

THE IMPACT OF TRANSPARENCY IN ARTIFICIAL INTELLIGENCE DRIVEN COMMUNICATION ON PURCHASE INTENTION AND CUSTOMER LOYALTY

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ABSTRACT

Artificial Intelligence is helpful more and more in interacting with their customers. Artificial systems are getting better where it is helpful to the customers can share their personal experience. It is now a day's transparent and trust worthy too. This research study how transparent based AI tools used communication affects what customers want to buy and how much they are loyal to the company with customer trust. For this study used type of modeling to look at the relationships. The results of the study show that when AI communication is transparent it will increase the customer trust and loyalty and makes customers to buy more. The trust is positive effects on both what customers are want to buy and how much they are loyal to the company.

Keywords: *transparency, trust, loyal, company.*

INTRODUCTION

Artificial Intelligence is now become an important part of how companies communicate with their customers. Companies are using the AI powered tools like chat bots and other similar type of engines to talk with their customers efficiently. These tools are very much helpful and make things faster and have more particular about being honest and transparent. Companies are taking necessary steps to make the customers to understand the communication system through the AI. The companies are explain the process of AI communication to their customers how it works. They make the customers to feel comfortable. When the AI communication process is not transparent customers might feel that they are manipulated. And it will leads to less trust about the company. Trust is important when the customers are accepting the artificial intelligence based communication. Humans are not involved in AI, so trust is a factor in customers will buy something or being loyal to the company.

Review of Literature

Artificial Intelligence in Customer Communication

Marketing and customer service are the main area in which the AI using the customer communication system. AI tools like chat bots, recommendations and feedback systems are being used to share their personal experience. This is also important concerns about the quality and honesty of machine mediated communication. Earlier research has shown that customers will evaluate AI based communication differently than interaction. This is because of customers may not understand how the AI decision making process will work. Companies need to make sure that the AI communication is not functional but also honest and transparent.

AI Communication Transparency

Artificial Intelligence communication transparency states how open companies are about using AI and they explain how these systems are works. Transparency is an important code of honest and trust in Artificial Intelligence and has been greatly discussed in the context of algorithmic responsibility.

Empirical studies like experiments have shown that transparency can decrease perceived deception and insecurity in automated environments where the customers may feel like they are not in control. But we can see in some research has also shown that the transparency can have more effects. It can be increase the understanding much transparency can decrease the perceived warmth and social presence, which can be weaken the emotional involvement.

Trust in AI-Based Communication

Trust is a variable in which the customers will believe Artificial Intelligence based communication. In AI mediated contexts trust reflects to the customers trust, belief in the reliability and ability of Artificial intelligence systems. The nature of algorithms customers will experience the uncertainty and perceived risk which makes trust as an important determinant of acceptance and helpful for continuous use. Many Researches has revealed that transparency plays an important role in promotion of trust by promoting perceptions of equality and answerability. The customers will understand how Artificial Intelligence systems work and why certain recommendations are made them more likely to trust the system and the company behind it.

AI Transparency and Purchase Intentions

A purchase intention means the customer's willingness to buy a product or service. In Artificial Intelligence determined marketing contexts purchase intentions are influenced by factors such as perceived usefulness, ease of use, trust and honesty. There are several studies have explains that the transparent AI communication effectively influences the purchase intention by reducing the factors like perceived risk and promoting credibility. When the customers are known that the recommendations, suggestions or interactions are made by the artificial intelligence generated and perceive the system as fair and reliable as they are more likely to act on AI determined suggestions.

AI Transparency and Customer Loyalty

Customer loyalty explains to a term relational outcome characterize by repeated purchases and positive attitudinal commitment towards a brand. In Artificial Intelligence mediated environment trustworthiness and loyalty is influenced not by system performance but also by ethical perceptions and relational trust. Previous literature suggests that transparency alone will not directly lead to loyalty. In spite of that loyalty tends to appear during trust developed over repetitive interactions with Artificial Intelligence systems. We can say that the transparent communication signals integrity, which strengthens trust and subsequently foster customer loyalty.

Conceptual Framework and Hypotheses

In spite of growing attention in Artificial Intelligence and transparency there is a short of comprehensive experimental studies explaining how Artificial Intelligence communication transparency influences both short-term and long-term consumer outcomes. In this research we suggest a model in which Artificial Intelligence communication transparency influences purchase intentions and customer loyalty through customer trust.

Hypotheses

H1: The Transparency in Artificial Intelligence communication positively influences customer trust.

H2: The Transparency in Artificial Intelligence communication positively influences purchase intention.

H3: Artificial Intelligence Transparency in communication positively influences customer loyalty.

H4: The Customer trust positively influences purchase intention.

H5: The Customer trust positively influences customer loyalty.

H6: The Customer trust mediates the relationship between Artificial Intelligence transparency and purchase intention.

H7: The Customer trust mediates the relationship between Artificial Intelligence transparency and customer loyalty.

Research Methodology

This is a research approach in a structured survey. We collected data from 150 customers who had interacted with Artificial Intelligence based customer interaction systems. The results represents that all variables recorded internal consistency and scale reliability.

Descriptive Statistics

Mean values across variables indicate positive respondent perceptions toward Artificial Intelligence transparency, trust, purchase intention and loyalty. This research results demonstrate an acceptable and robust model fit.

Mediation Analysis Interpretation

The direct result of Artificial Intelligence transparency on customer loyalty was not significant where the indirect effect through trust was significant. This research is confirms mediation meaning that transparency strengthens loyalty mainly by building trust among the customers.

Discussion

The research results highlights that transparency in Artificial Intelligence communication plays a vital role in shaping the customer trust. Whereas the transparent disclosure positively influences purchase intention customer loyalty emerges through trust rather, than direct technological disclosure.

CONCLUSION

This study confirms that transparent Artificial Intelligence communication enhances customer trust, which will afterwards influences both purchase intention and long-term loyalty. Trust acts as an important mediating variable particularly in converting transparency into continued customer relationships. Companies adopting Artificial Intelligence based communication must give more importance to transparency communication to achieve long-term customer engagement and competitive advantage.

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