



The Role of Artificial Intelligence in Personalized Marketing: Enhancing Customer Experience & Retention

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Abstract

Artificial intelligence (AI) is revolutionising modern marketing, especially personalised marketing. This study investigates how AI can improve customer experience & retention by using customised marketing tactics. Insights from a primary survey of marketing managers representing different companies in Rajasthan's fast-moving consumer goods (FMCG) sector are analysed via structural equation modelling (SEM) analysis. The effectiveness of AI driven personalised marketing tactics is closely examined to see how they affect consumer engagement, satisfaction, & development of enduring relationships. The strong association revealed between AI implementation and customer experience, customer retention, and personalised marketing is significant and emphasises AI's significant role as a driver of personalised marketing initiatives. The effects of using AI on customer experience & retention are clarified by path coefficients, both directly and indirectly. Relationship between AI adoption & improved consumer engagement is strengthened by AI-driven personalised marketing, that appears as a critical mediator. Additionally, the analysis highlights the significant path coefficients and total effects that highlight the substantial influence of personalised marketing on customer experience & retention. Important findings show that AI-powered personalised marketing has a significant impact on customer experience (CE), consequently improve customer retention (CR). Instead, effects of AI adoption on the customer experience & customer retention through personalized marketing is also investigated. These findings advocate in support of using AI to undertake personalized marketing and encourage brand loyalty. Companies could continue to develop sustainably by using AI technologies in an appropriate manner, so they cultivate deep relationships and continuous engagement with their clients.

Keywords: Artificial Intelligence, Structural Equation Modelling, Personalised Marketing, Customer Experience, Customer Retention

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1. Introduction:

Personalised marketing targets specific consumers with offers, proposals, and communications tailored to their preferences, actions, and characteristics (Sakalauskas & Kriksciuniene, 2024). Instead of using a "one-size-fits-all" approach, it involves integrating customer information to create an experience aligning needs of customers. This method results in greater customer satisfaction, commitment, and purchase rates (Behera et al., 2020). AI is a technology that endows machines with human ability to reason, learn, and make judgments; it is about teaching algorithms to recognize patterns and make inferences from huge amounts of data (Kashyap, 2021). Henceforth, AI could sort through this huge consumer data and build personalised experiences at volume within personal marketing (Campbell et al., 2020). Artificial intelligence-powered customisation is one of highest levels of customisation, putting marketing in a whole new dimension (Burlacu, 2023). AI allows businesses to provide each consumer with a highly personalised experience instantly (Luce, 2018). AI modernises customisation to assist firms in creating truly unique and relevant experiences that foster customer engagement and satisfaction, from personalised product recommendations to customised marketing e-mails to website content generation to chatbot interaction (Toader et al., 2019).

Traditionally, mass marketing was aimed at attempting to contact as many individuals as possible. Now, the business can analyse massive troves of data about consumers in a matter of seconds by utilising AI-powered data algorithms & analytics (Candelon & Reeves, 2022). From there, companies mould hyper-targeting methodologies tailored to impress an individual customer. AI offers an opportunity to create highly personalised, timely instant messages for the chosen recipients via various channels such as emails, Facebook, Twitter, and online chat (Bag et al., 2022). Thus, personalised marketing has come into existence, which, for example, uses AI-based recommendation systems that consider consumers' historical data and preferences to generate personalised product recommendations ideally suited to the ambience of retail or shopping avenues with the objective of enhancing customer shopping experience & augmenting sales conversions (Kaliuta, 2023). Personalised marketing has proven an important strategy for businesses wanting to go deeper with their consumers to forge long-term relations in this digitally powered market (Van Belleghem, 2015). AI technologies completely change how an organisation sees, communicates with, and foresees the needs of its customers; therefore, integrating AI is vital to the success of personalised marketing campaigns (Haleem et al., 2022).

In the FMCG industry, personalised marketing means structuring promotions, offerings of products, and messages according to individual preferences and spending habits (Haddad, 2016). With artificial intelligence (AI) and data insights that include computations, FMCG companies take advantage of gaining deep insights into consumer buying habits, preferences, and provincial market trends. Such exhaustive information allows a company to carry out hyper-targeted promotional campaigns that set them apart from rivals and promote an interpersonal link with consumers (Behera, 2023). Having timely and relevant information disseminated by a myriad of interfaces, including digital and conventional channels, is one of biggest prospects AI-driven personalised marketing AT can achieve in the FMCG

sector. This enables FMCG companies to provide consumers with engrossing and appropriate messages-conveying a personal touch such as product suggestions based on purchase history and community campaigns celebrating local peculiarities and culture (Davenport & Mittal, 2023).

Rajasthan, a state renowned for its vast tradition of culture and wide-ranging clientele, provides companies in the FMCG sector conducting business there both opportunities and concerns. Consumer preferences and purchasing habits have been shifting quickly due to increasing demographics and growing urbanisation; therefore, in order to keep themselves up to date & competitive, businesses need to use flexible and data-driven approaches. In light of this, FMCG companies have an immense chance to communicate with consumers in greater detail and achieve long-term growth via the planned implementation of AI-powered personalised marketing. With a particular emphasis on its significant influence on improving customer experience & retention, this article seeks to examine critical role that AI plays in personalised marketing.

2. Literature Review

The marketing industry today has become entirely reliant on artificial intelligence (AI), that is redefining performance & strategies. Artificial Intelligence (AI) efficiently analyses massive amounts of information and provides insights into buyer habits as well as industry trends via extensive statistical analysis. AI may promote engagement-based customised marketing, which is another term for a method of developing, sharing, and delivering customised products to customers (Allil, 2024). As AI transforms both content and adverts based on client preferences, personalisation grows and customer loyalty is strengthened. Artificial intelligence (AI)-powered chatbots and digital assistants offer instantaneous, mechanised support for customers while encouraging prospect emergence and retention. Advertising tools have been optimised by AI-driven material, and personalised branding strategies are used to effectively communicate with specific consumer groups (Dash & Kar, 2024). Streamlining monotonous interprets allows up marketers' attention so they are able to focus on their overall strategy. Corporations may make intelligent choices through applying predictive analytics to identify potential patterns & changes. AI gives businesses the arsenal of resources they're seeking for enhanced productivity, personalised content, and come up with choices based on information, that promotes Profitability & efficacy of marketing (George et al., 2024). The way consumers associate with brands is being reinvented by artificial intelligence (AI). Research reports on AI-enabled interactions with consumers are few. Consequently, the intent of this study is to look into how adopting AI into purchasing may end up in a better AI-enabled experience for customers. This conceptual framework is centred on the service quality paradigm along with trust-commitment philosophy. Customers who took advantage of a beauty brand's AI-enabled solution were provided with exposure to an internet-based poll. Partial least squares modelling of structural equations was implemented for examining an aggregate of 434 responses. The outcomes show that imagined losses along with trust play an essential role in influencing the associations between perceived ease of use, individualization, & overall value of AI-enabled solutions. Findings further indicate that a relationship's devotion has an immense effect on the artificial intelligence-powered

consumer experience (Ameen et al, 2021). The incorporation of Artificial Intelligence for marketing purposes is investigated. The analysis organises marketing into 5 primary operational themes, integrated digital marketing, marketing via content, hands-on marketing, operational marketing, and market research. Case studies that showcase AI's application in marketing were accessed to generate better outcomes and customer experiences. The results are subsequently discussed in relation to distinct sectors, contexts for research, and circumstances. The study discusses the implications of findings for both marketers and scholars and suggests a future research agenda to examine the ongoing changes in the world of marketing brought about by the swift implementation of Artificial Intelligence (Chintalapati & Pandey, 2022). Huang & Rust (2021) developed three stages of structure for the development of strategic marketing plans encompasses multiple advantages of artificial intelligence (AI): Imagining AI, that analyses data to make choices; Sensation AI, that examines relationships and feelings among people, along with Kinetic AI, that facilitates recurring marketing operations and initiatives. This model highlights the potential uses of Artificial Intelligence in marketing study operations & strategies (Segmentation, Targeting, and Positioning, or STP). Kinetic AI can be employed for gathering data, Imagining AI can be used to evaluate markets, & Sensation AI could be used to better understand customers during the marketing analysis cycle. Kinetic AI (segment classification), Imagining AI (targeting) (segment selection), & Sensation AI (positioning) (segment connection) all have the potential to be applied during the STP process. Assessing influence of AI on bettering user experience in Palestine across a variety of industries, notably financial institutions and telecommuting, was the main aim of this study. Primary sources of data consisted of through surveys and interviews. The study's findings revealed an exceptionally positive correlation between artificial intelligence (AI) & experience of customers. AI accounted for 26.4% of variation in the consumer experience ($F(1,89) = 28.634, P < 0.05, R^2 = 0.264$). Customer service and after-sale support are two components that make up customer's experience. Based on the analysis, AI predicted 22.9% of variability in customer service while seven per cent of volatility in support after the purchase. Also, delivering Personalised Assistance to customers at every step of their buying procedure has a major effect on their level of satisfaction (Daqar & Smoudy, 2019). Artificial intelligence (AI) could encourage personalised marketing through engagement, also known as a strategy for evolving, disseminating and conveying personalised goods to consumers. It demonstrates that customers have plans for an unusual experience in which artificial intelligence (AI) becomes an interface for endless possibilities and data that is customised and processed in a distinctive manner. In the industry where AI becomes an agent, additional forecasting is afforded to managers about how marketing and customer administration approaches are going to go about being developed in the rich and poor countries (Kumar et al., 2019).

3. Objectives

3.1 To evaluate the best ways of marketing using AI for the personalized marketing to work towards customer engagement and satisfaction.

3.2 To find the effects of personalised marketing on the longer duration for customer retention and loyalty in a digital marketing environment.

4. Research Methodology

4.1 Approach to Existing:

It is the purpose of present study by means of quantitative measures to provide clearer understanding of function of AI in personalised marketing and how it affects the consumer experience & retention in the FMCG sector of Rajasthan. The complex interaction between variables of interest was studied through structural equation modelling (SEM).

4.2 Sample' Selection:

The survey included 130 store managers from supermarkets & major department stores that marketed fast-moving goods to consumers. The respondents were strategically diverse and included from the state's major commercial hubs. Because they originated from an assortment of prominent Rajasthani towns and cities like Jaipur, Udaipur, Kota, & Jodhpur.

4.3 Data Collection:

Data were collected from store managers by means of a structured questionnaire distributed among them. Data were sought with regard to issues dealing with the use of Artificial Intelligence in targeted marketing campaigns. Perceptions about their effects on customer satisfaction & loyalty were also a part of it. To enhance the reliability, relevance, and clarity of measures, pre-testing of instrument was conducted.

4.4 Analytical Method:

SEM analysis was conducted on the data with Smart PLS software. Structural Equation Modelling facilitates the assessment of structural links between latent variables, as well as measurement models (either reflective or formative). Hence, evaluation of proposed model was possible thoroughly.

4.5 Measurement of Variables:

- ✓ **Exogenous Variables:** Several indicators were constructed for the operationalisation of constructs such as "Customer Retention Strategies," "Personalisation Effectiveness," and "Utilisation of AI in Marketing," each capturing a different spectrum.
- ✓ **Endogenous Variables:** Based on the opinion of store managers and results obtained, the effect of AI-powered personalised marketing on "Customer Experience" & "Customer Retention" has been evaluated.

4.6 Model Details:

There are both direct and indirect connections between exogenous and endogenous factors, according to the conceptual framework that directs the study. We investigate the role of AI in marketing on customer

experience & retention or in personalized marketing in order to test the interference of suggested model and ascertain the importance and strength of these interactions using SEM.

4.7 Reliability and Credibility:

The study instrument was validated using expert validation, pilot testing, and an internal consistency validity evaluation using internal consistency alphabets such Cronbach's alpha. Smart PLS was used to analyse measurement model reliability, discriminant validity, and convergent validity. It also gives the results a robustness.

The study complied with ethical standards, which include getting participants' informed consent, protecting the confidentiality of their responses, and using moral principles while analysing and summarizing the findings. The study's main goal is to clarify how AI affects customer experience improvement & retention strategies in Rajasthan's FMCG industry so that SEM analysis using Smart PLS software may offer empirical support for AI in tailored marketing.

5. Results and Discussion

The data from the survey of store managers working in the FMCG industry in Rajasthan's major cities is examined and analyzed in the results and discussion section. Using Smart PLS software and Structural Equation Modeling (SEM), researchers have examined artificial intelligence (AI) and its effects on personalized marketing strategies. As a result, the effects of AI on customer satisfaction & retention have been examined. This section focuses on the main findings from the analysis and offers helpful suggestions for more research and management usage in the FMCG sector.

By examining the outer loadings of latent variables, one can comprehend the connection between underlying construct & observed indicators.

Table 1: Observed Indicators

Outer Loadings	Artificial Intelligence Implementation (AII)	Customer Experience (CE)	Customer Retention (CR)	Personalized Marketing (PM)
AII_1 (Data Quality and Accessibility)	0.861			
AII_2 (Talent and Expertise)	0.847			
AII_3 (Infrastructure and Technology)	0.849			
AII_4 (Regulatory and Ethical Considerations)	0.837			
AII_5 (Integration with Business Processes)	0.819			

CE_1 (Product Quality and Consistency)		0.806		
CE_2 (Customer Service and Support)		0.773		
CE_3 (Personalization and Customization)		0.843		
CE_4 (Omnichannel Experience)		0.851		
CE_5 (Emotional Connection and Brand Perception)		0.793		
CR_1 (Customer Satisfaction)			0.819	
CR_2 (Loyalty Programs and Incentives)			0.87	
CR_3 (Positive Brand Experience)			0.784	
CR_4 (Customer Engagement and Communication)			0.812	
CR_5 (Value Proposition and Product Differentiation)			0.802	
PM_1 (Data Analytics and Segmentation)				0.829
PM_2 (Targeted Content Creation)				0.781
PM_3 (Personalized Recommendations)				0.865
PM_4 (Dynamic Messaging and Communication)				0.863
PM_5 (Automation and Triggered Campaigns)				0.836

The indicator shows outer loadings from Artificial Intelligence Implementation (AII) construct. For data quality and accessibility, talent and expertise, infrastructure and technology, regulatory and ethical considerations, and integration with business processes, outer loadings found very high (0.819 to 0.861). It means the association between observable variables and latent constructs is quite good. The Customer Experience (CE) construct also shows considerable outer loadings ranging from 0.773 to 0.851 throughout product quality and consistency and emotional connection and brand perception. It marks a significant correlation between measured variables & underlying construct.

The observed variables of customer retention provide strong augmentation of latent variable. The Customer Retention with indicators customer satisfaction through value proposition and product differentiation also shows a high correlation between observed variables & latent construct for customer retention with high outer loadings ranging from 0.784 to 0.870. The construct personalised marketing, with its indicators data analytics and segmentation to automation and triggered campaigns, shows high outer loadings ranging from 0.781 to 0.865, thus informing good correlations between observed variables

& latent construct of personalised marketing. In the context of this study, the outer loadings provide empirical support to the validity & reliability of measurement model, confirming the robustness of correlations between observed indicators & latent constructs themselves.

Table 2: Construct validity of measurement model

Construct Validity				
	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Artificial Intelligence Implementation (AII)	0.898	0.906	0.924	0.71
Customer Experience (CE)	0.872	0.874	0.907	0.662
Customer Retention (CR)	0.876	0.878	0.91	0.669
Personalized Marketing (PM)	0.892	0.896	0.92	0.698

Great internal consistency is indicated by high Cronbach's Alpha coefficients (0.872 to 0.898) and high rho_A coefficients (0.874 to 0.896) for the AII, CE, CR, & PM constructs. With regard to Composite Reliability values (0.907 to 0.924), reliability has been demonstrated. Whereas, AVE values (0.662 to 0.71) indicate satisfactory convergent validity. All things considered, these findings support the validity of study's outcomes by confirming the resilience and dependability of quantitative method used.

Table 3: Fornell Larker Criteria

Fornell Larker Criteria				
	Artificial Intelligence Implementation (AII)	Customer Experience (CE)	Customer Retention (CR)	Personalized Marketing (PM)
Artificial Intelligence Implementation (AII)	0.843			
Customer Experience (CE)	0.684	0.814		
Customer Retention (CR)	0.588	0.811	0.818	
Personalized Marketing (PM)	0.819	0.771	0.71	0.835

The diagonal variance values for artificial intelligence implementation (AII), customer retention (CR), experience (CE), & personalized marketing (PM) are all stronger than the corresponding correlations. It suggests that discriminant validity exists here. It also implies that each construct

represents unique variance that cannot be accounted for by any other construct, hence enhancing the reliability of measurement model.

Table 4: HTMT Ratio

HTMT				
	Artificial Intelligence Implementation (AII)	Customer Experience (CE)	Customer Retention (CR)	Personalized Marketing (PM)
Artificial Intelligence Implementation (AII)				
Customer Experience (CE)	0.761			
Customer Retention (CR)	0.655	0.837		
Personalized Marketing (PM)	0.801	0.83	0.799	

The discriminant validity criteria are met by the HTMT ratios since every single off-diagonal value is lesser than each of diagonal values. It also suggests that there are sufficient distinctions between frameworks to sustain the reliability of model used for measurement.

Table 5: Regression analysis results

Collinearity	
	VIF
AII_2 (TALENT AND EXPERTISE)	2.415
AII_3 (INFRASTRUCTURE AND TECHNOLOGY)	2.474
AII_4 (REGULATORY AND ETHICAL CONSIDERATIONS)	2.323
AII_5 (INTEGRATION WITH BUSINESS PROCESSES)	2.148
CE_1 (PRODUCT QUALITY AND CONSISTENCY)	1.921
CE_2 (CUSTOMER SERVICE AND SUPPORT)	1.806
CE_3 (PERSONALIZATION AND CUSTOMIZATION)	2.804
CE_4 (OMNICHANNEL EXPERIENCE)	3.075
CE_5 (EMOTIONAL CONNECTION AND BRAND PERCEPTION)	2.049
CR_1 (CUSTOMER SATISFACTION)	2.278
CR_2 (LOYALTY PROGRAMS AND INCENTIVES)	2.846
CR_3 (POSITIVE BRAND EXPERIENCE)	1.938
CR_4 (CUSTOMER ENGAGEMENT AND COMMUNICATION)	2.021
CR_5 (VALUE PROPOSITION AND PRODUCT DIFFERENTIATION)	2.026
PM_1 (DATA ANALYTICS AND SEGMENTATION)	2.084
PM_2 (TARGETED CONTENT CREATION)	1.885
PM_3 (PERSONALIZED RECOMMENDATIONS)	2.638
PM_4 (DYNAMIC MESSAGING AND COMMUNICATION)	2.599
PM_5 (AUTOMATION AND TRIGGERED CAMPAIGNS)	2.234

AII_1 (DATA QUALITY AND ACCESSIBILITY)	2.331
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The regression analysis results are more reliable since these VIF values imply that the predictor variables in regression model are largely independent of one another.

Table 6: (R²) values

R2		
	R ²	R ² Adjusted
Customer Experience (CE)	0.595	0.593
Customer Retention (CR)	0.689	0.686
Personalized Marketing (PM)	0.671	0.67

The R-squared (R²) values, which show how much of variance is explained by independent variables: The Customer Experience (CE) & Customer Retention (CR) have adjusted R² values of 0.595 & 0.593, respectively. The Personalised Marketing (PM) has adjusted R² values of 0.671 & 0.67. For each dependent variable, these results indicate that the regression models have a moderate to strong explanatory power; higher R-squared values signify a greater percentage of variance explained. Because the no. of predictors in the model is taken into account, adjusted R-squared values offer a more cautious estimate of model fit.

Table 7: F² effect size

F2-effect size				
	Artificial Intelligence Implementation (AII)	Customer Experience (CE)	Customer Retention (CR)	Personalized Marketing (PM)
Artificial Intelligence Implementation (AII)				2.041
Customer Experience (CE)			0.595	
Customer Retention (CR)				
Personalized Marketing (PM)		1.466	0.046	

The table provides the F² effect size, a measure of predictor variables' practical significance in explaining the variance of dependent variables. The effect sizes of predictor variables on their corresponding dependent variables are represented by off-diagonal values, whilst the effect sizes of each

dependent variable are represented by diagonal values. For example, Personalised Marketing (PM) has a value of 2.041 for Artificial Intelligence Implementation (AII), indicating a significant contribution of AII to PM's variance explanation. Comparably, Personalised Marketing's (PM) Customer Experience (CE) rating of 0.595 shows that PM has a moderate impact on CE's variance. Greater influence of predictor variable on the dependent variables is indicated by larger effect sizes.

Table 8: Estimated model's fit

Model fit		
	Saturated Model	Estimated Model
SRMR	0.078	0.079
d_ ULS	0.567	0.691
d_ G	0.364	0.379
Chi-Square	590.092	603.89
NFI	0.805	0.8
RMS Theta	0.114	

The estimated model's fit is compared to a fully fitted saturated model using model fit statistics. There are minor differences between saturated model & estimated model for the following indices: d_ ULS (0.691 vs. 0.567), d_ G (0.379 vs. 0.364), and SRMR (0.079 vs. 0.078). Furthermore, the estimated model's (603.89) Chi-Square statistic is marginally higher than the saturated model's (590.092). The NFI value of 0.8 for the estimated model contrasts with the saturated model's value of 0.805, indicating that the estimated model still shows strong fit. These statistical measures offer valuable information regarding how well the estimated model captures the observed data.

H1: Implementing AI has a significant impact on effectiveness of Personalized Marketing.

H2: AI enabled personalized marketing has a positive impact on customer experience & consequently customer retention.

Table 9: Correlations between variables

Path Coeff					
	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Artificial Intelligence Implementation (AII) -> Personalized Marketing (PM)	0.819	0.819	0.027	30.293	0
Customer Experience (CE) -> Customer Retention (CR)	0.676	0.679	0.062	10.905	0
Personalized Marketing (PM) -> Customer Experience (CE)	0.771	0.77	0.033	23.706	0
Personalized Marketing (PM) -> Customer Retention (CR)	0.189	0.186	0.069	2.74	0.006

Important correlations between variables in the structural equation model are shown by the route coefficients. Personalised Marketing (PM) is heavily influenced by Artificial Intelligence Implementation (AII), with a coefficient of 0.819. Additionally, PM has a considerable impact on Customer Experience (CE) and Customer Retention (CR), with coefficients of 0.771 and 0.189, respectively. Furthermore, there is a strong correlation (coefficient: 0.676) between CE and CR, suggesting that retention is positively impacted by customer experience. Every relationship have low p-values along with significant T statistic. It suggests statistical significance. This level of inference highlights the critical nature of AI marketing personalized service for buyer satisfaction as well as retention in the consumer packaged goods industry.

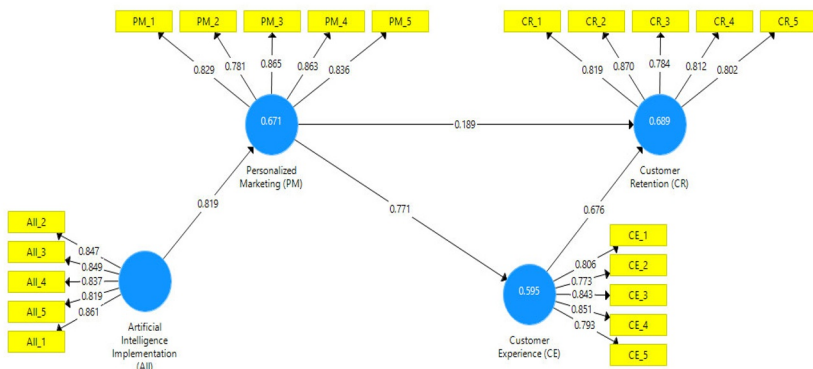


Diagram 1: Structured Equation Modelling (SEM) with Smart PLS Software

Table 10: Total Direct Effect

Total Effect	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values
Artificial Intelligence Implementation (AII) -> Customer Experience (CE)	0.632	0.631	0.041	15.484	0

Artificial Intelligence Implementation (AII) -> Customer Retention (CR)	0.582	0.58	0.043	13.439	0
Artificial Intelligence Implementation (AII) -> Personalized Marketing (PM)	0.819	0.819	0.027	30.293	0
Customer Experience (CE) -> Customer Retention (CR)	0.676	0.679	0.062	10.905	0
Personalized Marketing (PM) -> Customer Experience (CE)	0.771	0.77	0.033	23.706	0
Personalized Marketing (PM) -> Customer Retention (CR)	0.71	0.708	0.04	17.783	0

Table 11: Total Indirect Effect

Total Indirect Effect	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values
Artificial Intelligence Implementation (AII) -> Customer Experience (CE)	0.632	0.631	0.041	15.484	0
Artificial Intelligence Implementation (AII) -> Customer Retention (CR)	0.582	0.58	0.043	13.439	0
Personalized Marketing (PM) -> Customer Retention (CR)	0.521	0.523	0.055	9.484	0

Discussion:

Both hypotheses have been strongly backed by the findings that follow. To get started with, this information indicates a statistically significant positive relationship ($\beta = 0.819, p < 0.001$) among PM effectiveness & AI use in reference to H1. The research investigation demonstrates the significance of AI is to strengthening PM procedures throughout the food, beverage, and consumer goods industry. Addressing H2, the evidence reveals that customer experience (CE) has been enhanced by AI-powered tailored advertisements ($\beta = 0.771, p < 0.001$). Also, data analysis shows how better CE has an advantageous influence on CR ($\beta = 0.676, p < 0.001$), reinforcing the recommended path of PM to CE to CR. Major consequences throughout the structural equation model are demonstrated by the total effect evaluation. Beginning with CE, CR, and PM were demonstrated significant advantages from their application of artificial intelligence (AII). Personalized marketing (PM) substantially enhances overall customer experience & retention. While the customer experience environment (CE) provides an advantageous influence on customer retention. In line with these research results, AI along with customized marketing have become vital for maintaining and pleasing customers in the FMCG industry. Artificial intelligence (AII) has a substantial indirect impact on customer experience (CE) ($\beta = 0.632, p < 0.001$) and customer retention (CR) ($\beta = 0.582, p < 0.001$). It is apparent by the results above that artificial intelligence indirectly promotes CE & CR through several retrospective routes. PM profoundly impacts CR ($\beta = 0.521, p < 0.001$). It illustrates that PM has a substantially greater indirect effect on CR through intermediary variables.

6. Conclusion

The result of study indicates how AI & its tailored marketing strategies are vital for expanding the scope of customer experience & client retention in the food and consumer goods sector. These findings show how AI could change marketing strategies & foster persistent client loyalty. Further it simultaneously emphasizes the immense benefits when using the technology in terms of consumer experience & retention. Personalized marketing is additionally believed to be a crucial component of retention as it can be customised to a person's interests & behaviour. In that manner, FMCG companies could capitalize on the most of AI methods while creating unique advertising initiatives that foster happiness among consumers, build relationship with customers, & boost the rate of retention.

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