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AI-GENERATED ADVERTISING AND CONSUMER TRUST: THE MEDIATING ROLE OF PERCEIVED AUTHENTICITY

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Abstract

As generative artificial intelligence (AI) becomes a staple in digital marketing, there are questions that need to be explored about how consumers respond to marketing messages AI can generate. The purpose of this study is to look at the relationship between AI-generated advertising and consumer trust, and see if the perceived authenticity in the advertising can mediate the relationship. In the study, the Elaboration Likelihood Model and signaling theory were taken into consideration, and data were collected with the help of 350 consumers in Karachi, Pakistan, using a structured questionnaire and then analyzed through descriptive statistics, reliability analysis, Pearson correlation, hierarchical regression, and bootstrapped mediation analysis (Hayes' Model 4). The results show that AI-generated advertising has a positive impact on perceived authenticity ($\beta = .437$, $p < .001$) and consumer trust ($\beta = .198$, $p < .001$), with perceived authenticity significantly mediating the relationship between AI-generated advertising and consumer trust, explaining a significant proportion of the total effect (indirect effect = 0.190, 95% CI [0.137, 0.249]). These findings suggest that beyond the skepticism raised by algorithmic sources, authenticity cues in AI-generated product information are important for creating consumer trust. The research complements a large body of work on AI-driven communication and offers some practical suggestions on how marketers can use generative AI responsibly while not losing the trust of their brands.

Keywords: AI-generated advertising, perceived authenticity, consumer trust, mediation analysis, digital marketing

Introduction

AI is no longer a niche technology but a major driver to transform advertising and brand communication, as Huang and Rust (2021) argue. Companies can even use generative AI tools to produce ads, make graphics, customize messaging at volume, and even create human-like brand voices, which can help them quickly and in unprecedented ways churn out content for individual customers (Davenport, Guha, Grewal, & Bressgott, 2020). The capabilities have been welcomed by marketers as they offer efficiencies and scalability not possible to achieve with traditional, human-generated advertising (Kietzmann, Paschen, & Treen, 2018). But the turn to AI in the production of persuasive messages also leaves some kinks to untangle: As AI becomes more central in the production of persuasive content, it becomes harder for consumers to assess the content they are presented with when it is machine-created and synthetic, or perhaps when it is not even obvious as to its source (Sundar, 2008).

The importance of trust in good buyer-seller relationships has long been acknowledged (Morgan & Hunt, 1994), and it is known to be an important precursor to attitudes towards advertising and purchase intention (Doney & Cannon, 1997). Trust is more important in digitally mediated spaces, where interpersonal cues, face-to-face rapport, and embodied trust signals that traditionally held commercial exchange

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(McKnight, Choudhury, & Kacmar, 2002) are absent. This challenge is made even tougher by the new role of an advertising author: the AI. Studies on algorithm aversion show that people tend to be less motivated to use the output of algorithms, and less willing to trust that output, when they see even slight problems, even though algorithms are frequently more accurate on similar tasks than humans (Dietvorst, Simmons, & Massey, 2015). At the same time, algorithm aversion does not need to be the inevitable consequence; it seems as if consumers are willing to embrace algorithmic contributions under certain conditions—when they are made transparent, under their control, and when they are perceived as competent (Dietvorst, Simmons, & Massey, 2018).

Perceived authenticity — the degree to which the content is perceived as true, sincere, and authentic from the stated origin — is an emerging construct that helps explain these mixed feelings. In relation to brand heritage, craftsmanship and cultural legitimacy, the concept of authenticity has traditionally been studied as applying to brand heritage and/or craftsmanship and cultural legitimacy (Newman & Dhar, 2014); however, in relation to AI-generated content, where a customer is required to determine whether a machine-authored message conveys the same sincerity and credibility as a human one, the term applies naturally to the AI content (Spiggle, Nguyen, & Caravella, 2012). Trust is "constructed" or "deconstructed" by authenticity judgements, which suggest that the perceived trustworthiness and expertise of the message's origin materially influence persuasion outcomes (Hovland & Weiss, 1951), meaning that when the "source" is not a person, but is an algorithm, authenticity judgements may play a critical role in shaping trust.

While many scholars have focused on AI in marketing, there is not much empirical evidence that directly tests perceived authenticity as a mediating factor between AI-generated ads and consumer trust, especially within emerging market settings like Pakistan, where the use of digital advertising has been rapidly increasing, but consumer skepticism toward automated commercial advertisements is also well reported (Obermiller & Spangenberg, 1998). This study aims to fill that void and investigate whether and how perceived authenticity can influence consumer trust among a sample of 350 consumers in Karachi when it comes to the effect of AI-generated ads. The study builds upon the Elaboration Likelihood Model (ELM) (Petty & Cacioppo, 1986) and signaling logic (Erdem & Swait, 2004), adding a new context for the study of technology, and providing theoretical refinement and practical suggestions for practitioners considering the responsible use of generative AI in advertising.

Problem Statement

Despite the cost-efficiency and scalability advantages that generative AI offers for creating advertising content, adoption is happening quickly without a deep understanding of the psychological underpinnings of consumer trust in this content (Huang & Rust, 2021). However, algorithm aversion research indicates that users often reject output of an algorithm even if it is fundamentally accurate (Dietvorst et al., 2015), and other studies suggest that they conditionally accept it based on other context signals (Glikson & Woolley, 2020). This uncertainty makes it difficult for marketers to determine if AI-driven ads are beneficial or detrimental to brand trust and when. This inconsistency has been suggested to be mediated by the concept of perceived authenticity, which is known to affect trust in traditional advertising settings (Newman & Dhar, 2014), but has been rarely tested in the context of AI-generated commercial

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content. Furthermore, the majority of existing research is from Western, high digital literacy markets, and there is a lack of understanding of how low digital literacy consumers, like those in Pakistan, who are growing into a market with expanding digital advertising but low levels of institutional and technological trust (McKnight et al., 2002), react to AI-generated persuasive messages. This mediating pathway remains unclear, leaving scholars and practitioners with no clear empirical support to inform the creation of well-evidenced AI-driven advertising strategies that can enhance consumer trust.

Research Objectives

1. To study the link between Artificial Intelligence-generated ads and consumer trust.
2. To examine the relationship between AI-generated ads and perceived authenticity.
3. To examine the consumer's perception of authenticity and its impact on consumer confidence.
4. To verify the mediating effect of perceived authenticity between AI-generated advertising and consumer trust.
5. To give marketers recommendations based on evidence for deploying advertisements created by AI in emerging markets.

Literature Review

The academic debate around the use of AI in advertising has taken two parallel courses, with one focused on the technical possibilities and the other on the psychology of the consumer. On the technological end, Huang and Rust (2021) present a strategic framework separating mechanical, thinking, and feeling kinds of AI, and propose that while the former two are suited to repetitive, high-volume advertising tasks like content generation and personalization, emotional communication is a more complex space to automate. This is complemented by Davenport et al. (2020), who suggest that AI is transforming the entire consumer journey, from recognition of consumer need to post-purchase engagement, through hyper-personalization at a scale that would be impossible without the help of a machine. Kietzmann et al. (2018) also report that AI-written ads, such as copy and content creation, are now commercially viable and becoming indistinguishable from human-written ads, raising the issue of how people will receive and process AI-produced ads.

From the consumer psychology perspective, trust has been considered a multi-dimensional construct, consisting of three beliefs about the trustee, namely ability, benevolence, and integrity (Mayer, Davis, & Schoorman, 1995), and as a relational asset that develops over time through repeated and honest interactions (Morgan & Hunt, 1994). Trust formation is further complex in a digital and e-commerce context because of the lack of physical cues and the perceived risk and uncertainty (Gefen, Karahanna, & Straub, 2003; McKnight et al., 2002). In advertising, the skepticism of consumers towards promotional claims has been found to be an enduring individual predisposition that influences the reception of messages regardless of who is sending them (Obermiller & Spangenberg, 1998, 2000), meaning that the AI-generated content is already part of a context that is skeptical.

Algorithm aversion is a useful term to grasp consumer resistance to AI-generated content. However, Dietvorst et al. (2015) showed in an experiment that people have a shorter trust span for algorithms than equally flawed people, even if the algorithms

perform objectively better, because of intolerance for algorithmic errors. However, this resistance to algorithms is not eternal: users' willingness to give any amount of control over algorithmic outputs considerably increases their level of trust (Dietvorst et al., 2018), and two decades of empirical studies (summarized by Glikson and Woolley, 2020) indicate that trust in AI systems is linked to their transparency, reliability and immediacy behaviors, with anthropomorphic cues being important antecedents of emotional trust. The results suggest that AI content does not necessarily stimulate distrustful attitudes, but rather that it becomes distrustful depending on the cues given within the content and how it is presented.

One such important cue has become perceived authenticity. The concepts of iconic and indexical authenticity developed by Grayson and Martinec (2004) are both influential in consumer perceptions of authenticity, where iconic authenticity refers to a resemblance to an original, and indexical authenticity to a true causal connection to origin. The findings of Newman and Dhar (2014) are significant to AI-generated content because they highlight how sensitive authenticity judgments are to information about the true origin and production process of the product, which may potentially pose a threat to the indexical authenticity of AI-generated content, even when the content is of high quality. In line with the notion that authenticity serves as a psychological link between new forms of brand-related stimuli and consumer evaluation responses, Spiggle et al. (2012) also demonstrate that consumers' responses are mediated by their perceptions of authenticity when the stimuli are out of the norm.

The theory of source credibility is also supportive. Hovland and Weiss (1951) found that source credibility and source expertise are crucial factors in the effectiveness of the message, which was further developed by Erdem and Swait (2004), who hypothesized that brand credibility signals to the consumer that the information costs and perceived risk have been reduced. In the absence of a recognizable source, such as a human or institution, consumers have to draw their conclusions about the credibility and authenticity based on secondary cues such as the quality of the content, its relevance in the context of personalization, and the disclosure practices (Sundar, 2008). This logic is further supported by research on influencer marketing: The value of a message and the perceived credibility of a content source co-determine consumer trust (Lou, 2019), which is also likely to apply to an emerging communicative agent such as AI. Overall, this literature provides evidence for the mediation model investigated in this study, as it suggests that AI-generated advertisements affect consumer trust directly and indirectly via their contribution to authenticity judgments.

Theoretical Framework

The study is grounded in the Elaboration Likelihood Model (ELM; Petty & Cacioppo, 1986), which holds that attitude change takes place through a central route, characterized by a high level of elaboration of the message arguments, or a peripheral route, involving a low level of elaboration of the message arguments and relying on peripheral cues like source credibility. In an environment of moderate involvement, like most advertising situations, consumers will often use peripheral cues such as the degree of authenticity which they perceive in the AI-generated advertising message to come to their conclusions about trustworthiness without fully evaluating the message. This is followed by signaling theory (Erdem & Swait, 2004) that views authenticity cues as signals that lessen the information asymmetry between an AI-driven advertiser and a

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consumer who cannot directly verify the authenticity of the origin of the communication. ELM and signaling theory provide a psychological explanation as to how AI-created ads lead to consumer trust, which serves as the theoretical foundation for the proposed mediation model.

Conceptual Framework

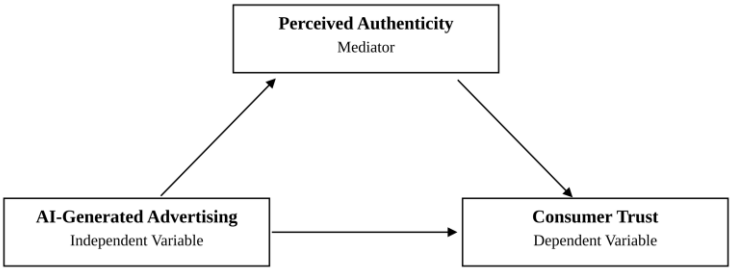


Figure 01: Conceptual Framework

Study Hypothesis

H_1: AI-generated advertising has a significant positive effect on consumer trust.

H_2: AI-generated advertising has a significant positive effect on perceived authenticity.

H_3: Perceived authenticity has a significant positive effect on consumer trust.

H_4: Perceived authenticity mediates the relationship between AI-generated advertising and consumer trust

Research Methodology

To test the hypothesized mediation model, this study used a quantitative, cross-sectional survey design. The participants in this study were adult consumers in Karachi, Pakistan, who had previously interacted with digital advertising. As is often the case in consumer behavior research that focuses on emerging technological phenomena for which a complete sampling frame is not available (Hair, Black, Babin & Anderson, 2019), a non-probability convenience sampling technique was used. Of the 400 responses received, 350 were selected for analysis after screening for incomplete or inattentive responses, which is more than the suggested minimum sample size (n = 30) for regression-based analyses with the number of predictors in the present study (Cohen, 1988).

Information was gathered with a structured, self-administered questionnaire that consisted of four parts: Demographic characteristics (5 items), AI-Generated Advertising (4 items), Perceived Authenticity (4 items), and Consumer Trust (5 items). All substantive items were rated on a five-point Likert scale from strongly disagree (1) to strongly agree (5). The AI-Generated Advertising scale was adapted to measure consumer perceptions of the quality, personalization, and novelty of ads created by AI, with a conceptual grounding in frameworks that have been developed to describe AI capabilities in marketing (Huang & Rust, 2021; Kietzmann et al., 2018). The Perceived Authenticity scale is based on existing measures of authenticity focusing on authenticity of genuineness and authenticity of sincerity of communication (Grayson & Martinec, 2004; Newman & Dhar, 2014). The Consumer Trust scale was based on existing

definitions of trust which focus on reliability, benevolence, and integrity (Mayer et al., 1995; Morgan & Hunt, 1994). The instrument was tested with 30 respondents in a pilot study before full deployment to ensure clarity and reliability, with minor wording changes made.

Data analysis moved in the stages in the SPSS software and the PROCESS macro (Hayes, 2018). The demographic profile and central tendency of the study variables were summarized using descriptive statistics. Secondly, Cronbach's alpha was used to measure the internal consistency reliability of the constructs, where reliability scores of .70 or higher were considered acceptable (Hair et al., 2019). Third, the Pearson product-moment correlation was used to analyze bivariate relationships between constructs. Hierarchical multiple regression was used to examine the direct effects of AI-Generated Advertising on Perceived Authenticity and on Consumer Trust. Finally, a mediation analysis was carried out using the PROCESS Model 4 (Hayes, 2009) with 5,000 bootstrap resamples to obtain 95% bias-corrected confidence intervals for the indirect effect, as recommended when testing indirect effects without assuming a normal sampling distribution (Preacher & Hayes, 2008). All measures were evaluated for common method bias using Harman's single-factor test, as well as for reliability and correlation diagnostics, which are recommended to minimize method variance inflation (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003).

Analysis and Interpretation

Table 01: Demographic Characteristics of Respondents (N = 350)

Demographic Variable	Category	Frequency	Percentage (%)
Gender	Male	196	56.0
	Female	154	44.0
Age	18–25	104	29.7
	26–35	137	39.1
	36–45	70	20.0
	46 and above	39	11.1
Education	Bachelor	126	36.0
	Master	158	45.1
	MPhil/PhD	66	18.9
Monthly Income	Below PKR 50,000	91	26.0
	PKR 50,001–100,000	128	36.6
	PKR 100,001–150,000	77	22.0
	Above PKR 150,000	54	15.4

The demographic composition of the sample is given below in Table 1. The gender distribution has a moderate gender gap, with the majority of the respondents being male (56.0%) compared to female (44.0%). The age distribution shows that the majority of respondents are between the ages of 26 and 35 (39.1%), with 18 and 25 being the next age groups at 29.7%, indicating that the sample is skewed toward younger and early-career, digitally active adults who are often exposed to AI-generated digital advertising. In regard to education, almost half of the respondents have a master's degree (45.1%), and another 18.9% have an MPhil or PhD, a relatively highly educated sample. The monthly incomes of respondents indicate a middle-income group, with the highest share of income falling in the range of PKR 50001 to 100000, which is usual for the middle-class residents of Karachi.

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Table 02: Descriptive Statistics of Study Variables (N = 350)					
Variable	**N**	**Minimum**	**Maximum**	**Mean**	**SD**
AI-Generated Advertising	350	1.00	5.00	3.60	0.73
Perceived Authenticity	350	1.25	5.00	3.59	0.77
Consumer Trust	350	1.20	5.00	3.69	0.72

Descriptive statistics of the three study variables are presented in Table 2. All variables had mean scores that fall in the mid-range to the upper range (between 3.59 and 3.69), reflecting generally positive perceptions by the respondents about the AI-generated ads, their perceived authenticity, and consumer trust. The standard deviations of the answers were moderate in range (0.72-0.77) and suggest a degree of heterogeneity but not an excessive amount to make the data suitable for parametric analysis.

Table 03: Reliability Analysis of Study Constructs		
Construct	**No. of Items**	**Cronbach's Alpha**
AI-Generated Advertising	5	.868
Perceived Authenticity	4	.845
Consumer Trust	5	.879

Table 3 shows the Cronbach's alpha coefficients for each construct. All three constructs have an internal consistency exceeding the threshold of .70 (Hair et al., 2019), with Consumer Trust showing the highest ($\alpha = .879$), AI-Generated Advertising the next ($\alpha = .868$), and Perceived Authenticity the least ($\alpha = .845$). The results showed that the measurement scales used in this study were reliable and appropriate for further inferential analysis.

Table 04: Pearson Correlation Matrix			
Variables	**1**	**2**	**3**
1. AI-Generated Advertising	1		
2. Perceived Authenticity	.437**	1	
3. Consumer Trust	.390**	.527**	1
Note. p < .01 (2-tailed). N = 350.			

Table 4 shows the bivariate correlations between the three constructs. AI-Generated Advertising is moderately but strongly and positively related to Perceived Authenticity ($r = .437$, $p < .01$) and Consumer Trust ($r = .390$, $p < .01$). Perceived Authenticity is also highly and positively related to Consumer Trust ($r = .527$, $p < .01$), and the relationship is considered the strongest bivariate relationship in the model. The correlations are largely in the hypothesized direction and offer initial support for the hypothesized mediation process, but are much lower than the thresholds for possible multicollinearity concerns.

Table 05: Regression Analysis Predicting Perceived Authenticity					
Predictor	**B**	**SE**	**β**	**t**	**p**
Constant	1.934	0.186	—	10.390	<.001
AI-Generated Advertising	0.460	0.051	.437	9.070	<.001
$R^2 = .191$; $F(1, 348) = 82.26$, $p < .001$.					

The results of the regression between Perceived Authenticity and AI-Generated Advertising are shown in Table 5. The model is statistically significant, $F(1, 348) = 82.26$, $p < .001$, explaining 19.1% of the variance in Perceived Authenticity ($R^2 = .191$). AI-Generated Advertising is a positive predictor with a significant effect ($\beta = .437$, $t = 9.070$, $p < .001$), suggesting that when consumers have a positive perception of AI-

generated advertising, they also have a positive perception of the advertising's authenticity.

Table 06: Regression Analysis Predicting Consumer Trust					
Predictor	**B**	**SE**	**β**	**t**	**p**
Constant	1.502	0.185	—	8.106	<.001
AI-Generated Advertising	0.195	0.049	.198	3.986	<.001
Perceived Authenticity	0.414	0.047	.441	8.876	<.001
R^2 = .309; Adjusted R^2 = .305; F(2, 347) = 77.65, p < .001.					

The regression results predicting Consumer Trust from both AI-Generated Advertising and Perceived Authenticity are presented in Table 6. The overall model is significant, $F(2, 347) = 77.65$, $p < .001$, explaining 30.9% of the variance in Consumer Trust (Adjusted $R^2 = .305$). Perceived Authenticity is statistically significant and has a higher standardized effect ($\beta = .441$, $t = 8.876$, $p < .001$) than AI-Generated Advertising ($\beta = .198$, $t = 3.986$, $p < .001$). The link between Consumer Trust and AI-Generated Advertising is bivariate correlated, and this strength is weaker than the link between Consumer Trust and AI-Generated Advertising without the mediating variable (from .390 to .198), indicating partial mediation by Perceived Authenticity.

Table 07: Total, Direct, and Indirect Effects of AI-Generated Advertising on Consumer Trust				
Effect	**Effect Size**	**SE**	**BootLLCI**	**BootULCI**
Total Effect (c)	0.386	0.049	0.290	0.482
Direct Effect (c′)	0.195	0.049	0.099	0.292
Indirect Effect through Perceived Authenticity	0.190	0.029	0.137	0.249
Note. PROCESS Model 4; bootstrap samples = 5,000; 95% bootstrap confidence intervals.				

As shown in Table 7, the mediation hypothesis is confirmed by bootstrapped 5,000 resamples (95% CIs; PROCESS Model 4). The total effect of AI-Generated Advertising on Consumer Trust is significant ($c = 0.386$, $SE = 0.049$, 95% CI [0.290, 0.482]), and the direct effect remains significant after accounting for the mediator ($c' = 0.195$, $SE = 0.049$, 95% CI [0.099, 0.292]). Most importantly, the indirect effect is significant and does not cross the null value (indirect effect = 0.190, $SE = 0.029$, 95% CI = [0.137, 0.249]), indicating that approximately 49% of the effect of AI-Generated Advertising on Consumer Trust is indirect through Perceived Authenticity.

Discussion

This research study offers strong empirical evidence for the idea that consumers' perception of authenticity is one of the key psychological mechanisms that underpin the trust that consumers have in AI-generated advertisements. The results are in line with the Elaboration Likelihood Model (ELM) (Petty & Cacioppo, 1986) and indicate that consumers use authenticity as a peripheral cue when considering the AI-generated commercial message, especially in the context of moderate involvement in routine advertising experiences. However, the significant positive relationship between AI-Generated Advertising and Perceived Authenticity ($\beta = .437$) suggests that consumers are not inexorably opposed to machine-generated ads, as suggested by pure algorithm aversion accounts (Dietvorst et al., 2015), but that the advertisements can be perceived as authentic and credible when they are well-executed.

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The signaling theory logic, which was described by Erdem and Swait (2004), is applied to algorithmic communication in the partial mediation finding, where Perceived Authenticity accounts for almost half of the total effect of AI-Generated Advertising on Consumer Trust. It posits that authenticity acts as a credibility signal to diminish information asymmetry that occurs when consumers are not able to directly measure whether their persuasive intent is being carried out by humans or machines. This result also aligns with Grayson and Martinec's (2004) separation of iconic and indexical authenticity—the ads may be technically less authentic in terms of their indexical authenticity, but their iconic authenticity is strong, and that is what seems to have influenced the observed effect of building trust.

The fact that there is still a significant direct effect of AI-Generated Advertising on Consumer Trust after controlling for Perceived Authenticity suggests that authenticity is not the only factor that impacts Consumer Trust when it comes to AI-generated content. Other factors that could contribute to this include perceived personalization relevance, novelty appeal, and direct inferences from the brand's competence and innovativeness (Huang & Rust, 2021), which may be acting in parallel. This aligns with the findings by Glikson and Woolley (2020), who found that several antecedents (including reliability, transparency, and immediacy) interact to create cognitive and emotional trust in AI systems, meaning that none of these antecedents alone can fully explain the potential of AI to build trust.

The results build on previous studies, which have predominantly been carried out in high-digital-literacy Western markets, in an emerging-market context. Overall, the mean scores for all three constructs are relatively high, indicating that despite the literature documenting consumers' general skepticism towards advertising (Obermiller & Spangenberg, 1998), it is not a general phenomenon across all types of advertising, including the perception of AI-generated advertising as being authentic and relevant. The distinction is significant for global marketers who may think that such resistance to algorithmic content is the same in other cultural and economic contexts; for other reasons as well, this highlights the need for empirical testing in the context of various cultures and economies rather than blindly extrapolating from theoretical models developed in the West (McKnight et al., 2002).

Conclusion

This study aimed to investigate the role of perceived authenticity between AI-generated advertising and consumer trust among consumers in Karachi, Pakistan. The results support theoretical explanations that AI-generated ads are perceived as more authentic and trusted by consumers, and that this effect is partially mediated by perceived authenticity (about 50% of the total effect). The results of this study, based on data from 350 respondents and the use of a rigorous bootstrapped mediation analysis, confirm the theoretical explanations, according to which the perception of authenticity and consumer trust are positively related to the use of AI for advertising, and that this effect is partially mediated by perceived authenticity (about 50% of the total effect).

The results indicate that perceived authenticity is a key psychological mechanism in the new landscape of AI tools in business communication, adding an algorithmic dimension to existing models of persuasion, source credibility, and trust. One of the study's key findings is that consumer trust in algorithm-originated ads extends

beyond the algorithms themselves and is significantly influenced by consumers' belief that the ads are authentic, sincere, and believable. Recommendations: While the efficiency of AI-generated ads is crucial, marketers should also give extra attention to the cues that can enhance the perceived authenticity of their campaigns, such as the consistency of message, context, and style, which should align with the brand tone and language. If the disclosure practices are open and honest and are combined with quality assurance processes, they can help avoid authenticity erosion. AI-human-AI content operations are a good investment because AI can work at scale and with personalization, and humans can take care of content that needs to be emotionally charged. Local investigations of authenticity should be conducted, rather than taken for granted from the studies made in the West. Authenticity metrics should be added to pre-launch testing procedures, in addition to traditional engagement metrics, in future campaigns.

Limitations

The limitation of this study is that it lacks causal inference about observed relationships due to the cross-sectional research design. Convenience sampling in Karachi will not allow for generalizability to other areas or cultures. Although some statistical safeguards were used, the self-reported survey data may be subject to issues of common method bias and socially desirable responses. Further, the study did not compare the effects on authenticity and trust judgments of specific types or formats of AI-generated advertising, which can have different effects.

Significance

Theoretically, this study builds upon the Elaboration Likelihood Model and signaling theory, and sheds light on the role of perceived authenticity in the under-researched field of AI-generated advertising. On a practical level, it provides marketers, especially those in emerging markets, with empirical evidence to work with and create ad strategies that will strengthen rather than undermine consumer trust, which will help facilitate responsible and effective use of generative AI in commercial communication.

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