

# Artificial Intelligence in Marketing: A Critical Examination of Ethical Dilemmas and Legal Solutions

NAGAMANI C G<sup>1&2</sup>

<sup>1</sup> Research scholar, School of commerce, Presidency university,

<sup>2</sup> Assistant professor, Government first grade college, kunigal-572130, Tumakuru,  
email: nagamani.20223com0004@presidencyuniversity.in  
0009-0004-7359-7642

Dr. ANOUJA MOHANTY

Associate Professor, School of Commerce, Presidency University  
email: anouja.mohanty@presidencyuniversity.in  
0009-0001-1761-205X

## **ABSTRACT**

*The interest in artificial intelligence (AI) continues to expand throughout various industries that include marketing. The increasing concerns about AI ethics and regulatory issues related to AI marketing practices have reduced industry excitement about this practice. The paper addresses AI-related ethical and legal marketing issues through practical solutions to fill this knowledge gap. Ethical concerns that span from discrimination to social networking effects, data privacy and environmental impacts and job displacement are also discussed.*

*The paper gathers information through thematic literature analysis from different sources including industry reports, case studies, scholarly papers and court documents. The qualitative analytical system utilizes classification methods to understand dilemmas alongside suggesting appropriate solutions for legal and moral complexities. The paper presents a complex understanding of the problems through an interdisciplinary approach that integrates multiple data sources.*

*The research has several limitations which can be taken up for future research. The investigation primarily concentrates on examining the most paramount moral and legal aspects related to AI applications in marketing. Research needs to delve deeper into additional effects which affect contracts, licensing and intellectual property terms in future investigations. Research into specific business applications and detailed case studies needs to proceed to determine how suitable these solutions would be across different scenarios.*

*The study provides important practical tips to marketing professionals about deploying artificial intelligence systems. Research findings show how transparency together with explainable mechanisms should remain critical elements of artificial intelligence in marketing due to governing data collection and advertising processes.*

**Keywords:** Marketing, Artificial intelligence, ethical issues, Legal Solutions, Marketing with AI, and Thematic analysis.

## 1. INTRODUCTION

Artificial Intelligence as an artificial intelligence subfield of computer science functions to build intelligent computational systems. AI exists as machine programming that allows devices to execute activities which occurred previously only through human intelligence according to Russell and Norvig (2010) and Poole et al. (1998). The artificial intelligence system produces meaningful changes in multiple business operations.

Many experts point out both the confirmed advantages of AI and its unexplored moral and legal problems including data privacy violations along with bias and discriminatory applications (Jobin et al., 2019; Hagedorff, 2020; Borenstein and Howard, 2021). Marketing experiences a transformation through AI implementation as other spheres have previously undergone. The authors of Li and Karahanna (2015) establish that artificial intelligence (AI) unlocks unique possibilities for analyzing customer behavior alongside targeted marketing and automated communication with human beings. AI systems demonstrate excellence at dealing with big data sets without any

difficulty. Data automation creates valuable insights which become useful for developing maximum marketing performance

The marketing industry encounters critical moral problems along with regulatory issues because of its quick adoption of artificial intelligence systems. The major challenges surrounding the use of algorithmic systems involve problems with both data protection and statistical prejudice acquisition and user consent terms. AI has become essential to marketing operations for businesses thus effective management of related ethical and legal issues ensures proper technology implementation.

A detailed analysis of the ethical along with legal dimensions of AI marketing appears in this research. This research examines these problems before recommending practical ethical solutions that can guide marketing AI deployments. The approach exists to help both marketing practitioners and legal authorities make decisions when dealing with ethical and legal challenges of artificial intelligence-driven advertising.

and lower marketing expenses (Davenport and Ronanki, 2018). AI operates under legal and ethical boundaries in marketing applications because it executes decisions as a representative of organizations. Among all ethical challenges in AI marketing data privacy ranks as the most critical problem. AI systems create extensive privacy and security issues because they depend heavily on processing large amounts of collected data (Mittelstadt, Wachter, 2016). The translation process requires absolute clarity

## 2. Review Of Literature

The evolution of marketing through AI technology opens numerous effective personal customer communication channels according to Eriksson et al. (2019). Through digital interaction algorithms AI evaluates buyer patterns for custom message advertisements that support marketing project optimization and achieve both better customer interactions

about its methods. AI algorithms display intricate and unclear operational functions which prevent users from understanding how decisions occur and authoritarian processes (Mittelstadt et al., 2019). AI systems exist primarily as platforms that extend social discrimination through historical prejudices according to Buolamwini (2018). In legal terms the marketing use of AI encounters multiple obstacles such as data privacy issues together with intellectual property problems and consumer protection barriers. Existing data regulations such as the GDPR (2023) from the European Union constrain all operations on personal information including collection and processing as well as usage (Van Ooijen and Vrabec, 2019). Intelligent property legislation plays a key role in establishing marketing-related AI regulations according to Jain (2021). Consumer

The paper of Eriksson et al. (2019) supports the development of transparent AI systems alongside interpretability while advocating

### 3. Research Methodology

#### 3.1 Research design:

This research takes a conceptual approach to analyse both ethical and legal problems with marketing artificial intelligence technology. Given the diverse ethical and legal challenges of AI in marketing require multiple perspectives to fully explain them.

#### 3.2 Data collection procedure:

This review uses the PRISMA flowchart (Fig.No.-1) to demonstrate the research method for choosing studies about ethical problems and legal solutions when AI helps marketing. Our first stage involved thorough searching in Scopus and returned

for technological research. The development of specialized legal and regulatory structures that recognize AI challenges affecting marketing practices should be established as per (European Commission 2021). Extra research must be directed toward AI's ethical and legal dimensions specifically in the field of marketing since comprehensive studies are lacking in this segment although other areas receive extensive examination (Gerke et al. 2020; Jobin et al. 2019; Arner et al. 2016). Medical and financial industries lead the use of AI so literary analysis about the topic has favored these fields but it failed to address distinctive ethical problems in marketing that focus on consumer manipulation and data analytical methods for revenue growth. Most solutions proposed in available research remain generalized and might not effectively support marketing practices. Discovery of ethical and legal challenges targeted at AI in marketing must precede developing appropriate solutions dedicated to this domain.

152 research results (2021 to 2025). The research team sorted through 150 selected records to screen them during subsequent phases after taking two duplicates out of the database.

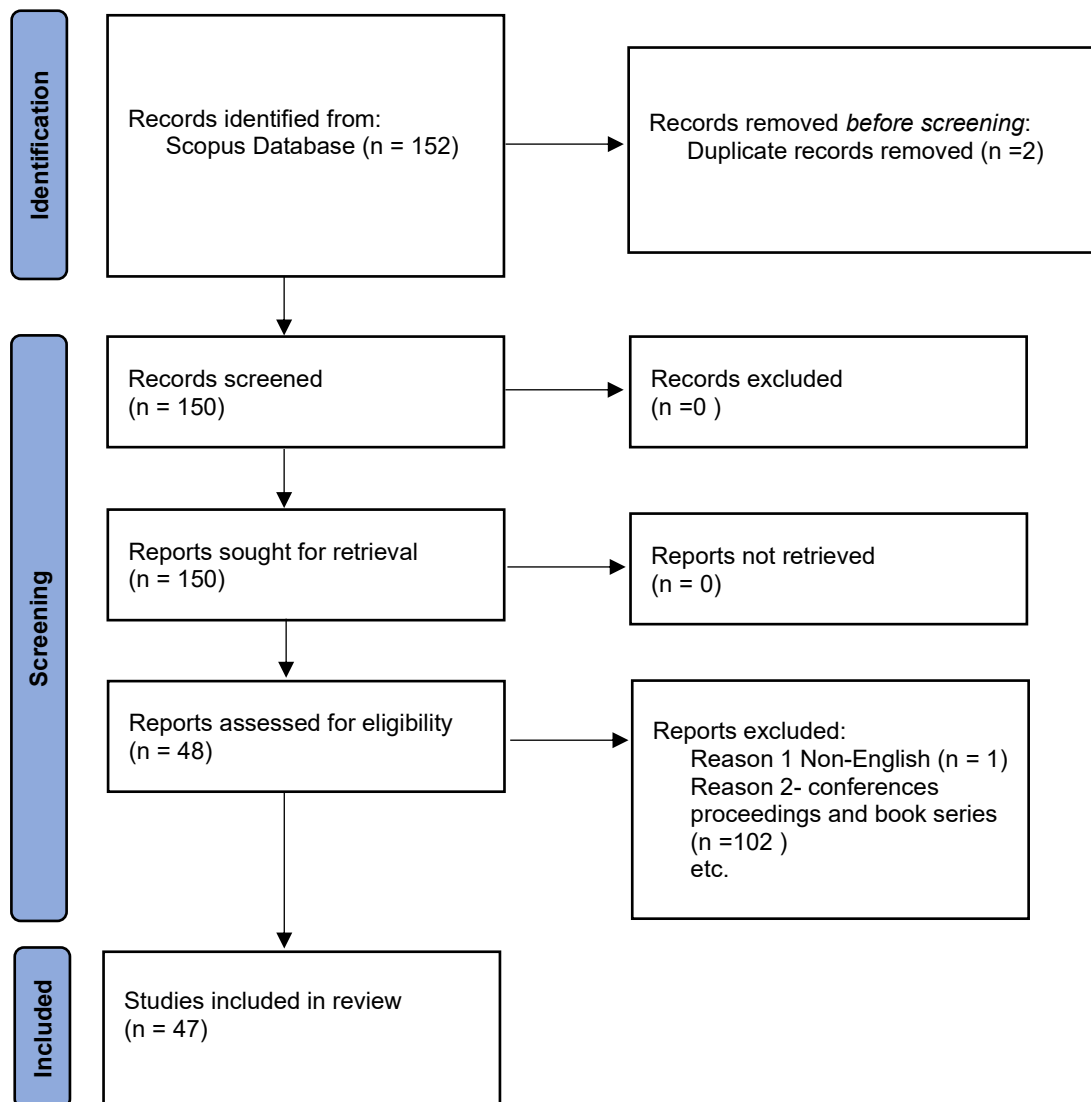
From 150 available reports the screening stage rejected 90 items based on the relevance criteria leaving 150 reports ready for retrieval which all existed in searchable databases. The assessment of eligible studies identified 48 reports for review and discarded one non-English research and 102 entries linked to conference materials and book compilations. My research team selected and examined 47 investigations after discarding 100 studies used for

evaluation. The review team methodically selects studied articles from top quality peer-reviewed publications to provide strong evidence for their ethical and legal evaluation of marketing AI applications.

### 3.3 Data analysis:

The study conducted thematic analysis to discover frequent data patterns by using Bibliometrix tool in R studios.

Fig.-1 PRISMA Flow Chart



Source: Created by the author.

## 4. Analysis

This review used few bibliometric tools and thematic analysis to present comprehensive analysis on Artificial

Intelligence in Marketing: Ethical Dilemmas and Legal Solutions.

#### 4.1 Annual scientific documents

Year	Articles
2021	1
2022	5
2023	7
2024	29
2025	6

Source: Created by the author.

Fig.-2 shows AI in marketing studies published yearly from 2021 to 2023 with special attention to ethical problems and legal ways to solve them. The number of scholarly publications in AI and marketing ethics continues to rise from 2021 to 2023 because academics now study this subject more intensely. In 2024 researchers show increased interest because today's crucial marketing industry concerns about AI technology require their attention. After reaching a peak in 2025 the number of scholarly articles demonstrated that basic research completed its cycle or scholars

#### 4.2 Co-Occurrences Analysis

Fig.-3: VOSviewer visualization shows the string connections between various themes in AI marketing research because it analyzes how keywords co-appear within the domain focusing on ethical dilemmas and legal solutions. This research domain is built upon the core relationship between "artificial intelligence" and "marketing" which form the central elements in the analysis. Multiple distinctive groups form to illustrate the essential elements found in marketing processes driven by artificial

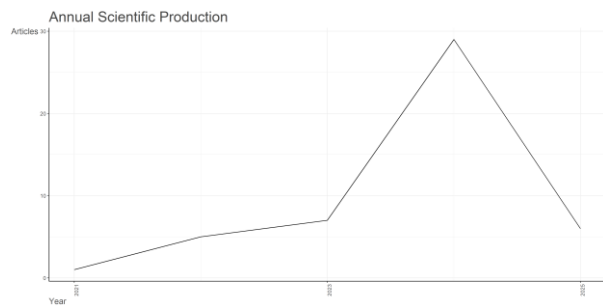


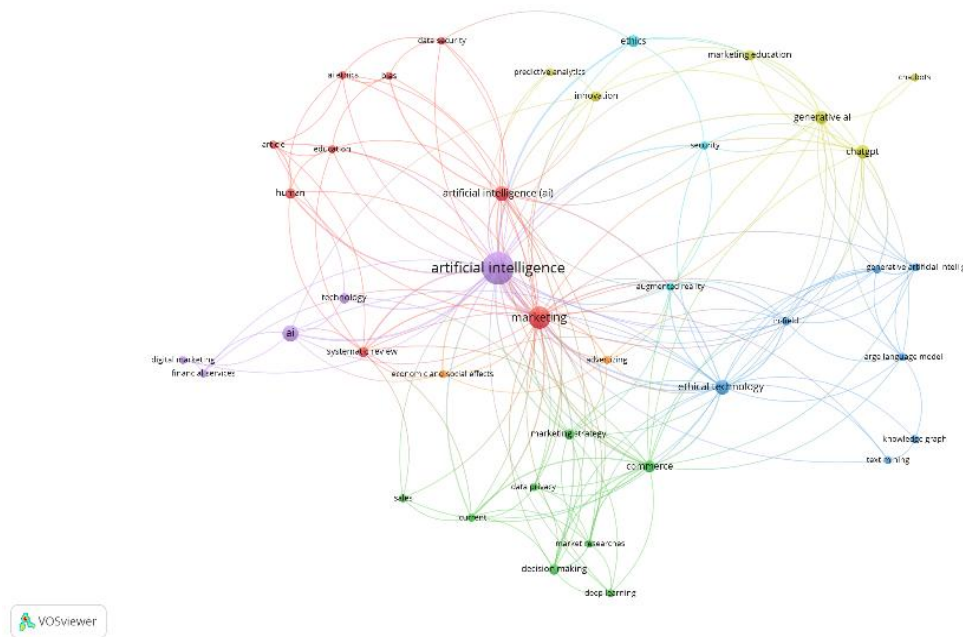
Fig.-2 Annual scientific documents

started to study about putting AI into practice and developing policy.

The research indicates progress in studying AI ethics within marketing with more investigations needed. Many scholars start and stop working on this topic at different times because major changes in regulations and science influence their research projects. Ongoing scientific exploration is required to address new ethical and legal problems when artificial intelligence enters marketing practices.

intelligence. The cluster focused on ethical issues consists primarily of terms regarding AI ethics along with bias and data security that highlight the main obstacles for achieving transparency and fairness during AI implementation. Generative AI together with ChatGPT and chatbots form a notable cluster that demonstrates the expanding dominance of automated text generation along with conversational AI in the marketing field while highlighting the related risks to information accuracy and intellectual property protection and user trust.

Fig.-3: VOSviewer visualization of co-occurrences Source: Authors Own Compilation using VOSviewer



Through its pattern of connections the network shows a predominant relationship between artificial intelligence implemented decision systems and legal framework elements. The marketing strategies which rely on data analysis face regulatory obstacles because "data privacy" and "market research" and "predictive analytics" emerge frequently throughout the network. Another cluster highlights the contact area of AI system capabilities through its inclusion of "ethical technology," "large language model" and "knowledge graph." The words "advertising" "economic and social effects" and "augmented reality" show how artificial intelligence-based marketing techniques affect various aspects of society while they also raise important issues about employment markets and consumer protection weaknesses and data security threats. The co-occurrence patterns demonstrated the

requirement for a multi-dimensional approach to resolve ethical and legal issues in AI-driven marketing thus requiring combined efforts between policymakers industry leaders and researchers.

#### 4.3 Thematic Analysis

Research about marketing applications of artificial intelligence (AI) including ethical problems and legal remedies stands at a preliminary stage in its advancement. The research activity related to ethical AI solutions and marketing systems continues to develop as indicated by their placement in the niche themes quadrant. Basic themes including artificial intelligence as well as human and systematic review illustrate the fundamental nature of AI in marketing scholarship and human-machine cooperative research patterns. The current status of motor themes demonstrates AI

ethics in marketing gains acceptability yet remains separate from mainstream research in this field.

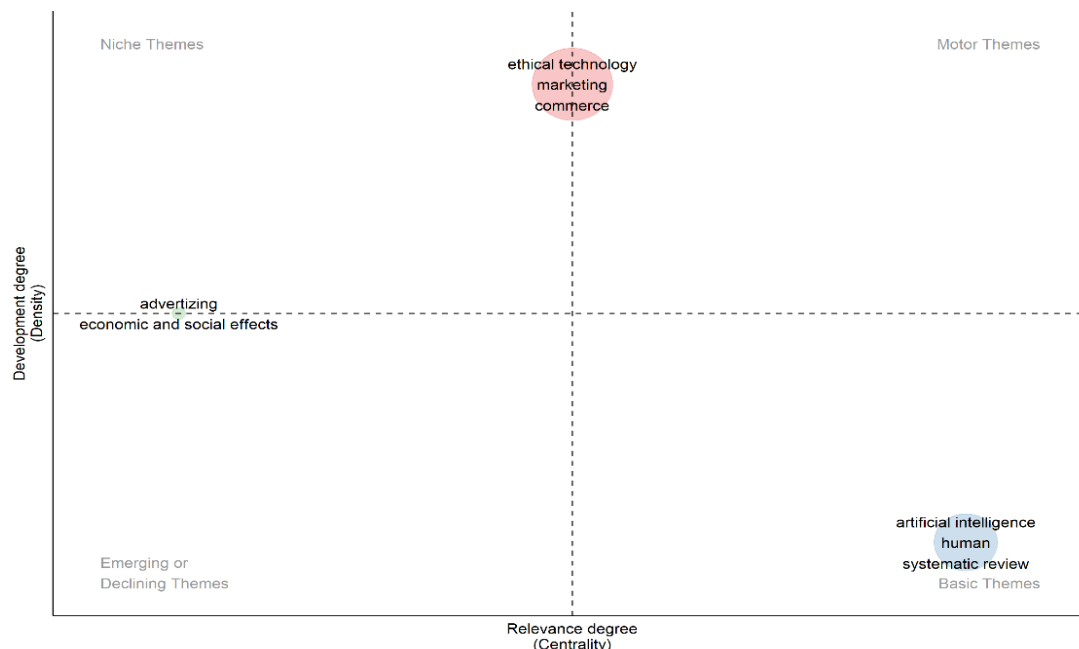


Fig.-4 Thematic Analysis

Source: Authors Own Compilation using R studio

The marketing research indicates that both "advertising" and "economic and social effects" remain either emerging or declining themes in scholarly literature. The research community continues to organize existing knowledge about this field because systematic reviews remain present in literature. Advancing the incorporation of AI ethical principles into marketing will require future research to promote combined academic and regulatory efforts alongside the implementation of complete legal frameworks. This transformation will serve as the foundation for approving ethical AI implementation along with maintaining consumer confidence and meeting updated

laws that affect AI-driven marketing strategies.

The tree map visualization (Fig.-5) provides a comprehensive overview of the key research themes in the domain of **Artificial Intelligence (AI) in Marketing**, particularly in relation to **ethical dilemmas and legal solutions**. The largest and most prominent category is **"artificial intelligence" (12%)**, underscoring its central role in marketing-related studies. Closely associated with this is **"ethical technology" (7%)**, which reflects the growing concerns regarding AI's ethical implications in marketing practices. Other significant themes include **"marketing" (6%)**, **"commerce" (4%)**, and **"decision-**

**making" (3%)**, indicating that researchers are increasingly focusing on AI-driven decision processes and their impact on business and consumer interactions.

Additionally, **"systematic review" (3%)** suggests that scholarly efforts are being directed toward consolidating existing knowledge on AI applications in marketing.



Fig.-5: Treemap Source: Authors Own Compilation using R studio’s Bibliometrix

Beyond these core themes, the treemap also highlights several emerging topics, such as **"advertising" (2%)**, **"sentiment analysis" (2%)**, and **"chatbot" (1%)**, reflecting the expanding role of AI-driven automation in digital marketing strategies. Moreover, the presence of **"algorithm" (1%)**, **"analysis tools" (1%)**, and **"business process" (1%)** suggests a technical dimension, emphasizing AI's ability to optimize marketing analytics and

consumer engagement. Ethical concerns appear indirectly through **"human" (3%)** and **"behavioral research" (1%)**, indicating an increasing interest in how AI affects consumer behavior and decision-making. The findings suggest that while AI is rapidly transforming marketing, ongoing research must further explore its ethical and legal challenges to ensure responsible AI adoption and regulatory compliance.

## 5. Findings and Discussion

### 5.1 Artificial intelligence's ethical ramifications for marketing: issues and solutions

Marketing strategies benefit significantly from the power of AI to achieve higher performance outcomes and operational effectiveness. AI application expansion in marketing has revealed ethical issues that

require solutions to establish responsible and ethical technology usage. This section discusses ethical problems alongside solutions which emerge from using AI in marketing systems.

5.1.1 Bias and discrimination: The presence of discriminatory biases when marketing with AI remains an immediate moral issue due to the possibilities of unfair treatment. The use of AI algorithms in targeted advertising displays gender discrimination through showing men job advertisements with high salaries more often than showing the same opportunities to women (Datta et al., 2014). The education of AI programs based on historical data stems from human nature yet it potentially carries preexisting biases. When AI operates using biased training samples it will potentially generate discriminatory gender or racial biases (Hajian et al., 2016). The delivery of unjust treatment stemming from biased output creates potential legal consequences. Businesses that implement AI algorithms tainted by bias might provoke legal penalties and financial penalties due to anti-discrimination regulations as explained by Zarsky (2016).

Businesses can reduce those risks through two methods - they can use bias detection techniques (Hajian et al., 2016) and ensure algorithmic transparency (Wachter et al., 2017). To establish more equitable AI systems expert teams with diverse backgrounds need to exist according to Gebru et al. (2021). Organizations use adversarial learning techniques as one approach to improve their operations. Regular checks will help identify discriminatory biases in algorithms thus

making it necessary to modify them according to Danks and London (2017).

5.1.2 Privacy violations: The protection of user privacy remains an essential ethical problem that exists during AI applications in marketing systems. AI algorithms raise data privacy risks because they collect and process extensive personal information such as browsing history and purchasing data (Staicu et al., 2016; Wirtz et al., 2023).

Businesses can proactively teach customers how to manage their data. For example, they can include clear instructions on what kinds of data are gathered and how to remove or opt out of such data (Wirtz et al., 2023). Assuring customer privacy also requires working with legislators to create explicit guidelines for data collection and use (Wirtz et al., 2023).

5.1.3 Changing Consumer Behavior: Artificial intelligence (AI)-based algorithms analyze customer behavior and preferences for marketing campaign development that provides individualized marketing approaches to boost marketing program results. The consequences of manipulation and abuse toward vulnerable clients create ethical complications because of their vulnerability. The ethical challenges and both problems along with solutions which emerge from AI-powered marketing efforts to modify customer conduct are explained in this section.

Organizations can resolve ethical issues concerning behavior modification using artificial intelligence by applying ethical frameworks to their marketing techniques.

The guidelines prioritize accountability together with transparency and equity when both designing and employing AI algorithms. The application of ethical design principles by businesses should focus on designing marketing algorithms that reflect customer values and best interests according to Friedman and Nissenbaum (1996).

**5.1.4 Loss of employment:** Job losses occur as a result of AI-powered marketing strategies because these strategies combine cutting-edge efficiency with moral concerns about employment reduction. The automation of work activities completed by human beings can cause job loss and increase economic disparities between groups according to Brynjolfsson and Mitchell (2017). Virtual assistant programs that use AI have decreased customer service costs yet have led to worker displacement across different sectors (Verheyen et al., 2021). Since AI systems lack the human qualities of subtlety and empathy the restriction shows they cannot take over all aspects of customer service from humans.

Organizations should dedicate their budgets to employee training programs which help overcome job relocation problems. The programs help employees acquire fresh adaptable skills which adapt to fast-evolving labor requirements (Chui et al., 2018). Through such programs workers gain assistance either to transition into new careers elsewhere or to move within their current organization into different roles (Verheyen et al., 2021).

**5.1.5 Lack of social interaction:** The use of AI in marketing generates ethical concerns because social interaction

between people becomes diminished. Virtual assistants with AI engines offer efficient client service through bots yet these systems fail to provide emotional support which human representatives deliver naturally. The implementation of computerized systems challenges customer satisfaction and creates doubts about improper treatment of customers.

Businesses should use AI-powered automated systems coupled with human interaction so they can get the benefits of technological processing alongside human empathy to disprove the notion of AI-powered marketing's lack of personal touch. The use of AI-powered virtual assistants allows organizations to manage routine inquiries yet maintain human agent access for dealing with delicate or complex customer issues.

**5.1.6 Explainability and transparency:** The ethical problems of using AI in marketing stem from the fact that AI algorithms provide little transparency into their operational methods. The use of AI to deliver targeted advertisements becomes problematic since both consumers and themselves remain unaware about algorithm procedures and target selection methods and AI advertisement delivery operations (Spiekermann 2015).

The problem can be resolved through clear data guidelines followed by informative client disclosures about advertising targeting practices (OECD, 2019). Businesses who want to show their AI algorithms to customers should employ explainable AI decision trees as recommended by Gunning (2017). The implementation of human oversight in AI

decision-making procedures prevents companies from producing unfair or unethical judgments (European Commission, 2021).

**5.1.7 Protection of cyberspace:** Weaknesses in cyberspace protection emerge when AI operates in marketing activities. The exclusive weaknesses of AI algorithms include data manipulation susceptibility leading to decisions that could be terrifying or dangerous according to Renaud et al. (2023). The vast amount of data processing required by AI marketing operations creates wider exposure that attracts cybercriminals according to Taddeo et al. (2019). The absence of cybersecurity standards designed specifically for artificial intelligence creates more challenges in resolving this problem according to Aloqaily et al. (2022).

Faced business entities at both national and international levels require multilevel cybersecurity methods to lower these vulnerability risks. The execution of this security approach necessitates periodic vulnerability assessments for businesses to adopt multi-factor authentication combined with encryption protocol implementations (Kshetri, 2021). The storage and management of customer data reaches enhanced standards when industries follow recommended best practices for data management and technical methods (Dash et al., 2022). Industrial cybersecurity standards operate as compliance bases when customers get protected through their implementation process (Raban and Hauptman, 2018).

**5.1.8 Impact on society and culture:** AI marketing applications create ethical issues

which must be resolved because they possess substantial power to transform society while altering cultural foundations. The implementation of AI-powered marketing approaches generates multiple difficulties because these solutions tend to strengthen traditional values and propagate biased stereotypes and damage institutional reliability. This section analyzes the ethical concerns AI marketing brings to both society and culture structure and their available solutions.

Preconceptions have the potential to be reinforced and cultural norms may be upheld as a primary ethical issue related to how AI in marketing shapes society and culture. The training of AI systems using biased data produces marketing methods that reinforce social stereotypes which already exist. The job search engine presented men higher-paying job opportunities more frequently than women when they accessed job descriptions (Datta et al., 2014). Such prejudices have the power to escalate the social problems caused by marginalization and exclusion experienced by underprivileged groups. Businesses should establish ethical guidelines for AI-powered marketing techniques which promote diversity and cultural sensitivity and support equity because this helps ease public worry (European Commission's High-Level Expert Group on AI, 2021).

Deepfakes and manipulated media content exist as an ethical concern about AI in marketing because they affect society and culture. The public can find it challenging to distinguish between deepfake videos which are modified media content and genuine video

recordings. Users generate deepfakes by utilizing AI algorithms according to Ruths and Pfeffer (2014). The spread of propaganda or misinformation could occur through marketing AI systems to create substantial societal damage. Businesses need to establish ethical AI-powered marketing guidelines which demonstrate proper AI practices and maintain company moral standards and societal responsibilities to ease worry about AI use.

The adoption of AI in marketing operations generates social and cultural implications that might force employees into unemployment and produce economic distribution issues. Artificial intelligence marketing approaches cause employment depletion and create financial discrepancies between social groups particularly in the fields of sales and customer support according to Brynjolfsson and Mitchell (2017). Business organizations need to create legislation which distributes equal benefits between employees and public recipients concerning AI-powered marketing procedures (Klinova and Korinek, 2021).

## **5.2 Artificial intelligence in marketing and its legal ramifications**

In order to remain in accordance with relevant laws and regulations, using AI in marketing presents a number of legal issues that need to be resolved. This section will list the main legal repercussions of employing AI in marketing and offer workable solutions.

5.2.1 Intellectual property protection: It remains a concern because marketers utilize AI in their work. The process of AI

knowledge generation creates intellectual property rights complications despite its ability to produce original material. Studies show that marketing activities which employ AI technology might infringe copyright if their programs create material that closely matches existing copyrighted works. The violation of IP rights by companies leads to financial penalties together with legal action against them.

Deciding ownership of AI-generated content stands as the most challenging aspect when it comes to intellectual property rights in AI marketing. The AI algorithm developer occasionally receives ownership rights to the content. The algorithm-related data originates from those who submitted it to the system. The ownership of content and payment fees might get impacted because of this situation.

The solution for these problems lies in business ownership declarations for AI-generated content followed by proper communication to all stakeholders in algorithm development and utilization. Organizations should investigate IP right assignments and maintenance through both license agreements and other legal instruments to protect AI-generated materials. Intellectual property rights in AI marketing present a major challenge when it comes to the prevention of copyrighted material. Companies should investigate creative commons licenses because they provide conditions for authorized copyrighted content usage. AI-generated advertising materials protect businesses from intellectual property rights violations because these licenses provide authorized use.

5.2.2 Data security and privacy: Data security together with privacy measures will emerge as critical factors when marketing through AI systems becomes more widespread. Data privacy protection regulations determine business practices for obtaining and exploiting customer information so enterprises need explicit client consent to proceed with these actions. Businesses will encounter financial and legal consequences whenever they violate data protection restrictions.

The challenge of applying AI in marketing with respect to personal data privacy standards mostly appears in establishing proper use and collection methods for legal purposes. Analysis reveals the possibility of personal information exploitation through methods that result in secret data dissemination or sales to unintended parties (Crawford and Schultz, 2014).

Businesses can solve privacy problems by deploying encryption and anonymization technologies which secure personal data along with ensuring its exclusive use for particular approved purposes. Firms must establish open information about their data collection procedures and security methods as well as data processing practices to inform customers about the complete process.

5.2.3 Security of consumers: Agents in marketing using AI systems face severe penalties if they endanger consumer safety. AI algorithms which gather massive amounts of consumer data must protect clients from all possible negative effects that result from processing such extensive information. Although there are consumer

protection regulations firms that employ AI must certify their marketing methods prevent misleading or unfair practices and abuse of customers.

The challenge to implementing AI in consumer protection marketing lies in explaining data utilization procedures to customers in a comprehensive manner. Few customers grasp the methods which organizations use to obtain and handle their data thus leading to confusion and doubts. Artificial intelligence algorithms enable model-based marketing campaigns directed at vulnerable populations that struggle with mental health challenges or addiction. Businesses need to embrace European Commission High-Level Expert Group on AI (2021) ethical criteria for AI-powered marketing campaigns because they mandate transparency and equality along with responsible implementation. The set principles provide protection against wrongful actions by firms who use AI systems.

5.2.4 Liability and accountability: The deployment of AI in marketing generates significant legal risks because of unclear liabilities and responsibilities. The definition of liability for AI system errors and harm becomes complicated when self-governing advanced systems grow more complex in nature. Organizations and people developing and putting AI technology into marketing strategies face potential legal complications.

The lack of clearly established legal guidelines characterizes the main problem with AI accountability and responsibility in marketing practices. Current laws and regulations might not have sufficient ability to govern unique problems emerging from

AI systems thereby creating confusion about accountability and responsibility.

To address responsibility and accountability issues with AI marketing systems organizations require exact legal frameworks and rules specifically designed to match AI system challenges. The definition of responsibilities must be established among developers and marketers and end users who create and execute AI-powered marketing campaigns.

**5.2.5 Protection of trademarks and brands:** Information security concerns about trademarks and brands represent a substantial legal challenge in marketing applications of AI. With universal AI implementation in marketing counterfeiters can easily create misleading products which they distribute with increasing ease. The use of artificial intelligence algorithms for creating fraudulent endorsements and reviews in the market creates confusion among consumers while simultaneously harming authentic businesses.

Trademark and brand protection methods require businesses to detect and stop unauthentic products together with deceptive endorsements. AI-enabled solutions help businesses identify bogus products along with false endorsements through social media platforms and online marketplaces according to Daoud et al. (2020). People operate businesses through blockchain technology to build a tamper-proof authorized record which demonstrates their product legitimacy. Trademark and brand protection faces challenges because of the difficulties that arise when enforcing intellectual property rights between different national jurisdictions. Organizations face

difficulties maintaining control over their international intellectual property rights because different laws regulating business marks exist between nations. Brand and trademark protection development requires businesses to work with government authorities and international organizations for creating efficient policies that will overcome these difficulties.

## 6. Conclusion and Future Research

The ethical along with legal consequences of AI marketing systems emphasize the requirement of a detailed theoretical structure to guide AI-powered marketing innovations. Experts disagree about the proper solutions for dealing with the intricate moral and legal challenges which artificial intelligence generates in marketing fields.

A responsible innovation framework proposed by von Schomberg (2011) should be used as a model for this situation. Establishing responsible innovation requires a preventative method which integrates the economic components along with technological elements alongside social and legal and ethical principles to achieve successful results. Responsible innovation requires organizations to engage with stakeholders and detect potential risks then minimize these risks while achieving fair distribution of advantages and risks that come from new technologies.

The research field of ethical leadership offers significant understanding according to Brown and Treviño (2006). According to ethical leadership theory moral leadership together with moral decision-making support and ethical cultural development establishes its fundamental

principles. This technique enables emphasis on ethical leadership throughout organizational structures starting from senior executives down to single practitioners when developing and using AI-driven marketing strategies.

The approach of ethical decision-making frameworks (EDMF) would serve as a direction system during AI-powered marketing plan development and implementation.

#### Practical Implications:

All enterprises and marketing professionals must analyze both moral standards and regulatory frameworks that influence AI marketing applications. The knowledge presented in this article helps marketing professionals maintain ethical and legal acceptability of AI usage which remains consistent with their organization's principles and stance.

The adoption of AI by marketers should focus primarily on maintaining transparency as well as complete explainability. For effective marketing communications marketers must make certain that consumers understand how AI algorithms function in their marketing strategies and have complete information regarding their data collection and targeted advertisement practices. The fundamental way marketing professionals preserve client trust and prevent bad outcomes from unclear practices is by making explainable and transparent communications their top priority.

Expert marketers need to establish professional guidelines which detail how they will execute and build AI-based marketing projects. The use of AI by

marketing professionals will meet legal requirements and ethical expectations while supporting organizational principles when marketing professionals incorporate ethical fundamentals into their operations.

#### Directions for the future research:

Furthermore research is needed to fully understand the extensive effects which AI has on marketing. Scientists currently study discrimination and prejudicial effects made by artificial intelligence systems for marketing applications and solutions with reduced bias characteristics. AI marketing function optimally through the establishment of new legal frameworks combined with ethical standards and employee behavior codes.

Further investigation is necessary to understand how blockchain technology works as an innovative data protection and privacy solution for customers. Tests such as randomized controlled trials and experiments should develop as assessment standards for establishing AI marketing effectiveness. AI management systems must incorporate human participation to achieve both the positive aspects of artificial intelligence systems and protect them from their risks throughout the process. AI algorithms enable less experienced users to grasp them through transparent explainable tools which integrate natural language processing with visualization methods. Studying AI impacts on society and culture across marketing operations proves vital for stopping social prejudice and cultural reinforcement from taking place. The field requires training curricula and certification procedures for experts so they can apply AI in marketing with ethical responsibility.

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