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ECONOMIC AND GOVERNANCE IMPLICATIONS OF AI-DRIVEN MARKETING SYSTEMS: A MIXED-METHODS STUDY ON PERFORMANCE, TRANSPARENCY, AND POLICY ALIGNMENT

Roger Halabi[1], Prof. Dr. Satya Subrahmanyam[2]

[1]Marketing - Business Administration, Holy Spirit University of Kaslik – USEK, ORCID: 0009-0003-5946-4870
[2]Professor & Asst. Dean (Research) Business School, Holy Spirit University of Kaslik, Jounieh, Lebanon.
ORCID ID: 0000-0003-0441-2742

roger.e.elhalaby@net.usek.edu.lb[1]
satya.sub@usek.edu.lb[2]

Abstract:
This proposal examines the two aspects of AI marketing adoption, economic performance and ethical governance, through a mixed-methods study design. Quantitative methods will assess the effect of AI on efficiency in budgeting, labor productivity, and marketing return on investment. Qualitative interviews will test organizational challenges related to algorithmic bias, data clarity, and policy enforcement. By grounding itself in Normalization Process Theory (NPT) and Strategic Management theory, the research will construct a convergent model that pertains to marketing performance improvement through AI, as well as economic and ethical practices in decision-making. The findings of this study will strive to empower policymakers, business strategists, and information managers to appreciate high-level marketing trade-offs and synergies in the exploitation of AI.

Keywords: Artificial Intelligence (AI), Marketing Performance, Ethical Governance, Policy Alignment, Mixed-Methods Research, Algorithmic Transparency, Strategic Decision-Making

1. Introduction

AI is revolutionizing marketing frameworks, Abrokwah-Larbi and Awuku-Larbi (2024) theorize, by allowing businesses to digitalize processes, minimize costs, and derive real-time insights. Natural language processing and machine learning are only some of the functions of AI that allow businesses to improve data stewardship in marketing functions, maximize resource use, and make faster, wiser decisions. Increasing demands for productive economic policies and transparent governance procedures come as a result of widespread deployment of AI by advertisers. Advertisers get the best ROI and remain in compliance with data laws by applying AI for customer segmentation, campaign performance tracking, and ad expenditure optimization to unprecedented levels of accuracy, contended Alqurashi et al. (2023). Boges et al. (2021) detail how companies can meet market demand and regulatory requirements by extending beyond strategic adoption of AI to policy-focused and economically justifiable practices. The governance and economic implications of marketing system alignment with AI are the main areas of focus of this paper. To guarantee lasting sustainable use of AI, it seeks to evaluate performance effects, transparency needs, and policymaking concordance. Firms need to balance innovation and governance regulations in order to realize maximum marketing benefits.

1.1 Problem Statement

Despite the potential for greater performance held out by AI, many companies are not in a position to pursue its adoption because of fiscal and governance considerations. Further, with client data in the balance, funding AI technology, return on investment measurement, and compliance with the law are concerns. Integration initiatives are already being undermined due to lack of precedent in the transparency and accountability of AI. Due to these issues, companies

cannot fully extract the value of AI, and therefore, they end up inefficiently managing their operations, increasing expenses, and breaching ethical or legal standards.

1.2 Research Objectives

- To establish the economic impact of AI advertising platforms by estimating how they affect marketing ROI, labor productivity, and expenditure efficiency.
- Organizational concerns, such as algorithmic bias, data transparency, and ethical responsibility, will be the focus of this discussion on AI adoption governance in marketing.
- To identify how AI is impacting policymaking, regulatory adherence, and strategic positioning of marketing frameworks.
- To create a cohesive model that integrates ethical governance values into AI-based marketing performance, grounded in Normalization Process Theory (NPT) and Strategic Management.

1.3 Research Questions

- How can the monetary value of the integration of AI in marketing be quantified in terms of cost savings, specifically regarding operational efficiency, productivity of employees, and ROI?
- How can we effectively govern marketing systems driven by artificial intelligence (AI)? What role do technical, ethical, and organizational concerns play in this?
- How are advertising transparency frameworks, regulatory compliance, and policy formation affected by increasing AI capabilities?

1.4 Significance of the Study

By shedding light on how financial, regulatory, and transparency concerns affect the adoption of AI in marketing, the study contributes to the literature on AI governance. To ensure strategic alignment with industry policies, it provides models for enterprises to manage the ethical and cost-effective use of AI. These findings can help practitioners with data regulation, transparency requirements, and resource allocation, enabling them to improve AI-driven performance.

Hypotheses

- **H2a**: More marketing return on investment and more efficient implementations will be seen by organizations that have clear governance rules and formal AI policy frameworks.
- **H2b**: Both the operational normalization of AI technologies and employee adoption are hindered by ethical concerns and the perception of algorithmic bias.
- **H2c**: Achieving policy-aligned AI adoption in marketing systems is heavily dependent on leadership support and skill development.

1.5 Gaps in the Literature

A lot of research has pointed to AI's marketing benefits, but not many have looked at the long-term effects of AI on governance practices or the economy after the first boom. The long-term impact of AI deployment on customer perception and compliance has been very little studied, especially in sectors such as hospitality (Varsha et al., 2021). As a result, businesses struggle to develop AI marketing systems that are both innovative and transparent while also being scalable enough to comply with regulations.

2. Background Study

Application of Artificial Intelligence (AI) marketing is revolutionizing organizational performance by increasing at a fast pace towards increased efficiency, better decision-making, and better management capabilities for data (Subbaiah et al., 2024; Somwong et al., 2025). With the application of machine learning, natural language processing (NLP), and predictive analytics, organizations are able to customize campaigns, optimize allocation of resources more effectively, and monitor performance results more effectively (Abrokwah-Larbi & Awuku-Larbi, 2024). But while the economic return of AI can be experienced in optimizing return on investment (ROI) and reducing the cost of operations, its application should also be closely monitored by ethical checks to avoid risks such as algorithmic bias, data misuse, and opaque decision-making (Arellano et al., 2024). Additional use of AI systems in marketing means seeking questions around regulatory and governing institutions that need to be modified in response to technology breakthroughs. It is between value for money versus automation or transparency and compliance, in the view of Alqurashi et al. (2023). If not regulated, AI also poses the potential regulatory and reputational risk in terms of data privacy abuses or unacceptable targeting conduct. The application of AI thus has to follow governance-first to deliver enhanced long-term performance.

One strong theoretical framework for a comprehensive understanding of how AI can be better integrated and embedded into marketing processes via organizational deployment and integration is Normalization Process Theory (NPT). Normalization Process Theory outlines four key elements as being central to the embedding of new technology into the daily routine of an organization. Consistency, or the degree to which employees comprehend how the innovation affects the entire company process and objectives, is one of them (May et al., 2018). This paper seeks to respond to the question of whether there is an evident strategic plan for marketing units to embrace AI. Employee involvement and willingness for learning and implementation of the new technology are the second construct, cognitive participation (Nilsen, 2020). Marketers' commitment and attitude to AI adoption projects can be quantified through the research instruments. Collective action, i.e., effort that is done in an attempt to bring the new technology, i.e., creating time and funds to accomplish this, is the third component of the NPT. This aligns with the study objective, which seeks to determine organizational support and preparation drivers that enhance AI integration in work processes, according to May et al. (2018).

3. Research Design

Normalization Process Theory (NPT) provides a fine-grained explanatory framework for describing how embedding of AI technologies into organizational practice over time occurs. It talks about constructs of coherence (strategic compatibility), cognitive participation (staff engagement), collective action (resource mobilization), and reflexive monitoring (impact evaluation), which are all predictors of long-term AI normalization into marketing systems (May et al., 2018; Nilsen, 2020). With such managerial guiding principles of strategic management in hand, the model facilitates quantification of the dual mandate of financial return and ethical government in adopting AI. While the majority of the current literature was concerned with short-term return on investment as well as job automation, there is scant empirical work on studying the governing framework facilitating AI-based marketing at scale. It seeks to fill that void through the presentation of a mixed-methods analysis of how organizations are utilizing AI,

not just for efficiency, but with stated, policy-driven strategies for achieving ethical and sustainable innovation.

The last construct is reflexive monitoring, which involves checking the ongoing evaluation of effects and possible requirements for strengthening or modifying implementation over time. This is associated with monitoring opinions regarding the continuous improvement of AI's marketing activity and value, as capabilities are evolving rapidly (Nilsen, 2020). Therefore, the use of the NPT framework will facilitate an integrative analysis of not only early adoption behavior but also the complex dynamics within firms that lead to the effective normalization of new technologies, such as AI, into everyday practices. This theory can be used to enable a deep, sophisticated understanding of the tangible (e.g., training skills) and intangible (e.g., perceptions, cultural-related) facilitators and barriers to embracing AI as a persistent and impact-enhancing contributor to marketing today (May et al., 2018). NPT provides a strong theoretical foundation for moving beyond shallow adoption numbers to the critical terrain of consistently integrating emerging technologies into organizational processes.

According to Ahmad et al. (2019), quantitative study designs collect numerical data using surveys, questionnaires, and organized observations. The results are then statistically analyzed to characterize patterns, compare groups, or correlate variables. According to Bloomfield and Fisher (2019), to produce objective findings that can be applied to a community, research questions are narrowed down, variables are identified, and context is controlled. On the other hand, qualitative research methods collect narrative data about people's viewpoints and the significance they attribute to social phenomena through methods such as focus groups, interviews, and documented experiences. The research questions are general, and there are numerous unknown factors; context is crucial to both the researcher's ability to absorb and adapt to new information and to make sense of emerging themes. To gather quantitative data on AI usage and its effects on marketing results, survey questionnaires will be distributed to groups of marketing-related specialists and customers as part of the quantitative element. This method will make it much simpler to measure the effect that AI has on marketing strategy and KPIs related to customer happiness.

3.1 Participants

Because they are the ones putting AI to use every day, marketing staff will be the ones targeted. Improving practical implementation can be significantly aided by understanding their perspectives, the variables influencing acceptance, and the skill and resource requirements. The online survey will be sent to marketing department employees across various sectors using convenience sampling. To provide a reliable quantitative analysis of employee-level perspectives, it is recommended to aim for a sample size of 200-300 entries. To ensure a large pool of accessible and available respondents, we will utilize convenience sampling by distributing an online survey link through various organizations, social media groups, professional networking sites, and general marketing email lists. The survey will have a greater impact and receive more responses if distributed through marketing groups and social media sites where marketers spend a significant amount of time. Employees have a unique vantage point to understand the real-world adoption triumphs and failures of AI products because they are the ones working directly with them.

3.2 Methods of Data Collection

To provide more comprehensive findings, this study utilizes both primary and secondary sources of information. Marketers and consumers alike participate in structured surveys to get

complex numbers on AI marketing experiences. This is achieved by asking questions that relate to the extent to which AI is utilized in enterprises, the perceived efficiency of these AI tools, and the level of customer satisfaction with marketing communications that include AI. Organizations and businesses that have integrated cutting-edge tech like AI into their marketing department are surveyed to gather secondary data. Case studies demonstrate the real-world marketing outcomes influenced by AI, highlighting instances where it has been effective and those where it has not. Data about artificial intelligence (AI) in marketing can be comprehensive and detailed when all the aforementioned methodologies are used together, particularly when looking at transparency, performance alignment, and governance implications (Latha & Chandran, 2025).

3.3 Research Ethics Framework

Issues of privacy and consent, among many others, are quickly rising to the forefront of the ethical conversation around artificial intelligence (Wu & Margarita, 2024). To further ensure proper data handling and participant anonymity protection, this study adheres to the highest ethical standards. Regarding the use of personal information, all data acquired here complies with the ethical standards of applicable rules and laws, such as the GDPR. To ensure that the study's informed consent requirements are fulfilled, participants will be provided with a participant information sheet before the research commences, which explains all relevant details. Before starting the online survey, participants will be asked to verify that they have read the information page and give their agreement to participate. Individuals are not obligated to continue and may discontinue participation at any time without consequence. If participants have any further questions or require additional information, they can contact the researchers using the provided contact details. The study will ensure that all replies are anonymized and that no personally identifying information is revealed in the results.

3.4 Analytical Framework

Both a pilot test and expert evaluation were conducted on the questionnaire to ensure its validity and reliability before it was distributed. The validity of the items was verified by three marketing academics, who ensured they aligned with the study's goals and theoretical frameworks. To improve the phrasing and make sure all essential aspects were covered, input was taken into account. Using SPSS, we analyzed the quantitative data obtained from the survey using various statistical methods. To gain insight into demographic profiles and item responses, descriptive statistics, including means, standard deviations, and frequencies, were calculated. Scales for measuring internal consistency were re-confirmed by reliability testing. To examine bivariate relationships between variables, inferential studies utilize correlations. To find connections between the use of AI, perceptions of economic efficiency, governance processes, and transparency, it was essential to examine these variables.

4. Findings

4.1 Thematic Analysis Table

Table 1. Thematic Analysis of Organizational Perspectives on the Strategic and Ethical Adoption of AI in Marketing

Theme	Sub-themes	Description	Supporting Quotes (Participants)
Adoption of AI in Marketing	- Gradual adoption - Integration with marketing functions	Organizations are integrating AI to optimize marketing strategies and overcome challenges.	"Adoption of AI into marketing as it became 100% mandatory..." (Participant 2, CEO 1)
			"Adoption and usage of AI as it represents the future of targeting customers." (Participant 4, Founder & Assistant Professor of Management)
Budget Allocation	- Low initial investment - Incremental growth	Budget allocations to AI initiatives vary, with many organizations testing its utility before scaling investments.	"20 – 25% and will be growing throughout the years..." (Participant 1, Product Manager)
			"Around 2%, mainly on AI subscriptions..." (Participant 7, Senior Account Executive)
Skills Development	- Training on AI tools - Understanding AI capabilities	Organizations emphasize the development of internal skills to effectively utilize AI in marketing, encompassing both technical and strategic competencies.	"Training on how to use and operate AI." (Participant 1, Product Manager)
			"Prompt engineering: the way to address AI tools..." (Participant 4, Founder & Assistant Professor of Management)
Privacy and Ethics	- Data Confidentiality - Policy implementation	Addressing concerns about data privacy and ethical use through regulations, policies, and training.	"We have rules and regulations around the generic use of customer data." (Participant 1, Product Manager)
			"Main priority is the security of clients." (Participant 8, CEO 3)

In Table 1, a detailed summary of the thematic analysis of organizational perspectives on the strategic and ethical adoption of AI in marketing is displayed.

4.2 Inferential Statistics

Table 2. One-Sample T-Test Results for Gender and Marketing Experience

One-Sample T-Test

	Test Value = 0					
					95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
1. What is your gender?	68.638	549	.000	1.460	1.42	1.50
3. How many years of experience do you have in marketing?	79.189	549	.000	2.845	2.77	2.92

Here, we utilized a test value of 0 to determine if the sample mean significantly differs from a known value, using the One-Sample T-Test, as illustrated in Table 2. It is evident that gender bias significantly influences the present analysis, as indicated by the t-value of 68.638 and the corresponding p-value of 0.000. This implies that the mean difference of 1.460 is substantially different from zero. At the 95% confidence level, there is a significant difference (t-value = 79.189, p-value = 0.000) in years of marketing experience, with a mean difference of 2.845. The majority of responses appear to have a marketing background of at least one year. The experiment is statistically significant, with a lower bound for the gender confidence interval of 1.42 to 1.50 and the experience interval of 2.77 to 2.92.

4.3 Correlation Analysis

Adoption of AI in Marketing

Table 3. Correlation Matrix of AI Adoption, Organizational Support, and Marketing Performance Variables

AI Adoption and Organizational Commitment Correlations

Control Variables			9. My organization provides adequate resources (time, budget, training) to support use of AI marketing solutions.	11. Our organization is committed towards ensuring the adequate preparation of employees for AI adoption.	8. Adopting AI marketing solutions has provided our organization with a competitive advantage.	10. Top management in my organization supports adoption of AI marketing solutions.
2. What is your age? & 3. How many years of experience do you have in marketing? & 4. What industry do you work in?	9. My organization provides adequate resources (time, budget, training) to support use of AI marketing solutions.	Correlation	1.000	.491	.463	.380
		Significance (2-tailed)	.	.000	.000	.000
		df	0	522	522	522
	11. Our organization is committed towards ensuring the adequate preparation of employees for AI adoption.	Correlation	.491	1.000	.382	.343
		Significance (2-tailed)	.000	.	.000	.000
		df	522	0	522	522
	8. Adopting AI marketing solutions has provided our organization with a competitive advantage.	Correlation	.463	.382	1.000	.409
		Significance (2-tailed)	.000	.000	.	.000
		df	522	522	0	522
	10. Top management in my organization supports adoption of AI marketing solutions.	Correlation	.380	.343	.409	1.000
		Significance (2-tailed)	.000	.000	.000	.
		df	522	522	522	0

If there are statistically significant correlations, Pearson's correlation will reveal them. As an example, there is a 0.327 correlation between "AI enhances my ability to perform tasks" and competitive advantage. Personalization and insight extraction are two examples of AI capabilities that have been demonstrated to contribute to strategic gains, as shown in Table 3.

AI Adoption and Organizational Commitment

Table 4. Correlation Matrix of AI Adoption and Organizational Commitment Variables

AI Adoption and Organizational Commitment Correlations

Control Variables			9. My organization provides adequate resources (time, budget, training) to support use of AI marketing solutions.	11. Our organization is committed towards ensuring the adequate preparation of employees for AI adoption.	8. Adopting AI marketing solutions has provided our organization with a competitive advantage.	10. Top management in my organization supports adoption of AI marketing solutions.
2. What is your age? & 3. How many years of experience do you have in marketing? & 4. What industry do you work in?	9. My organization provides adequate resources (time, budget, training) to support use of AI marketing solutions.	Correlation	1.000	.491	.463	.380
		Significance (2-tailed)	.	.000	.000	.000
		df	0	522	522	522
	11. Our organization is committed towards ensuring the adequate preparation of employees for AI adoption.	Correlation	.491	1.000	.382	.343
		Significance (2-tailed)	.000	.	.000	.000
		df	522	0	522	522
	8. Adopting AI marketing solutions has provided our organization with a competitive advantage.	Correlation	.463	.382	1.000	.409
		Significance (2-tailed)	.000	.000	.	.000
		df	522	522	0	522
	10. Top management in my organization supports adoption of AI marketing solutions.	Correlation	.380	.343	.409	1.000
		Significance (2-tailed)	.000	.000	.000	.
		df	522	522	522	0

The importance of organizational commitment in promoting AI adoption and marketing success is highlighted by the strong positive associations with values, as shown by Pearson correlations: 0.491 between resources and staff preparation and 0.409 between management support and competitive advantage, as presented in Table 4.

The participants agreed that AI is increasingly being viewed as a powerful tool in the marketing arsenals of competitive companies. Every single participant agreed that incorporating AI into marketing strategies is necessary for them to stay relevant. Research shows that in today's fast-paced corporate world, where new technologies are constantly changing the way marketing is done, many companies consider AI adoption as a tactical necessity. For example, Respondent 2 (CEO 1) stated, "AI is now 100% mandatory" when describing its usefulness in customer service. Looking ahead, another attendee (Attendee 4, Founder and Assistant Professor of Management) viewed AI as "the future of targeting customers." The initial phases of AI implementation were also recognized as a subtheme. Respondents from various companies mentioned that AI is being gradually integrated into their marketing strategies.

The following and related comments, such as Participant 3's (CEO 2) depiction of the gradual introduction of AI technology, made this point very clear: Integrating into other areas, like product management and operational operations, they expanded beyond the limited realm of marketing communications. In response to a question about the most recent use of AI in the company's operations, Managing Partner Participant 5 mentioned that AI was employed to "solve obstacles related to marketing" and fill knowledge gaps among employees. The breadth of AI's application in many businesses was another critical aspect of its utilization. The ability of automation to enhance operations and creativity was a concern to certain interviewees, but others

were worried about automation as well as customer targeting. The sixth interviewee, who was working as a marketing manager, commented that AI was being applied in digital media so that it could complement human work rather than replace it. This was especially in the generation of content, implementation of designs, and the production of sounds.

Some respondents addressed how AI would improve their firm's strategic plans, explaining how the technology would be in a position to automate, enhance customer relationships, and innovate. For instance, in reference to the future business environment, chatbots and predictive analytics were seen as good technologies. From the interviews, it was clear that Participant 1, Product Manager, was interested in "the use of analytics to consult future marketing processes" as well as chatbots, both of which were of the essence when adopting new technology. Chatbots are able to "hold for more customers and save time," as stated by Participant 3 (CEO 2), which serves only to reinforce the case for their use in customer service.

The growing reliance on ChatGPT and other generative AI technologies for both creative and operational support was a major topic covered. In terms of content creation, video editing, and strategy, many participants highlighted the value of these technologies. While Participant 6 (Marketing Manager) has praised products like Procreate inside design, video production, and copywriting, Participant 2 (CEO 1) stated that they wish to incorporate ChatGPT as a tool they will invest in, provided it continues to be beneficial with its current functionalities. These discussions demonstrated that businesses were finding creative and inspirational uses for generative AI beyond just improving efficiency. In particular, the research indicates that AI is beneficial for marketing operations, particularly in collecting and analyzing data to gain strategic insights. Research, analytics, and strategy are three domains where tools that facilitate these processes are most often mentioned as applicable. When combined with other chatbot features, chatbots can significantly improve customer service. The goals of an organization should guide its technology acquisition decisions with an eye toward the value that each technology may bring in terms of efficiency, creativity, and output. A key reason to utilize AI techniques is to remain competitive. All parties involved agree that AI is essential for staying relevant in the face of constant technological change. To maintain their relevance, participants, such as Managing Partners and Product Managers, consider AI implementation to be mandatory. The ability to zero in on specific demographics, make better decisions, improve process efficiency, and pave the way for novel approaches are further advantages. Fund managers believe that increased AI use leads to improved data analysis, which in turn facilitates business growth and goal attainment. Additionally, AI enables firms to understand their clients better and meet their demands. To sum up, having an edge in the market, better operations, and more sustainable marketing in the long run all depend on the adoption of AI.

4.4 Budget Allocation

Companies' AI marketing budget allocations revealed diverse funding strategies based on their levels of AI adoption and strategic goals. The funding ranged from initial investments to more strategic funds aimed at increasing the use of AI. In contrast to Participant 4 (Founder and Assistant Professor of Management), who invested 30–35% of their staff training budget, Participant 1 (Product Manager) allocated 20–25% of their marketing budget to artificial intelligence to increase it to 50% within five years. Participant 7 (Senior Account Executive) was one of the few who devoted less than 2% of their time to this task, which they employed when investigating subscriptions. Participants established connections between development and AI, which may collaborate with clients, boost efficiency, and decrease errors; this anticipation of

future investment was a common subtheme. Respondent 2 (CEO 1): Twenty percent will be devoted to AI because it makes meeting the targets easier. Due to the immense potential of AI, the field and organizations are constantly adapting, and the budgeting topic reflects this as they attempt to allocate resources optimally between exploration and practical efforts.

Table 5. Omnibus Test of Model Coefficients for Predictors of AI-Enhanced Marketing Efficiency

Omnibus Test[a]

Likelihood Ratio Chi-Square	df	Sig.
166.497	9	.000

Dependent Variable: 5. AI enhances my ability to perform marketing tasks more efficiently.
Model: (Intercept), @9. Myorganizationprovidesadequate resourcestimebudgett, @8. Adopting Almarketingsolutionshasprovide dourorganization, @20. Myorganizationhasaclearstrategy androadmapforadoptin

a. Compares the fitted model against the intercept-only model.

When comparing the model's efficacy to that of an intercept-only model, the Omnibus Test is used, as shown in Table 5. Compared to the intercept-only model, this model can predict much more strongly, as indicated by the Likelihood Ratio Chi-Square statistic value of 166.497 with 9 degrees of freedom and a p-value of 0.000. This suggests that the degree to which AI enhances the performance of marketing responsibilities relies significantly on factors such as resource distribution, AI uptake, and firm strategy. This best fit to the data again indicates that the model is useful in exploring the relationship between AI adoption and effective marketing. To determine the difference in fit for the model against an intercept-only model, the Omnibus Test is conducted. This model is a good fit in prediction than the intercept-only model, as supported by Likelihood Ratio Chi-Square statistic of 166.497 and 9 degrees of freedom with p-value of 0.000. In tune with the same, to what extent AI enhances the ability to perform marketing activities better is dependent significantly on dimensions such as resource deployment, AI adoption, and organizational style. This close conformity of the model with data is further evidence that the model assists in research on marketing and AI adoption.

4.5 Skill Development

Participants emphasized the need for comprehensive training that can handle both technical and tactical aspects, highlighting training as a vital theme in implementing AI into marketing. Participant 1, a product manager, mentioned "training on how to use and operate AI" as an area where firms engage heavily in learning and development programs. Participant 4, a founder and assistant professor of management, mentioned "prompt engineering" as an area where organizations utilize learning and development (L&D). A vital subtheme was changing one's perspective, with Participant 3 (CEO 2) urging the teams to view technology as a facilitator rather than an obstacle. Along with skills like research and quick writing, being inquisitive and proactive were deemed crucial (Senior Account Executive 7). Other drawbacks that have been

raised include the fact that AI technology is constantly evolving and the fact that people may lack the necessary skills, even if learning is an ongoing process. For example, a "deeper understanding of the industry" was emphasized by CEO 3, and "knowledge of the digital media is crucial" by the Fund Manager. The importance of continually improving one's skills cannot be overstated when it comes to maximizing the benefits of artificial intelligence (AI) and staying ahead of the competition in today's dynamic marketing landscape.

4.6 Privacy and Ethics

Applying AI to marketing raises serious concerns about privacy and ethics. All parties involved agreed that it is critical to safeguard consumers' personal information and to implement policies that adequately secure people's data. For example, it was implied by Participant 1 (the Product Manager) that there exist regulations and guidelines governing the ethical use of customer data. As a result, there are designed frameworks to deal with these problems. The fifth participant, the managing partner, provided further information about specific controls, such as "up-to-date servers, firewalls, and non-disclosure clauses in agreements," to demonstrate that the "major organizations actively adopting and leveraging AI" are adequately addressing the risks associated with AI data handling.

Confidentiality and trust from customers was the second main thread that ran through the debate about privacy and ethics. Given the massive datasets required for AI, some participants were aware that it could have dangerous repercussions if not ethically regulated. The only way to prevent the abuse or unethical analysis of personal information, according to Participant 2 (CEO 1), who also said that one should "use and respect the client data," was not to share it. The fact that Participant 8 (CEO 3) agreed and stated, "main priority is the security of clients" demonstrates that enterprises are concerned about their clients' safety and how to shield them from the potential effects of AI. Additionally, it was noted that staff should also exercise ethical behavior when interacting with AI. To make sure that AI is used ethically, Participants 4 (Founder & Assistant Professor of Management) and 10 (Creative Specialist) discussed the need for organizations to have a "policy on terms and conditions of privacy and use of data," implying that organizations are aware of their responsibility to maintain legal and ethical liability about AI.

4.7 Challenges Facing AI Adoption in Marketing

The marketing department's struggles with AI implementation are just one example of the numerous challenges businesses encounter when attempting to integrate AI into their operations. Employees' reluctance to embrace change was a significant factor; this is hardly unexpected, considering the difficulty of change. In the process, respondents frequently voiced worries about the possibility of losing their jobs to AI, which caused uncertainty or outright rejection. As an example, consider Participant 1's (the Product Manager) criticism of "resistance from the workforce": "a process that called for training the teams to accept change and to become comfortable with the technology" was the necessary evaluation of the technology's deployment. It is challenging to reassure workers that they will not be laid off due to AI, according to Participant 4 (Founder and Assistant Professor of Management). Still, managers can have productive conversations with their staff to ease their concerns.

Another obstacle was the lack of personal knowledge on how to utilize various AI features effectively. Not everyone has the same level of expertise, and some have stated that they require specialized training to address the gaps. The seventh participant, a senior account executive, said, "Current teams don't have the know-how," and emphasized that, although expensive, trial and error often results in wasted budgets. The ninth participant, the fund manager, shared this

inexperience with organizational leadership when he stated that businesses should utilize AI in line with their strategy and ensure their workers are well-trained. For these reasons, it is crucial to educate employees on the ins and outs of AI and to prepare the company culture to fully embrace the technology, enabling it to reach its full potential.

The participants also cited the technical and operational issues as essential factors. Some people pointed out that AI couldn't be relied on 100% of the time and suggested that all AI results be double-checked. A similar sentiment was expressed by CEO 3, who stated that "AI info is not accurate" and advocated for human intervention to verify AI-generated data. Additionally, the marketing manager, who was part of the sixth participant, voiced her concerns about the excessive use of AI and how it promotes "intellectual laziness." All in all, these activities demonstrated the complexity of AI marketing implementations, highlighting both the technical challenges and cultural obstacles that may necessitate approaches to organizational development as a whole, as well as more immediate technological solutions.

5. Discussion

The results of this study reveal a conflicting interaction between the economic benefits of AI and governance concerns associated with implementing it in marketing systems. From a performance perspective, the quantitative outcomes confirm that AI enhances marketing productivity, rationalizes budget utilization, and increases return on investment (ROI), particularly when combined with leadership engagement and strategic planning. These results confirm the hypothesis (H2a) that firms with transparent governance and formal AI systems signal higher implementation efficiency and marketing ROI. Qualitative findings envelop critical richness by concentrating on the experiences and perceptions of organizations.

Everyone who participated indicated that the capability of AI to transform is achievable, albeit with a step-by-step and strategic approach being the norm. However, the success of AI integration was observed to depend on internal drivers, including employees' preparedness, skill development, and cultural acceptance. A significant number of respondents expressed resistance to change, supporting hypothesis H2b, which suggests that algorithmic bias and ethics considerations do have an impact on employee acceptability and hinder operations normalization. Insufficient training or recognition serves as a brake to rightful assimilation, highlighting the roles of "coherence" and "cognitive participation" in the NPT.

Governance was referred to as a requirement for facilitating the sustainable adoption of AI. Ethical issues of data confidentiality, consent, and transparency were common themes, indicating an organizational commitment to respect for reputational and legal consequences resulting from poor AI governance. Speakers emphasized the implementation of GDPR-compliant procedures and organizational policies as crucial for fostering customer trust and the responsible application of AI. These results support hypothesis H2c, which posits that leadership skills and support are predictors of the successful adoption of AI to meet policy requirements. Besides, the use of AI for driving innovation, specifically via generative technologies such as ChatGPT and predictive analytics, was welcomed. However, there was widespread alarm about over-dependence on AI tools, the reliability of their outputs, and the risk of "intellectual sloth." These findings highlight the need for hybrid decision models that incorporate human oversight to enhance AI capabilities. The parallel story of empowerment and caution captures the strategic paradox organizations confront when they introduce disruptive technologies in controlled environments.

Trends in budgeting were marked by cautious optimism: while the current investments being planned are tiny for most firms, there is a clear trend to expand. However, variation across current levels of spending reflects a lacuna in hand-to-hand standard budgeting systems for AI, which may be accounted for by variances in levels of AI maturity, organizational readiness, and industry-specific needs. Overall, the findings of the study corroborate the fact that effective AI-focused marketing systems involve more than technological integration. These encompass the accurate choreography of policy instruments, human capacity building in the workforce, and stimulating ethical awareness. The arrangements of governance and technological innovation should be very carefully aligned in a manner that sustains the performance enhancement in AI without advancing the incumbent risks.

6. Conclusion& Future Work

This research investigated the economic and governance advantage of AI integration within marketing systems through a mixed-methods approach. Quantitative results verified that AI optimizes marketing effectiveness, enables ROI support, and allows operational performance most specifically if incentivized by proper resource provisioning and planning. Qualitative results established that organizations more and more deploy AI as the essence of competitiveness but encounter challenges of manpower resistance, untrained staff, and data governance. Synthesizing Normalization Process Theory (NPT) and strategic management paradigms facilitated critical evaluation of the AI marketing function. Successful AI implementation is driven by leadership, ethical education, and clearly stated policies. Variable data practices, low AI literacy, and lack of governance strategies can, however, puncture long-term performance. Research also emphasized the growing demands for transparency, regulatory adherence (e.g., GDPR), and prevention to combat ethical concerns such as algorithmic bias and privacy invasion. Lastly, organizations should integrate AI adoption not only as an upgrade in technology but also as a strategic and moral transformation. To achieve the best economic value from AI marketing, organizations will have to implement sound governance practices, build internal capability, and stabilize AI activity in evolving policy environments. Pragmatic guidance for decision-makers seeking to manage the trade-offs and synergies of AI within high-risk marketing choices is found in this research.

Future research on the comparative longitudinal performance of AI-driven marketing systems is necessary to determine their long-term economic performance and adherence to evolving governance rules. This paper presents cross-sectional evidence; however, longer-term data are needed to assess how organizations adjust their AI plans in response to changing regulations, business requirements, and technological breakthroughs. Second, sector-specific studies, such as those in healthcare, finance, and retail, can offer deeper insights into the role of sector-specific regulations and customer demands in AI governance. The use of Explainable AI (XAI) for eliminating bias and making AI decisions as trustworthy as possible can also be explored through future studies. Ultimately, dynamic policy frameworks that adapt and evolve in response to ongoing developments in AI capabilities will become a necessity. Research must collaborate with industry associations and policymakers to co-design frameworks in a way that ensures AI technologies applied in marketing continue to be both economically viable and morally just.

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