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ASSESSING THE IMPACT OF ARTIFICIAL INTELLIGENCE APPLICATIONS IN MARKETING ON BUSINESS SUCCESS: EVIDENCE FROM SMES IN AN EMERGING ECONOMY

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Abstract

Introduction

The trend of using Artificial Intelligence (AI) more in marketing is transforming businesses approaches particularly when it comes to Small and Medium-sized Enterprises (SMEs) in new economies. Although big companies have taken advantage of AI, to refine their marketing approaches, SMEs are forced to struggle a great deal to embrace the technologies. The paper will discuss the application of AI in marketing and its implications on the performance of businesses within the SMEs in the developing economies.

Objective

The key concept of the study is to consider the extent of adoption of AI in the marketing operations, the perceived benefits, challenges faced during adoption and the consequential impact to the business success of SMEs. The paper also analyses how strategic preparedness can facilitate the application of AI technologies to incorporate them.

Methodology

It was also conducted using a quantitative research design whereby a survey questionnaire based on a structured questionnaire was utilized and conducted on 250 respondents who represented various SMEs. The significant constructs, including AI adoption, its perceived advantages, implementation obstacles, business success, and future readiness were evaluated as well in the survey. The data was analyzed using the descriptive statistics, correlation analysis, regression, and one-way ANOVA to establish the correlation between AI adoption and the business results.

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Results

It happened that the introduction of AI is positively correlated with the success of the business, and the perceived benefits can have a significant impact on the enhancement of marketing performance and efficiency. However, the study also outlines several barriers to AI adoption such as financial limitations, lack of knowledge and infrastructure related challenges that make SMEs unable to make the most out of AI technologies. It turned out that future readiness is also a predictor of a successful AI integration, and the pro-active strategic plan including the training of employees is the key to surmounting the challenges encountered with the implementation process.

Conclusion

AI application in the marketing sector is capable of significantly improving the performance of the business of the SMEs in the emerging economies. However, the problems that are related to the limited number of resources, technical complexity, and the lack of strategic preparedness should also be addressed so that to take the best out of AI. The study recommends SMEs to be keen on building a solid digital infrastructure, investing in employee training, and aligning AI activities with definite business objectives to ensure that AI-based marketing strategies can be as efficient as possible.

Keywords

Artificial Intelligence, Marketing, Small and Medium-sized Enterprises, Emerging Economies, Business Success, AI Adoption, Strategic Readiness

Introduction

The increased role of artificial intelligence (AI) in contemporary business processes has transformed the manner in which businesses make decisions, market, and interact with customers. In the various sectors, AI technologies have transformed the way companies gather, process, and use information to improve performance and competitiveness (Basri, 2020). To small and medium-sized firms (SMEs), particularly in the emerging economies, AI offers opportunities that they have never had and challenges that are complex (Mokhtar and Salimon, 2022). While large corporations have already integrated AI into their marketing strategies to improve customer targeting, automate workflows, and predict market trends, SMEs often struggle to keep pace due to limited financial, technological, and human resources (Magableh et al., 2024). Understanding how AI applications affect marketing and overall business success is, therefore, a pressing research concern (Zhou et al., 2022).

In the current era of data-driven marketing, the efficiency of marketing may be significantly determined by the extent to which organizations can use technology to gain a clear understanding of consumer behavior, personalization, and marketing decision optimization (Badghish & Soomro, 2024). Machine learning algorithms, predictive analytics, chatbots, and natural language processing, along with other smart AI tools, have allowed marketers to work with large volumes of data instantly, detect new trends, and provide personalized answers to enhance customer satisfaction (Ullah and Khan, 2024). The applications have the potential to lower operational expenses, boost productivity, and improve the general performance of the business (Kumar et al., 2024). Nevertheless, the extent to which such advantages are achieved differs greatly between SMEs, in regard to their readiness, strategic vision, and capacity to address technical and financial limitations (Dana et al., 2022).

In the emerging economies, including Pakistan and the same scenario, SMEs play the central role in economic development and they make a significant contribution in employment creation and GDP growth. However, such companies do not always have the technological support, qualified staff, and vision to incorporate AI into their work efficiently (Wang et al., 2022). The awareness-adoption distance levels of AI tools have resulted in unequal level of performance of the sector of SME. Companies have those where the efficiency and the market share can be clearly improved,

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and the ones that are trapped in the previous marketing strategies and have a minor digital transformation (Lateef and Keikhosrowani, 2023). This gap highlights the necessity of systematic studies to determine the effect that the adoption of AI has on business success and what factors can facilitate or prevent its successful application in resource-limited settings (Barata, et al., 2023). There are a number of benefits of AI as a subset of marketing. It enables companies to enhance the interaction with customers through the introduction of automated customer interaction in the form of AI-based chatbots and recommendation engines that provide customers with personalized interactions and offers (Sharabati et al., 2024). In addition, AI analytics can be applied to identify the high-value customers, predict the purchasing, and raise the price strategy, which can improve sales rates and retention (Wu et al., 2023). Repetitive jobs that may be automated like data entry, email campaigns, and posting on social media will enable SMEs to invest resources in a more efficient manner and concentrate on strategic decisions. Despite these advantages, many SMEs hesitate to adopt AI technologies due to fears of high costs, complexity, and data security concerns (Deku et al., 2024).

The second significant concern of AI implementation in the marketing sphere is the possibility to change the business models and competitiveness on the market. The AI enables SMEs to compete with bigger companies by giving superior access to the powerful data and decision-making tools that were previously available to corporations that have large data and analytics capacities (Hwang and Kim, 2022). Nevertheless, the possibility to utilize this potential is conditioned by managerial enlightenment and competence of employees and the presence of supportive infrastructure (Saleem et al., 2024). These elements are not present; therefore, the use of AI can become a challenge instead of a competitive advantage. Additionally, ethical concerns related to data privacy and the misuse of customer information further complicate adoption decisions (Fauz et al., 2025).

Organizational readiness is also an important aspect that is necessary to understand the role of AI in marketing. The successful implementation depends on the commitment of leaders, training of employees, and their openness to innovation (Javaid et al., 2025). The more the management promotes digital transformation, the more the firm can invest in AI technologies and incorporate them in their marketing procedures (Al Prince et al., 2025). On the same note, continuous learning and the evaluation of tools among employees will ensure that the technology is put to effective use and ensure that it is oriented towards the objectives of the business (Imtiaz et al., 2025). Conversely, resistance to change, lack of technical knowledge, and uncertainty about the return on investment can impede progress and limit potential gains (Nair et al., 2024).

This research is expected to fill the gap present between the theoretical potential and practical reality by evaluating the role of AI applications in marketing on the business success of SMEs in an emerging economy. It aims at finding out whether there is an actual increase of marketing performance, operational efficiency, and competitiveness with the help of AI adoption. In addition, the paper investigates the obstacles that do not allow the SMEs to achieve the full potential of AI and the strategic steps that help to improve their preparedness and sustainability in the long-term perspective. It is expected that the research results can be added to the existing knowledge of digital transformation in SMEs and be useful in guiding policymakers, business leaders, and technology developers in an attempt to promote the adoption of AI in marketing activities.

Literature Review

1. Conceptual Overview of AI in Marketing

Artificial intelligence in marketing means the application of data-driven algorithms and machine learning models to imitate the actions of a human decision-maker to make marketing more

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effective. It assists in such aspects as segmentation of consumers, demand prediction and customized content delivery (Khan and Alvi, 2023). The use of AI in the marketing strategy will assist the companies to anticipate customer behavior and needs, follow their preferences, and create particular campaigns to improve customer engagement and turnover rates. In the case of SMEs, AI technologies can be used as alternatives to traditional marketing research approaches and automate the analytics process and reduce the number of manual errors (Afshar and Shah, 2025).

2. AI Adoption among SMEs

Agility, potential to innovate, and being close to the customers are the features of SMEs, which do not always have access to advanced technologies. The application of AI in the SMEs is diverse and depends on multiple factors such as managerial attitude, ease of use, technological infrastructure, and financial capacity (Atif, 2024). Visionary leadership is characteristic of an early adopter that has digital innovation as a first priority. Yet in the emerging economies, where AI knowledge and infrastructure are not that widespread, the implementation is not that massive (Afshar and Shah, 2025). Most SMEs are in the experimental stages of applying their basic automation tools and social media analytics instead of implementing full-scale AI systems.

3. Benefits of AI in Marketing

The use of AI in the SME provides many advantages such as improved information analysis, automation, customization, and forecasts. With AI-based marketing, companies can monitor customer preferences and anticipate the buying habit, and thus can better target them (Butt, 2023). Virtual assistants, chatbots, and recommendation systems can help to improve the customer experience with real-time communication. Also, predictive analytics is used on the demand forecast, campaign optimization, and strategic planning (Shakeel et al., 2023). Marketing automation lowers the costs and enhances efficiency, whereas advanced analytics will enhance the accuracy of decisions. All these benefits result in higher sales, brand attachment and general growth of the business.

4. Challenges and Barriers in Implementation

The use of AI in the SME provides many advantages such as improved information analysis, automation, customization, and forecasts. With AI-based marketing, companies can monitor customer preferences and anticipate the buying habit, and thus can better target them (Butt, 2023). Virtual assistants, chatbots, and recommendation systems can help to improve the customer experience with real-time communication. Also, predictive analytics is used on the demand forecast, campaign optimization, and strategic planning (Shakeel et al., 2023). Marketing automation lowers the costs and enhances efficiency, whereas advanced analytics will enhance the accuracy of decisions. All these benefits result in higher sales, brand attachment and general growth of the business.

5. Strategic Readiness and Organizational Factors

Organizational preparedness is critical toward defining the success of AI. These are management commitment, staff training, and having a digital culture that promotes innovation (Latif et al., 2021). Companies investing in capacity-building campaigns are in a better position to integrate AI. Other processes of strategic preparedness include aligning the AI purposes with the business objectives, constantly analyzing the performance of the tools, and making sure that workers are qualified to operate new technologies. Policy support, government incentives, and access to affordable AI solutions further enhance adoption in developing contexts (Imtiaz et al., 2025).

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6. AI and Business Success

Empirical research findings are always positive with regards to the correlation between the adoption of AI and the business performance. The companies that utilize AI in marketing commonly note that their operations have become more efficient, the revenues increased, and the customers felt satisfied (Butt, 2021). AI can help companies to make more rapid and evidence-based decisions, better customer retention, and attain competitive differentiation. Nevertheless, these results are predetermined by the degree of strategic preparation and the opportunity to address technological, ethical, and organizational issues (Arshad, 2024). Therefore, on the one hand, AI is a key facilitator of marketing innovation; on the other hand, though, it is an intermediary factor in business success that needs to be managed with cautious consideration of contextual and organizational factors.

Objectives of the Study

1. To determine the level of AI application in marketing activities among SMEs in an emerging economy.
2. To determine the perceived advantages of AI application in marketing as regards targeting, personalization, and business performance.
3. To look into the key challenges and barriers that prevent the use of AI in SMEs.
4. To assess the effects of AI implementation on the success of businesses and their marketing performance.
5. To investigate how strategic readiness can help in achieving success in terms of embracing AI in marketing operations.

Problem Statement

Artificial intelligence is also transforming the marketing environment by providing SMEs with an opportunity to develop, be efficient and innovative. However, due to financial limitations, ignorance, infrastructural challenges, and data protection challenges, most of the SMEs in the emerging economies have effectively been unable to take advantage of its potential as more of them get familiar with the concept. This bad adoption is a constraint to the level of competitive advantage and effectiveness that they can achieve. Whereas AI tools might enhance targeting, personalization, and decision-making, their actual role in enhancing business success has not been researched in resource-constrained contexts. What makes the adoption of AI in marketing urgent is the necessity to conduct research on its impact and the problem of what makes its success in adoption by the SMEs possible and what obstacles hinder its success. The gap that this paper will address is the assessment of the correlation between AI applications, perceived benefits, and difficulties and business success in the SME segment of a new economy.

Methodology

Research Design

The research design that will be employed in this study is the quantitative research design to establish the impacts of the application of Artificial Intelligence (AI) on marketing in identifying the business success of Small and Medium-sized Enterprises (SMEs) in an emergent economy. The research will also seek to answer the adoption rate of AI, the perceived benefits, and the challenges relating to it among the SMEs. The data were collected through questionnaires carried out on marketing experts, entrepreneurs, and other interested parties in the SME industry. The strategy will aid in capturing the adoption process and how it affects different business performances such as the marketing performance, the operational performance and overall competitiveness.

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Sampling Strategy

The sampling method is purposive sampling technique that is applied in order to target SMEs within industries of different types such as services, manufacturing, retailing and technology. The respondents will be selected based on their involvement in the marketing process as well as the experience working with AI technologies. The survey was carried out on 250 respondents who were representing different sizes of firms, the number of employees, and experience. The sample will include the representatives of various roles within an organization including marketing managers, managers, business owners, and IT experts.

Data Collection

The structured survey questionnaire was used to collect data with the questionnaire having closed and Likert scale questions. The questionnaire was meant to assess some of the main constructs:

- **Adoption of AI in Marketing:** The extent to which SMEs have integrated AI tools such as chatbots, predictive analytics, and recommendation systems into their marketing strategies.
- **Perceived Benefits of AI:** Respondents' perceptions of the advantages of using AI in terms of efficiency, customer engagement, and decision-making.
- **Challenges in AI Implementation:** Barriers to AI adoption, including financial limitations, lack of expertise, and technical challenges.
- **Business Success:** Metrics relating to increased revenue, improved marketing performance, and competitive positioning.
- **Future Readiness:** The strategic preparedness of firms for future technological advancements in AI.

The questionnaire was sent through electronic means, with the addition of follow-ups in order to make the response rate high. The data collection process took four weeks, whereby the respondents were allowed to fill in the survey when they would find it convenient.

Data Analysis

The survey questionnaire was a structured survey, which was based on closed and Likert-scale items, to gather the information. The questionnaire was drafted in such a manner that it would be exploited to measure some of the most relevant constructs related to the adoption of AI in marketing by SMEs. These constructs were the Adoption of AI in Marketing that quantified the adoption of AI tools by SMEs including chatbots, predictive analytics and recommendation system into their marketing strategies. The Perceived Benefits of AI survey also involved exploring the perceived benefits of AI as respondents were asked to answer in the light of perceived benefits of using AI in regards to efficiency, customer engagement, and decision making. Moreover, the Challenges in AI Implementation have also been analyzed, and such barriers as financial constraints, the unavailability of expertise, and software-related difficulties that may be encountered by SMEs when implementing AI technologies have been discussed. Data on such tools as the increased revenue, the improved marketing performance and competitive position were collected with the help of the Business Success construct. Finally, the Future Readiness construct was added in order to determine the strategic readiness of companies to accept future technological changes in the field of AI. The survey was administered online and follow-up reminders were done to ensure that there was high response rate. The process of data collection took four weeks, which gave time to the subjects to fill the survey at their own convenience.

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Ethical Considerations

In this study, ethical considerations of research are followed because the research does not violate confidentiality and anonymity of participants. Before the data collection, the participants were made aware of the study purpose and their consent was taken. No personal data were gathered and all information was kept in a safe place.

Limitations

Although the research has useful information on AI influence on SMEs in the emerging economies, there are limitations associated with the research. The study is also limited to SMEs within a single geographical area and this could restrict the extrapolation of the results to other emerging markets. Also, self-reporting of the survey can contribute to the risk of response bias, where members of the sample of participants can exaggerate the success of AI applications or under-report the issue of difficulties in implementing them.

Results and Discussions

Results

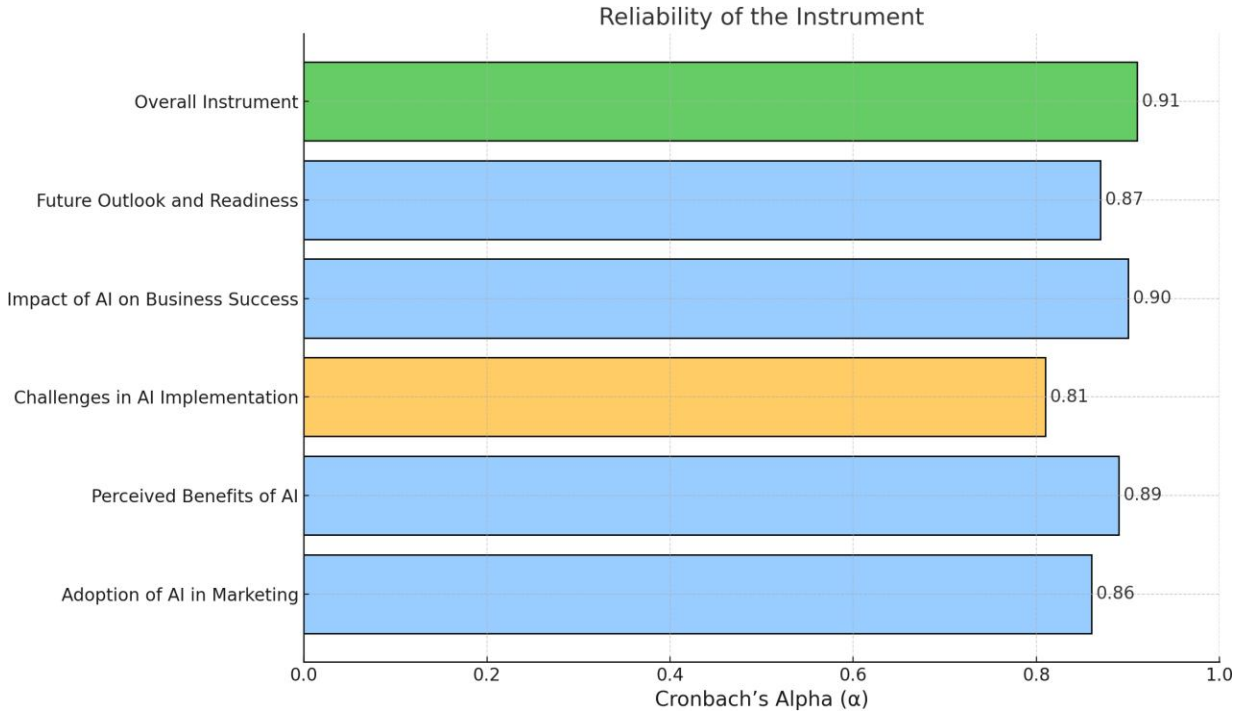

Figure 1: Reliability of the Instrument

The reliability analysis of the research instrument is shown in Figure 1. The findings reveal the high levels of internal consistency of all constructs, with a Cronbach alpha (0.81-0.90). In particular, Adoption of AI in Marketing ($\alpha = 0.86$), Perceived Benefits of AI ($\alpha = 0.89$), Impact of AI on Business Success ($\alpha = 0.90$), and Future Outlook and Readiness ($\alpha = 0.87$) have high reliability, whereas Challenges in AI Implementation ($\alpha = 0.81$) is at an acceptable level. The cronbachs alpha of 0.91 which is the overall alpha indicates the instrument is very reliable, and will be valid to be used in further analysis.

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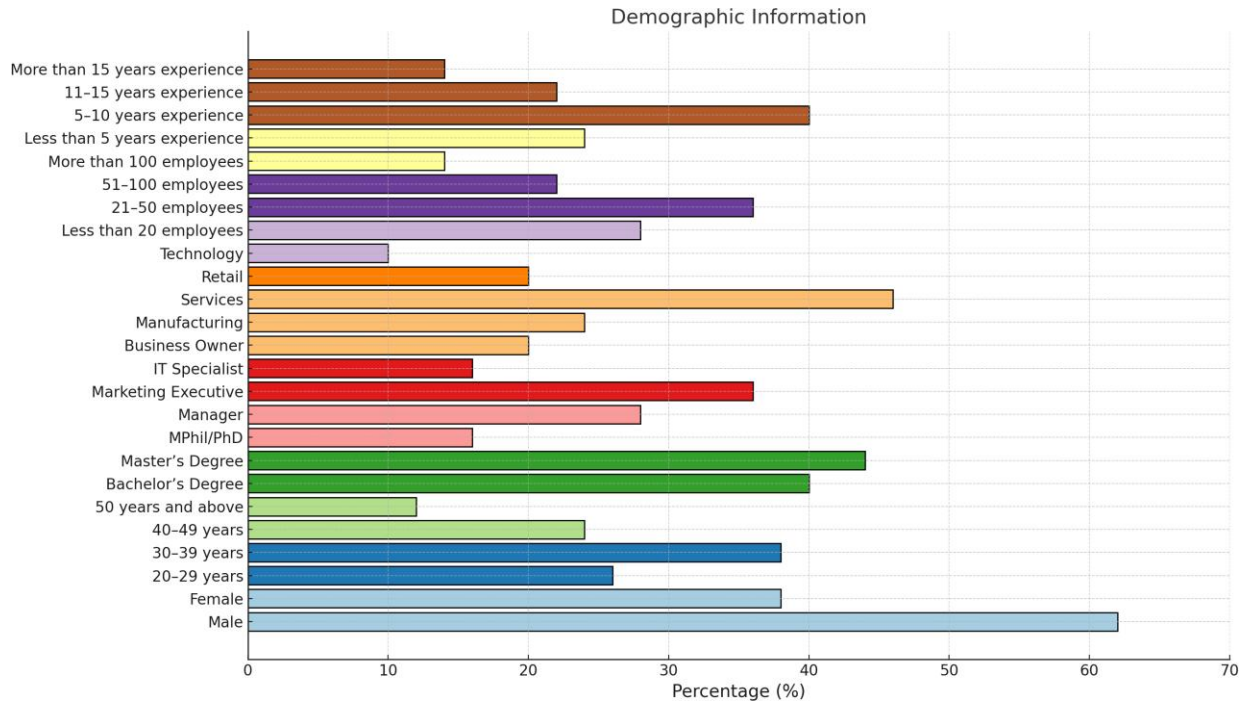

Figure 2: Demographic Information of the Participants

The demographic profile of the respondents is shown in figure 2. Of the 250 respondents, 62% were male and 38% female which showed that there was a moderate gender ratio of male respondents. The largest age group was 30-39 (38%), then 20-29 (26%), which implies that the target audience was mostly people of early- to mid-career. The sample was well-educated with 44% having a master degree, 40% a bachelor degree and 16% an MPhil/PhD.

In terms of the role in the organization, the biggest figure included marketing executives (36 percent), then managers (28%), business owners (20%) and IT specialists (16%). Service industry had the largest percentage (46%), which shows that service based businesses are highly engaged, followed by manufacturing (24%), retailing (20%) and technology (10%).

The sample was spread evenly with small to medium enterprises controlling the sample with 64% having less than 50 employees. Moreover, the majority 40% of respondents had 5-10 years of marketing experience, which indicated that the respondent base was well-informed and had extensive experience. On the whole, Figure 2 proves that the sample is an equal representation of professions of different genders, ages, education, and business fields to analyse AI adoption and its impact on business.

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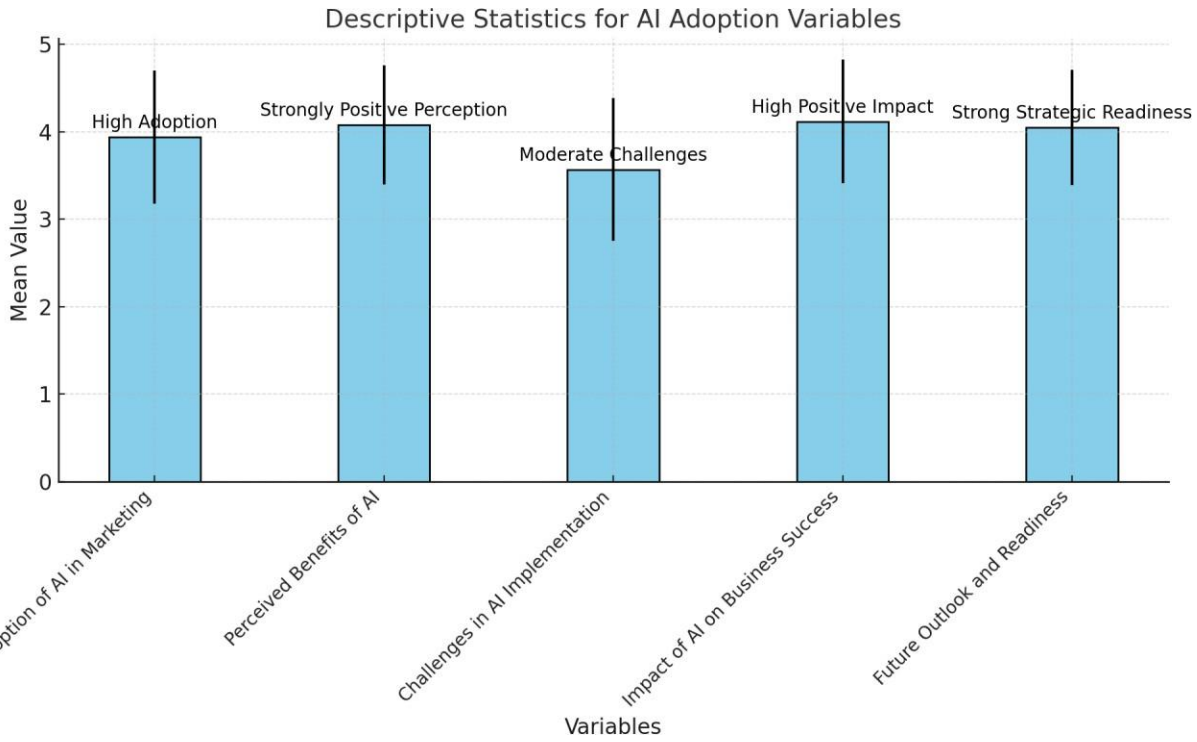

Figure 3: Descriptive Statistics

The descriptive statistics of the key study variables is provided in Figure 3. The findings suggest that the perceptions on the use of Artificial Intelligence (AI) in marketing are positive, in general. The average Adoption of AI in Marketing (M = 3.94, SD = 0.76) indicates that there is high adoption of AI by the firms. The highest mean (M = 4.08, SD = 0.68) was registered in Perceived Benefits of AI, which represents a strongly positive attitude towards the benefits of AI in promoting the performance of the marketing.

In the meantime, Challenges in AI Implementation reflected a relatively lower mean (M = 3.57, SD = 0.82), which means that firms are moderately challenged by the prospect of implementing AI solutions. The construct Impact of AI on Business Success (M = 4.12, SD = 0.71) showed high level of positivity as it was found that the adoption of AI has a significant effect of better business results. Finally, Future Outlook and Readiness (M = 4.05, SD = 0.66) indicates that there is a high level of strategic preparedness of organizations to adopt future progress in AI. In general, Figure 3 validates that the respondents have positive perceptions on the present and future of AI in marketing and business development.

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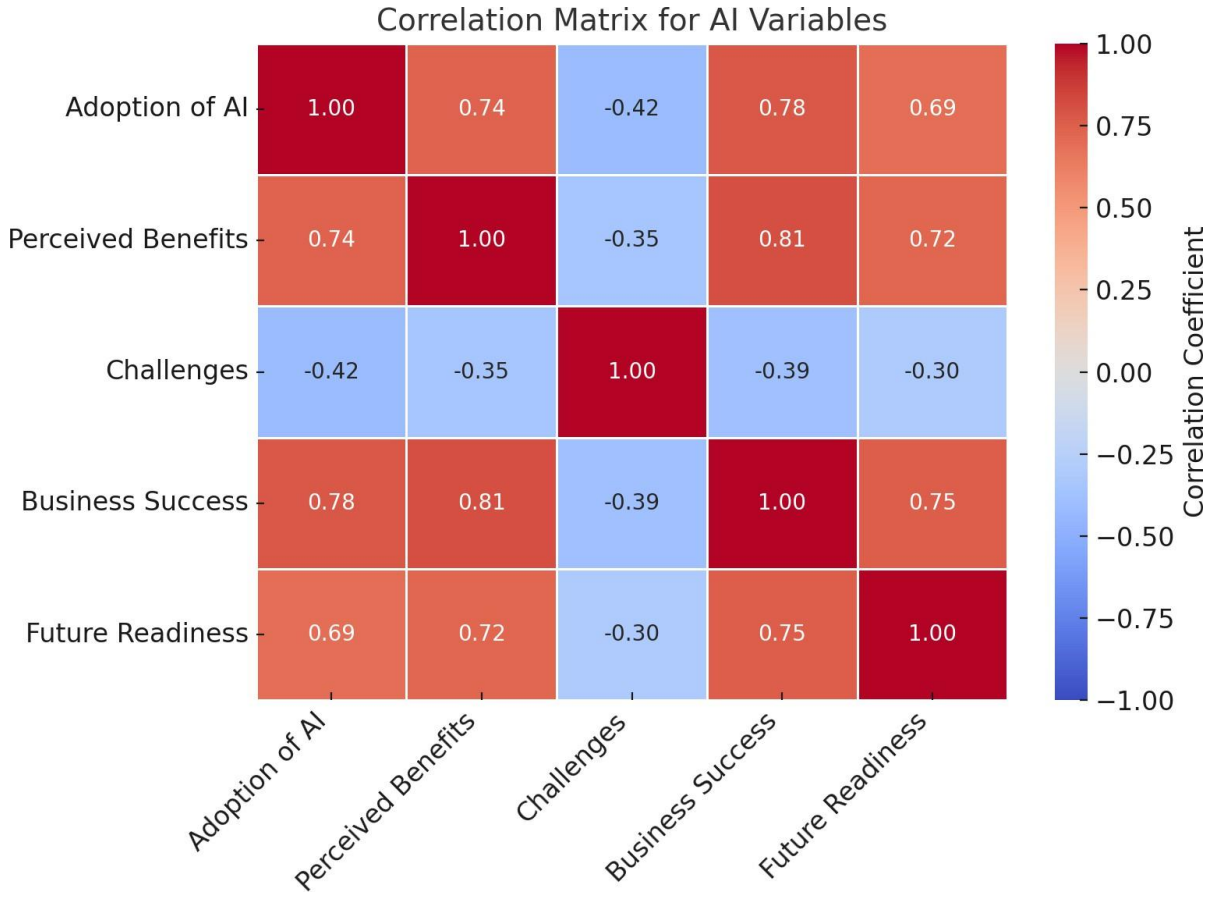

Figure 4: Correlation Analysis

The correlation analysis of the important study variables is presented in figure 4. The outcomes demonstrate the existence of a number of statistically significant relationships at the level of 0.01(2 tailed), which suggests the presence of strong interconnections among constructs. Perceived Benefits (r = 0.74**) and Business Success (r = 0.78**) are positively connected to adoption of AI with high significance, and it is proposed that the stronger AI adoption is the better perceived benefits and organizational performance. Similarly, Future Readiness has a positive correlation with both Adoption of AI (r = 0.69**) and Business Success (r = 0.75**), which indicates that more active in the context of AI companies are more likely to manifest increased readiness to the future technologies.

The Challenges in AI Implementation, in its turn, are negatively correlated with all other variables, especially with Adoption of AI (r = -0.42**) and Business Success (r = -0.39**), meaning that an increase in the level of perceived challenges may become an inhibitor of AI adoption and business success. In general, the Figure 4 validates the hypothesis that there is a positive and strong correlation of AI adoption, perceived benefits, and future readiness, and the implementation challenges serve as a limiting factor to the fulfilment of the potential of AI in marketing success.

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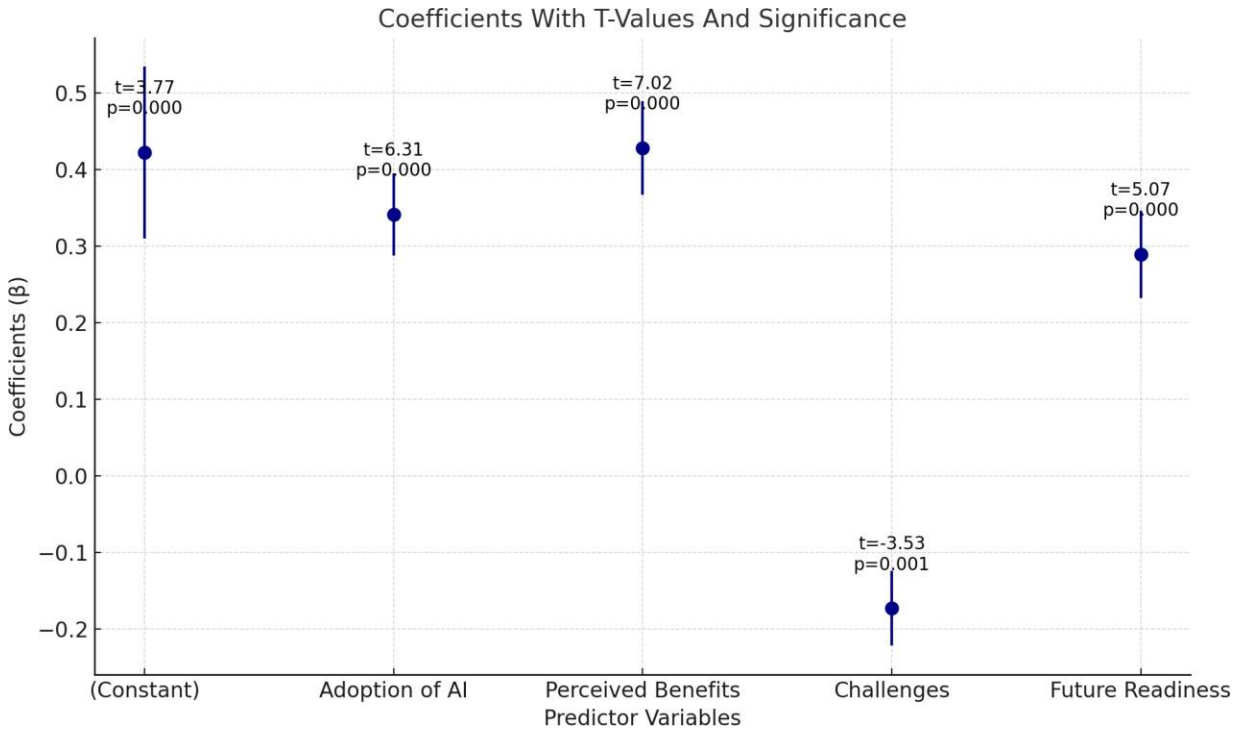

Figure 5: Coefficients

Figure 5 shows the regression coefficients that can be used to demonstrate the predictive power of the main independent variables on Business Success. The model exposes the fact that no single predictor does not play a significant role in explaining business performance variations ($p < 0.01$). The constant ($\beta = 0.422$, $p = 0.000$) value is material, which proves the robustness of the model. Most of the predictors have a positive influence on business success, but Perceived Benefits of AI ($\beta = 0.428$, $t = 7.02$, $p = 0.000$) has the most significant positive impact, which makes it clear that the more an organization understands the benefits of AI, the more successful it becomes. Also, there are significant positive effects of Adoption of AI ($\beta=0.341$, $t = 6.31$, $p = 0.000$) and Future Readiness ($\beta =0.289$, $t = 5.07$, $p = 0.000$), which indicates that the active adoption of AI and willingness to adapt to technological changes positively influence the performance of the business. On the contrary, Challenges in AI Implementation ($\beta = -0.173$, $t = -3.53$, $p = 0.001$) demonstrate a negative impact, which means that the barriers to the benefits of AI adoption in business can be in the way of high costs, technical complexity, or are not the most experienced specialists. In general, Figure 5 confirms that the increased rates of adoption, perceived benefits and future readiness all contribute to the success of business, but implementation challenges are a constraint.

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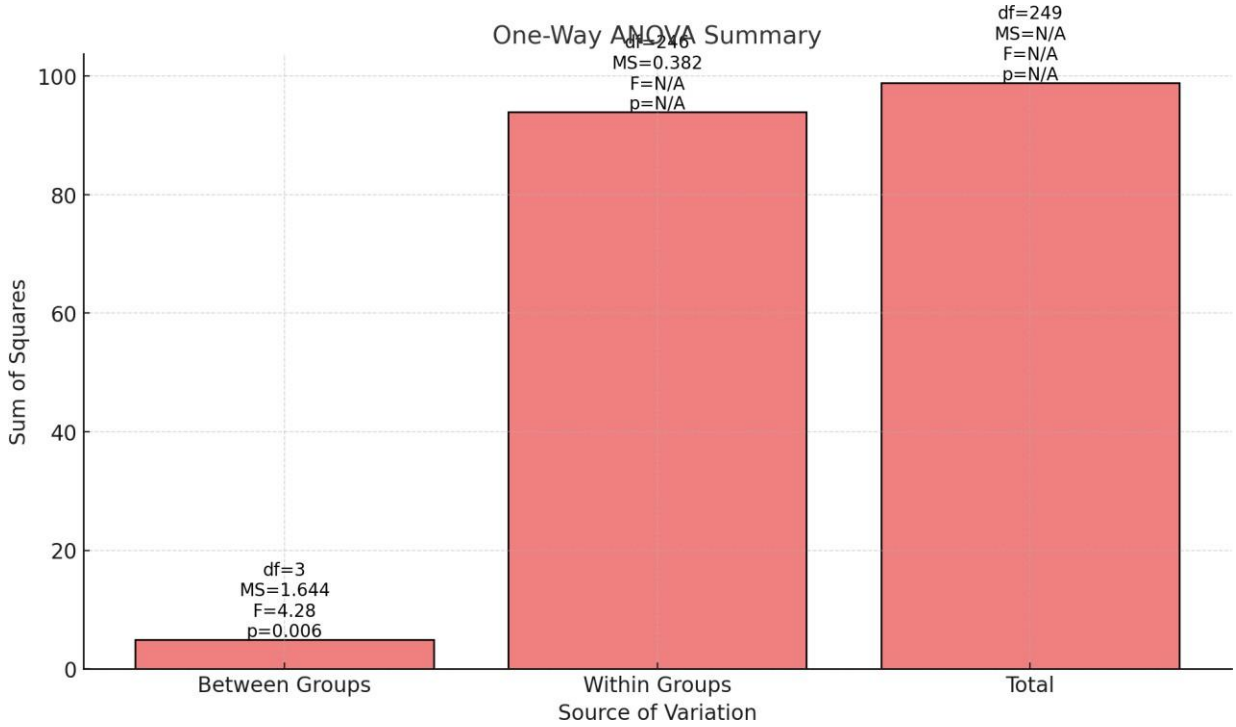

Figure 6: One-Way ANOVA

Figure 6 presents the results of the One-Way ANOVA conducted to examine differences in Business Success across various groups, such as firm size or years of experience. The analysis shows a statistically significant difference between group means ($F = 4.28$, $p = 0.006$), indicating that perceptions of business success vary notably among different respondent categories.

The between-groups sum of squares ($SS = 4.932$) compared to the within-groups sum of squares ($SS = 93.931$) suggests that while most variance lies within groups, the observed between-group variation is significant enough to reject the null hypothesis of equal means.

In general, Figure 6 validates the idea that organizational or demographic variables have a significant impact on the perceptions of the participants on the impact of AI on business success, as there are various experiences and contextual variations in different firms.

Discussion

The implications of the paper findings include illuminating issues of the significance of artificial intelligence (AI) in enhancing the performance of marketing and business success of the small and medium-sized enterprises (SMEs) in the emerging markets. As shown in Figures 1-6, it is observed that the adoption of AI, perceived benefit, and organizational readiness have very strong connections with business success, and barriers to the implementation are a severe hindrance. These findings align with prior research emphasizing that AI serves as a strategic enabler for competitiveness, innovation, and operational efficiency within SMEs (Magableh et al., 2024; Kumar et al., 2024).

Descriptive analysis (Figure 3) revealed that the respondents are positively inclined to the role of AI in marketing performance, and high mean scores are obtained in the area of adoption, perceived benefits and readiness. This is a sign of increasing awareness of AI by SMEs concerning its ability to enhance customer interactions and decision-making. In line with Sharabati et al. (2024), AI-

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solving applications, e.g., predictive analytics, chatbots, and recommendation systems, can help companies improve the targeting accuracy and customer satisfaction and optimize marketing spending. However, the moderate mean for "Challenges in AI Implementation" suggests that resource constraints and technical barriers continue to hinder smooth integration, as previously noted by Omer (2025) and Soni (2023).

The theoretical assumption about the positive impact of AI adoption and perceived benefits on the business success is also confirmed by the correlation and regression analyses (Figures 4 and 5). The high positive relationships between adoption and perceived benefits and performance indicators confirm once again that efficiency and competitiveness in the market can be improved through a proactive implementation of AI in organizations (Basri, 2020; Badghish and Soomro, 2024). Regression outcomes revealed that the perceived benefits (0.428) are the most predictive of business success and emphasize the fact that the awareness and use of AI advantages provide objective performance benefits. Similarly, future readiness emerged as a significant driver, supporting the notion that preparedness and strategic vision are prerequisites for AI-driven transformation (Javaid et al., 2025; Saleem et al., 2024).

On the other hand, the adverse effect of the challenges on the business success underlines the points previously made by Zavodna et al. (2024) and Nair et al. (2024): high implementation costs and issues with data privacy, skills shortages. These limitations curtail the scalability of AI projects and increase the divide between technologically advanced companies and those at the slow end.

The results of the ANOVA (Figure 6) showed that there is a significant difference in the perception of business success in organizational categories, which results in the fact that contextual factors such as the size of firms and the experience of managers influence the degree of influence of AI. This is in line with the observations of Dana et al. (2022) who stated that organizational traits and environmental factors determine the results of digital transformation in new economies.

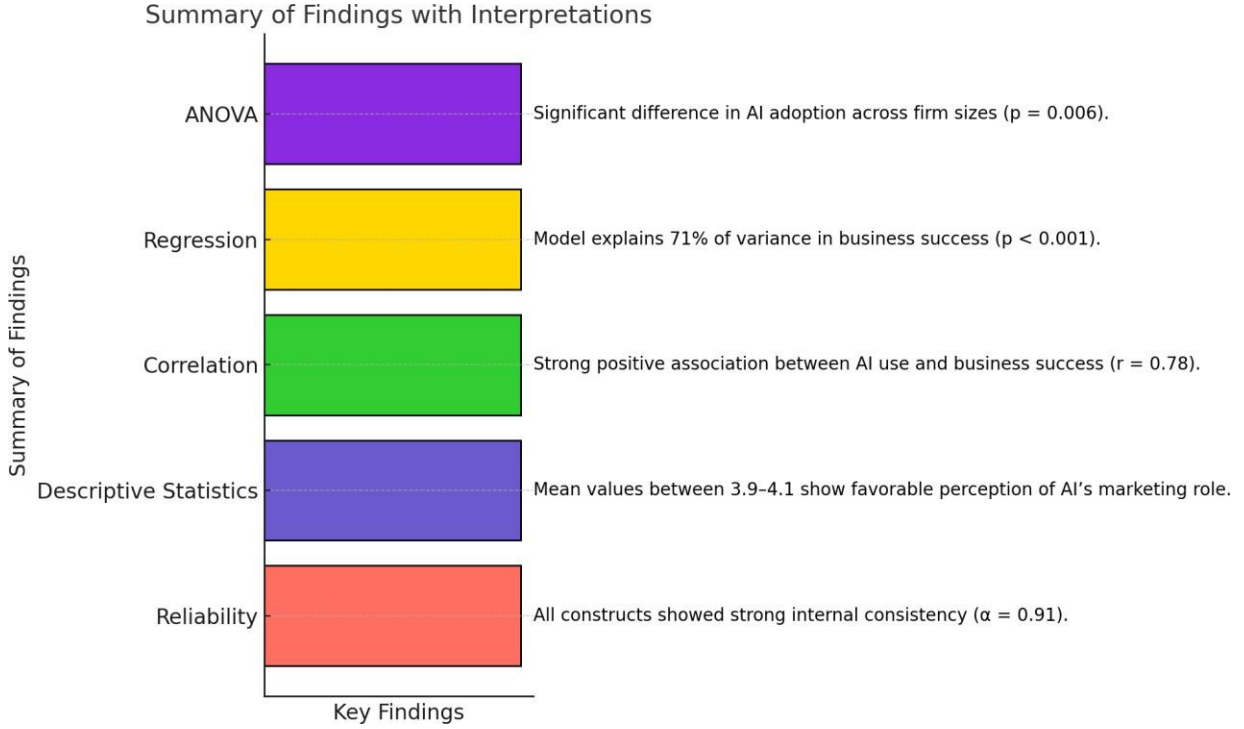

Figure 7: Summary of Findings

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All in all, the discussion provides the conclusion that the adoption of AI can help improve marketing and business performance of SMEs greatly, as long as companies invest in the preparation of readiness, training and strategic integration. In line with the results provided by Mokhtar and Salimon (2022) and Hwang and Kim (2022), the latter approach to AI as a strategic ability will help SMEs to accomplish long-term success. However, the need to fill the gaps in infrastructures, human capital development, and ethical data practices are critical in maximizing the benefits of AI in the marketing area in the long run.

Conclusion and Recommendations

This paper concludes that utilizing Artificial Intelligence (AI) in marketing is critical to the success of business among small and medium-sized enterprises (SMEs) in the emerging economies. It is evident that, with the integration of AI, the marketing efficiency, decision-making, customer interaction will improve, which will result in higher competitiveness and profitability. The results of the analysis confirmed that the constructs of adoption of AI, perceived benefits, and future readiness are relevant success factors in businesses. Companies that proactively adopt AI technologies demonstrate greater rates of performance due to the capabilities of using data-driven information, automation solutions, and personalized customer experiences and operational practices to streamline the customer experience and operational prospects.

Nevertheless, the research article also proves that although the results are positive, there are a number of challenges that still inhibit the maximum potential of AI implementation. Financial constraints, shortage of talents, privacy issues associated with testing and implementation of AI, and insufficient technological infrastructure is troublesome to most SMEs in the full adoption of AI. These difficulties lead to different levels of adoption and dissimilar levels of success among firms. In addition, the analysis indicates that such factors as the size of the firm, experience of managers, and industry type impact the level of AI impact, which suggests that the organizational context and readiness are the key factors in defining the success of AI-driven marketing strategies.

Getting these results, a number of recommendations are offered to make AI adoption and use more convenient by SMEs. First, strategic preparedness should be part of the priorities of SMEs, and that should be done through a culture of innovation and a culture of continuous learning. The management can invest into digital literacy, staff training and develop leadership skills as they can guarantee employees have the expertise and the confidence to make good use of AI tools. Second, companies must ensure that their AI programs are consistent with their business goals and objectives and quantifiable performance metrics to ensure that they maximize the gains of investment. Developing efficient online infrastructure and data security measures will also help to implement the sustainability.

Moreover, the policy-makers and industry regulators ought to provide favorable conditions to facilitate the integration of AI by providing financial assistance, technical assistance, and training to SMEs. Companies, colleges, and IT suppliers can also be essential collaborators that can help in narrowing the skills gap and facilitate innovation. These partnerships would result in affordable and context-driven AI solutions that would align with the demand of resource-bound businesses.

Lastly, because of their technical resources and confidence, SMEs must take a step-by step and strategic approach towards the adoption of AI- by starting with small pilot projects and increasing the scale of their use. Constant monitoring and assessment of the effects of AI on business performance will make the technology maintain a close relation to the aspect of market needs. To sum up, AI use is a disruptive technology which, under the condition that SMEs enhance their

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preparedness, address the challenges of implementation, achieve the long-term vision of the digital transformation, it could produce the substantial improvement of marketing efficiency and business success.

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