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# Catering to clients: How artificial intelligence can influence the advertising agency–client dynamic

## ABSTRACT

*Much has been made of the role artificial intelligence (AI) can have in the creative processes of advertising agencies. Not only can it be used to automate tasks and assess the success of advertising on audiences, but it can also alter the relationship between creatives and the work they produce, with computational creativity opening new opportunities to engage in creative and innovative practice. In fact, recent research has emphasized that creative people believe AI technologies will revolutionize the development, execution and dissemination of advertising creative. Yet, the potential of AI is not without its detractors because of the threat of job losses and ethical conundrums, leading advertising creatives to feel cautious and concerned about the place of this new technology in the industry. Of particular concern is how AI will influence the relationships between clients and agencies. Using data gained from five focus groups held in Aotearoa, New Zealand,*

## KEYWORDS

creativity  
trust  
new technology  
creative pipelines  
advertising process  
organizational relationships  
advertising briefs

*with advertising creatives, this research article illuminates the perspectives of current practitioners on the role and potential influence of AI on creative production processes. It finds that most of those attending the focus groups believed that the speed of AI in creating content would increase the pressure placed on agencies to meet the needs of clients, that clients may opt to engage in their own computational creativity costing agencies money and reputation and that aesthetic considerations of agencies and clients may come into conflict.*

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**INTRODUCTION**

Artificial intelligence (AI) encompasses a variety of machine functions that learn either autonomously or with human assistance (Rodgers 2021) and are generally understood to comprise ‘any technique that enables computers to mimic human behaviour and reproduce or excel over human decision-making to solve complex tasks independently or with minimal human intervention’ (Janiesch et al. 2021: 686). Accordingly, AI has become integrated into a number of ‘everyday production and consumption activities’ (Nairn and Matthews 2023: 4), including tasks such as visual perception, speech recognition, decision-making and language translation (Yu 2021). Given its capacity to streamline administrative and creative activities (Amankwah-Amoah et al. 2024; Anantrasirichai and Bull 2022; Matthews et al. 2023; Moura et al. 2023; Pearson 2022), AI has been adopted across multiple industries including manufacturing, healthcare, education, legal, research and advertising (Chelliah 2017).

In the advertising sector, AI has been used for programmatic buying – leveraging algorithms to collect consumer data from various digital activities to create detailed demographic and psychographic profiles. These profiles are then used to tailor advertising content and placement effectively (Chen et al. 2019; Qin and Jiang 2019). Additionally, AI has been used to analyse how competitors are faring in the marketplace, to understand an organization’s position, and how to respond to the needs of potential consumers (Haleem et al. 2022). Recent research has also identified how AI can be used to generate creative content (Anantrasirichai and Bull 2022; Lee 2022; Matthews et al. 2023), which is seen as both valuable and threatening possibilities to advertising agencies given the loss of control and the financial savings. Therefore, AI is disrupting advertising practices (Ford et al. 2023). From advertisement creation to programmatic buying, from advertisement personalization to real-time evaluation of copy, this burgeoning technology is challenging the work processes of agencies (Vakratsas and Wang 2021), shaping not only their approaches to creativity but also the expectations of their clients.

Our own work revealed that advertising agencies were excited by the potential of AI to aid campaign design, especially the process of scamping (where a quick or rough sketch is created of an idea), because of the ability of AI programmes such as OpenAI, Dall-E2, Midjourney and Stable Diffusion to offer more avenues for exploring creative ideas (Matthews et al. 2023). To clarify, Dall-E, Midjourney and Stable Diffusion are text-to-image generation technologies, where text prompts are uploaded to the software, and visual content is then generated. Admittedly, there was a degree of apprehension around the threat posed by AI and specifically text-to-image generation tools with agency personnel concerned about losing employment and computational creativity cheapening creative work and diminishing the aesthetic value

1. of advertising assets (Matthews et al. 2023). Also noted were the implications  
 2. of a push to incorporate AI into creative activity would have on the attitudes of  
 3. their clients. It is this latter point that we revisit here, specifically how the  
 4. computational creativity that can be achieved by AI might affect the creative  
 5. practices of advertising agencies, but more specifically, how such changes  
 6. could influence the agency–client relationship. The following article, then,  
 7. recounts the findings of Aotearoa New Zealand-based advertising agencies’  
 8. responses to the place of AI in their interaction with clients. To clarify, clients  
 9. here refer to those organizations that commission work from the advertising  
 10. agencies, developing briefs that the agencies are expected to respond to in this  
 11. transactional relationship (Turnball and Wheeler 2017).

### 13. **AI AND ADVERTISING**

14. Admittedly, although AI research has existed since the 1950s (McCarthy et al.  
 15. 1955), it is only in recent years with the evolution of software, such as OpenAI,  
 16. deepfake technologies and text-to-image programmes, that AI and adver-  
 17. tising research has gained traction. As such, much of what is documented  
 18. below captures the current directions and thinking around AI and advertising,  
 19. with Coffin (2022) contending that such research needs to be evolving and  
 20. commonplace given the way technology continues to challenge the produc-  
 21. tion and consumption practices of the wider industry.

22. AI is increasingly revolutionizing the advertising industry, reshaping the  
 23. way campaigns are conceptualized, executed and delivered to target audi-  
 24. ences. According to Ford et al. (2023), AI encompasses a range of disruptive  
 25. technologies enabling machines to emulate human problem-solving abilities  
 26. and intelligence. This transformative potential is evident in various facets of  
 27. advertising, where AI is utilized for audience research, content personalization  
 28. campaign evaluation and even creative content development (Gao et al. 2023;  
 29. Tahoun and Taher 2023). Gao et al. (2023) emphasize that AI has the capacity,  
 30. for instance, to generate custom images and videos tailored to individual user  
 31. data and preferences, fostering a more engaging and personalized advertising  
 32. experience. Such targeted content can amplify the effectiveness of advertis-  
 33. ing messages (Gao et al. 2023) by aligning with evolving consumer expecta-  
 34. tions, contributing to more effective communication strategies. For example,  
 35. Bakpayev et al. (2022) have found that AI used to create advertisements can  
 36. be positively received because of the AI advertisement’s ability to coax audi-  
 37. ences into thinking about or elaborating the advertisement messages. By  
 38. being tailored to their interests and needs, AI-generated advertisements can  
 39. also penetrate the myriad of communication messages that audiences receive  
 40. daily. Research by Chaisatitkul et al. (2024) also found that customers tended  
 41. to have a positive outlook towards AI-generated advertisements because they  
 42. felt they were unbiased. However, the use of personalized AI advertising is not  
 43. without its issues, with attempts to invoke emotional and hedonic responses  
 44. in audiences causing backlash because of the inability of AI to adequately  
 45. create deeply personal connections with audiences (Bakpayev et al. 2022).

46. Moreover, the integration of AI streamlines the creative process within  
 47. advertising agencies, offering cost and time efficiencies (Campbell et al.  
 48. 2022; Coffin 2022; Vakratsas and Wang 2021). AI’s ability to generate creative  
 49. options expedites design and copywriting tasks, reducing the need for tradi-  
 50. tional production elements like photoshoots and post-production editing  
 51. (Campbell et al. 2022; Matthews et al. 2023). For example, Barker (2019) found  
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that advertising creatives often took inspiration from digital media such as Google Images, blogs and social media. With the advent of AI, such activities are no longer a necessity with AI acting as a tool or collaborator in the ideation stages of creative production, generating concepts that can inspire and shape advertising content (McCormack et al. 2020; Schetinger et al. 2023). Of course, there are risks associated with relying on AI because of its perchance to create culturally biased or derivative work, that accompanies being trained on biased data that maintains the status quo (Campbell et al. 2022; Schetinger et al. 2023). Yet, despite potential issues with AI content, Campbell et al. (2022) contend that AI can rapidly composite and retouch work, and products and models can be easily substituted into already generated advertising saving on costs and labour hours in an industry that Goor et al. (2022) argue is characterized by tight budgets and deadlines. Consequently, brands can capitalize on economies of scale by swiftly adapting content to varying preferences and market demands (Campbell et al. 2022).

Admittedly, the integration of AI in advertising poses challenges. Tahoun and Taher (2023) highlight AI's limitations in comprehending nuances and aesthetics, potentially resulting in mismatched or inappropriate content generation. Furthermore, the automation of creative processes may displace human workers, threatening their roles within agencies (Coffin 2022; Eglash et al. 2020; Jiménez and Ouariachi 2021). If they are not displaced, employees may face heightened pressure to meet tighter deadlines and operate within reduced budgets due to AI's efficiency and the expectations of clients that more can be done for less (Campbell et al. 2022; Matthews et al. 2023). Finally, there are ethical concerns around the copyright protections that exist when it comes to using content generated by AI, with many organizations and people reluctant to incorporate AI because of concerns around who owns what is produced and where the training data are being pulled from (Vartiainen and Tedre 2023).

As AI becomes more ingrained in advertising practices, creative professionals must adapt by acquiring skills in engineering and technical production to remain relevant (Matthews et al. 2023). These changes not only affect internal agency dynamics but also redefine relationships with clients and stakeholders (Ford et al. 2023). The current and anticipated changes posed by AI technology, particularly in the advertising space, will impact stakeholder relationships, not just those between agency and consumer but those between agency and client (Ford et al. 2023).

**ADVERTISING AGENCY–CLIENT RELATIONSHIPS**

The relationship between advertising agencies and their clients is fundamentally built on trust. This trust is essential for clients to feel confident in providing briefs, knowing that the advertising personnel are not only motivated by them but also possess the necessary knowledge and creativity to meet the client's specific needs (Koslow et al. 2022). As noted by Bilby et al. (2023), Hughes et al. (2018) and Koslow et al. (2022), trust enables agencies to create content that captivates audiences and aligns strategically with the client's objectives: an intricate balance between novelty and strategic relevance. The client–agency relationship, then, varies in its dynamics. Some clients prefer to delegate tasks to the agency completely and remain distant, trusting the agency's expertise and creative process (Koslow et al. 2022; Turnball and Wheeler 2017). Others engage more actively, entering a co-creative process that, while

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1. potentially enriching, introduces complexities, especially when clients are risk-  
 2. averse or unsure of their capacity to judge creative output (Bilby et al. 2023;  
 3. Hughes et al. 2018; Koslow et al. 2022). This variability in engagement levels  
 4. requires agencies to adapt their approach, balancing client involvement with  
 5. creative autonomy to produce optimal outcomes.

6. However, the dynamics of these relationships can also foster fewer desir-  
 7. able behaviours. Agencies too comfortable or overly familiar with a client may  
 8. engage in opportunistic behaviour, resulting in fewer creative outputs (Koslow  
 9. et al. 2022), or engage in clientelism where the agency will accommodate  
 10. the needs of the client rather than producing challenging or original crea-  
 11. tive work (Bilby et al. 2023). Such behaviour is often a response to perceived  
 12. client risk aversion, where agencies, instead of advocating for bold, innovative  
 13. campaigns, opt for safer, less creative approaches that are easier to justify to  
 14. hesitant clients (Bilby et al. 2023).

15. Moreover, the introduction of AI into these dynamics adds another layer of  
 16. complexity. AI's role in advertising – from generating content to optimizing ad  
 17. placements – can significantly alter workflows and expectations. While AI can  
 18. enhance the creative process by providing new tools and insights for content  
 19. creation, it also poses challenges in integrating these technologies within the  
 20. traditional dynamics of client–agency relationships. As AI continues to evolve  
 21. and become more integral to advertising processes, the relationship between  
 22. clients and agencies will likely need to adapt to ensure that this technology  
 23. enhances rather than complicates their collaborative efforts. Our aim with this  
 24. research is to document the findings of Aotearoa New Zealand-based adver-  
 25. tising agencies' responses to the place of AI in their interaction with clients, as  
 26. it was understood in 2022 when AI technologies were becoming increasingly  
 27. democratized and advertising agencies were exploring ways to integrate the  
 28. technology into their work practices.

## 30. **METHOD**

31. Our team reached out to advertising agencies in Auckland, New Zealand, for  
 32. their participation in our study. We opted for focus groups as our main tool  
 33. for gathering data due to their flexible, semi-structured format that incorpo-  
 34. rates open-ended questions, allowing for detailed follow-ups and enabling  
 35. participants to share their insights (Adams 2015). The agency participants  
 36. were shown a mocked-up advertising campaign using Dall-E2 (created by  
 37. the research team to mimic Volkswagen's 'small but ferocious' newspaper  
 38. campaign, see Pullen [n.d.] for the original campaign) and were asked to  
 39. reflect on what they felt worked and did not work according to their agency's  
 40. artistic and commercial standards. Furthermore, they were then asked a series  
 41. of industry-based questions on whether they were familiar with AI technolo-  
 42. gies, their likelihood and willingness to integrate such technology into their  
 43. organizational practices and the wider implications of AI on the advertising  
 44. industry.

45. Between November and December 2022, we conducted five focus groups,  
 46. each lasting around ninety minutes and including three to eight represen-  
 47. tatives of the respective agencies, which were large to small boutique firms.  
 48. The fifth focus group was made up of people from a mix of different advertis-  
 49. ing agencies to capture those who could not attend the other agency-based  
 50. focus groups. The participants' experience spanned from newcomers to expe-  
 51. rienced creative directors, encompassing roles such as art directors, designers,  
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copywriters, content creators, strategists and account executives. This diverse group came from backgrounds in both traditional media and those transitioning towards digital and social media platforms, providing a broad spectrum of views on AI's impact on their roles and the industry.

Upon completing the focus groups, we used thematic analysis on the gathered audio and written materials. This qualitative method is effective for distilling vast amounts of data into identifiable themes, encouraging researchers to detect, examine and interpret patterns within the data (Braun and Clarke 2006). We adhered to Braun and Clarke's six-step process for thematic analysis, which includes familiarizing oneself with the data, generating codes, searching for themes, reviewing themes, naming themes and compiling a report. Our initial step involved immersing ourselves in the data through a meticulous review of the transcripts and recordings, aiming for a deep understanding that would lead to the generation of codes. As a collaborative effort, we ensured the reliability of coding across the team and identified fifteen codes that captured both explicit and implicit meanings within the data (Braun and Clarke 2006), applying both inductive and deductive coding strategies to overcome the inherent challenges of relying on a single method (Byrne 2022).

For this research, we focus on the three themes that captured the thoughts of the advertising agencies on how their clients might respond to agencies integrating AI into their content creation processes. The three themes to follow, then, are 'AI and the Bottom Line', 'Clients as Risk-Averse' and 'Client Knowledge Gaps'.

## FINDINGS

The following findings recount the thoughts of advertising agencies on how their clients might respond to agencies using AI in their content creation with particular attention given to how AI in advertising might shape the interactions agencies have with their clients and perceptions clients might have of AI in the advertising process. To maintain anonymity, agencies are represented as Agency A, Agency B, Agency C, Agency D and Agency E.

### **Theme 1: 'AI and the Bottom Line'**

The first theme, 'AI and the Bottom Line', captured all the comments made by agency personnel about how the integration of AI into the creative process would shape the work expectations of clients. Focus was placed on how agencies believed clients would expect more for less or more problematically, would cut agencies out of the process altogether as clients became proficient in their use of AI technologies. Discussing the potential shift in client expectations, a member of Agency B was quick to point out that 'a "client" would be like well you can just bash it out in like an hour so why would I pay you that many hours'. Similarly, at Agency C, creatives felt that clients would be unwilling to, as one creative remarked, 'spend you know \$50,000 to do a shoot' because they would feel the raw mocked-up work produced by the AI would be sufficient.

Lamenting the current situation in their agency, a creative from Agency B pointed out, 'our clients want things faster and faster than ever and they want things for no money'. Here, the concern was that there would likely be lower standards perpetuated in the creative work produced and that more work would be expected but within tighter constraints. For example, at Agency E, a creative remarked 'They [clients] can come in here and look this up and be like, perfect. Let's post it. Yeah. There's definitely an element of like a quick

1. win when you want quickness and you want a bit of creativity', signalling  
 2. the expectation that the level of creativity would be forfeit to a desire to get  
 3. advertisements into the marketplace. The threat to aesthetic standards was  
 4. particularly concerning as the agencies felt that the work created by AI would  
 5. diminish the credibility of the discipline, undermining their craftsmanship.  
 6. Given that the advertising industry is known for its tight budgets and dead-  
 7. lines (Goor et al. 2022), but equally for its privileging of award-winning work,  
 8. it was not surprising that such conclusions about how clients would respond  
 9. to AI's potential for cheaper and faster labour was apparent. The concerns  
 10. around aesthetics further emphasize that advertising personnel view awards  
 11. and human creativity as markers of quality and success (Meléndez-Rodríguez  
 12. and Roca 2023) and that AI could threaten such artistic integrity in favour of  
 13. client cost-cutting.

14. Furthermore, the personnel at Agency A were perturbed by the possibility  
 15. that AI could lead to clients opting not to use them on future briefs. As an art  
 16. director stated: 'They would cut us out though [replace advertising agencies  
 17. with AI]. If they think we got a collaborator [in Dall-E2 technology], right,  
 18. which they see us, arguably, collaborating with, I think we would be cut out'  
 19. and replaced by the technology. The response captured here is aligned with  
 20. how people believe they will be usurped by AI (Coffin 2022; Eglash et al. 2020;  
 21. Jiménez and Ouariachi 2021). Yet, while Agency A was worried about losing  
 22. clients, Agencies B and C felt that the use of AI technologies would be more  
 23. inclined to be incorporated by smaller, boutique clients that could not afford  
 24. the agency fees in the first place. As a creative at Agency C stated, 'If a client  
 25. has a really low budget, then this might be a suitable way rather than paying  
 26. somebody'. Agencies B and C were confident that larger, more established  
 27. brands with high reputational needs would still look to use agency talent to  
 28. craft advertising content that would penetrate the competitive marketplace.  
 29. For example, an art director at Agency B stated, 'I could see some clients using  
 30. something like this. But I guess for some of these bigger companies like say,  
 31. VW, they would still probably want to go through a bit of a process through an  
 32. agency'. For these agencies, the issue was getting clients to see the value of AI  
 33. in their work practices.

### 34. **Theme 2: 'Client as Risk-Averse'**

35. The second theme, clients as risk-averse, was comprised of all the comments  
 36. made by the agencies around the reluctance of clients to willingly accept the  
 37. role AI could have in the advertising creation process. The agencies tended  
 38. to agree that the use of AI would be worthwhile in advertisement creation  
 39. because it would mean they could present more creative work to their clients.  
 40. As a creative director at Agency C remarked: 'I thought we'd be always more  
 41. inclined to adopt this [Dall-E2] because if this helps us be creative, we're  
 42. going to want to use it', but they were quick to point out that not all of their  
 43. clients understood the technology nor were they likely to want to take risks  
 44. by using AI. As they continued, they described clients as being 'stuck in their  
 45. ways where they might want someone to go out and shoot it or wants some-  
 46. one to be across it. As opposed to being like, this makes me better. This is  
 47. creative. I'd like this'. The position of the participant here tends to mirror the  
 48. thoughts of researchers who have found that risk-averse clients will likely  
 49. prevent agencies from trialling new approaches and innovative ideas (Bilby et  
 50. al. 2023; Hughes et al. 2018; Koslow et al. 2022).  
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At Agency E, a similar perspective was held about whether their clients would be open to the use of AI. As a creative put it:

there's some clients that are really up-stream, with the tech but some clients you'd have to spend months explaining, like what AI is [...] So there's just some clients that are just never gonna let this happen. But there are some that might.

Regardless of how much this person wanted to use AI technology, they were conscious that it was not only their decision and that they would need to get clients on board before they were able to integrate the technology fully into their creative practice.

Others felt that clients would also be concerned about the legalities of using AI-generated creative. As a person at Agency D put it, 'I guess the confusion around like commercial use and that sort of thing. That's going to be the next tricky sort of legal thing for them to figure out', suggesting that the ambiguities attached to AI might dissuade both agencies and clients from embracing the technology beyond the initial ideation stage of the advertising process. The perception that the AI would be accompanied by trappings if it was used for final the creative was a point shared by the other agencies interviewed and aligns with those writing on the copyright and ethical concerns AI users have around using AI-generated content (Chaisatitkul et al. 2024; Chesterman 2024). The fact that AI software companies have encountered legal challenges for breaching copyright with the use of training data by the likes of Getty Images (Peres et al. 2023), perhaps justifies the apprehension observed here by Agency D.

Finally, those clients that agencies had discussed AI integration with sometimes did not see the value of AI at all. At Agency C where they had trialled using Dall-E, the creatives had developed an online campaign for their client, but upon showing the client what the AI had achieved, the client was quick to dismiss the work as a 'kind of funny, gimmicky thing. He didn't take it seriously'. The suggestion here is that some clients had certain standards that they wanted to be upheld and believed that AI was not likely to achieve these standards in the near future.

**Theme 3: 'Client's Knowledge Gaps'**

The final theme, client's knowledge gaps, included all the comments made by agencies relating to their client's levels of sophistication when it came to judging creativity as well as mentions of where agencies felt they could not cut corners or would need client support to do so because of how educated AI could make their clients about the creative process. Amongst the agencies, it was felt that some clients did not understand what constituted creativity, so they would be open to the derivative content produced by AI technologies. For example, at Agency E it was felt that some of their clients would prefer the 'quickness' of the technology over its 'creativity' because to jump on trends was deemed more important than how exactly the client and agency could respond to the trend creatively. At Agency C, they developed a digital campaign for a client using AI and the immediate response was 'What is this?' Although Agency C felt what they had developed was on brief and creatively pushing the boundaries, the client just could not understand the appeal of AI nor did they find the work particularly revolutionary, demonstrating the

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1. potential disjoin in attitudes between agencies keen to use AI and clients just  
 2. unable to understand its creative potential. The perspectives raised by these  
 3. agencies marries with the work of Bilby et al. (2023), Hughes et al. (2018) and  
 4. Koslow et al. (2022) who have variously highlighted that clients are not always  
 5. equipped to accurately judge creative work and, therefore, will be inclined  
 6. towards standardized advertisements, rather than, for example, AI-generated  
 7. content that pushes the boundaries of usual advertising content.

8. Notable amongst the agencies was the potential of AI to educate their  
 9. clients on how easy the creative process could be with the use of new tech-  
 10. nologies. As a member of Agency B put it,

11. something I think will happen is it'll be a sweet spot for a while where  
 12. we're saving of that time, but clients are still paying. And so we're  
 13. making more profit [...] But very soon the clients will catch up and  
 14. they'll be like, I'm only paying you 2 bucks for the output for spending  
 15. two minutes.

16.  
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 18. As a person at Agency D puts it,

19. There's always a bit more of a grey area. When you're telling a client  
 20. how long something takes. If it's like in your agency, even if you know  
 21. it's not gonna take a week you can say it's a week because they've never  
 22. done it. But if they've done this, you can't lie to them.

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 25. The perception offered here indicates that for a short time, agencies would be  
 26. able to exploit the technology while still making a profit but as AI is increas-  
 27. ingly democratized, clients would quickly find that agencies were acting  
 28. opportunistically and that would create tension and conflict in terms of  
 29. demands.

30. If an agency wanted to use AI to achieve results, they would now need  
 31. to be open and honest with their clients to get buy-in. At Agency D, they felt  
 32. that AI would make creating concepts and images that do not exist easier, but  
 33. that they would regularly need to check in with clients to ensure they were  
 34. 'okay with it'. In most cases, agencies felt that clients would not mind if there  
 35. was some AI used. At Agency E, for example, they pointed out that when they  
 36. completed a photoshoot at the client's location, they did not end up having  
 37. enough copy space. They determined that their client was 'not really going to  
 38. care that four of those shelves were just generated by computer' but they were  
 39. sure to get approval all the same. Given that agency-client relationships are  
 40. reliant on trust, the move to using AI was going to require greater communi-  
 41. cation to ensure trust was maintained.

## 42. CONCLUSIONS

43. We set out to discern the views of Aotearoa New Zealand-based advertising  
 44. agencies on what met or fell short of their agency's artistic and commercial  
 45. benchmarks when it came to AI-produced advertising campaigns, followed  
 46. by inquiries about their awareness and readiness to adopt within their work-  
 47. flows, alongside considerations on its broader impact on the advertising  
 48. sector. It was found that clients may expect more deliverables in shorter time-  
 49. frames and at lower costs, potentially undermining the value placed on crea-  
 50. tive labour and aesthetic standards. Some clients might be hesitant to adopt  
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AI-driven creative solutions, either due to a lack of understanding, concerns about legalities or scepticism towards AI's creative potential. Finally, there is a disparity in clients' understanding of what constitutes creativity and the value of AI, which could lead to misalignments in expectations and appreciation of AI-generated content.

The focus groups revealed, then, that, much like Campbell et al. (2022), Coffin (2022) and Gao et al. (2023), who have documented the implications of AI on the advertising industry, agencies were both enthusiastic and apprehensive about the use of AI in their creative processes. Job losses, threats to creative integrity, risk-averse clients and opportunistic behaviours were noted throughout the focus groups, supporting the positions of Bilby et al. (2023), Hughes et al. (2018) and Koslow et al. (2022), who feel that discrepancies in the relationships between clients and agencies could adversely affect the creative content produced, with clients preventing agencies from using AI without expressed permission or even at all. To get clients on board with using AI technologies in creative content production, agencies will need to move beyond what Turnball and Wheeler (2017) consider the closed approach, and instead will need to include clients in all aspects of the creative process. Such co-creation may prove fruitful in ensuring content is generated quickly and meets the novel and strategic goals of clients and agencies, but as was signalled in the focus group findings, agencies may be required to educate clients on new aesthetic standards that accompany AI and could mean also breaking down barriers when it comes to the expectations of clients.

Moving towards incorporating AI technology into creative production will also require agencies to find ways to avoid being usurped by the new technology, or at the very least, they need to consider how to get ahead of the new working pressures that AI will herald (Campbell et al. 2022; Coffin 2022), to ensure they are not exploited by the changing work practices or no longer valuable to clients. To this end, future research should consider more deeply the collaboration potential of AI and human creatives and how advertising agencies can find competitive advantage amid these evolving technologies so they remain an asset to clients, especially as the latter will be able to access AI technologies and could begin to use it themselves for branding and communication exercises. The role of AI and advertising creativity is going to impact on advertising processes and people. Therefore, 'while automation augments and optimizes advertising functions, investigating creativity is crucial for further developing AI advertising practices' (Ford et al. 2023: 11424) and for ensuring agencies maintain a foothold in their industry.

Our research has demonstrated how Aotearoa New Zealand-based advertising agencies are reflecting on the place AI has over advertisement creation and client relationships. However, there is scope to explore how agencies globally are reacting to the changes and given the propensity for the technology to change rapidly, even revisiting the views of these agencies in the not-too-distant future may yield new and valuable insights into the impact of AI on the agency-client dynamic. Future research would more accurately be able to account for how the relationships have or have not evolved once AI technologies are more commonplace in agency processes. What has become clear, and what future research can also help to explain is that, while AI has the potential to significantly benefit the advertising industry by enhancing creativity and efficiency, it also poses challenges that need to be carefully managed. The successful integration of AI into advertising practices requires a nuanced

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1. understanding of its implications for agency–client relationships, creative
2. processes and the broader industry dynamics.

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