

Loss of Control: How Interactions with Automated Retail Facilities Reduce Consumers' Willingness to Pay

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Abstract

While consumers increasingly adopt autonomous products to gain better control of their life, they may paradoxically experience a loss of control when interacting with retail automated facilities (e.g., AI-enabled checkouts or service robots) deployed by businesses. Across five studies, including one study using real service robot and one field experiment, we show that consumers interacting with automated retail facilities (vs. human employees) perceive a lower sense of control, which inhibits their behavior in the form of a lower willingness to pay for products/services and a higher sensitivity toward price increases. This happens without altering consumers' evaluations of the consumed products/services and cannot be explained by consumers' being threatened by the automated facilities or their perceived low cost of the automated facilities. Findings from our research enrich the current understanding of human-technology interaction, consumer perceived control, and its consequences on pricing.

Subject Areas: *Consumer Behaviour, Consumer Services, Pricing, Retailing*

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