

THE IMPACT OF ARTIFICIAL INTELLIGENCE IN SOCIAL MEDIA MARKETING AND ITS EFFECT ON CONSUMER ENGAGEMENT IN ADVERTISEMENTS OF LIFESTYLE PRODUCTS IN GUJARAT

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Abstract

This paper investigates the transformative role of Artificial Intelligence (AI) in social media marketing, specifically examining its effects on consumer engagement in the advertisement of lifestyle products in India. By utilizing AI technologies such as machine learning, predictive analytics, and personalized advertising, companies can more effectively engage with consumers, particularly within the highly competitive and growing market of lifestyle products. Through a combination of quantitative surveys and qualitative interviews with industry professionals, this research explores how AI-powered tools influence the behavior of consumers, improve engagement metrics, and enhance brand visibility in the Indian market. The findings indicate that AI not only increases engagement levels but also improves the precision and relevance of advertisements, leading to higher consumer satisfaction and increased conversion rates.

Keywords: Artificial Intelligence, Social Media Marketing, Consumer Engagement, AI powered tools

BACKGROUND OF THE STUDY

Artificial Intelligence has gained significant traction in various industries, with marketing being one of the primary sectors benefiting from its integration. In India, where digital media consumption is rapidly increasing, social media platforms have emerged as crucial channels for advertisers, particularly for lifestyle products. These products, including fashion, beauty, wellness, and fitness goods, are highly dependent on consumer engagement, which can be effectively enhanced by AI through personalized ads, recommendation engines, and automated content generation.

AI in marketing primarily focuses on data-driven decisions, customer segmentation, and predictive analytics. In social media marketing, AI enables brands to optimize targeting, personalize ads, and create engaging content that resonates with individual consumer preferences. The combination of AI and social media allows brands to effectively reach their target audience, boosting consumer engagement.

RESEARCH PROBLEM

Despite the rise in AI applications in marketing, there is limited research on how AI influences consumer engagement in the context of lifestyle products in India. Understanding this relationship can provide valuable insights for marketers looking to leverage AI in social media strategies.

RESEARCH OBJECTIVES

- To explore the role of AI in enhancing social media marketing campaigns for lifestyle products in India.
- To assess how AI-driven advertisements influence consumer engagement metrics such as likes, comments, shares, and purchase intent.
- To evaluate the effectiveness of AI in personalizing ads and its impact on consumer behavior in India.

RESEARCH SIGNIFICANCE

The findings of this research will provide useful insights for marketers and brands looking to optimize their social media advertising strategies with AI, particularly in the growing Indian market. By understanding how AI enhances consumer engagement, businesses can refine their marketing strategies to

improve effectiveness and ROI.

LITERATURE REVIEW

Aaker & Joachimsthaler, AI enables brands to optimize their visual content for maximum impact. For example, AI can suggest which images, colors, or design elements will likely attract more engagement, allowing lifestyle brands to craft advertisements that appeal to their target audience's aesthetic preferences.

Agnihotri et al., AI tools predict consumer behavior and trends by analyzing vast amounts of data. Marketers can use these predictions to create more targeted advertising campaigns that speak directly to consumer needs.

Avidar, AI-driven gamification, such as interactive quizzes or challenges on platforms like Instagram and Facebook, boosts engagement by making the marketing experience more interactive and enjoyable.

Baker & Green, AI helps identify the right influencers to partner with for lifestyle product campaigns. By analyzing social media data, AI can suggest influencers whose audience demographics align with the target market for a given product. This significantly improves engagement by ensuring that the advertisement reaches the most relevant consumer segments.

Chaffey & Ellis-Chadwick, Artificial Intelligence (AI) has increasingly become a significant part of digital marketing, especially in the realm of social media. As social media platforms like Facebook, Instagram, and Twitter continue to grow in influence, marketers are leveraging AI to enhance their reach, personalize content, and engage with consumers more effectively.

Chung et al., AI-powered tools like chatbots allow for quicker and more efficient communication between brands and consumers. This improves engagement by making it easier for consumers to seek information or resolve issues without leaving the platform.

Ghosh, India, with its expanding digital infrastructure and growing social media user base, has witnessed a rapid adoption of AI in social media marketing. The Indian market, which is increasingly becoming more digital and mobile-first, is an ideal environment for AI to impact consumer engagement in advertisements.

Kietzmann et al., AI helps brands monitor real-time engagement, providing insights into consumer preferences, behaviors, and emotions. Marketers can quickly adjust campaigns to respond to consumer feedback and improve engagement rates.

Lamberton & Stephen, AI enhances the consumer journey by making the process of discovering and purchasing products more seamless. Personalized ads on social media reduce the friction typically associated with decision-making by presenting products that align with the consumer's interests and needs.

Liu & Huang, AI can analyze and interpret images and videos shared on social media. Lifestyle brands, for instance, use visual recognition to determine which kinds of visuals resonate the most with their target audience.

Pereira et al., While AI can help marketers engage consumers more effectively, there are concerns about data privacy and algorithmic bias. Consumers are increasingly aware of how their data is being used for targeted ads, which can impact their trust in brands.

Pradhan et al., AI-based AR and VR experiences are gaining popularity in the lifestyle product sector, particularly in fashion and beauty. By allowing consumers to virtually try products or see how they fit into their lifestyle, these tools boost consumer engagement and increase the likelihood of purchase.

Ransbotham et al., AI-driven chatbots help brands engage with consumers in real-time, answering queries, providing product recommendations, and offering personalized customer service.

Sivapalan et al., AI uses data-driven insights to customize content for individual users based on their past behavior, preferences, and online interactions. For instance, AI algorithms on platforms like Instagram and Facebook assess user data to recommend ads that are more likely to be of interest.

Smith et al., AI's ability to tailor advertisements based on individual preferences leads to a more engaging experience for consumers. Personalized advertisements are perceived as more relevant, which increases the likelihood of consumer interaction.

Srinivasan et al., AI enables the creation of hyper-targeted campaigns that resonate deeply with individuals. In India, where diverse consumer segments exist across various regions, AI allows brands to craft messages that cater to specific cultural, social, and demographic factors.

Tuten & Solomon, AI enables consumers to have more control over their shopping experience. With tools like chatbots, personalized recommendations, and interactive ads, consumers feel more in charge of their purchase decisions. This empowerment often leads to increased engagement and loyalty [].

Yadav & Yadav, Through AI-powered sentiment analysis, brands can gauge the emotions and opinions of consumers about their products and advertisements. This helps in crafting marketing messages that resonate with audiences

RESEARCH DESIGN

This study will adopt a descriptive research design to explore the impact of AI in social media marketing on consumer engagement in advertisements for lifestyle products. Descriptive research aims to systematically describe and analyze the relationship between AI-driven marketing strategies and consumer behavior in the context of lifestyle product advertisements.

The research design will include:

- Exploratory Stage: Initial literature review to understand the role of AI in marketing and consumer engagement, specifically related to lifestyle products.
- Data Collection Stage: Survey-based approach to collect primary data from consumers in Gujarat, India, who interact with AI-powered social media advertisements.
- Analysis Stage: Statistical analysis to determine the strength and nature of the relationships between AI marketing, consumer engagement, and purchase behavior.

Research Objectives

The primary objectives of this study are:

1. To examine how AI is being used in social media marketing campaigns for lifestyle products in India.
2. To assess the effect of AI-driven advertisements on consumer engagement (likes, comments, shares, etc.) on social media platforms.
3. To analyze how consumer engagement with AI-powered advertisements influences the likelihood of purchasing lifestyle products.
4. To understand the demographic factors (age, gender, income, education) that impact consumer engagement with AI-based advertisements.

Hypotheses

The following hypotheses will be tested in this study:

- H1: There is a positive relationship between exposure to AI-based advertisements on social media and consumer engagement with lifestyle product advertisements.
- H2: Consumer engagement with AI-powered advertisements significantly affects the likelihood of purchasing lifestyle products.
- H3: Demographic variables (age, gender, income) significantly influence consumer engagement with AI-driven advertisements.
- H4: Consumers are more likely to purchase lifestyle products after interacting with personalized AI-based advertisements.

FINDINGS

The research aimed to explore the role of Artificial Intelligence (AI) in social media marketing and its influence on consumer engagement with advertisements of lifestyle products in Gujarat. The findings below summarize the key insights derived from the data analysis.

A. Demographic Characteristics of Respondents

- **Age Distribution:** The majority of respondents were in the 18-35 age group (68%), indicating that younger consumers are more likely to be engaged with AI-driven social media marketing. This demographic is particularly active on platforms like Instagram, Facebook, and YouTube, where AI-powered advertisements are common.
- **Gender:** The sample was almost equally distributed between males (52%) and females (48%).
- **Income Level:** A majority of respondents (70%) had a monthly income in the range of ₹25,000 to ₹50,000, which indicates that the respondents were likely to be middle-income consumers, who are often targeted by lifestyle product brands.

B. AI Exposure in Social Media Advertising

- **Frequency of Exposure:** A significant 80% of respondents reported that they were frequently exposed to AI-driven advertisements, with 28% of them saying they are exposed to such ads on a daily basis.
- **AI-Driven Ads Perception:** Most respondents (72%) found AI-powered advertisements more relevant to their interests due to personalized content. This aligns with the concept of AI personalization where algorithms analyze user behavior and preferences to deliver more targeted content.

C. Consumer Engagement with AI Ads

- **Interaction with Ads:** A strong relationship was found between exposure to AI-based advertisements and consumer engagement. Over 64% of respondents engaged with AI-based advertisements either frequently or always, with most common forms of engagement being likes (44%), comments (28%), and shares (20%).
- **Engagement and Brand Interaction:** Respondents who engaged with AI-powered ads indicated a higher tendency to explore the brand's website or purchase directly after interacting with the ad (56%). This highlights the importance of engagement as a bridge to conversion.

D. Impact on Purchase Behavior

- **Likelihood of Purchase:** 72% of respondents stated that they were likely to purchase lifestyle products (fashion, beauty, fitness, home decor) after engaging with AI-powered advertisements. Among these, 36% were very likely to make a purchase.
- **Product Categories:** The most popular lifestyle product categories influenced by AI ads were fashion (35%), followed by fitness (24%), and beauty products (20%).

E. Statistical Analysis Results

- **Correlation between AI Exposure and Engagement:** A moderate positive correlation ($r = 0.65$) was found between AI exposure and consumer engagement. This implies that increased exposure to AI-driven advertisements leads to higher engagement levels among consumers.
- **Correlation between Engagement and Purchase Intent:** A strong positive correlation ($r = 0.72$) was observed between engagement with AI-based ads and the likelihood of purchase. This suggests that when consumers engage with personalized ads, they are more likely to consider purchasing the products being advertised.
- **Regression Analysis:** A multiple linear regression analysis revealed that AI exposure and engagement with ads significantly influenced the likelihood of purchase (p -value < 0.05). This statistical evidence suggests that both AI exposure and engagement with AI-driven advertisements are critical factors in driving consumer purchase decisions for lifestyle products.

F. Chi-Square Test

The Chi-Square test of independence showed that age and engagement level significantly influence the likelihood of purchasing lifestyle products after interacting with AI ads (p -value = 0.03). Younger consumers (18-35) were more likely to engage with AI ads and subsequently purchase lifestyle products.

Suggestions for Marketers

Based on the findings, the following suggestions can be made to marketers and brands involved in social media marketing for lifestyle products in Gujarat:

A. Focus on Younger Consumers (18-35)

- As younger consumers show the highest engagement with AI-driven advertisements, lifestyle product brands should focus their marketing strategies on this demographic. Tailoring content to meet the preferences of younger consumers will enhance the effectiveness of AI-powered ads.

B. Increase Personalization through AI

- Given that most consumers find personalized AI ads more relevant, marketers should use AI to refine their targeting strategies. Personalized ads based on user behavior, location, and preferences are more likely to capture the attention of the audience and drive higher engagement.

C. Optimize Social Media Platforms for AI Ads

- Social media platforms like Instagram, Facebook, and YouTube are essential for delivering AI-based advertisements. Marketers should prioritize these platforms and ensure their AI-driven content is interactive, visually appealing, and relevant to the users' interests.

D. Enhance Engagement Strategies

- Brands should focus on increasing consumer engagement with ads by incorporating interactive features such as polls, quizzes, AR filters, and swipe-up links. These elements can make the advertisements more engaging, leading to higher levels of interaction and ultimately increasing the likelihood of purchases.

E. Focus on Fashion, Beauty, and Fitness Categories

- Given the higher engagement with fashion, beauty, and fitness products, marketers in these sectors should leverage AI-driven advertising strategies to target potential customers effectively. Highlighting product features, user testimonials, and special offers can improve the chances of conversion.

F. Incorporate Influencers and User-Generated Content

- Collaborating with influencers and using user-generated content (UGC) can improve the credibility of AI-driven advertisements. As consumers tend to trust the opinions of influencers or peers, incorporating their endorsements can significantly enhance consumer engagement.

CONCLUSION

This research study aimed to assess the impact of AI in social media marketing and its effect on consumer engagement with advertisements for lifestyle products in Gujarat, India. The findings suggest that AI-powered advertisements are highly effective in engaging consumers, particularly younger demographics. Personalized and interactive AI-driven ads lead to higher engagement levels and an increased likelihood of purchase, especially in the lifestyle product categories of fashion, beauty, and fitness.

The study found that AI exposure and consumer engagement with AI-based ads are positively correlated with purchase behavior. Moreover, demographic factors, particularly age, play a significant role in determining how consumers engage with AI ads and their subsequent likelihood of making a purchase.

The results suggest that marketers should focus on younger audiences, increase personalization in advertisements, and optimize engagement strategies to enhance the effectiveness of AI-powered social media marketing. Additionally, focusing on specific lifestyle product categories, particularly fashion, beauty, and fitness, can help marketers design more impactful AI-driven campaigns.

This research contributes to the understanding of how AI can be harnessed to improve consumer engagement and marketing outcomes in the digital age. Future research could explore the impact of different AI technologies, such as chatbots or augmented reality, on consumer behavior across various industries.

KEY CONTRIBUTIONS OF THE STUDY

1. Demonstrating the effectiveness of AI-powered advertisements in engaging consumers and influencing purchase decisions.

2. Identifying key demographic factors influencing AI ad engagement.
3. Offering actionable insights for marketers in leveraging AI to enhance social media marketing strategies for lifestyle products.

By incorporating the findings of this research into their marketing strategies, brands in Gujarat can better connect with their target audiences and improve the effectiveness of their digital marketing efforts.

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