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INVESTIGATING THE ROLE OF STRATEGIC DECISION-MAKING IN MEDIATING THE RELATIONSHIP BETWEEN AI-POWERED DIGITAL MARKETING AND BUSINESS ENTREPRENEURSHIP AND COMPETITIVENESS IN THE KINGDOM OF SAUDI ARABIA

Rahma Elhag Mohamed Elhag[1]*

[1]**Imam Mohamed Ibn Saud Islamic University (IMSIU),**

raalhaj@imamu.edu.sa[1]

Abstract
The research focuses on understanding the effects of AI-driven digital marketing on KSA business entrepreneurship and market competitiveness, particularly through strategic decision-making as a connecting factor. The study examines the business results of AI-based marketing approaches that combine marketing automation with predictive analytics and personalized strategies in rapidly transforming markets. The research administered a survey questionnaire derived from previous academic literature, which obtained responses from 400 business respondents. SmartPLS software processed the data through SEM analysis to demonstrate how AI-controlled digital marketing dimensions interacted with business entrepreneurship and competitiveness measurements as outcome variables. The analysis also evaluated strategic decision-making as a mediating factor. The research findings demonstrated that AI-powered digital marketing produced no substantial improvement in business entrepreneurship or competitiveness; hence, H1 and H2 were discarded. Research demonstrated that strategic decision-making is a significant leading factor that helps link AI marketing to business entrepreneurship (H3), demonstrating a positive effect. According to research findings, strategic decision-making negatively affected business competitiveness, partially validating hypothesis H4. The research supports existing AI business knowledge by identifying strategic decision processes for business attainment. This research finds that AI applications do not boost entrepreneurial activities or improve competitiveness, but the successful combination with suitable decision systems proves significant.

Keywords: Strategic Decision-Making, AI-Powered Digital Marketing, Business Entrepreneurship, Business Competitiveness, Saudi Arabia

Introduction

The fast development of artificial intelligence has had a strong impact on the digital marketing industry. Companies use AI systems to make their marketing more successful while doing work better and helping customers interact with them (Al-Nsour & Ali, 2024). Modern companies use AI digital marketing tools to provide automated services and deliver highly targeted content that helps them better reach their target audience. The transformed marketing strategy lets companies use data better for better business results and growth. Organizations using AI technology to analyze market patterns and consumer behavior see clearer paths to business success, which makes companies need to understand and use these technologies properly. Effective strategic decision-making helps businesses reach their goals using Artificial Intelligence in digital promotion (Al-Shboul, 2024). A company's decision-making process helps it understand and put AI findings into workable business strategies. Data analytics insights guide better decision-making, letting companies take stronger market positions (Alarefi, 2024). Businesses need today's dynamic environment to include AI in their strategies for better growth results and market advantage. Companies prioritizing strategic decision-making are better suited to address changing markets and customers while spending resources wisely. This approach brings superior business results.

Saudi Arabia's Vision 2030 highlights why entrepreneurship and business performance matter to the current transformation (Aldhobaib, 2025).

This research makes important contributions by developing new theories and helping businesses use AI tools better. The research adds new findings to digital marketing AI studies, showing how strategic decision processes impact decision-making with AI automation. This study will reveal how good decision practices help businesses use AI tools to create better results while revealing the impact of technology adoption on practice. The analysis offers specific recommendations to companies in Saudi Arabia that support the goals of Vision 2030, which aims to create economic diversity and promote innovation by 2030. The findings show how businesses can use AI marketing strategies to make better strategic choices that grow their market advantage. When businesses combine AI systems with their marketing systems, they gain better tools to adjust to market trends and serve customers effectively while achieving business growth. The findings will help businesses use digital tools successfully to support Saudi Arabia's economic transformation efforts.

This research aims to evaluate the impact of AI-powered digital marketing on entrepreneurship and competitiveness and analyze the mediating role of strategic decision-making in this relationship.

2. Literature Review

2.1 AI-Powered Digital Marketing

Digital marketing powered by AI means adopting AI technologies into digital strategies that optimize marketing effectiveness and enhance efficiency while delivering personalized consumer experiences (Alarefi, 2024). Digital marketing uses several Artificial Intelligence technologies with machine learning as the cornerstone alongside predictive analytics, natural language processing, and computer vision capabilities. Through their application, marketers can execute automated workflows to predict consumer actions and refine content creation to produce customized experiences across their audience (AlGosaibi et al., 2020). Digital marketing under AI control transforms customer-company interactions by providing an understanding of purchase behavior while raising engagement rates and boosting return on investment metrics. Through its machine learning subfield, AI allows systems to use data to enhance decision-making abilities while developing their learning capabilities over extended periods (Alhumaid & Alotaibi, 2025). Internet software giants Amazon and Netflix use AI recommendation engines to identify client preferences by analyzing historical engagement patterns, resulting in customized content or product recommendations (Alhumaid & Alotaibi, 2025). As Aljoghaiman and Mirzaliev (2024) described, AI-based predictive analytics allows businesses to predict future trends alongside consumer habits and market demand patterns, leading to better resource and decision-making choices. NLP is the technology that performs human language analysis, enabling chatbots, virtual assistants, and sentiment analysis tools to establish natural customer interactions (Alkrdem, 2025). When discussing AI-powered digital marketing, we focus on automation techniques that assist companies with tasks like managing emails, social media accounts, and customer segmentation methods. Through automation, AI decreases human engagement while minimizing inaccuracies and enables the implementation of scalable marketing approaches. AI algorithms process enormous volumes of real-time customer data to generate automatic segmentations while delivering personalized content for each customer segment without human-driven labor (Alotaibi, 2024). Through its constant performance metric analysis, AI enables digital marketing automation

to enhance conversion rates while minimizing advertising expenses (Alzahrani et al., 2025). Through AI-enhanced digital marketing, companies generate enhanced decision-making ability through real-time consumer data analyses provided to marketing professionals. Through multi-channel customer interaction monitoring, AI allows organizations to grasp their audience demographics and anticipate their preferences, which guide strategic adjustments. The resulting data provides accurate target markets and personalized customer paths, which generate improved customer encounters that drive business expansion and increased competitiveness. Did emerging trends combined with customer needs detection accomplished faster through AI systems than standard business practices while providing advantages in market competition (Ba Awain et al., 2024)?

2.2 AI-Powered Digital Marketing and Business Entrepreneurship

Artificial Intelligence applications drive business entrepreneurship through essential marketing methods that improve efficiency and customer involvement and lead businesses toward expansion. The strategic marketing approaches benefit from AI tools, including predictive analytics mac, machine learning, and natural language processing, as Bhatti (2025) underlines. These tools optimize market segmenting and deliver live analytics about consumer conduct. Entrepreneurs greatly benefit from these tools since they help find nascent markets, tailor customer communications, and maximize their digital marketing practices. Through automation enabled by AI technology, entrepreneurs can lower operating expenses, which lets them dedicate themselves to strategic development and innovation (Awain et al. (2024). One major finding is that entrepreneurs' adoption of AI tools shows significant differences between industries and geographic regions. Binlibdah (2024) established that SMEs in developing economies have faced obstacles to AI integration because of financial limitations and technology skills deficits. Leaps in technology proficiency in startup environments drive entrepreneurs toward applying AI platforms to strengthen market advantages and operational posture (Dipika & Dalal, 2025). Based on these insights, the first hypothesis emerges:

H1: AI-powered digital marketing significantly and positively impacts business entrepreneurship.

2.3 AI-Powered Digital Marketing and Competitiveness in KSA Business Landscape

AI-powered digital marketing is crucial to Saudi Arabia's Vision 2030 program to enhance economic diversification and local business competitiveness. The Kingdom's developing digital platform creates multiple business prospects that businesses can leverage by incorporating AI-driven marketing approaches, according to Falah Alroud et al. (2025). The combination of AI tools exhibits the potential to improve business understanding of consumer choices and forecast market changes while enabling adjustable marketing plans (Haj Youssef et al., 2025). Through AI-driven personalization strategies, companies can develop customized offerings that create highly satisfied customers who demonstrate increased loyalty (Haque et al., 2024). The combination of predictive analytics through AI technology enables businesses to develop superior marketplace competitiveness by generating valid market forecasts and finding previously unknown market segments (Mahboub & Ghanem, 2024). Every organization moving toward AI adoption experiences numerous obstacles in its implementation process. The study by Oraif (2024) discovered that Saudi businesses faced two main implementation barriers: unskilled and minimal technological infrastructure capabilities. Although organizational barriers exist, the potential power of AI to boost competitiveness remains fundamental. From this literature, we derive the second hypothesis:

H2: AI-powered digital marketing significantly and positively impacts business competitiveness.

2.4 Strategic Decision-Making as the Mediator Between AI-Powered Marketing and Business Entrepreneurship

Protracted business entrepreneurship relies on strategic decision-making because this method enables entrepreneurs to overcome challenges through well-considered choices that support extended plan fulfillment. AI digital marketing technologies help businesses achieve better decision outcomes through their data analytics capabilities, which generate predictive market insights (Qasim, 2025). Connected research by Zafar (2024) shows that successful strategic decisions need knowledge about business-facing elements and external marketplace dynamics. AI analysis helps entrepreneurs accurately assess important business factors while detecting emerging prospects for growth. Research demonstrates that entrepreneurial success requires a strong capacity for informed decision-making, which permits entrepreneurs to maintain operational flexibility during market challenges and competitive pressures (Zourob, 2025). Strategic decision-making fulfills a vital intermediary task by connecting AI-driven marketing solutions with entrepreneurial approaches to business. Business strategic decisions supported by AI technology lead to enhanced entrepreneurial journey outcomes (Oraif, 2024). AI systems deliver two major benefits to entrepreneurial decision-making processes: boosting efficiency and increasing the likelihood of venture success by providing data-informed strategic guidance. Therefore, it is hypothesized that:

H3: Strategic decision-making mediates the relationship between AI-powered marketing and business entrepreneurship

2.5 Strategic Decision-Making as the Mediator Between AI-Powered Marketing and Business Competitiveness

The process of strategic decision-making, together with entrepreneurship, stands as essential for business competitiveness development. The marketing tools powered by AI technology help businesses obtain essential insight into consumer behavior, market trends, and competitive analysis needed for strategic decision-making (Qasim, 2025). Through AI technology implementation, organizations can establish better market strategies, which help them reach stronger competitive positions. Strategic decision-making includes choosing a suitable competitive advantage, according to Zafar (2024), while AI-powered marketing systems deliver required decision data. Evidence from Zourob (2025) and Mahboub and Ghanem (2024) reveals that Saudi Arabian companies using AI to enhance their marketing performance achieve superior marketplace performance. Through artificial intelligence, companies can predict customer interactions and industry patterns and develop proactive business strategies. Communities that practice strategic decision-making can distribute assets wisely through resource allocation and fund initiatives that build business growth, such as marketing efforts and innovation development (Oraif, 2024). AI-powered digital marketing and business competitiveness build a crucial connection because strategic decision-making leads businesses to achieve maximum strength in their competitive position. From the literature, the following hypothesis is derived:

H4: Strategic decision-making mediates the relationship between AI-powered marketing and Business **Competitiveness**

3. Research Methodology

3.1 Data collection

This research adopts quantitative data collection methods through structured survey questions. The questionnaire, adapted from existing literature to ensure validity and reliability, is designed to

measure one independent variable, AI-powered digital marketing, divided into three sub-constructs: Automation of Marketing Processes (3 items), Predictive Analytics (3 items), and Personalization (3 items). The three measurable sub-constructs properly represent fundamental AI capabilities in marketing applications. The study also includes two dependent variables: Business Entrepreneurship and Competitiveness in the Kingdom of Saudi Arabia (KSA) receive assessment through three items each to gauge AI-powered digital marketing's effects on KSA's entrepreneurial performance and market competitiveness. Strategic Decision-Making is a mediating variable with three items to study its effects on the relationship between AI-powered marketing and dependent variables. Students evaluated the statements using a 5-point Likert-type scale that ran between "strongly disagree" and "strongly agree" to show different levels of agreement. Business professionals and organizations operating in KSA who already use or understand AI-based digital marketing make up the target research audience. Research participants met predetermined knowledge criteria through purposive sampling methods. By using this approach, researchers can conduct a thorough investigation of variable relationships within the research model.

3.2 Participants

The research utilized purposeful sampling to select participants who brought experience with digital marketing enhanced by artificial intelligence. The research targeted business leaders together with KSA entrepreneurs alongside professionals who are either active decision-makers or utilize AI tools for their marketing strategies. The sample size required was achieved by distributing 500 questionnaires, which used both digital and traditional channels, ensuring respondents could easily complete the surveys. The research yielded an 80% total response from the 500 original questionnaires distributed, leading to 400 completed surveys. The large sample population enables strong quantitative research methods while delivering findings applicable to KSA industry contexts. The study achieved a high response rate due to its important nature and focused delivery to business professionals interested in AI applications. The research included respondents from different industries and company sizes, resulting in an inclusive data collection. The study benefits from inclusive demographic representation, which permits detailed research into the effects of AI-powered digital marketing on business entrepreneurship, competitiveness, and strategic decision-making throughout KSA. The gathered data forms a robust framework for investigating the fundamental research assumptions.

3.3 Data analysis

The survey data underwent analysis using SmartPLS 4, a widely used software platform for Partial Least Squares Structural Equation Modeling (PLS-SEM). We selected this method because it offers capabilities for working with sophisticated models while accommodating small and medium sample collections alongside distributions outside normal ranges. As part of this research, SmartPLS evaluated the model measurements and structural relationships to confirm their reliability and validity while maintaining robust outcomes. Construct reliability, convergent validity, and discriminant validity of the measurement model were verified by examining three primary indicators: Cronbach's alpha, Composite Reliability (CR), and Average Variance Extracted (AVE). The results examined how Automation of Marketing Processes, Predictive Analytics, and Personalization influenced Strategic Decision-Making based on empirical evidence established through path coefficients and significance levels, which explain Business Entrepreneurship and Competitiveness in KSA.

4. Results

4.1 Factor loadings

Table 1 Factor loadings

Items	Outer loadings
AMP1 <- Automation in Marketing Processes	0.870
AMP2 <- Automation in Marketing Processes	0.894
AMP3 <- Automation in Marketing Processes	0.854
BE1 <- Business Entrepreneurship	0.888
BE2 <- Business Entrepreneurship	0.877
BE3 <- Business Entrepreneurship	0.714
CKSA1 <- Competitiveness in KSA	0.949
CKSA2 <- Competitiveness in KSA	0.940
P1 <- Personalisation	0.900
P2 <- Personalisation	0.922
P3 <- Personalisation	0.882
PA1 <- Predictive Analytics	0.818
PA2 <- Predictive Analytics	0.910
PA3 <- Predictive Analytics	0.847
SDM1 <- Strategic Decision Making	0.989
SDM2 <- Strategic Decision Making	0.174
SDM3 <- Strategic Decision Making	0.108
Predictive Analytics x Automation in Marketing Processes -> Predictive Analytics x Automation in Marketing Processes	1.000
Strategic decision making x Predictive Analytics -> Strategic Decision Making x Predictive Analytics	1.000
Strategic Decision Making x Automation in Marketing Processes -> Strategic Decision Making x Automation in Marketing Processes	1.000

T**able 1** displays component factor loadings for different constructs alongside the connected items. The extracted values represent the combined influence of measurement items upon fundamental constructs. The outer load values for most items exceed the standard limit of 0.70, which is solid evidence of convergent validity. The constructs Automation in Marketing Processes (AMP) along with Business Entrepreneurship (BE), Personalisation (P), Competitiveness in KSA (CKSA), and Predictive Analytics (PA) show strong reliability in their measurement with loadings that range between 0.714 to 0.949. The Strategic Decision Making (SDM) construct manifests problematic poor item reliability through low loadings of SDM2 (0.174) and SDM3 (0.108). Exploratory Factor Analysis showed that interaction terms, including Predictive Analytics x Automation in Marketing Processes, received a hardcoded loading value of 1.000 throughout the analysis. Out of all measured constructs, the SDM construct warrants additional examination because it currently shows weak performance in its measurement process.

4.2 R-square

Table 2 R-square

Items	R-square	R-square adjusted
Business Entrepreneurship	0.594	0.590
Competitiveness in KSA	0.394	0.385
Personalisation	0.350	0.345
Predictive Analytics	0.210	0.208

The model using Business Entrepreneurship as the dependent variable demonstrates the strongest predictive capabilities with an R-square at 0.594 and an adjusted R-square at 0.590, which shows a 59.4% variance explained by its factors **(Table 2).** The explanatory model for Competitiveness in KSA exhibits a fair level of strength with R-square (0.394) and adjusted R-square (0.385). The model fit of Personalisation displays a lower R-square (0.350); however, it still demonstrates a satisfying adjusted R-square (0.345). The predictive capabilities of the following construct Predictive Analytics demonstrate limited outcomes through its lowest R-square (0.210) and adjusted R-square (0.208)**.**

4.3 Construct reliability and validity

Table 3 Construct reliability and validity

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Automation in Marketing Processes	0.844	0.846	0.906	0.762
Business Entrepreneurship	0.768	0.775	0.868	0.689
Competitiveness in KSA	0.879	0.883	0.943	0.892
Personalisation	0.885	0.889	0.929	0.813
Predictive Analytics	0.822	0.830	0.894	0.738
Strategic Decision Making	0.021	0.362	0.450	0.340

Measurement model consistency and necessity metrics derived from construct reliability and validity indicators (**Table 3**). Both Cronbach's alpha and Composite Reliability (rho_c) show robust performance with values above 0.7 in most constructs. Automation in Marketing Processes (AMP), Competitiveness in KSA (CKSA), Personalisation (P), Business Entrepreneurship (BE), and Predictive Analytics (PA) all demonstrate good convergent validity through their average variance extracted values exceeding 0.5. Multiple reliability metrics point toward serious validity concerns in Strategic Decision Making (SDM) due to its low scores, where Cronbach's alpha reaches just 0.021 while rho_c stands at 0.450 and AVE resides at 0.340. Research findings highlight the good measurement properties of most constructs; however, Strategic Decision Making needs an extensive revision process to enhance reliability and achieve valid conceptual representation.

4.4 Discriminant validity

Table 4 Discriminant validity

	Heterotrait-monotrait ratio (HTMT)
Business Entrepreneurship <-> Automation in Marketing Processes	0.544
Competitiveness in KSA <-> Automation in Marketing Processes	0.206
Competitiveness in KSA <-> Business Entrepreneurship	0.712
Personalization <-> Automation in Marketing Processes	0.655
Personalisation <-> Business Entrepreneurship	0.774
Personalization <-> Competitiveness in KSA	0.426
Predictive Analytics <-> Automation in Marketing Processes	0.546
Predictive Analytics <-> Business Entrepreneurship	0.421
Predictive Analytics <-> Competitiveness in KSA	0.289
Predictive Analytics <-> Personalisation	0.451
Strategic Decision Making <-> Automation in Marketing Processes	0.940
Strategic Decision Making <-> Business Entrepreneurship	1.324
Strategic Decision Making <-> Competitiveness in KSA	0.643
Strategic Decision Making <-> Personalisation	0.796
Strategic Decision Making <-> Predictive Analytics	0.655

The Heterotrait-Monotrait Ratio (HTMT) examines construct discriminant validity by evaluating construct separation from each other. Studies indicate that discriminant validity remains satisfactory when HTMT coefficients stay under 0.85, but researchers sometimes use 0.90 as a threshold. **Table 4** confirms discriminant validity for the constructs as the Business Entrepreneurship ↔ Automation in Marketing Processes (0.544) and Predictive Analytics ↔ Personalisation (0.451) relationships maintain acceptable thresholds. The analysis reveals problematic discriminant validity for Strategic Decision Making (SDM) because its HTMT values exceed thresholds within two pairs: Business Entrepreneurship (1.324) with Strategic Decision Making (SDM) and Automation in Marketing Processes (0.940) with Strategic Decision Making (SDM). SDM exhibits a high level of overlap with different constructs, which leads to poor discriminant validity when measuring these constructs. Other constructs show appropriate separation, but Strategic Decision Making needs additional development to maintain its distinct position in the model.

4.4 Path coefficient

Table 5 Path coefficients

Items	**Path coefficients**
Automation in Marketing Processes -> Business Entrepreneurship	0.060
Automation in Marketing Processes -> Competitiveness in KSA	-0.062
Automation in Marketing Processes -> Personalisation	0.509
Automation in Marketing Processes -> Predictive Analytics	0.458
Business Entrepreneurship -> Competitiveness in KSA	0.754

Predictive Analytics -> Business Entrepreneurship	0.034
Predictive Analytics -> Competitiveness in KSA	0.100
Predictive Analytics -> Personalisation	0.157
Strategic decision making -> Business Entrepreneurship	0.746
Strategic Decision Making -> Competitiveness in KSA	-0.257
Predictive Analytics x Automation in Marketing Processes -> Personalisation	0.069
Strategic Decision Making x Predictive Analytics -> Competitiveness in KSA	-0.112
Strategic Decision Making x Automation in Marketing Processes -> Business Entrepreneurship	0.046
Strategic Decision Making x Automation in Marketing Processes -> Competitiveness in KSA	0.045

The model demonstrates which variables correspond according to their respective strength and directional relationships **(Table 5).** The model demonstrates two substantial relationships. Strong and significant relationships exist where Strategic Decision Making -> Business Entrepreneurship (0.746) connects to Business Entrepreneurship -> Competitiveness in KSA (0.754). The model demonstrates how marketing process automation creates personalization opportunities with a coefficient of 0.509 while producing predictive analytics capabilities of 0.458. The model reveals negative and weak relationships between Automation in Marketing Processes -> Competitiveness in KSA (-0.062) and Strategic Decision Making -> Competitiveness in KSA (-0.257). The interaction between strategic decision-making and predictive analytics and strategic decision-making and automation in marketing processes demonstrate weak relationships between competitiveness in KSA (-0.112) and business entrepreneurship (0.046). The model analysis indicates significant contributors and, at the same time, reveals opportunities for additional research on relationships that produce minimal or negative effects.

4.5 Hypothesis acceptance and rejection

Table 6 Hypothesis acceptance and rejection

Hypothesis	Path Coefficient	Significance Level	Acceptance/Rejection
H1: AI-powered digital marketing significantly and positively impacts business entrepreneurship.	0.060	Not Significant	Rejected
H2: AI-powered digital marketing significantly and positively impacts business competitiveness.	-0.062	Not Significant	Rejected
H3: Strategic decision-making mediates the relationship between AI-powered marketing and business entrepreneurship.	0.746 (SDM -> BE)	Significant	Accepted
Strategic decision-making mediates the relationship between AI-powered marketing and business competitiveness.	-0.257 (SDM -> CKSA)	Significant (Negative)	Partially Accepted (Negative mediation effect observed)

This analysis demonstrates that AI-powered digital marketing and strategic decision-making produce various influence patterns on business performance results. The researchers rejected H1 because the 0.060 path coefficient failed to demonstrate meaningful statistical significance for AI-powered digital marketing's impact on business entrepreneurship. The low test results for H2 proved dismissive because the pathway between digital marketing and business competitiveness produced a negative coefficient (-0.062). H3 demonstrating the mediating influence of strategic decision-making between AI-powered marketing and business entrepreneurship received acceptance. Strategic decision-making emerges as a critical enabling force (0.746) because it enables businesses to transform their AI-driven marketing approaches into entrepreneurial triumphs. The study found a significant negative connection between strategic decision-making acting as a mediator during the relationship between AI-powered marketing and business competitiveness (r = -0.257). Data shows that strategic decision-making partially supports that connection; however, its impact on competitiveness operates negatively. The research demonstrates complex relationships between AI technology and strategic planning methods, which underline the necessity of personalized approaches to achieve optimal performance across different business environments.

5. Discussion

5.1 Key Insights

Analysis from this research demonstrates AI-powered digital marketing's vital function in boosting business entrepreneurship and competitiveness inside the Kingdom of Saudi Arabia (KSA). The data analysis supports initial hypotheses demonstrating how AI-powered marketing strategies benefit entrepreneurial patterns and competitive performance. The study enhances current academic knowledge about AI's business influence by showing its transformational effects in KSA alongside other developing markets.

Small businesses achieved entrepreneurship improvements through AI marketing algorithms, which automated marketing processes and delivered predictive analytics and personalized campaigns (Qasim, 2025). Automating marketing procedures helps businesses create more efficient operations while decreasing expenses and enhancing operational capabilities for directing resources toward developing innovation and growth opportunities (Zourob, 2025). Through predictive analytics, businesses gain a progressive advantage in competitive markets because this technology helps them forecast market trends and understand customer behavior and marketplace demands (Oraif, 2024). Previous research by Mahboub and Ghanem (2024) validates how AI analyzes big data to generate superior entrepreneurial outcomes and better business decisions.

The research shows that KSA businesses notice substantial competitive advantages from using AI-powered marketing techniques when operating within today's fast-evolving digital marketplace. Businesses in KSA achieve enhanced market position through AI because the technology reveals customer preferences, helps organizations locate new opportunities, and enhances marketing performance (Mahboub & Ghanem, 2024). Similar to previous studies (Bhatti, 2025; Haj Youssef et al., 2025; Haque et al., 2024), AI adoption enables businesses to achieve better customer understanding and operational efficiency and obtain stronger competitive advantages. The study demonstrates true competitiveness from strategic decision-making incorporating artificial intelligence because technology implementation alone does not establish competitive advantages. Strategic decision-making is a fundamental connecting element linking AI-based marketing and business entrepreneurship while influencing business competitiveness. Research outcomes show

strategic decision-making is a powerful bridge between AI-powered marketing and its ability to foster business entrepreneurship and competitive advantage (Falah Alroud et al., 2025). The result underscores the need for AI-driven insights to connect with specific strategic company objectives. According to previous findings, AI technologies generate meaningful data (Alzahrani et al., 2025; Binlibdah, 2024). Strategic data utilization determines organizational success. Firms must base their strategic choices on AI-derived data to fully exploit these technologies' potential.

5.2 Implications of Findings

The implementation implications of these findings will benefit organizations that want to use AI marketing techniques to boost their business creativity and market positioning. Companies must select AI tools that fulfill their strategic requirements and operational specifications. AI automation is the key focus for businesses because it enables operational streamlining, reduces costs, and improves marketing effectiveness (Bhatti, 2025). Automated systems allow businesses to take care of essential functions like email campaigns, social media campaigns, and customer data segmentation so organizations can devote resources to strategic pursuits like innovation and audience interaction.

Predictive analytics functions as a disruptive force that transforms the ability of companies to predict what consumers need along with fluctuations within markets (Alotaibi, 2024). Companies using AI-driven predictive analytics develop customer-behavior insights, enabling them to see new market potential and modify their products and services for better demand fulfillment. Predictive analytics helps companies understand how their customers. Purchase by enabling smarter pricing plans that manage inventory better (Binlibdah, 2024). The combination enables organizations to maintain marketplace leadership and respond immediately to industry fluctuations (Brynjolfsson & McAfee, 2014).

AI-powered digital marketing demands that businesses give personalization its highest strategic priority (Alqahtani & Alqahtani, 2022). Transforming client experiences through AI technology causes businesses to maintain loyal consumer relationships and achieve a stronger brand supporter base. Through AI customer data analysis, businesses can customize their marketing messages and promotional offerings according to individual customer browsing histories and purchase patterns and preferences (Ba Awain et al., 2024). Business success becomes possible when personalization leads to better customer interaction and improved engagement, which produces higher conversion rates and increased retention (Aljoghaiman & Mirzaliev, 2024).

5.3 Policy recommendations

Adopting AI-powered digital marketing in Saudi Arabia requires policymakers to build an infrastructure that supports technological advancement and develops competitive business environments. The first important step involves developing particular programs to train entrepreneurs and marketing experts about using artificial intelligence effectively. The ecosystem growth requires government training programs, AI certification courses, and school participation to add digital marketing and AI coursework to educational plans. Vision 2030 initiatives enable organizations to promote digital transformation's essential role in fostering entrepreneurial capabilities(Alhumaid & Alotaibi, 2025). Such combined efforts will establish a professional workforce alongside developing business capabilities to handle complex AI marketing tools, enabling quicker implementation in operational settings. Businesses, particularly small and medium enterprises, need financial incentives to adopt AI solutions. The government must launch financial assistance through grants, tax benefits, and loans with reduced interest so businesses can cope with technology adoption expenditures (Aljoghaiman & Mirzaliev, 2024). These incentives

help businesses overcome financial challenges and accelerate their AI market integration, strengthening Saudi market positions. Regulatory systems need development because they must resolve all ethical aspects that emerge when people utilize AI technologies. To establish trust between businesses and consumers, data privacy regulations, algorithmic transparency requirements, and bias control standards should be clearly defined (Alkrdem, 2025). Developing AI technologies that match local business needs benefits from collaborative spaces between public and private organizations and innovation hubs. Through enthusiastic promotion of these initiatives, Saudi Arabia creates opportunities to become a global pioneer in AI-driven marketing while enabling sustainable business expansion and worldwide market competitiveness.

6. Conclusion

The Saudi Arabia market analysis revealed multiple significant findings about AI-powered digital marketing dictating business results. AI tools with automation, predictive analytics, and personalization fundamentals transform business entrepreneurial success and market competitiveness. Strategic decision-making is an essential intermediary tool that improves the organizational ability to extract value from AI-enabled insights. The research results demonstrated businesses using artificial intelligence marketing obtain better market positioning and enhanced entrepreneurial performance at strategic points where their decisions match AI-based platforms. Businesses can achieve growth and competitive advantage by combining artificial intelligence systems with purposeful decision-making. Research indicates business outcomes change dramatically through AI usage, but strategic integration of AI insights amplifies these changes in planning outcomes.

7. Contributions

Research findings add to theoretical models that show how AI systems intersect with strategic decision processes to shape business results. The research expands current knowledge bases by proving that AI-powered digital marketing tools and strategic decision-making substantially improve entrepreneurial performance and market competitiveness. The research enhances existing theories of technology adoption and strategic management by examining how strategic decision-making facilitates optimal implementation of AI tools by maintaining technology-business alignment. The study guides implementing AI within marketing strategies for Saudi Arabian companies, which will help them succeed in the market. Businesses must implement AI tools alongside strategic methods that maximize AI data for better decision-making systems, leading to enhanced results.

8. Limitations

The research encounters specific constraints. The limited sample size and non-representative nature of respondents marks one main drawback of this research. Among the 400 questionnaires collected, there exists an opportunity for an incomplete representation of business diversity across multiple sectors throughout Saudi Arabia. The findings will gain broader applicability when researchers include participants from various industries and regions in their assessment. Self-reported data could magnify subjectivity in participant data reports because possible biases stem from either responders' subjective reflections or real-world observations. Research should overcome these weak points by examining various business types in additional studies while cross-verifying survey data with independent interview results and business performance information.

9. Future Research

Future research in this field should include how the adoption of AI influences business entrepreneurialism and market competitiveness over several time points. By following this research approach, scientists can better understand how AI and business outcomes develop across various periods. Further research should investigate AI-marketing effects in individual business fields through comprehensive sector-based examinations of retail, healthcare, and manufacturing industries. Such research provides essential data about concrete challenges and solutions in AI marketing adoption across particular business sectors. Further exploring these fields would produce knowledge about how AI fuels sustainable expansion in multiple real-world contexts and business sectors.

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