

Deepfake Endorsements: Ethical Concerns and Their Influence on Consumer Behaviour

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Abstract:

The rapid development in Artificial Intelligence had led to the growth of deepfake endorsements. They digitally manipulate/ synthetically generate the representations of individuals which are used to in advertising products and services in the market. Deepfake advertisements are cost efficient, creative and flexible but they give the raise to issues like ethical concerns like trust, consent, ownership and deception. This study gives insights to ethical concerns associated with deep fake endorsements and its impact on consumer purchase intentions. In this study uses primary data collected from 150 active social media consumers with a structured questionnaire through google forms. This study gives an insight towards how ethical awareness, perceived trustworthiness, consent transparency and authenticity affect consumer attitudes and purchase intentions towards the product/ service. Through the findings it is found that ethical concerns reduce consumer trust and negatively influence the purchase decisions when deepfake endorsements are perceived as deceptive. However, to some extent transparency and disclosure moderate the negative perception of consumers towards the deepfake advertisements. This study provides a practical insight to the advertisers, policy makers and digital platforms to use Artificial Intelligence driven endorsement in a responsible manner. This study highlights that to retain the consumer's trust in AI driven advertising practices it is necessary to have ethical guidelines, consent mechanisms and transparent communications.

Keywords: Deepfake advertising, ethical concerns, consumer behaviour, trust, AI ethics.

1. Introduction:

Artificial Intelligence has transformed the advertising industry by enabling data driven targeting, personalization and automation. From the recent innovations in digital marketing AI generated deepfake technology gained attention. They create highly realistic synthetic images, videos, audio that mimic the real individuals. These AI generated representation of celebrities, influencers and other individuals are

used widely in digital marketing campaigns to promote the products/ services. Although these deepfake advertisements are user friendly and cost efficient they raise to ethical concerns. Brand credibility is been eroded with deceptive advertising practices and also provoke negative consumer responses (Ohanian 1990; Vitell 2003). As AI generated advertisements are increased, consumers become more aware to those contents and ethical considerations increasingly shape their perceptions and behavioural intentions towards the product/ service.

This study focuses on how ethical concerns associated with deepfake endorsement influence consumer behaviour towards product/ service concerned with trust, consent, ownership and transparency. With the findings by analyzing the consumer responses, this study suggests the responsible advertising practices to be followed and aims to contribute ethical AI marketing literature.

2. Objectives:

- To examine consumer awareness of deepfake endorsements in advertising.
- To analyse the impact of ethical concerns on consumer trust and attitudes.
- To evaluate the influence of consent and authenticity on purchase intention.
- To assess the role of transparency in moderating consumer perceptions.

3. Theoretical Background:

3.1 Trust and Source Credibility

Trust is an essential part of a successful advertising. Source Credibility Theory suggests that the trustworthiness and expertise of an endorser greatly affect how consumers feel and their buying decisions (Ohanian, 1990). Deepfake endorsements affect the source credibility by blurring the original, authentic and artificial representations. When the consumer feels that the endorsement are deceptive, the trust in both brand and the message it delivers decreases (Chesney & Citron, 2019).

3.2 Consent and Ethical Legitimacy

Consent is an ethical principle in the digital content creation. Using an individual likeness without informed consent bring moral and legal concern issues. Using an individual's voice, image, or other representations without consent creates an ethical breach by allowing their identity to be used and exploited without authorization. Floridi et al. (2018) stress that AI systems that operate without clear consent weaken human autonomy and dignity. People become mere data objects instead of moral agents with rights. This issue is especially important in AI-generated and data-driven content. Kaplan and Haenlein (2019) say that consumers respond negatively when they believe that the people in advertisements did not agree to have their likeness used. These beliefs cause moral disapproval, weaken trust, and lead to poor brand evaluations. These practices not only violates the ethical norms but also damages the brand credibility in the minds of the consumers.

3.3 Ownership and Identity Rights

Deepfake technology challenges the usual ownership rights related to identity and likeness. When digital identities are used for commercial purposes without permission, it raises ethical questions about

intellectual property and personal rights (Citron & Chesney, 2019). Consumers often respond poorly when brands profit from exploiting identity ownership, leading to less acceptance of deepfake advertisements (Kietzmann et al., 2020).

3.4 Persuasion Knowledge and Consumer Awareness

The Persuasion Knowledge Model explains how consumers understand marketing tactics and push back against perceived manipulation (Friestad & Wright, 1994). Knowing about deepfake use triggers persuasion knowledge, which causes skepticism and lessens the effect of persuasion. Transparency and disclosure serve as ethical safeguards, helping to reduce negative reactions (Dwivedi et al., 2021).

3.5 Key Challenges of Deepfake Endorsements in Advertising:

1. Technological Challenge:

The realistic nature of deepfakes makes them hard to detect. This increases the chance of misleading consumers. Many people struggle to tell the difference between real and AI-generated endorsements. This raises serious ethical issues about misinformation and manipulation (Chesney & Citron, 2019).

2. Regulatory and Legal Challenge:

There is a lack of clear rules for the ethical use of deepfake technology in advertising. The current advertising laws and intellectual property rules do not effectively address identity misuse and consent issues. This creates legal confusion (Citron & Chesney, 2019).

3. Consumer Trust Challenge:

Seeing manipulated content repeatedly lowers overall trust in digital media and advertising. This issue, known as “reality apathy,” makes consumers skeptical even of genuine endorsements. It harms legitimate marketing strategies (Kietzmann et al., 2020).

4. Ethical Governance Challenge:

Organizations struggle to balance innovation with ethical responsibility. Without standardized ethical guidelines for AI-driven advertising, industry practices can vary widely. This increases the reputational risk for brands (Floridi et al., 2018; Dwivedi et al., 2021).

4. Research Hypotheses

H1: Ethical concerns regarding deepfake endorsements have a significant negative impact on consumer trust.

H2: Perceived lack of consent in deepfake endorsements negatively influences consumer attitudes.

H3: Lower trust in deepfake endorsements reduces consumer purchase intention.

H4: Transparency and disclosure positively moderate consumer acceptance of deepfake advertising.

5. Methodology

This study adopts a descriptive and analytical research design. Both primary and secondary data are used for this study. Primary data is collected from active social media consumers through structured questionnaire. Responses are collected using google forms from the active social media consumers. Convenience sampling is used for this study. Secondary data is collected from the peer reviewed journals, books and credible online sources. Percentage analysis and mean score analysis is used to interpret consumer perception and behavioral tendencies.

6. Findings and Discussion

The findings reveals that a majority of the respondents are aware of deepfake technology which is being used in the advertising. Also it has been found that many consumers express a discomfort with the use of deepfake technology in the advertisements. It is found that ethical concerns reduce trust and perceived credibility of endorsements. When deepfake endorsement lacked consent disclosure, the respondents reacted a strong negative reaction. It was found that transparency could partially restore trust, supporting prior research that ethical communication improves the consumer acceptance (Dwivedi et al., 2021).

Table 1: Demographic Profile of Respondents (n = 150)

Variable	Category	Frequency	Percentage (%)
Gender	Male	72	48.0
	Female	78	52.0
Age	Below 25 years	46	30.7
	25–35 years	62	41.3
	Above 35 years	42	28.0
Education	Undergraduate	54	36.0
	Postgraduate	71	47.3
	Others	25	16.7

Interpretation:

The demographic distribution shows a balanced mix of genders and a larger number of respondents in the 25 to 35 age group. Most respondents have higher education, which suggests they have a good awareness and understanding of digital technologies like AI and deepfake applications. This improves the reliability of their responses regarding ethical evaluation and consumer perception.

Table 2: Consumer Awareness of Deepfake Endorsements

Statement	Mean Score	Std. Deviation
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I am aware of deepfake technology	4.12	0.68
I can identify AI-generated endorsements	3.76	0.81
Deepfake ads are becoming common	3.89	0.73

(Scale: 1 = Strongly Disagree to 5 = Strongly Agree)

Interpretation:

The mean scores show that consumers are very aware of deepfake technology and its increasing use in advertising. However, their lower confidence in spotting AI-generated endorsements points to a challenge in detection. This situation raises ethical concerns about deception and misinformation.

Table 3: Ethical Concerns Related to Deepfake Endorsements

Ethical Dimension	Mean Score	Std. Deviation
Deepfake ads are deceptive	4.21	0.64
Use without consent is unethical	4.35	0.59
Deepfakes violate identity ownership	4.08	0.71

Interpretation

Respondents see deepfake endorsements as ethically troubling, especially when there is no consent. The high average scores show moral unease and ethical pushback. This aligns with ethical decision-making theory, which suggests that consumers punish brands that use deceptive tactics (Vitell, 2003).

Table 4: Impact of Ethical Concerns on Trust and Attitude

Statement	Mean Score	Std. Deviation
Deepfake endorsements reduce my trust	4.18	0.67
I doubt the authenticity of brands using deepfakes	4.02	0.72
Ethical concerns affect my attitude negatively	4.11	0.69

Interpretation

The findings show a clear drop in consumer trust and brand attitude because of ethical concerns. This matches Source Credibility Theory (Ohanian, 1990), which suggests that a lack of authenticity and transparency reduces the effectiveness of endorsements.

Table 5: Influence on Purchase Intention

Statement	Mean Score	Std. Deviation
I avoid purchasing deepfake-endorsed products	3.94	0.76
Deepfake ads discourage buying decisions	4.01	0.71

Interpretation

Ethical skepticism leads to behavioral changes. Respondents show lower purchase intention when they see deepfake endorsements, which supports Hypothesis H3. This suggests that ethical violations have a direct effect on consumer decisions.

Table 6: Role of Transparency and Disclosure

Statement	Mean Score	Std. Deviation
Disclosure improves trust	3.87	0.74
Ethical use of AI increases acceptance	3.92	0.70

Interpretation

Transparency and disclosure help reduce negative views about deepfake advertising. Consumers tend to accept it more when the use of AI is clearly stated. This supports the idea that transparency plays a moderating role, as suggested by earlier studies (Dwivedi et al., 2021).

7. Suggestions:

- Advertisers should clearly disclose when they use AI-generated endorsements.
- There must be consent mechanisms for using digital likenesses.
- Ethical guidelines should be created to regulate deepfake advertising.
- Policymakers should introduce laws to protect identity ownership.

8. Conclusion:

Deepfake endorsements are a strong but ethically tricky advertising method. The study shows that ethical issues about trust, consent, and ownership greatly affect how consumers behave. Using deepfake technology responsibly, with transparency and ethical rules, is key to keeping consumer trust and long-term brand value.

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