

Optimizing Business Performance: Marketing Strategies for Small and Medium Businesses using Artificial Intelligence Tools

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Abstract

Optimizing business performance is essential for the growth and positioning of small and medium-sized businesses (SMEs). The use of marketing strategies supported by artificial intelligence (AI) tools can make a big difference in the recognition and preference of products and services placed on the market. The objective of the study was to analyze how business performance can improve through marketing strategies created with artificial intelligence. For this, a descriptive and field methodology was used; with a qualitative and quantitative approach and a hermeneutic method. It was obtained that Artificial Intelligence in marketing has arrived to contribute and facilitate decision making and the design and creation of digital strategies focused on the efficiency and effectiveness of the actions and content implemented, through the analysis of large amounts of data. and timely decision-making based on patterns and algorithms, so that SMEs can revolutionize the way they relate to their customers and promote their products or services. In conclusion, artificial intelligence can efficiently help in creating marketing strategies for data analysis, personalization, automation of repetitive tasks, chatbots and virtual assistants, optimization of advertising campaigns, trend prediction, price optimization, among others.

Keywords: *C Business performance; marketing, marketing strategies; SMEs, artificial intelligence.*

INTRODUCTION

Small and medium-sized enterprises (SMEs) are mainstays for the economy due to their significant contribution to the Gross Domestic Product (GDP); It includes job creation, promotion of innovation, economic diversification, direct contribution to economies, boosting local development, business empowerment and their ability to adapt quickly to changing market conditions.

Marketing is a set of actions through which a company studies the needs of an audience and establishes strategies to deliver value to customers. Artificial intelligence refers to computer systems that seek to mimic human cognitive function through machines, processors, and software with the aim of performing data processing and analysis tasks.

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In this sense, Artificial Intelligence marketing is the process that companies use to leverage AI solutions to personalize content, increase customer interaction, and obtain actionable insights to generate positive business results.

Business performance is the operational capacity of a business to meet or over-meet institutional objectives, one of the factors of this performance is to carry out adequate marketing strategies, with the help of artificial intelligence, which is present in several aspects of success in large organizations and even in small and medium-sized companies. When those in charge of administration and management can combine marketing and artificial intelligence, quality content will be created that impacts current, current and potential customers.

In today's digital age, marketing has undergone a significant transformation. Businesses are constantly looking for innovative ways to reach their audience in a more effective and personalized way. This is where artificial intelligence (AI) has become an invaluable tool for improving digital marketing strategies. In this article, we'll explore how you can leverage AI to boost your marketing efforts and gain a competitive advantage in the digital world.

Nowadays, the application of marketing strategies in an organization is of great importance, since the customer demands greater satisfaction from a product or service. For marketing strategies, they will become fundamental tools to achieve new defined market segments, to which they can offer from handicrafts, they will also help to establish commercial alliances at the national level to increase the level of sales.(Tigmasa, 2011)

In the same way, people are always looking for a differentiating factor to be able to prefer one brand over another, so offering a variety in the catalog, an added value in the product offered, a more personalized service and above all, a good experience from the moment they view our content to the after-sales service, It will make it easier to be the first choice in the minds of consumer users. Considering that it is a business idea that is planned to be carried out in the medium term, it requires professional research which includes all the knowledge acquired throughout the career.(Vásquez, 2022)

With the emergence and popularization of the Internet, for the first time in history, businesses have the ability to reach their customers 24 hours a day, seven days a week; and crossing the geographical barriers of their own city or country, this presents a huge opportunity for small businesses, as marketing channels are no longer a barrier to entry. Having a virtual store, according to e-commerce, is distance selling, taking advantage of the great advantages provided by new information technologies, such as the expansion of the offer, interactivity and immediacy of the purchase, with the particularity that you can buy and sell to whoever you want and where and when you want. Therefore, it is important to develop a strategic Marketing Plan that will help generate specific strategies to captivate new customers.(Alvear, 2023)(Viscarra, Ninabanda , & Garcia, 2019)

Today, the digital age has brought about a revolution in the way people live and experience different aspects of their lives, and the field of marketing has been no exception. It is evident that the advancement of technology has significantly transformed the marketing landscape. For the incorporation of artificial intelligence in digital advertising campaign strategies, it has become a topic of interest and study.(Santamaría & Arias, 2023)

In this sense, Artificial Intelligence is having a significant impact on new forms of communication. Digital tools are increasingly being used as a strategy and tool to improve the effectiveness and efficiency of communication from the commercial to the academic sphere. Thus, it is in this way that various communicational theorems can be proposed from the imaginative part. For smart tracking systems, for example, they can analyze performance and consumption patterns and offer individualized feedback,

buyback recommendations, and additional material tailored to their level of knowledge and pace of consumption.(Abad & Jiménez, 2023)

Undoubtedly, Artificial Intelligence has been a key piece in these advances since it is a type of technology transversal to all the fields in which human beings currently develop, opening new paths and generating interesting information to be analyzed by experts. One of the advantages of these tools over traditional ones is the speed with which information is processed and the optimization of resources. It should not be thought then that Artificial Intelligence will replace the human being, because for the moment this technology, although it is novel, does not have characteristics that only humanity has, but they are of great help to perform tasks that the human being does, having greater precision and saving resources as important as time and money. (Carrión Andrea, 2023)

Artificial intelligence (AI) is a set of algorithms that aims to understand the behavior of human beings, based on perception, conflict resolution, and then projecting the information onto a computer. In other words, AI tries to get computers or devices to think and behave like a human being. While artificial intelligence (AI) can play a role in both types of technologies, they are not exclusively based on it. In the context of AI, soft technology could be leveraged to develop artificial intelligence systems focused on interacting with people, such as virtual assistants, recommender systems, or chatbots.(Cevallos, 2023)

According to artificial intelligence, it is a key technological tool to optimize processes and help in decision-making. Their presence is transcendental because of people's dependence on electronic devices, which generate data and simplify transactions. The challenge is to be at the forefront of technologies, especially speed, veracity and variety of data. Artificial intelligence takes the data generated by users, which allows generating productivity, improving profitability and utility. Internet accessibility is important for the collection of information, including in real time. The field of research is administrative sciences, where technological tools are a mainstay in the generation of new models of business management.(Chávez, Arguello, Viscarra, Aro, & Albarrasín, 2018)

Finally, digital marketing is essential in the highly connected world we live in. Consumers are spending more and more time online, providing a unique opportunity for brands to reach their audience in a more direct and personalized way. However, with the growing amount of data and complexity of the digital landscape, it becomes challenging for marketers to fully address and understand customer needs.

METHODOLOGY

For the development of the research, descriptive research was addressed, where the problem is defined, so the inquiry was carried out to understand it better, since it prioritizes the points of view of the researchers. The approach is quantitative and qualitative; The quantitative was applied to obtain numerical data of the study population and the qualitative was applied by using the hermeneutic method in the data collected and investigated in the different secondary sources of information.

The field research was carried out with the collection of information, followed by the analysis, the substantiation of the knowledge and the application of the methods used, to obtain conclusions; directly in the environment where the study takes place. To collect primary data, a survey was applied through a questionnaire with previously designed questions. According to Espinoza (2016), the sample itself is a subset of the population, a small and representative portion in which the general characteristics of the population can be evidenced. For this purpose, a non-probabilistic sampling was applied with the technique of sampling by judgment, which according to a (Malhotra, 2008)A form of sampling by convenience in which elements of the population are deliberately selected based on the judgment of the researcher.

For the processing of results, Microsoft Excel was used for tabulation and graphic visualization and the word processor Word was used to perform the respective analysis and interpretation of the information, since the research was purely descriptive.

RESULTS

The optimization of business performance has been determined by the different marketing strategies used by small and medium-sized companies, which have been created with artificial intelligence tools.

In this sense, the purpose of SMEs is to produce goods and services to meet the needs of consumers. According to their economic activity, the following stand out: Wholesale and retail trade; Communal, social and personal services; Miscellaneous manufacturing industries; Construction; Transportation, storage, and communications; Real estate and business services; and, Fisheries, Agriculture and Forestry; Other.

The official classification of small and medium-sized enterprises – known as SMEs – according to the regulations implemented by the Andean Community of Nations (CAN) in its Resolution 1260 is as follows:

Variables	Microenterprise	Small	Median	Big
Busy staff	From 1 to 9	From 10 to 49	From 50 to 199	More than 200
Gross Annual Sales Value (\$)	Equal to or less than 100,000	100,001 to 1,000,000	1,000,001 to 5,000,000	More than 5,000,000
Amount of Assets (\$)	Up to 100,000	100,001 to 750,000	750 001 to 999 999	3 More than 4,000,000

Note: Taken from the CAN, resolution 1260

In Ecuador, according to the results of the Statistical Registry of Companies (REEM) corresponding to the year 2022, it registers a total of 863,681 companies, around 13,807 thousand companies more than in 2021. These companies registered a total of 2,815,050 registered jobs, about 116,400 more than the previous year. In this sense, between 2021 and 2022, the companies that grew the most in Ecuador were, in fact, SMEs: small by 1.7%, while medium-sized by 1.8%, according to statistics from the .(INEC, 2022)(INEC, 2022)

With the approach of the survey, it was possible to collect information on the benefit of different marketing strategies on work performance, so much so that 100% of respondents determined that the advantages of artificial intelligence in marketing are: obtaining information by exploiting customer data; improve customer experiences with personalized content; minimizing errors due to human error; improve data management; increase marketing ROI and take advantage of trends.

93.5% of people surveyed chose that choosing the right artificial intelligence tools for marketing will depend on marketing objectives, how easy it is for the marketing department to use it, and how well it integrates business strategies with applications; the budget and desired return on investment; the specific features and functionality of each product and service; the reviews and ratings given by the customers themselves and the scalability and flexibility to adapt to the new environment.

All the data obtained is through big data, which comes from social networks and digital media, where the information comes from consumer profiles, their interests, their pain points, the moments of purchase or consumption, sentiment analysis and behavior patterns. However, only 32% of respondents responded that they have implemented artificial intelligence in marketing to drive sales by creating content for their Facebook

pages, segmentation that provides the same Facebook pages, promotions and pricing strategies.

51% of those who work in the marketing department in SMEs are using Artificial Intelligence and of that percentage, 27% use machine learning, deep learning and natural language processing as the main tools. And, these tools have been used to:

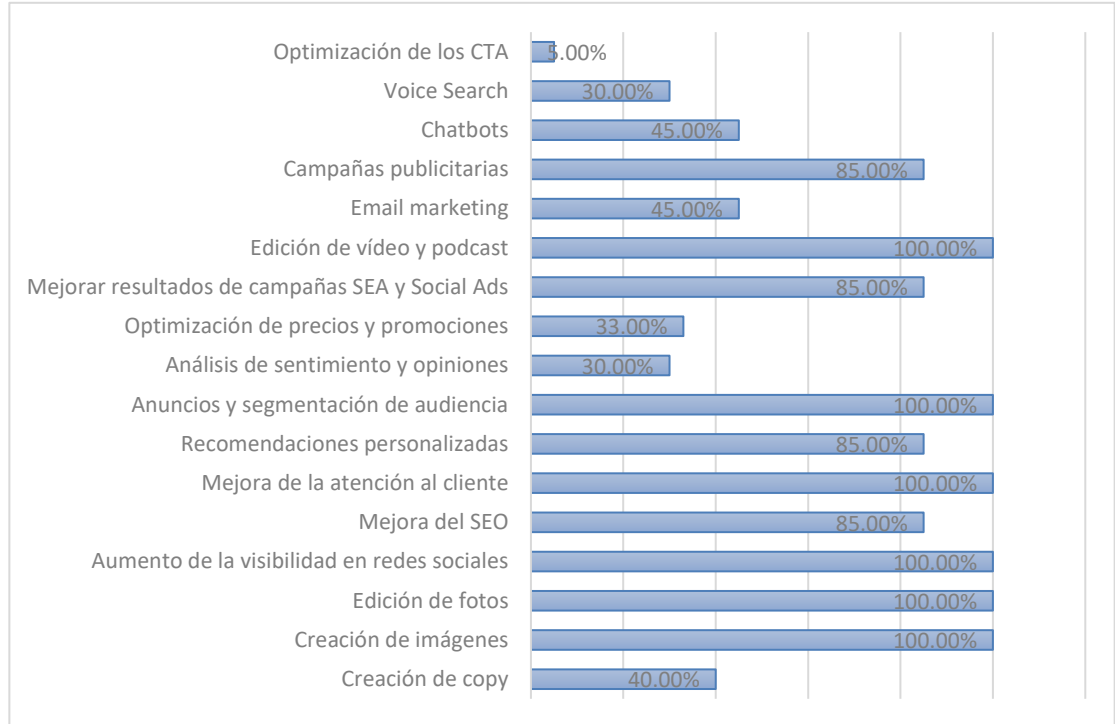


Figure 1. Results. Variables in original language Spanish

In this sense, it appreciates that the most used tools today are: Image creation; Photo editing; Increased visibility on social media; Improved customer service; Ads and audience targeting; Video and podcast editing. The moderately used tools are: SEO improvement; Personalized recommendations; Improve results of SEA and Social Ads campaigns; Advertising campaigns. The underused tools are: Email marketing; Copy creation; Chatbots; Optimization of prices and promotions; Sentiment and opinion analysis; Voice Search. And finally, the tool that is hardly used is CTA Optimization.

In addition, he wondered how willing they are to continue using current and new artificial intelligence tools to improve the different marketing activities carried out in their respective companies, resulting in their being fully willing to use and follow new trends in the ways of communicating products and services.

DISCUSSION

Effectively managing small and medium-sized enterprises (SMEs) is a challenge that requires a unique combination of skills and strategic approaches. In this context, artificial intelligence is born as an essential element that can make a significant difference in the performance of the Marketing department and, therefore, in the overall success of the organization.

The impact of the Artificial Intelligence in digital marketing it continues to be a growing phenomenon. According to figures provided by Salesforce, between 2018 and 2020, the use of the Artificial Intelligence in Marketing It increased from 29% to 85%, confirming that more and more marketing professionals are finding all the new tools and technologies developed from this science useful. (Continental University of Florida, 2023)

The challenges of implementing artificial intelligence in digital marketing is the initial investment and cost of adoption, which can be a hurdle for some businesses, especially small and medium-sized businesses; the need for qualified personnel in the management of these technologies, which can be a challenge for some organizations that do not have experts in the field, but above all the privacy and ethics of the data that is generated and obtained from different platforms.

However, the advantages of using Artificial Intelligence in marketing optimizes marketing budgets, that is, by having real data from data analysis tools for marketing, we can more efficiently allocate budgets to different products, solutions, markets and niches. The correct implementation of AI results in much faster, more dynamic, and more efficient practices, because due to these new technologies, the customer experience is very different from what it used to be.

To start implementing artificial intelligence in your marketing strategy, you need to set clear objectives aligned with your business vision (improve personalization, increase operational efficiency, or increase conversions). Evaluate available artificial intelligence solutions (adjusted to each need and budget). Train and fine-tune algorithms (better adapted to the objectives and characteristics of the audience). And, measure and analyze results (use data to make adjustments and continuously improve campaigns).

There are large companies that have implemented Artificial Intelligence in their business philosophy, for example Amazon uses AI-based recommendation algorithms to show relevant products to each customer, which increases the probability of purchase and improves the user experience. Spotify uses AI to deliver personalized playlists and music recommendations, increasing user retention and watch time on the platform. Netflix uses AI algorithms to analyze the viewing behavior of its users and offer highly personalized movie and series recommendations.

In this sense, artificial intelligence will continue to be a driving force in digital marketing in the future, for companies of all sizes, which will lead to greater adoption in the industry; so, if people in Small and Medium Enterprises in Ecuador understand this importance, they will be able to make the most of it by forming a solid machine-human alliance. The most used tools are: HubSpot, SEMRush, Seventh Sense, Phrasee, Optimizely, MarketMuse, Crayon, Drift, RAD AI, CanIRank, SurferSEO, Jasper AI, among others that offer accessible interfaces with all users who have different levels of experience.

Artificial intelligence (AI) applied to SEO has evolved significantly, providing various tools and methodologies to improve search engine optimization and content production. For example: Discover SEO Opportunities: AI can identify valuable keywords and link building opportunities. Create and optimize SEO content with AI: Automatic generation of SEO-optimized content and improve the structure of the website and its content for better positioning. Optimize for Voice Search: Tailoring content to improve its performance in voice search. Conducting web audits and correcting duplicate content. Improve User Experience: Creation of relevant content and optimization of the structure and navigation of the site.

In other words, optimizing business performance is critical to the growth of small and medium-sized enterprises (SMBs). Using marketing strategies supported by artificial intelligence (AI) tools can make a huge difference in your success. Here are some key strategies that might be helpful:

1. Data analytics: AI can help SMBs collect and analyze large amounts of customer data, market trends, and purchasing behavior. AI tools such as machine learning can identify patterns that might go unnoticed, allowing for more informed decision-making.

2. **Personalization:** AI tools can segment customers into more specific groups based on their individual preferences, behaviors, and needs. This allows for the creation of more accurate and relevant marketing campaigns.
3. **Automating repetitive tasks:** AI can automate tasks such as answering emails, engaging on social media, scheduling posts, and answering basic customer queries. This frees up time for teams to focus on more strategic activities.
4. **Chatbots and virtual assistants:** Implementing AI-based chatbots on websites or mobile apps can improve customer support by providing immediate answers to common queries, thus improving the user experience.
5. **Ad campaign optimization:** AI tools can help SMBs optimize their ad campaigns on platforms like Google Ads or Facebook Ads. These tools can automatically adjust bid, targeting, and creative strategies to maximize return on ad spend.
6. **Trend prediction:** AI can analyze historical and market data to predict future trends, allowing SMBs to anticipate changes in market demand and adjust their strategies accordingly.
7. **Price optimization:** Using AI algorithms, businesses can dynamically adjust their prices based on demand, competition, and other factors, thereby maximizing revenue and profitability.

In addition, we have the following strategies that will help effective marketing when implementing artificial intelligence with marketing.



However, AI isn't just limited to campaign personalization and optimization. It can also help improve brand recognition by analyzing engagement data and developing more effective branding strategies. Also, AI can optimize ad selection by identifying the best channels and times to reach the target audience. Not only does this maximize the impact of ads, but it also helps reduce unnecessary costs.

Small and Medium Businesses that have ventured into e-commerce should take advantage of AI-powered marketing tools and should be part of their business plan. With this, you can execute and put together an effective marketing strategy that will allow you to reach goals faster. Consumers will be able to search for items online to see if they're in

stock, get coupon codes in email or via text message, and see promotions for new businesses on social media, among many other marketing strategies.

Finally, it's crucial to remember that successfully implementing AI strategies requires a clear understanding of business and customer needs, as well as the ability to manage and analyze data ethically and securely.

CONCLUSIONS

Artificial intelligence tools for marketing activities benefit in timely decision-making at all levels of SMEs; increased efficiency in all departments; Personalization in products and services is enhanced; competitive advantage is generated; The customer experience is maximized and as a consequence there is an optimized allocation of resources.

By harnessing the power of AI, SMBs can deliver more personalized experiences, increase operational efficiencies, and improve return on marketing investment. However, it is also important to address the challenges associated with implementing AI, such as the initial investment and data privacy. The insights generated by artificial intelligence in marketing provide valuable insights into customer behavior, preferences, and trends, allowing businesses to make informed decisions and create targeted marketing strategies that resonate with their audience. AI algorithms will be able to suggest ideas, perform predictive analysis of content effectiveness, and provide valuable insights for creative decision-making. In addition, it allows SMBs to anticipate customer needs and offer accurate recommendations based on their purchase history and preferences.

Rapidly evolving artificial intelligence (AI) technology helps SMBs better understand their audience, optimize their processes, and grow, so adapting marketing strategies more effectively meets market demands. By offering more relevant and engaging content, businesses can increase consumer engagement, build consumer loyalty, and ultimately drive company growth and revenue.

AI improves efficiency in marketing campaign management. Machine learning algorithms will be able to analyze data in real-time and make automatic adjustments to marketing strategies, such as optimizing advertising budgets, selecting the most effective promotion channels, and identifying opportune moments to reach the target audience. And, it's sure to help more and better automate repetitive tasks, such as sending emails, posting to social media, and generating reports, freeing up time for marketers to focus on pure strategy activities.

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