


# Chapter 6


## AI in Advertising: Transforming Marketing Strategies for International Business

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### **ABSTRACT**

*The chapter focuses on the disruptive way Artificial Intelligence (AI) and Machine Learning (ML) are changing the current advertising environment, and how these technologies are transforming the way brands interact with consumers in a revolutionary way. It discusses the role of AI in data-driven targeting, personalisation, predictive analytics, and campaign automation. It addresses the challenges or opportunities a business seeks to gain a competitive advantage through the use of AI. The study explains why AI enables brands to transcend the broad-spectrum methodology of messaging types and transform into a hyper-personalized, real-time, and contextual advertising experience. The chapter can demonstrate the real-life application of AI through the case of global brands such as Nike, Unilever, and Spotify to handle*

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*cultural changes, sustainability issues, and consumers' changing preferences.*

## **1 INTRODUCTION**

### **1.1 Overview of AI's Transformative Role**

The employment of artificial intelligence is transforming the world of advertising foundations in a significant way, turning artificial intelligence into a keystone of recent advertising campaigns. This technological revolution will allow an organisation to be flexible in real-time, and unprecedented insights on consumer behaviour are changing the nature of brand fan connections in diverse markets worldwide (Kumar et al., 2024). The combination of AI technologies enables advertisers to work with enormous amounts of data and thus make their campaigns highly customized and adjust them in real-time based on consumer behavior and preferences.

The ability to process large data sets enables organisations to solve the problem of better audience insight, allowing them to create personalised messages that would feel specially generated for all target groups. AI in analytics tweets brands with accuracy measurement opportunities that enable them to optimise their performance as they develop quality, personalised connections with the consumers across various cultural backgrounds (Araujo et al., 2020). Such a technological innovation is significant for international businesses' needs to handle the variety of market environments and cultural peculiarities.

In a fast-changing digital world, consumers want to see extremely relevant content that will attract them in a few seconds. Using AI, brands are not limited by how advertising works. They can now reach the modern consumer via such advanced technology as chatbots, recommendation engines, and predictive analytics. The technologies also enable immediate satisfaction, which guarantees high levels of satisfaction and loyalty among global target consumer markets (Kotler & Armstrong, 2020; Keegan & Green, 2020). With the increased awareness of the transformational potential of AI in international businesses, it is necessary to create a strategic framework following which they can traverse the hypercube competition in the digital environment.

### **1.2 The Evolution of Advertising**

The conventional advertising mainly depended on radio and television adverts, print media, and billboards, and involved a broad range of blanket, one-size-fits-all advertising strategies. The campaigns were built on crude demographic information and only provided a low degree of personalisation, and the brands were forced to

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