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CMO TODAY

All-Al Ad From Toys 'R' Us Inspires Debate Over the Future of Marketing

The toy brand's new ad, created almost entirely with OpenAl's Sora tool, prompted heated reactions and predictions of more to come

By Patrick Coffee Follow

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Toys "R" Us has released a video ad, one of the first from a major brand that was created almost entirely by generative artificial intelligence.

The minute-long video depicts Toys "R" Us's late founder, Charles Lazarus, as a child who dreams of a toy store and Geoffrey the Giraffe, the store's brand mascot. Toys "R" Us said it was made using Sora, an OpenAI tool that converts text to video and that hasn't yet been released to the public.

"The Origin of Toys 'R' Us" generated a range of responses, with creative professionals describing the work on LinkedIn and X as "brilliant" and "exciting" or, alternatively, as an "abysmal insult" that "should terrify you."

Kim Miller Olko, chief marketing officer at Toys "R" Us and president of its Toys "R" Us Studios production division, described making the ad as an opportunity to experiment with cutting-edge technology.

"The train left the station, and we just decided to be the first ones on it," she said.

The strong reactions to the work have been driven in large part by fears about AI's potential to undermine quality and employment in the marketing industry, according to Chris Beresford-Hill, global chief creative officer at agency BBDO.

"The world is full of ads like this, and I think they're not very good," said Beresford-Hill. "This ad would never be discussed by anyone were it not for the AI."

Making "the Origin of Toys 'R' Us" took more than simply pushing a button on an AI system, said Nik Kleverov, chief creative officer at Native Foreign, the ad agency and production company that partnered with Toys "R" Us on the ad.

Approximately 20 people from Kleverov's team, including designers, art directors and animators, collaborated with Miller Olko and another Toys "R" Us marketing executive on the project.

They generated each shot or frame by giving Sora several paragraphs of instructions, according to Kleverov. The text-to-video tool frequently misunderstood the writers' intentions, sometimes requiring hundreds of revisions to the text, he said.

One particular challenge involved telling the AI tool what motivated the characters to behave the way they did in the video, which was important to achieve the right facial expressions and movements, Kleverov said.

Sora completed 80% to 85% of the work before the agency went in to make slight corrections to the imagery, similar to how postproduction teams tweak colors or remove smudges after standard ad shoots, according to Kleverov.

The final product contains numerous imperfections. The ad's virtual star doesn't look like the same child in every shot, for example, a fact that online critics have highlighted.

But focusing on that sort of minutiae is misguided, said Mark D'Arcy, former chief creative officer and vice president of global business marketing at Facebook, now known as Meta Platforms. Toys "R" Us was "brave" to release the ad, he said.

"I would say it's breathtakingly mediocre and that it's breathtaking in the way it was created, and it's as good as most advertising that is made this week in the world," said D'Arcy. "To condemn the first people to pick up the ball and throw it, I think, is just unbelievably shortsighted."

Within the next six to 12 months, more brands will begin releasing ads produced primarily by AI, and a version of the Toys "R" Us ad with a funny or more emotionally satisfying resolution would be no worse than many Super Bowl ads, D'Arcy said. AI will eventually allow neighborhood bookstores or toy shops to produce ads of similar quality, he said.

The ad required less budget, time and manpower than it would have without AI, delivering on one of the technology's main selling points, said Miller Olko, the Toys "R" Us marketing chief.

Its production also hints at a brewing challenge for agencies that traditionally bill clients by the hour and number of people who work on a given project.

"We are still trying to figure out how to charge for this because, you know, it's not the typical production pipeline," said Kleverov.

Toys "R" Us and Native Foreign agreed upon a set fee for this particular project when it began, according to Miller Olko, who declined to disclose its size.

AI debates aside, the ad's purpose is to reintroduce Charles Lazarus and Geoffrey the Giraffe and to remind consumers that though Toys "R" Us has only two stand-alone stores in the U.S., the brand now has a presence in every Macy's store, said Miller Olko.

The company plans to begin running the ad on various streaming platforms soon and is considering it for broadcast TV ahead of this year's holiday season, Miller Olko said.

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