



# A STUDY ON AI TOOLS USED IN AMAZON TO ATTRACT THE CUSTOMERS WITH SPECIAL REFERENCE TO TIRUPUR CITY

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## Abstract

The rapid advancement of Artificial Intelligence (AI) has transformed the e-commerce landscape, enabling companies like Amazon to deliver personalized and efficient customer experiences. This study focuses on the AI tools employed by Amazon to attract and retain customers, with a special emphasis on consumer behavior in Tirupur City. The research explores various AI applications such as recommendation systems, chatbots, dynamic pricing, and customer segmentation, analyzing their effectiveness in enhancing customer engagement and satisfaction. Through surveys and data analysis, the study reveals the growing influence of AI-driven strategies in shaping purchasing decisions and fostering brand loyalty. The findings offer valuable insights for businesses seeking to leverage AI in localized markets to improve customer acquisition and retention strategies.

## Keywords

Amazon, Artificial Intelligence, Customer Attraction, E-commerce, Tirupur City, AI Tools, Recommendation Systems, Customer Engagement, Chatbots, Dynamic Pricing, Customer Retention.

## I.INTRODUCTION: -

Amazon, founded in 1994 by Jeff Bezos, has revolutionized e-commerce with its customer-centric approach and innovative technologies, leveraging artificial intelligence (AI) to power personalized product recommendations, AI-driven customer service chatbots, and optimized search algorithms. AI enhances customer experiences through dynamic pricing and inventory management, ensuring product availability, while Amazon's virtual assistant, Alexa, enables voice-activated shopping and smart home control. AI-driven recommendation systems analyse customer data to suggest tailored products, boosting sales and satisfaction, driving customer engagement, retention, and business efficiency. This strategic use of AI has transformed the e-commerce landscape, setting industry benchmarks and providing valuable insights for businesses seeking to enhance customer experience and growth through technology. By understanding

Amazon's AI-driven strategies, other companies can develop similar approaches to improve customer satisfaction, increase efficiency, and drive growth. This study will explore how Amazon uses AI to attract and retain customers, streamline operations, and set standards for the industry, offering lessons for companies aiming to leverage technology for success.

### **OBJECTIVES:**

- To assess the level of awareness among customers in Tirupur regarding AI tools used by Amazon.
- To examine the willingness of customers in Tirupur to adopt and engage with AI-driven features on Amazon.
- To evaluate the effectiveness of AI tools in influencing customer behavior and increasing engagement on Amazon in Tirupur.
- To measure the satisfaction of customers in Tirupur with the AI tools and services offered by Amazon.

### **II. STATEMENT OF THE PROBLEM:**

Amazon has been using Artificial Intelligence (AI) in various ways to improve the shopping experience and keep customers engaged, but it's still unclear just how effective these AI tools really are. From personalized recommendations to machine learning predicting what customers might like, and AI systems that manage feedback, there's a lot of tech at play. However, we don't fully understand how these tools are influencing customer satisfaction, loyalty, and their overall experience on Amazon. This study aims to explore how these AI tools are actually helping customers find what they want, feel more connected to the platform, and how Amazon can use AI to better meet customer needs.

### **III. RESEARCH METHODOLOGY**

The analysis has been made through the questionnaire.

- Simple percentage analysis.
- Likert scale analysis
- Rank analysis

#### **SIMPLE PERCENTAGE ANALYSIS**

Simple percentage analysis is used to study and interpret the data collected from respondents by converting the numbers into percentages. This method helps to understand how much of the total population shares a particular opinion or behavior. To analyze the simple percentage the following formula is used:

Simple percentage analysis =  $\text{Number of respondents} / \text{Total number of respondents} \times 100$

#### **LIKERT SCALE ANALYSIS**

The Likert scale is commonly used rating scale in surveys to measure respondents' attitudes, opinions, or perception regarding a particular subject, such as customer experience, satisfaction, or brand perception. To analyze Likert scale data the following formula is used: Likert Scale =

$$\sum (F \times X) / \text{Total number of respondents} \times 100$$

## LIMITATION OF THE STUDY

The sample size of 110 respondents may not be representative of the entire population which could limit the generalizability of the findings. The study is conducted in a specific geographical location (Ammapalayam), which may not be representative of other locations. The study is conducted over a limited time frame, which may not capture long-term efforts of trends.

## IV. ANALYSIS AND INTREPRETATION

**TABLE SHOWING AGE OF THE RESPONDENTS**  
**TABLE 1**

AGE GROUPS	NO. OF RESPONDENTS	PERCENTAGE
Below 18 Years	9	8.2%
18-24 Years	33	30%
25-30 Years	38	34.5%
30-35 Years	20	18.2%
Above 35 Years	10	9.1%
<b>Total</b>	<b>110</b>	<b>100%</b>

(Source: Primary data)

### INTERPRETATION:

It is inferred that 8.2% (9) of the respondents comes under below 18 years of age, 30% (33) of the respondents are between 18-24 years of age, 34.5% (38) of the respondents comes under 25-30 years of age, 18.2% (20) of the respondents comes under 30-35 years of age, 9.1% (10) of the respondents comes under above 35 years of age.

TABLE SHOWING RESPONDENTS' WILLINGNESS TO ADOPT AI- DRIVEN FEATURES TABLE 2

Statement	No. of Respondents	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total Score	Likert Scale Analysis
I am willing to use AI- driven chatbots for customer service on Amazon.	110	41	23	24	11	11	258	2.35
I trust AI- based recommendations while shopping online.	110	22	41	26	10	11	277	2.52
I feel comfortable using AI- powered payment options on Amazon.	110	19	22	39	13	17	317	2.88
AI tools make my shopping experience more engaging and convenient.	110	21	25	13	32	19	333	3.03

(Source: Primary data)

### INTERPRETATION:-

It is inferred that (2.35 avg) of the respondents responded are willing to use AI-driven chatbots for customer service on Amazon, (2.52 avg) of the respondents are trust AI-based recommendations, (2.88 avg) of the respondents are feel comfortable using AI-powered payment options on Amazon, (3.03 avg) of the respondents are AI tools make my shopping experience more engaging and convenient.

**RANK ANALYSIS :-****TABLE SHOWING THE EFFECTIVENESS OF AI TOOLS IN INFLUENCING RESPONDENTS' BEHAVIOR****TABLE 3**

<b>FACTORS</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>TOTAL</b>	<b>RANK</b>
AI-GENERATED PRODUCT REVIEWS AFFECT MY BUYING CHOICES.	37(5)	24(4)	16(3)	14(2)	19(1)	376	1
AI-DRIVEN ADVERTISEMENTS INFLUENCE MY PURCHASE DECISIONS.	21(5)	36(4)	21(3)	21(2)	11(1)	365	2
AI-POWERED SEARCH SUGGESTIONS IMPROVE MY SHOPPING EXPERIENCE.	20(5)	12(4)	44(3)	15(2)	19(1)	329	3
AI-DRIVEN DEALS AND DISCOUNTS ENCOURAGE FREQUENT SHOPPING	11(5)	23(4)	10(3)	37(2)	29(1)	280	5
AI-BASED PERSONALIZED CONTENT IMPACTS MY ENGAGEMENT WITH AMAZON	21(5)	15(4)	19(3)	23(2)	32(1)	300	4

(Source: Primary data)

**INTERPERTATION:-**

From the above table it is cleared that ai-generated product reviews affect my buying choices ranked as no 1. ai-driven advertisements influence my purchase decisions ranked 2, ai- powered search suggestions improve my shopping experience ranked as no 3, ai-based personalized content impacts my engagement with amazon ranked as no.4, ai- driven deals and discounts encourage frequent shopping

ranked as no 5

## V. FINDING

The study's respondents were mostly 25-30 years old, with a balanced gender split and a majority being graduates. Most were self-employed, from joint families, and had an annual income of ₹3,00,000-₹5,00,000. Amazon usage was monthly for 33.6% of respondents, with 40% using the platform to explore products. About 72.7% felt products recommended by AI were worth buying, and 71.8% were satisfied with AI-provided information. However, 46.4% reported receiving irrelevant recommendations. Comfort was the leading factor influencing purchases, and 76.4% agreed that product pricing was reasonable. Flipkart was seen as Amazon's closest competitor by 36.4% of respondents. Overall, 32.7% rated Amazon's performance as excellent.

## VI. SUGGESTIONS:

To enhance customer engagement with AI tools on Amazon, targeted awareness campaigns such as in-app tutorials, promotional emails, and social media ads can educate users about AI-driven features. Refining AI-based product recommendations and improving AI-powered customer support like Alexa and chatbots will address concerns about effectiveness and preference for alternatives. Amazon should also optimize AI-driven advertisements across multiple platforms to reach more potential buyers, especially in regions like Tirupur. Enhancing trust by clearly distinguishing verified reviews from AI-generated summaries and improving sentiment analysis can boost credibility. Additionally, offering personalized AI-driven discounts based on user behavior and purchase history can further encourage customer interaction with AI features.

## VII CONCLUSION :-

This study examines Amazon's AI tools and their influence on customer engagement in Tirupur. While AI-driven features are recognized, some shoppers are unclear about their benefits. Concerns about trust and transparency in AI-generated reviews persist. Traditional ads remain popular, indicating a need for more localized AI-driven promotions. Amazon's AI support could be improved, with some preferring alternatives. Enhancing awareness, refining the voice assistant, and ensuring review trustworthiness can boost AI effectiveness. By implementing these changes, Amazon can improve customer trust and satisfaction.

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