



Limitless: The future of Personalized AI-powered sports Ads

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Introduction: AI Advertising and Its effects on Audience Engagement: Personalization, Emotion, and Retention.

Last semester, I was assigned a project that had me apply Generative AI to make a sports ad. We had to use SAM2 (Segment Anything Model 2) and use ChatGPT image generation to edit a frame from a video to create the ad. First, recorded a video of myself running, then extracted a frame from the video of me running, and used SAM2 to separate me running from the background of the video. Next, we used ChatGPT image generation to alter and edit the image multiple times until we got the desired ad. We later conducted industry research that shows a growing gap between companies adopting AI and those lagging (IAB, 2025)

AI-driven ads aim to improve:

- Audience retention
- Emotional engagement
- Conversion rates

However, challenges remain:

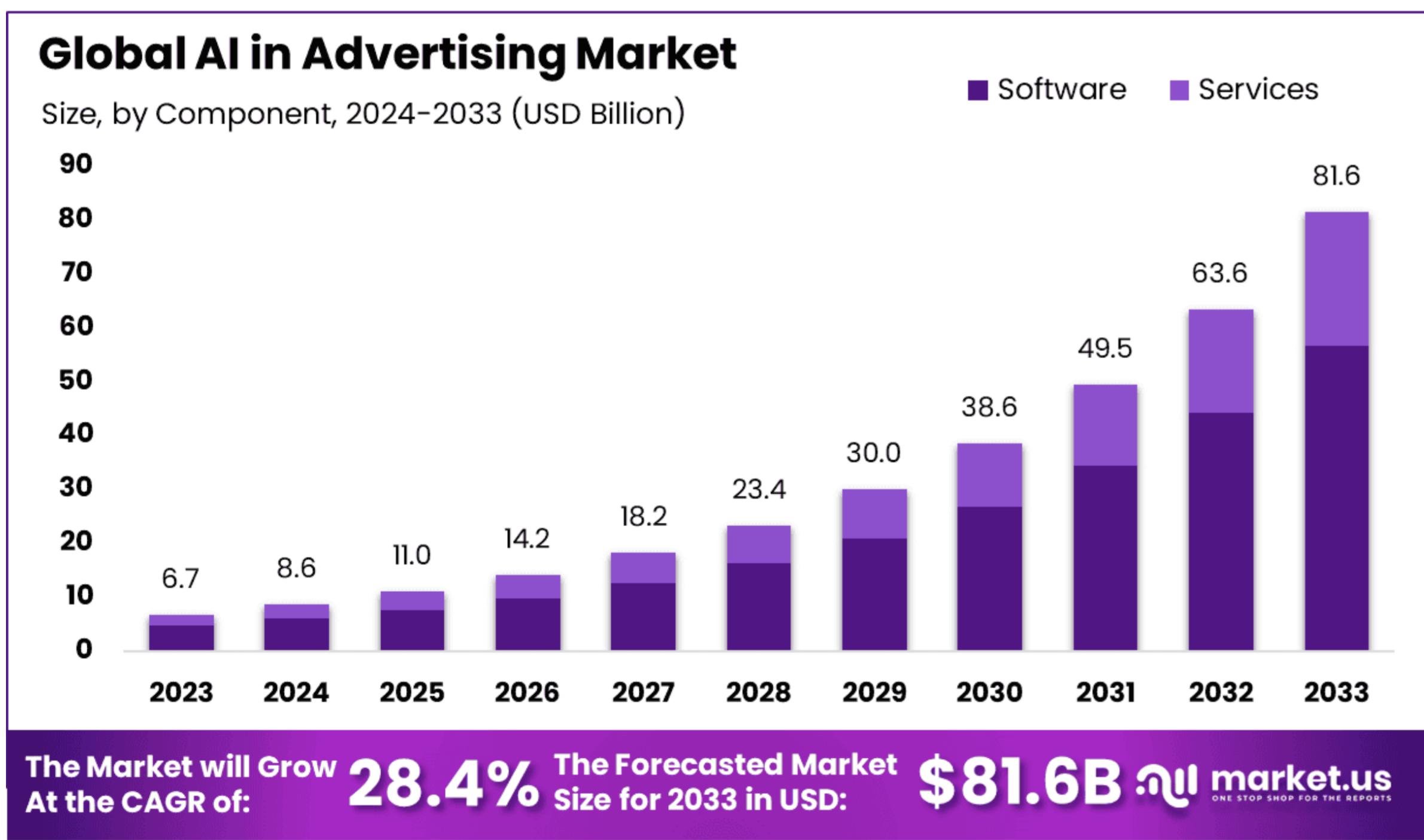
- Trust
- Authenticity
- User perception of AI-generated content

This project explores how audiences react to AI-generated ads and personalized advertising

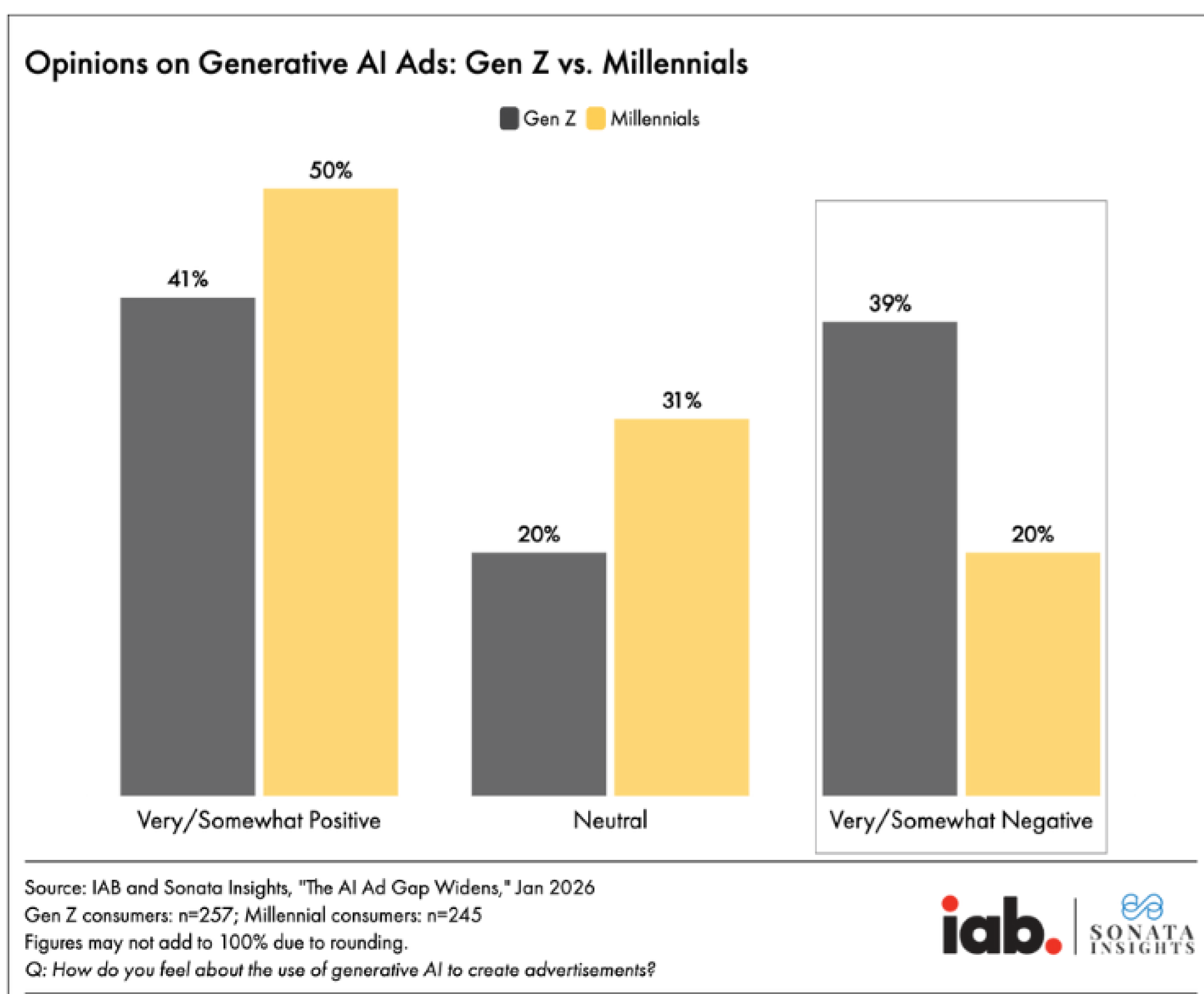
The process of creating an AI-generated ad



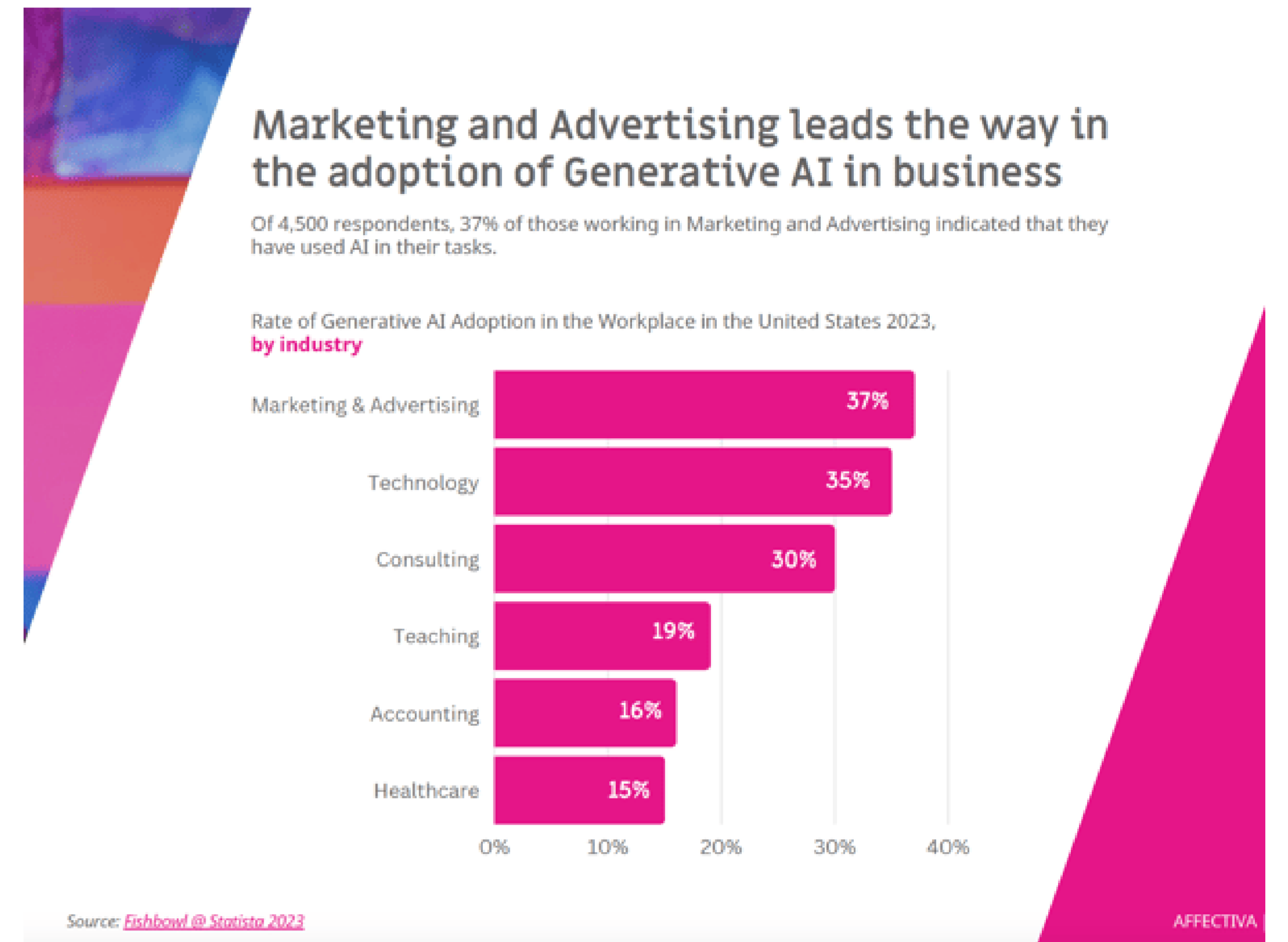
The growth of AI advertising



Reception to Generative AI



Marketing and advertising leads the way with the adoption of Generative AI



DATA INSIGHTS

Market Growth & Adoption

- AI ad market: \$6.7B → \$81.6B (28.4% CAGR)
- 37% of marketers use AI → driving growth

Industry Leadership

- Marketing leads AI use (37%) > Tech (35%), Consulting (30%)
- AI is becoming standard in advertising

Audience Sentiment

- Millennials: 50% positive / 20% negative
- Gen Z: 41% positive / 39% negative
- Growth ≠ full user trust

Generational Divide

- Gen Z shows higher skepticism
- Millennials more accepting of AI ads
- Authenticity matters

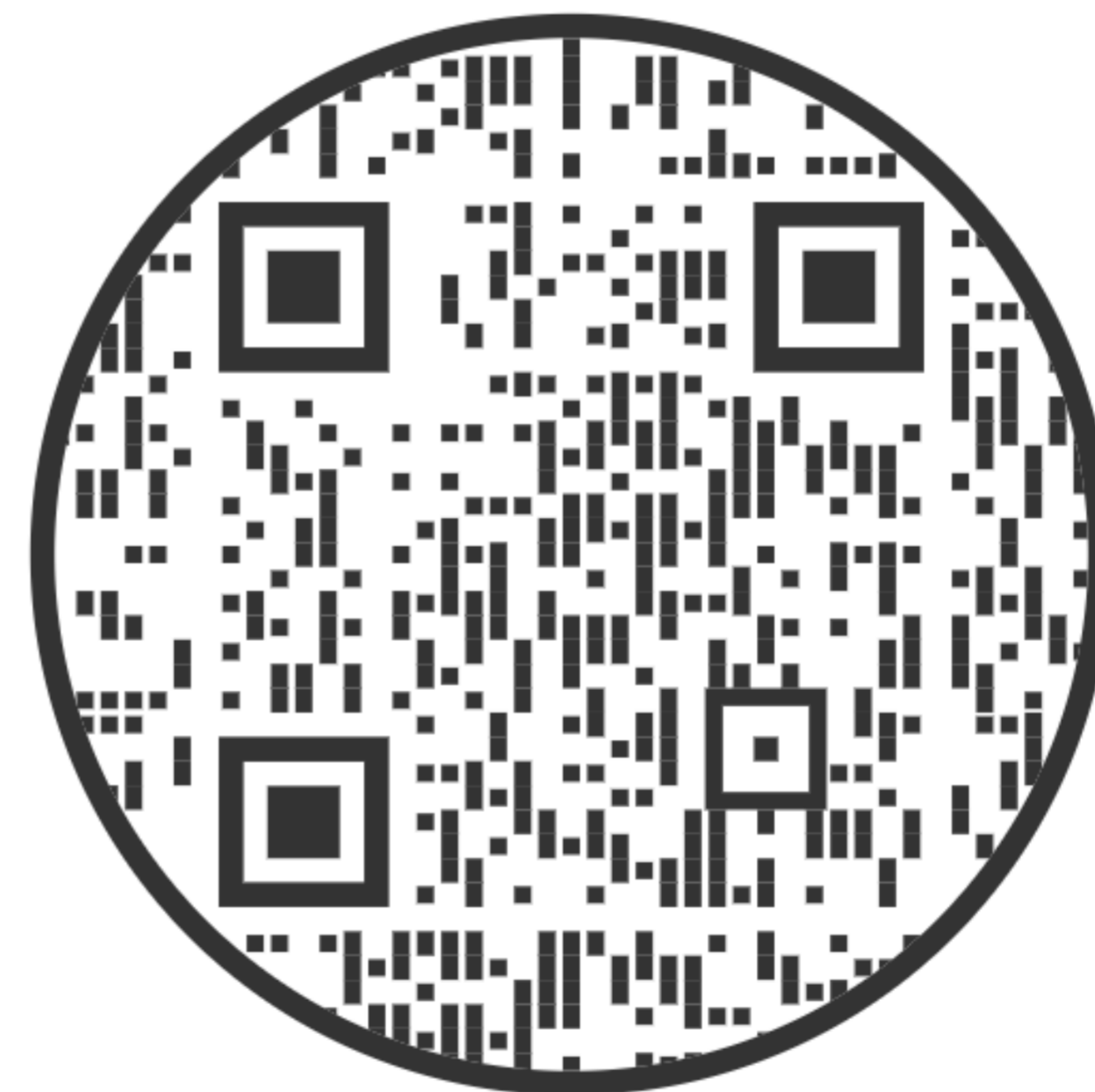
Personalization Tradeoff

- Pros: relevance, engagement, retention
- Cons: privacy, ad fatigue, low authenticity

Key Insight

- AI ads are growing + widely used, but cautiously trusted
- Success = balance personalization with trust

A video example of the potential use of Generative AI in sports Advertisements



Conclusion & Future Implications

AI is reshaping advertising by making it more personalized, data-driven, and scalable

Audience retention improves when ads are:

- Relevant
- Emotionally engaging

However, trust and authenticity remain critical challenges

The future of advertising depends on balancing:

- Automation
- Human creativity

Companies that effectively adopt AI will gain a competitive edge, while others will become obsolete

Ethical use of AI will be essential in maintaining consumer trust and long-term engagement