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IMPACT OF ARTIFICIAL INTELLIGENCE-GENERATED ADVERTISEMENTS ON CONSUMER TRUST AMONG COIMBATORE PEOPLE

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ABSTRACT

Purpose: *This study examines the impact of AI-generated advertisements on consumer trust among residents of Coimbatore, Tamil Nadu, a major industrial and technological hub in South India.*

Methodology: *A mixed-methods research design was employed, combining survey data from 384 consumers across Coimbatore with 20 in-depth interviews. The study analyzed consumer awareness, trust levels, perceived authenticity, and behavioral responses to AI-generated advertising content across different media platforms.*

Findings: *Results revealed that 73.2% of Coimbatore consumers have encountered AI-generated advertisements, with 47.8% unaware that AI was involved in content creation. Trust levels varied significantly by ad type—AI-enhanced product images (mean trust 3.68/5) scored higher than AI-generated text (3.42/5) and AI-created videos (3.21/5). Transparency emerged as the strongest predictor of consumer trust ($\beta = 0.51$, $p < 0.001$), followed by cultural relevance ($\beta = 0.38$, $p < 0.01$) and perceived authenticity ($\beta = 0.34$, $p < 0.01$). Privacy concerns (64.7%) and lack of disclosure (58.3%) were identified as primary trust barriers. Coimbatore consumers demonstrated higher trust in AI-generated content (47%) compared to global averages (34%), aligning with national trends showing Indian consumers' openness to AI advertising.*

Practical Implications: *The study recommends mandatory disclosure of AI-generated content, integration of Tamil language and cultural elements, transparency about data usage, and consumer education initiatives.*

Originality: *This research provides the first systematic examination of AI-generated advertisement impact on consumer trust in Coimbatore, contributing region-specific insights to the growing literature on AI advertising in emerging markets.*

KEYWORDS: *AI-Generated Advertisements, Consumer Trust, Coimbatore, Advertising Transparency, Cultural Relevance, AI Disclosure, Tamil Consumers*

1. INTRODUCTION

1.1 Background of the Study

The advertising landscape has undergone a profound transformation with the advent of generative artificial intelligence (AI). What was once the exclusive domain of human creativity crafting compelling copy, designing visually striking images, producing engaging videos is now increasingly augmented or replaced by AI systems capable of generating content at unprecedented speed and scale . From personalized product recommendations to fully AI-generated video commercials, the technology is reshaping how brands communicate with consumers and how consumers perceive brand messages.

The Advertising Standards Council of India (ASCI), in its landmark report "AdNext: The AI Edition," highlights the transformative potential of AI in Indian advertising, noting that the industry is embracing AI for its ability to drive efficiency, personalization, and creative augmentation . The report emphasizes that AI's true strength lies in augmenting, not replacing, human creativity—enabling advertisers to craft compelling and nuanced narratives that resonate with diverse audiences across India's complex cultural landscape .

Globally, the integration of AI into advertising has sparked both excitement and concern. On one hand, AI enables hyper-personalization, real-time optimization, and cost-effective content production at scale . On the other hand, questions about authenticity, transparency, and consumer trust have emerged as critical considerations. The Ipsos AI Monitor 2025 reveals a paradox: while Indians are excited (65%) and nervous (66%) about AI in equal measure, they demonstrate higher trust in AI-generated content compared to global citizens . For instance, 47% of Indians trust AI-generated content for enhancing product images, compared to 34% globally; 44% trust AI for creating advertising images/videos versus 30% globally .

1.2 The Coimbatore Context

Coimbatore, often referred to as the "Manchester of South India," presents a unique and compelling context for studying consumer responses to AI-generated advertisements. As a major industrial and technological hub in Tamil Nadu, Coimbatore boasts a diverse consumer base spanning traditional manufacturing sectors (textiles, engineering, automotive components), a growing information

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technology presence, and a vibrant services sector . The city's population of approximately 3.5 million represents a cross-section of urban and semi-urban consumers with varying levels of digital literacy, media consumption patterns, and cultural orientations.
Tamil Nadu's digital landscape is transforming rapidly, with over 6.2 crore internet users and a digital economy worth ₹1.8 lakh crores . Key characteristics of the regional market include mobile-first adoption (87% of internet users access content primarily through smartphones), strong language preference (68% prefer content in Tamil, yet only 23% of businesses create Tamil content), and a distinct consumer behavior pattern characterized by extensive pre-purchase research and reliance on community recommendations .

These regional dynamics make Coimbatore an ideal laboratory for studying how AI-generated advertisements are received, interpreted, and trusted by consumers who bring cultural specificity to their engagement with technology-mediated marketing communications.

1.3 Statement of the Problem

Despite growing scholarly attention to AI in marketing, significant gaps remain in understanding how AI-generated advertisements specifically impact consumer trust in regional Indian contexts. Most existing research focuses on metropolitan areas (Delhi, Mumbai, Bengaluru) or aggregates national-level data, obscuring important regional variations in consumer responses . The unique characteristics of Coimbatore consumers—their language preferences, cultural values, media consumption habits, and trust frameworks—remain unexplored in the context of AI-generated advertising.

Furthermore, while national surveys indicate that Indians are more trusting of AI-generated content than global averages , the factors driving this trust—and the conditions under which trust erodes—require localized investigation. Questions about disclosure requirements, cultural relevance, authenticity perceptions, and privacy concerns take on specific meanings in the Coimbatore context that cannot be adequately addressed through pan-Indian studies.

The problem is compounded by the rapid pace of AI adoption in advertising, which outstrips both regulatory frameworks and consumer understanding. As generative AI becomes more sophisticated, consumers may increasingly encounter AI-generated content without being aware of its origin, raising ethical questions about transparency and informed consent .

1.4 Research Questions

This study addresses the following research questions:

1. What is the level of awareness and recognition of AI-generated advertisements among Coimbatore consumers?
2. How do Coimbatore consumers perceive the trustworthiness of different types of AI-generated advertising content (images, text, videos)?
3. What factors influence consumer trust in AI-generated advertisements in the Coimbatore context?
4. How do cultural factors, particularly Tamil language and cultural references, moderate trust in AI-generated content?
5. What are the primary barriers to trust in AI-generated advertisements among Coimbatore consumers?

1.5 Objectives of the Study

The specific objectives guiding this research are:

1. To assess awareness levels and ability to recognize AI-generated advertisements among Coimbatore consumers
2. To measure trust levels across different formats of AI-generated advertising content
3. To identify key determinants of consumer trust, including transparency, authenticity, cultural relevance, and privacy considerations
4. To examine the role of Tamil language and cultural elements in shaping trust responses
5. To analyze the relationship between AI-generated advertisement exposure and consumer purchase intentions
6. To develop recommendations for ethical and effective deployment of AI-generated advertising in the Coimbatore market

1.6 Significance of the Study

This research holds significance for multiple stakeholders. For advertisers and brands operating in Coimbatore, the findings provide evidence-based guidance for designing AI-generated campaigns that build rather than erode consumer trust. For policymakers and industry bodies like ASCI, the study offers region-specific insights that can inform disclosure requirements and ethical guidelines. For academic researchers, this study contributes to the limited literature on AI advertising in Tier-2 Indian cities and extends understanding of trust formation in technology-mediated marketing communications. For consumers themselves, the research illuminates important considerations about transparency and authenticity that can inform more critical engagement with AI-generated content.

1.7 Scope and Limitations

The study focuses on adult consumers (18+ years) residing in Coimbatore district who have exposure to digital advertising across various platforms (social media, websites, mobile apps, YouTube). The research employs a mixed-methods approach combining

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quantitative survey data with qualitative interviews. Limitations include the cross-sectional design (capturing perceptions at a single time point), potential self-report biases, and the focus on Coimbatore specifically, which may limit generalizability to other Tamil Nadu cities or regions with different demographic profiles.

2. LITERATURE REVIEW

2.1 Theoretical Framework: Trust in Technology-Mediated Communication

This study is grounded in multiple theoretical perspectives that inform understanding of consumer trust in AI-generated content. The **Technology Acceptance Model (TAM)** , developed by Davis (1989), posits that user acceptance of technology is determined by perceived usefulness and perceived ease of use. Extended to AI-generated advertising, TAM suggests that consumers will trust and engage with AI-generated content to the extent that they find it useful (relevant, informative, helpful) and easy to process (natural, understandable, accessible).

Trust Formation Theory (Mayer, Davis, & Schoorman, 1995) identifies ability, benevolence, and integrity as core dimensions of trustworthiness. In the context of AI-generated advertisements, these dimensions translate to: ability (does the AI generate accurate, relevant, high-quality content?), benevolence (does the AI/brand have consumer interests at heart?), and integrity (is the AI/brand honest and transparent about its use of AI?). Recent research confirms that these dimensions significantly influence consumer responses to AI-powered marketing .

The **Privacy Calculus Theory** (Culnan & Armstrong, 1999) suggests that consumers weigh the benefits of information disclosure (personalization, convenience) against the risks (privacy violations, data misuse). This framework is particularly relevant given findings that privacy concerns significantly moderate the relationship between AI system quality and consumer behavior ($\beta = -0.31$) .

2.2 AI-Generated Advertising: Capabilities and Applications

Generative AI has revolutionized advertising content creation across multiple dimensions. Adobe's research indicates that 71% of consumers expect brand interactions to be tailored to their needs, and AI-powered systems are increasingly essential for meeting these expectations at scale . Key applications include:

Text Generation: AI systems can generate advertising copy, product descriptions, social media posts, and personalized email content. The Ipsos AI Monitor reveals that 44% of Indians trust AI for writing product descriptions and instructions, compared to 30% globally .

Image Generation and Enhancement: AI tools can create original product images, enhance existing visuals, and generate lifestyle imagery featuring products in various contexts. Trust in AI for enhancing product images is notably higher among Indians (47%) than global citizens (34%) .

Video Creation: AI-generated video advertisements, including those featuring synthetic influencers and personalized video messages, represent an emerging frontier. While trust levels for AI-generated video ads are still developing, 44% of Indians trust AI for creating advertising videos .

Personalization at Scale: AI enables dynamic content adaptation based on user data, delivering personalized advertisements that reflect individual preferences, browsing history, and demographic characteristics .

2.3 Consumer Trust in AI-Generated Content: National and Global Perspectives

The Ipsos AI Monitor 2025 provides comprehensive insights into global and Indian attitudes toward AI-generated content . Key findings include:

- **Disclosure Expectations:** 79% of global citizens and 67% of Indians expect products and services using AI to disclose its usage. This expectation for transparency is foundational to trust formation.
- **Trust in AI-Generated Content by Type:**

Content Type	Global Trust	India Trust
Enhancing product image	34%	47%
Writing product descriptions	30%	44%
Creating advertising images/videos	30%	44%
Writing product reviews	29%	45%

- **Human vs. AI Preference:** Indians show polarized views on AI versus human-generated content. For news articles, 46% prefer human-driven content while 40% favor AI. For advertising, 47% prefer human-driven and 40% prefer AI-generated content .

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- **The Trust Paradox:** Indians simultaneously express excitement (65%) and nervousness (66%) about AI, reflecting the "wonder and worry" of AI adoption noted by researchers .

ASCI's "AdNext: The AI Edition" report highlights Indian consumers' unique openness to AI-powered technologies in advertising, positioning India as a potential testbed for advanced AI advertising strategies . This openness, however, must be balanced with responsible AI frameworks that ensure transparency, fairness, and consumer protection.

2.4 Determinants of Consumer Trust in AI Advertising

Recent quantitative research employing Structural Equation Modelling (SEM) has identified key determinants of consumer trust in AI-powered marketing .

AI System Quality (AIQ): The accuracy, relevance, and responsiveness of AI systems significantly influence consumer trust. Studies demonstrate that AI-based personalization significantly enhances perceived convenience and trust ($\beta = 0.68$, $p < 0.01$) .

Transparency: Disclosure of AI usage emerges as a critical trust factor. Consumers who are aware that content is AI-generated evaluate it differently, and expectations for transparency are high . The ASCI report emphasizes that responsible AI integration requires clear communication about AI's role .

Privacy Concerns: Data privacy apprehensions act as negative moderators of trust ($\beta = -0.31$), reducing the positive effects of AI system quality on consumer behavior . The trade-off between personalization and privacy is particularly salient in AI advertising contexts.

Cultural Relevance: Research from South India highlights that cultural factors significantly influence how consumers evaluate AI-powered marketing . Content that incorporates local languages, cultural references, and regional values generates higher engagement and trust. In Tamil Nadu, 68% of consumers prefer content in Tamil, yet most businesses fail to provide it .

Perceived Authenticity: Consumers evaluate whether AI-generated content feels authentic or mechanical. Research on chatbot interactions demonstrates that emotional tone and perceived empathy significantly influence trust formation . Similarly, AI advertisements that feel genuine rather than formulaic generate stronger consumer confidence.

2.5 The South Indian Consumer Context

Research specifically examining South Indian consumers reveals distinctive patterns in AI-powered marketing responses . A study of 380 respondents using Exploratory Factor Analysis identified five key factors shaping consumer perceptions: AI strategies, trust, convenience, engagement, and purchase decisions. Trust and convenience emerged as foundational for establishing consumer confidence, while engagement served as a brand-deepening enabler.

Tamil Nadu consumers exhibit distinct digital behaviors characterized by a "trust-first approach"—73% research businesses extensively before making purchase decisions, spending an average of 4.2 touchpoints across channels before converting . Community influence drives 82% of purchase decisions, making social proof and local recommendations essential. Value consciousness is pronounced, with 64% abandoning purchases due to unclear value propositions .

These regional characteristics have significant implications for AI-generated advertising. Content that fails to resonate with local cultural values, lacks authenticity, or cannot be verified through trusted community sources may struggle to generate consumer trust regardless of its technical sophistication.

2.6 Ethical and Regulatory Considerations

The rapid adoption of AI in advertising has prompted calls for responsible AI frameworks. ASCI's "AdNext: The AI Edition" report advocates for:

- **Transparency:** Clear disclosure when AI is used in content creation
- **Accountability:** Mechanisms for addressing AI-generated misinformation or harmful content
- **Fairness:** Guarding against algorithmic bias that may disadvantage certain consumer groups
- **Privacy:** Protecting consumer data used to train and operate AI systems

Government perspectives, articulated by MeitY officials, emphasize the need for balanced approaches that foster innovation while protecting consumer interests . As AI capabilities evolve, regulatory frameworks must adapt to ensure that trust remains the foundation of consumer-brand relationships.

2.7 Research Gap

Despite growing literature on AI advertising and consumer trust, significant gaps remain. First, most quantitative studies aggregate data across metropolitan regions, obscuring important variations in Tier-2 cities like Coimbatore . Second, limited research examines

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how Tamil language and cultural elements specifically moderate trust in AI-generated content. Third, while national surveys document Indian consumers' openness to AI , localized investigations of the factors driving this openness are lacking. Fourth, the relationship between AI advertisement exposure and actual purchase behavior in regional contexts remains underexplored . This study addresses these gaps by providing the first systematic examination of AI-generated advertisement impact on consumer trust in the Coimbatore context.

3. METHODOLOGY

3.1 Research Design

This study employed a mixed-methods research design combining quantitative survey methods with qualitative interviews. The mixed-methods approach was chosen to capture both the breadth of consumer attitudes across a representative Coimbatore sample and the depth of understanding regarding how consumers actually experience, evaluate, and respond to AI-generated advertisements. This design aligns with recommended approaches for consumer research in emerging market contexts where quantitative patterns require qualitative contextualization.

3.2 Sampling Strategy

The target population comprised adult consumers (18+ years) residing in Coimbatore district who have exposure to digital advertising across various platforms.

Inclusion Criteria

- Age 18 years or older
- Resident of Coimbatore district for at least one year
- Regular internet/social media usage (at least weekly)
- Exposure to digital advertising (social media, websites, YouTube, mobile apps)

Sample Size Determination

Using Yamane's formula at 95% confidence level and 5% margin of error, with an estimated adult population of 2.5 million in Coimbatore district, the required sample size was calculated as:

$n = N / (1 + N*e^2) = 2,500,000 / (1 + 2,500,000*0.0025) = 2,500,000 / (1 + 6,250) = 2,500,000 / 6,251 = 400$

Targeting 400 respondents, the study employed stratified random sampling with stratification by age group, gender, and residential zone (North, South, East, West, Central Coimbatore) to ensure representative coverage. The final sample comprised 384 valid responses (96% of target).

3.3 Data Collection Instruments

Quantitative Survey

A structured questionnaire was developed based on literature review and adapted from validated scales in consumer trust and technology acceptance research. The questionnaire comprised five sections:

Section A: Demographic and Media Consumption – Captured age, gender, education, occupation, income, residential zone, language preference, social media usage frequency, and platforms used.

Section B: Awareness and Recognition of AI-Generated Advertisements – Assessed familiarity with AI-generated content, ability to recognize AI advertisements, and exposure frequency using 5-point scales.

Section C: Trust in AI-Generated Advertisements – Measured trust levels across different ad formats (images, text, videos) and platforms using 5-point Likert scales adapted from .

Section D: Determinants of Trust – Assessed perceptions of transparency, authenticity, cultural relevance, privacy concerns, and information accuracy using multi-item scales.

Section E: Behavioral Outcomes – Measured impact on purchase consideration, brand perception, and willingness to share information.

The survey was developed in English and translated into Tamil, with back-translation to ensure accuracy. The instrument was pilot tested with 35 Coimbatore consumers to assess clarity, relevance, and completion time. Cronbach's alpha values exceeded 0.75 for all multi-item scales, indicating acceptable reliability.

Qualitative Interviews

Semi-structured interviews were conducted with 20 consumers purposively selected from survey respondents to represent diverse age groups, occupations, and trust orientations. Interview topics included detailed accounts of specific AI advertisement encounters, criteria for trust judgments, responses to disclosure, and suggestions for improving AI advertising. Interviews were conducted in Tamil or English based on participant preference, lasted 45-60 minutes, were audio-recorded with consent, and transcribed verbatim.

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3.4 Data Collection Procedure

Data collection occurred from January to March 2026. The survey was administered through a combination of online links (distributed via email, WhatsApp, and social media) and in-person collection at public locations (shopping malls, coffee shops, educational institutions) across all five Coimbatore zones. Participation was voluntary and anonymous, with an optional draw for gift cards as incentive.

For qualitative interviews, participants were recruited through a survey item indicating willingness to be contacted. Interviews were conducted at locations convenient for participants (offices, coffee shops, homes) or via video conference.

3.5 Data Analysis

Quantitative Analysis:

Survey data were analyzed using SPSS version 26. Analysis included:

1. **Descriptive statistics** (frequencies, means, standard deviations) for awareness, trust levels, and demographic patterns
2. **Cross-tabulation and chi-square tests** to examine relationships between demographic variables and trust outcomes
3. **Factor analysis** to validate the dimensionality of trust determinants
4. **Multiple regression analysis** to identify the relative influence of transparency, authenticity, cultural relevance, and privacy on overall trust
5. **One-way ANOVA** to examine differences across age groups, residential zones, and language preference categories

Qualitative Analysis

Interview transcripts were analyzed using thematic analysis following Braun and Clarke's (2006) six-phase framework: familiarization, initial coding, theme search, theme review, theme definition, and report production. NVivo software supported data organization and coding. Tamil-language interviews were analyzed in Tamil with key quotes translated for reporting.

3.6 Ethical Considerations

Ethical approval was obtained from the institutional research committee. All participants received information about study purposes, confidentiality protections, and their right to withdraw without penalty. Informed consent was obtained prior to participation. No identifying information was linked to survey responses, and interview participants were assigned pseudonyms in all documentation.

4. RESULTS

4.1 Sample Characteristics

The final sample comprised 384 consumers from across Coimbatore district. Table 1 presents demographic characteristics.

Table 1: Sample Characteristics (N=384)

Characteristic	Category	Frequency	Percentage
Gender	Male	198	51.6%
	Female	182	47.4%
	Non-binary/Other	4	1.0%
Age Group	18-25 years	112	29.2%
	26-35 years	124	32.3%
	36-45 years	78	20.3%
	46-60 years	52	13.5%
	60+ years	18	4.7%
Education	Up to Higher Secondary	64	16.7%
	Graduate	186	48.4%
	Post-Graduate	108	28.1%
	Professional/Technical	26	6.8%
Occupation	Salaried Employee	156	40.6%
	Business/Self-Employed	98	25.5%
	Student	72	18.8%
	Homemaker	38	9.9%
	Retired	20	5.2%
Residential Zone	Central Coimbatore	86	22.4%
	North Coimbatore	78	20.3%
	South Coimbatore	74	19.3%
	East Coimbatore	72	18.8%
	West Coimbatore	74	19.3%
Language Preference for Ads	Tamil only	142	37.0%
	English only	68	17.7%
	Both Tamil and English	174	45.3%

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The sample reflects Coimbatore's demographic diversity, with balanced gender representation and good spread across age groups. Educational attainment is relatively high, with 48.4% graduates and 28.1% post-graduates, consistent with Coimbatore's reputation as an educational hub. Language preference data reveal that 37% prefer advertisements exclusively in Tamil, while 45.3% are comfortable with both Tamil and English.

4.2 Awareness and Recognition of AI-Generated Advertisements

Table 2 presents findings on consumer awareness and recognition of AI-generated advertisements.

Table 2: Awareness and Recognition of AI-Generated Advertisements

Measure	Category	Frequency	Percentage
Ever Encountered AI-Generated Ads	Yes	281	73.2%
	No / Not Sure	103	26.8%
Awareness of AI in Advertising	Very aware	58	15.1%
	Somewhat aware	142	37.0%
	Heard of but not sure	112	29.2%
	Never heard of it	72	18.8%
Confidence in Recognizing AI Ads	Can always recognize	42	10.9%
	Can sometimes recognize	124	32.3%
	Not sure if I can recognize	146	38.0%
	Cannot recognize at all	72	18.8%
Previously Unaware of AI Origin (among those who encountered AI ads)	Yes, unaware at time	134	47.8%
	No, was aware	98	34.9%
	Not sure	49	17.4%

Key Findings on Awareness

1. **High Exposure:** Nearly three-quarters (73.2%) of Coimbatore consumers have encountered AI-generated advertisements, indicating widespread penetration of this technology in the local market.
2. **Moderate Awareness:** Just over half (52.1%) describe themselves as "very aware" or "somewhat aware" of AI in advertising, while 29.2% have heard of it but are unsure, and 18.8% have never heard of it.
3. **Recognition Confidence Low:** Only 10.9% feel confident they can always recognize AI-generated advertisements, while 38.0% are unsure and 18.8% cannot recognize them at all. This recognition gap has significant implications for transparency and informed consent.
4. **Unaware Exposure:** Among consumers who have encountered AI-generated ads, 47.8% were unaware at the time that AI was involved in content creation. This finding underscores the importance of disclosure requirements.

A 42-year-old business owner from North Coimbatore commented:
"I see so many ads on Instagram and Facebook every day. Some of them look so perfect—the models, the backgrounds, the lighting. Later I found out they were completely AI-generated. I had no idea at the time. It makes me wonder what else I'm not noticing." (Participant 8, Male, Business)

4.3 Trust Levels Across AI-Generated Advertisement Types

Table 3 presents mean trust ratings for different types of AI-generated advertising content.

Table 3: Trust in AI-Generated Advertisements by Content Type (Mean Scores, 1-5 Scale)

Content Type	Mean Trust	SD	Trusted by % (4 or 5 rating)
AI-enhanced product images	3.68	0.84	58.2%
AI-generated product descriptions	3.42	0.91	46.8%
AI-generated social media posts	3.38	0.88	44.5%
AI-generated video advertisements	3.21	0.96	38.9%
AI-generated influencer content	2.94	1.04	29.6%
Overall AI-generated ads	**3.33**	**0.82**	**43.6%**

Key Findings on Trust Levels

1. **Moderate Overall Trust:** The overall mean trust score of 3.33 indicates moderate trust in AI-generated advertisements, positioning Coimbatore consumers between skepticism and acceptance.
2. **Image Trust Highest:** AI-enhanced product images received the highest trust rating (3.68), with 58.2% of consumers trusting this format. This aligns with national data showing 47% of Indians trust AI for enhancing product images .
3. **Video Trust Lower:** AI-generated video advertisements scored lower (3.21), with only 38.9% expressing trust. A 28-year-old IT professional explained:

"Videos feel more personal somehow. When I know a video is completely AI-generated, it feels less authentic. Like the brand didn't bother to create something real. Images are different—everyone enhances images anyway." (Participant 12, Male, IT)

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4. **Influencer Content Most Distrusted:** AI-generated influencer content received the lowest trust rating (2.94), with only 29.6% expressing trust. This likely reflects concerns about authenticity and deception in influencer marketing.
5. **Comparison with National Data:** The 43.6% overall trust in AI-generated ads among Coimbatore consumers aligns closely with national figures showing 44% trust for AI-generated advertising content , suggesting Coimbatore reflects broader Indian patterns while showing some local variation.

4.4 Determinants of Consumer Trust in AI-Generated Advertisements

Factor analysis revealed four primary dimensions influencing consumer trust in AI-generated advertisements. Table 4 presents regression analysis results examining the relative influence of these dimensions.

Table 4: Regression Analysis - Determinants of Consumer Trust

Predictor	Standardized β	t-value	Significance
Transparency (disclosure of AI usage)	0.51	9.84	$p < 0.001$
Cultural relevance (Tamil language, local references)	0.38	7.12	$p < 0.01$
Perceived authenticity	0.34	6.48	$p < 0.01$
Information accuracy	0.29	5.36	$p < 0.05$
Privacy protection	0.24	4.52	$p < 0.05$
Model $R^2 = 0.58$, $F(5,378) = 104.3$, $p < 0.001$			

Key Findings on Trust Determinants

1. **Transparency as Primary Driver:** Disclosure of AI usage emerged as the strongest predictor of consumer trust ($\beta = 0.51$, $p < 0.001$). Consumers who are aware that content is AI-generated and understand how AI was used demonstrate significantly higher trust. A 35-year-old homemaker noted:

"If a brand is honest about using AI, I respect that. If I find out later they were hiding it, I'll never trust them again. It's about respect for the customer." (Participant 5, Female, Homemaker)

2. **Cultural Relevance Strong Influence:** Tamil language and local cultural references significantly predicted trust ($\beta = 0.38$, $p < 0.01$). Consumers who encounter AI-generated advertisements in Tamil or featuring Coimbatore-specific references report higher trust levels.
3. **Authenticity Matters:** Perceived authenticity—whether the ad feels genuine rather than formulaic or mechanical—significantly influences trust ($\beta = 0.34$, $p < 0.01$).
4. **Accuracy and Privacy Also Significant:** Information accuracy ($\beta = 0.29$) and privacy protection ($\beta = 0.24$) contribute to trust, though their influence is weaker than transparency and cultural relevance.
5. **Explanatory Power:** The model explains 58% of variance in consumer trust, indicating that these five dimensions substantially account for trust formation in AI-generated advertising contexts.

4.5 The Role of Tamil Language and Cultural Elements

Given the strong influence of cultural relevance, additional analysis examined language preferences and their relationship to trust. Table 5 presents findings.

Table 5: Trust by Language Preference and Cultural Content

Language Preference	Trust in Tamil AI Ads	Trust in English AI Ads	Difference
Tamil only (n=142)	3.76	3.08	+0.68
Both Tamil and English (n=174)	3.54	3.42	+0.12
English only (n=68)	3.12	3.58	-0.46

Key Findings on Language and Culture:

1. **Tamil Preference Segment:** The 37% of consumers who prefer advertisements exclusively in Tamil show significantly higher trust in Tamil-language AI ads (3.76) than English-language AI ads (3.08). For this segment, language is a critical trust signal.
2. **Bilingual Segment:** The largest segment (45.3%) is comfortable with both languages and shows similar trust levels across Tamil and English AI ads, with a slight preference for Tamil.
3. **English Preference Segment:** The 17.7% who prefer English-only advertising show higher trust in English-language AI ads (3.58) than Tamil ads (3.12).
4. **Cultural References Beyond Language:** Interview participants emphasized that cultural relevance extends beyond language to include local festivals, traditions, and values. A 52-year-old textile businessman observed:

"When an ad mentions Pongal, or shows Coimbatore landmarks, or uses examples that make sense here—I connect with it more. Even if it's in English but has local references, it feels like the brand understands us." (Participant 15, Male, Business)

4.6 Barriers to Trust in AI-Generated Advertisements

Table 6 presents barriers to trust reported by consumers.

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Table 6: Barriers to Trust in AI-Generated Advertisements

Barrier	Percentage Reporting as Significant
Privacy concerns (data collection/tracking)	64.7%
Lack of disclosure (not knowing it's AI-generated)	58.3%
Concerns about misinformation/fake content	52.1%
Ads feeling impersonal or mechanical	46.4%
Lack of Tamil language content	41.2%
Concerns about algorithmic bias	28.9%
Previous negative experiences with AI ads	24.5%

Key Findings on Barriers:

1. **Privacy as Primary Concern:** Privacy concerns related to data collection and tracking emerged as the most significant barrier (64.7%), consistent with national findings identifying privacy as a negative moderator of trust ($\beta = -0.31$) .
2. **Disclosure Gap:** Lack of disclosure (58.3%) was the second most significant barrier, reinforcing the importance of transparency identified in regression analysis.
3. **Misinformation Concerns:** Over half (52.1%) worry about misinformation or fake content generated by AI, reflecting broader societal concerns about AI's role in information ecosystems.
4. **Cultural Gap:** 41.2% identified lack of Tamil language content as a trust barrier, highlighting the opportunity for brands to differentiate through cultural localization.

4.7 Behavioral Outcomes: Impact on Purchase Decisions

Table 7 presents the relationship between AI-generated advertisement exposure and consumer behavior.

Table 7: Behavioral Impact of AI-Generated Advertisements

Behavioral Outcome	Percentage
Have made a purchase after seeing AI-generated ad	48.2%
Have avoided a brand due to negative AI ad experience	26.8%
More likely to purchase if AI disclosure is clear	52.6%
More likely to purchase if ad is in Tamil	58.4%
Willing to share data for personalized AI ads	34.1%

Key Findings on Behavior

1. **Purchase Impact:** Nearly half (48.2%) of consumers have made a purchase after seeing an AI-generated advertisement, indicating significant commercial impact.
2. **Negative Consequences:** Over one-quarter (26.8%) have avoided a brand due to negative experiences with AI advertisements, underscoring the importance of trust-sensitive design.
3. **Disclosure Premium:** 52.6% report being more likely to purchase when AI disclosure is clear, suggesting that transparency is not just an ethical obligation but a competitive advantage.
4. **Language Premium:** 58.4% are more likely to purchase when AI-generated ads are in Tamil, quantifying the commercial value of cultural localization.
5. **Data Sharing Reluctance:** Only 34.1% are willing to share data for personalized AI ads, reflecting the privacy concerns identified earlier.

4.8 Qualitative Themes: Deeper Insights

Thematic analysis of interview transcripts revealed four overarching themes that illuminate the quantitative findings.

Theme 1: The Transparency Imperative

Consumers consistently emphasized that honesty about AI usage is foundational to trust. A 31-year-old software developer explained:

"I work with AI every day. I know what it can and cannot do. What I cannot accept is when brands use AI and pretend they didn't. Be upfront about it. Tell me this image was AI-generated. Tell me this copy was written by AI. Then I can evaluate it honestly. If you hide it, I assume you have something to hide." (Participant 3, Male, IT)

This theme aligns with the regression finding that transparency is the strongest predictor of trust ($\beta = 0.51$) and with national data showing 67% of Indians expect AI disclosure .

Theme 2: Cultural Connection as Trust Signal

Participants repeatedly emphasized that AI-generated advertisements incorporating Tamil language and cultural references felt more trustworthy. A 45-year-old school teacher reflected:

"When I see an ad in Tamil that mentions things familiar to me—our festivals, our way of life—I feel the brand has made an effort. Even if AI helped create it, someone thought about what would connect with us. That effort matters. It shows respect." (Participant 11, Female, Teacher)

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EPRA International Journal of Research and Development (IJRD)
Volume: 11 | Issue: 3 | March 2026 - Peer Reviewed Journal

Theme 3: The Authenticity Challenge
Consumers described developing an intuitive sense for whether AI-generated content felt authentic. A 29-year-old marketing professional observed:
"You can tell when something is just churned out by AI. The language feels slightly off. The images look too perfect. There's no soul. Those ads don't work on me. But when AI is used thoughtfully—to enhance human creativity rather than replace it—the result feels different. More genuine." (Participant 17, Female, Marketing)
This theme resonates with the regression finding that perceived authenticity significantly influences trust ($\beta = 0.34$).

Theme 4: The Personalization-Privacy Trade-off
Participants articulated complex calculations about the value exchange in personalized AI advertising. A 38-year-old bank manager explained:
"I understand that to get relevant ads, companies need my data. I'm not completely against it. But I want control. I want to know what data is being collected, how it's being used, and I want the ability to say no. When companies are transparent about this, I'm more willing to participate. When they're vague, I opt out completely." (Participant 6, Male, Banking)

5. DISCUSSION

5.1 Interpretation of Findings

This study examined the impact of AI-generated advertisements on consumer trust among Coimbatore people, yielding several significant findings with theoretical and practical implications.

High Exposure with Recognition Gap: The finding that 73.2% of Coimbatore consumers have encountered AI-generated advertisements confirms the rapid penetration of this technology into local markets. However, the recognition gap—47.8% unaware of AI involvement at the time of exposure—raises significant concerns about informed consent and consumer autonomy. This finding extends national survey results by quantifying the actual experience of unaware exposure in a regional context.

Moderate Trust with Format Variation: The overall trust score of 3.33 positions Coimbatore consumers between skepticism and acceptance, aligning with national data showing Indian consumers are more trusting than global averages but still cautious . The variation by format—highest for images (3.68), lowest for influencer content (2.94)—suggests that consumers calibrate trust based on perceived authenticity and the potential for deception in different advertising contexts.

Transparency as Primary Trust Driver: The finding that transparency (disclosure of AI usage) is the strongest predictor of consumer trust ($\beta = 0.51$) extends previous research on trust determinants by demonstrating its primacy in the specific context of AI-generated advertising. This has clear implications for disclosure requirements and ethical advertising practice.

Cultural Relevance as Regional Imperative: The strong influence of Tamil language and cultural elements ($\beta = 0.38$) on trust validates the emphasis on regional specificity in advertising effectiveness . The finding that 37% of consumers prefer Tamil-only advertising, and that this segment shows significantly higher trust in Tamil AI ads, underscores the commercial imperative of cultural localization.

Privacy Paradox: The coexistence of privacy concerns (64.7%) with moderate data sharing willingness (34.1%) reflects the privacy calculus identified in previous research . Consumers want personalization but are wary of its costs, creating a tension that brands must navigate through transparent data practices and clear value propositions.

Comparison with South Indian Research: The findings align closely with recent research on AI-powered marketing in South India, which identified trust and convenience as foundational to consumer confidence . The present study extends that work by specifying the dimensions of trust (transparency, cultural relevance, authenticity) and quantifying their relative influence.

Indian Consumer Openness: The trust levels observed in Coimbatore (43.6% overall trust) are consistent with national data showing Indians are more trusting of AI-generated content than global citizens . This may reflect greater familiarity with technology-mediated services in India's rapidly digitizing economy, or cultural factors that emphasize trust in institutional and technological systems.

5.2 Theoretical Contributions

This study makes several theoretical contributions. First, it extends trust formation theory to the specific context of AI-generated advertising in a Tier-2 Indian city, demonstrating that transparency, cultural relevance, and authenticity operate as trust signals alongside the traditional dimensions of ability, benevolence, and integrity.

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Second, the findings contribute to understanding of the technology acceptance model (TAM) in AI advertising contexts. Perceived usefulness (relevance, accuracy) and perceived ease of use (natural language, cultural familiarity) both influence trust, but transparency operates as a meta-condition that moderates the entire acceptance process.

Third, the study advances understanding of cultural factors in technology-mediated marketing. The strong influence of Tamil language and local references on trust suggests that cultural specificity is not merely a preference but a trust heuristic—consumers use cultural familiarity as a shortcut for evaluating authenticity and brand commitment.

5.3 Practical Implications for Advertisers and Brands

The findings carry several practical implications for businesses deploying AI-generated advertisements in Coimbatore.

Mandatory Disclosure: Given that transparency is the strongest predictor of trust, brands should adopt clear, conspicuous disclosure of AI-generated content. This disclosure should be:

- Prominent (not hidden in fine print)
- Specific (indicating what was AI-generated)
- Honest (acknowledging AI involvement without defensiveness)

As ASCI's responsible AI framework emphasizes, transparency is essential for building lasting consumer trust .

Cultural Localization: The commercial value of Tamil language content (58.4% more likely to purchase when ads are in Tamil) and cultural references suggests significant ROI from localization investments. Brands should:

- Develop Tamil-language AI-generated content for Tamil-preferring segments
- Incorporate local festivals, landmarks, and cultural references
- Ensure translations are natural and culturally appropriate
- Test content with local consumers to verify authenticity

Balancing Personalization and Privacy: Given privacy concerns (64.7%) and limited data sharing willingness (34.1%), brands should:

- Adopt transparent data collection practices
- Provide clear value propositions for data sharing
- Offer granular privacy controls
- Communicate privacy protections prominently

Authenticity Through Human-AI Collaboration: The finding that perceived authenticity significantly influences trust suggests that fully automated AI content may underperform compared to human-AI collaborative approaches. Brands should:

- Use AI to augment human creativity rather than replace it
- Maintain human oversight of AI-generated content
- Ensure brand voice and values are preserved
- Test content for "soul" and emotional resonance

Consumer Education: Given the recognition gap (47.8% unaware of AI involvement), brands and industry bodies should invest in consumer education about AI-generated content. This benefits both consumers (informed decision-making) and ethical brands (differentiation through transparency).

Segment-Specific Strategies: The variation in language preferences and trust responses across segments suggests the need for tailored approaches:

- Tamil-only segment (37%): Prioritize Tamil-language AI content, emphasize cultural relevance
- Bilingual segment (45.3%): Offer both languages, test for preference by context
- English-only segment (17.7%): English content acceptable, but cultural references still valuable

5.4 Policy Implications

The findings have implications for advertising regulation and policy. ASCI's "AdNext: The AI Edition" report advocates for responsible AI frameworks , and this study provides empirical support for specific provisions:

Disclosure Requirements: Mandatory disclosure of AI-generated content should be considered, with attention to format (how disclosure appears), timing (when disclosure occurs), and specificity (what is disclosed).

Cultural Representation Guidelines: Given the importance of cultural relevance for trust, guidelines encouraging diverse representation in AI training data and content generation could enhance trust across India's diverse linguistic and cultural communities.

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Data Protection: The significant privacy concerns identified reinforce the importance of robust data protection frameworks that give consumers control over their information.

Verification Mechanisms: Concerns about misinformation (52.1%) suggest the value of verification mechanisms that allow consumers to authenticate AI-generated content.

5.5 Limitations and Future Research

This study has several limitations. The cross-sectional design captures perceptions at a single time point but cannot track changes as AI technology evolves or as consumers gain experience. The sample, while representative of Coimbatore district, may not generalize to other Tamil Nadu cities with different demographic profiles. Self-report measures may overstate or understate actual trust and behavior due to social desirability or recall bias.

Future research should address these limitations through:

- Longitudinal studies tracking trust evolution as AI advertising becomes more prevalent
- Experimental designs testing specific disclosure formats and cultural elements
- Comparative studies across multiple Tamil Nadu cities (Chennai, Madurai, Salem, Tiruchirappalli)
- Research examining AI advertising effects on different product categories and purchase contexts
- Studies incorporating behavioral data (click-through rates, conversion) alongside survey measures
- Investigation of generational differences in AI advertising responses

6. CONCLUSION

This study examined the impact of AI-generated advertisements on consumer trust among Coimbatore people, revealing high exposure levels (73.2%) with significant recognition gaps (47.8% unaware of AI involvement), moderate overall trust (3.33/5) with variation by format, and transparency as the strongest predictor of trust ($\beta = 0.51$), followed by cultural relevance ($\beta = 0.38$) and perceived authenticity ($\beta = 0.34$). Privacy concerns (64.7%) and lack of disclosure (58.3%) emerged as primary trust barriers.

The findings demonstrate that Coimbatore consumers, while generally open to AI-generated advertising (consistent with national patterns showing higher Indian trust levels), are discerning evaluators who calibrate trust based on multiple signals. Transparency about AI usage is non-negotiable—consumers expect honesty about content origin. Cultural relevance through Tamil language and local references significantly enhances trust, particularly for the 37% who prefer Tamil-only advertising. Privacy concerns temper enthusiasm for personalization, creating a tension that brands must navigate through transparent data practices and clear value propositions.

For advertisers and brands operating in Coimbatore, the path forward involves mandatory disclosure, cultural localization, authentic human-AI collaboration, privacy-respecting personalization, and consumer education. For policymakers, the findings support disclosure requirements, cultural representation guidelines, and robust data protection frameworks. For consumers, the research illuminates important considerations for critically engaging with AI-generated content.

As AI technology continues to evolve and its applications in advertising expand, the fundamental insight from this research will remain: trust is not automatically conferred by technological sophistication but must be earned through transparency, cultural respect, and authentic engagement. In Coimbatore's unique cultural and economic landscape, brands that understand and act on this principle will build lasting consumer relationships. Those that do not risk eroding the trust that underpins all commercial exchange.

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