

## **Role of Artificial Intelligence in Marketing: A Paradigm Shift**

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### **ABSTRACT:**

"A Paradigm Shift" describes how AI is revolutionising marketing tactics. It represents a fundamental shift in the way that marketers view, interact with, and target customers. Better consumer interaction, more precise ad targeting, and more efficient decision-making are all made possible by AI's ability to provide data-driven insights, personalised experiences, predictive analytics, and automation in marketing efforts. This change signals a move towards AI-powered marketing methods that are more effective, accurate, and customised.

The study explains the influence of Artificial intelligence in marketing and discusses how artificial intelligence causes remarkable growth and differences in marketing. The study also focuses on the future of artificial intelligence in marketing. AI's impact on marketing has already resulted in notable improvements in efficiency, customisation, and decision-making. Future developments in personalization, content production, and ethical issues are all promising applications of AI in marketing that will influence the field for years to come.

**KEYWORDS:** Artificial intelligence, marketing, future scope, paradigm shift, experiential marketing

### **1. INTRODUCTION:**

Modern marketing is becoming more automated, intelligent, and data-driven. Marketing results have been directly impacted by new-age marketing's laser-like focus (Kumar et al., 2019; Paschen et al., 2019). Technological developments have led to long-term changes in the marketing industry's evolution and have demonstrated that marketing and artificial

intelligence (AI) can work together to change things (Siau, 2017; Wirth, 2018).

The way AI is revolutionising marketing tactics. It represents a fundamental shift in the way that marketers view, interact with, and target customers. Better consumer interaction, more precise ad targeting, and more efficient decision-making are all made possible by AI's ability to provide data-driven insights, personalised experiences, predictive analytics, and automation in marketing efforts. This change signals a move towards AI-powered marketing methods that are more effective, accurate, and customised.

Since artificial intelligence (AI) can analyse large volumes of data, automate procedures, and enhance decision-making, it has become a crucial component of contemporary marketing tactics. AI gives marketers more power by giving them access to technologies for automation, personalization, predictive analytics, and data analysis. It aids in boosting overall marketing tactics for increased engagement and conversion, providing individualised experiences, and better understanding customers.

**Data analysis and insights:** AI's speedy processing of large datasets gives marketers insightful knowledge about the habits, tastes, and trends of their target audience. Making more educated and data-driven marketing decisions is made possible by its assistance in analysing consumer journeys, purchase trends, and demographics.

**Personalization:** AI analyses consumer data to generate customised experiences, which allows for personalised marketing. Marketers can boost engagement and conversion rates by providing personalised content, product recommendations, and offers based on user preferences.

**Analytics that predicts:** Predictive analytics driven by AI uses past data to anticipate future patterns and behaviours. Marketers may better allocate resources, predict client demands, and optimise campaigns by using these insights.

**Client support and chatbots:** AI-powered chatbots provide 24/7 customer service, answering questions and assisting clients with their shopping process. Natural language processing (NLP) enables chatbots to comprehend and effectively reply to consumer enquiries.

**Curation and Content Creation:** AI helps with content development by producing engaging, personalised material on a large scale. In order to make sure the information appeals to the intended audience, it also curates content by examining user preferences and trends.

**Optimisation and Ad Targeting:** By examining user behaviour and preferences, AI maximises advertising by efficiently targeting particular groups. It facilitates the production and distribution of advertisements that are more likely to strike a chord with prospective buyers, increasing conversion rates.

**Automation of Marketing:** Campaign management, social media posting, email marketing, and other marketing chores are all automated by AI. Because AI takes care of tedious duties, marketers have more time to concentrate on strategy and creativity.

**Social Media Perspectives:** AI-driven technologies examine patterns, sentiments, and conversations on social media. Marketers obtain insightful knowledge that helps them improve their social media tactics, interact with customers in meaningful ways, and spot expansion prospects.

## **2. Literature review**

### **RQ1. How artificial intelligence is influencing**

### **the paradigm shift in marketing?**

All of the studies show how artificial intelligence (AI) is becoming more and more important in marketing. They underline that by automating procedures, obtaining insightful knowledge about clients and rivals, and providing personalised experiences, AI and machine learning have the ability to completely transform marketing tactics (Kaličanin 2019). Task automation, cost savings, and enhanced workflows are some of the advantages of AI in marketing (Kaličanin 2019). The future of AI in marketing, its possible effects on the marketing environment, and the necessity for companies to use AI to remain competitive are also covered in the papers. Furthermore, A LAKSHMI PRIYANKA., et., al, (2023) recognise that the application of AI in marketing requires ethical issues. All things considered, the articles give a thorough summary of the possible and existing uses of AI in marketing and emphasise the necessity for more study in this area (Feng 2020, Vlačić 2021).

The previous research indicates that the marketing paradigm is changing significantly due to artificial intelligence (AI). Chintalapati 2021 offers a methodical literature evaluation that divides the application of AI in marketing into five functional areas and finds multiple use cases where AI is applied to produce better results and experiences. Marinchak (2018), it discusses how AI agents are altering the structure and methodology of marketing by giving marketers more insight into the preferences of their target audience and making them less manipulable. Nandan 2020 emphasises the potential of artificial intelligence (AI) in improving marketing decisions while concentrating on the healthcare sector. In order to comprehend how AI affects marketing tactics

and consumer behaviour, Davenport 2019 offers a multifaceted framework. The framework emphasises the necessity of using AI to support human managers rather than to replace them. Many studies show how AI is revolutionising marketing strategies.

**RQ2. What is the use of Artificial intelligence in marketing?**

Gacanin and Wagner (2019) provided a description of the autonomous customer experience management implementation problems. In CEM. The study also described how artificial intelligence (AI) and machine learning were applied to build an intelligence network and a vital source of economic value. Customer experience was enhanced by chatbots powered by AI and natural language processing (NLP) (Nguyen and Sidorova, 2018). We were able to process data efficiently and arrive at the best option feasible thanks to artificial intelligence and machine learning algorithms (Maxwell et al., 2011). AI is required to assess consumer behaviour, purchases, preferences, dislikes, and other factors (Chatterjee et al., 2019). Customer Relationship Management (CRM) operations were aided by Artificial Intelligence User Interface (AIUI) (Seranmadevi & Kumar, 2019). AI and IoT have transformed traditional retail businesses into smart retail outlets. Supply chain efficiency, consumer experience, and shopping convenience were all enhanced by smart retail spaces (Sujata et al., 2019). AI directs not only physical establishments but also internet enterprises. Sha and Rajeswari (2019) talked about the development of AI and showed off a system that uses AI to track the five senses that people have: taste, smell, touch, hearing, and sight. The e-commerce industry demonstrated improved consumer-brand and product-brand associations.

The influence of artificial intelligence (AI) on strategic marketing is a topic that is receiving more and more attention in more recent and prestigious research. In order to solve this issue, Eriksson et al. (2020) concentrated on five important strategic marketing antecedents and proposed that the application of AI in the context of strategic marketing is related to both logic and creative possibility viewpoints. Eriksson et al.'s 2020 publication was significant. In another significant publication, De Bruyn et al. (2020) examined the opportunities and drawbacks of artificial intelligence (AI) in marketing through the lenses of knowledge creation and transfer. They also made the prediction that, in some of the identified marketing domains, AI will not live up to expectations if the issues surrounding tacit knowledge transfer are not resolved.

One of the first areas to see the effects of AI is driving operational efficiencies in marketing. Recent research has concentrated on different real-time use cases of AI-powered marketing automation (Faggella, 2019b), sales forecasting, AI's integration in marketing (Shahid & Li, 2019), direct marketing analytics using support vector data description (Rekha et al., 2016), AI-driven environments in branding (Kumar et al., 2019), and sales forecasting.

With a singular focus on digital adoption and marketing automation (Marinchak et al., 2018b), marketing technology (MARTECH) is undoubtedly one of the emerging subfields in marketing operations (Stone et al., 2020). Marinchak et al. (2018b) conducted an exclusive study of 5,000 real-time MARTECH use cases across content, sales, marketing, promotion, advertising, and experience. Stone et al. (2020) conducted one of the leading studies of AI implications related to marketing strategy and decision-making process, which is a seminal

reference in this field. According to Marinchak et al. (2018a), practically every marketing function could be impacted by the exponential rise in the use of AI-powered marketing. This assertion can be further supported by twenty real-world use cases of digital adoption changing the strategic decision-making process (Stone et al., 2020) and a quantitative study (Tiwari et al., 2020) that uses fuzzy logic for the marketing segmentation challenge. At the same time, Shih-Yu (2019) examines this field from the standpoint of Industry 4.0 in a more concentrated geographic research on Taiwanese machine tool manufacturers.

Huang and Rust (2020) presented a three-pronged method for strategic marketing planning in their comprehensive study that outlined a strategic framework for AI in marketing. Based on how they function or are applied throughout the marketing process, it divided the present use of AI in marketing into three classes: mechanical, thinking, and feeling AI.

### **RQ 3. What is the future of artificial intelligence in marketing?**

Transformative trends characterise artificial intelligence's (AI) future in marketing. AI will enable complex personalization at scale by generating dynamic content in real time for customization. Marketers will be able to predict trends, optimise plans, and spot growth possibilities thanks to AI-powered predictive analytics. Artificial intelligence-driven chatbots and virtual assistants, bolstered by advancements in natural language processing, will provide sophisticated, human-like interactions. AI-generated content, voice search optimisation, and image recognition will improve user experiences. Furthermore, by leveraging AI to develop emotional intelligence, marketers will be able to better understand and

address human emotions, strengthening their bonds with customers. Transparency and trust will increase with the incorporation of blockchain, especially in areas like preventing ad fraud. Immersive marketing experiences will be produced by artificial intelligence's role in augmented reality (AR) and virtual reality (VR). As AI gets more and more integrated into marketing strategies, ethical issues and data privacy will become increasingly important, necessitating a balance between user privacy and personalization. AI's place in marketing will change over time as a result of technology breakthroughs and adaptable tactics that maximise its potential.

"AI is more than just technology: it's creating a new economy," claims Hildebrand (2019, p. 13). AI is generating new value chains, competitive dynamics, and innovative global economic orchestration techniques (Hildebrand, 2019, p. 13). With narrow AI evolving into hybrid AI and beyond (Wirth, 2018), marketing has a greater chance to provide real value. When integrated with the information gleaned from other AI levers, the opportunities presented by AI enable organisations to instantly customise their individualised digital marketing. There are numerous examples of AI-powered marketing campaigns that show a strong return on investment, engagement, retention, improved customer experience, and long-term value propositions.

### **3. Methodology**

The articles relevant to the topic were analyzed and summarised. Secondary data was collected from reputed journals and recent 8 years articles are refereed for analysis. The article adds novelty to the existing research knowledge.

### **4. Conclusion**

The objective of this study was to comprehend and clarify the wider applications of AI in marketing. AI will eventually surpass human capacity for creative thought as it proceeds to develop to become smarter and more clever to support human thought. It will also be ready for further humanization. As AI develops, security issues will likely grow, and the continuing privacy vs personalization argument will likely enlarge to include softer parts of marketing. Future marketing efforts will be channelled and focused more effectively by virtue of AI's ongoing learning and interpretation of client emotions and buying intents, which will result in extreme automation and customisation. This field is projected to expand enormously, even if there will be ongoing, ongoing, and live arguments over deep reasoning, smart AI, continuous/catastrophic learning, and many other aspects of human AI delegation. Furthermore, it is anticipated that the sustainability frontier of AI in marketing would expand and deepen, gradually producing research inputs with more robust and useful insights.

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