

Strategic AI Emphasis: Measurement and Consequences

Ali Obaidan

University Of Leeds

Sourindra Banerjee

Leeds University Business School, University of Leeds

Martin Heinberg

Leeds University Business School, University of Leeds

Constantine Katsikeas

Leeds University Business School

Cite as:

Obaidan Ali, Banerjee Sourindra, Heinberg Martin, Katsikeas Constantine (2025), Strategic AI Emphasis: Measurement and Consequences. *Proceedings of the European Marketing Academy*, 54th, (126101)

Paper from the 54th Annual EMAC Conference, Madrid, Spain, May 25-30, 2025



Strategic AI Emphasis: Measurement and Consequences

Abstract

Artificial Intelligence (AI) has drawn substantial investments in recent years. These investments can only be justified if the technology enhances firm performance by increasing revenue or reducing cost. However, it remains unclear which of the two strategic objectives managers should emphasise. To address this gap, we conducted text analysis of more than 2 million contextual windows from annual reports to investigate how managers emphasise AI's role in revenue generation and cost reduction. Our findings reveal that a stronger emphasis on cost reduction through AI leads to improved firm performance. Surprisingly, placing emphasis on revenue growth with AI negatively impacts financial returns. Moreover, we found that operational capabilities moderate the positive effect of cost AI emphasis while marketing capabilities mitigate the negative effect of revenue AI emphasis. Our research highlights how the impact of AI varies depending on the strategic emphasis managers decide to prioritise.

Key words: Artificial Intelligence, Revenue Expansion, Cost Efficiency

Track: Marketing Strategy & Theory