

## **HOW ARTIFICIAL INTELLIGENCE TOOLS INFLUENCE CUSTOMER EXPERIENCE AND AVOIDANCE OF SIMILARITY**

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### **ABSTRACT**

The capability for Artificial Intelligence in the beauty industry is enormous, as customers are demanding increasingly customized offers that only these strategies can offer. However, there is still a scarcity of empirical research on customer experiences enabled by AI, which highlights this research's relevance, which we intend to bridge.

### **Introduction**

With customers increasingly seeking more tailored solutions for their online shopping experience, brands are expanding their product line-ups to include AI-powered tools on their offer. This type of technology is growing in popularity in the beauty industry as it offers customers a tailored experience, with targeted outcomes and straightforward offers (Wang et al., 2022). Existing research still put considerable focus on the use of AI from a technical and in-company organizational perspective (Jarrahi, 2018), and as a result, we face a lack of research on how customers perceive AI technology as part of their shopping experience. Additionally, it is pertinent to comprehend how this leads to a more pleasant experience and a stronger relationship with the brands (Shank et al., 2019). So, this research aims to explore how customers behave in an AI-powered customer experience, understanding the role of emotional and brand attachment and independent self-construal influencing customers' avoidance of similarity.

### **Literature Review**

Firstly, it is important to understand the customer experience. It is a multidimensional construct of what customers think and feels about products, systems, or services related to business (Bascur & Rusu, 2020). Customer experience is, therefore, one of the most powerful forces to increase customer satisfaction, customer loyalty, service quality, and company profit, especially for the beauty industry which is strongly influenced by the hedonic aspects such as pleasure, emotion (Bilro & Loureiro, 2021), and satisfaction (Loureiro et al., 2021). The use of AI-enabled tools helps analyze customer behavior at

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scale, precision, and speed not achievable through human labor. As so, firms are now combining multiple AI, Martech, and back-office solutions connected through AI-enabled interfaces to personalize the experience and leverage their business to remain competitive in the market (Malthouse & Copulsky, 2022).

Next, we should comprehend attachment. Emotional attachment to an object predicts the nature of a customer's interaction with a specific focal object (such as a product or a brand). Accordingly, customers' emotional attachment to a brand might predict their commitment to the focal object and their willingness to make sacrifices (Schouten & McAlexander, 1995). Moreover, Park et al. (2010) empirically demonstrated that brand attachment is an accurate predictor of intentions to perform behaviors that use significant customer resources (time, money, reputation) as well as a stronger predictor of actual customer behaviors.

The subsequent construct, Independent self-construal, can be conceptualized as a constellation of thoughts, feelings, and actions concerning one's relationship to others, and the self as distinct from others (Markus & Kitayama, 1991), and can be defined as the bounded, unitary, stable self that is separate from social context. Finally, avoidance of similarity refers to the loss of interest in, or discontinued use of, possessions that become commonplace to move away from the norm and re-establish one's differentness (Tian et al., 2001). Customers acquire and display material possessions to feel distinguished from other people and, thus, are targeted with a variety of marketing stimuli that attempt to enhance self-perceptions of uniqueness.

#### Conceptual model and hypothesis

For this research, we developed the following conceptual model and research hypotheses:

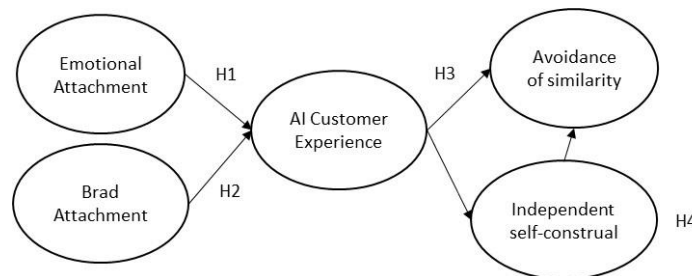


Fig 1. Conceptual model

H1: Emotional Attachment positively influences AI-Enabled Customer Experience.

H2: Brand Attachment positively influences AI-Enabled Customer Experience

H3: AI-Enabled Customer Experience positively influences Avoidance of similarity

H4: Independent Self Construal positively influences Avoidance of Similarity mediated by Independent self-construal

#### Methodology

For this study, we have conducted quantitative research based on an online questionnaire distributed through the Qualtrics platform. Participants were recruited on M-Turk among American beauty product customers (the criteria for inclusion should be to live in the

United States of America and be a regular online beauty products customer). The questionnaire was developed based on the literature review and all measurement items were adapted from existing instruments. Regarding the design and structure of the questionnaire, all respondents were initially introduced to a brief explanation of the study and asked if they knew the brand L'Oréal Paris and if they have ever used the AI beauty tool 'L'Oréal Paris Skin Genius'. The sample accounts for 239 participants, with 52% females.

### **Results**

To analyze the collected data, IBM SPSS Statistics was used. PROCESS macro for SPSS was used to test moderation. Linear regressions were conducted to model the variables, and OLS regression was performed to test mediation. Results show a positive relationship between emotional attachment ( $\beta=0.787$ ,  $p<0.001$ ) and brand attachment ( $\beta=.787$ ,  $p<0.001$ ) towards AI-enabled customer experience, validating H1 and H2 hypotheses. The relationship between AI-enabled customer experience and avoidance of similarity also presents a positive effect ( $\beta=.421$ ,  $p<0.001$ ), and that relationship mediated through independent self-construal is also confirmed (coeff .672, R2-Chng 0.0412,  $p<0.001$ ), confirming both H3 and H4.

### **Discussion and main findings**

The positive relationship between emotional attachment, brand attachment, and AI-enabled customer experience confirms how individuals with a strong attachment to an established brand are influenced by new AI-enabled experiences provided by a specific brand. These results can work as key information for brands to leverage the customers' experience, stimulating interaction with these emerging technologies. Additionally, customers' perception of an independent self, wanting to be different and unique from others, has a direct impact on the avoidance of offers that are perceived as commonplaces, as it devalues their status of having a unique lifestyle.

Firms should create a positive and solid relationship with customers for their willingness to join AI-enabled customer experiences. Brands must nurture their relationship with customers regularly and ensure they educate their audience on the portfolio of technological tools employed in the different channels so they can feel unique and valued in that relationship. AI offers multiple advantages, nonetheless, many opportunities are still to be explored. For instance, further research can address how beauty companies can base their decision-making on AI-enabled tool outputs.

**Keywords:** AI-enabled tools; Customer experience; Brand attachment; Emotional attachment; Avoidance of similarity; Independent self-construal.

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