



The Influence of Artificial Intelligence on Consumer Behaviour in Online Shopping:

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Abstract:

Through this research, I've aimed to explore how Artificial Intelligence (AI) is actively shaping the way we shop online. From personalized recommendations to AI-powered chatbots, technology is now deeply involved in almost every stage of the buying process. I surveyed real users and studied recent academic insights to understand how consumers respond to these tools. While many enjoy the convenience and speed AI brings, a good number are still cautious about privacy. This paper highlights both the benefits and concerns of AI in online shopping, offering practical suggestions based on my findings.

1. Introduction:

Being a regular online shopper, I've often noticed how AI has made shopping smarter and faster. It's not just about searching and checking out anymore — now platforms guess what I might like and even help me solve issues in real-time through virtual assistants. These personal experiences pushed me to study the subject more deeply. This paper focuses on how consumers are responding to AI tools like recommendation engines, smart search features, and chatbots — and how these tools influence our decisions while shopping online.

2. Research Goals:

This study was guided by a few clear goals:

- To measure the impact of AI-based suggestions on consumer purchase decisions.
- To assess the usefulness of chatbots in improving user experience.
- To explore how much customers actually trust AI while shopping.
- To see if personalization through AI builds loyalty.
- To observe how different age groups respond to AI tools.
- To find out if AI leads to impulsive buying behaviour.
- To share practical suggestions for online platforms based on these insights.

3. Research Methodology:

To get a well-rounded view, I followed a mixed research strategy. First, I explored general views through open-ended questions. Then, I sent out structured surveys to over 20 respondents and analysed the results. I used simple tools like Excel to clean and compare the data, and made sure every response was organized and relevant.

4. Summary of Past Studies:

To shape my perspective, I read several research papers and industry reports:

- **Kaplan & Haenlein (2019)** made me understand how AI behaves like a “thinking system” that learns from user actions.
- **Huang & Rust (2021)** taught me that while AI can boost personalization, too much of it can feel robotic.
- **McKinsey Report (2022)** highlighted how AI improves not just the user experience, but also backend systems like delivery and inventory.
- **Statista Survey (2023)** showed that the majority of global customers now expect personalization.
- **Rai & Yadav (2020)** helped me see how younger Indian shoppers embrace AI more openly, but still care about their data.
- **Sharma & Mishra (2021)** reminded me that customers still want real humans involved when AI isn't enough.

This review helped me focus on real consumer emotions, especially from an Indian lens — a side that many global reports had overlooked.

5. Data Analysis & Key Insights:

My participants were mostly young (18–24), digitally savvy, and familiar with platforms like Amazon, Flipkart, and Myntra.

Here's what I observed:

- **Awareness:** Most people (over 85%) already know AI is used in shopping platforms.
- **Experience:** More than 70% had used AI features like voice assistants, smart suggestions, or chatbots.
- **Purchase Influence:** 65% said they bought something just because it was suggested by AI.
- **Trust Issues:** Even though they used AI, around half of them were uncomfortable with how their data was being handled.
- **Loyalty:** 60% of users said that AI tools made them more likely to return to the same site.

6. Reflections & Discussion:

These results made me realize that AI is no longer a “bonus” feature it's an essential part of online shopping. Personally, I enjoy the ease of getting quick suggestions and instant help, but I also understand why many people are worried about data misuse.

I now believe that AI should be both intelligent and respectful. It should serve, not push. Platforms that build this kind of trust will win more loyal customers over time.

7. Recommendations for E-Commerce Platforms:

Based on what I learned, here's what I believe online businesses should do:

1. **Offer meaningful suggestions:** Show customers what they actually need — not just what companies want to sell.
2. **Be transparent about privacy:** Let users know exactly how their data is used and give them more control.
3. **Use AI + Human Support:** Chatbots are great for small tasks, but people still want the option to speak to someone real.
4. **Help non-tech users too:** Design AI tools that even older or rural users can easily understand and trust.
5. **Make AI smarter over time:** Users appreciate platforms that “remember” their choices and keep getting better.

8. Conclusion:

This study gave me a chance to see online shopping from both sides — as a user and a researcher. I've learned that AI is already influencing what we buy, how we choose, and even where we shop again. But it can only go further if it respects boundaries.

Through this work, I've developed a strong understanding that good AI is not just about clever coding — it's about creating a shopping experience that feels personal, useful, and safe. Platforms that understand this balance will grow faster and gain lasting customer trust.

9. Future Exploration:

If I continue this study in the future, I'd love to:

- Include people from different age groups and smaller cities.
- Explore newer AI tools like AR filters, facial recognition, and AI-based delivery tracking.
- Track shopping behaviour over several months to see long-term effects.
- Expand this research into other industries like healthcare or food delivery where AI is also booming.

References:

(For full sources, see thesis appendix)

- Kaplan & Haenlein (2019)
- Huang & Rust (2021)
- McKinsey Digital (2022)
- Statista Global Survey (2023)
- Rai & Yadav (2020)
- Sharma & Mishra (2021)