

Fairness Perceptions of Customer Participation in Augmented Reality-Enabled Online Services

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Purpose – An increasing number of retailers tries to engage customers by embedding augmented reality (AR) features such as video try-on into the online shopping experience. As such technology-based services require higher levels of customer participation than branch store experiences, this paper aims at investigating associated fairness perceptions and behavioral intentions of customers.

Methodology – The conceptual framework is based on equity theory. To compare customer responses after a branch store purchase as opposed to an AR-enabled online purchase, this study contains a 2x2 between-subject online experiment, in which respondents were randomly allocated to scenarios. Additionally, it is considered how cross-channel price comparison affects customer responses.

Findings – The data analysis demonstrates that participants in the video try-on scenarios report significantly lower levels of distributive, procedural, and price fairness as well as lower engagement intentions. Simultaneously, they report higher negative word-of-mouth intentions, particularly when a subsequent price comparison reveals that the same item is sold at a lower price in one of the retailer's branch stores.

Research implications – Higher levels of customer participation for AR-enabled online services are not compensated by higher convenience or other benefits.

Practical implications – Service managers should design AR applications in a manner that requires minimum customer participation.

Originality – This study contributes to service research by linking customer fairness perceptions and their outcomes to different levels of customer participation. This is vital to fully exploit the potential of AR in services.

Keywords – Customer participation, fairness, augmented reality, engagement intention, negative word-of-mouth, equity theory

Paper type – Research paper