Meta AI could become a powerful ad vehicle

Article

The news: **Meta** is updating its AI-powered assistant to personalize answers based on user data and shared information from **Facebook** and **Instagram**, the company announced this week.

Additionally, users can create "memories" that **Meta AI** will reference in future prompts. In one example, Meta showed a user telling the chatbot of their vegan diet, which influenced its response to a later request for breakfast recipes.

Zooming out: Tech firms are racing in 2025 to release personalized AI agents that offer efficiencies to consumers and corporate clients. For social media companies like Meta, a personalized chatbot that accesses user data could also become a powerful vehicle for ads.

- Advertisements are already cropping up in several other generative AI products like AI search, and **OpenAI** has floated integrating ads into **ChatGPT** responses. As AI firms look for ways to monetize the costly technology, advertising seems inevitable.

- Meta AI's memories feature could make the chatbot a valuable tool that keeps complex consumer preferences in mind to target advertisements. Meta's example of vegan breakfast recipes is just one example of how precise the chatbot's responses can get, offering brands an opportunity to reach highly specific consumer segments.

- Regulatory crackdowns in Europe and elsewhere make it more difficult for Meta and other digital platforms to use personal data for advertising, which means self-disclosed information could be a valuable resource for contextual ad targeting.

Our take: Meta's product releases in recent years show that few aspects of its social media empire will be free from advertising. Upgrades to Meta AI could help the company increase the diminishing time spent on Facebook while also giving it another lucrative method for delivering ads, killing two birds with one stone.

Factors That Would Make US Gen Z vs. Millennial Adults Pay More Attention to an AI-Generated Ad, Oct 2024

% of respondents

	Gen Z (ages 16-27)	Millennials (ages 28-43)	Total (ages 16-43)
High-quality visuals or graphics	50%	45%	48%
Funny content	38%	40%	39%
Personalization based on my interests	37%	29%	33%
Clear disclosure that AI was used to create it	29%	32%	31%
Interactive elements within the ad units	25%	22%	23%
Celebrity or influencer endorsement	17%	12%	15%

Source: Interactive Advertising Bureau (IAB) and Sonata Insights, "The AI Ad Gap: Why Young Consumers Aren't Yet Buying Into Gen AI Ads," Dec 9, 2024

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