

# **USING AI IN SOCIAL MEDIA MARKETING**

Literature Review and Recommendations for Use

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## **ABSTRACT**

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The research studies the ways in which AI can be used by small and medium enterprises (SMEs) in their social media marketing. As AI tools become more easier to get for SMEs, they can expand their marketing, increase their customers, and efficiency. The study is motivated by the importance of AI in social media marketing and the SMEs have to follow the same with less resources. The study specifically looks into issues faced by SMEs such as unaffordable prices, poor skill sets, and ethics and privacy concerns.

To do the research, a literature review was used. This means the study looked at books, journal articles, and other reliable sources published between 2020 and 2025. The literature review was conducted using Google Scholar, ScienceDirect, ResearchGate, and other search engines, which also allowed searches with terms like "AI in social media," "SMEs AI tools," and "AI marketing problems." The main literature considered were Singh (2025), Saura et al. (2024), Gil (2020), and Basri (2020). These authors talked about using AI for content creation, targeting customers, automation, and ethical use.

After the literature review, this study concludes that AI can assist SMEs in automating repeating tasks, promoting customer interaction with chatbots, providing personalized content, and helping in decisions based on data. Problems like small budgets, lack of training, and transparency can limit the use of AI for SMEs. For this, the thesis provides recommendations that SMEs can use and adopt a new approach - combining AI features with human creativity.

So, future research can pay attention to researching real-life cases of AI application by SMEs and conduct studies to examine AI's results on marketing effectiveness over time.

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# 1 INTRODUCTION

Artificial Intelligence (AI) is changing how business use social media to connect with their customers (Govender, 2024). Social media websites like Facebook, Instagram, LinkedIn, and X (previously known as Twitter) now provide tools and technologies that help different businesses in marketing. These AI tools also help companies to send messages, calculate trends, and also automatically create the content (Singh, 2025). At first, big companies were the only main users of AI. But now, AI tools have become easier and cheaper to use. This means small and medium sized companies (SMEs) can also take help from these tools (Hussain & Rizwan, 2024).

SMEs can include local shops, small service providers, and family businesses. These companies are very important because they make about 90% of all of the businesses in the world (World Bank, 2019). They help local communities and bring new ideas and services into the market. Supporting SMEs with modern digital tools such as AI, can help them grow and compete in a better way (OECD, 2021). These companies can use and tools and technologies like machine learning and data analysis to help companies grow and improve how these companies communicate with their customers (Ioseb Gabelaia, 2024).

SMEs are very important part of the global economy, so the motivation of this thesis is to understand how they can use AI to find success in the social media marketing. My thesis aims to conduct literature review on the use of AI in social media marketing for SMEs. The objective of the thesis is to learn from reliable academic and sources to find information, advantages, challenges and recommend best practices.

This thesis has five chapters. Chapter 1 introduces the topic, the aim, and the motivation. Chapter 2 is knowledge base and reviews literature on AI in social media marketing for SMEs. Chapter 3 is research methodology, which explains literature review methodology. It also shows how sources were found and then used. Chapter 4 provides recommendations for SMEs based on the review

literature and chapter 5 provides the discussion and conclusion of the thesis with summary and suggestions for future research.

## **2 KNOWLEDG BASE**

This chapter explains how AI is used in social media marketing. It shows how businesses use AI to make their marketing easier and smarter. For example, AI can be used to show right ads, reply to customers, and follow online trend. This chapter also shares the problems that SMEs face when using AI like data privacy, ethical problems, and unfair results.

### **2.1 Role of AI in Social Media Marketing**

Many businesses have started using AI to improve their marketing on social media. AI helps companies to decide what kind of posts and ads to make, who should see those posts, and when to post those. AI also helps to reply to customers automatically, which can save a lot of time (Singh, 2025). AI can understand what kind of posts, ads, information, news, and videos customers want to see, like, and share with family and friends. It then helps in showing them ads or posts that match their interests. This is called content personalization. This helps companies send the right messages to right person (Manoharan, 2024). Also, another important use of AI is automation. AI tools can create posts, hashtags, and even write comments by themselves. Businesses also use AI to find trending topics with data analysis so they can join popular trends at the right time (Salma et al., 2024).

### **2.2 Use of AI In Social Media Platforms**

These smart tools change how companies connect with people on platforms like Facebook, Instagram, and X (Twitter). Facebook uses AI to show personalized ads to the right customers and help them using chatbots. It also helps businesses understand what kind of content their audience likes (Manoharan, 2024). Instagram uses AI to suggest photos and videos and also helps in recognizing things in pictures and help companies show adverts in stories and reels (Teepapal, 2024). X (Twitter) uses AI to study how people feel about different

topics. It also presents different tweets to users that they make like. It also helps companies to understand what is trending so they can join popular conversations (Graham & Stough, 2025).

### **2.3 Technical & Ethical challenges for SMEs**

SMEs are businesses with less than 250 employees. By using AI for marketing, these companies can save time and money and earn more income. Tools like chatbots and content helpers give new ways to talk to customers and keep them happy (Basri, 2020). But there are several problems that SMEs face when AI is used. SMEs have less resources so dealing with problems like privacy, personalization, and ethics can be difficult (Schönberger, 2023).

Big companies can pay experts to fix these problems, but SMEs have to work with less budget and skills. They cannot always hire experts or buy expensive software. Also, it is hard to learn to use free or low-cost AI tools (Grace & Martha, 2024). AI needs a lot of data to work correctly. It learns from what people click, like, or share online. But SMEs may not have enough data, or this data may not be useful or clean. This makes AI inaccurate and wrong (Saura et al., 2024). Some companies use AI for everything - write posts, reply to users, and showing ads. This can feel robotic. People may feel like they are talking to a machine and not to a person. This can hurt the image of the company (Hardy, 2025).

### **2.4 AI Tools for SMEs**

AI tools have become very valuable for SMEs. They are affordable and easier to use. These tools help businesses to improve their marketing, customer service, content, and sale operations (Basri, 2020). Also, these tools can help SMEs compete with large companies by automating tasks, generate insights, and make the overall customer experience better (Saura et al., 2024).

Some tools that are useful to SMEs are – customer support and chatbots, marketing and content creators, data analysis and business insight tools, and financial tools. AI-powered chatbots allow SMEs to give 24/7 support without

using staff members. ChatGPT or Zendesk AI can answer common customer questions quickly and this helps to increase customer satisfaction (Basri, 2020).

Also, platforms such as Canva's Magic Write and Jasper help SMEs to create good content for social media, blogs and advertisements. This helps to save time and money while keeping the content fresh and new. These tools provide design and copywriting help which makes it easier for SMEs to reach more customers (Singh, 2025). Tools like Google Analytics allow SMEs to collect and analyse customer behaviour. This help SMEs to target right customers with the right message. This improves the effectiveness of the marketing campaigns (Manoharan, 2024). For example, Meta's AI tools can help to select the best time to post ads and what type of content to post. LinkedIn campaign uses AI to help SMEs target the right audience and suggest post topics. This decreases manual work and lets staff focus on marketing strategy (Grace & Martha, 2024).

There are many benefits these tools can have for SMEs - these AI tools can help SMEs by lowering costs using automation (Saura et al., 2024), improving customer engagement with fast responses (Singh, 2025), enhancing marketing with personalized content (Graham & Stough, 2025), making better decisions with data analysis (Saura et al., 2024), and improving financial management (Grace & Martha, 2024).

### **3 RESEARCH METHOD**

This chapter explains about how the information in the study was found and used. This thesis looks at what other authors have already written about AI and its role in social media marketing. So, this study follows the literature review methodology. The goal is to understand how SMEs can use AI in their social media marketing. In this chapter, it is told how sources were found, how they were selected, and how the important ideas were picked.

#### **3.1 Literature Review Methodology**

According to Efron and Ravid (2019), a literature review is a way to read and understand what other researchers have said about a topic. It is not just a list of books or articles. Instead, it helps to look at ideas carefully, compare them, and shows what is already known and what is still missing. A topic is chosen first, then reliable and new sources are searched. The best sources are picked, read closely, and notes are taken on key ideas. After that, similar ideas are collected to find patterns. This helps to see how studies agree or disagree. Gaps in the research like missing topics or different opinions are also found. These gaps show why the new research is important. A good literature review includes different views, is written clearly, and connects all the ideas. When done correctly, it makes the research more useful, honest, and strong (Efron & Ravid, 2019).

#### **3.2 Finding and Using the Information**

To write this thesis, it was needed to find useful and reliable information about how AI is used social media marketing. The sources for this information were found using websites that provide research papers, articles, and books on the topics. The main websites to search the information were - Google Scholar, ScienceDirect, ResearchGate, OuluFinna.

To search the papers, specific keywords were used to find useful results - 'AI in social media', 'AI and marketing', 'SMEs AI tools', 'AI marketing problems'. Also, most of the research papers were recent and had year range from 2020-2025. Only a few older sources were used because they had important ideas and knowledge. Reliable articles and books were selected and were read carefully to understand how AI is being used in social media marketing.

The main focus was on understanding how AI helps SMEs, what benefits it gives, and what problems it causes. According to the book 'Marketing with AI for Dummies' by Singh, small business can use AI tools like chatbots, content creators, and customer targeting to improve their marketing (Singh, 2025). Also, Pradeep informs how AI changes business marketing and customer talk in the book "AI for Marketing and Product Innovation". This was helpful to know how SMEs can do the same (Pradeep et al., 2018). According to "The End of Marketing" by Gil, it was clear that using humans and AI together to build trust with customers (Gil, 2020). Also, the book "Marketing and branding for SMEs" (Sheikh & ammattikorkeakoulu, 2014) tells that current day SME's can succeed in both marketing and branding by linking with their customers in good and honest way which could help to grow their business but there can be improvements in the future to help companies focus on their customers.

The recommendations in this thesis were made carefully by reading and comparing the information from the literature review. After reading the sources, the most common ideas and useful techniques for SMEs were noted. These included AI tools like chatbots, content creators, and customer targeting systems. If the same tool or idea was mentioned in more than one source, it was seen as more important. Books like *Marketing with AI for Dummies* (Singh, 2025) and *AI for Marketing and Product Innovation* (Pradeep et al., 2018) gave many examples for SMEs to use AI. The recommendations were then chosen by finding what most sources agreed on what was helpful for SMEs.

## 4 RECOMMENDATIONS

This chapter tells what was learned from reading many studies. It informs that AI has many advantages for SMEs but it also creates a lot of problems. That is why it is best to use AI tools with human ideas, learn how to use AI, and always be honest with customers. All of this information is presented as a recommendation list for SMEs.

The research showed that AI is helpful of SMEs by making posts faster, reply to customers quickly, show right ads to right customers, and save time and money by doing marketing automatically (Singh, 2025). But there are a lot of problems like - SMEs do not have money to hire experts or buy tools (Grace & Martha, 2024), they have very little data which makes AI useless (Saura et al., 2024), they use a lot of AI tools and make everything overly automated, and they do not understand how AI makes choices, which reduces trust for customers (Schönberger, 2023). Many experts say it is better to use both AI and human ideas together, especially in marketing (Gil, 2020; Pradeep et al., 2018).

The main things found in the research are that - AI helps SMEs make marketing faster and easier, Chatbots and auto tools are useful, but human input is still important, privacy and trust are problems that need to be solved, and cheap or free AI tools are available and are good for small budgets (Grace & Martha, 2024).

Based on the findings, here are the practical recommendations for SMEs –

1. Start small with free or low-cost AI tools like chatbots, auto-posting apps, and simple content makers (Singh, 2025). These can include ChatGPT, Zendesk AI, Canva's Magic Write, and Jasper.
2. Combine AI with human creativity and use AI to handle simple tasks, but let humans to do the creative work like branding (Gil, 2020).
3. Focus on data quality for better AI results (Saura et al., 2024). Tools like Google Analytics can help in understanding customer behaviour

4. Choose tools that explain AI features to build trust with customers (Hemant Madaan, 2025).
5. Follow ethical rules when using AI like being honest with customers when using AI (Grace & Martha, 2024).

*Table 1. Checklist for SMEs when using AI*

<b>Use</b>	<b>Yes</b>	<b>No</b>
Use free and cheap AI tools	✓	
Replace human work with AI		✗
Combine AI with human creativity	✓	
Use AI without knowing how it works		✗
Ignore customer privacy		✗
Use transparent AI to explain to the customers	✓	
Collect and clean customer data	✓	
Use same AI content for all customers		✗
Be honest when using AI	✓	

Table 1 was created on the basis of what sources from the literature review advise to the SMEs. These tell what SMEs should do or should not do when using AI for social media marketing (Singh, 2025; Gil, 2020; Saura et. al, 2024; Hemant Madaan, 2025; Grace & Martha, 2024). By using this table SMEs can understand what to do and what not to do when using AI. This information will help SMEs to grow their business and increase their revenue and they can try AI tools without any problem or difficulty.

## 5 DISCUSSION

This thesis studied how SMEs can use AI to do better social media marketing. The main idea was to learn and understand what AI can do, what problems it has, and how SMEs can use it in a helpful way. After reading many books, articles, and research papers, it was clear that AI is becoming an important tool for SMEs in social media marketing.

To answer this question, the literature review methodology was used with the reading of books and research articles from the past few years. It showed that AI can help SMEs in saving time, talking to customers quickly, producing quality content, and giving the right advertisement to the right customers (Singh, 2025). Various tools ranging from chatbots, auto posting tools, to content creation were discussed in the books and articles read in literature review. However, a number of challenges were also discussed. For some SMEs, they simply do not know how AI works, they have very limited data, and in some cases, too much automation is used, which makes their marketing feel robotic and non-human (Gil, 2020; Saura et al., 2024).

From the literature review, it was understood that AI has many good uses for social media. It can help businesses create content, talk to customers faster, show right ads to the right customers, and even follow online trends. This saves time and money which is important for SMEs that do not have big marketing teams (Singh, 2025). AI tools like Canva's Magic Write and Jasper can help small business quickly make posts, blogs, and ads without hiring writers and designers (Canva, 2023; Jasper, 2023). Social media platforms like Meta and LinkedIn also offer smart AI tools that help SMEs plan posts and target the right customer. These features make it easier for SMEs to stay active and visible on social media platforms.

But the research also showed that AI is not perfect and comes with some challenges. It has some problems like data privacy, overly automated, not knowing how it works, and the need for money to buy tools. There are also risks related to that AI makes marketing feel robotic and less human (Gil, 2020). Many

SMEs cannot do it, so using AI can feel hard and confusing. The best way to fix this is to use AI and humans together. AI can do simple or repeating tasks, but people should still guide it. SMEs staff should help AI in branding, creativity, and communication with customers. This can help the company grow and build trust with the customers. Also, cheap AI tools can be used, and SMEs can train their staff to use them. The research shows that if used the right way, AI can help SMEs grow, reach more customers, and stay popular in social media

It is helpful for the study to tell clear recommendations for SMEs. It also revealed how AI and marketing fit together and how through a careful review of credible sources, one can find and make use of useful information. It was also clear that AI should be applied with human creativity - not as a replacement for it.

Further research could look into real-life examples of SMEs using AI. This will help to understand what works best and how it ultimately affects customers over time. Another good research topic would be investigating how AI can be ethically and honestly applied to social media marketing.

In conclusion, AI can help SMEs a lot, but they should use it carefully, combine with human creativity, and always think about what is best for their customers.

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