International Journal of Scientific Research in Engineering and Management (IJSREM)
Volume: 08 Issue: 10 | Oct - 2024 SJIF Rating: 8.448 ISSN: 2582-3930

Consumer Behavior Analysis through Advanced-Data Techniques: A Review for Utilities in Retail Marketing

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Abstract - This review offers a comprehensive analysis of the use of cutting-edge data strategies, including Big Data analytics, Machine Learning (ML), and Artificial Intelligence (AI), etc. in understanding and predicting consumer behavior. The convergence of these technologies has enabled marketers to uncover more detailed knowledge about consumer preferences and enhance customer engagement & satisfaction. By reviewing various methodologies, this study showcases the ways in which these tools are leveraged for segment consumers, predict consumer buying habits, and optimize marketing strategies. Additionally, the paper explores the Social media data utilization in real-time consumer analytics, demonstrating their effectiveness in personalizing marketing efforts and improving customer experience. The challenges of data privacy, ethical considerations, and the necessity for more robust analytical tools are also discussed. The review concludes by identifying potential research paths that could drive forward the field of consumer behavior analysis in retail marketing.

***Key Words*:** Artificial Intelligence, Big Data, Consumer Behavior, Machine Learning, Retail Marketing.

1.INTRODUCTION

To analyze consumer behavior through big data and enhance retail marketing strategies, a comprehensive approach that considers past, present, and future trends is essential.

In the past, traditional methods like surveys, focus groups, and sales reports were key to understanding consumer preferences [1]. More advanced tools like decision trees and association rules were applied to online consumer behavior, offering early insights into shopping patterns, though they lacked precision and personalization [2].

Today, the integration of AI, big data, machine learning and IoT technologies allows for deeper assessment of buyer behavior [3]. Tools like RFM segmentation help retailers profile customers based on purchasing patterns, while AI and machine anticipate customer trends with greater accuracy [1]. Big data frameworks provide comprehensive insights into broader consumer trends, while IoT enables real-time data collection to enhance customer loyalty, satisfaction, and engagement [4]. Additionally, sustainable consumer behavior has emerged as a crucial factor for long-term engagement and retention [6].

Future advancements will emphasize on enhancing predictive analytics through AI and machine learning for hyper-personalized marketing strategies [9]. Retailers will increasingly incorporate eco-friendly practices into their consumer behavior models to strengthen their competitive standing [25]. The expansion of IoT capabilities will enable more real-time, context-aware marketing, while the development of ethical data practices and stronger privacy protections will become critical as the volume of consumer data grows [10].

Retail marketing has evolved from basic segmentation to sophisticated, AI-driven consumer models. To stay competitive, businesses must prioritize ethical, sustainable, and privacy-centric approaches to consumer behavior analysis [21].

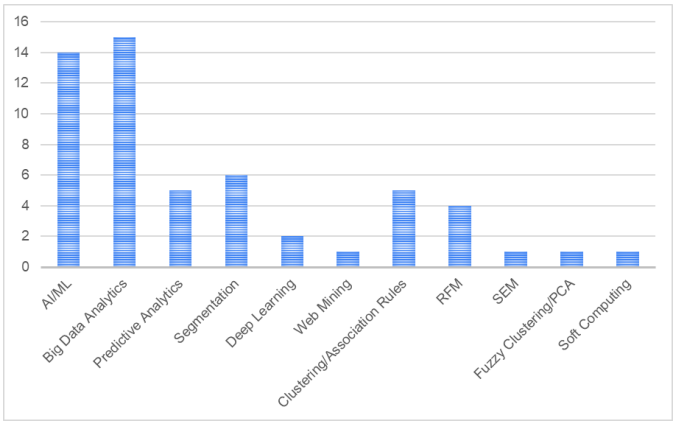

Fig -1: Methodology/Technologies

The Fig1. illustrates the adoption of various analytical frameworks in consumer behavior research, highlighting the most frequently used methodologies. AI/ML along with big data analytics being the most prominent approaches, showcasing their critical role in understanding and predicting consumer trends. Other methodologies, such as segmentation,

clustering, and predictive analytics, also contribute significantly to the analysis, demonstrating the diverse range of techniques employed in data-driven marketing strategies. This visualization emphasizes the growing reliance on advanced technologies to derive actionable insights in the field of marketing. Less common approaches, such as deep learning and web mining, show emerging trends in the field, suggesting a shift towards more advanced, specialized tools.

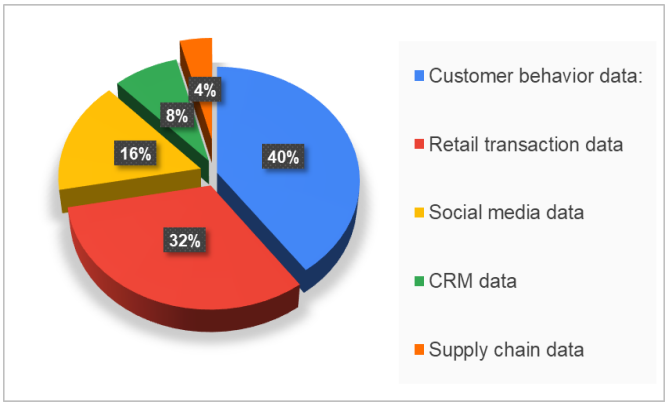

Fig -2: Data Parameters

Fig. 2 highlights both the key data variables and evaluation parameters commonly analyzed in consumer behavior studies. Customer behavior data and retail transaction data are the most frequently used, reflecting their importance in understanding purchasing patterns and preferences. Social media data also plays a significant role, showcasing the growing influence of online interactions on consumer decisions. Other variables, such as CRM data and supply chain data, reveal more in-depth insights into the customer journey.

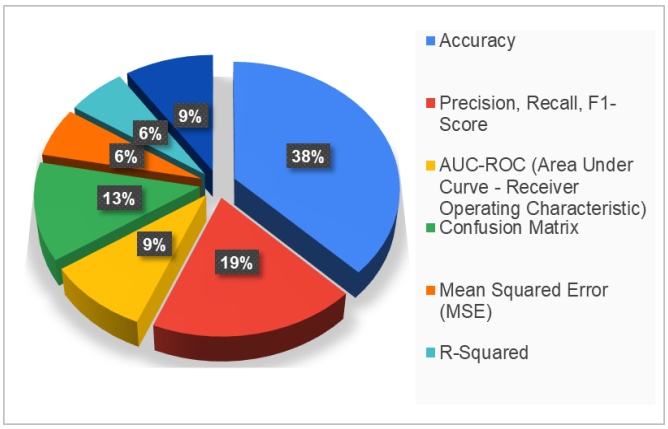

Fig -3: Evaluation Parameters

On the evaluation side in Fig. 3, metrics like accuracy, precision, and recall are the most common, ensuring the effectiveness of predictive models. Techniques such as AUC-ROC and confusion matrices further validate model performance, while MSE and R-squared are used for error analysis. Additionally, customer satisfaction and engagement metrics help assess the real-world impact of marketing strategies. This chart emphasizes the importance of diverse data sources and rigorous evaluation techniques in enhancing consumer insights and marketing effectiveness.

2. Literature Survey

Table -1: Literature Review Table

Sr. No.	Author	Year	Study Title	Approach	Key Findings	Limitations
1.	Mahmoud SalahEldin Kasem et al.	2024	Customer profiling, segmentation, and sales prediction using AI in direct marketing [1]	AI Techniques, Predictive Modeling	Customer profiling and enhances sales prediction accuracy by AI.	It is limited to only direct marketing, it lacks a multi-channel perspective.
2.	Tomáš Pitka et al.	2024	Time analysis of online consumer behavior by decision trees, GUHA association rules, and formal concept	Decision Trees, GUHA Association Rules, FCA	Advanced analytics reveal detailed patterns in online consumer behavior.	May not cover newer algorithms or real-time data analysis.

			analysis [2]			
3.	Kumar Rahul et al.	2023	A systematic review on big data applications and scope for industrial processing and healthcare sectors [3]	Systematic Review	Big data is transformative across various industries, including healthcare.	Limited focus on retail sector applications.
4.	Nitin Liladhar Rane et al.	2023	Enhancing customer loyalty through Artificial Intelligence (AI), Internet of Things (IoT), and big data technologies: Improving customer satisfaction, engagement, relationship, and experience [4]	AI, IoT, Big Data Integration	AI and IoT significantly improve customer loyalty and engagement through advanced analytics.	Overemphasis on technology without specific use-case analysis.
5.	Pejman Ebrahimi et al.	2022	Social Networks Marketing and Consumer Purchase Behavior : The Combination of SEM and Unsupervised Machine Learning Approaches [5]	SEM, Unsupervised Machine Learning	Combining SEM with machine learning improves understanding of social network impacts on purchasing behavior.	Limited generalization beyond social networks.
6.	Tanzeela AQIF et al.	2022	RESHAPING THE FUTURE OF RETAIL MARKETING THROUGH "BIG DATA": A REVIEW FROM 2009 TO 2022 [6]	Literature Review	Comprehensive review of big data's evolution and impact on retail marketing.	May not cover recent technological advancements post-2022.
7.	Yifei Li et al.	2023	Big Data Analysis in Consumer Behavior: Evidence from Social Media and Mobile Payment [7]	Big Data Analytics, Case Studies	Big data from online engagement data and mobile payments provides deep insights into consumer behavior.	Limited focus on offline consumer behavior.
8.	Nazmun Nessa Moon et al.	2021	An advanced intelligence system in customer online shopping behavior and satisfaction analysis [8]	AI-Based Intelligence System	AI systems enhance analysis of online shopping behavior and customer satisfaction.	Does not explore integration with other retail channels.
9.	Kiran Chaudhary et al.	2021	Machine learning-based mathematical modeling for	Machine Learning Models	Machine learning models predict customer behavior from online	May not cover cross-platform consumer behavior.

			prediction of social media consumer behavior using big data analytics [9]		engagement data effectively.	
10.	Surendranadha Reddy et al.	2021	Predictive Analytics in Customer Relationship Management: Utilizing Big Data and AI to Drive Personalized Marketing Strategies [10]	Predictive Analytics, AI	Utilizes big data and AI for personalized marketing strategies and customer relationship management.	Limited focus on practical implementation challenges.
11.	Gopinathan S et al.	2018	A Review on Concepts, Applications, Challenges and Future Scope in Big Data [11]	Literature Review	Reviews big data concepts, applications, and future research directions.	May not cover recent advancements post-2018.
12.	Pietro Ducange et al.	2018	A glimpse on big data analytics in the framework of marketing strategies [12]	Big Data Analytics	Big data analytics plays a pivotal role for devising efficient marketing strategies.	Limited focus on specific analytics techniques.
13.	Sydul Arefin et al.	2024	Retail Industry Analytics: Unraveling Consumer Behavior through RFM Segmentation and Machine Learning [13]	RFM Segmentation, Machine Learning	RFM segmentation combined with machine learning enhances consumer insights in retail.	Fails to tackle Unification with other data sources.
14.	Monerah Alawadh et al.	2024	A Consumer Behavior Analysis Framework toward Improving Market Performance Indicators: Saudi's Retail Sector as a Case Study [14]	Framework Development, Case Study	Proposes a framework for analyzing consumer behavior to improve market metrics in Saudi Arabia.	Limited generalizability beyond Saudi Arabia.
15.	Shahriar Akter et al.	2016	Big data analytics in E-commerce: a systematic review and agenda for future research [15]	Systematic Review	Provides a comprehensive review of big data applications in e-commerce and suggests future research directions.	May not include recent advancements post-2016.
16.	Alexis Collins Collins et al.	2024	Understanding Consumer Behavior in Retail with RFM	RFM Segmentation	RFM segmentation is effective for understanding and targeting consumer	Limited focus on integration with other behavioral analytics.

			Segmentation [16]		behavior in retail.	
17.	Adebola Orogun1 et al.	2019	Predicting Consumer Behaviour in Digital Market: A Machine Learning Approach [17]	Machine Learning Approach	Machine learning effectively predicts consumer behavior in the digital market.	Does not address integration with traditional retail data.
18.	Eric W. K. See-To et al.	2018	Customer reviews for demand distribution and sales nowcasting: a big data approach [18]	Big Data Analytics	Customer reviews data provides valuable insights for demand forecasting and sales prediction.	Limited focus on data from specific sources like reviews.
19.	Muhammad Rafly Qowi Baihaqie et al.	2024	Analysis of consumer characteristics on retail business with clustering analysis method and association rule for selling improvement strategy recommendations [19]	Clustering Analysis, Association Rules	Clustering and association rules improve understanding of Customer traits and selling strategies.	Limited to clustering methods; lacks broader context.
20.	P. Anitha et al.	2022	RFM model for customer purchase behavior using K-Means algorithm [20]	RFM Model, K-Means Algorithm	Combines RFM analysis with K-Means clustering to understand customer purchase behavior.	Limited focus on other clustering techniques.
21.	John Williams	2024	Consumer Behavior Analysis in the Age of Big Data for Effective Marketing Strategies [21]	Literature Review	Examines the influence of big data on consumer behavior analysis and marketing strategies.	Limited coverage of emerging technologies.
22.	Aashish Prasad	2019	Analyzing Online Retail Transactions usingBig Data Framework [22]	Case Study Analysis	Analyzes online retail transactions using a big data framework to gain insights.	Focused on online transactions; lacks offline retail analysis.
23.	Orit Raphaeli et al.	2017	Analyzing online consumer behavior in mobile and PC devices: A novel web usage mining approach [23]	Web Usage Mining	Novel approach to web usage mining reveals consumer behavior patterns across devices.	Limited to web usage; does not cover other data sources.
24.	Nagma Athar	2023	Customer segmentation in	Experimental	Investigates customer	Limited to Swedish retail

	Memon		Retail: An Experiment in Sweden [24]	Study	segmentation strategies in Sweden to enhance retail strategies.	context.
25.	Daniela Šálková et al.	2023	Sustainable Consumer Behavior: The Driving Force of Innovation in Retail [25]	Literature Review, Case Studies	Sustainable consumer behavior drives innovation and competitive advantage in retail.	Focused on sustainability; lacks integration with technology.
26.	Rodrigo Perez-Vega et al.	2021	Reshaping the contexts of online customer engagement behavior via artificial intelligence: A conceptual framework [26]	Conceptual Framework, AI	AI reshapes online customer engagement by providing a new conceptual framework for understanding.	Limited empirical validation of the framework.
27.	Albérico Rosário et al.	2021	Consumer Marketing Strategy and E-Commerce in the Last Decade: A Literature Review [27]	Literature Review	Reviews marketing strategies and e-commerce trends over the past decade.	May not include very recent developments.
28.	Mahya Seyedan et al.	2020	Predictive big data analytics for supply chain demand forecasting: methods, applications, and research opportunities [28]	Predictive Analytics	Predictive analytics improves supply chain demand prediction using big data.	Limited focus on retail-specific applications.
29.	Fahed Yoseph et al.	2018	Segmenting Retail Customers with an Enhanced RFM and a Hybrid Regression/Clustering Method [29]	Enhanced RFM, Hybrid Regression/ Clustering	Enhanced RFM with hybrid methods improves customer segmentation accuracy.	Limited application to other segmentation models.
30.	Neha Chaudhuri et al.	2021	On the platform but will they buy? Predicting customers' purchase behavior using deep learning [30]	Deep Learning Techniques	Deep learning models effectively predict customer purchase behavior on platforms.	May not cover offline purchase behavior.
31.	Hongping Liu et al.	2021	Big data precision marketing and consumerbehavior analysis based on fuzzy clusteringand PCA model [31]	Fuzzy Clustering, PCA Model	Fuzzy clustering and PCA improve precision marketing and consumer behavior analysis.	Limited focus on other advanced techniques.

3. FUTURE ENHANCEMENT

Future work in the realm of customer engagement and retail marketing can explore the further integration of AI, machine learning, and big data technologies to enhance the precision and responsiveness of marketing strategies. Emphasis could be placed on developing real-time analytics tools that allow businesses to adjust their marketing approaches instantly based on evolving consumer preferences.

Additionally, addressing the ethical challenges and privacy concerns associated with these technologies would be critical to building consumer trust. There is also a promising opportunity to create more advanced predictive models that blend AI with insights from behavioral economics, providing not only a snapshot of current behavior but also forecasts of future trends. Expanding research to include diverse markets and lesser-studied consumer segments could lead to a more global understanding of consumer behavior. Finally, integrating sustainability considerations into consumer behavior analysis could promote more ethical marketing practices, reflecting the increasing demand for socially and environmentally responsible brands.

4. CONCLUSIONS

Integrating cutting-edge technologies like AI, machine learning, big data analytics, and IoT transforms how retailers understand and predict consumer behavior. Customer profiling and segmentation powered by AI are refining direct marketing strategies, enabling more targeted and personalized campaigns. Techniques such as decision trees and formal concept analysis have proven effective in deciphering online consumer behavior, offering crucial takeaways for timely marketing actions. The widespread impact of big data is

particularly evident in retail, where it informs strategic decisions by identifying emerging consumer trends. Moreover, the combined use of AI, IoT, and big data is enhancing customer loyalty, underscoring the significance of high-tech resources in managing customer experiences. Social networks and big data also play a pivotal role in shaping purchasing behavior, highlighting the necessity for retailers to adapt to the evolving digital environment. Additionally, the growing focus on sustainable consumer behavior is driving innovation, offering retailers a competitive edge. These developments highlight the importance of continued exploration of these technologies to optimize marketing strategies, especially in emerging markets and less explored consumer segments.

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