

INTERDISCIPLINARY DIMENSIONS OF CONTEMPORARY RESEARCH

MARKETING AND DIGITAL BUSINESS PERSPECTIVES



Editors

Dr. V. Dheenadhayalan | Dr. V. Sampathkumari

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Dr. V. Dheenadhayalan Ph.D.

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PREFACE

The contemporary business environment is undergoing rapid transformation driven by technological advancement, changing consumer expectations, digital connectivity, and emerging business models. Marketing and business practices have expanded beyond traditional boundaries, incorporating digital technologies, social media, e-commerce, artificial intelligence, financial technology, and sustainable approaches. In this context, interdisciplinary research is essential for understanding the changing relationship between markets, consumers, technology, and society.

This book, *Interdisciplinary Dimensions of Contemporary Research – Marketing and Digital Business Perspectives*, brings together diverse scholarly contributions exploring emerging trends, challenges, and opportunities in marketing and digital business. The chapters address contemporary themes including consumer behaviour, digital marketing, social media, e-commerce, artificial intelligence, financial technology, digital transformation, branding, and sustainability.

The contributions highlight how digital technologies are reshaping consumer preferences, marketing strategies, business models, and organizational decision-making. They also emphasize the growing importance of ethical practices, sustainability, innovation, and responsible value creation in the modern business environment.

A key strength of this Book is its interdisciplinary perspective, bringing together insights from marketing, commerce, management, economics, technology, and related fields. The studies demonstrate the importance of integrating diverse perspectives to understand complex contemporary business challenges and opportunities.

This Book is intended to serve as a useful academic resource for researchers, faculty members, research scholars, students, and business professionals. It seeks to connect theoretical knowledge with contemporary business practices and encourage further research into the evolving landscape of marketing and digital business.

We sincerely thank all the contributing authors, editors, and academic contributors for their valuable efforts and scholarly contributions. Their collective work has enriched this volume and strengthened its academic relevance.

It is our hope that this book will encourage meaningful academic discussion, interdisciplinary research, innovation, and responsible business practices in the rapidly changing digital era.

Dr. V. Dheenadhayalan
Chief Editor

Dr. V. Sampathkumari
Editor

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CHAPTER - 1

CHANGING CONSUMER BEHAVIOUR IN THE AGE OF SOCIAL MEDIA IN INDIA

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Maharaja Agrasen Himalayan Garhwal University

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Abstract

Social media has rapidly transformed consumer behaviour in contemporary India. Platforms such as Instagram, YouTube, Facebook, and WhatsApp influence how consumers discover products, evaluate brands, and participate in digital marketplaces. Purchasing decisions are now shaped not only by affordability or quality but also by emotional appeal, influencer culture, online visibility, and peer interaction. This paper examines the changing nature of consumer culture in India within the context of expanding social media use. Drawing on perspectives from commerce, sociology, communication studies, and management research, the study analyses how digital platforms reshape market behaviour, emotional consumption, and online trust. It also explores concerns related to impulsive buying, misinformation, privacy risks, comparison culture, and algorithmic influence. At the same time, social media has created opportunities for entrepreneurs, regional businesses, and independent creators to engage wider audiences through interactive digital content. The paper argues that consumer behaviour in India is becoming increasingly image-conscious, emotionally driven, and digitally mediated. It concludes by emphasizing the importance of ethical marketing practices, digital literacy, and interdisciplinary research on digital consumer culture.

Keywords: Consumer Behaviour, social media, Digital Consumerism, Influencer Marketing, Indian consumers.

Introduction

In recent years, social media has started influencing everyday consumer habits in India in noticeable ways. Easy internet access, affordable smartphones, and the popularity of digital platforms have changed how people explore products and interact with brands (Dasgupta 22). Earlier, buyers mostly focused on price, durability, and usefulness before making purchases. Now, online opinions, trending content, influencer suggestions, and social approval also affect consumer choices (Kotler and Keller 64).

Platforms like Instagram, YouTube, and Facebook have become important spaces for marketing and public influence. While scrolling through reels, videos, or posts, users regularly come across advertisements, reviews, and sponsored recommendations. Shopping has therefore become closely linked with digital routines and online visibility (Chaffey and Ellis-Chadwick 118).

This shift is especially visible among young consumers in India. Fashion, gadgets, cafés, beauty products, and even travel choices are often influenced by online trends and viral content. In many situations, products are valued not only for practical reasons but also for the image they create on social media (Verma and Sharma 94). This paper studies the impact of social media on changing consumer behaviour in India. It discusses influencer culture, emotional consumption, online trust, and the growing concerns related to impulsive buying, misinformation, and privacy in digital spaces (Sundar 77).

Research Objectives

This study explores the growing influence of social media on consumer behaviour in contemporary India. It particularly focuses on the ways digital platforms shape purchasing habits, online participation, and everyday market choices.

Another objective is to understand how influencer culture and digital persuasion affect consumer decision-making. The paper also examines how emotions, online visibility, and identity formation are increasingly connected with patterns of consumption.

Special attention is given to the role of reviews, ratings, and digital trust in shaping public perception and consumer participation within online marketplaces.

The study further investigates major concerns linked with social media-driven consumerism, including impulsive buying, misinformation, privacy issues, and psychological pressure created through comparison culture.

Research Methodology

This paper adopts a qualitative and interdisciplinary research methodology. The study is based primarily on secondary sources, including books, journal articles, digital marketing studies, and research related to sociology, communication studies, and consumer psychology. The paper uses analytical and interpretative methods to examine how social media platforms influence consumer behaviour in contemporary India. The research applies a critical approach to understand the cultural, emotional, and technological dimensions of digital consumption. Instead of focusing only on economic transactions, the study investigates how digital environments shape identity, aspiration, trust, and behavioural patterns. The interdisciplinary framework allows the paper to connect commerce and management perspectives with broader social and cultural analysis.

Social Media and the Transformation of Consumer Culture

Social media has changed consumer culture in India by making digital participation a regular part of everyday life. Consumers are no longer passive viewers of advertisements. They now review products, share opinions, recommend brands, and influence public perception through online interaction (Dasgupta 41). This active participation directly affects brand image and market visibility.

Platforms such as Instagram, YouTube, and Facebook have become important spaces for product discovery and lifestyle influence. Many users explore fashion, gadgets, food trends, and travel content through reels, videos, and influencer posts. Visual presentation plays a major role here. Attractive images and short-form content often create emotional connections between products and aspirational lifestyles (Chaffey and Ellis-Chadwick 126).

The boundary between entertainment and advertising has also become less clear. While casually scrolling online, users frequently encounter sponsored posts, shopping links, and promotional content. This repeated exposure encourages continuous engagement with consumer culture.

A visible example can be seen during major online sale events on platforms like Flipkart and Amazon India. Flash sales, influencer promotions, and countdown-based advertising often create urgency

among consumers, especially young users. In many cases, products trend rapidly through reels and online recommendations even before consumers fully evaluate their practical need.

Among young consumers especially, products often become popular because they trend online or gain viral attention. In many cases, social visibility matters as much as practical usefulness (Verma and Sharma 96). E-commerce platforms have further accelerated this shift by making comparison, reviews, and purchasing quick and convenient.

Influencer Marketing and Digital Persuasion

Influencer marketing is now a major part of digital advertising. Brands often use influencers to promote products in a more personal and relatable way instead of traditional ads (Kapoor and Ghosh 47). Their content feels informal, so audiences trust it more easily.

In India, influencer culture is strong on platforms like Instagram and YouTube. Fashion, beauty, tech, travel, and fitness products are commonly promoted through reels, reviews, and lifestyle videos. Many users discover brands through creators rather than TV ads, and viral content can quickly increase product demand.

Indian brands such as Mamaearth and boAt have effectively used influencer marketing and short-form digital content to strengthen youth engagement. Their collaborations with lifestyle creators and regional influencers show how social media visibility can directly shape consumer interest and online sales.

This influence works mainly through emotional connection. Followers feel familiar with influencers due to regular interaction, which shapes their preferences and buying behaviour (Sundar 91). So, decisions are often based on trust and emotion, not just need.

However, there are concerns. Sponsored posts are not always clearly labelled, and some influencers promote unrealistic lifestyles that encourage overspending. Still, influencer marketing also helps small businesses reach wider audiences at lower cost (Dasgupta 58).

Emotional Consumption and Identity Formation

In digital spaces, consumer behaviour is increasingly driven by emotion and identity. Social media often links products with confidence, success, and social belonging (Bourdieu 87). As a result, buying is not only practical—it also becomes symbolic.

In India, online lifestyles have made aspirational consumption more common. Fashion, gadgets, cafés, and travel items are often seen as identity symbols. Many users choose products based on how they appear in photos or reels on Instagram (Appadurai 54).

This creates performative consumption, where products become part of self-image. Brands respond by focusing on emotional storytelling and lifestyle appeal rather than only features (Kotler and Keller 102). Emotions now matter as much as price or quality. People often buy to fit trends or gain online approval.

However, constant exposure to ideal lifestyles can create pressure, anxiety, and comparison. Young users especially feel this stress (Bauman 66).

Online Trust, Reviews, and Consumer Participation

Trust is central in online shopping. Since buyers cannot physically check products, they rely on ratings and reviews before making decisions (Kotler and Keller 110). In India, reviews strongly influence sectors like food delivery, fashion, electronics, and education. People quickly compare experiences online. Good feedback builds trust, while negative reviews can harm a brand fast. Users are no longer just buyers. They also create content like unboxing videos and reviews on YouTube and Instagram. Many trust these real experiences more than ads (Sundar 73). A 2023 digital consumer survey by Statista reported that a large number of Indian online users check ratings and peer reviews before purchasing products through digital platforms.

This makes markets more open. Consumers can openly support or criticize brands, and companies must respond quickly. Still, trust is unstable. Fake reviews, paid ratings, and misleading ads create confusion. Too much information also makes decisions harder. Privacy is another issue. Platforms track user data for personalized ads, which raises concerns about surveillance and data use (Zuboff 64).

Youth Culture and Emerging Consumer Trends

Youth culture strongly shapes digital markets in India. Young users are very active on social media and often set trends in fashion, food, entertainment, and lifestyle (Verma and Sharma 92). What they engage with often becomes popular quickly.

On Instagram and YouTube, trends spread through memes, reels, and viral challenges. Consumption is no longer passive—users also help create trends, and products can go viral through influencers in a short time. Regional content has also grown. Vernacular languages now help brands reach users beyond big cities, making digital access more inclusive. Another trend is conscious buying. Many young consumers prefer brands with ethical values, sustainability, and inclusivity (Kotler and Keller 144). Now, image and values matter as much as product quality.

Critical Challenges of Social Media-Driven Consumerism

Social media has benefits, but also clear problems. Impulse buying is rising due to ads, instant payments, and one-click shopping (Chaffey and Ellis-Chadwick 132). Fake reviews, paid promotions, and misleading ads create confusion for buyers. Mental pressure is also increasing. Ideal lifestyles online lead to comparison, stress, and dissatisfaction (Bauman 71). Privacy is another concern. Platforms collect user data for targeted ads, often without full awareness (Zuboff 68). Finally, access is unequal. Urban users benefit more, while rural and less digital-literate groups still struggle.

Opportunities for Businesses and Entrepreneurs

Even with challenges, social media has created real opportunities for businesses in India (Chaffey and Ellis-Chadwick 118). Small brands can now promote products without heavy advertising costs. They can talk directly to customers, build identity, and even form online communities through simple content.

Local sellers, artisans, and home-based businesses benefit a lot from this visibility. Earlier, reaching customers was difficult—now it's much easier. Platforms like Instagram and YouTube allow storytelling, live interaction, and more personal engagement.

Marketing has also become more content-driven. Humour, culture, education, and relatable stories often work better than formal ads (Kotler and Keller 145). In simple terms, people connect more with real and relatable content. Businesses also get useful data from online engagement. It helps them understand what people like, what they search for, and how they buy. So, the digital market is not just about selling—it's also about interaction and behaviour.

Research Gap

Most studies in India focus on marketing, advertising, or sales impact. But deeper cultural and psychological effects of social media on consumers are still less explored (Verma and Sharma 96). Many researchers study influencer marketing or online shopping separately. However, fewer connect identity, emotions, algorithms, and consumer behaviour together. There is also limited interdisciplinary work combining sociology, psychology, and commerce. Rural and regional digital behaviour is still under-researched. So, this paper tries to fill that gap by linking culture, behaviour, and digital marketing together.

Conclusion

Social media has changed consumer behaviour in India in a major way. It affects how people discover products, form opinions, and express identity (Dasgupta 41). Buying is now more emotional and digital. Influencers, reviews, and algorithms all shape decisions. At the same time, issues like impulsive buying, misinformation, and privacy concerns are increasing (Zuboff 68). Still, social media has opened doors for small businesses, creators, and local entrepreneurs. It has made markets more open and participatory. Overall, consumer culture today is not just economic—it is emotional, social, and digital. Future research needs to look at these changes in a more combined and interdisciplinary way.

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CHAPTER - 2

THE IMPACT OF DIGITAL MARKETING STRATEGIES ON CONSUMER BUYING BEHAVIOUR IN THE RETAIL INDUSTRY

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Abstract

Digital marketing has become an essential business strategy in the modern retail industry. The rapid growth of internet usage, smartphones, and social media platforms has significantly changed consumer buying behaviour and business communication methods. Retail organizations increasingly use digital marketing strategies such as social media marketing, search engine optimization, email marketing, influencer marketing, and online advertising to attract and retain customers in the competitive market environment. The present study examines the impact of digital marketing strategies on consumer buying behaviour in the retail industry. The study aims to understand how digital platforms influence customer engagement, purchasing decisions, brand awareness, and customer satisfaction. The research is descriptive in nature and is based on secondary data collected from journals, books, websites, research articles, and industry reports related to digital marketing and consumer behaviour. The findings of the study reveal that digital marketing significantly influences consumer preferences and purchasing decisions. Social media marketing and online promotional activities strongly affect customer engagement and brand loyalty. The study concludes that effective digital marketing strategies help retail organizations improve customer satisfaction, increase sales performance, and achieve sustainable business growth in the rapidly evolving digital business environment.

Keywords: Digital Marketing, Consumer Behaviour, Retail Industry, Social Media Marketing, Online Advertising, Customer Engagement

Introduction

The rapid growth of internet technology and smartphone usage has transformed the business environment globally. Traditional marketing methods are gradually being replaced by digital marketing due to its wider reach, cost-effectiveness, and customer engagement capabilities. Digital marketing enables businesses to communicate directly with consumers through websites, social media platforms, email campaigns, and online advertisements.

The retail industry has experienced significant digital transformation in recent years. Consumers now prefer online platforms to search for products, compare prices, read reviews, and make purchasing decisions. E-commerce growth and social media influence have encouraged organizations to adopt digital marketing strategies to remain competitive in the market.

Digital marketing includes strategies such as search engine optimization (SEO), social media marketing, content marketing, influencer marketing, and email marketing. These strategies help organizations improve brand awareness, customer interaction, and sales performance.

Understanding consumer buying behaviour is essential for retail organizations because digital marketing strongly influences customer decisions through personalized advertisements, online reviews, and promotional campaigns. Therefore, this study analyses the impact of digital marketing strategies on consumer buying behaviour in the retail industry.

Objectives of the Study

1. To examine the importance of digital marketing in the retail industry.
2. To analyse the impact of digital marketing strategies on consumer buying behaviour.
3. To identify major digital marketing tools used by retail businesses.
4. To understand customer perceptions towards online marketing activities.
5. To provide suggestions for improving digital marketing effectiveness.

Review of Literature

A review of literature provides an understanding of previous studies and research findings related to digital marketing and consumer buying behaviour. Several researchers have analysed the influence of digital marketing strategies on customer engagement, purchasing decisions, and retail business performance.

Philip Kotler and Kevin Keller (2022), explained that digital marketing has become an essential component of modern business strategy. Their study highlighted that organizations using social media marketing, search engine optimization, and online advertising achieve better customer engagement and brand visibility. The authors emphasized that digital marketing helps businesses understand consumer preferences through data analytics and personalized communication.

Dave Chaffey (2023), stated that digital marketing enables businesses to interact directly with customers through websites, social media platforms, and mobile applications. The study revealed that social media marketing significantly influences consumer purchasing decisions, especially among younger consumers. The research also highlighted that businesses adopting integrated digital marketing strategies experience higher customer retention and sales growth.

Ryan Damian (2021), examined the role of digital marketing in consumer relationship management. The study found that email marketing and content marketing improve customer trust and satisfaction. The research further indicated that personalized digital communication positively affects consumer loyalty and repeat purchase behaviour.

Strauss and Frost (2020), analysed the effectiveness of online advertising and influencer marketing in the retail industry. Their study revealed that influencer recommendations and online product reviews strongly influence consumer buying behaviour. The authors concluded that digital marketing improves organizational competitiveness and customer engagement.

PwC Global Consumer Insights Survey (2023), Survey reported that consumers increasingly rely on online reviews, social media advertisements, and digital platforms before making purchasing decisions.

The report highlighted that convenience, discounts, and personalized recommendations are major factors influencing online shopping behaviour.

Statista Digital Consumer Trends Report (2024), According to the Statista report, social media platforms are among the most influential digital marketing channels in the retail sector. The report indicated that more than 70% of consumers use online platforms to search for products and compare prices before purchasing.

Dentsu Digital Advertising Report (2024), The Dentsu report highlighted the rapid growth of digital advertising expenditure in India. The report stated that retail businesses are increasingly investing in digital marketing due to rising internet penetration and smartphone usage. Social media advertising and video marketing were identified as the fastest-growing digital marketing segments.

Research Gap

Previous studies on digital marketing have mainly focused on individual promotional tools such as social media marketing, online advertising, and search engine optimization. Many researchers have analysed the influence of these strategies on customer engagement and online purchasing behaviour. However, limited studies have examined the combined impact of multiple digital marketing strategies on consumer buying behaviour in the retail industry, particularly in the Indian market.

Earlier research concentrated on e-commerce growth and online shopping trends, while fewer studies explored how integrated digital marketing practices influence customer satisfaction, brand loyalty, and purchasing decisions simultaneously. In addition, rapid technological advancements and changing consumer preferences have created the need for updated research on digital marketing effectiveness in the modern retail environment.

Therefore, the present study attempts to bridge this gap by analysing the overall impact of various digital marketing strategies on consumer buying behaviour in the retail industry. The study focuses on understanding how digital platforms collectively influence customer engagement, purchase intention, and business performance in the current competitive market environment.

Limitations of the Study

The present study is mainly based on secondary data collected from books, journals, research articles, websites, and industry reports related to digital marketing and consumer buying behaviour. Therefore, the accuracy of the study depends on the reliability of the available secondary sources. The study focuses only on the retail industry and may not represent other business sectors. In addition, consumer behaviour and digital marketing trends continuously change due to technological advancements and changing market conditions. As a result, the findings of the study may vary over time. The study also does not include primary data collection or statistical analysis, which may limit the depth of practical insights regarding consumer perceptions and behaviour.

Research Methodology

The study is descriptive in nature and based on secondary data collected from books, journals, research articles, websites, and industry reports related to digital marketing and consumer behaviour. The collected information has been systematically analysed to understand the influence of digital marketing on consumer purchasing decisions in the retail sector.

Concept Of Digital Marketing

Digital marketing refers to promoting products and services using internet technologies and digital communication platforms. It includes social media marketing, search engine optimization, online advertising, content marketing, influencer marketing, and mobile marketing.

Digital marketing helps organizations:

- Reach wider audiences
- Improve customer engagement
- Analyse customer preferences
- Increase brand visibility
- Enhance sales performance

Businesses increasingly use digital platforms because consumers spend more time online for shopping, communication, and entertainment purposes.

Table No. 1 Advantages of Digital Marketing over Traditional Marketing

Basis	Traditional Marketing	Digital Marketing
Cost	Expensive	Cost Effective
Audience Reach	Limited	Global Reach
Communication	One-way	Two-way
Performance Tracking	Difficult	Easy through Analytics
Customer Engagement	Low	High

Importance Of Digital Marketing in the Retail Industry

Digital marketing plays a major role in retail business development. It enables organizations to attract customers, improve online visibility, and increase sales performance.

Wider Market Reach - Digital platforms help businesses reach customers globally without geographical limitations.

Customer Engagement - Social media platforms allow businesses to communicate directly with customers and understand their preferences.

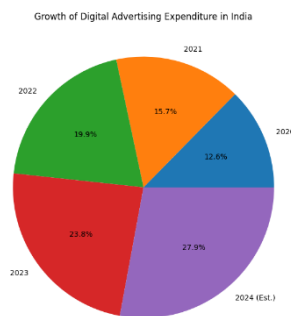
Interdisciplinary Dimensions of Contemporary Research Marketing and Digital Business Perspectives

Personalized Marketing - Businesses can provide customized advertisements and recommendations based on customer interests.

Increased Brand Awareness - Online promotions and advertisements improve brand visibility among consumers.

Higher Sales Growth - Effective digital marketing strategies contribute to increased customer traffic and sales performance.

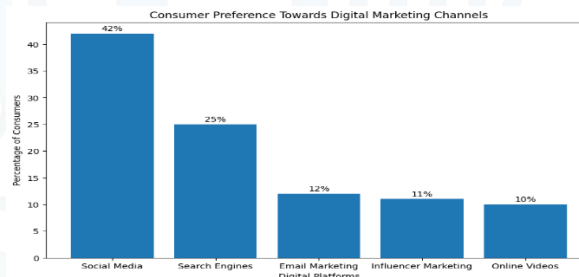
Growth of Digital Advertising Expenditure in India



Source: Dentsu Digital Advertising Report 2024, India

Interpretation: The chart shows continuous growth in digital advertising expenditure in India. Businesses are increasingly investing in digital marketing because of rising internet users and social media engagement.

Consumer Preference towards Digital Marketing Channels



Source: Statista Digital Consumer Trends Report 2024.

Interpretation: The data indicates that social media is the most preferred platform among consumers for product information and purchasing decisions.

Major Digital Marketing Strategies

Social Media Marketing - Social media marketing involves promoting products through platforms such as Instagram, Facebook, LinkedIn, and YouTube. Retail businesses use social media to increase customer engagement and improve brand identity.

Benefits: Increased customer interaction, Better brand awareness, Improved Customer Loyalty

Search Engine Optimization (SEO) - SEO improves website visibility on search engines like Google. Higher rankings attract more customers and improve business credibility.

Benefits: Increased website traffic, Better online visibility, Higher customer acquisition

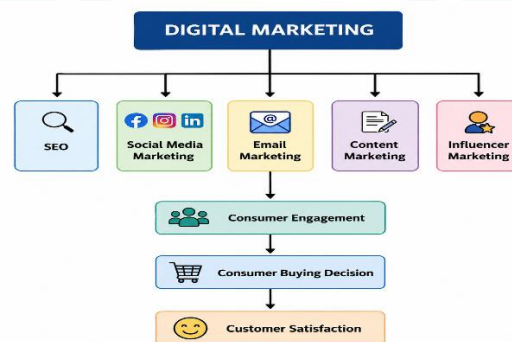
Email Marketing - Email marketing helps businesses communicate personalized offers, product updates, and promotional campaigns directly to customers.

Benefits: Customer retention, Personalized communication, Cost-effective marketing

Influencer Marketing - Influencer marketing involves collaboration with social media influencers who promote products to followers. Consumers often trust influencer recommendations while making purchasing decisions.

Content Marketing - Content marketing focuses on creating blogs, videos, articles, and educational content to attract customers and improve brand credibility.

Digital Marketing Ecosystem



Consumer Buying Behaviour in the Digital Era

Consumer buying behaviour refers to the process consumers follow while purchasing products and services. Digital marketing strongly influences this process through advertisements, online reviews, and social media interactions.

Factors Influencing Consumer Buying Behaviour

Online Reviews and Ratings - Consumers prefer products with positive reviews and higher ratings.

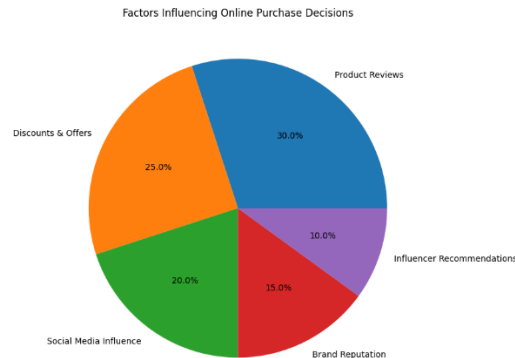
Discounts and Promotional Offers - Special discounts and cash back offers encourage online purchasing.

Social Media Influence - Social media advertisements and influencer promotions affect customer preferences.

Brand Reputation - Consumers trust brands with strong online presence and customer engagement.

Convenience - Easy navigation, secure payment systems, and fast delivery influence purchasing decisions

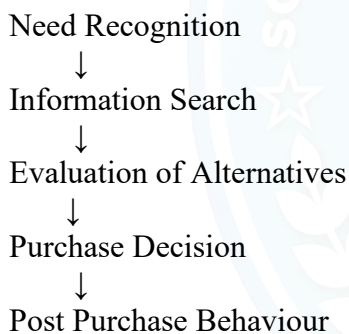
Factors Influencing Online Purchase Decisions



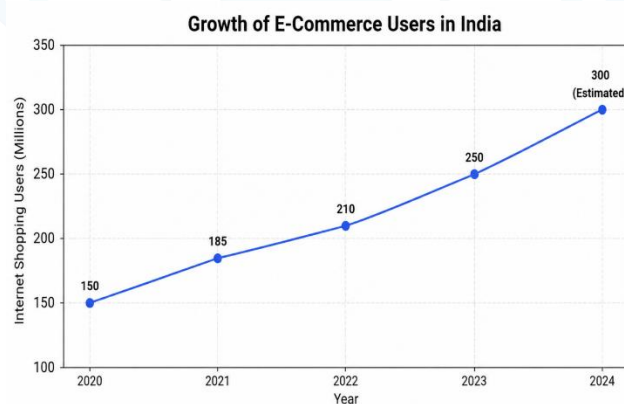
Source: PwC Global Consumer Insights Survey 2023.

Interpretation: The chart reveals that product reviews and promotional offers are major factors influencing online consumer purchasing behaviour.

Consumer Buying Behaviour Process



Growth of E-Commerce Users in India



Source: IBEF E-Commerce Industry Report 2024.

Interpretation: The increasing number of online shoppers indicates rapid growth in digital commerce and online consumer engagement.

Challenges Of Digital Marketing

Despite its advantages, digital marketing also faces several challenges.

High Competition - Many businesses compete for customer attention on digital platforms.

Privacy and Security Concerns - Customers are concerned about data privacy and online payment security.

Negative Reviews - Negative online reviews can affect brand image and customer trust.

Technological Changes - Rapid technological development requires businesses to update marketing strategies regularly.

Ad Fatigue - Consumers may ignore repetitive advertisements over time.

Findings of the Study

1. Digital marketing significantly influences consumer buying behaviour.
2. Social media marketing is highly effective in increasing customer engagement.
3. Consumers rely heavily on online reviews before purchasing products.
4. Personalized digital communication improves customer satisfaction.
5. Digital marketing contributes to higher sales growth and brand awareness.
6. Retail organizations using effective digital marketing strategies achieve competitive advantage.

Suggestions

1. Retail organizations should increase investment in digital marketing strategies.
2. Businesses must focus on customer data privacy and security.
3. Companies should use analytics tools to understand customer preferences.
4. Organizations should collaborate with influencers for better brand visibility.
5. Retail businesses should provide personalized customer experiences.
6. Companies must regularly update digital content and promotional activities.

Conclusion

Digital marketing has become a powerful tool in the modern retail industry. It significantly influences consumer buying behaviour by improving customer engagement, brand awareness, and purchasing decisions. Strategies such as social media marketing, SEO, influencer marketing, email marketing, and content marketing help businesses strengthen customer relationships and improve organizational performance.

The study concludes that digital marketing contributes to increased sales growth, customer satisfaction, and competitive advantage in the retail sector. As technology continues to evolve, organizations must adopt innovative digital marketing practices to meet changing consumer expectations and sustain long-term business success.

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CHAPTER - 3

METRICS THAT MATTER, MASTERING THE FUTURE OF MARKETING ANALYTICS

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Abstract

Marketing analytics transforms data into actionable steps that can be seen as clear and leading to improved business outcomes and smarter campaigns. Some of the major metrics are discussed in this paper such as Customer Lifetime Value (CLV) which indicates the worth of a customer over time, Return on Ad Spend (ROAS) which is used to determine the efficiency of the advert and Net Promoter Score (NPS) which is used to measure customer loyalty. It splits into the four critical stages of analytics, including descriptive (what happened, e.g., total sales), diagnostic (why it happened, e.g., drop-off causes), predictive (what will happen, e.g., targeted offers), prescriptive (what to do next, e.g., targeted offers). In 2026 with trends such as automation of AI, real-time personalization and privacy becoming first-party data, companies can focus on these measures to achieve 15-20% revenue growth, waste reduction and competitive advantage due to accurate, data-supported strategies.

Keywords: Measures of marketing, data analysis processes, future trends in AI.

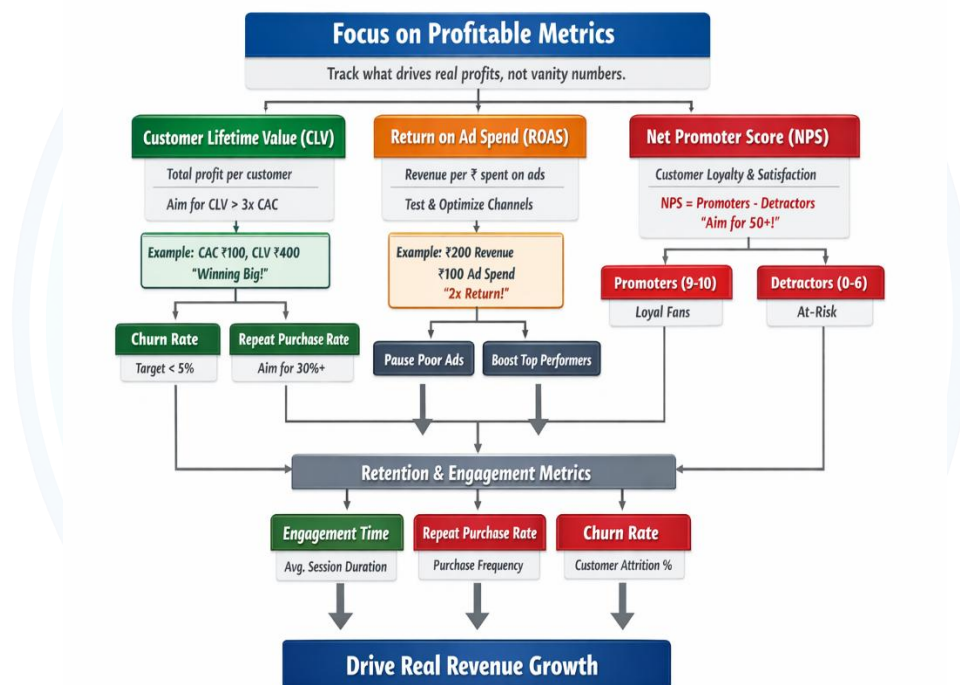
Introduction

Marketing analytics assists companies in transforming customer data into intelligent provisional decisions that enhance sales and loyalty. In the modern dynamic world, the choice of the right metrics is a difference between the victors and the losers. The data overload is a fact on the ground, businesses are creating huge volumes of data every single day through advertisements, websites, applications, social media, emails and customer communications. In the absence of focus, teams are swamped with innumerable in the form of likes, views or bounces that are pretty but not cash-generating. In the current paper, the art of knowing how to master marketing analytics is simplified by narrowing down to those metrics that matter, simple, yet proven metrics such as customer value over time or ad spend returns that have a direct relationship with business growth and profits. There are four straightforward steps of analytics, which are added to one another like cake layers. First, descriptive analytics provides the information of what was done, e.g., the number of total clicks, sales, or visits to the website within a week or a month. This provides a clear starting point to work with, providing fundamental questions such as how many people viewed our campaign? Or "What was our total revenue?" Nothing can be built on top of this, it is like checking the dashboard of your car before a long trip.

Diagnostic analytics then goes further into the reasons things occurred. It identifies root cause issues, such as poor drop-offs on shopping carts, non-performers ad channels or high turnover pages. These insights are easy to observe and make changes on using simple tools, such as funnel charts or customer path maps, e.g., finding out that mobile users give up due to slow loading time. This move transforms teams who are involved in making guesses to evidence-based fixes. Predictive analytics goes a step further to make an assumption of the next event. Based on the previous historical trends, such as the individuals

who made purchases or failed to do so, it predicts the future customer purchases, the probability of churn, or the most effective hours to use in the campaign. Machine learning can achieve this with such force and ease, as in the case of predicting "These 20% of visitors will probably convert should we email them now." This prospective setting assists in budget planning and inventory planning. Lastly, prescriptive analytics dictates the next step to take. It does not only forecast, it suggests actions, such as the recommendation to send a 20% discount to at-risk customers or change ad budget to Facebook where it will work more. This uses AI rules or tests to make data a win which saves time and increases results. Combined, these measures form a complete process of tracking to success. The paper provides an easy to follow roadmap through the world of data clutter to the art of marketing whether you are a fledgling marketer, who is confused with the tools, or an experienced executive, who is after a more acute marketing tool. Any team can eliminate noise, forecast success, and monetize insights by prioritizing the metrics that work and following four steps, which will help to build a sustainable growth one well-calculated decision at a time.

Indicators That Lead to Actual Results.



Pay much attention to metrics that directly relate to your bottom line, real money in and out, instead of vanity numbers such as total likes or followers that make you feel good, but not pay the bills. First, Customer Lifetime Value (CLV) which measures the amount of profit that a single customer generates throughout their lifetime relationship with your brand, starting with their initial purchase to their final purchase. Target CLV should be three times greater than your Customer Acquisition Cost (CAC, the money you paid to acquire that customer) anything less and you will be losing on the long-run. To say the least, say that it costs ₹100 to gain one customer and they pay ₹400 in the long run, you are making huge profits. Then, monitor Return on Ad Spend (ROAS) in order to view the actual pay-off of every ad rupee. It is such a basic ratio that reveals associated revenue per rupee spent on advertisements such as 200 back on 100 means that the efficiency is good. Cross channel test in (Google, social, email) to redirect budgets within hours: cancel anything that performs poorly and increase investment in the good stuff, and by

making simple changes can often increase overall performance by 20-30%. The Net Promoter Score (NPS) is a metric of customer loyalty that can be summed up in the following way: How likely are you to recommend us? 0-10. A score of 9-10 is promoters (loyal fans), 0-6 is detractors (at-risk). The NPS (promoters/quality control givers) should be greater than 50, otherwise it is likely to trigger a strong word-of-mouth growth, and low NPS indicate service gaps, which industry companies should avoid at any cost before reaching revenue. Balance out your core set with retention-related measures: Churn Rate (what percentage of customers leave each month and should be less than 5 percent), Repeat Purchase Rate (frequency of repeat buying, and should be 30 percent or higher), and Engagement Time (average number of minutes on site or session) can indicate what content customers stick to; Start with the big three (CLV, ROAS, NPS) to use in your strategy, and then add these that you use every day to make modifications, but always remember to tie them to revenue.

How to Track and Improve These Metrics

To begin with, create a simple and visual dashboard, which one of your team members can quickly look at and does not require any complex code. Google analytics 4 (GA4) are free to use with building website and ad data, Google sheets or Excel to compute custom functions, and Google data Studio is a low-cost tool to automatically combine all of the above. Have an early spotting of trends everyday or once a week: green, red. In the case of CLV, take three numbers in your sales results: average order value (total sales per order, i.e. total revenue divided by orders), purchase frequency (orders per client), and average lifespan (period between first and last order). Divide them: (Avg order x Frequency x Lifespan) -costs = CLV. Monitor it every month, when it is decreasing, examine the quality of the product or the prices of the products. ROAS is most effective in real-time tracking divide total revenue of a campaign by the amount spent on advertising (e.g. 50,000 revenue / 10,000 spending = 5:1 ROAS). Connect Google Ads or Facebook Pixel to GA4 and get real-time updates quickly, and conduct A/B tests: first, you should test two versions of the ad (headlines, pictures, a different audience) on little budgets. Stop losing around 1,000 impressions and increase winners: just a few tweaks to simple targeting such as an age group or hobbies can increase ROAS by 2:1 to 4:1. Establish warnings on falls below your target (goal 3:1+) and periodically (3 times per year) screen channel breakups to eliminate low performers such as low-ROAS display ads. Increase NPS by one-question surveys emailed immediately after purchase or support inquiries- utilize cost-free devices such as Google Forms, Typeform or Hotjar pop-ups. Being instant: Love (9-10) you, neutral (7-8) you are a passivity, need help (0-6) you are a detractor.

Sends email-critics a personal apology in the next 24 hours: I am sorry to hear that- what happened? In many cases, the solution of any problem results in them becoming referral chains with a value of 3-5 times. Monitor NPS by segment (new and loyal customer) target to increase it 10 points each year by providing better service or making a gift (such as a thank-you gift). In the case of churn and repeat customers, you should subdivide your customer base in your CRM (such as HubSpot free or Excel filters): labeling inactive as having not bought within 30-60 days. Divide churn by month by total at start, and multiply by 100 (lost customers/ total at start). Automate win back flows- use Mailchimp or Klaviyo to send emails such as we miss you! Here is 15 percent off-recovery of 10-20 percent of at-risk revenue. Increase frequency through a rewarding scheme: tier discounts (with a purchase of 3 products, the next 10% will be discounted). Interaction time is provided without GA4-watch pages that have low dwell times (less than 30 seconds) and fix shorter videos or call-to-action that is clearer. Be a ritual 30 minutes once a week team huddles to discuss dashboards - high-five ROAS improvements, brainstorm NPS

improvements, and have one call to action such as "Reduce churn by 2% this month). Apply the easy rules: In case a metric stops working after two weeks, debug it; in case it works better than expected, amplify it. In the long run, such a habit will transform the raw numbers into your silent growth engine and multiply small wins into huge revenue spurts.

Common Challenges and Fixes

Marketing tools that confuse and produce clutter, unreliable data are the bane of teams who have either too many marketing tools (think 50+ apps to email, ads, analytics, and CRM) or are simply working with scanty data. There are silos of information that do not connect to each other, reports are conflicting, and even a basic question, such as, which campaign worked best? need days to respond as everything does not match. This tool sprawl wastes time and makes incorrect decisions, such as spending money on bad channels. The cessation of third-party cookies, small trackers that monitor users across web pages is another huge problem. They are being blocked by browsers such as Chrome due to privacy concerns hence you miss the easy data on who goes where. Otherwise, personalization will decrease, advertisements will become uninteresting, and customer insights will turn black, which damages repeat purchases by up to 30 percent. The fix begins with integration: connect your tools through easy platforms such as Zapier or customer data platforms (CDPs), which would have everything in a single clean image. Move to first-party data, such as emails, logins, using an app, etc., which is given willingly by customers, which also establishes trust but does not reduce insights. Attention to quality instead of quantity: choose 5-10 reliable sources, create real-time dashboard, and test minor changes on a weekly basis. This eliminates the noise, accelerates decision making and transforms issues into your competitive advantage.

Conclusion

Through marketing analytics, businesses are enabled to make a transition into activities based on guesswork and gut perceptions into proven and data-supported strategies that continually produce tangible growth and competitive advantages. Through learning a limited set of high-impact measures Customer Lifetime Value (CLV) to profitability over the long term, Return on Ad Spend (ROAS) to ad efficiency, Net Promoter Score (NPS) to understand loyalty, churn rate to detect retention leakage, and engagement measures to understand real interest, teams can achieve the crystal-clear insight into what is and is not working. The metrics can be followed by the easy four-step analytic process (descriptive, diagnostic, predictive, prescriptive) and the available tools, such as Google Analytics or even simple spreadsheets, bypass the main pitfalls: the inability to fathom the data mine due to the tools scattered across multiple lists; the inability to see any personalization results because third-party cookies are disappearing; and the inability to collect a comprehensive view of the information, so the budget is wasted. Rather than losing themselves in vanity metrics, such as likes or impressions, teams work on what is directly related to revenue, such as weekly dashboard meetings find trends, and quick A/B tests and automated behavior such as win-back e-mails transform observations into outcomes.

The results are significant and confirmed: organizations that operate according to such measures tend to increase revenue by 15-20 percent due to improved customer retention, improved ad spend, and faster changing the campaigns, as well as greater loyalty that grows by referrals and returning customers. Such obstacles as privacy rules or excessive tools are benefits when you prioritize first party data and single platforms. The next steps are easy to follow in real life, namely, choose your top three metrics in

the present day (e.g., CLV, ROAS, NPS), construct a one-page dashboard, schedule weekly meetings with your team, and make one small change according to the numbers. Be merciless when it comes to revenue linkage: unless a certain measure demonstrates a money trail, get rid of it. Month by month this disciplined practice turns marketing into growth engine as well as cost center creating sustainable success which grows with your business.

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CHAPTER - 4

CONSUMER SATISFACTION TOWARDS ONLINE SHOPPING

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Abstract

Online shopping has become a major part of modern consumer life because of its accessibility, variety, and ease of use. This study focuses on how satisfied customers are with online shopping and examines the factors that influence consumers' enjoyment when making purchases utilising online platforms. The present study considers factors such as product variety, payment convenience, price and discounts, delivery service, return and refund facilities, security and privacy, and website or app experience. The findings indicate that overall shopping experience and product variety play an important role in consumer satisfaction. It concludes that providing convenient services, quality products, secure payment options, timely delivery, and effective customer support can improve consumer satisfaction and encourage continued use of online shopping platforms.

Keywords: Online Shopping, Consumer Satisfaction, Online Platforms, Customer Experience, Convenience

Introduction

Online shopping has emerged as one of the most convenient and popular methods of purchasing goods and services in the modern era. The rapid development of the internet, smartphones, digital payment systems, and e-commerce platforms has significantly changed the traditional way of shopping. Now, customers can do product searches, pricing comparisons, reviews, orders, and payments at any time and from any location. Customers' preference for online shopping has been further fuelled by the availability of a large selection of goods and alluring deals. Consumer satisfaction is an important factor in determining the success and growth of online shopping. It refers to the extent to which a consumer feels pleased or disappointed after purchasing and using a product or service. Satisfaction depends on whether the product and service received meet or exceed the consumer's expectations. In online shopping, consumers generally consider factors such as product quality, price, product variety, website convenience, delivery speed, payment options, customer service, return and refund policies, and data security.

Although online shopping provides several advantages, consumers may also face problems such as delayed delivery, damaged or incorrect products, differences between the product displayed online and the product received, payment-related issues, hidden charges, and difficulties in returning products. These factors can have a significant effect on the overall satisfaction of consumers and their willingness to shop online again. Understanding consumer satisfaction is therefore important for online retailers because satisfied customers are more likely to make repeat purchases, recommend the platform to others, and remain loyal to a particular brand or website. On the other hand, dissatisfied consumers may switch to competing platforms and share negative experiences with others.

The study of the level of satisfaction of online shopping consumers aims to understand how consumers evaluate their online shopping experiences and to identify the major factors influencing their

satisfaction. It also helps in understanding consumer expectations and the areas where online shopping companies can improve their products and services. Thus, measuring consumer satisfaction provides valuable information for improving the quality, reliability, and efficiency of online shopping services.

Statement of the problem

Online shopping has become an important part of modern consumer life due to its convenience, wide range of products, competitive prices, and doorstep delivery. However, consumers may face various issues such as delayed delivery, poor product quality, inaccurate product description, payment problems, difficulties in returns and refunds, and unsatisfactory customer service. These factors can affect consumers' overall satisfaction and their willingness to continue purchasing online. Therefore, this study aims to examine the level of consumer satisfaction towards online shopping and identify the major factors that influence their satisfaction, such as product quality, price, convenience, website usability, delivery service, payment options, and customer service.

Objectives of the Study

1. To know the demographic profile of the consumer
2. To examine the problems in online shopping.
3. To find the level of consumer satisfaction towards online shopping.

Review of literature

Manju (2016) examined the factors influencing the perceptions of online shoppers, with particular emphasis on trust. The study found that consumers from different age groups and genders have varying perceptions regarding the credibility and value of online shopping platforms. Age was identified as an important factor influencing consumers' perceived trust and value towards online purchases. However, the study also revealed that the differences between male and female consumers in accepting online shopping were relatively small.

Priya & Sudhahar (2019) examined the customer satisfaction toward online shopping. The study showed that customers are showing much interest towards purchasing product from online. It was found that consumers prefer quality product with low cost, timely delivery, replacement or refund guarantee, and safety of goods delivery. Results found that male consumers show high intention in engaging online shopping than female consumers in online shopping. In conclusion, it was found that online marketers should make necessary steps to increase customer involvement and satisfaction towards online shopping.

Srivastava & Deo (2018) investigated the factors affecting online shopping behavior of consumers. The study revealed that fashion; perfection, price, ambiguity and brand are the major factor that influences online shopping behavior of consumers. The study showed that online shopping is getting popularity among the different segment customers. Findings showed that attraction, style, quality product, value for price, best product availability, low price and accessibility are the significant factors that influence consumer online shopping behavior. It was concluded that various factors that influence online shopping of consumer.

Methodology

Interdisciplinary Dimensions of Contemporary Research Marketing and Digital Business Perspectives

This study is based on primary and secondary data. The data is collected from 120 respondents in Chennai city. Convenience sampling technique has been used to select the sample respondent. The secondary data is collected from the journals, magazines, books, published research papers and website.

Limitations of the study

1. The size of the study is only 120 respondents
2. The study is conducted in Chennai city only.
3. This study is limited to a few online platforms.

Analysis of Data

Table 1. Demographic variable analysis

Demographic variable analysis			
Demographic variable		No. of Respondents	Percentage
Age	Below 20	5	4
	21-40	77	64
	41-60	36	30
	Above 61	2	2
	Total	120	100
Gender	Male	43	36
	Female	77	64
	Total	120	100
Educational Qualification	UG	55	46
	PG	34	28
	Professional	19	16
	others	12	10
	Total	120	100
Monthly Income	Below 20,000	26	22
	20001-50000	48	40
	50001-75000	29	24
	Above -75001	17	14
	Total	120	100
Occupation	Govt. employee	14	12
	Private employee	65	54
	Business	12	10
	Home maker / others	29	24
	Total	120	100

Source: Primary Data

The above data indicates that the majority of respondents (64%) belong to the age group of 21–40 years. Female respondents constitute 64% of the sample, while male respondents account for 36%. In terms of educational qualification, 46% of the respondents are undergraduates, while the remaining respondents fall into other educational categories. Regarding income, 40% of the respondents earn

between Rs.20,001 and Rs.50,000 per month. The majority of the respondents are private-sector employees.

Table 2. Reason for shopping

Reasons	No of respondents	Percentage
Convenience	45	38
Variety of products	29	24
Time saving	22	18
Easy home delivery	7	6
Lower price	12	10
Others	5	4
Total	120	100

Source: Primary Data

The above table depicts that convenience is the main reason for online shopping, with 38% of respondents choosing it. Variety of products is the second most common reason at 24%, followed by time saving at 18%. Lower price accounts for 10%, while easy home delivery accounts for 6%. The remaining 4% selected other reasons. Overall, convenience is the primary factor influencing people to shop online.

Table 3. Preference of platform

Platforms	No of respondents	Percentage
Amazon	43	36
Flipkart	31	26
Myntra	5	4
Meesho	24	20
Aijo	4	3
others	13	11
Total	120	100

Source: Primary Data

From the above table it is observed that 36% of the respondents purchase from Amazon, 26% of the respondents from Flipkart, 20% of the respondents from Meesho and 11% of the respondents from other online platform like Snapdeal, Nykaa, BigBasket and JioMart.

Table 4. Problems in online shopping

Problems	No. of respondents	Percentage
Late delivery	19	16
Payment / Website issue	34	28
Poor quality	17	14
Lack of product information	24	20
Return / refund	14	12
Wrong product	5	4
High delivery charges	7	6
Total	120	100

Source: Primary Data

Interdisciplinary Dimensions of Contemporary Research Marketing and Digital Business Perspectives

Out of 120 respondents, 28% of the respondents faced the payment and website issue, 20% of the respondents faced lack of product information, 16% of the respondents faced late delivery, 14% of the respondents faced poor quality and 4% of the respondent faced wrong product.

Table 5. Table showing the relationship between gender and the satisfaction of consumers towards online shopping

Gender and consumer satisfaction

	HS	S	N	D	HD	Total
Male	21	15	5	2	0	43
Female	27	36	12	2	0	77
Total	48	51	17	4	0	120

O	E	O-E	(O-E) ²	$\frac{(O-E)^2}{E}$
21	17.2	3.8	14.44	0.84
15	18.28	-3.28	10.76	0.59
5	6.09	-1.09	1.19	0.20
2	1.43	0.57	0.32	0.22
27	30.80	-3.80	14.44	0.47
36	32.73	3.27	10.69	0.33
12	10.91	1.09	1.19	0.11
2	2.57	-0.57	0.32	0.12
				2.88

Calculated value = 2.88

Calculating the degree of freedom = (Number of Columns – 1) × (Number of Rows -1)

= (4-1) × (2-1) = 3

Level of significance = 5% = 0.05

Table value = 7.815

The Chi-square value for degree of freedom is 2.88 which is lesser than the table value 7.815. So Null Hypothesis is accepted. The results shows that the calculated value is lesser than the table value. Hence there is no significant relationship between gender and the satisfaction towards online shopping.

Findings:

1. It is found that the majority of the respondents 64% are in the age group of 21-40.
2. Majority 64% of the respondents are female.
3. The majority of the respondents (46%) are undergraduates.
4. Most of the respondents are employed in the private sector.
5. The majority of the respondents prefer Amazon and Flipkart as their preferred online shopping platforms.

6. Convenience is the major reason for online shopping, accounting for 38% of the respondents, followed by the variety of products (24%) and time-saving (18%).
7. Most of the respondents are satisfied with their overall online shopping experience.

Suggestions

Online shopping platforms should focus on providing customers with a convenient, user-friendly, and secure shopping experience. They should offer a wide variety of quality products at competitive prices and ensure timely delivery to improve customer satisfaction. E-commerce platforms should provide accurate product information, customer reviews, easy payment options, attractive discounts, and efficient customer service. Proper measures should also be taken to protect customers' personal and payment information and to resolve complaints quickly. Regularly collecting customer feedback and using it to improve products and services can help online shopping companies understand changing consumer preferences and build long-term customer relationships.

Conclusion

This study concludes that online shopping has become a vital part of consumers' purchasing behaviour. The findings shows that most respondents prefer online shopping mainly because of its convenience, variety of products, and time-saving benefits. Amazon and Flipkart are the preferred platforms among the respondents, and most of them are satisfied with their online shopping experience. Therefore, online shopping platforms should continue to improve their services, product variety, delivery, security, and customer support to enhance customer satisfaction and encourage continued use of online shopping.

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CHAPTER - 5

CONSUMER BEHAVIOUR OF GEN Z FREELANCERS IN THE EMERGING DIGITAL MARKETING ECOSYSTEM

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Abstract

The rapid advancement of digital technologies and platform-based economic systems has significantly transformed consumer lifestyles and marketing practices worldwide. Among the emerging consumer segments, Generation Z freelancers represent a highly influential group due to their active participation in the gig economy, digital entrepreneurship, and creator-driven marketplaces. This chapter examines the consumer behaviour of Gen Z freelancers within the evolving digital marketing ecosystem. It explores how social media engagement, platform-based interactions, influencer culture, artificial intelligence, and personalized marketing influence their purchasing behaviour and brand preferences. The chapter further discusses the role of technological dependence, ethical consumption, digital convenience, and community-driven engagement in shaping the consumption patterns of this generation. In addition, the study critically analyses the opportunities and challenges faced by marketers while addressing the expectations of digitally empowered freelance consumers. The chapter concludes by emphasizing the importance of adaptive, authentic, and technology-oriented marketing strategies for businesses operating in the contemporary digital economy.

Keywords: *Generation Z, Freelancers, Consumer Behaviour, Digital Marketing, Gig Economy, Social Commerce, Influencer Marketing, Personalized Marketing, Digital Consumers*

Introduction

The global business environment has undergone remarkable transformation due to technological innovation, internet penetration, and the expansion of digital communication networks. The increasing accessibility of smartphones, online platforms, artificial intelligence, and social media applications has fundamentally altered the way consumers interact with brands and make purchasing decisions. In this context, digital marketing has emerged as one of the most influential components of modern business strategy. Simultaneously, the nature of employment has also evolved significantly. Traditional organizational structures are increasingly being replaced by flexible work arrangements, remote employment, and project-based professional activities. One of the most visible outcomes of this transformation is the growth of the gig economy, particularly among younger generations.

Generation Z, generally referring to individuals born between the mid-1990s and early 2010s, represents one of the most technologically connected consumer groups in contemporary society. Unlike earlier generations, Gen Z individuals have grown up in a fully digital environment characterized by instant communication, social networking, and continuous online engagement. Their familiarity with

technology has shaped their expectations regarding convenience, personalization, accessibility, and digital interaction.

A major trend associated with this generation is the increasing preference for freelancing and independent professional work. Gen Z freelancers actively participate in occupations such as digital content creation, graphic designing, web development, online education, digital marketing, photography, social media management, and influencer-based entrepreneurship. The flexibility and autonomy associated with freelancing strongly align with their lifestyle preferences and career aspirations.

The emergence of Gen Z freelancers has also created a distinct category of consumers whose purchasing behaviour differs from traditional consumer segments. Their buying decisions are strongly influenced by online communities, social media trends, influencer recommendations, digital experiences, and value-based brand communication. Consequently, businesses are increasingly required to redesign their marketing strategies to effectively engage with these digitally empowered consumers.

This chapter aims to critically examine the consumer behaviour of Gen Z freelancers within the context of the emerging digital marketing ecosystem. It also explores how evolving technologies and digital marketing dynamics influence their purchasing decisions, consumption preferences, and brand engagement patterns.

Theoretical Foundation

Understanding the consumer behaviour of Gen Z freelancers requires theoretical support from contemporary behavioural and technological frameworks.

Consumer Behaviour Theory

Consumer Behaviour Theory explains how individuals select, purchase, use, and evaluate products or services based on psychological, social, cultural, and personal influences. In the digital environment, consumer behaviour is increasingly influenced by online interactions, peer recommendations, and technological accessibility.

For Gen Z freelancers, digital experiences, social validation, and personalized communication significantly affect purchasing intentions and brand loyalty.

Technology Acceptance Model (TAM)

The Technology Acceptance Model developed by Davis highlights that perceived usefulness and perceived ease of use influence technology adoption. Gen Z freelancers demonstrate strong acceptance of digital platforms because such technologies simplify communication, online transactions, professional networking, and purchasing activities.

The extensive use of e-commerce applications, digital payment systems, and AI-driven recommendation platforms reflects the relevance of TAM in understanding Gen Z consumer behaviour.

Social Influence Theory

Social Influence Theory emphasizes the impact of peer groups, online communities, and social interactions on individual behaviour. Social media influencers, online reviews, creator communities, and digital discussions strongly shape the preferences and consumption patterns of Gen Z freelancers.

Gen Z Freelancers as Emerging Digital Consumers

Gen Z freelancers represent a rapidly growing segment within the digital economy. Unlike traditional employees, freelancers engage in flexible and independent work arrangements supported by digital technologies and online platforms.

Freelancing among Gen Z is not merely an employment alternative but also a lifestyle-oriented career choice associated with creativity, autonomy, and work-life flexibility. Digital platforms have enabled young professionals to monetize skills and establish independent identities within the online marketplace.

Key Characteristics of Gen Z Freelancers

Technological Dependence

Gen Z freelancers rely extensively on smartphones, cloud technologies, collaborative software, and digital communication platforms for both professional and personal activities.

Preference for Flexibility

This generation values independence and flexible working arrangements over rigid organizational structures.

Entrepreneurial Orientation

Many Gen Z freelancers demonstrate entrepreneurial aspirations by building personal brands, creating digital content, and developing multiple sources of income.

Social and Ethical Awareness

Modern consumers increasingly prefer brands associated with sustainability, inclusivity, ethical production, and social responsibility.

Desire for Personalized Experiences

Customized communication, targeted recommendations, and interactive brand experiences positively influence their engagement and purchasing decisions.

Consumer Behaviour of Gen Z Freelancers

Consumer behaviour within the digital economy is shaped by convenience, technological accessibility, and social interaction. The behaviour of Gen Z freelancers reflects changing expectations regarding digital consumption and customer experiences.

Digital Purchase Behaviour

Mobile-Centered Shopping

Smartphones play a central role in the purchasing activities of Gen Z consumers. Mobile applications are frequently used for product searches, price comparisons, digital transactions, and customer reviews.

Preference for Digital Payments

Cashless payment systems such as UPI platforms, online banking, and digital wallets have become highly preferred because of their convenience and speed.

Convenience-Oriented Consumption

Consumers increasingly prioritize convenience, seamless navigation, fast delivery, and simplified return procedures while selecting online platforms.

Subscription-Based Consumption

Many Gen Z freelancers subscribe to digital services including educational platforms, streaming services, productivity applications, and creative software tools.

Social Media and Consumer Influence

Social media platforms significantly shape consumer perceptions, preferences, and purchasing intentions among Gen Z freelancers.

Influencer Marketing and Digital Trust

Influencer marketing has emerged as a dominant strategy in digital promotion. Consumers often perceive influencers as relatable sources of product information and recommendations. However, excessive promotional content may reduce trust among digitally aware audiences.

A) User-Generated Content

Gen Z consumers frequently rely on customer reviews, testimonials, and peer-generated experiences before making purchasing decisions. User-generated content is often considered more authentic than traditional advertisements.

B) Social Commerce

The integration of e-commerce features into social media platforms has transformed digital purchasing behaviour. Consumers can now discover, evaluate, and purchase products within the same application environment.

C) Online Communities

Digital communities influence discussions related to technology, productivity, lifestyle, and consumption preferences. Such communities contribute to brand awareness and consumer engagement.

Factors Influencing Purchasing Decisions

Brand Authenticity - Transparency and honest communication significantly influence brand perception among Gen Z consumers. Businesses perceived as authentic are more likely to gain consumer trust.

Sustainability and Ethical Consumption - Consumers increasingly support organizations that demonstrate environmental responsibility and ethical business practices.

Price Consciousness and Value Evaluation - Although quality remains important, Gen Z freelancers often compare alternatives before making purchasing decisions.

Online Ratings and Reviews - Customer ratings and online feedback strongly influence digital purchasing behaviour and perceived product reliability.

Emotional and Social Connection - Brands that establish emotional engagement through storytelling, inclusivity, and socially relevant campaigns often achieve stronger customer loyalty.

Emerging Digital Marketing Dynamics

The digital marketing ecosystem continues to evolve in response to technological innovation and changing consumer expectations.

Influencer Marketing - Influencer collaborations have become highly effective in reaching Gen Z audiences through relatable and visually engaging content.

Rise of Micro-Influencers - Micro-influencers often generate stronger audience engagement because consumers perceive them as more genuine and accessible compared to celebrity influencers.

Expansion of the Creator Economy - Independent creators and freelancers increasingly contribute to digital promotions through sponsored partnerships and branded content development.

Demand for Authentic Content - Gen Z audiences generally respond positively to realistic and relatable content rather than heavily commercialized promotional messages.

Artificial Intelligence and Personalized Marketing - Artificial intelligence has transformed customer engagement and digital marketing communication.

- A. *AI-Based Recommendation Systems*** - Algorithms analyse browsing patterns and purchasing history to deliver personalized recommendations and targeted advertisements.
- B. *Chatbots and Automated Customer Assistance*** - AI-powered chatbots improve customer experiences by providing immediate responses and personalized assistance.
- C. *Predictive Consumer Analytics*** - Data analytics technologies help organizations identify future market trends and consumer preferences more effectively.

However, concerns related to privacy, excessive data collection, and algorithmic manipulation continue to create ethical challenges within digital marketing environments.

Social Commerce and Digital Platform Integration

The integration of commerce and social networking platforms has significantly reshaped online purchasing behaviour.

Platform-Based Purchasing - Consumers increasingly prefer purchasing products directly through social media applications equipped with integrated shopping functions.

Livestream Commerce - Live product demonstrations create interactive digital shopping experiences and improve real-time consumer engagement.

Community-Driven Marketing - Businesses establish online communities and digital forums to strengthen long-term customer relationships and brand loyalty.

Challenges Faced by Marketers

Despite technological advancements, marketers face several challenges while engaging Gen Z freelance consumers.

Rapidly Changing Trends - Consumer preferences frequently change due to constant exposure to digital content and evolving online trends.

Short Attention Span - Capturing and maintaining audience attention has become increasingly difficult in highly competitive digital environments.

Advertisement Avoidance Behaviour - Many Gen Z consumers ignore intrusive advertisements and promotional interruptions.

Demand for Transparency - Consumers can quickly identify misleading promotional claims and therefore prefer authentic communication.

Frequent Brand Switching - Young consumers often experiment with alternative brands based on price, innovation, convenience, and social influence.

Opportunities for Businesses

Opportunity Area	Strategic Advantage
Personalized Marketing	Improves engagement and customer satisfaction
Influencer Collaboration	Expands digital visibility and audience reach
Sustainable Branding	Attracts socially responsible consumers
AI Integration	Enhances customer experience and efficiency
Community Building	Encourages long-term customer loyalty

Future Trends in Consumer Behaviour and Marketing

The future of digital consumer behaviour is expected to become increasingly technology-driven and experience-oriented. Artificial intelligence will continue enhancing hyper-personalized customer experiences. Technologies such as augmented reality and virtual reality may transform online shopping through immersive experiences and virtual product demonstrations.

The creator economy is also expected to expand further as freelancers and independent creators become central contributors to digital marketing ecosystems. Simultaneously, ethical consumption and sustainable purchasing behaviour are likely to become more significant among younger consumers.

Organizations will therefore need to balance automation and technological innovation with emotional intelligence, transparency, and customer-centred communication.

Research Implications.

This chapter contributes to the growing literature on Gen Z consumer behaviour, freelancing culture, and digital marketing transformation. The discussion highlights the importance of understanding digital-native consumers whose purchasing behaviour is strongly influenced by technological interaction and social engagement.

The chapter also identifies the need for future empirical research focusing on freelance consumer segments, social commerce behaviour, platform-based consumption, and AI-driven customer engagement practices. Further research may also examine cultural differences in Gen Z consumer behaviour across developing and developed economies.

Suggestions for Marketers

1. Develop personalized marketing strategies based on digital consumer preferences.
2. Focus on authenticity and transparent brand communication.
3. Collaborate with credible influencers and content creators.
4. Invest in interactive and educational digital content.
5. Emphasize sustainability and ethical business practices.
6. Improve mobile commerce experiences and digital convenience.
7. Utilize consumer data responsibly and ethically.
8. Build digital communities that encourage long-term engagement and trust.

Conclusion

The emergence of Gen Z freelancers has significantly transformed consumer behaviour and digital marketing practices within the modern economy. Their dependence on technology, preference for flexibility, digital engagement patterns, and demand for personalized experiences have reshaped traditional marketing approaches. Digital marketing strategies such as influencer marketing, AI-driven personalization, social commerce, and creator-based engagement continue to influence the purchasing

behaviour of this generation. Businesses operating within the digital marketplace must therefore adopt innovative, adaptive, and consumer-cantered approaches to effectively engage Gen Z freelance consumers.

As the digital economy continues to expand, Gen Z freelancers are expected to become increasingly influential not only as consumers but also as creators, entrepreneurs, and contributors to the broader marketing ecosystem. Organizations that successfully align with their expectations and values are more likely to achieve sustainable growth and long-term customer loyalty.

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CHAPTER – 6

CHALLENGES IN EMPLOYER BRANDING

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Abstract

Employer branding is an important topic of research in human resource management, due to its significance in attracting, retaining and developing people and in improving the competitiveness of organisations. The purpose of this study is to map the intellectual structure and research trends on the problems of employer branding using a bibliometric analysis. The Scopus database was used to acquire the data. A total of 43 publications published between 2011 and 2024 were analysed using Biblioshiny. Also, the results show that employer branding is a new and fast-growing research area and articles account for 76.7% of total publications. The overall number of writers in the literature was 113, and the worldwide co-authorship rate was 16.28%. The most productive source was International Journal of Organisational Analysis. India was the leading contributing country followed by Portugal, Sweden, Germany and United States. Keyword co-occurrence analysis identified five topic clusters on recruitment, social media, talent acquisition, organisational attractiveness, talent management, corporate culture, employment, human capital, demographic shifts, and strategic HR concerns. Thematic mapping showed the motor themes of employer branding, commerce, employment, demographic shifts and strategic HR problems, and the speciality themes of organisational attractiveness and talent acquisition. Trend research revealed that employer branding and talent management were the most trending themes during the study period. The study offers significant insights into the development of research on employer branding and suggests avenues for further academic research.

Keywords: Employer Branding, Bibliometric Analysis, Talent Management, Recruitment, Organizational Attractiveness, HRM, Talent Acquisition, and Strategic HR Challenges.

Introduction

With today's corporate world facing a fierce competition for top talent and ever-changing expectations from employees, employer branding has become a critical strategy for organisations to succeed. Employer branding is a planned effort by an organization to create and share its identity as an employer with its current and future employees. This includes the organization's values, culture and work environment. It reflects how desirable an organization is to work for, and is influenced by internal and external perceptions. In simple terms, it is a promise made by a firm to its employees regarding what they can expect in terms of the working environment, opportunity for professional progress and the overall corporate culture.

Employer branding has become increasingly important with the development of social media and digital communication platforms, which have greatly enlarged the reach and impact of employer reputation. Today's job seekers have plenty of information about potential companies. This includes corporate reviews on employment boards, but also deep knowledge gained from social media platforms and employer review websites. And now companies are competing for great people as much as they are for consumers and market share. It is imperative to build a strong and attractive employer brand.

A strong and resilient employer brand has various strategic reasons. This helps organizations stand out from the competition and showcase their unique value propositions in order to attract top talent. And, a solid employer brand can boost employee engagement and retention by allowing employees to feel connected and aligned with the company's values and goals. Moreover, excellent employer branding can reduce cost and time of recruitment, as it can attract those who already have the same values and culture with the organization.

But the road to building and sustaining a strong employer brand is fraught with challenges. Organisations want to deliver on their brand promises, but often don't do it in a way that represents what employees are experiencing. Leaves flaws and loses credibility. Moreover, the pace of changes in the workplace due to the technology progress and changing workforce needs complicates the matter of keeping the company image up to date and appealing.

Organisations need to handle this complexity and adjust to new trends and requirements to remain competitive in the talent war. The introduction briefly touches upon the relevance of employer branding in today's corporate world and paves the way for an in-depth look into the nuances and practices that drive this vital piece of an organisational strategy. These are things organisations need to recognise and respond to, in order to build a strong employer brand that not only recruits the greatest talent, but also cultivates a good and engaging environment for their existing employees.

Objectives of the study

The objective of the study is to find out the literature streams and map the topic on the “challenges of employer branding.”

Review of literature

(Eriksson et al., 2022) determines whether adopting a business eco-system approach that promotes and capitalizes on indirect social exchanges can enhance employer branding. The results of the study imply that there could be value for firms to take an ecosystem-focused approach to employer branding. The results mentioned that indirect social exchanges could offer more value to individual firms. This was possible when the individual firms formed a group of interdependent collaborators. It was impossible to achieve this as a competitor. As the literature highlighted, employee and partner extreme role behavior played a key role in the business ecosystem, and it offered huge benefits for joint employer branding as an initiative of participating firms.

(Gilani & Cunningham, 2017) focus on examining employer branding and its effect on employee retention. According to an overall analysis of the literature review, employer branding is integrated into organizations, and different employer brand attributes hold value for workers and help them remain employed within the company. This outcome supports the notion that employer branding influences employee retention in an effective way. Thus, the outcome paves the way for further research that could look into testing the conceptual framework created through quantitative research as well as delving deeper into the seven major themes of retail employer branding to determine which aspects of the brand are most important to employees.

(Yadav & Singh, 2021) develop the concept of employer branding and investigate the employer branding efforts of chosen Indian IT businesses including Wipro, TCS, Infosys, HCL and Tech Mahindra. The

research evaluated the influence of elements on employer branding and found that a good employer brand makes a good image of the organization as a place to work. The key determining criteria were compensation and employee perks, work-life balance, long-term employment security, financial stability of the organization and a nice working climate. Employers leveraged social media to establish their brands. Organisations embraced employer branding as a technique to recruit, retain and engage people in order to obtain a competitive advantage. Indian organisations are increasingly leveraging employer branding to attract and retain personnel to fuel expansion and success.

(Jha, 2017), Most of the HR professionals are aware of employer branding however many of them are not aware of its uses. Employer branding is a method to attract and retain the top personnel in an increasingly competitive climate within an organization. Just like branding, an employer's brand has value and positioning and is critical in building the image of the firm in the eyes of prospective and future employees. The study result indicates that employer branding was successful in achieving competitive advantage. Indian companies are utilising employer branding as a strategy to attract and retain personnel for growth and expansion. It organises recruitment and attracts the right people.

As per **(Matongolo et al., 2018)** higher education institutions tend not to give intangible assets and qualities that encourage employee retention. The study used quantitative approaches in studying the association between the aspects of employer branding such as leadership development, incentive strategy, people-orientedness and talent retention in Ugandan institutions. The key characteristics of employer branding were identified as incentive strategy, leadership development and people-orientedness through confirmatory factor analysis. Of these, people-orientedness and reward approach were the strongest predictors of talent retention. The results indicate that the use of people-oriented practices and effective reward methods can boost staff retention in organisations. Embedding talent retention techniques into the organisational culture could allow you to build stronger employer branding and increase long term commitment from your employees.

Organisations spend lots of money to be employer of choice and try to hold on their best personnel **(Kakkad & Sharma, 2021)**. The objective of the study was to discover the attributes affecting employer branding and employee association with the organisations. In Mumbai, a model consisting of income, perks, work culture, growth prospects, corporate brand and institutional type was empirically tested. Findings indicated that compensation and perks had a substantial effect on employer branding among private sector employees whereas government employees valued growth and career prospects. The findings indicated that the most influential employer branding elements were overall growth potential and corporate brand.

(Mohamed Badr EID in Aboul-Ela, 2016) emphasises that employer branding has been of great interest to practitioners but of little interest to academics. The study identified elements affecting employer branding and presented the BLCG framework with four dimensions: Bloom, Live, Connect, and Growth. Bloom looks at external reputation variables such as business social responsibility, employer prestige, favourable image and market leadership. Live is about the employment conditions such as remuneration, rewards, work-life balance and supportive culture. Connect is about connections, relationships, team work, employee well-being and management involvement. Growth is related to professional growth, training, learning, feedback, using skills and job security. The framework offers a comprehensive perspective of drivers of employee attraction and retention.

(Jain & Bhatt, 2015) mention that employer branding has become an important management approach to develop a desired workplace image among potential employees. The study was to understand employer branding among potential employees in India with survey methods. Compensation, ethics, leadership vision, stability, market leadership, training possibilities, flexible working conditions, work environment, employment security and work-life balance were analysed. The findings showed that the most important elements impacting employer branding in both public and private sector organization were corporate stability, job security and work life balance. The private sector was the chosen working environment for most potential employees.

(Biswas & Suar, 2014) mentions that employer branding is an emerging topic in HRM and its antecedents and repercussions have been researched. The study employed primary data and secondary data of financial performance. The key antecedents observed were perceived organisational support, realistic job previews, organisational package, reward equity, leadership of senior management, organisational trust, psychological contract requirements and corporate social responsibility. These factors affected the financial and non-financial performance of organisations. Among these, top management leadership was the biggest predictor of employer branding.

(Chopra et al., 2022) explored the antecedents of employer branding in technology firms in India and its impact on being an employer of choice. The review was based on 77 research papers published between 2010 and 2020. The results found that work-life balance, career possibilities, compensation and perks, corporate social responsibility and work environment are key antecedents of employer branding. Among these characteristics, employees in Indian IT organisations gave highest significance to work-life balance, salary packages and a positive work environment.

Research methodology

The current study is descriptive and uses a bibliometric methodology to investigate the research landscape of issues in employer branding. Only secondary data were acquired from the Scopus database. The Scopus database was selected because to its vast coverage of peer-reviewed literature in business, management, and social sciences. Publications were discovered by utilising the keywords “employer branding” and “challenges” in the title, abstract and keywords. The search was limited to open access materials published in English from 2006 to mid-2024. The obtained records were filtered, cleaned and polished by removing the duplicate and irrelevant documents after applying the inclusion and exclusion criteria. The final dataset was analysed using Biblioshiny, a bibliometric analysis tool based on R. The publication patterns, important contributors, research hotspots and intellectual structure of the subject were determined by using different bibliometric methods as keyword analysis, source analysis, author analysis, citation analysis and country analysis. The findings give a detailed review of the evolution and current research trends of the employer branding difficulties.

Data analysis

Descriptive statistics: The total number of documents was 43, of which articles were 33, book chapters were 2, conference papers were 6, and reviews were only 2. Among these, the leading document type was articles, comprising 76.7%. All these documents were collected from 39 sources, with an annual average publication rate of 13.18%. This implies that the average document receives approximately 7 citations. The average number of citations was 7.884 citations. The number of authors who wrote on the topic

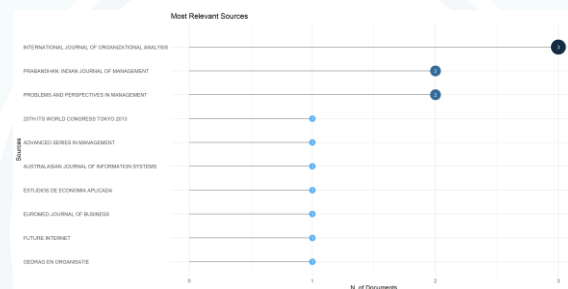
Interdisciplinary Dimensions of Contemporary Research Marketing and Digital Business Perspectives

“Challenges of Employer Branding” was 113. The international coauthorship was 16.28%. This demonstrates that the study of the challenges of employer branding is an emerging field in the present era.

Timespan 2011:2024	Sources 39	Documents 43	Annual Growth Rate 13.18 %
Authors 113	Authors of single-authored docs 2	International Co-Authorship 16.28 %	Co-Authors per Doc 2.65
Author's Keywords (EK) 152	References 2129	Document Average Age 3.91	Average citations per doc 7.884

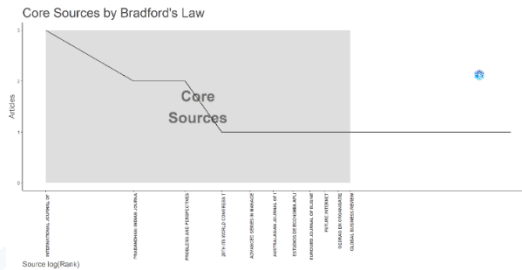
Source analysis

Most relevant sources: The most relevant sources are determined on the basis of the total number of documents drawn on the theme from the specific sources. The ranking was based on how many documents per source were published. The International Journal of Organizational Analysis had the greatest number of publications ($n = 3$), followed by Prabandhan: Indian Journal of Management ($n = 2$), Problems and Perspectives in Management ($n = 2$), 20th World Congress Tokyo 2013, Advanced Series in Management, Australasian Journal of Information Systems, Estudos de Economia Aplicada, Euromed Journal of Business, Future Internet, and Gedrag en Organisatie ($n = 1$).



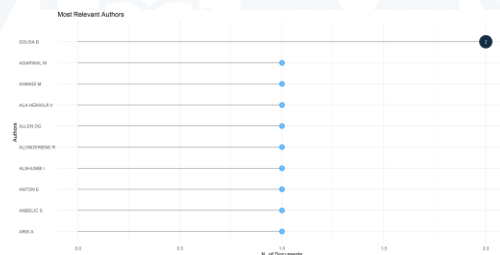
Bradford law: Sources are clustered into zones. Zones can be described as an indication of the utilization of publication in a specific field. Zone 1 indicates the highest productivity within the challenges of employer branding. This represents the core of the literature. According to the analysis, there were three zones. Zone 1 contains eleven sources, including the International Journal of Organizational Analysis, Prabandhan: Indian Journal of Management, Problems and Perspectives in Management, 20th Its World Congress Tokyo 2013, Advanced series in management, Australasian Journal of Information Systems, Estudios de Economia Aplicada, Euromed Journal of Business, Future Internet, Gedrag En Organisatie, and Global Business Review. All these act as the core of the literature, which contributes about 35%. Zone 2 consists of fourteen sources, such as Human Resource Management International Digest, the IEEE Joint 22nd International Symposium on Computational Intelligence and Informatics, and the 8th International Conference on Recent Achievements in Mechatronics. Indian Journal of Public Health Research and Development, Information (Switzerland), The International Journal for Quality Research, the International Journal of Advanced Science and Technology, the International Journal of Applied Engineering Research, the International Journal of Communication, the International Journal of Contemporary Hospitality Management, the International Journal of Economic Research, the International Journal of Innovation Science, the International Journal of Managing Projects in Business, and the Journal of Business Research contribute about 33%. Zone 3 contains fourteen sources, such as the Journal of Hospitality Marketing and Management, the Journal of Tourism and Services, Logistics, Management Research, the Polish Journal of Management Studies, Proceedings of the 6th International Conference on Finance, Economics, Management, and IT Business, FEMIB 2024; Proceedings of the

ACM on Human Computer Interaction; Proceedings of the European Conference on Knowledge Management; Proceedings of the International Conference on Tourism Research; Qualitative Research in Accounting and Management; Studies in Systems, Decision, and Control; Sustainability (Switzerland); The Global Human Resource Management Casebook; Vide.Tehnologija. Resursi: Environment, Technology, and Resources, which contribute about 33%. When comparing the three zones, zone 1's contribution was highly related to the field of the challenges of employer branding.



Author analysis

Most relevant authors: Sousa. B published the highest number of documents, with a total of two documents, followed by Agarwal M, Ahmadi M, Ala-Heikkila V, Allen DG, Alonderiene R, Alshusibi I, Anton E, Andelic S, and Aris A, with a total of one article.



Most relevant affiliations: The first three positions were, respectively, Adamas University in Kolkata, Titu Maiorescu University in Romania, and Banaras Hindu University in Varanasi. The other dominating universities were the Indian Institute of Technology in India, Kharazmi University in Tehran, Lulea University of Technology in Sweden, Manipal University in India, the Polytechnic Institute of Cavado and Ave in Portugal, SRH Berlin University of Applied Sciences in Berlin, and Symbiosis International University. Four out of the ten listed universities were located in India, in particular Adamas University, Banaras Hindu University, Indian Institute of Technology, and Manipal University, confirming the country's scientific production.



Co-occurrence: Co-occurrence keyword analysis represents the nodes that reflect the extent to which they frequently occur. This is represented in the form of relatedness, which is more distant or closer to the quantity of publications. As a result, this analysis might be able to detect the possible themes being investigated about the challenges of employer branding. Figure 4.11 shows the keyword co-occurrence

network for 43 documents. To create the network, the keywords were limited to 43 documents in the study database, leading to 27 nodes organized in five clusters.

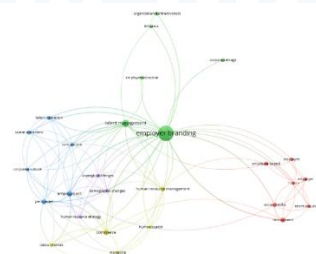
Cluster 1 contains 7 keywords. The most frequently used keywords were "employee," "employer," "employer brand," "human," "recruitment," "social media," and "talent acquisition." All these suggest that the searches might be related to the intersection of employer branding, recruitment strategies, and the use of social media to attract talent.

Cluster 2 consists of six key words, including, in this order, "corporate image," "employee attraction," "employer branding," "lithuania," "organizational attractiveness," and "talent management." All these occurrences imply that this group has concentrated research relating to how organizations manage their image and attractiveness to potential and current employees within the context of Lithuania.

Cluster 3 contains 6 keywords. The most used keywords were "competition," "corporate culture," "employment," "personnel," "talent attraction," and "talent retention." This indicates that this group has gathered research that enhances organizational competitiveness through culture, employment, and talent strategies.

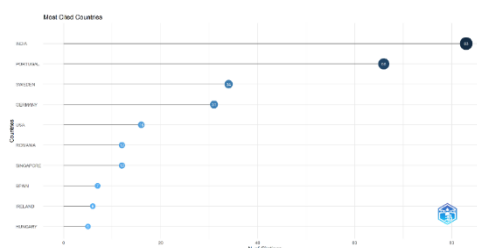
Cluster 4 consists of 5 keywords, including "commerce," "human capital," "human resource manager," "labor market," and "marketing." All these keywords suggest that the searchers might be able to navigate the labor market: The intersection of human capital, HR management, and commerce.

Cluster 5 contains 3 keywords such as "demographic changes," "human resource strategy," and "strategic challenges." This implies that the keywords might be related to adapting HR strategies to demographic changes and strategic challenges.



Country analysis

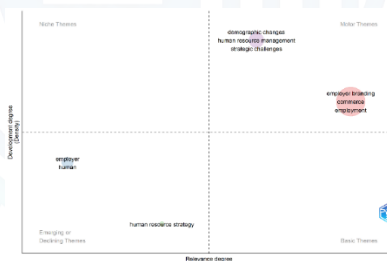
Most cited countries: India had the highest number of articles (83 articles), followed by Portugal (66 articles), Sweden (34 articles), Germany (31 articles), the USA (16 articles), Romania (12 articles), Singapore (12 articles), Spain (7 articles), Ireland (6 articles), and Hungary (5 articles).



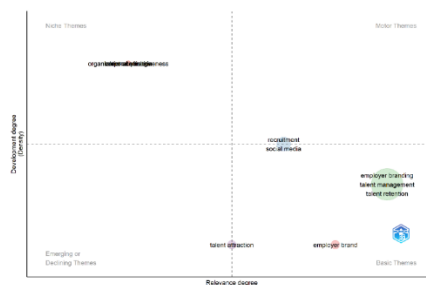
Most relevant words: According to the results, the most frequently used keywords were in the first place: employer branding with 7 occurrences, commerce and employment with 5 occurrences, personnel with 4 occurrences, and keywords such as competition, corporate culture, demographic changes, employer, human, and human resource management with 2 occurrences. In addition to this, a word cloud of the most frequent keywords illustrates the highly used keywords in the field of challenges of employer branding.



Thematic map: Thematic Map shows the various themes of a domain that are observed, as shown in Figure. There are two axes in the thematic map, namely centrality and density. The former indicates the degree of relevance of a field of research, whereas the latter indicates the degree of development of a theme. Four quadrants can be seen in the thematic map: basic, motor, niche, and emerging themes. When it comes to keyword plus, two clusters were found in the motor quadrant. The first clusters gave emphasis to themes such as employer branding, commerce, and employment. On the other hand, the second cluster represents themes including demographic changes, human resource management, and strategic challenges. The emerging or declining themes quadrant contains only the terms "employer," "human," and "human resource strategy." It is quite surprising to observe that no terms were observed in niche and basic themes.



When it comes to author keywords, notable among the terms in niche topics were the terms "organisational attractiveness" and "talent acquisition". In the motor quadrant are the terms "recruitment" and "social media." In the basic themes, the main themes of "employer branding," "talent management," and "talent retention" appear in this order and degree of density.



Trend topics: The most trending words were employer branding, with 41 occurrences from 2018 to 2024. Talent management was the most trending word between 2020 and 2024, with 8 occurrences.

Results

A bibliometric analysis of 43 articles on employer branding difficulties published from 2011 to 2024 revealed that it is a new and growing area of research. The highest number of publications were articles (76.7%), produced by 113 scholars from 39 different sources. The worldwide co-authorship rate was 16.28% and the level of global collaboration was moderate. The most productive source was International Journal of Organisational Analysis, followed by Prabandhan: Indian Journal of Management and Problems and Perspectives in Management. Bradford's Law research revealed eleven core journals that represented about 35% of the literature. Author analysis indicated Sousa B as the most prolific author and the most contributing institutional affiliations were Adamas University, Titu Maiorescu University and Banaras Hindu University. The keyword co-occurrence analysis identified five thematic clusters on employer branding, recruitment, social media, talent acquisition, organisational attractiveness, talent management, corporate culture, employment, human capital, labour market dynamics, demographic changes, and strategic HR challenges. India took the top spot in the country study, with Portugal, Sweden, Germany and the United States following. The thematic map revealed motor themes (employer branding, commerce, employment, demographic shifts and strategic HR concerns) and speciality themes (organisational attractiveness and talent acquisition). The trend study indicated employer branding as the most dominating research topic from 2018-2024 followed by talent management, which shows increased attention of scholars on the talent attraction, retention, and organisational competitiveness.

Conclusion

The bibliometric analysis of the challenges of employer branding indicates an increasing interest of the researchers in the field, especially after 2017. The main kind of documents was articles (76.7% of the total publications). The analysis is based on 43 publications indexed in Scopus from 2011 to 2024. The results show a constant development in research production, reflecting the growing relevance of employer branding in the field of organisational and human resource management research. India became the top contributor followed by Portugal, Sweden and Germany. The international coauthorship rate of 16.28% indicates a reasonable level of worldwide research collaboration. The most prolific publication sources identified were The International Journal of Organisational Analysis and Prabandhan: Indian Journal of Management. Thematic and keyword co-occurrence analysis indicate that employer branding is related to recruiting, social media, talent acquisition, talent management, corporate culture, employment, organisational attractiveness and strategic human resource management. In addition, it was determined that the most prevalent and emerging research themes during the study period were employer branding and talent management. In general, the results support the fact that the difficulties of employer branding are an emerging and diverse research area, stressing the importance of talent acquisition, employee retention, organisational competitiveness and human resource practices toward employees.

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CHAPTER – 7

DIGITAL TRANSFORMATION IN STARTUPS AND LARGE INDUSTRIES: AN ANALYSIS OF THE AI ADOPTION GAP

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Abstract

Digital transformation has emerged as a significant force in reshaping contemporary organizations through the integration of advanced technologies such as Artificial Intelligence (AI), machine learning, cloud computing, automation, and big data analytics. These technologies significantly enhance organizational efficiency, innovation, productivity, and strategic decision-making. In recent years, both startups and large industries have increasingly focused on incorporating AI-driven technologies into their business operations to attain competitive advantage and sustainable growth. However, the extent of AI adoption varies between startups and large industries due to differences in financial resources, technological infrastructure, skilled workforce, and organizational readiness. The present study aims to analyse the AI adoption gap between startups and large industries and assess its impact on organizational growth and digital transformation. Additionally, the study investigates the opportunities, benefits, and challenges associated with the implementation of AI technologies in various organizational environments. The research is grounded on secondary data collected from research journals, industry reports, company publications, and academic literature related to digital transformation and AI adoption. The findings reveal that large industries have a greater capacity to adopt AI technologies due to robust investment potential, advanced infrastructure, and availability of technical expertise. Conversely, startups often encounter barriers such as limited funding, lack of digital skills, and infrastructural constraints. Despite these challenges, startups exhibit greater adaptability and innovation potential in adopting emerging technologies. The study concludes that digital transformation and AI adoption are crucial for enhancing organizational competitiveness and long-term sustainability. To bridge the AI adoption gap, the study suggests improving digital accessibility, implementing skill development initiatives, and providing strategic technological support for startups.

Keywords: Digital Transformation, Artificial Intelligence, Startups, Large Industries, AI Adoption Gap, Organizational Growth, Innovation, Sustainability.

Introduction

In the modern business environment, digital transformation has become a key driver of organizational growth, innovation, and competitiveness. Technologies such as Artificial Intelligence (AI), machine learning, cloud computing, automation, Internet of Things (IoT), and big data analytics have significantly transformed business operations and strategic decision-making. These technologies help organizations improve efficiency, optimize processes, enhance customer experiences, and achieve sustainable competitive advantages.

Among these technologies, Artificial Intelligence has gained particular importance due to its ability to automate tasks, analyse large volumes of data, support decision-making, and improve organizational performance. AI is increasingly being adopted across various functional areas, including human resource

management, marketing, finance, supply chain management, customer service, and product development, thereby reshaping traditional business models and operational practices.

Large industries have been more successful in adopting AI because of their strong financial resources, advanced technological infrastructure, skilled workforce, and established digital ecosystems. In contrast, startups often face challenges such as limited funding, inadequate technical expertise, weak digital infrastructure, and data security concerns. Despite these constraints, startups possess greater flexibility, innovation potential, and adaptability to emerging technologies.

In India, initiatives such as Digital India and Startup India have accelerated digital transformation and technological innovation across industries. However, a significant gap remains between startups and large industries in terms of AI adoption and digital readiness, affecting organizational performance, innovation, productivity, and long-term sustainability.

Therefore, this study aims to analyse the AI adoption gap between startups and large industries and examine its impact on digital transformation and organizational growth. It further seeks to identify the opportunities, benefits, and challenges associated with AI integration, providing insights for improving technological accessibility and promoting sustainable digital transformation across organizations.

Research Gap

Existing literature has extensively examined the role of Artificial Intelligence (AI) and digital transformation in enhancing organizational performance, innovation, operational efficiency, and business sustainability. Studies have explored AI applications across various functional areas, including human resource management, marketing, finance, customer relationship management, supply chain management, and strategic decision-making. Research also highlights the contribution of technologies such as machine learning, cloud computing, automation, and big data analytics to organizational competitiveness and growth.

However, most studies focus on AI adoption either in startups or large industries independently, with limited comparative analysis between the two. The differences in technological capabilities, infrastructure readiness, financial resources, and organizational adaptability influencing AI adoption remain underexplored. Furthermore, the specific challenges faced by startups, such as funding constraints, lack of technical expertise, inadequate digital infrastructure, and data security concerns, have received relatively less attention.

Additionally, there is a lack of comprehensive research examining how organizational size and resource availability impact AI adoption outcomes, innovation capability, business growth, and long-term sustainability, particularly within the Indian business context.

Therefore, this study seeks to bridge this gap by conducting a comparative analysis of AI adoption in startups and large industries, identifying the factors contributing to the AI adoption gap, and evaluating its implications for organizational growth, innovation, and sustainable digital transformation.

Objectives of the Study

1. Examine the role of digital transformation and Artificial Intelligence in modern organizations.
2. To compare the adoption of Artificial Intelligence technologies between startups and large industries.
3. To identify the major challenges and opportunities associated with AI adoption in startups and large industries.

4. To analyse the relationship between organizational readiness, financial capability, digital literacy, and AI adoption effectiveness using Structural Equation Modelling (SEM).

Hypothesis

Null Hypothesis (H0)

There is no significant difference between startups and large industries in the adoption of Artificial Intelligence technologies for digital transformation.

Alternative Hypothesis

H1: There is a significant difference between startups and large industries in the adoption of Artificial Intelligence technologies for digital transformation.

H2: Organizational readiness positively influences AI adoption effectiveness.

H3: Financial capability positively influences AI adoption effectiveness.

H4: Digital literacy positively influences AI adoption effectiveness.

H5: AI adoption effectiveness positively influences digital transformation success.

H6: Digital transformation success positively influences organizational sustainability.

Research Methodology

The study is descriptive and analytical in nature, focusing on AI adoption in startups and large industries and examining the AI adoption gap in digital transformation.

Data Collection Method

Primary data were collected through a structured questionnaire distributed via Google Forms to employees, managers, entrepreneurs, IT professionals, and organizational executives. Secondary data were collected from research journals, industry reports, company reports, academic articles, and online databases.

Sample and Sample Size

The study adopted a convenience sampling technique. Respondents were selected from startups and large industries across sectors such as Information Technology, Manufacturing, Banking, Retail, and Services. A total of 220 respondents participated in the study, including managers, employees, HR professionals, entrepreneurs, and technology experts.

Analytical Tools

The collected data were analysed using SEM (SmartPLS), SPSS, comparative analysis, frequency tables, percentage analysis, charts, cross-tabulation, and Spearman Rank Correlation. SEM was used to examine relationships among key variables, while Spearman Rank Correlation was applied to assess the relationship between organizational type and AI adoption effectiveness.

Review of Literature

Vrontis et al. (2021) - The study examined the impact of Artificial Intelligence, robotics, and advanced technologies on Human Resource Management and organizational transformation. The research highlighted that AI technologies improve operational efficiency, employee management, and decision-making processes. However, the study also identified ethical concerns, technological challenges, and

workforce adaptation issues. The authors suggested the need for more detailed studies on organizational preparedness for AI integration.

Lu, Y. (2024) - The research focused on the role of digital technologies in driving organizational change and innovation. The study found that technologies such as Artificial Intelligence, cloud computing, and data analytics support flexibility, communication, and strategic decision-making within organizations. The author emphasized the importance of overcoming digital skill gaps and resistance to change for successful digital transformation.

Omar Ali et al. (2023) - This study explored the influence of advanced technologies on organizational functions including recruitment, employee training, performance evaluation, and talent management. The findings revealed that AI-driven technologies improve productivity and operational efficiency. The study further suggested the need for stronger data security measures and ethical frameworks for AI implementation.

Kadirov et al. (2024) - The researchers analysed the role of Artificial Intelligence in transforming talent acquisition, employee development, and retention practices. The study found that Machine Learning and Predictive Analytics simplify organizational processes and improve decision-making capabilities. However, concerns regarding algorithm bias and privacy issues identified. The authors recommended policy support and responsible AI implementation.

Samman et al. (2024) - The study investigated AI-driven electronic Human Resource Management (e-HRM) systems and their impact on employee performance and organizational productivity. The findings indicated that AI integration enhances workforce management and contributes to organizational growth. The research emphasized the importance of AI in transforming traditional organizational practices.

Bohmer et al. (2023) - This study examined the growing use of AI technologies in organizational management and digital transformation. The research highlighted challenges such as lack of transparency, job redesign, employee resistance, and technological complexity. The authors suggested that organizations should develop sustainable digital strategies to improve AI adoption.

Votto et al. (2021) - The study reviewed the application of Artificial Intelligence in Human Resource Information Systems (HRIS). The findings revealed that AI technologies increasingly used in recruitment, employee evaluation, training, and compensation management. The study also identified research gaps related to strategic AI implementation in organizations.

Fazlurrahman et al. (2024) - The research focused on AI-enabled e-recruitment systems and their role in improving organizational sustainability and performance. The study found that AI technologies simplify recruitment processes, improve candidate evaluation, and support workforce development. The authors suggested further studies on long-term sustainability through AI integration.

Sima et al. (2020) - The study explored the influence of Industry 4.0 technologies on organizational growth and consumer behaviour. The findings showed that automation, digital skills, data mining, and innovation significantly contribute to organizational development and competitiveness. The research highlighted the importance of workforce training in adapting to technological advancements.

Summary of Literature Review

The reviewed literature indicates that digital transformation and Artificial Intelligence significantly influence organizational growth, innovation, operational efficiency, and workforce development. Previous studies focused on AI implementation, Human Resource Management, Industry 4.0, and organizational performance. However, limited research comparatively analyses the AI adoption gap between startups and large industries. Therefore, the present study attempts to bridge this gap by examining the differences in AI adoption, organizational readiness, challenges, and opportunities associated with digital transformation across startups and large industries.

SEM Analysis, Demographic Profile and Hypothesis Testing

SEM Analysis and Interpretation -The study employed Partial Least Squares Structural Equation Modelling (PLS-SEM) using Smart PLS software to examine the relationship between organizational factors and AI adoption effectiveness in startups and large industries.

Measurement Model Analysis

The measurement model was assessed using Cronbach's Alpha, Composite Reliability (CR), and Average Variance Extracted (AVE). The results showed that all constructs achieved the recommended threshold values, with Cronbach's Alpha and Composite Reliability greater than 0.70 and AVE greater than 0.50. This confirms that the constructs possess adequate reliability and convergent validity.

The findings indicate that Organizational Readiness, Financial Capability, Digital Literacy, AI Adoption Effectiveness, and Digital Transformation Success are reliable constructs for measuring AI adoption and digital transformation outcomes.

Structural Model Analysis

The structural model examined the relationships among organizational readiness, financial capability, digital literacy, AI adoption effectiveness, digital transformation success, and organizational sustainability. The results revealed a significant positive relationship between the study variables. Organizational Readiness ($\beta = 0.721$), Financial Capability ($\beta = 0.684$), and Digital Literacy ($\beta = 0.739$) significantly influenced AI Adoption Effectiveness. Further, AI Adoption Effectiveness positively affected Digital Transformation Success ($\beta = 0.811$), which subsequently contributed to Organizational Sustainability ($\beta = 0.794$).

The hypothesis testing results confirmed that the alternative hypothesis was accepted, while the null hypothesis was rejected. Therefore, organizational preparedness, financial strength, and digital competencies play a crucial role in successful AI implementation and digital transformation.

Demographic Profile of Respondents - The study collected responses from 220 participants representing startups and large industries. The respondents included employees, managers, entrepreneurs, HR professionals, and technology experts.

Gender Distribution - Among the respondents, 58% were male and 42% were female. The distribution indicates balanced participation from both genders, ensuring diverse perspectives regarding AI adoption and digital transformation practices.

Type of Organization - The organizational distribution showed that 45% of respondents belonged to large private industries, while 43% represented startups. The remaining respondents were from government organizations (9%) and NGOs or other sectors (3%).

The strong representation of startups and large industries provided valuable insights into the differences in AI adoption capabilities and digital transformation practices across organizational types.

Impact of Digital Transformation - The study examined the influence of digital transformation on organizational efficiency, decision-making, productivity, and innovation.

Many respondents agreed that digital transformation significantly improves organizational efficiency and productivity. Respondents also believed that AI technologies enhance decision-making quality and support innovation within organizations.

Large industries reported higher levels of AI integration due to their advanced infrastructure, greater financial resources, and availability of skilled professionals. In contrast, startups demonstrated greater flexibility and willingness to adopt emerging technologies despite resource limitations.

The findings suggest that digital transformation serves as a key driver of organizational growth and competitive advantage in today's business environment.

Effectiveness of Digital Tools

Most organizations reported using AI-based digital tools and recognized their positive impact on operational performance and HR effectiveness. Employees generally showed a high level of acceptance toward AI technologies. However, limited availability of AI training programs, particularly in startups, indicates the need for greater investment in digital skill development.

Barriers and Challenges in AI Adoption

The major barriers to AI adoption include limited digital literacy, lack of skilled workforce, financial constraints, technological complexity, data security concerns, and resistance to change. Startups mainly faced funding and infrastructure challenges, whereas large industries reported issues related to technological complexity and data security. These findings highlight the need for organizational readiness and employee capability development.

Difficulty in AI Implementation

Most respondents perceived AI implementation as relatively simple, while some experienced moderate implementation challenges. Startups faced greater difficulties due to limited resources, technical expertise, and infrastructure, whereas large industries experienced smoother implementation because of stronger technological and organizational support systems.

Hypothesis Testing

To determine whether a significant difference exists between startups and large industries in AI adoption, the study applied Spearman Rank Correlation using SPSS software.

The correlation analysis produced a coefficient value of $\rho = 0.872$ with a significance value of $p = 0.021$. Since the p-value is less than 0.05, the null hypothesis was rejected, and the alternative hypothesis was accepted.

The results indicate a strong positive relationship between organizational type and AI adoption effectiveness. Therefore, a statistically significant difference exists between startups and large industries regarding AI adoption for digital transformation.

The findings conclude that large industries are better positioned to implement AI technologies because of stronger financial resources, advanced infrastructure, and access to skilled professionals.

Conversely, startups face challenges related to funding, technical expertise, and infrastructure, which affect their overall AI adoption capability.

Overall, the study confirms that organizational readiness, financial capability, and digital literacy are critical factors influencing AI adoption and successful digital transformation.

Conclusion of Hypothesis Testing

The hypothesis testing results confirm that organizational size and resource availability significantly influence AI adoption and digital transformation practices. The analysis reveals a notable AI adoption gap between startups and large industries, indicating the need for targeted strategies to improve technological accessibility and adoption among smaller organizations.

Conclusion

The study highlights that organizational readiness, financial capability, and digital literacy are key determinants of successful AI adoption and digital transformation. Organizations with strong technological infrastructure, skilled employees, and adequate financial resources demonstrate higher levels of AI integration and transformation success.

The findings further indicate that AI adoption positively impacts productivity, innovation, operational efficiency, and long-term sustainability. Large industries are better positioned to implement AI due to greater resources and infrastructure, while startups face challenges such as limited funding, technical expertise, digital infrastructure, and cybersecurity concerns.

From a human resource perspective, digital transformation has enhanced employee training, performance management, talent development, and workforce efficiency through AI-enabled systems and digital platforms.

Overall, bridging the AI adoption gap between startups and large industries is essential for achieving inclusive and sustainable digital growth. Organizations should prioritize digital skill development, employee training, technological accessibility, and strategic investments to maximize the benefits of AI and ensure long-term organizational success.

Recommendations

Based on the findings of the study, the following recommendations suggested:

1. Organizations should invest in digital skill development and AI training programs to improve employee adaptability and technological readiness.
2. Startups should be provided with financial support, technological infrastructure, and innovation incentives to encourage AI adoption.
3. Organizations should develop strategic digital transformation frameworks to ensure effective AI integration and sustainable growth.
4. Greater focus should be given to cybersecurity, data privacy, and ethical AI implementation to reduce technological risks.
5. Collaboration between industries, educational institutions, and policymakers can help in promoting digital innovation and reducing the AI adoption gap.
6. HR departments should increasingly utilize AI-enabled technologies for recruitment, training, performance management, and workforce development to improve organizational efficiency.

The study emphasizes that successful digital transformation requires continuous innovation, strategic planning, technological investment, and organizational adaptability to sustain competitiveness in the evolving digital economy.

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CHAPTER – 8

PSYCHOLOGICAL ORIENTATION OF INDIAN FARMERS AND MARKETING STRATEGIES IN AGRIBUSINESS

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Abstract

Agribusiness in Tamil Nadu has become a pivotal driver of rural economic transformation, integrating farm production with processing, marketing, and distribution. The state's diversified agricultural base — spanning paddy, sugarcane, cotton, and horticultural crops — has fostered both traditional and modern marketing practices. While regulated markets and cooperatives remain significant, the emergence of farmer producer organizations (FPOs), contract farming, and digital platforms has reshaped the agribusiness landscape. This chapter emphasizes the psychological orientation of farmers as a critical determinant of marketing strategies. Risk perception, trust, motivation, and personality traits influence farmers' choices between collective marketing, government procurement, and direct-to-consumer models. By examining these behavioral dimensions, the chapter highlights how marketing strategies can be aligned with farmers' psychological profiles to enhance participation, profitability, and sustainability. The discussion integrates case studies, policy implications, and emerging trends, offering insights for policymakers, agribusiness firms, and farmer organizations to design inclusive and psychologically acceptable marketing frameworks.

Keywords: Agribusiness, Farmers' psychology, Risk perception, Trust and motivation, Marketing strategies, Farmer Producer Organizations (FPOs)

Introduction

Agribusiness in Tamil Nadu: Importance and Current Trends

Agribusiness has emerged as a cornerstone of rural economic development in Tamil Nadu, linking farm production with processing, marketing, and distribution. The state, known for its diversified agriculture — ranging from paddy, sugarcane, and cotton to horticultural crops like banana and turmeric — has witnessed a steady transformation in its agribusiness landscape. Traditional marketing channels such as regulated markets and cooperatives continue to play a vital role, but recent years have seen the rise of farmer producer organizations (FPOs), contract farming arrangements, and digital platforms that connect farmers directly with consumers.

Government initiatives such as the Uzhavan mobile app, crop insurance schemes, and support for FPOs have further strengthened agribusiness activities. At the same time, global consumer demand for organic produce, sustainable farming practices, and value-added products has opened new opportunities for Tamil Nadu farmers. These trends highlight the growing importance of marketing strategies that are not only economically viable but also psychologically acceptable to farmers.

Farmers' Psychology as a Determinant of Marketing Strategies

Farmers' decision-making in agribusiness is not purely economic; it is deeply influenced by psychological orientation. Risk perception, trust, motivation, and personality traits shape how farmers engage with markets. For instance, risk-averse farmers may prefer selling through government procurement schemes, while risk-taking farmers might experiment with direct-to-consumer sales or digital platforms. Trust in cooperatives and community networks often determines participation in collective marketing initiatives.

Motivational factors — whether profit-driven, sustainability-oriented, or socially motivated — influence branding and product positioning. Farmers with strong environmental values may adopt organic certification and niche marketing, while others may focus on maximizing yield and profit. Understanding these psychological orientations is crucial for designing marketing strategies that resonate with farmers and ensure long-term success in agribusiness.

Purpose and Scope of the Chapter

The purpose of this chapter is to explore the interrelationship between farmers' psychological orientation and marketing strategies in agribusiness, with a specific focus on Tamil Nadu. By examining how psychological factors such as risk perception, trust, motivation, and personality traits influence marketing choices, the chapter seeks to provide insights into the behavioral foundations of agribusiness decision-making.

The scope includes:

- Analysing the psychological determinants of farmers' marketing behavior.
- Examining traditional and modern marketing strategies adopted in Tamil Nadu.
- Highlighting case studies that illustrate the role of psychology in shaping agribusiness outcomes.
- Identifying challenges and policy implications for aligning marketing strategies with farmers' psychological profiles.

This chapter aims to contribute to the broader discourse on agribusiness by integrating behavioral insights into marketing strategy development. It underscores the need for policymakers, agribusiness firms, and farmer organizations to recognize the psychological dimensions of farmers' decision-making in order to foster sustainable and inclusive growth.

Conceptual Framework

Farmers' Psychological Orientation

Farmers' psychological orientation refers to the set of mental attitudes, perceptions, and behavioural tendencies that shape their decisions in agribusiness. In Tamil Nadu, where agriculture is influenced by climatic uncertainty, socio-cultural factors, and market volatility, psychology plays a decisive role in marketing behavior. Key dimensions include:

Risk Perception: Farmers differ in their tolerance for uncertainty. Risk-averse farmers often prefer secure channels such as government procurement or cooperative societies, while risk-taking farmers may experiment with direct-to-consumer sales, contract farming, or digital platforms.

Motivation: Motivation can be profit-driven, sustainability-oriented, or socially motivated. For example, farmers motivated by profit may adopt high-yield hybrid crops, while those driven by sustainability may focus on organic farming and niche marketing.

Trust and Social Capital: Trust in cooperatives, farmer producer organizations (FPOs), and community networks influences collective marketing participation. In Tamil Nadu, social capital rooted in caste, kinship, and local networks often determines marketing alliances.

Personality Traits: Traits such as openness to innovation, conservatism, and resilience affect adoption of modern marketing practices. Innovative farmers are more likely to embrace e-commerce platforms, while conservative farmers may rely on traditional intermediaries.

Marketing Strategies in Agribusiness

Marketing strategies in agribusiness encompass the methods farmers use to sell, promote, and distribute their produce. In Tamil Nadu, strategies range from traditional to modern approaches:

Traditional Marketing Channels: Local markets, mandis, and middlemen remain dominant, especially for smallholders. These channels are familiar and psychologically comfortable for risk-averse farmers.

Cooperative and Collective Marketing: Dairy cooperatives, sugarcane societies, and FPOs provide collective bargaining power. Farmers with high trust in community networks often prefer these strategies.

Modern and Digital Marketing: Platforms such as the Uzhavan app, WhatsApp groups, and social media enable direct farmer-to-consumer sales. Farmers with openness to innovation and digital literacy are more likely to adopt these strategies.

Branding and Niche Marketing: Farmers motivated by sustainability or differentiation may brand their products (e.g., organic turmeric, native rice varieties). This strategy appeals to farmers with strong value-based orientations.

Linking Psychology and Marketing

The conceptual framework emphasizes the interlinkages between psychological orientation and marketing strategies:

- Risk perception influences whether farmers diversify crops or stick to secure procurement channels.
- Trust determines participation in cooperatives and collective marketing.
- Motivation shapes branding and sustainability-oriented strategies.
- Personality traits drive adoption of digital and innovative marketing practices.

This framework suggests that marketing strategies cannot be designed in isolation; they must align with farmers' psychological profiles to ensure effectiveness and sustainability.

Interlinkages Between Psychology and Marketing

Risk Perception and Marketing Choices - Risk perception is one of the most influential psychological factors in agribusiness decision-making. In Tamil Nadu, farmers who are risk-averse often prefer secure channels such as government procurement schemes (e.g., paddy procurement by the Tamil Nadu Civil

Supplies Corporation) or cooperative societies. These channels provide stability and reduce exposure to market fluctuations. Conversely, risk-taking farmers are more willing to experiment with direct-to-consumer sales, crop diversification, or digital platforms like the Uzhavan app. Their willingness to embrace uncertainty allows them to explore niche markets, such as organic rice or turmeric, which carry higher risks but also higher rewards.

Trust and Collective Marketing - Trust plays a central role in farmers' participation in collective marketing strategies. In Tamil Nadu, farmer producer organizations (FPOs) and cooperatives thrive when farmers trust the leadership and transparency of these institutions. For example, dairy cooperatives in districts like Erode and Salem have succeeded because farmers believe in the fairness of collective bargaining and shared profits. Where trust is weak, farmers often revert to individual marketing through intermediaries, even if it reduces profitability. Thus, trust and social capital directly influence the adoption of cooperative marketing strategies.

Motivation and Branding Strategies - Farmers' motivation — whether profit-driven, sustainability-oriented, or socially motivated — shapes their approach to branding and product positioning. In Tamil Nadu, profit-driven farmers often adopt hybrid seeds and high-yield crops to maximize returns, marketing their produce through wholesale channels. Sustainability-oriented farmers, however, focus on **organic certification** and niche branding, targeting urban consumers who value eco-friendly products. For instance, organic farmer groups in Coimbatore and Thanjavur have successfully branded native rice varieties, appealing to health-conscious buyers. Socially motivated farmers may prioritize community welfare, engaging in collective marketing to strengthen local economies rather than maximize individual profit.

Personality Traits and Digital Marketing Adoption - Personality traits such as openness to innovation and conservatism significantly affect the adoption of modern marketing practices. Innovative farmers in Tamil Nadu are increasingly using **social media platforms like WhatsApp and Facebook** to sell directly to consumers, bypassing intermediaries. These farmers are typically younger, more educated, and more open to experimenting with technology. In contrast, conservative farmers, often older and less digitally literate, prefer traditional channels such as local mandis or middlemen. This divergence highlights how personality traits shape the pace of digital transformation in agribusiness marketing.

Integrated Perspective - The interlinkages between psychology and marketing strategies suggest that agribusiness outcomes are not determined solely by economic factors. Instead, they are the product of a complex interplay between farmers' psychological orientation and the marketing environment. Risk perception influences diversification, trust drives collective action, motivation shapes branding, and personality traits determine digital adoption. Recognizing these interconnections is essential for designing marketing strategies that align with farmers' psychological profiles, thereby ensuring both economic viability and psychological comfort.

Case Studies and Examples

Collective Dairy Marketing in Erode and Salem - Dairy cooperatives in Tamil Nadu, particularly in districts like Erode and Salem, provide a strong example of how trust and psychological orientation influence marketing strategies. Farmers who value community solidarity and collective bargaining have successfully marketed milk through cooperative societies. Their trust in transparent pricing and shared profits reduces psychological stress and encourages participation. This case highlights how trust and social capital drive cooperative marketing success.

Organic Rice Branding in Thanjavur and Coimbatore - Farmers in Thanjavur and Coimbatore have leveraged their motivation for sustainability and health-consciousness to brand native rice varieties such as *Seeraga Samba* and *Kaatuyaanam*. By obtaining organic certification and targeting urban consumers, these farmers have created niche markets. Their psychological orientation — rooted in environmental values and long-term sustainability — has shaped branding strategies that differentiate their products from conventional rice. This case demonstrates how motivation and values influence branding and niche marketing.

Farmer Producer Organizations (FPOs) in Western Tamil Nadu - FPOs in districts like Erode and Tiruppur illustrate how collective marketing strategies depend on farmers' psychological readiness to collaborate. Farmers with high trust in peer networks and openness to innovation have embraced FPOs to market turmeric, banana, and cotton. These organizations provide economies of scale, better bargaining power, and reduced transaction costs. However, farmers with low trust or conservative attitudes often hesitate to join, preferring individual marketing. This case shows how trust and personality traits determine participation in collective agribusiness models.

Digital Marketing through Social Media - A growing number of younger farmers in Tamil Nadu are using WhatsApp, Facebook, and Instagram to sell produce directly to consumers. For example, vegetable growers in Coimbatore and Chennai outskirts have formed WhatsApp groups to coordinate supply and demand, bypassing intermediaries. Their openness to innovation and risk-taking orientation enables them to experiment with digital platforms. In contrast, older farmers with conservative psychological orientations remain reluctant to adopt such methods. This case highlights how personality traits and risk perception shape digital marketing adoption.

Government Procurement and Risk-Averse Farmers - Risk-averse farmers in Tamil Nadu often prefer selling paddy through government procurement schemes managed by the Tamil Nadu Civil Supplies Corporation (TNCSC). These schemes provide assured prices and reduce exposure to market volatility. Farmers with high debt burdens or low tolerance for uncertainty find psychological comfort in these secure channels, even if profits are lower compared to open markets. This case illustrates how risk perception directly influences marketing choices.

Integrated Insights - These case studies collectively demonstrate that farmers' psychological orientation — whether risk perception, trust, motivation, or personality traits — is deeply intertwined with marketing strategies in agribusiness. The Tamil Nadu examples show that successful marketing initiatives must align with farmers' psychological profiles to ensure adoption, sustainability, and profitability.

Challenges Specific to Tamil Nadu

Psychological Resistance to Innovation - Many farmers in Tamil Nadu remain hesitant to adopt modern marketing practices such as digital platforms or e-commerce. This resistance stems from fear of failure, lack of confidence in technology, and a preference for familiar, traditional channels. Older farmers, in particular, often perceive digital marketing as complex and risky, leading to low adoption rates despite government initiatives.

Influence of Cultural and Social Norms - Cultural and community networks play a significant role in shaping farmers' marketing decisions. In Tamil Nadu, caste and kinship ties often determine trust and collaboration within cooperatives or FPOs. While these networks can strengthen collective action, they may also exclude certain groups or limit participation, creating barriers to inclusive agribusiness development.

Climate Stress and Debt Burden - Frequent climate uncertainties — such as irregular monsoons, droughts, and floods — heighten farmers' risk perception. Coupled with debt burdens from loans, these stressors push farmers toward risk-averse behavior, preferring secure government procurement schemes over innovative marketing strategies. Psychological stress reduces their willingness to experiment with branding or diversification, even when such strategies could improve profitability.

Limited Awareness and Training - A major challenge lies in the lack of structured training programs that address both marketing skills and psychological barriers. While Tamil Nadu has introduced initiatives like the Uzhavan app and FPO support, many farmers remain unaware of how to use these tools effectively. Without proper training, farmers struggle to build confidence, leading to underutilization of modern marketing strategies.

Market Volatility and Distrust of Intermediaries - Farmers often express distrust toward middlemen due to exploitative pricing practices. However, shifting away from intermediaries requires psychological readiness to embrace alternatives such as collective marketing or digital platforms. Market volatility further reinforces farmers' skepticism, making them reluctant to adopt new strategies that appear uncertain or risky.

Structural Barriers Reinforcing Psychological Challenges - Beyond individual psychology, structural issues such as inadequate infrastructure, poor access to storage facilities, and limited connectivity in rural areas compound psychological barriers. Even motivated farmers face difficulties in implementing modern marketing strategies when systemic support is lacking. These structural constraints reinforce risk-averse behavior and limit innovation.

Integrated Perspective - The challenges faced by Tamil Nadu farmers are not merely technical but deeply psychological. Resistance to innovation, cultural norms, climate stress, debt burdens, and distrust of intermediaries all shape marketing behavior. Addressing these challenges requires interventions that combine **policy support, training, and psychological empowerment**, ensuring that marketing strategies align with farmers' mental orientations and lived realities.

Policy and Practical Implications

Government Initiatives and Support - The Tamil Nadu government has introduced several schemes to strengthen agribusiness, such as the Uzhavan mobile app, crop insurance programs, and support for farmer producer organizations (FPOs). However, these initiatives must be tailored to farmers' psychological orientations. For risk-averse farmers, policies should emphasize security and stability, such as guaranteed procurement and transparent pricing. For innovative farmers, incentives for digital adoption and branding can encourage experimentation with modern marketing strategies.

Training and Capacity Building - A critical implication is the need for training programs that address both technical skills and psychological barriers. Farmers require confidence-building workshops on digital literacy, branding, and cooperative marketing. Training should also incorporate behavioral insights, helping farmers overcome fear of innovation and build trust in collective systems. Extension services in Tamil Nadu can play a pivotal role by integrating psychological counseling with agribusiness training.

Strengthening Trust and Social Capital - Trust is the backbone of collective marketing. Policies should focus on strengthening transparency and accountability within cooperatives and FPOs. Regular audits, participatory decision-making, and community engagement can enhance trust among farmers. Social capital rooted in Tamil Nadu's cultural networks should be leveraged to promote inclusive participation, ensuring that marginalized groups are not excluded from collective marketing opportunities.

Risk-Sharing Mechanisms - To address farmers' heightened risk perception, policies must expand risk-sharing mechanisms such as crop insurance, price stabilization funds, and collective bargaining agreements. These mechanisms reduce psychological stress and encourage farmers to adopt innovative marketing strategies. For example, group insurance schemes through FPOs can provide both financial security and psychological reassurance.

Promoting Sustainable and Value-Based Marketing - Farmers motivated by sustainability and environmental values should be supported through organic certification programs, branding assistance, and market linkages. Tamil Nadu's rich diversity of native crops offers opportunities for niche marketing. Policies that subsidize certification costs and connect farmers to urban consumers can align with their psychological orientation toward sustainability.

Infrastructure and Digital Ecosystem - Structural barriers such as poor storage facilities, limited connectivity, and inadequate logistics reinforce psychological resistance. Investments in cold storage, rural internet connectivity, and e-commerce infrastructure are essential to support farmers' marketing strategies. A robust digital ecosystem will reduce uncertainty and build confidence among farmers, particularly those hesitant to adopt modern platforms.

Integrated Policy Perspective - The integration of psychology into agribusiness policy highlights that farmers are not merely economic actors but individuals shaped by perceptions, motivations, and social contexts. Effective policies must therefore combine economic incentives, psychological empowerment, and structural support. By aligning marketing strategies with farmers' psychological orientations, Tamil Nadu can foster a more resilient, inclusive, and sustainable agribusiness sector.

Conclusion

The study of farmers' psychological orientation and marketing strategies in agribusiness underscores the critical role of behavioral factors in shaping economic outcomes. In Tamil Nadu, where agriculture remains the backbone of rural livelihoods, marketing decisions are not driven solely by market forces but are deeply influenced by farmers' perceptions, motivations, trust, and personality traits. Risk perception determines whether farmers embrace diversification or remain confined to secure procurement channels. Trust and social capital influence participation in cooperatives and farmer producer organizations, while motivation shapes branding strategies and sustainability choices. Personality traits, particularly openness to innovation, drive the adoption of digital platforms and modern marketing practices. These interlinkages reveal that agribusiness strategies must be designed with sensitivity to farmers' psychological profiles to ensure adoption and long-term success.

The case studies from Tamil Nadu — ranging from dairy cooperatives in Erode, organic rice branding in Thanjavur, to digital marketing initiatives in Coimbatore — illustrate how psychological orientation translates into practical marketing behavior. At the same time, challenges such as resistance to innovation, cultural norms, climate stress, debt burdens, and structural barriers highlight the need for integrated interventions that combine economic support with psychological empowerment. From a policy perspective, the chapter emphasizes the importance of training, trust-building, risk-sharing mechanisms, and infrastructure development. By aligning marketing strategies with farmers' psychological orientations, Tamil Nadu can foster a more resilient, inclusive, and sustainable agribusiness sector. In conclusion, this chapter contributes to the broader discourse on agribusiness by integrating psychological insights into marketing strategy development. It demonstrates that successful agribusiness models must go beyond economics to embrace the human dimension of farming. For Tamil Nadu, this approach offers a pathway to strengthen farmer confidence, enhance market participation, and build agribusiness systems that are both profitable and psychologically sustainable.

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CHAPTER – 9

CONSUMER BEHAVIOUR AND MARKET DYNAMICS

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Abstract

The performance and sustainability of firms in today's competitive climate are shaped by the closely related ideas of consumer behavior and market dynamics. The study of how people, groups, and organizations find, assess, buy, use, and discard products and services to meet their needs and desires is known as consumer behavior. The ongoing shifts in supply, demand, competition, technology, the state of the economy, and governmental regulations that affect market performance are all included in market dynamics. The quick development of digital technology, social media, e-commerce, artificial intelligence, and data analytics has drastically changed how consumers make decisions and how markets are organized. Customers are becoming more knowledgeable, value-sensitive, and socially conscious, which forces businesses to implement customer-centric tactics and creative business models. Gaining a competitive edge and long-term growth now depend on knowing customer preferences and adapting to shifting market conditions. The notion and importance of consumer behavior, the main variables affecting consumer choices, the nature of market dynamics, and the connection between consumer behavior and market shifts are all covered in this chapter. The chapter also emphasizes the managerial ramifications of comprehending customer behavior in a market that is becoming more digital and dynamic.

Keywords: Consumer Behavior, Market Dynamics, Consumer Decision-Making, Digital Marketing, Customer Satisfaction, Market Competition.

Introduction

Over the past few decades, globalization, technical innovation, digital communication, and shifting consumer expectations have all significantly changed the corporate environment. Once marked by little competition and predictable consumer preferences, markets have transformed into extremely dynamic ecosystems where businesses must constantly innovate to stay competitive and customer needs change quickly. Understanding customer behavior has become one of the most crucial duties for marketers, corporate managers, and legislators in such an atmosphere.

Marketing, psychology, sociology, economics, anthropology, and behavioral science are some of the disciplines that contribute to the multidisciplinary topic of consumer behavior. It looks at how customers identify their needs, look for information, weigh their options, decide what to buy, and gauge their level of happiness thereafter. Consumer behavior encompasses emotional, social, cultural, and psychological factors that impact purchasing decisions in addition to the actual act of making a purchase. Since customers are the cornerstone of any business, companies may design goods, create successful marketing plans, improve customer experiences, and establish enduring relationships by comprehending their behavior.

The growing accessibility of digital technologies has significantly changed how consumers make purchases. Customers now have unprecedented access to information thanks to the increasing use of cellphones, internet connectivity, social media platforms, online reviews, influencer marketing, and

e-commerce. Before making a purchase, modern consumers look for peer suggestions, compare products on several platforms, assess customer reviews, and anticipate personalized experiences. As a result, businesses are moving away from product-oriented strategies and toward customer-centric ones that prioritize customer involvement, convenience, value creation, and personalization.

Simultaneously, market dynamics have grown more intricate. The term "market dynamics" describes the ongoing interplay of variables that together affect market performance, including consumer demand, competitive rivalry, technical innovation, pricing strategies, governmental laws, demographic shifts, and macroeconomic situations.

The importance of consumer behavior and market dynamics was further highlighted by the COVID-19 pandemic. Health, safety, online shopping, digital payments, and home-based services have become more important to consumers. Companies were better positioned to endure and expand if they swiftly adjusted to these shifting tastes through digital transformation and creative service delivery. This experience reaffirmed how crucial it is to keep an eye on customer expectations and react quickly to shifts in the market.

The increasing focus on ethical and sustainable consumption is another significant change. When making purchases, consumers are increasingly taking social responsibility, product transparency, environmental protection, and ethical corporate practices into account. To increase consumer trust and brand loyalty, businesses are investing in eco-friendly packaging, sustainable production, ethical sourcing, and corporate social responsibility programs.

Marketing decision-making has also been transformed by artificial intelligence, machine learning, big data analytics, and predictive modeling. With data-driven insights, businesses can now estimate demand, assess consumer preferences in real time, tailor recommendations, optimize pricing strategies, and enhance customer experiences. The connection between strategic market planning and consumer behavior analysis has been reinforced by these technical advancements.

It is now crucial for commercial organizations, governments, researchers, entrepreneurs, and non-profit organizations to comprehend how consumer behavior and market dynamics interact. Organizations may foresee market trends, spot new possibilities, reduce business risks, and create long-lasting competitive advantages with effective understanding.

Businesses that successfully adapt their tactics to shifting consumer tastes are more likely to experience long-term growth and client loyalty as marketplaces continue to change quickly.

The concepts of consumer behavior and market dynamics are examined in this chapter, along with the main factors influencing consumer decisions, the forces influencing contemporary markets, and how businesses can use consumer insights to create successful marketing strategies in a technologically advanced and increasingly competitive business environment.

Consumer Behavior: Concept and Importance

The study of how people, groups, or organizations choose, buy, use, and discard goods, services, concepts, or experiences to fulfill their needs and desires is known as consumer behavior. It encompasses the social, cultural, psychological, and emotional elements that impact customer behavior prior to, during,

and following a purchase. Understanding consumer behavior has become crucial for successful marketing as consumer tastes continue to change.

Philip Kotler and Gary Armstrong define consumer behavior as the purchasing habits of end consumers, which include households and individuals making purchases of goods and services for their own consumption. According to Leon Schiffman and Joseph Wisenblit, it is the study of how customers look for, buy, use, assess, and discard goods and services. These definitions highlight the fact that customer behavior is a continuous process in contrast to a single purchase.

Organizations may recognize customer requirements and create more valuable products and services by having a better understanding of consumer behavior. Better decisions about product development, pricing, advertising, distribution, and customer relationship management are made possible by consumer research, which offers insights into purchasing motives, expectations, satisfaction, and future buying intentions.

Businesses cannot depend solely on low costs or high-quality products in today's competitive markets. They must be aware of how client expectations are evolving and offer tailored experiences that foster long-term loyalty and trust. Customer-focused businesses keep a close eye on consumer preferences and modify their marketing plans as necessary.

Five steps are often involved in the consumer decision-making process: need identification, information search, alternative evaluation, buy choice, and post-purchase assessment. Customers determine a need, obtain information from friends, relatives, commercials, internet reviews, and social media, compare options, make a purchase, and then assess their level of satisfaction. While negative experiences may cause customers to switch brands, positive experiences promote recurring purchases and brand loyalty.

Consumer behavior has changed as a result of the digital revolution. Before making a purchase, consumers are increasingly using social media, smartphone apps, e-commerce sites, and search engines. A good online presence is crucial for businesses since online reviews, influencer recommendations, product ratings, and user-generated content all have a significant impact on purchasing decisions.

Factors Influencing Consumer Behavior

Numerous internal and external factors impact consumer purchase decisions. Comprehending these variables aids marketers in determining consumer requirements, forecasting purchasing patterns, and creating successful marketing plans.

Cultural factors - Customers' values, beliefs, customs, and buying patterns are influenced by their culture. It affects tastes in food, clothing, branding, goods, and lifestyles. Purchase behavior is also influenced by subcultures based on religion, ethnicity, nationality, and geography. Due to the fact that consumers with varying levels of education and income have distinct buying habits and brand preferences, social class also plays a significant impact.

Social factors - The impact of friends, family, coworkers, and reference groups are examples of social factors. Family members frequently take part in purchase decisions, particularly when it comes to financial and domestic goods. Influencers, social media, online forums, and customer reviews have developed into potent information sources that have a big impact on consumers' decisions to buy.

Personal factors - Consumer behavior is influenced by individual traits like age, occupation, income, education, lifestyle, and personality. While work and lifestyle have an impact on product selections, income affects purchasing capacity. Customers' propensity to embrace new items or stick with well-known companies is also influenced by personality factors like inventiveness and risk tolerance.

Psychology factors - Motivation, perception, learning, attitudes, beliefs, and emotions are examples of psychological elements. While perception affects how customers understand marketing communications, motivation propels them to fulfill their needs. Positive product experiences promote brand loyalty and recurring purchases. Buying decisions are also influenced by human attitudes and emotions, which makes emotional branding a crucial marketing tactic.

In general, cultural, social, psychological, and personal elements all work together to shape consumer behavior. Organizations may create customer-focused products, successful marketing campaigns, and enduring customer connections by having a thorough grasp of these elements.

Market Dynamics

The forces that affect a market's performance and operation over time are referred to as market dynamics. Demand, supply, pricing, competition, innovation, and customer preferences are all constantly shaped by these influences. Because markets are always changing, businesses need to keep an eye on these developments and take calculated action to stay competitive. Market dynamics are a crucial issue in marketing and strategic management since they are impacted by both external environmental factors and internal business decisions.

Customer demand is one of the main factors influencing market dynamics. Economic situations, demographic upheavals, technology improvements, and changes in lifestyle all affect consumer wants and preferences. Companies are better positioned to provide cutting-edge goods and services that satisfy consumer demands if they are aware of these shifting tastes.

Another crucial component of market dynamics is competition. Organizations are encouraged by competitive marketplaces to develop creative marketing techniques, lower costs, improve customer service, and improve product quality. Businesses that don't adjust to the demands of competition frequently see their market share and profitability decline. Because consumers may now acquire goods and services from foreign businesses via digital channels, the growth of global marketplaces has increased competition.

One of the most powerful factors influencing contemporary markets is technological innovation. Production procedures, customer interaction, and supply chain management have all been revolutionized by artificial intelligence, big data analytics, cloud computing, automation, blockchain technology, and the Internet of Things (IoT). Businesses can use digital technologies to better monitor consumer behavior in real time, tailor marketing messages, forecast demand, and increase operational effectiveness.

The state of the economy has a big impact on market performance. Consumer purchasing power and spending patterns are directly impacted by inflation, unemployment, interest rates, disposable income, and economic growth. Consumers tend to prioritize necessities and cut back on discretionary spending during economic downturns, whereas periods of economic prosperity promote higher spending on luxury goods and services.

Market dynamics are also impacted by laws and regulations. Businesses have both opportunities and limitations as a result of taxation, environmental regulations, consumer protection laws, international trade policies, and competition rules. While adjusting their business strategy to evolving regulatory environments, organizations must assure compliance with legal requirements.

The growing significance of digital transformation is another noteworthy development. The quick development of digital payment systems, omnichannel retailing, mobile commerce, and e-commerce platforms has drastically altered how companies engage with their clientele. In increasingly digitized markets, businesses that successfully combine online and offline client interactions have a competitive edge.

Sustainability has been a powerful business driver in recent years. Businesses that exhibit social accountability, waste minimization, ethical sourcing, and environmental responsibility are becoming more and more popular. As a result, sustainability is now a strategic competitive advantage rather than just a corporate responsibility project.

Relationship Between Consumer Behavior and Market Dynamics

Market dynamics and consumer behavior are intimately related. While shifts in market conditions concurrently influence consumer purchasing decisions, shifts in consumer preferences have a direct impact on market trends. Because of this reciprocal interaction, the market is constantly changing, requiring firms to adapt to shifting consumer demands as well as environmental shifts.

Through surveys, customer comments, online reviews, loyalty programs, website analytics, and social media interactions, businesses regularly gather consumer data. Businesses can use these information to predict demand, spot new trends, and create goods that meet consumer demands. As a result, data-driven decision-making is becoming a crucial part of contemporary marketing management.

Social media's explosive growth has improved consumer-market relations. These days, consumers actively endorse brands, compare options, discuss product experiences, and have an impact on other people's purchasing decisions. Influencer recommendations, user-generated content, and viral marketing initiatives are now effective tools for influencing consumer demand.

Another distinctive feature of modern markets is personalization. Businesses may now provide specialized client experiences, tailored ads, and personalized recommendations thanks to developments in artificial intelligence and machine learning. Personalization is a key source of competitive advantage since customers are expecting businesses to comprehend their preferences and offer pertinent answers.

Market dynamics are also impacted by shifting demographic traits. While older consumers could place a higher value on dependability and customer service, younger consumers frequently adopt digital technology more quickly. Growing middle-class populations, more female labor force involvement, urbanization, and higher educational attainment have all produced new market opportunities in a variety of industries.

Due to the availability of goods and services from other nations, globalization has increased consumer choice. Although this gives companies the chance to expand into other markets, it also puts them under more competitive pressure and necessitates that they comprehend cultural variations in customer behavior.

Businesses that operate internationally must strike a balance between specialized techniques that take into account local consumer preferences and standardized marketing strategies.

Companies that effectively include consumer behavior analysis into their strategic planning are better equipped to recognize market possibilities, address challenges from competitors, enhance customer happiness, and achieve long-term growth.

Managerial Implications

Managerial decision-making benefits greatly from an understanding of consumer behavior and market dynamics. To determine shifting consumer preferences, assess customer happiness, and keep an eye on rival activity, managers should regularly carry out market research. Organizations can react to developments in the market proactively rather than reactively thanks to ongoing market intelligence.

Businesses should embrace customer-centric business models that put an emphasis on long-term relationship building, individualized communication, and value generation. To increase consumer engagement and decision-making, marketing strategies should incorporate digital technologies like artificial intelligence, predictive analytics, and customer relationship management (CRM) systems.

Innovation ought to continue to be a top organizational focus. Companies are better positioned to compete in dynamic marketplaces if they consistently launch new goods, enhance the quality of their services, and embrace innovative technologies. In order to satisfy the increasing demands of socially conscious consumers, strategic planning should also include sustainability efforts and ethical business practices.

Lastly, in order to effectively adapt to upcoming market changes, firms should invest in staff training, digital skills, and organizational flexibility. Adaptability and ongoing learning are now crucial traits of prosperous companies functioning in quickly evolving business contexts.

Conclusion

Two essential components of contemporary marketing and business management are consumer behavior and market dynamics. Organizations may create goods, services, and marketing plans that successfully meet consumer demands by having a thorough understanding of the factors that influence consumer decisions. Businesses may predict opportunities, manage risks, and effectively respond to competitive difficulties when they are aware of shifting market dynamics.

Markets across industries are still being reshaped by technological innovation, digital transformation, globalization, sustainability, and changing customer expectations. Customer happiness, brand loyalty, competitive advantage, and long-term organizational success are more likely to be attained by companies that effectively track these trends and incorporate consumer insights into strategic decision-making.

The capacity to integrate technology skills with a thorough grasp of human behavior will become increasingly important for future corporate success. Businesses that continue to be creative, customer-focused, morally upright, and flexible will be in a strong position to prosper in marketplaces that are becoming more complex and dynamic.

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CHAPTER - 10

FACTORS INFLUENCING PURCHASE INTENTION TOWARDS ELECTRIC TWO WHEELER VEHICLES IN KALABURAGI CITY

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Abstract

The automobile industry is slowly moving from conventional fuel vehicles toward electric vehicles. Heightened environmental awareness and rising fuel prices costs, and technological developments have encouraged consumers to explore alternative modes of transportation. Electric two-wheeler vehicles have emerged as a preferred choice due to their ability to provide economic and environmental benefits. However, despite their advantages, many consumers are still doubtful to adopt electric vehicles. Understanding the factors affecting purchase intention are crucial for manufacturers and marketers. The present This study investigates the factors affecting consumers' purchase intention toward electric two-wheeler vehicles. wheeler vehicles in kalaburagi city. The study focuses on five key factors such as price perception, environmental concern, brand image, social influence, and consumer awareness. The study's findings are expected to offer meaningful insights into and support the formulation of effective marketing strategies for the electric two wheeler vehicles market.

Keywords: *Electric Two Wheeler vehicles, Purchase Intention, Consumer Behaviour, Brand Image, Environmental Concern, Kalaburagi City.*

Introduction

In today's world, transportation is an important part of everyday life as people use vehicles to travel for work, studies, business, and personal needs. For many years petrol and diesel vehicles have dominated the transportation sector. However, the increasing use of these vehicles has resulted in environmental challenges such as air pollution, carbon emissions, and dependence on fossil fuels. In response to these challenges, electric vehicles have gained importance as a sustainable transportation alternative. Electric two wheeler vehicles are gaining widespread popularity because they are affordable, energy-efficient, and suitable for travelling. They provide several benefits, such as lower operating costs, reduced maintenance expenses, and minimal environmental impact. Kalaburagi The city has experienced substantial growth in urbanization and transportation needs. With rising fuel prices and increasing public awareness of environmental concerns, consumers within the city are gradually becoming interested in electric mobility solutions. However, the decision to purchase an electric two-wheeler is influenced by various factors. Some consumers focus on financial advantages, whereas others are influenced by environmental considerations, brand reputation, social influence, and awareness about the technology.

Purchase intention represents a consumer's likelihood of purchasing a product in the future. It reflects an individual's preference, attitude, and likelihood of making a purchase. Understanding the factors affecting purchase intention is important as it helps marketers predict future demand and develop strategies to attract potential customers. Therefore, This study aims to investigate the key factors

influencing consumers' purchase intention toward electric two-wheeler vehicles. towards electric two-wheeler vehicles in Kalaburagi city.

Review of Literature

Jayasingh et al. (2021), Jayasingh and his co-authors examined the factors affecting The study examined the factors influencing Indian consumers' willingness to purchase electric vehicles. It revealed that environmental consciousness, economic benefits, and the availability of charging infrastructure play a significant role in shaping consumer attitudes. The authors further observed that a favorable perception of electric mobility enhances consumers' intention to purchase electric vehicles.

Asadi et al. (2021), Asadi and colleagues investigated the study explored the influence of environmental concern on electric vehicle adoption. The findings showed that consumers with greater environmental awareness tend to develop positive perceptions of electric vehicles, thereby increasing their purchase intention.

Khazaei and Tareq (2021), Khazaei and Tareq studied consumer acceptance of electric vehicles using the UTAUT framework. The study found that performance expectancy, social influence, facilitating conditions, and perceived value significantly influence consumers' willingness to adopt electric vehicles.

Habich-Sobiegalla et al. (2020), Habich-Sobiegalla and co-researchers explored the factors affecting electric vehicle adoption adoption. Their study identified income level, education, environmental concern and vehicle performance as key factors influencing purchase intention.

Bansal et al. (2021), Bansal and associates analyzed consumers' intention to adopt electric vehicles. The study found that lower operating costs, environmental benefits, battery performance, and driving range positively influence consumers' purchase decisions.

Kumar and Alok (2020), Kumar and Alok examined the behavioral intentions of Indian consumers toward electric vehicles. Their research showed that perceived usefulness, environmental benefits, and government incentives significantly contribute to consumers' intention to buy electric vehicles.

Rezvani, Jansson, and Bodin (2015), Rezvani and his co-authors studied consumer adoption of environmentally friendly vehicles. The findings showed that consumer knowledge, environmental awareness and perceived risk play a vital role in shaping purchase intention.

Degirmenci and Breitner (2017), Degirmenci and Breitner investigated factors affecting the acceptance of electric vehicles. The study concluded that battery range, charging convenience, perceived usefulness, and environmental benefits include major determinants of consumer purchase intention.

Wang et al. (2018), Wang and colleagues explored the association between consumer attitudes and electric vehicle adoption. The findings showed that social influence, government support, and environmental concern positively affect consumers' intention to purchase electric vehicles.

Li et al. (2021), Li and co-authors examined the study examined the effect of consumer perceptions on electric vehicle purchase intention. It found that awareness of electric vehicle technology, confidence in charging infrastructure, and perceived economic benefits significantly influence consumers' purchase decisions.

Research Gap

Several studies have examined electric vehicles., but most of them focus on electric cars and people living in big cities. Only a limited number of studies have examined at people living in smaller cities like kalaburagi. Limited attention has been given to electric two wheeler vehicles in smaller city like Kalaburagi. There is a need to examine how multiple factors jointly influence purchase intention among potential buyers. This study addresses this gap by examining the combined impact of price perception, environmental concern, brand image, social influence, and consumer awareness.

Objective of the Study

- To identify the factors affecting consumers' purchase intention toward electric two wheeler vehicles in kalaburagi city.
- To assess the impact of price perception on purchase intention
- To evaluate the impact of environmental concern on purchase intention.
- To assess the effect of brand image on purchase intention.
- To evaluate the impact of social factors on purchase intention.
- To evaluate the role of consumer awareness in influencing purchase intention.

Research Methodology

A descriptive research design was employed to understand consumer perceptions, preferences, and purchase intentions toward electric two wheeler vehicles in kalaburagi city.

Area of Study - The study was conducted in kalaburagi city.

Data Collection - Primary data were collected using a structured questionnaire and Secondary data were obtained from journals, books, and other relevant sources.

Sample Size - A sample of 100 respondents was selected for the study.

Data analysis & Interpretation

Table 1: Demographic Profile of the Respondents

Sl No	Particulars		No of Respondents in %
1	Gender	Male	67%
		Female	33%
2	Age	18–25 years	65%

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		26–35 years	31%
		36–45 years	3%
		Above 46 years	1%
3	Qualification	SSLC	1%
		PUC	6%
		Graduate	13%
		Post Graduate	73%
4	Occupation	Professional	10 %
		Employee	50%
		Business	6%
		Student	34%
5	Monthly Income	Below ₹20,000	22%
		₹20,000 – ₹40,000	41%
		60,000 and Above	25%
		No Personal Income	12%
Source: Primary Data			

Interpretation:

The demographic profile of the respondents shows that majority 67% are male, while 33% are female, showing greater participation from male most respondents were in the 18–25 age group, indicating that young adults are the primary target market for electric two-wheeler vehicles. In terms of education, a large proportion 73% are postgraduates, followed by 13% undergraduates, indicating that well-educated individuals are more aware of electric vehicles and their benefits. Regarding occupation, Half of the respondents are professionals and 34% are employees, reflecting that working individuals with a with a stable income are more inclined to consider purchasing electric two wheeler vehicles. The income The income distribution indicates that 41% of respondents earn between ₹20,000 and ₹40,000 per month, while 25% earn ₹60,000 and above, highlighting that middle income earners constitute the largest segment of respondents and represent a promising market for electric two wheeler vehicles.

Table No. 2 Table showing factor influencing purchase decision of the respondents.

Particular	Respondents in %
Price	19%
Brand Image	22%
Environmental Benefits	46%
Family/Friends' Influence	7%
Product Awareness	6%
Source: Primary Data	

Interpretation:

Environmental benefits 46% are the most influential factor motivating respondents to purchase electric two-wheelers, followed by brand image 22% and price 19%. This highlights growing environmental awareness among consumers.

Table No. 3 Table showing how the respondents know about the electric vehicles.

Particular	Respondents in %
Social Media	55%
Television	7%
Newspapers	4%
Friends/Family	31%
Dealers/Showrooms	3%
Source: Primary Data	

Interpretation:

A majority of respondents 55% first learned about electric two-wheelers through social media, followed by 31% through television and 7% through friends and family. This emphasizes the importance of digital platforms in creating awareness.

Table No 4 Table showing opinion of respondent's most attractive feature towards electric two wheeler electric vehicles.

Particular	Respondents in %
Fuel Cost Savings	43%
Eco-Friendly Nature	35%
Modern Technology	15%
Stylish Design	6%
Brand Reputation	1%
Source: Primary Data	

Interpretation:

Fuel cost savings 43% emerged as the most attractive feature of electric two-wheelers, followed by eco-friendly nature 35% and modern technology 15%. This suggests that economic benefits are the main attraction for consumers.

Table No. 5 Table showing the opinion of respondents on the affordability of electric two wheeler prices.

Particular	Respondents in %
Agree	37%
Strongly Agree	4%
Neutral	40%
Disagree	8%
Strongly Disagree	11%
Source: Primary Data	

Interpretation:

Most respondents 40% remained neutral, while 37% agreed that electric two-wheelers are affordable. This indicates that consumers are somewhat uncertain about affordability, though many hold a positive opinion.

Table No. 6 showing the opinion of respondents on the value for money provided by electric two wheeler vehicles.

Particular	Respondents in %
Agree	42%
Strongly Agree	11%
Neutral	34%
Disagree	4%
Strongly Disagree	9%
Source: Primary Data	

Interpretation:

A majority of respondents 42% agreed and 11% strongly agreed believe that electric two-wheelers provide good value for money. This indicates a positive perception regarding the benefits received relative to the cost.

Table No. 7 showing the opinion of respondents on whether lower running costs encourage the purchase of electric vehicles.

Particular	Respondents in %
Agree	44%
Strongly Agree	11%
Neutral	28%
Disagree	10%
Strongly Disagree	7%
Source: Primary Data	

Interpretation:

44% agreed and 11% strongly agreed that reduced running costs encourage them to purchase electric two-wheelers. This shows that lower operating costs are an important motivating factor in purchase decisions.

Table No. 8 showing the opinion of respondents on price in the purchase decision purchase decision.

Particular	Respondents in %
Agree	39%
Strongly Agree	24%
Neutral	17%
Disagree	10%
Strongly Disagree	10%
Source: Primary Data	

Interpretation:

A considerable proportion of respondents 39% agreed and 24% strongly agreed stated that price A majority of respondents their purchase decision. This suggests that pricing remains a critical consideration when choosing electric two-wheelers.

Table No. 9 showing the opinion of respondents on whether electric two wheelers help Reduce environmental pollution.

Particular	Respondents in %
Agree	42%
Strongly Agree	26%
Neutral	16%
Disagree	7%
Strongly Disagree	9%
Source: Primary Data	

Interpretation:

Most respondents (42% agreed and 26% strongly agreed) believe that electric two-wheelers help reduce environmental pollution. This reflects strong environmental awareness and positive perceptions toward electric mobility.

Table No. 10 Showing the opinion of respondents on preference for reputed brands in electric two wheeler vehicles.

Particular	Respondents in %
Agree	52%
Strongly Agree	14%
Neutral	20%
Disagree	5%
Strongly Disagree	9%
Source: Primary Data	

Interpretation:

The majority of respondents 52% agreed prefer purchasing electric two-wheelers from reputed brands, while 14% strongly agreed. This indicates that brand reputation plays a significant role in influencing consumer choice.

Table No. 11 Opinion of Respondents on Whether Brand Trust Increases Purchase Willingness

Particular	Respondents in %
Agree	45%
Strongly Agree	17%
Neutral	26%
Disagree	4%
Strongly Disagree	8%
Source: Primary Data	

Interpretation:

A majority of respondents 45% agreed and 17% strongly agreed stated that brand trust increases their willingness to purchase an electric two wheeler vehicles. This shows that trust in the brand has a significant influence in shaping purchase intention.

Findings

1. The demographic profile shows that 67% of the respondents were male, indicating greater participation by men in the study. Most respondents 65% belonged to the 18 to 25 years age group, indicating that young consumers have a greater interest in electric two wheeler vehicles. In terms of education, a significant proportion 73% were postgraduates, reflecting a highly educated sample population. Regarding occupation, students constituted the largest group 50%, followed by employees 34%, highlighting the strong representation of young and working individuals. The respondents also belonged to different income groups, with a larger proportion falling within lower income and student categories, indicating that affordability may play a key role in influencing the purchase intention of electric two-wheelers in kalaburagi city.
2. Environmental benefits were found to be the most important factor influencing purchase intention, accounting for 46% of responses.
3. Social media emerged as the primary source of awareness about electric two-wheelers, with 55% of respondents became aware of them through digital platforms.
4. Fuel cost savings were considered the most attractive feature of electric two wheeler vehicles by 43% of respondents.
5. Most respondents showed a positive perception regarding the affordability of electric two-wheelers, although a considerable percentage remained neutral.
6. A majority believed that electric two-wheelers offer good value for money.
7. Reduced running and maintenance costs significantly influenced consumers' purchase intention electric two wheeler vehicles.
8. Price was found to be a major factor affecting purchase decisions.
9. Most respondents agreed that electric two-wheelers contribute to reducing environmental pollution.
10. Brand reputation was found to be an important consideration when selecting an electric two-wheeler.
11. Brand trust positively influenced consumers' willingness to purchase electric two-wheelers.

Suggestions

1. Electric two wheeler vehicles manufacturers should emphasize environmental benefits in their marketing campaigns, as consumers are highly concerned about sustainability.

2. Companies should leverage social media platforms more effectively to create awareness and engage potential customers.
3. Manufacturers should focus on communicating fuel cost savings and lower running costs, as serve as key motivating factors for purchase.
4. Government agencies should continue providing subsidies and incentives to make electric two wheeler vehicles more affordable.
5. Charging infrastructure should be expanded across Kalaburagi City to increase consumer confidence and convenience.
6. Companies should introduce flexible financing options and EMI schemes to attract price-sensitive consumers.
7. Manufacturers should enhance their brand image through quality products and reliable after sales service.
8. Awareness programs and test drive campaigns should be conducted to educate consumers about the benefits and performance of electric two wheeler vehicles.
9. Companies should focus on battery performance, charging speed, and vehicle range to address consumer concerns.
10. Collaboration between government and manufacturers should be encouraged to promote sustainable transportation and accelerate EV adoption.

Conclusion

This study highlights that consumers generally have a positive attitude toward electric two-wheelers. The findings indicate that environmental concerns, fuel cost savings, lower operating costs, brand reputation, and brand trust are the major factors influencing purchase intention. Social media plays a significant role in creating awareness and shaping consumer perceptions. The study shows that young and educated consumers are more motivated toward adopting electric mobility. However concerns regarding affordability and infrastructure still exist, respondents largely recognize the economic and environmental advantages of electric two-wheelers. Therefore, with improved charging facilities, supportive government policies, and effective marketing strategies, the adoption of electric two wheeler vehicles in kalaburagi city is expected to increase significantly in the coming years. Electric two wheeler vehicles have the potential to contribute to sustainable transportation, reduce pollution, and support India's transition toward green mobility.

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CHAPTER - 11

ANALYZING CONSUMER PURCHASE INTENTIONS THROUGH SPONSORED Vs ORGANIC INFLUENCER MARKETING CONTENT

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Abstract

Influencer marketing's explosive rise has completely changed the digital advertising scene and had a big impact on consumer behavior and purchase decisions. This study looks at how sponsored and natural influencer marketing material on social media platforms affects consumers' intentions to make purchases. The goal of the study is to determine how customers' perceptions of influencer recommendations are influenced by content authenticity, credibility, trust, and transparency. Active social media users who are familiar with influencer-generated material are given structured questionnaires to complete as part of a quantitative research methodology. In order to assess variations in engagement, trustworthiness, and purchase intention, the study contrasts consumer views of openly sponsored postings with naturally shared suggestions. Results are anticipated to show that although sponsored content could be viewed as less genuine and more commercial, organic influencer material fosters more customer trust and a stronger emotional bond. However, consumer reactions to sponsored material can be moderated by elements including audience alignment, relevancy, and influencer trustworthiness. By offering insights on how influencers and businesses may strategically create content to optimize customer engagement and purchase behavior, the study adds to the expanding corpus of knowledge on digital marketing. The findings could aid marketers in creating more successful influencer marketing plans that strike a balance between business goals and audience authenticity and trust.

Keywords: Influencer Marketing, Consumer Purchase Intention, Sponsored Content, Organic Content, Social Media Marketing.

Introduction

Influencer marketing has emerged as a key promotional tactic in the current digital era as social media has developed into a potent platform for marketing communication. Influencers have the power to influence customer perceptions and purchase decisions through their online presence and audience interaction. Influencers give natural recommendations based on their own experiences and tastes, and brands increasingly work with them to promote goods and services through sponsored content. Today's consumers are heavily exposed to both types of material, so it's critical to comprehend how each affects their intents to make purchases. While organic content is seen as more genuine and objective, sponsored influencer content is typically paid for and specifically created to promote a company. The efficacy of these marketing strategies is significantly influenced by consumer views of authenticity, trustworthiness, and credibility. Organic content frequently fosters deeper emotional ties and customer trust, even while sponsored articles could increase business visibility. For marketers looking to develop effective programs, it is crucial to examine the distinctions between sponsored and organic influencer marketing material. This study aims to determine the variables influencing customer responses in the context of digital

marketing and to investigate how these two types of influencer content impact consumer purchase intentions.

Aim: To investigate how sponsored and natural influencer marketing material on social media platforms affects consumers' intentions to make purchases.

Objectives:

1. To investigate how sponsored influencer material affects consumers' intentions to make purchases.
2. To examine how organic influencer content affects customer purchasing decisions.
3. To contrast how customers view sponsored versus organic content in terms of authenticity and trust.
4. To determine the elements influencing how consumers interact with influencer marketing material.
5. To give businesses suggestions on how to enhance influencer marketing tactics in light of customer preferences.

Research Questions:

1. What impact does sponsored influencer marketing material have on consumers' intents to make purchases?
2. How do consumers' purchasing decisions get affected by organic influencer marketing content?
3. When it comes to sponsored vs organic influencer material, how do consumers see authenticity and trust?
4. Which elements affect how customers interact with social media material created by influencers?
5. Do consumers' intents to make purchases change much between paid and organic influencer marketing content?

Review of Literature

Influencer Marketing and Consumer Purchase Intention

According to Pan et al., (2025), In recent years, influencer marketing has become one of the most powerful digital marketing tactics. Through relevant and interesting content, social media influencers greatly affect customer attitudes, preferences, and purchase decisions, according to research. Across a variety of platforms and sectors, influencer marketing has a beneficial impact on customer engagement, brand trust, and purchase intention. Two important factors that determine influencer efficacy are perceived knowledge and sincerity. The results showed that while actual purchase behavior may differ based on customer motivation and product participation, influencer credibility and consumer trust directly enhance buy intention. Influencer campaigns are receiving bigger parts of marketing expenditures from businesses due to their capacity to create engagement and tailored communication. Celebrity endorsements have given way to community-driven and micro-influencer tactics in influencer marketing, where audience connection and authenticity are valued more than number of followers. Influencer marketing has emerged as a crucial instrument for influencing customer purchase intentions in the digital economy (Ahmed & Khan, 2025).

Sponsored Influencer Content and Consumer Perception

According to Johnson & Miller, (2025), Paid promotional posts produced in association with businesses are referred to as sponsored influencer content. Sponsored postings can increase brand recognition and product visibility, according to existing research, but customer reactions frequently depend on authenticity and openness. Customers often respond less positively to excessively promoted material, particularly when sponsorship declarations are ambiguous, according to long-term research on Instagram influencer disclosures. On the other hand, ethical transparency and customer confidence are preserved through appropriate disclosure standards. According to the study, even in sponsored content environments, purchase intentions are strongly impacted by influencer knowledge, attractiveness, and reliability. The authors came to the conclusion that when influencers are reliable and consistent, customers are more inclined to accept sponsored suggestions. Purchase intention in sponsored advertisements is significantly influenced by informational quality, entertainment value, and trustworthiness. When sponsored postings were authentic and consistent with the influencer's own personality, consumers responded more favorably. According to the research, sponsored content can successfully affect customer behavior provided it strikes a balance between promotional goals and openness and authenticity (Brown & Taylor, 2025).

Organic Influencer Content and Authenticity

According to Kapoor & Mehta, (2025), Organic information seems more authentic and less marketed, consumers are more emotionally connected to it. Genuineness is now a crucial component affecting trust and social media engagement. Sincerity, originality, and reliability have a major impact on consumers' purchasing intentions. According to the study's findings, customers are more inclined to believe influencers who offer genuine viewpoints and firsthand accounts as opposed to advertising. Consumer co-creation and purchase intention are strongly impacted by content quality, credibility, and social presence. Customers react well to influencers that provide relevant and community-focused content, according to the research. Authenticity is becoming increasingly important, as seen by recent conversations in digital marketing circles. Because consumers increasingly desire "real" and relevant information, many marketers think that user-generated and organic content creates more engagement than polished branded commercials. According to this research, when contrasted to heavily sponsored content, organic influencer material frequently results in more consumer trust, emotional connection, and long-term engagement (Brown & Taylor, 2025).

Trust, Credibility, and Consumer Engagement

According to Lee & Kim, (2025), Among the most extensively researched elements in the literature on influencer marketing are trust and credibility. Influencers that consumers believe to be informed, trustworthy, and socially relevant are often relied upon. Therefore, the quality of the relationship between influencers and followers is just as important to the success of influencer marketing as exposure (Ahmed & Khan, 2025). Trust in influencers is positively impacted by social attraction, perceived consumer efficacy, and attitude homophily. The study also revealed that customer decision-making and purchasing intention are strongly influenced by trust. Advertising techniques, engagement patterns, and sponsored content analysis were found to be important study subjects in recent years in another comprehensive

assessment of the literature on computational studies in influencer marketing. Instead of concentrating on one-time advertising efforts, brands are instead emphasizing long-term influencer connections, narrative, and audience trust. Genuine community involvement is thought to be more beneficial than just having a large number of followers. As a result, in influencer marketing contexts, customer purchase intentions are still largely shaped by trust and credibility (Ahmed & Khan, 2025).

Comparative Analysis of Sponsored vs Organic Influencer Content

According to Wilson, (2026), Sponsored and organic influencer material, people distinguish between commercial and non-commercial message according to perceived intention, authenticity, and transparency. While organic content is thought to be more genuine and experience-focused, sponsored content is frequently linked to commercial goals. Research shows that while sponsored content may increase brand remember and rapid visibility, organic content typically fosters better emotional connection and trust. Customers may see sponsored placements as less trustworthy than organic recommendations (Chen & Roberts, 2026). Transparency and authenticity are becoming more and more valued by audiences. To preserve credibility while accomplishing promotional goals, marketers are fusing sponsored ads with natural storytelling techniques. Additionally, community conversations reveal that spontaneous communication is frequently seen as more reliable and long-lasting for customer connections. The body of research indicates that while purchase intentions are influenced by both sponsored and organic influencer content, consumer perceptions of authenticity and trust play a major role in determining marketing efficacy. Therefore, in order to enhance customer engagement and purchase behavior, future study must look at how businesses may combine sponsorship transparency with genuine influencer communication (Sharma & Gupta, 2026).

Methodology

Research Design

This study uses a quantitative research methodology to examine how sponsored and natural influencer marketing material on social media platforms affects consumers' intentions to make purchases. To comprehend how customer views, trust, engagement, and purchasing behavior differ across the two forms of influencer content, a descriptive and comparative study methodology is employed. Because it enables the researcher to get quantifiable data from a large number of respondents and statistically evaluate trends, the quantitative technique is seen to be appropriate. The main method of gathering information about customer opinions on influencer marketing strategies is through structured surveys. The study focuses on active social media users who often interact with material created by influencers on sites like Facebook, Instagram, and YouTube. The link between sponsored and organic influencer material and variables including trust, authenticity, credibility, engagement, and purchase intention is investigated.

Sampling Strategy

Respondents are chosen for the study using a non-probability convenience sampling technique. Because the study focuses on those who are readily reachable via online platforms and regularly utilize social media, convenience sampling is acceptable. The selection of respondents is based on their exposure to sponsored and organic material, as well as their knowledge with influencer marketing. To gather information from a wide range of participants, online surveys are disseminated via social media sites, email, and messaging apps. In order to get more comprehensive viewpoints on the efficacy of influencer

marketing, the sampling approach makes sure that respondents come from a variety of demographic categories, including age, gender, occupation, and educational background. With limited time and resources, this method assists the researcher in effectively gathering pertinent data.

Sample Size

200 responders are the suggested sample size for this investigation. Due to their high level of engagement with influencer material and digital marketing, the sample comprises active social media users between the ages of 18 and 40. For determining consumer behavior trends and comparing sponsored and organic influencer material, a sample size of 200 is thought to be enough. To assess customer purchase intents and involvement levels, statistical tools including percentage analysis, mean scores, and correlation approaches are used to examine the participant replies. Additionally, the chosen sample size enhances the validity and dependability of the study's conclusions.

Ethical Considerations

The conduct of this study is heavily influenced by ethical issues. Before filling out the questionnaire, participants are made aware of the study's goals and purpose. Participation in the study is completely voluntary. All participants give their informed permission in order to guarantee ethical responsibility and openness. Respondents' privacy and confidentiality are upheld, and no third party is given access to or disclosure of personal information. At any point throughout the survey, respondents are able to leave without facing any pressure or repercussions. The information gathered is only utilized for scholarly and investigative reasons. Furthermore, no bias, manipulation, or false information is used in the study's data gathering or analysis. The validity, reliability, and integrity of the study's conclusions are guaranteed by ethical research procedures.

Finding & Discussion

The study shows that while both sponsored and organic influencer marketing material affect consumers' intentions to make purchases, organic content has a greater effect on customer engagement and trust. Because organic influencer postings are based on personal experience rather than sponsored marketing, the majority of respondents thought they were more relevant, real, and believable. Customers were therefore more inclined to adopt favorable opinions and had more inclinations to buy items that were advertised organically. Overly promotional content eroded customer confidence and raised doubts about the legitimacy of influencers. The study also discovered that customer reactions to sponsored and organic content are greatly influenced by elements like audience connection, transparency, and influencer skill. Overall, the research indicates that long-term customer connections and effective influencer marketing methods in the context of digital marketing depend on upholding authenticity and openness.

Conclusion

According to the above-mentioned case, it can be concluded that consumer purchasing intentions in the digital marketplace are significantly influenced by influencer marketing. Consumer behavior is influenced by both sponsored and organic influencer content, however organic material is typically seen as more genuine, reliable, and interesting. Sponsored content increases product visibility and brand awareness, but if it seems too promotional, it may lose credibility. Consumer reactions are heavily influenced by elements like audience connection, knowledge, transparency, and influencer credibility. The study emphasizes how crucial it is to strike a balance between authenticity and advertising objectives in

order to foster long-term customer involvement and confidence. For long-lasting customer relationships, firms should use ethical and reliable influencer marketing techniques.

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CHAPTER - 12

THE IMPACT OF ARTIFICIAL INTELLIGENCE ON CONSUMER PURCHASE DECISIONS: A SECONDARY DATA ANALYSIS

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Abstract

Artificial intelligence (AI) has become one of the marketing industry's most revolutionary technologies, profoundly impacting how consumers look for information, weigh their options, and decide what to buy. Recommendation systems, chatbots, predictive analytics, virtual assistants, and tailored advertising are just a few of the AI-powered technologies that businesses from all sectors are using more and more to improve customer experiences and boost marketing efficacy. With the use of these technologies, businesses may analyze enormous volumes of customer data, make tailored recommendations, and offer real-time support, all of which have an impact on customers' opinions and purchase decisions. This study's main goal is to use a thorough examination of secondary data to investigate how artificial intelligence affects customer purchasing decisions. The study uses a descriptive research design and only uses secondary sources, such as books, industry reports, government publications, conference proceedings, peer-reviewed journal papers, and reports from top consulting firms. To find recurrent patterns, new trends, and important factors driving AI-driven consumer behavior, the gathered data is examined using thematic analysis and narrative synthesis.

According to the report, AI improves personalization, boosts customer engagement, improves product discovery, and streamlines the entire shopping process, all of which have a favorable impact on consumer purchase decisions. By delivering pertinent and timely information, AI-powered recommendation systems, intelligent chatbots, and predictive analytics strengthen brand loyalty and increase customer happiness. customer acceptance of AI-enabled marketing strategies is still impacted by issues with customer trust, data privacy, algorithmic transparency, and ethical considerations, according to the report. The study comes to the conclusion that consumer behavior and market dynamics are now strategically influenced by artificial intelligence. Businesses that properly use AI while upholding openness and safeguarding customer data are better positioned to develop enduring client connections and keep a competitive edge in the everchanging digital market.

Keywords: *Digital marketing, personalized marketing, recommendation systems, artificial intelligence, consumer behavior, consumer purchase decisions, and secondary data analysis.*

Introduction

Artificial intelligence (AI) has emerged as a game-changing technology that is affecting consumer purchasing decisions and changing the marketing environment. Through technologies like recommendation systems, chatbots, predictive analytics, and virtual assistants, artificial intelligence (AI) enables businesses to analyze vast amounts of consumer data, comprehend client preferences, and provide tailored shopping experiences. These advances enhance customer happiness and business performance while assisting consumers in making well-informed purchasing decisions.

The quick expansion of digital marketing and e-commerce has sped up the use of AI in many different sectors. AI-powered algorithms are used by businesses like Amazon, Netflix, and Flipkart to make product and service recommendations based on users' browsing history, buying habits, and personal preferences. By offering real-time assistance, tailored ads, and effective customer care, AI also improves customer engagement and influences consumer purchasing decisions. Consumer purchase decisions are influenced by several factors, including product information, price, brand reputation. AI helps customers make decisions by decreasing information overload, giving tailored solutions, and generating pertinent product recommendations. Consequently, companies can acquire a competitive edge in the market, enhance brand loyalty, and fortify consumer connections.

The growing application of AI in marketing has sparked worries about data privacy, transparency, and ethical difficulties despite its many advantages. Customers anticipate that companies would utilize their personal data appropriately while guaranteeing security and fairness in AI-driven decision-making. Therefore, in order to foster trust and preserve enduring client connections, businesses must use ethical AI practices.

This study uses secondary data gathered from published research articles, books, industry publications, and reliable web sources to investigate how artificial intelligence affects consumer buying decisions. The study's conclusions should help researchers, marketers, and corporate organizations comprehend the expanding significance of AI in contemporary marketing by offering insightful information about how AI affects consumer behavior and contributes to shifting market dynamics.

Review of Literature

Huang and Rust (2021) outlined how artificial intelligence has revolutionized marketing by allowing businesses to provide highly customized experiences and automate client interactions. The study found that by studying consumer preferences and forecasting future purchasing behavior, AI increases customer satisfaction and boosts marketing effectiveness.

Davenport, Guha, Grewal, and Bressgott (2020) investigated the use of AI in marketing and discovered that through data-driven personalization, intelligent systems help marketers better understand client demands, increase purchase intentions, and improve customer engagement.

Verma, Sharma, Deb, and Maitra (2021), AI-based recommendation systems help customers choose products that suit their interests and lessen information overload, which has a favorable impact on online buying behavior. Personalized recommendations boost consumer confidence and buy inclinations, according to their research.

Grewal, Noble, Roggeveen, and Nordfält (2020) emphasized how AI-powered solutions enhance the customer experience by offering tailored communication, real-time support, and quicker service delivery. The researchers highlighted how AI raises customer satisfaction and loyalty.

Puntoni, Reczek, Giesler, and Botti (2021) They found that although AI is efficient and convenient, worries about privacy, transparency, and moral decision-making still have an impact on customer trust. The report suggested implementing AI responsibly to increase customer acceptance.

Kaplan and Haenlein (2020) highlighted how AI-driven automation helps businesses make strategic decisions and enhance customer relationship management, highlighting the growing significance of AI in

business and marketing. They proposed that ethical responsibility and technological innovation must be balanced for AI adoption to be effective.

Chintalapati and Pandey's (2022) analysis of AI-enabled customer service, AI chatbots greatly enhance customer experiences by offering prompt responses, tailored support, and ongoing service availability. According to the study, purchase decisions are positively impacted by chatbot effectiveness.

Dwivedi et al. (2021) examined AI uses in marketing and came to the conclusion that AI makes demand forecasting, consumer segmentation, predictive analytics, and tailored promotions easier. According to their research, AI is a key factor in both competitive advantage and digital transformation.

Research Methodology

Research Design - In order to investigate how artificial intelligence affects customer purchase decisions, the study uses a descriptive research design. Because it allows the researcher to methodically examine and comprehend current data regarding AI applications in marketing and consumer behavior, the descriptive design is suitable.

Nature of the study - The current study is totally dependent on secondary data and is qualitative in nature. It seeks to provide a thorough knowledge of how artificial intelligence affects consumer purchasing decisions by synthesizing and interpreting data from the body of existing literature.

Data Collection Method - The study only uses secondary data that was gathered from a variety of verified and published sources. This study did not use any questionnaires, surveys, interviews, or primary data. The gathered data was thoroughly examined to make sure it was reliable and pertinent.

Secondary Data Sources - The study's secondary data came from a number of trustworthy sources, including:

- Journal publications that have undergone peer review
- Edited volumes and books
- Proceedings of the conference
- Studies
- Reliable internet resources including Statista, Google Scholar, Scopus etc..

These sources provided comprehensive information on Artificial Intelligence applications, consumer behaviour, digital marketing, and purchase decision-making.

Data Analysis Technique

Thematic analysis and narrative synthesis were used to examine the secondary data that had been gathered. To detect common findings, new trends, and research gaps, pertinent literature was methodically evaluated, grouped into primary themes, and compared. This method made it easier to comprehend how artificial intelligence affects customer purchasing decisions.

Analysis and Discussion

AI-Powered Customization and Customer Buying Choices

Businesses can offer tailored product recommendations based on customer preferences and past purchases thanks to AI. This raises brand loyalty, improves buying decisions, and raises customer satisfaction.

Recommendation Systems and Consumer Buying Behaviour

By examining their browsing and buying habits, AI-based recommendation systems assist customers in finding pertinent products fast. This promotes well-informed purchasing decisions and lessens information overload.

Customer Experience and AI Chatbots

AI chatbots offer immediate customer service and tailored support during the purchasing process. Their promptness and accessibility enhance client happiness and have a favorable impact on purchasing decisions.

Consumer Decision-Making and Predictive Analytics

Using past customer data, predictive analytics forecasts purchasing patterns and makes product recommendations. This improves customer decision-making and aids companies in delivering tailored marketing.

Concerns about consumer trust, privacy, and ethics

While AI enhances the buying experience, consumer trust is impacted by worries about data protection and transparency. Long-term partnerships and customer trust depend on ethical AI practices.

Brand Loyalty and AI

By providing individualized experiences and steady customer interaction, AI increases brand loyalty. Customers who are happy with a brand are more inclined to promote it to others and make more purchases.

Findings

1. By offering individualized shopping experiences, artificial intelligence has a major impact on customer purchasing decisions.
2. AI-driven recommendation systems boost buy intents and enhance product discovery.
3. By providing prompt and effective assistance, chatbots and virtual assistants improve consumer engagement.
4. Businesses can deliver tailored marketing tactics and comprehend consumer preferences thanks to predictive analytics.
5. The adoption of AI-driven marketing is still heavily influenced by consumer trust and data privacy.

Suggestion

1. Companies should employ AI sensibly while maintaining customer data ethics and openness.
2. To increase customer trust, businesses should improve data privacy and security protocols.
3. To provide superior consumer experiences, AI-powered personalization should be continuously enhanced.
4. To offer fair and efficient customer service, businesses should integrate AI technologies with human assistance.
5. Businesses may satisfy evolving customer expectations and preserve a competitive edge by routinely monitoring and updating AI systems.

Limitations of the study

- All of the secondary data included in the study came from published sources.
- The conclusions rely on how accurate and trustworthy the body of current literature is.
- No primary data was gathered via surveys or interviews to support the conclusions.
- New innovations outside the purview of this study may arise from artificial intelligence's quick evolution.

Conclusion

Through intelligent recommendations, tailored marketing, and improved customer experiences, artificial intelligence has revolutionized consumer purchasing decisions. The study comes to the conclusion that AI improves customer happiness, boosts market competitiveness, and has a favorable impact on consumer behavior. However, in order to gain the trust of customers and achieve long-term growth in the digital marketplace, companies must guarantee ethical AI practices, transparency, and data protection.

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CHAPTER – 13

UNDERSTANDING THE MODERN BUYER: HOW CONSUMER HABITS DRIVE TODAY'S MARKETS

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Abstract

Consumer habits have changed significantly in recent decades because of technological advancement, globalization, changing lifestyles, and digital communication. Modern consumers are more informed and independent in their purchasing decisions compared to earlier generations. Today, buying behavior is shaped not only by price and product quality but also by convenience, online reviews, social influence, personalization, and ethical concerns. This chapter explains how consumer habits influence present-day markets and business operations. It discusses the major factors that affect consumer behavior, including psychological, social, technological, and economic influences. The chapter also examines the impact of online shopping, mobile commerce, social media platforms, and customer experience on purchasing decisions.

In addition, the discussion highlights how businesses use consumer data, digital marketing strategies, and artificial intelligence to understand market trends and improve customer engagement. Attention is also given to the increasing importance of sustainability and ethical consumption in modern business environments. The chapter concludes that organizations must continuously adapt to changing consumer expectations in order to remain competitive. Businesses that understand customer needs, preferences, and market trends are more likely to achieve long-term growth, customer satisfaction, and brand loyalty.

Keywords: *Consumer Behavior, Buyer Psychology, Modern Markets, Consumer Habits, Customer Experience, Online Shopping, E-commerce, Digital Marketing, Brand Loyalty, Social Media Influence, Consumer Analytics, Sustainable Consumption, Purchasing Decisions, Market Trends*

Introduction

Consumer behavior is one of the most important elements in modern business and economic systems. Every organization depends on consumers for survival and growth. As a result, understanding how people think, choose, and purchase products has become essential for businesses across all industries. In earlier decades, consumers had limited access to information and fewer product choices. Most purchasing decisions were influenced by price, availability, and personal necessity. However, the development of the internet, smartphones, and social media has completely transformed consumer behavior. Today's consumers can compare products, read customer reviews, explore alternatives, and make informed purchasing decisions within a short period of time.

Modern buyers are highly connected to digital platforms and influenced by social trends, online experiences, and emotional factors. Consumers expect businesses to provide convenience, personalization, transparency, and fast services. Companies that fail to understand these changing expectations often struggle to compete in modern markets. This chapter explores the habits and behavior of modern consumers and explains how these habits influence business strategies, marketing practices, and market development.

Evolution of Consumer Behavior

Traditional Consumer Behavior - Traditional consumer behavior was relatively simple and predictable. Consumers mainly purchased goods based on need, affordability, and availability. Businesses communicated with customers through newspapers, television advertisements, magazines, and radio. Since information sources were limited, consumers depended heavily on company advertisements and local recommendations.

Physical stores were the primary locations for shopping, and face-to-face interaction between sellers and buyers played an important role in purchasing decisions. Brand loyalty was stronger because consumers had fewer alternatives and less exposure to global competition.

Modern Consumer Behavior - Consumer behavior in the modern era is more dynamic and complex. Technological innovation has changed how consumers interact with businesses and markets. Digital communication platforms allow consumers to access information instantly and explore a wide range of products and services.

Several factors have contributed to this transformation:

Digital Technology - Technology has simplified the buying process. Consumers can now shop online, compare prices, and access products from different countries using mobile devices and computers.

Access to Information - Modern consumers rely on online reviews, ratings, social media recommendations, and influencer opinions before making purchasing decisions.

Lifestyle Changes - Busy lifestyles and urban living have increased demand for convenience-based services such as home delivery, online payments, and subscription services.

Global Competition - Globalization has introduced consumers to international brands and products, increasing competition among businesses.

Factors Influencing Consumer Habits

Consumer habits are shaped by several internal and external influences. Understanding these factors helps organizations develop effective business and marketing strategies.

Psychological Factors

Psychological influences strongly affect purchasing decisions.

Motivation - Consumers buy products to satisfy needs, desires, and emotional expectations. Motivation may involve comfort, social status, security, entertainment, or self-confidence.

Perception - Different individuals may view the same product differently depending on personal experiences, advertisements, and brand image.

Learning and Experience - Positive customer experiences often lead to repeat purchases and long-term loyalty. Negative experiences can reduce trust in a brand.

Attitudes and Beliefs - Consumer beliefs regarding health, sustainability, ethics, and quality significantly influence purchasing behavior.

Social Factors

Social environments influence consumer preferences and decision-making.

Family Influence - Family members often affect purchasing choices related to food, education, household products, and lifestyle decisions.

Friends and Social Groups - Consumers are influenced by peers, colleagues, and social communities.

Social Media Impact - Social media platforms play a major role in shaping opinions and consumer trends. Influencers and online content creators frequently affect buying behavior.

Economic Factors

Economic conditions directly affect consumer purchasing power.

Income Levels - Consumers with higher incomes may spend more on luxury products, while lower-income groups often focus on affordability and value.

Inflation and Economic Conditions - Economic instability can reduce consumer confidence and influence spending patterns.

Pricing and Discounts - Special offers, discounts, loyalty programs, and installment payment systems often encourage purchases.

Major advantages of e-commerce include:

- Faster shopping process
- Wider product selection
- Easy price comparison
- Customer reviews and ratings
- Flexible payment methods

Businesses increasingly use online platforms to reach larger audiences and improve customer accessibility.

Mobile Commerce

The growing use of smartphones has increased mobile shopping activities. Consumers now use mobile applications for product browsing, digital payments, and online banking. Features such as one-click payments, personalized notifications, and mobile wallets improve customer convenience and encourage faster purchasing decisions.

Social Media Marketing

Social media has become an essential business communication tool. Companies promote products and engage with customers through platforms such as Instagram, Facebook, YouTube, and TikTok.

Social media marketing helps businesses:

- Increase brand awareness
- Communicate directly with consumers
- Build online communities
- Promote new products quickly

- Improve customer engagement

Consumers often trust recommendations from influencers and online communities more than traditional advertisements.

Personalization and Customer Experience

Modern consumers expect businesses to provide personalized services and positive experiences.

Personalized Marketing

Companies use customer data and digital analytics to recommend products and services according to individual preferences.

Examples include:

- Personalized shopping suggestions
- Recommended videos and music
- Customized advertisements
- Email marketing based on customer interests

Personalization increases customer satisfaction and improves business performance.

Importance of Customer Experience

Customer experience has become a major factor influencing brand loyalty. Consumers prefer businesses that provide:

- Fast customer support
- Easy return policies
- User-friendly websites
- Secure payment systems
- Quick delivery services

A positive experience encourages repeat purchases and strengthens customer relationships.

Sustainable and Ethical Consumption

Modern consumers are increasingly aware of environmental and ethical issues.

Sustainable Consumption

Many consumers prefer products that are environmentally friendly and produced through sustainable practices.

Examples include:

- Recyclable packaging
- Electric vehicles
- Organic food products
- Eco-friendly fashion

Businesses are adopting sustainable strategies to meet changing consumer expectations.

Ethical Consumerism

Consumers also evaluate companies based on ethical standards such as:

- Fair labor practices
- Corporate transparency
- Animal welfare
- Diversity and inclusion

Organizations with strong ethical values often gain higher customer trust and loyalty.

Data Analytics and Consumer Insights

Consumer data has become highly valuable in modern business environments.

Collection of Consumer Data

Businesses gather information through:

- Online purchases
- Mobile applications
- Website activity
- Customer feedback
- Social media interactions

This data helps companies understand customer preferences and market trends.

Artificial Intelligence in Marketing

Artificial intelligence supports businesses in analyzing consumer behavior and improving marketing strategies.

AI applications include:

- Chatbots for customer support
- Personalized advertisements
- Product recommendations
- Demand forecasting

These technologies help businesses provide faster and more accurate customer services.

Challenges in Understanding Modern Consumers

Despite advanced technology and market research tools, businesses still face several challenges.

Rapidly Changing Trends - Consumer interests and preferences can change quickly, making market prediction difficult.

Privacy Concerns - Many consumers are concerned about how companies collect and use personal information.

High Market Competition - Businesses face strong competition from local and global companies.

Economic Uncertainty - Inflation, unemployment, and global economic crises often influence consumer spending behavior.

Future Trends in Consumer Behavior - Consumer behavior will continue evolving as technology and society develop further.

Artificial Intelligence Integration - AI-based personalization and automation are expected to become more advanced.

Virtual Shopping Experiences - Virtual reality and augmented reality may allow consumers to experience products digitally before making purchases.

Voice Commerce - Voice assistants such as Alexa and Google Assistant are changing how consumers search for products and place orders.

Expansion of Sustainable Markets - Environmental awareness will continue influencing product design, production methods, and consumer expectations.

Conclusion

Consumer habits have become a major driving force behind modern markets and business strategies. Technological advancement, digital communication, globalization, and changing social values have transformed the way consumers interact with products and services. Modern buyers are more informed, selective, and experience-oriented than previous generations. They expect convenience, personalization, transparency, ethical responsibility, and fast services from businesses. As a result, companies must continuously adapt their strategies to meet changing customer expectations.

Digital platforms, data analytics, artificial intelligence, and social media have significantly improved the ability of businesses to understand consumer preferences and market trends. At the same time, sustainability and ethical practices have become important considerations for consumers when choosing brands. Organizations that successfully understand and respond to consumer behavior are more likely to achieve customer loyalty, competitive advantage, and long-term growth. In today's rapidly changing market environment, understanding the modern buyer is not only beneficial but essential for business success.

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CHAPTER - 14

AI AND CONSUMER BEHAVIOUR: UNDERSTANDING THE ROLE OF TRUST IN RESPONSIBLE MARKETING

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Abstract

Artificial intelligence has fundamentally restructured the mechanisms through which consumer trust is formed, maintained, and destroyed in marketing contexts. Traditional consumer trust models assume human-to-human or human-to-institution processes in which competence, benevolence, and integrity are assessed through direct experience. When AI mediates this process — through recommendation algorithms, conversational chatbots, predictive pricing systems, and generative personalization — trust formation changes qualitatively: consumers must trust not merely the brand but the invisible algorithmic systems brands deploy to engage them. This chapter examines the role of trust in responsible AI marketing through two original analytical frameworks presented as high-resolution figures provided separately alongside this document and chapter concludes that trust is not merely an outcome of responsible AI marketing but its enabling mechanism.

Keywords: *AI chatbot disclosure, AI consumer trust, brand trust, consumer behaviour, personalization-privacy paradox, responsible marketing, trust pyramid.*

Introduction

Consumer trust has always been the fundamental currency of marketing. Before a consumer purchases, recommends, or commits loyalty to a brand, they must trust: that the product will perform as claimed, that the brand respects their interests, and that the commercial relationship is governed by reciprocal obligation rather than pure extraction. The AI marketing era has not changed this fundamental requirement — it has radically complicated it. When an AI recommendation engine surfaces a product, the consumer must simultaneously trust the product itself, the brand deploying the AI, and the invisible algorithmic system making the recommendation whose decision logic they cannot directly inspect. When an AI chatbot resolves a service query, the consumer must extend to a machine the trust previously given to a human service agent — under conditions of reduced social cue availability and uncertain competence attribution. When a generative AI system creates personalized marketing content calibrated to the consumer's psychological profile, the consumer faces the deepest trust challenge: should they trust a marketing system that may know their psychological susceptibilities better than they themselves do?

Siau and Wang (2018), in their foundational analysis of trust in AI published in the *Cutter Business Technology Journal*, establish that trust in AI is a dynamic, two-stage process: initial trust formation (which occurs before direct AI experience, based on brand reputation, institutional guarantees, and system design signals) and continuous trust development (which occurs through cumulative AI experience, updating initial trust based on AI performance, transparency, and perceived benevolence). This two-stage framework is the foundational architecture of the AI Consumer Trust Pyramid presented in Figure 1. Luo, Tong, Fang, and Qu (2019) provide the most consequential empirical confirmation of the trust stakes: in

their field experiment involving more than 6,200 customers randomized to receive outbound sales calls from AI chatbots or human workers, disclosure of AI chatbot identity reduced purchase rates by 79.7% — because customers who knew they were conversing with AI perceived the system as less knowledgeable and less empathetic. This 79.7% trust destruction finding anchors the trust breaker risk at Tier 3 of the Trust Pyramid in Figure 1 and the trust destruction threshold at the base of the Structural Path Model in Figure 2.

Yet the same AI systems that destroy trust when mismanaged can build it when deployed responsibly. Teepapal (2025), in structural equation modelling evidence from *Computers in Human Behavior*, establishes that AI-driven personalization significantly increases consumer trust and perceived usefulness when experienced as genuinely relevant and value-creating — confirming the Tier 4 personalization value pathway in Figure 1. Shankar (2024), comparing Generation Z and Millennial consumer trust responses to AI-driven social media marketing strategies across fashion and beauty, establishes generational variation in AI trust formation: Generation Z consumers form initial AI trust more rapidly but also have higher sensitivity to authenticity violations at Tier 3 of the pyramid. Sowndharya, Sivakumar, and Shankar (2026) and Shanthi, Sivakumar, and Shankar (2026), in their Springer chapters on green product consumer behaviour and social media marketing and sustainable business respectively, confirm that consumer trust in AI-mediated brand communications is amplified when AI deployment is perceived as purpose-aligned with sustainability commitments — establishing a sustainability-trust multiplier relevant to Antecedent 5 (Perceived Fairness) in Figure 2.

Theoretical Foundations

Siau and Wang (2018): The Two-Stage Trust Formation Architecture

Siau and Wang's (2018) framework identifies three characteristic types that determine trust in AI systems: human characteristics (the consumer's propensity to trust, prior AI experience, and cognitive style); environmental characteristics (institutional guarantees, regulatory frameworks, and social norms around AI); and technology characteristics (AI system design, transparency, explainability, and performance reliability). Their two-stage trust model — initial trust formation and continuous trust development — maps onto the five tiers of the Trust Pyramid in Figure 1: initial trust forms across Tiers 1 and 2 (foundational conditions and perceived competence), while continuous trust develops or erodes through Tiers 3, 4, and 5 (transparency and fairness, personalization value, and brand trust). The critical governance insight from Siau and Wang's (2018) framework is that trust characteristics are not fixed individual traits but dynamic states shaped by system design — making AI system design a direct governance lever for trust formation. Babu Ramesh, Shankar, and Amirtharaj (2018), in their study of eco-friendly product purchase decisions in Coimbatore, established that trust in product claims is mediated by perceived brand integrity — extending to AI-mediated sustainability marketing: consumers who perceive brand AI as purpose-aligned exhibit higher trust in AI-generated sustainability claims.

The Trust Destruction Experiment: Luo et al. (2019)

Luo, Tong, Fang, and Qu's (2019) *Marketing Science* field experiment provides the most consequential evidence on AI trust dynamics in marketing. Across more than 6,200 customers randomized to receive outbound sales calls from AI chatbots or human workers, the study establishes that undisclosed chatbots perform as well as proficient human workers and four times better than inexperienced workers — demonstrating that AI achieves Tier 2 competence. However, disclosure of AI identity before the

interaction reduced purchase rates by 79.7%, because disclosed AI was perceived as less knowledgeable and less empathetic than human agents. The mechanisms this finding reveals are architecturally important for Figure 2's Structural Path Model: Antecedent 2 (AI Accuracy and Reliability) can be high while Antecedent 1 (Transparency and Disclosure) is violated — and the consequence is complete trust destruction that eliminates all five consumer behaviour outcome pathways simultaneously. This is the trust destruction threshold in Figure 2: not a partial trust reduction but a categorical trust collapse that removes the central trust mediator through which all behaviour outcomes flow.

Sustainable Marketing and the Trust Multiplier

Sowndharya, Sivakumar, and Shankar (2026), in their Springer chapter on consumer behaviour towards green products, establish that sustainability positioning significantly amplifies consumer trust in brand claims. Shanthi, Sivakumar, and Shankar (2026), in their thematic analysis of social media marketing and sustainable business, confirm that social media marketing effectiveness is amplified when aligned with authentic sustainability brand positioning. Kumar, Sivakumar, and Shankar (2026), in their Springer chapter on social media for brand building in the textile sector, establish that brand-building on social media platforms generates trust through consistency, relevance, and purpose alignment. These three Springer chapters together establish that AI marketing deployed in service of genuine sustainability commitments generates a trust multiplier at Antecedent 5 (Perceived Fairness) in Figure 2's path model — making sustainability-aligned AI marketing both ethically superior and commercially advantaged over generic AI personalization without purpose alignment.

The AI consumer trust pyramid



Figure 1: The AI Consumer Trust Pyramid in Responsible Marketing — Five Tiers from Foundational Conditions to Brand Trust

Figure 1 presents the AI Consumer Trust Pyramid: a five-tier hierarchical framework mapping the progressive conditions through which AI marketing generates consumer trust. The pyramid structure reflects the dependency relationship between tiers: each higher tier is accessible only when the tiers below it are established. A single trust-breaking event at any tier can collapse the entire pyramid regardless of how well-developed the higher tiers would otherwise have been.

Tier 1 (Foundational Conditions) encompasses the technological readiness, digital literacy, data infrastructure quality, and prior positive AI experience that create the minimum conditions for initial AI trust formation (Siau & Wang, 2018). Without Tier 1, no AI marketing interaction can generate trust — consumers who lack digital literacy to understand AI personalization, or who have prior negative AI experiences, approach new interactions with negative prior trust states that prevent Tier 2 access. The OECD's (2025) documentation of digital literacy gaps across SME contexts and emerging markets establishes that Tier 1 conditions cannot be assumed for global AI marketing deployments.

Tier 2 (Perceived Competence) encompasses the AI system's demonstrated accuracy, reliability, and task performance — the most directly evaluable trust dimension for consumers with limited AI literacy. Luo et al.'s (2019) finding that undisclosed chatbots achieve proficient-worker performance standards establishes that AI can reach Tier 2 competence thresholds. However, the same study's 79.7% trust destruction finding reveals that Tier 2 competence achieved through non-disclosure is architecturally fragile: disclosure of AI identity at any subsequent point triggers a retroactive reassessment of the competence claim under an AI rather than human cognitive frame.

Tier 3 (Transparency and Fairness) encompasses explainability, algorithmic bias auditing, and mandatory disclosure — the primary regulatory focus of the EU AI Act (2024/1689) for AI marketing systems. Article 50 of the AI Act mandates disclosure when consumers interact with AI chatbot systems; Article 13 requires transparency documentation for high-risk AI; Article 10 requires data governance and bias assessment. Tier 3 is the governance pivot of the pyramid: brands that design for EU AI Act compliance at Tier 3 create the pathway to Tier 4 personalization trust; brands that conceal AI nature or deploy algorithmically biased systems prevent consumers from reaching Tier 4 regardless of Tier 2 competence. Hermann's (2022) multi-stakeholder AI marketing ethics framework identifies transparency and explicability as the two foundational principles on which all other ethics dimensions depend — making Tier 3 governance the prerequisite for ethical AI marketing at every subsequent tier.

Tier 4 (Personalization Value) encompasses the consumer's experience of genuine relevance, autonomy preservation, and well-being-enhancing personalization. Teepapal's (2025) SEM evidence confirms the positive pathway: transparent AI personalization significantly increases consumer trust and perceived usefulness, with the personalization value experience creating a virtuous loop in which consumers willingly share more data to enable better personalization. Matz et al.'s (2024) evidence that LLM-personalized messages are 26–54% more persuasive than generic equivalents establishes the commercial value available at Tier 4 — but also the governance obligation: that level of persuasive capability, when deployed without consumer knowledge or consent, constitutes the psychological manipulation that EU AI Act Article 5 prohibits. Tier 5 (Brand Trust) is the cumulative trust outcome: sustained relational capital accessible only when Tiers 1 through 4 are established and maintained consistently across consumer interaction history. The brand trust erosion risk annotated in Figure 1 — that a single trust-breaking event can collapse all five tiers — is the commercial case for sustained governance investment rather than periodic compliance checking.

The Structural Path Model of AI Consumer Trust

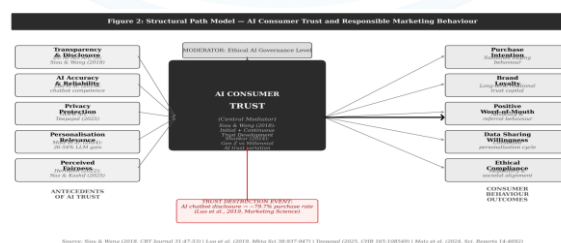


Figure 2: Structural Path Model — AI Consumer Trust Antecedents, Mediator, and Responsible Marketing Behaviour Outcomes

Figure 2 presents the Structural Path Model of AI Consumer Trust and Responsible Marketing Behaviour. The model maps five antecedents of AI consumer trust through a central trust mediator to five

consumer behaviour outcomes, with Ethical AI Governance Level operating as a moderating variable across all antecedent-to-trust pathways.

The five antecedents in Figure 2's left column are: Antecedent 1 — Transparency and Disclosure, the foundational governance requirement grounded in EU AI Act Article 50 and Siau and Wang's (2018) technology characteristic of system design transparency; Antecedent 2 — AI Accuracy and Reliability, operationalised through AI system performance evidence from Luo et al. (2019); Antecedent 3 — Privacy Protection, grounded in GDPR Article 7's consent requirements and Teepapal's (2025) personalisation-privacy paradox evidence; Antecedent 4 — Personalization Relevance, grounded in Matz et al.'s (2024) 26–54% LLM persuasion effectiveness evidence as the commercial rationale for relevant personalization with consent; and Antecedent 5 — Perceived Fairness, grounded in Hermann's (2022) fairness principle and Naz and Kashif's (2025) manager ethics perspective on the algorithmic bias risks of AI predictive marketing.

The central trust mediator in Figure 2 is AI Consumer Trust — the dynamic, two-stage construct (Siau & Wang, 2018) that converts antecedent inputs into consumer behaviour outcomes. The critical architectural feature of the path model is the trust destruction threshold at the base of Figure 2: Luo et al.'s (2019) finding that AI chatbot disclosure reduces purchase rates by 79.7% represents a categorical trust destruction event — not a partial trust reduction — that removes the trust mediator and eliminates all five consumer behaviour outcome pathways simultaneously. This threshold is not merely an extreme case but a structural feature of AI marketing trust: any Antecedent 1 failure (non-disclosure) can trigger the threshold regardless of how well Antecedents 2 through 5 are managed. The practical implication is that the five antecedents are not additive (four good antecedents compensating for one failure) but hierarchically interdependent — Antecedent 1 governs access to the trust mediator; without it, no subsequent antecedent can generate trust.

The five consumer behaviour outcomes in Figure 2's right column are: Purchase Intention (sustained buying behaviour generated by trust); Brand Loyalty (long-term relational trust capital confirmed by Padmavathi, Manimegalai, and Shankar (2026) in their Springer brand loyalty chapter); Positive Word-of-Mouth (advocacy and referral behaviour); Data Sharing Willingness (the consented personalization cycle that Teepapal (2025) identifies as the virtuous loop of transparent AI personalization); and Ethical Compliance (regulatory and societal alignment, representing the responsible marketing outcome that the Routledge volume addresses). The Ethical AI Governance Level moderator — positioned above the trust mediator in Figure 2 — amplifies or attenuates every antecedent-to-trust pathway: high governance brands generate strong antecedent-to-trust conversion across all five antecedents; low governance brands suppress conversion and risk triggering the trust destruction threshold even when individual antecedents appear nominally satisfied.

Discussion: Building Trust Through Responsible AI Marketing

Resolving the Transparency-Trust Paradox - The transparency-trust paradox — that AI transparency is trust-enabling in the long term but trust-destructive in the short term as demonstrated by Luo et al. (2019) — is the central governance challenge for responsible AI marketing. The paradox creates a commercial incentive misalignment: non-disclosure maximizes short-term purchase conversion while disclosure destroys 79.7% of it, yet disclosure is both legally mandated under EU AI Act Article 50 and the only pathway to the long-term Tier 5 Brand Trust that sustains competitive advantage. Responsible AI

marketing resolves the paradox not by avoiding disclosure but by building AI systems whose Tier 2 competence (genuine task performance) and Tier 4 personalization value (genuinely relevant content) are sufficient that disclosure generates positive rather than negative trust updating. Siau and Wang's (2018) continuous trust development model predicts this is achievable: consumers who accumulate positive experiences with disclosed AI marketing systems develop genuine AI trust that does not depend on the human-AI illusion that Luo et al.'s (2019) experiment reveals. The commercial strategy is to invest in AI quality development — not just AI deployment — before triggering disclosure obligations.

Generational Trust Variation and the Shankar (2024) Evidence - Shankar's (2024) comparative study of Generation Z and Millennial purchase intentions across AI-driven social media marketing strategies in Indian fashion and beauty contexts establishes that generational cohort moderates the speed of AI trust formation and the sensitivity to authenticity violations. Generation Z consumers — native to algorithmic curation environments — form initial AI trust more rapidly (Tiers 1 and 2 in Figure 1) but have higher sensitivity to violations at Tier 3 (Transparency and Fairness): when authenticity is violated, Generation Z consumers demonstrate rapid and often public trust destruction through social media. Millennials show greater reliance on social proof and influencer validation at Tier 2 — suggesting that AI systems facilitating genuine peer recommendations generate higher Millennial trust than direct AI-to-consumer recommendation. These generational differences imply audience-specific trust governance frameworks rather than a single universal AI marketing trust architecture.

Sustainability Alignment as Trust Amplifier - Sowndharya, Sivakumar, and Shankar (2026), Shanthi, Sivakumar, and Shankar (2026), and Kumar, Sivakumar, and Shankar (2026) together establish a sustainability-trust amplification mechanism at Antecedent 5 (Perceived Fairness) in Figure 2's path model. Brands whose AI marketing is perceived as genuinely aligned with sustainability commitments — communicating green product credentials transparently, avoiding greenwashing through AI-facilitated claims verification, and using AI to enable rather than exploit circular economy behaviour — generate a trust multiplier that exceeds what AI personalization alone can deliver. For Tamil Nadu's textile sector and Coimbatore's eco-product market, this sustainability-trust mechanism has particular commercial significance: consumers in these markets have demonstrated (Babu Ramesh, Shankar, and Amirtharaj, 2018) that trust in sustainability claims drives purchase decisions for eco-friendly products — making AI marketing aligned with genuine sustainability commitments both the ethically superior and commercially advantaged approach.

From Trust Formation to Trust Governance - The five-antecedent path model in Figure 2 implies trust governance architecture with three interdependent layers. System governance — ensuring AI accuracy, data quality, and algorithmic fairness (Antecedents 2 and 5) — establishes the technical foundation without which no trust antecedent can be credibly satisfied. Process governance — ensuring disclosure, consent, and transparency (Antecedents 1 and 3) — creates the legal and ethical conditions under which trust formation can proceed without triggering the trust destruction threshold. Value governance — ensuring genuine personalization relevance (Antecedent 4) — provides the consumer experience dimension through which trust generates the positive behaviour outcomes in Figure 2's right column. Naz and Kashif's (2025) qualitative study of AI marketing managers establishes that practitioner awareness of trust governance obligations is high but that institutional incentive structures reward short-term conversion over long-term trust building — motivating the coercive regulatory complement that the EU AI Act (2024/1689), GDPR, and national digital marketing regulations provide.

Conclusion

This chapter establishes that trust is the enabling mechanism for responsible AI marketing: without consumer trust in AI systems, the personalization advantage that AI offers cannot be ethically realized, and without ethical realization, the long-term brand equity that AI marketing promises cannot be commercially sustained. Figure 1's AI Consumer Trust Pyramid maps the five-tier trust architecture — from foundational technology readiness through perceived competence, transparency and fairness, personalization value, to brand trust — establishing that each tier is a governance prerequisite for the next. Teepapal's (2025) SEM evidence that transparent AI personalization significantly builds trust, Sowndharya, Shanthi, and Kumar and Shankar et al.'s (2026) confirmation that sustainability alignment amplifies trust, and Shankar's (2024) generational evidence together establish that responsible AI marketing governance is both ethical imperative and competitive differentiation. The EU AI Act (2024/1689) mandates the minimum transparency conditions; Siau and Wang's (2018) continuous trust development model establishes the pathway; and the evidence reviewed in this chapter confirms that the commercial destination — Tier 5 Brand Trust — is reachable only through the governance investment that responsible AI marketing requires.

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CHAPTER – 15

SUSTAINABLE PACKAGING, PERCEIVED SOCIAL RESPONSIBILITY, CONSUMER SATISFACTION, AND CONSUMER LOYALTY: A SYSTEMATIC LITERATURE REVIEW

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Abstract

Sustainable packaging has become a major focus in marketing and consumer behaviour research because it influences not only environmental performance but also consumer judgments about brand responsibility and relationship quality. Recent research on the connections between sustainable packaging, perceived social responsibility, customer satisfaction, and customer loyalty is compiled in this comprehensive literature review. Drawing on peer-reviewed studies published mainly between 2019 and 2026; the review identifies four dominant patterns. First, sustainable packaging serves as an obvious indicator of ethical behaviour and environmental dedication. Second, when customers consider the sustainability claim as legitimate and useful, such packaging enhances perceived social responsibility. Third, when packaging conveys sustainability, maintains product utility, and is consistent with consumer values, customer satisfaction rises. Fourth, regular brand conduct that reinforces ideas of responsibility and satisfaction increases the likelihood of loyalty. The review also identifies significant gaps in the research, such as the overuse of direct-effect models, the paucity of information from emerging economies, and the inadequate incorporation of mediating factors. The study comes to the conclusion that, rather than being solely an environmental design decision, sustainable packaging should be viewed as a strategic instrument for fostering relationships. It provides managers and policymakers with useful advice as well as a conceptual framework for upcoming SEM-based research.

Keywords: Sustainable Packaging, Social Responsibility, Consumer Loyalty, Consumer Satisfaction, Green Marketing, Systematic Review

Introduction

From being a specialized environmental issue, sustainable packaging is now a major focus of supply chain, marketing, and consumer research. Packaging is now a clear sign of a company's commitment to sustainability as consumers grow more conscious of waste, plastic reduction, recyclability, and circular economy objectives. In many cases, consumers infer broader corporate values from the package itself, making packaging a strategic communication tool as well as a functional product component.

This change is significant because consumers are increasingly making decisions based on both practical and ethical factors. According to research, people react favourably to sustainable packaging when it is trustworthy, practical, and simple to comprehend; yet, they may react negatively when statements seem ambiguous, inconsistent, or unsubstantiated by product performance. Therefore, sustainable packaging is a perception and trust issue as well as a design issue.

In fast-moving consumer goods (FMCG), where packaging is frequently encountered and encourages repeat purchases, the relationship between sustainable packaging and consumer loyalty is particularly pertinent. However, sustainability indicators might not be the only source of devotion. Sustainable

packaging may initially be interpreted by consumers as proof of perceived social responsibility, after which they may feel satisfied and eventually become loyal. This review focuses on that mechanism and synthesizes the recent literature on these four constructs.

Review Method

Based on current peer-reviewed articles, systematic reviews, and empirical studies pertinent to sustainable packaging and consumer response, this paper employs a methodical literature review technique. Literature released between 2019 and 2026 was given priority since this time frame represents the greatest expansion in sustainable packaging research and is in line with current consumer demands and legislative pressure. Studies from journals on packaging, marketing, sustainability, and consumer behaviour are included in the review.

The review's conceptual focus is restricted to four fundamental constructs: perceived social responsibility, sustainable packaging, customer pleasure, and customer loyalty. Studies that addressed relevant mechanisms like trust, authenticity, perceived value, environmental concern, and willingness to pay, or that looked at direct effects between these variables, were included. The findings are arranged thematically in the summary that follows in order to spot recurring trends and unmet research needs.

Examples of foundational and recent references in this domain are Kozik-Kołodziej (2026), Boz et al. (2020), Ketelsen et al. (2020), Branca et al. (2024), Kıymalıoğlu et al. (2024), Lau and Wong (2024), Magnier and Schoormans (2015), and Rundh (2016).

Thematic Findings

Sustainable packaging as a visible responsibility cue

Sustainable packaging serves as an obvious indicator of brand responsibility, as the literature repeatedly demonstrates. Customers frequently utilize packaging to assess a company's social responsibility, environmental awareness, and alignment with larger sustainability objectives. Packaging is one of the first aspects of a brand that consumers notice, thus this is especially crucial.

According to recent systematic research, consumers view sustainable packaging favourably when it properly fulfils its practical function while clearly communicating environmental benefits. Conversely, customer acceptance declines if the package is inconvenient or the sustainable promise is ambiguous. This implies that consumers' perceptions are influenced by sustainable packaging in both symbolic and practical ways.

For example, Ketelsen et al. (2020) and Boz et al. (2020) highlight that recyclability and reduced plastic content are appreciated only when they do not compromise product protection and usability. Magnier and Schoormans (2015) demonstrate that explicit sustainability cues on packaging can enhance perceptions of brand environmental friendliness, particularly when design elements support the claims. Rundh (2016) further argues that packaging contributes to marketing and value creation by functioning as a communication medium that expresses sustainability-related meanings.

Perceived social responsibility as an intermediate mechanism

The impact of sustainable packaging on customer outcomes is frequently explained by perceived social duty. Customers frequently see a brand as ethical, responsible, and environmentally conscious when they see packaging that is recyclable, reusable, or made of less plastic. Beyond the container itself, this perception can enhance brand appraisal.

Authenticity is important, according to the literature. Claims about sustainability are more convincing when they seem genuine, open, and in line with the company's overall business practices. Where consumers suspect greenwashing, the positive effect on responsibility perceptions is reduced. For this reason, perceived social responsibility should be treated as an important mediating variable in future research.

Kıymalıoğlu et al. (2024), using the Stimulus–Organism–Response model, show that sustainable packaging stimuli influence internal states such as perceived responsibility and trust before affecting behavioural responses

Lau and Wong (2024) frame sustainable packaging within a natural-resource-based view, arguing that packaging decisions reflect strategic environmental responsibility and can be leveraged to build competitive advantage. In this context, perceived social responsibility becomes a key mediator that connects packaging design choices with satisfaction and loyalty outcomes.

Consumer satisfaction and value alignment

In sustainable packaging situations, product performance is not the only factor influencing consumer happiness. The psychological delight of selecting a brand that aligns with one's own environmental beliefs is also reflected in it. When packaging looks ethical while yet providing good product protection, many customers are satisfied.

Research indicates that when sustainability is clearly conveyed and the product is still simple to use, store, and discard, customer happiness is higher. Customer happiness may suffer if sustainable packaging causes misunderstandings, annoyances, or mistrust. Therefore, the balance between ecological significance and practical utility determines satisfaction.

Branca et al. (2024) summarise that consumer satisfaction relates to both functional value (e.g., safety, durability, and usability of packaging) and symbolic value (e.g., feeling that one's consumption is responsible).

Kozik-Kołodziej (2026) similarly finds that positive attitudes toward sustainable packaging are strongest when environmental benefits are perceived as genuine and compatible with consumers' lifestyles.

Consumer loyalty as a long-term outcome

Consumer loyalty is the most strategic outcome in this stream of research because it captures repeated purchase, positive word-of-mouth, and brand preference. According to studies, ecological packaging can increase brand loyalty, particularly when customers believe the company is genuine and accountable.

Therefore, loyalty is dependent on the legitimacy of the brand's sustainable conduct rather than just sustainability.

Recent work also suggests that loyalty strengthens when packaging claims are supported by other CSR actions. The impact on loyalty is diminished if customers see package promises as isolated or inflated. This emphasizes the necessity of examining packaging in the context of a larger framework for accountability and enjoyment.

Studies in rural and emerging-market contexts, such as George et al. (2023) and Nath et al. (2024), suggest that green or smart food packaging can promote loyalty when it addresses local environmental concerns and enhances product trust. Prakash and Pathak (2017) show that intention to purchase eco-friendly packaged products among young consumers is influenced by attitudes and perceived effectiveness of individual actions, which may translate into longer-term loyalty.

Research Gaps

Research on sustainable packaging has grown quickly, yet there are still a number of significant gaps. First, while many studies look at sustainable packaging and purchase intention, fewer combine loyalty, satisfaction, and perceived social responsibility into a single conceptual model. Second, there is still limited evidence from emerging markets and FMCG settings, where packaging decisions are highly visible and consumer behaviour may differ.

Indian reports from bodies such as the Indian Institute of Packaging (IIP), the Ministry of Environment, Forest and Climate Change (MoEFCC), the Central Pollution Control Board (CPCB), NITI Aayog, FSSAI, and CII highlight growing regulatory and market pressures for sustainable packaging, yet systematic empirical work connecting these trends to consumer loyalty is scarce.

Third, the psychological mechanism by which sustainable packaging influences loyalty is not sufficiently explained by the majority of the current literature, which is based on direct-effect models. Variables such as trust, authenticity, environmental concern, and perceived value are frequently discussed, but they are not always tested together. Finally, more studies are needed that use SEM to examine mediation effects and compare different packaging categories.

Conceptual Implications

The literature supports an integrated pathway in which sustainable packaging influences perceived social responsibility, which enhances satisfaction and ultimately contributes to loyalty. Sustainable packaging is expected to have a complementary direct impact on customer pleasure and loyalty. This gives the following conceptual sequence:

Sustainable Packaging → Perceived Social Responsibility → Consumer Satisfaction → Consumer Loyalty

The concept is in line with new research demonstrating that both cognitive assessment and emotional alignment influence consumers' reactions to sustainable packaging. Additionally, it offers a helpful basis for upcoming SEM-based research in FMCG and other industries.

Discussion

The reviewed literature confirms that sustainable packaging is no longer a marginal design feature. It is now a strategic signal that consumers use to infer social responsibility, environmental commitment, and brand ethics. This matters because modern consumers increasingly connect packaging with the values of the firm behind the product.

The findings also show that satisfaction in this context is multidimensional. It reflects not only product adequacy but also the consumer's feeling that the purchase is responsible and value-consistent. Customers are more likely to be satisfied when they think ecological packaging is authentic and practical. This suggests that packaging contributes to satisfaction through both functional and symbolic value.

Loyalty emerges as the final and most important outcome because it reflects long-term brand commitment. But the research shows that when sustainability promises are ambiguous or unsubstantiated, loyalty is brittle. Therefore, rather than being a stand-alone strategy, sustainable packaging should be seen as a component of a larger CSR and relationship management plan.

Managerial and Policy Implications

For managers, the review suggests that sustainable packaging should be designed to communicate environmental responsibility clearly and credibly. Recyclable materials, clear eco-labelling, and consumer-friendly package styles should be given top priority by brands. In order to prevent mistrust and worries about greenwashing, sustainability promises should also align with real corporate operations.

For policymakers, the findings support clearer labelling rules, stronger standards for sustainability claims, and incentives for circular packaging systems. Such measures can help consumers identify genuine sustainable packaging and support market-wide adoption. Such initiatives can help consumers recognize genuine sustainable packaging and promote market-wide adoption.

Regulatory initiatives by MoEFCC, CPCB, FSSAI, and NITI Aayog can help consumers distinguish genuinely sustainable packaging from superficial claims and encourage wider adoption across industries.

Conclusion

This systematic literature review shows that sustainable packaging influences consumer loyalty through perceived social responsibility and consumer satisfaction. Research indicates that packaging functions as an outward manifestation of company values, particularly when sustainability statements are reliable, practical, and openly conveyed. The review also identifies important gaps, especially the need for integrated SEM models and more evidence from emerging markets and FMCG sectors.

Overall, sustainable packaging should be understood as a strategic relationship-building tool. It shapes how consumers interpret the brand's responsibility, how satisfied they feel with the purchase, and whether they remain loyal over time. This makes the topic highly relevant for both academic research and managerial practice.

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CHAPTER – 16

INSTITUTIONAL SUPPORT FOR STARTUPS: A CONCEPTUAL FRAMEWORK FOR INCUBATED AND NON-INCUBATED VENTURES

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Abstract

Startups have emerged as important contributors to innovation, employment generation, competitiveness and economic development. However, early-stage ventures frequently encounter challenges related to managerial expertise, access to finance, market opportunities, networking, credibility and strategic decision-making. Institutional support mechanisms, particularly business incubation, have therefore gained importance within entrepreneurial ecosystems. Incubators can provide startups with infrastructure, mentoring, business-development assistance, networking opportunities, industry linkages and pathways to financial resources. In India, initiatives such as Atal Incubation Centres and Startup India's mentorship and investor-connect mechanisms demonstrate the growing institutional emphasis on strengthening entrepreneurial capabilities. This chapter conceptually examines the role of institutional support in the development of startups, with particular emphasis on incubated and non-incubated ventures. The discussion focuses on five dimensions: mentorship, funding access, networking, institutional credibility and growth potential. Drawing on the Resource-Based View, Social Capital Theory and Institutional Theory, together with a synthesis of incubation literature, the chapter proposes a conceptual framework explaining how institutional support may facilitate access to entrepreneurial resources and capabilities and potentially contribute to startup growth. The chapter does not assume that incubation automatically results in superior performance. Instead, it proposes that differences in the nature and extent of support available to incubated and non-incubated ventures constitute an important area for empirical investigation. The proposed framework provides a foundation for future comparative research and offers implications for entrepreneurs, incubators, policymakers, educational institutions and other entrepreneurial ecosystem stakeholders.

Keywords: Startup Incubation, Institutional Support, Incubated Startups, Non-Incubated Startups, Mentorship, Funding Access, Networking, Entrepreneurial Growth

Introduction

Entrepreneurship has increasingly become an important mechanism for promoting innovation, employment generation and economic development. Startups, particularly those developing innovative products, services and business models, contribute to the creation of new markets and the transformation of existing industries. At the same time, the transition from an entrepreneurial idea to a sustainable and scalable venture is associated with substantial uncertainty. New ventures may face limitations in financial resources, managerial experience, market knowledge, technological capabilities and professional networks. These limitations can affect their ability to develop products, identify customers, obtain finance and pursue sustainable growth.

The challenges associated with new venture development have encouraged the emergence of entrepreneurial ecosystems involving governments, educational institutions, incubators, investors, industry organisations, mentors and other support agencies. Within such ecosystems, business incubation has become an important mechanism for supporting early-stage ventures.

The Indian context provides a useful illustration of this institutional approach. Atal Innovation Mission (AIM) describes Atal Incubation Centres (AICs) as mechanisms intended to nurture innovative startups towards scalable and sustainable enterprises. Its incubation model includes infrastructure, sector-specific mentoring, business-planning support, access to seed capital, industry partnerships and training. Startup India also provides mechanisms for strengthening entrepreneurial support. Its MAARG platform connects startups with mentors and provides structured mechanisms for mentor-startup interaction, while Startup India Investor Connect is designed to connect startups with investors and facilitate investment opportunities.

These initiatives demonstrate that contemporary incubation extends beyond the provision of physical infrastructure. Incubation can involve human capital, financial resources, knowledge, networks, institutional relationships and strategic guidance. Accordingly, startup incubation can be examined as a multidimensional institutional support mechanism rather than as a single intervention. The distinction between incubated and non-incubated startups is therefore important. An incubated startup may receive structured assistance through a formal incubation program, while a non-incubated startup may obtain resources independently through founders' personal networks, professional relationships, investors, financial institutions or market experience. This distinction does not imply that incubated startups necessarily perform better than non-incubated startups. Rather, it raises an important research question concerning whether and how different forms of institutional support contribute to startup development.

The present chapter focuses on five dimensions of institutional support: mentorship, funding access, networking, institutional credibility and growth potential. These dimensions represent complementary forms of human, financial, relational and institutional resources that may influence entrepreneurial development. The chapter integrates these dimensions with three theoretical perspectives—Resource-Based View, Social Capital Theory and Institutional Theory—to develop a conceptual framework for understanding the possible relationship between incubation support and startup growth.

Concept of Startup Incubation

Business incubation can broadly be understood as a structured support mechanism designed to assist entrepreneurs and emerging ventures during critical stages of business development. Contemporary incubation may combine infrastructure, mentoring, business-development assistance, networking, training, industry connections and access to financial opportunities.

AIM's framework for Atal Incubation Centres reflects this broader understanding. AICs are expected to provide startups with infrastructure, sectoral experts, business-planning support, seed-capital access, industry partnerships, training and other resources required to support innovative ventures. AIM's guidelines further identify access to investors, networking and other resources as mechanisms intended to help startups survive and scale. The academic literature also demonstrates that business incubation has evolved considerably. Hausberg and Korreck's systematic review identifies business incubation as a diverse research field encompassing different types of incubators, incubation processes and impact-related questions. Their review also highlights the growing relevance of social capital and the Resource-Based View in understanding incubation.

More recent systematic research similarly emphasises that incubation involves multiple mechanisms and that its relationship with startup outcomes should be examined as a process rather than as a simple input-output relationship. Sohail, Belitski and Christiansen's review, for example, frames incubation through context, interventions, mechanisms and outcomes. Thus, incubation can be conceptualised as an institutional mechanism that potentially facilitates access to resources, capabilities, knowledge and relationships required by early-stage ventures.

Incubated and Non-Incubated Startups

For this chapter, an **incubated startup** refers to a startup that has participated in or is receiving structured support from a formal business incubation program. A **non-incubated startup** refers to a startup that has developed without formal participation in such a program.

The conceptual distinction can be presented as follows:

Dimension	Incubated Startup	Non-Incubated Startup
Mentorship	May obtain structured mentoring and advisory support	May depend on independent or personal sources of guidance
Funding Access	May receive facilitated exposure to investors, grants or seed-capital opportunities	May independently identify and approach funding sources
Networking	May benefit from organised incubator and ecosystem networks	May rely primarily on founders' own professional and social networks
Credibility	Institutional association may potentially strengthen visibility and legitimacy	Credibility may need to be developed independently
Growth Support	May receive structured business-development assistance	Growth strategies may be developed primarily through independent efforts

This comparison is **conceptual rather than empirical**. Non-incubated startups may possess strong financial resources, networks and managerial capabilities, while some incubated startups may not effectively utilise the support available to them. Consequently, incubation should not be treated as an automatic determinant of startup success.

The appropriate research perspective is therefore comparative: **whether, and to what extent, access to institutional support is associated with differences in entrepreneurial resources, capabilities and growth potential**.

Dimensions of Institutional Support

1) Mentorship - Mentorship represents an important human-capital dimension of startup support. Entrepreneurs may require guidance in strategic planning, product development, business-model refinement, market assessment, financial decisions and problem-solving. Startup India's MAARG program provides an institutional example of structured mentorship. The platform uses mechanisms to connect startups with relevant mentors and supports personalised guidance related to business growth and strategic decision-making. The potential value of mentorship lies not simply in the presence of a mentor but in the relevance, quality and continuity of the mentoring relationship. Effective mentors may contribute knowledge and experience that entrepreneurs have not yet developed internally. Accordingly, mentorship can be conceptualised as a mechanism through which incubation may strengthen entrepreneurial and managerial capabilities.

2) Funding Access - Financial resources are important for product development, technology acquisition, marketing, recruitment and expansion. Early-stage startups may face difficulties obtaining external finance because of limited operating histories, uncertain cash flows and information asymmetry. Institutional support can potentially improve access to financial opportunities by connecting entrepreneurs with investors, funding programs and other financial stakeholders. Startup India Investor Connect, for instance, is specifically designed to connect startups with investors and facilitate investment opportunities. A distinction should nevertheless be made between **funding access** and **actual funding received**. A startup may have access to funding opportunities without ultimately securing investment.

This distinction is important for future empirical research because it allows researchers to examine whether incubation improves opportunity access, actual financial mobilisation, or both.

3) Networking - Networking represents the relational dimension of entrepreneurial support. Startups may require relationships with investors, customers, suppliers, mentors, industry experts, technology providers, institutions and other entrepreneurs. Incubation programs can provide opportunities for entrepreneurs to interact with such stakeholders. AIM identifies partnerships, networking and collaboration with relevant ecosystem participants as components of its incubation approach. Networking may facilitate access to information, knowledge, partnerships, customers and investment opportunities. However, the value of networks depends not only on their size but also on their diversity, quality and usefulness. Research synthesising evidence from 61 independent samples found a positive and significant relationship between entrepreneurs' social capital and small-firm performance, while also showing that the strength of the relationship varies across contexts and types of networks.

4) Institutional Credibility - Institutional credibility represents a less tangible but potentially important dimension of support. Association with a recognised incubator may influence how investors, customers, industry partners and other stakeholders perceive a startup. From an institutional perspective, recognised organisations can provide forms of legitimacy and social acceptance. However, institutional affiliation should not be assumed to guarantee credibility. The effect may depend on the reputation of the incubator, the quality of the venture and the perceptions of external stakeholders. Credibility should therefore be treated as an empirical construct that can be investigated through founders' or stakeholders' perceptions and, where possible, observable indicators.

5) Growth Potential - Startup growth may be reflected through expansion of customers, market reach, revenue, employment, product development, scalability and business sustainability. Institutional support may contribute to growth by improving access to resources and capabilities. However, startup growth is influenced by multiple factors, including market demand, industry conditions, entrepreneurial capability, competition, technology and business-model quality. Therefore, incubation should not be regarded as a sufficient condition for growth.

The literature supports a process-oriented understanding in which incubation interventions operate through mechanisms that may influence venture outcomes.

Theoretical Foundations

1) Resource-Based View - The Resource-Based View (RBV) provides a useful theoretical explanation for understanding the importance of resources and capabilities in venture development. Barney's foundational work argues that resources differ across firms and that valuable, rare, difficult-to-imitate and non-substitutable resources can contribute to sustained competitive advantage. For startups, relevant resources include financial capital, knowledge, managerial expertise, technology, information, relationships and entrepreneurial capabilities. Incubators can potentially improve entrepreneurs' access to several of these resources. From an RBV perspective, incubation should therefore be viewed as a **resource-enabling mechanism** rather than a direct guarantee of performance.

2) Social Capital Theory - Social Capital Theory explains the importance of relationships and networks in entrepreneurial activity. Entrepreneurs can obtain information, knowledge, referrals and other resources through their social and professional relationships. The meta-analysis by Stam, Arzlanian and Elfring provides evidence of a positive relationship between entrepreneurs' social capital and small-firm performance, while also demonstrating that the relationship is contingent on contextual and

methodological factors. This perspective provides a strong theoretical foundation for examining the networking dimension of incubation.

3) Institutional Theory - Institutional Theory provides a broader explanation of how formal and informal institutions shape entrepreneurial activity. Bruton, Ahlstrom and Li identify institutional theory as an increasingly important perspective within entrepreneurship research and highlight the need to understand how institutions influence entrepreneurial behaviour and outcomes. Incubators can be understood as institutional actors that provide resources, relationships, norms and potentially legitimacy to startups. This perspective is particularly relevant to the credibility dimension of the proposed framework.

Literature Synthesis and Research Gap

The incubation literature has developed from an early focus on physical facilities and regional development towards a broader understanding of incubation as a multidimensional entrepreneurial-support mechanism. Systematic reviews identify research streams involving incubator characteristics, incubation processes, social and knowledge capital, survival, performance and venture development. The literature also indicates that different theoretical perspectives can complement one another. Hausberg and Korreck identify the increasing use of social capital and resource-based perspectives alongside traditional incubation research. More recent reviews emphasise human, social and organisational capital and the diverse services supplied by incubators.

Despite this development, an integrated conceptual examination of **mentorship, funding access, networking, credibility and growth potential** remains valuable. These dimensions represent different but interconnected forms of support. A further research opportunity lies in comparing ventures that have received formal incubation support with ventures that have developed independently.

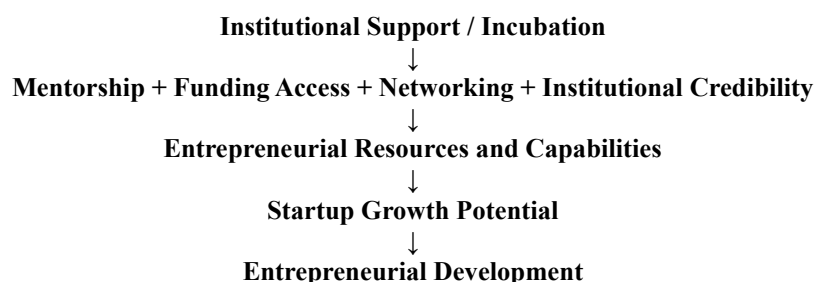
The research gap can therefore be expressed as follows:

Existing literature provides substantial evidence concerning business incubation, entrepreneurial resources, social networks and institutional environments; however, there remains scope for an integrated framework that examines how multiple dimensions of institutional support may jointly relate to startup growth while explicitly considering the comparative context of incubated and non-incubated ventures.

This gap provides a strong basis for future empirical research.

Proposed Conceptual Framework:

The proposed framework is based on the following relationship:



The framework further introduces:

Incubated Startups ↔ Non-Incubated Startups

as the comparative context.

The theoretical logic is:

- **RBV** explains the role of resources and capabilities.
- **Social Capital Theory** explains the role of networks and relationships.
- **Institutional Theory** explains the role of institutional support and legitimacy.

The framework therefore does not claim that incubation directly causes growth. Instead, it proposes that incubation may operate through specific support mechanisms that strengthen resource access and entrepreneurial capability.

Conceptual Propositions:

P1: Institutional support through incubation may enhance startups' access to entrepreneurial resources and capabilities.

P2: Mentorship support may contribute to the development of entrepreneurial and managerial capabilities.

P3: Improved access to financial opportunities may strengthen startups' ability to pursue business-development and growth opportunities.

P4: Entrepreneurial networking may facilitate access to knowledge, partnerships, markets and investment opportunities.

P5: Institutional association may contribute to the perceived credibility and legitimacy of startups among relevant stakeholders.

P6: The combined contribution of mentorship, funding access, networking and institutional support may positively influence startup growth potential.

P7: The nature and extent of institutional support may differ between incubated and non-incubated startups and may therefore be associated with differences in their growth potential.

These propositions are intended to guide **future empirical investigation** and should not be interpreted as findings of the present conceptual chapter.

Implications:

1) Implications for Entrepreneurs - Entrepreneurs should evaluate incubation opportunities according to the actual resources and capabilities they require rather than joining an incubation program solely for institutional affiliation. The quality of mentorship, relevance of networks, funding opportunities and business-development assistance should be considered when selecting an incubator.

2) Implications for Incubators - Incubators should adopt a multidimensional support model rather than focusing primarily on infrastructure. Mentoring quality, investor connections, industry partnerships,

networking opportunities and measurable startup outcomes should form part of incubation program design.

3) Implications for Policymakers - Policymakers can strengthen the entrepreneurial ecosystem by improving coordination between incubators, universities, investors, government agencies and industry. Monitoring should focus not only on the number of startups incubated but also on the quality and effectiveness of support mechanisms.

4) Implications for Educational Institutions - Universities and higher-education institutions can contribute to entrepreneurial ecosystems by developing incubation, mentoring, innovation and industry-linkage mechanisms. Academic institutions can also encourage students and researchers to transform innovative ideas into entrepreneurial opportunities.

5) Implications for Future Research - Future empirical studies can compare incubated and non-incubated startups using dimensions such as mentorship, funding access, networking, credibility and growth potential. Quantitative studies can test the propositions developed in this chapter, while qualitative studies can explore founders' experiences of institutional support.

Conclusion:

Startup development is influenced by a combination of entrepreneurial capabilities, resources and environmental conditions. Business incubation has emerged as an important institutional mechanism for facilitating access to some of these resources. Contemporary incubation extends beyond infrastructure and can include mentoring, financial linkages, networking, industry partnerships, training and business-development support. Indian initiatives such as Atal Incubation Centres and Startup India's MAARG and Investor Connect illustrate this multidimensional approach. This chapter proposed a conceptual framework connecting institutional support with mentorship, funding access, networking, credibility and startup growth potential. The Resource-Based View explains the importance of resources and capabilities, Social Capital Theory highlights the value of entrepreneurial networks, and Institutional Theory provides a broader explanation of the role of institutional environments and legitimacy.

A key argument of the chapter is that incubation should not be regarded as an automatic predictor of startup success. Instead, its potential contribution should be examined through the specific mechanisms by which entrepreneurs obtain resources, knowledge, relationships and institutional support. The comparison between incubated and non-incubated ventures therefore provides a meaningful direction for future research.

The proposed framework can support empirical investigation into whether and how institutional support contributes to differences in startup development. It also provides a foundation for examining the relative importance of mentorship, funding access, networking and credibility in shaping the growth potential of emerging ventures. Such comparative evidence can assist entrepreneurs, incubators, policymakers and educational institutions in designing more effective and evidence-based entrepreneurial-support systems.

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CHAPTER - 17

THE ROLE OF ARTIFICIAL INTELLIGENCE IN TRANSFORMING FINTECH AND CONSUMER FINANCIAL BEHAVIOUR

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Abstract

Artificial Intelligence (AI) has become an important component of financial technology (FinTech), influencing the way financial services are designed and delivered to consumers. From automated customer support and fraud detection to personalised financial recommendations and digital investment services, AI is increasingly being used to improve the speed, convenience and relevance of financial services. At the same time, the increasing use of AI raises questions about how consumers perceive, trust and respond to technology-driven financial services and decisions. This chapter examines the role of AI in transforming FinTech and its influence on consumer financial behaviour. It discusses major applications of AI in FinTech, changing consumer expectations, and the factors that influence the acceptance of AI-enabled financial services. The discussion focuses particularly on perceived usefulness, ease of use, personalisation, trust, security and privacy. The chapter also considers concerns related to algorithmic bias, transparency, data protection and consumers' growing dependence on automated financial recommendations. Based on existing literature, a conceptual framework is proposed to explain the relationship between AI-driven FinTech applications, consumer perceptions, FinTech adoption and consumer financial behaviour. The framework highlights the need to balance technological convenience with consumer trust, security and responsible use of financial data. Finally, the chapter discusses the challenges associated with the growing use of AI in financial services and emphasises the importance of a consumer-centred and ethically responsible approach to its adoption.

Keywords: *Artificial Intelligence, FinTech, Consumer Financial Behaviour, FinTech Adoption, Consumer Trust, Digital Finance, Financial Services*

Introduction

The financial services industry has undergone considerable transformation with the development of digital technologies. Financial Technology (FinTech) has changed how financial products and services are accessed, delivered and used by consumers through digital payments, mobile banking, online lending and robo-advisory services. The emergence of Artificial Intelligence (AI) has further transformed FinTech by enabling systems to analyse large volumes of data, identify patterns, generate predictions and support decision-making. AI is increasingly applied in credit scoring, fraud detection, digital insurance, robo-advisory and financial inclusion (Vuković et al., 2025). Research on AI in banking and finance has also addressed customer service, customer readiness, financial inclusion, regulation and explainability (Singh et al., 2025). Madhumitha (2025) highlighted the growing role of AI in financial services and managerial decision-making while also identifying concerns relating to privacy, cybersecurity, transparency and responsible use of technology.

However, the technological capability of AI does not by itself determine consumer adoption of AI-enabled financial services. Consumers may value convenience and personalisation while also considering trust, security, privacy and perceived risk. Durak et al. (2024) identified perceived utility, trust, perceived ease of use, attitude and social impact as important dimensions of FinTech adoption. Trust, however, should not be treated as a universal explanation. Okat et al. (2025) found that trust in traditional financial institutions did not consistently translate into greater adoption across different FinTech products, although some positive association was observed for alternative payment applications. This suggests that consumer responses may depend on the specific service, perceived risk and nature of the technology. These concerns become particularly relevant when AI is introduced into financial services, as consumers may also evaluate the reliability and fairness of algorithm-based decisions. Madhumitha (2025) highlighted related challenges, including algorithmic bias, black-box decision-making and over-dependence on algorithms.

Recent research increasingly connects AI with consumer financial behaviour rather than examining AI only as a technological or organisational tool. Meng et al. (2025), through a systematic review of 89 peer-reviewed studies, identified consumer acceptance and interaction with AI and its relationship with financial behaviour as important areas of research, alongside ethical and regulatory challenges. At the same time, AI-enabled financial services depend heavily on personal and transactional data, raising concerns about privacy, explainability, cybersecurity and accountability. These issues indicate the need to examine how technological capabilities, consumer perceptions and behavioural responses interact within AI-enabled financial services. Accordingly, this chapter examines the role of AI in transforming FinTech and consumer financial behaviour and proposes a conceptual framework linking AI-driven FinTech applications with consumer perceptions, FinTech adoption and consumer financial behaviour, while recognising ethical and technological risks as important considerations.

Evolution of FinTech and the Emergence of Artificial Intelligence

The development of FinTech represents a shift from the computerisation of traditional financial processes towards technology-enabled and intelligent financial services. Online banking, electronic payments, mobile applications and digital platforms have improved the speed and convenience of accessing financial services. With the availability of large datasets and advances in machine learning, FinTech platforms can increasingly process financial and behavioural data, identify patterns and generate predictions, supporting applications such as risk assessment, fraud detection, customer analysis and financial decision-making (Jordan & Mitchell, 2015). AI has therefore moved FinTech beyond basic process automation towards greater personalisation and predictive capability, including tailored recommendations, automated customer interactions and fraud detection (Davenport et al., 2020). This evolution has also changed the role of consumers. While traditional financial services relied heavily on institutions and human advisers, digital and AI-enabled platforms provide consumers with greater access to financial information, personalised services and automated recommendations. Consumers therefore evaluate not only the financial product but also the technology through which it is delivered, making trust, perceived usefulness, security and willingness to engage important considerations. Thus, FinTech has evolved from digitisation and automation towards intelligent and personalised financial services, creating a basis for examining how AI applications may influence consumer financial behaviour.

AI Applications in FinTech

The growing integration of Artificial Intelligence into FinTech has expanded the range of services that can be automated, personalised and supported through data-driven decision-making. One of the important applications is **credit assessment**, where machine learning techniques can analyse financial and non-traditional data to support the evaluation of creditworthiness. AI is also increasingly applied to **fraud detection**, enabling financial institutions to identify unusual transaction patterns and potential fraudulent activities more efficiently. Vuković et al. (2025), in their systematic review of AI integration in financial services, identified credit scoring, fraud detection, robo-advisory, digital insurance and financial inclusion as important areas of application.

Another important area is **customer-oriented financial services**. AI-powered chatbots and virtual assistants can provide immediate responses to routine customer queries, while predictive analytics can support personalised financial recommendations. In investment services, robo-advisory systems use data and algorithms to assist consumers with portfolio-related decisions. Research on AI and machine learning applications in banking also identifies customer-oriented services, credit scoring, financial inclusion, fraud prevention and risk assessment as significant areas of application (Sharma et al., 2024).

These applications demonstrate that AI is not limited to improving the internal efficiency of financial institutions. It increasingly shapes the **consumer-facing side of FinTech**, influencing how consumers receive information, access financial products and interact with financial service providers. This shift provides the basis for examining whether greater automation and personalisation also lead to changes in consumer financial behaviour.

AI and Consumer Financial Behaviour

The increasing use of AI in FinTech is changing not only the delivery of financial services but also the way consumers interact with financial products and make financial decisions. Consumers can now receive personalised recommendations, automated responses and data-driven financial information through digital platforms. These developments may reduce the effort involved in searching for financial information, while also increasing the role of technology in everyday financial decisions.

However, consumer responses to AI-enabled financial services are not determined by convenience alone. Trust, perceived usefulness, security, privacy and perceived risk can shape consumers' willingness to interact with technology-based financial services. Roh et al. (2024), for example, found that perceived security and privacy were positively associated with consumer trust in FinTech services, which in turn contributed to favourable attitudes and intentions to use.

The relationship between AI and financial behaviour is broader than simple technology adoption. Meng et al. (2025), based on a systematic review of 89 peer-reviewed studies, identified consumer acceptance and interaction with AI and their subsequent financial behaviours as one of the major research areas in this field. Their review also highlights ethical and regulatory concerns as an important dimension of AI and consumer finance research. This suggests that the influence of AI should be

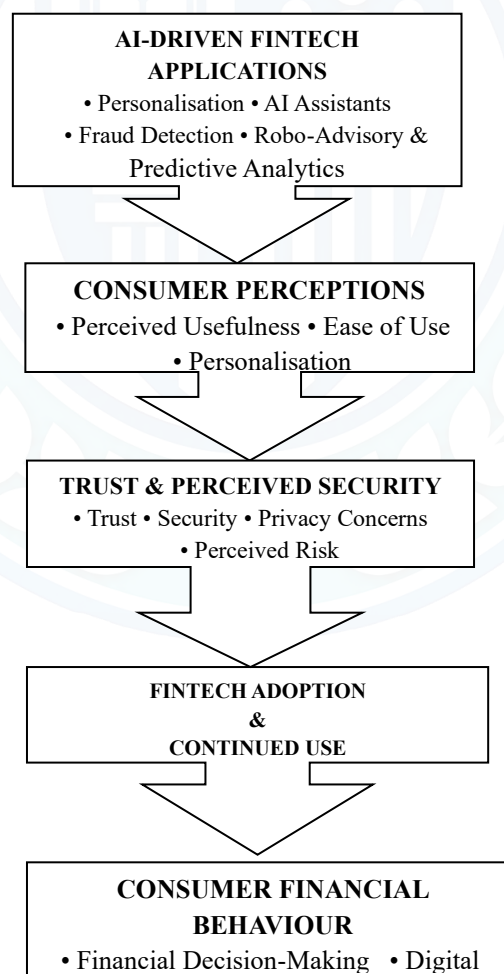
considered in terms of how consumers understand, evaluate and respond to AI-enabled financial services, rather than focusing only on whether they adopt the technology.

Consequently, consumer financial behaviour in an AI-enabled FinTech environment can be viewed as a process involving **perception, trust, adoption and subsequent financial interaction**. Consumers may accept AI-based services when they perceive them as useful, secure and reliable, but concerns about privacy, risk or the fairness of automated decisions may weaken their willingness to rely on such systems. These relationships provide the basis for the conceptual framework proposed in the following section.

Proposed Conceptual Framework

The literature discussed above suggests that the impact of AI-driven FinTech on consumers depends on more than the availability of technology. Consumer perceptions, trust, security and privacy can influence the adoption and use of AI-enabled financial services. Based on these relationships, this chapter proposes a conceptual framework linking AI-driven FinTech applications with consumer perceptions, FinTech adoption and consumer financial behaviour.

Figure 1: Conceptual Framework of the Study



Source: Developed by the researcher based on the literature review.

Challenges and Ethical Considerations Despite the potential of AI-driven FinTech, its growing use raises concerns that can affect consumer acceptance and the responsible delivery of financial services. **Data privacy and cyber security** are major concerns because AI systems often depend on large volumes of personal, financial and transactional data. Misuse, unauthorised access or security breaches may reduce consumer confidence in digital financial services. Madhumitha (2025) highlighted privacy and cybersecurity as important concerns associated with the increasing use of AI in financial services.

Algorithmic bias and black-box decision-making present further challenges. AI systems trained on biased or incomplete historical data may produce unfair outcomes, when it is used for credit assessment, customer profiling or other financial decisions. At the same time, black-box decision-making can make automated outcomes difficult for consumers to understand or challenge. Madhumitha (2025) discussed algorithmic bias and black-box decision-making and emphasised the importance of transparency in AI-based decisions.

Over-dependence on AI is another concern, as excessive reliance on algorithms may weaken human judgement and result in inappropriate recommendations or decisions. Madhumitha (2025) emphasised the importance of human oversight in addressing this concern. Therefore, the sustainable adoption of AI in FinTech requires a balance between technological efficiency and fairness, transparency, privacy, cybersecurity, accountability and human oversight. These considerations also reinforce the importance of ethical and regulatory approaches to AI-enabled financial services (Meng et al., 2025; Vuković et al., 2025).

Future Directions

The future development of AI-driven FinTech is likely to depend on how effectively technological innovation can be balanced with consumer protection and responsible use. Greater use of explainable AI can help consumers understand automated financial decisions, while stronger data-protection and cybersecurity practices can improve confidence in AI-enabled services. Financial institutions may also need to maintain appropriate human oversight, particularly for decisions involving significant financial consequences. Future research should therefore examine how trust, perceived usefulness, privacy, security and perceived risk interact over time to influence consumer adoption and financial behaviour. Greater attention is also needed to differences across consumer groups, financial products and levels of digital literacy. Such research can help to develop AI-driven FinTech services that are not only efficient and personalised but also transparent, fair and consumer-centred.

Conclusion

Artificial Intelligence is increasingly transforming FinTech by enabling more personalised, automated and data-driven financial services. While these developments can improve accessibility, convenience and decision support, their influence on consumer financial behaviour depends on factors such as perceived usefulness, trust, security, privacy and perceived risk. The literature also highlights concerns relating to algorithmic bias, black-box decision-making and over-dependence on automated systems. Therefore, the successful transformation of FinTech through AI requires a balance between technological innovation and responsible, consumer-centred practices. The conceptual framework proposed in this chapter brings together AI-driven FinTech applications, consumer perceptions, trust

and security, adoption and consumer financial behaviour, providing a basis for understanding how AI may shape financial interactions and decision-making in an increasingly digital financial environment.

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CHAPTER - 18

ARTIFICIAL INTELLIGENCE IN HUMAN RESOURCE MANAGEMENT

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Abstract

Artificial Intelligence (AI) has emerged as a transformative technology capable of problem-solving, learning, and decision-making through machines and computers. Its integration into Human Resource Management (HRM) has shifted the discipline from a traditional administrative function to a data-driven strategic powerhouse. AI applications in HRM automate routine tasks, minimize bias in recruitment, and provide predictive insights into employee retention, thereby enhancing efficiency and effectiveness. By reducing manual and repetitive work, AI enables HR professionals to focus on strategic priorities such as talent acquisition, employee development, and retention. Furthermore, AI facilitates customized learning plans, performance analysis, and feedback compilation, supporting continuous employee growth. Importantly, while AI optimizes processes, it does not alter the core objectives of HRM—recruitment, development, and retention—but strengthens the department's ability to achieve organizational and social goals. Thus, the adoption of AI in HRM represents a significant technological shift that empowers organizations to operate with greater agility, precision, and strategic impact.

Keywords: Artificial Intelligence (AI), Human Resource Management (HRM), Automation of Routine Tasks, Bias-Free Recruitment, Employee Retention Predictions.

Introduction

Artificial Intelligence is the technology that uses computers and machines to solve problems, learning and decision making. It is now used in all walks of life. The applications and devices equipped with AI can see the objects and also identify it. It can understand and respond the language of human beings. It keeps on learning from new information. It can independently act and also they need not need any human intelligence and also their intervention. AI is now used everywhere to make work easier and quicker. Human Resource Management is a practice that involves recruiting, hiring, managing and developing the organisation's employees to achieve individual, organizational and social objectives. Artificial Intelligence has attained a rapid growth into Human Resource Management of Companies. It has transformed from the traditional administrative function to data driven strategic power house. HR department is now leveraging Artificial Intelligence to optimize entire employee life cycle. Without changing the core goals AI is helping HR department to meet the overall objectives.

Importance of AI in HRM

Due to the technological shift happening around the world every organization has to increasingly rely on this artificial intelligence to reduce their manual, repetitive and paper work which enable the HR professionals to spend on more valuable work. Much software has been used to improve the efficiency and effectiveness of HRM. It helps to create customized learning plans for employees gathering all the

performance analysis, feedback and review data compilation. AI transforms the Human resources management by automating the regular administrative task, eliminates bias while hiring and also can offer the management with its predictions on employee retention. Adapting AI will not change the core goals of the organization with regard to recruitment, development and retention of employees. On reducing the routine work AI can help the Human Resources department to work strategically and focus on better recruitment, up skilling of employees and their retention.

Evolution of AI in HRM

Early Automation (2010–2014) - During this period, HR departments primarily relied on manual processes and traditional Human Resource Information Systems (HRIS). HR professionals spent significant time on administrative activities such as employee record management, payroll processing, recruitment documentation, and compliance reporting. Automation was limited to basic workflow management, while strategic decision-making remained entirely human-driven.

Emergence of Intelligent HR Technologies (2015–2018) - As cloud computing and machine learning matured, organizations began introducing AI-powered capabilities into HR operations. Recruitment became one of the earliest areas to benefit, with AI assisting in resume screening, candidate matching, and interview scheduling.

HR analytics also started providing insights into employee performance and workforce planning.

AI-Driven Global HR Transformation (2019–2022) - The COVID-19 pandemic accelerated digital transformation worldwide. Organizations rapidly adopted AI to support remote workforces, automate HR operations, and manage employees across multiple countries. AI became an essential tool for payroll automation, compliance monitoring, and virtual employee engagement.

Generative AI Revolution in HR (2023–2025) - The introduction of Generative AI transformed HR operations by enabling intelligent content generation, conversational assistants, and advanced decision support. AI evolved beyond automation to become a strategic partner, helping HR teams draft job descriptions, summarize performance reviews, answer employee questions, and analyse workforce data in real time. Companies such as Deal, Microsoft, Google, SAP, Oracle, and Workday integrated Generative AI into enterprise HR platforms.

Role of AI in Human Resource Management

1. Recruitment and Talent Acquisition: Artificial Intelligence (AI) has transformed recruitment by making the hiring process faster, more accurate, and cost-effective. AI-powered resume screening uses Natural Language Processing (NLP) to scan thousands of applications, compare them with job descriptions, and rank the most suitable candidates. Automated candidate assessment tools conduct online tests and video interviews to evaluate technical skills, communication, and behavioural traits using predefined criteria. AI Chabot further improve the recruitment experience by answering candidate queries, scheduling interviews, and providing real-time updates.

2. Learning & Development: AI enhances employee onboarding and learning by creating personalized and engaging experiences. During onboarding, AI platforms provide instant answers to new employees' questions, automate documentation, and generate customized onboarding plans based on job roles and departments. In learning and development, AI analyses employee skills, learning behaviour, and

performance to recommend personalized training courses and career development opportunities. This targeted approach helps employees acquire relevant skills faster, improves productivity, and supports continuous professional growth.

3. Employee Retention and Engagement: AI helps organizations improve employee retention and engagement by identifying potential issues before they become serious. Predictive analytics examines employee performance, attendance, career growth, and engagement levels to identify individuals who may be at risk of leaving the company. AI-powered sentiment analysis evaluates employee surveys, emails, and feedback to measure workplace morale and detect signs of stress, burnout, or dissatisfaction. HR managers can use these insights to improve communication, offer career development opportunities, and enhance employee well-being. As a result, AI strengthens employee satisfaction, reduces turnover, and builds a more motivated workforce.

4. Workforce Planning and Analytics: AI plays a vital role in workforce planning by helping organizations make informed strategic decisions. It analyses employee performance records, career progression, skills, and training history to identify future leaders and support succession planning. AI also evaluates labour market trends, salary benchmarks, and internal workforce data to recommend fair and competitive compensation and benefits. These data-driven insights enable organizations to build a skilled workforce, enhance decision-making, and maintain a competitive advantage in a rapidly changing business environment.

AI Tools in Human Resource Management

1. AI-Powered Candidate Screening: AI-powered candidate screening helps HR teams identify the most suitable applicants quickly and accurately. AI reduces manual effort and hiring time by analysing resumes, matching skills with job requirements, and ranking candidates. It can also support interview assessments, improve recruitment quality, minimize bias, and enhance the overall talent acquisition process.

2. AI Workforce Analytics: AI workforce analytics uses advanced data analysis to help organizations make informed HR decisions. It can predict employee turnover, identify skill gaps, and support workforce planning. On analysing employee trends and performance data, AI enables HR professionals to improve retention strategies, optimize talent management, and align workforce capabilities with business goals.

3. Employee Support and Operations: AI-powered tools such as Leena AI and Wisp improve employee support and HR operations. These intelligent assistants automate routine service requests, answer employee queries, and provide round-the-clock assistance. They reduce administrative workloads, improve response times, enhance employee experiences, and help HR teams focus on strategic activities that drive organizational success.

4. Compliance and Analytics: AI-driven compliance and analytics solutions help organizations manage regulatory requirements and workforce planning effectively. Tools like Bright Mine automate labour law monitoring and policy auditing, ensuring compliance with changing regulations. Vizier provides predictive analytics and scenario planning, enabling HR leaders to forecast organizational impacts, support decision-making, and improve business performance.

How AI is Transforming in HRM

1. Rise of Agentic AI & Autonomous Workflows:

Agentic AI is transforming HRM by automating complex and multi-step processes with minimal human intervention. Unlike traditional chatbots, these intelligent systems can independently manage tasks such as employee onboarding, payroll validation, leave approvals, and performance review reminders. Agentic AI reduces manual workload, improves accuracy, and increases operational efficiency and routine administrative activities. This allows HR professionals to focus on strategic initiatives such as workforce planning, talent development, and employee engagement.

2. Skills-Based Talent Intelligence:

Skills-Based Talent Intelligence is reshaping recruitment and workforce management by focusing on employee capabilities rather than job titles alone. AI-powered systems analyse skills, identify competency gaps, and recommend personalized learning opportunities to support career growth. By emphasizing skills over traditional qualifications, companies can adapt more effectively to changing business needs and technological advancements. This approach creates a more agile workforce, supports continuous learning, and ensures employees remain relevant in a rapidly evolving job market.

3. Hyper-Personalized Employee Experience:

Hyper-Personalized Employee Experience uses AI to create customized workplace journeys for employees and job candidates. AI-driven platforms analyse individual preferences, learning styles, and career goals to deliver tailored recommendations for training, benefits, and development opportunities. This individualized approach improves engagement, job satisfaction, and productivity while strengthening organizational culture. By making employees feel valued and supported, HR departments can enhance retention rates, accelerate professional growth, and create a more positive and inclusive work environment.

4. Predictive People Analytics:

Predictive People Analytics enables HR departments to make proactive decisions using data-driven insights. AI analyses historical workforce data, employee behaviour patterns, and engagement metrics to forecast future trends such as employee turnover, skill shortages, and staffing requirements. These predictive capabilities help organizations identify risks before they become major challenges and support more effective workforce planning. By anticipating employee needs and business demands, HR professionals can develop targeted retention strategies, optimize talent management, and improve organizational performance. Predictive analytics transforms HR from a reactive function into a strategic partner that drives business success.

5. Responsible AI Governance & Compliance:

Responsible AI Governance and Compliance focus on ensuring that AI systems are used ethically, transparently, and fairly in HR processes. As AI increasingly influences hiring, promotions, and performance evaluations, organizations must implement clear policies and maintain human oversight in critical decisions. AI governance frameworks help monitor algorithmic bias, ensure regulatory compliance, and create transparent decision-making processes. These practices protect employee rights, promote diversity and inclusion, and reduce legal and reputational risks. By prioritizing responsible AI

use, organizations can build trust, maintain accountability, and ensure that technological advancements support fair and ethical HR management.

6. AI's biggest impact areas in HR:

The chart shows the areas where Artificial Intelligence (AI) has the greatest impact in Human Resource (HR) management. People Analytics (50%) is the most significant area, where AI helps HR analyse employee data to improve decision-making, predict workforce trends, and enhance productivity. Talent Acquisition (37%) is the second-largest area, with AI streamlining recruitment by screening resumes, matching candidates to job roles, and reducing hiring time. Learning and Development (35%) also benefits greatly, as AI provides personalized training programs, identifies skill gaps, and supports continuous employee development.

AI also contributes to Performance Management (17%) by tracking employee performance, offering real-time feedback, and supporting fair evaluations. In Talent Management (16%), AI helps identify high-potential employees, plan career growth, and improve succession planning. Employee Relations (10%) uses AI to enhance communication, monitor employee satisfaction, and resolve workplace concerns.

Challenges and Risk of AI Adoption in HRM

1. Black Box Opaque decision making: When companies use AI to handle HR tasks, like picking who to hire, who to promote, or who might quit, they often run into a problem called “Black Box.” This just means that the AI’s decision-making process is completely hidden from view. The software takes in a ton of data, does some highly complex math behind the scenes, and spits out a final answer, but it doesn’t explain how it got there. The lack of transparency makes it incredibly hard for HR teams to know if the AI is actually being fair, which can hurt trust and lead to unfair treatment without anyone even realizing it.

2. Loss of human touch or connection: The human touch or connection plays an important role in Human Resources Management. If everything is automated, employees might feel like they are just numbers instead of valued members of the company. HR needs to find the right balance between using AI and keeping personal interactions. Over-reliance on AI may diminish human interaction, leading to a sense of isolation and disengagement among employees. When resumes are parsed by bots, performance is quantified purely by data points being filtered through AI chatbots, the essential elements of human connection are lost.

3. Hallucinations: AI hallucinations pose a severe threat to modern HR technology. AI hallucination occurs when artificial intelligence systems generate information that appears accurate and confident but is actually false, misleading or entirely fabricated. This will affect the hiring decisions, employee assessments, talent decisions and strategic planning. AI models don’t “know” facts the way humans do. However, these systems don’t truly “understand” information in the way human do. When companies use AI to handle Human Resources (HR), like reading resumes, answering questions about vacation days, or looking at laws, hallucinations become a big problem.

4. Algorithmic bias and discrimination: AI in Human Resource Management (HRM) often accelerates discrimination by training on biased, historical data. While marketed as objective, algorithms frequently treat past corporate demographics as the blueprint for future success, locking out qualified, diverse talent.

This bias is rarely explicit; instead, the algorithmic “black box” uses proxy variables, like zip codes for race, or employment gaps for gender, to systematically filter out marginalized groups. Because automated bias operates at a massive scale, employers face rising legal liabilities. To counter this, modern HR teams must enforce strict human oversight, mandate regular bias audits, and prioritize skills over historical data points.

5. Data privacy and security risk: AI in Human Resource Management (HRM) makes hiring and management faster, but it creates major privacy and security risks. To train these AI systems, companies collect massive amounts of sensitive employee data, including resumes, medical histories, and performance reviews. If this data isn't lock down, it creates a massive target of hackers. Mishandling of sensitive data could lead to breaches, unauthorised access or misuse of personal information. This increases vulnerability to data breaches. Compliance with regulations like GDPR is critical.

6. Underutilization of labour market: A major challenge of adopting artificial intelligence (AI) in Human Resource Management (HRM) is the reduced employment opportunities for people who do not have AI knowledge or digital skills. As organizations increasingly use AI for recruitment, employee management, and decision-making, they also prefer hiring candidates who are familiar with AI tools and technologies. This creates a disadvantage for job seekers who have traditional HR knowledge but lack AI-related skills. In countries with large populations, where many people may not have access to AI education or training, this can increase unemployment and widen the skills gap.

7. High implementation cost: Adopting AI technologies requires substantial investment in software, hardware, system integration, employee training and ongoing maintenance. Small and medium-sized organizations, in particular, may find it difficult to afford these expenses, limiting their ability to benefit from AI-driven HR solutions. In addition, organizations may need to hire AI specialists provide advanced training for existing HR staff, which further increases costs.

Impact in Future in HRM

Positive Impact

1. Hyper personalized L&D:

Hyper-personalized Learning and Development (L&D) is expected to become one of the most transformative applications of Artificial Intelligence (AI) in Human Resource Management (HRM). Unlike traditional training, where all employees receive the same learning content, AI will create individualized learning experiences based on each employee's skills, knowledge, job role, performance, career goals, learning preferences, and future organizational needs. This personalized approach will make learning more effective, engaging, and aligned with both employee and business objectives.

2. Streamline recruiting:

Streamlined recruiting is one of the most important positive impacts of Artificial Intelligence (AI) on the future of Human Resource Management (HRM). Traditional recruitment is often time-consuming and involves reviewing thousands of applications, scheduling interviews, and communicating with candidates. In the future, AI will automate many of these tasks, making recruitment faster, more accurate, cost-effective, and focused on finding the best talent.

3. AI literacy at work:

Literacy is the ability to understand, use, evaluate, and work effectively with AI technologies. In the future, AI literacy will become one of the most important workplace competencies in Human Resource Management (HRM). Just as computer literacy became essential during the digital age, AI literacy will become a fundamental requirement for employees, managers, and HR professionals. Organizations will invest heavily in AI education and continuous learning to ensure employees can use AI responsibly, ethically, and productively. AI literacy will not only improve individual performance but also help organizations become more innovative, competitive, and adaptable in a rapidly changing business environment.

Negative Impact

1. Algorithmic bias and discrimination:

AI may unfairly favour or reject candidates based on factors such as gender, age, ethnicity, or educational background rather than their actual skills and qualifications. This can lead to discrimination in recruitment, promotions, performance evaluations, and compensation decisions. Algorithmic bias may reduce workplace diversity, create legal and ethical challenges, and damage employee trust. To prevent this, organizations must regularly audit AI systems, use diverse and unbiased training data, and ensure that important HR decisions include human oversight.

2. Lack of transparency:

HRM may lack transparency because their decision-making processes can be difficult to understand or explain. Employees and job applicants may not know why they were rejected for a job, received a lower performance rating, or were denied a promotion. This "black box" nature of AI can reduce trust, create confusion, and raise concerns about fairness and accountability. Lack of transparency may also make it difficult for organizations to identify errors, address discrimination, or comply with legal and ethical standards. To overcome this challenge, organizations should use explainable AI, maintain clear decision-making processes, and ensure human oversight in important HR decisions.

3. Widening workforce inequality:

AI-driven automation may also replace many low-skilled and routine jobs, increasing the gap between highly skilled and low-skilled workers. This inequality can lead to reduced job security, lower employee morale, and greater income disparities within organizations. To address this challenge, organizations should invest in continuous training, reskilling, and upskilling programs so that all employees can adapt to the changing demands of an AI-driven workplace.

Conclusion

Artificial Intelligence is not replacing Human Resource Management—it is transforming it. The organizations that will succeed in the future are those that embrace AI as a strategic partner while preserving human judgment, empathy, and ethical responsibility. A balanced approach that combines technological advancement with human values will ensure that AI contributes to organizational success while protecting employee rights and promoting long-term workforce development.

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CHAPTER - 19

ALGORITHMIC CONSUMER BEHAVIOR: EXAMINING AI-DRIVEN PERSONALIZATION, TRUST DYNAMICS, AND BRAND ENGAGEMENT IN CONTEMPORARY DIGITAL COMMERCE

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Abstract

AI, machine learning, and big data, are making e-commerce evolve from an almost static Web site into a personalized retail experience space, a dynamic interactive retail venue. In this chapter, we will try to define the relationship between e-commerce, behavioral psychology, computational marketing and data ethic utilizing TAM, CLT, PCT, and PRT framework. The purpose of this section is to uncover and understand algorithmic consumer behavior, investigate algorithmic recommendation engines, algorithmic search, and price-differentiating methods as mediators of brand and to highlight the impact of opacity and control, the opacity, surveillance, control, and manipulative designs as core reasons behind the personalization-privacy paradox. At the end of this part, we present the framework for trust-governed algorithm in online business and provide insights towards transparent and fairness-driven AI-assisted commerce.

Keywords: *Algorithmic Consumer Behavior; Artificial Intelligence; Digital Commerce; Brand Engagement; Trust Dynamics; Personalization–Privacy Paradox; Interdisciplinary Research*

Introduction and Contextual Background

The entire world's business trade is transforming due to very fast flow of information, forecasting models based on algorithms, and nearly everyone can connect through the mobile phones. In the past retail was limited by the use of wide demographic and geographic segmentation combined with the transaction history, yet nowadays modern internet retail is characterized by algorithmic ultra-personalization, where machine learning systems discover each customer's preferences and their buying decisions at very detail through independent learning. Companies like Amazon Flipkart Alibaba, Netflix, and Spotify were distribution-only channels at first and later gradually became decision influencers that steer the consumer choices and decision-making. Micro-behaviors - clickstream data, where the mouse pointer stops the page, search wording, left purchases, and real-time location-based measurements - are all contributing data points to the networks of the computers, which keep learning about their users to optimize themselves further. They tailor the product selections, adjust the prices dynamically, as well as the type and timing of the messages delivered to the right people at the right place.

Table 1: THE PARADIGM SHIFT IN DIGITAL COMMERCE ECOSYSTEMS

Dimension	Traditional Digital Commerce	Algorithmic Digital Commerce
Catalogue Architecture	Static catalogue browsing & fixed menus	Real-time dynamic curation & personalized layout
Market Segmentation	Broad demographic & geographic segments	Individualized 1-to-1 micro-targeting
Product Discovery	Keyword-based manual search	Predictive intent forecasting & semantic search
Pricing Strategy	Standardized, uniform list pricing	Algorithmic dynamic price calibration
Customer Touchpoints	Reactive, promotional bulk messaging	Proactive, real-time contextual triggers

This revolution touches upon commercial, cognitive scientific, governing data, and laws protecting consumer aspects. In the business world, algorithmic systems boost inventory turnover, minimize the friction around prices, and improve average order value as well as customer lifetime value. From a psychological aspect, algorithmic filtering relieves cognitive overload but can cause reactance and the anxiety of being watched if customers think algorithms try to manipulate them. From legal and ethical viewpoints, getting behavioral data creates problems with freedom of choice, discrimination in outputs, who owns data, and differences in information access

Research Objectives

This chapter looks into the complex nature of human interaction with AI-enabled consumer products through three main targets: (1) the integration of cross- disciplinary knowledge base that will help us understand consumers' algorithmic decision process; (2) the examination of AI- enhanced personalisation's effect on cognitive, affective and behavioral processes; and (3) the identification of potential risk in the personalization-privacy tradeoff and the formulation of a privacy-aware trust-based commerce conceptualization.

Interdisciplinary Theoretical Foundations

A solid theoretical foundation for understanding consumers' responses to algorithms mainly uses four major theories: The Technology Acceptance Model, Cognitive Load Theory, Privacy Calculus Theory, and Psychological Reactance Theory (Davis, 1989; Venkatesh et al., 2003) (Sweller, 1988) (Culnan & Armstrong, 1999; Dinev & Hart, 2006) (Brehm, 1966). Altogether, they separately account for consumers' adaptation to checkout via technology, consumers' ability to cope with a surplus of choices by minimizing the amount of choices presented to them, the consumer' decision-making process on the matter of revealing one's data with a consideration of their potential losses and gains, and the consumer's reluctance and the resulting consumer behavior when the level of the consumer' autonomy in making decisions is threatened.

Technology Acceptance Model (TAM) and Cognitive Usability

Davis (1989) Technology Acceptance Model states two features that together lead to acceptance or rejection of a new product/service - Perceived Ease of Use and Perceived Usefulness. An algorithm that presents products to the consumers that are accurate, highly relevant and not easily found by

manual search reflects Perceived Usefulness. The reduction of the friction of ordering through smart auto-complete, one-click purchase, and payment that has been simplified reflects Perceived Ease of Use.

Cognitive Load Theory and Choice Architecture

According to Sweller's (1988) cognitive load theory, working memory can only hold so much at one time. In stores selling millions of unique products, too many choices (Schwartz, 2004) lead to decision fatigue, shopping reluctance, and high cart abandonment rates. Personalization done by algorithms is kind of a brain offloading: they help by taking away the irrelevant stuff and presenting the consumer with only those options which are best fit for the present context; thereby helping to remove extra burden of thinking and leave some headspace for evaluation of the product and making the decision to purchase.

Privacy Calculus Theory

Privacy calculus is a theory that was developed at the end of the 1990's by authors Culnan & Armstrong who further extended it, also Dinev & Hart who later on in 2006 also provided their contribution, and it is said by this theory and other scholars, that the average consumers are people that cannot be called fully rational in all aspects and that they are not only rational but can have emotional reactions, and they will decide based on the comparison made between the advantages that might come from giving away one's personal data (e.g. lower prices, loyalty points, faster delivery, personalized recommendations) on one hand, and the risks involved with the misuse of the information (e.g. identity theft, secondary use of data, price fixing in favor of the market maker, surveillance) on the other (Culnan & Armstrong, 1999; Dinev & Hart, 2006). This means that people will share their personal information if the value we deliver seems to outweigh the risks. But, if this relationship is skewed (for example, if algorithms are too black box to trust, or data breaches become too commonplace), we shouldn't be surprised if people take a few steps back, or in the ultimate expression of this sentiment - just take a full retreat.

Psychological Reactance Theory

Psychological reactance theory (Brehm, 1966) implies that individuals perceiving that their freedoms are threatened or controlled will try to counter this threat "in any way." In the context of algorithmic commerce and personalization targeted for excess, consumers might be so turned off by their perception of algorithms and recommenders that they either stop using them (e.g., by blocking ads, going into incognito mode, etc.) or defect to other channels.

Computational Mechanics of Personalization Engines

As a step toward making sense of the consumer behavioral responses, in the followings, we need to explore the algorithmic foundations of contemporary personalization engine, namely collaborative filtering, content-based filtering and reinforcement learning

Collaborative Filtering

Collaborative filtering (CF) is a technique which relies on uncovering and predicting similarities among users and items they have interacted with. It can take two major approaches: User-Base approach - this method finds a matching set of consumers statistically similar to a target audience. For instance, if consumer A went online and bought three products X Y and Z, while consumer B bought

online only X and Y, the recommender system will offer Z as an item to consumer B since consumer A has similar taste as consumer B. Item-based approach - another method in this field, item-based is a very effective and simple technique for recommending. It measures similarity between products by how often they've been bought together, e.g. in the "you may also want to buy..." section of an online store, or "frequently bought together" as a feature. So and to put it differently, collaborative filtering (CF) uses the behavior patterns of users and items to build a recommendation engine, which helps the customer find the product (or item) they like most from a large set of products (or items).

Content-Based Filtering and Deep Learning Embedding's

Content-based filtering matching characteristics of users' fine-grained profiles with item properties like Brand Color Type Material Price and so on. The most sophisticated system uses neural networks and transformer-based natural language processing NLP models BERT GPT to convert item descriptions, queries and reviews to vectors and learn true query intention that is different from simple exact matching from the keywords.

Reinforcement Learning and Real-Time Personalization

More sophisticated e-commerce architecture utilizes contextual multi-armed bandits and reinforcement learning, adjusting to in-session behavior in real time rather than just relying on fixed historical features-like, say, showing a user a sustainability certification and eco-labels the second their cursor pauses over an item in our line of sustainable apparel.

The Tripartite Model of Consumer Brand Engagement

Brand engagement is a multidimensional construct with cognitive, affective, and behavioral dimensions within algorithmic settings (Hollebeek et al., 2014).

Cognitive Engagement: Processing Fluency and Relevance

Cognitive engagement involves the level of attention and effort consumers put into the shopping process. When the personalization feature works well, it reduces processing fluency - the speed at which consumers understand the information - which helps them find from a vast array of products quickly and at the same time enhances their sense that the system knows them well and is a reliable place to get products.

Affective Engagement: Perceived Empathy and Emotional Bonding

Affective engagement refers to the feeling of warmth, connection, and belonging a consumer senses towards a brand. When a user feels that the algorithmic recommendations predict a need, like seasonal changes, milestones, or replacement of an item, they may consider the platform to have personality and assign the platform a sense of care and attentiveness. This in a turn, may lead loyalty that's not easy to break even after minor breakdown in service or price hike.

Behavioral (Conative) Engagement: Habitual Repurchase Loops

Customer interactions are measured by how often they purchase, how much they buy, how long they're on the website, and how likely they are to recommend others. Seamless AI-guided notifications and payment features that allow you to checkout in a single tap (e.g. digital wallets, UPI) encourage habitual patterns (trigger (AI message) -> routine (one-click purchase) -> reward (immediate

satisfaction)) by habit, which in turn may change their conscious behavior towards spontaneous buying (Duhigg, 2012).

Trust Dynamics and the Personalization–Privacy Paradox

Despite the indisputable organizational advantages of algorithmic commerce, it incurs certain psychological, ethical and trust costs.

The Personalization–Privacy Paradox

(The) “personalization – privacy paradox “is a contradiction where the consumer is very keen about data and their activities (Norberg et al. 20007) and yet is very willing to share his/her private data on an extremely shallow personalized characteristic feature or a negligible discount (Norberg et al., 2007). However, this trade-off is very unstable collapsing when the distinction between assisting and encroaching monitoring ceases.

Algorithmic Intrusiveness, Dynamic Pricing and Consumer Trust

However, when inference-based personalization and cross-platform tracking activities are engaged and when there is lack of consent then the consumers are more likely to be surveilled, have a perceived lack of control over decision making processes and feel low levels of trust in platform pricing and rankings. Certain other algorithmic practices such as dynamic price discrimination, dark patterns and filter bubbles further aggravate the consumer suspicions and thus may increase chances of boycott. Algorithmic dynamic pricing, the base price is determined by real-time algorithms that take into consideration such signals as demand, device location and user browsing behaviour may lead to a situation where the same consumers are charged differently from that for identical product and hence the consumer suffers from the dilemma of not being charged fairly and in effect institutional trust gets weakened.

Strategic Governance Framework for Trust-Centered AI Commerce

Organizations can balance algorithmic efficiency with customer confidence via targeted governance instead of extractive, conversion-maximizing algorithms alone.

Explainable AI (XAI) and Algorithmic Transparency

E-commerce interfaces should incorporate Explainable AI (XAI) standards to provide users with clear and situation-relevant explanations for recommendations ("because you bought X and viewed Y"). When people understand how an algorithm makes its decisions, this gives rise to feelings of having some control over what they are offered, lessening anxiety connected with being constantly watched ("surveillance anxiety"), and making them more likely to trust recommendations.

Prioritizing Zero-Party Data and Explicit Preference Centers

Cookie-based advertisement is dwindling, and with the introduction of regulations such as GDPR and India's DPDP Act, a great opportunity for the companies will be a voluntary and proactive release of data, through customer questionnaires or preference centers, where they can find out the preferences

of the consumers themselves. Sharing it transparently with customers, letting it be visible to the users and probably allowing them to amend it themselves will definitely contribute to higher levels of engagement of the customers with the business brand. The formation of inter-departmental AI Ethics boards to assess recommendation algorithms and to prevent the use of manipulative design techniques or the creation of fair pricing caps when the company decides dynamically what price to set should be a crucial component of the core strategy to protect brands from the negative effect of their own advertising technology platforms.

Managerial and Practical Implications

In their digital commerce and marketing departments, companies should move away from their current mind-set that is based on impulsive or behavioral purchasing and should get fully into concepts like Customer Lifetime Value, creating customer trust, data unification and giving customers the ability to control their preferences via settings. When building AI and algorithms, the involvement of social sciences and compliance should be mandatory so that the experiences we deliver would be fairer, less invasive, and the safety of users is taken very seriously. To achieve better customer experiences, the personalized approach is needed without getting too deep into the users' privacy and the users' privacy should be a key competitive advantage allowing the protection of personal data through proactive means.

Conclusion and Future Research Agenda

The adoption of AI in digital commerce has not only created more value for customers with the help of AI technology but also made businesses more competitive - it changes the concept of a simple transaction and instead gives us an environment where everything is driven by algorithms. Personalization based on algorithms is a two-way sword: it eliminates obstacles and deepens customer relations at the same time yet it can bring various risks on privacy, consumer freedom, and institutional legitimacy ethical and operational. Digital Commerce should be a high value; Digital Commerce not low value for us. Beyond an algorithm-centric approach focusing primarily on human attention, it is important to develop an approach toward an algorithm that successfully blends computational power, ethical clarity, and effectiveness of governance and consumer sovereignty. Digital Commerce models of value leverage four critical dimensions: the power of computation, ethical clarity, consumer agency, and strength of governance.

Future Research Agenda

Future research into this domain could consider (1) how customer affective involvement and buying intentions are altered due to conversational AI shopping assistants, (2) how AI personalisation impacted on cognitive load and on surveillance anxiety, based on neurophysiological evidence including FMRI, EEG and eye-tracking, and (3) comparative analyses on the nuances in the algorithmic trust and antitrust consequences arising from algorithmic monopolies in emerging versus established digital markets across cultures.

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CHAPTER - 20

FINANCIAL LITERACY AND AI AWARENESS AMONG SCHOOL AND COLLEGE STUDENTS OF INDIA

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Abstract

The present study explores the financial preparedness of school and college students in India through six constructs - financial knowledge, digital financial literacy, AI awareness in finance, sources of financial learning, financial confidence and financial behaviour. Despite the regular use of digital financial platforms like UPI by students, a gap exists between utilizing these platforms and understanding the financial concepts behind them. A questionnaire was distributed via Google Forms to students from government and private institutions. The responses were analysed using Partial Least Squares Structural Equation Modelling (PLS-SEM) through SmartPLS 4. The model explains 50.4% of the variance in the financial behaviour and 48.5% of the variance in the financial confidence of the students included in the study. The values of AI awareness, digital financial literacy, financial knowledge and financial confidence constructs have satisfactory values for both the reliability and discriminant validity of the constructs with the average variance extracted values ranging from 0.559 to 0.696. In contrast, the constructs of Financial Behaviour (AVE = 0.381) and Sources of Financial Learning (AVE = 0.393) revealed poorer convergent validity. The findings indicate that financial preparedness among students is significantly influenced by their level of knowledge of financial concepts and their digital and AI financial competencies, with limited awareness of reliable financial related sources emerging as a key concern. The findings of this research have important implications for the financial education of students and young people in general.

Keywords: Financial Literacy, Digital Financial Literacy, AI Awareness, Financial Behaviour, Financial Confidence, PLS-SEM

Introduction

Money is an essential part of everyday life. However, most youngsters in India are never properly taught how to manage their money. As a generation growing up in this financially turbulent era, school and college students use digital payment systems daily, yet they barely know the basics of money and financial concepts such as interest rates, saving money, EMIs, and recognising online scams. Like India, most countries have also experienced a lack of financial literacy among young people. According to a report from the United States, young people are the least financially literate in all societies around the world (Lusardi & Mitchell, 2014; Lusardi, Mitchell, and Curto 2010).

In addition to these studies focused on finance in general, others have also investigated the relationship between finance and education with similar results. For instance, authors Chen and Volpe (1998) surveyed 924 college students and found that the students answered only about 53% of the questions regarding personal finance topics correctly, and that their weakest area was investing. In a survey of group of high school seniors over a period of ten years, Mandell (2008) observed that their average score on personal finance knowledge was around 52%, and that there was no improvement in these scores over that ten year span. Such findings within the population of students and adolescents indicate both the importance of teaching financial concepts to students during their periods of education, and the necessity of establishing a financial literacy program for children at their early stages of development.

What makes this issue even more urgent today is the changing nature of finance itself. Due to financial risk, inflation, and the complexity of financial instruments, there is an urgent need for financial knowledge to ensure financial resilience and well-being in the modern world (Lusardi & Messy, 2023). Due to the widespread use of UPI, mobile banking, and digital wallets in India, it is common for students to complete financial transactions without having a clear understanding of the financial concepts behind these transactions. This has led to the need for digital financial literacy. Furthermore, artificial intelligence is also beginning to play a significant role in the financial world with robo-advisory platforms, AI-based investment applications, and credit and fraud detection applications (Vuković, Dekpo-Adza & Matović, 2025). Shockingly, few students understand how these applications work and how much trust should be placed in these applications. Thus, students may be at a disadvantage in the financial world due to their apparent lack of understanding of these essential financial technologies and the changes they will encounter in their careers.

Another important question is regarding the sources of financial literacy of the students. Existing literature indicates that there are three main sources of financial literacy for students: from school, from the students' families, and from their personal experiences (Lusardi, Mitchell & Curto, 2010). Furthermore, there is also debate regarding whether the financial literacy taught within these schools actually translates to financial literacy in practice from those students (Kaiser, Lusardi, Menkhoff & Urban, 2022). Finally, there is also growing use of the internet, YouTube channels, and social media as sources of financial literacy for students in countries like India (Lusardi & Messy, 2023).

Despite the growing volume and depth of financial literacy studies with students from across the world, there are three main limitations to the existing financial literacy literature. First, most financial literacy studies do not include an examination of digital finance and the awareness of AI among students (Kaiser & Menkhoff, 2020). Second, the majority of studies examine either school students or college students, but not both groups. Finally, most of the research on financial literacy originates from the Western economies, but there is a lack of studies regarding Indian students. Thus, the study aims to investigate the level of financial literacy of school and college students from India in regard to their financial knowledge, digital financial literacy, awareness of AI in finance, sources of financial literacy, financial confidence, and financial behavior. The findings of this study will assist schools and colleges to improve their financial education of students.

Research Methodology

Research Design

A survey-based research design was employed to gather the financial preparedness of school and university students in India. The survey method was chosen for this research study because it allows the researcher to gather data from a large number of individuals in a short period. Furthermore, the survey method is the most commonly used research study to gather information on financial literacy.

Data Collection

The target population for this study consist of students from schools and universities across India, including students from both government and private schools and universities. These students of the current age group will be selected for this study because they are the stage in which students begin to develop their financial attitudes and behaviors. Moreover, as they are the generation that is growing up with the increased availability of digital financial tools and technologies, it is necessary to study their knowledge and abilities in these financial technologies.

As there was no complete sampling frame of the student population, a convenient sampling method was employed along with snowball sharing where the individuals who would respond to the questionnaire would share the questionnaire with individuals within their own networks. Almost 150 students from India filled out the questionnaire during the month of May. As the sample was relatively small, the results from the questionnaire are indicative of the student population rather than truly representative of the student population.

The questionnaire was disseminated via online platforms such as Google Forms, social media platforms such as WhatsApp and Instagram, email communications, and via the schools and colleges from which the students originated. Consent was obtained from each of the students who responded to the questionnaire. The students were made aware of the academic purpose of the questionnaire, their answers would remain anonymous and confidential, and that participation in the questionnaire was voluntary and at any time they could opt out of the questionnaire. Only students who completed the questionnaire were included in the analysis.

Research Instrument

The instrument that was used to collect the data from the respondents was a questionnaire that was developed and deployed on Google Forms. There were six main constructs in the questionnaire, along with a demographic section and three open-ended questions:

- Financial Knowledge (FK) - knowledge regarding interest rates, government savings schemes, mutual funds and systematic investment plans (SIPs), EMIs and bank statements
- Digital Financial Literacy (DFL) - level of knowledge regarding UPI and mobile banking, protection against phishing and cybercrime, and protection of login credentials for online banking accounts
- AI Awareness in Finance (AI): knowledge of robo-advisory platforms, AI investment applications, AI in credit scoring and AI fraud detection
- Sources of Financial Learning (SFL): education from school curriculum, knowledge from family, learning about finance from the internet and social media and financial experiences

- Financial Confidence (FSE): feeling confident in the ability to manage one's own finances
- Financial Behaviour (FB): behaviours towards saving money, maintaining financial records and avoiding impulsive spending

Each of these items were measured on five point Likert scales ranging from Strongly Disagree to Strongly Agree (or from Never to Always in the case of the Financial Behaviour scale). Some of these items were reverse-coded with the intention of measuring the participants' attentiveness in completing the questionnaire; such items were rescored prior to analysis.

Data Analysis

The respondents data was analysed using SmartPLS 4. Partial Least Squares (PLS) modelling was used as the main statistical technique for data analysis. PLS modelling estimates the model parameters from least squares regressions of the endogenous constructs on the exogenous constructs, repeatedly calculating a score for each construct from its indicators, and then again calculating the scores of each construct from the scores of the constructs that influence it. This iterative process continues until the weights of the indicators to the constructs converge. PLS was chosen over structural equation modelling based on covariance matrices because it makes no assumptions of the distribution of the data, it can work with relatively small samples sizes, and it is often used with constructs that are newly-developed and have yet to be tested (Hair, Hult, Ringle & Sarstedt, 2022).

The PLS algorithm was executed using the weighting of the path, with a maximum of 300 iterations being performed to obtain a result with a stop criterion of 10^{-7} . Such analyses were performed in two stages, as is typically performed in the two stage process of PLS-SEM (Hair, Hult, Ringle & Sarstedt, 2022).

In the first stage of analysis, the model's measurement (or "outer") model was examined. Reliability of the indicators was examined through their loadings, while the internal consistency of the indicators within each construct was examined through Cronbach's alpha, composite reliability coefficient ρ_a , and composite reliability coefficient ρ_c values of at least 0.70 being considered as indicating good reliability. Convergent validity was measured using the Average Variance Extracted (AVE) of each construct, with AVE values of at least 0.50 being considered as indicating good convergent validity. Discriminant validity was determined using two separate criteria: the Heterotrait-Monotrait ratio of correlations for each construct, which were required to be values of at most 0.85 (Henseler, Ringle & Sarstedt, 2015), and the Fornell-Larcker criterion for each construct, which required that the square root of the AVE value for that construct was higher than the correlation of that construct with each of the other constructs in the model (Fornell & Larcker, 1981).

In the second stage, the structural (inner) model was assessed. Collinearity of the predictor constructs was assessed using the variance inflation factor (VIF) values, while the explained variance of each endogenous variable was determined using the coefficient of determination (R^2). The responses to the three open-ended questions were also analysed separately.

Results

Reliability and Convergent Validity

Table 1 presents the results of the analysis of the reliability and convergent validity of the scales. The values of the Cronbach's alpha for each scale ranged between 0.489 and 0.861. The values of

composite reliability (rho_c) ranged between 0.720 and 0.900. The average variance extracted (AVE) for each construct was calculated to determine the degree of convergent validity for the four constructs of the model. The AVE for all constructs except for Financial Behaviour and Sources of Financial Learning met the threshold of 0.50, indicating that each of these constructs had convergent validity (Hair, Hult, Ringle & Sarstedt, 2022).

Table 1: Construct Reliability and Validity

Construct	Cronbach's α	rho_a	rho_c	AVE
AI Awareness (AI)	0.833	0.846	0.881	0.559
Digital Fin. Literacy (DFL)	0.752	0.920	0.839	0.572
Financial Behaviour (FB)	0.587	0.633	0.741	0.381
Financial Knowledge (FK)	0.861	0.862	0.900	0.643
Financial Confidence (FSE)	0.774	0.813	0.871	0.696
Sources of Learning (SFL)	0.489	0.477	0.720	0.393
Source : Computed Data				

Discriminant Validity

Discriminant validity was assessed through the HTMT ratio and the Fornell-Larcker criterion. Most of the values of the HTMT ratio fell within the range of 0.494 and 0.841, both below the threshold of 0.85, indicating that the constructs within the study were discernible from one another (Henseler, Ringle & Sarstedt, 2015.). The exception to this finding was the construct of Sources of Financial Learning, which had values above the threshold for Financial Behaviour (0.998), Financial Confidence (0.969), AI Awareness (0.950) and Financial Knowledge (0.933).

The Fornell-Larcker criterion for discriminant validity also indicated the same findings. AI Awareness (0.748), Digital Financial Literacy (0.756), Financial Knowledge (0.802) and Financial Confidence (0.834) all had square roots of AVE values that were higher than the correlation between each construct with the others, indicating discriminant validity within these constructs (Fornell & Larcker, 1981). The construct of Sources of Financial Learning, however, had a value for the AVE of 0.627, which was slightly lower than the correlation between that construct and Financial Knowledge (0.635). As such, this construct failed both validity criteria.

Explanatory Power and Model Fit

The R² statistics show that the model explains approximately half of the variance in the endogenous variables: 50.4% for the Financial Behaviour construct, 48.5% for Financial Confidence and 51.8% for Sources of Financial Learning indicating a moderate level of explanatory power (Hair, Hult, Ringle & Sarstedt, 2022). The values of the model fit indices are considerably modest with an SRMR of 0.111 and NFI of 0.506. As such, it is likely that the low sample size of the study, as well as the two constructs with weaker indicators of measurement qualities identified above contributed to the poor fit of the model to the data.

Conclusion

This paper investigated the financial preparedness of students from schools and colleges in India across six different constructs: financial knowledge, digital financial literacy, AI awareness, sources of financial learning, financial confidence and financial behaviour.

Four constructs - financial knowledge, digital financial literacy, AI awareness and financial confidence - exhibited satisfactory levels of reliability and discriminant validity. The model accounted for approximately 48.5% of the variance in financial confidence ($R^2 = 0.485$) and 50.4% of the variance in financial behaviour ($R^2 = 0.504$). These findings suggest that knowledge of financial and digital finance as well as AI has an impact upon students' financial confidence. Such findings are in alignment with previous findings that knowledge of financial concepts is associated with financial decision making rather than existing as separate concepts from decision making (Chen & Volpe, 1998).

Two constructs exhibited weak relationships within the model. Both the construct of financial behaviour and the construct of sources of financial learning had AVE values that were below 0.50. Furthermore, the construct of sources of financial learning failed both validity criteria for discriminant validity. These results indicate that the students in this population do not differentiate between the sources from which they acquire financial knowledge and the knowledge itself.

In the continuing debate regarding the effectiveness of financial education, Mandell (2008) found that students who completed a semester's worth of a personal finance course did not perform any better than students who had not taken such a course. Furthermore, Fernandes, Lynch and Netemeyer (2014) also found that the effects of financial education were generally small in magnitude and short-lived. More recent studies, however, have found somewhat different results. For instance, Kaiser and Menkhoff (2020) discovered that while financial education had a substantial effect upon participants' knowledge of financial topics, its effect upon behaviour was smaller; however, Kaiser, Lusardi, Menkhoff and Urban (2022) discovered that financial education did have positive effects upon both knowledge and behaviour in 76 separate randomised experiments. These findings are in line with these latter studies, suggesting that the issue is not with financial education's effectiveness, but rather with the design of such education.

Several limitations qualify these conclusions. The limited sample size of students from a single city limits the study's generalisability. Furthermore, the use of a self-assessment instrument instead of an objective test limits the validity of the study findings. The cross-sectional research design limits the study's conclusions to associations between the studied variables rather than causation. Finally, the poor fit of the model indicates that the constructs being studied need further refining.

Three recommendations are offered based on these findings. Digital financial literacy and AI awareness can be incorporated into financial education for students as these areas of knowledge are essential for students who regularly use UPI and other automated financial applications. Financial education could shift towards more problem-solving and decision-making skills rather than theoretical financial knowledge. As students rely on the internet and social media for financial knowledge, financial education institutions can also develop the students' skills to evaluate the credibility of these sources.

Future research should aim to overcome the limitations of this current study. For example, future studies can use larger and more diverse samples of students from different cities across the country. Additionally, future studies can use objective tests of financial knowledge in addition to the use of self-report questionnaires to assess the students' true level of financial literacy. Furthermore, the Financial Behaviour and Sources of Financial Learning scales can be refined for future studies. Finally, longitudinal studies can be conducted to determine whether financial literacy emerges naturally as students age or is developed through financial education programs (Mandell, 2008). As financial systems become more digital and automated, it is essential for financial education to go beyond the nature of money and incorporate the digital and automated financial systems.

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CHAPTER - 21

BUSINESS ANALYTICS AND DATA-DRIVEN DECISION MAKING: EMERGING TRENDS, CHALLENGES AND OPPORTUNITIES IN CONTEMPORARY RESEARCH - COMMERCE

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Abstract

Business analytics has become a strategic capability for contemporary commerce because organizations increasingly depend on data to understand customers, forecast demand, manage risk, optimize resources and evaluate performance. Data-driven decision making (DDDM) combines descriptive, diagnostic, predictive and prescriptive analytics with managerial judgement to convert large and diverse datasets into actionable insights. This paper examines the emerging trends, challenges and opportunities associated with business analytics in contemporary commerce research. It discusses artificial intelligence and machine learning, real-time analytics, cloud platforms, big-data ecosystems, customer analytics, predictive marketing, e-commerce analytics and responsible data governance. The paper also identifies the major merits and scope of analytics and presents an illustrative dataset showing how analytics applications may be distributed across major commerce functions. Recent evidence indicates that AI and big data are among the fastest-growing skill areas, while analytical thinking remains a critical capability for organizations. The paper concludes that analytics creates value when technology, data quality, skilled human resources, ethical governance and managerial judgement are integrated rather than treated as separate components.

Keywords: *Business Analytics; Data-Driven Decision Making; Artificial Intelligence; Big Data; Predictive Analytics; E-Commerce; Contemporary Commerce Research*

Introduction

The rapid expansion of digital commerce has transformed the quantity, velocity and variety of data available to business organizations. Transactions, customer interactions, social-media activity, website behaviour, supply-chain records, financial information and employee data can now be captured and processed at unprecedented scale. Consequently, the competitive advantage of a modern enterprise increasingly depends not simply on possessing data, but on its ability to transform data into reliable insights and timely decisions. Business analytics provides the methodological and technological foundation for this transformation. It includes statistical analysis, data mining, visualization, predictive modelling, optimization and increasingly artificial intelligence and machine learning. In commerce, these techniques support pricing, customer segmentation, demand forecasting, fraud detection, credit assessment, inventory management, digital marketing and performance measurement. Recent research also identifies data-driven decision making, artificial intelligence and big data as central themes in retail analytics research.

The movement towards data-driven management does not eliminate managerial judgement. Instead, analytics can improve the quality, speed and consistency of decisions while managers provide contextual interpretation, ethical judgement and accountability. The World Economic Forum's Future of Jobs Report 2025 identifies AI and big data as the fastest-growing skill area and analytical thinking as a core skill expected to remain highly important through 2030.

Objectives of the Study

- To explain the role and importance of business analytics in contemporary commerce.
- To examine the major emerging trends in data-driven decision making.
- To identify the challenges associated with analytics adoption and implementation.
- To assess the opportunities created by analytics for commerce organizations and researchers.
- To highlight the merits and scope of business analytics across major commerce functions.
- To present an illustrative quantitative analysis of the application of business analytics.

Concept of Business Analytics and Data-Driven Decision Making

Business analytics refers to the systematic use of data, statistical methods, analytical models and technology to generate insights for organizational decisions. Its traditional structure is commonly discussed through four levels. Descriptive analytics answers what happened; diagnostic analytics examines why it happened; predictive analytics estimates what may happen; and prescriptive analytics recommends what should be done. Together, these levels create a progression from reporting to intelligent action. Data-driven decision making is the organizational practice of using relevant evidence and analytical insights as a significant basis for decisions. In commerce, DDDM can reduce dependence on intuition alone by allowing managers to compare alternatives using measurable indicators. However, the usefulness of an analytical result depends on data quality, appropriate model selection, interpretation and organizational context.

Key Components of Business Analytics

Data collection and integration

Data may originate from enterprise systems, point-of-sale transactions, customer relationship management platforms, e-commerce websites, social media, financial systems and external databases. Integration is essential because fragmented data can produce incomplete conclusions.

Data quality and governance

Accuracy, completeness, consistency, timeliness, privacy and security are fundamental to reliable analytics. Governance establishes rules for ownership, access, retention and responsible use.

Statistical and predictive techniques

Regression, classification, clustering, forecasting, time-series analysis and machine-learning models help organizations identify patterns and estimate future outcomes.

Visualization and communication

Dashboards, charts and interactive reports convert complex analytical outputs into forms that decision makers can understand quickly.

Decision and action

The final stage connects insight with managerial action through pricing, resource allocation, marketing, risk management, inventory decisions or strategic planning.

Emerging Trends in Contemporary Commerce Research

Artificial Intelligence and Machine Learning

AI and machine learning are increasingly integrated into forecasting, recommendation systems, fraud detection, customer service and automated decision support. IBM's 2023 Global AI Adoption Index reported that 42% of surveyed large enterprises had actively deployed AI and another 40% were exploring AI; India reported 59% active AI deployment among the surveyed enterprise-scale organizations.

Real-Time and Streaming Analytics

Organizations increasingly seek insights from continuously generated data rather than relying exclusively on periodic reports. Real-time analytics can support dynamic pricing, fraud alerts, inventory monitoring and customer engagement.

Generative AI and Augmented Analytics

Generative AI can assist with natural-language querying, report generation, explanation of patterns and analytical workflows. Its use creates opportunities for broader access to analytics but also increases the importance of verification, transparency and human oversight.

Cloud Analytics and Big-Data Platforms

Cloud computing enables scalable storage and processing without requiring every organization to maintain large physical infrastructure. This is particularly important for e-commerce and digitally intensive organizations.

Customer and Personalization Analytics

Customer-level data can be used for segmentation, recommendation, churn prediction and personalized communication. Recent research on data-driven marketing highlights personalization, AI/ML-enabled innovation, resource optimization and data governance as major themes.

Sustainable and Responsible Analytics

Analytics is increasingly being applied to resource efficiency, environmental performance, responsible supply chains and ESG-related reporting. At the same time, privacy, fairness, explainability and accountability are becoming central research concerns.

Challenges in Business Analytics

Data quality and availability

Incomplete, duplicated, inconsistent or outdated information can produce misleading results. Data availability is also a major challenge for commerce research, particularly when proprietary organizational datasets cannot be accessed.

Privacy and security

Customer and employee datasets may contain sensitive information. Organizations therefore require strong access controls, privacy practices and cybersecurity.

Skills gap

Analytics requires a combination of business knowledge, statistics, technology and communication skills. IBM identified limited AI skills and expertise among the leading barriers to enterprise AI deployment.

Integration complexity

Legacy systems, incompatible databases and fragmented organizational processes can make analytics implementation difficult.

Bias and explainability

Analytical models can reproduce biases present in historical data. Decisions involving customers, employees or credit therefore require monitoring and human review.

Cost and organizational resistance

Analytics initiatives may require investment in infrastructure, training and change management. Resistance can arise when employees perceive data-driven systems as replacing experience or managerial autonomy.

Merits of Business Analytics and Data-Driven Decision Making

- Improves the speed and quality of managerial decisions.
- Supports evidence-based planning and forecasting.
- Improves customer understanding and personalization.
- Enables more efficient allocation of financial, human and operational resources.
- Strengthens risk identification, fraud detection and compliance monitoring.
- Improves supply-chain visibility and inventory planning.
- Creates opportunities for innovation and new digital business models.
- Supports continuous performance measurement through dashboards and key performance indicators.

Scope of Business Analytics in Contemporary Commerce Research

The scope of business analytics extends across accounting, finance, marketing, human resource management, operations, banking, insurance, retail, e-commerce and entrepreneurship. In accounting research, analytics can support anomaly detection, audit analytics and financial forecasting.

In finance, it can be used for credit risk, portfolio analysis and fraud detection. Marketing researchers can examine customer behaviour, campaign effectiveness and personalization. Retail and e-commerce research can investigate demand forecasting, recommendation systems, pricing, customer journeys and inventory optimization. HR analytics can examine recruitment, workforce planning, employee performance and retention. For commerce researchers, analytics also expands methodological possibilities. Researchers can combine survey data with transaction data, web analytics, text data and secondary datasets. Predictive models can complement traditional descriptive and inferential statistics, while visualization can improve communication of findings. However, researchers should distinguish between correlation and causation and should clearly disclose data sources, assumptions, limitations and model-validation procedures.

Data Analysis and Interpretation

The following dataset is illustrative and is included to demonstrate how a commerce research paper can present quantitative evidence. It is not a primary survey and should not be reported as field-collected data. The percentages represent an illustrative distribution of business analytics applications across five commerce functions:

Analytics Application	Illustrative Share (%)	Rank	Interpretation
Marketing & Customer Analytics	30	1	Highest illustrative application share
Risk & Fraud Analytics	20	2	Strong application in control and compliance
Supply Chain & Operations	20	2	Supports forecasting and operational efficiency
Financial Analytics	18	4	Supports planning, reporting and risk analysis
HR & Talent Analytics	12	5	Growing application in workforce decisions

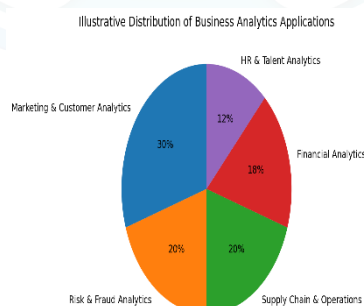


Figure 1. Illustrative distribution of business analytics applications in commerce.

The above distribution suggests that marketing and customer analytics can represent a particularly visible area of business analytics because digital commerce generates extensive behavioural and transaction data. Risk/fraud analytics and supply-chain analytics are also strategically important because they connect analytical insight with financial protection and operational efficiency. The lower illustrative share for HR analytics should not be interpreted as evidence of lower importance; it simply demonstrates how a hypothetical dataset may be presented and interpreted.

Discussion

The evidence reviewed indicates that business analytics is moving from a specialized technical function toward an enterprise-wide decision capability. The expansion of AI, cloud computing and digital platforms is increasing the scale at which analytics can be performed. At the same time, the value of analytics depends on organizational readiness. Technology without reliable data, skilled people and effective governance may produce faster decisions without producing better decisions.

The research literature also points to a strong connection between analytics and e-commerce. Digital platforms provide rich data environments that enable organizations to study customers, optimize operations and improve decision quality. Recent work on predictive analytics in marketing and e-commerce identifies data quality, system integration and ethical issues as implementation obstacles while noting potential gains in customer engagement and performance.

A contemporary commerce research agenda should therefore move beyond the question of whether organizations use analytics and examine how analytics creates value. Future studies can investigate analytics maturity, employee analytical capability, AI explainability, data governance, organizational culture, customer trust and the measurable effect of analytical adoption on business performance.

Opportunities for Future Commerce Research

- Development of analytics maturity models for small and medium-sized enterprises.
- Empirical examination of AI-enabled decision making in Indian retail and e-commerce.
- Study of customer trust and privacy perceptions associated with personalization.
- Integration of sustainability indicators with business analytics and supply-chain research.
- Comparative studies of traditional managerial decisions and AI-assisted decisions.
- Research on analytics skills and employability among commerce graduates.
- Use of explainable AI to improve transparency in financial and marketing decisions.
- Longitudinal studies examining whether analytics adoption produces sustained competitive advantage.

Suggestions

1. Organizations should establish clear data governance policies before scaling analytics projects.
2. Commerce institutions should integrate statistics, data visualization, SQL, spreadsheet analytics and AI literacy into curriculum.
3. Managers should combine analytical outputs with domain knowledge and human judgement.

4. Organizations should invest in continuous training and reskilling because analytical and AI-related skills are rapidly evolving. The World Economic Forum identifies AI and big data, technological literacy and analytical thinking among skills expected to rise strongly in importance.
5. Researchers should report data sources, sampling methods, model assumptions and limitations transparently.
6. Ethical review should be incorporated into analytics projects involving personal, financial or employment data.

Conclusion

Business analytics and data-driven decision making have become important pillars of contemporary commerce. They enable organizations to transform increasingly complex datasets into insights for customer management, forecasting, risk control, financial planning, operations and strategic decision making. The emerging integration of artificial intelligence, machine learning, cloud computing, real-time analytics and generative AI is expanding the capabilities of business analytics. However, challenges involving data quality, privacy, cybersecurity, skills, integration, bias and explainability must be addressed.

For commerce research, the major opportunity lies in combining analytical sophistication with sound research design and managerial relevance. Analytics should not be viewed simply as a technological investment; it is an organizational capability that requires quality data, skilled people, ethical governance and appropriate decision processes. When these elements are integrated, business analytics can support more responsive, efficient and evidence-based commerce in an increasingly digital economy.

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CHAPTER - 22

A STUDY ON PROBLEMS AND CHALLENGES FACED BY WOMEN ENTREPRENEURS IN VILAVANCODE TALUK

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Abstract

Women entrepreneurs play a vital role in economic development by creating employment opportunities and contributing to social progress. However, they encounter several obstacles such as financial constraints, lack of training, limited access to resources, family responsibilities, and societal barriers. This study examines the problems and challenges faced by women entrepreneurs in Vilavancode Taluk and highlights the factors influencing their entrepreneurial journey. The study was conducted using primary and secondary data. The collected data were analyzed using percentage analysis and Garrett's Ranking Technique. Empowering women entrepreneurs will contribute to economic growth, gender equality, and the overall development of the region.

Keywords: *Women Entrepreneurs, Entrepreneurial Challenges, Financial Constraints, Work-Life Balance, Family Support, Marketing Problems, Risk-Taking Ability, Women Empowerment, Small-Scale Business, Vilavancode Taluk.*

Introduction

Women entrepreneurs may be defined as any woman or group of women who start and operate a business. Entrepreneurship empowers women by enhancing their financial independence, decision-making ability, and social status. Despite their growing participation, women entrepreneurs face numerous challenges. Women-owned businesses remain in the minority, and the challenges that women who have embraced entrepreneurship encounter are numerous and sometimes distinct from those faced by their male counterparts. This study focuses on the problems and challenges faced by women entrepreneurs in Vilavancode Taluk and explores measures to support their success and empowerment.

Statement of the Study

Women entrepreneurs contribute significantly to economic growth, yet they encounter numerous obstacles that affect their business performance. Financial limitations, inadequate training, marketing difficulties, and family responsibilities often restrict their progress. This study seeks to examine the major problems and challenges faced by women entrepreneurs in Vilavancode Taluk and their impact.

Scope of the Study

This study attempts to provide an outlook on major problems and challenges faced by women entrepreneurs in Vilavancode Taluk. By comparing and contrasting the experiences of women entrepreneurs with their male counterparts and examining the efficacy of existing support mechanisms, this research aims to find out the unique obstacles faced by women in small scale businesses and propose

recommendations for fostering a more inclusive and supportive entrepreneurial environment pertaining to Vilavancode Taluk.

Objectives of the Study

- To study the demographic factors of the respondents
- To identify the motivational factors to start the business by the respondents
- To study the reasons for the low and slow progress of the respondents in the study area.
- To study the problems faced by the respondents with regard to personal, marketing, and financial matters.

Review of Literature

Suresh Kumar J et al. (2024), in their article “A study on women entrepreneurs in Tamil Nadu: Problem and opportunity,” revealed that women entrepreneurship in Tamil Nadu is a subject of growing interest due to its potential to drive economic growth, promote gender equality, and foster social development. This study explores the challenges and opportunities faced by women entrepreneurs in the region, aiming to provide insights for policymakers, industry stakeholders, and civil society organizations.

Varadaraj Aravamudhan et al. (2024), in their article “Challenges faced by women entrepreneurs: A mixed-method study on perception,” revealed that women entrepreneurs in rural India face a variety of economic, social, familial, and market environments, as well as regulatory challenges. As a result, the primary goal of this study is to identify and discuss the challenges faced by female entrepreneurs in India, with a particular emphasis on rural Rajasthan.

Research Methodology

The research design adopted for the study includes sample design, sample size, data collection, and tools for analysis.

Sample design and size:

Sample design refers to the methodological approach used to select a sample of a larger population for study. It involves carefully planning how to choose individuals or units from the population to ensure the sample is representative and allows for valid generalizations about the entire population. The sample size taken for this study is 50 and they were selected at random by using the convenience sampling method.

Data Collection:

Data collection is the systematic process of gathering and measuring information for analysis, interpretation, and decision-making. The study depends on primary as well as secondary sources.

- a. **Primary Data:** Surveys are used to gather primary data. The sample population is given a questionnaire that is created with the goals and research themes in mind. The questionnaire is then examined further to ensure that the findings are appropriate.

- b. **Secondary Data:** Information that has already been gathered, analyzed, and released by others is referred to as secondary data. This kind of information may be found in previously published research publications.

Statistical tools:

The study employed the following statistical tools to analyze:

Percentage analysis

Percentage analysis involves calculating and interpreting percentages to understand the distribution of data, comparing different groups, or assessing the prevalence of specific characteristics within a sample. It's a common method for presenting findings, comparing results, and reporting metrics like sensitivity, specificity, and predictive values.

Garret's Ranking Technique

Garrett's Ranking Technique was used to rank the challenges and problems faced by the respondents based on personal, financial, and marketing. As per this method, respondents have been asked to assign the rank for all factors, and the outcome of such ranking has been converted into a score value with the help of the following formula:

$$\text{Percent Position} = 100 (R - 0.5) / N$$

where R = Rank given for the factors by respondents

N = Number of factors ranked by a respondent

With the help of Garrett's Table, the estimated percent position is converted into scores. Then for each factor, the scores of each respondent are added, and the total value of scores and mean value of scores are calculated. The factor with the highest mean value is considered to be the most important factor.

Area Profile of Vilavancode Taluk:

Vilavancode Taluk is located in the western part of Kanyakumari District, Tamil Nadu. It is known for its high literacy rate, agricultural activities, small-scale industries, and commercial development. The taluk has a diverse population and provides opportunities for entrepreneurship, making it a suitable area for studying the challenges and growth of women entrepreneurs.

Theoretical Background of Women Entrepreneurs

Women entrepreneurs are individuals who start a firm, arrange and integrate production factors, operate it, take risks, and run with economic uncertainty.

Women Entrepreneurs: Ancient to Modern Period:

Women initially engaged in small household businesses and gradually expanded into various sectors. The twentieth century witnessed significant growth in women's participation in business, especially during the 1990s, when more women entered entrepreneurial activities and created employment opportunities.

Opportunities for women entrepreneurs:

Women entrepreneurs have access to a wide range of business options, based on their location, industry, investment capacity, technical and non-technical talents, and more. The opportunities that are emerging in several areas of trade are as follows.

- Business opportunities in manufacturing, service, and trade sectors.
- Financial opportunities through loans and credit facilities.
- Non-financial support such as mentoring and networking.
- Support from associations and entrepreneurial organizations.
- Government schemes and incentives.
- Assistance from the Consortium of Women Entrepreneurs of India (CWEI).

Problems and challenges faced by women entrepreneurs:

Women entrepreneurs face financial constraints, inadequate training, marketing difficulties, limited access to credit, poor risk-taking ability, societal barriers, and challenges in balancing family responsibilities with business management.

Analysis and Interpretation:

In this study, data were collected from a sample of 50 individual women entrepreneurs in Vilavancode Taluk. The collected data was organized according to predefined criteria, and statistical tools such as percentages, Garret's ranking technique were employed for analysis.

Analysis based on demographic and Business Profile of Respondents:

The analysis reveals that most women entrepreneurs in Vilavancode Taluk are young, unmarried, and possess undergraduate-level education. Most operate unregistered businesses and enter entrepreneurship primarily to achieve financial growth and utilize available resources effectively. Family support emerged as an important factor in encouraging women to start and sustain their enterprises. Table 1 below condenses the demographic insights into one clear view:

Table 1: Analysis based on Demographic factors

Particulars	Major Findings	Percentage of Respondents
Gender	Female respondents	100%
Marital Status	Unmarried	64%
Age Group	15–25 years	72%
Educational Qualification	Undergraduate	62%
Business Status	Unregistered businesses	84%
Source of Business Funds	Savings & Family support	58%
Reason for Business Idea	Utilization of idle funds	38%
Family Support	Full support from family	54%
Annual Turnover	Below ₹50,000	76%
Source: Primary Data		

Problems faced by respondents:

The mean value of score and score ranks are calculated in Table 2. The Garrett Ranking Analysis reveals that poor risk-taking ability, inadequate market center, and high interest rates are the most significant

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personal, marketing, and financial problems respectively faced by women entrepreneurs in Vilavancode Taluk. These findings indicate the need for entrepreneurial training, better market support systems, and easier access to affordable finance.

Table 2: Mean value of score and Rank

Personal Problems	Respondents Garrett's Score										Total	Mean	Rank
	1	2	3	4	5	6	7	8	9	10			
Poor risk-taking ability	105	900	693	57	156	47	84	108	29	17	3229	64.58	1
Heavy work schedule	121	420	315	285	208	376	210	108	58	17	3212	64.24	2
Marketing Problems	Respondents Garrett's Score										Total	Mean	Rank
	1	2	3	4	5	6	7	8					
Inadequate market center	803	680	472	159	564	280	128	20			3106	62.12	1
Marketing training	949	476	472	424	282	80	96	60			3039	60.78	2
Financial Problems	Respondents Garrett's Score										Total	Mean	Rank
	1	2	3	4	5	6	7	8					
High-rate interest	1387	680	295	212	94	160	96	60			2957	59.14	1
High credit seeking	511	1156	472	106	329	160	64	60			2858	57.16	2
Source: Computed Data													

Findings of the Study:

The findings indicate that women entrepreneurs in Vilavancode Taluk are motivated and educated, but their business growth is hindered by financial limitations, inadequate market support, insufficient training, and personal constraints such as low risk-taking ability and work–family imbalance. Strengthening institutional support and providing easier access to finance and training can significantly enhance their entrepreneurial success.

Conclusion of the Study:

Women entrepreneurs and their contributions to the national economy are becoming increasingly visible in India. All sectors of society should work together to increase women's economic participation. Women entrepreneurs must be properly molded with entrepreneurial traits and skills to survive in the local economy while meeting changing global market trends and challenges.

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CHAPTER - 23

ENTREPRENEURSHIP AND INNOVATION

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Abstract

Entrepreneurship and innovation are recognized as two complementary forces that drive economic development, organizational renewal, and societal change. In this chapter, the concepts of entrepreneurship and innovation, processes by which they influence each other, and implications of this influence both in theory and practice will be addressed. Relying on the existing entrepreneurship literature and knowledge about innovation management, the chapter will address such issues as entrepreneurial process, forms of innovations, opportunity identification, and conditions for facilitating or limiting entrepreneurial innovations. Current tendencies such as digital entrepreneurship, open innovation, and sustainable entrepreneurship will also be reviewed, followed by implications for future research and practice. The chapter is designed to provide a brief yet comprehensive overview of entrepreneurship–innovation relationship for social science scholars.

Keywords: Business Model Innovation, Venture Creation, Entrepreneurship, Innovation, Opportunity Recognition.

Introduction

Because of their proven impact on economic growth, job creation, and competitive advantage, entrepreneurship and innovation hold a prominent position in modern social scientific research. Despite the fact that the two terms are commonly used synonymously in public discourse, they refer to different but closely related occurrences. The process of finding, assessing, and seizing chances to develop new goods, services, businesses, or markets—usually in the face of uncertainty and resource constraints—is referred to as entrepreneurship. In contrast, innovation is the process of converting novel concepts into outcomes that add value, whether through new business models, organizational structures, products, or processes. Innovation and entrepreneurship have a mutually beneficial relationship in which entrepreneurship offers the organizational and behavioral framework for bringing inventions to market, while innovation often supplies the substantive content of entrepreneurial action. The conceptual underpinnings of both disciplines are reviewed in this chapter, along with their intersections and important theoretical and practical issues for social science researchers.

Conceptualizing Entrepreneurship

In economics, management, sociology, and psychology, entrepreneurship has been conceptualized in a variety of ways. The entrepreneur is portrayed in classical economic perspectives, particularly those connected to Schumpeter, as an agent of "creative destruction" who upsets established market equilibria by introducing novel resource combinations. The human and organizational processes involved in opportunity detection, resource assembling, and venture development were the focus of later behavioral and cognitive perspectives.

According to current research, entrepreneurship is a process that involves a number of interconnected steps, including idea generation, opportunity recognition and assessment, resource mobilization, venture creation, and growth or scaling. Effectuation and lean start-up approaches to venture development are examples of how entrepreneurs often iterate between stages as new information becomes available; this process is rarely linear.

Being an entrepreneur is not a single, uniform activity. Based on the entrepreneur's growth aspirations, organizational context, and value-creation goals, researchers frequently differentiate between a number of categories. Owner-operated businesses that mostly cater to local markets and produce consistent, modest returns are referred to as small business entrepreneurship. Scalable start-up entrepreneurship refers to businesses that are purposefully built on high-growth, repeatable business models and are frequently backed by outside risk capital. In order to update capacities and penetrate new markets, corporate entrepreneurship, also known as intrapreneurship, entails innovative activities carried out within already-existing firms. In contrast, social entrepreneurship places a higher priority on creating social or environmental value in addition to, or even before, financial gain. These differences are summed up in Figure 1.

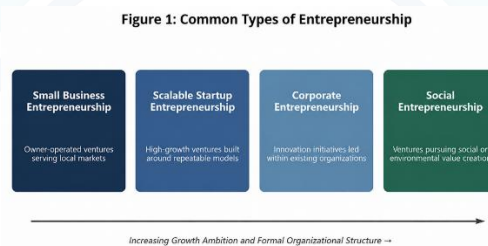


Figure 1: Common Types of Entrepreneurship distinguished by growth ambition and organizational context.

Conceptualizing Innovation

The effective introduction of a novel or greatly enhanced product, procedure, marketing strategy, or organizational practice is a popular definition of innovation. Product innovation, process innovation, marketing innovation, organizational innovation, and, more recently, business model innovation is some of the categories that innovation experts usually differentiate between. Each kind has unique effects on how value is produced and captured inside a business.

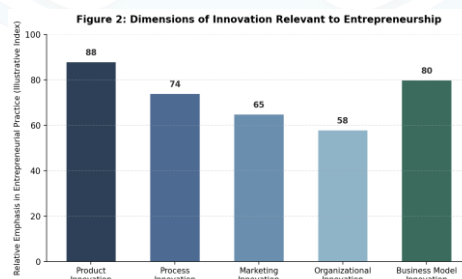


Figure 2: Dimensions of innovation relevant to entrepreneurship (illustrative overview).

Depending on the level of originality and the degree to which it upends current markets, technologies, or capacities, innovation can also be categorized along a continuum from incremental to radical. Since radical breakthroughs usually necessitate the development of new organizational

structures and market channels rather than the modification of pre-existing ones, they are generally strongly linked to entrepreneurial activity.

The Entrepreneurship-Innovation Nexus

Innovation and entrepreneurship can be seen to be interconnected in the sense that they involve a cyclical process where ideas are conceived, opportunities identified, innovations made, ventures established and the impact diffuses back to influence the next cycle of ideas conception. Figure 3 below shows this cyclical connection between innovation and entrepreneurship.

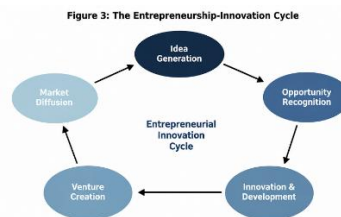


Figure 3: The entrepreneurship-innovation cycle, illustrating the iterative relationship between idea generation, opportunity recognition, innovation, venture creation, and market diffusion.

It is essential to note that this cycle makes another critical point about innovation and entrepreneurship: the former without the latter cannot reach the market, and the latter without the former might just imitate whatever already exists. A well-functioning entrepreneurial system is one where there is a good connection between the ability to innovate (such as research institutions and facilities, technology, and skilled labor), and the ability to engage in entrepreneurial ventures.

Institutional and Environmental Enablers

The institution-based approach underscores the influence of formal and informal institutions on entrepreneurship and innovation. The formal institutions are those of intellectual property laws, finance, and regulations that pertain to the process of starting up businesses, whereas informal institutions consist of cultural attitudes towards failure and risk taking. It has been noted that entrepreneurial innovativeness is highest in settings where both the formal institutions and the culture allow for experimentation and failure.

The following are important environmental facilitators that are frequently mentioned in the literature:

- Availability of risk capital, such as governmental funding programs, angel investments, and venture capital.
- Encouraging legal and regulatory frameworks that shorten the time and expense of starting a business.
- The availability of information transfer from academic institutions and research centers as well as qualified human capital.
- Cultural norms that encourage exploration and accept failure.

Barriers to Entrepreneurial Innovation

Entrepreneurial innovation is sometimes limited by a variety of structural and practical obstacles, despite its potential advantages. One of the most frequently mentioned challenges is still limited access

to financing, especially for early-stage businesses that don't have the collateral or track record to obtain traditional bank loans. In a similar vein, regulatory and administrative obstacles, such as drawn-out business registration processes and compliance expenses, might deter potential entrepreneurs or impede the speed at which innovations are introduced to the market.

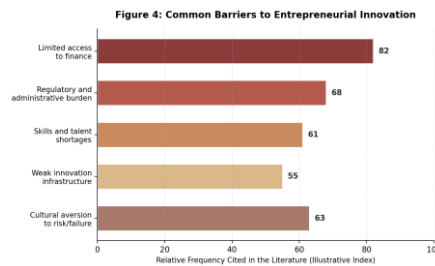


Figure 4: Common barriers to entrepreneurial innovation frequently identified in the literature.

In addition to financial and regulatory limitations, entrepreneurial innovation is also hampered by a lack of qualified personnel, inadequate innovation infrastructure, such as testing and research facilities, and cultural attitudes that stigmatize failure, especially in emerging and transitional economies. Instead of focusing on a single obstacle, addressing these hurdles usually necessitates coordinated effort across several parties, including financial institutions, government agencies, academic institutions, and industry associations.

Contemporary Trends

The relationship between innovation and entrepreneurship is changing due to a number of current trends. Digital entrepreneurship makes use of digital platforms and technologies to enable new kinds of value creation, like platform-based and data-driven business models, and to reduce obstacles to venture formation. Instead than depending only on internal research and development, open innovation models encourage firms to consult other sources of knowledge, such as suppliers, customers, and competitors. As stakeholder expectations for corporate responsibility rise, sustainable and social entrepreneurship increasingly combines social and environmental goals with the development of economic value.

Implications for Research and Practice

For social scientists, the linkage between entrepreneurship and innovation provides fertile ground for future research that can include comparisons of entrepreneurship environments, longitudinal analysis of innovation dissemination, and cultural analysis of institutions' impact on entrepreneurship. From the perspective of practitioners and policy makers, the discussion stresses the need to develop policies that promote innovation and entrepreneurship together, not separately.

Conclusion

Entrepreneurship and innovation complement each other and help create economic and social value. It is crucial to take into account both the behavioral and contextual aspects of entrepreneurship and innovation as one have to understand their mutual dynamics. With the advent of digital technology, open innovation approaches and sustainability concerns shaping the economy globally, entrepreneurship and innovation will be the topic of social scientists' research interest.

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CHAPTER - 24

MARKETING MIX

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Abstract

The marketing mix is one of the most important concepts in marketing management. It refers to the combination of marketing tools used by organizations to satisfy customer needs and achieve business objectives. Traditionally, the marketing mix consisted of the 4Ps: Product, Price, Place, and Promotion. With the growth of service industries, digital technology, globalization, and changing customer expectations, the concept has expanded into the modern 7Ps framework, which includes People, Process, and Physical Evidence. The updated marketing mix focuses on customer satisfaction, relationship marketing, digital marketing, sustainability, and innovation. This chapter explains the meaning, evolution, components, importance, advantages, limitations, and modern trends of the updated marketing mix in simple, easy-to-understand language.

Keywords: Marketing Mix, Product, Price, Place, Promotion.

Introduction

Marketing is one of the most important functions of business. In today's modern business world, companies must understand customer needs and provide products and services effectively. Marketing helps organizations create value for customers and build long-term relationships.

The concept of **Marketing Mix** is the foundation of marketing management. Traditionally, the marketing mix consisted of the **4Ps**:

1. Product
2. Price
3. Place
4. Promotion

Due to technological development, digital marketing, globalization, and service industries, the marketing mix has expanded into the **7Ps**, and modern marketers now include customer experience, personalization, and digital strategies.

Meaning of Marketing Mix

Marketing mix refers to the combination of marketing tools and strategies used by a company to satisfy customers and achieve business objectives.

According to Philip Kotler:

“Marketing mix is the set of controllable marketing variables that the firm blends to produce the response it wants in the target market.”

The marketing mix helps businesses:

- Understand customer needs
- Create customer value
- Increase sales and profits
- Build strong customer relationships

Evolution of Marketing Mix

Product-centered	Customer-centered
Focus on selling	Focus on customer experience
Offline marketing	Digital and online marketing
Limited communication	Interactive communication
Mass marketing	Personalized marketing

Modern marketing emphasizes:

- Customer satisfaction
- Relationship marketing
- Digital platforms
- Sustainability
- Social media engagement

Components of Modern Marketing Mix (7Ps)

1. Product

Meaning

A product is anything offered to customers to satisfy their needs and wants. It may be: Goods, Services, Ideas, Experiences

Examples: Smartphones, Streaming services, Online courses

Modern Product Strategies

1. Product innovation
2. Eco-friendly products
3. Customized products
4. Smart products using AI and technology

Importance of Product

1. Creates customer satisfaction
2. Builds brand image
3. Increases market demand

Product Decisions

1. Branding
2. Packaging
3. Labeling
4. Quality
5. Product design
6. Product life cycle

2. Price

Meaning

Price is the amount customers pay to obtain a product or service.

Importance of Pricing

1. Determines profit
2. Influences customer purchase decisions
3. Helps competition

Modern Pricing Strategies

1. Dynamic pricing
2. Subscription pricing
3. Freemium pricing
4. Psychological pricing
5. Discount pricing

Factors Affecting Price

1. Cost of production
2. Customer demand
3. Competition
4. Government policies
5. Economic conditions

Importance of Modern Pricing

Modern businesses use technology and data analytics to set suitable prices according to customer behavior and market demand.

3. Place

Meaning

Place refers to distribution channels through which products reach customers.

Traditional Distribution

Producer → Wholesaler → Retailer → Consumer

Modern Distribution Channels

1. E-commerce platforms
2. Mobile applications
3. Online marketplaces
4. Social commerce
5. Direct-to-consumer channels

Importance of Place

1. Ensures product availability
2. Improves customer convenience
3. Expands market coverage

Examples: Amazon, Flipkart, Company websites

4. Promotion

Meaning

Promotion means communicating product information to customers and persuading them to buy.

Traditional Promotional Tools

1. Advertising
2. Personal selling
3. Public relations
4. Sales promotion

Digital Promotion Platforms

1. Instagram
2. YouTube
3. Facebook
4. LinkedIn

Modern Promotional Methods

1. Social media marketing
2. Influencer marketing
3. Email marketing
4. Content marketing
5. Search engine marketing
6. Video marketing

Importance of Promotion

1. Creates brand awareness
2. Attracts customers
3. Increases sales
4. Builds customer loyalty

5. People

Meaning

People refer to employees, customers, and all individuals involved in service delivery.

Importance of People

1. Employees influence customer satisfaction.
2. Friendly service improves customer loyalty.
3. Skilled employees improve the company's image

Modern Trends

1. Customer relationship management
2. Employee training
3. Customer engagement

6. Process

Meaning

Process refers to the procedures and systems used in delivering products and services.

Examples: Online payment systems , Order tracking, Customer support systems

Importance of Process

1. Improves efficiency
2. Reduces waiting time
3. Enhances customer experience

Modern Process Innovations

1. Automation
2. Artificial Intelligence
3. Chatbots
4. Digital payment systems

7. Physical Evidence

Meaning

Physical evidence refers to the physical environment and visible elements related to the service.

Examples: Store layout, Website design, Employee uniforms, Packaging

Importance

1. Creates a positive impression
2. Builds trust
3. Improves customer experience

Emerging Concepts in Modern Marketing Mix

1. Customer Experience

Modern businesses focus on creating memorable experiences for customers.

Examples- Personalized recommendations, Quick customer support, Easy online shopping

2. Digital Marketing

Use of internet and digital platforms for marketing activities.

Benefits: Global reach, Low cost, Fast communication

3. Relationship Marketing

Focuses on maintaining long-term relationships with customers rather than only increasing sales.

4. Green Marketing

Promotion of environmentally friendly products and sustainable practices.

Examples- Recyclable packaging, Eco-friendly products,

5. Personalization

Companies provide customized products and advertisements based on customer preferences.

Importance of Modern Marketing Mix

1. Helps satisfy changing customer needs
2. Supports digital business growth
3. Improves customer relationships
4. Enhances competitive advantage
5. Increases profitability
6. Encourages innovation
7. Supports global marketing

Advantages of Modern Marketing Mix

1. Better customer engagement
2. Improved communication
3. Increased brand loyalty
4. Wider market reach
5. Better use of technology
6. Faster customer response
7. More effective decision-making

Limitations of Modern Marketing Mix

1. Rapid market changes
2. High competition
3. Technology dependence
4. Cybersecurity risks
5. High digital marketing costs
6. Difficult to predict customer behavior

Conclusion

The marketing mix has evolved from the traditional 4Ps to the modern 7Ps to meet changing business environments and customer expectations. Today's businesses must focus not only on products and sales but also on customer experience, digital technology, relationship management, and sustainability.

An updated marketing mix helps organizations attract customers, improve satisfaction, build brand loyalty, and achieve long-term business success in a highly competitive global market.

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CHAPTER - 25

BUILDING DIGITAL TRUST: SAFETY EDUCATION, CYBER RISK MANAGEMENT AND FRAUD DETECTION

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Abstract

The rapid growth of digital platforms has transformed communication, education, shopping, banking and payments. Alongside these benefits, cyber threats, privacy concerns, data breaches and online fraud can reduce confidence in digital systems. This study examines digital trust through three connected areas: safety education, cyber risk management and fraud detection. Primary data were collected through a structured questionnaire from respondents in the Hunsur/Mysuru study area, using convenience sampling, and secondary information was drawn from journals, reports, websites and other academic publications. The findings show that 95% of respondents use digital platforms, 70% are aware of phishing and hacking, 60% always use strong passwords, 70% always check links or emails before clicking, and 90% use multi-factor authentication. However, only 40% reported using antivirus software and only 40% regularly checked transaction history. Sixty percent trusted digital payment systems, while 30% were unsure. The study suggests strengthening practical digital-safety education, cyber risk management, privacy protection and real-time fraud detection to improve confidence and safer participation in digital services.

Keywords: *Digital trust; safety education; cyber risk management; fraud detection; cybersecurity; online fraud; digital payments; digital literacy.*

Introduction

Digital trust is the confidence users place in the safety, privacy and reliability of digital systems. Mobile banking, e-commerce, online education and digital payments are now part of everyday life, making trust essential for continued use. The project identifies safety education, cyber risk management and fraud detection as complementary foundations of digital trust.

Background of the Study

The project identifies lack of safety awareness, cybersecurity risks, online scams, privacy concerns, the digital divide, misinformation and weak trust as major social issues. Users may be exposed to phishing, malware, identity theft and unsafe links when they lack knowledge of secure practices. Organizations also face vulnerabilities as digital systems become more complex. Effective security therefore requires both informed users and responsible organizations.

Objectives of the Study

- To assess the level of digital safety awareness and security practices among digital-platform users.
- To examine the major cyber risks, online fraud experiences and fraud-prevention practices affecting digital trust.

- To suggest measures for strengthening digital trust through safety education, cyber risk management, privacy protection and fraud detection.

Research Methodology

The study uses both primary and secondary information. Primary data were collected using a structured questionnaire and supporting interactions with digital-platform users. The project identifies students, working professionals, business owners, experts and service providers as the intended respondent groups. The study area was restricted to Hunsur/Mysuru because of cost, time and effort considerations, and convenience sampling was adopted.

The final analysis is based on respondents. Secondary information was obtained from journals, reports, search engines, websites and other academic publications. The analysis is descriptive and presents frequencies and percentages reported in the student project.

Scope of the Study

The study focuses on general understanding of digital trust and the relationship among safety education, cyber risk management and fraud detection. It considers common digital threats, user security practices, privacy and trust in digital payments. It does not attempt technical testing of cybersecurity systems or detailed assessment of advanced enterprise security.

Major Social Issues

Issue	Core concern
Digital safety awareness	Limited knowledge can increase exposure to cyber threats.
Cybersecurity risks	Weak passwords, insecure networks and poor practices can cause losses.
Online fraud	Scams and unauthorized transactions reduce confidence.
Privacy	Uncertainty about collection and use of personal data can reduce trust.
Digital divide	Unequal access to digital tools and literacy affects safe participation.
Misinformation	Fake content can mislead users and damage confidence.

Selected Literature Insights

Source reported in project	Main insight
Frank Cremer et al. (2022)	Cybercrime growth increases the importance of cyber risk management; accurate data and frameworks remain important.
Kami Vaniea	Safety education can improve understanding of phishing, hacking and identity theft and encourage safer behaviour.
Elham Tabassi	Transparency, privacy protection and secure digital identities support digital trust.
Kevin Soo Hoo	Fraud detection and monitoring technologies can identify suspicious transactions and help prevent financial fraud.

Steven Furnell	Awareness and training can reduce user vulnerability and promote safer online practices.
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The literature summary in the source project supports an integrated view of digital trust. Technical controls alone are insufficient when users do not recognize threats, while awareness alone cannot protect systems without effective organizational controls. Privacy, secure identity, risk management and fraud detection therefore need to operate together.

Data Analysis

The results below consolidate the ten questions reported in the original student project.

No.	Survey question / indicator	Result
1	Use of digital platforms	95% Yes; 5% No
2	Feeling safe	15% Very safe; 40% Safe; 35% Neutral; 10% Unsafe/Very unsafe
3	Awareness of phishing/hacking	70% Yes; 15% No; 15% Not sure
4	Strong passwords	60% Always; 40% Sometimes
5	Checking links/emails	70% Always; 20% Sometimes; 10% Never

Digital-platform use is very high among the respondents. Most respondents know about common cyber threats and report positive practices such as checking links and using strong passwords. Nevertheless, some users apply these practices only sometimes, showing a continuing need for practical awareness programmes.

Data Analysis and Interpretation

No.	Survey question / indicator	Result
6	Antivirus software	40% Yes; 35% No; 25% Not sure
7	Multi-factor authentication	90% Yes; 10% No
8	Experienced online fraud	40% Yes; 60% No
9	Checking transaction history	40% Regularly; 55% Sometimes; 5% Never
10	Trust in digital payments	60% Yes; 10% No; 30% Not sure

Findings And Discussion

The results show a mixed but generally positive level of digital-security behaviour. Multi-factor authentication has the highest reported adoption at 90%, indicating that respondents commonly use OTP, fingerprint or similar controls. Awareness of phishing and hacking is also relatively high at 70%. However, antivirus use is much lower, with 35% not using it and 25% unsure whether it is installed or active.

Fraud experience remains significant: 40% of respondents reported having experienced online fraud. Transaction monitoring is also inconsistent because only 40% regularly check transaction history, while 55% do so sometimes. This is important because early recognition of unauthorized activity can support faster action.

Trust in digital payment systems stands at 60%, but 30% are unsure. This suggests that adoption of security measures does not automatically create complete confidence. Users may need clearer information, stronger privacy assurance and visible fraud-prevention mechanisms.

Key Findings

- Digital services are widely used by the respondents.
- Awareness of common cyber threats is substantial but not universal.
- Multi-factor authentication is widely adopted.
- Password, link-checking, antivirus and transaction-monitoring practices are not equally consistent.
- Online fraud experience remains a notable concern.
- Trust in digital payments is positive overall, but uncertainty remains.

Suggestions To Overcome the Identified Issues

First, digital safety education should be strengthened through awareness programmes, workshops and practical demonstrations. Users should learn to identify phishing, suspicious links, identity-theft attempts and unsafe requests for personal information. Strong passwords, secure browsing and responsible sharing of personal data should be part of routine digital-literacy training.

Second, organizations should strengthen cyber risk management through multi-factor authentication, regular software updates, secure networks, encryption and periodic risk assessment. Clear cybersecurity policies and employee training can reduce vulnerabilities and protect sensitive information.

Third, fraud detection should use appropriate monitoring, transaction verification and timely alerts. Artificial intelligence and machine learning can support identification of unusual patterns, while secure payment gateways and access controls can reduce unauthorized transactions.

Fourth, privacy should be treated as a core part of digital trust. Transparent privacy policies and responsible data-management practices can reassure users about how information is collected, stored and used. Digital literacy and affordable access should also be promoted among underserved communities.

Finally, governments, businesses and educational institutions should cooperate on cybersecurity awareness, responsible digital behaviour, regulations and fraud-prevention initiatives.

Practical Framework

Area	Action	Expected contribution
Safety education	Training, workshops and awareness campaigns	Safer user behaviour
Cyber risk management	MFA, encryption, updates and risk assessment	Reduced vulnerabilities
Fraud detection	Monitoring, alerts and verification	Earlier fraud identification
Privacy	Transparent policies and responsible data use	Greater confidence
Digital inclusion	Literacy and access initiatives	Safer participation
Collaboration	Government–business–education cooperation	Stronger prevention

Discussion

The survey and literature summary indicate that digital trust is both a social and technological issue. Users need knowledge and confidence, while organizations need effective controls and responsive fraud prevention. The findings therefore support an integrated approach in which safety education, risk management, privacy protection and fraud detection reinforce one another.

Conclusion

Building digital trust is essential as communication, commerce and financial services increasingly depend on digital systems. The study shows that safety education, cyber risk management and fraud detection are closely connected. Among the respondents, digital-platform use is high, awareness of common threats is substantial, and multi-factor authentication is widely used. At the same time, inconsistent antivirus use, transaction monitoring, password practices and uncertainty about digital-payment trust indicate areas requiring improvement.

The study concludes that trust can be strengthened through continuous digital-safety education, stronger organizational security, transparent privacy practices and timely fraud detection. A coordinated effort by users, businesses, educational institutions and government can create a safer and more reliable digital environment.

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CHAPTER – 26

CYBERBULLYING AND ONLINE HARASSMENT AMONG YOUTH

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Abstract

The widespread adoption of internet and social media platforms has established digital communication as a fundamental aspect of young people's daily lives. While offering numerous advantages, this connectivity has simultaneously heightened vulnerability to cyberbullying and online harassment. This report investigates the characteristics, underlying causes, consequences, and mitigation strategies concerning these social challenges affecting adolescents. Common manifestations examined include offensive messages, trolling, intimidation, dissemination of false information, identity theft, and social ostracism within digital communities. The research underscores the psychological, social, educational, and reputational repercussions experienced by targets. Additionally, it highlights the critical roles of digital competency, privacy consciousness, ethical online interaction, and accessible reporting systems. The report concludes that fostering a secure digital landscape demands collaborative efforts involving students, families, academic institutions, technology companies, and regulatory authorities.

Keywords: Cyberbullying, Online Harassment, Youth, Digital Literacy, Social Media, Mental Health.

Introduction

India's digital evolution has fundamentally reshaped various sectors including education, commerce, governance, and interpersonal connections. "India is a force to be reckoned with in the digital economy of the world, with over 850 million internet users in 2025." However, these advancements have been accompanied by a disturbing surge in cyberbullying and online stalking, offences occurring "at a scale and persistence inconceivable before the advent of smartphones and social media." Victims frequently endure psychological distress, fear, and permanent damage to their reputation, often with minimal legal recourse available.

Unlike conventional forms of harassment, cyberbullying exploits the anonymity, viral nature, and permanence inherent to internet-based networks, rendering abuse relentless and sometimes inescapable. "Online harassment, by its nature, defies geography, time, and community boundaries, making it difficult to regulate and enforce." Given the absence of specific legislation in India addressing these issues, offenders frequently operate with considerable impunity.

In today's digitally connected world, the internet occupies a central position in youth culture. Students utilize digital platforms for various purposes including communication, education, entertainment, gaming, and personal expression. Social media channels enable young people to build connections and develop identities, yet simultaneously introduce risks such as peer pressure, public scrutiny, social comparison, and victimization. Cyberbullying constitutes the deliberate and recurring

application of digital technologies to intimidate, threaten, embarrass, or degrade another individual. Online harassment encompasses a wider spectrum of abusive or detrimental online conduct, irrespective of whether it occurs repeatedly.

Young people are particularly susceptible due to their extensive time spent online, strong susceptibility to peer validation, and often inadequate understanding of digital safety protocols, privacy protection, and relevant cyber legislation. With over 5 billion global internet users, the digital realm has transcended its role as a mere tool to become an integral component of social existence for young individuals. This reality underscores the pressing need to comprehensively examine the issue of cyberbullying.

Background of the Study

The emergence of cyberbullying as a social concern is intrinsically connected to the digital transformation occurring within contemporary society. As internet accessibility expands, particularly amongst younger demographics, the dangers linked to online interactions have correspondingly intensified. Adolescents and students rank among the most frequent users of digital platforms, rendering them especially susceptible to cyberbullying incidents. Many lack adequate knowledge regarding online safety, privacy considerations, and the enduring consequences of their digital activities. In developing nations such as India, cyberbullying has become increasingly widespread due to rapid internet proliferation.

The expansion of internet and social media usage has made digital communication integral to young people's lives. Nevertheless, this heightened online engagement has simultaneously generated additional opportunities for cyberbullying and online harassment. Young individuals remain particularly vulnerable due to substantial online presence and insufficient awareness of digital safety and privacy measures. Cyberbullying can manifest through offensive messages, threats, rumours, impersonation, and social exclusion from online groups. Such behaviours can adversely impact young people's emotional welfare, interpersonal connections, academic achievement, and personal reputation. Consequently, fostering awareness about responsible digital conduct and online safety is crucial for cultivating a more secure digital environment.

Objectives

- To investigate cyberbullying and online harassment amongst youth
- To comprehend the concept and character of cyberbullying and online harassment
- To recognize prevalent forms of online abuse encountered by young people

Need

This research is necessitated by the dramatic escalation in internet and social media adoption, particularly amongst students and young individuals, which has exacerbated the emerging problem of cyberbullying and online harassment. Numerous young users remain unaware of the severe implications of such conduct and the protective measures available to them. Cyberbullying can detrimentally affect emotional wellness, scholastic performance, and social connections, while frequently going unreported. Consequently, it is essential to comprehend its causes, effects, and preventative strategies, while simultaneously promoting awareness about digital safety, privacy, and ethical online behaviour. This

study seeks to underscore the gravity of cyberbullying and support preventive initiatives involving students, schools, colleges, families, and policymakers in fostering a more secure and respectful digital environment.

Significance

This research holds considerable importance as it addresses the critical issue of cyberbullying and online harassment within today's digital landscape. It facilitates understanding of such behaviour's impact on individuals, particularly students, by concentrating on their mental, emotional, and social welfare. The study additionally serves a vital function in disseminating awareness regarding the repercussions of online harassment and the value of responsible internet usage. Furthermore, it offers meaningful perspectives on preventative approaches and safety protocols that can shield users from victimization. Overall, this research contributes towards establishing a safer and more respectful online ecosystem for society.

Identification

The central challenge identified in this project is that growing dependence on digital communication amongst youth has fostered an environment where cyberbullying and online harassment occur with greater frequency and often without prompt accountability.

- Emotional and Mental Health Concerns
- Academic and Occupational Impact
- Social Withdrawal
- Reputational Harm
- Physical Health Consequences
- Risk of Self-Harm

Review Of Literature

- Hinduja and Patchin (2008): These researchers investigated elements associated with cyberbullying amongst adolescents. Their findings indicated that online activities and prior bullying experiences correlated with both cyberbullying victimization and perpetration. The research emphasized the necessity of awareness and prevention initiatives targeting young populations.
- Patchin and Hinduja (2010): This study examined the connection between cyberbullying and self-esteem among middle-school students. Their research revealed that youth engaged in cyberbullying typically demonstrated lower self-esteem. The authors advocated for enhanced school-based cyberbullying prevention programmes.
- Kowalski et al. (2014): This comprehensive review examined cyberbullying research among youth. The authors determined that cyberbullying is shaped by multiple individual and social factors and can produce detrimental outcomes for young individuals. The study underscored the significance of effective prevention and intervention strategies.
- Kwan et al. (2020): This systematic review explored cyberbullying's relationship with youth mental health. The researchers concluded that cyberbullying constitutes a significant concern for young people's psychological well-being and recommended additional investigation and evidence-based interventions.

- Zhu et al. (2021): This global review of cyberbullying among children and adolescents identified family, peer, school, individual, and online factors as potential contributors. The study recommended collaborative approaches involving parents, educational institutions, and communities.

Findings

- Cyberbullying and online harassment have grown increasingly prominent over the preceding five years
- Youth represent the most susceptible demographic due to extensive online engagement and peer dependency
- Approximately 46% of teenagers have encountered at least one cyberbullying form
- Intensive internet usage substantially elevates the risk of online harassment
- Platforms including Instagram, TikTok, Snapchat, WhatsApp, and gaming environments pose the greatest exposure risk
- Cyberbullying negatively impacts emotional, social, academic, and behavioural welfare
- Numerous cases remain unreported owing to fear, embarrassment, or normalization of abusive behaviour
- Cyberbullying correlates strongly with broader youth mental health issues such as anxiety and depression
- Online harassment frequently becomes normalized as humour or memes despite causing genuine harm
- Awareness regarding cyber legislation and digital rights remains limited among numerous students

Suggestions

For Students and Parents - Exercise caution before posting or sharing content online. Employ privacy settings judiciously to regulate profile visibility. Block and report abusive users promptly without hesitation. Establish a home atmosphere where children feel comfortable reporting online concerns

For Schools and Colleges - Conduct regular cyber safety workshops and awareness initiatives. Develop explicit anti-cyberbullying policies and anonymous reporting mechanisms. Offer emotional support and counselling access for victims. Implement youth-oriented safety features including safer messaging defaults

For Policymakers - Strengthen and enforce cyber laws addressing online harassment. Allocate funding for research and public awareness campaigns on youth digital well-being. Mandate digital literacy education within national school curricular.

Conclusion

Cyberbullying and online harassment affecting youth have emerged as significant challenges within the digital age. As online interaction becomes increasingly integral to student life, risks of humiliation, exclusion, rumour dissemination, and emotional damage likewise intensify. This research demonstrates that cyberbullying constitutes not a minor online concern but rather a major youth welfare issue. Approximately half of all teenagers have encountered some type of online abuse. The repercussions span emotional health, psychological well-being, social relationships, and academic

achievement. Preventative measures through awareness, empathy, digital competency, emotional support, and responsible platform utilization prove essential for establishing a more secure digital environment for young individuals. A collaborative approach involving students, parents, educators, platforms, and policymakers represents the only viable path forward. Ultimately, the internet should serve as a space empowering youth for learning, creativity, and connection rather than one compromising their confidence, health, and future prospects.

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CHAPTER - 27

ISSUES AND CHALLENGES OF SOCIAL MEDIA

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Abstract

Social networking platforms have changed the way people communicate, learn, obtain news and participate in communities. Along with these opportunities, however, they have introduced concerns related to unreliable information, personal-data protection, online abuse, excessive screen engagement, psychological wellbeing and interruption of academic activities. This paper reviews these concerns with particular attention to young users and educational settings. It also considers the constructive uses of social media for collaboration, learning resources, creativity and public awareness. The discussion suggests that the effects of social media are shaped by the purpose, intensity and context of use. Digital-literacy training, privacy awareness, supportive guidance from parents and teachers, responsible platform practices and suitable institutional policies can help users obtain the advantages of social media while limiting avoidable harm.

Keywords: *Social networking; misinformation; privacy; cyberbullying; digital wellbeing; youth; education; online safety.*

Introduction

Social media can be understood as a group of internet-enabled communication environments in which users create, distribute and respond to content. Its development has changed the traditional distinction between media producers and audiences. A person using a social platform can simultaneously receive information, publish material, comment on other users' posts and participate in communities. This interactive structure has made communication faster and more accessible across geographical boundaries. The growth of broadband connectivity and multimedia services has further increased the reach of social platforms. Written messages, photographs, recordings and videos can now be circulated almost immediately. These developments have benefited education, networking and public communication, but they have also created new forms of risk. The quality of information, protection of personal data, online conduct, psychological wellbeing and the management of screen time are therefore important areas for study.

Objectives

1. To examine the principal social, psychological and ethical difficulties connected with social-media use.
2. To study the problem of inaccurate and deliberately misleading information online.
3. To assess major concerns affecting young people and students.
4. To discuss privacy, cyberbullying and excessive engagement as contemporary social-media challenges.
5. To identify measures that can encourage safer and more productive use of digital platforms.

Literature Review

1. A Scoping Review of Social Media in Children, Adolescents and Young Adults: examines psychological wellbeing and several adverse outcomes in younger populations.
2. Advances in Social Media Research: Past, Present and Future: reviews a broad body of social-media research and identifies themes, limitations and future directions.
3. Biopsychosocial Impacts of Social Media – A Systematic Review of Adverse Dimensions (2026): examines adverse dimensions such as mental wellbeing, cyberbullying, disinformation and digital literacy.
4. Cyberbullying on Social Media: Definitions, Prevalence, and Impact Challenges (2024): reviews research on cyberbullying, prevalence, effects and research gaps.
5. Drivers of Social Media Fatigue: A Systematic Review: examines factors associated with fatigue and problematic experiences of social-media use.
6. Ethics and Privacy in Social Media Research for Mental Health: considers consent, privacy, data protection and ethical research practice.
7. Social Media and Information Technology: Issues and Challenges: focuses on privacy, security, misinformation and wider social concerns.
8. Social Media Use and Adolescents' Mental Health and Well-being: An Umbrella Review (2024): synthesises evidence concerning adolescent mental health, platform-related risks and possible mitigation.
9. The Opportunities and Challenges of Social Media in Higher Education: A Literature Review: considers educational applications together with privacy, skills and implementation challenges.

Review of Major Issues

Psychological Wellbeing - Frequent exposure to highly selected online representations of other people's lives may encourage social comparison. For some users, this can produce dissatisfaction, anxiety or pressure to maintain an attractive online identity. Repeated checking of social platforms can also make it difficult to disengage from online activity. The original report identifies mental-health concerns as an important issue, particularly for adolescents and young adults.

Excessive Engagement - Social platforms use features such as notifications, personalised recommendations and continuously refreshed content to encourage repeated visits. When use becomes difficult to control, time intended for sleep, study, recreation or direct interaction may be displaced. For this reason, screen-time awareness and purposeful scheduling are useful components of digital wellbeing.

Misinformation and Disinformation - One of the most significant information-related problems is the rapid circulation of claims that are false, incomplete or intentionally deceptive. A message can reach a large audience before its accuracy has been established. Users may also forward material because it appears convincing or agrees with an existing belief. The resulting problem is not limited to individual misunderstanding; misleading content can influence public debate, health decisions and relationships within communities. Source verification and careful sharing are therefore essential skills.

Privacy and Data Protection - Participation in social networks commonly involves the disclosure of personal information. Photographs, contact details, location information, interests and behavioural data may all become part of a user's digital footprint. Security failures, weak account practices and

unauthorised access can increase the consequences of such disclosure. Users and institutions should therefore pay attention to privacy settings, account security, data handling and awareness of online reporting mechanisms.

Cyberbullying and Harassment - Digital communication can be misused to threaten, embarrass or repeatedly target another person. Unlike many offline incidents, online harassment can be copied, shared and viewed by a large audience. Young people may be especially affected because school and social relationships increasingly extend into digital spaces. Clear reporting processes, supportive intervention and education about respectful online behaviour are necessary responses.

Challenges for Education and Young People

Social media can support learning by allowing students to exchange resources, communicate with classmates and participate in collaborative activities. At the same time, entertainment content, notifications and unplanned browsing can interrupt concentration. The educational challenge is therefore not simply whether students use social media, but whether that use has a clear purpose and is balanced with academic responsibilities.

The source report describes a cross-sectional study involving 424 high-school students aged 14–16 in Kolar district. It reports that 42.5% used the internet for social-media purposes and 91.5% for educational activities. It also reports signs of internet addiction among 14.6% of participants, comprising 12.5% at moderate risk and 2.1% at high risk. In addition, 38.6% were reported to spend two to five hours online per day and 93% accessed the internet from home. These figures point to the importance of local digital-literacy and healthy-use interventions.

Social Media in Kolar District

According to the supplied report, social-media use in Kolar district has both useful and problematic dimensions. The local discussion identifies misinformation and rumours, political influence, cyberbullying and harassment as important concerns. Among younger users, the report additionally notes possible addiction, mental-health difficulties, academic distraction, exposure to unsuitable material, peer pressure and self-esteem problems.

The report also identifies privacy as a growing concern in the district. Educational data leaks, security breaches, cybercrime awareness, monitoring initiatives and changing attitudes toward personal information are presented as areas requiring attention. Such concerns indicate the need for practical education about account protection, privacy decisions and procedures for reporting cybercrime.

Positive Contributions of Social Media

Social media should not be viewed only through the lens of risk. Used with an academic purpose, online platforms can help learners locate information, communicate with peers, collaborate on tasks and create original digital work. Blogs, video channels, podcasts and discussion groups can provide additional ways for students to present ideas. Social platforms may also support distance learning, awareness activities and community-based knowledge sharing.

Recommendations

- Provide students with practical digital-literacy education, including source verification and privacy awareness.
- Encourage users to monitor screen time and establish periods without social-media activity.

- Teach respectful online communication and provide accessible mechanisms for reporting cyberbullying.
- Strengthen cooperation among parents, teachers and students when online behaviour becomes harmful or excessive.
- Encourage educational use of social media through structured, purposeful activities rather than unrestricted browsing.
- Improve institutional data-security practices and awareness of cybercrime reporting procedures.
- Promote responsible platform practices and appropriate policy or regulatory responses to serious online harms.

Discussion

The material reviewed in the supplied report presents social media as a technology with both beneficial and harmful possibilities. Connectivity, information access and collaboration can be valuable, particularly in education. However, the same high-speed communication environment can amplify misinformation, encourage excessive engagement and create privacy or interpersonal risks. The most appropriate response is therefore a balanced one: users need skills and self-management, while families, educational institutions and platform providers also have responsibilities. Local evidence from Kolar further demonstrates why general digital policies should be accompanied by context-sensitive interventions.

Conclusion

Social media has become a major channel for communication, learning, networking and information exchange. Its advantages include collaboration, creativity, rapid access to educational material and broader awareness. Nevertheless, misinformation, privacy concerns, cyberbullying, excessive use, psychological pressure and academic distraction remain important challenges. Young people require particular support because their educational and social lives increasingly overlap with digital environments. A combination of digital literacy, responsible use, parental and teacher guidance, institutional safeguards and platform accountability can help reduce these risks. The central goal should be balanced participation: making useful use of social media without allowing online activity to undermine wellbeing, learning, privacy or healthy interpersonal relationships.

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CHAPTER - 28

BUY NOW, PAY LATER (BNPL) DYNAMICS: THE IMPACT OF BNPL FINANCIAL SERVICES ON UNPLANNED DEBT ACCUMULATION AMONG GEN Z AND MILLENNIAL CONSUMERS

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Abstract

Buy Now, Pay Later (BNPL) has emerged as a significant form of digital consumer credit, allowing individuals to purchase goods and services immediately and repay the amount through a small number of instalments. Its integration with e-commerce and digital payment platforms has made short-term credit increasingly accessible, particularly to younger consumers. While BNPL can provide payment flexibility and help consumers manage short-term cash flows, repeated borrowing and simultaneous use of multiple BNPL facilities may increase the possibility of unplanned debt accumulation. This chapter examines the relationship between BNPL usage and unplanned debt accumulation among Generation Z and Millennial consumers. The study adopts a conceptual and secondary-data approach using recent evidence from the Federal Reserve, Consumer Financial Protection Bureau (CFPB), Reserve Bank of India and academic literature. The Federal Reserve's 2025 household survey, published in 2026, found that 22% of adults aged 18–29 and 21% of adults aged 30–44 had used BNPL during the previous year. Among BNPL users, 32% of those aged 18–29 and 31% of those aged 30–44 reported making a late payment. CFPB research found that more than three-fifths of BNPL borrowers held multiple simultaneous BNPL loans during 2022 and approximately one-third used multiple BNPL providers. These findings indicate the potential for debt stacking and repayment pressure, although they do not establish that BNPL itself causes over-indebtedness. The chapter identifies instalment framing, repeated borrowing, fragmented credit visibility, affordability pressure and financial-literacy gaps as important factors influencing debt outcomes. It proposes a responsible BNPL framework based on transparent total-cost disclosure, affordability assessment, cumulative debt visibility, responsible credit reporting and consumer financial education. The chapter concludes that BNPL can be a useful financial-management instrument when used within repayment capacity, but responsible product design and consumer protection are necessary to reduce the risk of unplanned debt accumulation.

Keywords: Buy Now Pay Later, BNPL, Gen Z, Millennials, Consumer Credit, Debt Accumulation, FinTech, Digital Lending, Financial Literacy

Introduction

The rapid growth of digital commerce has transformed the consumer-credit landscape. Mobile applications, digital wallets, online marketplaces and embedded financial services have made borrowing available directly at the point of purchase. One of the most prominent developments is **Buy Now, Pay Later (BNPL)**, a form of short-term deferred payment that allows consumers to purchase

products immediately and repay through a predetermined number of instalments. BNPL is attractive because it is generally simple, fast and integrated into the purchasing process. Instead of obtaining a separate personal loan or using revolving credit, consumers can divide a purchase into smaller payments. This can help consumers manage the timing of expenditure, especially when they have predictable income but limited short-term liquidity.

At the same time, BNPL changes the psychological and financial experience of borrowing. A purchase that costs ₹10,000 may be presented as four instalments of ₹2,500. Although the total financial commitment remains ₹10,000, the smaller instalments may make the transaction appear more affordable. The Federal Reserve's 2025 household survey found that **16% of U.S. adults used BNPL during 2025**, compared with 10% in 2021. Usage was substantially higher among younger consumers: 22% of adults aged 18–29 and 21% of those aged 30–44 used BNPL. These figures make Gen Z and Millennials especially relevant to the study of BNPL behaviour. However, high usage does not mean that BNPL is necessarily harmful. For some consumers it is simply a convenient payment mechanism. The concern arises when repeated use creates overlapping financial obligations that were not adequately considered at the time of purchase.

The central issue of this chapter is therefore the relationship between **BNPL accessibility and unplanned debt accumulation**.

BNPL and Consumer Credit Behaviour

BNPL separates consumption from immediate full payment.

Traditional purchase

Income → Purchase → Immediate payment

BNPL purchase

Income → Purchase → Initial payment → Future instalments

The second structure can provide financial flexibility, but it also creates future obligations.

The major reasons for using BNPL include payment flexibility, convenience and affordability. In the Federal Reserve's 2025 survey, consumers reported using BNPL primarily to spread payments, while affordability was another important reason.

For consumers with sufficient income, this may represent ordinary cash-flow management. For financially constrained consumers, however, BNPL may become a form of repeated short-term borrowing.

This distinction is important because the financial consequences of BNPL depend on the consumer's underlying financial position, not merely on the existence of the product.

Gen Z and Millennial Consumers

Gen Z and Millennials are among the most important demographic groups for digital consumer finance. They are highly exposed to online retail, mobile payments and embedded financial products.

The latest Federal Reserve evidence demonstrates higher BNPL use among younger adults.

Table 1. BNPL Use and Late Payments by Age Group, 2025

Age Group	Used BNPL (%)	Paid Late Among Users (%)
18–29	22	32
30–44	21	31
45–59	17	22
60+	9	12
Overall	16	26

Source: Board of Governors of the Federal Reserve System (2026).

The results show that younger consumers not only use BNPL more frequently but also report relatively high rates of late payment. Age, however, should not be interpreted as a direct cause of repayment problems. Younger consumers may differ from older adults in income, employment stability, credit history, housing costs and financial obligations.

The evidence therefore suggests that **younger BNPL users constitute an important population for studying digital credit behaviour**, rather than demonstrating that all Gen Z or Millennial consumers are financially vulnerable.

BNPL and Unplanned Debt Accumulation

Unplanned debt accumulation occurs when consumers acquire financial obligations beyond what they originally intended or can comfortably manage.

BNPL may contribute to this process through several mechanisms.

Instalment Framing - Consumers may focus on the instalment rather than the total cost.

For example: **₹12,000 purchase = ₹3,000 × 4 payments**

The consumer may perceive ₹3,000 as the relevant cost at the time of purchase, even though the total obligation is ₹12,000.

Debt Stacking - The larger concern arises when multiple BNPL purchases overlap.

A consumer may simultaneously owe:

- ₹2,000 for clothing;
- ₹3,000 for electronics;
- ₹2,500 for household goods; and
- ₹4,000 for another purchase.

The individual transactions may appear manageable, but together they create a monthly obligation of ₹11,500.

Repeated Borrowing - The Consumer Financial Protection Bureau found that more than three-fifths of BNPL borrowers had multiple simultaneous BNPL loans at some point during 2022, while approximately one-third had loans from multiple providers. BNPL borrowers also tended to have higher balances on other unsecured credit products. These findings indicate that BNPL borrowing can become fragmented across transactions and providers.

Importantly, the CFPB evidence does not prove that BNPL causes consumers to accumulate other forms of debt. Consumers facing existing financial constraints may be more likely to use BNPL in the first place. Therefore, the evidence supports a **risk association**, not a simple causal conclusion.

Late Payment and Financial Pressure

Repayment behaviour is an important indicator of consumer financial stress.

According to the Federal Reserve's 2025 survey, **26% of BNPL users reported making a late payment**. Among younger users, the figure was 32% for ages 18–29 and 31% for ages 30–44.

The consequences can extend beyond the BNPL transaction itself. The Federal Reserve reported that 64% of BNPL users who paid late said they were charged extra for the late payment. Overall, 11% of BNPL users reported that a BNPL payment triggered an overdraft or insufficient-funds fee from their bank. Thus, a small missed instalment can potentially generate a wider financial effect:

BNPL instalment missed → late charge → insufficient account balance → overdraft charge → increased financial burden.

This is particularly relevant to consumers with limited disposable income.

The Federal Reserve found that BNPL use was 18% among adults with family income below \$25,000 and 23% among those earning \$25,000–\$49,999. Late-payment incidence was also considerably higher among lower-income users.

Financial Literacy and Credit Awareness

Financial literacy can moderate the relationship between BNPL and debt accumulation.

A consumer using BNPL should understand:

Total cost + repayment dates + outstanding obligations + late-payment consequences + affordability.

The Federal Reserve's latest research identified an important knowledge gap concerning the effect of BNPL on credit history and credit scores. Many BNPL users were uncertain or incorrect about whether timely repayment would build their credit history.

This creates a challenge for younger consumers who may be interacting with financial products without fully understanding their credit implications.

Financial education should therefore increasingly include **digital-credit literacy**, covering:

- BNPL;
- Credit Cards;

- App-Based Loans;
- Debt Stacking;
- Automatic Payments;
- Credit Reporting; And
- Total Debt Management.

Financial literacy should not merely teach consumers how to access credit; it should help them determine when additional credit is financially appropriate.

BNPL as a Financial-Inclusion Instrument

BNPL has potential benefits and should not be viewed only from a debt-risk perspective.

Possible benefits include:

- Payment Flexibility;
- Short-Term Liquidity;
- Convenience;
- Predictable Instalments;
- Alternative Access To Consumer Credit; And
- Reduced Dependence On Certain Forms Of Revolving Credit.

The product may therefore serve legitimate financial-management needs.

However, financial inclusion involves more than access. A responsible financial product should provide:

Access + Affordability + Transparency + Consumer Protection.

If consumers receive credit but repeatedly experience payment difficulties, the inclusion outcome becomes more complicated.

The objective should consequently be **responsible digital credit rather than maximum credit access**.

Credit Visibility and Multiple Providers

Another important issue is whether the consumer and lender can see the consumer's complete credit exposure.

The CFPB observed that BNPL loans have historically not been routinely reported to nationwide consumer reporting companies in the same way as many traditional credit products. This can make it difficult to observe multiple simultaneous BNPL loans and total consumer debt.

Consider a consumer with three BNPL providers:

Credit Source	Outstanding Amount
BNPL Provider A	₹5,000
BNPL Provider B	₹7,000
BNPL Provider C	₹4,000
Credit Card	₹20,000
Total	₹36,000

The consumer may think of these as four separate manageable commitments, while their combined outstanding debt is ₹36,000.

Greater debt visibility can assist both consumers and lenders in assessing repayment capacity.

At the same time, credit reporting must be balanced with privacy, data accuracy and responsible data usage.

Regulatory Perspective

The expansion of digital credit has increased regulatory attention to transparency, consumer protection and data governance.

In India, the Reserve Bank of India issued its **Guidelines on Digital Lending** in 2022. The framework addresses areas including borrower protection, disclosure, data privacy, lending-service-provider arrangements and responsible digital lending.

In August 2024, RBI announced the establishment of a **Public Repository of Digital Lending Apps** to help consumers verify whether a digital lending application is associated with a regulated entity. RBI stated that the measure was intended to address concerns involving applications falsely claiming associations with regulated financial institutions.

These measures are relevant to BNPL because users need to understand:

Who is providing the credit?

What is the total cost?

What happens after a missed payment?

What data are being collected?

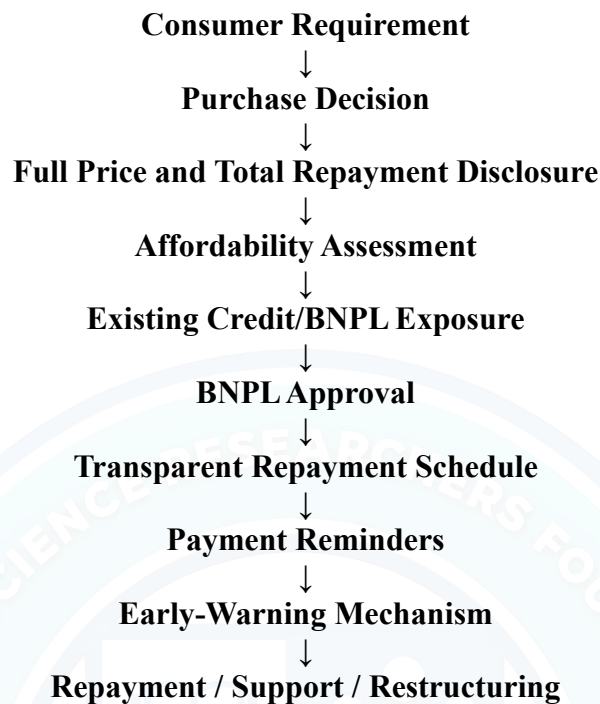
How can the consumer raise a complaint?

Thus, the development of BNPL needs to remain connected with the broader architecture of responsible digital lending.

Proposed Responsible BNPL Framework

The chapter proposes the following framework:

Figure 1. Responsible BNPL Consumer-Credit Framework



The framework highlights six principles.

First, total-cost transparency: consumers should see the complete repayment obligation.

Second, cumulative exposure: platforms should clearly display all active BNPL obligations with the provider.

Third, affordability: frequent use should trigger appropriate additional assessment.

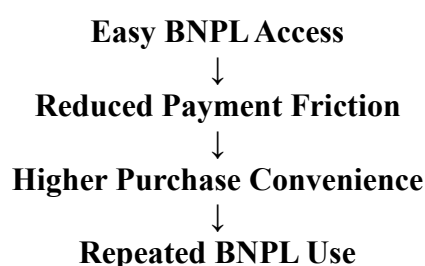
Fourth, credit visibility: responsible reporting can improve the ability of lenders and consumers to understand total debt.

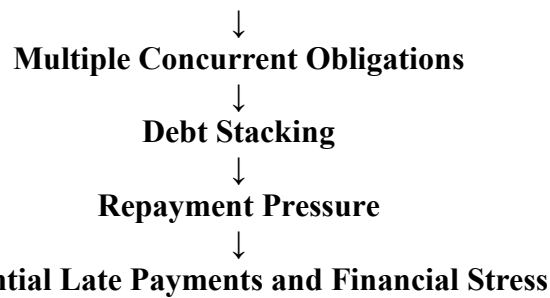
Fifth, consumer control: consumers should have tools for payment reminders, spending limits and voluntary self-exclusion.

Sixth, financial literacy: the product interface should clearly explain credit consequences and repayment responsibilities.

Conceptual Relationship

The relationship between BNPL and unplanned debt can be represented as:





This relationship is moderated by:

Financial Literacy + Income Stability + Credit Availability + Purchase Necessity + Spending Behaviour + Debt Visibility.

The model recognises that BNPL does not produce identical outcomes for all users. Planned borrowing within repayment capacity may provide payment flexibility, while repeated affordability-driven borrowing may increase the risk of financial stress.

Implications for Consumers and FinTech Providers

Consumers should evaluate BNPL as a **credit commitment**, not merely a payment option. Before using it, they should consider the full purchase price, total instalment obligation and existing credit commitments.

A simple personal debt schedule can help consumers monitor multiple payment dates and avoid overlooking small instalments.

FinTech providers can also reduce risk through improved interface design. Applications can display:

- Total Outstanding BNPL Balance;
- Number Of Active Plans;
- Upcoming Payment Dates;
- Total Monthly Instalments;
- Late-Payment Consequences; And
- Credit-Reporting Information.

Such features can help shift BNPL from frictionless borrowing towards **informed digital borrowing**.

Research Gap and Future Research

The existing evidence provides useful information but several areas require further research.

First, much of the available evidence comes from the United States. More studies are required in India and other emerging markets.

Second, longitudinal research is needed to determine whether repeated BNPL use is associated with long-term changes in household debt.

Third, future studies should distinguish between essential and discretionary BNPL purchases.

Fourth, researchers should examine the role of financial literacy, income stability and spending behaviour as moderating variables.

Future empirical research could examine the model:

BNPL Frequency → Debt Stacking → Repayment Stress

with **financial literacy, income and credit access** as moderating variables.

Such studies would provide stronger evidence on whether repeated BNPL usage predicts long-term deterioration or simply reflects temporary cash-flow management.

Conclusion

Buy Now, Pay Later has become an important component of digital consumer finance and is particularly relevant to younger consumers. The latest Federal Reserve evidence shows that 22% of adults aged 18–29 and 21% of adults aged 30–44 used BNPL during 2025, with late-payment rates of 32% and 31%, respectively. The CFPB's research also indicates that multiple and simultaneous BNPL borrowing is common, with more than three-fifths of BNPL borrowers holding multiple simultaneous loans and about one-third using multiple providers during the study period. These findings make **debt stacking** an important issue in the study of BNPL. Small individual instalments can appear manageable, while several overlapping commitments may create a substantial aggregate repayment burden.

Nevertheless, the available evidence does not establish that BNPL independently causes over-indebtedness. Financially constrained consumers may be more likely to use BNPL, making causality difficult to determine. BNPL therefore has both **payment-management benefits and potential debt-accumulation risks**. Its impact depends on how frequently consumers use it, their income stability, the purpose of purchases, their financial literacy and the visibility of their total credit obligations. For Gen Z and Millennials, digital financial literacy should increasingly include an understanding of BNPL, debt stacking, automatic payments and aggregate credit exposure.

A responsible BNPL ecosystem should combine **convenience with transparency, access with affordability and innovation with consumer protection**. The long-term success of BNPL should therefore be measured not simply by the number of transactions or users, but by whether the product supports sustainable consumption and positive financial well-being.

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Dr. V. Sampathkumari, Managing Trustee of the Social Science Researchers Foundation - SSRF (Registered under Trust Act & NGO DARPAN, MSME), & Associate Editor of IJSSRF, is an accomplished Associate Professor in the P.G. & Research Department of Commerce at Sri Kanyaka Parameswari Arts and Science College for Women, Chennai. With an impressive academic career spanning over 25 years in undergraduate teaching, 18 years in postgraduate instruction, and 5 years of guiding M.Phil. scholars, she has established herself as a specialist in Corporate Accounting, Management Accounting, Human Resources, and Marketing. She holds a Ph.D. in Commerce, M.Phil.,

M.Com., and SET all earned with distinction. Her professional achievements include guiding three Ph.D. candidates, with more under her supervision, and authoring over 50 research publications in reputed UGC-CARE and Scopus journals on topics such as artificial intelligence in marketing, work-life balance, and digital consumer behavior. Recognized for her excellence, Her contributions to teaching and academic excellence have earned her several prestigious recognitions, including the Young Achiever Award (2012), 100% Result Award for consecutive 100% results from 2013-14 to 2025-26, Teaching Excellence Award (2022), and Best Senior Faculty Award (2025). In 2026, she received the Golden Guru Award, Best Associate Professor Award, Best Young Achiever Award, Academic Excellence Award, Lifetime Achievement in Education Award, and Iconic Women Award, recognizing her sustained contributions to education, research, and academic leadership. Since 2008, she has actively contributed as an external examiner, guest lecturer, research guide, and academic resource person.



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