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BEAUTY GETS SMARTER: AI PERSONALIZATION FOR NEXT-LEVEL SHOPPING

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Abstract
This research endeavors to dissect the influence of Artificial Intelligence (AI) on consumer purchase decisions within the beauty industry in Makassar, specifically through the lens of personalization. The contemporary digital epoch, characterized by the exponential proliferation of AI technologies, has fundamentally reshaped the dynamics of business-consumer interactions. Personalization, emerging as a pivotal marketing paradigm, is poised to achieve unprecedented efficacy through the strategic deployment of AI. Employing a quantitative framework grounded in survey methodology, this study amassed data from a cohort of 207 beauty product consumers residing in Makassar. A structured questionnaire, utilizing a five-point Likert scale, served as the instrument for variable measurement. Data analysis was executed via Structural Equation Modeling Partial Least Square (SEM-PLS), facilitated by WarpPLS software Version 8.0. The empirical findings unequivocally demonstrate a positive and statistically significant relationship between AI and purchase decisions, both directly and indirectly, mediated by personalization. These outcomes underscore the augmented purchase propensity engendered by AI-driven personalization within the beauty sector. This research contributes substantively to the extant body of knowledge concerning AI's role in marketing, with a particular focus on the interplay between personalization and purchase decisions. From a managerial perspective, the study advocates for the strategic integration of AI to amplify personalization efforts in marketing initiatives, thereby optimizing consumer purchase outcomes.
Keywords**:** *Artificial Intelligence, Personalization, Purchase Decision, Beauty Industry, Makassar City*

Introduction

The phenomenon of digitalization has fundamentally transformed the business landscape, with Artificial Intelligence (AI) emerging as a primary driving force [1]. The implementation of AI across various business sectors has altered the paradigm of interaction between companies and consumers [2]. Intelligent algorithms capable of analyzing data on a large scale enable companies to deeply understand consumer preferences, paving the way for more effective and personalized marketing strategies [1]. In this context, AI is no longer merely a supporting tool, but a strategic partner in creating unique and relevant consumer experiences [1, 2].

The beauty industry, known for its high market dynamics and diverse consumer preferences, is one sector that has begun to actively adopt AI technology [3]. The use of AI in this industry is not limited to the automation of content creation processes but also serves as a platform that allows

consumers to obtain product recommendations tailored to individual needs [2, 4]. Features that are emerging, such as AI-based skin analysis, virtual cosmetic color recommendations, and personalized beauty consultations, have become increasingly popular trends among modern consumers [3, 4]. These innovations not only enhance purchase efficiency but also provide a more interactive and enjoyable shopping experience [1, 3].

A key aspect of AI implementation in the beauty industry is its ability to personalize consumer content and experiences [2, 3, 4]. AI algorithms can analyze consumer behavior data, such as purchase history, product preferences, and social media interactions, to generate relevant product recommendations and marketing content [1]. This personalization not only increases consumer satisfaction but also has a significant impact on purchase decisions [3]. Previous research has shown that consumers tend to be more interested in purchasing products that are recommended personally, as they feel that these products align with their needs and preferences [4].

However, despite the widely recognized potential of AI in enhancing purchase decisions through personalization [5], previous research findings have shown inconsistencies. Some studies have found that AI-based personalization has a significant positive influence on purchase decisions [3, 5, 6], while others have found a weaker or even insignificant influence [7, 8, 9]. These inconsistencies may be due to differences in research methodologies, industry contexts, or consumer characteristics [3, 5, 6, 7, 8, 9]. Therefore, further research is needed to more deeply understand the mechanism of AI's influence on purchase decisions through personalization [1].

This research aims to fill this knowledge gap by analyzing the influence of AI on purchase decisions in the beauty industry in the city of Makassar, with a focus on the mediating role of personalization. The city of Makassar was chosen as the research location because it is one of the centers of trade and consumption of beauty products in Eastern Indonesia. Thus, this research is expected to provide relevant and applicable insights for beauty industry players in Indonesia, particularly in the Makassar region.

The novelty that will be revealed in this research is a deeper understanding of the mechanism of AI's influence on purchase decisions through personalization in the context of the beauty industry in the city of Makassar. This research is expected to identify the mediating effectiveness of AI-based personalization in enhancing purchase decisions. Additionally, this research is also expected to provide practical recommendations for beauty industry players on how to leverage AI to enhance personalization and consumer purchase decisions.

This research is compelling because it combines two major trends in the current business world, namely the rapid development of AI technology and the increasing consumer demand for personalized shopping experiences. By analyzing the relationship between AI, personalization, and purchase decisions, this research is expected to make a significant contribution to the development of marketing theory and practice in the digital era.

Literature Review

Business Digitalization

Digital transformation has radically altered the global business landscape, compelling companies to adopt digital technologies across all facets of their operations [10]. Digitalization transcends mere technology implementation; it signifies a fundamental shift in business models, organizational culture, and customer experiences [11, 12]. The integration of technologies such as

cloud computing, big data analytics, and artificial intelligence (AI) has empowered companies to enhance operational efficiency, expand market reach, and generate added value for customers [2, 11]. Furthermore, the significance of digital leadership in steering organizations through the digital transformation process is paramount, encompassing the development of coherent digital strategies, investment in technological infrastructure, and the empowerment of employees to adapt to change [10, 12].

In the context of marketing, digitalization has ushered in a new paradigm centered on personalization and integrated customer experiences [11]. Digital marketing facilitates more personalized and relevant interactions with customers across diverse digital channels, including social media, websites, and mobile applications [12]. The application of AI in digital marketing has enabled companies to conduct in-depth analyses of customer data and provide product recommendations tailored to individual preferences, thereby enhancing customer satisfaction and brand loyalty [10, 13]. The seamless integration of digital and physical channels is crucial for creating a cohesive omnichannel customer experience, allowing customers to engage with brands across various touchpoints without friction [11, 13].

Artificial Intelligence for Business

The implementation of Artificial Intelligence (AI) has revolutionized business operations across diverse sectors, enabling the automation of complex processes and accurate data-driven decision-making [1]. AI is no longer a futuristic concept but a business reality that provides a competitive edge through enhanced efficiency, product innovation, and service personalization [2]. The application of AI in big data analytics allows companies to identify patterns and trends that are imperceptible to humans, thereby improving market and consumer behavior comprehension [2]. The role of AI in creating more interactive and personalized customer experiences is significant, with AI-powered chatbots and virtual assistants providing 24/7 customer service and product recommendations tailored to individual preferences [14, 15].

In the context of marketing strategy, AI has transformed how companies interact with consumers and manage marketing campaigns [13]. AI facilitates more targeted market segmentation and personalized marketing content, thereby enhancing campaign effectiveness and customer loyalty [1, 14]. Machine learning algorithms implemented in AI are capable of analyzing consumer data in real-time and providing in-depth insights into consumer preferences and behaviors, which in turn enable companies to design more effective marketing strategies [2, 16]. The potential of AI in fostering product and service innovation is substantial, with AI being utilized to analyze market data and identify opportunities for developing new products that align with consumer needs [16].

Customer Personalization

Customer personalization has emerged as an essential marketing strategy in the digital era, where consumer expectations for relevant and tailored experiences are continuously rising [17]. Personalization transcends merely adjusting products or services to individual preferences; it entails creating unique and memorable experiences for each customer [18]. The implementation of technologies such as big data analytics and artificial intelligence (AI) has enabled companies to gather and analyze customer data extensively, thereby comprehending consumer preferences and behaviors more accurately [11, 19]. Personalization is now pivotal in building long-term customer

relationships, where effective personalization can enhance customer satisfaction, brand loyalty, and customer lifetime value [5, 17].

In the context of digital marketing, personalization has transformed how companies interact with consumers and manage marketing campaigns [18]. Personalization facilitates more targeted market segmentation and personalized marketing content [5], thereby enhancing campaign effectiveness and customer loyalty [19]. Machine learning algorithms implemented in AI are capable of analyzing consumer data in real-time and providing in-depth insights into consumer preferences and behaviors, which in turn enable companies to design more effective marketing strategies [11, 19]. The potential of AI in fostering product and service innovation is substantial, with AI being utilized to analyze market data and identify opportunities for developing new products that align with consumer needs [18].

Purchase Decision

Purchase decision is a complex cognitive and behavioral process, wherein consumers evaluate various product or service alternatives before making a purchase [20]. Purchase decisions are influenced by a multitude of factors, including cultural, social, personal, and psychological factors, which dynamically interact to shape consumer preferences and choices [3, 20, 21]. The purchase decision-making process often involves several stages, ranging from need recognition, information search, alternative evaluation, purchase decision, to post-purchase behavior [20]. Understanding consumer behavior is crucial in designing effective marketing strategies, where an in-depth understanding of consumer motivations, perceptions, and attitudes can assist companies in influencing purchase decisions [20, 22].

In the context of digital marketing, purchase decisions are increasingly influenced by factors such as online reviews, social media recommendations, and digital user experiences [22]. A seamless and personalized omnichannel customer experience can enhance purchase decisions and customer loyalty [20, 23]. The implementation of technologies such as big data analytics and artificial intelligence (AI) enables companies to comprehend consumer preferences and behaviors more accurately [23], thereby providing relevant and personalized product and service recommendations [17, 18, 22, 23]. Building long-term customer relationships through positive customer experiences is essential, which in turn can enhance repeat purchase decisions and brand advocacy [20].

Research Methods

This research is a quantitative descriptive study aimed at examining and analyzing the contribution of artificial intelligence and the mediating effect of personalization on customer purchase decisions in the beauty industry. The study was conducted in the city of Makassar over a period of three months, from December 2024 to February 2025.

This research utilized questionnaires as the instrument for collecting respondent data, employing a 5-point Likert scale. The respondents were customers of various beauty industry brands who have actively used artificial intelligence in creating marketing content for product promotion. The total number of respondents was 207 beauty product customers, with a response rate of 88.09% from the 235 questionnaires distributed. Questionnaires were distributed directly to beauty product customers, and some respondents completed them via Google Forms. The collected data were analyzed using PLS-SEM with data processing conducted using WarpPLS version 8.0.

This study was also supplemented with interviews with beauty product customers to reinforce the results obtained from data processing. Several customers were interviewed during the data collection process, and some were interviewed after the data had been processed.

Results and Discussion

Results

Following the data collection process, the subsequent step involved conducting analyses and tests on the research findings. These tests included:

Goodness of Fit Test

Based on the data processing results, the following outcomes were obtained: Average path coefficient (APC) = 0.487, P < 0.001; Average R-squared (ARS) = 0.500, P < 0.001; Average adjusted R-squared (AARS) = 0.496, P < 0.001; Average block VIF (AVIF) = 1.937, acceptable if ≤ 5, ideally ≤ 3.3; Average full collinearity VIF (AFVIF) = 2.208, acceptable if ≤ 5, ideally ≤ 3.3; Tenenhaus GoF (GoF) = 0.552, small ≥ 0.1, medium ≥ 0.25, large ≥ 0.36; Simpson's paradox ratio (SPR) = 1.000, acceptable if ≥ 0.7, ideally = 1; R-squared contribution ratio (RSCR) = 1.000, acceptable if ≥ 0.9, ideally = 1; Statistical suppression ratio (SSR) = 1.000, acceptable if ≥ 0.7; and Nonlinear bivariate causality direction ratio (NLBCDR) = 1.000, acceptable if ≥ 0.7. These values indicate that the constructed model and the instruments used are fit for execution [24, 25], as shown in Table 1.

Table 1: Goodness of Fit Test Results

Goodness of Fit Indicators	Requirements	Nilai
Average path coefficient (APC)	P<0,05	0.487, P<0.001
Average R-squared (ARS)	P<0,05	0.500, P<0.001
Average adjusted R-squared (AARS)	P<0,05	0.496, P<0.001
Average block VIF (AVIF)	acceptable if <= 5, ideally <= 3.3	1.937
Average full collinearity VIF (AFVIF)	acceptable if <= 5, ideally <= 3.3	2.208
Tenenhaus GoF (GoF)	small >= 0.1, medium >= 0.25, large >= 0.36	0.552
Simpson's paradox ratio (SPR)	acceptable if >= 0.7, ideally = 1	1.000
R-squared contribution ratio (RSCR)	acceptable if >= 0.9, ideally = 1	1.000
Statistical suppression ratio (SSR)	acceptable if >= 0.7	1.000
Nonlinear bivariate causality direction ratio (NLBCDR)	acceptable if >= 0.7	1.000

Source: Researcher's Processed Data Findings, 2025

Validity Test

The validity measurement of this study utilized convergent validity indicators (by examining

loading factor values and average variance extracted/AVE) and discriminant validity [24]. Convergent validity is a component of the measurement model, referred to as the outer model in SEM-PLS [25]. Two criteria are used to assess whether the outer model meets the requirements for convergent validity of the constructs (measurement instruments/questionnaires): 1) loadings must be ≥0.70; in social research, values between 0.40 and 0.70 are still acceptable [24, 26]; and 2) the p-value must be significant (<0.05) [24, 27]. Based on these requirements, the testing of research constructs or instruments, namely Artificial Intelligence (AI), Personalization (PS), and Purchase Decision (PD), has met the requirements for convergent validity. This is because the loading values of each construct are in accordance with the standard, i.e., above 0.70 for AI4, AI5, PS1, PS2, PS3, PS4, and all PD indicators, namely PD1 to PD6 [24, 25, 27]. Although some indicators/constructs have values below 0.70, they still meet the requirements as they fall between 0.40 and 0.70, specifically indicators AI1, AI2, AI3, and PS5, and they still meet the validity requirements [24, 25] and significance below 0.05, as shown in Table 2.

Table 2: Validity and Reliability Testing Results

Variables and Indicators	Loading Factor	Cross Loadings			P Value	AVE	Cronbach's Alpha (CA)	Composite Reliability (CR)
		Artificial Intelligence (AI)	Personalization (PS)	Purchase Decision (PD)				
Artificial Intelligence (AI)						0.510	0.752	0.835
AI1	0.590	-	-0.093	0.055	<0.001			
AI2	0.589	-	-0.405	0.104	<0.001			
AI3	0.679	-	-0.340	0.067	<0.001			
AI4	0.835	-	0.417	-0.152	<0.001			
AI5	0.834	-	0.212	-0.016	<0.001			
Personalization (PS)						0.651	0.862	0.902
PS1	0.857	0.022	-	-0.171	<0.001			
PS2	0.871	0.059	-	-0.042	<0.001			

PS3	0.856	-0.039	-	-0.092	<0.001			
PS4	0.796	0.057	-	0.036	<0.001			
PS5	0.630	-0.131	-	0.370	<0.001			
Purchase Decision (PD)						0.666	0.899	0.923
PD1	0.823	-0.030	0.198	-	<0.001			
PD2	0.873	0.141	-0.002	-	<0.001			
PD3	0.850	0.046	-0.004	-	<0.001			
PD4	0.805	-0.136	0.119	-	<0.001			
PD5	0.767	0.036	-0.189	-	<0.001			
PD6	0.775	-0.072	-0.140	-	<0.001			

Source: Researcher's Processed Data Findings, 2025

Further testing of convergent validity was conducted by examining the Average Variance Extracted (AVE) values, where the AVE value requirement is ≥0.5 to be considered valid [24, 27]. Based on the data analysis results, the AVE values for each variable were obtained as follows: AI = 0.510, PS = 0.651, and PD = 0.666, all of which are greater than 0.50. These results indicate that each construct within the research variables is valid, as shown in Table 2.

The first test of discriminant validity utilized cross-loadings values, where it is expected that the loading to other constructs/indicators (cross-loadings) is lower than the loading to the respective construct/indicator [24, 25]. Based on the data analysis results, the values of all constructs/indicators in the assessed variables had loadings that were greater than the cross-loadings to constructs in other variables. These results indicate that the discriminant validity criteria are met, as shown in Table 2.

Subsequently, the second discriminant test involved comparing the square root of the AVE values for each variable. The requirement for discriminant validity testing is that the square root of the AVE value for each variable must be greater than its correlation with other constructs/variables [24]. After processing the data, it was found that the square root of the AVE values for each research variable was greater than the correlation between its variables/constructs (Table 3).

Table 3: Discriminant Validity Test Results

Variables	Artificial Intelligence (AI) (1)	Personalisasi (PS) (2)	Purchase Decision (PD) (3)
Artificial Intelligence (AI) (1)	**(-0.714)**	0.698	0.588
Personalisasi (PS) (2)	0.698	**(0.807)**	0.696
Purchase Decision (PD) (3)	0.588	0.696	**(0.816)**

Variables	Artificial Intelligence (AI) (1)	Personalisasi (PS) (2)	Purchase Decision (PD) (3)
Artificial Intelligence (AI) (1)	1.000	<0.001	<0.001
Personalisasi (PS) (2)	<0.001	1.000	<0.001
Purchase Decision (PD) (3)	<0.001	<0.001	1.000

Source: Researcher's Processed Data Findings, 2025

Reliability Test

Reliability testing was assessed through internal consistency testing, specifically by examining Cronbach's alpha (CA) and composite reliability (CR) values. The required value for each is ≥0.70 [24, 27]. Based on the data processing results, it was found that the research instruments used can be considered reliable or meet the instrument reliability requirements. This is because the Cronbach's alpha (CA) and composite reliability (CR) values for each variable of the constructs that constitute the research instruments are above 0.70. The Cronbach's alpha values are as follows: AI = 0.752, PS = 0.862, and PD = 0.899. The composite reliability values are as follows: AI = 0.835, PS = 0.902, and CC = 0.923, as shown in Table 2.

Hypothesis Testing

Hypothesis testing was conducted based on the data analysis results using WarpPLS version 8. The indicators used were the β values (a positive β value indicates a positive influence, while a negative β value indicates a negative influence). The second indicator used was the ρ value (a ρ value below 0.05 indicates a significant influence, while a ρ value above 0.05 indicates a non-significant influence) [24, 25, 27].

This study had four hypotheses: H1, H2, H3, and H4. Based on the data processing results, all hypotheses were accepted. H1 indicated a positive and significant influence of artificial intelligence (AI) on purchase decision (PD), H1 (β = 0.203, ρ = 0.001). H2 indicated a positive and significant influence of personalization (PS) on purchase decision (PD), H2 (β = 0.557, ρ < 0.001). H3 indicated a positive and significant influence of artificial intelligence (AI) on personalization (PS), H3 (β = 0.701, ρ < 0.001). The results of H4 testing showed that personalization (PS) mediates the influence of artificial intelligence (AI) on purchase decision (PD), H4 (β = 0.390, ρ < 0.001) (as shown in Table 4), and even demonstrated a greater mediation effect compared to the direct influence of artificial intelligence (AI) on purchase decision (PD). This indicates that the mediation provided by personalization (PS) is a partial mediation because both the mediation effect and the direct influence are still positive and significant. The partial

mediation of personalization (PS) in this study is categorized as complementary partial mediation.

Table 4: Hypothesis Testing Results

Hypothesis	Results	
H1:Artificial intelligence exerts a significant positive influence on consumers' purchase decisions of beauty products in the city of Makassar.	*β=0.203, ρ=0.001*	*H1 Supported*
H2: Personalization exerts a significant positive influence on consumers' purchase decisions of beauty products in the city of Makassar.	*β= 0.557, ρ<0.001*	*H2 Supported*
H3: Artificial intelligence exerts a significant positive influence on the personalization of consumers of beauty products in the city of Makassar.	*β= 0.701, ρ<0.001*	*H3 Supported*
H4: Personalization effectively mediates the influence of artificial intelligence on consumers' purchase decisions of beauty products in the city of Makassar.	*β= 0.390, ρ<0.001*	*H4 Supported*

Source: Researcher's Processed Data Findings, 2025

Discussion

Artificial Intelligence (AI) on Purchase Decision (PD)

The research findings, which demonstrate a positive and significant influence of Artificial Intelligence (AI) on Purchase Decision, align with the evolving trends in digital marketing literature. Previous research [1, 28] has underscored the potential of AI in enhancing marketing effectiveness through more precise market segmentation and personalized content [5]. Sophisticated AI algorithms are capable of comprehensively analyzing consumer data, identifying latent preference and behavior patterns [29], thereby enabling companies to deliver marketing messages that are relevant and engaging to each individual [28, 29]. In this context, AI acts as a catalyst in the purchase decision-making process, providing personalized information and product recommendations that align with consumer needs and desires [5, 6].

These research results are also supported by empirical evidence from various industries. The implementation of AI-powered chatbots and virtual assistants has been proven to enhance customer interactions and drive sales conversions [14, 15, 29]. AI allows companies to provide responsive and personalized customer service, answer consumer queries in real-time, and provide relevant product recommendations based on purchase history and individual preferences [1, 18]. This personalized shopping experience creates added value for consumers, increases satisfaction, and ultimately drives purchase decisions [30].

The practical implications of these findings are highly significant for business players in the beauty industry [3, 4, 5]. Investment in AI technology and the development of AI-based marketing strategies can provide a significant competitive advantage [1, 3]. Companies can leverage AI to personalize every customer touchpoint, from product recommendations to promotional offers, creating a unique and engaging shopping experience [3, 4, 5, 6, 30]. Thus, AI not only becomes a tool for enhancing efficiency but also a driver of sustainable business growth in the digital era [1, 30].

Artificial Intelligence (AI) on Personalization (PS)

The research results, which indicate that AI has a positive and significant influence on personalization in the beauty industry, are consistent with the latest developments in AI technology application in marketing. Studies [31] emphasize the importance of personalization in creating unique and memorable customer experiences. AI enables beauty companies to collect and comprehensively analyze consumer data, including purchase history, product preferences, social media interactions, and even facial image analysis to deeply understand consumer needs and desires [4, 8]. Thus, AI empowers companies to offer product recommendations, content, and promotional offers that are truly relevant to each individual [4, 5, 7].

These findings are also supported by empirical evidence from various innovations in the beauty industry [4, 5, 6, 7, 8]. AI-based applications that can analyze skin conditions and recommend appropriate skincare products have grown rapidly [4, 32]. Virtual try-on features that allow consumers to virtually try various cosmetic colors before purchasing are also increasingly popular [32]. AI not only improves efficiency and accuracy in providing personalized recommendations but also creates a more interactive and engaging shopping experience for consumers [4].

The managerial implications of these findings are that beauty companies need to develop comprehensive AI utilization strategies to enhance personalization [4, 5, 7, 8, 32]. Investment in AI technology infrastructure, the development of sophisticated algorithms, and consumer data integration from various sources are crucial [1, 4, 31]. In addition, companies also need to pay attention to ethical aspects and data privacy in implementing AI for personalization, so as to build consumer trust and create a positive experience.

Personalization (PS) on Purchase Decision (PD)

The research findings, which demonstrate that personalization has a positive and significant influence on Purchase Decision in the beauty industry, reinforce the argument regarding the importance of customer-centric marketing strategies. Research [33] has long emphasized that personalization is not merely about customizing products but also about creating unique and memorable experiences. In the competitive beauty industry, personalization enables companies to build closer relationships with consumers by deeply understanding their preferences and providing solutions that meet individual needs [5, 33]. This will ultimately influence consumer value perception and increase their likelihood of making a purchase [17, 33].

These research results are consistent with empirical evidence indicating that consumers tend to be more responsive to personalized messages and offers. Studies [35] show that seamless and personalized omnichannel customer experiences can increase satisfaction, loyalty, and, in turn, purchase decisions. In the beauty industry, personalization can be realized through various means, such as product recommendations tailored to skin types and consumer preferences, relevant promotional offers, and personalized communication via email or application notifications [5, 14, 33]. By leveraging consumer data and digital technology, companies can create a more personalized shopping experience and enhance consumer satisfaction [5, 17, 18].

The implications of these findings are that beauty companies need to increase personalization efforts in their marketing strategies [17, 18, 30, 34]. This can be done by collecting relevant consumer data, leveraging platforms and digital tools that enable personalization [5, 35], and

developing loyalty programs that reward consumers based on their preferences and purchase history [14, 18]. Thus, companies can build stronger relationships with consumers, increase brand loyalty, and ultimately drive sales growth.

Artificial Intelligence (AI) on Purchase Decision (PD) through Personalization (PS)

The research findings, which demonstrate that personalization effectively mediates the influence of AI on Purchase Decision in the beauty industry, confirm the crucial role of personalization as a bridge between AI capabilities and tangible business results. Previous research [36] has highlighted the potential of AI in analyzing market data and identifying opportunities for new product development. However, these AI capabilities need to be translated into a form that can be understood and felt by consumers, and this is where personalization plays a role [37]. By implementing AI to analyze consumer data and provide personalized product recommendations, offers, and messages, beauty companies can optimize the influence of AI on consumer purchase decisions [36].

These research results are supported by empirical evidence indicating that personalization enhances the effectiveness of marketing campaigns and influences consumer behavior [5, 17, 36]. Studies [38] show that personalized omnichannel customer experiences can increase satisfaction, loyalty, and purchase decisions [39]. In the beauty industry, AI-powered personalization can be realized through various means, such as skincare product recommendations tailored to skin types, cosmetic product offers that match color preferences, and social media content relevant to consumer interests [3, 4, 7, 8]. Thus, personalization acts as a mediator that connects AI capabilities with increased Purchase Decision [3, 10, 14, 39].

The managerial implications of these findings are that beauty companies need to develop integrated marketing strategies that combine AI capabilities with personalization [3, 4, 8]. This involves investment in AI technology, consumer data collection and analysis, and the development of systems and processes [39] that enable personalization at every customer touchpoint [3, 4, 5, 37, 38]. By understanding the mediating role of personalization, companies can maximize the benefits of AI in influencing consumer purchase decisions and achieving business goals.

Conclusion

This research has successfully examined the influence of Artificial Intelligence (AI) on Purchase Decision in the beauty industry in the city of Makassar, with a focus on the mediating role of personalization. Empirical findings indicate that AI has a positive and significant influence on Purchase Decision, both directly and through the mediation of personalization. This indicates that AI's ability to analyze consumer data and provide personalized recommendations can effectively enhance purchase decisions. Thus, the integration of AI in the beauty industry's marketing strategies is no longer merely an option but a necessity to remain competitive in the digital era.

Personalization has proven to be an effective mechanism in mediating the influence of AI on Purchase Decision. In the context of the beauty industry, AI-powered personalization enables companies to create unique and relevant shopping experiences for each consumer. This includes product recommendations tailored to individual skin types and preferences, relevant promotional offers, and personalized communication through various digital channels. Thus, personalization not only enhances consumer satisfaction but also strengthens the relationship between consumers

and brands, which ultimately drives purchase decisions.

Overall, this research provides a significant contribution to the understanding of AI's role in marketing, particularly in the context of personalization and Purchase Decision in the beauty industry. The managerial implications of this research are that beauty companies need to adopt integrated marketing approaches that combine AI capabilities with personalization to create superior customer experiences. Investment in AI technology, consumer data collection and analysis, and the development of effective personalization strategies are key to achieving competitive advantage and sustainable business growth.

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