

Influence of AI-Based Personalized Marketing on Consumer Purchase Intentions

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Abstract

Artificial Intelligence (AI) has significantly transformed modern marketing by allowing companies to provide consumers with highly tailored experiences. AI-based personalized marketing offers customized communication, targeted ads, and product suggestions based on user data, browsing patterns, and prediction algorithms. Digital platforms and e-commerce businesses are using these tailored tactics further frequently to sway consumer choices and boost customer engagement. The purpose of this study is to investigate how consumer purchase intentions are affected by AI-based tailored marketing. The study focuses on comprehending how tailored suggestions, focused ads, and AI-driven Customer interactions have an impact on consumers' opinions, level of trust, and propensity to buy. The study also explores the role of factors such as perceived relevance, consumer trust, and privacy concerns in shaping purchase intentions. The research will adopt a qualitative data approach, reviewing the literature based on the key terms of AI-based marketing tools and digital marketing. platforms. The findings are expected to provide insights into how AI-powered personalization strategies impact consumer Behaviour and help Marketers design more effective marketing campaigns while maintaining consumer trust and satisfaction.

Keywords: AI, Personalized Marketing, Consumer, Purchase Intentions, Trust, Campaigns

Introduction

The quick development of digital technologies has greatly transformed the landscape of modern marketing. These modernizations have emerged as a powerful tool that enables organizations to analyze large volumes of consumer data and deliver highly tailored marketing experiences. AI-based personalized marketing refers to the use of information data analytics, machine learning means, and algorithms to understand unique customer preferences and offer tailored products and information. Suggestions as well as advertising messages. This method enables companies to engage with customers in a more relevant and significant way in difference to conventional mass marketing techniques. As digital platforms such as e-commerce websites, mobile applications, and social media continue to grow, companies increasingly rely on AI-driven personalization to enhance customer engagement and influence purchasing decisions. In recent years, consumers have been exposed to an overwhelming amount of marketing data across various online channels. Advertising that is generic communications frequently fall because they don't deal with the particular wants or preferences of each user. AI-powered

customized Marketing makes an effort to get around this restriction by providing content that is especially in line with a customer's preferences, past interactions, and conducting conversations. Using methods like recommendation systems and predictive analytics AI systems, as well as natural language processing, can recognize patterns in customer information and predict future buying habits. Consequently, Marketers can offer individualized emails and extremely relevant product recommendations. Initiatives, as well as dynamic online content that appeals to certain customers. This tailored exchange is essential to shaping consumer attitudes toward brands and products. Data-driven strategies play an important role in increasing customer engagement and improving conversion rates, due to the growth of digital Technologies and companies now collecting large amounts of consumer data. This creates both an opportunity and a challenge, as businesses must analyse and use this information effectively to improve their performance. Artificial Intelligence (AI) helps companies better understand consumer Behaviour, preferences, and buying patterns. Using these insights, businesses can design highly targeted advertising campaigns that cater to the needs and interests of distinct customers. Many marketing teams now rely on AI-powered tools and platforms to deliver personalized skills that appeal to new customers, keep them engaged, and build long-term relationships in a competitive market. Through predictive analytics, AI also facilitates tailored marketing. Using predictive analytics, businesses can anticipate customers' needs and offer recommendations before customers actively seek products or services. Systems for machine learning (ML) use historical data to identify trends and accurately forecast future customer Behaviour. By utilizing these technologies, Companies may instantly develop marketing campaigns based on consumer. Attitudes toward brands and products. Data-driven strategies play an important role in increasing customer engagement and improving conversion rates. With the growth of digital technologies, companies now collect large amounts of consumer data. This creates both an opportunity and a challenge, as businesses must analyse and use this information effectively to improve their performance.

Artificial Intelligence (AI) helps companies better understand consumers' Behaviour, preferences, and purchasing patterns. Using these perceptions, businesses can design highly targeted marketing campaigns that cater to the needs and interests of specific customers. Many promotional sides now rely on AI-powered tools and platforms to deliver custom-made experiences that attract new customers, keep them engaged, and build long-term relationships.

These tailored suggestions boost client interaction and motivate users to spend more time on the platform. Making pertinent recommendations at the appropriate time increases conversion rates and fosters brand loyalty. Subsequently, consumers are more inclined to buy goods that fit their wants and interests. Customer purchase intention is the probability that a customer will purchase a specific product or service, is a crucial element affecting a company's achievement. Purchase intentions in the online market are frequently impacted by Customers' views of the product and the quality of the information they may access, relevance, and their degree of faith in the brand.

This perception can strengthen consumer trust and increase the chance of converting interest into an actual purchase. Another vital aspect of AI-based personalized marketing is the ability to expand the customer experience. By analyzing data from browsing history, purchase records, search behavior, and social media activity, AI systems can generate detailed consumer summaries.

Customer information in the database helps the business deliver personalized product recommendations and discounts to take customized communications at the right time, making the shopping process more appropriate and providing a better shopping experience. When customers feel that a company understands their preferences and provides relevant solutions, they are more likely to develop positive attitudes toward the brand and to establish stronger purchase intentions. The integration of AI in marketing strategies has also made it acceptable for businesses to adopt

a more proactive approach in engaging with customers. Businesses can employ AI algorithms to anticipate client demands and deliver appropriate solutions before the customer willingly shows interest, rather than waiting for them to search for products. For instance, predictive models can determine when a user would be ready to make another buy, while recommendation engines might provide complementary product Recommendations based on past purchases.

Marketers can more successfully influence customer decision-making processes thanks to this predictive power. When consumers believe that businesses are collecting or using excessive amounts of personal data, they may get uneasy. As a result, businesses need to find a balance between offering individualized involvement and having faith in ethical data standards and openness. Knowing how customers view AI-driven personalization and how these views are, as of this, the growth of AI-driven marketing methods improves both operational effectiveness and customer satisfaction. Influencing their tendency to buy is crucial for producing marketing strategies that work. Additionally, organizations functioning in digital settings are now more competitive due to the increasing usage of AI technologies. Businesses that effectively apply AI-based personalization can create more interesting and pertinent marketing materials, giving them a competitive edge.

Personalized experiences are increasingly moving from being a luxury to a standard requirement as customer opportunities continue to evolve. Companies that don't adjust to this change may find it difficult to attract and keep clients. Consequently, examining the impact of AI-based personalized marketing on consumer purchase intentions has become an important area of research for both academics and marketing practitioners. The relationship between AI-driven personalization and consumer Behaviour is impacted by several elements, such as perceived utility, technology trust, perceived privacy danger, and the caliber of tailored recommendations. These factors affect how customers understand and react to tailored marketing communications. Customers are more likely to form positive opinions of the company and think twice before buying the suggested goods, for example, if they believe that tailored suggestions are accurate and useful. On the other hand, if personalization seems unnecessary or conspicuous, it could result in unfavorable opinions and fewer plans to make a purchase. Therefore, understanding the mechanisms through which AI personalization affects consumer perceptions is essential for maximizing its effectiveness. In addition, AI-based marketing strategies allow businesses to continuously learn and improve their communications with customers. Machine learning algorithms can examine real-time data and alter marketing plans to match changing consumer behaviors. This flexibility ensures marketing communications remain relevant as consumer tastes shift. Personalization allows organizations to change long-term relationships with customers. As relationships help in establishment, consumers may become more confident in the brand and demonstrate stronger intentions to purchase from the same company in the future.

Review of Literature

Below are some of the related studies to AI marketing and consumer behaviour.

Aliyev, V. (2025), states that AI has a vital role in changing digital commerce. It helps businesses make better decisions and analyze data quickly in real time. Researchers have pointed out that AI-based recommendation systems strongly influence consumer purchasing Behaviour and help increase sales conversion charges.

Busman and Ananda (2022) explain that digital marketing uses simulated techniques, notably machine learning, to predict client Behaviour and meet marketing objectives. According to the report, some factors influence purchase decisions, including Attitudes, perceptions, and Behaviour. The researcher emphasizes that understanding. Consumer purchasing intentions are one of the most reliable techniques for forecasting. Real purchase habits. Their research also stresses digital

marketing. Artificial intelligence-enabled tactics play an important role in influencing Consumer purchasing intentions and inducing decision-making processes.

According to Krishna & Prathap Kumar Anandvardhan & Jaiswal (2022) AI-based promotional techniques have emerged as a strong marketing tool for targeting audiences effectively. With consumers' growing awareness of AI, its effect on them has also increased. Display, video, and personalized ads are visually appealing promotional tools that capture attention.

However, some consumers still hesitate to purchase costly items online. Reliance Digital, a leading retailer in the Indian retail industry, is perceived as a less preferred e-retail website among online consumers.

AI has a revolutionary impact on personalized marketing, changing how companies interact with and attend to their customers. Accuracy, significance, and personalization are given top significance when AI is included in marketing plans, ushering in a new era of customer connection. Vital landscapes of this impact are explained by research findings. Artificial intelligence (AI)-driven chatbots, virtual assistants, and intimate interfaces have transformed consumer interactions by providing quick, tailored, and context-aware responses. This improves client service and establishes an integrated Consumer buying Behaviour encompasses the study of how individuals, groups, or organizations select, obtain, consume, and dispose of products, services, experiences, or ideas to meet their needs. It investigates consumers' mental and behavioural responses, limited by various factors categorized as cultural, social, personal, and psychological. Many scholars have also noted that AI-powered chatbots improve communication between companies and customers. These chatbots provide support at any time of the day and reduce the time customers have to wait for responses. Research further explains that predictive analytics helps organizations estimate future demand, manage inventory more efficiently, and reduce operational expenses. Furthermore, research suggests that AI helps to enhance supply chain processes. It facilitates more intelligent logistics management, warehouse automation, and route planning, all of which boost overall efficiency. Another important advantage that research has shown is personalization, since AI evaluates users' surfing habits and previous purchases to provide custom-made product recommendations and enhance the entire shopping experience.

Objectives of the Study

- To analyse how personalized product recommendations affect consumer decision-making.
- To evaluate the impact of perceived relevance of AI-generated marketing messages on consumer attitudes.

Research Methodology

This study is based on secondary data and follows a conceptual and analytical research design. The information used in this research has been collected from various reliable secondary sources such as peer-reviewed journal articles, conference papers, industry reports, recognized academic databases, books, and case studies related to personalized marketing.

An Analysis of the Review Work from Various Papers

Artificial Intelligence for Personalized Marketing and Consumer Purchase Intentions. Tailored marketing has become a critical strategy for organizations looking to increase consumer commitment and conversion rates in the digital world. Developments in AI and data analytics have enabled marketers to obtain valuable insights into user behavior, predict their needs, and shape personalized experiences. Personalization tools help organizations see trends in large datasets and create individualized marketing campaigns for individual consumers, leading to improved

engagement and conversions. Understanding is crucial for successful AI-driven tailored marketing and consumer behaviour. Traditional methods of segmentation and basic customer profiling are no longer sufficient in a landscape where consumers expect personalized experiences across all digital touchpoints.

ML and NPL predictive analysis have gone beyond segmentation and the construction of consumer profiles. Marketers can tailor messaging, offers, and Product recommendations are based on real-time data, past behavior, and environmental factors. Analyzing behavioral data is vital for efficient and targeted marketing. Algorithms evaluate customer behaviors, such as website and app usage.

Social media interactions and email engagement. AI systems can monitor time spent on product pages, search terms, and abandoned carts. Helping assess preferences, purchasing intentions, and potential obstacles such as price sensitivity or product availability. AI enables marketers to anticipate and answer consumer needs proactively. Algorithms assess client profiles to recommend relevant products and services, leading to greater sales and satisfaction. Amazon and other sites use recommendation engines to promote products based on user behavior, session activity, and patterns. Personalized suggestions increase e-commerce revenue, emphasizing AI's vital role in conversion optimization. Personalized email marketing has also been altered by artificial intelligence. Generic email campaigns directed to broad audiences often have minimal interaction. In contrast, artificial intelligence allows marketers to send dynamically personalized emails to individuals and, based on the segmented audience browsing history and buying methods, Chatbots and virtual assistants enable more targeted marketing techniques. Real-time interaction across websites, apps, and social media also enables tailored 24/7 support.

E-commerce chatbots help clients with product search, pricing, and availability queries. These systems leverage connections to enhance customer satisfaction and marketing success. Chatbots can boost conversion rates by providing personalized recommendations and encouraging clients to make purchases. Virtual platforms employ digital marketing to reach more consumers by displaying adverts based on user activity and interests on platforms like Facebook, Instagram, and Twitter. These platforms improve customer segmentation by improving ad placements, engaging users, and increasing brand profit.

By providing a quick response to emerging market trends, these platforms enable the business to capitalize on these trends. Digital technology has revolutionized personalization in media and OTT platforms and streaming services in more sophisticated way in analyzing the viewing and listening behaviour, offers on the content watched and also by aligning with users interest in these platforms which increases there engagement, encourage longer sessions by building customer, loyalty Indeed these ott platforms are also boosting customer subscription based conversions and highlighting the potential for similar AI driven personalized strategies across industries. AI has contributed to generating the outlines reflecting consumers' values, attributes, and lifestyle choices for marketers to craft messages that can resonate with the customers more emotionally. For example, a brand targeting environmentally conscious consumers can focus on eco-friendly messaging and products, aligning with their values and increasing engagement. AI-powered psychographic segmentation, therefore, enables brands to connect more deeply with consumers and foster stronger relationships.

The Key Findings of the Study have Contributed to the following Observations

The essence of personalized marketing has played a vital role in enhancing customer engagement and improving conversion rates from the physical stores approach to more virtual platforms, to have a better shopping experience. The use of ML and Predictive analysis, NLP helps the businessmen and marketers to understand the behavior of customers by activating the needs and creating

detailed profit leads. Data drives help in analyzing the personalization of customers by tracking their browsing data, social media activities, and email engagement, which helps to determine the purchase intentions and barriers for price sensitivity. AI has contributed to the timely gathering of product suggestions and sales conversions among customers. Some examples, like Netflix, Spotify, Amazon, and Facebook, have AI-powered conversational systems that provide real-time support, guide purchasing decisions, and enhance user experience. Social media AI optimization has created emotional resonance with the brand and its values. Adopting AI-driven marketing solutions can give companies a competitive edge by facilitating more focused promotional efforts and a deeper comprehension of customer preferences. The report also highlights how crucial it is to use data responsibly and be transparent in order to preserve customer confidence and guarantee the moral application of AI in marketing strategies.

Conclusion

Businesses now have faster, more accurate, and more economical marketing tactics thanks to the incorporation of artificial intelligence into personalized marketing. This technical development has fundamentally altered how Businesses interact with their target markets, ushering in a new era of productivity and efficacy in marketing strategies. AI-powered tools enable marketers to analyze large volumes of data, gain valuable consumer insights, and deliver highly personalized customer experiences that drive measurable outcomes. With the rapid growth of digital technology, personalized marketing has become one of the most important methods for promoting products and services.

They are advised to explore purchasing clothes on online platforms and engage with online advertising materials due to their comfort and confidence in these tools. By providing customers with tailored and relevant experiences, AI-driven and personalized marketing boosts customer happiness and promotes income growth. Personalization makes it easier for companies to understand the wants of their customers, which increases client retention. Key factors that determine the influence of AI-driven digital marketing on consumer purchase intention include modified recommendations, behavioral targeting, chatbots and virtual assistants, and predictive analytics.

Together, these technologies help organizations deliver more relevant marketing messages and strengthen their ability to influence consumer purchasing decisions.

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