

Virtual Promises, Tangible Failures – Understanding AR Service Failures in Online Retail

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Abstract:

High return rates in online retail are a costly problem, often caused by unmet consumer expectations due to the lack of physical interaction with products. Augmented reality promises to bridge this gap by offering virtual try-ons, enhancing the online shopping experience. However, this integration significantly raises consumer expectations, which can lead to greater disappointment and intensified adverse reactions if these expectations are unmet—a phenomenon we term the 'AR Confidence Paradox.' The study employs a mixed-method approach, combining computational text analysis, specifically sentiment analysis, with a quantitative survey, involving a total sample of 571 participants. Study 1 demonstrates how AR elevates consumer expectations and emotional engagement, whereas Study 2 shows that AR-related service failures lead to increased external blame on retailers, reducing revisit intentions, highlighting the dual-edged nature of AR in e-commerce.

Keywords: Augmented reality, service failures, revisit intention

Track: Retailing & Omni-Channel Management