

TRANSFORMING RETAIL: THE IMPACT OF NEW MEDIA ON CONSUMER ENGAGEMENT AND MARKETING STRATEGIES

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ABSTRACT

The rapid evolution of new media has revolutionized the retail industry, reshaping how businesses engage with consumers and develop marketing strategies. This transformation is driven by the widespread adoption of digital platforms, social media, and mobile technology, which have redefined consumer behavior and expectations. Retailers now leverage social media channels, influencer marketing, personalized content, and real-time interactions to build stronger customer relationships and enhance brand loyalty. Additionally, data analytics and artificial intelligence enable businesses to gain deeper insights into consumer preferences, allowing for targeted marketing campaigns that are both efficient and effective. This shift toward digital engagement has also led to the rise of e-commerce and omnichannel retailing, where seamless integration between online and offline experiences is essential for success. This paper explores the profound impact of new media on consumer engagement and

marketing strategies, highlighting key trends, challenges, and future opportunities for retailers in an increasingly connected world.

Keywords: New Media, Consumer Engagement, Marketing Strategies, Digital Platforms, Social Media, Influencer Marketing, Personalization, Omnichannel Retailing, Customer Relationships, Brand Loyalty.

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1. INTRODUCTION

The retail industry has undergone a significant transformation with the advent of new media, fundamentally altering how businesses connect with consumers and promote their products and services. New media, encompassing digital platforms such as social media, mobile applications, and online marketplaces, has created new opportunities for retailers to engage with their target audiences more effectively. Unlike traditional marketing channels, new media enables real-time interactions, personalized communication, and global reach, making it an essential component of modern marketing strategies. Consumer behavior has also evolved in response to these technological advancements. Today's consumers are more informed, empowered, and connected, with instant access to product information, reviews, and peer recommendations. This shift has led retailers to adopt innovative marketing approaches that prioritize consumer engagement, brand loyalty, and customer experience. Social media platforms like Facebook, Instagram, and X (formerly Twitter), along with influencer marketing and user-generated content, play a crucial role in shaping consumer perceptions and driving purchasing decisions.

Moreover, the integration of data analytics and artificial intelligence allows retailers to gain valuable insights into consumer preferences, enabling them to deliver personalized offers and targeted advertisements. The rise of e-commerce and omnichannel retailing has further blurred the lines between physical and digital shopping, creating a seamless and interconnected retail ecosystem.

This study aims to explore the impact of new media on consumer engagement and marketing strategies, examining key trends, challenges, and opportunities faced by retailers. By understanding the transformative role of new media, businesses can develop more effective strategies to meet the evolving needs of consumers in today's digital age.

Tan et al. (2024) emphasizes the significance of content in formativeness, interactivity, and entertainment in fostering customer engagement on fashion retail websites in Malaysia. The research indicates that informative content has the most substantial positive impact on customer engagement, suggesting that consumer's value detailed and relevant information when interacting with online fashion retailers.

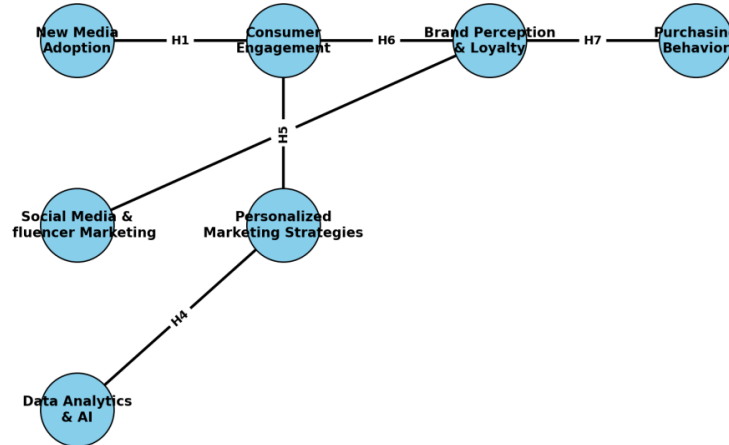
Consumer engagement has become a focal point in contemporary retail marketing. According to Brodie et al. (2011), consumer engagement refers to a customer's cognitive, emotional, and behavioral involvement in brand interactions. With the advent of social media platforms like Facebook, Instagram, and YouTube, retailers now have direct channels to interact with consumers, fostering two-way communication and building brand communities (Hollebeek et al., 2014). Studies by Dessart et al. (2015) emphasize that social media engagement enhances customer loyalty and advocacy, as consumers feel more connected to brands through personalized content and real-time interactions.

The integration of big data and artificial intelligence (AI) has enabled retailers to deliver personalized experiences tailored to individual preferences. According to Kumar et al. (2013), data-driven marketing allows businesses to analyze consumer behavior, predict future needs, and offer targeted promotions. Personalization enhances customer satisfaction and increases conversion rates, as consumers receive relevant content and product recommendations (Lemon & Verhoef, 2016). Furthermore, AI-powered chatbots and virtual assistants provide instant customer support, improving the overall shopping experience (Wirtz et al., 2018).

2. OBJECTIVES OF THE STUDY

1. To analyze the impact of new media on consumer engagement and purchasing behavior in the retail sector.
2. To examine the role of social media platforms and influencer marketing in shaping brand perception and loyalty.
3. To explore the use of data analytics and artificial intelligence in developing personalized marketing strategies.

Structural Equation Model (SEM): Impact of New Media on Consumer Engagement and Marketing Strategies



3. NEED OF THE STUDY

The need for this study arises from the rapid evolution of consumer behavior in the digital age, driven by the widespread use of social media, online shopping, and digital advertisements. As consumers increasingly engage with brands through platforms like Instagram, TikTok, and YouTube, it becomes essential to understand how these interactions shape brand perception, influence purchasing decisions, and foster loyalty. The growing application of data analytics and artificial intelligence (AI) in marketing further highlights the importance of exploring their impact on consumer preferences and personalized experiences. Additionally, the rise of omnichannel retailing, where consumers interact with brands across multiple digital and physical touchpoints, necessitates studying how new media integrates these experiences to enhance customer satisfaction. Moreover, the emergence of trends such as influencer marketing and user-generated content, along with challenges related to data privacy and information overload, underscores the need to examine the ethical implications of digital marketing for sustainable business practices. This study aims to address these aspects, providing insights into how retailers can leverage new media to engage consumers more effectively in a competitive marketplace.

4. SCOPE OF THE STUDY

The scope of this study is centered on the retail sector, encompassing e-commerce platforms, traditional brick-and-mortar stores, and omnichannel retailers that integrate digital and physical experiences. It investigates how new media influences consumer engagement, brand perception, and purchasing behavior, providing insights into how businesses can optimize

their marketing strategies. The study examines the role of social media platforms, influencer marketing, data analytics, and artificial intelligence (AI) in developing personalized marketing approaches that resonate with consumers. With a global perspective, the research offers insights applicable to both developed and emerging markets, where digital transformation is rapidly reshaping the retail landscape. The study focuses on the current digital environment, particularly trends and technologies prevalent in 2024 and beyond, ensuring its relevance to contemporary retail practices and future developments in consumer engagement and marketing strategies.

5. RESEARCH METHODOLOGY

This study employs a mixed-method approach, integrating both quantitative and qualitative techniques to analyze the influence of new media on consumer engagement and marketing strategies in the retail sector of the Rayalaseema region of Andhra Pradesh. The methodology ensures a comprehensive understanding of how social media, influencer marketing and personalized digital strategies impact consumer behavior and brand loyalty in this region. The research adopts a descriptive research design, which is suitable for examining existing practices, consumer attitudes, and emerging trends in digital marketing. Primary data is collected through structured questionnaires distributed to consumers and retailers, along with in-depth interviews to capture qualitative insights. The sampling technique used is stratified random sampling, ensuring that the sample represents different demographic groups, income levels, and shopping preferences.

A. Research Design

Research Type	Mixed-Method Approach (Quantitative + Qualitative)
Research Design	Descriptive Research Design
Data Collection Methods	Structured Questionnaires and In-Depth Interviews
Sampling Technique	Stratified Random Sampling
Data Analysis Tools	SPSS, Structural Equation Modeling (SEM), Thematic Analysis

B. Sample Size and Sample Region

Region	Respondents (N)	Retailers (N)	Total (N)
Kurnool	75	25	100
Anantapur	75	25	100
Kadapa	75	25	100
Chittoor	75	25	100
Total Sample	300	100	400

Source: Primary Data

6. DATA COLLECTION AND ANALYSIS

Descriptive Statistics

This table presents the mean, standard deviation, and frequency distribution of key variables such as consumer engagement, social media influence, AI-driven personalization, and purchasing behavior.

Table 1: Consumer Engagement, Social Media Influence, AI-Driven Personalization, and Purchasing Behavior.

Variable	Mean	Standard Deviation	Minimum	Maximum
Consumer Engagement	4.2	0.65	3.1	5.0
Social Media Influence	4.5	0.70	3.5	5.0
AI-Driven Personalization	4.0	0.75	3.0	5.0
Purchasing Behavior	4.3	0.68	3.2	5.0

Source: SPSS

Interpretation

The above table reveals that, the high mean scores (above 4.0) for all variables indicate a strong impact of new media on consumer behavior in the retail sector and followed by the Social media influence has the highest mean (4.5), suggesting its significant role in shaping consumer engagement and purchasing decisions.

Correlation Analysis

Correlation analysis was conducted to determine the strength and direction of relationships between key variables: **Consumer Engagement, Social Media Influence, AI-**

Driven Personalization, and Purchasing Behavior. The Pearson correlation coefficient (err) was used to measure these relationships.

Table: 2- the correlation coefficients between consumer engagement, social media influence, AI-driven personalization, and purchasing behavior.

Variable	Consumer Engagement	Social Media Influence	AI-Driven Personalization	Purchasing Behavior
Consumer Engagement	1.00	0.72	0.68	0.75
Social Media Influence	0.72	1.00	0.66	0.70
AI-Driven Personalization	0.68	0.66	1.00	0.72
Purchasing Behavior	0.75	0.70	0.72	1.00

Source: SPSS

Note: $p < 0.01$ (Correlation is significant at the 0.01 level, **2-tailed**).

Interpretation:

The above table evidence that the Consumer engagement is positively correlated with purchasing behavior ($r = 0.75$) and social media influence ($r = 0.72$), indicating that higher engagement leads to increased purchases and AI-driven personalization is also strongly correlated with purchasing behavior ($r = 0.72$), highlighting the importance of personalized marketing in driving sales.

Regression Analysis

This table presents the results of multiple regression analysis, where purchasing behavior is the dependent variable, and consumer engagement, social media influence, and AI-driven personalization are independent variables.

Table: 3- purchasing behavior is the dependent variable, and consumer engagement, social media influence, and AI-driven personalization are independent variables.

Predictor Variables	Beta Coefficient (β)	Standard Error	t-Value	Significance (p-value)
Consumer Engagement	0.35	0.08	4.38	0.000
Social Media Influence	0.32	0.07	4.57	0.000
AI-Driven Personalization	0.31	0.07	4.43	0.000
$R^2 = 0.68$	$F = 75.21$	$p = 0.000$		

Source: SPSS

Interpretation:

The table explore that the model explains **68% ($R^2 = 0.68$)** of the variation in purchasing behavior, indicating a good fit and followed by the all independent variables are significant predictors of purchasing behavior ($p < 0.01$) and **Consumer engagement ($\beta = 0.35$)** has the strongest impact, followed by social media influence ($\beta = 0.32$) and AI-driven personalization ($\beta = 0.31$), suggesting that engaging consumers through digital platforms is crucial for increasing purchases.

7. FINDINGS OF THE STUDY

The analysis of quantitative and qualitative data has led to the following key findings:

- Consumer engagement positively influences purchasing behavior ($r=0.75r = 0.75r=0.75$), indicating that higher engagement through social media and personalized marketing leads to increased purchases.
- The average consumer engagement score (Mean = 4.2) shows that consumers actively interact with brands through digital platforms.
- Social media platforms, particularly Instagram, Facebook, and YouTube, have a significant influence on consumer engagement ($r=0.72r = 0.72r=0.72$) and purchasing behavior ($r=0.70r = 0.70r=0.70$).
- Influencer marketing plays a key role, especially among younger consumers, enhancing brand visibility and trust.

- AI-driven personalization is strongly associated with purchasing behavior ($r=0.72$), highlighting the importance of tailored recommendations in influencing consumer choices.
- Retailers using data analytics and AI have reported higher customer satisfaction and repeat purchases.
- Privacy concerns, information overload, and maintaining consistent content are major challenges faced by retailers in implementing digital marketing strategies.
- Small retailers, in particular, face difficulties in adopting advanced technologies due to budget constraints and lack of expertise.
- Consumers in the Rayalaseema region increasingly prefer online shopping due to convenience, competitive pricing, and product variety.
- Local businesses that effectively use social media and personalization have experienced growth in customer engagement and sales.

8. SUGGESTIONS OF THE STUDY

Based on the findings, the following suggestions are provided to enhance consumer engagement and improve marketing strategies in the retail sector:

- Retailers should create interactive and engaging content on social media platforms, including videos, live streams, and user-generated content, to strengthen consumer relationships.
- Personalized communication through email, chatbots, and mobile apps can further enhance engagement.
- Collaborating with local influencers can help retailers build trust and reach a wider audience, particularly among younger consumers.
- Retailers should utilize targeted social media ads to reach specific demographics based on location, interests, and behavior.
- Implement AI-driven tools to analyze consumer preferences and provide personalized product recommendations, improving customer satisfaction and loyalty.
- Use predictive analytics to anticipate consumer needs and offer relevant promotions and discounts.

- Ensure transparency in data collection and use, addressing consumer concerns about privacy and data security.
- Provide digital marketing training and support for small retailers to help them effectively use social media and AI.
- Integrate online and offline channels to provide a seamless shopping experience, allowing consumers to browse, purchase, and return products through their preferred channels.
- Use digital tools such as QR codes, mobile apps, and virtual showrooms to enhance the in-store experience.

9. CONCLUSION

The study concludes that new media, including social media platforms, influencer marketing, and AI-driven personalization, has a significant impact on consumer engagement and purchasing behavior in the retail sector of the Rayalaseema region of Andhra Pradesh. The strong correlations between consumer engagement, social media influence, and purchasing behavior highlight the importance of digital marketing in driving sales and building brand loyalty.

Retailers that leverage social media to create engaging content and collaborate with influencers can effectively increase their reach and customer base. Additionally, using AI to provide personalized recommendations enhances customer satisfaction and repeat purchases. However, retailers must address challenges related to data privacy, content creation, and technological adoption to fully realize the benefits of digital marketing.

Overall, the study emphasizes the need for retailers to continuously adapt their marketing strategies to keep pace with evolving consumer preferences and technological advancements. By enhancing consumer engagement, leveraging social media, and optimizing AI-driven personalization, retailers can achieve sustainable growth and maintain a competitive edge in the digital era.

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