# International Journal of Research Publication and Reviews

Journal homepage: www.ijrpr.com  ISSN 2582-7421

# THE ROLE OF AI IN MARKETING ENHANCING CUSTOMER EXPERIENCE AND PERSONALIZATION

## Ms. R. Akshaya Sudarshana[1], K. Abinaya[2]

[1] Assistant professor, Department of commerce professional accounting, Sri Krishna Adithya College of Arts and Science, Coimbatore
akshayasudarshanar@skacas.ac.in
[2] Student, Department of commerce professional accounting, Sri Krishna Adithya College of Arts and Science, Coimbatore
abinayak371@gmail.com

## 1.INTRODUCTION

Businesses can no longer afford to ignore the importance of personalized methods in today's marketing environment if they want to successfully engage customers. A game-changer in this regard is artificial intelligence (AI), which allows for the personalization of information distribution to users according to their demographics, interests, and actions. India is a diversified and fast-growing market with changing consumer tastes and high rates of digital penetration. This introduction sets the scene for exploring the role of Al in personalized marketing within this environment. Setting the Scene for Tailored Advertising: Personalized marketing tactics are becoming more important in India due to the country's fast socio- economic and technical changes. Consumers in India are increasingly looking for tailored experiences that cater to their own tastes and goals, thanks to the country's rich cultural backdrop, growing middle class, and increasing digital literacy. In light of this, artificial intelligence offers firms in India an unprecedented chance to use data-driven insights and launch hyper-targeted marketing initiatives.

Artificial intelligence (AI) allows organizations to automate decision-making, analyze massive volumes of data, and find actionable insights using machine learning algorithms, natural language processing, and predictive analytics. Marketers can improve customer engagement and drive company success by using Al-driven tools and platforms to segment audiences, personalize content, and optimize marketing campaigns at scale. Despite Al's enormous promise in targeted marketing, the introduction notes that the Indian market has its own set of difficulties and possibilities. Marketers have obstacles when trying to use Al-driven methods, such as language diversity, geographical differences, and infrastructure limits. Nevertheless, India presents an ideal environment for Al-driven targeted marketing campaigns to flourish and establish genuine relationships with customers, thanks to the country's rapidly expanding smartphone market, rising internet penetration, and plenty of digital platforms. Keeping these things in mind, the study's aims are laid out in the introduction.

Examining important trends, obstacles, and best practices, this study seeks to understand the function of Al in customized marketing within the Indian context. The research aims to help companies better interact with Indian customers by getting insights into the adoption and effectiveness of Al-driven marketing tactics in India. It also provides helpful tips for organizations looking to harness the potential of AI. The purpose of this introduction is to provide the groundwork for a detailed examination of Al's function in targeted marketing in India's complex and ever-changing market. A thorough examination of this dynamic environment may be established in the introduction, which places the relevance of tailored methods in perspective and discusses the revolutionary possibilities of Al technology.

## 2.STATEMENT OF PROBLEM

In the evolving digital marketplace, businesses are increasingly adopting artificial intelligence (AI) to enhance customer experience and personalization. AI-driven marketing enables brands to analyse consumer behaviour, predict preferences, and deliver tailored content. However, despite its advantages, several challenges hinder its full potential. One major issue is the balance between automation and human touch— excessive reliance on AI may lead to impersonal interactions, reducing customer trust and engagement. Additionally, concerns over data privacy, ethical AI usage, and algorithmic biases pose risks to consumer confidence.

Businesses also struggle with integrating AI effectively due to technological complexity and high implementation costs. This study aims to explore how AI influences customer experience and personalization in marketing. It will analyse the benefits and limitations of AI-driven personalization, assess its impact on consumer satisfaction, and propose strategies to optimize AI applications while maintaining ethical and meaningful customer interactions.

## 3.REVIEW OF LITERATURE

1.Kumar et al. (2014): In their study, Kumar et al. explored the role of AI in marketing, highlighting its potential to enhance customer engagement and personalize experiences. They found that AI-powered marketing tools can improve customer insights, enabling businesses to create targeted Who is the founder of Deep mind the Al Company of

Google, "Artificial intelligence is the art to make machines intelligent (Ahmed, 2014)," the most widely accepted definition and also a well-fitting one since Al is a broader term used for a number of a variety of indicators. Under the Al, there are some subcategories including machine learning and deep

learning which manufacture real-world apps of Al. including search suggestions, voice recognition, virtual assistants and image recognition. The term, Al, refers to the computer-assisted analytical course that attempts to form automated systems which can be labelled as intelligent. It is the automated system that inputs data to conduct tasks of intelligent beings in a manner that increases the success rate.

2.Libai et al. (2019) We're seeing Al analyse customer behaviour to make smart recommendations based on attributes such as age, gender, location, and millions of other data points that marketers can use to reach the right customer at the right time. And we're already seeing unique web pages that are built on the fly just for individual consumers a custom shopping catalogue for one, compliments of Al Al-powered conversational intelligence like chatbots and voice-enabled platforms like Alexa are also radically changing our ideas of what digital marketing can do. Brands want to reach the right consumers, at the right time, with the right message and Al- enabled platforms and tools are making this a reality.

3.Huang & Rust (2018): Huang and Rust investigated the impact of AI onmarketing strategies, emphasizing the need for marketers to adapt to AIdriven changes. They suggested that businesses should focus on developing AI-powered marketing tools that can enhance customer experience.

4.Germann et al. (2019): Germann et al. examined the application of AI in marketing analytics, demonstrating its ability to improve predictive accuracy. They found that AI-powered marketing analytics can help businesses identify customer patterns and preferences

5.Lemon & Verhoef (2016): Lemon and Verhoef discussed the role of AI in customer experience management, highlighting its potential to enhance customer satisfaction and loyalty. They suggested that businesses should use AI-powered customer experience tools to personalize customer interactions.

6.(Davenport, 2017) In today's world. Al is used to support marketing managers in various tasks and operations including digital marketing (buying), web development, SEO, external email marketing, lead generation, social media monitoring (Davenport, 2017)

## 4.OBJECTIVES OF THE STUDY

1. Examine the role of AI in providing proactive and personalized customer support.
2. Investigate how AI is being used to builder stronger customer realationship and foster long term loyalty.

## 5.RESEARCH METHODOLOGY

This study explores the Artificial Intelligence (AI) on marketing, customer experience, and personalization. Through a mixed-methods approach, this research investigates how AI enhances customer engagement, loyalty, and personalized experiences. The study analyses AI powered chatbots, predictive analytics, content recommendation systems, and email marketing automation. Primary data is collected from surveys and interviews with marketing professionals and customers, supplemented by case studies of successful AI-powered personalization initiatives. The findings provide insights into AI's role in marketing, customer experience, and personalization, highlighting best practices, challenges, and opportunities for businesses to leverage AI for competitive advantage.

## 6.STATISTICAL TOOLS FOR ANALYSIS

The following statistical tools are used in this study for the purpose of analysis:
- Percentage Analysis
- Ranking Analysis

## 7. LIMITATIONS OF STUDY

1. The results and findings are confined to a limited area.
2. Accuracy of the study is purely based on the information as given by the respondents.
3. Time and resource constraint.
4. Since the data was collected using questionnaire, there is possibility of ambiguous replies or omission of replies altogether to certain items in the questionnaire.

## 8.ANALYSIS& INTERPRETATION OF DATA

**Table showing most used AI technologies by the respondents.**

| PARTICULARS | FREQUENCY | PERCENTAGE |
|---|---|---|
| Search engines | 21 | 14% |
| Social media platform | 32 | 28% |
| Navigation apps | 21 | 13% |
| Online shopping platform | 45 | 23% |

| | | |
|---|---|---|
| Chatbots | 7 | 13% |
| Voice assistant | 17 | 12% |
| Streaming services | 9 | 6% |
| Total | 152 | 100% |

**Interpretation:**

The table shows that the 28% of the respondents use socialmedia,23% of the respondents use online shopping platforms ,14% of the respondents use search engines, 13%of the respondents use navigation apps ,12%of the respondents use voice assistants,6% of the respondents use the streaming services, and 4% of the respondents use chatbots.

**Table showing respondents feeling towards AI that can improve marketing efforts.**

| PARTICULARS | FREQUENCY | PERCENTAGE |
|---|---|---|
| Better customer insights | 36 | 24% |
| Improved personalization | 35 | 23% |
| Enhanced customer experience | 39 | 26% |
| Increased efficiency | 31 | 20% |
| Other | 11 | 7% |
| **Total** | 152 | 100% |

**Interpretation:**

The table shows that AI improves marketing mainly through 26% of the respondents enhanced customer experience, 24% of the Respondents better customer insights, and 23% of the Respondents improved personalization. 20% of the respondents Increased efficiency and 7%other factors.

**Table showing preferred channels for receiving customer support by the respondents**

| PARTICULARS | FREQUENCY | PERCENTAGE |
|---|---|---|
| Phone | 30 | 20% |
| Email | 25 | 17% |
| Social media | 48 | 31% |
| AI-powered chatbot | 14 | 9% |
| Live chat | 35 | 23% |
| Total | 152 | 100% |

**Interpretation:**

Table shows that the 31% of respondents prefer social media for customer support, followed by 23% of the respondent prefer who Favor live chat,20% of the respondent prefer phone support,17% of the respondent prefer for email, only 9% of the respondents prefer choosing them AI-powered chatbots.

*RANKING ANALYSIS*

**Table showing the most important factors when interacting with customer service by the respondents**

| PARTICULARS | 5 | 4 | 3 | 2 | 1 | TOTAL | RANK |
|---|---|---|---|---|---|---|---|
| Speed of resolution | 80 | 24 | 25 | 6 | 17 | 600 | 5 |
| Accuracy of information | 12 | 88 | 28 | 23 | 1 | 543 | 4 |

| Availability of 24/7 support | 25 | 27 | 93 | 6 | 1 | 525 | 3 |
| Personalization of the experience | 13 | 44 | 18 | 62 | 15 | 434 | 2 |
| Friendliness and helpfulness | 29 | 20 | 25 | 16 | 62 | 394 | 1 |

**Interpretation**

The table highlights the most important factors in customer service interactions. "Speed of resolution" ranks highest, followed by "accuracy of information" and "24/7 support availability." "Personalization of experience" and "friendliness/helpfulness" are considered less critical but still relevant. This suggests that customers prioritize efficiency and accuracy over personalization.

## 9. FINDINGS OF THE STUDY

1.Majority (28%) of the respondents are Use AI in social media platform.

2.Majority (26%) of the respondents are mainly through better customer experience in AI.

## 10.RANK ANALYSIS

1. 1.The most respondents feel very comfortable or comfortable using AI technologies, followed by a neutral stance. A smaller portion of respondents feel uncomfortable or very uncomfortable. This indicates a general acceptance of AI technologies among users.
2. 2.The respondents ranked that speed of resolution is the most important factor in customer service interactions, followed by accuracy of information and 24/7 support availability. Personalization of experience and friendliness/helpfulness rank lower but remain relevant. This indicates that customers prioritize efficiency and accuracy over personalization.

## 11.SUGGESTIONS

To fully harness the power of AI in marketing, businesses must adopt a strategic approach that balances technological innovation with ethical responsibility and customer-centricity. AI-driven tools such as predictive analytics, chatbots, and personalized recommendation engines enable brands to deliver hyper-personalized experiences, enhance engagement, and improve customer satisfaction. However, ensuring transparency in data collection, usage, and security is essential for building and maintaining consumer trust. Moreover, integrating AI with human creativity and emotional intelligence can prevent marketing strategies from becoming overly automated and impersonal. Businesses should continuously refine AI models by incorporating customer feedback, analysing behavioural patterns, and adapting to evolving market trends. This ongoing optimization ensures that AI-driven personalization remains relevant, precise, and impactful. By implementing these strategies, companies can elevate customer experiences foster deeper brand loyalty, and drive long-term business growth in an increasingly digital landscape.

## 12.CONCLUSION:

AI has transformed marketing by improving customer experience and personalization through tools like chatbots, predictive analytics, and recommendation engines. These technologies help businesses understand customer preferences and deliver targeted content. However, ethical concerns such as data privacy and transparency must be addressed. A balance between AI and human creativity ensures authenticity. Businesses should continuously update AI models based on customer feedback and trends to remain relevant and competitive.

**REFERENCES**

1. Wang, Y., & Wang, Y. (2021). The Role of Artificial Intelligence in Enhancing the
2. Customer Experience: A Study of high-tech Service Firms. Journal of Service Management, 32(1), 57-81.