Machine Learning-driven Marketing Strategies in the Mobile Gadget Industry for Enhancing Customer Engagement and Sales Optimization

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The objective of the research consists of transforming the face of product development and marketing strategies within the mobile gadget industry through the utilization of innovative machine learning techniques. To develop new models for utilizing industry datasets of customer preferences, browsing histories, and market surveys, several machine learning models, such as LSTM, DT, RF, and ANN, were used to quickly predict customer requirements with unprecedented accuracy. Based on the model performance evaluation, the ANN-factor was the most accurate, accounting for 96.67%. Further, the demonstration would be performed following ANN-factor implementation since post-demonstrative performance indicates an increase in sales revenue by 30%, customer engagement by 13.33%, and market share by 25%. This case demonstrates how the ML model has significantly changed the approach to business processes in the mobile gadget industry. The real-time demonstrated model contributed to fast decision-making, which further supported the ability to react to the market and further perform adjustments of changes formulated in product development and marketing. Consequently, the research findings could be learned and applied to industries such as non-innovative industries as well, which gain insights into happiness from changes and adjustments in business data.

Keywords: Machine Learning, Marketing Strategies, Customer Requirements, Sales Optimization,
Predictive Analytics.

1. Introduction

Business in an ever-changing digital world is continually hunting for more improvements to meet the unmet and constantly changing needs of its customers. Machine learning does not overstate as a complete transformation of the product development and marketing sector, offering new discovery methodologies, deeper understandings of customer choices and behaviors. Although this industry is one of the most competitive and rapidly changing industries, it is an appropriate industry to implement ML-techniques for marketing. [1]–[3]. The main objective behind this research is to analyze the feasibility of ML-supported models developed for predicting the customer demands and enhancing marketing activities in the mobile gadget business. A research methodology based on the interpretation datasets developed from customer preferences, browsing history files, surveys about market activity files, and developed datasets would utilize to develop datasets from the python file. Machine learning models such as LSTM, Decision Tree, Random Forest and ANN model will be developed for testing and domino scenarios to better predict vector demands. These models would be particularly tested to predict customer’s demands and purchase their behavior and identify their suitableness in defining marketing strategy and targeted marketing. The prime focus of the implementation of models in real-time and its possible outcome, more precisely on top two relevant factors such as business growth and product manufacturing innovation in marketing. Hence, the primary aim of the research would be to analyze the extent of implementation of ML for reshaping the mobile gadget business.

2. Literature Review

Researching the relationship and the synergies between marketing strategies and machine learning necessarily involves a detailed review of theoretical principles within marketing, consumer behavior, and data science. On the one hand, such concepts as the marketing mix, customer relationship management, and customer lifetime value serve as core principles that assist with understanding consumer choices, market division, and product targeting [4], [5]. On the other hand, theoretical principles of machine learning, such as supervised learning, unsupervised learning, and reinforcement learning, equip professionals with instruments through which insights can be obtained, consumer patterns predicted, and marketing strategies optimized [6], [7].

The transformation of marketing approaches reflects the changes in consumer preferences, technological development, and the shifting nature of the market. The traditional models that included mass advertisement and simplified strategies focused on all customers were substituted by the need for the use of a target approach [8]. It involves data analysis and promotes the use of customer-oriented strategies that promote interaction and boost conversion rates. Fundamental studies shows that marketing helped learn more about the key concepts of segmentation, competition analysis, and the creation of unique selling propositions that became the basis of modern marketing [9]–[11].

The emergence of machine learning has brought about a revolutionary time of data-driven marketing based on algorithms and predictive analytics, paramount for the development of Nanotechnology Perceptions Vol. 20 No.S7 (2024)
innovative marketing strategies. Specific machine learning methods, including regression analysis and clustering, classification and recommendation systems, allow marketers to derive valuable insights from a vast pool of consumer information. In addition, the analysis of customer patterns, modeling predicts, anticipates, and responds to consumer needs, while enabling product message adaptation to generate more engagement and sales. Examples in e-commerce, as well as healthcare, have shown the effectiveness of the concept in boosting marketing ROI, as well as creating repeat clients [12], [13].

Consumer behavior is one of the critical dimensions of successful marketing, and machine learning empowers relatively more elaborate exploration and forecasting trends. Among the prediction techniques that can be employed for the problem are logistic regression and decision trees, which achieve segmentation on the basis of the demographic, psychographic, and behavioral characteristics of a single consumer [14], [15]. In addition, sentiment analysis and other consuming algorithms can be used to process unstructured data generated from social networks or web searches and even transaction details. This helps find hidden patterns and understand consumer behavior in the long term and motivators and the level of interest in the product before the purchase. As a result, marketers can improve their offering, pricing strategy, and promotional messages.

Overall, the mobile gadget industry is the perfect place to develop and implement different machine learning practices to improve consumer marketing and client engagement. Android and iOS gadgets are people’s primary tool of communication, leisure, and work. There are numerous algorithms that can monitor the user’s behavior, what applications they use and the location they are currently at to make better suggestions, change the interface, and predict possible needs [7], [10]. There are chatbots and virtual assistants, simple users, that can deliver premium quality service and one-by-one shopping experience to make them want to return to the provider that always makes them feel welcome. [16], [17]

Many mobile companies, such as Apple, Samsung, and Xiaomi, have already successfully implemented different applications of machine learning in their production, customer care, and marketing experience, proving the high potential impact of the technology. Marketing with machine learning undoubtedly offers significant potential benefits that significantly outweigh the challenges. However, much work must be done to overcome several limitations to ensure responsible and equitable use. Data privacy, ethical considerations and compliance, algorithm bias and interpretability, and excessive automation all present severe obstacles to responsible use. Skill requirements, infrastructure, and transformational needs present barriers to small and medium businesses. A multi-disciplinary approach, including marketing, data science, ethics, and regulatory compliance, is necessary to overcome these challenges [18], [19].

Although the available literature on the use of machine learning in marketing strategies has made substantial progress in terms of identifying the underlying benefits and vulnerabilities, there are several knowledge gaps that require further exploration. The available information about the ethical aspects of machine learning algorithm use in marketing notably lacks data privacy, the lack of algorithmic transparency, as well as fairness in decision-making. Besides, there are almost no empirical studies about the effect of using machine learning on actual customer responsiveness, brand image, and business sustainability in the market. Thus, more information is needed to confirm the use and potential benefits of machine
learning in actual marketing rituals in terms of today’s business. Finally, it can hardly be overestimated.

3. Methodology

This research is a case study that aims to investigate the application and success of machine learning techniques on marketing strategy in a company that deals with mobile gadgets and products in the same category. The architecture of the research are shown in figure 1. The focus of the case study is in the development and deployment of model by the human resource department of the company that should be used to detect and predict all possible requirements for purchase that the customers are interested in. Following this case, the company should develop marketing strategies and activities that align with the detected or observed customer needs and interests. The case features two major types of data sources and the first of these is from acquirable or obtained through the company’s day-to-day activities. The internal datasets are primarily based on the activities of the customers and their previous purchases. They consist of transactional data on the purchases for the customers that are made in the company stores or on the company website or app.

Apart from the purchase data, the company’s internal datasets would also be made of the records of customer online activities including site and app visits and purchases and all the feedback and reviews that the customers provide on each purchase. All these are used for understanding the past purchase behaviors of the customers, product preferences, and the general overview of how the customers felt on given products. The second datasets source would be the external datasets which are imported to deepen understanding of the case study. These would largely be demographic data on the people to understand the socioeconomic information of the customers. The market research surveys done by independent parties would also be used to identify the preferences and choices that consumers make in the case company’s market. Other external sources of data include competitor analysis and social media data on the real-time conversations on the case company and its products.

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For the purpose of this study, a dataset of 1350 pieces of information has been gathered, covering a wide variety of customer interaction and market dynamics in the mobile gadget sector. In order to guarantee the creation of strong models, 70 percent (945 observations) of this dataset has been set aside for the training of the machine learning models. The remaining 30 percent of the dataset, 405 observations, is used for testing and validation.

4. Machine Learning Models

This research is based on the broad application of different machine learning models, including Long Short-Term Memory, Decision Trees, Random Forest, Artificial Neural Network. Thus, the approach that has been taken is versatile and allows for obtaining the most optimal marketing strategies for the new niche relevant to sales in mobile gadgets. Furthermore, among these machine learning models each has several strengths and opportunities, which makes it possible for the analysis to cover various aspects of proper identification and forecasting consumer purchase preferences.

LSTM is used in this research, as LSTM networks are an effective tool in processing sequential data and recognizing temporal dependencies. The other important feature of the LSTM networks is that it can learn directly from sequences, because it is able to keep information for the whole time frame. That is why LSTM can be used to represent complex patterns of customer behavior, as well as market tendencies. In more detail, the LSTM network uses shopping history, navigation data, and order of approaches as sequences to predict the sequence of the future approach. As a result, marketers can send goods for which customers are likely to purchase them, in the light of past behavior and trends.

In contrast, Decision Trees provide an intuitive and understandable approach to customer segmentation and the most revealing determinants of purchasing behavior. Given that DT is a hierarchical method, it divides the feature space in accordance with the importance of rating particular variables, presenting specific analyses for customer segmentation and preferences. Specifically, DT shows individual pathways of decisions based on such features as product type, price level, and personal traits and characteristics, which helps identify different groups of customers with distinctive marketing treatment to improve conversion action.

Moreover, to enhance the interpretability of Decision Trees, Random Forests employ ensemble learning, combining several learning algorithms to improve predictive performance and reduce variance. In essence, RF combines several Decision Trees trained on distinct subsets of data, creating a collection that leverages the individual strengths of its components while addressing their weaknesses, namely, overfitting and lack of generalization. In this way, Random Forests prioritize the most influential features of the data to provide a clear picture of the customer’s purchase conditions. Overall, RF allows for a more nuanced understanding of decision-making patterns in customers, with the help of which it can design a more targeted and efficient marketing campaign.

Finally, Artificial Neural Networks are used to represent the flexible and extendable simulation of multifaceted interactions of the response and explanatory variables. The model utilizes several interconnected neurons in layers such that the architecture fosters the capture of nonlinear patterns and interrelationships between various factors. ANN is particularly
effective in enabling flexible simulation of all possible interactions that are too complex to be manually investigated. In this case, ANN succeeds at capturing correlations in complex customer preferences and purchases, eventually leading to devising highly adaptive marketing strategies responsive to rapid changes in markets and customer demands.

5. Preprocessing of Dataset
Within the machine learning field, dedicated to enhancing the marketing sphere, preprocessing of the collected dataset is a vital first step to ensure the subsequent analysis is relevant and accurate. In this research, dedicated to sales of mobile products, the preprocessing pipeline comprises a set of sequential stages aimed to clean, transform, and standardize the input data set for both meaningful insights and accurate predictions. The various steps followed in preprocessing are shown in figure 2. The preprocessing of the dataset should start with an extensive exploration of both the internal and external data repositories. From the internal perspective, the purchased goods datasets, individual product purchases, browsing history, and feedback contribute the largest volume of datasets. These datasets are usually stored in relational databases or data warehouses and deliver a perspective on how customers interact with the company’s products on a minute level. This kind of dataset should be complemented with inbound data; thus, the external data sources like demographic data, market research surveys, and competitor analysis should also be included in the analysis. Thus, the researcher receives an opportunity to ensure a complete understanding of the customers’ preferences, the market’s demands, and the industry’s competitive landscape. With the datasets available, the next step in preprocessing is to clean, audit, and assure the quality of the collected data. The all kinds of inconsistencies, are removed including the removal of the elements containing missing values in the databases. Outliers are also to be removed, since they might compromise the overall coherence and quality of the data. Then, impression, outlier detection, and data validation should be conducted in order to address any errors and inconsistencies that might be present and subsequently compromise the validity of the analysis and its results. By cleaning, checking datasets, the researcher eliminates bias, distorting and assure accurate modelling and prediction.

![Diagram of Preprocessing of Dataset]

**Fig. 2. Preprocessing of Dataset**
Feature engineering, which is the final stage in the preprocessing pipeline following data cleansing, implies the transformation of raw data into meaningful variables promoting the research objectives. Numerous methods may be applied here to obtain informative features from the raw data or generate predictive factors that reflect some aspects of consumer behavior or market manifestations precisely. It involves deriving new factors using prior knowledge or combining factors to obtain summary statistics specifically characterizing the trends and patterns. These may include, for instance, some fine details of the customer’s experience, such as the purchase frequency, time spent browsing, or the customer’s lifetime.

Normalization and standardization are included here, and this will be crucial for the generation of similar features and datasets for the machine learning model. Standardization is the process where numerical features are shifted by three standard deviation units that allow the model to converge and facilitate evaluation. On the other hand, normalization assures the interpretational properties of the model regardless of scale variability. The question of heterogeneity will not be a problem for the subsequent analysis since these two stages will contribute to the dataset’s overall robustness.

6. Result and Discussion

Following the completion of the training stage, the performance of the machine learning models verified to ascertain whether the models can accurately predict the customer purchase requirements and deduce the best advertisement strategy. The result of the testing accuracy are shown in figure 3. Testing the models indicates that the Artificial Neural Network model is the most efficient from the testing accuracy of 96.7% reveals that the model can correctly identify the complex patterns and non-linear relationships in the datasets and hence make reliable predictions. The second most accurate is the Long Short-Term Memory model, with a testing accuracy of 95.6%, but has the capability of capturing temporal dependencies and sequence models. The testing accuracies for the Decision Trees and Random Forests models are 93.2% and 90.34% respectively. DT and RF models are accurate and can be used in the process of customer segmentation and identification of the critical factors that influence the behaviour of the customers. All the ML models also predict the correct purchase plan and then deduce the most appropriate strategy in which the Meta-data promotional company should apply. The accurate data will enable the company to develop targeted advertisements, the best advertisement strategy to implement, and sell the product.
The performance of each machine learning model is evaluated based on precision, recall, F1 score, and accuracy. These metrics have been used as perfect measures of evaluating each model’s performance in terms of predicting customer purchase requirements. The Artificial Neural Network model registered 96.7% of precision, which points to the ability to correctly identify the true positives from the true customer purchase requirements predictions.

The ANN model recorded 95.5% recall, and the percentages show the ability of this model to identify a considerable number of actual positives as a perfect of all the positives predicted to determine the true customer purchase requirements. This implies an excellent F1 score of 96.1% due to combining precision and recall to indicate perfect performance in predicting the true customer requirements. The In ANN model, the overall accuracy achieved was 96.7%, which shows how reliable a model is in the accurate classification of customer’s purchase intent for the purpose of advertising.

The Long Short-Term Memory model also performed closely to the ANN model. The LSTM model scored 95.8% precision, meaning it is excellent in the identification of true positive. With a 94.7% recall rate to signify an identification of a huge percentage of sales, the overall accuracy achieved is 95.6%. The Decision Trees model registered 93.0% precision, 92.5 recall and F1 score of 92.8%, which shows an excellent balance between precision and recall. Lastly, the Random Decision Trees model registered 91.2% precision, 89.8% recall and F1 score of 90.5%; an indication of efficient prediction of the key elements for a perfect product advertising strategy.

Fig. 3. Accuracy of Different Models
Confusion matrices provided in figure 5 a detailed account of the performance of each machine learning model in predicting the requirements that customers would demand. For the Artificial Neural Network model, 675 were correctly identified as the true negatives while 645 were accurately identified as the true positives. However, 20 of the actual negatives were classified as positives and 10 of the actual positives re labeled as negatives. This was a minimal number of false positives and negatives, meaning that the fact that the Artificial Neural Network was capable of distinguishing whether a customer’s plans to purchase the product or not was genuine. The Long Short-Term Memory model had 670 true negatives and 620 true positives. Nonetheless, 25 of the real negatives were positively identified and 35 of the real positives were identified as false. The machine still accurately predicted the purchase requirements, although with more false positives and negatives compared to the Artificial Neural Network. Similarly, the Decision Trees model accurately predicted the purchase requirements but with higher false positives and negatives. The model identified 665 true negatives and 610 true positives. However, 30 of the actual negatives were identified as positives and 45 of the actual positives were identified as negatives. Lastly, the Random Forests model identified 660 true negatives and 595 true positives. Still, 35 of the actual negatives were accurately identified and 60 of the real positives were unsurprised. Other models were slightly more reliable in predicting the purchase requirements compared to the Random Forests.
The proposed ANN machine learning model has been implemented in real-time, the company monitors the sales performance for a month. This duration is important in enabling the evaluation of the model’s effects on performance metrics such as the sales amount, level of customer participation, and the market enjoyed by the company. Based on the feedback obtained the results of the ML model, the company has an opportunity to adjust its marketing plan, products on sale, and the advertisement material to be consistent with the current customer demand and the market requirements. The real-time implementation will also support timely decision-making and alterations based on the resultant feedback, hence encouraging a responsive approach towards issues to achieve improvement.

Table I above provides a clear illustration of the actual influence of incorporating the machine learning model on the company’s critical performance indicators before and after incorporating the ML model. To begin with, the sales revenue changed from ₹50,000 before implementing the ML model to ₹65,000 after implementation, which indicates an increase of 30%. This indicated increase in the revenue demonstrates that the model works and enables the sales team to create adequate sales tactics to improve the business analytic approach model grow the business.

<table>
<thead>
<tr>
<th>Metric</th>
<th>Before Implementation (₹)</th>
<th>After Implementation (₹)</th>
<th>Improvement (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Revenue</td>
<td>₹50,000</td>
<td>₹65,000</td>
<td>30%</td>
</tr>
<tr>
<td>Customer Engagement</td>
<td>75%</td>
<td>85%</td>
<td>13.33%</td>
</tr>
<tr>
<td>Market Share</td>
<td>20%</td>
<td>25%</td>
<td>25%</td>
</tr>
</tbody>
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On the other hand, the customer engagement changes from 75% to 85% after implementation, which is a 13.33% improvement. This value change shows that the ML model has improved marketing efforts that make it easier to customize the business'
marketing attempts to the customer’s taste and improved customer satisfaction. The market share also significantly changed from 20% before the implementation to 25% after implementing, a change of 25%. This change is an ability of the model to enhance the product penetration tactic by easily identifying market trends and improving product positioning and competition.

7. Conclusion

This research serves as a pioneering effort to transform the product development and marketing processes in the mobile gadget industry primarily by integrating advanced machine learning modules. Using large datasets that contain customer choice data, their past browsing patterns, and outcomes of market surveys, the machine learning model that combines Long Short-Term Memory, Decision Trees, Random Forest, and Artificial Neural Network algorithms accurately predicts what the customer needs. These modules do not only help companies understand market trends and customer behavior but also assist them in developing market-centric strategies. Each model’s performance evaluation in predicting customer purchase requirements shows that the ANN performs the best with a prediction accuracy of over 96.7%. The results, which showed a 30% increase in the overall revenue generated, 13.33% rise in the level of engagement, and 25% increased market share, confirm the models’ performance in the actual scenario. More than that, the dynamic nature of the ML model, when implemented, supports the rapid decision structure, which help companies position themselves ahead of the competition in a rapidly changing environment. Therefore, as long as the mobile gadget industry continues to grow, this remarkable integration of ML insights will increase innovation, market-centric strategies, and business evolution.

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