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## Impact of Artificial Intelligence (AI) on Consumer Buying Behavior

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### **ABSTRACT:**

In the incoming era Artificial Intelligence (AI) has been a game-changer over different businesses and consumer buying behaviour. AI is more than just a smart term and helps fundamentally transforming how businesses grasp and interact with their customer base and changing consumer buying behaviour. This research paper study the impact of artificial intelligence on consumer behaviour and to focus on changes in consumer buying behaviour, where AI will use different criterion to learn more about consumers and their need & identify future products and services in store.

The purpose of this paper is to study consumer engagement, purchasing decision, development, transforming and interaction with AI technology to understand a competitive advantage, business need to pull cutting-edge AI capabilities that can illuminate every stage of the customer journey and help people to better understand the trends.

**Keywords:** *Artificial Intelligence, Consumer, Buying Behavior.*

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### **INTRODUCTION:**

In a day where data is gold, AI acts as a master researcher who filters through mountains of data to uncover gems that offer valuable insights. One of the most significant benefits of AI in analyzing consumer behavior is its ability to uncover patterns and trends that human analysts fail to detect. With the help of advanced algorithms and machine learning technique AI can process large amounts of data from various sources, such as social media, purchase history, and website interactions. This allows businesses to gain a better understanding of customer behaviour, preferences, and needs.

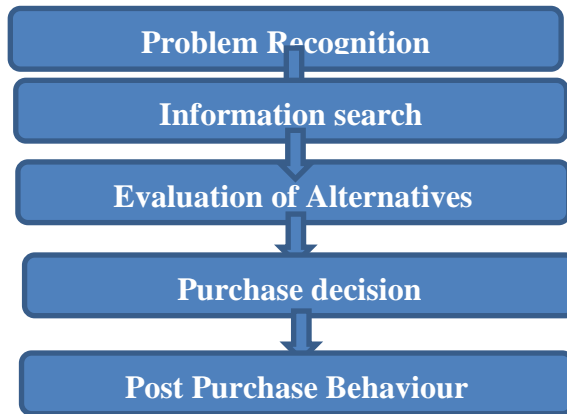
#### **Artificial Intelligence:**

Artificial intelligence is the creation of intelligent machines that can think, sense and act like humans. It can work better and efficiently. Artificial Intelligence is seen as the industrial revolution of the future and is thought to solve many of the problems and issues that exist in the world today and Artificial Intelligence can solve the problems that will arise in the future. Artificial Intelligence has the potential to create new industries, technologies and environments.

#### **Consumer Buying Behaviour:**

Consumer behavior is the study of how consumers, groups, or organizations select, purchase, use, and process ideas, products and services to meet their needs and wants. It is becoming increasingly important for marketers to study consumer behaviour because it can help them understand consumer's expectation.

**Consumer Buying Decision Process:**



**AI in Consumer Buying Behaviour:**

AI is analysing consumer buying behaviour by processing data from numerous sources, including social media, purchase history, and browsing patterns. AI will not only affect the company but also consumer behavior and attitudes due to the large scale interaction between consumers and brands during the purchasing process.

AI enables decisionmakers to quickly understand current and future consumer needs and target through marketing campaigns to those needs also AI helps to change the way consumers behave. One relevant example of the impact of generative AI on purchase behaviour is the ability to provide real-time product recommendations with contextual information such as browsing history, previous purchases, and demographic information.



Source:<https://www.sprintzeal.com/blog/how-ai-has-impacted-consumer-buying-behavior>

**Example:**

Companies like Netflix and Amazon are pioneers in using AI to predict what consumers want before they even know it themselves. Netflix recommends shows and movies based on viewing habits, while Amazon recommends products based on past purchases and search history. These personal experiences lead to collaboration and fairness.



**REVIEW OF LITERATURE:**

1. **MeenakshiNadimpalli(2017)**Discussion on "AI - Consumer and Industry Impact." Authors discuss consumer perceptions of AI and its impact on retail, healthcare, crime detection, and operations.
2. **Balasubramaniam(2018)** at studied “Artificial Intelligence”. Author study the various features of what is AI, and how if all will it sway innovation, employments, economy and fate of humanity as we get progressively associated and advanced in different backgrounds.
3. **SavicaDimitrieska, Efremova(2018) Stankovska** and examine“Artificial intelligence more you consider your buyers and how they continue, the more you can alter your business and promotion systems with the goal that you give them a large amount of what they need.
4. **Rohden and Zeferino (2023)** focus on AI-driven suggestion agents and their impact on consumer perceptions of data privacy risk, emphasizing the role of consumer loyalty. Kumar et al. (2019) explore personalized involvement marketing,highlighting AI's role in reshaping consumer engagement and predicting its impact on branding.
5. **Olan et al.2021** explore the impact of AI on marketing and consumer behaviour, revealing a positive influence on consumer attitude. the study incorporate the developing a meta framework predicting behaviour based on AI, attitudes and knowledge sharing.

**OBJECTIVES:**

1. To study the concept of AI and Consumer Behaviour.
2. To Study the impact of AI on consumer buying behaviour.
3. To find the relationship between AI and consumer behaviour.

**RESEARCH METHODOLOGY:**

The Present study is descriptive in nature. Primary data as well as secondary data used for research. The primary data collected through questionnaire was prepared using ‘Google form’ for analysing impact of AI on Consumer Buying Behaviour and secondary data was collected through the website, books and articles etc. The questionnaire were send to 96 respondent.

**DATA ANALYSIS:**

**Table No.1**

S. No	Variable	Group	Number	Percentage
1.	Gender	Male	55	57.29%
		Female	41	42.70%
2.	Age(Year)	18-24	49	51.04%
		25-34	25	26.04%
		35-44	18	18.75%
		>45	4	4.16%

**Table No.2**

Question	Option →	Yes	No	Always	Never	Sometime
3. Have you ever used AI-powered chatbots or virtual assistants for shopping?		70(72.91%)	26(27.83%)	—	—	—
4. Do you believe AI can understand your preference better than human sales representative		72(75%)	24(25%)	—	—	—
5. Have you ever purchased a product suggested by an AI-powered recommendation engine?		67(69.79%)	29(30.20%)	—	—	—
6. Have you ever changed your purchasing decision based on an AI-powered recommendation?		41(42.70%)	55(52.29%)	—	—	—
7. Have you ever read the terms and conditions of an AI-powered shopping experience?		22(22.91%)	74(77.83%)	—	—	—
8. Do you think AI-powered shopping experiences are more convenient than traditional shopping methods?		69(71.87%)	27(28.12%)	—	—	—
9. Do you consider information provided by AI when purchasing Expensive Product		40(41.66%)	56(58.33%)	—	—	—
10. How often do you use AI-powered product recommendations?		—	—	53 (55.20%)	24 (25%)	19 (19.79)

**Table No. 3**

Question ↓	Option →	Personalized recommendations	Save Time	Helps in decision Making	Provide beneficial information
11. What is the purpose of using AI in shopping		35(36.45%)	40 (41.66%)	6 (6.25%)	15 (15.62%)

**Table No. 4**

Question ↓	Option →	Personalized recommendations	Increased convenience	Improved product discovery	Enhanced customer service
12. What benefits do you think AI-powered shopping experiences offer?		67 (69.79%)	4 (4.16%)	5 (5.20%)	20 (20.83%)



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### **FINDING:**

Findings Are:

1. There are 57.29% (55) respondent belong from male category.
2. 51.04 % (49) respondent between the ages of 18-24.
3. 72.91% (70) respondent said that they used AI-powered chatbots or virtual assistants for shopping.
4. 75% (72) respondent believe on AI can understand preference better than human sales
1. Representative.
5. 69.79% (67) respondent said that they purchased a product suggested by an AI technology.
7. 52.29% (55) respondent said they can't change buying decision based on an AI-powered
2. Recommendation.
8. 77.83% (74) respondent said they are not read the terms and conditions sent by AI while making purchases
9. 71.87% (69) respondent said AI-powered shopping experiences are more convenient than traditional shopping methods
10. 58.33 % ( 56) respondent said there is no consider information provided by AI when Purchasing Expensive Product.
11. 55.20% (53) respondent said they always use AI-powered product recommendations.
12. 41.66% (40) most of respondent said that they using AI behind the purpose of save time.
13. 69.79% (67) most of respondent think that AI powered provide Personalized recommendations which is beneficial while doing shopping.

### **SUGGESTION:**

1. Most of the respondent belong to age group of 18-24 using AI Technology. now it is mandatory to remaining age group respondent can be concentrated and the create awareness of using of AI technology will be easy for other age category.
2. Many customers do not read the terms and conditions sent by AI while making purchases, but it is essential to read them as they can create problems later. At that time, the customer cannot raise any objections. Therefore, awareness should be created among customers to read the terms and conditions provided by AI.
3. AI focus on improve the alternatives and comparative information in luxuries goods.

### **CONCLUSION:**

AI is the way forward for both businesses and consumers. The market is doing something new, buyers are responding, and then the market is responding to the buyers' response. Here, we learn about the impact of AI on consumer behavior and how it will shape the way Consumers buy products and services from the marketplace in the future. AI-powered applications helps consumers and decision-makers understand the variation of customer experience with timely and relevant recommendation and solutions. Personalized recommendations will save your customers valuable time.