

CUTTING-EDGE RESEARCH IN COMMERCE AND MANAGEMENT: A TECHNOLOGY PERSPECTIVE -

Artificial Intelligence and Digital Transformation Perspective



Dr. V. Dheenadhayalan

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PREFACE

In the rapidly evolving landscape of commerce and management, the convergence of artificial intelligence (AI) and digital transformation has emerged as a defining force—reshaping industries, reimagining consumer experiences, and redefining the very fabric of organizational decision-making. This edited volume, *Cutting-Edge Research in Commerce and Management: A Technology Perspective – Artificial Intelligence and Digital Transformation Perspective*, brings together a curated collection of scholarly contributions that illuminate the multifaceted impact of AI across domains such as marketing, finance, human resources, education, and e-commerce.

The chapters in this volume reflect a dynamic interplay between theory and practice, offering insights into how AI-powered tools are revolutionizing social media marketing, enabling hyper-personalized e-commerce ecosystems, and transforming digital learning platforms. From the nuanced role of AI chatbots in customer empathy to the strategic deployment of automation in emerging economies, each paper explores the opportunities and challenges that accompany this technological shift.

Particular attention is given to the Indian context, where AI adoption in banking, HRIS systems, and corporate financial decision-making is accelerating at an unprecedented pace. The volume also delves into the ethical and behavioral dimensions of AI—examining trust in virtual assistants, the emotional intelligence of chatbots, and the influence of AI-generated advertisements on consumer intent.

This compilation is not merely a reflection of current trends; it is a forward-looking dialogue that invites academics, practitioners, and policymakers to engage with the transformative potential of AI. By bridging conceptual frameworks with empirical evidence and case studies, the book aims to foster a deeper understanding of how digital technologies can be harnessed to drive innovation, inclusivity, and strategic growth in commerce and management.

We extend our sincere gratitude to the contributors whose rigorous research and thoughtful perspectives have enriched this volume. Their work stands as a testament to the intellectual vibrancy and collaborative spirit that define contemporary scholarship in the digital age.

Let this book serve as both a resource and a catalyst—for inquiry, innovation, and impactful transformation.

Dr. V. Dheenadhayalan
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CHAPTER 11

IMPACT OF ARTIFICIAL INTELLIGENCE ON DIGITAL MARKETING

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Abstract

Artificial intelligence is an important digital tool which significantly transforms the digital marketing industry, revolutionizing marketing strategies and the study of consumer behavior. The main motive of conducting the study on impact of artificial intelligence on digital marketing is to identify the application, advantages, limitations, challenges of AI on digital marketing. The study focuses on analyzing how AI helps the business organization to reach their target audience online and also to discover the responsiveness of customers towards AI facilitated digital marketing. Artificial intelligence influence various aspects of digital marketing such as improved customer experience, increased effectiveness of marketing efforts adopted by companies, greater impact of advertising campaigns etc. The study aims to discover the usage of diversified AI tools like chat bots for customer support, personalized content, automation techniques and predictive analytics for market targeting and segmentation. The study again intends to find out how a company can develop product ideas with the use of recommendation engines offered by AI.

Keywords: *Digital marketing, Artificial intelligence, Personalisation.*

Introduction

Digital marketing is now considered as a most popular technique or tool used to reach the customers very quickly where it involves the application of various digital channels to market the products and services within a limited time. Digital market consists of usage of apps, websites, social Medias, search engines as well as different digital platforms to market and sell company's products or services. Now a day's companies depend more on digital marketing rather than traditional marketing method due to its wider acceptance and benefits delivered. Digital marketing became popular after 1990 with the introduction of internet. The most commonly used digital marketing channels by the companies are website marketing, pay per click advertising, content marketing, e-mail marketing, social media marketing, affiliate marketing, video marketing, text messaging etc. but at the same time digital marketing is occupied with some of its own challenges. The consumers under digital marketing will always be distracted with huge number of digital ads and also confused with how to productively use this information as they are provided with digital data in bulk quantities.

Artificial intelligence otherwise known as AI is a technology used for the stimulation of human intelligence by the computers or machines or software coded heuristics. It permits the computers or machines towards different problem solving tasks. Machine learning (ML) is treated as an important part of artificial intelligence because it is basically a computer program trying to learn things themselves without any human interference and automatically adapts to new data settings. Artificial intelligence is nothing but computer systems are capable of performing wide variety of tasks that could be done only by humans on earlier times such as problem solving tasks, reasoning, complex decision making etc. artificial intelligence has its presence from apps that suggest television shows to chat bots that presented with real time customer service. Some of the recently used variants of AI are ChatGPT, Google translate, Netflix, Tesla etc.

Artificial intelligence in digital marketing means the application of AI in data collection, designing advertising campaigns, analyzing data, understanding customer taste and preferences, taking important marketing decisions, getting customer feedback etc. AI in marketing enables managers to become more efficient and personalized. Digital marketing is being revolutionized by artificial intelligence (AI), which improves customer satisfaction through real-time information, personalized experiences, and better decision-making. It helps companies engage with their target customers more successfully by enabling automation, sophisticated data analysis, and customized content. AI facilitates the creation of focused and captivating advertising as consumer behavior moves toward online channels. AI-driven technologies are now widely used in digital marketing to comprehend consumer preferences and improve tactics. Even though AI has numerous benefits, issues like data privacy and the requirement for correct data still exist. AI's influence on digital marketing will only increase with the development of technology, pushing companies to combine offline and online strategies for a more all-encompassing strategy. This study emphasizes how AI is changing how people interact online.

Objectives of the Study

1. To study the impact of artificial intelligence on digital marketing
2. To identify various applications of AI on digital marketing adopted by companies
3. To understand the perception of customers towards digital marketing supported by artificial intelligence.
4. To analyse advantages associated AI driven digital marketing and its impacts on companies improved productivity and overall performance
5. To discover those drawbacks faced by customers as well as companies after adopting AI on digital marketing.

Hypothesis

1. There is no significant influence of artificial intelligence on digital marketing.
2. There is no significant influence of AI assisted Digital marketing on companies improved productivity and overall performance.

Review of Literature

Hafizah Omar Zaki (2022) in his study entitled “AI in social media marketing” examined how various aspects of social marketing can be improved by using AI technology like natural language processing, machine learning algorithms etc. The study also focused in identifying the how AI will contribute towards automated content creation, consumer behaviour analysis, increasing the involvement of customers in social media marketing. The author tries to analyze the benefits generated from integrating AI with social media marketing such as improved efficiency, personalized services to the customers, increased return on investment.

Kavitha KN (2022) states in her research paper entitled “a study on application of AI in digital marketing” various functions of artificial intelligence in strengthening tactics of digital marketing. The aim of the study was to identify how AI can be used in digital marketing to increase interaction with the customers, to make the marketing efforts more personalized and also to take crucial decisions on marketing of products and services. She also involved in observing different AI method used to analyse mass volume of data and its presentation to marketers with the help of machine learning, natural language processing, predictive analytics etc.

Rosenberg (2018) opines that investment in artificial intelligence will increase from 2 billion Euros in 2015 to 100 billion Euros by 2025. The author derived his findings based on a constellation study aimed at observing the pattern of investment in AI across all market sectors.

Hadalgekar and Desai (2023) conducted his study to analyze various applications of AI such as recommendation systems, chatbots, predictive analytics and examined what are the benefits and challenges associated while applying AI in digital marketing. The need and importance of an organization in adopting AI in digital, marketing in this technology driven era was also discussed in detail.

Muhammad Shahid Pervez et al., (2024) investigated the increasing impact of AI on marketing. Their work provides opportunities for additional research, particularly in areas like developing uses, ethical problems, and technology improvements, even if they acknowledge the limits brought on by a limited sample size. The study offers a useful methodology that enhances existing knowledge and promotes further investigation into AI's function in digital marketing. In order to overcome geographical limitations and fully utilise AI's potential in marketing tactics, their findings highlight the necessity of adopting a more comprehensive, global perspective. This emphasises how crucial it is to carry out further research in order to more effectively incorporate AI into marketing strategies in a variety of settings.

Research Methodology

Research Design

The data for studying the impact of artificial intelligence on digital marketing is collected from the sample of 30 companies actively involved in online marketing. The data is gathered

by sending questionnaires to the companies selected as samples via e-mails. Sample size 30 is chosen according to convenient sampling method.

Data Collection

The study depends on both primary and secondary data. The primary data is collected by circulating questionnaires among 30 companies engaged in digital marketing platform and widely using AI tools. The questionnaire is constructed according to 5 point Likert scale method. In addition to this, secondary data is collected by referring research papers, journals, articles, websites, books, company profiles etc.

Tools of Analysis

SPSS was employed in order to ensure accurate and efficient analysis of collected data. And for the purpose of examining the impact of AI on digital marketing, correlation was utilised which helped in understanding the direction and strength of relationship between the variables.

Limitations of the Study

1. The study is conducted within a short span of time. Limited time period is the primary drawback of the study.
2. Primary data is collected by circulating questionnaires among 30 companies only, which is comparatively very small.
3. Many of the companies act indifferent to the study. They were reluctant in sharing information and unwilling to cooperate with it.
4. One limitation encountered during data collection was the low response rate from companies. Additionally, some of the answers provided were incomplete and unclear.

Findings

1. It has been interpreted from the study that both brands and companies are investing time and resources in providing AI-assisted digital marketing services.
2. It has been found that AI in digital marketing helps in gaining a better understanding of consumer behavior and designing the most attractive marketing campaigns for potential customers accordingly. At the same time, it contributes to high levels of customer satisfaction and engagement.
3. The application of AI in digital marketing provides many advantages to organizations, such as increasing productivity through the automation of several repetitive tasks.
4. From the study, it has also been inferred that AI encourages companies to develop better marketing strategies using AI-driven data analysis and interpretation.
5. It has been found that most customers are satisfied with AI-facilitated customer services.

6. It has been observed that companies can provide better personalized services and enhance overall performance with AI-driven digital marketing.

Suggestions

1. Proper training must be provided to employees regarding the effective application of AI in digital marketing.
2. It is suggested that the company should adopt measures to apply AI in all aspects of digital marketing.
3. Continuous evaluation of AI-driven digital marketing systems must be carried out to obtain correct feedback from the customers on their effectiveness.
4. While applying AI in digital marketing, the company should ensure that it adheres to all rules and conducts operations ethically, including protecting customer data privacy.
5. Continuous evaluation of AI must be performed to ensure that the company is achieving the expected results.

Conclusion

Artificial intelligence and digital marketing have gained wide acceptance in the business world. The business environment is undergoing a significant revolution due to AI-assisted digital marketing systems. Almost all companies are being compelled to adopt digital marketing platforms supported by AI. This study suggests that no organization can sustain itself in this technologically advanced business environment without embracing AI and digital marketing. The current business scenario is heavily influenced by various aspects of AI-aided digital marketing. AI helps marketers fully utilize the benefits generated from personalization. Search engines, Facebook, YouTube, and Google are different digital platforms that help reach billions of customers in the day-to-day operations of business organizations. The adoption of AI in marketing does not mean employees are no longer needed to participate in business processes or functions. Their engagement is necessary for the efficient functioning of AI-aided digital marketing. AI is a digital tool designed to simplify complicated and time-consuming processes, saving a lot of money. AI tools are generally dependable and can be relied upon to make accurate and quick decisions. In modern times, AI has a lot of potential in the field of digital marketing. It supports companies in reaching potential customers with minimal effort and delay. Additionally, the application of AI in digital marketing helps organizations develop new products that meet the needs and wants of customers by understanding potential and existing customers.

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