AI in Advertising:
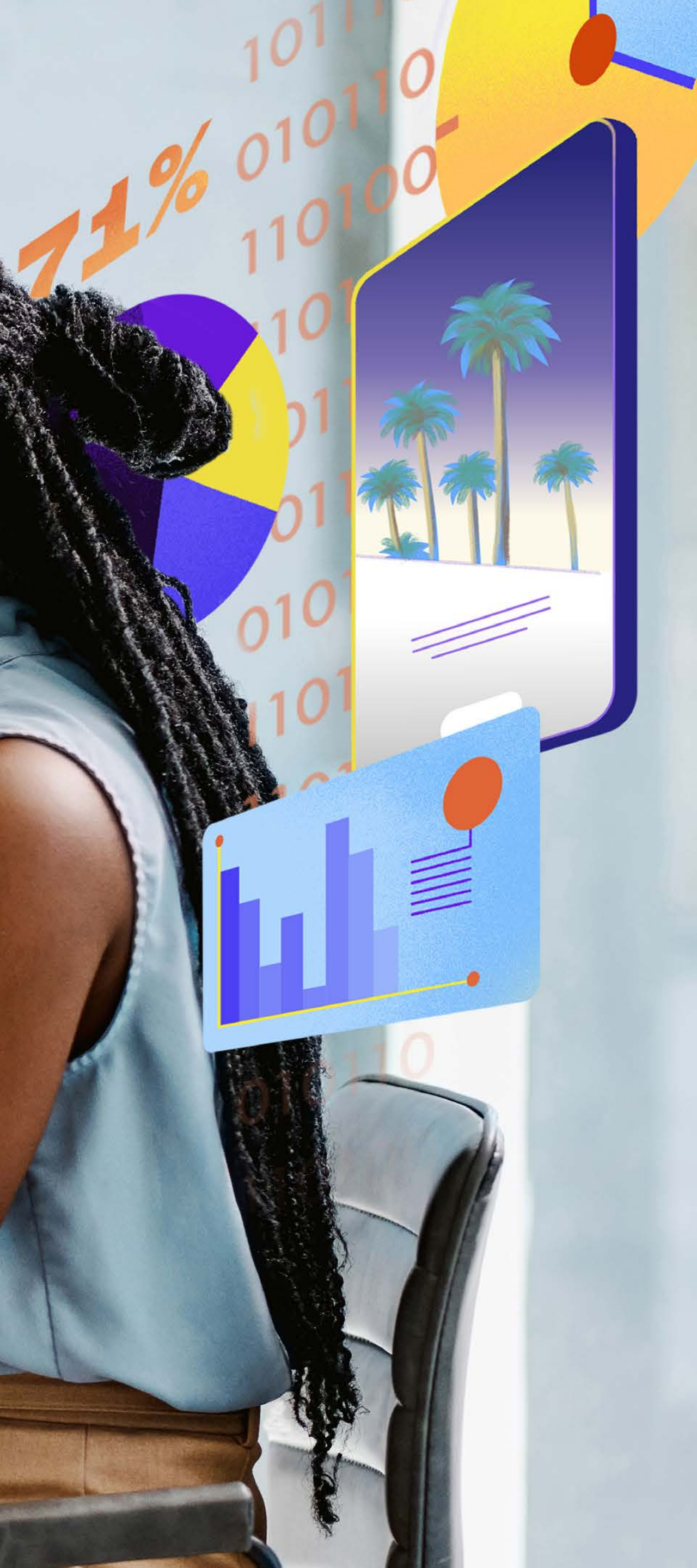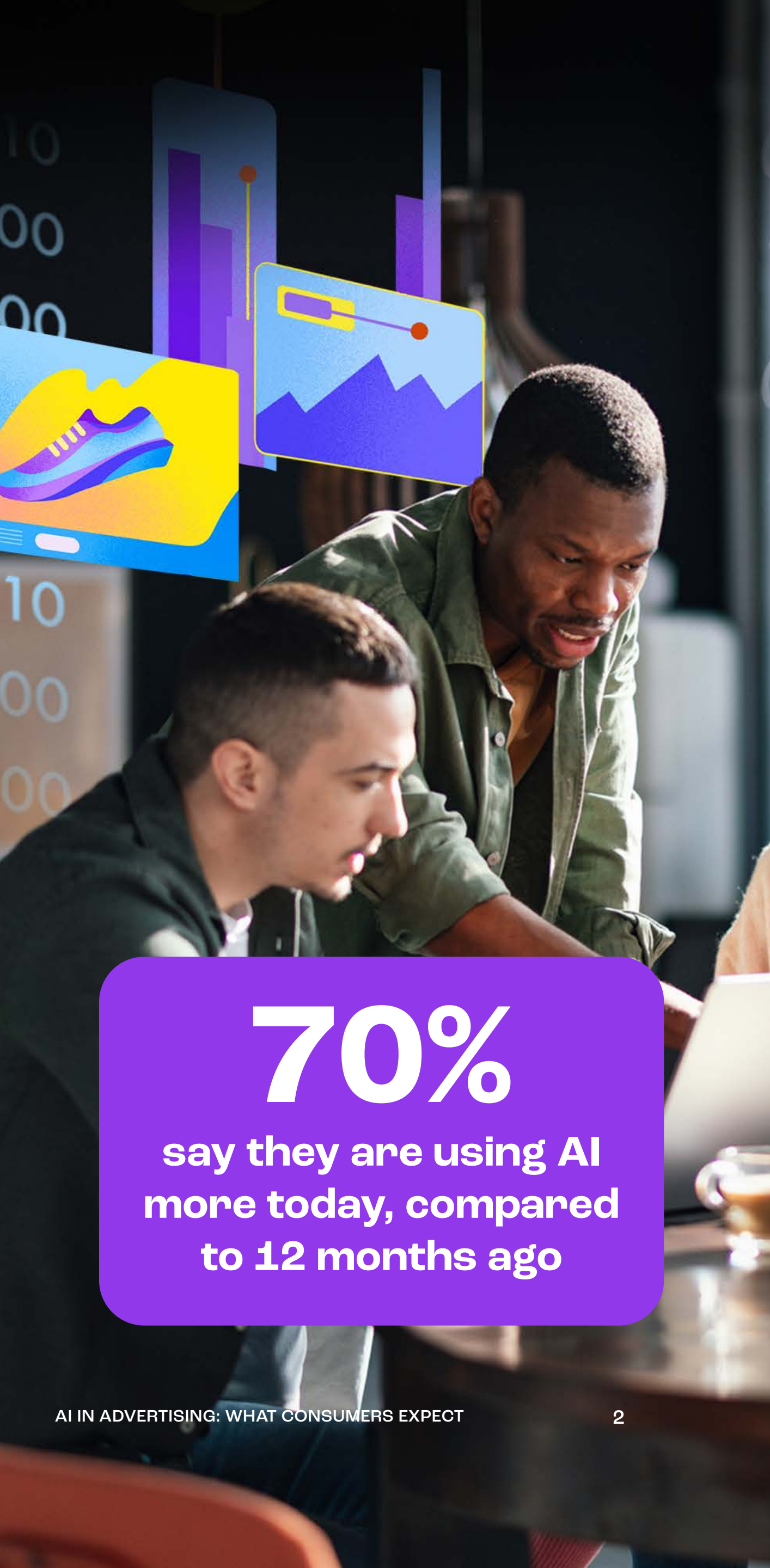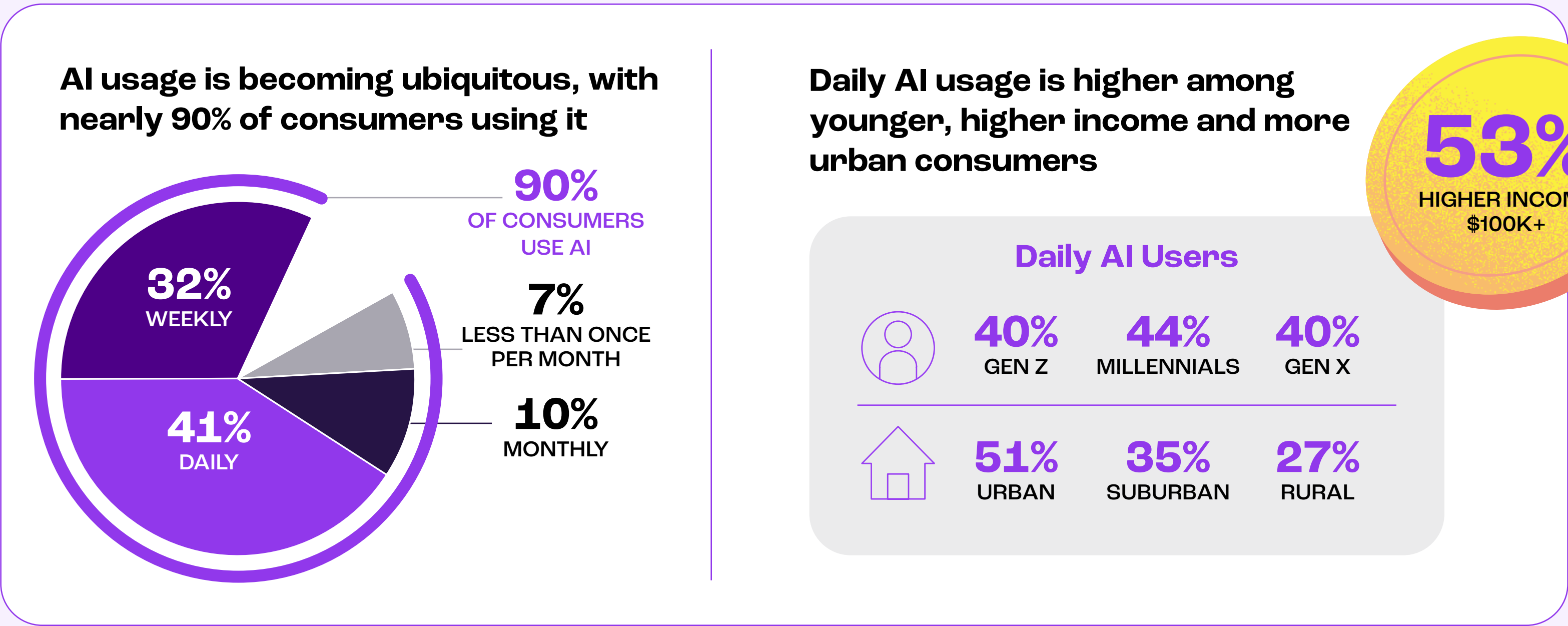# What Consumers Expect

SMARTLY | nrg

AI has moved from hype to habit

With **70% of consumers using AI more this year than last,** and nearly **9 in 10 engaging weekly,** the momentum is undeniable. This report explores how consumers feel about AI in advertising: the opportunities, the boundaries, and what brands must do to build trust and relevance.

AI usage is becoming ubiquitous, with nearly 90% of consumers using it

90% OF CONSUMERS USE AI

32% WEEKLY

41% DAILY

7% LESS THAN ONCE PER MONTH

10% MONTHLY

Daily AI usage is higher among younger, higher income and more urban consumers

53% HIGHER INCOME $100K+

Daily AI Users

| **40%** GEN Z | **44%** MILLENNIALS | **40%** GEN X |
| **51%** URBAN | **35%** SUBURBAN | **27%** RURAL |

70% say they are using AI more today, compared to 12 months ago

The relevance gap meets rising AI awareness

Consumers, especially Gen Z, increasingly feel that ads speak to no one in particular. At the same time, **91% believe AI is already shaping advertising,** often spotting AI-powered ads on social and video platforms.

The challenge? Bridging the gap between perception and personalization.

2 in 3 ✦✦✦
Think they see AI generated or AI-powered ads weekly

#1 place audiences think they see them is on social media platforms, followed by video platforms
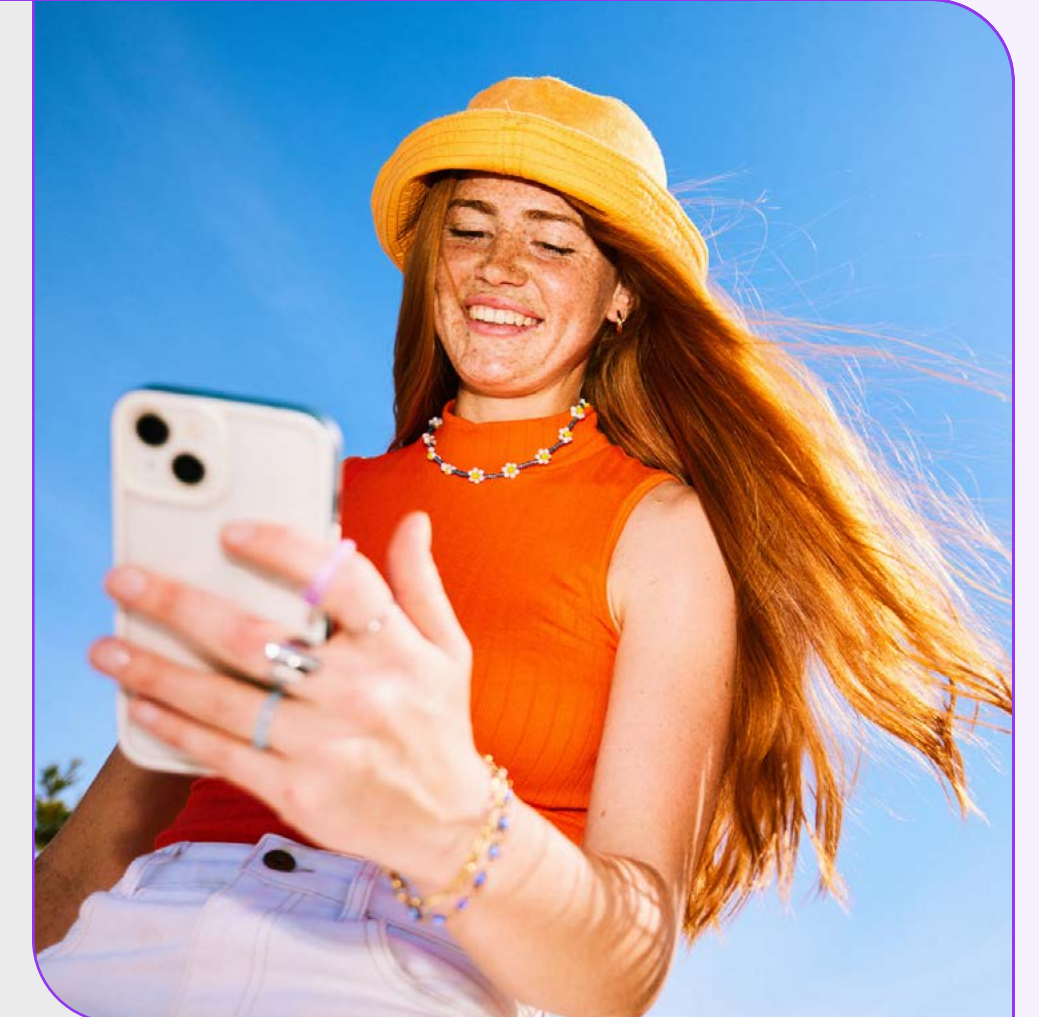
83%
Say they can tell the difference between ads created with AI versus humans at least some of the time

The relevance gap is strongest with Gen Z and Gen X
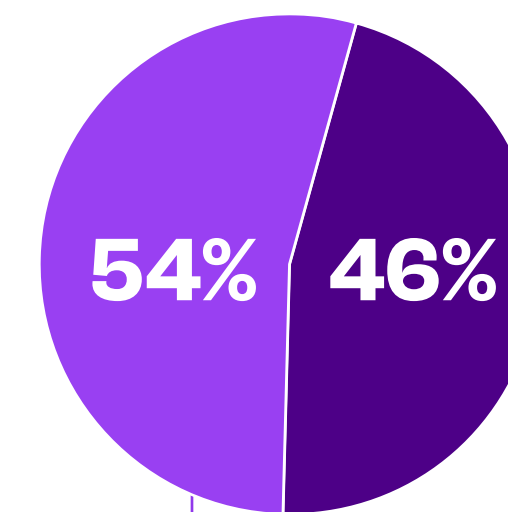Most ads feel like they were made for someone like me
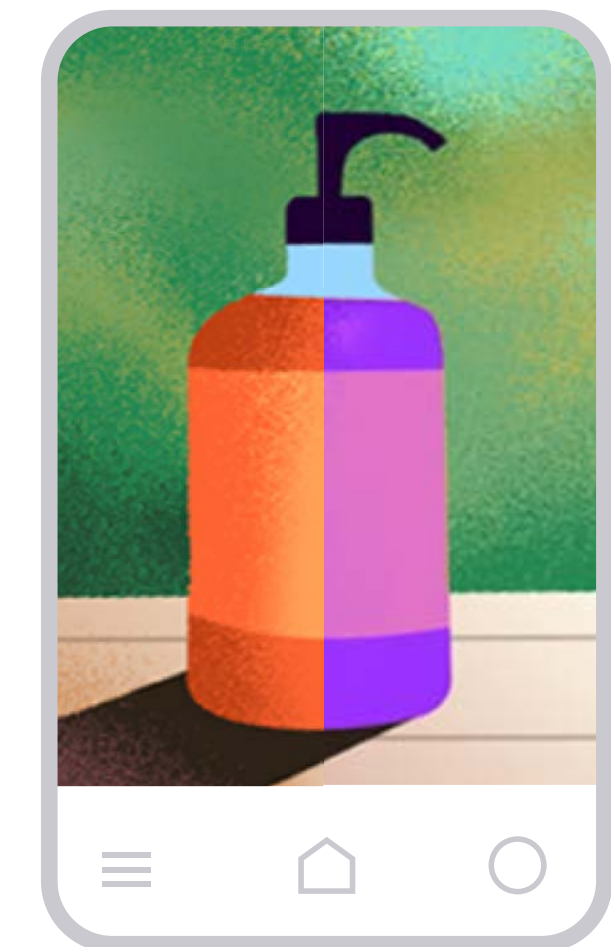
37% GEN Z   **43%** MILLENNIALS   **36%** GEN X

Gen Z are most likely to say ads feel impersonal

54% say most ads feel impersonal   **46%** say most ads feel like a conversation that's connected to me
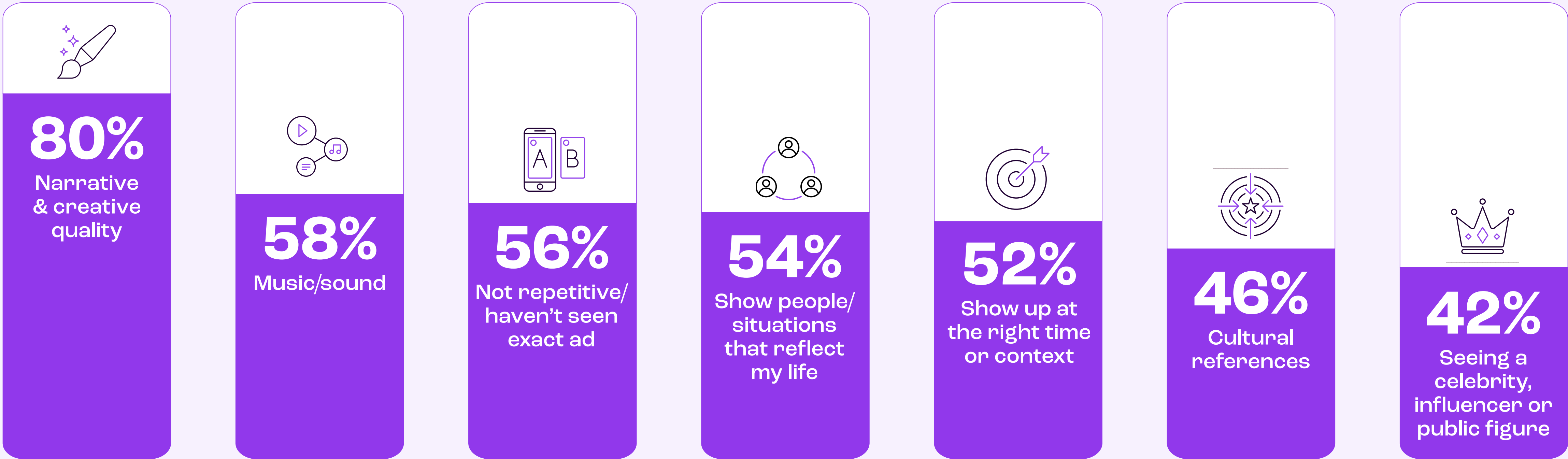
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Deepening relevance: The signals that matter

Consumers prioritize narrative and creative quality in creating relevance, followed by audio and variety.

% who say each is highly impactful in making an ad feel more personally relevant

80%
Narrative & creative quality

58%
Music/sound

56%
Not repetitive/ haven't seen exact ad

54%
Show people/ situations that reflect my life

52%
Show up at the right time or context

46%
Cultural references

42%
Seeing a celebrity, influencer or public figure
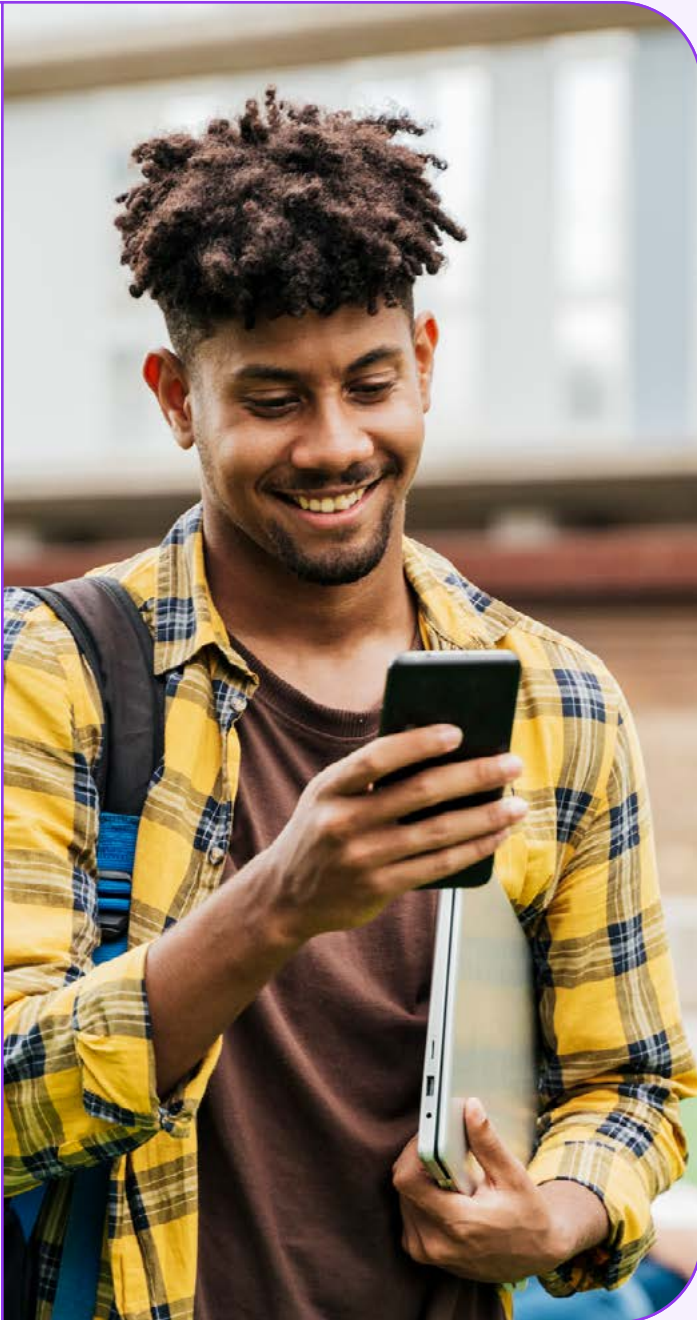
Personalization with purpose

Consumers want personalization based on mood, life stage, and emotional context, not identity. And AI can help meet consumers where they are.

Consumers believe AI can unlock a new level of personalization and relevance

73% say it's okay for AI to help make ads if it makes them more relevant

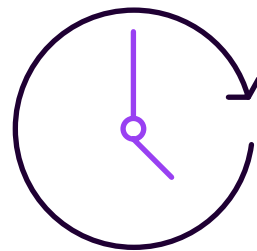**And consumers' expectations differ by context**

70% agree that it would be useful for ads to feel different depending on the platform they're on

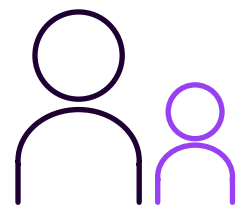## Most valuable inputs for personalization include:

85% INTERESTS/HOBBIES

79% STAGE OF LIFE

77% MOOD OR EMOTIONAL STATE

75% HEALTH STATUS

70% FAMILY MAKE-UP

69% JOB OR INDUSTRY/EDUCATION DEGREE OR TOPICS STUDIED

68% have boundaries where at least one of the following data points feels "too personal":

53% are somewhat/very uncomfortable with AI accessing private messages

49% are uncomfortable with AI using their medical history

45% are uncomfortable with AI using their location

Freshness: Unique messages for the win

Even the most tailored ad fails if it feels repetitive. Consumers want variety and storytelling, not more of the same. AI is already helping to deliver this freshness.

Smart creative doesn't just target; **it adapts.** The future isn't about frequency, it's about **freshness.**

Consumers value freshness and variety

84% say ads that **don't repeat after they've seen them** or update / **rotate instead of repeating** the same exact version are useful in making ads feel relevant
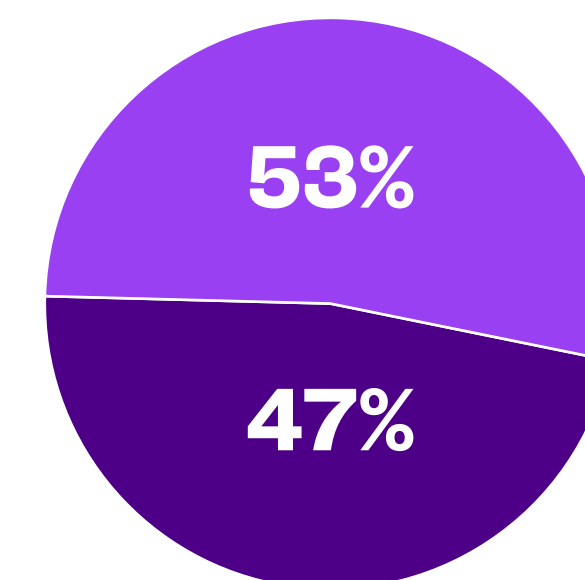
2 in 5 ★★☆☆☆ feel uncomfortable when an ad keeps showing up after they've ignored or dismissed it

Consumers already see AI doing this

53% say AI-powered ads create endless variety in ads

47% say AI-powered ads feel repetitive

Transparency & human input are key to earning trust

People expect AI transparency and balance in ad creation. Consumers consistently emphasize that the most resonant ads are co-created, where AI enhances human creativity but doesn't replace it.

84% say brands should be required to disclose when AI is used to create an ad

47% SAY IT SHOULD ALWAYS BE DISCLOSED

81% agree that if they understand how AI is being used in ad, they are more comfortable with it

69% feel manipulated when brands use AI to make ads without disclosing it

Which type of ad do you trust most?

48% AD MADE BY A PERSON WITH HELP FROM AI

40% AD CREATED ENTIRELY BY A PERSON

13% AD CREATED ENTIRELY BY AI

Even among daily AI users, only 21% would most trust an ad created entirely by AI

AI for Good

Consumers view the societal potential of AI in advertising as positive, especially when it lowers barriers for small businesses, improves accessibility, and helps flag bias.

Consumers agree that AI can help:

72%
with ad transcriptions and translations
making content more accessible and inclusive, e.g., for multilingual audiences, people traveling to other countries, deaf communities, etc.

67%
create higher-quality public service ads
delivering them to the right audiences at a lower cost

69%
to automatically filter content
and prevent young people from being exposed to inappropriate ads

67%
lower creative barriers to entry
for individuals and small businesses, giving smaller companies the ability to compete on a bigger stage

64%
audit ads for fairness and bias detection
identifying harmful tropes and stereotypes

66%
deliver important messages to the right people
through better targeting and optimization
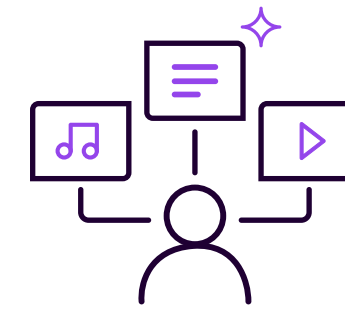
62%
power culturally adaptive content
sensitive to the needs of minority communities

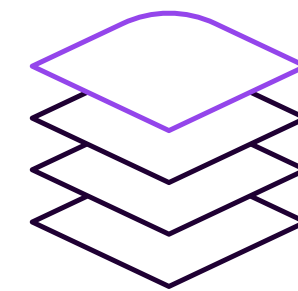# The playbook for building trust in AI-powered advertising

As new rules are written in the AI ad revolution, consumers crave assurances, transparency, and a level of control.
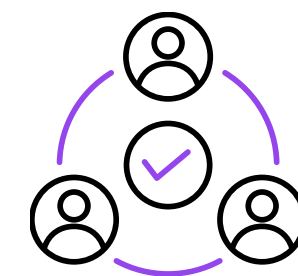
To build trust, consumers ask for four things:

1. Human involvement
41% say their trust increases when they know a person was involved or reviewed the ad before it was finalized.
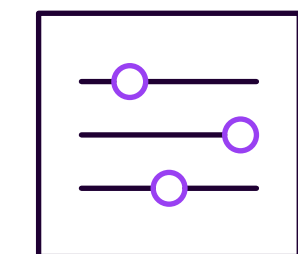
2. Transparency
40% say seeing clear disclosures about how AI was used in the ad creation process increases their trust.

3. Accessibility
39% say knowing AI is used to make ads more inclusive or accessible.

4. Control
38% say control over the types of personalization applied would also build trust, and **33%** want an opt-in feature to manage what data is used.

The path forward: Smarter, more human advertising

Consumers are clear: AI has immense potential to make advertising more relevant, inclusive, and adaptive. But trust and resonance depend on transparency, freshness, and human creativity at the core. For brands, this isn't a choice between man or machine, it's about orchestrating both.

Smartly helps marketers put these insights into action, combining automation, personalization, and human oversight so every ad is smarter, more relevant, and more trusted. The future of advertising belongs to those who use AI not just to save time, but to build real connections.

About the Research

NRG conducted a consumer quantitative survey and consumer AI-moderated interviews for this study in August 2025. The quantitative survey was conducted with 1,351 US consumers who are 18-49, usr social media platforms and shop online at least once a month. The AI-moderated in-depth interviews were with 100 consumers of the same audience, diving into perceptions around AI, creativity, and ads.

August 2025 NRG research commissioned by Smartly

SMARTLY

Smartly is the AI-powered advertising technology company ranked as the leader in The Forrester Wave™: Creative Advertising Technologies.

Our platform unifies creative and media to produce intelligent creative—dynamic, data-driven image and video assets optimized for seamless activation across channels.

Brands manage, optimize, and scale high-performance campaigns in one place, achieving PwC-validated results, including a 5.5x return on ad spend (ROAS) and 42 minutes saved every hour. With strategic partnerships across major media platforms, including Amazon, Google, Meta, Pinterest, Reddit, Spotify, Snap, and TikTok, we help Fortune 500 companies deliver relevant advertising at speed and scale.

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