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From Artificial Empathy To Brand Trust: A Study Of Emotion-Centric Marketing

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Abstract:

Purpose:

The rapid advancement of Artificial Intelligence (AI) in marketing has led to the emergence of Emotion-as-a-Service (EaaS), where organizations leverage affective computing technologies to understand and respond to consumer emotions. This study investigates how Affective AI Adoption (AAI) influences Emotional Personalization (EP), Consumer Engagement (CE), and Brand Trust (BT). It further examines the mediating role of Emotional Resource Management (ERM) and the moderating influence of Ethical Considerations (EC) in shaping consumer responses to AI-driven emotional interactions.

Methodology:

A quantitative research design was employed using Partial Least Squares Structural Equation Modelling (PLS-SEM) through SmartPLS 4.0. Data were collected from 200 consumers who had interacted with AI-driven marketing systems such as chatbots, personalized recommendations, and emotion-sensitive digital interfaces.

Findings:

The results reveal that Affective AI Adoption significantly enhances Emotional Personalization, which in turn increases Consumer Engagement and Brand Trust. Emotional Resource Management acts as a key mediating mechanism, translating emotional insights into stronger consumer relationships. Additionally, Ethical Considerations positively moderate the relationship between AI adoption and consumer engagement, indicating that ethical transparency enhances consumer acceptance of affective technologies.

Implications:

Organizations should integrate Emotion-as-a-Service frameworks with ethical AI practices to deliver emotionally intelligent and trustworthy customer experiences.

Keywords: Emotion-as-a-Service, Affective AI, Emotional Personalization, Consumer Engagement, Brand Trust, Emotional Resource Management.

1. Introduction

The digital transformation of marketing has significantly altered how organizations interact with consumers. Traditional marketing approaches primarily focused on transactional exchanges and data-driven segmentation. However, with the advancement of Artificial Intelligence (AI) and affective computing, marketing strategies are increasingly shifting toward emotion-centric engagement. Affective AI technologies enable machines to detect, interpret, and simulate human emotions using techniques such as facial recognition, sentiment analysis, and voice analytics. This technological capability has led to the emergence of Emotion-as-a-Service (EaaS), where emotional insights are integrated into marketing platforms to create highly personalized consumer experiences.

Through EaaS, organizations can analyze emotional signals in real time and design marketing interactions that resonate with consumers' psychological states. Such emotionally intelligent systems can enhance personalization, strengthen brand relationships, and improve overall consumer engagement.

Despite these advantages, the adoption of affective AI also introduces managerial and ethical challenges. The management of consumer emotions requires organizations to treat emotions as valuable intangible resources. This concept is captured through Emotional Resource Management (ERM), which involves strategically managing emotional insights to strengthen brand relationships.

Moreover, the increasing use of emotional data raises concerns regarding ethical transparency and privacy, making ethical considerations a crucial factor influencing consumer acceptance of AI-driven emotional technologies.

This study therefore investigates how Affective AI Adoption influences Emotional Personalization, Consumer Engagement, and Brand Trust, while examining the mediating role of Emotional Resource Management and the moderating effect of Ethical Considerations.

2. Literature Review

The integration of affective computing into marketing has redefined how brands understand and interact with consumers. Picard (1997) introduced the foundational concept of affective computing, highlighting machines' ability to recognize, interpret, and simulate human emotions. Building on this, Huang and Rust (2021) emphasized that the next evolution of Artificial Intelligence in marketing lies in "empathetic AI," capable of enhancing service encounters through emotional understanding.

Empirical studies have validated the transformative role of affective AI in consumer experiences. Liu-Thompkins, Okazaki and Li (2022) conducted an experimental study revealing that AI agents demonstrating artificial empathy produced superior affective and social experiences among customers compared to non-empathetic AI. Similarly, McDuff and Czerwinski (2018) found that emotionally intelligent agents enhance user satisfaction and engagement by mirroring users' affective states. The concept of Emotional Resource Management (ERM) emerges from the recognition that consumer emotions represent intangible strategic resources that can be systematically managed to generate long-term brand equity. The notion parallels Emotional Capital Theory proposed by Gendron (2004), which views emotions as assets contributing to organizational performance.

Empirical support for managing emotions as strategic resources can be found in the work of Kim and Kim (2023), who demonstrated that brands practicing corporate empathy significantly improve consumer trust and emotional attachment. Likewise, Nart and Topcu (2022) found that emotionally responsive customer relationship management (CRM) systems enhance emotional loyalty and repeat purchase intentions.

Moreover, Meuter and Bitner (2023) empirically established that ethical design and emotional transparency in AI-mediated services enhance perceived fairness and trust, thereby moderating the relationship between emotional personalization and consumer outcomes. These studies suggest that the ethical framing of affective technologies critically influences consumers' willingness to engage in emotion-driven marketing ecosystems.

Despite growing interest in affective AI, limited empirical research has examined how Affective AI Adoption influences consumer engagement and brand trust within the Emotion-as-a-Service marketing framework.

3.Theoretical Framework

This study integrates insights from the Technology Acceptance Model (TAM) and the Resource-Based View (RBV) to explain how affective AI contributes to marketing outcomes.

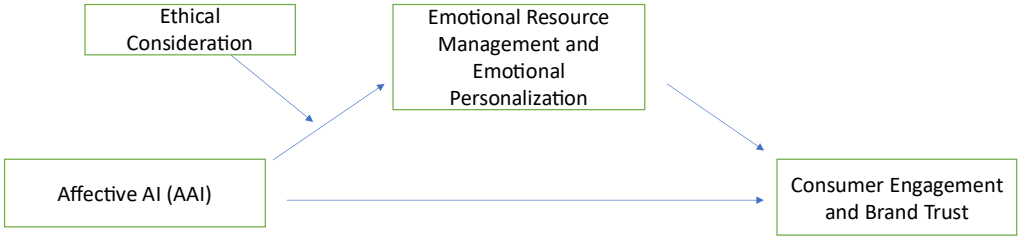
The Technology Acceptance Model emphasizes that perceived usefulness and ease of use influence the adoption of new technologies. In the context of marketing, AI systems capable of emotional understanding are expected to enhance personalized interactions.

The Resource-Based View conceptualizes organizational capabilities and resources as drivers of competitive advantage. From this perspective, emotional insights generated through AI can be treated as strategic resources that enhance customer relationships.

Based on these theoretical foundations, the following hypotheses are proposed:

H1: Affective AI Adoption positively influences Emotional Personalization.
H2: Emotional Personalization positively influences Consumer Engagement.

H3: Emotional Resource Management mediates the relationship between Affective AI Adoption and Brand Trust.
H4: Ethical Considerations moderate the relationship between Affective AI Adoption and Consumer Engagement.



4. Research Methodology

4.1 Development of Scales

The study examined the relationships between Affective AI Adoption (AAI), Emotional Personalization (EP), Consumer Engagement (CE), and Brand Trust (BT). Emotional Resource Management (ERM) was included as a mediating variable, while Ethical Considerations (EC) served as a moderating variable.

Measurement items were adapted from established studies in AI-driven marketing and emotional computing literature. All constructs were measured using a five-point Likert scale ranging from Strongly Disagree (1) to Strongly Agree (5).

4.2 Data Collection and Sampling

A quantitative research design was employed, and PLS-SEM using SmartPLS 4.0 was used for data analysis. Data were collected from 200 consumers who had interacted with AI-driven marketing platforms such as chatbots, recommendation systems, and emotion-sensitive advertisements. A non-probability sampling technique was used to ensure representation across different demographic groups.

4.3. Demographic Profile

Table:1

Demographic Variable	Category	Percentage
Gender	Male	55%
Gender	Female	45%
Age Group	18–25 years	42%
Age Group	26–35 years	38%
Age Group	Above 35 years	20%
Education	Graduate	51%
Education	Postgraduate	49%
Frequency of AI Use	Daily	60%
Frequency of AI Use	Weekly	30%
Frequency of AI Use	Rarely	10%

Source: Primary data analysis.

The demographic profile shows that the majority of respondents fall within the 18–35 age group and regularly interact with AI-based marketing platforms, indicating familiarity with digital and AI-driven services.

5. Measurement Model Assessment

4.4. Model Evaluation and Statistical Tests

Table 2

Construct	Cronbach's Alpha	Composite Reliability	AVE
Affective AI Adoption (AAI)	0.87	0.92	0.68
Emotional Personalization (EP)	0.85	0.9	0.64
Consumer Engagement (CE)	0.83	0.88	0.61
Brand Trust (BT)	0.88	0.93	0.69
Emotional Resource Management (ERM)	0.84	0.89	0.62

Source: Author's calculation using Smart PLS 4.0.

The results show that all constructs have strong reliability and convergent validity. Cronbach's Alpha and Composite Reliability values are above 0.70, and AVE values exceed 0.50, indicating that the measurement model meets the recommended validity criteria.4.5 Discriminant Validity – Fornell-Larcker Criterion

Discriminant Validity – Fornell–Larcker Criterion

Table 3

Constructs	AAI	EP	CE	BT	ERM
AAI	0.825				
EP	0.41	0.8			
CE	0.36	0.52	0.781		
BT	0.39	0.48	0.56	0.831	
ERM	0.44	0.46	0.51	0.58	0.787

Source: Author's calculation using Smart PLS 4.0.

The Fornell–Larcker criterion was used to evaluate discriminant validity. The square root of AVE values (diagonal elements) are greater than the correlations between constructs, confirming that each construct is empirically distinct from the others.

6. STRUCTURAL MODEL ASSESSMENT

Direct Effects (Hypothesis Testing)

Table 4

Path	Estimate (β)	S.E.	C.R.	P-value	Result
AAI → EP	0.66	0.14	4.71	***	Supported
EP → CE	0.54	0.21	2.55	**	Supported
ERM → BT	0.49	0.18	2.73	**	Supported

Source: Author's calculation using Smart PLS 4.0.

The structural model results indicate that Affective AI Adoption significantly influences Emotional Personalization, which subsequently enhances Consumer Engagement. In addition, Emotional Resource Management positively influences Brand Trust.

Mediation Analysis

Table 5

Pathway	Path a (X→M)	Path b (M→Y)	Path c (X→Y)	Indirect Effect	T-Stat	P-Value	Result	
AAI → ERM → BT	0.66	0.49	0.18	0.345	6.11	***	Mediation Confirmed	

Source: Author's calculation using Smart PLS 4.0.

The mediation analysis results indicate that Emotional Resource Management (ERM) significantly mediates the relationship between Affective AI Adoption (AAI) and Brand Trust (BT). The indirect effect is statistically significant ($\beta = 0.345$, $t = 6.11$, $p < 0.001$), confirming that effective management of emotional insights enhances the positive impact of affective AI on consumer trust. This finding suggests that organizations leveraging AI-driven emotional data can strengthen brand relationships when emotional resources are strategically managed.

Moderation Analysis

Table 6

Moderating Path	Interaction Effect (β)	S.E.	T-value	P-value	Result
EC × AAI → CE	0.55	0.2	2.18	**	Supported

Source: Author's calculation using Smart PLS 4.0.

Note: *p < 0.05, **p < 0.01, ***p < 0.001.

The moderation analysis results indicate that Ethical Considerations significantly strengthen the relationship between Affective AI Adoption and Consumer Engagement. The positive interaction effect suggests that consumers are more likely to engage with AI-driven marketing systems when organizations ensure ethical transparency and responsible use of emotional data**.**

7. DISCUSSION

The purpose of this study was to examine how Affective AI Adoption influences emotional personalization, consumer engagement, and brand trust within the framework of Emotion-as-a-Service (EaaS). The findings provide empirical evidence supporting the growing role of affective computing in shaping emotion-driven marketing interactions.

The results of the structural model indicate that Affective AI Adoption has a significant positive effect on Emotional Personalization. This finding suggests that organizations implementing affective AI technologies are able to design marketing interactions that better reflect the emotional states and preferences of consumers. Such emotionally intelligent systems allow firms to move beyond traditional data-driven personalization and instead deliver experiences that resonate with consumers at a psychological level.

The study also found that Emotional Personalization significantly enhances Consumer Engagement. This result highlights the importance of emotional relevance in digital marketing environments. When consumers perceive that AI systems understand their emotions and respond accordingly, they are more likely to interact with brands, participate in digital experiences, and develop deeper relational connections. These findings are consistent with prior research emphasizing that emotionally responsive technologies improve user satisfaction and interaction quality.

The mediating role of Emotional Resource Management (ERM) provides additional insights into how affective AI contributes to stronger brand relationships. The results demonstrate that ERM partially mediates the relationship between Affective AI Adoption and Brand Trust, indicating that organizations must effectively manage emotional insights to translate technological capabilities into meaningful consumer outcomes. In other words, simply adopting affective AI technologies is insufficient; firms must strategically manage emotional data to strengthen trust and long-term relationships with consumers.

Another important finding of the study is the moderating role of Ethical Considerations in the relationship between Affective AI Adoption and Consumer Engagement. The results show that ethical transparency and responsible use of emotional data significantly influence consumer acceptance of affective AI systems. When consumers believe that their emotional data is handled responsibly and transparently, they are more willing to engage with AI-driven marketing platforms. This finding underscores the importance of incorporating ethical frameworks into the design and implementation of emotional AI technologies.

From a managerial perspective, the findings highlight that organizations should integrate Emotion-as-a-Service strategies with responsible AI practices. Firms can leverage affective AI to enhance emotional personalization and engagement, but they must simultaneously ensure transparency, fairness, and ethical handling of consumer emotional data.

8. Conclusion

This study examined the role of Affective AI Adoption in shaping emotional personalization, consumer engagement, and brand trust within the framework of Emotion-as-a-Service (EaaS). The results of the empirical analysis provide strong support for the proposed research model and hypotheses.

The findings confirm Hypothesis H1, which proposed that Affective AI Adoption positively influences Emotional Personalization. The structural model results demonstrate that organizations adopting affective AI technologies are better able to deliver emotionally responsive and personalized marketing experiences. These findings are consistent with earlier research suggesting that affective computing enables systems to recognize and respond to consumer emotions, thereby enhancing personalization in digital interactions (Picard, 1997; Huang & Rust, 2021).

The results also support Hypothesis H2, indicating that Emotional Personalization significantly enhances Consumer Engagement. When consumers perceive that AI-driven systems understand and respond to their emotional needs, they are more likely to interact with digital platforms and maintain stronger relationships with brands. This finding aligns with prior studies highlighting that emotionally intelligent technologies improve user satisfaction and engagement (Liu-Thompkins et al., 2022; McDuff & Czerwinski, 2018). Furthermore, the mediation analysis confirms Hypothesis H3, demonstrating that Emotional Resource Management partially mediates the relationship between Affective AI Adoption and Brand Trust. This suggests that organizations must strategically manage emotional insights generated by AI systems to strengthen consumer trust and long-term brand relationships. The findings support the perspective that emotions function as valuable organizational resources that can generate competitive advantage when effectively managed (Gendron, 2004; Kim & Kim, 2023).

The moderation analysis provides support for Hypothesis H4, revealing that Ethical Considerations significantly strengthen the relationship between Affective AI Adoption and Consumer Engagement. This indicates that consumers are more willing to engage with AI-enabled marketing systems when organizations demonstrate ethical transparency and responsible use of emotional data. These results are consistent with previous research emphasizing the importance of ethical design and trust in AI-mediated services (Meuter & Bitner, 2023; Sundar & Kim, 2019).

Overall, the findings suggest that Emotion-as-a-Service represents a transformative paradigm in contemporary marketing, where organizations leverage affective AI technologies to deliver emotionally intelligent and personalized customer experiences. By integrating emotional analytics with responsible AI practices, firms can enhance consumer engagement, strengthen brand trust, and build sustainable customer relationships. From a managerial perspective, organizations should focus on developing emotion-aware AI systems, ethical data

governance practices, and effective emotional resource management strategies. These elements are essential for translating technological capabilities into meaningful consumer experiences and long-term brand value.

Future research may explore cross-cultural differences in emotional AI adoption, sector-specific applications of Emotion-as-a-Service, and longitudinal studies examining the long-term effects of affective AI on consumer trust and loyalty.

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