

A STUDY OF THE INFLUENCE OF DIGITAL PERSONALIZATION AND CUSTOMER EXPERIENCE ON SATISFACTION AMONG GENERATION Z IN E-COMMERCE

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Abstract

This study aims to analyze the influence of digital personalization and customer experience on the satisfaction of Generation Z on e-commerce platforms. Generation Z, known as digital natives, has high expectations for a shopping experience that is easy, personalized, and innovative. This research employs a systematic literature review method by examining relevant journals published between 2020 and 2025, especially from leading databases. The findings show that digital personalization realized through the use of artificial intelligence to tailor products, services, and communications to user preferences significantly increases the relevance, convenience, and loyalty of Gen Z customers. In addition, a positive customer experience including easy navigation, fast service, secure transactions, and responsive digital interactions also demonstrably increases customer satisfaction and retention. However, issues of data privacy and transparency in technology use remain major concerns for Gen Z, so personalization strategies and customer experience management must be implemented ethically and transparently. These findings provide strategic implications for e-commerce players to continue innovating in building satisfaction and loyalty among Gen Z customers in the competitive digital era.

Keywords: digital personalization, customer experience, customer satisfaction, Generation Z, e-commerce

INTRODUCTION

In the ever-evolving digital era, consumer behavior is becoming increasingly complex and dynamic. One consumer group that has attracted the attention of the marketing world is Generation Z, the successor to Generation Y or Millennials. Generation Z was born between the mid-1990s and early 2010s, growing up amid rapid technological advancements, including the internet, social media, and mobile devices, Abdul Halim (2024).

The rapid growth of e-commerce in the digital era has led to significant changes in consumer behavior, especially among Generation Z, who are recognized as digitally literate. This generation is highly familiar with technology and has high expectations for a shopping experience that is easy, personalized, and innovative. Shopee, as one of the largest e-commerce platforms in Southeast Asia, has become a favorite among Gen Z due to its easy access, diverse digital features, and its ability to tailor the user experience.

A key strategy implemented by Shopee to enhance Gen Z customer satisfaction is digital personalization. By utilizing artificial intelligence (AI), Shopee can deliver product recommendations, offers, and content that match user preferences and behavior. According to Chandrakumar (2024), more than 54% of Gen Z prefer personalized recommendations, and AI-based personalization has been shown to significantly increase satisfaction and purchase opportunities in e-commerce. Other studies also confirm that digital personalization strengthens customer engagement and loyalty, as Gen Z feels more valued and understood by the platforms they use.

In addition to personalization, customer experience is also a crucial element in building Gen Z satisfaction on Shopee. A seamless, responsive, and enjoyable experience throughout all stages of interaction from app navigation and purchasing processes to after-sales service plays a major role in determining Gen Z satisfaction and loyalty. Research by Gunawan & Situmorang (2024) on Gen Z Shopee users in Indonesia shows that customer experience has a more significant impact on satisfaction than chatbot features. This finding emphasizes the importance of optimizing all aspects of the customer experience, from application usability and service speed to delivery quality.

However, behind the rapid development of digital innovation and the implementation of personalization, there are challenges related to data privacy protection and trust in the AI technology used. International studies reveal that although Gen Z highly values personalization, they also demand transparency and full control over their personal data. Therefore, Shopee must ensure that every personalization strategy and customer experience improvement is carried out ethically, transparently, and with full consideration of the increasingly critical and privacy-conscious needs of young consumers.

The research problem arises from the gap between young consumers' expectations for personalization and digital experience and the reality of services provided by most e-commerce platforms today. The high level of digital literacy and the tendency of Generation Z to demand transparency, authenticity, and control over personal data drive companies to continuously innovate in developing adaptive, ethical, and data-driven marketing strategies. This study aims to examine the crucial role of digital personalization and customer experience in increasing Gen Z satisfaction, as well as provide strategic directions for e-commerce industry players in facing challenges and leveraging opportunities in the digital era through a systematic literature review approach based on searches in ScienceDirect and Google Scholar.

LITERATURE REVIEW

Digital Personalization

Personalization in digital marketing refers to the customization of marketing messages, offers, and experiences for individual customers based on their preferences, behaviors, and past interactions with the brand, Dassucik (2025). Personalization is key to an effective digital marketing strategy. By understanding customer preferences and needs, companies can deliver tailored messages and offer relevant products or services. This can increase customer satisfaction and strengthen their loyalty, Frans Sudirjo (2023). Digital personalization has a major impact on the perceptions and feelings of Generation Z. Ads tailored to individual preferences, such as product recommendations based on search history, increase the relevance and appeal of these stimuli. Generation Z feels more valued when marketing content reflects their needs or interests, which ultimately strengthens their emotional bond with the brand. This underscores the importance of data utilization in creating personalized marketing experiences, Dewi Suryaningsih (2025).

Customer Experience

According to Shaw & Hamilton (2016), customer experience is the customer's perception of various forms of interaction rational, physical, emotional, subconscious, or psychological with various parts of an organization. This perception influences customer behavior, builds memories that can increase loyalty, and ultimately impacts the organization's economic value. Garg et al. (2012) state that customer experience includes both direct and indirect experiences with services, organizations, facilities, and the way customers interact with both the company's services and other customers. This process produces cognitive, emotional, and critical customer responses, creating a deep and memorable experience. Schmitt & Zarantonello (2014) identify five main indicators of customer experience: (1) Sense, (2) Feel, (3) Think, (4) Act, and (5) Relate.

Customer Satisfaction

Customer satisfaction is the reaction or feeling that arises after an individual uses or evaluates the products or services they receive based on personal experience. This assessment generally covers the extent to which the product or service meets expectations, which ultimately affects the customer's feelings toward the company, Purnomo et al. (2020). Customer satisfaction refers to the extent to which customers feel satisfied with the products or services provided by a company. If customers are satisfied with their experience using Shopee, they are more likely to continue using the service. Moreover, consumer trust also influences their interest in using Shopee, Bagas Elwi Nibra (2025). According to Walga & Siregar (2023), customer satisfaction can be achieved if customers feel that the value of the product they purchased meets their expectations. Irawan, in Rizayanti (2021) outlines the following indicators of customer satisfaction:

1. Feeling satisfied: Consumers feel satisfied when they receive good service and the results are not disappointing;
2. Recommending to others: Satisfied consumers will share positive experiences with friends or relatives if the service is very satisfying;
3. Repeat usage: If the experience is satisfying, consumers tend to use the product or service again.

RESEARCH METHODS

The novelty of this research lies in the use of a qualitative method with a primary approach in the form of a literature review. Data is processed through analysis of previous research results relevant to the topic and discussion. Through literature review analysis, this study aims to identify patterns and themes that emerge from the journals reviewed. The initial step in this process is searching for journals by setting search parameters that include keywords such as "digital personalization," "customer experience," and "customer satisfaction." Journal selection is based on reputation, research methods used, and relevance to the topic. The selected journals contain the latest findings and expert views related to digital personalization and customer experience in efforts to increase customer satisfaction. The next stage after journal search is screening based on publication year. Only journals published between 2020 and 2025 are considered. The search focuses on relevant articles to match the research context. From this search, the six most relevant and highest-quality journals are selected for in-depth analysis. The journals found are then further screened to ensure their suitability with the research guidelines. In this study, the Mendeley application is used to facilitate citation management. Furthermore, literature review analysis is conducted to provide an understanding of the impact of customer complaints on their loyalty and satisfaction. The results of this study are expected to help Shopee optimize its personalization strategy, where customer experience is also a crucial factor in increasing the satisfaction of Generation Z Shopee users.

RESULTS AND DISCUSSION

Based on Table 1, it can be identified that a number of journals referenced in this study systematically examine the role of digital personalization and customer experience as key determinants in increasing consumer satisfaction.

Table 1. Previous Research

Number	Journal	Objective	Methodology	Result
1	Adel Odeh Al-Hashem, Mohamad Mohamad Al-Laham, & Ammar Khader Almasri. (2022)	This study aims to analyze the influence of e-personalization and e-customization on electronic customer satisfaction (e-customer satisfaction)	The analysis was conducted using Partial Least Squares (PLS) and SPSS to examine the relationships among the	The results of the study indicate that digital personalization (e-personalization) plays an important role in enhancing customer satisfaction in the digital banking sector. The effective implementation of digital personalization can serve as

	E-Personalization and E-Customization Model for Enhancing E-Customer Satisfaction in the Case of Covid-19: Empirical Evidence from Banking Sector in Jordan	in the banking sector of Jordan during the Covid-19 pandemic.	research variables.	a key strategy to maintain and improve customer satisfaction in the era of digital transformation.
2	Abinesh R.C, Rhytheema Dulloo (2024) The Impact of AI-Driven Personalization on Customer Satisfaction in E-Commerce: Balancing Technology, Transparency, and Control	This study aims to analyze the influence of AI-driven personalization on customer satisfaction in e-commerce.	The analysis was conducted using multiple linear regression to examine the influence of AI-driven personalization, algorithm transparency, and customer control on customer satisfaction.	The results of the study indicate that AI-driven digital personalization significantly enhances customer satisfaction in e-commerce. However, the success of this strategy is highly influenced by system transparency and the provision of customer control, ensuring that the personalization experience is ethical, relevant, and aligned with user expectations.
3	Indra Permadi & Riki Riswandi. (2025). The Impact of Digital Customer Experience on Purchase Decisions in E-Commerce	This study aims to analyze the role of personalization elements, website navigation, and transaction security, as well as how these elements affect customer satisfaction and purchase decisions.	The analysis was conducted using Structural Equation Modeling (SEM) to examine both the direct and indirect effects among the variables.	The research results indicate that digital personalization is a key factor that significantly increases customer satisfaction and drives purchase decisions in e-commerce. Effective personalization strategies, such as tailored product recommendations and content, are crucial for maintaining competitiveness and customer loyalty in the competitive digital market.
4	Hasfar M., Theresia Militina, Gusti Noorlitaria Achmad. (2020) Effect of Customer Value and Customer Experience on Customer Satisfaction and Loyalty PT Meratus Samarinda	This study aims to determine the influence of customer value and customer experience on customer satisfaction at PT Meratus Samarinda.	Using Partial Least Squares (PLS) and structural equation modeling (SEM)/path analysis to analyze the causal relationships among latent variables in the structural model.	The results of the study show that customer experience has been proven to significantly increase customer satisfaction and loyalty. Positive experiences while using the company's services are the main factor that encourages customers to remain loyal and feel satisfied with the services provided.
5	Sri Lestari & Leonard Adrie Manafe. (2023)	This study aims to analyze the influence of product variety and	The analysis was conducted using multiple linear	The results of the study show that customer experience is the most dominant factor influencing customer

	The Influence of Product Variety and Customer Experience on Customer Satisfaction	customer experience on customer satisfaction with basreng products at Kedai77.	regression to determine the simultaneous and partial effects of the two independent variables.	satisfaction, surpassing the effect of product variety. Therefore, companies need to focus on improving the quality of customer experience in order to maintain and enhance customer satisfaction and loyalty.
6	Sri Rahayu & Sri Tita Faulina. (2022). The Influence of Digital Customer Experience in Creating Customer Satisfaction and Customer Loyalty in the Digital Era (Case Study of OVO)	This study aims to analyze the influence of digital customer experience in creating customer satisfaction among OVO users in the digital era.	The analysis was conducted using Structural Equation Modeling (SEM) as a representation of the inner model.	The research results indicate that digital customer experience is a key factor that significantly increases customer satisfaction and loyalty in the digital era. Companies like OVO that are able to manage digital experience well will gain a competitive advantage through increased customer satisfaction and loyalty.

The first journal discusses digital personalization, which enables companies to tailor products, services, and communications based on each customer's specific data and preferences, implemented through technologies such as collaborative filtering and content-based recommendation. Effective digital personalization strategies have been proven to strengthen company-customer relationships, increase satisfaction levels, and build customer loyalty in an increasingly competitive digital landscape. These findings align with previous research emphasizing the importance of data driven services in enhancing customer satisfaction in both banking and e-commerce sectors. The journal also recommends that companies and other businesses increase investment in innovative digital personalization business models to maintain and improve customer satisfaction, especially in challenging situations such as the pandemic. Digital personalization is proven to be a key factor in building electronic customer satisfaction, and implementing the right personalization strategies is highly recommended to strengthen competitiveness and customer loyalty in today's digital era.

The second journal discusses AI driven digital personalization, which enhances a more relevant, efficient, and satisfying shopping experience, thereby driving customer loyalty and retention. AI algorithms analyze behavior, preferences, and shopping history to provide product recommendations and offers tailored to individual needs. Algorithm transparency is important for building trust and satisfaction, as customers who understand how personalization systems work feel more comfortable and trust the platform. Customer control over personalization is also significant; preference and data settings features make customers feel valued and autonomous. This research highlights potential risks such as personalization fatigue and privacy concerns, so a balance is needed between the benefits of personalization and customer rights protection. In practice, companies need to develop advanced, transparent personalization systems that give users control so that the benefits are optimal and well received. AI based digital personalization is a key factor in increasing e-commerce customer satisfaction. The success of this strategy is greatly influenced by system transparency and giving control to customers, so that the personalization experience runs ethically, relevantly, and as expected by users.

The third journal discusses digital personalization, which increases the relevance and convenience of the shopping experience, making customers feel valued and individually understood. The main indicators of digital personalization include suitable product recommendations, relevant content and ads, preference reminders, and understanding consumer needs. This research is

consistent with previous studies showing that effective personalization strengthens engagement, loyalty, and e-commerce customer satisfaction. In practice, e-commerce platforms that consistently adopt digital personalization strategies will be able to increase customer satisfaction, loyalty, and purchase decisions. The main challenge is balancing personalization relevance and personal data protection, so transparency and education about data use are key to building customer trust. Digital personalization is a key factor that significantly increases satisfaction and purchase decisions in e-commerce. Effective personalization implementation, supported by technology and data analytics, is essential for maintaining competitiveness and customer loyalty in today's competitive digital era.

The fourth journal discusses customer experience as a key factor in shaping customer satisfaction and loyalty in the shipping services industry. Customer experience is measured through service accessibility, provider competence, customer recognition, assistance ease, service personalization, problem solving, promise fulfillment, and respect for customer time. Positive experiences such as easy access, competent service, and quick problem resolution drive higher satisfaction. This satisfaction ultimately strengthens loyalty, where customers tend to make repeat shipments and recommend the service to others. These findings are consistent with previous theories and research stating that excellent customer experience strengthens long term relationships between companies and customers and becomes a major differentiator in the competitive service market. Companies need to continuously improve and manage customer experience to maintain satisfaction and loyalty sustainably. Customer experience has been proven to significantly increase customer satisfaction and loyalty. Positive experiences while using company services are the main factors that encourage customers to remain loyal and satisfied with the services provided.

The fifth journal discusses customer experience measured through customer perceptions of interactions, services, convenience, and comfort during shopping. Positive experiences such as easy access, friendly service, and smooth purchasing processes significantly increase customer satisfaction. These findings align with previous theories and research stating that good customer experience strengthens loyalty, encourages repeat purchases, and becomes a major differentiator in a competitive market. Companies need to prioritize improving the quality of customer experience, such as improving service, providing clear information, and creating a comfortable shopping atmosphere so that customer satisfaction and loyalty can be maintained. Customer experience is the most dominant factor in increasing customer satisfaction, surpassing the influence of product variety. Focusing on customer experience will help companies maintain and increase customer satisfaction and loyalty.

The last journal discusses digital customer experience as a key factor in building customer satisfaction and loyalty in the digital era. A good digital experience, such as ease of transaction, security, service speed, and personalization, makes users feel valued and satisfied. Optimal DCE facilitates customers to transact independently quickly and safely, thereby increasing comfort and trust in digital services. Satisfaction from this digital experience drives loyalty, where customers tend to make repeat transactions and recommend services to others. These findings are consistent with previous theories and studies emphasizing the importance of digital customer experience in building long-term customer relationships and increasing company value. Optimal use of digital technology is key to facing the challenges of the digital era, where customers expect responsive and personal service. Digital customer experience is a key factor that significantly increases customer satisfaction and loyalty in the digital era. Companies like OVO that can manage digital experience well will gain a competitive advantage through increased customer satisfaction and loyalty.

CONCLUSION

Based on the findings obtained through this Systematic Literature Review, it can be concluded that digital personalization and customer experience have a significant effect on Generation Z satisfaction in e-commerce. Digital personalization enables platforms to tailor products, services, and communications to Gen Z preferences, thereby increasing relevance, convenience, and customer loyalty. Positive customer experiences such as easy navigation, fast service, secure transactions, and responsive interactions also clearly increase Gen Z satisfaction and retention. However, attention to data privacy and transparency remains important so that these strategies work effectively and are well received by young consumers in the digital era.

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