

# Generative AI: An In-depth Exploration of Methods, Uses, and Challenges

Shang Wang

Computer School, Nanjing Institute of Technology, Nanjing, 211167, China

x00202200837@njit.edu.cn

**Abstract.** Recently, artificial intelligence has surged to the forefront of computer science, with generative AI emerging as the most sought-after research area. The success of generative AI hinges on advancements in algorithms, training frameworks, and data. Among these, training algorithms are of paramount importance. This article aims to shed light on several leading training algorithms in the domain. Generative AI has left a profound imprint on a myriad of industries. Intelligent publishing, advertising content creation, and finance are just a few sectors that have been revolutionized by this technology. As with all significant technological shifts, generative AI is not without its challenges. The implications it holds for employment, intellectual property rights, as well as security and privacy concerns, are profound. It's vital for stakeholders in the AI domain and beyond to consider and address these challenges. As generative AI continues to integrate more deeply into industries and our daily lives, proactive steps need to be taken to ensure ethical, secure, and equitable use. This not only guarantees the continued growth and trust in the technology but also safeguards society's values and norms in the face of rapid innovation.

**Keywords:** Generative AI, Generative Adversarial Network, Applications.

## 1. Introduction

Artificial Intelligence, with origins dating back to 1956, has witnessed significant strides over the years. By 2022, one of the most notable breakthroughs came with the introduction of ChatGPT by OpenAI, an American artificial intelligence research organization. This language model transcends traditional conversational capabilities, showcasing aptitude in areas such as translation, content creation, essay corrections, and even programming tasks. Unlike its analytical counterparts, generative AI is unique in its methodology. Instead of relying purely on logic-based solutions, these models immerse themselves in vast amounts of data, analyzing patterns and predicting trends. From these insights, they can generate entirely new, unseen content. This shift from pure analysis to creative generation has not only changed the AI paradigm but has also expanded its potential applications.

Today's technological landscape boasts an array of generative AI models, extending beyond text to craft images, videos, and other multimedia content. This surge in capability has undeniably eased various aspects of daily life and industrial production. Creative processes, which once demanded extensive human effort and expertise, can now be expedited with machine precision and creativity. For instance, designers can get inspiration from AI-generated images, writers can seek assistance in refining their drafts, and developers can employ AI to write specific code segments. However, while the conveniences and innovations brought about by generative AI are vast, they are not devoid of challenges. With the power to create comes the potential for misuse. Deepfakes, or hyper-realistic but entirely fake content, can deceive audiences, leading to misinformation and other malicious intents. Additionally, the indistinguishability between AI-generated content and human-produced content raises ethical questions about authenticity, intellectual property rights, and the devaluation of human creativity.

## 2. Relevant Technologies

Generative AI cannot be developed without algorithms, training architectures, and data, of which algorithms are the most critical part.

## 2.1. Training Algorithms.

Generative AI research is based on deep neural networks, the essence of generative AI algorithms is to generate new data by analyzing the existing data and deriving the characteristics as well as probability distribution of the data. Nowa-days, there are many generative training algorithms, however, the mainstream research focus on five algorithmic models: autoregressive models, generative adversarial networks, variational autoencoders, normalizing flows and energy-based models [1]. This paper will also introduce these five models individually.

### 2.1.1. Autoregressive Models.

Autoregressive models are long developed models and already have a solid base of applications, and it is the autoregressive models that ChatGPT is trained using. It is based on the principle of making predictions about the data to be generated based on the representational status of the training data, rather than making assumptions about their latent variables [2]. The idea of generating autoregressive models is relatively simple, but it is excellent in applications, such as in text translation and text generation.

### 2.1.2. Generative Adversarial Networks.

Generative Adversarial Networks (GAN) were first proposed by Goodfellow in 2014 [3], GANs use an unsupervised learning model, and unsupervised learning is a form of machine learning, which is a method for implementing artificial intelligence. The principle of GANs is to use a generator and a recognizer against each other in order to generate more realistic data. The generator has to produce data that is similar enough to the original data to fool the recognizer, which has to recognize the authenticity of the data. By continuously fighting and adjusting the parameters in this way, the data closest to the sample data is eventually obtained. In fact such inspiration in GANs comes from the Nash equilibrium in game theory [4]. But GANs also face some problems such as unstable training process and unbalanced penalization mechanism of GANs for lack of accuracy and lack of diversity, which leads the generator to start avoiding outputting samples that are diverse but may be rejected by the discriminator, and instead generating samples that are duplicated but will be certified by the discriminator as real data, a phenomenon called Pattern Collapse [5].

### 2.1.3. Energy-Based Models.

Energy-based models rely on the energy function  $E(x, y)$ , which is used to measure the compatibility of  $x$  and  $y$ . The higher the compatibility, the smaller the value of the function [6]. Energy-based models can take advantage of the shared characteristics of the data so that as few parameters as possible are required. And there are no conditions for standardization, which adds to the diversity of the data, as well as flexibility. However, one of the drawbacks of energy-based models is that it is very complex to sample, a problem that has yet to be solved.

### 2.1.4. Variational Autoencoders.

The variational autoencoder uses an unsupervised learning model like generative adversarial networks. The variational autoencoder has an encoder and a decoder, using a probabilistic graphical model, the encoder models the probability distribution of the original data and the decoder generates the new data from it. The variational autoencoder has stronger interpretability and it ensures that the parameters of the generated data have the same distribution as the original data.

### 2.1.5. Normalizing Flows.

The normalizing flow is a model that is efficient and capable of maximum likelihood estimation, and also provides a useful latent space for downstream tasks [7]. The normalizing flow obtains optimal generated data by constructing an invertible transformation function that transforms complex data distributions into simple data distributions. Since the normalizing flows model has a clear distribution function and training objective, it is less difficult to train, but the quality of the generated data is relatively low.

### 2.1.6. Performance comparison of five algorithms

The information in the table 1 is collated from the literature.

## 2.2. Development Process

The evolution of generative AI has gone through three stages: machine learning, deep learning and generative AI [8].

**Table 1.** Comparison of algorithms.

Method	Train Speed	Sample Speed	Parameter Efficiency	Resolution Scaling	Sample Quality
Autoregressive Models	low	low	low	medium	high
Generative Adversarial Networks	high	high	high	high	high
Energy-based Models	medium	low	low	medium	medium
Variational Autoencoders	high	high	high	high	low
Normalizing Flows	low	high	high	medium	low

In the machine learning stage, AI is still in the stage of analysis and prediction, which means that it does not generate new data, but analyzes and predicts existing samples and draws conclusions or learns from the output. A large number of companies use machine learning as a tool for AI to accomplish analyzing data, predicting trends, and some automation. By the deep learning stage, artificial intelligence has begun to be able to process visual and linguistic information, and deep learning is a new research direction in the field of machine learning. Deep learning not only realizes computer vision, but also makes the realization of speech recognition a possible task, which brings more convenience to people's lives, and artificial intelligence begins to gradually enter people's lives. With the advancement of deep learning and the rapid growth of model size, generative AI has begun to develop rapidly. Unlike the previous analytical AI, generative AI can generate brand new information, including text, images, and even videos. The ChatGPT language model developed by OpenAI marks a new stage in the development of AI, which means it will have a more profound impact on people's lives.

## 3. Applications of Generative AI

Before generative AI was proposed, it was analytical AI that occupied the major share of the market. Unlike generative AI, analytical AI does not generate new content, and it mainly plays the role of prediction and assistance in human work, and most of the time it cannot work independently. But generative AI, in addition to having the same predictive function as analytical AI, can also work independently to generate new content, which makes generative AI bring greater economic and application value, and can be applied in many industries, bringing great convenience to people's lives.

With the emergence of generative AI, AI generated content (AIGC) will become a new mode of content production [9]. In the past, the two main modes of content production were professional generated content (PGC) and user generated content (UGC). Compared with PGC and UGC, AIGC has higher output efficiency, more stable content quality, lower output cost and greater content scalability [10].

### 3.1. Intelligent Publishing

Generative AI can be applied to the intelligent publishing industry. Generative Intelligent Publication, which refers to the publishing product that applies generative AI technology, is a publishing product that integrates AI and human intelligence. But generative intelligent publications are not all done by AI, the creation and generation part is done by AI, but the later correction, modification and publishing process is still inseparable from human efforts. Now there are many literary works created by AI on the market, such as poems created by Microsoft Xiaobing and paintings

created by other generative artificial intelligence. Although these works still have some shortcomings, the speed of their creation is incomparable to humans.

At the same time, AIGC can also be applied to translation publications, manual translation of literary works usually take a long time, especially some long novels and professional books with high word expertise, the translator usually takes a year or even longer to translate, sometimes even need more than one person together to complete. But with the assistance of generative artificial intelligence, the time required for translation is greatly reduced, and the workload of the translator is also greatly reduced, from translating word by word and sentence by sentence to only reviewing and proofreading after the AI translation, which greatly improves the efficiency of the work. However, not all areas of publications are suitable for generative intelligent publishing, educational publishing books should be avoided using AIGC products, easy to cause ideological bias, ideological penetration, cultural values identity crisis and publishing ideology grasp crisis and other issues.

### 3.2. Advertising Content Creation

AIGC can also be used for advertising content creation, which is currently marketed as human-created, but with the rapid development of generative AI, the creation model of advertising is transforming into a human-machine collaboration model.

In recent years, many companies have launched advertising and marketing intelligent creation platforms, which can generate posters, videos or texts with a single click according to users' needs, making the production of advertisements convenient and efficient. The role of intelligence in the advertising creation process no longer stops at consumer data analysis and back-end programmatic purchasing, but is involved in advertising creation and content production. Prior to the application of generative AI to advertising creation, the production of advertisements was typically a team effort, but because the human mind, as well as creativity, is finite, traditional advertisements were often very limited in content and quantity. Generative AI can be trained through machine learning to obtain a creation model from a large number of samples of copy, print advertisements and movie and TV commercials to create a large amount of advertisement content that can be selected in a matter of seconds. The advantage of using intelligently generated advertisements lies in the fact that ad planning content that used to take a team to complete can now be done by just one AI model. As long as there are sufficient samples and corpus available for learning, the machine is able to complete complex sample collection, copy planning, consumer analysis, etc., which greatly improves the efficiency of the advertising industry.

### 3.3. Finance

Generative AI also plays a big role in the financial sector. From pre-call customer service to the credit process, AI can be involved, greatly improving efficiency. Generative AI can identify the questions that customers consult, and perform caller consultation structure statistics and hotspot identification monitoring. According to the results of monitoring, high-frequency and simple questions answered by manual customer service are identified, so that they can be used as corpus supplements to improve the efficiency of customer service response. At the same time, call transfer can also be used generative AI, in the traditional stage of manual customer service, there may be a problem that the customer needs to repeat the description after the transfer, which greatly wastes the communication time. Now people can use AIGC to generate a summary of the content of the information provided by the customer, and after the transfer, the content that the customer has described is directly prompted, which improves the communication efficiency.

Generative AI also shows great practical potential in the workflow of business application, approval, and disbursement of loans, using a combination of AI and manual labor to greatly improve work efficiency. For example, in terms of auditing, manual auditing is often time-consuming and labor-intensive, and the number of documents to be audited is extremely large; the use of generative AI to analyze and extract the key elements in the approval documents can greatly improve work efficiency. It is expected that the average daily number of lines of manual review is reduced from

more than 100,000 lines to more than 3,000 lines, and the business processing efficiency is increased by 30 times per capita.

## 4. Problems and Risks

The development of technology is a double-edged sword. With the rapid development of artificial intelligence, the productivity of human society has been significantly improved. But at the same time, it also brings many problems, and the boom brought by generative AI is similar to the problems brought by the previous AI boom, but there are also some new problems emerging.

### 4.1. Employment Problem

Along with technological advancement comes technological unemployment. As a revolutionary technology, artificial intelligence is no exception. The AI revolution will have a wider and longer lasting impact on employment. The most commonly used model in the study of employment problems caused by artificial intelligence is the ALM model proposed by Autor et al. In the ALM model, the production mode is divided into two kinds: programmed tasks and non-programmed tasks, and automation can only complete programmed tasks but not complex non-programmed tasks, so low literacy and low-skilled workers are more likely to lose their jobs. Later, Frey and Osborne extended the ALM model. They used the new model to continue to analyze the substitution of artificial intelligence on the labor force, and the final results obtained are similar to the previous ones, the most vulnerable to the impact is still the low-skilled laborers, but there is a possibility that it may have an impact on the high-skilled laborers, and this impact cannot be determined. But the impact of generative AI on the employment problem is brand new, because generative AI can not only create brand new content, but also complete interactive communication with users. Therefore, some experts believe that the emergence of generative AI will replace some high-skilled, highly educated workers, not just low-skilled workers. This shows that the unemployment problem of high education brought by the popularization and development of generative AI is a great concern.

### 4.2. Intellectual Property Rights

While generative AI focuses on generating new content, essentially, it is new content that is generated by learning and combining large amounts of sample of data. The samples, however, may contain unauthorized data, which raises the issue of intellectual property rights infringement. Researchers such as Zhifeng Liu mentioned that the viewpoints and contents generated by AIGC technology are likely to be similar to already existing copy-righted works, which can cause infringement. This means that when training generative AI models, it is important to respect the intellectual property rights of the sample data to prevent infringement. Another very important question is whether content produced using AIGC technology should be protected by property rights? Some researchers have argued that AI is not recognized as an author outputting papers or other content. However, the issue of attribution of the creative rights of the works generated by AIGC needs to be further explored, and a method of intellectual property protection and distribution that ensures that the interests of all parties are safe-guarded should be studied. Work on intellectual property protection is already very difficult, with vague definitions of originality of works, borrowing of ideas, and unauthorized manipulation of material being major problems. The emergence of generative AI has made such problems even more prevalent, and intellectual property protection will face enormous challenges.

### 4.3. Security and Privacy

Generative AI could have huge implications for security and privacy problems, mainly in the following areas.

First of all, AIGC technology does not verify the correctness of the learned sample content when generating new content, and there is no mechanism that can be used to audit the content it outputs to

humans. This makes it easy for humans to receive incorrect or false information. In turn, this false information may be maliciously spread by humans with ulterior motives to achieve certain purposes. And, unlike search engines, generative AI does not give the source of the information given, so it is more misleading and brings more harm. Secondly, the content generated by AIGC is done by training with a large amount of data. Then during the training process, the model may memorize some information involving privacy, which is leaked out in the process of generating new content, thus leading to information security problems. At present, the algorithmic model of generative AI is not very perfect, and it is easy to unintentionally create false information, which can easily lead to security problems if users are gullible without recognizing it and then spreading it.

## 5. Conclusion

The swift advancement of generative AI has profoundly impacted human society, ushering in an array of opportunities and challenges. AIGC technology permeates diverse facets of daily life, extending beyond specialized data processing and intelligent analysis to encompass daily conversations, communications, and even translation tasks.

Generative AI models, like ChatGPT, have bridged the gap between individuals and cutting-edge science and technology. Such models empower people to relish the remarkable conveniences that AI offers. However, alongside these conveniences, generative AI introduces significant risks, encompassing intellectual property, privacy, and employment concerns. Addressing these challenges necessitates prompt development and implementation of comprehensive regulations and policies. By doing so, the aim is to harness the potential of generative AI for the utmost benefit of humanity. Additionally, when engaging with generative AI, it's crucial to strike a balance and avoid over-reliance, ensuring human creativity remains sharp and undiminished. Over-dependence could culminate in a dearth of original content and a pervasive sameness in outputs. It's also imperative to use AIGC technology responsibly and within legal confines, refraining from mixing AI-generated material with original content. A discerning and balanced perspective on generative AI, rather than wholesale acceptance or rejection, is essential.

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