Summary

To provide customers with a more compelling experience, many firms have begun to deploy augmented reality (AR) as a frontline technology. However, managers and customers alike remain skeptical whether firms are currently exploiting the full potential of AR. This presents a need for a better understanding of the value creation processes that underlie AR-enabled customer experiences. However, current literature offers little guidance; research has yet to adequately describe how AR might enhance experiences and facilitate decision making throughout the customer journey. In this dissertation, I address this research gap in three distinct manuscripts.

In the first manuscript, "Making omnichannel an augmented reality", my co-authors and I review previously published research and currently deployed applications to provide a roadmap for future research efforts on AR-enabled experiences across the customer journey. On the basis of situated cognition theorizing, we demonstrate that AR offers myriad opportunities to provide customers with a seamless omnichannel journey, smoothing current obstacles, through a unique combination of i) embedded, ii) embodied, and iii) extended customer experiences. These three principles constitute the overarching value drivers of AR and offer coherent, theory-driven organizing principles for managers and researchers.

In the second manuscript, "Augmenting the eye of the beholder", my co-authors and I demonstrate that AR enables firms to enhance the online service experience by pursuing a strategy of service augmentation. In a series of studies (n = 1,033) with the AR applications of L’Oreal and Mister Spex, we provide evidence that AR-based service augmentation promotes effective and enjoyable online shopping by i) allowing customers to embed online offerings into their personal environments, and ii) simulating a sense of physical control over these offerings. We show that this effect is due to a feeling of spatial presence, where customers perceive their interactions with virtual offerings as “real”. Spatial presence also increases customers’ comfort with their online purchase decisions. Finally, we identify two important boundary conditions to the aforementioned effects: the effect of spatial presence on perceptions of effective online shopping is greater for customers who prefer
verbal rather than visual information processing, and the positive effect on decision comfort is attenuated by customers’ privacy concerns.

In the third manuscript, “Seeing eye to eye”, my co-authors and I draw on socially situated cognition theory to explain how social AR scaffolds decision making by customers in a recommender–decision maker dyad. In a series of studies (n = 1,031) with Akzo Nobel’s Visualizer application, we demonstrate that optimal configurations of (static or dynamic) sharing formats and (speech-only or image-enhanced) illocutionary acts, as enabled by social AR, promote recommendation comfort, and in turn, shape actual choice behavior. To translate the experience of scaffolding into comfort and choice, we find that both recommenders and decision makers must experience a sense of social empowerment. We also identify two relevant boundary conditions. In detail, we show that the effect of social empowerment on comfort is weaker when recommenders have a strong impression management goal. Furthermore, the effect of social empowerment on decision makers’ actual choices is attenuated by the strength of a recommender’s persuasion goal.