Intelligence Extension: Artificial Intelligence and Consumer Trust in Service Extensions

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Abstract:

Recent research compares consumer evaluation of human versus AI-powered services, frequently documenting higher evaluations for human providers. Essentially, prior work predominantly focused on consumer evaluation of AI-powered services in one domain (e.g., recommending movies), and less is known about how consumers evaluate AI (vs. human) providers when services extend across multiple domains (e.g., from recommending movies to recommending music). This research demonstrates that AI providers fare better than human providers when extending their services to a new domain, such that consumer trust declines to a lesser extent for AI (vs. human) providers. Drawing on the intelligence theory, we show that this occurs because consumers believe AI providers to possess more fluid (vs. crystallized) intelligence than human providers. This research advances our understanding of consumer evaluation of AI in the marketplace and offers valuable managerial implications for fostering consumer trust in service extensions.