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International marketing in the digital and artificial intelligence era: Algorithmic intermediation, consumer engagement, and strategic transformation

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Abstract
Digital transformation acceleration and the diffusion of Artificial Intelligence (AI) have profoundly reshaped international marketing strategy, challenging foundational assumptions of classical international marketing theory. Traditional models largely built on firm-centric control, country-based segmentation, and linear internationalization processes struggle to explain marketing behavior in digitally mediated global environments characterized by platforms, algorithms, and data decision systems. This study examines how international marketing tactics are reconfigured in the digital and AI era, emphasizing the role of algorithmic intermediation, consumer engagement metrics, and strategic adaptation across borders. Drawing on primary quantitative data collected through structured questionnaires administered to international marketing professionals, digital strategists, and industry experts, the study empirically investigates the effectiveness of AI-enabled marketing tactics in international contexts. The research identifies four dominant dimensions of contemporary international marketing strategy: algorithmic personalization, AI market intelligence, engagement-oriented performance metrics, and trust-based governance mechanisms. The findings indicate that engagement and algorithmically mediated tactics exert a stronger influence on perceived international marketing effectiveness than traditional market-based approaches. The study contributes to international marketing theory by integrating insights from digital internationalization and AI research, offering a reconceptualization of international marketing strategy under conditions of algorithmic governance. Managerial and policy implications for firms operating in AI global markets are discussed.

Keywords: International marketing, artificial intelligence, digital internationalization, algorithmic intermediation, consumer engagement, global marketing strategy

1. Introduction
International marketing has historically been conceptualized as a structured managerial process through which firms expand, adapt, and coordinate marketing activities across national markets characterized by cultural, institutional, and economic heterogeneity (Cavusgil *et al*., 2014; Kotabe & Helsen, 2020) [4, 21]. For decades, dominant international marketing frameworks have emphasized strategic decision-making by firms, the relevance of national borders, and relatively stable market structures. These assumptions, however, are increasingly misaligned with the realities of digitally mediated global markets.

The diffusion of digital technologies and more recently, Artificial Intelligence has fundamentally altered the mechanisms through which firms interact with international markets. Digital platforms, data infrastructures, and algorithmic systems now mediate visibility, access, and exchange between firms and consumers across borders, compressing geographical distance and reshaping competitive dynamics (Alcácer *et al*., 2016; Dagnino & Resciniti) [2]. In this context, international marketing is no longer executed solely through firm-controlled channels but increasingly unfolds within algorithmically governed ecosystems.

Research on digital internationalization has documented how internet based and online enabled firms leverage digital infrastructures to accelerate foreign market entry, reduce transaction costs, and reach global audiences with unprecedented speed (Etemad *et al*., 2010; Eduardsen & Ivang, 2016) [13, 12]. Yet, the emergence of AI introduces a qualitatively different layer of transformation. Algorithms not only facilitate international marketing

activities but actively shape market outcomes by ranking, recommending, filtering, and personalizing offerings in real time.

This shift has profound implications for international marketing tactics. Visibility in foreign markets is increasingly contingent upon algorithmic relevance rather than traditional variables such as country-of-origin, physical presence, or standardized branding strategies. Consumer interactions are continuously monitored, quantified, and translated into engagement metrics that feed back into algorithmic decision systems, creating dynamic and non-linear feedback loops (Wedel & Kannan, 2016; Kannan & Li, 2017) [30, 20].

Despite growing scholarly attention to digital transformation and AI in marketing, international marketing theory has yet to fully integrate these developments into its core conceptual frameworks. Much of the existing literature remains fragmented, either focusing on digital internationalization processes without explicitly addressing AI, or examining AI marketing tactics without sufficient consideration of cross-border dynamics. As a result, a theoretical and empirical gap persists between classical international marketing models and the algorithmically mediated realities of contemporary global markets.

The present study aims to cover this gap by examining how international marketing tactics are transformed in the digital and AI era. Specifically, it investigates the strategic role of algorithmic intermediation, consumer engagement metrics, and trust-building mechanisms in shaping international marketing effectiveness. Based on empirical evidence from international marketing professionals, the study aims to contribute to the ongoing reconceptualization of international marketing strategy under conditions of digital and AI transformation.

2. Literature Review

2.1 International marketing and its structural constraints

Traditional international marketing theory emerged in a context where firms exercised substantial control over marketing channels, communication, and market entry strategies. Foundational debates centered on standardization versus adaptation, export intensity, and country-level segmentation as determinants of international performance (Levitt, 1983; Douglas & Wind, 1987) [23, 10]. These models implicitly assumed that markets were relatively stable and that managerial decisions translated directly into market outcomes.

However, as digital technologies diffused globally, marketers began to question the adequacy of these assumptions. The rise of internet enabled internationalization challenged the relevance of gradual, stage-based models by enabling firms particularly SMEs and digital ventures to internationalize rapidly and non-linearly (Gabrielsson & Gabrielsson, 2011; Vadana *et al*., 2021) [15, 28]. Digital channels reduced information asymmetries, lowered entry barriers, and facilitated direct interaction with foreign consumers.

Yet, even early digital internationalization research largely treated digital technologies as enabling tools rather than as autonomous market actors. Firms were still conceptualized as the primary agents of strategy, with technology serving a supportive role. This perspective becomes increasingly problematic in AI environments, where algorithmic systems actively influence consumer choice, market visibility, and competitive positioning (Gillespie, 2018) [17].

2.2 Digital internationalization

The literature on digital internationalization highlights how firms leverage internet technologies to coordinate international activities, acquire foreign market knowledge, and scale operations globally (Witek-Hajduk & Grudecka, 2021; Elia *et al*) [31]. Digital platforms, in particular, have emerged as critical infrastructures that enable cross-border exchange while simultaneously reshaping power relations between firms and markets.

Platforms such as global e-commerce marketplaces, social media networks, and digital service ecosystems operate as intermediaries that structure market access and govern interactions through proprietary algorithms (García-Canal *et al*., 2024) [16]. For international marketers, participation in these ecosystems entails both opportunity and constraint. While platforms provide immediate access to global audiences, they also impose algorithmic rules that firms cannot fully control.

The concept of algorithmic intermediation captures this shift by emphasizing how algorithms function as gatekeepers that filter, rank, and recommend market offerings (Alaimo & Kallinikos, 2021) [1]. In international contexts, this intermediation transcends national boundaries, creating a form of algorithmic globalization in which market dynamics are shaped by data logic rather than territorial segmentation.

2.3 Artificial intelligence and transformation of marketing tactics

AI has accelerated and deepened the transformation of digital internationalization by enabling advanced personalization, predictive analytics, and automated decision making. Marketing tactics increasingly rely on machine learning models that analyze consumer behavior at scale, allowing firms to tailor content, pricing, and communication to individual users across markets (Huang & Rust, 2021; Davenport *et al*., 2020) [19, 9].

In AI environments, consumer engagement metrics such as interaction frequency, session duration, and repeat behavior serve as critical signals of relevance and quality. Algorithms incorporate these metrics into ranking and recommendation systems, effectively transforming engagement into a strategic resource (Wedel & Kannan, 2016) [30]. As a result, international marketing effectiveness becomes contingent upon continuous behavioral feedback rather than static market analysis.

At the same time, AI tactics raise concerns related to transparency, trust, and ethical governance. Marketers emphasize that algorithmic opacity, data privacy risks, and perceived manipulation can undermine consumer trust, particularly in cross-border contexts where institutional expectations differ (Cumming *et al*., 2023; Feliciano-Cestero *et al*., 2023) [8, 14]. These issues highlight the need to integrate trust building mechanisms into international marketing strategy.

2.4 Research gaps and conceptual positioning

Despite significant advances, existing research exhibits three critical gaps.

First, international marketing theory has not fully incorporated algorithmic intermediation as a central analytical construct.

Second, empirical evidence on how AI tactics affect international marketing effectiveness remains limited.

Third, practitioner based insights into strategic adaptation under AI governance are underrepresented.

This study underlines these gaps by empirically examining how international marketing professionals perceive and deploy AI tactics in global markets. By integrating insights from digital internationalization, AI marketing, and international business research, the study offers a comprehensive framework for understanding international marketing strategy in the digital and AI era.

3. Methodology

3.1 Research design

This study adopts a quantitative, cross-sectional research design to empirically investigate the transformation of international marketing tactics in the digital and AI era. A survey approach was selected as the most appropriate method for capturing perceptions, practices, and strategic evaluations from professionals directly engaged in international marketing decision-making.

Survey is widely used in international marketing and digital strategy research due to their ability to capture latent strategic elements such as perceived effectiveness, engagement orientation, and algorithmic dependency that are not directly observable (Elia *et al*; Feliciano-Cestero *et al*., 2023) [14]. Moreover, this approach allows for statistical generalization across professional contexts while maintaining methodological rigor. The research framework integrates insights from digital internationalisation theory, AI marketing, and algorithmic intermediation, operationalizing these perspectives into measurable elements suitable for multivariate statistical analysis.

3.2 Sampling, data collection, measurement

Data were collected using a structured online questionnaire administered between September and October 2025. The target population consisted of professionals with direct involvement in international marketing strategy, including international marketing managers, digital marketing strategists, consultants in global marketing and digital transformation, senior professionals working with AI marketing tools.

A total of 234 questionnaires were collected. After data screening procedures removal of incomplete responses, straight lining detection, and consistency checks 168 questionnaires were deemed valid and retained for analysis, yielding an effective response rate of 71.8%.

This sample size exceeds commonly accepted thresholds for multivariate analysis, including multiple regression and exploratory factor analysis (Hair *et al*., 2019) [18], ensuring sufficient statistical power.

All elements were measured using Likert scales (1 = strongly disagree, 7 = strongly agree), adapted from established scales in international marketing, digital strategy, and AI research, and reworded to reflect the international and AI-mediated context.

The questionnaire consisted of five sections:

1. **Algorithmic personalization**
   Measures the extent to which firms rely on AI systems for personalized content, recommendations, and targeting across international markets.
2. **AI market intelligence**
   Captures the use of AI for market sensing, predictive analytics, and real time decision making in foreign markets.
3. **Engagement oriented metrics**
   Assesses the strategic importance attributed to engagement indicators (e.g., interaction rates, dwell time, repeat usage) in evaluating international marketing performance.
4. **Trust and governance orientation**
   Measures perceived importance of transparency, ethical AI use, data protection, and consumer trust in international marketing activities.
5. **International marketing effectiveness**
   Serves as the dependent construct, capturing perceived effectiveness of international marketing tactics in terms of visibility, customer acquisition, and strategic adaptability.

3.3 Analysis

Data analysis was conducted using SPSS and followed a four stage procedure, a. Descriptive Statistics to examine sample characteristics and variable distributions, b. Reliability Analysis using Cronbach's alpha to assess internal consistency, c. Exploratory Factor Analysis to validate construct dimensionality, d. Multiple Regression Analysis to test the impact of AI marketing dimensions on international marketing effectiveness. To empirically assess the impact of AI international marketing tactics, the following regression model was specified:

$$IME_i = \beta_0 + \beta_1 AP_i + \beta_2 AIMI_i + \beta_3 EOM_i + \beta_4 TGO_i + \varepsilon_i$$

Where:

- IME_i= International Marketing Effectiveness
- AP_i= Algorithmic Personalization
- $AIMI_i$= AI Market Intelligence
- EOM_i= Engagement-Oriented Metrics
- TGO_i= Trust and Governance Orientation
- ε_i= error term

Internal consistency was assessed using Cronbach's alpha, calculated as:

$$\alpha = \frac{k}{k-1}\left(1 - \frac{\sum \sigma_i^2}{\sigma_T^2}\right)$$

where k is the number of items, σ_i^2 item variance, and σ_T^2 total variance.

All elements exceeded the recommended threshold of $\alpha \geq 0.70$, indicating satisfactory reliability.

4. Results

The descriptive statistics provide an initial overview of how international marketing professionals perceive and deploy digital and AI tactics in cross-border contexts. As shown in Figure 1 and Table 1, all examined elements exhibit relatively high mean values, indicating widespread adoption and strategic importance of AI approaches in contemporary international marketing.

Engagement Oriented Metrics (EOM) display the highest mean score (M = 5.88, SD = 0.76), suggesting that practitioners increasingly prioritize behavioral indicators such as user interaction, dwell time, and repeat engagement over traditional exposure metrics when assessing international marketing performance. This finding reflects a broader strategic shift toward engagement centric evaluation

frameworks, consistent with recent research emphasizing the role of consumer interaction in algorithmically mediated environments (Wedel & Kannan, 2016; Kannan & Li, 2017) [30, 20].

Algorithmic Personalization (AP) and AI Market Intelligence (AIMI) also demonstrate elevated mean values (M = 5.61 and M = 5.47, respectively), indicating that AI technologies are extensively used to tailor marketing content and to support real-time decision-making across international markets. The relatively moderate dispersion of responses suggests convergence among professionals regarding the strategic relevance of these tools, regardless of industry or geographic focus.

Trust and Governance Orientation (TGO) exhibits a slightly lower, yet still substantial, mean score (M = 5.32, SD = 0.91). This indicates that while ethical AI use, transparency, and data governance are recognized as important, they may be perceived as secondary to performance considerations in day-to-day international marketing practice.

Results indicate a high overall adoption of AI and engagement based marketing practices among international marketing professionals.

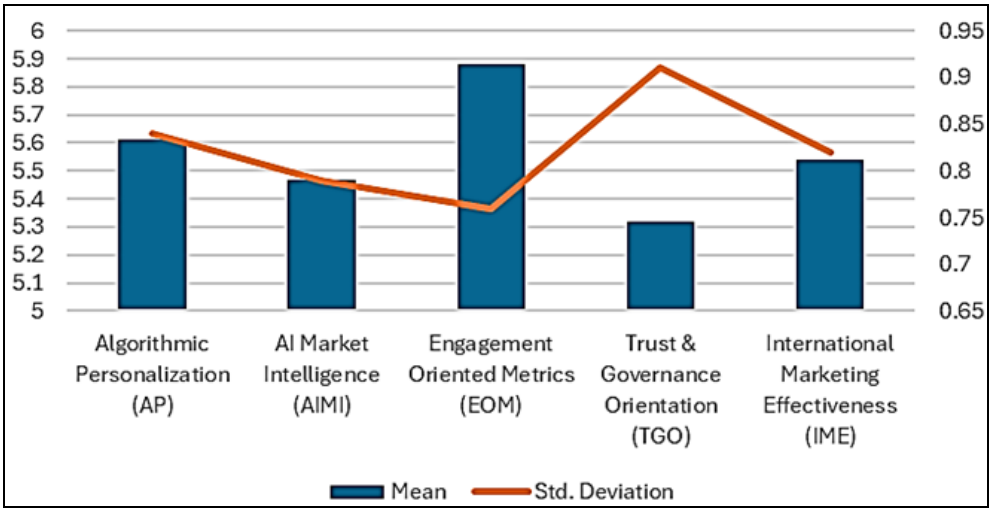

Fig 1: Adoption of AI and engagement marketing practices

Table 1: Descriptive statistics

Element	Mean	Std. Deviation
Algorithmic Personalization (AP)	5.61	0.84
AI Market Intelligence (AMI)	5.47	0.79
Engagement Oriented Metrics (EOM)	5.88	0.76
Trust & Governance Orientation (TGO)	5.32	0.91
International Marketing Effectiveness (IME)	5.54	0.82

The reliability analysis confirms the internal consistency of all multi-item elements revealed in the study (Figure 2, Table 2). Cronbach's alpha values range from 0.81 to 0.89, exceeding the recommended threshold of 0.70 for exploratory and confirmatory research (Hair *et al*., 2019).

The highest reliability coefficient is observed for Engagement-Oriented Metrics (α = 0.89), reinforcing the robustness of this construct as a coherent representation of engagement-based strategic evaluation. Similarly, International Marketing Effectiveness (α = 0.88) demonstrates strong internal consistency, suggesting that respondents share a common understanding of what constitutes effective international marketing outcomes in digitally mediated environments.

These findings support the suitability of the measurement model for subsequent multivariate analyses and indicate that the elements reliably capture distinct, yet interrelated, dimensions of AI international marketing strategy.

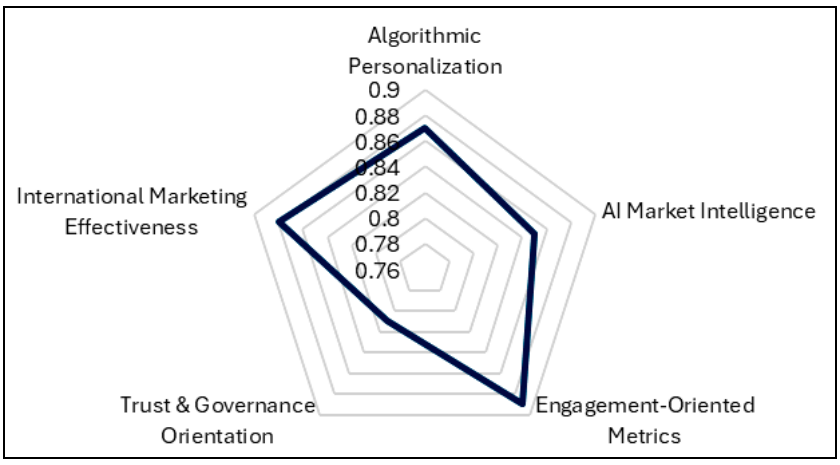

Fig 2: Reliability and internal consistency of elements

Table 2: Reliability coefficients

Element	Cronbach's α
Algorithmic Personalization	0.87
AI Market Intelligence	0.85
Engagement-Oriented Metrics	0.89
Trust & Governance Orientation	0.81
International Marketing Effectiveness	0.88

The correlation analysis (Figure 3, Table 3) reveals statistically significant and theoretically meaningful relationships among the examined elements. All correlations are positive and significant at the 0.01 level, indicating a high degree of interdependence among AI marketing practices.

Engagement Oriented Metrics show the strongest correlation with International Marketing Effectiveness (r = 0.71, p<0.01), suggesting that firms that systematically monitor and optimize engagement signals tend to report superior international marketing outcomes. This result empirically reinforces the argument that engagement functions as a central performance signal in algorithmically governed global markets.

Algorithmic Personalization and AI Market Intelligence also exhibit substantial correlations with International Marketing Effectiveness (r = 0.59 and r = 0.57, respectively). These findings indicate that personalization and predictive analytics contribute meaningfully to perceived effectiveness, although their impact appears to be mediated by engagement-based mechanisms.

Notably, Trust and Governance Orientation demonstrates a moderate but significant correlation with International Marketing Effectiveness (r = 0.48). This suggests that ethical and governance considerations are not merely normative concerns but are empirically linked to performance perceptions, potentially through their influence on consumer trust and long-term engagement. Engagement-oriented metrics exhibit the strongest correlation with international marketing effectiveness.

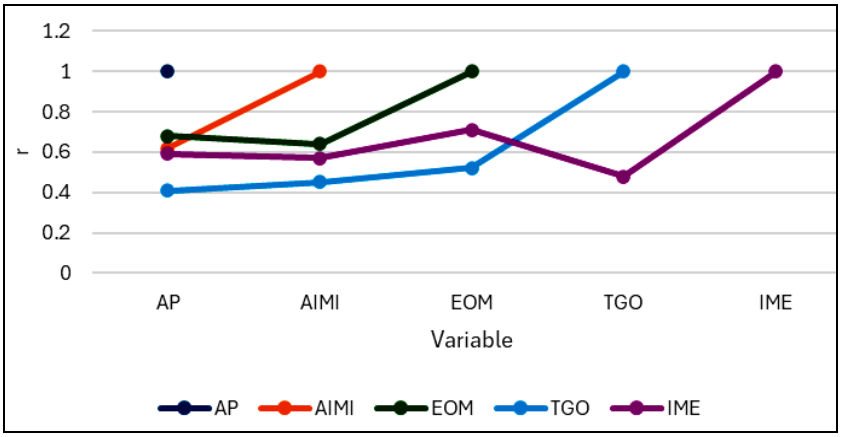

Fig 3: Correlation patterns among AI marketing dimensions

Table 3: Correlation Analysis

Variable	AP	AIM	EOM	TGO	IME
AP	1				
AIM	0.62	1			
EOM	0.68	0.64	1		
TGO	0.41	0.45	0.52	1	
IME	0.59	0.57	0.71	0.48	1

Note: p<0.01

Exploratory Factor Analysis (EFA) was conducted to assess the underlying dimensionality of the AI international marketing elements. The Kaiser-Meyer-Olkin measure (KMO = 0.86) and Bartlett's Test of Sphericity (χ^2 = 1243.7, p<0.001) indicate that the data are suitable for factor analysis.

The EFA yielded a four-factor solution corresponding to the theoretically proposed elements: Algorithmic Personalization, AI Market Intelligence, Engagement-Oriented Metrics, and Trust and Governance Orientation. Together, these factors explain 71.3% of the total variance, exceeding the commonly accepted threshold for social science research.

The clarity of the factor structure suggests that international marketing professionals cognitively differentiate between distinct AI-enabled strategic dimensions rather than perceiving AI as a monolithic capability. This finding provides empirical support for the conceptualization of AI international marketing as a multidimensional strategic phenomenon.

Exploratory factor analysis using Principal Axis Factoring with Varimax rotation yielded four distinct factors, explaining 71.3% of total variance, consistent with the theoretical structure. Factor structure of AI international marketing tactics:

KMO = 0.86

Bart. Test of Sphericity: χ^2 = 1243.7, p<0.001

The multiple regression analysis offers deeper insights into the relative explanatory power of AI marketing dimensions in predicting International Marketing Effectiveness (Figure 4, Table 4). The overall model demonstrates strong explanatory capacity (R^2 = 0.58, Adjusted R^2 = 0.56), indicating that more than half of the variance in perceived effectiveness is accounted for by the included elements.

Engagement-Oriented Metrics emerge as the most influential element (β = 0.39, p<0.001), underscoring the centrality of engagement signals in algorithmically mediated international markets. This result suggests that effectiveness in the digital and AI era is less about static market positioning and more about sustaining continuous consumer interaction that feeds algorithmic visibility and relevance.

Algorithmic Personalization (β = 0.21, p<0.01) and AI Market Intelligence (β = 0.18, p<0.01) also exert statistically significant effects on International Marketing Effectiveness. These findings imply that AI targeting and

analytics enhance strategic outcomes, but their impact is comparatively weaker than that of engagement-based mechanisms. This hierarchy of effects reflects a strategic logic in which AI capabilities generate value primarily by enabling engagement rather than directly driving performance outcomes.

Trust and Governance Orientation, while exhibiting the smallest standardized coefficient (β = 0.15, p<0.05), remains a significant element. This suggests that governance and ethical considerations contribute incrementally to international marketing effectiveness, potentially by mitigating consumer resistance and fostering long-term trust in AI-mediated interactions.

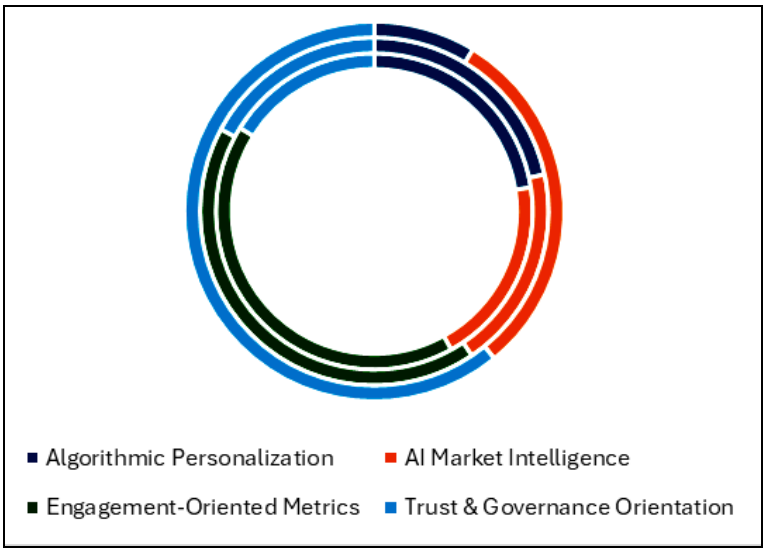

Fig 4: Regression analysis of international marketing effectiveness

Table 4. Multiple Regression Results (Dependent Variable: IME)

Element	β	t-value	Sig
Algorithmic Personalization	0.21	3.12	0.002
AI Market Intelligence	0.18	2.74	0.007
Engagement-Oriented Metrics	0.39	6.11	0.000
Trust & Governance Orientation	0.15	2.43	0.014

Model fit statistics

- R^2 = 0.58
- Adjusted R^2 = 0.56
- F = 54.3 (p<0.001)

5. Discussion

The purpose of this study was to examine how international marketing tactics are transformed in the digital and Artificial Intelligence (AI) era, with particular emphasis on algorithmic intermediation, consumer engagement, and strategic effectiveness. The empirical findings provide strong support for the argument that international marketing strategy has entered a qualitatively new phase, characterized by algorithmically governed interactions rather than firm-centric control over foreign markets.

A central finding of the study is the dominant role of engagement-oriented metrics in explaining international marketing effectiveness. Engagement emerges not merely as a performance indicator but as a strategic mechanism through which firms gain algorithmic visibility and relevance in global digital ecosystems. This result aligns with recent research suggesting that algorithms rely heavily on behavioral feedback to rank, recommend, and curate content across borders (Wedel & Kannan, 2016; Kannan & Li, 2017) [30, 20]. In international contexts, where traditional signals such as country-of-origin or physical presence are attenuated, engagement functions as a universal currency of relevance.

The results further indicate that algorithmic personalization and AI market intelligence significantly enhance international marketing effectiveness, though their impact is secondary to engagement-based mechanisms. This suggests that AI technologies do not directly substitute strategic judgment but instead reshape the conditions under which strategy unfolds. Personalization and predictive analytics create the conditions for engagement, which in turn feeds algorithmic systems that govern market visibility. This finding supports a layered view of AI strategy, in which technological capabilities operate through behavioral mediation rather than linear causality.

Trust and governance orientation, while exerting a comparatively smaller effect, remains a statistically significant element of international marketing effectiveness. This result highlights the growing strategic importance of ethical AI use, transparency, and data governance in cross-border markets. In digitally mediated environments, consumer trust is not solely a normative concern but a strategic asset that influences engagement continuity and algorithmic evaluation. This finding is particularly relevant in international settings characterized by institutional heterogeneity and heightened sensitivity to data privacy and fairness.

Collectively, the findings suggest that international marketing strategy in the AI era is best understood as an adaptive process of managing algorithmic relationships rather than as a sequence of market entry and positioning decisions. Firms no longer compete solely for consumers but also for algorithmic favor, which is dynamically shaped by engagement patterns, data flows, and governance practices.

6. Theoretical and managerial contributions

This study makes several important contributions to international marketing theory and related fields. First, it extends international marketing theory by foregrounding algorithmic intermediation as a central analytical construct. While prior research on digital internationalization has acknowledged the role of digital platforms, this study

empirically demonstrates that algorithms function as autonomous strategic actors that shape international marketing outcomes. By integrating algorithmic intermediation into the analysis, the study moves beyond firm-centric and nation-centric models toward a more relational and process-oriented understanding of international marketing.

Second, the study contributes to the literature on AI in marketing by empirically validating the multidimensional nature of AI international marketing tactics. Rather than treating AI as a monolithic capability, the findings demonstrate that practitioners distinguish between personalization, market intelligence, engagement management, and governance. This differentiation provides a more nuanced theoretical foundation for future research examining how specific AI capabilities interact with international strategy.

Third, the results contribute to the growing body of work on digital internationalization by demonstrating that engagement based mechanisms outperform traditional market-based approaches in explaining international marketing effectiveness. This finding challenges classical assumptions regarding segmentation, standardization, and adaptation, suggesting that effectiveness in the digital and AI era depends less on pre-defined market characteristics and more on continuous behavioral interaction within algorithmically mediated ecosystems.

Managers should reorient international marketing strategy toward engagement optimization rather than solely focusing on reach, exposure, or market coverage. In AI environments, sustained interaction and behavioral signals are critical drivers of algorithmic visibility and long-term effectiveness.

Investments in AI personalization and market intelligence should be evaluated not in isolation but in terms of their capacity to generate meaningful engagement. AI tools that do not translate into interaction and behavioral feedback are unlikely to deliver strategic value in algorithmically governed global markets.

Firms operating internationally must recognize trust and governance as strategic levers rather than compliance constraints. Transparent AI practices, responsible data use, and ethical governance can enhance consumer confidence and indirectly improve engagement and performance outcomes across borders.

7. Conclusion

This study set out to examine how international marketing tactics are reconfigured in the digital and Artificial Intelligence era, with particular emphasis on the role of algorithmic intermediation, engagement-based mechanisms, and strategic transformation across borders. The empirical evidence presented here demonstrates that international marketing effectiveness is no longer primarily determined by traditional market-based variables such as country segmentation, standardization versus adaptation choices, or physical market presence but increasingly by firms' ability to operate within algorithmically governed digital ecosystems.

The findings provide robust support for the argument that contemporary international marketing strategy has shifted from a territorially anchored, firm-centric model toward a relational and algorithmically mediated configuration. In digitally interconnected global markets, visibility, access, and competitive positioning are no longer solely managerial decisions but are co-produced through continuous interaction between firms, consumers, and algorithmic systems. Algorithms embedded in platforms, search engines, and AI recommendation systems actively shape which firms gain exposure, how brands are interpreted, and which offerings achieve prominence across international contexts.

A central empirical insight of the study is the dominant explanatory power of engagement-oriented metrics in predicting International Marketing Effectiveness. Engagement emerges not merely as an operational KPI but as a strategic driver of performance in algorithmically mediated markets. Behavioral signals such as interaction frequency, user retention, and content responsiveness feed into AI systems that determine ranking, recommendation, and relevance. Consequently, engagement functions as a strategic currency that influences both consumer perception and algorithmic evaluation simultaneously. This finding challenges classical international marketing assumptions by demonstrating that performance is increasingly contingent on managing behavioral feedback loops rather than optimizing static market positioning.

Moreover, the study confirms that AI personalization and AI-based market intelligence significantly enhance international marketing effectiveness. However, their impact appears to operate through the facilitation of engagement rather than as direct, isolated drivers of performance. This layered relationship underscores the need to conceptualize AI capabilities as embedded within broader interaction systems rather than as standalone technological assets. The strategic value of AI in international marketing lies not in automation per se, but in its capacity to dynamically align firm offerings with evolving patterns of cross-border consumer behavior.

Trust and governance considerations, although exhibiting a comparatively smaller effect size, remain statistically significant contributors to International Marketing Effectiveness. This highlights an increasingly important dimension of AI global marketing: the sustainability of performance depends not only on algorithmic optimization but also on responsible data use, transparency, and ethical AI practices. In cross-border environments characterized by institutional heterogeneity and heightened regulatory scrutiny, governance mechanisms can strengthen consumer confidence and stabilize long-term engagement dynamics.

Taken together, these findings support a reconceptualization of international marketing strategy as the management of algorithmic relationships within digitally mediated global ecosystems. Firms no longer compete exclusively in markets defined by geography; they compete within digital infrastructures governed by opaque yet powerful algorithmic logics. Strategic success depends on understanding how these systems interpret data, reward engagement, and shape visibility across borders.

From a broader theoretical perspective, this study bridges digital internationalization research and AI marketing scholarship by demonstrating that algorithmic intermediation constitutes a structural transformation rather than a technological supplement to existing strategies. The results suggest that international marketing theory must evolve beyond nation-centric and firm-centric frameworks to incorporate platform dynamics, engagement feedback loops, and algorithmic governance as core analytical dimensions.

As AI technologies continue to evolve particularly with the expansion of generative AI, predictive personalization, and

autonomous marketing systems the complexity of algorithmic intermediation will intensify. Future international marketing strategies will increasingly depend on the ability to interpret, anticipate, and strategically align with algorithmic evaluation criteria while preserving consumer trust and brand integrity.

Conflict of Interest

The authors declare that they have no conflict of interest

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