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SCHOOL OF ECONOMICS, BUSINESS, AND COMPUTER SCIENCE

THE AI ADVERTISING DILEMMA: DOES ARTIFICIAL CREATIVITY BUILD OR BREAK BRAND LOYALTY?

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DEPARTMENT OF ECONOMICS AND BUSINESS

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This thesis was submitted for distance acquisition of a postgraduate degree Master of Business Administration at Neapolis University

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TABLE OF CONTENTS

Summary 1

1 Chapter 1 Introduction 4

1.1 Problem Presentation 4

1.2 Aim of Dissertation 5

1.3 Innovation of Dissertation 5

1.4 Methodology Review 5

1.5 Research Questions and Hypothesis 5

1.6 Structure of Dissertation 6

2 Chapter 2 Literature Review 7

2.1 Marketing in the Digital Era 7

2.2 AI Applications in Marketing 8

2.3 Theoretical Framework 9

2.3.1 Perceived Trust 9

2.3.2 Perceived Value 11

2.3.3 Perceived Innovation 13

2.3.4 Brand Loyalty 15

2.4 Gap & Rationale 16

3 Chapter 3 Research Method 19

3.1 Participants 19

3.2 Design 20

3.3 Materials 20

3.4 Procedure 20

4 Chapter 4 Result 22

4.1 Quantitative – Descriptive Statistics 22

4.2 Quantitative – Inferential Statistics 22

5 Chapter 5 Discussion 24

5.1 Overview of Results and Discussion of 1st Hypothesis 24

5.2 Discussion of 2nd Hypothesis 25

5.3 Discussion of 3rd Hypothesis 26

5.4 Discussion of 4th Hypothesis 27

5.5 Implication of Ethical AI in Trust 28

5.6 Implication of Regulatory Compliance in Innovation 30

5.7 The Future of Marketing: High Value is the Key 32
5.8 Suggestions to Marketers 33
6 Chapter 6 Conclusions 35
6.1 Overview of Conclusions 35
6.2 Research Limitation 35
6.3 Suggestions for Future Research 36
6.4 Epilogue 38
7 Bibliographic References 39
8 Appendices 52
8.1 Appendix A – Questionnaire 52
8.2 Appendix B – Participant Information Sheet 53
8.3 Appendix C – Informed Consent Form 54
8.4 Appendix D – Debrief Sheet 55
8.5 Appendix E – Multilinearity 56
8.6 Appendix F – Normality Check 57
8.7 Appendix G – Influential Cases 58
8.8 Appendix H – Homoscedasticity & Linearity 59

List of Figures

Figure 1 19

List of Tables

Table 1 22
Table 2 23

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RESPONSIBLE STATEMENT

Xuezhou de Pol, knowing the consequences of plagiarism, I declare responsibly that this paper entitled "The AI advertising dilemma: Does artificial creativity build or break brand loyalty? ", the points where I have used ideas, text and/or sources of other authors are clearly mentioned in the text with the appropriate reference and the relevant reference is included in the section of the bibliographic references with a full description.

The Denotation

Xuezhou de Pol



Summary

This dissertation investigated the relationship between perceived value, perceived trust, and perceived innovation of AI-generated marketing content and their impact on brand loyalty. The study focused on Coca-Cola's 2024 AI-generated advertisement that recreated its classic "Holidays Are Coming" commercial, to explore consumer perceptions of AI-generated marketing materials. 24 participants were recruited through convenience sampling. Structured questionnaires using Likert scales were used to collect data, and multiple linear regression analysis was conducted to examine the predictive relationships between the independent variables: perceived value, perceived trust, and perceived innovation, and the dependent variable: brand loyalty.

The findings revealed that the three predictors together have a significant positive effect on brand loyalty. However, individually, only perceived value significantly predicted brand loyalty, whereas perceived trust and perceived innovation did not demonstrate statistically significant relationships. These results indicated that consumers are cautious about trusting and perceiving such content as innovative, however, they appreciate the functional and emotional value conveyed by AI-generated marketing content.

This research contributes to the growing body of literature on the application of AI in marketing, particularly in understanding how AI-enabled creativity influences consumer attitudes toward established brands. From a practical perspective, the findings emphasized the importance of marketers to integrate AI technologies thoughtfully to ensure that such innovations enhance perceived value without undermining authenticity or trust.

This dissertation has limitations, first are by its small sample size, Western participant composition, and focus on a single brand. Future research should extend this inquiry by incorporating larger, more diverse samples, examining additional industries, and exploring qualitative insights through focused group discussions to deepen understanding of consumer perceptions of AI-generated marketing content.

Keywords: Artificial Intelligence, Brand Loyalty, Perceived Value, Perceived Trust, Perceived Innovation, Marketing Management

Αυτή η διατριβή διερεύνησε τη σχέση μεταξύ της αντιλαμβανόμενης αξίας, της αντιλαμβανόμενης εμπιστοσύνης και της αντιλαμβανόμενης καινοτομίας του διαφημιστικού περιεχομένου που παράγεται από τεχνητή νοημοσύνη (AI) και την επίδρασή τους στην αφοσίωση στη μάρκα. Η μελέτη επικεντρώθηκε στη διαφήμιση της Coca-Cola το 2024, η οποία δημιουργήθηκε με τεχνητή νοημοσύνη και αναπαρήγαγε το κλασικό διαφημιστικό σποτ «Holidays Are Coming», με στόχο την εξερεύνηση των αντιλήψεων των καταναλωτών σχετικά με το διαφημιστικό περιεχόμενο που παράγεται από AI. Συνολικά, 24 συμμετέχοντες επιλέχθηκαν μέσω της μεθόδου δειγματοληψίας ευκολίας. Χρησιμοποιήθηκαν δομημένα ερωτηματολόγια με κλίμακες Likert για τη συλλογή δεδομένων, και πραγματοποιήθηκε ανάλυση πολλαπλής γραμμικής παλινδρόμησης προκειμένου να εξεταστούν οι προβλεπτικές σχέσεις μεταξύ των ανεξάρτητων μεταβλητών —αντιλαμβανόμενη αξία, αντιλαμβανόμενη εμπιστοσύνη και αντιλαμβανόμενη καινοτομία— και της εξαρτημένης μεταβλητής, δηλαδή της αφοσίωσης στη μάρκα.

Τα αποτελέσματα αποκάλυψαν ότι οι τρεις προβλεπτικές μεταβλητές μαζί έχουν σημαντική θετική επίδραση στην αφοσίωση στη μάρκα. Ωστόσο, σε ατομικό επίπεδο, μόνο η αντιλαμβανόμενη αξία προβλέπει σημαντικά την αφοσίωση στη μάρκα, ενώ η αντιλαμβανόμενη εμπιστοσύνη και η αντιλαμβανόμενη καινοτομία δεν παρουσίασαν στατιστικά σημαντικές σχέσεις. Τα ευρήματα αυτά δείχνουν ότι οι καταναλωτές παραμένουν επιφυλακτικοί ως προς την εμπιστοσύνη και την αντίληψη της καινοτομίας τέτοιου περιεχομένου, ωστόσο εκτιμούν τη λειτουργική και συναισθηματική αξία που αποδίδεται στο διαφημιστικό περιεχόμενο που δημιουργείται από την τεχνητή νοημοσύνη.

Η έρευνα αυτή συμβάλλει στη διευρυνόμενη βιβλιογραφία σχετικά με την εφαρμογή της τεχνητής νοημοσύνης στο μάρκετινγκ, ιδίως στην κατανόηση του τρόπου με τον οποίο η δημιουργικότητα που καθοδηγείται από AI επηρεάζει τις στάσεις των καταναλωτών απέναντι σε καθιερωμένες μάρκες. Από πρακτική σκοπιά, τα ευρήματα υπογραμμίζουν τη σημασία της προσεκτικής ενσωμάτωσης των τεχνολογιών AI από τους επαγγελματίες του μάρκετινγκ, ώστε οι καινοτομίες αυτές να ενισχύουν την αντιλαμβανόμενη αξία χωρίς να υπονομεύουν την αυθεντικότητα ή την εμπιστοσύνη.

Η διατριβή παρουσιάζει ορισμένους περιορισμούς, όπως το μικρό μέγεθος δείγματος, τη δυτική σύνθεση των συμμετεχόντων και την εστίαση σε μία μόνο μάρκα. Μελλοντικές έρευνες θα πρέπει να επεκτείνουν αυτή την ανάλυση ενσωματώνοντας μεγαλύτερα και πιο ποικίλα δείγματα, να εξετάσουν πρόσθετους κλάδους και να διερευνήσουν ποιοτικές προσεγγίσεις μέσω ομάδων εστίασης, ώστε να εμβαθύνουν στην

κατανόηση των αντιλήψεων των καταναλωτών σχετικά με το διαφημιστικό περιεχόμενο που δημιουργείται από τεχνητή νοημοσύνη.

Keywords: Artificial Intelligence, Brand Loyalty, Perceived Value, Perceived Trust, Perceived Innovation, Marketing Management

Chapter 1 Introduction

1.1 Problem Presentation

The rapid development of artificial intelligence (AI) has changed many aspects of business and society, and marketing has become one of its most prominent areas of application (Roetzer & Kaput, 2022). Traditional marketing methods such as print, radio, and television are increasingly being complemented and, in some cases, replaced by digital marketing channels that provide greater efficiency, personalization, and real-time consumer engagement (Dubey, 2022). More recently, Generative AI (GenAI) has evolved into a powerful tool capable of creating text, images and even video in seconds, challenging traditional definitions of creativity and brand communication (Pascalau & Urziceanu, 2020).

However, this transformation also brings new challenges. While companies are increasingly experimenting with marketing content created using artificial intelligence, questions remain about how consumers perceive this content in terms of value, trust and innovation, and whether it leads to brand loyalty. Some research suggests that consumers may be skeptical about materials created by AI, and they consider them as less reliable or trustworthy (Rae, 2024; Labalova, 2023). Others believe that the accuracy, personalization, and novelty of AI can positively impact consumer perception and increase loyalty (Massoudi et al., 2025; Yin & Qiu, 2021). These contradictory findings highlight a significant gap in our understanding of the role of AI in shaping consumer brand relationships.

In addition, although research has examined AI in a broader marketing context, empirical studies specifically targeting Generative Artificial Intelligence (GenAI) in advertising are still scarce. Most existing research is either conceptual or industry driven, with limited academic evidence on how consumers evaluate AI-generated advertising, particularly in relation to recognized structures such as perceived value, perceived trust, and perceived innovation (Monahan et al., 2025; Bui et al., 2024). In addition, most research has been conducted outside of Europe, with little attention paid to German consumers, who are an important component of the Western market (Liu et al., 2019).

This article aims to address these gaps by studying how consumers perceive AI-generated advertising for Coca Cola (one of the world's most well-known brands) and how this perception predicts brand loyalty.

1.2 Aim of Dissertation

The aim of this dissertation is to investigate how perceived value, perceived trust, and perceived innovation of AI-generated marketing advertisement affect brand loyalty. Specifically, this research will focus on Coca Cola brand's marketing material.

1.3 Innovation of Dissertation

This dissertation contributes to the literature as it touches on a new and under-explored area: the role of GenAI in shaping consumer perception and brand loyalty. First, it provides empirical evidence on AI-generated advertising video that is still scarce in modern marketing research. Second, it presents perceived innovation as a variable rarely studied in this context, which expands the theoretical understanding of how consumers value AI-enabled creativity. Third, the study is being conducted in Germany, which bridges the demographic gap in existing studies that have mostly focused on non-Western countries or the United States. Finally, the study provides relevance and visibility through the study of a world-renowned brand that has already applied AI in its campaigns. This will make the findings valuable for both scholars and practitioners.

1.4 Methodology Review

This research will employ a multiple linear regression to examine the relationship between predictor variables and outcome variable. Predictor variables are perceived value, perceived trust, and perceived innovation of AI-generated marketing advertising. The outcome variable is brand loyalty. Opportunity sampling will be employed to recruit participants, and both descriptive and inferential statistics will be applied to analyze the data.

1.5 Research Questions and Hypothesis

The following hypotheses are made.

H1: Perceived value, perceived trust, and perceived innovation together significantly predict brand loyalty

H2: Perceived value is a significant positive predictor of brand loyalty

H3: Perceived trust is a significant positive predictor of brand loyalty

H4: Perceived innovation is a significant positive predictor of brand loyalty

Additionally, exploratory questions will be addressed, such as participants' familiarity with Coca Cola as a brand and their recognition of AI-generated content.

1.6 Structure of Dissertation

The next chapter will provide an overview of the literature, starting with the general concept of digitalization and technology integration in marketing. Next, development of AI technologies in marketing will be introduced as well as related examples of how Coca Cola applies AI in their marketing. A theoretical framework will then be laid out, in which all predictors and outcome variables will be presented. Finally, gaps in research and justification will be highlighted to demonstrate the need for this study.

The Research Method chapter will detail the participants, design, materials, and procedures to ensure that the study can be fully replicated. The Results chapter will present both descriptive and inferential statistics, including the results of multiple linear regression analysis with corresponding beta coefficients and p-values.

In the Discussion chapter, each hypothesis will be evaluated according to the results obtained and placed in the wider literature. Next, the implications of using ethical AI in marketing, regulatory compliance and the future of marketing will be critically examined, followed by practical recommendations for marketers.

Finally, the Conclusion will summarize the study, reflect on its limitations, and present suggestions for future research. An Epilogue will conclude the dissertation by reflecting on the broader significance of the findings.

Chapter 2 Literature Review

For this literature review, references were sourced from Google Scholar. A filter was applied to only query articles published within 10 years, that is, from 2015 to 2025. Keywords for search followed a pattern, take “Perceived Trust” section as an example, following keywords were used to search for relevant literature: “perceived trust AND marketing”, “perceived trust AND digital marketing”, “perceived trust AND advertising”, “perceived trust AND influence”, “perceived trust AND brand loyalty”, “perceived trust AND AI”, “perceived trust AND AI video”, etc.. Priority was given to original empirical studies. Other types of articles such as systematic reviews, perspectives, and thesis were only sparingly cited.

2.1 Marketing in the Digital Era

Before the advent of the Internet, traditional marketing has always been the main strategy to contact consumers. Channels may include newspapers, magazines, flyers, radio, billboards, and television (Dubey, 2022). The usual practice was to distribute flyers in the shopping area, or for consumers to call the hotline after seeing a TV advertisement. The purpose of such activities was primarily transactional, aimed at focusing on high sales through “hard selling” methods such as old-fashioned door-to-door sales (Abdul Rahim et al., 2015). However, as time passed, environmental issues began to challenge the severe dependence on printing materials. Conscious marketing professionals started to promote green marketing because the printing of newspapers, magazines, and such, could cause environmental problems and was considered unnecessary (Khan & Rafat, 2015).

In modern days, in response to the environmental concerns, marketing has changed significantly, and more and more companies are switching to digital platforms. Social media has become a dominant channel, providing companies with faster, cheaper, and more direct target audiences. Despite this digital transformation, there is evidence to suggest that traditional marketing remains relevant in specific situations and should not be completely ignored (Bist et al., 2022; Katrodia, 2022; Todor, 2016). In addition to social media, modern companies also use email communication and search engine optimization, such as Google Ads, to maintain communication with audiences and increase brand awareness.

The rise of digital technology has further expanded in the areas of consumer insight and responsiveness. For example, social media can monitor customer behavior in real-time and provide immediate response to feedback, complaints, or requests (Pascalau &