

Exploring Growth Strategies of European Small and Medium-sized Enterprises in the Service Sector using ChatGPT

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In recent years, the development of the artificial intelligence is changing with each passing day. Artificial intelligence has more and more application scenarios in modern production and life, generating more value and sparking numerous discussions. The epoch-making significance of the launch of ChatGPT (and its successive version GPT4) in late 2022 cannot be overstated. In just two months, it became the fastest application in human history to exceed 100 million registered users worldwide and is considered the core digital product of the next-generation technological revolution, with great potential for development. ChatGPT's high intelligence can efficiently solve many problems faced by the European small and medium-sized enterprises in the service sector, providing more possible approaches for their growth. To explore growth strategies that ChatGPT plays for small and medium-sized enterprises in the service sector, semi-structured interviews have been conducted (n = 24) and a qualitative methodology is used to analyze. The optimization and assistance that ChatGPT can bring to the development of small and medium-sized enterprises in the service sector are collected with totally 293 items and sorted in categories including human resource management, strategy decision making, fund raising, service research and development, finance, marketing, sales, administration and operation. Based on the findings, the authors listed the comprehensive and systematic solution as a strong reference for ChatGPT technology to assist small and medium-sized enterprises in their optimization and growing.

KEYWORDS: artificial intelligence, ChatGPT, small and medium-sized enterprises (SMEs), service sector, efficiency improvement, growth strategy.

Small and medium-sized enterprises (SMEs) have a considerable impact on economic growth and employment globally (Prasanna *et al.*, 2019). SMEs are widely recognized as the backbone of the global economy and the engine of sustainable economic development, with their significant contributions to employment growth and innovation (Cocco *et al.*, 2021). SMEs account for over 99% of all European businesses and providing employment to over two-thirds of the European workforce (Gherghina *et al.*, 2020). Within the service sector, SMEs play a particularly critical role, as they provide a wide range of essential services to individuals and businesses. They are also essential to ensure both economic growth and social cohesion in Europe. Moreover, SMEs in the service sector are critical drivers of innovation in Europe. SMEs are often at the forefront of new developments in the service sector, developing new products and services, and creating new business models. These innovations not only benefit SMEs themselves but also contribute

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Abstract

Introduction



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to the overall competitiveness of the European economy. By fostering innovation in the service sector, SMEs help to ensure that Europe remains at the forefront of the global economy, driving growth and prosperity for years to come. The importance of SMEs in the service sector to Europe cannot be overstated, as they contribute significantly to economic growth, job creation, and innovation. Despite their importance to the European economy, SMEs in the service sector face significant challenges in terms of growth and sustainability, including a lack of access to finance, a shortage of skilled workers, and increasing competition from larger companies.

AI technologies, particularly “Chat Generative Pre-Trained Transformer” (hereafter, ChatGPT), have the potential to help SMEs in the service sector in Europe overcome the challenges they are facing. ChatGPT’s high intelligence and ability to efficiently solve problems can help SMEs optimize their operations, improve decision-making, and enhance customer experience. Additionally, ChatGPT’s natural language processing capabilities enable it to communicate effectively with customers, providing personalized service and support (Azaria, 2022). AI technologies can also help SMEs in the service sector to automate routine tasks, freeing up time and resources to focus on more strategic initiatives (Balakrishnan *et. al.*, 2021). By leveraging AI technologies like ChatGPT, SMEs in the service sector in Europe can increase their competitiveness, improve their bottom line, and ensure long-term sustainability in an increasingly challenging market.

AI technology, especially ChatGPT, plays a pivotal role in the growth strategy of European service SMEs. The operation of small and medium-sized enterprises covers many aspects, such as human resource management, service product research and development, sales, marketing, etc. Therefore, it is very important to analyse the impact and opportunities of ChatGPT on the growth strategy of small and medium-sized enterprises with a comprehensive evaluation system and detailed strategic guidance. Meaning, how does ChatGPT help SMEs to improve their efficiency, save cost, avoid risk, and achieve higher speed and healthier sustainable development in a shorter period of time from different perspectives of their operations. These positive aspects of ChatGPT for SME development should be described and categorized in a detailed, specific and clear manner to form a systematic and detailed guidebook that can be used more effectively by SMEs to help them develop their business. The authors of this paper start to build such a systematic guiding solution with the current ChatGPT strategies for reducing costs and increasing efficiency that SMEs may bring by sorting out and summarizing the literature, and found that the existing literature cannot fully meet this requirement. Semi-structured interviews have been conducted ($n = 24$) and a qualitative methodology is used for the authors to systematically list the growth strategies of ChatGPT on the European service industry from multiple dimensions including human resource management, strategy decision making, fund raising, service research and development, finance, marketing, sales, administration and operation. The growth and sustainable development points of SMEs in the field have been sorted out, and it provides an important reference for them in the European service industry to use the most cutting-edge AI technology to improve their operational efficiency and maintain their competitive advantages.

Literature review

Artificial Intelligence (AI) is a booming technology that has the potential to revolutionize the way we live and work (Davenport & Ronanki, 2018). AI technologies are already being used in various domains, having shown promising results. Among the AI technologies, ChatGPT has emerged as a leading tool that is being used to provide intelligent service and support for human being’s lives (Deng & Lin, 2022). ChatGPT is an AI language model developed by OpenAI, which uses deep learning techniques to generate human-like responses to text-based queries (Krügel, 2023). The model is part of the GPT (Generative Pre-trained Transformer) series of language models and is based on the GPT-3.5 architecture (Floridi & Chiratti, 2020). The GPT-3.5 architecture is a variant

of the GPT-3 architecture, which was developed by OpenAI and released in 2020. The GPT-3.5 architecture is based on a transformer architecture, which is a type of neural network that can process sequences of data, such as text (Agrawal *et al.*, 2022). The transformer architecture is particularly well-suited for natural language processing tasks, as it can handle long sequences of text and capture the relationships between them. The GPT-3.5 architecture builds on this by incorporating a range of advanced features, including neural autoregressive language modeling, unsupervised pre-training, and fine-tuning (Alshater, 2022).

Neural autoregressive language modeling is a technique that involves predicting the next word in a sequence of text based on the previous words (Floridi, 2019). This technique is used to train the ChatGPT model to generate responses to text-based queries. Supervised pre-training is a process that involves training the model on a massive corpus of text data without any specific task in mind (Van Noorden, 2022). This process allows the model to learn the underlying patterns and relationships in the data, making it more accurate and effective in generating responses to queries (Pizzi *et al.*, 2021). Thanks to the unsupervised learning, ChatGPT can learn from its interactions with its customers, constantly improving its responses over time. As more data is fed into the model, it becomes increasingly accurate and can provide more intelligent and personalized responses (Van Dis *et al.*, 2023). Fine-tuning is a process that involves further training the model on a specific task, such as customer service or language translation, to optimize its performance. ChatGPT also uses a technique called attention mechanism, which helps the model to focus on specific parts of the input sequence when generating a response (Stahl, 2021). The attention mechanism allows the model to identify the most relevant information in the input sequence and use it to generate a more accurate and relevant response.

ChatGPT has quickly gained popularity as a tool for intelligent customer service and support. It can be used for a wide range of applications, including customer service, chatbots, and language translation (Kim *et al.*, 2019). The model is particularly well-suited for text-based communication, as it can understand natural language and generate responses that are indistinguishable from those of a human (Deng & Lin, 2022). Additionally, ChatGPT can be integrated with other technologies, such as voice recognition and machine vision, to provide a more comprehensive AI solution (Mariani *et al.*, 2023). However, there are also challenges associated with the use of ChatGPT. One of the primary challenges is the need for large amounts of data to train the model effectively. This can be a significant barrier for smaller businesses or those operating in niche markets (Sun & Medaglia, 2019). Additionally, there is a risk that the model may generate inappropriate or offensive responses, which could lead to legal liabilities. As such, it is essential to implement appropriate safeguards and controls when using ChatGPT to ensure that it is used responsibly and ethically (Cranefield *et al.*, 2022).

By leveraging the benefits of ChatGPT while also implementing appropriate safeguards and controls, businesses can harness the power of AI and continue to grow and thrive in an increasingly competitive market. Providing personalized service and support, automating routine tasks, and optimizing operations, ChatGPT can help SMEs to achieve success (Winikoff *et al.*, 2021). Previously, it is thought that the main competitive disadvantage of SMEs versus the large enterprises was the relative lack of capital and channels, but ChatGPT is giving endless possibilities to close this gap and offers many ways and means for SMEs to develop and grow (Dwivedi, 2023). As a European SME in the service sector, with the rapid development of the digital economy and the widespread use of ChatGPT, both in terms of the product services it provides and the many aspects of its internal operations, ChatGPT provides intelligent assistant services for it, thus improving its operational efficiency, service product development efficiency, etc. (Zhai, 2022; Bock *et al.*, 2020; Wirtz *et al.*, 2023).

The ChatBot application is a common tool used by many service-based SMEs today (Araujo, 2018), which allows ChatGPT to quickly process customer requests and queries, improving response quality and speed while gaining user trust and retention. For instance, in the medical service industry, ChatBot can provide real-time online medical solutions to customers, significantly improving efficiency (Bates, 2019). ChatBot can also automate internal training and external awareness dissemination, saving SMEs 40%-50% of time and investment (Okonkwo & Ade-Ibijola, 2021; Gupta & Chen, 2022; Kushwaha & Kar, 2021). However, the process of applying ChatBot in the enterprise is not always smooth. The acceptance of ChatBot varies among different cultures (Brachten *et al.*, 2021), and its acceptance also depends on the service needs of different customer areas. In the hotel service industry, autonomous voice service can provide guests with timely responses and self-push customer needs to the appropriate department, completing the entire service loop (Buhalis & Moldavska, 2022). In the software service industry, ChatGPT can replace many basic programming tasks, generating code faster and with higher quality than some senior IT engineers (Castelvecchi, 2022), which helps SMEs to do more with less labor cost, greatly improve the ROI in the current situation considering the high cost of IT engineers in Europe. For the banking service industry, meanwhile, ChatGPT can efficiently handle real-time customer demands (Sheth *et al.*, 2022). As two parties with a need to use funds, whether it is the party using the funds or the party borrowing, ChatGPT can accurately match needs and reduce risk. With the support of big data, core algorithms and training models, ChatGPT can quickly match lenders and borrowers with the appropriate service and matchmaker, and make preliminary judgments on user input to provide guidance to both parties (Singh *et al.*, 2022). Among companies providing financial consulting services, they can use ChatGPT to quickly and accurately provide appropriate solutions for their clients (Mogaji *et al.*, 2020), but financial service providers need more patience and more stringent vetting mechanisms to make users believe in ChatGPT's financial advice and keep strict control over it (Northey *et al.*, 2022). With ChatGPT, the advertising service industry can capture user needs and provide appropriate advertising products at minimal cost (Kietzmann *et al.*, 2022), and provide customized advertising solutions (Mithas *et al.*, 2022). In the promotion phase of the advertisement, the promotion method that maximizes the limited clicks or views is given, which makes the advertisement delivery more efficient, saves the client's investment, and maximizes the profit of the advertising service SMEs (Singh *et al.*, 2022). Another service sector mentioned in the literature is the travel service industry, where ChatGPT can help companies quickly acquire customers and generate travel solutions in real-time, allowing for self-service and quick order completion (Tércio Pereira *et al.*, 2022).

ChatGPT offers numerous benefits to SMEs in the service sector, including improved efficiency, cost savings, automation, streamlined services, and enhanced product marketability, which can help SMEs gain more market share in marketing solutions and promotion (Ma & Sun, 2020). Additionally, ChatGPT can empower internal-focused matters, such as optimizing internal spending solutions to improve capital utilization (Wirtz & Zeithaml, 2018). Without any external input, an enterprise's internal management will remain on a constant track, but ChatGPT can provide SMEs with more comprehensive decision-making solutions (Duan *et al.*, 2019) and optimize internal operation systems, allocate operational resources more rationally, and improve operational efficiency (Mithas *et al.*, 2022). Training is also critical for raising internal staff awareness, and ChatGPT can assist with training content, programs, and follow-up (Firat, 2023; Qadir, 2022).

While focusing on the huge benefits and efficiency gains that ChatGPT can bring to SMEs in the service sector, researchers have also explored the potential risks and how companies can quickly master the proficient use of ChatGPT (Zhang *et al.*, 2020). SMEs must also consider legal and ethical risks that vary by country (Belk, 2021; UK Government, 2021; Getahun, 2023). SMEs must

also mitigate inaccuracies in ChatGPT content (Stokel-Walker, 2023) by screening and reviewing its output (Coombs *et al.*, 2021; Zhang *et al.*, 2021). Regular assessments and training can help SMEs overcome these challenges and maximize the benefits of ChatGPT (Merhi, 2022).

As to be summarized from the above literature review, more and more literatures are now focusing on ChatGPT and explore how ChatGPT can quickly help SMEs to improve efficiency, grab more market share and narrow the gap with large enterprises. From these literatures, the authors do see that ChatGPT can have a significant boost for SMEs in the service sector, and the in-depth exploration how this could be realized in specific segments. However, since the ChatGPT technology is relatively new and still in the process of iteration, literatures' exploration is still limited, and there is a lack of comprehensive and systematic reference advice for SMEs in the service sector, which occupies a pivotal position in the European economy. Such a systematic and comprehensive solution is highly desirable, with which the European SMEs in the service sector can comprehensively assess what they can do with ChatGPT, how they can start and where they can start. This solution must cover all the operation sectors that SMEs in the service sector are currently facing and make ChatGPT grounded in the service sector SMEs.

Lack of such a solution has prevented many SME's from assessing their current shortcomings and self-evaluating how to quickly invest in using ChatGPT as a tool to improve their position in the industry. Despite the importance, based on the analysis and summary of the existing literature, the authors found a huge gap here, which is the lack of such a systematic and comprehensive solution to guide SMEs in the European service sector to analyze where their needs of using ChatGPT are and how to use ChatGPT to guide their daily operation for improvement. To solve this problem, this paper aims to establish a comprehensive evaluation system and detailed strategic guidance for the application of ChatGPT in the service sector, empowering SMEs to achieve self-assessment and leverage ChatGPT as a tool for growth. This solution should include all the points that can be used to improve the efficiency of European service SMEs through ChatGPT, and systematically classify all the points. At the same time, each point is described in a relatively systematic way to guide SMEs in the service sector to quickly complete their self-assessment and use it for self-improvement and optimization to improve their efficiency in general. In order to accomplish this, the following tasks should be completed: 1. to meticulously list, through an exhaustive survey, all the points where ChatGPT can help SMEs in the service sector to improve their operation efficiency and bring opportunities; 2. to systematically and professionally classify these collated points into categories; 3. to provide a basic description of each direction to guide SMEs in the service sector; 4. to make a corresponding evaluation of each solution.

This study aims to identify the potential applications of ChatGPT in SMEs in the service sector of Europe and establish a comprehensive evaluation system and detailed strategic guidance. To achieve this goal, the authors conducted a literature review to identify any existing systematic list of items related to ChatGPT's application in SMEs in the service sector of Europe. The authors found that no such list currently exists in the literature.

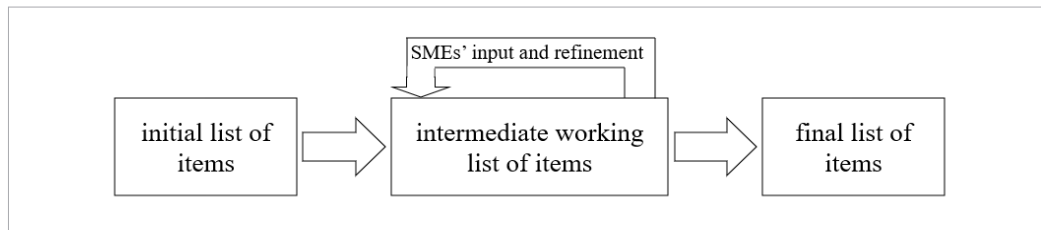
To address this gap, the authors created an initial list of potential applications of ChatGPT in SMEs in the service sector based on existing literatures, which included items such as workforce planning, pricing strategy, and financial reporting. The authors then conducted semi-structured interviews with SMEs in the service sector in Munich, Germany. The authors chose Munich because it is a major economic center in Europe, and it has a diverse range of service sector SMEs. During the interviews, the SME owners and managers are asked to identify any additional potential applications of ChatGPT in their business operations. First, the SME owners and managers were asked if they were aware of ChatGPT and familiar with it and had adopted it within their or-

ganizations to optimize all aspects of their operations, thereby improving efficiency and creating more value. Second, for those companies that have adopted ChatGPT, the authors counted the specific areas in which they have adopted it and asked how they are currently adopting it and how effective it is. For those that have not adopted ChatGPT, the authors researched and described in detail the points where they believe ChatGPT can be used to reduce costs and increase efficiency. For companies that have not yet adopted ChatGPT and lack knowledge of it, the authors first provide a detailed introduction to ChatGPT and AI and, based on these features, ask them in which specific areas of their business they can adopt ChatGPT in the future to help improve operational efficiency. Finally, these points were made and collected.

In addition, the authors used a grouping model to advance the semi-structured interviews, i.e., each time the authors selected four SMEs as a group, and after interviewing them, made a staging of the data and then proceeded to the next group. If a new group was interviewed and did not contribute beyond the previously collated points, or if no new points emerged, the authors ended their collection. Eventually, after semi-structured interviews with 24 SMEs, the authors collected all the points. (Figure 1 shows how this works).

Figure 1

The approach stages to obtain the list of applications



The data collected was analyzed using a qualitative approach, which involved identifying and categorizing themes and patterns in the responses. The analysis involved a process of coding, which involved identifying key concepts and ideas in the responses and grouping them into categories. The categories were then further refined and compared to identify overarching themes and patterns in the data. The analysis revealed a number of common themes, including the potential for AI to improve efficiency and productivity, enhance decision-making processes, and support new product design. Using the qualitative analysis method, the identified points are sorted into the following groups: human resource management, strategy decision making, fund raising, service research and development, finance, marketing, sales, administration and operation. A brief description of each identified application is provided and the potential benefits and limitations are discussed.

In addition, the analysis highlighted a number of potential challenges and limitations associated with the use of ChatGPT, such as concerns about data privacy and security. Overall, the qualitative analysis provided valuable insights into the ways in which companies are thinking about and approaching the use of ChatGPT in their operations.

In summary, this study used a semi-structured interviews as well as qualitative analysis approach to identify the potential applications of ChatGPT in SMEs in the service sector of Europe. The study findings could help SME owners and managers in the service sector to better understand how ChatGPT could be used to improve their business operations.

Result and analysis

The list of items of the comprehensive evaluation system is finalized after 5 iterations, i.e., after semi-structured interviews with 24 SMEs. A total of 293 items were collected. After qualitative analysis, they were organized into a total of eight major categories, which are: human resource management, strategy decision making, fund raising, service research and development, finance, marketing, sales, administration and operation, respectively.

Next, each of the collected item is presented according to different categories, where each aspect of item can be used to reduce costs and increase efficiency for SMEs in the European service sector, and a brief description of this is presented.

Human resource management:

- » Recruitment and selection: assistance with screening and assessing candidates for job openings.
- » Onboarding and offboarding: provision of new hires with information about the company and its policies, as well as for offboarding.
- » Training and development: assistance with creating and delivering training programs to employees.
- » Performance management: help with setting goals and tracking employees' progress towards meeting them.
- » Employee engagement: assistance with collecting feedback from employees and improving engagement.
- » Compensation and benefits: assistance with determining appropriate compensation and benefits packages.
- » Conflict resolution: assistance with resolving conflicts between employees or between employees and management.
- » Succession planning: help with identifying potential successors for key positions.
- » Diversity and inclusion: assistance with promoting diversity and inclusion within the workplace.
- » Workforce planning: help with forecasting future workforce needs.
- » Employee wellness: assistance with promoting employee wellness and well-being.
- » Employee communications: help with creating and delivering effective employee communications.
- » Job analysis: assistance with analyzing job duties and responsibilities.
- » Job design: help with designing jobs to maximize employee productivity and satisfaction.
- » Workplace safety: assistance with promoting workplace safety and preventing accidents.
- » Employee feedback: help with collecting and analyzing employee feedback to make improvements.
- » Employee retention: assistance with developing strategies to retain valuable employees.
- » Employee motivation: help with motivating employees to reach their full potential.
- » Employee recognition: assistance with recognizing and rewarding employees for their contributions.
- » Team building: help with team building activities and initiatives.
- » Job satisfaction: assistance with improving employee job satisfaction levels.
- » Employee turnover: help with reducing employee turnover rates.
- » Employee career development: assistance with providing employees with opportunities for career development.
- » Employee performance feedback: help with providing feedback to employees on their performance.
- » Employee performance appraisal: assistance with conducting performance appraisals.

- » Employee goal setting: help with setting goals for employees to achieve.
- » Employee recognition programs: assistance with designing and implementing employee recognition programs.
- » Employee benefits and rewards' administration: help with administering employee benefits and rewards.
- » Employee scheduling: assistance with scheduling employees for optimal productivity.
- » Employee productivity analysis: help with analyzing employee productivity levels.
- » Career pathing: assistance with creating career paths for employees.
- » Employee engagement surveys: assistance with designing and conducting employee engagement surveys.
- » Employee morale: help with improving employee morale.
- » Employee burnout prevention: help with preventing employee burnout.
- » Employee mental health support: help with providing employees with mental health support.
- » Employee self-evaluation: assistance with providing employees with self-evaluation tools.
- » Employee recognition analysis: assistance with analyzing the effectiveness of employee recognition programs.
- » Employee performance improvement plans: assistance with developing performance improvement plans for underperforming employees.
- » Employee diversity analysis: assistance with analyzing employee diversity data to identify areas for improvement.
- » Employee benefits analysis: assistance with analyzing employee benefits data to identify areas for improvement.
- » Compliance and policy management: help SMEs to ensure that they are in compliance with labor laws and regulations by providing information on legal requirements and helping to track policy changes.
- » Employee work-life balance: assistance with promoting employee work-life balance.
- » Employee development plans: assistance with creating development plans for employees.
- » Employee job crafting: assistance with job crafting, where employees customize their job duties to better fit their skills and interests.
- » Employee workload analysis: assistance with analyzing employee workload to identify areas for improvement.
- » Employee feedback loop: assistance with creating a feedback loop for continuous improvement.
- » Employee recognition metrics: assistance with developing metrics to measure the effectiveness of employee recognition programs.
- » Employee skill assessments: assistance with assessing employee skills and identifying areas for improvement.
- » Employee goal alignment: assistance with aligning employee goals with company goals.
- » Employee time management: assistance with improving employee time management skills.
- » Employee feedback analysis tools: assistance with developing tools to analyze employee feedback data.
- » Employee satisfaction surveys: assistance with designing and conducting employee satisfaction surveys.

During the interviews, a total of 52 points about human resource management (hereafter: HRM) were collected. ChatGPT can be a very huge help in areas such as employee recruitment, training, management, appraisal, etc. It can help SMEs in the service sector save cost and provide more solutions in HRM. These can be direct support, such as giving job descriptions or management regulations, or indirect support, such as supervising employees to maintain a good working condition by giving them a health plan.

Strategy decision making:

- » SWOT analysis: assistance with conducting a SWOT analysis to identify strengths, weaknesses, opportunities, and threats.
- » PESTEL analysis: help with conducting a PESTEL analysis to identify political, economic, social, technological, environmental, and legal factors that may impact the business.
- » Competitive analysis: assistance with conducting a competitive analysis to identify competitors and their strengths and weaknesses.
- » Market research: help with conducting market research to identify customer needs and trends.
- » Business model canvas: assistance with creating a business model canvas to identify key elements of the business model.
- » Blue ocean strategy: help with implementing a blue ocean strategy to create uncontested market space.
- » Growth strategy: assistance with developing a growth strategy to expand the business.
- » Diversification strategy: help with implementing a diversification strategy to enter new markets or industries.
- » Product differentiation strategy: assistance with implementing a product differentiation strategy to distinguish the business from competitors.
- » Cost leadership strategy: help with implementing a cost leadership strategy to offer products or services at lower prices than competitors.
- » Market penetration strategy: assistance with implementing a market penetration strategy to increase market share.
- » Pricing strategy: help with developing a pricing strategy to maximize profits.
- » Channel strategy: assistance with developing a channel strategy to reach customers through various channels.
- » Value proposition strategy: help with developing a value proposition strategy to communicate the unique value of the business to customers.
- » Strategic alliances: assistance with forming strategic alliances with other businesses to achieve common goals.
- » Joint ventures: help with forming joint ventures with other businesses to collaborate on specific projects or ventures.
- » Mergers and acquisitions: assistance with evaluating and executing mergers and acquisitions to expand the business.
- » Strategic partnerships: help with forming strategic partnerships with other businesses to leverage each other's strengths.
- » Portfolio analysis: assistance with conducting a portfolio analysis to evaluate the performance of different business units or products.

- » Resource allocation: help with allocating resources effectively to achieve strategic goals.
- » Investment analysis: assistance with conducting investment analysis to evaluate the financial viability of potential investments.
- » Risk management: help with developing and implementing risk management strategies to mitigate risks.
- » Scenario planning: assistance with conducting scenario planning to anticipate and plan for different possible futures.
- » Innovation strategy: help with developing an innovation strategy to foster creativity and innovation within the business.
- » Digital transformation strategy: assistance with developing a digital transformation strategy to leverage technology for competitive advantage.
- » Customer experience strategy: help with developing a customer experience strategy to improve customer satisfaction and loyalty.
- » Employee retention strategy: assistance with developing an employee retention strategy to retain top talent.
- » Knowledge management strategy: help with developing a knowledge management strategy to capture and share organizational knowledge.
- » Strategic planning process: assistance with facilitating the strategic planning process.
- » Stakeholder analysis: help with conducting a stakeholder analysis to identify stakeholders and their interests.
- » Decision-making frameworks: assistance with developing decision-making frameworks to guide strategic decision making.
- » Balanced scorecard: help with implementing a balanced scorecard to measure and manage performance.
- » Key performance indicators: assistance with developing and tracking key performance indicators to monitor progress towards strategic goals.
- » Strategy mapping: help with developing a strategy map to visualize the business strategy and how it will be executed.
- » Strategic objectives: assistance with setting strategic objectives and goals.
- » Strategy communication: assistance with communicating the business strategy effectively to all stakeholders.
- » Organizational alignment: help with aligning the organization with the business strategy.
- » Change management: assistance with managing change effectively during the implementation of the business strategy.
- » Continuous improvement: help with continuously improving the business strategy and its execution.
- » Innovation management: help with managing innovation effectively to drive business growth.
- » Competitive advantage: assistance with identifying and leveraging the business's competitive advantages.
- » Strategic leadership: help with developing strategic leadership skills within the organization.
- » Strategic vision: assistance with developing a clear and compelling strategic vision for the business.
- » Strategic resource allocation: help with allocating resources strategically to achieve business goals.

Making strategic decisions is a very important part of business operation. The right strategic decision can make an enterprise achieve leapfrog development, while the wrong strategic decision can make an enterprise miss the best development opportunities, causing the enterprise development to stagnate or even bankruptcy. For SMEs in the European service sector, they do not have much budget and opportunity to keep making mistakes, so AI assistance for strategic decisions is especially needed. ChatGPT can provide detailed and effective assistance to those responsible for making the right decision from background analysis, promotion strategy and other dimensions, and can be used as a basis to ensure the right strategic decisions are made during the execution process. The above 44 items give the directions and descriptions of ChatGPT's capabilities in strategic decision making from various dimensions.

Fund raising:

- » Fund raising strategy: assistance with SMEs in developing a fund-raising strategy.
- » Investor research: help with SMEs in identifying potential investors by conducting market research and analyzing investment trends in the relevant industry or sector.
- » Pitch deck creation and refinement: assistance with creating a compelling pitch deck.
- » Valuation modeling: help with SMEs in determining their company's valuation by providing tools and resources for financial analysis and modeling, and offering recommendations for valuation methods and approaches.
- » Due diligence assistance: assistance with preparing for due diligence by providing tools and resources for financial analysis, and offering recommendations for preparing due diligence materials.
- » Investor relations: help SMEs in managing investor relations.
- » Crowdfunding campaign planning: assistance with planning a crowdfunding campaign.
- » Investment strategy: assistance with developing an investment strategy that aligns with business goals, financing needs, risk tolerance, and investor preferences.
- » Negotiation support: help with negotiating deal terms, structure, and pricing with potential investors.
- » Financial modeling: help with creating financial models that effectively communicate financial projections and performance to investors.
- » Investment memorandum: assistance with preparing an investment memorandum that provides a detailed overview of the business.
- » Investor outreach: help with crafting effective investor outreach messages and reaching out to potential investors.
- » Market research: assistance with conducting market research to identify trends, opportunities, and competition in the industry.
- » Investment readiness assessment: help with assessing investment readiness and identifying areas for improvement.
- » Capital structure: help with determining the appropriate capital structure for the business, including mix of equity and debt financing and financial performance implications.
- » Regulatory compliance: help with ensuring compliance with relevant regulations and requirements.
- » Exit planning: assistance with developing an exit plan that outlines options for exiting the business.
- » Industry benchmarking: help with benchmarking the business against industry peers to better understand competitive position and potential for growth.

- » Strategic partnering: assistance with identifying potential strategic partners who may provide funding or other resources.
- » Alternative funding sources: help with exploring alternative funding sources, such as grants, loans, and government programs.
- » Competitive analysis: assistance with identifying competitors, assess strengths/weaknesses, improve pitch.
- » Value proposition development: assistance with developing a unique value proposition for target audience.
- » Financial controls: help with implementing reporting mechanisms for transparency and accuracy.
- » Virtual data room management: assistance with managing VDR during fundraising process.
- » Risk management: help with identifying and managing market, regulatory, and operational risks.
- » Investor pipeline management: assistance with managing investor engagement, follow-ups, and next steps.
- » Post-investment support: help with managing investor relations and reporting requirements.
- » M&A support: assistance with identifying targets, performing due diligence, and structuring transactions.
- » Financial controls: help with implementing effective financial controls and reporting systems.
- » Investor feedback analysis: assistance with analyzing and utilizing investor feedback.
- » Deal structuring: help with structuring deals to maximize benefits for company and investors.
- » Investment documentation: assistance with preparing necessary investment documentation.
- » Investor education: help with educating investors about business and industry.

Fundraising is an important activity for the survival of SMEs in the European service sector, especially for those in the early stages or those in need of capital for upgrading and expansion. In this area, a total of 33 items were counted in the interviews. Through ChatGPT, business owners can quickly find the appropriate fundraising target and complete the corresponding preparation work, such as preparing the pitch deck, under the guidance of ChatGPT, which greatly improves the efficiency and success rate of financing.

Service research and development:

- » Idea generation: assistance with generating new ideas by analyzing data and market trends.
- » Service design: help with designing unique and differentiated services based on customer needs and industry best practices.
- » Service quality assurance: assistance with ensuring high-quality service delivery through guidelines, performance metrics monitoring, and identifying areas for improvement.
- » Service differentiation: help with identifying unique value propositions, developing specialized service offerings, and creating brand differentiation strategies to differentiate from competitors.
- » Service innovation: assistance with developing new service offerings or modifying existing ones to meet emerging market trends or customer demands.
- » Service technology: ChatGPT helps SMEs leverage technology to enhance their service product.
- » Service operations: ChatGPT provides guidelines on service delivery standards, standard operating procedures, and employee management.

- » Service customization: ChatGPT provides personalized recommendations to customers based on their preferences and needs.
- » Understanding customer needs: ChatGPT analyzes customer conversations and feedback to understand customer needs and improve service offerings.

Service offerings are the key to the survival and long-term development of SMEs in the service sector. In the area of service research and development, the authors collected the least number of points. We assume that the reason for this is that SMEs provide different types of services and are more independent and differentiated than other categories. With ChatGPT, developers can get more comprehensive design ideas through brainstorming, and then provide better services to customers.

Finance:

- » Financial reporting: generate financial reports for SMEs such as balance sheets.
- » Budgeting and forecasting: help SMEs create budgets and forecasts using financial modeling tools and guidance to plan for the future and manage finances effectively.
- » Expense management: track and categorize expenses, create reports, and identify areas where costs can be reduced.
- » Tax compliance: guide SMEs in tax preparation, filing, and payment to comply with laws.
- » Financial analysis: analyze financial data to identify trends and patterns.
- » Cash management: optimize cash flow by forecasting inflows/outflows.
- » Financial risk management: help SMEs manage financial risks such as currency, interest rate, and credit risks to mitigate risks and protect financial health.
- » Financial planning and strategy: provide insights into financial planning and strategy to make informed decisions about investments, cash flow, and revenue growth.
- » Bookkeeping and accounting: assist SMEs in bookkeeping, accounting, financial reporting, and tax compliance.
- » Payment processing: streamline payment processing systems such as credit card processing and online payment gateways to improve customer satisfaction.
- » Financial modeling: create financial models to assess the impact of various scenarios such as changes in revenue or expenses, or the introduction of new products or services.
- » Debt management: help SMEs in managing their debt obligations by providing insights into debt management strategies and offering recommendations for debt refinancing or consolidation.
- » Cash conversion cycle analysis: help SMEs in analyzing their cash conversion cycle (CCC) and identifying ways to optimize it.
- » Fraud detection and prevention: assist SMEs in detecting and preventing fraud by providing tools and resources for fraud analysis, such as anomaly detection, network analysis, and predictive modeling.
- » Revenue recognition: help SMEs in managing revenue recognition by providing resources and tools for revenue recognition compliance, such as ASC 606, IFRS 15, and other regulatory standards.
- » Capital structure optimization: assist SMEs in optimizing their capital structure.
- » Cost of capital analysis: assist SMEs in analyzing their cost of capital and offering recommendations for optimizing their financing mix.

- » Capital budgeting: assist SMEs in capital budgeting by providing tools and resources for evaluating potential investment opportunities, such as net present value (NPV) analysis and internal rate of return (IRR) analysis.
- » Financial valuation: help SMEs in valuing their business or assets by providing valuation models and tools.
- » Financial forecasting: help SMEs in creating financial forecasts that can help SMEs to predict future financial performance and plan accordingly.
- » Financial communication: help SMEs in communicating financial information to stakeholders.
- » Financial benchmarking: assist SMEs in comparing their financial performance against industry benchmarks and identifying areas for improvement.
- » Financial performance monitoring: can assist SMEs in monitoring their financial performance by providing real-time financial data and analysis.

In the category of finance, the authors have collected a total of 23 directions that ChatGPT can empower. With ChatGPT, SME in the service sector can receive comprehensive guidance on spending budget, capital efficiency analysis, capital planning, cash flow management, financial budgeting, and other dimensions to achieve effective planning and use of funds, making the business run more efficiently.

Marketing:

- » Market segmentation: assistance with identifying and targeting specific segments of customers who are most likely to use the SME's services.
- » Competitor analysis: help with analyzing competitors to identify areas where the SME can differentiate itself from the competition.
- » Branding: assistance with developing a brand identity that conveys the SME's unique value proposition and resonates with its target audience.
- » Marketing strategy: assistance with developing a comprehensive marketing strategy that outlines the SME's goals, target audience, tactics, and budget.
- » Website design and optimization: assistance with creating a user-friendly and visually appealing website that is optimized for search engines.
- » Content creation: assistance with developing high-quality and relevant content, such as blog posts, articles, and videos, to attract and engage potential customers.
- » Search engine optimization (SEO): assistance with optimizing website content and structure to improve search engine rankings and increase traffic.
- » Pay-per-click (PPC) advertising: assistance with creating and managing targeted online advertising campaigns to drive traffic to the SME's website.
- » Social media marketing: assistance with developing and executing a social media strategy that engages with potential customers and promotes the SME's services.
- » Email marketing: assistance with creating and sending targeted email campaigns to potential customers to promote the SME's services.
- » Referral marketing: assistance with incentivizing and encouraging existing customers to refer new customers to the SME.
- » Marketing automation: assistance with automating repetitive marketing tasks, such as email campaigns and social media posting, to save time and increase efficiency.
- » Mobile marketing: assistance with creating and optimizing mobile ads and campaigns to reach potential customers on their mobile devices.

- » Video marketing: assistance with creating and promoting video content to showcase the SME's services and engage potential customers.
- » Influencer marketing: assistance with partnering with influencers who have a large following in the SME's target audience to promote its services.
- » Public relations: assistance with working with the media to generate positive coverage and buzz around the SME's services.
- » Customer reviews and testimonials: assistance with collecting and showcasing positive reviews and testimonials from satisfied customers.
- » Local SEO: assistance with optimizing the SME's website and online presence to target customers in its local area.
- » Chatbots: assistance with implementing chatbots on the SME's website or social media channels to provide customer service and support.
- » Customer surveys: assistance with collecting feedback from customers to improve the SME's services and marketing strategies.
- » Conversion rate optimization: assistance with optimizing the SME's website and marketing campaigns to increase the percentage of visitors who become customers.
- » Landing page optimization: assistance with creating and optimizing landing pages to drive conversions and capture leads.
- » Sales funnel optimization: assistance with optimizing the sales funnel to increase the number of leads and customers generated by marketing campaigns.
- » Direct mail marketing: assistance with sending physical mail, such as postcards or brochures, to potential customers to promote the SME's services.
- » Affiliate marketing: help in partnering with other businesses or websites to promote the SME's services and generate leads and sales.
- » Loyalty programs: assistance with creating loyalty programs to incentivize repeat business and referrals.
- » Reputation management: assistance with monitoring and managing the SME's online reputation to ensure positive reviews and feedback.
- » Customer service: assistance with providing excellent customer service to build loyalty and generate positive word-of-mouth.
- » Brand advocacy: assistance with encouraging satisfied customers to become brand advocates and promote the SME's services to their networks.
- » Google My Business: assistance with optimizing the SME's Google My Business profile to improve local search visibility and attract more customers.
- » Voice search optimization: assistance with optimizing the SME's website content for voice search queries to capture more traffic from voice assistants like Siri and Alexa.
- » Chat marketing: assistance with using chat platforms like Facebook Messenger and WhatsApp to engage with customers and promote services.
- » Account-based marketing (ABM): assistance with targeting specific individuals or accounts with personalized marketing messages and campaigns.
- » Lead generation: assistance with creating and executing campaigns to generate leads and new business opportunities.
- » Thought leadership: assistance with positioning the SME's leadership team as experts in their field through content creation and industry speaking engagements.

- » Virtual events: assistance with hosting webinars, virtual conferences, and other online events to engage with potential customers and promote services.
- » Webinars: assistance with hosting webinars to educate potential customers on the SME's services and generate leads.
- » Customer education: assistance with providing educational resources and content to help customers make informed decisions and get the most value from the SME's services.
- » Customer retention: assistance with developing strategies to retain existing customers and increase customer lifetime value.
- » Personal branding: assistance with developing the personal brands of SME's leaders and employees to increase the SME's visibility and reputation.
- » Product demos: help with providing product demos and trials to potential customers to showcase the SME's services and generate leads.
- » Marketing analytics: help with tracking and analyzing marketing data to measure the effectiveness of marketing campaigns and inform future strategies.
- » Online reputation management: help with monitoring and managing the SME's online reputation to ensure positive reviews and feedback.
- » Brand consistency: help with ensuring consistent messaging and branding across all marketing channels and materials.
- » Social proof: help with showcasing social proof, such as customer reviews and testimonials, to build trust and credibility with potential customers.
- » Marketing budgeting: help with developing and managing a marketing budget that aligns with the SME's goals and objectives.
- » Marketing technology: help with implementing and managing marketing technology tools, such as marketing automation and analytics platforms.
- » Marketing compliance: help with ensuring marketing campaigns and materials comply with legal and ethical standards and regulations.

For good services to be known in the market, good marketing is especially important. Especially for small and medium-sized enterprises, how to make good service products quickly recognized, a good comprehensive promotion strategy becomes indispensable. The 48 items above provide a systematic and comprehensive reference for SMEs in the European service sector to achieve this goal.

Sales:

- » Sales territory mapping: assistance with mapping sales territories to optimize resources and ensure maximum coverage.
- » Sales training: help with providing sales training and support to ensure the sales team is equipped to close deals and generate revenue.
- » Customer experience: help with optimizing the customer experience to increase satisfaction and loyalty.
- » Sales collateral: help with creating sales collateral, such as brochures and sales decks, to support the sales team and generate new business.
- » Sales enablement: assistance with providing sales teams with the tools and resources they need to close deals and generate revenue.
- » Customer relation management (CRM): assistance with implementing a CRM system to manage customer data and interactions and improve customer relationships.

- » Customer win-back strategies: assistance with developing tactics to win back lost customers and increase retention rates.
- » Sales lead tracking: assistance with tracking and analyzing the behavior of potential customers to identify buying signals and optimize sales strategies.
- » Customer journey optimization: assistance with optimizing the customer journey to increase satisfaction and loyalty and improve sales conversion rates.
- » Sales process automation: assistance with automating repetitive sales tasks to increase efficiency and reduce errors.
- » Sales performance benchmarking: assistance with benchmarking sales performance against industry standards and competitors to identify areas for improvement.
- » Sales lead qualification: assistance with qualifying leads to ensure the sales team is focusing on high-potential opportunities.
- » Sales incentive optimization: assistance with optimizing sales incentives to improve motivation and performance.
- » Sales data management: assistance with managing and analyzing sales data to inform sales strategies and decisions.
- » Sales process evaluation: assistance with evaluating the effectiveness of the sales process and identifying areas for improvement.
- » Customer experience measurement: assistance with measuring customer satisfaction and loyalty to inform sales strategies and improve customer retention.
- » Sales performance reporting: assistance with creating and sharing reports on individual and team sales performance to provide visibility and insights.
- » Customer feedback management: assistance with managing and analyzing customer feedback to improve services and sales processes.
- » Sales and marketing alignment optimization: assistance with continuously optimizing alignment between sales and marketing strategies and tactics.
- » Sales and customer service integration: assistance with integrating sales and customer service processes to improve the customer experience.
- » Sales technology evaluation: assistance with evaluating and selecting sales technology tools to improve efficiency and performance.
- » Sales and service level agreement (SLA) management: assistance with managing and optimizing SLAs to ensure customer needs are met and sales goals are achieved.
- » Sales pipeline management: assistance with managing the sales pipeline to ensure a steady flow of leads and opportunities.
- » Sales funnel tracking: assistance with tracking and analyzing the stages of the sales funnel to identify areas for improvement.
- » Sales automation: assistance with automating repetitive sales tasks to increase efficiency and save time.
- » Sales forecasting and planning: assistance with using data and analytics to forecast future sales and plan sales strategies.
- » Sales team management: assistance with managing and coaching the sales team to improve performance and achieve sales goals.
- » Sales incentive programs: assistance with implementing incentive programs to motivate and reward sales team members for achieving goals.

- » Customer segmentation: assistance with dividing customers into groups based on their needs, behaviors, and demographics.
- » Customer acquisition cost (CAC): help with calculating the cost of acquiring a new customer to inform sales budgeting and strategy.
- » Customer lifetime value (CLV): assistance with predicting the total value a customer will bring to the business over their lifetime to inform sales and marketing strategies.
- » Customer retention strategies: help with developing tactics to retain existing customers and improve customer loyalty.
- » Customer referral programs: help with incentivizing and encouraging existing customers to refer new customers to the business.
- » Customer satisfaction surveys: help with collecting feedback from customers to improve services and sales strategies.
- » Net Promoter Score (NPS): assistance with measuring customer loyalty and satisfaction to improve services and reputation.
- » Customer service training: help with providing customer service training and support to improve customer satisfaction and loyalty.
- » Customer experience optimization: assistance with optimizing the customer experience to increase satisfaction and loyalty.
- » Customer success management: help with managing and supporting customers to ensure they are successful with the business's services.
- » Customer advocacy: assistance with encouraging satisfied customers to become brand advocates and promote services to their networks.
- » Referral marketing: help with incentivizing and encouraging existing customers to refer new customers to the business.
- » Upselling and cross-selling: assistance with offering additional products or services to existing customers to increase revenue.
- » Account-based sales: help with targeting specific individuals or accounts with personalized sales messages and strategies.
- » Objection handling: assistance with addressing and overcoming objections to close deals and generate revenue.
- » Sales quota management: help with setting and managing sales quotas to drive revenue and motivate the sales team.
- » Sales commission planning: assistance with managing sales commissions to motivate and reward the sales team.
- » Sales analytics: help with tracking and analyzing sales data to measure the effectiveness of sales strategies and inform future plans.
- » Sales performance management: assistance with managing and coaching individual and team sales performance to improve results.
- » Sales benchmarking: help with comparing the business's sales performance to industry benchmarks to identify areas for improvement.
- » Sales channel management: assistance with managing and optimizing sales channels, such as online marketplaces and partnerships, to drive revenue.
- » Sales contract management: help with managing and tracking sales contracts to ensure compliance and timely payment.

- » Sales reporting: assistance with creating and sharing sales reports to provide visibility and insights into sales performance.
- » Sales process documentation: assistance with documenting and standardizing the sales process to ensure consistency and improve efficiency.
- » Sales strategy development: help with developing and executing a sales strategy to achieve revenue and growth goals.
- » Sales compliance: help with ensuring sales practices and contracts comply with legal and ethical standards and regulations.
- » Sales crisis management: assistance with developing and executing a plan to manage and mitigate the impact of a crisis or negative event on sales and revenue.

Sales is the corporate business unit that directly generates profit for the company. Previously, we had tools like CRM to help companies with sales management and planning, but ChatGPT takes this ancillary type of support to a whole new level. With ChatGPT, the sales department can dramatically improve its efficiency, which in turn can bring more profit to the business and achieve rapid growth.

Administration and operation (list only those NOT mentioned in previous groups):

- » Workplace culture: help with developing and maintaining a positive and inclusive workplace culture.
- » Business insurance: assistance with obtaining and managing insurance policies to protect the business from risk.
- » Intellectual property management: help with managing and protecting the business's intellectual property, such as trademarks and patents.
- » Vendor and supplier management: assistance with managing relationships with vendors and suppliers to ensure the business has the resources it needs to operate.
- » Inventory management: help with managing and tracking inventory to ensure the business has the right products and supplies on hand.
- » Supply chain management: assistance with managing and optimizing the supply chain to ensure the business has the resources it needs to operate efficiently.
- » Procurement management: help with managing the purchasing process to ensure the business obtains goods and services at the best possible price and quality.
- » Logistics management: assistance with managing the movement of goods and supplies to ensure timely and efficient delivery.
- » Facilities management: help with managing and maintaining the business's physical facilities, such as offices and warehouses.
- » IT infrastructure management: assistance with managing and maintaining the business's IT infrastructure, such as computers and servers.
- » Cybersecurity management: help with managing and protecting the business's digital assets from cybersecurity threats.
- » Data management: assistance with managing and analyzing business data to inform decision-making and improve efficiency.
- » Business process optimization: help with optimizing business processes to improve efficiency and productivity.
- » Project management: assistance with managing projects to ensure they are completed on time and within budget.

- » Quality control: help with ensuring products and services meet the business's quality standards.
- » Business process documentation: assistance with documenting and standardizing business processes to ensure consistency and improve efficiency.
- » Business data analysis: help with analyzing business data to identify trends and opportunities for improvement.
- » Business performance reporting: assistance with creating and sharing reports on business performance to provide visibility and insights.
- » Business process automation: help with automating repetitive business processes to increase efficiency and reduce errors.
- » Business process management: help with managing and optimizing business processes to ensure the business operates efficiently and effectively.
- » Business continuity planning: assistance with developing and executing a plan to ensure the business can continue operating in the event of a disruption or disaster.
- » Crisis management: help with developing and executing a plan to manage and mitigate the impact of a crisis or negative event on the business.
- » Lean management: help with applying lean management principles to optimize business processes and reduce waste.
- » Six Sigma: assistance with applying Six Sigma methodologies to improve business processes and reduce defects.
- » Kaizen: help with applying Kaizen methodologies to continuously improve business processes and increase efficiency.
- » Total Quality Management (TQM): assistance with applying TQM methodologies to improve business processes and increase customer satisfaction.
- » Business process mapping: help with mapping business processes to identify areas for improvement and optimize efficiency.
- » Business process redesign: assistance with redesigning business processes to improve efficiency and productivity.
- » Business process improvement: help with continuously improving business processes to increase efficiency and productivity.

Administration and operation is a category that overlaps with some of the previous categories, and after reducing the redundancy, we have collected 29 items. ChatGPT not only provides advanced strategies for business operations and management, and helps monitor the implementation, but also provides advanced strategies for business operations and management, but also provides comprehensive support in multiple units of business operations and management, such as IT management, data management, quality management, etc.

The list of points that ChatGPT could help SMEs in the service sector in Europe is organized into eight groups, each with its own set of critical functions. These functions are critical to the success of SMEs in the service sector, and using them effectively can help drive development and growth. Human resource management is critical for developing and supporting employees, ensuring a positive and productive workplace, and optimizing performance. Strategy decision making is essential for identifying opportunities, minimizing risk, and establishing a clear direction for the business. Fundraising helps SMEs secure the capital they need to invest in growth and development. Service research and development is important for understanding customer needs and developing innovative solutions. Finance management is critical for managing cash

flow, optimizing budgets, and ensuring compliance with tax laws and regulations. Marketing is essential for building brand awareness and attracting customers. Sales management is critical for effectively managing the sales process and ensuring timely and accurate fulfillment. Finally, administration and operation functions are critical for managing and optimizing business processes, ensuring compliance, and mitigating risks. Overall, SMEs can use these comprehensive lists of points and apply with ChatGPT to prioritize their efforts, optimize their operations, and drive business growth.

SMEs are the backbone of the European economy, and the service sector is one of the most critical industries in this regard. To remain competitive, service SMEs must navigate a complex array of challenges, from managing cash flow and budgets to developing and supporting employees, conducting research and development, and building brand awareness. The list of items that ChatGPT could help SMEs in the service sector in Europe addresses many of these challenges, providing a roadmap for SMEs to prioritize their efforts and optimize their operations. The findings of this study reveal that there are various growth strategies that European SMEs in the service sector can adopt to achieve success, and ChatGPT can play a crucial role in supporting these strategies. Based on the data collected from the 24 semi-structured interviews, the authors identified 293 items that are relevant to the operation of SMEs in this sector. These items were sorted into eight categories, including human resource management, strategy decision making, fund raising, service research and development, finance, marketing, sales, administration, and operation.

One of the significant findings of this study is that human resource management is a crucial factor in the success of SMEs in the service sector. It is evident from the data that ChatGPT can help these organizations in several ways, such as identifying the right talent, developing employee training programs, and creating a positive work culture. Similarly, ChatGPT can assist in the decision-making process by providing insights on market trends, customer preferences, and competitor analysis. Moreover, the study revealed that ChatGPT can support SMEs in the service sector in raising funds by providing guidance on investment options and helping in the preparation of business plans and proposals. Additionally, ChatGPT can assist in service research and development by providing insights on customer needs, preferences, and feedback on existing services. ChatGPT can also help SMEs in the service sector in managing their finances efficiently, monitoring cash flows, and identifying potential cost-saving measures. Furthermore, ChatGPT can assist in creating effective marketing and sales strategies, identifying target audiences, and analysing customer behaviour.

In conclusion, the list of points that ChatGPT could help SMEs in the service sector in Europe provides a comprehensive overview of the critical functions that SMEs must prioritize to remain competitive and drive growth. By investing ChatGPT in human resource management, strategy decision making, administration and operation functions, and other critical areas, SMEs can optimize their operations, mitigate risks, and build a foundation for long-term success. Ultimately, these items can serve as a strong reference for SMEs in the service sector as they navigate the complex challenges of the European market and work to build sustainable and successful businesses.

While the list of points that ChatGPT could help SMEs in the service sector in Europe provides a comprehensive overview of critical functions, there are some limitations to this study. Firstly, the SMEs that were interviewed were only from Munich, Germany, and as such, there may be slight differences in the challenges faced by SMEs in other regions of Europe. Therefore, future research could conduct a broader survey of SMEs in the service sector across various regions of Europe to gain a more comprehensive understanding of the challenges they face, where they could benefit from ChatGPT (AI).

Discussion and conclusion

Additionally, the rapidly evolving capabilities of ChatGPT (or the GPT Family) may require future updates to these points. As ChatGPT continues to upgrade, newer versions of the language model may be more powerful and capable of providing even more insightful recommendations on critical functions for SMEs. Therefore, it is important to continue monitoring the advancements of technology and incorporate these advancements into future research to provide the most up-to-date recommendations for SMEs in the service sector in Europe.

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