Generative AI Disclosure in Fashion Marketing: A Tectonic Shift in the Advertising Landscape

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Introduction

The advent of generative artificial intelligence (AI) has brought unprecedented change to the marketing sector, which has leveraged the marketing process by enabling swift and efficient content creation (Zhang et al., 2022). While the prevalent body of research focuses on the direct adoption of technology from the user's perspective, there remains a research gap in understanding its acceptance from alternative views, such as a consumer viewing an AI-generated advertisement (Campbell, 2022). However, regulatory advances regarding AI-generated content are prompting discussion on the effects of mandatory disclosure. As generative AI is envisioned to bring immense innovation to marketing methods, we aimed to investigate the effects of AI generation disclosure in fashion advertisement images on consumer perception and hence advertising outcomes.

Literature Review

The information gap theory: The information gap theory posits that awareness of a discrepancy between the known and the unknown motivates an individual to minimize the gap (Lowenstein, 1994). A key factor of this theory is that the individual must feel a favorable attitude toward the information gap to close it, thus highlighting the affective state of individuals. The framework has been applied in fashion marketing, with factors such as novelty motivating consumers to engage in information acquisition through shopping behavior (Shin & Lee, 2021). The motivational state of curiosity in advertising is a potent antecedent of purchase behavior (Hill et al., 2016), and is considered an affective state that is fostered by positive emotions (Daume and Hüttl-Maack, 2020). Further regarding affective states, an advertising agent's perceived effort, consisting of time and expenses, positively influenced brand interest and attitude, and thus behavioral outcomes of advertising (Modig et al., 2014). As the images in this study were used within a fashion advertising context, we adopted previous studies that describe curiosity as information-seeking, pro-marketing behavior (Yao & Shao, 2021).

Artificial intelligence and human perception: Regarding AI-generated content, images with visibly unnatural origins caused strongly negative responses (Frank et al., 2023), thus hindering attitude (Wu & Wen, 2021). However, AI-generated imagery technology has advanced that they are not recognizable from actual images unless their origin is elaborated, even by advertisement managers (Arango et al., 2023). As the intervention of generative AI hints toward automation of what used to be human tasks, previous research observed negative effects on perceived quality, effort, or capacity when AI-generated products were examined (Zhang et al., 2022). Zhang et al. (2022) observed curiosity did play a significant role in heightening willingness to pay, yet was limited to utilitarian purchases. Thus, this study applied the information gap theory to AI-generated images in fashion advertising context, and examined the affective states of perceived effort and brand attitude on the outcomes of curiosity.

Method

A web-based, between-subject experimental study was adopted to test the effects of AI-generated ad disclosure in fashion marketing context. Participants viewed an advertisement and were given the scenario of encountering the advertisement while online. Prior to the study, a pilot study was conducted to select a stimulus image with the highest perceived verisimilitude, to avoid detectable falsity. Treatment condition respondents were shown an advertisement with the disclosure caption: 'AI-generated', while control condition respondents were informed that the advertisement was 'human generated'. SPSS 27.0 software was used for data analysis, to test the reliability and validity of measures as well as hypotheses testing.

Results

Manipulation checks were successfully administered and homogeneity between groups was confirmed, with no significant difference in confounding variables such as perceived risk, likeability, or verisimilitude of images. Serial mediation analysis through PROCESS macro model 6 (Hayes, 2013) showed that AI generation disclosure had a significant negative effect on perceived effort(M_1). While AI generation disclosure did not have a significant direct effect on curiosity, perceived effort(M_1) had a significant direct effect on brand attitude(M_2) and curiosity. Thus, perceived effort(M_1) fully mediated the negative effect that AI generation disclosure had on both brand attitude(M_2) and curiosity evoked from the advertisement. Finally, indirect effect analysis showed that AI generation disclosure's effect on evoking curiosity showed full serial mediation through perceived effort(M_1) and brand attitude(M_2).

Discussion and Implications

This study contributes to the current body of literature by probing the influence of generative AI disclosure from an advertisement target's perspective in fashion advertising context. First, results showed that when images were controlled to be highly realistic, disclosure brought attention to their synthetic origin. While AI generation disclosure did not have a direct negative effect on the behavioral outcome of curiosity, the relationship was serially mediated through perceived effort and brand attitude. Thus, the negative effects of generative AI disclosure may be alleviated by heightening perceived effort. Contrary to previous studies regarding technology acceptance that view perceived risk as a negative factor, results showed that perceived risk from AI-generated images did not have a significant moderating effect on consumers' perceived effort or brand attitude. Consumers as advertisement targets are not direct users of AI technology, thus it can be speculated that the perception of AI-generated content may need an alternative approach from traditional technology adoption theories. However, detrimental effects of AI disclosure were observed on perceived effort and ultimately behavioral outcomes of advertisements. As AI-generated content is yet a nascent field, evidence indicates a plethora of academic and managerial possibilities, in which AI-generation disclosure can serve as a positive signal for consumer perception once such negative views are mitigated through brand effort and thus attitude.

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