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Procurement in the AI Era: Enabling Agility and Innovation in Digital Marketing

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Abstract: *The procurement and marketing disciplines have historically been viewed in a contentious relationship. Procurement has historically been viewed as a cost-driven barrier that impedes marketing innovation. However, digital marketing and the nature of this complex technologically-driven decision-making environment, along with agency network considerations that are highly interdependent in digital marketing has prompted a redefinition of this relationship. It is contended that procurement's role has changed significantly in the digital marketing context, evolving from a primarily transactionally-focused control function to that of strategic value creation. Based on recent academic literature, this paper investigates the benefits of marketing performance as a result of digital procurement capabilities, the operational advantages of a marketing-procurement partnership, and the integral part procurement plays in the use of emerging technology. The result shows that procurement functions as more than just an administrative support to the marketing function but as a strategic partnership enabling risk reduction, driving efficiencies, and facilitating technology and creative abilities needed for modern digital marketing.*

Keyword: *Digital, Procurement, Decision, Partnership, Marketing*

1. Introduction

Marketing today is evolving into a broad field dealing with a spectrum ranging from data analytics and technology management to content creation and multichannel customer management. In parallel, procurement-once solely defined by the goal of reducing operating costs and managing supplier relationships-is also on a path toward digital transformation (Xu, J.,et al. 2025). With these developments both functions have reached a point where their cooperation-or lack of it-is vital for maintaining an organization's competitive edge. Digital marketing adds a level of complexity to the procurement domain as a function: procurement's spend now consists not just of tangible raw materials and basic services but increasingly complex martech systems, creative agencies specialized in the development of digital marketing content, media buying platforms and analytic software. Such intangible procurements necessitate a new understanding of the function which considers both cost-effectiveness and strategic value, flexibility and innovation. This paper discusses the multifaceted nature of procurement in digital marketing, drawing upon academia and industry reports to answer three research questions:

1. How does digital procurement enable marketing to achieve better market performance?
2. What is the current state of collaboration between marketing and procurement, and what effects can be observed?
3. How must procurement evolve in order to effectively support today's digital marketing activities especially regarding the impact of AI and further technologies?

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It argues that procurement functions as more than just an administrative support to the marketing function but as a strategic partnership enabling risk reduction, driving efficiencies, and facilitating technology and creative abilities needed for modern digital marketing.

Literature Review and Theoretical Framework

Digital Procurement and Market Performance

It is widely acknowledged that procurement is of great strategic significance; however, how its interaction with market performance within a digital context develops is still under investigation. Recent empirical studies, where evidence of digital procurement's crucial role as a contributor to firm market performance is strongly found (Xu, J., et al. 2025), have shown that the reason behind it is not merely due to cost saving, but the improved cooperation with suppliers achieved through three mechanisms: strategic coordination, supply-demand coordination and financing support (Xu, J., et al. 2025). Specifically, strategic coordination refers to organization's common goals and knowledge sharing with its suppliers. In a digital marketing context, such mechanisms could include co-creating long-term partnerships with agencies and technology vendors, in order to realize shared business objectives. Supply-demand coordination refers to efficient use of resources to achieve market demands and would require efficient integration of technology, creative or media stock at specific time when they are really in need so as to gain optimal opportunity in market. Financing support mechanism in the procurement context would be reflected in how the payment term is negotiated to have more flexibility in payment or manage the large-scale digital campaigns. Besides, empirical study indicates that digital procurement is of positive impact to firms not only in the aspect of market share(quantity), but also in the reduction of transaction costs(efficiency) and product quality (Xu, J., et al. 2025). This means the reduction in time and money spent on vendor onboarding, contracts signing, campaigns setup in marketing supply chain, and also improvement on the quality standards of creative and technology vendors.

Marketing-procurement relationship remains a perpetual problem

Despite of great impact of procurement to marketing performance, marketing and procurement have always had a somewhat strained relationship. Many marketing leaders believe that procurement team lacks the understanding about marketing, especially on evaluating the creative agencies and service providers (CMO Council & KPMG., 2023). Such thought can be explained by a strong evidence that less than 26% of marketing leaders in general engage the help of procurement on marketing vendor's identification, selection and negotiation (CMO Council & KPMG.. 2023). Hence, the value creation opportunity is significantly lost. However, the data also clearly suggest that close coordination of marketing with procurement leads to better result, and marketing leaders working "very effectively" with procurement would tend to involves marketing digital and e-commerce people more in the sourcing decisions and show a greater level of digital maturity (Marketing-Interactive., 2026). This suggests that if marketing views procurement as a partner, a more comprehensive and digitally advanced approach will be adopted.

2. Methodology

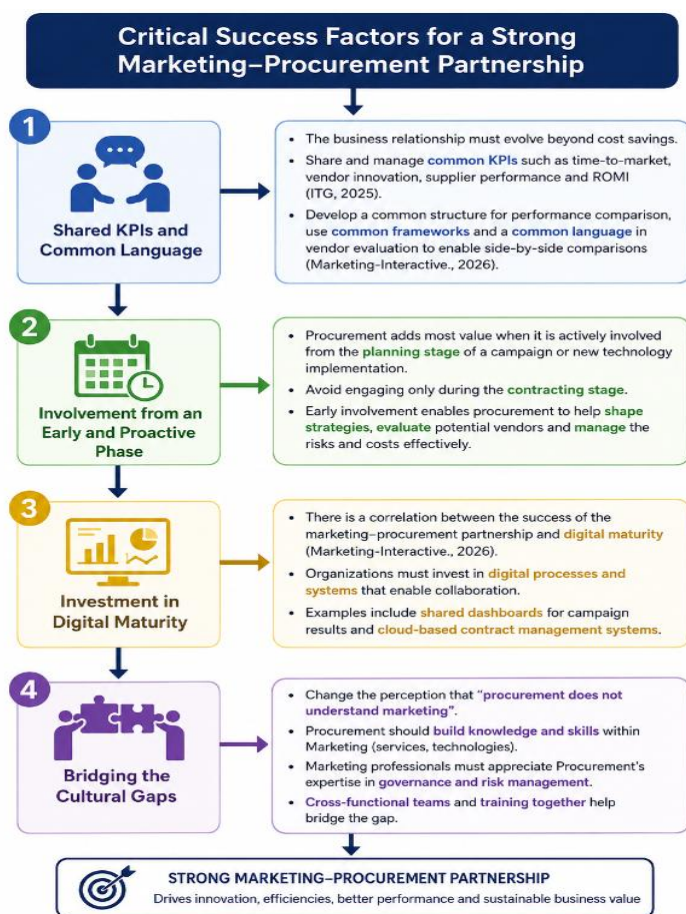
This research follows a qualitative evidence-based research design approach to explore the impact of the procurement-digital marketing partnership on sales performance transformation. As the research objectives are primarily exploratory in nature and due to the requirement to probe a complex context-dependent inter-departmental collaboration dynamics, a qualitative research design is more fitting to generate descriptive, meaningful and in-depth information. The overall research methodology of this thesis relies on triangulation for ensuring validity and reliability.



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For the purpose of this research, data triangulation involves combining and comparing evidence from two major data sources, that are; Systemic Literature Review; A systematic review and critical appraisal of existing peer-reviewed academic journal articles, professional journals and industry reports on the nature of the collaboration between functions in a business context, more specific for procurement function and digital marketing performance and.

The literature will form the conceptual grounding and theoretical perspective from which key performance criteria/ Critical Success Factors (CSFs) of a successful procurement-digital marketing alliance will be preliminarily formulated. Industry Case Study; This stage involves the analysis of relevant current industry case studies and best practice white papers from leading consulting firms and solution providers in the digital marketing sector to complement and provide context to findings from the academic review and also to ensure the CSFs identified are practical and industry relevant. The information obtained will be cross-validated and analyzed through the use of thematic analysis of the identified sources by coding, identifying similarities/contrasts and ultimately triangulating against preliminary CSFs of a collaboration leading to the final conceptualization and presentation see Figure 1 as a framework guiding the proposed collaborative alliance development in industry.





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Figure 1: A model for Critical Success factors for a Strong marketing procurement partnership

3. Discussion

From transactional check point to strategic partnership

Cost saving has always been the core requirement for procurement but is becoming an obsolete one due to a growing necessity to cut tight budget, gain more, higher performance, keep up with fast-changing technology (ITG., 2025). Procurement is taking the initiative role and performing a strategic partnership task which involves many more factors beyond just price negotiation. Firstly, it provides an essential element in the supplier network of modern marketing. With a company's collaboration with a wide range of marketing agencies, technology vendors and content creators, central management on procurement has enabled visibility, governance on all related spending and suppliers' performance (ITG., 2025), which minimizes redundancy and streamlines process. Secondly, innovation will be accelerated. Companies working with procurement can better establish innovative processes and bring concrete business results using capabilities of both procurement and IT. By evaluation not only on cost, but also on potential partners' innovational capabilities and the influence, procurement may enable marketing to select creative, innovative and outstanding marketing vendor (Marketing-Interactive.,2026).

Mastering the Marketing Technology (Martech) Ecosystem

One of the most strategically important areas for procurement value-add is sourcing martech. CMOs are challenged to leverage technology and data in a world focused on improved customer experience and digital transformation, yet navigating the complicated world of martech is one of the most significant hurdles they face (Croud., 2026)(Marketing-Interactive.,2026). Procurement can build assurance that martech purchasing decisions are made with due diligence and that the technology will fit well within a digital transformation initiative (Marketing-Interactive., 2026) beyond just price comparisons. Key elements, including IT security, data privacy practices, and vendor stability are addressed through the lens of procurement, which serves as a governance mechanism against potentially damaging technology decisions.

The Rise of AI and Marketing-Procurement Partnerships

The influx of AI into consumer behavior presents a new set of challenges and opportunities for the marketing-procurement partnership. A large segment of consumer behavior is shifting towards using AI tools for product discovery and even autonomous purchasing (Croud., 2026) and that, coupled with AI's effect on the measurement landscape, is revolutionizing marketing strategies. As marketers are bombarded with claims of ever-evolving AI services, procurement's "sweet spot" lies in its ability to tease out the genuine capability from the fluff (Croud., 2026). This requires the development of new frameworks to evaluate AI vendors and ensure their capabilities are supported by solid data governance and aligned with organizational objectives. In addition, procurement must embrace agility in contracts and frameworks. As one expert puts it: "The frameworks you write today may be out of date by the time they're published. Build for agility"(Croud., 2026). This includes the need for commercial models that will accommodate a landscape where capabilities are advancing faster than traditional procurement cycles.

Digital Marketing and Digital Procurement: a Synergistic Effect

Academic evidence suggests a symbiotic effect between digital marketing and digital procurement. In a study of SMEs, evidence shows that while the direct capability for procurement participation is a strong driver of sales performance, this relationship is significantly strengthened by internet



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marketing capabilities (Changalima, I. A., et al 2023). This points to the fact that neither capability is stand-alone.

There is also evidence that the combination of digital marketing and digital procurement shows a significant positive relationship with operations performance (ICBATS., 2026). For marketing organizations, this implies that adopting e-tendering, digital contract management, and automated supplier onboarding among other digital procurement practices can lead to greatly enhanced operations performance in marketing, enabling marketers to spend time on high-value strategic activities (ITG. 2025, Suryadi S., et al 2023). The example of Heineken demonstrates the value in this synergy. Their marketing strategy has been largely focused on "sweating" assets, building an ecosystem that reuses and adapts content for channels to drive a 40% decrease in production costs with continued high quality (ITG. 2025). An effective such strategy is predicated on an active marketing-procurement partnership, with marketing defining the creative strategy and procurement responsible for the optimization of the supply chain and cost of execution through technology.

4. Result

This paper has made the case that procurement's role in digital marketing is fundamentally transforming. Instead of being a tactical gateway for costs, effective procurement should become a strategic partner in mastering the complexity of the digital space. Empirical research showed that digital procurement will enable businesses not only to gain cost efficiencies but also to increase quality, effectiveness and innovation (Xu, J., et al. 2025). Although a great potential is evident, today, only a limited number of organizations effectively collaborate between marketing and procurement due to enduring cultural gap and cost focus (CMO Council & KPMG., 2023). In order to achieve this, organizations must embrace the new paradigm where procurement is engaged from the beginning of the process, share common marketing goals and actively participate in selecting new technologies and suppliers. With AI, the need of understanding and leveraging new technologies becomes even more apparent and necessitates new skills and capabilities for the procurement department to master technology procurement (Croud., 2026).

5. Conclusion and Future Directions

Future research should focus on specific competencies of procurement professionals within a digital context and also on new business models to increase strategic value for Marketing, as well as optimizing marketing-procurement relationships in different organizational contexts (B2B versus B2C) with the help of appropriate approaches. As the marketing digital landscape continually increases in complexity, the partnership between marketing and procurement will become increasingly more important, serving as a crucial building block of a sustainable competitive advantage.



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