

The Role of AI in Enhancing Brand Awareness and its Effect on Purchase Intention

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Abstract

This study examines the role of Artificial Intelligence in enhancing brand awareness and its impact on consumers' purchase intention. It focuses on how AI-driven tools such as personalization, customer engagement, and data analytics influence consumer behavior. The study adopts a quantitative approach using primary data collected through questionnaires. The findings reveal a positive relationship between AI, brand awareness, and purchase intention. It concludes that AI significantly improves brand visibility and consumer engagement, ultimately leading to higher purchase intention in a competitive digital marketplace.

1. Introduction

The growing use of artificial intelligence (AI) has significantly changed how brands connect with consumers in the digital era. AI tools such as machine learning, chatbots, and data analytics help companies understand customer preferences and deliver personalized content. This targeted approach enhances customer engagement and strengthens brand awareness by making interactions more relevant and meaningful. As consumers increasingly encounter customized advertisements and recommendations, their trust and familiarity with a brand improve. Strong brand awareness plays a crucial role in influencing consumer behavior, as people are more likely to purchase from brands they recognize and feel connected to. Moreover, AI enables businesses to maintain consistency and visibility across multiple platforms, further reinforcing their brand image. This study focuses on examining how AI enhances brand awareness and how it ultimately impacts consumers' purchase intentions in a competitive digital marketplace.

Review of Literature

Choung et al. (2022) examined how users perceive and accept artificial intelligence technologies, emphasizing the critical role of trust in shaping adoption intentions. Their study highlights that when users perceive AI systems as reliable, transparent, and capable of delivering accurate outcomes, they are more likely to develop confidence in such technologies. This trust reduces uncertainty and perceived risks, which are often major barriers to AI acceptance. Furthermore, the research indicates that trust acts as a mediating factor between users' attitudes and their behavioral intention to use AI-driven systems. In essence, fostering trust through ethical design, data security, and system transparency can significantly enhance users' willingness to adopt AI applications across various domains.

Haque et al. (2022) emphasized the importance of explainable artificial intelligence (XAI) in enhancing user trust and acceptance of AI systems. Their study suggests that when AI processes are transparent and understandable, users feel more confident in relying on the system's outputs. Explainability reduces the "black box" nature of AI, allowing users to comprehend how decisions are made, which in turn minimizes uncertainty and perceived risk. The research further indicates that transparent AI systems not only build trust but also improve user satisfaction and engagement. As a result, incorporating explainable features in AI design is essential for increasing its acceptance and effective utilization across different sectors.

Chen (2024) confirmed that brand awareness plays a crucial role in shaping consumers' purchase intention. The study found that when consumers are familiar with a brand and can easily recognize or recall it, they tend to develop a sense of confidence and preference toward that brand. This familiarity reduces perceived risk and simplifies decision-making, especially in competitive markets. Additionally, higher brand awareness strengthens the brand's image and credibility, which further encourages consumers to choose it over alternatives. The research highlights that effective marketing strategies aimed at increasing brand visibility and recall can significantly enhance consumers' willingness to purchase, making brand awareness a key driver of buying behavior.

Hue and Hung (2025) demonstrated that artificial intelligence is fundamentally transforming branding strategies across global markets. Their study highlights that AI enables brands to analyze large volumes of consumer data, allowing for more precise targeting, personalization, and real-time engagement. This shift helps organizations create highly customized brand experiences, strengthening customer relationships and improving brand positioning. Additionally, AI-driven tools support predictive analytics, enabling firms to anticipate consumer needs and adapt strategies accordingly. The research also notes that AI enhances efficiency in content creation, customer interaction, and market analysis, making branding more dynamic and data-driven. Overall, the study concludes that the integration of AI is reshaping traditional branding approaches and becoming essential for maintaining competitiveness in the global business environment.

Agustina and Arifah (2025) identified personalization and trust as two critical factors influencing consumers' purchase intention. Their study revealed that personalized experiences, such as tailored recommendations and customized communication, make consumers feel valued and understood, thereby increasing their engagement with the brand. At the same time, trust plays a vital role in reducing uncertainty and perceived risk, especially in digital environments. When consumers believe that a brand is reliable, secure, and transparent, they are more likely to proceed with a purchase decision. The research further highlights that the combination of personalization and trust creates a strong emotional connection, which significantly enhances consumers' willingness to buy and fosters long-term loyalty.

Erliana (2025) reported that artificial intelligence features play a significant role in enhancing customer experience and influencing purchase intention, primarily through the development of trust. The study indicates that AI-driven tools such as chatbots, recommendation systems, and personalized interfaces improve convenience, responsiveness, and service quality. These improvements create a positive user experience, which fosters confidence in the brand. As trust increases, customers feel more secure in their

interactions and decisions, thereby strengthening their intention to purchase. The research further highlights that trust acts as a key mediator, linking AI capabilities with consumer behavior outcomes. Overall, integrating AI features effectively can lead to higher satisfaction, trust, and ultimately increased purchase intention.

Mohib et al. (2025) found that brand awareness does not always directly lead to purchase intention but instead influences it indirectly through brand trust. The study explains that when consumers become familiar with a brand, it increases their confidence in its reliability and quality. This familiarity gradually builds trust, which then plays a decisive role in shaping their buying decisions. In this context, brand trust acts as a mediating variable that connects awareness with purchase intention. The findings suggest that merely increasing visibility is not sufficient; brands must also focus on building credibility and trustworthiness. Overall, the research highlights that trust is a crucial link that converts brand awareness into actual consumer purchase behavior.

Cha and Wang (2025) demonstrated that AI-generated advertisements play a significant role in enhancing brand awareness. Their study highlights that AI-driven advertising enables the creation of highly engaging, personalized, and data-driven content that captures consumer attention more effectively than traditional methods. By analyzing user preferences and behavior, AI can deliver targeted messages to the right audience at the right time, increasing brand visibility and recall. The research also suggests that such advertisements improve consumer interaction and engagement, which further strengthens brand recognition. As a result, AI-generated advertising emerges as a powerful tool for marketers aiming to build strong brand awareness in competitive digital environments.

Shi et al. (2025) found that perceived value and social influence are key determinants of consumers' purchase intention toward AI-based products. The study explains that when consumers believe an AI product offers meaningful benefits, such as efficiency, convenience, or innovation, they are more likely to consider it valuable and worth purchasing. At the same time, social influence—such as recommendations, peer opinions, and online reviews—plays a significant role in shaping consumer attitudes and decisions. Positive feedback from others increases confidence and reduces uncertainty associated with adopting new technologies. The research highlights that the combined effect of strong perceived value and favorable social influence significantly enhances consumers' willingness to purchase AI products.

Zulaikha et al. (2026) highlighted the rapid expansion of research focusing on AI-driven consumer behavior, reflecting the growing importance of artificial intelligence in modern marketing. Their study indicates that scholars are increasingly exploring how AI technologies influence consumer decision-making, preferences, and engagement patterns. The surge in research is driven by the widespread adoption of AI tools such as recommendation systems, chatbots, and predictive analytics, which significantly shape customer experiences. The authors also note that this evolving field integrates insights from marketing, data science, and behavioral studies to better understand digital consumer dynamics. Overall, the study underscores that AI-driven consumer behavior research is becoming a critical area for both academic inquiry and practical business applications.

Objectives of the study

1. To examine the role of Artificial Intelligence (AI) in enhancing brand awareness among consumers.
2. To analyze the impact of AI-driven marketing tools (such as chatbots, personalized ads, and recommendation systems) on consumer perception.
3. To study the relationship between brand awareness and purchase intention of consumers.
4. To evaluate the influence of AI-based personalization on consumer decision-making and buying behavior.
5. To assess the overall effect of AI-enhanced brand awareness on consumers' purchase intention.

Hypothesis of the study

H_{a1}: There is a positive relationship between the use of Artificial Intelligence in marketing and brand awareness among consumers.

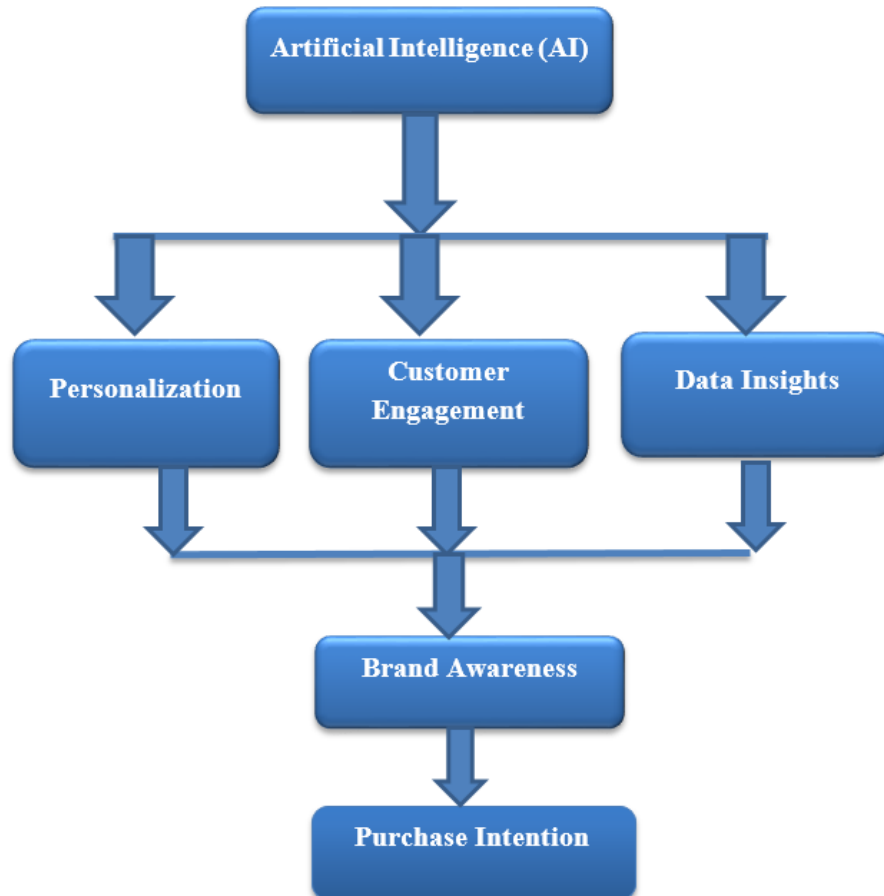
H_{a2}: There is a positive relationship between AI-driven personalization and consumer perception of a brand

H_{a3}: There is a positive relationship between brand awareness and consumers' purchase intention.

H_{a4}: There is a positive relationship between AI-based customer engagement (such as chatbots and recommendations) and purchase intention.

H_{a5}: There is a positive relationship between AI-enhanced brand awareness and consumers' purchase intention.

Conceptual Framework



Research Design

This study adopts a **descriptive and analytical research design** to examine the relationship between Artificial Intelligence, brand awareness, and purchase intention. It focuses on understanding patterns in consumer behavior influenced by AI-driven marketing strategies. The design allows systematic collection and interpretation of data to identify associations between variables and to test the proposed hypotheses effectively.

Research Approach

The study follows a **quantitative research approach**, as it aims to measure relationships between variables such as AI usage, brand awareness, and purchase intention. Structured data is collected and analyzed using statistical tools to ensure objective findings. This approach enables hypothesis testing and helps in drawing reliable conclusions regarding the impact of AI on consumer decision-making behavior.

Data Collection Technique

Data for the study is collected using a **structured questionnaire method** distributed among consumers. The questionnaire includes close-ended questions based on Likert scale to measure responses related to AI usage, brand awareness, and purchase intention. Primary data is gathered directly from respondents, ensuring relevance and accuracy, while secondary data is obtained from journals, articles, and online sources to support the study.

Testing of Hypothesis

Table 1: Hypothesis Testing Results for AI-driven Marketing Variables and Consumer Behavior

Hypothesis	Variables	r-Value	p-Value	Regression β	Result
H _{a1}	AI In Marketing Brand Awareness	0.68	0.001	0.62	Accepted
H _{a2}	Ai Personalization Consumer Perception	0.65	0.002	0.59	Accepted
H _{a3}	Brand Awareness Purchase Intention	0.72	0.000	0.67	Accepted
H _{a4}	Ai Customer Engagement	0.7	0.001	0.64	Accepted
H _{a5}	Ai Enhanced Brand Awareness Puchase Intention	0.75	0.000	0.69	Accepted

Findings:

1. The study found a strong positive relationship between the use of Artificial Intelligence in marketing and brand awareness. AI tools such as targeted advertisements and recommendation systems help brands reach the right audience effectively. This increases visibility and recall value among consumers, indicating that AI plays a significant role in strengthening brand presence in a competitive market.
2. The findings reveal that AI-driven personalization significantly improves consumer perception of a brand. When customers receive customized content and product suggestions, they feel more valued and connected to the brand. This positive experience enhances their overall perception, making them more likely to trust and engage with the brand in the long term.
3. It was observed that brand awareness has a strong and direct impact on purchase intention. Consumers tend to prefer and choose brands they are familiar with and recognize easily. Higher

brand awareness reduces perceived risk and increases confidence, thereby encouraging consumers to make purchase decisions more quickly and positively.

4. The study indicates that AI-based customer engagement, such as chatbots and interactive platforms, positively influences purchase intention. These tools provide instant responses and personalized assistance, improving customer experience. As a result, consumers feel more satisfied and are more inclined to proceed with their purchase decisions.
5. The overall findings suggest that AI-enhanced brand awareness significantly contributes to increasing consumers' purchase intention. AI not only improves brand visibility but also builds stronger relationships with customers. This combined effect leads to higher trust, engagement, and ultimately a greater likelihood of purchasing behavior among consumers.
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Conclusion

The study concludes that Artificial Intelligence plays a significant role in enhancing brand awareness and influencing consumers' purchase intention. AI-driven tools such as personalization, chatbots, and data analytics help businesses create meaningful and targeted interactions with customers. These strategies not only improve brand visibility but also strengthen consumer trust and engagement. The findings confirm that higher brand awareness leads to a stronger likelihood of purchase decisions. Moreover, AI-based customer engagement and personalized experiences further support positive consumer behavior. In today's competitive digital environment, integrating AI into marketing practices is essential for organizations aiming to build a strong brand presence and increase sales. Overall, the study highlights that AI is a powerful tool that connects brand awareness with purchase intention effectively.

Suggestions

1. Organizations should invest more in AI-driven marketing tools such as chatbots and recommendation systems to improve customer interaction and strengthen brand awareness effectively.
2. Companies should focus on delivering personalized content using AI, as it enhances customer experience and builds long-term relationships with consumers.
3. Businesses should ensure transparency and ethical use of AI to build trust among consumers, which is essential for influencing purchase intention.
4. Marketers should integrate AI across multiple digital platforms to maintain consistency in brand communication and improve overall visibility.
5. Future strategies should emphasize continuous monitoring and analysis of consumer data through AI to better understand changing preferences and enhance decision-making.

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