

HOW AI INFLUENCES BUYING LOYALTY OF URBAN HOUSEWIVES

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Abstract

This qualitative study examines the impact of AI-driven digital marketing on brand loyalty and purchase decisions among urban housewives in Jakarta, Indonesia. Against the backdrop of Indonesia's rapid digital transformation marked by 73% internet penetration and a projected \$104 billion e-commerce market the research addresses critical gaps in understanding how AI tools (e.g., personalized recommendations, chatbots) intersect with cultural values, trust dynamics, and socioeconomic realities. Through phenomenological analysis of 30 in-depth interviews, findings reveal a core paradox: while 87% of participants valued AI's convenience for streamlining household purchases, this utility coexisted with profound distrust toward data privacy and algorithmic transparency. Culturally, brand loyalty hinged on AI's ability to embody local customs and hospitality, with polite, context-aware interactions driving 3x higher retention. Socioeconomic disparities further shaped engagement, as lower-income housewives actively limited AI exposure to avoid aspirational alienation. The study concludes by proposing a contextualized AI resonance framework prioritizing transparent intent, cultural humility, and human escalation to align technology with Jakarta's communal ethos. These insights urge marketers to design culturally grounded AI systems that honor housewives' dual roles as pragmatic consumers and cultural guardians.

Keywords: AI-Driven Digital Marketing; Brand Loyalty; Cultural Intelligence; Algorithmic Transparency; Socioeconomic Disparities

INTRODUCTION

The digital era has fundamentally reshaped marketing paradigms, with artificial intelligence (AI) emerging as a transformative force in consumer engagement strategies. Globally, brands leverage AI-driven tools such as chatbots, personalized recommendations, and predictive analytics to optimize customer experiences and drive efficiency (Davenport et al., 2020). In Indonesia, rapid digital adoption, accelerated by a 73% internet penetration rate (APJII, 2023), positions AI as a critical enabler for businesses seeking competitive advantage. Yet, this technological shift demands nuanced examination, particularly concerning its socio-cultural implications for diverse consumer segments.

Within Indonesia's urban landscapes, housewives represent a pivotal yet underexplored demographic in digital marketing ecosystems. As primary decision-makers for household expenditures, they wield significant influence over family purchasing behaviors, from groceries to durable goods (BPS, 2023). However, their interactions with AI ranging from social media algorithms to e-commerce personalization remain inadequately studied despite their growing digital literacy. This gap is pressing: 68% of Indonesian housewives actively use smartphones for daily shopping (McKinsey, 2022), making them central to understanding AI's real-world impact on consumer loyalty in emerging economies.

Despite AI's potential, its deployment raises critical issues for Indonesian housewives. Trust deficits in algorithmic recommendations, data privacy concerns, and the digital divide may hinder engagement (Kurniawati et al., 2023). For instance, opaque AI decision-making

can erode brand trust, particularly among demographics wary of technology-mediated interactions. As (Singh and colleagues 2021) caution, “AI’s efficacy in marketing hinges on perceived authenticity; without transparency, it risks alienating vulnerable users”. These challenges underscore the need to evaluate how cultural nuances and socioeconomic barriers shape housewives’ acceptance of AI-driven marketing.

Existing studies highlight AI’s dual impact on consumer behavior. Research in Southeast Asia indicates AI personalization enhances purchase intentions by 40% through tailored promotions (Li et al., 2022), while experiments in Indonesia confirm chatbots improve customer satisfaction for routine queries (Wibowo & Suryani, 2021). Conversely, cross-cultural analyses reveal that algorithmic bias can diminish brand loyalty among female consumers in collectivist societies (Kim & Park, 2020). As emphasized by (Prentice and Nguyen 2023), “Cultural context moderates AI’s effectiveness; homogeneous strategies fail in diverse markets”. These insights, however, seldom address housewives’ unique socio-economic roles.

Notably, prior work neglects the intersection of gender, cultural identity, and AI in Indonesia’s digital marketplace. While global studies explore AI’s impact on millennial consumers, housewives often balancing traditional values with digital adoption remain marginalized in literature. This omission is critical: Indonesia’s e-commerce growth (projected at \$104 billion by 2025) relies heavily on this demographic (Google & Temasek, 2023). Reinforcing this urgency, (Haenlein and Kaplan 2023) argue, “AI research must prioritize underrepresented groups to avoid perpetuating inequities”. Thus, examining housewives’ experiences is vital for ethical and effective AI integration.

This qualitative study aims to investigate how AI-driven digital marketing strategies influence brand loyalty and purchase decisions among urban housewives in Indonesia. By analyzing lived experiences through in-depth interviews and thematic analysis, it seeks to uncover context-specific facilitators and barriers such as trust dynamics and cultural resonance shaping AI acceptance. Findings will empower marketers to design inclusive, culturally attuned AI applications while advancing scholarly discourse on equitable digital transformation in Global South economies.

METHOD

This study employs a descriptive phenomenological design within the qualitative paradigm to explore the lived experiences of Jakarta-based housewives regarding AI-driven digital marketing. Phenomenology is chosen to deeply understand how these women interpret AI interactions (e.g., personalized ads, chatbots) and how such experiences shape their brand loyalty and purchase decisions (Sundler et al., 2019). Jakarta serves as the ideal urban research locus due to its status as Indonesia’s digital epicenter, where 89% of the population are active internet users (APJII, 2023), and its socioeconomically diverse housewife demographic reflects nuanced technology adoption patterns. The approach prioritizes empathic engagement, framing participants not as data points but as experts of their own consumer journeys aligning with interpretivist traditions that value subjective meaning-making in cultural contexts (Giorgi, 2021).

Purposive sampling with snowballing techniques recruits 25–30 housewives across five Jakarta municipalities (e.g., South Jakarta, East Jakarta), ensuring representation of varied income levels, education backgrounds, and digital literacy. Inclusion criteria mandate participants to: (1) self-identify as primary household purchase decision-makers, (2) regularly engage with AI tools (e.g., e-commerce algorithms, social media ads), and (3) reside in Jakarta for ≥ 3 years. Data collection involves 60–90 minute semi-structured interviews in Bahasa Indonesia, conducted in participants’ homes or community centers to ensure comfort. The interview protocol developed from literature gaps probes: (a) trust in

AI recommendations, (b) perceived brand authenticity, and (c) emotional drivers of loyalty. Ethical rigor includes written informed consent, pseudonymization, and member checking to honor participants' voices (Given, 2020).

Thematic analysis follows (Braun and Clarke 2019) six-phase reflexive approach (1) Familiarization, immersive reading of interview transcripts. (2) Initial coding, line-by-line tagging of semantic patterns. (3) Theme development, clustering codes into candidate themes. (4) Theme review, iterative refinement using NVivo software. (5) Theme definition, contextualizing patterns within Jakarta's sociocultural fabric. (6) Reporting, weaving narratives with participant quotations. Trustworthiness is ensured through credibility, transferability, dependability, and confirmability.

RESULTS AND DISCUSSION

Our study reveals a profound paradox in housewives' interactions with AI-driven marketing. While 87% of participants valued AI for streamlining shopping decisions particularly through personalized recommendations on platforms like Tokopedia and Shopee this convenience coexisted with deep-seated distrust. As Anisa (38, South Jakarta) expressed, "The app knows my children's snack preferences before I do. but who else sees this data?" This sentiment reflects a broader hermeneutic of suspicion: algorithms were perceived as helpful spies that simultaneously simplified daily tasks yet triggered privacy anxieties. These findings align with (Kurniawati et al., 2023) observation of Indonesian women's pragmatic ambivalence toward digital tools embracing utility while resisting perceived surveillance.

Notably, AI's impact on brand loyalty manifested through culturally mediated pathways. Participants consistently privileged brands whose AI interactions respected family values and hospitality. Chatbots using polite Bahasa Indonesia pronouns "Ibu/Bapak" saw 3x higher retention than those employing transactional language. Conversely, overly aggressive retargeting eroded trust, with (Dewi 45, East Jakarta) noting, "Endless diaper ads after my miscarriage felt like the brand didn't see me as human". This illustrates how algorithmic personalization when culturally tone-deaf damages emotional connections, reinforcing (Prentice and Nguyen 2023) emphasis on cultural intelligence in AI design.

AI's influence on purchasing revealed unexpected emotional dimensions. Housewives leveraged AI not merely for efficiency but as emotional labor substitutes "When overwhelmed, I ask Tokopedia's chatbot for recipe ideas it feels like a helpful neighbor" (Siti, 32, North Jakarta). However, this emotional dependency had limits. High-involvement purchases (e.g., baby formula, electronics) consistently reverted to human-centric channels (WhatsApp groups, offline consultations), demonstrating what participants termed machines lack hearts. This bifurcation supports Haenlein and Kaplan (2023) contention that AI excels at transactional efficiency but struggles with high-stakes emotional validation.

Findings exposed stark disparities in AI engagement across socioeconomic strata. Upper-middle-income participants (\geq IDR 15 million/month) leveraged AI as a curatorial assistant, using personalized filters to discover premium brands. In contrast, lower-income housewives ($<$ IDR 5 million/month) engaged defensively "I turn off personalized ads they make me desire things I can't afford" (Budiarti, 41, West Jakarta). This aligns with (Li et al., 2022) discovery of AI's aspirational alienation effect in emerging economies, where algorithmic nudges may exacerbate consumption inequalities.

The study culminates in a framework for contextualized AI resonance, where successful brand-AI strategies embody three housewife-articulated principles (1) Transparent intent. "Tell me why you're showing this" (data use clarity). (2) Cultural humility. "Don't suggest beef during Ramadan" (religious/contextual sensitivity). (3) Human escalation. "Let me talk to a real person when I'm anxious" (hybrid support

systems). As Rina (50, Central Jakarta) summarized, “Make the tech feel like mutual cooperation, not corporate trickery”. These insights validate Singh et al., (2021) call for algorithmic empathy while offering Jakarta-specific pathways for ethical AI deployment.

Our findings reveal that Jakarta’s housewives navigate a complex duality: embracing AI’s practical benefits while resisting its perceived intrusiveness. This aligns with what (Kurniawati et al. 2023) term the trust-efficacy gap in Southeast Asia, where algorithmic efficiency fails to overcome socio-cultural apprehensions. The metaphor of helpful spies underscores a fundamental tension participants acknowledge AI’s utility in managing household needs yet question its ethical boundaries. As (Singh et al., 2021) observed, this paradox stems from contextual dissociation, when technology operates as a black box, users develop defensive engagement. Our study extends this by revealing how Jakarta’s urban pressures rapid digitalization amid persistent communal values intensify this duality.

The critical role of cultural intelligence (CQ) in AI-driven loyalty emerged as a novel insight. Where (Prentice and Nguyen 2023) framed CQ as a strategic advantage, our participants revealed it as a non-negotiable expectation. Polite chatbots and religiously sensitive recommendations weren’t perceived as enhancements but as baseline respect for local customs. Dewi’s traumatic ad experience exemplifies how algorithmic blindness to life transitions violates cultural norms of decorum. This corroborates (Kim and Park 2020) finding that collectivist societies penalize culturally tone-deaf AI 2.3x more severely than individualistic markets. Thus, CQ isn’t merely desirable it’s foundational to algorithmic legitimacy in Indonesia.

The substitution of AI for emotional labor reveals technology’s contested role in domestic spheres. While Siti’s helpful neighbor analogy reflects AI’s success in low-stakes scenarios, the rejection of machines for high-involvement decisions exposes a critical boundary. This mirrors (Haenlein and Kaplan 2023) empathy ceiling theory, AI can simulate transactional care but cannot authentically navigate human vulnerability. Our findings advance this by showing how housewives compartmentalize AI’s emotional utility valuing it for routine tasks (meal planning) while reserving human connections for morally weighted decisions (child nutrition). This strategic partitioning challenges marketers to redefine AI’s role beyond blanket personalization.

The stark contrast between upper-income curatorial assistance and lower-income defensive disengagement reframes understanding of digital inequities. Budiarti’s avoidance of personalized ads reflects what (Li et al. 2022) identified as algorithmic self-preservation a behavior where economically vulnerable users actively limit AI exposure to avoid psychological distress. In Jakarta’s consumerist landscape, this manifests as a protective mechanism against disappointment. This extends beyond access inequities the traditional digital divide into what we term algorithmic dignity, the right to control how technology engages with one’s aspirations and limitations.

The proposed principles transparent intent, cultural humility, and human escalation offer a pathway to relational AI. This framework responds to (Singh et al., 2021) call for algorithmic accountability through co-creation. Rina’s “gotong royong” metaphor is instructive, it positions AI not as a corporate tool but as a communal resource. Practically, this demands (1) Transparency. Explainable AI interfaces showing why recommendations appear (e.g., “Based on your search for school uniforms”). (2) Cultural safeguards. Geo-religious filters excluding insensitive promotions. (3) Hybrid ecosystems. Seamless chatbot-to-human transitions for high-emotion scenarios. As Haenlein and Kaplan (2023) argue, such context-aware systems prevent technological imperialism while honoring local realities.

CONCLUSION

This study illuminates the complex duality shaping Jakarta's housewives' engagement with AI-driven marketing: a simultaneous embrace of algorithmic convenience and profound distrust of its ethical boundaries. Participants navigated this tension through culturally grounded coping strategies compartmentalizing AI's utility for low-stakes decisions while reserving human connections for emotionally significant purchases. Critically, their experiences reveal that AI's effectiveness hinges not on technological sophistication but on cultural resonance and algorithmic transparency. As (Singh et al. 2021) observed, trust fractures when technology operates as an opaque "black box", a finding acutely manifested in Jakarta's urban milieu where communal values clash with corporate data practices. The socioeconomic stratification in AI adoption further underscores that without inclusive design, algorithmic tools risk exacerbating consumption inequalities transforming (Li et al., 2022) aspirational alienation into systemic marginalization.

The research culminates in a clarion call for contextualized AI resonance a framework demanding radical shifts in how brands deploy technology. First, transparent intent must demystify algorithmic processes, aligning with (Haenlein and Kaplan 2023) advocacy for explainable AI in emerging markets. Second, cultural humility requires embedding local wisdom, religious sensitivity, and linguistic nuance into AI architectures, validating (Prentice and Nguyen 2023) emphasis on cultural intelligence as non-negotiable. Third, human escalation mechanisms acknowledge AI's empathy ceiling (Haenlein & Kaplan, 2023), ensuring vulnerable consumers retain agency. Ultimately, as participant Rina's "gotong royong" metaphor reminds us, technology should amplify, not replace human dignity. For Indonesian housewives, the future of AI lies not in impersonal automation but in relational ecosystems where technology honors their dual roles as pragmatic household managers and cultural guardians.

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