

AI-Driven Promotion Platforms: Increasing Customer Engagement in Banking

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Abstract

Artificial Intelligence has been in talk since data was considered as an asset. Using this data, prolific information has been extracted to gather detailed information and create datasets. Artificial intelligence is shaping the narrative of the world in the 21st century. It has become a driving force behind innovation, influencing various industries and redefining traditional practices. Artificial intelligence has revolutionized customer engagement strategies across industries, particularly Banking. This study explores the role of AI-based promotions platforms enhancing customer engagement, personalized promotions, and driving business growth. By leveraging advanced machine-learning algorithms and data analytics, banks can segment their customer base, analyze spending patterns, and design customized promotions that resonate individual preferences. This approach not only increases customer loyalty but also drives revenue growth and strengthens brand positioning. This customer-centric approach not only fosters greater customer loyalty but also contributes to increased revenue streams and strengthens brand positioning in a competitive market. This research aims to provide actionable insights for banking institutions to design and implement effective AI-powered promotional strategies while addressing ethical and operational considerations. It also examines the challenges faced by the banking sector in integrating AI, emphasizing the importance of transparency, accountability, and fairness in AI systems. The study explores how AI can enhance customer engagement, optimize marketing campaigns, and drive personalized financial services. Additionally, it highlights the need for robust regulatory frameworks and ethical guidelines to ensure that AI-driven initiatives align with both customer expectations and societal values. By addressing these elements, the research seeks to bridge the gap between technological advancements and responsible implementation in the banking sector.

Keywords: Artificial intelligence, customer engagement, banking, marketing, promotions, campaigns, customer satisfaction, business growth

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INTRODUCTION

Artificial Intelligence is one of the most powerful tools in technology ever created. Artificial Intelligence mimics Cognitive Human behavior and functions just as good as human brains [1]. Datasets, algorithms, code, learning, and decision-taking happen behind the scenes for an AI software service to perform efficiently. Learning occurs as machines access data and decisions made against a predetermined set of rules. This learned knowledge enables machines to take real-time decisions and give productive outcomes. With changing time and business needs, the traditional systems become absolute and we need a faster, effective, efficient, real-time smart working environment [2, 3].

Over the years, we have seen how marketing strategies have changed and traditional approaches like posters, banners, pamphlets are replaced by online marketing, advertising, social media, and multimedia. Generally, traditional marketing focuses mainly on financial gains, trust, profits, customer onboarding, relationships and satisfaction. The problem with this approach is a lot of competition and variety of customer base. This often results in generalized promotions that fail to cater to individual preferences [4, 5].

This AI-driven Promotion Platform exactly focuses on this problem and makes it easier for a system to create personalized promotion for its users. Promotion platforms use massive datasets, information and marketing strategies to create knowledge and subsequently, use this knowledge to automate marketing. AI promotion platform takes into consideration the spending patterns, product or service customer is looking for and spending on daily basis, and creates a promotion for them.

This study delves into the transformative role of AI-based promotional platforms in reshaping customer engagement and business strategies, particularly in the banking sector. The manuscript provides an in-depth exploration of:

1. The evolution of marketing strategies and the integration of AI into promotional campaigns.
2. A comprehensive literature review highlighting recent studies, opportunities, and challenges in AI-driven marketing [6, 7].
3. A detailed research methodology for investigating the impact of AI-based promotions on customer satisfaction and business growth.
4. The framework and design of an AI promotion platform, including its components and functionality.
5. Ethical and operational considerations, ensuring sustainable and responsible AI adoption in the marketing domain.

By addressing these aspects, the study aims to offer actionable insights for banking institutions to harness the potential of AI for personalized promotions and enhance overall customer engagement.

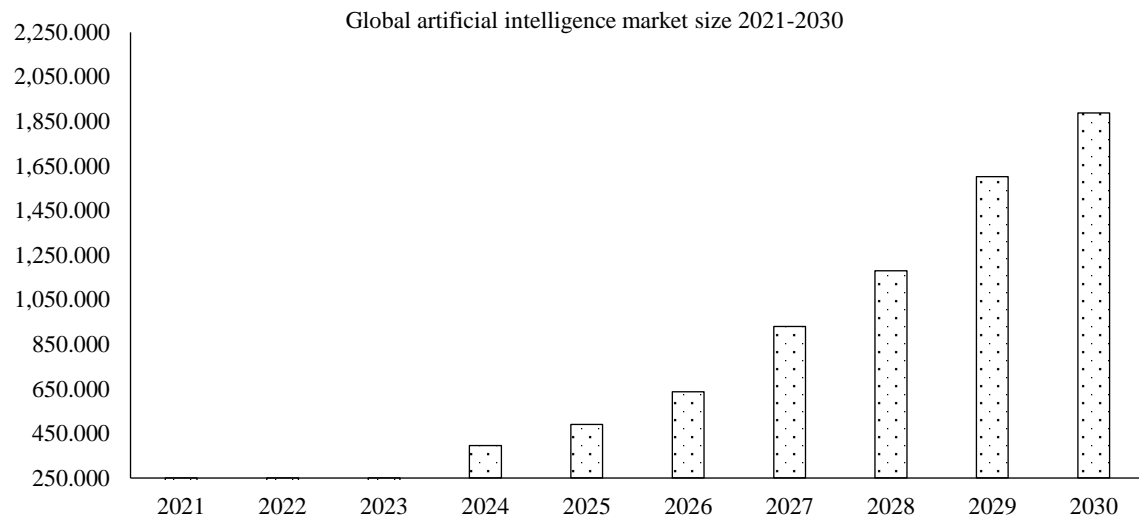
LITERATURE REVIEW

The integration of Artificial Intelligence (AI) into marketing and promotional strategies has been extensively studied in recent years, highlighting its transformative potential in creating personalized customer experiences as shown in Figure 1. Marketing has changed in a sense of the way we communicate. There are gradual morphing happening each day and we do not even notice.

Research shows that AI-powered systems leverage large datasets and advanced machine learning algorithms to analyze customer behavior, spending patterns, and preferences, enabling targeted promotional campaigns that improve customer engagement and satisfaction [7]. Several studies underscore the limitations of traditional marketing methods, such as their inability to cater to diverse customer needs effectively, and how AI-driven approaches address these gaps by delivering real-time, tailored solutions. Additionally, AI has been shown to optimize operational efficiency, reduce costs, and drive business growth, making it a valuable tool for banking and other industries. However, the literature also emphasizes the importance of addressing ethical concerns, such as data privacy and algorithmic biases, to ensure sustainable and responsible adoption of AI in marketing [4].

AI-enabled systems are designed to monitor and respond to their surroundings effectively. They analyze the environment, take appropriate actions, and anticipate potential future scenarios. For instance, using historical data, AI can forecast when a machine is likely to break down and provide early warnings to prompt necessary actions.

Figure 2 shows an analysis from Business-Insider which shows AI growing markets.



Artificial intelligence (AI) market size worldwide in 2021 with a forecast until 2023 (in million U.S. dollars)

Figure 1. AI Market size growth forecast from 2021 to 2030 [8].

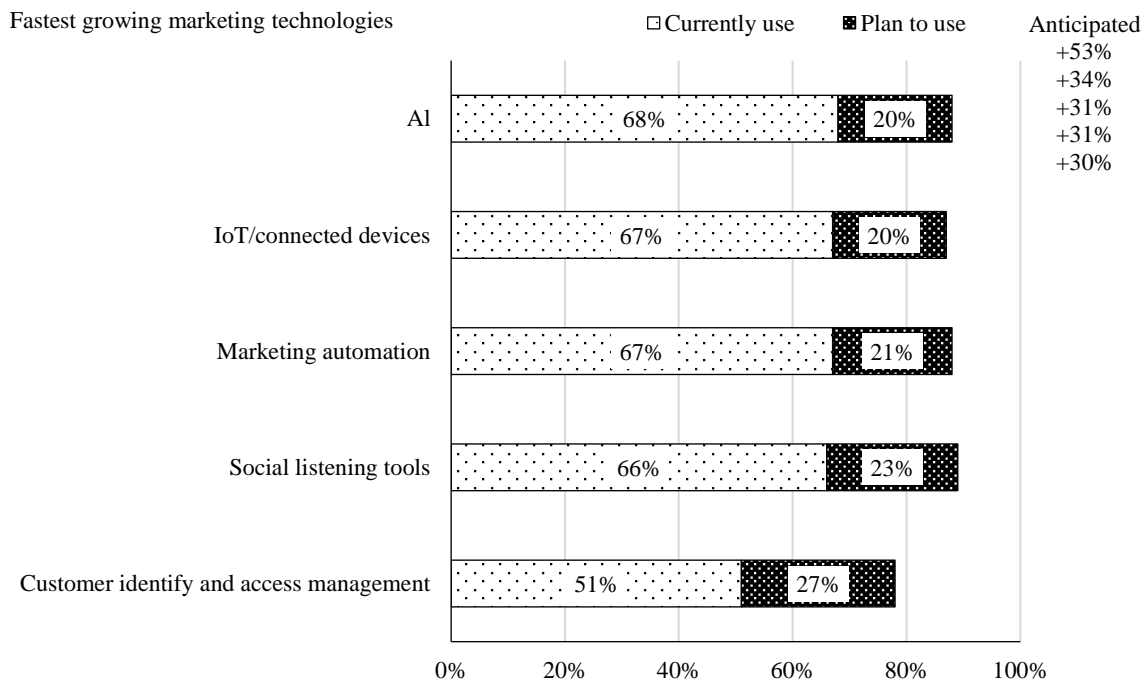


Figure 2. Business Intelligence statistics on AI growth [9].

USE OF AI IN MARKETING

This research proves how AI and ML have built intelligent networks and systems to deliver critical business value. Chatterjee *et al.*, in their study of “Application of AI in marketing” tells us how habits, likes, dislikes, etc. matter to take decisions [10]. Sha and Rajeswari explored advancements in AI and showcased an AI-powered machine capable of replicating the five human senses which resulted in better customer-brand relation and product-brand association in e-commerce [11]. Chatbots improved customer service experience according to a study by Nguyen and Sidorova [12]. Natural language processing made it easy for machines to learn, study, and process data faster. AI has other applications like product management, campaign planning, promotion management, and social media reach out [2, 5].

RESEARCH METHODOLOGY

Research Design

This study incorporates a mixed-method research design, combining qualitative and quantitative approaches to explore the impact of AI-powered promotion platforms on customer engagement and business growth in the banking sector. The methodology is structured to examine both the technological and operational aspects of AI-driven marketing and its outcomes on customer satisfaction and personalization.

Data Collection

Primary Data Collection

- Surveys and questionnaires will be distributed to banking professionals and marketing teams to understand their adoption of AI technologies and their perceived impact on promotional strategies.
- Customer survey forms, email campaigns, and calls will be conducted to gather insights into their experience with AI-driven personalized promotions and overall satisfaction levels.

Secondary Data

- Academic journals, case studies, and industry reports will be reviewed to identify trends, opportunities, and challenges associated with AI in marketing [3].
- Data analytics and spending pattern reports from banks and financial institutions will be analyzed to study the effectiveness of AI-based promotional campaigns.
- Other banks and financial institutions will be contacted to know their strategies and discuss security risks related to AI.

Data Analysis

Quantitative Analysis

- Statistical tools will be employed to analyze survey responses, evaluating metrics such as customer satisfaction, engagement rates, and return-on-investment from AI-driven promotions.
- Machine learning models will be reviewed to understand how customer segmentation and spending patterns influence the design of personalized promotions.

Qualitative Analysis

- Content analysis will be used to extract themes from customer calls, email campaigns, feedback, and case studies, focusing on perceived benefits and ethical concerns of AI-driven strategies [13].

Ethical Considerations

The study ensures compliance with data privacy and ethical guidelines by anonymizing all customer and organizational data used in the research. Informed consent will be obtained from all participants, and biases in the analysis will be minimized by adopting objective evaluation metrics.

Scope and Limitations

The research focuses on the banking sector, leveraging case studies and datasets primarily from this industry. While the findings may offer valuable insights into other sectors as well, they are tailored to address challenges and opportunities specific to banking. Potential limitations include variability in data availability across institutions and the rapidly evolving nature of AI technologies, which may influence long-term applicability.

By integrating these methodological elements, the research aims to provide actionable insights for banks to enhance customer engagement and achieve business growth through effective, ethical AI-driven promotional strategies.

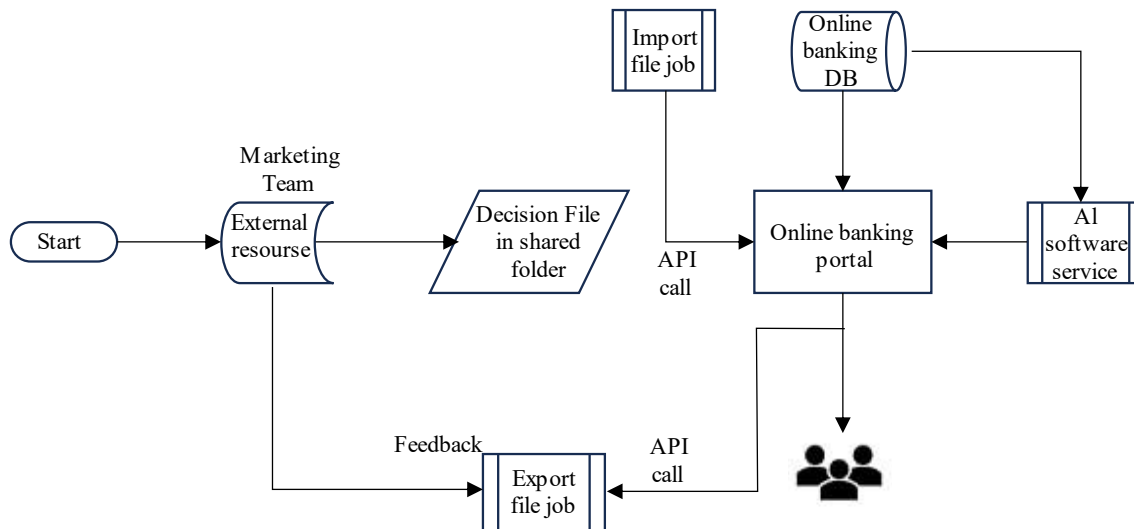


Figure 3. Workflow diagram of AI Promotion Platform [14].

AI PROMOTION PLATFORM FRAMEWORK

We consolidate the literature to propose an AI platform that empowers automated software service to utilize knowledge, distribute data and generate promotions, aiming to provide customized solutions and strengthen customer relationships in a knowledge-driven environment. This framework provides various advantages like improved customer experience, automated repetitive tasks, collecting and analyzing data. It also improves the accuracy of decision making based on the data it receives. Figure 3 shows a high-level workflow of the system. It includes data collection, preprocessing, segmentation, decision making, delivery, and feedback. The jobs here are for integrating with an external resource for data analysis.

External Resource

The external resource represents any third-party system, tool, or data source that provides input or raw data files needed for processing. This includes transactional data, customer details, or other external inputs required to make decisions within the system. Then a data is sorted and segmented.

Decision File

The decision file is a structured data file generated or stored in a shared folder after processing data inputs. It contains key decisions or insights like promotion ID, decision ID, customer ID, Date, Device type, and Priority. This guides the workflow to make informed decisions and take actions.

Import and Export Jobs

- *Import Job:* Retrieves the decision file from a shared folder into the Online banking system for further processing.
- *Export Job:* Outputs processed data or decisions back into a file format for downstream applications, reporting, or feedback purposes.

These jobs automate file transfers and ensure smooth integration and get imported for processing and exported for better analysis and decision making.

Online Banking Portal

The online banking portal serves as the main interface or system where processed decisions are applied and executed. It interacts with:

- *AI Software Service:* This is an integrated service on the Online Banking portal which monitors the customer actions, feedback, and records the decisions for future use.
- *Database:* Stores and retrieves customer-related data, ensuring seamless operations. It has tables to save data for promotions, promotion criteria, user-list, and responses.

Users

These are end users/customers who will see the promotions and take decision whether or not to use it for their benefit.

CONCLUSION

Artificial Intelligence has no doubt revolutionized the tech industry. AI has transfigured customer experience, engagement strategies in the banking industry, and offering personalized and efficient solutions through data-driven insights. This research highlights the transformative role of AI-based promotion platforms in enhancing customer relationships, driving business growth, and optimizing marketing efforts. By leveraging advanced machine learning algorithms, LLM sets, banks can effectively segment their customer base, analyze behavioral patterns, and create tailored promotions that align with individual preferences. However, the success of such systems hinges on addressing ethical considerations, including data privacy and algorithmic biases, to ensure responsible AI adoption. This study provides a foundational framework for banking institutions to harness the potential of AI while fostering trust and innovation in a knowledge-driven environment.

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