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How the Use of AI-Generated Advertising Affects Generation Z Consumers' Brand Trust and Purchase Intentions

Zhenhang Huang

Business School, Durham University, Durham, UK
hdrx46@durham.ac.uk

Abstract. While generative artificial intelligence (AI) offers a great means to produce advertising copy, images, and videos rapidly, continuously, and at scale, its effectiveness is contingent on consumers' perceptions of the human and the human processes that influence the creation of the ads. It aims to grasp the extent to which the AI-generated advertisements can impact the purchase intent and brand trust of Generation Z consumers. It discusses the difference between results from AI-generated ad copy and identifying the fact that the copy was created with artificial intelligence, as well as combining data from advertisement experiments, canvassing, social media research, and a Generation Z survey (with varying samples and outcomes). Research in the literature indicates that the 'fitness', authenticity, credibility, and interpretation of disclosure are more effective in determining responses than sole AI authorship. One of the most likely courses to achieve the intention to buy, and one that few studies address with an eye on Generation Z, is trust. The recommendations of the review are a holistic approach, the consideration of threshold effects of causality, as well as transparent and correct advertising, not only with regard to advertising but also to show clear responsibility of the human being.

Keywords: Generative artificial intelligence, advertising, Generation Z, brand trust, purchase intention

1. Introduction

Generative artificial intelligence (AI) enables advertisers to create and edit compelling content, including text, images, and video, swiftly. This provides brands with additional means of customizing creative efforts, and consumers with questions about who is behind a message and whether the people, products, or experiences are authentic. An appealing AI-created commercial may enhance focus along with raising questions regarding effort and sincerity and/or factual legitimacy. The results are not simply a product of whether AI was used or not: a consumer may not even notice, may be faced with a disclosure, or may be able to identify synthetic imagery themselves.

This is a significant concern for Generation Z (Gen Z), as they shop and interact with brands often in digital environments. However, it would be a mistake to think that all of this generation embrace or shun AI. One Generation Z study examines perceptions of AI accuracy and attitudes

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towards AI and relates this to brand trust, though it does not focus specifically on AI advertising content and the interactions between AI and users [1]. On the other hand, many of the advertising data are collected from mixed-age groups. The issue is thus how far it is reasonable to extrapolate advertising research to this specific audience.

In what scenarios does AI-driven advertising bolster or undermine brand trust, and how does this impact consumers' purchase intentions regarding Gen Z? This review synthesises conceptual and empirical research on AI authorship, message appeals, and disclosure, as well as foundational studies on persuasion knowledge and brand trust. It empowers Generation Z as the target group, recognizes areas where evidence is indirect, and establishes a conditional approach instead of assuming a single impact of AI. Purchase intention is a stated likelihood or willingness to purchase, not an actual purchase.

1.1. Search approach

A literature review was conducted, updated until September 2026, and the key terms were "AI-generated advertising", "AI disclosure", "brand authenticity", "trust", "purchase intention," and "Generation Z". Records were acquired through academic website searches, from publishers, and/or from research repositories such as Oxford Academic, ScienceDirect, Taylor and Francis, Frontiers, etc., and from its own repository. The publication's preferred years for the review are 2021-26, though the literature of basic theory has been included when necessary. Titles and abstracts were reviewed for relevance, and sample and measured outcomes were reviewed prior to inclusion. Studies were retained if they investigated generated advertisement or disclosure content and reported consumer outcomes that were pertinent to authenticity and credibility, or brand trust and purchase intentions, while more general AI–Generation Z studies were retained only when they provided indirect evidence. Targeting, recommendation, and chatbots not focused on creating or disclosing advertisements were not included. This is a targeted search on narratives, not a systematic review of databases, and is not intended to be comprehensive.

2. Concepts and review framework

AI-generated advertising refers to any advertising content where the generative systems provide substantive text or images. This is not algorithmic targeting; for example, recommendation systems and chatbots that click or output the advertisement message. But it is not minor AI-assisted editing. These differences are significant because the label "made with AI" might refer to a background that has been enhanced or to a completely AI-generated individual. A study that modifies a disclosure examines knowledge of authorship and/or creative execution.

Brand trust is the consumer's belief that the brand will be reliable and will be behaving in a good manner. The connection of trust to purchase loyalty and other brand outcomes may partly account for why an advertisement's impact on a continuing brand relationship can transcend the liking of one advertisement execution [2]. The intention to buy is a closer, self-reported outcome, and is not synonymous with loyalty. A person may like an advertisement but not the advertiser, or he or she may trust a brand but not a specific product.

The suggested model starts with two inputs, namely perceived qualities of AI-generated content and knowledge of AI involvement. These inputs may shape perceived authenticity, advertising credibility, and brand evaluations, which may in turn influence purchase intention. Marketing strategies are understood by consumers in terms of their beliefs about a persuader's intentions [3].

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An AI disclosure can therefore inform consumers while also prompting scrutiny of the brand's automation of a seemingly personal message. Either pathway may be altered by message appeal, the amount of human involvement, and the product context and attitudes toward AI in general. The framework represents a combination of different studies and is not an empirically found causal sequence of all Generation Z consumers.

In this account, the concepts of authenticity and credibility are located differently. A realistic product photo may be believable on a feature page, but not as a user experience when used as a customer's photo. A brand may feel comfortable with the image being openly manipulated even if it does not look like a real photo. Trust is related to the sponsor over time, while credibility is applied to one statement. Maintaining these judgments separately enables the explanation of how a disclosure might lead to decreased belief in an advertisement, but not to a decline in willingness to rely on the brand.

3. AI-generated advertising and brand trust

3.1. Authorship, authenticity and message fit

An advertisement may be creatively strong while still prompting consumers to question the producer's sincerity. Research into brands' social media content has determined that the implementation of generative AI can have a negative impact on the perceived brand authenticity [4]. This finding is with respect to judgments about a brand that supports content, which is an important link between an advertisement and brand trust; however, authenticity and trust are distinct measures. It does not say that all AI content for advertisements is bad for brand trust.

The content of the messages is an explanation for variation. AI-produced advertisements are more likely to be appreciated by consumers when they present agentic appeals, such as competence and getting things done, whereas human-produced advertisements are more likely to be appreciated when they communicate relational or communal appeals, such as warmth and social connection [5]. These findings indicate an authorship-by-appeal interaction in advertisement evaluations rather than a universal effect on brand trust or purchase intention. Consumer responses are also weaker when emotional marketing communications are attributed to be AI-authored, but not human-authored, while this effect is weaker for factual messages and when AI only edits a human communication [6]. When the brand asks consumers to read an emotional message as personally meant, perceived human care is more important, as indicated by all these studies. The samples and results vary, and no pooled estimate of loss of trust is provided, but rather a contextual explanation.

This distinction is particularly important for brands sharing personal stories, testimonials, or empathetic support. Presenting synthetic people as genuine customers can undermine authenticity because it misrepresents both identity and evidence. On the other hand, if a product feature is clearly factual, it might be possible to use AI to visualise this feature. The inference is about the fit between technique and claim: it can be inferred that the experiments cited do not support the universal rule that Generation Z prefers factual advertisements.

3.2. Disclosure and transparency of AI

To isolate a disclosure effect, studies should hold the advertisement constant and vary only whether and how AI authorship is disclosed. If a negative response to an otherwise identical advertisement occurs after the AI label is added, it is not a reflection of the quality of the AI-generated content, but rather a disclosure effect. In the case of disclosure, there is a direct effect on advertisement attitude,

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and a negative effect on brand attitude also emerges among AI-averse respondents, but no significant effect on source credibility [7]. The differences illustrate why advertisement attitude, brand attitude, credibility and brand trust are not interchangeable outcomes.

AI-generated advertisements, with persuasion knowledge involved in the process, are found to reduce trust in the advertisement and the organisation as a whole, while increasing awareness of the use of AI [8]. This refers to the double effect of transparency: it provides people with information that they can use to inform their interpretation, but it also may lead to an examination of the persuasive goal. The immediate impact of a disclosure on trust should thus be separated from the moral and possibly more enduring worth of honest communication. The studies do not support the idea of hiding the use of AI in order to retain the short-term response.

3.3. Credibility, risk and consumer scepticism

The meaning of an AI label depends on the context. Overall, the three service advertising experiments reveal that AI disclosure leads to weaker trust and advertisement attitudes, particularly when synthetic images relate to intangible, anthropocentric attributes, such as a dentist. By using AI selectively for tangible elements, while maintaining the person's presence, it helps to restore trust and attitudes in that context [9]. This therefore makes it possible for a more precise statement than "transparency is good" or "disclosure is bad" because consumers may decide on the basis of the evidence offered in the specific advertisement on which they are asked to rely whether or not they wish to have AI involved.

Perceived credibility, advertisement attitudes, and donation intention will be lowered when the disclosure is present in prosocial advertising [10]. This result informs how disclosure changes the interpretation of emotional appeals, but it cannot be directly generalised to commercial purchasing. It still validates the potential for a prominent label to alter the reading of a seemingly emotion-driven message. In these experiments, the wording, placement, and type of content, and the previous attitude towards AI vary. Comparisons should reflect those differences, and not just lump all "AI disclosure" as a single treatment.

3.4. Generation Z's AI familiarity and advertising literacy

Knowing about AI might make it easier to identify generated imagery, and could make features of AI seem more commonplace. It does not necessarily eliminate the doubt that the advertiser has some ulterior motive. AI exposure and favourable attitudes to AI are correlated with brand trust, which in turn is correlated with purchase intentions in a study of Gen Z across a number of product sectors [1]. The design relates to the interaction with AI in marketing more generally, and so the findings should not be interpreted as the causal impact of a disclosed AI advertisement. Nor can advertising literacy be viewed as a single level.

The simple assertion that users of AI are not subject to disclosure is undermined by evidence from social media. Platform data and controlled experiments show that putting "AI-generated" labels on social media posts leads to diminished engagement. The experiments suggest that reduced engagement reflects diminished perceived creator effort and parasocial connection rather than a general aversion to AI [11]. For creator-led brand advertising, perceived effort and parasocial connection may mediate the effect of an AI label on trust. It is about creator content, and the result is engagement, not brand trust or buying. Nevertheless, the mechanism poses a question for advertisement targeting Generation Z: If a message relies on a person's relation to the audience, does

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an AI label lessen the apparent investment in it? This is currently a hypothesis that can be tested directly.

4. AI-generated advertising and purchase intention

4.1. Direct effects on purchase intention

A better advertisement evaluation does not necessarily create a better intention to buy, but AI can increase the relevance and clarity or visual interest of a message. While there is evidence that matching authorship with appeal type is important for attitudes toward advertisements, this general effect on sales should not be exaggerated [5]. Likewise, the alleged threat of inauthenticity in social media branding does not necessarily mean that there is a general decrease in purchases [4]. However, direct evidence requires measuring purchase intention while separating content quality from disclosed authorship.

4.2. Brand trust and perceived authenticity as indirect pathways

Trust provides a viable indirect pathway. Where an AI-generated claim is deemed accurate and accountable, a consumer may trust the brand and make a purchase. When a message suggests that human evidence was provided for something that actually did not happen, a consumer may be skeptical of the claim as well as the person making it. Purchase-related loyalty is associated with trust, and brand trust is associated with purchasing decisions in a survey with Generation Z [1, 2]. Neither study directly tests whether AI-generated advertising changes Generation Z purchase intention through brand trust. In such mediation, the advertisement needs to be measured along with trust and intention in a later behavioural outcome, preferably with an experimental manipulation.

Additionally, there may be paths that do not go through trust. If an execution is visually arresting, that may generate interest in a "low-risk" item without altering long-term brand beliefs. On the other hand, a believable advertisement might not incite purchase if the product is too costly or not appropriate for the consumer. Therefore, brand trust is not a necessary mediator of every purchase decision. This distinction also helps prevent misunderstanding a weak influence on purchase intention as the absence of questions of authenticity.

A further temporal issue is the distinction between immediate trust judgments and accumulated brand trust. An initial trust score captures a judgment right after exposure, while established brand trust is a result of accumulated exposure to brand performance and previous communications. When a consumer is already familiar with a brand, a single advertisement using AI might have a minimal impact. The same disclosure could be the advertiser's only disclosure about the way in which he or she does business for a new brand. This potential is the result of the difference between message and brand level judgments, and the present evidence does not confirm the extent and/or direction of the differences for the products purchased by Generation Z consumers.

4.3. AI disclosure, consumer attitudes and purchase intention

AI disclosure could impact purchase intentions indirectly by attitudes towards the advertisement or the brand, and this effect should not be interpreted as a proven purchase effect. The evidence reported here seldom follows through to purchase intention, whereas experimental studies report disclosure-related changes in advertising or brand attitudes. Attitudes thus appear a reasonable

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proximate mechanism, but not evidence of an increase or decrease in buying because of disclosure [7, 8].

4.4. Boundary conditions among Generation Z consumers

The impact of disclosure on purchase intention should be evaluated in relation to the specific claim made in the advertisement. The message that comes through on a stylised product background with an AI label is different from the same label on a purported real customer or professional. The perceived presence of human service in the service-advertising results highlights changes in trust responses, and emotional framing can make authorship more consequential than it is in primarily factual messages [6, 9]. These findings inspire a conditional prediction about purchase intent, but neither of these directly makes the prediction for all Generation Z shoppers.

Expectations of the general public may also influence whether disclosure is surprising. Some research indicates that a brand-attitude penalty is primarily among individuals who have high aversion to AI, while others show that the effects on social-media engagement are not necessarily dominated by general AI aversion [7, 11]. The studies include one on sponsored Instagram content and brand evaluation and another about creators, platform labels, and audience relationships. Treating these outcomes as contradictory would obscure differences in the mechanisms and measures involved. Previous studies do not necessarily indicate that advertising literacy leads to a greater or lesser purchase intention of Gen Z.

Lastly, intention is context-dependent. A one-time questionnaire following an exposure can be used to capture an immediate response to an unusual label. A subsequent purchase may be influenced by factors such as price and reviews, as well as brand recognition from multiple exposures to various messages. To make strong causal claims, similar human and AI advertisements are thus required, along with comparable disclosure conditions and baseline brand trust and evidence beyond stated intention.

5. Discussion and implications

The key synthesis of the review is that AI generation has an impact on consumer response, both in terms of what is being presented and what consumers believe it means. Content can help to communicate competency or creative relevance; perceived automation can reduce the sense of human care; disclosure can help to raise awareness and reduce confidence in a claim. These paths can co-exist. Current evidence is insufficient to establish a mediated effect of AI-generated advertising on Generation Z purchase intention through brand trust. In the most direct studies, trust-related judgements are manipulated in an experimental design with advertising or disclosure as the independent variable, with the outcomes usually being other than purchase intention and most samples being mixed age. The Generation Z study is looking at the overall impact of AI marketing, whereas the social media study evaluates creator labels and engagement, not brand advertising and buying. Both lines of research provide important but indirect evidence for the review question. They converge upon authenticity and credibility, and there are differences in outcomes, suggestive of the lack of a single effect size.

A cautious managerial approach is to use AI only when its role aligns with the claim being made, to fact-check representations, and to maintain transparency about the human voice. A brand that is promoting a service based on experience should be particularly cautious of using fake professionals or testimonial-type scenes. If the information is relevant to the message, it should be disclosed

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accurately what AI has contributed. Testing should be done on the same content with different disclosures as well as on different content with the same disclosure; otherwise, creative quality is confused with knowledge of the origin. Immediate liking and long-term brand trust and conversion should be differentiated.

The following are three research gaps. First, studies should have a sample from Generation Z from various cultural and economic backgrounds, and comparison groups, as not all of them are necessarily familiar with the digital. Secondly, factorial experiments should manipulate both the degree of generation and the wording of the label and the level of human involvement separately, and include authenticity, persuasion knowledge, brand trust, and purchase intention in one design. Third, longitudinal or field evidence should be conducted to examine how initial disclosure penalties stick around, fade, or reverse when brands are consistently truthful. These would be used to test the proposed trust pathway and determine if there is an intention to buy immediately that would predict actual purchases. A narrative review is produced by identifying and interpreting pertinent research without systematically searching or conducting a meta-analysis, and cannot be exhaustive or calculate a causal effect overall.

6. Conclusion

The effect of AI-produced ads on Gen Z can vary based on the content of the ad, the actual role(s) of AI, whether disclosure of being AI-produced is made, and the number of trustworthy AI claims. AI tools can be a great enhancement or demotivation. For example, a message that is relevant and accurate can be enhanced by AI, but emotional appeals that are not authentic or that make representations appear untrustworthy can weaken trust. Brand trust could contribute to purchase intention, but there is no specific research that connects brand trust and purchase intention in AI-generated ads to Gen Z. Thus, it is advisable to be transparent, to make credible claims and to show human responsibility – and future studies should examine the entire AI involvement to trust to buying process.

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