

How generative AI is (will) change consumer behaviour: Postulating the potential impact and implications for research, practice, and policy

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Abstract

This article sheds light on the profound impact of technology on consumer behavior, specifically focusing on the rise of generative AI tools. It highlights how these advancements have revolutionized consumer engagement, purchase decision-making, and technology interaction. The article underscores the transformative potential of generative AI in shaping consumer behavior through personalized recommendations and interactive shopping experiences. It emphasizes the need for continued research and exploration to comprehend and effectively navigate the ever-evolving landscape of consumer behavior influenced by generative AI. Additionally, the article identifies implications for research and practice, offers valuable strategies for brands, and presents a comprehensive research agenda to delve deeper into this field. Ultimately, it provides valuable insights into the challenges and opportunities presented by generative AI in consumer behavior, serving as a guiding resource for advancing theory, practice, and policy in this domain.

1 | INTRODUCTION

Technology has often impacted and changed consumer behaviour. The rise of e-commerce platforms and online shopping has transformed how consumers purchase products, compare prices, check reviews, and access a broader range of options worldwide from the comfort of their homes (Katsikeas et al., 2020; Ngarmwongnoi et al., 2020; Thaichon et al., 2022). Social media platforms are becoming influential in how consumers engage and communicate with brands (Mogaji et al., 2021; Voramontri & Klieb, 2019), while voice assistants and smart speakers are changing how consumers interact with technology (Ford, et al., 2023) using voice commands for online shopping, product recommendations, or even ordering services (Sattarapu et al., 2023). Consumers have often found ways to change their behaviour, and adapt and integrate technologies into their brand-consumer behaviour (Eastman et al., 2023; Kaur et al., 2023; Lim et al., 2023).

Generative AI tools, including OpenAI's ChatGPT, Google's Gemini, and Microsoft's Co-Pilot, have emerged as leading technologies that shape consumer engagement and have the potential to influence consumer behaviour profoundly (Dwivedi, et al., 2023a). These powerful tools enable businesses to provide personalized recommendations, enhance customer support, and facilitate interactive shopping experiences, empowering them to influence consumers' decision-making processes, preferences, and overall brand engagement. Research in this area has already begun, with multidisciplinary investigations (Dwivedi et al., 2023b) and domain-specific studies focusing on education, retail, and banking revealing significant changes in consumer behavior resulting from generative AI tools.

As the impending shift in consumer behavior looms, deepening our theoretical understanding and developing effective strategies to manage and adapt to this transformative wave becomes critical (Amankwah-Amoah et al., 2024; Peres et al., 2023). Exploring optimal approaches to navigate this evolving landscape will allow businesses

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to fully leverage the power of generative AI tools, leading to the effective management and optimization of consumer behavior (Jain et al., 2023). By embracing this technology and its potential impact, businesses can stay ahead in the dynamic marketplace and provide enhanced experiences that align with consumers' changing expectations and preferences.

In response to the growing demand for a theoretical understanding of consumer behavior regarding emerging technologies like generative AI tools (Dwivedi et al., 2023; Jain et al., 2023; Peres et al., 2023), this article serves as a foundational step in shaping research direction. The primary objectives of this article are fourfold. Firstly, it aims to postulate the potential impact of generative AI tools on consumer behavior. Secondly, it seeks to identify the implications for research, practice, and policy stemming from these changes in consumer behavior. Thirdly, it explores strategies for brands to effectively manage and prepare for the evolving nature of consumer interactions, engagements, and consumption in the context of generative AI. Lastly, it presents a comprehensive research agenda that outlines relevant areas for further exploration in this domain.

By addressing these objectives, this article contributes to the broader understanding of the implications and opportunities that arise from the intersection of generative AI and consumer behavior. It lays the foundation for future research endeavors. It guides academics and industry professionals seeking to navigate the changing landscape of consumer behavior influenced by technologies. Ultimately, this article aims to foster a comprehensive understanding of the challenges and possibilities of generative AI tools and provides valuable insights for future advancements in theory, practice, and policy in consumer behavior.

2 | CHANGING CONSUMER BEHAVIOUR

This section sheds light on the anticipated changes in consumer behaviors resulting from the adoption of generative AI technology. It explores how consumers and brands are expected to utilize this technology in their interactions. Drawing upon existing literature and practices, this section provides valuable insights into the potential impact of generative AI on consumer behaviors. By examining the future landscape, this section aims to identify the transformative ways consumers will engage with brands, products, and services. It explores how generative AI tools will shape consumer decision-making processes, preferences, and overall brand interaction.

2.1 | Recommendations

In the ever-evolving landscape of consumer behaviour, individuals actively seek alternative sources of information that extend beyond traditional avenues such as social media and online reviews. As a result, consumers will increasingly turn to generative AI tools to seek out brand, product, or service information and recommendations. This shift highlights the growing reliance on AI-driven systems to provide personalized insights. Consumers are now seeking answers directly

from generative AI, leveraging its capabilities to access relevant and tailored information. Engaging with generative AI allows consumers to make more informed decisions about their desired brands or offerings. However, it is essential to acknowledge that the recommendations provided by generative AI are based on the data used for training and, therefore, may have limitations or be influenced by outdated information. Nonetheless, consumers will be better informed as generative AI tools become more advanced and refined. As a result, brands must recognize the significance of this shift and adapt their strategies to effectively meet the changing needs of consumers who are now turning to AI tools for information and recommendations about brands, products, and services.

2.2 | Content creation

The implications of generative AI extend beyond text generation, including generating images, which has enormous potential to impact content creation significantly. With the advent of AI-powered image generation, consumers can now create visual content that was once limited to professional designers or artists. This democratization of content creation empowers individuals to express their creativity and share their unique perspectives across various platforms. For instance, in social media, consumers can utilize generative AI tools to generate visually appealing graphics, illustrations, or even memes to enhance their posts and captivate their audience. They can leverage AI-generated images to augment their storytelling, create visually stunning collages, or experiment with artistic filters and effects. This opens up new avenues for self-expression and enables consumers to participate actively in content creation.

Moreover, generative AI enables consumers to create text and high-quality images for reviews. For instance, instead of relying solely on text-based feedback, consumers can generate accompanying visuals that provide additional context or showcase the product in action, enhancing the overall consumer experience and providing valuable insights to other potential buyers. The implications of generative AI for content creation are vast, as it empowers consumers to become creators themselves and contribute their unique perspectives to the digital landscape. Using generative AI tools, consumers can unleash their creativity, enhance their social media presence, and enrich user-generated content with visually compelling images.

2.3 | Virtual assistant

By leveraging the capabilities of generative AI, virtual shopping assistants transform how consumers engage with products and make purchasing decisions, offering personalized recommendations, and revolutionizing virtual shopping assistance, thereby shaping consumer behaviour through information processing and decision-making support (Ford et al., 2023). One example is the integration of generative AI-powered chatbots within e-commerce platforms, which can engage with consumers in real-time, helping them navigate vast product catalogues, understand their preferences, and provide tailored

recommendations based on these preferences (Abdulquadri et al., 2021). By offering personalized product suggestions, virtual shopping assistants powered by generative AI enhance the overall shopping experience and guide consumers toward products that best align with their requirements (Balakrishnan et al., 2021).

Furthermore, generative AI can shape consumer behavior by allowing consumers to try on products virtually. Through augmented reality (AR) or virtual reality (VR) technologies, virtual shopping assistants can simulate trying on clothes, accessories, or home decor items. By generating virtual representations of products on the consumer's body or in their living space, generative AI enhances the visualization and evaluation process, enabling consumers to make more confident purchasing decisions (Jain, Sheth et al., 2024).

The implications of generative AI for virtual shopping assistance are vast, as it revolutionizes how consumers explore, evaluate, and decide on products. By leveraging generative AI's capabilities, virtual shopping assistants offer personalized recommendations, facilitate product search and evaluation, and even provide virtual try-on experiences, all of which contribute to shaping consumer behavior through information processing and decision-making support.

2.4 | Shaping global trends and consumer choices

Generative AI has significant implications for understanding global trends and their impact on consumer choices, both at local and international levels. It enables individuals to gain insights into diverse cultures, lifestyles, and consumption patterns through its engagement with users, ultimately shaping their perceptions and behaviors. One example is the use of generative AI for language learning and translation. Language barriers often limit individuals' access to information and global trends. However, generative AI-powered language tools can facilitate real-time translation of signs, brand messages, and other textual content, giving users a contextualized understanding of the information and allowing individuals to learn about new cultures, consume global content, and make more informed choices.

Generative AI analyses vast amounts of data from various sources, enabling it to understand global trends by identifying emerging trends, consumer preferences, and market dynamics across different regions. This is achieved through its algorithms, which process and extract patterns from global datasets. Generative AI's analysis of global trends helps businesses and consumers align their choices, lifestyles, and consumption patterns with the evolving international landscape. It also shapes consumer behavior through personalized recommendations and content based on individual preferences and global trends. Generative AI facilitates language learning, translation, and access to contextualized information through user engagement.

2.5 | Transforming purchase behaviour

Generative AI has profound implications for purchase behavior, as it empowers consumers with useful, relevant, real-time, contextual, and

personalized information that transforms how they engage with friends, social media influencers, and consumers from different parts of the world. By leveraging the vast amount of data available, generative AI enables consumers to become more educated, seek extensive information before making purchasing decisions, and generate data that contributes to these generative AI tools' continuous learning and improvement.

One relevant example of the impact of generative AI on purchase behavior is the ability to provide real-time product recommendations with contextual information such as browsing history, previous purchases, and demographic information. This level of personalization increases the likelihood of finding products that meet a consumer's expectations. Furthermore, generative AI can shape purchase behavior by facilitating access to reviews and ratings from various sources. Instead of relying solely on a limited number of reviews or the opinions of a few influencers, consumers can leverage generative AI tools to gather information from various sources and perspectives. This enables them to make more informed decisions, considering a diverse range of opinions, and experiences before making a purchase.

3 | IMPLICATIONS

As the realm of consumer behaviour undergoes transformations propelled by generative AI, it becomes paramount to acknowledge and comprehend the far-reaching implications for various stakeholders, including consumers, brands, and policymakers. These stakeholders should be provided with a comprehensive understanding of the associated implications and potential risks such as misinformation, currency, and accuracy of information. Education and awareness thus assume pivotal roles in empowering stakeholders to make informed decisions and confidently navigate the dynamic landscape of generative AI. Within this section, we shed light on the diverse implications of integrating generative AI into consumer behaviour, providing valuable insights for stakeholders to navigate this evolving landscape.

3.1 | Credibility and trust

Credibility and trust are crucial considerations regarding the content generated automatically by AI. With the rise of generative AI tools, questions often arise regarding the reliability and trustworthiness of the information provided. Whether it is product or service recommendations or user reviews, the automated nature of generative AI raises concerns about the generated content's accuracy, bias, or outdatedness. Users must be mindful that they must cross-reference the AI-generated content with other sources, seek multiple opinions, and critically assess the credibility of the information provided.

Additionally, businesses and developers of generative AI tools are responsible for prioritizing transparency, accuracy, and accountability to build trust with consumers. Credibility and trust can be enhanced by ensuring clear disclosure of AI-generated content and incorporating mechanisms for user feedback and verification.

3.2 | Responsibility

Responsibility is a critical implication when it comes to generative AI. When the outputted content is incorrect or misleading, the question of accountability arises. Determining who should be responsible for unintended consequences or errors becomes essential. Is it the generative AI tool or the person who provided the initial prompt? This issue raises important ethical considerations and legal implications. For example, let us consider a scenario where a consumer relies on a generative AI tool for financial advice. If the advice the tool provides leads to financial losses or misguides the consumer, who should be held accountable? Should it be the AI tool developer for programming the tool in a way that generated inaccurate advice, or should it be the user who unthinkingly followed the AI's recommendations without conducting due diligence? Addressing responsibility requires a collaborative effort involving policymakers, industry professionals, and developers of generative AI tools. Clear guidelines and regulations must be established to outline the responsibilities and liabilities of all parties involved. Developers must design AI systems with built-in safeguards, transparency, and mechanisms for error correction. Users are also responsible for exercising critical thinking and judgment when utilizing generative AI tools, understanding their limitations, and verifying the generated content. Responsibility in the context of generative AI requires a comprehensive framework that considers developers' and users' roles and obligations. Striking the right balance between accountability and innovation is crucial to ensure generative AI's responsible and ethical use in various domains.

3.3 | Misinformation

Misinformation is another significant implication of generative AI that raises concerns about spreading inaccurate or false information. With the source of generated content often in question, consumers are more susceptible to being misled and may alter their behaviors based on misleading information, which can have catastrophic consequences; for example, in May 2023, when an AI-generated image depicting an explosion at the Pentagon, in the United States, went viral on social media. Multiple news platforms erroneously reported the fake image as accurate, leading to widespread panic and chaos. The markets were also affected, with the S&P 500 experiencing a 30-point drop within minutes of the news and highlighting the critical need for consumers to be vigilant, discerning, and aware of the potential for misinformation when engaging with generative AI-generated content. Individuals need to exercise critical thinking, fact-check information from multiple reliable sources, and verify the credibility of content before making any decisions or taking action. To address the issue of misinformation, developers of generative AI tools must incorporate measures that promote accuracy, transparency, and authenticity, including implementing mechanisms to verify the validity of generated content and providing clear disclaimers when content is AI-generated. Additionally, media literacy and digital literacy initiatives can empower consumers to navigate the digital landscape more effectively, enabling them to identify and combat misinformation.

3.4 | Over-reliance on technology

Over-reliance on technology is a notable implication of generative AI, as it can lead to a diminishing sense of self-reliance and critical thinking among consumers. The convenience and capabilities of generative AI may result in individuals becoming overly dependent on technology for various tasks and decision-making processes. For instance, with previous forms of technology—the prevalence of unlimited phone storage has led many people to forego the need to memorize phone numbers, as they can easily access contacts digitally. Similarly, relying solely on GPS navigation provided by tools like Google Maps has diminished the need for individuals to rely on road signage and develop a deeper understanding of their surroundings. As generative AI evolves and offers more advanced features, such as personalized recommendations, consumers may rely on these AI-driven suggestions without critically evaluating their validity or considering alternative options. This over-reliance can limit individuals' ability to think independently, question insights, and seek diverse perspectives. Ultimately, mitigating the risk of over-reliance on technology requires a multifaceted approach that involves educating consumers, fostering critical thinking skills, and promoting responsible design and implementation of generative AI tools. This will ensure that individuals balance leveraging the benefits of technology and maintaining their ability to think critically and independently.

3.5 | Ethical and governance implications

Critical ethical and governance considerations are related to generative AI's justification, transparency, and responsible use. This raises the question of whether people should use generative AI and to what extent.

One example of an ethical and governance implication is the use of generative AI in deepfake technology. Deepfakes are manipulated videos or images that appear highly realistic but are fabricated. The widespread availability of generative AI tools has made it easier for individuals to create deepfakes, raising concerns about the potential misuse of such technology for misinformation, defamation, or other harmful purposes. The ethical implications involve consent, privacy, and the potential for harm to individuals and society. In governance, there is a need to establish clear guidelines and regulations to ensure the responsible and ethical use of generative AI, primarily relating to deepfakes. This includes defining the boundaries of acceptable use, establishing mechanisms for accountability and transparency, and safeguarding against potential biases or discriminatory practices embedded in the algorithms. Striking a balance between innovation and ethical considerations is crucial to ensure that generative AI technologies are harnessed responsibly and for the benefit of society. Addressing the ethical and governance implications requires interdisciplinary collaboration involving researchers, policymakers, industry stakeholders, and the public. It entails open discussions, ethical frameworks, and the establishment of robust governance mechanisms to guide the development and deployment of generative AI technologies.

By doing so, we can navigate the ethical challenges and ensure that generative AI is used to uphold ethical standards and societal well-being.

3.6 | Technical capabilities

Digital divide—people's lack of ability and technological access are significant for generative AI adoption. Acknowledging the challenges associated with the digital divide, particularly regarding access and proficiency is essential. While the COVID-19 pandemic highlighted

the importance of online engagement and exacerbates the concerns around the digital divide (Sharma et al., 2022), it is imperative to be aware that not everyone has the means or ability to leverage generative AI tools to transform their consumer behavior. Some individuals lack access to generative AI technology due to limited internet connectivity, financial constraints, or other barriers. These individuals may be excluded from the benefits and opportunities offered by generative AI, limiting their ability to utilize the tool for personalized recommendations or decision-making support. Furthermore, even if individuals have access to generative AI, they may lack familiarity or proficiency in using the tool effectively for their specific needs and

TABLE 1 Implications of generative AI on consumer behaviour.

Implications of generative AI	Summary
Credibility and trust	<ul style="list-style-type: none"> • Questions about the reliability and trustworthiness of AI-generated content for consumer trust • Concerns about accuracy, bias, and outdatedness in product recommendations, service information and user reviews • Users are advised to cross-reference AI-generated content, seek multiple opinions and critically assess information credibility • Businesses and developers are urged to prioritize transparency, accuracy and accountability to build consumer trust
Responsibility	<ul style="list-style-type: none"> • Accountability issues arise when AI-generated content is incorrect or misleading to consumers • Ethical considerations and legal implications in determining responsibility for consumers • Collaborative effort is needed involving policymakers, industry professionals and developers for the betterment of the consumers • Clear guidelines and regulations essential to outline responsibilities and liabilities for consumers • Developers must design AI systems with safeguards, transparency and error correction mechanisms for the consumers • Users responsible for critical thinking and verifying AI-generated content to be accountable to consumers
Misinformation	<ul style="list-style-type: none"> • Risks of spreading inaccurate or false information due to generative AI among consumers • Users are more susceptible to being misled by the source of generated content about the consumers • Importance of vigilance, discernment and awareness when engaging with AI-generated content related to the consumers • Need for critical thinking, fact-checking and verification of content credibility for the consumers • Developers are urged to incorporate accuracy, transparency and authenticity measures to manage consumers better • Media and digital literacy initiatives are crucial to empower consumers against misinformation
Over-reliance on technology	<ul style="list-style-type: none"> • Diminishing self-reliance and critical thinking among consumers due to reliance on generative AI • The convenience and capabilities of generative AI lead to over-dependence on technology for consumers • Risk of limiting individuals' ability to think independently and seek diverse consumer perspectives • Mitigation requires education, fostering critical thinking and responsible design of consumer AI tools • Balancing the benefits of technology with maintaining individual ability to think critically and independently among consumers
Ethical and governance implications	<ul style="list-style-type: none"> • Critical ethical considerations regarding justification, transparency and responsible use of generative AI among consumers • Challenges in deepfake technology and its potential misuse for harmful purposes related to the consumers • Clear guidelines and regulations are needed to ensure the responsible and ethical use of generative AI for the advancement of consumers • Balancing innovation with ethical considerations is essential for societal benefit for better consumer communities • Interdisciplinary collaboration involving researchers, policymakers, industry stakeholders and the public is necessary for addressing ethical and governance implications for consumers
Technical capabilities—digital divide	<ul style="list-style-type: none"> • Digital divide challenges associated with generative AI adoption among consumers • Limited access to technology due to internet connectivity, financial constraints or other barriers with consumer orientation • Exclusion of individuals from benefits and opportunities offered by generative AI for an adequate consumer base • Lack of familiarity or proficiency in using generative AI tools effectively for the specific needs of the consumers • Acknowledgment of challenges and awareness essential for addressing digital divide concerns in the context of generative AI adoption among consumers

preferences. Table 1 presents a summary of the implications of generative AI on consumer behaviour.

4 | RESEARCH AGENDA

The evolving landscape of generative AI demands a comprehensive exploration of its impact on consumer behavior. Recognizing the rapid advancements in generative AI technology, several important research questions warrant investigation. This section builds upon previous studies that have provided a general research agenda for generative AI and focus explicitly on questions relevant to consumer behaviour. This research agenda initiates critical inquiries into the significance and validity of discussions around generative AI, evaluating whether it signifies a lasting technological transformation or a fleeting trend. Additionally, this editorial proposes that research delves into ethical considerations and governance frameworks, providing a holistic understanding of generative AI adoption's genuine potential and long-term implications.

Understanding the influence of generative AI on consumer decision-making processes is a key focus, as well as exploring information processing, evaluation, and choice mechanisms. This strand should seek to elucidate how AI-driven recommendations and content mold consumer decisions, offering valuable insights into the dynamic landscape of consumer choice. The research agenda also directs attention to the preparedness of brands and marketers for integrating generative AI, evaluating adoption rates, identifying implementation barriers, and addressing ethical and legal implications. Strategies for responsible AI adoption and the enduring impact on brand perception and market competitiveness are integral aspects of this exploration that can extend the consumer behaviour discipline.

This editorial also posits that ethical considerations take center stage in examining generative AI in consumer interactions. Privacy concerns, algorithmic bias, and the potential for manipulation should be scrutinized to inform the development of ethical AI practices and policies. Simultaneously, researchers should adopt a consumer-centric perspective to investigate how consumers perceive and evaluate AI-generated content. Through empirical qualitative and quantitative data collection, this research strand should aim to uncover nuances in consumer trust, credibility, and perceived value, providing valuable insights into factors influencing acceptance and engagement with AI-driven recommendations for the betterment of consumers.

This research agenda proposed in this editorial extends its scope to explore the boundary conditions of generative AI effectiveness in consumer behavior. Building upon understanding consumers' perceptions, future research explores moderating factors such as consumer characteristics, product types, and cultural contexts. Simultaneously, the potential for generative AI to enhance consumer well-being should be critically examined, focusing on mitigating potential biases and ensuring inclusivity. The implications of generative AI for consumer-brand relationships are also a vital area of investigation, paving the way for informed marketing strategies and fostering stronger connections between brands and consumers. Through these

focused inquiries, scholars can aim to deepen the understanding of the implications of generative AI, contributing to best practices and guidelines for businesses and policymakers while ensuring responsible and beneficial outcomes for consumers.

Table 2 below presents structured and organized research questions that outline fundamental inquiries guiding future studies on the intersection of generative AI and consumer behavior. Each question is succinctly articulated under specific headings, providing a clear and concise overview of the research agenda. The table serves as a roadmap for scholars and researchers, delineating critical areas of exploration within the realm of generative AI. The questions are thoughtfully crafted to address fundamental aspects, such as the worthiness of discussing generative AI, its influence on consumer decision-making processes, and the ethical implications involved. By categorizing these questions, the table offers a systematic and comprehensive framework, facilitating a focused and insightful examination of the multifaceted implications of generative AI on consumer behavior.

5 | PRACTICAL AND MANAGERIAL IMPLICATIONS

Acknowledging that this editorial delves into the profound influence of technology on consumer behavior, it also recognizes the existence of practical and managerial implications. This section delineates an actionable plan for managers, offering insightful guidance on navigating the burgeoning opportunities presented by this transformative technology. By laying out practical insights, it aims to equip managers with the knowledge and strategies necessary to effectively engage with and harness the emerging potential of technology in consumer behavior.

5.1 | Integration of generative AI in customer engagement

Companies and marketers should thoroughly review their current strategies and workflows to identify opportunities for integrating generative AI tools. By leveraging this technology, they can enhance customer engagement through personalized recommendations and interactive customer support. Additionally, the integration of generative AI can streamline internal operations, contributing to improved efficiency and more informed decision-making processes (Jain, Wadhwani et al., 2024).

5.2 | Continuous learning and upskilling for better consumer communities

Recognizing the transformative potential of generative AI, companies must invest in continuous learning and upskilling programs. Employees should have the necessary skills to use generative AI tools effectively. Regular training sessions can ensure that teams stay abreast of

TABLE 2 Research questions implications of generative AI on consumer behaviour.

Research area	Research questions
1. Is generative AI worthy of discussion?	<ul style="list-style-type: none"> • What is the significance of generative AI in the technological landscape for consumers? • Does generative AI represent a long-term advancement or a short-lived trend among the consumers? • How can empirical studies evaluate the transformative potential of generative AI in consumer behaviour, industries and societal dynamics? • What ethical considerations and governance frameworks are necessary for the responsible adoption of generative AI among consumers? • How can we comprehensively understand generative AI's true potential and long-term implications on consumer behaviour?
2. How does generative AI influence consumer decision-making processes?	<ul style="list-style-type: none"> • In what ways does generative AI impact information processing in consumer decision-making? • How does generative AI influence consumers' evaluation process when making choices? • What important mechanisms are AI-driven recommendations and content shaping consumer decisions?
3. What actions can brands and marketers take to prepare consumers for adopting generative AI?	<ul style="list-style-type: none"> • What are the current adoption rate and usage patterns of generative AI among brands and marketers that affect consumers? • What barriers and resources are required to successfully implement generative AI in brand/marketing activities that influence consumer behaviour? • How do brands anticipate and respond to consumer reception of generative AI? • What are the ethical and legal implications of using generative AI in brand/marketing activities that affect consumer behaviour? • How does adopting generative AI impact brand perception and market competitiveness in the long term affect consumers?
4. What are the ethical implications of generative AI in consumer interactions?	<ul style="list-style-type: none"> • How do privacy concerns manifest when using generative AI in consumer interactions? • What are the potential biases and algorithmic issues affecting generative AI in consumer interactions? • How can responsible AI practices and policies be developed to address ethical concerns in consumer interactions?
5. How do consumers perceive and evaluate generative AI-generated content?	<ul style="list-style-type: none"> • What are consumer perceptions of trust, credibility and perceived value in AI-generated content? • How does generative AI influence consumer decision-making regarding information search, evaluation and purchase intention? • What factors influence consumer acceptance and engagement with AI-driven recommendations and information?
6. What are generative AI effectiveness boundary conditions in consumer behaviour?	<ul style="list-style-type: none"> • How do consumer characteristics moderate the effectiveness of generative AI interventions? • What role do product types play in influencing the impact of generative AI on consumer behaviour? • How do cultural contexts shape the effectiveness of generative AI in consumer behaviour? • What factors mediate or moderate the impact of generative AI on consumer behaviour, such as trust, perceived usefulness or perceived risk?
7. How can generative AI be leveraged to enhance consumer well-being?	<ul style="list-style-type: none"> • How can generative AI contribute to personalized health recommendations for consumers? • In what ways can generative AI provide financial advice to enhance consumer well-being? • How can generative AI support the mental health and well-being of consumers? • What potential biases may exist in AI-generated recommendations, and how do they impact diversity, inclusivity and fairness in consumer well-being?
8. What are the implications of generative AI for consumer-brand relationships?	<ul style="list-style-type: none"> • How does generative AI influence brand trust among consumers? • In what ways does generative AI impact consumer brand loyalty? • How can generative AI enhance consumer engagement with brands? • What marketing strategies can brands use to effectively leverage generative AI technologies for stronger consumer connections?

advancements in generative AI technology, allowing them to incorporate new features into their operations and maintain a competitive edge while working for better consumer communities.

5.3 | Proactive information management for consumers

Companies must anticipate that consumers will seek information through generative AI tools. To ensure a positive brand interaction, managing the information available about the brand pro-actively is essential, which involves establishing processes for monitoring and updating the data used to train generative AI models. Companies can align generative AI recommendations with their brand messaging by maintaining accuracy and relevance in consumer information.

5.4 | Human-centered approach and privacy considerations

While integrating generative AI for customer interaction, companies must recognize the enduring importance of human contact, especially in emerging markets and when engaging with vulnerable consumers. A human-centered approach involves generative AI as a support tool rather than replacing human interaction. Privacy considerations should also be prioritized, with transparent communication about the use of generative AI to ensure that personalization efforts do not compromise user privacy.

5.5 | Strategic adaptation and innovation for consumers

Embracing the transformative potential of generative AI, companies should strategically adapt to emerging changes in consumer behavior. Organizations can position themselves at the forefront of innovation by incorporating generative AI into their marketing and customer engagement strategies (Ooi et al., 2023). Staying agile and responsive to the evolving dynamics of generative AI technology allows companies to explore and experiment with new possibilities, gaining a competitive edge in the dynamic business landscape shaped by this transformative technology for consumers.

6 | POLICY IMPLICATIONS

Generative AI and its influence on consumer behaviours could be perceived as an outcome arising from the interaction between brands and consumers (Dwivedi, et al., 2023a; Jain et al., 2023). Amidst the growing interest in this technology, it becomes crucial to acknowledge the significant role played by regulators, policymakers, and the government in ensuring the well-being of consumers engaging with generative AI. Whether consumers use AI independently or brands

employ it, policymakers need to recognize their responsibility in safeguarding stakeholders. Although there are existing policies for government use of AI, as well as emerging policies for education, private, and public organizations (Black et al., 2023; OECD, 2023; PwC, 2023) and the United States' President's Council of Advisors on Science and Technology (PCAST) launching a working group on generative artificial intelligence (PCAST, 2023), there is a pressing need for specific policies that explicitly address consumer behaviour and their interactions with AI. Policymakers must actively implement measures to protect the interests of all stakeholders involved in the rapidly evolving landscape of generative AI. This section expands on the changing consumer behaviour and the future impact of generative AI and offers relevant public policy implications.

6.1 | Establishing responsible guidelines for generative AI for consumers

As consumers increasingly rely on generative AI tools for information and recommendations, policymakers play a pivotal role in establishing guidelines that ensure transparency in AI-driven recommendations. These policies should address the limitations and potential biases inherent in AI-generated information, emphasizing the responsible use of generative AI. Policymakers need to define clear responsibilities and liabilities for both developers and users. These responsibilities align well with published guidance provided by the UK Information Commissioner's Office (Almond, 2023). Ethical considerations and legal implications should be at the forefront of guidelines, encouraging developers to design AI systems with built-in safeguards, transparency, and mechanisms for error correction. Simultaneously, users should be encouraged to exercise critical thinking and judgment when engaging with generative AI.

6.2 | Protecting intellectual property in AI-generated content

Generative AI empowers consumers to create text and images for reviews, enriching user-generated content. Policies need to focus on protecting intellectual property rights in AI-generated content. Clear regulations should be established to ensure proper attribution and prevent misuse of AI-generated creative works. Policymakers must balance fostering creativity and safeguarding creators' rights, contributing to a fair and ethical digital landscape.

6.3 | Ensuring trust through transparent AI disclosure

To build trust between businesses, developers, and consumers, policymakers should establish regulations mandating clear disclosure of AI-generated content. These regulations should emphasize accountability, accuracy, and mechanisms for user feedback. Policies

promoting transparency are crucial for ensuring users know AI's role in shaping content (Sætra, 2023). By focusing on clear disclosure, policymakers can contribute to a trustworthy environment where consumers can make informed decisions.

6.4 | Combating misinformation with AI literacy

Policies should require generative AI developers to implement measures promoting accuracy, transparency, and authenticity. Simultaneously, initiatives that support media and digital literacy should be encouraged to empower consumers to identify and combat misinformation. Policymakers must recognize the potential risks of misinformation facilitated by generative AI and actively engage in measures promoting a more informed and discerning public.

6.5 | Safeguarding consumer privacy in virtual shopping

Generative AI-powered virtual shopping assistants offer personalized recommendations and virtual try-on experiences, raising concerns about consumer privacy. Policymakers should develop regulations specifically addressing consumer privacy during virtual try-on experiences. Clear guidelines are needed to ensure transparent communication about the use of generative AI in shaping virtual shopping assistants' recommendations. Policymakers contribute to a secure and user-friendly virtual shopping environment by focusing on privacy safeguards.

6.6 | Addressing cultural biases and ethical standards

Generative AI shapes consumer perceptions through insights into diverse cultures and global trends. Policymakers must address potential cultural biases in generative AI algorithms. International collaboration is essential to establish ethical standards for global AI use, ensuring fair representation of diverse perspectives. Policymakers need to develop clear guidelines and regulations for the ethical use of generative AI, particularly in deepfake technology. Interdisciplinary collaboration is crucial for developing ethical frameworks and governance mechanisms that navigate the challenges posed by generative AI.

6.7 | Transparent data usage and user control

Generative AI provides real-time, personalized product recommendations based on various data sources. Policies should focus on transparency in data usage and ensure users have control over their data. Legal frameworks must outline the responsibilities of AI developers and businesses to prevent misuse of consumer data for AI-driven

recommendations (Dwivedi, et al., 2023b). Policymakers can contribute to a transparent and accountable AI ecosystem by emphasizing user control and responsible data practices.

6.8 | Balancing technology use and promoting digital literacy

With the risk of over-reliance on generative AI leading to diminishing self-reliance and critical thinking, policymakers should focus on educational initiatives. These initiatives aim to promote digital literacy and critical thinking skills among users (Rice et al., 2023). Developers should prioritize responsible design and implementation of generative AI tools, encouraging users to balance technology use with independent thinking. Policymakers should also prioritize initiatives that address the digital divide, ensuring equitable access to generative AI technologies, particularly for marginalized communities. This multifaceted approach aims to empower individuals to harness the benefits of generative AI while maintaining critical thinking skills and independence.

7 | CONCLUSION

Generative AI technologies have become integral to our present and future (Dwivedi, et al., 2023a; Mogaji et al., 2024; Peres et al., 2023). These technologies have revolutionized consumer behaviour and consumption patterns, shaping how individuals engage with products and services. It is paramount to both theoretically and empirically examine these changes in consumer behaviour to gain a deeper understanding of their implications. Furthermore, brands, products, and services must proactively respond to this transformative wave brought about by generative AI. They must adapt their strategies and approaches to effectively engage with consumers in this new landscape. The insights provided in this editorial contribute to the theoretical understanding of these changes and offer a research agenda for further exploration.

Moreover, this editorial raises essential questions that drive policy and practical implications. The implications of generative AI for consumer behaviour require attention from policymakers, industry professionals, and researchers. It is crucial to establish guidelines, regulations, and ethical frameworks that govern the responsible use of these technologies to safeguard consumer interests and societal well-being. In conclusion, Generative AI is becoming an integral part of everyday life, transforming consumer behaviour and necessitating a comprehensive examination of its impact. This editorial serves as a theoretical contribution, highlighting the need for further research and driving policy and practical implications to ensure that the potential of generative AI is harnessed responsibly and effectively in the best interest of consumers and society as a whole.

AUTHOR CONTRIBUTIONS

Both authors contributed equally to the conceptualization, writing, and editing of the manuscript.

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