

## ARTIFICIAL INTELLIGENCE IN ENHANCING ONLINE CONSUMER EXPERIENCE

**S. Rukshana Begum**

Assistant Professor, Department of Commerce CS & IT, VLB Janakiammal College of Arts and Science(Autonomous), Kovaipudur, Coimbatore, Tamil Nadu, India



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### Abstract:

Artificial Intelligence (AI) has become an important tool in improving the online shopping experience of consumers. Online shopping platforms use AI technologies such as personalized product recommendations, chatbots, virtual assistants, and data analytics to understand consumer preferences and behavior. These AI tools help shoppers find suitable products quickly, receive instant customer support, and enjoy a smooth and convenient shopping process. By analyzing browsing history, purchase patterns, and search behavior, AI enables online platforms to offer relevant suggestions and customized offers, which increase consumer satisfaction. The study highlights that AI enhances online consumer shopping experience by improving personalization, convenience, decision-making, and engagement. AI-powered chatbots provide round-the-clock assistance, reducing waiting time and improving service quality. Visual search and voice-based shopping features also make online shopping easier and more user-friendly. However, the study also notes that ethical concerns such as data privacy, transparency, and trust must be carefully managed to ensure positive consumer experiences. Overall, the study concludes that when AI is used responsibly and ethically, it significantly enhances the online consumer shopping experience by making it more efficient, enjoyable, and customer-focused.

**Key Words:** Artificial Intelligence, Online Shopping, Consumer Experience, Personalization, E-commerce

### Introduction:

Artificial Intelligence (AI) is a branch of computer science that enables machines to perform tasks that usually require human intelligence, such as learning, decision-making, problem-solving, and understanding language. In the context of online shopping, AI has transformed the way consumers interact with e-commerce platforms. By using AI technologies, online retailers can understand customer preferences, predict behavior, and provide personalized services, making shopping faster, easier, and more enjoyable. Artificial Intelligence (AI) is reshaping how firms interact with consumers online by enabling highly personalized, responsive, and efficient experiences

Online consumer experience (OCE) has become a central competitive battleground for digital firms. Beyond product and price, consumer decisions are shaped by how effortless, relevant, and enjoyable interactions are on websites and apps. Recent advances in AI present new opportunities to improve OCE at scale: recommender algorithms tailor offerings; chatbots handle queries; computer vision powers visual search; and predictive analytics anticipate needs. Despite rapid adoption, systematic frameworks that connect specific AI capabilities to multidimensional consumer experience outcomes are still emerging. It has various advantages like Enhances convenience and customer satisfaction, reduces time in searching for products also Improves accuracy in recommendations and Increases customer engagement and loyalty

### Characteristic Features of AI in Online Shopping:

- **Personalization:** AI analyzes consumer data to offer product recommendations based on interests and previous purchases.
- **Automation:** Tasks like responding to queries or updating product information are automated through AI chatbots and virtual assistants.
- **Prediction:** AI predicts customer preferences and suggests products, discounts, or deals in advance.
- **24/7 Availability:** AI tools provide continuous support without time restrictions.
- **Learning Capability:** AI systems improve over time by learning from customer behavior and feedback.

### Objectives of the Study:

- To study how Artificial Intelligence (AI) improves online shopping for consumers.
- To examine how AI makes shopping easier, faster, and more personalized.
- To identify problems and ethical concerns related to using AI in online shopping platforms.

### Scope of the Study:

The study focuses on the application of AI in online retail and e-commerce platforms. It covers AI tools such as Personalized recommendations, Chatbots and virtual assistants, Predictive analytics for product suggestions, Voice and visual search features. The study examines how these tools influence consumer satisfaction, engagement, and trust. It also discusses ethical concerns and challenges in implementing AI. The study does not cover the technical development of AI algorithms; the focus is on consumer experience and business perspective.

### Statement of the Problem:

With the rapid growth of online commerce and digital platforms, organizations face intense competition in attracting and retaining consumers. Traditional online interfaces often fail to deliver personalized, engaging, and efficient experiences, leading to

consumer dissatisfaction and switching behavior. Although Artificial Intelligence offers advanced capabilities to enhance online consumer experience, there is limited empirical understanding of how AI applications influence consumer perceptions, trust, satisfaction, and overall experience. Moreover, concerns related to data privacy, transparency, and ethical use of AI further complicate its adoption. Therefore, there is a need to systematically examine the role of AI in enhancing online consumer experience and to identify the factors influencing its effectiveness and acceptance..

**Review of Literature:**

Huang and Rust (2021) explored AI’s role in transforming service interactions and proposed a strategic framework for AI-enabled service. The authors argue that AI improves service consistency, speed, and personalization, which directly enhances consumer experience and satisfaction in digital environments.

Kumar et al. (2021) examined the impact of Artificial Intelligence on customer engagement and experience management in digital platforms. The study highlights how AI-driven personalization, recommendation engines, and predictive analytics enhance customer satisfaction and long-term engagement. The authors emphasize that AI improves real-time interaction quality and decision-making, thereby strengthening online consumer experience and brand relationships.

Chatterjee et al. (2021) analyzed consumer adoption of AI-enabled technologies such as chatbots and virtual assistants in online service environments. The study found that perceived usefulness, trust, and ease of use significantly influence consumer experience and satisfaction. The authors argue that AI-based service automation enhances responsiveness and convenience, which positively affects online consumer experience.

Pillai et al. (2022) explored the role of AI technologies in improving digital customer experience across e-commerce platforms. Their review highlights how AI-powered chatbots, personalization tools, and recommendation systems enhance user satisfaction and engagement. The study also discusses ethical concerns such as privacy and transparency that influence consumer perceptions of AI-driven services.

Dwivedi et al. (2021), with Indian scholars as lead contributors, provided a comprehensive review of AI applications in marketing and consumer behavior. The study highlights AI’s role in enhancing personalization, consumer insights, and digital experience quality. The authors emphasize that AI adoption significantly shapes online consumer experience but requires ethical governance to maintain consumer trust.

Singh et al. (2023) investigated AI-based personalization in Indian e-commerce platforms and its influence on online consumer experience. The study reveals that AI-driven personalization significantly improves perceived relevance, satisfaction, and purchase intention. The authors conclude that AI enhances experiential value when consumers perceive control over data usage.

**Research Methodology:**

Data collection instrument Based on similar studies in the literature, a questionnaire was developed for data collection for this study. A survey was formulated to obtain feedback from the online shoppers, assessing their background, their motivation, and the barriers they faced. The study was conducted from 100 respondents in Coimbatore city. Convenience Random sampling was used for this study

**Findings:**

Showing how Artificial Intelligence (AI) improves online shopping for consumers

Factor	Classification	No. of Respondents	%
Mostly used AI tools for online shopping	Product recommendation system	40	40
	Chatbots for customer support	27	27
	Personalised offers and discount	19	19
	Voice or visual search	14	14
	Total	100	100
Usage of AI	Time Saving	30	30
	Better product suggestion	35	35
	Improved customer service	20	20
	Secure transactions	15	15
	Total	100	100
Benefits of AI enabled shopping	Product selection	36	36
	Better discount	20	20
	Increased trust and satisfaction	20	20
	Overall convenience	24	24
	Total	100	100

**Correlation:**

**Easy Shopping Vs Personalization:**

Easy Shopping	PERSONALISATION				Total
	Based on Previous Purchases	Personalized Discounts & Deals	Content Based on Preferences	Customized Shopping Interface	
Product Recommendation	18	10	7	5	40
24/7 chatbot assistance	6	8	7	4	25
Simplified search & filters	5	6	6	3	20
Secure payment processes	3	4	5	3	15
Total	32	28	25	15	100

x	y	xy	x <sup>2</sup>	y <sup>2</sup>
40	32	1280	1600	1024
25	28	700	625	784
20	32	500	400	625
15	32	225	225	225
100	100	2705	2850	2658

$$r = \frac{N \sum xy - (\sum x)(\sum y)}{\sqrt{N \sum x^2 - (\sum x)^2} \sqrt{N \sum y^2 - (\sum y)^2}} = 0.97$$

The coefficient of correlation is 0.97

Hence x and y are correlated.

From the above table, it is clear that the coefficient of correlation is +1 (0.97), which indicates a perfect positive correlation, meaning that both variables, Easy shopping & Personalisation move in the same direction together.

**Problems and Challenges:**

- AI-based decisions such as product recommendations and pricing are often not clearly explained to consumers. As a result, consumers find it difficult to understand how AI works, which leads to confusion and mistrust.
- Excessive use of AI in customer interactions reduces personal and emotional connection. Many consumers prefer human support for complex issues, and over-automation can lead to dissatisfaction
- When AI systems make mistakes, it is often unclear who is responsible the system or the organization. This lack of accountability creates ethical challenges in resolving consumer complaints
- Many consumers are not fully aware that they are interacting with AI systems. This lack of awareness raises ethical concerns related to informed consent and transparency.
- The study finds that AI systems collect and use large amounts of consumer data to provide personalized services. Many consumers feel uncomfortable about how their personal information is stored and used. This creates ethical concerns related to data privacy and confidentiality.

**Conclusion:**

This study concludes that Artificial Intelligence plays a significant role in improving online consumer experience. AI technologies such as personalized recommendations, chatbots, and virtual assistants help consumers shop more easily, receive quick support, and make better decisions. These tools enhance convenience, satisfaction, and engagement on online platforms. However, the study also finds that the use of AI brings certain challenges and ethical concerns, particularly related to data privacy, transparency, bias, and reduced human interaction. If these issues are not properly addressed, they may affect consumer trust and long-term acceptance of AI-based services. Therefore, organizations should use AI responsibly by ensuring transparency, protecting consumer data, reducing bias, and maintaining a balance between AI automation and human support. When implemented in an ethical and consumer-friendly manner, AI can greatly enhance online consumer experience and contribute to sustainable growth in digital businesses.

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