

MARKETING COLLOQUIA

Spring 2024 - Abstract

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SPLURGING WITH ALEXA: HOW CONVERSATIONAL BOTS INCREASE PRODUCT UPGRADES

ABSTRACT:

AI-enabled voice-operated conversational bots, such as Amazon Alexa and Google Assistant, are gaining popularity, but do they influence consumer choice, and if so, how? We propose that consumers are more likely to choose an expensive upgrade option over a more basic option when shopping using a conversational bot, compared with other mediums such as an online webpage, a text-based chatbot, or a conversation with a human agent. Eleven studies using real conversational bots, including secondary data from an online vendor, suggest that this tendency to splurge reflects consumers' decreased processing capacity when interacting with a voice-operated conversational bot, which compromises processing of price information while not influencing intuitive processing of reward information. Alternative explanations, including expression modality, sequential exchange of information, and impression management are not supported. The findings make important contributions in the emerging field of consumer-AI interaction.