

## Using the term 'artificial intelligence' in product descriptions reduces purchase intentions

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Companies may unintentionally hurt their sales by including the words "artificial intelligence" when describing their offerings that use the technology, according to a study led by Washington State University researchers.

In the study, <u>published</u> in the *Journal of Hospitality Marketing & Management*, researchers conducted experimental surveys with more than 1,000 adults in the U.S. to evaluate the relationship between AI disclosure and <u>consumer behavior</u>.



The findings consistently showed products described as using artificial intelligence were less popular, according to Mesut Cicek, clinical assistant professor of marketing and lead author of the study.

"When AI is mentioned, it tends to lower emotional trust, which in turn decreases purchase intentions," he said. "We found emotional trust plays a critical role in how consumers perceive AI-powered products."

In the experiments, the researchers included questions and descriptions across diverse product and service categories. For example, in one experiment, participants were presented with identical descriptions of smart televisions, the only difference being the term "artificial intelligence" was included for one group and omitted for the other. The group that saw AI included in the product description indicated they were less likely to purchase the television.

Researchers also discovered that <u>negative response</u> to AI disclosure was even stronger for "high-risk" products and services, those that people commonly feel more uncertain or anxious about buying, such as expensive electronics, <u>medical devices</u> or <u>financial services</u>.

Because failure carries more potential risk, which may include monetary loss or danger to physical safety, mentioning AI for these types of descriptions may make consumers more wary and less likely to purchase, according to Cicek.

"We tested the effect across eight different product and service categories, and the results were all the same: it's a disadvantage to include those kinds of terms in the product descriptions," Cicek said.

Cicek said the findings provide valuable insights for companies.

"Marketers should carefully consider how they present AI in their



product descriptions or develop strategies to increase emotional trust. Emphasizing AI may not always be beneficial, particularly for high-risk products. Focus on describing the features or benefits and avoid the AI buzzwords," he said.

In addition to Cicek, the study included co-authors Dogan Gursoy, professor of hospitality at WSU, and Lu Lu, associate professor at Temple University's Fox School of Business and Management.

**More information:** Mesut Cicek et al, Adverse impacts of revealing the presence of "Artificial Intelligence (AI)" technology in product and service descriptions on purchase intentions: the mediating role of emotional trust and the moderating role of perceived risk, *Journal of Hospitality Marketing & Management* (2024). DOI: 10.1080/19368623.2024.2368040

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