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The Impact of Customer Experience of Artificial Intelligence on Customer E-satisfaction, Customer Trust in Online Shopping, and Customer Online Purchase Intention in the Insurance Industry

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Abstract

The aim of this study is to investigate the impact of customer experience of artificial intelligence on customer electronic satisfaction, customer trust in online shopping, and customer online shopping intention. The statistical population of this study consists of customers of Alborz Insurance Company throughout Iran. The sampling method was non-randomly available and the electronic questionnaire was distributed among customers through social networks (Telegram, ETA, and Instagram) by the admin of Alborz Insurance agencies. After collecting 385 questionnaires, the distribution process was stopped. The data collection tool was a standard questionnaire with 18 customer-specific questions, the validity and reliability of which have been confirmed. The collected data were analyzed using descriptive statistics and inferential statistics. Frequency and frequency percentage indices were used at the descriptive statistics level; and Pearson correlation coefficient, structural equation model, and path analysis were used at the inferential statistics level. For this purpose, SPSS and LISREL software were used. The results of the analyses showed that customer experience of artificial intelligence has a positive and significant effect on all three research variables, namely electronic satisfaction, customer trust in online shopping, and online shopping intention. The highest effect, with a path coefficient of 0.81, was related to the effect of customer experience of artificial intelligence on online shopping intention. In general, artificial intelligence, while improving the quality of customer experience, has a significant effect on key variables in online consumer behavior.

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Extended Abstract

Introduction

Today, with the spread of information technology in the world and its rapid entry into everyday life, e-business has replaced traditional methods. In the last few years, the growth of cyberspace and businesses that operate on the Internet has been reported to be multifold, which has also led to the expansion of Internet-based commercial activities. The Internet has become a key tool, which can be called a strategic weapon by anybody; a tool that can simultaneously increase consumer trust and answer their questions, given the current competitive environment (Scott, 2015). The Internet has created a wide horizon for business, especially electronic services worldwide. Retailer websites are an important interface between retailers (banks and insurers) and their customers (van de Ven, K., & Koenraadt, R, 2017). Internet and online businesses offer different products and services compared with traditional businesses. Because of the product choices available on the Internet, advertising on social networks is important in enabling customers to make purchasing decisions (Wang et al., 2016). Although the impact of AI in the insurance industry may not be as tangible as in agriculture, cancer diagnosis, military industries, automotive, construction, etc., it can be claimed that this technology has given speed, accuracy, and security to industries such as banking, information technology, insurance, etc. One of the biggest challenges in this field can be considered detecting complex frauds and discovering false claims in the insurance industry. These frauds include fake accidents, arson, false stolen property, multiple repair and medical bills, etc. By using AI in the insurance industry, operational efficiency can be improved, wrongly paid claims can be limited, total payments can be reduced, and the company's profits can be increased. By relying on AI, insurance companies can consider more competitive prices for their insurance products and offer more personalized services to their customers. In the past, insurers needed customer information to assess insurance risks, although in some cases, due to the dishonesty of individuals, incorrect risk assessment was not possible. But now, with the advancement of machine learning and artificial intelligence, insurers have access to more accurate information sources. For example, in the housing sector, insurance companies can use artificial intelligence to obtain information about the geographical location, marital status and the likelihood of claiming damages from individuals. Also, today, technological developments, especially in the field of telecommunications and information technology, have revolutionized the industry of providing online services such as mobile applications and smartphones. This has changed customer satisfaction from traditional satisfaction to electronic satisfaction, and companies should pay attention to electronic satisfaction in addition to physical satisfaction of customers when measuring customer satisfaction. In fact, the importance of customer satisfaction in an electronic and service environment has been confirmed by marketing studies (Al-dweeri et al., 2017). Satisfaction leads to strong repurchase behavior in the future and also leads to increased sales and profits of the organization and improves the market value for an organization. In the offline environment, customer satisfaction is defined as an emotional reaction in response to one or more cognitive service encounters (Gera, 2011). It is a reaction that occurs immediately after the point of purchase of products and services (Behjati et al., 2012). In the online context, e-customer satisfaction is defined as the consumer's perceptions of online convenience, commerce, website design, and financial security (Ilgaz, H., & Gülbahar, Y., 2015).

Therefore, these days, customers are changing their behaviors dramatically in line with the technology and economic environment of the world. They are acquiring a large amount of information, are familiar with products, and are losing their trust in advertisements. They prefer customized products and services, and change their purchasing channels; therefore, businesses are forced to modify or even change their advertising strategies to cope with the changes, facts, and behaviors of their customers in order to survive (Cui et al., 2018). One of the most common beliefs that consumers have about online shopping is that this type of

shopping saves time and money and helps them find products that better match their needs (Punj, 2011). Online shopping decisions are directly influenced by consumers' emotions and their online shopping beliefs about the attractiveness of the website or mobile applications and the style of communication with the e-commerce software with the customer. These emotions and beliefs are vital elements of the image of an online store or mobile application in the minds of customers and are thus able to be a stimulus for online shopping (Alnawas, I., & Aburub, F, 2016, gharibi et al., 2019). Therefore, it can be said that there is a need for research and study in the insurance industry so that insurance companies can study the impact of artificial intelligence on customer trust, attitude and behavior. Therefore, the question of the present research is: What is the impact of customer experience of artificial intelligence on customer e-satisfaction, customer trust in online shopping and customer online shopping intention in the insurance industry?

Research literature

Concept of artificial intelligence

Artificial intelligence is a branch of computer science that attempts to understand the nature of intelligence and produce new intelligent machines that think, respond and perform tasks exactly like humans based on the data given to it. Some activities related to artificial intelligence, such as robotics, speech recognition, image recognition, natural language processing and problem solving, are very technical and specialized. Artificial intelligence refers to the intelligence and capabilities used by machines and computer systems to perform intelligent activities and make decisions. This metadata allows machines to recognize patterns, analyze data, and manage problems (Umamaheswari, S., & Valarmathi, A, 2023). Artificial intelligence is concerned with building computer systems and robots that can understand and learn from their observations. The goal of artificial intelligence is to make machines act like humans. The goal of artificial intelligence in general is to build a machine that can “think” (Al-Sayyed et al., 2021). Artificial intelligence includes a set of techniques and algorithms that enable machines to examine and analyze data, identify hidden patterns in them, and make decisions based on them. Artificial intelligence is a branch of computer science that, inspired by sciences such as cognitive psychology, philosophy, logic, statistics and mathematics, tries to simulate a type of human intelligence and does this through software development (Poole, D. L., & Mackworth, A. K, 2010).

Electronic satisfaction

High electronic satisfaction is the key to the success of any retailer operating in the competitive global e-commerce environment. To overcome the barriers to global online shopping, companies must improve satisfaction with their electronic services. Most experienced and successful companies in e-commerce have understood that the success factors are not just the company's presence on the web or low prices, but the delivery of high-quality electronic service. Recent research shows that online customers are willing to pay even higher prices for high-quality electronic services offered by electronic retailers; therefore, online retailers should focus on high-quality e-services during and after the transaction rather than on the transaction itself, in order to build customer trust, loyalty, and retention (Navimipour, N. J., & Soltani, Z, 2016).

Trust in online shopping

Previous studies also show that lack of customer trust is a major barrier to using online shopping. Internet users do not have sufficient trust in sharing and exchanging information and communication with online sellers (Dwidienawati et al., 2020). Perceived ease of use by the customer plays an indirect role in individuals' intentions to adopt or continue to use e-banking. Another study also found that ease of use has an indirect effect on the use of e-banking as much as initial training (Guriting & Ndubisi, 2006). If a person is familiar with the Internet and uses it regularly, they are likely to have a higher level of organizational trust than

someone who has not had previous experience using the Internet. As a result, the experience of using the Internet will increase organizational trust (Eastlick, M. A., & Lotz, S, 2011).

Customer Online Shopping Behavior

Online shopping environments are specific types of interactions that users turn to fulfill their shopping goals. Online shopping is an activity beyond making a mere purchase and includes skills such as searching for products, working with a computer, etc. (Demangeot, C., & Broderick, A. J, 2007). Online shopping intention, as the most important predictor of actual shopping behavior, refers to the outcome of customers' evaluation of criteria such as website quality, information search, and product evaluation (Martins et al., 2023).

Conclusion and Discussion

The present study, which was conducted among Alborz Insurance customers across Iran, examined the effect of customer experience of artificial intelligence on customer e-satisfaction, customer trust in online shopping, and customer online shopping intention in the insurance industry. The result of the first hypothesis of the study: Customer experience of artificial intelligence has an effect on customer e-satisfaction in the insurance industry. a) Using the Pearson test, the correlation coefficient of customer experience of artificial intelligence and customer e-satisfaction in the insurance industry is 0.75, which indicates a positive and significant effect of customer experience of artificial intelligence on customer e-satisfaction in the insurance industry. b) Considering the path coefficient of 0.78 and the t-statistic of 16.84, it can be said that at a 99% confidence level, customer experience of artificial intelligence has a positive and significant effect on customer e-satisfaction in the insurance industry. The results of this hypothesis are consistent with the studies of Chen et al., (2021); Prentice et al., (2020); Datt (2020); and Hudong (2023). The result of the second hypothesis of the research: Customer experience of artificial intelligence has an effect on customer trust in online shopping in the insurance industry. A) Using the Pearson test, the correlation coefficient between customer experience of artificial intelligence and customer trust in online shopping in the insurance industry is 0.73, which indicates a positive and significant effect of customer experience of artificial intelligence on customer trust in online shopping in the insurance industry. B) Considering the path coefficient of 0.72 and the t-statistic of 11.63, it can be said: At a 99% confidence level, customer experience of artificial intelligence has a positive and significant effect on customer trust in online shopping in the insurance industry. The results of this hypothesis are consistent with the studies of Chen et al., (2021); Prentice et al., (2020); Datt (2020); and Hudong (2023). The result of the third hypothesis of the research: Customer experience of artificial intelligence has an effect on customer online shopping behavior in the insurance industry. a) Using the Pearson test, the correlation coefficient between these two variables is 0.81, which indicates a positive and significant effect of customer experience from artificial intelligence on customer online shopping behavior in the insurance industry. b) Considering the path coefficient of 0.81 and the t-statistic of 19.00, it can be said that at a 99% confidence level, customer experience from artificial intelligence has a positive and significant effect on customer online shopping behavior in the insurance industry. The results of this hypothesis are consistent with the studies of Chen et al., (2021); Prentice et al., (2020); Datt (2020); and Hudong (2023). The result of the fourth hypothesis of the research: Customer e-satisfaction has an effect on customer trust in online shopping in the insurance industry. a) Using the Pearson test, the correlation coefficient between these two variables is 0.68, which indicates a positive and significant effect of customer e-satisfaction on customer trust in online shopping in the insurance industry. b) Considering the path coefficient of 0.69 and the t-statistic of 12.06, it can be said that: at a confidence level of 99 percent, electronic customer satisfaction has a positive and significant effect on customer trust in online shopping in the insurance industry.

The results of this hypothesis are consistent with the studies of Chen et al., (2021); and Keshiri et al., (2024). The result of the fifth hypothesis of the research: Electronic customer satisfaction has an effect on customer online shopping behavior in the insurance industry. a) Using the Pearson test, the correlation coefficient between these two variables is 0.79, which indicates a positive and significant effect of electronic customer satisfaction on customer online shopping behavior in the insurance industry. b) Considering the path coefficient of 0.66 and the t-statistic of 41.52, it can be said that: at a confidence level of 99 percent, electronic customer satisfaction has a positive and significant effect on customer online shopping behavior in the insurance industry. The results of this hypothesis are consistent with the studies of Chen et al., (2021); and Keshiri et al., (2024). The result of the sixth hypothesis of the research: Customer trust in online shopping has an effect on customer online shopping behavior in the insurance industry. A) Using the Pearson test, the correlation coefficient between these two variables is 0.75, which indicates a positive and significant effect of customer trust in online shopping on customer online shopping behavior in the insurance industry. B) Considering the path coefficient of 0.64 and the t-statistic of 8.46, it can be said that at a 99% confidence level, customer trust in online shopping has a positive and significant effect on customer online shopping behavior in the insurance industry. The results of this hypothesis are consistent with the studies of Chen et al., (2021); Keshiri et al., (2024); Hemmadi (2023); and Rahmani & Nowzari Jadid (2023).

Today, with the spread of internet services and service applications, people of all tastes can compare and purchase different insurance services and, depending on their personal tastes, be satisfied or dissatisfied with their purchase. This satisfaction or dissatisfaction in receiving insurance services is recorded in the form of ratings and comments on mobile applications and social networks, based on which other people purchase services from different insurance companies. Therefore, customer trust and satisfaction with receiving services and even the way in which services are received can affect the customer's intention to purchase online, as in the present study, electronic satisfaction with a path coefficient of 0.66 and online trust with a path coefficient of 0.64 had an effect on the intention to purchase online of Alborz Insurance customers. The time is over when company messages were only about services or products and information was published unilaterally by the company and only what the company wanted to share. With the increasing spread of the Internet in various aspects of life, much research has been conducted to support the encouragement of customers to shop in the electronic and online environment. Considering the characteristics of the electronic environment and the behavioral characteristics of customers, in order to facilitate the customer shopping process, the reasons that cause customer distrust or poor site design and, as a result, customers' lack of purchase in the electronic environment should be investigated and resolved. By relying on the features of challengeability, uninterrupted analysis, the possibility of receiving feedback in time, establishing system interaction, and creating mental images in the electronic and online environment, it is possible to direct the mental structure of customers towards shopping on the Internet and mobile phones and guide their purchase decision-making process. Therefore, considering the impact of customer experience with artificial intelligence on customer e-satisfaction, customer trust in online shopping, and customer online shopping intention in the insurance industry, Alborz Insurance Company offers the following solutions in this regard: Alborz Insurance Company should design a mobile application for itself with the necessary investment in innovation and quick access, and place accessible user guides as a guide to using self-service technology on its website; it is suggested that a section be set up as an online support on the Alborz Insurance website so that it can answer customer questions 24 hours a day, because some customers may work night shifts and use the Alborz Insurance website more often during these times;