

AI Service Rejection and its Impact on Customer Satisfaction

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Cite as:

Sarantopoulos Panagiotis, Liu Nan, Kim Sumin, He Hongwei (2025), AI Service Rejection and its Impact on Customer Satisfaction. *Proceedings of the European Marketing Academy*, 54th, (123930)

Paper from the 54th Annual EMAC Conference, Madrid, Spain, May 25-30, 2025



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Abstract

Given the widespread use of artificial intelligence (AI) in the service sector, it is pertinent to examine whether service application rejection decisions made by AI, compared to those made by human agents, impact customer satisfaction. Findings from three experimental studies show that consumers are generally less satisfied with AI rejections because they tend to blame AI more than human agents. However, this effect is moderated by the moral basis of the rejection. When rejections are seen as based on moral grounds, dissatisfaction levels are similar for both AI and human decisions. Additionally, this research highlights the importance of providing explanations: teleological explanations (i.e., explaining why a decision was made) are more effective than mechanistic ones (i.e., explaining how it was made) in reducing the negative impact of AI rejections. This research contributes to the ongoing debate on how consumers respond to decisions, especially unfavorable ones, made by AI.

Keywords

Service rejection, Artificial intelligence, Customer satisfaction

Track

Service Marketing & Service Innovation