

Executive Summary

Young Customer Responses to Service Robots vs. Humans in Luxury Retail: A Multidisciplinary Approach

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Retailers are increasingly considering the introduction of service robots in their stores to enhance their value proposition by reshaping the dynamics of service encounters and customer experience. Although the literature recognizes the role of robots' social presence in service encounters, empirical research on the comparison between humans and service robots among young customers, such as Generation Z, is limited. This study aims to investigate the emotional responses of young customers to a technology-infused servicescape and explore the value of service robots as a social presence in luxury stores. A 2×2 mixed-methods experimental design with 116 subjects was developed to test the research hypotheses. Participants were randomly assigned to one of four experimental conditions: approaching vs. non-approaching behavior with a service robot or a human sales assistant. We used nonverbal socio-cognitive cues during the service encounter to design an approaching behavior that mimics the one that a human could potentially perform. These cues, encompassing body gestures, physical proximity, and emotional expressions, serve as crucial indicators of intentions and affective states in human-human and human-robot interactions and enhance the customer experience. Self-reports and neurophysiological responses (skin conductance) were collected to measure their affective states and emotional responses during the service encounter.

An approaching behavior of a human or a service robot generates more positive affective states, emotional responses, and attention than a non-approaching behavior. In addition, young customers no longer distinguish between human sales assistants and service robots. However, the level of attention and understanding of the message is higher with a human sales assistant. Finally, a lack of human sales assistant interaction during the service encounter leads to a stronger negative customer reaction, showing the importance of personalized and deep connections in luxury service. Our study offers practical insights for managers on

strategically integrating service robots with human staff in luxury retail settings, particularly for engaging young customers. It highlights the importance of robots for initial customer engagement and routine tasks while emphasizing the critical role of human sales assistants for personalized and emotionally engaging service. We recommend luxury retailers utilize service robots to enhance efficiency and customer attention and maintain strong human interactions for relationship management and unique service experiences. This balanced approach optimizes customer service by combining technological efficiency with the human touch, essential in contexts like luxury retail, where uniqueness and social interactions drive customer satisfaction. Tailoring these strategies to the preferences of Generation Z, who are typically more receptive to technological innovations in retail, can further differentiate a brand in the competitive market.