International Journal of Scientific Research in Engineering and Management (IJSREM)
Volume: 09 Issue: 06 | June – 2025 SJIF Rating: 8.586 ISSN: 2582-3930

Marketing Strategies of AI and ML in E-Commerce Facebook

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Abstract
This study explores how artificial intelligence (AI) and machine learning (ML) technologies are revolutionizing e-commerce marketing on Facebook. It investigates applications such as personalized advertising, dynamic ad optimization, chatbots, predictive analytics, and the automation of marketing processes. Using a mixed-methods approach involving surveys, case studies, and secondary data analysis, the research highlights the tangible impact of AI/ML tools on enhancing customer engagement, improving ROI, and streamlining operations. Case studies of companies like Sephora, ASOS, and Wish demonstrate significant gains in performance and targeting efficiency, while also identifying challenges like data privacy and algorithmic bias.

1. Introduction
The convergence of AI and ML with Facebook's marketing ecosystem offers powerful tools for e-commerce businesses. These technologies provide data-driven personalization, predictive insights, and automation capabilities, enabling businesses to refine strategies and engage more meaningfully with users.

2. Background
Facebook's advertising model benefits immensely from AI/ML through features like dynamic ads, lookalike audiences, automated bidding, and chatbots. These features personalize user experience and increase ad relevance, which directly enhances conversion and retention metrics.

3. Literature Review
Prior studies confirm that AI/ML significantly enhance personalization (Zhang et al., 2023), segmentation (Chen et al., 2022), and ad optimization (Liu et al., 2021). However, data quality and ethical considerations remain major hurdles (Luo et al., 2023). Research also stresses the importance of platform-specific tools like Facebook's Audience Insights and Dynamic Ads.

4. Research Methodology
A mixed-methods approach was adopted:
- Quantitative: Surveys distributed to e-commerce marketers; A/B testing of AI-driven vs. traditional campaigns.
- Qualitative: In-depth interviews with marketing professionals and analysis of real-world case studies.
- Data Sources: Facebook Ads Manager metrics, user engagement data, and third-party analytics.

5. Applications of AI/ML in Facebook E-Commerce Marketing
- Personalization: Tailored content and product suggestions.
- Targeting: Audience segmentation using behavioral data.

- Dynamic Optimization: Real-time creative testing.
- Chatbots: 24/7 automated customer service.
- Predictive Analytics: Demand forecasting and trend anticipation.

6. Marketing Strategies

- Utilize Facebook Pixel and Audience Insights for precise targeting.
- Implement Dynamic Product Ads (DPA).
- Use AI-powered chatbots for customer interaction and support.
- Conduct A/B testing and leverage lookalike audiences to optimize ROI.

7. Case Studies

- Sephora used AI for personalized Facebook ads, leading to improved engagement and sales.
- ASOS optimized ads using customer behavior analytics, achieving better ROI.
- Wish employed ML for targeting users with high purchase intent, enhancing conversion rates.

8. Results & Discussion

Findings show a substantial increase in CTR, conversion rates, and ROI when AI/ML strategies are employed.
Challenges identified include:

- Data privacy concerns.
- Integration complexity.
- The need for skilled personnel.

Recommendations include ethical AI use, continuous model training, and transparency in data use.

9. Conclusion

AI and ML are indispensable for modern e-commerce marketing on Facebook. While they drive substantial benefits in personalization and automation, responsible implementation and attention to data ethics are crucial. Future growth depends on innovation, training, and regulatory alignment.

References

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