



## CONSUMER BEHAVIOUR IN THE ERA OF ARTIFICIAL INTELLIGENCE

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### Annotation

Consumer behaviour has undergone a significant transformation due to the development of artificial intelligence (AI) technology and its applications (CB). The way that users connect with these applications across a variety of platforms and touchpoints makes it imperative to comprehend the ways in which these interactions impact user behaviour and its constituent elements—personality, attitude, engagement, trust, and decision-making. This article examines how consumer behaviour is changing in the era of artificial intelligence (AI). It looks at how AI is changing how consumers make decisions, personalising experiences, and affecting brand engagement. The essay explores the ramifications of personalisation, conversational commerce, and AI-powered marketing, emphasising both the advantages and the drawbacks.

### Key words

Consumer Behaviour, Artificial Intelligence (AI), Machine Learning, Personalization, Customer Experience, Digital Marketing, learning, reasoning, self-correction, creativity, Alternatives Evaluation

The way that customers engage with brands and make judgements about what to buy is being drastically altered by artificial intelligence. Predictive analytics, conversational commerce, and AI-powered personalisation present substantial chances to improve consumer experience, encourage participation, and streamline corporate procedures. To ensure data privacy, fairness, openness, and consumer control, it is imperative to address the ethical implications of AI-driven consumer behaviour [1]. AI's influence on customer behaviour will only increase as it develops, therefore firms will need to adjust and adopt cutting-edge tactics to stay competitive in this dynamic market.

In marketing, consumer behaviour refers to the choices and actions consumers make when using or making purchases of items. Consumer behaviour with respect to a product encompasses all aspects, including the decision to purchase it first, how they use it, and whether or not they decide to buy it again in the future. Kotler and Keller (2011) define consumer buying behaviour as the study of how people, communities, and organisations purchase and discard goods, services, ideas, or experiences to fulfil their needs and desires.

The goal of the computer science discipline of artificial intelligence (AI) is to build machines that are capable of tasks that normally call for human intelligence. These activities include decision-making, data-driven learning, and speech and picture recognition. The foundation of artificial intelligence (AI) technology is the notion that machines may be trained to mimic human brain processes, giving them the ability to solve issues and carry out jobs that were previously only achievable by people.

Programming for AI concentrates on cognitive abilities such as these:

- Learning. This area of AI programming is concerned with gathering data and formulating rules—also known as algorithms—that tell it how to be transformed into useful knowledge.
- Thinking through. Selecting the appropriate algorithm to get the intended result is the main goal of

this area of AI programming.

- Correction of oneself. The goal of this AI programming feature is to continuously improve algorithms so they can deliver the most accurate results.
- Originality. This branch of AI creates new text, images, music, and ideas through the use of neural networks, rules-based systems, statistical techniques, and other AI tools.

How does AI impact consumers' purchasing decisions?

AI collects and evaluates data on users' online activities based on their psychometrics and demographics while they visit the internet. A great deal of information about the consumer, including brand preferences and frequency of purchases, can be found in the data collected by AI. As a result, it helps businesses anticipate their target clients' purchasing patterns in the most straightforward manner.

Recognising the decision-making process of consumers

Since it enables them to understand customer wants, this is regarded as the most important step for marketers. It is crucial for marketers to discuss with their target audience the best course of action when developing a marketing strategy. The best marketing techniques frequently take into account the decision-making processes that consumers use to determine what they want to buy. The five phases of consumer purchasing behaviour are listed below.

1. Recognition of the problem or need:

The purchasing process begins when the customer recognises a problem or need that has been brought on by either internal (such as hunger, thirst, etc.) or external (such as admiration for the neighbor's car) stimuli.

Customers belong to three reference groups, or would wish to join them, and these groups can offer useful insights into how marketers should approach social media involvement. A buyer's purchasing decisions are impacted by social, cultural, and individual factors. Social class, culture, and subculture all have a significant impact on consumer purchasing decisions [6].

2. Information search:

As more people turn to social media channels during the decision-making process, the amount of information searched for on social networking sites is increasing. Even without having any direct interaction with online visitors, social media influencers can have a big impact on consumer behaviour (Nielsen, 2012). Social media networks enable businesses to look for and compile data regarding customer behaviour, obtain rich insights and encourage brand conversations, according to the Nielsen research.

3. Evaluation of Alternatives:

At this stage of the purchasing process, potential customers have established standards for the features they are looking for in a product. They are now comparing their potential options to similar alternatives. Alternatives could come in the shape of more affordable costs, extra features, product availability, or even something as individualised as choices for colour or style. The goal of a marketer's promotional materials should be persuading customers that their product is better than competing offerings.

4. Purchasing choice:

This phase commences when people are debating whether or not to buy a product and concludes when they have chosen to buy the best choice. At that point, the purchase choice is usually made in-store or online after completing some kind of price comparison study (e.g., researching prices on Amazon).

5. Post purchase behaviour:

After making a purchase, a customer may discover that some aspects of the good or service do not live up to his initial impressions or expectations. On other occasions, he can hear flattering remarks about companies that are comparable, which could potentially cause him to lose faith in the item he bought. Because of this, marketers should use an Integrated Marketing Communications strategy to uphold consumers' decisions and foster a positive perception of the brand. This indicates that the marketing team's work has only just begun and is not finished with the purchase. Following a purchase, it's important to keep an eye on customers' contentment, and social media can provide another avenue for this. This can be accomplished in one of two ways: either by personally answering each customer's inquiry and comment, no matter how good or negative, or by integrating analytics software that offers more data and behavioural analysis.

To provide recommendations about what a user might be most interested in watching next, a) Netflix, for instance, looks at the viewing histories of other users who share similar interests. This helps consumers stay interested and renew their monthly subscription. b) BhartiAirtel, a telecommunications company, has started

a new campaign emphasising its objective of promptly answering to customer inquiries, learning from mistakes, and ensuring that they are not repeated.

#### Conclusion

In conclusion, automation and constant improvement are the new norm in the world we live in. Artificial intelligence is being used more and more, which has created many previously unimaginable prospects. The same is true for marketing, where AI has had a profound effect and produced astounding outcomes. With AI involved, behavioural marketing appears to be evolving at a rapid pace. The world of marketing has completely changed as a result of chat boxes, personalised feeds, and machine learning systems that track user behaviour. Traditional tactics are no longer effective. Artificial intelligence has undoubtedly changed the marketing landscape. AI-driven solutions should be taken into consideration for each firm that wants to expand and compete in the market. Due to the fact that client satisfaction is the prime concern of the organizations, they invest in artificial intelligence to know customer behavior.

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