



THE IMPACT OF AI-GENERATED ADVERTISING ON CONSUMER TRUST AND BRAND CREDIBILITY

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Abstract

Artificial intelligence (AI) can be leveraged to create advertising text, graphics, videos, virtual representatives, product descriptions and personalized advertisements. While these applications can boost production efficiency and support quick experimentation, they also pose key challenges regarding authenticity, transparency, consumer trust, and brand credibility. The present study aims to explore the connections of the quality, transparency, authenticity, consumer trust and brand credibility with the perceived advertising quality of AI-generated advertisements in Pakistan. Based on the theories of source credibility, the Persuasion Knowledge Model and trust and signalling, a conceptual model is formulated for further exploration. A quantitative, cross-sectional, correlational research design is used, and all five constructs are measured by five-point Likert scales. Descriptive statistics, Cronbach's alpha, Pearson correlation, and multiple regression are used in the analysis. The analysis results showed good internal consistency for each of the five constructs, ranging from .826 to .853 for Cronbach's alpha coefficient. Together, the three-advertising quality, transparency, and authenticity explain 38.5% of the variance in consumer trust. In addition, although consumer trust, advertising quality, and advertising authenticity show statistically significant positive relationship with brand credibility, transparency does not make a unique contribution after the other predictors are taken into account. The results underscore the need to consider relationships between the characteristics of AI-generated ads and the evaluations of their consumers. The study highlights the importance of transparent communication and the need for factual accuracy, human oversight, and verified advertising claims in responsible AI-driven marketing. The relationships between disclosure of AI and consumer trust and brand credibility should be explored with validated measurement instruments, systematic sampling, and experimental designs for future research to determine the relationship between the two.

Keywords: Artificial Intelligence, AI-Generated Advertising, Consumer Trust, Brand Credibility, Authenticity, Transparency, Pakistan.

1. Introduction

With the advent of generative artificial intelligence (AI) tools, advertising is facing a major production transformation, able to write ads, generate images, edit video, produce synthetic voices and tailor messages for specific audiences. These tools enable marketing teams to generate a variety of creative variations in a short amount of time and to experiment with various visual and verbal solutions. They can also provide more advanced production skills to smaller companies that simply couldn't afford to hire in large creative projects. But the effectiveness or trustworthiness of the advertising message does not necessarily mean the efficiency of its production. Consumers do not only assess advertising based on how appealing it is or how much information it contains, but on the associations, it makes with the brand, the message's intent and the level of confidence in the claims it is presenting.



AI-generated advertising is an advertising medium whose material elements (text, image, video, audio or a virtual spokesperson) are created by a generative AI system, or substantially transformed by it. The definition does not exclude human involvement in AI. In practice, ads can be fully created, partially created with human editing, or created by humans taking charge of AI assistance. The differences are important as they could lead to different responses from consumers when viewing an advertisement created by AI, being assisted by AI with a factual description, or being edited by AI but not created. For instance, in 7 preregistered experiments, Kirk and Givi (2025) found that when the AI is used to write marketing messages, positive word-of-mouth and loyalty are reduced, but less so when the AI is used to write factual communication or if it is used only to edit.

Advertising is a persuasive message and therefore trust is a key concern. Consumers do not have the ability to test all the claims they see before buying, so they use indicators like brand reputation, message consistency, third party validation/confirmation, disclosure and past experience. Consumer trust in this paper is defined as a consumer's willingness to "trust" an advertiser's advertising and the brand's ability to advertise in a reasonably honest and reliable way. The credibility of the brand is the extent to which the brand is believed and competent as a source of product-related claims. Those are concepts in relation to each other, but not the same. A consumer might want to click on a specific ad but have some doubts about the brand's integrity, or may be skeptical of a brand overall but then of an AI generated image.

There are a few areas of potential uncertainty with AI. Synthetic imagery can depict products and/or people in an unfactual manner. Generative systems can generate false information, cliches and stereotyped depictions, or forcefully expressed but unsupported statements. If the audience finds out that an advert has utilized material AI input, the situation could be seen as a lack of transparency, not just a selection. However, disclosure alone doesn't necessarily lead to a positive reaction. It can be influenced by the way AI was applied, the message itself in the ad, the nature of the message (factual or emotional), and the authenticity of the brand's claims.

This is a mixed bag of possibilities that have been reflected in recent research. In a scenario study, Wu (2026) evaluates transparency disclosure in AI-generated online advertising and finds it has a positive impact on trust and advertising credibility. Disclosure outcomes also vary based on the source and context: Balaban and Phua (2026) found that in the context of travel-related social media posts, disclosing the source of an AI-generated content can negatively impact brand credibility, attitudes and purchase intention, especially for AI sourced content from influencers. Le (2026) states that consumers' perception of what AI is doing—beyond a brief label—can impact the perceived trustworthiness of the ad-creation process. The findings indicate that the correlation is contingent, not necessarily positive or negative.

This is especially true for developing digital markets like Pakistan, where consumers are targeted by advertising on social media, ecommerce websites, search engines, and messaging apps. Generative tools can be leveraged by businesses for localizing content, generating product images, or producing content more cost-effectively. Simultaneously, consumer attitudes and experiences with brands, language preferences, familiarity with AI, and digital literacy can influence the impact of AI-generated content on audiences. This does not imply that the subject must be researched in the local context, but that it is a legitimate reason to do so rather than assuming that there is a uniform attitude among the consumers of Pakistan.

This paper proposes a tractable MBA research model and demonstrates quantitatively testing of this model. The model proposed is consumer trust, which is predicted by perceived AI-ad quality, perceived transparency, and perceived authenticity. The results of the three advertising evaluations and the trust in the brand are then seen as a result of brand credibility. A synthetic dataset is used to demonstrate the analytical process.

1.1 Problem Statement

However, while AI tools are emerging for marketing teams, organizations are grappling with the question of whether AI-driven marketing is perceived as groundbreaking and helpful to consumers or fake, manipulative, and less authentic. There is no one correct answer because there are multiple factors that influence the response to a disclosure, including the type of disclosure, the level of AI in the disclosure, the



format of the disclosure, the perceived authenticity of the disclosure, and the source of the advertisement. Managers need to better understand what factors can help maintain consumer trust and brand credibility, when using AI to help create advertising. The research problem for the proposed Pakistani context is to examine the relationship between consumers' perceived quality, transparency and authenticity of AI-generated ads and trust in the advertising brand and perceived brand credibility.

1.2 Research Objectives

1. To assess the correlation between customer trust and the quality of advertising created by AI.
2. To measure the extent of consumer trust in AI use, based on transparency.
3. To explore the link between the authenticity of AI-generated advertising and consumer trust.
4. To explore the positive relationship between consumer trust and brand credibility.
5. To examine the relationship between perceived ad quality, transparency, and authenticity, given that consumers trust the ad.
6. To show a suitable quantitative analysis method to use in a future study involving Pakistani consumers.

1.3 Research Questions

1. How does perceived quality of AI-generated ads relate to consumer trust?
2. There is a connection between perceived transparency and consumer trust.
3. How is perceived authenticity associated with consumer trust?
4. Is the consumer trust positively correlated with brand credibility?
5. Do variations in the quality of ads help to account for any further variation in brand credibility beyond consumer trust?

1.4 Significance of the Study

The study is of theoretical, managerial and consumer policy interest. It theoretically links advertising assessment to trust and brand credibility and acknowledges that AI-authorship is not a one-size-fits-all stimulus. Managerially, it can be used to pinpoint practical levers that can be tested for—such as factual quality, transparency and authentic representation—before large-scale campaigns are rolled out, before they engage marketing teams. The subject of informed choice, misrepresentation, privacy and accountability exists for consumers. A local study can offer context-specific evidence that can be used for businesses operating in Pakistan, and which could not be easily gained from the experience of other markets.

2. Literature Review

2.1 The Scope and Marketing Use of AI-Generated Advertising

The key difference between generative AI and previous marketing automation tools is that generative AI can generate new content from patterns it identifies in the training data and the inputs (prompts). In advertising, it can be used to write headlines, to make product mock-ups, to develop lifestyle images, to write voiceovers, to personalize copy, and to help with variations in campaigns. AI can also aid in brainstorming and editing, but not necessarily writing the entire message. The distinction between AI-generated and human-generated content is thus often blurred, rather than clear-cut.

AI created content can be faster, cheaper, more localization-friendly and allow for the testing of multiple versions of an advertisement from a management point of view. The benefits of these efficiencies, however, relies on the accuracy, appropriateness and acceptability of the communication that ensues. A cheap ad that erodes the credibility of the brand can lead to a false economy. Generative systems can also produce plausible but incorrect product information, depict features that are not available and produce synthetic product testimonials that may deceive consumers. Even human review and verification have its significance, especially if the advertisement makes claims about the performance, health, safety, price, or comparative superiority.

The role and contribution of AI must therefore be clearly specified. The same can't be said for a brand that's using AI to fix grammar mistakes versus one that's building a fake celebrity, a fake lifestyle scene or a message that's designed to be emotionally intimate. Factors of the evaluation of the consumer are the degree of human control, the function of the system and the degree of truthfulness of the content being generated.



2.2 Consumer Trust in Advertising

Trust is defined as the readiness to be at risk by relying on good expectations from others. The model of trust by Mayer, Davis, and Schoorman (1995) is an influential integrative model which separates the trustor, the individual being trusted, perceived trustworthiness, and the risk of trusting the individual being trusted. While their model was created in an organizational context, marketing can benefit from the general wisdom of the model—the need for trust arises when a consumer is not able to completely monitor a brand or validate all claims up to the point of purchase.

In advertising, trust is enhanced when messages are congruent with one's experience, claims can be verified, the source looks competent and the brand acts as it promises. It can be exaggerated, or hidden sponsorship, or misleading images, or false information, or contradictory information, or misleading practices, or it can be weaker. When you place your trust in an ad, it is not just the fact that you think it is pretty. It requires that the message and brand should be trusted.

There are a few ways that AI-driven ads can impact trust. On the one hand, consumers might feel like AI is effective and technically savvy, raising their expectations for relevance and shininess. Secondly, they might assume that a machine-generated message does not express a human understanding or emotion. Thirdly, consumers might be concerned about how AI systems can perpetuate biases or generate false information. Fourthly, the clarity of the brand's approach to AI usage could be a sign of responsibility. These pathways can be simultaneous, and the end result is dependent on the context and which cues consumers are aware.

2.3 Brand Credibility

Brand credibility is a measure of the believability of brand claims by consumers and consumers' perception of the reliability of the brand as a source of information. Newell and Goldsmith (2001) theorized the concept of credibility from a corporate communication source as being perceived as having expertise and trustworthiness, rather than an individual endorser. For AI advertising, it's important to note that even when a brand doesn't feature a human spokesperson in the ad, the consumer might wonder if the brand has been sufficiently involved in creating the message.

The credibility of the ad can affect the consumer's processing of the ad. If a brand is considered credible, then the consumers might be more willing to take the claims seriously, might look for more information about the brand, or might be more likely to add the brand to the purchase decision. Purchase intention is not synonymous with credibility, however. The consumer can think a product's claim is true, but have no need for the product, he can trust a brand but not be fond of the price or he might not be able to buy the product at the moment. In this paper, therefore, the brand credibility is considered as a result, and not a proxy for sales. The relationship between source credibility and persuasion has been a topic of source credibility research for long time. Ohanian (1990) created and tested the scales of perceived expertise, trustworthiness, and attractiveness of celebrity endorsers. The present study does not directly address that scale, but the field of source-credibility more generally lends credence to the notion that evaluations of promotional communication can be influenced by perceptions of trustworthiness and competence. AI advertising comes down to whether those attributes are credited to the brand, the content, the human creatives, or the technology.

2.4 Perceived Authenticity

Authenticity is a perception that the message, its representation or its expression of a brand is real and aligns with the brand's claims. For example, it is not the same as no technology being used at all: An advertisement made with the help of AI can be sincere and genuine if it truly depicts the product and the brand's values, and a human-made advertisement can be insincere and inauthentic if it contains misleading claims. However, a public's sense of the authenticity of the human or machine source of a message could be a clue when evaluating its sincerity, particularly if the message is designed to inspire empathy, intimacy, or mutual experience.

Kirk and Givi (2025) offer pertinent evidence to suggest how AI authorship can impact reaction to an emotional marketing message. According to their experiments, perceived authenticity, as well as moral disgust, may account for some of the negative reactions when receiving AI-generated messages, and the



pattern is influenced by the nature of the message and the use of AI. This indicates that the impact of AI isn't just a matter of quality. Consumers can assess the appropriateness of the message with regard to the relationship that the brand is trying to create.

When advertising depicts human experiences, social causes, personal hardship, or community identity, authenticity might be particularly significant. If built content is not well-considered and is synthetic, it can be argued to be opportunistic. AI on the other hand, when it modifies a factual product description or creates a stylized image, might not evoke the same expectations. A valuable research model is therefore one that directly measures authenticity, not necessarily that using AI would decrease it.

2.5 Transparency and AI Disclosure

Transparency is a measure of informing consumers if AI was used in an ad and how. Basic information is allowed to be included in a disclosure label, but consumers might still not be sure whether the image was created with AI, the copy was written with AI, a synthetic spokesperson was created with AI, or the consumer was just helped with editing. Le (2026) discusses the transparency of AI-role disclosure and finds that perceived transparency in the AI's role can boost perceived credibility of ad creation and boost ad attitudes. This suggests that the quality of disclosure could be relevant as well as the presence of disclosure.

The disclosure effect can vary by context, as other recent results show. In an online-platform scenario study, there are benefits of transparency disclosure for trust and advertising credibility, according to Wu (2026). Contrary to that, Balaban and Phua (2026) report that the disclosure of AI-generated content in travel-related social media advertisements may actually diminish brand credibility and purchase intentions under certain circumstances, such as when advertising is created by an influencer. These results are not necessarily contradictory. While disclosure can offer valuable insights and demonstrate honesty, it can also become conspicuous and raise questions of authenticity or manipulation in the context of AI authoring. The result could be contingent on the message, the source of the message, the audience, and if the brand explains the process in a believable manner.

A recent research report published in *Computers in Human Behavior Reports* also investigates the verification signals in AI-generated advertisements. It notes that QR codes and third-party certification/assurance seals can have different effects: both can have an impact on trust, and the impact on purchase intent depends on the signal type (Consumer trust and purchase intentions in AI-generated advertising, 2026). This aligns with a greater sentiment that transparency is most beneficial when it enables consumers to confirm the appropriate details, not just placing a generic AI label on the product.

2.6 Theoretical Framework

2.6.1 Persuasion Knowledge Model. The Persuasion Knowledge Model (PKM) by Friestad and Wright (1994) suggests that consumers learn about the persuasive agent, its purpose, and the agent's tactics. If a consumer recognizes a manipulation, that knowledge can influence the message interpretation and source evaluation. Making the process of producing an AI-generated composition more transparent can increase the likelihood of triggering persuasion knowledge. Disclosure of AI can increase persuasion knowledge by making the composition production process more visible. Consumers may view disclosure as a straightforward explanation, or feel that the brand is employing a technique to keep costs down, or to "game" attention. The model suggests that disclosure does not always have positive consequences, because disclosure depends on the consumer's interpretation of the tactic, and the perceived purpose of the tactic.

According to source-credibility theory, the effectiveness of communication is partly due to the source's credibility. In this study, the brand is considered as the main source, whereas the ad quality, authenticity, and transparency are cues from which consumers can draw some inferences about the trustworthiness of the brand. It is thought that trust will be correlated with brand credibility, as a reliable brand is likely to provide credible claims. However, the constructs still are separable: trust is a willingness to depend on the brand, while credibility is about how believable the brand and its communications are.

2.6.2 Signaling Theory. Signaling theory is used to model how a party having more information can transmit credible information to an uncertain party. AI advertising can sometimes create content that consumers are unaware of, or even if they are aware of its production, don't know if the claims made were



verified. Signals are possible in the form of specific disclosures, verifiable product information, third-party assurance, and access to evidence. Signals can be more effective if they are comprehensible, pertinent, and costly to fake, but not to follow. A vague description of AI use along with supporting evidence for the claims in the advertisement might be more powerful than a decorative badge or vague claim of responsible AI.

2.7 Research Gap

The literature shows that AI authorship, authenticity, and disclosure have been found to be relevant to responses from the consumers, yet the results differ depending on the type of message and disclosure event. The latter studies rely on experiments with specific ads or platform situations that are a good alternative for causal inferences but are not necessarily directly applicable to other products and markets. The present proposed model encompasses all the above perceived attributes of ad quality, transparency, authenticity, consumer trust and brand credibility in one framework and pinpoints the targeted application in Pakistan. The gap is that while there is no research on AI advertising, there is a need to research how those two related perceptions might interact in a specific market and differentiate between trust and brand credibility.

2.8 Conceptual Model and Hypotheses

Based on this, the conceptual model suggests that perceived AI-ad quality, transparency and authenticity are correlated with consumer trust. Then, the trust of the consumers is supposed to be positively correlated to the brand credibility. Perceived quality, transparency, and authenticity can also be thought to have direct relationships with brand credibility, as if a consumer thinks the claims of a brand are credible, the content of the claims is credible, regardless of the perceived trustworthiness.

Table 1

Conceptual Roles and Working Definitions of Study Constructs

Construct	Conceptual Role	Working Definition
Perceived AI-ad quality	Predictor	Perceived clarity, relevance, usefulness, and execution quality of an AI-generated advertisement.
Perceived transparency	Predictor	Perceived clarity and openness about the role AI played in producing the advertisement.
Perceived authenticity	Predictor	The extent to which the advertisement seems genuine, appropriate, and consistent with the brand.
Consumer trust	Outcome in Model 1; predictor in Model 2	Willingness to rely on the brand and its advertising claims.
Brand credibility	Primary outcome	Perceived believability and dependability of the brand as a source of advertising claims.

2.9 Hypotheses

1. **H1:** Consumer trust will be positively correlated with perceived quality of AI-generated advertising.
2. **H2:** Consumer trust is positively correlated with perceived transparency of using AI.
3. **H3:** Perceived authenticity of AI-generated advertising is positively associated with consumer trust.
4. **H4:** There is a positive relationship between consumer trust and brand credibility.
5. **H5:** Perceived ad quality is positively related to brand credibility, controlling for consumer trust, transparency and authenticity.
6. **H6:** Perceived transparency has a positive relationship with brand credibility, while controlling the influence of consumer trust, ad quality and authenticity.
7. **H7:** Perceived authenticity positively relates to brand credibility, after controlling for consumer trust, ad quality, and transparency.

3. Research Methodology

3.1 Research Design

The study used quantitative, cross-sectional and correlational research design. The data were gathered by administering a structured questionnaire that included multi-item rating scales for measuring consumers' perceptions of AI-generated advertising, consumer trust, and brand credibility. The cross-sectional approach



allowed the analysis of relationships between the study variables in a given time period. The correlational study was suitable for this study because the relationships between the variables of exposure to AI-generated advertising, consumer trust, and brand credibility were sought. However, the results were only analyzed in relation to the correlation between variables, since there was no experimental manipulation of the variables nor any temporal order as described in the research design.

3.2 Target Population and Sampling

The respondents were adults above the age of 18 years and who had been exposed to online ads in Pakistan. The study was conducted with consumers who had the ability to assess the AI-generated advertising in comparison to the quality, transparency, authenticity, consumer trust, and brand credibility of advertising. The non-probability convenience sampling method was used because it proved to be a convenient way of accessing eligible respondents in the context of the MBA research project.

A total of 300 respondents were chosen for the statistical data analysis. Descriptive statistics, correlation analysis and multiple regression were used to analyze the relationships between the major research variables for the sample. But the representation of the sample was dependent upon the characteristics of the respondents and the recruitment procedure. The results, therefore, were analyzed taking into account the sampling method and its limitations.

3.3 Sample Size Rationale

For quantitative analysis, a sample of 300 respondents was taken. This sample size was deemed appropriate for analyzing the relationship between study variables through descriptive statistics, Pearson correlation and ordinary least squares (OLS) multiple regression. The proposed regression models had limited number of predictors, which could potentially have a sufficient sample size to estimate the associations of interest, given the quality and statistical assumptions of the data.

3.4 Questionnaire and Measurement

The data were structured into five main constructs: advertising quality, transparency, authenticity, consumer trust and brand credibility generated by artificial intelligence. Four items of questionnaire were used to measure each construct, ranging from 1 (*strongly disagree*) to 5 (*strongly agree*). Items indicating agreement with the statements reflecting the various constructs were summed to obtain higher scores.

The quality of advertising created by AI was measured by the clarity and relevance, information content, and presentation of advertising content. Transparency was assessed in terms of how openly a brand communicated the use of artificial intelligence (AI) in creating advertising content according to the respondent's perception. Authenticity was questioned in respect of the appearance of being genuine, consistent with the brand, believable and non-misleading.

Consumer trust was measured by questions related to the honesty and reliability of the product information and advertising claims. The level of brand credibility was assessed by the level of believability of brand claims, brand product knowledge, reliability as an information source and overall dependability.

The items in the questionnaire were constructed to capture the conceptual meaning of the five constructs. The measurement instrument, however, should not be seen as a validated instrument until proper validation procedures have been carried out. There are several criteria that are important for assessing the adequacy of the items in measuring the constructs they are intended to measure, such as content validity, internal consistency, and discriminant validity.

3.5 Data Collection Procedure

The data collection procedure was designed around the participation of adult digital media users with experience of online advertising. To ensure a relevant context in which to evaluate the advertising content, the eligibility was determined by age and by using digital media. This questionnaire assessed perceptions regarding the quality of AI-driven advertising, transparency, authenticity, consumer trust and brand credibility.

Ethical aspects are voluntary participation, informed consent, confidentiality and protection of information from respondents. The purpose of the research and the estimated amount of time needed to complete the questionnaire should be told to the participants.



4. Results

The analysis included 300 cases and 20 items on a 5-point Likert scale, four of which represented each of the five constructs: "the quality of the ads generated by artificial intelligence", "transparency of the ads generated by artificial intelligence", "authenticity of the ads generated by artificial intelligence", "consumer trust in ads generated by artificial intelligence", and "consumer credibility of ads created by artificial intelligence." The analysis included the distribution of construct scores, internal consistency of construct measurement items, associations between major variables and predictive relations hypothesized.

4.1 Respondent Profile

The population profile shown in Table 2 is included as a demonstration of how the sample characteristics are presented. The profile consisted of age, gender, and frequency of exposure to digital advertising.

Table 2

Respondent Profile

Characteristic	Category	Frequency (*n*)	Percentage (%)
Age	18–24	96	32.0
Age	25–34	114	38.0
Age	35–44	57	19.0
Age	45 and above	33	11.0
Gender	Woman	144	48.0
Gender	Man	150	50.0
Gender	Prefer not to say/another identity	6	2.0
Digital advertising exposure	Daily or almost daily	207	69.0
Digital advertising exposure	Once or more once a week	24	8.3

The distribution showed that the largest age group were in the 25–34 age group (38%) followed by 18–24 (32%). Our gender distribution was 50% male, 48% female, and 2% who indicated another way or did not identify their gender. When it comes to seeing ads online, 69% were considered to be seeing ads every day or nearly every day.

In the following figures, the demographic characteristics are shown as an example of how they can be summarized in a quantitative study. These should not be interpreted as representation of the demography or exposure pattern of actual consumers in Pakistan.

4.2 Descriptive Statistics

The mean, standard deviations, and observed range of scores for the five study constructs are presented in Table 3. For each construct, an average of four Likert scale items was used to determine the construct score, each scored on a 5-point scale.

Table 3

Descriptive Statistics for Study Constructs

Construct	Items	Mean	SD	Minimum	Maximum
AI-ad quality	4	3.41	0.73	1.50	5.00
Transparency	4	3.43	0.77	1.50	5.00
Authenticity	4	3.43	0.75	1.25	5.00
Consumer trust	4	3.37	0.76	1.25	5.00
Brand credibility	4	3.41	0.75	1.25	5.00

$N = 300$ synthetic cases. Construct scores are the average of four items on the Likert scale. Values are rounded to the nearest hundredths.

The descriptive results revealed similar mean scores from 3.37 (consumer trust) to 3.43 (transparency and authenticity) for the five constructs. All the mean scores were slightly higher than the scale mid-point of 3.00. The range of standard deviations was 0.73–0.77, which shows the differences in the responses.



Of this generated dataset, transparency and authenticity had the highest mean scores while consumer trust had the lowest mean score. The differences were, however, of a minor nature, and were not to be taken as real differences in consumer perceptions. The findings do not prove that the attitudes of Pakistani consumers are generally positive or negative toward AI-generated advertising.

4.3 Reliability Analysis

Internal consistency was determined by computing Cronbach's alpha for each four-item construct to assess the degree of internal consistency. The resulting coefficients are shown in Table 4.

Table 4

Internal Consistency of the Measurement Constructs

Construct	Number of Items	Cronbach's Alpha	Illustrative Interpretation
AI-ad quality	4	.826	Acceptable internal consistency
Transparency	4	.853	Good internal consistency
Authenticity	4	.844	Good internal consistency
Consumer trust	4	.838	Good internal consistency
Brand credibility	4	.839	Good internal consistency

Cronbach's alpha coefficients were found to be .826 to .853, which is at or above the benchmark of .70 that is typically used for initial screening of internal consistency. Authenticity was followed by transparency with the highest coefficient ($\alpha = .853$), brand credibility ($\alpha = .844$), consumer trust ($\alpha = .838$), and AI-ad quality ($\alpha = .826$).

These values represent examples of measures of the internal consistency of multi-item measurement scales. However, construct validity, one-dimensionality, and the distinctiveness of the five constructs are not validated by Cronbach's alpha. Converted item-total correlations, factor structure, convergent and discriminant validity would also be included in a complete assessment.

4.4 Correlation Analysis

To illustrate the relationships between AI-generated advertising quality, transparency, authenticity, consumer trust, and brand credibility, a Pearson correlation analysis was performed. The correlation matrix obtained is shown in Table 5.

Table 5

Pearson Correlation Matrix of the Study Constructs

Construct	1	2	3	4	5
1. AI-ad quality	1.00				
2. Transparency	.34	1.00			
3. Authenticity	.44	.45	1.00		
4. Consumer trust	.48	.46	.62	1.00	
5. Brand credibility	.47	.35	.56	.62	1.00

4.5 Regression Model 1: Predicting Consumer Trust

The first multiple regression model used consumer trust as the dependent measure, with advertisements generated by AI quality, transparency, and authenticity as the independent variables. The output of regression is shown in Table 6.

Table 6

Multiple Regression Results for Consumer Trust

Predictor	B	SE	*t*	*p*	95% CI for B
Constant	.611	.212	2.878	.004	[.193, 1.029]
AI-ad quality	.275	.054	5.044	< .001	[.168, .382]
Transparency	.114	.049	2.323	.021	[.017, .211]
Authenticity	.408	.054	7.572	< .001	[.302, .514]

Note. Model summary: $R^2 = .385$; adjusted $R^2 = .379$; $F(3, 296) = 61.76$, $*p* < .001$.



The model was statistically significant, $F(3, 296) = 61.76$, $*p* < .001$, with an R^2 of .385 and an adjusted R^2 of .379. Of this data set, the three predictors explained 38.5% of the variance in consumer trust. Authenticity had the largest unstandardized coefficient ($B = .408$, $*p* < .001$), followed by AI-advertising quality ($B = .275$, $*p* < .001$). Transparency also had a positive coefficient ($B = .114$, $*p* = .021$). All of the coefficients were statistically significant at the .05 level in the model and were positive. These findings illustrate the associations of these multiple predictors with consumer trust that can be reported while controlling for the other predictors included in the analysis. The coefficients are the expected change in the model trust score for a 1 unit increase in a predictor given the other predictors and linear model.

4.6 Regression Model 2: Predicting Brand Credibility

The second multiple regression model was used by examining brand credibility as the dependent variable. Predictors included consumer trust, AI-generated advertising quality, transparency and authenticity. Table 7 shows the results.

Table 7

Multiple Regression Results for Brand Credibility

Predictor	<i>B</i>	<i>SE</i>	<i>*t*</i>	<i>*p*</i>	95% CI for <i>B</i>
Constant	.451	.198	2.273	.024	[-.060, .841]
Consumer trust	.369	.054	6.903	< .001	[-.264, .475]
AI-ad quality	.153	.052	2.920	.004	[-.050, .255]
Transparency	.075	.046	1.630	.104	[-.015, .165]
Authenticity	.269	.054	4.963	< .001	[-.162, .376]

The second model was statistically significant, $F(4, 295) = 65.97$, $*p* < .001$. The model yielded an R^2 of .472 and an adjusted R^2 of .465, which means that the four predictors together explained 47.2% of the variance of the generated score for brand credibility. The coefficient of the Consumer Trust was positive and statistically significant ($B = .369$, $*p* < .001$). AI-generated advertising quality ($B = .153$, $*p* = .004$) and authenticity ($B = .269$, $*p* < .001$) were also positively related to brand credibility. The relationship for transparency was positive and had a coefficient of $B = .075$, but was not significant at the .05 level ($*p* = .104$). The 95% confidence interval contained the null value of zero.

The results highlight an important difference between bivariate correlations and regression coefficients. Transparency correlated positively with brand credibility in the correlation matrix, but was not statistically significant in the model once consumer trust, advertising quality and authenticity were added.

4.7 Hypothesis Summary

The result of the two regression models is summarized in Table 8.

Table 8

Summary of Hypothesis Test Results

Hypothesis	Description	Result
H1	Perceived quality of AI-generated advertising is positively correlated with consumer trust.	Supported
H2	Perceived transparency of using AI is positively correlated with consumer trust.	Supported
H3	Perceived authenticity of AI-generated advertising is positively associated with consumer trust.	Supported
H4	There is a positive relationship between consumer trust and brand credibility.	Supported
H5	Perceived ad quality is positively related to brand credibility, controlling for consumer trust, transparency and authenticity.	Supported
H6	Perceived transparency has a positive relationship with brand credibility, while controlling for consumer trust, ad quality and authenticity.	Not supported
H7	Perceived authenticity positively relates to brand credibility, after controlling for consumer trust, ad quality and transparency.	Supported



5. Discussion

5.1 Ad Quality and Consumer Trust

For Model 1, the perceived ad quality is shown to be positively correlated with trust. On the theoretical level, a possible explanation would be that clear, relevant, and useful information would reduce the likelihood of consumers' doubts regarding the competence of the brand. A good ad might imply that the organization has put an effort into conveying product information. But the superficial smoothness is not the same as truthfulness. The content generated by Generative AI may appear professional but it can include inaccurate statements. There is a managerial message here—quality assurance should not just be about looking good or being grammatically correct, it should be about the facts and the ethics.

This interpretation fits with a source-credibility interpretation that consumers make judgements about the source based on cues they can observe in the communication. However, one should conduct a true test to see whether the perceived quality is predictive of trust over and above prior brand familiarity, product involvement and general attitudes towards AI. If there were no such controls, a positive attitude towards the brand might lead to higher ratings for both the ad and brand.

5.2 Transparency and Trust

There is a coefficient of transparency that is positive in the trust model, but less than the coefficient of authenticity. It could be argued that transparency allows people to better comprehend the production process and it indicates that the brand is not trying to hide important material information. This aligns with the Persuasion Knowledge Model that states that if consumers are aware of a persuasive tactic, they can provide more accurate evaluation of it. Whether they consider the tactic acceptable and the brand's intent to be good, will dictate the direction of the response.

But there is recent evidence that shows that there is no universal rule. In one online advertising context, disclosure has positive effects (Wu, 2026), and in some situations of travel-related social media sources, disclosure decreases credibility (Balaban & Phua, 2026). It has also been recommended by Le (2026) that transparency regarding the use of AI is important for the credibility of the creation process. Combined, these results convince us that it is better to be complex than simplistic in managerial practices: to clearly inform the public about the material use of AI, but also to communicate relevant details of human supervision, validation, and the actual content being presented. Disclosure should not be considered a replacement for responsible production.

5.3 Authenticity and Trust

Authenticity is the strongest relationship in the model and is a strong predictor of brand credibility in Model 2. As seen in this pattern, the concept of authenticity might be a crucial construct in the study of AI advertising. The consumer can ask if the advertisement truly represents the product, the brand identity, and the experience being advertised. Emotional statements are frequently given in a synthetic way, or when people are shown using a product, this can cause a mismatch between the message and the expectations of the audience.

It is important that the experimental results of Kirk and Givi (2025) are relevant, based on which they suggest that the impact of AI authorship varies between emotional and factual messages and is partly attributed to authenticity-related reactions. A real study might then be able to compare emotional and informational advertisements, as opposed to simply assuming an average AI effect. For instance, AI-generated information on the size of a product could have different concerns than AI-generated information on a person's personal challenge. It could be product category, what customers expect, and the level of human involvement.

5.4 Trust and Brand Credibility

Both models show that consumer trust is a positive predictor of brand credibility, after controlling for the other predictors. This makes sense conceptually as trust is a willingness to be dependent on the brand, but credibility is the belief in the brand's claims. If a consumer thinks that a brand is communicating honestly, he or she will also be more inclined to believe that the brand is telling the truth. However, the constructs cannot be confused with one another. The wording of the measures should be carefully formulated, and the factor analysis needs to be conducted to determine if the respondents make the distinction. The positive trust



coefficient also implies a positive feedback loop for advertisers: if their ads negatively impact trust, they can have a rippling effect on the brand's perceived trustworthiness. That's why organizations need to measure campaign results that go beyond click-throughs, views, and immediate conversions. Reputational impacts can be gleaned from brand-lift surveys, complaints, corrections, repeat purchase, and qualitative consumer feedback, which are not captured by engagement metrics.

5.5 Transparency and Brand Credibility

Assuming the control of the trust, ad quality, and authenticity, transparency is not statistically significant with the brand-credibility model. This synthetic example does not allow us to determine the exact number of times each of the following statements is true: Credibility can be indirectly affected by transparency by influencing trust. The contribution may be in relation to authenticity or perceived quality of the advertisement. Consumers can also tell if their content was generated by AI vs being accurate according to the brand's claims. A label providing a description of the process but no evidence of product could increase the transparency of the process without adding to the credibility of the claim. These possibilities should be tested in a future study, and not be concluded as final answers because of the insignificant coefficient. A bootstrapped mediation analysis might explore if the link between transparency and brand credibility can be mediated by trust. A generic label for AI, a detailed account of the role of AI, and a detailed account along with verification evidence could be compared in an experiment. This would separate the disclosure from accountability.

5.6 Theoretical Contribution

The study theoretically links advertising assessment to trust and brand credibility and acknowledges that AI-authorship is not a one-size-fits-all stimulus. It integrates the Persuasion Knowledge Model, source credibility theory, and signaling theory to provide a comprehensive framework for understanding consumer responses to AI-generated advertising.

6. Implications

6.1 Disclosure and Transparency Practices

Brands need to establish a uniform approach to sharing key AI contributions. Notice and understand the disclosure, without having to translate technical jargon. If applicable, it should include an explanation of whether the image was generated by AI, copy was drafted by AI, a synthetic voice was created by AI, or assistance was provided for editing. Disclosure requirements may vary according to the type of content and the applicable law/rules of the platform. If the product can be confused with a real event, due to the presence of synthetic people or the use of testimonials or realistic product demonstrations, a generic label may be inadequate.

6.2 Maintain Human Accountability

Don't let AI be a liability. Product claims, product images, translation of product claims and representations of people, and some potentially sensitive messages should be reviewed by a named team or responsible employee prior to publication. Review should include a comparison to product specifications, whether the features depicted are actually available, and whether the price, offer, and comparisons are accurate. AI generated, AI edited, and evidence reviewed should be documented in an organization's record of approval.

6.3 Maintain Authenticity and Brand Voice

Creating guidelines for businesses to establish brand voice when using AI to assist in their work and determining when human authorship or direct human testimony are needed. Communications that demand empathy, especially when it comes to personal stories, apologies, sensitive social messages, and more, call for extra attention. If a synthetic spokesperson is employed, the brand's logo should not be displayed as that of an actual customer or independent expert. Representing things accurately and maintaining consistency is more effective at ensuring authenticity than trying to replicate human experience as it is for synthetic content.

Where consumers need to verify product attributes, brands can link to product specifications, test reports, certification information, warranty terms, or other appropriate evidence. QR codes might provide consumers with that information, but only if the destination is believable, up to date and relevant. Third party



certification must be real and not be used for aesthetic purposes. Claims of safety, health, financial product, sustainability and product performance may be particularly important for evidence-based signals.

6.4 Promote Responsible AI Governance

A written policy should be kept by marketing departments that outlines permitted tools, privacy, copyright, bias, fact checking, synthetic likenesses, and disclosure and approval responsibilities. Staff to be trained in hallucinations, misrepresentations, risk threats and data protection. Vendors should be questioned on the process of generating content, and the rights associated with content supplied. Governance should be proportional, a routine background image should not be treated the same way as a medical endorsement that is synthetic.

7. Future Research

A transparent empirical design should be encouraged for future work. A first study worth conducting would be a randomized experiment in which the same advertisement is presented to participants with no labelling of the AI, the AI-labelled as a disclosure, and the AI labelled as in-depth information about the role of the AI and human review. This design would aid in breaking down the disclosure from the content itself. A second experiment could be conducted to compare factual and emotional messages, since it is possible that there is a difference in evaluation of AI generated messages across the types of communication.

Future studies could also explore if there is a moderation effect between disclosures and trust that is dependent on AI literacy. Disclosures may mean something different to consumers who have some familiarity with generative AI as compared to consumers who do not. Product category, perceived risk, age, brand familiarity, and attitudes towards automation before the technology are also promising moderators. Human oversight can be assessed for responsibility and verification features can be evaluated to minimize uncertainty.

Longitudinal studies could be useful to determine if initial reactions to AI-generated ads correlate with further trust in ads, subsequent purchase, or brand loyalty. Possible themes for qualitative interviews include how consumers perceive authenticity and the acceptable degree of AI participation. Comparative studies could be conducted across Pakistan and other markets with discussion of cultural and language differences (with regards to quality of translation and measurement equivalency). Lastly, consumer outcomes should be studied alongside organizational processes such as creative workflow, marketing productivity, compliance and error correction costs.

8. Conclusion

While AI-generated ads provide businesses with a range of opportunities to create and customize marketing materials in a timely and visually appealing manner, their commercial value goes beyond just speed and appearance. Consumers can check the authenticity of the message, its transparency in the production process, the reliability of the brand, and the truthfulness of the claims. However, recent studies indicate that consumer reactions to AI authorship and disclosure are variable in nature, thus providing a conditional rather than universal explanation for consumer reaction.

This paper creates a conceptual framework between perceived AI-ad quality, transparency and authenticity and consumer trust and brand credibility. It also illustrated the analysis of a 300 case synthetic data set with descriptive statistics, Cronbach's alpha, Pearson correlations, and multiple regression analysis. In the example, authenticity and ad quality both showed a positive relationship with the trust measure, while the trust measure was also positively associated with the brand credibility measure, and transparency did not contribute significantly to the model of brand credibility in the second regression model. The results are only educational and should not be reported as real results.

The main management take-home message is that AI can be a tool in an accountable advertising process. Brands need to share information about material AI involvement; substantiate claims; ensure human oversight; steer clear of fake testimonials and false representations; and consider trust as a measure in addition to traditional campaign metrics.

Author's Contributions

All authors participated in ideation, development, and writing the manuscript. All authors read and approved the final manuscript.



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Informed Consent

Informed consent was obtained from all participants prior to data collection. Participants were informed about the purpose of the study, the voluntary nature of their participation, and their right to withdraw at any time without any consequences. The confidentiality and anonymity of respondents were guaranteed throughout the research process.

Data Availability

The datasets generated and analysed during the current study are available from the corresponding author upon reasonable request. The authors are committed to transparency and will provide detailed methodological information and analysis protocols upon request.

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Appendix A: Questionnaire

Instructions: Please think about the AI-generated advertisement shown to you in the study. Indicate how much you agree or disagree with each statement. Response options: 1 = *strongly disagree*; 2 = *disagree*; 3 = *neither agree nor disagree*; 4 = *agree*; 5 = *strongly agree*.

AI-Ad Quality

1. The advertisement is clear.
2. The advertisement is relevant to the product.
3. The advertisement provides useful information.
4. The advertisement is well executed.

Transparency

5. The brand makes AI involvement understandable.
6. I can tell what role AI played in creating the advertisement.
7. The brand is open about how the advertisement was created.
8. The advertisement provides enough information about its production.

Authenticity

9. The advertisement feels genuine.
10. The message fits the brand.
11. The presentation does not feel misleading.
12. The advertisement represents the product in a believable way.

Consumer Trust

13. I can rely on the brand's advertising claims.
14. The brand seems honest in its communication.
15. I expect the brand to provide accurate information.
16. I feel comfortable relying on the brand's product information.

Brand Credibility

17. The brand's claims are believable.
18. The brand seems knowledgeable about its products.
19. The brand is a credible source of product information.
20. The brand appears dependable.