Authenticity Illusions: Generative AI, Impulse Buying, and the Rise of Counterfeits

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Abstract

The rapid advancement of generative AI has transformed digital marketing through the creation of hyper-realistic product imagery, but these same innovations have also accelerated the growth of the global counterfeit market. Consumers are now frequently exposed to AI-crafted visuals that closely mimic authentic brands, encouraging impulsive purchases that often lead to regret or dissatisfaction. This study investigates the psychological mechanisms underlying consumer susceptibility to AI-driven counterfeits, drawing on the Stimulus–Organism–Response (S–O–R) framework. Using a sequential mixed-methods design, we first conducted a deductive thematic analysis of Reddit discussions, which revealed three central perceptual triggers—perceived novelty, perceived ease of access, and perceived low detection risk—that encourage impulsive buying. These qualitative insights were subsequently tested through a survey of 320 consumers, analyzed with Structural Equation Modeling (SEM). Results indicate that all three perceptual drivers significantly increase impulse buying, which in turn exerts a strong effect on purchase intention. Mediation analysis further confirms that impulse buying partially channels the influence of these factors into counterfeit purchase intentions. Collectively, the findings highlight how generative AI reshapes consumer decision-making by amplifying emotional responses and reducing rational evaluation. The study contributes to consumer behavior literature by identifying impulse buying as a critical pathway between AI affordances and counterfeit consumption, while also offering practical recommendations for digital platforms, marketers, and regulators to strengthen transparency and counteract online deception.

Keywords: Counterfeit, SOR, SEM, Generative AI

Introduction

The spread of counterfeit goods poses a significant threat to the global marketplace, particularly in rapidly developing economies such as India (Gupta et al., 2024). It undermines economic growth while making it increasingly difficult for consumers to distinguish authentic products from imitations. The rapid advancement of generative AI tools such as DALL·E, Stable Diffusion, and Midjourney has further reshaped digital content creation by allowing individuals to produce hyper-realistic images (Mim et al.,2024) that closely replicate branded goods. Although these technologies open new avenues for marketing innovation, they simultaneously accelerate the spread of counterfeits (Denslinger, 2025), fostering consumer confusion, driving impulsive purchases, and frequently resulting in post-purchase regret. Recent studies suggest that nearly 70 percent of consumers were tricked into purchasing counterfeit products online at least once within the past year (Michigan State University, 2023). Moreover, industry analyses highlight that AI-driven deceptive practices from fabricated websites to influencer scams are intensifying the global counterfeit crisis (Iway Magazine, 2024; Resident Magazine, 2025). Understanding the psychological mechanisms underlying consumer vulnerability to AI-generated counterfeits is critical. Prior research in AI-driven marketing and media suggests that immersive stimuli such as deepfake advertisements or visually enhanced AI content can stimulate impulse purchases by bypassing rational evaluation and activating emotional responses (Vaccari & Chadwick, 2020). However, a significant theoretical and empirical gap remains, as limited studies have systematically examined how consumers interpret and respond to such images, and how these responses ultimately translate into purchase behavior. Furthermore, earlier literature highlights that while personalized advertising can increase consumer engagement, it simultaneously raises concerns regarding manipulation and privacy violations (Tucker, 2014; Apostolov, 2019). Therefore, developing a deeper understanding of consumer perceptions toward AI-generated and deepfake advertising is vital for establishing ethical guidelines and best practices in AI-driven marketing. Grounded in the Stimulus–Organism–Response (S–O–R) framework, this study investigates how perceptual cues arising from generative AI, such as perceived novelty, ease of access, and low risk of detection, affect consumer behavior. We employ a rigorous quantitative approach using Structural Equation Modeling (SEM) to test our hypotheses. By combining qualitative insights from real-world Reddit discussions with quantitative validation, this mixed-methods design strengthens both theoretical understanding and empirical credibility. In this framework, AI-generated stimuli such as perceived novelty, ease of access, and low risk of detection act as antecedents (S) that trigger internal psychological states, particularly impulse buying tendencies (O), which subsequently shape purchase intention (R). This design enables a comprehensive and reliable understanding of the pathways through which generative AI reshapes consumer decision-making, demonstrating how technologically driven cues can lower cognitive resistance, heighten affective responses, and ultimately lead to stronger purchase intentions.Accordingly, this study is guided by the following research questions:

RQ1: How do perceptual cues associated with generative AI (e.g., perceived novelty, ease of access, and low risk of detection) influence consumers' impulse buying tendencies when exposed to AI-generated counterfeit advertising?

RQ2: In what ways do impulse buying tendencies mediate the relationship between AI-generated perceptual cues and consumers' purchase intentions toward counterfeit products?

3. Hypotheses Development

Generative AI's capability to produce photorealistic and visually appealing product images creates a strong sense of novelty that captures consumer attention and evokes emotional responses (Bansal et al., 2024). When consumers encounter such AI-generated visuals, they often experience surprise and aesthetic fascination, which can trigger affect-driven decision-making rather than deliberative, rational evaluation (Tu et al.,2024). Prior research has demonstrated that perceptions of novelty can significantly drive unplanned or impulsive buying behavior (Verhagen & van Dolen, 2011). Based on this, we hypothesize:

H1: Perceived novelty of AI-generated product visuals positively influences impulse buying.

Perceived ease of access significantly contributes to impulsive purchasing behavior (Soomro et al.,2025). AI-generated counterfeit products are frequently promoted via social media advertisements or online marketplaces (**dos Santos,2025**). This instant accessibility diminishes reflective decision-making and increases the likelihood of impulse purchases. Prior research has shown that when products are easily obtainable, consumers' self-control is lowered, which in turn enhances the probability of spontaneous buying (Beatty & Ferrell, 1998). As one participant expressed, *"I was just scrolling… saw an AI-generated ad… 'closing sale'… jewellery was very low-quality."* This scenario reflects how spontaneous exposure, coupled with low transaction barriers, fosters impulsive actions. Thus, we propose:

H2: Perceived ease of access to AI-generated counterfeit products positively influences impulse buying.

When AI-generated counterfeits closely resemble genuine products, consumers may perceive the risk of detection or dissatisfaction as low, particularly when buying from anonymous online sources (Huang et al.,2024). This reduced risk perception can weaken caution and promote impulse purchases. Accordingly, we hypothesize:

H3: Perceived low risk of detection for AI-generated counterfeit products positively influences impulse buying.

Grounded in the S–O–R framework, we propose that impulse buying acts as a direct determinant of purchase intention (Drossos et al.,2014). Emotional responses like excitement, curiosity, and perceived scarcity can often drive consumers from spontaneous urges to actual purchasing decisions. Prior research indicates that impulsive behavior frequently converts into purchase commitment, despite potential post-purchase regret (Rook & Fisher, 1995).

H4: Impulse buying positively influences purchase intention for AI-generated counterfeit products.

Within the S–O–R framework, product-related stimuli (S) elicit an internal psychological or emotional response (O), such as impulse buying tendencies, which subsequently drives behavioral outcomes (R), namely purchase intention. In the context of AI-generated counterfeit products, we posit that consumers' perceptions of novelty, ease of access, and low

risk of detection act as key stimuli that trigger impulsive purchasing tendencies. These impulsive responses, in turn, translate into actual purchase intentions, suggesting a mediating role for impulse buying in linking stimulus factors to behavioral outcomes (Verhagen & van Dolen, 2011; Beatty & Ferrell, 1998). Accordingly, we hypothesize

H5: Impulse buying mediates the relationships between perceived novelty, perceived ease of access, perceived low risk of detection, and purchase intention for AI-generated counterfeit products.

Figure 1 presents the conceptual framework derived from the proposed hypotheses.

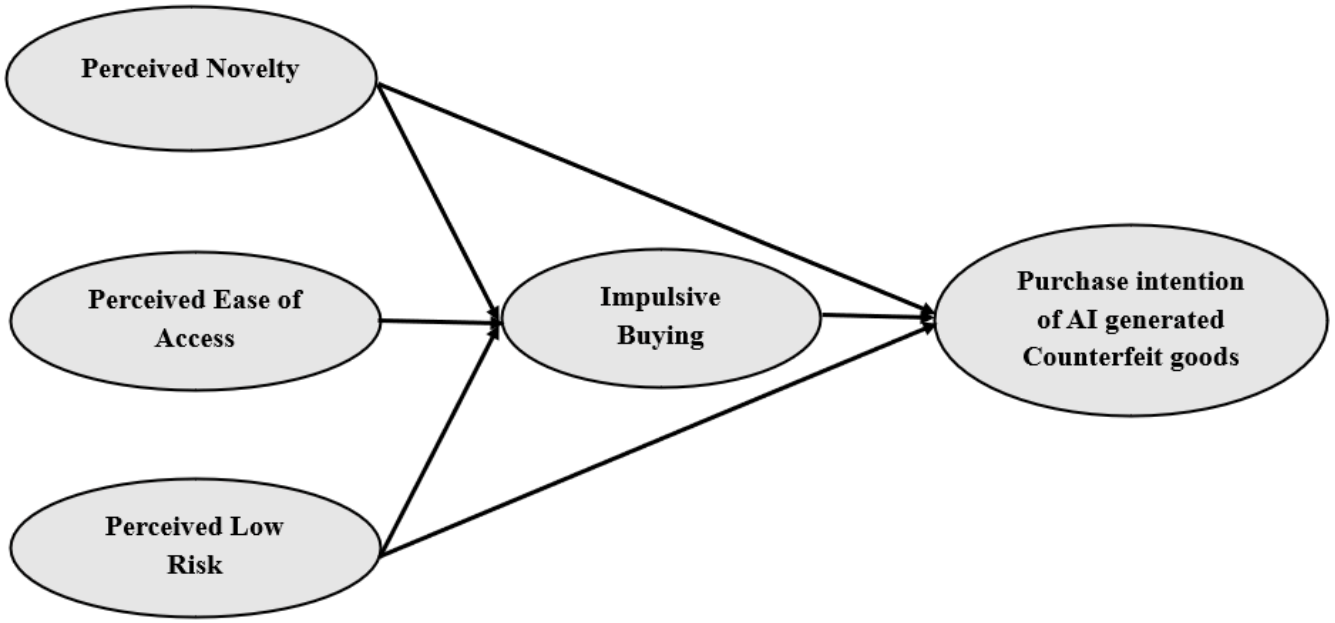

Figure 1: Conceptual Model

4. Methodology

4.1 Inductive Qualitative Approach

In this study, an inductive qualitative approach was employed to explore consumer reactions to AI-generated counterfeit products and to generate context-specific themes and constructs. This method relies on unstructured data from online posts and discussions, allowing patterns and insights to emerge organically rather than imposing pre-defined theoretical categories (Braun & Clarke, 2006).

Publicly available discussions were systematically collected from Reddit using targeted keyword searches such as “AI-generated counterfeit,” “AI product mock-up,” “easy online purchase,” and “too good to be real.” These keywords were selected to capture consumer narratives reflecting experiences with AI-generated content, including perceptions of novelty, ease of access, and risk of detection. Data scraping was conducted using automated web scraping tools (Web Scraper), adhering to platform terms of service and privacy guidelines. Only publicly shared posts and comments were included, ensuring ethical compliance.

The raw dataset was imported into NVivo for qualitative analysis. Using the ChatGPT platform, narratives were first pre-processed to clean noise and standardize text, including removal of duplicates, irrelevant posts, and advertisements. ChatGPT was then utilized to assist in preliminary coding (Bijker et al.,2024). Following preliminary coding, an iterative thematic analysis was conducted (Morgan et al.,2020). Narratives were grouped into emerging themes aligned with impulse buying tendencies and purchase intention. This process was guided by repeated reading of posts, discussion among researchers, and consensus coding to ensure reliability. The analysis enabled the identification of new antecedents and nuanced consumer perceptions that were not fully captured in prior literature. Once themes were finalized, they were translated into measurable constructs for subsequent quantitative analysis. Perceived novelty, perceived ease of access, and perceived low risk of detection were operationalized as antecedents of impulse buying, which in turn informed purchase intention. This inductive process allowed the development of constructs grounded in real-world consumer experiences while remaining theoretically informed.

4.2 Quantitative Analysis using SEM

In the second phase, a quantitative survey was conducted to assess the constructs identified during the qualitative analysis: perceived novelty, perceived ease of access, perceived low risk of detection, impulse buying tendency, and purchase intention. Measurement items were adapted from prior literature and tailored to the context of AI-generated counterfeit products. Data were collected from 320 participants via an online panel, ensuring variation in age, gender, and digital purchasing experience. Respondents were screened to confirm prior interaction with AI-generated product content. Structural Equation Modeling (SEM) was then used to examine the proposed relationships, including the mediating effect of impulse buying between AI-related perceptions and purchase intention. This sequential mixed-methods approach enabled the qualitative insights from real consumer discussions to guide the quantitative model, enhancing both the theoretical robustness and empirical credibility of the study's findings.

5. Results

The Structural Equation Modeling (SEM) results demonstrated a satisfactory model fit across multiple indices ($\chi^2/df = 2.14$, CFI = 0.961, TLI = 0.953, RMSEA = 0.059, SRMR = 0.042), meeting the recommended thresholds suggested by Kline (2015). Path analysis provided robust empirical support for all hypothesized relationships. Specifically, perceived novelty had a significant positive impact on impulse buying ($\beta = 0.31$, $p < 0.001$), supporting H1. Similarly, perceived ease of access significantly influenced impulse buying ($\beta = 0.27$, $p < 0.001$), confirming H2, while perceived low risk of detection also exerted a positive effect on impulse buying ($\beta = 0.22$, $p < 0.001$), validating H3. In line with H4, impulse buying showed a strong positive relationship with purchase intention ($\beta = 0.46$, $p < 0.001$). Mediation analysis further confirmed H5, revealing that impulse buying partially mediated the effects of perceived novelty ($\beta = 0.14$, $p < 0.001$), perceived ease of access ($\beta = 0.12$, $p = 0.001$), and perceived low risk of detection ($\beta = 0.10$, $p = 0.003$) on purchase intention. Table 1 presents the summarized results.

Table 1: Results of Hypothesis Testing

Hypothesis	Path	β (Standardized)	t-value	p-value	Supported
H1	Perceived Novelty → Impulse Buying	0.31	5.42	<0.001	**Yes**
H2	Perceived Ease of Access → Impulse Buying	0.27	4.88	<0.001	**Yes**
H3	Perceived Low Risk of Detection → Impulse Buying	0.22	4.01	<0.001	**Yes**
H4	Impulse Buying → Purchase Intention	0.46	8.37	<0.001	**Yes**
H5a	Perceived Novelty → Purchase Intention (via Impulse Buying)	0.14	3.65	<0.001	**Yes (Partial Mediation)**
H5b	Perceived Ease of Access → Purchase Intention (via Impulse Buying)	0.12	3.21	0.001	**Yes (Partial Mediation)**
H5c	Perceived Low Risk of Detection → Purchase Intention (via Impulse Buying)	0.10	2.97	0.003	**Yes (Partial Mediation)**

6. Conclusion

Our research highlights how generative AI is reshaping consumer behavior in the counterfeit market by activating psychological triggers that foster impulse buying and, ultimately, purchase intention. By combining qualitative insights with quantitative validation, the research demonstrates that perceived novelty, perceived ease of access, and low detection risk significantly influence consumer vulnerability. Furthermore, our findings reveal impulse buying as a central mechanism through which AI-enabled affordances translate into counterfeit consumption. Beyond advancing S–O–R theory, the study provides practical guidance for digital platforms, marketers, and regulators in developing transparent labeling, detection tools, and consumer awareness initiatives to mitigate deception in online commerce.

7. Implications

7.1 Theoretical Implications

This research makes three key theoretical contributions. First, it extends SOR theory by positioning impulse buying as a pivotal mediating factor that links antecedents to the behavioral outcome of purchase intention. Second, it adopts a rigorous mixed-methods design, combining inductive qualitative exploration to uncover drivers of AI-generated counterfeit products with SEM validation, thereby offering a richer, context-sensitive understanding of the phenomenon. Third, it fills a critical gap in existing scholarship, as little empirical work has examined the role of generative AI in shaping consumer purchase intentions toward counterfeit goods. By integrating qualitative and quantitative approaches, the study not only strengthens theoretical claims but also captures nuanced insights that single-method, survey-based research often fails to reveal.

7.2 Managerial Implications

For e-commerce platforms, digital marketers, and consumer protection agencies, the results highlight the pressing need for advanced detection and verification mechanisms to identify AI-generated imagery, given that visual novelty strongly fuels impulse buying. Online marketplaces should clearly label AI-generated images to prevent unintentional deception and lessen buyers' regret after purchase. For marketers, while AI-driven novelty can enhance consumer engagement, its use without disclosure risks undermining trust. Finally, regulatory bodies can leverage these insights to design targeted awareness initiatives that inform consumers about the psychological drivers and potential risks linked to AI-generated counterfeit products.

8.Limitations and Future Research

Despite its contributions, this study is not without limitations. First, the research focuses on consumer responses within the Indian market context, which may limit the generalizability of findings to other cultural or economic settings. Future studies could adopt cross-country comparisons to examine how cultural norms, regulatory environments, or levels of technological adoption moderate consumer responses to AI-generated counterfeit cues.

Second, the study primarily investigates perceptual antecedents (novelty, ease of access, and low risk of detection) and their relationship with impulse buying and purchase intention. While this provides strong theoretical grounding, other psychological mechanisms such as trust, moral disengagement, or perceived social acceptance may also play crucial roles. Future research could extend the model by integrating these variables to capture a broader range of cognitive and affective responses.

Third, the reliance on self-reported survey data may introduce biases such as social desirability or recall inaccuracy. Future studies could strengthen validity by incorporating behavioral experiments, eye-tracking, or neuro-marketing methods to directly observe consumer reactions to AI-generated stimuli.

Finally, while this study captures the role of generative AI affordances, the rapid pace of technological change means that new forms of deception (e.g., voice cloning, AI-generated influencers, or augmented reality counterfeits) will continue to emerge. Future research should remain adaptive by investigating how evolving AI applications alter consumer vulnerability and by exploring the effectiveness of policy interventions, digital literacy programs, and technological safeguards.

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