Chapter 3
The Role of Artificial Intelligence (AI) in Enhancing Marketing and Customer Loyalty

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ABSTRACT

This research aims to investigate how artificial intelligence (AI) can be used to improve marketing and brand loyalty. Artificial intelligence (AI) is one of the most revolutionary technologies because it allows computers to independently execute mental skills often reserved for humans, such as problem solving and reasoning. In order to make judgments (like which marketing actions to take) and reason (about those decisions) in real time, machines represent, learn, store, and refine their knowledge progressively based on past experiences and existing information (e.g., predicting customer satisfaction). AI, with its ability to analyze vast datasets, predict customer behaviors, and deliver personalized experiences, is reshaping the way companies approach and enhance their customer loyalty strategies. This exploration delves into the multifaceted role of AI in revolutionizing the realm of customer loyalty, shedding light on its applications, benefits, and the transformative potential it brings to the forefront of modern marketing.

1. INTRODUCTION

In today's rapidly evolving business landscape, cultivating customer loyalty has become an indispensable goal for organizations seeking sustained success (Abu-Rumman, 2021). Customer loyalty not only drives repeat business but also transforms satisfied customers into brand advocates, amplifying a company's reach and influence (Abu-Rumman and Qawasmeh, 2021). To navigate this competitive terrain and effectively nurture brand loyalty, businesses are turning to a potent ally: Artificial Intelligence (AI). AI is not just a buzzword; it's a powerful tool that has fundamentally altered the marketing paradigm, enabling organizations to harness the potential of data-driven insights, automation, personalization, and predictive analytics like never before (Al Shraah et al., 2022).

This explores the pivotal role that AI plays in modern marketing, providing a comprehensive overview of its applications, implications, and the profound impact it has on how businesses interact with customers, make decisions, and stay competitive in a digitally-driven world (Al Shraah et al., 2013).

The last few decades have witnessed a seismic shift in the way businesses operate and market their products and services (Alayli, 2023). The rise of the internet, social media, and digital technologies has not only ushered in an era of unprecedented connectivity but has also inundated consumers with an overwhelming amount of information and choices (Anand et al., 2023). Traditional marketing strategies have struggled to keep pace with the demands of this digital age, where attention spans are shorter and competition is fiercer than ever (Arslan et al., 2021).

In this new landscape, data emerged as the currency of the digital realm, with companies accumulating vast repositories of information on consumer behavior, preferences, and interactions (Atasever, 2023). However, the sheer volume and complexity of this data presented a challenge: how to turn it into actionable insights that could inform marketing strategies and drive business growth? The answer came in the form of AI (Rad et al., 2019).

Artificial Intelligence, in the context of marketing, refers to the application of advanced algorithms and machine learning techniques to analyze, interpret, and leverage data for marketing purposes. AI has the capacity to process and make sense of enormous datasets, providing marketers with valuable insights that were previously unattainable through manual analysis (Tambaip et al., 2023).

2. REVIEW OF LITERATURE

It's no secret that artificial intelligence (AI) has the potential to upend many industries, including marketing (Andrianto et al., 2019). To keep up with customers' ever-shifting wants and demands in today's competitive market, businesses are increasingly turning to artificial intelligence (AI) to create and distribute innovative new offerings (Hossain et al., 2021). Bringing AI to marketing gives companies a chance to boost client loyalty, individualise their offerings, and expand their operations (Wang et al., 2021). The focus of this study is on the potential benefits that can be reaped when fresh services are combined with artificial intelligence in the field of marketing (Kim et al., 2018).

The SOR model has been refined by academics to fit their specific research settings (Kim et al., 2020). Hossain et al. (2021) assumed that consumers' trust, commitment, and CRM performance would be influenced by their interactions, hence they used this model. Since consumer trust is so crucial to the success of the sharing economy, we develop this model further by making it the stimulus (Paudel et al., 2022). Customers have the ability to give and receive feedback (Pandit, 2023). The organism is

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