
"ARTIFICIAL INTELLIGENCE-DRIVEN MARKETING STRATEGIES AND THEIR IMPACT ON BRAND POSITIONING IN THE ONLINE RETAIL SECTOR: AN EMPIRICAL STUDY OF CONSUMERS"

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ABSTRACT

The introduction of artificial intelligence (AI) in marketing strategies has become one of the transformative processes for both the marketers and their clients in the e-commerce industry. The use of AI marketing strategies has helped companies provide more personal customer experiences, improve customer engagement and enhance brand positioning. This paper aims at reviewing the literature concerning the impact of AI marketing strategies on brand positioning in the e-commerce industry from the years 2020 to 2025. The systematic literature review methodology will be used, focusing on peer-reviewed literature on how AI is being applied in the form of personalization, recommendation systems, targeted marketing, chatbots and predictive analytics to increase brand positioning. The study shows that AI helps brands to develop awareness, brand image, brand trust, loyalty and differentiation through providing customers with more data-driven decisions and more personalized experiences. Consumer engagement and customer experience can also be highlighted as the critical drivers through which AI affects brand positioning. Although AI brings numerous opportunities to the industry, issues like data protection and ethical usage cannot be overlooked. Through the

analysis of the current literature, a conceptual model of AI marketing strategies and brand positioning will be proposed.

KEYWORDS: Artificial Intelligence, AI-Driven Marketing Strategies, Brand Positioning, Online Retail Sector, Consumer Engagement, Customer Experience, Digital Marketing.

INTRODUCTION

The fast evolution of artificial intelligence (AI) has brought a new era in which business organizations communicate with their customers differently, as well as conduct different marketing practices. Digitalization has influenced the field of e-commerce significantly, thus making various retailers apply AI to achieve better results regarding customer experience, efficiency, and competitiveness. The technologies applied in AI marketing practices include machine learning, predictive analytics, chatbots, recommendation systems, and personalized advertising. These AI technologies allow marketers to learn more about their target audience, predict future behaviors, and create a personalized customer experience.

Brand positioning has become an important aspect in determining the success of online retailers. Brand positioning is described as the process of creating a particular image of a brand for customers. This concept allows organizations to increase trust between themselves and clients and improve the reputation of their brand. Unfortunately, the current competitive environment has required companies to adopt novel ways of achieving effective brand positioning. Traditional methods of building and maintaining brands are no longer effective in the age of digitalization, and thus organizations start applying AI-based marketing practices.

AI contributes to evidence-based decision making by processing large amounts of data collected through online activities, social networking, and other digital means. With its analytics and automation functionalities, AI can assist online marketers in understanding consumer behavior, predicting buying trends, and designing promotional campaigns for products and services. Not only does AI make customer engagement more effective, but it is also highly important when it comes to shaping brand image and position.

As the popularity of e-commerce keeps growing, more companies start turning to AI technologies to ensure their success in today's market environment. Modern customers have high expectations regarding personalized treatment, quick communication, and accurate recommendations offered by the website. By integrating marketing AI tools, online retailers

can meet consumer demands and, consequently, boost customer satisfaction and increase brand value.

While the use of AI is becoming increasingly significant in marketing operations, further understanding of the effects of AI-driven marketing strategy implementation on brand positioning from the consumer viewpoint is essential. Prior studies have mainly concentrated on the benefits associated with AI integration and its application. Little has been done about the interrelationship between AI-supported marketing initiatives and consumer perspectives about brand positioning in the e-commerce industry. It is for that reason that this research is aimed at examining the effect of Artificial Intelligence-driven marketing initiatives on brand positioning in the online retail industry.

This research will add value to the existing knowledge about AI applications in marketing since it seeks to find out more about the impacts of AI on consumers' perspectives towards brands. Practical suggestions for online retailers who seek to benefit from AI applications in terms of their brands' positioning will be generated through this research.

Review of Literature

1. Chintalapati& Pandey (2021) A systematic literature review was carried out by Chintalapati& Pandey to explore the importance of Artificial Intelligence in marketing. In this regard, 57 articles were analyzed, which identified AI applications in integrated digital marketing, content marketing, experiential marketing, marketing operations, and market research. It was found that there were 170 AI applications in marketing that positively affect customers' experience, marketing effectiveness, consumer targeting, and decision making process. It was concluded that AI had become a game-changer in marketing field, therefore further research was needed in the area of AI implementation in other domains.

2. Vlacic et al. (2021) An overview of existing literature regarding the changing position of Artificial Intelligence in marketing was provided by Vlačić et al. In the literature review, 164 articles were assessed with respect to AI application, consumers' acceptance, ethics, data protection, and organizational commitment. It was found that through the application of AI in marketing activities, firms could provide personalized customer experience, automate marketing activities, and improve decision making.

3. Verma, Sharma, Deb, &Maitra (2021) Verma et al. performed a thorough analysis of 1,580 scholarly works about the use of AI in marketing. In this study, the scholars assessed how AI, big data analytics, and digitalization affect marketing operations. The findings of the research suggested that artificial intelligence plays a crucial role in CRM, market

segmentation, predictive analytics, and personalized marketing. Further areas for research were identified as well. Specifically, trust and obstacles to the use of AI may be considered.

4. Jain and Kumar (2024) The authors investigated the evolution of AI in marketing over the last 20 years. The study focused on the following AI applications in marketing: customer relationship management, digital marketing, customer service automation, and brand building. According to Jain and Kumar, modern technologies, such as chatbots, recommendation systems, and analytics, have positively impacted consumer relations and marketing operations. The authors emphasize that AI improves the process of engaging customers and building brands.

5. Gera and Kumar (2023) The research conducted by Gera and Kumar examined the effect of Artificial Intelligence on consumer behavior. The paper paid attention to recommendation engines, personalized advertisements, and chatbot communication. Based on the results obtained, the authors found that artificial intelligence technologies have a positive impact on consumers' buying decisions, as they provide relevant product recommendations and facilitate the process of shopping for products.

6. Rosário and Raimundo (2025) In their article, Rosário and Raimundo examined the integration of artificial intelligence technologies into digital marketing practices. In particular, the study paid attention to the use of artificial intelligence tools in terms of personalizing customer communication, interacting with customers in real time, and analyzing customer data. The results obtained demonstrated that AI technologies contribute to creating a better customer experience by providing custom content and product recommendations.

7. Harwida, Novilia, Sudarmiati, and Hermawan (2025) The purpose of this research was to explore how Artificial Intelligence was being used in digital marketing tactics. This research discovered that AI increases the efficiency of the marketing process by automating operations, predicting consumer behaviors, and communicating with customers on an individualized basis. This article proves that AI-powered marketing has a positive effect on consumer involvement and organizational performance.

8. Bohara, Gupta, and Kumar (2025) This paper focused on the impact of Artificial Intelligence on consumer behavior. It was discovered that AI had a great effect on consumer trust, consumer engagement, and consumer purchasing intentions. Personalized recommendations and AI-based customer care services helped build more effective relationships with consumers, resulting in brand perception enhancement.

9. Ulfa and Tajuddien (2025) In the research work by Ulfa and Tajuddien, the researchers analyzed the effects of artificial intelligence-based digital marketing techniques and their impact on consumer behavior. According to the results, artificial intelligence improves the efficacy of advertisements, allows for better customer targeting, and personalizes marketing efforts. As per the authors, AI helps firms get a better insight into consumer requirements and increases consumer satisfaction.

10. Pallavi T.S. and Chithambar Gupta V. (2025) The researchers analyzed the influence of AI technologies on consumer behavior online. In their studies, they analyzed such artificial intelligence applications as chatbots, recommendation services, and generative AI software. The results showed that AI helps increase consumer involvement, enhances e-commerce experiences, and facilitates brand-to-consumer interactions.

Research Gap

An analysis of previous literature suggests that there is ample attention paid in previous literature regarding the implementation of Artificial Intelligence (AI) for marketing and online retail. Previous studies have considered the impact of using AI for better customer experience, operational efficiencies, personalization, and engagement of consumers with the brands they use. In the same way, much literature exists that analyzes the concept of brand positioning and its effects on consumer and business performance.

Nevertheless, few studies have analyzed the direct effect of marketing strategies through AI technology on the brand positioning of organizations from the consumer point of view. Literature related to the usage of AI in marketing considers only either the technological adoption or the impact on the customers' experience but not how AI marketing activities influence the process of brand positioning. In addition, limited data exist from emerging markets and regions, especially from online retailing customers in the state of Karnataka. This paper attempts to address this research gap by analyzing the effect of AI-driven marketing strategies on brand positioning of online retail organizations.

Research Methodology

Research Design

The current study uses systematic literature review methodology to investigate the connection between the use of marketing strategies based on Artificial Intelligence (AI) and brand positioning within the context of online retailing. The choice of literature review design for

conducting this research allows for an analysis of the relevant studies available in the literature that have already been conducted and published.

Sources of Data

This research is based solely on secondary data derived from journal articles, conference papers, book chapters, and scholarly sources such as industry reports. Literature related to the subject matter was gathered using several online academic sources, namely Scopus, Web of Science, Google Scholar, ScienceDirect, and SpringerLink.

Study Selection Process

The selection of the literature studies comprised three main steps. First, the relevant literature was searched for by means of database search with the use of specific keywords. Next, the title and the abstract of each piece of literature were examined to evaluate whether they have any relevance to the research question. Finally, the content of the article was scrutinized according to the inclusion and exclusion criteria to find out which pieces meet these criteria.

Data Analysis

The selected literature was analyzed using thematic analysis to find key themes and concepts pertaining to the application of AI in marketing activities aimed at consumer engagement and improvement of consumer experience.

Development of the Concept

A conceptual model depicting the link between AI-driven marketing strategies and brand positioning has been developed based on the synthesis of relevant scientific literature. The model reflects the findings of previous studies, and the mechanisms by which AI-supported marketing strategies affect consumers and brands are discussed.

Reliability and Validity

In order to make the study more reliable and valid, only peer-reviewed articles have been considered. Various databases have been checked to make sure that all possible sources had been taken into account. Moreover, a systematic approach to the selection of the sources has been used in the process of reviewing the literature.

Scope of the study

The present study covers literature sources published between 2020 and 2025 related to Artificial Intelligence, marketing strategies, brand positioning, and online retailing. It aims to

explore the latest research trends, theoretical and practical aspects of Artificial Intelligence in marketing and online retailing.

LIMITATIONS

Due to some limitations, the review may miss out on some valuable information related to the topic under discussion. For example, some scientific papers might have been omitted because they were not published during the designated period or they were written in other languages.

DISCUSSION

Based on the reviewed literature, it can be said that the use of Artificial Intelligence (AI) is becoming a revolutionary aspect for modern-day marketing practices, especially in the online retail industry. The application of personalization engines, recommendation algorithms, predictive analytics, chatbots, and other AI-based technologies has allowed marketers to better meet consumer needs and expectations. All the discussed sources prove that artificial intelligence allows companies to provide a personalized experience, engage customers through effective communication, and increase marketing efficiency.

One of the most prominent themes addressed in the literature review is that of AI and its impact on the consumer interaction process. The use of personalized recommendations and AI-based communication tools allows for building quality connections with consumers. Such contacts contribute to creating a positive image of the brand and positioning it among its competitors in the online space.

The role of data-based decision-making in brand management is another aspect discussed in the current research. The application of AI technologies enables organizations to assess large sets of consumer data and detect behavioral patterns to design appropriate marketing strategies for their positioning. This approach helps organizations effectively position themselves by providing their consumers with relevant information, products, and services when needed.

One more important issue covered in the reviewed research is the relation between consumer trust and brand loyalty. Research has revealed that the utilization of AI services enhances the convenience and responsiveness, thus having a positive impact on consumer trust. Nevertheless, the problems associated with data privacy and ethics pose challenges to organizations in their efforts to position themselves sustainably.

In general, the discussed literature reveals that the use of AI-powered marketing techniques can act as strategic means to develop brand awareness, brand image, brand differentiation,

and customer loyalty in the digital environment of online retailing. With time, the implementation of artificial intelligence in marketing processes transitioned from a necessary function to a factor of competitive advantage and brand success.

Future Research Directions

There are many directions for further academic research in the area of AI-powered marketing. First of all, the analysis of existing literature shows that there is still a need for an empirical study of the impact of certain types of AI technologies on brand positioning. For instance, future scholars may explore the impact of personalization, recommendation systems, predictive analytics, and generative AI.

Moreover, a comparative analysis of consumer responses in various countries can be helpful in developing more effective global frameworks of AI marketing.

Third, further research could focus on examining the mediator influence of consumer engagement, customer experience, trust, and satisfaction on the association between AI-based marketing approaches and brand positioning, which would offer an enhanced insight into the creation of brand value using AI.

Fourth, longitudinal research should be conducted to identify the effects of using AI over time on brand equity, customer retention, and firm performance. The majority of research on AI currently uses cross-sectional designs.

Finally, ethical and governance implications of using AI need to be considered as a potential topic for future research, including issues such as privacy, AI ethics, algorithmic discrimination, and other ethical concerns.

Managerial Implications

Several practical managerial implications arise from the results of this literature review for the online retail industry. Firstly, managers should invest in personalization technologies driven by artificial intelligence. Such technologies will allow improving consumer experience and increasing the level of brand positioning through personalized recommendations and communication.

Secondly, predictive analytics should be utilized by managers to identify consumer needs and future trends on the marketplace. The information obtained in this way will help make appropriate marketing decisions and increase the effectiveness of brand communication with consumers.

Thirdly, managers should use AI-powered chatbots and virtual assistants to offer customers timely assistance and support. It is also an effective tool for creating a positive corporate image due to efficient customer service.

Fourthly, managers should pay attention to the ethics of using artificial intelligence technologies. Specifically, there should be transparency in data collecting and processing. It is an important condition for establishing long-term relations with consumers based on trust.

Finally, managers should keep track of new technological developments to implement innovations in their brands' marketing strategy. Those organizations that successfully implement artificial intelligence technologies have a competitive advantage.

CONCLUSION

Artificial Intelligence has become an emerging technology that is contributing to changes in marketing approaches and brand management techniques used in the online retail industry. According to the reviewed articles from 2020 to 2025, AI-enabled marketing strategies are essential in promoting consumer engagement and brand positioning.

According to the findings, Artificial Intelligence helps firms provide consumers with personalized and valuable experiences that increase brand awareness, brand image, consumer trust, brand loyalty, and brand differentiation. Through the use of sophisticated data analysis and automation technologies, online retailers can have deeper insights into consumer behavior and make sound marketing decisions.

While there are many advantages of applying AI technologies in business, issues such as privacy, transparency, and ethical considerations still affect consumer attitudes towards these innovations. Hence, companies should adhere to the ethical use of Artificial Intelligence in order to gain maximum benefits.

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