Chapter 2
Artificial Intelligence (AI)–Powered Chatbots for Marketing and Online Shopping

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ABSTRACT

The COVID-19 pandemic is changing the way we connect, communicate, and collaborate. the crisis rapidly re-shape both the "what" and the "how" of companies. Businesses now move to doing business online, that involves selling of products, generating leads and connecting with customers. The chatbot, a software application designed for human-like conversations, emerged as a trend that is helping to close the social distance gap between customers and businesses. Many business have incorporated the tool in their communication strategy, this paper aims to understand to what extent, tries to put-forward an understanding of chatbots marketing and the use of chatbots in online shopping process. Furthermore, the paper tries to speaks extensively about the design in such a way that it will peak its performance for user acquisition.

ARTIFICIAL INTELLIGENCE (AI) POWERED CHATBOTS FOR MARKETING AND ONLINE SHOPPING

Introduction

The COVID-19 pandemic is changing the way we connect, communicate, and collaborate. the crisis rapidly re-shape both the "what" and the "how" of companies. Businesses now move to doing business online, that involves selling of products, generating leads and connecting with customers. The chatbot, a software application designed for human-like conversations, emerged as a trend that is helping to close the social distance gap between customers and businesses. Many business have incorporated the tool in their communication strategy, this chapter aims to understand to what extent, tries to put-forward an understanding of chatbots marketing and the use of chatbots in online shopping process. Furthermore, the chapter tries to speaks extensively about the design in such a way that it will peak its performance for user acquisition.

The largest influence on the rate of economic progress in many countries will come from IoT and AI. (*Panetta, 2016*). One factor that enables the acceptance of these technologies in the corporate, consumer, and social dimensions is undoubtedly the rising functionality of their devices, systems, applications, and equipment. On the one hand, their presence acts as a spur for the development of new solutions, and on the other hand, they serve as the digital economy's unique DNA code, subjected to ongoing processes that increase their potential (*Kaczorowska-Spychalska et al, 2019*). Digital change is unavoidable, and it contributes to the current culture and technology system, which fosters new social behaviours while also accelerating the creation of new, impossible things. Computers and other digital innovations rely on our brains' ability to comprehend and modify our surroundings. Digital technologies are currently thought to expand the functionality of implemented solutions, increase operational effectiveness, and improve and optimise existing processes and tools in an individual organisation.

Over the past 20 years, the "digital revolution" has fundamentally altered the customer experience. Consumer preferences have evolved, technology has advanced, and communication is no longer constrained by distance or time and is diversified in different areas as in Figure 1.

The convenience and speed of this transaction also contribute to the growth of online businesses all over the globe. Even across borders, the cost of joining various markets has decreased thanks to digital technologies. Digitalization has also made it easier for newcomers to scale up production, advertising, and distribution (*OECD et al, 2018*). The ease of starting a business online has resulted in the growth of thousands of businesses in every industry online (*Avis et al, 2015*). This possibly could create a market full of perfect competition. Businesses hence are looking into different marketplaces, exploring ways to market their services differently in order achieve competitive differentiation. In a fast-paced market that is full of competition, it becomes almost essential for businesses to cater to their consumers efficiently and well in time. Customers are demanding 24-hour service for everything from banking and finance to healthcare. In this century, quick and efficient technology has become the norm and consumers have high expectations. If a business does not address a consumer's needs, the individual has enough options to let go and turn to a competitor business. Hence, it has become imperative for companies to put into place an enhanced digital system to cater to their consumers.

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