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### RESEARCH ARTICLE

## ARTIFICIAL INTELLIGENCE ON CONSUMER BUYING BEHAVIOUR- A LITERATURE REVIEW

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#### Abstract

Artificial Intelligence (AI) is transforming the way individuals shop and make their purchase decisions. It helps companies to know phrases of consumer like by analyzing their online searches, previous purchases and preferences. Due to this, customers will notice tailor-made product recommendations, ads, and offers that suit their needs better. Customers can also be assisted by AI applications such as chatbots and virtual assistants that can provide quick answers to their questions and provide guidance throughout the shopping process. It facilitates the process of buying more easily, conveniently and quickly. This leads to improved customer satisfaction, and customers tend to believe and be loyal to particular brands.

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#### Introduction:-

Artificial Intelligence (AI) that will change the customer purchasing behavior by personalizing shopping, making it more efficient and data-oriented. AI analyzes customer data—such as preferences, browsing history, and past purchases—to aspect of the process being described, focusing on the customization and suggestion components needs. This enhances convenience and affects decision making, which usually results in faster decisions. Also, AI-based applications such as chatbots and virtual assistants provide immediate assistance, enhancing the customer experience. Pricing and advertising are also dynamic and influence the way and timing of consumer purchases. On the whole, AI facilitates the shopping experience and implicitly informs consumers about their preferences.

#### Evolution of Artificial Intelligence in Consumer Markets:-

The part of artificial intelligence in consumer markets has evolved significantly during the last decade. Initially, AI applications were limited to simple automation tasks such as inventory management and basic customer service systems. However, with advancements in machine learning and data processing capabilities, AI equipment are at present deeply combined into the entire consumer journey.

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Today, AI influences consumers at each step of the purchasing stages, comprising awareness, Data research, evaluation of alternatives, purchase decision, and after purchase behavior. AI-powered tools help consumers discover products more efficiently, compare options quickly, and get customized advice based on their preferences. As a result, the traditional consumer decision-making model has become more data-driven and technology-oriented.

#### **Role of Artificial intelligence in the Consumer Decision-Making Process:-**

Artificial intelligence can have a significant influence on every consumer decision making process. The conventional decision making process involves 5 stages namely need awareness, Data search, Evaluation of choice, purchase decision, and post-purchase evaluation. With the help of AI technologies, consumers are supported on all levels of this process. In the need recognition phase, AI-driven advertisements and recommendations introduce consumers to products that align with their personal interests, which can create a desire to buy the products. In the information search phase, AI-driven search engines and recommendation systems can be used to assist consumers with the expedient retrieval of information about products. Buyer has the ease of rating the various products, reviewing and accessing features to make a choice. During the assessment phase, AI systems can read the preferences of consumers and offer them ideal product selections, assisting the consumer to select the most suitable product. At the purchase phase, AI-powered platforms offer secure payment systems, custom discounts, and a hassle-free checkout experience to make the purchase process more comfortable. Lastly, during the post purchase, AI assists companies to receive customer feedback, analyze their satisfaction rates and to provide them with a personalized follow up services. Artificial intelligence has a huge impact on consumer attitudes and purchasing behavior by assisting consumers through the entire purchase process.

#### **Changing Consumer Expectations in the Digital Era:-**

The digital revolution has changed consumer expectations. Modern consumers demand convenience, speed, personalization, and seamless experiences when interacting with businesses. Artificial intelligence helps organizations meet these expectations by delivering efficient and customized services. Additionally, AI technologies enable businesses to provide personalized marketing messages and targeted promotions. Customers become more likely to respond positively to ads that align with their interests and preferences. As a result, artificial intelligence not only influences consumer purchasing patterns, but also shapes consumer expectations regarding service quality, convenience, and personalization.

#### **Importance of Artificial Intelligence in Consumer Decision-Making:-**

- **Personalized Recommendations:-**Artificial Intelligence analyzes consumers' browsing history, purchase patterns, and preferences to offer tailored product suggestions, assisting consumers locate items that most closely resemble their needs.
- **Improved Customer Experience:-**AI enhances the shopping experience through personalized services, smart search results, and interactive platforms, making the purchasing process easier and more convenient.
- **Faster Decision-Making:-**AI systems process large amounts of information quickly and present relevant product options, helping consumers make quicker and more knowledgeable purchasing decisions.
- **24/7 Customer Support:-**Chatbots and Virtual assistants driven by AI can instantly respond to consumer inquiries at any time, guiding consumers during the buying process and improving satisfaction.
- **Accurate Product Suggestions:-**Through machine learning algorithms, AI predicts consumer needs and suggests good based on previous performance and similar user preferences.
- **Reduced Information Overload:-**Online platforms offer thousands of products, which can overwhelm consumers. AI filters and organizes information so that consumers see the most relevant options.
- **Enhanced Product Search:-**AI enhances the search engines on e-commerce sites by comprehending the intent of the user and presenting even more precise product results.
- **Predictive Insights:-**AI can be used to forecast upcoming requirements, through analyzing trends and consumer behavior, and assist consumers in finding products they may be interested in, without actively seeking them.
- **Better Price Comparison:-**AI applications assist buyers in making comparisons of prices, features, and reviews on various products allowing them to select the most appropriate value.
- **Increased Consumer Confidence:-**With comprehensive product information, reviews and suggestions, AI provides customers with more confidence in their decision to buy.

- **Improved Marketing Relevance:**-AI delivers targeted advertisements and promotional offers based on consumer interests, making marketing messages more relevant.
- **Voice and Smart Assistant Shopping:**-AI-powered voice assistants streamline the shopping process by enabling customers to search for products, evaluate options and make purchases with voice commands.

#### **Objective of the Study:-**

- To study the theoretical aspects of Artificial Intelligence (AI) affects consumer buying behaviour.
- To know various views of researches in relation with Artificial Intelligence (AI) affects consumer buying behaviour.

#### **Methodology of the Study:-**

Both Primary and Secondary sources of information were used to compile this study. Primary data is collected through a questionnaire survey from consumers to understand their buying behaviour and regarding their background in Artificial intelligence (AI) tools such as recommendations and chatbots. Books, Journals, Websites and Research articles about Artificial intelligence and Consumer behavior are the sources of Secondary data.

#### **Review of Literature:-**

Bharathi & Elakkiyan (2026)<sup>1</sup> To study predictive modeling of consumer purchases intentions using AI. AI models significantly improve prediction accuracy of consumer behavior and purchasing intentions in e-commerce. AI enhances decision-making and forecasting capabilities for businesses. Dependent on high-quality datasets and technical expertise. Muhammad Usman (2025)<sup>2</sup> To examine AI-based recommendation systems and their impact on online buying behavior. AI recommendations significantly improve purchase decisions; trust and usefulness act as key mediators. AI positively influences consumer buying through personalization and trust-building. Focused only on e-commerce users in one region. Sharma et al. (2025)<sup>3</sup> To analyze AI in social commerce and its effect on buying behavior. AI improves engagement, satisfaction, and personalized marketing. AI strengthens consumer-brand relationships. Survey-based study with limited sample. Shi et al. (2025)<sup>4</sup> To examine how AI-generated content (AIGC) influences consumer purchase intentions and behavioral patterns. The study found that AI-generated content significantly enhances consumer engagement, perceived value, and purchase intention. Personalization and novelty were key drivers influencing decision-making. AI-based content is vital to the success of shaping modern consumer behavior by increasing interactivity and satisfaction. Focused mainly on creative/design products; results may not apply to all industries.

Ivanov et al. (2025)<sup>5</sup> To examine the connection between AI tools and consumer loyalty in ecommerce. AI usage increases customer satisfaction, loyalty, and repeat purchases, especially among experienced users. AI positively influences long-term consumer relationships. Regionspecific (Russia) study limits generalization. Kumar et al. (2025)<sup>6</sup> To explore how AI influences consumer choices in digital marketplaces. AI-driven recommendations and targeted advertising significantly shape consumer preferences and purchasing behavior. AI reshapes decision-making processes in digital environments. Behavior prediction remains complex due to dynamic preferences.

Zhang et al. (2025)<sup>7</sup> To examine AI companionship and consumer interaction. Consumers using AI companions show increased emotional attachment but lower well-being. AI can influence consumer decisions through emotional attachment. Long-term impact unclear. Hariharan & Adarsh Singh (2024)<sup>8</sup> To review how AI transforms consumer behavior. AI enables personalization and data-driven marketing strategies. AI enhances customer experience and influences purchase decisions. Conceptual study, lacks empirical testing.

Ghul axe (2024)<sup>9</sup> To study AI in multichannel consumer experiences. AI improves seamless shopping across platforms. AI enhances omnichannel buying behavior. Limited empirical validation. Farooq & Yen (2024)<sup>10</sup> To carry out a systematic literature review regarding AI and consumer behavior. AI affects consumer attitudes, preferences, decision-making, and marketing effectiveness through automation and personalization. AI is a transformative force in modern consumer markets. Based on secondary data; lacks primary empirical validation.

Dang (2024)<sup>11</sup> To analyze AI-driven advertising using the Theory of Planned Behavior. AI influences consumer attitudes, intentions, and behaviors through targeted ads and personalization. AI advertising plays a key role in shaping purchase intentions. Needs more empirical testing in real-world settings. Adanyin (2024)<sup>12</sup> To examine ethical implications of AI in consumer markets, focusing on privacy, fairness, and transparency. The study found that while AI improves personalization, consumers are very worried about data misuse, surveillance, and algorithmic bias. These concerns directly influence trust and purchase intention.

Ethical transparency is essential for AI adoption; without trust, AI negatively impacts buying behavior. Focuses mainly on ethical dimensions rather than full consumer decision-making. Werner et al. (2024)<sup>13</sup> To test if conversational AI can steer consumer behavior without detection. AI can significantly influence preferences subtly and unconsciously. Ethical implications for AI in marketing are critical. Experimental; real-world complexity may differ. Cheng et al. (2024)<sup>14</sup> To examine how chatbot characteristics influence consumer trust and behavior. Empathy and friendliness of chatbots significantly increase consumer trust, while task complexity reduces trust levels. AI chatbots influence buying decisions through trust-building mechanisms. Limited to chatbot-based interactions. Gu et al. (2024)<sup>15</sup> To study consumer trust in AI after service failures. Trust recovery mechanisms influence continued usage and purchase behavior. Trust is essential for AI adoption in consumer decisions. Focused on post-failure scenarios. Dai & Liu, (2024)<sup>16</sup> To examine AI applications in online retail purchase behaviour. Personalization, chatbots, predictive analytics significantly influence purchases. Ethical and transparent AI builds consumer trust and engagement. Ethical effects need deeper exploration.

Cai & Gao (2024)<sup>17</sup> To analyze how chatbot service failure communication affects trust and engagement. Communication style (empathy, clarity) significantly predicts satisfaction and future intention. Chatbot language impacts perceived quality and decision continuity. Service failure focus. Manikandan & Bhuvaneshwari (2024)<sup>18</sup> To measure influence of AI on online purchase decisions among Indian consumers. AI eases conversion from interest to purchase, leveraging consumer data patterns. Adoption of AI tools increases purchase intention in e-commerce. Focused only on Indian sample. Bergner (2023)<sup>19</sup> To analyze how conversational AI affects consumer-brand relationships. Human-like AI communication increases engagement, willingness to pay, and brand loyalty. Conversational AI strengthens emotional connection with brands. Experimental design limits realworld application. Dash (2023)<sup>20</sup> To examine AI-powered marketing and consumer attitudes. Strong correlation between AI adoption and consumer buying behavior. AI enhances marketing effectiveness and consumer satisfaction. Requires micro-level empirical studies. Venkata Subbaiah et al. (2023)<sup>21</sup> To study AI's influence on online purchase decisions. AI enhances satisfaction and purchase intention. AI has significant part in digital buying decisions. Focused only on retail sector.

Nagy & Hajdu (2022)<sup>22</sup> To examine consumer acceptance of AI in online shopping. Trust and perceived usefulness strongly influence AI adoption. AI acceptance drives buying behavior. Country-specific study (Hungary). Kim, Zhang & Zheng (2022)<sup>23</sup> To apply the Use & Gratification theory to AI chatbot adoption in e-commerce. Convenience, enjoyment, and authenticity of interaction favorably affect consumer perceptions of AI chatbots. Consumer satisfaction and buying behavior are strongly influenced by perceived usefulness and enjoyment. Focused only on Chinese consumers. Frontiers Study (2022)<sup>24</sup> To examine communication styles of chatbots and their effect on satisfaction. Social-oriented communication increases satisfaction more than task-oriented communication. AI communication style significantly affects consumer buying decisions. Works better for specific consumer personality types. Tiwari (2022)<sup>25</sup> To investigate the role of AI in Indian consumer purchasing behaviour. AI enhances customer loyalty, forecasting, and operational efficiency. AI significantly reshapes retail purchasing patterns in emerging markets. Literature-based with limited empirical testing. Gkikas & Theodoridis (2022)<sup>26</sup> To analyze AI and big data analytics role in understanding consumer behavior. AI processes large datasets to find trends in consumer preferences, enabling accurate targeting and personalized marketing strategies. AI enhances decision-making by offering in-depth understanding of consumer buying patterns. Highly technical; lacks focus on emotional and psychological factors.

Cheng & Jiang (2021)<sup>27</sup> To analyze chatbot marketing efforts and customer-brand relationships. Chatbot interaction, accessibility, and customization improve brand relationships and consumer responses. AI chatbots significantly influence purchase intention and brand loyalty. Focused on chatbot marketing only. Liu et al. (2020)<sup>28</sup> To forecast consumer purchase behavior using facial recognition and AI analytics. Facial expressions and emotional cues improved prediction accuracy of buying intentions. AI can analyze human emotions to influence purchasing behavior. Raises serious ethical and privacy concerns. Roychowdhury et al. (2020)<sup>29</sup> To use Machine learning to examine online consumer behavior. AI predicts purchase behavior with high accuracy. AI enhances behavioral analysis. Data-driven, lacks consumer perception insights. Verma (2020)<sup>30</sup> To predict consumer purchase behavior using AI models. AI models accurately predict buying patterns. AI improves marketing and inventory decisions. Highly technical, less focus on psychology.

**Findings:-**

Several studies emphasize that AI significantly improves the prediction of consumer buying intentions. Bharathi & Elakkiyan (2026) and Verma (2020) found that AI models enhance forecasting capabilities in e-commerce, allowing businesses to anticipate consumer preferences and optimize inventory and marketing strategies. Roychowdhury et al. (2020) emphasized that computer learning methods accurately predict online consumer behaviour, although they frequently lack understanding of consumer perception and psychological factors. Personalization is a recurring theme in AI applications. Muhammad Usman (2025), Kumar et al. (2025), and Manikandan & Bhuvaneshwari (2024) demonstrated that AI-driven recommendations and targeted advertisements significantly influence consumer purchase decisions. Trust, usefulness, and relevance are key mediators in shaping consumer behaviour. AI tools help to transform consumers interest into real purchases, particularly in digital marketplaces and e-commerce platforms. Multiple studies reveal that Chatbots driven by AI and conversational systems play a vital part in building trust, engagement, and satisfaction among consumers. Cheng et al. (2024), Cai & Gao (2024), Cheng & Jiang (2021), and Frontiers Study (2022) found that empathy, friendliness, social oriented communication, and clarity in chatbots enhance consumer trust, positively impacting buying decisions and brand loyalty.

Bergner (2023) noted that human-like AI interaction strengthens emotional attachment with brands, increasing willingness to pay. However, the real world long-term AI effects companionship and conversational AI remains less clear (Zhang et al., 2025). Sharma et al. (2025) and Ghulaxe (2024) observed that AI enhances engagement, satisfaction, and seamless shopping across multiple channels, strengthening omnichannel buying behaviour. AI integration in social commerce platforms improves consumer-brand relationships and fosters loyalty through personalized content and interactive experiences. Shi et al. (2025) found that AI-generated content significantly increases consumer engagement, perceived value, and purchase intention, especially when personalization and novelty are emphasized. AI content enhances interactivity and modernizes the consumer shopping experience, though its relevance may differ between industries, particularly outside creative and design products. Several studies emphasize the ethical dimension of AI adoption in consumer markets. Adanyin (2024), Liu et al. (2020), and Dai & Liu (2024) highlighted that privacy, fairness, transparency, and ethical AI usage directly influence consumer trust and purchase intentions. Without trust, AI personalization and automation may negatively impact buying behaviour. Werner et al. (2024) also pointed out the subtle, unconscious influence of AI on consumer preferences, raising ethical concerns in marketing.

AI-driven advertising and marketing are shown to shape consumer attitudes, intentions, and behaviors. Dang (2024), Dash (2023), and Farooq & Yen (2024) found that targeted, personalized ads improve purchase intention and marketing effectiveness. AI enables businesses to better predict consumer preferences and enhance engagement, but empirical studies in realworld settings are still limited. Trust, perceived usefulness, and ease of interaction are critical factors for AI adoption. Nagy & Hajdu (2022), Kim et al. (2022), and Tiwari (2022) concluded that AI acceptance drives buying behaviour, especially when consumers perceive AI as convenient, authentic, and enjoyable. However, country-specific and sample-specific studies indicate that adoption patterns vary across regions, cultures, and demographics. Gkikas & Theodoridis (2022) highlighted the role of AI in processing large datasets to identify consumer preference patterns and enable accurate targeting. Predictive analytics, big data, and AI-driven insights improve decision-making, marketing efficiency, and operational forecasting. Nonetheless, studies note the technical complexity of AI and the need for high-quality data. Many studies, including Hariharan & Adarsh Singh (2024) and Venkata Subbaiah et al. (2023), point out limitations such as small sample sizes, regional constraints, industry specificity, and reliance on secondary or conceptual data. Ethical, psychological, and long-term effects of AI adoption remain underexplored. Additionally, while AI improves efficiency and personalization, its effect on emotional well-being (Zhang et al., 2025).

**Conclusion:-**

AI has affected consumer choice processes in the way that it is making people more dependent on recommendations, reviews, and suggestions when they make purchasing decisions since this technology facilitates an easy, fast, and customized shopping experience. Simultaneously, the use of AI allows companies to encourage consumers to purchase goods and services that were not initially intended to purchase since the system knows the preferences of consumers. Even though such changes contribute to convenience and time-saving in the purchasing process, there is a risk of being under the impact of a technology, so customers have to be more cautious.

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