The Roles of AI in Marketing Channels Among SMEs

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Abstract

The point of this study is to discover and look for the different roles of ai in marketing channels among SMEs. Then Three research questions were composed to collect the respondents' answers that would help with this study. The first question is, (1) What are the positive and negative effects of Artificial Intelligence. in marketing channels among SMEs? The second question (2) What is the importance of A.I in marketing channels among SMEs? and lastly (3) How will Artificial Intelligence (A.I.) make the marketing channels easier for the SMEs? Then the researchers used a convenience sampling technique to choose the 15 respondents from Far Eastern University. This study also used focused group discussion the gathering the needed data to have the research questions answered. Furthermore, the results for each table are shown in Table 1st majority of the participants said that Artificial Intelligence are efficient and reduces their working time by making some tasks easy to do. Then at the 2nd table, the majority of the participants said that they improve their relationship with their customers, and also some participants said that they maximize their

profit by lowering their costs and making the work faster because of the Artificial Intelligence (A.I). Lastly, the 3rd table showed there are many positive and negative effects of Artificial Intelligence in SMEs. Half of the participants said that it helps them save more money, it's time-efficient and it has easier transactions by eliminating human errors. But some of the respondents stated that some of their employees lose their jobs, and some are having a hard time adjusting because of technological advancement. In conclusion, the majority of the respondents have a positive result when using Artificial Intelligence (A.I.) for their business.

Keywords: artificial intelligence; convenience sampling; marketing channel; qualitative study; small medium enterprise (SME)

1. Introduction

Artificial intelligence (AI) pertains to machines or robots that are programmed to do human works. Artificial Intelligence (A.I.) is a research endeavor aimed to create programs with cognitive skills that equals human mind, like the capacity to reason, acquire knowledge in general and absorb experiences in the past (Copeland, B. 2021). In addition to this, Artificial intelligence is used in more sensitive realms than robotics and production, such as anticipating customer behavior, analyzing interactions, and optimizing marketing. Marketers all around the globe have recognized two main applications for AI: data processing and task automation based on the results. (Guttman, A.2019).

As stated by Feldman, S., and Richter, F. (2019, January 24), across many industries, artificial intelligence is revolutionizing business practices and the labor market, trouncing the executives view of constructional difficulties inside the organizations. While artificial intelligence (A.I.) Although artificial intelligence is frequently connected with the IT and financial industries, the media will carry on   taking in every aspect of the industry in future years. Majority of the districts in the media industry are expected to benefit almost everything from artificial intelligence, for instance marketing and corporate finance, and will extend into traditional AI, which encompasses learning the instrument and statistical procedures like regression analysis. Artificial Intelligence A.I. 's potential added value in the following areas Although currently minor, such as labor productivity and fraud analytics, advanced Artificial Intelligence A.I. is expected to provide the majority of their value. approaches that aren't as well-known or developed as classic ones.

The amount of money spent on smart technology marketing in the United States in 2018, broken down by technology. Marketing investment in artificial intelligence was estimated to be 227 million dollars, according to forecasts. That year, smart technology marketing expenditures totaled 340 million dollars. According to (Guttman, A. 2020).

In marketing, Artificial Intelligence (A.I) can be applied in a variety of ways, each with its own set of benefits, such as reduced risk, greater speed, increased customer satisfaction, increased revenue, and so on. Benefits might be quantifiable (sales volume) or qualitative (no sales). Only few general benefits are applicable in all AI applications, according to (Marketing Evolution 2022): Increased Return of Investment, Greater Relationships with Customers, Improved Marketing Metrics and Make Decisions Faster.

Artificial intelligence and machine learning are aiding small and medium-sized enterprises around the world, and as Artificial Intelligence plays a critical role in business functions it is getting more accessible and affordable to the public. In addition to this, it has become a breakthrough for the SMEs to use Artificial Intelligence in their businesses in such different roles as it is also one of the main reasons for SMEs for continuous innovation (Marr, B. 2021).

The purpose of this qualitative study is to determine the roles of Artificial Intelligence (A.I.) in marketing channels among SMEs. Artificial Intelligence would help workers lessen their workload because AI will replace these jobs which are usually performed by intelligent people such as analyzing data. Artificial Intelligence would greatly help marketing people because it has a wide variety of ways because Artificial Intelligence helps marketers in communicating with customers. Artificial Intelligence is important in marketing channels because it helps enable human capabilities such as reasoning, communicating, and so on. Applying Artificial Intelligence in marketing will lessen the work needed in specific tasks which will benefit everyone including the customers.

RESEARCH QUESTIONS

1. What are the positive and negative effects of Artificial Intelligence (A.I.) in marketing channels among SMEs?
2. What is the importance of Artificial Intelligence (A.I) in marketing channels among SMEs?
3. How will Artificial Intelligence (A.I.) make the marketing channels easier for the SMEs?

2. Research Method

Over the past years SME' companies have been competing with each other on what they could possibly do to attract and gain more customers. Some companies use different techniques like increasing manpower to increase their service and entertain more customers, while others are using machines, robots or also known as Artificial Intelligence According to (Copeland, B. 2021)

Artificial intelligence aims to program machines or robots to function like a human, that would make the work easier. That's why some companies recognized the application of Artificial Intelligence which is data processing and task automation according to (Guttman, A. 2019). The study will answer the questions regarding what the roles of Artificial Intelligence marketing channels among the SMEs. After that the researchers would collect, discuss, and summarize the answers leading to the conclusion on what are the roles of Artificial Intelligence in marketing channels.

The researchers use convenience sampling as their sampling technique for their qualitative research because according to Qualtrics it is mainly used by researchers who do not have access to the full target population, and it is easier to conduct this technique because they can gather data from participants who are conveniently available. The researchers chose to use this sampling technique because their research is about *The Effects of Artificial Intelligence in SMEs.* The target participants would be people who encounter artificial intelligence and get their opinions and perspective about the topic. Convenience sampling is the easiest technique, and it is not costly unlike other sampling techniques, it is not time consuming, and can be applied to a qualitative study. The researchers will be gathering insights, ideas, and perspectives from fifteen (15) different people for them to provide reliable information for its readers.

Sample size is the number of participants that are included in the study. A larger sample size than needed will not be as effective because the increase in accuracy of data will be small (Andrade, C. 2020). A focus group is a small group which usually contains 8-12 people that are carefully selected by the researchers (Question Pro, 2021). The researchers needed 15 participants from Far Eastern University and ages from 18 to 30. To provide more accurate data, the researchers gathered 15 participants to answer the researcher's questions. The interview was conducted in Microsoft teams to achieve better communication.

The researchers will use FGD or Focus Group Discussion as a method to gain data that will answer the research about the Effects of Artificial Intelligence in SMEs. Focus Group Discussion (FGD) is a great way to assemble together individuals from comparable foundations or encounters to examine a particular theme of intrigued. The gathered members are guided by a mediator who presents points for dialogue and makes a difference the gather to take part in an enthusiastic and normal talk among themselves (Odi.org, 2009). They're useful for clarifying and expanding current information, as well as determining the "why" and "how" of a topic (Prasad, M. 2015). In addition to this, the researchers used qualitative data analysis using framework analysis. According to Gale,

N. K. (2013), The Framework Method is a systematic and adaptable approach to qualitative data analysis.

The researchers used an online platform called "Microsoft Teams" to conduct focus group discussion to give the participants the most convenient way of conducting the method. Thereafter, the researchers transcribe the audio recorded with the consent of the participants. The gathered information will then help the researchers to answer the research. The questions are open-ended, with the goal of eliciting informal feedback from participants in order to better understand their thoughts, opinions, queries, and information needs in relation to Artificial Intelligence's Impact on SMEs. A focus group session typically lasts around an hour and involves a minimum of 8 and a maximum of 12 people (unicef.org, 2020).

3. Results and Discussion

The researchers conducted a focus group discussion to answer the researcher's questions. The questions are answered by the focus group and is shown below.

Table 1. Presentation of data analysis for research question number 1 using codes and corresponding descriptive themes.

Research Question 1	Codes	Themes
1. How will A.I make the marketing channels easier for the SMEs?	● Efficiency/6 ● Reduces time/6 ● Boost in performance/4 ● Organized/6 ● Paggawa Nang mga nakakabored na tasks/7 ● Analyze messages from users/7	Different ways of A.II helping SMEs to have easier marketing channels. Results of A.I in marketing channels for SMEs.

According to the participants, the roles of Artificial Intelligence A.I. in Small and Medium Enterprise helps them by "reducing time" and being more "efficient" in workloads. It also increases the productivity of their company. Artificial Intelligence A.I. also helps them by

answering and replying to messages automatically in their websites. It can also "enhance their customer relationships" and leave customers a better experience. According to Uzialko (2022) Artificial intelligence can be used in a variety of ways in small to medium enterprises, including simplifying procedures and gathering data. It is usually viewed as a tool that helps businesses rather than a replacement for human intelligence and innovation. It helps to identify trends in people's search behavior and provides them with more relevant information about their circumstances by analyzing large amounts of data.

Table 2. Presentation of data analysis for research question number 2 using codes and corresponding descriptive themes.

2. What is the importance of A.I in marketing channels among SMEs?	● Enhance client interaction/4 ● Improve customer relationship/4 ● Profit Maximization/6 ● Faster Progress/6 ● Lower Costs/6	Critical roles of A.I in marketing channels of SMEs. Significance of A.I in marketing channels of SMEs.

The majority of the participants answered that the roles of A.I would help the SMEs to develop the relationship between their business and their customers. According to the participants, the business would have faster progress and as a result, it would maximize their profit and would also improve their service on handling their customer. According to Industry Today (2020), artificial intelligence is used by many businesses because it helps them reduce expenses on operating costs, improve efficiency, and improve experiences of their customers. Artificial Intelligence can help businesses to do repetitive tasks and boring jobs which can save them time and money, but AI and humans can collaborate to work as well, and it produces best results. AI can be seen as a sup   porting tool rather than being seen as a replacement for human abilities.

Table 3. Presentation of data analysis for research question number 2 using codes and corresponding descriptive themes.
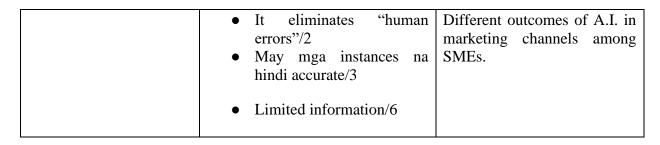
3. What are the positive and negative effects of A.I in marketing channels among SMEs	● Cost saving/6 ● Time Efficient/6 ● Unemployment/10 ● Easier transactions/6 ● Older generations very uncomfortable/5	SME owners' perception on positive and negative impacts of A.I.

	● It eliminates "human errors"/2 ● May mga instances na hindi accurate/3 ● Limited information/6	Different outcomes of A.I. in marketing channels among SMEs.

According to the participants, there are many positive ways that Artificial Intelligence can affect SMEs such being "time-efficient", "it can reach larger scope", and "it eliminates human error" at the same time it also has limited disadvantages such as one participant said, "it could lead sa pag rise ng unemployment" and older generation might not keep up. According to nibusinessinfo.co.uk (n.d), AI is one of the best creations in technology that can change people's lives practically in every aspect of their lives. Unlike business intelligence, which analyzes data and defers decision-making to humans, AI will make decisions after evaluating data. Artificial Intelligence can quickly examine huge amount of data, digest these data, and come up with a relevant response to any business challenge. It can also provide real-time assistance to your business if you have an ongoing engagement with the clients. Even though artificial intelligence is not perfect, it can be seen that, it is more precise than humans.

4. Conclusion:

Artificial Intelligence (A.I.) are tasked to do human works with or without supervision. They are programmed to have cognitive skills that are equal or better than the human mind. It alters business practices and traditions by doing human tasks. Artificial Intelligence aids Small and Medium Enterprises and plays a critical role in business functions. The paper aimed to answer the research questions by gathering participants in a focus group discussion setting. According to the respondents, Artificial Intelligence roles in SMEs helped them to achieve their goals easier by reducing time and being more efficient in workloads. It also maximizes profits by having faster progress compared to human labor. There are more positive reactions towards Artificial Intelligence roles in marketing. The majority of the respondents answered that the disadvantage of Artificial Intelligence in the business industry is unemployment. The rise of Artificial Intelligence replaces human laborers by programmed robots and the need to employ declines.

Artificial Intelligence helped businesses to lessen their workloads especially when setting it to do time consuming jobs such as replying to inquiries about the business. It is highly recommended to use Artificial Intelligence because it can handle business needs such as collecting and analyzing data which could be hard for humans. Most of the interviewees gave the same answer, Artificial Intelligence helped them dealing with their customers through chat support which gives them more time to focus on other aspects of their businesses. These types of tasks can be time consuming so using Artificial Intelligence will be a big help and it can help the company to maximize their profits because instead of hiring people to do these tasks, they can set an Artificial Intelligence to do the job for them.

5. Acknowledgement

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