

A framework for businesses using avatars

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An associate professor of marketing at The University of Texas at Arlington says digital avatars can replace a sales force and customer service employees at a fraction of the cost.

In this context, avatars are typically computer-generated representations of people. UTA Associate Professor Fred Miao says they can fill the

void in interactive assistance that a majority of shoppers says they want.

"An Accenture survey of online shoppers shows that 62% never completed their purchases because there was no real-time customer service or support. That Accenture survey also shows that 90% of those shoppers wanted some sort of interactive assistance during the shopping process," said Miao, faculty fellow of the John Merrill Endowed Professorship in Consultative Sales in UTA's College of Business.

"Avatars, used in the right way, can fill this void at a fraction of the cost of hiring and training human salespeople and service employees."

Miao's paper, "An Emerging Theory of Avatar Marketing," appears in the *Journal of Marketing*, the premier research outlet for the American Marketing Association.

In his analysis, Miao argues that businesses using avatar representatives need to be on the lookout for misalignment between the form and behavioral realism of their avatars. Form realism relates to how much an avatar looks like a real human being. Behavioral realism relates to an avatar's "intelligence" and whether it acts like a human being.

"Getting those two parts of an [avatar](#) matched is difficult," Miao said.

"When the physical and the behavioral aspects don't synch up, the effectiveness of using avatars can be inconsistent and at best contingent upon the context, such as perceived financial risk."

In complex relational exchanges with customers, such as when someone chooses a skincare product, avatars may be most effective when they are highly realistic looking and intelligent. When interactions involve [privacy concerns](#), such as in mental health interviews, customers are better served with less realistic looking avatars that still act with intelligence.

Miao urges firms to consider five interrelated areas in using avatars:

- timing
- form realism
- behavioral realism
- form-behavioral realism alignment
- situational factors and context

"The bottom line is that with budgets being so constricted among businesses, using avatars for marketing or [customer](#) service could not only be a worthwhile management tool to consider using, but also a means of increasing sales through consistent service quality," Miao said.

Elten Briggs, chair and associate professor in the Department of Marketing, said Miao's work conveys critical insights to businesses.

"Avatars and other forms of artificial intelligence are increasingly being employed to deliver services to customers," Briggs said. "Dr. Miao's paper provides much needed guidance on how businesses can utilize avatars to improve customers' [service](#) experiences."

More information: Fred Miao et al, An Emerging Theory of Avatar Marketing, *Journal of Marketing* (2021). [DOI: 10.1177/0022242921996646](#)

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