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# PUBLIC PERCEPTION AND TRUST IN AI FOR FRAUD DETECTION AND INFLUENCER AUTHENTICITY IN INFLUENCER MARKETING

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## Abstract

The rapid growth of influencer marketing has created diverse opportunities for the brands to interact with the consumers. At the same time, concerns regarding manipulated follower counts, artificial engagement and questionable influencer authenticity have become increasingly relevant. Artificial Intelligence (AI) is used as a technological mechanism for finding skeptical patterns and supporting fraud detection. However, the use and acceptance of these systems are largely influenced by consumers' perceptions and trust.

The present study focuses trust and concerns of consumers regarding AI-driven fraud detection and consumer attitudes towards transparency, AI-based verification and measures intended to strengthen authenticity in influencer marketing. The study adopts a descriptive research design and uses primary data collected from 70 respondents through a structured questionnaire. The findings show that respondents demonstrate cautious acceptance of AI-driven fraud detection. Half of the respondents reported that they somewhat trust AI, whereas complete trust was comparatively limited. Concerns relating to transparency, privacy, false identification and possible bias were also identified. The findings further reveal that consumers attach considerable importance to transparency and generally support AI-based verification systems. Respondents also expressed favourable opinions regarding the use of AI tools by brands while evaluating influencers for collaboration. The study concludes that AI can contribute to improving authenticity in influencer marketing, but its acceptance depends on the development of transparent, reliable and accountable systems.

**Keywords:** Artificial Intelligence, Influencer Marketing, Consumer Trust, Fraud Detection, Transparency, AI Verification, Influencer Authenticity.

## 1. Introduction

Social media has changed the way brands communicate with consumers. Influencer marketing, in particular, has become a common method through which brands reach audiences and promote products or services. The effectiveness of an influencer often depends on how the audience perceives that person's credibility. Follower numbers and

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engagement are frequently used as indicators of popularity; however, these figures may not always represent genuine audience activity.

The use of fake followers and artificially created engagement can give an exaggerated picture of an influencer's actual reach. Such practices may mislead consumers as well as brands that depend on these indicators while selecting influencers for collaboration. As the volume of social media activity is large, identifying suspicious patterns manually can be difficult. AI-based systems may therefore be useful in examining follower behaviour and engagement patterns and in identifying possible irregularities.

At the same time, the acceptance of AI cannot be understood only in terms of its technical ability. Consumers may have questions about how AI reaches a conclusion, what data are used and whether a genuine influencer could be incorrectly identified. Their perception of the system can therefore influence the extent to which AI-based fraud detection is trusted and accepted. Transparency also becomes important because consumers expect both influencers and the systems used to verify them to operate in a credible manner. Against this background, the present study focuses on consumer trust and concerns regarding AI-driven fraud detection and on attitudes towards transparency and AI-based verification.

## 2. Objectives of the Study

1. To assess the level of consumer trust and concerns regarding AI-driven fraud detection in influencer marketing.
2. To examine consumer attitudes towards transparency, AI-based verification and measures for ensuring authenticity in influencer marketing.

## 3. Research Methodology

The study follows a descriptive research design. Primary data were collected from 70 respondents using a structured questionnaire. The questions relevant to the present study covered trust in AI-driven fraud detection, concerns regarding the use of AI, the importance of transparency, actions expected from social media platforms, support for AI-based verification and the use of AI by brands. The responses relating to the two objectives were examined through frequency and percentage analysis. The conclusions are based on the views expressed by the selected respondents.

## 4. Analysis and Interpretation

### 4.1 Demographic Profile of the Respondents

| Particulars | Category | Number | Percentage |
|---|---|---|---|
| **Gender** | Male | 21 | 30% |
| | Female | 49 | 70% |
| **Age** | Below 18 years | 5 | 7% |
| | 18–25 years | 10 | 14% |
| | 26–35 years | 36 | 52% |
| | 36–45 years | 9 | 13% |

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| Particulars | Category | Number | Percentage |
|---|---|---|---|
| | Above 45 years | 10 | 14% |
| **Academic Background** | Below XII Standard | 6 | 9% |
| | Undergraduate | 19 | 27% |
| | Postgraduate | 30 | 43% |
| | Professional Degree | 10 | 14% |
| | Others | 5 | 7% |
| **Usage of Social Media** | Daily | 63 | 90% |
| | A few times a week | 4 | 6% |
| | Rarely | 3 | 4% |
| | Never | 0 | 0% |
| **Most Frequently Used Platform** | Instagram | 43 | 62% |
| | Facebook | 10 | 14% |
| | YouTube | 15 | 21% |
| | LinkedIn | 2 | 3% |

### 4.2 Consumer Trust in AI-Driven Fraud Detection

The responses show that 50% of the respondents somewhat trust AI-driven fraud detection. Only 8.6% reported complete trust, while 37.1% remained neutral. The proportion expressing distrust was comparatively small. This pattern suggests that respondents are not rejecting AI-based fraud detection, but many are still hesitant to depend on it completely. Their neutral or moderate responses may reflect the need for greater confidence in the accuracy and functioning of such systems.

### 4.3 Concerns Regarding AI-Based Fraud Detection

The largest group of respondents, 41.4%, identified lack of transparency in the way AI detects fraud as their main concern. Privacy concerns were reported by 24.3%. The possibility of wrongly identifying genuine influencers and concerns about AI bias were reported by 15.7% each. These responses show that consumer concerns extend beyond the technical ability of AI. Respondents also appear to be concerned about whether the process is understandable, fair and capable of avoiding harmful mistakes.

### 4.4 Fake Followers and Consumer Trust

A clear response was obtained when respondents were asked how they would react after discovering that an influencer had fake followers. About 65.7% stated that they would stop following the influencer, while 31.4% said that their reaction would depend on the extent of the fraud. Only 2.9% felt that it would not matter. The result shows that authenticity has a direct connection with consumer trust. Once the credibility of an influencer is questioned, the audience may reconsider its willingness to continue engaging with that person.

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### 4.5 Importance of Transparency

Transparency was considered very important by 64.3% of respondents when deciding whether to trust an influencer. Another 17.1% considered it somewhat important. The result suggests that consumers do not evaluate influencers only on the basis of popularity or content; openness and credibility also influence their judgement. This makes transparency an important aspect of maintaining audience confidence in influencer marketing.

### 4.6 Measures Expected from Social Media Platforms

When asked about possible measures to reduce influencer-related fraud, 38.6% preferred better transparency regarding follower authenticity. Educating users about fake followers and fraud detection was preferred by 22.9% of respondents. Stricter AI-based monitoring accounted for 20%, while 18.6% supported penalties for the use of fake engagement. These responses suggest that consumers expect platforms to play an active role instead of leaving the responsibility entirely to individual users. A combination of transparency, awareness and monitoring may be more useful in addressing the issue.

### 4.7 Support for AI-Based Verification

Support for AI-driven verification was generally favourable. Around 44.3% strongly supported such systems and 34.3% somewhat supported them. Together, this represents 78.6% of the respondents. The result is noteworthy because it shows that concerns about AI do not necessarily lead to opposition. Respondents appear willing to accept AI-based verification when they believe that it can help improve authenticity, provided that the technology is used responsibly.

### 4.8 Use of AI by Brands Before Collaboration

More than half of the respondents, 52.9%, believed that brands should use AI-based tools to assess influencer credibility before collaboration. Another 42.9% felt that the decision could depend on the reputation of the influencer, while only 4.3% considered AI verification unnecessary. The responses show a generally positive attitude towards using AI as an additional source of information while evaluating potential influencer partnerships.

## 5. Major Findings

- Consumer trust in AI-driven fraud detection is moderate rather than complete.
- Lack of transparency is the leading concern associated with AI-based fraud detection.
- Privacy, possible bias and the risk of incorrect identification are additional concerns.
- The discovery of fake followers can negatively affect consumer trust in an influencer.
- Transparency is considered important while deciding whether an influencer is credible.
- Respondents expect social media platforms to improve follower authenticity information and strengthen efforts against fraud.

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- Most respondents support AI-driven verification and favour the use of AI tools by brands before collaboration.

## 6. Suggestions

- AI systems used for fraud detection should provide clearer explanations of their outcomes.
- Accuracy should be strengthened and important cases may require additional review.
- Platforms should communicate responsible data practices and privacy safeguards clearly.
- Greater transparency regarding follower and engagement authenticity may improve consumer confidence.
- Users may be educated about fake engagement and the role as well as limitations of AI-based detection.
- Brands may use AI insights as one of several factors while selecting influencers for collaboration.

## 7. Conclusion

The study examined consumer trust and concerns regarding AI-driven fraud detection and their attitudes towards transparency, AI-based verification and measures for ensuring authenticity in influencer marketing. The responses show that consumers are generally receptive to the use of AI, but their trust remains cautious. Complete confidence is limited, and transparency is the most prominent concern. Privacy, possible bias and incorrect identification also influence how respondents view AI-based fraud detection.

At the same time, the study shows a strong preference for authenticity in influencer marketing. Fake followers can affect consumer trust, and respondents attach considerable importance to transparency. Most of them also support AI-based verification and believe that brands can use AI tools while assessing influencer credibility. The results suggest that AI can be useful in improving authenticity, but its acceptance will depend on how responsibly and transparently it is implemented. Greater accuracy, clearer communication and appropriate safeguards may help build stronger consumer confidence in AI-driven fraud detection.