



Department of Business and Management

Course of Creative Industries And Business Model Innovation

Digital Transformation Of Small-Scale Enterprises: Leveraging AI-Powered Customer Insights For Enhanced Social Media Marketing.

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ABSTRACT

This thesis explores the immense potential of digital technologies in small-scale enterprises (SSEs), particularly the integration of artificial intelligence (AI) to revolutionize social media marketing (SMM) strategies. As these technologies advance, they create unprecedented opportunities for SSEs to connect with customers and streamline operations, promising a brighter future for these enterprises. Acknowledging the significant challenges of adopting such technologies are relevant, as they can influence these enterprises' viability and competitive edge.

Through qualitative research involving in-depth interviews with the CEOs of three Ghanaian SSEs, this study examines the multifaceted aspects of digital transformation. It explores how these enterprises understand and implement digital tools, the internal and external challenges they face, and the strategic responses employed to harness the benefits of digital technologies.

Key findings indicate that digital transformation can revolutionize business processes by enhancing efficiency, expanding market reach, and improving customer engagement. It also requires substantial investment in technology and human capital. Internal challenges such as financial constraints, resistance to change, and a lack of technical expertise significantly hinder the adoption of digital practices. Externally, the slow pace of digital acceptance among stakeholders further complicates the integration of new technologies.

The study also delves into the strategic use of AI in developing more focused and individualized marketing tactics via social media platforms. While AI offers tremendous tools for gathering consumer information, it also raises ethical questions about data protection and the potential for algorithmic prejudice. Addressing these concerns is crucial to establishing trust and fair standards in AI applications.

This thesis underscores the crucial role of SSEs in engaging in rigorous strategic planning and less structured, comprehensive training programs to exploit digital transformation's potential fully. Implementing the digital transformation culture requires a shift towards continual learning and adaptation within the firm and technology adoption. This approach empowers SSEs to steer their digital transformation journey and adapt to the evolving digital landscape.

This study offers policymakers, business leaders, and academics valuable insights into the relationship between digital transformation and business efficacy in Ghanaian SSEs. The findings recommend a balanced approach to technology adoption, emphasizing the importance of strategic planning and human capital development in navigating the digital landscape.

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LIST OF ABBREVIATIONS

AI - Artificial Intelligence

B2C - Business To Consumer

CEO - Chief Executive Officer

DIY - Do It Yourself

DT - Digital Transformation

IOT - Internet of Things

SSE - Small Scale Enterprises

SMS - Short Message Service

SMM - Social Media Marketing

SMMS - Social Media Marketing Strategy

V - Company Vendre

W - Company Woodx

Y - Company Yards

CHAPTER 1

CONTEXT OF THE STUDY

1.1 Introduction

This chapter provides a comprehensive overview. First, the context and impact of digital transformation on small-scale enterprises will be analyzed. Second, the following point will emphasize or explore the drawbacks and potential resulting from SSEs' use of social media marketing. The use of AI in customer insights development will also be discussed, as will the many tools and processes SSEs use to design the relevant message and product for their clients.

The research problem, objectives, and questions will be given after reviewing the relevant literature and considering the market's current status. The relevance of the study will be stated and backed by credible resources. Finally, the chapter discusses the study methodology, limits, and structure of the study.

1.2 Background of the Study

To achieve cost-efficient value-added offerings and to keep up with changing consumer preferences, business operations, and processes have shifted from traditional systems to utilizing improved tools and methods since the advent of the digital age. The twenty-first century began a new era of tremendous technological developments, economic expansion, and increased entrepreneurial activity. Rapid technological advancement has radically transformed our civilization, contributing to businesses adopting these changes (Brey, 2018; Creevey et al., 2021; Dwivedi et al., 2020). Digital transformation is not just about implementing new software or systems; it is a holistic approach that affects every aspect of a business. It can include reimagining processes, retraining employees, and rethinking strategies to leverage the power of digital technologies.

Companies that successfully navigate this transformation are more likely to gain a competitive advantage, reach new markets, and improve customer experiences (Accenture, 2023; *What Is Digital Transformation?*, 2023). Digital transformation is the new pearl for business sustainability, rather than just a competitive strategy. Fitzgerald et al. (2014, p. 30) describe "digital transformation as the use of new digital technologies such as social media, mobile technology, analytics, or embedded devices to enable major business improvements, including enhanced customer experiences, streamlined operations, or new business models." However, some argue that conventional systems still have their merits and can be more reliable and secure than newer tools and processes in specific industries or situations. With the significant debate on the availability of practical guides, knowledge, trust, and even basic understandings of the long-term effects of the new advancement age we are either fully or blindly embracing, it is crucial for businesses to carefully evaluate the risks and benefits before fully embracing the digital age.

With the undeniable advantages, such as increased efficiency and accessibility, there are potential drawbacks, such as security breaches and data privacy concerns. The rapid pace of technological

advancements makes it difficult to fully comprehend the long-term effects and implications of these digital tools and processes. Businesses need to balance embracing innovation and leveraging the reliability and security offered by traditional systems to ensure sustainable growth and success. These tools include advanced data analytics, cloud computing, and artificial intelligence, which can gather and analyze large amounts of data to drive informed decision-making.

The digital age has revolutionized business operations, enabling organizations to stay competitive and time-efficient in a rapidly evolving marketplace (Jamil et al., 2022).

Before the novel coronavirus (COVID-19) pandemic, which sparked discussions about technology, globalization, and digitalization, the DT occurred gradually in small and large organizations. No one was prepared for the paradigm shift.

Also, businesses need to approach digital transformation with a clear strategy and a focus on long-term sustainability, rather than simply chasing trends or quick fixes. While the concept of "digital transformation" has been around for a while, the rapid advancements in technology, particularly in areas like artificial intelligence, have contributed to a significant surge in its popularity in the recent few years, especially in the case of small-scale enterprises (SSE) (Bruce et al., 2023).

For example, a small-scale enterprise in the retail industry could adopt digital transformation by implementing an e-commerce platform. This would allow them to gain a competitive edge by reaching new markets and improving customer experiences through online shopping capabilities. By strategically investing in technology and focusing on long-term sustainability, the enterprise can adapt to changing consumer behaviors and stay ahead of trends in the industry. This technology has created the grounds for SSEs to collect, analyze, and act on data in real time, opening up new possibilities for cost-efficient growth and innovation. However, implementing an e-commerce platform requires significant financial investment and expertise, which may be challenging for small-scale enterprises (SSEs) with limited resources and technical capabilities.

Additionally, the saturated online market may make it difficult for SSEs to stand out and attract customers, potentially leading to limited growth opportunities.

Despite their small size and identified obstacles, small-scale enterprises significantly impact the business landscape, adding diversity and resilience to the economy. Small-scale enterprises, defined as those with less than 50 employees and an annual turnover or balance sheet below €10 million, are responsible for driving innovation, creating jobs, and contributing to the overall expansion of the economy.

1.3 Research Problems

In the fast-changing digital landscape of the twenty-first century, incorporating artificial intelligence (AI) into organizational operations has emerged as a revolutionary force, overturning established paradigms and redefining the bounds of efficiency, productivity, and overall effectiveness. AI has become a cornerstone of modern corporate strategies due to its ability to analyze massive amounts of information, discover trends, and create actionable insights, providing new prospects for optimization and innovation.

Despite widespread acceptance of AI's potential benefits, there is a significant gap in understanding and implementation, particularly with small-scale enterprises. These SSEs, which frequently need more resources, workforce, and technological infrastructure, confront distinct obstacles in adopting and integrating AI into their operations. The complexity involved with AI adoption, ranging from early investment expenditures to the need for specialized skills, presents daunting impediments for SSE's wishing to capitalize on its revolutionary ability.

In the context of digital transformation and AI strategies, SSEs navigate uncharted territory, where the stakes are high and the margin for error is narrow. While more giant corporations have the financial resources and organizational capacity to invest in cutting-edge AI technologies and infrastructure, SSEs must tread cautiously and be mindful of budget constraints and operational limitations. Several studies have been examined from different perspectives and industries to provide more insights and frameworks for today's digital transformation and AI's impact on social media marketing. Lee et al. (2023) examined drawing analogies between AI implementation limits and organizational issues.

It is clear that similar barriers, such as resource restrictions, expertise shortages, data quality issues, integration hurdles, privacy concerns, and competitive disadvantages, can impede the successful use of AI technologies in small enterprises' marketing initiatives. Also examined by Hicham et al. (2023), AI applications in marketing are primarily focused on a more extensive organizational level, perhaps disregarding the specific obstacles and opportunities that small businesses have when employing AI for social media marketing. With all these inputs from various researchers from diverse backgrounds, little is known about how SSEs in developed and developing countries leverage AI consumer insights.

Social media marketing (SMM) presents potential problems for SSEs seeking to leverage AI effectively. Social media platforms are invaluable for customer involvement, brand promotion, and market research. However, due to social media data's sheer volume and complexity, SSEs must work on extracting relevant insights and developing practical strategies.

In this context, this thesis seeks to bridge the gap between theory and reality by providing practical insights and actionable recommendations for SSEs using AI to supplement SMM efforts. This study aims to identify existing trends, best practices, and potential areas for improvement in the current environment of SSE adoption of digital transformation and SMM activities. This research aims to provide a robust framework adapted to SSEs' demands and limits, allowing for the smooth integration of AI-powered consumer insights into their SMM strategy. This framework will take a comprehensive approach, including data collection, analysis, and interpretation, to create targeted, personalized, and engaging social media campaigns.

The research will also shed light on the obstacles and barriers that SSEs face when implementing AI-powered consumer insights for SMM. SSEs require assistance with AI integration, including financial limits, insufficient technological skills, and data privacy and security issues. By addressing these issues head-on and providing concrete advice, this thesis intends to empower SSEs to fully realize the value of AI

in strengthening their SMM efforts. Using AI-powered consumer data, SSEs can obtain a competitive advantage in the digital economy, resulting in improved engagement, customer loyalty, and business growth.

1.4 Significance of the Study

In this context, this thesis seeks to bridge the gap between theory and reality by providing practical insights and actionable recommendations for SSEs using AI to supplement SMM efforts. This study aims to identify existing trends, best practices, and potential areas for improvement in the current environment of SSE adoption of digital transformation and SMM activities. This research aims to provide a robust framework adapted to SSEs' demands and limits, allowing for the smooth integration of AI-powered consumer insights into their SMM strategy. The framework will take a comprehensive approach, including data collection, analysis, and interpretation, to create targeted, personalized, and engaging social media campaigns.

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This study's findings could have a transformational impact on the SSE sector's economic sustainability. Given SSEs' critical role in fostering innovation, creating jobs, and accelerating economic progress, providing them with AI-powered marketing tactics could result in a more robust and competitive small business environment, fostering overall economic development and prosperity. This could be a starting point for developing practical tools and resources to help SMEs embrace AI-powered social media marketing tactics. Policymakers, industry practitioners, and business support organizations can work together to create an environment encouraging small businesses to integrate AI technologies, promoting their growth and success in the digital age.

This study's findings could be helpful for future scholars and researchers investigating comparable challenges. By contributing to the body of knowledge surrounding AI-driven marketing strategies for SSEs, this study lays the groundwork for future research endeavors. Moreover, it could serve as foundational material for designing instructional modules on artificial intelligence in corporate contexts, thereby nurturing the education and development of future business leaders and marketing experts.

1.5 Research Questions

The following research questions will guide the current study:

RQ1: What are the potential concerns with digital transformation for small-scale enterprises?

RQ2: What are the current challenges SSEs' face in adopting and integrating AI-powered customer insights into their SMM strategies?

RQ3: What are the potential long-term impacts of using AI-powered customer insights on the overall success of SSEs' in the digital landscape?

RQ4: What ethical considerations are associated with using AI-powered customer insights in SMM?

RQ5: How can training and development help SSEs utilize AI-powered customer insights for SMM?

1.6 Thesis Outline

The study is divided into five chapters, each focusing on a specific topic. The first chapter of the study begins by introducing the research topic and backdrop of the study. A preliminary literature assessment summarizes existing knowledge on the subject and highlights the research gap. The second chapter is a literature review that provides a theoretical overview of social media and its application as a marketing tool for SSEs. The concepts described in this section are just as important in answering the research question. The empirical component of the study is built up in the third and fourth chapters. The third chapter describes the study's setting and design, the research methodologies, and data handling, including collection and subsequent analysis. The chapter explains how reliability and validity criteria guarantee the study's quality. The fourth chapter contains an empirical analysis and discusses the study's findings. Finally, the fifth and final chapter summarizes the findings and describes the study's theoretical and managerial contributions. This chapter finishes by outlining the study's shortcomings and, based on them, offering directions for further research.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter explores the digital transformation of small-scale enterprises (SSEs) and the potential of AI to enhance their operations. It defines digital transformation, analyses factors influencing adoption, and examines existing frameworks. It also explores the benefits and drawbacks of social media marketing (SMM) for SSEs, highlighting digital tools and technologies. Analyzing AI's applications in SMM highlights its potential to enhance customer insights and targeting techniques while addressing ethical issues.

2.2 Digital Transformation in the Context of SSEs

In today's economic landscape, the digital transformation (DT) of small-scale enterprises (SSEs) is a watershed moment. DT integrates digital technology, at its core, into all aspects of SSE operations. It fundamentally alters how these firms do business, connect with stakeholders, and provide value to their customers. DT in SSEs is a strategic overhaul in which digital tools, platforms, and procedures are in place to improve operational efficiencies, reinforce competitiveness, and identify new growth prospects (Khan et al., 2022). It entails a strategic restructuring of company operations, assisted by technological innovations, to suit the changing demands of the digital age. Digital technologies such as cloud computing, data analytics, artificial intelligence, and the Internet of Things (IoT) streamline operations, optimize resource utilization, and deepen connections with target consumers (Santos-Pereira et al., 2022).

Recognizing its catalytic role in building organizational agility and resilience is crucial for understanding digital transformation in SSEs. By adopting digitalization, SSEs shift to agile frameworks that allow rapid adaptability to market dynamics, consumer preferences, and technological advances. This increased agility in responding to emergent difficulties supports a culture of continuous innovation, a characteristic of long-term competitiveness in modern business ecosystems.

More importantly, the impetus driving digital transformation in SSEs derives from a complex interplay of drivers and impediments, each of which significantly impacts the trajectory of digital adoption inside these businesses. While factors such as increased market rivalry, changing consumer expectations, and the need for cost savings drive SSEs towards digitization, hurdles such as resource restrictions, skills gaps, and concerns about data security stymie development. As a result, navigating the landscape of digital change necessitates a deep awareness of these opposing forces and proactive actions to reduce obstacles and capitalize on possibilities.

2.2.1 Impact of digital transformation on small-scale enterprises (SSEs)

In today's corporate landscape, DT has become an unstoppable force influencing businesses and industries (Westerman et al., 2014). While SSEs confront particular obstacles, adopting digital transformation provides enormous opportunities for development, efficiency, and competitiveness in a

fast-changing digital environment (Brynjolfsson et al., 2014). For economic growth, SSEs act as catalysts for innovation and job creation. With the introduction of digital technologies, these businesses find themselves at a crossroads, forced to adapt to an ever-changing business landscape or risk becoming obsolete.

Bruce et al. (2023) define small-scale enterprises (SSEs) as having fewer employees and a lower annual revenue or balance sheet. SSE may vary slightly without a standard definition, depending on the country or location. However, they are often characterized by their flexibility, potential for innovation, and considerable contributions to local economies and jobs. Digital transformation, characterized by integrating digital technologies into all business operations, offers SSEs a pathway to enhance competitiveness, scalability, and resilience in an increasingly digital-centric marketplace.

However, navigating this transformation entails overcoming various hurdles, including resource constraints, technological complexities, and organizational inertia. It is also vital to note that overcoming these barriers creates an avenue for these technologies to enable SSEs to streamline their processes, optimize resource utilization, and facilitate more profound insights into consumer behavior, market trends, and competitive dynamics. By leveraging digital tools and platforms, SSEs can enhance operational agility, foster innovation, and forge closer connections with customers, suppliers, and partners.

With routine operations, DT enables SSEs to automate regular jobs, digitize manual processes, and implement agile approaches, ultimately increasing operational efficiency and production (Stromquist, 2019). In today's extremely competitive business environment, SSEs must differentiate themselves through innovation, agility, and customer attention. SSEs benefit from using digital tools to monitor market trends, predict consumer preferences, and adjust products/services as needed (Bughin et al., 2018). Fundamental benefits include expanding reach, engaging with diverse client demographics, and building brand loyalty in an increasingly digital economy through e-commerce platforms, social media marketing, and bespoke digital experiences (Rassool et al., 2019).

Despite digital technologies' revolutionary potential, SSEs need help fully embracing digital transformation. Financial restrictions, expertise shortages, cybersecurity concerns, and organizational resistance to change are a few examples. Overcoming these obstacles requires a comprehensive approach that includes strategic planning, talent development, cybersecurity standards, and cultural transformation (Evans et al., 2019). Governments, business associations, and academics may all assist SSEs through targeted policies, capacity-building efforts, and knowledge exchange platforms (McCausland, 2021).

2.3 Social Media Marketing (SMM) in SSEs

Social media usage has spread rapidly, infiltrating every aspect of people's and enterprises' sociocultural lives and driving countries to modernize their technology (Bruce et al., 2022). The rapid acceptance and use of social media has benefited small, medium-sized, and even large-scale businesses, significantly assisting them in overcoming the long-standing difficulty of effectively communicating about their goods. How did the change from traditional television, radio/ print marketing to mobile marketing emerge?

Today, the world is more connected than ever before. Decades ago, larger companies such as Coca-Cola, McDonald's, and other brands that had been around for decades before the digital revolution could only afford these forms of advertising. During those periods, it was a struggle for SSEs, as there was a higher possibility of not surviving in the monopolistic market. Reinventing marketing was done mainly through SMS or WAP services. These same marketing strategies are still in use in a more advanced setting, but new ones have emerged to capitalize on technological advances in mobile devices and services. Numerous mobile applications are available for organizations to use in various marketing forms.

According to Scott (2010), in the classic marketing paradigm, marketing is a one-way interaction in which the producer is the sender and the client receives communications. Significantly, marketing is one business industry undergoing robust digitization and experimenting with new technologies such as artificial intelligence, blockchain, and IoT (Grewal et al., 2019; Kumar et al., 2021). People are continuously connected, and digitalization has radically impacted the customer process. Today, marketers must communicate via multi-way engagement in which the roles of receiver and sender are blended (Lagrosen & Grunden, 2014). Client empowerment has increased to unprecedented levels in the digital age. Consumers no longer accept the role of passive recipients of company communications because of the wealth of information and involvement alternatives (Akhavannasab et al., 2018; Auh et al., 2019). According to Kietzmann et al. (2011), the rise of social media has democratized corporate communication, shifting power away from marketers and public relations professionals and towards individuals and communities who create, share, and consume social media in various forms.

Kaplan and Haenlein (2010) define social media as a set of Internet-based apps that build on the conceptual and technological foundations of Web 2.0 and allow the creation and exchange of user-generated content (Appel et al., 2019). With the emergence of the COVID-19 pandemic and the adoption of social distancing to contain the spread of the virus, social media has also risen as an innovative way for businesses and individuals to continue sharing and gaining access to information. Today, one may boldly claim that social media is a separate world where current and potential consumers exist, looking for new offerings or experimenting with alternatives. Social media is more than just apps and platforms; it is a digital ecosystem transforming the marketing landscape. Platforms like TikTok, Instagram, Facebook, and YouTube allow brands to connect, engage, and grow with their target audience (Wong, 2023).

Today, the global population is expected to exceed 8 billion, with 5.04 billion people using social media worldwide (United Nations, n.d.). With half of the population on social media, there is a possibility that these net citizens have duplicate accounts, which substantially impacts the global active user percentage shown in Figure 1. Suppose a net citizen spends at least two hours daily on popular social media platforms such as Facebook, YouTube, WhatsApp, Instagram, and WeChat. In that case, small-scale businesses will need to use these platforms to their benefit.

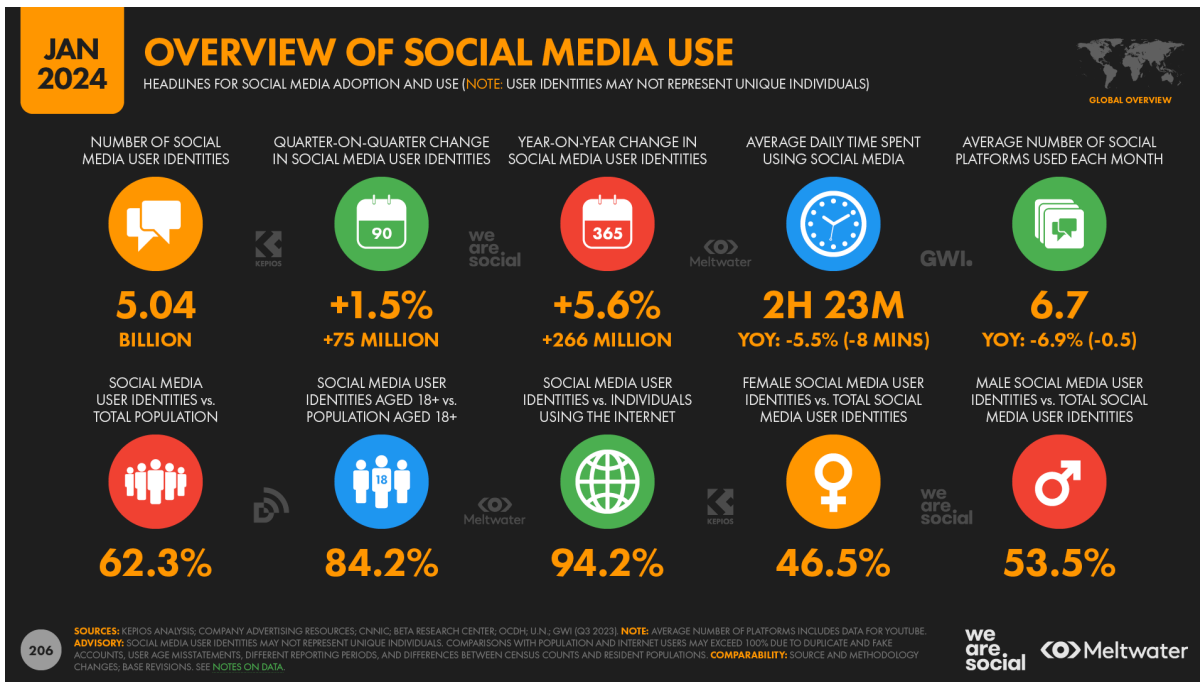


Figure 1: Overview of social media use (*Global Social Media Statistics — DataReportal – Global Digital Insights*, n.d.).

Small-scale firms are known to be the backbone of economic development in any nation, and they foster the development of talents and recognition. Small-scale firms are the very means through which entrepreneurs always try their luck in communicating or selling their abilities, thereby creating jobs in the system, diversifying the market, and providing consumers with alternative or complementary goods. With limited resources, a start-up or entrepreneur may be unable to invest heavily in marketing at the outset. Still, by using social media, they may build and expand an audience around the brand.

2.3.1 Challenges and opportunities for SSES in social media marketing (SMM)

The digital revolution and social media marketing era are here and to stay; discoveries and advancements are proposed daily. Businesses and individuals are taking advantage of this revolution, but the question from SSEs is, is vigorous social media marketing important and needed at this period? The rhetorical answer will be the famous Benjamin Franklin quote, "By failing to prepare, you are preparing to fail" (Mayberry, 2016). This analysis may assist one in grasping the web's ever-expanding potential, mainly social media as a marketing platform.

With a global population of over 8 billion, there are 5.3 billion Internet users, more than half of the global population, and 4.95 billion on social media, accounting for 93.4% of Internet users worldwide. The critical truth is that this increase is expected to continue as new tools and services are produced regularly to make life and business communication more flexible and efficient. Figure 2 shows that social media users have expanded by 79.1% since 2017, when only 2.73 billion users existed. By 2027, social media users are expected to reach 5.85 billion, with an annual growth rate of 3.7–5.7% (*The 2024 Social Media Demographics Guide*, n.d.). This indicates that SSEs own a share of the social media market space.

Number of social media users worldwide from 2017 to 2027

(in billions)

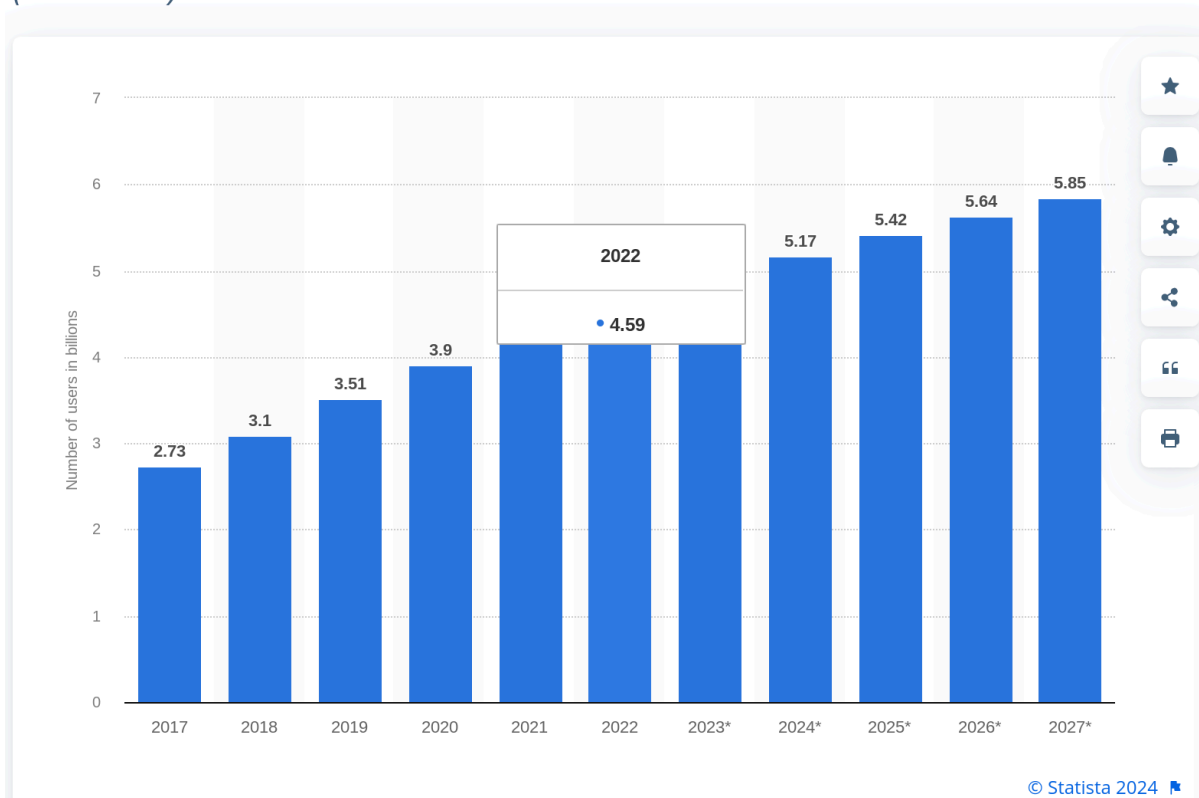


Figure 2: Social users worldwide from 2017 to 2027 (Statista, 2023).

Today, Facebook, YouTube, TikTok, Instagram, and X, to mention a few, are the key platforms used by businesses and consumers to discover new items and communicate about current offerings (Saravanakumar & SuganthaLakshmi, 2012). These social networking sites provide opportunities for everyone, regardless of the size of their firm or individual personalities. As the global market space continues to innovate and expand, social media has produced a massive paradigm shift, drastically impacting social relations and every area of daily life and business.

To understand the elements and meaning of social media marketing, many recognized bodies and researchers have also shared their perspectives that could facilitate continuous learning and knowledge transfer. According to the American Marketing Association (2024), social media marketing (SMM) is the use of social media platforms (such as Facebook and X) to distribute targeted content, engage customers, strategically position a brand, and promote a company's goods and services. Akar and Topcu (2011) state that SMM is the "use of social media channels to promote a company and its products." This is comparable to the description offered by Drury (2008), who defines SMM as "the use of existing social media platforms to increase brand awareness among consumers on online platforms through the utilisation of WOM principles." While these definitions of SMM all focus on the "promotional" side, they ignore the relationship aspect of engaging with clients on social media and the benefits and challenges that come with it (Sharma & Verma, 2018).

SMM provides numerous advantages to SSEs, including improved brand awareness, consumer interaction, higher website traffic, and sales conversions. SSEs may successfully target their audience, distribute fascinating content, and create a devoted following by maintaining a robust social presence on prominent social media sites such as Facebook, Instagram, Twitter, and LinkedIn (Smith et al., 2012). Also, the capability of two-way communication is established, allowing SSEs to request feedback, resolve customer inquiries, and build confidence and credibility within their community. SMM provides valuable insights into customer behavior, preferences, and market trends, allowing SSEs to fine-tune marketing strategies and respond rapidly to changing dynamics. It also allows for direct connection with customers, resulting in a more personalized and engaging experience that can lead to consumer happiness and compelling brand positioning in a highly competitive market.

As a result, small and medium-sized firms (SMEs) face both obstacles and opportunities when using social media marketing (SMM) to reach their target audience and generate sales. One problem for SSEs is that social media algorithms constantly evolve, making staying current with the newest trends and best practices challenging. Despite its potential benefits, SMM has several drawbacks, including limited resources, knowledge, and time. One of the most challenging things is to cut through the digital noise and stand out among the massive content vying for consumers' attention. SSEs need help maintaining a consistent presence across numerous social media platforms, dedicating adequate resources for content production and curation, and effectively analyzing the ROI of their social media marketing activities.

Social media platforms' algorithmic changes can substantially impact the organic reach and visibility of SSEs' content, forcing continual adjustments to their SMM efforts (Evans & Hagel, 2009; Dwivedi et al., 2021). With vast challenges associated with SMM, SSEs can adopt several strategies tailored to their specific needs and constraints to capitalize on the available opportunities. Firstly, social media efforts should be prioritized based on target audience demographics, preferences, and platform usage patterns. Channeling scarce resources to a select few platforms where their audience is most active can contribute to maximizing impact and engagement (Mangold & Faulds, 2009).

Additionally, they should invest in creating high-quality, visually appealing content that resonates with the audience and aligns with their brand identity. Leveraging user-generated content, collaborating with influencers, and engaging in community-building activities can further amplify SSEs' reach and visibility on social media. By understanding these challenges and leveraging the opportunities presented by social media, SMEs can effectively harness the power of SMM to grow their businesses and stay competitive in the digital age.

2.3.2 Existing SMM Strategies and Best Practices for SSEs

In today's world, businesses have devised various ways to stay competitive. According to Yılmaz and Taşkıran (2015), social media marketing can help companies achieve their goals due to the large number of people who use social media platforms, and practically every company now uses some form of social media marketing. As individuals scroll through social media sites, one is likely to encounter advertisements, which

are only one of many ways social media has been used for marketing (Ibrahim & Ganeshbabu, 2018). The rise of social media marketing has forced SSEs and other companies to abandon traditional methods in favor of new initiatives.

SSM methods improve consumer communication and create new company chances. As a result, businesses choose these techniques to be competitive in the modern era (Johansson & Hiltula, 2021). While it may be tempting for SSEs to post on a few social media channels as needed, this is not advisable. A robust social media strategy is necessary to maximize the potential of social media marketing; despite limited resources and skills, businesses in various settings have devised numerous methods to ensure efficient social media marketing (Baluch, 2024).

The American Marketing Association (2024a) describes social media strategy as how a brand intends to use social media to achieve its objectives. It is a road map for social media efforts, ensuring they align with company objectives and produce the expected results. A social media strategy includes information such as the target audience, social networks, content plan, key performance indicators (KPIs), and interaction tactics in the following parts. Currently, several strategies are being adopted by both small and large-scale enterprises. This study will consider adoptable best practices that small-scale enterprises can adopt and adapt.

Strategies

1. Influencer Collaboration & Endorsement

Businesses utilize celebrities to endorse their products as one of their social media marketing methods. These endorsements originate from social media platforms such as Instagram, Twitter, Facebook, TikTok, and others. These celebrities are perceived to have high social worth, and thus, they draw more buyers to their businesses. Influencer advertising and endorsement are effective tactics for SSM because they may instantly capture customers' attention and reach more people than traditional advertising approaches, increasing brand awareness and reputation. Communication about the SSEs' offerings is mainly made through live engagements, social posts, short videos, and product use displays.

2. Behind-the-scenes

Consumers want to be part of the business's growth and success story; they are interested in more than just offerings, discount sales, or new features. Every business exists to create shareholder value by maximizing profit, but consumers do not want firms to see them as another avenue for just exchange; they should have them at heart as well. They want to know if real people are behind the products they are considering or using. Sharing what happens behind the scenes of the job is an excellent approach to interacting with customers, showing them who the person behind the account they follow is, and building brand awareness. This could be done through sharing a day-in-the-life video, classic video, or photo update midway through a project showcasing its progress, introducing the company, and telling a tale about its journey or perhaps the core cause of its success or failure. As this provides an opportunity to engage with both potential and actual

consumers, it is also an avenue to create an emotional bond between the business and the audience of the marketing activity.

3. Community engagement

Nobody likes to be alone or left behind; in their natural state, humans want to be a part of or belong to a group with similar interests. With a Facebook profile, any business can now build a community around itself. Taking the time to read comments, participate in the conversation, follow the thread, and respond to complaints helps the firm better understand its clients. Figure 3 illustrates MGLnatural, a Ghanaian cosmetics manufacturer and seller. This community or social engagement medium enables clients to give feedback and gain valuable insights regarding the best product option and nearest retailer.

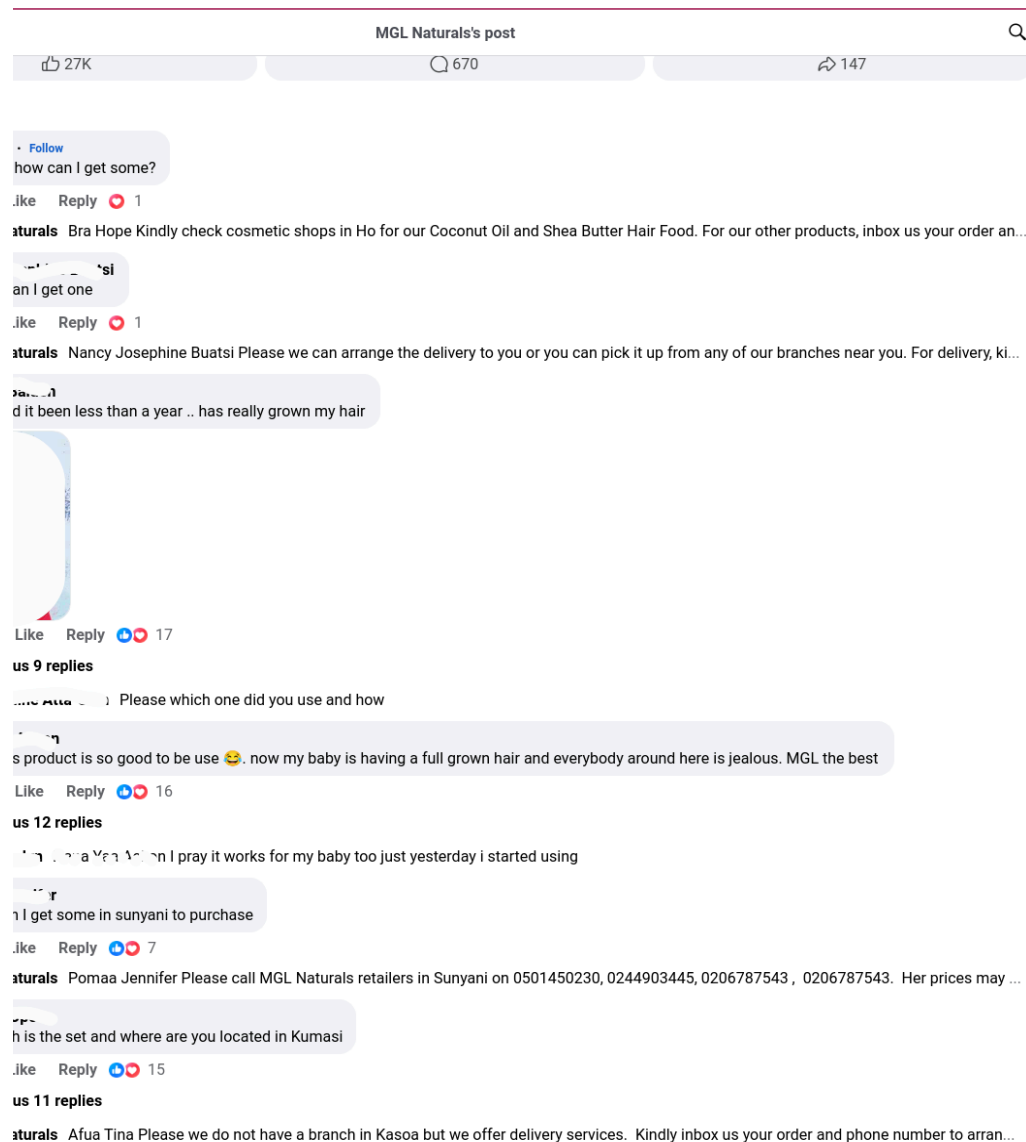


Figure 3: MGLnatural Facebook feed. (*Facebook, n.d.*)

4. Polls

Creating and sharing polls is another effective technique to evaluate the audience's interest and stimulate conversations. The polls can be used to conduct a market survey, suggest material, provide comments, and vote on shared content.

5. Timed sharing

Social media is time-intensive, especially as your audience grows. Posting the right content at the right time helps you engage with the target audience. The various social media sites have different times that favor particular niches. For instance, a small marketing consulting firm whose target market is startups will share 20-minute videos on registering an account for the new AI marketing application at 10:34 AM on a Monday. The possibility of the target audience seeing this is less, which can also create a very slim chance of making sales. The target audience might see this advertisement again, but this time, they might be bombarded with similar or alternative products from competitors (Kumar et al., 2021b). The higher the engagement, the greater the possibility of the post being visible in the feed.

SSEs can adopt or revive these tactics for efficient social media marketing. Before these businesses commit, they must devise a plan or follow best practices to meet their organizational needs while using the most available resources.

1. Defined goals and objectives

First and foremost, what the business hopes to achieve through its social media marketing efforts must be clearly stated and aligned with its overall goals. A priority could be to build a thriving community around the company or a particular product. Defining these goals is essential because it will guide the design and implementation of the strategy. Once the goals have been established, it is necessary to establish metrics for each channel employed. These metrics will be helpful in the assessment of the effectiveness of the strategy used.

2. Consumer insight

To develop content that attracts and inspires the target audience, knowledge about their identity and what resonates with them is essential, just like creating the desired content. Insights into the target audience can be attained by conducting focus groups, interviews, and polls to dive deep into their likes and dislikes. It is also a good idea to perform some social listening and follow trends that pertain to the brand and its competitors. It is better to build the strategy around what the consumer market needs or wants rather than basing it on only assumptions or generalizations.

3. Competitor insight

One of the ultimate goals of SMM is for the target audience to place value on a firm against competitors, which might lead to sales conversion soon. That is why competitor research is essential. It can give insight into what competitors do on social media and give extra ideas for creating an effective social strategy. Focusing on the content that generates the most interaction and engagement in the study stage of competitors is wise.

4. Platform selection

Social media networking sites differ based on their structure and offerings. Selecting the right platform depends on factors, including whom the target audience is, the industry, and goals. In the case of a B2C cosmetics retailer whose target market is women between the ages of 20–35, creating engagement on

LinkedIn will yield less valuable resources than investing on TikTok, Instagram, and YouTube (Elliott, 2023; Tuten & Mintu-Wimsatt, 2018).

5. Content creation

Defining the goals, identifying the audience and competitors, setting a time plan for content sharing, and selecting the appropriate platform are all geared toward ensuring the right content gets to the target audience at the right time. If all these processes are helpful and the content needs goals, brand voice, and originality, then the needed results will be achieved. Content is the driving force of social media; with it, social media is present (Hennigan, 2023).

6. Strategy assessment

Creating a social media marketing strategy is subject to changes and amendments once other players and external factors enter the market. Studying trends and metrics is necessary to modify the existing plan or capitalize on opportunities available in the market and digital space (American Marketing Association, 2024).

2.3.3 Integration of Digital Tools and Technologies in SMM

In today's digital landscape, using modern digital tools and technology has become critical for organizations seeking to compete in social media marketing (Harrison, 2023). Combining cutting-edge tools and strategic execution streamlines marketing operations, improving brand visibility, engagement, and overall business performance (Stewart, 2021). The widespread adoption of social media platforms has quickly altered how businesses engage with their customers (Amoah, 2020; Radičić & Petković, 2023). Integrating these tools into the SMM framework can result in various benefits, ranging from data-driven insights to personalized client experiences (Sujud & Ivan, 2023).

According to Boudet and Vollhardt (2018) paper, using digital technologies that can give insights for successful customization may help unlock 10 to 20% more efficient marketing and cost savings and a 10 to 30% increase in revenue and retention. SMM has progressed from a fledgling marketing approach to an essential component of every brand's communication arsenal. Organizations' use of digital technology has the potential to improve services and products while increasing competitiveness. COVID-19's dilemma has also demonstrated the need for digitization to enhance company resilience.

In 2021, 56% of EU businesses had achieved a baseline level of digital intensity, as represented in Figure 4. A basic level requires using at least four of the twelve specific digital technologies. A basic level comprises firms with a low, high, or very high Digital Intensity Index (DII) but not a very low level. Small and medium-sized firms (SMEs) achieved a basic level of digital intensity of 55%, compared to 88% for big enterprises (Statistics Explained, n.d.). Large-scale enterprises have tremendous growth, which calls for the activation of substantive measures to aid small companies in achieving the global climax.

Share of EU enterprises that reached a basic level of digital intensity

2021

All enterprises
56%

Large enterprises
88%

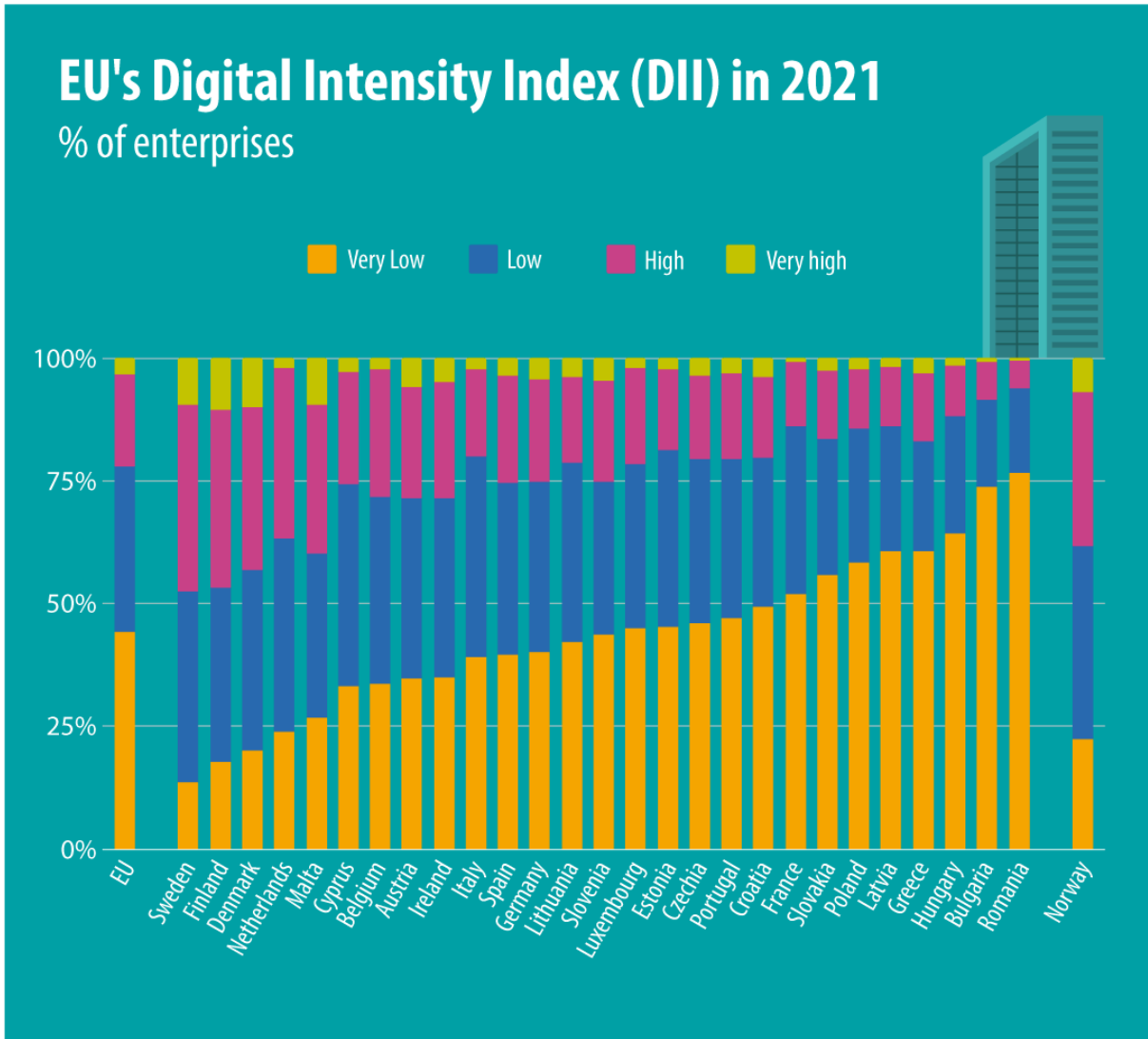
SMEs
56%



ec.europa.eu/eurostat 

Figure 4: EU enterprises reached a basic level of digital intensity in 2021 (Eurostat, 2022).

Only 3% of EU SMEs achieved extremely high digital intensity, while 18% achieved a high level. Most SMEs reported low (34%) or deficient (45%) digital intensity levels (Eurostat, 2022). There is an expectation that more than 90% of EU SMEs should have achieved a baseline level of digital intensity by 2030 (Europe's Digital Decade: 2030 Targets | European Commission, n.d.).



ec.europa.eu/eurostat

Figure 5: EU's Digital Intensity Index (Eurostat, 2022)

One pivotal aspect of integrating digital tools into SMM is the ability to analyze and interpret data effectively. Tools like Google Analytics, Hootsuite, Sprout Social Track, and various aspects of online marketing and social media activities. They offer sophisticated analytics capabilities, allowing marketers to track key metrics, monitor campaign performance, and gain valuable insights into audience behavior. By leveraging these insights, businesses can refine their SMM strategies, optimize content, and target their audience more precisely. Moreover, integrating artificial intelligence (AI) and machine learning (ML) technologies has revolutionized SMM by enabling automation and personalization at scale.

AI-powered tools like chatbots and predictive analytics facilitate real-time customer interactions, enhance the user experience, and streamline marketing workflows. For instance, chatbots can efficiently handle customer inquiries, provide instant support, and even recommend products or services based on user preferences, thereby driving engagement and conversions. It is vital to highlight that successfully integrating digital tools and technology into SMM necessitates careful planning, continuous review, and adaptability to

changing trends. SSEs must match their tool choices to their marketing goals, target audience demographics, and available resources.

Investing in employee training and development is vital to maximizing the usefulness of these technologies, realizing their full potential, and facilitating organizational change. Integrating digital tools and technologies in SMM offers unparalleled opportunities for businesses to elevate their brand presence, drive engagement, and achieve measurable results in today's dynamic digital landscape. By leveraging advanced analytics, AI-driven automation, immersive experiences, and efficient collaboration tools, businesses can stay ahead of the curve and deliver impactful social media marketing campaigns that resonate with their audience (Li, 2010).

2.4 Artificial Intelligence (AI) in SMM and Business Applications

Over the last half-century, organizations have significantly transformed, and individuals who collaborate in personal and professional situations have also evolved. The introduction of computers, the internet, and social media technologies has improved corporate everyday processes. As new technologies become accessible, firms that learn to use them boost reimbursement rates. Some of the most well-known technology-driven enterprises, like Apple, Microsoft, eBay, Angelini, Amazon, and Google, have caused spectacular disruptive growth in the market, forcing SSEs to accept, adapt, or remain as alternatives (Saravanakumar & SuganthaLakshmi, 2012b).

Today, when discussing the triggers of the economy, businesses, social media marketing, and even personal lifestyles, one can not ignore artificial intelligence (AI). Understanding customers is critical in today's data-driven environment, but dealing with large amounts of complicated data presents hurdles. Artificial intelligence (AI) emerges as a disruptive technology, providing a solid view into the ever-changing world of SMM and the development of customer insights (Salameh et al., 2023). Businesses that use this power can better understand client behaviors, preferences, and trends, allowing them to make more informed decisions and provide personalized experiences (Egamkulov & Sharipova, 2020). To build a better rapport, it is better to understand what AI stands for and what it encompasses. AI is the simulation of human intelligence in machines built to understand, learn, and solve problems like humans (*What Is Artificial Intelligence (AI)?* | IBM, n.d.).

AI algorithms' indisputable capabilities include analyzing massive amounts of data from social media networks. This study goes beyond surface-level indicators, digging into customer behaviors, preferences, and attitudes. For example, sentiment analysis can help small-scale businesses in Italy gauge public opinion about their products or services, allowing them to modify their marketing efforts appropriately (Yang et al., 2020). Generalized or personalized content is one tricky thing most SSEs have to deal with: the scarcity of resources, constant changes in trends, and consumer interest.

AI algorithms assist in generating personalized content based on user preferences, browsing history, and demographics, which is a defined value. This level of personalization enhances user engagement and fosters brand loyalty. For instance, a small Italian artisanal cheese producer can use AI to create targeted

social media posts showcasing their products to users who have previously expressed an interest in gourmet food (Dwivedi et al., 2021). Today, even individual-owned small businesses can increasingly use AI-powered chatbots to automate consumer interactions on social media and websites. These chatbots can immediately respond to client inquiries, provide product suggestions, and assist with purchases. For example, a small shop in Florence can use a Facebook chatbot to help consumers with questions regarding store hours, product availability, and online shopping (Naudé, 2019).

Small companies may construct highly focused advertising campaigns on social media platforms using AI-powered technologies that analyze user data. This allows them to identify potential consumers and send targeted ads that are more likely to convert. For example, a tiny vineyard in Tuscany can employ AI-powered advertising tools to reach out to wine fans who enjoy Italian varietals (Bughin et al., 2018). AI systems can monitor social media conversations in real time and assist businesses in creating targeted advertisements. This can help small firms understand customer moods and track traction. Businesses may communicate with their consumers proactively and manage their reputations this way. For example, a tiny pizzeria in Naples may employ AI-powered social listening technologies to monitor pizza preference debates and uncover opportunities to communicate with potential consumers (Bughin et al., 2016).

2.4.1 Types and Applications of AI Tools in SMM

AI still influences many facets of our lives. This influence is evident in the social media ecosystem. AI is altering how we interact and communicate online, from automatic content filtering and tailored suggestions to the advertisements we see. In today's digital age, when an incomprehensible quantity of data is created daily, AI has emerged as a critical component of major social networks, assisting in managing vast amounts of data on social media platforms. AI solutions improve the capabilities of social media platforms and widen their operations across various use cases, such as text and visual content generation, monitoring, advertisement management, influencer research, brand awareness campaigns, and more (Darbinyan, 2023).

Creating written and visual material has been one of the most intriguing trends in recent years, using text-to-image, image-to-video, image-to-image, and other algorithms to create unique content such as images, videos, music, and text. It is one of the AI-powered content generation systems that has grown in popularity in 2024 since it continuously learns from past social media posts and creates the most effective content to increase campaigns. OpenAI's ChatGPT is another game-changing chatbot technology that can understand natural language and reply conversationally (Elahi et al., 2023). AI-enabled visual content creation tools are increasingly becoming popular. Text-to-image AI models like DALL-E, Midjourney, and Stable Diffusion are changing how visual content is created. These systems use machine learning techniques to generate images from textual descriptions or novel variations on existing photographs.

While many creatives have praised AI text-to-image generators as an exciting tool for easing digital art production, others have considered the technology's launch problematic, expressing worries about AI's place in visual art and style appropriation.

Another evolving trend in the field of generative AI that's worth attention is Lensa AI. While the app has been around for a while, its "magic avatars" feature has recently gone viral. Using the Stable Diffusion model, Lensa generates realistic images based on text input and creates stylized avatars that match already embedded images. Lensa and other generative AI models have been making waves on social media, with the potential to produce engaging content across various categories.

Lensa AI is another emerging approach in the realm of generative AI that deserves notice. The program has long been available, and its "magic avatars" function has recently become popular. Lensa uses the Stable Diffusion model to generate realistic visuals based on text input and styled avatars that match previously inserted images. Lensa and other AI models have been generating headlines on social media with the ability to create compelling content across several categories.

AI has enhanced social media user experiences, yet it has certain limitations. One of the most pressing issues is the possibility of algorithmic bias, which might lead to the unjust treatment of certain groups of individuals. Furthermore, because of rapid technological advancement, regulatory frameworks and ethical regulations have yet to catch up, leaving AI developers and social media companies to cope independently with complex moral and legal issues.

Another growing concern is how AI may impact future social media professions. With the growth of AI, many tasks currently performed by humans may be automated, altering the nature of labor. Addressing these difficulties requires proactive actions to give new training programs and help to workers in relevant businesses, as well as rules to ensure that the benefits of AI are distributed more broadly across society (Schneider et al., 2022).

2.4.2 Impact of AI on Customer Insights and Targeting

In today's rapidly changing business climate, how companies view and communicate with their customers has altered tremendously. Companies can no longer rely on intuition or simple surveys to gauge market sentiment. Marketing insights have become a complicated blend of science and art that responds to shifting customer behaviors, tastes, and technology (Bashang & K, 2023). The one-size-fits-all strategy no longer produces the desired outcomes. Several milestones have shaped the evolution of marketing insights. Initially, businesses relied on direct consumer connections and feedback, frequently acquired through in-person meetings or handwritten questionnaires.

As technology evolved, the late twentieth century saw a trend toward database marketing, which enabled companies such as SSEs to record and analyze client purchase histories. This prepared the way for the digital revolution, which brought technologies such as web analytics, social media metrics, and customer relationship management (CRM) systems aimed at understanding the vast and complex world of customer behavior. Among these advancements, nothing comes close to the latest entrant poised to revolutionize the game: artificial intelligence (AI). At first glance, AI may appear to be just another piece of tech jargon, but its implications for the marketing industry are vast. Consider a system that can predict a consumer's next purchase, customize marketing messages with astounding accuracy, and give insights from analyzing

billions of data points in seconds. This is not science fiction; AI significantly impacts marketing intelligence. The promise of AI to reshape marketing is more than simply automation or efficiency; it is about getting more profound, more intuitive knowledge of customers than ever before. The potential for AI to improve marketing extends beyond automation and efficiency; it is about gaining a more profound, more intuitive knowledge of customers than ever before.

Individual-company marketing programs that used to take months of content design, insight development, and consumer targeting can now be implemented in weeks or even days with at-scale customization and automated testing. Website development and customer support duties often need to be improved in interactions with individual customers. However, when implemented well, they may increase engagement and pleasure. Marketers can analyze and interpret text, picture, and video data concurrently to better discover innovation potential. Artificial intelligence enables detailed customization in previously impossible ways (Harkness et al., 2023).

AI enables small-scale businesses to fine-tune their targeting tactics and provide personalized experiences at scale. Companies can segment their audiences with unprecedented accuracy using predictive analytics and machine learning algorithms, allowing them to optimize marketing efforts for maximum effect. Predictive analytics and machine learning are critical to refining targeted tactics (Idian et al., 2023; McKinsey & Company, 2023). These technologies let organizations examine large datasets to detect trends and anticipate future customer behavior. Companies may anticipate individual preferences and adjust marketing efforts by exploiting previous consumer interactions and purchase data.

For example, a small bakery looking to increase its client base can use AI-powered consumer segmentation approaches to discover various buyer personas based on demographics, psychographics, and purchase habits. With this information, the bakery may adjust its promotional efforts to each sector, such as marketing gluten-free alternatives to health-conscious customers or providing unique bargains to repeat customers. AI enables dynamic ad targeting across several digital channels. AI algorithms can optimize ad placements by analyzing real-time user activity and preferences to maximize engagement and conversion rates. This dynamic targeting guarantees that ads are sent to those more likely to respond positively, optimizing the return on advertising spend.

2.4.3 Ethical Concerns and Challenges of AI in Business

According to studies and frameworks, AI is fast revolutionizing market research by offering organizations more precise, real-time, and tailored insights into consumer behavior and market trends. Businesses that use AI-powered market research get a competitive edge by obtaining more accurate, fast, and actionable consumer insights and market trends. These companies acknowledge the need for improved consumer data to help them explore their markets, identify unmet requirements, and decrease brand health risks, but many still need to make the case for the new approach. However, AI has flaws (Sahota, 2020). These concerns are not only related to SSEs, but they are cases affecting all sectors.

The increasing dependence on AI creates severe ethical challenges, necessitating careful consideration from both management and researchers. Several high-profile events have highlighted the moral concerns of AI use in business. Amazon's AI-powered recruitment tool showed prejudice against women. Tay, Microsoft's chatbot, had to be deactivated because of racist and sexist comments. Tesla's self-driving technologies have also been implicated in tragic incidents, prompting calls for further public scrutiny (Sisón et al., 2023). According to Daza and Ilozumba (2022), AI is one factor that promotes innovations that benefit society, yet major concerns occur. AI-enabled systems make autonomous judgments and impact people and the environment, raising several ethical considerations. No amount of dataset or modeling may be substituted for critical and definitive reasoning. Similarly, De Cremer and Narayanan (2023) argue that, despite AI breakthroughs, it is vital that humans retain responsibility in decision-making. AI may play an essential role in improving ethical decision-making by acting as a mirror that reflects our biases and imperfections, thereby assisting humans in better comprehending ethical choices and actions.

Algorithmic bias is a significant cause for worry. AI systems based on biased data can continue discriminatory behaviors in sectors such as recruiting, loan approvals, and targeted advertising. For SSEs, this might appear as biased customer profiling, resulting in the exclusion of particular populations or perpetuating negative stereotypes in marketing initiatives. Consider an AI monitoring social media data to find potential clients for a clothing company. If the training data consists mainly of a restricted range of body shapes, the AI may ignore prospective clients outside that range (Chen et al., 2023). This might affect the brand image and result in missed commercial opportunities.

Some AI algorithms' "black box" aspect poses a problem for SSEs. The complicated inner workings of these systems make it difficult to grasp how they make judgments, reducing openness and accountability. In social media marketing, an AI may propose specific material for targeting, but the reasons behind the pick are unclear. This lack of openness can create questions about impartiality and have unforeseen repercussions, such as alienating target consumers. The success of AI is dependent on access to massive volumes of data. For SSEs, this frequently translates into gathering and utilizing customer data from social media sites. The ethical duty for data privacy and security becomes crucial. SSEs must follow data protection requirements, such as the GDPR (General Data Protection Regulation), and be open about acquiring, keeping, and using customer data. Building customer trust through transparent data practices is critical for long-term success in the digital world (Gordon, 2019).

The burgeoning presence of AI in marketing automation has undoubtedly sparked anxieties about job displacement within the marketing sector (Tabrizi, 2023). While AI's complete eradication of human marketers seems improbable, a significant shift in the skillsets required to thrive in this evolving landscape is highly likely (Manyika et al., 2017). SSEs with lean teams necessitate a proactive approach to employee upskilling and reskilling to ensure their workforce remains adaptable and relevant. AI-powered marketing automation tools are adept at handling repetitive tasks like data analysis, campaign management, and ad optimization. This proficiency can automate a significant portion of a marketer's workload, potentially

leading to redundancies in roles focused solely on these tasks. AI can scan massive volumes of client data to find trends and forecast purchasing behavior previously undertaken by market research experts (Clark, 2023). However, it is critical to realize AI's limits. While AI excels at data processing and automation, it presently needs more human touch than is necessary for areas of marketing such as creative content production, strategic campaign planning, and cultivating authentic consumer connections.

2.5 Chapter Summary

The literature review in Chapter 2 of the report dives into the transformational influence of digital transformation (DT) on small-scale businesses (SSEs) in today's economic landscape. DT comprises integrating digital technology into all elements of SSE operations, resulting in a strategic restructuring to increase operational efficiency and competitiveness while recognizing growth prospects. Understanding the critical role of DT in promoting organizational agility and resilience is essential as SSEs move toward agile frameworks that allow for rapid response to market changes and promote a culture of continuous innovation. Despite the significant opportunity DT provides for SSEs in terms of development and efficiency, the adoption trajectory is driven by a complex interplay of drivers and barriers. Market rivalry and consumer expectations drive SSEs toward digitization, but resource limits, talent gaps, and data security issues provide substantial challenges.

However, embracing DT is critical for SSEs to remain competitive in a quickly changing digital landscape. Digital technologies allow SSEs to simplify procedures, maximize resource usage, and acquire a better understanding of customer behavior and market trends. Routine work automation and agile approaches improve operational efficiency and productivity. Digital technologies make tracking market trends easier, forecasting customer preferences, and customizing products and services, resulting in increased reach, diversified client involvement, and brand loyalty. Within the marketing sector, the emergence of mobile marketing and the digitization of marketing techniques have democratized marketing prospects for SSEs, allowing them to capitalize on technological advances in mobile devices and services.

Social media marketing (SMM) has developed as a critical component of the SSE marketing strategy, providing benefits such as increased brand awareness, customer interaction, and sales conversions. Despite hurdles such as shifting algorithms and limited resources, SSEs may maximize SMM potential by choosing platforms, providing exciting content, and actively engaging with their communities. Incorporating digital tools and technologies like Google Analytics, Hootsuite, and AI-driven automation into SMM frameworks helps SSEs obtain insights, optimize content, and efficiently target consumers. Regardless, the expanding use of AI in business raises ethical issues about algorithmic prejudice and job displacement in the marketing industry.

To alleviate these issues and ensure ethical AI adoption, proactive steps such as staff training and adherence to data protection legislation are required. In conclusion, the literature study emphasizes the transformative power of DT and AI in improving operational efficiency, competitiveness, and development possibilities for SSEs. Understanding the motivations and constraints of digital adoption and taking

proactive actions to address ethical issues is critical for SSEs to exploit technology and remain competitive in the digital market effectively.

This chapter carefully evaluated and investigated key literature and empirical research on the landscape of digital transformation (DT) and its ethical implications for SSM and corporate settings, drawing on significant works like Khan et al. (2022) and Santos-Pereira et al. (2022). The next chapter contains the foundational research design and methods to guide the investigation.

CHAPTER 3

METHODOLOGY

3.1 Introduction

This chapter describes the study approach used to examine AI-powered consumer insights to improve social media marketing (SMM) tactics in small-scale businesses (SSEs). Methodological considerations are critical to the integrity and validity of any research project. Thus, this chapter explains the study's design, demographics, sampling strategy, data gathering methods, data analysis methodologies, and expected ethical issues. This chapter seeks to assure the legitimacy and reliability of the findings presented in later chapters by giving a transparent and open overview of the study process.

3.2 Research Design and Approach

3.2.1 Rationale for Qualitative Research

The emerging subject of artificial intelligence (AI) has had a considerable influence on marketing methods, notably social media marketing (SMM). Small-scale businesses (SSEs) in emerging nations stand to benefit significantly from AI-powered consumer insights. To enable the effective integration of this technology, qualitative research methodologies must be used to understand the "how" and "why" behind its acceptance. While helpful in assessing campaign effectiveness, quantitative research sometimes needs to pay more attention to human behavior and corporate decision-making complexities. This comprehensive data, obtained through in-depth interviews, focus groups, and participant observation, sheds light on crucial features that numbers sometimes overlook (Flick, 2022). Understanding AI integration in the SSE SMM strategy is critical for emerging economies. For starters, these companies frequently lack professional marketing teams, instead depending primarily on individual owners or small marketing teams. Qualitative research may identify the unique needs and skill sets necessary for effective AI use, guide training programs, and develop a data-driven decision-making culture in resource-constrained workplaces (Nair & Gupta, 2021).

Cultural differences significantly impact social media involvement. If fine-tuned to the cultural environment, AI algorithms may only read client emotions or preferences. Qualitative techniques enable researchers to capture cultural nuances and modify AI technologies to ensure effective communication and brand resonance in the local market (De Mooij & Hofstede, 2011). Building trust is critical in emerging economies, where brand loyalty is frequently firmly anchored in human relationships. Qualitative research can reveal how SSEs can use AI to personalize their SMM interactions, develop a sense of community, and build customer trust (Mammadli, 2021). Understanding the problems that SSEs face while using AI is also critical. Concerns regarding data security, a lack of technical skill, and the perceived expense of such technology can all be revealed through qualitative research. By identifying these concerns, academics and policymakers may construct customized training programs and user-friendly platforms and investigate cost-effective AI solutions tailored to the needs of SSEs in emerging economies.

This study used a qualitative technique, with data obtained through interviews with the founders of three Ghanaian SSEs in their early phases, between 3 and 17 years of operation. The reason to utilize this approach is that it allows for greater impartiality in the study by comparing multiple opinions on a topic and discovering commonalities or inconsistencies between them. This method permits the observation of similarities and differences when evaluating these founders' various perspectives on their digital transformation and social media marketing engagements, which is especially useful because it avoids the risk of concluding based on a single or invalidated point of view.

3.2.2 Justification for Semi-Structured Interviews

There are numerous convincing reasons why semi-structured interviews were chosen as the significant data-gathering strategy for this study. Semi-structured interviews compromise the freedom of open-ended questions and the framework required to ensure data collection uniformity and dependability. Semi-structured interviews allow for a more individualized and engaging data-gathering approach, fostering rapport and trust between the researcher and the participants. Building a strong connection with participants is vital when investigating small-scale businesses (SSEs), which frequently work in close-knit and relationship-driven contexts. Allowing participants to communicate their opinions, experiences, and viewpoints in their own words fosters a fuller understanding of the phenomena under inquiry.

It also allows the researcher to delve deeply into complicated and varied issues, allowing for discovering emerging themes and unexpected discoveries (Smith, 2015). Semi-structured interviews allow researchers to delve into many elements of SSEs' use of AI-powered consumer insights for social media marketing (SMM), which requires overcoming various technological, organizational, and strategic hurdles. Semi-structured interviews allow researchers to uncover underlying motivations, decision-making processes, and contextual factors influencing SSEs' engagement with AI-driven SMM strategies and make adjustments during the interview to gain more insight.

Also, semi-structured interviews allow for data triangulation from numerous sources, including personal experiences, organizational viewpoints, and external influences (Guest et al., 2016). In investigating SSEs, which function within dynamic and continuously developing ecosystems, triangulating data from several sources is critical for capturing the complexity and unpredictability inherent in their interactions with AI-powered SMMs. In this semi-structured interview, researchers acquire insights from various stakeholders, such as business owners, managers, workers, and external partners, increasing the depth and breadth of the data collected. Furthermore, semi-structured interviews are practical and effective data collection methods, especially when participants may have limited time or resources to engage in lengthy or complicated research activities (Bernard, 2017). In analyzing SSEs, which typically operate under resource restrictions and time challenges, semi-structured interviews provide a flexible and accessible platform for interacting with participants.

3.3 Sample Selection and Recruitment

3.3.1 Defining and Identifying SSE Participants

Defining and selecting SSE (small-scale business) participants is essential to ensuring the study sample is relevant and thorough. Small-scale firms cover various industries, sizes, geographical locations, and operating features. As a result, establishing clear criteria for defining SSEs and using a systematic strategy for finding and choosing participants is critical. The European Commission defines SSEs as businesses with less than 50 workers and an annual revenue or balance sheet total of less than €10 million (Palmieri, 2007). Adhering to such criteria creates a clear framework for recognizing SSEs while maintaining consistency and comparability within the research population. Identifying SSE participants necessitates a multifaceted strategy that employs several channels and techniques. This might include employing company registrations, industry databases, trade associations, and networking platforms to build a pool of potential participants.

Targeted outreach measures, such as direct contact with business owners or managers, can assist in discovering prospective SSEs and promote involvement in the study project. To expand the richness and variety of the study sample, aspects other than quantitative measurements must be addressed. While size and turnover are important characteristics for identifying SSEs, qualitative factors such as the industrial sector, business model, geographical location, and digital maturity are also relevant. Including SSEs from various industries and operational settings allows for a thorough examination of the use of AI-powered customer insights for SMM across multiple business scenarios. The participants are also chosen based on their desire to participate in the research, and their excitement for innovation can improve the relevance and depth of the study findings. Engaging with SSEs who proactively implement technology-driven marketing solutions and are keen to share their experiences and opinions can provide valuable insights and improve overall study findings.

3.3.2 Data Sampling

Purposive or purposeful sampling was utilized in this study, which is a common qualitative research strategy (Guest et al., 2013; Saunders et al., 2019). In this sampling method, the researcher decides what purpose the participants will serve, and the sample is chosen based on the study's objective, the participants' purpose, and the researcher's knowledge of that specific group of participants (Bernard, 2013; Patton, 2002; Guest et al., 2013). Furthermore, because the investigated issue involves SSEs, the enterprises were chosen based on size, age, and growth stage. Finally, the selected SSEs must have implemented digital transformation and AI-enabled marketing structures or have only recently begun their digital age journey. According to these criteria, this study's sample comprises three Ghanaian small-scale businesses.

3.3.3 Case Companies

The study's sample consists of three Ghanaian SSEs that serve as the case firms. The interviewees are the founders/co-founders of the respective firms. To preserve the anonymity of the interviewees and their respective firms, the founders and case companies were assigned a new identification in the research.

Company Vendre is a Ghanaian SSE attempting to transform the care and beauty industry by making it accessible to everyone through its Internet and physical stores. Customers may obtain ready-made skin and care products, raw ingredients, cosmetics, formulation materials, and DIY kits through its solution. The firm was created in early 2010 and began digital marketing nearly immediately after two years of operation. The company's SMM operations include a mix of in-house and outsourced work. CEO V, the interviewee from Vendre, was actively involved in the company's digital transformation and technology-driven social media engagement.

Company Woodx is a Ghanaian SSE contributing massively to the wood and furniture sector. Customers may obtain anything made with or from wood from Woodx, from bottle holders to the sofa. The firm was created in 2017 and has since embraced digital transformation and digital social media marketing. CEO W, the interviewee from Woodx, is partially involved in the company's digital transformation and technology-driven social media engagement.

Company Yards is a Ghanaian SSE using its e-commerce platform to connect businesses to consumers. Unlike other e-commerce platforms, they create an avenue for anyone to sell, handle the delivery process, and facilitate the relationship between the two parties on the platform. Customers may obtain anything from the Yard's platform that is tailored to their geographical area. The firm was created in 2021 and has since embraced digital transformation and digital social media marketing. CEO Y, the interviewee from Yards, is fully involved in the company's digital transformation and technology-driven social media engagement, and he also serves as the firm's operations manager.

Detailed summaries of the case companies and the interviewees can be found in **Table 1**

Table 1. Summary of the case companies in this study.

Company	Industry	Years of Operation	No. of Employees	Served Market	Digital Transformation	AI Empowered SMM
Vendre	Beauty Industry	14	17	Domestic and International	Yes	Yes
Woodx	Furniture Industry	7	9	Domestic and International	Yes	Yes
Yards	E-commerce Industry	4	7	Domestic and International	Yes	Yes

3.4 Data Collection Procedures

This study's data were collected using semi-structured interviews. The interviews' primary goal was to identify similarities and differences between the three case companies in terms of flexibility for in-depth exploration and data standardization, making them ideal for investigating SSEs' nuanced experiences and perspectives on AI-powered customer insights and their application to social media marketing strategies. To collect data to complement the existing literature, it was necessary to interview businesses or CEOs making tough decisions daily. As these CEOs answered the questions based on the organizational or operational level, they also shared insights from a personal perspective, which gave dynamism to data collection. Though this activity was voluntary, they were forthcoming and engaging, which aided in a thorough view of the subject.

Two strategies were used to record the interviews for the study. Firstly, in all the interviews, I took notes of the participants' responses during the conversation. In addition, all the interviews were audio-taped with the interviewees' consent. Auditing the interview was done to obtain a complete and accurate interview record and to make sense of respondents' responses (Craike 2004). Although the audio recording of interviews is one of the easiest ways to retrieve information, Merriam (1998) suggests that, for ethical reasons, when a respondent prefers not to be audio taped, the researcher should look for another means of recording their conversation with their participants. Taking notes during the interview is a second means of recording if any interviewees decide not to allow their discussion to be tape-recorded.

3.4.1 Instrumentation Interviews

Interviews or intentional talks are considered one of the most essential forms of case study evidence due to their practicality and adaptability (Saunders et al., 2016; Yin, 2018). Non-standardized qualitative interviews are quick and versatile, making them a popular qualitative data-gathering approach among business and management academics seeking to characterize and explore a specific organizational issue from several perspectives (Cassell, 2015). Researchers can collect precise and informative primary data by crafting personalized interview questions around particular topics and assessing interviewees' explicit and implicit replies (Yin, 2018). As a result, interviews are an effective technique for researchers to collect data, as they allow access to material not available in written or published form and help simplify and validate data received from other sources (Cassell, 2015). Interviews are often categorized depending on the study's aims, and questions prompt the participants to think aloud, clarify, and build on their responses and comments (Saunders et al., 2016; Cassell, 2015). These interviews provide thorough, valuable, and rich data through fluid, natural, and engaging exchanges between the researcher and the participants (Saunders et al., 2016).

While semi-structured interviews are rigorous and precise in terms of specified intended themes, the sequence and language of questions can vary and be tailored to each interview (Creswell, 2013). Even though the interviews had a structure, they changed based on the interviewee and the various follow-up questions that arose for each instance. The main topics of the interviews involved background information

about the CEO and the case company; familiarity, understanding, role, importance, and benefits of social media marketing; AI integration in marketing; ethical concerns, the need or necessity for reskilling in the SSE from the CEO's perspective; and insights for the development of upcoming SSEs. The interview was designed to examine SSEs' flexibility, expertise, and use of AI consumer insights in social media marketing and to conceptualize and verify new concepts that arose during the process. Appendix 1 depicts the overall format of the questions asked during the interviews. The data were gathered through interviews with the CEOs of three distinct Ghana-based SSEs. To safeguard the participants' privacy, their identities and the names of their firms are not provided in the research; each case company is assigned a nickname. During the interviews, the themes of the study's theoretical framework were not revealed to the participants, so they could freely express their perceptions and strategies without any previous conceptions.

A detailed summary of the interviewees and their backgrounds is shown in Table 2

Table 2. Summary of demographic information on the interviewees.

Interviewee	Gender	Age Range	Educational Background	Working Experience	Experience as a CEO
Vendre	Female	36–43	Business Administration	15 years	15 years
Woodx	Male	28–35	Nursing	9 years	6 years
Yards	Male Industry	30–38	Computer science	12 years	3 years

The duration of each interview varied depending on the participant. Due to geographical restrictions, the interviews were scheduled and conducted virtually through Teams, a teleconferencing platform, between February and April 2024.

Table 3 summarizes more details of the interviews.

Company	Interviewee	Interview Length (in minutes)
Vendre	CEO V	55:22
Woodx	CEO W	48:02
Yards	CEO Y	51:28

3.5. Data Analysis

This study used a thematic analysis technique focusing on the inductive approach to analyze the qualitative data. The theoretical framework and research questions' specified themes used a descriptive

coding process to analyze and identify the underlying ideas, concepts, and assumptions included in the data. The thematic analysis approach was contemporaneous and iterative, with me assessing data as it was acquired, returning to earlier data, and analyzing it as I refined the categorization and coding of new data while looking for analytical themes. To simplify and speed up the data collection and analysis process. The interviews performed during the data collection were recorded using Teams. The audio from the interviews was transcribed into text using Microsoft Word software. After all the interviews were transcribed into text format, the resulting text from each interview was examined and analyzed to become acquainted with the data and develop a better grasp of the content and any evident trends.

During the qualitative data analysis, condens.io was utilized to categorize and arrange the data, making the study more accurate and reliable. Condens.io is a web-based qualitative data analysis tool that effectively categorizes and links data. The qualitative data was entered manually using the researcher's coded categories, which included the study questions and significant topics from the theoretical framework. Appendix 2 provides a detailed description of the overall structure of the data analysis employed in this study.

3.6 Reliability and Validity

The study's research design and methods will be explained in this part, along with its reliability and validity. Reliability and validity are generally accepted markers of a study's quality, consistency, and conclusion correctness. A study's dependability relates to its consistency and reproducibility. In other words, research is dependable if a study can be performed several times and provide the same results. The research is valid because it concerns whether the measures and methodologies utilized were suitable, and whether the analysis and results were accurate enough to generalize the findings. Saunders et al. (2016). In qualitative research, both the study's environment and the researcher are critical and can swiftly undermine the study's credibility and validity.

This is especially important when using semi-structured interviews for data collection; the researcher must remain ethical and unbiased to prevent biasing the respondents and skewing the study's conclusions in any intended way. Neither the interview themes nor the research questions were given to the participants, allowing them to express themselves freely and their experiences from their perspectives, devoid of preconceived notions about the study or the researcher. As a researcher, it is necessary to be as objective and self-aware as possible to avoid guiding the respondents in any way that would influence their replies to personal questions.

The data analysis and subsequent conclusions depend entirely on the transcribed data. External validity relates to the accuracy of data analysis and conclusions and the generalizability of the findings (Saunders et al., 2016). The purpose of this study, however, is to add to the limited understanding of SSEs employing AI consumer insights for efficient social media marketing, given the need for more research. More research must be conducted to generalize the study's findings correctly, but in diverse circumstances and with specific groupings of classified case firms. The study's primary goal is not to generalize the

findings but to expand current knowledge and establish a route for future research; the directions are covered later in Chapter 5.

3.7 Ethical Considerations

When researching small-scale companies (SSEs) and their interaction with AI-powered consumer insights for social media marketing (SMM), the highest ethical standards must be maintained to protect the participating organizations' rights, well-being, and anonymity. Ethical issues are critical to maintaining the integrity and credibility of the research process.

Before conducting any data collection operations, researchers must get informed consent from participating SSEs. This includes appropriately presenting the study's objective, methods, risks, and benefits to participants in a way that they can understand. Written consent forms should be supplied so SSEs can decide on their involvement. Furthermore, researchers should underline that participation is entirely voluntary, and participants can resign from the study at any moment without consequence.

The confidentiality of SSEs' information is critical to sustaining confidence and integrity in the research process. Researchers must guarantee that all data acquired from participating SSEs is kept strictly secret. This involves removing and storing any identifying information securely to avoid illegal access. Confidentiality agreements should be formed between researchers and participating SSEs to codify data protection procedures and reassure participants about their data security.

Given the sensitive nature of the acquired data, researchers must implement robust data security procedures to avoid breaches or unauthorized access. This involves implementing encrypted communication channels for data transfer, safeguarding data storage systems with access restrictions and encryption methods, and upgrading security procedures regularly to prevent emerging threats. By emphasizing data security, researchers may ensure the integrity and privacy of SSE information throughout the study process.

Maintaining a respectful and professional tone with participating SSEs is critical to creating a favorable study environment. In their contacts with SSEs, researchers should display empathy, attentiveness, and cultural sensitivity, responding to any concerns or queries promptly and openly. Researchers should maintain open communication lines and collaborate with participating SSEs, ensuring their views and opinions are appreciated and respected throughout the study cycle.

Depending on the institution's rules and the nature of the study, permission from an Institutional Review Board (IRB) may be required to guarantee compliance with ethical principles and regulations. Researchers should get the needed clearance before beginning any data-collecting operations and provide complete information regarding the research strategy, methods, and ethical considerations to the review board for examination.

Addressing ethical issues

To address these ethical issues, I first researched case companies to familiarize myself with the organization, I then sent out cold emails to introduce myself, communicate my intentions, and seek permission to conduct the research. Their official correspondence got back to me and communicated the

availability of the interviewees. I then met the various CEOs in a teleconference to briefly discuss the purpose of the study, and we finalized the individual days that the interview could be conducted. All the participants were made aware that their involvement in this research project was voluntary, and they also had the right to withdraw subsequently, without giving any reason, and their participation or lack thereof would not affect their academic work, and whatever they said would not be disclosed to any other person. None of the questions were disclosed to them to ensure the answers or feedback from the interviewees were neutral. I also ensured they were comfortable with the questions or answers demanded. Furthermore, I addressed all these ethical issues in the research by giving these companies and their CEOs code names for privacy.

3.8 Chapter Summary

Chapter 3 of the study project goes into the technique for investigating AI-powered customer insights and their influence on social media marketing (SMM) strategies in small and medium-sized enterprises (SSEs). Methodological concerns are critical in determining the legitimacy and validity of any research project. This chapter describes the research design, demographics, sampling strategy, data collection methods, data analysis methodologies, and ethical concerns used to create a clear framework for the study's execution and interpretation. The use of qualitative research techniques is warranted, given the nuanced knowledge necessary to investigate the integration of AI in SSEs' SMM tactics. Qualitative methods, such as in-depth interviews, provide a comprehensive perspective of complicated phenomena that quantitative approaches may miss.

Cultural variations and the importance of trust in emerging nations highlight the necessity for qualitative insights when tailoring AI technology for local markets and building customer connections. Semi-structured interviews emerge as the dominant data-gathering method due to their adaptability, depth, and capacity to establish rapport with participants. The reasoning behind this decision is extensively documented, underscoring the significance of knowing SSEs' experiences, motives, and contextual elements while implementing AI-driven SMM methods. The sample selection criteria for SSE participants are thoroughly established, assuring relevance and variety in the study population. Ethical concerns are essential to the study process, with safeguards to protect participants' rights, confidentiality, and data security. Informed consent, confidentiality, and professional behavior are all vital ethical principles. The data collection processes, especially semi-structured interviews, are outlined, emphasizing their versatility and usefulness in eliciting rich, context-specific insights from SSEs.

The choice of case firms and interviewers is justified, offering a thorough overview of the research sample's features. Data analysis approaches, such as thematic analysis, are used to uncover patterns, themes, and underlying concepts in qualitative data. The reliability and validity of the research design and methodology are discussed, focusing on transparency, consistency, and the study's contribution to growing knowledge in the field. Overall, Chapter 3 provides a core framework for the study project, assuring methodological rigor, ethical integrity, and validity while investigating the integration of AI-powered consumer insights into SSEs' social media marketing tactics. The thorough technique lays the groundwork

for generating significant insights, contributing to academic debate, and having practical ramifications in AI-driven marketing strategies for small enterprises.

CHAPTER 4

EMPIRICAL ANALYSIS AND FINDINGS

4.1 Introduction

This chapter presents the findings from the thematic analysis. The findings are divided into five main sections according to the study's research questions and the theoretical framework's themes. The first section of the chapter, which relates to RQ1, examines the CEOs' presentations of the potential concerns with digital transformation adoption for small-scale enterprises. RQ2, in the second section, examines the CEO's views and insights concerning the challenges faced in adopting and integrating AI consumer insights into social media marketing strategies. The third section, which relates to RQ3, presents the findings of the potential concerns with digital transformation adoption for small-scale enterprises. RQ4 presents the findings on the possible long-term impacts of using AI-powered customer insights on the overall success of SSEs in the digital landscape. The fourth section, which relates to RQ4, discusses the security and ethical measures in line with using AI-powered consumer insights. Finally, the fifth section, associated with RQ5, sheds more light on the need for training and development to utilize AI-powered consumer insights fully.

4.2 Potential Concerns with Digital Transformation for SSEs

To find answers to **RQ1**: "What are the potential concerns with digital transformation for small-scale enterprises?" The interviewees were asked to define digital transformation and explain their familiarity with it and its impacts on social media engagement. The general sentiment displayed when analyzing the interviewees' perception of digital transformation with the case companies in this study is that DT is indeed related to using digital-based tools and services that are very useful for the daily running of the business. It can be deduced and concluded that the insights gathered align with the literature, which indicates that digital transformation is not just about implementing new software or systems; it is a holistic approach that affects every aspect of a business, reimagining processes, retraining employees, and rethinking strategies to leverage the power of digital technologies. CEO Y describes her perception of digital transformation:

"is automating all activities using the electrical gadgets you have around you. I am talking about using your phones, tablets, and laptops, your ability not to go and move some complex file somewhere, and flipping through thousands of pages before you look for something. That is digital transformation, in a nutshell." - CEO Y

With all the interviewees giving similar perceptions and views on DT, CEO V chipped in a new idea, diverting a bit from the perspective of just the use of digital tools but highlighting the paradigm shift about the evolution caused by DT:

"Okay, so the world is changing, the business space is changing, and everything is changing. Moreover, one thing that is making the way is using advanced digital tools and methods to be more efficient at work, and that is digital transformation." - CEO V

Setting the stage, understanding the CEOs' views on DT, and identifying the potential concerns or issues are very important for the analytical framework of this study to draw the line between the positives

and shortcomings of DT and SSEs. CEO V and CEO W present a dynamic view of how internal factors such as scarce resources and resistance to change impede DT's successful transition and adoption. It is also interesting to note that the concerns are not only internal but external factors or role players, as well as a concern for digital transformation, as indicated by CEO Y:

"The transformation is ongoing, and the team adjusts daily. The greatest challenge is financial constraints. We already operate under a budget, so introducing a new cash outflow system is tough on us. Data privacy is another big deal we are dealing with, as it is vital to handle all pieces of information with the same value and respect." -CEO W.

"We need to get everybody up to speed. Everybody needs to understand the new change. Everybody needs to be involved in the new change. This comes with training; it comes with spending money. Moreover, the change is difficult. Naturally, human beings react to change. We do not accept things because everybody is doing it. So we accept it. It takes time. However, so far, the problem is money, the change." -CEO V

"You need to adapt and adjust anyhow. I will not say it has been easy; even though we have been around for a long time, I will not say the transformation has been easy. It has been challenging, and we are trying our best, adjusting, and adapting. However, we have some things that are underlined when it comes to resources. Okay, as an organization, we already have plans, budgets, things we focus on, and goals we want to achieve, but we must make way for these new developments. This is tough and draining for us." - CEO V.

"Our challenges or concerns are not in-house. The challenge has to do with dealing with third parties. People we work with are still in the early stages of adopting or even integrating these new tools, making it very difficult for us to function effectively." - CEO Y.

With the diverse views and concerns raised by the various CEOs, the need to see the positive side and embrace both long and short-term goals to remain relevant in the concentrated digital market space has also created the need for these organizations to come up with strategies that can help in effectively capitalizing on the benefits of digital transformation while striving towards positive social business and consumer engagements. Change and adaptation are fast-paced, but these CEOs couldn't agree less on the need for strategic planning and relevance, putting people at the center of this high-performance chaos. As the reliance on this advanced age is critical and available, it is significant to ensure no one is left behind, as it affects the full integration or even handling of the fundamental concerns with DT, as indicated by CEO W:

"We have learned the importance of human capital. Sometimes, these tools and software can make everything so simple that we quickly forget the critical view and mindset of the real people we are working with. Regardless of efficiency, the people factor is always crucial for growth. Also, this change is a continuous learning phase; you start today and stop tomorrow, which does not work. The tools made available to us a month ago have been upgraded, or a better version has been introduced, so you must move at the same pace"- CEO W.

"As a 100% tech-based company, I will be frank with you. Digital transformation and social media marketing all take time. Greater will be achieved after a few ups and downs." - CEO Y

There is already a lot at stake with the evolution of DT. Still, SSEs don't have much choice but to adjust and adapt, as CEO V also included that as a firm before transitioning and not just by following the crowd, *“you don't need to run because everybody is running. You have to let things work as you understand, and that's how you can go. And number two, you have to start small. You don't have to do full automation because your competitor is doing that because you do not know their competitor's competitive advantage.”* - CEO V

Examining potential concerns about digital transformation for small-scale enterprises (SSEs) is a vital step in understanding the current dynamics of corporate operations. As the digital landscape evolves, SSEs increasingly face complicated problems and possibilities when implementing digital technology. This essay synthesizes the proposed findings from interviews with SSE CEOs, bringing to light their issues and perspectives on digital transformation and making ideas to address them. The findings reveal a sophisticated awareness among CEOs of digital transformation (DT) and its implications for SSEs. Analysis of the interview responses revealed that DT represents a comprehensive reworking of organizational processes, worker dynamics, and strategic perspectives.

CEOs see DT as a catalyst for efficiency improvement, as evidenced by the incorporation of digital tools and procedures into daily operations; nonetheless, amid the excitement around DT, issues emerge, both internal and external, that represent substantial barriers to its deployment. CEOs complain internally about resource limits and organizational lethargy. Financial limitations are a significant hurdle to accelerating the transition to digital platforms. Budget allocation and priority realignment are critical to overcoming financial hurdles.

Resistance to change in the workplace demands thorough training programs and change management tactics. Human capital is identified as vital, emphasizing the importance of cultivating a culture of constant learning and flexibility. Externally, CEOs need help from third-party stakeholders who need to be more active in adopting digital tools. Interfacing with traditional partners and suppliers increases operational friction, making seamless integration difficult.

Data privacy and security worries emphasize the importance of robust legal frameworks and ethical principles governing digital operations. With these obstacles, CEOs have agreed on the importance of strategic foresight and agility. Embracing short-term and long-term goals is necessary to traverse the dynamic digital landscape. Strategic planning, focused on human capital development and stakeholder involvement, emerges as a critical component for long-term digital transformation.

4.3 Challenges SSEs Face in Adopting AI-Powered Customer Insights into SMM

The second section of this chapter provides the findings of the interviewees' challenges in adopting AI-powered consumer insights in effective social media marketing. This section aims to gather findings to answer **RQ2**: "What are the current challenges SSEs face in adopting and integrating AI-powered customer insights into their SMM strategies?"

The expansion and use of AI in almost every sector is one definitive factor that calls for a broad understanding of how this technology can impact the social media marketing space, which today serves as a secondary hub for businesses.

The main focus of this section is to identify the reasons behind specific platforms used by individual companies, the SMM strategies employed, the perception of AI, and the challenges involved in adopting AI in SMM. This will create an avenue to access any alignment with the academic literature and practical representation. For this reason, the CEOs' were asked to share insights on the organizational level based on their social media engagement structures, challenges, and practices.

As indicated, small-scale enterprises always have to deal with challenges; therefore, any investment requires strategic planning and critical reasoning. Although the literature emphasized the need for more financial resources, the interviewees perceived the lack of skills as challenging.

Today, the digital space is a world on its own, with diverse social media platforms representing preferences. The reason for being actively engaged on Facebook or Instagram differs for every business. Though the CEOs agree on the necessity of social media engagement, CEO Y shares his view on why the type of content significantly influences the medium you use.

Other CEOs also point out that your actual or potential clients also play a role when selecting a channel. *“Social media marketing is one of the tools we use to market our brand as a growing company. When looking at content-based, let us say, for instance, that we want to write extensively about that text base for or to a particular product. We use Facebook because it is known for being content-based. If we want to promote more images, we use Instagram more.”* - CEO Y.

“We just decided to stick with maybe Facebook and Instagram because most of our clients are there.” CEO V

“We communicate exclusively through Facebook and Instagram. Most of our clients engage on these websites, but other platforms are also useful; LinkedIn fosters business-to-business relationships, while the other two channels largely serve business-to-consumer demands. However, this idea must still be adjusted; we take advantage of opportunities as they arise.” CEO W

As social media is commonly used by businesses to communicate about their offerings, analysis of the responses of the CEOs indicates that these companies' SMM strategies focus on creating engaging content, building brand awareness, fostering community engagement, and driving traffic to their website.

“We have moved beyond just building followers and likes. We have moved into more brand awareness and product awareness.” CEO Y included it as another way to remain relevant in the saturated market.

Beyond generating highly engaging content graphics and facilitating conversations, AI plays a vital role that could only be afforded by cooperation decades ago. With this enormous advantage, CEO Y fears needing another person to recheck the relevance of the available AI-powered consumer insights. He further explains, *“These resources generated can be beneficial when the right feed or prompts are given, and even a qualified person is accessing them. You get any of these wrong; you are looking at breaches of the data policies and*

wasted resources.” - CEO Y. The other CEOs also agree with the generic nature of the information and the undeniable cost involved in accessing and managing it. As predicted, these organizations are not equipped or trained to utilize this raw data effectively. *“We have generated a lot of data from our feeds and engagement, but that information is just there, and we are still making decisions based on the old methods because this is new and unpredictable to us.”* - CEO V.

Although the challenges faced by small-scale enterprises in incorporating AI-powered customer insights into their social media marketing strategies are numerous, it is clear that the potential benefits of leveraging AI in SMM are significant, with opportunities for increased engagement, brand awareness, and market relevance. As the digital landscape evolves, integrating AI-powered insights will be critical for remaining competitive and addressing customers' changing needs in the social media space.

4.4 Long-Term Impacts of AI-Powered Customer Insights on SSE Success

Section three provides insights into the long-term impacts of AI-powered consumer insight on the success of an organization in the digital space. This section addresses the question, **"RQ3: What are the potential long-term impacts of using AI-powered customer insights on the overall success of SSEs in the digital landscape?"**

The previous sections discussed individual CEOs' various initiatives to embrace digital transformation while taking advantage of the AI tools' efforts to understand and segment the consumer markets in which they individually operate. With countless merits and demerits present in these insights, it is necessary to assess the long-term impact on the company and weigh whether the investment value is equal to the returns. Analyzing the feedback from the interviewees, it can be deduced that efficient market segmentation, improved consumer feedback systems, and overall business success are the anticipated impacts of AI-powered consumer insights on individual organizations. Understanding the correct target demographic and trends is critical; CEO V stated, *"It was a tremendous struggle at first, and we are still learning, but we anticipate a bright future with the available knowledge. For example, those who follow us on social media and visit our websites may not buy our products. Our purchasing customers vary slightly from, say, our social media following. Initially, we were unaware of this, which influenced our client personas."*

Finding the right target audience is critical, since a marketing strategy or investment is only worthwhile if the target audience is adequately identified and targeted. This is a recurring theme across the example companies. A lack of apparent results from targeting the wrong audience can lead the CEO to dismiss their marketing plan as ineffective or a waste of resources. Most businesses exist to increase shareholder value while providing value for their client base. Not being able to communicate or resolve differences with clients affects not only sales, but also the brand image and reputation built over time.

The ability to bond with or have close relationships with customers is formidable, primarily when operating in a larger market. When it happens, the two parties have to make do with what is offered, which is usually detrimental to the business. *"Initially, we replied to all complaints, posts, and reviews on only*

Saturdays, which our customers didn't appreciate. So, we updated our website in January with a feedback chatbot that has access to only the primary data of our clients. Reviewing the work it did over the weekend was breathtaking and unique. These consumer insights were necessary for the bot to be like any other one. These insights are revamping our whole feedback system and mechanism.” CEO Y commented that the future of AI-powered consumer insights is not just for marketing; it has crossed the threshold, allowing small-scale businesses to have real connections with their clients even if they are away from the screens. The known underlying constraints when it comes to the operations of small-scale enterprises are limited resources and the inability to meet market needs.

With many active giant market players, the ability to innovate swiftly and sensitively is something you cannot temper. Access to the client's specifications brings homogeneity to the whole production line. CEO W explained, *” You can have good products, but if the supply chain system is weak, you will always make what no one wants, or nobody will offer you a premium price. With AI's impact on consumer insights, we have launched products we thought of introducing in 2027, which our clients love. Today, our production and research departments rely on this data to innovate.”*

4.5 Ethical Considerations Associated with AI-Powered Customer Insights in SMM

The vast amount of data generated and shared by users across these platforms is essential to the success of social media marketing. Every click, like, share, and remark contributes to an extensive repository of user-generated content, which serves as a goldmine of data about consumer behavior, preferences, and trends. This data's sheer volume and complexity make it challenging for SSEs to extract meaningful insights and patterns from the digital noise. Amidst the promise of AI-driven customer insights, an ethical problem emerges. Using artificial intelligence in social media marketing raises important questions about privacy, transparency, fairness, and accountability, needing thorough analysis and debate.

As SSEs utilize AI algorithms to scan through enormous amounts of user data and build tailored marketing strategies, they must deal with the ethical implications of their actions and strive to uphold principles of responsible and ethical practice. Exploring the ethical considerations related to AI-powered customer insights in social media marketing becomes critical, as does investigating the ramifications for the case companies. This section critically examines the following question: ***”RQ4: What ethical considerations are associated with using AI-powered customer insights in SMM?”***

All the interviewees agreed on the need to effectively manage and guard the usage of the sensitive information made available through various mediums. CEO Y of Yards stated that to ensure practical usage and management of information, the security department meets twice a week maximum to be abreast of the newest trends and ensure ethical data security. To also uphold ethical data security, the data available is categorized into sensitive and non-sensitive categories, each with only a limited number of users accessing it. Turning a blind eye can cause harm to clients, just as it can harm you as a business owner. Two of the

CEOs' agreed they have less knowledge about data security; therefore, they employed third parties' services to ensure the data they have is safe and used for the relevant purposes.

Another consideration identified during the interview was creating an environment to eliminate the AI black box and ensure fairness. Addressing bias and fostering fairness are critical to guaranteeing ethical AI deployment in social media engagement, as well as openness and accountability. These businesses can reduce the risk of discriminatory outcomes while upholding fairness and equity ideals by proactively addressing biases in training data, algorithm design, and marketing strategy. By cultivating a culture of diversity and inclusion, SSEs can leverage AI's transformative power to design marketing campaigns that resonate with various audiences and contribute to constructive social change.

"It is always important to verify or second check the data provided by AI. It is not to say the information is bad or irrelevant, but you need to be sure if this is general data sampled or just sampled regular information." - CEO V

The CEO of Yards also mentioned that it is imperative to have an organization where diversity and fairness are at the center of its operations; if not, it will be complicated to manipulate and effectively utilize AI consumer powdered data. *"This information we have is directly from consumers, and there's always a 70% chance of winning if relied on. We have a product where we noticed our clients preferred buying from vendor B because of the vendor's complimentary offer. Vendor B offered the product as a premium, while Vendor A offered it at the regular price. Logically, promoting vendor B will benefit both parties, but what happens to A? After analyzing the data from vendor A, we found that there were untapped opportunities in the shop. In the end, everybody won. Sensitivity and fairness are key if you want long-term growth with these improved tools."* - CEO Y. Most businesses celebrate success as they penetrate international markets, as it creates avenues for market growth, expansion, and access to foreign direct and indirect investments. This growth can be turned into a competitive advantage or sustained when the firm is culturally sensitive and diverse.

One of the most challenging issues in developing cultural sensitivity in AI-powered marketable consumer insights is the diversity of social and cultural norms across different locations and communities. Therefore, the users of the information need to understand the needs of the market and the information provided to use it effectively. *"Not everything works everywhere. Our leather products sell very well in the south but barely in the north. From the data available, we linked it to the economic status of the buyers, but rather, the colors used were the number one problem."* - CEO Y

AI-powered customer insights in social media marketing raise many ethical issues that must be carefully examined and debated. Businesses must traverse a complicated terrain to maintain responsible and ethical behaviors, ranging from privacy and transparency to fairness and accountability. CEO interviews highlight the need for competent data management, security systems, and diversity initiatives to maintain ethical standards. Businesses may use AI's revolutionary potential to build marketing strategies that engage with different audiences while contributing to positive societal change by addressing bias, supporting fairness,

and embracing diversity. Ethical issues must remain at the forefront of AI-powered marketing tactics for them to be successful and sustainable in a continuously changing digital context.

4.6 The Role of Training and Development in Utilizing AI-Powered Customer Insights for SMM

The ability to adapt, adopt, and grow is built around the existence of knowledge and relevant support systems. In the changing digital landscape, social media marketing (SMM) has become essential for small-scale companies (SSEs) to reach customers and grow. The success of SMM is dependent on knowing customer demands and preferences. Artificial intelligence (AI) emerges as a formidable friend, allowing SSEs to extract important customer insights from social media data. Due to limited resources and experience, small businesses frequently require assistance efficiently exploiting AI-powered customer insights for social media engagement.

To fully unlock the potential of AI powdered consumer insights and foster growth, there is a need for continuous training and development for SSEs'. This section seeks to answer **RQ5**: How can training and development help SSEs utilize AI-powered customer insights for SMM? In the case of the interviewees, they are experiencing slow growth in the effective use of consumer insights due to lack of skills. Even with the identified need, the CEOs' expressed their fears in line with the suitability of their respective organizations. If they were to rely on in-house development and design, there is no framework to serve as a guide.

“Myself and the team could be grateful to have an informal plan to help us use these insights, but unfortunately, the ones available online are more generic, and we feel they do not serve our full needs.”

CEO V

“Dealing with this data is more draining, so I think these training sessions should be engaging and flexible to create interest.” CEO W

While the CEOs are in agreement about the greater importance training and development can bring to the organization's adaptability and usage of AI insights, the Yards company talked about in-house unofficial training organized by the security department, for which they have seen some positive results, especially with the categorization of the mass data at their disposal. Training and development activities tailored to SSEs are critical for leveraging the full potential of AI-powered customer insights in SMM. These programs provide organizations with the necessary skills and resources to handle the complexity of the digital domain efficiently. SSEs can respond quickly to market changes by improving adaptability and maintaining long-term competitiveness.

These efforts promote growth by allowing SSEs to seize new possibilities and innovate their marketing methods. In the dynamic realm of social media, where trends change quickly, using AI-driven insights provides SSEs with a competitive advantage. Targeted training allows SSEs to improve their existing SMM efforts and future-proof their operations against technological disruption. Finally, investing in personalized training and development efforts is an investment in the long-term success and resilience of SSEs in the digital age.

4.7 Chapter Summary

This chapter summarizes the thematic analysis results, focusing on the research questions and themes defined by the study's theoretical framework. It meticulously dissects the various facets of digital transformation and AI integration within small-scale businesses (SSEs), as revealed via CEO interviews. The discussions are divided into five key areas, each addressing distinct issues and opportunities SSEs face in the digital context. For instance, one of the challenges identified is the need for significant organizational changes, such as strategy revision and extensive people training, to implement digital transformation effectively. On the other hand, an opportunity highlighted is the potential for increased efficiency and market expansion through digital transformation.

The first section of our examination delves into the perspectives of CEOs on digital transformation for SSEs. Their insights from interviews underscore that digital transformation is about adopting new technologies and redesigning business processes. CEO Y defines digital transformation as automating ordinary operations using accessible digital tools, while CEO V sees it as a substantial paradigm shift toward more advanced digital approaches. These viewpoints, supported by scholarly literature, highlight the need for significant organizational changes for effective digital transformation. The debates also reveal that while digital transformation promises increased efficiency and market expansion, it is hindered by resource shortages, budgetary limits, and opposition to change. CEOs V and Y note external hurdles, like responding to rapid technological changes and managing third-party partnerships, in addition to internal impediments. Strategic planning and sufficient resource allocation are crucial for overcoming these challenges, implying that SSEs must balance short-term modifications and long-term strategic goals.

The second segment focuses on SSEs' challenges when adopting and incorporating AI-powered customer insights into social media marketing campaigns. The CEOs identify several barriers, the most significant of which is the complexity of AI technologies. This complexity necessitates extensive training and a strategic shift in conventional marketing frameworks. SSEs with limited access to consumer data face a massive barrier to efficiently training AI systems, adding to the complexity. Furthermore, the financial expense of implementing AI systems and organizational resistance to adopting new technology represent significant impediments. These findings, supported by scholarly studies, imply that for SSEs, the path to exploiting AI in marketing requires financial investment and a cultural shift toward embracing digital innovation.

The third section discusses the long-term consequences of AI-powered consumer insights, arguing that, despite the hurdles, judicious use of AI in SMM can dramatically improve market segmentation, customer engagement, and overall business success. CEOs highlighted that AI insights have allowed for a better understanding of consumer behavior, which has been critical to improving marketing tactics and product offerings. This long-term benefit demonstrates AI's ability to enhance immediate marketing outcomes and contribute to long-term corporate growth and adaptation in the digital age.

The fourth segment focuses on ethical considerations when using AI in SMM. The interviews highlight significant concerns about data privacy, potential bias in AI algorithms, and the overall need for transparency and responsibility in AI implementations. For instance, data privacy concerns could arise from collecting and using consumer data for AI-powered insights. Potential bias in AI algorithms could lead to unfair or discriminatory outcomes. The overall need for transparency and responsibility in AI implementations underscores the importance of clear communication with consumers about their data use and the ethical principles guiding AI use. AI tools must be utilized responsibly and per legal requirements and ethical norms to address these concerns. Robust frameworks and continual attention are necessary to ensure ethical AI use.

Finally, the impact of training and development on utilizing AI-powered consumer insights is discussed. The findings emphasize the need for focused training programs to bridge the skills gap and cultivate a corporate culture open to digital and AI breakthroughs. For instance, training programs could focus on developing skills in data analysis, interpretation, understanding, and using AI tools. The existence of an organizational culture that motivates employees to assess, adopt, and adapt new technologies can foster digital and AI breakthroughs in a company. Training and development are about more than technology adoption; they are also about developing a workforce that can effectively navigate and leverage the digital landscape. This is crucial for SSEs to harness the potential of AI-powered consumer insights fully.

The chapter shows the importance of strategic planning, ethical considerations, and ongoing training for SSEs.

These are not just recommendations, but important steps for SSEs to navigate the digital transformation and AI integration hurdles. The findings from CEO interviews and scholarly research provide a comprehensive understanding of the difficulties, opportunities, and strategic imperatives facing SSEs. They highlight that strategic planning, ethical considerations, and ongoing training are beneficial and essential for SSEs to adapt and thrive in an increasingly digital business environment.

CHAPTER 5

DISCUSSION AND CONCLUSION

5.1 Introduction

This chapter summarizes the study's principal findings for each research question and theoretical framework subject. The primary research issue and study findings are addressed by presenting the essential conclusions of each question and their relevance to the academic literature. The managerial consequences and theoretical contributions are discussed as well. The conclusion includes a discussion of the study's shortcomings and recommendations for further research.

5.2 Summary of Findings

To conclude the study, an analysis of all findings based on the research questions posed presented the findings of the five themes corresponding to the study's theoretical framework.

5.2.1 Concerns with Digital Transformation

For small-scale enterprises, digital transformation is a double-edged sword. While it promises more efficiency, market expansion, and higher customer involvement, it also presents significant difficulties for the viability and success of these businesses. The study underscores a common challenge across SSEs: more resources, particularly financial and technical capabilities. The initial financial investment and human training required for new technologies often act as significant barriers, echoing the capital outlay challenges that small businesses face during digital transformation.

This finding aligns with the research of Brynjolfsson et al. (2014), who demonstrate that the high cost of technology implementation can deter SSEs from embarking on digital transformation initiatives. Strategic planning and resource allocation are crucial in overcoming these barriers.

CEOs have highlighted the technical challenges of integrating new digital tools with existing systems, a significant concern that could impede digital transformation. This underscores the broader issue of digital literacy and the availability of technical expertise within small businesses, a topic extensively addressed in the literature. Stromquist (2019) concurs, noting that a lack of in-house technical knowledge could hinder or even derail digital transformation efforts.

Overcoming resistance to change is a crucial and empowering step toward effective digital transformation, underscoring the pivotal role of leadership in this process.

The report also found that CEOs and even existing SSEs are concerned about their ability to handle the security risks associated with adopting digital technologies, particularly those involving data analytics, consumer-sensitive information, and online customer interactions. CEOs were particularly concerned about data breaches and the loss of customer trust. Due to their lack of technical expertise, they consistently underestimate their capacity to influence and even lead others to embrace change.

Finally, the study discovered that most SSEs rely on short-term plans because obtaining results quickly and restarting the entire operational cycle is easier. This method of operation consistently results in a strategic misalignment between digital transformation goals and business objectives. DT cannot be completed in a single day or on short-term plans. Integrating it into SSE wastes resources and delays accomplishing business goals.

5.2.2 Challenges of adopting AI-powered consumer insights

With disruptive technological innovation, small-scale enterprises have no choice but to invest and be partakers of the trend for effective social media engagement. With the availability of diverse tools, methods, and strategies, either free or paid, for setting the stage to access AI-powered consumer insights to enhance their social media marketing (SMM) strategies, they encounter several issues that complicate the adoption and effective integration of these advanced technologies into existing marketing strategies and organizational routines. Drawing from the experiences shared by the CEOs and a review of existing literature, this section tends to present the study findings of the second research question: *"What are the current challenges SSEs face in adopting and integrating AI-powered customer insights into their SMM strategies?"*

The primary challenge identified in this study is the ability to comprehend and effectively implement AI tools. This challenge is not limited to CEOs with non-technical backgrounds, but also affects those with technical or digital literacy. The complexity of AI systems often requires extensive training, which can lead to resistance among staff unaccustomed to these technologies. This lack of in-house expertise and leadership model is particularly pronounced in SSEs, where resources for extensive training are limited.

A practical example of the challenges in AI implementation is its integration into existing marketing plans or frameworks. SSEs have invested their scarce resources to create systems that they can build their social engagement on.

However, modifying these systems to fully leverage AI's capabilities often requires not only technical adjustments but also a strategic rethinking of marketing approaches.

Building an effective social media engagement plan or strategy relying on AI-powered consumer insights requires a large, relevant, and non-biased dataset. The unavailability of this quantified data is a significant concern, as indicated by one of the CEOs, and it impacts the whole marketing plan as you might end up relying on assumptions that can be detrimental to the marketing plan, process, or even investment in the adoption of AI-driven consumer insights (Bughin et al., 2018). Also, with most SSEs being at the early stage of adoption and the integration of digital solutions, concerns about data privacy and securing customer information further complicate data collection efforts.

Another major challenge found during the study is the cost constraints attached to learning, purchasing, training, implementing, and maintaining AI systems, which can be prohibitive for many SSEs. This cost can range from a subscription to an AI-driven consumer insights generation tool, servers for storage and easy access, and even training the organization on utilizing the new service or tools.

An important discovery made during the study is how employees objectively reject the integration of AI solutions for fear of losing their source of livelihood. This human instinct is natural and can destabilize the organization and even the credibility attached to the information made available by AI consumer insights. One of the CEOs illustrated that overcoming this brewing canker in an organization's relationship to adopting AI solutions requires not only education on the benefits of AI, but also a model demonstration of how AI can augment their roles rather than take over.

To conclude, the regulatory landscape concerning AI is still evolving, which creates uncertainty for businesses attempting to implement these solutions. As indicated by a CEO, the challenges of navigating the ethical implications of using consumer data are a concern that is increasingly highlighted in discussions on AI governance and ethics (Saravanakumar & SuganthaLakshmi, 2012).

5.2.3 Long-term impact of AI-powered consumer insight

Integrating AI-powered consumer insights into the social media marketing (SMM) strategies of small-scale enterprises (SSEs) holds transformative potential for their long-term success in the digital landscape. This section looks into how these advanced technologies might shape the future of SSEs based on the interviewees' perceptions and available resources. It also presents the discussions and findings in relation to answering the third research question, *"What are the potential long-term impacts of using AI-powered customer insights on the overall success of SSEs in the digital landscape?"*

In exploring the long-term potential impacts of AI consumer insights on SSE for overall business success in the digital space, the ability to understand and effectively engage with consumers is one of the potential areas. Businesses exist to provide goods and services for their actual and potential customers to maximize shareholders' interests. The ability to have insights into what clients want, how they want it, when they want it, and the quantity they want is a winning situation for both role players. As SSEs rely on these insights, they give birth to product innovation and development as they become aware of what the market needs. During the study, one of the CEOs confirmed that their offerings in the market from the COVID-19 outbreak until today were created and presented to the market based on consumer-generated insights (Lu et al., 2022). This is an accurate indication that AI solutions can serve as a platform for SSEs to innovate while being conscious of the underlying circumstances. Though these AI solutions are in the early stages of operation in the SSEs, the CEOs commended their ability to tailor marketing campaigns that resonate more effectively with their target demographics. They also anticipate a digital revolution in the marketing environment, as this capability can lead to deeper customer relationships and increased loyalty, which are crucial for sustained business growth.

Accenture, 2023, further contributes to our understanding by highlighting the commendable ability of AI to effectively analyze complex consumer data with the right prompts. This has a greater possibility of transforming marketing strategies into highly personalized customer interactions that drive engagement, sales, and sustainable growth. With the number one defined constraint of SSEs and financial difficulty, these AI solutions show a path where there will be a reduction in cost in curating content and offerings and

understanding the market. This is a significant benefit compared to the existing manual interventions in operations. It can also be concluded that AI-powered consumer insights will not only impact social media marketing but also create an ecosystem where operational agility can be adopted and improved by even small organizations (Pellegrino & Abé, 2023).

The need to grow and expand is vital for the existence of every business, regardless of the stage or product cycle. From the interviewees' perspective for the study, AI-powered insights have opened new market opportunities by identifying untapped customer segments and emerging market trends. This provides a possibility for SSEs to innovatively expand their market reach and adapt to changes more swiftly than competitors who do not utilize such insights. This insight can be seen as a competitive advantage for SSEs, who are mostly not regarded as direct competitors for cooperation.

Investing \$1000 in a paid advertisement involves performing practical risk analysis and a thorough strategic decision-making process. This process can sometimes drain both management and resources. In the long term, using AI for consumer insights can improve decision-making processes, reducing risks associated with market expansions and new product introductions. The CEOs' experiences with AI solution usage have great potential as they predict potential market failures and consumer behavior changes, and having such information at hand helps make informed strategic decisions.

5.2.4 Ethical considerations

The use of artificial intelligence in today's operations has been subjected to many ethical questions, particularly when it involves access to individual personal data. This aspect is prone to security concerns, which is another issue under scrutiny. Integrating AI-powered customer insights into social media marketing strategies introduces a range of ethical considerations that small-scale enterprises (SSEs) must navigate. These considerations are not just important but crucial for maintaining trust, protecting consumer privacy, and ensuring fairness in automated decisions. The gravity of these considerations cannot be overstated. Drawing insights from the study, this discussion answers the fourth research question: *'What ethical considerations are associated with using AI-powered customer insights in SMM?'*

A fundamental ethical concern is consumer data privacy utilized in AI systems. One of the CEOs explained that balancing data collection for insightful AI analytics with the obligation to respect consumer privacy rights is a concern. The school of thought underscores that SSEs must ensure robust data protection measures are in place and that consumer data is collected, stored, and used in compliance with privacy laws such as GDPR (General et al.), which involves obtaining explicit consent from users whose data is being collected, providing transparency about how their data will be used, and allowing consumers the option to opt-out quickly. (Accenture, 2023).

Another significant ethical issue is the potential for bias in AI algorithms, which can lead to unfair treatment of specific consumer groups. It is essential to audit AI tools to ensure they do not perpetuate existing biases or create new ones, as a CEO elaborated on how this almost caused them to create a particular negative perception about one of their target markets. SSEs must strive to implement AI systems

that are as unbiased as possible by using diverse datasets and regularly reviewing AI's decisions to ensure fairness. Emphasizing the importance of diversity in AI datasets can help the audience feel the necessity of this action for ensuring fairness and avoiding bias.

Consumers, often prompted about their data being collected for advertising purposes, are increasingly demanding a higher level of transparency and communication. This is particularly crucial in relation to how these insights are used and their influence on marketing decisions. Fostering effective transparency not only helps build consumer relations but also encourages consumers to provide more accurate information, rather than generic feedback. Once they understand that their input can directly impact their next purchase, they are more likely to engage. This was emphasized by one of the CEOs, who highlighted the potential harm to consumer trust and loyalty if these data privacy concerns are not addressed promptly.

In addition to building long-term relationships and a supportive brand image, ensuring that AI systems are explainable helps clarify decision-making processes and mitigate mistrust or potential misunderstandings.

The consumer insight AI provides can be valuable for the routine scheduling of social media engagement. However, it becomes a problem when these solutions serve as the only guide for decision-making. Over-reliance on AI-powered consumer insights, such as using them as the sole basis for marketing strategies, creates an ethical issue that prevents organizations from effectively utilizing the rest of the resources made available to them. Making decisions based on a single source of information can be detrimental to the organization, as it may lead to a narrow perspective and missed opportunities.

5.2.5 Impacts of training and development

Today's technological evolution is destructive and new to all its benefactors. The only way to understand and use it effectively is to be trained and ready to adopt the new system. As with SSEs, it plays an essential role by enabling the effective utilization and integration of AI-powered customer insights to enhance their social media marketing strategies. This section discusses the study's findings, combining the interviewee's perspectives and analyses presented earlier. The section answers, *"How can training and development help SSEs utilize AI-powered customer insights for SMM?"*

From the study, it could be concluded that one of the primary barriers to adopting AI in SMM efforts was the lack of technical expertise within the team. Only the CEO or marketing understands that these AI solutions are not enough for the digital technologies' adaptability for the organization. Less formal training programs that upskill employees in AI functionalities and data analytics can bridge this gap. A team of informed and equipped personnel enhances the effectiveness of marketing campaigns through more precise targeting and personalization.

Apart from equipping the team with this training, it can also serve as a tool to encourage innovation by exposing staff to the latest trends and technologies in AI and digital marketing. Companies that have training programs in place boost the rate at which the team is more energized and involved in identifying

diverse ways AI solutions can aid the general operations and success of social media engagement. Continuous learning environments foster a culture of innovation critical for keeping pace with digital transformation and competitive markets.

Training and development programs or activities can contribute to an organization's flexibility and strength. The modern world features fast technological changes, and new tools and algorithms alter marketing continuously. Smith et al., 2012 argued that. State that well-trained employees are more flexible and ready for change, hence making the business grow and resistant

5.2.6 Anticipated future

The digital transformation landscape, particularly integrating AI-powered customer insights into social media marketing (SMM), presents an intriguing frontier for small-scale enterprises (SSEs). As these enterprises continue to navigate the evolving digital terrain, the anticipated future of their marketing strategies appears poised for transformative shifts. This essay delves into how the strategic adoption of AI can redefine the trajectory of SSEs in the digital economy, drawing on empirical insights from CEOs of pioneering businesses and the expansive body of existing literature.

SSEs' journey into the digital future is fundamentally anchored in their ability to harness AI-powered tools to enhance customer insights. This capability will refine their marketing precision and offer a deeper understanding of consumer behaviors and preferences. Businesses like Vendre, Woodx, and Yards have demonstrated that AI can significantly optimize marketing efforts, enabling personalized customer interactions that are both scalable and impactful. These interactions, driven by detailed analytics and predictive modeling, allow businesses to craft marketing messages that resonate more effectively with their target audiences, increasing engagement and conversion rates.

The role of AI in automating and streamlining data analysis tasks cannot be overstated. With AI, SSEs can quickly process large volumes of data to identify emerging trends and patterns, facilitating swift and informed decision-making. This rapid processing capability is crucial in today's fast-paced market environment, where being the first to leverage a market trend or consumer insight can be a significant competitive advantage. The integration of AI into SMM is challenging. Issues such as data privacy, the risk of bias in algorithms, and the need for substantial initial investment in technology pose substantial hurdles. The cultural shifts required within organizations to embrace digital transformation strategies are substantial. Employees need to be trained in the technical aspects of AI and its ethical application, ensuring that consumer data is used responsibly and without prejudice.

As we look to the future, the training and development of staff will be critical to maximizing the benefits of AI. SSEs must invest in continuous learning systems to keep pace with technological advancements. This investment in human capital will ensure that employees are proficient in using new technologies and adaptive to the changing business landscape, driving innovation from within.

Ethically, SSEs must navigate the complexities of consumer data usage with transparency and integrity. As consumers become more aware of their digital footprints, their expectations for privacy and fair treatment in

the digital space are heightening. SSEs that can build trust through responsible data practices will likely enjoy greater consumer loyalty, which is invaluable in the digital age, where social media channels can amplify or tarnish a brand's reputation.

Looking ahead, the ability of SSEs to integrate AI into their SMM strategies effectively will likely dictate their success in the digital marketplace. Those who seamlessly blend technological prowess with strategic foresight and ethical considerations will survive and thrive. The future will favor nimble, informed, and responsive enterprises to technological opportunities and consumer expectations, setting the stage for a dynamic, AI-driven competitive landscape in small-scale businesses.

5.2.7 Synthesis of findings

A nuanced understanding emerges from synthesizing the comprehensive findings of the study on small-scale enterprises (SSEs) and their navigation through the complexities of digital transformation, particularly in terms of incorporating AI-powered consumer insights into social media marketing strategies. The findings of this study not only improve our understanding of the immediate consequences and challenges but also allow us to speculate on the broader implications for the future of these digital firms. The digital revolution presents a problematic situation for SSEs. Although technology provides opportunities for efficiency, market expansion, and consumer interaction, it also brings significant problems that could jeopardize the survival and profitability of enterprises.

The essential challenges stated include significant financial commitments and the need for human capital development in technological competency, which are frequently significant barriers for companies operating with low resources. The literature confirms this insight, suggesting that the costs associated with technical improvements and the skills gap in digital literacy are essential barriers to digital adoption (Brynjolfsson et al., 2014). Integrating new digital tools with old systems can be challenging and hinders seamless digital transformation. This issue of technical compatibility and the broader topic of digital literacy within enterprises highlights a key obstacle that many SSEs face.

The leadership of these businesses are critical in navigating these hurdles, highlighting the significance of strategic planning and proactive change management to reduce opposition and promote an innovation-friendly culture. Digital technology poses significant security vulnerabilities, especially for consumer data and online interactions. Concerns about data breaches and losing client trust may be disastrous for small businesses. The CEOs' concerns about their lack of knowledge in handling these risks indicate a critical gap that must be addressed by focused training and the installation of solid cybersecurity measures.

The subject switches to the obstacles of integrating AI-powered customer insights into SSEs' SMM initiatives. The biggest impediment here is the complexity of AI systems, which frequently demand substantial training and might elicit pushback from people. This opposition is both technical and human, with fears of job loss and the deterioration of traditional skills causing significant organizational stress.

Integrating AI into marketing frameworks is a strategic problem that demands technical alignment and a reevaluation of marketing concepts.

Despite various obstacles, AI-powered customer insights can alter SSEs in the long run. Gaining deep consumer insights can result in more effective marketing tactics, more customer engagement, and significant business growth. These data enable SSEs to understand consumer demands and preferences better, allowing them to adjust their offers more precisely and economically. The findings show that AI will play a key role in defining strategic decisions and maintaining a competitive advantage in the digital age of marketing.

To successfully overcome the hurdles of digital transformation and AI integration, SSEs should take a balanced strategy that considers both technological and human issues. Strategic resource deployment, continuing training and development, and a firm commitment to ethical data usage policies will be critical in navigating the digital landscape. This holistic approach allows SSEs to profit from digital innovation while ensuring long-term growth and relevance in the digital market.

5.3 Theoretical contributions

This study has made theoretical contributions by adding to the current and limited literature on SSE digital transformation and adopting AI-powered consumer insights for effective social media marketing and engagement. Despite the vast importance of SSEs in the global economy and our society, a gap still exists in the academic literature regarding their adoption of new technologies and effective social media campaigns built on AI consumer data sources. The adoption process and the challenges faced by the CEOs of SSEs have yet to be thoroughly researched, let alone in the context of the impact of a global shift towards accepting and adapting disruptive innovation. In this sense, there are three main theoretical contributions from this study.

However, the study also presents new contributions to theory, challenges existing literature, and discovers new findings that still need to be explored. The first and most important contribution of this study is the opening of a new pathway in the research of technology adoption theory in the context of SSEs, particularly those in their early stages or still transitioning from the existing traditional way of engaging with consumers. This study sheds light on the social media marketing pathways of SSEs in Ghana, revealing how AI powdered consumer insights are adopted and used in these organizations and the various marketing strategies adopted by these organizations.

Secondly, valuable insights are presented into the factors that influence SSEs' ability to adapt and integrate AI in marketing. These insights, derived from the perspectives of CEOs and organizational views, also highlight the critical challenges early-stage SSEs face. This information is precious for CEOs and decision-makers, as it can inform their strategies for AI integration in marketing, potentially leading to more effective and successful business outcomes.

This study's third and final contribution is its discovery of the pivotal role of continuous training and development in facilitating SSEs' effective integration into the digital age. It includes the proficient use of available AI tools for social media marketing. This finding underscores the need for SSEs to prioritize training and development to remain competitive.

5.4 Managerial Implications

The study's managerial implications are presented in nine steps. The managerial implications of this study are intended to help SSE CEOs better navigate the successful use of AI-powered consumer data for effective social media marketing. This will also help CEOs who are still adjusting. Although the study was not intended to develop actual learning AI-powered consumer insights for practical SSM strategy step by step, the findings provide a solid foundation for CEOs and managers to understand SMM better and adopt digital transformation and advancement more effectively and efficiently while avoiding common pitfalls. CEOs must see DT and AI-powered consumer insights as strategic tools for both short- and long-term planning and execution for social media engagement and organizational operations and streamlined routine delivery to the enterprise consumer (Vial, 2019; Bresciani et al., 2021).

With the lack of substantial resources and continuous, ever-changing market space, many SSEs have a dominant interest in short-term goals, which fuels increased sales. Growing the shareholders' dividends is vital for the existence of a business. However, it is also essential to consider how to effectively utilize and sustain all the resources available for the long term.

From a general perspective, the managerial implications of this study are to encourage CEOs and SSEs to view digital transformation, artificial intelligence, and consumer insights as strategic tools for long-term sustainable growth that allow them to build the right organizational cultural mindset. To achieve this, CEOs must shift their perspective from just sales growth to value creation for the customer and fully utilize the limited offerings or resources available.

Step 1: Learn more about digital tools and AI consumer insights.

A common barrier to the effective use of data generated on consumers by AI tools and successful digital transformation in a small-scale enterprise is not having a deep understanding of the data or information made available and less understanding of the different approaches and tactics to it and the benefits it can bring. To avoid the underutilization of consumer insights, which is very important for effectively communicating the enterprise's offerings and using them effectively and efficiently without wasting many resources, which are very scarce to SSEs, CEOs should become more involved in actively learning about them, especially if the CEO wants to perform the marketing role himself or herself or if the budget is not enough to hire an expert.

The CEO actively participating in this learning process will motivate the entire team, as he or she can serve as a model to others. This can also help develop and integrate a learning organizational culture (Lee, 2020). Today, with vast amounts of informational materials and courses available on the internet, it is easy to

enroll oneself or the entire team with little or no financial commitment. The CEO's ability to decode consumer data could also benefit his/her professional needs and the overall organization.

Step 2: Find an expert

The study found that non-marketing or technical professionals may need help using digital technologies and AI-powered customer insights. To save valuable resources, SSEs should seek the expertise of a qualified professional. Finding a technical specialist to assist the CEO, teach the essentials, and design a plan for the SSE can be incredibly beneficial, even if it is part-time or an hourly consultant. SSEs often need help knowing where to begin and how to proceed.

Seeking expert assistance can save time and money over a DIY approach by avoiding rookie mistakes and unneeded investments. In the study, we learned an important lesson: the CEO should not try to do everything herself/himself. While the workforce may be small in the early stages of operations, CEOs who oversee everything usually accomplish little. Entrepreneurs should recognize their limitations and seek help when necessary.

Step 3: Definition and investment in the company's brand.

One of the first tasks to be done when adopting a new tool or strategy for marketing is to consider if it is related to the company's branding. Determining what the company stands for can effectively guide acquiring the correct data or information. For example, an SSE that operates according to trends will need information on how to communicate regularly with its consumers regarding its offerings; not having access to this consumer information might lead to collecting irrelevant data. Having an idea of what the brand stands for.

Conduct a comprehensive assessment of the SSE's current social media marketing strategies and performance metrics. This insight will also be helpful for the effective development and staging of marketing strategies or campaigns as the objectives of the company, informational, and marketing needs are determined; it is essential to make suitable investments, which are vital in sourcing specific AI-powered consumer insights.

Step 4: Data Collections and Analysis

Effective data collection and utilization can significantly impact SMM during the digital transformation revolution, in which most SSEs incorporate AI. A proactive approach ensures that you are prepared to capitalize on AI's benefits, which can help businesses thrive in the ever-changing technological innovation landscape. The power of AI consumer insights is based on the quality and accuracy of the data it processes; incorrect data may result in inaccurate conclusions.

As a result, before relying on AI-powered insights to guide your business decisions, you must establish a solid data accuracy foundation (De Silva, 2024). Having the fundamentals in place is essential for successful AI integration. AI's benefits can transform a business when data gathering and usage fundamentals are perfectly aligned. These are exciting times, and by embracing AI while maintaining data integrity, you can position your organization to prosper in this dynamic era of innovation.

Step 5: Understand and refine the target audience.

After first understanding the company, the SSE can now focus on understanding who the customer is. One of the main challenges discovered in this study is that SEEs need help understanding the right target audience by relying on the consumer insights available due to a lack of technical skills. These insights are necessary for the SSEs to discover, understand, and refine its target audience. Step one should be taken very seriously if SSEs intend to benefit fully from AI-powered consumer insights. Creating customer personas of the ideal customers for the company is an excellent way to better understand the right target audience.

Many CEOs focus on the number of followers on social media and website visitors. While having abundant followers is a good sign, CEOs must remember that the number of followers is only essential if the followers are the right audience, quality over quantity. To find the ideal audience and understand who they are, CEOs need to step into their shoes and think like them, find out who they are, what they do, what they like, and where they hang out. This means that the available data could be put to practical use and have positive returns from the invested efforts in social media engagement.

Step 6: Get organized and create a suitable strategy

Identifying the target audience enables SSEs to deliver targeted information, attract them, and foster trust. All this knowledge or insight can be interpreted through the consumer insights acquired. SSEs should refrain from being extremely flexible and disorganized. Ad hoc social media marketing techniques among SSEs may result in inefficiencies. To counteract this, CEOs should plan, organize, and prioritize their goals and responsibilities to achieve them gradually. Typical objectives include raising awareness, generating leads, and involving customers.

CEOs should think holistically and examine all components of a good SMM. SSEs must identify their target audience, select appropriate ways to reach them, create engaging content, and use metrics and KPIs to track progress and make modifications. This phase is also a learning process that should be noticed. There should be room for errors, changes, and reimplementation.

Step 7: Customer-centric content creation

The consumer is the cornerstone of the company's success. SSE's who understand their target audience and provide value are likelier to make sales. CEOs must set strategic goals focusing on the customer rather than merely sales. If a company has a limited budget, it may start by creating content suited to its target audience based on readily available consumer information. SSE's can use a range of content, such as creating blog posts with compelling content that is not directly linked to their solution but may be of interest to their target audience.

SSE's can engage with their target audience by determining their preferred channels. SSEs should select their target audience's most relevant social media channels, including popular networks like Facebook, Instagram, LinkedIn, Twitter, and TikTok. SSEs may attract customers by providing reports and case studies from previous clients. Webinars, workshops, panel discussions, and podcasts are all great ways to provide relevant knowledge to your target audience online.

Small-scale enterprises should understand that social media is more than just a way for businesses to convey news. They should also actively engage with and communicate with their audiences to better understand them. This increases customer trust and leads to the organic expansion of a loyal audience. A robust internet presence not only boosts a company's reputation but also projects a positive picture to investors and illustrates the market's potential. CEOs should be aware of their organization's digital presence.

Step 8: Measurement and results analysis

Coupled with organic efforts, SSEs can also subscribe to paid ads when their budget allows. To do this, first, CEOs need to establish some strategic goals and metrics to evaluate progress. There are different kinds of paid advertisement options on various channels; which kind and channel are best for a given SSE depends on the company, its goals, and its audience. This flexibility in choosing the right strategy empowers SSEs to adapt their marketing approach to their unique circumstances. Excellent and effective use of consumer insights, effective marketing metrics, and key performance indicators (KPIs) vary from company to company.

Some key metrics include impressions, visitors, traffic, time on the page, engagement rate, active users, and qualified leads. To effectively leverage AI-powered consumer insights for marketing, SSEs should begin with a minimal expenditure to establish what works for their chosen KPIs. During this time, they can do quick A/B testing and improve on successful strategies. Once SSEs show measurable outcomes, they can spend on additional sponsored advertising.

Step 9: Adaptability, Continuous Learning, and Remodification

In today's business and market space, the only way to remain relevant and build momentum is to stand firm against all market shocks, learn, unlearn, relearn, and make adjustments as they happen. For SSEs, particularly CEOs, it is crucial to remember that marketing strategies and ideologies must evolve in tandem in a dynamic environment where everything is in flux.

SSEs are adept at quickly changing and adapting to uncertainty in their marketing strategies, goals, and metrics, which should reflect this agility. This commitment to learning and adaptation is a crucial driver of success in the digital marketing landscape. Maintaining security and privacy at their highest levels is essential, as the availability and accessibility of information come with significant responsibilities. The tools and strategies available to SSEs change every time we advance, so it is always necessary to make room for change or adjustment.

The different steps encompassed in the managerial implications can be visualized in Figure 6.

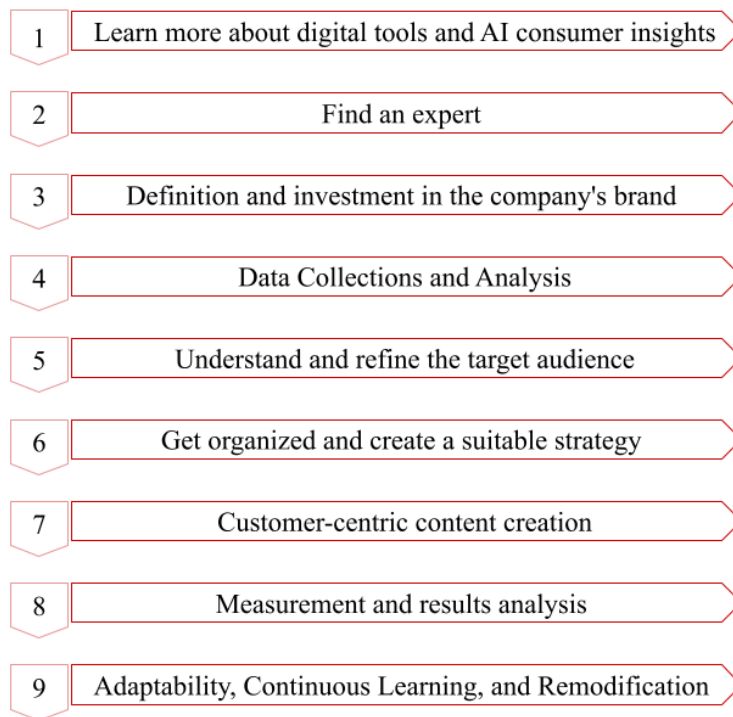


Figure 6: Managerial Implications of the study

5.5 Limitations

Although this study has made significant theoretical and managerial contributions, it has some limitations. Using multiple case studies in research can help you avoid relying on a single point of view. Although the data were sufficient for this inquiry, the conclusions and their applicability may be expanded. The decisions are based on a single study done in Ghana with a sample size of three enterprises. Because the findings are context-dependent, more research in numerous contexts and with diverse groups is needed to generalize the findings accurately. The study's main flaw is its inability to draw broad conclusions for all SSEs' usage of AI-powered consumer insights for effective social media marketing internationally, which is attributable to several reasons.

The study comprises a sample of three interviews. The sample size is limited, and the companies featured were chosen for their digital adoption and social media presence rather than specified criteria. The sample includes companies and CEOs' from diverse backgrounds, at varying stages of development, across multiple industries, and with distinctive corporate structures. These businesses were not further classified or evaluated in these fields. Despite its shortcomings, the report outlines critical areas for future research.

5.6 Future Research

Future studies must consider the different characteristics of SSEs, including any variances in the adoption process of AI-powered consumer insights, the level of digital transformation, and the problems

encountered depending on the SSE's particular environment and type—the stages of SSE growth cycles and whether any unique factors impact adoption decisions at a given time. Understanding how digital transformation, AI-powered consumer insights, and diverse marketing strategies work for SSEs varies by industry and business model.

Traditional industries and family businesses with conservative customers may not benefit from these approaches. Focusing on the precise tactics and components of social media marketing that are most valuable for SSEs in their early phases, as some may be more fit and advantageous than others, can be another area to explore. This, however, is context-dependent and requires additional research on other types of businesses and industries.

5.7 Summary

Small-scale businesses (SSEs) are at a crossroads in an age when digital transformation is reshaping competitive landscapes. Embracing digital technology, particularly artificial intelligence (AI), holds the promise of boosting operational efficiency, broadening market reach, and personalizing client engagement. These advancements, while posing new challenges, offer a beacon of hope for growing firms, requiring strategic vision and adaptation. This study examines how digital transformation affects SSEs, focusing on incorporating AI-powered consumer insights into social media marketing efforts.

The study reveals both the possibilities and the challenges of digital adoption in the small company sector through extensive interviews with CEOs from three Ghanaian SSEs and a thorough analysis of existing literature. Digital transformation in SSEs requires a comprehensive approach that includes redesigning procedures, retraining workers, and successfully rethinking strategies to use digital tools. CEOs frequently emphasize how digital tools have integrated into business processes, generating efficiencies and enabling more sophisticated market involvement methods.

The transition is challenging due to limited resources and a reluctance to change. Financial limitations greatly limit the ability to invest in emerging technology. Small businesses may struggle to afford the initial investment in digital technologies and continuing training and maintenance costs. Internal cultural resistance to change can make transitioning to new technologies more difficult. AI integration in social media marketing is a significant transformation for SSEs. AI's ability to analyze massive amounts of consumer data provides unprecedented customer knowledge, enabling cost-effective and impactful customized marketing techniques. CEOs praised AI's capacity to optimize consumer segmentation and adapt marketing messages, which led to increased customer engagement and revenues. There are hurdles to deploying AI.

The intricacy of AI systems necessitates extensive technical competence, which is frequently outside many SSEs' capabilities. The lack of in-house expertise is a major impediment, necessitating significant training and development investments. Ethical issues around data privacy and prejudice in AI systems highlight the necessity for strict ethical standards, guidelines, and robust data management practices.

To navigate the complexity of digital change, SSEs must practice strategic planning and embrace continual learning. Aligning digital initiatives with business objectives is a powerful tool for maximizing the value of technology investments. Training and development emerge as critical activities, empowering employees with the skills to effectively use digital technologies and adapt to a rapidly changing technical landscape.

The thesis finishes by underlining the significance of strategic planning and training in overcoming the obstacles associated with digital transformation and AI adoption. It promotes personalized training programs to close the skills gap and improve employees' capacity to use new technology. Also, it advocates for a systematic approach to digital adoption that matches broader corporate goals and develops an organizational culture open to continual learning and innovation. This thesis provides a roadmap for SSEs to effectively try out the extensive terrain of digital innovation, ensuring they are well-equipped to handle challenges and take advantage of the countless opportunities available in the digital age.

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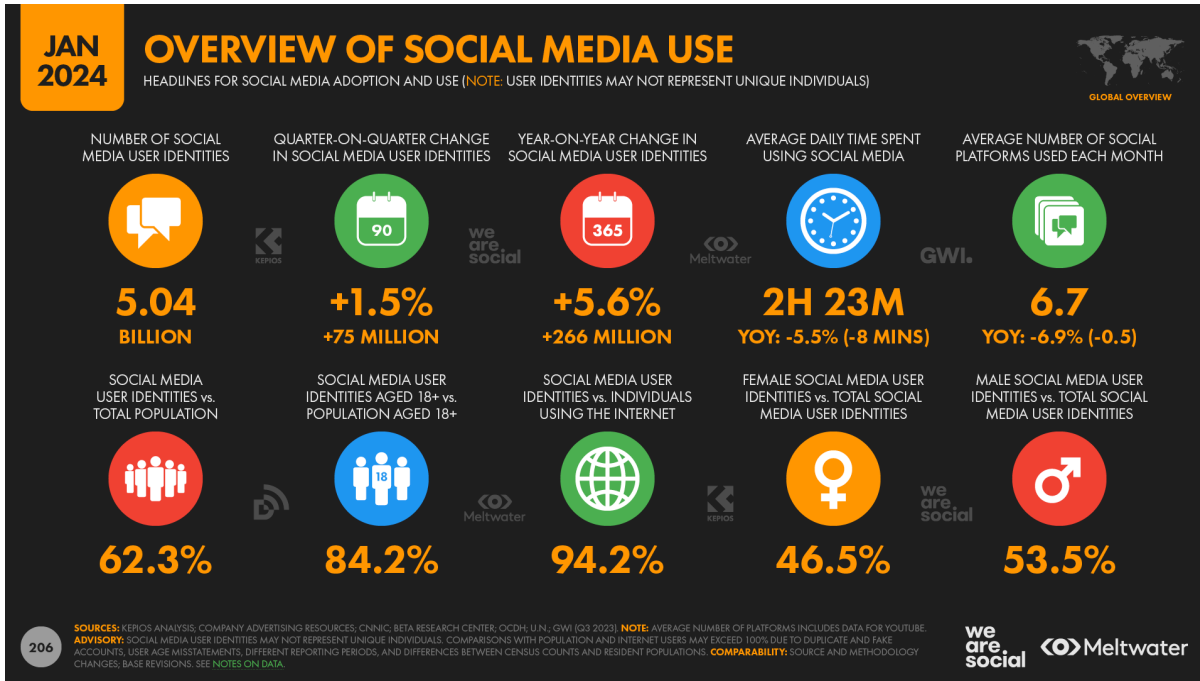
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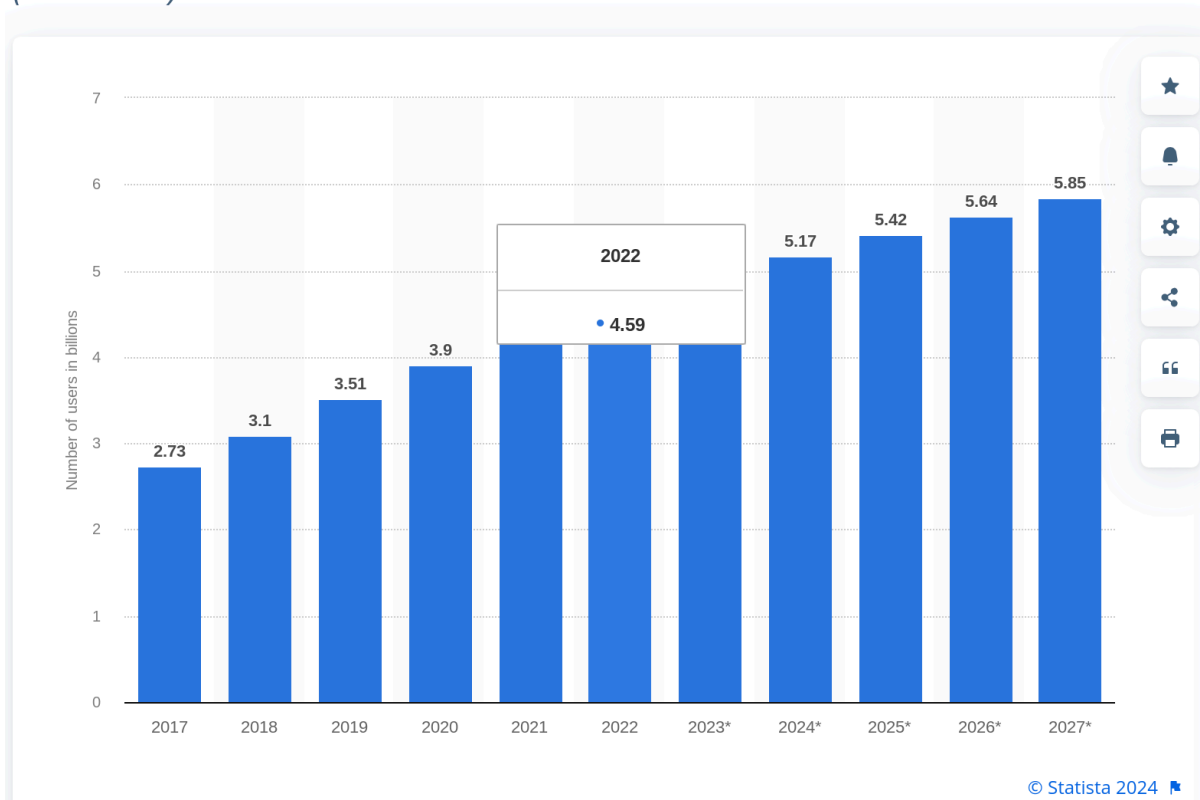
APPENDICES

Appendix 1. **Figure 1:** Overview of social media use (*Global Social Media Statistics — DataReportal — Global Digital Insights, n.d.*).



Appendix 2. **Figure 2:** Social users worldwide from 2017 to 2027 (Statista, 2023).

Number of social media users worldwide from 2017 to 2027 (in billions)



Appendix 3. Figure 3: MGLnatural Facebook feed. (Facebook, n.d.)

MGL Naturals's post

27K 670 147

Follow

how can I get some?

Like Reply 1

aturnals Bra Hope Kindly check cosmetic shops in Ho for our Coconut Oil and Shea Butter Hair Food. For our other products, inbox us your order an...


si

an I get one

Like Reply 1

aturnals Nancy Josephine Buatsi Please we can arrange the delivery to you or you can pick it up from any of our branches near you. For delivery, ki...

id it been less than a year .. has really grown my hair



Like Reply 17

us 9 replies

Please which one did you use and how

s product is so good to be use 😊 now my baby is having a full grown hair and everybody around here is jealous. MGL the best

Like Reply 16

us 12 replies

I pray it works for my baby too just yesterday i started using

I get some in sunyani to purchase

Like Reply 7

aturnals Poma Jennifer Please call MGL Naturals retailers in Sunyani on 0501450230, 0244903445, 0206787543 , 0206787543. Her prices may ...

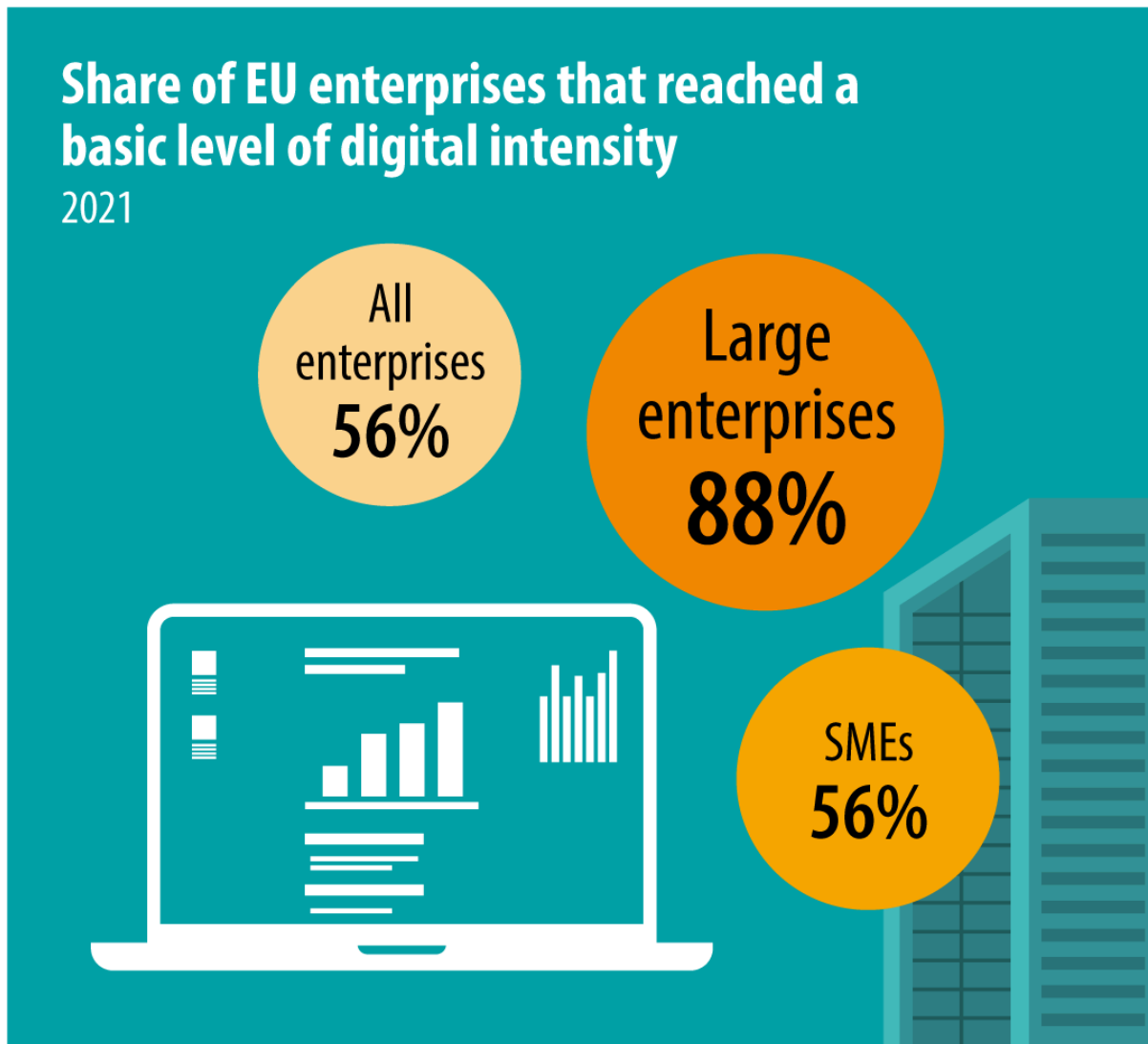
h is the set and where are you located in Kumasi

Like Reply 15

us 11 replies

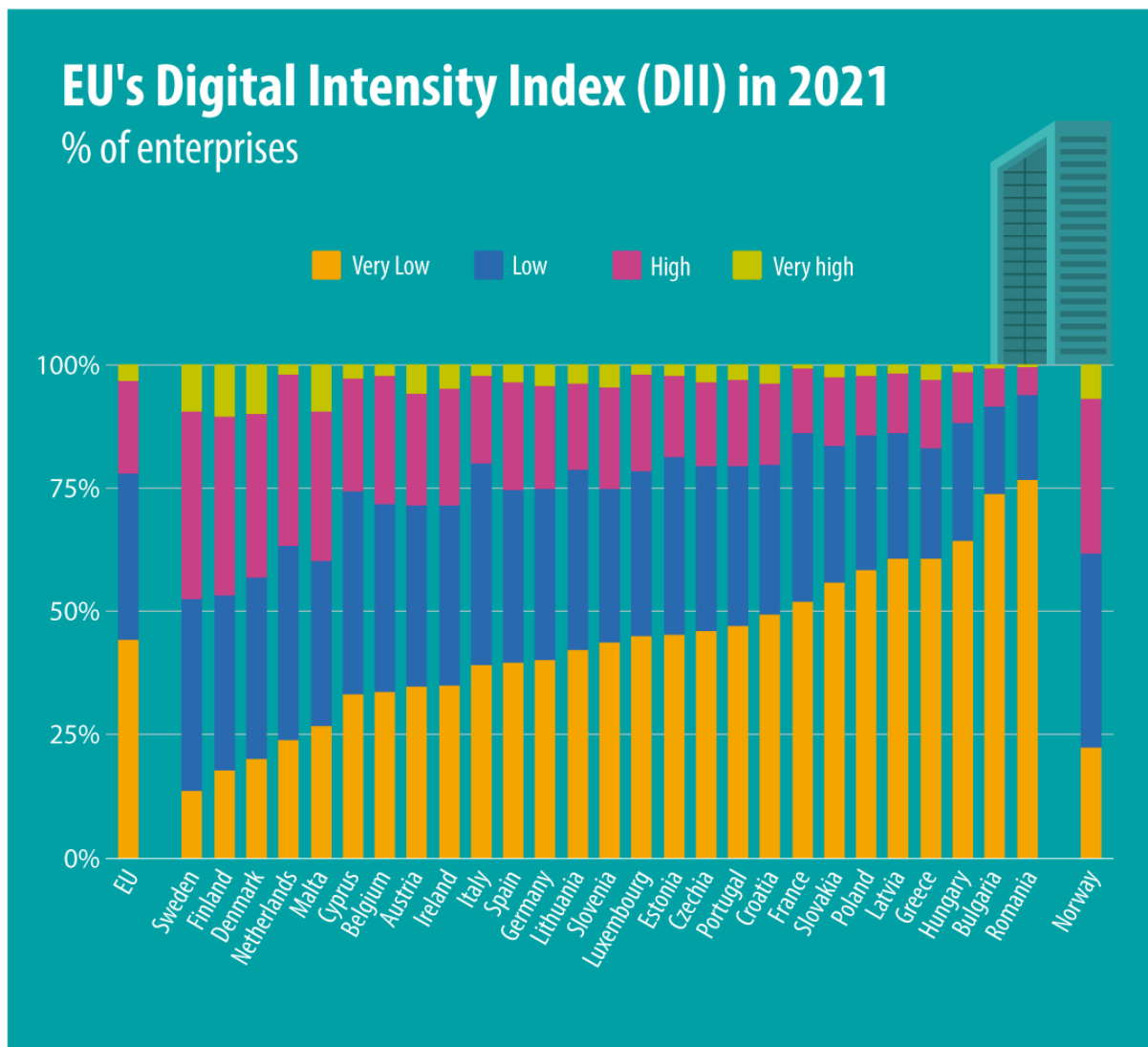
aturnals Afua Tina Please we do not have a branch in Kasoa but we offer delivery services. Kindly inbox us your order and phone number to arran...

Appendix 4. **Figure 4:** EU enterprises reached a basic level of digital intensity in 2021 (Eurostat, 2022).



ec.europa.eu/eurostat 

Appendix 5. **Figure 5:** EU's Digital Intensity Index (Eurostat, 2022)



ec.europa.eu/eurostat

Appendix 6. Figure 6: The different steps encompassed in the managerial implications



Figure 6: Managerial Implications of the study

Appendix 7. Interview Questions

Background Information

Individual

1. Could you please state your age?
2. Can you tell me about your educational background?
3. How many years of working experience do you have?
4. How many years of experience as a CEO do you have?

Organizational level

5. How long has the company been in operation? / When was the company founded?
6. How many team members does the company have at the moment?
7. What industry/sector do you operate in?
8. How would you describe your company?
9. What kind of products/services do you provide?
10. Are your current operations domestic or international (or both)?
11. Do you have a unit for social media marketing operations in place?
12. Who carries out the marketing role in the company?

Practices

13. Which social media platforms does your company currently utilize for marketing purposes?

14. Why the selected SMM platform(s)?
15. What is your current social media marketing strategy(s)?
16. How do they align with your overall business objectives?
17. How do you tailor your content and messaging to each social media platform's unique characteristics and audience demographics?
18. How do you assess the effectiveness of your current social media marketing efforts, and what metrics do you use to measure success?
19. What role do you see AI playing in the future of social media marketing for small-scale enterprises?
20. Could you share any success stories or notable achievements related to your social media marketing efforts?

Challenges

21. What challenges have you encountered in implementing digital transformation initiatives?
22. How did you solve or improve upon it?
23. What are the challenges of adopting AI-powered tools within your marketing strategies?
24. What unexpected outcomes have you encountered during social media marketing?
25. What lessons have you learned during your digital transformation and social media marketing journey?
26. How do you handle negative feedback or criticism on social media, and what strategies do you employ to address it?

AI Adoption and SMM Strategies:

27. What factors influenced your decision to explore or not explore the integration of AI-powered consumer insights into your social media marketing strategies?
28. How do you envision AI-powered insights enhancing your social media marketing tactics and overall business performance?
29. How could AI-driven customer insights improve your social media marketing campaigns' targeting, personalization, or engagement?
30. What are your thoughts on the evolving landscape of social media algorithms and their impact on marketing strategies?
31. How do you tailor your content and messaging to align with each social media platform's unique characteristics and audience demographics?
32. Can you provide insights into your approach to engaging with your audience on social media platforms?
33. Can you discuss any partnerships or collaborations you have engaged in to enhance your social media marketing efforts?

Security

34. What concerns or reservations do you have regarding adopting AI-powered tools for social media marketing, particularly regarding data privacy and security?
35. How do you ensure data privacy in your social media marketing practices?

Ethical considerations

36. What steps do you take to prevent the misuse of AI-powered insights in your social media marketing campaigns?
37. How do you handle sensitive information shared by customers on social media platforms?
38. What policies do you have to comply with data privacy and security regulations?

Support Systems

39. How will specialized training or guidance help SSEs leverage digital tools and social media platforms effectively for marketing purposes?
40. Which tools have you found particularly helpful in navigating the challenges of digital transformation and social media marketing?
41. Based on your experiences, what advice would you offer to other small-scale enterprises considering digital transformation or AI adoption for their marketing efforts?

Traditional Operations

42. Why is your company not currently utilizing AI-powered marketing tools? Can you elaborate on the reasons behind this decision?
43. What alternative strategies or approaches have you considered or implemented to address social media marketing challenges without AI-driven insights?

Appendix 8. List of Tables

Table 1. Summary of the case companies in this study.

Company	Industry	Years of Operation	No. of Employees	Served Market	Digital Transformation	AI Empowered SMM
Vendre	Beauty Industry	14	17	Domestic and International	Yes	Yes
Woodx	Furniture Industry	7	9	Domestic and International	Yes	Yes
Yards	E-commerce Industry	4	7	Domestic and	Yes	Yes

				International		
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Table 2. Summary of demographic information on the interviewees.

Interviewee	Gender	Age Range	Educational Background	Working Experience	Experience as a CEO
Vendre	Female	36–43	Business Administration	15 years	15 years
Woodx	Male	28–35	Nursing	9 years	6 years
Yards	Male Industry	30–38	Computer science	12 years	3 years

Table 3 summarizes more details of the interviews.

Company	Interviewee	Interview Length (in minutes)
Vendre	CEO V	55:22
Woodx	CEO W	48:02
Yards	CEO Y	51:28