

# A Study on The Role of AI in Hyper-Personalization Marketing of FMCG Products

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## Abstract:

*AI, machine learning, and real-time data analytics are just a few of the cutting-edge technology that hyper-personalization marketing uses to create incredibly customised client experiences. Hyper-personalization creates customised marketing tactics by utilising purchase history, extensive behavioural data, and real-time interactions, in contrast to typical personalisation, which depends on fundamental client information. At each step of the purchasing process, this strategy caters to the unique needs and preferences of the consumer to increase engagement, boost conversion rates, and strengthen brand loyalty. The purpose of conducting this research is to evaluate the role of AI in hyper-personalization marketing of FMCG products. The technique used in this study is one sample t-test. The findings indicated that Personalized product recommendation, Enhanced customer experiences through AI driven chatbots and virtual assistants, Sentiment analysis through customer feedback, Time saving, improves decision making, Enhanced customer support, Predictive assistances for future needs and Improved loyalty programs are the significant high impact role of AI in hyper personalization marketing to the buyers. Whereas, Customer segmentation, Customer retention, Customer satisfaction, Customer journey mapping, Inventory management, Cross selling and upselling, Customer engagement, Increases sales, reduces marketing cost and Increases conversion rate are the significant high impact role of AI in hyper personalization marketing to the vendor.*

**Keywords:** Hyper-personalization, Artificial Intelligence, Fast-Moving Consumer Goods, One Sample t-test, Machine Learning, Marketing

## 1. Introduction:

Fast-moving consumer goods (FMCG) companies may now sell their products in a hyper-personalized way thanks to artificial intelligence (AI), which makes it possible to implement sophisticated techniques catered to the specific demands of each customer. consumer-centric marketing is improved by AI-driven strategies including real-time data, consumer segmentation, and personalised recommendations (Steven, R. 2023) (Darshana, D. 2022). FMCG marketers may ensure appealing and customised packaging solutions by using AI and machine learning to produce individualised product packaging designs based on consumer groupings, preferences, and purchase behaviours (Yue, H. 2023) (Olivia, M. 2023). A crucial component of FMCG marketing is personalisation (Godes & Mayzlin, 2009). AI has the ability to evaluate customer data and offer tailored product

recommendations (Li & Hitt, 2008). According to Loeb and Walter (2018), personalisation increases customer happiness and boosts conversion rates. AI makes it possible to precisely target and segment FMCG consumers (Davenport & Beck, 2001)). Advertising efforts are more effective when they use AI-driven analytics and algorithms (Loeb & Walter 2018). FMCG companies can forecast customer demand with the use of powered predictive analytics (Loeb & Walter, 2018). Supply chains, inventory control, and production are all optimised by precise demand forecasting (Li & Hitt, 2008). According to Davenport and Beck (2001), better forecasting guarantees product availability and cuts down on waste. In addition to meeting implicit client wants, this degree of hyper-personalization ensures that the correct information is sent through the right channels at the right time, improving consumer engagement and increasing profits for the FMCG industry.

Data-driven, intelligent, and automated marketing is becoming the norm in modern times. The laser-like focus of new-age marketing has directly affected marketing outcomes (Kumar et al., 2019; Paschen et al., 2019). Technological developments have brought about long-term improvements in the marketing industry, demonstrating that marketing and artificial intelligence (AI) may work together to effect beneficial change (Siau, 2017; Wirth, 2018). How artificial intelligence is changing marketing tactics. It represents a significant shift in the way “marketers view, interact with, and target customers. Through data-driven insights, personalised experiences, predictive analytics, and automation, the application of AI in marketing activities” can promote improved consumer interaction, precise ad targeting, and effective decision-making. This shift heralds the arrival of more precise, effective, and personalised marketing strategies driven by AI.

Artificial intelligence (AI) is becoming an essential part of modern marketing strategies because it can analyse massive amounts of data, automate processes, and improve decision-making. By providing marketers with access to tools for automation, personalisation, predictive analytics, and data analysis, artificial intelligence (AI) increases their influence. Enhancing overall marketing techniques leads to better customer knowledge, personalised experiences, more engagement, and higher conversion rates.

## Artificial Intelligence (AI)

### 1.1.1 Definition of AI

**Oxford dictionary defines Artificial Intelligence as** “the theory and development of computer systems able to perform tasks normally requiring human intelligence, such as visual perception, speech recognition, decision-making, and translation between languages.”

In 1955, Stanford University emeritus professor John McCarthy coined the term artificial intelligence (AI) and described it as “the science and engineering of making intelligent machines.” Many studies have shown that humans can teach robots to play sophisticated games like chess, but currently we are more interested in computers that can learn, at least in part, like humans.

### 1.1.2 Methods of AI

#### Machine Learning

This is an example of an artificial intelligence application where computers are naturally trained to learn from experience rather than having specific jobs explicitly coded into them. Artificial neural networks are used in “Deep Learning,” a subfield of machine learning, to do predictive analysis. Three types of machine learning algorithms are available: “supervised, unsupervised, and reinforcement learning”. Unsupervised learning algorithms don't work on classified data by themselves without supervision. In supervised learning, “a set of an input object and the desired output are used to infer a function from the training data.” By performing the necessary actions to increase the reward, machines use reinforcement learning to identify the optimal choice that should be taken into account. (Neha Saini 2023).

#### Natural Language Processing (NLP)

Computer programs are designed to process natural languages by means of their interaction with human language. Machine learning is a solid tool for natural language processing when it comes to interpreting human languages. In natural language processing (NLP), a machine records spoken speech. After the audio to text exchange, the text is processed to convert the audio data. The computer then uses the audio to respond to users after that. IVR (Interactive Voice Response) systems in contact centres, word processors like Microsoft Word, and language translation apps like Google Translate all use natural language processing to check textual grammar. (Neha Saini 2023).

#### Robotics and Automation

Automation aims to increase production by having machines perform monotonous and repetitive tasks, resulting in more efficient and cost-effective outputs. Graphs, machine learning, and neural networks are extensively utilised in automation across numerous businesses. Such automation can eliminate fraud problems during online financial transactions by employing CAPTCHA technology. Robotic process automation is intended to do high-

volume, repetitive tasks that can adapt to changing circumstances. (Prof. Neha Saini 2023).

## Machine Vision

Visual data can be collected and analysed by machines. Here, the visual information is captured by cameras, the image is converted from analogue to digital using analogue to digital conversion, and the data is processed using digital signal processing. A computer receives the resultant data after that. Resolution, or the distance at which an item can be distinguished, and sensitivity, or the system's ability to detect weak signals, are two crucial aspects of machine vision. Among other uses, machine vision is employed in "signature identification, pattern recognition, and medical image analysis". (Prof. Neha Saini 2023).

## 1.2 Hyper-Personalization Meaning

Hyper-personalization refers to a type of marketing where products, services, or content are created with a high degree of granularity and specificity for each consumer by utilising real-time data and artificial intelligence (AI). Although the process is frequently mechanised, it is also possible to hyper-personalize it in person. One-to-one marketing is another name for hyper-personalization.

### 1.2.1 Hyper-Personalization Marketing

According to Valdez Mendia and Flores-Cuautle (2022), hyper-personalization is a social media marketing tactic that is gaining popularity. This technique involves analysing user data, including search history, content choices, and interaction behaviour. Imhoff et al. 2001 defined personalisation as "the ability of a company to recognise and treat its customers as individuals through personal messaging, targeted banner ads, special offers on bills, or other personal transactions." This definition is used in this work to achieve personalisation goals. For an omnichannel business model to enable hyper-personalized

experiences, customer data needs to be accessible for all interactions and source systems (Kalia & Paul, 2021). Companies can receive client information that may be useful to them through the data generated by each encounter they have with a customer (Erevelles et al., 2016; Rekettye & Rekettye, 2019). According to Ducange et al. (2018), platforms and systems support each touchpoint and subsequently integrate the data into their relational databases.

Technological advancements have accelerated the emergence of hyper-personalization in social media, enabling businesses to target individual customers with tailored messages, goods, and services according to their individual requirements, preferences, and behaviours (Jain et al., 2021). Because there are more people using social media, there is more data available on these platforms about the wants and preferences of users, which has led to a rise in the use of hyper-personalization. Businesses can utilise this information to craft highly customised experiences that boost client happiness, retention, and engagement. Businesses today must aim for an institutional and comprehensive comprehension of each relationship they have with their customers (Jain et al., 2018; Kalia & Paul, 2021; Low, 2000). Moreover, companies encounter challenges in delivering customised communication and services when utilising a greater number of traditional and digital channels (Andreassen et al., 2018; Bleier & Eisenbeiss, 2015; Wolny & Charoensuksai, 2014).

## 1.3 Fast Moving Consumer Goods (FMCG)

Rapid turnover and frequent customer purchases define the Fast-Moving customer Goods (FMCG) industry, which is an essential sector of the global economy. Economic expansion, job creation, and sustainable practices are all greatly impacted by this industry. The FMCG industry's salient features are outlined below:

Economic Impact	<ul style="list-style-type: none"> <li>With an estimated contribution of US \$56.8 billion as of December 2022, the FMCG sector ranks fourth in India. By 2027, it is expected to have grown to US \$615.87 billion (Nafde 2024).</li> <li>It improves the overall employment picture by playing a critical role in the creation of jobs in manufacturing, distribution, and retail (Nafde 2024).</li> </ul>
Technological Integration	<ul style="list-style-type: none"> <li>Real-time monitoring and predictive analytics are made possible by cutting-edge technologies like IoT, AI, and Big Data, which are revolutionising the management of health, safety, and the environment (HSE) (Abatan et al., 2024).</li> <li>Innovations in sustainable packaging are changing supply chain safety, lessening their influence on the environment, and restructuring operational procedures (Abatan et al., 2024).</li> </ul>
Strategic Operations Management	<ul style="list-style-type: none"> <li>According to Oluzimehin et al. (2024), solving issues like demand fluctuation and short product life cycles requires effective inventory management and production planning.</li> <li>In order to optimise supply chains and raise consumer satisfaction, stakeholders must work together (Olutimehin et al., 2024).</li> </ul>

Despite the FMCG sector's rapid evolution, issues including market volatility and sustainability demands still exist. Future progress depends on finding innovative solutions to these problems through strategic management.

## 1.4 Statement of the Problems

The FMCG sector faces challenges in satisfying the wide range of shifting consumer demands. Conventional marketing techniques frequently fall short of considering the unique tastes of each customer, which lowers sales and decreases customer satisfaction. The complexity of inventory management and supply chain optimisation is increased by the inability to predict customer behaviour and demand with sufficient accuracy. To improve customer satisfaction and operational efficiency, this study examines how AI-driven hyper-personalization can solve these issues.

## 2. Review of Literature:

**2.1 Sodiq, Odetunde, et al. (2024)** investigated how artificial intelligence (AI) might revolutionise marketing techniques through personalisation.

According to the study, AI greatly enhanced the personalisation of marketing efforts by customising experiences and messaging according to the demographics and behaviour of individual customers. Increased customer satisfaction, engagement, and conversion rates were all a result of AI-enabled personalisation. Through personalised challenges and rewards, the use of AI to gamified marketing techniques successfully engaged and motivated users. AI systems were also successful in predicting customer preferences and behaviours by analysing enormous volumes of data, which allowed for the creation of tailored content and advertising. Artificial Intelligence (AI)-driven chatbots and Natural Language Processing (NLP) tools improved consumer sentiment analysis and offered tailored support, increasing customer engagement.

**2.2 S. Aiswarya, S Sangeetha (2024)** evaluated how consumers of fast-moving consumer goods (FMCG) felt about the benefits of artificial intelligence (AI) once it was implemented. According to the survey, customers' impressions of personalised marketing, consumer involvement, and



product innovation in the FMCG industry were significantly impacted by AI. Based on educational levels, there is a substantial variation in views of these elements, according to one-way ANOVA analysis. On the other hand, the results of the Wilcoxon Mann-Whitney U test indicated that consumer views of the advantages of AI in the FMCG industry were not influenced by gender. The findings demonstrated how AI may improve a number of FMCG sector aspects while also showing how consumer perceptions of AI's influence are influenced by educational background.

**2.3 Shameek, et al. (2024)** examined how artificial intelligence (AI) may improve marketing capacities for FMCG (fast-moving consumer goods) companies in India, with an emphasis on DC (dynamic capabilities). According to the survey, AI greatly improves marketing strategies for FMCG companies in India, especially in four crucial areas: marketing automation, customer interaction, personalisation, and strategic goal alignment. Indian FMCG companies could gain a competitive edge, increase efficiency and effectiveness, and significantly improve their marketing capabilities by incorporating AI into these areas. In order to help FMCG companies optimise their marketing strategies, the study also highlighted the significance of dynamic capabilities (DC) in utilising AI technologies and put forth a framework for AI-enabled Marketing 4.0.

**2.4 S, Gautham., Shanta, S., Rao. (2024)** investigated how artificial intelligence (AI) affects customised marketing. According to the report, artificial intelligence (AI) greatly improves personalised marketing by increasing targeting precision, which results in more successful and pertinent marketing campaigns. By adjusting marketing tactics to specific consumer preferences, behaviours, and demographics, artificial intelligence (AI) technology help improve customer engagement. Higher conversion rates follow from this. The inquiry emphasised how AI is transforming consumer-brand relations and how crucial it is to comprehend how AI affects the changing dynamics of marketing in the digital age.

**2.5 Bharathi, N, S., et al. (2024)** characterised and evaluated the paradigm shift in marketing brought about by artificial intelligence (AI) integration. According to the report, AI is transforming marketing strategies by making "data-driven insights, tailored experiences, predictive analytics, and automation possible." Significant improvements in decision-making processes, more accurate ad targeting, and customer contact have resulted from this. Marketing strategies driven by AI have shown to be more precise, effective, and adaptable. According to the study, AI has already significantly increased the personalisation and effectiveness of marketing. The report highlighted that future advancements in AI will improve personalisation, content production, and tackle ethical concerns, influencing the marketing scene for years to come.

**2.6 Matz, S. C., et al. (2024)** determined how personalised persuasion in message techniques was affected by large language models (LLMs) like ChatGPT. The results of the study showed that personalised persuasion—messages created by LLMs to align with the psychological profiles of recipients—had a considerably higher impact than non-personalised messages. This effect was noted across a wide range of topics, including political ideologies, consumer goods, health advice, and social issues in addition to psychological profiles like personality traits and moral convictions. The outcomes demonstrated how LLMs may scale and automate customised persuasion, increasing its efficacy and efficiency.

**2.7 Steven, R., Talbot. (2023)** looked at how artificial intelligence (AI) is used in the marketing of fast-moving consumer goods (FMCG). The results showed that customer behaviour and decision-making were greatly impacted by AI-driven techniques, such as word-of-mouth marketing and tailored suggestions. FMCG marketing techniques were improved by AI's ability to enable multichannel customer management, superior retail analytics, and customer segmentation.

**2.8 Yue, H. (2023)** investigated how artificial intelligence (AI) might be used to create a system for designing individualised product packaging. According to the trial results, the AI-

driven packaging system complied with the minimum requirements by maintaining a running time of less than one second. Based on various client needs and brand attributes, the system automatically generated packaging design schemes using data mining, picture processing, and other relevant algorithms. It offered several choices and free modification features.

**2.9 Andrii, & Daniela. (2023)** investigated the new avenues for marketing personalisation made possible by advances in artificial intelligence (AI). The study showed that by customising communications and interactions based on unique behavioural patterns, artificial intelligence has greatly increased the possibility for highly personalised marketing experiences. It offered theoretical understandings of the GPT model, AI, machine learning, and personalisation. The examples of customised email campaigns and chatbots demonstrated how AI may be used in real-world contexts to achieve personalised marketing. These real-world examples provide businesses with a foundation upon which to build or refine their personalisation initiatives.

**2.10 Darshana, Desai. (2022)** investigated hyper-personalization techniques that improve customer-centric marketing in e-commerce by utilizing artificial intelligence (AI) and machine learning (ML). Using ML and AI algorithms for segmentation, targeting, and positioning based on real-time information, the research offered a hyper-personalization process. It made clear that by giving customers the correct information through the right channel at the right time, AI-enabled personalization may fulfill their implicit demands and generate higher returns.

**2.11 Pukas, A. (2022)** determined the potential of hyper-personalization as a CRM tool in astute organizations, as well as to identify areas that needed more research and research gaps. The study concluded that digital technology and hyper-personalization in CRM are important but understudied topics. To corroborate the theoretical conclusions, it advised that additional empirical verification be conducted to close the research gap

about the use of these technologies to achieve CRM goals.

**2.12 Laura, Schelenz., et al. (2020)** addressed the context of AI-driven personalisation systems, the growing problem of user vulnerability to online manipulation. The study integrated principles from computer science and technology ethics to establish a list of transparency recommended practices for machine-generated personalisation. Based on these best practices, a checklist was created to help designers assess and make their algorithmic systems more transparent. The checklist's limits and potential for development were discovered after it was used on a number of well-known internet businesses. In order to promote transparency in the personalisation community, the study underlined the necessity for a consensus-based instrument for gauging transparency in personalisation and urged academics to apply and improve the checklist in a variety of settings.

### 3. Relevance of the Study:

In a time when consumers' expectations are always changing, FMCG companies that want to remain competitive must comprehend AI's role in hyper-personalization. This study holds significance because it looks at how AI technology might change marketing tactics to focus more on the needs of the consumer, which will boost profitability and engagement. This study emphasises the potential advantages of tailored consumer experiences and the significance of advanced data analytics in promoting corporate success by looking at the incorporation of AI in FMCG marketing.

### 4. Objectives of the Study:

1. To study the concept of hyper-personalisation marketing of FMCG goods
2. To evaluate the Role of AI in hyper-personalisation marketing of FMCG goods
3. To give appropriate suggestions to the service providers towards adoption of hyper-personalization marketing

### 5. Hypothesis:

Ho: The role of AI is hyper-personalisation marketing if FMCG goods is insignificant

Ha: The role of AI is hyper-personalisation marketing if FMCG goods is significant

#### 6. Scope of the Study:

The study's focus is on how AI is being used in the FMCG industry to hyper-personalize products. The study looks at how AI affects supply chain management, demand forecasts, and packaging solutions. The research seeks to provide a thorough grasp of how AI might improve marketing strategies and operational efficiency in the FMCG business by analysing existing literature.

#### 7. Research Methodology:

**Approach/Design:** Descriptive Research Design (Quantitative)

**Data collection:** Both Primary and secondary data

**Population:** Marketing managers/Product/Brand Managers of FMCG goods industry

**Sample size:** 250 Marketing managers/Product/Brand Managers of FMCG goods industry will be selected for the current study

**Sampling Technique:** Non-probability purposive sampling

**Statistical Technique:** Parametric one sample tests

**Statistical tool:** R Studio

#### 8. Data Analysis and Interpretation

**Table No: 1 Summary of Demographics**

Category	Variables	Frequency	Percent
Age	25 - 30	58	23.2
	31-40 years	69	27.6
	41-50 years	71	28.4
	Above 50 years	52	20.8
Years of Experience	Less than 5 years	71	28.4
	5-10 years	52	20.8
	11-15 years	58	23.2
	More than 15 years	69	27.6
Job Title:	Marketing Manager	90	36.00
	Product Manager	80	32.00
	Brand Manager	80	32.00

Data was collected from 250 Respondents to understand the role of hyper-personalization marketing of FMCG Products. It was seen that there are 58 (23.2%) respondents in the age bracket of 25 – 30 years, 69 (27.6%) respondents aged between 31 – 40 years, 71 (28.4%) in the age category of 41 – 50 years and 52 (20.8%) in the age category of above 50 years. As for their years of experience it was seen that majority of the respondents i.e. 71 (28.4) had less than 5 years of experience, 69 (27.6%) had more than 15 years of experience, 52 (23.2%) had 11 – 15 years of experience and 52 (20.8%) had 5 – 10 years of experience. The job title of these respondents were seen as 90 (36.00%) Marketing managers and 80 (32.00%) each of product managers and brand managers.

**Table No: 2 Summary of One sample t test (Buyers)**

Items	t – statistics	P – value	Ha: Role of AI in hyper personalization marketing to the buyers is high
Personalized product recommendation	19.90	0.001	High impact
Enhanced customer experiences thorough AI drivers chatbots and virtual assistants	18.23	0.002	High impact
Sentiment analysis through customer feedback	19.00	0.004	High impact
Time saving	20.44	0.001	High impact
Improves decision making	21.55	0.002	High impact
Enhanced customer support	20.11	0.000	High impact
Predictive assistances for future needs	19.77	0.004	High impact
Improved loyalty programs	20.03	0.003	High impact

Parametric one sample t – test (one tailed) is applied to Role of AI in hyper personalization marketing to the buyers. It is seen that  $p - \text{value} < 0.05$  and  $t \text{ statistics} > 1.96$  Personalized product recommendation, Enhanced customer experiences thorough AI drivers chatbots and virtual assistants, Sentiment analysis through customer feedback, Time saving, improves decision making, Enhanced customer support, Predictive assistances for future needs and Improved loyalty programs are the significant high impact role of AI in hyper personalization marketing to the buyers.

**Table No: 3 Summary of One sample t test (Vendors)**

Items	t – statistics	P – value	Ha: Role of AI in hyper personalization marketing to the vendor 'is high
Customer segmentation	21.09	0.001	High impact
Customer retention	23.67	0.000	High impact
Customer satisfaction	20.45	0.000	High impact
Customer journey mapping	20.55	0.000	High impact
Inventory management	21.89	0.002	High impact
Cross selling and upselling	23.66	0.000	High impact
Customer engagement	24.78	0.001	High impact



Increases sales	23.00	0.001	High impact
Reduces marketing cost	21.77	0.009	High impact
Increases conversion rate	20.66	0.002	High impact
Parametric one sample t – test (one tailed) is applied to examine Role of AI in hyper personalization marketing to the vendor. It is seen that p – value < 0.05 and t statistics > 1.96 Customer segmentation, Customer retention, Customer satisfaction, Customer journey mapping, Inventory management, Cross selling and upselling, Customer engagement, Increases sales, reduces marketing cost and Increases conversion rate are the significant high impact role of AI in hyper personalization marketing to the vendor.			

## 9. Conclusion

The study found that Since AI is revolutionising critical business activities, it plays a transformative role in hyper-personalization marketing for vendors. It enables more accurate client segmentation, which improves customer happiness and retention by allowing vendors to target particular groups with customised goods and services. Artificial intelligence (AI) enables suppliers to offer individualised experiences that boost engagement by tracking and predicting client behaviours through customer journey mapping. Vendors may effectively fulfil demand and optimise stock levels by utilising AI's predictive skills in inventory management. AI also enables vendors to apply successful upselling and cross-selling tactics by examining past purchases and customer preferences. Increased sales, lower marketing expenses, and higher conversion rates are all results of AI's overall effect on marketing initiatives, and they all put vendors in a better position to maintain growth and compete in a market that is changing quickly.

As for the buyers it was seen that AI gives highly personalised product recommendations based on past behaviours and interests, greatly enhancing the shopping experience for customers. Chatbots and virtual assistants, two AI-driven tools, provide customers with prompt, individualised customer care that leads to quicker resolutions and improved experiences all around. AI also makes sentiment analysis possible, giving companies access to customer comments and feelings. This means that they can improve customer service and make product changes more quickly. Additionally, by

streamlining the decision-making process and automating repetitive operations, AI saves buyers time. Personalised rewards and predictive support help customers find new items and services that match their needs going forward, which improves loyalty programs. The end result of AI is a smooth, easy-to-use, and enjoyable purchasing experience that boosts customer loyalty and promotes recurring business.

## 10. Suggestions

- Analyse enormous volumes of customer data by putting AI-driven technologies like machine learning models, recommendation engines, and predictive analytics to use. Personalised experiences based on individual tastes and behaviours can be delivered in real time thanks to these capabilities.
- To get a better understanding of client demographics, purchasing patterns, preferences, and feedback, service providers need to leverage data analytics. Businesses may create highly focused marketing strategies that appeal to particular customer segments thanks to this, which also makes segmentation more precise.
- Using technology that allow for real-time personalisation can improve client experiences dramatically. Examples of how to increase engagement and conversion rates include with personalised product recommendations or dynamic content based on real-time interactions.
- Make sure the attempts at hyper-personalization extend to all forms of communication, including websites, social media, email, and mobile apps. Enhancing consumer engagement and loyalty across many channels can be achieved through consistent and seamless personalisation.

- Use virtual assistants and chatbots driven by AI to improve customer service. With the help of these solutions, clients can receive individualised, round-the-clock assistance, product suggestions, query resolution, and route guidance, all of which increase customer happiness.
- Make use of AI and predictive models to foresee the requirements, preferences, and future actions of your customers. Service providers can develop proactive marketing strategies with the use of predictive analytics, such as customising promotions or suggesting products based on the future preferences of their clients.
- AI sentiment analysis technologies can assist service providers in comprehending the feelings and responses of their customers. Service providers can boost customer satisfaction and loyalty by adjusting their marketing strategy and keeping a close eye on and responsive to consumer feedback.
- AI-enhanced loyalty programs that give tailored incentives and rewards based on individual purchase behaviours should be developed by service providers. Long-term partnerships and client retention may both benefit from this.
- Strong data privacy and security safeguards must be established because personalisation initiatives mostly rely on user data. In order to gain customers' trust, service providers should handle personal information responsibly, make sure that privacy rules are communicated explicitly, and maintain compliance with data protection requirements.
- Businesses should invest in training their personnel to deal with AI, machine learning, and data analytics in order to manage and implement hyper-personalization initiatives effectively. This guarantees that employees can make the most of technology to offer individualised customer experiences.

### 11. Limitations of the Study:

The study has certain shortcomings despite its thorough approach. The fast evolution of AI technology implies that results could be out of date very soon. Furthermore, the study is dependent on previously published research, which might not accurately reflect current industry advancements. Additionally, the study's selection of sources may have been biased because it mostly highlights the

advantages of implementing AI. Finally, practical limitations like time and money could make it difficult to perform in-depth analysis and large-scale empirical study.

### 12. Management Implementation:

AI's ability to improve operational efficiency and decision-making in FMCG hyper-personalized marketing will have a substantial impact on management adoption. More intelligent resource allocation and strategy planning will be possible by using AI-driven insights into consumer behavior and preferences. Management will have a greater ability to customize product offers and marketing activities to meet the specific demands of each customer, increasing customer loyalty and satisfaction. Additionally, managerial resources will be freed up to concentrate on higher-level strategy and innovation because to AI's capacity to automate repetitive tasks like data analysis and segmentation. To integrate AI technologies effectively, organizations must adopt a proactive approach that promotes adaptability and continual learning.

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