AI Impact on Consumer Perception in Digital Marketing in Chennai City

S.Krishnaa[1] and P. Pranava[2]

"AI will not replace your job but a person knowing to use AI will definitely replace your job"-Elon Musk

Abstract

Artificial Intelligence refers to the simulation of human intelligence processes by machines, and computer systems. These processes include learning, reasoning, problem-solving, perception, language understanding, decision-making and Digital Marketing. They have the ability to adapt and improve over time based on experience and data.

AI in digital marketing involves using artificial intelligence technologies to streamline and enhance various aspects of marketing, such as automating tasks, analyzing data, improving customer interactions, and optimizing campaigns for better results. It includes tools like

- *Email Marketing*
- *Digital Advertising*
- *Web Designing*
- *Voice Search Optimization*

Keywords: Targeted Advertising, Chatbots Voice Search, Customer Journey, Content Optimization, Segmentation.

[1] Student, Department of Bank Management, Ramakrishna Mission Vivekananda College, Evening, Autonomous, Mylapore, Chennai-04.

[2] Student, Department of Bank Management, Ramakrishna Mission Vivekananda College, Evening, Autonomous, Mylapore, Chennai-04.

Introduction

In today's rapidly evolving digital era, the development of technology and marketing has provided a new era of engagement, personalization, and innovation. At the heart of this transformation lies Artificial Intelligence (AI), an unparalleled technological programme that is redefining the very nature of consumer interactions and perceptions within the dynamic realm of digital marketing. This presentation is dedicated to bring knowledge about the numerous impacts of AI on consumer perception in the vibrant city of Chennai, where technology meets culture in a unique blend.

Consumer perception has been an important factor of marketing strategies, driving decisions on product design, communication, and positioning. However, with the development of AI, businesses now possess an AI tool capable of turning data into personalized experiences that resonate deeply with individuals. From customized product recommendations to tailored advertisements, AI has the power to curate consumer journeys that leave a lasting impact. But the implications go beyond personalization; AI is refining the art of storytelling, transforming ordinary interactions into compelling narratives that connect brands with consumers on a profoundly human level.

STATEMENT OF THE PROBLEM

Examining the Effect of AI Integration on Consumer Perception in Chennai's Digital Marketing Landscape." The Statement of problem "Examining the Effect of AI Integration on Consumer Perception in Chennai's Digital Marketing Landscape" involves investigating the influence of Artificial Intelligence (AI) integration on how consumers perceive brands, products, and services within the context of digital marketing in Chennai. The research aims to explore how the adoption of AI technologies, such as personalization algorithms, chatbots, and data analytics, impacts consumer perceptions of authenticity, engagement, trust, and overall satisfaction with digital marketing interactions. By delving into this problem, the study seeks to uncover both positive and potential negative aspects of AI-driven strategies on consumer perception, offering insights that can guide marketers in creating effective and ethical AI-powered digital marketing campaigns in Chennai.

OBJECTIVE OF THE STUDY

1. To study the consumer engagement and perception in AI consumers in Chennai.
2. To examine the consumer trust and perceptions of brand authenticity in AI technologies, such as chatbots and automated interactions.
3. To study about the data privacy concerns in AI privacy and security.
4. To suggest the measure consumer satisfaction and loyalty in AI

LITERATURE REVIEWS

The Impact of Artificial Intelligence on Consumer Behaviour in Chennai" by A.K. Singh and S.K. Srivastava (2022) examines the impact of AI on consumer behaviour in Chennai. The study finds that AI can have a positive impact on consumer engagement, trust, and satisfaction. However, the study also finds that AI can raise concerns about data privacy and security.

The Role of Artificial Intelligence in Digital Marketing in Chennai" by S.K. Sharma and R.K. Singh (2021) discusses the role of AI in digital marketing in Chennai. The study finds that AI can be used to personalize content, target ads, automate tasks, and make better decisions. The study also finds that AI can be used to address data privacy concerns and improve consumer trust.

The Use of Artificial Intelligence in Voice Search Optimization in Chennai" by V.K. Gupta and A.K. Srivastava (2020) examines the use of AI in voice search optimization in Chennai. The study finds that AI can be used to improve the accuracy of voice search results, make voice search more convenient, and reach a wider audience and use for the development of digital marketing.

ANALYSIS

The occupation of people and the impact of AI on consumer perception in digital marketing

H_0 there is no significant difference between the occupation of people and AI-powered chatbot's ability to address your queries or concerns
H_1 there is significant difference between the occupation of people and AI-powered chatbot's ability to address your queries or concerns

Table 1: Results of ANOVA

ANOVA: SINGLE FACTOR

SUMMARY

Groups	Count	Sum	Average	Variance
Column 1	52	132	2.538462	1.665158
Column 2	52	118	2.269231	0.710407

ANOVA

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	1.884615	1	1.884615	1.586667	0.210678	3.934253
Within Groups	121.1538	102	1.187783			
Total	123.0385	103				

INTERPRETATION

From the above data we could identify that p value (0.210678) is greater than 0.05 therefore H_0 is rejected. Hence H_1 is accepted.

Table 2: ANOVA SINGLE FACTOR

SUMMARY

Groups	Count	Sum	Average	Variance
Column 1	52	132	2.538462	1.665158
Column 2	52	107	2.057692	0.800528

ANOVA

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	6.009615	1	6.009615	4.874599	0.029495	3.934253
Within Groups	125.75	102	1.232843			
Total	131.7596	103				

INTERPRETATION

H_0, there is no significant difference between Occupation and AI is performing well in Digital Marketing

H_1, there is significant difference between Occupation and AI is performing well in Digital Marketing

From the above data we could identify that p value (0.029495) is lesser than 0.05 therefore, H_0 must be accepted.

Table 3: ANOVA SINGLE FACTOR

Groups	Count	Sum	Average	Variance
Column 1	52	132	2.538462	1.665158
Column 2	52	162	3.115385	0.809955

ANOVA

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	8.653846	1	8.653846	6.992687	0.009478	3.934253
Within Groups	126.2308	102	1.237557			
Total	134.8846	103				

INTERPRETATION

H_0 there is no significant difference between occupation and enrolment with brands online for shopping or interactions

H_1 there is significant difference between occupation and enrolment with brands online for shopping or interactions

From the above data we could identify that p value (0.009478) is lesser than 0.05 therefore H_0 must be accepted.

FINDINGS AND SUGGESTIONS:

AI enables marketers to analysis consumer behaviour and preferences and shaping of AI in consumer perception allowing them to deliver personalized content and advertisements of brands. This personalization enhances consumer engagement and positively influences perception. Enhanced AI-powered chatbots and virtual assistants offer real-time support, improving customer experience and satisfaction.

Data-Driven insights can help AI marketers gather and analyses vast amounts of data, providing insights into consumer behaviour, preferences, and trends.

Improved content creation with AI-generated content saves time and resources while maintaining quality. However, there might be concerns about authenticity and gender and their involvement in online brands shopping.

CONCLUSION:

The impact of AI on consumer perception in digital marketing in Chennai is undeniable. AI-driven personalization, enhanced customer experiences through chatbots, data-driven insights, improved content creation, and predictive analytics contribute to a positive consumer perception. However, ethical data practices and a balanced approach to human-AI collaboration are crucial to maintaining trust and authenticity. As AI technology continues to evolve, businesses that adapt and integrate it effectively into their digital marketing strategies are likely to enjoy a competitive edge and enhanced consumer perception in Chennai's dynamic market.

In conclusion, the impact of AI on consumer perception in digital marketing in Chennai is multifaceted. When harnessed effectively, AI can lead to positive perceptions through personalized experiences, enhanced engagement, improved user experiences, and cultural relevance. However, businesses must navigate challenges related to trust, transparency, data privacy, and cultural sensitivity to maximize the benefits of AI and build lasting consumer relationships.

References

1. BrandLume (2022): AI Marketing: How Artificial Intelligence is Taking Over The Digital Marketing Realm, https://brandlume.com/ai-marketing-how-artificial-intelligence-is-taking-over-the-digital-marketing-realm/

2. Abid Haleem, Mohd Javaid, Mohd Asim Qadri, Ravi Pratap Singh, Rajiv Suman (2022): Artificial intelligence (AI) applications for marketing: A literature-based study, International Journal of Intelligent Networks, Volume 3, pp 119-132,

3. Sakshi Singh (2023): Will AI Disrupt the Digital Marketing Domain? https://spectrahospitality.com/will-ai-disrupt-the-digital-marketing-domain/

4. Srihari Sasikumar (2023): How Companies Are Using AI In Digital Marketing, https://www.simplilearn.com/how-companies-are-using-artificial-intelligence-ai-in-digital-marketing-article

5. George Iskef (2021): AI adaption in digital marketing Subject area, School of Engineering at Jönköping University, https://www.diva-portal.org/smash/get/diva2:1621261/FULLTEXT01.pdf

6. Trisha Bharati (2023): Advantages of Artificial Intelligence in Digital Marketing, https://www.safalta.com/careers/advantages-of-artificial-intelligence-in-digital-marketing

7. Ravi Shankar Bose (2023): Impact of AI in Digital Marketing: How ChatGPT and Generative AI are Revolutionizing the Industry, https://www.asiabusinessoutlook.com/industry-experts/impact-of-ai-in-digital-marketing-how-chatgpt-and-generative-ai-are-revolutionizing-the-industry-nwid-3289.html

QUESTIONNAIRE

1.Your Name

2. Age

3.Gender
   A. Male
   B. Female

4.Occupation
   A. Student
   B. Government Job
   C. Private Job
   D. Self Employed

5.Are you frequently observing personalized content or product recommendations from brands based on your online behaviour?
   A. Strongly Agree
   B. Agree

C. Neutral

D. Disagree

E. Strongly Disagree

6.How often do you engage with brands online for shopping or interactions?

A. Rarely

B. Occasionally

C. Frequently

D. Always

7.Do you agree whether AI is performing well in Digital Marketing?

A. Strongly Agree

B. Agree

C. Neutral

D. Disagree

E. Strongly Disagree

8.Artificial Intelligence is useful to analyse and improving quality according to feedbacks

A. Strongly Agree

B. Agree

C. Neutral

D. Disagree

E. Strongly Disagree

9.Have AI-generated product recommendations influenced your purchasing decisions?

A. Yes, significantly

B. Yes, To some extent

C. No, not really

D. No, not at all

10.How do you perceive brands using AI to analyse social media sentiments for shaping marketing strategies?

A. Positive Impact

B. Neutral Impact

C. Negative Impact

D. Not sure

11.Do you agree with a brand that disclose their use of AI in their marketing strategy?33 responses

A. Strongly
   Agree

B. Agree

C. Neutral

D. Disagree

E. Strongly
Disagree

12. Have you experienced marketing content adapted to the local Chennai market using AI technology?

A. Yes,
frequently

B. Yes,
occasionally

C. No, rarely

D. No, never

13. How do you perceive AI-generated personalized content compared to traditional marketing methods?

A. More relevant and
engaging

B. Equally relevant and
engaging

C. Less relevant and
engaging

D. Not sure

14. In your opinion, how might AI impact your future online shopping experiences in Chennai?

A. Enhance personalization and convenience

B. Not much impact

C. Make interactions more complex

D. Unsure

15. How do you feel about brands using AI to adapt their marketing content to local languages?

A. Positively influence on perception

B. Neutral influence on perception

C. Have no impact on perception

D. Not sure

16. How satisfied were you with the AI-powered chatbot's ability to address your queries or concerns

A. Very
Satisfied

B. Satisfied

C. Neutral

D. Dissatisfied

E. Very
Dissatisfied

17. How do you think AI will impact your future interactions with brands in digital marketing space?

    A. Enhance personalization

    B. No significant impact

    C. Make an interaction more complex

    D. Not sure

18. Do you agree the role of AI in shaping consumer perception in digital marketing in Chennai?

    A. Strongly Agree

    B. Agree

    C. Neutral

    D. Disagree

    E. Strongly Disagree

***