

## **AI-Infused Personalization: A Catalyst for Transforming the Retail Marketing Mix (4A)**

**Nima Taraghi, Enrico Scarso**

University of Padova  
(Department of Management and Engineering)

### **Abstract**

In the era of digitalization, evolving customer needs influence purchasing behavior and pricing dynamics, prompting adaptations in the marketing operational model (Davenport et al., 2019; Stone et al., 2020; Bin & Abdul Lasi, 2021; Gołąb-Andrzejak, 2023), facilitated by emerging Artificial Intelligence (AI) technologies (Kumar et al., 2021). AI, defined as a suite of software tools emulating human-like cognitive abilities, extends beyond robotics, significantly influencing daily life (Kumar et al., 2019). Due to limited studies on AI's impact on the marketing mix (Stone et al., 2020; Nanayakkara, 2020; Bin & Abdul Lasi, 2021), a research gap persists in exploring new marketing mix models considering AI-enabled tools and processes. This paper, based on the analysis real-case examples, investigates the transformative impact of Artificial Intelligence (AI) on marketing strategies, providing a conceptual model, and highlights the pervasive integration of AI in marketing strategies, reshaping the traditional marketing mix (Nanayakkara, 2020). Emphasizing AI's role in strengthening customer-marketer connections through personalized marketing, with a focus on segmentation, targeting, and positioning decisions (Huang & Rust, 2021), the study positions the traditional marketing mix (Product, Price, Place, and Promotion or 4Ps) as a foundation. The paper contends that AI-driven personalization transforms the marketing mix into a dynamic system termed 4A: AI-Advanced Offerings, Adaptive Pricing, AI-driven Distribution Networks, and Aligned Marketing Approaches. Acknowledging the evolving AI and marketing landscape (Stone et al., 2020), the study provides insights for scholars and practitioners.

**Keywords:** Artificial Intelligence, Case example, Conceptual model, Digitalization, Marketing strategy