate them safely. Human oversight will always matter for complex tasks.

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Emily Wengert:
Numbers are where hallucinations appear most. We use hybrid workflows: deterministic logic plus generative output. We train staff to remain aware of limitations.

Katie Comerford:
Privacy and compliance are major concerns. We work closely with legal teams. Blockchain may play a future role in data control.

Data privacy and OpenAI's access to search history

Quentin George:
There must be a value exchange. Consumers need clear control over data rights.

Emma Cookson:
People say they care about data, but convenience often wins — though companies will be far stricter.

Emily Wengert:
Generative AI becomes mandatory for productivity. Opting out may not be feasible. That gives platforms leverage — and raises big questions.

Katie Comerford:
Regulation is essential. Self-regulation should come first.

Closing

John Matthews:
Thank you to all panelists — fantastic discussion.

John Kaiser:
Thank you Emma, Quentin, Katie and Emily for your insights.
And to our audience: if you're not using AI, start now — or risk getting left behind.
Goodbye, and we look forward to seeing you at our next webinar.

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