Generative AI Design Devalues Luxury? Exploring Consumer Perceived Value of AI-designed Luxury Products

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Abstract:

Generative AI technology is increasingly transforming the product design process. Product design is at the heart of luxury brands to enrich their values. This research examines the impact of using generative AI in product design on the perceived value of luxury products through three online experiments. The results reveal that while luxury products designed by generative AI enhance perceptions of technological sophistication, they diminish perceptions of artistry. This shift leads to a lower overall perceived value, as artistry holds greater weight than technology in the evaluation of luxury products. However, the negative effect is attenuated when generative AI's capability for art production is emphasized or when the human-generative AI hybrid design is employed (i.e., generative AI complement rather than replacement). These insights have significant implications for luxury brands as they navigate the integration of generative AI into their design processes.

Keywords: Generative AI, Luxury products, Value

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