Chapter 10
The Contribution of Artificial Intelligence to the Business and Marketing Strategy

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ABSTRACT

Modern technologies are considered indispensable tools in companies' development. At this stage, with the emergence of artificial intelligence usage, several transformations have been experienced with the new strategic context which influences the business and the marketing of companies' activities. To do this, they take into consideration the need for the integration and the involvement with this technology to minimize the risks in their development. The importance of this work is to emphasize a literature review which specifies the role of AI in improving the business and marketing strategic to arrive at a relevant adoption solution.

INTRODUCTION

Modern technologies like artificial intelligence are considered one of the innovative tools for business development. At this stage, the business and marketing of services of companies have been affected by several transformations which have appeared in a new strategic context. For this, the need for integration and involvement with this technology is considered essential to ensure business success.

The scope of AI in business is likely to cover all strategic and functional dimensions of the company (El Namaki, 2018).

Today, AI is increasingly deployed in operational marketing, for example contact center response management, risk identification as well as in marketing, including customer targeting and analysis, selection and design of advertising texts tailored to target customers, pricing to maximize returns from individual customers (Marinchak et al., 2018; cited by Stone, et al. 2020). According to Stone et al, (2020) who

indicated that tomorrow they will expect AI to be used in strategic decision making. However, the use of AI in marketing strategy has not been discussed much in the public domain (Stone et al, 2020). For this objective, the need of a new process is indispensable.

The objective of this work is to present a review of the literature toward Artificial Intelligence to the business and marketing strategy. And to achieve a better understanding of this proposed problematic, the principal research questions are presented as follows:

1. What is the role of the integration of Artificial Intelligence on marketing strategy?
2. What is the contribution of AI on business strategy?

And to arrive at a better understanding to these questions, this review study was conducted on the basis of recent articles, the selection of these articles insist on the role of Artificial Intelligence business and marketing strategy, while specifying the contribution of this study to the marketing and business literature in referring to the importance of this study for the practitioners of marketing and business. For these reasons, our chapter includes a presentation about the methods, then the conceptual framework about AI, business and marketing strategies and the contribution of AI to both of those strategies. And finally, our chapter focuses on the discussion part, the theoretical and managerial contributions, and the limitations of our study and the future research.

METHODOLOGY

To answer our basic problematic, the selection of articles is based through the "Google Scholar" database by referring to the following keywords in the first step, we used the following words: "Artificial Intelligence" Or "AI " "business strategy" and in the second step, we used these keywords "Artificial Intelligence" Or "AI" "marketing strategy".

The Effect of AI on Marketing Strategy

The marketing strategy is developed to support a specific objectives (Dean and Sharfman, 1996; Varadarajan et al., 2010), for example gain and retain customers and ensure that the portfolio of clients of the company generates income (Simkin and Dibb 2012). The strategic decision concerns, for example, the products, markets, resource allocation and appropriate marketing activities (Mintzberg, 1978; Nutt and Wilson, 2010). The marketing strategy plays a key role in the communication with clients, the creation and product delivery, and ultimately the creation of value for clients (Varadarajan et al., 2010). The experts discuss the growing importance of AI for strategy formulation (Martınez-Lopez and Casillas, 2013). They discussed how they view the role of AI in the strategy-making process, now and in the future. The responses highlighted the ability to use AI for data collection and analysis, to systematically and efficiently identify underlying patterns and signals that humans might miss. These patterns and signals are an important element that the strategic marketer must consider when making decisions. Furthermore, the experts also discussed how these could be used directly by AI acting as an independent agent, capable of making strategic decisions without human support. The responses explained that perceived value creation from AI ranges from the lower analytical maturity stage of GAAM, descriptive analytics, to the mature stage of predictive analytics. The value is directly attributable to the ability to

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