AI-Powered Personalization in Mobile Commerce Applications

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DOI: https://doi.org/10.51584/IJRIAS.2025.10120066

Received: 25 December 2025; Accepted: 30 December 2025; Published: 16 January 2026

ABSTRACT

Mobile commerce (m-commerce) has significantly transformed consumer purchasing behavior by offering convenient and seamless shopping experiences through smartphones and tablets. As e-commerce platforms continue to expand rapidly, personalization has emerged as a critical factor for businesses aiming to boost user engagement, satisfaction, and customer loyalty. Artificial Intelligence (AI) serves as a driving force behind this personalization, utilizing machine learning algorithms, natural language processing, and predictive analytics to tailor shopping experiences to individual preferences. This paper examines the role of AI-powered personalization in mobile commerce applications, highlighting its advantages, challenges, and future opportunities.

INTRODUCTION

Mobile commerce has become a vital component of the digital economy, driven by the rapid proliferation of smart phones and the availability of high-speed internet connectivity. In this competitive landscape, m-commerce platforms must go beyond generic offerings and deliver personalized experiences that resonate with individual user preferences. Artificial Intelligence (AI) facilitates this personalization by analyzing consumer data, predicting purchasing behavior, and generating contextually relevant recommendations. This paper explores the impact of AI-driven personalization on mobile shopping applications, emphasizing its significance for both consumers and businesses.

LITERATURE REVIEW

Existing research underscores personalization as a critical driver of customer satisfaction and retention in e-commerce (see, e.g., Ali & Zeebaree, 2025) **Asian Journal of Computer Science**. Traditional rule-based recommendation systems have evolved into more advanced AI-driven models, including collaborative filtering, deep learning, and reinforcement learning (e.g., Reddy et al., 2020; Artif. Intell. in Rec. Systems, 2021) **Journal of AI ML ResearchSpringerLinkarXiv**. AI research demonstrates that personalization extends beyond product suggestions to include effects on search results, intelligent chatbots, and dynamic pricing mechanisms (Ali & Zeebaree, 2025; Lee, 2022) **Asian Journal of Computer ScienceJMLAI**.

However, significant challenges persist—particularly involving data privacy, algorithmic bias, and scalability. Ethical considerations around consumer privacy and fairness have been raised (Adanyin, 2024; Ethical AI in E-Commerce, 2025) **arXivResearchGate+1**. Regulatory frameworks such as the GDPR also impose constraints on automated personalization, mandating transparency, accountability, and human oversight to mitigate bias **Wikipedia+1**. Scalability issues remain particularly salient in reinforcement learning applications, although deep reinforcement learning shows promise—for instance, Reddy et al. (2020) introduce a hybrid framework combining DRL with collaborative filtering to address scalability and real-time adaptability **Journal of AI ML Research**. Afsar et al. (2021) survey DRL-based recommender systems, discussing frameworks and future directions while noting scalability challenges **arXiv.**

AI Techniques for Personalization in M-Commerce

1. **Recommendation Systems:**

ISSN No. 2454-6194 | DOI: 10.51584/IJRIAS |Volume X Issue XII December 2025

AI-powered recommendation systems utilize purchase history, browsing behavior, and contextual data to deliver tailored product suggestions. These systems play a crucial role in improving user engagement, enhancing customer satisfaction, and fostering long-term loyalty.

2. **Natural Language Processing (NLP):**

NLP enables chatbots and virtual assistants to deliver context-aware, human-like interactions, offering personalized support and seamless query resolution in shopping environments.

3. **Computer Vision:**

AI-driven visual recognition enables customers to upload images and instantly find similar products, enhancing product discovery and creating a more intuitive shopping experience through visual search.

4. **Predictive Analytics:**

By analyzing historical trends, user behavior, and seasonal patterns, predictive models forecast consumer preferences, enabling proactive product recommendations and highly targeted promotional offers.

5. **Dynamic Pricing:**

AI-driven algorithms adjust prices in real time by analyzing demand variations, customer behavior, and competitive market trends, ensuring optimized pricing strategies for both profitability and customer satisfaction.

Applications in Mobile Shopping

1. **Personalized Recommendations:**

AI systems evaluate user behavior and preferences to deliver tailored product suggestions, enhancing customer engagement while driving cross-selling and up selling opportunities.

2. **Voice and Chat Assistants:**

AI-powered voice and chat assistants employ natural language processing to offer real-time, conversational guidance, helping users navigate the shopping experience with personalized and context-aware support.

3. **Targeted Marketing:**

AI-driven personalized push notifications, in-app offers, and tailored promotions boost user engagement and increase conversion rates.

4. **Fraud Detection:**

AI models continuously analyze transaction patterns to identify suspicious activity, safeguarding mobile payments and protecting user data.

5. **Customer Journey Optimization:**

AI analyzes user interactions and navigation patterns to minimize cart abandonment, streamline the checkout process, and enhance overall shopping efficiency and user experience.

Challenges in AI-Powered Personalization

- **Data Privacy and Security:**

ISSN No. 2454-6194 | DOI: 10.51584/IJRIAS |Volume X Issue XII December 2025

Safeguarding sensitive user information while complying with regulations such as GDPR and CCPA remains a key challenge for AI-driven personalization systems.

- **Algorithmic Bias:**

Personalization models trained on biased datasets may generate unfair or discriminatory recommendations, impacting user satisfaction and platform credibility.

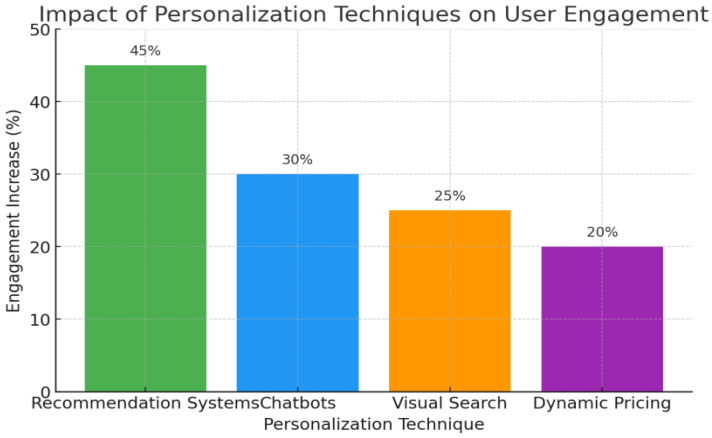
- **Scalability:**

Providing real-time, personalized experiences to large user bases demands robust computational resources and optimized AI architectures.

- **User Trust:**

Maintaining transparency and explainability in AI-driven recommendations is critical to building user confidence and ensuring acceptance of personalized services.

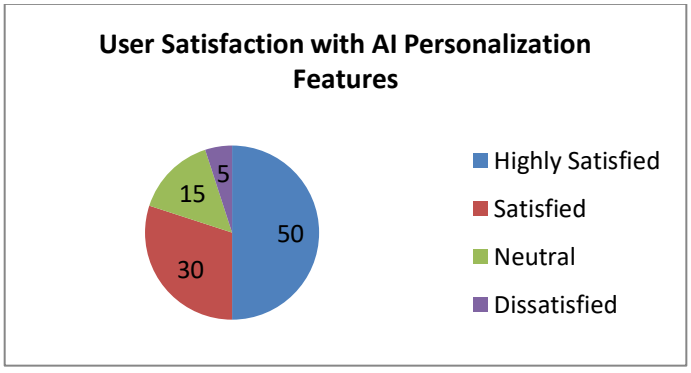
Impact of AI Personalization on User Engagement



Here's the bar chart showing the **impact of personalization techniques on user engagement**.

- **Recommendation Systems**: 45% increase
- **Chatbots**: 30% increase
- **Visual Search**: 25% increase
- **Dynamic Pricing**: 20% increase

7. User Satisfaction with AI Personalization Features



ISSN No. 2454-6194 | DOI: 10.51584/IJRIAS |Volume X Issue XII December 2025

Represents user satisfaction based on surveys or app analytics after deploying AI personalization features.

Metrics for Evaluating AI Personalization in Mobile Apps

Metric	Description	Example value
Click-Through Rate (CTR)	% of users clicking recommended items	**35%**
Conversion Rate (CR)	% of user completing purchase after engagement	**22%**
Average Session Duration	Time spent by users per app session	**7 Min**
Customer Retention Rate	% of returning users	**65%**
User Satisfaction Score	Survey-based rating (1-5)	**4.3**

Future Directions

The evolution of AI-driven personalization in mobile commerce is poised to be influenced by emerging technologies and methodologies. Advancements in edge computing and 5G networks will facilitate faster, low-latency personalized services. Explainable AI (XAI) will enhance transparency, allowing users to understand and trust recommendation systems. Privacy-preserving approaches, including federated learning, will enable personalization without compromising sensitive user data. Furthermore, the integration of Augmented Reality (AR) and Virtual Reality (VR) with AI is expected to deliver immersive and interactive shopping experiences. Finally, the adoption of ethical frameworks and strict regulatory compliance will be essential in ensuring responsible and trustworthy deployment of AI in mobile commerce.

CONCLUSION

AI-driven personalization is transforming the mobile commerce ecosystem by enabling highly tailored shopping experiences that align with individual consumer preferences. Despite ongoing challenges related to data privacy, algorithmic bias, and scalability, advancements in emerging technologies and the adoption of ethical frameworks offer viable solutions. Strategically implementing AI personalization techniques allows mobile commerce platforms to enhance user engagement, foster brand loyalty, and support sustainable growth in the increasingly competitive digital marketplace.

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