



AI Implementation In MSME Industrial Sectors

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ABSTRACT

Information Technology plays the most vital role in upgrading the profitability of organizations. It even gives rise to Micro, Small, and Medium Enterprises (MSMEs), making them think about the research and development and the availability of the latest technology. IT is a mechanism, which enables SMEs to respond to customers' complaints and requirements efficiently by allowing information to be transmitted through various mediums, including emails, telephonic, and social media channels. Enterprises can use multiple platforms of IT services for learning, marketing, and advertising, selling their products and services, and trading, among various other uses of this technology.

AI and other machine learning tools are an excellent way to help SMEs achieve their goal of consistent business growth in today's competitive environment. They allow SMEs to effectively delegate routine tasks by innovative yet fast methods/technologies, allowing executives to focus on other creative avenues that can help businesses grow.

COVID 19 saw a tremendous change in the working pattern of all organizations. Large corporations and companies shifted to Online Platforms and other such internet based platforms for conducting their business. However, MSMEs did not have the capital to move towards these platforms on their own. Therefore, research was required to enable them to transition into the phase of digital marketing with the help of Artificial Intelligence. COVID 19 drove the business platforms to start developing their own version of online assistance to be able to keep up with the times which was completely turned upside down in the era of disruption.

Keywords: Marketing, AI, MSME, Digital Marketing, technologies marketing, Online platform etc.

Impact of AI in MSME and the field of Digital Marketing

- **Conversational Commerce:** The AI-based conversational interface across pre and post-sales channels have been in demand lately. The ability to proactively answer the queries like customers' orders offers buyers instant gratification. From routing customer service requests to tracking packages and personalizing product suggestions or handling returns, AI can provide solutions in many cases before customers even ask questions. This is essential for the modern-day consumer. In a B2B context, platforms can initiate price negotiations, catalogue displays quickly, offer smart invoicing, and more in AI- assisted chat interfaces that will save time for sole proprietors and result in better and faster lead conversions.

The commerce platform and section of the topic is to be segmented and made into a platform that is able to cater a large number of customers in short amount of time. The short timespan is exactly what the current context of the modern era is looking for. This would drive the marketing platform to be digitized and allow for better choices to be made by the customers. The MSMEs would be able to cater to large number of customers and AI would enable the transition of providing service to the customers to be done on a very fast basis.

- **Better Access To Finance:** India's MSME sector is one of the most credit-starved globally, with only 4% of the industry availing traditional financing, thereby severely inhibiting its growth. This is primarily due to the lack of conventional datasets in this sector.

AI would enable the MSMEs to link their online finances on common platform which would be universally accepted by them and this would allow better lookout to be maintained. The customers would be able to manage better number of online resources and the finances of the MSMEs would improve further.

- **Product Enhancement And Customer Engagement:** Using data from chatbot platforms, MSMEs can drive greater customer engagement which can aid in understanding customer requirements and defining purchasing patterns. This allows them to increase or modify the range of products and services to suit

customer needs better. It can also help in determining better offers and rewards. Analysing customer feedback with the help of AI-based models can lead to new insights. Analysing recent trends to enhance products can be a boon for sellers in real-time customer life cycle management insights.

- **Automating Workflows:** MSME proprietors spend almost 50% of their time managing day-to-day business functions due to lack of workforce and enabling technology. Automation reduces the need for time spent on repetitive tasks and human resources. For instance, chatbots are addressing repetitive queries about various processes and also bringing in supply chain efficiencies. AI technologies are also automating back-office functions and financial activities.

The AI based chatbots would help the marketing strategies formulation process that much easier. The chatbots would store customer preferences and choices on a central cloud library which would later be utilized by the MSMEs in their day to day business deals. This would enable them to use this platform on a wider basis allowing their information to be stored and used. The online business storage would also enable them to use the data as and when necessary and the automatic AI would enable customer interaction and traction.

- **Fraud Prevention:** For a small business, getting into a fraudulent transaction with unverified or illegal entities is far more dangerous than a large corporation and can result in severe losses which are hard to recover from. Technologies like blockchain and pattern recognition systems help in real-time fraud detection and strengthen the digital trust ecosystem.

The era of disruption also saw a large amount of fraudulent transactions taking place. Therefore, proper theories to be established with the help of AI. A large number of MSMEs suffer from the onslaught of online fraud system. Therefore, the AI incorporation would enable them to be recognised and therefore allow them to avoid and protected in the long run.

METHODOLOGY

The methodology would involve a thematic analysis on the existing AI platforms which private business owners have created. The MSMEs AI platform is relatively new and therefore incorporation of them will take time. However, implementation and research based on the Literature that is available in the data fields and the MSMEs around the world, this would allow the identification of key segments of the research.. thus, would allow the thematic analysis to be based on the existing online platforms of the MSMEs and enable AI transaction on them and thus allow them to be incorporated on a common platform.

Getting into a fraudulent transaction with unverified or unlawful businesses is significantly more perilous for a small business than it is for a large corporation, and can result in catastrophic losses that are difficult to recover from. Real-time fraud detection and the strengthening of the digital trust ecosystem are aided by technologies such as blockchain and pattern recognition algorithms. As a result, the distribution lists of numerous regional groups and institutions were filtered to only contact those who had a position that allowed them access to pertinent information. Personalized serial emails with individual delivery were used to increase response rates and ensure that only invited participants took part in the online survey.

Manufacturing and the energy industry have the biggest percentage share. Almost half of these businesses are experimenting with industrial AI applications and are either planning to use it or have already done so. On this front, the construction industry appears to be the most conservative. The findings reveal disparities between industries. However, only the service and industrial industries have big enough sample sizes. Surprisingly, industrial organisations are more ready to incorporate AI into their operations and products.

While the majority of businesses are presently employing AI as a service, the majority of procrastinators intend to include AI into their processes. Today and in the long term, corporations' usage of AI as part of a product plays a little role. Only 1% of companies plan to use AI in their products, whereas nearly three-quarters of procrastinators want AI to help them with their procedures.

Contribution of AI and Emerging technologies in MSME

- Automation is the way of the future, and India's massive SME sector must embrace it to prevent inefficiencies and boost production. Adopting the appropriate technology can assist SMEs in concentrating on their main business. Using automated technology, you may avoid manual and repetitive processes. Furthermore, the odds of making an error are considerably reduced. This can assist SMEs in saving time and money, resulting in increased productivity and efficiency.

- Running a small business has its own set of difficulties. The business owner must balance a variety of tasks. The burden on the owner grows as the number of employees decreases. SME owners can focus on what matters most rather than the day-to-day operations of their businesses if they use the correct technology.

- SMEs can improve their communication levels with the right technology. Customers value quick responses to their questions. CRM technologies will assist SMEs in developing long-term relationships with their clients.

- Having a technology-oriented business allows SMEs to access a larger set of customers. Having a digital presence can help SMEs differentiate themselves from the competition in a cost-effective way.

AI Implementation Model in current Marketing Strategy



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