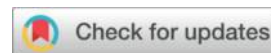




The Role of AI-Driven Digital Marketing in Enhancing Customer Experience: A Comparative Study of Amazon and Netflix



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Abstract

This study aims to examine the role of digital marketing in improving customer experience through the use of artificial intelligence (AI) technologies. It presents a comparative analysis of two leading global companies, Amazon and Netflix. The study starts from the main hypothesis that AI plays a significant role in enhancing digital customer experience, with notable differences in its level of integration between the two companies. In addition, four sub-hypotheses were proposed concerning the impact, personalization, intensity of use, and diversity of tools.

A comparative analytical method was adopted, relying on both quantitative and qualitative data drawn from official reports, performance indicators, and recent academic sources. The findings indicate that Amazon and Netflix use AI as a strategic tool to strengthen the effectiveness of digital marketing, especially in service personalization, user engagement, and improving customer satisfaction and loyalty.

The results also reveal that Amazon integrates AI more intensively and comprehensively across customer touchpoints, while Netflix primarily applies it to content personalization and improving the viewing experience. All four sub-hypotheses were confirmed, emphasizing the importance of AI as a flexible and effective marketing instrument whose applications vary according to each company's nature and objectives.

The study's significance lies in its contribution of a modern comparative framework that can guide digital enterprises toward enhancing customer experience through more specialized and effective use of AI, thereby supporting strategic marketing decisions in a rapidly changing and competitive digital environment.

Keywords: Artificial Intelligence, Digital Marketing, Customer Experience, Personalization, Netflix, Amazon

Introduction

The world is witnessing profound transformations in the nature of relationships between businesses and customers. These changes are driven by rapid technological advancement and the massive shift toward digital environments. Traditional marketing is no longer sufficient to meet customers' growing expectations, especially amid fierce global competition.

In this context, digital marketing has emerged as a strategic tool that enables companies to interact with their customers in more personalized and efficient ways. With the introduction of artificial intelligence technologies, organizations have become capable of improving the customer experience by offering intelligent services, real-time support, personalized recommendations, and precisely targeted content.

Customer experience has thus become a decisive factor in building loyalty and achieving competitive advantage. This is clearly reflected in the practices of global leaders such as Amazon and Netflix, which have reshaped customer–brand relationships through effective investment in AI-based digital marketing strategies.

Research Problem

Given this deep digital transformation, central questions arise about the relationship between digital marketing and artificial intelligence on one hand, and the enhancement of customer experience on the other. It is also essential to understand how global companies such as Amazon and Netflix have employed these technologies to enhance user experience and sustain customer engagement.

Accordingly, the main research question can be formulated as follows: **How does AI-driven digital marketing contribute to improving customer experience in Amazon and Netflix?**

To answer this question, the study addresses several sub-questions:

1. What is digital marketing, and what are its main goals and components in modern business environments?
2. What is meant by digital customer experience, and what are its key dimensions and stages in the marketing context?
3. What are the main applications of artificial intelligence in digital marketing, and how are they used to enhance customer experience?
4. How does Amazon employ AI technologies within its marketing strategies to strengthen customer experience?
5. How does Netflix use AI to enhance user interaction and satisfaction, and what similarities or differences exist between the two companies in this regard?

Research Objectives

This research seeks to achieve the following objectives:

- To define the core theoretical concepts of digital marketing and identify its main components and objectives in the context of digital transformation.
- To analyze the concept of digital customer experience, emphasizing its stages, dimensions, and role in building customer loyalty.
- To explore the role of AI technologies in supporting digital marketing strategies and enhancing customer experience.

- To analyze how Amazon employs AI technologies to deliver a distinctive digital customer experience.
- To examine how Netflix integrates AI to increase user engagement and satisfaction.
- To conduct a comparative analysis between the two companies to identify similarities and differences in their AI-driven marketing strategies.
- To derive insights and recommendations that can help other organizations improve customer experience through AI within digital marketing frameworks.

Research Hypotheses

Based on the research problem and stated objectives, several hypotheses were formulated to explore the relationship between the use of AI technologies and digital marketing in improving customer experience at Amazon and Netflix.

General Hypothesis

The use of artificial intelligence (AI) technologies in digital marketing contributes effectively to enhancing customer experience, with variations in the degree of implementation between Amazon and Netflix.

Sub-Hypotheses

Based on the main hypothesis, a set of sub-hypotheses were developed to highlight specific aspects of AI's impact on improving customer experience at Amazon and Netflix. They can be summarized as follows:

1. AI technologies have a positive impact on the effectiveness of digital marketing in enhancing customer experience.
2. The use of AI helps in providing personalized content and services that increase customer satisfaction and loyalty.
3. Amazon relies more intensively on AI to improve the digital customer experience compared to Netflix.
4. The AI tools and applications used by Amazon and Netflix differ in their marketing goals and functions.

Significance of the Study

This study holds particular importance from two main perspectives:

1. Theoretical (Scientific) Importance

- It contributes to enriching academic literature related to digital marketing and AI applications by addressing their relationship in the context of improving customer experience.
- It provides a comprehensive theoretical framework on the concepts and dimensions of digital customer experience, including its stages and measurement indicators.
- It deepens the scientific understanding of how digital tools and AI interact in shaping more effective and interactive marketing strategies.

2. Practical (Applied) Importance

- It highlights best practices adopted by two global leaders—Amazon and Netflix—in using AI to enhance customer experience.
- It enables other organizations, especially in emerging markets, to draw practical lessons for developing their digital strategies.
- It assists marketing managers and decision-makers in understanding how AI influences customer behavior and satisfaction, thereby supporting data-driven decision-making.

Structure of the Study

Based on the above, the research is divided into three main sections:

- **Section One:** Concepts and Foundations of Digital Marketing
- **Section Two:** Customer Experience and Artificial Intelligence in Digital Marketing
- **Section Three:** A Comparative Study of Amazon and Netflix to Demonstrate the Role of AI-Driven Digital Marketing in Enhancing Customer Experience

I. Concepts and Foundations of Digital Marketing

Organizations are increasingly relying on digital marketing strategies as an effective tool to communicate with customers and achieve marketing objectives. Understanding digital marketing requires exploring its core concepts, components, goals, and the tools and technologies that support it in today's digital business environment.

1. Definition of Digital Marketing

Digital marketing is one of the modern concepts that emerged with the development of digital technologies and the expansion of Internet use in marketing activities. Several definitions can be presented as follows:

- **Chaffey (2019, p.11):** Digital marketing is “the application of digital technologies, primarily through the Internet, to achieve marketing objectives. These include email, websites, social media, and search engine optimization.”
- **Kotler (2017, p.43):** Digital marketing is “the process of creating value, communicating it, and delivering it through digital channels in a way that enables the organization to achieve its goals more efficiently.”
- **Ryan (2016, pp.4–8):** Digital marketing is “the use of electronic channels to promote products and services with the aim of building long-term relationships with customers and fostering interaction and loyalty.”
- **Kumar (2018, p.135):** Digital marketing refers to “all marketing efforts that use electronic devices or the Internet. Companies make use of digital channels such as search engines, social media, email, and websites to reach and engage with existing and potential customers.”

2. Digital Marketing Components Digital marketing consists of several key components, which can be summarized as follows (Chaffey, 2019, p.14):

1. **Search Engine Marketing (SEM):** This includes Search Engine Optimization (SEO) and paid search advertising such as Google Ads.
2. **Email Marketing:** Used for direct communication with customers, offering personalized promotions, and building loyalty.

3. **Social Media Marketing:** Involves promoting the brand and content on platforms such as Facebook, Instagram, Twitter, and others.
4. **Content Marketing:** Includes creating and distributing valuable content to attract and retain an audience.
5. **Mobile Marketing:** Covers tools such as SMS messaging, mobile applications, and in-app advertising.
6. **Online Display Advertising:** Includes visual ads and banner ads displayed on websites.
7. **Web Analytics:** Tools used to analyze visitor behavior and evaluate the performance of marketing campaigns.

3. Digital Marketing Objectives The main objectives of digital marketing can be summarized as follows (Kotler, 2017, p.43):

1. **Brand Awareness:** Achieved through an online presence and activity on social media platforms.
2. **Lead Generation:** Using tools such as content marketing and online forms to collect potential customer data.
3. **Sales Growth:** Achieved through online stores or supporting sales in traditional stores. This includes converting interested prospects into actual buyers via targeted strategies like offers and recommendations.
4. **Customer Loyalty:** Enhancing customer retention and building a dedicated audience that engages with content and advocates for the brand through loyalty programs, regular email communication, and personalized offers.
5. **Customer Experience:** Building interactive relationships between the brand and potential customers using conversations, interactive content, multi-channel engagement, and real-time personalization with artificial intelligence.
6. **Online Visibility:** Improving search engine rankings (SEO) and using paid advertisements to increase brand exposure.

4. Digital Marketing Tools and Techniques These are the programs and methods used to implement digital marketing components. Key tools include (Ryan, 2016, pp.4–8):

1. **Search Engine Optimization (SEO):** A set of techniques aimed at improving a website's ranking in organic search results.
2. **Search Engine Marketing (SEM):** Includes paid search advertising such as Google Ads, used to increase visibility.
3. **Web Analytics:** Tools such as Google Analytics that analyze user behavior and measure campaign performance.
4. **Email Marketing:** An effective tool for maintaining communication with customers and personalizing messages and offers.
5. **Customer Relationship Management (CRM):** Tools used to manage customer data and improve individual interactions.
6. **Social Media Marketing:** Involves using platforms like Facebook, Twitter, LinkedIn, and Instagram to build an online community.
7. **Marketing Automation Tools:** Platforms like HubSpot and Mailchimp automate campaigns and send personalized messages based on user behavior.
8. **Content Marketing Tools:** Tools such as Canva and BuzzSumo are used to create and distribute engaging content.

II. Customer Experience and Artificial Intelligence in Digital Marketing

Artificial intelligence (AI) has become a central component of digital marketing strategies. It provides advanced capabilities to personalize and enhance customer experiences innovatively and effectively. The following sections highlight its role in this context.

1. Concept and Stages of Customer Experience in Digital Marketing

a. Concept of Customer Experience in Digital Marketing: Customer experience in digital marketing refers to the total interactions a customer has with a brand across digital channels, such as websites, emails, social media, and mobile applications. It begins at the awareness stage, continues through consideration and purchase decisions, and extends to post-purchase interactions. The aim is to establish a sustainable and personalized relationship with the customer that increases satisfaction and loyalty. Tools such as artificial intelligence, behavioral analysis, and smart recommendations support this process (Lemon, 2016, p. 70).

b. Stages of the Digital Customer Journey: The digital customer journey consists of several integrated stages (Lemon, 2016, pp.70–74):

1. **Awareness:** The customer becomes aware of the brand or product through digital ads, search engines, social media, or recommendations.
2. **Consideration:** The customer compares options, seeks information, and reads online reviews, becoming more engaged with the brand's digital content.
3. **Purchase:** The customer makes a purchase through an online store, app, or any digital channel.
4. **Post-Purchase:** Includes digital support, purchase evaluation, repeat purchases, and loyalty programs.
5. **Loyalty/Advocacy:** A satisfied customer may become a brand advocate, recommending and sharing content on digital platforms.

2. Dimensions of Customer Experience in Digital Marketing

Digital customer experience can be analyzed through the following dimensions (Lemon, 2016, pp. 71–72):

1. **Emotional Dimension:** Refers to the feelings and impressions formed during interaction with a digital platform. Does the customer feel comfortable, confident, or frustrated?
2. **Cognitive Dimension:** Concerns the ease of using a website or app, the organization of information, clarity of messages, and the speed at which the customer finds what they need.
3. **Behavioral Dimension:** Relations to customer actions during digital interaction. Do they click, engage, or complete the purchase? This dimension is crucial for data analytics.
4. **Sensory Dimension:** Pertains to the digital interface design, including colors, sounds, and animations that create an interesting or off-putting experience.
5. **Interactional/Relational Dimension:** Concerns the quality of interactions between the customer and the organization, including chatbots or social media engagement, responsiveness, and communication effectiveness.

Additionally, Rawson (2013, p.92) highlighted three central dimensions that organizations must focus on:

1. **The End-to-End Journey:** Understanding customer experience as a continuous series of interactions rather than isolated points. This approach provides deeper insights into customer needs over time.

2. **Active Engagement:** Measures the extent to which customers actively interact with digital channels and their ability to control their experience through personalization, engagement, and feedback.

3. **Emotional Outcome:** Refers to the emotional impact of the experience on the customer, influencing loyalty and the likelihood of repeat purchases.

III. The Importance of Customer Experience in Digital Marketing for Modern Organizations

In the context of rapid digital transformation, customer experience has become a critical factor in building a competitive advantage. The success of a brand is no longer determined solely by product or service quality. It also depends on its ability to provide a comprehensive and effective digital experience that meets customer expectations at every interaction point.

Digital customer experience now plays a key role in shaping customer perceptions and future behavior, including purchase intentions and the likelihood of recommending the brand. Its importance is evident in its ability to (Lemon, 2016, p.70):

- **Enhance customer loyalty** Through continuous, personalized engagement across multiple digital channels.
- **Increase sales** By delivering a smooth and motivating experience at every stage of the customer journey.
- **Reduce the cost of acquiring new customers** compared to traditional methods.
- **Improve organizational reputation** Through online reviews and customer feedback.
- **Achieve excellence competitive** By providing added value and a unique experience that exceeds consumer expectations.

Modern organizations rely on tools such as artificial intelligence, behavioral analytics, and interaction automation to personalize and continuously improve the experience. This makes customer experience one of the most important strategic performance indicators in today's business environment.

IV. Customer Experience Measurement Indicators

Customer experience (CX) is measured using both quantitative and qualitative indicators that reflect customer satisfaction, perceptions, and behavior toward the organization. Key indicators include:

1. **Net Promoter Score (NPS):** NPS measures the likelihood that a customer will recommend the brand to others (Reichheld, 2003, pp.46–54).

- Typical question: “How likely are you to recommend our product/service to a friend or colleague?”
- Responses are rated on a scale from 0 to 10:
 - 9–10: Promoters
 - 7–8: Passives
 - 0–6: Detractors
- Calculation: $NPS = \% \text{ Promoters} - \% \text{ Detractors}$
- Passives (7–8) are not included in the calculation.

- The score ranges from –100 to +100.

A higher NPS indicates a positive experience and stronger customer loyalty.

2. **Customer Satisfaction Score (CSAT):** CSAT measures customer satisfaction with a specific interaction or service (Hayes, 2008).

- Typical question: “How satisfied are you with your recent experience?”
- Rated on a scale of 1–5 or 1–10.
- The percentage of satisfied customers (eg, 4 or 5 out of 5) is calculated.

3. **Customer Effort Score (CES):** CES measures how easy it is for customers to obtain a service or resolve an issue (Dixon, 2010, pp. 116–122).

- Typical question: “How easy was it to interact with this service?”
- Scale: 1 = Very Easy to 7 = Very Difficult.
- Lower CES scores indicate a better customer experience.

The following table summarizes these key customer experience indicators:

Table 1: Customer Experience Measurement Indicators

Interpretation	Its scale	What it measures	Index
The higher it is, the stronger the loyalty.	0–10	Loyalty and willingness to recommend	NPS
The higher it is, the greater the satisfaction.	1–5 or 1–10	Overall satisfaction with a particular experience	CSAT
The lower the score, the smoother the experience.	1–7	Easy to use service	CES

Source: Prepared by the Researchers

V. The Concept of Artificial Intelligence in Digital Marketing

Artificial intelligence (AI) in digital marketing refers to the use of intelligent systems and algorithms, such as machine learning, natural language processing, and big data analytics, to enhance marketing processes. AI helps organizations understand consumer behavior, anticipate needs, and deliver personalized content and experiences in real time across multiple digital channels.

This technology enables firms to automate marketing campaigns, improve ad targeting, and offer more effective customer experiences. As a result, performance efficiency increases, and customer loyalty strengthens. AI represents a qualitative shift in how brands interact with their customers in the digital age by converting large volumes of data into instant and intelligent marketing decisions (Kumar, 2019, p. 10).

A. Applications of AI in Digital Marketing

The main applications of AI in digital marketing include (Chatterjee, 2020):

1. **Intelligent Personalization:** AI analyzes customer data to provide real-time personalized content for each user. Examples include product recommendations on Amazon or Netflix.

2. **Chatbots:** AI-powered chatbots offer 24/7 customer support using natural language processing (NLP), enhancing the customer experience while reducing costs.

3. **Predictive Analytics:** AI predicts potential customer behavior, such as purchase intent or site abandonment, to improve targeting and advertising.

4. **Sentiment Analysis:** AI evaluates user-generated content on social media and reviews to understand positive, negative, or neutral sentiments toward the brand. This informs strategic marketing decisions.

5. **Marketing Automation:** AI supports managing digital campaigns and sending automated promotional messages based on individual user behavior, using tools like Mailchimp and HubSpot.

B. AI's Contribution to Enhancing Customer Experience in Digital Marketing

AI plays a strategic role in improving digital customer experience through practical applications and intelligent technologies. Key contributions include (Chatterjee, 2020):

1. **Automated Content and Service Personalization:** AI analyzes customer behavior and preferences in real time. It delivers personalized content, such as Amazon and Netflix recommendations based on purchase or viewing history. This personalization increases satisfaction and the feeling of individual attention.

2. **Enhanced Customer Service via AI Chatbots:** Organizations can provide immediate, 24/7 support without direct human intervention. Chatbots understand customer inquiries, deliver accurate answers, resolve minor issues quickly, reduce response times, and enhance customer perceptions of organizational efficiency.

3. **Predictive Analytics for Customer Behavior:** AI predicts customer purchase intentions or churn based on past behavior. Organizations can use these insights to present timely special offers, reducing customer loss (Churn Rate).

4. **Sentiment Measurement and Analysis:** By analyzing reviews and social media comments, organizations can understand customer impressions and emotions. They can respond promptly to negative feedback and reinforce positive messages, increasing organizational agility and responsiveness.

5. **Marketing Campaign Automation:** AI tools like HubSpot and Mailchimp automatically deliver marketing messages personalized to customer behavior. This ensures the right message reaches the right customer at the right time without manual effort.

6. **AI-Powered UX Optimization:** AI analyzes user experience on websites or apps and provides automated interface (UI) improvements based on friction points. This makes navigation easier, smoother, and increases the likelihood of completing purchases.

7. **Real-Time Recommendations:** AI systems provide instant suggestions for additional products or services during browsing or purchase. This feature increases basket value and enhances the browsing experience.

III. Comparative Study between Amazon and Netflix to Demonstrate the Role of Digital Marketing in Enhancing Customer Experience through Artificial Intelligence

Amazon and Netflix represent two leading models in employing AI-enhanced digital marketing. This makes them ideal subjects for a comparative study that highlights the impact of these technologies on improving customer experience. The following sections aim to illustrate this influence.

III-1. Amazon's Strategy in Digital Marketing and Customer Experience Enhancement

Amazon is considered a global benchmark in adopting AI-driven digital marketing strategies early. This approach has allowed the company to deliver an exceptional customer experience supported by precise data and effective performance indicators.

1. Overview of Amazon and Its Origins

Amazon Inc. It was founded in 1994 by Jeff Bezos in Seattle, Washington. It began as an online bookstore and later expanded to become the largest e-commerce company in the world, with a market value exceeding \$1.8 trillion by the end of 2023 (Yahoo Finance, 2024).

Amazon's activities have since grown to include e-commerce, cloud computing services (AWS), digital content (Prime Video), smart devices (Echo, Alexa), and applied AI in marketing and operations.

2. Digital Marketing at Amazon

Amazon is a global reference in data-driven digital marketing powered by big data and artificial intelligence. Its digital strategy relies on four main pillars:

1. **Real-Time Personalization:** Approximately 35% of Amazon's total sales come from its intelligent recommendation system (McKinsey & Company, 2023). Recommendations are based on search history, past purchases, and user characteristics.
2. **Marketing Automation:** AI is used to deliver individualized promotional offers. Purchasing patterns are analyzed to determine the optimal timing for sending promotions.
3. **AI-Driven Search Engine Optimization:** AI algorithms rank products based on the likelihood of purchase rather than relevance alone.
4. **Voice Commerce via Alexa:** Over 38 million voice searches occur through Alexa monthly. AI-powered voice interfaces are fully integrated into the customer digital experience (Voicebot.ai, 2023).

3. Customer Experience at Amazon in the Context of Artificial Intelligence

Amazon defines the customer experience as a “data-driven journey.” The company invests heavily in making each stage of interaction seamless and digital. Key areas of focus are summarized in the table below:

Table 2: Key Aspects of Amazon's Focus on Customer Experience

Direct impact on the customer	Smart technology used	Area of improvement
Full customization of the product and offer interface	Collaborative Filtering & AI Models	Smart Recommendations
24/7 automated response – reduced waiting time	Amazon Lex & Chatbots	Immediate customer support
Provide relevant products before ordering	Predictive Analytics + Machine Learning	Predictive behavioral analysis
Daily shipping and delivery in less than 24 hours	AI in inventory management + robots	Delivery speed
A seamless browsing experience that varies depending on the user.	Dynamic UX with AI personalization	Dynamic user interface

4. Performance Indicators and Recent Statistics (2022–2024)

The following table presents the most important performance indicators for Amazon.

Table 3: Key Performance Indicators of Amazon

Source	Value / Ratio	Indicator/Data
(Yahoo Finance, 2024)	\$1.84 trillion	Amazon's market capitalization (December 2023)
(McKinsey & Company, 2023)	35% of total sales	The contribution of smart recommendations to sales
(Statista, 2023)	88%	(CSAT – United States) Customer Satisfaction Index
(Company, 2023)	+62	indexNPS (Net Promoter Score)
(Amazon, 2023)	72% of digital campaigns	Percentage of use of marketing basedAI
(Amazon, 2023)	More than 310 million global users	Number of monthly active users
(Forbes, 2023)	Less than 1 minute	Average customer service response time
(eMarketer, 2023)	66%	Repurchase rate within 6 months

III-2. Netflix's Strategy in Digital Marketing and Customer Experience Enhancement

1. Overview of Netflix

Netflix Inc. It was founded in 1997 by Reed Hastings and Marc Randolph in California. It started as an online DVD rental service and moved in 2007 to a digital streaming platform. Over time, it has become one of the largest global entertainment and digital production companies, serving over 260 million subscribers across 190 countries by December 2023 (Netflix E., 2023).

2. Netflix's Digital Marketing Strategy

Netflix relies on a digital marketing model based on:

- A subscription-based model.
- Artificial intelligence for analyzing user behavior.
- Personalization of the interface and content by up to 80%.
- Targeted digital advertising (introduced in the ad-supported plan since 2022) (Netflix E., 2023).

The main digital marketing channels include (Amatriain, 2019):

- Dynamic email marketing.
- Smart, intuitive platform interface (Smart UI).
- Predictive recommendations based on machine learning.
- Advertising campaigns on Google, YouTube, and Meta.

3. Customer Experience at Netflix Using Artificial Intelligence

Artificial intelligence forms the backbone of the viewing experience at Netflix. Its impact is evident in several areas:

Table 4: AI Technologies Used by Netflix and Their Impact on Customer Experience

Impact on customer experience	Smart technology used	Field
Personalized recommendations with a match rate of up to 80% %	Machine learning algorithms(ML + Deep Learning)	Movie and TV series recommendations
Display different images of the same content according to user preferences	AI-driven Personalization Engine	Interface customization
Reduce buffering and loading issues	AI-based Adaptive Bitrate Streaming	Improving broadcast quality (Streaming)
Easy and quick experience	Smart Search + Voice Search	Reducing effort in research
Designing marketing campaigns based on expected behavior	Predictive Analytics	Predicting subscriber behavior

Source: Prepared by the two researchers

An internal study has shown that Netflix's artificial intelligence algorithms reduce the churn rate by 50% (Gomez-Uribe, 2023).

4. Statistics and Performance Indicators at Netflix (2022–2024)

The performance indicators of Netflix can be illustrated using the data presented in the following table:

Table 5: Performance Indicators at Netflix

Source	Value / Ratio	Indicator/Data
(Netflix, 2023)	260.3 million subscribers	Number of global subscribers (end of 2023)
(Gomez-Uribe, 2023)	80% of the user interface	Content allocation percentage byAI
(Statista, 2023)	86%	Customer Satisfaction Index (CSAT)
(Bain, 2023)	+64	indexNPS (Net Promoter Score)
(Gomez-Uribe, 2023)	50% decrease%	Discount rate reduction thanks toAI
(Variety, 2024)	6.1 billion hours (in Q4/2023)	Number of weekly viewing hours
(Netflix E., 2023)	+20% compared to 2021	The percentage of improvement in broadcast quality usingAI
(eMarketer, 2023)	58 minutes/day	Average time a user stays on the platform

Source: Prepared by the two researchers

III-3. Analytical Study of the Role of AI-Powered Digital Marketing in Enhancing Customer Experience at Amazon and Netflix

A comparative analysis of Amazon and Netflix reveals clear overlaps in the use of AI-driven digital marketing. However, the strategies and practical applications differ significantly in purpose, interaction, and outcomes.

1. Differences in the nature of the “Digital Experience” Amazon approaches the customer experience from a consumer-behavior perspective, focused on purchase decisions. AI tools aim to reduce selection time, increase purchase likelihood, and boost repeat purchase rates. In contrast, Netflix emphasizes an immersive entertainment experience. Its AI algorithms aim to increase engagement time, deepen content connection, and minimize distraction.

Implication:

AI at Amazon serves “Conversion,” while at Netflix it serves “Retention.” Each company aligns AI deployment with the priorities of its business model.

2. Personalization as a Key Shared Element Despite contextual differences, personalization remains the strongest common factor.

- Amazon uses product-level recommendation algorithms based on purchase history and behavioral patterns.
- Netflix personalizes even thumbnail images and dynamically rearranges the user interface (Netflix E., 2023).

Implication: This approach demonstrates that real-time digital interface optimization using machine learning is no longer optional; It is essential for designing an effective digital customer experience.

3. Data Volume versus Behavioral Depth

- Amazon possesses vast and diverse data covering thousands of products, hundreds of categories, and detailed purchase behaviors.
- Netflix has deep behavioral data on viewing patterns, pauses, completion rates, peak times, device types, etc.

Implication: This highlights a fundamental difference in the type of data shaping the customer experience. Amazon relies on “Data Breadth,” while Netflix relies on “Data Depth,” which influences the type of AI employed.

4. Performance Indicators and Customer Satisfaction & Loyalty High values for CSAT (88% for Amazon and 86% for Netflix) and NPS (+62 and +64, respectively) indicate that customers recognize the value of AI, even without direct awareness of its use.

Implication: The relative parity in these metrics shows that AI's impact on customer experience does not depend on the type of service (product or content) but on how AI is integrated with digital marketing.

5. Effectiveness of AI in Reducing Customer Loss

- At Netflix, improving the recommendation and personalization system reduced churn by 50% (Gomez-Uribe, 2023).

- At Amazon, while no similar rate is disclosed, the company reports a repurchase rate of 66% within six months (eMarketer, 2023).

Implication: AI is not merely a supporting tool; it is a strategic element that restructures customer loyalty and enhances Customer Lifetime Value (CLV).

6. Strengths and Weaknesses (Comparative SWOT) The strengths and weaknesses of the two companies can be summarized in the following table:

Table 6: Comparative SWOT Analysis of Amazon and Netflix

Strengths		Factors
Netflix	Amazon	
Content allocation by 80%	Accurate product recommendation system	Allocation
A unified channel, but enhanced with artificial intelligence.	Multi-channel: website, app, audio, email	Channels
Long interaction and visual and visual customization	Fast supportAlexa, Fast Charging	Interaction
Full focus on experience and content	Integration between trade andAI and voice	Innovation
Accurate and continuous behavioral data	Big data from actual purchases	Data collection
Weaknesses		Factors
Relying on a single model (subscription)	The variety of services may confuse the customer experience.	Distraction
The controversy surrounding "algorithmic surveillance"	Purchase data sensitivity	Privacy
Weakness in diversifying forms of digital support	Less flexibility in customizing the visual interface	Full customization
Limited data on the experiences of specific groups	She doesn't show much interest in measuring emotions.	Emotional measurement

Source: Prepared by the two researchers

Comparative Analytical Conclusion:

- The comparison results show that both companies have effectively integrated digital marketing with artificial intelligence to enhance the customer experience, each in its own way.
- Amazon excels in product personalization, recommendations, and optimizing purchase processes, while Netflix excels in content personalization, visual engagement, and improving the viewing experience.
- Quantitative data indicate that customer satisfaction metrics are very close, giving the comparison scientific significance.
- Amazon shows stronger control over the complete purchase journey, whereas Netflix performs better in managing and predicting viewing behavior.
- The analysis suggests that Amazon and Netflix represent complementary models for employing AI in digital marketing to enhance customer experience. However, differences in product types, usage patterns, and data quality significantly influence AI strategy design.
- Despite differences in context, the similar satisfaction and loyalty indicators indicate that the real key to improving customer experience in the digital era lies in smart integration of data analysis and real-time personalization, not just in the technology itself.

VII. Analysis and Testing of Study Hypotheses

Hypothesis 1: AI technologies positively influence the effectiveness of digital marketing in enhancing customer experience.

- Comparative analysis of Amazon and Netflix confirms this hypothesis. Both quantitative and qualitative data show that AI enhances digital marketing effectiveness through better targeting, content personalization, and interactive automation. This, in turn, positively impacts customer experience.
- At Amazon, smart recommendation algorithms generate over 35% of sales. Customer Satisfaction (CSAT) reached 88%, and Net Promoter Score (NPS) reached +62.
- At Netflix, AI-driven user interface personalization reduced churn by 50%, with NPS reaching +64.
- These results align with previous studies (Chatterjee SR, 2021; Accenture, 2020), which found that AI enables organizations to provide more precise and responsive digital experiences, improving customer relationships and loyalty. The evidence confirms a significant positive relationship between AI adoption and digital marketing effectiveness in enhancing customer experience in modern digital contexts.

Hypothesis 2: AI usage contributes to delivering personalized content and services that increase customer satisfaction and loyalty.

- Field analysis comparing Amazon and Netflix supports this hypothesis. Data show that AI plays a central role in personalizing customer experiences, significantly improving satisfaction and loyalty.
- At Amazon, the intelligent recommendation system (Amazon Personalize) guides users to products aligned with their personal interests. As a result, 35% of sales are generated through these algorithms (McKinsey & Company, 2023), and NPS rose to +62, reflecting strong customer loyalty.
- At Netflix, AI algorithms personalize content and the user interface for up to 80% of interactions. Each user sees different recommendations and images for the same content according to their preferences (Netflix E., 2023). This personalization reduced churn by 50%, with NPS at +64 and CSAT at 86%.
- These findings are consistent with Gomez-Urbe (2023), who identified AI-driven personalization as a key determinant of digital loyalty, and with Chatterjee (2021), who confirmed that AI-based digital service personalization enhances the sense of individuality and value, increasing satisfaction and fostering both behavioral and cognitive loyalty.

Conclusion: AI is not only an operational tool. It is a strategic instrument essential for enhancing satisfaction and loyalty through precise content and service personalization in digital environments.

Hypothesis 3: Amazon relies more intensively on AI to improve digital customer experience compared to Netflix.

- Comparative analysis confirms this hypothesis. Amazon uses AI across all stages of the customer journey, from precise recommendations and smart support to purchase behavior analysis and dynamic pricing. Recent reports indicate that over 75% of digital customer interactions on Amazon are powered by AI (McKinsey & Company, 2023).
- Netflix, by contrast, uses AI mainly to personalize content and enhance the viewing experience. Its AI applications are narrower in scope and less diverse in function.

- Therefore, Amazon demonstrates broader and denser AI integration in its marketing system, giving it a clear advantage over Netflix.

Hypothesis 4: The AI tools and applications used by Amazon and Netflix differ in their objectives and marketing functions.

- The study confirms this hypothesis. Data show that Amazon employs AI for operational marketing goals such as improving recommendations, supporting purchase decisions, automating customer service, and smart pricing.

- Netflix focuses mainly on content personalization, enhancing the viewing experience, and retaining subscribers.

- This difference reflects a fundamental variation in marketing functions and final objectives, confirming a qualitative distinction in AI use between the two companies.

Main Hypothesis Validation: Using AI in digital marketing effectively improves customer experience, with variations in the extent of its use between Amazon and Netflix.

- The study confirms this hypothesis. AI is central to enhancing digital customer experience through content personalization, improved recommendations, faster interactions, and service automation. This has raised satisfaction and loyalty indicators for users of both companies.

- The comparison shows differences in the intensity and scope of AI deployment. Amazon applies AI more comprehensively and diversely, covering all stages of marketing interaction, from search and recommendations to support and after-sales service. Netflix focuses AI use on content personalization and viewing experience.

- In conclusion, AI is a key factor in digital marketing success for improving customer experience, with notable differences in scope and function between the two platforms, depending on each company's business model and audience.

CONCLUSION

In light of the objectives of this comparative study, which aimed to analyze the role of AI-supported digital marketing in enhancing customer experience at both Amazon and Netflix, a qualitative and quantitative analysis was conducted across several dimensions: digital marketing tools, AI applications, customer satisfaction and loyalty indicators, and personalization strategies. This analysis yielded significant findings that not only clarify the fundamental differences between the two companies but also confirm the validity of the four hypotheses guiding this study.

Comparative Analytical Results

1. Artificial intelligence effectively enhances digital marketing performance and improves customer experience through personalized offers, behavioral analysis, and accurate recommendations. This impact is reflected in high customer satisfaction scores for both companies.

2. AI enabled the delivery of personalized content and services. Netflix tailored 80% of its interface based on user preferences, while Amazon applied personalization across various stages of the purchasing journey, increasing customer loyalty and trust in both platforms.

3. Amazon demonstrates broader and more intensive AI adoption compared to Netflix, using AI in marketing, support, voice services, delivery, and pricing, whereas Netflix primarily focuses on content personalization and visual engagement.

4. The AI tools and applications used by the two companies differ in marketing objectives. Amazon aims to improve purchasing decisions and increase conversions, while Netflix emphasizes enhancing viewing experience and reducing subscriber churn.

5. Hypothesis one was confirmed, showing a positive effect of AI technologies on digital marketing effectiveness and customer experience, based on performance indicators and interaction analysis.

6. Hypothesis two was confirmed, demonstrating that content and service personalization via AI significantly increases customer satisfaction and loyalty.

7. Hypothesis three was confirmed, indicating that Amazon employs AI more intensively and across a broader range of functions compared to Netflix.

8. Hypothesis four was confirmed, showing a clear difference in the objectives and functions of AI applications between the two companies, with each business model serving a distinct marketing focus.

The primary hypothesis was also confirmed: employing AI technologies in digital marketing effectively enhances customer experience. The study revealed differences in the extent of AI use between Amazon and Netflix. Results showed that AI enabled both companies to personalize content and deliver more responsive services, resulting in high customer satisfaction (CSAT), loyalty (NPS), and engagement speed. Moreover, Amazon's AI deployment is more integrated and widespread than Netflix's, reflecting differences in usage models and marketing functions.

Recommendations

Based on the findings of the comparative study between Amazon and Netflix, the following academic and professional recommendations are proposed for digital marketing practices and customer experience enhancement using AI:

1. Strengthen the integration of AI into digital marketing strategy by investing in predictive data analytics tools and personalization algorithms to dynamically and continuously improve customer experience.

2. Expand AI applications across all stages of the digital customer journey (before, during, and after interaction), following Amazon's model, to enhance targeting efficiency and marketing precision.

3. Utilize quantitative indicators to measure digital customer experience, such as NPS, CSAT, and CES, linking results directly to AI system performance for ongoing evaluation and improvement.

4. Encourage digital organizations to adopt multidimensional personalization approaches that extend beyond products or content to interface design, timing, language, and communication channels, as exemplified by Netflix.

5. Consider the specificity of the business model when designing AI solutions, as priorities differ between commercial entities (conversion and purchase) and service or entertainment providers (retention and engagement).

6. Invest in technical infrastructure and skilled human resources in data science and machine learning to ensure optimal use of AI, enhancing customer experience value and achieving sustainable competitive technologies.

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