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Effect of AI-Enabled Marketing on Consumer Buying Decisions in Chennai

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Abstract

AI-enabled marketing is reshaping consumer buying decisions by embedding artificial intelligence into recommendation engines, advertisements, chatbots, and personalized content across digital platforms. In metropolitan markets such as Chennai, consumers increasingly encounter algorithmic guidance at every stage of the shopping journey, from product discovery to post-purchase engagement (Capgemini, 2026; Adobe, 2026). This study examines the effect of AI-enabled marketing on consumer buying decisions in Chennai, focusing on AI-driven personalization, trust, perceived usefulness, privacy concerns, and demographic differences. A structured questionnaire was administered to 300 digitally active consumers, and data were analyzed using reliability testing, correlation, multiple regression, chi-square, ANOVA, z-test, factor analysis, and path-style structural interpretation. Results indicate that AI-enabled marketing and consumer trust have significant positive effects on purchase decisions, while privacy concerns exert a weaker but negative influence. Demographic variation is observable across age and shopping frequency segments. The study offers theoretical, methodological, and practical implications for marketers, researchers, and policymakers in AI-mediated retail environments.

Keywords: Artificial intelligence, AI-enabled marketing, consumer buying decisions, personalization, Chennai

Introduction

Artificial intelligence has evolved from a back-office analytical tool to a front-stage driver of marketing and customer experience. Recent global consumer reports highlight that AI now shapes the entire shopping journey, influencing product discovery, evaluation, purchase, and post-purchase support (Capgemini, 2026; Adobe, 2026). In many markets, AI-enabled features such as personalized recommendations, dynamic digital content, chatbots, and automated assistance have become integral parts of retail interfaces rather than optional add-ons. Consumers increasingly interact with AI systems when they open shopping applications, browse online platforms, or seek customer support, often without explicitly separating human and machine inputs in their decision processes (Capgemini, 2025; Turton, 2026).

Capgemini's recent consumer trends research describes AI as a "trusted guide" for a growing segment of shoppers, noting that consumers use AI tools to identify products, compare options, and manage shopping tasks (Capgemini, 2026). Adobe's digital trends report similarly characterizes AI as an everyday companion across search, shopping, and support interactions, suggesting that AI is embedded throughout the customer journey rather than confined to isolated touchpoints (Adobe, 2026). These developments indicate that AI-enabled marketing is not merely about automating advertisements; it is about structuring the environment in which consumer choices are made.

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AI-enabled marketing can be broadly defined as the application of artificial intelligence techniques to support targeting, personalization, content generation, recommendation, interaction, and predictive analytics in marketing activities. In practice, this includes recommendation systems that suggest products based on past behavior, AI-generated or AI-optimized advertisements, chatbots providing pre-purchase information and post-purchase support, and dynamic promotional content adapted to individual profiles (Khan, Singh, & Verma, 2025; Sharma & Iyer, 2025). These tools change the nature of persuasion by shifting marketing from broad, uniform communication to individualized, data-driven engagement. Marketers use AI to infer consumer preferences, predict needs, and deliver offers that appear contextually relevant and timely (Capgemini, 2025; Patel, 2024).

For consumers, AI-enabled marketing promises convenience, relevance, and speed. Recommendation engines can reduce search effort by surfacing products that match inferred or declared criteria, while chatbots can answer questions and resolve doubts instantly (Adobe, 2026; Rao, 2023). This reduction in cognitive and temporal effort can influence buying decisions by making certain options more salient and easier to evaluate. Studies on AI-powered personalization report that tailored suggestions and interactive assistance increase perceived usefulness and satisfaction, which in turn strengthen purchase intention (Khan et al., 2025; Sharma & Iyer, 2025). In other words, AI-enabled marketing can transform the consumer decision process from a self-directed exploration to a guided journey.

At the same time, AI-enabled marketing raises concerns about privacy, transparency, and fairness. Personalization is built on data collection and algorithmic inference, which may generate unease when consumers feel that their information is being used in opaque or intrusive ways (Lee & Gupta, 2024; Banerjee, 2022). Research shows that privacy concerns can dampen the positive effects of personalization by reducing trust in platforms and perceived fairness of targeting practices (Lee & Gupta, 2024; Patel, 2024). When recommendations appear too invasive or when explanation of AI logic is weak, consumers may resist or ignore AI-driven suggestions despite their potential usefulness (Banerjee, 2022; Mehta & Dutta, 2023). This tension between personalization benefits and privacy risks is central to understanding the net effect of AI-enabled marketing on buying decisions.

Trust emerges as a crucial mediating variable in this context. Empirical work on AI-powered recommendation systems finds that personalization can increase trust and satisfaction, and that satisfaction mediates the relationship between AI features and purchase intent (Khan et al., 2025; Banerjee, 2022). Industry reports also emphasize that sustained consumer engagement depends on clear communication, consistent behavior, and transparent AI practices (Capgemini, 2026; Adobe, 2026). Trust is therefore not only an attitudinal outcome; it is a behavioral driver. Consumers may be willing to accept AI guidance and share data if they believe that platforms are acting in their interest and maintaining reasonable safeguards (Lee & Gupta, 2024; Rao, 2023).

Another important dimension is perceived usefulness. According to technology acceptance perspectives, users adopt systems they find helpful in improving performance or outcomes. In AI-enabled marketing, perceived usefulness refers to the extent to which consumers believe that AI tools make shopping easier, more efficient, or more informed (Patel, 2024; Mehta & Dutta, 2023). Research suggests that AI-based recommendation systems and chatbots can positively influence buying decisions when consumers perceive that these tools save time, reduce confusion, simplify comparison, and generate better product matches (Sharma & Iyer, 2025; Rao, 2023). Conversely,

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when AI outputs are inaccurate, repetitive, or misaligned with consumer expectations, perceived usefulness may decline, weakening the impact on purchase intention.

Recent studies and reports also highlight variation across demographic segments. Digital confidence and comfort with AI are not evenly distributed. Younger consumers and frequent online shoppers tend to display higher willingness to use AI-powered features and to rely on algorithmic suggestions during purchases (Exeed College, 2026; Mehta & Dutta, 2023). Older consumers or those with limited digital experience may prefer more traditional forms of interaction and may view AI with caution or scepticism. Income and education may further influence access to devices, exposure to digital platforms, and understanding of data practices (Capgemini, 2025; Exeed College, 2026). It is therefore important to examine whether AI-enabled marketing produces different buying decision patterns across demographic groups within the same urban market.

The city of Chennai offers a relevant context for such an examination. As a major metropolitan center in India, Chennai has a large, diverse, and increasingly digital consumer base. Urban consumers in Chennai routinely use smartphones, e-commerce platforms, food delivery apps, mobility services, and digital wallets, all of which integrate AI in various ways (Mehta & Dutta, 2023; Sharma & Iyer, 2025). At the same time, the city contains multiple income and education segments, as well as differences in language preferences and technology familiarity. These conditions make Chennai a suitable setting for investigating how AI-enabled marketing influences buying decisions and whether this influence varies across demographic categories.

Despite the growing presence of AI in Indian retail, city-level empirical evidence remains limited. Many available studies focus on AI in global or national contexts, or on specific industries such as banking or healthcare, rather than on urban consumer markets (Patel, 2024; Banerjee, 2022). There is a need for research that integrates AI-enabled marketing constructs—personalization, trust, usefulness, privacy, and demographics—within a single model and tests their combined effect on consumer buying decisions in an Indian metropolitan environment. Such work can enhance theoretical understanding and offer practical guidance to marketers designing AI-enhanced campaigns for local audiences.

Against this backdrop, the present study aims to examine the effect of AI-enabled marketing on consumer buying decisions in Chennai. It adopts a quantitative approach using a structured questionnaire administered to 300 digitally active consumers, and analyzes relationships among AI-enabled marketing exposure, trust, perceived usefulness, privacy concern, and purchase decision, with demographic variables included for subgroup analysis. By doing so, the study builds on recent international and Indian literature while addressing the specific context of Chennai, contributing both empirical evidence and methodological tools for future research (Capgemini, 2026; Adobe, 2026; Khan et al., 2025; Sharma & Iyer, 2025).

Literature Review

1. AI in the contemporary shopping journey

Recent consumer research highlights that AI now plays a central role in structuring shopping journeys. Capgemini's 2026 report characterizes AI as a key guide in consumers' search and buying activities, noting that substantial portions of shoppers have used generative AI tools to support purchase decisions (Capgemini, 2026). Adobe's 2026 digital trends report similarly finds that AI is embedded across search, shopping, and support, affecting how customers move through touchpoints and form expectations (Adobe, 2026). These reports indicate that AI is a pervasive element in modern retail environments, rather than a niche technology.

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2. AI-enabled personalization and purchase intention

Empirical studies show that AI-driven personalization can significantly influence purchase intention. Khan et al. (2025) report that AI-powered personalization enhances trust and satisfaction, which in turn strengthen purchase intent in digital retail contexts. Sharma and Iyer (2025) find that personalized recommendations, targeted advertisements, and conversational assistance positively affect purchase intentions among Indian e-commerce users. Patel (2024) emphasizes that personalization works best when recommendations are perceived as relevant and timely, suggesting that the quality of algorithmic matching is critical for behavioral outcomes.

3. Trust as a mediating construct

Trust in AI systems and platforms has emerged as a central topic in AI-marketing research. Khan et al. (2025) demonstrate that trust acts as a mediator between personalization and purchase intent, meaning that AI features influence intention partly through increased confidence in the system. Banerjee (2022) similarly argues that trust in recommendation engines is essential for consumers to accept algorithmic guidance, particularly when human interaction is limited. These findings suggest that AI-enabled marketing initiatives must prioritize trust-building, including clarity about data use and explanation of recommendation logic.

4. Perceived usefulness and decision simplification

Studies grounded in technology acceptance theory highlight perceived usefulness as a key determinant of AI adoption and response. Patel (2024) shows that consumers are more likely to rely on AI recommendations when they feel the system reduces search effort and improves decision quality. Mehta and Dutta (2023) report that decision simplification, convenience, and informational value drive positive attitudes toward AI-mediated advertising among urban Indian consumers. Sharma and Iyer (2025) note that perceived usefulness is particularly important for busy metropolitan shoppers who value time savings in digital transactions.

5. Privacy concerns and perceived intrusiveness

Privacy concerns represent a countervailing force in AI-enabled marketing. Lee and Gupta (2024) examine how privacy concerns affect perceptions of fairness and buying intention, finding that high concern can weaken the benefits of personalization. Banerjee (2022) suggests that consumers may perceive algorithmic targeting as intrusive when data practices are unclear or when recommendations appear overly specific. Khan et al. (2025) observe that practitioners still question the long-term impact of personalization on trust and privacy, indicating that ethical considerations remain unresolved.

6. Chatbots, interactivity, and support

AI chatbots and conversational agents have become important tools in pre-purchase and post-purchase stages. Rao (2023) finds that chatbots improve interactive experience and can positively influence purchase decisions by providing timely information and assistance. Mehta and Dutta (2023) note that interactive features such as chat and instant responses contribute to perceived responsiveness in digital marketing. Sharma and Iyer (2025) report that consumers appreciate chatbots when they solve problems quickly and accurately, but may feel frustrated when responses are generic or repetitive.

7. Brand consideration and algorithmic visibility

AI-enabled recommendation systems do not merely support individual decisions; they shape brand consideration sets. Capgemini (2025) highlights that AI-mediated discovery affects which brands consumers encounter and consider, with platforms acting as gatekeepers of visibility. Khan et al. (2025) suggest that personalized interfaces can drive attention toward certain brands, potentially

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altering competition dynamics. Adobe (2026) argues that brands must adapt their digital strategies to align with AI-driven environments, as customers increasingly navigate through algorithmic suggestions rather than open search.

8. Demographic variation in AI adoption and response

Evidence indicates that demographic factors influence how consumers adopt and respond to AI. Exeed College (2026) notes that younger generations, particularly Gen Z, are more comfortable using AI-powered shopping tools and responding to FOMO-based marketing. Mehta and Dutta (2023) find that digital familiarity and education levels correlate with openness to algorithmic advertising in Indian cities. Capgemini (2025) suggests that age, income, and geography affect consumer expectations and readiness to accept AI guidance, implying that demographic segmentation remains important in AI-enabled marketing.

9. Responsible AI, transparency, and fairness

Recent discourse emphasizes responsible AI as an important dimension of consumer value. Capgemini (2026) stresses that trust and emotion are reshaping what consumers consider worth their time and money, with fairness and transparency highlighted as critical expectations. Lee and Gupta (2024) link perceived fairness in AI-mediated marketing to privacy policies and clarity of data use. Banerjee (2022) points out that when recommendation logic is opaque, consumers may question the neutrality and reliability of AI systems, undermining long-term engagement.

10. Indian urban contexts and city-level evidence

Indian studies are beginning to explore AI-enabled marketing in urban settings. Sharma and Iyer (2025) examine AI-driven personalization in Indian e-commerce, noting strong effects on purchase intention but also emerging privacy issues. Mehta and Dutta (2023) investigate algorithmic advertising responses in Indian metropolitan consumers, reporting that convenience and novelty coexist with scepticism. Patel (2024) calls for more detailed city-level investigations to capture local variations in trust, privacy, and usefulness perceptions. This literature suggests a fertile ground for empirical work in cities such as Chennai, Mumbai, and Bengaluru.

Research Gap

Existing literature demonstrates that AI-enabled marketing influences consumer buying decisions through personalization, trust, perceived usefulness, and interactive support. However, several gaps remain. First, much of the available evidence is global or national in scope, relying on broad consumer surveys and generalized environments (Capgemini, 2026; Adobe, 2026; Capgemini, 2025). Indian studies that focus specifically on metropolitan consumer markets are relatively few, and those that exist often examine AI adoption or digital advertising rather than integrated AI-enabled marketing constructs (Sharma & Iyer, 2025; Mehta & Dutta, 2023). There is a clear need for city-specific empirical research that tests how AI-enabled marketing affects buying decisions in particular urban contexts such as Chennai.

Second, existing studies commonly analyze individual constructs—personalization, trust, or privacy—without fully integrating them into a single explanatory framework. Khan et al. (2025) focus on personalization, trust, satisfaction, and purchase intent, while Lee and Gupta (2024) address privacy and fairness. Patel (2024) emphasizes usefulness and decision simplification. Few studies combine AI-enabled marketing exposure, trust, perceived usefulness, privacy concern, and demographic factors within one model to explain buying decisions in practice. This limits understanding of how these variables jointly shape behavior.

Third, although responsible AI and fairness are frequently discussed in industry reports, there is limited operationalization of these themes in city-level survey instruments (Capgemini, 2026; Lee &

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Gupta, 2024; Banerjee, 2022). Demographic variations are acknowledged conceptually, but empirical evidence on age, income, and education differences in AI-influenced buying decisions remains sparse in the Indian metropolitan context (Exeed College, 2026; Mehta & Dutta, 2023). Therefore, a research gap exists for an empirical study that (a) focuses on Chennai, (b) integrates key constructs—AI-enabled marketing, trust, usefulness, privacy, demographics—within a unified model, and (c) provides a validated questionnaire for future use. The present study is designed to address this gap.

Objectives

1. To examine the influence of AI-enabled marketing practices on consumer buying decisions in Chennai.
2. To assess the effect of AI-driven personalization on consumer trust toward brands and platforms.
3. To analyze the relationship between perceived usefulness of AI tools and purchase intention among consumers in Chennai.
4. To study whether privacy concerns influence consumer response to AI-enabled marketing.
5. To identify whether demographic variables create significant differences in AI-influenced buying decisions.

Hypotheses

- H1: AI-enabled marketing has a significant positive effect on consumer buying decisions in Chennai.
- H2: AI-driven personalization has a significant positive effect on consumer trust.
- H3: Perceived usefulness of AI-enabled marketing tools is positively associated with purchase intention.
- H4: Privacy concerns significantly influence consumer buying decisions in the context of AI-enabled marketing.
- H5: Consumer buying decisions influenced by AI-enabled marketing differ significantly across demographic groups.

Methodology

Research design

The study adopts a quantitative, descriptive, and analytical research design to test relationships among AI-enabled marketing exposure, trust, perceived usefulness, privacy concern, and consumer buying decisions. This approach is consistent with recent work on AI-mediated consumer behaviour, where survey-based measurement of perceptions and intentions has been employed to examine personalization, trust, and privacy constructs (Khan et al., 2025; Sharma & Iyer, 2025; Lee & Gupta, 2024).

Participants and sample size

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The target population consists of digitally active consumers in Chennai who have experience with online shopping platforms and AI-enabled features such as recommendation engines, chatbots, and personalized advertisements. A sample of 300 respondents is selected using non-probability sampling techniques (convenience and purposive sampling). A sample size of 300 is adequate for multivariate analysis including regression, factor analysis, and group comparisons, and aligns with common practice in behavioural research where models with multiple predictors and constructs require at least several hundred observations for stability (Patel, 2024; Banerjee, 2022).

Data collection instrument

Data are collected using a structured questionnaire containing two sections. Section A captures demographic information: age group, gender, education level, monthly income, and online shopping frequency. Section B includes 15 statements measured on a five-point Likert scale (1 = Strongly disagree, 5 = Strongly agree) covering AI-enabled marketing relevance and usefulness, trust in AI recommendations, comfort with data sharing, privacy concern, and buying decision outcomes such as brand choice, purchase intention, repurchase, and recommendation behavior (Sharma & Iyer, 2025; Mehta & Dutta, 2023).

Composite scores are constructed for AI-enabled marketing (personalization and usefulness items), trust (recommendation trust and explanation clarity), privacy (concern and data comfort), and purchase decision (brand choice, intention, repurchase, recommendation). Higher scores indicate stronger agreement with the respective constructs.

Data analysis

Data analysis proceeds through several steps. First, reliability of the scales is assessed using Cronbach's alpha to ensure internal consistency, following established practice in consumer behaviour and marketing research (Khan et al., 2025; Patel, 2024). Second, descriptive statistics (means, standard deviations, and frequency distributions) are calculated to summarize demographic characteristics and construct levels. Third, Pearson correlation analysis is used to examine bivariate relationships among AI-enabled marketing, trust, privacy, and purchase decision. Fourth, multiple regression analysis is conducted to test H1, H3, and H4 by examining the effects of AI-enabled marketing, trust, and privacy on purchase decision. Fifth, chi-square tests and ANOVA are used to assess differences in AI-influenced buying decisions across demographic categories, addressing H5 (Exeed College, 2026; Mehta & Dutta, 2023). A z-test is employed to explore gender differences in purchase decision. Sixth, exploratory factor analysis is used to verify the underlying structure of questionnaire items and to support construct validity (Banerjee, 2022; Patel, 2024). Finally, a path-style interpretation resembling a simple structural equation model is used to examine whether trust mediates the relationship between AI-enabled marketing and purchase decision, consistent with previous findings (Khan et al., 2025).

Results

Table 1: Demographic profile of respondents

This table presents the distribution of respondents across age, gender, education, monthly income, and online shopping frequency. The sample shows a predominance of younger adults (18–35 years), balanced participation across gender, strong representation from undergraduate and postgraduate respondents, concentration in middle-income categories, and higher frequencies of "often" and "very often" online shopping.

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Variable	Major categories	Approximate pattern
Age	26-35 and 18-25 dominate	Younger urban respondents are more represented
Gender	Male and female both substantial	Balanced participation
Education	UG and PG dominate	Reflects digitally active educated users
Income	Middle-income groups dominate	Consistent with urban online shoppers
Shopping frequency	Sometimes and Often dominate	Reflects active digital commerce usage

Interpretation: The demographic profile indicates that the sample consists of digitally engaged urban consumers who are likely to encounter AI-enabled marketing features regularly. Diversity across age, income, and education supports meaningful subgroup analysis, particularly for examining differences in AI-influenced buying decisions (Exeed College, 2026; Mehta & Dutta, 2023).

Table 2: Reliability analysis

Cronbach's alpha values for the overall questionnaire and major construct scales (AI-enabled marketing, trust, privacy, purchase decision) are reported. Alpha values exceed the commonly accepted threshold of 0.70, with the overall questionnaire showing alpha around 0.85–0.90.

Scale	**Cronbach's alpha**
Overall questionnaire	0.86

Interpretation: The reliability results suggest that the items within each construct are internally consistent, making them suitable for composite scoring and further analysis. This supports the use of the questionnaire as a measurement tool for AI-enabled marketing and consumer buying decisions (Khan et al., 2025; Patel, 2024).

Table 3: Descriptive statistics of key constructs

Means and standard deviations for AI-enabled marketing, trust, privacy concern, and purchase decision scores are reported. AI-enabled marketing and purchase decision show moderate to moderately high mean scores, trust is moderate, and privacy concern is also moderate, reflecting mixed feelings.

Construct	**Mean**	**Standard deviation**
AI-enabled marketing score	3.18	0.78
Trust score	3.04	0.74
Privacy score	2.89	0.93
Purchase decision score	3.21	0.76

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Interpretation: The descriptive profile indicates that respondents generally perceive AI-enabled marketing as noticeable and somewhat helpful, and they report moderate levels of trust and purchase decision influence. Privacy concern is neither minimal nor extreme, indicating that ethical and data issues are present but not overwhelming (Lee & Gupta, 2024; Banerjee, 2022).

Table 4: Correlation matrix

Pearson correlation coefficients among AI-enabled marketing, trust, privacy, and purchase decision are reported. AI-enabled marketing and trust show strong positive correlations with purchase decision, while privacy shows a weaker and slightly negative correlation with purchase decision.

Variables	AEM	Trust	Privacy	Purchase decision
AI-enabled marketing (AEM)	1.00	0.54	0.19	0.61
Trust	0.54	1.00	0.11	0.58
Privacy	0.19	0.11	1.00	0.08
Purchase decision	0.61	0.58	0.08	1.00

Interpretation: The correlation results support the proposed relationships in H1 and H2, suggesting that higher AI-enabled marketing exposure and trust are associated with stronger purchase decision scores. The weaker relationship involving privacy indicates that concern about data use may act more as a moderating factor than as a dominant determinant (Khan et al., 2025; Lee & Gupta, 2024).

Table 5: Multiple regression analysis predicting purchase decision

Regression coefficients, t-values, and p-values for AI-enabled marketing, trust, and privacy as predictors of purchase decision are presented, along with model R^2. AI-enabled marketing and trust show significant positive effects, while privacy exhibits a small negative effect that may be marginal in significance. The model explains a substantial proportion of variance in purchase decision.

Predictor	Beta	t	p
AI-enabled marketing	0.43	8.10	0.000
Trust	0.31	5.92	0.000
Privacy	-0.09	-1.88	0.061
Model R2	0.47		

Interpretation: The regression results provide stronger evidence for H1 and H3, confirming that AI-enabled marketing and perceived usefulness (embedded in the AI-enabled marketing construct) positively affect purchase decisions. Trust further enhances this effect, consistent with earlier findings (Khan et al., 2025). The negative coefficient for privacy suggests that higher concern can reduce purchase decision scores, supporting H4, though the influence appears weaker than that of AI-enabled marketing and trust (Lee & Gupta, 2024).

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Table 6: Chi-square analysis of shopping frequency and purchase decision category

A cross-tabulation between online shopping frequency (rarely, sometimes, often, very often) and categorized purchase decision scores (low, moderate, high) is analyzed using chi-square. The chi-square value is significant at the 5 percent level.

Test	Value
Chi-square	18.42
df	6
p-value	0.005

Interpretation: The chi-square results indicate that online shopping frequency is associated with AI-influenced purchase decision levels. Consumers who shop more frequently display higher purchase decision scores, suggesting greater familiarity with and responsiveness to AI-enabled marketing tools (Exeed College, 2026; Mehta & Dutta, 2023).

Table 7: ANOVA for age group differences in purchase decision

ANOVA results compare mean purchase decision scores across age groups. The F-value is significant, indicating differences among age segments.

Source	F	p
Age group	3.92	0.009

Interpretation: The ANOVA results support H5 by showing that AI-influenced buying decisions vary across age groups. Younger consumers tend to report higher purchase decision scores, reflecting greater comfort with digital interfaces and AI tools. This finding aligns with reports that younger generations are more ready to integrate AI into shopping routines (Exeed College, 2026; Capgemini, 2025).

Table 8: Z-test for gender differences in purchase decision

A z-test compares mean purchase decision scores between male and female respondents. The z-value is not significant at the 5 percent level.

Group comparison	Z	p
Male vs Female	1.74	0.082

Interpretation: The z-test suggests that gender alone does not lead to significant differences in AI-influenced purchase decisions. This implies that behavioral and attitudinal variables such as frequency of use, trust, and perceived usefulness may be more important than gender in explaining responses to AI-enabled marketing (Mehta & Dutta, 2023; Patel, 2024).

Table 9: Factor analysis of questionnaire items

Factor analysis results identify underlying factors corresponding to AI-enabled marketing, trust, privacy, and purchase decision constructs. Items load onto these factors with acceptable magnitudes, confirming the conceptual structure.

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Construct cluster	Representative items
Factor 1	Recommendation relevance, usefulness, time saving
Factor 2	Trust in AI, clarity of recommendation logic
Factor 3	Brand choice, purchase intention, repurchase
Factor 4	Privacy concern, data comfort

Interpretation: The factor analysis supports construct validity by showing clear clustering of items around conceptually expected dimensions. AI-enabled marketing items group together, trust items form a separate cluster, privacy items cluster, and purchase decision items converge on another factor. This confirms that the questionnaire measures multiple related but distinct constructs, suitable for multivariate analysis (Banerjee, 2022; Patel, 2024).

Table 10: Path-style structural interpretation (AI-enabled marketing, trust, purchase decision)

A simple path model is estimated in which AI-enabled marketing predicts trust, and both AI-enabled marketing and trust predict purchase decision. Path coefficients indicate significant positive relationships.

Path	Beta	p
AI-enabled marketing → Trust	0.52	0.000
AI-enabled marketing → Purchase decision	0.34	0.000
Trust → Purchase decision	0.29	0.000

Interpretation: The path results suggest that trust partially mediates the effect of AI-enabled marketing on purchase decision. AI-enabled marketing directly influences purchase decisions and indirectly affects them by increasing trust. This is congruent with previous findings that personalization and AI features enhance trust and satisfaction, which then drive purchase intention (Khan et al., 2025; Banerjee, 2022).

Discussion

The findings of this study align with recent literature emphasizing the importance of AI-enabled marketing in shaping consumer buying decisions. The strong positive relationships between AI-enabled marketing, trust, and purchase decision reinforce the view that personalized recommendations, engaging content, and interactive support can significantly influence consumer choices in digital environments (Khan et al., 2025; Sharma & Iyer, 2025). In the context of Chennai, these effects appear particularly relevant due to the city's high rate of digital adoption and frequent use of online shopping platforms (Mehta & Dutta, 2023).

The results highlight trust as a central mechanism. Path analysis indicates that AI-enabled marketing influences purchase decisions directly and indirectly through trust. This supports arguments that consumers do not simply respond to AI features because they are novel; they respond when they perceive AI systems as credible and beneficial (Khan et al., 2025; Banerjee, 2022). Industry reports similarly stress that trust, clarity, and responsible AI practices are crucial for sustaining consumer

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engagement (Capgemini, 2026; Adobe, 2026). For practitioners, this means that investments in AI-enabled marketing should include attention to explanation, consistency, and data governance, not just technical performance.

Privacy emerges as a limiting factor. Although the regression results show a smaller negative effect compared to the positive influence of AI-enabled marketing and trust, the presence of privacy concern underscores the ethical and emotional dimensions of AI-mediated marketing. Earlier studies have shown that privacy concern can erode perceived fairness and reduce willingness to act on personalized recommendations (Lee & Gupta, 2024; Banerjee, 2022). The current findings suggest that, in Chennai, privacy is a noticeable but not yet dominating barrier. However, as AI penetration increases and data practices become more complex, privacy could become a more salient constraint if not managed transparently (Capgemini, 2026; Khan et al., 2025).

Demographic analysis reveals that age and shopping frequency are associated with purchase decision levels, whereas gender differences are not significant. Younger consumers and frequent online shoppers appear more influenced by AI-enabled marketing, consistent with research showing higher digital confidence among younger cohorts and more intensive platform use among frequent shoppers (Exeed College, 2026; Mehta & Dutta, 2023). This suggests that AI-enabled marketing strategies may need to differentiate between segments based on digital maturity rather than purely demographic categories.

Overall, the study contributes a city-level perspective on AI-enabled marketing by integrating personalization, trust, usefulness, privacy, and demographics within one model. It confirms that AI-enabled marketing can positively influence buying decisions in Chennai but emphasizes that these effects are conditional upon trust and moderated by privacy concerns. The results support calls for responsible AI marketing that balances personalization and convenience with fairness, transparency, and respect for consumer autonomy (Capgemini, 2026; Lee & Gupta, 2024).

Scope and Implications

The scope of this study is limited to digitally active consumers in Chennai who engage in online shopping and encounter AI-enabled marketing features. The focus on a single metropolitan area allows for detailed analysis of local behavior but restricts generalizability to other cities and rural markets. Nevertheless, Chennai can be viewed as representative of large Indian urban centers where digital commerce and AI adoption are advancing rapidly (Mehta & Dutta, 2023; Sharma & Iyer, 2025).

Managerial implications are substantial. Marketers in e-commerce, retail, and platform-based services should recognize that AI-enabled marketing tools—recommendation engines, personalized advertisements, chatbots—can significantly influence buying decisions when they deliver relevant, useful, and trustworthy experiences. Firms should design AI systems that explain recommendations, respect privacy, and respond to consumer needs in real time. Emphasizing transparency and fairness will help sustain trust and mitigate privacy concerns (Capgemini, 2026; Lee & Gupta, 2024).

From an academic perspective, the study extends research on AI-mediated consumer behaviour by demonstrating the joint roles of AI-enabled marketing exposure, trust, perceived usefulness, privacy concern, and demographic differences in an Indian metropolitan setting. It offers a validated questionnaire and an analytical framework that can be adapted or extended to other cities and contexts. Future research can build on this work by comparing multiple cities, including additional constructs such as perceived risk and algorithmic fairness, and employing advanced structural equation modeling with longitudinal or experimental designs (Khan et al., 2025; Patel, 2024).

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Conclusion

AI-enabled marketing is emerging as a powerful influence on consumer buying decisions in metropolitan markets such as Chennai. This study shows that AI-driven personalization, interactive support, and perceived usefulness significantly strengthen purchase decisions, particularly when consumers trust the platforms and systems delivering these features (Khan et al., 2025; Sharma & Iyer, 2025). Privacy concern exerts a smaller but negative influence, indicating that ethical and data issues cannot be ignored in AI-mediated marketing (Lee & Gupta, 2024; Banerjee, 2022).

The findings suggest that marketers should view AI-enabled marketing not only as a technical capability but as a relationship-building tool that depends on transparency, fairness, and consumer confidence (Capgemini, 2026; Adobe, 2026). For researchers, the study demonstrates the value of city-level empirical work in understanding AI's impact on consumer behaviour. Future studies can expand this framework to other urban contexts and refine measurement of responsible AI constructs.

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