Impact of AI in Digital Marketing with special reference to Tirupur City

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Abstract

Artificial Intelligence (AI) has undergone a remarkable evolution within the realm of digital marketing, fundamentally reshaping how business interact with consumer and conduct marketing activities. This section provides a historical overview of AI n digital marketing, explores the emergences of AI technologies, and examines their integration into marketing practices.

Keywords:

Artificial Intelligence, Digital Marketing, AI Tools, Role of Digital Marketing.

INTRODUCTION:

The digital marketing sector has been greatly impacted by artificial intelligence (AI), which has changed how companies engaged with their companies with their clientele and opened up new avenues for data-driven and tailored marketing campaigns. Artificial intelligence (AI) driven technologies, such machine learning, natural language processing, and predictive analytics, have made it possible for companies analyses enormous volume of data, spot trend and insights, and automate labour- intensive, manual process. The capacity to personalize data and encounter for certain customer is one among the major positive aspects of AI in marketing via the web. AI algorithms may provide customized material as well as targeted marketing effort that are appealing to certain demographics through assessing information about customer behaviour, preference, and past purchase. Increased client loyalty, engagement & conversion rates may result via this. The possibility of AI to automate time-consuming and routine tasks like data entry, reporting, and refinement have a significant impact on digital marketing as well. This gives marketers mare time to devote to creative thinking and strategic planning, and cultivating client relationships. Furthermore, chat bots and virtual personal assistants powered by AI may supply round-theclock customer service enhancing the overall customer experience. All things considered, artificial intelligence is completely changing the field of digital marketing by giving companies new and efficient methods to increase revenue, simplify operation, and enhance consumer interaction. In the years to come, AI technology is anticipated to play a gradually wider role in online advertising plans as it develops. In recent years, digital marketing has been significantly impacted by artificial intelligence (AI). AI has completely changed the marketers target, segment, and personalize their consumer base because of its enormous data analysis capabilities. In order to enhance their marketing campaigns and reach the correct demographic with appropriate information the ideal moment, organizations are able to use artificial intelligence (AI) solutions that recognize trends and patterns that were formerly hard to detect. Artificial intelligence is changing digital marketing in a variety of methods, for chatbots to predictive analysis.

MODERN MARKETING:

Modern marketing is a data-driven, global approach that connects the brands with the right customers to achieve targeted business goals. It combines creativity, strategy, research, technology, and analysis to drive growth, which is a common organizational goal. Growth can include increasing customers, expanding market share, and enhancing profitability. Marketing leaders must collaborate with various departments, including sales, product innovation, finance, technology, and HR, to develop a successful strategy. Two key concepts in modern marketing are the marketing concept and social marketing concept. The marketing concept concentrates on meeting consumer needs and wants to increase their satisfaction, which helps businesses stay ahead of the competition. The social marketing concept takes this further by also prioritizing the welfare of society, like Ford's promise to transition to electric vehicles by 2030 to reduce carbon emissions. Data analytics is central to modern marketing, helping anticipate unmet consumer needs, identify new opportunities, and reveal customer pain points. It also predicts the best actions to take, such as the optimal commercial messages and engagement strategies. Unlike traditional marketing, which focuses on selling products and making profits, modern marketing prioritizes satisfying consumers' needs.

DIGITAL MARKETING:

Digital marketing refers to use of online platforms, technologies, and digital channel to promote products, services, or brand to a targeted audience. It includes various strategies such as search engine optimization (SEO), social media marketing (SMM), content marketing, email marketing, pay-per-click (PPC) advertising and influencer marketing. Unlike traditional marketing method like TV ads or billboards, digital marketing allows business to reach their audience more efficiently using data- driven insights, automation, and personalization. With the rise of the internet and smart phones, digital marketing has become essential for businesses to grow, engage customers, and compete in a global market. Marketing methods and approaches that present, consumer, and deliver services or goods through the execution of technology and the internet. Business use online channels for further their objectives through digital marketing. One can reach a wider audience by using email, websites, social media pages, focused marketing, or focused adverts. Customer, reseller, competitors, supplier's promoters, the general state of economy, positioning, segmentation, expansion, growth, products, brands, advertising, penetration, price, advertising expenditure, valuation of customers, etc. Are some of major factors contributing to decision making. It is undeniable the making decision involves a variety of factors based on analysis, experience, and judgments.

TRENDS OF DIGITAL MARKETING:

Digital marketing trends are constantly evolving, with a growing emphasis on personalization, artificial intelligence (AI), and data-driven decision-making. Social media platforms continue to dominate, with influencer marketing and short-form video content, like

TikToks and Instagram Reels, gaining popularity. Voice search, chatbots, and interactive content are also on the rise, offering more seamless customer experiences. Additionally, there is a shift toward privacy-conscious marketing as consumers demand more control over their data, leading to increased adoption of privacy-focused tools and transparent practices. As the digital landscape grows, businesses are focusing on creating more authentic, value-driven relationships with customers to build long-term loyalty.

ROLE OF DIGITAL MARKETING:

Artificial intelligence (AI) Integration:

AI is transforming digital marketing by enabling hyper-personalized advertisements and enhancing customer engagement. Predictive analysis and personalization engines analyze user data to deliver tailored content, improving user experience and increasing conversion rates.

Advanced Data analytics:

The merger of major advertising firms like Omnicom Group and Interpublic group underscores a shift towards data-driven strategies. These companies are focusing on integrating advanced data analytics and AI to create and personalized ads more efficiently, marking a departure from traditional creative-led advertising.

Voice search optimization:

With the rise of digital assistance such as Alexa, Siri, and Google assistant, optimizing content of voice search has become crucial. Businesses are focusing on conversational keywords and natural language processing to improve visibility in voice search results, enhancing customer engagement and satisfaction.

Augmented Reality and Virtual reality:

AR is gaining traction in digital marketing, offering experiences that allow consumers to interact with products virtually. This technology enhances online shopping by enabling customer to visualize product in their environment, thereby reducing return rates and increasing purchase confidence.

Short-Form Video Content:

The fame of short-form video content continues to rise, with platforms like TikTok and Instagram reels leading the trend. Brands are leveraging these platforms to create engaging, bite-sized content that captures audience attention and drives higher engagement rates.

Ethical and Inclusive Marketing:

Consumers are increasingly prefer brands that demonstrate ethical practices and inclusivity. Marketers are focusing on transparent, authentic messaging and ensuring that the campaigns reflect diverse perspective to build trust and loyalty among their audience.

Sustainability initiatives:

Sustainability has become a significant factor in consumer decision-making. Brands are incorporating eco-friendly practices into their marketing strategies, highlighting their commitment to environmental responsibility to appeal to environmental conscious consumers.

AI TOOLS:

Jasper AI:

A powerful AI writing assistant designed to generate various types of content, including blog posts, articles, social media updates, marketing copy, and more. It uses natural language processing to understand prompts and produce text.

ChatGPT:

A large language model chatbot developed by DeepAI. It can engage in conversational dialogue, answer questions, generate different creative text formats (poems, code, scripts, musical pieces, email, letters, etc.), and provide summaries.

Google Analytics:

While not purely AI-driven, it utilizes machine learning for insights. It collects and analyzes website traffic data, providing reports on user behavior, conversions, and other key metrics. AI helps with anomaly detection, predicting trends, and generating insights from the data.

HubSpot:

A marketing, sales, and customer service platform that incorporates AI features. These include AI-powered chatbots for customer interaction, content recommendations, automated email marketing, lead scoring, and data analysis to improve marketing effectiveness.

Meta Ads:

 Meta (Facebook & Instagram) advertising platform utilizes AI for ad targeting, optimization, and delivery. It analyzes user data to show ads to the most relevant audience, automatically adjusts bids and ad placements to improve performance, and generates ad creatives.

Google Ads:

Like Meta Ads, Google Ads uses AI extensively. It helps with keyword research, automated bidding strategies, ad copy generation, and targeting users based on their search queries, interests, and demographics to maximize ad performance.

Canva AI tools:

Canva has integrated AI features into its design platform. These include features like AI-powered image generation (create images from text prompts), background removal, smart recommendations for design elements, and text-to-video capabilities.

Mailchimp:

An email marketing platform that uses AI to improve campaign performance. It includes features like automated email creation, audience segmentation based on behavior, predictive insights about campaign engagement, and optimized send times.

WhatsApp AI chatbots:

These are automated conversation tools that businesses can integrate into WhatsApp. They use AI and natural language processing to handle customer inquiries provides support, answers questions, and performs tasks like scheduling appointments or processing orders.

Facebook Messenger bots:

Similar to WhatsApp bots, these are automated chatbots designed to interact with customers on Facebook Messenger. They can provide customer service, answer questions, offer product recommendations, and facilitate transactions, all through automated conversations.

OBJECTIVES OF STUDY:

➢ To know how AI impact digital marketing.

➢ To identify the benefits and challenges of AI adoption in marketing

➢ To analyze the role of AI in personalization, customer segmentation, and automation.

➢ To evaluate the effectiveness of AI-powered tools in advertising, content creation, and customer services.

➢ To assess future trends in AI driven digital marketing.

SCOPE OF STUDY:

This study focuses on examining the Impact of artificial intelligence (Ai) in digital marketing specifically in areas such as personalization, automation, predictive analytics, customer engagement, and data-driven decision making. This study will analyze how AI-powered tools and technologies are transforming marketing strategies, enhanced customer experiences and improving business outcomes.

NEED FOR STUDY:

The rapid advancements in artificial intelligence (AI) have significantly transformed digital marketing, enabling businesses to delivered personalized experiences, automation process, optimize marketing strategies with data driven insights. As AI continues to evolve, understanding its impact on digital marketing is crucial for business to stay competitive and maximize their return in investment (ROI).

RESEARCH METHODOLOGY:

Research Methodology is a way to systematically solve the research problem. Research in common place refers to a search of knowledge. Research is an original contribution to the existing state of knowledge making for its advancement.

❖ A Sampling unit is collected from Tirupur city through various users of Digital marketers.

❖ A Sample of 100 respondents has been selected and analyzed.

❖ The Study has used both primary and secondary data.

➢ Primary Data: The Primary data has been collected through well-structured questionnaire by Google form.

➢ Secondary Data: The Secondary data has been collected from Library records, Articles and Journals.

RESEARCH DESIGN:

The Sampling design used for this study is simple random sampling. A simple random sample is a randomly selected subset of a population. In this study samples are respondents who are living in the Tirupur city.

SAMPLE SIZE:

The Sample size for this study is 100 users of the social media who are living in Tirupur city.

STATISTICAL TOOL

❖ Simple percentage method

❖ CHI-SQUARE

❖ Ranking analysis

HYPOTHESIS

HYPOTHESIS 1:

➢ Null hypothesis (H0):

There is no significant relationship between gender and AI communication tools.

➢ Alternative hypothesis (Ha):

There is a relationship between gender and AI communication tools.

HYPOTHESIS 2:

➢ Null hypothesis (H0):

There is no significant relationship between income and limitation of AI

➢ Alternative hypothesis (Ha):

There is a relationship between income and limitation of AI.

Analysis and Interpretation:

Out of 100 respondents 52% Male respondents and 47% female respondents.

Table 1: Type of Business of Respondents

S. No.	Type of Business	No. of Respondents	Percentage
1	Garments	24	24
2	Clothing	26	26
3	Food	22	22
4	Automobiles	18	18
5	Others	10	10
	Total	100	100

Source: Primary data

Table 2: Areas Impact AI in Digital Marketing

S. No.	Areas	No. of Respondents	Percentage
1	Social Media Marketing	24	24
2	Personalized Advertising	34	34
3	Data Analytics and Insights	32	32
4	Search Engine Optimization (SEO)	10	10
	Total	100	100

Source: Primary data

Table 3: Commonly used AI Tools

S. No.	AI Tools	No. of Respondents	Percentage
1	AI Driven analytics platform (e.g. Google Analytics, HubSpot)	23	23
2	AI Based Content Creation (e.g. Jasper, ChatGPT)	32	32
3	chatbots (e.g. WhatsApp bots, Messager bots)	25	25
4	AI Driven Advertisement platform (e.g. Meta Ads, Google Ads)	20	20
	Total	100	100

Source: Primary data

Table: 4 - The calculation of garret value and ranking for the positive Impact of Artificial Intelligence in Digital Marketing:

S. No.	Positive impact of social media endorsement	I	II	III	IV	V	Total	Ranks
1	Personalization of customer	130	96	69	26	14	335	I

		experience							
2		Automated campaign optimization	40	144	90	44	4	322	II
3		Predictive analytics for customer segmentation	40	40	141	48	11	280	III
4		Chatbots and AI - driven customer service	30	36	54	98	18	236	IV
5		Sentimental analysis and social listening	65	36	42	40	44	227	V

Source: Primary data

CHI-SQUARE TEST

NULL HYPOTHESIS:

Ho: There is no significant relationship between gender and AI communication tools

ALTERNATIVE HYPOTHESIS:

H1: There is significant relationship between gender and AI communication tools

AI communication Tools	Male	Female	Total
WhatsApp AI chatbots	12	10	22
Facebook Messenger bots	15	12	27
E-Mail Automation (e.g. Mailchimp)	10	15	25
Voice Assistance (e.g. Google Assistance's)	15	11	26
Total	52	48	100

O	E	O – E	$(O – E)^2$	$(O – E)^2 / E$
12	11.44	0.56	0.3136	0.0274
10	10.56	-0.56	0.3136	0.0296
15	14.04	0.96	0.9216	0.0656
12	12.96	-0.9	0.81	0.0625
10	13	-3	9	0.6923
15	12	3	9	0.75
15	13.52	1.48	2.1904	0.1620
11	12.48	-1.48	2.1904	0.1755
				1.9649

Chi Square= (O-E) ^2 / E`

Degree of freedom=(r-1) *(c-1)

=3*1

=3

Level of Significance=5%

Table Value=3.841

Calculated Value=1.9649

The calculated value (1.9649) is less than the table value (3.841), so the Null hypothesis is rejected and the alternative hypothesis is accepted. There is significant relationship between gender and advertisement tools. This suggest that gender may influenced AI advertisement tools are used perceived and targeted.

CONCLUSION:

Artificial intelligence (AI) has a deep& revolutionary influence on digital advertising. AI has completely changed how companies handle automation, customization, predictive analytics, consumer insights, and marketing tactics. Businesses are now able to obtain comprehensive customer insights, which results in promotions that have become more customized and successful. AI-powered customization has improved consumer experiences, leading to greater rate of conversion & higher levels of engagement. Businesses can now make data-driven decisions, optimize their marketing plans, and keep ahead of industry trends thanks to AIpowered predictive analytics. Artificial intelligence (AI) has automated marketing processes, increasing productivity and freeing up funds for more important projects.

AI's incorporation into digital marketing has given companies the capacity to analyse enormous volumes of data, find hidden trends, and scale up the delivery of individualized experiences. AI systems optimize marketing initiatives based on consumer behaviour and preferences by constantly learning from and adapting to them. Even if using AI in digital marketing can increase customer engagement and give businesses a competitive edge, ethical issues and privacy concerns must be addressed to uphold customer trust and openness.

AI's influence on digital marketing will increases as it develops further. Businesses will be better positioned to satisfy customer expectations, develop meaningful engagements, and achieve long term success in the constantly evolving digital age if they embrace artificial intelligence (AI) technologies and correctly integrate it in their marketing strategies. AI will continue to be an asset for companies seeking to maintain their competitive edge and provide outstanding digital marketing experiences—as long as it is implemented carefully, ethical issues are taken into account, and adaption is continuous.