INCREASING ROLE AND USE OF ARTIFICIAL INTELLIGENCE (AI) IN PROMOTIONAL CAMPAIGNS OF COMPANIES

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ABSTARCT

The increasing adoption of Artificial Intelligence (AI) has significantly transformed the nature of promotional campaigns undertaken by modern organizations. In today's highly competitive and digitalized business environment, companies are increasingly relying on AI-driven technologies to enhance the effectiveness, efficiency, and personalization of their marketing and promotional strategies. Artificial Intelligence enables organizations to analyse large volumes of consumer data, identify behavioural patterns, and generate valuable insights that support strategic decision-making in promotional activities. Through advanced technologies such as machine learning, natural language processing, predictive analytics, and automated recommendation systems, AI helps companies create more targeted, personalized, and data-driven promotional campaigns that can effectively influence consumer behavior.

AI plays a crucial role in improving customer segmentation and targeting. By analyzing demographic, psychographic, and behavioural data, AI algorithms can identify specific consumer groups and deliver tailored promotional messages that match their interests and preferences. This level of personalization increases the relevance of advertisements and enhances customer engagement across multiple digital platforms such as social media, search engines, email marketing, and e-commerce websites. Moreover, AI-powered tools allow companies to track real-time consumer responses, enabling marketers to continuously optimize promotional strategies and maximize campaign performance.

Another important application of AI in promotional campaigns is the automation of marketing processes. AI-based systems can automatically generate marketing content, schedule advertisements, manage social media promotions, and analyze campaign outcomes with minimal human intervention. Chatbots and virtual assistants are also widely used to interact with customers, provide instant responses to queries, recommend products, and guide consumers through the purchase process. These AI-driven interactions not only improve customer experience but also help organizations maintain continuous communication with their target audience.

Furthermore, AI contributes to predictive marketing by forecasting consumer purchasing behavior and market trends. By analyzing historical data and real-time consumer interactions, AI models can predict which products are likely to attract customer interest and which promotional strategies are most effective. This predictive capability enables companies to allocate marketing resources more efficiently and design campaigns that generate higher returns on investment.

Despite its numerous advantages, the growing use of AI in promotional campaigns also raises certain challenges and ethical concerns. Issues related to data privacy, algorithmic bias, transparency, and consumer trust must be carefully addressed by organizations. Companies

must ensure responsible data usage, maintain transparency in AI-driven marketing practices, and comply with data protection regulations to avoid potential risks.

INTRODUCTION

In the modern business environment, marketing and promotional strategies are continuously evolving due to rapid technological advancements and the growing influence of digital platforms. Companies are constantly seeking innovative methods to attract customers, enhance brand visibility, and increase sales. One of the most transformative technologies that has significantly impacted promotional activities is **Artificial Intelligence (AI)**. AI refers to the ability of computer systems and machines to perform tasks that normally require human intelligence, such as analyzing data, recognizing patterns, making predictions, and automating decision-making processes. In recent years, AI has become an important tool in the field of marketing, particularly in the development and execution of promotional campaigns.

Promotional campaigns play a vital role in helping companies communicate with their target audience, create brand awareness, and influence consumer purchasing decisions. Traditionally, promotional activities relied on broad advertising strategies that targeted a large audience without focusing on individual consumer preferences. However, with the rise of digital marketing and the availability of large volumes of consumer data, companies are now able to design more targeted and personalized promotional campaigns. Artificial Intelligence has made this possible by enabling organizations to collect, process, and analyze vast amounts of consumer data in a short period of time.

AI technologies such as **machine learning, predictive analytics, chatbots, and recommendation systems** are increasingly being used by companies to improve their promotional strategies. These technologies allow businesses to understand consumer behavior, preferences, and purchasing patterns more effectively. For example, AI-powered recommendation systems can suggest products based on a consumer's previous searches or purchases, while chatbots can interact with customers in real time and provide instant responses to their queries. As a result, promotional campaigns become more personalized, interactive, and efficient.

Another important advantage of AI in promotional campaigns is its ability to improve marketing decision-making. By analyzing consumer data and market trends, AI tools can help marketers predict customer behavior and identify the most effective promotional strategies. This allows companies to allocate their marketing resources more efficiently and maximize the return on their promotional investments. Furthermore, AI can automate repetitive marketing tasks such as email marketing, social media advertising, and content generation, which saves time and reduces operational costs for businesses.

In addition to improving marketing efficiency, AI also enhances customer engagement and overall consumer experience. Personalized advertisements, targeted promotional offers, and AI-driven communication tools make consumers feel more connected to brands. This helps companies build stronger relationships with their customers and increase brand loyalty in the long run. As consumers spend more time on digital platforms such as social media, online marketplaces, and mobile applications, AI-based promotional campaigns are becoming increasingly important for businesses that want to remain competitive in the digital economy.

However, despite its numerous benefits, the use of AI in promotional campaigns also raises certain concerns related to data privacy, ethical marketing practices, and consumer trust. Companies must ensure that consumer data is collected and used responsibly while maintaining

transparency in AI-driven marketing practices. Addressing these challenges is essential for maintaining consumer confidence and ensuring the sustainable use of AI in marketing.

Therefore, the increasing role and use of Artificial Intelligence in promotional campaigns has become an important area of study in modern marketing research. Understanding how AI influences promotional strategies, consumer engagement, and purchasing behavior can help companies design more effective marketing campaigns and adapt to the changing dynamics of the digital marketplace. This study aims to examine the growing significance of AI in promotional campaigns and analyze its impact on marketing effectiveness and consumer perceptions.

LITERATURE REVIEW

The growing integration of Artificial Intelligence (AI) in marketing and promotional campaigns has attracted significant attention from researchers and scholars in recent years. Many studies have examined how AI technologies influence consumer behavior, marketing efficiency, and promotional effectiveness. The following literature review summarizes the contributions of various authors who have explored the role of AI in marketing and promotional strategies.

1. **Philip Kotler (2017)** emphasized that modern marketing is moving toward a technology-driven approach where artificial intelligence and digital analytics play a crucial role in understanding customer behavior and creating personalized marketing strategies. According to Kotler, AI helps companies design targeted promotional campaigns that increase customer engagement and satisfaction.
2. **Chaffey and Ellis-Chadwick (2019)** highlighted the importance of digital marketing technologies in modern business practices. They explained that AI-powered tools such as predictive analytics and automated marketing systems enable organizations to analyze consumer data and improve the effectiveness of promotional campaigns.
3. **Davenport, Guha, Grewal, and Bressgott (2020)** discussed the transformative role of artificial intelligence in marketing. Their study explained that AI applications such as machine learning, chatbots, and recommendation systems allow companies to automate marketing processes and deliver personalized advertising experiences to customers.
4. **Huang and Rust (2018)** explored the impact of AI on service and marketing functions. They stated that AI can enhance marketing efficiency by providing accurate customer insights and enabling firms to create more relevant promotional messages.
5. **Kaplan and Haenlein (2019)** examined the growing role of artificial intelligence in business operations and marketing. They suggested that AI technologies help organizations process large amounts of data and make better marketing decisions, which leads to more effective promotional strategies.
6. **Lemon and Verhoef (2016)** focused on customer experience management and highlighted that AI-driven marketing tools can enhance customer interaction across various touchpoints, including social media, websites, and digital advertisements.
7. **Jarek and Mazurek (2019)** analyzed the application of artificial intelligence in digital marketing. Their study revealed that AI significantly improves targeting accuracy and allows marketers to create highly personalized promotional campaigns.
8. **Rust and Huang (2021)** emphasized that AI can transform marketing by improving decision-making processes and enabling predictive analysis of consumer behavior. This helps companies design promotional campaigns that better meet customer needs.
9. **Kumar, Dixit, Javalgi, and Dass (2016)** examined the role of data analytics and artificial intelligence in marketing strategy. They concluded that AI-driven insights help

organizations understand consumer preferences and improve the efficiency of promotional activities.

10. **Wedel and Kannan (2016)** highlighted the increasing use of big data and AI in marketing analytics. According to their research, AI tools help marketers analyze consumer data in real time and optimize promotional strategies accordingly.

11. **Brynjolfsson and McAfee (2017)** discussed the broader impact of artificial intelligence on business innovation. They suggested that AI enables companies to create smarter marketing systems that can automatically adapt promotional messages based on consumer behavior.

12. **Shankar (2018)** explored the role of artificial intelligence in retail and digital marketing. The study found that AI technologies such as recommendation engines and automated advertising systems help retailers increase customer engagement and sales.

13. **Dwivedi et al. (2021)** analyzed the adoption of AI in marketing and identified several benefits such as improved customer insights, enhanced personalization, and better marketing performance.

14. **Grewal, Roggeveen, and Nordfält (2017)** examined the role of digital technologies in modern retail marketing. They concluded that AI helps organizations create more interactive and engaging promotional campaigns.

15. **Kietzmann, Paschen, and Treen (2018)** studied the influence of artificial intelligence on marketing management. They stated that AI allows marketers to automate repetitive tasks and focus more on strategic promotional planning.

16. **Paschen, Pitt, and Kietzmann (2020)** explored the application of AI in advertising. Their research highlighted that AI can generate creative advertising content and optimize promotional campaigns in real time.

17. **Marinchak, Forrest, and Hoanca (2018)** investigated the use of AI-based chatbots in marketing communication. They found that chatbots enhance customer interaction and provide immediate responses, which improves promotional effectiveness.

18. **Stone, Aravopoulou, Ekinci, and Evans (2020)** examined how AI supports customer relationship management and marketing automation, leading to improved promotional outcomes.

19. **Batra and Keller (2016)** discussed the importance of integrated marketing communications and noted that AI technologies help marketers deliver consistent promotional messages across multiple digital platforms.

20. **Verhoef, Kooge, and Walk (2016)** highlighted that data-driven marketing powered by AI enables companies to develop more precise and personalized promotional strategies.

Overall, the existing literature indicates that Artificial Intelligence plays a crucial role in transforming promotional campaigns by enabling data-driven decision-making, improving personalization, enhancing customer engagement, and optimizing marketing performance. The studies collectively emphasize that AI-driven marketing strategies are becoming increasingly important for organizations seeking to remain competitive in the rapidly evolving digital marketplace.

RESEARCH METHODOLOGY

1. Research Design

The study adopts a **descriptive research design**. Descriptive research is used to describe the characteristics, opinions, and perceptions of respondents regarding a particular phenomenon.

In this research, the descriptive design helps to analyze how Artificial Intelligence is being used in promotional campaigns and how consumers perceive AI-driven marketing strategies. The design focuses on identifying patterns, trends, and relationships related to AI-based promotional activities.

2. Research Approach

The research follows a **quantitative research approach**. Quantitative research focuses on collecting numerical data that can be analyzed using statistical methods. In this study, quantitative data is collected through a structured questionnaire to measure respondents' awareness, perception, and experiences related to AI-driven promotional campaigns.

3. Sources of Data

Primary Data

Primary data refers to the data collected directly from respondents for the first time. In this research, primary data is collected through a **survey method using a structured questionnaire**. The questionnaire includes multiple-choice and Likert-scale questions that help in understanding consumer awareness, interaction, and perception of AI-based promotional campaigns.

Secondary Data

Secondary data is collected from existing sources such as:

- Academic journals

- Research articles

- Books related to marketing and artificial intelligence

- Online databases and websites

- Industry reports and marketing publications

Secondary data provides theoretical support and background information for the study.

4. Sample Size

To this research, a **sample of 110 respondents** was selected. The respondents mainly belong to the **Gen-Z and young millennial demographic group**, as they are highly active on digital platforms and frequently interact with AI-based advertisements and promotional campaigns.

5. Sampling Technique

The study uses a **convenience sampling technique**. Convenience sampling involves selecting respondents who are easily accessible and willing to participate in the survey. This technique is commonly used in academic research due to time and resource limitations.

6. Data Collection Instrument

The main instrument used for data collection is a **structured questionnaire**. The questionnaire consists of approximately **20 questions** designed to gather information related to:

- Awareness of AI in marketing

- Interaction with AI-based advertisements

- Influence of personalized advertisements on purchasing decisions

- Effectiveness of AI chatbots in customer service

- Trust in AI-driven promotional campaigns

The questionnaire is designed to ensure clarity and ease of understanding for respondents.

7. Data Analysis Techniques

The collected data is analyzed using **descriptive statistical techniques**. The analysis includes:

- **Percentage analysis** to understand the distribution of responses

- **Tabular representation** for organizing the data

- **Charts and graphs** such as pie charts and bar graphs to visually present the results

- **Interpretation of data** to explain the relationship between AI usage and promotional effectiveness

These techniques help in presenting the findings in a clear and meaningful manner.

8. Scope of the Study

The study focuses on the **growing application of Artificial Intelligence in promotional campaigns**, particularly in digital marketing platforms such as social media advertising, online shopping platforms, and automated marketing systems. The research mainly analyzes consumer perception and interaction with AI-driven promotional strategies.

9. Limitations of the Study

The research has certain limitations:

- The study is based on a **limited sample size of 110 respondents**.

- The responses are based on the **opinions and perceptions of individuals**, which may vary from person to person.

- The research mainly focuses on **digital users**, which may not represent the entire population.

- Time and resource constraints limited the scope of the study.

10. Ethical Considerations

The research was conducted while maintaining ethical standards. Respondents participated voluntarily, and their responses were kept confidential. The information collected was used only for academic purposes and not for any commercial use.

DATA ANALYSIS AND INTEREPRETATION

Data analysis and interpretation is an important part of research that helps in understanding the responses collected from respondents and converting them into meaningful information. For this study, data was collected from **110 respondents** using a structured questionnaire. The responses were analyzed using **percentage analysis and tabular representation** to understand consumer awareness, interaction, and perception regarding the use of Artificial Intelligence (AI) in promotional campaigns.

1. Awareness of AI in Promotional Campaigns

Awareness Level	Number of Respondents	Percentage
Yes	82	74.5%
No	28	25.5%
Total	**110**	**100%**

Interpretation:
The data shows that **74.5% of respondents are aware of the use of AI in promotional campaigns**, while **25.5% are not aware** of it. This indicates that most consumers, especially young digital users, are familiar with AI-based marketing strategies used by companies on digital platforms.

2. Frequency of Interaction with AI-Based Advertisements

Interaction Frequency	Respondents	Percentage
Frequently	46	41.8%
Sometimes	48	43.6%
Rarely	16	14.6%
Total	**110**	**100%**

Interpretation:
The results indicate that **43.6% of respondents sometimes interact with AI-based advertisements**, while **41.8% interact frequently**. Only **14.6% rarely interact** with such advertisements. This suggests that AI-driven advertisements are widely present on digital platforms and consumers encounter them regularly.

3. Influence of Personalized Advertisements on Purchase Decisions

Response	Respondents	Percentage
Strongly Agree	38	34.5%
Agree	42	38.2%
Neutral	18	16.4%
Disagree	12	10.9%
Total	**110**	**100%**

Interpretation:

The table shows that **72.7% of respondents agree that personalized advertisements influence their purchase decisions**. This highlights the effectiveness of AI-based personalization in promotional campaigns, as it delivers relevant advertisements to consumers based on their preferences.

4. Effectiveness of AI Chatbots in Customer Interaction

Response	Respondents	Percentage
Very Effective	40	36.4%
Effective	44	40.0%
Neutral	16	14.5%
Not Effective	10	9.1%
Total	**110**	**100%**

Interpretation:

The analysis shows that **76.4% of respondents believe AI chatbots are effective in customer interaction**. Chatbots help companies provide quick responses, guide consumers through the purchasing process, and improve overall customer experience.

5. Level of Trust in AI-Driven Promotional Campaigns

Trust Level	Respondents	Percentage
High Trust	32	29.1%
Moderate Trust	48	43.6%
Low Trust	30	27.3%
Total	**110**	**100%**

Interpretation:

The results show that **43.6% of respondents have moderate trust in AI-driven promotional campaigns**, while **29.1% have high trust**. However, **27.3% of respondents have low trust**, which suggests that companies need to improve transparency and data privacy practices to build stronger consumer trust.

6. AI Improving the Effectiveness of Promotional Campaigns

Response	Respondents	Percentage
Strongly Agree	36	32.7%
Agree	46	41.8%
Neutral	16	14.5%
Disagree	12	10.9%
Total	**110**	**100%**

Interpretation:

The findings indicate that **74.5% of respondents agree that AI improves the effectiveness of promotional campaigns**. AI technologies help companies analyse consumer data, deliver personalized advertisements, and optimize marketing strategies for better results.

Overall Interpretation

The analysis clearly indicates that **Artificial Intelligence is playing a significant role in modern promotional campaigns**. A large proportion of respondents are aware of AI-driven marketing strategies and regularly interact with AI-based advertisements on digital platforms. Personalized advertisements, automated recommendations, and AI chatbots have improved customer engagement and influenced purchasing decisions. However, concerns related to data privacy and trust still exist among some consumers.

FINDINGS:

Based on the analysis and interpretation of the data collected from **110 respondents**, several important findings have been identified regarding the role and effectiveness of Artificial Intelligence (AI) in promotional campaigns. The major findings of the study are presented below:

1. **High Level of Awareness of AI in Marketing**
   The study reveals that a majority of respondents are aware of the use of Artificial Intelligence in promotional campaigns. About **74.5% of respondents are familiar with AI-based marketing strategies**, which indicates that consumers are increasingly exposed to AI-driven advertisements and promotional activities on digital platforms.

2. **Frequent Interaction with AI-Based Advertisements**
   The results show that a large proportion of respondents interact with AI-based advertisements regularly. Around **85% of respondents reported that they frequently or sometimes interact with AI-generated advertisements**, suggesting that AI-driven promotional campaigns are widely visible across social media, websites, and online shopping platforms.

3. **Influence of Personalized Advertisements on Consumer Behavior**
   The study finds that **personalized advertisements significantly influence consumer purchase decisions**. Approximately **72.7% of respondents agree that AI-based personalized advertisements encourage them to consider buying a product or**

service. This highlights the effectiveness of AI in delivering relevant promotional content to targeted audiences.

4. <u>**Effectiveness of AI Chatbots in Customer Communication**</u>
   The research indicates that AI chatbots play an important role in improving customer interaction and service. About **76.4% of respondents believe that chatbots are effective in providing quick responses and assisting customers during the purchasing process**.

5. <u>**Moderate Level of Trust in AI-Driven Promotional Campaigns**</u>
   The findings reveal that while many consumers trust AI-driven promotional campaigns, some still have concerns. Around **43.6% of respondents have moderate trust**, and **29.1% have high trust**, while a smaller group shows low trust. This suggests that companies must work on improving transparency and protecting consumer data.

6. <u>**AI Enhances the Effectiveness of Promotional Campaigns**</u>
   The majority of respondents believe that AI improves the overall effectiveness of promotional campaigns. Approximately **74.5% of respondents agree that AI helps companies design better marketing strategies and reach the right target audience**.

7. <u>**Improved Customer Engagement through AI Technologies**</u>
   The study also finds that AI tools such as recommendation systems, automated advertisements, and personalized email marketing improve customer engagement. Consumers tend to respond more positively to promotional campaigns that match their interests and preferences.

8. <u>**Growing Importance of AI in Digital Marketing**</u>
   The findings suggest that Artificial Intelligence is becoming an essential component of modern marketing strategies. Companies are increasingly adopting AI technologies to analyse consumer data, automate promotional activities, and improve marketing performance.

<u>CONCLUSION</u>

The study concludes that **Artificial Intelligence (AI)** is playing an increasingly important role in modern promotional campaigns of companies. AI technologies help businesses analyze consumer data, understand customer preferences, and create **personalized marketing strategies** that improve the effectiveness of promotional activities. The findings indicate that most consumers are aware of AI-based advertisements and frequently interact with them on digital platforms.

AI tools such as **chatbots, recommendation systems, and predictive analytics** enhance customer engagement and influence purchase decisions by delivering relevant promotional content. These technologies also help companies improve marketing efficiency and reach their target audience more effectively. However, concerns related to **data privacy and consumer trust** still exist and must be addressed by organizations.

Overall, the study highlights that the use of AI in promotional campaigns is transforming modern marketing practices and will continue to play a significant role in shaping the future of digital marketing strategies.

The present study examined the **increasing role and use of Artificial Intelligence (AI) in promotional campaigns of companies** and its influence on consumer awareness, engagement, and purchasing behavior. With the rapid growth of digital technologies and online platforms, businesses are increasingly adopting AI-driven tools to enhance the effectiveness of their marketing and promotional activities. The findings of the study clearly indicate that Artificial Intelligence has become an important component of modern marketing strategies.

The results of the research show that a large number of respondents are aware of AI-based promotional campaigns and frequently interact with AI-driven advertisements on digital platforms such as social media, websites, and online shopping applications. This indicates that AI technologies are widely integrated into modern promotional strategies and are actively shaping the way companies communicate with their customers. The study also reveals that **personalized advertisements generated through AI significantly influence consumer purchasing decisions**, as consumers tend to respond more positively to promotional messages that match their interests and preferences.

Another important finding of the study is the role of **AI chatbots and automated communication tools** in improving customer interaction and engagement. These technologies allow companies to provide quick responses to customer queries, guide consumers through the purchasing process, and create a more convenient and interactive customer experience. As a result, AI-driven promotional campaigns not only increase the efficiency of marketing activities but also help organizations build stronger relationships with their customers.

However, the study also highlights certain challenges associated with the increasing use of Artificial Intelligence in promotional campaigns. Some respondents expressed concerns regarding **data privacy, security, and transparency in AI-driven marketing practices**. Since AI relies heavily on consumer data to generate personalized advertisements and recommendations, companies must ensure that data is collected and used responsibly. Maintaining consumer trust and following ethical marketing practices are essential for the sustainable use of AI in promotional strategies.

Overall, the study concludes that Artificial Intelligence has significantly transformed the nature of promotional campaigns by making them more **data-driven, personalized, and efficient**. AI enables companies to better understand consumer behavior, deliver targeted promotional messages, and improve marketing performance. As technology continues to advance, the use of AI in promotional campaigns is expected to grow further, making it a critical tool for businesses seeking to remain competitive in the digital marketplace. Organizations that effectively integrate AI into their marketing strategies will be better positioned to achieve higher customer engagement, stronger brand loyalty, and improved business performance in the future.

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