ChatGPT's ads don't pay. Fixing them could cost ChatGPT its users.

Maximilian Kaiser (WU Vienna) & **Christian Schulze** (Frankfurt School of Finance & Management) · *Can Advertising Fund Free AI? Evidence from ChatGPT's International Advertising Rollout* · Working paper, under review

What happened on 1,898 online shops when ChatGPT switched on ads, country by country, with the ad-free EU as the control group. The question: can ChatGPT's current approach to advertising finance free AI and make ChatGPT a viable Google competitor?

$0.26	6×+	$40 vs $1	6–8%
what a ChatGPT ad click is worth to advertisers; they pay $1.72	better value for money with Google search ads	ad revenue per free user: OpenAI's 2030 projection vs today	fewer visitors sent to shops after the ads launched

01 **Today's ads sit below the answer, clearly separated from it.**
Since February 2026, Free and Go users see a labelled "Sponsored" card below ChatGPT's own buying advice.

02 **The ads underperform every major channel.**
Visitors from ChatGPT ads do worse than visitors from Google ads, Google search, direct traffic and even ChatGPT's unpaid recommendations. In US traffic, a paid ChatGPT visit generated $0.89 in revenue, against $2.45 for a paid Google search visit.

03 **For advertisers, the value for money is more than six times worse than with Google search ads.**
At paid search's rate of return, a ChatGPT click is worth about $0.26. The largest publicly known account paid $1.72.

04 **For OpenAI, the current model is far from the results it projects.**
OpenAI's projections assume $102 billion in advertising revenue by 2030, about $40 per free user. Today the ads bring about $1 per free user and year, while serving a free user costs about $5. More advertisers and more clicks will not close the gap: each click has to become worth far more.

05 **Even these separated ads have moderately hurt ChatGPT as a product.**
After the launch, ChatGPT sent 6 to 8% fewer visitors to the shops. Those who still came bought as before.

The dilemma

OpenAI needs more valuable ads. It could make them more valuable through better targeting or by moving them into the answer, but doing so would endanger the product even more.

About the study. 1,898 online shops with $16 billion in annual sales and nearly 10 billion visits, 60 weeks from June 2025 to August 2026. ChatGPT launched ads in the US, then in eight more countries; the EU had none and serves as the control group. Data provided free of charge by Grips Intelligence.

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CONTACT (INTERVIEWS IN ENGLISH & GERMAN)

Maximilian Kaiser · WU Vienna
research@maximiliankaiser.org
Christian Schulze · Frankfurt School
email@christian-schulze.de