

AI 360 Research Briefing

AI as a Relational Signal: How AI Use Undermines Perceived Social Capital More for Smaller than Larger Sized Brands

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Brief overview:

This research introduces perceived brand social capital: consumers' perceptions of how strongly a brand is tied to their local community. Across seven studies (three pre-registered and four supplemental), a brand's AI use lowered perceived social capital and, in turn, loyalty, especially for small brands. Visible community involvement buffered this effect.

Why does this research matter?

Businesses are adopting AI rapidly while consumers worry about what AI means for their communities. This research shows that adopting AI is not just a technology decision but a relational one: consumers read AI as a sign that a brand is pulling away from the community, and they become less loyal. Small businesses, valued for their local ties, are most exposed. The findings give managers practical levers: keep people in relationally meaningful roles, use AI to augment rather than replace human interaction, and pair AI adoption with visible community involvement, which restores perceived ties most for small brands.