

Artificial Intelligence (AI): Four Stages to Marketing Smartness

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ABSTRACT

The performance promise of smart products is high, but many products and services do not live up to this claim. If perfect smartness is understood to mean fully self-learning and self-deciding digitalized processes and products, then there is still a long way to go before smartness is centrally controlled by artificial intelligence. If it is assumed that product, sales, market, and integrated marketing are central marketing performativities, then they can be discussed on the basis of four levels of smartness: 1) supporting marketing management with digital data analysis, 2) automated marketing, 3) context understanding, 4) autonomous and self-organizing marketing autonomy. From today's perspective, level four corresponds to perfect marketing smartness. Work is currently being carried out primarily on the context recognition of artificial intelligence, i.e., stage 3. Level four is currently still fiction and vision.

INTRODUCTION

Smart home, smart watches, smart clothes, smart energy, smart factories, smart management – there seems to be no area of economic society that does not claim to be “smart”. Management smartness is typically characterized as a digitally (self-)driven process that aims to improve management decisions. It is facilitated by management intelligence. Smartness describes a form of optimized digital decisions based on stimuli through autonomous responsiveness (Abiodun et al., 2023).

This article asks what marketing smartness is, what role artificial intelligence plays in this and what maturity can be attested to marketing smartness from today's perspective. On the basis of a stage-forming literature reflection as the applied method this contribution develops the view that marketing management smartness is a challenge that has not yet been realized: This is where the research problem is to be located: If smartness means digitally-automated and self-directed decisions, then this is associated with a far-reaching value proposition of brands, products, services and also management. How smart is the smart phone and how smart are management support solutions from today's perspective? It will be elaborated that companies are largely not yet able to comply with this: neither as smart products or services, nor as an internal management process. – To show this, a selected target architecture of marketing in the form of marketing performativities, i.e. product, sales, market and integrated marketing performativities, is first recorded below. This is followed by a structuring of four smartness stages, to which current fields

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of action of AI marketing are assigned along the marketing performativities. This is rounded off with a look at current AI marketing technologies and their limitations. The result is: If smartness refers to completely digitized and autonomous decision-making systems that are centrally supported by artificial intelligence, then management smartness is critically formulated in a still immature phase, positively formulated at the moment still a vision.

DECISION-MAKING NEEDS OF PERFORMATIVE MARKETING

Before the potential of management smartness and thus of artificial intelligence is discussed, marketing goals are to be concretized. Specific goals are required to understand the potential contribution of AI to success. The performativity debate is used for this purpose (Lies, 2019).

The concept of performativity was derived from linguistics for management. Performativity asks to what extent theories are applied in practice (MacKenzie 2006). Theory is therefore “perfectly performative” when theory (e.g. marketing models, digital customer management approaches) are used successfully in practice in whole or in essential parts, i.e. perfect performativity as the constant development and securing of new markets through applied marketing theory. The analogy between performativity and the concept of performance as a performance designation of business administration is therefore not accidental.

If the creation and acquisition of new markets is seen as a performativity certificate of marketing theory (Araujo, Finch & Kjellberg 2010), marketing has different goals. The conventional marketing mix offers a selected approach to the concretization of marketing objectives: innovation goals (“product”), sales goals (“place”), contract goals (“price”) or communication goals (“promotion”). If this goal debate is summarized under the concept of performativity, at least four central performativity dimensions emerge in order to open up markets:

- **Product performativity:** The marketing mix is based on product solutions that open up markets (school of thought: “inside-out”). Innovations are therefore also part of product orientation. This is one of the reasons why the product mix is considered the “heart of marketing.” (Schwedler 2000, p. 160)
- **Sales performativity:** This corresponds to the discussion of early marketing functions around the 1900s, which included distribution, barter activities (purchasing and selling) carried out by special marketing institutions (e.g. wholesale and retail) (Shaw, Jones, & McClean 2009).
- **Market performativity:** Not the individual sales success and thus the individual customer, but the creation of markets and thus the successful addressing of buyer groups would then be a central methodological aspect of “prototype marketing” (Lies, 2019). In fact, marketing goes back to consumer goods marketing and thus to mass markets (Bruhn 2018).
- **Integrated marketing performativity:** The marketing mix also includes an integrated approach to market and customer development, as the mix instruments are not isolated from each other. The marketing mix has been expanded several times to do justice to a holistic approach. Marketing must therefore be supplemented by “people” (customers, sellers) and processes, for example (Keller & Kotler, 2006). From this point of view, marketing would be performative if corporate value and customer values have found the common optimum. – In this way, marketing is designed as a conceptual cycle in the extension and application of the strategic management cycle, which accordingly penetrates into strategies and business models (Lies, 2017). The marketing concept of

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