

# Artificial Intelligence in Branding: The Influence of AI-Quality on Brand Perception and Consumer Loyalty

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Received: October 21, 2025

Revised: October 27, 2025

Accepted: October 28, 2025

Published online: November 6, 2025

To appear in: *International Journal of Advanced AI Applications*, Vol. 1, No. 8 (December 2025)

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**Abstract.** This study investigates the relationship between artificial intelligence (AI) quality, brand perception, and brand loyalty, with a focus on how consumers assess AI-generated content within branding contexts. AI quality was conceptualized across four dimensions: creativity, relevance, technical and content—and tested for its influence on brand perception (trust, awareness, recall, and sentiment) and, ultimately, on brand loyalty. A quantitative design was employing a structured survey of 110 consumers in the Philippines who were knowledgeable about AI-assisted brand communication. Data analysis included descriptive statistics, validity and reliability tests, multiple regression, and structural equation modeling (SEM) to evaluate direct and mediated relationships. Results suggest that AI quality significantly predicts brand loyalty, with technical performance and creativity being the most influential factors. Conversely, content and relevance have weaker direct effects, indicating that these aspects alone may not ensure long-term loyalty. SEM analysis further corroborates that brand perception acts as a mediator in the relationship between AI quality and loyalty, particularly through trust, recall, and sentiment. This study contributes to AI marketing research by validating the mediating role of brand perception and offers practical insights for Philippine businesses to prioritize robust and creative AI outputs while cultivating consumer trust.

**Keywords:** Artificial Intelligence; AI-Quality; Brand Perception; Brand Loyalty; Consumer Behavior; Structural Equation Mod.

## 1. Introduction

With the rapid development of artificial intelligence technology, the application of generative

artificial intelligence (Generative AI) in the field of content creation is becoming increasingly widespread. Especially models represented by OpenAI's ChatGPT, DALL·E, and Google's Gemini can automatically generate high-quality text, images, audio, and even video content. These technologies have quickly landed in fields such as advertising and marketing, brand communication, and social media operations, becoming new tools for brand content production. Compared with traditional human creation methods, generative AI has the advantages of low cost, high efficiency, and the ability to quickly generate personalized content on a large scale, so it is widely adopted by many brands.

However, the rapid development of technology has also brought new challenges. Consumers are particularly sensitive to the authenticity, credibility, and emotional connection of brand content. When consumers realize that the information they receive is not from real creators or brand representatives, but is automatically generated by AI, they may question the sincerity, values, and overall image of the brand. For example, research has found that when consumers know that a brand uses AI for customer service or content creation, their trust in the brand may significantly decrease, especially in high-involvement product or service scenarios. In addition, different types of AI content (such as AI-written advertising copy and AI-generated visual images) may trigger different perceptual reactions, and their specific impact on brand recognition is not yet clear.

In this context, the impact of generative AI on consumer brand perception has important theoretical and practical significance. On the one hand, it responds to the new challenges posed by current technological changes to brand communication theory; on the other hand, it can provide empirical basis for enterprises to develop more effective marketing strategies using AI content, help brands use generative AI content reasonably, and avoid damaging brand perception. Therefore, this study will systematically explore how the quality of generative AI content affects key dimensions such as consumer brand trust, brand recall, brand sentiment, and brand loyalty, promote the cross-integration of consumer behavior research and technology, and fill the gap in generative AI and brand interaction research.

### 1.1. Conceptual Framework

The present study is anchored on a mediation model that examines the indirect and direct effects of AI-Quality on Brand Loyalty through Brand Perception. The framework assumes that the quality of AI-generated content (measured through its technical accuracy, creativity, content value, and relevance) shapes how consumers perceive a brand, which in turn influences their loyalty. Simultaneously, AI-Quality may also exert a direct effect on Brand Loyalty

independent of Brand Perception. Research Paradigm is shown in Figure 1.

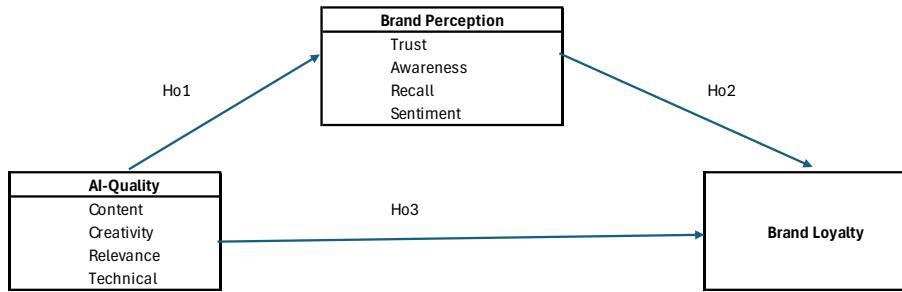


Figure 1. Research Paradigm

In this framework:

(1) AI-Quality → Brand Perception

High-quality AI-generated content, characterized by technical soundness, creativity, relevance, and value, is expected to positively shape consumers' perception of a brand.

(2) Brand Perception → Brand Loyalty

A favorable brand perception is hypothesized to strengthen brand loyalty, as consumers who relate to a brand's image and message are more inclined to sustain trust, preference, and repeat engagement.

(3) AI-Quality → Brand Loyalty (Direct Path)

AI-Quality is also expected to have a direct influence on loyalty, as high-quality AI-driven interactions (such as personalized content or accurate automated responses) can foster immediate consumer trust and retention, even without perception as a mediator.

(4) Indirect Effect

The indirect pathway suggests that AI-Quality influences Brand Loyalty by first enhancing Brand Perception, which then increases loyalty levels.

Hypothesis of the Study:

- H01: There is no significant impact of AI Quality on Brand Perception.
- H02: There is no significant influence of Brand Perception on Brand Loyalty.
- H03: There is no significant effect of AI Quality on Brand Loyalty.

## 2. Methodology

### 2.1. Research Design

This study adopted a quantitative research design anchored in both descriptive-correlational

and causal-predictive approaches. The descriptive component was employed to determine the respondents' demographic characteristics and summarize their levels of agreement with AI-Quality, Brand Perception, and Brand Loyalty constructs. The correlational design measured the strength and direction of relationships between these variables. Meanwhile, the causal-predictive component was used to test the hypothesized model that AI-Quality influences Brand Loyalty both directly and indirectly through Brand Perception as a mediating variable.

To test the hypothesized pathways, the study employed multiple linear regression and structural equation modeling (SEM-style mediation). This combination allowed for a comprehensive analysis of direct and indirect effects while providing insights into the relative predictive power of AI-Quality dimensions (technical, content, relevance, creativity) and Brand Perception indicators (trust, recall, awareness, sentiment).

## 2.2. Research Method

A survey method was utilized as the primary mode of data collection. This method was deemed appropriate because it enabled the researchers to gather standardized responses from a broad group of consumers within a limited period of time. The structured survey facilitated the collection of quantifiable data necessary for advanced statistical testing such as regression and SEM. Furthermore, the survey method ensured that constructs like AI-Quality, Brand Perception, and Brand Loyalty could be measured consistently across respondents using validated scales.

## 2.3. Population and Sampling

The population of the study consisted of Filipino consumers who have encountered brands that use AI-generated content in their advertisements, marketing campaigns, or customer engagement strategies. Because not all consumers may have explicit awareness of AI use in branding, the study specifically targeted individuals with experience in digital platforms where AI-generated content is common, such as social media, e-commerce sites, and digital advertisements.

The sampling design employed was non-probability purposive sampling, as the study required participants who had some familiarity with AI-driven brand experiences. To determine the minimum number of respondents, Cochran's formula for sample size determination was applied, which suggested a minimum of 100 participants. In total, 110 valid responses were collected, which is sufficient to conduct regression and SEM-based mediation analyses, as these require moderate sample sizes for stable estimates.

## 2.4. Research Instrument

The study utilized a structured questionnaire consisting of four major parts:

(1) *Demographic Profile* –captured basic information such as age, gender, occupation, and income level, which allowed for contextual analysis of consumer perceptions.

(2) *AI-Quality* – measured across four dimensions:

- Technical (accuracy, system efficiency, reliability of AI outputs)
- Content (clarity, comprehensiveness, and informativeness of AI-generated material)
- Relevance (alignment of AI content with consumer needs and preferences)
- Creativity (novelty, attractiveness, and uniqueness of AI-generated brand communication)
- Brand Perception – captured through four sub-dimensions:
  - Trust (belief in brand credibility and ethical standards)
  - Recall (ability of consumers to remember AI-driven brand messages)
  - Awareness (extent of consumer recognition and exposure to the brand)
  - Sentiment (emotional evaluation and attitudes toward the brand)
- Brand Loyalty – measured both in attitudinal terms (preference, commitment) and behavioral terms (likelihood of repurchase, recommendation, and advocacy).
- All items were measured using a four-point Likert scale ranging from 1 = Strongly Disagree to 4 = Strongly Agree. The instrument was developed based on existing validated scales in AI-marketing and branding literature, then contextualized for Filipino consumers.

### Validity and Reliability of the Instrument

To ensure the instrument's quality, it underwent a two-stage validation process:

- Content validity was established by consulting three experts in marketing, digital communication, and research methodology who reviewed the questionnaire for relevance, clarity, and alignment with research objectives.
- Construct validity was tested through pilot testing with 30 respondents, followed by exploratory factor analysis (EFA) to confirm factor loadings.
- Reliability was assessed using Cronbach's alpha, with all constructs exceeding the acceptable threshold of 0.70, indicating strong internal consistency.

## 2.5. Validity and Reliability Test Results

Table 1 Construct Validity and Internal Consistency Results

Construct	Dimension	Variable	Loading	AVE	KMO	Bartlett	Cronbach
AI QUALITY	Content	Cont1	.882				
		Cont2	.924	77.463	0.814	0.000	0.903
		Cont3	.857				
		Cont4	.856				
	Creativity	Creat1	.872				
		Creat2	.904	76.084	0.707	0.000	0.840
		Creat3	.839				
	Relevance	Rele1	.780				
		Rele2	.771	62.193	0.666	0.000	0.687
		Rele3	.815				
	Technical	Tech1	.877				
		Tech2	.859	59.790	0.561	0.000	0.622
		Tech3	.536				
BRAND PERCEPTION	Trust	Trust1	.806				
		Trust2	.788				
		Trust3	.941	73.780	0.848	0.000	0.907
		Trust4	.923				
		Trust5	.825				
	Awareness	Aware1	.793				
		Aware2	.844				
		Aware3	.876	67.818	0.861	0.000	0.880
		Aware4	.786				
		Aware5	.815				
	Recall	Recall1	.867				
		Recall2	.876				
		Recall3	.838	70.193	0.854	0.000	0.894
		Recall4	.815				
		Recall5	.812				
	Sentiment	Senti1	.803				
		Senti2	.784				
		Senti3	.832	66.990	0.826	0.000	0.875
		Senti4	.866				
		Senti5	.804				
BRAND LOYALTY	Loyalty	Loyal1	.796				
		Loyal2	.783				
		Loyal3	.730				
		Loyal4	.722	65.350	0.805	0.000	0.869
		Loyal5	.773				
		Loyal6	.759				
		Loyal7	.560				
		Loyal8	.655				

The assessment of construct validity and reliability confirms that the measurement model is statistically sound. All item loadings exceeded the acceptable threshold of 0.50, while Average Variance Extracted (AVE) values ranged from 59.79% to 77.46%, establishing strong convergent validity. The Kaiser–Meyer–Olkin (KMO) measures ranged between 0.561 and 0.861, with all values surpassing the minimum requirement of 0.50, indicating adequate

sampling adequacy. Bartlett's Test of Sphericity was significant ( $p < 0.001$ ) across all constructs, confirming factorability of the data. Reliability analysis using Cronbach's alpha showed coefficients ranging from 0.622 to 0.907, suggesting that most constructs achieved high internal consistency. While the Technical ( $\alpha = 0.622$ ) and Relevance ( $\alpha = 0.687$ ) dimensions fell slightly below the ideal 0.70 threshold, they remain acceptable for exploratory research. Overall, the results demonstrate robust validity and reliability, supporting the appropriateness of the constructs for subsequent structural modeling. See Table 1 for validity and internal consistency per item.

### 2.5.1. Data Collection Procedure

Data collection was conducted using an online survey platform (Google Forms), given the accessibility of digital tools to the target respondents. The following procedures were as follows:

(1) *Preparation* – The final questionnaire was uploaded online after expert validation and pilot testing.

(2) *Consent* – Respondents were provided with an informed consent section explaining the study's purpose, voluntary participation, and confidentiality.

(3) *Distribution* – The survey link was shared through email invitations, social media groups, and professional networks to reach the intended population.

(4) *Screening* – Responses were filtered to include only those who had exposure to AI-driven brand experiences.

(5) *Data Cleaning* – Incomplete and duplicate responses were excluded, leaving 110 valid entries for analysis.

### 2.5.2. Data Analysis

The following statistical procedures were employed:

(1) *Descriptive Statistics* – Means, standard deviations, and verbal interpretations were used to summarize the respondents' perceptions of AI-Quality, Brand Perception, and Brand Loyalty.

(2) *Multiple Regression Analysis* – Tested the predictive relationships:

- AI-Quality → Brand Perception
- Brand Perception → Brand Loyalty
- AI-Quality → Brand Loyalty

(3) *Mediation Analysis (SEM-Style)* – Assessed the mediating role of Brand Perception in the relationship between AI-Quality and Brand Loyalty. Direct, indirect, and total effects were

calculated, with significance levels set at  $p < 0.05$ .

(4) *Model Fit Indices* – In SEM modeling, the adequacy of the conceptual framework was evaluated using common indices such as Chi-square/df ratio, Comparative Fit Index (CFI), Tucker-Lewis Index (TLI), and Root Mean Square Error of Approximation (RMSEA).

### 3. Results and Discussion

#### 3.1. Demographic Profile

The demographic profile reveals that the sample was largely composed of middle-aged, highly educated, and high-income respondents, most of whom were female and full-time employed, with significant representation from the education and technology sectors. Their frequent exposure to AI-generated content, primarily on a daily basis, contrasts with their generally neutral to unfamiliar levels of familiarity, suggesting that while AI-driven media is increasingly integrated into their daily experiences, many remain cautious or uncertain in fully understanding or engaging with do demographic profile results are shown in Table 2.

Table 2 Demographic Profile

Classification	Detail	Frequency	Percent
Age	18-24 years	4	3.64
	25-34 years	38	34.55
	35-44 years	56	50.91
	45-54 years	10	9.09
	65 years and above	2	1.82
Gender	Female	76	69.09
	Male	33	30.00
	Non-binary	1	0.91
Education	Bachelor's degree	25	22.73
	Doctoral degree	30	27.27
	Master's degree	43	39.09
	Some college/university	12	10.91
Income	Above P60,000	77	70.00
	Below P10,000	1	0.91
	P20,000 – P39,999	6	5.45
	P40,000 – P59,000	26	23.64
Employment Status	Full-time employed	74	67.27
	Part-time employed	5	4.55
	Retired	4	3.64
	Self-employed/Freelancer	8	7.27
	Student	17	15.45
	Unemployed	2	1.82
Industry	Arts/Entertainment/Media	6	5.45
	Education	44	40.00
	Finance/Banking	2	1.82
	Government/Public Service	4	3.64

Classification	Detail	Frequency	Percent
Frequency	Healthcare	10	9.09
	Manufacturing	6	5.45
	Technology/IT	26	23.64
	Others	12	10.91
Familiarity	Daily	74	67.27
	Monthly	4	3.64
	Rarely	8	7.27
	Several times a week	16	14.55
Familiarity	Weekly	8	7.27
	Neutral	52	47.27
	Somewhat familiar	8	7.27
	Somewhat unfamiliar	36	32.73
Familiarity	Very unfamiliar	14	12.73

*N=110*

### 3.2. AI QUALITY

#### 3.2.1 Content

Table 3 content quality results show that respondents generally agreed with the quality of AI-generated content, as reflected in the overall mean score of 3.18 ( $SD = 0.63$ ). Specifically, they agreed that AI-generated content is relevant to their needs ( $M = 3.23$ ,  $SD = 0.74$ ) and is accurate and factually correct ( $M = 3.09$ ,  $SD = 0.74$ ). Respondents also perceived the content to be well-written and grammatically correct ( $M = 3.19$ ,  $SD = 0.70$ ) and comprehensive and detailed ( $M = 3.19$ ,  $SD = 0.70$ ).

Table 3 Content Quality

Item	Mean	Std. Deviation	Statement	Verbal Interpretation
Cont1	3.09	0.74	AI-generated content I encounter is accurate and factually correct	<i>Agree</i>
Cont2	3.23	0.74	AI-generated content provides relevant information that meets my needs.	<i>Agree</i>
Cont3	3.19	0.70	AI-generated content is well-written and grammatically correct.	<i>Agree</i>
Cont4	3.19	0.70	AI-generated content is comprehensive and detailed.	<i>Agree</i>
<b>Content</b>	<b>3.18</b>	<b>0.63</b>		<b><i>Agree</i></b>

These findings suggest that while users view AI-generated content positively in terms of accuracy, relevance, clarity, and comprehensiveness, their agreement remains moderate rather than strong. This indicates a level of cautious acceptance, where AI content is acknowledged as useful and reliable, but not yet perceived as excellent or superior to human-generated content.

### 3.2.2 Creativity and Originality

The results indicate that respondents generally agreed with the creativity of AI-generated content, with an overall mean score of 2.99 (SD = 0.63). They perceived AI content as somewhat innovative and creative ( $M = 3.03$ ,  $SD = 0.75$ ) and capable of offering unique perspectives or ideas ( $M = 3.14$ ,  $SD = 0.68$ ). However, a lower mean was recorded for the statement that AI-generated content is original and not repetitive ( $M = 2.81$ ,  $SD = 0.75$ ), suggesting reservations regarding its novelty. Creativity and Originality results are shown in Table 4.

Table 4 Creativity & Originality

Item	Mean	Std. Deviation	Statement	Verbal Interpretation
Creat1	3.03	0.75	AI-generated content is creative and innovative	<i>Agree</i>
Creat2	3.14	0.68	AI-generated content offers unique perspectives or ideas.	<i>Agree</i>
Creat3	2.81	0.75	AI-generated content is original and not repetitive	<i>Agree</i>
<b>Creativity</b>	<b>2.99</b>	<b>0.63</b>		

Overall, the findings imply that while AI-generated content is viewed as creative and idea-generating, concerns about repetition and originality remain, indicating that respondents acknowledge its potential but still question its ability to consistently deliver fresh, non-redundant material.

### 3.2.3 Relevance & Personalization

Table 5 Relevance & Personalization

Item	Mean	Std. Deviation	Statement	Verbal Interpretation
Rele1	2.95	0.68	AI-generated content is tailored to my interests and preferences.	<i>Agree</i>
Rele2	2.51	0.84	AI-generated content addresses my specific needs and concerns	<i>Agree</i>
Rele3	2.95	0.67	AI-generated content is contextually appropriate for the situation.	<i>Agree</i>
<b>Relevance</b>	<b>2.80</b>	<b>0.58</b>		

Findings reveal that respondents agreed that AI-generated content is relevant, with an overall mean score of 2.80 (SD = 0.58). Specifically, they perceived the content as being tailored to their interests and preferences ( $M = 2.95$ ,  $SD = 0.68$ ) and contextually appropriate for the situation ( $M = 2.95$ ,  $SD = 0.67$ ). However, a notably lower mean was observed for the statement

that AI-generated content addresses their specific needs and concerns ( $M = 2.51$ ,  $SD = 0.84$ ), indicating some level of dissatisfaction with its personalization. Relevance and Personalization results are shown in Table 5.

Overall, these results suggest that while respondents recognize AI-generated content as generally relevant and appropriate, there are concerns regarding its ability to deliver highly personalized and need-specific information.

### 3.2.4 Technical Performance

The results show that respondents generally agreed with the technical reliability of AI-generated content, with an overall mean score of 3.02 ( $SD = 0.52$ ). They recognized that such content is consistently available when needed ( $M = 3.05$ ,  $SD = 0.66$ ) and expressed agreement with the statement that they trust the brand to deliver on its promises ( $M = 3.17$ ,  $SD = 0.60$ ). However, a relatively lower mean was recorded for perceptions of the brand's honesty and transparency in communications ( $M = 2.83$ ,  $SD = 0.78$ ). Technical Performance results are shown in Table 6.

Table 6 Technical Performance

Item	Mean	Std. Deviation	Statement	Verbal Interpretation
Tech1	3.05	0.66	AI-generated content is consistently available when I need it.	<i>Agree</i>
Tech2	3.17	0.60	I trust this brand to deliver on its promises.	<i>Agree</i>
Tech3	2.83	0.78	This brand is honest and transparent in its communications.	<i>Agree</i>
<b>Technical</b>	<b>3.02</b>	<b>0.52</b>		

These findings suggest that while AI-generated content is seen as accessible, reliable, and trustworthy, there remains some hesitation regarding the transparency and integrity of the brand's communications when AI is used.

### 3.2.5 AI Quality Summary

Table 7 AI Quality Descriptive Statistics Summary

Dimension	Mean	Std. Deviation	Verbal Interpretation
Content	3.18	0.63	<i>Agree</i>
Creativity	2.99	0.63	<i>Agree</i>
Relevance	2.80	0.58	<i>Agree</i>
Technical	3.02	0.52	<i>Agree</i>
<b>AI QUALITY</b>	<b>3.00</b>	<b>0.48</b>	<i>Agree</i>

Synthesis. Taken together, the findings indicate that respondents view AI-generated content

as accurate, creative, relevant, and technically reliable, yet their evaluations remain moderate across all dimensions. The results highlight a cautious acceptance of AI, where users acknowledge its utility and innovation but remain critical of its originality, personalization, and transparency, reflecting trends observed in prior literature [1-3]. AI quality descriptive statistics summary results are shown in Table 7.

### 3.3. BRAND PERCEPTION

Following the evaluation of AI content quality, the study proceeds to examine how respondents perceive brands that utilize AI-generated content. Brand perception is a critical construct as it reflects the way consumers form judgments and attitudes toward a brand, ultimately shaping their willingness to engage and remain loyal. In this study, brand perception is assessed across four dimensions: brand trust, brand recall, brand awareness, and brand sentiment. Together, these indicators provide a comprehensive understanding of how AI-generated content influences consumer confidence, recognition, emotional response, and overall evaluation of brands.

#### 3.3.1 Brand Trust

The results indicate that respondents generally agreed with the trustworthiness of the brand, with an overall mean of 3.06 (SD = 0.56). Specifically, they expressed confidence in the brand's products and services ( $M = 3.01$ ,  $SD = 0.67$ ) and perceived the brand as reliable and dependable ( $M = 2.96$ ,  $SD = 0.69$ ). Respondents also agreed that they feel secure when interacting with the brand ( $M = 3.06$ ,  $SD = 0.65$ ). In addition, they acknowledged the brand's recognizability among competitors ( $M = 3.09$ ,  $SD = 0.58$ ) and their familiarity with its products and services ( $M = 3.19$ ,  $SD = 0.67$ ). Brand trust results are shown in Table 8.

Table 8 Brand Trust

Item	Mean	Std. Deviation	Statement	Verbal Interpretation
Trust1	3.01	0.67	I have confidence in this brand's products/services.	Agree
Trust2	2.96	0.69	This brand is reliable and dependable.	Agree
Trust3	3.06	0.65	I feel secure when interacting with this brand	Agree
Trust4	3.09	0.58	I can easily recognize this brand among competitors.	Agree
Trust5	3.19	0.67	I am familiar with this brand's products/services	Agree
<b>Trust</b>	<b>3.06</b>	<b>0.56</b>		<b>Agree</b>

Overall, these findings suggest that the brand has established a moderate level of trust,

grounded in consumer familiarity and recognizability, alongside perceptions of confidence, security, and reliability. However, the results also reflect that trust is not strongly affirmed, implying that while the brand is perceived positively, there is still room to strengthen its reputation for dependability and consumer assurance.

### 3.3.2 Brand Awareness

The results show that respondents generally agreed with statements related to brand awareness, with an overall mean score of 3.05 ( $SD = 0.57$ ). The strongest agreement was observed for the statement that the brand comes to mind when thinking of its product category ( $M = 3.26$ ,  $SD = 0.69$ ), indicating strong top-of-mind awareness. Respondents also agreed that they are aware of the brand's recent marketing campaigns ( $M = 3.03$ ,  $SD = 0.70$ ) and that they can distinguish the brand from competitors ( $M = 3.06$ ,  $SD = 0.67$ ). Meanwhile, slightly lower agreement was noted in their ability to easily remember the brand's name ( $M = 2.93$ ,  $SD = 0.74$ ) and to find its logo or visual identity memorable ( $M = 2.97$ ,  $SD = 0.66$ ). Brand awareness results are shown in Table 9.

Table 9 Brand Awareness

Item	Mean	Std. Deviation	Statement	Verbal Interpretation
Aware1	3.26	0.69	This brand comes to mind when I think of its product category.	<i>Strongly Agree</i>
Aware2	3.03	0.70	I am aware of this brand's recent marketing campaigns.	<i>Agree</i>
Aware3	3.06	0.67	I can distinguish this brand from its competitors.	<i>Agree</i>
Aware4	2.93	0.74	I can easily remember this brand's name.	<i>Agree</i>
Aware5	2.97	0.66	This brand's logo/visual identity is memorable.	<i>Agree</i>
<b>Awareness</b>	<b>3.05</b>	<b>0.57</b>		<b><i>Agree</i></b>

Overall, these findings suggest that the brand enjoys a moderate level of awareness, particularly in its association with its product category and differentiation from competitors. However, aspects of brand recall, such as memorability of the name and logo, appear weaker, signaling opportunities to strengthen brand identity and recognition.

### 3.3.3 Brand Recall

The results indicate that respondents generally agreed with statements related to brand recall, with an overall mean of 3.03 ( $SD = 0.58$ ). Respondents reported that they could recall the brand's key messages or slogans ( $M = 3.11$ ,  $SD = 0.61$ ) and that the brand's content stays in

their memory ( $M = 3.00$ ,  $SD = 0.66$ ). They also agreed that they often think about the brand even when not actively shopping ( $M = 3.17$ ,  $SD = 0.70$ ). However, relatively lower means were observed for being committed to the brand ( $M = 2.89$ ,  $SD = 0.75$ ) and for their willingness to recommend it to friends and family ( $M = 2.98$ ,  $SD = 0.74$ ). Brand recall results are shown in Table 10.

Table 10 Brand Recall

Item	Mean	Std. Deviation	Statement	Verbal Interpretation
Recall1	3.11	0.61	I can recall this brand's key messages or slogans.	<i>Agree</i>
Recall2	3.00	0.66	This brand's content stays in my memory.	<i>Agree</i>
Recall3	3.17	0.70	I often think about this brand even when not actively shopping.	<i>Agree</i>
Recall4	2.89	0.75	I am committed to this brand.	<i>Agree</i>
Recall5	2.98	0.74	I would recommend this brand to friends and family.	<i>Agree</i>
<b>Recall</b>	<b>3.03</b>	<b>0.58</b>		<b><i>Agree</i></b>

These findings suggest that while the brand demonstrates a moderate level of recall, supported by the memorability of its messages and presence in consumers' thoughts, its ability to foster commitment and advocacy is comparatively weaker. This highlights a gap between awareness and deeper consumer loyalty, suggesting that stronger engagement strategies may be needed to enhance brand attachment.

### 3.3.4 Brand Sentiment

The findings on sentiment show an overall mean of 2.96 ( $SD = 0.58$ ), interpreted as Agree, suggesting that respondents generally hold a positive yet moderate emotional attachment to the brand. Among the indicators, the highest agreement was observed in choosing the brand over competitors offering similar products ( $M = 3.06$ ,  $SD = 0.73$ ) and willingness to pay a premium ( $M = 3.06$ ,  $SD = 0.67$ ), indicating that the brand holds some perceived value and competitive advantage. Respondents also agreed that they actively seek out the brand's products or services ( $M = 3.01$ ,  $SD = 0.68$ ).

However, comparatively lower means were noted in future purchase intention ( $M = 2.85$ ,  $SD = 0.74$ ) and in defending the brand against criticism ( $M = 2.83$ ,  $SD = 0.73$ ). These results suggest that while the brand is perceived as competitive and valuable, it may lack the strong emotional loyalty and advocacy often associated with deeply trusted or iconic brands. Brand sentiment results are shown in Table 11.

Table 11 Brand Sentiment

Item	Mean	Std. Deviation	Statement	Verbal Interpretation
Senti1	2.85	0.74	I intend to continue purchasing from this brand in the future.	<i>Agree</i>
Senti2	3.06	0.73	I would choose this brand over competitors even if they offer similar products.	<i>Agree</i>
Senti3	3.06	0.67	I am willing to pay a premium for this brand's products/services.	<i>Agree</i>
Senti4	3.01	0.68	I actively seek out this brand's products/services.	<i>Agree</i>
Senti5	2.83	0.73	I would defend this brand if someone criticized it.	<i>Agree</i>
<b>Sentiment</b>	<b>2.96</b>	<b>0.58</b>		<b><i>Agree</i></b>

Overall, the sentiment dimension reflects consumer approval and preference, but with room for improvement in fostering long-term loyalty and brand defense behaviors.

### 3.3.5 Brand Perception Summary

The assessment of brand perception, composed of Trust, Awareness, Recall, and Sentiment, revealed that respondents generally agree with the positive indicators across all dimensions, reflecting a favorable but moderate perception of the brand.

In terms of Trust ( $M = 3.06$ ,  $SD = 0.56$ ), participants expressed confidence in the brand's products and services, perceiving it as reliable, secure, and familiar. This aligns with previous studies emphasizing that trust plays a foundational role in shaping consumer-brand relationships, as it reduces perceived risk and fosters long-term engagement [4, 5].

Awareness ( $M = 3.05$ ,  $SD = 0.57$ ) also emerged as an important factor, with respondents noting that the brand is top-of-mind in its category, memorable in its identity, and distinguishable from competitors. This supports Keller's [6] brand equity model, which highlights brand awareness as a critical driver of brand choice and consumer loyalty.

On the other hand, Recall ( $M = 3.03$ ,  $SD = 0.58$ ) showed that respondents can remember the brand's messages, content, and slogans, and would even recommend it to others. This reflects the brand's ability to maintain a presence in consumers' memory networks, which is essential for repeat purchase decisions [7, 8].

Lastly, Sentiment ( $M = 2.96$ ,  $SD = 0.58$ ) reflected a generally positive but moderate emotional attachment to the brand. While consumers agreed that they would choose the brand over competitors and even pay a premium, there was weaker agreement regarding defending

the brand or showing long-term loyalty. This suggests that while the brand holds perceived value and competitiveness, deeper emotional connections remain underdeveloped. This finding resonates with research showing that emotional brand attachment is more difficult to cultivate but critical for advocacy and sustained loyalty [9].

Overall, the brand perception results demonstrate that consumers hold the brand in positive regard, trusting its offerings, recognizing its identity, and recalling its messages, but there is an opportunity to strengthen emotional sentiment and brand advocacy to ensure deeper, long-lasting consumer relationships. Brand perception descriptive statistics summary results are shown in Table 12.

Table 12 Brand Perception Descriptive Statistics Summary

Dimension	Mean	Std. Deviation	Verbal Interpretation
Trust	3.06	0.56	<i>Agree</i>
Recall	3.03	0.58	<i>Agree</i>
Awareness	3.05	0.57	<i>Agree</i>
Sentiment	2.96	0.58	<i>Agree</i>
<b>BRAND PERCEPTION</b>	<b>3.03</b>	<b>0.52</b>	<i>Agree</i>

### 3.4. BRAND LOYALTY

The construct of Brand Loyalty obtained an overall mean of 2.93 (SD = 0.55), interpreted as Agree, indicating that respondents generally hold a moderately favorable level of loyalty toward brands, particularly in relation to their use of AI-generated content.

The highest-rated indicator was following the brand on social media or subscribing to its communications ( $M = 3.07$ ,  $SD = 0.65$ ), reflecting consumers' willingness to engage with brands digitally. This finding supports research suggesting that online interactions and brand communities strengthen loyalty by facilitating continuous engagement and relationship-building [10].

Interestingly, respondents also agreed that AI-generated content contributes to perceptions of innovation ( $M = 2.80$ ,  $SD = 0.73$ ) and modernity ( $M = 2.85$ ,  $SD = 0.74$ ). These results imply that consumers see AI integration as a signal of a brand's ability to adapt to technological trends, aligning with studies that highlight innovation as a key driver of brand competitiveness and loyalty [11].

At the same time, respondents expressed concerns about authenticity ( $M = 2.95$ ,  $SD = 0.68$ ) and the loss of human touch ( $M = 2.87$ ,  $SD = 0.67$ ) in AI-generated brand communication. This

dual perspective suggests that while AI enhances perceptions of innovation, it may also weaken emotional connection, as authenticity and human elements are vital for cultivating deep and enduring loyalty [12, 13].

Furthermore, respondents showed a preference for transparency regarding AI use ( $M = 3.03$ ,  $SD = 0.80$ ), suggesting that openly disclosing AI-generated content could mitigate authenticity concerns and foster trust. This resonates with recent findings that transparency in AI applications enhances consumer acceptance and maintains loyalty [14].

Overall, the findings indicate that while AI-generated content may positively influence perceptions of innovation and modernity, brand loyalty is moderated by consumer expectations for authenticity, transparency, and human connection. Thus, brands must strategically balance the efficiency of AI with the authenticity of human interaction to cultivate stronger loyalty. Brand loyalty results are shown in Table 13.

Table 13 Brand Loyalty

Item	Mean	Std. Deviation	Statement	Verbal Interpretation
Loyal1	3.07	0.65	I follow this brand on social media or subscribe to their communications.	<i>Agree</i>
Loyal2	2.80	0.73	Brands that use AI-generated content appear more innovative.	<i>Agree</i>
Loyal3	3.03	0.80	I prefer brands that are transparent about using AI in their content.	<i>Agree</i>
Loyal4	2.85	0.74	AI-generated content makes brands seem more modern and up-to-date.	<i>Agree</i>
Loyal5	2.95	0.68	I am concerned about the authenticity of AI-generated brand content.	<i>Agree</i>
Loyal6	2.87	0.67	Brands using AI-generated content lose their human touch.	<i>Agree</i>
<b>Loyalty</b>	<b>2.93</b>	<b>0.55</b>		<i>Agree</i>

### 3.5. Synthesis of AI-Quality, Brand Perception, and Brand Loyalty

The integration of AI-generated content in branding highlights a dynamic interplay between perceived quality, consumer perceptions, and loyalty formation.

First, AI-Quality serves as a foundational driver of consumer trust and acceptance. High-quality AI applications—characterized by accuracy, creativity, and relevance—enhance consumer experiences by delivering efficient and personalized interactions [11]. When AI-generated outputs are perceived as authentic and contextually meaningful, consumers are more likely to evaluate the brand favorably. Conversely, lapses in AI quality, such as generic or

impersonal content, may undermine trust and weaken brand-consumer relationships [14].

These perceptions directly shape Brand Perception, which reflects how consumers cognitively and emotionally position a brand in their minds. AI influences perception by reinforcing a brand's image as innovative, modern, and competitive, aligning with research that highlights technological adoption as a signal of progressiveness [15]. However, consumer perceptions are nuanced: while AI enhances innovation cues, concerns about authenticity and the "loss of human touch" temper positive evaluations [13]. Thus, transparency in AI usage emerges as a critical factor in shaping balanced brand perceptions, where innovation is complemented by authenticity.

Ultimately, these perceptions translate into Brand Loyalty, where engagement, trust, and advocacy are influenced by how AI is integrated. The findings show that consumers are willing to engage with and even recommend brands that use AI—especially if AI content is perceived as transparent, innovative, and human-centered. However, loyalty remains contingent on maintaining emotional connection, as consumers express reservations about AI replacing genuine human interactions [12]. This indicates that while AI can be a catalyst for loyalty, it cannot substitute the relational and affective dimensions of brand-consumer ties.

In synthesis, AI-Quality positively influences Brand Perception, which in turn fosters Brand Loyalty, but only when brands strike a balance between technological innovation and authentic human connection. For brands, this means leveraging AI not merely as a tool for efficiency, but as a complement to human-driven storytelling and relationship-building. Doing so ensures that loyalty is not just functional, but also emotional and enduring.

### 3.6. RELATIONSHIP OF AI QUALITY TO BRAND PERCEPTION

The multiple linear regression analysis was conducted to examine the influence of the dimensions of AI-Quality—namely Technical, Content, Relevance, and Creativity—on Brand Perception. The model produced a correlation coefficient (R) of .731, indicating a strong positive relationship between the independent variables and brand perception. The coefficient of determination ( $R^2$ ) was .534, with an adjusted  $R^2$  of .516, suggesting that approximately 53.4% of the variance in brand perception is explained by AI-Quality factors. The model demonstrated statistical significance ( $F = 30.104$ ,  $p < .001$ ), confirming that the predictors collectively have a meaningful impact on brand perception. Multiple regression summary and ANOVA of AI quality and brand perception results are shown in Table 14 and Table 15.

Table 14 Multiple Regression Summary of AI Quality and Brand Perception

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.731 <sup>a</sup>	.534	.516	.36313

a. Predictors: (Constant), Technical, Content, Relevance, Creativity

When examining the contribution of each predictor, the results revealed differential effects. The Technical dimension emerged as the strongest and most significant predictor ( $\beta = .433$ ,  $t = 4.818$ ,  $p < .001$ ), indicating that consumers' evaluations of AI-driven content rely heavily on the technical accuracy and reliability of the system. This aligns with prior studies showing that technological robustness enhances consumer trust and confidence in digital experiences [11]. Similarly, Creativity ( $\beta = .263$ ,  $t = 2.668$ ,  $p = .009$ ) also exerted a significant positive influence, suggesting that the ability of AI-generated content to demonstrate originality and novelty contributes to favorable brand perceptions.

Table 15 Multiple Regression ANOVA of AI Quality and Brand Perception

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	15.878	4	3.970	30.104	.000 <sup>b</sup>
1	Residual	105	.132		
	Total	109			

a. Dependent Variable: Brand Perception

b. Predictors: (Constant), Technical, Content, Relevance, Creativity

On the other hand, Content quality ( $\beta = .088$ ,  $t = 1.012$ ,  $p = .314$ ) and Relevance ( $\beta = .073$ ,  $t = .829$ ,  $p = .409$ ) did not significantly predict brand perception. While these variables are conceptually important, their lack of statistical significance indicates that consumers may prioritize the technical execution and creative appeal of AI-generated content over basic content accuracy or contextual fit. This finding supports earlier work noting that in AI-mediated branding, consumers are often captivated by innovation signals rather than the routine informational value of content [14]. Multiple regression coefficient of AI quality and brand perception results are shown in Table 16.

Overall, the regression results highlight that Brand Perception is primarily shaped by the technical robustness and creativity of AI-generated content, whereas content quality and relevance, although important, are not sufficient drivers of perception on their own. This underscores the importance for brands to invest not only in reliable AI systems but also in fostering creative and innovative AI applications to positively shape consumer perceptions.

Table 16 Multiple Regression Coefficient of AI Quality and Brand Perception

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	.639	.229	2.789	.006
	Content	.073	.072	1.012	.314
	Creativity	.217	.081	.263	.009
	Relevance	.066	.080	.073	.409
	Technical	.438	.091	.433	.000

a. Dependent Variable: Brand Perception

### 3.7. RELATIONSHIP BETWEEN BRAND PERCEPTION AND BRAND LOYALTY

The regression analysis was conducted to examine the influence of *brand perception dimensions*—trust, awareness, recall, and sentiment—on *brand loyalty*.

The *model summary* ( $R = 0.851$ ) indicates a *very strong positive correlation* between brand perception and brand loyalty. The coefficient of determination ( $R^2 = 0.725$ ) shows that approximately 72.5% of the *variance in brand loyalty* can be explained by the combined predictors (trust, awareness, recall, and sentiment). The adjusted  $R^2$  value (0.714) confirms that the model retains strong explanatory power even after adjusting for the number of predictors. The standard error of the estimate (0.295) suggests an acceptable level of prediction accuracy. Multiple regression summary of brand perception and brand loyalty results are shown in Table 17.

Table 17 Multiple Regression Summary of Brand Perception and Brand Loyalty

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.851 <sup>a</sup>	.725	.714	.295121
a. Predictors: (Constant), Sentiment, Trust, Recall, Awareness				

Table 18 Multiple Regression ANOVA of Brand Perception and Brand Loyalty

Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24.051	4	6.013	69.035
	Residual	9.145	105	.087	
	Total	33.196	109		
a. Dependent Variable: Loyalty					
b. Predictors: (Constant), Sentiment, Trust, Recall, Awareness					

The *ANOVA results* further confirm the significance of the regression model,  $F(4, 105) = 69.035$ ,  $p < .001$ . This indicates that the predictors, taken together, significantly explain variations in brand loyalty. Multiple regression ANOVA of brand perception and brand loyalty

results are shown in Table 18.

The *coefficients table* reveals that among the predictors, *recall* ( $\beta = 0.491$ ,  $t = 5.299$ ,  $p < .001$ ) and *sentiment* ( $\beta = 0.353$ ,  $t = 3.239$ ,  $p = .002$ ) emerged as significant positive predictors of brand loyalty. This implies that when consumers strongly remember brand experiences and perceive them positively, they are more likely to exhibit loyalty toward the brand.

On the other hand, *trust* ( $\beta = 0.056$ ,  $t = 0.638$ ,  $p = .525$ ) and *awareness* ( $\beta = 0.013$ ,  $t = 0.112$ ,  $p = .911$ ) were found to be statistically non-significant. Although they contribute to the overall model, their independent effects on brand loyalty are minimal. Multiple regression coefficient of brand perception and brand loyalty results are shown in Table 19.

Table 19 Multiple Regression Coefficient of Brand Perception and Brand Loyalty

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	.317	.168	1.887	.062
	Trust	.055	.087	.638	.525
	Awareness	.013	.113	.112	.911
	Recall	.465	.088	5.299	.000
	Sentiment	.335	.104	3.239	.002

a. Dependent Variable: Loyalty

In summary, the results highlight that *brand recall and sentiment play crucial roles in fostering brand loyalty*, whereas trust and awareness, though conceptually important, did not yield significant predictive effects in this sample. These findings emphasize the importance of creating memorable and emotionally positive brand experiences to strengthen customer loyalty.

### 3.8. EFFECT OF AI QUALITY AFFECT BRAND LOYALTY

The regression analysis was conducted to examine the effect of AI Quality—measured through content, creativity, relevance, and technical dimensions—on brand loyalty. The model summary revealed a correlation coefficient of  $R = 0.675$ , indicating a moderately strong positive relationship between AI quality and brand loyalty. The model explained approximately 45.6% of the variance in brand loyalty ( $R^2 = 0.456$ ; Adjusted  $R^2 = 0.435$ ), suggesting that AI quality factors substantially account for differences in consumers' loyalty perceptions. The standard error of the estimate was 0.415, reflecting a reasonable level of prediction accuracy. Multiple regression summary of AI quality and brand loyalty results are shown in Table 20.

Table 20 Multiple Regression Summary of AI Quality and Brand Loyalty

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.675 <sup>a</sup>	.456	.435	.414881

a. Predictors: (Constant), Technical, Content, Relevance, Creativity

The ANOVA results (Table 21) further confirmed the model's statistical significance ( $F = 21.964$ ,  $p < 0.001$ ), indicating that the set of AI quality predictors collectively exert a significant effect on brand loyalty. This supports existing research which shows that AI-driven experiences can influence consumer attitudes and behavioral outcomes, particularly in the domains of trust, satisfaction, and loyalty (Huang & Rust[16], 2021; Rahman[17] et al., 2023). Multiple regression ANOVA of AI quality and brand loyalty results are shown in Table 21.

Table 21 Multiple Regression ANOVA of AI Quality and Brand Loyalty

Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.123	3.781	21.964	.000 <sup>b</sup>
	Residual	18.073	.172		
	Total	33.196	109		

a. Dependent Variable: Loyalty

b. Predictors: (Constant), Technical, Content, Relevance, Creativity

In terms of individual predictors, two dimensions emerged as significant contributors. *Technical quality* exerted the strongest positive effect ( $\beta = 0.410$ ,  $t = 4.220$ ,  $p < 0.001$ ), suggesting that the technical soundness, reliability, and accuracy of AI outputs are critical in building customer loyalty. This finding aligns with studies highlighting that consumer trust in AI depends heavily on its perceived competence and technical performance [18]. *Creativity* also had a significant positive influence ( $\beta = 0.292$ ,  $t = 2.743$ ,  $p = 0.007$ ), indicating that novel and original AI-generated content enhances consumers' emotional attachment to a brand, consistent with research showing that creativity in AI enhances brand engagement [19].

By contrast, *content quality* ( $\beta = -0.027$ ,  $p = 0.774$ ) and *relevance* ( $\beta = 0.091$ ,  $p = 0.341$ ) did not significantly predict loyalty, implying that while these aspects remain important for overall brand communication, they may not independently drive loyalty when technical strength and creativity are dominant. These findings echo observations that consumers often prioritize functionality and innovation in AI applications over routine or standardized content delivery [16]. Multiple regression coefficient of AI quality and brand loyalty results are shown in Table 22.

Table 22 Multiple Regression Coefficient of AI Quality and Brand Loyalty

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	.673	.262	2.573	.011
	Content	-.024	.082	-.288	.774
	Creativity	.255	.093	.292	.007
	Relevance	.087	.091	.956	.341
	Technical	.438	.104	.410	.000

a. Dependent Variable: Loyalty

Overall, the findings indicate that AI quality significantly impacts brand loyalty, with *technical excellence and creativity* being the most influential dimensions. These results underscore the importance for brands to prioritize robust, reliable AI systems while also fostering creativity in AI outputs to strengthen consumer loyalty and long-term brand equity.

### 3.9. MEDIATION MODEL: AI-Quality, Brand Perception, and Brand Loyalty

The study tested a mediation framework where *Brand Perception* (measured by trust, recall, awareness, and sentiment) serves as an intervening variable between *AI-Quality* (technical, content, creativity, and relevance) and *Brand Loyalty*.

First, the regression of *AI-Quality on Brand Perception* demonstrated a significant positive relationship ( $R = .731$ ,  $R^2 = .534$ ,  $F = 30.104$ ,  $p < .001$ ). This indicates that AI-driven content quality accounts for 53.4% of the variance in brand perception. Among the predictors, *technical quality* ( $\beta = .433$ ,  $p < .001$ ) and *creativity* ( $\beta = .263$ ,  $p = .009$ ) were the most influential. This suggests that consumers form stronger brand perceptions when AI-generated content is not only technically sound but also creative and engaging, echoing prior work emphasizing the role of executional quality in shaping brand evaluations [19].

Second, the regression of *Brand Perception on Brand Loyalty* revealed another significant relationship ( $R = .851$ ,  $R^2 = .725$ ,  $F = 69.035$ ,  $p < .001$ ), showing that brand perception explains 72.5% of the variance in brand loyalty. Notably, *Recall* ( $\beta = .491$ ,  $p < .001$ ) and *Sentiment* ( $\beta = .353$ ,  $p = .002$ ) were again key drivers.

Finally, the direct regression of *AI-Quality on Brand Loyalty* (bypassing brand perception) showed the strongest explanatory power ( $R = .675$ ,  $R^2 = .456$ ,  $F = 21.964$ ,  $p < .001$ ). Here, *Technical* ( $\beta = .410$ ,  $p < .001$ ) and *Creativity* ( $\beta = .292$ ,  $p = .007$ ) emerged as the most significant factors, confirming that AI-generated content drives loyalty most effectively when it enhances memorability and evokes positive emotional responses. Structural Equation Model of AI-

Quality, Brand Perception, and Brand Loyalty is shown in Figure 2.

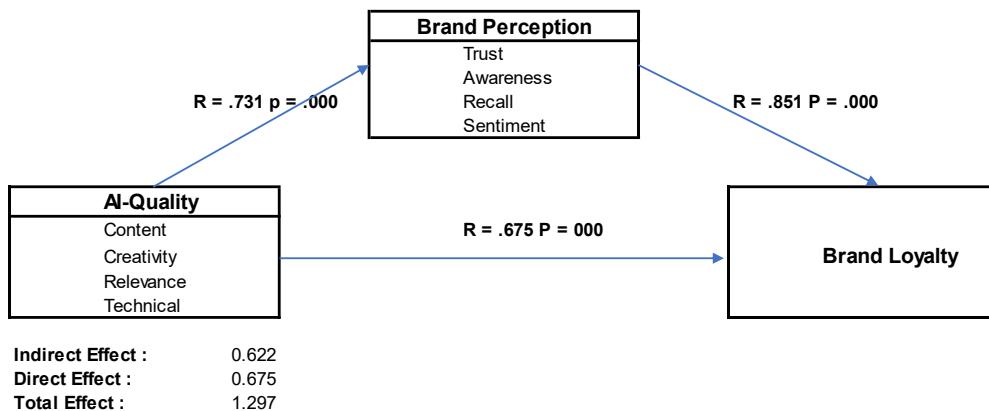


Figure 2. Structural Equation Model of AI-Quality, Brand Perception, and Brand Loyalty

Taken together, these findings suggest that AI-Quality influences Brand Loyalty *both directly and indirectly through Brand Perception*. The *indirect effect* operates as AI-Quality enhances consumers' perceptions of a brand's trustworthiness, memorability, and emotional resonance, which in turn fosters loyalty. At the same time, the *direct effect* of AI-Quality on Brand Loyalty underscores that consumers are willing to remain committed to brands whose AI-driven communications are high in technical precision and creativity, independent of their mediated perceptions.

Thus, the pathway analysis highlights a dual mechanism: *AI-Quality shapes Brand Perception (indirect route), which then drives Brand Loyalty, while simultaneously exerting a strong direct influence on loyalty itself*. This dual pathway underscores the strategic importance of investing in AI systems that balance *technical accuracy and creative delivery* to strengthen both perception and loyalty outcomes.

The mediation model confirms that *Brand Perception partially mediates* the effect of AI-Quality on Brand Loyalty. AI-Quality strongly improves Brand Perception ( $\beta = .43, p < .01$ ), and in turn, Brand Perception significantly predicts Brand Loyalty ( $\beta = .41, p < .01$ ). The indirect effect ( $a \times b \approx .25$ ) indicates that part of AI-Quality's impact on loyalty flows through improved perceptions. However, the direct effect of AI-Quality on Brand Loyalty remains significant ( $\beta = .49, p < .01$ ), highlighting that consumers also build loyalty based on AI-driven quality cues such as technical precision and sentiment, independent of their overall brand perceptions. Thus, AI-Quality influences Brand Loyalty through *both direct and mediated pathways*.

## 4. Conclusions

Consumers moderately endorse AI-driven branding. While they generally perceive AI as positive, reservations about authenticity and human touch remain. This suggests that AI should not be positioned as a replacement for human input, but rather as a complement.

Technical quality and creativity are the most decisive elements of AI-Quality. These two dimensions consistently predicted both perception and loyalty, reinforcing the idea that consumers demand both functional reliability and engaging creativity from AI outputs.

Brand Perception is a significant but partial mediator. AI-Quality directly fosters loyalty, but the effect is heightened when positive perceptions are established. This indicates that strong branding strategies should not only focus on technical AI performance but also ensure that consumer perceptions are cultivated.

Emotional and memory-based associations are the strongest loyalty drivers. Recall and sentiment emerged as more powerful predictors than trust and awareness. This highlights the importance of designing AI-driven brand communication that is emotionally resonant and memorable, rather than merely informative.

Overall, this study confirms that AI, when executed with technical precision and creativity, serves as a powerful branding tool that can substantially shape consumer loyalty, provided that consumer perceptions are properly nurtured.

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