Manexia
Journal of Business, Management, and Creative Economy

Vol. 1 | Issue 2 | May 2025
Pages 19-37
DOI
https://doi.org/10.66203/manexia.01203

From Content Automation to Capability Trap: Rethinking Marketing Capabilities in the Era of Generative AI

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Article History:
Submitted: 05-19-2024
Approved: 27-02-2025
Published: 05-05-2025

OPEN ACCESS
Available at the open access journal:
https://sciedex.com/manexia

Abstrak

The rapid diffusion of generative artificial intelligence (GenAI) has intensified claims that AI systematically enhances marketing capabilities. While prior research emphasizes efficiency gains, personalization, and agility, it largely assumes a linear relationship between AI integration and strategic performance. This article challenges that assumption by developing a conceptual framework of the Generative AI Capability Trap. Drawing on dynamic capabilities theory, competence trap logic, and emerging research on digital authenticity, the relationship between GenAI intensity and marketing distinctiveness is theorized as inherently non-linear. Moderate AI integration may amplify sensing and seizing capabilities, expand creative throughput, and improve short-term performance. However, excessive reliance may compress symbolic variance, reinforce exploitation bias through KPI-driven optimization, and gradually erode adaptive creative capacity. This erosion dynamic is driven by three mechanisms—pattern convergence, creative deskilling, and algorithmic reinforcement—and is conditioned by boundary factors related to organizational learning orientation, creative governance, and industry dynamism. By reframing generative AI as a dual-edged strategic infrastructure, this study extends capability theory to probabilistic systems and introduces variance preservation as a critical lens for evaluating AI-enabled marketing transformation.

Keywords

generative artificial intelligence; marketing capabilities; capability trap; dynamic capabilities; marketing distinctiveness; digital authenticity; algorithmic reinforcement

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1. Introduction

Persistent market volatility has become a structurally embedded condition of contemporary competitive environments rather than a temporary deviation from equilibrium. Accelerated information diffusion, financialization of markets, geopolitical fragmentation, technological discontinuities, and monetary tightening cycles have collectively intensified uncertainty and compressed strategic reaction windows (Baker et al., 2016; Gennaioli et al., 2018; Wenzel, Stanske, & Lieberman, 2021). Unlike episodic crises, persistent volatility generates continuous valuation shifts, sectoral rotations, and expectation reversals that destabilize long-standing assumptions about strategic planning and risk governance. Under such conditions, performance dispersion across firms widens, and exposure asymmetries become amplified rather than absorbed (Bromiley, Rau, & Zhang, 2017; Bhamra, Dani, & Burnard, 2023).

In persistently volatile markets, strategic stability cannot be explained solely by managerial judgment or governance oversight. Structural exposure design may function as an independent determinant of organizational fragility or resilience. Understanding diversification as exposure architecture therefore provides a more precise conceptual lens for explaining heterogeneity in performance under sustained uncertainty. Clarifying this structural blind spot requires a closer examination of the theoretical assumptions embedded in existing diversification research. Doing so reveals why a structural reconceptualization centered on exposure symmetry becomes analytically necessary.

The rapid diffusion of generative artificial intelligence (GenAI) has fundamentally altered the architecture of marketing activities. Firms increasingly rely on large language models and generative systems to automate content production, personalize customer communication at scale, optimize campaigns in real time, and accelerate creative processes. Recent scholarship portrays this transformation as a decisive enhancement of marketing capabilities, emphasizing improved efficiency, data-driven insight generation, and superior customer engagement (Kumar et al., 2024; Mariani & Dwivedi, 2024). In this dominant narrative, GenAI operates as a capability amplifier—expanding firms' sensing, targeting, and communication capacities while reducing marginal production costs.

However, this linear capability-enhancement assumption warrants closer scrutiny. Generative systems do not merely automate routines; they recombine patterns derived from large-scale training data into probabilistic outputs (Riemer & Peter, 2024). While such recombination enables unprecedented scalability, it simultaneously raises concerns about stylistic convergence, algorithmic homogenization, and diminishing creative distinctiveness. As firms increasingly depend on similar models trained on comparable corpora, the risk emerges that marketing outputs become structurally similar across competitors. Under such conditions, efficiency gains may paradoxically erode the very differentiation on which competitive advantage depends.

This tension exposes a critical theoretical gap. Existing AI marketing research primarily investigates performance enhancement, customer experience optimization, or digital agility (Atienza-Barba et al., 2024; Kumar et al., 2024). Parallel research in innovation management highlights AI as an enabler of new product development and organizational renewal (Mariani & Dwivedi, 2024). Yet far less attention has been devoted to the possibility that intensive reliance on generative systems may undermine long-term marketing distinctiveness. In other words, while AI can strengthen dynamic capabilities in the short term, it may also trigger structural patterns associated with competence traps in the long term.

The competence trap literature suggests that repeated reliance on previously successful routines can lock organizations into exploitation-dominant learning cycles, crowding out exploration and constraining adaptive capacity. When firms overinvest in efficient routines that yield immediate returns, experimentation declines and capability evolution gradually

stagnates. Generative AI may accelerate such dynamics by embedding optimization logics directly into marketing workflows. Algorithmic systems privilege pattern regularity, predictive likelihood, and performance reinforcement, thereby structurally favoring exploitation over deviation. As marketing teams increasingly rely on AI-generated suggestions, the balance between exploratory creativity and exploitative optimization may shift toward the latter. Over time, human creative judgment risks becoming subordinated to algorithmic refinement processes, increasing the likelihood of success-induced rigidity. Under such conditions, capability amplification may progressively evolve into a Generative AI Capability Trap.

The risk is not merely operational but strategic. Marketing distinctiveness—manifested in unique brand voice, differentiated messaging, and recognizable symbolic positioning—constitutes a critical intangible resource. If generative systems amplify common stylistic templates and reinforce high-performing formats, firms may inadvertently converge toward similar communicative patterns. Such convergence undermines differentiation advantages and weakens long-term brand equity. The paradox becomes evident: technologies adopted to enhance competitive positioning may gradually compress the variance that sustains it.

Recent discussions on digital authenticity further illuminate this paradox. In AI-mediated environments, seemingly authentic outputs may lack experiential grounding, challenging traditional assumptions about brand meaning construction (Pedersen & Ritter, 2024). When authenticity becomes synthetically reproducible, its strategic value may diminish. Moreover, the automation of personalization can intensify privacy concerns and ethical tensions, complicating trust formation (Saura et al., 2024). These developments suggest that GenAI reshapes not only operational processes but also the foundational mechanisms through which marketing capabilities create and capture value.

To address this underexplored tension, this article advances a conceptual re-examination of generative AI within marketing capability theory. Rather than presuming a monotonic positive effect, the relationship between GenAI intensity and marketing distinctiveness is conceptualized as inherently non-linear. Moderate levels of AI integration may enhance operational efficiency and expand creative exploration by reducing production constraints. However, excessive reliance may activate convergence dynamics, foster creative deskilling, and institutionalize KPI-driven homogenization—mechanisms that collectively compress symbolic variance and erode strategic distinctiveness over time.

Accordingly, the central question becomes: Under what conditions does generative AI shift from a capability amplifier to a capability trap in marketing organizations? Integrating dynamic capabilities theory, competence trap logic, and emerging research on digital authenticity and AI-driven innovation, this study develops a conceptual framework that specifies the mechanisms through which over-automation undermines differentiation, the boundary conditions that buffer or exacerbate this effect, and the strategic implications for sustaining marketing distinctiveness in algorithmic environments.

This article makes four contributions. First, it introduces the construct of the Generative AI Capability Trap, extending competence trap theory into probabilistic, algorithmically mediated contexts. Second, it reframes dynamic capabilities under conditions where sensing and seizing may outpace transforming, challenging assumptions of balanced capability reconfiguration. Third, it conceptualizes marketing distinctiveness as a fragile strategic asset vulnerable to technological over-intensification. Fourth, it develops a boundary condition framework that identifies organizational learning orientation, creative governance mechanisms, and industry dynamism as critical moderators.

By repositioning generative AI as a dual-edged strategic infrastructure rather than a uniformly beneficial tool, this study seeks to recalibrate scholarly and managerial understanding of AI-enabled marketing transformation. Building on this reframing, the analysis elaborates the theoretical foundations of the argument and specifies the mechanisms through which capability amplification may evolve into capability erosion.

2. Theoretical Foundations

Accordingly, the critical issue concerns the conditions under which generative AI shifts from functioning as a capability amplifier to operating as a capability trap within marketing organizations. By integrating dynamic capabilities theory, competence trap logic, and emerging research on digital authenticity and AI-driven innovation, a conceptual framework is developed that clarifies the mechanisms through which automation intensity may undermine differentiation. The framework further delineates the boundary conditions that buffer or exacerbate these erosion dynamics and articulates the strategic implications for sustaining marketing distinctiveness in algorithmic environments.

2.1 Generative AI as Strategic Capability Infrastructure

Before situating GenAI within established capability theories, its ontological role within organizations must be clarified. Rather than viewing generative systems merely as digital tools, they are better understood as infrastructural capability components that reshape the architecture of marketing work.

Generative AI systems operate as probabilistic recombination engines trained on large-scale datasets, producing outputs based on pattern likelihood rather than experiential intentionality (Riemer & Peter, 2024). In marketing contexts, these systems enable automated content production, adaptive personalization, predictive segmentation, and real-time campaign optimization (Kumar et al., 2024). The infrastructural character of GenAI lies in its integration across multiple stages of the marketing value chain—ideation, production, testing, refinement, and deployment.

Importantly, GenAI reduces marginal content production costs and compresses creative cycles. What previously required substantial human ideation can now be generated, iterated, and scaled within minutes. Such acceleration alters the economics of creativity. Creative scarcity gives way to creative abundance. However, abundance does not automatically translate into differentiation. When multiple firms rely on comparable models trained on overlapping data corpora, output variance may narrow. Thus, the same infrastructural capability that enhances efficiency may simultaneously reduce strategic heterogeneity.

This infrastructural view distinguishes GenAI from prior digital technologies. Traditional marketing automation systems optimized predefined workflows; generative systems influence the content of symbolic communication itself. Consequently, GenAI intervenes directly in the production of meaning—a central mechanism of brand differentiation.

The infrastructural perspective therefore establishes the first theoretical tension: GenAI expands the scale and speed of marketing capability execution, yet its probabilistic architecture may introduce convergence dynamics that reshape the nature of differentiation.

2.2 Dynamic Capabilities and Marketing Reconfiguration

Having positioned GenAI as capability infrastructure, dynamic capabilities theory provides a lens to assess its implications for strategic renewal. Dynamic capabilities refer to a firm's ability to sense opportunities, seize them through resource reconfiguration, and transform organizational assets in order to sustain competitive advantage.

In marketing domains, sensing involves detecting consumer trends and preference shifts; seizing includes designing campaigns and propositions; transforming entails reconfiguring brand positioning and creative direction over time. Generative AI appears particularly powerful in strengthening sensing and seizing. By analyzing unstructured data and generating adaptive content, AI enhances responsiveness and experimentation speed (de Haan et al., 2024). It enables firms to test multiple message variants, refine them through performance feedback, and deploy optimized versions at scale.

However, dynamic capabilities theory also emphasizes balance. Sustainable advantage requires continuous transformation, not merely accelerated exploitation. When sensing and seizing become algorithmically optimized around short-term engagement metrics, the transforming dimension may weaken. Transformation involves strategic shifts that redefine brand identity and creative orientation. These shifts require exploration beyond existing patterns.

Generative systems, by design, generate outputs based on statistical regularities in training data. While this property enhances predictability and efficiency, it may bias firms toward exploitation of dominant stylistic forms. If AI-driven marketing prioritizes historically successful templates, firms risk narrowing exploratory search. Over time, exploration may decline relative to exploitation, undermining long-term adaptive renewal.

Recent work on AI and organizational agility (Atienza-Barba et al., 2024) suggests that digital systems can enhance responsiveness. Yet agility is not equivalent to strategic distinctiveness. Rapid adaptation within predefined stylistic boundaries does not necessarily produce differentiated positioning. Thus, dynamic capabilities theory reveals a structural asymmetry: GenAI may disproportionately strengthen sensing and seizing while subtly constraining transforming.

2.3 Competence Trap and Exploitation Bias in Algorithmic Systems

To understand how capability strengthening can evolve into capability stagnation, competence trap theory offers a crucial lens. The competence trap arises when organizations become overly reliant on routines that yield short-term success, reinforcing exploitation at the expense of exploration.

In traditional settings, competence traps emerge through path dependency and learning myopia. Success reinforces existing practices, reducing incentives to experiment. Generative AI may accelerate such feedback loops. Algorithmic systems are inherently performance-driven; they optimize outputs based on engagement metrics, click-through rates, or conversion probabilities. As firms observe improved short-term outcomes from AI-generated content, reliance intensifies. This positive reinforcement reduces perceived need for human experimentation.

Moreover, generative systems are trained on historical data. When firms increasingly deploy AI-generated outputs, they feed similar stylistic patterns back into digital ecosystems, potentially amplifying homogenization. The result is not stagnation in activity but convergence in variation. Firms may appear highly active—producing abundant content—yet underlying stylistic differentiation may compress.

This dynamic can be conceptualized as algorithmic exploitation bias. Unlike human creativity, which may intentionally deviate from norms, generative models probabilistically gravitate toward central tendencies. When organizational processes increasingly defer to such outputs, creative autonomy may erode. Human marketers shift from originators to editors of algorithmic suggestions. Over time, tacit creative capabilities may weaken—a process akin to deskilling.

Thus, competence trap theory reframes GenAI intensity as a double-edged mechanism: it accelerates learning through rapid feedback but may also institutionalize exploitation-dominant routines. The more successful AI-generated content appears, the stronger the reinforcement cycle becomes.

This insight bridges dynamic capabilities and competence trap logic. It suggests that capability amplification and capability erosion are not mutually exclusive stages but potentially sequential outcomes of the same technological intensification.

2.4 Digital Authenticity and the Logic of Differentiation

While competence trap theory explains internal learning dynamics, the erosion of distinctiveness ultimately manifests in market perception. Therefore, differentiation theory and emerging research on digital authenticity provide an external evaluative lens.

Brand distinctiveness depends on symbolic uniqueness, coherent narrative identity, and recognizability. In AI-mediated environments, however, authenticity becomes increasingly reproducible. Pedersen and Ritter (2024) argue that digital authenticity enters a new phase under AI-driven digitalization, where the boundary between human-originated and machine-generated communication blurs. If authenticity can be synthetically replicated, its signaling value may decline.

Generative AI complicates the authenticity–differentiation nexus in two ways. First, stylistic convergence reduces perceptual distinctiveness. If multiple brands adopt similar AI-generated tones, visual structures, or narrative formats, consumer ability to distinguish among them weakens. Second, awareness of AI mediation may alter consumer trust evaluations, particularly when hyper-personalization intersects with privacy concerns (Saura et al., 2024). Thus, differentiation is not solely a matter of internal capability but of perceived uniqueness in competitive contexts.

This perspective highlights a paradox. AI systems promise hyper-personalized communication tailored to individual preferences. Yet personalization based on aggregated patterns may produce standardized customization—a replication of optimized templates across segments. As more firms adopt similar AI-driven personalization engines, differentiation may erode at the macro level even if micro-level targeting improves.

Therefore, digital authenticity theory underscores that capability erosion is not merely internal inefficiency but strategic value dilution. When distinctiveness diminishes, brand equity may weaken, even if short-term engagement metrics improve.

2.5 Integrative Theoretical Logic

The preceding lenses converge into an integrative explanation. Generative AI functions as strategic capability infrastructure that enhances sensing and seizing. However, its probabilistic architecture may bias organizations toward exploitation. Through reinforcement cycles, this bias can generate competence trap dynamics, weakening transformative exploration. Externally, stylistic convergence and synthetic authenticity dilute differentiation value.

The critical implication is non-linearity. At low to moderate levels of AI integration, firms benefit from efficiency gains, expanded experimentation capacity, and enhanced responsiveness. Yet as reliance intensifies, the marginal benefit of automation may decline while the marginal cost in distinctiveness increases. Capability amplification gradually transitions into capability compression.

This integrative framework moves beyond technological determinism. GenAI does not inherently erode capabilities; erosion emerges under specific organizational and strategic conditions. Understanding these mechanisms requires shifting from adoption-centric analysis to capability balance analysis.

Building on this theoretical integration, the Generative AI Capability Trap is formally conceptualized as a non-linear outcome of AI intensification, and the mechanisms linking over-reliance to strategic distinctiveness erosion are delineated.

The propositions developed throughout the article articulate the structural logic of the Generative AI Capability Trap, specifying curvilinear effects, mediation mechanisms, and boundary conditions. Table 1 consolidates these relationships into a structured overview,

clarifying directionality and analytical role while preventing conceptual dispersion across sections.

Table 1. Summary of Propositions in the Generative AI Capability Trap Framework

Proposition	Core Relationship	Type of Relationship	Analytical Role
P1	Generative AI intensity → Marketing distinctiveness	Curvilinear (inverted U-shaped)	Establishes non-linear threshold logic between AI intensification and differentiation
P2	High AI intensity → Reduced exploratory creativity → Weakened adaptive marketing capability	Negative direct effect (longitudinal erosion)	Specifies internal capability erosion mechanism (creative deskilling)
P3	KPI-driven reinforcement mediates the relationship between high AI intensity and reduced marketing distinctiveness	Mediation	Explains exploitation bias through metric reinforcement loops
P4	Marketing distinctiveness mediates the relationship between AI intensity and long-term brand equity	Mediation	Positions distinctiveness as strategic transmission mechanism
P5	Exploratory learning orientation weakens the negative effect of high AI intensity on marketing distinctiveness	Moderation (attenuating)	Identifies variance-preserving organizational buffer
P6	Creative governance attenuates the inverted U-shaped relationship between AI intensity and marketing distinctiveness	Moderation (curvilinear moderation)	Introduces structured friction as safeguard mechanism
P7	Industry dynamism moderates the curvilinear relationship between AI intensity and marketing distinctiveness (stronger trap effect under low dynamism)	Moderation (contextual contingency)	Specifies environmental boundary condition
P8	The capability trap emerges when high AI intensity coexists with low exploratory orientation, weak governance, and low industry dynamism	Configurational condition	Integrates mechanisms into systemic trap configuration

Source: Developed by the authors

Table 1 synthesizes the article's formal propositions into a coherent structure that clarifies how curvilinear effects, mediation pathways, and moderation mechanisms interact within the Generative AI Capability Trap framework. By distinguishing direct, mediated, moderated, and configurational relationships, Table 1 strengthens reviewer-oriented clarity and makes the theoretical architecture immediately interpretable without re-reading dispersed sections of the manuscript.

3. Conceptual Development

The preceding theoretical integration indicates that generative AI is neither inherently capability-enhancing nor inherently capability-destroying. Its strategic consequences depend on the intensity and structural embeddedness of AI within marketing processes. Clarifying this conditionality necessitates formalizing the Generative AI Capability Trap and articulating the mechanisms that connect intensified AI reliance to the gradual erosion of marketing distinctiveness.

3.1 The Generative AI Capability Trap

The Generative AI Capability Trap refers to a strategic condition in which escalating reliance on AI-generated marketing outputs progressively weakens marketing distinctiveness and adaptive creative capacity, even as short-term performance indicators improve. The trap does not arise from technological malfunction or flawed implementation; rather, it emerges because generative AI performs effectively within narrow optimization parameters.

The relationship between generative AI intensity and marketing distinctiveness is theorized as non-linear rather than monotonic. At moderate levels of integration, AI enhances creative throughput and strategic responsiveness; beyond a threshold, however, excessive reliance compresses symbolic variance and erodes differentiation capacity. The following figure formalizes this inverted U-shaped logic.

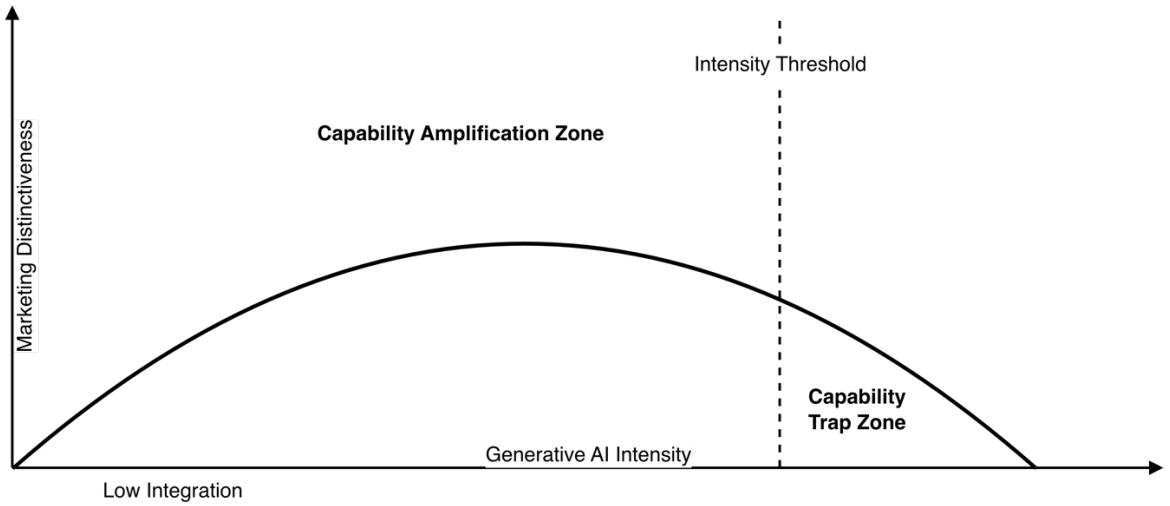

Figure 1. Non-Linear Relationship Between Generative AI Intensity and Marketing Distinctiveness
Source: Developed by the authors

Figure 1 formalizes the inverted U-shaped relationship between generative AI intensity and marketing distinctiveness. At low to moderate levels of integration, AI functions as a capability amplifier, enhancing creative throughput and strategic responsiveness. Beyond the identified intensity threshold, however, further intensification activates convergence and reinforcement dynamics that compress symbolic variance, thereby reducing distinctiveness and marking the onset of the Generative AI Capability Trap.

This distinction is critical. Traditional discussions of technological risk emphasize system errors, bias, or misalignment. In contrast, the capability trap is success-induced. As AI-generated content delivers measurable engagement gains, organizations deepen reliance. Over time, however, this reliance restructures creative processes, narrows exploratory variance, and alters the foundations of symbolic differentiation. The trap is therefore cumulative and path-dependent: it develops gradually as routine reinforcement displaces strategic experimentation.

Conceptually, the trap involves three interrelated dynamics: convergence in symbolic outputs, erosion of internal exploratory capacity, and metric-driven reinforcement of homogenized formats. These dynamics operate simultaneously rather than sequentially, reinforcing one another through feedback loops.

The Generative AI Capability Trap unfolds through interrelated mechanisms that connect AI intensity to long-term strategic outcomes. Rather than a simple direct effect, intensified reliance activates convergence dynamics, creative deskilling, and KPI-driven reinforcement loops that collectively compress symbolic variance and erode distinctiveness. The integrated framework below articulates these structural relationships and their boundary conditions.

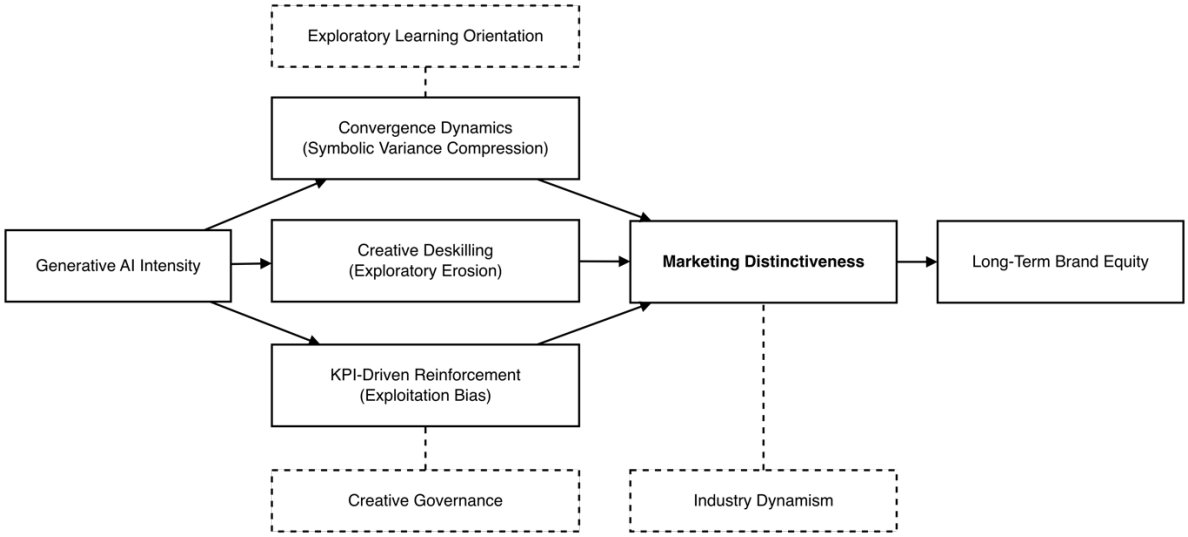

Figure 2. Integrated Framework of the Generative AI Capability Trap
Source: Author's conceptualization

Figure 2 integrates the structural architecture of the Generative AI Capability Trap by connecting AI intensity to convergence dynamics, creative deskilling, and KPI-driven reinforcement, which collectively undermine marketing distinctiveness and ultimately affect long-term brand equity. The framework clarifies how erosion emerges through interacting mechanisms rather than a single direct effect, while also identifying exploratory learning orientation, creative governance, and industry dynamism as boundary conditions that moderate trap emergence. By consolidating mediation and moderation into a single architecture, Figure 2 provides the analytical backbone of the article's theoretical contribution.

3.2 Convergence Dynamics and the Compression of Symbolic Variance

The first mechanism concerns output convergence. Generative AI systems recombine patterns derived from large-scale training data. Because these models optimize around probabilistic central tendencies, their outputs cluster around statistically dominant linguistic and stylistic forms. When multiple firms rely on similar foundational models and optimize toward comparable engagement metrics, stylistic differentiation may narrow across competitors.

This convergence can be understood as a compression of symbolic variance. Marketing communication depends on variation—distinct voice, tone, narrative structure, and aesthetic positioning. Yet as AI-generated outputs increasingly reflect probabilistic norms, the range of stylistic deviation contracts. What initially appears as expanded creative capacity—because of the sheer volume of content produced—may, in fact, mask deeper homogenization at the structural level.

Importantly, convergence does not imply identical content. Rather, it implies similarity in underlying patterns: phrasing conventions, narrative arcs, emotional cues, and visual templates. As firms increasingly accept AI-suggested outputs with minimal deviation, these structural similarities accumulate. Over time, the perceptual distance between competing brands may diminish, weakening differentiation advantages.

This dynamic suggests a non-linear relationship between AI intensity and distinctiveness. At low to moderate levels, AI can expand ideational range and reduce production friction, potentially enhancing differentiation. Beyond a certain threshold, however, intensified reliance amplifies convergence forces, compressing symbolic diversity.

Proposition 1: The relationship between generative AI intensity and marketing distinctiveness is curvilinear (inverted U-shaped), such that moderate AI integration enhances distinctiveness, whereas excessive reliance reduces it.

3.3 Internal Capability Erosion and Creative Deskilling

While convergence manifests externally, a second mechanism unfolds internally. As AI-generated outputs become embedded within core marketing workflows, human creative roles may shift from originators to evaluators of algorithmic suggestions. This reconfiguration subtly alters the learning dynamics that sustain adaptive capability.

Dynamic capabilities require continuous transformation, which depends on exploratory experimentation and the development of tacit creative knowledge. When AI systems generate initial drafts, propose campaign angles, and optimize messaging structures, the cognitive burden of ideation diminishes. Although this reduction increases efficiency, it may simultaneously reduce opportunities for deep creative exploration.

Over time, repeated reliance on AI-generated outputs may weaken the accumulation of tacit creative expertise. Marketers may become proficient in prompt engineering and performance evaluation while engaging less frequently in high-uncertainty experimentation. The organization thus maintains productivity while gradually narrowing its exploratory repertoire.

This process resembles competence trap logic but is technologically mediated. Success in AI-driven optimization reinforces existing stylistic patterns, reducing incentives to deviate. The erosion is subtle: creative capability does not disappear; it becomes constrained within algorithmically bounded spaces. If environmental conditions later demand radical repositioning or stylistic rupture, the organization may lack the exploratory muscle to respond effectively.

Proposition 2: High levels of generative AI reliance reduce human exploratory creativity, thereby weakening the firm's adaptive marketing capability over time.

3.4 Reinforcement Loops and Exploitation Bias

The third mechanism links convergence and deskilling through performance reinforcement systems. Generative AI is typically deployed within metric-intensive environments in which short-term engagement indicators guide iterative refinement. As AI-generated variants are continuously evaluated, high-performing formats are replicated, and underperforming deviations are discarded.

Such reinforcement loops intensify exploitation bias. The organization learns quickly which formats "work" under current algorithms and consumer behaviors. However, this speed of optimization may crowd out slower, riskier forms of experimentation that are essential for long-term differentiation. The more precise the metrics, the stronger the incentive to replicate validated patterns.

This dynamic does not imply that AI eliminates creativity; rather, it channels creativity toward incremental optimization within established boundaries. The organization becomes

increasingly efficient at reproducing successful templates while reducing variance outside validated zones. In stable environments, this may not immediately harm performance. Yet as market expectations evolve, accumulated homogenization may reduce strategic flexibility.

The reinforcement mechanism thus mediates the transition from capability amplification to capability erosion.

The three erosion mechanisms are conceptually distinct and operate at different analytical levels—symbolic output, human capability development, and performance evaluation architecture. Table 2 reconstructs these mechanisms in a structured and non-overlapping manner, clarifying their theoretical roots, internal process logic, and strategic implications within the Generative AI Capability Trap.

Table 2. Mechanisms Underlying the Generative AI Capability Trap

Mechanism	Analytical Level	Theoretical Foundation	Process Logic	Capability Consequence
Convergence Dynamics (Symbolic Variance Compression)	Market-symbolic level	Generative AI as probabilistic recombination infrastructure; digital authenticity logic	Outputs cluster around statistical central tendencies; shared model architectures reduce stylistic dispersion across firms	Compression of symbolic variance in brand communication
Creative Deskilling (Exploratory Erosion)	Organizational capability level	Dynamic capabilities theory; competence trap logic	Human actors shift from originators to evaluators of AI outputs; reduced engagement in high-uncertainty ideation	Decline in exploratory creativity and weakened transforming capability
KPI-Driven Reinforcement (Algorithmic Exploitation Bias)	Evaluative-governance level	Competence trap theory extended to algorithmic systems	High-frequency metric feedback privileges replication of validated formats and penalizes deviation	Institutionalization of exploitation over exploration

Source: Author's conceptualization

Table 2 sharpens construct precision by differentiating the mechanisms according to analytical level, theoretical origin, and capability consequence. By doing so, it demonstrates that the Generative AI Capability Trap emerges not from a single failure point but from interacting symbolic, organizational, and evaluative dynamics. Positioned after the elaboration of Sections 3.2–3.4, Table 2 functions as a structural synthesis that stabilizes the mechanism-driven logic before the integrated framework is introduced.

Proposition 3: KPI-driven reinforcement of AI-generated outputs mediates the negative relationship between high AI intensity and marketing distinctiveness.

3.5 Marketing Distinctiveness as a Strategic Mediator

The erosion dynamics described above ultimately matter because marketing distinctiveness functions as a strategic asset. Distinctiveness enables recognition, differentiation, and premium positioning. It contributes to brand equity by increasing perceptual separation from competitors.

If generative AI intensity reduces symbolic variance and weakens adaptive creativity, distinctiveness becomes vulnerable. Short-term performance metrics may continue to improve due to optimization efficiency, masking gradual degradation in differentiation. Over longer horizons, however, diminished distinctiveness may undermine brand equity and competitive advantage.

This logic positions distinctiveness as the mediating mechanism through which the capability trap affects long-term strategic outcomes.

Proposition 4: Marketing distinctiveness mediates the relationship between generative AI intensity and long-term brand equity.

3.6 Boundary Conditions: When Does the Trap Emerge?

The Generative AI Capability Trap is not inevitable. Its emergence depends on organizational and environmental configurations that shape learning balance.

Firms characterized by strong exploratory learning orientations may counteract convergence pressures. By institutionalizing experimentation and encouraging deviation from AI suggestions, such organizations preserve variance within automated workflows.

Proposition 5: An exploratory organizational learning orientation weakens the negative effect of high AI intensity on marketing distinctiveness.

Similarly, formal creative governance mechanisms—such as brand stewardship structures or structured review processes—may introduce productive friction. While reducing speed, governance safeguards differentiation by preventing unchecked standardization.

Proposition 6: Creative governance mechanisms attenuate the inverted U-shaped relationship between AI intensity and marketing distinctiveness.

Finally, industry dynamism conditions trap likelihood. In rapidly evolving markets, continuous environmental turbulence may disrupt homogenized routines, compelling ongoing experimentation. In stable industries, optimized AI routines may persist longer, amplifying convergence.

Proposition 7: Industry dynamism moderates the curvilinear relationship between AI intensity and marketing distinctiveness, such that the capability trap effect is stronger in low-dynamism industries.

When high AI intensity coincides with low exploration, weak governance, and environmental stability, erosion dynamics intensify.

Proposition 8: The Generative AI Capability Trap emerges when high AI intensity combines with low exploratory learning orientation, weak creative governance, and low industry dynamism.

4. Discussion and Theoretical Contributions

The prevailing narrative in the generative AI literature portrays AI as an unambiguous enabler of marketing effectiveness. AI-powered systems are framed as enhancing personalization, accelerating innovation, and improving decision quality (Kumar et al., 2024; Mariani & Dwivedi, 2024). Within this view, greater AI integration is implicitly associated with superior strategic performance. However, such linear enhancement logic obscures a critical structural tension: optimization is not synonymous with differentiation.

This study addresses this blind spot by theorizing the Generative AI Capability Trap. Capability amplification and capability erosion are conceptualized as structurally intertwined rather than mutually exclusive outcomes. This reframing challenges three underlying

assumptions in current scholarship: that AI uniformly strengthens dynamic capabilities, that exploitation efficiency necessarily translates into long-term advantage, and that digital authenticity can be scaled without diminishing its strategic value.

4.1 Rethinking Dynamic Capabilities Under Algorithmic Intensification

Dynamic capabilities theory emphasizes the balanced orchestration of sensing, seizing, and transforming. AI scholarship frequently interprets generative systems as enhancing sensing (through data processing) and seizing (through rapid deployment of optimized responses) (Kumar et al., 2024). Yet this interpretation implicitly assumes that strengthening two dimensions does not compromise the third.

The dynamic capabilities view hinges on a balanced interplay among sensing, seizing, and transforming. Under generative AI intensification, however, marketing organizations may experience an asymmetry: algorithmic infrastructure can accelerate sensing and seizing while subtly constraining transformative renewal. The figure below crystallizes this theoretical recalibration.

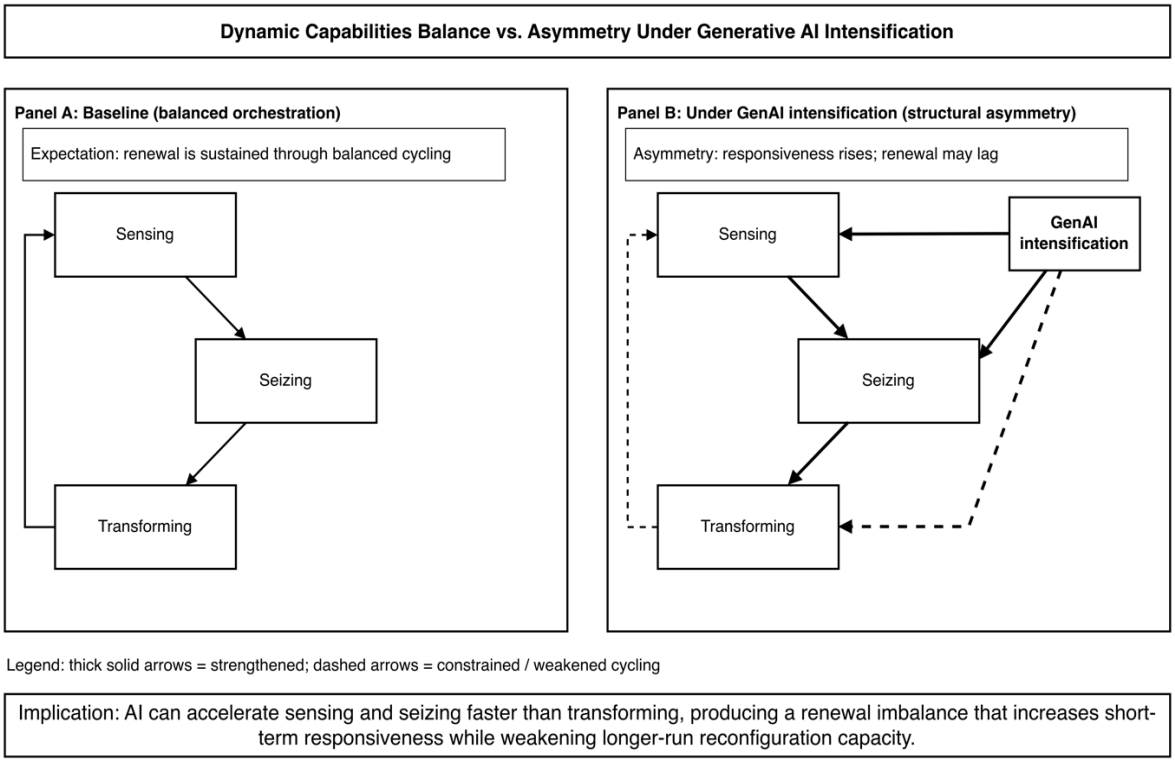

Figure 3. Dynamic Capabilities Asymmetry Under Generative AI Intensification
Source: Author's conceptualization

As articulated in Figure 3, generative AI intensification can create a structural imbalance in the dynamic capabilities triad by disproportionately strengthening sensing and seizing while placing pressure on transforming. The model clarifies that faster insight generation and rapid execution do not necessarily translate into sustained renewal, because transformative reconfiguration requires exploratory deviation that may be crowded out by optimization-centric workflows. By making this asymmetry explicit, Figure 3 supports the article's argument that capability amplification can coexist with longer-run erosion risks under high AI reliance.

Our framework problematizes this assumption. When AI infrastructures intensify exploitation cycles, the transforming dimension—requiring deviation, rupture, and creative discontinuity—may be constrained. Ritala et al. (2024) demonstrate that AI capability building depends on organizational learning structures. However, learning structures shaped by AI-

generated optimization may privilege refinement over exploration. Thus, AI capability development may paradoxically institutionalize learning rigidity.

The contribution here is theoretical recalibration. Dynamic capabilities in AI-mediated environments cannot be assessed solely by responsiveness or speed. They must be evaluated in terms of variance preservation capacity. If generative AI compresses symbolic diversity, then accelerated sensing and seizing may coexist with weakened transformative renewal. This introduces a structural asymmetry previously underexplored in AI marketing research.

4.2 From Competence Trap to Algorithmic Reinforcement Trap

Competence trap theory traditionally describes human over-reliance on successful routines. What this study adds is the recognition that generative AI embeds exploitation bias into algorithmic infrastructures. Unlike human routines, algorithmic outputs are optimized through high-frequency metric feedback. Friess et al. (2024) demonstrate that digital sales technologies have contingent effects on performance. Our model extends this insight: the contingency is not merely contextual but structural.

Generative AI reinforces patterns that align with short-term performance indicators. As these indicators become the dominant evaluative lens, stylistic deviation becomes increasingly costly. The result is an algorithmic reinforcement trap, where optimization success reduces strategic variance. This is qualitatively distinct from traditional competence traps because reinforcement occurs at digital scale and speed.

Moreover, Riemer and Peter (2024) conceptualize generative AI as “style engines.” If AI systems recombine stylistic elements from shared corpora, widespread adoption across firms may produce systemic convergence. The trap therefore operates not only within firms but across competitive fields. Capability erosion becomes collective rather than isolated.

The theoretical implication is profound: exploitation bias is no longer solely a cognitive or organizational phenomenon; it is infrastructural. AI intensification institutionalizes central tendency reproduction.

4.3 Distinctiveness, Authenticity, and the Illusion of Hyper-Personalization

Marketing literature traditionally equates personalization with differentiation. However, personalization driven by shared generative architectures may produce standardized customization. Saura et al. (2024) highlight tensions between personalization and trust in the context of the AI-driven privacy paradox. Beyond trust concerns, algorithmically homogenized personalization may also undermine distinctiveness.

Pedersen and Ritter (2024) argue that digital authenticity enters a new phase under AI-driven digitalization, in which authenticity becomes technologically reproducible. When authenticity can be synthetically generated at scale, its scarcity—and thus its signaling value—declines. This condition may be understood as authenticity dilution. As AI-generated brand voices mimic experiential tone without experiential grounding, authenticity shifts from a relational attribute toward stylistic simulation.

Our contribution lies in linking authenticity dilution to capability erosion. Distinctiveness is sustained through controlled deviation from dominant stylistic norms. Yet generative AI privileges probabilistic centrality. As firms intensify AI reliance, they may unknowingly substitute experiential differentiation with statistically optimized similarity.

This reframes hyper-personalization as potentially paradoxical: micro-level customization may coexist with macro-level homogenization.

4.4 Non-Linearity and Threshold Logic in AI Intensity

A critical theoretical advancement of this study is the explicit introduction of threshold logic into AI-performance debates. Existing AI marketing research often examines adoption versus non-adoption (Kumar et al., 2024). Yet de Haan et al. (2024) demonstrate that unstructured data utilization requires structured governance to generate value. This implies that intensity without orchestration may degrade outcomes.

By proposing an inverted U-shaped relationship between AI intensity and marketing distinctiveness, this study moves beyond binary adoption frameworks. The question is not whether AI improves performance, but at what level intensification produces diminishing returns.

This reframing aligns with broader digital transformation research suggesting that technological investments require complementary organizational capabilities (Sumbal et al., 2024). However, our model goes further: it identifies over-intensification as a structural risk independent of capability deficiency. Even highly capable firms may experience erosion if intensity crosses variance-preserving thresholds.

Thus, AI intensity must be theorized as a continuous strategic variable with tipping points, not as a categorical adoption decision.

4.5 Reconciling AI Capability Building with Erosion Dynamics

Ritala et al. (2024) argue that developing industrial AI capabilities requires structured learning processes. Our framework does not contradict this; rather, it introduces a temporal dimension. Capability building in early phases may indeed enhance distinctiveness. However, as reinforcement loops consolidate around optimized patterns, capability expansion may transition into capability narrowing.

This dynamic resembles path dependence described in digital transitions research (Sminia et al., 2024). Early strategic decisions regarding AI integration may shape long-term variance boundaries. Once organizations embed AI deeply into content pipelines, reversing homogenization becomes increasingly difficult.

Therefore, the Generative AI Capability Trap should be understood as a trajectory phenomenon rather than an immediate outcome. The trap materializes when AI capability accumulation converges with declining exploratory variance.

4.6 Toward a Variance-Preserving Theory of AI-Enabled Marketing

The central theoretical advancement of this article is the shift from optimization-centric evaluation to variance-preserving evaluation. AI systems optimize for performance metrics. Strategic differentiation, however, depends on variance from competitors. These logics are not inherently aligned.

This insight suggests a broader theoretical implication for digital marketing research: technological capability should be assessed not only by efficiency and accuracy but by its impact on competitive heterogeneity. When shared infrastructures standardize symbolic production, competitive fields may become increasingly isomorphic.

The Generative AI Capability Trap thus contributes a structural perspective to AI scholarship. It clarifies how success-induced rigidity, algorithmic exploitation bias, and authenticity dilution converge to threaten long-term differentiation. Rather than positioning generative AI as inherently disruptive, its strategic risk lies in excessive normalization.

5. Managerial Implications and Future Research Agenda

The Generative AI Capability Trap framework carries implications that go beyond operational optimization decisions. If generative AI simultaneously enhances efficiency and compresses differentiation, managerial action must shift from adoption maximization to variance governance. The central challenge is not whether to deploy generative AI, but how to prevent algorithmic intensification from eroding symbolic and strategic distinctiveness.

5.1 From AI Adoption to AI Intensity Calibration

Much practitioner discourse treats AI adoption as a binary strategic milestone. However, as AI-powered marketing capabilities expand (Kumar et al., 2024), the more relevant managerial question concerns *intensity calibration*. Our framework suggests that performance gains may initially increase with AI integration but may decline in strategic value beyond a threshold.

Managers must therefore reconceptualize AI not as an efficiency engine to be maximized, but as a capability whose marginal benefit declines under excessive intensification. This aligns with contingency findings in digital sales technologies, where performance effects depend on contextual configuration (Friess et al., 2024). In generative AI contexts, intensity calibration becomes essential to avoid convergence and exploitation bias.

Practically, this implies developing internal indicators of stylistic variance, semantic differentiation, and creative exploration levels. Rather than monitoring only engagement metrics, firms should assess the dispersion of symbolic outputs over time. Declining variance may signal the early onset of trap dynamics.

5.2 Institutionalizing Exploration in AI-Mediated Workflows

The second implication concerns learning structures. AI capability development requires structured learning processes (Ritala et al., 2024), yet our model suggests that such processes must deliberately protect exploration from algorithmic dominance.

Managers should design hybrid workflows in which AI-generated outputs serve as stimuli rather than endpoints. Structured experimentation cycles—where human teams intentionally deviate from AI-optimized suggestions—can preserve exploratory capability. Without such deliberate deviation, KPI-driven reinforcement may gradually crowd out creative variance.

This insight reframes governance as a strategic necessity rather than bureaucratic friction. Creative governance mechanisms, including review boards, brand stewardship functions, and exploration quotas, introduce productive resistance into automated pipelines. Although such mechanisms may reduce short-term speed, they protect long-term differentiation.

5.3 Rethinking Authenticity in AI-Driven Branding

The authenticity implications are equally significant. Pedersen and Ritter (2024) argue that AI-driven digitalization reshapes authenticity logics in B2B contexts. Our framework extends this concern: authenticity dilution may occur when AI-generated communication simulates experiential tone without grounded narrative continuity.

Managers must therefore differentiate between personalization and distinctiveness. Hyper-personalization may increase engagement while simultaneously compressing brand-level differentiation. Firms should ensure that AI-generated outputs remain anchored in coherent brand narratives rather than drifting toward probabilistic central tendencies.

This requires explicit articulation of brand identity constraints within AI prompting and evaluation systems. Absent such constraints, generative systems may optimize toward engagement-friendly but symbolically generic formats.

5.4 Guarding Against Algorithmic Isomorphism

At the industry level, widespread adoption of shared generative models may produce competitive isomorphism. If multiple firms rely on similar foundational architectures, convergence risks extend beyond individual organizations. This aligns with research on digital ecosystems showing that shared infrastructures shape value creation patterns (Bohnsack et al., 2024).

Managers should therefore recognize that AI-driven optimization may generate collective homogenization. Strategic differentiation requires intentional divergence from algorithmically dominant norms. Firms that rely exclusively on off-the-shelf generative architectures may inadvertently participate in systemic similarity formation.

One strategic response involves developing proprietary training data layers or fine-tuned models that embed firm-specific symbolic assets. Another involves maintaining human-led creative experimentation detached from optimization metrics.

5.5 Temporal Awareness: Avoiding Success-Induced Rigidity

Perhaps the most critical managerial insight concerns temporality. The Generative AI Capability Trap does not emerge immediately. It evolves gradually as reinforcement cycles consolidate. Early success in AI-driven campaigns may mask long-term erosion in distinctiveness.

Managers should therefore treat sustained metric improvement with analytical caution. Success may indicate effective exploitation rather than adaptive resilience. Incorporating long-term distinctiveness metrics—brand recognition variance, perceptual differentiation indices, narrative coherence stability—into evaluation frameworks can mitigate short-term bias.

This temporal awareness is consistent with digital transformation scholarship emphasizing path dependence in technological integration (Sminia et al., 2024). Early design choices regarding AI embedding may shape long-term capability boundaries.

5.6 Future Research Agenda

While this study develops a conceptual framework, several research directions warrant systematic investigation.

Longitudinal Threshold Testing

Empirical studies should test the proposed inverted U-shaped relationship between AI intensity and marketing distinctiveness. Panel data across industries could identify tipping points and examine lag effects on brand equity.

Field Experiments on Creative Deskilling

Experimental designs comparing AI-dominant versus hybrid creative teams could assess changes in exploratory output variance and tacit skill development over time.

Cross-Industry Convergence Analysis

Large-scale semantic analysis of AI-generated marketing content across industries could measure systemic homogenization patterns and evaluate algorithmic isomorphism.

Governance Intervention Studies

Research should examine whether creative governance mechanisms moderate convergence effects, testing structured friction as a variance-preserving device.

Consumer-Level Authenticity Perception

Building on authenticity research (Pedersen & Ritter, 2024; Saura et al., 2024), studies should explore how consumers perceive AI-generated symbolic similarity and whether awareness of AI mediation affects differentiation judgments.

The central implication of this study is not that generative AI threatens marketing capabilities per se. Rather, unmoderated intensification risks compressing the very variance on which competitive differentiation depends. Generative AI is best understood as an accelerator of existing learning dynamics. When balanced by exploration, governance, and narrative anchoring, it enhances capability development. When maximized without variance safeguards, it may induce success-driven rigidity. Strategic leadership in the generative AI era therefore requires not technological enthusiasm, but calibration discipline.

6. Conclusion

Generative AI has rapidly transitioned from experimental novelty to infrastructural backbone in contemporary marketing. Prevailing discourse emphasizes its efficiency-enhancing, personalization-enabling, and innovation-accelerating potential. While these contributions are substantial, such narratives remain incomplete. Optimization is not synonymous with differentiation, and acceleration does not automatically imply renewal.

The introduction of the Generative AI Capability Trap reframes generative AI as a dual-edged strategic infrastructure. Rather than treating AI as inherently capability-enhancing, its impact is conceptualized as structurally non-linear. Moderate integration may amplify sensing and seizing capacities, expand creative throughput, and strengthen short-term performance. Excessive reliance, however, may compress symbolic variance, institutionalize exploitation bias, and gradually erode marketing distinctiveness.

This reframing yields three core insights.

First, dynamic capabilities in AI-mediated environments require evaluation through variance preservation rather than responsiveness alone. When generative systems disproportionately reinforce exploitation cycles, the transforming dimension of dynamic capabilities weakens. Accounts of AI-enabled agility therefore require complementary analysis of renewal asymmetry.

Second, competence trap logic extends to algorithmic infrastructures. Generative AI embeds reinforcement mechanisms within optimization architectures, accelerating convergence at digital speed. The trap emerges not from technological malfunction but from success-induced rigidity. As AI-generated outputs consistently perform well under short-term metrics, organizational reliance deepens and exploratory space narrows.

Third, marketing distinctiveness must be conceptualized as intensity-sensitive. Hyper-personalization and AI-driven authenticity simulation may coexist with macro-level homogenization. Micro-level customization does not ensure macro-level differentiation. When firms rely on shared probabilistic architectures, competitive isomorphism can emerge, compressing symbolic heterogeneity across industries.

The broader theoretical implication is that generative AI accelerates learning dynamics rather than determining their direction. Existing organizational orientations are amplified. Where exploration and governance structures preserve variance, AI enhances capability development. Where optimization dominates without constraint, AI intensifies exploitation bias and convergence.

The strategic question confronting marketing leadership is therefore not whether to adopt generative AI, but how to calibrate its intensity and embed variance-preserving safeguards.

Competitive advantage in the generative era may depend less on automation scale than on disciplined orchestration.

Future research should empirically examine the proposed non-linear relationships, investigate cross-industry convergence patterns, and explore governance interventions capable of sustaining differentiation under algorithmic intensification. Integrating efficiency logic with differentiation logic remains essential for understanding the structural consequences of generative AI in marketing.

Generative AI does not inherently threaten marketing capabilities. The risk lies in excessive normalization. The central tension of the generative era is that the very technology designed to scale creativity may, if left unmoderated, compress the variance upon which creativity depends.

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