https://doi.org/ 10.7251/EMC250V144M
UDK: 007.52:[005.584:339.138
Datum prijema rada: 16. april 2025.
Submission Date: April 16, 2025
Datum prihvatanja rada: 30. juni 2025.
Acceptance Date: June 30, 2025
Časopis za ekonomiju i tržišne komunikacije
Economy and Market Communication Review
Godina/Vol. **XV** • Br./No. **V**
str./pp. 144-156

PREGLEDNI NAUČNI RAD / OVERVIEW SCIENTIFIC PAPER

THE STRATEGIC INTEGRATION OF ARTIFICIAL INTELLIGENCE IN MARKETING: PREDICTIVE ANALYTICS AND PERSONALIZATION - THE CASE OF MERCEDES-BENZ

Mirjana Milovanović | Associate professor, Higher Education Institution Banja Luka College, Banja Luka, Bosnia and Herzegovina, mirjana.milovanovic@blc.edu.ba, ORCID ID: 0000-0003-3746-5517

Vesna Novaković | Associate professor, Pan-European University "Apeiron", Banja Luka, Bosnia and Herzegovina, vesna.p.novakovic@apeiron-edu.eu, ORCID ID: 0000-0002-9495-7940

Abstract: *This paper explores the evolution and growing importance of artificial intelligence (AI) in contemporary marketing, with particular emphasis on predictive analytics, hyperpersonalization, and user engagement. Beginning with the earliest applications in the 1950s through market segmentation algorithms, and continuing with the introduction of Customer Relationship Management (CRM) systems in the 1980s and the rise of big data and machine learning in the 2010s, AI has gradually transformed marketing practices. Modern AI tools facilitate the automation of routine processes, enable large-scale personalization of communication, and provide valuable insights derived from vast datasets. Generative AI, particularly through platforms such as ChatGPT, has revolutionized content creation and consumer interaction by mimicking human language with minimal human input. Recent labor market findings point to the rapid and widespread adoption of AI, especially in marketing and advertising sectors. Predictive algorithms are increasingly employed to anticipate consumer behavior, manage campaigns, and enhance segmentation strategies. Furthermore, the integration of AI with voice assistants, augmented reality (AR), and virtual reality (VR) is opening up new possibilities for real-time, interactive marketing campaigns. Despite challenges related to data integrity and algorithmic transparency, the advantages of AI-driven strategies are substantial, and continued investment in research and innovation is crucial to realizing its full transformative potential. A dedicated section of this paper presents a case study of the global company Mercedes-Benz and its implementation of AI technologies in business operations and marketing strategy.*

Keywords: *artificial intelligence (AI), marketing, predictive analytics, Mercedes-Benz*

JEL classification: *M31, C88, D83, O33*

INTRODUCTION

In the field of marketing, achieving a competitive advantage has always been of paramount importance. Marketers have come to recognize that the application of artificial intelligence (AI) technologies offers opportunities to act more efficiently, target audiences with greater precision, and enhance communication with clients. Accordingly, AI marketing refers to the process of employing artificial intelligence to generate user insights and automate critical marketing decisions. This primarily involves the collection of large datasets, their analysis, the use of natural language processing (NLP), machine learning (ML), big data analytics, and AI platform-based solutions (Figure 1).

The main rationale behind the implementation of AI in marketing lies in its ability to facilitate the creation of hyper-personalized marketing content, extract meaningful insights from customer data, and improve existing marketing strategies. Given the vast volume of data collected from various channels, and the strategic value of leveraging such data, AI technologies have become increasingly important for companies striving to maintain a competitive edge. Artificial intelligence plays a pivotal role in modern marketing strategies, enabling seamless alignment between advertisers and their target audiences. The evolution of AI components tailored specifically for the marketing sector aims to bridge the gap across large-scale datasets by providing marketers with actionable insights to optimize performance(Tadimarri, Gurusamy, Sharma, & Jangoan, 2024). The ability of AI systems to analyze complex data structures and generate useful findings has revolutionized marketing approaches, allowing for more precise and efficient consumer engagement (Russell & Norvig, 2021). AI-powered tools have further simplified content creation, enhanced customer interaction, and improved the overall effectiveness of marketing operations (Rissland & Stillings, 1987).

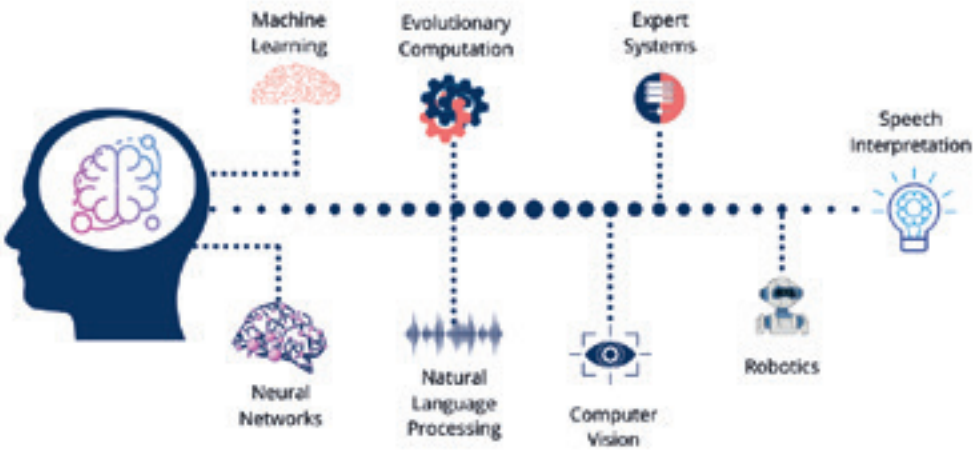

Figure 1. Key functional elements of AI: From neural processing to intelligent automation

Source: (Digital Front, 2024)

Also, recent labor market insights provided by Microsoft reveal that approximately 75% of surveyed employees actively incorporate artificial intelligence (AI)

into their professional tasks, leaving only 25% who have yet to adopt the technology. Among various industries, the marketing and advertising sector exhibited the highest AI adoption rate, with 37% of professionals reporting the use of AI tools in their workflows - surpassing the technology sector by two percentage points, which held the second-highest rate of adoption. In terms of perceived impact, user-reported outcomes underscore AI's role in enhancing workplace productivity and employee experience. A significant 90% of users affirmed that AI contributes to time savings, while 85% stated it enables better concentration on critical tasks. Furthermore, 84% reported that AI fosters creativity, and 83% claimed it increases their overall job satisfaction(Microsoft & LinkedIn, 2024).

According to a study conducted and presented by researchers from the international consulting firm McKinsey, it is stated that **employees are more ready for the change than their leaders imagine: 3 times** more employees are using generative AI for a third or more of their work than their leaders realize. Over **70%** of all employees believe that within **two years**, generative AI will transform **30% or more** of their work. Millennials are 1.4 times more likely than other age groups to report extensive familiarity with generative AI tools.They are also **1.2 times** more likely to expect workflows to change within a year. **Companies need to move fast - employees trust their leaders to balance speed and safety: 47%** of C-suite executives report that their companies are developing generative AI tools **too slowly**, even though **69%** began investing over a year ago. Employees are **1.3 time***s* more likely to trust **their own companies** to deploy generative AI effectively than to trust **external institutions**. **Companies are investing in generative AI but have not yet achieved maturity: 92%** of companies plan to increase investment in generative AI over the **next three years**. Only **1%** believe their current investments have reached **maturity**. **Leaders need to recognize their responsibility in driving generative AI transformation.** The C-suite is **2.4 times** more likely to cite **employee readiness** as the primary barrier to adoption, rather than challenges with leadership alignment - despite employees already using generative AI **three times more** than leaders estimate: **48%** of employees consider **training** the most crucial factor in generative AI adoption. However, nearly half report receiving only **moderate or less** support(Meyer, Yee, Chui, & Roberts, 2025).

THE CHRONOLOGY OF AI IMPLEMENTATION IN MARKETING

Several authors suggest that the application of artificial intelligence (AI) in marketing can be traced back to the 1950s and 1960s, when marketing researchers began employing cluster algorithms to segment markets based on demographic data and purchasing patterns. This is considered one of the earliest examples of AI utilization in marketing. The focus during this period was on fundamental data analysis and consumer segmentation, both of which are foundational elements in marketing. Even seventy years ago, this approach enabled companies to make data-driven decisions for more accurate targeting. This indicates that marketing is one of the fields where AI made its earliest impact.

A significant next step occurred in the 1980s and 1990s with the emergence of Customer Relationship Management (CRM) systems. These systems allowed for the tracking of consumer behavior, shopping habits, and direct interactions with customers. At the same time, companies began engaging in data mining processes involving

large volumes of high-quality customer data. These practices are still widely used today, particularly for direct marketing (targeting customers with the highest likelihood of response), user profiling (to identify behavioral patterns and deliver relevant offers), segmentation (grouping consumers with similar traits), cross-selling, and the analysis of product sales correlations (Milovanović & Novaković, 2025).

With the advancement of digital technologies, which have become deeply integrated into everyday life, there has been an exponential increase in the amount of data relevant to marketing. This "Big Data" wave, especially prevalent from 2010 onward, has become the foundation for machine learning algorithms. The focus of marketing has shifted toward the consumer, who increasingly prefers personalized content and advertisements tailored to individual interests (Milovanović, Miljanović, & Novaković, 2022).

This shift marked a fundamental change in consumer expectations and fostered a transition toward customer-centric marketing models, namely Marketing 4.0 - marketing in the digital age and Marketing 5.0, which leverages advanced technologies to mimic human behavior and create social and human-centered value (Milovanović & Novaković, 2025).

One of the most significant advancements in AI-driven digital marketing has been the development of content generation and optimization tools. Modern platforms utilize natural language processing (NLP) combined with machine learning (ML) algorithms to autonomously generate text, analyze existing content, and optimize key SEO components such as meta tags, keywords, and content structure (Hartmann & Netzer, 2023) (Rasa.io, 2024). The release of ChatGPT and later ChatGPT-4 by OpenAI marked a major leap toward automated content creation that closely resembles human language, requiring minimal human input (Almeida, Gaio, & Gonçalves, 2025)

In addition to content generation, artificial intelligence has significantly transformed the domain of customer service over the past decade. The implementation of chatbots and virtual assistants has enabled uninterrupted interaction with consumers. Companies successfully utilize these tools to provide personalized product recommendations and educational tutorials, thereby enhancing customer experience and increasing engagement in digital environments (Mirosavljević & Milovanović, 2022).

Looking ahead, the application of AI technologies in marketing is expected to expand and evolve further. In particular, predictive analytics is gaining prominence as a means of forecasting consumer behavior based on historical data and behavioral patterns, enabling more precise and strategically grounded decision-making (Okeleke, Ajiga, Folorunsho, & Ezeigweneme, 2024). Additionally, voice search optimization is becoming increasingly important with the growing adoption of digital assistants such as Amazon Alexa, Google Assistant, and similar technologies. This mode of interaction requires a content strategy focused on conversational tone and natural language.

Furthermore, just as human voices can evoke mental imagery without visual cues, artificially generated voices can be deliberately designed to trigger imagined representations in listeners (Efthymiou, Hildebrand, de Bellis, & Hampton, 2023). There is also a growing trend toward integrating AI with augmented reality (AR) and virtual reality (VR), which opens up new possibilities for interactive and personalized marketing campaigns that transcend traditional digital channels. These technologies are collectively reshaping how brands communicate with consumers and are laying the

foundation for a new era of AI-driven digital marketing based on intelligent automation and real-time personalization (Milovanović & Novaković, 2025).

AI AND PREDICTIVE ANALYTICS

The artificial intelligence (AI) market surpassed 184 billion USD in 2024, marking a significant increase of nearly 50 billion compared to 2023. This rapid growth is expected to continue, with projections indicating that the global AI market will exceed 826 billion USD by 2030 (Thormundsson, 2024). As the e-commerce sector expands, traditional advertising models are increasingly insufficient to meet contemporary demands. Consequently, marketing professionals and advertisers are integrating AI technologies into their advertising operations to enhance efficiency, increase productivity, and respond to evolving market expectations (Qin & Jiang, 2019).

In their work, Roetzer and Kaput (2022) emphasize that deepening user engagement must be both data-driven and human-centered. They argue that the current state of AI enables a more concrete realization of anticipatory design — an approach to creating products, services, and user experiences based on the prediction of consumer needs before those needs are explicitly expressed. One illustrative example is a food delivery application that, based on intelligent personalized predictions, suggests a lunch option at the appropriate time and offers delivery based on the user's current location. In this case, the decision-making process is significantly accelerated, as the number of decisions required by the user is minimized (Roetzer & Kaput, 2022).

The integration of artificial intelligence (AI) into digital marketing across platforms such as social media, email marketing, search engine optimization (SEO), mobile applications, and display advertisinghas the potential to significantly enhance consumer engagement with organizations in the online environment. Moreover, the adoption of AI-driven marketing strategies enables businesses to maintain competitiveness amid rapid technological and market changes. One of the key advantages of AI is the automation of repetitive tasks. AI systems can manage routine operations such as pre-scheduling social media posts, distributing email campaigns, generating website traffic analytics, and conducting automated webinars. This allows marketing professionals to shift their focus toward more strategic and creative endeavors, such as customer relationship building and the exploration of emerging marketing channels. AI also improves customer segmentation by analyzing complex datasets using machine learning algorithms. It can categorize consumers based on purchase history, behavioral patterns, and digital interactions, allowing for more targeted and effective marketing efforts. Furthermore, AI's predictive capabilities enable marketers to anticipate customer needs by recognizing trends and patterns in user data, thereby facilitating the development of highly personalized campaigns.

Predictive algorithms play a pivotal role in enhancing modern marketing operations by enabling more efficient campaign management, advanced data analysis and reporting, and streamlined email communication workflows. These algorithms support lead scoring by evaluating the likelihood of conversion, allow for accurate customer segmentation based on behavioral and demographic data, and assist in conversation and sentiment analysis to better understand consumer attitudes and emotional responses across various communication channels (Kumar, Ashraf, & Nadeem, 2024).

The use of AI and predictive analytics is key to delivering customer experienc-

es that not only meet expectations but also foster loyalty and long-term engagement. Event-driven architectures, combined with AI and predictive analytics, are shaping the future of business in the digital era. This process is continuous, requiring all companies to evolve in order to successfully position themselves in the context of the Fourth Industrial Revolution (Verma, Sharma, Deb, & Maitra, 2021).

Moreover, **AI-powered predictive analytics has emerged as a transformative instrument for analyzing market dynamics and consumer behavior.** Its capacity to generate actionable insights and inform strategic decision-making has led to notable changes in business practices across a broad range of industries. AI **driven predictive analytics serves as a critical instrument for identifying market patterns and understanding consumer behavior.** Its capacity to generate data-informed insights and support strategic decision-making processes has significantly influenced business models across multiple sectors. Although certain limitations persist, such as data integrity concerns and algorithmic transparency, the advantages of predictive analytics are considerable, offering substantial potential for **innovation, competitiveness, and long-term growth.**To fully realize these benefits, **ongoing investment in research and technological development remains essential,** enabling firms to respond proactively to rapidly evolving market conditions and maintain a competitive advantage in an increasingly complex business environment (Okeleke, Ajiga, Folorunsho, & Ezeigweneme, 2024). Predictive analytics is a complex form of artificial intelligence (AI) that allows users to predict future trends and events by analyzing past data in a systematized manner. Predictive analytics uses algorithms to apply machine learning and statistical modeling to help marketers predict consumer behavior, trends in the marketplace, and quantify the probable success of marketing campaigns. This ability to think ahead allows the organization to proactively develop adaptive strategies as it is not just a reactive mode of decision-making. When organizations can see evolving likely future scenarios, they can plan their resources more effectively, adapt marketing phrasing to the evolving needs of customers, and respond quickly to changing market dynamics. Thus, the strategic use of predictive analytics supports not only better decision-making but also enhances advantage as companies become more data-driven (Digital Front, 2024).

CASE STUDY: MERCEDES-BENZ

One of the most significant global companies in the automotive sector, Mercedes-Benz is well-known for its dedication to luxury, innovation, and technological superiority. The integration of AI in a variety of fields, such as operations, product development, marketing, customer service, and employee training, will be examined in the sections that follow. The company maintains a strong strategic focus on vehicle electrification, AI implementation, and improving the customer experience despite fierce competition, especially from China. When taken as a whole, these factors help Mercedes-Benz maintain its position as a top brand in the market for luxury automobiles.

AI in Star: Mercedes-Benz's strategic integration of AI

Mercedes-Benz (Mercedes) positions itself as a symbol of luxury, quality, and prestige, targeting the premium market segment of high-income consumers. Its prod-

uct development is driven by innovations encompassing safety systems, electric vehicles, and advanced technologies, while the brand's strength is cultivated through sophisticated design and emotionally resonant marketing campaigns. The company's global strategy is adapted to local markets by taking into account cultural differences and economic conditions. According to recent studies, China emerged as the largest individual market for Mercedes passenger vehicles in 2024, in terms of units sold, surpassing Europe, which had remained the leading regional market until 2020. In the reported year, approximately 683,600 vehicles were sold in China, accounting for over one-third of the company's total global sales of new vehicles. These figures indicate a significant geographical shift in luxury automobile consumption and highlight the growing influence of the Chinese market on the global automotive industry (Carlier, 2025).

While independently developing and managing its hardware and software infrastructure, Mercedes also engages in strategic partnerships with major technology companies such as NVIDIA, Google, and Microsoft to enhance its AI capabilities. These collaborations support advancements in autonomous driving, production optimization, digital twins, personalized navigation, and intelligent voice assistants collectively improving user experience and operational efficiency. Sustainability and social responsibility are integrated into the company's core strategy, further solidifying its position as a global leader in the luxury automobile segment.

Mercedes actively incorporates generative artificial intelligence into its production and administrative processes, particularly through the MO360 platform. This platform allows the company to create a digital twin of its entire vehicle production process, interlinking data from domains such as assembly, logistics, planning, and quality control. This virtual model facilitates the simulation and pre-optimization of manufacturing processes, resulting in enhanced efficiency and reduced CO_2 emissions.

The company is also exploring ways to expand the platform through integration with other sectors, aiming to promote continuous learning and innovation across the organization. By automating routine tasks, AI enables more creative forms of work. Mercedes regards continuous education as essential for successful digital transformation and the adaptation to new roles within the evolving workplace.

Through its "Turn2Learn" initiative, the company provides employees across all departments, not limited to IT with AI training. This includes access to thousands of courses on machine learning, programming, and natural language processing. They plan to invest over €2 billion in upskilling and educating its global workforce by 2030, ensuring a transformation in knowledge and, consequently, in job roles. They are already productive in applying generative AI, utilizing tools such as GitHub Copilot for software development and ChatGPT for customer interaction and data handling within the MO360 production environment. By leveraging large language models, employees are enabled to use natural language for data queries, thereby bringing AI capabilities closer to all sectors within the organization. The greatest potential for AI has been identified in software development, customer support, and parametric engineering, alongside the ongoing development of training in prompt engineering. One of the main challenges remains the issue of "hallucinations", inaccurate responses, which are mitigated through verification mechanisms but require careful management. Mercedes trains its AI models exclusively on proprietary data within secure environments, while

also exploring open-source solutions. The company emphasizes that AI must be deeply embedded within all systems and processes (Mercedes-Benz, 2023).

The Mercedes-Benz Operating System (MB.OS) has been developed as an integrated solution that enables a functional decoupling of software updates from vehicle hardware components. This architectural advancement significantly accelerates the software upgrade process compared to previous systems. Its integration with the Mercedes-Benz Intelligent Cloud (MIC), which leverages advanced artificial intelligence methodologies, ensures that vehicles remain continuously updated. Furthermore, the global distribution of software optimizations within a matter of hours substantially enhances the real-time safety, reliability, and quality of vehicles. Within the framework of a case study conducted for this research, it was found that Mercedes-Benz is the first automotive manufacturer to have formally established a set of ethical principles guiding the development and deployment of artificial intelligence (AI). These principles constitute the foundation of the company's approach to digital transformation and the implementation of AI technologies across all sectors of operation ranging from manufacturing and product development to customer service, administration, and legal compliance.

Official company statements emphasize that the primary purpose of these ethical principles is to reinforce trust between this company and its customers, partners, and the general public. Additionally, the principles serve as a practical guide for employees, offering clear directions for the responsible, safe, and transparent use of AI in everyday tasks. In this way, they not only underscores its commitment to technological innovation but also to ethics, integrity, and corporate social responsibility in the era of digitalization. This proactive and systematic approach may serve as a model for other industries facing the complexities of responsible AI implementation in dynamic business environments.

They have adopted a responsible use framework in applying AI, maintaining that AI must generate real-world benefits and align with the company's core values. Every AI application undergoes a transparent evaluation process to ensure that it promotes efficiency, fairness, and inclusiveness. One of the central pillars of this framework is explainability, which fosters trust by ensuring clarity regarding the parameters influencing AI decision-making and recognizing potential biases.

Privacy protection constitutes the third foundational element of the company's AI ethics. Personal data are processed locally, in accordance with legal standards, and anonymized whenever feasible. Finally, safety and reliability are treated as top priorities, with a focus on the conscientious training of algorithms and the application of the highest quality standards, particularly in the context of autonomous driving systems.

The overarching goal of utilizing AI at Mercedes is to enhance vehicle safety, comfort, and efficiency. The autonomous driving system employs AI algorithms to analyze sensor data, enabling the vehicle to make independent decisions and respond in real time. Through predictive maintenance, vehicles can detect potential faults before they occur, thereby reducing costs and improving safety. Personalization of the user experience is achieved by learning driver preferences and automatically adjusting settings such as climate control and seat position. The AI-powered voice assistant, integrated into the MBUX system, allows drivers to manage vehicle functions without diverting attention from the road. Lastly, advanced AI-driven safety features facilitate

rapid recognition and response to hazards, significantly decreasing the risk of accidents.

Artificial Intelligence in Mercedes-Benz marketing

One of the key innovations within Mercedes-Benz's digital strategy is the Mercedes-Benz Virtual Assistant (MVA), an AI-powered sales assistant based on a large language model. This assistant facilitates test drive bookings and initiates the vehicle purchasing process using natural language. Within the realm of e-commerce, tools like MVA are transforming the way customers explore and purchase vehicles, effectively making the digital showroom an extension of the physical dealership. The assistant's user interface enables rapid product and service search, significantly enhancing the overall customer experience. Following a successful pilot in the United States, the company also plans to integrate AI into its call centers to improve responsiveness to customer inquiries.

The company further aims to use AI for personalized marketing strategies, as well as to enhance the functionality of its websites through improved data management and user interaction. Moreover, these technologies will be essential in developing the next generation of advanced driver assistance systems (ADAS) (Bureau, 2024).

Customer experience lies at the heart of the company's approach, supported by luxury showrooms, tailored services, and premium after-sales support. To attract a younger audience, they use digital marketing, social media and virtual tools such as online consultations and immersive vehicle tours.

In terms of internal marketing, in November 2023, they launched an internal web application called Direct Chat for its employees. This tool, powered by ChatGPT technology, assists staff in drafting emails, reports, documentation, and other professional materials (Mercedes Benz, 2023). The company is actively pursuing a direct-to-consumer (DTC) sales model, redefining how vehicles are sold and experienced. Through the *Mercedes me* platform, users can remotely interact with their vehicles, access personalized services, and receive predictive maintenance alerts. By reducing reliance on traditional dealerships, the company offers online purchasing, flexible financing, and subscription-based ownership. Integration of AI into systems like MBUXimproves user experience, enhances customer loyalty, and contributes to revenue growth.

The future of artificial intelligence offers vast potential in software development, vehicle manufacturing, environmental sustainability, and user experience improvement including autonomous driving, intelligent navigation, personalized comfort, and voice control. Mercedes-Benz positions itself at the forefront of this technological revolution, delivering this future directly to its vehicle users (Östberg, 2023). Figure 2 illustrates the artificial intelligence tools and platforms employed by Mercedes-Benz across multiple domains, including operations, product development, marketing, customer support, and employee training.

Figure 2. AI tools and platforms utilized by Mercedes-Benz up to the year 2024.

Source: created by authors according to research

To conclude this paper, we will derive the 7P marketing mix in the context of applied marketing based on the data presented (Milovanović & Novaković, 2025).

• *Product:* Mercedes-Benz's vehicle portfolio, from the luxurious S-Class to the dynamic AMG GT, demonstrates exceptional diversity and the ability to satisfy a wide range of customer desires. Their vehicles stand out not only in variety but in advanced technological innovations. In 2023, the company invested approximately €7 billion in research and development, resulting in advanced systems such as MBUX, which adapts to driver habits, and DRIVE PILOT, a semi-autonomous driving system enhancing comfort and safety.

• *Price:* Their vehicles are in the premium price segment, averaging around 160,000 KM (~80,000 €), which signifies quality and prestige. According to recent financial reports, the company experienced a 4.5% decline in global vehicle sales, with its market value currently estimated at €90 billion. In 2024, vehicle sales fell by 9% in Germany and 7% in China, while the U.S. market grew by 9%. However, with the introduction of U.S. punitive tariffs, projections for 2025 suggest potential further decline.

• *Place:* The company operates global manufacturing facilities strategically located in countries such as Germany, Poland, Romania, Czech Republic, Slovenia, China, Thailand and USA, enabling it to respond to regional demands. A strong network of sales and service centers, along with continuous investment in research and development centers, ensures superior service quality and maintains the brand's leadership in innovation.

• *Promotion:* The company implements sophisticated and emotionally driven promotional campaigns that emphasize luxury, safety, and innovation. Marketing content often features inspirational storytelling, celebrity endorsements, and impactful visuals that portray the brand as a symbol of success and prestige. With a strong emphasis on digital marketing, Mercedes-Benz leverages social media, video campaigns, and virtual car tours to reach digitally literate younger audiences. Sponsorship of sports and cultural events, as well as collaborations with fashion and tech brands, further reinforce its luxury market positioning.

• *Physical evidence:* The brand's modern showrooms, conveniently located and equipped with high-end design and expert personnel, offer tangible proof of luxury. The interior of Mercedes-Benz vehicles features premium materials and cut-

ting-edge design. The company boasts a global dealership network of over 6,500 authorized outlets across 130+ countries.

Figure 3. The 7P marketing mix of Mercedes-Benz in the context of applied marketing, based on the analyzed data for 2024.

Source: created by authors according to research

• *People:* The Mercedes-Benz ownership experience is deeply shaped by its people (~56,000), from engineers to customer service representatives. As previously discussed, the company continually invests in employee training in both technical skills and customer interaction. Programs such as Turn2Learn and AI-focused education ensure that the workforce remains a driver of digital transformation. Personalized service from well-trained employees helps foster trust and long-term customer loyalty.

• *Process:* Every step of the sales and delivery process is meticulously managed to ensure a seamless, luxurious customer journey. Digital transformation enables direct-to-customer sales, online vehicle configuration, and transparent delivery tracking. Through AI systems like the MO360 Data Platform, the company is continuously improving its manufacturing processes and customer service. These optimized, intelligent, and personalized workflows give customers more than just a vehicle - they deliver a superior experience (Figure 3).

CONCLUSION

This paper demonstrates how artificial intelligence (AI) is changing how marketing is conducted in today's world. From segmentation and modeling-based algorithms to machine learning and generative-based models, AI has developed into a key enabler of hyperpersonalization and predictive decision-making as it relates to marketing strategies. When companies deploy AI, they utilize it in a positive way to not only automate tedious and time consuming processes, but to produce customized, data-driven experiences that meet the digital consumer's expectations. Using AI enhances marketing workflow efficiencies, accelerates responsiveness to changing dynamics, and continually propels innovation in organizational strategy across all communica-

tion channels. For instance, predictive analytics allow marketers to forecast consumer behavior reliably, and to make strategic plans with the highest possible accuracy. AI also assists in anticipatory design to buoy a solid progression in marketing strategies from reactive to proactive. he data case study from Mercedes-Benz illustrated how AI can be embedded into all layers of a business and still remain compliant with ethical standards. From sales and customer service to internal operations and production, AI (via platforms such as MO360 and MBUX and programs such as Turn2Learn) offers opportunities for both customer value and employee capacity building. Their commitment to fairness, explainability and data privacy offers standard for responsible use of AI. The 7P Marketing mix informs how intelligent automation and digital integration change each dimension of marketing. The integration of the marketing strategy in alignment with AI reflects how a Business model is embracing a twenty-first consumer sentiment with technology. Widespread fear about transparency, data governance and use has not slowed adoption of AI, the potential benefits are too useful, and endless. In conclusion, who moves early to adopt AI use within their operational practice will create a sustainable competitive edge in the ongoing digital marketplace transformation.

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