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“Decoding AI Ads”

How consumers perceive and make sense of AI-generated advertising
content

by

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Abstract

As artificial intelligence becomes increasingly prevalent in society and continues to affect marketing and advertising content, understanding how consumers perceive and respond to AI-generated content has become an important area of inquiry. This study uses a qualitative method, outlined in fifteen semi-structured interviews, to find out how consumers perceive AI-generated content in the form of pictures. Taking multiple theories into account, one conceptual framework of AI-driven consumer behaviour, brand authenticity theory, the uncanny valley theory, and legitimacy theory together provide the theoretical foundation for the analysis. The data was analyzed using thematic analysis, resulting in three themes, namely: "Human Involvement, Oversight and Transparency", "Perceived Flawless Distortion and Detection of AI", and "Creativity, Effort, Resources and Quality".

The findings suggest that consumers do not evaluate AI-generated advertisements based on AI use alone. Instead, responses are shaped by a combination of factors, including brand consistency, perceived quality and effort, emotional engagement, and the degree of transparency brands show about their use of AI. Transparency emerged as particularly important, as disclosure of AI use was consistently associated with greater trust and acceptance. The uncanny valley effect was also found to be a significant source of discomfort, particularly when AI was used to generate human likenesses that fell into an unsettling middle ground between human and artificial. Consumers evaluated the legitimacy of AI practices and their use in advertising, which often directly affected trust and behaviour.

This study proposes an extended version of Pan's (2025) conceptual framework of AI-driven consumer behaviour that incorporates brand authenticity dimensions within the AI perception stage, introduces the uncanny valley effect as a disruptive threshold variable, adds relevance of the brand as a component when consumers perceive AI-generated ads, and finally places legitimacy as a parallel layer shaping consumer responses across all three stages. These additions offer a more complete theoretical account of how consumers engage with AI-generated advertising and point clear directions for future research.

Keywords: Artificial Intelligence, Advertisement, Trust, Authenticity, Transparency, Consumer Perceptions.

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1. Introduction

1.1 Background

Artificial intelligence (AI) can be defined as a technology that imitates human intelligence and delivers value through flexible adaptation, which learning, unlearning, and re-learning enable (Bock et al., 2020; Qin & Jiang, 2019, cited in Ford et al., 2023). Artificial intelligence has revolutionized the field of content creation for music, pictures, code, text, video, etc., due to the rapid progress of natural-language generation algorithms and machine learning. That makes AI increasingly used for content creation in the advertising field to boost efficiency in ad production and reduce labor costs (Campbell et al., 2022; Guo & Jiang, 2023, cited in Chen et al., 2024). Ford et al. (2023) also state that AI's ability to learn from the process and expand its intelligence is the particular factor that leads advertisers to use AI to connect with consumers. This results in advertisers' enhanced ability to decode structured and unstructured customer data, which is used to derive insights and create and deliver advertisements that represent consumers' interests and preferences (Mogaji et al., 2021, cited in Ford et al., 2023). Further, artificial intelligence has made advertising more targeted, personalized, competent, and intelligent by facilitating and automating functions that are vital in advertising, like media planning, buying, advertising creation, consumer insight discovery, and impact evaluation (Chen et al., 2019; Deng et al., 2019; Li, 2019, cited in Ford et al., 2023). Recent studies indicate that advertising messages will transition into an era dominated by artificial intelligence (AI) in the coming decades (Campbell et al., 2021; Whittaker et al., 2020, cited in Arango et al., 2023).

Nevertheless, consumer attitudes can vary when it comes to AI-generated content and are not always seen as positive, depending on consumer characteristics, consumption context, and other specific situations (Zhu et al., 2022, cited in Chen et al., 2024). At the same time, some positive aspects of AI-driven marketing include scalability and personalization; negative concerns center on ethical transparency, perceived authenticity, and credibility. Further, studies have revealed that consumers could get a negative reaction from the explicit information that the content was AI-generated, especially in cases when the emotional engagement coupled with the perceived authenticity is critical (Israfilzade & Sadili, 2024; 2025; Puntoni et al., 2020; Wortel et al., 2024; Brüns & Meißner, 2024; Kirkby et al., 2023, cited in Israfilzade, 2025).

A growing concern in digital marketing is whether AI's "creativity" can really replace human creativity. Research shows that AI-made content works best when it seems human and trustworthy (Jung et al., 2025). AI can create new, informative ads, but these benefits can be lost if the images don't look real. If a picture feels too fake or "creepy," it can elicit a negative reaction and harm the brand's reputation (Jung et al., 2025, as cited in Gu et al., 2024). This means that for AI-generated visuals to be effective, they must not only be technically good but also capture the subtle qualities of human creativity so that people trust them. It also highlights the need to study which specific visual details make an AI image feel believable rather than unsettling, so it can serve as a trusted part of brand communication (Jung et al., 2025).

1.2 Aim and Objectives

This study aims to investigate multiple consumer perceptions and experiences of AI-generated advertising to collect a broad perspective of how AI influences advertising, brand engagement, and consumer attitudes. Rather than finding out how performative or effective an advertisement is, this study aims to focus on the exploration of consumer sense-making when it comes to AI's involvement in advertising content and how these attributes shape their evaluation of advertisements in general. The research will focus on how key dimensions such as trust and authenticity can shape consumer perceptions, both directly and indirectly, ultimately influencing specific attitudes and consumer behaviour toward the role of AI in advertising.

1.3 Research Question

How do consumers perceive AI-generated advertising content in the form of pictures?

1.4 Research Purpose

The purpose of this research is, first, to explore how consumers perceive AI-generated advertising and which key factors, such as trust and authenticity, influence these perceptions and shape overall attitudes towards the use and acceptance of AI in advertising. This is in order to find out what consumers prefer when it comes to AI and how this can be applied to make advertisements more appealing and accurate. By investigating what the consumers' expectations, perceptions, and priorities are, the most effective ways to use AI in advertising

can be identified in a way that aligns with the consumers' insights. These insights can then create an awareness and understanding of the ideal way to implement AI in advertising for specific fields and industries.

1.5 Delimitations

The study is grounded in an age span, with participants ranging from 20 to 60 years old. Including participants of several different ages allows researchers to gain a broader perspective on the research that may vary with age. All chosen participants had some familiarity with AI, but to varying degrees. The research was delimited to participants who had prior familiarity with the researchers due to considerations regarding feasibility and accessibility. The role of AI in advertising is investigated by looking only at advertisements in the form of pictures, with no advertisements in video formats being included, thus delimiting the scope of the study.

2. Literature Review

Consumers' perceptions of AI-generated advertising are a growing area of research, reflecting the increasing presence of AI in marketing and brand communication.

The nature of consumer responses to AI-generated content is complex, with some studies reporting potentially negative effects, while others suggest neutral or positive consequences under specific conditions. Baek et al. (2024) present several examples of this: A study by Bakpayev et al. (2020) shows that AI-generated advertising can elicit positive responses when the ads are cognition-oriented, and thus whether the advertisement was created by humans or AI doesn't matter. Although the same study captured lower evaluations of AI-generated advertisements when they were emotion-oriented ads, highlighting a need for human involvement. Another study by Wu and Wen (2021) found that trust in machines was increased when consumers perceived ads as objective, but at the same time, this negatively affected AI-advertising's perceived eeriness. An additional study by Wu et al. (2022) examined posts on Twitter and concluded that users expressed satisfaction towards marketing tools that were AI-powered but expressed dissatisfaction with the role AI plays in social media campaigns (Bakpayev et al., 2020; Wu & Wen, 2021; Wu et al., 2022, cited in Baek et al., 2024).

Arango et al. (2023) explored consumer responses to AI-generated charitable giving ads, employing an experimental study to assess reactions to content created by a neural network. They found that the awareness of AI-generated ads impacted consumers negatively in most cases. In extraordinary cases, AI images were considered acceptable by consumers when they were perceived as real (Arango et al., 2023). The findings showed that awareness of charitable AI-generated content negatively influenced donation intentions, with anticipatory guilt, emotional perception, and reduced empathy mediating this effect (Arango et al., 2023, cited in Baek et al., 2024). Another study by Kirkby et al. (2023) found no adverse effects on brand attitude or perceived brand voice authenticity from disclosing AI-generated texts compared with human-written texts. This could be explained by the fact that consumers didn't perceive AI-generated content as less authentic in functional contexts. Kim et al. (2021) observed similar findings: when AI-generated content was presented in a precise format, consumers responded more favorably to the company. These examples show that the

negative impact of AI disclosures can be diminished by ensuring that AI-generated content sources are reasonably presented and transparent (Kirkby et al., 2023; Kim et al., 2021, cited in Baek et al., 2024).

Israfilzade (2025) conducted a study comparing AI-generated and human-created advertising and found that explicit AI labeling may reduce consumer trust and purchase intent, especially for high-involvement products where authenticity matters. Yet hiding AI use can run into ethical and regulatory problems. This puts marketers in a bind because simple tags like “AI-generated” can provoke skepticism and damage brand perception. The study argues for more refined disclosure approaches that balance transparency with effective communication, for example, by highlighting human-AI collaboration or explaining AI’s role in quality assurance. Such strategies aim to meet compliance needs while preserving trust and brand value (Eklund & Mankowitz, 2025; Qiu et al., 2025, cited in Israfilzade, 2025). Wen and Laporte (2025) also conducted a comparative study of generative AI and human-authored content and found that, although AI reviews objectively have lower sensory richness, humans frequently struggle to notice these differences, sometimes rating AI content higher in usefulness than human writing. Chan and Choi (2025) emphasize that to maintain brand authenticity, GenAI should be positioned as an assistant to humans in content creation rather than a full replacement. This is supported by the finding that human post-production adjustments are often necessary to improve the overall quality of an advertisement and diminish the sense of integration of synthesis in the picture.

Mick and Fournier (1998) investigate how consumers experience and handle the paradoxes of technological products in their everyday lives. The authors identify a conflict that while technology can facilitate feelings of intelligence or efficacy, it can simultaneously lead to feelings of ignorance or incompetence. This psychological tension is further explained by the dual mechanisms of perceived eeriness and perceived intelligence, where perceived eeriness refers to the negative emotional state or sense of horror consumers may experience when viewing AI-generated content. Research suggests that while AI-generated advertisements can demonstrate high functional capabilities, they often trigger discomfort if the content feels unnatural. Chan and Choi (2025) relate this skepticism to “creativity gatekeeping,” in which consumers tend to perceive AI-created products as less creative because they believe the technology requires less effort in the creation process than humans. However, specific visual characteristics can mitigate this response; for instance, the verisimilitude (resemblance to

reality) and imagination (novelty) of an AI-generated advertisement have been found to reduce this sense of strangeness or unsettlingness significantly, but at the same time, it is those elements that make the ad seem more intelligent. On the other hand, when an image looks obviously put together, distorted, or unnatural, it makes people uncomfortable and less likely to accept the ad.

Campbell et al. (2021) have developed a framework for understanding consumers' responses to ad manipulation. The framework presents manipulation sophistication as the initial stage, which is the quality of an ad's content creation and editing. It is stated that a greater degree of sophistication can lead to enhanced perceived verisimilitude - the range of which an ad looks real or true, as well as the perceived creativity of the ad. Both creativity and verisimilitude increase the ad's persuasiveness, but these factors can also activate an awareness of falsity, resulting in a decrease in the ad's persuasive outcomes. In some instances, perceptions of creativity can lead consumers to approve an artificially created or altered ad, thereby reducing the negative effect of awareness of ad falsity.

Further, a study by Chen et al. (2024) investigated consumer attitudes toward AI-generated ads and used two fundamental dimensions in social cognition: agency and communion as advertising appeals. Agency is usually related to achieving personal success and goals and strengthening task functioning (assertiveness, competence), while communion refers to forming and maintaining relationships and deepening social functioning (morality, benevolence). In an advertising context, agentic appeals present the products' agentic benefits, which relate to the enhancement of the individual abilities of consumers to fulfill tasks and accomplish personal goals. Communal appeals, on the other hand, show the products' communal benefits, in the form of enhancing consumers' social skills in order to enhance their connections with their social relationships (Judd et al., 2005; Howle, 2017; Zeng et al., 2022, cited in Chen et al., 2024). They argue that an ad that has agentic appeals is more beneficial than one with communal appeals when it is AI-generated (Chen et al., 2024). This relates to the finding that AI often exhibits more positive emotions and effects than human experts, potentially aligning well with goal-oriented, agentic appeals even if it lacks sensory depth.

Additionally, Madathil (2025) examined audience reactions to generative AI advertisements and used an experimental design to evaluate the effects of the advertisements on the audience. The results showed that generative AI advertisements that feature real collaborations between

human and AI characters generated more favorable attitudes within the audiences, as they were observed as more creative and evoked a lower amount of AI-induced anxiety compared to advertisements that fully used AI-generated characters. Advertisements with only AI-generated characters negatively impacted consumers' attitudes towards the ad and affected brand morality unfavorably. Therefore, creativity was one of the most important factors that indicated whether an advertisement would succeed (Lee & Hong, 2016, cited in Madathil, 2025).

Chan and Choi (2025) note that while GenAI is revolutionizing the way organizations interact with consumers, a holistic view of how it applies specifically to marketing functions and consumer research is still absent in current literature. Furthermore, while most traditional research focuses on the act of adoption, Mick and Fournier (1998) argue that there is a critical need to understand the complex meanings and experiences consumers bring to bear once the new technology is acquired. Wen and Laporte (2025) build on this by comparing the linguistic qualities of AI-generated content against those of human experts, finding that while AI can emulate human-like experiences, it often shows reduced use of embodied cognition, meaning fewer sensory-based expressions, along with a more limited range of vocabulary.

While prior research has explored the matter of consumer perceptions of AI-generated advertising, they have mainly relied on a quantitative method, which tends to only scratch the surface as to why consumers feel the way they do. Therefore, the field lacks a deep understanding of why these emotions and feelings occur when consumers view AI-generated advertisements. It is relevant to investigate the motivations behind their opinions further and find out which elements they find crucial in order to be either positively or negatively impacted by the content.

Chan and Choi (2025) highlight that while industrial giants like Coca-Cola and Mattel have successfully used GenAI to foster "interactive experiences" and "co-creation," research is still in its early stages regarding the specific factors, such as novelty and likability, that mediate these consumer-brand outcomes. Mick and Fournier (1998) argue that when technology causes emotional distress, such as feeling "betrayed" or defeated, it triggers specific reactions. They found that people don't just react one way; they switch between avoiding the tech (like ignoring or abandoning it) and confronting it (like trying to master it) as they figure out their relationship with the product over time. This "decoding" process is now complicated by AI's ability to emulate human experiences convincingly enough that human detectors are

often unable to distinguish between human and machine origins, something that can be explored further.

Taken together, these studies suggest that consumer perceptions of AI-generated advertising are shaped by a complex mix of emotional, cognitive, and brand-related factors, of which transparency and disclosure represent only one aspect of it.

2.1 Theoretical Frameworks

2.1.1 Conceptual Framework of AI-Driven Consumer Behaviour

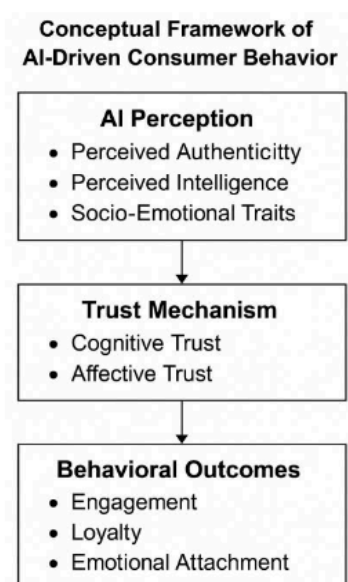


Figure 1. Conceptual Framework of AI-Driven Consumer Behaviour (Pan, 2025)

Derived from the fields of consumer psychology, information systems research, and communication theory, an integrated conceptual framework of AI-driven consumer behaviour has been developed in order to explain the psychological and behavioural processes whereby brand strategies that are AI-driven form consumer responses. The framework is built on the core idea that consumer interactions with AI systems aren't just functional but that the perceptions and interpretations formed from these systems are relational and symbolic entities. There are three stages in the conceptual framework that process these interpretations. These are 1) AI perception, 2) Trust formation, and 3) Behavioural outcomes (Pan, 2025).

The first stage: AI perception processes consumers' evaluations of brand touchpoints that involve AI. These evaluations concern perceptions of the AI system and its output on variables such as intelligence, authenticity, and socio-emotional traits (Chae & Lee, 2024, cited in Pan, 2025). Constructs that affect these evaluations are a range of established constructs, including social presence theory (Zhang et al., 2024, cited in Pan, 2025), algorithmic agency, and anthropomorphism, which measures the degree to which AI seems or acts as a human (Araujo et al., 2024, cited in Pan, 2025). The perceived characteristics determine whether AI is viewed as representing the brand as authentic or a cold, automated detachment from emotions by the consumer. Examples of an AI chatbot that is likely to be perceived as brand-authentic and socially intelligent include the utilization of natural language, empathy, and adaptability to a consumer tone (Pan, 2025).

The second stage: the trust mechanism explores how consumer trust develops, which in turn functions as a mediating mechanism between AI perception and behavioural outcomes. There are two types of trust that are made in AI. The first one is cognitive trust, which includes accuracy and system reliability. The second one is affective trust, which includes goodwill and warmth (Sargin, 2024, cited in Pan, 2025). Consumers are more likely to extend their trust towards a brand if they perceive AI systems as competent and emotionally aware, thus strengthening relational depth and lowering perceived risk (Lee & Shin, 2024, cited in Pan, 2025). Trust is fragile in contexts such as AI, especially when consumers perceive personalization as non-transparent and intrusive (Pan, 2025). The personalization-intrusiveness paradox is represented here, indicating that consumers' sense of privacy or control is violated if trust is eroded by AI interactions, even well-designed ones (Araujo et al., 2024, cited in Pan, 2025). In order for trust to be sustained in branding efforts that are AI-driven, consumers need to feel assured that the system is fair and transparent (Pan, 2025).

The third and final stage: behavioural outcomes comprehend the central consumer responses, taking loyalty, engagement, word-of-mouth intentions, and willingness to co-create into account. These are the results of cumulative assessments during the stages of perception and trust. The fact that trust establishment results in tangible outcomes is important (Zhang et al., 2024, cited in Pan, 2025). High levels of trust make consumers more likely to interact intensely with AI systems. Furthermore, it fosters long-term loyalty and leads to emotional relationships with the brand (Pan, 2025).

This framework is particularly suitable given the research objective of understanding the sensemaking process behind consumer responses to AI-generated ads, rather than measuring predefined variables. The components of the framework, such as authenticity, trust, and engagement, can shape how consumers perceive the ad and work as crucial mediators between different perceptions. By using a conceptual framework, a more holistic perspective is taken into account, and a bigger picture can be explored by examining several components simultaneously.

Firstly, the framework follows a logical process from perception to trust and then to responses. This matches how consumers are likely to experience AI-generated advertisements. When people are exposed to this type of content, they may question how it was created, whether it feels real, and what it means. The framework helps organize and analyze these thought processes in a clear way.

Secondly, the framework focuses not only on what consumers think, but also on how they feel and interpret meaning. This is important because AI-generated ads are not judged only on usefulness, but also on whether they feel human, authentic, or emotionally engaging. These aspects are central to this study and are better explored through a qualitative perspective.

Trust is also an important reason for choosing this framework. In the context of AI-generated advertising, consumers may feel uncertain about transparency, credibility, or intentions. The framework highlights trust as a key step between perception and response, making it especially useful for understanding how opinions about AI ads are formed.

This framework is relatively new as it was recently published; consequently, its application has been more limited relative to other frameworks in the field. Although it is highly appropriate to the research that is being conducted in this study, as it integrates multiple fields and goes beyond the purely technical perspective, emphasizing a strong consumer perspective, and how consumers make sense of their experience through intelligence, authenticity, and social-emotional cues (Pan, 2025).

2.1.2 Brand Authenticity Theory

Authenticity can be defined as whether an object can be proven or identified as “genuine,” “original,” “trustworthy,” or “real” (Cohen, 2007, cited in He et al., 2023). Brand authenticity was made into an integrative framework, consisting of four dimensions: continuity, credibility, integrity, and symbolism (Morhart et al., 2015).

The continuity dimension displays how timeless a brand is, its historicity, and ability to transcend trends, and therefore shows a past-related aspect of the brand (Morhart et al., 2015). Continuity further shows similarities to brand heritage, where both show not only a time-scale of the brand’s stability and history but also how likely it will endure into the future (Merchant & Rose, 2013; Urde et al., 2008; Wiedmann, Hennigs, Schmidt & Wuestefeld, 2011, cited in Morhart et al., 2015).

The credibility dimension reflects the brands' willingness and ability to fulfill their promises. This dimension measures authenticity due to the fact that consumers associate authentic brands with a high degree of credibility. Credibility is that the brand is honest and transparent towards the consumer and fulfills their claims, as they say they will (Morhart et al., 2015). Brand credibility also has similarities with brand trustworthiness and brand quality, which reflect how well the brand honors its promises (Erdem & Swait, 2004, cited in Morhart et al., 2015) and the extent to which the brand performs in line with the consumers' expectations (Frazier & Lassar, 1996, cited in Morhart et al., 2015).

The integrity dimension shows authenticity through a sense of integrity, which is based on virtue and demonstrated through the brand’s intentions and communicated values. This dimension symbolizes the brand’s moral purity and responsibility, meaning how it adheres to good values and how sincere the care is towards its consumers (Morhart et al., 2015). Resemblance can be found between this dimension and Holt’s (2002) concept of commercial disinterestedness of authentic brands. There, it is stated that authenticity is derived from brands that have no instrumental economic agenda and spread from people intrinsically motivated by strong values (Holt, 2002, cited in Morhart et al., 2015). Further, Beverland and Farrelly’s (2010) concept of virtuousness corresponds with this dimension because virtuousness emerges from sticking to one’s morals (Morhart et al., 2015).

The symbolism dimension represents a brand's potential to support identity construction by providing self-referential cues that reflect roles, relationships, and values. Thus, symbolism conveys the brand's symbolic quality that consumers can use to define themselves, both who they are and who they aren't. Examples of authentic brands here include brands that relate to many facets of consumer selves, as well as products of the brand that consumers can identify with. These authentic brands help reflect values that the consumers consider important and can assist with constructing their individual selves (Mohart et al., 2015).

The concept of brand authenticity will be relevant in this study to examine whether the brand shown in the advertisement aligns with consumers' perceptions of both AI in general and the specific AI-generated advertisement. This theory will be useful for examining the role the brand plays in the advertisements shown and whether that affects consumers' perception of the ad itself and its authenticity. The researchers are going to try to identify if there is any relation between how consumers perceive authenticity and the realness of an AI advertisement, and thus if authenticity equals realness and vice versa when it comes to how consumers perceive the ad.

The multiple dimensions of authenticity: "continuity", "credibility", "integrity", and "symbolism", in this theory, allow the researchers to explore several versions of authenticity and to detect whether the reasons consumers state that an advertisement is authentic or not can be explained through the dimensions. It can be explored whether brand authenticity is one of the factors that determines how consumers perceive the ad, thereby shaping their opinion or attitude toward it. This theory also complements the conceptual framework used to gain a more in-depth perspective on authenticity and to uncover the motivations behind exactly what role authenticity plays in determining consumer perceptions.

The brand authenticity theory will contribute to research by determining the importance of authenticity in advertising. It will also examine whether advertising in an AI context influences the perceived authenticity consumers experience.

2.1.3 The Uncanny Valley Effect

Recently, virtual faces have been used more often as a form of stimulus to take the place of traditional photographs in studies regarding human face perception. Even if they are increasingly realistic and human-like, flaws are still presented, which may give rise to eerie feelings for the viewers, something known as the Uncanny Valley Effect (Di Natale et al., 2023).

The uncanny valley effect states that feelings of affinity, familiarity, and pleasantness that an anthropomorphic entity generates increase with greater human-likeness until a point where the realism is so apparent that any imperfection noticed causes a drop in viewers' emotional response, giving rise to unpleasant feelings. The uncanny valley hypothesis is therefore concluded as: "the more an artificial entity looks human, the more familiar and pleasant it feels until it appears so human that any imperfection makes it look creepy and unpleasant" (Mori, 1970, cited in Di Natale et al., 2023, p.2).

This effect can result from several factors. According to cognitive theories, the uncanny valley effect is due to observers' evaluation of the stimulus, where cognitive mechanisms are considered, whereby cognitive conflicts and violation of expectations are two main reasons for explanations of this effect (Wang, Lilienfeld, & Rochat, 2015; Zhang, Li, Zhang, Du, Qi, & Liu, 2020, cited in Di Natale et al., 2023). Of all these theories, the categorization ambiguity hypothesis states that observers experience negative feelings when it is difficult to determine whether an entity is artificial. This occurs in situations when distinctive features of a given class are presented by an artificial entity. "(E.g., human: "has a human face"), but also specific features of another category (e.g., robot: "moves like a machine")"(Kätsyri et al., 2015, cited in Di Natale et al., 2023, p.2).

Perceptual theories, on the other hand, see the uncanny valley effect as only a stimulus-driven effect. Here, the uncanny valley effect is caused by any perceptual mismatch that occurs in the appearance of the digital entity. These perceptual mismatches can take place in two ways. First, inconsistencies in realism levels can be shown in virtual faces of several aspects of their appearance. This is due to limitations in the graphics of the software used for their creations; examples include highly realistic textures in combination with low-quality features, like

highly artificial eyes or hair. Second, perceptual mismatches can arise from precise sensitivity to atypical features, like exaggerated facial features or abnormalities, where examples include oversized foreheads or magnified eyes. Whichever the reason is, these perceptual mismatch theories anticipate that inconsistencies in human-like facial feature levels are linked to negative affinity (Kätsyri et al., 2015, cited in Di Natale et al., 2023).

The uncanny valley effect is particularly relevant in the context of AI-generated advertising, as AI technology is now capable of producing images that closely resemble real human faces and bodies. When used in advertisements, AI-generated human likenesses function as artificial entities that may trigger the same uneasy feeling described by the uncanny valley theory, as they can appear almost human yet still carry subtle imperfections or an unnaturally perfect quality that signals something is off. This makes the theory useful for understanding how consumers emotionally respond to AI-generated ads and whether the degree to which an image looks human influences how they perceive and evaluate the advertisement as a whole.

2.1.4 Legitimacy

Legitimacy refers to a generalized perception or assumption that the actions of an entity are socially desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions (Suchman, 1995, cited in Essen et al., 2023).

Two forms of legitimacy are particularly relevant here. Sociopolitical legitimacy refers to the perceived appropriateness of the new venture in accordance with regulations, laws, and norms, and involves active evaluation and judgment. Cognitive legitimacy, on the other hand, relates to the public awareness of a new entity and the spread of knowledge about it (Aldrich and Fiol, 1994, cited in Essen et al., 2023). This form of legitimacy takes a more passive stance for the observer, who evaluates it more subconsciously, in particular by reflecting on the object's "taken-for-grantedness" (Alexiou and Wiggins, 2019, cited in Essen et al., 2023). Together, these two dimensions capture both whether something is considered acceptable and whether it is sufficiently understood to be evaluated at all.

Essen et al. (2023) highlight legitimacy issues regarding platforms in their early stages of formation and in relatively nascent markets. There are challenges for new platform entrants

when it comes to being perceived as legitimate by key stakeholders due to the hardship from their liability of newness (Stinchcombe, 1965, cited in Essen et al., 2023). Their existence may be questioned by key stakeholders (Tracey et al., 2018, cited in Essen et al., 2023), especially in cases when technologies differ significantly from users' previous schemes and experiences (Ben-Slimane et al., 2020, cited in Essen et al., 2023).

Although Essen et al (2023) developed this in the context of platform business models, this concept translates meaningfully to consumer responses to AI-generated advertising. It will be valuable to see whether legitimacy affects how consumers evaluate AI-generated advertisements and whether it has any effect on their opinions and perceptions of the content. The broad concept of legitimacy can reveal many facets of how AI influences advertising content and whether the actions taken to generate ads with artificial intelligence are proper, socially desirable, or appropriate in relation to the social constructs consumers have of norms, beliefs, and values. As AI-generated images in advertising can raise questions about authenticity, transparency, and the norms governing honest commercial communication, sociopolitical legitimacy can be an interesting factor to investigate. If consumers perceive the use of AI in advertising as something brands should not be doing, their negative reaction extends beyond visual discomfort and into broader questions of trust and acceptability. The legitimacy framework thus extends the theoretical picture by introducing the social and moral judgments consumers make about AI-generated advertising, complementing the perceptual, behavioural, and brand-related dimensions covered by the other frameworks.

3. Methodology

3.1 Research Philosophical Stance

Ontology represents researchers' basic assumptions about the nature of reality (Easterby-Smith et al., 2021, p. 70). This study adopts a relativist ontological perspective to capture the various perceptions consumers have of AI-generated advertisements, in line with the relativist view that there are many “truths” and that facts can vary depending on the observer. Since attitudes toward AI-generated advertisements can differ from person to person, there will most likely be many answers to the same question, which also reflects the way the research question was formulated as “how” consumers perceive this content. A relativist view further states that observations are more credible when made from several contrasting perspectives, which is why this study aims to capture as many viewpoints as possible.

The chosen epistemology is social constructionism, as this view captures not only the many truths but also the ways in which they were constructed (Easterby-Smith et al., 2021, p.70). Since participants' interpretations of ads are subjective and shaped by their individual experiences, these perspectives best capture the reasoning behind their perceptions and provide researchers with a flexible approach suited to this study.

Together, these views form a foundation for the qualitative and abductive methodology used. Abduction makes it possible for the researchers to go back and forth between theory and data, applying a form of reasoning where observations are connected to theory by means of plausible interpretation (Easterby-Smith et al., 2021, p.267).

3.2 Research Design and Data Collection

The study is going to be conducted using primary data. Primary data is going to be collected through new information from the researchers in the form of semi-structured interviews (Easterby-Smith et al., 2021, p.190).

A qualitative method is going to be used in the study in order to answer the stated research question. This method is particularly fitting for this study as the research question seeks to

understand how consumers personally perceive and interpret AI-generated advertising content in the form of pictures. Since perception is deeply subjective and shaped by individual experiences, emotions, and attitudes, a qualitative approach allows for the kind of open and exploratory conversations needed to capture these nuances in a way that a quantitative approach would not be able to uncover (Easterby-Smith et al., 2021, pp.189-190).

The qualitative method specifically used in this study was qualitative interviews. By adopting qualitative interviews, directed conversations around AI-generated advertising will ensure rich and detailed information from the participants about their understandings, emotions, and experiences when encountering this type of content, finally resulting in specific perceptions. Furthermore, consumers' perceptions of AI-generated advertising are not something that can be easily observed or found stated explicitly, meaning they need to be investigated directly in order to capture meaningful and specific information.

The type of interview used in this study was semi-structured. This approach is fitting for this study because it covers a set of predetermined questions or topics and, at the same time, gives room for flexibility through the order in which the given topics are discussed and the new thoughts and inquiries the participants can add (Easterby-Smith et al., 2021, pp.194-195). While it is important to cover certain themes related to AI-generated advertising, it is equally important to let participants freely guide the conversation toward what they personally find relevant as they view the content to capture their authentic feelings and emotions.

Data were gathered from fifteen interviews with consumers (Appendix A for table of participants). There was no selection of who could participate in consideration of expertise in the subject, gender, age, or geographical location. Simply, the researchers wish to gather the opinions of the normal consumer who is exposed to AI-generated advertisements daily and what they feel about them, so that the general audience can be captured. The interviews were conducted face-to-face and lasted between approximately 30 and 60 minutes. They were recorded and saved on local platforms to avoid any leaking of confidential information about the participants.

An interview topic guide has been developed to structure the conversations and ensure all relevant topics are covered across the interviews (Appendix B). The guide is organized in six sections: introduction and consent, a warm-up question, AI perception, ad exposure, trust

formation, behavioural outcomes, deep interpretation, and closing questions. It was decided to include “ice-breaker” questions to build rapport, followed by some closing questions to wrap up the subject and end in a relaxed stance (Easterby-Smith et al., 2021, p. 203). More specifically, the questions addressed topics such as emotions, values, and opinions, knowledge, as well as behaviour, in order to capture the different dimensions of consumers' perceptions about AI-generated advertisements. Some example questions include: “How do you feel about AI being used in advertising?”, “What makes an AI-generated ad feel trustworthy or not trustworthy?” and “Would knowing an ad is AI-generated affect your likelihood to engage with it (e.g., like, share, buy)? How?”. At the beginning of the interviews, the interviewers informed the participants about consent, anonymity, and confidentiality. The participants explicitly consented to being recorded and to taking part in the study. To ensure the participants stayed anonymous, alias names were attributed to present the data.

Further, laddering techniques were used during the interviews, both in the form of laddering up and laddering down, with questions such as “why” and “could you give me an example of that?”. This aims to elicit more descriptive explanations of the statements made, which will reveal the respondents' value base, and to obtain illustrative examples (Easterby-Smith et al., 2021, p. 205). This was particularly useful, as the interviewers wanted the participants to reveal the source and motivation behind their attitudes.

To capture data on consumers' perceptions of AI-generated advertisements, participants were shown AI-generated advertisements (Appendix C) during the interviews to elicit their live reactions and direct input on what they analyze when viewing them. This repertory grid technique enhances the understanding of individuals' perceptions and constructs they apply to make sense of their worlds (Easterby-Smith et al., 2021, p.216). These were then compared with human-made advertisements to capture any differences in opinion between the two types. One of the AI-generated advertisements was designed to appear highly human-like, allowing the researchers first to capture the initial reaction and then observe any change of opinion once its AI origin was revealed. Here are some questions that were asked: “What do you see in this ad? Describe what catches your attention”, “Do you think this ad is relevant for the brand?”, and “Does this ad seem authentic to you? Does it feel genuine?”.

Finally, participants were asked to present AI-generated advertisements they liked and disliked, prepared before the interview. This approach utilizes photo elicitation, where photographs are brought by the interviewees that they have taken, or that already exist (Easterby-Smith et al., 2021, p.211). This was done to get the participants to express their authentic view of AI-generated advertisements they were already aware of and to motivate their preferences, focusing on specific elements.

3.3 Sampling Strategy

For this study, a non-probability sampling design is applied, more specifically through convenience sampling. Non-probability sampling is built on characteristics that make it impossible to determine the probability of anyone from the population being sampled. Convenience sampling, which is a non-probabilistic sampling design, selects sample units based on easy access, capturing the convenience part of the sampling (Easterby-Smith et al., 2021, p.118). The participants selected in the study have been chosen due to how easily accessible they are, more specifically, through the acquaintance of the researchers. All participants have been familiar with the researchers beforehand, some with stronger relationships than others. Overall, they have been convenient to pick for the study. This was chosen to guarantee a higher acceptance rate for the participants to participate in the study, as well as easy access to get in touch with and perform the interviews in a reasonable time.

Convenience sampling is the most appropriate choice for this research, as it provides the researchers with the means to gather rich and detailed data from participants who have the will and availability to contribute their perspectives. Since this study focuses on how consumers interpret and understand AI-generated advertisement content, it is especially important to engage with individuals who are comfortable discussing their opinions and experiences, which makes this approach suitable. By not choosing a random sample and picking people the researchers know will contribute rich information to the study, there is a higher chance that participants will have interesting insights about the given topic.

3.4 Reflexivity

Qualitative interviews have a relatively loose and open structure, which leaves much room for the interviewee to discuss what they feel is important and relevant. The interview technique is therefore a socially and linguistically complex situation. Its context is filled with challenges that affect the outcome. Not only are interviews complex, but also politically charged, socially constructed encounters that produce heavily distorted data by situational dynamics, defensive self-interests, and active impression management. Additionally, shifting discursive and cultural scripts inevitably shape the way participants present themselves and their reality. A reflexive approach is needed as a response to the rich, complex nature of interviews (Alvesson, 2003).

Alvesson (2003) developed a reflexive pragmatist view of the interview, which emphasizes the interplay between producing interpretations and challenging them. It means that room will be given for alternative lines of vocabulary and interpretation. The interviewers shall, according to this reflexive pragmatist position, make a consistent and conscious effort to view a subject matter from various angles while also having the will to postpone doubts and use the collected empirical material to achieve the best outcomes. Phenomena are opened up through the exploration of more than one set of meanings, and ambiguity is acknowledged in the phenomena and inquiries that are already favored. Being pragmatic means finding a middle ground between endless reflexivity and radical skepticism while also keeping a sense of direction and accomplishment.

In this study, the researchers used a reflexivity approach to critically engage with how our interpretation of participants' views on artificial intelligence was co-constructed during the research process and shaped by the researchers' assumptions and involvement. The researchers recognize that the interview data should not be treated as the “true” attitudes of participants, but rather as something that is produced between the interviewer and the interviewee. Meanings were therefore shaped in the moment through the language, social expectations, identity performance, and the broader context in which the interviews took place.

The researchers are aware that their previous knowledge about AI in advertising may influence the design of the interview guide and also how they interpret the participants'

responses. The position of the researchers as young marketing students can have an influence due to shared general perspectives and digital familiarity. Furthermore, conducting in a second language for some participants may have limited the depth or nuance of their responses. The selection of advertisements used also reflects the researcher's opinion of relevant or impactful AI advertisements.

The researchers also acknowledge that the same data can be interpreted in different ways. For this reason, they tried to reconsider participant responses from different angles, questioning what was being taken for granted and discussing alternative explanations for the same statements. Rather than treating ambiguity as a weakness, the researchers engaged with it as an integral part of the analytical process.

3.5 Data Analysis

Thematic analysis can be defined as a method for identifying, examining, and presenting recurring patterns (themes) that are found in data (Braun & Clarke, 2006). A thematic analysis was used in order to code the data that was collected from the interviews and identify themes, as it allows an accessible and theoretically flexible approach, fitting for analyzing qualitative data. Further, by using this flexible and useful research tool, rich, detailed, and even complex data can be described. The six steps of thematic analysis by Braun and Clarke (2006) were followed to execute this.

The first step is to familiarize oneself with the data by reading and re-reading the data to note down the initial ideas that come up (Braun & Clarke, 2006). This was done by transcribing the interviews using Sunet Scribe and carefully reading through the gathered material. In this step, it is vital to immerse yourself in the data, read it several times, and, in an active manner, search for meanings, patterns, etc. That way, it ensures familiarity with the content's breadth and depth and a thorough understanding of all the data (Braun & Clarke, 2006).

The second step is where initial codes are generated by coding interesting features across the entire dataset and gathering data relevant to each code. The coding process is part of the analysis, as it organizes the data into meaningful groups (Braun & Clarke, 2006). In this study, the MAXQDA software is used for coding. Ten codes were identified: “AI prerequisites”, “Brand perception”, “Purchase intention”, “AI detection”, “Human vs AI

comparison”, “Emotional reaction”, “Visual appeal”, “Ethical concerns”, “Authenticity”, and “Trust”. When codes have been identified, they are matched with data extracts that display that code (Braun & Clarke, 2006). The researchers went through the data, categorizing quotes from the transcripts into each code. To ensure all data extracts are coded, both data that were recurring during the interviews, as well as niche statements or opinions that emerged, were categorized, to make sure to include accounts that depart from the dominant story. The software program helps with coding by sorting each code together using file cards, further tagging and naming selections of text for each individual data item (Braun & Clarke, 2006).

Step three includes searching for potential themes among the codes and collecting the relevant data into each theme. This step begins when all data are initially coded and collated, and a long list of different codes has been generated across the dataset. Here, the identified codes are sorted into potential themes, and the relevant ones are arranged within the classified themes. Afterward, the codes are analyzed, combining different codes to form a comprehensive theme. Visual representations can be used as a helpful guideline when it comes to sorting the different codes into themes (Braun & Clarke, 2006), whereas the researchers used a whiteboard for illustration, eventually going through each code to identify themes after common patterns, and lastly organizing them in a mind map.

Further, step four involves reviewing the themes. At this stage, the themes are checked against the coded extracts and the full dataset to ensure they constitute coherent, meaningful patterns. This may lead to refining, combining, or removing themes if they do not accurately represent data (Braun & Clarke, 2006). The researchers went through the themes several times, refining them, both at the specific level of the coded data extracts and then looking at the entire data set to compare the findings so that it accurately represents the data. A thematic map was then outlined on paper, illustrating all the constructs together, resulting in the final themes.

Step five focuses on defining and naming the themes. Here, each theme is clearly specified by identifying its core meaning and relevance to the research question. Themes are refined to ensure clarity and distinction, and concise names are assigned to reflect their essence (Braun & Clarke, 2006). This stage was approached by coming up with names that captured all constructs included in the theme. The names were made sure to be punchy, concise, and provide the reader with a clear context of what each theme is about (Braun & Clarke, 2006).

The researchers went back and forth when deciding what name best captured the essence of the themes, eventually coming up with an agreement regarding the names of the themes.

Lastly, step six involves producing the final report, where the themes are brought together into a clear and coherent narrative (Braun & Clarke, 2006). Here, the themes were presented in the findings section to display all the data that was derived from the interviews, which related to the research question. Carefully selected data extracts were included to illustrate each theme, ensuring that the findings remain grounded in the participants' perspectives. In this study, particular attention was given to choosing quotes that clearly represent each theme and strengthen the overall interpretation of data (Braun & Clarke, 2006).

3.6 Use of Artificial Intelligence

This study has used artificial intelligence tools at several stages of the research process. AI served as an early source of inspiration for formulating the research question and was used to assist in developing interview questions. Throughout the research process, AI has also been employed as a reflective aid, helping to clarify complex concepts, refine academic formulations, and explore topics from multiple angles. By engaging with AI as a conversational tool, unexpected perspectives can occur, and assumptions can be challenged, contributing to a more nuanced analytical process. To transcribe the interviews, the AI-based transcription service Sunet Scribe was used to provide scripts from video recordings. During the coding process, AI was used as part of the MAXQDA software program, called "AI assist", helping summarize the codes that were identified and giving a foundation for the themes. It is important to note that AI has not been used as a source of information or referenced as academic literature at any point in this study.

4. Findings

4.1 Human Involvement, Oversight, and Transparency

A majority of the participants expressed opinions regarding the origins of AI-generated ads. For many, it was important to know who created the ad, whether it was artificial intelligence or a human. Most preferred AI to be used as only a helping tool, mainly working as a complement to an otherwise human-made ad, and not functioning as a total replacement. When asked when AI was unsuccessful or successful, John, a Swedish political science student, stated:

“I guess when the AI is used very subtly, that's another thing you can use AI for, if you use it as a complement to something else. Like, sometimes you can use AI to enhance something. For example, with CGI, if a whole movie is CGI, it usually takes you out of it, but if only certain parts are CGI, you usually don't notice, and it's okay. I think the same thing can be true with AI. So use it sparingly, I guess.” (John).

Further, Regina, a Portuguese executive secretary, gave an example of how humans and AI should interact: *“For me, artificial intelligence always has to go through human hands,”* followed by *“First run it through a human filter”*. Another participant expressed that collaboration between AI and humans is essential when discussing an advertisement in which AI overpowered it through exaggerated elements. Furthermore, it is mentioned that it would be more acceptable to use AI as a complement or to include only a few elements, but when AI is overused in the ad, trust in the brand is directly affected. This creates an imbalance between AI and human elements, which highlights the importance of not overusing AI.

It can be said for all participants that transparency is important when viewing an AI-generated ad. There was a consensus opinion in terms of the disclosure of AI use in advertisements. Liam, a Portuguese restaurant owner, explained the relevance: *“Yes, I think there should always be a disclaimer on ads stating that they were generated by artificial intelligence, so as not to confuse anyone”*. A common perspective is that participants appreciate the transparency when brands use a label to show that it's AI-made in their

advertisements and that it would result in higher trust. Eloise, a Swedish business student, provided an example of this:

“Yes i would say so because otherwise it feels like you're getting tricked of some sort like you don't know what is real and you don't know what's what's not real so it would be nice for them to be transparent so you actually know like okay this is something that the company actually does or sell or no it's completely fake yeah it would make it more trustworthy.” (Eloise).

Here, it is implied that the participants do not want to guess whether AI created the content or not, but prefer clear directives so as not to cause confusion and deception. Further, the participants expressed that the brands signaled honesty when they were transparent with their use of AI. Sally, a Swedish bank worker, explained:

“Ah, yeah, maybe I would actually like it more because it feels more honest. And they are like, yeah, this is AI. This is how we have done it. Because otherwise it just feels like they do AI” (Sally).

Sally’s response suggests that transparency transforms the perceptions of AI use: rather than diminishing the advertisement, an explicit acknowledgment that AI was used makes the participants feel like the brand stands for its use of AI. As a result, this gives them an honest view of the brand.

Another participant, Vera, a Swedish law student, related the transparency of AI to laws:

“Yeah otherwise it's false Advertisement, especially looking at the perspective of laws like you can't sell something that isn't truthful to the real stuff because that is the definition of false advertisement and it is because it doesn't exist and AI is so new so it doesn't really have the correct laws and regulations yet but i think it will come in the near future because AI is so big and exploding right now” (Vera).

This statement suggests that in order for her to accept AI, it needs to follow the right laws and regulations. When she viewed the AI advertisements, it was more important for her that they fell under the right laws rather than having a certain type of content.

A participant highlighted an example of an advertisement where it was so clearly visible that it was AI because of the disclosure rather than disguising it as human-made content. That resulted in a favorable opinion, noting that this explicit acknowledgment of AI signaled honesty from the brand, leading to acceptance of the use.

Regarding artificial intelligence imitating humans or human elements, many participants actually preferred for it to look artificial, because then they would be able to tell that it was AI, not risking getting tricked by believing it was a real human in the ad. Melissa, a German marketing student, explained this further:

“I think as long as they keep it real or if not, make it clearly look like it is artificial made and not a weird combination or not an even combination, but like just put something artificial onto something real because then if it's not made in a really good way it kind of feels like the brand is lying to me but if they just change the background or not make it look a little bit more like cartoons so i know it's not like i can clearly see that yeah” (Melissa).

Eloise made a similar statement, where she got a good perception of an ad because the AI use was obvious: *“For example, like the Burger King one that I liked, you can see obviously that it's like completely AI generated”* (Figure 6). Here, it can be seen that the participants prefer the ad not to imitate humans or look human, but rather to include artificial elements and use components that look “cartoonish” and animated to clearly signal that it is AI. When they can explicitly tell that it's made by AI, it results in a more positive attitude.

4.2 Perceived Flawless Distortion and Detection of AI

A common reaction across the interviews was the discomfort participants felt when an AI-generated advertisement looked almost real, but not quite. Examples of this included participants feeling as if they were looking at a robot, which caused an impersonal and scary feeling. Others thought the artificial humans looked like real humans, generally giving a good impression, but knowing it could be AI-generated made it scary. For one participant, Eloise,

the perception of an AI advertisement changed (Figure 4) after its origins were revealed, giving rise to a more negative reaction:

“I guess with the H&M one, I feel like it changes my perception a little bit... I would say a little bit negative because you think it's a real human, like a real model standing in an alleyway posing, and now it's just digitally created; it doesn't exist. It feels a little bit weird; it doesn't feel genuine or real, and I guess that makes my perception a little bit on the bad side” (Eloise).

Sally described her first reaction to the Fisherman's Friend advertisement (Figure 3), which featured an AI-generated baby with a beard: *“I can see that it's AI. I can just see the skin. It's such good skin. Very perfect.”* Eloise had a similar reaction to a jewelry advertisement (Figure 7), noting that it looked: *“perhaps like a little bit too perfect, the jacket and the jewelry look like it's just laying down too perfectly, and the skin almost looks like plastic, very shiny without any sort of wrinkles.”* What these reactions show is that when an image looks too polished, it actually makes people more suspicious rather than more impressed. Carolina, a Brazilian public health student, put it simply: *“When they're trying too hard to make it look perfect, it just looks weird, you know.”* This can be interpreted as the more perfect something appears, the more likely it is to look weird.

Some participants got frustrated when they couldn't tell right away if an ad was AI-generated or human-made. There were situations where participants saw both clear indicators in an ad that was partly human and partly artificial. One of the participants, Leonora, a Filipino marketing student, expressed contrasting feelings when viewing an AI-generated ad (Figure 3) as it included elements that contradicted each other:

“The contrasting part is that there's a beard on a baby; it's a very conflicting feeling for me right now. You think it shouldn't be a beard here; I don't think so, so it's very confusing at least from my eyes, from my perspective” (Leonora).

Here it's obvious that including both artificial and human elements can cause conflicting feelings that result in a sense of confusion.

There were cases when an AI-generated ad portrayed contrasting elements when it came to quality (Figure 7). One participant stated that the product made in AI looked really good and realistic, but that the surrounding elements were lacking, and therefore made the actual

impression of the product worse. This highlights the importance of keeping all the elements at the same level of quality in the advertisement in order to make sure that one element of low quality doesn't end up affecting the other elements and the overall effectiveness of the ad.

Not all emotional reactions were negative, however. Sophie, a Swedish marketing student, described her reaction to the Fisherman's Friend baby as confused and amused rather than disturbed (Figure 3):

"I'm speechless. I'm a little confused because of the baby having a beard. It's also very weird how perfectly fitting that beard is. I mean, like, you can clearly see it's AI, but it did a great job. I don't know if that makes me buy the product, though. But it does make me talk about it." (Sophie).

When AI images were clearly stylized rather than trying to look like real photos, the discomfort mostly disappeared. Sally noted something about the realness of the Coca-Cola Christmas advertisement (Figure 5): *"I can see that it's animated, but not that it's AI. But it's a very nice picture."* This suggests that consumers are more comfortable with AI when it does not try to pass as something real.

Another important aspect to highlight is the different levels of ability to point out different AI-generated images. Interestingly, both too many visible flaws and an overly perfect appearance could trigger suspicion. Carolina described how she spots AI:

"If there are too many flaws, like the finger thing, when an AI-generated picture has like six fingers on one hand. Or when the written part is kind of dodgy and weird. Or when the image looks way too perfect, like the necklace picture. You can tell the picture was way too perfect: the skin was way too smooth, the background was kind of defocused." (Carolina).

Another participant, Alva, a Norwegian english student, provided an example of how she detects AI in the sense of perfection:

"Some AI-generated humans, I think it's just something about their face, and that looks you can tell, like their eyes, maybe their face is very symmetrical, and their skin is like very shiny" (Alva).

Here, Alva gives context to her reasoning when it comes to detecting when something looks AI. Based on her response, the result of perfect elements combined together makes the advertisement overly flawless and, therefore, makes AI easier to detect.

Alva further described a change of opinion after being told the H&M advertisement (Figure 4) was AI:

"I feel like I've been tricked and fooled and am annoyed that I'd fallen for it. But I mean maybe it's stupid, at first I appreciated it, and then I said I don't like it anymore, but I guess that is just how I feel." (Alva).

A similar shift happened with Leonora, who saw the same advertisement (Figure 4) and said: *"It's so well made, there is no difference. Obviously, I see some super-edited areas, but it's normal in the fashion industry."* Because the image matched what the participant expected from a fashion ad, she did not think to question it. For her, the context of the advertisement and industry influenced her opinion directly.

When people detected AI, especially after the reveal, it often affected how much they trusted the brand. Eloise's trust dropped when she found out the model was not a real person (Figure 4): *"This person doesn't exist for real, these items don't exist in real life, or at least not in this picture. So it feels unreal, and that makes me a little bit more towards the negative side."* This shows that low trust equals a negative perception and that realness is a component that affects trust directly.

Many participants raised ethical concerns about AI-generated advertising, particularly around honesty and whether companies should be allowed to use AI the way they currently do. The most detailed critique came from Vera:

"In terms of products, I don't think AI should be allowed because, as a law school student, it should be illegal because it's false advertising. It should require some kind of punishment if someone goes against that." (Vera).

Her main concern was that an AI-generated product does not exist in real life, making it impossible for consumers to know what they are actually buying: *"If I'm buying the product, I want it to fit me, and of course I can't compare to someone who doesn't exist because she*

doesn't exist and I do, and the necklace maybe does, you know." For Vera, the problem was simple: if the model does not exist, the product cannot be trusted to look the same in real life.

4.3 Creativity, Effort, Resources, and Quality

A clear pattern across the interviews was that how an advertisement made people feel mattered more than whether or not it was made with AI. When an AI-generated ad elicited an emotional response, participants were generally more willing to accept it. Leonora explained what made an AI ad work for her:

"If they're successfully able to extract emotions from me, make me feel something, happy, joy, sadness, whatever, then I'm like, okay. As long as it's a genuine, authentic representation of what they say as a brand and I feel something, I think I'm more open to it." (Leonora).

For Leonora, accepting an AI ad required two things at once: it had to feel emotionally real, and it had to feel consistent with what the brand stands for. Sally's reaction to the Coca-Cola Christmas advertisement (Figure 5) showed how strong emotional connections to a brand can make the AI question feel less relevant. She said, *"I really like that picture. It's very Christmassy, very cozy."* When told it was AI, she pointed out that it felt just like every other Coca-Cola Christmas ad: *"I wouldn't be able to tell a difference; they have had this kind of picture every year."* Because the ad matched her existing feelings about the brand, she did not feel the need to question how it was made.

Participants did not always treat authenticity and realism as the same thing. Some felt that an AI-generated ad could still be authentic, meaning true to the brand, even if it was not a real photograph. What mattered most was whether the ad felt consistent with the brand's identity.

Sally still felt a strong connection to the Fisherman's Friend brand even after knowing the ad was AI (Figure 3): *"It feels like Fisherman's Friend, all their packages are with stripes in different colors, and the jacket is the same. That makes me think it's Fisherman's Friend."*

For Carolina, authenticity is linked with the quality of execution: *"I would trust it more if it's really well made. It gives an authentic vibe, made with care, it makes me feel like the people actually care about the ad."* For her, a well-made AI ad could signal that the brand had put real thought into it, which helped make up for the absence of human creativity.

Regina had a straightforwardly positive reaction: *"They are well made and well conceived. So it doesn't change my opinion about artificial intelligence."* Liam went even further: *"If it's well structured, I think it's one step ahead."* However, he immediately added a condition: *"Yes, when it's well crafted...if you're going to make an ad with artificial intelligence, you have to put as much or more work into it as you would into an ad made entirely by humans".*

Therefore, it can be said that the participants like it when a clear effort and high quality are shown in the ad, because it signals that the brand used AI thoroughly, which results in positive attitudes and trust towards the ad.

Participants judged AI use differently depending on the size of the brand. For large, well-known companies, using AI was often seen as taking the easy way out. For smaller brands, it was seen as a practical and understandable solution. Vera described this in the context of H&M:

"Obviously, they haven't spent much money on making the ad. They haven't used a real model; she doesn't get paid because she's fake; she doesn't exist. But H&M is a big company, so they probably have the budget to use a real campaign, real models, and real clothes. It isn't that difficult." (Vera).

She also explained that she would feel differently about a smaller brand: *"If I, as an individual, would create a clothing brand overnight, obviously I don't have the same budget as H&M. So I could probably use AI, you know, I can't really afford models in the same way."* Eloise shared a similar view. When asked how she would feel if her favorite brand started using only AI-generated advertisements, she said, *"Maybe I thought they were lazy."* However, she added that she would continue to buy from the brand, indicating that the negative impression did not completely override her loyalty. For most participants, even disappointment with how their favorite brands use AI would not stop them from continuing to buy from those brands. It would take a great deal for them to abandon a brand they are loyal to, thereby serving as an exception to the acceptance of AI advertisements.

In terms of new versus known brands, Eloise made an interesting statement that she would be more forgiving towards the brands she has a history with, since before:

"I could be more forgiving as well, but if it's like a completely new brand i don't have any history with them or like any yeah sort of that thing i don't have like a clear

picture of them i guess it could affect my view on them more but to answer your question i guess yeah i would be more forgiving to a certain degree at least” (Eloise).

Leonora also reflected on her perceptions of the use of AI depending on company size: *"Before this conversation, I was thinking Coca-Cola, H&M, why wouldn't they bother with the traditional process? They have so much money, so much workforce, and all the resources in the world to make it right."*

Eloise offered a more nuanced example. She described seeing AI-generated event posters made by a student volunteer and finding them impressive: *"When I saw them first, I was like, this looks really good, very professional."* She then added: *"But also perhaps it's because I have pretty low standards for this sort of organization, I know it's just like volunteers doing this for free, so I don't expect much."*

This implies that brands are an important factor affecting the opinions of consumers. The acceptance of AI use depends on the consumers' expectations and standards for a certain brand.

For another participant, Leonora, it mattered to her how AI was perceived in society, and especially in her inner circle of friends. She means that it plays a big part in how she will interact with AI-generated advertisements:

“i think if it's less stigmatized I'm going to be more open to it share it to my friends, share it to my stories and stuff because like for instance if I see something and I show it to my boyfriend and he's like you know that's AI made right and i'm like oh no I didn't see you know like you feel like oh damn” (Leonora).

Here, it's shown that the way AI is perceived by others directly affects how Leonora will behave. In this case, because AI is seen as something stigmatized by her surroundings, she wouldn't feel comfortable interacting with the AI advertisement.

5. Discussion

The three themes identified in the findings can be further related to theoretical concepts to explain the patterns that emerge and the perceptions that form.

The first stage of Pan's (2025) framework concerns how consumers form initial impressions of the AI system and its output on the variables authenticity, intelligence, and socio-emotional traits (Chae & Lee, 2024, cited in Pan, 2025). In this case, when the participants reviewed and discussed AI-generated advertisements, the variables authenticity and intelligence were present. The findings suggest that the participants' perceptions are heavily shaped by how well the advertisement aligns with what consumers already know and expect from the brand, rather than simply whether the image is human-made or not. When an ad felt visually and tonally consistent with the brand, the AI origin mattered less. When it did not, consumers became more critical from the outset. This underscores the importance of authenticity in shaping consumer perceptions.

Perceived authenticity was often directly affected by how polished and perfected the advertisement was. In situations where an image looked flawless to the point of being unrealistic, it lost the human qualities that make it feel trustworthy and was no longer considered genuine or authentic, but rather weird and suspicious. Therefore, consumers judge AI based on how authentic it feels. An image that feels neither genuinely human nor convincingly stylized can leave consumers sensing that something is off, even if they cannot explain what. The degree to which AI seems or acts human is relevant here, which, according to Pan (2025), is called anthropomorphism and functions as a construct that affects how consumers evaluate the AI content. Participants generally preferred a lower degree of anthropomorphism, namely that AI didn't imitate humans too much. This can be seen in the cases where participants liked it when it was clear that an ad was AI-generated and when the use of cartoons and animations was apparent. Therefore, they only wanted it to look like AI to a certain degree.

Perceived intelligence also played a role in participants' evaluations of an AI-generated advertisement. They judged the quality of an ad based on the effort it seemed to require and how well it represented the advertised product. A well-made ad signaled competence, which made the AI origin easier to accept. Creativity was often an important component for

participants, signaling high quality and thorough effort. This, in turn, affected the participants' sense of authenticity, with a well-made ad directly resulting in an authentic vibe.

The second stage of Pan's (2025) framework positions trust as deriving from perception, though the findings suggest that trust operated in a more complex way than the framework suggests: trust in the advertisement and trust in the brands did not always move together. Several participants described feeling tricked or disappointed by a specific AI ad while still expressing loyalty to the brand overall. This distinction maps onto the difference between cognitive trust, which is based on accuracy and reliability, and affective trust, which is built on emotional connection and goodwill over time (Sargin, 2024, cited in Pan, 2025). For almost all of the participants, the AI-generated advertisement needed to portray what it actually said it was. Other than that, the participants needed to feel confident that AI is a fair and transparent system to trust. They wanted the use of AI to be clearly disclosed, preferably through a label. This is to ensure that the right product is represented and that it exists in real life. By being transparent about the AI use in the advertisements, the brand gets a perception of being more reliable and accurate, which shows Pan's (2025) cognitive trust, hence increasing the amount of trust consumers feel towards the ad. Another element that directly resulted in increased trust for the participants was quality and effort; this confirms the logical sequence in the framework where perception in the form of perceived intelligence results in higher trust (Pan, 2025).

While cognitive trust in the ad itself could be shaken when participants found out something was AI-generated, this did not always extend to the brand as a whole, as affective trust could make them more forgiving and tolerant towards well-known brands and their favorites. The emotional connection that arises from these brands can be built on goodwill and warmth, which are represented by affective trust (Sargin, 2024, cited in Pan, 2025). This suggests that a strong existing relationship with a brand can absorb some disappointment at the ad level without affecting purchase behaviour. This disappointment likely emerges when consumers perceive a gap between the brand's established identity and what the AI-generated advertisement delivers. At the same time, trust shifted quickly when consumers felt something had been presented as real but was not, which is consistent with Pan's (2025) point that trust is particularly fragile in AI contexts.

The third stage of Pan's (2025) framework concerns the behavioural outcomes that follow from perceptions and trust, including loyalty, emotional attachment, and engagement. The findings confirm that emotional connection was the most visible driver at this stage, though behavioural outcomes were less predictable than the framework suggests. When an advertisement elicited feelings such as warmth, humor, or nostalgia, participants were considerably more open to accepting its AI origins. Emotional response appeared to shape the whole evaluation rather than just the final reaction. This was especially clear with the Coca-Cola Christmas (Figure 5) and Fisherman's Friend advertisement (Figure 3), where recognizable brand symbols, for example, the Christmas trucks and the striped jacket, carried enough meaning that participants were already associating with the brand, so the familiar and cozy feeling it created led participants to accept that the advertisement was made with AI. In contrast, the advertisements that don't create an emotional connection are judged more critically, so whether it is made with AI or not becomes more of an issue. This points to emotional resonance as a key driver of the behavioural outcomes that Pan's (2025) framework describes.

When it comes to participants' favorite brands, loyalty, emotional attachment, and engagement were all present, most likely because of the high levels of affective trust already built up over time. The emotional connection built on goodwill and warmth (Pan, 2025) meant that participants were more forgiving towards brands they already felt strongly about and more willing to engage positively with their AI-generated content. Several participants also changed their opinions during the interviews without being aware of it; therefore, sometimes they were skeptical, although this would shift quickly when a humorous element appeared or when the brand was a personal favorite. This suggests that emotional and brand-related factors can shift consumer responses, even when initial reactions to AI-generated content are negative.

The four dimensions in Mohart's (2015) brand authenticity framework were evident when participants evaluated AI-generated advertisements, though to varying degrees. These dimensions could explain why something felt authentic to the participants.

The dimension that was most recurrent was the credibility dimension, which explains the brand's willingness to fulfill its promises in the form of honesty and transparency (Mohart et al., 2015). This was often the case when advertisements were clearly visible AI, because the

brand disclosed it rather than disguising it as human-made content. By explicitly acknowledging AI, the brand, as a result, fostered honesty among participants, leading them to accept its use. In other cases, expectations of quality in AI-generated advertisements could be related to this dimension, which goes hand in hand with the fact that brand quality is similar to brand credibility (Erdem & Swait, 2004, cited in Morhart et al., 2015). Here, participants could have high expectations of effort and quality in an ad. Quality expectations were also shaped by who the brand is and what resources they are expected to have. One participant came with a condition that ads made with artificial intelligence need as much or more work as ads made by humans. This reflects credibility, as a poorly made AI ad can make the brand seem like it is not making an effort, which runs counter to the expectation that a brand will present itself well (Morhart et al., 2015). For some participants, a brand could never be honest and keep its promises if it used artificial intelligence in its advertisements. Here, showing a product that has been digitally created rather than photographed as it actually exists could be seen as breaking that promise. What counts as fulfilling a promise depends on what kind of promise was made in the first place, and therefore, the consumers will judge the ads differently depending on which brand it is.

The continuity dimension of authenticity was recurring during the discussions of branding in the AI-generated advertisements. Participants saw well-known brands as more authentic, which can be explained by their historicity and timelessness, something this dimension highlights (Morhart et al., 2015). Further, participants saw brand identity and brand relevance as important parts when reviewing an ad, and often based their authenticity opinion differently regarding how well the brand captured their branding through AI. According to participants, the advertisements from Coca-Cola (Figure 5) and Fisherman's Friends (Figure 3) were examples in which the branding was clearly shown, directly influencing the authenticity level. The participants could easily recognize the brands that stayed consistent with their identity over time, making them more authentic.

The two least recurring dimensions, symbolism and integrity, were apparent in only some specific cases. One participant stated that large brands need to put in more effort; this relates to the integrity dimension, which concerns whether a brand demonstrates genuine care rather than merely acting in its own commercial interest (Morhart et al., 2015). When a large brand chooses AI to cut costs despite being able to afford the alternative, it can come across as putting profit above the quality of its communication with consumers, hence influencing

authenticity negatively. The symbolism dimension was clear when participants valued brands that reflected important values. An example of this was when an AI ad drew on recognizable brand symbols, such as the Coca-Cola Christmas trucks (Figure 5) or the Fisherman's Friend striped jacket (Figure 3), and it drew on meaning that participants already associated with the brand (Mohart et al., 2015). Although most of this dimension reflects identity construction, this could not be witnessed, most likely because consumers do not primarily look to AI-generated ads for identity purposes, especially when feelings of discomfort or unease around AI imagery can make it difficult to relate to them.

Another matter that directly influenced AI's perception of an advertisement was the uncanny valley effect and legitimacy. The uncanny valley effect describes the uneasy feeling people experience when something appears nearly human and so realistic that any imperfection makes it seem weird and off (Mori, 1970, cited in Di Natale et al., 2023). Although none of the participants used this term directly, many of their descriptions pointed towards the same experience.

Several participants described a strong sense of unease when AI-generated images looked almost but not quite right, sometimes so flawless that they perceived them as almost weird. This can be explained by the uncanny valley effect, in which observers experience negative feelings when it's difficult to tell whether something is human or artificial, as it includes elements from both categories (Kätsyri et al., 2015, cited in Di Natale et al., 2023). Many participants expressed frustration when they couldn't tell right away if an ad was made with artificial intelligence. This often triggered confusion as to which elements were supposed to be placed in which category. This unease was often triggered by perceptual mismatches such as abnormalities or exaggerated facial features, in one case, an unexpected beard on a baby (Kätsyri et al., 2015, cited in Di Natale et al., 2023). Perceptual mismatches could also arise from the mixing of low-quality and highly realistic textures within the same image, where, for example, a product looked sharp and high quality while the neck appeared unnaturally soft (Kätsyri et al., 2015, cited in Di Natale et al., 2023). When the line was crossed, the negative reaction was immediate and difficult to reverse, regardless of what the participant felt before. Therefore, the uncanny valley effect should be taken into account when explaining how AI perceptions form, something that could complement Pan's (2025) framework.

When consumers encounter an AI-generated advertisement, they evaluate not only the image itself but also the practice it represents. The use of AI in advertising is a relatively new phenomenon, and many consumers lack established reference points for accessing it. This mirrors the low cognitive legitimacy that Essen et al. (2023) describe in the early stages of platformisation, where unfamiliarity with a new form of value delivery shapes how its appropriateness is judged. In the advertising context, a consumer who does not understand how or why an image was AI-generated may find it more difficult to evaluate it neutrally, and uncertainty can itself produce unease or distrust. There were many situations where participants couldn't grasp why AI was used in an advertisement, and especially when it came to certain brands, they already had an expectation of what brands would produce in their advertisements. This often applies to brands they are familiar with. Further, consumers judged newer or unknown brands more critically, especially in the sense of whether new brands are legitimate to them, in relation to AI. This relates to Essen et al. (2023) and the challenges that often arise for new platform entrants who are not perceived as legitimate by key stakeholders (Stinchcombe, 1965, cited in Essen et al., 2023). Therefore, they expected newer brands to put more effort into their AI use to prove themselves legitimate.

At the sociopolitical level, participants consistently evaluated whether brands had the right to use AI and under what conditions. Transparency was central to this judgment: when brands disclosed their use of AI, participants were more willing to accept it as appropriate. When they did not, the secrecy felt like a violation of honest communication in advertising. Some participants also discussed AI in the matter of laws and norms, directly relating to sociopolitical legitimacy (Aldrich and Fiol, 1994, cited in Essen et al., 2023). It was of relevance that AI use in advertisement followed laws, otherwise it would be classified as false advertisement. This also influenced the trust the consumers felt towards the ad. One participant expressed that AI is such a new phenomenon that it didn't have the correct laws and regulations yet for her to be accepting of it. She went even further, stating that AI should be illegal because it doesn't exist in real life, thus making her judge the whole practice as illegitimate.

A recurring perception among participants was that AI felt more acceptable when it appeared to support rather than replace human creative input. When consumers sensed that a brand had simply handed the entire creative process over to AI with no human involvement, this registered as a form of shortcut-taking that undermined the legitimacy of the advertisement

itself. Even a small degree of human supervision, such as a person who had reviewed, directed, or shaped the output, was enough to make the ad feel more legitimate in their eyes. This connects to cognitive legitimacy, as consumers were more willing to accept and make sense of an AI-generated ad when they could identify a human hand behind it, making the practice feel more familiar and justifiable. It also relates to Morhart et al.'s (2015) notion of integrity, as the complete removal of human effort was perceived as inconsistent with what a brand should stand for, further weakening trust in the brand as an honest communicator.

For other participants, AI was discussed in relation to how others perceive it in society, which connects more directly to cognitive legitimacy. One participant mentioned an example of how her friends' opinion of AI would make her act a certain way. She meant that because it's so stigmatized at the moment, she would refrain from sharing it, directly influencing behavioural outcomes, but that could quickly change if it were to become a normal practice. This can be an example of cognitive legitimacy, which emphasizes public awareness and the spread of knowledge of a new entity (Aldrich and Fiol, 1994, cited in Essen et al., 2023), meaning she judged AI in relation to the current level of knowledge, especially among her friends.

This leads to another notable point that neither framework addresses. Participants consistently applied different expectations depending on the size and resources of the brand. When a large, well-known brand like H&M used AI, it was generally assumed to be a cost-cutting decision, and consumers felt less forgiving about it. When a smaller brand or individual did the same, it was seen as a practical and understandable choice. This informal distinction that consumers made has direct implications for purchase intention. Participants who felt a large brand had taken a shortcut were less positively inclined towards the ad, even if the overall brand relationship remained intact. For smaller brands, AI use did not seem to affect purchase intention at all negatively.

Purchase intention was found to be influenced by a mix of factors rather than any single one. Participants were more likely to consider buying a product when the ad felt emotionally relevant, for example, when it was a funny, humorous ad, when the brand was already one they liked, or when the ad was clearly well-made, regardless of being AI-generated. Interestingly, several participants shifted their opinions multiple times during the interviews without always being aware of it. Strong initial skepticism about AI advertising could change quite quickly when a humorous element appeared, when the brand was a personal favorite, or

when the ad simply made them feel good. This suggests that purchase intention in the context of AI advertising is not fixed but is sensitive to small details within the ad itself, and that emotional and brand factors can outweigh concerns about AI production when they are present.

Finally, it is worth noting that the theoretical concepts used in this study were developed for a purpose other than AI-generated advertising. However, the findings make them relatable to an advertising context. The findings both support and extend the theories.

Pan's (2025) three-stage model provides a useful structure for understanding how consumers move from perception to trust to behaviour, while brand authenticity theory (Morhart et al., 2015) enriches this progression by explaining what different types of perceived authenticity are present. Together, the two frameworks capture much of what was found. However, some gaps remain.

First, the uncanny valley effect has a strong effect on the perception stage of Pan's (2025) framework. If an image looks strange or unsettling, consumers may immediately react negatively and stop engaging with the ad. This means that the steps of trust and behavioural outcomes are influenced, and the consumers may undergo them differently from what they would have if this effect had never occurred at all. The trust stage is influenced negatively; the participants don't feel trust towards the advertisement or the brand when this effect occurs, which results in them refraining from engaging with the ad, never reaching the behavioural outcome stage fully. Because of this, the sense of an unnatural or unsettling appearance should be included in the perception stage of the framework. Therefore, a component called "Perceived Flawless Distortion" will be added to the AI perception stage of Pan's (2025) framework.

Second, legitimacy influences consumer responses at every stage, but it is missing from Pan's (2025) framework. Cognitive legitimacy affects whether consumers feel able to understand and judge an AI ad, as well as the current knowledge base of it in society, while sociopolitical legitimacy affects whether they believe the brand's use of AI is acceptable, especially when it comes to norms and laws. These ideas influence perception, trust, and behaviour.

Third, the brand plays a big part in determining consumers' perceptions of AI-generated advertisements, and components such as the size of the brand, previous history with the brand, resources of the brand, and relevance of branding efforts all come into account and shape consumer perceptions.

A revised version of Pan's (2025) framework could therefore include the original three stages: AI perception, trust formation, and behavioural outcomes as the central stages. Within the AI perception stage, brand authenticity theory (Morhart et al., 2015) adds an evaluative layer, explaining how consumers assess the ad in terms of continuity, credibility, symbolism, and integrity in relation to the brand. Therefore, these four different dimensions will be added as a subheadline under perceived authenticity. The uncanny valley effect enters as a threshold variable also at the perception stage: if triggered, it disrupts the process and produces a negative outcome regardless of what follows. This is named perceived flawless distortion to capture the tension between perfectness and weirdness that arises from the uncanny valley effect. "Flawless" mainly refers to the ad's content of being perfect, with no flaws visible at first, and "distortion" represents the micro-errors that quickly break the illusion, where it becomes a distortion of human reality. As the brand is of importance when consumers evaluate AI-generated advertisements, a component called perceived brand relevance will be added to the AI perception stage to capture everything the branding dimension gives rise to in evaluating advertisements.

Legitimacy, across its cognitive and sociopolitical dimensions, runs as a parallel layer alongside all three stages, shaping how each stage is experienced. As it can appear anywhere along the process, it will be added as a headline on the side of the three stages. Together, these additions reflect a more complete picture of how consumers actually respond to AI-generated advertising and suggest clear directions for future research to test and formalize.

It's also worth noting that Pan's (2025) framework includes socio-emotional traits as a component in the AI perception stage. However, this component did not emerge as relevant in this study, likely because participants were evaluating static AI-generated images rather than interacting directly with an AI system like a chatbot or virtual assistant, which suggests that its relevance may depend on the type of AI encounter being studied. Therefore, this

component will not be taken into account in the extended conceptual framework for the advertising context.

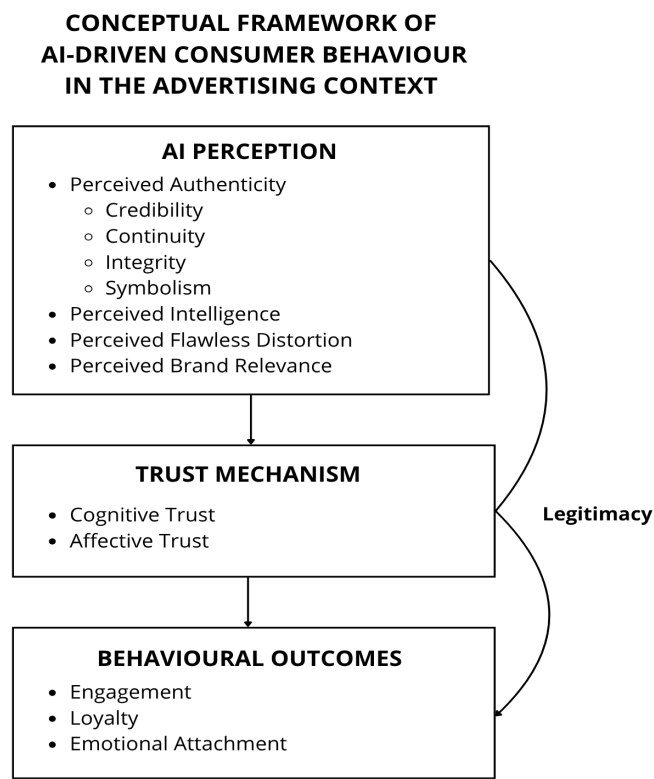


Figure 2. Extended Conceptual Framework of AI-Driven Consumer Behaviour in the Advertising Context

6. Conclusion

This study sets out to explore and answer the question: “How do consumers perceive AI-generated advertising content in the form of pictures?”. Through qualitative interviews and thematic analysis, the findings showed that consumer responses to AI advertising are not straightforward. They are shaped by a combination of emotional, ethical, and brand-related factors that interact with each other in different ways depending on the context, giving rise to several perceptions.

Overall, the findings suggest that consumers do not judge AI-generated advertisements based solely on the use of AI. Several factors played a significant role in shaping how participants perceived and responded to the ads shown to them. Brand identity and brand history were among the most important, as consumers felt more positive towards AI ads when the content was visually consistent with what the brand had always represented. Closely related to this was whether the brand was already a favorite, as a strong prior relationship with a brand made participants considerably more forgiving of AI use. The quality and effort visible in the ad also mattered, particularly whether the product was shown clearly and in a way that felt well-made. Honesty and transparency were consistently valued across all participants, with many expressing that a label disclosing AI use would increase their trust in the brand. Finally, creativity and humor emerged as powerful factors, as ads that evoked genuine feelings, whether through funny or emotionally engaging elements, influenced how participants perceived the ad as a whole and made them more open to accepting it regardless of its AI origins. These emotional and trust-related responses were, in many cases, more decisive than the fact that the ad was AI-generated.

All theories used in this study proved relevant and useful. Pan's (2025) AI-driven consumer behaviour framework helped structure the analysis by showing how perception, trust, and behavioural outcomes follow a logical sequence in the way consumers process AI content. Morhart et al.'s (2015) brand authenticity theory added depth by identifying which aspects of authenticity consumers respond to most, with continuity and credibility emerging as the most prevalent dimensions, meaning that brand consistency and honesty were what consumers returned to most often. The uncanny valley theory (Mori, 1970, cited in Di Natale et al., 2023) was particularly useful in explaining the emotional discomfort participants described when AI-generated images looked almost, but not quite, human, with the effect most

pronounced when AI was used to generate human likenesses. At the same time, all theories were developed outside of an advertising context, and the findings point to areas they do not fully cover.

An important addition that emerged from the findings is the role of legitimacy. Drawing on Suchman (1995, cited in Essen et al., 2023), both cognitive and sociopolitical legitimacy proved relevant in understanding how consumers evaluate AI-generated advertising. The relative newness of AI in advertising meant that many consumers lacked established reference points for judging it, reflecting low cognitive legitimacy, while questions about whether brands had the right to use AI at all reflected sociopolitical legitimacy concerns. Transparency emerged as the key factor bridging these two dimensions: when brands disclosed their use of AI, consumers were more willing to accept it as both understandable and appropriate. This suggests that legitimacy is a meaningful lens for understanding consumer responses to AI advertising and should be considered alongside existing frameworks. Beyond disclosure, consumers also responded more positively when human involvement remained visible in the creative process, suggesting that legitimacy is not only about transparency but also about whether the brand is perceived to have exercised responsible judgment in its use of AI.

Based on the findings, Pan's (2025) framework was extended to reflect better how consumers actually respond to AI-generated advertising. Brand authenticity theory was incorporated within the AI perception stage, adding perceived authenticity across its dimensions of credibility, continuity, integrity, and symbolism as an evaluative layer alongside perceived intelligence, perceived flawless distortion, and perceived brand relevance. The uncanny valley effect was introduced as a disruptive threshold at the perception stage, capable of producing an immediate negative response that short-circuits the rest of the process. Brand relevance was included in the perception stage to better capture several aspects of the brand, such as size, resources, history, branding, and how they shape perceptions. Legitimacy was added as a parallel layer running alongside all three stages, shaping how each stage is experienced. Together, these additions reflect a more complete picture of consumer responses to AI-generated advertising.

The most important takeaway from this study is that emotional connection and brand consistency are the strongest factors in determining whether consumers accept AI-generated advertising. When an ad makes people feel something and stays true to what the brand

represents, the fact that it was made by AI becomes much less relevant. This suggests that the conversation around AI in advertising should move away from simply asking whether AI should be used and towards asking how it should be used in a way that still feels honest, human, and meaningful to the consumer.

6.1 Managerial and Practical Recommendations

This study contributes to the field in two ways. Theoretically, it adds qualitative depth to a predominantly quantitative field, offering a closer look at why consumers feel the way they do about AI-generated advertising and how this relates to existing concepts of trust and authenticity. This study has developed an existing conceptual framework with several changes in the form of added components. This will form a contribution to theory as it will better capture how consumers respond and form perceptions of AI-generated advertisements, particularly taking an advertising context into consideration. Practically, it provides guidance for marketers and brand managers on how to communicate AI use in a way that aligns with consumer preferences and certain criteria that can help determine whether an AI-generated ad will be viewed as successful or unsuccessful.

For marketers and brand managers, the findings of this study point to several practical considerations when using AI in advertising. Transparency about AI use was consistently valued by consumers, and adding a clear label disclosing AI involvement could help maintain trust rather than damage it. Staying visually and tonally consistent with existing brand identity was also important, as consumers were more accepting of AI ads when they felt the content reflected what the brand has always stood for. Investing in the quality and creativity of AI-generated content matters too, as poorly made or emotionally flat ads were judged more negatively precisely because they were AI-generated. Humorous or emotionally engaging elements were found to increase acceptance, suggesting that brands should prioritize ads that evoke a genuine reaction. Finally, caution is advised when using AI to generate human likenesses in product advertising, as this was the area that triggered the most discomfort and ethical concern among participants. Smaller brands may find AI a particularly valuable tool, as consumers showed considerably more understanding towards limited budgets. Larger brands, however, should be aware that consumers hold them to a higher standard and are more likely to interpret AI use as a cost-cutting decision rather than a creative choice.

6.2 Limitations and Future Research

This study carries several limitations that should be taken into account when interpreting the results. The exclusive use of images rather than video advertisements may influence the findings, as video incorporates sound, motion, and narrative, meaning participants' responses may have differed had they been exposed to this format (Walter et al., 2017).

Related to this, the specific advertisements selected also present a limitation, as different sets of ads may have produced different responses. Furthermore, viewing advertisements within the structured context of an interview likely made participants more analytical than they would typically be in everyday life, which may have introduced a degree of artificiality into the data (Messer, 2020).

The convenience sampling used in this study can be prone to limitations. For one, by choosing participants in the researchers' close circle, there is a higher risk that the participants share the same worldview, which gives rise to a more homogeneous perspective of the examined phenomena. Further, there is a risk of bias when the chosen people are known to the researchers, as there may be some underlying reason as to why they were chosen for the study. Although this choice can grant a more relaxed tone in the interviews, it makes the participants more comfortable answering the given questions and expressing their raw opinions. The researchers selected 15 participants they were familiar with, but with no specific criteria, in order to try to better capture the normal consumer's view of AI-generated advertisements.

The study is also limited by the fact that most interviews were conducted in a language other than the participants' primary language, which may reduce the depth and authenticity of some responses. Closely connected to this is the broader issue of a Western-centric view, as the selection of advertisements and the analytical approach all reflect Western assumptions about advertising, which may limit the relevance of the findings in non-Western cultural contexts.

Further, the study is limited to seven countries, namely Sweden, Portugal, Brazil, Norway, the Philippines, the USA, and Germany, with the aim of capturing diverse opinions, as these

cultures can play a part in the consumers' attitudes. Having chosen participants from different countries could have given rise to different perceptions and opinions, therefore affecting the end results.

Finally, the study is subject to sampling bias and a small sample size, both of which are common in qualitative research (Easterby-Smith et al., 2021, pp.119-120). A larger or more diverse sample could have offered a wider range of perspectives and strengthened the overall conclusions.

As AI-generated advertising continues to develop rapidly, there are several directions future research could explore. This was a qualitative study and based on a relatively small sample, so quantitative research with larger and more diverse groups could help test whether the patterns found here apply more broadly across different demographics and cultures. In particular, future studies could place greater emphasis on cross-cultural differences to explore how perceptions of AI-generated advertisements vary across countries and cultural backgrounds. It would also be interesting to examine how consumer perceptions shift over time as AI advertising becomes more common and people grow more familiar with it. Perhaps this would affect consumers' perceptions of legitimacy when it comes to AI. Future studies could look more closely at specific industries or product categories to understand where AI advertising is most and least accepted, and whether the introduction of regulation and mandatory disclosure labels changes how consumers feel.

Furthermore, given the rapid evolution of AI into other formats, future studies could extend this work by comparing AI-generated image advertisements with AI video advertisements or simply looking at AI video advertisements to examine whether motion, realism, and narrative elements significantly alter consumer responses.

Future research could also explore the role of legitimacy in more depth. While this study identified both cognitive and sociopolitical legitimacy as relevant to how consumers evaluate AI-generated advertising, it was not possible to determine precisely at which stage of the consumer evaluation process legitimacy has the most impact. Quantitative studies could help map this more clearly, for example, by testing whether cognitive legitimacy primarily shapes initial perception or whether sociopolitical legitimacy is more influential at the trust stage.

This would allow the extended framework proposed in this study to be tested and refined more formally.

Given that the uncanny valley effect was strongly tied to AI-generated human likenesses in this study, further research into how this specific discomfort develops and whether it diminishes with exposure could add valuable depth to both the theoretical and practical understanding of AI in advertising.

Finally, the framework developed in this study should be further tested to determine whether it applies across different contexts and circumstances. It would be interesting to observe whether the results differ depending on the advertisements shown and whether consumers evaluate ads using components that exist outside the presented framework.

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Appendix A

Participants in the study

Alias Name	Age	Country	Occupation
Liam	25	Portugal	Restaurant Owner
Regina	55	Portugal	Executive Secretary
Carolina	25	Brazil	Public Health Student
John	21	Sweden	Political Sciences Student
Phil	27	USA	Nursing Student
Richard	23	Portugal	Machine Learning Researcher
Joana	23	Portugal	Systems Engineer
Diana	23	Portugal	Category Planner
Sally	23	Sweden	Bank Worker
Eloise	22	Sweden	Business Student
Sophie	25	Sweden	Marketing Student
Vera	21	Sweden	Law Student
Alva	22	Norway	English Student
Leonora	26	Philippines	Marketing Student
Melissa	26	Germany	Marketing Student

Table 1. List of participants in the study

Appendix B

Interview Guide

Introduction and consent

- Thank participants for their time
- Explain the general objective: understanding opinions about advertising and new technologies
- Guarantee confidentiality and anonymity
- Request permission to record (audio/video)
- Clarify that there are no right or wrong answers

Warm-up

- Can you briefly tell me about yourself?

AI Perception

- What comes to mind when you think about Artificial Intelligence?
- How do you feel about AI being used in advertising?

Ad Exposure (without revealing origin)

For each ad:

- What do you see in this ad? What stands out to you?
- What is your first impression? How does it make you feel?
- Does anything seem strange, artificial, or off?
- Does this ad feel authentic or genuine to you? Why?

Comparison:

- Which ad do you prefer and why?

Trust Formation (after revealing origin)

- Can you guess which ads were created by AI? What makes you think so?
- Does knowing which ads are AI-generated change your opinion? How?

- Does knowing an ad is AI-generated make you trust it more or less? Why?
- What makes an AI-generated ad feel trustworthy or not trustworthy?
- Do you think brands should be transparent about their use of AI in advertising? Why?

Behavioural Outcomes

- Would knowing an ad is AI-generated affect your likelihood to engage with it (e.g., like, share, buy)? How?
- If a brand you like used AI-generated advertising, how would you react?
- In what situations or for what types of products would AI-generated advertising be acceptable or not?

Deep Interpretation (using participant-selected AI ads)

For ads you like:

- What specifically attracted you to these ads?
- What makes them effective or appealing?

For ads you do not like:

- What does not work in these ads?
- Does anything feel artificial or off-putting?

Comparative:

- What differences do you notice between successful and unsuccessful AI ads?
- What characteristics make an AI ad acceptable to you?
- Are there specific elements that signal “this is AI-generated”?

Closing

- Has your opinion about AI-generated advertising changed during this conversation?
- Is there anything else you would like to add?

Appendix C

Advertisements used in the study



Figure 3. AI advertisement from Fisherman's Friend



Figure 4. AI advertisement from H&M Digital twin campaign



Figure 5. Screenshot from a Coca-Cola video AI advertisement



Figure 6. AI-Generated Burger King Posts Published on Instagram

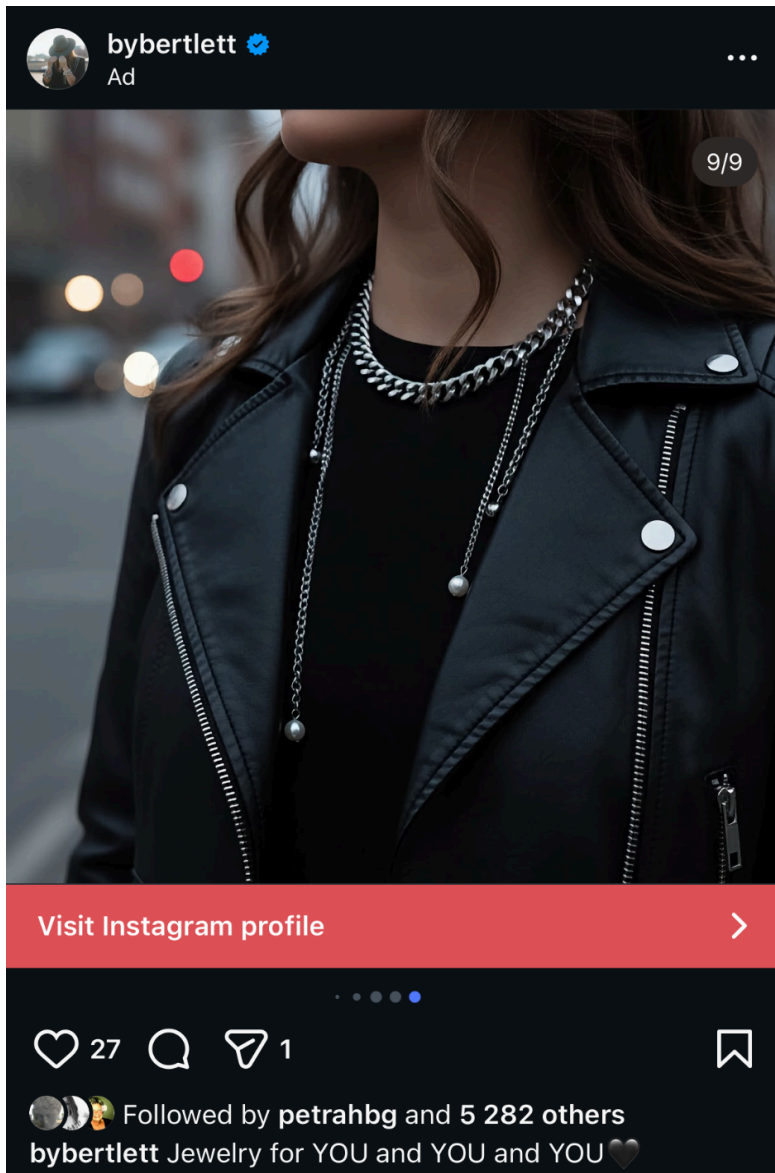


Figure 7. AI-advertisement from ByBertlett

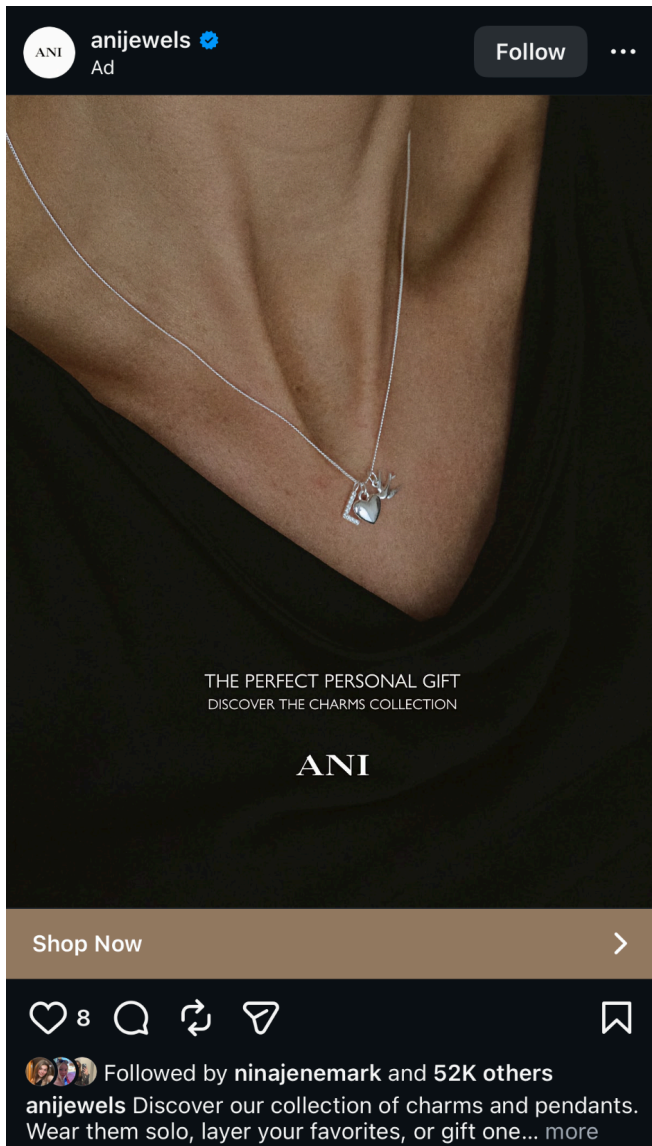


Figure 8. Human-made advertisement for Ani Jewels