AI-Generated Imagery in Luxury Advertising: Investigating the Disclosure Effect on Ad and Brand Perceptions

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Abstract

Generative AI can quickly produce advertising copy, images, and video at low marginal cost, but disclosure may affect consumer response. This study examines how different types of disclosure (AI vs. human vs. no disclosure) can shape perceptions of effort, authenticity, attitudes toward the ad, and attitudes toward the brand in a luxury context. In a between-subjects experiment (N=330), participants were exposed to an AI-generated advertisement for a real luxury brand. The findings reveal that AI disclosure lowered perceived creative effort, ad authenticity, attitude toward the ad, and brand attitude. A serial mediation path of disclosure type to perceived effort, ad authenticity, attitude towards the ad, and attitude towards the brand was supported. No significant differences were found between the no-label and human disclosure groups. The AI-label penalty was amplified by advertising skepticism and attenuated by positive attitudes toward AI. The study yields timely managerial implications for the use of AI in luxury advertising campaigns.

Keywords: generative AI; disclosure label; luxury advertising; perceived creative effort; brand–ad congruence