

Meta's AI Boosts Ads, Lifting Revenue to \$46.6B

The numbers

\$46.6 billion: Meta's ad revenue, up 21% YoY. Overall revenue was \$47.5 billion.

+9%: Increase in average price per ad, thanks to stronger ad performance.

2 million: Number of advertisers that used Meta's generative AI-powered creative tools.

The water cooler talk

AI investments paid off for Meta's ad business this quarter. "On advertising, the strong performance this quarter is largely thanks to AI unlocking greater efficiency and gains across our ad system," said CEO Mark Zuckerberg.

The tech giant is using AI to determine which ads to show people in more places across the Meta ecosystem. And it's also harnessing more behavioral signals picked up over a longer period of time. As a result, Zuckerberg said, AI has driven 5% more conversions on Instagram, and 3% more on core Facebook.

Meta's Advantage+, which uses AI to determine the best place for ads across Meta's portfolio of apps, is also "seeing strong momentum," said CFO Susan Li. Meta is shoving Advantage+ into a wider variety of ad campaigns. For instance, Li said Advantage+ is now being activated "at the beginning" for campaigns that drive sales conversions and app downloads, improving their performance. She added that "in the coming

months,” Meta will push Advantage+ into campaigns designed to generate leads.

And improved performance means Meta can charge more for ads, with the average price per ad jumping 9%.

Zuckerberg’s goal to have AI develop ad creative also seems to be coming true, as almost 2 million advertisers use Meta’s generative AI features to build creative assets, including video, animations, and text.

Key quotes

Ads on WhatsApp will continue their rollout, slowly but surely – just keep expectations modest.

“We expect the introduction of ads in Status will be gradual over the course of this year and next, with low levels of expected ad supply initially,” Li said, referring to advertisements in WhatsApp’s Status feed. “We also expect WhatsApp ads in Status to earn a lower average price than Facebook or Instagram ads for the foreseeable future, due in part to WhatsApp’s skew toward lower monetizing markets, and more limited information that can be used for targeting. Given this, we do not expect ads in Status to be a meaningful contributor to total impressions or revenue growth for the next few years.”

Recommended videos

<https://www.adweek.com/media/metaspai-boosts-ads-lifting-revenue-to-466b/>