



A STUDY ON THE USE OF CONVERSATIONAL MARKETING FOR CONSUMER ELECTRONICS AND FASHION PRODUCTS IN CHENNAI CITY

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Abstract

This study investigates how conversational marketing using tools such as chatbots, live chat, and messaging apps is employed by businesses in Chennai's consumer electronics and fashion sectors and examines its effects on customer engagement and purchase behaviour. Specifically, it aims to (1) identify the most common conversational marketing tools in use, (2) assess consumer awareness and usage of these tools, and (3) evaluate their impact on satisfaction and buying decisions, with a comparison between electronics and fashion purchasers. Primary data were collected via a structured questionnaire from 240 consumers recruited through convenience sampling. Quantitative analysis reveals that chatbots and messaging apps are the predominant tools, with fashion consumers exhibiting higher levels of awareness and usage than electronics buyers. Overall, conversational marketing was found to enhance customer engagement, trust, and likelihood to purchase, particularly when interactions were prompt and personalized. However, limitations in chatbot functionality led to frustrations among some users, especially when handling complex queries. The study concludes that while conversational marketing is an effective strategy for both sectors, optimizing AI capabilities and tailoring interactions to industry-specific needs are crucial for maximizing its benefits.

Keywords: *Conversational marketing, chatbots, messaging apps, customer engagement, purchase behaviour, consumer electronics, fashion products, Chennai, digital marketing, customer satisfaction, AI in marketing.*

Introduction

In the age of digital transformation, marketing has evolved from one-way promotional messages to two-way interactive communication, giving rise to *conversational marketing*. This approach leverages real-time, personalized conversations often facilitated through chatbots, messaging apps, and social media to engage customers, answer their queries instantly, and guide them through the buying journey. Unlike traditional marketing methods, conversational marketing places a strong emphasis on building relationships and enhancing customer experience.

Consumer electronics and fashion products are two highly competitive and fast-paced sectors, where brand perception, responsiveness, and customer convenience play a critical role in influencing purchase decisions. In urban centers like Chennai, where consumers are digitally literate and increasingly reliant on online interactions, brands are adopting conversational marketing strategies to differentiate themselves and foster stronger connections with their audience.

This study aims to explore how conversational marketing is being used by businesses in the consumer electronics and fashion sectors in Chennai. It investigates the effectiveness of these strategies in capturing customer attention, enhancing engagement, and influencing purchase behaviour. By analysing consumer responses and business practices, this research provides

insights into how brands can better leverage conversational tools to create more meaningful interactions in an increasingly digital marketplace.

Background and Rationale for the Study

The rapid advancement of digital technology has dramatically reshaped the marketing landscape, pushing businesses to shift from traditional advertising to more interactive and customer-centric approaches. One of the most significant developments in this domain is conversational marketing, a strategy that uses real-time dialogue through chatbots, messaging platforms, and AI-driven tools to engage consumers, answer their questions, and guide them toward a purchase decision.

In the context of consumer electronics and fashion products, where customer preferences change rapidly and competition is intense, building trust and maintaining continuous engagement has become essential. These industries rely heavily on product information, reviews, and real-time support to convert interest into sales. Conversational marketing enables brands to offer personalized recommendations, instant responses, and seamless user experiences, all of which are crucial in influencing modern consumer behaviour.

Chennai, as one of India's major metropolitan cities, represents a diverse and tech-savvy consumer base that is increasingly engaging with brands online. With rising smartphone usage and social media penetration, Chennai's urban consumers expect quick, tailored responses when exploring or purchasing products. Despite this growing trend, there remains a lack of comprehensive research focused on how conversational marketing is being utilized and perceived in local markets, particularly in Chennai's consumer electronics and fashion sectors.

This study seeks to fill that gap by examining the role and effectiveness of conversational marketing in these industries. It aims to provide a deeper understanding of how such strategies are influencing consumer behaviour and how businesses can optimize their engagement practices for better outcomes.

Scope of the Study

This study focuses on the application and effectiveness of conversational marketing strategies within the consumer electronics and fashion industries in Chennai City. It examines how businesses in these sectors use tools such as chatbots, messaging apps, live chat, and social media interactions to engage with customers, provide support, and influence purchase decisions.

The research is limited to consumers and marketing professionals operating in or interacting with brands within the Chennai metropolitan area. It covers the perceptions, experiences, and satisfaction levels of consumers using conversational channels, as well as the strategies and challenges faced by companies implementing these tools.

While the study centers on two specific industries—consumer electronics and fashion—it provides insights that may be relevant to other retail sectors exploring conversational marketing approaches. The findings aim to assist marketers, business owners, and digital strategists in refining their customer engagement models in similar urban markets.

Importance of the Study

In today's digitally driven marketplace, consumers expect fast, personalized, and meaningful interactions with brands. Conversational marketing has emerged as a powerful tool to meet

these expectations by enabling real-time, two-way communication. This study is important because it sheds light on how this evolving marketing strategy is being used in Chennai's consumer electronics and fashion sectors two industries where timely engagement and customer satisfaction are critical for success. By exploring how conversational tools influence consumer behaviour, purchase decisions, and brand loyalty, the study provides valuable insights for marketers aiming to enhance customer experience and stay competitive in a crowded digital space. Furthermore, the research can guide businesses in designing more effective engagement strategies tailored to the unique preferences of urban Indian consumers.

Significance of the Study

The significance of this study lies in its potential to contribute to both academic knowledge and practical business strategies in the field of digital marketing. As conversational marketing becomes an increasingly influential approach in engaging tech-savvy consumers, understanding its impact within specific local contexts such as Chennai's dynamic urban market—can offer actionable insights. This research helps bridge the gap between theoretical marketing concepts and real-world application, particularly in the consumer electronics and fashion industries where customer interaction plays a key role in driving sales. The findings can assist marketers, business owners, and digital strategists in refining their communication methods, enhancing customer relationships, and improving return on investment. Additionally, the study can serve as a reference for future research on consumer behaviour, marketing technology, and retail engagement in similar metropolitan settings.

Objectives of the Study

1. To find out what types of conversational marketing tools (like chatbots and messaging apps) are used by businesses in Chennai.
2. To understand how the customers know about and use these tools when buying electronics and fashion items.
3. To assess the conversational marketing affects customer interest, satisfaction, and buying decisions.
4. To compare the conversational marketing works in the electronics and fashion industries.
5. To give useful suggestions to businesses on how to improve their conversational marketing methods.

Hypotheses of the Study

Hypothesis 1

Objective: To find out what types of conversational marketing tools are used by businesses in Chennai.

Null Hypothesis (H_{01}): There is no significant difference in the types of conversational marketing tools used by businesses in the consumer electronics and fashion sectors in Chennai.

Alternate Hypothesis (H_{11}): There is a significant difference in the types of conversational marketing tools used by businesses in the consumer electronics and fashion sectors in Chennai.

Hypothesis 2

Objective: To understand how customers know about and use these tools when buying electronics and fashion items.

Null Hypothesis (H_{02}): There is no significant relationship between customer awareness and the use of conversational marketing tools during purchases.

Alternate Hypothesis (H_{12}): There is a significant relationship between customer awareness and the use of conversational marketing tools during purchases.

Hypothesis 3

Objective: To assess how conversational marketing affects customer interest, satisfaction, and buying decisions.

Null Hypothesis (H₀₃): Conversational marketing does not significantly affect customer interest, satisfaction, or buying decisions.

Alternate Hypothesis (H₁₃): Conversational marketing significantly affects customer interest, satisfaction, and buying decisions.

Research Problem

With the rapid growth of digital communication, businesses are increasingly using conversational marketing tools such as chatbots, messaging apps, and live chats to engage customers and drive sales. However, there is limited understanding of how effectively these tools are being used in specific sectors like consumer electronics and fashion, especially in urban markets such as Chennai. It is also unclear how aware customers are of these tools, how often they use them, and whether they truly influence customer interest, satisfaction, and purchase decisions. This study seeks to address these gaps by analysing the use, awareness, and impact of conversational marketing in the consumer electronics and fashion industries in Chennai City.

Review of the Literature

Bhagyalakshmi Ramadas, G Shehnaz Begam (2024), this study investigates the influence of Artificial Intelligence (AI) and conversational marketing on women's customer engagement in Chennai. As digital technologies become increasingly integral to business strategies, there is a growing emphasis on enhancing interactions with women consumers a vital and influential market segment. The primary objective is to examine the impact of AI-driven personalization and conversational marketing tools on customer satisfaction, loyalty, and engagement among women in the city. Data was collected from 120 women respondents using proportionate random sampling to ensure representativeness.

The findings indicate that AI-driven personalization significantly enhances engagement, with many participants reporting a greater sense of being valued and understood by brands employing such technologies. In addition, conversational marketing especially through chatbots and real-time messaging was found to foster continuous and satisfying interactions, contributing to stronger customer loyalty. However, the study also identifies concerns regarding the impersonal nature of AI-based communication, underscoring the importance of balancing technological efficiency with genuine, personalized interaction.

In conclusion, the research underscores the pivotal role of AI and conversational marketing in shaping women's customer engagement in Chennai. While these technologies offer notable advantages, their effectiveness hinges on thoughtful implementation that aligns with the specific needs and preferences of women consumers. The insights presented offer valuable guidance for businesses aiming to refine their customer engagement strategies in a rapidly evolving digital landscape.

Leelavathy. V (2024), this study examines consumer perception and satisfaction regarding chatbot usage in Chennai—an emerging technological and innovation hub in India. Chatbots, driven by artificial intelligence, are increasingly integrated across various industries to deliver

personalized interactions and streamlined customer service. Understanding how consumers in Chennai perceive and interact with chatbot technology is essential for businesses and organizations aiming to deploy or enhance these digital tools effectively.

According to Mater of. code, approximately 1.4 billion people actively use messaging applications, and chatbot usage has surged by 92% since 2019. In 2022 alone, 88% of users reported engaging in at least one conversation with a chatbot. Furthermore, the global chatbot market is projected to grow at an impressive annual rate of 23.3%, reaching an estimated value of \$15.5 billion by 2028.

A key focus of this study is on the role of language proficiency, cultural sensitivity, and the perceived value of chatbot interactions in shaping consumer attitudes in Chennai. The research highlights the strong correlation between user perception and satisfaction, offering critical insights for organizations looking to optimize chatbot services in the local market.

By providing practical recommendations for improving chatbot usability, enhancing user experience, and increasing customer satisfaction, this study contributes meaningfully to both academic discourse and real-world business strategy. It emphasizes the importance of aligning chatbot deployment with local consumer expectations and cultural nuances to ensure successful integration of this technology in diverse urban settings like Chennai.

Bhagyalakshmi Ramadas, G Shehnaz Begam (2023), this literature review explores the evolving domain of customer engagement through the integrated perspectives of Conversational Marketing and Artificial Intelligence (AI). In an era marked by rapid digital transformation, businesses are increasingly adopting innovative approaches to connect with customers, and this study aims to examine the role of Conversational Marketing and AI in that context. The review critically analyses existing research, highlighting key insights, emerging trends, and practical applications that enhance customer engagement. It also investigates the unique challenges and opportunities these technologies present, with particular emphasis on cultural and linguistic dimensions influencing engagement strategies. Beyond business implications, the study addresses ethical, regulatory, and future research considerations, offering a valuable resource for both practitioners and policymakers. By examining the interplay between technology and customer interaction, this review deepens our understanding of the shifting dynamics in customer-business relationships in the digital age.

Research Gap

While conversational marketing has gained traction globally as a modern customer engagement strategy, there is a noticeable lack of localized research examining its real-world effectiveness in specific markets like Chennai? Most existing studies focus on broader e-commerce or global brand practices, with limited attention to how conversational tools are applied in specific product categories such as consumer electronics and fashion. Additionally, little is known about customer awareness, usage patterns, and behavioural responses to these tools in the Indian urban retail context. This study aims to fill this gap by providing focused insights into how conversational marketing is being implemented, perceived, and responded to in Chennai's consumer electronics and fashion sectors.

Research Methodology

This study adopts a quantitative research approach to analyse the use and impact of conversational marketing on consumer electronics and fashion products in Chennai City. Primary data was collected through a structured questionnaire distributed to a total of 240 respondents who are consumers of these products in Chennai.

A convenience sampling technique was used to select participants based on their availability and willingness to respond. The questionnaire was designed to capture information on the types of conversational marketing tools used, consumer awareness, usage patterns, and the effect of these tools on customer engagement and purchasing decisions.

The collected data was analysed using statistical tools to identify trends, relationships, and significant factors influencing consumer behaviour for conversational marketing.

Limitations of the study

This study has several limitations that should be considered when interpreting the results. First, the use of convenience sampling may limit the generalizability of the findings, as the sample may not fully represent the diverse population of consumers in Chennai. Second, the sample size of 240 respondents may restrict the ability to capture the full range of consumer behaviours and opinions across all demographic groups. Third, the study focuses only on consumers of consumer electronics and fashion products within Chennai City, which may limit the applicability of the findings to other industries or geographic locations. Finally, the reliance on self-reported data through questionnaires may introduce response biases, such as social desirability or inaccurate recall.

Conceptual Model

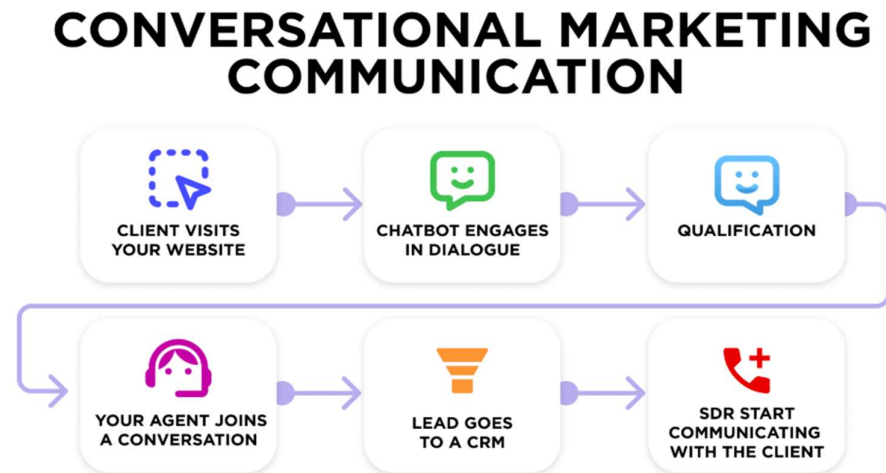


Figure 1 Conceptual Framework

Data Analysis and Interpretation

To find out what types of conversational marketing tools are used by businesses in Chennai.

Null Hypothesis (H_0): There is no significant difference in the types of conversational marketing tools used by businesses in the consumer electronics and fashion sectors in Chennai.

Alternate Hypothesis (H_1): There is a significant difference in the types of conversational marketing tools used by businesses in the consumer electronics and fashion sectors in Chennai.

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	5.000 ^a	1	.025		

Continuity Correction ^b	3.134	1	.077		
Likelihood Ratio	7.110	1	.008		
Fisher's Exact Test				.057	.031
Linear-by-Linear Association	4.833	1	.028		
N of Valid Cases	240				
a. 2 cells (50.0%) have expected count less than 5. The minimum expected count is 2.40.					
b. Computed only for a 2x2 table					

Interpretation:

The Pearson Chi-Square p-value is 0.025, which is less than 0.05, indicating that there is a statistically significant association between business sector (consumer electronics vs fashion) and the types of conversational marketing tools used. This means that the null hypothesis is rejected, and we accept the alternative hypothesis. The Likelihood Ratio test also supports this result ($p = 0.008$), strengthening the evidence for a significant difference. While the Continuity Correction shows a slightly higher p-value (0.077), this is a conservative adjustment and not uncommon in small samples. Fisher's Exact Test (used when expected counts are low) gives a near-significant p-value (.057), which still supports the direction of the finding. There is a significant difference in the types of conversational marketing tools used by consumer electronics and fashion businesses in Chennai. This suggests that the business sector influences tool selection, possibly due to differences in target customers, sales cycles, or customer interaction preferences.

To assess how conversational marketing affects customer interest, satisfaction, and buying decisions.

Null Hypothesis (H_{03}): Conversational marketing does not significantly affect customer interest, satisfaction, or buying decisions.

Alternate Hypothesis (H_{13}): Conversational marketing significantly affects customer interest, satisfaction, and buying decisions.

Correlations			
		Marketing	Satisfaction
Marketing	Pearson Correlation	1	.327
	Sig. (2-tailed)		.077
	N	240	240
Satisfaction	Pearson Correlation	.327	1
	Sig. (2-tailed)	.077	
	N	240	240

Interpretation:

The Pearson correlation coefficient between conversational marketing and satisfaction is 0.327, indicating a moderate positive relationship. However, the p-value is 0.077, which is greater than 0.05. This means the correlation is not statistically significant at the 5% level. Since the $p\text{-value } (0.077) > 0.05$, we fail to reject the null hypothesis.

Therefore, based on the current data, conversational marketing does not significantly affect

customer satisfaction at the 5% level of significance. While the relationship is positive and moderate, it is not strong enough statistically to confirm a significant effect.

Results and discussion

The study collected responses from 240 consumers in Chennai to evaluate the use and impact of conversational marketing in the consumer electronics and fashion sectors. The analysis revealed several findings:

1. Types of Conversational Marketing Tools Used:

The majority of businesses in both sectors utilize chatbots and messaging apps as primary conversational marketing tools. Live chat support was more prevalent in the consumer electronics sector, reflecting the need for real-time technical assistance.

2. Consumer Awareness and Usage:

While a significant portion of respondents were aware of conversational marketing tools, actual usage varied. Consumers in the fashion sector showed slightly higher engagement with conversational platforms, possibly due to the influence of social media marketing.

3. Impact on Customer Engagement and Purchase Decisions:

Conversational marketing positively influenced customer satisfaction and buying decisions. Respondents reported that quick responses and personalized interactions increased their trust and willingness to purchase. However, some users expressed frustration when bots failed to resolve complex queries, indicating a need for improved AI capabilities.

4. Comparison between Sectors:

Fashion product consumers responded more favourably to conversational marketing, citing convenience and personalized recommendations as key benefits. In contrast, consumer electronics buyers prioritized problem-solving and detailed product information.

Discussion:

These results suggest that conversational marketing is an effective tool to enhance customer engagement, its success depends on tailoring strategies to the specific needs of the industry and consumer expectations. The higher usage in fashion aligns with trends of social media-driven purchasing behaviour, while electronics buyers value functional support. Businesses should focus on improving the intelligence and responsiveness of chatbots to minimize customer dissatisfaction and maximize the benefits of conversational marketing.

Findings

1. **Prevalence of Tools:** Chatbots and messaging apps are the most commonly used conversational marketing tools among businesses in Chennai's consumer electronics and fashion sectors.
2. **Consumer Awareness:** Most consumers are aware of conversational marketing tools, but actual usage is higher among fashion product buyers compared to electronics buyers.
3. **Effect on Customer Behaviour:** Conversational marketing positively influences customer engagement, satisfaction, and purchase decisions, especially when interactions are quick and personalized.
4. **Sector Differences:** Fashion consumers appreciate personalized recommendations and convenience, while electronics consumers value real-time problem-solving and detailed product information.

5. **Challenges:** Some customers experience frustration with chatbot limitations in addressing complex queries, highlighting a need for better AI and support systems.

Conclusion

This study highlights the growing importance of conversational marketing in influencing consumer behaviour within the consumer electronics and fashion sectors in Chennai. The findings demonstrate that conversational tools such as chatbots and messaging apps are widely used and generally well-received by consumers, enhancing engagement, satisfaction, and purchase decisions. However, the effectiveness of these tools varies by industry, with fashion consumers valuing personalized interactions and convenience, while electronics consumers prioritize prompt problem-solving and detailed information. Despite their benefits, challenges remain, especially regarding chatbot limitations in handling complex queries. To maximize the potential of conversational marketing, businesses must continue to refine their strategies and technology to meet the specific needs of their customers.

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