

# Service Personalization Refined, Through Human and Artificial Intelligence Combined

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Cite as:

Frank Darius-Aurel, Stancu Violeta, Otterbring Tobias, Lähteenmäki Liisa , Grunert Klaus (2024), Service Personalization Refined, Through Human and Artificial Intelligence Combined. *Proceedings of the European Marketing Academy*, 53rd, (118367)

Paper from the 53rd Annual EMAC Conference, Bucharest, Romania, May 28-31, 2024



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## **Abstract**

Artificial Intelligence (AI) technology has ushered in a transformative era, enabling unparalleled levels of personalization in consumer services. The widespread adoption of such AI-based services holds the potential to generate significant value and enhance well-being, as exemplified in the context of personalised nutrition services (PNS). The present research, drawing on a choice experiment and a latent class segmentation analysis, documents a paradox in AI service personalization. Despite its transformative potential, consumers devalue the AI's role, in comparison with other customer-centric design factors such as price, performance, effort and privacy. An exception arises when AI is merged with human advisors, garnering positive reception. These findings contribute to the AI adoption literature by quantifying adverse effects of AI-induced personalization, suggesting tailored approaches for mitigation and integrating AI with human advisors.

**Subject Areas:** *Consumer Services, Decision-Making, Service Marketing*

**Track:** Service Marketing & Service Innovation