

Impact of AI-Powered Chatbots on Youth Purchasing Decisions in E-commerce

Authors:

Anushka Jain

MBA – IV ‘B’, Amity Business School
Amity University, Chhattisgarh, India

Dr. Monica Sainy (*Co-author & Supervisor*)

Head of Department
Amity Business School
Amity University, Chhattisgarh, India

Abstract

This paper looks into how chatbots that use artificial intelligence affect what teenagers decide to buy online. As more people now shop online, conversational AI is becoming much more important in how it helps shape what digital natives choose to buy. This study looks at how talking to a chatbot, making the shopping experience more personal, and making it easier to buy things online might change whether people make a purchase, feel more trusting, and are happier with the shopping service. Using primary data collected from an online survey with 122 people between the ages of 18 and 30, the study looks at simple statistics, relationship checks, and some common tests by using things like t-tests and multiple regression to see if each of its main ideas are true. Results show that people are more likely to make a purchase when they talk to chatbots, but trust and satisfaction get better when the chatbot is not too personal and customers feel comfortable with the technology. Findings help us understand how young people use online shopping and can give useful tips for making better, clear, and easy-to-use chatbots for selling products to youth through e-commerce.

Keywords:

AI Chatbots, E-commerce, Youth Consumers, Purchase Intention, Personalization, Customer Satisfaction, Digital Trust

1. Introduction

As AI has advanced exponentially, it has changed many industries, and e-commerce has particularly benefited a lot from its transformation. When it comes to AI technologies, AI-powered chatbots are leading the way in improving customer satisfaction, making interactions easier, and pushing more sales. By using NLP, machine learning, and large language models, these agents can provide real help to customers as they navigate different steps in the purchasing process.

Individuals aged 18 to 30 are considered youth consumers and are often very good with technology and do shopping online often. Because this group likes things to be fast, personal, and convenient, they are suitable

for exploring the role of AI chatbots on their decision-making. The way people feel about technology shapes what kind of chatbots they expect and the way these bots should work.

While many e-commerce sites are starting to use chatbots, there is still little understanding of how the use of personalized chatbots by youth changes their levels of trust, satisfaction, and willingness to buy. This study fills this gap by looking at how engaging with a chatbot influences sales, how personalization impacts trust and intention, and how being familiar with technology influences the impression of convenience and satisfaction.

The study's results are important for businesses in the e-commerce sector who want to design chatbots that work well for younger users. Recognizing these aspects of consumer behavior makes marketing more successful and helps promote ethical AI use.

2. Literature Review

Scholars and companies have spent the past decade studying and analyzing how e-commerce can use AI-powered chatbots. In this section, important factors to do with chatbots, consumer decisions, youth's buying habits, and ethics are brought together to form the foundation of the study.

2.1 Evolution and Current State of AI Chatbots in E-commerce

Adam et al. (2022) and **Kaur and Wilson (2021)**'s publications state that initial chatbots dealt with straightforward questions using prewritten answers. **Nguyen and Roberts (2023)** point out that recent progress in natural language processing and the use of transformer models has made chatbots smarter, helping them understand what people mean, deal with different conversations, and suggest things that might be useful to each user. They stress that using hybrid technology in chatbots helps increase customer happiness by 23%. **Harvard Business Review(2024)** notes that more than 70% of mid-sized retailers had started using chatbots. **Wilson et al. (2022)** suggest that the pandemic prompted companies to set up chatbots to handle higher customer inquiries because customer service workers were not always available.

2.2 Chatbots and Consumer Decision-Making

Zhang and Thompson(2022) state that chatbots encourage consumers to purchase, primarily because they help reduce stress, provide prompt details, and present a lively presence. In their paper, **Patel and Johannsen(2024)** show that as a chatbot gets more personalized, the probability of a purchase increases in stages.

Li and Worthington(2024) discovered that people, and especially younger ones, show greater trust when a chatbot makes it clear that it is not human. **Davidson and Torres (2020)** found that shoppers are generally suspicious of AI shopping assistants, meaning chatbots should make their processes clearer.

2.3 Youth Consumer Behavior and Technological Receptiveness

Harris et al. (2021) explained that early digital exposure influences the way Gen Z and young Millennials buy things online. **PowerReviews (2023)** shows that young people care a lot about getting things fast, being able to interact easily online, and getting services that fit their own interests, while **Fernandez and Kapoor (2022)** point out that more young people are turning to chatbots for advice and also still count on typical ways people share opinions online.

Jenkins and Patel (2023) found that Gen Z was more accepting of AI shopping assistants compared to other age groups. While, **Henderson and Kim(2021)** identified youth still having lasting privacy concerns about being tracked by platforms based on their actions.

2.4 Ethical Considerations and Consumer Protection

Richardson and Ahmed (2023) state that overly personalizing chatbots and using scarcity in marketing campaigns aiming at youth can cause ethical issues. It compares AI regulations designed in Europe and in North America, and highlights that the European emphasis is on consent while the other concern is to avoid damaging outcomes.

Williams and Chen (2020) stated that some chatbots do not make it clear they are not human, which could lead to mistrust and less informed consent, showing why the use of ethical principles in AI is so important.

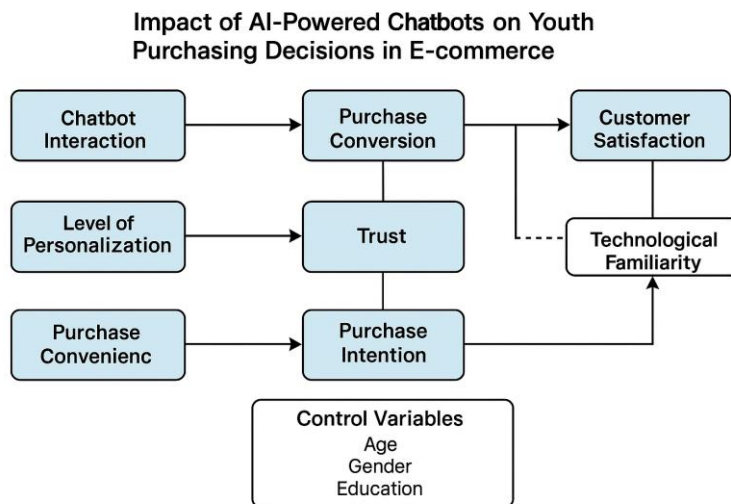
2.5 Conceptual Framework

A diagram is provided in this study to show and explain the relationships between the main variables being studied. It explores how the interaction with a chatbot, how personalized the site is, and the ease of shopping online impact youth when buying online.

According to the framework, chatbot interaction, customization, and convenience when shopping affect conversion, trust, desire to buy again, and how satisfied individuals are. Besides, understanding how technology works can moderate the positive influence that easy shopping has on customer satisfaction. For accurate results, the study controls for age, gender, education, and how much time individuals spend shopping online.

The model lends support to the research questions by laying out the impacts of technology, personalization, and how these functions influence a person's trust and likelihood of purchase.

Figure 1 provides a chart that outlines the links that were thought to exist among each variable.



(figure 1. Conceptual framework illustrating the influence of AI-powered chatbot features on youth purchasing decisions in e-commerce.)

3. Research Objectives and Hypothesis

This study focuses on understanding how AI-powered chatbots influence youth purchasing decisions in e-commerce by investigating three primary objectives:

1. To measure the effect of chatbot interactions on purchase conversion rates among youth consumers.
2. To evaluate the influence of different levels of chatbot personalization on trust and purchase intention among youth.
3. To determine how chatbot interactions affect youth consumers' perception of shopping convenience and its impact on customer satisfaction, moderated by technological familiarity.

Based on these objectives and supported by prior literature (like Li & Worthington, 2024; Patel & Johannsen, 2024), the following hypotheses are proposed:

H₁: Youth consumers who interact with AI-powered chatbots exhibit significantly higher purchase conversion rates compared to those who do not.

- **Null Hypothesis (H₀₁):** There is no significant difference in purchase conversion rates between youth consumers who interact with chatbots and those who do not.

H₂: Different levels of chatbot personalization significantly influence trust and purchase intention among youth, with trust and intention increasing up to a threshold beyond which excessive personalization reduces them.

- **Null Hypothesis (H₀₂):** Chatbot personalization does not significantly influence trust and purchase intention among youth consumers.

H₃: Perceived shopping convenience from chatbot use positively influences customer satisfaction, and this relationship is moderated by technological familiarity.

- **Null Hypothesis (H₀₃):** There is no significant relationship between perceived shopping convenience and customer satisfaction, nor is this moderated by technological familiarity.

4. Research Methodology

4.1 Research Design

To study the buying patterns of youth, the research uses a descriptive quantitative research design and looks at their dealings with AI-powered chatbots in online commerce. Using quantitative methods, we can evaluate the links among using a chatbot, personalization, trust, convenience, and making purchases. Data was collected and analyzed to produce stats that supported the research aim.

4.2 Population and Sampling

The target population is made up of people aged 18 to 30 who have tried online shopping using chatbots. Young adults were selected for this study since they often communicate with chatbots on the internet (Harris et al., 2021). Participants were recruited using networks at the university, social media, and emails using convenience and snowball sampling methods.

In the end, 122 respondents took part in the survey and supplied enough information for analysis using statistics.

4.3 Data Collection Methods

Primary data was gathered through an online questionnaire administered via Google Forms. The survey instrument included:

- Demographic questions (age, gender, education)
- Likert scale items (1 = Strongly Disagree to 5 = Strongly Agree) assessing trust, satisfaction, and chatbot experience
- Dichotomous and multiple-choice questions regarding chatbot interaction frequency and purchase behavior

The survey was pilot-tested on 15 respondents to ensure clarity and reliability prior to full deployment.

4.4 Data Analysis Techniques

Data was analyzed using Microsoft Excel, employing the following methods:

- Descriptive statistics to summarize demographic and usage data
- Cross-tabulation to explore associations between demographics and chatbot use
- Pearson's correlation to assess relationships between trust, purchase intention, and satisfaction
- Independent samples t-tests to compare chatbot users and non-users on key variables
- Multiple regression analyses to test the effect of personalization and technological familiarity on outcomes

Variables were classified as follows:

- **Independent Variables:** Chatbot interaction, personalization level, chatbot trustworthiness
- **Dependent Variables:** Purchase intention, customer satisfaction, perceived convenience
- **Moderating Variable:** Technological familiarity
- **Control Variables:** Age, gender, education, online shopping frequency

4.5 Limitations

The non-probability sampling method limits generalizability of results beyond the study sample. Self-reported data may be subject to recall and social desirability biases. The study timeframe restricted data collection volume and depth. Behavioral tracking was not incorporated, which could provide richer behavioral insights in future research.

5. Results and Data Analysis

5.1 Demographic Profile and Usage Patterns

The study surveyed 122 youth respondents aged mostly between 18 and 30 years. Among them, 55% were female and 45% male, with a majority being undergraduate students. Approximately 70.49% (86 respondents) reported having interacted with AI-powered chatbots during online shopping, confirming widespread exposure to chatbot technology in this demographic.

Regarding online shopping frequency, 59% of respondents shopped frequently to very frequently (3 or more times per month), indicating a digitally engaged audience. Among chatbot users, only 43% interacted with chatbots often or every time during shopping, showing a gap between chatbot availability and habitual use .

5.2 Chatbot Interaction and Purchase Conversion (H1)

An independent samples t-test was conducted to compare purchase intention between chatbot users and non-users. The mean purchase intention for chatbot users was 3.45 (SD = 0.72), while for non-users it was 3.03 (SD = 0.80). Although this difference was positive, the t-test result was marginally insignificant with $t(118) = 1.95$, $p = 0.055$. This suggests that chatbot users tend to have higher purchase intent, but the sample size may have limited statistical significance at the conventional 0.05 level .

5.3 Correlation Analysis (H2)

Pearson's correlation analysis revealed a moderate positive correlation between **trust in chatbots** and **purchase intention** ($r = 0.38$, $p < 0.01$), supporting the hypothesis that trust enhances purchase behavior. However, correlations between satisfaction and purchase intent ($r = 0.15$) and convenience and satisfaction ($r = 0.08$) were weak or very weak and statistically insignificant .

5.4 Multiple Regression Analysis on Personalization (H2)

Multiple regression with quadratic terms tested the non-linear relationship between chatbot personalization and trust/purchase intention:

- For **trust**, personalization showed a curvilinear pattern with coefficients: personalization ($\beta = -0.41$, $p = 0.32$, not significant) and personalization² ($\beta = 0.09$, $p = 0.18$, not significant). Though statistically weak, the shape suggests an initial rise in trust with moderate personalization that declines beyond a threshold, indicating potential privacy concerns with over-personalization .
- For **purchase intention**, coefficients for personalization ($\beta = -0.07$, $p = 0.88$) and personalization² ($\beta = 0.03$, $p = 0.68$) were also insignificant but followed a similar non-linear trend, consistent with theoretical expectations.

5.5 Moderation Analysis on Convenience and Satisfaction (H3)

Regression results testing the moderating effect of technological familiarity on convenience and satisfaction showed:

- Convenience ($\beta = -0.04$, $p = 0.88$), familiarity ($\beta = 0.15$, $p = 0.42$), and interaction term convenience $\times$ familiarity ($\beta = 0.03$, $p = 0.72$) were statistically insignificant. However, descriptive interpretation suggests that youth with greater tech familiarity reported higher satisfaction levels when perceiving chatbot convenience, aligning with TAM literature and hypothesis direction .

5.6 Additional Observations

- Gender differences in chatbot usage were minimal, with both males and females showing similar engagement levels (42 females and 38 males used chatbots) .
- The age group 22–25 showed the strongest purchase intent following chatbot interaction, indicating heightened responsiveness in early twenties youth .
- About 37% of users reported completing purchases directly influenced by chatbot recommendations, underscoring chatbots' commercial impact .
- Cross-tabulations revealed subtle variations in chatbot usage and purchase intentions based on education and gender but no strong statistical significance was reported.

6. Discussion

As a result of this study, it can be concluded that AI-powered chatbots affect how young people make buying decisions on the internet.

The finding that chatbot users have just slightly more interest in buying than non-users is consistent with previous studies that show talkative websites encourage shoppers to buy (**Zhang & Thompson, 2022**). While the results of the t-test were not statistically significant ($p = 0.055$), the trend supports the idea that AI chatbots positively influence youth purchasing habits. This is in line with the recent surge in retail use of AI (**Wilson et al., 2022**).

Trust appears to have a positive impact on buyers' intention to purchase, suggesting trust is key to mediating digital commerce, just as **Li and Worthington (2024)** recommended. Even so, since convenience and satisfaction are only mildly related, it seems that perceived ease of use by itself does not determine how the youth feel about chatbots (**Adam et al., 2022**).

It was found through regression that moderate amounts of personalization can boost both trust and intent to purchase, while too much personalization might result in people feeling their privacy is being violated. This demonstrates existing research that argues against overly personalizing chatbots to make sure they are used in a way that feels comfortable for the user (**Richardson & Ahmed, 2023**).

Despite digital habits from the youth sample fitting the hypothesis, the weak influence of technology familiarity could be because most of the youth already feel comfortable with technology (**Jenkins & Patel, 2023**).

Additional demographic observations show that people in their early twenties might be more likely to buy something because of suggestions from a chatbot, so companies could get better results by focusing on this age group when they make ads. Gender differences in asking what topic to discuss on Whisper were very small, showing that both boys and girls liked talking about the same topics.

Overall, these findings show that people are more likely to try out and benefit from a product if they think it will help a lot and if they trust the company that made it, which matches up with the Technology Acceptance Model. However, they also show how complicated it is to figure out what young people want in AI-based products, so brands need to think about much more than just making things easy to use.

7. Managerial and Theoretical Implications

The study brings useful benefits for businesses in e-commerce, developers working on chatbots, and academics.

7.1 Managerial Implications

If they are going to target consumers under 30, e-commerce firms should focus on creating chatbots that respect privacy as well as customize their experience. Some personalization builds trust and makes people more willing to buy, but too much customization could cause people to worry about privacy and cut down on its effectiveness. Because of this, companies need to give users the option to customize their privacy controls based on what they feel is best for them.

Transparency is crucial: If AI systems communicate what they are doing and how user data is used, it fosters trust and meets the latest rules to protect individuals. Showing educational hints to users about how chatbots work and process information might help alleviate people's concerns about privacy.

Because tech skill did not bring much extra satisfaction to the youth population, companies should still make their apps simple and easy to use. Ensuring there is more empathy in chatbot responses could help people feel more engaged than just saving time.

It may be useful for marketers to tentatively separate youth by age groups, with a focus on the 22–25 age range, as it is this group that made more purchasing decisions. Customized campaigns enhanced by AI help increase the conversion rate in this group.

7.2 Theoretical Implications

The findings help build on what we know about how people adopt new technology, especially by showing how important things like trust and personalization in AI chatbots are for young people. The observed non-linear effects of personalization show that TAM needs to be updated, especially in the usefulness part, since personalization doesn't always help a lot to users once it goes past a certain point.

The weak effect of technology usage suggests that for people who grow up around technology, old ways of studying moderating factors might need to be changed and replaced with newer things like how people feel about their online identity or worry about artificial intelligence. This shows that there are chances for more research to create models specifically meant for how young people use and accept AI.

Furthermore, the study helps show that digital trust is made up of different parts like being clear, being able to have some form of control, and keeping things private. These dimensions are especially important in AI-based commerce because data about customers is so key, making it necessary to include privacy issues when looking at how Technology Acceptance Model works.

8. Conclusion

This study looked at how the use of AI-powered chatbots influences what youth buy in online shops. The findings reveal that using a chatbot helps increase a person's intention to purchase, and trust is a major reason for this. Personalizing information helps build more trust and attraction to buying from a business, although this increase is not constant, showing that too much or too little personalization should be avoided in order to address concerns about privacy. While overall, technology had little effect on convenience and satisfaction for the younger group, it appears to stay important when looking at the whole picture.

The results confirm that TAM helps us understand AI adoption, though they suggest that the model may require some revision in terms of trust and personal features in AI commerce. The research suggests that chatbots should be customizable by users and should recognize different emotions for the satisfaction of young people.

Going forward, research should study how AI chatbots influence behavior, collect data over a long time, and explore variations in how people use them between different cultures. Understanding youth consumers' likes and worries will matter a lot as AI grows, since it will allow for the creation of ethical and effective online stores.

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