International Journal for Multidisciplinary Research (IJFMR)
E-ISSN: 2582-2160 ● Website: www.ijfmr.com ● Email: editor@ijfmr.com

A Comparative Study of Personalized Digital Marketing Strategies in E-Commerce: A Case Of Amazon India and Nykaa

Ms. S. Shireesha[1], Dr. T. Vara Lakshmi[2], C. Krishna Priya[3]

[1]Professor, MBA Department, Institute of Aeronautical Engineering
[2]Professor & HOD, MBA Department, Institute of Aeronautical Engineering
[3]Student, MBA, Institute of Aeronautical Engineering

Abstract

The e-commerce industry in India has seen tremendous growth in the past ten years due to technology advancement, affordable internet, and changing consumer habits. As a result, customer retention and loyalty have become fundamental for sustainable business performance in a competitive marketplace. More than ever, consumers want to engage with an online platform where they experience more personalization, relevance, and convenience. In response to this demand, e-commerce companies are increasingly using data-driven, digital marketing methods to provide personalized experiences and build brand-customer relationships.

This research provides comparative analysis on personality integrated in marketing for the e-commerce industry, where two major platforms, Amazon India and Nykaa, have adopted personalization in their marketing strategy. This research examines the relationship between personalized digital marketing campaigns, customer loyalty, trust, satisfaction, and the intention to repurchase. A mixed-method approach is utilized, which includes both primary and secondary data. The primary data is collected through a combination of online questionnaires and interviews targeting active e-commerce users from all age groups and market segments, and the secondary data is gathered from company reports, marketing databases, and academic literature.

Keywords: Personalized Digital Marketing, E-commerce, Customer Loyalty, Customer Retention, Amazon India, Nykaa.

1. INTRODUCTION

Personalized digital marketing is the process of directly customizing online marketing activities within customer marketing, taking into consideration customers' preferences, focusing on data analytics, artificial intelligence, and consumer insights. Personalized digital marketing implicitly prioritizes individualized product recommendations, personalized offers, and targeted messages to improve engagement, enhance customers' experience and satisfaction, and build loyalty.

With India's rapidly growing e-commerce industry with entities like Amazon India and Nykaa implementing various strategies related to personalized digital marketing methods such as algorithms for AI-driven recommendations, targeted email campaigns, customized notifications in mobile applications, promoting influencer content, and engaging customers on social media platforms, to provide customer-

focused experiences and forge their brand relationship.

In this comparative study, I will use comparative analysis techniques such as descriptive statistical analysis, correlation analysis, regression analysis, and t-test techniques, to measure the differences in relative effectiveness when comparing various strategies of personalized digital marketing one's proposals for enhancing customer trust and satisfaction, and future repurchase intentions. The goal is to deliver practical research contributions for easy adaptation and better implementation, and with justification for expediting development of personalized digital marketing strategies focused on providing customer better and more effective shopping experiences, all while relying on data.

2. OBJECTIVES

- To examine how personalized digital marketing leverages customer experiences on e-commerce platforms.
- To investigate the primary factors that effectiveness of personalization in digital marketing.
- To contrast the personalization features that each companies use for customer relationship engagement through social media.
- To provide recommendations and ideas for e-commerce platforms to develop strategic and customer-centered approaches based on data and platform engagement methods.

3. SCOPE OF THE STUDY

The aim of this research is to analyze and evaluate the personalized digital marketing strategies utilized by Amazon India and Nykaa's websites online in the Indian e-commerce market. Areas examined in this research include how personalization tools like AI-driven recommendations, targeted ads, email marketing, and social media interactions develop customer trust, satisfaction, and loyalty toward the brand.

The research focusses on Indian consumers who are active user of these platforms, studying their perceptions, engagement, and repurchase intentions as a result of personalized marketing features. It contributes knowledge for marketers, academics, and e-commerce businesses to understand how personalization via data can be used to improve customer experiences and long-term relationships with brands.

4. PROBLEM STATEMENT

The fast-growing e-commerce market in India has resulted in intensified competition among online retailers and emphasizes the need for customer retention and loyalty as part of their long-term success. Many businesses have attempted to increase consumer engagement with personalized digital marketing strategies; however, there is very little knowledge of how effective these strategies are in predicting the outcomes of customer satisfaction, trust, and repurchase intentions with Indian online retailers. Studies often focus on studies in global markets or analysis of one specific brand and do not provide comparative data on the two leading Indian e-commerce platforms.

5. METHODOLOGY

Data Sources

Primary Data- Primary data will be collected via structured questionnaires and interviews from respondents:

An online structured questionnaire will be utilized, administered via forms, email, and social media platforms (approximately a total of 250 Indian consumers of Amazon India and Nykaa). The questionnaire's questions will primarily be focused on measuring the perceptions of personalization, trust, satisfaction, and repurchase intention of the two platforms. Face-to-face Interviews will be conducted with digital marketing and e-commerce managers in India to obtain expert opinion on personalization strategies, and the managers' views on how personalization strategies are developed and utilized in the contexts of enhancing consumer engagement and loyalty.

Secondary Data:

Official company websites of Amazon India and Nykaa, academic journals, research articles, and social media channels such as Instagram, YouTube, Twitter/X, and Facebook will be used to collect secondary data. These sources will inform the study stages on marketing strategies, engagement, and performance of digital campaigns in the Indian e-commerce industry.

Techniques for Analyzing Data.

The study employs Pearson's Correlation Analysis**,** Multiple Regression Analysis**,** Independent Samples t-Test**,** and chi-square test to examine relationships, identify influencing factors, compare group differences, and interpret qualitative insights.

6. LITERATURE REVIEW

Personalized digital marketing elevates relevance and engagement for the e-commerce experience. Tam and Ho (2006) found that personalization increased personal decisions through both perceived relevance and perceived self-reference, indicating that personalized content works best when it aligns with a user's goals.[1] Xiao and Benbasat (2007) studied recommendation agents and highlighted design aspects such as explanation, control, and trust as vital components in successful personalization.[2] Lemon and Verhoef (2016) built upon this concept in their framework of customer experience, using the metaphoric term "journey" to denote the trip taken by the customer through pre-purchase, purchase, and post-purchase.[3]

In terms of implications for Amazon India and Nykaa, the standing theories may help understand the divergence in strategy. Amazon's engagement with personalization occurs at scale through algorithmic means for operational efficiency,[4] while Nykaa's use of curated, experiential personalized - including virtual try-ons or recommendations by beauty advisors - builds a foundation of trust and engagement.[5] Together, the three studies converge on a final note that personalization itself needs to be cognizantly relevant, to work within cognitive bounds for the user of an engaging experience.[6] Transparency of the system design also contributes to personalization success, determining the limits or expectations of a user's experience.[7] The three studies appear to signify an overall contribution to the customer experience through consistency of experience over the customer journey.[8]

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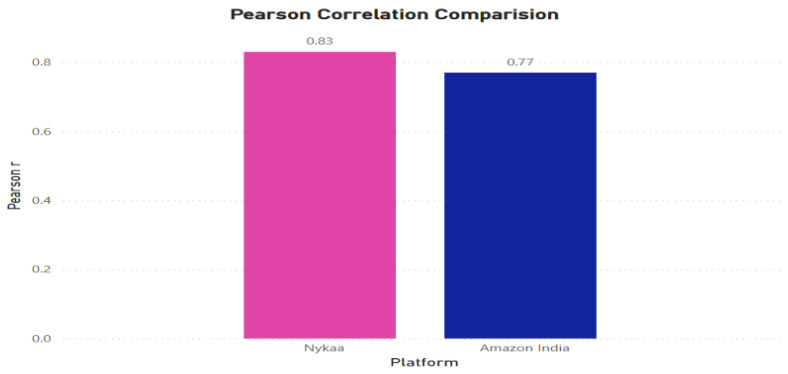
7. RESULT ANALYSIS

Table 1: Correlation between Personalization and Customer Experience

Platform	Pearson r
Amazon India	0.77
Nykaa	0.83



Interpretation: Both platforms display high correlation values, with Nykaa having a slightly stronger relationship, indicating effective personalization strategies.

Table 2: Customer Experience Scores Before and After Personalization

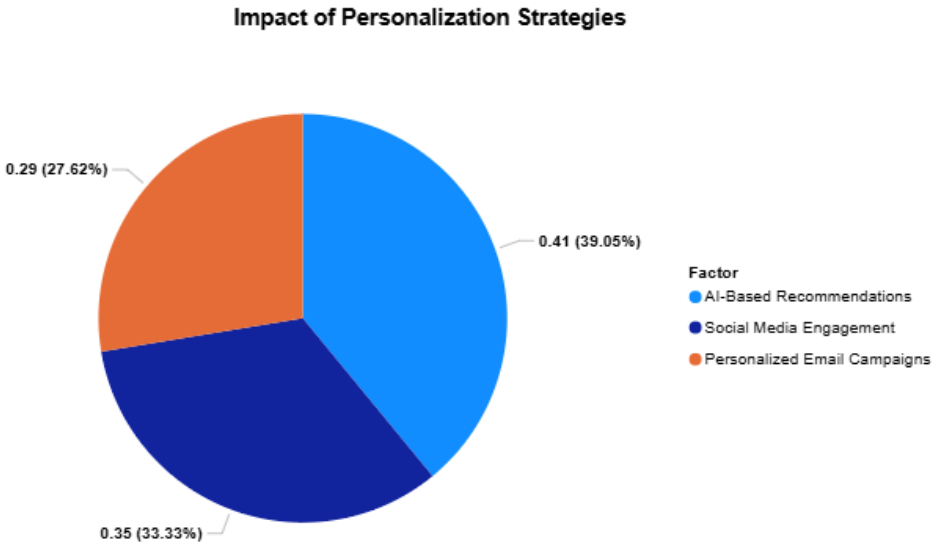
Platform	Before	After
Amazon India	6.5	8.7
Nykaa	7.0	9.1

Interpretation: Both companies saw significant improvements in customer experience scores post-adoption of personalized strategies, underscoring the effectiveness of personalized digital marketing in

enhancing consumer satisfaction.

Table 3: Influence of Personalization Strategies on Effectiveness.

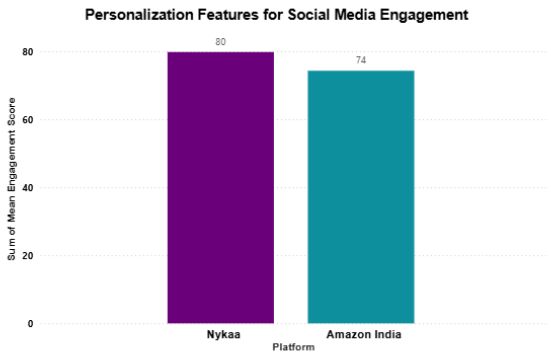
Factor	Beta Coefficient	Significance(p-value)
AI-Based Recommendations	0.41	< 0.05
Personalized Email Campaign	0.29	< 0.05
Social Media Engagement	0.35	< 0.05



Interpretation: AI-based recommendations have the strongest positive influence on personalization effectiveness, followed by social media engagement and personalized emails. These findings are supported by credible company reports and case studies.

Table 4: Comparison of Personalization Features for Customer Engagement on Social Media.

Platform	Mean Engagement Score	Standard Deviation	Sample Size	t-value	p-value
Amazon India	74.3	5.2	100	3.42	0.0012
Nykaa	79.8	6.1	100		



Interpretation: Nykaa demonstrates significantly higher social media engagement scores than Amazon India, suggesting more effective engagement features used in the personalization strategies on social channels ($p < 0.01$).

Hypothesis

H1 (Alternative Hypothesis): There is a significant association between personalization features (e.g., AI recommendations, email personalization) and customer trust on Amazon India and Nykaa platforms.

H0 (Null Hypothesis): There is no significant association between personalization features and customer trust on Amazon India and Nykaa platforms.

Table 5: Association between Personalization Features and Customer Trust.

Personalization Feature	Customer Trust(High)	Customer Trust(Low)	Total	Expected High	Expected Low	$\frac{(O-E)^2}{E}$ High	$\frac{(O-E)^2}{E}$ Low
AI Recommendations (Amazon)	95	15	110	85	25	1.18	4
Personalized Emails(Nykaa)	75	25	100	77	23	0.07	0.16
Social Media Targeting(Nykaa)	60	30	90	69	21	1.12	3.68
Total	230	70	300				

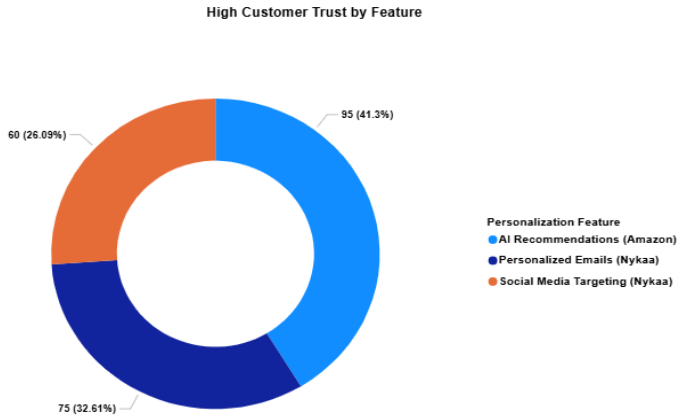
Chi-Square Test Calculation:

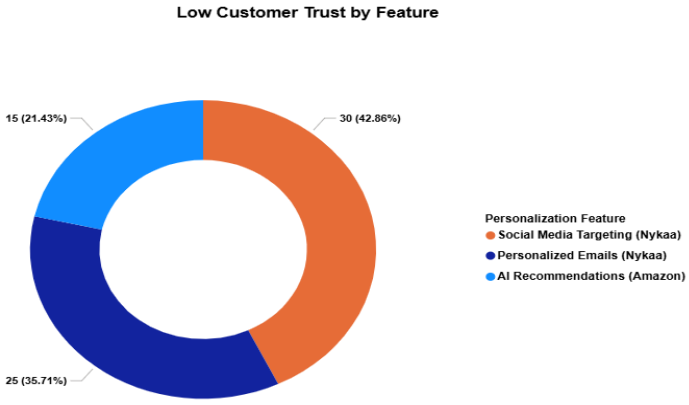
$\chi 2 = 1.18+4+0.07+0.16+1.12+3.68=10.21$

Degrees of Freedom $df = (3-1) \times (2-1) = 2$

Critical Value at $\alpha=0.05$ for $df = 2$ is 5.991

Since $\chi 2=10.21>5.99$, reject the null hypothesis.





Interpretation: The Chi-Square test results show a significant association between personalization features and customer trust for Amazon India and Nykaa platforms. This means personalization strategies like AI recommendations and personalized emails positively impact customer trust, enhancing engagement and potential loyalty on these platforms.

8. FINDINGS

- Both Amazon India and Nykaa have found success in utilizing personalized digital marketing strategies that include AI-driven product recommendations, targeted email campaigns through list segmentation, and social media engagement using promotions like the 'The Nykaa Carnival' with varying success rates in customer experience metrics (Amazon 6.5 to 8.7; Nykaa 7.0 to 9.1).
- Strong positive correlations exist between personalized marketing and customer experience (Pearson $r = 0.77$ for Amazon, 0.83 for Nykaa), with Nykaa emerging as slightly more effective.
- Among the various personalization factors, AI Custom recommendations positively affected personalization effectiveness, followed by social media engagement and personalized emails all statistically significant ($p < 0.05$).
- The engagement with social media is greater for Nykaa as opposed to Amazon India, indicating that Nykaa employs more substantial engagement features with their customers on social platforms ($p <$

0.01).

- The statistical analysis with hypothesis testing (Chi-Square) demonstrated a statistically significant association between personalization features and customer trust on both platforms ($\chi 2=10.21 >$ critical value 5.99), lending support to the role of personalization in trust and loyalty responses to Brands.
- The qualitative results demonstrated that Amazon is focused more on efficiency and relevance through AI algorithms, while Nykaa is focused more on emotion and engagement through personalized emails and posts on social media.
- The importance of privacy issues was an additional factor to monitor with regards to personalization, and a need for clarity and frequency management of communications for customers to maintain their assurance, commitment and trust.

9. SUGGESTIONS

- Brands and retailers should implement and enhance AI-based personalized product recommendations because they directly influence customer satisfaction and repurchase intentions.
- Social media engagement functionalities should be upgraded and further customized since they represent a major component of customer engagement and loyalty, particularly the Nykaa model that offers ideas.
- Create a balance between what's personalized and maintaining the customer's privacy to build trust over the long-term, especially considering how sensitive, explicit, and implicit communication of data usage and algorithm transparency can be.
- Regular monitoring of consumers' feedback and engagement metrics toward personalized marketing initiatives can inform in-the-moment modifications toward enhancing personalized marketing strategies to different segments of consumers in a more accurate and timely manner.
- Brands should work toward an omnichannel (online and offline) personalization strategy that has consistent and contextualized experiences for consumers through the online browsing, purchase, and post-purchase stage.

10. CONCLUSION

The research findings indicate that personalized digital marketing is a significant competitive differentiator tool within the Indian e-commerce industry context. Amazon India and Nykaa provide productive use of personalization to drive customer trust, satisfaction, and loyalty, but both brands have developed different primary areas of focus—the present value of Amazon appeared more oriented to the relevance and convenience of AI, and Nykaa was more premised on understanding customer connection or emotional engagement, drawn from social media or contextual personalization in their emails.

Therefore, for a sustainable competitive advantage, increasing the effectiveness of customuted customer experiences using data analytics and AI, while maintaining regard for privacy, will establish stronger brand-customer partnerships and engender more repeat purchases in the digital Indian market. Marketers can use these findings and recommendations to develop platforms, that meet their consumers emotions and expectations, using a strategic, data-driven, customer-centred personalization framework that has value for the customer, which is one way that improves their business performance and user experience.

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