



## An Empirical study on Understanding the Influence of Personalization on Consumer Perception and Preferences towards E-Commerce

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### ABSTRACT

This research paper investigates consumer perception towards the personalization of products in e-commerce and its impact on their purchasing behaviour. In this digitally driven landscape, personalization has emerged as a critical strategy for businesses to enhance the consumer experience and drive customer loyalty. This research paper aims to explore the consumer perception towards the personalization of products in e-commerce and its impact on their purchasing behaviour. The survey is administered to a diverse sample of e-commerce consumers, encompassing various demographics, shopping preferences, and levels of online experience. The questionnaire comprehensively assesses consumers' awareness, acceptance, and perception of personalized product offerings. It also investigates the factors that influence their perception, including perceived value, trust, privacy concerns, and perceived control over personalization. The data was collected using a structured questionnaire administered among 102 customers in Chennai region. The findings provide insights into the extent to which consumers appreciate and embrace personalized product recommendations and tailored experiences. Overall, this study enhances our understanding of the role of personalization in e-commerce and its impact on consumer behaviour. outcomes will help businesses effectively to implement personalization' strategies, enabling them to deliver relevant and engaging experiences that meet consumer expectations in the ever-evolving e-commerce landscape.

**Keywords:** E-commerce, Personalization, Consumer, Purchasing, Products, Perceived value

### INTRODUCTION

Personalization in e-commerce refers to the practice of adapting the experience of purchases to meet the needs, preferences and individual interests of consumers. It includes the use of data and technologies to provide appropriate and target content, recommendations and then offers for customers. The impact of personalization of consumers and tastes in electronic commercial transactions is important and can have some positive effects.

This study defines the concept of personalization in e-commerce and describes the differences between personalization strategies used in e-commerce and traditional retail. Furthermore, to demonstrate how personalization affects consumers' online purchase intentions, consumer intentions and attitudes were measured in a model to determine the structure of consumers' intentions to purchase products with personalization features by controlling for privacy and security concerns and previous online purchases.

### PROBLEM STATEMENT

In the rapidly evolving landscape of e-commerce, personalization has emerged as a powerful marketing strategy employed by online retailers to enhance the customer experience and drive sales. Personalization involves tailoring product recommendations, website content, and promotional messages to individual consumers based on their preferences, demographics, and browsing history. While personalization holds significant potential for improving the effectiveness of e-commerce platforms, there is a critical need to understand its influence on consumer perceptions and preferences. Despite the increasing implementation of personalization techniques in e-commerce, several gaps exist in our understanding of its impact. First, there is limited empirical research that systematically investigates how different types and levels of personalization influence consumers' attitudes, perceptions, and behaviours in an online shopping context. Additionally, little is known about the boundary conditions of personalization, such as the role of privacy concerns, information overload, and consumer trust, which may moderate its effectiveness.

Furthermore, the influence of personalization on various aspects of consumer behaviour and outcomes requires closer examination. For example, does personalized product recommendations lead to increased purchase intention and satisfaction? How do consumers perceive and respond to personalized website content and promotional messages? What are the implications of personalization for repeat purchases, brand loyalty, and word-of-mouth recommendations?

Addressing these gaps in knowledge is crucial for both researchers and e-commerce practitioners. A comprehensive empirical study is needed to investigate the influence of personalization on consumer perception and preferences in e-commerce, providing insights that can inform the development and implementation of effective personalization strategies. Such research will shed light on the mechanisms through which personalization impacts consumer behaviour, identify potential challenges and trade-offs, and offer guidance for businesses seeking to optimize their personalization efforts to enhance customer satisfaction, loyalty, and overall business performance.

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## REVIEW OF LITERATURE

**Abdulsadek Hassan and Siraj Zahra (2023)**, emphasized the value of digital marketing in fostering brand loyalty in the age of the internet. According to the study's findings, trust is crucial for fostering brand loyalty. Customers' choice to buy a product may be conscious or unconscious since it results from an emotional connection they have with the company and their trust that it will satisfy their requirements.

**Rama Krishna. P, et al.(2022)**,examined the effects of digital marketing on consumer purchasing behaviour. The majority of people are familiar with digital marketing, according to the survey's results. They acknowledge the value of digital marketing, and it has influenced their choice to shop online to assist them save time and to boost the number of customers for online enterprises, as well as the amount of goods and services they sell.

**Gao and Liu (2022)**, the focus was on artificial intelligence enabled personalization in interactive marketing,a journey from the customers' perspective. Their study, drawn from Lemon and Verhoef's customer journey, revealed that artificial intelligence-based personalization manifests itself as personalised profiling, nudges, navigation, and retention across the five stages of the customer journey.

Retailers are progressively incorporating digital technology, such as personalisation, into their customer experience initiatives, according to empirical reviews conducted by **Jain et al. (2021)**. It also shows that in order to surprise customers with innovative ideas, retailers must interact with them, learn about their shopping habits, and understand their unique preferences.

**Hysa,et al. (2021)** , According to the study, technology improvements and cultural norms both develop quickly. The fortunes of well-established firms and consumer preferences are always changing. Businesses now have more options for promotional channels than ever before due to the growth of online marketing. The study discovered that because of e-commerce and e-marketing, internet marketing was significantly easier than traditional marketing. Ajay Kumar Singh (2021) claims that digital marketing uses a variety of digital platforms to promote products and businesses to customers. Through search engine marketing, affiliate marketing, social media marketing, email marketing, and content marketing, Digital Connect provides a vast array of customised products.

**Shah, Ali M. et al. (2019)**. According to the study's findings, the majority of participants use social media to make purchases, and there is a positive correlation between social media and both customer relationships and purchasing behaviour. The relationship between social media and purchasing is fully mediated and enhanced by customer relationships. actions. Additionally, it was shown that the majority of respondents purchase for customised goods on social media.

**Kannan (2017)** found that marketers are increasingly using digital marketing to promote their products and services. Building relationships with a wider audience through the internet allows businesses to operate more efficiently.In addition, a wide range of digital marketing companies engaged in global trade have become an indispensable part of the economy.

Using **Kraftft and other (2017)** public services, we studied how the cost of user calculation would affect the tendency to provide personalized communication and marketing permission.Their study shows that benefit factors (personal relevance, entertainment, and control over consumer information) are positively correlated, while cost factors (sign-up process, privacy concerns, and perception of intrusiveness) are negatively correlated with the likelihood of users allowing personalized communications and marketing.

According to a study by **Madhu and Sampath (2017)**, online shopping has become an integral part of any business.The study also highlights the importance of e-commerce portal to

educate and encourage consumers to shop online by identifying the factors that drive consumers to shop online.The findings of this study indicate that the information age is adding a new dimension to consumers and marketers in India through virtual stores.

His study by **Rajarajan and Vetriveran (2016)** evaluates the level of customer satisfaction in online marketing.The study was conducted with 250 respondents, and he found that the majority of survey participants preferred to use an online purchase portal to buy goods and services.This study suggests that due to the growing importance of online purchases, e-marchands should protect consumers by providing quality goods and services at an affordable price.

**Pritam P.Kothari and Shivganga S.Maindarg (2016)** argue that the growing number of internet users in India offers promising prospects for e-commerce. This article examines the factors that influence consumers' online purchases.Indian consumers use e-commerce portals not only to purchase goods but also to exchange goods and avail online services.The findings of the study indicate that the majority of consumers believe that online shopping is the best way to purchase goods and would like to continue to purchase from this shopping platform.

**Sirmohammad et al.(2015)** show how online shopping beliefs and characteristics can be used to predict impulsive online purchases.A seamless experience is something that website users highly value while browsing.

**Professor Ashish Bhatt (2014)** stated in an article published in the Journal of Marketing Management that online shopping is gaining popularity among people, especially the younger generation, but in the current scenario, e-marketing will have to travel a greater distance to become equally popular among all age groups. According to the survey, the payment gateway is determined by the respondents's income. People of all ages use the Internet for regular purchases. Consumer sentiment changes over time.

**Van Doorn & Hoekstra, (2013)** According to this study, from the consumer's perspective, relevant personalized messages can have a positive impact on purchase intent, while irrelevant messages cause frustration for consumers. Although relevant messages can have a positive effect, there is an ongoing debate about how to manage the collection and storage of personal information

without raising privacy concerns for consumers.

## OBJECTIVES OF THE STUDY

1. To examine the impact of personalized product recommendations on consumer perceptions and preferences in e-commerce.
2. To explore the influence of personalized website content and promotional messages on consumer attitudes and behaviours.
3. To investigate the moderating role of factors such as privacy concerns, information overload, and consumer trust in the effectiveness of personalization strategies in e-commerce.
4. To assess the long-term effects of personalization on consumer behavior, loyalty, and word-of-mouth recommendations in e-commerce.

## HYPOTHESIS DEVELOPMENT-

H0a: There is no significant impact of personalized product recommendations on consumer perceptions and preferences in e-commerce.

H0b: There is no significant influence of personalized website content and promotional messages on consumer attitudes and behaviors in e-commerce.

H0c: There is no significant long-term effect of personalization on consumer behavior, loyalty, and word-of-mouth recommendations in e-commerce.

## METHODOLOGY

Research is a systematic approach to solving a problem. It is a descriptive research study that is mainly based on data collected from primary and secondary sources. Primary data was

collected using questionnaire. Convenience sampling method was adopted with a sample size of 102 persons. The samples were collected from Chennai city. Secondary data was collected from

research papers and internet sources.

## RESULTS AND INTERPRETATION

**Table 4.1 DEMOGRAPHIC PROFILE:**

Particulars	Classification	Number of respondents	Percentage
GENDER	Male	44	43.1%
	Female	58	56.9%
AGE	18-24	95	93.1%
	25-34	7	6.9%
OCCUPATION	Student	75	73.5%
	Government employee Private employee	1	1%
	Self employed	23	22.5%
ANNUAL INCOME	1,00,000-3,00,000	3	3%
	3,00,000-5,00,000	80	78.4%
		12	11.8%

	5,00,000-8,00,000	4	3.9%
	More than 8,00,000	6	5.9%

**Inference:** 57% of the respondents were female and 93% of the respondents were in the age group of 18-24. The sample is determined by 74% of the respondents are students. The sample also determined that 78% of the respondents earn an annual income between 1,00,000-3,00,000.

STable 4.2 Shopping Frequency of the Respondents

Particulars	Classification	Number of respondents	Percentage
How frequently do you shop online?	Daily	3	3%
	Weekly	9	8.8%
	Monthly	31	30.4%
	Occasionally	34	33.3%
	Rarely	25	24.5%

Inference: The sample determined that 34% of the respondents do online shopping occasionally.

Table 4.3 Personalized products Satisfaction purchased through Online

Particulars	Classification	Number of respondents	Percentage
How satisfied are you with personalized products you have purchased online?	Very Satisfied	12	11.8%
	Satisfied	46	45.1%
	Neutral	41	40.2%
	Dissatisfied	3	3%

Inference: 45% of the respondents were satisfied with the personalised products that were purchased through online.

Table 4.4 Association between gender and satisfaction on personalised products purchased through online.

#### Independent sample T-test

Variables	N	Df	Sig.(2 tailed)	SD	t value
	102	51	.621	.163	-.498

Result- H0a is rejected. It is concluded that there is a significant impact of personalised product recommendation on consumer perceptions and preferences in e-commerce.

Table 4.5 Association between age and influence of promotional messages

#### Chi-square Tests

	value	df	p-value
Pearson Chi Square	1.914	3	.035

Result- Ho b is rejected , ( $p > 0.05$ ). It is concluded that there is a significant influence of personalized website content and promotional messages on consumer attitudes and behaviours in e commerce.

Table 4.6 e-commerce platform that were preferred the most – Mean Rank

e-commerce platforms	Mean rank	Rank
Amazon	3.64	2
Meesho	3.53	1
Flipkart	3.84	3
Alibaba	5.28	7

Jio mart	5.09	6
Snapdeal	5.31	8
Myntra	4.40	4
Big basket	4.91	5

Result- from the above mean ranking, the most preferred online platforms by the respondents are meesho followed by amazon, flipkart and so on.

**Table 4.7 Association between age and frequency of shopping through online**

#### Chi-Square Tests

	Value	Df	p Value
Pearson Chi-Square	1.793 <sup>a</sup>	4	.043

Result- H0c is rejected. It is concluded that there is a significant longterm effect of personalization on consumer behaviour, loyalty and word of mouth recommendations in e commerce.

## CONCLUSION

The study reveals that personalization has a significant influence on consumer perception and preferences in e-commerce. By leveraging consumer data and advanced technologies, companies can customize marketing efforts and product offerings to cater to individual needs and preferences. This leads to improved consumer satisfaction, loyalty, and increased sales. However, it is essential for companies to strike a balance between personalization and privacy concerns to maintain consumer trust. Overall, embracing personalization as a strategic approach in e-commerce can provide a competitive advantage and drive business growth in the digital landscape.

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