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The Impact Of AI-Generated Content Advertising On Social Media On Customer Engagement And Brand Building

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Abstract

Generative artificial intelligence (AI) technologies have rapidly evolved to create advertising content for social media platforms at a scale that was once impossible without human production in personalized, low-cost ways. This study provides a conceptual and literature-based analysis of the impact of artificial intelligence-generated content (AIGC) advertising on customer engagement and brand building on social platforms. Reviewing 20 peer-reviewed published papers from MDPI, Taylor & Francis, and Springer outlets, the review draws together evidence on the characteristics of AIGC advertisements, consumer response to AIGC advertisements, and downstream effects on brand trust, brand loyalty, and brand advocacy. Given the conditions where personalization is high and the source of AI-generated content is not salient, the analysis suggests that AI-generated ads can be as attention-grabbing and engaging as human-created content and potentially even more so. However, a disclosure of AI involvement can diminish consumer trust, empathy, and purchase intent, which is driven by the activation of persuasion knowledge and algorithm aversion. The proposed framework, comparative tables, and five conceptual diagrams presented below illustrate the importance of disclosure transparency and personalization in increasing or decreasing the value of AIGC advertising as a mechanism to create lasting brand equity or just passing moments of engagement. The paper ends with a research agenda for researchers and practitioners working in this rapidly changing field, as well as limitations of the current evidence base.

Keywords: AI-generated content; social media advertising; customer engagement; brand building; generative AI; disclosure; consumer trust

1. Introduction

Social media has evolved into the biggest battleground for brands to grab consumer attention, and the creative content that fills up all that social media is being written or even partially written by artificial intelligence (AI) tools. In just a couple of years, generative AI systems that can create text, images, and videos based on a single text prompt have become a core part of the outbound marketing communications toolkit, with estimates suggesting that a large portion of messages will soon be artificially generated (Islam et al., 2024). Many brands, from top food and beverage conglomerates to major fashion firms, have already trialed the use of AI-generated content (AIGC) in their high-profile marketing campaigns, leveraging the technology to create images, copy, and even full video advertisements at significantly lower costs and time. This change poses an important research question for marketing researchers and practitioners: Will AIGC ads enhance or detract from the two most important potential business pay-offs for long-term marketing success on social media — customer engagement and brand building? A customer's engagement with a brand's content, defined as the cognitive,

affective, and behavioral investments made by customers in the brand's content (Du et al., 2023), is the immediate monetary return of social media marketing, with likes, comments, shares, and amount of time spent all serving as examples.

However, brand building is a cumulative result of repeated engagement episodes that influence brand awareness, brand trust, and brand loyalty over time. The link between AIGC advertising and these results is not simple. AI can provide a level of customization, novelty, and faster production that may enhance relevance and engagement (Guo & Jiang, 2025). From a specific angle, AI can help achieve personalization, novelty, and speed in production, which can reasonably improve relevance and, therefore, engagement (Guo & Jiang, 2025). However, when consumers realize that the content comes from an algorithm instead of a person, they often demonstrate algorithm aversion and increased activation of persuasion knowledge, which can hinder consumer trust and downstream brand outcomes (Campbell, Plangger, Sands, & Kietzmann, 2022; Haupt, Freidank, & Haas, 2025). A body of empirical evidence on this question has been building up rapidly, but is scattered from one discipline to another (advertising, human-computer interaction, electronic commerce, and management), and across methods ranging from controlled studies to large-scale field trials. Findings indicate that when the source of the ad image is not mentioned, consumers do not differentiate between the two types of images, where AI-produced images are rated similarly to human-made images (Zhang & Hur, 2025); however, when the source of the image is revealed, disclosure of the use of AI significantly lowers the trust in the ad and consumer intentions to purchase in the case of an emotionally charged (Arango, Singaraju, & Niininen, 2023) or prosocial (Baek, Kim, & Kim, 2024).

Another exciting thread of research on the AI-human influencers reports that credibility and human-like appearance are both good predictors of engagement while attractiveness and entertainment value is also a predictor of engagement, but not necessarily of direct influence on purchase intent. The other thread of research around the AI-human influencers shows that there are good explanations that both credibility and human-like appearance are strong predictors of engagement while attractiveness and entertainment value influence engagement but not necessarily directly the purchase intent. Others have extended AIGC advertising to more general theories, such as anthropomorphism, persuasion knowledge, and the stimulus-organism-response (S-O-R) paradigm, to account for the seemingly contradictory effects of the technology on various components of consumer response (Gomes, Lopes, & Nogueira, 2025; Gu, Jia, Lai, Chen, & Chang, 2024). In this context, the present study does not report a new primary data collection that took place. Rather, it provides a conceptual synthesis that draws together results from 20 recent and peer-reviewed published studies in the journals of MDPI, Taylor & Francis, and Springer, balancing the results obtained across these journals and across the various studies to create a single integrative framework for the relationship between advertising attributes in AIGC and customer engagement and, ultimately, brand-building outcomes.

The three goals of the present study are to characterize the main studied aspects of AIGC advertising (personalization, disclosing novelty, production efficiency, and disclosure); to examine the psychological drivers between these attributes and engagement (i.e., perceived authenticity, persuasion knowledge, and algorithm aversion); and to outline the boundary conditions for AIGC advertising regarding its ability to foster enduring brand equity from short-term engagement. The framework, along with its comparative tables and diagrams, is designed to help researchers have a structured starting point for empirical testing and provide a lens for practitioners to calibrate the deployment of Gen AI in social media advertising.

2. Materials and Methods

This study does not follow a primary empirical design but rather uses a conceptual/narrative synthesis method as it aims to bring together and theorize the current literature rather than gather new consumer data. The review had a structured, though not formally developed, process for searching and selecting reviews (Figure 1). Combinations of the terms "AI-generated content," "generative AI advertising," "social media advertising," "customer engagement," "brand trust," "brand loyalty" and "virtual influencer" were used to search academic databases and the platforms of publishers, including Scopus, Web of Science, MDPI, Taylor & Francis Online, and SpringerLink. To ensure that the content would be relevant to the post-ChatGPT age of generative artificial intelligence, as opposed to earlier, more limited uses of machine learning in marketing, the search was limited to English-language, peer-reviewed journal articles and book chapters published from 2021 through 2026. Initial records were screened for relevance to the production of AI-based advertising content, customer engagement, or brand outcomes on social/digital channels. Only papers with an explicit connection to some facet of advertising that included a section on AI were included, and non-peer-reviewed papers, conference

abstracts, and papers published outside the three aforementioned publishers (MDPI, Taylor & Francis, and Springer) were also excluded.

The study was evaluated to determine the state of the art and the quality of the theory and methodology in terms of theoretical relevance, empirical rigor, and recency. Articles published within the last five years that directly measured or theorized variables central to this study (e.g., related to perceived authenticity, disclosure effects, persuasion knowledge, engagement cognitive, affective, behavioral, brand trust, and brand loyalty) were deemed to be of high empirical and theoretical value and were therefore retained. The 20 studies included in this analysis comprise the evidence for this conceptual framework, which is outlined in this paper; the full reference list is provided at the end of the manuscript and a summary in Table 1. The studies used a diversity of methods in the implementation of the experiment, such as an internet-based experimental procedure, structural equation modelling based on paper questionnaires, a large-scale field experiment, or the qualitative and conceptual analysis of questionnaire data; therefore, this is not a meta-analysis of effect sizes.

Rather, the analytical method was based on narrative and thematic literature synthesis methodology, including organizing all findings into possible themes as emerging from the material (AIGC attributes, mediating psychological mechanisms, engagement outcomes, brand-building outcomes, and moderating/boundary conditions), and then connecting them to the conceptual framework shown in Figure 2. The comparative dimensions summarized in Table 2 were determined by systematically comparing the results of studies that analyzed AI-generated text with human-generated text in similar experimental settings. The definitions of these constructs in Table 3 were obtained by summarizing the operationalization for each of the reviewed studies to remove any lack of consistency in the vocabulary used and to make the discussion below easy to follow. It is suitable for a dynamic field of literature that is already broad and has many authors solving similar problems with different approaches to develop integrative theory and meaningful guidance for action rather than measuring a simple, unconditional effect size.

Figure 1. Literature Search and Selection Process for the Conceptual Review

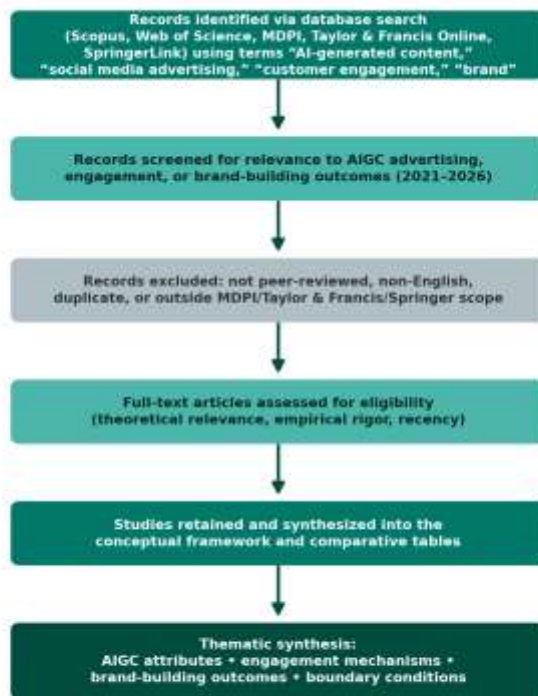


Figure 1. Literature search and selection process for the conceptual review.

3. Results and Discussion

The study demonstrates four main characteristics of AIGC advertising appearing across the majority of the studies: personalization and customization potential, novelty and creativity of the merchandise, speed and price efficiency in the production, and disclosure and transparency practices. Table 1 highlights the focus and key constructs of the studies underpinning this synthesis, and Figure 2 illustrates these attributes in a single conceptual framework that traces them through consumer processing mechanisms to engagement and brand-building outcomes. In their large-scale field experiment ($N > 1,400,000$) on personalization on an online automaker platform, Guo and Jiang (2025) showed that the cognitive, behavioral, and emotional facets of consumer engagement were all significantly correlated with the personalization of AI-generated advertising copy or content. In this context, the ability of AI tools to create personalized content for each consumer profile—which is a major strength of AI in social media advertising (Islam et al., 2024)—is considered one of its most protected benefits in social media ads. Things are more complex with regard to content novelty and creativity. In three studies using various paintings created by AI versus human authors, Zhang and Hur (2025) concluded that the attitudes people feel toward advertisements produced by AI and humans are statistically indistinguishable when the source of an image is not mentioned in each of the categories: coffee ads, medical aesthetic ads, and public-service advertising. In this sense, there is parity and “black-box” parity: in the absence of explicit cues, the impact of this AIGC advertising can be comparable to that of human-made advertising, and for “everyday” low-involvement products, it can even be viewed as some form of “even more interesting” than human advertising creatively. However, after participants were informed that an image was created using AI, their trust, attitude, preference, and purchase intention ratings for the images shifted significantly in favor of human-generated content (medium to large effect sizes), according to the same study.

This disclosure-contingent reversal stands out as one of the most consistent observations across the literature reviewed and is supported in prosocial advertising settings by Baek et al. (2024), who provided evidence that disclosure of AI use in charitable-giving ads led to a reduction in ad credibility, ad attitudes, and donation intentions, and by Arango, Singaraju, and Niininen (2023), who reported that disclosure of AI use in charitable-giving ads decreased consumers' empathy, feelings of guilt, and emotional involvement, which resulted in reduced donation intention. The theoretical basis for this disclosure-contingent pattern is based on the Persuasion Knowledge Model and algorithm aversion theory. Taking the stimulus–organism–response (S-O-R) approach to AIGC advertising, the processing of the AI-generated stimulus involves assessing the stimulus's authenticity, informativeness, and entertainment value; when disclosure cues are included, this processing also activates persuasion knowledge, which triggers reflection about the advertiser's motivations and the truthfulness of the content (Campbell, Plangger, Sands, & Kietzmann, 2022). Few studies have explored algorithm aversion, a phenomenon in which consumers debate the value of content generated or mediated by algorithms. Haupt, Freidank, and Haas (2025) highlight this as strong consumer resistance to content generated by algorithms, noting some organizational tactics, including positioning AI as a facilitator rather than a replacement for human creators, which can alleviate this resistance. Gu, Jia, Lai, Chen, and Chang (2024) build on this image by revealing that the features of AI-generated ads hold key determinants of the tendency for “eeriness,” a phenomenon analogous to the uncanny valley, and their perceived intelligence both influence consumers' receptivity to the ads — effects mediated by the characteristics of the AI generation process, rather than by AI origin alone.

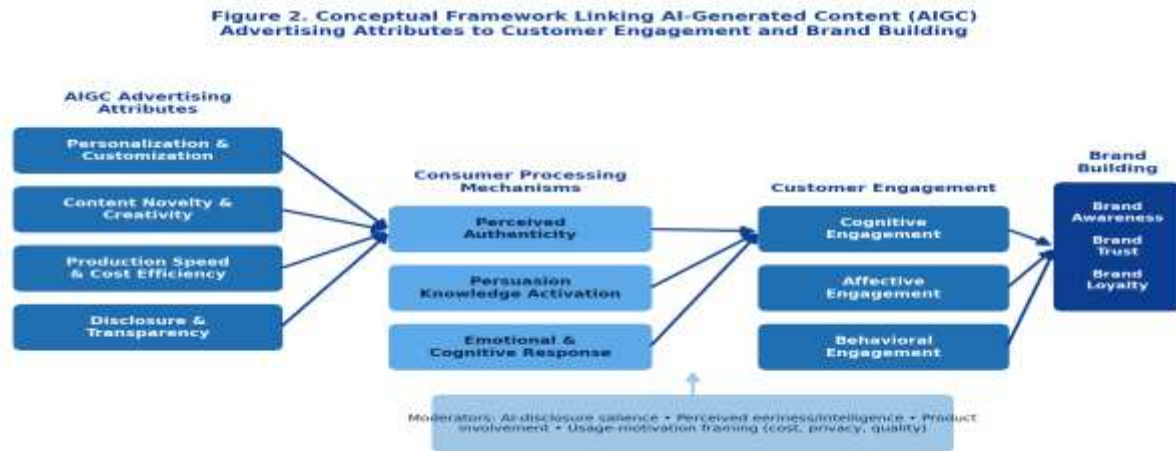


Figure 2. Conceptual framework linking AI-generated content (AIGC) advertising attributes to customer engagement and brand building.

Table 1 lists the studies most directly informing the framework in Figure 2, summarizing each study's source, focus, and key constructs.

Author(s) & Year	Source (Publisher)	Focus of Study	Key Constructs Examined
Zhang & Hur (2025)	Administrative Sciences (MDPI)	Consumer attitudes toward AI-generated vs. human-made advertising images	Disclosure, perceived authenticity, trust, purchase intention
Gerlich (2023)	Administrative Sciences (MDPI)	Virtual influencers and consumer behaviour	Attitudes, perceived credibility, behavioural intention
Gu, Jia, Lai, Chen, & Chang (2024)	J. Theoretical & Applied Electronic Commerce Research (MDPI)	Consumer acceptance of AI-generated advertisements	Perceived eeriness, perceived intelligence, acceptance
Jayasingh, Sivakumar, & Vanathaiyan (2025)	J. Theoretical & Applied Electronic Commerce Research (MDPI)	AI influencers on Instagram	Credibility, informative/entertainment value, engagement, purchase intention
Islam, Miron, Nandy, Choudrie, Liu, & Li (2024)	Computers (MDPI)	Generative AI framework for marketing content creation	Content-generation workflow, creative consistency
Chaihanchai, Anantachart, & Ruangthanakorn (2024)	Journal of Marketing Communications (Taylor & Francis)	Virtual influencer persuasion	Brand trust, source credibility, purchase intention
Arango, Singaraju, & Niininen (2023)	Journal of Advertising (Taylor & Francis)	AI-generated charitable-giving advertisements	Empathy, disclosure, donation intention

Author(s) & Year	Source (Publisher)	Focus of Study	Key Constructs Examined
Campbell, Plangger, Sands, & Kietzmann (2022)	Journal of Advertising (Taylor & Francis)	Deepfakes and AI-generated advertising	Manipulated-advertising framework, consumer scepticism
Baek, Kim, & Kim (2024)	International Journal of Advertising (Taylor & Francis)	Disclosure of AI-generated content in prosocial advertising	Ad credibility, ad attitude, donation intention
Bach, Khan, Hallock, Beltrão, & Sousa (2024)	Int'l Journal of Human-Computer Interaction (Taylor & Francis)	Systematic review of user trust in AI-enabled systems	Trust antecedents, human-centred AI design
Du, Zhang, & Ge (2023)	HCI in Business, Government & Organizations (Springer)	AI-generated content advertising	Psychological and behavioural engagement, AI-content labelling
Guo & Jiang (2025)	Electronic Commerce Research (Springer)	Personalised AI-generated advertising copy	Cognitive, behavioural, and emotional engagement
Haupt, Freidank, & Haas (2025)	Review of Managerial Science (Springer)	Human-AI collaboration in content creation	Algorithm aversion, escape strategies
Gomes, Lopes, & Nogueira (2025)	Future Business Journal (Springer)	Chatbot anthropomorphism and brand marketing	Customer engagement, purchasing decision-making, trust, loyalty

Table 1. Summary of key studies informing the conceptual framework.

Figure 3. Stimulus-Organism-Response (S-O-R) Model Applied to AIGC Advertising on Social Media



Boundary conditions: disclosure timing, product involvement, cultural context, and platform algorithmic curation shape the strength of each path.

Figure 3. Stimulus-organism-response (S-O-R) model applied to AIGC advertising on social media.

By shifting from advertising images and copy to virtual influencers generated by artificial intelligence, a new but complementary path of evidence highlights the power and role of authenticity and credibility in driving engagement. In an attempt to determine the key factors that influenced an AI influencer's credibility and subsequent purchase intention and engagement of 414 Instagram users, Jayasingh et al. (2025) found that credibility is the single most powerful predictor for both purchase intention and consumer engagement (with

a β of 0.55 and 0.60, respectively), ahead of the other influence factors presented by the researchers: informative value, entertainment value, human-likeness, and attractiveness. Additionally, entertainment value and attractiveness led to an increase in engaged users but not actual purchases, showing that engagement and brand building are two different concepts that can be successfully elicited from content without generating sales intention. Gerlich (2023) concluded that virtual influencers can influence consumer attitudes and behavioral intentions, but this depends on perceived authenticity, congruence with influencer characteristics, and the brand context. Chaihanachai, Anantachart, and Ruangthanakorn (2024) introduced a mediation lens on the link between virtual-influencer brand trust and purchase intention, with the three sub-indices of the source credibility demonstrating a parallel mediating relationship between the influencer's attractiveness and the provider's expertise and trustworthiness.



Figure 4. The customer engagement funnel for AI-generated content advertising.

This evidence demonstrates that AIGC advertising in the customer engagement funnel (Figure 4) supports and roughly distinguishes between other, more powerful, and expected effects of scale, personalization, and novelty, and the binding constraints of authenticity, credibility, and trust, which are more fragile and of greater importance at the bottom of the funnel. On the one hand, the results of literature studies that focus on reach, click-through, and short-term engagement metrics show a positive or neutral effect for AIGC advertising (Guo & Jiang, 2025; Islam et al., 2024); on the other hand, literature studies focusing on trust, credibility, and intention to purchase or donate under disclosure show a penalty for AIGC advertising (Zhang & Hur, 2025; Arango et al., 2023; Baek et al., 2024). While raw engagement metrics might be viewed as less sensitive to the deployment (and disclosure) of advertising than they imply, building a brand requires marketing results that endure beyond the lower funnel. Figure 5 captures this insight by juxtaposing two broad strategic levers found in the literature: the extent of personalization of the content and the extent of disclosure transparency. If disclosure is presented in a positive (e.g., pro-consumer) way, for example, by telling a "privacy protection" story, this study finds that established disclosure strategies organized around pro-consumer motives appear to mitigate the disclosure penalty and allow for realizing the personalization benefit documented by Guo and Jiang (2025) without the addition of a decaying credibility cost for using AI. Content constructed around a pro-consumer disclosure rationale (such as "privacy protection") that can neutralize much of the disclosure penalty demonstrated in prosocial advertising contexts (e.g., Arango et al., 2023) lies within what this paper refers to as the "trust-building zone" where the personalization advantage documented by Guo and Jiang (2025) is emphasized without the implied credibility penalty of hidden AI technology. Personalized content that is not disclosed sits in an engagement-risk zone, where it may perform well in terms of short-term metrics, but brands run the risk of reputational and regulatory liability if they are later disclosed as AI-generated content (Bach, Khan, Hallock, Beltrão, & Sousa, 2024). Whether disclosed or not, generic, non-personalized material lies in the two lower value regions and generates comparatively little brand equity or consumer response, in accordance with the overall marketing rule that the relevance of content, not production technology, is the key to consumer response.

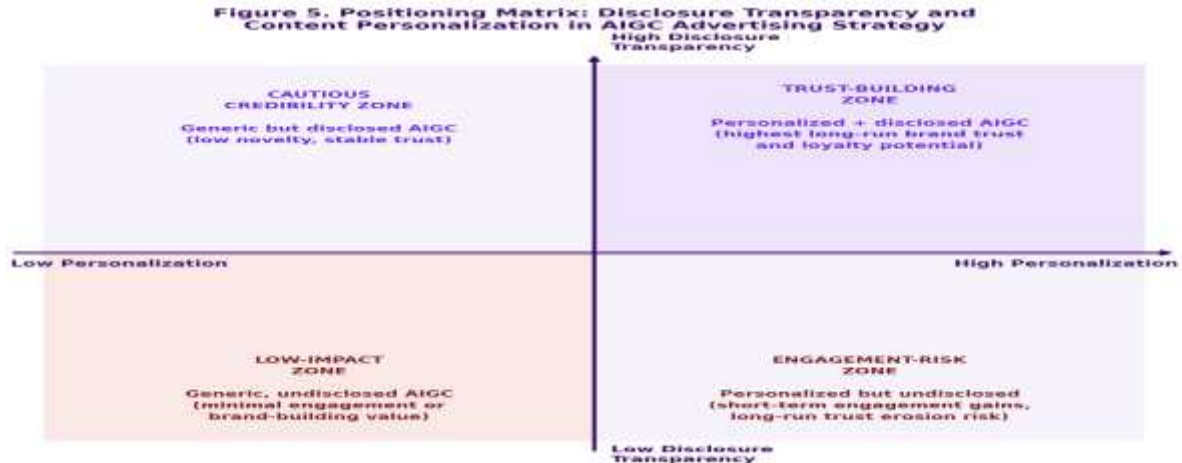


Figure 5. Positioning matrix: disclosure transparency and content personalization in AIGC advertising strategy.

Table 2 provides a structured overview of the key findings from the reviewed studies in terms of the dimensions most often cited in the reviewed literature, including production speed and scale, cost per creative unit, personalization ability, perceived authenticity with disclosed and undisclosed advertising, consistency of the advertising creative, emotional response with and without disclosure, and disclosure/regulatory exposure. The comparison highlights the distinct benefits of AI content: its efficiency and the fact that it can be scaled up for mass output. Meanwhile, its main insecurity is that it lacks authenticity and emotional connection once it is revealed as artificial. A common ground of perception of authenticity, persuasion knowledge activation, customer engagement, disclosure transparency, algorithm aversion, brand trust, and brand loyalty is introduced and operationalized in Table 3 so that future empirical studies can have similar concepts and use a common language. Overall, the findings suggest that using AI tools for content marketing campaigns can be a key tactic for customer engagement and building a brand, depending on how it is executed, used with personalization, and disclosed. If executed improperly or underhandedly, it can lead to content that is merely engaging without any lasting impact and can even damage consumer trust when revealed.

Dimension	Human-Generated Content	AI-Generated Content	Implication for Engagement / Brand Building
Production speed & scale	Low-moderate; limited by creative-team capacity	High; near-instant generation of many variants	Enables rapid A/B testing and always-on campaigns
Cost per creative unit	High (talent, shoots, editing)	Low-moderate after initial model/tooling investment	Lowers the barrier for personalization at scale
Personalization capacity	Constrained; typically segment-level	High; can approach individual-level tailoring	Strengthens relevance and short-term engagement
Perceived authenticity (source undisclosed)	High by default	Comparable to human-made in several studies	Minimal difference in attitude when source is unknown
Perceived authenticity (source disclosed)	High (stable)	Frequently lower; activates persuasion knowledge	Disclosure can dampen trust and purchase intention

Dimension	Human-Generated Content	AI-Generated Content	Implication for Engagement / Brand Building
Creative consistency across campaigns	Variable; depends on creative-team turnover	High; style/brand parameters can be systematized	Supports coherent long-term brand identity
Emotional resonance / empathy cues	Generally strong, especially in prosocial appeals	Often diminished once AI origin is known	Risk for cause-related and emotionally driven campaigns
Disclosure & regulatory exposure	Low	Rising, as jurisdictions require AI-content labelling	Requires proactive transparency strategy

Table 2. Comparative dimensions of human-generated and AI-generated advertising content.

Construct	Operational Definition (as used in this review)	Representative Source(s)
Perceived Authenticity	The degree to which content is judged as genuine, non-manipulated, and reflective of real people, products, or claims	Zhang & Hur (2025); Haupt, Freidank, & Haas (2025)
Persuasion Knowledge Activation	Consumers' recognition of a persuasive attempt, which triggers evaluative scrutiny of the advertiser's motives	Campbell, Plangger, Sands, & Kietzmann (2022)
Customer Engagement (cognitive, affective, behavioural)	Multidimensional investment of attention, emotion, and action (likes, comments, shares) directed at brand content	Du, Zhang, & Ge (2023); Guo & Jiang (2025); Jayasingh et al. (2025)
Disclosure Transparency	The extent to which a brand explicitly identifies content as AI-generated at the point of exposure	Baek, Kim, & Kim (2024); Arango, Singaraju, & Niinenen (2023)
Algorithm Aversion	Consumers' tendency to discount or distrust outputs known to originate from an algorithm rather than a human	Haupt, Freidank, & Haas (2025); Bach, Khan, Hallock, Beltrão, & Sousa (2024)
Brand Trust	Confidence in a brand's reliability and integrity, shaped by consistency and perceived honesty of its communications	Chaihanchai, Anantachart, & Ruangthanakorn (2024); Gomes, Lopes, & Nogueira (2025)
Brand Loyalty	Sustained preference for, and advocacy of, a brand over time, reflected in repeat engagement and resistance to switching	Gomes, Lopes, & Nogueira (2025); Gerlich (2023)

Table 3. Core constructs used in the conceptual framework and their representative sources.

4. Limitations and Scope for Future Research

Some of the conclusions made in this review are restricted by a number of limitations, which in turn delineate an agenda for further research. First, the methodology of the present paper is not a meta-analysis but a conceptual, narrative, and synthetic approach; therefore, this paper should be interpreted as an integrative model of the relationships documented in Figure 2, not as an exactly quantified one. Once the size and methodological uniformity of such a body of studies reaches a point where meta-analytic procedures would be

useful for the quantitative estimation of the extent of the penalty for disclosure and the per capita advantage of personalization that lie in this relationship, future research might more effectively quantify the results of the disclosure penalty and the advantage of personalization. Third, a significant portion of the evidence base is geographically and culturally focused; many empirical studies on the topics of interest have taken place in regions such as East Asia, North America, and Western Europe, such as China, South Korea, the United States, and Portugal, where there is a strong focus on cross-cultural differences, with impacts on algorithm aversion, trust in institutions, and attitudes towards AI. Finally, it remains uncertain how transferable the framework is to other parts of the world, as a significant portion of the evidence base is geographically and culturally focused on the West. This implies that much of the underlying empirical research has been conducted in regions including East Asia, North America, and Western Europe, where there is a strong focus on cross-cultural differences affecting algorithm aversion, trust in institutions, and attitudes towards AI. These factors are likely to moderate the applicability of the framework in other parts of the world (such as South Asia, Africa, and Latin America), which are, to date, under-developed.

Third, the studies reviewed overwhelmingly adopt cross-sectional, survey design approaches or brief-term online experiments that are particularly strong in measuring attitudinal and engagement reactions in the moment but are not well positioned to comment on the cumulative process of brand trust and loyalty accumulated over months or years due to repeated exposure to AIGC advertising. However, the types of research designs used in these studies are still limited, specifically longitudinal and field-based research designs, which should receive more attention in future studies, especially this large-scale field experiment conducted by Guo and Jiang (2025). The rapid pace of generative AI development means that some of the effects and findings reported here may not apply to the newly implemented and commercialized multimodal and agentic AI systems, requiring them to be replicated as technology advances and expands. Finally, this study included only publications from MDPI, Taylor & Francis, and Springer in the last five years. Although this was appropriate for the goals and aims of this study, it did not encompass all other significant publications (e.g., Elsevier and Sage journals), and adding this breadth to the review would support the confidence of the general applicability of the framework proposed here.

For future research, the following possibilities are noteworthy: experimental separation of the independent contribution of both dimensions of the positioning matrix (Figure 5) for the first time by changing both dimensions in parallel in suitable experimental designs. It should be possible to separate the independent influence of personalization and disclosure, at least for the upper funnel (reach and CTC) level of engagement, from that of AI algorithmic curation. Exploring how automated planning further influences the ability of other platforms to replicate the effects of disclosure and personalization on engagement outcomes is important, as this topic has only been partially addressed in the reviewed literature. Further investigation is needed on the effect of disclosure and algorithmic curation demands from AI on brand trust in the downstream metrics of engagement. Engagement is the value attributed to product placement in free, on-the-w punti, choice environments and includes parameters such as engagement time, impacts on other stages of the funnel, and the effect on availability. This study explores whether disclosure and demand for algorithmic curation from AI leads to downstream consequences for brand trust and societal well-being. This topic has only been partially addressed in the reviewed literature and has also been explored in the following publications. Finally, these constructs (summarized in Table 3) could be measured using standardized measurement instruments, which would more easily enable comparison between the rapidly increasing number of studies in this domain and may well facilitate later meta-analytical synthesis.

5. Conclusion

Based on the latest research insights from 20 peer-reviewed studies, this study aligns them with the four lenses of a conceptual framework, a funnel of customer engagement, a positioning matrix, and comparative tables, laying the foundation for a new concept. Twenty peer-reviewed studies on AI-generated content advertising on social media were analyzed, and the findings were synthesized into a conceptual framework, a customer engagement funnel, a positioning matrix, and comparative tables to establish the foundations of a new concept. The overall take-home message is that AI content marketing is not automatically positive or negative for brands but rather a matter of two strategic variables: the extent of personalization to which the material is tailored and the degree to which the brand's AI creation is disclosed to consumers. AI-driven content advertising can enhance customer engagement and boost brand trust and loyalty when it is personalized and disclosed in a transparent and constructive way and done in a cognitive, affective, and behavioral manner. However, if information about AI is not sufficiently explained—or if its usage is strategically hidden—when consumers

become aware of its presence, the same technologies that created their engagement can trigger consumer skepticism, algorithm aversion, and a persuasion-knowledge defence, leading to short-term engagement and no lasting brand equity, and possibly negative consumer attitudes. For marketers, the challenge now is not just about social media advertising and whether they should even get involved with generative AI, but how they control personalization and disclosure levels simultaneously to increase engagement organically while not damaging their brand's reputation. For scholars, the present conceptual framework and construct definitions are designed to foster a common approach and enable a common start to the next wave of empirical studies within this dynamically evolving area of research, as generative AI systems become more sophisticated and regulatory scrutiny of the transparency of AI-generated content increasingly sharpens. The brands that will be successful in the future are not the ones that initially reacted with fear to the rise of social media and then to generative AI, but those who are able to use transparency as an essential means by which to create authentic, meaningful connections to customers, rather than merely a limitation on the use of generative AI in advertising. The brands that will succeed in the future will be those that approach transparency not as a limitation to advertising created by generative AI, but as an integral part of the design, as something to do to gain authentic and meaningful audience engagement.

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