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The Role of ChatGPT in Enabling MSMEs to Compete in the Digital Age

Abu Muna Almaududi Ausat¹, Hizbul Khootimah Azzaakiyyah², Riko
Mersandro Permana³, Yasir Riady⁴, Suherlan⁵

- (1) Program Studi Administrasi Bisnis, Fakultas Ilmu
Administrasi, Universitas Subang
- (2) Program Studi Ekonomi, Fakultas Ekonomi dan Bisnis,
Universitas Diponegoro
- (3) Program Studi S1 Manajemen, Fakultas Ekonomi dan
Bisnis, Universitas Bina Sarana Informatika
- (4) Program Studi Ilmu Perpustakaan, Fakultas Hukum, Ilmu
Sosial, dan Ilmu Politik, Universitas Terbuka
- (5) Program Studi Administrasi Publik, Fakultas Ilmu
Administrasi, Universitas Subang

Email: indra.rustiawan72@gmail.com¹

Abstrak

UKM dianggap sebagai tulang punggung perekonomian karena memberikan kontribusi yang signifikan dalam menciptakan lapangan kerja dan membangun ekonomi lokal. Namun, UMKM seringkali menghadapi berbagai tantangan, terutama dalam menghadapi era digital. Penelitian ini bertujuan untuk mengidentifikasi peran ChatGPT dalam memfasilitasi UKM untuk bersaing di era digital dan mengevaluasi dampak penggunaan ChatGPT terhadap kinerja bisnis UMKM.

Penelitian ini bersifat kualitatif. Metodologi yang digunakan untuk mengumpulkan data meliputi pendengaran yang penuh perhatian dan dokumentasi yang cermat atas informasi yang relevan, yang kemudian menjadi sasaran prosedur analisis seperti reduksi data, tampilan data, dan penarikan kesimpulan. Hasil studi tiba pada kesimpulan bahwa dalam era digital yang terus berkembang, para pelaku UMKM perlu dapat bersaing dengan pelaku usaha besar dalam memanfaatkan teknologi informasi dan memanfaatkan keuntungan yang diberikan oleh teknologi tersebut. ChatGPT dapat membantu UMKM dalam meningkatkan kehadiran digital mereka, mengoptimalkan upaya pemasaran, dan mengembangkan strategi pemasaran yang lebih efektif.

Kata Kunci: *ChatGPT, UMKM, Digital*

Abstract

SMEs are considered the backbone of the economy as they make significant contributions in creating jobs and building local economies. However, SMEs often face various challenges, especially in facing the digital era. This study aims to identify the role of ChatGPT in facilitating SMEs to compete in the digital era and evaluate the impact of using ChatGPT on the business performance of SMEs. This research is qualitative in nature. The methodology used to collect data included attentive listening and careful documentation of relevant information, which was then subjected to analytical procedures such as data reduction, data display, and conclusion drawing. The study results arrive at the conclusion that in the ever-evolving digital era, MSME players need to be able to compete with large businesses in utilising information technology and harnessing the benefits that such technology provides. ChatGPT can assist MSMEs in increasing their digital presence, optimising marketing efforts, and developing more effective marketing strategies.

Keyword: *ChatGPT, MSME, Digital.*

INTRODUCTION

The significance of Micro, Small, and Medium-sized Businesses (also known as SMEs) in the overall economy of a nation served as the impetus for the study project titled "The Role of ChatGPT in Enabling MSMEs to Compete in the Digital Age." Because of their considerable impact on the creation of jobs and the growth of local

economies, small and medium-sized businesses (SMEs) are often referred to as the "backbone" of the economy. However, small and medium-sized enterprises (SMEs) frequently face a variety of challenges, particularly in the digital age (Harahap, Ausat, et al., 2023); (Sutrisno et al., 2023); (Harahap, Sutrisno, et al., 2023); (Rijal et al., 2023); (Supatmin et al., 2022); (Sutrisno et al., 2022).

In this age of digitization, technological advances are being made, and an increasing number of consumers are moving their behavior to take place on online platforms (Kraugusteeliana et al., 2022) and (Muhamad et al., 2023). Because of this, it is necessary for SMEs to adopt new strategies and innovate in order to keep their competitive edge (Ausat & Peirisal, 2021) and (Sampe et al., 2022). However, a significant number of SMEs continue to face limitations in terms of access to technology and a lack of comprehension regarding how to utilize technology to improve the performance of their businesses.

Based on the findings of this study, ChatGPT is being evaluated as a potential option to assist SMEs in overcoming digital issues. ChatGPT is a natural language model that may be used to construct chatbot apps that can interact with people in a manner that is analogous to how humans would. Small and medium-sized businesses (SMEs) can improve their connection with customers, the quality of their services, and their solutions to questions raised by customers by utilizing ChatGPT. As a result, it is anticipated that ChatGPT will assist small and medium-sized enterprises (SMEs) in enhancing their competitiveness in the digital era. Therefore, the purpose of this study is to identify the role that ChatGPT plays in assisting small and medium-sized enterprises (SMEs) to compete in the digital era and to evaluate the impact that using ChatGPT has on the performance of SMEs' businesses.

RESEARCH METHOD

This research makes use of a methodology known as a literature study, in which the researchers do not collect primary data by directly conducting field research. In order to guarantee that the research would go off without a hitch, the researcher consulted a number of different reference materials. The research that was conducted

for this study used keywords that were associated with the topics that were covered, specifically the role of ChatGPT in enabling MSMEs to compete in the digital age, to search for relevant material in digital media and scientific archives. The research approach that the authors utilized is adaptable, which paves the way for the selection of pertinent reference materials without requiring the writers to restrict their search to a certain journal or digital platform. The reasons that we present are backed up by a variety of sources, including the journal site for Emerald Insight, ResearchGate, and Elsevier. This academic article's primary focus is on the role of ChatGPT in enabling MSMEs to compete in the digital age. The focus that the author places on certain keywords helps to restrict the scope of the discussion and promotes logical coherence. The academic journals, essays, and publications that have been published between the years 2021 and the present served as the primary focus of the researcher's examination. During the course of the search, we utilized keywords to carry out searches across a variety of publishing platforms. It is essential to take note of the fact that the only papers, periodicals, and publications that were regarded to be very relevant to the topic of ChatGPT and its connection with the enabling MSMEs to compete in the digital age were those specific ones. Other papers, journals, and publications were deemed to be irrelevant. This scholarly essay is comprised of a total of 20 sources that are quite thorough.

The investigation that is now taking place was categorized as a type of qualitative study. The process of collecting data included the application of a number of different approaches, such as attentive listening and the detailed documentation of all pertinent information. The aforementioned approaches were utilized as a means of facilitating the inspection of the data, which was carried out by way of a process that involved the reduction of the data, the presentation of the data, and the drawing of conclusions. The primary objective of this study was to achieve a more in-depth comprehension of the literature review that was carried out as a component of this research endeavor. During the phase known as "data reduction," the obtained information was methodically organized, categorized, and culled in order to simplify the process of coming to meaningful conclusions and make the development of significant results more manageable. Because the data were so complex and varied, conducting an

analysis of them was required even during the phase where they were being reduced. The purpose of the reduction phase was to ascertain whether or not the information was pertinent to the ultimate objective. At the outset, a total of 30 different sources were collected. The initial method resulted in the value of the numerical variable being changed to 20. In addition to that, the data will be provided via graphical illustrations. The current stage is the next step in the process of data reduction, and it is the stage in which the data set is carefully organized in a structured manner in order to promote comprehension and simplify the process of drawing conclusions. Written discourse, more especially in the form of field notes, is the kind of data representation that is utilized in this particular setting. Utilizing this approach to the presentation of data can result in increased productivity when it comes to organizing and arranging data in relational patterns. The process is not complete until the final stage, which is the development of conclusions based on the data acquired. This step marks the completion of the technique that we applied to the analysis of qualitative data. During this stage, we checked the outcomes of data reduction and data presentation to ensure that they were consistent with the intended goal of the research. The objective of this stage is to derive meaning from the obtained data by identifying correlations, similarities, or dissimilarities, in order to build solutions to pre-existing problems that have been identified. The results that were drawn from the sources that were used are deemed to be reliable. The objective of this endeavor is to collect facts that are trustworthy and accurate, with the goal of enhancing comprehension as a result.

RESULTS AND DISCUSSION

The digital age has brought about significant changes in the way businesses operate. With the increasing use of the internet and technology, there has been a rise in the number of businesses adopting digital channels to promote their products and services (Ausat, 2023); (Subagja, 2023) and (Ausat et al., 2023). However, for Micro, Small, and Medium Enterprises (MSMEs), competing in the digital age can be challenging, as they may not have the resources or expertise to effectively navigate the digital landscape (Ausat & Suherlan, 2021). This is where ChatGPT plays a vital role in enabling MSMEs to compete in the digital age. As a large language model,

ChatGPT is capable of processing large amounts of data and providing responses to various queries (Hassani & Silva, 2023) and (Munir MD, 2023). Its ability to understand natural language and provide accurate and relevant responses makes it an ideal tool for businesses looking to improve their digital presence. By using ChatGPT, MSMEs can easily access information and insights that can help them better understand the digital landscape, identify their target audience, and develop effective marketing strategies. One of the key benefits of using ChatGPT is its ability to provide personalized responses. By analyzing user data, ChatGPT can provide customized recommendations and insights that are tailored to the specific needs of each user. This allows MSMEs to develop targeted marketing campaigns that are more likely to resonate with their target audience, increasing their chances of success.

Another benefit of ChatGPT is its ability to analyze large amounts of data quickly and accurately. This can be particularly useful for MSMEs looking to analyze customer data and gain insights into customer behavior. By using ChatGPT to analyze customer data, MSMEs can identify trends, preferences, and patterns that can help them develop more effective marketing strategies and improve customer satisfaction. In addition to its ability to analyze data, ChatGPT can also be used to automate certain tasks, such as customer service (Fauzi et al., 2023). By using ChatGPT to handle customer inquiries and support, MSMEs can reduce their workload and improve their efficiency. This can be particularly useful for businesses with limited resources or those looking to scale up their operations. Overall, the role of ChatGPT in enabling MSMEs to compete in the digital age is significant. Its ability to process large amounts of data, provide personalized responses, and automate certain tasks can help MSMEs improve their digital presence, increase their efficiency, and compete more effectively in the digital landscape. As the digital age continues to evolve, the importance of ChatGPT and other AI tools in supporting MSMEs is only set to grow (Dwivedi et al., 2023).

Moreover, ChatGPT can also assist MSMEs in staying up-to-date with the latest industry trends and best practices (Burger et al., 2023) and (Uddin et al., 2023). By analyzing news and industry publications, ChatGPT can provide insights into emerging trends, new technologies, and best practices that can help MSMEs stay ahead of the

competition. This can be particularly useful for MSMEs operating in highly competitive industries or those looking to differentiate themselves from their competitors. Another way ChatGPT can support MSMEs is by helping them optimize their digital marketing efforts. By analyzing user data and providing insights into user behavior, ChatGPT can help MSMEs identify areas for improvement in their digital marketing campaigns. This can include optimizing website design and layout, improving the user experience, and developing targeted messaging that resonates with the target audience.

ChatGPT can also help MSMEs improve their search engine optimization (SEO) efforts. By analyzing search trends and providing recommendations for keywords and content, ChatGPT can help MSMEs improve their visibility in search engine results pages (SERPs). This can be particularly important for MSMEs looking to increase their organic traffic and reduce their reliance on paid advertising. In addition to its benefits for MSMEs, ChatGPT can also benefit consumers by providing them with better access to information and support. By using ChatGPT to handle customer inquiries and support, MSMEs can provide their customers with faster, more accurate, and more personalized responses. This can help improve customer satisfaction and loyalty, ultimately leading to increased sales and revenue for the MSME.

The fact that needs to be understood is that the role of ChatGPT in enabling MSMEs to compete in the digital age is multifaceted and significant. By providing personalized insights, automating certain tasks, and helping MSMEs stay up-to-date with industry trends and best practices, ChatGPT can help MSMEs improve their digital presence, increase their efficiency, and compete more effectively in the digital landscape. As such, the use of AI tools like ChatGPT is likely to become increasingly important for MSMEs as the digital age continues to evolve.

CONCLUSION

Small and medium-sized businesses (MSMEs) need to be able to compete with larger companies when it comes to utilizing information technology and making the most of the benefits that technology offers in order to thrive in the ever-evolving digital era. ChatGPT is able to help micro, small, and medium-sized enterprises (MSMEs) improve their digital presence, optimize their marketing efforts, and establish more

effective marketing plans. The adoption of ChatGPT can also boost efficiency and minimize workload, which assists micro, small, and medium-sized enterprises in increasing their profitability.

There are a few actions that need to be performed in order to make the most of ChatGPT's ability to assist MSMEs. First and foremost, micro, small, and medium-sized enterprises (MSMEs) need to educate themselves on digital technologies, innovations, and the ways in which they can be utilized in their respective businesses. Second, they should do an analysis of their requirements and search for technological solutions that are tailored to their company's specific needs. Thirdly, they should build strategies for digital marketing and make use of ChatGPT in order to promote their goods and services. Fourth, in order to maintain their competitive edge in a market that is becoming increasingly dynamic, companies need to continually upgrade their understanding of digital technologies and advances. If they follow these procedures, micro, small, and medium-sized enterprises (MSMEs) will be able to capitalize on the potential of ChatGPT and digital technology to grow their businesses and increase their ability to compete in the digital age.

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