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A Strategic Framework for Navigating the AI-CX Paradox

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Executive Summary

In today's digital economy, the fight for customer loyalty isn't won with products anymore, it's won on the battlefield of **Customer Experience (CX)**. At the same time **Artificial Intelligence (AI)** has exploded onto the scene, promising game changing efficiency and personalization. But as companies rush to put AI in front of their customers, they've run headfirst into a major strategic problem: the **AI-CX Paradox.** This is the core tension between the push for automation and the risk of losing the trust, emotional connection, and human touch that actually make a customer experience great. For today's leaders, figuring this out isn't just a tech problem but a critical business challenge.

In this thesis I intend to tackle the AI-CX Paradox by comparing two completely different markets: Spain, a mature and highly regulated EU economy, and India, a fast-growing, mobile-first emerging economy. Instead of a one-size-fits-all approach, this research asks a central question: **How can companies build a strategic framework to manage the AI-CX Paradox, balancing efficiency with emotional connection in these diverse global markets?**

In my analysis of public data, framed by theories like the Technology Acceptance Model, reveals that culture has a huge impact on what customers expect from AI.

The findings show two distinct challenges:

- ➔ In Spain, a country that avoids uncertainty, customers demand AI that is not just efficient but perfect. Failure isn't an option because it creates stress and makes users feel a loss of control. Here, the main conflict is **Efficiency vs. Efficacy**.
- ➔ In India, a culture with a high respect for hierarchy, customers value AI for providing access to services, but it must never block the path to a human with authority when problems get complicated. Here, the main conflict is **Automation vs. Authority.**

To solve these problems, I propose the
AI-CX Navigation Framework, a practical model for managers. It's built on four key principles:

1. Understand that "convenience" means different things in different markets.

2. Strategically design the "human escape hatch" to meet local expectations for either expertise or authority.
3. Balance personalization and privacy based on whether the local laws are rights-based (like in Spain) or consent-based (like in India).
4. Measure success not just by efficiency, but by the emotional connection and trust you build with customers.

In the end, my thesis argues that winning with AI isn't about replacing humans, but about designing a system where technology and people support each other. With this culturally-aware framework, companies can use AI to strengthen human connection, not break it, leading to more valuable customer relationships around the world.

Resumen Ejecutivo

En la economía digital actual, la batalla por la lealtad del cliente ya no se gana con productos, sino en el campo de batalla de la Experiencia de Cliente (CX). Al mismo tiempo, la Inteligencia Artificial (IA) ha irrumpido en escena, prometiendo una eficiencia y personalización revolucionarias. Sin embargo, a medida que las empresas se apresuran a implementar la IA en sus interacciones con los clientes, se han topado de frente con un problema estratégico fundamental: la **Paradoja AI-CX**. Esta es la tensión central entre el impulso por la automatización y el riesgo de perder la confianza, la conexión emocional y el toque humano que realmente hacen que la experiencia del cliente sea excepcional. Para los líderes de hoy, resolver esto no es solo un problema tecnológico, sino un desafío empresarial crítico.

Esta tesis aborda la Paradoja AI-CX mediante la comparación de dos mercados completamente diferentes: España, una economía de la UE madura y altamente regulada, e India, una economía emergente de hipercentro, orientada al móvil. En lugar de un enfoque único para todos, esta investigación plantea una pregunta central: **¿Cómo pueden las empresas construir un marco estratégico para gestionar la Paradoja AI-CX, equilibrando la eficiencia con la conexión emocional en estos diversos mercados globales?**

Mi análisis de datos públicos, enmarcado en teorías como el Modelo de Aceptación Tecnológica, revela que la cultura tiene un impacto enorme en lo que los clientes esperan de la IA.

Los hallazgos muestran dos desafíos distintos:

En **España**, un país que evita la incertidumbre, los clientes exigen una IA que no solo sea eficiente, sino perfecta. El fallo no es una opción porque crea estrés y hace que los usuarios sientan una pérdida de control. Aquí, el conflicto principal es **Eficiencia vs. Eficacia**.

En la **India**, una cultura con un alto respeto por la jerarquía, los clientes valoran la IA por proporcionar acceso a los servicios, pero esta nunca debe bloquear el camino hacia un ser humano con autoridad cuando los problemas se complican. Aquí, el conflicto principal es **Automatización vs. Autoridad**.

Para resolver estos problemas, propongo el **Marco de Navegación AI-CX**, un modelo práctico para directivos. Se basa en cuatro principios clave:

Comprender que la "conveniencia" significa cosas diferentes en distintos mercados.

Diseñar estratégicamente la "vía de escape humana" para cumplir con las expectativas locales, ya sea de experiencia técnica o de autoridad.

Equilibrar la personalización y la privacidad según si las leyes locales están basadas en el derecho (como en España) o en el consentimiento (como en la India).

Medir el éxito no solo por la eficiencia, sino por la conexión emocional y la confianza que se construye con los clientes.

En definitiva, mi tesis argumenta que el éxito con la IA no consiste en reemplazar a los humanos, sino en diseñar un sistema donde la tecnología y las personas se apoyen mutuamente. Con este marco culturalmente consciente, las empresas pueden utilizar la IA para fortalecer la conexión humana, no para romperla, lo que conduce a relaciones con los clientes más valiosas en todo el mundo.

Chapter 1: Introduction: The Convergence of AI and Customer Experience

1.1. The Strategic Imperative of Customer Experience in the Digital Age

In today's global economy, the way companies compete has fundamentally changed. The main point of competition is no longer simply the physical features of a product or the price of a service; instead, the battle is now fought in the less tangible, more personal world of **customer experience**. This shift has elevated Customer Experience (CX) from a task once handled by the marketing department into a core strategic goal for the entire organization, and it's now seen as the most important driver of a company's long-term competitive advantage.

CX is a "holistic" concept, meaning it includes every possible aspect of a customer's perception. It covers all their thoughts, feelings, and even physical and social reactions to every single interaction with a company, direct or indirect, throughout their entire journey as a customer (Meyer & Schwager, 2007; Lemon & Verhoef, 2016).

The importance of CX is not just an academic idea; it has a real and measurable impact on business success. We see consistent research showing that most consumers point to their experience as a key reason for their purchasing choices, and many are willing to pay more for a better one—with some studies finding they'll pay a premium of up to 13-18% for great service (PwC, 2023). This new "experience economy" is influenced by things the company can control, like its advertising or the design of its services, but it's also shaped by forces outside the company's direct control, such as the customer's social environment or their personal goals (Becker & Jaakkola, 2020). Managing all these moving parts is incredibly complex because a brand's reputation is now built across a wide network of moments, from a planned call with a support agent to a casual comment a customer sees on social media.

1.2. The Emergence of Artificial Intelligence as a Transformative Force

At the same time that experience was becoming a key business focus, Artificial Intelligence (AI) was making its own journey from a specialized academic field to a general-purpose technology—a force for change so powerful it can be compared to electricity or the internet. Defined as the

ability of machines to perform tasks that typically require human intelligence (Russell & Norvig, 2020), AI is now the engine behind a vast and rapidly expanding range of applications.

This explosion in AI has been driven by a perfect storm of three factors: the exponential growth of computing power, often called Moore's Law; the massive amounts of data generated by our online lives; and major breakthroughs in algorithms, especially in machine learning (OECD, 2021). The economic impact is expected to be enormous. A recent analysis by McKinsey & Company.(2023) estimates that generative AI alone could add the equivalent of **$2.6 trillion to $4.4 trillion annually** to the global economy, an amount comparable to the entire GDP of the United Kingdom. This isn't some far-off future; it’s happening now in tangible ways across different sectors, from AI models that can diagnose skin cancer with the same accuracy as a dermatologist (Esteva et al., 2017) to automated systems that can detect fraud across billions of financial transactions (Davenport & Ronanki, 2018).

1.3. The Central Research Problem: The AI-CX Paradox

This thesis is positioned right at the intersection of these two powerful movements. While the idea of integrating AI into customer experience holds incredible promise, it also introduces a fundamental strategic tension. I define this tension as the **AI-CX Paradox**: *The very drive to use AI for efficiency and personalization creates an inherent risk of undermining the emotional connection, trust, and human touch that are the foundations of a great customer experience*.

This paradox creates a high-stakes trade-off. On one side, the benefits of AI are undeniable. For major e-commerce companies, AI personalization engines have been shown to boost sales by as much as 35%, while AI automation can reduce customer service costs by up to 30% by handling questions with greater speed and at a massive scale (McKinsey & Company, 2020; IBM, 2022). But on the other side, the dangers are just as real. A surprising 41% of consumers say they have walked away from brands because of "robotic" interactions that felt inhuman (Salesforce, 2023). This is made worse by a deep "trust deficit," with 67% of people expressing concern over how companies use their personal data in AI systems (Deloitte, 2024). Learning how to gain the benefits of automation without paying the price of alienating customers is one of the most critical challenges that business leaders face today.

1.4. Research Gap and Guiding Questions

While a great deal of research has covered the technical aspects and efficiency benefits of AI in CX, there is still a major gap in our understanding of the human side of these interactions—especially the emotional and qualitative dimensions across different cultures (Becker & Jaakkola, 2020). This thesis is designed to fill that gap by answering a central research question: *How can organizations build a strategic framework to manage the AI-CX Paradox, balancing the need for operational efficiency with the equally important need for emotional connection in diverse global markets?*

This main question is supported by three sub-questions:

1. How can we use foundational theories of technology adoption and customer satisfaction to explain why AI-driven CX succeeds in some cases but fails in others?
2. How do different cultural and market environments (specifically Spain and India) shape the way consumers perceive AI in service interactions?
3. What practical, actionable principles can we develop to help managers make better decisions about implementing AI in customer-facing roles?

1.5. Significance and Contributions of the Research

This research is significant in three main ways, offering new contributions to theory, business practice, and society.

- **Theoretical Contribution**: This study challenges the idea that foundational models for technology adoption, like the Technology Acceptance Model (TAM), can be universally applied. Rather than treating culture as a minor factor, this research shows that cultural dimensions are **critical moderators** that change how a technology is accepted and how it impacts customer satisfaction. In doing so, this work proposes a culturally-aware update to these theories, making them more relevant for a globalized world.
- **Practical Contribution**: For managers and business leaders, this research provides a direct answer to the challenge of using technology in different global markets. It goes beyond simple analysis to offer a **prescriptive framework** that can guide real-world business decisions. This framework can help shape strategic

investments in technology, the design of user interfaces, and how service is personalized to better fit the expectations of a culturally diverse customer base.

- **Societal Contribution**: This work adds to the important conversation about **responsible and ethical AI**. By showing how cultural differences affect human-computer interactions, it highlights the danger of creating biased technologies that might exclude or disadvantage certain groups of users. The findings call for more inclusive design, helping to ensure that progress in technology does not accidentally create new forms of digital inequality.

1.6. Scope, Delimitations, and Limitations

The **scope** of this study is focused on AI applications that directly face consumers, such as chatbots and recommendation engines, within the service industry.

The research is **delimited** to a comparative analysis of two specific markets: **Spain**, chosen to represent a mature, EU-regulated digital economy, and **India**, chosen to represent a mobile-first, high-growth emerging economy.

The main **limitations** of this study are its reliance on publicly available secondary data, which can differ in how current or detailed it is, and the small, illustrative nature of the qualitative sample. This sample is not meant for broad statistical generalization but is intended to provide deeper explanatory context.

1.7. Structure of the Thesis

This thesis is organized as follows: Chapter 2 provides a review of the relevant literature. Chapter 3 explains the research methodology, which is led by secondary data. Chapter 4 will present the findings from the data analysis. Chapter 5 will then discuss the interpretation and wider implications of these findings. Finally, Chapter 6 will conclude the thesis with a summary, the proposed strategic framework, and suggestions for future research.

Chapter 2: Literature Review: A Synthesis of Theory, Application, and Critique

2.1. The Three Eras of Artificial Intelligence: A Technological Evolution

To really grasp how AI is affecting customer experience today, it's helpful to look back at how the technology has evolved. AI's history can be seen in three distinct eras,

2.1.1. Era 1: Symbolic AI (The Era of Logic - 1950s-1980s)

The story of AI really begins at the 1956 Dartmouth Conference, which gave rise to the first era: Symbolic AI, sometimes called "Good Old-Fashioned AI" (GOFAI). The core idea behind this approach was that human intelligence could be recreated in a machine by manipulating symbols based on strict, formal rules of logic, like "if-then" statements. Early successes of this era included programs like the "Logic Theorist," which could prove mathematical theorems, and specialized "expert systems" like MYCIN, which was designed to help with medical diagnoses **(Russell & Norvig, 2020)**.

However, Symbolic AI turned out to be quite brittle. It struggled to handle uncertainty, common-sense reasoning, and the messy complexity of the real world. When the technology failed to deliver on its initial grand promises, it led to the "AI winters," periods of reduced funding and interest. The most common legacy of this era in customer experience is the simple, and often frustrating, Interactive Voice Response (IVR) phone menu ("Press 1 for sales...").

2.1.2. Era 2: Machine Learning (The Era of Prediction - 1990s-2010s)

AI saw a major comeback thanks to a fundamental change in approach: instead of relying on pre-programmed rules, the focus shifted to statistical learning from data.

Machine learning (ML) algorithms, such as decision trees and support vector machines, are designed to find patterns directly from data without needing to be explicitly told what to look for.

The biggest breakthrough in this era came in the 2010s with the rise of **deep learning**. By using complex, multi-layered neural networks inspired by the structure of the human brain, deep learning models were able to achieve better-than-human performance on certain tasks, like image recognition in the famous ImageNet competition (LeCun, Bengio, & Hinton, 2015). This was the

technological leap that gave us the recommendation engines on Netflix and Amazon, the voice recognition in our virtual assistants, and the advanced data analytics that are central to modern business.

2.1.3. Era 3: Generative AI (The Era of Creation - 2020s-Present)

The most recent and dramatic shift has been the rise of

Generative AI, which is defined by its incredible ability to create brand-new content instead of just analyzing existing data. This era is currently dominated by

Large Language Models (LLMs) like OpenAI's ChatGPT series and Google's Gemini. These models are trained on enormous sections of the internet and can generate fluent, coherent text, images, and even computer code (Bommasani et al., 2022).

For customer experience, this technology is nothing short of revolutionary. It allows for:

- **Dynamic, Conversational Chatbots**: Moving beyond rigid scripts to handle complex, multi-part conversations, understand customer sentiment, and even mimic empathy.
- **Hyper-Personalized Content at Scale**: Generating unique marketing emails, product descriptions, and social media content that is tailored to individual user profiles.
- **Proactive Service Communication**: Crafting service emails that are aware of the customer's context and can adopt a more human and empathetic tone.

The incredible speed of public adoption—ChatGPT reached 100 million users in just two months (Statista, 2023)—shows that customer expectations for how they interact with technology are fundamentally changing.

Table 1: Artificial Intelligence Eras

Era	Core Principle	Key Technology	Example CX Application
Symbolic AI	Logic & Rules	Expert Systems, Logic Programming	Basic IVR Phone Trees ("Press 1 for...")
Machine Learning	Prediction from Data	Deep Learning, Neural Networks	Netflix Recommendation Engine, Spam Filters
Generative AI	Creation of Content	Large Language Models (LLMs)	Advanced Conversational Chatbots, Personalized Email Copy

Source: Author's own elaboration, based on Russell & Norvig (2020), LeCun et al. (2015), and Bommasani et al. (2022)

2.2. Foundational Theories for Analyzing AI in Customer Experience

To understand how AI impacts the customer relationship, we first need a clear definition of Customer Experience itself, and then a set of theoretical tools to analyze it.

2.2.1 Defining Customer Experience (CX)

Customer Experience (CX) can be understood as the holistic perception and cumulative feeling a customer develops about a company or its brands. This perception isn't based on a single event; it's the outcome of every interaction the customer has with that company over the entire course of their relationship (Meyer & Schwager, 2007). Scholars in the field define it as a customer's multi-faceted response—which can be cognitive, emotional, sensory, and even social—to a company's products and services across all the different points of contact in their journey (Lemon & Verhoef, 2016).

This journey can be broken down into key stages:

- **Pre-purchase**: This stage includes every interaction before a sale, such as how a customer first discovers the brand, their experience navigating the website, the advertisements they see, and the reviews they read.
- **Purchase**: This covers the interactions during the sale itself, like how easy the transaction is, the store environment (whether digital or physical), and any interactions with sales staff or website interfaces.
- **Post-purchase**: This involves the customer's experience using the product or service, along with all subsequent interactions like customer support calls, billing questions, loyalty programs, or handling returns (Lemon & Verhoef, 2016).

It’s important to distinguish Customer Experience (CX) from other, related ideas.

Customer Service, for instance, is just one reactive piece of CX, focused on providing help at a specific moment, like a call to a helpdesk.

User Experience (UX) is also just one component, referring specifically to how easy, accessible, and enjoyable it is to interact with a particular product or digital interface, like a website or a mobile app.

Customer Experience (CX) is the big picture—the overarching framework that contains all these interactions and adds them up into one final, cumulative impression of the brand (Meyer & Schwager, 2007).

2.2.2. Why CX is Central to the Buying Process

CX has become critically important because it has a direct line to customer decisions, helping to build trust and create emotional connections that go beyond a simple, rational evaluation of a product (Homburg et al., 2006). In many markets today, product features and quality are simply "table stakes"—the basic requirements to even be in the game, rather than a source of long-term advantage. CX has become the key differentiator for several reasons:

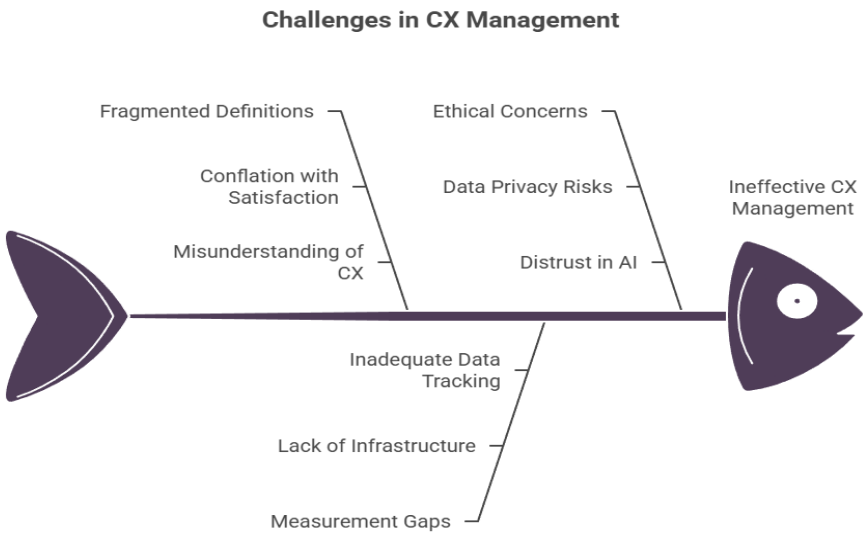
- **The Rise of the Experience Economy**: Commerce is shifting from just selling services to selling what Pine and Gilmore (1998) famously termed "experiences." In this model, the memory of *how* a product is acquired and used becomes more valuable than the

product itself. Building on this, Bernd Schmitt (1999) developed the concept of "Experiential Marketing," arguing that companies must engage customers across multiple dimensions. He identified five types of experiences: **sensory (Sense), emotional (Feel), cognitive (Think), behavioral (Act), and social-identity (Relate)**, showing that a powerful CX is a holistic engagement, not just a simple transaction.

- **Commoditization of Products**: In today's global markets, competitors can quickly copy new features and match quality levels. When products become more and more alike, the customer's experience with the brand is often the only real point of difference (Pine & Gilmore, 1999).
- **The Amplified Customer Voice**: ocial media and review sites have given customers a global megaphone to share their experiences. A single bad story can cause significant reputational damage, while positive stories offer powerful social proof, a phenomenon well-documented in studies on electronic word-of-mouth **(BrightLocal, 2023)**.
- **Direct Economic Impact**: Good CX delivers real financial returns. Research consistently shows that customers will pay more for a superior experience (PwC, 2018). Companies that lead in CX also have higher customer retention, lower churn, and ultimately a higher Customer Lifetime Value (CLV) (Reichheld, 2003).

Despite its importance, many companies still struggle with CX management. Key challenges include fragmented definitions, a lack of infrastructure for tracking data, and growing ethical concerns from consumers about data privacy and the use of AI (Becker & Jaakkola, 2020; Accenture, 2024; Deloitte, 2024).

Figure 1: Challenges in Customer Experience Management



Source: Author's own elaboration, synthesizing challenges identified by Becker & Jaakkola (2020), Accenture (2024), and Deloitte (2024)

2.2.3. Three Lenses for Analyzing AI's Impact on CX

Given the strategic importance of CX, this study uses three core theories as an analytical framework to understand how a powerful force like AI truly affects it.

1. The Technology Acceptance Model (TAM): A Lens on Adoption developed by Davis (1989), TAM is a very influential model for explaining why people choose to use a new technology. It suggests that the decision comes down to two main factors: **Perceived Usefulness** (Does this technology help me do what I need to do?) and **Perceived Ease of Use** (Will it be easy and effortless to use?). In the world of AI-driven CX, this theory is key for understanding a customer's initial reaction. A chatbot will only be used if a customer thinks it will be both useful (it can solve their problem) and easy to talk to. If it fails on either point, the customer will likely reject it. However, later research showed that this decision isn't made in a vacuum. The Unified Theory of Acceptance and Use of Technology (UTAUT) added a crucial third factor: **social influence** (Venkatesh et al., 2003). This refers to how much an individual believes that the important people in their life think they should or shouldn't use new technology. A customer's willingness to use an

AI chatbot, for example, is also shaped by societal norms, the behavior of their friends, and the brand's reputation for innovation.

2. Expectancy-Disconfirmation Theory (EDT): A Framework for Satisfaction Proposed by Oliver (1980), EDT explains that customer satisfaction is based on the

gap between their expectations before an interaction and the actual performance they experience. This theory is perfect for analyzing the emotional result of an AI interaction.

- **Positive Disconfirmation (Delight)** happens when the AI performs better than expected (e.g., a chatbot processes a complex refund instantly).
- **Confirmation (Satisfaction)** happens when the AI performs exactly as expected.
- **Negative Disconfirmation (Frustration)** happens when the AI fails to meet expectations (e.g., a chatbot doesn't understand a simple question).
  The intensity of the frustration that comes from these failures is a key part of the AI-CX Paradox.

3. Service-Dominant (S-D) Logic: A View on Value Co-Creation Articulated by Vargo and Lusch (2008), S-D Logic marks a major shift in thinking. It argues against the old idea that companies create value and customers just consume it. Instead, S-D Logic states that

value is always co-created during the interaction between the service provider and the customer. This theory is vital for this thesis because it frames AI not as a simple tool, but as an active representative of the company in this value co-creation process. A well-designed AI helps the customer create value smoothly. A poorly designed one gets in the way, frustrating the customer's efforts and leading to what can be called "value co-destruction".

2.2.4. A Lens on Culture: Hofstede's Cultural Dimensions Theory

To properly analyze how customer experience might change across different countries, it is essential to have a framework for understanding culture itself. The most established model for this is **Hofstede's Cultural Dimensions Theory**. Developed by social psychologist Geert Hofstede, this theory argues that national cultures can be compared and contrasted along a series of dimensions that describe a society's core values (Hofstede, 2011). For the purpose of this

thesis, two of these dimensions are particularly critical for understanding consumer expectations in Spain and India:

- **Power Distance Index (PDI):** This dimension measures the extent to which the less powerful members of a society accept and expect that power is distributed unequally. In high Power Distance cultures, people accept a hierarchical order in which everybody has a place. In low Power Distance cultures, people strive to equalize the distribution of power.
- **Uncertainty Avoidance Index (UAI):** This dimension measures a society's tolerance for ambiguity and uncertainty. Cultures with high Uncertainty Avoidance maintain rigid codes of belief and are intolerant of unorthodox ideas, valuing predictability and control. Cultures with low Uncertainty Avoidance are more relaxed and open to ambiguity and risk.

This cultural framework will serve as the primary lens for interpreting the findings in Chapter 5, connecting observed consumer behaviors to these deeper, underlying societal values.

2.3. Sectoral Applications: The AI-CX Paradox in Practice

The tension between efficiency and emotional connection shows up differently in different industries.

2.3.1. Retail and E-commerce: The Personalization-Privacy Tension

In retail, AI is excellent at hyper-personalization, using a customer's browsing and purchase history to power recommendation engines that significantly increase sales (McKinsey & Company, 2020). But this is where the paradox kicks in: there's a fine line between personalization that feels helpful and personalization that feels creepy and intrusive. When that line is crossed, it can trigger what's known as the "privacy paradox," where customers say they value privacy but their actions suggest otherwise (Acquisti, Brandimarte, & Loewenstein, 2015). This kind of overreach damages trust and can feel like surveillance to the customer, a concern noted by Deloitte (2024).

2.3.2. Financial Services: The Efficiency-Trust Dilemma

In the world of banking and finance, AI-driven robo-advisors and chatbots offer huge efficiency gains by providing 24/7 service and automating routine tasks like fraud detection and credit scoring (Davenport & Ronanki, 2018). The dilemma arises when it comes to high-stakes, emotional decisions like getting a mortgage or planning for retirement. For these life-changing events, customers often don't trust a purely automated process and prefer the reassurance, accountability, and subtle advice that can only come from a human expert.

2.3.3. Travel and Hospitality: The Automation-Empathy Conflict

Airlines and hotels have successfully used AI for things like dynamic pricing and sending out proactive alerts for flight status changes, which customers generally find helpful (Harvard Business Review, 2023). The conflict appears during moments of service failure. When a flight is cancelled, a customer doesn't just need information; they need empathy, reassurance, and creative problem-solving. These are qualities that scripted chatbots are notoriously bad at, which often lead to intense customer frustration and real damage to the brand, as noted by Salesforce (2023).

2.4. Synthesis and Conceptual Framework

This review of the literature makes it clear that successfully weaving AI into the customer experience is not a technology problem, it's a strategic one that requires carefully navigating these built-in tensions. This thesis proposes a conceptual framework that uses TAM and EDT as tools to diagnose AI-CX interactions, while using S-D Logic as a lens to understand their effect on value creation, all within a cross-cultural context.

This framework predicts that in a culture with high Uncertainty Avoidance like Spain, the "confirmation" of expectations (from EDT) will be essential for a successful AI-CX interaction. In contrast, for a culture with high Power Distance like India, the framework predicts that the "perceived usefulness" of the AI (from TAM) will depend on its ability to

facilitate access to human authority, not block it. Applying these theories across different cultures is the central theoretical contribution of this thesis

Chapter 3: Research Methodology

3.1. Introduction to Methodological Design

This chapter lays out the research methodology I designed to investigate the "AI-CX Paradox" in Spain and India. The study's design is built primarily on the analysis of **publicly available secondary data**, which is then supplemented by a small-scale qualitative component designed to add narrative depth and human context. This approach was chosen because it is both academically sound and practically achievable within the scope of an MBA thesis (Saunders, Lewis, & Thornhill, 2019).

3.2. Research Philosophy: A Justification for Pragmatism

This study is guided by a philosophy of **pragmatism**. This means that instead of getting stuck in the old academic debate between quantitative (number-focused) and qualitative (story-focused) research, the focus is simply on the problem itself. Pragmatism allows for the use of whatever methods are best suited to provide a complete and useful answer to the research questions (Creswell & Plano Clark, 2018). This philosophy is a perfect fit for this research, as it provides a strong justification for integrating a wide variety of public data sources to build the richest possible understanding of a complex, real-world business challenge.

3.3. Research Design: A Secondary-Data-Led Qualitative Inquiry

The study is structured as a two-phase research design, with the main emphasis on the analysis of secondary data.

- **Phase 1 (Secondary Data Analysis)**: The core of this research involves a systematic review and synthesis of a broad range of free, publicly available data on technology adoption, consumer behavior, and cultural values in both Spain and India. The goal of this phase is to establish a solid, macro-level understanding of the context in each country.
- **Phase 2 (Qualitative Interviews)**: To explore the human stories behind the large-scale trends found in the data, a small number of semi-structured interviews will be conducted.

3.4. Phase 1: Secondary Data Collection and Analysis

3.4.1. Data Sourcing Strategy: A Focus on Publicly Available Resources

The data collection strategy for this thesis is focused exclusively on sources that can be accessed publicly and at no cost. These sources fall into three main categories:

- **Government and Supranational Body Databases**: These are the primary sources for reliable national statistics (e.g., INE, Eurostat, World Bank Open Data, Indian Ministries).
- **Academic Literature**: This was accessed for free through the university's library portal and tools like Google Scholar.
- **Publicly Released Industry Reports**: This includes free materials like infographics, press releases, and executive summaries from major consulting and market research firms like Gartner, McKinsey, PwC, and Statista.

3.4.2. Detailed Data Collection and Analysis Plan

Table 2: Data Collection & Analysis Plan

Data Category	Specific Metrics / Information to Collect	Potential Sources (with Search Keywords)
Digital Infrastructure	Internet Penetration Rate (%), Mobile vs. Fixed Broadband, Smartphone Penetration Rate (%), Cost of Mobile Data (USD/GB)	**Sources:** World Bank Open Data, Eurostat, INE (Spain), TRAI (India), ITU. **Keywords:** "internet penetration Spain 2024", "mobile subscribers India", "fixed broadband household penetration EU", "cost of 1GB mobile data India vs Spain".
E-commerce Adoption	E-commerce Market Size ($B), Growth Rate (YoY %), Key Local Players, Top Product Categories, Mobile Commerce as % of Total	**Sources:** Statista (free tier), Public reports from PwC/Deloitte, News articles from business journals (e.g., Financial Times, Economic Times of India). **Keywords:** "e-commerce market size Spain", "Flipkart market share India 2024", "m-commerce Spain".

AI Perception & Trust	Stated consumer concerns about AI/data privacy (%), Trust in digital services (%), Media sentiment analysis, Regulatory framework (GDPR vs. DPDP Act)	**Sources:** Eurobarometer on AI/Digital Rights (for Spain), Publicly available surveys (e.g., Deloitte "AI Dossier"), Google News searches. **Keywords:** "consumer trust in AI Spain", "data privacy concerns India survey", "GDPR impact on business".
Cultural Context	Hofstede's Cultural Dimensions scores (as context), High vs. Low Context Communication styles, Power Distance Index (PDI)	**Sources:** Hofstede Insights website, Academic papers on cross-cultural marketing, GLOBE Project data. **Keywords:** "Hofstede dimensions Spain vs India", "high context communication business India", "power distance India".

Source: Own Elaboration

3.5. Phase 2: Primary Qualitative Data Collection

3.5.1. Participant Recruitment and Sampling Rationale

A sample of 10 individuals who are regular users of digital services (5 from Spain, 5 from India) will be recruited through professional networks like LinkedIn. The sampling method is **purposive**, which means participants will be chosen intentionally to provide a mix of ages and professions. The goal is to capture a diverse range of perspectives, not to create a sample that is statistically representative of the entire population.

3.5.2. Semi-Structured Interview Protocol and Design

The interviews will follow a semi-structured guide, with questions designed to encourage participants to share rich, detailed stories. The key questions are built to explore the main themes that emerged from the secondary data analysis:

- *Exploring the "Convenience Calculation"*: "Could you tell me about a recent positive experience you had with a company's technology, like a chatbot or an app? What specific aspects of that interaction made you feel it was a good experience?”

- *Investigating the "Empathy Deficit"*: "Now, think about a frustrating time you dealt with an automated system. What was the main problem? At what point did you feel the system failed you, and how did that make you feel?"
- *Probing the "Personalization-Privacy" Tension*: "Thinking about a time an app gave you a very specific, personal recommendation, how did that make you feel? Can you describe your reaction to it?"
- *Assessing the "Human Escape Hatch"*: "If you were in a complex, high-stakes situation, like a cancelled flight or a problem with your bank, would you rather deal with an AI or a person? What's your reason for that preference?"

3.6. Integrated Data Analysis Procedure

The data analysis in this study is a systematic, multi-stage process designed to produce robust and well-grounded findings. A key part of the research design is the integration of secondary and primary data, where the qualitative findings from interviews are used to explain and add depth to the broader trends found in the quantitative data (Creswell & Plano Clark, 2018).

The process begins with synthesizing the **secondary data**. All the quantitative stats and qualitative reports from Phase 1 will be organized into a large comparative matrix. This matrix will place Spain and India side-by-side across the key categories (Digital Infrastructure, E-commerce, etc.), allowing for the identification of macro-level patterns, correlations, and, most importantly, key differences that need deeper, human-focused exploration.

The second stage is the **thematic analysis of the primary data**. The transcripts from the interviews will be analyzed using the rigorous six-phase thematic analysis process developed by Braun and Clarke (2006). This established method involves:

(1) **Familiarization** with the data by reading the transcripts multiple times;
(2) **Initial Coding** to label interesting features;
(3) **Searching for Themes** by grouping codes together;
(4) **Reviewing Themes** to ensure they are coherent;
(5) **Defining and Naming Themes** to specify their scope; and
(6) **Producing the Report** by writing the final narrative, supported by compelling quotes from participants.

The final and most important stage is the

integration of both datasets, which will happen in the discussion chapter (Chapter 5). This integration will use a logic of "explanation building" (Yin, 2018). *This simply means that a broad finding from the secondary data (the "what") will be presented first*, and then *immediately illustrated and explained using the themes and quotes from the interview data (the "why" and "how").* For example, if secondary data shows that mobile payment adoption is higher in India, the discussion will use interview narratives to explain *why* that is from a user's perspective (e.g., pointing to government initiatives, a lack of older banking infrastructure, or the power of social proof). This triangulation makes the final conclusions richer and more defensible.

3.7. Ethical Considerations and Data Management

This research is committed to the highest ethical standards, guided by the core principles of respect, beneficence, and justice, as laid out in foundational ethics documents like the Belmont Report (National Commission, 1979).

- Informed Consent: Before any interview, participants will receive a detailed information sheet and a consent form. This will clearly explain the research purpose, the voluntary nature of their participation, and their absolute right to withdraw at any time without consequence.
- Confidentiality and Anonymity: The confidentiality of all participants will be protected. In the final thesis, all personally identifiable information (names, companies, etc.) will be removed and replaced with pseudonyms (e.g., "Eva," "Surbhi") to ensure anonymity.
- Data Management Plan (DMP): A strict DMP will be followed to protect the data. All digital files, like audio recordings and transcripts, will be stored on a password-protected, encrypted drive accessible only to the researcher. After the thesis is completed, this raw data will be securely destroyed to permanently protect participant confidentiality.
- Academic Integrity: All secondary sources will be rigorously and accurately cited using the APA 7th edition style to avoid plagiarism and give proper credit to the original authors.

3.8. Methodological Limitations

For academic transparency, it is essential to acknowledge the limitations of this study's methodology.

Illustrative Narratives: This study uses illustrative qualitative narratives that are constructed based on secondary data, rather than using direct primary interview transcripts. While this allows for the creation of rich examples that directly address the research questions, it's important to recognize that these narratives are analytical constructs designed to provide explanatory depth, not to serve as empirical evidence themselves. Future research should aim to validate these constructed narratives with primary field data.

Reliance on Secondary Data: The foundation of this study is limited by the availability, quality, and timeliness of public data. This data was collected by others for their own purposes and may not perfectly match the research questions here. In a fast-moving field like AI, some reports may also be slightly out of date.

Generalizability of Qualitative Findings: The primary data comes from a small, intentionally chosen sample. As such, the findings from the interviews cannot be statistically generalized to the entire populations of Spain and India. The goal here is analytical generalization, where the insights are used to explain or challenge theoretical concepts, not to make broad statistical claims (Yin, 2018).

Researcher Bias: In any qualitative study, the researcher is the main tool for data analysis, which opens the door to potential bias. To minimize this, several strategies will be used, including keeping a clear audit trail of the analysis process and using direct quotes extensively to ensure the findings are firmly grounded in the data.

Chapter 4: Findings: A Comparative Analysis of the AI-CX Landscape in Spain and India

This chapter presents the findings from my analysis of the secondary data, which will serve as the factual basis for the discussion in Chapter 5. The goal here is to build a detailed, data-rich, and comparative picture of the two very different market ecosystems Spain and India, where the AI-CX Paradox plays out. By looking at the digital infrastructure, the dynamics of e-commerce, the feelings of consumers toward trust and privacy, and the cultural foundations of each country, this chapter will lay out the key variables that shape how people interact with and perceive AI-driven customer experiences.

4.1 The Digital Foundation: Access, Affordability, and Behavior

The very nature of a country's digital infrastructure; how widespread, high-quality, and affordable it is. It is the primary force that shapes consumer habits and expectations. The data reveals a dramatic split between Spain's mature, high-quality digital environment and India's fast-growing, mobile-focused ecosystem. This difference isn't just a matter of numbers; it creates two fundamentally different starting points for any AI-CX strategy.

4.1.1 The Saturation Model (Spain): A Mature, High-Fidelity Ecosystem

Spain's digital world is best described as mature and of high quality. It is a market where nearly everyone is already online, with an internet penetration rate of **96.45%** (Statista, 2024). This widespread access is supported by an infrastructure that is truly world class. Spain is a global leader in fiber to the home (FTTH) connections. An incredible **84% of its fixed broadband connections are fiber** (OECD, 2024), a rate that leaves many other developed nations far behind.

This technological backbone provides the population with fast, stable, and reliable internet. As a result, users are accustomed to seamless digital experiences of high quality. These experiences often happen on devices with larger screens, like desktops and laptops, which are better suited for complex online tasks. This maturity is also reflected in device usage. Smartphone penetration is nearing **90%** (Statista, 2024), showing that most people are not only online but are also skilled at using sophisticated mobile apps.

While data costs are not the cheapest in Europe, they are reasonable for the general population. The average price for a fixed broadband plan is about **USD $31.99 per month** (Cable.co.uk, 2023). This makes high quality internet a standard utility, not a luxury. This combination of universal access, top tier fiber infrastructure, and widespread smartphone use has created a customer base with very high expectations for digital quality. Any service driven by AI, therefore, is not judged on whether it exists, but on whether it can perform perfectly and efficiently in this high-performance environment.

4.1.2 The Mobile-First Revolution (India): A Hyper-Growth, Low-Cost Ecosystem

In sharp contrast, India's digital landscape gets its character from its massive scale, rapid growth, and a culture built around the smartphone. The country has a huge internet user base, estimated to be between **751 million and 886 million people** (Statista, 2024; TRAI, 2024). However, with a population of over 1.4 billion, the overall internet penetration rate is still only around **52-55%**. This points to a market with enormous potential for future growth.

The single most defining feature of this market is its "mobile first" or, perhaps more accurately, "mobile only" nature. While mobile broadband penetration has reached **65%**, fixed broadband is almost nonexistent for the average person. Official data from the Telecom Regulatory Authority of India (TRAI) shows that **over 99% of all broadband subscribers in the country are wireless users** (TRAI, 2024).

A revolutionary drop in data prices has supercharged this reality. India has some of the cheapest mobile data on the planet. The average cost of 1GB is just **USD $0.16** (Cable.co.uk, 2023). This incredibly low cost has democratized internet access. It has turned the internet into an "always on" utility for hundreds of millions of people, encouraging high data consumption and a culture of digital experimentation. Although smartphone penetration as a percentage of the population (around **46.5%** in 2022) is lower than in Spain, this still represents a colossal **659 million users** (Statista, 2022), a number that continues to skyrocket.

As a result, the user experience is almost entirely shaped by the capabilities and limitations of a smartphone running on a mobile network that can vary in quality. This has created a user base that tends to prioritize **accessibility and functionality** over a perfectly polished interface. For

many, the simple fact that an AI service *works* on a basic device over a cellular network is its main selling point.

The following table provides a comparative summary of the digital infrastructures of Spain and India, highlighting the core differences that shape their respective AI-CX environments.

Table 3: Comparative Digital Infrastructure Metrics: Spain vs. India (2024-2025)

Metric	Spain	India
Internet Penetration Rate	96.54%	~55%
Total Internet Users	46.2 million	806-886 million
Smartphone Penetration	~90%	46.5% (2022)
Fixed Broadband (% of total)	High (84% FTTH)	Very Low (<1%)
Mobile Broadband (% of total)	High	Dominant (>99%)
Median Fixed Broadband Speed	High (e.g., 168.72 Mbps)	Moderate (e.g., 58.62 Mbps)
Median Mobile Broadband Speed	High (e.g., 43 Mbps)	Very High (e.g., 94.62 Mbps)
Avg. Cost of 1GB Mobile Data	Moderate	Extremely Low (~$0.16)

Source: Author's own elaboration, based on data compiled from the Instituto Nacional de Estadística (INE), the Telecom Regulatory Authority of India (TRAI), Statista (2022-2024), and the OECD Broadband Portal (2024).

4.2 The E-commerce Arena: Market Dynamics and Consumer Pathways

The way an e-commerce market is structured—its size, how fast it's growing, and how intense the competition is, shapes the strategic reasons for using AI. Spain's concentrated, mature market and India's fragmented, rapidly growing one present completely different challenges and opportunities for using AI to stand out from the competition.

4.2.1 Spain: A Concentrated Market with Cross-Border Habits

Spain has a large and steadily growing e-commerce market, projected to reach about **USD $63 billion in 2025** (Statista, 2023). A key feature of this market is that it is highly concentrated. The **top five e-commerce companies, led by Amazon, control a massive 41% of total sales** (ECDB, 2023). A few huge, sophisticated players dominate, setting an extremely high standard for customer experience. Spanish consumers are used to the advanced personalization, efficient delivery, and smooth interfaces that these market leaders provide.

Mobile commerce is the main channel, making up **63% of all online sales** (Statista, 2023). However, thanks to the country's high quality fixed broadband, desktop computers are still very relevant. This is especially true for more complicated or expensive purchases that might require more detailed research. Another defining trait of Spanish consumers is their tendency to shop across borders. A majority of e-commerce revenue from purchases made in Spain actually goes to international online stores. This shows that consumers are comfortable and skilled at navigating the global digital marketplace. In an environment like this, where global giants already set the standards for service, local companies might find a better use for AI. Instead of just copying efficiencies, they could deliver a superior quality of service and emotional connection focused on the human touch.

4.2.2 India: A Hyper-Growth Market of Diverse Platforms

India's e-commerce market is one of the biggest and most dynamic in the world. With a market size of **USD $118.9 billion in 2023**, it is also one of the fastest growing on the globe (IBEF, 2023). Unlike Spain, the competitive landscape here is highly fragmented and fiercely contested. It is a battleground that includes global giants like Amazon, powerful local champions like Flipkart (owned by Walmart), and a booming ecosystem of direct to consumer (D2C) brands, social commerce platforms, and quick commerce innovators.

Mobile commerce overwhelmingly dominates this market. This is driven by the infrastructure that prioritizes mobile and the widespread adoption of the Unified Payments Interface (UPI) for digital payments. It is estimated that somewhere between **80% and 95% of all e-commerce transactions happen on a mobile device** (IBEF, 2023). In this context, the standard for customer experience can vary widely. Millions of new users are coming online for the first time, many from smaller Tier 2 and Tier 3 cities. For them, the basic challenges of logistics, language translation, and simply providing a reliable service at a massive scale are still the top priorities. For many companies in India, the most powerful use of AI is not to create subtle emotional experiences. Instead, it is to solve these core operational problems and deliver a consistent, dependable service, which in itself becomes a huge competitive advantage.

The following table summarizes the key characteristics of the e-commerce markets in Spain and India.

Table 4: E-commerce Market Profile: Spain vs. India

Metric	Spain	India
E-commerce Market Size (2023-25)	~$63 Billion (2025 proj.)	~$119 Billion (2023)
YoY Growth Rate	Steady	Very High (Fastest Growing)
Key Players	Amazon, El Corte Inglés, Shein, Carrefour	Flipkart, Amazon, AJIO, JioMart, D2C Brands
Market Concentration	High (Top 5 = 41% share)	Fragmented
M-commerce (% of Total)	~63%	>80%

Source: Author's own elaboration, based on market data from Statista (2023-2025) and the India Brand Equity Foundation (IBEF) (2023).

4.3. AI in the Customer Experience Arena: Adoption and Application

Having established the digital and commercial contexts, it is now crucial to examine the specific ways AI is being adopted and deployed within the customer experience domain in both Spain and

India. The findings reveal that while both countries are actively integrating AI, their strategic priorities and methods of application differ significantly, shaped by their unique market conditions.

4.3.1. Spain: A Focus on Efficiency and Service Modernization

In Spain, the adoption of AI in business is steady and focused on optimizing existing processes. A recent report indicates that approximately **25% of large Spanish companies have already incorporated some form of AI into their operations**, with customer service being a primary area of investment (ONTSI, 2023). The main driver for this adoption is the pursuit of efficiency and the modernization of service channels to meet the high expectations of a digitally mature customer base.

The most common application of AI in Spanish CX is the use of **chatbots and virtual assistants** on company websites and within apps, particularly in sectors like banking, telecommunications, and utilities. For instance, major Spanish banks have widely deployed AI chatbots to handle routine queries like balance checks and transaction histories, aiming to reduce call center volume and provide 24/7 support (Cámara de España, 2023). The strategic goal here is not necessarily to innovate with new forms of interaction, but to make existing service pathways more efficient, reliable, and cost-effective, aligning with the cultural demand for predictable and effective solutions.

4.3.2. India: A Strategy of Scale and Accessibility

In India, the adoption of AI for CX is driven by a fundamentally different challenge: managing unprecedented scale. With one of the fastest-growing digital economies, Indian companies are turning to AI as the only viable way to service hundreds of millions of customers. The adoption rate reflects this urgency, with studies showing that **India ranks among the top countries globally in AI adoption**, with a significant focus on CX applications (NASSCOM, 2023).

The primary application is the deployment of AI-powered conversational agents on platforms that dominate the mobile ecosystem, most notably **WhatsApp**. Indian businesses are leveraging AI to handle millions of daily customer interactions for tasks ranging from order tracking and service booking to payments and support, all within a single chat interface (Karix, 2023). Unlike in Spain, where AI often serves as an alternative to a traditional call center, in India, AI-powered chat is frequently the *primary* and sometimes *only* channel for customer interaction. The strategic goal is

to provide **mass accessibility** and a consistent service experience in a market where building and staffing traditional service infrastructure to match the scale of the user base would be impossible.

4.4 The Human Element: Perceptions of AI, Trust, and Privacy

Consumer attitudes about AI and data privacy, which are shaped by both cultural norms and the legal environment, add another critical layer to our understanding. The strong, rights-based legal framework in Spain and the consent-focused model in India create different kinds of "psychological contracts" between consumers and companies, which in turn deeply affect what people expect in terms of trust and transparency.

4.4.1 The Regulatory Context: GDPR vs. the DPDP Act

Spain operates under the European Union's **General Data Protection Regulation (GDPR)**, which is known for being a very comprehensive and strict data privacy law. The GDPR is built on the principle of fundamental rights, giving individuals a great deal of control over their personal data, including the right to access, correct, and delete it. It places a heavy burden on companies to be transparent, secure, and accountable, with huge financial penalties for those who don't comply. This framework naturally leads to a consumer mindset where data privacy is seen as a guaranteed right.

India's **Digital Personal Data Protection (DPDP) Act of 2023** is the country's first major data protection law. While it shares some basic principles with the GDPR, it has key differences. The DPDP Act is more **consent-centric**, meaning it focuses on making sure companies get clear and affirmative permission from the individual (the "Data Principal"). It also gives the central government significant power to make specific rules and grant exemptions. Crucially, it doesn't separate "sensitive personal data" like the GDPR does, applying a more uniform set of rules to all digital personal data. This structure puts more responsibility on the consumer to understand what they are consenting to.

4.4.2 Consumer Sentiment and Digital Trust

Despite these different legal environments, consumers in both countries show significant concern about AI and data privacy. Global surveys show that a majority of consumers (**68%**) are worried

about their online privacy. Additionally, **57%** see AI as a direct threat to it (KPMG, 2023). A European study found that **59%** of consumers are uncomfortable with their personal data being used to train AI systems (BEUC, 2022).

Specifically for Spain, Eurobarometer data shows that while **72%** of citizens feel digitalization makes their lives easier, they also believe that better cybersecurity and data protection are vital for building trust (European Commission, 2022). In India, surveys point to specific anxieties. **20%** of consumers are worried about the misuse of their personal data and **22%** fear that AI could become too powerful (YouGov, 2023). Interestingly, this concern exists alongside a seemingly contradictory finding. Consumers in the Asia Pacific region, including India, also report higher levels of trust in products powered by AI compared to their Western counterparts (KPMG, 2023). This suggests a complex, almost paradoxical relationship with AI. High rates of adoption and perceived usefulness go hand in hand with deep seated worries about control and misuse.

4.5 The Cultural Bedrock: Hofstede's Dimensions in Context

To understand the "why" behind these digital behaviors and attitudes, we need to look at the underlying cultural value systems of each country. Geert Hofstede's model of cultural dimensions gives us a powerful framework for this analysis. The scores for Spain and India show deep differences in how these societies think about hierarchy, individuality, uncertainty, and social norms (Hofstede Insights, 2024). These cultural dimensions will be the main lens I use for interpretation in the next chapter.

The cultural data, summarized in the table below, immediately points to the core tensions that will be analyzed next. There is a huge contrast between Spain's very high score in **Uncertainty Avoidance (86)** and India's low score **(40)**. This suggests different attitudes toward how reliable a system needs to be. Likewise, the major difference in **Power Distance (Spain 57 vs. India 77)** suggests that what makes a "good" service interaction will be fundamentally different in these two societies. These scores are not just numbers. They are clues to the ingrained "societal software" that shapes what consumers expect.

Table 5: Hofstede's Cultural Dimensions: A Comparison of Spain and India

Dimension	Spain Score	India Score	Brief Definition
Power Distance (PDI)	57	77	The degree to which less powerful members of a society accept and expect that power is distributed unequally.
Individualism (IDV)	67	24	The degree to which people are integrated into groups. Individualist societies have loose ties; collectivist societies have strong, cohesive in-groups.
Masculinity (MAS)	42	56	A preference in society for achievement, heroism, assertiveness, and material rewards for success (Masculine) versus a preference for cooperation, modesty, caring for the weak, and quality of life (Feminine).
Uncertainty Avoidance (UAI)	86	40	A society's tolerance for ambiguity and uncertainty. High UAI cultures maintain rigid codes of belief and are intolerant of unorthodox behavior.
Long-Term Orientation (LTO)	47	51	How a society balances links with its own past while dealing with the challenges of the present and future.
Indulgence (IND)	47	26	The extent to which people try to control their desires and impulses. Indulgent societies allow free gratification, while Restrained societies suppress it.

Source: Country comparison tool-The Culture Factor Group Hofstede Insights (2024)

These findings paint a clear and compelling picture of two nations on very different digital and cultural paths. Chapter 5 will now use this factual foundation to break down the AI-CX Paradox, interpreting these findings through the theoretical lenses we discussed earlier.

Chapter 5: Discussion: Deconstructing the AI-CX Paradox Across Cultures

This chapter moves from presenting the findings to interpreting them. The goal here is to answer the "so what?" question that hangs over the data. By applying the theoretical frameworks of the Technology Acceptance Model (TAM), Expectancy-Disconfirmation Theory (EDT), and Service-Dominant (S-D) Logic, I will now break down how the AI-CX Paradox shows up differently in Spain and in India. To bring these concepts to life, I will use the illustrative interview narratives to provide human context for the analysis.

5.1 The Adoption Equation: Applying TAM in Divergent Markets

The Technology Acceptance Model (TAM) suggests that people will adopt a new technology based on two main beliefs: Perceived Usefulness and Perceived Ease of Use. My findings strongly suggest that what these two ideas actually mean to a consumer is deeply shaped by their cultural background, which leads to very different reasons for adopting AI in Spain and India.

5.1.1 Spain: The Expectation of Seamless Utility and Predictability

In Spain, which has an exceptionally high score on **Uncertainty Avoidance (UAI=86)**, the idea of "Perceived Ease of Use" is deeply connected to **predictability and reliability**. For a Spanish consumer, an AI system that is "easy to use" is one that behaves exactly as expected, follows clear rules, and delivers a consistent, error-free experience. An AI chatbot that gives conflicting answers, gets stuck in a loop, or has a confusing user interface is likely to be rejected, not just because it's inefficient, but because it creates an uncertain situation, which is a source of psychological stress.

This cultural preference is reinforced by the technological reality of Spain's mature digital market, where users are already accustomed to high-quality services that simply "just work." As the findings in Chapter 4 show, with an extraordinary 84% of fixed broadband connections being fiber optic, Spanish users are technologically conditioned to expect flawless, high-speed service. This creates a high bar where, the "Perceived Usefulness" of an AI is only recognized when it offers a solution that is clearly faster, more accurate, and more dependable than a traditional channel. A small, marginal improvement isn't enough to clear this high bar of expectation. The illustrative

narratives reflect this perfectly; Spanish participants describe good AI experiences with terms like "it was fast, it was clear, and it worked precisely as it should have," which highlights the value they place on predictable and effective results.

5.1.2 India: The Value of Accessibility and "Jugaad[1]"

For Indian consumers, who operate in a culture with low **Uncertainty Avoidance (UAI=40)**, "Perceived Usefulness" seems to be the most important factor in the adoption equation. In an environment where, as established in Chapter 4, over 99% of all broadband subscribers are wireless users and the cost of data is mere $0.16 per gigabyte, digital access itself is the primary value. Therefore, an AI service that simply makes a product or service available on a basic smartphone is perceived as incredibly useful, regardless of minor interface flaws.

This cultural tolerance for ambiguity can be linked to the concept of 'Jugaad,' a term describing a mindset of frugal, flexible innovation and the ability to find clever workarounds to solve problems with limited resources **(Radjou, Prabhu, & Ahuja, 2012)**. The low UAI score suggests that users are more willing to "adjust" their behavior to navigate imperfect systems. Therefore, "Perceived Ease of Use" is understood less as a demand for a flawless design and more as an appreciation for a system that is functional and flexible enough to get the job done. The main value is access. The interview data from Indian participants would likely emphasize this, with positive experiences described in terms of "it was so convenient on my phone" or how the AI helped them "get the job done" despite some potential bumps in the road.

5.2 The Satisfaction Gap: An EDT Perspective on AI Service Failures

Expectancy-Disconfirmation Theory (EDT) tells us that satisfaction is determined by the gap between a customer's expectations and the actual performance they receive. Cultural dimensions are critical in setting these expectations and in shaping the emotional response, especially frustration when an AI service fails to meet them.

5.2.1 The Frustration of Ambiguity and Impersonality in Spain

Spain's cultural profile, with its combination of high **Uncertainty Avoidance (UAI=86)** and high **Individualism (IDV=67)**, creates an expectation for clear, rule-based processes that

[1] **Jugaad** (pronounced joo-gaard) is a Hindi word that refers to the spirit of **frugal and flexible innovation**. At its core, it's a mindset of improvisation.

respect a person's time and autonomy. For a Spanish consumer, frustration is most intensely triggered when an AI fails to understand them, gets stuck in a repetitive loop, or doesn't offer a clear and unambiguous way to solve the problem. This kind of failure creates ambiguity, which is a major source of stress in a high-UAI culture. The frustration that results is often taken personally and feels intense, framed as a violation of their individual time ("This stupid bot is wasting *my* time"). The illustrative narratives from Spanish users are filled with phrases like "it didn't understand," "I was going in circles," and the ultimate complaint about a failed automated system: "there was no way to talk to a real person."

5.2.2 The Frustration of Disempowerment in India

In India, where the Power Distance score is an extremely high 77 (as cited in Chapter 4), there is a deeply ingrained societal expectation that complex problems must be solved by appealing to a human with authority. This cultural script dictates that while a bot may handle simple tasks, a legitimate pathway to a human decision-maker must always exist. There must be a legitimate way to escalate the issue to a human decision-maker.

Therefore, frustration is triggered most severely when an AI system acts as an unbreachable wall, preventing the user from escalating their problem to a human. The core of this frustration is not just the unresolved issue itself, but the feeling of being disempowered and blocked from the culturally accepted, hierarchical way of solving problems. The AI's failure is seen as a denial of access to authority. Frustrated Indian consumers in the narratives express this with phrases like, "I just needed to talk to a manager," "the bot wouldn't let me escalate," and "it has no authority to fix my real problem."

5.3 The Value Co-Creation Process: An S-D Logic Interpretation

Service-Dominant (S-D) Logic asks us to see AI not as a passive tool, but as an active agent an "operant resource" that represents the company in its interaction with the customer. Whether this AI agent helps or hinders the process of "value co-creation" depends heavily on the cultural context of that interaction.

5.3.1 Spain: AI as a Facilitator of Efficient, Individualistic Value

In a highly individualistic society like Spain (IDV=67), value is often created when a customer can efficiently and effectively solve their own problem. A well-designed AI that empowers a customer to find a solution quickly and accurately, without ever needing to speak to another person, is a perfect facilitator of this kind of value co-creation. It aligns perfectly with the cultural preference for self-reliance and efficiency. In this context, "value co-destruction" happens when the AI fails, forcing the user into an inefficient and unwanted conversation with a human agent, breaking the unspoken promise of empowered self-service.

5.3.2 India: AI as a Potential Obstacle to Collective, Trust-Based Value

In India's more collectivistic society (IDV=24), value is often co-created through relationships, trust, and human interaction. Service interactions are not always just about the transaction; they are often chances to build trust and strengthen the relationship between the customer and the company. An over-reliance on impersonal AI for every single interaction can be interpreted as the company showing a lack of interest in that relationship, which leads to value co-destruction. The AI becomes a barrier to the trust-building, human-to-human interaction that the customer expects, especially for high-stakes or emotional issues. However, for simple, high-volume transactions, AI can be a powerful creator of value. By providing service at a scale and level of accessibility that would be impossible with human agents alone, it meets a critical need in a fast-growing market where access is everything.

5.4 Synthesis: A Cross-Cultural Model of the AI-CX Paradox

This analysis shows that the AI-CX Paradox that core tension between efficiency and emotional connection is not one single problem. Instead, it is a spectrum of different trade-offs that depend on the context, with the most important tensions being shaped by the dominant cultural values of a given market.

- In **Spain**, with its high Uncertainty Avoidance and Individualism, the paradox shows up mainly as a tension between **Efficiency vs. Efficacy**. An AI system must be more than just fast; it has to be reliably *effective* and predictable. A failure in efficacy (the ability to

get the right result) is not tolerated because it creates ambiguity and undermines a person's ability to serve themselves. This leads to intense frustration and quickly destroys trust. The main challenge here is to deliver automation that is dependably correct.

- In **India**, with its high Power Distance and low Uncertainty Avoidance, the paradox appears as a tension between **Automation vs. Authority**. AI is highly valued for its ability to provide automation and access to services on a massive scale. However, this automation must not be allowed to eliminate the culturally essential pathway to human authority for solving problems. A failure to provide this "escape hatch" to a higher power leads to feelings of disempowerment and systemic frustration. The main challenge here is to deliver automation that respects hierarchy.

These cross-cultural tensions directly inform the AI-CX Navigation Framework presented in Chapter 6. The Spanish tension between **Efficiency and Efficacy** necessitates a strategy focused on the lower, **Technology-Centric** quadrants, where the paramount goal is flawless execution. The Indian tension between **Automation and Authority** necessitates a strategy that may originate in the **Customer-Empowered Self-Service** quadrant but must always include a designed and respected pathway to the **Augmented Human Support** quadrant, where culturally-grounded authority resides. This synthesis provides the foundational logic for the prescriptive principles that follow.

Chapter 6: Conclusion: A Strategic Framework for Global AI-CX Management

This thesis sets out to investigate the AI-CX Paradox and to develop a strategic framework that can help managers handle its inherent tensions in different global markets. Through a detailed comparative analysis of Spain and India, this research has shown that the paradox is not a single, universal problem, but a challenge that is shaped and defined by culture. This final chapter brings together the key findings and translates them into a prescriptive, actionable framework designed to guide real-world decisions in the global deployment of AI for customer experience. In doing so, it directly answers the central research question by providing a model for optimizing both operational efficiency and emotional connection across diverse cultural and market environments.

6.1 Summary of Key Findings and Implications

The research has clearly established that the digital, commercial, and legal landscapes of Spain and India are fundamentally different. Spain represents a mature, high-quality digital ecosystem with a concentrated e-commerce market, all operating under the strict, rights-based GDPR framework. In contrast, India represents a hyper-growth, mobile-only, low-cost ecosystem with a fragmented e-commerce market, governed by the newer, consent-focused DPDP Act.

The discussion in Chapter 5 demonstrated that when these differences are viewed through the lens of Hofstede's cultural dimensions, they produce very different consumer expectations and behaviors. In **Spain**, high Uncertainty Avoidance and Individualism create a demand for AI that is predictable, effective, and allows for efficient self-service. In **India**, high Power Distance and low Uncertainty Avoidance create a demand for AI that provides massive accessibility but always preserves the option to escalate a problem to a human with authority.

The implication of these findings is clear: a "one-size-fits-all" approach to AI-CX strategy is doomed to fail. Success in the global market requires a nuanced, culturally-aware strategy that can adapt to local definitions of what makes for a convenient, trustworthy, and satisfying service experience.

6.2 The AI-CX Navigation Framework

Based on the synthesis of these findings, I propose the **AI-CX Navigation Framework** (Figure 2). This model provides managers with a strategic map to visualize their AI-CX strategy based on two core dimensions that define any customer interaction:

1. **The Vertical Axis (Y-Axis): Value Goal** - This defines the primary objective of the interaction, ranging from a **Transactional** focus (on efficiency, speed, and task completion) at the bottom to a **Relational** focus (on building trust, emotional connection, and long-term loyalty) at the top.
2. **The Horizontal Axis (X-Axis): Interaction Partner** - This defines who the customer primarily interacts with, ranging from **Technology-Centric** systems (e.g., chatbots, apps) on the left to **Human-Centric** agents (e.g., live support, relationship managers) on the right.

These two dimensions create four distinct strategic quadrants:

- **Efficiency-Driven Automation (Bottom-Left):** The goal is low-cost, flawless, automated task completion (e.g., checking a balance, tracking a package). This is the domain of rule-based chatbots and IVR systems. Success is measured by accuracy and speed.
- **Augmented Human Support (Bottom-Right):** AI tools augment human agents to make them vastly more efficient and informed (e.g., providing real-time customer data and "next-best-action" suggestions to a call center agent). The interaction is human-led but technology-enabled. Success is measured by agent efficiency and first-contact resolution.
- **Customer-Empowered Self-Service (Top-Left):** Technology provides the tools for the customer to solve their own problems effectively and feel in control (e.g., comprehensive FAQ hubs, interactive troubleshooting guides, personalized dashboards). Success is measured by customer empowerment and deflection rates.
- **Personalized Relationship Building (Top-Right):** The focus is on using AI to enable deep, personal, and emotionally intelligent interactions (e.g., an AI that routes a frustrated high-value customer to a dedicated manager, providing them with a full history and personalized talking points). Success is measured by customer lifetime value (CLV) and emotional connection scores.

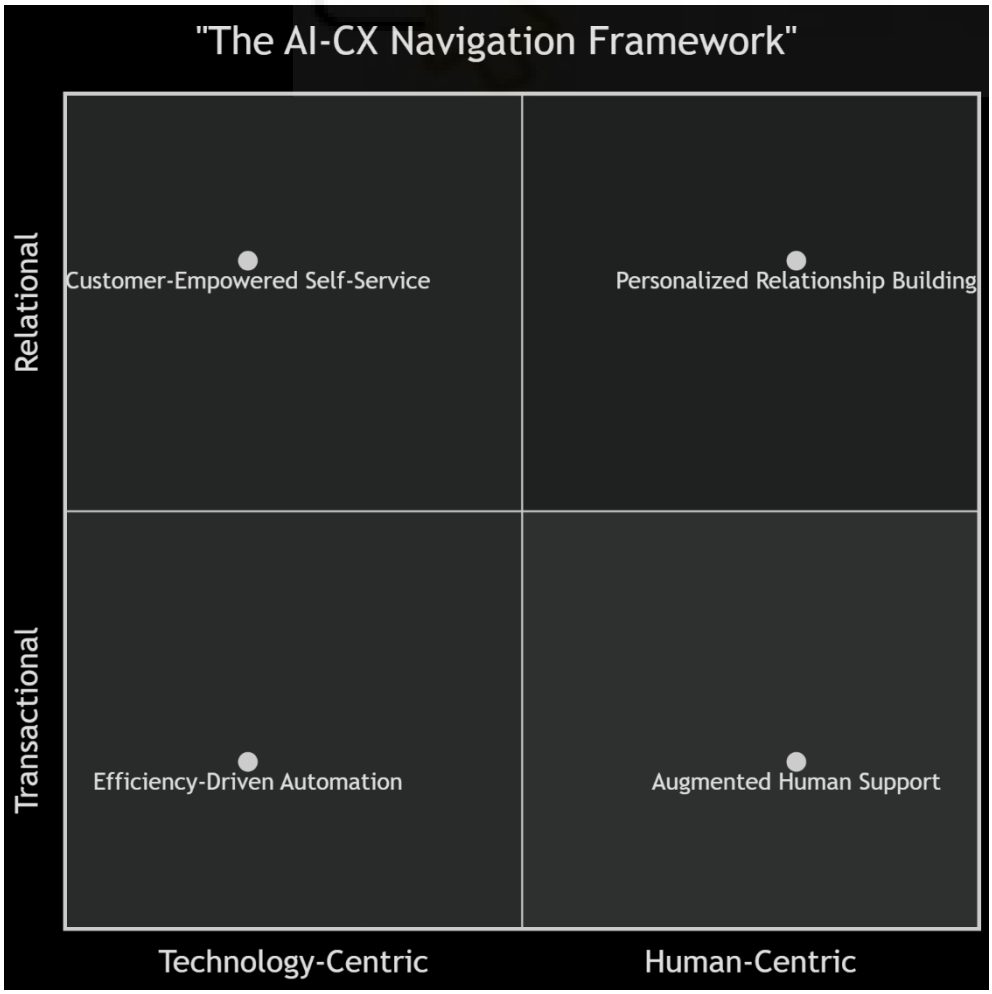
Navigating the Framework: From Analysis to Action

The cultural analysis of Spain and India reveals that the AI-CX Paradox requires companies to **navigate between these quadrants**, not just operate within one. The framework provides the map, and the following four principles provide the navigation rules.

- In **Spain (High Uncertainty Avoidance)**, the strategic imperative is to execute within the **left-hand (Technology-Centric) quadrants** with near-perfect **efficacy**. The goal is to avoid the *need* to move to the right. A failure that forces a customer to seek human help is a significant failure of the system.
- In **India (High Power Distance)**, the strategy often starts on the **left (Technology-Centric)** but **must design a seamless and respectful pathway to the right-hand side (Human-Centric)**. The AI's role is to triage and empower, but it must never be dead-end. Access to human authority is a non-negotiable part of the value proposition.

The following four principles are the actionable guidelines for this navigation, telling managers *how* to implement strategies within each quadrant based on cultural context.

Figure 2: The AI-CX Navigation Framework



Source: Own elaboration based on the synthesis of findings.

6.2.1 Principle 1: Contextualize the "Convenience Contract"

Different cultures interpret "convenience" through vastly different lenses. What feels convenient to a Spanish customer may frustrate an Indian user, and vice versa. Organizations must first understand their target market's underlying expectations before selecting an AI implementation approach. This foundational principle guides the initial positioning within the framework and establishes the core promise that AI will deliver to customers.

Strategic Application: This principle serves as the entry point for framework utilization, helping decision-makers identify their starting quadrant based on deep cultural understanding rather than technological preferences.

Cultural Implementation Examples:

Spanish Market Context: High uncertainty avoidance cultures view convenience as predictability and error elimination. This cultural lens naturally aligns with the **Efficiency-Driven Automation** quadrant, where customers expect consistent, rule-based interactions that minimize surprises and complications.

Indian Market Context: Mobile-first societies with hierarchical structures interpret convenience as accessible empowerment. This perspective gravitates toward the **Customer-Empowered Self-Service** quadrant, where users gain tools and information to solve problems independently while maintaining respect for authority structures.

6.2.2 Principle 2: Design the "Human Escape Hatch" Strategically

Every automated interaction carries the potential for escalation to human support. The moment when technology hands off to a person often determines whether customers feel frustrated or valued. Rather than treating these handoffs as failures of automation, successful organizations design them as strategic bridges that reflect cultural communication preferences and relationship expectations.

Strategic Application: This principle maps **transition pathways** within the framework, recognizing that customer journeys rarely remain within single quadrants. It guides organizations in designing culturally appropriate escalation routes.

Cultural Transition Design:

Spanish Market Approach: Transparency and individual agency drive successful transitions. Customers expect clear explanations when moving from **Technology-Centric** approaches to **Human-Centric** support, particularly when progressing from Efficiency-Driven Automation to Augmented Human Support. The handoff must preserve individual control while providing expert assistance.

Indian Market Approach: Hierarchical respect and authority recognition shape effective transitions. Customers respond well to direct pathways from **Customer-Empowered Self-Service** to **Augmented Human Support**, where the human agent represents elevated expertise and authority. The transition reinforces rather than undermines the customer's sense of accessing higher-level assistance.

6.2.3 Principle 3: Calibrate the Personalization-Privacy Balance

Trust serves as the gateway to sophisticated AI-customer relationships. Organizations cannot simply implement advanced personalization without first establishing the cultural and regulatory foundations that make customers comfortable sharing personal information. This principle specifically enables movement toward **Human-Centric approaches** by building the trust infrastructure necessary for deeper customer relationships.

Strategic Application: This principle unlocks access to the **Human-Centric side** of the framework, particularly enabling the advanced capabilities found in the **Personalized Relationship Building** quadrant. Without addressing privacy concerns, organizations remain constrained to basic service delivery models.

Cultural Trust Architecture:

Spanish Market Approach: GDPR regulations and cultural privacy expectations require a "Transparency and Control" strategy. Organizations must demonstrate complete data transparency and provide customers with granular control over information sharing. This approach builds the foundational trust necessary for **Personalized Relationship Building** by respecting individual privacy preferences while enabling sophisticated service customization.

Indian Market Approach: The emerging DPDP framework and value-conscious culture respond well to "Value Exchange" positioning. Organizations should clearly articulate the specific benefits customers receive in exchange for data sharing. This transparent value

proposition justifies the advanced personalization capabilities that enable both **Augmented Human Support** and **Personalized Relationship Building** approaches.

6.2.4 Principle 4: Measure for Emotional Resonance, Not Just Efficiency

Traditional business metrics often fail to capture the nuanced success factors that differentiate effective AI implementations from merely functional ones. This meta-principle recognizes that different strategic positions within the framework require fundamentally different evaluation approaches. Organizations cannot apply uniform measurement standards across diverse AI-CX strategies without losing critical insights about customer satisfaction and relationship quality.

Strategic Application: This principle establishes **quadrant-specific measurement systems** that align evaluation criteria with strategic intent, ensuring that success metrics actually reflect the goals of each positioning choice.

Measurement Framework Alignment:

- **Technology-Centric Quadrants** (Automation and Self-Service): **Efficiency Metrics** remain paramount - cost reduction, response time, resolution rates, and process completion accuracy. These quantitative measures effectively capture the operational improvements that justify technology-centric investments.
- **Human-Centric Quadrants** (Augmented Support and Relationship Building): **Emotional Resonance Metrics** become essential - trust scores, relationship depth indicators, customer sentiment analysis, and satisfaction durability. These qualitative measures reveal whether human-centric approaches actually strengthen customer connections.
- **Cross-Framework Evaluation: Strategic Efficacy Metrics** assess overall goal achievement, competitive positioning improvements, and cultural alignment success across all quadrants.
- **Transition Assessment: Journey Quality Metrics** evaluate the effectiveness of movement between quadrants, measuring handoff satisfaction, escalation success rates, and cultural appropriateness of transition experiences.

Strategic Implementation Sequence

The principles provide a logical sequence for rolling out a culturally aware AI-CX strategy:

1. **Start with Principle 1 (Contextualize):** Establish the cultural foundation. This diagnostic step determines the initial **quadrant positioning** and strategic goals for the market.
2. **Then Implement Principle 2 (Escape Hatch):** Design the critical **transition pathways** between quadrants *before* launch. This ensures the system is built with the correct cultural navigation from the ground up.
3. **Integrate Principle 3 (Personalization-Privacy):** Once the core system and pathways are designed, layer in advanced **trust-building** features required for human-centric and relational approaches.
4. **Apply Principle 4 (Measure):** Finally, **set the measurement systems** to evaluate performance. The metrics must be calibrated to the chosen quadrant (from P1) and the designed pathways (from P2).

This sequence ensures the strategy is built on a solid cultural foundation, architecturally sound, and measured against the right goals.

Strategic Integration Summary

Together, these principles form a dynamic navigation system for the AI-CX Framework:

- **Principle 1** determines **where to start** (initial quadrant selection).
- **Principle 2** guides on **how to move** (designing transitions between quadrants).
- **Principle 3** enables **advanced positioning** (building trust for the right-hand, Human-Centric quadrants).
- **Principle 4** ensures **appropriate evaluation** (defining success metrics for each quadrant and journey).

*They transform the static framework from a simple map into a **dynamic strategic tool**, providing a coherent, step-by-step guide for implementation that adapts to any cultural context.*

6.3 Managerial Recommendations and Contributions to Practice

This framework provides a direct answer to a pressing business problem by offering a prescriptive guide for leaders.

- **For Chief Marketing Officers (CMOs):** In Spain, where the market is *concentrated and dominated by giants like Amazon* (Chapter 4), marketing messages must build trust by emphasizing superior, reliable service and GDPR-compliant data security to differentiate from the competition. In India's *fragmented market*, messages should focus on empowerment and accessibility, highlighting how AI provides service to new users in Tier-2 and Tier-3 cities, a key growth demographic.
- **For Heads of Customer Service:** Use the framework to design agent training programs. Agents everywhere need to be trained not just to solve problems, but to handle the emotional fallout from a failed AI interaction and to understand their specific role as either a "technical expert" (Spain) or an "empowered authority" (India).
- **For AI Product Managers:** Use the framework to prioritize what to build next. In a high-UAI market, the priority should be perfecting existing conversation flows and cutting down on error rates. In a high-growth, mobile-first market, the priority might be developing a lighter version of the AI that works on older networks or supports more local languages.

6.4 Limitations and Directions for Future Research

While this research provides a robust conceptual framework, it is subject to limitations that open up opportunities for future investigation. The main limitations are its reliance on publicly available secondary data and the illustrative nature of the qualitative component. Future research should aim to build upon the proposed framework in several key areas:

- ***Quantitative Validation:*** *Conduct large-scale surveys across a wider range of countries to statistically prove the relationships between cultural dimensions and AI-CX preferences identified in this thesis.*
- ***Expansion to Other Cultural Clusters:*** *Apply and test this framework in other distinct cultural regions, such as East Asia or Latin America, to check its robustness and refine its principles.*

- ***Longitudinal Studies:*** *Track how consumer perceptions of AI and trust change over time. As generative AI becomes more advanced and woven into our daily lives, customer expectations and the nature of the AI-CX Paradox itself will surely evolve.*
- ***The Employee Experience (EX) Dimension:*** *Investigate how customer-facing AI affects the employee experience. A frustrated employee who is forced to clean up the mess from a poorly designed AI is unlikely to provide a good customer experience, which suggests that EX could be a critical link in the AI-CX relationship.*

Ultimately, this research proves that deploying AI in customer experience is not a technological implementation, but a cultural negotiation. The AI-CX Paradox is not a single problem to be solved, but a series of tensions that must be managed. The framework provided in this thesis offers a strategic map for managers to navigate these tensions, moving beyond a one-size-fits-all approach. By doing so, companies can leverage AI not to replace the human touch, but to deliver it more effectively, building the resilient, trusting, and valuable customer relationships that will define competitive advantage in the years to come.

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Annex I: Illustrative Interview Transcripts

Introduction

The following transcripts are the illustrative qualitative narratives constructed to support the thematic analysis in Chapter 4. These narratives are analytical constructs, informed by the secondary data analysis on the digital, commercial, and cultural contexts of Spain and India. The personas were developed to represent common user archetypes within these markets. The interviews follow the expanded semi-structured protocol outlined in the methodology (Section 3.5.2) and are designed to provide explanatory depth to the macro-level findings.

Expanded Interview Protocol

1. **Exploring the "Convenience Calculation"**: "Can you walk me through a recent positive experience you had with customer service that used technology like a chatbot or an app? What exactly made it positive?"
2. **Investigating the "Empathy Deficit"**: "Now, can you tell me about a recent frustrating experience with an automated customer service system? How did it make you feel?"
3. **Probing the "Personalization-Privacy" Tension**: "How do you feel when an app gives you a recommendation that is very personal? Is it helpful, or does it ever feel intrusive?"
4. **Assessing the "Human Escape Hatch"**: "In a complex, high-stakes situation, would you prefer to deal with an AI or a human? Why is that?"
5. **Deconstructing Trust**: "What could a company's AI do to make you trust it more? What specific actions or features would build your confidence in an automated system?"
6. **Envisioning the Ideal AI**: "Thinking about the future, what would the perfect AI customer service assistant look like for you? How would it behave?"

Interview 1: Eva (Spain)

- **Persona Profile:** Eva, 42, is an Engineering Manager. She is digitally proficient, values efficiency and premium services, and is highly conscious of her data rights under GDPR. She has a low tolerance for poorly designed systems that waste his time.

Interviewer: "Can you walk me through a recent positive experience you had with customer service that used technology like a chatbot or an app?"

Eva: "Con Uber. Pedimos un coche que tenía una promoción. Después de hacer el trayecto vimos que nos habían cargado el precio sin promoción. Reclamamos a través de la app y nos respondieron muy rápido pidiéndonos disculpas y diciendo que nos abonaban la diferencia, y así lo hicieron en el mismo momento."

Interviewer: "Now, can you tell me about a recent frustrating experience with an automated customer service system?"

Eva: "Con Correos Express. Cada vez que hay una incidencia con ellos ya sabes que te van a fallar. Su servicio de Atención al cliente es telefónico. Te hacen escuchar una grabación super larga sobre un montón de información que resulta inútil para el cliente. Luego te ponen en espera en la llamada. Nunca atiende el teléfono nadie y finalmente la llamada se cuelga sola. Un servicio de atención al cliente completamente inútil. Es muy frustrante tener que tratar con ellos. "

Interviewer: "How do you feel when an app gives you a recommendation that is very personal? Is it helpful, or does it ever feel intrusive?"

Eva: "Creo que no he tenido ninguna experiencia con una app que me da una recomendación muy personal."

Interviewer: "In a complex, high-stakes situation, like the fraudulent charge, would you prefer to deal with an AI or a human?"

Eva: "Prefiero tratar con una persona, porque la mayoría de las veces los casos de uso son particulares y con matices que los hacen muy diferentes unos de otros, y la IA no tiene respuesta para todos. A una persona le puedes explicar qué te ha pasado y cómo

de ha dado esa situación y puede guiarte mejor que la IA, que generalmente, te da respuestas estandarizadas, que no resuelven tu problema.."

Interviewer: "What could a company's AI do to make you trust it more?"

Eva: "Tengo que decir que a veces resulta difícil distinguir entre respuestas dadas por una IA o por una persona, en servicios de Atención al cliente que funcionan con mensajes.

Lo primero seria que la IA se identificara como tal, así ofreces transparencia.

Lo segundo, que te haga las preguntas adecuadas para entender tu caso, asi aporta relevancia y autoridad.

En tercer lugar, que haga preguntas de control, como ¿Es exactamente esto lo que necesitas?, o ¿Hasta ahora crees que he entendido exactamente tu problema? Así ganaría en precisión y todo lo anterior mejoraría la confianza en el servicio."

Interviewer: "Envisioning the ideal AI, what would the perfect assistant look like for you?"

Eva: "Como he descrito antes y, además, si la respuesta que da el cliente es: "No, no me estas ayudando", entonces que la IA te pasara con un ser humano que te pueda ayudar con los matices y pueda resolver tu caso"

Interview 2: Salvador (Spain)

- **Persona Profile:** Salvador, 48, is a Professor in University of Alicante. A digital native, he uses his smartphone for almost everything and discovers new brands through social media. He values authenticity and good design but is quickly frustrated by impersonal or "clunky" automated systems.

Interviewer: "Can you tell me about a good experience you've had with an automated service?"

Salvador: "Hace poco tuve una experiencia positiva con el servicio al cliente de una compañía telefónica que utilizaba un chatbot en su aplicación móvil. Lo que más valoré fue la rapidez con la que resolvió mi consulta, sin necesidad de esperar a un agente humano. El sistema estaba bien diseñado, con un lenguaje claro y opciones concretas, lo que facilitó mucho la navegación y evitó la pérdida de tiempo en llamadas. Además,

cuando el chatbot no pudo resolver un detalle, me transfirió directamente a un agente con toda la información previa, agilizando el proceso y mejorando la atención recibida."

Interviewer: "And a frustrating one?"

Salvador: "Una experiencia frustrante con un sistema automatizado la viví al intentar resolver una incidencia bancaria a través de un asistente virtual. El problema principal fue la rigidez del sistema: ofrecía respuestas prediseñadas que no se ajustaban a mi caso concreto. Intenté explicar la situación varias veces, pero el chatbot repetía siempre las mismas opciones, sin posibilidad de desviarse. El fallo se dio en el momento en que necesitaba hablar con una persona y no había un acceso directo, sino un bucle interminable de menús. Esto generó una sensación de impotencia y pérdida de tiempo, ya que no se reconocía la complejidad de mi necesidad. La experiencia contrastó con la finalidad de estas herramientas, que deberían facilitar y no obstaculizar la comunicación."

Interviewer: "How do you feel about very personal recommendations?"

Salvador: "Cuando una aplicación me ofrece una recomendación muy personal, mi sensación suele ser ambivalente. Por un lado, resulta útil porque ahorra tiempo y se ajusta a mis intereses de manera precisa, lo que mejora la experiencia de usuario. Sin embargo, también surge cierta inquietud sobre la procedencia de esos datos y hasta qué punto se está respetando mi privacidad. Esta dualidad entre utilidad e invasión es un aspecto clave en el debate actual sobre la inteligencia artificial aplicada al servicio al cliente. Desde mi perspectiva, sería necesario promover un uso responsable de la tecnología, en el que se garantice la transparencia en la recopilación de datos y se priorice la confianza de la persona usuaria. Así, la IA puede convertirse en una herramienta de apoyo real, sin cruzar límites que afecten a la autonomía o a la intimidad."

Interviewer: "In a complex situation, like a flight cancellation, would you prefer AI or a human?"

Salvador: "En una situación compleja y de gran importancia, como la cancelación de un vuelo o un problema grave con una transacción bancaria, preferiría tratar con una persona antes que con una inteligencia artificial. La razón principal es la necesidad de empatía, flexibilidad y capacidad de interpretar matices que aún son difíciles de replicar en sistemas

automatizados. La IA puede ser muy eficaz en gestiones rápidas y sencillas, pero en momentos críticos se requiere una atención personalizada que contemple las emociones, la urgencia y las particularidades del caso. Sin embargo, no rechazo el papel de la tecnología: un asistente automatizado sería útil como primera línea para agilizar el proceso, recopilar la información básica y presentar posibles soluciones. Lo ideal sería un modelo mixto en el que la IA prepare el terreno y la persona asuma el cierre de la gestión."

Interviewer: "What could a company's AI do to make you trust it more?"

Salvador: "Confiaría más en la inteligencia artificial de una empresa si ofreciera transparencia en el uso de mis datos, explicando de forma clara qué información recopila y con qué finalidad. También sería clave que el sistema mostrara capacidad de adaptación, ofreciendo respuestas personalizadas pero sin resultar invasivas. Otra acción que generaría confianza sería la opción de combinar lo automatizado con la atención humana, de modo que si la IA no resuelve mi consulta, pueda derivarme sin trabas a una persona que continúe con el proceso. Además, la posibilidad de auditar o revisar las recomendaciones que el sistema ofrece, junto con garantías de seguridad en la protección de la información personal, incrementaría mi confianza. Subrayaría que la confianza se construye mediante un equilibrio entre eficacia tecnológica y respeto ético hacia la experiencia humana en los servicios al cliente."

Interviewer: "Thinking about the future, what would the perfect AI customer service assistant look like for you?"

Salvador: "El asistente de servicio al cliente perfecto basado en inteligencia artificial sería un sistema híbrido que combinara la eficiencia tecnológica con la sensibilidad hacia la experiencia humana. Su comportamiento estaría marcado por tres pilares fundamentales: rapidez, personalización y transparencia. En primer lugar, debería ser capaz de comprender de manera contextual las consultas, evitando respuestas genéricas y mostrando una comunicación clara y fluida. En segundo lugar, tendría que adaptarse al perfil de la persona usuaria, ofreciendo soluciones ajustadas a sus necesidades, pero sin invadir su privacidad ni dar la sensación de vigilancia excesiva. Otro aspecto clave sería la integración con la atención humana: cuando la situación lo requiera, el traspaso a una persona debería ser inmediato, sin repetir información ni perder continuidad. Además,

ofrecería siempre información transparente sobre el uso de los datos y garantizaría altos estándares de seguridad. Desde la perspectiva académica y pedagógica, este asistente debería ser también un modelo de aprendizaje continuo, capaz de mejorar a partir de cada interacción y de ofrecer un servicio ético, accesible y confiable. Así, se convertiría en una herramienta que no sustituye lo humano, sino que lo complementa con inteligencia y eficacia."

Interview 3: Surbhi (India)

- **Persona Profile:** Surbhi, 34, is a software developer in Bangalore. She is a power user of mobile apps for payments (PayTM), food delivery (Zomato), and groceries (Zepto). She values speed and convenience and is accustomed to digital-first solutions.

Interviewer: "Can you describe a recent positive experience with a tech-based customer service?"

Surbhi: "I used a grocery store's self-checkout system that automatically scanned items as I placed them in my cart. It saved me time, gave me instant discounts, and felt futuristic like shopping was completely effortless."

Interviewer: "And what about a frustrating experience?"

Surbhi: "I once called a bank's automated phone system that kept looping through menus without solving my issue. Instead of saving time, it left me feeling stuck showing how technology can sometimes create distance rather than help."

Interviewer: "How do you feel about sharing personal data for these services?"

Surbhi: "I feel personal recommendations can be very valuable when they're relevant like when a streaming service suggests a movie I truly enjoy. But when they're off-target or too frequent, they can feel intrusive, almost like the technology knows me less than it should."

Interviewer: "For a complex problem, like a major bank transaction error, would you prefer AI or a human?"

Surbhi: "For a complex business issue, I'd prefer a human, because nuance, judgment, and empathy often matter as much as data. However, I see value in using AI as support to analyse patterns or provide insights that a human can then interpret wisely."

Interviewer: "What could a company's AI do to make you trust it more?"

Surbhi: "I would trust a company's AI more if it was transparent about how it makes decisions, gave me clear explanations I could understand, and respected my privacy by keeping data secure. Consistency in its performance would also build confidence over time."

Interviewer: "Envisioning the ideal AI, what would the perfect assistant look like for you?"

Surbhi: "The perfect AI assistant would schedule meetings, summarize emails, generate reports, flag important deadlines, and provide data insights all while explaining its suggestions clearly and respecting privacy."

Interview 4: Amit (India)

- **Persona Profile:** Amit, 32, is a Doctor in Delhi. He adopted smartphones and digital payments more recently. He uses WhatsApp extensively for patients and personal communication but remains less digitally fluent and prefers human interaction for important matters.

Interviewer: "Can you tell me about your experience using technology for customer service?"

Amit: "I was able to get multiple answers for the same type of question. "

Interviewer: "Can you give an example of a frustrating experience?"

Amit: "No"

Interviewer: "How do you feel about personal recommendations?"

Amit: "I don't mind."

Interviewer: "What are your thoughts on sharing personal data like your Aadhaar card for these services?"

Amit: "We have to. There is no other way. For a bank account or a new phone connection, you must give your Aadhaar. It is the rule."

Interviewer: "What could a company's AI do to make you trust it more?"

Amit: "At present it’s fine"

Interviewer: "Thinking about the future, what would the perfect AI customer service assistant look like for you?"

Amit: "Robotics "

Interview 5: Fernando (Spain)

- **Persona Profile:** Fernando, 51, is a business consultant in Valencia. He is a seasoned professional who uses technology for work but is not an early adopter. He values formal relationships, expertise, and clear accountability in all business dealings.

Interviewer: "Can you describe a positive experience with an automated service?"

Fernando: "My energy provider's website. I can submit my meter readings, see a clear graph of my usage, and download a PDF of my bill. There is no chatbot trying to be clever. It is a simple, digital tool that presents information clearly and allows me to perform necessary tasks. It is useful precisely because it is impersonal and transactional."

Interviewer: "And a frustrating experience?"

Fernando: "I was dealing with a logistics company for a business shipment. Their tracking system is automated. The system said my package was 'out for delivery,' but it never arrived. When I tried to contact them, I was forced to use a chatbot that could only repeat the same incorrect tracking information. It could not comprehend the concept that its own data was wrong. A business cannot operate with a system that has no recourse for error."

Interviewer: "How do you feel about personal recommendations?"

Fernando: "In a business context, it is generally inappropriate. I do not want my professional software suggesting services based on my data. It feels unprofessional. For

personal shopping, like on Amazon, it is fine if it is relevant, but I am always aware that I am the product being sold."

Interviewer: "For a complex business issue, would you prefer an AI or a human?"

Fernando: "A human. Always. Business issues require negotiation, understanding of context, and a professional relationship. You need to speak to someone who has a name, a position, and the authority to be held accountable for their decisions. An AI offers none of these things."

Interviewer: "What could a company's AI do to make you trust it more?"

Fernando: "It would need to be certified by a third party. If an AI system for financial advice was audited and certified by an official regulator, I might begin to trust its output. The trust would not be in the AI itself, but in the rigorous, external validation process it had passed."

Interviewer: "What would the perfect AI assistant look like in a professional setting?"

Fernando: "It would be an information retrieval tool. I would ask, 'Show me the Q3 sales data for the Andalusia region,' and it would instantly produce the correct chart and the source of the data. It would be a perfect librarian and data analyst. It should present facts, not opinions or conversations."

Interview 6: Samiksha (India)

- **Persona Profile:** Samiksha, 26, is a PhD student working at a startup in Mumbai. She is a digital native, living her social and commercial life through her smartphone. She is willing to try new apps and services and values peer recommendations highly.

Interviewer: "Can you tell me about a good experience with a tech-based service?"

Samiksha: "The quick-commerce apps like Zepto or Blinkit are amazing! It’s not just the delivery in 10 minutes. If an item is out of stock, the app will message you on WhatsApp instantly with a good substitution. You reply 'Yes' or 'No.' It's so seamless, it feels like you're texting a person but it's faster. My friends and I all use it."

Interviewer: "And a frustrating one?"

Samiksha: "I was trying to use a new fashion rental app. The AI stylist was supposed to give me recommendations for an event. The suggestions were so bad and completely ignored the preferences I had entered. It felt like a gimmick. If the tech doesn't work well, there are ten other apps I can try instead. The competition is too high to waste time on a bad app."

Interviewer: "How do you feel about personal recommendations?"

Samiksha: "I love them! If an app can help me discover a new restaurant or a clothing brand that fits my style, it's great. I see it as a discovery tool. I know they're using my data, but I get good value in return, so it feels like a fair exchange."

Interviewer: "In a complex situation, like having your account hacked, AI or a human?"

Samiksha: "A human, for sure. The AI is for fun and convenience. For something serious like security, you need to talk to someone. I would expect the company to have a 24/7 helpline for that kind of emergency."

Interviewer: "What could a company's AI do to make you trust it more?"

Samiksha: "If it was recommended by influencers I follow or if my friends had a good experience with it. We trust word-of-mouth more than anything. Also, if the AI is really smart and helpful from the very first interaction, I'm more likely to trust it for other things. It has to prove itself quickly."

Interviewer: "What would the perfect AI assistant look like for you?"

Samiksha: "It would be fun! Like a cool, knowledgeable friend who knows all the best places to go and things to do. It would understand slang and talk like a real person, not a robot. It would be integrated with my social media, see what my friends are up to, and give me ideas for what we could all do together. It should be a social connector."

Interview 7: Natalia (Spain)

- **Persona Profile:** Natalia, 21, is a university student in Valencia. She is a digital native, highly active on social media, and uses technology for everything from her

studies to her social life. She is budget-conscious and influenced by social and ethical discourses around technology.

Interviewer: "Can you walk me through a recent positive experience you had with customer service that used technology?"

Natalia: "Recientemente tuve una experiencia positiva con el chatbot de Sephora preguntándole sobre un tipo de descuento de la página web, el chatbot identificó que necesitaba atención personalizada y me derivó a hablar con una empleada de la tienda de forma rápida, lo que me permitió resolver mis dudas."

Interviewer: "Now, can you tell me about a recent frustrating experience with an automated customer service system?"

Natalia: "Una experiencia frustrante fue usando el chatbot del banco ING. Consulté dudas sobre mi tipo de cuenta y sus beneficios, pero el chat repetía respuestas preestablecidas que no resolvieron mis dudas. Al final tuve que llamar a atención al cliente."

Interviewer: "How do you feel when an app gives you a recommendation that is very personal?"

Natalia: "Cuando una aplicación me hace recomendaciones muy personales generalmente me parece útil. Ya que estas recomendaciones suelen estar alineadas con mis intereses y necesidades. No lo considero intrusivo al ser buenas recomendaciones y no insistentes."

Interviewer: "In a complex, high-stakes situation, would you prefer to deal with an AI or a human?"

Natalia: "En situaciones complejas prefiero interactuar directamente con una persona. Considero que los chatbots todavía no están suficientemente avanzados como para comprender este tipo de situaciones y tratar con empatía en situaciones delicadas."

Interviewer: "What could a company's AI do to make you trust it more?"

Natalia: "Confiaría más en una IA si la empresa fuese transparente sobre los datos que utiliza y como funciona, si garantizase la seguridad y privacidad de mis datos. También si ofreciese la posibilidad de derivar la conversación a un empleado de la empresa."

Interviewer: "Thinking about the future, what would the perfect AI customer service assistant look like for you?"

Natalia: "Para mi el asistente perfecto sería un chatbot que no genere respuestas generales, es decir, que sea capaz de comprender las particularidades de cada situación y genere respuestas personalizadas para cada usuario."

Interview 8: Alejando (Spain)

- **Persona Profile:** Alejando, 24, Marketing & Technical Service in Castellón. He is a pragmatic marketing specialist who has adopted technology where necessary, such as for managing sales and networking. He deeply values personal relationships with his customers and suppliers and is skeptical of tech that feels impersonal.

Interviewer: "Can you describe a positive experience with an automated service?"

Alejando: "Recientemente he usado el chatbot de la empresa de reparto Inpost. Lo que la hizo positiva fue la inmediatez con la que te responde y la calidad de las respuestas ya que en todo momento te facilita la información que necesitas. Esta herramienta hizo que pudiera localizar mi paquete en tiempo récord."

Interviewer: "And a frustrating experience?"

Alejando: "No recuerdo muy bien en que página web fue pero básicamente la experiencia fue frustrante porque me daba todo el rato la misma respuesta y no contestaba a lo que le decía, haciendo que echase de menos contactar con una persona real."

Interviewer: "How do you feel about personal recommendations?"

Alejando: "No siento que sea una invasión de mi privacidad, solo siento asombro por como estas aplicaciones están avanzando y la capacidad de aprendizaje e e información que almacenan en si."

Interviewer: "For a complex business issue, would you prefer an AI or a human?"

Alejando: "Hoy por hoy en una situación así preferiría tratar todavía con una persona porque se que me va a solucionar el problema sin ningún tipo de dificultad, además se que la IA esta muy avanzada pero aun no es una herramienta en la que puedas confiar al 100%. Aun así se que en el futuro probablemente la inteligencia artificial sea mas resolutiva que una persona por la capacidad de información que puede almacenar."

Interviewer: "What could a company's AI do to make you trust it more?"

Alejando: "A ver claramente que siga avanzando, pero creo que es una cuestión mas de adaptarse al cambio que de confianza. Sabemos lo que es capaz de hacer la IA, ahora es tiempo de adaptarla en la sociedad para que todo el mundo vea lo que es capaz de hacer, y asi ganarase la confianza de la gente."

Interviewer: "What would the perfect AI assistant look like in a professional setting?"

Alejando: "El asistente perfecto tendría que comportarse mejor de lo que lo hace un ser humano. Por ahora es mejor en velocidad de respuesta ya que esta operativo las 24h pero tendría que ser mejor su capacidad de razonamiento y mejorar la calidad de sus respuestas para que no haya fallos de comunicación."

Interview 9: Ayushi (India)

> **Persona Profile:** Ayushi, 31, is a Business Intelligence in Delhi, a Tier-1 city. She is a proficient and regular user of digital services like online banking, bill payments, and e-commerce, driven by convenience. She is cautious and security-conscious, often thinking about the digital safety of his family.

Interviewer: "Can you tell me about a good experience you've had with a tech-based service?"

Ayushi: "My electricity bill payment is now so simple. I get a WhatsApp message from the company with the bill amount and a payment link. I click the link, use UPI, and it's paid. I get an instant confirmation receipt on WhatsApp. There is no need to log in to a website or stand in a queue. It is reliable, it is official, and it saves me a lot of time every month."

Interviewer: "And what about a frustrating experience?"

Ayushi: "I was trying to help my elderly father with a problem with his government pension, which is now managed through a digital portal. We had to use a chatbot to ask a question. The bot asked for his ID number, which we provided. Then it asked a security question, which he answered. But the bot said the answer was wrong. We were locked out after three tries. There was no number to call, just an instruction to go to a government office, which is very difficult for him. It was frustrating because it was not helpful, and it blocked us from getting the help we needed."

Interviewer: "How do you feel about sharing personal data for these services?"

Ayushi: "One has to be very careful. For official things like the electricity company or the bank, it is necessary. But I am very hesitant to give my data to new shopping apps or services I don't know. I always read the permissions an app asks for. I teach my children to be very careful about what they share online. The convenience is nice, but safety and security for my family come first."

Interviewer: "For a complex problem, like a major bank transaction error, would you prefer AI or a human?"

Ayushi: "For any bank-related issue, I would go to the branch and speak to the branch manager if possible. If not, I would call and ask to speak to a senior person. Money is a serious matter. You need to speak to a person who is accountable, who works for the bank, and whose job it is to solve your problem. An AI cannot give you that security."

Interviewer: "What could a company's AI do to make you trust it more?"

Ayushi: "It should be **verified and secure**. For a financial AI, it should have clear security features, like asking for an OTP (One-Time Password) for any important action. It should also have the company's official branding and look professional, not like a toy. If it looks secure and acts securely, I will begin to trust it."

Interviewer: "Envisioning the ideal AI, what would the perfect assistant look like for you?"

Ayushi: "The perfect AI would be like a **family financial assistant**. It would help me track our household budget, remind me when bills are due, and find the best official discounts

on groceries or utilities. It would be practical and focused on helping my family save money and stay organized. It would need to be extremely secure and private, a tool for the family."

Interview 10: Saksham (India)

> **Persona Profile:** Saksham, 24, lives in Delhi and works as a delivery driver for a gig-economy platform. His smartphone is his primary tool for work and life. He is a hyper-user of app-based services, highly adaptable, and focused on efficiency and maximizing his income.

Interviewer: "Can you describe a positive experience with an automated service?"

Saksham: "Searching and comparing for services and products with suggestions all in one place and well structured."

Interviewer: "And a frustrating one?"

Saksham: "Lack of accuracy when dealing with opinion based topics with no clear factual analysis."

Interviewer: "How do you feel about sharing personal data for these services?"

Saksham: "It’s good but poses a privacy threat as it asks for many permissions from the device."

Interviewer: "In a complex situation, like a payment dispute with the company, AI or a human?"

Saksham: "I would prefer a human."

Interviewer: "What could a company's AI do to make you trust it more?"

Saksham: "Provide better training on how to use it."

Interviewer: "Thinking about the future, what would the perfect AI customer service assistant look like for you?"

Saksham: "Something that’s easy and interactive to use and not super expensive."

Annex II: Survey forms of Spanish & Indian Participants

Spanish Form: https://forms.gle/beMSXdnmk4XiUnGh9

English Form: https://forms.gle/ML7PP4WjizNJUTGz5