

The Impact of Artificial Intelligence (AI) in Content Personalization on Customer Experience and Purchase Intention among Generation Z Users of Shopee Indonesia: A Study of Aerostreet Footwear Consumers

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Abstract

The advancement of digital technologies and the adoption of artificial intelligence (AI) on e-commerce platforms have transformed consumer-business interactions through increasingly personalized content delivery. However, the effectiveness of AI-driven personalization in enhancing customer experience and stimulating purchase intention among Generation Z e-commerce users in Indonesia remains insufficiently understood. This study examines the influence of AI-based content personalization on customer experience and purchase intention and investigates the mediating role of customer experience in this relationship. A quantitative approach with a causal-associative research design was employed. Data were collected through questionnaires administered to 384 Generation Z users of Shopee Indonesia who had interacted with Aerostreet footwear products and were analyzed using partial least squares structural equation modeling (PLS-SEM). The findings indicate that AI-based content personalization positively influences both customer experience and purchase intention. Customer experience also

positively influences purchase intention and mediates the relationship between AI-based content personalization and purchase intention. These findings demonstrate that customer experience represents an important mechanism through which AI-driven personalization shapes consumers' purchase intentions. The study contributes to the digital marketing literature by clarifying the relationship among AI-based content personalization, customer experience, and purchase intention in the context of Generation Z consumers on an Indonesian e-commerce platform. Practically, the findings highlight the importance of relevant product recommendations and customer experience optimization in developing effective AI-driven digital marketing strategies.

Keywords: Artificial Intelligence; Content Personalization; Customer Experience; E-Commerce; Purchase Intention

INTRODUCTION

The rapid development of digital technology has significantly transformed the landscape of electronic commerce by changing the way businesses deliver value and consumers interact with online platforms. One of the most influential technologies in this transformation is Artificial Intelligence (AI), which enables companies to analyze consumer data, predict preferences, and develop personalized marketing strategies. AI has become a critical element in modern marketing because it allows businesses to create more targeted and adaptive interactions with consumers based on behavioral information (Davenport et al., 2020). Furthermore, the integration of AI in e-commerce has expanded rapidly as digital platforms increasingly utilize intelligent systems to improve operational efficiency, customer engagement, and decision-making processes (Bawack et al., 2022). The implementation of AI-driven strategies reflects a shift from traditional marketing approaches toward more personalized and consumer-oriented digital experiences (Aninditiah & Kusumaningrum, 2025).

The emergence of AI-based personalization has become particularly important in addressing the complexity of consumer choices within online marketplaces. Through recommendation algorithms, e-commerce platforms can process user activities, search histories, and previous interactions to generate product suggestions that are considered more relevant to individual preferences. AI-driven recommendation systems have been identified as an important mechanism for improving product discovery and enhancing the effectiveness of online shopping processes (Necula & Păvăloaia, 2023). In addition, personalized

recommendation models based on semantic and behavioral analysis have demonstrated the ability to influence consumer perceptions by providing more suitable product information within highly competitive digital environments (Ding & Liu, 2022). The development of context-aware personalization further strengthens the role of AI in creating adaptive digital experiences that respond dynamically to consumer needs (Oguntola & Simske, 2023).

In the Indonesian e-commerce context, the utilization of AI personalization has become increasingly relevant due to the rapid growth of marketplace platforms and changing consumer behavior among digital-native generations. Shopee, as one of the leading e-commerce platforms in Indonesia, applies AI-supported features such as personalized recommendations, product discovery systems, and customized content displays to improve user experiences. AI implementation in e-commerce is not merely related to technological capability but also involves consumers' perceptions regarding convenience, usefulness, and the quality of interactions generated by these systems. Previous research indicates that AI contributes to consumer satisfaction by improving convenience and strengthening the relationship between digital services and consumer responses (Ameen et al., 2021). Similarly, technological innovation has been recognized as a major factor in transforming customer experiences through more interactive and personalized digital journeys (Hoyer et al., 2020).

From the researcher's perspective, AI personalization should be examined through a consumer behavior perspective rather than solely from a technological perspective. Although AI systems are designed to provide accurate recommendations, the success of personalization depends on how consumers perceive and experience the content delivered by digital platforms. Customer Experience becomes an important variable because consumers evaluate digital interactions through cognitive, emotional, and behavioral responses throughout the shopping journey. Research in the e-commerce industry shows that customer experience plays a significant role in increasing engagement and loyalty by creating positive perceptions toward digital services (Felix & Rembulan, 2023). Moreover, customer experience has been found to influence satisfaction among e-commerce users, indicating that consumers' experiences during online interactions can determine their future behavioral intentions (Hidayat & Nuzil, 2023).

Purchase intention represents an important indicator in understanding consumer behavior because it reflects consumers' willingness and tendency to conduct future purchasing activities. In digital commerce, purchase intention is often influenced by the

relevance of information, perceived value, and the quality of previous interactions with online platforms. Research on consumer decision-making demonstrates that purchase intention is affected by various psychological and service-related factors, including trust, perceived benefits, and digital shopping experiences (Pebanji & Sutrisno, 2023). Furthermore, AI-based personalization has been found to influence purchasing responses by providing consumers with recommendations that are perceived as more suitable and valuable (Yang, 2023). The effectiveness of personalized recommendations in increasing purchase intention has also been confirmed in online marketplace environments where consumers rely on algorithm-based product suggestions during purchase consideration processes (Qian et al., 2024).

Previous studies have provided valuable insights regarding the relationship between digital personalization, customer experience, and consumer behavioral outcomes. Research on online shopping journeys indicates that personalization strategies can improve consumer interactions by creating experiences that are more relevant and aligned with individual preferences (Santy et al., 2025). In addition, studies examining AI-based personalization in e-commerce have shown that customized digital experiences contribute to customer satisfaction and repurchase intention by improving consumers' perceptions of service quality (Pratiwi & Suwardi, 2026). Other research also emphasizes that trust toward AI-based e-commerce systems represents an important psychological factor that influences purchase intention among Generation Z consumers, particularly when interacting with personalized digital environments (Hartono, 2025).

However, despite the increasing attention toward AI personalization and consumer behavior, previous studies still present several limitations. Many existing studies primarily focus on the direct influence of AI-based recommendations on purchase intention, while the mechanism explaining how AI personalization creates purchase intention through customer experience remains insufficiently explored. Research related to personalized recommendations has demonstrated positive effects on consumer responses, but the experiential process connecting technological stimuli and behavioral outcomes requires further investigation (Xu et al., 2023). Moreover, studies discussing customer experience in AI-driven e-commerce environments are still developing, indicating the need for broader empirical evidence regarding how AI technology shapes consumer experiences and strategic outcomes (Mittameedi & Dogra, 2026).

Based on these limitations, the research gap of this study lies in the limited integration of AI personalization, Customer Experience, and Purchase Intention within a single conceptual framework, particularly among Generation Z users of Indonesian e-commerce platforms. Previous studies have generally examined these variables separately, while fewer studies have positioned Customer Experience as a mediating mechanism that explains how AI personalization influences purchase intention. In addition, research focusing on local Indonesian brands within AI-driven marketplace environments remains limited, although local brands increasingly utilize digital platforms to compete in online markets. Studies regarding personalized digital shopping experiences suggest that effective personalization requires not only technological accuracy but also the ability to create meaningful consumer experiences (Dewi & Hartono, 2025).

Previous research has also highlighted that personalization strategies influence consumer responses by improving perceived relevance and strengthening the connection between digital platforms and users. Studies regarding online shopping behavior indicate that personalized interactions can encourage consumer trust and behavioral intention by creating more meaningful digital experiences (Arifin & Rahmawati, 2022). In addition, AI-based personalization has been recognized as an important factor in improving digital shopping effectiveness because it allows platforms to deliver information that matches consumer expectations and purchasing contexts (Putra et al., 2025). However, the majority of previous studies still emphasize technological performance or direct behavioral outcomes, while the experiential pathway through which AI personalization affects purchase intention remains an area requiring further empirical examination.

The theoretical foundation of this research is based on the Stimulus–Organism–Response (S-O-R) framework, which explains that external environmental stimuli influence internal psychological conditions before generating behavioral responses. In this study, AI-based personalization functions as the stimulus that encourages consumers to process digital shopping experiences, Customer Experience represents the organism reflecting consumers' internal evaluations, and Purchase Intention represents the response manifested through purchasing tendencies. The application of this framework provides a comprehensive explanation of how technological innovations influence consumer behavior through experiential mechanisms. Previous research on AI-driven personalization and consumer responses supports the importance of understanding the relationship between technological stimuli and psychological processes in digital commerce environments (Hussain, 2025).

The novelty of this research is reflected in the development of an integrated model that examines the influence of Artificial Intelligence (AI) in content personalization on Purchase Intention through Customer Experience among Generation Z Shopee users in Indonesia, specifically in the context of Aerostreet footwear consumers. Unlike previous studies that mainly investigate general e-commerce users, this research focuses on a local footwear brand to provide deeper insights into AI personalization practices within Indonesia's digital marketplace ecosystem. The methodological approach also strengthens this contribution by examining causal relationships and mediation effects using Structural Equation Modeling based on Partial Least Squares (PLS-SEM), following recommended procedures for evaluating complex research models (Hair et al., 2022).

Therefore, this study aims to analyze the influence of Artificial Intelligence (AI) in content personalization on Customer Experience and Purchase Intention among Generation Z users of Shopee Indonesia. Specifically, this research examines the effect of AI personalization on Customer Experience, the effect of AI personalization on Purchase Intention, the effect of Customer Experience on Purchase Intention, and the mediating role of Customer Experience in the relationship between AI personalization and purchase intention. Through these objectives, this research is expected to contribute theoretically to the development of AI-based digital marketing literature and provide practical implications for e-commerce platforms and local brands in designing more effective personalization strategies.

METHODS

This study employed a quantitative research approach with a causal associative design to examine the relationship and influence among variables through numerical data analysis. The quantitative approach was selected because this research aims to objectively measure the relationship between Artificial Intelligence (AI)-based content personalization, Customer Experience, and Purchase Intention among Generation Z users of Shopee Indonesia. The causal associative design was applied to identify the cause-and-effect relationship between variables, where AI in content personalization functions as the independent variable, Customer Experience acts as a mediating variable, and Purchase Intention serves as the dependent variable.

The research design was developed based on three main constructs. The first construct, Artificial Intelligence (AI) in content personalization, refers to the use of AI technology in analyzing user behavior and preferences to provide relevant recommendations. This variable was measured through four indicators: personalized recommendation, customer data analysis, real-time recommendation, and recommendation accuracy. The second construct, Customer Experience, represents consumers' overall experiences while interacting with Shopee, including searching, evaluating products, and conducting purchasing activities. This variable was measured through four indicators: ease of use, shopping convenience, customer satisfaction, and emotional experience. The third construct, Purchase Intention, refers to consumers' tendency or willingness to purchase Aerostreet products through Shopee, measured through product interest, purchase desire, purchase probability, and repurchase interest.

The population of this study consisted of Generation Z users of Shopee Indonesia who had experienced AI-based personalized content features on the platform. The sampling technique applied was non-probability sampling with purposive sampling, in which respondents were selected based on specific criteria relevant to the research objectives. The respondents were required to be 17–27 years old, reside in Indonesia, have an active Shopee account, have searched, viewed, or purchased Aerostreet footwear through Shopee within the previous six months, and have received personalized recommendations or content generated by Shopee's system. Since the exact population size was unknown, the sample size was determined using the Lemeshow formula, resulting in a minimum sample requirement of 384 respondents.

Data collection was conducted using an online questionnaire distributed through Google Forms and digital communication platforms. The questionnaire was developed based on theoretical indicators of each research variable and measured using a five-point Likert scale ranging from strongly disagree to strongly agree. The data collection process was conducted for seven days, from 11 to 17 August 2026. The questionnaire instrument was evaluated through validity and reliability testing as part of the measurement model evaluation before conducting hypothesis testing.

The collected data were analyzed using descriptive and inferential statistical analysis. Descriptive analysis was conducted to describe respondent characteristics and responses toward each research variable. Meanwhile, inferential analysis was performed using Partial

Least Squares Structural Equation Modeling (PLS-SEM) with the assistance of statistical software. The analysis consisted of outer model evaluation, including convergent validity, discriminant validity, and construct reliability testing, followed by inner model evaluation through R-square analysis, path coefficient testing, bootstrapping, effect size (f-square), predictive relevance (Q-square), and mediation testing. The mediation analysis was conducted to examine whether Customer Experience mediates the relationship between AI-based content personalization and Purchase Intention.

RESULTS

Respondent Characteristics

The study involved 384 respondents who were Generation Z consumers and active users of Shopee Indonesia. The respondents were selected based on the predetermined inclusion criteria and were considered relevant to the research context because they had experience interacting with Shopee's product recommendations and purchasing Aerostreet footwear through the platform. The sample was subsequently analyzed to examine the relationships among Artificial Intelligence (AI) in Content Personalization, Customer Experience, and Purchase Intention.

Table 1. Respondent Characteristics

Charateristics	Category	Frequency	Percentage (%)
Gender	Male	192	50
	Female	192	50
	Total	384	100
Age	17–20 years	122	31.8
	21–24 years	128	33.3
	25–27 years	134	35
	Total	384	100
Occupation/Status	Student	167	43.5
	Employee	92	24
	Entrepreneur	58	15.2
	Master's degree	67	17.3
	Total	384	100

Source: Primary data processed by the authors (2026)

According to Table 1. Respondent Characteristics, The demographic composition indicates a relatively balanced distribution by gender, with male and female respondents each accounting for 50.0% of the sample. In terms of age, respondents aged 25–27 years represented the largest group (35.0%), followed by those aged 21–24 years (33.3%) and 17–20 years (31.8%). The occupational profile was dominated by students, who accounted for 43.5% of the sample, while employees represented 24.0%. This composition provides an appropriate empirical context for the study because Generation Z represents a digitally engaged consumer segment that is frequently exposed to algorithmic recommendations and personalized content on e-commerce platforms. The relatively even distribution across the age categories also indicates that the observed responses were not concentrated within a single age group.

Descriptive Statistics

Descriptive analysis was conducted to identify the general tendency of respondents' perceptions toward the three research constructs: AI in Content Personalization, Customer Experience, and Purchase Intention. The constructs were measured using a five-point Likert scale, with mean scores interpreted as follows: 1.00–1.80 = very low, 1.81–2.60 = low, 2.61–3.40 = moderate, 3.41–4.20 = high, and 4.21–5.00 = very high.

Table 2. Descriptive Statistics of the Research Variables

Variable	Number of Indicators	Mean Score	Interpretation
Artificial Intelligence in Content Personalization (AI)	12	3.332	Moderate
Customer Experience (CE)	12	3.568	High
Purchase Intention (PI)	12	3.477	High

Source: Primary data processed by the authors (2026)

Table 2. Descriptive Statistics of the Research Variables show that the descriptive findings demonstrate different levels of respondent evaluation across the three constructs. AI in Content Personalization obtained an overall mean of approximately 3.332, indicating a moderate perception. This suggests that respondents recognized the presence and usefulness of AI-driven personalization on Shopee, although the accuracy and relevance of recommendations were not perceived as consistently optimal. In particular, the lowest item mean was recorded for the accuracy of Aerostreet recommendations (3.268), suggesting

room for improvement in the precision of AI-generated recommendations. Customer Experience recorded the highest overall mean, approximately 3.568, and was categorized as high. All twelve items fell within the high category, with scores ranging from 3.521 to 3.596. The highest score was obtained by the item assessing whether the respondents' shopping experience through Shopee met their expectations (3.596). This finding indicates that the shopping environment and platform interaction were generally perceived positively by the respondents. Purchase Intention also demonstrated a high level of respondent evaluation, with an overall mean of approximately 3.477. Individual item scores ranged from 3.440 to 3.505, indicating that respondents generally exhibited a favorable inclination toward purchasing Aerostreet products through Shopee.

Measurement Model Assessment

The measurement model was evaluated using SmartPLS 4 to establish the validity and reliability of the constructs before assessing the structural relationships. The assessment included convergent validity through outer loadings and Average Variance Extracted (AVE), discriminant validity using the Fornell–Larcker criterion and Heterotrait–Monotrait Ratio (HTMT), and internal consistency reliability.

Convergent Validity

Outer Loading

The outer loading results indicate that all 36 measurement items exceeded the recommended minimum threshold of 0.70. The indicators consisted of 12 items measuring AI in Content Personalization, 12 items measuring Customer Experience, and 12 items measuring Purchase Intention.

Table 3. Outer Loading Results

Construct	Indicator Range	Minimum Loading	Maximum Loading	Assessment
AI in Content Personalization	X1.1.1–X1.4.3	0.791	0.840	Valid
Customer Experience	X2.1.1–X2.4.3	0.764	0.819	Valid
Purchase Intention	Y1.1.1–Y1.4.3	0.775	0.821	Valid

Source: SmartPLS 4 output (2026)

Based on Table 3. Outer Loading Results, The loading values demonstrate satisfactory indicator reliability. For AI in Content Personalization, the loadings ranged from

0.791 to 0.840, while Customer Experience ranged from 0.764 to 0.819 and Purchase Intention from 0.775 to 0.821. The highest loading was observed for indicator X1.3.3 (0.840), followed by X1.4.1 (0.839), whereas the lowest loading remained above the required threshold. Consequently, no indicator required elimination from the measurement model.

Average Variance Extracted

Table 4. Average Variance Extracted (AVE)

Construct	AVE	Minimum Criterion	Assessment
AI in Content Personalization	0.685	0.50	Valid
Customer Experience	0.629	0.50	Valid
Purchase Intention	0.635	0.50	Valid

Source: SmartPLS 4 output (2026)

Table 4. Average Variance Extracted (AVE) show that all constructs achieved AVE values above 0.50, confirming adequate convergent validity. AI in Content Personalization demonstrated the highest AVE (0.685), followed by Purchase Intention (0.635) and Customer Experience (0.629). These results indicate that each construct explains more than half of the variance in its respective indicators.

Discriminant Validity

Discriminant validity was assessed through the Fornell–Larcker criterion and HTMT ratio. The purpose of this assessment was to establish whether the three latent constructs represented empirically distinct concepts.

Table 5. Fornell–Larcker Criterion

Construct	AI	CE	PI
AI	0.827	0.642	0.670
CE	0.642	0.793	0.698
PI	0.670	0.698	0.797

Source: SmartPLS 4 output (2026)

According to Table 5. Fornell–Larcker Criterion, The diagonal values represent the square root of AVE and are greater than the corresponding inter-construct correlations. The square root of AVE for AI was 0.827, exceeding its correlations with CE (0.642) and PI (0.670). Similarly, CE recorded a value of 0.793, which exceeded its correlations with AI and

PI, while PI obtained 0.797, exceeding its correlations with AI and CE. These results establish satisfactory discriminant validity according to the Fornell–Larcker criterion.

Table 6. Heterotrait–Monotrait Ratio (HTMT)

Construct Relationship	HTMT
AI – CE	0.673
AI – PI	0.702
CE – PI	0.735

Source: SmartPLS 4 output (2026)

Based on Table 6. Heterotrait–Monotrait Ratio (HTMT), The HTMT values ranged from 0.673 to 0.735, remaining below the conservative threshold of 0.85. Therefore, none of the construct pairs exhibited problematic conceptual overlap, providing additional evidence that AI in Content Personalization, Customer Experience, and Purchase Intention are empirically distinguishable constructs.

Construct Reliability

Table 7. Reliability Assessment

Construct	Cronbach Alpha	rho_A	Compocite Reliabilty	Assessment
AI in Content Personalization	0.958	0.959	0.963	Reliable
Customer Experience	0.946	0.947	0.953	Reliable
Purchase Intention	0.948	0.948	0.954	Reliable

Source: SmartPLS 4 output (2026)

Based on Table 7. Reliability Assessment, The reliability coefficients substantially exceeded the 0.70 benchmark for all constructs. AI in Content Personalization achieved Cronbach's alpha of 0.958 and composite reliability of 0.963. Customer Experience recorded values of 0.946 and 0.953, respectively, while Purchase Intention obtained 0.948 and 0.954. These results demonstrate strong internal consistency among the indicators forming each construct.

Structural Model Assessment

After the measurement model demonstrated adequate validity and reliability, the structural model was assessed to examine the explanatory capacity, effect magnitude, predictive relevance, and hypothesized causal relationships.

Coefficient of Determination (R^2)

Table 8. Coefficient of Determination

Endogenous Construct	R^2	Adjusted R^2	Interpretation
Customer Experience	0.413	0.411	Moderate
Purchase Intention	0.571	0.568	Moderate

Source: SmartPLS 4 output (2026)

Table 8. Coefficient of Determination show that the model explains 41.3% of the variance in Customer Experience through AI in Content Personalization, while the remaining 58.7% is attributable to factors outside the model. For Purchase Intention, the combined predictors explain 57.1% of its variance, leaving 42.9% attributable to other factors. Both R^2 values fall within the moderate explanatory category.

Effect Size (f^2)

Table 9. Effect Size

Structural Relationship	f^2	Interpretation
AI → Customer Experience	0.702	Large
AI → Purchase Intention	0.195	Medium
Customer Experience → Purchase Intention	0.283	Medium

Source: SmartPLS 4 output (2026)

According to Table 9. Effect Size, The effect-size analysis indicates that AI in Content Personalization has a large contribution to Customer Experience ($f^2 = 0.702$). Its contribution to Purchase Intention is moderate ($f^2 = 0.195$), while Customer Experience also demonstrates a moderate effect on Purchase Intention ($f^2 = 0.283$). These findings indicate that AI personalization plays a particularly substantial role in shaping the customer experience, while both AI and customer experience contribute meaningfully to purchase intention.

Predictive Relevance (Q^2)

The predictive relevance assessment produced positive Q^2_{predict} values for all indicators of the endogenous constructs. Customer Experience recorded an average Q^2_{predict} value of 0.255, whereas Purchase Intention obtained 0.281. Both values are above zero and fall within the moderate predictive relevance category. The findings therefore indicate that the structural model possesses meaningful out-of-sample predictive capability for both Customer Experience and Purchase Intention.

Hypothesis Testing

Hypothesis testing was performed using the bootstrapping procedure in SmartPLS 4. Statistical significance was assessed based on the path coefficient, t-statistic, and p-value. A relationship was considered statistically significant when the t-statistic exceeded 1.96 and the p-value was below 0.05.

Table 10. Direct Effects and Hypothesis Testing

Hypothesis	Structural Relationship	β	t-value	p-value	Decision
H1	AI $\rightarrow$ Customer Experience	0.642	18.181	<0.001	Supported
H2	AI $\rightarrow$ Purchase Intention	0.378	8.702	<0.001	Supported
H3	Customer Experience $\rightarrow$ Purchase Intention	0.455	10.967	<0.001	Supported

Source: SmartPLS 4 bootstrapping output (2026)

According to Table 10. Direct Effects and Hypothesis Testing, The results provide empirical support for all three direct-effect hypotheses. First, AI in Content Personalization has a positive and statistically significant effect on Customer Experience ($\beta = 0.642$, $t = 18.181$, $p < 0.001$). The relatively large path coefficient indicates that more effective AI-based personalization is associated with a more favorable customer experience. Second, AI in Content Personalization significantly influences Purchase Intention ($\beta = 0.378$, $t = 8.702$, $p < 0.001$). This finding suggests that personalized product information and recommendations can directly contribute to consumers' willingness to consider purchasing the promoted product. Third, Customer Experience has a positive and significant effect on Purchase Intention ($\beta = 0.455$, $t = 10.967$, $p < 0.001$). Among the direct relationships leading to Purchase Intention, this relationship demonstrates a stronger coefficient than the direct AI-to-Purchase Intention pathway, indicating the importance of the experiential dimension in shaping consumers' purchase intentions.

Mediation Analysis

Customer Experience was further examined as a mediating variable in the relationship between AI in Content Personalization and Purchase Intention. The mediation effect was evaluated using the specific indirect effect generated through bootstrapping.

Table 11. Indirect Effect and Mediation Testing

Hypothesis	Structural Relationship	β	t-value	p-value	Decision
H4	AI $\rightarrow$ Customer Experience $\rightarrow$ Purchase Intention	0.292	9.115	<0.001	Supported

Source: SmartPLS 4 bootstrapping output (2026)

Table 11. Indirect Effect and Mediation Testing show that the indirect effect of AI in Content Personalization on Purchase Intention through Customer Experience is positive and statistically significant ($\beta = 0.292$, $t = 9.115$, $p < 0.001$). This result demonstrates that Customer Experience functions as an important mechanism through which AI-based personalization contributes to consumers' purchase intentions. Because the direct effect of AI on Purchase Intention remains statistically significant and has the same positive direction, the mediation is classified as complementary partial mediation.

Table 12. Summary of Direct and Indirect Effects

Effect	Path	Coefficient	Significance	Interpretation
Direct	AI $\rightarrow$ Customer Experience	0.642	Significant	Positive direct effect
Direct	AI $\rightarrow$ Purchase Intention	0.378	Significant	Positive direct effect
Direct	Customer Experience $\rightarrow$ Purchase Intention	0.455	Significant	Positive direct effect
Indirect	AI $\rightarrow$ Customer Experience $\rightarrow$ Purchase Intention	0.292	Significant	Complementary partial mediation

Based on Table 12. Summary of Direct and Indirect Effects, The combined findings indicate that AI in Content Personalization affects Purchase Intention through two complementary routes. The first is a direct pathway, whereby personalized content stimulates consumers' purchase intentions. The second operates indirectly through Customer Experience, whereby the quality of consumers' interactions with the personalized shopping environment further strengthens their intention to purchase.

Overall Hypothesis Results

Table 13. Summary of Hypothesis Testing

Hypothesis	Proposed Relationship	β	t-value	p-value	Result
H1	AI $\rightarrow$ Customer Experience	0.642	18.181	<0.001	Supported
H2	AI $\rightarrow$ Purchase Intention	0.378	8.702	<0.001	Supported
H3	Customer Experience $\rightarrow$ Purchase Intention	0.455	10.967	<0.001	Supported
H4	AI $\rightarrow$ Customer Experience $\rightarrow$ Purchase Intention	0.292	9.115	<0.001	Supported

Source: SmartPLS 4 bootstrapping output (2026)

Overall in Table 13. Summary of Hypothesis Testing, all four hypotheses are empirically supported. The findings establish that AI-based content personalization contributes significantly to both Customer Experience and Purchase Intention. Furthermore, Customer Experience serves as a significant intervening mechanism in the relationship between AI personalization and Purchase Intention. The structural model therefore provides evidence that AI personalization influences consumers' purchase intentions not only through a direct route but also by improving the quality of their overall shopping experience on Shopee.

DISCUSSION

The findings of this study provide empirical evidence that Artificial Intelligence (AI)-based content personalization significantly influences consumer experience and purchase intention among Generation Z users of Shopee Indonesia, particularly consumers of Aerostreet footwear. The structural model analysis using Partial Least Squares Structural Equation Modeling (PLS-SEM) demonstrates that all proposed hypotheses are supported. The first hypothesis (H1) confirms that AI in content personalization has a positive and significant effect on Customer Experience, indicated by a path coefficient of 0.642, a T-statistic value of 18.181, and a P-value of 0.000. This finding indicates that improvements in AI personalization capabilities, such as recommendation relevance, customer data analysis, real-time recommendations, and recommendation accuracy, contribute substantially to creating a better digital shopping experience. Furthermore, the effect size value ($f^2 = 0.702$) indicates that AI provides a large contribution to the formation of Customer Experience, demonstrating that personalization technology represents a major factor in shaping consumers' perceptions of online shopping interactions.

This finding supports previous studies emphasizing that artificial intelligence has become an important driver in transforming customer experiences within digital commerce environments. Ameen et al. (2021) demonstrated that AI-based technologies improve customer convenience and satisfaction by enabling more personalized and efficient service interactions. Similarly, Hoyer et al. (2020) explained that emerging technologies, including AI, transform customer journeys by creating more adaptive and meaningful experiences. Therefore, the results of this study extend previous findings by demonstrating that AI personalization within the Indonesian e-commerce context, particularly Shopee's

recommendation ecosystem, plays a significant role in enhancing Generation Z consumers' experiences.

The second hypothesis (H2) reveals that AI-based content personalization has a positive and significant direct effect on Purchase Intention. The statistical results show a path coefficient of 0.378, a T-statistic value of 8.702, and a P-value of 0.000, confirming that AI personalization directly encourages consumers' willingness to purchase Aerostreet products through Shopee. This finding suggests that personalized recommendations do not merely function as information providers but also operate as marketing stimuli capable of influencing consumer decision-making. When consumers receive product recommendations that match their interests, previous searches, and preferences, uncertainty during the purchasing process can be reduced, increasing the possibility of purchase consideration.

This result is consistent with Davenport et al. (2020), who argued that AI enables marketers to provide more relevant and timely offers that influence consumer decisions. Additionally, Prentice et al. (2020) found that AI-based interactions significantly affect customer responses and purchase intention in digital retail environments. The current research strengthens these findings by highlighting the role of AI personalization in influencing Generation Z consumers within a local brand context, showing that AI technology can support the competitiveness of Indonesian products such as Aerostreet in marketplace environments.

The third hypothesis (H3) confirms that Customer Experience has a positive and significant effect on Purchase Intention. The analysis shows a path coefficient of 0.455, a T-statistic value of 10.967, and a P-value of 0.000. These results indicate that a positive shopping experience, including ease of use, shopping convenience, satisfaction, and emotional experience, increases consumers' intention to purchase. The descriptive findings also support this relationship, where Customer Experience obtained a high perception category with mean values ranging from 3.521 to 3.596. This indicates that Generation Z consumers perceive Shopee as a platform capable of providing comfortable, efficient, and satisfying shopping experiences.

This finding supports the perspective of customer journey theory, which emphasizes that consumer experiences throughout interactions with digital platforms influence behavioral outcomes. Previous research by Felix and Rembulan (2023) highlighted that positive customer experiences contribute to stronger engagement and loyalty in e-commerce

environments. Therefore, this study reinforces previous literature by confirming that Customer Experience remains a crucial mechanism influencing purchasing behavior, especially among digitally active Generation Z consumers.

The fourth hypothesis (H4) demonstrates that Customer Experience significantly mediates the relationship between AI personalization and Purchase Intention. The mediation test produces an indirect effect coefficient of 0.292, a T-statistic value of 9.115, and a P-value of 0.000, confirming that Customer Experience acts as a complementary partial mediator. This finding indicates that AI personalization influences purchase intention through two pathways: directly through relevant recommendations and indirectly through the creation of positive consumer experiences. In other words, AI technology alone is insufficient to generate purchasing decisions; its effectiveness depends on how consumers experience and evaluate the personalized interaction.

Theoretically, this finding strengthens the Stimulus–Organism–Response (S-O-R) framework by demonstrating that AI personalization functions as an external stimulus, Customer Experience represents the internal psychological process, and Purchase Intention represents the behavioral response. The research contributes to digital marketing literature by integrating technological personalization and consumer experience mechanisms within the Indonesian e-commerce context. Practically, the findings suggest that Shopee should continue improving recommendation accuracy, relevance, and personalization quality rather than focusing only on increasing content exposure. Meanwhile, Aerostreet should optimize product information, digital content quality, and marketplace presentation to improve the effectiveness of AI recommendation systems in reaching relevant consumers.

Nevertheless, this study has several limitations. First, the research focuses specifically on Generation Z Shopee users who have interacted with Aerostreet products, meaning the findings may not be generalized to other generations, platforms, or brands. Second, the study only examines three main variables: AI personalization, Customer Experience, and Purchase Intention, while other factors such as trust, perceived usefulness, perceived value, and brand image may also influence consumer decisions. Third, the data were collected through self-reported questionnaires, meaning the findings represent consumer perceptions rather than actual purchasing behavior. Furthermore, AI personalization was evaluated from the users' perspective rather than through direct technical assessment of Shopee's algorithmic system. Future studies are encouraged to expand research contexts, incorporate additional variables,

and apply longitudinal or mixed-method approaches to obtain deeper insights into the long-term impact of AI personalization on consumer behavior.

CONCLUSION

This study concludes that Artificial Intelligence (AI)-based content personalization plays a significant role in shaping Customer Experience and Purchase Intention among Generation Z users of Shopee Indonesia, particularly consumers of Aerostreet footwear. The findings demonstrate that AI personalization positively influences Customer Experience, indicating that relevant recommendations, accurate product suggestions, and personalized content contribute to creating a more convenient, efficient, and satisfying online shopping journey. Furthermore, AI personalization also has a positive direct influence on Purchase Intention, showing that personalized digital interactions can encourage consumers' interest and willingness to purchase products. Customer Experience is also proven to positively influence Purchase Intention, confirming that a favorable shopping experience strengthens consumers' behavioral intentions. In addition, this study confirms that Customer Experience functions as a mediating mechanism in the relationship between AI personalization and Purchase Intention, demonstrating that the effectiveness of AI technology is enhanced when it successfully creates meaningful consumer experiences.

Theoretically, this research contributes to the development of digital marketing and AI-driven consumer behavior studies by strengthening the application of the Stimulus–Organism–Response (S-O-R) framework within the e-commerce context. This study provides a deeper understanding that technological personalization does not only influence consumer decisions directly but also through experiential processes. Practically, the findings provide implications for e-commerce platforms and local brands in optimizing AI-based personalization strategies by focusing on recommendation accuracy, relevance, and the overall customer journey. Future research is recommended to expand the research context by involving different platforms, brands, and consumer segments, as well as incorporating additional variables such as trust, perceived value, perceived usefulness, or brand image. Future studies may also consider longitudinal or mixed-method approaches to obtain a more comprehensive understanding of consumer responses toward AI-based personalization development.

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