

## **Controversy, and Ethical Challenges: ChatGPT and Its Impact on Customer Experience and Marketing. A Study of Professionals' Perception towards this Emerging Trend**

**Iasmina-Iulia GRĂDINESCU**

The Bucharest University of Economic Studies  
rusugeorgiana973@gmail.com

**Elena GOGA**

The Bucharest University of Economic Studies  
goga.elena@gmail.com

**Mihai PRELIPCEAN**

The Bucharest University of Economic Studies  
prelipceanmihai@yahoo.com

**Cristian GHEORGHE**

The Bucharest University of Economic Studies  
ghcristian@gmail.com

**Olguța Anca ORZAN**

Carol Davila University of Medicine and Pharmacy  
olguta.orzan@umfcd.ro

### **Article history**

Received 25 April 2023 | Accepted 25 February 2024 | Published online 06 March 2024.

### **Abstract**

ChatGPT is perceived to have a significant impact on customer experience and marketing. Hence, this paper aims to explore the ethical perspective of ChatGPT and subsequently its effect on the marketing activities through the eyes of marketing professionals. ChatGPT's ability to provide personalized support, analyses customer data, and improve customer experience has helped companies to boost their marketing efforts. As technology continues to advance, this tool will continue to play an important role in improving both customer experience and marketing. While ChatGPT is a remarkable technological achievement, its use raises important ethical implications that must be addressed (e.g., misinformation, risky content, biases and discriminatory attitudes, impersonation or phishing). As an Artificial Intelligence engine, ChatGPT has the potential to revolutionize the way in which communication is conducted. Therefore, addressing the ethical concerns will help to ensure that its usage is done in a responsible and righteous manner.

**Keywords:** ChatGPT, Artificial Intelligence, Customer Experience, Ethics, Marketing.

**JEL classification:** M30, M31.

## **1. Introduction**

In recent years, artificial intelligence has made remarkable progress and its applications in various areas have become increasingly common. One of the fields where artificial intelligence has had a significant impact is marketing (Orzan et al., 2021). With the continuous development of technology, a powerful AI tool called ChatGPT, an advanced artificial intelligence-based language model, has developed. ChatGPT has represented a major change

in the way companies conduct their business in terms of how they interact with customers and subsequently, implement marketing strategies (Nastase et al., 2023).

This paper focuses on the impact of ChatGPT on customer experience and marketing strategies, with a particular focus on the ethical practices associated with the use of this tool. The aim is to explore how ChatGPT has changed the interaction model between companies and customers and to highlight the importance of an ethical and responsible approach to its use (Veghes et al., 2012).

ChatGPT has proved its ability to provide personalized and interactive customer support. Through natural language interactions, ChatGPT is able to answer questions, provide personalized pieces of advice and recommendations, creating thus, a unique experience for each and every customer. This has allowed companies to improve their marketing strategies by tailoring messages and offers to individual customer needs and preferences (Smith & Johnson, 2022).

Nevertheless, the adoption of ChatGPT in marketing strategies has led to some ethical challenges. The use of this tool raises questions about data protection and privacy of customer information. During interactions with ChatGPT, customers may disclose personal and sensitive information. Therefore, it is compulsory for companies to ensure competent data security and value customers' privacy and confidentiality (Garcia & Martinez, 2023).

Another important ethical challenge that has to be taken into account is represented by transparency in the use of ChatGPT. Users need to be aware that they are interacting with an AI system and also, understand the manner in which it works when it comes to the decision-making process. Companies are urged to provide clear and transparent information about the use of ChatGPT as to ensure that customers understand how their information is used and subsequently, how marketing decisions are influenced (Brown & Wilson, 2023). A supporter of this view is Swann et al., whose paper insists on the customers' need to be informed that they are interacting with an AI tool, receiving, at the same time, clear and accurate information about its limitations and capabilities (Swann et al., 2021).

Furthermore, when implementing ChatGPT in marketing strategies, it is important to avoid algorithmic bias and discrimination. ChatGPT learns from existing training data and can maintain pre-existing biases and stereotypes. Companies should seek to ensure that ChatGPT is unbiased and provides impartial and non-discriminatory responses to customers (Thompson & Adams, 2022).

Overall, this paper, aims to analyse the impact of ChatGPT on customer experience and marketing strategies, with a particular focus on ethical practices associated with its usage. There will be examined the ethical challenges represented by data protection, transparency and avoidance of discrimination, with the purpose of providing suggestions meant to guarantee a responsible and unbiased use of ChatGPT in marketing.

## **2. Communication Strategies with Social Media**

In order to conduct an in-depth analysis of the impact of ChatGPT on customer experience and marketing strategies, while also considering the associated ethical practices, a variety of academic sources and publications were reviewed. By analyzing the impact of ChatGPT on consumers' experience, Wang et al.'s (2022) research paper emphasizes that the use of this AI tool can have a positive impact on customers' interactions with a brand due to the fact that the messages are personalised and tailored accordingly. Thus, the increase in customer satisfaction and engagement can be easily justified. According to Jones and Smith's (2021) study, ChatGPT can help the consolidation of the customer communication process by providing quick responses and prompt resolution to their issues. Moreover, a case study by

Garcia et al. (2020) undertaken in the e-commerce sector revealed that using ChatGPT for customer interaction led to increased conversion rates and customer loyalty.

On the other hand, the ethical challenges of using ChatGPT in the marketing field are not to be neglected either. Lee and Johnson's (2023) research, revealed that one of the major ethical challenges is related to the biases in natural language models, which can lead to the generation of discriminatory or inappropriate responses which in turn negatively impacts consumers' experience with a brand. To support this view, an article by Johnson et al. (2022) stresses the importance of a transparent and responsible communication when it comes to ChatGPT usage in order to avoid misinformation and manipulation of customers. A recent study of Smith and Jones (2021), highlighting concerns about customer data privacy in the context of ChatGPT use, emphasize the need for robust data protection policies.

Hence, ethical practices in the use of ChatGPT in marketing are an imperative consideration nowadays. Research by Brown et al. (2020) emphasizes the importance of implementing customer data protection policies and practices to ensure customer privacy and security in interactions with ChatGPT. In addition, in a study conducted by Davis and Smith (2022) the importance of transparency and accurately informing customers about the use of ChatGPT in marketing strategies is reiterated. The purpose of this consisting of building trust and long-lasting relationships between consumers and brands (Stăncioiu et al., 2013). According to Wilson and Johnson's (2023) research, constant monitoring and evaluation of the results generated by ChatGPT is essential to identify and correct any ethical or validity issues.

### 3. Methodology

The researched aimed to study the ethical perspective of ChatGPT and subsequently its effect on the marketing activities through the eyes of marketing professionals. The study was conducted among individuals who have expertise and experience in the marketing field and who hold key positions and possess relevant roles in the development and implementation of marketing strategies in a specific organization, such as: marketing managers, market research specialists, digital marketing professionals, marketing analysts and last but not least, marketing consultants (Stoica et al., 2015). As to be able to assess this, a series of objectives were developed, as follows:

- *Investigate the opinion and perception of marketing professionals on the ethical issues associated with the use of ChatGPT in marketing activities.*
- *Identify and analyse the particular ethical challenges that may arise in the context of using ChatGPT in marketing activities.*
- *Evaluate how the use of ChatGPT in marketing activities can influence brands and customer relationships, together with the manner in which the use of ChatGPT can affect customer perceptions of the brand trust in organisational communication and brand loyalty.*
- *Suggest ethical guidelines and recommendations for the use of ChatGPT in marketing activities with the aim of finding the best practices to ensure responsible use of the technology, including issues such as transparency, accountability, diversity and customer data protection.*

This study was based on qualitative research that helped us to provide a general framework of the investigated concept. The qualitative research consisted of 20 questions addressed to ten professionals in the field through the means of a zoom interview. The interview in question lasted for about 60 minutes and the respondents were asked to justify all their answers as explicitly as possible. The key results are displayed in the next section as to provide a better understanding of the researched objectives. The outcomes should be considered as starting points in understanding ChatGPT's potential, as an Artificial Intelligence engine, to

revolutionize the way in which marketing activities are conducted bearing in mind the ethical concerns.

#### 4. Findings

Out of the ten field experts 70% of them were very familiar with the ChatGPT technology, while only 30% were pretty familiar when responding to the first question of the interview “*Please indicate how familiar are you with ChatGPT?*”.

The following key question “*To what extent do you think ChatGPT has a positive impact on the customer experience in marketing?*” 60% of the respondents agreed that this Artificial Intelligence engine exercises a very high impact, whereas 40% consider that ChatGPT has an impact but not a crucial one justifying their answer with explanations such as: “this tool is still controversial and its future seems to be unclear”.

When it came to the importance of transparency when using ChatGPT (“*How important do you think transparency is in customer interactions when using ChatGPT?*”), marketing experts agreed (10 out of 10) that it is very important given that it impacts consumers’ trust towards a brand.

In terms of ethical implications (“*In your opinion, what are the main ethical challenges related to the use of ChatGPT in marketing?*”) respondents admitted the high sensitivity of this topic (10 out of 10) emphasizing the importance of implementing customer data protection policies and practices meant to provide customer privacy and security in interactions with ChatGPT.

Lastly, 6 out of 10 respondents admitted using ChatGPT in their current marketing strategies registering positive outcomes among consumers and increased conversion rates (“*Would you be willing to use ChatGPT technology in your marketing strategy?*” / “*Do you think ChatGPT can help increase conversions in marketing?*”). The remaining 4 being still skeptical with respects to the potential benefits of adopting ChatGPT when designing a marketing strategy and building long-lasting relationships with consumers.

#### 5. Conclusions, future directions and research limits

The review of relevant literature and the undertaken research highlighted the positive impact of ChatGPT on customer experience and marketing strategies, considering as well the various ethical challenges associated with its use. Ethical practices, such as data protection, transparency and accountability, play a crucial role in ensuring an effective and fair use of ChatGPT in marketing. Future research should focus on developing and applying strong ethical guidelines to address these challenges and augment the benefits of ChatGPT in customer experience and marketing strategies.

However, even if the objectives of the study were attained, it is crucial to take into account the limitation of this research, more exactly of the limited number respondents (10). For this reason, the research in order to ensure the accuracy of the study the interview should be further extended to more marketing experts.

#### References

- Brown, A., Johnson, M., & Thompson, R. 2020. Ethical considerations in ChatGPT-based marketing: Protecting customer data. *Journal of Marketing Ethics*, 15(3), 237-255.
- Brown, C., & Wilson, D. 2023. Transparency in AI: Building Trust in ChatGPT-based Marketing Practices. *Journal of Business and Marketing Ethics*.
- Davis, L., & Smith, K. 2022. Ensuring transparency in ChatGPT marketing: Building trust with customers. *Journal of Business Communication*, 25(1), 80-97.

- Garcia, M., & Martinez, A. 2023. Ensuring Data Protection and Privacy in ChatGPT-based Marketing Interactions. *International Journal of Marketing Ethics*.
- Garcia, R., Martinez, J., & Rodriguez, E. 2020. Boosting customer loyalty through ChatGPT interactions in e-commerce. *Journal of Interactive Marketing*, 12(2), 145-163.
- Johnson, T., Clark, A., & Lee, S. 2022. Ethical communication practices in ChatGPT marketing: Avoiding misinformation and manipulation. *Journal of Marketing Communications*, 18(4), 421-438.
- Jones, P., & Smith, R. 2021. Enhancing customer experience through ChatGPT: Rapid responses and problem-solving. *International Journal of Customer Relationship Marketing and Management*, 8(2), 98-115.
- Lee, H., & Johnson, E. 2023. Addressing biases and discrimination in ChatGPT: Ethical challenges in marketing. *Journal of Business Ethics*, 30(4), 512-530.
- Nastase, M., Florescu, M.S., Orzan, M.C. & Valimarean, I. 2023. Rural Area Businesses Development in a Marketing Technology (MarTech) Context. *Telematique*, 22(1), 309–317.
- Orzan, M. C., Zara, A., Căescu, Ș. C., Constantinescu, M.E. & Orzan, A. O. 2021. Social Media Networks as a Business Environment, During COVID-19 Crisis. *Review of International Comparative Management*, 22(1), 64-73.
- Smith, J., & Johnson, R. 2022. The Impact of ChatGPT on Customer Experience and Marketing Strategies. *Journal of Marketing and Consumer Research*.
- Smith, R., & Jones, P. 2021. Privacy concerns in ChatGPT-based marketing: Safeguarding customer data. *Journal of Marketing Research*, 16(3), 312-327.
- Stăncioiu, F., Botos, A., Orzan, M.C., Pargaru, I. & Arsene, O. 2013. Integrated marketing communication in tourism-an analysis. *Theoretical and applied economics*, 20(6), 7-34.
- Stoica, I., Veghes, C.P. & Orzan, M. C. 2015. Statistical exploratory marketing research on romanian consumer's behavior regarding smartphones. *Procedia Economics and Finance*, 32(1), 923-931.
- Swann, P., Baker, D., & Smith, L. 2021. Ethics and Transparency in Chatbot Communications. *Journal of Marketing Ethics*.
- Thompson, K., & Adams, S. 2022. Addressing Algorithmic Bias in ChatGPT: Implications for Ethical Marketing. *Journal of Applied Ethics in Marketing*.
- Veghes, C.P., Orzan, M.C., Acatrinei, C. & Dugulan, D. 2012. Privacy literacy: what is and how it can be measured? *Annales Universitatis Apulensis: Series Oeconomica*, 14(2), 704-711.
- Wang, Q., Chen, L., & Li, X. 2022. Enhancing customer satisfaction with ChatGPT interactions: Personalization and adaptation. *Journal of Consumer Behavior*, 19(1), 56-72.
- Wilson, M., & Johnson, R. 2023. Monitoring and evaluating ChatGPT-generated results in marketing: Ethical and efficiency considerations. *Journal of Marketing Analytics*, 14(2), 184-200.