

# The Evolution of Consumer Adoption in AI-Enhanced Social Commerce

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## Introduction

The COVID outbreak caused governments worldwide to put social distancing regulations, ban physical contact, and close physical enterprises, which changed how multitudinous businesses operated. Due to the epidemic, businesses were impelled to modify their business plans by incorporating the current electronic system of operation, or electronic commerce. Electronic commerce, ore- commerce, enhanced businesses' external connections with their stakeholders. multitudinous businesses stopped operating their physical stores and started up, or bolstered, their online presence by moving toper- existing- commerce platforms (Chengeta, 2022). The United Nations Conference on Trade and Development (UNCTAD) 2021 report states that, in distinction to 2018, there was an unexpected 4 rise in global- commerce in 2020. demonstrating the significant increase in e-commerce, which includes business- to- business (B2B) and business- to- consumer (B2C) deals, and the growing significance of online exertion (UNCTAD, 2021). Indeed, while demand shifted from physical stores to online retailers, certain- commerce companies outperformed others in terms of digital addition. predicated on gross wares value (GMV), e-commerce companies like Alibaba, Amazon, JD.com, and Pendulous ranked as the top four B2Ce- commerce enterprises in 2020 (UNCTAD, 2021). Businesses with significant drops in their 2020 GMV compared to 2019 were Expedia, Booking goods, and Airbnb (UNCTAD, 2021). Because of their proficiency with Artificial Intelligence (AI), the top- ranked e- commerce companies demonstrated strong performance in digital addition (Micallef and Gupta, 2021). Thanks to large data, artificial intelligence (AI) has come a technical priority. for multitudinous online retailers in recent times (Davenport Tal, 2018). The use of AI has increased by over 300 in the last numerous times and has the implicit to be profitable for businesses. exploration and examination of the use of AI one- commerce platforms are long overdue. To increase the perceived demands of guests being satisfied, the commerce effectiveness of AI operations one- commerce platforms is a vital concern. E-commerce platforms produce a competitive edge by virtue of their distinct and delicate to replicate characteristics, as demonstrated by the IS literature (Schreyer, 2012). Former studies on AI operations emphasize that to give AI capacity value, organizational and mortal resources are demanded the factory of Ramsbotham teal. ultimate of the disquisition on AI operations in e- commerce has concentrated on handover and operation oddities (Khari, 2020). Consumer- AI operation commerce effectiveness has entered lower attention, and as a result, the benefits of AI operation Ine- commerce have not been fully appreciated. The operation's end stoners, or consumers, anticipate a positive hassle with slice- edge technical apps one- commerce platforms. To close this gap, the current study examines the unique advanced technologies and platform structures one- commerce platforms as AI capabilities that elicit favourable sentiments about consumer participation. It does this by erecting on earlier disquisition from the viewpoint of the consumers (Howard and Roswell- Jones, 2019). This study specifically assesses chatbots, image quest, recommendation machines, and post- purchase backing as AI factors in an online store, and how well they communicate with guests to draw in favourable observed(behavioural) and

unobserved(cerebral) engagement stations. Using the instigations- organism- response (S- O- R) model, this study investigates how consumers' behavioural engagement stations(R) are sparked by AI rudiments(S) in response to their cerebral engagement(O) and attention to social comparison (Congeal, 2019). When a consumer interacts with the AI features on and- commerce platform, they witness a happy, fulfilling state of mind known as cerebral engagement. This state is characterized by devotion, absorption, and vitality. The response, which was behavioural the term" engagement" describes the ongoing, visible relations that stoners have with thee- commerce platform because of their positive perceptions of the platform and their relations with the AI rudiments that are there (Luetta., 2019). Literature on AI operations and IT capabilities in information system disquisition is consulted in this study. Also, by using the scale, we created a check instrument to measure guests' satisfaction with AI capabilities and their stations about consumer engagement. development morals set up in the literature on operation information systems (Mackenzie Tal., 2011). This is how the rest of the composition is structured. The literature on the S- OR model, customer involvement, and the history of thee- commerce platforms used for the study is curtly introduced in the following section. Next, the study's abstract frame, hypotheticals, and explanations for the AI constructs are established. The process is also described, and initially, the analysis's outgrowth and interpretation. In conclusion, we go over the results and point out the implications, constraints, and future disquisition directions of the work.

### Literature review

Ruiz-Fernández et al., (2021) in his paper referred that the involvement of customers scholars hailing from diverse disciplines have examined the notion of consumer engagement. These domains include information systems, marketing, and services. Organizational behavior, social psychology, and management. Consumer engagement has historically been linked to concepts like satisfaction, loyalty, and trust.

Cheung et al., (2015) and Oh et al., (2017) also said in their respective articles has led to discussions and controversies regarding the definition and dimensionality of the term. Despite the debates and differing conceptualizations surrounding the term, researchers have primarily examined consumer interaction from three angles. Research has looked at customer engagement from three different psychological perspectives: psychological process, motivational psychology (Peters et al., 2016; Ray et al., 2014), and the perspective of behavioral symptoms (Doorn et al., 2010).

Bowden, (2009) in research from the psychological process viewpoint, engagement is a psychological process that affects customer loyalty and retention. It suggests combining the behavioral manifestation perspective and the motivational psychological perspective. However, because the concept of customer involvement is so complicated, researchers recommend using a multidimensional method to quantify it efficiently. This study looked at both psychological and behavioral aspects to fully understand the engagement notion in the context of AI applications on e-commerce platforms. The study defines psychological engagement as the degree of a customer's positive, fulfilling, and e-commerce platform-related state of mind, characterized by dedication, absorption, and vigor because of the customers' interaction with the AI elements present on the platform.

Asante et al. (2020) and Fang et al. (2017) also in their works mentioned about the connections with AI application parts, customer dedication symbolizes their motivation and passion towards e-commerce platforms. The term "abstraction" describes how users focus and become fully immersed in an e-commerce site without keeping track of time. Ultimately, vitality is the clients' degree of mental toughness and vigor when conducting business or using the online shopping platform. When users interact with AI apps to fulfill their basic requirements, psychological engagement occurs.

Ramey et al., (2019) also said that the psychological engagement construct is people's cognitive, during an activity, affective and relational attitudes are created. In the context of violent video games. Psychological engagement is defined by unobservable elements including presence, flow, and immersion. According to the S-O-R paradigm, the organism mediates the link between the stimulus and the reaction. It identifies the organism as the internal attitudes, both affective and cognitive.

Chou, (2019) mentioned that the present situation of online retailers over the past several years, the e-commerce market has experienced substantial evolution, disrupting the old commerce system for both consumers and businesses. Chinese Internet behemoths have made a serious push to become the country's leading e-commerce platforms by developing cutting-edge technologies. Using AI, numerous e-commerce platforms have enhanced and developed their systems to meet the ever-changing and demanding needs of Chinese customers while facilitating extremely simple and quick transactions.

Ma, (2021) accordingly said that Taobao and Tmall sales accounted for most China's \$1.8 billion e-commerce sales in 2020. But as the industry becomes more diverse and new e-commerce platforms enhance their AI application features, the market share of these two platforms is declining. Based on ongoing advancements and the integration of cutting-edge artificial intelligence (AI) technology, a list of China's leading e-commerce platforms.

Hornung and Smolnik, (2021) said that big data and online shopping improvements in science and technology have brought AI technology closer to maturity and drastically changed people's lifestyles, particularly in the e-commerce sector. With time, artificial intelligence (AI) has developed into a potent instrument for streamlining transactions on e-commerce platforms. A few studies have looked at the "dark side" of AI from the viewpoint of the end user.

Hornung and Smolnik, (2021) and Zarifis et al., (2020) in their study examined the use of AI on health insurance platforms and discovered that when AI is used openly on websites, people's concerns about privacy and trust are reduced.

Hornung and Smolnik, (2021) also said in their work that how workers felt about AI-powered personal virtual assistants being used in the office. They discovered that the negative effects of AI-based technology applications in businesses are feelings of threat. But AI Applications have guaranteed innovative patterns for e-commerce development and offer e-commerce an endless number of potential benefits. The main foundation of AI technology is machine learning. AI apps can perform automated tasks related to transactions on e-commerce platforms with the aid of machine learning. Intelligent assistants (chatbots), recommendation engines, intelligent logistics, optimal pricing, and optimal pricing systems are examples of AI applications in e-commerce.

Adam et al., (2020) and Song et al., (2019) in their research mentioned nonetheless, concentrates particularly on the e-commerce component of online shopping platforms, looking into AI application components on these platforms. The study assesses the connections between AI application and customer interaction and chatbot, image search, recommendation system, and automated after-sales service components. It also evaluates how strongly the components relate to consumer involvement at various levels of attention to social comparisons of consumption.

Micallef and Gupta, (2021) also mentioned in their research about image-based search and user interaction a better customer experience is ensured by integrating various forms of AI with e-commerce to make it easier to understand customer expectations and behavior. Customers can use photos rather than text to search for products on e-commerce platforms thanks to a type of artificial intelligence component called image search.

Gamali, (2020) and Dagan et al., (2021) also said about AI services address the issue that arises when customers are interested in certain products but are unaware of their names. Artificial intelligence-powered picture search enables consumers to look up products based on photos. Certain e-commerce websites' mobile applications allow users to look for things simply by pointing their camera at the item they are interested in, doing away with the necessity for keyword searches.

Dagan et al., (2021) and Sudarsan et al., (2022) also said that the customers lack the patience to comb through thousands of products in a catalog using conventional text-based search methods. Consumers typically describe things they prefer using text-based search, but they frequently don't discover an exact match in the search results. For example, when buyers search for eyewear with a distinctive design or a garment with a certain material. Conventional text-based searches and product category filtering take a lot of time and are not always successful. When product search results are disappointing, customers are more likely to give up on a purchase, which lowers the retention rate and decreases ongoing engagement with the business. Research on picture search have mostly concentrated on e-commerce, and most of this research examine the various architectures of the functionality of image search.

Li et al., (2018), Yang et al., (2017) and Y. Zhang et al., (2019) also referred in their researches about the value of image search. functionality to online shopping habits of customers. For example, looked at how user click behavior was impacted by how relevant picture search results were. In this paper, we characterize picture search as an AI component that shortens the time spent product searching. Image search is an AI-powered search option that matches a product exactly or almost, improving search results, increasing customer retention, and facilitating ongoing, visible interactions with the e-commerce platform. It is an external feature on an e-commerce platform (S) that has the power to draw in behavioral engagement (R) from users depending on their psychological engagement (O) and level of satisfaction with the feature's effectiveness. using the online shopping portal. As a result, we speculate that: H2a: Customers' behavioral engagement is positively impacted by an image search result that meets their needs. H2b: Customers' psychological involvement is positively impacted by an acceptable image search result. H2c: The association between image search and behavioral engagement is favorably mediated by consumers' psychological engagement.

Chinchanachokchai et al., (2021) also said about Customer Engagement and the Recommendation System E-commerce platforms can now routinely provide products that are like what customers have recently explored because to the use of artificial intelligence. AI systems forecast customer behavior by using information from past product searches and purchases. Regarding artificial intelligence, the recommendation system can be viewed as a learning task that utilizes initial user browsing data. Based on past searches, an AI-powered recommendation engine on an e-commerce website uses machine learning to forecast and suggest products that customers will find highly interesting. The recommendation system is made feasible by the gathering of customer inquiry and purchase history data. It helps customers who visit websites or e-commerce platforms by making product recommendations. The recommendation system assists in customizing the e-commerce platform to individual customers by providing a more tailored search result through clever consumer profiling.

De Keyzer et al., (2022) and Sivapalan et al., (2014) said about the recommendation method improved e-commerce platform traffic and the rate of customer retention. The recommendation system, according to this report, is an AI tool used on e-commerce platforms that enhances the customer experience by greatly minimizing the inconvenience of having to spend hours looking for things. Customers that have a positive experience feel absorbed and committed to the e-commerce platform. Thus, encouraging consumers to develop a favorable mentality about the e-commerce platform (psychological engagement behaviors) and eliciting observable behavioral attitudes (behavioral engagement) toward the platform respectively. The environmental cues that draw

customers' behavioral involvement (R) based on their psychological makeup make up the recommendation system. interaction (O) between the online store and the user. Based on the conversation above, we assume that: H3a: Customers' behavioral involvement is positively impacted by the recommendation system. H3b: Customers' psychological engagement is positively impacted by the suggestion system. H3c: The interaction between the behavioral engagement and the recommendation system is mediated by the psychological involvement of the consumers.

Khan and Iqbal, (2020) referred about the Automated Customer Engagement and After-Sale Support: Transactions on e-commerce platforms don't stop after customers make a purchase. Companies need to support customers during the whole transaction process. Applying an efficient service across a customer's journey yields major benefits for enterprises. Following a purchase, after-sales service is the support provided to customers with any information they may need.

Dakar and Smudgy, (2019) also said about many businesses integrate automated conversations, automatically categorize phone calls, process and automate tasks, and take proactive measures to transform after-sales services into a competitive advantage. Also asserts that companies who provide excellent services ought to use AI to address problems that have a big influence on the customer experience. According to this report, automated after-sales services are the AI component of e-commerce that directs automated feedback request forms. focused on the purchases made by customers; to address concerns about product replacement, clear up product ambiguity, and transaction notifications such as confirmations of payment, dispatch, and delivery. Customers connect with these automated services as an external stimulation on the e-commerce platform. Positive consumer experiences with these services are anticipated to turn them into devoted supporters who carry out unobserved psychological engagement attitudes (O) and observed behavioral engagement (R), increasing the e-commerce platform's worth. In light of the conversation above, we speculate that: H4a: Customers' behavioral involvement is positively impacted by automated after-sale service. H4b: The psychological involvement of customers is positively impacted by automated after-sale support. H4c: The association between automated after-sale support and behavioral engagement is favorably mediated by customers' psychological involvement.

Peters et al. (2016) also discussed about the Behavioral and Psychological Engagement Participation.

According to Oh et al. (2017) and Sashi (2012), customer engagement is a loyalty-related connection that largely focuses on commitment and trust through customers' ongoing interaction with a business.

Asante et al. (2019), Peters et al. (2016), and H. Zhang et al. (2015) mentioned that research on consumer involvement in the context of e-commerce has proposed that the idea is a process that starts with the establishment of a psychological attitude and ends with behavioral attitudes toward e-commerce enterprises. Consumer engagement, according to this study, is the process of forming views about customers' psychological and behavioral engagement attitudes, which are influenced by how satisfied they are with the AI features they use on e-commerce platforms. Customers create an unseen platform correlated psychological engagement when individuals feel content with the AI components in e-commerce; these attitudes then influence the e-commerce platform's observable behavioral engagement attitudes. We postulate the following based on the justification given above: H5: Consumers' psychological involvement favorably affects their behavioral engagement.

Bearden and Rose (2020) said about the person's knowledge and sensitivity to other consumers reactions to their own consumption decisions or behaviors. The concept's fundamental tenets are that people who strive to avoid receiving negative feedback heavily conform to social cues, and people who have poor self-esteem typically give in to the constraints of social norms to avoid being rejected. Research has indicated that consumers of items



categorized as "less prestigious" companies by social rating are less inclined to communicate their transaction experiences with others who have a high ASC.

Kim et al., (2014) and Lin et al., (2014) said that a customer may have a positive e-commerce platform transaction experience but execute any behavioral engagement attitude that is detected. Because the product they bought is viewed by society as "inferior" (regarding the brand name), they decided not to share their transaction experience to prevent making a mistake. As a result, the ASC of consumers is essential to the establishment of engagement. Researchers studying consumer behavior confronted the challenge of clearly defining the conditions in which normative effects are crucial to understanding behavioral intentions investigated how ASC affected the way that customer satisfaction with the service quality of online shopping platforms affected the way that customers engaged with those platforms in the setting of e-commerce.

Adam et al., (2020) said that people with high ASC worry about how other people will perceive their purchases, place a high value on interpersonal considerations when purchasing branded goods, and follow their peers' preferences more closely when making consumption decisions. proving the important influence that customers' ASC has on the engagement process. ASC in this study refers to how sensitively consumers maintain congruence to prevent social shame and how much attention they pay to how society perceives their purchase choices. The notion in this study describes the degree to which a person, even while they believe the AI features are satisfactory, will lessen or refrain from engaging behaviorally with an e-commerce platform because of society's opinions. Less behavioral attitudes toward the e-commerce platform will be displayed by consumers who focus more on social comparison of consumption choices, which will lessen the impact of AI features and psychological engagement on behavioral engagement. Considering that users of the chatbot may have interacted and felt satisfied with it depending on their ASC, feature, picture search capability, customized recommendation engine, and automatic post-purchase services on the online store when a customer is transacting. Nonetheless, the merchandise exchanged in this transaction is seen as a "lower-class brand" by society. As a result, these customers will be hesitant to provide feedback, leave comments, or offer suggestions (behavioral engagement) regarding their purchase to hide their purchasing decisions from society's scrutiny. Furthermore, customers with high (as opposed to low) ASC who developed immersed, devoted, and immersive attitudes (psychological engagement) when interacting with the AI features on the e-commerce platform are more likely to decrease their readiness to engage in behavioral activities. Even while these customers developed psychological engagement (unobservable sentiments), they will be reluctant to adopt noticeable behavioral attitudes because of their "less prestigious" choices in products to consume. As a result, we speculate that: H6a–H6d: The effect of AI elements on behavioral engagement is negatively moderated by high consumer ASC. H7: The effect of psychological engagement on behavioral engagement is negatively moderated by high consumer ASC.

Gnewuch et al., 2017 also said about Consumer Engagement and Chatbots. A particular type of conversational software agent intended for turn-by-turn human dialogue with users of a web-based platform is called an AI-based chatbot Chatbots are used by e-commerce websites to enhance customer care; users can express their needs in the chat box that is given and receive responses that are highly filtered.

Pfeuffer et al. (2019) referred that chatbots are conversational agents that show up as chat box prompts when users visit any reputable e-commerce website with the AI-based chatbot feature. With the aid of the AI-based chatbot augmentation, the prompts provide questions like "How can I help you?" and offer users human-like dialogue in these chat box prompts.

Adam et al., (2020) and Gnewuch et al., (2017) also said that chatbots gather and use user historical data to customize individualized user experiences. To address this a survey study to investigate the features of chatbots

that increase the possibility that consumers will comply with chatbot requests for service feedback. Notably, AI chatbots for e-commerce have advanced recently, becoming capable of carrying out conversations that are more human-like and providing responses that are more deliberate and educational.

Luger and Sellen (2016) claim that conversational software agents on websites could lead to a discrepancy between users' expectations and system performance because of improper replies to users' requests. As a result, it was unclear whether the chatbot would remain effective. Previous research has confirmed the significance of chatbots as an AI element in enhancing the consumer transaction experience. The imagined "parasocial" engagement and discussion that chatbots' social presence assures enhances customer happiness.

Verhagen et al. (2015) said in his work, psychological engagement stands in for the unobservable organism in the model that mediated the interaction between behavioral engagement and the AI application parts. However, this research characterizes behavioral engagement as a customer's ongoing, visible connection with the e-commerce platform because of their encounters with AI features on the site and their optimistic attitude on the platform.

Doorn et al. (2010) referred in his work about behavioral manifestations outside the purchase process that lead to observable brand-related attitudes are recognized as behavioral engagement constructs, as is consumer interaction in a virtual brand community. Behavioral engagement in this study is defined by the following: word-of-mouth (WOM) informing friends and family about the AI-enhanced services on the e-commerce platform referrals and consumer retention, which refers to the decision of consumers to continue using the e-commerce platform. and information generation (creating testimonials regarding the e-commerce platform's customer service) after a positive interaction with the AI application features. Behavioral engagement, as opposed to psychological engagement, refers to the observable activities that users do on an e-commerce platform because of their interactions with the AI application elements on the site. According to the S-O-R, a response is a consumer's reaction to a stimulus that they have been exposed to, which is explained by the existence of internalized affective and cognitive attitudes. Therefore, in this study, behavioral refers to the observable consumer behavior on an e-commerce platform following their perceived interaction with the AI application parts on the site.

Asante et al. (2019) said about the paradigm of stimuli, organisms, and responses The Stimuli-Organism-Response (S-O-R) paradigm is the theoretical cornerstone of this work. The extension of human internal mental evaluation of an environment led to the formation of the paradigm. According to this theory an individual's exposure to external elements in their environment (S) sets off internal emotions (O), which in turn cause that individual to act in a particular way (R). A sizable body of S-O-Based research in the information systems and e-commerce domains has unquestionably supported website attributes (such as aesthetics, security features, interactivity, and navigability) as external factors with the propensity to initiate multiple consumer approach behaviors an e-commerce platform is a multi-feature platform that, like commercial websites, may be used to trigger consumer involvement attitudes based on observed interaction experiences.

Peters et al. (2016) also in review proposed that psychological engagement influences mobile business intelligence utilization through software quality factors like flexibility, simplicity of use, and beauty. According to a study the psychological and behavioral engagement of consumers during an online purchase transaction is influenced by the quality of electronic services they receive. These results lend credence to the S-O-R paradigm's analysis of customer involvement. They offer simple, well-organized instructions for creating a comprehensive framework that shows how customers' Customers' unobserved and observed engagement attitudes will be triggered by their happiness with the AI elements implemented on an e-commerce platform. According to the S-O-R paradigm, stimuli are extraneous, circumstantial indicators that have multiple manifestations through attention attraction.

Quality-related website elements, such as design or other features, are generally acknowledged to be important environmental factors that trigger psychological evaluation processes that result in behavioral responses.

Zhang et al. (2014) in the study referred about a technological quality defined as perceived sociability, perceived personalization, and perceived interaction. stimuli (S) that indirectly affect consumers' buying intentions (R) by evaluating their benefits (O). This study, like previous research, operationalizes AI application elements on e-commerce platforms as environmental stimulus (S). Examples of these elements include the Chatbot feature, Image Search function, Recommendation System, and Automated After-Sales Service. Customers' natural affective and cognitive evaluative recoils are elicited by these stimuli (O). Behavioral engagement attitudes that can be observed will be triggered by these internal affective and cognitive assessments (R).

### **Objectives:**

1. Appraise the consumer adoption in AI- Enhanced social commerce.
2. Explore the social interactions and network effects affect consumers.
3. Apply and analyze AI technology to optimize consumer engagement and wealth maximization for all stakeholders.

### **Research methodology.**

Through a thorough examination of secondary data sources, the study seeks to understand how consumer acceptance of AI-enhanced social commerce has evolved. The study aims to identify trends, patterns, and insights on customer behaviour and views toward AI-powered features in social commerce platforms by reviewing previous research studies, reports, and industry publications.

### **Design of Research:**

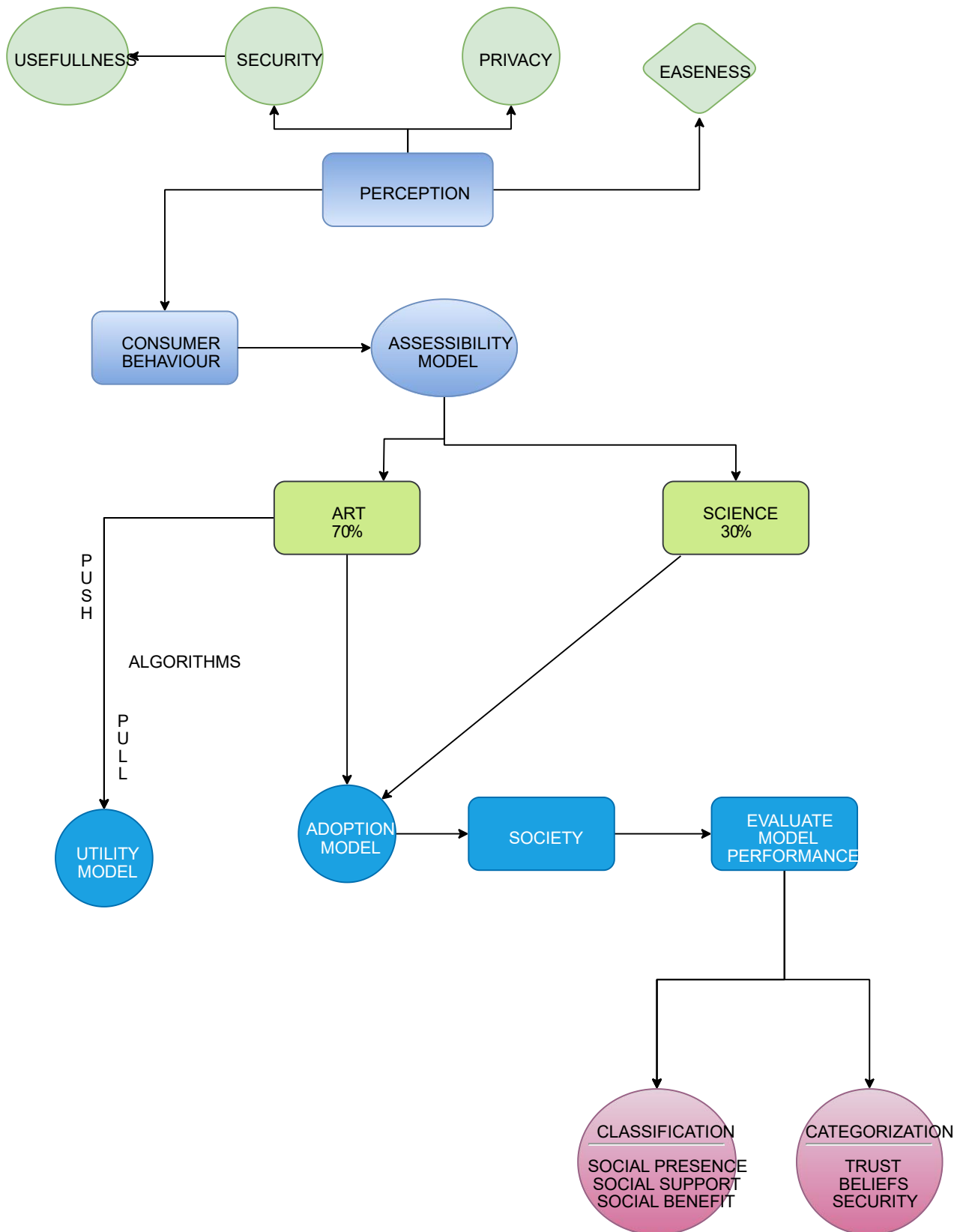
Utilizing secondary data sources, this study employs a quantitative research approach to examine customer adoption patterns in AI-enhanced social commerce. This approach facilitates a thorough analysis of extant literature, to obtain valuable insights into the perceptions, behaviours, and preferences of consumers.

### **Data Gathering:**

Academic Journals: Research papers and scholarly pieces on artificial intelligence, social commerce, and consumer behaviour.

Figure 2.1





Extending the model for "The Evolution of Consumer Adoption in AI-Enhanced Social Commerce" necessitates a more thorough examination of every stage in the structure. Let's examine each element in greater detail:

### 1. Perception

How consumers interact with AI-enhanced social commerce platforms is greatly influenced by their perceptions. These platforms are thought to be beneficial in several ways, such as through customized content delivery, effective search algorithms, and personalized suggestions. Platforms that provide personalized experiences and offer value-added features have a higher chance of being adopted and used by users. However, adoption is frequently hampered by worries about privacy and security. A growing number of consumers are reluctant to divulge personal information online because of privacy scandals and data breaches. Thus, reducing these worries and boosting customer confidence requires developing trust and putting strong security measures in place. Furthermore, adoption rates of AI-enhanced social commerce platforms are highly influenced by their ease of use. Customers are drawn to systems with clear functionality, easy navigation, and intuitive user interfaces. Interfaces that are difficult to use or complicated can discourage users from using the platform, which raises the abandonment rate. Furthermore, adoption rates are significantly influenced by internet access, especially in areas with poor connectivity. Ensuring a good user experience and allowing smooth interactions require access to high-speed internet infrastructure. Moreover, a key element influencing adoption is how consumers view social security. Trust and community involvement are key components of social commerce platforms that help users feel like they belong. Strong social security is created inside the platform's ecosystem through constructive social interactions, trustworthy user reviews, and open communication. Thus, to promote user adoption and retention, platforms should place a high priority on creating a welcoming and inclusive community.

### 2. Consumer Behavior

Several factors, such as attitudes toward technology, social influence, and perceived utility, affect consumer behavior in the context of AI-enhanced social commerce. The Unified Theory of Acceptance and Use of Technology (UTAUT) and the Technology Acceptance Model (TAM) offer theoretical frameworks for comprehending how consumers accept new technologies. Perceived utility and perceived ease of use are the main factors that influence customers' intention to embrace a technology, according to TAM. If users believe AI-enhanced social commerce platforms are practical and simple to use, they are more inclined to embrace them. Furthermore, social influence has a big impact on how consumers behave. Consumer attitudes and intentions about the adoption of AI-driven technologies can be influenced by peer recommendations, social norms, and influencer endorsements. Therefore, to advertise their AI-enhanced social commerce platforms and win over potential consumers, firms need to take advantage of social networks and influencers. Adoption rates are also impacted by enabling factors, such as technical support and technological access. If consumers have access to the right tools and support networks, they are more likely to embrace social commerce platforms with AI capabilities. Businesses must thus make sure that a variety of users may access their platforms and offer sufficient help to handle any technical problems or queries.

### 3. Accessibility model

This model highlights how creating AI-enhanced social commerce platforms requires striking a balance between art and science. Creating user-centric interfaces, captivating content, and persuasive marketing techniques are all part of the model's 70% creative component, which aims to draw in and keep customers. To give customers

engaging and memorable experiences, businesses need to make investments in brand narrative, content production, and user experience design. Businesses can also customize their offers to match the demands and expectations of their customers by utilizing machine learning algorithms and data analytics to obtain insights into consumer preferences and behavior. 30 percent of organizations are scientific, and to maximize platform performance and customize user experiences, they need to apply data analytics, machine learning algorithms, and predictive modeling. Businesses can uncover patterns, forecast future trends, and make data-driven choices to refine their products and raise customer satisfaction levels by examining user data and habits. Companies also need to create push-pull algorithms that strike a balance between bringing users closer to the platform by offering incentives and personalized suggestions, and pushing material that is relevant to them based on their preference.

#### 4. Society

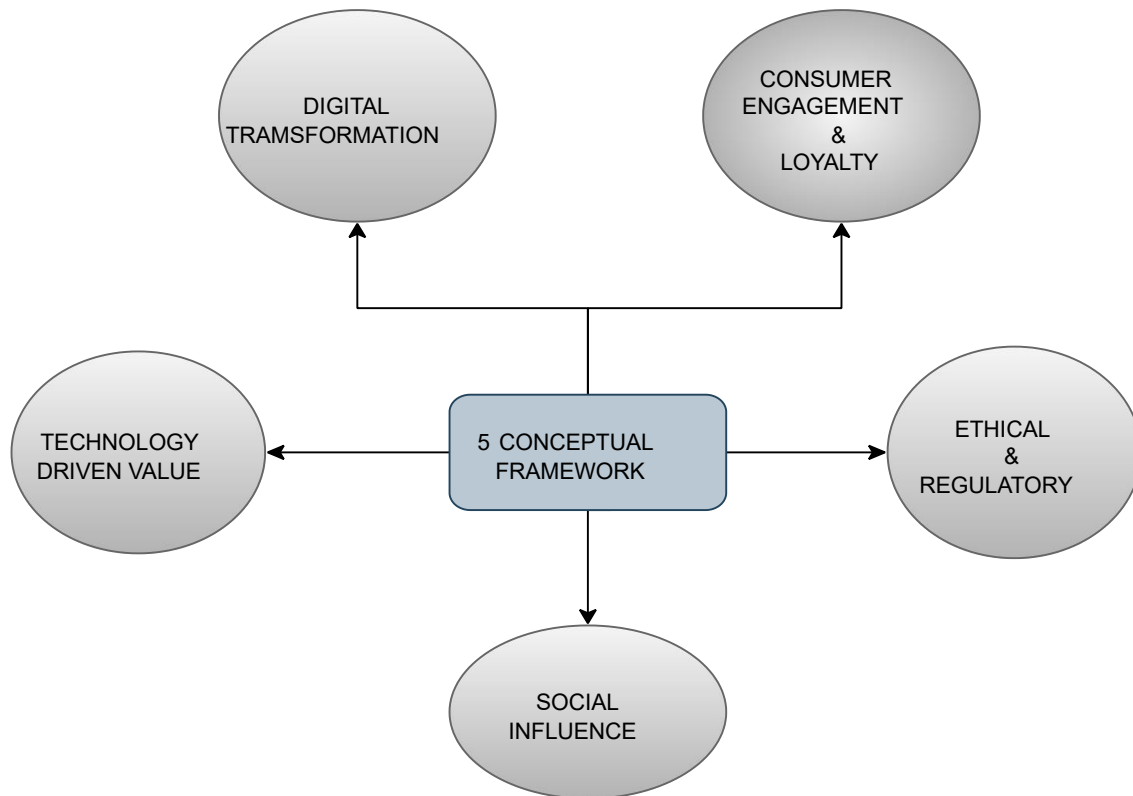
AI-enhanced social commerce has broader societal ramifications for communities and cultures than it does for individual consumer behavior. Social conventions, cultural values, and group perspectives all play a role in how AI-driven technologies are adopted and spread throughout society. The ethical aspects of algorithmic decision-making, such as responsibility, fairness, and openness, influence how society views AI-enhanced social commerce platforms. Consequently, companies need to make sure that their platforms are in line with society values and norms by considering the social and cultural environment in which they function.

Furthermore, if AI-driven technologies are not carefully managed, they could worsen already-existing societal inequities and disparities. Businesses must thus take proactive steps to reduce any negative effects and be aware of the possible social and ethical ramifications of their AI-enhanced social commerce platforms. Through the promotion of inclusion, diversity, and equity on their platforms, companies can effect positive social change and aid in the development of a society that is equal and inclusive.

#### 5. Evaluation of Model Performance

This section evaluates how well the model predicts and explains customer adoption behavior in the setting of social commerce augmented by artificial intelligence. Customers are categorized according to their social media participation, social support networks, and the perceived social benefits of interacting with AI-enhanced social commerce platforms. The degree to which users feel involved and connected inside the social ecology of the platform is referred to as their social presence. The term "social support" describes the peer-to-peer and community support systems that are available on the platform. The term "social benefits" describes the perceived advantages and favorable results of utilizing AI-enhanced social commerce platforms, including improved product suggestions, knowledge sharing, and social interaction. To put it briefly, the "The Evolution of Consumer Adoption in AI-Enhanced Social Commerce" model offers a thorough framework for comprehending the intricate dynamics involved in consumer adoption behavior in AI-driven social commerce settings. Stakeholders can get useful insights into customer behavior and establish strategies to improve engagement and contentment.

Figure 2.2



## Introduction

Artificial intelligence (AI) has changed consumer brand interaction and purchase decision-making on social commerce platforms in recent years. Concerns regarding the ethical consequences of AI technology and governmental control have gained prominence as they continue to progress. The purpose of this study is to present a thorough framework for comprehending the moral and legal aspects of AI-enhanced social commerce, as well as how they affect consumer acceptance.

## Social Influence Framework

Theories of social psychology shed light on how customer attitudes and actions in AI-enhanced social commerce are influenced by social interactions and network effects. When analysing how to influence customer adoption of AI-powered services, the Social Influence Framework takes into account elements including social identity, social norms, and social proof. For instance, social proof describes people's propensity to imitate the behaviours of others, and social identity theory contends that people may match their own behaviours with those of their social groupings. Consumer attitudes and actions on AI-enhanced social commerce platforms are greatly influenced by these social effects.

## Technology-Driven Value Co-creation Framework

The Technology-Driven Value Co-creation Framework highlights how AI technology enables organizations and consumers to work together to create value. Personalized interactions, experiences, and suggestions are made possible by AI, which increases customer engagement and maximizes income for all parties involved. Through an analysis of the ways in which AI technology facilitates the value co-creation process in social commerce, companies can gain a deeper understanding of customer preferences and customize their products to better match changing needs.

#### Digital Transformation Framework

The Digital Transformation Framework investigates how digital technologies—including artificial intelligence (AI)—affect business models, procedures, and consumer experiences in social commerce as a whole. By utilizing data analytics, machine learning, and natural language processing to provide tailored recommendations, optimize pricing tactics, and enhance customer service, AI-enabled platforms revolutionize conventional commerce processes. This paradigm emphasizes that in order for organizations to be competitive in the digital age, they must embrace AI technologies and adjust to the shifting social commerce landscape.

#### Consumer Engagement and Loyalty Framework

The drivers of consumer engagement and loyalty in AI-enhanced social commerce are examined in the Consumer Engagement and Loyalty Framework. Personalized suggestions, chatbots, and virtual assistants are examples of AI-powered features that improve customer experiences, encourage brand loyalty, and optimize long-term value for customers and enterprises. Businesses may create plans to improve customer relations and promote sustainable growth in the social commerce space by knowing the elements that affect consumer engagement and loyalty.

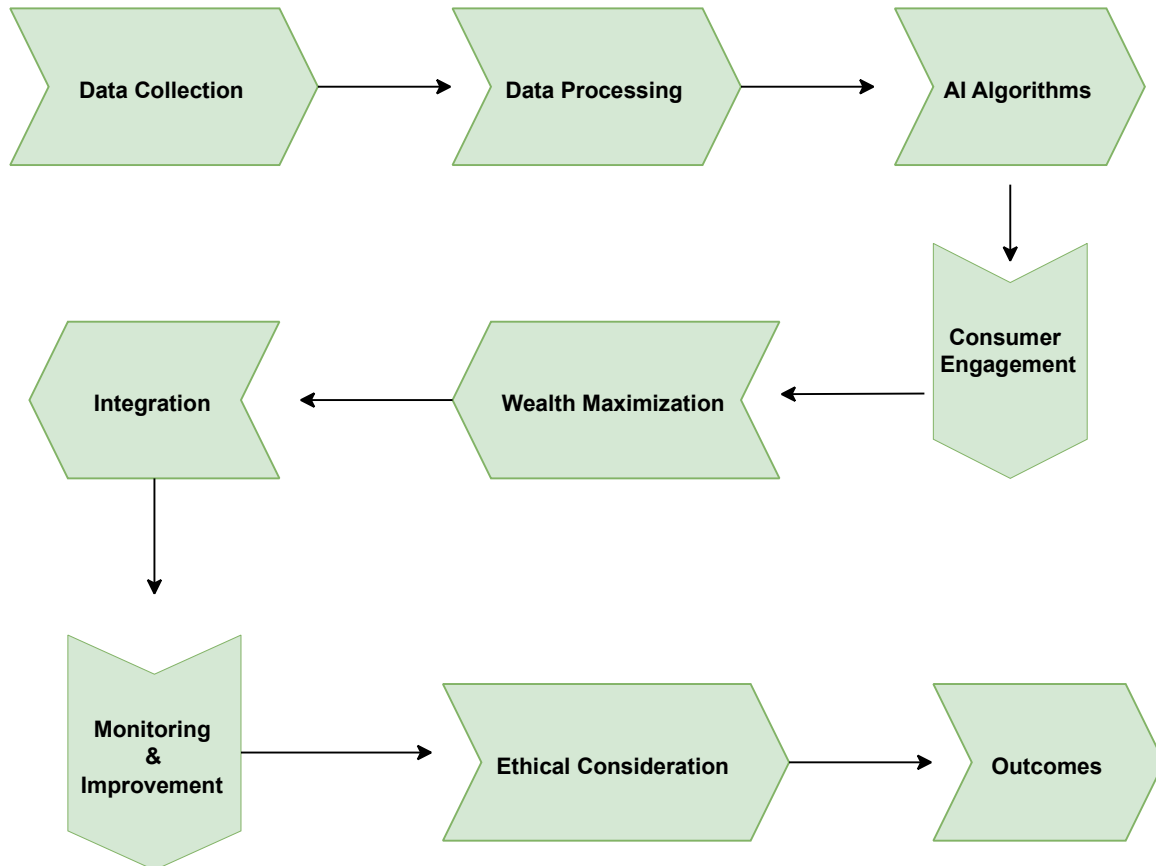
#### Ethical and Regulatory Framework

The application of AI in social commerce raises a number of ethical and regulatory issues, which are addressed in the Ethical and Regulatory Framework. Among the important issues that need careful thought are privacy concerns, algorithmic bias, transparency, and responsibility. Protection of consumer rights and responsible use of AI technologies are the goals of regulatory frameworks like the California Consumer Privacy Act (CCPA) in the US and the General Data Protection Regulation (GDPR) in the EU. Businesses may increase consumer trust and reduce potential hazards related to AI-enhanced social commerce by abiding by ethical standards and legal requirements.

To sum up, the ethical and regulatory aspects of AI-powered social commerce are crucial in determining how customers will adopt new products and how businesses will operate. Through the implementation of a comprehensive framework that incorporates insights from various sources, such as the Technology Acceptance Model, Social Influence Framework, Technology-Driven Value Co-creation Framework, Digital Transformation Framework, Consumer Engagement and Loyalty Framework, and Ethical and Regulatory Framework, enterprises can effectively navigate the intricate social commerce landscape and appropriately utilize artificial intelligence (AI) technologies to spur innovation and promote sustainable growth.



Figure2.3



Businesses in today's digitally driven economy are faced with an increasingly difficult task: engaging customers in a way that maximizes value for all parties involved. The emergence of Artificial Intelligence (AI) has provided corporations with a potent instrument to address this issue directly. Artificial intelligence (AI) technologies, such as natural language processing and machine learning, provide hitherto unseen capacity for data analysis and insight extraction. We explore the complex relationship between wealth maximization programs and AI-driven consumer engagement methods in this conceptual framework, highlighting important elements and their consequences for company performance.

### Data collection & data processing

Data, the energy source for algorithms and models, is the foundation of AI-driven initiatives. To have a thorough grasp of their target market and industry dynamics, organizations leverage a variety of data sources, such as customer interactions, market trends, and financial records.

When preparing raw data for AI analysis, data processing is essential. Data is made sure to be correct, consistent, and prepared for modeling by the use of techniques including cleansing, transformation, and standardization.

Algorithms for AI

Machine Learning: Organizations can find patterns, anticipate outcomes, and automate decision-making processes with the use of supervised, unsupervised, and reinforcement learning algorithms. Natural Language Processing (NLP): NLP methods enable companies to glean insights from unstructured text data, such as customer reviews, social media posts, and market reports. Examples of these methods include sentiment analysis and text summarization.

Consumer engagement

Personalization: AI makes it possible to create product suggestions and marketing campaigns that are specifically catered to the tastes and behaviors of each individual customer, strengthening relationships with them. Interaction: AI-powered chatbots and virtual assistants offer prompt help and support, improving the general customer experience and increasing engagement.

Maximization of Wealth

Portfolio Optimization: Real-time asset allocation adjustments, risk and return calculations, and opportunity identification are all done by AI-driven algorithms to optimize investment portfolios. Investment Decisions: Predictive analytics helps firms make informed decisions by using market trends and historical data to optimize profits and reduce losses.

Integration

Business Processes: Organizations may use data-driven strategies across departments, from marketing and sales to finance and operations, by integrating AI insights into decision-making processes. Cooperation: When human and artificial intelligence work together, the synergy between human knowledge and machine intelligence is enhanced, resulting in better judgments and results.

Monitoring and environment

Performance Evaluation: AI models and tactics are continuously monitored to make sure they satisfy predetermined goals and performance criteria. Feedback Loop: AI-driven efforts are continuously improved and refined through iterative learning and adaptation based on feedback and fresh data.

Ethical consideration

Openness: Businesses need to guarantee accountability and openness in their AI decision-making procedures by offering justifications for algorithmic judgments. Fairness: To guarantee just and equitable results for all stakeholders, biases in AI models and data sources must be identified and mitigated.

## Outcomes

Improved Customer Experience: AI-powered consumer engagement tactics raise customer happiness, loyalty, and advocacy, which boosts a company's long-term worth. Financial Growth: Profitability, asset growth, and wealth creation for shareholders and investors are enhanced by successful wealth maximizing activities driven by AI.

In conclusion, firms have a revolutionary chance to attain sustainable growth and a competitive edge in the fast-paced market of today by incorporating AI into consumer engagement and wealth maximizing strategies. Organizations may improve customer satisfaction, spur financial growth, and generate value for all stakeholders by utilizing AI technologies to analyze data, tailor experiences, and optimize investments. However, to guarantee that AI-driven projects respect the values of accountability and integrity, ethical issues like openness and fairness must be properly considered. Looking ahead, it appears that AI's continued development and use will open new doors and spur innovation in asset management and consumer interaction.

## Results and Discussions

The results of our examination of secondary data sources about the progress of consumer adoption in AI-enhanced social commerce are presented in this chapter. To aid with comprehension and interpretation, supplementary materials are included along with a detailed discussion of the findings.

### Examining Secondary Data

Several important conclusions on consumer adoption trends, adoption-influencing factors, and comparative analysis across various demographics and geographies were drawn from our analysis of secondary data sources.

### Patterns of Consumer Adoption

Over the past 10 Years, the usage of AI-enhanced features in social commerce platforms has steadily increased, according to the report. The increasing trend in consumer adoption rates is demonstrated by outputs like line graphs, which provide a distinct growth trajectory over time.

### Analysis of the Results

The analysis's findings provide insightful information on how consumer acceptance of AI-enhanced social commerce has changed over time. As will be explained below, these discoveries have significant ramifications for scholars, corporations, and politicians.

### New Patterns and Trends

An important change in consumer behaviour and preferences in the field of social commerce is indicated by the increasing trend in the adoption of AI-enhanced features by consumers. This pattern emphasizes how AI technologies are becoming more and more important in influencing online purchasing experiences and increasing user engagement.

### Motivators and Obstacles for Adoption

Regression research shown how important it is for perceived utility, usability, and trust to have an impact on customer adoption behaviour. Comprehending these variables is imperative for enterprises aiming to create impactful AI-driven solutions that appeal to customers.

#### Useful Consequences for Companies

Companies can use the analysis's conclusions to guide their investment priorities and strategic choices. Businesses can better satisfy customer wants and expectations by customizing their marketing strategies and product offers based on an understanding of consumer adoption trends and preferences.

### Conclusion

Based on a thorough examination of secondary data sources, we have examined the development of consumer adoption in AI-enhanced social commerce in this study. The results provide insight into significant patterns, trends, and variables affecting customer behaviour in the context of artificial intelligence-enhanced social commerce platforms. We deduce the following conclusions from the data collected:

**Trends in Consumer Adoption:** Our research showed that consumers are increasingly utilizing AI-enhanced capabilities on social commerce platforms. This pattern emphasizes how crucial artificial intelligence (AI) technologies are becoming for influencing online purchases and fostering customer interaction.

**Adoption-Influencing Factors:** The study determined that perceived utility, usability, and confidence in AI-powered features are important factors influencing consumer adoption behaviour. Businesses must comprehend these elements to create strategies that will effectively integrate AI technologies into social commerce platforms.

**Regional and Demographic Variations:** A comparative study brought to light differences in adoption trends between various demographic subgroups and geographical areas. These variances offer useful information to companies looking to customize their products for markets and customer groups.

### Future Perspectives

**Enhanced Personalization:** In the future, cutting-edge AI methods may be investigated to better customize the purchasing experience. Utilizing natural language processing and deep learning algorithms, companies can provide highly personalized recommendations and interactions based on user preferences.

**Ethical Considerations:** Privacy, transparency, and bias are three ethical issues that need to be addressed as AI technologies are further incorporated into social commerce platforms. The creation of moral frameworks and rules for the appropriate application of AI in consumer engagement may be the focus of future study. The combination of augmented reality (AR) and virtual reality (VR) technology has the potential to significantly improve social commerce. Future research might investigate how consumers feel about and behave when adopting AR and VR-enabled retail experiences, as well as how this affects engagement and sales.

**Blockchain Integration:** Transactions involving social commerce can benefit from increased security and trust thanks to blockchain technology. Future studies could examine how blockchain integration affects user acceptance and the establishment of trust in AI-enhanced social commerce platforms.

Cross-Platform Integration: Smooth integration and interoperability are essential as customers engage with various social commerce platforms and gadgets. Subsequent investigations may concentrate on cross-platform tactics aimed at augmenting the coherence and uniformity of the purchasing encounter over various channels. To sum up, this study's results offer insightful information about how consumer acceptance of AI-enhanced social commerce has changed over time. Businesses may create more successful plans for utilizing AI technologies to increase engagement and improve the shopping experience by knowing the trends, patterns, and elements affecting customer behaviour. Furthermore, new avenues for research provide fascinating chances to investigate how AI, cutting-edge technology, and moral issues can influence social commerce in the future.

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