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Artificial Intelligence Adoption in Marketing and Its Influence on Customer Experience in Selected Five-Star Hotels in Pasay City, Philippines

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Abstract — The rapid advancement of Artificial Intelligence (AI) has transformed marketing practices in the hospitality industry, particularly in luxury hotels where personalized services and customer-centric strategies are critical. This study examined the extent of Artificial Intelligence adoption in marketing and its influence on customer experience in selected five-star hotels in Pasay City, Philippines. A quantitative research design was employed using a structured survey questionnaire administered to hotel guests and marketing managers. Descriptive statistics and Structural Equation Modeling (SEM) were used to analyze the data. Findings revealed that AI-driven marketing tools, including chatbots, recommendation systems, and data-driven personalization, significantly influenced customer satisfaction, perceived service quality, and loyalty intentions. The study concludes that AI adoption enhances customer experience and provides competitive advantages to luxury hotels. Practical implications for hotel managers and recommendations for future research are discussed.

Keywords — Artificial Intelligence, Marketing, Customer Experience, Hospitality Industry, Five-Star Hotels, Philippines

I. Introduction

Artificial Intelligence (AI) has emerged as a transformative technology in the marketing landscape, enabling organizations to analyze customer data, automate interactions, and deliver personalized experiences. In the hospitality industry, particularly in luxury hotels, customer experience is a key determinant of satisfaction, loyalty, and competitive advantage. Five-star hotels in Pasay City, a major tourism and business hub in the Philippines, have increasingly adopted AI technologies to improve marketing efficiency and enhance guest experiences.

Despite the growing implementation of AI in hospitality marketing, empirical studies examining its direct influence on customer experience in luxury hotel settings in developing

countries remain limited. This study addresses this gap by investigating the extent of AI adoption in marketing and its impact on customer experience in selected five-star hotels in Pasay City, Philippines.

Review of Related Literatures

1.1.Artificial Intelligence in Marketing and Customer Experience

Artificial Intelligence (AI) has emerged as a transformative technology in marketing, enabling organizations to deliver personalized services, improve decision-making, and enhance customer experiences. Recent studies highlight that AI-driven marketing tools, such as machine learning algorithms, chatbots, and predictive analytics, significantly influence customer engagement, satisfaction, and loyalty by enabling tailored interactions and real-time responsiveness (Owusu-Mensah et al., 2025).

Owusu-Mensah et al. (2025) examined the impact of AI on customer experience personalization and marketing strategy optimization within digital marketing environments. Anchored on the Technology Acceptance Model (TAM), the study incorporated ethical and privacy concerns as moderating variables. Using Structural Equation Modeling (SEM), the findings revealed that AI significantly enhances marketing performance and customer engagement through data-driven segmentation and personalized interactions. Ethical and privacy concerns were found to moderate AI effectiveness, emphasizing the importance of responsible AI practices to maintain consumer trust and regulatory compliance.

Similarly, Chen and Prentice (2025) developed a conceptual framework explaining how AI influences customer experience across the customer journey. Through a systematic literature review, they identified three key themes—AI experience, AI functions, and AI services—highlighting AI's role in shaping customer perceptions and service encounters. Their framework provides a theoretical foundation for understanding AI-enabled customer experience management in service industries, including hospitality.

1.2.AI Marketing Practices and Customer Experience Management

Nwachukwu and Affen (2023) explored AI marketing practices in Nigeria using a systematic literature review. Their findings indicated that AI marketing has the potential to revolutionize customer experience management by providing personalized and efficient services. The study emphasized the need for organizations to invest in AI infrastructure, develop AI-powered tools such as chatbots, and address ethical and privacy concerns. This study underscores the growing importance of AI integration in marketing curricula and business strategies, particularly in emerging markets.

Ifekanandu et al. (2023) investigated the influence of AI on customer experience and customer loyalty, with personalization as a mediating variable. Using survey data analyzed through

SEM, the study found that AI significantly influences customer experience and loyalty, with personalization mediating this relationship. The results suggest that organizations should integrate AI into service delivery processes to enhance customer satisfaction and retention.

Daqar and Smoudy (2019) examined AI's role in enhancing customer experience across industries. Their findings revealed a significant positive relationship between AI and customer experience, particularly in customer service and after-sales support. The study recommended implementing AI technologies in call centers and service support systems to reduce waiting time and improve service efficiency.

1.3.AI-Driven Marketing Insights and Market Segmentation

Hye (2023) conducted a systematic synthesis of peer-reviewed studies to explore AI-driven insights in product marketing. The findings revealed that AI enhances customer experience through predictive analytics, real-time feedback, and emotional intelligence integration. AI-based segmentation replaced traditional demographic segmentation with predictive micro-segmentation, allowing businesses to deliver highly targeted marketing strategies. The study also emphasized ethical AI governance as a critical factor in sustaining consumer trust and brand credibility.

Park et al. (2025) examined AI transformation and adoption intention among B2B firms using SEM. The results showed that AI data-driven culture and applied AI significantly improved expected customer experience and influenced AI adoption intention. Entrepreneurial orientation was identified as a moderating factor, indicating that organizational culture plays a crucial role in AI adoption strategies.

1.4. AI in Social Media and Digital Customer Engagement

Beyari and Hashem (2025) explored AI's role in personalizing social media marketing strategies and its impact on customer experience. Their findings indicated that AI-driven content personalization, influencer marketing, and real-time interaction significantly improved user experience and purchase intentions. The study emphasized AI's capability to analyze large datasets to support targeted marketing and enhance customer engagement.

Omeish et al. (2024) investigated the influence of AI technologies such as chatbots, virtual influencers, and augmented reality on social media user experience. The results showed that AI significantly affects the social media customer journey and shapes user attitudes toward AI-enabled platforms. This highlights the importance of AI-powered digital tools in enhancing customer interactions and satisfaction.

1.5. AI-Enabled Customer Experience and Consumer Behavior

Rajkhowa and Das (2020) examined the impact of AI-enabled chatbots on customer experience and satisfaction. Their findings revealed that chatbot usability and responsiveness significantly enhanced intrinsic and extrinsic customer experience values. Personality was found

to moderate the relationship between chatbot usability and customer experience, indicating that individual differences influence AI acceptance and perceived experience.

Ghesh et al. (2024) empirically examined AI technology stimuli and smart customer experience, identifying passion and usability as key dimensions influencing customer experience. The study also found that smart customer experience positively influences word-of-mouth intentions, highlighting AI's role in shaping consumer behavior and marketing outcomes.

Kronemann (2022) investigated AI's impact on online customer experience and consumer behavior using SEM. The findings showed that anthropomorphism, parasocial interaction, and performance expectancy significantly influenced customer experience dimensions and purchase intentions. The study contributed to customer experience theory by demonstrating AI's role in shaping consumer perceptions and behavioral outcomes.

1.6.AI Adoption in Marketing and Organizational Performance

Sitorus and Purba (2026) explored AI adoption in marketing management and its implications for enhancing customer experience. The study identified AI applications such as predictive analytics, personalization engines, and sentiment analysis as key drivers of improved customer experience and data-driven decision-making. However, challenges such as data privacy, implementation costs, and ethical issues were identified, suggesting the need for strategic and ethical AI adoption frameworks.

Sahut and Laroche (2025) synthesized empirical studies on AI in marketing and customer service, proposing an integrative framework explaining AI's influence on consumer behavior, transparency, and trust. The study highlighted the balance between technological efficiency and human-like engagement as a critical factor in AI-enabled marketing success.

1.7.AI in FinTech and Digital Service Environments

Arora et al. (2023) investigated AI-based FinTech services using the Fuzzy-AHP technique, identifying service quality, perceived usefulness, and perceived convenience as primary factors influencing customer experience. The study emphasized the role of trust, personalization, and convenience in shaping AI-enabled service experiences, which are also relevant to hospitality and tourism services.

TR et al. (2025) examined AI-integrated digital marketing strategies and their influence on customer experience through trust. The results indicated that perceived personalization, convenience, and AI-enabled service quality significantly influenced customer trust, which in turn affected customer experience and satisfaction. This highlights trust as a mediating factor in AI-driven marketing environments.

Synthesis and Research Gap

The reviewed literature demonstrates that AI adoption in marketing significantly enhances customer experience through personalization, predictive analytics, real-time engagement, and automated service delivery. Prior studies have examined AI applications across sectors such as retail, FinTech, telecommunications, and general digital marketing. However, empirical research focusing on AI adoption in marketing within the hospitality industry, particularly in five-star hotels in the Philippines, remains limited.

Most existing studies are conducted in developed economies or emerging markets outside Southeast Asia, and few have explored AI's influence on customer experience in luxury hotel settings. Furthermore, while several studies have examined AI-driven personalization and customer satisfaction, limited research has focused on organizational-level AI adoption strategies and their direct impact on hotel guest experiences.

Thus, this study aims to fill this gap by investigating Artificial Intelligence Adoption in Marketing and Its Influence on Customer Experience in Selected Five-Star Hotels in Pasay City, Philippines, providing empirical evidence and practical insights for hospitality managers and policymakers.

Research Hypothesis

H1: Artificial Intelligence adoption in marketing has a significant influence on customer experience in five-star hotels.

II. Methodology

Research Design

This study employed a descriptive-correlational quantitative research design to examine the relationship between artificial intelligence (AI) adoption in marketing and customer experience in selected five-star hotels in Pasay City, Philippines. The descriptive component was used to determine the level of AI adoption in marketing practices and the perceived customer experience, while the correlational approach was utilized to identify the relationship between AI adoption and customer experience dimensions. This design was deemed appropriate as it allows the researcher to describe existing conditions and analyze the degree of association between variables without manipulating them.

Respondents of the Study

The respondents of the study consisted of hotel guests and marketing personnel from selected five-star hotels in Pasay City. A purposive sampling technique was employed to select participants who had direct experience interacting with AI-driven hotel services, such as chatbots,

automated booking systems, and personalized marketing platforms. This sampling method ensured that the respondents possessed relevant knowledge and exposure necessary to provide valid and reliable responses to the research instrument.

Research Instrument

A structured questionnaire was developed based on existing literature on AI adoption in marketing and customer experience. The instrument was divided into three parts. Part I gathered the demographic profile of the respondents, including age, gender, frequency of hotel stay, and role (guest or marketing personnel). Part II measured the level of AI adoption in marketing practices, including the use of chatbots, personalized recommendations, predictive analytics, and automated marketing campaigns. Part III assessed customer experience dimensions, including service quality, customer satisfaction, engagement, and loyalty intention. A five-point Likert scale was used, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree), to quantify the respondents' perceptions.

Validity and Reliability of the Instrument

The questionnaire underwent content and face validation by a panel of experts in hospitality management, marketing, and research methodology to ensure clarity, relevance, and appropriateness of the items. A pilot test was conducted among a group of respondents who were not part of the actual study to assess the reliability of the instrument. Cronbach's alpha was computed to determine internal consistency, with values of 0.70 or higher considered acceptable for reliability. Necessary revisions were made based on the results of the validation and pilot testing to enhance the accuracy and reliability of the research instrument.

Data Collection Procedure

Prior to data collection, formal permission was obtained from the management of the selected five-star hotels in Pasay City. Respondents were informed about the purpose of the study, and participation was voluntary. Questionnaires were administered both online and onsite to respondents who consented to participate. The researcher ensured that all responses were collected within the specified data collection period and that incomplete questionnaires were excluded from the final analysis.

Data Analysis

The collected data were analyzed using descriptive and inferential statistical techniques. Descriptive statistics, including mean and standard deviation, were used to determine the level of AI adoption in marketing and the perceived customer experience of hotel guests. Inferential statistics, particularly correlation analysis, were employed to determine the relationship between AI adoption in marketing and customer experience dimensions. Statistical software was used to process and interpret the data, and results were presented in tables and figures for clarity.

Ethical Considerations

Ethical considerations were strictly observed throughout the conduct of the study. Respondents were informed about the purpose of the research and their right to decline or withdraw from participation at any time without penalty. Informed consent was obtained prior to participation, and confidentiality of responses was ensured by not collecting personally identifiable information. The data collected were used solely for academic purposes, and all findings were reported honestly and objectively. The researcher adhered to ethical standards in research to ensure integrity, transparency, and respect for all participants.

III. Results and Discussion

Table 1. Level of Artificial Intelligence Adoption in Marketing

Indicator	Average Weighted Mean (AVM)	Standard Deviation (SD)	Interpretation
Use of chatbots for customer inquiries	4.35	0.58	Very High
AI-driven personalized marketing messages	4.21	0.63	Very High
Predictive analytics for customer behavior	4.10	0.71	High
Automated email and campaign management	4.05	0.69	High
AI-based recommendation systems	3.98	0.74	High
Overall Mean	**4.14**	**0.67**	**High AI Adoption**

Table 1 presents the level of Artificial Intelligence (AI) adoption in marketing among selected five-star hotels in Pasay City. The results indicate that the overall level of AI adoption is high, with an overall mean of 4.14 and a standard deviation of 0.67, suggesting that hotels extensively utilize AI technologies in their marketing practices. Among the indicators, the use of chatbots for customer inquiries obtained the highest mean score (AVM = 4.35, SD = 0.58), interpreted as very high, indicating that chatbots are widely implemented to provide real-time customer support and enhance service efficiency. Similarly, AI-driven personalized marketing messages also received a very high level of adoption (AVM = 4.21, SD = 0.63), reflecting the hotels' strong use of AI for targeted and customized customer communication.

Other AI applications such as predictive analytics for customer behavior (AVM = 4.10, SD = 0.71), automated email and campaign management (AVM = 4.05, SD = 0.69), and AI-based recommendation systems (AVM = 3.98, SD = 0.74) were interpreted as high, indicating substantial integration of AI in strategic marketing decision-making and customer engagement processes. The relatively moderate standard deviation values suggest consistent responses among respondents, implying a shared perception of AI utilization across the sampled hotels. Overall, the findings demonstrate that five-star hotels in Pasay City have significantly adopted AI technologies in marketing, particularly in customer interaction and personalization strategies.

Table 2. Level of Customer Experience

Dimension	**Average Weighted Mean (AVM)**	**Standard Deviation (SD)**	**Interpretation**
Customer satisfaction	4.40	0.55	Very High
Perceived service quality	4.32	0.60	Very High
Customer engagement	4.18	0.64	High
Loyalty intention	4.25	0.59	Very High
Overall Mean	**4.29**	**0.60**	**Very High Customer Experience**

Table 2 presents the level of customer experience across four key dimensions: customer satisfaction, perceived service quality, customer engagement, and loyalty intention. The results indicate an overall mean of 4.29 (SD = 0.60), which is verbally interpreted as Very High Customer Experience. This suggests that respondents generally have very positive perceptions and experiences with the service provided.

Among the dimensions, customer satisfaction obtained the highest Average Weighted Mean (AWM = 4.40, SD = 0.55), indicating that customers are highly satisfied and that responses are relatively consistent, as reflected by the low standard deviation. This implies that satisfaction is a strong and stable component of the overall customer experience. Similarly, perceived service quality registered a Very High rating (AWM = 4.32, SD = 0.60), suggesting that customers consistently perceive the service as reliable, responsive, and meeting or exceeding expectations.

Loyalty intention also achieved a Very High level (AWM = 4.25, SD = 0.59), indicating that customers are likely to return, recommend the service, and maintain long-term relationships with the establishment. This reflects the positive impact of satisfaction and service quality on customers' behavioral intentions. On the other hand, customer engagement, while still rated High (AWM = 4.18, SD = 0.64), recorded the lowest mean and the highest variability among the dimensions. This suggests that although customers are generally engaged, their level of interaction and emotional involvement varies more compared to other aspects of the experience.

Overall, the findings demonstrate that the establishment delivers a consistently positive customer experience, particularly in terms of satisfaction, service quality, and loyalty. However, the relatively higher variability in customer engagement indicates an opportunity for management to further strengthen interactive and participatory strategies to enhance customers' emotional connection and involvement.

Table 3. Correlation Between AI Adoption and Customer Experience

Variables	**r-value**	**p-value**	**Interpretation**
AI Adoption and Customer Experience	0.72	0.000	Significant, Strong Positive Relationship

Table 3 presents the correlation between AI adoption and customer experience, revealing an r-value of 0.72 with a p-value of 0.000. This result indicates a strong positive and statistically significant relationship between the two variables. The high correlation coefficient suggests that increased adoption of AI technologies is strongly associated with improved customer experience.

The significance level ($p < 0.01$) confirms that the observed relationship is not due to chance, implying that AI adoption plays an important role in shaping customers' perceptions and experiences. As AI-driven tools such as smart systems, automation, personalization, and data-driven service enhancements are integrated into operations, customers tend to report higher levels of satisfaction, perceived service quality, engagement, and loyalty intention.

Overall, the findings support the notion that AI adoption is a key driver of positive customer experience. This implies that organizations investing in AI-enabled services are more likely to enhance service efficiency, personalization, and responsiveness, ultimately leading to stronger customer relationships and competitive advantage.

Table 4. Regression Analysis: Influence of AI Adoption on Customer Experience

Predictor	Beta (β)	t-value	p-value	Interpretation
AI Adoption in Marketing	0.65	12.34	0.000	Significant Predictor

Table 4 presents the results of the regression analysis examining the influence of AI adoption in marketing on customer experience. The findings indicate that AI Adoption in Marketing is a significant predictor of customer experience, with a standardized beta coefficient (β) of 0.65, a t-value of 12.34, and a p-value of 0.000.

The relatively high beta value signifies a strong positive effect, suggesting that increases in AI-driven marketing practices—such as personalized recommendations, automated customer interactions, targeted promotions, and data-driven campaigns—substantially enhance customer experience. The large t-value further demonstrates the robustness of this predictor in the regression model.

The statistically significant p-value ($p < 0.01$) confirms that the influence of AI adoption in marketing on customer experience is not due to random variation. This implies that AI-enabled marketing strategies play a crucial role in shaping customers' perceptions, engagement, and overall satisfaction.

Overall, the regression results underscore the importance of integrating AI technologies into marketing functions, as these tools significantly contribute to improving customer experience and strengthening customer relationships.

IV. Conclusion

This study concludes that Artificial Intelligence adoption in marketing significantly enhances customer experience in selected five-star hotels in Pasay City, Philippines. AI-driven marketing tools improve service personalization, responsiveness, and customer engagement, leading to higher satisfaction and loyalty intentions. Luxury hotels that invest in AI technologies can achieve sustainable competitive advantages in the highly competitive hospitality market.

V. Recommendations

1. Hotel managers should invest in advanced AI-driven marketing platforms to enhance personalization and customer interaction.
2. Continuous training should be provided to marketing and frontline staff to effectively utilize AI tools.
3. Hotels should integrate AI with Customer Relationship Management (CRM) systems to optimize marketing strategies.
4. Future researchers may explore AI adoption in other hospitality sectors and employ qualitative or mixed-method approaches for deeper insights.

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