

A study on artificial intelligence in marketing: Role and its impact on marketers and Consumers

Dr. K. AJITHA

Dr. K. Ajitha, Assistant Professor, Department of Commerce, Annai Velankanni College, Tholayavattam, Affiliated to Manonmaniam Sundaranar University, Abishekapatti, Tirunelveli, Tamil Nadu, India.

Abstract

Artificial Intelligence (AI) with its vast capabilities in data analysis, personalized recommendations, and automation, has revolutionized traditional marketing strategies. For marketers, AI tools offer unprecedented opportunities to enhance campaign effectiveness, optimize customer engagement, and streamline operations. Predictive analytics and machine learning algorithms enable marketers to gain deep insights into consumer behaviour, tailor content to individual preferences, and predict future trends with remarkable accuracy. Artificial intelligence (AI) is revolutionizing marketing by enabling personalized campaigns through data analysis, significantly impacting both marketers and consumers. This study explores the transformative role of AI in marketing strategies and its implications for consumer engagement and decision-making.

Key words: Artificial Intelligence, marketers and consumers.

INTRODUCTION

Artificial Intelligence (AI) stands out as a pivotal force reshaping the marketing landscape. This study aims to delve into the multifaceted role of AI in marketing and its consequential impact on both marketers and consumers. On the consumer side, AI has elevated the shopping experience by making it more personalized and seamless. From chatbots providing instant customer support to recommendation engines suggesting products based on past behaviour, AI-driven solutions have made consumer interactions more intuitive and efficient. However, this shift also raises pertinent questions about privacy, data security, and the ethical implications of AI in marketing. This research article will explore the dynamic interplay between AI technologies and marketing practices, examining both the benefits and challenges. By analysing real-world examples and empirical data, the study aims to provide a comprehensive understanding of how AI is shaping the future of marketing and what it means for the stakeholders involved.

REVIEW OF LITERATURE

Mahabub Basha (2023) in his article presented that, "The research's main findings revealed that competitive pressure, media attention, digital maturity, and customers are the important influencing variables in incorporating AI in marketing. Different replies were received from the respondents on the results relating to the benefits of incorporating AI in marketing. According to marketing professionals, the major benefits include increased efficiency, time savings in marketing functions, improved conversion rates, a better understanding of customer information, more feasible marketing decisions, increased ROI, insights, improved service, and customer satisfaction. Improved data analysis and efficient marketing operations are among the other advantages. In response to a question on the most difficult aspect of AI integration in marketing, respondents said that technical compatibility is the most difficult aspect.

Ms. Sneha Hathi (2024) in her article evaluated that, "Artificial intelligence (AI) describes methods that let robots carry out mental tasks that call for human intelligence. These involve interaction with the environment, learning, and reasoning. In order to cultivate customer engagement and loyalty, AI may provide a more customized brand experience. To enhance the user experience, marketers deploy language-based AI as sales tools, payment processors, and engagement managers. Customers may now rely on chatbots to complete the purchasing process for them rather of having to figure it out on their own. Language-based artificial intelligence is advancing quickly, "learning" from past usage and automatically fine-tuning to produce an even better experience the following time. By recognizing pertinent material that consumers desire to read, it can help marketers.

SCOPE OF THE STUDY

The scope of this research article, "A Study on Artificial Intelligence in Marketing: Role and Its Impact on Marketers and Consumers," encompasses a comprehensive examination of various facets of AI's integration into marketing practices. This study aims to provide a holistic understanding of AI applications in marketing, including personalized marketing, customer segmentation, targeted advertising, and predictive customer analytics. It assesses the effectiveness of AI-driven marketing campaigns compared to traditional

methods. This study aims to Analyse the benefits, challenges, and potential disruptions caused by AI in marketing workflows and decision-making processes.

OBJECTIVES OF THE STUDY

1. To analyse the role of AI in contemporary marketing strategies
2. To Investigate the benefits and challenges faced by marketers in adopting AI.
3. To analyse consumer perceptions and attitudes towards AI-enabled marketing.
4. To Suggest policy recommendations to ensure responsible and transparent use of AI in marketing.

METHODOLOGY

Research Design

This study employs a mixed-methods research design, combining both qualitative and quantitative approaches to provide a comprehensive understanding of the role and impact of artificial intelligence (AI) in marketing on marketers and consumers. The research design is structured to address the research questions and objectives outlined in the study.

Data Collection

Primary Data

Focus group discussions will be organized with consumers to gain insights into their experiences and perceptions of AI-driven marketing practices. This qualitative method will help understand consumer attitudes, trust, and satisfaction with AI in marketing.

Secondary Data

Industry reports and case studies from reputable sources will be analysed to provide context and support for the findings.

DATA ANALYSIS

HENRY GARRETT RANKING TECHNIQUE

This technique has been used to rank the factors to identify the Role and its impact on marketers and consumers in the study area. In this method, the respondents were asked to rank their opinion regarding the role and impact on marketers and consumers. The order of merit given by the respondents was converted into ranks by using the following formula.

Percentage Position = $100(R_{ij}-0.5/N_j)$

Were,

Rij - Ranking Position

Nj - Total No. of Ranks

The percentage position of each rank thus obtained is converted into scores by referring to the table given by Henry Garrett. Then, for each factor, the scores of individual respondents were added and divided by the total number of respondents for whom the scores were added. These mean scores for all the factors were arranged in order of ranks and from this inference were drawn.

Percentage of marketers currently use AI in their marketing strategies

TABLE NO :1

Sl.no	Percentage of marketers currently use AI	Total Score	Mean Score	Rank
1.	Less than 20%	3640	48.53	V
2.	20-40%	3844	51.25	I
3.	40-60%	3785	50.47	II
4.	60-80%	3795	47.61	III
5.	More than 80%	3605	48.07	IV

It is identified from Table 1 that the percentage of marketers is currently using AI in their marketing strategies and the same was 20-40% ranked first with a Garrett score of 3844 points. It is followed by the “40-60%, 60- 80%, More than 80% were ranked second, third and fourth ranks with Garrett's scores of 3785, 3795 and 3605 points respectively. The last rank is placed for the “Less than 20%” with a Garrett score of 3640 points. From the analysis, it can be inferred that the majority of 20-40% of marketers currently use AI in their marketing strategies.

How does AI affect marketers' roles and responsibilities

TABLE NO :2

Sl.no	AI affect marketers' roles and responsibilities	Total Score	Mean Score	Rank
1.	AI replaces marketers' jobs	4523	37.69	V
2.	AI augments marketers' jobs	5481	45.67	IV
3.	AI has no impact on marketers' jobs	9830	81.92	I

4.	AI reduces marketers' workload	5762	48.02	III
5.	AI-driven automation for marketers	7617	63.47	II

It is identified from Table 2 that “AI has no impact on marketers' jobs” as a prime role and responsibilities and the same was ranked first with a Garrett score of 9830 points. It is followed by the “AI-driven automation for marketers”. “AI reduces marketers' workload “ and “AI augments marketers' jobs” were ranked second, third and fourth ranks with Garrett scores of 7617, 5762 and 5481 points respectively. The last rank is placed for the “AI replaces marketers' jobs” with a Garrett score of 4523 points. From the analysis, it can be inferred that the majority of the data suggests that the most dominant belief among marketers is that AI has no significant impact on their jobs.

Which of the following is a primary reason marketers adopt AI in their strategies

TABLE NO :3

Sl.no	Primary reason of marketers adopts AI in their strategies	Total Score	Mean Score	Rank
1.	To reduce costs	6423	53.53	II
2.	To improve customer experience	6972	58.10	I
3.	To increase efficiency	5422	45.18	V
4.	To gain competitive advantage	5963	49.69	III
5.	To Automating tasks and analysing consumer behaviour	5460	45.50	IV

It is identified from Table 3 that “To improve customer experience” is the primary reason marketers adopt AI in their strategies and the same was ranked first with a Garrett score of 6972 points. It is followed by the “To reduce costs”, “To gain competitive advantage” and “To Automate tasks and analyse consumer behaviour” were ranked second, third and fourth ranks, with Garrett scores of 6423, 5963 and 5460 points respectively. The last rank is placed for the “To increase efficiency” with a Garrett score of 5422 points. From the analysis, it can be inferred that the majority of marketers’ primary reason is to adopt AI in their strategies for “improving to improve customer experience”.

How do consumers feel about AI-powered marketing

TABLE NO :4

Sl.no	Consumers feel about AI-powered marketing	Total Score	Mean Score	Rank
1.	Very positive	6398	53.32	II
2.	Somewhat positive	6428	49.87	I
3.	Neutral	6043	50.36	III
4.	Somewhat negative	5984	53.57	IV
5.	Very negative	5387	44.89	V

It is identified from Table 4 that consumers feel “somewhat positive” about AI-powered marketing and the same was ranked first with a Garrett score of 6428 points. It is followed by the “very positive” “Neutral” and “somewhat negative” were ranked second, third and fourth ranks, with Garrett's scores of 6398, 6043 and 5984 points respectively. The last rank is placed for the “very negative” with a Garrett score of 5387 points. From the analysis, it can be inferred that the majority of consumers feel “somewhat positive” about AI-powered marketing.

How does AI enhance customer engagement on social media

TABLE NO :5

Sl.no	AI enhance customer engagement on social media	Total Score	Mean Score	Rank
1.	By providing personalized responses	6972	58.10	I
2.	By analysing customer sentiment	5932	49.43	III
3.	By automating social media posting	5848	48.73	IV
4.	By predicting customer	6148	51.23	II

	behaviour			
5.	By Chatbots & Instant Replies	5340	44.50	V

It is identified from Table 5 that AI enhances customer engagement on social media through “By providing personalized responses” and the same were ranked first with a Garrett score of 6972 points. It is followed by the “By predicting customer behaviour”, “By analysing customer sentiment” and “By automating social media posting “which were ranked second, third and fourth ranks with Garrett scores of 6148, 5932 and 5848 points respectively. The last rank is placed for the “By Chatbots & Instant Replies” with a Garrett score of 5340 points. From the analysis, it can be inferred that the majority of the customers enhance AI engagement on social media “by providing personalized responses”.

How does AI impact in customer experience

TABLE NO :6

Sl.no	AI impact in customer experience	Total Score	Mean Score	Rank
1.	By providing personalized recommendations	6194	51.62	II
2.	By improving response times	3900	32.50	V
3.	By enhancing customer support	5528	47.33	IV
4.	By improving customer segmentation	6710	55.92	I
5.	By 24/7 Support	5679	46.07	III

It is identified from Table 6 that AI impacts customer experience “by improving customer segmentation” and the same were ranked first with a Garrett score of 6710 points. It is followed by the “By providing personalized recommendations”, “By 24/7 Support” and “By enhancing customer support” were ranked second, third and fourth ranks, with Garrett scores of 6194, 5679 and 5528 points respectively. The last rank is placed for the “By improving

response times” with a Garrett score of 3900 points. From the analysis, it can be inferred that the majority of customer experience impacts AI “by improving customer segmentation”.

RESULT OF THE STUDY

- From the analysis, it can be inferred that the majority of 20-40% of marketers currently use AI in their marketing strategies.
- From the analysis, it can be inferred that the majority of the data suggests that the most dominant belief among marketers is that AI has no significant impact on their jobs.
- From the analysis, it can be inferred that the majority of marketers’ primary reason is to adopt AI in their strategies for “improving to improve customer experience”.
- From the analysis, it can be inferred that the majority of consumers feel “somewhat positive” about AI-powered marketing.
- From the analysis, it can be inferred that the majority of the customers enhance AI engagement on social media “by providing personalized responses”.
- From the analysis, it can be inferred that the majority of customer experience impacts AI “by improving customer segmentation”.

SUGGESTIONS

- Conduct workshops and online courses to educate marketers about the latest AI technologies and how to implement them effectively in their strategies.
- Encourage marketers to obtain certifications in AI and machine learning to enhance their skills and stay updated with industry trends.
- Ensure that AI-driven marketing strategies are transparent to build trust with consumers. Clearly communicate how AI is being used and the benefits it offers.
- Implement measures to identify and mitigate biases in AI algorithms to ensure fair and unbiased marketing practices.
- Launch information campaigns to educate consumers about the benefits and limitations of AI in marketing. This can help in building trust and acceptance.
- Establish channels for consumers to provide feedback on AI-driven marketing practices, enabling continuous improvement and addressing concerns.
- Foster collaborations between marketers, AI developers, and industry experts to drive innovation and develop cutting-edge AI solutions tailored to marketing needs.

- Encourage marketers to run pilot programs to experiment with AI applications and measure their impact before full-scale implementation.

CONCLUSION

The study on artificial intelligence in marketing highlights the transformative potential of AI technologies in shaping modern marketing strategies. The role of AI in marketing is multifaceted, offering significant benefits such as enhanced customer insights, personalized experiences, and improved efficiency in campaign management. However, the impact of AI on marketers and consumers presents both opportunities and challenges.

For marketers, AI offers the ability to optimize their marketing efforts, achieve better targeting, and deliver more relevant content to consumers. However, it also requires continuous learning, adaptation, and ethical considerations to ensure responsible and unbiased use of AI.

For consumers, AI-driven marketing can enhance the overall experience by providing personalized recommendations and timely, relevant content. However, it also raises concerns about data privacy, transparency, and potential biases in AI algorithms.

In conclusion, the successful integration of AI in marketing requires a balanced approach that combines innovation with ethical practices. By educating and empowering marketers, raising consumer awareness, and fostering collaboration, the marketing industry can harness the full potential of AI while addressing the associated challenges. This will ultimately lead to a more effective and trustworthy marketing ecosystem that benefits both marketers and consumers.

REFERENCES

- Ms. Sneha Hathi “A study on Artificial Intelligence in Marketing: Role and its Impact on marketers and consumers” *Management Guru: Journal of Management Research Special Issue* April 2024, P: 270-276
- Mahabub Basha “Impact of artificial intelligence on marketing” *East Asian Journal of Multidisciplinary Research (EAJMR)* Vol. 2, No.3, 2023 P: 993-1004
- Kumar, M., & Kapoor, A. (2023). *Generative AI and Personalized Video Advertisements*. Available at SSRN 4614118.
- Mijwel, M. M. (2015). *History of Artificial Intelligence Yapay Zekânın T arihi*. *Computer Science*, (April 2015), P:3-4.
- Onyango, (2016). *Influence of digital marketing strategies on performance of cut flowers exporting firms in Kenya*.
- Puro, P. (2013). *Content marketing and the significance of corporate branding*.