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## **Executive summary**

- The technology behind artificial intelligence (AI) has advanced rapidly in recent years, with developments in generative AI gaining mainstream visibility through products such as ChatGPT. AI tools are increasingly being adopted across a wide range of industries.
- We have employed our Active Ad Monitoring system, which proactively monitors over 3 million ads each month, to explore how the term "AI" is being used in advertising, and the implications for advertising regulation.
- Use of the term AI is now widespread within UK advertising, we identified around 16k unique relevant ads between July and September 2024.
- Many established consumer products are now being advertised as having "AI" features, especially computers and mobile phones, but also home appliances such as TVs and kitchen appliances.
- When making claims about AI features, advertisers are advised to remember not to mislead consumers, or imply capabilities that don't exist.
- There are also new classes of "Al-native" product entering the market, especially apps and wearable devices that make use of recent advances in generative Al.
- As well as ensuring any claims do not mislead, advertisers of these novel products should ensure their advertising remains responsible, and complies with any applicable statutory requirements.
- We will continue to monitor how use of term "Al" evolves in the next 6-12 months and may issue further guidance and/or take other actions if proportionate.

## Overview and methodology

Artificial Intelligence (AI) is a rapidly developing field, both in terms of the underlying technologies, and their application within consumer-facing products. Increasingly products are being described as having or using AI as part of their proposition. This report explores the way in which "AI" is being used as a marketing term within advertising. It also connects these trends to relevant CAP guidance, highlighting areas where marketers should take additional care.

The ASA is committed to proactively monitoring online advertising to spot problems and act quickly where needed. This report makes use of the ASA's Active Ad Monitoring system, which collects and processes over 3 million ads each month from a range of online channels. This system makes use of AI itself to filter and identify relevant content, providing the ASA with high-quality quantitative intelligence about the state of online advertising across a range of high-priority sectors.

For this report we used the Active Ad Monitoring system to collect 16k unique paid ads relating to Al. The ads were collected during July to September 2024, across a range of online channels including social media, search and web/mobile display. This set of ads was analysed to produce the findings below.

## **High-level findings**

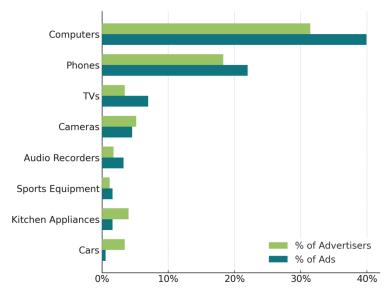
We found that overall the use of AI as a marketing term has become widespread across a wide range of sectors. This is perhaps best illustrated by the fact that we identified 16k unique relevant ads across a three-month period. To illustrate the range in more detail we attempted to categorise the ads to understand which types of products or service were most frequently using the term.

We found that ads fall roughly into one of three categories. The largest group, 68% of the ads, related to business to business (B2B) products and services with AI features, examples include accountancy software and cybersecurity vendors. A further 9% related to established consumer products, such as personal tech, cameras and home appliances, which have also added AI features. However, there were also many examples of ads for new "AI-native" products such as chatbots, photo editing tools and tutors amongst many others, making up 13% of the ads. A further 10% were either hard to classify or otherwise miscellaneous.

Each of these three categories has unique considerations and is described in more detail below.

### **Established consumer products**

Our research found many examples of established classes of consumer product being advertised with AI features. We identified 1.5k ads by 175 advertisers, and broke these down further to understand the types of products being promoted. The largest groups of ads related to personal tech, such as computers and mobile phones. Other products advertised with AI functionality included TVs, cameras, audio recorders and kitchen appliances, as shown in the figure below.



**Figure** – Categories within the 1.5k Al-related ads for established consumer products identified by the Active Ad Monitoring system

The type of Al-related statements made in relation to these products varies, in the majority of cases they are general, simply describing products as having or being "Al", without specifying why that might affect a consumer's decision. In other cases, the ads make specific statements that Al enables additional functionality or greater performance within the

product. Further analysis found that around 70% of the claims were of the first more general type, with ads using language such as:

- "Al laptops"
- "Al phone"
- "Start your Al journey today"
- "Al-powered"

The other 30% made the second type of more specific statement, for example:

- "Translate calls live with ... AI"
- "Al-powered visual guidance and gesture operation"
- "Al dynamic tone mapping"
- "Get powerful Al performance ... with this PC"

#### **CAP** advice for established consumer products

When making claims that a product has or uses Al it's important not to mislead consumers. For example, advertisers should not:

- Falsely claim that a product uses Al or has Al features, if it doesn't.
- Exaggerate what any Al products or features can actually do.
- Claim that an AI product does something better than a non-AI product, unless they have good evidence to support this.

For more detailed advice please read our guidance here.

## **Al-native products**

Within our data we found many examples of "Al-native" products, where recent advances in Al have enabled the creation of a new type of product. Within our data there were 2.1k ads by 225 advertisers of this type. Frequently these involve generative Al and offer chat-based interfaces or the ability to create images on demand. We identified a mix of online services, mobile apps, software tools and consumer hardware devices. Examples of the wide range of products advertised include:

- Al image generators and editors
- A wide range of chat products, including both general assistants, and apps that offer companionship or romance elements
- Al language tutor apps
- Other learning and homework aids, including AI study assistants or tutors
- Al-based personal trainer apps and fitness coaches
- Al music generators
- Al tattoo designers
- Al interior design tools
- Wearable devices that transcribe your conversations

Given AI is more central to the proposition of these products, advertising in this category tends to include more specific statements about how AI is used, for example:

"Ask Al anything you like"

- "Let ... Al help you get your best thinking on paper"
- "Create your own art with AI!"
- "Instead of getting a personal trainer I started using AI"
- "Your personal Al-powered friend"
- "Speak like an English native in 30 days ... get your own Al English tutor"
- "Before you get a tattoo try it on first with AI"

#### **CAP** advice for Al-native products

Advertisers should make sure their claims do not mislead consumers, particularly about what the product is capable of. For more detailed advice please read our guidance <a href="https://example.com/here/">here</a>.

In addition, advertisers of Al-native products should ensure that their ads are socially responsible and that the products they promote are legal and compliant with any applicable statutory requirements. For more advice see our <u>wide range of guidance</u>, or contact CAP's <u>Copy Advice team</u> for bespoke advice.

### **B2B** advertising

Our research also found that a growing range of ads for B2B products and services make use of the term AI. The 10.9k ads by 1.8k advertisers included the following types of vendors:

- CRM software
- Accounting software
- Social media tools
- Search software
- General office productivity tools
- Cybersecurity software
- Tools for developers working with Al
- Content creation tools for video games
- Video production and editing tools
- Business banking services

#### Examples of Al-related copy included:

- "The Best Al Accounting Solution"
- "Power your business with built-in AI marketing tools"
- "The predictive power to stop adversarial AI attacks in real time"
- "Increase Productivity with AI Time Tracking"
- "Customer experience with AI built for humans"
- "Reduce your AI cloud costs"

#### CAP advice for B2B advertising

The CAP Code applies to B2B advertising, and so advertisers should ensure that their ads are responsible, and their use of "AI" as a marketing term does not mislead the audience materially about the product or service. For more detailed advice please read our guidance <a href="https://example.com/here">here</a>.

### **Conclusions**

The term "AI" is increasingly being used to promote a diverse range of products and services. It's important that advertisers remember that any claims they make about AI should not mislead consumers, and that their ads remain generally responsible. This is a topic within advertising that is evolving rapidly, and the ASA will be continuing to monitor proactively with our Active Ad Monitoring system, as well as reviewing other intelligence such as any complaints we receive.

# **Contact us**

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