Putting the Consumer into Generative AI

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What Can Marketers Do With It?

“Automated Alignment: Guiding Visual Generative AI for Brand Building and Customer Engagement,” with TPJ Jansem, M Heitmann and M Reisenbichler
Training Data

- **Product**
- **Ads**
- **Personality Trait**
Our Proposed Automated Process
Purchase Funnel Performance

Actual ads

Generated ads

$M_{act} = 3.79$

$M_{gen} = 4.55$

$t = 9.34^{**}$

$85.8\%$

$4\%$

$M_{act\ high} = 5.57$

$M_{gen\ high} = 6.00$
Ad Performance

Generated Ads

Actual Polestar Ad

Uncover the ideal vehicle for your journey
Performance without Consumer Data

![Graph showing performance metrics without consumer data](image-url)
How Do Consumers Feel About Generative AI?
About That Content…

“It would be impossible to train today’s leading AI models without using copyrighted materials”
Nearly 60% of prompts in the Diffusion DB 2M database invoke an artist’s style.
Camera footage of a monster deer in the forest, old photo, night n-9.

Camera footage of a monster deer in the forest, old photo, night n-9, in the style of beeple.
Unstyled

Photo of a Swiss village in a winter night on a mountain shape like a pyramids warm light.

Styled

Photo of a Swiss village in a winter night on a mountain shape like a pyramids warm light, in the style of Dan Mumford
 Preference Results

Table 3 Effect of Artistic Style on Likeability.

<table>
<thead>
<tr>
<th>Estimated Effect</th>
<th>P-value</th>
<th># Pairs</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.017881***</td>
<td>p &lt; 2.2e-16</td>
<td>50,000</td>
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</table>

Statistical significance is calculated using paired t-tests: *** p<0.001, ** p<0.01, * p<0.05

This is a substantial effect. 1.8% increase in P2 can only come from the same size decrease in P1. 3.6% swing in probability toward images with artist names.
Are They Willing to Pay More for Artistic Style?

Which of the following pieces of art would you purchase for your home?

<table>
<thead>
<tr>
<th></th>
<th>Option 1</th>
<th>Option 2</th>
<th>Option 3</th>
</tr>
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<tbody>
<tr>
<td>Image</td>
<td><img src="image1.png" alt="Image 1" /></td>
<td><img src="image2.png" alt="Image 2" /></td>
<td><img src="image3.png" alt="Image 3" /></td>
</tr>
<tr>
<td>Print Material</td>
<td>Acrylic Glass</td>
<td>Canvas</td>
<td>Acrylic Glass</td>
</tr>
<tr>
<td>Artist Compensation</td>
<td>% of each sale</td>
<td>Flat-fee for AI to learn style</td>
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Option 1
Option 2
Option 3 (none)

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<td>Price</td>
<td>$44.99</td>
<td>$39.99</td>
<td></td>
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Option 1
Option 2
Option 3 (none)
Consumer Preference for Compensation

Distribution of WTP for Artistic Style

Part-Worth Estimates for Compensation Type
• Artist styles improve the images and create economic value. Consumers will pay to cover royalties!
What This Means for Marketers

• Consumers know what they like, we should listen
• Generative AI can be supercharged with consumer input and brands’ digital assets
• More cost effective, comparable or better performance
Questions?