RESEARCH NOTE · AI & CONSUMER BEHAVIOR

Can Robots Make a Premium Brand Feel Less Premium?

By Chi Hoang, Liu Xiaoyan and Sharon Ng

Service robots are becoming increasingly visible in hotels, restaurants, bars, and retail stores. For premium brands, the appeal is obvious: robots can signal innovation, modernity, and technological sophistication. Yet our research identifies a hidden downside. Across seven studies, including an experiment involving a real-life service robot, we found that adopting robots can make a brand seem less premium, because consumers associate robotic service with standardization rather than personalization and exclusivity.

This creates an interesting tension. Robots make a brand appear more innovative, which can enhance its premium image. But at the same time, consumers tend to see robot-delivered service as more standardized and less tailored to individual needs. For premium brands, this matters because customization and exclusivity are central to what consumers are paying for. Across the studies, the negative effect of standardization was stronger than the positive effect of innovativeness.

The consequences extend beyond abstract brand perceptions. In one study involving a bar, consumers were willing to pay less for a cocktail when it was served by robot bartenders rather than human bartenders. They also expected lower service quality and were less willing to spread positive word of mouth.

The same pattern emerged in restaurants. Participants saw a restaurant with robot waiters as less premium, were willing to pay less for a meal, and even selected less formal clothing to wear to the restaurant. In other words, robot adoption changed not only what consumers said about the brand but also how they prepared to experience it.

The findings were also replicated using a real service robot in a hotel setting. Participants who interacted with a humanoid robot receptionist were willing to pay less for a night's stay than those who interacted with a human receptionist, providing evidence that the effect is not confined to hypothetical scenarios.

Why does this happen?

The answer lies primarily in **perceived standardization.**

Consumers see robots as delivering consistent, scalable, one-size-fits-all service. That may be highly desirable in many contexts, but it clashes with what people expect from premium brands: personal attention, flexibility, exclusivity, and service tailored to individual needs.

Importantly, the research shows that robots do indeed make brands appear more innovative. But the boost from innovativeness is typically not strong enough to offset the damage created by perceptions of standardization.

Three takeaways for business

1. Do not assume that newer technology automatically strengthens a premium image.

Innovation and premiumness are not the same thing. A robot may make a brand appear more technologically advanced while simultaneously making the service feel more standardized and less exclusive.

2. The best model may be human plus robot, rather than robot instead of human.

When robots worked alongside human employees, the negative effect disappeared. Consumers rated a bar staffed by both humans and robots as just as premium as one staffed entirely by humans. The presence of employees may reassure customers that personalized assistance remains available when needed.

3. Brand fit matters enormously.

Innovative brands are better positioned to adopt robots. When robots were introduced by an e-commerce retailer with an innovative image, they no longer diluted premiumness because the technology felt consistent with the brand's identity. For more traditional brands, however, robot adoption continued to reduce perceptions of premiumness.

The bigger question

For premium brands, the strategic question should not simply be, "Can we automate this service?" It should be, "What does this automation communicate about who we are as a brand?"

Technology can undoubtedly create efficiency and excitement. But for brands built on exclusivity, craftsmanship, and personal attention, replacing people with robots may unintentionally send precisely the wrong signal.

The real opportunity may therefore lie not in removing humans from premium service, but in using technology to enhance what human employees do best.

WHAT THIS MEANS FOR MARKETERS

- Use service robots to enhance backend efficiency and alleviate routine tasks; keep human presence at the premium, personalized core of the customer experience.
- Prioritize a collaborative "human plus robot" model rather than direct substitution. Completely removing employees damages brand exclusivity where personal attention matters most.
- Align service automation with your core brand DNA. Innovation is not the same as premiumness; a mismatch will dilute your pricing power and prestige.

Reference

Hoang, Chi, Liu Xiaoyan and Sharon Ng, (2024), “From Premium to Mass: How Service Robots Shift Brand Premiumness,” Journal of Service Research, 28 (1), 17-34

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