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Shift in Consumer Behavior with the Beginning of ERA of Digital World

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Abstract

This research article examines that how positively digitalization has affected the marketer's capacity to comprehend and analyze customer behavior. Markets are now studying how people Act online in order to improve the Strategies and marketing plans. Online buying behavior is undergoing substantial changes and shapes as a result of digitalization. This has transformed the way of shopping for consumers. Online shopping nowadays is a common option for all the people who want to relax in their homes and shop while they are relaxing. The digitalization and artificial intelligence have made the shopping experience very simple and interesting. Digitalization impacts online shopping behavior of consumer in various ways like easy availability of the relevant information, its usability, affordability and convenience. Online shopping has now become a part of lifestyles of the consumers and easiest option to consumers. The development of AI i.e. artificial intelligence in the field of E-Commerce is creating a huge impact on customer's over-the-net shopping habits. Various stools enhances the shopping experience by providing personalized recommendations visual and voice search easy availability of data and more options. The current study has proposed to find the growing impact of digitalization and AI on buying behavior of consumer while buying on Electronic Commerce. The study aims to examine both negative and positive impacts of digitalization on consumers buying decisions. The current study is theoretical and conceptual in nature and has used data from non primary sources i.e. secondary sources that can be summed up as previously published books, research articles, reports in the newspapers, various website journals and previously submitted research thesis. Industry and Researchers both will be benefited from practical implication of the research.

Keywords: *Consumer Behavior, Digital World, Artificial Intelligence, E-Commerce, Digitalization.*

Introduction

The AI and data analytics influence has helped companies to predict the consumer needs and improving the customer journey by automated support personalized recommendations. The rapid change in technology has reshaped the way consumer interacts with brand and make purchasing decisions.

Digital Technology have brought new consumer expectations with an increase in easy access to all information. Today's consumer have convenience regarding demand, personalization and an instead access to various services. They have expectation for higher online shopping experience and tailor recommendations which are based on their immediate gratification and preferences, which are result of fast delivery. This shift of digitalization has placed consumer in the main frame and is transforming marketing approaches and consumer services and even product development of a business.

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"Artificial intelligence(AI) is the study of machines and their advancements that make them capable of carrying out such operations which typically requires human mind like cognitive abilities, that can be like recognizing sites, making decisions for various situations, and language translations" as per Oxford dictionary. AI changes the whole view of Electronic Commerce with proposing new opportunities to traditional entrepreneurs. The artificial intelligence market was reported 15.84 billion dollars in 2021. AI is playing and tremendous roll in shaping consumer behavior in current era. Online shopping behavior of consumer includes the product search and evaluation of the available alternatives, selection of the buying platform and seller, selection of the online payment methods and platform, post-purchase product's evaluation and saving preferences. Product features, personal preferences, oceans, prices, brand reputation, online reviews and various available options influence the online buying behavior. The online buying behavior is too influenced by the experience of e-com user, which includes ease in navigation over the E-Com platform, various options available for payments, and security while using payment platforms.

Along with the growth of digitalization and artificial intelligence it appears to be more important for Businessman to understand the current consumer behavior in the digital landscape. This study of consumer behavior becomes more essential for any business to stay in the competition and to stay relevant. The company which fails to adapt to the changes have risk of losing out to competitors who can now Meet the ever evolving preferences and needs of digital-savvy customers. With an understanding of the ways how Digital Technology has been influencing consumer habits can help a business to better tailor marketing strategies, creating more exciting consumer experience is and ultimately reaching higher growth in highly competitive market space.

Leveraging insights and data from online customer behavior is the main key to create effective and personalized campaigns which resonate with the targeted audience. In this digital era one approach for all campaigns is no longer effective. Instead of adopting a single approach business must adopt a consumer centre approach by using real time data to no consumer Need and personalized interactions to build long lasting relationships with consumer.

The exponentially growing digital world means that everybody has access to social media, apps, smart-phones and other devices for Discovery and communicating with brands. This all has been more accelerated by the Covid pandemic. The pandemic has forced the people to live without connecting to Outer world and relaying more on e-commerce. Marketing teams use the artificial intelligence to access massive amount of the data which helps in utilizing the information and identify the market that the company wants to target. The companies can you tell lies this data to create more user centre sales program and marketing strategies.

Review of Literature

There has been enormous study about the topic in past years specially after covid pandemic. E-commerce have rapidly emerged as transformative force across the world specially in business and marketing by its power to anticipate the consumer behavior and make consumer experience more enhanced. NLP i.e. Natural Language Processing with Artificial Intelligence (AI) powered chatboats have emerged as valuable tool to consumer to resolve query and seamlessly facilitating transactions both offline and online. Digitalization has enabled businessman and entrepreneurs to map the whole journey of consumer and have engaged them with the consumers at various touch-points. The ceaseless evolution of Digital platform have enabled marketer to get insight about consumer behavior and use it to form its marketing strategies.

The enormous study about the topic in past years specially after covid pandemic. Pandemic had hit the market in very different way. The pandemic has helped in creating online customer buying as a forest fire. An article of vacancy points that,' consumer vaulted 5 years in the adoption of digital era in just 8 weeks. Pandemic had hit Kirana stores, small retailers, hospitality sector, fashion brands and tourism industry and many more. Local Kirana stores and retailers who had adopted online order and delivery system in early phase of locked down were the one who were saved from the fate and it has help them to survive the worst situation.

A research study, ' how India shops online 2021' by a Consulting firm Bein and online retailer Flipkart shoes that 25% growth has been seen in financial year 21 even after 2 log downs and multiple hindrances in various geographical areas over the year. '

Rastogi(2010) the study found out that due to the increasing use of online platforms by customers has helped them to search new products and the availability of each product as where and when they wants. Protected payments and comparing of two products helps them to find the best suited product. Various have found that the online platforms have made consumer experience more better and have East the shopping process for the consumer.

Neger and Uddin(2020) there study founded on online platform less time is being consumed in shopping. The convenient mode of payment and some other organisation factors have influence on online buying behavior of consumer. Covid-19 on the other hand has given various factors and reasons to consumers for going online to buy products like Limited physical movement, scarcity of products at offline stores fear of getting infected, availability of product online in various brands and forms and Rapid growth of mobile devices has also boosted the online buying. The online platforms have saved the time and money of consumers in various forms.

Gujrati, Rashmi and Uyugun, Hayri (2020) have found that the trend in online marketing have increased tremendously over time. The smart phones and internet have influenced customer behavior in various forms. Buying habit of consumer have change to mobile from mall as it give access to wide variety of goods, comparison among various products, ease in payments, credit facility, saves times and helps to get review of other consumers at one place.

Eze and Bello Adenike (2016) have examined in their study about the factors which affect the consumer behavior in marketing in Nigeria. Their study focused mainly at exploring the societal factors that influence consumer buying behavior in garment industry. The study found that quality, ease of access, age and funds shapes the consumer buying behavior.

Girish Punj's (2012) paper studies that consumer can opt for the available better and higher quality products while shopping on E-Com websites, irrespective of such potentials which are acknowledged by most of the customers as an unsure issue. The major motive behind this study is to find out how electronic platform favorably affect capabilities of the buyers to settle for more conscious choices and to find data that rather would support consumer to opt for better choices while shopping on an e-platform.

Doimitrieska (2018) have studied that the motives of Artificial Intelligence (AI) in marketing arena is to find the future buying decision of customer and to make the journey better for the customers. The main element of the Artificial Intelligence is the big data, machine learning and powerful and higher resolution. Novig (2016)Artificial Intelligence understand human mind and intelligence and it tries to generate intelligent units.

Jalal (2020) and Qazzafi (2019) Consumer buying is a thorough process of the making wise decisions to satisfy all the needs and wants of consumer. Kotlar (2017) Consumer buying decision consist of 5 steps i.e. 1st step is the Need identification of the consumer, 2nd step consist of searching for the information about the product that satisfies the need, 3rd step is to evaluate the available alternatives, 4th step consist of Making a buying decision and the 5th and last step is the Post purchase and use behavior of the consumer. Kietzmann, Paschen, and Treen,(2018). The furnishing of the consumer data always persists to grow in speed, quantity, accuracy and variations. Artificial Intelligence (AI) helps to alter this flow of data into some meaningful and relevant consumer insights.

Methodology

The methodology in order to gain the study concept and validating the idea, the data which is used in the study has been gathered mainly from secondary sources such as previously published research article of this area. The study also has used few corporate cases which are from several sector industries like banking education Healthcare retailers and other trading forms. Researcher has exist and gathered all the information with an objective to facilitate the study.

Objectives

- To develop a relation between consumer behavior and digitalization.
- For finding how digitalization is influencing the consumer buying behavior.
- For examining the business growth after using the digitalization tools.
- For evaluating the performance of an industry who is fully digitalized and using AI.
- To find out the change in consumer buying pattern.

Consumer Behavior

Consumer is a person who is and individual or a firm who purchases goods and services form the market for end use. In simple words we can say that a consumer is the end user of product or service. Every consumer show the inclination towards a particular product or service. Consumer interest is the willingness of the consumer to purchase the product and service as per the need, taste and pocket.

Consumer behavior is the branch where we study the various stages a consumer goes before the purchase of product or service and its end use. Various decisions are being taken and acts are done by a person while choosing a product for buying it, using it and disposing it off constitutes consumer behavior. There are many factors which play role in forming a consumer behavior i.e. psychological, economic, demographic, social, educational, technical etc. Consumer behavior is a process that include various stage process that starts with arise of a problem and it continues till evaluation of product.

According to AMA (American Marketing Association), the Consumer's behavior is a ongoing changing interaction of cognition and affect, environmental events and behavior, by which human beings caries out the aspects of exchange of their lives.

Thus in brief we can say that consumer behavior is study of elements that effects the customer's buying decision. Consumer buying is a never ending process, as evaluation of buying decision becomes a deciding factor for next purchase.

Digitalization and consumer Behavior

The article has an aim of presenting the effect of digital or electronic platform on consumer behavior. Digitalization is always considered in general context, without having any specific type or variety and hence general changes in the consumer behavior. Without having any highlighted the specific changes, modern consumers have been involved in process of simultaneous consumption and production of the experience which becomes a main form of well-being. This is called as human experience, and is most transient and most durable product.

The advance of digital changes have shifted focus of the retail in both adequate data collections and optimized movement of the goods with help of logistics. The introduction of the innovative approached in the retail is important when it particularly comes to implementing digital change. The goal of all the companies in field of retail is to increase the return on investment, which in turn creates new services to customers, new products or even new consumer experiences that will enhance satisfaction of consumer needs and desires.

Virtual marketers are benefitted by speed, transparency of all information, convenience to consumer to make buying decisions, as in form and place they want, while the traditional marketers were benefitted with convenience of location, one to one contact with consumers, vibes of the shop etc.

Blurring boundaries among industries means that more and more players are becoming the hybrid ones, they are practicing the omni-channel business model for reaching consumers, in this way they are enabling the consumers to choose the purchase channel for product, and even combine various channels which leads to combination of advantages of both modern and traditional channels of sales plan to satisfying changing consumer behavior.

Stages of Consumer Buying Process

The buying of product is a multi stage process. The number of stages of buying process vary with type of product, economic value of product, use of product, product's life etc.

- The first stage is the Problem Recognition by consumer.
- The second stage consists of the information search about the solution.
- The third stage consists of the Evaluation of all the available alternatives.
- The fourth stage is making the purchase decision.
- The fifth stage is the stage of actual purchase
- The last stage is the post purchase evaluation of purchase decision.

Factors affecting the buying behavior of consumer:

The factors or elements that affect the consumer buying behavior are various in numbers. Consumer buying decisions vary from consumer to consumer. While purchasing the same product, each and every consumer acts differently. The factors which shape the consumer buying behavior are

personal factors, cultural factors, psychological factors, price of commodity, commodity, previous experience with product, aesthetics of product, perceived value at etc.

Benefits of Online Platform, AI and Digitalization to consumer as well as marketers: Online platform have made shopping experience easy not only for consumers but it has also benefited marketers too.

To marketers:

- Bulk customer data is available round the clock,
- Can provide huge discounts, as distribution channel has shrunk in e-commerce.
- Low cost and high profits, shrunk channels reduced commissions and other costs.
- Can attract of consumers with AR(Augmented Reality)
- Easy payments,
- Ease in conducting marketing research

To consumers:

- Easy availability of products at one place,
- Time saving and convenient
- Huge discounts available
- Customers reviews are available for better decision making
- Convenient return policy
- Ease in comparison among products and brands
- Augmented Reality have enabled customer to virtually try on the product.

The consumer have benefited with digitalization unanimously. Continuous growth in digital and AI have made shopping experience easy, convenient and exciting.

Findings and Suggestions

The finding of the study underlines that understanding consumer behavior plays a vital role in success of a business. Consumer behavior and interest is changing with changing environment. Digitally savvy businesses have higher chances of surviving in today's challenging and ever changing business world. Digital transformations not only have benefited consumers but also marketers. Digitalization has brought positive changes in consumer's behavior. The great changes can be seen in metro and big cities and more among working couples mainly due to shortage of time it becomes convenient for them to carry on buying, payments etc at any time and anywhere. Digitalization too gives rewards to consumers in form of gifts vouchers, coupons, discount, cash discount and cash back, which motivates consumer to use digital transactions.

The study suggest marketers to win client trust and loyalty the business have to emphasize the relevance, authenticity and ethical engagement in digital platform. The revolution in economy possesses various challenges and threats which are faced by the businessman today. To make digital marketing more safer and convenient more efforts should be laid down. At the end, to increase the usage of digitalization and create awareness, there is requirement to have roads shows, promotional campaigns, workshops among costumers.

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