Following the Algorithm or the Crowd? AI Recommendations and the Bandwagon Effect

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Abstract

In marketing, both AI-generated suggestions and human evaluations are widely used to guide consumer decisions, yet little research has examined how consumers evaluate them together. This study examines how AI-driven personalization and bandwagon cues jointly shape consumers' evaluations of restaurant recommendations. A 2 (AI-driven personalization: presence vs. absence) × 2 (bandwagon cue: low vs. high) between-subjects experiment (N = 365) tests how these cues impact consumers' experiences. Results show that AI-driven personalization increases perceived personalization, which in turn positively affects trust in platform, restaurant attitudes, and visiting intentions. Bandwagon cues activate bandwagon heuristics that mediate the effects on consumer experiences. Importantly, bandwagon cue valence moderates the impact of AI-driven personalization: high bandwagon cues amplify perceived personalization, creating a synergistic effect between algorithmic tailoring and social proof. The findings highlight how AI and crowd signals interact to shape consumer evaluations and suggest that consumers prioritize AI-driven personalization when interpreting recommendation authenticity.

Keywords*:* AI recommendation systems, AI-driven personalization, AI agency, Bandwagon cues, Others' agency