

ANALYSING AI-GENERATED LUXURY FASHION: THE PERCEIVED VALUE AND CUSTOMER'S PURCHASE INTENTION

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ABSTRACT

AI-generated luxury apparel poses a significant challenge to the traditional conventions of creativity and design. This research offers a distinctive opportunity to investigate the intersection of human and artificial intelligence creative processes while evaluating consumer perceptions and valuing these transformative innovations. In a period characterised by heightened apprehensions over generative AI, the investigation of consumer perceived value and willingness to purchase AI-generated luxury apparel holds significant relevance.

Introduction

The luxury, fashion, and apparel industries are undergoing significant transformations due to Artificial Intelligence (AI) (Aleem et al., 2022; Haleem et al., 2022). The integration of AI algorithms in the creation, conception, and production of clothing and accessories, known as AI-generated fashion, has emerged as a disruptive phenomenon in the fashion sector, offering individualised design recommendations and enhancing manufacturing processes. This has resulted in a redefined fashion environment, providing consumers with distinctive and new experiences (Giri et al., 2019). This phenomenon is notably conspicuous in the fashion apparel sector, acknowledged for its remarkable dynamism and the perpetual generation of fresh data throughout the many stages of apparel creation, including design, manufacture, and sales (Acharya et al., 2018).

The primary goal of this research is to investigate and evaluate customer perspectives regarding AI-generated luxury fashion, with a specific emphasis on perceived value and purchase intentions. Through this research, we aim to enhance existing comprehension of this promising domain and provide tangible insights for the fashion industry. The significance of this research topic relies on its expected valuable contribution to the continuing debate on the future of consumer attitudes and behaviours towards luxury fashion products generated by AI.

Considering the aforementioned and the integration of AI systems in the design process within the luxury fashion sector, it is crucial to determine the degree to which consumers intend to adopt these advancements without perceiving a compromise in the fundamental aspects of luxury fashion. Consequently, this research investigates the following question: How do customers perceive AI-generated luxury fashion products, and does it impact their willingness to purchase?

Literature Review

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AI-Generated Luxury Fashion

Fashion is a dynamic and influential mode of self-expression and cultural representation that is perpetually shaped by historical occurrences, societal shifts, media, and technological advancements (Guo et al., 2023). It significantly impacts individual identity, interpersonal relationships, and the economic landscape. The increased focus on this matter can be recognised as significant progress in deep learning and generative models, which the extensive utilisation of photos across diverse social media platforms has heavily influenced. The intersection of AI and fashion design has become increasingly significant and is currently undergoing notable advancements (Deldjoo et al., 2022). These technologies are being swiftly used within the luxury fashion sector to enhance many aspects of the design process, encompassing fashion recognition, synthesis, and recommendation. Fashion designers may benefit from using various technologies and gaining valuable insights that can enhance the efficiency of the creative process, stimulate creativity, and effectively respond to evolving customer preferences. The fashion industry values this ally due to its significant contributions in fostering innovation, enhancing operational effectiveness, and encouraging sustainable practices.

Consumer Perceptions of AI-Generated Luxury Fashion

The efficacy of AI implementation in the luxury fashion apparel sector is crucial. Retailers must comprehensively understand their business strategy and deeply comprehend their customers' purchasing behaviours (Theodor, 2021). Existing literature acknowledges the significance of evaluating individuals' acceptance of AI and their perspectives on its advancement to assess the potential influence of emotions on the adoption and advancement of AI (Loureiro, Bilro, et al., 2023; Loureiro, Jiménez-Barreto, et al., 2023). Moreover, the literature also posits that it is imperative to examine the emotional responses elicited in individuals upon exposure to information about AI and its prospective developments (Atkinson, 2016).

Brand Image

Brand image is the perception of a brand from the perspective of consumers, which is formed when they decode the various components of its identity. Brand perceptions and beliefs are shaped by customer encounters, resulting in a compilation of impressions and convictions (Kotler & Keller, 2016). To gain a comprehensive understanding of the concept of image for a brand, it is imperative to initially comprehend the concept of a brand's identity, as these two concepts are interdependent. The concept of brand identity stems from the corporate entity and can be described as the integration of brand values that are manifested through a good or service, the organisation, its portrayal, and the individuals affiliated with it, thereby distinguishing it from competing brands (Kapferer & Valette-Florence, 2018). From this standpoint, it is possible to argue that the primary differentiation between brand identity and brand image is in their origins: identity stems from the source or organisation, while the intended audience or customer perceives its image. The concept of identity pertains to the authentic essence of a business, while image refers to the perception held by consumers (Nandan, 2005). Therefore, the criteria employed to delineate both ideas must be consistent. This will guarantee that when a business implements an effective communication plan, the notions of identity and image align with each other (Roy & Banerjee, 2014).

Purchase intention and perceived quality

As previously mentioned, numerous aspects are involved in examining the factors contributing to the emergence of luxury fashion. When consumers make a purchase, luxury brands possess

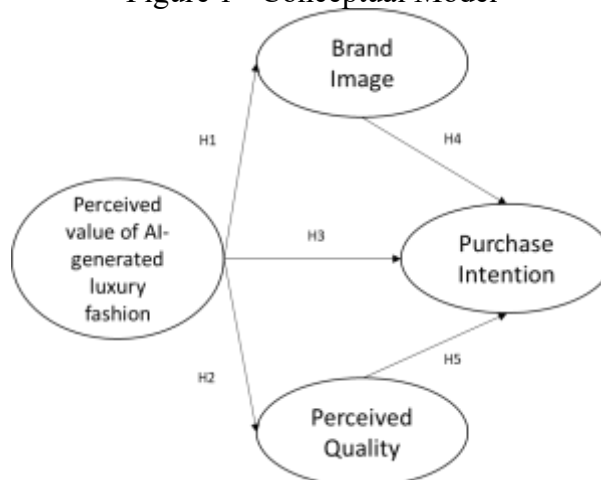
unique characteristics that differentiate them from other companies. These characteristics can be categorised into five dimensions associated with a luxury brand (Kapferer & Bastien, 2009). Luxury brands' association with improved quality, performance, and durability is often observed because of their higher price points (Vigneron & Johnson, 1999). The notion of longevity is a vital element within luxury, as it conveys that luxury goods are intentionally made to possess an extended existence. This characteristic serves as a rationale for luxury firms to provide after-sales service (Kapferer & Valette-Florence, 2016). Consumers establish a connection between luxury brands and the presence of exceptional craftsmanship, characterised by specialised labour and expertise. This association is perceived as a reliable indicator of superior quality and durability (Amatulli et al., 2020). Consumers frequently employ this rationale to justify the higher price they pay for luxury brands, as these brands, unburdened by price constraints, typically prioritise and invest in a superior level of quality. It is widely acknowledged that establishing a successful luxury brand necessitates a steadfast, long-term dedication to maintaining exceptional quality (Kapferer, 1997; Vigneron and Johnson, 2004). Consequently, establishing a reputable luxury brand necessitates a steadfast commitment to outstanding performance (Vigneron & Johnson, 2004). Individuals who purchase luxury goods are motivated by a desire for perfection rather than mere craftsmanship (Kapferer & Valette-Florence, 2016).

Hypothesis and conceptual model

We propose a conceptual model and hypotheses based on the existing literature and grounded on the Technology Acceptance Model (TAM). The TAM is widely recognised as a framework for understanding users' adoption and utilisation of technology (Venkatesh & Davis, 2000). In this sense, we posit that:

- H1: The perceived value of AI-generated luxury fashion positively impacts brand image.
- H2: The perceived value of AI-generated luxury fashion positively impacts perceived quality.
- H3: The perceived value of AI-generated luxury fashion positively impacts purchase intention.
- H4: The perceived value of AI-generated luxury fashion associated with Brand image positively impacts purchase intention.
- H5: The perceived value of AI-generated luxury fashion associated with perceived quality positively impacts purchase intention.

Figure 1 - Conceptual Model



Methodology

The conceptual model will be investigated quantitatively using an online questionnaire. The questionnaire will be created applying previously validated scales, and the data will be collected using Prolific, a research platform that helps researchers recruit participants for their online research (Prolific, 2024). By using this platform, the researchers seek to explore customer perceptions of AI-generated luxury apparel from actual luxury customers. This research will allow us to determine how far AI-generated design may drive and revolutionise luxury consumption and how it influences perceived value, brand image, and willingness to acquire such items.

The present research is still ongoing, and further developments will be presented at the 2024 GFMC conference in Milan.

Keywords: AI-generated luxury fashion, Perceived value, Purchase intention, Perceived quality, Brand image

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