


Chapter 28

AI–Powered Technologies Used in Online Fashion Retail for Sustainable Business: AI–Powered Technologies Impacting Consumer Buying Behavior

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ABSTRACT

The business problem that arises from the topic of how AI-powered technologies used in online fashion retail is impacting Indian consumer buying behavior. Marketers need to be aware of the impact of artificial intelligence in digital marketing for online fashion retail as competition is intensifying, particularly in the fashion retail sector. To remain viable and provide a better customer experience, it is crucial to identify the areas that will prosper from the use of artificial intelligence-powered technology in marketing. This research aims to investigate the impact of AI-powered technologies on consumer buying behavior in online fashion retail in India. The study found that AI-powered technologies, such as recommender systems, virtual assistant, visual search, and chatbots, have positively impacted Indian consumer buying behavior. Online fashion retailers can leverage the benefits of AI-powered technologies to enhance the customer experience, increase sales, and gain a competitive edge in the market.

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INTRODUCTION

Artificial intelligence (AI), which can disrupt through innovative technologies, more effective operational procedures, and access to consumer and industry data that could provide organisations a competitive edge, has favourably impacted many different industries. These applications have the potential to transform industries, drive business growth, and surpass competitors that continue to rely on conventional methods as we get closer to the hyper-digital future. Haleem (2022) says *Artificial intelligence (AI)* is the simulation of human intellectual functions by machines, notably computer programmes. Consumers may readily find their preferences owing to AI algorithms. The way consumers engage with online fashion retail is changing because of artificial intelligence solutions and machine learning algorithms, which also boost revenue. In the context of the fashion industry, *Sustainability* refers to the management of resources, social well-being, and environmental effect in order to strike a balance between satisfying consumer demands and the needs of the world. By tackling waste, pollution, resource conservation, and ethical labour standards, it aims to promote resilience and longevity in the industry says, (Rathore, 2017). According to Harris et al. (2016), *Sustainable Marketing* in the textile and apparel industry may involve one or more ethical business practises, such as buying organic goods from Fair Trade suppliers. Sustainable marketing in the fast fashion industry describes how manufacturers create clothing while reducing their negative effects on the environment and safeguarding nearby communities (Disalvo, 2020).

Today, firms and customers connect without physical interaction; advertisements over social media platforms are the touchpoint to meet the demand of changing environment (Sharma M & Dwivedi A 2022). Which enhances the experience that is more involving, flexible, cost and time saving (Sharma, M. 2022). People accepted the fact of COVID-19 and went online (Sharma et al., 2022). According to Porral (2019) firms are now conscious that marketing initiatives unquestionably have an impact on society in addition to the company. As a result, organisations that follow the sustainable marketing approach consider the environment while communicating with clients. With digital transformation, customers are expected to not return to traditional buying (Sharma et. al., 2023). This viewpoint is founded on the knowledge that a marketing strategy that is consistent with both the long-term viability of the company and the environment is the most effective one. The industry is mostly to blame for garbage production in large quantities, unethical labour practices, and environmental deterioration. However, there has been a discernible shift toward sustainable fashion methods in recent years, driven by the dual imperatives of fostering sustainable development and satisfying customer demand for ecologically friendly goods. To be environmentally responsible and generate brand equity through sustainable competitive advantage, fast fashion brands like ZARA, H&M, and UNIQLO are developing environment improvement programmes (Jang et al., 2012). The new technology development has created highly competitive market conditions (Sharma M, 2017) but also positive customer experience, which leads to more enhanced satisfied customers (Chandok and Gupta 2014). The Inditex Group, the largest fashion company in the world and the owner of ZARA, has been putting into action a strategic plan for improving the environment, which includes encouraging staff members to participate in energy conservation efforts and making aggressive investments in eco-friendly solutions (Jang et al., 2012). To acknowledge an enterprise's social duty, H&M has a sustainable growth plan that includes enhancing working conditions in cooperating factories around the world (Jang et al., 2012). By proposing items for purchase based on a consumer's body type, height, size, and the newest fashion trend, AI plays a significant role as digital assistant. To completely satisfy customers and reduce churn, all this information is gathered, studied, and then refined. Apparel designing, recommender systems, chatbots, virtual retailing, visual search, virtual assistant, improved

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