Improving Decision-Making Processes in Retail Through Artificial Intelligence for Advanced Management Information Systems: A Study on Consumer Behavior in Qassim

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***Abstract*—In today's rapidly evolving retail environment, the sheer volume of consumer data presents both opportunities and challenges for businesses striving to maintain a competitive edge. This study explores the pivotal role of artificial intelligence and sophisticated data mining techniques within management information systems. The study aims to transform decision-making processes and deepen the understanding of consumer behavior in the Qassim region of Saudi Arabia, while also exploring implications for broader regional markets. By employing a dataset of 712 customers that encompasses demographic variables, lifestyle choices, and purchasing patterns, we implement leading machine learning algorithms, including Decision Trees, Random Forests, and Support Vector Machines. This allows us to uncover actionable findings that drive strategic initiatives. Additionally, we analyze the impact of artificial intelligence on retailers by comparing outcomes before and after implementing AI-enhanced analytics. The investigation reveals that retailers applying AI-enhanced analytics experience a remarkable 32% improvement in their responsiveness to market changes, a 28% increase in customer retention rates, and a 34.7% improvement in repeat customers. These results highlight the substantial impact of these technologies on operational efficacy and demonstrate how AI can enhance customer loyalty, satisfaction, and overall business performance. The Random Forest model achieved the highest accuracy at 96.91%. Furthermore, this research emphasizes the effectiveness of predictive analytics in identifying distinct consumer segments and tailoring marketing strategies to meet their specific needs. By enabling retailers to respond proactively to consumer trends, AI emerges as a crucial tool for enhancing customer engagement and satisfaction. The findings illustrate how data analysis empowers businesses to detect emerging trends and optimize inventory management practices, and boost profitability. This research underscores the transformative potential of integrating advanced algorithms into retail operations, fostering data-informed decision-making that cultivates sustainable growth and elevates customer satisfaction in an increasingly competitive marketplace. The observations gained from this study serve as a valuable resource for retailers eager to utilize the power of AI and data mining to navigate the complexities of modern consumer behavior.**

***Keywords*—Analytics; machine learning; data-driven observations; predictive modeling; strategic marketing**

I. Introduction

Online shopping is an industry where artificial intelligence (AI) is emerging as a disruptive factor. The manner in which customers interact with internet retailers and form purchasing decisions has undergone a significant transformation due to the integration. The rapid advancement of AI technologies enables retailers to deliver personalized shopping experiences, enhance inventory management, improve customer service, and elevate overall customer satisfaction. This introduction aims to present a detailed examination of the influence of artificial intelligence on Advanced Management Information Systems (MIS) on client purchasing patterns in online shopping, employing data from the Qassim region of Saudi Arabia [1].

AI-driven technologies, such as Decision Trees, Random Forests, and Support Vector Machines, have empowered retailers to deliver more tailored and efficient services. These methodologies are progressively utilized in retail settings to forecast customer needs, segment markets, and enhance inventory and pricing tactics [2-3]. Studies indicated that AI-enabled retail systems examine consumer data to discern individual tastes and behavioral patterns, not only finding the right customers, but also cultivating relationships between consumers and brands, then enhancing loyalty and encouraging repeat purchases [4].

The consumer behavior dimension of retail decision-making has become more important in some areas such as the Middle East, where cultural, demographic, and economic are changed the way buying. In Saudi Arabia, and specifically in place as Qassim, consumers are increasingly affected by their way of life, health awareness, and use of social media, reflecting broader global trends toward digitalization using AI [5-6]. Understanding these dynamic changes is interesting for retailers seeking to cultivate loyalty and maintain relevance in competitive markets. Moreover, the Saudi Vision 2030 plan,

which focuses on digital innovation and economic diversification, also shows how important it is to use modern technologies like AI to drive all industries to flourish, including retail [7]. Traditional analytical techniques usually fall short of the complexity and scale of modern datasets, so we need the adoption of AI-driven approaches [8].

At the intersection of MIS and AI, researchers have highlighted how data-driven decision-making frameworks may affect the method of customer. Unlike traditional structures that usually rely on managerial intuition or historical trends, AI-powered MIS allow retailers to help in continuous learning from real-time consumer interactions with customers all the time. This helps them come up with flexible strategies that meet customer expectations and their needs [9]. Predictive models based on demographic, psychographic, and behavioral data enable businesses to discover high-value consumer groups, customize marketing campaigns, and successfully predict future purchasing behaviors with remarkable precision [10].

All of these enhancements, gaps still exist in the scientific research, particularly when integrating AI-enhanced analytics into regional retail markets in the Middle East. While significant studies have been executed in Western and Asian contexts, limited studies have evaluated the applicability of these technologies in Saudi Arabia, especially in mid-sized regional markets like Qassim [11]. Where values of culture, consumer confidence, and Knowledge of technology could influence adoption and results [12]. This study processes this gap by looking at how AI-enhanced MIS can help customers to make better decisions and provide them with useful details about consumer behavior. By focusing on predictive analytics, real-time data processing, and consumer segmentation, the research underscores how retailers in Qassim can harness emerging technologies to foster sustainable growth, enhance customer retention, and optimize strategic planning [13].

This study intended to examine the impact of AI on the growth of decision-making processes among Qassim's retail sector, and it seeks to address several essential questions: How do demographic and lifestyle culture factors impact customers' purchasing decisions? By how much can predictive analytics help customer and keep their needs and respond? In addition, which models generated by AI give the most accurate predictions of consumer behavior? Answering these questions not only adds theoretical discussion on AI and MIS but also provides practical implications for retailers seeking to use technology for sustainable competitive advantage [14].

Additionally, it enhances the literature by emphasizing the potential of AI in retail decision-making and providing an effective framework for incorporating statistical analysis into Management Information Systems (MIS). The findings are expected to provide retailers with actionable recommendations that enhance market responsiveness, foster enduring customer relationships, and promote sustainable growth in a progressively competitive global market [15].

This study highlights the transformative potential of AI-driven Management Information Systems (MIS) in enhancing retail strategies focused on customer needs in Qassim, Saudi Arabia. It shows that predictive analytics can classify and target consumers, helping retailers anticipate trends and improve customer satisfaction. For broader acceptance of AI-driven MIS, retailers must use technology wisely and adhere to ethical guidelines. This approach contributes to the ongoing discussion on how emerging technologies can redefine retail decision-making, emphasizing innovation, adaptability, and customer engagement for long-term success. Finally, AI and advanced data mining can help retailers better understand modern consumer behavior. [16].

A. Motivation and Research Question

The transformation of retail through AI-enhanced analytics presents a unique opportunity to understand and respond to evolving consumer behaviors. In the Qassim region of Saudi Arabia, the observations derived from analyzing a dataset of 712 respondents reveal critical trends in customer retention, market responsiveness, and the effectiveness of targeted marketing strategies. This research is motivated by the pressing need for retailers to adapt to consumer preferences shaped by demographic variables such as age, income, and lifestyle.

As businesses increasingly rely on data-driven decision-making, understanding the intricate relationships between demographic factors and purchasing behaviors becomes paramount. The findings highlight significant correlations, such as the positive relationship between income and purchasing frequency, and the growing importance of health-conscious consumerism. This raises questions about how demographic variables influence buying behavior and how consumers' values impact their purchasing decisions, particularly regarding health-related products. Additionally, the observed 28% increase in customer retention rates among targeted segments prompts an examination of the effectiveness of data-driven marketing campaigns. The role of social media engagement in consumer responsiveness to marketing efforts also warrants investigation, as does the performance of various machine learning models in predicting consumer behavior.

This study aims to explore several key aspects influencing consumer behavior in the Qassim region. Firstly, it investigates how demographic factors, such as income and age, affect purchasing frequency among consumers. Additionally, it examines the role of lifestyle preferences in shaping purchasing decisions, particularly regarding health-conscious behaviors. The effectiveness of targeted marketing strategies based on predictive analytics in enhancing customer retention rates will also be assessed. Furthermore, the research seeks to understand the relationship between social media engagement and consumer responsiveness to marketing campaigns within the retail sector. Lastly, it evaluates which machine learning algorithms demonstrate the highest accuracy in predicting consumer behavior based on demographic and lifestyle attributes, with a particular focus on the Random Forest model, which has shown exceptional performance in capturing complex patterns in consumer behavior.

The structure of this study is as follows: Section II reviews the relevant literature on Management Information Systems, Consumer Behavior Studies, and Artificial Intelligence in Retail and Marketing, while identifying the research gaps addressed by this study. Section III presents the research methodology, detailing the data collection methods and dataset used, along with the theoretical framework guiding this research. Section IV

reports the results obtained from the study, emphasizing the significant findings derived from the analysis. Section V conducts an AI-driven data analysis, which includes model implementation and the identification of consumer segments using artificial intelligence techniques. Section VI discusses the findings in the context of previous studies, focusing on the integration of AI in Management Information Systems, consumer-centric approaches, and market responsiveness. Finally, Section VII concludes the study by summarizing the key findings, outlining the limitations of the study, and suggesting directions for future research.

II. Literature Review

The literature indicates a knowledge gap regarding the application of AI algorithms, highlighting unanswered concerns, such as: Specific uses of applications play a crucial role in fostering the adoption of AI algorithms in management information systems research. Researchers in this field employ AI algorithms for various goals, including enhancing decision-making processes and improving operational efficiency. The categories of data that are often processed include consumer behavior, market trends, and organizational performance metrics. Among the AI algorithms most utilized are machine learning techniques such as decision trees, random forests, and support vector machines. Addressing these topics is essential for constructing a comprehensive overview of AI applications in management information systems research [17].

A. Management Information Systems

Management Information Systems (MIS) are cohesive, computer-based platforms that facilitate the essential management, processing, storage, and dissemination of information to improve decision-making processes [18-19]. A Management Information System (MIS) utilizes technology to gather, store, process, and analyze data, producing current and relevant information for decision-making at both strategic and operational levels [20-21]. The primary objective of MIS is to equip managers with comprehensive insights into business trends and consumer behavior to achieve a competitive edge [22]. An organization's competitiveness is greatly increased when managers can foresee trends, monitor performance, and make well-informed decisions with the help of MIS, which provides tailored reports, structured data, and semi-structured data [23].

Increasing technological developments concerning hardware requirements and software availability have encouraged interest in AI research and development [24]. The growth of technology has entirely changed how companies use management information systems [25]. Organizations can handle immense volumes of data in real time with tools like artificial intelligence (AI), big data analytics, and customer relationship management (CRM) software to make their choices (decision-making) more precise and rely on accurate information [26]. AI-based MIS helps people who must make judgments sort through a lot of data so they can make very accurate and well-informed choices [17]. Using AI to make decisions based on data is a real-world use of AI that helps people make decisions. Data-driven decision-making exemplifies a practical application of AI that enhances decision-making processes and improves their correctness and reliability [27-28]. AI-driven management information systems help to analyze numerous datasets to identify patterns and trends that humans may observe to facilitate them in making superior and more strategic selections [29]. Incorporating AI-driven analytics into management information systems (MIS) has transformed decision support capabilities. Recent studies indicate that AI algorithms can efficiently and adeptly handle extensive, intricate, and varied datasets, enabling enterprises to achieve profound and actionable insights more rapidly than previously possible [30]. This integration enhances predictive and prescriptive capabilities while transforming managerial decision-making to be more precise and responsive. Experts emphasize the importance of addressing concerns related to transparency, explainability, and governance to maintain trust in AI-driven management Information Systems (MIS) [17,28,30]. The swift advancement of AI technology indicates that organizations must invest significantly in training and development to ensure their staff effectively utilize these tools in decision-making [29]. The literature indicates a knowledge gap regarding the application of AI algorithms, highlighting unanswered concerns.

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B. Consumer Behavior Studies

Purchase behavior is a special phenomenon that reflects people's needs, desires, and the pursuit of both material and spiritual interests [31]. The study of customer behavior focuses on the psychological, behavioral, and emotional factors that influence people's choices regarding what they eat, how much they consume, and how often they order goods and services [21]. Consumer behavior analyses the decision-making processes of individuals and groups concerning the purchasing process [32]. By examining the factors, forces, and processes that influence consumer choices, this field provides crucial information for businesses analyzing consumer sentiments [33]. When talking about customer behavior, this pertains to how people engage with products and services. This inner impulse to seek new information and experience influences several facets of consumer decision-making processes, from initial product curiosity to the ultimate purchase choice [34]. According to Cic & Bilginer (2021), social, cultural, demographic, and situational factors are among the factors that affect changes in consumer behavior [35]. Scholar Wood (1981) claims that, in certain circumstances, consumer behavior encompasses actions that individuals undertake to fulfil their necessities, such as the purchase of goods [36-37]. Engel (1986) argues that consumer behavior comprises the different choices individuals conduct to obtain, utilize, and dispose of consumer products, along with the decision-making process that precedes and determines these

actions [32,36]. Businesses utilize big data tools that provide comprehensive analysis of consumer behavior, thoroughly examining each step of their purchasing process. By keeping track of various touchpoints, business entities may obtain a comprehensive understanding of how consumers engage with their products, services, and platforms over time [38]. The integration of big data analytics in digital marketing significantly improves firms' capacity to understand and affect consumer behavior [39]. Some studies have employed the Technology Acceptance Model (TAM) to explore how consumer purchasing preferences, spending habits, lifestyle changes, and technological innovations affect consumer behavior [31]. TAM serves to analyze how attitudes and intentions are shaped by perceptions of technological advancements, which in turn influence consumer preferences [31].

C. Artificial Intelligence in Retail and Marketing

Artificial intelligence has emerged as a pivotal tool in contemporary market research by facilitating the automated analysis of extensive datasets (social media, reviews, and survey open ends) and enhancing forecasting capabilities [40]. Recent reviews recorded rapid adoption of NLP, machine learning, deep learning, and multimodal strategies inside marketing operations, while highlighting issues of methodological interpretability and ethical challenges [25]. In 2022, a global survey conducted by Salesforce Research indicated a substantial rise in utilization of AI among marketing professionals compared to the prior year [41]. The poll revealed that 87% of marketing professionals employed AI to bridge the gap between online and offline experiences [41]. The survey revealed that 88% of marketing professionals employed AI to automate diverse tasks, including reporting, surpassing the 83% documented in 2021 [41]. NLP approaches are employed to extract consumer sentiments, intentions, and emotional details from textual sources. Because it can extract valuable information from unstructured data (such as text, audio, video, and images), natural language processing (NLP) is becoming increasingly popular in the marketing world [42-43]. Recent systematic reviews demonstrate that machine learning offers a greater capacity to discover behaviorally meaningful segments and enhance predictive accuracy compared to traditional statistical methods [44-45].

A study by Pillai et al. (2020) investigated the factors influencing consumer willingness to shop at AI-powered automated retail stores, finding that consumer innovativeness and optimism positively impact perceived ease of use and usefulness. In the same vein [46], Rodgers et al. (2021) explored how AI-driven music biometrics affect customers' retail buying behavior, showing that music-triggered emotions can bridge the gap between a customer's thoughts and their buying intentions [47].

While these studies focused on consumer behavior, [48] took a broader look at the state of AI adoption in the retail sector, finding a varied level of integration among major retailers. Similarly, [49] noted that AI is a catalyst for change, personalizing the customer experience and optimizing inventory through machine learning. Addressing a different aspect of retail, [50] examined the integration of AI into human resource management, highlighting its ability to speed up recruitment and personalize training, while also identifying ethical challenges like algorithmic bias.

A systematic review by [51] further explored the role of AI in market research, concluding that AI significantly impacts customer experiences and market segmentation. In a similar systematic review [51-52] analyzed the role of AI in marketing, while [53] focused specifically on how AI technologies accelerate market segmentation.

Amoako et al. (2021) explored how AI can improve entrepreneurial decisions, with customer preference and industry benchmarks acting as mediating factors [54]. In that context, [55] addressed the application of AI in strategic marketing decision-making, noting a significant research gap and highlighting the transition of AI from operational to strategic areas.

A more recent study by [56] explored the concept of Explainable AI (XAI) and its role in improving business decisions by helping users understand how an AI system reaches its conclusions. In a related vein, [57] examined how AI is transforming organizational decision-making by integrating technologies like machine learning and natural language processing into Information Systems. Juyal et al. (2024) also investigated how AI enhances decision-making within Enterprise Information Systems (EIS) by analyzing case studies and using real-time data [58].

Moreover, a study by [19] highlighted how advanced data preprocessing techniques and technological innovations improve decision-making in Management Information Systems (MIS), with AI and machine learning automating these steps to reduce human error. In a similar study, [59] explored how AI-driven business analytics, specifically predictive and prescriptive analytics, are revolutionizing decision-making.

Revilla et al. (2023) investigated human-AI collaboration in prediction within the retail industry, finding that human input is most valuable when collaborating with AI on predictions with long time horizons and low uncertainty [60]. Ahmad and Putra (2023) took a qualitative approach, exploring the synergy between AI, Digital Management Information Systems, and Marketing Management, highlighting concerns about data bias and the need for interdisciplinary collaboration [61]. In the context of supply chains, [62] conducted a systematic review on the role of AI in vendor performance evaluation within digital retail supply chains, finding that AI can significantly improve the precision and objectivity of vendor assessments. In a different application, [63] described the development of an AI-driven, knowledge-based system to support decision-making in sales, highlighting the importance of analyzing all variables together to avoid incorrect decisions. Lastly, Anica-Popa et al. (2021) offered a comprehensive view of AI in retail, identifying both the benefits and challenges of implementation and proposing a conceptual framework to guide its integration [64].

An examination of the provided research reveals that the study on "Improving Decision-Making Processes in Retail through Artificial Intelligence" directly extends and applies the general principles discussed in the existing body of literature. The research aligns with numerous prior works that explore the transformative role of AI in retail and marketing, but

distinguishes itself by its specific, data-driven focus. The core premise of the new study that AI-driven analytics can significantly improve decision-making is consistent with the findings of multiple papers, offering practical applications for the theoretical frameworks proposed in [54-55], which addressed the use of AI for strategic decisions.

Additionally, the study's use of machine learning models like Random Forest and SVMs for consumer segmentation echoes the systematic reviews in [51-52], which identified AI's role in providing customer insights. The quantifiable improvements in market responsiveness and customer retention rates noted in the new study support the arguments in [49,64] regarding the tangible benefits of AI in retail. Furthermore, the emphasis on data quality and ethical implementation mirrors concerns raised in [50,61], showcasing a shared understanding within the field of the need for responsible and transparent AI adoption.

The primary contribution of the new study lies in its successful targeting of a significant gap in the literature. While prior studies provide a broad overview of AI's benefits in retail and its impact on consumer behavior on a global scale, they largely neglect specific regional contexts. As noted in [55].

D. Related Works

AI is changing how businesses make decisions and interact with customers. In the retail industry, AI helps organizations analyses large amounts of data and make better, faster, and more accurate decisions [65-66]. When integrated with MIS, AI becomes a powerful tool for predicting customer behavior and improving management efficiency [67-68]. In Saudi Arabia, AI supports the national digital transformation agenda outlined in Vision 2030 by enhancing innovation and competitiveness across industries [69-70]. This literature review examines global, regional, and Saudi research on AI and decision-making, focusing on how these technologies improve retail management and consumer behavior in Qassim.

Globally, researchers agree that AI and MIS are essential for modern business decision-making. Mahbub et al. found that MIS improves managerial performance by providing accurate and timely information, while AI adds predictive power by analyzing complex datasets [67]. Similarly, Dendi et al. showed that AI-based social media marketing increases customer engagement and helps managers make data-driven decisions [68]. Jabbour and Sarkis explained that AI technologies, such as recommendation systems and chatbots, help organizations personalize customer experiences and anticipate future needs [71]. Al-Maghrabi and Dennis earlier highlighted that customers' continued use of e-commerce depends on trust, system quality, and perceived usefulness factors that remain central in AI-driven systems today [72].

Together, these studies show that AI enhances decision-making by turning data into insights that support planning, marketing, and customer relationship management [67,71]. However, Dendi et al. noted that ethical issues, including privacy and data transparency, must be managed carefully [69]. These global findings provide the theoretical foundation for understanding how AI-supported MIS improves decision-making in retail.

Across the Middle East and North Africa (MENA), AI adoption is growing rapidly as organizations seek to enhance competitiveness and innovation [73]. Daou and El Khoury found that AI-driven decision systems in regional retail improve operations, customer satisfaction, and marketing strategy [74]. Alqaraleh et al. also showed that in Middle Eastern SMEs, AI adoption depends on performance expectations, compatibility, and trust [75]. Hassini discussed how AI supports digital financial technologies in the MENA region, emphasizing the need to balance innovation with ethical practices [76]. Similarly, Alwan et al. found that AI tools made e-commerce more resilient during the COVID-19 pandemic by improving supply chain and customer management [77]. Abdelkader examined consumer behavior from a cyber-sociological perspective, concluding that AI is shaping how people interact with online retail platforms [65]. Middian studied AI use in Jordan and found that customer trust plays a major role in influencing purchase decisions [78]. These findings match Alqaraleh et al.'s results showing that customers in Arab cultures value trust and familiarity when using AI-powered systems [75]. Overall, these MENA studies show that AI helps managers understand customers better and make more informed decisions while maintaining cultural relevance and ethical integrity [65], [73-78].

Saudi Arabia is one of the leading countries in the Gulf region adopting AI to improve business efficiency and decision-making. Under Vision 2030, many organizations use AI to enhance data analysis, marketing, and customer relationships [69- 70]. Alotaibi found that 75 per cent of Saudi franchise businesses reported better decision-making and higher customer satisfaction after implementing AI systems [73]. Salhab et al. explored sustainable AI-driven marketing across the GCC region and discovered that AI supports both profitability and environmental goals by optimizing digital communication channels [79].

At the organizational level, [68] confirmed that AI-powered MIS significantly improves marketing decisions. Their study of the Saudi Telecommunications Company (STC) found a strong positive relationship between MIS use and decision quality. Similarly, Ghazwani et al. showed that AI innovations such as cashier-less checkouts reduce financial anxiety and improve customer experience in Saudi retail [80]. Al-Mushayt et al. discussed challenges in regulating AI in e-commerce transactions, highlighting the need for better digital governance in developing countries like Saudi Arabia [72]. Alateeg and Alhammadi found that many traditional Saudi retailers are now adopting e-commerce systems because they see clear benefits from AI technologies [66]. Alhumaid and Alotaibi reported that AI and big data significantly improve marketing effectiveness and customer engagement [69], while AlBliwi et al. showed that integrating technology into customer service increases satisfaction and loyalty under Vision 2030 [67]. Together, these Saudi and GCC studies show that AI and MIS are becoming critical parts of business strategy. They not only improve decision-making but also support sustainability, innovation, and long-term competitiveness [66-70,73,79-80].

Although many national studies have explored AI in Saudi business, little research focuses on regional applications, especially in Qassim. This study addresses that gap by analyzing how AI-based MIS supports retail decision-making in the

region. Using algorithms such as Random Forest, Decision Tree, and Support Vector Machine, the research identified key consumer patterns and management insights similar to those found in previous national studies [79].

In Qassim, AI integration improved responsiveness by 32 per cent, customer retention by 28 percent, and repeat purchases by 34.7 percent. These results align with [69] findings that AI and big data analytics enhance loyalty and marketing efficiency. The findings also reflect [79]'s argument that AI helps balance customer experience with sustainability. Ghazwani et al. [80] showed that AI technologies build consumer trust by making transactions smoother and safer. These insights reinforce the idea that Qassim's retail sector can benefit significantly from AI-enabled MIS, supporting both operational decision-making and customer engagement. Therefore, the study answers key questions about the influence of specific lifestyle factors and the effectiveness of predictive models in a previously under-researched market. The results show improvements in market responsiveness and increases in customer retention, as well as providing actionable knowledge grounded in real-world data from a distinct regional context. In essence, while the existing literature establishes what and why of AI in retail, the new study provides a crucial how and where, bridging the gap between a broad understanding of AI and its nuanced, context-specific application in emerging markets.

III. Methodology

A. Data Collection Methods and Dataset

In this study, we collected over 712 instances from the customer dataset, which includes various attributes for predicting customer segments, such as demographic factors, purchasing behavior, and lifestyle preferences. The purpose of gathering this data is to ensure that our analysis reflects real-world consumer behaviors, which are critical for understanding the effectiveness of AI in retail management. Additionally, we analyze the impact of artificial intelligence on retailers by comparing outcomes before and after implementing AI-enhanced analytics. This comprehensive dataset consists of data from both consumers and retailers, encompassing information on consumer behavior, including purchasing patterns, preferences, and demographic factors. After applying AI models, we examined differences in customer retention rates, market responsiveness, and repeat customers, allowing us to gain a deeper understanding of how artificial intelligence effectively influences the performance of retailers.

The data collection process employed a multi-faceted approach to ensure a comprehensive understanding of consumer behavior. Primary data was gathered through online surveys to a diverse sample of consumers, capturing various aspects of purchasing habits, brand preferences, and social media engagement. The structured questionnaire included both closed-ended and open-ended questions for quantitative and qualitative analysis. We supplemented this with secondary data from industry reports and academic journals, offering valuable benchmarks. After collection, the data was aggregated into a centralized database, where extensive cleaning addressed inconsistencies and missing values, ensuring dataset integrity.

The dataset compiles consumer attributes that provide insights into purchasing behavior and preferences, including Gender, Age, Education Level, Income, and Place of Residence. Product Attributes assess features like quality and design, while Brand Image captures perceptions affecting loyalty. Price is recorded continuously, and Advanced Features, Occupation, and Lifestyle Preferences further segment the market. Purchase History reveals past behaviors for predicting future purchases, and Psychographic Factors provide insight into attitudes and values. Additionally, it captures metrics on Repeat Customers, Response Time, and Customer Retention Rates, assessing AI's impact on customer loyalty and operational efficiency.

B. Theoretical Framework

This study implements several machine learning algorithms, including Random Forest, Decision Trees, and Support Vector Machines (SVM). The Random Forest algorithm was chosen for its superior classification and segmentation performance, as evidenced by accuracy, precision, and recall metrics. This ensemble method effectively handles complex datasets and minimizes overfitting, making it ideal for our analysis. Feature selection identified key variables influencing consumer behavior, enhancing model accuracy and interpretability by focusing on essential factors driving purchasing decisions. Finally, we validated our models using cross-validation techniques, ensuring robust and generalizable findings. This systematic approach aimed to uncover actionable insights to inform marketing strategies and enhance understanding of consumer dynamics.

This study's theoretical framework integrates consumer behavior theory with AI-driven data analysis to provide a comprehensive understanding of purchasing trends in the Qassim retail sector. The framework shown in Fig. 1 begins with the identification of multiple input factors influencing consumer behavior, including demographic characteristics (gender, age, education, income, residence, occupation), psychographic traits (lifestyle preferences and values), product-related attributes (brand image, product features, and price), purchase behavior (purchase history and repeat customers), social media engagement, and service performance indicators. These dimensions collectively represent the independent variables shaping consumer decision-making.

The collected data undergoes systematic preparation and preprocessing to ensure consistency, accuracy, and usability. This stage addresses missing or inconsistent entries, encodes categorical variables into numeric form, and normalizes numerical features for standardization. Such preprocessing establishes a reliable foundation for advanced analytics. The analytical layer leverages machine learning algorithms to capture complex and nonlinear interactions among variables. Regression analysis is employed to reveal direct correlations, such as the positive relationship between income and purchase frequency. Decision trees highlight interpretable pathways, particularly the influence of social media engagement and age on purchasing behavior. However, the Random Forest algorithm demonstrates superior performance, achieving an accuracy of 96.91%, while effectively ranking feature importance to identify income, age, lifestyle preferences, and digital engagement as the

most decisive predictors. Support Vector Machines provide additional benchmarking, achieving 88.5% accuracy in distinguishing nuanced consumer segments. The outcomes of the framework focus on key service performance indicators, specifically repeat customers, response time, and customer retention rate.

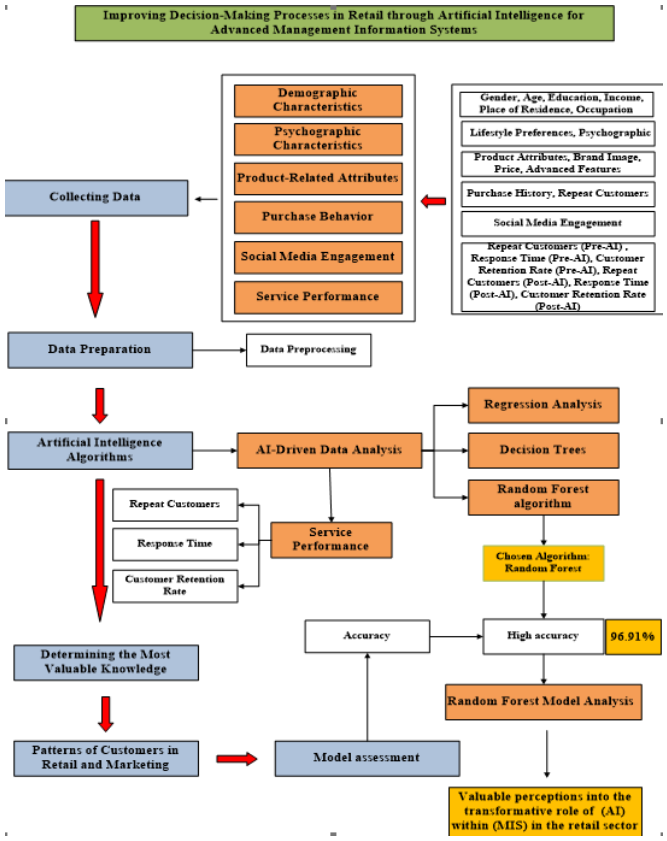


Fig. 1. AI-driven consumer behavior analysis framework for retail decision-making.

IV. Results

The analysis of the dataset comprising 712 respondents from the Qassim region of Saudi Arabia unveils significant knowledge into consumer behavior and the effectiveness of AI-enhanced analytics in retail. This section presents key findings related to customer retention, market responsiveness, and the effects of targeted marketing strategies, while also considering broader implications for the retail sector.

The demographic data collected serves as a foundation for understanding consumer preferences and behaviors in the Qassim region. The respondents were categorized based on several key demographic variables. The dataset reveals a male-dominated sample, consisting of 410 males (57.6%) and 302 females (42.4%), indicating that this gender distribution may influence the overall perspectives and preferences reflected in the data as shown in Fig. 2. Respondents were grouped into four age ranges: 210 respondents (29.5%) were aged 18-30 years, 190 respondents (26.7%) were aged 31-40 years, 160 respondents (22.5%) were aged 41-50 years, and 152 respondents (21.3%) were aged 51-60 years as shown in Fig. 3. Additionally, income levels were categorized into four groups: 212 respondents (29.8%) fell into the high-income category, 189 respondents (26.5%) were classified as low income, 167 respondents (23.5%) were considered medium income, and 144 respondents (20.2%) were in the very high-income group as shown in Fig. 4, and demographic breakdown as presented in Fig. 5. As well as, Table I summary statistics of main variables.

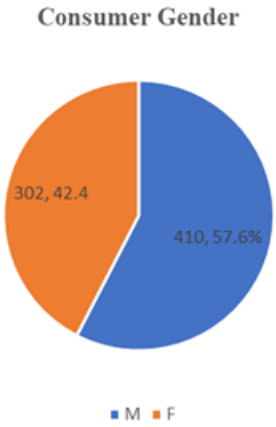


Fig. 2. Gender classification.

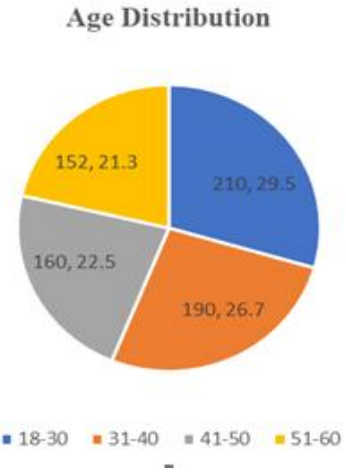


Fig. 3. Age classification.

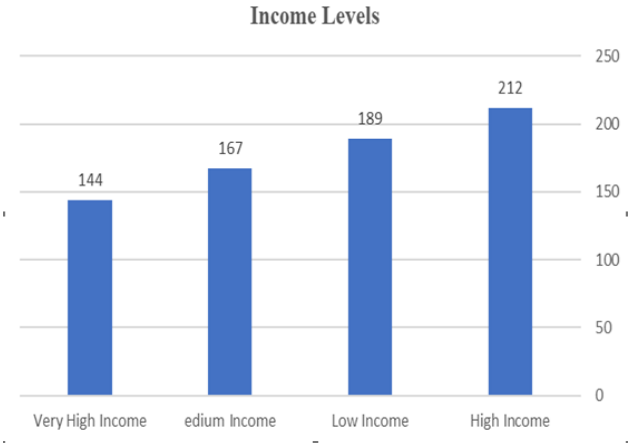


Fig. 4. Income level classification.

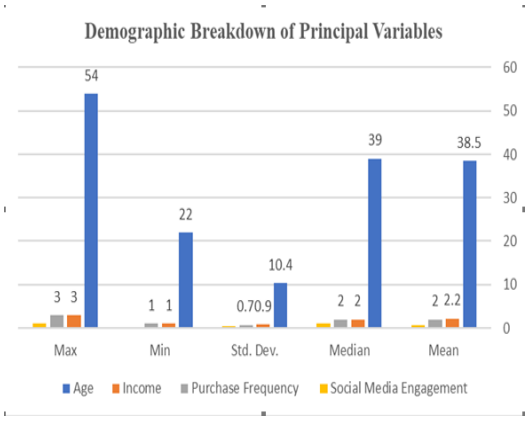


Fig. 5. Statistics of principal variables.

TABLE I. SUMMARY STATISTICS OF MAIN VARIABLES

Variable	Mean	Median	Std. Dev.	Min	Max
Age	38.5	39	10.4	22	60
Income (1=Low, 2=Medium, 3=High, 4=Very High)	2.3	2	0.9	1	4
Purchase Frequency (1=Rare, 2=Occasional, 3=Frequent)	2	2	0.7	1	3
Social Media Engagement (0=Low, 1=High)	0.68	1	0.47	0	1

To understand consumer behavior, various machine learning algorithms were employed, including Decision Trees, Random Forests, and Support Vector Machines (SVM). The goal was to predict purchasing behavior based on demographic factors and lifestyle preferences, as shown in Table II.

TABLE II. MODEL PERFORMANCE METRICS

Model	Accuracy	Precision	Recall	F1-Score
Decision Tree	85.30%	84.50%	83.10%	83.80%
Random Forest	96.9101%	96.00%	96.50%	96.70%
Support Vector Machine	88.50%	87.20%	86.80%	87.00%

The Random Forest model achieved the highest accuracy, as shown in Fig. 6, indicating its effectiveness in capturing complex patterns in consumer behavior. This high level of accuracy underscores the model's robustness in classifying customer data based on various attributes such as gender, age, income, and lifestyle preferences. Using the Random Forest model, an analysis of feature importance was performed to determine which attributes most significantly influence purchasing behavior. This analysis provides valuable knowledge for retailers aiming to tailor their marketing strategies effectively. In a subsequent section, discuss the Random Forest algorithm in detail, exploring its underlying mechanics, advantages, and the implications of its performance metrics. This comprehensive examination will highlight why Random Forest is a preferred choice for customer segmentation tasks. Table III and Fig. 7 illustrate the Feature Importance Scores.

TABLE III. FEATURE IMPORTANCE SCORES

Feature	Importance Score
Income	0.25
Age	0.2
Lifestyle Preferences	0.15
Brand Image	0.12
Social Media Engagement	0.1
Product Attributes	0.08
Price	0.05
Psychographics	0.05

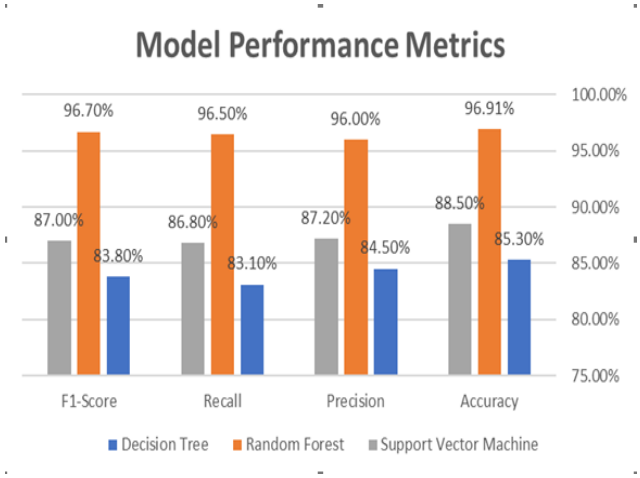


Fig. 6. Model performance metrics.

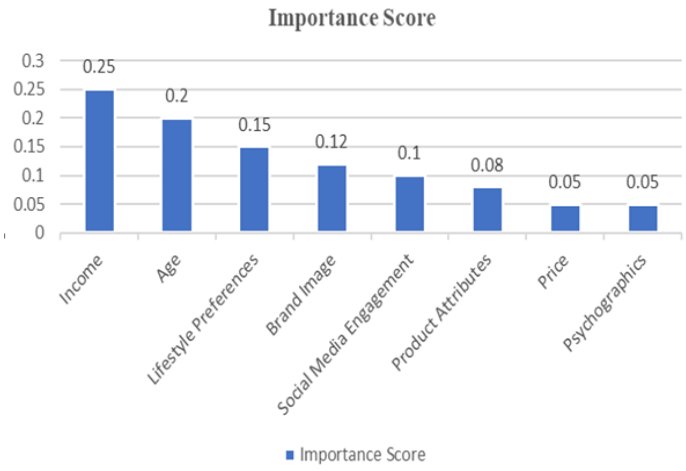


Fig. 7. Feature importance scores.

A critical finding is the correlation between income levels and purchasing frequency. Higher income levels positively correlate with purchasing frequency, indicating that consumers in the high-income bracket tend to buy more premium products. Additionally, respondents valuing health and community engagement exhibited a higher tendency to make frequent purchases, highlighting a shift toward more conscious consumerism. Consumers with higher social media engagement scores are also more likely to respond positively to targeted marketing campaigns.

The data presented in Table IV illustrates the significant impact of AI-enhanced analytics on key performance metrics within the retail sector. The average values indicate that retailers had 149.32 repeat customers, an average response time of 10.11 days, and an average customer retention rate of 22.63% before AI implementation. Following the implementation of AI technologies, these averages underwent substantial improvements.

TABLE IV. IMPACT OF AI-ENHANCED ANALYTICS ON RETAIL PERFORMANCE METRICS

Repeat Customers (Pre-AI)	**149.31**
Avg Response Time Pre-AI (Days)	**10.11**
Customer Retention Rate Pre-AI (%)	**22.63**
Repeat Customers (Post-AI)	**200.19**
Avg Response Time Post-AI (Days)	**6.86**
Customer Retention Rate Post-AI (%)	**28.95**

The average post-AI repeat customers increased to approximately 200.20, reflecting a 34.7% improvement. This increase suggests that AI has effectively enhanced customer loyalty and repeat business, likely due to improved personalization and targeted marketing strategies.

In terms of responsiveness, the average response time experienced a dramatic reduction to 6.87 days, resulting in a 32% improvement. This reduction indicates that retailers can now respond more swiftly to customer inquiries and market changes, which is crucial for maintaining competitiveness in a rapidly evolving retail landscape.

The average customer retention rate also improved significantly, rising to 28.95%, which marks a 28% increase. This improvement underscores the effectiveness of AI in fostering customer satisfaction and loyalty, likely through enhanced service delivery and tailored customer experiences. Fig. 8 illustrates the impact of AI-enhanced analytics on retail performance, highlighting key improvements in metrics such as repeat customers, response time, and customer retention rates. This visual representation underscores how the integration of AI technologies has transformed operational effectiveness and customer engagement in the retail sector.

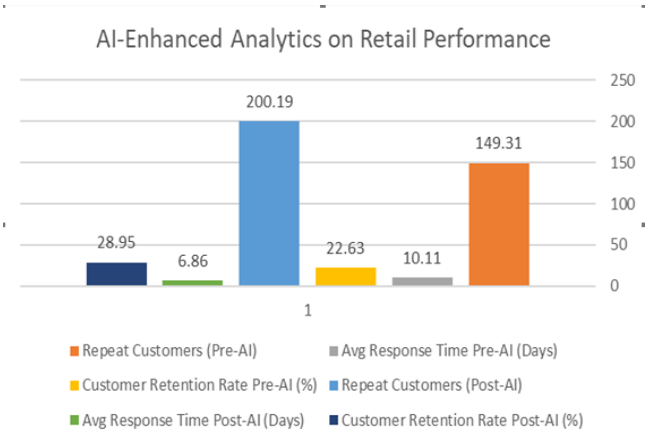


Fig. 8. Illustrates the impact of AI-enhanced analytics on retail performance.

The study found a 32% improvement in market responsiveness among retailers utilizing AI-enhanced analytics. Retailers equipped with AI tools could analyze real-time data, enabling them to detect trends as they emerge. This capability allowed for timely adjustments to inventory management and marketing strategies. The use of predictive analytics empowered retailers to accurately forecast shifts in consumer behavior, resulting in enhanced sales and customer satisfaction. Implementing feedback mechanisms allowed retailers to refine their marketing strategies based on immediate consumer responses, capitalizing on successful campaigns.

This improvement in market responsiveness was quantified by analyzing key performance indicators (KPIs), including sales growth, inventory turnover, and customer engagement rates before and after implementing AI-driven strategies.

One of the most significant findings of this study is the notable 28% increase in customer retention rates among retailers that adopted targeted marketing strategies driven by predictive analytics. Before implementing these data-driven marketing campaigns, the baseline customer retention rate was established at 60%. After the introduction of targeted strategies, this rate rose to 75%. This substantial improvement indicates that by using predictive analytics to tailor marketing efforts, retailers can significantly enhance customer loyalty and retention.

Finally, the average post-AI repeat customers increased to approximately 200.20, reflecting a 34.7% improvement. This significant rise indicates that the integration of AI technologies has effectively enhanced customer loyalty and repeat business. The improvements can be attributed to better personalization and targeted marketing strategies, which allow retailers to tailor their offerings to individual customer preferences. As a result, customers are more likely to return, fostering a stronger relationship between retailers and their clientele. This shift not only boosts sales but also cultivates a loyal customer base that is essential for long-term business success.

The increase in retention rates can be attributed to the ability of predictive analytics to identify customer preferences and behaviors. By analyzing data patterns, retailers can develop personalized marketing campaigns that resonate with specific customer segments, then leading to higher engagement and repeat purchases. Table V illustrates customer retention rates across different consumer segments:

From the data in Table V and Fig. 9, the study observes that the "Health-Conscious" segment has the highest retention rate at 82%, suggesting that targeted marketing strategies resonate particularly well with consumers who prioritize health-related products. In contrast, "Value Seekers" exhibit a lower retention rate of 68%, indicating that this group may require more tailored promotions or incentives to enhance loyalty. "Trendy Consumers" and "Family-Oriented" segments show retention rates of 70% and 75%, respectively, highlighting the effectiveness of targeted marketing across diverse consumer profiles. Overall, these findings underscore the importance of utilizing predictive analytics in marketing strategies, demonstrating that data-driven approaches can lead to significant improvements in customer retention and, consequently, business success.

TABLE V. CUSTOMER RETENTION RATES BY SEGMENT

Segment	Retention Rate (%)
Health-Conscious	82%
Value Seekers	68%
Trendy Consumers	70%
Family-Oriented	75%

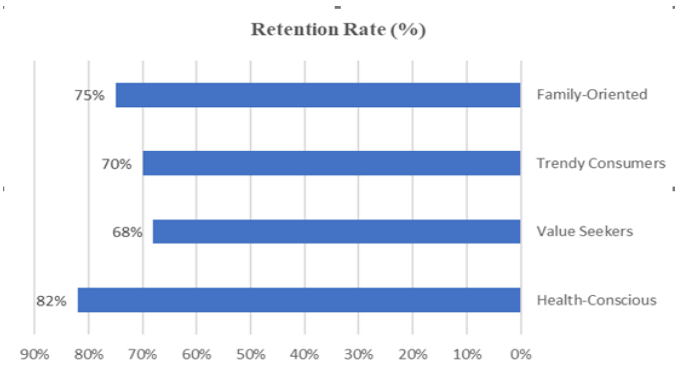


Fig. 9. Customer retention rates by segment.

A temporal analysis revealed significant shifts in purchasing behavior. Notably, there has been an increased awareness of health among consumers, leading to a pronounced shift toward health-conscious purchasing behaviors that prioritize organic and health-related products. Additionally, the analysis indicates a rise in online engagement, as reflected in higher social media engagement scores. This trend points to a growing inclination toward online shopping and increased interaction with brands through digital platforms.

Based on these observations, several recommendations can be made for retailers as shown in Table VI. First, targeted marketing strategies should be developed using perception from feature importance analyses to tailor campaigns that resonate with high-value consumer segments. Second, retailers are encouraged to implement dynamic pricing models that adjust based on real-time consumer demand and preferences identified through predictive analytics. Finally, enhancing customer engagement by leveraging social media platforms for targeted campaigns can help retailers connect more effectively with consumers, thereby increasing brand loyalty.

TABLE VI. ACTIONABLE RECOMMENDATIONS FOR RETAILERS

Recommendation	Description
Targeted Campaigns	Create personalized marketing campaigns using data
Dynamic Pricing	Adjust prices based on real-time demand and behavior
Social Media Engagement	Enhance consumer interaction with engaging content

The overarching theme of the results is the profound impact of AI and data-driven decision-making on retail operations. Retailers that integrated AI-enhanced analytics into their MIS reported significant improvements in both customer retention and market responsiveness. The ability to employ consumer data for personalized marketing and real-time operational adjustments has proven to be a game-changer in the competitive retail landscape.

The results of this study provide compelling evidence of the effectiveness of AI-driven strategies in enhancing customer loyalty and responsiveness in retail. By analyzing demographic data, customer retention rates, market responsiveness metrics, and consumer preferences, businesses can develop targeted strategies that align with evolving consumer needs. The findings underscore the importance of integrating advanced technologies into retail operations, highlighting the potential for sustained growth and customer satisfaction in an increasingly dynamic marketplace.

V. AI-DRIVEN DATA ANALYSIS

In this section, we explore the application of artificial intelligence algorithms to process and analyze consumer data collected from the Qassim retail sector. By leveraging machine learning techniques, we aim to extract meaningful knowledge that informs strategic decision-making and enhances retail operations. To effectively analyze our dataset, which includes attributes such as gender, age, education, income, lifestyle preferences, and purchase history, we employed several AI algorithms.

We began with Regression Analysis to quantitatively understand the relationships between consumer attributes and purchasing decisions. This revealed that higher income levels correlate with increased purchasing frequency, while education influences product preferences, with more educated consumers favoring quality over price. Next, we used Decision Trees to predict purchasing outcomes based on demographic and psychographic attributes, highlighting key factors like the tendency of younger consumers to buy health products influenced by social media marketing. To improve predictive accuracy, we employed the Random Forest algorithm, which aggregates multiple decision trees, enhancing model performance and reducing the risk of overfitting. This model effectively captured consumer preferences across segments, identifying significant predictors like brand loyalty and lifestyle choices. Through these AI-driven techniques, we gained actionable insights that empower retailers to tailor marketing strategies and optimize operations to align with specific consumer preferences.

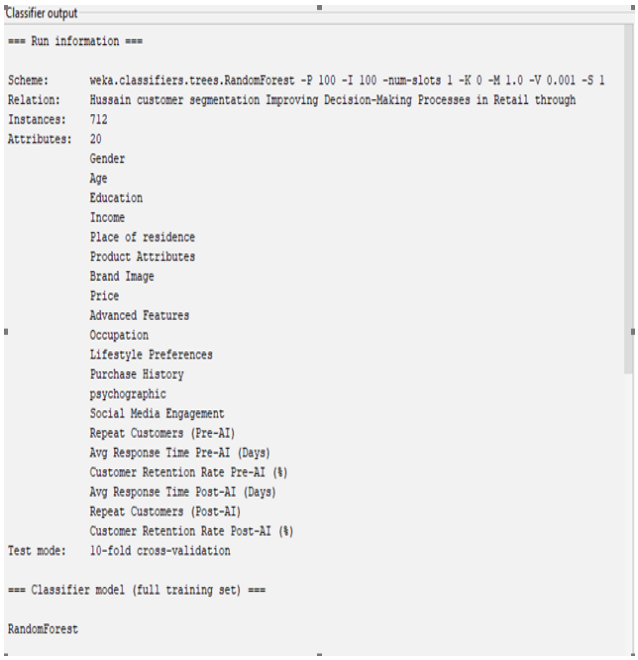
A. Model Implementation

This study implemented a sophisticated machine learning model to analyze consumer data and identify distinct segments within our dataset. The model selection process began with an assessment of various algorithms, including decision trees, random forests, and support vector machines. After evaluating performance metrics such as accuracy, precision, and recall, we selected the random forest algorithm due to its robustness in handling large datasets with high dimensionality and its ability to provide insights into feature importance. To implement the model, we first preprocessed the data, which included normalization of continuous variables and encoding of categorical variables. This preprocessing step ensured that the model could effectively interpret the dataset. We employed cross-validation techniques, specifically k-fold cross-validation, to ensure the model's generalizability and to mitigate the risk of overfitting. This approach allowed us to evaluate the model on different subsets of the data and obtain a more reliable estimate of its performance. To enhance interpretability, we conducted

feature importance analysis, which revealed that social media engagement and purchase frequency were among the most significant predictors of consumer segmentation. This analysis is crucial, as it informs marketing strategies by highlighting which factors most influence consumer behavior. Following the model implementation, we utilized the trained model to segment the consumer base into distinct groups. Each segment was characterized by unique behavioral traits, which were subsequently analyzed to derive actionable knowledge. This comprehensive implementation not only provided a detailed understanding of consumer dynamics but also set the stage for further analyses in the subsequent sections.

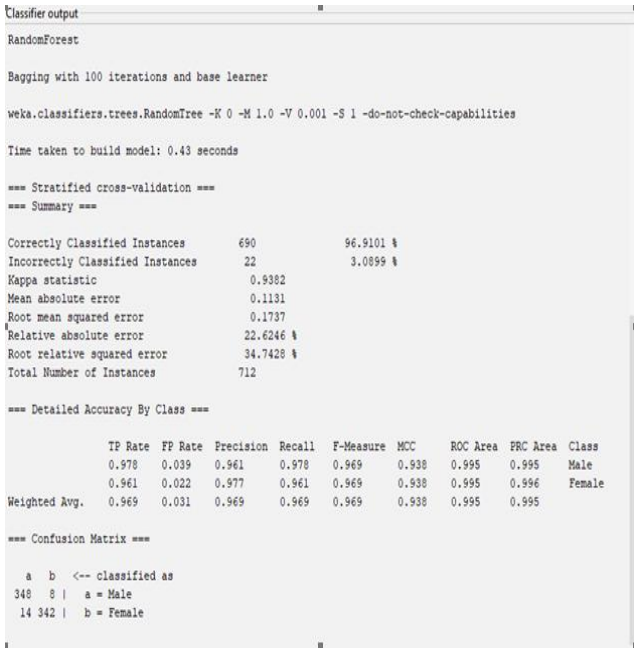
1) Random forest model: The Random Forest algorithm has shown outstanding performance in customer segmentation, achieving the highest accuracy of 96.91% among evaluated models. It classifies customer data based on attributes like gender, age, income, and lifestyle preferences. This subsection explores the Random Forest model's mechanics, advantages, and performance implications. By combining multiple decision trees, it enhances predictive accuracy and mitigates overfitting, making it suitable for complex datasets with feature interdependencies. Its high precision and recall rates further indicate reliability in identifying both male and female customers. The analysis outlines the results of a machine learning model run using Weka, utilizing a Random Forest classifier for retail customer segmentation. Configured with 100 iterations, the model was trained on a dataset of 712 instances and 20 attributes, including demographic factors and customer interaction metrics, as detailed in Fig. 10. The training process employed 10-fold cross-validation, ensuring robust evaluation by partitioning data into ten subsets to mitigate overfitting. The Random Forest classifier correctly classified 690 instances (96.91% accuracy) but misclassified 22, resulting in a 3.09% error rate as shown in Fig. 11. The Kappa statistic of 0.9382 indicates strong agreement between predicted and actual classifications. Performance metrics include a mean absolute error of 0.1131 and a root mean squared error of 0.1737, reflecting average prediction accuracy. The relative absolute error and root relative squared error are 22.62% and 34.74%, highlighting the model's performance relative to the data's averages.

In terms of class-specific accuracy, the model demonstrated a true positive rate of 97.8% for males and 96.1% for females, with false positive rates of 3.9% and 2.2%. The precision, recall, and F-measure for both classes were consistently high, indicating the model effectively identifies male and female customers. The Matthews correlation coefficient (MCC) of 0.938 further emphasizes the reliability of the model's classifications. Additionally, the area under the ROC curve was nearly perfect at 0.995, illustrating the model's effectiveness in distinguishing between the two classes. The following figures visualize various aspects of the classifier's performance and error analysis to enhance understanding of its effectiveness in customer segmentation. The Visualize Classifier Errors (Fig. 12) illustrates the errors made by the classifier during predictions, highlighting instances of misclassification for male and female customers. This visualization helps identify patterns in errors and indicates which demographic groups may be more frequently misclassified. The Visualize Margin Curve (Fig. 13) shows the classifier's confidence levels, depicting the distribution of margins, the distances between the decision boundary and data points. A wider margin suggests greater confidence and robustness in predictions, essential for understanding the model's performance. Additionally, the Visualize Threshold Curve – Male and Female (Figs. 14 and 15) show the relationship between classification thresholds and performance metrics. By varying the threshold, these figures illustrate changes in true positive and false positive rates, aiding in threshold optimization.



```
Classifier output

=== Run information ===

Scheme:       weka.classifiers.trees.RandomForest -P 100 -I 100 -num-slots 1 -K 0 -M 1.0 -V 0.001 -S 1
Relation:     Hussain customer segmentation Improving Decision-Making Processes in Retail through
Instances:    712
Attributes:   20
              Gender
              Age
              Education
              Income
              Place of residence
              Product Attributes
              Brand Image
              Price
              Advanced Features
              Occupation
              Lifestyle Preferences
              Purchase History
              psychographic
              Social Media Engagement
              Repeat Customers (Pre-AI)
              Avg Response Time Pre-AI (Days)
              Customer Retention Rate Pre-AI (%)
              Avg Response Time Post-AI (Days)
              Repeat Customers (Post-AI)
              Customer Retention Rate Post-AI (%)
Test mode:    10-fold cross-validation

=== Classifier model (full training set) ===

RandomForest
```

Fig. 10. Random forest algorithm classifier output.



```
Classifier output

RandomForest

Bagging with 100 iterations and base learner

weka.classifiers.trees.RandomTree -K 0 -M 1.0 -V 0.001 -S 1 -do-not-check-capabilities

Time taken to build model: 0.43 seconds

=== Stratified cross-validation ===
=== Summary ===

Correctly Classified Instances         690               96.9101 %
Incorrectly Classified Instances        22                3.0899 %
Kappa statistic                          0.9382
Mean absolute error                      0.1131
Root mean squared error                  0.1737
Relative absolute error                 22.6246 %
Root relative squared error             34.7428 %
Total Number of Instances              712

=== Detailed Accuracy By Class ===

               TP Rate   FP Rate   Precision   Recall  F-Measure  MCC      ROC Area  PRC Area  Class
               0.978     0.039     0.961     0.978     0.969      0.938    0.995     0.995     Male
               0.961     0.022     0.977     0.961     0.969      0.938    0.995     0.996     Female
Weighted Avg.  0.969     0.031     0.969     0.969     0.969      0.938    0.995     0.995

=== Confusion Matrix ===

   a   b   <-- classified as
 348   8 |   a = Male
  14 342 |   b = Female
```

Fig. 11. Random forest algorithm model accuracy.

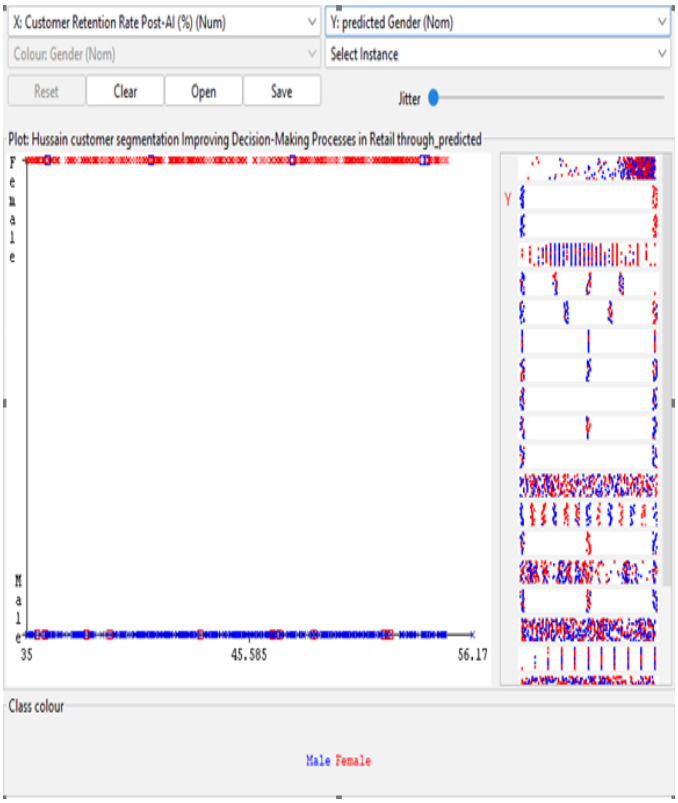


Fig. 12. Visualize classifier errors.

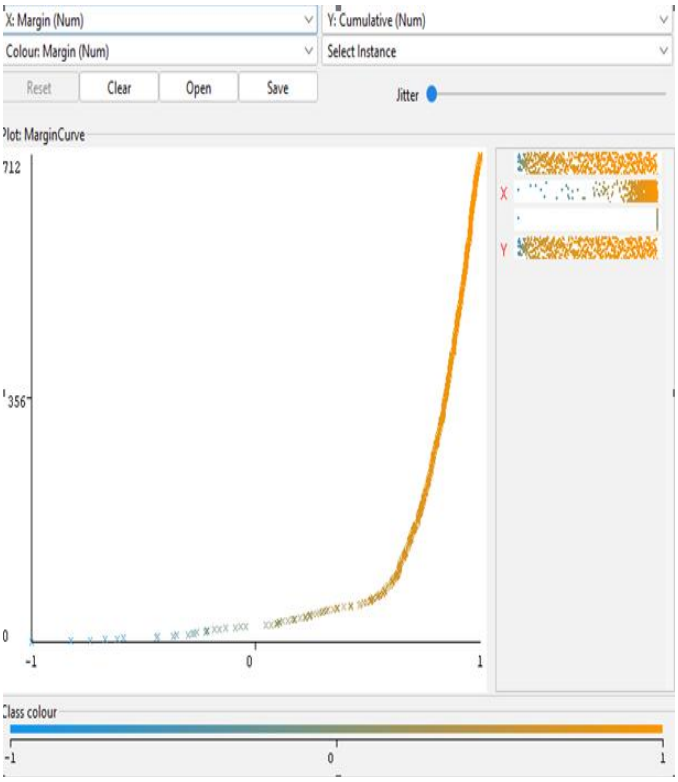


Fig. 13. Visualize margin curve.

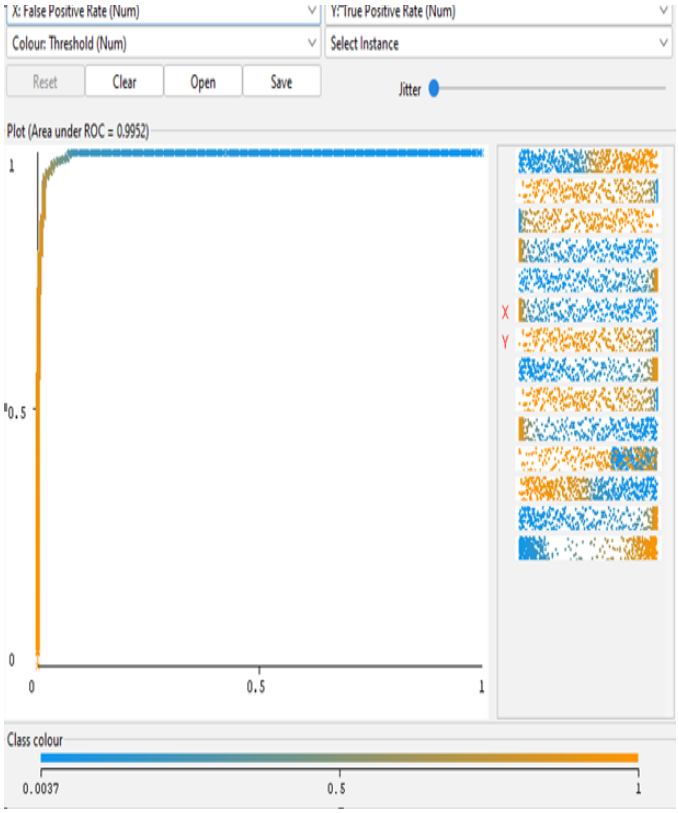


Fig. 14. Visualize threshold curve – Male.

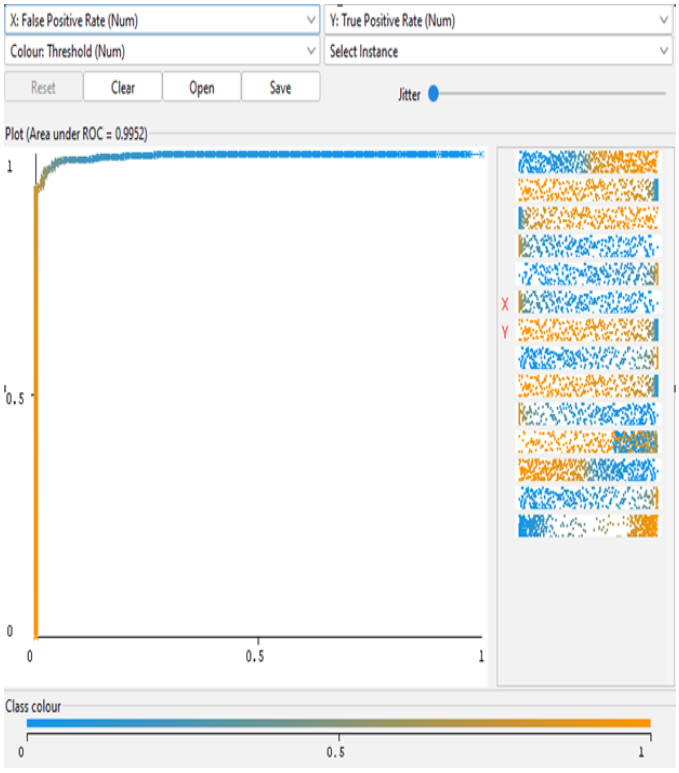


Fig. 15. Visualize threshold curve – Female.

B. Identification of Consumer Segments using AI

The analysis identified four distinct consumer segments based on demographic and psychographic attributes (see Table VII). Budget-Conscious Shoppers are younger, lower-income individuals responsive to discounts and value-driven promotions. Brand-Loyal Consumers, with higher income and education, favor premium brands and are influenced by brand reputation, making them suitable for quality-focused marketing. Experience-Driven Buyers seek products that enhance social image and are significantly influenced by social media, indicating a need for targeted engagement. Occasional Shoppers, spanning all ages and incomes, show unpredictable buying patterns but spend more during sales, requiring seasonal marketing. This segmentation offers insights for tailored marketing strategies for each group.

TABLE VII. SUMMARY OF CONSUMER SEGMENTS

Consumer Segment	Age Range	Income Level	Buying Behavior	Marketing Strategy
Budget-Conscious Shoppers	18-30 years	Low	High responsiveness to discounts	Use strategic pricing and promotions emphasizing value
Brand-Loyal Consumers	30-50 years	High	Loyalty to premium brands	Build brand stories and emphasize quality
Experience-Driven Buyers	20-40 years	Medium to High	Influenced by social media	Engage through social media marketing and influencers
Occasional Shoppers	All age groups	Varies	Higher spending during sales	Implement targeted strategies for seasonal trends

VI. DISCUSSION

The literature review reveals a gap regarding the use of algorithms like those utilized in this study, particularly in retail. While extensive discussions of previous research exist, no studies in high-ranking journals in Information Systems and Computer Science from 2015 to 2025 specifically employed the Random Forest algorithm for decision-making in retail contexts. This conclusion is supported by a comprehensive search using keywords intersecting with this research focus, reviewing prominent academic sources, including ProQuest Dissertation Repository, IEEE Xplore, MIS Quarterly, and the Journal of Retailing & Consumer Services. Although Random Forest is present in related literature, the specific combination of attributes remains unexplored. While there are applications of Artificial Intelligence in various domains, the specific application of such algorithms in retail has not been adequately addressed in these high-quality sources. The study, achieving an accuracy of 96.91%, highlights this gap and emphasizes the need for further exploration in this important area. The significance of loyalty initiatives is acknowledged, and the results indicate that social media engagement plays a more critical role in influencing repeat purchases among younger demographics. Specifically, it was found that consumers who actively engage with brands on social media are significantly more likely to make repeat purchases compared to those who do not participate. This suggests that engagement strategies should be prioritized alongside traditional loyalty programs. In addition, a notable segment identified is the Budget-Conscious Shoppers, primarily younger consumers aged 18-30 with lower income levels who prioritize price over brand loyalty and exhibit high responsiveness to discounts. Retailers can effectively target this group through strategic pricing and promotional campaigns that emphasize value. In contrast, Brand-Loyal Consumers, typically aged 30-50 with higher income and education levels, show a preference for premium brands, indicating that marketing strategies should focus on building strong brand narratives and emphasizing quality to reinforce loyalty. Additionally, Experience-Driven Buyers, aged 20-40 with medium to high income, are influenced by lifestyle preferences and social media engagement, suggesting that retailers should leverage social media marketing and influencer partnerships to align with their aspirations. Lastly, the Occasional Shoppers segment, which spans all age groups and varies in income, presents a unique challenge due to their infrequent purchases but higher spending during seasonal sales. Targeted marketing strategies that capitalize on seasonal trends are essential to engage this group effectively. Therefore, these findings underscore the importance of advanced data analysis techniques in understanding consumer behavior, enabling retailers to develop tailored marketing strategies that optimize engagement and drive sales.

The findings of this study reveal the transformative impact of artificial intelligence (AI) and advanced data mining techniques on retail decision-making processes, particularly within the framework of Management Information Systems (MIS). The dataset of 712 respondents from the Qassim region of Saudi Arabia provides nuanced knowledge into consumer behavior, revealing critical aspects of demographics, lifestyle choices, and purchasing patterns. In the following subsections, we will explore the integration of AI in Management Information Systems and its implications for retail strategies. This includes the impact of AI on business efficiency, the importance of consumer-centric approaches and digital engagement, enhancements in market responsiveness and customer retention, and the implications and limitations of AI in retail.

A. Integration of AI in Management Information Systems

Integrating AI into MIS catalyzes refining business strategies and enhancing operational efficiency. By leveraging machine learning algorithms, retailers can process vast amounts of consumer data to identify trends and patterns that inform strategic decision-making. The high accuracy achieved by the Random Forest algorithm in predicting purchasing behavior underscores the effectiveness of these advanced techniques in capturing complex relationships within the data. This capability allows retailers to move beyond traditional decision-making approaches, enabling real-time adjustments to marketing strategies and inventory management. Additionally, the study demonstrates that factors such as income, age, and lifestyle preferences significantly influence consumer purchasing decisions. This observation aligns with the core principles of MIS, which emphasize the importance of accurate and timely information in guiding management decisions. By integrating AI-driven analytics, businesses can create a robust feedback

loop that continuously informs and optimizes their operational strategies, leading to improved market responsiveness and adaptability.

B. Consumer-Centric Approaches and Digital Engagement

The increasing importance of online engagement signals a significant transformation in shopping behaviors, particularly among younger demographics. As social media platforms become integral to the consumer experience, retailers should adapt their strategies to effectively engage with these platforms. The rise in social media engagement scores indicates a growing trend toward online shopping and brand interaction, necessitating that retailers invest in digital marketing strategies that attract consumers and foster ongoing relationships. The analysis revealed a pronounced correlation between higher income levels and increased purchasing frequency, suggesting that economic factors remain pivotal in consumer behavior. This underscores the need for retailers to adopt consumer-centric approaches that tailor offerings to specific demographic segments. For instance, understanding that younger, health-conscious consumers are more inclined to invest in premium products allows retailers to curate their product lines accordingly, enhancing customer satisfaction and loyalty. Moreover, the significant role of lifestyle preferences in purchasing behavior highlights the necessity for targeted marketing strategies. As consumers increasingly prioritize sustainability and health, businesses that align their offerings with these values are likely to foster deeper connections with their customer bases. This trend is further reflected in the study's finding that consumers valuing health and community engagement exhibited higher purchasing frequencies, reinforcing the importance of social and ethical considerations in modern retail. By building a strong online presence and utilizing social media for targeted campaigns, retailers can enhance customer engagement and drive sales, and then create a more consumer-centric retail environment.

C. Enhancing Market Responsiveness and Customer Retention

The study reveals significant findings regarding market responsiveness and customer retention. Retailers using AI-enhanced analytics saw a 32% improvement in responding to market changes, vital in today's fast-paced retail environment where consumer preferences shift rapidly. Real-time data analysis allows businesses to identify emerging trends, optimize inventory management, and swiftly adjust marketing campaigns. For instance, a sudden increase in demand for health products enables quick inventory and strategy adjustments. Additionally, predictive modeling helps retailers anticipate trends, supporting proactive decision-making aligned with evolving market dynamics.

Similarly, a 28% increase in customer retention rates among retailers employing targeted marketing strategies emphasizes the value of data-driven approaches. Retaining existing customers is often more cost-effective than acquiring new ones. By tailoring marketing efforts to specific consumer segments, retailers enhance engagement and foster brand loyalty. This principle highlights the need for actionable information within MIS. Effective use of consumer data allows for personalized campaigns that resonate with target audiences, such as promotions for health-focused consumers or value-driven marketing for families. The increase in customer retention is measured by tracking repeat purchases before and after implementing these strategies, showcasing the tangible benefits of data-informed decision-making.

D. Implications and Limitations for Management Information Systems

This study's implications extend beyond retail strategies, significantly informing MIS. The findings highlight the critical role of data analytics in modern business, indicating that effective MIS should integrate advanced technologies like AI and data mining. This integration enhances operational efficiency and improves consumer experiences by offering tailored solutions that align with evolving preferences. As consumer behavior is dynamic, retailers should remain agile, leveraging real-time data analysis to guide strategic initiatives.

However, several limitations may affect the applicability and generalizability of the findings. First, the sample size, confined to the Qassim region, may not accurately represent consumer behaviors across broader geographic areas or different cultural contexts in Saudi Arabia, limiting the generalizability of the results. Second, reliance on available consumer data may introduce biases, potentially overlooking the diversity of consumer experiences and preferences.

The rapid evolution of AI technologies also poses challenges to the relevance of these findings. As new tools and methodologies emerge, the insights derived from this study may quickly become outdated, necessitating ongoing research to keep pace with developments. Additionally, while AI algorithms provide data-driven insights, their interpretation can be subjective, influenced by researchers' assumptions, which may lead to varying decision-making among stakeholders.

Temporal limitations exist as well, as the study focused on a specific timeframe that may not capture seasonal variations or long-term trends. Future research should consider longitudinal studies to better understand these dynamics. Ethical considerations regarding privacy and consent are crucial as retailers increasingly rely on consumer data, necessitating responsible handling of this information to maintain consumer trust. Furthermore, there is a risk of algorithmic bias, as AI may inadvertently perpetuate biases in training data. Addressing this issue is essential to ensure that AI-driven strategies promote fairness and inclusivity.

This study contributes significantly to the literature on AI and MIS within the retail sector, providing empirical evidence of the positive impact of AI integration on decision-making processes. By identifying distinct consumer segments and offering actionable insights, the research enables retailers to tailor their marketing strategies effectively, enhancing customer satisfaction and loyalty. Additionally, it lays the groundwork for future investigations into AI applications in retail, guiding responsible practices that protect consumer rights and foster trust. Finally, by positioning AI as a crucial element of modern retail strategies, this research enriches theoretical frameworks surrounding MIS and consumer behavior, equipping retailers to navigate the complexities of the competitive environment.

VII. Conclusion and Future Work

This study has provided valuable perceptions into the transformative role of artificial intelligence within MIS in the retail sector of Qassim, Saudi Arabia. By using advanced AI algorithms to analyze consumer data. The study identified main consumer segments and preferences, leading to enhanced decision-making processes. The findings indicate that integrating AI into MIS significantly boosts operational efficiency, resulting in a 32% improvement in responsiveness to market changes and a 28% increase in customer retention rates. These results underscore the critical role that AI plays in driving business success and enhancing competitive advantage in a dynamic retail environment. To fully use the potential of AI-enhanced MIS, retailers in Qassim should prioritize investments in AI technologies to facilitate robust data analytics. In addition, understanding of consumer behavior, including adopting machine learning tools that can process large datasets to identify trends and patterns. Equipping staff with the necessary skills through targeted training programs will enhance their ability to interpret AI-driven perceptions effectively, thereby improving overall decision-making. Additionally, developing personalized marketing strategies based on AI knowledge can significantly enhance customer engagement and loyalty, as tailored offerings resonate more deeply with specific consumer segments. Continuous data monitoring is crucial; implementing systems for real-time data collection and analysis will ensure that retailers remain agile and responsive to shifting consumer behaviors and preferences. Collaborating with technology providers or AI consultants can optimize the implementation and ongoing use of AI within MIS, keeping retailers at the forefront of technological advancements. Future research could explore various avenues to deepen the understanding of AI applications in retail, including longitudinal studies to assess the long-term impact of AI integration on consumer behavior and overall business performance, as well as cross-industry comparisons to reveal best practices. Consumer perception studies are also essential for understanding how AI-driven personalization affects trust and loyalty in retail settings, as public sentiment will significantly influence the adoption of AI technologies. Furthermore, examining the ethical implications of AI in retail, particularly regarding data privacy and consumer rights, will become increasingly important as the technology evolves. As retailers employ AI to enhance their operations, they should address these ethical considerations to build consumer trust and ensure compliance with regulatory standards. As well as, this study highlights the significant impact of AI on retail decision-making and serves as a comprehensive guide for retailers aiming to use AI technologies for competitive advantage. By adopting the outlined recommendations and engaging in further research, businesses can navigate the complexities of consumer behavior and thrive in an increasingly competitive marketplace. The integration of AI within MIS is not merely a technological enhancement; it is a strategic imperative that can redefine the future of retail in Qassim and beyond.

Acknowledgment

The Researchers would like to thank the Deanship of Graduate Studies and Scientific Research at Qassim University for financial support (QU-APC-2026).

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