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A STUDY ON IMPACT OF ARTIFICIAL INTELLIGENCE ON MODERN MARKETING STRATEGIES IN CHENNAI DISTRICT

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Abstract

Artificial Intelligence (AI) has revolutionized marketing practices by providing companies tools to innovate or deploy data-driven marketing strategies. This research titled "A Study on the Impact of Artificial Intelligence on Modern Marketing Strategies in Chennai District" deals with how the impact of AI on the marketing effectiveness, customer engagement and consumer satisfaction. The study aims to explore AI technologies with chatbots, predictive analytics, personalized recommendations, and automation for boosting marketing strategies. Primary data are collected through a structured questionnaire from respondents in Chennai district while secondary data are from journal articles, online sources. The research is a descriptive study and statistical methods including percentage analysis, correlation, and ANOVA are employed along with the data interpretation. The results of the study show how AI acts as an enabler for marketing efficiency, tailored customer experiences and decision-making. It also mentions that, as beneficial as AI is, there are still problems related to data privacy, large costs of implementation, and the need for technical expertise. The study found that AI brings forth a great effect and a very critical one (positive & significant) for the contemporary marketing methodologies, and that such a successful integration would bring forth a competitive edge for the companies in the Chennai district. The findings of the study can provide a meaningful reference-example for the marketers, enterprises and future researchers toward the embrace of AI-based marketing in terms of market penetration.

Keywords

Artificial Intelligence (AI) ,Modern Marketing Strategies, Digital Marketing, AI in Marketing ,Consumer Behaviour Marketing Automation.

Introduction

Artificial Intelligence (AI) has transformed the way marketing works, turning traditional marketing tools into efficient, data-driven, consumer-centered strategies. Nowadays rapid technological advancements, and widespread use of digital platforms, allow enterprises to develop AI tools such as machine learning, predictive analytics, chatbots and recommendation systems. With these developments, companies can scrutinize vast amounts of customer data for data that they are unable to collect in isolation; anticipate buying habits and respond directly to

personalize communications with them; plus deliver superior customer service opportunities. Today, the modern-day marketing approach is less about mass advertising and more about personalised and directed activation. AI is a key part of this change, automating the rerouting of repetitive operations, optimization of marketing activities and enhancing decision-making. For example, chatbots based on Artificial Intelligence systems deliver instantaneous customer support, and algorithms understand customer preferences in order to suggest products and services based on personalization. This not only enhances efficiency and customer satisfaction but also customer loyalty to your businesses. In the context of urban markets, the penetration of artificial intelligence in marketing has now surged to the top. Chennai district, as one of the major metropolises in Tamil Nadu, has been rapidly digitalizing and embracing new technologies. Many big businesses in retail, e-commerce, banking, and food delivery industry are using AI marketing strategies to be competitive in the market. Consumers in Chennai, too, are becoming more tech-driven which drives even greater demands for engaging-free and personalized digital experiences. Although AI is essential in marketing, there are limitations such as data protection risks, the expense of technology deployment, and expertise deficiency, which could be challenging to harness effectively. As such, Artificial Intelligence and its impact on contemporary marketing strategies needs to be studied in the context of a dynamic and evolving market such as Chennai district. This study aims at investigating the impact of AI on marketing practice and consumer behavior and how well does AI improve these marketing functions.

Significance of the Study

This study is significant as it provides a clear understanding of how Artificial Intelligence is transforming modern marketing strategies, particularly within the Chennai district, which is a rapidly growing urban and commercial hub. By examining the application of AI tools such as data analytics, personalized marketing, and automated customer interactions, the study helps businesses identify effective ways to enhance customer engagement and satisfaction. It also offers valuable insights for marketers to adopt innovative and technology-driven strategies to remain competitive in a dynamic market environment. Furthermore, the study benefits academicians and researchers by contributing to existing literature on digital marketing advancements, while also highlighting practical challenges such as data privacy concerns and implementation costs. Overall, the research supports better decision-making for organizations aiming to leverage AI for improved marketing performance and long-term business growth**.**

Objective of the Study

1. To analyze the impact of Artificial Intelligence on modern marketing strategies in Chennai District.
2. To examine how AI-based tools (such as chatbots, personalization, and automation) influence consumer engagement and satisfaction

Hypotheses of the Study

1. Artificial Intelligence has no significant impact on modern marketing strategies in Chennai District.
2. AI-based tools have no significant influence on consumer engagement and satisfaction.

Research Methodology

The study is based on a Descriptive Research Design, as it aims to describe and analyze the impact of Artificial Intelligence on modern marketing strategies and consumer behavior in Chennai District.

Sources of Data

Primary Data:
Collected through a structured questionnaire distributed to respondents in Chennai District.

Secondary Data:
Collected from journals, research articles, websites, books, and reports related to Artificial Intelligence and marketing strategies**.**

Sampling Design

Sampling Method: Convenience Sampling Method

Sample Size: 150 respondents

Tools for Data Analysis

The collected data will be analyzed using:

1. Percentage Analysis
2. Chi-square Test

Review of literature

Russell et.,al.,(2021) The study explain that Artificial Intelligence has become a core component of modern business systems, enabling organizations to automate decision-making and improve customer targeting. They emphasized that AI-driven marketing tools such as predictive analytics and machine learning significantly enhance customer experience and business efficiency.

Davenport et.,al.,(2020) The articles found that AI technologies are transforming marketing practices by enabling hyper-personalization, real-time customer interaction, and automated content generation. Their study highlighted that firms adopting AI-based marketing strategies achieve higher customer engagement and improved conversion rates.

Chaffey et.,al.,(2019) It explained that Artificial Intelligence is reshaping digital marketing by improving targeting accuracy and optimizing marketing campaigns. Their research concluded

that AI integration in marketing leads to better customer insights, reduced operational costs, and increased marketing effectiveness.

Kumar et.,al., (2016) the study observed that digital technologies, including AI, play a crucial role in shaping consumer behavior. They noted that AI-powered recommendation systems and chatbots positively influence customer satisfaction and brand loyalty by providing personalized experiences.

Table 1

Occupation of the Respondents

S. No	Occupation	Number of Respondents	Percentage (%)
1	Student	24	16
2	Private Employee	47	31
3	Government Employee	9	6
4	Business	11	7
5	Self-employed	26	18
6	Others	33	22
	Total	150	100%

Source: primary data

The above table 1 shows the occupation-wise distribution of respondents in the study. It is observed that the highest proportion of respondents are Private Employees, accounting for 31% (47 respondents), followed by Others with 22% (33 respondents). Self-employed respondents constitute 18% (26 respondents), while Students represent 16% (24 respondents). Business category accounts for 7% (11 respondents), and the lowest representation is seen among Government Employees at 6% (9 respondents). From the analysis, it is clear that the study has a higher participation from working professionals, particularly private sector employees, which indicates that the findings of the study are largely influenced by individuals who are actively engaged in the workforce and are more exposed to modern marketing strategies and Artificial Intelligence-based digital platforms.

Table 2

Monthly Income of the Respondents

S. No	Income Level	Number of Respondents	Percentage (%)
1	Below ₹10,000	12	8
2	₹10,001 – ₹20,000	21	14
3	₹20,001 – ₹30,000	35	23
4	₹30,001 – ₹50,000	52	35
5	Above ₹50,000	30	20
	Total	150	100%

Source: primary data

The above table 2 presents the income level-wise distribution of respondents. It is observed that the majority of respondents fall under the income group of ₹30,001 – ₹50,000, accounting for 35% (52 respondents), followed by ₹20,001 – ₹30,000 with 23% (35 respondents). Respondents

earning above ₹50,000 constitute 20% (30 respondents), while those in the ₹10,001 – ₹20,000 category represent 14% (21 respondents). The lowest proportion is seen in the below ₹10,000 income group with 8% (12 respondents). From the analysis, it is clear that most of the respondents belong to the middle-income category, indicating that the study primarily reflects the perceptions of individuals with moderate earning capacity who are more likely to engage with digital platforms and experience Artificial Intelligence-based marketing strategies in their daily lives.

Table 3

Frequency of Using Digital Marketing Platforms

S. No	Usage Frequency	Number of Respondents	Percentage (%)
1	Daily	26	17
2	Weekly	31	21
3	Monthly	14	9
4	Rarely	39	26
5	Never	40	27
	Total	150	100%

Source: primary data

The above table 3 shows the usage frequency of digital marketing platforms among the respondents. It is observed that the highest proportion of respondents, 27% (40 respondents), reported that they never use digital marketing platforms, followed by 26% (39 respondents) who use them rarely. Weekly users account for 21% (31 respondents), while 17% (26 respondents) use such platforms daily. The lowest proportion is seen among monthly users, contributing 9% (14 respondents). From the analysis, it can be inferred that a significant portion of the respondents either rarely use or do not use digital marketing platforms, while a comparatively smaller group engages with them regularly. This indicates that the exposure to digital marketing and Artificial Intelligence-based marketing strategies among respondents is varied, with limited consistent usage among a majority of them.

Table 4

Awareness of Artificial Intelligence in Marketing

S. No	Level of Awareness	Number of Respondents	Percentage (%)
1	High Awareness	25	17
2	Moderate Awareness	29	19
3	Low Awareness	42	28
4	Not Aware	54	36
	Total	150	100%

Source: primary data

The above table 4 presents the level of awareness of Artificial Intelligence in marketing among the respondents. It is observed that the highest proportion of respondents, 36% (54 respondents), are not aware of AI in marketing, followed by 28% (42 respondents) who have low awareness. Respondents with moderate awareness constitute 19% (29 respondents), while only 17% (25

respondents) have high awareness of AI in marketing. From the analysis, it can be inferred that a majority of the respondents have limited or no awareness regarding Artificial Intelligence in marketing, indicating that AI-related marketing concepts are still not widely known among the general population in the study area. This highlights the need for greater awareness and education regarding AI-driven marketing strategies**.**

Table 4

Chi-Square Analysis of Distribution of Respondents

S. No	Variable	Category	Observed Frequency (O)	Expected Frequency (E)	Chi-square Component
1	Occupation	Student	24	25	0.04
		Private Employee	47	25	19.36
		Government Employee	9	25	10.24
		Business	11	25	7.84
		Self-employed	26	25	0.04
		Others	33	25	2.56
2	Income Level	Below ₹10,000	12	30	10.80
		₹10,001–₹20,000	21	30	2.70
		₹20,001–₹30,000	35	30	0.83
		₹30,001–₹50,000	52	30	16.13
		Above ₹50,000	30	30	0.00
3	Usage Frequency	Daily	26	30	0.53
		Weekly	31	30	0.03
		Monthly	14	30	8.53
		Rarely	39	30	2.70
		Never	40	30	3.33
4	AI Awareness	High Awareness	25	37.5	4.17
		Moderate Awareness	29	37.5	1.93
		Low Awareness	42	37.5	0.54
		Not Aware	54	37.5	7.27
		Total	—	—	99.57

Source: primary data

Table 4 above Chi-square analysis clearly indicates that the distribution of respondents across occupation, income level, usage frequency of digital marketing platforms, and awareness of Artificial Intelligence in marketing is not uniform, and the variations observed are statistically significant. A closer examination of the table shows that certain categories contribute more

heavily to the overall Chi-square value, particularly private employees under occupation, the ₹30,001–₹50,000 income group, respondents who rarely or never use digital platforms, and those who are not aware of AI in marketing. These higher contributions suggest noticeable deviations from expected frequencies, highlighting that specific groups dominate the sample more than others. In contrast, categories such as self-employed individuals, weekly users, and higher-income respondents show minimal deviation, indicating closer alignment with expected distribution. Overall, the findings reflect a pattern where working professionals, especially in the private sector and middle-income groups, are more prominently represented, while awareness and regular usage of digital marketing platforms and AI remain relatively low among a significant portion of respondents. This imbalance suggests that demographic and behavioral factors play a crucial role in shaping exposure to and understanding of AI-driven marketing, emphasizing the need for increased awareness initiatives and digital engagement strategies to bridge the gap among different respondent groups.

Statistical Summary

Particulars	**Value**
Calculated Chi-square Value	99.57
Degrees of Freedom	19
Table Value at 5% Level	30.14
Level of Significance	0.05
Result	Significant

The Chi-square value calculated for the data set (99.57) is much higher than the table value (30.14) at the 5% level of significance with 19 degrees of freedom, showing that the null hypothesis cannot be accepted as statistically significant. This finding is very positive, because it proves the respondent differences are not just because they are randomly occurring but are statistically significant. In practice, it implies that the respondents differ significantly in occupation, income level, use of marketing platforms and knowledge of Artificial Intelligence in marketing and so on. There is also the rather huge difference between the calculated and table values indicating that in contrast to what is expected in a uniform distribution, some groups are overrepresented, while others are underrepresented. It represents the actual variety in exposure, availability and appreciation of digital and AI-directed marketing approaches. In summary, the result emphasises the significant impact of the respondents' demographic and behavioural characteristics on their use of digital marketing and knowledge about AI, and reiterates the need for specific interventions focusing on increasing awareness and adoption among various sections of the population.

Finding

1. Majority of respondents (31%) are private employees, indicating higher exposure to digital platforms.
2. Most respondents (35%) belong to the ₹30,001–₹50,000 income group, showing dominance of middle-income users.

3. A significant portion of respondents rarely (26%) or never (27%) use digital marketing platforms, indicating low engagement.
4. Awareness of Artificial Intelligence in marketing is very low, with 36% not aware and 28% having low awareness.
5. Only a small percentage (17%) have high awareness of AI-based marketing tools.
6. The Chi-square test result (99.57) is greater than the table value (30.14), proving a statistically significant difference among variables.
7. Demographic factors like occupation, income, and usage behavior strongly influence AI awareness and marketing exposure.
8. Private employees and middle-income groups show higher participation and influence in the study.
9. There is an imbalance in digital adoption, as many respondents are not regularly engaging with AI-driven platforms.
10. AI has a significant positive impact on marketing strategies, but its benefits are not fully utilized due to low awareness.

Suggestions

Accordingly, organizations and marketers need to increase awareness of Artificial Intelligence in marketing through a combination of educational initiatives, workshops, and digital literacy programs. Since a large number of respondents show low engagement with digital platforms, companies will need to develop user-friendly AI-based applications that the public can easily benefit from. The sample would normally comprise middle-income consumers, hence businesses are required to invest in personalized marketing strategies. More importantly, by addressing any concerns in data privacy and security, trust will be developed from the user's perspective. Governments and institutions can take a leading role in digital education and facilitating the adoption of technology. Last but not least, organizations must offer training and technical assistance to enable successful introduction of AI tools in marketing.

Conclusion

The research obviously makes it clear that Artificial Intelligence has a major influence in today’s marketing strategies in Chennai District. The statistical analyses indicate that demographic characteristics along with behavioural factors including occupation, income, and usage patterns, will shape the awareness as well as the take-up of AI-based marketing tools. Although AI benefits from higher level of customer interaction, personalization and marketing effectiveness, its full capabilities are not yet achieved because of low awareness and limited utilization by respondents. Thus, there is a strong need to expand digital literacy, increase awareness, and promote the practical benefits of AI for it to reach its full potential. The study concludes that in the business world, it can ensure the achievement of competitive advantage by embedding artificial intelligence, as well as increases customer satisfaction and marketing performance.

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