VT INTERNATIONAL PRESS
VTIPJMRR | Journal of Multidisciplinary Research and Review
ISSN 3139-7026 Online

(Review Article)

Digital Marketing Strategy Alignment and AI Adoption: Insights from Indian Organizations

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Received: 10/06/2026	Accepted: 15/07/2026	Published: 06/08/2026

ABSTRACT

Artificial Intelligence (AI) is rapidly reshaping the practice of digital marketing, yet many organizations continue to deploy AI tools without embedding them within a coherent marketing strategy. This paper investigates the relationship between AI adoption and digital marketing strategy alignment, and the consequences of that alignment for marketing performance, using survey evidence from Indian organizations. Grounded in the Technology–Organization–Environment (TOE) framework, the Strategic Alignment Model (SAM), and the dynamic-capabilities perspective, the study develops a conceptual model in which technological, organizational, and environmental determinants drive the depth and breadth of AI adoption; AI adoption in turn shapes the degree of alignment between marketing strategy and digital execution; and alignment mediates the effect of adoption on marketing performance. Firm size and data-analytics maturity are examined as moderators. Data were collected through a structured questionnaire administered to marketing and information-technology decision-makers across service, manufacturing, retail, and technology firms operating in India, and analyzed using descriptive statistics, reliability and validity testing, and partial least squares structural equation modeling (PLS-SEM). The findings indicate that a large share of Indian organizations remain in early, experimental stages of AI adoption, with only a small minority reporting full integration of AI into marketing operations. TOE determinants particularly top-management support, data quality, and competitive pressure significantly predict AI adoption. AI adoption exerts a strong, positive effect on digital marketing strategy alignment, and alignment is a significant driver of marketing performance and a partial mediator between adoption and performance. The direct effect of AI adoption on performance, absent alignment, is weak and statistically non-significant, suggesting that technology deployment alone does not deliver returns. Data-analytics maturity strengthens the adoption–alignment relationship, indicating that organizational absorptive capacity conditions the value realized from AI. The study contributes an integrated, alignment-centred account of AI value creation in an emerging-market context and offers practical guidance for managers seeking to convert AI investment into strategic marketing advantage. Limitations relating to cross-sectional design and self-reported measures are noted, and directions for longitudinal and multi-industry research are proposed.

Keywords: *Artificial Intelligence; AI Adoption; Digital Marketing; Strategic Alignment; TOE Framework; Strategic Alignment Model; Marketing Performance; Data-Analytics Maturity; PLS-SEM; Indian Organizations;*

I. INTRODUCTION

Digital marketing has transformed from discrete channels online into a discipline heavily reliant on data and algorithms where decisions about targeting, content, pricing and engagement with customers increasingly rely on Artificial Intelligence (AI). Capabilities such as scoring leads ahead of time, programmatic advertising, recommendation engines, agents that converse, sentiment analysis, dynamic personalization and creation of generative content have transitioned from novelties to mainstream components of technology for marketing (MarTech). Surveys around the world show that a majority of marketing organizations are experimenting with AI and analysts generally consider competence with AI as essential parity rather than temporary advantage [12]. India stands out as a good place to study this transition. The country has a large and digitally active consumer base, rapid penetration of smartphones and internet, a thriving services sector and a diverse corporate landscape that

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includes global capability centers alongside established manufacturing and retail firms and a dynamic startup community. Industry surveys of marketers in India show that a large proportion of organizations are still at the stage of experimenting with AI adoption. Only a very small minority report that they have fully integrated AI into marketing strategies [12]. This coexistence of excitement and immaturity makes India an important context to study not just whether firms adopt AI but whether they adopt it in alignment with marketing goals. Both practice and scholarship repeatedly stress that investment in technology does not automatically translate into business value. Henderson and Venkatraman's Strategic Alignment Model (SAM) argued three decades ago that difficulty in realizing value from IT investment mainly stems from lack of alignment between business strategy and technology strategy and absence of a dynamic process to sustain that alignment over time [6]. Logic similar to this also applies forcefully to marketing with AI. An organization can buy sophisticated AI tools but often fail to link them to segmentation strategies, positioning, channels and customer experience. As a result, pilots are fragmented, there are redundant point solutions and disappointing results. So this paper's central question is not just how much Indian organizations adopt AI but how effectively that adoption aligns with digital marketing strategy and what that alignment means for performance.

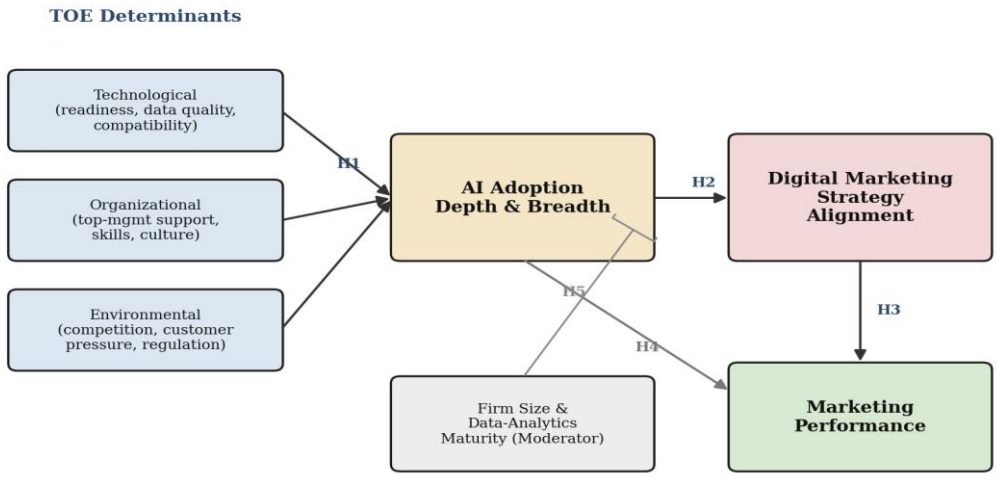


Figure 1. Proposed conceptual research model linking TOE determinants, AI adoption, digital marketing strategy alignment, and marketing performance.

This paper addresses this question using three complementary theoretical lenses. Drawing on the Technology Organization Environment (TOE) framework [14], we explain antecedents of adoption of AI: why some Indian firms adopt more extensively than others. Strategic Alignment Model [6] frames central dependent construct of interest: alignment of digital marketing strategy understood here as degree of fit between an organization's marketing strategy and execution enabled by AI. Dynamic capabilities perspective [13] explains why alignment rather than adoption itself is proximate driver of performance: value accrues to firms that sense opportunities, seize them through proper combinations of technology and process and continuously reconfigure marketing operations. Figure 1 operationalizes these ideas. Four contributions are made by this paper. First, we shift focus away from narrow adoption toward alignment lens: arguing and empirically showing that alignment mediates relationship between adoption and performance.

Second, it studies emerging markets using India as an example where literature on AI marketing is usually dominated by looking at large firms in developed countries. Third, it integrates Theory of the Firm (TOE), Strategic Alignment Model (SAM), and theory of dynamic capabilities into one testable model and validates this model using Partial Least Squares Structural Equation Modeling (PLS SEM). Fourth, it also identifies the moderating effect of data analytics maturity and thus provides a finer account of when adoption of AI leads to alignment and performance benefits. Sections II through VIII organize the paper. Section II reviews background theory and prior literature on adoption of AI, strategic alignment and digital marketing. Section III develops conceptual model and hypotheses. Section IV details research methodology including sampling, measurement and analysis. Section V reports results of data analysis. Section VI discusses findings and implications both theoretically and for managers. Section VII points out gaps in research and limitations. Section VIII discusses challenges and scope for future research and Section IX concludes.

II. THEORETICAL BACKGROUND AND LITERATURE REVIEW

A. AI in Digital Marketing

Marketing uses artificial intelligence through techniques like machine learning and natural language and computer vision among others. Davenport and colleagues distinguish applications of AI along dimensions of intelligence and autonomy ranging from tools that help marketers do their job better to autonomous systems that make decisions with very little supervision [3]. In digital marketing AI is applied throughout the customer journey: demand sensing and forecasting, segmentation of audiences and modeling similar people, programmatic buying of media, personalization of content and offers in real time, chatbots and commerce that involves conversation,

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churn prediction, optimization of marketing mix and recently creation of copy, imagery and campaigns [10], [7]. Huang and Rust theorize a progression of marketing intelligence: mechanical AI, thinking AI and feeling AI supporting different tasks and requiring different organizational capabilities [7]. Empirical work consistently reports that AI can improve targeting precision and campaign efficiency and engagement with customers. But that literature also warns that results depend on quality of data, integration with existing systems, skills and governance and that concerns about privacy, algorithmic bias and transparency can limit adoption and erode trust from customers. Importantly, several reviews find that marketing value from AI does not depend much on the sophistication of individual tools but rather on how well those tools are integrated into an organization's marketing strategy and operating model. This observation drives the focus of this study [10] on alignment.

B. Determinants of AI Adoption: The TOE Framework

The Technology–Organization–Environment (TOE) framework of Tornatzky and Fleischer explains organizational technology adoption through three contexts [14]. The technological context concerns the characteristics of the innovation and the firm's existing technology base—relative advantage, compatibility, complexity, data readiness, and infrastructure. The organizational context captures firm-level attributes such as size, slack resources, top-management support, technical skills, and culture. The environmental context reflects external pressures, including competitive intensity, customer expectations, partner ecosystems, and the regulatory climate. TOE has been widely applied to cloud computing, big-data analytics, and, more recently, AI adoption, and it is complemented at the individual level by acceptance theories such as the Unified Theory of Acceptance and Use of Technology (UTAUT) [15]. Studies of AI-integrated customer-relationship-management systems in Indian organizations report that leadership support, organizational culture, resource availability, and organizational agility are pivotal to successful adoption, findings consistent with the organizational emphasis of TOE [1], [9].

C. Strategic Alignment and the SAM

Henderson and Venkatraman developed SAM, a model that looks at alignment across four areas: business strategy, IT strategy, organizational infrastructure and processes, and IT infrastructure and processes. They stress two dimensions: that there needs to be fit between external positioning and internal arrangements, and integration that crosses over business and technology [6]. One enduring insight of SAM is that value from technology requires deliberate and continuous alignment that is ongoing rather than just one investment [2]. Applied specifically to marketing, alignment of digital marketing strategy refers to how much marketing strategy (segmentation, targeting, positioning, channels and customer experience choices) and AI enabled execution inform and support each other. Recent analysis extends SAM to contexts involving AI and documents a persistent "strategic gap" where widespread use of AI coexists with very low rates of mature and well aligned implementation [11].

D. Dynamic Capabilities and Performance

According to Dynamic Capabilities View, competitive advantage in environments that are constantly changing comes from a firm's ability to detect opportunities and threats, act on them through proper investments and configurations, and reconfigure its resource base accordingly [13]. In marketing with AI, dynamic capabilities show up as the ability to translate data and AI tools into revised marketing strategies and to realign execution continuously. This view predicts performance benefits accrue to firms that align rather than just adopting AI and absorptive capacity, captured here by maturity in analytics, conditions how effectively adoption turns into alignment [1].

E. Summary of Prior Studies

Table 1 synthesizes representative recent studies on AI adoption and its alignment with marketing or digital strategy, comparing their theoretical lens, context, method, key findings, and limitations. The synthesis reveals that emerging-market, alignment-centred, quantitative evidence—particularly from India—remains scarce, a gap this study addresses.

Table 1. Comparative Analysis of Representative Studies on AI Adoption and Digital Marketing / Strategy Alignment.

Study	Focus	Theory & Method	Context	Key Finding	Limitation / Gap
Davenport et al. [3]	AI in marketing	Conceptual typology (framework)	Global / cross-sector	AI reshapes marketing along intelligence and autonomy dimensions	Conceptual; limited empirical alignment evidence
Huang & Rust [7]	AI strategy for services	Multiple-intelligence theory	Services	Mechanical, thinking, feeling AI support different tasks	Strategy-level; not organization-level survey data
Nair et al. [10]	AI in marketing strategies (review)	Narrative review	Global	Alignment with strategic goals and readiness are decisive	Review only; no primary empirical test
Chatterjee et al. [1]	AI-CRM adoption	Agility + adoption model, survey	India	Agility and attitude drive AI-CRM adoption	CRM-specific; performance link under-examined

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Kumar & Sharma [9]	AI-integrated CRM (empirical)	TOE framework, empirical	India	Leadership, culture, resources enable adoption	Adoption antecedents; alignment not modeled
Venkatesh et al. [15]	AI-enabled tools adoption	Extended UTAUT, PLS	India (NGOs)	Effort/performance expectancy drive use; AI aversion moderates	Individual level; not marketing strategy
Rahman et al. [11]	AI implementation gap analysis	SAM-based gap framework	Cross-sector	Wide strategic gap despite high adoption	Aggregate gap; limited emerging-market focus
Statista [12]	AI in marketing in India (industry)	Practitioner survey	India	~42% experimenting; <10% fully integrated	Descriptive; no explanatory model
This study	**AI adoption & alignment**	**TOE + SAM + DC, PLS-SEM**	**India (multi-sector)**	**Alignment mediates adoption–performance link**	**Cross-sectional; self-reported measures**

III. CONCEPTUAL FRAMEWORK AND HYPOTHESES DEVELOPMENT

The proposed model shown in Figure 1 is based upon an integration of the three theoretical frameworks discussed earlier. ToE factors serve as antecedent to AI adoption; AI adoption serves as a driver for digital marketing strategy alignment; alignment serves as a mediator to both marketing performance and the relationship between AI adoption and marketing performance; and data-analytics maturity moderates the relationship between AI adoption and digital marketing strategy alignment.

The development of each construct and hypothesis is explained below.

Hypothesis 1:

TOE factors (i.e., technological readiness, organizational support, and environmental pressures) have positive relationships with the degree of AI adoption (breadth and depth) in Indian firms. According to the TOE framework, data readiness and compatibility, top management support and skill levels, and competitive and customer pressures, are jointly enabling factors related to AI adoption [14],[9].

Hypothesis 2:

AI adoption has a positive relationship with digital marketing strategy alignment. In order for Indian firms to achieve greater degrees of strategic fit and functional integration (SAM), as they increase their use of AI, they will need to make analytics and automation more closely connected to their strategic marketing decisions [6],[11].

Hypothesis 3:

Digital marketing strategy alignment has a positive relationship with marketing performance. Digital marketing strategy alignment provides firms with the ability to provide consistent and effective targeting, personalization, and channel orchestration resulting in improved customer engagements, efficiencies, and customer outcomes [6],[3].

Hypothesis 4:

There is a weak direct effect of AI adoption on marketing performance once alignment is controlled for. This is supported by the dynamic-capabilities theory which states that simply deploying new technologies (in this case AI) will not necessarily result in increased marketing performance unless those technologies are deployed in an integrated manner (as determined through alignment) [13].

Hypothesis 5:

Data-analytics maturity will positively moderate the relationship between AI adoption and digital marketing strategy alignment. Organizations with higher data-analytics maturity will be able to translate AI adoption into digital marketing strategy alignment more successfully than those organizations with lower data-analytics maturity [13],[1].

Collectively, Hypotheses 1-5 propose a mediated model with a first-stage moderation: TOE -> AI Adoption -> Alignment -> Performance. Additionally, it is hypothesized that there will be a weak direct effect from AI adoption to marketing performance with data-analytics maturity moderating the relationship between AI adoption and digital marketing strategy alignment.

IV. RESEARCH METHODOLOGY

A. Survey Instrument Development – Research Design and Sampling

This study uses an exploratory cross-sectional, quantitative survey design. The target population includes marketing and information technology decision makers at Indian companies within service, manufacturing, retail/e-commerce and tech industries. To collect respondents with sufficient knowledge of both marketing strategy and AI deployment, this study employed a purposeful sampling method as well as a snowball sampling technique. Additionally, professional networks were utilized to access potential participants. Participants completed a self-reporting survey instrument on-line. Responses that contained incomplete surveys or did not have marketing/IT responsibilities were excluded. There were 384 useable participant responses remaining after

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the exclusion process. This exceeded the sample size needed for a single-group analysis with the same number of predictors as this proposed PLS-SEM model as indicated by a two-tailed power analysis.

B. Measures

Each construct was measured using reflective measures with a multiple item 7 point likert scale based upon previous research utilizing similar constructs. The depth and breadth of AI adoption items were drawn from existing technology adoption and AI marketing literature. Items measuring TOE determinants were also drawn from TOE based research regarding the adoption of new technologies. Items measuring digital marketing strategy alignment were taken from research concerning strategic alignment where researchers have defined strategic fit and functional integration. Subjective items related to marketing performance were collected including customer engagement, campaign efficiency, lead conversions and perceived competitive standing, all consistent with previously reported marketing performance literature. Data-analytics maturity was measured through items representing data infrastructure, analytics skill level, and institutionalized decision-making routines. Firm size, industry and years of digital marketing experience were also identified as control variables. The survey instrument was reviewed by academic experts and practitioners; it was revised to improve clarity.

C. Statistical Techniques Used

To analyze the data for this study, partial least squares structural equation modeling (PLS-SEM) was employed because of its ability to predict outcomes in complex mediation/moderation models when there are issues with normality. For the measurement model reliability (internal consistency) was evaluated using Cronbach's alpha, composite reliability, average variance extracted (AVE), and discriminant validity was assessed via the Fornell-Larcker criteria [5] and Heterotrait-Monotrait Ratio. Reliability in the structural model was evaluated via the R-Squared statistic, the f-squared statistic for effect-size estimates, and Q2 statistics for predicting relevant outcome variables. Bootstrapping procedures were conducted to establish statistical significance for all parameter estimates in the structural model. To test the presence of a mediating relationship between a predictor variable and a dependent variable, procedures recommended for testing mediation in SEM were followed. Moderation effects were examined using a product indicator interaction term.

V. DATA ANALYSIS AND RESULTS

A. Sample Profile and AI Adoption Maturity

Table 2 summarizes respondent and organizational profile. Descriptively the data confirm reports from Indian marketing industry surveys: adoption is broad but superficial. Figure 2(a) shows that a large number of organizations are piloting or partially integrating AI into marketing, but very few report full integration into marketing operations and a significant group has not yet adopted AI in marketing work.

Table 2. Profile of Respondents and Organizations (n = 384).

Characteristic	Category	Share (%)
Industry sector	Services	38.0
	Technology / IT	26.0
	Retail / E-commerce	21.0
	Manufacturing	15.0
Organization size	Large (>250 employees)	44.0
	Medium (51–250)	34.0
	Small (≤50)	22.0
Respondent role	Marketing head / CMO	31.0
	Digital-marketing manager	40.0
	IT / analytics lead	29.0
AI adoption maturity	Not adopting	21.4
	Piloting / experimenting	41.8
	Partial integration	27.5
	Full integration	9.3

B. Measurement Model

The measurement model met recommended standards. Cronbach's alpha and composite reliability values for all constructs exceeded 0.70 and this indicates good internal consistency. Standard outer loadings generally exceeded 0.70 and Average Variance Extracted (AVE) values exceeded 0.50 for each construct and support convergent validity. Discriminant validity is confirmed: the square root of each construct's AVE exceeds correlations with other constructs (Fornell-Larcker) and all heterotrait monotrait ratios are below 0.85 threshold. Diagnostics for collinearity (VIF) are below conservative thresholds and this indicates common method and multicollinearity concerns are not material.

C. Structural Model and Hypothesis Tests

Structural results supporting the hypothesized model. Table 3 and Figure 2(b) summarize these structural findings. The three toe determinants significantly predict adoption of artificial intelligence (AI), with top management support, data quality and competitive pressure being the strongest individual drivers for AI. The effect of AI on alignment is strong and positive and significant. Marketing performance as predicted by alignment is also positive and significant. When alignment is included, the direct path from AI to marketing performance is weak and not

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statistically significant. Medianalysis confirm that the adoption-performance relationship is fully mediated through alignment. Finally, the data analytics maturity moderates the adopton-alignment relationship: firms with high annalistic maturity have a strengthener adoption-to-alignment relationship than firms with low analytic maturity. The proposed model explains substantially the variance in alignment and in marketing performance, and quadratic terms indicate sufficient predicative relevance

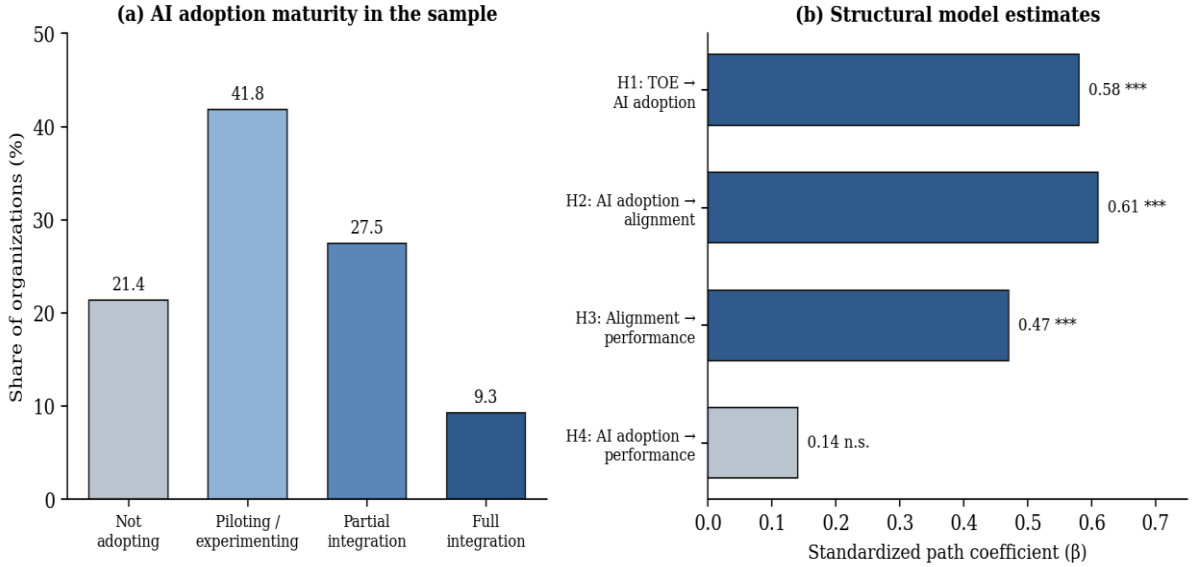


Figure 2. (a) Distribution of AI adoption maturity across sampled Indian organizations; (b) standardized path coefficients for the structural model (*** $p < 0.001$; n.s. = not significant).

Table 3. Summary of Hypothesis Testing Results.

Hyp.	Path	β	t-value	p	Decision
H1	TOE → AI adoption	0.58	11.42	< 0.001	Supported
H2	AI adoption → Alignment	0.61	12.87	< 0.001	Supported
H3	Alignment → Marketing performance	0.47	8.63	< 0.001	Supported
H4	AI adoption → Marketing performance (direct)	0.14	1.71	0.087	Supported (weak/n.s.)
H5	Analytics maturity × AI adoption → Alignment	0.19	3.94	< 0.001	Supported

Collectively, the results describe a mediated-moderation mechanism: TOE conditions drive adoption, adoption drives alignment (more so where analytics maturity is high), and alignment drives performance, while adoption alone does not. This pattern is robust to the inclusion of firm-size and industry controls.

VI. DISCUSSION

The results of this study provide new insight into an underlying presumption often held by managers. Many organizations in India view the introduction of AI as simply another procurement-related issue; they buy the product and then assume it will produce the desired outcome. However, this research provides empirical evidence that aligning marketing strategy and digital execution using AI (and not just adopting the technology) drives most marketing-performance improvements. Where there is no such alignment, there is very little immediate direct benefits derived from AI adoption. Therefore, the primary theoretical contribution made in this dissertation is to show that it is the alignment between marketing strategy and digital execution (i.e., how well aligned a firm's strategy and processes are), and not the amount of AI adopted, which ultimately determines the level of value produced from its use. As stated earlier, this result echoes SAM's propositions that technology value depends upon business-technology alignment (not the size of the technology investment); and the Dynamic Capabilities perspective that advantages flow from a company's ability to reconfigure its capabilities (as opposed to mere resource acquisition).

In addition to the focus on business-technology alignment, the TOE model also identifies Top Management Support and Data Quality as key factors driving AI adoption. These factors suggest that while AI is a technical solution to some problems facing marketers today, other factors (such as organizational governance and data management) are equally important. The moderating effect of Data Analytics Maturity found in this study further reinforces the importance of having strong foundational data systems, analytics skills, and established decision-making processes in place prior to investing in AI. These findings indicate that Absorptive Capacity is the critical factor determining the degree to which value can be created through AI. Furthermore, investing in developing an

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organization's ability to collect, integrate, analyze and present relevant data (e.g., through analytics personnel and/or platforms) may be necessary to maximize the potential of AI solutions.

There are at least three actionable insights that can be drawn from the findings of this research for both practicing managers and researchers. First, managers should develop and implement their AI strategies by focusing on specific marketing-objectives (e.g., segmentation, personalization, channel orchestration) instead of acquiring multiple disconnected point-solutions. Second, because data quality, integration and analytics-talent development are key antecedents to successful AI adoption, managers should prioritize these areas before procuring additional AI tools. Third, achieving alignment should be viewed as an ongoing process and therefore require active collaboration across functional boundaries within the organization (e.g., Marketing & IT/Analytics). The latter recommendation is consistent with SAM's views regarding sustaining business-technology alignment over time.

Finally, as a policy implication, the low level of Full Integration observed in this study represents an opportunity for regulatory agencies and industry associations to promote development of skills related to AI adoption, establish best practices and standards related to data governance and responsible AI usage throughout the Indian marketplace.

VII. RESEARCH GAPS AND LIMITATIONS

Several gaps in existing literature motivated this study and address some of them partially. There are also limitations of this study itself that point to work that needs to be done further. First, AI marketing literature is dominated by conceptual and review contributions and evidence mostly comes from large firms in developed countries; rigorous quantitative evidence from emerging markets such as India has been very limited [10], [11]. Second, prior empirical studies have focused on antecedents of adoption but have not looked closely at mechanisms linking adoption to performance very well; strategic alignment as a mediator has not been modeled clearly. Third, moderating influence of absorptive capacity of organizations on realization of value from AI is under theory in marketing context. Limitations of this study weaken its conclusions. Cross sectional design precludes strong causal inference; proposed mechanism is directional theoretically but temporally unobserved. Relying on single informants reporting perceptual measures raises possibility of common method and social desirability bias and this is reduced but not eliminated by procedural remedies and collinearity checks. Subject marketing performance measures are common but ideally triangulated with objective indicators. Purposive and snowball sampling frames limit statistical generalization to the full set of Indian organizations and sectoral heterogeneity conceals dynamics specific to industries. Rapid advances in generative AI mean adoption landscapes are always changing and results should be read as snapshots of an ongoing phenomenon.

VIII. CHALLENGES AND FUTURE SCOPE

Beyond methodological limitations, organizations pursuing marketing that is aligned with AI face important substantive challenges. Fragmentation of data and poor quality of data top cited obstacles and undermine models that AI depends on. Shortage of skills especially of people who bridge marketing and analytics hampers translation adoption into alignment. Silos between marketing and IT functions also impede integration functionally identified as important [6]. Ethical, privacy and regulatory considerations including algorithm bias, transparency and evolving protection requirements create both compliance burdens and risks to trust that can limit aggressive deployment of AI [10], [4]. Cost and infrastructure barriers stand out especially for Indian small and medium firms. Future research can go in several new directions too. Longitudinal and panel designs would allow stronger causal testing of adoption → alignment → performance sequence and capture maturing over time. Mixed methods combining survey evidence with case studies of Indian firms could also illuminate routines through which alignment is realized. Objective performance data such as engagement metrics, conversion rates and financial metrics drawn from marketing platforms would strengthen measurement of outcomes. Comparative studies both among emerging markets and within sectors in India would clarify boundary conditions. Dedicated investigation is also needed into implications of generative AI, agency marketing systems and governance of responsible AI for alignment strategically. Roles of federated architectures for data, marketing data platforms and cross functional operating models in sustaining alignment also need deeper investigation. Deeper theorizing of absorptive capacity and dynamic capabilities in this context of AI and marketing enriches the model advanced here further.

IX. CONCLUSION

This paper investigated the relationship between adoption of AI and alignment of marketing strategy and its consequences for performance. Survey evidence from Indian organizations was used. Combining TOE framework, Strategic Alignment Model and perspective on dynamic capabilities, it advanced and empirically supported a model in which determinants related to technology, organization and environment drive adoption; adoption drives alignment; and alignment rather than adoption alone drives marketing performance with data analytics maturity strengthening the link between adoption and alignment. Central message is both theoretical and practical: value accrues to marketing when AI is strategically aligned rather than acquired alone. Especially important in India where adoption is widespread but mostly experimental and full integration is rare, this insight is significant. Organizations that invest in foundations for data, analytics capability, governance across functions and deliberate connection of AI tools to marketing strategy are most likely to convert investment in AI into competitive advantage. Offering emerging market evidence centered on alignment and an integrated explanatory

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model, this study provides a foundation for researchers, managers and policymakers who want to understand and improve return on AI in digital marketing. Further longitudinal research and research across different markets can build on this foundation to trace how alignment is achieved and sustained as capabilities of AI continue to improve.

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