CARSON COLLEGE OF BUSINESS

2024 REPORT ON ETHICAL MARKETING

WASHINGTON STATE UNIVERSITY
Carson College of Business

EXECUTIVE SUMMARY

Washington State University's Carson College of Business conducted the 2024 Ethical Marketing Survey to generate insights into American opinions on AI, mis- and disinformation, the influencer marketing sector, and more. The survey was designed to explore the excitements and concerns of the new technologies, confidence in identifying AI-generated content, government and business interventions and best practices, and current and future use cases and their impact on the day-to-day lives of Americans.

METHODOLOGY

The survey was conducted online from October 7 to October 18, 2024 among 1,000 American adults. The survey sample is demographically representative of the U.S. population in terms of age, gender, geographic region, race and ethnicity, and education; U.S. Census data were used as targets for data weighting on these variables.

KEY FINDINGS

1. **Americans are skeptical about AI's growing role in marketing.** Despite potential benefits, AI-generated marketing rarely improves brand perception. Furthermore, Americans expect clear disclosure of AI use, with 76% agreeing it is important for companies to be transparent about AI in marketing, and 53% strongly agreeing.

2. **Familiarity and comfort with AI in marketing vary significantly across generations and genders.** When comparing generations, Millennials stand out as the most accepting, with 49% comfortable with marketers using AI, compared to about a third of Gen Z, Gen X, and Boomers. Millennials lead in their comfort with AI across various contexts. Regarding gender, men consistently tend to be more comfortable with AI in marketing compared to women. While 43% of men are comfortable with marketers using AI, only 32% of women feel the same.

3. **Americans are generally not confident in their ability to spot mis- and disinformation online.** However, confidence in identifying mis- and disinformation is notably higher among frequent social media and AI users. 64% of frequent social media users feel assured in spotting misleading content, compared to 45% of less frequent users.

4. **Honesty and transparency are central to ethical marketing for most Americans.** However, many believe companies are not marketing ethically today, despite the widespread belief that ethical practices benefit businesses in the long term. Less than half (40%) of Americans feel companies market ethically today, and 69% think marketing practices are either the same or worse than five years ago.

5. **Americans hold mixed opinions on the adequacy of existing regulations,** especially around consumer privacy in marketing and the spread of mis- and disinformation. These views vary significantly across generations and political affiliations

6. **Americans remain uneasy with the volume of personal data marketers collect,** with 40% disagreeing that the current amount is acceptable and 37% doubting that regulations sufficiently protect their privacy

KEY FINDING 1: AMERICANS ARE SKEPTICAL ABOUT AI'S GROWING ROLE IN MARKETING

Americans are generally skeptical about AI's growing role in marketing. Only 37% are comfortable with its use in marketing and 94% express concerns about some aspect of the technology being employed in this area. Key worries include deceptive AI-generated content (39%), fears of job loss (34%), and privacy violations and data misuse (32%). While AI's potential to improve consumer experiences—such as through better search results (37%), customer support (32%), and customized offers (30%)—is acknowledged, discomfort is highest around AI-driven dynamic pricing, with 47% expressing discomfort and with AI-generated content being used in political campaigns and messaging (57% uncomfortable).

Despite potential benefits, AI-generated marketing rarely improves brand perception. Only 19% reported a positive impact after encountering such content, while 42% said it left a negative impression. While nearly all Americans (90%) believe AI is currently being used by marketers in some form (mainly to generate media or content 69%), a very large share of Americans (42%) aren't sure if they've ever encountered AI-generated marketing content.

Americans expect clear disclosure of AI use, with 76% agreeing it is important for companies to be transparent about AI in marketing, and 53% strongly agreeing. However, there is a widespread belief that current regulations fall short; only 28% feel regulations sufficiently govern AI in marketing, indicating a significant gap between public expectations and perceived oversight.

Frequent AI and social media users generally view AI more favorably of AI in marketing, which may stem from greater familiarity. Among those who have used AI in the past month, 49% are comfortable with marketers using AI, compared to 19% of non-users. This comfort extends to specific applications: 56% of recent AI users are comfortable with AI-driven chatbots (vs. 28% of non-users), and 50% support AI-personalized ads (vs. 25%). Social media enthusiasts similarly report greater acceptance of AI-driven personalization, showing how regular exposure may promote acceptance of new technologies like AI.

KEY FINDING 2: FAMILIARITY AND COMFORT WITH AI IN MARKETING VARY SIGNIFICANTLY ACROSS GENERATIONS AND GENDERS

Generational differences shape both familiarity and comfort with AI in marketing. Millennials stand out as the most accepting, with 49% comfortable with marketers using AI, compared to about a third of Gen Z, Gen X, and Boomers. Younger generations report higher exposure to AI-generated content: 57% of Gen Z and 55% of Millennials have encountered it in marketing versus 43% of Gen X and only 25% of Boomers. Two-thirds (67%) of Boomers are unsure if they've seen AI-generated content, which also suggests younger generations may be better able to discern between what is and what is not AI.

Millennials lead in their comfort with AI across various contexts, including education (55% vs. 41% of other generations), entertainment (55% vs. 40%), and customer service (48% vs. 33%). They are notably more open to AI-driven political content, with 35% of Millennials comfortable with it being used in campaigns and messaging, compared to 28% of Gen Z, 19% of Gen X, and just 9% of Boomers.

Men are consistently more comfortable with AI in marketing compared to women. While 43% of men are comfortable with marketers using AI, only 32% of women feel the same. Men also show greater comfort with specific AI applications, including personalized recommendations (48% vs. 37% of women), customer data analysis (49% vs. 35%), and AI-generated images or videos (45% vs. 34%). They are also more open to AI use in entertainment (52% vs. 38% of women) and customer service (43% vs. 31%). Frequent AI tool usage among men (40% vs. 30% of women) may partly explain this higher comfort level.

KEY FINDING 3: AMERICANS ARE GENERALLY NOT CONFIDENT IN THEIR ABILITY TO SPOT MIS- AND DISINFORMATION ONLINE

Americans are generally not confident in their ability to spot mis- and disinformation online. Although 69% say they can differentiate between the concepts of "misinformation" (unintentional errors) and "disinformation" (intentional deception), only slightly more than half (57%) feel somewhat confident in their ability to identify them online, and just 23% report strong confidence. Boomers are the least self-assured, with only 16% feeling very confident, compared to about a quarter of Gen Z (25%), Millennials (28%), and Gen X (23%).

Confidence in identifying mis- and disinformation is notably higher among frequent social media and AI users. 64% of frequent social media users feel assured in spotting misleading content, compared to 45% of less frequent users. Similarly, 72% of those who have used AI frequently in the past month express confidence in identifying mis- and disinformation, versus 44% of non-users. This suggests that familiarity with the digital landscape may enhance detection skills, although it is worth assessing whether their confidence in detection aligns with their abilities to do so.

KEY FINDING 4: HONESTY AND TRANSPARENCY ARE CENTRAL TO ETHICAL MARKETING FOR MOST AMERICANS

For most Americans, honesty and transparency are central to ethical marketing. When defining ethical marketing, the largest share of respondents (48%) emphasized truthful and transparent messaging. Only a small portion associated it with sustainability (4%). In this domain, the responsibility lies heavily on marketers; 64% believe marketers should ensure the accuracy of advertising, with only 11% assigning consumers the responsibility of assessing the accuracy themselves.

Most Americans don't believe companies are marketing ethically today and suggest that they should since ethical marketing is good for businesses long-term. Less than half (40%) of Americans feel companies market ethically today, and 69% think marketing practices are either the same or worse than five years ago. Still, 75% believe that companies committed to ethical marketing are more likely to succeed in the long term, indicating a widespread belief in the business value of ethical practices.

Men are generally more trusting of marketers' data collection practices than women. 37% of men find the data collected about them acceptable compared to 24% of women. Men are also more willing to share personal information, like location data (25% vs. 15%) and income level (21% vs. 13%), to receive personalized ads, with 45% preferring tailored ads over generic ones.

Public scrutiny and investor pressure are seen as primary drivers driving companies to act ethically. 76% see public reputation and media attention as major factors, followed closely by consumer demand (71%) and investor expectations (70%). In response to unethical marketing, most Americans favor direct action, with 57% advocating for boycotts as the best way to respond, as well as using online reviews (48%) or reporting companies to protection agencies (48%). However, identifying unethical practices can be challenging; 47% struggle most with spotting fake reviews, followed by false product claims (38%) and deceptive pricing (37%).

KEY FINDING 5: AMERICANS HOLD MIXED OPINIONS ON THE ADEQUACY OF EXISTING REGULATIONS

Americans have mixed views on the adequacy of existing regulations, particularly regarding consumer privacy in marketing. Millennials stand out as the most trusting in current privacy protections, with 46% saying regulations are sufficient, compared to only 16% of Boomers. Millennials also favor personalized ads more than other age groups (52% vs 38%), even if more personal information is used.

Democrats are more likely than Republicans and Independents to value the regulation of online content, advertising, and marketing. More Democrats than Republicans and Independents believe that government regulations and enforcement have moderate or more influence in causing a business to market ethically (66% vs 58% and 54%). Democrats are also more likely to favor strict regulatory oversight, with 72% supporting government intervention in managing false information online, compared to 54% of Republicans and 55% of Independents. 86% of Democrats believe social media companies should play a role in controlling misinformation, whereas 60% of Republicans agree.

Most Americans believe companies should disclose their use of AI in marketing, and most don't think that there are currently enough regulations around AI and marketing. 76% agree that companies should disclose if their marketing uses AI, and 53% strongly agree. However, only 28% believe that current regulations sufficiently govern the use of AI in marketing, highlighting a gap between consumer expectations and perceived oversight.

Most Americans believe regulation is necessary to curb the spread of mis- and disinformation, with 74% supporting social media companies regulating online content and 63% backing government involvement. Concerns over misinformation's impact are high, as 71% think it has significantly influenced recent political elections. This strong public sentiment reflects a desire for more proactive measures from digital platforms and regulatory bodies to address the spread of false information online.

KEY FINDING 6: AMERICANS REMAIN UNEASY WITH THE VOLUME OF PERSONAL DATA MARKETERS COLLECT

Americans remain uneasy with the volume of personal data marketers collect, with 40% disagreeing that the current amount is acceptable and 37% doubting that regulations sufficiently protect their privacy. However, 71% would still be willing to share certain data—primarily personal interests (35%), purchase history (30%), and interactions with ads (24%)—to receive more relevant ads. In contrast, they are least inclined to share information such as social media activity (14%) and political views (16%). This discomfort around politics extends to marketing approaches; only 29% feel comfortable with consumer brands using political campaign tactics.

Younger generations show greater comfort around influencer marketing, with Gen Z and Millennials more at ease with influencers across industries like fashion (67% vs. 47% of older adults), technology (62% vs. 41%), health products (53% vs. 31%), and social causes (53% vs. 34%). Americans are most uncomfortable with influencer marketing being used for political causes (40% uncomfortable), financial services (34%), and health and wellness products (31%).

Americans are both confident and skeptical when it comes to recognizing sponsored content online. Across all age groups, 71% feel confident spotting sponsored content with Gen Z and Millennials feeling more confident in their abilities (84%) versus older adults (60%). Nevertheless, most Americans (73%) remain skeptical of advertising transparency, assuming most product mentions are paid advertisements regardless of disclosure, reflecting a heightened awareness of online marketing tactics. Nearly all Americans (96%) prefer clear sponsorship disclosures, with labels like "#ad" or "Sponsored" (69%) preferred most.