


Chapter 11

Artificial Intelligence and Ethical Marketing

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ABSTRACT

In this chapter, the author argues that technologies will transform the marketing organization and reshape the marketing activities of companies. The aim of the chapter is to summarize the main challenges of digital disruption as well as to identify their implications to the legal and ethical aspects of digital and interactive marketing activities. The research aims driving this chapter are related to the identification of the main challenges regarding the legal protection of social media customers. Survey results about social media behaviour and cybersecurity issues are presented and discussed.

INTRODUCTION

The dynamics of information and communication flows over the last decade have not only changed radically, but unlike previous decades, a significant amount of information is ‘produced’ and received outside organizations. In terms of the cost of information processing, for organizations and end users it is more efficient to use ICT in an increasing number of situations. What a decade ago was a very limited vertical flow of information and communication is now a vast sea of vertical and

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horizontal flows ‘pushed’ and ‘pulled’ by an incredible variety of offline and online sources. Market interactions and relationships are so intense and transformative that it is difficult to distinguish between market players and participants in communication space due to the overlap of the economic domains of consumers, competitors and collaborators. The convergence between the clearly defined economic sectors of audiovisual media, telecommunications and information and computer technology years ago poses many challenges to marketers, including the legal and ethical aspects of the use of new media.

BACKGROUND

According to the results of the global digital business survey conducted by MIT Sloan Management Review and Deloitte’s, the implementation of digital technologies by organizations in their activities depends on the level of maturity of the digital business. Companies in transition to digital maturity focus on the changes in the process of integration of digital technologies (social networks, mobile technologies, analytics and cloud technologies), and the ultimate goal of integration is to transform the way their business is organized and operated. These companies are characterized by transformed processes, commitment of human resources and flexible business models. As the level of digital maturity increases, companies are beginning to develop and implement the above four digital technologies to almost the same extent. The main goals of companies with a lower level of digital maturity are related to solving specific business problems using individual digital technologies.

Table 1. Classification of companies at the stage of Web 4.0

Criterion	Class 1	Class 2	Class 3	Class 4
Digital maturity (DQ)	Established leaders	Emerging leaders	Followers	
Digital strategy	Smaller-scale disrupters	Fast-followers	Digital relocators	Business models reshapers
Level of digital transformation	Pure-play global industry disrupters	Ecosystems shapers	Incumbents	

Source: Adapted by: van Bommel, E., Edelman, D. and Ungerman, K. Digitizing the consumer decision journey. McKinsey Company, 2014; Visser, J., Field, D., and Sheerin, A. The Agile Marketing Organization, The Boston Consulting Group, October 2015.

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