

AI SYSTEMS FOR SEAMLESS CUSTOMER EXPERIENCE AND PRODUCT CUSTOMIZATION IN E-COMMERCE

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ABSTRACT

These days, customers are becoming digital savvy; this can emerge as the biggest growth opportunity for the companies. They can now create customer experiences far more influential than ever before. Practitioners are moving to AI for enhanced customer experiences in the age of the fourth industrial revolution. AI provides multiple offerings, including automation, personalization, future prediction, recommendation, etc.

The two words are often used interchangeably when discussing how to create tailored experiences. The goal of personalization and customization is the same: to create a unique, tailored experience for shoppers. But, there is a slight difference,

Customization is done by the shopper, Customization examples:

- adding details to an online profile
- choosing how to view a product
- following fashion influencers within a shopping app

Personalization is done by the app or eCommerce platform. Personalization examples:

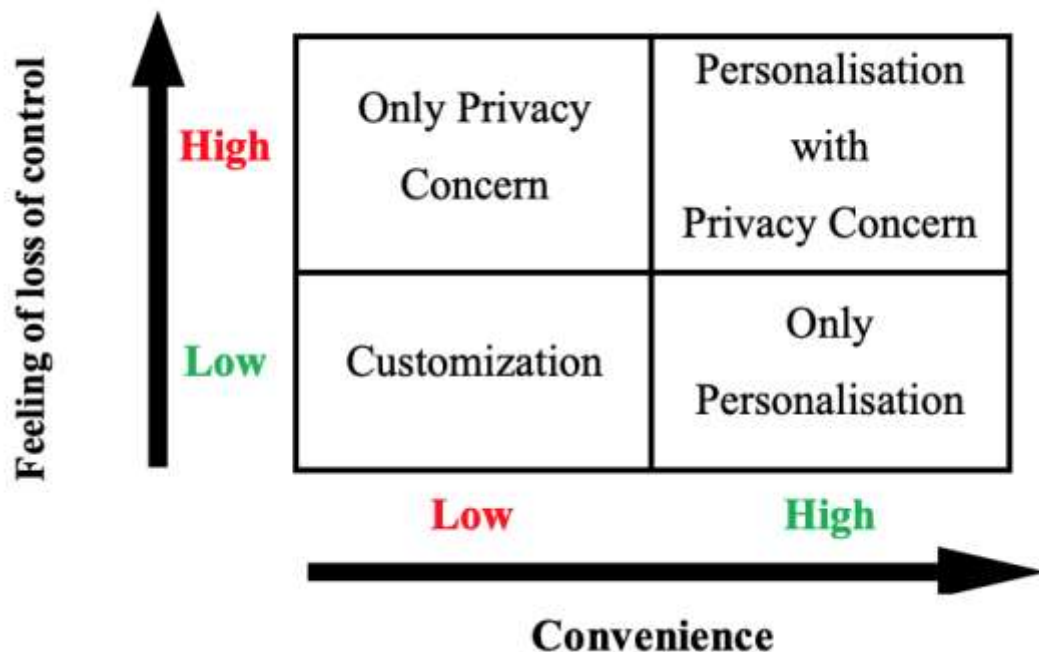
- sending push notifications based on previous customer behavior
- showing shoppers, a specific landing page after they abandon a shopping cart
- product recommendations

Personalization and customization are closely related. With better shopper information (which a shopper would customize), personalization tools can work more effectively.

A global online survey on senior managers and executives conducted in 2016-2017 reveals that only 15 % of firms do not have any AI plans. Artificial intelligence unfolded avenues for competitive advantage, but it is not free from challenges. Moving ahead of digital transformations, AI-driven approaches such as data science and new technologies like extended reality, robots, recommender systems, the internet of things and conversational agents, etc., are the modern ways to improve customer experience. According to a Bain & Company survey, most organizations incorporate AI based customer experience tools for sustainable competitive advantage⁸. The following section of the article addresses six emerging AI-enabled technologies that can transform the customer experience. Transformation requires a cross-functional team consisting of data scientists, process engineers, business managers, technology specialists, domain specialists', etc. The CX team is responsible for understanding customer behavior in real-time and acting accordingly to make the process more agile, strong, and personalized. Tracking the individual customer journey can bring a seamless experience to customers. Customers can be benefited from a positive experience through some compensation if they face any pain point in the journey. For example, a study on a leading fast food restaurant reveals – falling of food items from the table while eating, is taken as a severe event in the customer journey and the staff of the restaurant serves another dish to the customer, without charging any extra bill on the new dish. Here the individual journey is more important to such restaurants, and customers are delighted with a memorable experience.

According to a BCG survey report, only 29 percent of consumers accept that data results in better services, whereas 75 percent of consumers are concerned for their privacy and now limit themselves from sharing

any personal information online. Customers trade their privacy with personalization and this conundrum is referred to as the personalization– privacy paradox. The following matrix is proposed to solve this paradox:



BENEFITS OF PRODUCT CUSTOMIZATION IN E-COMMERCE

Appeal to a growing demand for product customization: One of the reasons why customization is more important than ever is the emotion attached to these products. When a customer feels like the product is truly theirs, it goes from being merely another product to a personal belonging.

Encourage customers to pay more. In addition to boosting sales and customer satisfaction, a product customizer or configurator can actually get people to spend more on a product. In fact, one report from The Motley Fool found that customized products can sell for as much as 50% more than those sold in physical stores. The reason for this is that customers are more likely to pay higher prices if the product they're buying feels more personal.

Increase customer loyalty. Personalized products can also build more customer loyalty, as shoppers feel more satisfied purchasing from companies that give them some control over their purchases. When people have a positive experience using product customizers on an online store, they'll be more likely to return to that store for future purchases.

Set more realistic delivery time expectations. Many e-Commerce platforms such as Amazon have built unrealistic expectations when it comes to delivery times. Customers want the instant gratification of next-day or even same-day delivery, but when it comes to businesses offering product customization, a Deloitte poll shows that online shoppers are willing to wait a little longer for delivery.

This is because customers understand that a customized product takes more time to process and manufacture than generic products, with the added expectation of higher quality.

Boost e-Commerce sales.

From simpler custom-printed T-shirts to more complex products that feature different colors, materials, dimensions, or even varying functionality, retailers can see a significant boost in sales by offering customization.

If people know what to expect from the products they buy, they're more likely to be happy with their purchase and confidently click "order now."

Gain better data about customers. Offering product personalization through customization software can give your brand even more insight into your customers. Based on the different features that customers select in their favorite products, you can gauge customers' tastes and preferences. Using this information, you can make personalized product recommendations that are likely to appeal to them and keep them coming back.

CONCLUSION

Ecommerce personalization, at its core, is about creating uniquely tailored experiences for customers online. In the early days of the web, it could be as simple as suggesting products customers may like, based on viewing history. As technology advanced, ecommerce personalization methods became more advanced. With more data points to collect, retailers can use customer data such as browsing history, viewing location, age demographics, or previous purchases to create a unique online shopping experience.

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