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# **AI INFLUENCERS IN DIGITAL MARKETING: A CONCEPTUAL REVIEW OF CONSUMER TRUST, ENGAGEMENT AND ETHICAL CHALLENGES**

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Ritu Srivastava & Ankush Srivastav, Babu Banarasi Das University

## **ABSTRACT**

In today's digital marketing world, the use of artificial intelligence (AI) is increasing very rapidly. Because of this, AI influencers, who are virtual personalities created using AI, are becoming popular as a new kind of promotional tool for brands. This paper delivers a comprehensive conceptual review of AI influencers, with a primary emphasis on three critical dimensions: customer trust, consumer engagement, and the ethical challenges they pose.

The study systematically analyzes prior research papers and relevant literature to explore how essential factors like credibility, transparency, and emotional connection shape consumer perceptions and interactions with AI-generated influencers. Through this review, it becomes evident that AI influencers possess unique strengths, such as unwavering consistency in messaging, scalability across global platforms, and precise control over brand narratives. These attributes not only boost consumer engagement but also foster deeper connections between brands and their target markets, enabling more personalized and efficient campaigns.

Like any transformative technology, AI influencers come with both boons and banes. While they offer remarkable efficiency and heightened brand visibility, significant drawbacks persist, including prominent privacy concerns, questions of authenticity, algorithmic biases, reduced transparency, and erosion of trust among users. These issues collectively fuel ethical dilemmas that could undermine long-term consumer relationships.

This research enriches the body of AI-driven marketing literature by providing actionable insights for policymakers, marketers, and strategists. It advocates for the development of trust-centric influencer frameworks that prioritize ethical standards, ultimately paving the way for more robust national economies through responsible innovation. In summary, by drawing on established literature, the review highlights the transformative potential of AI influencers alongside the imperative for balanced, ethical deployment to ensure positive consumer outcomes.

**Keywords:** Digital Marketing; AI influencers; Customer Trust, Transparency, Ethical challenges

## INTRODUCTION

In today's digital economy, overdependence on AI Influencers reflects broader shifts in consumer behaviour. Modern consumers mostly interact with brands through algorithm-driven platforms, where visual appeal, interactivity, and personalization strongly influence attention and engagement (Ki et al., 2020). By using advanced data analytics and machine learning, AI Influencers adopt the content strategy based on real-time consumer feedback. This helps brands deliver highly customized messages to specific audience segments, which resonate better with consumers (Davenport et al., 2020). Through this tailored communication, perceived relevance is increased, which is the major factor of consumer engagement and purchase intention.

However, the relationship between AI Influencers and consumer trust remains complex and multifaceted. Trust in digital marketing is traditionally based on authenticity, expertise, and reliability (Lou et al., 2023). AI Influencers can be programmed to display expertise and consistent brand alignment, but they lack human consciousness and real-life experiences.

Previous studies suggest that consumers may initially be attracted to AI Influencers, but if their artificial nature is not clearly disclosed, scepticism and distrust can grow over time (Munnukka et al., 2022). This creates a paradox where technological sophistication enhances engagement, while threatening authenticity. Ethical issues have also emerged as a major concern in AI Influencer marketing. Transparency about Influencers being artificial is crucial to avoid deceptive practices and maintain consumer autonomy (Floridi et al., 2018).

Despite growing academic interest in AI applications in marketing, the available literature on AI influencers is quite scattered, focusing on topics such as virtual influencers, AI ethics, and digital trust. There is still a lack of integrative conceptual frameworks that examine consumer trust, engagement, and ethical challenges in the context of AI influencers. This gap limits a comprehensive understanding of how AI influencers shape consumer-brand relationships and how to mitigate ethical risks without compromising innovation (Bashan et al., 2024).

In this context, this conceptual review attempts to bridge this research gap. By systematically synthesizing existing literature, this paper attempts to understand how AI influencers influence consumer trust and engagement, and the implications of their use. The insights from this review

will help marketers design transparent and trust-enhancing AI influencer strategies, and help policymakers frame such ethical guidelines, that balance innovation with consumer protection in the global digital marketing ecosystem.

## **LITERATURE REVIEW**

### **Influencer Marketing and Consumer Behaviour**

Influencer marketing has emerged as a dominant digital marketing strategy, significantly shaping consumer attitudes, trust, and purchase intentions in global markets. Compared to traditional celebrity endorsements, influencer marketing relies more on perceived authenticity, relatability, and social interaction, which can influence consumer behaviour (Bashan et al., 2024). Social media influencers serve as opinion leaders who bridge the gap between brands and consumers through personalized narratives and peer-like recommendations.

Several studies suggest that influencer credibility, attractiveness, and expertise play a crucial role in shaping consumer trust and behavioural responses. According to Du and Xie (2021), influencer-led promotions enhance consumer persuasion when audiences perceive influencers as trustworthy and transparent. Nizette et al. (2025) highlight that audience trust is strengthened when influencers maintain authenticity and clearly disclose sponsored content, which is ethical.

In the Malaysian digital context, Basha et al. (2024) emphasize that influencer marketing has a significant impact on consumer decision-making, brand awareness, and engagement, especially among mobile-first and active consumers. Their study also tells us that to sustain long-term consumer trust, ethical practices, regulatory compliance and transparent influencer-important in brand collaborations. This study indicates that influencer marketing is not limited to short-term engagement, It also creates long-term brand loyalty with responsible execution.

But traditional influencer marketing faces several challenges, such as influencer scandals, inconsistent brand messaging, and credibility loss. These limitations are accelerating the exploration of alternative influencer models, including AI-driven virtual influencers, which offer greater control, consistency, and transparency in brand communication.

### **AI Influencers and Virtual Personalities**

AI influencers, also called virtual or digital influencers, are computer-generated personas that

use artificial intelligence technologies such as machine learning, computer graphics, and natural language. These influencers simulate human-like appearances and interactions, but are completely under the control of brands or agencies (Huang & Rust, 2021). Their emergence represents a significant transformation in influencer marketing, as they provide brands with unprecedented control over messaging, behaviour, and public image.

Research indicates that AI influencers have several unique advantages over human influencers, such as- consistency, scalability, cost-efficiency, and reduced reputational risks (Khajuria & Kashyap, 2023). Unlike human influencers, AI influencers do not age, make controversial statements, or deviate from brand values, hence they are a global and long-term marketing tool. Kumar and Suthar (2024) argue that AI influencers enable precise brand storytelling, as well as maintain uniform brand identity across platforms.

Despite these benefits, consumers responses is mixed for AI Influencers. Some studies suggest that AI influencers enhance novelty and engagement, while other studies highlight consumer scepticism regarding authenticity and emotional connection (Naz & Kashif, 2024). Consumers may perceive AI influencers as less genuine, which raises concerns of emotional manipulation and deceptive practices, especially when AI-generated identities are not transparently disclosed.

Conceptual literature suggests that the effectiveness of AI influencers largely depends on transparency, disclosure, and ethical communication. When consumers clearly informed that this data is AI generated, their acceptance increased, especially when AI Influencer demonstrate consistent value and socially responsible behaviour (Walmsley, 2021). Therefore, AI Influences are both an opportunity and a challenge for modern digital marketing

### **Consumer Trust and Engagement**

Consumer trust in digital marketing is fundamental determinant of engagement and long-term brand relationship. In AI-driven environment trust become more critical, because algorithmic systems are often considered opaque and complex (Blösser & Weihrauch, 2024). In the context of AI influencers, trust is shaped by factors such as- transparency, perceived fairness, data privacy, and emotional resonance.

Studies indicate that transparency in AI usage significantly enhances both consumer trust and

engagement. When brands disclosed that how they used AI Influencers were created, how consumers data were used and how recommendations were generated, then consumers take the brand more ethical and perceived reliable (Kumar & Suthar, 2024). Gerlich (2025) also emphasize that consumer education and explainable AI practices reduce uncertainty and AI-related fear and strengthen trust.

Engagement with AI influencers is also influenced by perceived emotional connection. Although AI influencers don't have real emotions, but advanced personalization and interactive communication can simulate emotional bonding, due to which engagement level increase (Huang & Rust, 2022). However, excessive personalization without consent can seem intrusive and negatively affect trust (Chen et al., 2022).

Expect that, along with AI technology consumers past experience also plays a crucial role in trust formation. Positive interactions with AI-powered services make consumers more open to AI influencers, while negative experiences like data misuse or biased algorithms deepen scepticism (Asante et al., 2024). Therefore, trust and engagement in AI influencer marketing are interdependent and depend on responsible AI deployment.

### **Ethical Challenges in AI-Driven Marketing**

Increasing in adoption of AI Influencers, ethical challenges be a major challenges in AI-driven marketing. Transparency is the most significant issue. AI system mostly functions a “Black Boxes”, which leads a misunderstanding among consumers, that how the content is generated and taken decision (Hermann, 2022). Lack of transparency leads to erosion of consumer trust, misinformation and manipulation.

Data privacy and security is also a critical ethical challenge. AI Influencers depends heavily depends on consumer data for personalization and targeting, which increases the risk of data breaches and unauthorized data (Cheong, 2024). According to Attard-Frost et al. (2023), consumers are becoming more concerned about the collection of their personal information and its processing, and demand for strong privacy regulations and data governance.

There is one more dilemma related to authenticity, when presenting the AI Influencers as a human without disclosing it. Karunanayaka et al. (2024) caution against the concept of “market grooming,” where AI subtly manipulates consumer choices without informed consent. Such

practices raise serious concerns over consumer autonomy, informed decision-making and long-term well-being.

In response of these challenges, scholars advocate the AI frameworks, ethical guidelines and regulatory oversight, so that transparency, fairness and accountability should be ensured in AI Influencer marketing (Diaz-Rodriguez et al., 2023). Ethical development of AI Influencers is not only for maintain consumer trust but also to promote sustainable and socially responsible digital marketing.

## **RESEARCH METHODOLOGY**

This study adopts **conceptual and descriptive research design**, whose objective is to examine the role of AI Influencers in the digital marketing, specifically in context of consumer trust, engagement and ethical challenges. Since the purpose of this data is not to collect the primary data but synthesize and critically evaluate the existing knowledge, this study is completely based on secondary data.

### **Research design**

This research followed a conceptual review approach, which is considered appropriate for studying emerging phenomena such as AI influencers, where empirical evidence is still developing. This design helps to comprehensively understand the theoretical perspectives, current trends and ethical concerns related to AI-driven influencer marketing.

### **Data Sources**

Secondary data was collected from peer-reviewed academic journals, conference proceedings, edited books and reputable academic databases. These include Scopus-indexed journals, Web of Science, Google Scholar and major academic publisher platforms. In literature selection-influencer marketing, AI in marketing, consumer trust, digital engagement and ethical practices related studies is also included.

### **Data Selection Criteria**

Literature for review was selected based on the following criteria:-

- Relevance to AI-driven marketing, influencer marketing or digital consumer behaviour.

- Focus on Trust, transparency, engagement, ethics or algorithmic.
- Recognized academic journals and conferences publications.
- Studies primarily published between 2020 and 2025 to ensure contemporary relevance.

### **Methods of Analysis**

Thematic content analysis has been used to analyze the selected literature. Key themes such as AI influencer characteristics, consumer trust formation, engagement mechanisms, ethical transparency, data privacy and algorithmic bias were identified and systematically examined. By comparing and integrating the findings of different studies, a coherent conceptual understanding of the impact of AI influencers on digital marketing has been developed.

### **Conceptual Framework Development**

Based on a synthesis of existing literature, this study conceptually links AI influencer attributes (such as transparency, consistency, and personalization) with consumer trust and engagement outcomes. Additionally, ethical challenges are highlighted as moderating factors. This conceptual framework provides theoretical insights for future empirical research and also offers practical guidance for marketers and policymakers.

### **Ethical Considerations**

Because this study relies exclusively on secondary data, no direct ethical approval was required. Hence, to maintain academic integrity and avoid plagiarism, all sources have been properly cited using author-year referencing style.

## **DISCUSSION AND CONCEPTUAL INSIGHTS**

The growing adoption of AI influencers represents a significant transformation in digital marketing, redefining the way brands engage with consumers. At the same time, this transformation raise the critical concerns related to trust, engagement and ethics. Based on existing literature, this discussion synthesizes key conceptual insights to understand how AI influencers influence consumer perceptions and which ethical boundaries shape their effectiveness.

Literature consistently indicates that in comparison to traditional human influencers, AI Influencers offer more strategic advantages- specifically in terms of consistency, scalability, and brand control (Huang & Rust, 2020; Khajuria & Kashyap, 2023). Unlike human influencers, AI Influencers operates without any reputational risks and maintain uniform brand messaging on multiple platforms, which enhance the operational efficiency and global reach. These attributes creates the positive impact on consumer engagement, especially among digitally native audiences who are accustomed to algorithm-driven interactions (Naz & Kashif, 2024).

But engagement alone does not ensure sustainable brand relationships. Consumer trust has emerged as a central determinant of the long-term effectiveness of AI influencers. Studies highlight that trust in AI-driven marketing is strongly influenced by transparency, credibility, and perceived authenticity (Kumar & Suthar, 2024). When brands disclose the nature of AI-generated influencers clearly and explain how they collect and use the data, only then consumers perceived this practices more ethical and trustworthy ( Walmsley, 2021). Conversely, a lack of disclosure or deceptive representation can lead to skepticism and trust erosion, which further reinforces concerns about manipulation and misinformation (Du & Xie, 2021).

Emotional connection plays a nuanced role in AI influencer marketing. While AI influencers may not have genuine emotions, but advanced personalization and interactive capabilities help them simulate relational engagement, which develop the perceived emotional bond with consumers (Huang & Rust, 2022). Nevertheless, excessive personalization without informed consent can seem intrusive, negatively affecting trust and consumer autonomy (Chen et al., 2022). This clearly highlights the delicate balance between engagement and ethical responsibility.

Ethical challenges remain a critical moderating factor in the AI influencer–consumer relationship. Algorithmic bias, data privacy risks, and the opaque nature of AI systems threaten the ethical legitimacy of AI-driven marketing (Su et al., 2023; Asante et al., 2024). Karunanayaka et al. (2024) caution against the concept of “market grooming,” where AI subtly influences consumer decision-making without consumer awareness. Such ethical risks, if left unaddressed, can undermine both trust and engagement despite technological sophistication.

On the basis of these insights a conceptual understanding emerges, in which attributes of AI

Influencers (like transparency, consistency and personalization) influenced the consumers trust and engagement, while ethical transparency and responsible AI practices serve as essential safeguards. Ethical disclosure, fairness audits, and robust data governance frameworks are needed so that AI influencers can positively contribute to brand–consumer relationships (Díaz-Rodríguez et al., 2023).

In summary, the effectiveness of AI influencers is not limited to technological capability alone, but depends on their ethical deployment. Trust-centric and ethically transparent AI influencer strategies not only enhance consumer engagement but also promote sustainable digital marketing in an increasingly AI-driven global economy.

## **CONCLUSION AND FUTURE SCOPE**

This conceptual review examined the emerging role of AI Influencers in digital marketing, In which specific focus has been given on consumer trust, engagement and ethical challenges. Based on existing literature, the study highlights that AI influencers represent a significant evolution of influencer marketing, as they offer consistency, scalability, cost-effectiveness, and offer advantages such as precise control over brand narratives (Huang & Rust, 2021; Khajuria & Kashyap, 2023). These attributes help brands enhance consumer engagement and deliver personalized marketing experiences in an increasingly digital and competitive environment.

But findings also indicate that the long-term success of AI influencers largely depends on consumer trust, which comes from transparency, perceived authenticity, and responsible data practices (Kumar & Suthar, 2024). While AI influencers can foster engagement by simulating emotional connections, but a lack of ethical transparency—especially in the context of AI disclosure, data privacy, and algorithmic decision-making—can lead to consumer skepticism and trust erosion (Walmsley, 2021; Du & Xie. 2021). Ethical challenges such as algorithmic bias, data misuse, and manipulative marketing practices complicate the adoption of AI influencers and raise serious concerns about consumer autonomy and fairness (Asante et al., 2024; Karunanayaka et al., 2024).

From a practical perspective, this study emphasizes the importance of trust-centric and ethically grounded AI influencer frameworks. Marketers and policymakers should prioritize transparent disclosure, robust data governance, and fairness-aware AI systems, so that responsible deployment of AI influencers can take place and sustainable consumer relationships can be

developed (Díaz-Rodríguez et al., 2023). Ethical AI practices not only protect the consumers interests, but also strengthen the long-term loyalty and brand credibility in AI-driven markets.

**Future Scope**

Because this study is conceptual in nature, future research should empirically examine consumer responses to AI influencers across different cultural, demographic, and industry contexts. Quantitative studies, experimental research designs and cross-country comparisons can provide deeper insights on trust formation and engagement mechanisms. Additionally, future studies may explore hybrid influencer models, which combine human creativity and AI efficiency, as well as the evolving regulatory frameworks governing AI-driven influencer marketing.

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