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Panagiotis Drivas & Polyxeni Moira

University of West Attica

ABSTRACT

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Panagiotis Drivas[α] & Polyxeni Moira[σ]

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Recommendations include designing balanced experiences, fostering community engagement, and developing educational initiatives. Future research directions involve modeling tourism as a system of oscillating dipoles and constructing a dynamic personality theory rooted in cognitive, emotional, and behavioral dimensions.

Keyword: mountain tourism difficult joy energy flow.

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I. INTRODUCTION

Mountain regions, covering 22% of the Earth’s land and hosting 13% of its population, are vital ecological and cultural zones that attract 15–20% of global tourists (UNWTO, 2021). Their unique topography, biodiversity, and heritage support well-being and offer socio-economic opportunities for remote communities (Rowan, 2016). Despite their value, mountains face increasing threats from climate change, land-use shifts, and ecosystem degradation (UNESCO, 2023).

Mountain tourism (MT), once overlooked in early tourism literature (Jafari, 2001), now encompasses diverse recreational, cultural, and agricultural activities (Lugosi, 2016). Defined by UNWTO (2021) as tourism in areas with distinct elevation, climate, and cultural identity, MT promotes sustainable development, mitigates seasonality, and enhances rural livelihoods. Its integration with agritourism fosters nature-linked experiences and community engagement.

Strategic development of MT requires inclusive planning, legal frameworks, digital innovation, and active local participation (UNWTO, 2017; 2019). While geographic isolation preserves cultural identity, it complicates access and infrastructure. Sustainable MT must balance growth with ecological integrity, empower local enterprises, and avoid heritage commodification. As Notarianni (2017) notes, “happy communities create happy tourists.” Long-term resilience depends on visionary governance, investment, and adaptive policy.

II. LITERATURE REVIEW. CONCEPTUAL REFLECTIONS AND EMERGING PRINCIPLES IN MOUNTAIN TOURISM

A synthesis of literature and insights from 16 international conferences (1998–2024) confirms that sustainable development is central to MT, especially in addressing seasonality (Drivas & Moira, 2025). However, terms like "responsible" and "holistic" tourism remain vague, limiting practical application. Eight emerging principles—drawing from physics and energy flow—offer a structured framework for policy and typology. As Csikszentmihalyi (1990) notes, true enjoyment arises from challenge, not control. MT invites reflection and balance between autonomy and interdependence.

2.1 The Tripartite Human Experience in Mountain Tourism

MT engages physical, emotional, and cognitive dimensions (Lambert, 2003; Nawijn, 2011; Moira et al., 2021). This tripartite model, rooted in neuroscience and personality theory (MacLean, 1989; Pervin & Cervone, 2013), frames tourism as a layered interaction between self, nature, and meaning.

2.2 Behavioral Dualities in Mountain Tourism

MT reflects dual motivations: "difficult joy" through challenge (Joachim, 2014; Sport England, 2015; Doyle, 2016; Hinteregger, 2018a; 2018b) and "easy joy" through comfort (Petković, 2012; Hinteregger, 2016; Thiele, 2016). These modes correspond to energy exchanges—physical, cognitive, and emotional (Ploog, 2003; Smith and Diekmann, 2017, Laidlaw, 2012; Pervin & Cervone, 2013; Silverman, 2015; Buhalis, 2018; Passafaro et al., 2021). Urban populations often seek ease and reconnection with nature (Nydegger, 2014; UNWTO, 2018), shaped by historical accessibility (Harari, 2015). MT responds to layered needs—from health and identity to escape and renewal (Franch et al., 2008; Cohen, 2010; Motel-Klingebiel, 2019).

2.3 Diversity and Adaptability in Mountain Tourism

MT evolves with shifting preferences and climate conditions. Millennials drive demand for personalized experiences (Prensky, 2001; Lalande, 2016; Moira & Drivas, 2017). Walking and nature immersion gain popularity (Germier-Hamel, 2016; Thiele, 2016), while four-season models support resilience (Wearing & McGehee, 2013; WTO, 2013; 2018; Downes, 2015; Hinteregger, 2015; 2016; Gotsiridze, 2017). Demand expands to new destinations (Franch et al., 2008; WTO, 2014; Bourn, 2014; Doyle, 2016; Torres, 2016; WTO, 2016), reflecting demographic shifts and rising expectations (Butler, 2006; Farini, 2015).

2.4 Holism and Interdependence in Mountain Tourism Systems

Sustainable MT integrates ecological, economic, and social dimensions (Hawken, 1993; McDonough & Braungart, 2002; Unruh, 2020). Tourist satisfaction links to community well-being (Milne, 2018). Policies must address energy flows, infrastructure, and authenticity (WTO, 2017). Tourists seek meaningful interaction (Crompton & McKay, 1997; Otto & Ritchie, 1996), while market segmentation reflects demographic diversity (Downes, 2015; Wight, 2022). The desire for connection and self-transcendence is central (Lalande, 2016; Μαρούδα-Χατζούλη, 2014; Παπαδόπουλος, Γ, 2025).

2.5 Uncertainty and Complexity in Mountain Tourism

MT operates in unpredictable environments that foster humility and resilience (Βιρβιδάκης, 2023, 2025, Sandel, 2011; Aristotle, 2004; Krishnamurti, 2011). Complexity science supports participatory governance (European Commission, 2016; MonViso Institute, 2025). Tourists balance safety and adventure, ego and eco modes (Ευθυμίου, 2016; Παπαδόπουλος, Χ., 2019; Δαββέτας, 2022). Community-centered approaches offer resilience against market-driven homogenization (Cousquer, 2016; Keller, 2014).

2.6 Paradox and Contradiction in Mountain Tourism

MT transforms remoteness and harsh terrain into experiential value (Keller, 2014). Paradoxes like Jevons' show how efficiency can increase consumption (Polimeni & Polimeni, 2006; Polimeni et al., 2012), while structured experiences may limit openness (Csikszentmihalyi, 1990). Human behavior follows chaotic logic, requiring balanced strategies (Lorenz, 2005; Negrepontis et al., 2020; WTO, 2017; Fox, 2017; Löffler et al., 2014). Institutions like MonViso and Euromontana explore the fusion of tradition and innovation (Franch, 2008; Petković, 2012; Kämpf, 2016; Olmedo, 2017; Roux, 2017; Buhalis, 2018). Education and dialogue foster adaptability (Nicolau, 2018; Martin, 2018).

2.7 Reciprocity and Regenerative Dynamics in Mountain Tourism

MT depends on reciprocal exchanges among stakeholders. Tourism benefits communities only when designed to serve them (Franch et al., 2008; Keller, 2014; Germier-Hamel, 2016; Fox, 2017; Milne, 2018). Regenerative Design (RG) promotes restoration and resilience by emulating natural systems (Wahl, 2016).

2.8 Seasonality and Cyclical Innovation in Mountain Tourism

Seasonality remains a challenge. Adventure models and year-round strategies—like Slovenia's Green Plan (Štravs Podlogar, 2019), Serbia's "Mountains and Lakes" (Petković, 2012), and China's four-season resorts (Downes, 2015)—offer solutions. Mountains buffer seasonal extremes (Keller, 2014), and destinations like New Zealand promote even tourist distribution (Milne, 2018). Innovation, digital tools (Pierret, 2012), multi-skilled professionals (Sport England, 2015), and ethical practices (World Tourism Organization, 1999) support resilience. Sustainability requires circularity and systemic thinking (MonViso Institute, 2025; Ellen MacArthur Foundation, 2016; Swat et al., 2019). Wolf (2019) reframes humanity's role as a "transient gardener," advocating stewardship over exploitation.

III. RESEARCH METHODOLOGY

To investigate perceptions of sustainability, seasonality, and the foundational principles of mountain tourism, a structured bilingual questionnaire (Greek and English) was developed and distributed via Google Forms. The instrument comprised 25 Likert-scale statement groups across eight thematic sections, aligned with the eight core principles identified in the literature review.

Two supplementary sections (11 items) captured respondents' engagement with mountain tourism and demographic characteristics. The survey was disseminated online to both mountain enthusiasts and general participants, within and beyond Greece, through relevant platforms (e.g. www.eooa.gr, www.snowreport.gr, www.snowclub.gr, www.eosvolos.gr).

Data collection occurred between 15 September and 15 December 2023, yielding 453 valid responses. Statistical analysis included exploratory factor analysis, supported by KMO and Bartlett's tests, with components extracted based on eigenvalues >1 and rotated using varimax. A second-order factor analysis identified two overarching dimensions. Likert responses were binarized for further testing, and demographic correlations were examined using Fisher's exact test and independent-samples t-tests.

IV. PRIMARY RESEARCH RESULTS – STATISTICAL ANALYSIS

4.1 Physical, Emotional, and Cognitive Satisfaction of the Mountain Tourist

Mountain tourism engages visitors across three interconnected dimensions: the physical, the emotional, and the cognitive. On a physical level, activities such as hiking, skiing, and climbing contribute not only to recreation but also to improved fitness and overall well-being. Emotionally, mountain environments foster a sense of connection with nature, strengthen group bonding, and promote feelings of personal empowerment. At the same time, the cognitive dimension of mountain tourism is expressed through opportunities for reflection, spiritual renewal, and encounters with authenticity.

This multidimensionality is also reflected in the findings of Statement No. 5: "A mountain tourism activity (e.g., mountaineering, skiing, mountain biking, camping, climbing, sightseeing, etc.) is personally fulfilling because...". The responses show that 82% of participants highlight reconnection with nature, 79% emphasize improved physical fitness, and 67% refer to the development of spirituality, while 84% of the respondents point to a sense of holistic fulfillment that combines all these aspects. These results confirm that mountain tourism simultaneously satisfies physical, emotional, and intellectual needs, thereby offering a comprehensive form of personal fulfillment.

4.2 Two Poles of Human Personality: Relaxation and Exercise – Direction of Energy Flow

Mountain tourism reflects two complementary personality poles: on the one hand, relaxation, which is associated with comfort and predictability, and on the other, exercise, which entails physical effort and the pursuit of transcendence. These two poles correspond to distinct energy flows: the egocentric (or ego mode), which is oriented toward personal gratification, and the holocentric (or eco mode), which emphasizes nature and community. The balance between these poles, and particularly the shift toward the holocentric flow, is considered crucial for fostering forms of tourism that are both sustainable and meaningful.

This conceptual framework is further illustrated by the findings related to Statement No. 7: "During a mountain tourism activity, I primarily enjoy and seek...". The responses indicate that 56% of participants value physical exercise, 79% emphasize harmonization with nature, and 63% highlight the importance of group participation. Moreover, 64% associate their enjoyment with adventure and novelty, while 56% note the alternation between exertion and relaxation, and 51% the alternation between adventure and predictability. Interestingly, only 23% express a preference for personalized services, with half of the respondents remaining neutral on this point. Overall, these results suggest a clear preference for dynamic, participatory, and nature-connected experiences over individualized or passive ones, reinforcing the view that mountain tourism thrives when it integrates physical challenge, collective engagement, and ecological attunement.

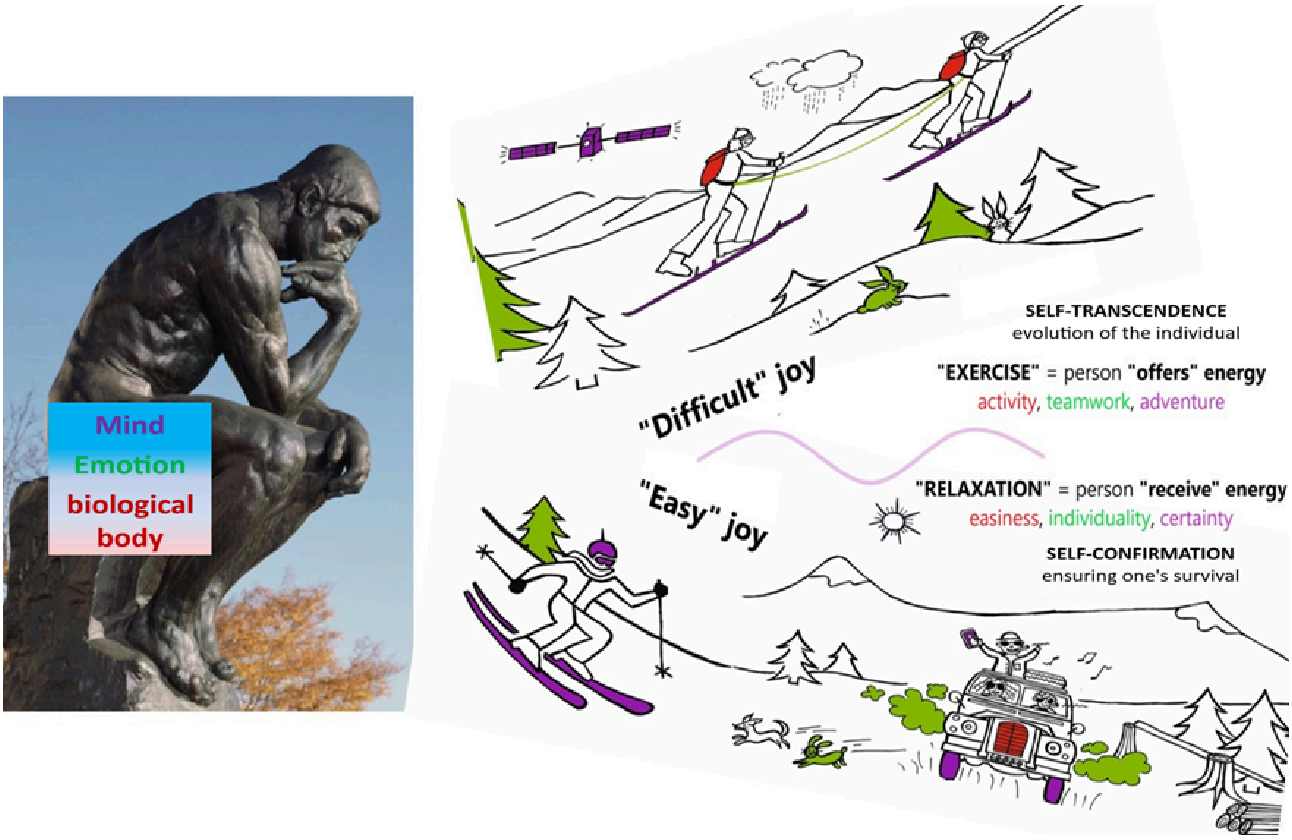


Figure 1: Two poles of human personality: relaxation and exercise Source: Drivas P 2025

4.3 Instability and Adaptive Management in Mountain Tourism

Mountain tourism is characterized by constant variability, which requires adaptive responses from participants. Such responses may take the form of exercise, involving effort and resilience, or of relaxation, oriented toward release and self-care. The choice between action and rest largely depends on personal needs and contextual factors, yet striking an appropriate balance is crucial for sustaining resilience and ensuring long-term, meaningful participation in mountain activities.

The findings associated with Statement No. 1 ("Life is characterized by continuous change, for example due to technological advancement, a state of ceaseless motion. Regarding these ongoing changes…") illustrate this adaptability. A significant proportion of respondents (76%) reported enjoying change, while 54% indicated that their response depended on the context, and only a very small minority (3%) expressed disagreement. These results suggest that individuals engaged in mountain tourism are generally receptive to variability, yet their acceptance of change remains context-sensitive.

A similar pattern emerges in relation to cultural and gastronomic preferences, as reflected in Statement No. 4 ("As a festive meal during a mountain tourism event, I would be most satisfied with…"). The majority of participants expressed a preference for a traditional communal meal (80%) and a strong appreciation for a local tavern experience (73%). By contrast, only 13% favored a luxury restaurant, while 51% emphasized that their choice would depend on the specific occasion. This tendency highlights a pronounced orientation toward authenticity, simplicity, and flexibility, confirming that mountain tourism is experienced not only as physical or emotional engagement but also as a context-sensitive cultural practice that values tradition and shared experiences over individualized luxury.

4.4 Holism, Interdependence, and Interconnection in Mountain Tourism

Mountain tourism operates as a complex system in which natural, social, and psychological factors constantly interact. A holistic perspective acknowledges that humans, environments, economies, and cultures are deeply interconnected, and that effective planning must recognize this interdependence in order to safeguard both sustainability and authenticity. Within such a framework, the relationship between individual behavior and broader systemic dynamics becomes particularly significant.

The findings associated with Statement No. 10 ("Within this interdependence with the social and natural environment, I primarily seek...") reveal a pronounced normative orientation toward environmental responsibility. An overwhelming 90.5% of respondents emphasized respect for environmental limitations, while only 5.7% declared a preference for pursuing personal desires regardless of constraints. At the same time, 19% stated that their behavior would depend on the context. These responses indicate a strong alignment with values of environmental stewardship, while also reflecting a degree of situational flexibility.

A similar tendency emerges from Statement No. 11 ("In a mountain sports-tourism event, I am more interested in..."). Here, 85% of participants indicated that their primary interest lies in participation and the enjoyment of the process itself, while only 16% emphasized advancement or ranking. A smaller group (33%) acknowledged that their preferences may shift depending on circumstances. The overall pattern suggests that mountain tourism motivations are more strongly associated with collective experience and process-oriented enjoyment than with competitive outcomes.

Finally, Statement No. 12 ("The existence of rules and restrictions in a tourist destination, necessary for the protection of its natural environment and local community...") highlights the role of regulation in shaping perceptions of destination quality. A large majority of respondents expressed positive attitudes toward rules, with 81% stating that such measures create a favorable impression and 77% believing that they enhance the attractiveness of the destination. Only a small minority (5–6%) voiced negative views, while 35% remained neutral or undecided. Taken together, these findings demonstrate broad support for regulatory frameworks designed to protect natural and cultural assets, albeit tempered by some degree of ambivalence.

4.5 Uncertainty, Infinite Complexity, and Multivariable Dynamics in Mountain Tourism

Mountain tourism operates within a context of inherent uncertainty and complexity, shaped by environmental unpredictability, shifting visitor behavior, and evolving socio-economic conditions. Its multivariable character—ecological, cultural, psychological, and technological—renders linear approaches to planning insufficient and calls for adaptive strategies capable of embracing uncertainty. Such an orientation is essential for building resilience and ensuring sustainable development in mountain destinations.

The findings related to Statement No. 14 ("To manage the uncertainty around us, while adhering to basic safety rules, I most enjoy...") suggest that visitors tend to adopt flexible, context-sensitive strategies. A majority (60%) expressed a preference for alternating between security and adventure, 54% favored innovation and experimentation, while 38% opted for guaranteed solutions. This distribution illustrates an openness to adaptive behaviors that combine the desire for novelty with an underlying need for safety.

However, attitudes toward institutional and public discourse reveal a more critical stance. In response to Statement No. 15 ("Most stakeholders... usually speak with honesty and altruism, respecting and seeking the objectivity of scientific knowledge"), 61% of participants disagreed, only 14% agreed, and 25% remained neutral. These results point to significant skepticism concerning the honesty, altruism, and scientific integrity of stakeholders involved in mountain tourism.

This mistrust extends to public governance, as shown in Statement No. 16 ("Public Administration usually works in the interest of the public... without being deterred by political cost"). Here, 80% of respondents disagreed, 14% expressed neutrality, and only 6% agreed, indicating a perceived lack of credibility, sincerity, and independence in public administration.

Finally, responses to Statement No. 17 ("The existing communication and coordination... is sufficient. There is no need to spend more time and effort on consultation...") underscore the demand for stronger participatory processes. A large majority of 74% disagreed with the sufficiency of current consultation mechanisms, while 17% remained neutral and only 8% agreed. This suggests that respondents favor deeper, more inclusive stakeholder dialogue as a prerequisite for effective tourism planning and governance in mountain regions.

4.6 Paradox and Coexistence of Opposing Forces

Mountain tourism thrives on paradox, where remoteness and unpredictability—often perceived as obstacles—emerge as core assets (Keller, 2014). Visitors are drawn simultaneously to comfort and challenge, navigating the interplay between relaxation and exertion. Theories such as the illusion of control (Csikszentmihalyi, 1990) and chaotic determinism (Lorenz, 2005) highlight that unpredictability can serve as a catalyst for personal transformation. From a planning perspective, sustainability requires embracing this duality, finding a balance between authenticity, innovation, and complexity.

The findings reinforce this paradoxical dimension. Statement No. 20 ("Heterogeneity within a group of tourists... may seem paradoxical, but is generally desirable and beneficial for all") elicited broad agreement: 76% of respondents endorsed heterogeneity, 16% remained neutral, and only 9% disagreed. Diversity is thus recognized as a valuable source of enrichment and resilience within mountain tourism groups.

Similarly, Statement No. 21 ("In mountain tourism, ease and difficulty often coexist...") confirmed a shared awareness of paradox. Here, 77% of participants agreed, 14% were neutral, and 9% disagreed. The results suggest that although challenges can pose obstacles to development, they are simultaneously perceived as mechanisms that safeguard cultural integrity and natural heritage.

Finally, Statement No. 22 ("In the tourism market, the impact of promotional activities and the presentation of the tourism product ('marketing') is considered particularly important...") revealed ambivalent attitudes toward the role of marketing. While 48% considered marketing helpful for enhancing understanding, 49% viewed it as a source of confusion, and 61% argued that its impact depends on the context. This ambivalence underscores that marketing is perceived as both informative and manipulative, raising unresolved ethical questions concerning its influence on sustainable mountain tourism.

4.7 Reciprocity and Stakeholder Dynamics

MT functions as a system of reciprocal relationships, where the actions of tourists, locals, policymakers, and the environment trigger mutual reactions. Sustainable development depends on shared accountability and adaptive coordination. Statement 23 indicated strong theoretical support for reciprocity: 83% agreed that relationships should be mutually beneficial, and 50% endorsed the principle of "what you give is what you get." However, only 38% believed their own interests are best served when others' are too, while 45% remained neutral—suggesting ambivalence in the personal internalization of reciprocity, particularly among younger respondents.

4.8 Cyclicality, Seasonality, and Moderation

Mountain tourism follows natural and social rhythms—daily, seasonal, and annual—requiring planning that aligns with these cycles. Statement 3 showed that 83% of respondents enjoy seasonality, 52% accept it as a necessary compromise, and 66% view it as purpose-dependent, with only 4–5% expressing disagreement. This suggests that seasonality is broadly embraced, though its meaning varies by individual motivation. Statement 24 highlighted preferences for moderation: 68% favored balance, only 20% endorsed the idea that "more is better," and 50% remained neutral. These findings reflect a cultural orientation toward moderation and sustainability in tourism experiences.

4.9 Factor Analysis and Demographic Correlations

From a total of 453 completed questionnaires (109 items), the high completion rate of 83.2% provided a solid basis for statistical analysis. Factor analysis (KMO and Bartlett's tests) identified the core dimensions of mountain tourism, while varimax rotation and second-order analysis revealed the existence of two overarching meta-factors. To ensure clarity in interpretation, Likert-scale responses were binarized into agree/disagree categories, with neutral answers excluded. The data were then correlated with demographic variables using Fisher's exact test, Odds Ratios (OR), t-tests, and chi-square for trends, with statistical significance set at $p < 0.05$. Age emerged as a significant variable shaping perceptions of reciprocity. In relation to items such as V90 ("My interests are best served when others' interests are also served") and V92 ("You get what you give"), agreement was markedly higher among respondents over 45 years old (84.1%) compared to those under 45 (63.7%). The calculated Odds Ratios of 2.57 and 3.0 ($p < 0.001$) indicate that older participants demonstrate stronger alignment with principles of collective benefit and ethical reciprocity.

Gender differences were also evident, particularly regarding motivations for rest. Women were significantly more likely than men to agree with item V32Cut ("I mainly enjoy and seek physical rest, e.g., a relaxed ride using a tourist lift"), suggesting that gender-sensitive planning that incorporates rest-oriented experiences may contribute to inclusivity and broader appeal.

Income levels further shaped attitudes toward mountain tourism. Higher-income respondents (earning over €20,000 annually) tended to value reciprocity (V90, OR = 3.0, $p < 0.001$) and modern infrastructure (V26, OR = 1.9, $p < 0.024$). In contrast, lower-income participants (earning €20,000 or less) placed greater emphasis on goal orientation (V21, OR = 0.32, $p < 0.008$), activities with locals (V35, OR = 0.47, $p < 0.027$), and simplicity or minimalism (V5, OR = 0.53, $p < 0.045$). The income distribution of the sample showed that most respondents belonged to the middle-income category, with 33% earning between €10,001 and €20,000 and 22% between €20,001 and €30,000, while only 1% did not disclose their income. Statement No. 32 further supports this profile, with approximately 80% of respondents reporting their income as moderately to fully sufficient for participating in mountain tourism. Only 20% considered their income inadequate. These findings suggest that affordability is not the primary determinant in tourism decision-making, reinforcing the broader satisfaction trends discussed in section 4.1

Educational attainment also influenced interpretive frameworks. With 85% of respondents holding university or postgraduate degrees, differences were notable between levels. Postgraduates were significantly more likely to accept stereotypes as useful interpretive tools (V84, OR = 2.3, $p = 0.002$) and to embrace temporal cyclicality rather than fixed trajectories (V96, OR = 0.36, $p = 0.003$). These findings suggest that higher education correlates with greater openness, flexibility, and tolerance for complexity in the context of tourism.

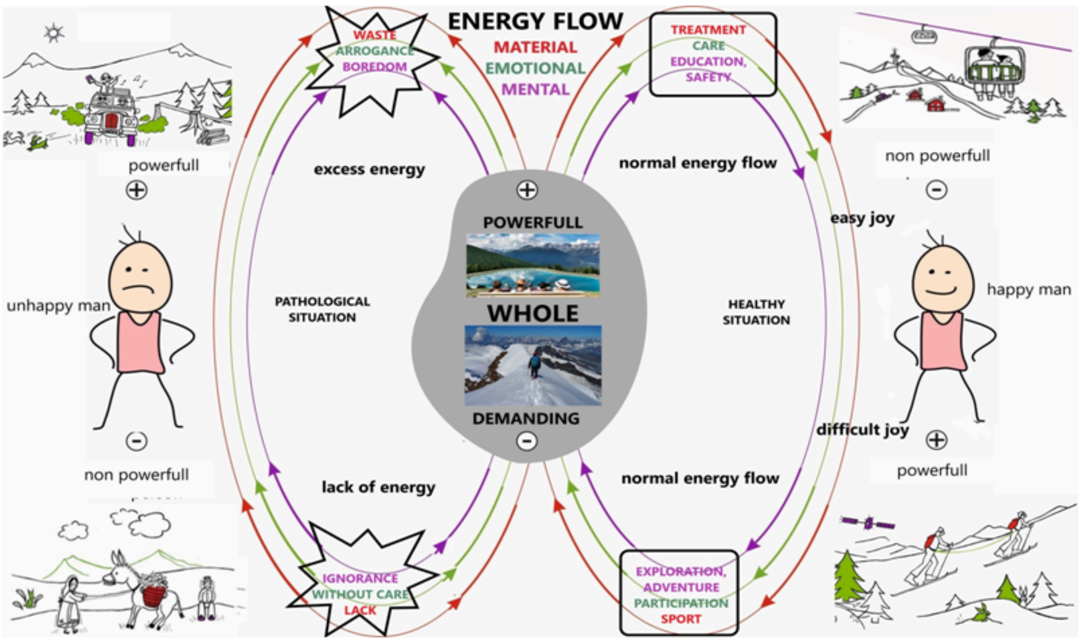
The relationship of respondents with mountain tourism itself further illuminates their motivational profiles. Statement No. 26 (V97) explored engagement with mountain tourism through reported visit frequency. All 453 participants responded, with distribution as follows: minimal (7.3%, ≤1 time annually), limited (22.7%, 2–5 times), moderate (23.2%, 6–10 times), considerable (20.3%, 11–20 times), and very frequent (26.5%, 21+ times). Nearly half of the respondents (46.8%) visited mountain destinations more than ten times per year, indicating strong and sustained engagement. Statistical analysis ($p < 0.001$) demonstrated that frequent visitors favored what can be described as "difficult joy"—an orientation toward adventure, effort, novelty, and personal growth—whereas infrequent visitors were more inclined toward "easy joy," characterized by comfort, predictability, and relaxation. This pattern suggests that deeper involvement in mountain tourism fosters a mindset oriented toward challenge and self-transcendence.

Secondary factor analysis of 299 valid responses further distilled eight initial factors into two overarching meta-factors. The first, Relaxation/Ease, was associated with mental, emotional, and physical comfort, and correlated strongly with higher income and postgraduate education. The second, Exercise/Difficulty, reflected a preference for mental and emotional challenge, with slightly higher scores among female respondents. Together, these meta-factors provide a valuable framework for interpreting the psychological orientations of mountain tourists and for designing targeted planning strategies that address diverse motivational profiles.

V. CONCLUSIONS

The study confirms that mountain tourism functions as a complex, multidimensional phenomenon, in which natural, social, cultural, and psychological factors interact. Visitors seek simultaneously physical and emotional satisfaction, spiritual renewal, and authentic experiences, highlighting the importance of a holistic framework for both understanding and planning. The analysis of the data underlines three core dimensions a) physical (exercise and well-being), b) emotional (connection with nature and social interaction), and c) cognitive/spiritual (reflection and personal growth), which together constitute a comprehensive experience of fulfillment.

Mountain tourism is characterized by paradox and variability, remoteness and uncertainty, rather than being obstacles, emerge as key attractions. Visitors strive to combine comfort with challenge, relaxation with exertion, and acceptance of uncertainty appears to enhance personal transformation and adaptability. Maintaining a balance between action and rest, ease and difficulty, authenticity and innovation is crucial for sustainable and meaningful participation.



Source Drivas, 2025

Figure 2: Tourism is a pursuit of joy, expressed through energy flow Balance of Energy Exchange.

Demographic characteristics significantly shape visitors' preferences and attitudes. Age is associated with greater sensitivity to ethical reciprocity and collective benefit, while gender influences the preference for relaxation-oriented experiences. Income affects approaches to material infrastructure, simplicity, and community engagement, whereas educational level correlates with higher tolerance for complexity and acceptance of temporal cyclicality in tourism experiences.

Frequency of engagement in mountain tourism further illuminates motivational patterns. Frequent visitors prefer "difficult joy" experiences that involve challenge, effort, and personal growth, whereas less frequent visitors lean toward "easy joy," characterized by comfort and predictability. Secondary factor analysis identified two overarching meta-factors: Relaxation/Ease, associated with mental, emotional, and physical comfort, and Exercise/Difficulty, reflecting a preference for challenge and self-transcendence. These meta-factors provide a practical framework for understanding the psychological orientations of mountain tourists and for developing targeted planning strategies.

Finally, the findings highlight the value of collectivity, authenticity, participation, and flexibility. Visitors appreciate group heterogeneity, recognize the coexistence of ease and difficulty, and express critical attitudes toward public administration and marketing practices, calling for more transparent, participatory, and ethically guided management of mountain tourism. Overall, the study demonstrates that the sustainability and meaningfulness of mountain tourism require a multidimensional, flexible, and participatory planning framework that integrates natural, social, psychological, and cultural dimensions.

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Artificial Intelligence in Education – Opportunities, Challenges & Legal Implications

Dr. Ekta Sood

ABSTRACT

Introducing Artificial Intelligence (AI) into the field of education opens up a promising new path filled with numerous opportunities, yet it also brings forth considerable challenges and requires careful ethical considerations. This review examines the diverse landscape of AI incorporation in education, emphasizing its ability to transform established teaching methods, customize learning experiences, and simplify administrative functions. However, it also highlights the difficulties associated with implementation, such as concerns over accessibility, data privacy, and the digital divide. The possibilities that AI offers in the educational sector are extensive and groundbreaking. AI-powered technologies can tailor instruction to match individual learning preferences, thus improving student engagement and academic performance. Furthermore, AI tools can take over administrative responsibilities, enabling teachers to devote more time to enriching interactions with their students. Despite these advantages, the application of AI in education brings forth ethical issues that need thorough investigation. There are significant worries regarding data protection and security as educational institutions gather and scrutinize large volumes of student information.

Keywords: artificial intelligence, data protection, challenges.

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I. INTRODUCTION

In the realm of technology, innovation is a key factor that enhances and sustains human life. One area where this is particularly evident is in education, especially concerning learning processes and approaches. A noteworthy innovation currently capturing public interest is the integration of Artificial Intelligence, or AI, in education. AI represents a significant advancement and innovation in technology that effectively blends computer algorithms with data processing to create a system capable of adapting based on prior experiences gained. (Rahayu, 2023) Artificial Intelligence (AI) is commonly understood by the public as the capacity of machines or computers to think and behave in ways similar to humans. In this context, a fundamental definition of artificial intelligence could be described as the proficient replication of human actions or thought processes by means of tools or software. (Gocen & Aydemir, 2025)

Algorithm-driven technologies like Artificial Intelligence (AI) are increasingly influencing every aspect of our lives. AI has become strategically significant for governments worldwide, being viewed as one of the most transformative forces in contemporary society. Its versatility allows it to provide advantages across a wide range of fields, which is expected to improve not only individual well-being but also economic and societal prosperity. Thus, it is not surprising that a global competition to develop AI applications has arisen. Numerous countries and regions are actively participating in a 'race to AI', aiming to enhance the use and benefits of the technology more swiftly and effectively than their counterparts. (Smuha, 2021).

Artificial intelligence (AI) has emerged as a transformative force reshaping various aspects of society, from healthcare and finance to transportation and education. As AI technologies continue to advance at a rapid pace, they bring about profound legal implications and challenges that necessitate careful examination and consideration. This paper explores the evolving legal landscape surrounding artificial intelligence, highlighting key implications and challenges across different domains. (Sharma, 2024).

As data processing and computing technologies have advanced, there has been a growing implementation of artificial intelligence (AI) in the realm of education, commonly known as Artificial Intelligence in Education (AIED). Tools such as intelligent tutoring systems, educational robots, learning analytics dashboards, adaptive learning platforms, and human-computer interactions have shown considerable promise for improving both teaching and learning. For instance, intelligent tutoring systems have been proven to offer personalized feedback and assistance, enhancing student engagement and learning results. Likewise, adaptive learning platforms use AI to customize educational materials according to individual learners' requirements, fostering more effective and efficient learning experiences. (Vieriu, et.al., 2025)

II. RESEARCH OBJECTIVES AND SCOPE

The main goal of this research paper is to thoroughly investigate and examine the influence of Artificial Intelligence (AI) in the field of education. The paper intends to explore the diverse effects of AI on teaching methods, learning experiences, and administrative procedures in educational organizations. The paper also aims to focus on the challenges that can be emerged because of use of Artificial Intelligence in Education.

III. ARTIFICIAL INTELLIGENCE AND EDUCATION

The application of AI in education began in the 1970s with the introduction of LOGO programming and Turtle robots for young students. However, these tools primarily emphasized computational thinking and programming concepts rather than artificial intelligence. In 1995, the publication of "Artificial Intelligence: A Modern Approach" marked a significant milestone, becoming the standard textbook in AI for undergraduate computer science students. As a result, these students were able to learn how AI can address problems, reason, learn, make decisions, communicate, perceive, and take action. Nonetheless, the idea was largely confined to the area of computer science at that time. Subsequently, the concept of AI in education progressed with its incorporation into education management systems, enhancing teaching, learning, and decision-making, while also offering virtual support for tailored educational experiences. (Tahir, M. et.al., 2024)

Since the early 2010s, the incorporation of data and algorithms in higher education has steadily increased, aiding in learning and teaching, assessment processes, curriculum development, and the optimization of university services. A systematic review highlights several applications of AI in education: (a) analyzing student data to forecast academic performance, (b) intelligent tutoring systems that offer learning resources or provide assistance and feedback, (c) adaptive systems that facilitate learning processes and suggest learning support as needed, and (d) automated examination systems that evaluate learning outcomes. Although its adoption has been somewhat cautious, AI possesses significantly greater potential to revolutionize the educational landscape than any previous technologies. The advantages of AI for educational institutions include broadening access to education, enhancing student success rates, improving retention, reducing costs, and shortening the duration of study programs. (Ifenthaler et.al., 2024)

Recently, the learning environment has undergone significant changes due to innovative AI technologies. The integration of virtual AI tools in classroom teaching not only enhances teaching methods, content creation, and course delivery but also promotes sustainable education. In today's educational landscape, AI is being utilized most effectively, making educational tasks much simpler, and facilitating more relevant practical learning. Instructors play a crucial role as a connection between AI and the desired learning outcomes. Artificial Intelligence positively influences both academic delivery and administrative functions. On one hand, AI assists teachers in providing effective academic outcomes. On the other hand, AI compels educators to take responsibility for making decisions based on complex data that may not be easily explained. (Ravishankar, K. et.al., 2023)

In education, Artificial Intelligence is needed because of the following reasons:

By utilizing artificial intelligence, a tailored study plan can be created for each student that addresses any gaps in their knowledge. AI facilitates the identification of what a learner understands as well as what they struggle with.

- AI has the ability to modify the curriculum and course materials, making them more engaging and pertinent for students. By examining vast amounts of data on student preferences, interests, and learning outcomes, AI can suggest and produce content that engages learners.
- AI has the capacity to enhance and broaden the educational experience for students by providing unique accessibility options and individualized learning tailored to each learner.
- To deliver personalized and adaptable learning experiences for students, AI integrates intelligent systems with computational and data analysis methods. The goal of AI in education is to improve learning outcomes, encourage student participation, and provide the necessary support for learners.
- It can enhance teaching and learning by utilizing multimedia resources to make abstract ideas tangible. It can take on traditional responsibilities, allowing teachers to focus more on instruction and the specific needs of each student.
- AI can guide educators in creating tailored instructional strategies and assessments that align with each student's individual strengths and weaknesses, ultimately boosting their engagement and motivation and leading to improved academic results.
- AI enables students to access high-quality educational resources, irrespective of their location or financial background. It can assist teachers in providing students with more comprehensive and precise feedback by analyzing their performance data and pinpointing areas where improvement is needed. (Borchetia et.al., 2024).

IV. APPLICATION OF ARTIFICIAL INTELLIGENCE IN EDUCATION

4.1 Administrative work

Regrettably, in addition to their teaching responsibilities, educators must also handle administrative tasks within their schools. For instance, they need to maintain attendance records and inform parents if any of their students are absent. Additionally, they have to enroll new students during the registration period. This is merely one example of the tedious administrative duties that teachers engage in nearly every day. The time dedicated to these tasks could be more effectively used for lesson preparation or attending workshops. However, Artificial Intelligence tools that can alleviate the burden of administrative work by automating these processes are on the horizon, allowing teachers to focus entirely on their primary role of instruction.

4.2 Grading Papers

When they are at home, educators do not only prepare for the next day's lessons; they also evaluate assignments and provide feedback on homework and/or exercises. Artificial Intelligence can assist with this as well. In fact, it has been doing so for quite some time: "intelligent" machines have graded multiple choice questions in standardized assessments for years. In the near future, AI will be capable of "reading," correcting, and evaluating essays and responses to open-ended questions, even if they are handwritten.

4.3 Personalised learning

It is widely recognized that every student has their own unique learning style and pace. Ideally, educators should strive to modify their teaching methods to cater to the specific requirements of each student, but this is often unfeasible in a class of 25 or even 30 learners. This is why numerous companies are currently creating educational and assessment platforms aimed at offering personalized learning experiences. Specially developed AI will be implemented to present students with challenges that align perfectly with their individual needs and comprehension levels:

this AI will also be capable of identifying gaps in students' knowledge and assessing whether they are prepared to progress to a new subject or chapter.

4.5 Increasing accessibility

Acquiring knowledge in a conventional classroom can pose significant challenges for students with special needs—particularly those who are completely deaf or have hearing impairments—and for immigrant students who have recently arrived in a new country and are not yet proficient in the language used in class. Thankfully, Artificial Intelligence has the potential to address this issue. Augmented reality AI applications can provide real-time translations of what the teacher and classmates are saying, offering subtitles that make learning inclusive for all.

4.6 Remote Teaching

Online learning platforms can assist students who are unable to attend their schools or classrooms in person, allowing them to keep up academically with their peers. Educators trained in remote instruction will offer assistance and ensure that there are no gaps in knowledge for students who must study from home for a brief, extended, or even an indefinite period.

4.7 Teacher Support and Development

Artificial Intelligence (AI) can support educators by supplying resources for professional development, instructional materials, and lesson planning. AI-driven tools can also evaluate classroom dynamics and offer feedback to help teachers enhance their teaching methods and manage their classrooms effectively. The use of AI has the capacity to improve the educational experience by promoting collaboration between instructors and students. AI can provide immediate analytics and insights, aiding educators in recognizing students' strengths, weaknesses, and learning behaviours. With this data, teachers can adjust their instructional approaches as needed. Additionally, AI can alert teachers about which students are facing challenges and suggest potential solutions. Lastly, AI can serve as a creative collaborator, assisting educators in generating innovative ideas to foster student learning. (Bit, D. et.al., 2024)

4.8 AI Chatbots

AI chatbots in education are transforming how students, teachers, and institutions engage with the learning process. By streamlining tasks, delivering tailored support, and boosting engagement, AI chatbots are becoming essential components of contemporary education systems. These chatbots are software applications that simulate human conversation and can interact with users through voice or text chat interfaces. In recent years, the use of chatbots in education has surged, providing students with personalized assistance, automating administrative tasks, and facilitating new ways to communicate. One of the key benefits of utilizing chatbots in education is their ability to deliver customized support to students. Beyond enhancing the learning experience, chatbots can monitor progress, pinpoint areas needing improvement, and offer tailored suggestions for learning resources. Another significant benefit of employing chatbots in education is their efficiency in automating administrative responsibilities. (Bit et.al., 2024).

Incorporating AI in education opens up numerous possibilities to enhance learning experiences, boost student performance, simplify administrative functions, and foster immersive educational environments. By leveraging AI technologies, teachers can tailor their instruction, engage students in impactful ways, refine administrative workflows, and deliver creative learning experiences that equip students for achievement in an increasingly digital and connected world. Nonetheless, it is crucial to understand that achieving these possibilities demands thoughtful planning, investment, and collaboration among educators, policymakers, and tech developers to ensure that AI is utilized responsibly and ethically in meeting the varied needs and goals of all learners. (Eden et.al., 2024)

V. CHALLENGES FACED IN EDUCATION THROUGH ARTIFICIAL INTELLIGENCE

5.1 Barriers to Access and Equity in Education

The quality of teaching and learning can be improved through technology, particularly information and communication technology (ICT). By utilizing more effective data analysis techniques and enhancing the execution of interventions, ICT can significantly aid the learning process. Moreover, these interventions are capable of tracking educational factors, including teacher attendance. Nonetheless, digital poverty hampers students' ability to access these technologies, frequently resulting in unequal educational opportunities, particularly in relation to ICT. (Zhang, 2024)

One of the main obstacles to incorporating AI into education is guaranteeing that all students have equal access to AI-driven tools and resources, regardless of their socio-economic status or geographic location. Although AI can improve the learning experience and facilitate personalized teaching, differences in access to technology and internet services can worsen current educational inequalities. Students from underprivileged communities or disadvantaged areas may not have the essential hardware, software, or internet connectivity needed to take advantage of AI-based learning platforms and resources. Furthermore, individuals with disabilities might face challenges when trying to use AI technologies that are not tailored to their specific requirements, which can further deepen the digital divide. (Eden et.al., 2024)

5.2 Limitations of AI Implementation in Low-Income Areas

There are numerous limitations when integrating AI into the educational process. Educators in low-income settings often face low pay and a lack of social recognition, resulting in decreased motivation. Many educators are inadequately trained, schools have insufficient resources, and classrooms are overcrowded with students at varying stages of learning. For instance, there is a notable shortage of teachers in areas experiencing rapid student population growth, such as sub-Saharan Africa, where 1.6 million primary-level teachers were estimated to be needed in 2015. Variations in economic conditions, home situations, and other sociolinguistic factors further hinder the establishment of an equitable learning environment.

5.3 Influence of Technology and Teacher Readiness

Educators are required to learn new content and adapt their teaching strategies with the introduction of new technologies. The financial implications and the extent of training required can restrict the implementation of AI in the educational framework. The impact of educational technologies may be constrained by factors such as access to devices, technology costs, and teacher preparedness. (Zhang, 2024)

5.4 Concerns About Data Privacy and Security

As Artificial Intelligence (AI) becomes more integrated into education, it presents both opportunities and challenges. A major challenge involves safeguarding the data privacy and security of students. The significant amount of sensitive information collected and processed by AI systems raises concerns regarding unauthorized access, data breaches, and misuse. This issue necessitates strong encryption, strict access controls, and clear data policies to protect student privacy and maintain confidence in AI-driven educational environments.

5.5 Algorithmic Bias and Fairness Issues

Algorithmic bias refers to the tendency of AI models to unintentionally favor or discriminate against specific groups due to biased training data or design errors. In the field of education, this could result in unequal access to resources, unjust assessment scores, or the continuation of existing inequalities. As AI-driven tools shape student experiences and educational outcomes, it is vital to tackle algorithmic bias to guarantee a just and equitable learning environment. Protecting against bias necessitates careful data selection, thorough testing, and ongoing monitoring of AI algorithms.

Pursuing transparency in the design of algorithms and decision-making processes is critical. Reducing algorithmic bias aligns AI with the fundamental principles of education: to empower every learner and promote equal opportunities. (Malik, 2024)

5.6 Insufficient knowledge of AI among teachers

Many educators do not possess a sufficient understanding of AI technologies: A significant number of teachers are unfamiliar with how AI technologies function (such as the principles or algorithms used to suggest resources), which leads them to engage with these tools as though they are a black box. Consequently, they find themselves unable to address student inquiries regarding AIEd (for instance, why certain learning resources were recommended by the AI platforms) and cannot fully leverage these technologies for learning, teaching, and assessment purposes. Therefore, it is essential that future research considers the importance of equipping teachers with knowledge about AI and its integration into pedagogical practices. (Chiu et.al., 2023)

5.7 Data Retention Policies

Clearly defined data retention policies are essential to prevent the unnecessary storage of personal information. Just like any other software solutions, AI systems must comply with these policies to reduce the risk of unauthorized access and data misuse. (Sharma, 2024)

5.8 Dependence on Technology

Over-dependence on AI tools may lead to a decline in critical thinking and problem-solving abilities. Both students and educators may become excessively reliant on technology, which could hinder their ability to operate without it. (Bit, D. et.al., 2024)

5.9 Technical Challenges

Establishing and maintaining AI systems necessitates technical skills and infrastructure. Schools might struggle to ensure that AI tools are adequately integrated and supported.

5.10 Cost and Accessibility

The cost of implementing AI solutions can be significant, potentially worsening existing inequalities between well-resourced and under-resourced educational institutions. Smaller or financially constrained schools may find it difficult to afford and integrate advanced AI technologies.

5.11 Job Displacement

The automation of tasks such as grading and administrative duties may lead to the displacement of some educational positions. While AI can assist educators, it may also lessen the demand for certain administrative or support roles.

5.12 Quality and Accuracy

AI tools are not infallible and might produce erroneous or misleading results. Incorrect feedback or assessments can adversely affect students' learning experiences. (Bit et.al., 2024)

The effective integration of AI presents challenges concerning faculty preparedness, interoperability, scalability, and efficient cost management to guarantee the seamless incorporation of AI into educational systems. Furthermore, privacy concerns, ethical issues, and faculty acceptance and adoption must be addressed to ensure the responsible and ethical use of technology. The implementation of AI systems often results in increased surveillance and monitoring of both students and teachers, which could violate their privacy and autonomy. It is crucial to verify that AI algorithms are free from bias, accountable for their outcomes, and transparent in their decision-making processes. These challenges must be tackled to prevent the reinforcement of existing inequalities and to foster fairness within the learning environment. (Zhang, 2024)

VI. LEGAL IMPLICATIONS OF ARTIFICIAL INTELLIGENCE

The current integration and influence of computing in our lives require no further explanation or demonstration. While many consider technology to still be in its early stages, its profound impact is such that we often fail to recognize our dependence on it unless explicitly pointed out. From Siri and Alexa to Amazon and Netflix, very few areas remain unaffected by computing. (Reddy, 2022)

Artificial Intelligence (AI) continues to evolve and become embedded in various sectors across India; however, the nation encounters several regulatory challenges and necessitates comprehensive policy formation. The swift development of AI technology introduces a distinct set of regulatory obstacles, demanding a careful balance between promoting innovation and ensuring responsible use. Although India has progressed with initiatives like the National Strategy for Artificial Intelligence by NITI Aayog, which sets out broad goals and strategic sectors, there still exists a lack of detailed, enforceable regulations that address the specific requirements and risks linked to AI. This absence of a cohesive legislative framework may result in inconsistencies and uncertainty in the governance of AI technologies. The ever-evolving nature of AI technologies necessitates that regulations remain flexible to keep pace with rapid advancements. Traditional regulatory models, typically created for more stable technologies, often fall short in adequately addressing the unique traits of AI, such as its capacity to learn and adapt over time. Crafting regulations that are both sufficiently adaptable and robust enough to manage these advancements poses a considerable challenge. Given AI's global character, regulatory strategies in India must take into account international standards and best practices. Collaborating with global organizations and harmonizing with international regulations can assist in ensuring that India's policies align with global initiatives, but this also involves navigating complex international landscapes and varying regulatory priorities. (Kumar, 2024)

Intellectual property rights are recognized in the Universal Declaration of Human Rights (UDHR, Article 27), the International Covenant on Economic, Social and Cultural Rights (ICESCR, Article 15), the International Covenant on Civil and Political Rights (ICCPR, Article 19), and the Vienna Declaration and Programme of Action (VDPA) 1993. These rights possess a "human rights character" and "have become contextualized in various policy domains." AI raises numerous questions regarding intellectual property, such as who holds ownership over works or inventions generated by AI? Should inventions created by AI be viewed as prior art? Who possesses the datasets that AI needs in order to learn? Who should be held accountable for the creativity and innovation produced by AI if it infringes upon others' rights or existing legal norms? (Rodrigues, 2020)

The rapid evolution of Artificial Intelligence (AI) technology brings forth intricate challenges for intellectual property (IP) rights, especially in a diverse and dynamic environment like India. As AI innovations expand, it becomes essential to comprehend and navigate IP rights to safeguard investments, promote innovation, and maintain fair competition.

6.1 Patenting AI Technologies

A key issue in intellectual property rights concerning AI is how to effectively patent AI inventions. Conventional patent legislation, which was originally crafted for physical inventions, frequently has difficulty addressing the distinct characteristics of AI, such as algorithms and software. In India, the Patents Act of 1970 includes provisions for patenting inventions that demonstrate a technical contribution; however, there is ongoing debate about whether AI algorithms and machine learning models meet the criteria for patentability. The main challenge lies in striking a balance between safeguarding innovative AI technologies and avoiding the hindrance of further innovation that can arise from overly broad or restrictive patents.

6.2 Copyright Protection

Works generated by AI, including art, music, and literature, create further complications for copyright legislation. In India, copyright laws generally apply to creations made by human creators, leading to questions about the ownership and protection of AI-produced works. This raises the issue of whether the AI can be recognized as the author or if the rights should be attributed to the developers or users of the AI. Tackling these challenges necessitates the adaptation of copyright laws to account for the involvement of AI in creative endeavors.

6.3 Trade Secrets and Confidentiality

Trade secrets are also a vital component of intellectual property in AI. Organizations frequently depend on trade secrets to safeguard proprietary algorithms, datasets, and methodologies. The Trade Secrets Act in India, part of broader IP legislation, offers protection for confidential business information. Nonetheless, ensuring the safeguarding of AI-related trade secrets requires robust security measures and legal strategies to protect sensitive data from unauthorized access or use.

6.4 Data Ownership and Usage Rights

The training and functioning of AI systems necessitate large volumes of data, raising issues surrounding data ownership and usage rights. The Personal Data Protection Bill of 2019 in India addresses concerns regarding data privacy and security, but it must be meticulously aligned with AI regulations to clarify the questions of data ownership and usage. This encompasses the need to confirm that data utilized for AI development is gathered, stored, and utilized in adherence to legal and ethical standards.

6.5 Licensing and Collaboration

Licensing agreements are crucial for the advancement and commercialization of AI technologies. Companies and researchers often engage in licensing agreements to either share or gain access to AI innovations. In India, it is vital to develop clear and enforceable licensing agreements to facilitate collaboration and ensure that intellectual property rights are observed and upheld in joint AI projects.

6.6 International IP Challenges

Given the worldwide scope of AI technology, issues related to intellectual property often transcend national boundaries. Indian companies and researchers must navigate the varying international IP laws and agreements, which can differ markedly from one country to another. Ensuring compliance with global IP standards and agreements is essential for securing AI innovations in a competitive international market. (Kumar, 2024).

VII. RECOMMENDATIONS

1. To reduce biases in AI algorithms, it is essential for educators and technology developers to embrace principles of fairness, accountability, and transparency during the design and implementation of AI. This entails a critical evaluation of training data to identify and address biases, employing techniques for algorithmic fairness, such as fairness-aware machine learning algorithms, and performing regular audits and assessments of AI systems to ensure that they do not disproportionately affect marginalized communities.
2. Ensuring student data privacy and security is critical when integrating AI into education. Educational institutions and tech providers must comply with stringent data protection laws and ethical standards to protect student confidentiality and prevent unauthorized access, usage, or disclosure of sensitive personal information. This necessitates the implementation of strong data encryption, access controls, and security measures to defend student data against cyber threats and unauthorized access. Furthermore, clear data governance policies and practices are vital to help students and their families understand how their data will be collected, stored, and utilized, as well as to provide ways for them to give informed consent and maintain control over their personal information.
3. In addition, educational stakeholders must remain vigilant in monitoring and countering new threats to data privacy and security, such as data breaches, phishing schemes, and malicious software, and take proactive steps to reduce risks while strengthening the resilience of educational systems and infrastructure against cyber threats. (Eden, C.A. et al., 2024)
4. Future research should prioritize addressing the ongoing challenges and deficiencies in the legal framework surrounding AI. This includes creating more effective strategies for regulating

AI, such as setting standards for AI testing and certification. Moreover, future studies should investigate the potential societal impacts of AI and how to ensure that AI technologies benefit all segments of society. (Sultana, 2019)

5. Recommendations for policy are vital in tackling the legal ramifications of AI. Policymakers ought to consider enacting laws and regulations that foster transparency, accountability, and fairness in the creation and application of AI systems (Smith, 2019). For instance, policymakers could mandate that AI developers disclose details about the functioning of their systems and the decision-making processes behind them. Additionally, guidelines for the ethical use of AI could be established, such as banning the use of AI for discriminatory intentions. (Sultana, 2019)

VIII. CONCLUSION

In consideration of the identified opportunities and challenges, it is essential for educational stakeholders to approach the incorporation of AI with ethical foresight. By emphasizing ethical values such as fairness, transparency, accountability, and inclusiveness, educators, policymakers, and technology creators can guarantee that AI tools are used responsibly and ethically to cater to the diverse needs and goals of all learners.

There is an urgent necessity for those involved in education to responsibly and ethically leverage AI's potential. This demands a collaborative approach to tackle challenges related to accessibility, data privacy and security, the digital divide, and bias in AI algorithms, while also capitalizing on opportunities to innovate and enhance teaching and learning methods.

Educational institutions should allocate resources, infrastructure, and professional development to facilitate the successful integration of AI technologies in classrooms. Policymakers must implement laws and regulations that protect student privacy, encourage digital inclusion, and guarantee equal access to AI-enhanced educational opportunities. Technology developers need to focus on creating AI solutions that are inclusive, transparent, and accountable, with strong measures against bias and discrimination.

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Marketing Metamorphosis: Bridging Traditional and Digital Sales Strategies in the Tech-Driven Age

Dr. Srinivasan Gopal Chari

ABSTRACT

From the billboard to the byte, from the handshake to the hyperlink, marketing has changed drastically in the vast theater of 21st-century business. This research article explores the dynamic juxtaposition and convergence of conventional and digital marketing and sales techniques, therefore highlighting the tectonic changes in customer involvement, campaign orchestration, and technology mediation. Influencer marketing, CRM automation, and influencer marketing as business ecosystems migrate from the analog inertia of print advertisements and field sales into the turbulent digital storm of AI-driven analytics necessitate not just adaptation but also change from the toolset perspective. This study seeks to outline the philosophical undercurrents, historical background, and technical progress that have collectively rewritten the marketing playbook, therefore acting as a compass for contemporary professionals—an intellectual ready reckoner.

In its golden age, traditional marketing depended on wide brushstrokes—mass communications across stationary media like print, radio, and television. Designed to mesmerize the collective consciousness, the campaign was monologic, one-directional. Newspapers column inches, the famous tagline, the television jingle—they were the currency of credibility. Their philosophy rested on emotional resonance, persuasion, and aspirational identity. These approaches were sometimes castles constructed on sand—grand in intention but precarious in responsibility—limited capacity for feedback, and measures based more on intuition than evidence.

Keywords: digital transformation, integrated marketing strategy, consumer engagement, sales innovation, tech-driven marketing.

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Now enter the digital era, and the marketing landscape changed like molten lava cooling into fresh lines. Digital marketing presented to the customer a mirror—responsive, reflecting, and sharp. The traditional marketing order was disrupted when email marketing, SEO, social media platforms, artificial intelligence-powered analytics, and real-time participation arose. From fixed broadcasts, campaigns changed into dynamic interactions in which algorithms whispered insights and milliseconds evaluated participation. The speech evolved into a discussion, the broad pitch gave way to micro-targeted narrative, and data helped to dethrone intuition.

By use of numerous axes—audience reach, cost structure, engagement philosophy, customization depth, communication dynamics, and technology enablers—this study explores the relative architecture of conventional and digital marketing. It compares the non-linear, convoluted buyer path of today with the once-linear sales funnel. From relationship-centric field sales to digitally fluid social selling, where artificial intelligence scores leads, chatbots foster interest, and predictive analytics anticipate customer needs even before they are expressed, the research questions this viewpoint.

Likewise important is the conceptual framework supporting this transformation of marketing. Rooted in a mass-psychology paradigm influenced by economic models of supply and demand, enhanced by cultural motifs, and driven by aspirational storylines, is traditional marketing. It grew best on monolithic branding and consistent message. Conversely, digital marketing comes out of the hyper-personalisation paradigm—nimble,

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fractal, and influenced by behavioral psychographics. Here, co-authored by people, carefully chosen in real-time, and sensitive to emotion, narrative is not a script but a mosaic.

From the post-industrial consumption boom to the aspirational consumer of the 20th century, this research also examines the financial, psychological, and sociological elements defining the roots of conventional marketing. It then graphs the emergence of digital disruptors, highlighting events such the release of Google AdWords, the climb of social media, and the inclusion of artificial intelligence into consumer service, content production, and campaign management. Every one of these developments is more of a jump into a marketing multiverse where the buyer's path is nonlinear, multichannel, and always changing than a step forward.

A key part of the article examines how the digital revolution has caused a cognitive and operational rewiring of marketing strategy, therefore transcending simple tool or platform change. Data is now a real-time dashboard driving strategy, innovation, and budget allocation, not a retroactive report card. The article looks at how technologies such CRM systems, artificial intelligence-driven chatbots, AR/VR interfaces, and blockchain-based verification have changed the connection between marketer trust, immediacy, and immersion.

Likewise, the report emphasizes in certain situations—be it rural outreach, premium branding, or experiential campaigns—the ongoing importance of conventional marketing methods. Trade exhibits, direct mailings, in-person presentations, and brand jingles still have impact, particularly in areas or demographics where tactile confidence dominates digital dazzle. The study supports a hybrid paradigm, a symphonic mix in which digital rhythms of automation, scalability, and analytics harmonize with classical virtues of customization, believability, and human touch.

Furthermore, investigated in terms of sales architecture is this hybridisation. With its reliance on human intuition, relationship-building, and verbal persuasion, traditional field sales contrasts with the digital speed of social selling—where value propositions are algorithmically tailored, leads are scored by artificial intelligence, and customer relationships are managed through dashboards. The report suggests a confluence: a sales approach embracing the accuracy of tech-enabled interaction but keeping the subtlety of face-to--face persuasion.

Content ideation and narrative are yet another important question this study begs. Content in old marketing was static, defined by copywriters and distributed via set routes. Content in digital marketing is polyphonic, live, alive. Users create it; algorithms curate it; it runs on blogs and podcasts as well as on Twitter threads, TikHub reels. Now, tools like Canva, Figma, and Lumen5 enable even non-designers to create striking images and films, hence democratizing content production and blurring the line between producer and consumer.

This paper also looks at marketing as an open-ended experience ecosystem rather than as a closed-loop transaction. Omni-channel approaches, user-generated content, and influencer marketing are rewriting the brand-consumer relationship into a cooperative narrative in which relatability outshines glamor and authenticity overcomes perfection. This demands a change in perspective from campaign thinking to community development from ROI to resonance.

By combining these multifaceted concepts, the paper offers a complete framework for contemporary marketers—a pragmatic but philosophical manual that fits strategy with technology, creativity with data, and tradition with innovation. It exhorts marketers to become navigators of paradox: to honor heritage while embracing innovation, to tell tales while crunching figures, and to create connections in a society progressively mediated by code.

This study ultimately supports an adaptable, integrated marketing strategy wherein the canvas of tradition and the brushstrokes of innovation join together to create a masterwork of relevance, authenticity, and effect. In this age of marketing metamorphosis—where brands are both broadcasters and listeners, both symbols and influencers—the marketer is no more just a communicator but a mapper of meaning in a marketplace without boundaries.

Keywords: digital transformation, integrated marketing strategy, consumer engagement, sales innovation, tech-driven marketing.

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I. INTRODUCTION

Marketing's evolution, driven by tech and changing consumer habits, demands we rethink business strategies. A look at traditional versus digital methods offers key insights into their intersection in our digital world. This knowledge is crucial for both experienced and new marketers navigating today's complex market. As firms lean into digital, pinpointing elements driving successful marketing becomes essential. This essay will act as a practical guide, tackling important research questions to help practitioners merge traditional and digital sales tactics effectively. The visual in the image highlights Industry 4.0's core parts, bolstering the argument for smoothly linking these diverse marketing fields.

1.1 Context

The marketing terrain is changing significantly in a time marked by fast technical development and changing customer behavior. Once mostly in use, traditional sales techniques are progressively entwined with digital approaches motivated by data, automation, and online interaction. For companies trying to keep relevant and competitive, this convergence presents both possibilities and difficulties. Aiming to investigate how companies may efficiently close the gap between traditional marketing techniques and the needs of a tech-driven market, the current study emerges from this changing backdrop.

1.2 Theme – Marketing in the Digital Age

Examining how conventional sales techniques are being changed by digital integration helps this study fit the theme of marketing innovation in the digital era. < It provides insights on hybrid ways that combine heritage techniques with contemporary digital technologies, therefore directly addressing the difficulties and possibilities organizations have in adjusting to a tech-driven environment.

1.3 Core Content

By means of empirical research and industry case analysis, the paper investigates the confluence of conventional and digital marketing tactics. It points to organizational agility, consumer data use, and platform-based engagement as important factors of effective integration. The study suggests a strategy framework companies may use to negotiate digital transition while keeping basic brand values and market positioning.

1.4 Implications for the Scholarship of Teaching and Learning

The results directly affect marketing education as well as business. The study supports courses stressing adaptive strategy, critical thinking, and cross-platform fluency by showing actual integration of traditional and digital marketing. It argues for teaching students to lead in an increasingly hybrid marketing environment by mirroring industry evolution.

1.5 Definition and Evolution of Marketing and Sales: Traditional vs Digital

Marketing and sales have seen a transformative shift from old-school methods to digital approaches, which has changed how strategies and operations work. Initially, marketing depended a lot on broad communications via newspapers, TV, and radio. As it's been pointed out, these methods often struggled with accurate targeting, mostly involved one-way messages, and didn't offer great ways to measure how well a campaign was doing. "Traditional marketing methods often lacked precise targeting, relied on one-way communication, and provided limited metrics to measure campaign effectiveness." (Taylor Tabile). This approach is quite different from today's digital scene, where data analytics and interactive sites allow for very precise micro-targeting. Tools like social media, email campaigns, and SEO haven't just made it possible to talk back and forth with customers but have also improved how we measure if a campaign is working, helping us to adjust things as they happen (Batt et al.). A visual depiction of Industry 4.0 components—think IoT and AI—really captures how technology is being woven in, constantly revolutionizing marketing plans, emphasizing the need to grasp both traditional underpinnings and modern breakthroughs.

1.6 Importance of Understanding the Contrast and Convergence

Modern marketing presents a dual challenge. It's not just about sales evolving but also grasping the subtle differences and overlaps between old-school and digital tactics. Businesses must really understand these unique points to make smarter choices in planning. Understanding these subtle differences and overlaps between old-school and digital tactics simplifies the creation of creative campaigns by combining the best aspects of both approaches. In fact, the idea of contrast adds punch and importance to a design. "Contrast adds drama and depth. It organizes the design and helps establish a visual hierarchy."" (Evan Brown). And this applies to marketing, too, showing how different parts can come together. For example, it shows how combining classic branding with new digital tricks can make customers happier and keep a brand strong. Generally speaking, getting proficient at this "two-sided" approach is key to keeping up in our quickly changing, tech-focused world.

1.7 Objective: Creating a Ready Reckoner for Modern Professionals

Marketing is changing fast because of new technology, and professionals need to keep up by combining old methods with new digital tools. Research shows that hybrid jobs, which mix traditional skills with digital skills, are becoming more common (TOROSYAN et al.). Therefore, professionals must be adaptable in order to remain competitive. Furthermore, organizations are moving away from old-fashioned hierarchies to more adaptable structures that focus deliberately, process, and people. This shift is important for encouraging innovation and inclusivity (Serrat et al.). A helpful guide for professionals should include these ideas, giving them useful tools to adapt to this complex environment. Thinking about this change shows how new technologies support marketing strategies, which makes it a useful guide for understanding today's marketing world.

1.8 Research Questions and Hypothesis

When you're trying to figure out marketing in a world run by technology, you'll need good research questions and hypotheses to help guide your work. Questions like, "Do people think old-school or new digital marketing works better?" can point you towards how marketing is changing. Trying to answer these questions lets you dig into what makes consumers tick, like how comfortable they are with tech and what they like. Like (Francisco et al.) mentions about AI's potential in making new products, using new ideas can really change how people see things and how the market works. Plus, studying how augmented and virtual reality affect whether people stick with a brand (Escal et al.) shows we need to put modern tech into our marketing plans. So, making hypotheses about these new things not only helps focus the research and makes a conversation about how to adapt marketing strategies, like we saw in...

1.9 Overview of the Research Structure

Nowadays, having a structured plan is super important for marketers if they want to handle all the tricky parts of selling stuff, whether it's the old-school way or online. This essay? It's set up for real. The essay is well-structured. First, it starts with an intro that explains marketing's evolution from traditional to digital methods. Thereafter, look closely at the big pieces, like the ideas behind it all, how the strategies are different, and the tech that makes modern marketing work. And get this: when it talks about how to do things and run campaigns, it shows you some cool new tricks like A/B testing and growth hacking. And just so you know, [cited] gives you a quick rundown of the main technologies that are powering Industry 4.0, which ties right into the tech side of things that the essay is all about. Ultimately, this arrangement enables readers to understand the connection between marketing and customer satisfaction, equipping them to make informed decisions in this technologically advanced world edge.

II. PHILOSOPHICAL FOUNDATIONS AND HISTORICAL BACKGROUND

It's important to look at the historical and philosophical roots that shape how we see and do marketing now, especially since things keep changing. Marketing as we knew it came from a mix of ideas about psychology, culture, and the economy. Back then, the goal was to reach as many people as possible with the same message through newspapers, radio, and TV. But digital marketing changed everything. Things like email, SEO, and social media allowed for more personal connections and conversations (Image1). This change happened because of technology, which pushed marketers to rethink their strategies. Looking back at this important moment is decisive to see how old ideas still influence what we do in the digital world today, creating a continuous line of marketing progress. If professionals understand these underlying influences, they can navigate the increasingly complex and tech-driven market more effectively, showing how marketing is constantly changing (Provasit al.) (University S).

2.1 Origin of traditional Marketing and Sales (Pre-Digital Era)

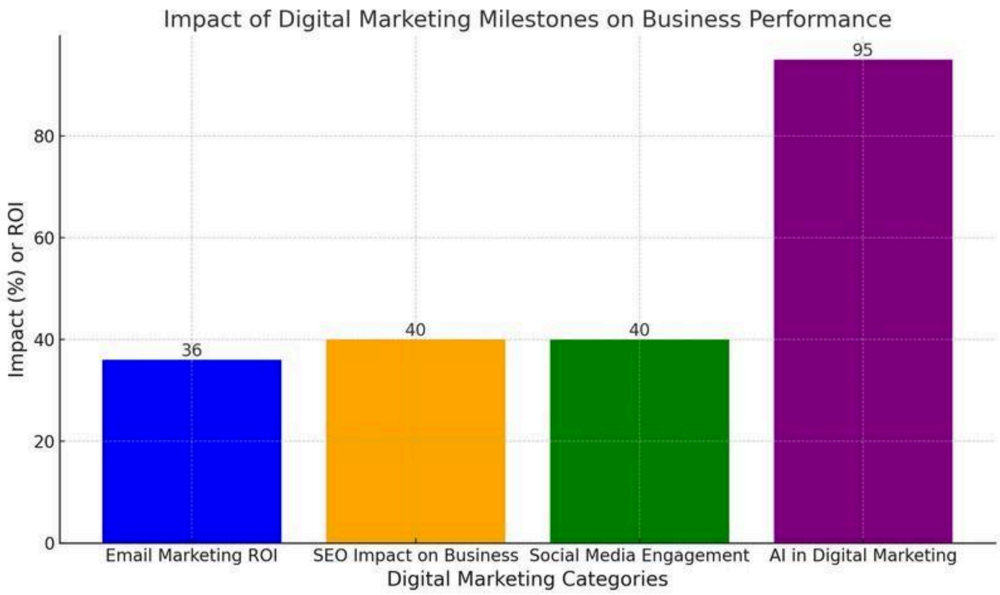
Before the digital age, how marketing was done really set the stage for what we do now. Back then, the main goal of marketing was to use mass communication to get people interested in buying things. Companies mostly cared about making as much stuff as possible while spending as little money as they could. Because of this, they tried to reach as many people as possible instead of focusing on individual customers. As one source points out, the "production era" got its name because companies were mainly trying to cut production costs. [cited] This meant they cared more about making a lot of stuff than about what customers actually wanted. This time period didn't have a lot of ways to communicate—mainly just newspapers, radio, and TV. The messages were the same for everyone and usually went only one way, so companies didn't really talk back and forth with customers. However, some older methods like direct mail and billboards started to pave the way for the more personalized marketing we see today, setting the stage for how new and old strategies mix together in modern marketing.

2.2 Psychological, Cultural, and Economic Basis of Traditional Marketing

Delving into the bedrock of traditional marketing proves essential, especially when you consider the combined impact of psychological, cultural, and economic elements. Specifically, the psychological piece emphasizes how consumer actions are swayed by feelings and what people think about a brand, pointing out that marketing often relies on sparking trust and faithfulness. On the cultural side, marketing tends to adapt its messages to fit within the values and accepted behaviors of different groups, aiming to strike a chord with a consumer's sense of identity. When it comes to economics, how things are priced and what value people see in them are key; as several academic sources suggest, the role of price in creating value together is definitely something you can't ignore in traditional marketing (Estabrook et al.). This intricate mix means it's vital to connect with customers on both an emotional and logical plane to build lasting relationships with brands. To really *see* how all this works, Figure 2 offers a pretty useful picture of how emotional connection happens in marketing, making clear the core ideas that still affect what we do today.

2.3 Emergence of Digital Marketing: Milestones (Email, SEO, Social Media, AI)

Digital marketing's evolution has thoroughly reshaped business-consumer interaction and marketplace competition. Consider pivotal shifts like the rise of email marketing, search engine optimization (SEO), the social media boom, and artificial intelligence (AI) integration, all illustrating this transformation. Email became a robust direct communication channel, permitting companies to connect personally with audiences. Simultaneously, SEO empowered brands to improve visibility and reach via organic search outcomes. Social media platforms also facilitated two-way communication, fundamentally reshaping customer engagement strategies. As stated in (Salmi et al.), new tech proliferation (think mobile, cloud computing, and AI) changed customer behavior and disrupted markets; AI's incorporation has profoundly revolutionized content personalization and marketing analytics. Generally speaking, the convergence of these elements points to a deep shift in marketing practices that *must* adapt to a tech-centric consumer world.



This bar chart illustrates the impact of various digital marketing strategies on business performance. Email marketing generates a return on investment of $36 for every $1 spent. SEO provides a 40% increase in customer acquisition compared to social media. Social media engagement is also rated at 40, while an impressive 95% of marketers find generative AI for email creation highly effective.

2.4 Transition from Traditional to Digital: Key Drivers

It's clear that marketers today must adjust to a tech-heavy world, given the ever-changing business scene. What's pushing us from old-school to digital marketing? Well, more data and how consumers are changing are big reasons. Big data now lets us make really specific market groups, so companies can tweak their content and ways of doing things to get people more involved, which is better than the old 'one size fits all' approach (Simkin et al.). Plus, programs like the On Lincolnshire Initiative show how the government can help small businesses go digital, boosting the whole market in this digital era (Atherton et al.). This shift isn't just about using new tools; it's changing how brands and consumers connect, focusing on making things personal and quick to stay ahead. Marketers who get these drivers can combine old methods with new digital plans, making them more useful and relevant. The included image, which shows the path of different industrial stages along with crucial tech elements, really underlines these points, highlighting how innovation and market growth are linked in today's world.

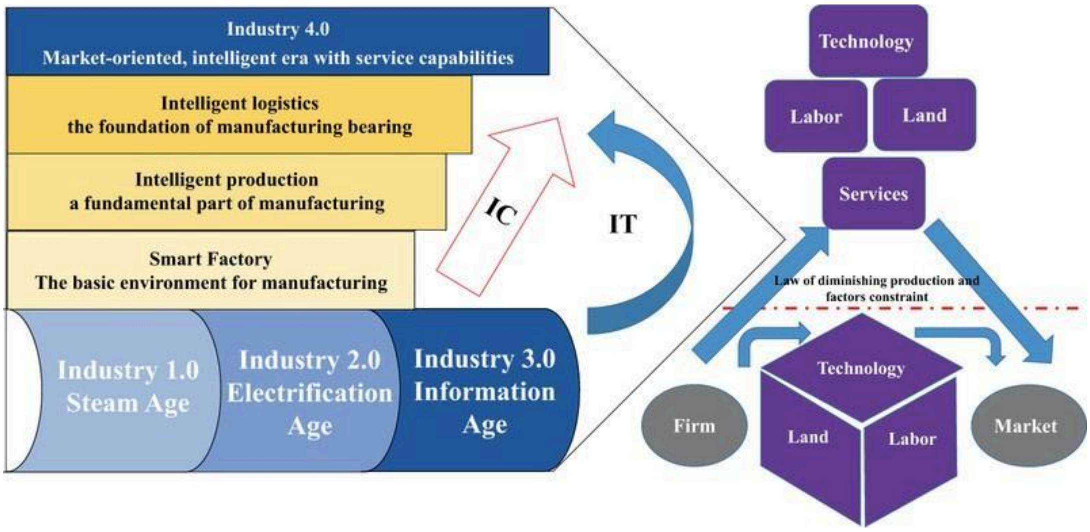


Image 1: . Evolution of Industrial Phases and Concepts of Industry 4.0

2.6 Impact of Technology on Consumer Behavior

Marketing strategies, as businesses well know, have been fundamentally reshaped by the intertwining of technology and consumer behavior. Digital platforms, in particular, have cultivated a consumer culture where immediate access to reviews and recommendations dramatically influences decision-making—in effect, a pivotal shift. Online reviews, studies suggest, often overshadow traditional information sources, significantly changing perceptions and purchasing behaviors (Akacha et al.). Marketers, therefore, face the challenge of adapting to heightened consumer expectations for authenticity and transparency (Caro et al.). As technology-enabled shopping becomes more commonplace, consumers generally tend to favor brands offering personalized engagements, which transforms the marketing landscape into one prioritizing customer needs. Adapting both traditional and digital strategies has thus become vital for businesses looking to prosper in this tech-saturated age, a remarkable metamorphosis in consumer relationship development.

This chart depicts consumer attitudes toward online reviews. It shows that a high percentage of consumers read online reviews before making purchases (95%) and trust these reviews nearly as much as personal recommendations (88%). Additionally, 93% of consumers are influenced by online reviews in their purchasing decisions. However, only 40% suspect fake reviews, particularly those generated by AI, while 72% prefer brands that provide personalized engagements. This highlights the critical role of authenticity and engagement in consumer trust.

III. STRATEGIC DIFFERENCES BETWEEN TRADITIONAL AND DIGITAL MARKETING

The marketing world is changing, and how brands connect with people has shifted from traditional to digital approaches. Old-school marketing mainly used things like newspapers, TV, and radio to reach lots of people, but it often felt like companies were just talking *at* customers, without really paying attention to what they wanted. Digital marketing, however, uses tech to send specific messages to certain groups, allowing for a back-and-forth conversation that builds stronger relationships. As one expert put it, it's about giving people useful stuff when they actually need it, rather than just interrupting them. These different strategies show how much things have changed because of new technology, like the trends noted in [cited], which shows how digital tools and marketing go hand-in-hand to help businesses do better than their competitors. Marketers need to get these differences to succeed in today's technological era, especially if they want to combine the best parts of both old and new techniques.

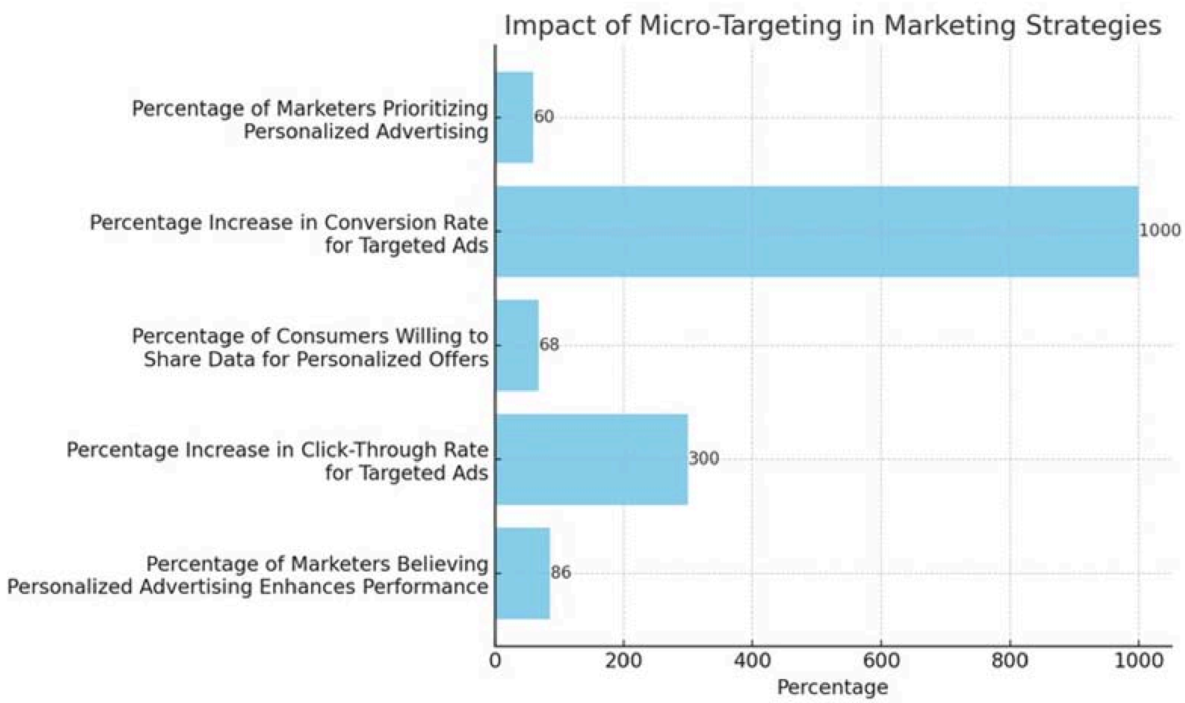
Aspect	Traditional Marketing	Digital Marketing
Reach	Limited to local or regional audiences through channels like print media, television, and radio.	Capable of reaching a global audience via online platforms and social media channels. In 2019, there were approximately 2.77 billion global social media users, providing a vast audience for digital marketing efforts. ([digitalmarketinginstitute.com](https://digitalmarketinginstitute.com/blog/traditional-vs-digital-marketing-what-educators-need-to-know?utm_source=openai))
Targeting	Offers broad targeting based on general demographics without precise customization.	Enables precise targeting based on demographics, interests, behavior, and online activities, allowing businesses to reach specific niche audiences and personalize marketing messages. ([theknowledgeacademy.com](https://www.theknowledgeacademy.com/blog/traditional-marketing-vs-digital-marketing/?utm_source=openai))
Cost	Often involves higher costs due to production, distribution, and placement expenses, especially for television and radio ads. ([theknowledgeacademy.com](https://www.theknowledgeacademy.com/blog/traditional-marketing-vs-digital-marketing/?utm_source=openai))	Generally more cost-effective, with options like pay-per-click (PPC) advertising, social media marketing, and email marketing, allowing businesses to allocate budgets based on needs and measure return on investment more accurately. ([theknowledgeacademy.com](https://www.theknowledgeacademy.com/blog/traditional-marketing-vs-digital-marketing/?utm_source=openai))
Measurability	Measurement of effectiveness is often challenging, with limited tracking capabilities for reach and engagement.	Provides precise measurement tools, tracking metrics like click-through and conversion rates, enabling businesses to assess campaign performance accurately. ([conversionsg.com](https://www.conversionsg.co

		m/post/digital-marketing-vs-traditional-marketing?utm_source=openai))
Engagement	Typically offers limited opportunities for audience interaction, as it is a one-way communication process. ([hikeeducation.com](https://hikeeducation.com/blog/traditional-vs-digital-marketing/?utm_source=openai))	Facilitates two-way communication, allowing real-time engagement with consumers through social media, email, and other digital platforms. ([hikeeducation.com](https://hikeeducation.com/blog/traditional-vs-digital-marketing/?utm_source=openai))
Flexibility	Campaigns often require longer planning and execution times, with limited ability to adapt once launched. ([hikeeducation.com](https://hikeeducation.com/blog/traditional-vs-digital-marketing/?utm_source=openai))	Offers greater flexibility, enabling campaigns to be modified and adjusted quickly based on real-time data and performance metrics. ([hikeeducation.com](https://hikeeducation.com/blog/traditional-vs-digital-marketing/?utm_source=openai))

Strategic Differences Between Traditional and Digital Marketing

3.1 Audience Targeting: Broad vs. Micro-Targeting

Today's consumers are bombarded with marketing, so deciding between broad and micro-targeting is super important for effective marketing. Broad targeting, think old-school marketing, tries to reach lots of different people but often misses the little things that could make things better and more profitable. On the other hand, micro-targeting uses data to create messages for specific groups, and this can really boost engagement. As was pointed out, micro-targeting—using digital data to target super-specific audiences—is a key way for companies to find new sales opportunities that they would've missed with traditional marketing. Micro-targeting's precision can make marketing way more effective, generally speaking. This move toward personalized messages is really important in fast-changing markets such as Thailand's cosmetics industry, where what consumers do reflects unique cultural situations that broader strategies just can't handle, as we saw in (Rodpan STT, p. 1536-1549). It is a very impactful method in most cases.



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This bar chart illustrates the significant impact of micro-targeting in marketing strategies. It highlights that a large percentage of marketers believe personalized advertising enhances performance, and it shows a substantial increase in click-through and conversion rates for targeted ads. Additionally, many consumers are willing to share their data for personalized offers. The data emphasizes the effectiveness of targeted marketing approaches.

3.2 Communication Channels: Print, Radio, TV vs. Digital Platforms

Marketing strategies have seen considerable changes, largely due to the shift from traditional to digital communication methods. Traditional channels, such as radio, print, and television, usually involved one-way communication of generalized messages intended for a broad audience. Digital platforms, however, enable a more dynamic interaction, supporting micro-targeting and customized messaging tailored to each consumer. Media studies illustrate this shift, emphasizing the need for companies to adopt multi-screen strategies; Singapore's media policy, for example, encourages innovative distribution methods (Lin et al.). Journalism education research also shows a move toward social media and digital skills, reflecting their significance in contemporary communication structures (Auxier et al.). To improve engagement in our tech-focused world, organizations need to integrate these channels effectively as marketing continues to change. A visual representation of these concepts, for example, effectively summarizes how technology is coming together in modern communication, which reinforces why marketing strategies must be adaptive.

3.3 Message Customization: Uniform Messaging vs. Personalized Messaging

In the dynamic world of marketing, brands often find themselves at a crossroads: should they stick to one message for everyone, or should they tailor messages for each person? This decision is critical for staying relevant and keeping consumers engaged. With technology providing more and more data about consumers, businesses must choose whether to use standardized content for a wide audience or customize messages to suit individual tastes and actions. The latter, which often relies on sophisticated data analysis, tends to create stronger relationships, leading to not just quick sales but also lasting loyalty. Today's consumers generally expect brands to understand and meet their particular needs (R. Balaji et al., p. 133-137), so it's really about balancing consistency with the desire for a personal touch. Companies that get this balance right can truly unlock the potential of their marketing efforts, bridging the gap between old methods and the flexibility needed in today's digital age ((Aldieri L)). This integrated approach is showcased in the overview in , highlighting how technology and personalized messaging work together in modern markets.

3.4 Engagement Approach: One-Way vs. Two-Way Engagement

Marketing's landscape is changing rapidly, and how we engage with people really decides how well our communications work. Businesses are moving from old-school to online methods, so engagement isn't just about businesses talking *at* people anymore; it's a back-and-forth. Today, consumers expect to interact with brands, looking for experiences tailored to them rather than just passively taking in content. Interactive advertising, which has gradually become the main way we advertise in this new media age, ""Interactive advertising, characterized by interactivity, has become the mainstream of advertising by gradually replacing traditional one-way advertising during the new media era."" (Wanxing Ding), shows this change well. Think about feedback systems and real-time chats (Bolfek-Radovani et al.): this kind of engagement makes a stronger connection with the audience. Generally speaking, brands that use two-way engagement not only improve customer loyalty but also, in most cases, strategically improve their position in a cutthroat market, using consumer insights to make better products (Caro et al.). Take, for instance, a digital scene; it shows how communication has changed, putting tech and user interaction front and center.

Image 2: Visual Representation of Digital Technology and Security

3.5 Cost-effectiveness: Budget Allocation in Traditional vs. Digital

In today's rapidly changing marketing world, knowing how to best spend your budget between old-school and online methods is super important for making the most of your resources. Traditional marketing, like newspapers, TV, and sponsoring events, usually has pretty set costs, and it can be tough to see exactly how well they're working (Gordon et al.). On the other hand, digital marketing lets you adjust your spending as you go, thanks to data and targeting specific people, giving you more control and the ability to change things quickly. Going digital not only cuts down on wasted money but also helps you connect with customers in a personal way that can change as people react. More and more businesses are making this change, so it's key to look at how Service-Dominant Logic affects things like cost structures and how resources are used (Tenucci A et al.). Looking at how cost-effective things are shows a big change in how budgets are handled, bringing together old and new ways of marketing. The visual illustrates these complexities, giving insights into the multifaceted nature of digital transformation in marketing.

Marketing Channel	Percentage of Budget Allocation	Cost per 30-second Ad	Effectiveness	Source
Digital Marketing	40-50%	Varies; e.g., YouTube or Facebook ads can start as low as $0.01 per view	Higher effectiveness and efficiency compared to traditional media; digital videos and custom displays have significantly higher ROI than television	LeadFoxy, Journal of Advertising Research
Traditional Marketing	20-30%	Over $100,000 for prime-time television commercials; print ads can cost around $500,000 for a full-page color ad in a popular magazine	Higher retention rates compared to other tactics; however, the impact of some traditional media, such as print and radio, is not statistically significant	Improvado, Journal of Advertising Research

Cost-Effectiveness of Traditional vs. Digital Marketing Strategies

IV. SALES DYNAMICS: FIELD SALES VS. DIGITAL SELLING

The world of sales is changing, and we're seeing a big move from old-school field sales to digital methods, which makes sense given how much technology is advancing. With field sales, it was all about making connections with people, talking to clients a lot, and getting leads from people you already knew (Caro et al.). But now, because everyone is online so much, digital selling has become a strong option. It uses things like inbound marketing, online presentations, and selling on social media, using data to find the right clients and turn them into buyers (Brutyan et al.). This change means that how people buy things isn't as straightforward as it used to be, and we need to measure sales differently. Instead of just looking at offline results, we need to use real-time data to adjust our strategies as we go. Looking at field sales compared to digital selling gives marketers important information on how to keep up with the changing market, mixing what we used to do with new methods in this tech-focused era.

This bar chart illustrates the adoption rates of various digital selling tools and preferences among B2B customers and sales professionals. It highlights that a significant majority of B2B customers prefer virtual selling, while a high percentage of sales professionals are utilizing social selling and sales intelligence tools. Video messaging and CRM systems also show notable adoption, indicating a clear shift towards digital selling methods.

4.1 Lead Generation: Referrals, Trade Shows vs. Inbound Marketing, Webinars

In today's tech-heavy market, knowing your lead generation strategies is key for businesses. On one hand, there are classic methods like referrals and trade shows. These are all about building trust and relationships through personal contact. On the other hand, we've got digital methods such as inbound marketing and webinars, drawing in potential clients through content and online interactions. Both have pros: Referrals often have better conversion rates due to that existing trust. Webinars? They can reach more people for less money than in-person events. The thing is, it's a mix of these methods that really makes a difference, something that backs up the idea of needing integrated strategies today (Marbacias M. et al.). Organizations that can blend these approaches well are the ones set to thrive in the ever-changing market (Gupta R, p. 01-06). And to really succeed, organizations need to integrate these strategies effectively, leveraging advancements in technology, reflecting the ongoing marketing metamorphosis.

Lead Generation Source	Effectiveness
Referrals	86% of B2B marketers report referrals as a top lead generation source. ([digitalmarketingcommunity.com](https://www.digitalmarketingcommunity.com/indicators/e-mail-marketing-b2b-marketers-live-events-lead-generation/?utm_source=openai))
Trade Shows	51% of B2B marketers consider live events and trade shows as significant lead generation sources. ([digitalmarketingcommunity.com](https://www.digitalmarketingcommunity.com/indicators/e-mail-marketing-b2b-marketers-live-events-lead-generation/?utm_source=openai))
Inbound Marketing	59% of B2B marketers believe SEO has the biggest impact on lead generation. ([demandsage.com](https://www.demandsage.com/lead-generation-statistics?utm_source=openai))
Webinars	73% of B2B marketers consider webinars the most effective method for generating high-quality leads. ([demandsage.com](https://www.demandsage.com/webinar-statistics/?utm_source=openai))

Lead Generation Effectiveness: Referrals, Trade Shows, Inbound Marketing, and Webinars

4.2 Sales Funnel Architecture: Linear vs. Non-Linear Buyer Journey

Today's marketing world sees a split between how we approach sales: the straight line (linear) versus the more all-over-the-place (non-linear) way. This difference really shows how consumers have changed; thanks to all the tech we use. Old-school sales funnels, the kind where you go step-by-step from knowing about a product to buying it, often miss the mark now. That's because buying isn't so simple anymore; there are tons of different things that can influence a buyer. Digital stuff lets people jump around, go back, or even move sideways in the funnel. They do what they want, based on what they like and what's happening to them. This makes for a journey that's not so straightforward. Understanding this is key for digital plans. We need to change how we do things to give buyers the freedom they want. It's about talking *with* them and making things personal, not just blasting out the same message to everyone (N/A) (Kantor D et al.). You can kind of see how this works , which shows how tech mixes into both the old and new ways of selling. This really drives home that marketers need to rethink their plans as people change and tech gets better.

4.3 Sales Techniques: Relationship- Building vs. Social Selling, AI Scoring

In the dynamic world of sales, nurturing connections stands tall, notably against the backdrop of social selling and AI-powered scoring. Relationship-based sales hinge on patiently building trust with clients—a subtle art AI finds hard to mimic. It's often said building lasting bonds is key to sealing deals and moving past mere transactions (Lehton et al.), something AI can't do. As companies weave in digital tools for better customer contact, keeping personal links alive is key, enabling richer talks that go beyond just doing business. And, as digital changes impact how customers buy and sellers interact, finding the right mix of machines and human touch is crucial for firms wanting to shine in a tech-heavy market (Sacramento et al.). This shift underlines how vital it is to tweak sales tactics to use both people and tech wisely.

4.4 Metrics & Conversion Tracking: Offline Metrics vs. Real-Time Analytics

The marketing field's constant changes mean that we now see a big difference between old-fashioned offline metrics and the immediate data from real-time analytics. This shift is important, moving us from older methods to a more accurate, digital approach. Offline metrics, like sales reports and surveys, give us useful general trends, but they're slow, making it hard to make quick decisions. But real-time analytics lets marketers watch what customers do as it happens. This helps them change and improve campaigns faster and more effectively, as explained in

(Dinana et al.). This change really shows how important technology is now. Instant feedback helps connect with customers better and target them more precisely. Also, companies using real-time analytics can understand their customers better, boosting sales and customer loyalty. Using an omnichannel strategy, as seen in, helps connect these two areas. It lets marketers work together on different platforms while staying flexible.

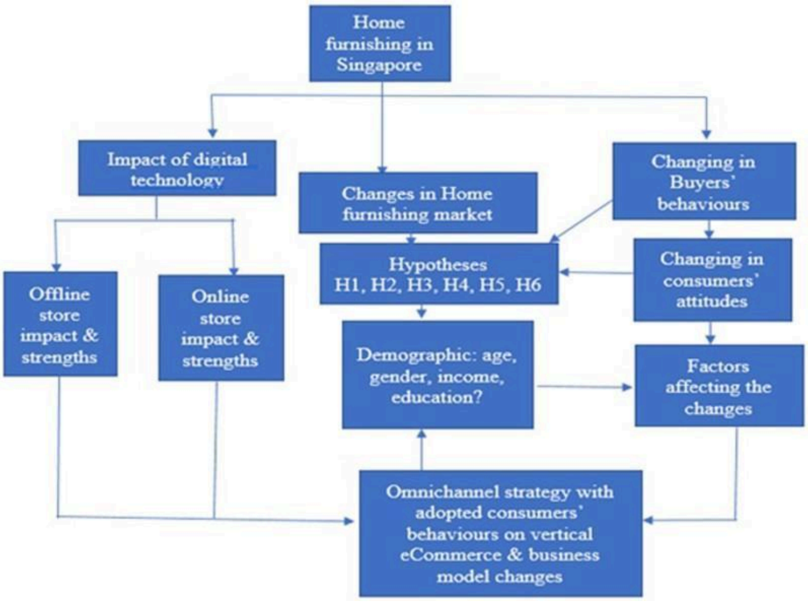


Image 3: Flowchart of Home Furnishing Market Dynamics in Singapore

Metric	Offline Analytics	Real-Time Analytics
Consumer Behavior Tracking	Limited granularity; difficult to track exact consumer actions such as magazine readership or bus ad engagement.	High precision; each ad impression, click, or site visit is recorded, allowing detailed tracking of user behavior.
Cost Efficiency	Traditional advertising methods can cost up to 60% more than digital advertising for the same reach.	Digital advertising is generally more cost-effective, with digital ad spending in the US expected to surpass traditional ad spending in 2019.
Integration of Data	Challenges in integrating offline data with online data, making it difficult to create a unified customer view.	Facilitates seamless integration of data across channels, providing a holistic view of customer interactions.
Measurement Techniques	Common methods include vanity URLs, QR codes, and promo codes, though their effectiveness can vary.	Utilizes advanced tools like Google Analytics, enabling real-time tracking and analysis of digital marketing performance.
Impact on Online Sales	Difficult to measure direct impact on online sales; 60% of online purchases involve an offline touchpoint.	Directly measures the influence of digital campaigns on online sales, allowing for immediate adjustments.

Comparison of Offline and Real-Time Analytics in Marketing Metrics

4.5 Customer Relationship Management: Traditional vs. Digital Approaches

Generally speaking, Customer Relationship Management (CRM) has evolved quite a bit, mirroring a significant change in how businesses interact with consumers nowadays, especially given our tech landscape. If you look back, CRM used to be more about direct, in-person engagement and somewhat generalized advertising, often relying on print and broadcast media. But the digital age has really changed things. Now, companies can use sophisticated analytics and automation for highly targeted marketing. This also allows for back-and-forth communication via things like social media and instant feedback, which are really important for understanding what customers are doing. The integration of technologies such as AI is discussed in [citeX], and it highlights how CRM is changing from a more reactive approach to a proactive strategy that personalizes how companies communicate with consumers, which can improve loyalty and retention. Organizations need to adapt their practices to make the most of these innovative capabilities, such as merging traditional relationship-building tactics with innovative digital capabilities, to thrive in a competitive marketplace, as noted in (Chan CKY et al.) and (Lee S et al., p. 1633-1669). This is something that is necessary for success.

Industry	In-house Investment ($ billions)	Outsourced Investment ($ billions)	Total Investment ($ billions)	In-house Investment Intensity (% of sales)	Outsourced Investment Intensity (% of sales)	Total Investment Intensity (% of sales)	Use of CRM Technology (% of firms)	Use of CRM Technology to Collect Customer Information Online (% of firms)	Use of CRM Technology to Provide Online After-Sales Support (% of firms)	Integration Level of CRM Technology Linked to Back-End Systems (% of firms)	Integration Level of CRM Technology Linked to Customers' Systems (% of firms)	Integration Level of CRM Technology Linked to Suppliers' Systems (% of firms)	Outsourcing of CRM Technology Functions (% of firms)
Wholesale	37.85	10.8	48.65	8	2.3	10.3	14	10	9	32	15	16	13
Manufacturing	13.71	17.27	30.97	2.1	2.7	4.8	15	10	8	23	12	5	13
Finance and Insurance	11.19	6.55	17.73	4.6	2.7	7.3	16	10	10	36	5	4	7
Retail	3.19	9.68	12.87	0.7	2.3	3	13	9	5	33	3	21	12
Logistics and Transportation Services	3.93	2.08	6.01	3.4	1.8	5.1	6	4	3	31	23	27	2

CRM Technology Adoption and Investment by Industry

V. TECHNOLOGY ENABLERS AND INNOVATIONS

These days, tech's impact on how we market things is huge, basically reshaping strategies. When you put smartphones and tablets together with fancy CRM systems and automation, traditional sales change into a complete digital thing. Think about augmented reality (AR), chatbots, and blockchain—they give you different ways to make customers happier and run things better. They help marketers really target who they're trying to reach and get analytics right away, which means they can quickly change their marketing when customers change their minds. Predictive marketing frameworks highlight how data can help with making smart decisions, which is super important to stay ahead. As e-business tech keeps showing up in how companies work, it's key to get what that means for doing well in the market, especially as the fashion biz uses sustainable circular models as a key part of doing business, showing that tech is important for innovation (Berrangert al.) (Colombi C et al.).

5.1 Devices: Smartphones, Tablets, Smartwatches, Digital Kiosks

The marketing world is changing fast. Devices like smartphones, tablets, smartwatches, and even those digital kiosks you see have really changed how companies talk to customers and how they sell things. These devices help connect old-school marketing with the newer digital stuff, giving businesses all sorts of ways to connect with people. Think about it: digital kiosks can make shopping in a store better with interactive displays that show info and help people decide what to buy, like [cited] shows. Plus, smartwatches and smartphones let companies talk to people in real-time and send personalized ads, which helps build stronger relationships and keeps customers coming back. Studies on how people adapt to new tech say these improvements boost how well a business runs and make customers happier but also warn leaders that ignoring these changes is risky (Gurley et al.). So, it's really important to understand how these devices and marketing strategies work together to get customers involved in this age that's all about technology.

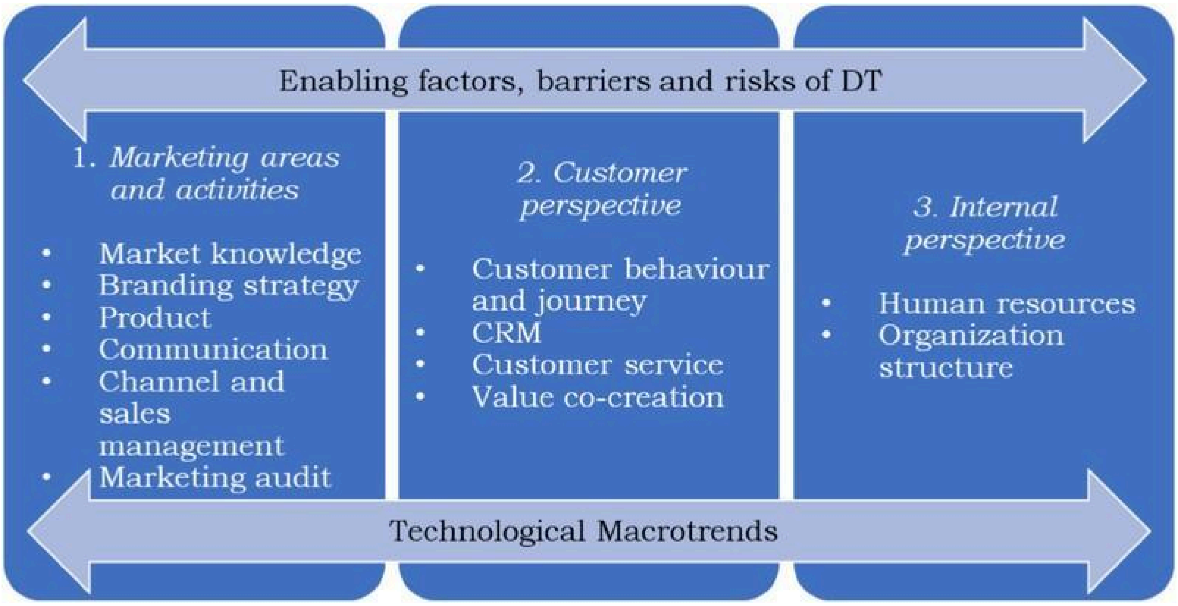


Image 4: Framework for Understanding Digital Transformation Enablers and Risks

5.2 Platforms & Tools: CRM, Automation Tools, Social Media Managers, AI

Generally speaking, today's marketing world demands that advanced tools and platforms work well together. This integration is crucial to connect what's been done traditionally with newer digital strategies. Think of Customer Relationship Management (CRM) systems—they really help streamline how businesses talk to customers, letting them change their approaches to keep customers engaged, which is a big deal for profitability, especially when things get tough (Niemi et al.). Furthermore, automation tools help scale marketing efforts more efficiently. They allow companies to keep their message consistent across many channels but still personalize how they interact with each customer (Marqu Pés et al.). Social media managers also help a brand be seen and help in improving engagement with customers. Add to that the way AI technologies refine strategies using data; it helps marketers figure out what customers might want and do. All these tools show how marketing is changing so that it can work in a tech-heavy era, pointing to a more adaptable marketing approach.

5.3 Innovations: AR/VR, Chatbots, Blockchain, Predictive Marketing

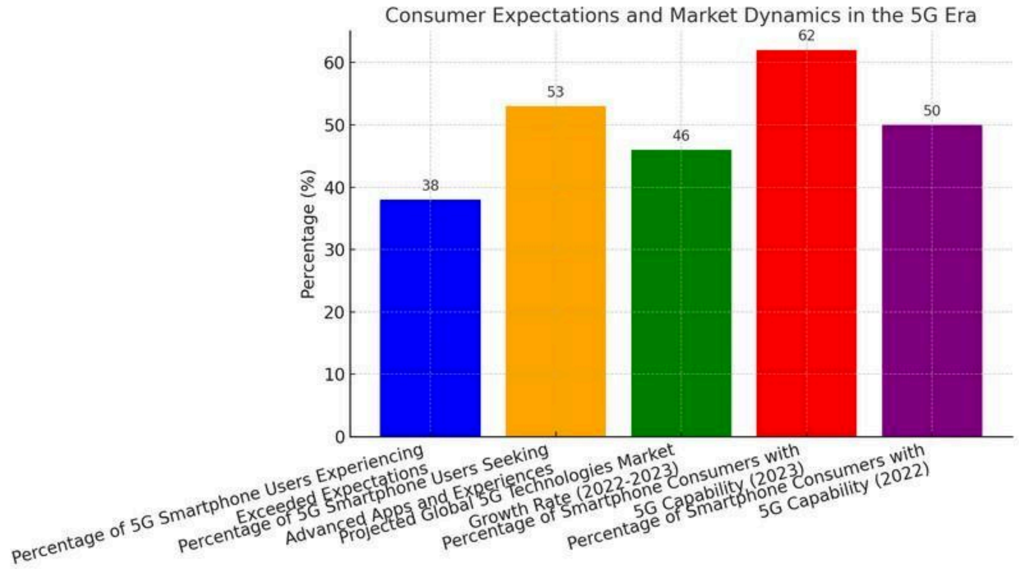
The evolution of marketing orbits more and more around digital strategies, making AR/VR, chatbots, blockchain tech, and predictive marketing not just nice extras but necessities. These innovations don't just change how customers interact with products; they also change the traditional sales game, allowing new and deeper levels of engagement. Think about AR, for example—it can give potential customers virtual "hands-on" time with products, closing the gap left by fewer brick-and-mortar stores. Chatbots can also greatly increase customer service efficiency by instantly answering queries and customizing user interactions. Blockchain builds and strengthens trust, an important aspect of customer relationships, through transparency and tracking (Aal et al.). And predictive marketing? That uses data analytics to guess what customers will do next, letting companies fine-tune their marketing efforts, hopefully boosting engagement and sales. Giving emphasis to these technologies is pretty important for staying ahead in a tech-heavy market (Buhalis et al.). Furthermore, one might analyze the connection between these innovations and time-honored strategies.

5.4 Role of Data Analytics in Shaping Marketing Strategies

Generally speaking, the marketing world is changing fast, and data analytics are now key to making strategies that work for today's consumers. With data analytics, companies can usually learn a lot about what customers do, what they like, and what's trending; this helps them make their marketing better. It also helps with a deeper look into how customers interact, letting them improve segmentation and customize their messages in ways that old-school methods often miss. Recent studies show that keeping things consistent across all customer contact points means marketers need a multichannel approach that merges customer experience seamlessly (Clark et al.). Moreover, because we're now measuring performance online, businesses need to quickly update their analytical tools to stay competitive (Bowie et al.). Strategically using data analytics not only boosts customer interaction but also lets companies make informed choices that connect traditional and digital marketing. A flowchart outlining these connections can be found at... and ultimately fosters sustained growth in our tech-focused era.

5.5 Future Technologies on the Horizon: Implications for Marketing

The marketing world is changing, and new technologies bring exciting possibilities, along with some tough problems. Deploying 5G, for instance, isn't just about faster operations; it's about opening doors for totally new marketing approaches. Telecom companies, generally speaking, are likely to leverage 5G's super-fast response times, which could change how businesses connect with customers and deliver services, potentially even leading to entirely new marketing areas (Cuevas et al.). Plus, looking ahead, cyborg technology might transform frontline service jobs, kind of merging human skills with advanced tech. This melding could revolutionize how we interact with services, making them more user-friendly and tailored to what consumers want (Garry et al.). It all points to a big change in how marketing works, meaning marketers need to adapt and blend old methods with new digital innovations in a world that's becoming more and more tech-focused.



This bar chart illustrates various aspects of consumer expectations and market dynamics regarding 5G technology. It includes the percentage of smartphone users whose expectations were exceeded, those seeking advanced applications, and the percentage of consumers with 5G capability for the years 2022 and 2023. The chart emphasizes the importance of adapting marketing strategies to meet evolving consumer demands in the 5G era.

VI. CONCLUSION

To summarize, the blending of traditional and digital sales approaches signifies a real change in marketing. It calls for a careful approach that balances what's always worked with new tech. Combining old-school values, like building relationships and keeping a brand honest, with the quickness that digital tools offer lets marketers handle the fast-changing market better. Putting importance on being able to change, using data, and staying quick on your feet—like this paper has been saying—is key to making brand experiences that grab today's customers. When businesses use all sorts of marketing ways, they'll not only get to more people but also build long-term customer loyalty. The road ahead isn't just about swapping old ways for new ones; it's about mixing what we know from both to encourage new ideas and stay relevant in a world that's getting more competitive (Corkt al.) (Darbishire et al.). Every move we make will help marketing change for the better, boosting ongoing growth and keeping brands strong in this tech age.

6.1 Synthesis of Traditional Values and Modern Agility

For organizations to flourish in today's fast-paced marketing world, balancing time-honored values with modern flexibility is key. Traditional marketing, with its foundation in psychological and cultural understanding, has long built brand loyalty and consumer confidence. However, the rise of digital strategies calls for an agility that traditional methods may not always offer. This necessitates an adaptive approach, one that's responsive to real-time data and consumer engagement trends (Moen et al.). The fusion of these approaches not only boosts efficiency but also strengthens customer relationships through tailored interactions, a vital element in the current market. By combining the basic principles of traditional marketing—like building relationships and maintaining brand integrity—with agile strategies like social selling and AI-powered analytics, companies can effectively manage the complexities of a tech-heavy era while keeping a consistent brand story (Brigas et al.). Generally speaking, this convergence creates a fertile ground for lasting growth and market relevance.

6.2 Marketer's New Mantra: Adaptive, Analytical, Agile

Marketers today face a quickly changing world due to fast-paced technology. To handle this, they need to be agile, focusing on being able to adapt and analyze in order to keep up with how consumers act. One expert, however, notes, Agile marketing focuses on quantity over quality. It's outcomes-driven, allowing marketers to measure success in early intervals and pivot quickly when something's not working. The use of analytics is key because it lets marketers better understand their audience and customize their messages for different platforms (Schiefer et al.). Combining these flexible strategies with analytics helps to connect old-fashioned marketing ideas with new digital methods. This approach not only welcomes new ideas but also fits with what consumers now expect. This shift can be shown through , which demonstrates how technology improves marketing plans for today's market.

6.3 Marketing as the Soul of Brand Experience

As consumer interactions become more intricate, the weaving together of marketing strategies becomes not just important, but really essential—almost like the very heart of what a brand stands for. Brands, therefore, find themselves needing to juggle both older, well-established methods and newer digital tricks to really grab customers' attention and connect with them on different levels. Think about personalized content, for example; it's becoming more and more key to really boosting a brand's clout and building stronger bonds with customers. This lines up with some time-tested psychological ideas about marketing (GOVINDAPPA H et al.).

At the same time, things like automation and AI are constantly getting better, making it easier to analyze data and send targeted messages in real-time. This is changing what customer engagement looks like by encouraging actual back-and-forth conversation (Provasi et al.). By putting all of these pieces together, brands can develop a clear and consistent identity that not only helps them sell more stuff but also builds lasting loyalty, crafting an overall brand experience that really succeeds in today's tech-heavy world, as shown in...

6.4 The Importance of Continuous Learning and Adaptation

The breakneck pace of tech development and the way consumers change their minds mean professionals need to keep learning and changing too. Marketers find themselves in a tricky spot where tried-and-true ways are now mixed with digital stuff. Consider Finnish microbusinesses trying to get into Swedish e-commerce; this shows us how vital it is to tweak things for the local culture if you want to make an impression on a new set of customers (Vesterback et al.). For SMEs, going digital means they really need to be able to bend and flex, embracing strategies based on constant improvements to make use of opportunities from new tech like AI (Hu et al.). It's all about balancing the need to learn new tricks with a promise to come up with fresh ideas, which sets marketers up to do well even as the market keeps changing. A marketing strategy adaptation flowchart shows this well—continuous learning is what keeps businesses growing and ahead of the game.

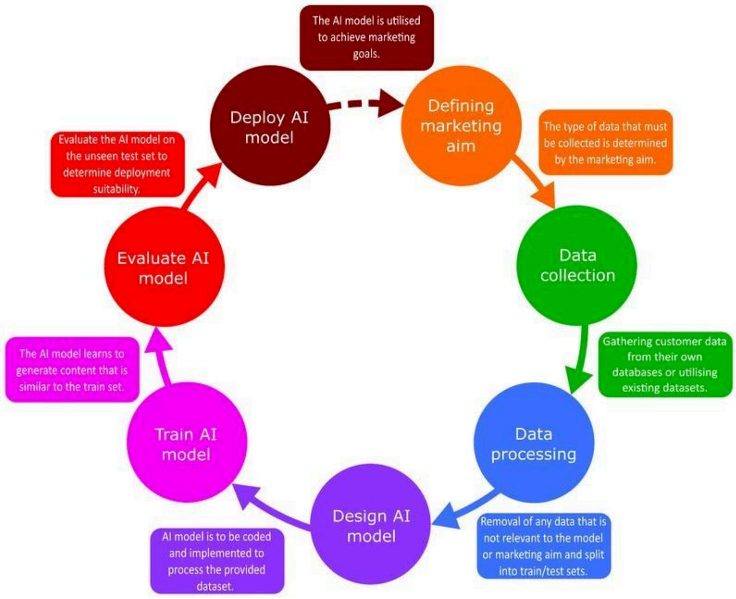


Image 5: Flowchart of AI Model Development for Marketing Objectives

6.5 Final thoughts on the Future of Marketing Strategies

The marketing world keeps changing, and what works in the future will depend on mixing old-school marketing ideas with new digital stuff. It's about using what we already know about keeping customers happy but also being quick to use new technology. Hyper-personalization, as some studies show, is going to be a big deal for getting people interested when everything is online. Plus, it's clear that businesses and tech need to be on the same page, especially if companies want to keep up with customers and do well when things are changing so fast online (F Buttle et al.). Also, there are all these new online tools that can really help us reach different groups of customers (Barr et al.). So, if we can put together the old and the new, marketers can deal with all the confusing parts and still make brands that people care about.

Please Note: This outline provides a structured approach to analyzing the convergence of traditional and digital marketing strategies in the context of a tech-driven age, ensuring a comprehensive exploration of the topic.

The modern commercial world is changing fast, so marketers today really need to look at how old-school and digital marketing come together. Businesses have to deal with a lot of tech stuff, and it's super important for them to get how these two ways of doing things work if they want to talk to all kinds of people effectively. This is a plan to help understand how they mix, and it's based on what's happened before and what new strategies are out there. When companies check out new tech and what it means for marketing, they can use what they learn from both areas to make plans that really connect with customers and get them involved. Plus, the way different points of contact work together, as shown in [cited], shows why it's important to have a big-picture approach that uses knowledge from both sides to stay ahead. Analyzing this way highlights how important it is to change marketing methods, which is key to doing well in a market that's more and more connected [extracted Knowledge X].

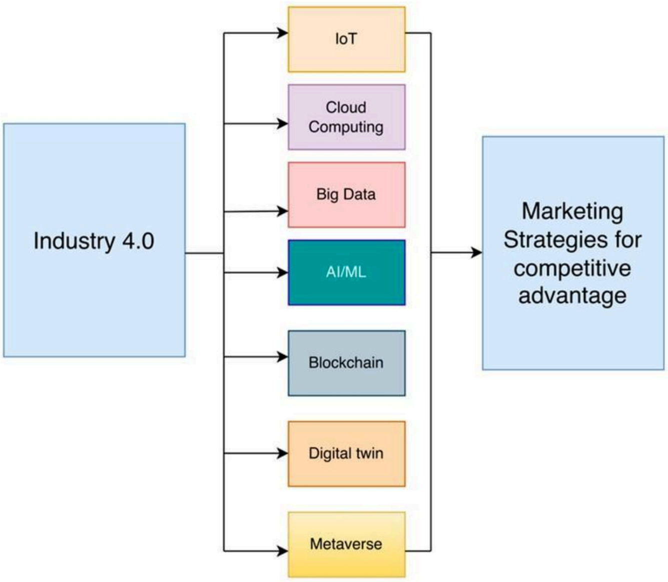


Image 6: Flowchart illustrating the relationship between Industry 4.0 technologies and marketing strategies for competitive advantage.

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Tags: instagram marketing, generation z, travel destinations, travel choices, social media, influencer marketing, visual content, digital marketing, youth tourism.

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Tags: instagram marketing, generation z, travel destinations, travel choices, social media, influencer marketing, visual content, digital marketing, youth tourism.

I. INTRODUCTION

Entry: With the advent of Web 3.0, marketing strategies have undergone a significant transformation, shifting the emphasis from direct sales stimulation to establishing deep emotional connections with consumers. In modern marketing, the formation of long-lasting, emotionally colored relationships with target audiences has become a key element. Influencer marketing demonstrates the effectiveness of this approach, as consumers are more likely to trust the recommendations of independent experts rather than brands directly [5]. Influencers, especially those with large and engaged audits, are able to attract visitors to websites, increase social media visibility, and increase sales volumes by sharing personal experiences of using company offerings [5]. Influencer-sponsored content helps brands increase sales, improve awareness, and build trust between influencers and their followers. According to Statista (2023), the global influencer marketing market reached a significant

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mark of USD 16.4 billion in 2022, indicating more than a twofold growth since 2019. Further growth in influencer marketing investments is predicted in the future.

Among various social platforms, Instagram is the most popular tool for influencer marketing (IMW, 2022), as evidenced by its billion-dollar audience and the presence of almost four million sponsored posts from influencers in 2023 [14]. A distinctive feature of influencers is the high level of trust they inspire in their audience. Consumers tend to trust information from advertising and advice from loved ones more

Influencers on social networks are perceived by their followers as reliable sources of information due to their sincerity. Initially, influencer marketing was mainly related to the fields of beauty, fashion and style, but now it covers almost all industries, including tourism. market changes and the development of original marketing approaches. In recent years, it has been confirmed that social media influencer marketing strategies can significantly influence consumers' purchasing decisions, making it an important tool in the travel sector. Using influencer marketing, travel destinations, hotels, events and festivals aim to attract a variety of tourists from different countries and shape their perception of the destination [12]. According to Statista Market forecastsForecast (2023), the global online tourism market in 2023 was $432 billion, up 10.4% year-on-year. Understanding the impact of influencer marketing on different generations is critical, especially for the influential and active Gen Z, who make up more than a quarter of the world's population and actively use social media to explore shopping options. Due to its value of authenticity, personalization and social responsibility, Generation Z is particularly receptive to influencer marketing. However, in scientific studies of the functioning of the tourism industry, there is a lack of theoretical works that would analyze in detail the impact of influencer marketing and other modern specific marketing tools on generation Z, namely the representation of People of this generation are the most active and supporters of travel.

The article is aimed at studying the features of consumer behavior of Generation Z in tourism and developing digital marketing offers to attract Generation Z.

Presentation of the main material and scientific results obtained. Modern marketing and business tasks of organizations are increasingly solved with the help of influencer marketing, an approach that uses the potential of social networks and the authority of social opinion leaders [10]. Despite different scientific interpretations, the essence of influencer marketing is reduced to attracting influencers to spread brand information and establish emotional connection with the audience. In the context of the digital revolution, influencer marketing is gaining significant benefits due to the wide reach and speed of content distribution on social networks. Unlike past practices, today's influencer marketing is more integrated and natural, where advertising campaigns are implemented through personal recommendations from famous people. The sphere of influence of these leaders covers various social media channels, including YouTube, Instagram and Facebook. Research results show that consumers often choose products that are shown and recommended by influencers they follow on social networks [14].

Influencer marketing is constantly growing in popularity, as evidenced by its global market value, which exceeded USD 13.8 billion in 2023 [27]. Brands' investments in this type of marketing have been proven to be profitable, as every dollar spent can bring an average of $5.78 in revenue, and 67% of companies use Instagram as the main platform for the implementation of their influencer companies [14]. According to a report by Bayliss (2019), In recent years, the distribution of companies' budgets for influencer marketing is as follows: 19% spend from 1 to 10 thousand dollars annually, 18 % – from 100 to 500 thousand dollars, and 7 % plan to invest more than 1 million dollars. This marketing approach has become especially important in such industries as e-commerce, fashion, gaming and tourism, where 17% of companies devote more than half of their marketing budgets to cooperation with influencers.

In the tourism industry, influencers play a crucial role in the decision-making process of potential tourists, as they are perceived as authoritative sources of information [15]. Travel influencers create content tailored to the needs of specific niche audiences, offering valuable advice, brand reviews, recommendations on tourist destinations and routes. Effective collaboration between brands/companies and influencers who appeal to their target audience, share common interests and use understandable language, positively influence consumers' decisions regarding the purchase of tourist goods and services [1]. Especially influential for young people is the exchange of travel experience by travel bloggers through visual content – photos and videos [4]. Thus, influencer marketing is an essential tool for the travel industry, helping them achieve their marketing goals and effectively promote their offers [15].

Among Gen Z, Instagram is one of the most beloved social networks, allowing you to instantly share photos using smartphones. Young people spend more time on Instagram than on Facebook, integrating physical and digital experiences [19]. Instagram travel influencers are a separate category of influencers whose recommendations shape the impression of the audience through a variety of content, including articles, Comments and videos. The use of these influencers in marketing strategies allows brands to establish strong, positive connections with their customers. The effectiveness of travel influencers on Instagram is determined by the quality of the content they create in blog, post, or video formats [19]. Different types of influencers are able to effectively reach their target audience and become influencers whose ideas and opinions gain credibility over time. Travel influencers develop content tailored to narrow audiences, and they are expected to maintain their accounts with an emphasis on uniqueness and sincerity. Research shows that social opinion leaders influence the tourist intentions of their followers, their decision-making process and the level of trust in information [21]. It is important to note that the most popular topics among influencers are fashion, beauty, games, travel and lifestyle [14], and the number of Instagram posts dedicated to travel reaches 624 million. According to Ramonet, the credibility of travel influencers stems from their original, non-commercial and personal identities. Consequently, the marketing of thought leaders has spread significantly in recent years, and the volume of this market in the world exceeded $13.8 billion in 2023. reliable sources of information, creating content for specific niches, including tips, reviews, and referral recommendations. Instagram, as a popular platform for sharing travel photos among Generation Z, makes travel influencers an effective tool for influencing travel purchasing decisions through their authentic, non-commercial and personal online presence.

According to research by Köseoğlu et al. (2019), the number of scientific papers in the field of tourism began to demonstrate growth in the early 2000s, focusing mainly on general trends, academic analysis, as well as directions and orientations of the industry. In recent years, the tourism sector has established itself as a dynamic industry, making a significant contribution to the economies of countries through the attraction of foreign exchange, improving the international image, stimulating money circulation and creating new jobs [10]. Consumption of tourism services, which includes transport, accommodation, food, entertainment, shopping and other related goods and services, is a key element of the tourism industry, contributing to the employment of the population, the formation of tax revenues and the development of infrastructure [6]. However, this type of consumption is complex and heterogeneous due to its characteristics as intangibility, inability to store and lack of standardization [28]. Demand for tourist services is elastic and depends on changes in travel motivation, which can lead to the refusal to travel in crisis situations [9]. The main motives for travel are curiosity and the desire for new discoveries [22]. The development of tourism is influenced by both external and internal factors, including the spread of transport, the growth of economic well-being, urbanization and the increase in urban population, the growth ofincome of the population and relative stability in the world [6]. Internal factors include curiosity, business trips, sports, religious motives, cultural and educational purposes, recreation and entertainment, wellness, as well as visiting friends and relatives [18]. The decision-making process in tourism has its own characteristics, and marketers need to analyze tourists as consumers during the problem-solving and decision-making phases [16]. The consumer's purchase decision is often considered within five stages: awareness of the need, identification of available options, evaluation of variants, purchase decision and post-purchase behavior [11]. Marketers should take these stages into account when developing effective marketing strategies. strategies in tourism and understand how to influence consumers at every step of the decision-making process. The success of advertising campaigns is important for tourists to make their choice consciously and in accordance with their desires [6].

Summing up, it is worth noting that the consumption of tu-Tourism is an important economic activity that contributes significantly to the development of the tourism economy. The decision to participate in tourism activities is influenced by a complex of external and internal factors, such as the desire for recreation, the exploration of new and personal growth. Tourists go through a certain decision-making process, which includes the search for information, the evaluation of alternatives and the analysis after the trip. providing relevant and compelling information, highlighting the uniqueness of the experience and addressing potential consumer problems. Overall, the consumption of tourism services plays a key role in the growth and sustainability of many tourist destinations in the world.

Generation Z, born at the turn of the millennium (approximately from the mid-1990s to the early 2000s), is the first generation to grow up in the era of digital technologies, the Internet and social networks. Most scientists agree that this category includes persons born after 1995 [2]. The development of online communication during this period became decisive for the formation of Generation Z, in parallel with the formation of Internet business in America and Europe [29].

The lifestyle, purchasing behaviour and characteristics of Generation Z have been significantly influenced by information and technological advances since the mid-1990s [29]. Growing up surrounded by technology, Gen Z representatives are confident users of modern devices, often preferring emojis in communication and spending more time in the digital environment than reading [11], and perceive the virtual world as more valuable than real. Unlike previous generations, Gen Z uses technology as a tool for leisure, entertainment, social interaction, and entrepreneurial activities. Their technological awareness contributes to the rapid-

At the same time, peer influence is a significant factor in their purchasing decisions [2], which can be used in marketing strategies. Among social networks, Instagram is the leader in popularity among Generation Z: more than 64% use it daily, and 73% of adults of this generation consider it the main platform [19; 23].

Personalized communication and influence of opinion leaders on social networks are crucial for their buying behavior [7]. Generation Z follows a large number of influencers (more than 10) and demonstrates a high probability of purchasing goods or services based on their recommendations [7].

Thus, Generation Z, also called "digital natives", is a significant demographic group of about 2 billion people in the world, which is approximately 25-30% of the total population of the planet, making it one of the largest demographic groups. Born between 1995 and 2010, they differ from previous generations in their consumption habits, largely focused on emotions, influencers' opinions and experiences before making a purchase. Influencers on YouTube and Instagram play an important role in their purchasing decisions, establishing personal contact, building trust, and providing quick information about products and services. Brands can effectively reach Gen Z audiences through these influencers, minimizing the need for traditional advertising. Companies need to focus on marketing their products on social media, creating interactive online channels for marketing and sales to attract and engage with these young consumers. The influence of social media influencers on Gen Z's purchasing decisions is a well-documented fact, highlighting their key role in communicating brands with their target audience. Generation Z is more likely to trust recommenders.influencers than traditional advertising, which requires companies to adapt their marketing strategies to the virtual environment and collaborate with influencers to increase brand awareness.

The advent of radio, television, and information and communication technologies has transformed consumers' approaches to planning and choosing tourism products [8]. Today, social networks have become the main source of information for consumers, providing them with the opportunity to exchange their own experiences [3]. It is extremely important for tourism industry professionals to focus on specific groups of tourists, and not to consider the entire market as a homogeneous mass [23].

The theory of generations is widely used in tourism to identify differences in preferences in terms of destinations and types of recreation among different age groups [17]. Understanding the unique characteristics of each generation is key to the development and implementation of effective strategies by tourism professionals. Generation Z has become an important and profitable segment of the tourism market with a significant purchasing power, and its representatives often play a decisive role in making family travel decisions [13]. In addition, Generation Z is prone to FOMO (Lost Profit Syndrome), which makes digital opinion leaders an effective marketing tool in this market.

The travel industry is aware of the importance of Generation Z as a key consumer group with a pronounced love of travel [24]. It is worth noting that the motivation for travel in Generation Z is different from previous generations and is quite diverse, so understanding the factors influencing their preferences and decisions about travel is critically important for stakeholders in the tourism industry, Demeter and Bratuco (2014) identified six main types of youth tourism: educational, volunteer, business trips, cultural exchanges, sports and adventure tourism, and recreation. These different types of tourism cater to the specific interests and preferences of Generation Z. Eusebio and Carneirow (2015) segmented the student travel market into four groups according to their and involvement: lovers of culture, entertainment, beach recreation and nature. In addition, tourists of Generation Z have clearly defined characteristics [20].

They were born in an era of technological progress that blurs the boundaries between the real and virtual worlds. Accordingly, tourism provides them with the opportunity to break away from online reality and experience social values in real life. Generation Z is also known for their openness to travel. Thanks to the Internet, geographical barriers are losing their importance, and they are often fluent in foreign languages and easily adapt to a multicultural environment .longevity, promoting global connections. Finally, Generation Z is not afraid of long distances and actively seeks to travel abroad to expand their worldview.

Based on the results of the above, a list of features characterizing Generation Z in terms of request and requirements for tourist services has been compiled (Table 1).

Table 1: Features that characterize Generation Z regarding the request and requirements for tourist services

№	Characteristic	Description of the features of Generation Z in tourism
1	Digitalization of travel	prefer online booking, mobile applications, virtual tours
2	Experience orientation	choose trips that give unique experiences, authenticity, adventure, and not just comfort
3	social media activity	They often share their experience on Instagram, TikTok, YouTube, influencing the image of tourist locations

4	High expectations for personalization	expect an individual approach to service, offers and communication
5	Focus on sustainable tourism	choose environmentally friendly hotels, support ethical initiatives, avoid mass tourism
6	Price sensitivity	They are looking for the best price/quality ratio, often use comparative services
7	flexibility in planning	prefer trips in the "last minute" format, plan using mobile applications
8	Tendency to travel in company	Often travel with friends or within communities, organize trips through social platforms
9	trust in reviews and recommendations	Before booking, they are guided by reviews on Google, Booking, TripAdvisor, YouTube, TikTok
10	Multifunctionality	Combine travel with study, work (digital nomads) or volunteering

Source: developed by the author

These characteristics should be taken into account by hotel and tourism enterprises to form effective products and marketing strategies.

According to these characteristics of the behavior of generation Z in tourism, marketing strategies of tourism enterprises have been developed to work with this segment of consumers (Table 2).

Taking into account that these proposals can be implemented in any conditions and countries of the world, the authors have adapted them to Ukrainian conditions, taking into account:

- the military-economic situation in Ukraine;
- available digital tools (Diia, monobank, Ukrainian social networks);
- demand for domestic tourism and safe recreation formats (Table 3).

The tourism goals of Generation Z have a significant impact on the functioning of the tourism industry [26]. Members of this generation seek a variety of experiences, including exposure to other cultures, opportunities for professional development, educational trips, visits to relatives and friends, language learning and participation in various events, therefore, in order to successfully work with Generation Z, the tourism industry needs to should take into account their characteristics and preferences [26]. One of the important features of Gen Z tourists is their attention to the cost of travel, so they actively seek discounts, budget flights and last-minute accommodation deals, and prefer unusual and original experiences over traditional tourist destinations. Gen Z tourists are more likely to choose short city trips and weekend trips, giving

Table 2: Digital marketing proposals in tourism to attract Generation Z

№	Suggestion	Description	Implementation tools
1	Digital Presence and Mobility	Develop a mobile application for booking, chatbots, virtual tours	mobile application, AR/VR tour, bot in the messenger
2	Cooperation with influencers	Promotion through micro-influencers on TikTok and Instagram	collaborations, free tours for feedback
3	Environmental Compliance	Brand positioning as eco-friendly (green certificates, sorting, zero waste)	visual marks, certificates, educational tours
4	individualization of proposals	the use of CRM analytics for the formation of personal discounts, loyalty programs	Big Data, e-mail marketing, personalized tours
5	Experience beyond comfort	Development of non-standard routes: ethnotours, gastro tours, volunteer trips	Tour packages "Experience abroad", expeditions

6	gamification of customer interactions	Programs with tasks, bonuses, traveler ratings	App with ratings, prizes, badges
7	Formats for digital nomads	Offers with Wi-Fi, coworking spaces, discounts on stays	Work & travel packages, hybrid spaces
8	Fast and convenient service	online check-in/check-out, contactless payment, QR menu	automation, payment gateways, smart services
9	Flexible pricing policy	dynamic pricing, promotions for young people, installments	Dynamic Pricing System, Youth Packages
10	"Bring a friend" programs	Incentivizing group trips and referrals through the referral system	Promo codes, bonuses for friends

Source: developed by the author

Table 3: Digital marketing offers in tourism to attract Generation Z in modern conditions of Ukraine

№	Suggetion	Adaptation to the Ukrainian market	Implementation tools
1	Mobile app for booking and support	User-friendly interface in Ukrainian and English, integration with Diia, Google Pay	Application development, chatbots in Telegram, Viber, WhatsApp
2	Promotion through Ukrainian influencers	Attracting travel bloggers, military, travel content makers on TikTok, Instagram	Partnerships, exchanges of services for PR
3	Focus on eco and local tourism	tourist routes within Ukraine: Carpathians, Podillia, Polissia, Bessarabia, eco-hotels	"Open Ukraine" packages, eco-friendly certificates
4	Personalized offers for young people	Discounts for students, military, volunteers, birthday people, users of "eSupport"	CRM, SMS/email newsletters, special promotions
5	Emphasis on unique experiences	organization of ethnotours, workshops, gastro-fests, trips "without Wi-Fi"	Special programs with local craftsmen , chefs, guides
6	gamification and patriotic quests	thematic tours "Ukraine is unbreakable", interactive quests with augmented reality	QR routes, point system, activity rewards
7	Offers for Digital Nomads	hotels/hostels with stable internet, places to work, support for "working holidays"	"Workation in Ukraine" packages, cooperation with coworking spaces
8	Fast and secure service	online check-in, QR menu, contactless payment, electricity generators in case of outages	Payoneer/Monobank service, online account
9	Flexible pricing and subscriptions	Discounts on "unpopular" days, tour subscriptions, installment programs	Installment platforms (Wayforpay, Fondy), "pay later"
10	Recommendation system "Invite a friend"	Bonuses for every friend who books a tour/ hotel, cashback or discount	Referral Codes, Telegram Bot, Google Forms

Source: developed by the author

Preference for shorter travel options instead of long and expensive tours, appreciate the opportunity to visit authentic places and actively look for ways to interact with the local population and other travelers. Generation Z usually travels with friends or family and relies heavily on online resources and social media recommendations when planning their trips [26]. In addition, they are active users of social networks, which are their main source of inspiration for future travels.

Understanding the tourism characteristics of Generation Z is therefore essential for the tourism industry to effectively promote its services and meet the needs of this generation of travellers. Given their frugality, desire for unique experiences and active use of digital platforms, tourism professionals can develop tailored strategies to attract and engage with Gen Z tourists.

II. CONCLUSION

According to the results of the study, it is worth noting that Gen Z, who mainly use smartphones, prefer Instagram over other social networks such as Facebook, YouTube and Twitter, and spend much of their time online , using social media as a source of information before traveling and for planning their trips. Budget is an important factor in decision-making in terms of travel, and they tend to make reservations through online platforms. According to YouGov, travel is the third most planned spending for Gen Z for the coming year, second only to eating out and clothing.

Social media influencers are a big factor in Gen Z's travel decisions, and Instagram is the main source of inspiration for their future trips. They are looking for unique and memorable experiences to share with their surroundings on social media. Hotels and tourist destinations should take into account the needs of young tourists by creating specialized clubs and promoting everyone 's recreational opportunitiesPlaces. Adventure tourism is becoming increasingly popular among Gen Z, so industry professionals need to invest in online advertising and online reputation management to promote positive reviews and respond quickly to negative ones. Gen Z tourists prefer short trips with a variety of activities, viewing the tourist experience as a way to escape from the routine, seeking new opportunities and socialization.

The results of the study highlight the significant role of travel opinion leaders, especially on platforms such as Instagram, in shaping travel decisions among members of this generation. Given their focus on budget options and the use of online channels for planning and booking, it is necessary to offer this segment of consumers specific travel products, since Generation Z is an important segment for tourism businesses, which requires understanding and appropriate maintenance. In addition, the study revealed the desire of Generation Z for unique and meaningful travel, their interest in getting to know the local culture and inclination towards adventure tourism. By taking these preferences into account and adapting marketing strategies, hotels, tourist destinations and other stakeholders in the tourism industry can effectively attract Generation Z tourists.

As a result of the study, a number of specific characteristics of Generation Z as a promising group of active tourists were identified, which made it possible to develop marketing directions for effective work with this market segment and adapt them to Ukrainian modern conditions. This will increase the efficiency of attracting Generation Z to tourist trips.

Overall, the study contributed to the existing knowledge about influencer marketing and Gen Z's travel behavior, providing valuable information for industry professionals on how to engage this category of consumers and deepening the understanding of this dynamic and influential demographic.

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Findings indicate that, despite a seemingly comprehensive legal mandate, the SPA's effectiveness is undermined by ambiguous institutional arrangements and overlapping responsibilities. This dysfunction has contributed to opaque licensing practices, inadequate contract monitoring, and weak enforcement of due diligence requirements, including the failure to revoke non-compliant agreements. Such governance deficiencies risk deterring investment, eroding public trust, and compromising sustainable resource management.

The study recommends clarifying institutional roles and strengthening the SPA's enforcement capacity and operational autonomy. These reforms are critical to improving regulatory governance and ensuring Somalia's petroleum resources contribute to sustainable national development.

Keywords: somali petroleum authority, international oil companies, somali national oil company, national oil companies.

I. INTRODUCTION

Somalia possesses significant untapped hydrocarbon potential, which presents opportunities for economic growth, job creation, and industrialization. However, realizing these opportunities depends on the effective governance and management of oil and gas resources, alongside the development of strong institutions. Effective governance in the petroleum sector requires well-defined institutions such as ministries, authorities, and commissions, each mandated with distinct responsibilities. (Abudu, et al. 2022).

Globally, independent petroleum regulatory institutions such as those in Ghana and Uganda demonstrate how clearly defined roles and responsibilities can enhance investor confidence, mitigate sector-related risks, and ensure the sustainable management of natural resources.

In Somalia, the Petroleum Law of 2020 created key institutions, including the Somali Petroleum Authority (SPA) and the Somali National Oil Company (SONOC). However, the Somali Petroleum Authority has recently struggled to fulfill its mandate, raising questions about the clarity of its institutional roles and responsibilities. Unclear mandates risk undermining resource governance, deterring investment, and exacerbating resource management challenges.

This paper examines the mandate of the Somali Petroleum Authority by comparing it with global petroleum regulatory frameworks to identify the factors contributing to its failure to fulfill its mandate. The study highlights the risks associated with unclear institutional delineation, which has recently been emphasized by scholars and sector stakeholders.

1.1 Background of the Research

The study highlights the shortcomings of the Somali Petroleum Authority in fulfilling its mandated responsibilities, which appear to have been assumed by other agencies. Furthermore, a more effective delegation of institutional mandates could enhance sector governance. (Simpson, A. 2017).

The oil and gas sector is a complex industry that is typically divided into three segments: the Upstream (Exploration and Production) sector, the Midstream (Transportation and Storage) sector, and the Downstream (Refining and Marketing) sector. Each of these activities requires oversight by regulatory bodies that address multiple specialized areas, including economic, environmental, security, and community considerations. (Patidar, et. al. 2023).

The key actors in the oil and gas sector that regulate access, oversee operations, and shape its development include National Oil Companies (NOCs), International Oil Companies (IOCs), and petroleum regulatory authorities or commissions. In Somalia, governance of the oil and gas sector falls primarily under the authority of the *Federal Government*. The principal institutions mandated in this area include:

- ✔ The Ministry of Petroleum and Mineral Resources
- ✔ The Somali Petroleum Authority (SPA)
- ✔ Natural Resource Council
- ✔ Other supporting bodies, such as the Office of the Prime Minister and the Parliamentary Committee for Natural Resources.

This study highlights the critical importance of establishing robust legal frameworks, independent regulatory institutions, and a clear delineation of responsibilities to ensure effective petroleum governance.

Recently, the Ministry of Petroleum and Minerals entered into production-sharing agreements with international oil companies. However, these contracts have been characterized by a lack of transparency and clarity, leading to mistrust and raising concerns regarding institutional effectiveness. Abubakar, A. M. (2019).

The paper identifies a significant research gap: there is limited scholarly analysis on how the *constrained mandate* of the Somali Petroleum Authority (SPA), coupled with *overlapping institutional responsibilities,* influences governance outcomes, investor confidence, and the prospects for sustainable resource management. To address this gap, the study critically examines the institutional design of the SPA and draws upon international best practices in petroleum regulation to propose recommendations for strengthening governance mechanisms in Somalia.

1.2 General objectives

The general objectives of the study are to clearly set out the responsibilities assigned to the Somali Petroleum Authority, to examine the key reasons why it has not been able to carry out these responsibilities effectively, and to identify which actors are currently performing its roles. To provide context and a broader perspective. The study also examines the duties and governance structures of petroleum authorities in Uganda, Ghana, in comparison to SPA.

Specific objective of the research

- ✔ To analyze the legal framework and institutional structure of Somalia's petroleum sector
- ✔ To identify challenges limiting the SPA's effectiveness.
- ✔ To assess the impact of overlapping institutional roles on governance and investor confidence.
- ✔ To compare the SPA with the petroleum regulatory authorities in Ghana and Uganda.
- ✔ To draw lessons from international best practices for improving petroleum governance in Somalia.
- ✔ To recommend reforms that enhance the SPA's capacity and independence.

1.3 Problem Statement

In recent years, Somalia's offshore oil and gas sector has attracted increasing interest. The Ministry of Petroleum and Mineral Resources has signed several agreements with international oil companies; however, these agreements have often been marked by ambiguity, which has generated public mistrust and strained cooperation between the Federal Government and the Federal Member States. (Davidson, 2018). As a result, it has become evident that the Somali Petroleum Authority (SPA) faces significant shortcomings in fulfilling its core mandate of ensuring effective sector management and the sustainable utilization of the country's oil and gas resources. (Davidson, 2018).

The problem statement in the study is to examine why the Somali Petroleum Authority has been unable to fulfil its mandate effectively. Specifically, the study seeks to determine whether the problems arise from;

a. The Petroleum Law 2020 limits the mandate of the Authority.
b. The Authority has failed to implement or carry out its mandated responsibilities.
c. Certain functions have been transferred to other agencies in accordance with the Petroleum Law 2020.

To better understand the root of the problem, it is essential to assess and compare the mandates of petroleum authorities in other African countries, particularly Ghana and Uganda, which possess more developed and well-established regulatory frameworks.

1.4 Significance of the study

This research is designed to achieve a set of critical objectives aimed at improving the governance of Somalia's oil and gas sector. Specifically, the study seeks to:

1. Examine Institutional Effectiveness: Look at the scope of mandate Somali Petroleum Authority (SPA) and analyze the underlying reasons the Somali Petroleum Authority (SPA) fails to effectively fulfill its responsibilities, focusing specifically on the delineation of roles between the SPA and the Ministry of Petroleum and Mineral Resources.
2. *Provide Comparative Insight:* Draw comparative insights by analyzing the organizational structures and functions of petroleum authorities in established and emerging jurisdictions, specifically Ghana and Uganda.
3. Address the Governance Gap: Contribute to the limited existing literature on the governance of Somalia's oil and gas sector, thereby fostering a clearer understanding of the roles and responsibilities essential for ongoing operations.

The Significance of this study is underscored by the numerous challenges facing the Somali petroleum sector, including:

- *Political Instability:* Persistent public mistrust and disagreements between the federal government and federal member states in resource and revenue management in accordance with the applicable legal framework.
- *Capacity Deficiencies:* Weak state institutions and limited technical expertise are necessary for regulatory oversight.

By providing a deeper, comparative understanding of institutional mandates, this research aims to inform policymakers and stakeholders, thereby enabling the implementation of more robust and effective governance practices necessary for realizing sustainable oil and gas resource management in Somalia.

II. LITERATURE REVIEW

The literature review provides the background and context of the research problem and also constructs and highlights research opportunities and sheds light on gaps in the research by examining relevant articles through the existing arguments and findings. The main aim is to show that the current study uses the evidence and analysis of related previous studies. The main themes discussed in the literature are as follows;

a) Oil and Gas Prospects in Somalia

The theme addresses the hydrocarbon potential in Somalia and the Core regulatory functions of the relevant authority, such as Licensing and Contract Awards, Compliance and Enforcement, and Environmental Protection.

b) Comparative Analysis and the Role of Contract Transparency.

2.1 Oil and Gas Potentiality in Somalia

Interest in Somalia's hydrocarbon potential dates back to the early 20th century. This interest gained traction in the 1950s and 1960s, with companies like Sinclair Oil Corporation conducting widespread geological studies and drilling campaigns. (Davidson, et al. 2018). While many of these wells were exploratory and focused on stratigraphic data collection, some displayed oil shows and technical discoveries, confirming working petroleum systems. (Gundel, J. (2020).

During the 1980s, driven by oil discoveries in neighboring Yemen, Somalia experienced a surge in exploration activities. Major international companies, including Conoco, Chevron, Amoco, and Shell, acquired concessions and began extensive exploration and drilling, both onshore and offshore. (Hadden, R. L. 2007).

To gain a comprehensive understanding of the historical development of Somalia's oil and gas sector, from the initial recorded instances of oil seepage to contemporary developments, a detailed summary of the key milestones and major activities within the sector is presented below.

In 2012, Africa Oil Corp, in partnership with Range Resources and Horn Petroleum, conducted gravity surveys and acquired both new and reprocessed 2D seismic data in the Dharoor and Nugaal valleys of Puntland, Somalia (Bamberger et al., 2016). As part of this program, two exploration wells, Shabeel-1 and Shabeel North-1, were drilled to depths of approximately 3,800 and 3,945 meters, respectively. Although both wells encountered hydrocarbon shows in sandstone formations, they did not confirm the presence of commercially viable reserves. (Bamberger et al. 2016).

Between 2009 and 2018, several international companies carried out exploration surveys in Somaliland to evaluate its hydrocarbon potential. (Ga'al, A. S. 2021). These companies continue to maintain a presence in the country, and the seismic data acquired during this period indicated promising oil and gas potential. (Davidson, et.al. 2018).

In 2009, TGS completed the processing and interpretation of a speculative survey in Somaliland. The program included the acquisition of approximately 5,300 kilometers of marine 2D seismic data along the offshore margin, as well as 34,000 kilometers of high-resolution aeromagnetic data covering key onshore basins. (Mohamoud, M. A. 2018)

In 2016, DNO International acquired around 9,250 line-kilometers of gravity and magnetic data over exploration blocks located in the Sool and Sanaag regions (North-East State of Somalia). These surveys aimed to improve subsurface imaging and delineate potential petroleum systems in northern Somalia. (Ali, M. Y. 2015).

In 2017, Genel Energy undertook a seismic campaign that involved the acquisition of approximately 3,500 kilometers of 2D seismic data across several onshore basins in Somaliland. This survey was designed to refine earlier structural interpretations and identify drillable prospects. (Farah, A. (2014).

In 2018, RAK Gas, a United Arab Emirates–based company, acquired about 800 kilometers of 2D seismic data in the Berbera region. The program focused on defining structural traps and sedimentary sequences in one of Somaliland's most prospective coastal basins. (Pegg, S. (2018).

Spectrum Geo Ltd conducted extensive 2D seismic surveys offshore Somalia in 2014 and 2016, covering ~20,500 km across key frontier basins such as Jubba Deep, Mogadishu Deep, Mid Somalia High, Obbia, Coriole, and Juba–Lamu. (Ga'al, A. S. (2021).

The data revealed multiple petroleum play types ranging from Jurassic to Tertiary, including stratigraphic traps, carbonate platforms, reefal build-ups, fault blocks, and submarine fans. (Levent. K. 2025). These findings established strong analogies with proven hydrocarbon provinces in Mozambique and Tanzania, indicating the presence of multi-play oil and gas systems. Strategically, the surveys provided Somalia's first modern seismic dataset in decades, reduced geological uncertainty, and attracted international exploration interest through multi-client licensing rounds (Davidson et al., 2018).

Liberty Petroleum signed PSAs in March 2024 for Blocks 131, 190, and 206, committing to seismic acquisition, geological and geophysical evaluation, and potential exploratory drilling within five years. The company is targeting Jurassic carbonate and clastic plays, aiming to validate earlier seismic data, de-risk drilling locations, and unlock Somalia's underexplored deepwater hydrocarbon potential (Gundel, 2020).

In March 2024, TPAO was awarded offshore exploration licenses under the Turkey–Somalia energy cooperation agreement, covering three blocks approximately 50–100 km offshore and totaling 15,000 km². Using the seismic vessel *Oruç Reis*, escorted by naval ships, TPAO completed high-resolution 3D seismic surveys by April 2025, with exploratory drilling planned for late 2025–early 2026. (Oxford Analytica. (2024).

Interpretation of the 3D data revealed a more detailed subsurface than previous 2D surveys, identifying large faulted structural closures, deep Jurassic carbonate platforms, Cretaceous–Tertiary deep marine clastic systems, submarine fans, and potential source rocks in deepwater anoxic basins likely rich in oil-prone kerogen. (Bamberger et. al. 2016). These findings suggest that Somalia's offshore regions contain all key elements of a working petroleum system, including mature source rocks, migration pathways, reservoirs, seals, and trap structures. (Davidson, 2018).

Strategically, TPAO's engagement underscores state-to-state energy cooperation, strengthening Turkey–Somalia political and economic ties, introducing advanced technical capabilities in 3D seismic and deepwater drilling, and positioning Turkey as a long-term partner in Somalia's offshore hydrocarbon development, with broader implications for regional energy security (Levent, 2025).

Table 1: Oil and Gas Exploration Blocks Licensed by the Ministry of Petroleum and Minerals

Company name	Block	Offshore/onshore	Size of the block	License location
Shell and ExxonMobil	M3	Offshore	13,400km²	Puntland
	M4	Offshore	14,000km²	Puntland/Galmudug
	M5	Offshore	16,000km²	Galmudug/Hirshabeele
	M6	Offshore	10,000km²	Hirshabeele/Southwest
	M7	Offshore	7,000km²	Southwest
Coastline Exploration	129/130	Offshore	5,000km²	Galmudug
	141	Offshore	5,000km²	Galmudug
	143	Offshore	5,000km²	Galmudug

	191	Offshore	5,000km²	Southwest
	192	Offshore	5,000km²	Southwest
	205	Offshore	5,000km²	Jubbaland
	221	Offshore	5,000km²	Jubbaland
Liberty Petroleum	131	Offshore	5,000km²	Galmudug
	190	Offshore	5,000km²	Southwest
	206	Offshore	4,978km²	Jubbaland
Genel Energy	SL6	Onshore	12,000km²	Somaliland
	SL10	Onshore	12,000km²	Somaliland
	SL13	Onshore	12,000km²	Somaliland
TPOA	142	Offshore	15,000km² in total	Galmudug
	152	Offshore		Galmudug
	153	Offshore		Galmudug
	Undisclosed	Onshore	16,000km² in total	Undisclosed
	Undisclosed	Onshore		Undisclosed
	Undisclosed	Onshore		Undisclosed
Rak Gas	SL9	Onshore	12,000km²	Somaliland
	SL12	Onshore	12,000km2	Somaliland
GulfSom Energy	S48	Onshore	2,500km2	Jubbaland
	S55	Onshore	2,500km2	Southwest
	S56	Onshore	2,300km2	Hirshabeele/Southwest
	S217	Onshore	2,500km2	Northeast
	S218	Onshore	2,500km2	Northeast

2.2 Mandate of Somali Petroleum Authorities

The Petroleum Act of 2020 established the Somali Petroleum Authority (SPA) as the independent regulator of Somalia's oil and gas sector, tasked with ensuring responsible, transparent, and nationally beneficial management of petroleum resources. The SPA's core functions include:

- ✔ *Regulation:* Administering licenses and contracts, and enforcing compliance with petroleum laws, production-sharing agreement terms, and environmental standards.
- ✔ *Monitoring and Oversight:* Supervising exploration, production, and decommissioning activities, with attention to health, safety, security, and environmental (HSSE) standards.
- ✔ *Revenue Transparency:* Ensuring transparent collection and equitable distribution of petroleum revenues between the Federal Government and Federal Member States.
- ✔ *Advisory and Technical Support:* Managing data repositories, providing expert guidance, and promoting sustainable resource management.
- ✔ *Investment Promotion:* Creating a stable regulatory environment to attract international investors and facilitate agreements.
- ✔ *Capacity Building:* Advancing skills development, workforce participation, and technology transfer.
- ✔ *Dispute Resolution:* Mediating and arbitrating sector-related conflicts.

As per Article 19.14b, the SPA is granted the power to negotiate production sharing agreements with the companies, in accordance with Article 24, which states that the SPA is to conclude a production sharing agreement and submit a recommendation letter to the minister. Such a task requires selecting qualified companies that have financial and technical capacity to execute petroleum operations, as well as having a sound track enters of legal compliance.

SPA has approval authority for the annual work program and budget of the project, as well as ensuring that such a work program is carried out as planned. On the other hand, SPA has the power to terminate the production sharing agreement if the contractor fails to fulfill all its obligations timely manner and in accordance with the sector legislation and contract terms.

2.3 Comparative Analysis of Petroleum Authorities

To understand the mandates of the Somali Petroleum Authority (SPA) and identify potential gaps in its responsibilities, it is instructive to examine petroleum regulatory institutions in selected countries, including Ghana and Uganda. This comparison clarifies institutional roles, cooperation frameworks, and best practices for effective governance. (Edward, R. 2020).

2.4 Petroleum Commission of Ghana

The Petroleum Commission of Ghana was formally established by an Act of Parliament in 2011. The core mandate of the Commission is to regulate, oversee, and promote efficiency within the nation's upstream petroleum sector. Boateng, K. (2022). Following the discovery of hydrocarbons in commercial quantities, the Commission's role is critical in regulating and managing the utilization of petroleum resources and coordinating policies related to upstream activities. The core functions of the Petroleum Commission of Ghana include:

a) *Regulation and Monitoring:* To regulate, manage, and monitor all upstream petroleum operations within Ghana.
b) *Licensing and Approvals:* To receive, evaluate, and approve applications for the necessary licenses, permits, or authorizations required for upstream petroleum exploration, development, and other related operations.
c) *Operational Efficiency:* To promote petroleum operations that are planned, well-executed, and cost-efficient.
d) *Compliance Enforcement:* To monitor and ensure strict compliance with all relevant laws, regulations, policies, and agreements about upstream activities.
e) *Issuance of Authorizations:* To issue authorizations required for all upstream activities, including exploration and development.

2.1.1 Petroleum Authority of Uganda (PAU)

The Petroleum Authority of Uganda (PAU) is the regulatory body responsible for overseeing and monitoring upstream petroleum activities, including exploration, development, and production. Established in 2013, the PAU operates as an autonomous institution mandated to regulate the entire petroleum value chain. The Authority's core mandate is to promote transparency, accountability, efficiency, and the sustainable management of Uganda's petroleum resources. (Benard, O. O. M. 2017).

a. Promote efficiency, economy, and safety among licensees and ensure the efficient and safe conduct of all petroleum activities.
b. Ensure compliance by making sure that licensees carry out the petroleum activities for which they are licensed.
c. Promote competition in petroleum activities to encourage fair participation and innovation.
d. Ensure transparency in all petroleum sector activities and within the operations of the Authority itself.
e. Maintain a fair balance between the interests of the Government and other participants in the petroleum sector.

Table 1: Detailed functions of a petroleum authority

Institution	Country	Mandate / Core Functions	Role of Ministry	Observations / Lessons
Somali Petroleum Authority (SPA)	Somalia	Regulation, monitoring, and oversight of exploration and production, revenue transparency, advisory support, investment promotion, capacity building, and dispute resolution	Ministry of Petroleum and Mineral Resources provides policy direction, oversees supporting bodies.	SPA has a constrained mandate, overlapping responsibilities, and limited capacity; lessons from other countries highlight the need for clear mandate delineation and functional independence
Petroleum Commission of Ghana	Ghana	Licensing and regulation, monitoring and safety, pricing oversight, uniform pricing and consumer protection, data management, and market development	Ministry of Energy sets policy, provides strategic oversight, ensures policy coherence, and sectoral coordination.	Clear division of labor: Ministry sets policy, NPA executes regulation; effective downstream oversight and consumer protection mechanisms
Petroleum Authority of Uganda (PAU)	Uganda	Oversight and regulation of the entire petroleum value chain (exploration, production, refining, transportation, storage), enforcement of legal and safety standards, advisory role, promotion of local content	The Ministry of Energy formulates policy, provides strategic direction, and ensures energy security and sustainability.	An autonomous regulator covering the full value chain enhances transparency, accountability, and sustainable resource management.

2.5 Role of Contract Transparency

The role of contract transparency in the oil and gas industry is fundamentally to enhance governance, accountability, and public trust, leading to more sustainable and equitable management of natural resources. (Mkalama, L. M. 2022). The contract transparency involves the full disclosure of the full text of contracts, licenses, concessions, and other agreements between the government and international oil companies, as well as all material petroleum-related payments and all revenues received by the Government from contractors. (Hassan, et. al. 2023).

Contract transparency is vital in developing countries and has several benefits, such as;

a. Combating Corruption and Promoting Accountability
b. Optimizing Public Benefit and Revenue Management
c. Building Trust and Stability

The study is examining why the Somali Petroleum Authority failure mandated responsibilities and which institutions are exercising the mandate of SPA. The scholars and the communities doubted members of the Somali Petroleum Authority due to the alleged failure associated with the fact that recent oil and gas contracts seem to be in favor of the contractor. The oil, gas, and minerals are the property of the nation, government, as a representative of the nation. When the contract remains secret, citizens and oversight actors cannot properly monitor the implementation of the deal, and the country is at high risk of corruption and mismanagement. Contract transparency has many benefits for each stakeholder in the sector. Below is a table that briefly highlights the benefits of contract transparency in the oil and gas sector.

III. RESEARCH METHODOLOGY

This study adopts a qualitative, comparative case study design, an approach well-suited for examining institutional roles, governance structures, and regulatory effectiveness in the management of natural resources. The primary focus is on analyzing the mandate of the Somali Petroleum Authority (SPA) and evaluating its implementation. To strengthen the analysis, the study incorporates comparative insights from petroleum regulatory frameworks in selected authorities, specifically Ghana and Uganda. (Babii, A. 2020).

The research relies predominantly on secondary data sources, including legal frameworks, policy documents, institutional reports, and academic literature. (Olabode, et.al. 2019). Document analysis and comparative review serve as the principal methods of inquiry, enabling a systematic evaluation of the clarity of the SPA's responsibilities and the identification of underlying factors contributing to governance challenges. By situating the Somali case within a broader comparative context, the study aims to reveal institutional gaps, draw upon relevant best practices, and generate lessons that can inform more effective and context-specific governance reforms in Somalia. (Mazhar, et. al.2021).

3.1 Data Collection

The data used in the study relies on secondary data sources, including:

- ✔ Legal and policy documents (Somalia's Petroleum Law 2020 and production-sharing agreement model).
- ✔ Institutional reports from SPA, ministries, and international organizations such as the World Bank, IMF, and African Development Bank.
- ✔ Academic literature on petroleum governance, institutional design and functions, and regulatory frameworks.
- ✔ Comparative country studies highlighting petroleum regulation best practices.

3.2 Data Analysis

The collected data will be examined using thematic and comparative analysis.

- ✔ *Thematic Analysis:* Identifying recurring themes such as mandate scope and clarity, overlapping roles, institutional independence, and transparency.
- ✔ *Comparative Analysis:* Evaluating similarities and differences between the SPA and selected international petroleum authorities, with emphasis on institutional mandate, governance frameworks, regulatory independence, and sectoral outcomes.

3.3 Scope and Limitations

The study is limited to the period following the enactment of the 2020 Petroleum Law, focusing on upstream governance. The research does not include primary data due to data accessibility challenges and political sensitivities in Somalia. Instead, it relies on authoritative secondary sources and cross-country comparisons.

IV. RESEARCH FINDINGS

This research examines in depth the reasons why the Somali Petroleum Authority has failed or neglected to fulfil its assigned functions. To understand these issues, it is essential to first identify the functions assigned Somali Petroleum Law 2020 to the SPA, and then make a comparative analysis of the mandates given to petroleum authorities in other countries, particularly Uganda and Ghana, so that we can clearly determine where the neglect or failure lies.

When comparing the responsibilities of petroleum authorities in different countries, it becomes apparent that these responsibilities are quite similar, with each authority being given clear mandates under its respective laws. Therefore, it appears that the Somali Petroleum Authority has failed to fulfil its assigned duties, with some of these responsibilities being carried out by the Ministry of Petroleum and Minerals. In our findings, we will examine each of the authorities and analyse how it has failed to perform its mandated functions. (Acheampong, et. al. 2018).
The functions granted Somali Petroleum Law to the SPA are clear, which allow the Authority to administer licences and contracts and enforce compliance with petroleum law, also allow it to monitor upstream activities, ensure transparency of collection and equitable distribution of

petroleum revenues. In addition, the Law grants the SPA the power to negotiate and conclude production sharing agreements with companies and then submit to the minister a recommendation. So that we will shed light on how each of these functions failed the authority to fulfill.

4.1 Formal Awarding and Licensing Process

The awarding process of petroleum licenses serves critical regulatory, economic, and governance functions within Somalia's petroleum sector. It ensures that exploration and production rights are granted transparently, competitively, and in alignment with national interests as established under the Somali Petroleum Law-2020 and its implementing regulations. (Cillari, et. al. (2021).

The Somali Petroleum Authority (SPA) is the primary regulatory body overseeing this process. Acting on behalf of the Federal Government, the SPA regulates entry into the petroleum sector and ensures compliance with the legal and policy framework governing petroleum operations. The Authority's Board includes representatives from the Federal Member States, ensuring that national and subnational interests are balanced and coordinated in decision-making through the licensing and awarding process, the SPA.

a. Assesses and selects qualified companies based on their technical expertise, financial capacity, and commitment to health, safety, and environmental (HSE) standards.
b. Ensures that all petroleum operations comply with Somali laws, regulations, and internationally accepted industry practices.
c. Prevents unqualified, speculative, or non-compliant investors from entering the sector, thereby safeguarding Somalia's long-term resource and economic interests.

Following its evaluation and selection of qualified applicants, the SPA formally recommends successful companies to the Ministry of Petroleum and Mineral Resources (MPMR) for the signing of petroleum agreements on behalf of the Federal Government. In this way, the SPA plays a central and decisive role in the awarding process, acting as the principal regulatory institution that upholds transparency, accountability, and national benefit in Somalia's petroleum licensing regime. Mavridis, E. (2018).

Two principal approaches are commonly employed for the marketing and licensing of oil and gas.

Blocks

a. Bidding/licensing round: An open and competitive process in which companies submit bids for several oil and gas blocks made available for development.
b. Direct bilateral negotiation: A process in which a specific company and the host country negotiate contractual terms for the development of one or more oil and gas blocks.

Recently, the SPA and the Ministry of Petroleum and Minerals selected contractors for direct bilateral negotiations, which have several heavily negative consequences for the host country. These issues are often interconnected and can lead to the state's inability to fully benefit from its own resources.

From the perspective of host countries, the former approach is generally more advantageous in terms of transparency and securing favourable contractual terms. The current agreements were concluded through direct bilateral negotiations, many of which lacked the necessary level of transparency. Kardel, M. F. (2019). Regardless of the approach, the primary selection criteria should focus on attracting companies with both the financial capacity and the technical competence to satisfy contractual requirements. The fundamental provisions of an oil and gas contract define the rights and obligations of the parties. The contractor's obligations, both technical and financial, are explicitly set out in the agreement and must be discharged in a timely manner. (Abudu, et. al. 2022).

In the Production Sharing Agreements (PSA) model, during the exploration period, the contractor is required to carry out agreed and budgeted exploration activities, such as seismic data acquisition and the drilling of wells.

Financial obligations during this early stage are usually limited to the signature bonus and annual contractual payments such as surface rental fees, contributions to training and community development funds, and any applicable taxes related to exploration activities (such as withholding tax) or capital gains in the event of a transfer of interest. Brnabic, R. (2016).

Under certain Production Sharing Agreements (PSAs), the contractor is required to adhere to a specified timeframe for each phase of petroleum operations. Typically, the exploration period covers an initial term of three years, with the possibility of a two-year renewal for a designated portion of the contract area. Upon obtaining exclusive rights to a particular area, the contractor must submit the requisite documentation outlining its fundamental petroleum obligations. These obligations generally include the following:

- ✔ Technical capability
- ✔ Financial capacity
- ✔ Transfer of technology
- ✔ Minimum work program
- ✔ Local content in the procurement of goods and services
- ✔ Domestic market obligations

The contractual obligation also includes relinquishment of a percentage of licensed acreage after each exploration phase. This needs to be enforced to prevent contractors from holding large areas without carrying out any activities in those areas.

Given these considerations, the licensing and selection of a qualified company to develop oil and gas resources represent the most critical stage in the oil and gas decision-making chain. Awarding licenses to companies lacking the technical and financial capability to meet their contractual obligations, an issue observed in Somalia on multiple occasions, results in stagnation, with no progress beyond the signing of the agreement. Ideally, execution of the agreement should initiate a clearly defined timeline and the commencement of activities in accordance with contractual terms. Contractual timelines typically require contractors to submit a detailed exploration work programme and budget for the first year within approximately one month of signing. Exploration activities are expected to commence within months, provided that the host government creates the necessary enabling environment for the planned programme. (Kasimbazi, E. B. (2020). The Federal Government of Somalia is composed of federal member states, each with its own constitution, parliament, and executive institutions. These include executive bodies (ministries or agencies) responsible for oil and gas, as well as parliamentary sub-committees for natural resource affairs. Harun, I. (2022).

Pursuant to both the Somali Petroleum Act of 2020 and the Baidoa Agreement of 2018 (Somali Natural Resources Ownership, Management, and Revenue Sharing Agreement), petroleum resources are to be jointly managed by the Federal Government and the federal member states. The Petroleum Act further established the Natural Resources Council, the highest authority for natural resource governance, comprising the heads of executive bodies at both the federal and state levels. (Ahali, et. al. 2014).

The involvement of federal member states in sector management is essential not only for the effective functioning of the federal system but also for the successful implementation of oil and gas operations. Their participation is particularly important in ensuring regulatory compliance, security management, environmental protection, social responsibility, transparency, and accountability. Institutions of the Member States should be engaged throughout the entire oil and gas project Lifetime, from marketing campaigns and contract negotiations to licence awarding, resource Management, and revenue administration. (Asare, et. al. 2021).

Somalia is still in the process of adapting to the federal system, and the relationship between the Federal Government and the Member States could at times be fragile. In the extractive sector, while the ultimate responsibility lies with the Federal Government, in reality, the actual ownership of resources and thus the motivation to commercialize them rests with the member state in which the resources are located. Therefore, greater engagement of member states in sector management will facilitate the licensing process and enhance accountability and efficiency. (Okpanachi, E. (2018).

At present, member states are not often involved in the decisions concerning licences awarded within their territories. They frequently lack access to crucial information regarding the nature and capacity of the companies involved, the terms of contracts, the financial and technical obligations of the operators, as well as the timelines of activities.

Likewise, given the principles of good governance, the public's constitutional right to information should be endorsed. Oil and gas blocks are awarded through a licensing round, making all available blocks public before bidding, or through direct bilateral negotiations arrangements. Subsequently, the awarding of licences should be disclosed to the public. Not disclosing the location of already licensed blocks, as has occurred with the recent awarding of three onshore blocks to TPOA, is unfitting for the industry. Such opacity undermines the sector's credibility, hampers accountability, and erodes public trust. (Olawale et. al. 2023).

The framework for sub-national revenue sharing is articulated in the Baidoa Agreement of 2018. While the agreement does not encompass all fiscal instruments and does not therefore fully reflect the entirety of petroleum revenues, it nevertheless establishes what appears to be a fair allocation of revenues between the federal government and the relevant member state. The timely receipt and allocation of contractual payments, particularly early-stage payments such as signature bonuses, surface rentals, community development contributions, and training funds, is essential in ensuring the smooth commencement of exploration and related groundwork operations. It is also important to emphasize that the ongoing political deadlock between the Federal Government and certain member states is hindering sectoral development within those regions. A political resolution is therefore essential to ensure nationwide progress in sector development.

4.2 Monitoring petroleum activities

The Somali Petroleum Authority (SPA) is mandated to regulate and supervise upstream petroleum activities, including exploration, production, and decommissioning. Working with the Ministry of Petroleum and Mineral Resources, the SPA evaluates and recommends qualified contractors to the Minister, who grants the license. To promote transparency and fairness, the SPA implements a selection procedure that begins with the public announcement of available oil blocks, enabling competitive bidding. Licenses are awarded to companies that demonstrate adequate technical expertise and financial capacity to manage and operate the designated blocks effectively. Abubakar, et. al. 2016).

Following the issuance of a license and the signing of a Production Sharing Agreement (PSA) between the host government and the contractor, the latter is required to submit a comprehensive work plan and budget detailing the proposed exploration activities. This framework is intended to ensure that contractor operations extend beyond the initial licensing stage and remain consistent with Somalia's broader regulatory, economic, and developmental objectives.

In practice, however, the Somali Petroleum Authority has largely failed to fulfill its mandated oversight and regulatory functions. The SPA has been ineffective in monitoring petroleum agreements, supervising contractor operations, and ensuring compliance with contractual and regulatory obligations. This institutional failure has undermined accountability and transparency within the sector. The root of this problem can be traced to the initial contracting phase, during which the SPA and the Ministry engaged with companies that lacked the requisite financial and technical qualifications for effective petroleum operations. Consequently, the Authority's inability to enforce due diligence and maintain oversight has compromised the integrity and effectiveness of Somalia's petroleum governance framework.

4.3 *Exercising the power of termination*

The Petroleum Law of 2020 gives the Somalia Petroleum Authority (SPA) the responsibility to regulate and oversee the petroleum sector. Under this law, the SPA has several powers to access.

a. To grant the reconnaissance authorization and surface access authorization in accordance with paragraphs of article 23.1 and 25.1.
b. To negotiate production sharing agreements, which set out how petroleum production and profits are shared between the government and companies. In accordance with Article 24.1.
c. Modify and terminate the contract in accordance with the relevant law, regulations, and the provisions of the authority.
d. To assess penalties for the breach of any authorization, decision, order, or direction of the SPA

As discussed above, the Somali Petroleum Authority (SPA) has broad and extensive powers enabling it to enforce compliance when companies operating in the country fail to comply with the provisions of the Somali Petroleum Law. Nevertheless, the SPA appears to have neither fully exercised nor effectively implemented the scope of the authority. Several companies that have signed agreements with the government have not conducted exploration activities after being granted exploration licenses, revealing gaps in institutional oversight and regulatory enforcement. This situation has consequently impeded the sustainable development of Somalia's petroleum sector.

In essence, the Somali Petroleum Authority has been granted well-defined responsibilities and powers designed to foster transparent governance and advancement within the petroleum industry. However, the Authority's limited execution of its mandate reflects a deficiency in institutional capacity. Moreover, the SPA was envisioned to serve as a neutral mediator in managing political disputes between the Federal Government of Somalia and the Federal Member States, since its members represent all regional administrations. It is also important to emphasize that the ongoing political deadlock between the Federal Government and certain member states is hindering sectoral development within those regions. A political resolution is therefore essential to ensure nationwide progress in sector development.

V. CONCLUSION

Somalia's oil and gas sector possesses significant untapped potential. Current speculation surrounding the industry is primarily driven by the country's promising subsurface prospectivity. However, in most cases, the development of the sector has largely stagnated beyond the mere signing of contracts. The fact that only two exploration wells have been drilled in the last thirty-five years reflects the dormant state of the industry. Notably, none of the seven companies currently holding licenses has drilled a single well over the past ten years, with some yet to even commence their exploration programs.

The Somali Petroleum Authority (SPA) was established under the Somali Petroleum Law of 2020 as the principal regulatory body responsible for overseeing and managing the country's petroleum sector. The law endowed the SPA with broad and well-defined functions, including the administration of licenses and contracts, the monitoring of upstream activities, the enforcement of compliance with petroleum regulations, and the negotiation of Production Sharing Agreements (PSAs). In addition, the Authority was expected to ensure transparency, accountability, and the equitable distribution of petroleum revenues. However, despite the clarity and comprehensiveness of its legal mandate, the SPA has struggled to fulfil its institutional responsibilities effectively.

Comparative analyses with other countries, such as Uganda and Ghana, reveal that while petroleum authorities elsewhere operate with similar mandates, their success is largely attributed to institutional independence, technical capacity, and political stability. In contrast, the SPA's failure can be traced to several interrelated factors: overlapping functions with the Ministry of Petroleum and Mineral Resources, weak institutional capacity, limited technical expertise, political interference, and a lack of transparency in licensing and contract management processes. These deficiencies have allowed unqualified companies to acquire exploration rights without fulfilling contractual obligations, thereby stalling sectoral progress and eroding public confidence in the petroleum governance framework.

Furthermore, the SPA's inability to enforce compliance and exercise its powers of contract termination has perpetuated a cycle of non-performance among licensed operators. The Authority's weak oversight mechanisms have led to unmonitored exploration activities and the underperformance of companies holding petroleum blocks, resulting in a significant loss of potential revenue and delayed sectoral development. The situation is compounded by the fragile relationship between the Federal Government and Federal Member States, whose limited involvement in key decision-making processes has undermined coordination, accountability, and resource management.

For Somalia to realize the potential of its petroleum resources, the Somali Petroleum Authority must be strengthened through institutional reforms aimed at enhancing its autonomy, capacity, and accountability. This should include clear delineation of responsibilities between the SPA and the Ministry, the establishment of transparent and competitive licensing mechanisms, and the active inclusion of Federal Member States in all stages of the petroleum value chain. Additionally, ensuring public disclosure of contracts and licensing information would promote trust, transparency, and legitimacy.

IV. RECOMMENDATION

This study provides an in-depth analysis of the reasons why the Somali Petroleum Authority has failed, or has been unable, to fulfil its mandates assigned by the Somali Petroleum Law 2020. The research examines two key perspectives which commonly asked by scholars, which are whether the Somali petroleum laws 2020 limited the functions and the power of the authority, or whether the other institutions overtook the responsibilities of the authority. This paper presents a set of recommendations intended to strengthen the Somali Petroleum Authority, highlighting specific areas where capacity and institutional effectiveness need to be enhanced, such as:

This study provides an in-depth analysis of the factors contributing to the Somali Petroleum Authority's failure, or its inability, to fully execute the mandates assigned under the Somali Petroleum Law of 2020. The research explores two key perspectives frequently discussed by scholars: whether the Somali Petroleum Law of 2020 inherently limited the Authority's functions and powers, or whether other institutions assumed responsibilities that rightfully belong to the Authority. Based on these findings, this paper offers a set of recommendations aimed at strengthening the Somali Petroleum Authority, focusing on critical areas where institutional capacity, governance, and operational effectiveness need to be enhanced, such as;

Before the Licensing Process

- ✔ Establish a national oil and gas data bank and encourage speculative data acquisition to reduce information asymmetry, one of the principal challenges facing frontier markets.
- ✔ Identify and prepare potential blocks for development, ensuring enabling conditions such as a clear legal framework, security, and cooperation with local communities.
- ✔ Ensure that the Production Sharing Agreement (PSA) model is prepared with input from relevant cross-cutting ministries (Finance, Investment, Environment, etc.) to make it align with national legislation.
- ✔ The Somali Petroleum Authority (SPA) should establish a professional, multidisciplinary negotiation team.

During the Licensing Process

- ✔ Allocate contracts through transparent bidding rounds to the greatest extent possible.
- ✔ Publicly disclose bidding information to deter corruption.
- ✔ Under the bilateral approach, companies must demonstrate adequate financial capacity,

- ✔ Proven technical competence and a sound track record within the sector.
- ✔ Establish strong pre-qualification criteria for bidders.
- ✔ Standardize contract terms to minimize negotiation challenges, ensure consistency in the project
- ✔ Implementation, and strengthen monitoring and enforcement mechanisms.
- ✔ Define reasonable exploration periods with clear minimum work obligations for each phase.
- ✔ Include provisions for bank guarantees or performance bonds tied to the fulfilment of Minimum work commitments.
- ✔ Enforce robust conflict-of-interest prevention measures.

Post-Licensing

- ✔ Publish contracts, or at a minimum, make them accessible to the relevant parliamentary committees.
- ✔ Enforce timely fulfilment of financial obligations and adherence to agreed exploration schedules.
- ✔ Implement strict "use-it-or-lose-it" policies to terminate contracts where license holders fail to perform.
- ✔ Impose regular and frequent reporting obligations covering technical, financial, and operational matters.
- ✔ Establish or strengthen an independent petroleum regulatory body to oversee licensing and ensure compliance.
- ✔ Conduct regular government audits and inspections to verify progress.
- ✔ Apply substantial fees for any extensions of the exploitation phase, ensuring such extensions are justifiable.
- ✔ Mandate the relinquishment of a percentage of licensed acreage after each exploration phase to prevent speculative accumulation of excessive holdings.
- ✔ Require government approval for any transfer of interests, subject to the payment of applicable capital gains tax.
- ✔ The relevant member states should be engaged throughout the entire oil and gas project lifetime, from marketing campaigns and contract negotiations to licence awarding, resource management, and revenue administration.

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