Meta is expanding access to AI-generated creative tools—and removing disclosures

Article

The news: Meta is rolling out generative AI tools more broadly to advertisers over the next few months, the company announced this week. Advertisers can now use **Meta AI** prompts to

generate text, messages, and visuals for ad campaigns.

- Generative AI tools will have a degree of personalization: Advertisers will be able to upload photos of products they want visuals to reflect, and Meta said generative AI text prompts will use previous inputs and ads to deliver results that reflect a brand's tone.

- AI tools will be free for advertisers, but political advertisers will be barred from using them.

Expanding genAI: Meta has made generative AI a focus of its advertising business, opening up access to cheap and powerful ad copy for brands of all sizes. It's only going to become a bigger focus from here: In the company's most recent earnings report, it said it would increase its spending, including on AI.

- Meta debuted even more generative AI tools at its NewFronts presentation last week. Those tools are centered on recommending creators and influencers that best align with a brand or product's advertising goals on **Facebook**, **Instagram**, and **Reels**.

- Other existing AI advertising products from Meta include the ability to reformat ads across Meta's ecosystem of social platforms.

All about perception: In a notable shift, Meta is removing the "made with AI" watermark from advertisements that it places on AI-generated images shared by users. The change reveals a fundamental conflict between brands and platforms' desire to develop AI and consumer sentiment surrounding the technology.

- AI is a controversial technology, to say the least. Consumer sentiment around the tech is generally low, whistleblowers have criticized AI efforts of companies like **Microsoft**, and widespread access to genAI has led to an increase in misinformation and harmful content that platforms are struggling to reign in.

- Consumers say they want brands to disclose when they use AI, but Meta's change reflects a desire from platforms and brands to hide its usage in the hopes of reaping its low-cost benefits without damaging brand perception—a change we predicted earlier this year.

Our take: AI poses a significant ethical question for brands, but there are more incentives to conceal its usage than to be transparent. Though consumers broadly say they want disclosures, only 25% notice when AI usage is disclosed, per a Yahoo survey.

- That means Meta's change is likely to go unnoticed by consumers. In return,cheap, easy access to AI will help Meta regain favor with advertisers who have recently expressed frustration with the company's lack of transparency around ad metrics and viewership numbers.

Extent to Which US Consumers Trust AI, Aug 2023
% of respondents

Completely	6%
Mostly	14%
Somewhat	47%
Not at all	33%

Note: ages 18+ who shop for groceries
Source: dunnhumby, "Consumer Trends Tracker: What Grocery Shoppers Want Most From AI," Nov 2, 2023

284030   Insider Intelligence | eMarketer