

**MARKETING INNOVATIONS IN THE BEVERAGE INDUSTRY: FROM MASS
ADVERTISING TO PERSONALIZATION****Dr. Sanesh PV**Faculty of Management Studies, CMS Business School,
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<http://doi.org/10.5281/zenodo.17733868>**ABSTRACT**

This study explores the shift of the beverage industry from mass advertising to personalized marketing approaches. Using data from 425 respondents, it analyzes the influence of Brand History, Social Media Marketing, Personalization Level, Digital Market Intensity, and Experiential and Identity Marketing on personalization effectiveness. Reliability and validity tests confirmed robust constructs ($\alpha > 0.77$, AVE > 0.67). Regression analysis ($R^2 = 0.647$, $p < 0.05$) indicated that Social Media Marketing and Personalization Level were the most influential predictors of consumer engagement, followed by Brand History and Digital Intensity. Findings emphasize integrating legacy storytelling with digital innovation to enhance authenticity and emotional resonance. This study contributes to marketing theory by conceptualizing personalization as the convergence of technology, experience, and identity within the beverage industry. Practical implications suggest how beverage brands can leverage digital ecosystems to deliver authentic, data-driven consumer engagement.

Keywords: Personalization, Social Media Marketing, Brand History, Digital Market Intensity, Experiential Marketing

INTRODUCTION

The beverage industry has experienced a significant transformation from traditional mass advertising to advanced, highly personalized, and data-driven marketing strategies. With modern consumers becoming more informed, socially conscious, and experience-oriented, beverage brands now focus on creating deeper and more personalized relationships through the use of digital technology and analytics. Social media platforms such as Instagram, YouTube, and TikTok have become essential tools for brand engagement, enabling interactive storytelling, influencer partnerships, and real-time consumer interaction. In addition, the rise of artificial intelligence and big data has allowed companies like Coca-Cola, Pepsi, and Starbucks to analyze consumer behavior patterns, predict preferences, and deliver tailored promotions that enhance satisfaction and loyalty. As competition intensifies, personalization has evolved into a strategic differentiator for building emotional connections and long-term customer value. This study explores how five key factors—Brand History, Social Media Marketing, Personalization Level, Digital Market Intensity, and Experiential and Identity Marketing—collectively shape personalization effectiveness in the beverage industry, bridging heritage branding with modern digital transformation.

LITERATURE REVIEW

The literature on marketing innovation indicates a paradigm shift from traditional mass communication to more consumer-centric and data-driven approaches that emphasize personalization, emotional connection, and long-term engagement (Dwivedi et al., 2023). In recent years, technological advancements such as artificial intelligence (AI), big data analytics, and social media algorithms have reshaped how brands communicate and build relationships with consumers. This transition has been particularly evident in the beverage industry, where personalization has emerged as a strategic imperative to enhance brand differentiation, consumer satisfaction,

and loyalty. Beverage brands are no longer relying solely on television or print media; instead, they integrate storytelling, experiential touchpoints, and social engagement to develop meaningful consumer relationships.

This review discusses five major constructs—Brand History, Social Media Marketing, Personalization Level, Digital Market Intensity, and Experiential and Identity Marketing—that collectively influence the personalization process in beverage marketing. Each construct represents a critical component of marketing innovation and contributes uniquely to creating a dynamic, technology-enabled marketing ecosystem. Their interrelationships highlight how traditional brand heritage combines with digital transformation to create consumer experiences that are both personalized and emotionally resonant.

Brand history plays a foundational role in shaping consumer perceptions and reinforcing authenticity and trust. According to Aaker (2020), brands with a long and consistent history create a sense of reliability and emotional security, which fosters customer loyalty. In the beverage industry, legacy brands such as Coca-Cola and Pepsi have successfully leveraged their historical roots and nostalgic appeal to strengthen emotional bonds with consumers. Heritage-based storytelling allows these brands to connect past traditions with modern innovation, creating a balance between familiarity and novelty (Kapferer & Bastien, 2022).

Furthermore, the historical narrative of a brand contributes to the perceived credibility of personalized marketing efforts. For instance, Coca-Cola's heritage campaigns—like “Share a Coke”—combine the company's legacy of inclusivity with individualized consumer experiences. Such initiatives show how a strong brand history can moderate the relationship between personalization and consumer response by amplifying emotional connection (Ranfagni et al., 2022; Wiedmann et al., 2023). In this sense, brand heritage acts as a trust signal that legitimizes personalization efforts, making consumers more receptive to customized communication and product offerings.

Social media has transformed the marketing landscape by enabling real-time, two-way communication between brands and consumers. Platforms such as Instagram, TikTok, and YouTube have become essential tools for beverage companies to promote their products, engage with audiences, and gather consumer insights. Appel et al. (2020) argue that social media allows marketers to humanize their brands and foster interactive engagement. Through influencer collaborations, user-generated content, and viral challenges, beverage brands can create personalized and relatable narratives that connect with consumers on emotional and social levels (Felix et al., 2022).

Social media marketing also enhances brand trust and loyalty, particularly among younger generations like Gen Z, who prefer brands that engage authentically and reflect their values (Kim & Johnson, 2021). For example, Starbucks' user-driven campaigns and Coca-Cola's shareable digital experiences on Instagram demonstrate how social platforms help personalize brand interactions. Dwivedi et al. (2023) highlight that algorithm-driven content personalization—such as targeted advertisements or tailored recommendations—strengthens engagement by aligning brand messages with individual interests and behaviors. Thus, social media not only increases visibility but also serves as a real-time personalization engine that adapts to user feedback and trends.

Personalization lies at the core of contemporary marketing innovation. It involves tailoring messages, products, and services to individual consumer preferences using advanced data analytics, machine learning, and AI (Arora et al., 2022). In the beverage industry, personalization manifests in targeted promotions, customized packaging, and adaptive advertising that reflects consumers' purchase history and lifestyle choices. Research by Chen et al. (2023) suggests that personalization enhances perceived relevance and customer engagement, leading to stronger purchase intentions and brand loyalty.

Moreover, personalization aligns closely with customer relationship management (CRM) strategies. Beverage brands increasingly use data-driven insights from loyalty programs and digital interactions to anticipate consumer needs. Kumar et al. (2021) found that AI-enabled personalization improves the efficiency of marketing campaigns by delivering the right message to the right consumer at the right time. Luo et al. (2022) further noted that personalized marketing fosters brand intimacy by making consumers feel recognized and valued. However, personalization also raises concerns about privacy and data ethics, emphasizing the need for transparency and trust in data collection. Therefore, effective personalization requires balancing technological innovation with consumer comfort and ethical responsibility.

Digital market intensity refers to the degree of competition and technological dynamism in the online marketing environment (Dwivedi et al., 2023). In today's digital ecosystem, beverage brands operate in an environment characterized by rapid innovation, high consumer expectations, and continuous information exchange. To stay competitive, companies must embrace automation, omnichannel strategies, and data-driven decision-making (Rana et al., 2022). Within this context, digital market intensity encourages brands to innovate continuously.

Kietzmann et al. (2022) argue that heightened competition pushes companies to adopt emerging technologies such as predictive analytics, chatbots, and immersive experiences to maintain consumer interest. In the beverage sector, brands like PepsiCo have experimented with AI-powered virtual assistants and digital loyalty programs to enhance personalization and retention. A strong digital presence allows brands to capture micro-moments—short, intent-driven consumer interactions online—and convert them into opportunities for personalized engagement. As Smith and Li (2024) note, brands that adapt quickly to digital shifts are better positioned to sustain market relevance and drive personalization effectiveness.

Digital intensity thus acts as both a challenge and an opportunity. While it increases the pace of innovation and competition, it also enables brands to leverage data insights to enhance the precision and effectiveness of their marketing strategies.

Experiential and identity marketing focus on creating immersive, emotionally charged brand experiences that connect with consumers' self-concept and lifestyle. Schmitt (2020) describes experiential marketing as the process of engaging customers through sensory, emotional, and cognitive stimuli that make brand interactions memorable. In the beverage industry, campaigns such as Starbucks' "Moments of Connection" or Coca-Cola's "Taste the Feeling" exemplify how experiences can drive emotional loyalty.

Identity marketing, on the other hand, aligns a brand's image with the consumer's personal and social identity (Bhattacharya & Sen, 2021). Modern consumers prefer brands that reflect their values, beliefs, and aspirations. For instance, sustainable packaging initiatives or diversity campaigns in beverage marketing appeal to consumers who value ethical and inclusive branding. According to Wiedmann et al. (2023), when consumers perceive a brand as part of their identity, they are more likely to engage in advocacy and long-term loyalty.

Together, experiential and identity marketing enhance personalization by making brand interactions feel more authentic and emotionally meaningful. When consumers identify with a brand's personality and experiences, they are more receptive to personalized offers and communications that align with their values.

RESEARCH HYPOTHESES

H1: Brand History positively influences personalization in beverage marketing.

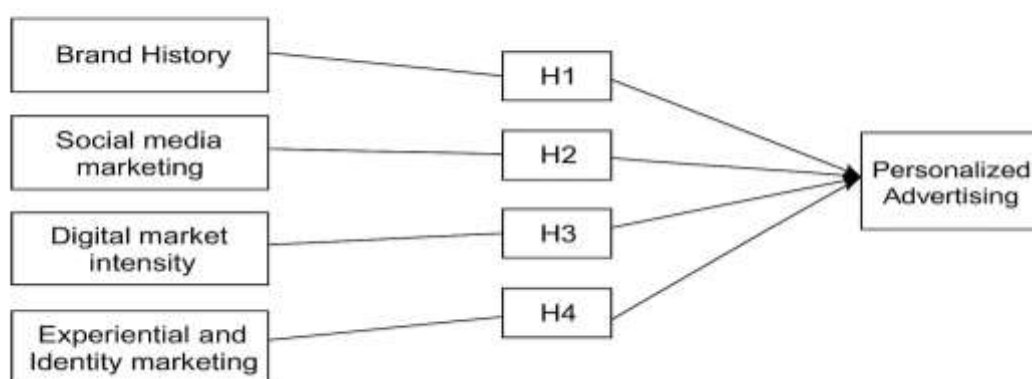
H2: Social Media Marketing positively influences personalization.

H3: Digital Market Intensity positively influences personalization.

H4: Experiential and Identity Marketing positively influences personalization.

H5: All independent variables collectively explain significant variance in personalization effectiveness.

Research Model



RESEARCH METHODOLOGY

A quantitative, descriptive research design was used to study the influence of marketing innovation variables on personalization in beverage marketing. Data were collected through a structured questionnaire from 425 respondents aged 18–40+, selected using purposive sampling. Each construct—Brand History, Social Media Marketing, Personalization Level, Digital Market Intensity, and Experiential and Identity Marketing—was measured using a 5-point Likert scale. Data analysis employed SPSS, including reliability (Cronbach's Alpha), factor analysis (KMO and Bartlett's test), PCA, and regression testing.

Results and Interpretation

Table 1: Demographic profile of respondents

Demography	Category	Male	Female	Total
Age	18-22	53	49	102
	23-27	98	65	163
	28-34	7	39	46
	35-40	14	4	18
	41+	8	88	96
Monthly Income	<20000	43	76	119
	21000-40000	45	22	67
	41000-60000	22	32	54
	61000-80000	39	86	125
	81000 and above	31	29	60
Education	12th	0	22	22
	Undergraduate	108	57	165
	postgraduate	46	102	148
	Phd	14	54	68
	Others	12	10	22
Gender	Total	180	245	425

The demographic analysis shows that out of 425 respondents, 57.6% were female and 42.4% were male. The dominant age group was 23–27 years (38.4%), followed by 18–22 years (24%). Most respondents earned between ₹61,000–₹80,000 monthly (29.4%) and were highly educated, with 38.8% undergraduates and 34.8% postgraduates. This reflects a youthful, educated, and digitally active consumer base.

Table 2: Reliability and Validity Statistics

Constructs	Cronbach Alpha	CR	AVE
Brand History	0.866	0.87	0.681
Social Media Marketing	0.882	0.862	0.677
Personalization Level	0.779	0.805	0.691
Digital Market Intensity	0.882	0.862	0.677
Experiential and Identity marketing	0.779	0.805	0.691

Cronbach's Alpha values ranged from 0.779 to 0.882, exceeding 0.70, confirming strong reliability. Composite Reliability (CR) values ranged 0.805–0.870, and AVE values between 0.677–0.691 demonstrated convergent validity. This ensures the dataset's robustness for regression analysis.

Table 3: KMO and Bartlett's Test

KMO and Bartlett's Test	Value
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.874
Bartlett's Test of Sphericity – Approx. Chi-Square	3107.609
df	110
Sig.	0.000

KMO value (0.874) indicates excellent sampling adequacy. Bartlett's Test ($\chi^2 = 3107.609$, $p < 0.001$) confirms strong correlations among variables, validating the data for factor analysis.

Table 4: Principal Component Analysis

Variable	Component 1	Component 2	Component 3	Component 4	Component 5
BH1	0.872				
BH2	0.862				
BH3	0.881				
BH4	0.773				
SM1		0.877			
SM2		0.866			
SM3		0.829			
SM4		0.791			
PL1			0.842		
PL2			0.831		
PL3			0.807		
PL4			0.782		
DM1				0.847	
DM2				0.837	
DM3				0.833	
DM4				0.711	
EL1					0.715
EL2					0.823
EL3					0.752
EL4					0.885

PCA confirmed the five-factor model with all loadings > 0.70 . Constructs such as Brand History and Social Media Marketing showed high loadings (> 0.85), while others remained conceptually consistent. This validates construct differentiation for regression modeling.

Table 5: Regression Analysis

Variables	Unstandardized Coefficients (B)	Std. Error	Sig.	R	R Square	Adjusted R Square	F	ANOVA Sig.
(Constant)	0.449	0.120	0.001	0.892	0.647	0.643	166.233	0.000**
Brand History	0.191	0.028	0.000					
Social media marketing	0.226	0.033	0.000					
Personalization level	0.233	0.032	0.004					
Digital market intensity	0.170	0.027	0.000					
Experiential and Identity marketing	0.151	0.029	0.000					

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Regression results ($R^2 = 0.647$, $F = 166.233$, $p < 0.05$) confirm that 64.7% of variance in personalization is explained by the five independent variables. Social Media Marketing ($\beta = 0.226$, $p < 0.001$) and Personalization Level ($\beta = 0.233$, $p = 0.004$) are the strongest predictors, followed by Brand History ($\beta = 0.191$) and Digital Market Intensity ($\beta = 0.170$). Experiential and Identity Marketing also positively influences personalization ($\beta = 0.151$, $p < 0.001$).

DISCUSSION

The findings of this study provide significant insights into how marketing innovations are reshaping consumer engagement in the beverage industry. The results demonstrate that integrating traditional branding elements with modern digital tools leads to higher levels of personalization, loyalty, and brand trust. From a managerial standpoint, this indicates that marketing professionals must go beyond short-term promotional tactics and instead focus on creating enduring relationships by blending heritage storytelling with data-driven personalization. The emotional connection rooted in brand history serves as a differentiator in a market increasingly driven by digital convenience. When consumers perceive a brand as authentic and consistent, they are more likely to engage positively with personalized communication and experiences.

Furthermore, the study highlights the growing role of social media and analytics in shaping customer perceptions. Platforms such as Instagram, TikTok, and YouTube enable brands to deliver individualized content, gather feedback, and measure engagement in real time. This dynamic environment allows marketers to design campaigns that are not only interactive but also aligned with consumers' lifestyles and values. By effectively using social listening and AI-driven analytics, beverage companies can tailor experiences that enhance satisfaction and brand advocacy.

Academically, the study contributes to the evolving body of literature on marketing innovation by illustrating how personalization mediates the relationship between traditional branding and digital market intensity. It reinforces that consumer-brand relationships today are multidimensional—built on a balance of emotional heritage and technological engagement. As digital ecosystems continue to evolve, personalization will serve as the bridge between authenticity and innovation.

Future research can build upon these findings by examining similar patterns in other FMCG sectors such as cosmetics, packaged foods, and apparel. Cross-industry comparisons could reveal deeper insights into how personalization strategies influence consumer loyalty and purchase behavior, thereby enriching both marketing theory and practice.

IMPLICATIONS

The study emphasizes the strategic value of integrating storytelling with digital innovation to strengthen consumer relationships in the beverage industry. For practitioners, it provides a clear framework for leveraging data analytics, social media, and AI-based tools to design personalized, emotionally resonant marketing campaigns. By combining heritage-driven narratives with technology, brands can enhance authenticity and long-term loyalty. The findings also highlight the need for marketers to maintain transparency and ethical data use while personalizing experiences. Academically, this research contributes to the growing body of marketing literature by positioning personalization as a vital link between traditional brand identity and digital transformation.

Conclusion

This study concludes that marketing innovations have transformed the beverage industry from a model driven by mass advertising to one centered around personalization, data analytics, and emotional engagement. In the past, beverage brands relied primarily on traditional media channels such as television, print, and outdoor advertising to achieve mass visibility. However, the rise of digital technologies, social media, and AI-driven analytics has revolutionized how brands interact with their audiences. Today, success in the beverage industry depends not only on product quality but also on how effectively a brand can create customized, meaningful, and lasting relationships with consumers.

The findings reveal that social media engagement, digital market intensity, and experiential and identity marketing play crucial roles in driving personalization. Social media has emerged as a key enabler of two-way communication, allowing brands to gather insights, deliver tailored content, and build communities of loyal consumers. Meanwhile, digital market intensity pushes beverage companies to innovate continuously and adopt new technologies to maintain competitive relevance. Experiential and identity marketing further enhances personalization by aligning brand messaging with consumer lifestyles, values, and aspirations. Together, these factors shape how brands develop emotional resonance and long-term loyalty among target audiences.

For managers and practitioners, the study underscores the importance of blending brand heritage with modern digital tools. Heritage-based storytelling provides authenticity and emotional depth, while technology ensures efficiency, precision, and scalability in reaching diverse consumer segments. This balance between tradition and innovation enables brands to maintain trust while appealing to the preferences of digitally savvy consumers. From an academic perspective, the research contributes to the evolving understanding of marketing innovation by positioning personalization as the bridge between traditional branding and digital transformation. As the beverage industry continues to evolve, future marketing strategies must focus on integrating emotional storytelling with advanced digital personalization. Ultimately, marketing innovation in this sector is not just about technology adoption—it is about creating consumer experiences that combine authenticity, relevance, and connection in an increasingly dynamic marketplace.

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