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Ai-Based Msme Marketing Strategies To Improve Competitiveness In The Digital Era

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Abstract

The development of digital technology has driven significant changes in marketing strategies, including in the Micro, Small, and Medium Enterprises (MSMEs) sector. Increasingly competitive business competition demands that MSMEs adapt to innovative technologies to enhance their competitiveness and expand their market reach. This study aims to analyze Artificial Intelligence (AI)-based MSME marketing strategies to improve marketing effectiveness in the digital era. The research method used is a descriptive qualitative approach through a literature review by reviewing various scientific sources related to digital marketing, AI technology, and MSME development. The results show that the use of AI provides various benefits for MSMEs, such as helping analyze consumer behavior, creating more engaging marketing content, personalizing promotions, improving customer service through chatbots, and supporting data-driven business decision-making. The implementation of AI can increase marketing efficiency and help MSMEs create a competitive advantage in facing changes in the digital market. However, the application of this technology still faces several challenges, such as low digital literacy, limited human resources, and a lack of understanding regarding the optimal use of AI technology.

Keywords: Artificial Intelligence, Marketing Strategy, MSMEs

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INTRODUCTION

The increasingly rapid development of digital technology has brought major changes in various aspects of economic life, including in marketing activities and the development of micro, small, and medium enterprises (MSMEs). The digital era has created an increasingly dynamic pattern of business competition , where business actors are not only required to produce quality products, but also to be able to develop effective, adaptive, and technology-based marketing strategies (Aghni & Anzie, 2025) . MSMEs as one of the important sectors in the economy have a strategic role in creating jobs, increasing community income, and supporting national economic growth. However, amid rapid technological developments, many MSMEs still face challenges in optimizing digital marketing, such as limited understanding of technology, low market analysis capabilities, and a lack of strategies in utilizing consumer data for business decision-making (Laiya, 2025).

Digital transformation has changed the way consumers search for information, conduct transactions, and interact with brands. Consumers now increasingly use digital platforms such as social media, marketplaces, and search engines to find products that meet their needs. This situation requires MSMEs to adapt their marketing strategies to modern consumer behavior. Conventional marketing strategies that rely solely on direct promotion or local networks are starting to experience limitations in reaching a wider market (Reniati et al., 2024) . Therefore, the use of artificial intelligence (AI)-based technology is a strategic alternative that can help MSMEs improve marketing effectiveness. AI can provide support in analyzing consumer behavior, predicting market trends, creating marketing content, increasing customer interaction, and helping determine more targeted promotional strategies (Agit & Muharram, 2024).

The implementation of Artificial Intelligence in marketing offers significant opportunities for MSMEs to increase their competitiveness through a more personalized and data-driven approach. Through AI technology, MSMEs can gain a deeper understanding of customer preferences based on search patterns, purchase history, and digital interactions. AI's data analysis capabilities enable MSMEs to develop more accurate marketing strategies, such as customer segmentation, product recommendations, price optimization, and selecting the most effective promotional channels. Furthermore, the use of technologies such as AI-based chatbots can help improve customer service by providing quick responses to consumer inquiries without being limited by operational hours. This can create a better customer experience while increasing loyalty to MSME products. (Okta et al., 2025).

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Despite its numerous benefits, implementing AI-based marketing strategies in the MSME sector still faces several obstacles. Most MSMEs still have limited digital knowledge and skills, preventing them from optimally utilizing technology (Resha & P, 2025) . Furthermore, other challenges include limited capital to adopt technology, a lack of understanding of data management, and concerns about changes to technology-based work systems (Nasution et al., 2025) . Many MSMEs still view AI as a complex technology that can only be implemented by large companies with significant resources. However, current technological developments have introduced a variety of AI applications that are easier to use and can be tailored to the needs of small businesses, from digital content creation and market analysis to customer service automation (Aysa et al., 2024).

The implementation of AI-based marketing strategies for MSMEs is becoming increasingly important because business competition in the digital era is determined not only by product quality but also by a company's ability to understand the market and build relationships with customers. MSMEs that are able to integrate AI technology into their marketing activities have a greater opportunity to expand market reach, increase promotional efficiency, and make business decisions more quickly and accurately (Muna et al., 2025) . With AI support, MSMEs can compete not only locally but also have the opportunity to enter national and global markets. Therefore, a more comprehensive understanding is needed regarding how AI-based marketing strategies can be implemented effectively according to the characteristics and needs of MSMEs (Amaliah et al., 2024).

Based on these conditions, research on "AI-Based MSME Marketing Strategies to Increase Competitiveness in the Digital Era" is relevant. This study aims to understand the role of Artificial Intelligence technology in supporting the development of MSME marketing strategies and analyze how the use of this technology can increase business competitiveness. Through the implementation of appropriate AI-based marketing strategies, MSMEs are expected to be able to face changes in the digital business environment, increase marketing innovation, strengthen customer relationships, and create a sustainable competitive advantage. Thus, AI-based digitalization is not only a technological choice, but also a crucial strategy for the sustainability and growth of MSMEs in the future.

METHODE

This study uses a descriptive qualitative method aimed at in-depth analysis of the implementation of Artificial Intelligence (AI)-based MSME marketing strategies to

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increase competitiveness in the digital era. This approach is used to understand how MSMEs utilize AI technology in marketing activities, such as digital content creation, consumer behavior analysis, social media marketing, and improving customer service. Research data was obtained through literature studies, observations of MSME digital marketing developments, and a review of various scientific sources such as journals, books, and research reports relevant to digital marketing and AI technology.

Data analysis was conducted through several stages: data collection, data reduction, data presentation, and conclusion drawing. This research focused on identifying the benefits, challenges, and implementation strategies of AI that MSMEs can employ to create a competitive advantage. The analysis results were then used to illustrate the role of AI as a strategic tool in helping MSMEs improve marketing effectiveness, expand market reach, and adapt to changing consumer behavior in the digital era.

RESULT

Based on research results, it was found that the application of Artificial Intelligence (AI) in marketing strategies significantly changes the way MSMEs conduct promotional activities, understand consumers, and develop relationships with them. AI is one technology that can help MSMEs adapt to changes in the increasingly digitalized business environment. Previously, many MSMEs still relied on traditional marketing methods such as word-of-mouth, banner placement, or direct sales. However, with the increase in internet usage and changes in consumer behavior, MSMEs are starting to need a more innovative, faster, and data-driven marketing approach.

Research shows that one of the main benefits of AI in MSME marketing is its ability to analyze consumer behavior. AI can process various digital information, such as transaction history, customer interactions on social media, product search patterns, and consumer preferences, to generate more accurate information about market needs. Through this analysis, MSMEs can determine more effective marketing strategies, such as selecting the right target consumers, determining appropriate types of promotions, and creating products that are more relevant to customer needs. This makes marketing activities more targeted compared to conventional strategies, which are often carried out without adequate data support.

In addition to consumer analysis, research also found that AI helps MSMEs improve the quality of digital marketing content creation. In today's competitive business landscape, content is a crucial factor in attracting consumers. Many MSMEs face

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challenges in creating engaging content due to limited time, creativity, and human resources. With the help of AI, MSMEs can generate content ideas, create promotional text, develop brand communication strategies, and optimize digital marketing campaigns. The use of this technology enables MSMEs to produce more consistent content tailored to their target market, thereby increasing product appeal across various digital platforms.

Research also shows that the use of AI can improve customer service quality. Through technologies such as chatbots and automated communication systems, MSMEs can respond more quickly to customer inquiries, complaints, and information needs. Service speed is a crucial factor in building customer satisfaction and loyalty. Digital consumers tend to expect easy, fast, and responsive service. Therefore, leveraging AI can help MSMEs create a better customer experience without significantly increasing operational costs.

However, this study also identified several challenges in implementing AI in MSMEs. One major obstacle is the low level of digital literacy among small business owners. Some MSMEs still do not understand how AI technology can be used to support their marketing strategies (Fajrul & Saptyana, 2025) . Furthermore, limited capital, a lack of a technologically skilled workforce, and concerns about changes to work systems are inhibiting factors in the AI adoption process. These conditions indicate that the success of AI implementation is influenced not only by technological sophistication, but also by organizational readiness and the ability of human resources to manage it (Djaini et al., 2025).

The discussion of research results shows that AI plays a strategic role in increasing the competitiveness of MSMEs through a more effective, efficient, and data-driven marketing approach. In modern marketing theory, business success is heavily influenced by a company's ability to understand customers and provide value tailored to their needs (Aslam et al., 2025) . AI supports this process by providing more in-depth market insights and helping MSMEs make faster decisions. Thus, AI functions not only as an operational support tool but also as a strategic technology that can create a competitive advantage for MSMEs (Kasmad et al., 2025).

The implementation of AI-based marketing strategies also demonstrates a paradigm shift in MSME management. While marketing was previously focused on delivering product information to consumers, it has now evolved into a process of building long-term relationships through understanding customer needs. (Pratomo & Jaya, 2025).

AI enables MSMEs to personalize marketing, providing offers and communications that are more tailored to each consumer's individual characteristics. This approach can

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increase the likelihood of repeat purchases and strengthen customer loyalty to the MSME brand (Diharjo et al., 2026).

Based on the research results and discussion, it can be concluded that AI-based marketing strategies have significant potential to increase the competitiveness of MSMEs in the digital era. AI helps MSMEs optimize promotions, understand consumer behavior, improve services, and create business strategies that are more adaptive to market changes. While various challenges remain in its implementation, AI technology can be an innovative solution if supported by increased digital literacy, human resource training, and MSME readiness for sustainable digital transformation.

CONCLUSION

Based on the research findings on "AI-Based MSME Marketing Strategies to Increase Competitiveness in the Digital Era," it can be concluded that the application of Artificial Intelligence (AI) technology plays a crucial role in supporting MSME marketing transformation. AI can help MSMEs understand consumer behavior, analyze market needs, create more targeted promotional strategies, and improve the effectiveness of customer communication. The use of data-driven technology makes the marketing process more focused than conventional methods because business decisions can be made based on more accurate information.

The application of AI in marketing strategies offers various benefits for MSMEs, such as improving the quality of digital content, expanding market reach, optimizing customer service, and reducing costs and time spent on promotional activities. Technologies such as chatbots, consumer data analytics, marketing automation, and generative AI can help MSMEs create more personalized customer experiences and foster long-term relationships with consumers. This is a crucial factor in building a competitive advantage amidst increasingly fierce digital business competition.

However, the successful implementation of AI in MSMEs still faces several obstacles, primarily related to low digital literacy, limited human resources, financial capacity, and a lack of understanding of the technology's strategic benefits. Therefore, efforts are needed to improve digital competency for MSMEs through training, technological mentoring, and support from various parties to ensure optimal and sustainable use of AI.

Thus, AI-based marketing strategies can be an innovative solution for MSMEs in facing the challenges of the digital era. The integration of AI technology not only helps improve marketing efficiency but also opens up opportunities for MSMEs to expand their

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market share, increase competitiveness, and create sustainable business growth. MSMEs that can adapt and utilize digital technology appropriately will be in a stronger position to face changes in consumer behavior and future industry developments.

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