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THE IMPACT OF CHATBOTS ON CUSTOMER RELATIONSHIP MANAGEMENT EFFECTIVENESS

SUKHOVIRSKYI Oleh
Candidate of Pedagogical Sciences, Associate Professor,
Assistant Professor of the Department of Management, Economics, Statistics, and Digital Technologies,
Leonid Yuzkov Khmelnytskyi University of Management and Law
ORCID ID: https://orcid.org/0000-0002-7982-3231

Abstract. *This article explores the use of chatbots in enhancing customer interaction management. It examines the evolution of chatbots, their advantages and limitations, as well as their integration with CRM systems. Different types of chatbots and their impact on service quality are analyzed. Additionally, key performance indicators are proposed to assess the influence of chatbots on customer relationship management.*

Keywords: *management, information and communication technologies, chatbots, customer relations, AI, CRM.*

This article explores the use of chatbots for effective customer interaction management, emphasizing their growing significance in modern business operations. Current trends in chatbot development are analyzed in detail, along with their advantages and limitations. Additionally, key performance indicators are proposed to assess their impact on customer relationship management (CRM) and overall business efficiency.

The evolution of chatbots is examined, tracing their development from simple rule-based programs designed to handle predefined queries to sophisticated AI-driven systems that can maintain conversational context and deliver highly personalized services. Particular attention is given to the importance of integrating chatbots with CRM systems to centralize customer data, enhance the tracking of interactions, and streamline business processes. By leveraging artificial intelligence, chatbots can improve customer engagement, optimize service workflows, and contribute to more data-driven decision-making.

A comparative analysis of rule-based and AI-powered chatbots highlights their respective strengths and weaknesses. Rule-based chatbots, while effective for handling structured interactions, are limited in their ability to process complex customer inquiries. In contrast, AI-powered chatbots, equipped with machine learning and natural language processing (NLP) capabilities, offer greater flexibility, adaptability, and efficiency. The selection of a chatbot type depends on a company's specific needs, the complexity of the tasks it aims to address, and the desired level of automation.

Furthermore, this article explores the wide-ranging benefits of chatbot implementation in CRM, emphasizing their potential to transform customer service operations. Key advantages include 24/7 availability, cost-effectiveness, improved service quality, enhanced lead generation, task automation, and more efficient data collection and analysis. Additionally, chatbots enable businesses to deliver personalized interactions, thereby fostering stronger customer relationships and increasing customer satisfaction. Their

integration with CRM systems ensures that businesses can provide seamless communication, faster response times, and more consistent service experiences.

At the same time, several challenges and limitations associated with chatbot deployment are identified. These include technical difficulties in integrating chatbots with existing IT infrastructure, the challenge of improving contextual understanding in conversations, and the need to balance investment costs with long-term operational efficiency. Ethical concerns such as data privacy, security risks, and compliance with regulatory requirements are also highlighted as critical considerations. Furthermore, maintaining a high standard of user interaction remains a challenge, as ineffective chatbot design may lead to customer frustration and reduced trust in automated services. Addressing these issues requires continuous improvements in chatbot algorithms, regular system updates, and the adoption of advanced AI techniques to enhance chatbot functionality.

To evaluate the effectiveness of chatbots in CRM, several key performance indicators (KPIs) are proposed. These include user satisfaction scores, return on investment (ROI), conversion rates, response times, issue resolution rates, and the volume of customer data collected. By monitoring these indicators, businesses can measure chatbot efficiency, identify potential areas for improvement, and refine chatbot-driven customer engagement strategies to maximize operational benefits.

In conclusion, chatbots are presented as a highly promising tool for enhancing customer interaction management, significantly contributing to increased operational efficiency, higher sales, and improved customer loyalty and satisfaction. As chatbot technology continues to evolve, its impact on CRM is expected to expand, offering businesses more advanced capabilities for delivering personalized, data-driven customer interactions. The proposed key performance indicators facilitate continuous performance assessment and help organizations identify opportunities for further development and optimization in chatbot-assisted customer service.

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