

IMPACT OF ARTIFICIAL INTELLIGENCE ON CUSTOMER SATISFACTION

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1. ABSTRACT

Artificial Intelligence (AI) is changing the way businesses interact with customers. Many companies use AI to improve customer service through virtual assistants, and smart recommendations. AI helps businesses respond to customer questions faster, provide personalized product suggestions, and solve problems more efficiently. This research paper looks at how AI affects customer satisfaction in industries like online shopping, banking, healthcare, and hospitality. The study aims to understand whether AI makes customer experiences better or if it creates challenges such as lack of human touch or privacy concerns. The researcher collected the data from 50 professionals to learn how AI is used in customer service. Data was analyzed using statistical tools to find patterns in how customers feel about AI-driven interactions. The findings show that AI improves customer satisfaction by making services faster, more personalized, and efficient. The study also highlights concerns about data privacy and trust in AI systems. This paper provides useful insights for businesses that want to use AI to improve customer service.

2. IMPORTANCE

Artificial Intelligence (AI) is transforming customer experience and satisfaction across industries by enhancing service delivery, personalization, and efficiency. Companies leverage AI-powered tools such as chatbots, recommendation systems, predictive analytics, and sentiment analysis to optimize customer interactions. AI-driven insights help businesses understand customer preferences, predict needs, and offer timely solutions, ultimately improving customer satisfaction. This research paper examines the impact of AI on customer satisfaction and evaluates how AI-powered tools enhance consumer experience.

3. OBJECTIVES

1. To analyze the role of AI in enhancing customer satisfaction.
2. To assess the effectiveness of AI in providing personalized recommendations and predictive customer service.
3. To evaluate the challenges and limitations associated with AI adoption in customer service.

4. SCOPE OF THE STUDY

This study focuses on how AI helps in customer support, like virtual assistants, and automated replies. It also studies how AI is used in personalized marketing and managing customer relationships. The research explored how customers feel about AI services and how AI affects customer loyalty. Lastly, it will look at concerns about privacy and ethics when using AI for customer interactions. AI helps businesses respond to customers faster and solve their problems more efficiently. It also allows companies to offer customized recommendations based on customer preferences. Many customers like AI because it is available 24/7, but some prefer human interaction. It is studied that Companies use AI to send personalized offers and discounts, making customers feel valued. AI-powered customer service reduces costs for businesses, as fewer human agents are needed. However, some customers feel frustrated when AI cannot understand complex issues or emotions. AI is also used in fraud detection, helping banks and e-commerce platforms

prevent financial losses. While AI improves service speed, companies must ensure that customer data is secure and used responsibly.

5. RESEARCH METHODOLOGY

This research studied how AI affects customer satisfaction by collecting information from customers who have used AI-powered services in different sectors like online shopping, banking, healthcare, and hotels. A total of 50 samples were chosen using stratified random sampling method, which ensures that customers from all these sectors were included. Primary data was collected from surveys and questionnaires filled out by customers, while secondary data was gathered from research papers, industry reports, and case studies about AI in customer service. The collected data then analyzed using statistical methods to understand how AI helps in customer satisfaction. Some challenges in this research include limited geographic coverage, as it focuses on urban and semi-urban areas, differences in AI technology used by different businesses, and customer biases, as people may have different opinions about AI. The study will compared AI-driven services with traditional customer support to see which one customer prefer. It will also look at how AI influences repeat purchases and long-term customer loyalty.

6. FINDINGS

The study found that AI has a big impact on customer satisfaction in industries like online shopping, banking, healthcare, and hotels. Many customers like AI-powered services because they are fast, available 24/7, and provide quick solutions to their problems. Chatbots and virtual assistants help answer common questions, while AI-based recommendations make shopping and banking more personalized. However, some customers still prefer human interaction, especially for complex issues. The study also found that AI improves customer loyalty by making services more efficient and reducing wait times. But there are some challenges, such as trust issues, privacy concerns, and differences in how companies use AI. Businesses need to find the right balance between AI and human support to keep customers happy. Overall, AI can greatly improve customer satisfaction if used properly and ethically.

7. SUGGESTIONS

To improve customer satisfaction, businesses should use AI along with human support instead of relying only on AI. Companies must also make sure that customer data is safe and used responsibly to build trust. AI systems should be regularly updated to handle complex customer issues better. Businesses should offer an option for customers to speak with a human when needed. Training employees to work with AI can improve service quality. Companies should also educate customers about how AI works to reduce fear and increase acceptance. Personalization should be done carefully so that customers do not feel their privacy is invaded.

8. CONCLUSION

Artificial Intelligence has significantly impacted customer satisfaction by improving efficiency, personalization, and accessibility in customer interactions. While AI enhances service quality and response time, challenges such as trust, privacy concerns, and human-like interaction quality remain areas of concern. Future research should focus on AI's evolving role, its ethical implications, and strategies for balancing automation with human touch in customer service. AI is changing the way businesses interact with customers by making services faster, more efficient, and personalized. Many customers are happy with AI-powered support because it is available 24/7 and provides quick solutions. AI also helps businesses understand customer needs and offer better

recommendations. However, some customers still prefer human interaction, especially for complex issues.

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