

Sora and Gemini 1.5

Accelerating advances in AI impacting advertising

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Better decisions, faster.



Responding to rapid advancements in AI capabilities

A technical leap in Generative Video

After rapid progress in 2023, there seems to be no slowdown in the technical development of AI models, services, and tools.

In the past week, OpenAI <u>announced Sora</u>, a groundbreaking AI model capable of generating <u>realistic and imaginative videos</u> up to 60 seconds long from text prompts.

The <u>Sora technical paper</u> illustrates a variety of new capabilities in video production. Sora can take text as an input but also <u>images</u> and other videos – for example, <u>changing backgrounds</u>, shifting a car from driving through a forest to driving <u>through a jungle</u> or the 1920s.



Sora can also take two entirely separate videos and splice them together to create new perspectives not present in the source content. Multiple angles can be delivered from the same prompt, enabling views impossible in a physical shoot.

It can also extend video forwards and backwards in time, known as video out-painting, to create new beginnings or endings for previously shot content. Existing content can be repurposed for any number of contexts or audiences.

Open AI notes that the exponential leap in computing used by Sora does <u>not just improve</u> <u>output quality</u> but represents a significant advancement in AI's capability to <u>understand and simulate real-world</u> entities. Some believe this is a substantial step towards achieving <u>Artificial General Intelligence</u>.

Sora can create scenes with multiple characters, specific motions, and detailed backgrounds, showcasing its understanding of how elements exist within the physical world. Although it is <u>still</u> far from perfect in some cases.

Implications for advertising creative and media

There are many <u>new possibilities for advertisers</u>. Sora has the potential to significantly reduce production costs and time by generating high-quality video content from simple text prompts.

This will democratize content creation, allowing smaller production companies or independent creators to produce content that competes with larger studios for visual quality <u>and user</u> experience.

The ability to generate realistic video content could lead to <u>challenges distinguishing</u> between real and Al-generated content, raising ethical and legal concerns regarding misinformation, copyright, and portraying individuals without consent.



For advertisers, the technology Sora represents offers the potential <u>for highly personalized and rapidly produced ads</u>, enabling marketers to create targeted campaigns quickly and efficiently (i.e. what has been seen <u>in display advertising</u> in recent months happening soon in video). <u>Music marketing</u> will likely be one of the first to be impacted.

We can expect a rapidly developing GAI video production value chain now that the 'broadcast quality' generative video principle has been proven. Already, <u>Eleven Labs</u> has created technology to add soundtracks to Sora videos.

Models will be fine-tuned to personalize product demonstration; these may be proactively created from <u>comments in customer reviews</u>. Brands are expressed through custom models to create a distinctive look and feel to avoid an otherwise commoditized optimization.

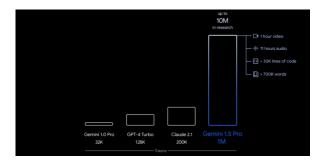
This will be particularly important as many more brands can create effective targeted video messaging. Creating a more competitive ad marketplace means CPMs in all forms of online video are likely to rise.



Gemini 1.5

In December 2023, Google announced Gemini 1.0 in three varieties – Nano, Pro, and Ultra. The largest Ultra model was recently released to the public in a chat feature called <u>Google Advanced</u> as part of a <u>Google One Al Premium plan</u>. A subscription-based plan (at around 19 USD /month, as the computer needs to process queries), is expensive and in short supply.

To tidy up the branding of these various tools and models, Google also rebranded their <u>Chatbot Bard as Gemini</u>. Google also <u>announced Gemini Pro 1.5</u>, so we can expect a Gemini Ultra 1.5 model within weeks. Google also <u>launched Gemma</u>; a <u>lightweight open model</u> based on Gemini tech.



Gemini 1.5 Pro enables 1m token context windows (with 10m researched internally), meaning that large files such as detailed product specs, code, long videos, or transcripts can simply be delivered through AI services.

This <u>OMG paper</u> shares learning from testing on various Gemini-related ad mechanisms: ads in Gemini (nee bard) chatbot, search generative experience, and Gemini tech in Google ads.

Gemini will most likely positively impact <u>value-based bidding strategies</u> and <u>modern search</u> approaches that use broad concepts and let the platform define specific targeting and messaging.

LLMs like Gemini will <u>impact the practice of SEO</u> as the objective shifts from gaining top ranking against a set of narrow terms toward creating and marking up relevant content to target more natural language and long-tail queries. Ranking factors may shift towards content depth and contextuality.

Technical SEO aspects like schema markup and structured data will become even more critical for conveying context to search engines. There will be a greater range of modalities to optimize against as visual, voice, and other search formats rise in scale.

Delivering competitive advantage

The shifts in demand by Gemini for the practice of SEO indicate a broader requirement for greater channel integration and alignment with consumer needs.

Al-generated content will be a key element of SEO strategies. The findings from these practices will then inform new creative routes alongside lessons from consumer reviews or agents focused on market, competitive, and niche audience analysis.

In Omni, the Al-powered <u>Q suite</u> of cultural intelligence tools is being expanded to include Q Sparks, which supports creative brief and idea development based on analysis of a wide range of cultural data sources.



An Al-generated copy will appear initially in low bandwidth formats like PPC and display but quickly rise to the richest video and immersive formats.

Al can adjust video creative to suit better the mood and tone of the scenes in TV shows and movies that ads appear next to. <u>Disney Magic Words is being beta-tested by OMG</u> on Disney + and Hulu streaming platforms.

Media markets will become more cluttered as enterprises at every scale, from all over the globe, compete in almost every format for consumer attention and permissions.

Brand differentiation will be critical as media markets become ever more commoditized. Individual consumer empathy and understanding of cultural trends will be vital in unlocking sustainable growth and margin.



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