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## MARKETING IN THE ERA OF DIGITALIZATION: THE IMPACT OF DIGITAL TECHNOLOGIES ON BUSINESS PROCESSES

### МАРКЕТИНГ В ЕПОХУ ДІДЖИТАЛІЗАЦІЇ: ВПЛИВ ЦИФРОВИХ ТЕХНОЛОГІЙ НА БІЗНЕС-ПРОЦЕСИ

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*Гавриш Ю.О., Гавриш О.А., Симоненко А.Л. Маркетинг в епоху діджиталізації: вплив цифрових технологій на бізнес-процеси. Оглядова стаття.*

У статті досліджено вплив цифровізації на трансформацію маркетингової діяльності в умовах цифрової економіки. Проаналізовано ключові інструменти сучасного цифрового маркетингу: пошукову оптимізацію (SEO), автоматизацію процесів, застосування штучного інтелекту, персоналізацію контенту, інтерактивні платформи, а також використання технологій доповненої та віртуальної реальності (AR/VR). Окреслено основні виклики, зокрема інформаційне перевантаження, зміни алгоритмів соціальних мереж і проблеми конфіденційності персональних даних. Запропоновано шляхи підвищення ефективності цифрового маркетингу через інвестиції в аналітику, впровадження етичних підходів, інноваційні форми взаємодії та посилення емоційного зв'язку зі споживачем.

*Ключові слова:* цифровий маркетинг, автоматизація, персоналізація, великі дані, етика, споживач

*Gavrysh I.O., Gavrysh O.A., Symonenko A.L. Marketing in the Era of Digitalization: The Impact of Digital Technologies on Business Processes. Review article.*

The article examines the impact of digitalization on the transformation of marketing activities in the digital economy. The author analyzes the key tools of modern digital marketing: search engine optimization (SEO), process automation, artificial intelligence, content personalization, interactive platforms, and the use of augmented and virtual reality (AR/VR) technologies. The main challenges are outlined, including information overload, changes in social media algorithms, and personal data privacy issues. The author suggests ways to increase the effectiveness of digital marketing through investment in analytics, implementation of ethical approaches, innovative interaction formats and strengthening of emotional connection with the consumer.

*Keywords:* digital marketing, automation, personalization, big data, ethics, consumer

**U**nder the current conditions of the digital transformation of the global economy, marketing is acquiring fundamentally new content and forms of implementation. The widespread integration of digital technologies – such as artificial intelligence (AI), big data analytics, automation, CRM systems, augmented reality (AR), and internet marketing platforms – is radically reshaping traditional business models, operational processes, and the nature of interaction between companies and their customers.

In the digital era, marketing is no longer limited to promotion and sales tools; it is evolving into a comprehensive system for creating, delivering, and communicating customer value at every stage of the client journey. These changes contribute not only to greater personalization and efficiency in communication strategies but also to the development of long-term competitive advantages for enterprises in an increasingly volatile and technology-driven environment.

Furthermore, digital marketing is becoming a key factor in sustainable business development, requiring marketers to adapt to rapidly changing consumer expectations, data privacy regulations, and ethical standards in digital interactions. The convergence of marketing with fields such as data science, behavioral economics, and information security forms a new interdisciplinary framework for understanding and managing customer relationships.

Given the accelerating pace of innovation and global digitalization, there is a growing need for in-depth academic reflection on how these technologies influence marketing strategy and practice. It is particularly relevant for transitional economies like Ukraine, where digital tools are increasingly adopted but often without comprehensive frameworks or ethical guidelines.

This article is based on analytical research conducted by global consulting firms such as McKinsey & Company, Statista, Deloitte, and PwC, as well as on scientific publications by both domestic and international scholars. Particular attention is given to recent literature and industry reports in the fields of the digital economy, marketing analytics, and digital transformation management, which collectively form the theoretical and empirical basis for this research.

### Analysis of recent research and publications

Digital marketing transformation remains a priority area for both academic and applied research. Renowned scholars such as Philip Kotler, Hermawan Kartajaya, and David Chaffey emphasize that the integration of artificial intelligence, automation, big data, and augmented reality into marketing systems reshapes not only consumer behavior but also the strategic approaches to communication and branding (Kotler et al., 2021; Chaffey, 2022). In particular, Marketing 5.0 introduces the concept of technology-humanity synergy, where digital tools are not just instruments but co-creators of customer value.

From a business intelligence perspective, reports by McKinsey & Company (2023) and Statista (2024) highlight a steady increase in digital advertising expenditures and the active implementation of generative AI across marketing functions – from customer segmentation to automated content generation. Meanwhile, Wyzowl (2024) reports that over 90% of marketers consider video content essential, showing its growing influence in digital strategies.

Ukrainian scholars also contribute to the discourse. M. Palasevych emphasizes the importance of digital ecosystems in enhancing customer-centric marketing models, particularly in the Ukrainian retail sector, where integration with AI-driven platforms is on the rise. A. Luchakivskyi addresses ethical concerns in digital transformation, especially with regard to consumer data use and trust-building strategies in conditions of low digital literacy. L. Berezhna focuses on trust as a key intangible asset, citing the Edelman Trust Barometer (2024) and underlining the critical role of data transparency and regulation compliance in long-term brand positioning.

The influence of digital platform algorithms is also actively discussed. The Meta for Business (2023) guide on feed and Reels algorithms outlines how personalization is increasingly governed by AI logic rather than human marketing judgment. The European Commission (2022) and Ukraine's Law "On Personal Data Protection" (2010, as amended in 2022) set the regulatory framework that directly affects the scope and ethical boundaries of digital marketing in both EU and Ukrainian contexts.

Finally, practical applications of digital tools by companies such as NIKE (2022), which launched NIKELAND in the Roblox metaverse, and Rozetka (2024), which integrated AR technologies into its mobile app, illustrate how companies are operationalizing digital innovation to enhance consumer engagement.

### Unsolved aspects of the problem

Despite a growing body of literature and successful implementation cases, several critical issues remain underexplored. Firstly, there is a lack of systematic research on how companies in developing economies, including Ukraine, implement digital marketing innovations while aligning with global ethical standards. The balance between personalization and privacy remains fragile – especially as algorithms become more autonomous and less explainable.

Secondly, although the number of online ads seen by users globally continues to grow (Statista, 2023), questions remain about the long-term effects of ad saturation and content fatigue on consumer trust and attention spans. Similarly, while video marketing and AR/VR elements (e.g., Rozetka, NIKE) are promising, there is insufficient empirical analysis of their actual return on investment in different market segments.

Finally, there is a growing need to examine not only the technological capabilities but also the institutional readiness of companies to adapt to rapid digital change – considering the limitations posed by outdated infrastructure, regulatory ambiguity, and uneven access to digital talent.

The main objectives of the study are as follows:

- to describe the theoretical foundations of digital marketing in the context of technological convergence and consumer behavior change;
- to analyze key digital tools and their impact on business processes, marketing communication, and customer engagement strategies;
- to identify current trends in digital marketing using examples from Ukrainian and international companies, including those implementing AR/VR, algorithm-based personalization, and AI content generation;
- to determine the main challenges and prospects for the development of marketing in the digital environment, including regulatory, ethical, and infrastructural barriers.

### The main part

Digital marketing represents a comprehensive and dynamic system of marketing activities that are implemented through digital technologies and online communication channels with the goal of attracting, retaining, and converting a clearly defined target audience. Unlike static approaches of the past, contemporary digital marketing emphasizes adaptability, interactivity, and precision. Its defining feature lies in the integration of advanced technological tools – such as big data analytics, machine learning-based personalization engines, marketing automation platforms (e.g., HubSpot, Salesforce Marketing Cloud), CRM systems, and real-time interaction mechanisms (e.g., chatbots, live messaging, interactive

content). These instruments allow companies to not only respond to consumer behavior, but also anticipate needs and proactively shape experiences based on data-driven insights.

By continuously collecting and analyzing large volumes of user data, businesses are able to design customer-centric marketing campaigns that evolve in real time. Campaign performance is monitored using key metrics like CTR (click-through rate), conversion rate, dwell time, and engagement metrics, enabling marketers to refine strategies on the fly. The responsiveness and precision offered by these systems substantially increase the operational efficiency, flexibility, and ROI of marketing activities, while also enhancing user satisfaction through relevance and personalization.

In contrast, traditional marketing is built around one-way communication through offline channels – including television, radio, print media, and outdoor advertising – which provide limited opportunities for feedback or campaign optimization. These media channels, although still influential in brand building, are less capable of supporting real-time interaction or granular targeting. Digital marketing, on the other hand, operates in an interactive, two-way communication environment, where platforms such as websites, social media (e.g., Facebook, Instagram, TikTok, LinkedIn), email marketing, search engine marketing (e.g., Google Ads, Bing Ads), mobile apps, influencer networks, and virtual marketplaces (e.g., Amazon, Rozetka, Etsy) play central roles in facilitating personalized user engagement [1, 2].

One of the primary advantages of digital marketing lies in its scalability and accessibility – companies can enter the market with modest budgets and gradually scale up based on performance metrics. Moreover, advanced audience segmentation tools enable targeting

not only by demographic criteria but also by psychographic and behavioral patterns (e.g., past purchases, browsing history, content interactions). This allows for hyper-targeted messaging, which significantly enhances the probability of conversion while minimizing resource waste.

Furthermore, the interactivity embedded in digital marketing tools encourages user participation, feedback loops, and community building, which are crucial elements in contemporary brand development. Features like polls, comments, user-generated content, and social sharing mechanisms turn passive consumers into active brand advocates. Importantly, the measurability of digital marketing makes it possible to calculate campaign effectiveness with a high degree of accuracy, facilitating data-informed strategic decision-making. In the current digital ecosystem, the success of a marketing strategy depends not on isolated tools but on their integrated and coordinated application. The digital marketing toolkit today spans a vast range of functionalities – from SEO (Search Engine Optimization) and PPC (Pay-Per-Click) advertising to influencer marketing, affiliate programs, retargeting, and video content production. Each tool serves specific purposes: some are focused on acquisition and brand visibility, while others support conversion optimization, customer loyalty, or after-sales engagement. Together, they enable the formation of coherent customer journeys, characterized by personalization, consistency, and long-term value creation.

Table 1 provides a structured overview of the core digital marketing tools, outlining their primary functions, key advantages, and strategic roles in achieving business goals. This classification serves as a foundation for further analysis of best practices in tool selection and campaign design.

Table 1. Key Digital Marketing Tools

Tool	Description
SEO (Search Engine Optimization)	Optimization of web resources to improve visibility in search engines.
PPC (Pay-Per-Click)	Contextual advertising with payment for each click on the advertisement.
SMM (Social Media Marketing)	Promotion of products/services through social media platforms (e.g., Facebook, Instagram).
Content marketing	Creation and distribution of relevant and valuable content for the target audience.
Email marketing	Personalized email campaigns to maintain contact with customers.
Affiliate marketing	Partnership programs to attract customers through affiliates.
Influencer marketing	Promotion of products/services through opinion leaders and bloggers.
Marketing automation	Use of specialized platforms to automate marketing activities.
Big data & analytics	Analysis of large volumes of data to support strategic decision-making.

*Source: compiled by authors on materials [1, 2]*

According to Statista (2024), global spending on digital marketing surpassed 667 billion USD, making up over 60% of the total advertising expenditures of companies worldwide. This unprecedented growth signals a fundamental reconfiguration of corporate communication strategies and reflects the strategic priority now assigned to digital tools in influencing both business processes and consumer behavior [2; 3]. The shift is not merely quantitative but also qualitative: marketing is evolving from a promotional support

function into a core driver of customer experience and value creation.

Digital technologies have exerted a transformative influence on nearly every stage of the marketing and sales funnel, reshaping communication channels, customer relationship models, performance metrics, and strategic decision-making mechanisms. A particularly striking change has occurred in the paradigm of customer interaction: traditional linear models – based on discrete, campaign-oriented engagements – have been replaced by dynamic,

omnichannel ecosystems. These systems enable real-time communication and deliver personalized content across multiple platforms simultaneously, enhancing customer satisfaction and brand loyalty.

The deployment of marketing automation platforms – such as HubSpot, Salesforce Marketing Cloud, and Mailchimp — has become a hallmark of this digital evolution. These systems enable marketers to automate repetitive tasks (e.g., email dispatch, lead nurturing, segmentation), manage multichannel campaigns, conduct behavioral targeting, and run A/B tests to optimize performance. Automation not only accelerates campaign execution but also improves the precision and relevance of messaging, which directly contributes to higher engagement and conversion rates. According to Forrester Research (2023), companies that adopt advanced marketing automation tools report a 15-20% increase in conversion rates and a 12-15% reduction in sales cycle length, highlighting the measurable business value of such technologies.

In parallel, Customer Relationship Management (CRM) systems – including Zoho CRM, Microsoft Dynamics 365, and Bitrix24 – have become foundational infrastructure in modern marketing architecture. These platforms centralize customer data from websites, call centers, mobile applications, and social networks, providing businesses with a 360-degree view of client interactions. This holistic visibility enables precise segmentation, real-time customer support, and proactive retention strategies. The integration of CRM with analytics and AI further amplifies its utility by enabling pattern recognition, behavioral forecasting, and needs anticipation.

Big data analytics plays a critical role in supporting data-driven decision-making in this context. By analyzing vast and heterogeneous data sets, companies can detect consumption trends, identify "pain points," personalize offerings, and optimize resource allocation. As noted by McKinsey (2023), the strategic use of big data in marketing operations can improve decision-making efficiency by up to five times, while data-driven personalization has been shown to increase revenue by an average of 6-10% [3]. These statistics highlight not only the effectiveness of data-informed marketing strategies but also their indispensability in a hyper-competitive digital marketplace.

The growing convergence of automation, analytics, and customer-centric design is leading to a new era of precision marketing – one where decisions are guided by algorithms, interactions are enriched by real-time data, and success is measured not solely in reach or impressions but in long-term customer lifetime value (CLV) and brand advocacy.

Digital tools enable the implementation of hyperpersonalized content based on a wide spectrum of user-specific data – including behavioral patterns, geolocation, previous purchase history, demographic traits, and even real-time engagement signals. This hyperpersonalization lies at the heart of modern customer experience design and is increasingly shaping marketing strategies across industries. For instance, advanced algorithms embedded in platforms such as Google Ads and Meta Ads Manager facilitate

laser-focused ad targeting by processing hundreds of data signals in real time. As a result, brands can deliver highly contextual and individualized messages that resonate with users at precisely the right moment in their decision journey.

E-commerce platforms have taken this a step further by implementing dynamic storefronts – user interfaces that adapt in real time to reflect the individual preferences and behaviors of each visitor. Personalized product carousels, behavioral retargeting, and AI-powered recommendation engines have become standard features in online retail. According to Accenture (2024), 91% of consumers are more likely to shop with brands that provide relevant offers and recommendations based on personal data. This not only increases customer satisfaction but also encourages repeat purchases, strengthens brand loyalty, and boosts average order value [3].

Between 2020 and 2025, digital marketing has undergone accelerated transformation fueled by several converging factors: rapid technological innovation, evolving user expectations, and a global shift toward digital consumption. The most successful companies in this period have adopted data-driven approaches that blend performance analytics, emotional storytelling, and artificial intelligence (AI) to construct cohesive, omnichannel customer experiences.

AI, in particular, has emerged as a foundational element of modern marketing infrastructure. It powers a range of applications – from predictive modeling and customer segmentation to dynamic pricing and content generation. Streaming giants such as Netflix and Spotify use machine learning algorithms to tailor content recommendations based on user history and contextual signals, significantly enhancing user retention and engagement.

In the Ukrainian market, banks such as PrivatBank and Monobank are setting a regional benchmark in fintech-driven personalization. Their use of chatbots integrated into Viber and Telegram goes beyond standard customer service: users can execute financial transactions, monitor expenses, receive personalized loan or savings suggestions, and even engage with gamified financial education modules. This not only improves operational efficiency but also deepens the emotional engagement between customers and financial institutions [3, 4].

One of the most dynamic segments in digital content delivery is video marketing. As noted in the Wyzowl Video Marketing Statistics (2024), 89% of marketers report that video content delivers a positive return on investment, citing its superior engagement and conversion metrics compared to static formats. A notable trend is the dominance of short-form vertical videos, typically under 60 seconds in length. Platforms such as TikTok, Instagram Reels, and YouTube Shorts have popularized this format, especially among younger audiences, by enabling snackable, mobile-first content that feels both spontaneous and visually immersive.

Brands are leveraging these formats not only for product showcases but also for storytelling, behind-

the-scenes content, customer testimonials, and cause-driven campaigns. For example, the acclaimed Ukrainian fashion brand LITKOVSKAYA effectively uses vertical video on Instagram to present collections in a cinematic, visually rich manner. This strategy has significantly expanded the brand's global recognition, engaging both domestic and international audiences with minimalist aesthetics and socially conscious messaging [4, 5].

The convergence of personalization, AI, and rich media formats marks a new era of intelligent marketing, where each consumer journey is tailored, adaptive, and emotionally resonant. As the boundaries between commerce, entertainment, and social interaction continue to blur, businesses that integrate these tools seamlessly into their strategy will be better positioned to lead in the digital-first economy.

With the growing popularity and integration of smart voice assistants such as Google Assistant, Apple's Siri, and Amazon's Alexa into everyday consumer habits, there is a noticeable shift in how users interact with digital content. These technologies have transformed the way people search for information, making voice search an essential component of modern digital marketing strategies. Voice queries are typically short, natural, and conversational, often resembling spoken language rather than typed keywords. This trend has led to a transformation in search engine optimization (SEO), requiring marketers to prioritize long-tail keywords, question-based phrases, and localized expressions that mirror the way people speak. As a result, content optimization now increasingly involves mobile-first design, enhanced loading speed, and structured data that improve voice search visibility. Businesses aiming to remain competitive must ensure their content is not only informative but also easily retrievable through voice queries, particularly for local services and products. At the same time, the expectations of modern consumers regarding brand behavior are evolving. Contemporary audiences, especially millennials and Generation Z, are more likely to engage with brands that demonstrate clear ethical stances and social responsibility. According to the Edelman Trust Barometer (2024), 71% of customers report a preference for companies that communicate their values openly and consistently [6].

This statistic underscores a profound transformation in the dynamics of the consumer-brand relationship, where transparency, authenticity, and purpose-driven communication are emerging as equally critical as traditional factors like product quality or price. In the era of digital empowerment, where consumers have unrestricted access to reviews, company policies, and social impact disclosures, trust becomes a strategic asset, not merely a reputational bonus. Brands that fail to demonstrate openness and social consciousness risk alienating a digitally literate, value-sensitive audience. The Edelman Trust Barometer (2024) confirms this evolution: a growing segment of consumers evaluates a company's ethical stance before making purchasing decisions, viewing brand values as an extension of their own identity [6].

Within this context, marketing communication must evolve beyond promotion and persuasion, shifting toward relationship-building grounded in mutual values. Modern consumers – particularly Millennials and Generation Z – expect brands to act as social agents, contributing to environmental sustainability, social inclusion, and ethical business conduct. This marks a transition to human-centric marketing, where emotional resonance and moral alignment shape the perception of brand authenticity. Furthermore, the visibility and permanence of digital footprints make ethical consistency a long-term requirement, as inconsistencies or performative efforts are easily detected and criticized in online discourse.

As a result, companies across industries are rethinking their brand positioning, tone of voice, and storytelling approaches to reflect a deeper alignment with principles of ethical marketing. This includes commitments to fair trade practices, diverse representation in advertising, eco-responsible supply chains, and transparent communication about sourcing and labor conditions. Such shifts are no longer voluntary add-ons but have become central to maintaining relevance and competitiveness in a saturated digital landscape. Ethical marketing, once considered a niche strategy, has matured into a mainstream expectation and strategic differentiator.

A growing number of businesses – from global corporations to regional leaders – are embedding ESG (Environmental, Social, and Governance) values directly into their marketing propositions. This integration is visible in brand narratives, campaign visuals, influencer partnerships, and even product innovation. Beyond enhancing reputational capital, ESG-oriented strategies cultivate emotional loyalty, create shared meaning, and establish purpose-driven communities that extend the brand's influence beyond transactions.

An illustrative case is the Ukrainian retail chain Silpo, which has implemented a multi-tiered, digitally integrated campaign aimed at supporting local agricultural producers and minimizing ecological harm. This initiative is notable for its combination of eco-friendly packaging solutions, AR-enhanced storytelling, and gamified digital experiences, which engage users not only as consumers but as participants in a shared mission [6]. Through interactive formats – such as sustainability challenges, points-based rewards for responsible purchases, and immersive digital journeys – the campaign turns abstract ESG goals into tangible consumer actions. As a result, Silpo not only strengthens its corporate image but also fosters long-term emotional engagement, particularly among digitally native consumers for whom interactivity and ethical resonance are paramount.

These developments reflect a fundamental shift in digital marketing – from transactional, one-size-fits-all approaches to value-based, emotionally intelligent strategies. Modern marketing efforts increasingly seek to cultivate a sense of community, identity, and shared purpose, transforming customers into brand advocates and co-creators. As competition intensifies and digital noise increases, the brands that succeed will be those

capable of delivering authentic, transparent, and ethically grounded experiences, which resonate on both rational and emotional levels.

However, despite the undeniable advantages offered by digital technologies, digital marketing is not without its challenges. As the pace of technological change accelerates, companies are increasingly forced to reassess and adapt their strategies in real time. One of the most pressing issues is information overload. According to Statista (2023), an average user is exposed to over 5,000 advertisements per day – a figure that reflects the hyper-saturation of digital channels and the resultant decline in user attention spans [7]. This phenomenon diminishes the effectiveness of traditional advertising methods and contributes to so-called "banner blindness," where users unconsciously ignore digital ads.

In this highly competitive attention economy, brands must focus on creating high-quality, emotionally charged, and contextually relevant content. Merely being present online is no longer sufficient – successful digital marketing campaigns rely on a synthesis of storytelling, visual creativity, and strategic personalization. Storytelling, in particular, has emerged as a cornerstone of modern content strategies, enabling companies to convey complex messages in relatable and engaging ways. Meanwhile, visual formats such as short-form videos, interactive infographics, and immersive multimedia are gaining traction for their ability to capture attention and provoke emotional resonance within seconds [7].

Following the implementation of the General Data Protection Regulation (GDPR) in the European Union and similar legislative developments in the United States, Ukraine is also aligning its legal framework with international standards on digital privacy and personal data protection [12]. This harmonization process is driven not only by legal obligations but also by a broader societal demand for transparency and accountability in the digital environment. Modern consumers are increasingly aware of how their data is collected, stored, and used, which places heightened expectations on businesses to ensure ethical data governance.

Under these conditions, companies are required to adopt responsible approaches to data processing, including explicit consent mechanisms, data minimization principles, and clear privacy policies. Transparency in communicating the purpose and scope of data collection has become an essential component of brand reputation management. Non-compliance with these norms may lead not only to legal sanctions, including significant fines, but also to reputational damage and erosion of consumer trust – a key intangible asset in the digital economy. In this context, digital ethics becomes a strategic imperative, not just a compliance function.

Compounding these regulatory challenges is the frequent and often unpredictable adjustment of algorithms on major platforms such as Facebook, Instagram, or Google. These changes can significantly affect the visibility of content, advertising reach, and overall campaign effectiveness. For small and

medium-sized enterprises (SMEs), which often operate with limited budgets and slower response capabilities, such volatility creates substantial operational risks. The dependence on algorithm-driven ecosystems can undermine marketing stability, especially in markets where businesses lack sufficient resources for rapid adaptation.

As a strategic countermeasure, companies are increasingly diversifying their digital marketing channels to reduce reliance on any single platform or algorithm. This multichannel approach includes the use of email marketing, messaging platforms (such as Viber, Telegram, or WhatsApp), search engine optimization (SEO), and influencer marketing collaborations [7-9]. By distributing content and engagement efforts across multiple touchpoints, businesses can build a more resilient and flexible communication infrastructure capable of weathering sudden platform shifts.

Looking ahead, the next evolutionary stage of digital transformation in marketing is closely linked to the rise of Web3 technologies. These innovations promise a decentralized, user-centric digital ecosystem built on blockchain infrastructure. Web3-based marketing initiatives, such as tokenized loyalty programs, NFT-based brand assets, and decentralized autonomous organizations (DAOs), are already being tested by pioneering global brands. For instance, Nike's launch of "Nikeland" on the Roblox metaverse exemplifies the brand's forward-looking strategy to engage younger audiences through immersive, gamified digital environments [10]. These new spaces allow for the creation of branded virtual goods, interactive experiences, and user co-creation, redefining traditional notions of customer engagement.

Simultaneously, augmented reality (AR) and virtual reality (VR) technologies are increasingly being adopted as transformative tools in digital marketing, particularly in experience-centric industries such as retail, fashion, interior design, tourism, and real estate. These technologies are no longer perceived as experimental; rather, they are being integrated into practical marketing strategies that seek to enhance customer engagement, product interaction, and brand storytelling. AR and VR enable businesses to create immersive environments, allowing users to virtually "try on" clothes, visualize furniture in their living space, or explore properties without leaving home. This shift from static content to multi-sensory experiences aligns with the broader consumer demand for interactivity, personalization, and emotional connection in brand communications.

In the Ukrainian context, companies are actively embracing this trend. For instance, one of the country's largest e-commerce platforms, Rozetka, has begun integrating AR features into its mobile application, enabling users to preview products – such as electronics, home décor, or appliances – in three-dimensional (3D) augmented views before making a purchase [11, 12]. This innovation not only enhances the online shopping journey but also contributes to reducing product return rates, increasing consumer confidence, and improving overall satisfaction.

Moreover, by simulating physical interaction in digital environments, AR bridges the gap between online and offline retail, especially in cases where tactile inspection of products is important.

The broader adoption of these technologies signals a paradigm shift in digital marketing – one that transitions from purely transactional promotion to experience-driven, participatory ecosystems. This new model emphasizes not just product visibility, but emotional resonance, brand interactivity, and user empowerment. Consumers are no longer passive recipients of advertising messages; they become co-creators of value, actively engaging with content in ways that foster loyalty and long-term relationships.

Furthermore, the convergence of AR/VR with other emerging technologies such as blockchain, NFTs, and decentralized platforms (Web3) is opening new frontiers for digital brand strategy. In this immersive marketing landscape, companies experiment with virtual showrooms, branded metaverses, and gamified loyalty programs that merge the physical and digital dimensions into a cohesive phygital experience. Such developments mark a fundamental evolution in how marketing defines value, presence, and connection in the digital age.

### Conclusion

Based on the results of the conducted research, it can be concluded that digitalization represents not merely an external catalyst for change within the marketing domain, but a foundational force that is reengineering the conceptual, operational, and ethical framework of modern marketing practices. The integration of advanced digital instruments—such as artificial intelligence (AI), marketing automation platforms, big data analytics, CRM systems, and personalized content delivery mechanisms—has significantly broadened the strategic and tactical toolkit available to businesses. These tools facilitate real-time responsiveness, granular customer segmentation, and predictive modeling, enabling the creation of highly adaptive, insight-driven marketing campaigns that evolve in step with fluctuating consumer preferences and dynamic market conditions.

However, alongside these expanded capabilities, the digital transformation of marketing introduces a new layer of complexity and risk. On one front, businesses must contend with an increasingly fragmented and hyper-competitive landscape marked by information oversaturation, accelerated shifts in user behavior, and heightened expectations for speed, relevance, and personalization. On another front, companies are obliged to address regulatory and ethical challenges, including data privacy compliance, algorithmic bias, content moderation, and digital well-being. The tightening of legal frameworks – such as the General Data Protection Regulation (GDPR) in the European Union (European Commission, 2022) and the Law on Personal Data Protection in Ukraine (2010, with amendments) – underscores the need for responsible and transparent digital practices.

In this context, sustainable success in the digital marketing landscape will depend not only on the

adoption of technological innovations, but also on the development of customer-centric, ethically conscious, and innovation-driven corporate cultures. A digitally mature organization must be agile, analytically competent, and value-oriented, capable of navigating complexity while cultivating long-term relationships grounded in trust and mutual benefit.

To increase the effectiveness of business operations and strategic adaptability in the digital environment, the following recommendations are proposed:

- Invest in advanced analytics and artificial intelligence systems to gain comprehensive insights into customer behavior, detect hidden patterns, and anticipate emerging consumer needs. Predictive analytics enables businesses to move from reactive to proactive marketing, optimizing customer journeys and enhancing conversion rates.
- Optimize digital content for multi-platform distribution, with special attention to mobile-first formats, voice search optimization, and short-form video storytelling (e.g., TikTok, Instagram Reels, YouTube Shorts). These formats, driven by algorithmic recommendation systems, are particularly effective in capturing user attention and driving engagement (Wyzowl, 2024; Meta for Business, 2023).
- Foster a culture of continuous digital learning by investing in internal training, upskilling programs, and cross-functional innovation workshops. Equipping employees with digital competencies is vital for ensuring the efficient implementation of new tools and maintaining competitive agility in rapidly evolving ecosystems.
- Enhance transparency in data practices, ensuring that users are clearly informed about how their data is collected, used, and protected. Ethical data governance, in line with GDPR and national regulations, not only mitigates legal risks but also contributes to long-term brand equity and consumer loyalty (Edelman Trust Barometer, 2024).
- Experiment with immersive and interactive formats, including augmented reality (AR), virtual reality (VR), gamification, and Web3/metaverse experiences. These emerging environments offer innovative touchpoints for emotional engagement, narrative-driven branding, and participatory experiences that deepen customer connection. Notable examples include NIKE's "NIKELAND" in Roblox and Rozetka's AR product previews, which showcase the potential of digital ecosystems to drive experiential differentiation.

In conclusion, the future trajectory of marketing will be shaped by those organizations that demonstrate the ability to balance technological advancement with human-centric values. Strategic flexibility, empathetic engagement, and responsible innovation will serve as defining competitive advantages in the digital economy. Companies that can synthesize data-driven intelligence, ethical leadership, and emotional resonance into their marketing frameworks will not only thrive amid digital disruption but will also define the standards of excellence in the next generation of business.

## Abstract

The article explores the transformative impact of digitalization on modern marketing. In the introduction, the author outlines how the rapid growth of digital tools and smart technologies is reshaping consumer behavior and brand communication. The study emphasizes that marketing is no longer just a tool of promotion but a dynamic system constantly evolving due to external technological and social factors.

The purpose of the article is to analyze how digital technologies affect marketing strategies and to identify effective tools and approaches for adapting to the changing digital landscape. The research aims to present current challenges and opportunities that arise in the digital environment, providing practical solutions for businesses seeking sustainable growth.

The methodological basis of the study includes a comprehensive analysis of statistical data, reports from international analytical centers, and case studies of global and Ukrainian companies. The author applies a system-based approach, combining theoretical insights with practical recommendations.

The results of the study show that digitalization enables marketing to become more personalized, data-driven, and consumer-focused. Tools such as artificial intelligence, automation, voice search optimization, AR/VR, and blockchain open new horizons for customer interaction and brand positioning. At the same time, the article draws attention to key challenges – including data privacy regulations (GDPR and its Ukrainian equivalents), algorithmic instability on major platforms, and consumer information overload. These factors require businesses to adopt transparent, ethical, and flexible digital strategies.

In conclusion, the article offers specific recommendations: investing in data analytics, increasing staff digital literacy, experimenting with new interactive formats, and maintaining ethical standards in digital communication. It argues that companies that prioritize innovation, transparency, and emotional connection with consumers will lead in the next stage of digital transformation.

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