Augmented Reality Product Display Increases Consumer Preferences More for Inferior Than Superior Products

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Abstract:
Prominent brands such as adidas, IKEA, and Sephora increasingly offer consumers the possibility of experiencing virtual versions of their products in Augmented Reality (AR) before purchase. AR has been shown to impact consumer behavior, but how do product characteristics shape that impact? Might the impact of AR displays differ with a product's objective quality level? Eight studies (Ntotal = 4,074) demonstrate AR display increases preferences for products with objectively inferior performance (e.g., less processing power in a laptop) more than for products with superior performance. The authors show this pattern occurs because consumers evaluate the functional performance of inferior products more positively in AR compared to more traditional product display (e.g., product pictures or 360-degree displays). The observed pattern is consistent with the notion from previous research that consumers focus less on negative attributes when estimating the value of owned products. This effect attenuates when a product is less congruent with one's self, thereby decreasing psychological ownership of the product. These findings highlight the important role that product performance information plays in shaping the impact of AR displays on consumer decision-making.