

1871

**ENM**

**NORMANDIE**  
**BUSINESS SCHOOL**



# Artificial Intelligence in Digital Marketing Strategies in the UAE: The Mediating Role of Predictive Analytics in Enhancing Customer Conversion

Dr. Anu Vij

Email: [avij@em-normandie.fr](mailto:avij@em-normandie.fr)

Research Profile:

<https://scholar.google.com/citations?user=HDVMQfgAAAAJ&hl=en>  
/ <https://orcid.org/0000-0003-4911-8045>

Journal: International Review of Management and Marketing, 2025

DOI: 10.32479/irmm.20218

# Research Background

The study explores the transformative impact of Artificial Intelligence (AI) on digital marketing strategies in the UAE, emphasizing the mediating role of predictive analytics in enhancing customer conversion rates. AI technologies, such as machine learning, natural language processing (NLP), and predictive targeting systems, have revolutionized marketing practices by enabling personalized customer interactions, data-driven decision-making, and optimized promotional activities. Predictive analytics serves as a critical intermediary, leveraging AI-generated insights to forecast customer behavior and improve marketing outcomes.

## Industry Context

The UAE has experienced significant digital marketing growth over the past decade, driven by high digital literacy and a multicultural market. Industries such as retail, healthcare, finance, and technology are increasingly adopting AI-powered tools like chatbots, recommendation engines, and behavioral forecasting models to enhance customer engagement, optimize marketing spend, and improve conversion rates. The competitive digital landscape in the UAE necessitates advanced analytics and AI integration to meet customer expectations and drive business success.



# Research Objectives

- Investigate the direct influence of AI on digital marketing strategies in the UAE.
- Assess how AI integration enhances predictive analytics in marketing functions.
- Evaluate the role of predictive analytics in driving customer conversion through data-driven decision-making.
- Determine the extent to which predictive analytics mediates the relationship between AI and customer conversion outcomes.



# Theoretical Framework

The study proposes a conceptual model where AI directly impacts predictive analytics and customer conversion processes. Predictive analytics acts as a mediating variable, linking AI implementation to improved customer conversion rates. The framework is tested using structural equation modeling (SEM) to analyze direct and mediated relationships.



# Research Methodology

- Philosophy: Positivist approach emphasizing objective methods and empirical observation.
- Data Collection: Structured questionnaire with a 5-point Likert scale, pre-tested for clarity and reliability.
- Sample Population: 287 marketing executives, digital strategists, and data analysts from mid-sized to large UAE corporations across retail, healthcare, finance, and technology sectors.
- Sampling Technique: Stratified random sampling to ensure representation across industries and organizational sizes.
- Analysis: Structural equation modeling (SEM) to test hypotheses and evaluate relationships between AI, predictive analytics, and customer conversion.

## Key Findings

- AI and Predictive Analytics: AI positively influences predictive analytics in digital marketing ( $\beta = 0.35, p < 0.001$ ).
- AI and Customer Conversion: AI directly improves customer conversion through enhanced targeting and personalization ( $\beta = 0.40, p < 0.001$ ).
- Predictive Analytics and Conversion: Predictive analytics has a significant positive impact on customer conversion ( $\beta = 0.45, p < 0.001$ ).
- Mediating Role: Predictive analytics mediates the relationship between AI and customer conversion ( $\beta = 0.30, p < 0.001$ ).
- Model Performance: The R-squared value (0.85) indicates that 85% of the variation in customer conversion rates is explained by AI and predictive analytics.

## Academic Contribution

- **Theoretical Expansion:** The study bridges the gap in literature by highlighting the mediating role of predictive analytics in AI-driven marketing strategies, particularly in the UAE context.
- **Practical Insights:** Provides actionable recommendations for UAE businesses to integrate AI and predictive analytics for enhanced customer engagement, reduced churn, and higher conversion rates.
- **Methodological Contribution:** Demonstrates the effectiveness of SEM in analyzing complex relationships between AI, predictive analytics, and customer conversion.
- **Regional Focus:** Offers valuable insights into the unique digital marketing dynamics of the UAE, contributing to the broader understanding of AI applications in multicultural and competitive markets.
- This research underscores the synergy between AI and predictive analytics as a powerful driver of customer conversion, offering both theoretical and practical implications for digital marketing strategies in the UAE.