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Advertising and Generative AI: How Can Advertisers Leverage New AI Tools?

Introducing a Special Issue on Generative AI in Advertising

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From time-to-time innovations come along that have the potential to disrupt industries. While “generative AI” (GAI) is not new, and has been around for some time, recent advances with more powerful capabilities, and simpler user interfaces, have led to an explosion in its uses and applications, and have put AI computing power in the hands of the many. It appears GAI has “crossed the chasm” and now become mainstream in many industries; in this regard the questions have moved on from “Should we use it?” to “How do we make the best use of it?”. Marketing and sales are functions where GAI has been used extensively and which have seen much change (Deveau, Griffin and Reis, 2023; Singla et al., 2025). It should be no surprise, therefore, that the advertising industry has been strongly influenced by this trend and the use of GAI is now commonplace in a range of advertising functions; some commentators have estimated that over half of advertising expenditure is already impacted by AI (Stam, 2023). GAI technologies, such as natural language processing models, AI-driven image generation tools, and AI-powered video production, empower advertisers to craft more personalized content, streamline creative processes, and boost the effectiveness of advertising campaigns. Typical uses include prospecting (e.g., 6sense.com), data management and customer engagement (e.g., segment.com), copywriting (e.g., Jasper.ai, Writer.com), SEO (e.g., SurferSEO.com, Headline.com, Semrush.com), chatbots (e.g., Chatfuel.com, Drift.com), digital ad personalization and optimization (e.g., albert.ai), media monitoring and competitive intelligence (e.g., Brand24.com, Crayon.co), influencer selection (e.g., influencity.com), social media engagement (e.g., Manychat.com), PR campaigns (e.g., Howler.media), social media content creation (e.g., predis.ai, Flick.social) and visuals (e.g., DALL-E 2, DreamStudio.ai, midjourney.com). In many ways this seems to offer a utopia for marketers and advertisers as many tasks can be outsourced to automatic processes driven by machine learning tools, which can increase the efficiency of tasks and reduce costs. However, like many new technologies GAI tools have begun to present marketers with an array of risks, including ethical and privacy concerns, challenges incorporating GAI tools into work processes and unintended consumer reactions to GAI generated advertising (e.g., eeriness, authenticity, trust). Research in AI and advertising is not new as illustrated by recent bibliometric work on the topic (e.g., see Ford et al., 2023), but recent developments and greater industry adoption have led to new questions and a rapid increase in research related to GAI and advertising; how should its potential be tapped and how do consumers respond to GAI use in advertising? Perhaps now there is a need to take stock of existing knowledge and reflect on important research questions which can advance our knowledge and help to improve practice. As outlined in the call for papers, the main goal of this special issue is to help advertisers unlock the potential of AI and GAI, adding

to our growing collection of articles on AI and advertising (e.g., Campbell et al. 2022; Kietzmann, Paschen, and Treen 2018; Wu and Wen 2021).

This gives rise to a number of questions, some of which the papers in this special issue speak to. From the industry's side, how is GAI transforming roles within the advertising industry, and the structure of organisations, particularly in the creative, media buying and strategy functions? How should leadership in organizations react to these changes? What economic and competitive impacts does the use of generative GAI have on advertising agencies, brands and media platforms? How are advertising professionals adapting to the integration of GAI and what new skills and competencies are needed in the industry as a consequence of these changes? While much of the integration of GAI in digital advertising occurs behind the scenes, there are also issues to explore when GAI generated advertising meets the consumer. This is exemplified by Nestle and Ogilvy's "La Laitière" (The Milkmaid) ad, which used GAI to reinforce traditions and establish authenticity of the brand by inviting customers to engage with the brand's new tagline - "C'est si bon de prendre le temps" – which translates to "It's so pleasurable to take the time." (Yan, 2022). This was in stark contrast to Coca-Cola's Christmas 2024 GAI generated ad, and an earlier Toys R Us GAI generated ad, which both received a great deal of negative backlash online (Deighton and Graham, 2024). These examples illustrate the complex issues in relating AI generated content to brand values and consumers and give rise to a number of further questions about consumer reactions to GAI created content. To what extent does consumer awareness of AI generated content influence trust, persuasion, attitudes and other relevant metrics? More broadly, how does GAI impact advertising effectiveness across different media channels and audience demographics, and what new metrics are needed to assess its impact?

The papers published in this special issue speak to some of these issues. As GAI becomes increasingly integrated into advertising, its impact on creativity, consumer engagement, and brand perception is of growing academic and industry interest. By bringing together empirical research, industry insights, and methodological innovation, this special issue aims to provide a better understanding of the impact of GAI on advertising. Across seven research articles, spanning industry and consumer perspectives on the use of GAI in advertising, we see a complex interplay between GAI's ability to enhance efficiency and personalization while also raising concerns about authenticity, emotional reactions, privacy and ethics. These articles and their contributions are outlined below.

The introduction of GAI into advertising presents both opportunities and challenges. Sands et al.'s (2025) paper, titled **“Harmony or Discord? The Intersection of Generative AI and Human Creativity in Advertising”** explores how GAI is impacting creativity in the advertising industry and the implications this has for work and organization. By interviewing senior advertising executives, the paper shows how GAI can reshape creativity in organizations through outsourcing routine tasks which enable advertising executives to focus on creativity and brand strategy. However, concerns persist over GAI leading to creative homogenization and ethical dilemmas around transparency. There is a clear sense this raises ethical issues about the implementation of GAI in advertising organizations. The authors conclude that in light of these ethical issues there is a need for new guidelines and regulation about the use of AI in advertising. Thus, GAI can serve to amplify creativity, but guidelines and regulation may be needed to promote transparency, fairness and consumer protection.

In their article **“Exploring the Integration of Generative AI in Advertising Agencies: A Co-Creative Process Model for Human–AI Collaboration”**, Cui, Liu and Yuan (2025) expand on some of these issues by exploring how creative processes change within advertising agencies when text-to-image GAI tools are adopted. Using stakeholder interviews and archival data the article develops a co-creative process, integrating stages of readiness, which advertisers can use to guide their integration of GAI into creative workflows. Like the Sands et al. (2025) article, this paper takes the perspective that GAI tools are a collaborative partner to augment the creative process, rather than a threat to be resisted. It also emphasizes the need to incorporate new training given the skill sets required to optimize its usage. Both articles underscore the need to carefully integrate GAI into human processes, and for advertising companies to reconsider the skill sets needed of employees into their hiring and training practices. These first two papers set the stage for understanding how GAI is perceived by consumers when used explicitly in advertising.

In this regard it seems logical to start by considering how AI salience – the degree to which a consumer recognizes or is aware that an ad has been generated by AI – affects consumer responses to advertising. In the article by Hanson, Carlson and Pressler (2025), titled **“The Differential Impact of AI Salience on Advertising Engagement and Attitude: Scary Good AI Advertising”**, the authors show that making AI advertisement creation salient to consumers leads to greater online engagement, but, interestingly, evokes more negative (fear and skepticism) than positive emotions, which in turn have an impact on attitude towards the ad. This aligns with Sands et al.'s (2025) study, which highlights that the presence of AI raises

ethical concerns (particularly when its use is not transparent). These negative emotional reactions (fear and skepticism) lead to psychological reactance, which can damage brand perception. This tension may become particularly problematic for luxury goods marketers.

The results in To et al.'s (2025) research, titled **“When AI Doesn’t Sell Prada: Why Using AI-Generated Advertisements Backfires for Luxury Brands”**, make an interesting segue to the study by Hanson, Carlson and Pressler (2025). In this research the authors also study AI salience, but in relation to luxury brands and their explicit disclosure of AI use. The research shows that consumers respond more negatively to ads with AI disclosures. In follow up studies, the research shows this is because consumers perceive such ads as involving lower effort which translates into lower authenticity (attributes which are in stark contrast to the associations of luxury brands). However, this effect is attenuated when ads are created through GAI which is perceived as more creative. Therefore, it seems AI can be strategically leveraged in luxury advertising if it is used to create highly creative, unique visuals rather than more standard designs. This reinforces the idea from Sands et al.'s and Cui, Liu and Yuan's study that GAI should be a tool to support, rather than replace, human creativity. These results, and those of Hanson, Carlson and Pressler's study, also highlight possible public policy issues around AI disclosure and the importance consumers attach to advertising that is seen to be more creative and authentic.

Beyond AI salience, how do consumers process GAI generated advertising? One of the benefits of using GAI in advertising is more targeted personalization of content. However, more personalized content may not necessarily be better for GAI advertising as this raises ethical and privacy concerns about use of data, and may imply an inverted U-shaped relationship. Using three experiments Sun, Xie and Sun's (2025) study, **“The Inverted U-Shaped Effect of Personalization on Consumer Attitudes in AI-Generated Ads: Striking the Right Balance Between Utility and Threat”**, shows that moderate levels of personalization lead to the most favorable attitudes towards GAI advertising compared to low and high levels of personalization. This effect is driven by consumers' evaluations of the net difference between perceived utility and perceived threat (that is, the risk vs reward relationship). This relationship is moderated by perceived privacy concerns. The findings here align with the other articles in the special issue by recognizing that GAI's integration into advertising can be a double-edged sword.

Park, Chu and Chung's (2025) paper, titled "**Choosing the Right AI-Generated Endorser: Human-like vs. Cartoon-like Avatars for New Product Endorsement**", expands our understanding of how consumers perceive AI generated advertising content through an examination of human-like and cartoon-like avatars for new product endorsements and offers guidance for marketers about choice of avatars. Across three experiments with over 1000 respondents, the authors show that consumers prefer human-like AI endorsers rather than cartoon-like AI endorsers. The article further shows that visual thinking enhances positive ad engagement emotions and also that making visual processing easier can enhance ad engagement.

Commented [BL1]: Note, paper not yet unconditionally accepted.

The special issue concludes with Wright and Schultz's (2025) paper, titled "**Unleashing the Power of AI and Big Data for Advertising: A Framework for Intensive Longitudinal Mediation When Using AI to Study Advertising Effectiveness**". This article changes tack from the other articles in the special issue, which reflect on conceptual developments in AI advertising research, and helps us to focus on the power of AI generated data and how we can make the most use out of such data. The article makes the point that much marketing and advertising data in the past has been cross-sectional in nature, and to some extent longitudinal. Increasingly, AI can provide a greater array of longitudinal data harnessed at multiple different points in time or continuously. Such data provides a powerful way of enabling marketers and advertisers to study mediation effects and psychological processes and is termed "intensive longitudinal mediation". It offers a more powerful way of better understanding causal relationships in the field, given its sequential nature. The article concludes by offering a step-by-step process for performing intensive longitudinal mediation, a technique which holds much promise and opportunity for marketing and advertising researchers.

To sum up, what *can* we learn from this collection of articles about how advertisers can leverage new AI tools? Bringing it all together some key takeaways are as follows:

- GAI's role in advertising should be to complement human experience and creativity, rather than dominate it. It can reduce costs and increase efficiencies for more repetitive work, which is a strength, but it is difficult to replace human creativity. Human creativity in advertising remains crucial for developing emotional brand connections and brand authenticity. This is borne out in how consumers respond to advertising generated by GAI.

- GAI can be a double-edged sword for advertisers. AI salience can trigger mixed reactions from consumers – while it can increase engagement it can also evoke skepticism and fear, bringing a spotlight to AI disclosure strategies and the authenticity of AI generated advertising. This is particularly the case for categories where there is a need for high authenticity such as luxury goods, where perceived effort is critical to brand value.
- While personalization can benefit consumers, too much personalization may trigger feelings of intrusion. Therefore, levels of personalization should be carefully managed.
- AI data can provide marketing and advertising researchers with more powerful ways to assess causality with temporal data sequences in field settings. However, marketing researchers may need to reskill in order to apply such techniques as this kind of data becomes more readily available.

Taken together, this collection of studies highlights the delicate balance that advertisers must strike when using AI in advertising. That is, to leverage its strengths (e.g., increased efficiencies, greater personalization etc.) while at the same time mitigate its risks (e.g., intrusiveness, inauthenticity etc.) to build trust and foster positive engagement.

To conclude, we would like to thank all those involved in making this special issue for the *Journal of Advertising Research* a success! As you might imagine, we received a large number of submissions for this special issue as it is such a topical area of research right now. Thanks to Colin Campbell, Editor-in-Chief of the *Journal of Advertising Research* for initiating the idea and for providing guidance throughout the process; thanks to authors of all submitted papers for considering this special issue; and thanks of course to the reviewers who spent time reading the submitted manuscripts and providing useful and constructive feedback (through multiple rounds), which has helped to develop the manuscripts further. We hope you enjoy reading these articles!

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