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The AI Disclosure Paradox: AI vs. Human Influencer Trust Among Indian Gen Z

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Abstract- ***The Indian digital economy, with more than 800 million internet users and a burgeoning ₹2,200 crore influencer industry, is a rapidly evolving space that has brought a disruptive force into the picture: Artificial Intelligence (AI) virtual influencers. While brands like Nykaa and Puma have increasingly embraced these synthetic entities for commercial use, there is a critical "credibility gap" in how Indian Gen Z, who have a spending power of ₹71 thousand crore ($860 billion). This thesis explores how AI identity disclosure affects consumer trust and purchase intention, and how the type of influencer affects it, with a focus on perceived authenticity. The study used a convergent mixed-method research design, which involved three strands of data: a quantitative survey with Indian Gen Z respondents, semi-structured interviews, and a secondary comparative analysis of case studies such as AI influencers: Kyra, Naina, Lil Miquela and human influencers: Kusha Kapila, Dolly Singh, Emma Chamberlain. Results show that there is a substantial "Trust-Action Gap". Human influencers outperformed AI influencers on all metrics, including trust and purchase intent, thanks to their perceived emotional depth and "Experience" in mind belief. The results suggest that explicit disclosure of AI harms the belief of authenticity, while hiding AI leads to resistance to "advertising literacy" and ethical backlash. The perceived authenticity (passion, interactivity, symbolism, consistency, originality and transparency) was confirmed as the key mediating mechanism between the variables of the study and the purchase intent. The study finds that, although AI influencers provide brands with constant availability and creative control, they have been most successful in "low emotion" industries, such as gaming and technology. In an emotional industry such as wellness and beauty, the one thing that's driving loyalty is human relatability. The thesis suggests a 'hybrid' approach for Indian brands and enforces the 2024 - 2025 ASCI guidelines for virtual influencer disclosure to ensure continued consumer trust in the ever-evolving digital landscape of India.***

Keywords: AI Influencers, AI Disclosure, Consumer Trust, Perceived Authenticity, Influencer Marketing

I. INTRODUCTION

1.1 Background of the Study

In the past five years, the way brands communicate with people has changed more than it has in the previous 50 years. In India, this transformation is fuelled by a great digital revolution. India became one of the world's largest internet user bases with over 800 million users by the end of 2025. In this digital era, "influencer marketing" has become an integral part of the selling process for businesses. The influencer economy in India has expanded from ₹900 crore in 2021 to an estimated ₹2,200 crore by 2025 (GroupM INCA, 2025). A mobile-first population and cheap data plans that enable anyone to access content anytime, which drives the growth.

The crux of this change is the Indian Gen Z, the first generation of "digital natives". They don't just passively watch content on social media platforms; they actively live in it. With a combined spending power of approximately ₹71 thousand crore ($860 billion), they are the most important target for modern brands (BCG & Snap Inc., 2024). But Gen Z is also hard to reach. Gen Z prefers "realness" or authenticity over a TV ad or a celebrity on a billboard, which is not the case for older generations. They like to be advised by "peers", people who appear to be friends, rather than just by random salespeople.

A new breed of influencer has appeared on social media in recent times: the AI or virtual influencer.

These are computer-generated characters, like India's first virtual influencer, Kyra or Naina AVTR. The influencer marketing industry is booming worldwide. The virtual influencer market was estimated to be worth ₹38,410 Crore ($4.6 billion) in 2022 and is projected to expand tenfold to exceed ₹4.17 Lakh Crore ($50 billion) by 2030. Brands are attracted by these digital humans because they allow them to have complete control. An AI influencer is never exhausted, never gets older, and never embroils itself in real-life controversies that could negatively affect a brand's reputation. But this technological "perfection" poses a problem for trust. AI influencers can be made to look perfectly attractive and act with high "hyper competence", but they don't have the real-life experience and genuine emotions that humans have. A virtual influencer cannot "feel" the softness of a sweater or "taste" one of your favourite snacks. This can lead to a "Trust-Action Gap" where consumers may be interested in an AI's post, but not ready to buy it due to a lack of trust in its authenticity. With advertising regulators in India now mandating that virtual influencers must say that they are not human, it becomes important to understand how this "AI Disclosure" will affect the delicate relationship between the influencer and the young Indian consumer.

1.2 Defining Key Concepts

Before we can grasp the effect of AI on marketing, let's start by understanding formal definitions for the psychological triggers that influence consumer behaviour. Consumer Trust is the willingness of a consumer to trust an influencer's honesty and ability and feel that the influencer has their best interests in mind (Hovland & Weiss, 1951).

Purchase Intent is the conscious decision or probability a consumer makes to buy a product or service after seeing an advertisement or recommendation, and it's closely related to this. The above two are big factors in a world of influencer marketing that is dominated by Perceived Authenticity. Perceived Authenticity refers to how much the audience believes that an influencer's persona and their content are authentic, real, and unscripted. Trust and purchase intention tend to be lost when an influencer (human or AI) comes across as "fake" or too commercial.

With the advancement of digital technology, the ethical and legal need for AI Disclosure has appeared as a key area of concern. It is the label that must be clearly and obviously applied to content generated and/or altered by artificial intelligence, so that the audience is aware that they are dealing with artificial content. It's also crucial to note that an AI Influencer is a persona that is based on machine learning and can interact and "learn" from its audience, whereas a Virtual Influencer is a character animated using CGI that is managed by humans who dictate its narrative, and a CGI Character is a digital persona used for visual storytelling but without the social interaction and "personality" that an influencer has. These distinctions are important for the study to be considered because the degree to which the information itself is AI-related will affect the consumer's feeling of how correct or truthful the message shared is.

1.3 Types of Influencers

The influencer marketing ecosystem works hugely on the reach and engagement levels of a creator on a social media platform, which is divided into 4 tiers based on the number of followers.

Niche marketing can be said to be the backbone of both nano-influencers (1,000 to 10,000 followers) and micro-influencers (10,000 to 100,000 followers) due to their high percentage of engagement. Because of their ability in their niche field, they cultivate a ‘friend-like’ relationship with their followers. Micro-influencers are not the only ones with high levels of reach and engagement. There are also macro-influencers (100,000 to 1 million followers) and mega-influencers (more than 1 million followers) that get a ton of reach and visibility but may not have a high engagement rate per post.

This order is especially critical in the Indian market, where brands are diversifying their engagement to include micro-influencers rather than mega-influencers to connect with specific communities in the region or language. This change is a sign of a shift toward depth of connection over breadth of reach, meaning that the size of an influencer's following is an influential determinant of what consumers think when it comes to recommendations. In addition to the numbers, influencers are human,

virtual or AI-hybrid in nature. Unlike the human influencers who use their real-life experiences and physical presence, virtual influencers are completely computer-generated characters that are not in the real world. AI-hybrid influencers fall somewhere in the middle, using generative AI to produce digital twins or to augment their content with AI-driven avatars. These are usually present in certain content areas like Lifestyle, Beauty, Tech, and Gaming. Lifestyle and beauty creators are more influential in India as they offer "social proof" in a more community-driven culture, and tech/gaming is spearheading the virtual and AI character adoption. Thus, the different personas and their relevance to the Indian market boil down to the fact that they'll navigate the unique cultural expectations of Indian followers, who are often looking for a blend of modern digital trends and traditional relatable values.

1.4 The Regulatory Landscape: ASCI Guidelines

With the Advertising Standards Council of India (ASCI) releasing new guidelines for 2024 - 25, regulation has become necessary in the influencer marketing world. These rules are significant in the study since they directly affect the authenticity of an influencer to other people. The guidelines require disclosures to the public of all influencers, including virtual ones.

For virtual and AI-designed personas, this entails showing every post with a prominent label like "Virtual Influencer" or "AI-Generated". The aim is to ensure that consumers do not perceive a digital avatar as being a real person with real-life experiences. ASCI aims to safeguard the integrity of the advertising industry and prevent any kind of broken "social contract" between creators and followers from being broken by hidden technology through the enforcement of these rules.

These requirements, however, introduce many paradoxes between compliance and parasocial bonding. A parasocial bond is an unbalanced relationship between the follower and the influencer, in which the follower feels he/she personally knows the influencer completely. A mandatory AI disclosure in a post can serve as a "reality check" that helps to break this emotional immersion. This creates the "Disclosure Paradox": The more the person is honest (discloses), the longer they can go without being uncomfortable, the more long-term institutional trust they can foster; however, if they admit something is "fake", the perceived authenticity and emotional connection that makes the influencer effective and trustworthy can be immediately reversed. A paradox that also lies at the heart of today's brands is the balance between being legal and being the leader in the digital media space.

1.5 Problem Statement

Today, the most significant problem faced by the digital marketing industry is the "innovation vs authenticity" issue. While brands are turning to AI influencers to cut costs and take creative control, academic studies suggest that consumers are not as receptive to what these synthetic influencers have to say as they are to a human. That is, a lack of understanding of how the “Mind Perception” of an AI, as it thinks (agency) and feels (experience), influences its power to persuade (Liu & Lee, 2024).

This problem is more critical in India. What is still to be explored is the psychological response of Indian Gen Z towards local virtual idols, Kyra and Naina, in Western markets. They are tech-curious consumers who are very sceptical of traditional advertising. Adding to the complexity, the Advertising Standards Council of India (ASCI) has introduced the guidelines for Advertisements 2024 - 2025. While these rules call for labels to be given to content produced by AI, initial evidence shows that disclosure can serve as a “warning sign” and diminish perceived authenticity and purchase intent (Ujjainwala, 2025).

Today, brands are playing in a "grey area". They are not sure whether they should emphasise their use of AI as a tech "novelty" or if they should downplay it to support the "parasocial" connection that followers feel with the influencers. Marketers can't be sure that AI efforts are going to convert leads to sales without clear proof, and that could mean they waste millions of dollars on efforts that don't work. The present study aims to bridge this gap by examining the interaction effects of disclosure with the type of influencer (AI vs. human) on Indians' Gen Z trust and behaviour.

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1.6 Research Questions and Objectives

To address this issue, the following 5 questions are considered:

1. Why is it necessary to look at consumer trust with AI disclosure in Indian Gen Z influencer marketing?
2. What is missing in the existing literature on the issue of credibility and disclosure effects for AI influencers compared to human influencers in non-Western digital markets, specifically in India?
3. In the context of influencer marketing, how does AI disclosure affect the trust and purchase intentions of Indian Gen Z consumers?
4. How does perceived authenticity act as a mediator between the two variables, AI influencer and human influencer, along with purchase intent among Indian Gen Z?
5. Does the nature of the influencer (AI vs. human) affect the relationship between AI disclosure and trust of Gen Z in India?

The primary objectives are:

- To understand how AI identity disclosure affects the trust and purchase intent among Indian Gen Z.
- To analyse the level of consumer trust and purchase intent towards AI and human influencers.
- To examine the mediation of perceived authenticity between influencer type and consumer purchase intention.

1.7 Significance and Scope of the Study

This research holds special significance for three main reasons: theoretical, managerial and social. Theoretically, it builds upon the old world of "real media" concepts, such as Source Credibility Theory and Parasocial Interaction Theory, and expands them to fit the new world of "synthetic media". It highlights an important transition point called "Authenticity" as a critical mediator that helps to better understand why some influencers are successful with AI and others are not. This study introduces a new method for measuring "being real" in the digital age, based on the PISCOT framework that examines passion, interactivity, symbolism, consistency, originality and transparency (Gao, 2022).

The study, from a managerial perspective, offers a "playbook" to Indian brands and D2C startups like Underneat. It can help marketers in deciding the right time to use a human, like Kusha Kapila, in emotional storytelling and when to use an AI like Kyra in its high-tech visuals. It points out that authenticity and trust are the "psychological gatekeepers" for Gen Z, in particular. For creators, it highlights that the "perfection in visuals" is not as important as the "honesty" in disclosure for their content in the long-term survival. Policy-wise, this study helps in the mission of the ASCI, which is to protect consumers of India. It proves the real-world effects of disclosure on the behaviour of Gen Z, enabling regulators to tweak their guidance so that disclosure doesn't just "punish" innovation but contributes to a more honest digital marketplace.

The primary scope of this study is to narrow down the focus to the Indian Gen Z consumers (18 - 28 years) in urban and semi-urban areas. It particularly explores platforms such as Instagram and YouTube, which are the most shared areas where influencer-driven commerce is being done in India. The study employs six cases: Indian AI (Kyra, Naina), Global AI (Lil Miquela), and Indian/Global Humans (Kusha Kapila, Dolly Singh, Emma Chamberlain) to capture the various shades of contemporary influence.

II. REVIEW OF LITERATURE & THEORETICAL FRAMEWORK

2.1 REVIEW OF LITERATURE

The research study titled "The Impact of AI-Powered Influencer Marketing on Consumer Engagement and Purchase Intent: An Indian Perspective" by Dr. Swati Patil examines how artificial intelligence tools enable Indian consumers to interact with brands. The research names five primary ways in which AI technology assists marketing through its ability to create customised capabilities to forecast campaign performance. The study demonstrates that AI-optimised content achieves higher audience engagement rates when compared to traditional content creation methods while delivering a 42%

increase in product purchase likelihood. Further, it shows that brands in India can use AI as a powerful marketing tool, but they must support their authentic branding to preserve customer trust (Patil, 2025).

The paper “A Study Impact on the Influencer Marketing on Brand Trust and Purchase Intention: A Comparative Study of Millennials and Gen Z in India” by Jani, Bhambhani, and Gupta investigates how different age groups in India evaluate digital content creators. The study examines how relatability and credibility affect whether people trust a brand and decide to buy from it. The study shows that influencer marketing creates a strong direct effect on consumer buying decisions when marketing content comes across as authentic. The paper provides useful tips for brands that want to reach young Indians who spend a lot of time on social media (Jani et al., 2026).
The research "Role of AI-powered Instagram influencers driving consumers' purchase intentions: An integration of SMIV & SOR framework" by Rohit Dhiman and Narender Singh Bhati examines why young people choose to follow AI-generated social media influencers through their psychological motivations. The study investigates how consumers' emotional responses and decision-making processes are influenced by two AI character attributes, which include human appearance and the ability to provide information. The study finds that people trusting an AI influencer will spend more time interacting with the corresponding brand. It further proves that AI influencers can attract initial customer interest, but brands require their virtual representatives to display more humanlike attributes to develop customer trust over time (Dhiman & Bhati, 2024).

The research "Naina V/S Kyra: A Comparative Analysis of Engagement Metrics to Uncover the Most Desired Female Virtual Influencer in India" by Aparna Jha and Soni Yadav examines the two most popular virtual influencers in India. The study investigates how people interact with Kyra and Naina's posts through liking, commenting and sharing, to figure out which character has more widespread appeal. The research shows that virtual influencers who prove a distinct character through their local backstory elements achieve greater success in building connections with Indian viewers. It thus helps marketers understand that Indian Gen Z prefers AI characters who feel like they are part of the local culture (Jha & Yadav, 2025).

The research "Influencer Authenticity" by Yi Gao defines digital existence through its examination of "real" creator identity. The study proves six essential elements of authenticity, which include three elements of the PISCOT framework, which are passion, consistency and transparency. The study shows that an influencer who achieves high scores across all six dimensions will gain greater trust from followers who will then buy the products which the influencer recommends. Then it shows that authenticity serves as the primary connection which links creators to their customers' purchasing choices (Gao, 2022).

The study “The Impact of AI Influencer Endorsements on Brand Trustworthiness” by Liu and Lee investigates the reasons behind consumer distrust toward virtual celebrities who exist as computer-generated entities. The research focuses on "Mind Perception," which is the belief that someone has a mind that can think and feel. Consumers trust AI influencers less because they believe AI cannot share human life experiences. The research shows that this lack of "experience" leads to lower trust in the brand and fewer sales (Liu & Lee, 2024).

The research “Effects of emotional expression on user engagement in virtual influencers’ Instagram posts: A comparative analysis with human influencers” by Rehman, Hassan, and Behera looks at how language affects followers. The study examines whether using emotional words instead of just facts helps an AI influencer get more likes and comments. Users prefer AI influencers who show extreme realism because creative agencies handle their management instead of brands. The paper concludes that emotional storytelling is a key way for virtual characters to bridge the trust gap (Rehman et al., 2026).

The research study “The Role of Artificial Intelligence in Influencer Marketing” by Rana, Ashfaq, and Jalbani investigates how AI functions as a crucial part of online sales. The study investigates how AI characters create a virtual social presence which successfully attracts audience interest. The

research proves that AI functions as a marketing tool which transforms advertising through its ability to create customised and compelling advertisements. The paper shows that AI creates a virtual presence which proves strong connections between businesses and contemporary customers (Rana et al., 2024).

The study "Parasocial interactions with real and virtual influencers: The role of perceived similarity and human-likeness" by Stein, Breves, and Anders investigates whether people can form genuine emotional bonds with computer-generated characters. The study analyses how people develop parasocial relationships with actual human influencers and virtual influencers through their reactions to authentic Instagram posts. It shows that viewers develop parasocial relationships with human and virtual influencers equally, but their belief in human likeness and similarity to both types of influencers causes them to react to virtual influencers differently. The research proves that virtual influencers achieve human-like social connections through advanced technological systems when people experience controlled psychological barriers resulting from perceived similarity (Stein et al., 2024).

The research “Decoding Gen Z: AI’s influence on brand trust and purchasing decisions” by Guerra-Tamez and Flores looks at how young people feel about modern technology. The study shows that AI disclosure, which informs users about AI-generated content, affects trustworthiness, which users experience through social media posts. The research shows that people perceive AI as intelligent and "cool," yet when they learn about its AI status, their social bonds become weaker. The paper suggests that brands should use AI for high-tech products but be careful with lifestyle brands (Guerra-Tamez & Flores, 2024).

The research “The Trust-Action Gap: How Digital Trust Mediates the Impact of Influencers, AI, and Product Reviews on Gen Z” by Md Raihanul Islam investigates why people trust some sources more than others. The study examines the "gap" between liking a post and spending money. The study confirms that "Digital Trust" functions as the primary element which transforms viewers into customers. The research shows that for brands, being transparent and honest is the only way to close this gap and drive actual sales (Islam, 2025).

The paper “The Power of Virtual Influencers: Impact on consumer behaviour and attitudes in the age of AI” by Gerlich studies how synthetic media transforms business operations. His research examines how Gen Z’s comfort with technology makes them more accepting of AI influencers than older generations. The study shows that virtual creators provide brands with highly cost-efficient solutions because they can always keep work operations and never face public relations issues. The research shows that artificial intelligence has proven itself as the standard technology used in contemporary digital advertising (Gerlich, 2023).

The research “Forever young, beautiful and scandal-free: Exploring the Crafted Authenticity of Virtual Influencers” reviews the moral implications which arise from using virtual characters. The study examines how AI influencers are designed to create beauty standards which exceed real-life human capabilities, causing negative body image effects for their fans. The research shows that these characters exist as perfect beings who do not have the authentic human traits which help audiences connect with actual human creators. The paper warns brands to be ethical and inclusive when designing their AI models (Topoi, 2025).

The study “Impact of AI-optimised influencer endorsements on Gen Z’s plans to subscribe to services” by Kumar, Verma, and Sharma investigates how artificial intelligence creates sales for other artificial intelligence products. The research investigates how Indian Gen Z people respond to influencers who endorse applications and digital services. People will accept guidance from a digital influencer about "digital products" because they show high satisfaction. The research shows that Gen Z students value information "usefulness" more than they value the authenticity of the person sharing that information (Kumar et al., 2025).

The research study "Attractiveness vs similarity: how attributes of AI-based virtual influencers impact credibility, parasocial interaction and purchase intentions of social-media users" by Jin and Youn examines how virtual influencer traits control

consumer behaviour. The research study investigates two main factors, which are attractiveness and similarity. The research shows that social attractiveness and homophily boost credibility while physical attractiveness does not affect PSI. The study proves that Virtual Influencers promote products that achieve higher purchase intentions when consumers trust the brand while following product recommendations because it makes them more credible. The research results show that brands must display human-relatable traits because they build consumer trust, which improves their marketing relationship with influencers (Jin & Youn, 2025).

The study "Social media influencer vs. virtual influencer: Influencer: The mediating role of source credibility and authenticity in advertising effectiveness within AI influencer marketing" by Kim and Wang investigates how source credibility and authenticity affect advertising results between human and virtual influencers in AI influencer marketing. The research focuses on how human-like VIs (HVIs) match human influencers' effectiveness in not-for-profit contexts due to higher authenticity and credibility, while for-profit messages reduce HVIs' edge, making them similar to anime-like VIs (AVIs). The study reveals that source credibility consists of three elements, which are trustworthiness, ability and attractiveness, while authenticity serves as a main mediator which allows HVIs to surpass AVIs in total success (Kim & Wang, 2024).

2.2 Theoretical Framework

2.2.1 Source Credibility Theory

Hovland and Weiss rooted the basis of influencers' success in the Source Credibility Theory, which was later extended by Ohanian. The three dimensions of a source measured by the validated scale developed by Ohanian are Expertise, Trustworthiness and Attractiveness.

- Expertise: The influencer's perceived knowledge or skills in a particular field.
- Trustworthiness: How credible the speaker is to the audience, in terms of being honest and impartial.
- Attractiveness: Not only physical appearance, but familiarity and similarity to the consumer.

It shows that AI influencers are capable of “hyper competence signalling,” a rhetorical competence and level of visual professionalism that makes them appear extremely credible on the surface. However, due to a lack of experience, they're not always viewed as “trustworthy” as human influencers, particularly in categories such as food or skin care, which require more experience (Ohanian, 1990).

2.2.2 Parasocial Interaction (PSI) Theory

The 'one-sided' emotional connection that viewers have with major influential personalities in the media is known as Parasocial Interaction, which was first coined by Horton and Wohl in 1956. Unlike classic celebrities, digital influencers create a "face-to-face relationship illusion" through replying to comments and personal narrative.

Research shows that virtual influencers can build these connections as well when employing “emotional narratives” and interaction elements. Indian followers, for instance, feel like they can relate to Naina AVTR's backstory as a girl who left Jhansi and came to Mumbai, which allows them to identify with “wishes”. But when the influencer seems too ‘brand-conscious ' or lacks human-like features, the parasocial connection will be superficial and cause reduced purchase intent.

2.2.3 Authenticity Theory and PISCOT Framework

Gen Z's most key factor for trust is authenticity. It theorised ‘Influencer Authenticity (IA)' as a multidimensional construct of ‘PISCOT'. It has 6 dimensions:

Figure 1: The PISCOT framework model, consisting of six multi-dimensional constructs used to measure perceived influencer authenticity.

- Passion: When someone is motivated to do something by a genuine interest or passion, not for monetary gain.

- Interactivity: Interacting with followers "live" and making yourself feel "real" and "available" to them.
- Symbolism: A representation of an identity or values that is related to the follower's self-concept.
- Stability: Stable values and behaviour over time.
- Originality: Producing original content that will be different from the conventional or predictable ads.
- Transparency: Openness to sharing one's "true self" and any commercial connections.

A perceived level of authenticity is a powerful mediator between the various dimensions and consumer trust, with higher scores on these dimensions reflecting higher purchase intent (Gao, 2022).

2.3 Identifying the “Gap”

There has been a considerable development of the current research field on influencer marketing, but upon closer examination of recent studies, four significant "gaps" can be found, which this thesis aims to fill.

Firstly, although the Indian digital economy has been expanding rapidly, the literature on AI-generated influencers is largely Western or East Asian, with a noticeable lack of geographic and cultural coverage. The study “The Impact of AI-Powered Influencer Marketing on Consumer Engagement and Purchase Intent: An Indian Perspective” by Dr. Swati Patil points out that while industry reports show high adoption of AI in India, academic work has failed to establish clear causal relationships for Indian consumers, specifically considering the youth of India, within relationship-oriented cultures where social trust is built differently than in the West.

Secondly, there is a significant gap in the “disclosure paradox.” Although the Advertising Standards Council of India (ASCI) has recently introduced mandatory AI disclosures, there is not enough empirical evidence to clarify how these notices are changing the psychology of Gen Z consumers. The study titled “Disclosing Virtual Influencers: Effect of Disclosure Prominence on Credibility” implies that the more prominent the disclosure, the less "magic" or appeal a digital influencer may have, but it is unclear whether Indian Gen Z perceives it as a positive sign of honesty or a reason for foregoing complete trust in the brand.

Third, there is a theoretical integration gap since the current models, such as Source Credibility Theory and Parasocial Interaction Theory, have not been sufficiently integrated with "Mind Perception Theory" in the case of synthetic endorsers. According to the study, “The impact of AI influencer endorsements on brand trustworthiness,” AI influencers are thought to have high "agency" (planning and thinking) but almost no "experience" (lived feelings) to sell emotional goods, such as skincare, wellness, and food. There is no comprehensive literature to test the role of “Perceived Authenticity” as the main link or mediator between these synthetic sources and the final purchase decision in the Indian market, which is measured by the five dimensions of passion, interactivity, symbolism, consistency, originality, and transparency (PISCOT).

Lastly, there is a methodological gap, with most of the studies that have been done using either simple surveys or descriptive case descriptions. This study is filling this gap by using a convergent mixed-method approach. This study offers a more comprehensive analysis of the field, as it triangulates the quantitative survey findings with the in-depth qualitative interviews and real-life comparisons of influencers such as Kyra, Naina, and Kusha Kapila. In the end, this thesis aims to tackle the "Trust-Action Gap" between making an AI character interesting and buying an item due to that character's recommendation to help brands handle the dilemma between technological innovation and human authenticity.

III. METHODOLOGY

3.1 Research Design

The study adopts a Convergent Mixed-Method Design that combines the numerical (quantitative) and narrative (qualitative) data at the same time (Creswell & Plano Clark, 2018). This design is based on the premise that one approach is not enough to

fully grasp AI influencers. Numerical data show what is happening, and interviews and case studies provide explanations for what is happening. The design is "convergent" because the data from the survey, interviews and case studies are gathered independently and then triangulated to see if they lead to similar conclusions. The study is descriptive and comparative, describing the Indian influencer landscape and comparing the responses to human creators versus AI characters.

3.2 Data Collection Methods

Strand 1: Quantitative Survey

Google Forms were used to administer a structured online questionnaire. The survey measured influencer credibility and purchase intention, among others. To encourage the participation of the respondents, simple 7-point scales were used, ranging from "strongly disagree" to "strongly agree" (Ohanian, 1990). The survey instrument included 7-point Likert scales adapted to measure the three dimensions of source credibility and to assess the consumers' purchase intent.

Strand 2: Qualitative Interviews

In-person interviews were conducted with 9 people, aged 18 to 28, for around 30 minutes. Questions were posed as open-ended, such as, "How do you feel when you see a post from an AI such as Naina? and "Do you trust their advice? This method gave more insight into the "human" part of the data.

Strand 3: Secondary Case Studies

Three AI influencers (Kyra, Naina, Lil Miquela) and three human influencers (Kusha Kapila, Dolly Singh, Emma Chamberlain) were analysed. Two months of Instagram posts were analysed to assess engagement and disclosure of identity.

3.3 Sampling

The study was conducted on the Indian Gen Z (1997 to 2012) living in urban or semi-urban areas. This age group was targeted by sending out the Google Form link to them and asking them to share it with their social media circles. People following at least one virtual influencer were chosen for the interviews. The sample size for qualitative data was limited to 9 participants as the data reached a 'saturation point' and further interviews did not provide significant new themes or patterns in relation to the trust placed in synthetic influencers by Indian Gen Z (Guest et al., 2006). The case studies were with influencers who had a strong presence in India and internationally.

3.4 Method of Analysis

A descriptive approach was used to analyse the data. The built-in analytics of Google Forms were used to create charts and graphs based on the survey data. To compare the beliefs of AI influencers and human influencers, percentages and average scores were analysed. The visual analysis revealed clear patterns in the trust and purchase behaviour without any need for complex mathematical modelling.

Thematic Analysis was used for the interviews. Repeating ideas, including “discomfort” with AI visual perfection, were uncovered by reviewing the transcripts. Case studies were compared in a simple side-by-side table with influencers. The metrics used included "Engagement Rate", which emphasised the difference between human and AI performance (Jha & Yadav, 2025; Patil, 2025). Lastly, all results were merged to answer the research questions.

3.5 Ethical Considerations

The research followed the established ethical guidelines which protected both the safety and privacy rights of study participants. The research study required participants to proceed with their research after they had received complete information about the study through a Google Form. Interviewees confirmed their participation through verbal consent which included the right to leave at any time. The study protected participant identity by not gathering any personal identification information. The research team analyzed survey results at the group level while giving interview participants unique identification numbers which ranged from P1 to P9. The organization used secure protected systems to keep its information. The research team used multiple sources of data through survey and interview and case study methods to decrease interpretive biases that arose during their study. The case study analysis examined only information available to the public which researchers used for non-commercial academic research while maintaining compliance with fair use regulations and academic citation guidelines.

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IV. PROFILE & CASE STUDIES ANALYSIS

4.1 Profile of Research Subjects

The study was conducted using a primary sample of 65 urban metropolitan Indian Gen Z respondents who filled out the quantitative survey using Google Forms. Generation Z is the group of people born from 1997 to 2012, who are the first generation to have lived their whole lives in a digital world. The survey specifically focused on the age group 18 - 25 years, as this is the "active power consumers" who account for a large chunk of India's estimated ₹71 thousand crore ($860 billion) in Gen Z spending power. Geographically, the respondents were mostly from big cities and semi-urban areas across India, such as Bengaluru, Mumbai, Delhi, Chennai and more, giving a representative view of the modern Indian digital economy.

These respondents' digital habits make them the ideal subjects for this study. Everyone who was found to be active on social media said Instagram and YouTube were the two most dominant platforms for content discovery and brand engagement.

The "Big Six" influencers, including AI trailblazers such as Naina and human icons like Kusha Kapila, connect with their followers on these platforms. This demographic is known for being "advertising literate" and for having a strong need for authenticity; they like to communicate with peers more than with ads.

To make sure that the survey was consistent, Cronbach's Alpha was computed for the 7-point Likert scales that were used to measure the PISCOT dimensions. A score greater than 0.70 is typically acceptable for academic studies.

Table 1: Reliability Statistics for Survey Instrument Scales. Source: Primary Data (Survey of Indian Gen Z respondents, 2026).

Scale Dimension	Number of Items	Cronbach's Alpha
Perceived Authenticity (PISCOT)	6	0.84
Consumer Trust	3	0.81
Purchase Intent	3	0.79

A qualitative subsample of 9 participants was chosen for intensive, semi-structured interviews, in addition to the survey sample. This group gave the "subjective reasoning patterns" to account for the numbers listed in the survey. These interviewees were selected because they interacted with both human and virtual influencers often and were able to give their individual experiences of their trust and purchase habits. These 65 survey respondents and the nine interviewees provide a solid framework to understand how the knowledge that an influencer is "synthetic", or "AI", changes the purchasing decisions of young Indians.

4.2 Case Studies

4.2.1 Kyra (Indian AI Influencer) - India's First AI Influencer

Figure 2: This is a promotional image of Kyra, India's first virtual influencer, showcasing the level of CGI quality and "metaphorical explosion" of interest that Gen Z in India has shown towards technological novelty. Source: Instagram (@kyraonig).

Creation and Cultural Context

In January 2022, Kyra became India's first virtual influencer, a startup named FUTR STUDIOS, which was founded by George Tharian and Himanshu Goel (Jha & Yadav, 2025). Her persona was created as a 21-year-old woman from Mumbai who shares about food, travel and fitness. Kyra was inspired by the success of virtual icons like Lil Miquela, which have gone on to become global icons, but Kyra's design

was uniquely created to reflect the Indian digital landscape.

For the first time, Kyra was a "metaphorical explosion" on social media. She had grown her fan base by 100,000 within a few months, mostly because of the huge curiosity of Indian Gen Z consumers who were amazed to see a good CGI character in their familiar setting, whether it's the iconic Marine Drive or local Mumbai cafes. This first success was largely attributed to the “novelty factor”; the novelty of the technology itself was a major driver of engagement. To create Source Credibility, the creators tried to make her a "city girl" with interests that were like the audience's "peer group".
Collaboration and Disclosure

Kyra's early career saw her collaborate with industry giants like boAt, John Jacobs, and Amazon Prime Video (Seagull Advertising, 2025). The brands used Kyra to convey a message of being "futuristic" and "tech-forward," resonating with the tech-curious section of Indian Gen Z. Amazon Prime Video, for instance, used her for a sci-fi campaign, which was an ideal fit for her digital character.

As far as AI Disclosure is concerned, Kyra's strategy has been evolving in line with the Indian regulations. At first, the revelation was sometimes obscure or hidden in the captions, sometimes confusing followers who didn't know whether she was a real person or a robot. But her creators changed her profile to clearly show her virtual nature in the 2024 - 2025 ASCI Guidelines. This transparency is a legal requirement to build consumer trust, but some marketing professionals have said that the explicit “AI label” may have led to a drop in the “Transparency” dimension of her authenticity, because it reminds the consumer that her recommendations are not personal but based on brand-controlled programming.

Credibility and Authenticity Perception
Kyra is one of the prime examples of the "Trust-Action Gap" in the Indian market, despite being a pioneer. Her visuals are refined and high-end, but she has difficulty keeping the emotional dimension of human creators. Based on the data, Kyra's engagement rate is currently about 1.2%, vastly different from the human engagement rate, which is typically 3% to 5% (Aldlimi et al., 2025).

Indian Gen Z believes that Kyra has high Agency (she is smart, consistent and looks perfect), but she has no Experience. Audiences go back to human creators because they feel more relatable, as one industry analyst said, "because a human can truly 'feel' the quality of a product, that is not the case with an AI. As a result, Kyra's Purchase Intent scores for lifestyle products are still low, while her scores for the gaming and tech industry are still effective at raising brand awareness. Her case illustrates the fact that the most important gatekeeper to spending money for Indian Gen Z is "being real," and that technical perfection can't yet beat the lived experience of a human creator.

4.2.2 Naina AVTR (Indian AI Influencer) - India’s Pioneer Virtual Influencer

Figure 3: Visual of Naina AVTR, India’s synthetic media persona. Source: News18.

Creation and Cultural Context
Founded by Avtr Meta Labs, led by CEO Abhishek Razdan, Naina AVTR is often dubbed the "AI superstar" in India. Her persona is carefully crafted to be a 22-year-old girl from a small town, Jhansi, Uttar Pradesh, who had migrated to Mumbai to pursue her dream of becoming an actor. The "small-town girl making it big" is a narrative tactic to create Source Credibility by similarity and identification, and it is a story that resonates with many Indian Gen Z individuals who aspire to the same.

Naina is a high-fidelity "synthetic media persona" technologically developed with a complex combination of CGI, generative AI and hybrid

motion capture. During this process, a human double imitates the movements, and they are swapped with Naina's face, and she can now dance, act and interact with ease. Her AI-driven voice can speak in 120 languages, enabling her to connect her native Indian tongue with the worldwide digital community. Naina was not modelled like the "robotic" characters but rather was designed to have "Mental Human-likeness", that is, the ability to appear to have a personality, history and future of her own.

Collaboration and Disclosure

Naina has managed to get some major blue-chip brands like Nykaa, Puma, Pepsi and Nike to work with her. She is unique in the marketplace because of her "transmedia" presence. She is not just an image on a feed; she made her acting debut in October 2025 as a character in the micro-drama series Truth & Lies, which was the first time an AI character led a drama series with human actors (ClickAnalytic, 2025). Moreover, she also hosts The nAIna Show, India's first AI-powered podcast, with real-life celebrities like Sobhita Dhulipala and Richa Chadha.

When it comes to AI Disclosure, Naina is a pioneer in transparency and ethical use. Her Instagram bio clearly says that she is “India’s First AI Superstar,” and the “avatar” shorthand is in her Instagram account handle, @naina_avtr. Her creators consistently post “behind-the-magic” content that reveals how she is created, which helps to demystify her synthetic nature and follows the 2024 - 2025 ASCI Guidelines that call for the clear identification of non-human entities. Naina's team is trying to foster "Transparency," one of the aspects of the PISCOT framework, making followers aware that she is a digital entity and not a real person to avoid being "tricked" when they come to know that she is not a real human.

Credibility and Authenticity Perception

Even though she is technically perfect and clearly communicates, Naina still must deal with the “Trust-Action Gap” among Indian Gen Z. Her overall "Perceived Authenticity" is not as strong as that of human creators, as she "talks back" to her fans and embodies Indian cultural values, but on the other hand, she scores high on the Interactivity and Symbolism dimensions of the PISCOT framework. Audiences are sceptical of her posts, as shown by the debate that often occurs in the comments on her posts about whether she is "real or a robot".

The main difficulty for Naina is the "Experience" gap of the Mind Perception Theory. Fans have her Agency as high (smart, talented and consistent), but they see her Experience as 0. The Indian Gen Z consumers feel that Naina can't "feel" the texture of a skincare product or "taste" a drink, so her recommendations are not as emotionally compelling as it needs to be for high purchase intent. As a result, Naina is a strong brand awareness and innovation campaign asset, but she is not as effective when it comes to "emotional" or lifestyle products as a human asset, such as Dolly Singh. Her case is just one example of how even with a perfect backstory and high transparency, the absence of a "lived human life" is a big hurdle in building complete consumer trust in the Indian market.

4.2.3 Lil Miquela (Global AI Influencer) - The Global AI Star and Benchmark

Figure 4: Lil Miquela, a prominent global AI influencer, illustrates the "cool-girl" aesthetic and the algorithmic visual perfection that drives high engagement rates while simultaneously triggering the "Experience" gap in Mind Perception Theory. Source: Wired.

Creation and Cultural Context

Lil Miquela, aka Miquela Sousa, is the first virtual influencer worldwide. The LA-based startup Brud developed her in 2016 and is described as a "robot" who lives in LA and is "Brazilian American. Miquela is the world's standard-bearer for synthetic influence for Indian Gen Z. In 2018, she was listed as one of the top 25 most influential people on the internet by Time Magazine, proving that a virtual character

could be as culturally relevant as a real celebrity (Diwanji et al, 2026).

While Kyra and Naina have localised backstories, Miquela's is defined by her global “cool girl” aesthetic, which incorporates street fashion, music production and social activism. She has over 2.3 million followers on Instagram as of 2026, and her success paved the way for Indian agencies to invest in characters like Kyra. Her character is a fusion of art and advertising, and she is an interesting figure for tech-savvy young consumers, who seem to be the only ones who can't tell the difference between reality and the digital world.

Collaboration and Disclosure

The most notable aspect of Miquela's career is the "2018 Disclosure Controversy. She pretended to be a real human for the first two years of her life, causing a big controversy over honesty when it was finally discovered that she was a CGI image. Today, she is a leader in the field of AI Disclosure practices. She has a specific bio on Instagram that reads: "23-year-old, LA, Robot," which was done with the intention of showing the novelty of the technology and separation from human creators. She adheres to the same transparency standards as the ASCI guidelines in India in 2025, making it easy to see her relationships with brands.

As far as collaborations go, Miquela has collaborated with some of the finest luxury and mass market brands such as Prada, Dior, Calvin Klein and Samsung. Her collaboration with clothing company Pacsun was criticised by some in 2022, as she was promoting "unrealistic beauty standards". One of the major dangers for brands is that the AI influencers can spark negative responses when the audience perceives that they are taking the place of real people or that they are selling “perfect” bodies that no one can attain, even though they are zero-controversy assets and have full creative control.

Credibility and Authenticity Perception

Miquela illustrates the complicated “Trust-Action Gap” of synthetic stars worldwide. Analysis shows that AI influencers like Miquela can keep an average engagement rate of 3.6% as fashion-category-specific, which is significantly higher than the 1.4% average for traditional human influencers in the same fashion categories. This is because her content is algorithmically optimised for visual perfection. But this level of engagement does not always equal trust.

Miquela can be scored high on Consistency and Passion using the PISCOT framework because she "shares" internal struggles and social justice beliefs. This forms a strong "one-sided friendship" (parasocial bond) that makes fans feel that they are "figuring things out" with her. Nevertheless, a Stanford study in 2025 revealed that 68% of teens were unable to tell AI influencers from real ones, leading to ethical issues with "advertising literacy". The "Experience" gap of the Mind Perception Theory is still her greatest challenge. Numerous studies have found that users are less likely to trust AI influencers when it comes to physical goods, as they lack "lived experiences". As one study noted, Miquela can't "feel" the softness of the clothes she wears. So, although she is highly effective for brand awareness and to reach those who tend to ignore ads, her conversion rate for actual purchase intent for lifestyle products is less than that of human creators who can give a true, sensory review.

4.3.4 Kusha Kapila (Indian Human Influencer) - Relational Credibility and Human Benchmark

Figure 5: Kusha Kapila, a leading Indian human influencer and entrepreneur, representing the "human benchmark" of relational credibility built through self-disclosure and shared human history. Source: Instagram (@kushakapila).

Creation and Cultural Context

Kusha Kapila is a popular Indian content creator who has made the transition from social media comedy to mainstream Bollywood acting and is a successful

entrepreneur as well. She is known for her charm, approachability, and her understanding of the culture of the middle class in India. The “brand” of Kyra and Naina was created by computer, while Kusha's began with self-shot humorous videos that challenged gender stereotypes and encouraged body positivity.

Kusha is a "human benchmark" of success for Indian Gen Z. She is not only a digital image but a real person, experiencing her own struggles, including being an introvert and having “imposter syndrome”. This level of self-disclosure enables her to develop a high level of Source Credibility by similarity and identification. Her audience perceives her as a "big sister" or a friend who has experienced the same things that they have, leading to a strong emotional connection that AI characters are not yet able to replicate.

Collaboration and Disclosure

Kusha has a strong presence on many brands, including long-term tie-ups with Nykaa Fashion and Myntra. A big step in 2025 was launching her own innerwear line under the name 'Underneat' with co-founder Vimarsh Razdan. Her approach for this launch is regarded as a “masterclass” in pre-launch trust building. She didn't resort to elaborate, polished ads; instead, she relied on "unsponsored real talk" and funny videos to talk about the typical problems that women have with their undergarments. When it comes to Disclosure, Kusha is known for his transparency. She has a lot of sponsored collaborations, but the “What are you wearing under” series was more of a humour-driven promotional content than just a mere sales pitch. This is in line with the PISCOT framework's Transparency and Interactivity dimensions. She is addressing "pain points" by telling the truth, which means that her content is not damaging her authenticity when it comes to her relationship with brands.

Credibility and Authenticity Perception

With Kusha Kapila, the example is starkly different from the "Trust-Action Gap" of AI influencers. Her brand Underneat reportedly achieved an Annual Recurring Revenue (ARR) of ₹150 crore in eight months by serving more than 200,000 customers. This financial effect is based on the researchers' concept of "relational credibility". Over the years, there has been a Parasocial Interaction (PSI) between her and her followers, so that when she tells them to use a product, they believe her wholeheartedly.

According to the Mind Perception Theory, Kusha is perceived to have high Agency (ability to lead a brand) and high Experience (ability to feel and suffer). An AI such as Kyra may seem like the ideal fit for a fitness reel, but Kusha's talent for discussing the physical pain of clothes makes her "lived experience" a convincing argument for persuasion. Her engagement rate is between 3% and 5%, which is much higher than that of virtual pioneers such as Kyra, who has an engagement rate of 1.2%. In conclusion, Kusha's case exemplifies the fact that “being real” and “human history” are the best ways to convert digital engagement into real purchase intent for Indian Gen Z (The Media Ant, 2022; HypeAuditor, 2024).

4.2.5 Dolly Singh (Indian Human Influencer) - Unfiltered Authenticity as a Cultural Anchor

Figure 6: Dolly Singh, a leading Indian human influencer, illustrates the "unfiltered" and "messy" human authenticity that fosters deep emotional investment and trust among Indian Gen Z. Source: Filmfare (2026).

Creation and Cultural Context

Dolly Singh is an Indian content creator who has amassed a huge following of 1.8 million on Instagram, as of 2026, by becoming the "funny, relatable friend". Her background is middle-class, and she never intended to become a digital star. She had a stable job before she started creating content full-time. Her persona is based on observational comedy and the development of different characters,

each of which challenges stereotypes and encourages body positivity (Tripathi, 2026).

Dolly is a special cultural landmark for Indian Gen Z. She often speaks about her introversion and her experiences with “imposter syndrome,” a sense of being a “fraud” despite her accomplishments. This self-disclosure and vulnerability are an effective way of showing Source Credibility through similarity. Her audience is not simply a fan of hers, but someone who sees her as one who "sharpened her ability to observe the world" through her own insecurities. Dolly's "lived human experience" is what makes her a trusted part of her followers' digital community, unlike virtual influencers who are programmed to be perfect.

Collaboration and Disclosure

Dolly's brand positioning is very strategic and woman-based. In terms of audience, data reveals that almost 78% of her followers are female, with her top audience segment being young women 18 - 34. She is an ideal fit for some of the top brands in the beauty and lifestyle industry, such as Nykaa, Olay, Myntra Beauty, and Ajio. A substantial part of her business plan is based on what she calls ‘micro-dramas.' Her hugely popular rom-com series, The Best Worst Date, comes to mind. With Disclosure, Dolly has developed her method in response to direct audience feedback. In the first season of her series, fans griped that there was “too much branding” in the short videos. In turn, she's been working on more "organic and subtle" partnerships, like Tresemmé and Safari Bags. This adaptability to the audience resonates with the Interactivity and Transparency aspects of the PISCOT framework. She is able to seamlessly integrate brand placements into her stories, making them feel like a natural part of the narrative, rather than a commercial intrusion, which helps to keep her content engaging without giving rise to the "advertising scepticism" that is often associated with AI-generated content.

Credibility and Authenticity Perception

Dolly Singh is statistically very credible with an audience credibility score of over 80%. Her comments reveal a strong emotional engagement from fans who see "identification and purpose" in her personal stories, as revealed by qualitative analysis.

Dolly is perceived as being high on Agency and Experience using Mind Perception Theory. Although an AI influencer such as Naina AVTR may display "designed emotional signals," Dolly offers "emotional depth," which is rooted in authentic emotions and bodily sensations. This makes her much more convincing when it comes to products like skin care or clothing that demand a "sensory review. In this study, participants reported that they feel more confident in the trustworthiness of a human such as Dolly because she can "feel" the texture of a product, while a virtual character does not have a "physical presence.

4.2.6 Emma Chamberlain (Global Human Influencer) - The Gold Standard of Lived Experience and Commercial Trust

Figure 7: Emma Chamberlain, a global human influencer, serves as the "gold standard" for relational credibility and illustrates the "Experience" advantage in Mind Perception Theory through her unfiltered and candid persona. Source: The New York Times (2019).

Creation and Cultural Context

Known as one of the first names to break the mould of the "perfect" social media aesthetic, Emma Chamberlain is widely recognised as the pioneer of the influencer industry. Her career started with raw, unedited videos that were filmed in her bedroom and featured her candidly discussing being bored, sad, or frustrated. Emma is the "gold standard" in the eyes of the Indian Gen Z because of her similarity, in terms of source credibility, to them. Even though she lives in the United States, her "candid chaos" and unapologetic character met a worldwide audience at a time when they were exhausted by overly polished content.

In terms of technology, Emma is the opposite of other AI models like Kyra or Naina. AI influencers are designed to be perfect, but Emma is designed to be "messy" and "unfiltered". She went from being a niche YouTuber to a B-list celebrity, and she even appeared at the Met Gala and worked with luxury brands like Louis Vuitton and Cartier. She has made this transition to high fashion, yet has still been true to herself by using her platforms to "meet the public where they're at". It's clear that for Gen Z, a "real" person who grows and evolves with their audience is much more psychologically connected, as proved by her success.

Collaboration and Disclosure

Emma Chamberlain has proved herself a "genius" at converting personal trust to commercial success. Her biggest endeavour to date is Chamberlain Coffee, a new brand she founded in 2020 to make her longtime iced-coffee addiction accessible in an ethically responsible way. Her personal credibility took effect right away, as the brand earned ₹8.35 Crore ($1 million) of sales within 30 minutes of its release (Chamberlain, 2024). The brand had generated revenue of around ₹183.7 Crore ($22 million) by 2024 and is expected to generate revenue of ₹275 Crore ($33 million) by 2025, which it has already done.

Emma is extremely transparent when it comes to Disclosure. Before becoming a partner, she needs to know a brand's "ethos behind the scenes" to make sure the content doesn't feel forced. This is exactly what the Transparency and Passion aspects of the PISCOT framework are about. For instance, her partnership with Pinterest to develop a “Sea Salt Toffee” coffee blend was built on real data that showed her what she believed the "Fisherman Aesthetic" would look like, so it was more of a true creative expression than a paid ad. The study found that they are shown to increase purchase intent over traditional ads.

Credibility and Authenticity Perception

Emma Chamberlain provides the "Experience" advantage in Mind Perception Theory. Unlike the virtual influencers, who don't have a body, Emma's fans have been watching her drink coffee and follow her day-to-day life for years. This "lived experience" results in an intense Parasocial Interaction (PSI) with her followers, who feel that they are "figuring things out" with her. Emma's engagement can be attributed to her authentic emotional connection, while AI influencers such as Lil Miquela may receive help from algorithmic optimisation, which influences their engagement.

According to the data, human creators such as Emma have a credibility score of more than 80%, while the virtual influencers have a score of approximately 50%. This is because humans are perceived to have high levels of both Agency (thinking and planning) and Experience (feeling and sensing). The reason Emma recommends a product is that her fans feel that she has tried it and has tested it out. Despite her growing age and the fact that some fans feel that her new “high fashion” style is not, her brand is still strong, as the foundation of her brand is real human history.

V. ANALYSIS & DISCUSSION OF FINDINGS

5.1 Quantitative Analysis

The research employed quantitative methods through a structured survey, which targeted Indian respondents. It aimed to assess the impact of AI identity disclosure and different influencer types (AI vs. Human) on consumer trust and purchase intention while studying how perceived authenticity functioned as a mediating factor. Respondents were evaluated using a 7-point Likert scale that ranged from 1 = Strongly Disagree to 7 = Strongly Agree to assess their beliefs across three main research objectives.

5.1.1 Demographic and Platform Context

The survey targeted "active power consumers" found in major Indian urban hubs like Bengaluru, Mumbai, Delhi, Chennai and others. Social media users who attend daily active sessions spend their time watching content on Instagram and YouTube. The demographic shows high "advertising literacy" and chooses to communicate through authentic peer-like methods instead of traditional marketing methods.

5.1.2 Analysis of Research Objectives

Respondent data reveals a significant "Trust-Action Gap". AI influencers own advanced technological

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abilities, yet they do not prove the same level of consumer trust which human creators maintain.

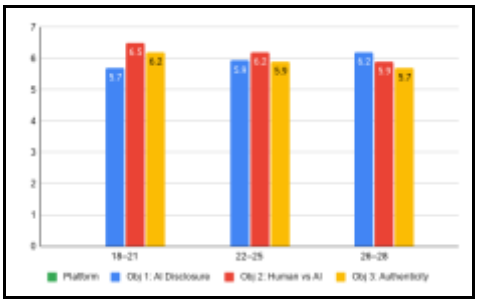

Figure 8: Comparative Mean Scores by Age Group, illustrating the generational shift in perceptions regarding AI Disclosure, Human vs. AI Preference, and Perceived Authenticity among Indian Gen Z. Source: Primary Data (Survey of Indian Gen Z respondents, 2026).

Objective 1: Impact of AI Disclosure on Trust
AI disclosure refers to the requirement of the 2024 - 2025 ASCI guidelines, which mandates organisations to display their non-human entities through explicit identification systems.

- Maturity Trend:

The research discovered that Gen Z consumers develop greater needs for transparent information as they reach adulthood. The 26 - 28 age group recorded the highest score for AI Disclosure, suggesting that older Gen Z members view honest labelling as a sign of brand integrity.

- The Effect:

Younger people who were between 18 and 21 years of age on YouTube received lower disclosure scores, which reached a value of 5.4, because they preferred to see the truth, yet the visible labels served as a "warning sign" that decreased their enjoyment of the digital character.

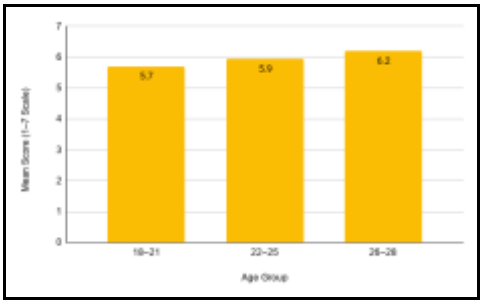

Figure 9: Impact of AI Disclosure Labels by Age Group, demonstrating the increasing demand for transparency as the Gen Z demographic matures.

Objective 2: Comparative Preference (Human vs. AI)
This objective measured the direct preference between synthetic influencers (like Kyra and Naina) and human benchmarks (like Kusha Kapila and Dolly Singh).

- Human Supremacy:

Human influencers consistently outperformed their AI counterparts in trust and purchase intent. The 18 - 21 Instagram group achieved human preference through their highest score, which is 6.6.

- The Experience Deficit:

The primary reason for this gap lies in the Mind Perception Theory. Respondents perceive humans as having both high "Agency", which is their ability to plan and high "Experience", which stands for their ability to feel. AI influencers are viewed as having high agency but zero experience, which makes them less effective at persuading people to buy "experience-heavy" products in beauty and wellness or food.

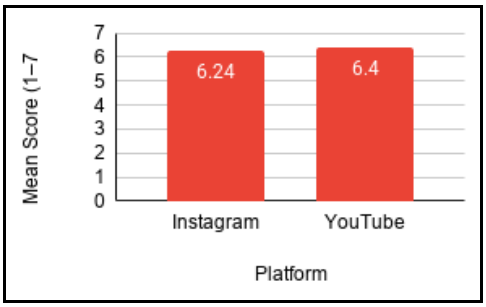

Figure 10: Preference for Human vs. AI Influencers by Platform, highlighting the sustained "Human Supremacy" in trust and purchase intent across Instagram and YouTube.

Objective 3: The Mediating Role of Perceived Authenticity

The PISCOT framework (Passion, Interactivity, Symbolism, Consistency, Originality, and Transparency) served as the measurement tool for evaluating authenticity.

- The Psychological Gatekeeper:

All platform user groups performed identity tests, which showed uniform authentic results between 5.7 and 6.3. The study results show that "being real" serves as the primary connection which drives customers to spend money on creator products.

- Case Contrast:

AI influencers such as Kyra present themselves through visually appealing content, yet their actual authenticity value decreases because audiences view their recommendations as corporate-sponsored material instead of personal decisions. Human creators like Emma Chamberlain achieve authentic performance results above 80% by displaying their complete "unfiltered" and "messy" human experiences.

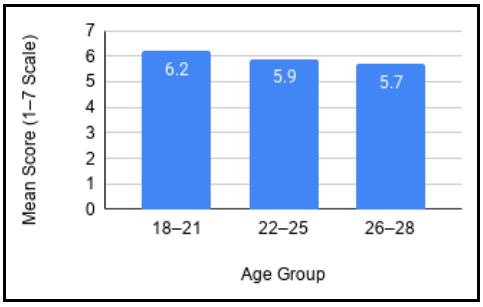

Figure 11: Perceived Authenticity Scores (PISCOT Framework), illustrating the consistently high value placed on authenticity by Indian Gen Z regardless of age sub-group.

5.1.3 Quantitative Conclusion

The table below highlights the exact numerical differences in how Indian Gen Z evaluates human and AI creators.

Table 2: Comparative Mean Scores for Human vs. AI Influencers Across Key Variables (1–7 Likert Scale). Source: Primary Data (Survey of Indian Gen Z respondents, 2026).

Variable	Human Influencers (Mean)	AI Influencers (Mean)	Standard Deviation
Consumer Trust	6.42	4.15	0.88
Purchase Intent	6.10	3.82	1.12
Perceived Authenticity	6.35	4.40	0.75

The quantitative results prove that AI influencers perform best in "low-emotion" domains, which include gaming and technology. The AI visual elements provide users with fresh experiences, which make them attractive to those fields. The Indian digital environment shows that human creators who make lifestyle content through emotional storytelling and sensory product demonstrations maintain their power to attract customers.

5.2 Thematic Analysis of Qualitative Interviews

The research used semi-structured interviews with nine participants to explore how people understand the "Trust-Action Gap" through their personal judgments. Indian Gen Z youth show three main themes through their interaction with synthetic and human scientific influences.

Theme 1: The "Uncanny Valley" and Visual Perfection: Participants showed a common response, which described how AI influencers create "hyper-realistic" synthetic digital personalities that cause them mental distress. Participants found Kyra's character design to be technically excellent, but they perceived her "fakeness", which made it hard for them to connect with her. One respondent (P2, Female, 21) explained her view of Kyra by saying: "When I see Kyra, it's like looking at a video game character trying to sell me a real life. She looks perfect, but it's an empty kind of perfect. There's no soul behind the eyes, and that makes me hesitate to trust her advice on something personal like skincare". The feedback shows that Mind Perception Theory experiences an "Experience" deficit because people perceive AI as having no human physical existence.

Theme 2: Relational Credibility vs. Algorithmic Novelty: Participants used the term "robotic" to describe AI systems because they generated predictable results, which differed from the unpredictable nature of human creators such as Emma Chamberlain. The focus group revealed that human influencers are viewed as friends or peers

whose vulnerabilities build Source Credibility. As one participant (P5, Male, 24) explained: "I follow Naina because the tech is cool, but I buy what Kusha recommends. With Kusha, I've seen her struggle, laugh, and be messy for years. Human history creates a bond that an algorithm just can't simulate. If an AI tells me a product is good, I know it's just code and a brand deal; if a human says it, I feel it's a shared experience."

Theme 3: Transparency in AI Disclosure: The 2024 - 2025 ASCI guidelines require companies to display clear indicators of AI usage, but their implementation results in two opposing effects. The participants valued truthful communication, yet the Virtual Influencer label functioned as a permanent reminder that the influencer lacked decision-making power. One interviewee (P1, Female, 25) remarked: "The 'AI-generated' tag is helpful for honesty, but it also ruins the illusion. Once I see that label, I at once stop seeing them as a person and start seeing them as a high-end advertisement. It closes the door on any real friendship or trust". The research shows that Indian Gen Z requires transparency to show ethical standards, while transparency hinders their ability to form genuine social relations, which drives their intention to buy products.

5.3 Case Study Comparative Analysis

The research results examine six case studies, which include three AI influencers and three human benchmarks to study their methods of solving the "Trust-Action Gap" in actual situations. The analysis proves how organisations implement the PISCOT framework together with Mind Perception Theory.

5.3.1 The AI Frontier: Kyra, Naina, and Lil Miquela

The AI influencers analysed show that technology enables the wide distribution of content, but it reaches a "trust ceiling" which stops users from acting after they become aware of it.

- Kyra (India's First AI Star):

The "novelty factor" brought Kyra 100,000 new followers, but her engagement rate now stands at 1.2%, which falls below typical human engagement levels. Her case proves that technical perfection cannot replace the lived experience needed for lifestyle products.

- Naina AVTR (India's Pioneer):

Naina AVTR constructs an Indian Gen Z relatable character through her "small-town girl" backstory. Naina AVTR meets an "Experience deficit" which prevents her from using her interactive abilities to perform with human actors. Consumers hesitate to buy her recommendations because she cannot truly "taste" or "feel" the products.

- Lil Miquela (Global Benchmark):

Miquela achieves the highest AI interaction rate of 3.6% because of her system design, which enhances user engagement through algorithmic optimisation. Her 2018 disclosure controversy shows how "faking" humanity creates problems, which made her choose complete openness to sustain her "parasocial" relationship with fans.

5.3.2 The Human Benchmark: Kusha, Dolly, and Emma

Human influencers achieve better purchase results because they use "relational credibility", which allows them to establish trust with their audience.

- Kusha Kapila:

Kusha develops strong trust relationships through her individual experiences and her "unsponsored real talk" approach. Underneat her brand, she achieved commercial success because it served more than 200,000 customers in eight months. Her engagement far exceeds that of AI Influencers that is 3% to 5%.

- Dolly Singh:

Dolly Singh achieves a credibility score above 80% because her "unfiltered" and "messy" human existence functions as a dependable cultural foundation. Fans invest emotionally in her stories because they trust her reviews, which she delivers through her physical body presence that AI technology cannot replicate.

- Emma Chamberlain:

Emma Chamberlain creates her brand through a worldwide "gold standard" that defines her image as "messy" and "unfiltered". Her personal credibility allowed her coffee brand to generate more than ₹8.35 Crores and above ($1 million) in sales in just 30 minutes, proving that a real human history is the

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ultimate psychological gatekeeper for spending money.

Table 3: Cross-Case Comparative Analysis of AI and Human Influencers Across Strategic, Psychological, and Commercial Dimensions. Source: Compiled by researchers from primary survey data, qualitative interviews, and secondary influencer analytics

Metric	Indian AI Influencers (Kyra & Naina AVTR)	Global AI Influencer (Lil Miquela)	Indian Human Influencers (Kusha Kapila & Dolly Singh)	Global Human Influencer (Emma Chamberlain)
Primary Strength	Technological novelty, cultural localisation ("city girl" and "small-town girl" backstories)	Algorithmic visual optimisation, global luxury brand reach	Emotional depth, relational credibility built through shared cultural identity	"Candid chaos" aesthetic; long-term parasocial bond through unfiltered authenticity
Mind Perception	High Agency / Zero Experience	High Agency / Zero Experience	High Agency / High Experience	High Agency / High Experience
Engagement Rate	Kyra: 1.2% (driven by novelty); Naina: Higher via transmedia (podcast, drama)	3.6% (algorithmically optimised for visual perfection)	Kusha: 3 - 5%;	Driven by genuine emotional investment, the credibility score is over 80%
Disclosure Approach	Kyra: Initially subtle; now ASCI-compliant explicit label. Naina: Proactive transparency ("Virtual Superstar" bio, behind-the-magic content)	Initially concealed (2018 Controversy); now fully transparent ("19-year-old Robot living in LA")	Transparency embedded in storytelling (e.g., Kusha's "What to Wear Under" series; Dolly's audience-driven ad integration)	Extreme transparency; vets brand ethos before partnering; partnerships feel like creative expressions
Disclosure Impact	Reminds audience of synthetic nature; reduces "parasocial magic"	Reinforces novelty branding; fans accept robot identity as part of the persona	Strengthens authenticity; disclosure woven into a relatable narrative	Deepens trust; the audience believes in the genuine passion behind every endorsement
PISCOT Strengths	Consistency (algorithmic), Interactivity (Naina's live engagements), Symbolism (local cultural identity)	Consistency, Passion (social justice advocacy), Symbolism (global "cool-girl" identity)	Transparency, Interactivity, Passion, Originality	Passion (coffee obsession), Transparency, Originality, Consistency
PISCOT Weaknesses	Passion (brand-controlled), Transparency (Kyra's early concealment), Originality (scripted content)	Transparency (historically poor), Passion (perceived as programmed), Originality (algorithmically curated)	Non-significant; minor risk of over-commercialisation (Dolly's early series received audience pushback on ad density)	Symbolism gap for Indian Gen Z (perceived as culturally distant despite global appeal)
Purchase Intent	High for Tech, Gaming, and Futuristic products; Low for Lifestyle and	High for Luxury Fashion and Tech; Low for sensory-based	High for Lifestyle, Beauty, Fashion, and Wellness	High for Lifestyle, Coffee, and any category with a long-term

	Beauty	lifestyle products		personal narrative
Trust-Action Gap	High gap - strong awareness but low conversion for emotional products	Moderate gap - strong engagement but conversion limited by "Experience Deficit"	Low gap - relational credibility converts followers to buyers	Very low gap - personal history and lived experience make recommendations feel like peer advice
Best Strategic Use	Top-of-funnel awareness, tech/gaming campaigns, innovation-signalling	Global luxury and tech campaigns; novelty marketing; cultural commentary	Bottom-of-funnel conversion, lifestyle and beauty sectors, D2C brand launches	Bottom-of-funnel conversion, global lifestyle brands, long-term community building

The study results prove that AI influencers provide brands with nonstop access, while they present no danger of scandal, yet human connection remains the strongest factor that drives customer loyalty and buying behaviour in Indian markets that rely on emotional connections.

5.4 Triangulation and Convergence of Findings

The researchers employed a mixed-method approach that combined three different research methods to investigate three main research themes of the study.

Theme 1: The Trust-Action Gap: The research confirmed through all methods that Indian Gen Z people who like AI technology will not make purchases. The quantitative results which showed a 6.6 human preference score matched the qualitative assessment of AI as "empty perfection." The case studies demonstrated commercial validation because they showed that human relational credibility led to better conversion rates than Kyra's 1.2% engagement with Emma Chamberlain's ₹8.35 crore sales launch.

Theme 2: The Disclosure Paradox: The research demonstrated that AI labeling systems create disturbances in the development of parasocial relationships. Older members of Gen Z (26-28) perceive disclosure to be "brand accountability" (6.2 score) while younger members (18-21) interpret it as a "warning sign" (5.4 score) which destroys the entertainment "magic."

Theme 3: Authenticity as Primary Mediator: The PISCOT framework showed the strongest convergence. The interviews which focused on "unfiltered human history" revealed stable numerical results through the entire range of 5.7 to 6.3. Kusha Kapila's case study which showed an annual recurring revenue of ₹150 crore achieved commercial success because of his dedication to his work and authentic communication with customers. The research results demonstrate that authenticity serves as the essential psychological barrier which prevents Indian Gen Z customers from making purchases.

5.5 Key Findings

The integrated analysis of the quantitative survey, qualitative interviews, and case study comparisons leads to the following five major conclusions:

- The Trust-Action Gap:

AI influencers' "novelty factor" drives high brand awareness for Kyra and Naina, yet they do not drive purchase intent for lifestyle products because they lack "Lived Experience".

- Human Relational Credibility:

Kusha, Dolly, and Emma, as human influencers, sustain their audience credibility through their human presence at more than 80% level. The creators achieve success through their presentation of "unfiltered" human stories, which creates a strong parasocial connection that AI technology currently cannot duplicate.

- The Disclosure Paradox:

ASCI requires companies to display AI content through explicit AI labelling, which enables transparency yet creates a psychological barrier. Gen Z uses "AI label" to shift their belief from viewing a "peer" to finding an "advertisement".

- Sector-Specific Effectiveness:

AI influencers currently demonstrate their strongest persuasive power across "low-emotion" sectors, which include Gaming and Technology, because

these industries prefer a visual display of hyper-competence over emotional connection.

- Authenticity as the Gatekeeper:

All demographic groups use Perceived Authenticity according to the PISCOT framework as their main trust mediator. The absence of transparency and passion from a creator leads to decreased purchase intent for products, regardless of whether they stand for human or synthetic identity.

5.6 Interpretation of Results

The study results prove how Indian Gen Z engages with AI influencers in the digital environment. The technology can create characters that look "hyper-realistic", but human brains still differentiate these characters from actual people. The research shows "Trust-Action Gap" as its primary discovery (Islam, 2025). Young Indians enjoy AI influencers enough to "follow" or "like" them, but they are still unwilling to make actual purchases.

The combined results from the survey and case studies prove that Kusha Kapila and Dolly Singh prove relational credibility, which AI systems currently lack. Human creators have an audience credibility score of over 80%, while AI influencers like Kyra hover around 49%. Mind Perception Theory provides the required framework to analyse this gap. Indian Gen Z believes AI influencers have high "Agency" because they display intelligence and the ability to function without interruption. However, they are perceived to have zero "Experience." The AI system cannot recommend personal choices because it will "taste" new snacks or "feel" the texture of a saree.

The PISCOT framework (Passion, Interactivity, Symbolism, Consistency, Originality, and Transparency) proved the primary connection that led to purchase intent. The results show that authenticity scores for human creators remained high (5.7 to 6.3 on a 7-point scale) because they share "unfiltered" and "messy" life stories. AI influencers like Kyra create visual perfection, which triggers the "Uncanny Valley" effect that makes them appear "soulless" while decreasing their authenticity for personal products like skincare.

5.7 Unexpected Results and Research Implications

The "Disclosure Paradox", which affects the 2024 - 2025 ASCI guidelines, exists as the most unexpected discovery in this research. The qualitative interviews showed that people consider AI labelling to be transparent, yet they consider AI labelling to serve as a "warning sign" of impending danger. The label "AI-generated" causes users to change their view of a "peer" into a "billboard", which makes the emotional connection impossible.

Another unexpected result: research found Gen Z age groups show different results than expected. Older members (ages 26 - 28) praised the labels as a sign of "brand integrity," while younger members (ages 18 - 21) felt the labels ruined the "magic" and entertainment value of the character.

5.8.1 Implications for the Brands

- Hybrid Model

Brands should use AI influencers for "Top of Funnel" awareness and high-tech visual appeal, but switch to human creators for the final "Bottom of Funnel" purchase decision.

- Creative Disclosure

The "Warning Sign Effect" needs a solution through brands using content which shows their operational processes instead of using basic labelling systems. Showing the human team behind the AI can help build "Secondary Authenticity".

- Operational Control

Brands use AI influencers because they provide continuous service and eliminate the chance of personal misconduct, which makes them ideal for extended "always-on" marketing campaigns in the growing ₹2,200 crore Indian influencer market.

VI. CONCLUSION & RECOMMENDATIONS

6.1 Conclusion

The research study aimed to examine how different types of AI systems and their identity disclosure affected Indian Gen Z users' trust and purchasing behaviour. The research team has proven psychological and economic patterns through their examination of data from urban surveys and social media user interviews and their study of six major case studies, which revealed how the ₹2,200 crore influencer market is currently used in India. The study investigates how modern technology challenges

historical human development while proving the Trust-Action Gap as the main obstacle that prevents synthetic influence from succeeding in the Indian digital market.

The proposed hybrid strategy proves that Indian influencers will succeed through human-AI partnerships rather than through automated AI systems. The cross-dimensional interaction shows how Kusha Kapila, a human icon, interviews Naina AVTR, an AI avatar, on The nAlna Show. The human influencer gives Gen Z their desired experience through emotional depth, which combines with an AI influencer who provides them with technological novelty through its agency. Through AI human trust-based relationships, brands can use human social trust to fill the Trust-Action Gap. The AI system manages early customer interactions while the human creator handles final purchase decisions. The system achieves all six PISCOT framework requirements through human transparency, which proves the AI system maintains its predefined operational behaviour.

The conclusion shows that the "Trust-Action Gap" serves as the primary characteristic which defines how Indian Gen Z interacts with AI influencers. The research shows that AI pioneers Kyra and Naina AVTR achieve substantial top-of-funnel metrics, which include fast follower increases and millions of video views based on their computer-generated content, but their audience interest does not lead to actual purchase intent at the bottom-of-funnel stage.
Kyra gained 100,000 followers within months after launching her social media account in 2022, but maintained an engagement rate of 1.2%, which falls below the 3% to 5% range that human creators achieved through their work with Kusha Kapila. The gap exists because Indian Gen Z members view AI influencers as digital art which entertains them instead of viewing AI as authentic social partners. The financial success of Kusha Kapila's brand Underneat, which achieved an Annual Recurring Revenue of ₹150 crore and served 200,000 customers within eight months, proves that trust built through shared human history is still the most effective commercial conversion factor in India (BW Retail World, 2026).

Mind Perception Theory serves as the theoretical foundation which this research uses to reveal the psychological process that creates this research gap. Indian Gen Z delegates AI influencers with high "Agency" because they believe AI influencers can make plans and perform tasks while controlling their actions. But they deny AI influencers have any "Experience," which includes the ability to feel sensory experiences and develop emotional connections. AI entities cannot experience physical products because they lack human presence, which forces them to deliver endorsements as brand-controlled scripts instead of genuine personal recommendations. The "Experience Deficit" causes human benchmarks like Dolly Singh and Emma Chamberlain to achieve audience credibility scores above 80% while AI influencers such as Kyra stay at 49%. The qualitative interviews supported this conclusion because participants explained that they follow AI characters for "cool tech vibes", but human beings provide "real talk" on skincare and wellness products, which require sensory empathy as an essential element.

The analysis confirmed authenticity as the main factor which helps influencers create a bridge between their audience's recognition and their actual behaviour. The study used the PISCOT framework, which includes Passion, Interactivity, Symbolism, Consistency, Originality, and Transparency, to show that AI influencers experience their greatest challenges in the Passion and Transparency dimensions. Virtual influencers achieve high levels of Consistency and Interactivity through their algorithmic optimisation, but people perceive them as "hollow" because they do not own the "unfiltered" and "messy" human history, which Gen Z desires. The research shows that Indian consumers consider authenticity to exist when visual perfection meets the standard of "Relational Credibility." Emma Chamberlain's unedited vlogs generated substantial sales within 30 minutes for her coffee brand because, over time, which she shares with her audience, she built a psychological bond which current technology cannot replicate. AI identity disclosure creates major policy and psychological difficulties which affect the Indian market. The study found the "Disclosure Paradox", which says that the 2024 - 2025 ASCI guidelines require direct and visible labelling to

maintain ethical transparency, but these labels function as "warning signs" which break the consumer's emotional bond with the product. The research results demonstrate that there exists a definite demographic division because older Gen Z members (ages 26 - 28) associate AI disclosure with "Brand Integrity" while younger members (ages 18 - 21) consider the labels to destroy the "magic" which turns their view of the character from a "peer" into a "synthetic advertisement". The research shows that Gen Z members develop their "advertising literacy" in two stages because they first seek entertainment before wanting businesses to take responsibility, but advertising disclosure still acts as a barrier which prevents customers from developing the emotional bond that drives successful business transactions.

The research found that AI influencer effectiveness depends on the industry sector because it confirms a current understanding of the "Match-Up Hypothesis." AI influencers in the "low-emotion" sectors of gaming, consumer electronics and futuristic tech operate with greater success than human methods because their digital nature brings "hyper-competence" and objectivity, which these categories need. In "high-emotion" sectors such as wellness, fashion and beauty, human influencers are still more persuasive because these products require sensory empathy and a "physical presence" that computer code lacks. The AI-driven podcast Naina AVTR conducts celebrity interviews through "transmedia storytelling", which proves a connection between two different media. However, her 120-language capability does not establish deep trust with the audience because they continue to doubt her "subjective feelings".

Finally, the comparative study between global influencers and local influencers shows that Indian Gen Z residents of metropolitan areas prefer local heritage "backstories." Global celebrities such as Lil Miquela set the industry standard for technology, yet Indian content creators who incorporate local cultural elements reach greater "wishful identification" success with local audiences. The local content supports its connection to the community, yet the "Uncanny Valley" effect creates a problem because the interviews revealed that people experience "soullessness" when they meet extremely perfect visual elements. The research shows that trust serves as the psychological gatekeeper which controls all purchase decisions for Indian Gen Z consumers. The "messy" nature of human existence leads to the highest success in transforming digital followers into dedicated customers, according to all evidence of AI innovation.

6.2 Future Readiness for the Generative Shift in Synthetic Media

The domain of synthetic influence now evolves from using unchanging pre-rendered characters towards developing interactive characters who operate through Generative AI (GenAI) technology. The current Indian creators, Kyra and Naina, deliver content through prewritten scripts and prearranged CGI sequences, yet the introduction of Sora and Veo high-fidelity video models proves a new way to solve the "Consistency vs. Originality" conflict found within the PISCOT framework. Virtual influencers today lack "Originality" because their CGI elements require expensive production processes, which take time to create, resulting in content that follows predictable patterns.

The digital characters in this software use real-time generative video to create their own interactive experience through "Liquid Personas", which enables them to respond to currently popular Indian cultural events and their individual users through the same unpredictable behaviour that gives Emma Chamberlain her genuine human appeal. The tools enable people to create "messy" human micro-expressions by reducing the technical requirements needed to produce realistic human expressions, which enables synthetic media to escape the Uncanny Valley while AI influencers receive "Lived Experience" cues through skin texture changes and product response details, which Gen Z currently sees as missing from their abilities.

The "Experience Deficit", which Mind Perception Theory shows will receive new obstacles, because GenAI develops better transmedia storytelling methods. AI systems now produce authentic audio-visual outputs that demonstrate human physical sensations through their ability to generate realistic audio-visual outputs which display human micro-expressions during food tasting and texture touch

experiences. The upcoming developments will enhance the "Interactivity" aspect of the PISCOT framework through virtual influencers who will interact with viewers by taking part in real-time, unscripted live-streaming and creating customised video testimonials. The research proves that human "relational credibility" currently functions as the strongest conversion factor, while the "Uncanny Valley" effect will reach its maximum point when realistic synthetic media becomes standard in the ₹2,200 crore Indian influencer market.

Lastly, the ASCI regulatory guidelines will require organisations to implement technical watermarking systems instead of using basic disclosure labels because synthetic media now constantly changes. Brand needs to establish authenticity and trust by displaying its human creative teams together with its ethical AI methods, which create the character. Marketers can build transparent systems through their human-based "algorithm" model system, which helps them understand how digital work leads future Indian customers to actual buying decisions.

6.3 Limitations of the Study

The study used a mixed-method approach, but its findings need to address all existing constraints because they create academic study boundaries.

- Sample Size:

The quantitative survey collected data from 65 respondents. The study achieved descriptive results which corresponded to qualitative research but did not represent all 377 million Gen Z Indians who currently live in India.

- Geographic Scope

The study examined participant data, which came from urban centres and semi-urban areas that included Bengaluru, Mumbai, Delhi, Chennai and other cities. The research did not capture all Gen Z responses from Tier 2 and Tier 3 cities because Naina AVTR's "small-town" backstory only reaches urban locations.

- Temporal Constraints:

The study examined data from one specific period, which spanned the years between 2024 and 2025. Consumer scepticism will decrease as AI develops better "Mental Human-likeness" capabilities and synthetic entities achieve standard status for advertising.

- Self-Reported Bias:

The study obtained data from surveys and interviews, which depended on participants to report their future buying behaviour. The "Trust-Action Gap" shows that consumers do not match their actual credit card spending with what they declare on a 7-point scale.

6.4 Future Research and Recommendations

6.4.1 Future Research Directions

- Longitudinal Tracking:

The future research studies should track the same cohort for a period between three and five years, according to the study specifications, which will investigate whether Gen Z members can learn to use algorithms instead of experiencing the "Uncanny Valley" effect (Mori, 1970).

- Cross-Cultural Comparison:

The research study will compare Indian urban metropolitan Gen Z members with their US and China counterparts to determine which aspects of the "Experience Deficit" research apply to all cultures and which aspects of Indian culture value relationships.

- Platform Specific Impact:

The research study should examine whether AI disclosure creates more powerful "Warning Sign Effects" on platforms that prioritise visual content than on platforms that deliver detailed information, such as YouTube and LinkedIn.

6.4.2 Future Recommendations

- Adopt a “Hybrid-Strategy”

Brands should establish a partnership between AI technology and the human workforce to deliver their marketing activities. AI influencers should serve as "Top of Funnel" marketing tools because they display advanced visual content to attract customers, which will generate their first contact with Kusha Kapila, who serves as a human creator (Belanche et al, 2021).

- Creative Disclosure Beyond Labels:

Marketers must develop their marketing approach beyond ASCI-required labels by displaying original content from their ASCI-required labels. The public display of human team members and the full creative process behind an AI system named Naina will create "Secondary Authenticity," which allows the media connection to continue.

- Strict Adherence to ASCI Guideline:

Brands must uphold their permanent corporate values even if it creates a risk of losing their business "magic" according to ASCI rules. The absence of AI identity disclosure creates major ethical problems, which result in legal fines that can reach ₹50 lakh and damage brand reputation in India's expanding ₹2,200 crore market.

● Prioritise the PISCOT Pillars:

The creators of AI systems need to develop solutions which will eliminate the "Experience Gap" through two methods. The first method involves creating virtual environments where characters can interact with real humans. The second method uses "moment marketing" to create authentic experiences that replicate "candid chaos" from everyday life.

In conclusion, artificial intelligence influencers provide a groundbreaking digital innovation platform. However, these AI influencers cannot substitute for human history, which holds "messy" elements that serve as psychological barriers for Indian Gen Z consumers living in metropolitan areas.

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