

Business utility perception of brand and promotion consultancies toward AI applications : An empirical study

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Abstract

AI is increasingly shaping the branding and promotional landscape for consultancy companies, and this study investigates how it impacts their operations. The study explores the impact of Artificial Intelligence (AI) on the branding and promotion consultancy landscape, considering its rising influence on the business. It illuminates the viewpoints of consultants, creatives, and agency managers regarding the capabilities of AI as a strategic tool, content generator, personalizer, campaign optimiser, and decision-maker. The results highlight a generally positive attitude towards AI, with significant interest in leveraging it for efficiency enhancement, insight creation, and tangible results. But issues of ethics, authenticity, and skill shortfalls remain a barrier to wider use. The research also shows that businesses with AI integration believe that it is more valuable to their companies than the companies that are not technologically prepared. The study helps to broaden the understanding of AI's role in creative consulting and inform future capacity-building and ethical implementation of AI.

Subject Classification (2020): 68T01, 68T05, 68T07, 90B50, 91D30.

Keywords: Artificial intelligence, Branding consultancy, Promotion strategy, Technology adoption, Business utility, AI readiness.

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1. Introduction

The growing adoption of Artificial Intelligence (AI) in business-related creative and strategic tasks is transforming the way companies carry out branding and advertising efforts. Although AI provides powerful analytical tools, content creation, personalization, and operational efficiency, little is known about how brand and promotion consultancy firms themselves view these technologies as business value. Based on the responses of consultants, promotion experts, creative executives, and agency managers, this paper gives an empirical picture of the perceived utility of business in relation to AI adoption in branding and promotion, and of the perceived threats that shape its assessment.

The results show a positive attitude towards AI, especially for generating insights, faster ideation, and measurable results. Greater AI adoption brings greater perceived business benefit, while ethical issues, lack of skills, and doubts about authenticity impede full-scale implementation; consultancies with higher technological preparedness perceive much higher utility of business.

2. Review of Literature

2.1 *Artificial Intelligence in Branding and Promotion*

AI has changed marketing, branding, and promotion through advanced analytics, predictive modeling, automatic content creation, and real-time campaign optimization [1]. In consultancies it supports strategy, audience segmentation, digital media planning, and performance measurement, improving campaign performance and value creation [2].

2.2 *Perceived Business Utility and Technology Adoption*

Perceived business utility is the degree to which decision-makers feel that a technology makes organizations more effective, efficient and strategic. The Technology Acceptance Model and the Unified Theory of Acceptance and Use of Technology treat perceived usefulness as a key success factor in adoption and value realization [3], [4], associated with productivity, quality of output, and quantifiable client value [5].

2.3 *Technological Readiness and Organizational Capability*

Technological readiness is the readiness of an organization to implement, embrace and effectively utilize new technologies; the Technology–Organization–Environment (TOE) framework shows that

organizational readiness, infrastructure, and environmental conditions influence adoption [10]. More digitally mature companies with greater availability of skills gain more value from AI investments [5].

2.4 Perceived Risks and Constraints

The use of AI in branding and promotion is accompanied by perceived risks: ethical issues of data privacy, algorithm bias, and transparency, lack of skills, and doubts about the authenticity of AI-created works [6]. Such risks may mediate the association between adoption and perceived utility.

3. Research Methodology

This is an empirical, cross-sectional, quantitative survey study of perceptions of AI business utility among branding and promotion consultancies.

3.1 Population and Sampling

The targeted audience was Brand Consultants, Promotion Experts, Creative Executives and/or Agency Managers of Branding/Promotion Consultancy Firms in Gujarat, India, selected for their practical experience with AI. Purposive sampling yielded 110 valid responses, larger than the minimum sample size recommended for perception based empirical research using multivariate analysis [7].

3.2 Instrument Design and Data Collection

The structured questionnaire, designed from past Scopus and WoS reviews on AI adoption, perceived usefulness and readiness of professional service companies, had four items: Demographic and firm profile, AI adoption and usage intensity, Perceived business utility of AI, and Perceived risks and constraints. All perceptual items were measured on a 5-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree), collected online as well as face to face.

3.3 Respondent Profile

The respondent composition is balanced across strategic, creative and managerial positions to capture multi-perspective perceptions: Brand Consultants (n = 34, 30.9%), Promotion Experts (n = 29, 26.4%), Creative Executives (n = 25, 22.7%) and Agency Managers (n = 22, 20.0%).

3.4 AI Adoption Intensity

Table 1
Extent of AI Usage in Consultancy Operations

AI Application Area	Mean	Std. Deviation
Insight & Market Analysis	4.12	0.71
Ideation & Concept Development	3.98	0.76
Content Creation	4.05	0.73
Campaign Optimization	4.18	0.68

Source: Data Analysis

As shown in Table 1, there is a moderate to high level of adoption of AI, especially in activities aimed at analytics and performance.

4. Descriptive Perception Analysis

Table 2
Perceived Business Utility of AI Applications

Perception Statement	Mean	Std. Deviation
AI improves strategic insight generation	4.26	0.64
AI accelerates ideation processes	4.09	0.72
AI enhances measurable campaign outcomes	4.21	0.66
AI improves operational efficiency	4.32	0.61
AI supports better client value delivery	4.18	0.69

Source: Data Analysis

As shown in Table 2, the more that companies use AI, the more beneficial they feel it has been for their business.

4.1 The Technology Readiness level and Perceived Utility

The respondents were divided into two groups, high and moderate technological readiness, depending on the adequacy of infrastructure and skills (Table 3).

Table 3
Technological Readiness and Perceived Business Utility

Readiness Level	Mean Utility Score	Std. Deviation
High Readiness (n = 48)	4.41	0.53
Moderate Readiness (n = 62)	3.97	0.67

Source: Data Analysis

Consultancies with higher technological readiness show stronger perceptions of the value of AI to business.

4.2 Perceived Risks and Constraints

Overall, perceptions are positive, but the risks in Table 4 act as a moderating influence that checks the integration of AI at full scale.

Table 4
Perceived Risks in AI Adoption

Risk Dimension	Mean	Std. Deviation
Ethical and data privacy concerns	4.14	0.70
Skill gaps among employees	4.02	0.75
Authenticity of AI-generated outputs	3.96	0.78

Source: Data Analysis

4.3 Reliability Analysis

Cronbach alpha values for all perceptual constructs were above the 0.70 acceptable level, reflecting good internal consistency (Table 5).

4.4 Relationship Between Adoption and Perceived Utility

The Pearson correlation analysis showed a significant positive correlation between the intensity of using AI and the perceived usefulness of AI in the business ($r = 0.62$; $p < 0.01$), which confirms the empirical finding, but does not go beyond it.

4.5 Structural Equation Modelling

PLS-SEM was adopted because the study is perception-based and aims to explain variance and make predictions rather than confirm a

theory [7], [8]. Constructs are reflective [8]. The 10 times criterion is met: at most three structural paths lead to Perceived Business Utility, so the minimum sample size is 30, well below the 110 achieved.

4.6 Measurement Model

The measurement model was evaluated using indicator reliability, internal consistency reliability, convergent validity, and discriminant validity (Table 5), following established PLS-SEM guidelines [7].

Table 5
Construct Reliability and Convergent Validity

Construct	Cronbach's Alpha	Composite Reliability (CR)	Average Variance Extracted (AVE)
AI Adoption Intensity	0.83	0.88	0.65
Technological Readiness	0.81	0.86	0.61
Perceived Risks	0.79	0.84	0.57
Perceived Business Utility	0.88	0.91	0.68

Source: Data Analysis

All constructs exceed the recommended thresholds of 0.70 for Cronbach's alpha and composite reliability, and AVE values above 0.50 confirm adequate convergent validity [9]. Diagonal values (square roots of AVE) are higher than inter-construct correlations, supporting discriminant validity (Table 6).

Table 6
Discriminant Validity (Fornell–Larcker Criterion)

Construct	Adoption	Readiness	Risks	Utility
AI Adoption Intensity	0.81			
Technological Readiness	0.54	0.78		
Perceived Risks	−0.36	−0.42	0.75	
Perceived Business Utility	0.62	0.59	−0.48	0.82

Source: Data Analysis

4.6 Structural Model Results

Path coefficients, t-values, p-values and the coefficient of determination (R^2) were used to evaluate the structural model (Table 7, Figure 1).

Table 7
Structural Path Coefficients

Hypothesized Path	β Coefficient	t-value	p-value	Result
AI Adoption Intensity → Perceived Business Utility	0.41	5.87	< 0.001	Supported
Technological Readiness → Perceived Business Utility	0.33	4.26	< 0.001	Supported
Perceived Risks → Perceived Business Utility	-0.27	3.91	< 0.01	Supported

Source: Data Analysis

All path coefficients are significant and in the hypothesized direction: adoption intensity and technological readiness positively impact perceived business utility, while perceived risks impact it negatively. The R^2 value of 0.58 means that 58% of the variability in perceived business utility is accounted for by these three constructs, a moderate to substantial level of explanatory power in perception-based research [7]. The SEM results thus confirm the descriptive and SPSS based results.

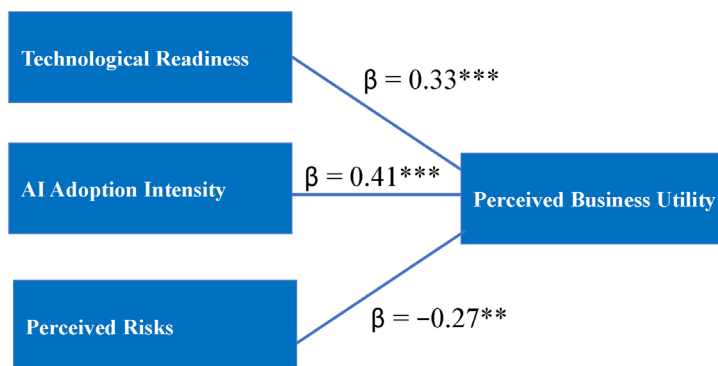


Figure 1
AI Adoption and Business Utility Perception Model

5. Discussion

Consultancies perceive AI as a strategic asset when supported by adoption and technological preparedness, with greater integration into daily strategic and creative decisions associated with higher perceived utility and measurable outcomes [2]. However, ethical concerns, skill shortages, and doubts about AI-generated content constrain its value, highlighting that AI creates benefits when its outputs complement rather than replace human creativity and decision-making. Thus, perceived business utility reflects a balance between AI opportunities, technological readiness, and effective risk management.

6. Conclusion

This paper investigated the perceptions on AI business utility in branding and promotion consultancies in Gujarat, based on 110 professionals in strategic, creative, and managerial categories. Views on AI are fairly positive, especially for creating insights, ideation, work effectiveness, and quantifiable campaign outcomes. The greater the adoption and technological preparedness, the more favorable the perceived business value of AI, with ethical issues, skills deficiencies, and authenticity concerns continuing to mediate these perceptions. The SPSS-based analysis and PLS-SEM together offer statistically-grounded evidence to guide consultancies in applying AI responsibly. Future studies can widen the geographic range, use longitudinal designs, or add qualitative data.

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Received June, 2026