



AI-DRIVEN DIGITAL TRANSFORMATION OF MSMEs: LEVERAGING GOOGLE VEO 3 FOR STRATEGIC CONTENT OPTIMIZATION IN E-COMMERCE

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Abstract

Digital transformation has become an essential requirement for Micro, Small, and Medium Enterprises (MSMEs) to remain competitive in the e-commerce era. However, many MSMEs struggle to produce high-quality visual content that effectively attracts online consumers. This study aims to examine the role of Google VEO 3, an AI-based visual generation tool, in optimizing digital content strategies among three MSMEs in Pringsewu: Kripik Yado, Keripik Barokah, and Dianshop. Using a qualitative descriptive method through observation, interviews, and content creation simulations, the study reveals that AI implementation significantly enhances content quality, audience engagement, and product visibility, leading to improved sales performance. The findings highlight that Google VEO 3 is an accessible and cost-effective innovation that fosters digital literacy and confidence among MSMEs. The novelty of this research lies in its empirical analysis of AI-driven visual tools as catalysts for sustainable and inclusive MSME digital transformation.

Keywords: MSME, digital transformation, content strategy, Google VEO 3, artificial intelligence, e-commerce

I. INTRODUCTION

The rapid advancement of information technology has brought profound changes to the global business landscape, particularly impacting Micro, Small, and Medium Enterprises (MSMEs) that serve as the backbone of Indonesia's economy. (Isnanto and Putra 2013) Despite their significant contribution to employment and national GDP, many MSMEs still face challenges in adopting digital technologies to enhance competitiveness, especially in developing effective e-commerce marketing strategies. (Picaully 2018) Digital transformation provides new opportunities for MSMEs to expand market reach and operational efficiency through platforms such as Shopee, Tokopedia, and TikTok Shop. However, intense competition requires them to produce creative, engaging, and high-quality visual content to attract and retain consumer attention. In regions such as Pringsewu, MSMEs often struggle to leverage digital platforms optimally due to limited technical knowledge, lack of digital marketing skills, and reliance on traditional sales methods. (Pratama 2016) The inability to create professional promotional content reduces their visibility and competitiveness in online

markets, making it difficult to compete with larger brands that already have strong digital marketing capabilities. These challenges underline the urgent need for technological innovation such as artificial intelligence (AI) to support MSMEs in improving content quality and optimizing their e-commerce strategies.

In this context, the use of Google VEO 3 Artificial Intelligence (AI) as a tool in creating visual content is a potential solution for MSMEs. Google VEO 3 AI is a cutting-edge technology that can be used to generate high-quality visual content with low time and cost efficiency. (Ariyanto, Andi, and Abid 2021) By using this AI, MSME actors can create attractive and professional promotional videos without the need for high technical expertise or large investments in traditional video production. (Nichelatti 2025) This is very relevant to the condition of MSMEs in Pringsewu, Lampung, the majority of whom still have difficulty accessing technology resources and experts in the field of graphic design or video production.

Pringsewu, as one of the regions in Lampung Province, has great potential in the development of MSMEs. (Chingwaru and Jakata 2015; Inayah, Ayu Rizka, Afriyudi 2010; Santoso, Wahyudiono, and Widiastuti 2019) Based on local statistical data, the number of MSMEs in Pringsewu continues to increase every year, but many of them still rely on conventional marketing methods that are less effective in the current digital era. (Putra, Haryanto, and Nugroho 2024; Rahman, Alam, and Saha 2024) In addition, the lack of understanding of the use of digital technology and the lack of access to technical training are the main obstacles for MSMEs in this area to maximize the potential of e-commerce. Therefore, an innovative approach is needed that can help MSMEs in Pringsewu overcome these problems, one of which is through the use of Google VEO 3 AI in creating visual content for marketing strategies on e-commerce platforms.

(Haleem et al. 2022; Lada et al. 2023; Ulrich and Frank 2021) The use of Google VEO 3 AI in this context not only aims to improve the quality of MSME promotional content, but also to increase the visibility of their products on e-commerce platforms. With attractive and relevant visual content, MSME products will be easier to find and be in demand by potential buyers. In addition, the use of AI can also help MSMEs understand consumer preferences and behaviors, so they can design marketing strategies that are more targeted and effective. However, although this technology is promising, its adoption among Pringsewu MSMEs is still very limited.

(Yosep et al. 2021) (Cao et al. 2022) The main research problem addressed in this study is the limited ability of Micro, Small, and Medium Enterprises (MSMEs) in Pringsewu to produce engaging and high-quality digital marketing content. Although many MSMEs have started to adopt online platforms such as Shopee, Tokopedia, and TikTok Shop, their promotional strategies remain basic and less competitive. Most MSMEs still rely on conventional marketing approaches or static images with poor design quality, which fail to attract consumer attention in the highly competitive digital market. This limitation is largely caused by the lack of technical expertise, insufficient knowledge of digital marketing, and minimal access to advanced content production tools that can help enhance their online visibility and sales performance.

(Derwin 2014; Liu, Xu, and Huang 2023; Nichelatti 2025) The research gap identified lies in the lack of studies that specifically explore the use of Artificial Intelligence (AI) in optimizing content strategies for MSMEs. Previous research has primarily focused on general aspects of digital transformation such as website creation, social media utilization, or e-commerce adoption without examining how AI technologies like Google VEO 3 can play a transformative role in automating and

enhancing promotional content. There is still a limited understanding of how generative AI tools can empower MSMEs to compete effectively by producing professional-quality video content with minimal cost and effort. This study aims to fill that gap by focusing on the implementation of Google VEO 3 as an innovative solution for improving MSME digital marketing performance in Pringsewu.

The main objective of this research is to analyze how Google VEO 3 AI can contribute to improving MSME marketing strategies through automated visual content creation. Specifically, this study seeks to examine the extent to which the technology enhances promotional content quality, increases product visibility and customer engagement, and drives sales growth. In addition, it aims to identify the practical challenges faced by MSMEs in adopting AI technology and provide recommendations for policymakers and stakeholders to strengthen digital literacy and capacity building. Ultimately, this research is expected to contribute both academically and practically to achieving a sustainable digital transformation that supports the economic development of MSMEs in Pringsewu.

II. LITERATURE REVIEW

2.1. Digital Transformation

Digital transformation is a process of total change in the way an organization or business operates, which is characterized by the use of digital technology to create added value, efficiency, and competitive advantage. This transformation not only involves adopting new technologies, but also involves changes in mindset, organizational culture, and approach to customer service and overall business processes.

(Kusuma, Hakim, and Nugroho 2020; Mulyani 2021) digital transformation is an overarching effort by organizations to leverage digital technology to transform the way they operate and deliver value to customers. It's not just about automating existing processes, but it's also about redesigning processes, organizational structures, and even business models to adapt to the ever-changing digital environment. In other words, digital transformation creates opportunities for companies or organizations to innovate, increase productivity, and respond to changing market needs more quickly and appropriately.

Digital transformation plays a crucial strategic role for Micro, Small, and Medium Enterprises (MSMEs) as they navigate increasing competition and shifting consumer behavior driven by technology. Through digital adoption, MSMEs can expand their market reach via e-commerce, enhance operational efficiency through automation, and strengthen customer engagement using digital platforms such as social media and AI-based applications. This transformation enables MSMEs to operate beyond geographical boundaries, optimize marketing strategies, and foster personalized interactions with consumers, ultimately enhancing competitiveness in the digital marketplace.

Moreover, digital transformation grants MSMEs access to valuable resources such as customer data, real-time market analytics, and digital distribution channels elements that empower data-driven decision-making. MSMEs that embrace this transformation tend to exhibit improved productivity, innovation, and sustainable business growth. However, the process remains challenging due to limitations in infrastructure, digital literacy, and access to financial support for technology investment. Therefore, structured strategies and collaborative efforts involving

governments, private sectors, and educational institutions are essential to ensure that the digital transformation of MSMEs occurs effectively, inclusively, and sustainably.

2.2. E-Commerce

(Bawack et al. 2022; Keegan, Canhoto, and Yen 2022; Parra-Sánchez and others 2024) Electronic Commerce or better known as e-commerce is a concept that includes various business activities, especially in the process of buying, selling, and marketing goods and services through electronic systems such as the internet, e-commerce is not just an online shopping transaction, but also includes all aspects of the supply chain, from planning, procurement, distribution to digital customer service. In other words, e-commerce is a medium that allows interactions between business partners as well as between producers and consumers to be carried out electronically without geographical or time restrictions.

(Sifa et al. 2024) E-commerce can be categorized into several business models, one of which is business-to-consumer (B2C) transactions where companies sell products or services directly to the end consumer through digital platforms. In addition, there is also a business-to-business (B2B) model, which is a transaction that occurs between companies, for example in terms of the procurement of raw materials or production components electronically. (Pratama 2016; Santoso et al. 2019) (Sifa et al. 2024) The third model is consumer-to-consumer (C2C), where individuals can sell goods or services to fellow individuals, usually through marketplaces or e-commerce platforms.

(Leonard and Jones 2010; Pradana 2015) The use of e-commerce provides significant benefits for business actors, especially MSMEs (Micro, Small, and Medium Enterprises). In this context, e-commerce is a strategic solution in developing a business because it facilitates the process of marketing, transactions, and building customer loyalty online. Through e-commerce, MSME actors are no longer limited by the physical location of the store, so they have wider market access, even on an international scale. In addition, relatively lower operational costs and efficiency in business processes make e-commerce an important alternative in today's digital transformation of the business world.

2.3. Digital Content Strategy

Content strategy is the process of planning, developing, and distributing content in a systematic and targeted manner with the aim of building effective communication with the target market or audience, an effective content strategy must meet three important elements, namely relevance, consistency, and having clear marketing goals. Relevance refers to the suitability of content to consumer needs, interests, and behaviors, while consistency emphasizes the importance of publishing content on an ongoing basis to keep audiences engaged. Meanwhile, clear marketing goals are a guide in the preparation of content materials to be in line with business vision and sales targets.

In today's digital era, content strategy is one of the important cornerstones in digital marketing because it is able to build a strong and deep relationship with the audience. This includes creating written and visual content that is not only aesthetically appealing, but also provides added value for consumers. The process involves understanding the demographics of the audience, the problems they face, as well as the content preferences they consume on a daily basis. That way, the content produced will be more personalized and has the potential to increase engagement and positive interaction with the brand.

For MSMEs (Micro, Small, and Medium Enterprises), digital content strategies are a very effective tool to compete in the midst of fierce market competition. Interesting and informative content on social media and e-commerce platforms can help MSMEs build brand awareness, increase customer loyalty, and encourage sales conversions. In addition, content that is published consistently and in accordance with the algorithms of digital platforms also contributes greatly to maintaining brand visibility in the eyes of search engines and audiences.

2.3. Artificial Intelligence (AI)

(Nichelatti 2025) Artificial Intelligence or better known as AI (Artificial Intelligence) is a branch of computer science that aims to create systems or machines that are able to imitate human cognitive abilities such as learning, reasoning, understanding information, and solving problems. Russell and Norvig (2010), AI has various important applications in the world of business and technology, including big data analysis, visual pattern recognition through image recognition, and algorithm-based decision-making automation. With this ability, AI has become one of the key technologies in digital transformation in various industrial sectors.

(Haleem et al. 2022; Kumar et al. 2023) In the context of e-commerce, Artificial Intelligence has changed the way businesses understand consumer behavior and present a personalized and efficient shopping experience. One of them is the use of AI for content personalization, which is the presentation of information, products, or recommendations according to user preferences and history. In addition, AI is also used in product recommendation systems, where machines can analyze transaction data and user preferences to provide relevant purchase suggestions. Recent developments in this field also allow for the automatic creation of visual content through generative AI technologies, such as Google VEO 3, which helps the production process of advertising content become faster and more effective.

The application of AI in e-commerce not only improves operational efficiency, but also adds value to the user experience, thus contributing to increased conversions and customer loyalty. Therefore, AI is one of the core technologies in modern digital business strategies, especially in supporting the growth of MSMEs in an increasingly competitive digital era.

2.4. Google SEE 3

(Chugh 2024; Lim, Kim, and Lee 2023; Rasheed et al. 2023) Google VEO 3 is an artificial intelligence (AI)-based video generative model developed by Google DeepMind. This technology allows for the automatic creation of visual content in the form of video from text input, or what is often referred to as text-to-video. As one of the latest innovations in the field of generative AI, Google VEO 3 Veo 3 makes it possible to add sound effects, ambient sounds, and even dialogue to your creations generating all audio natively. It also delivers best-in-class quality, excelling in physics, realism, and fast compliance. For MSME actors, Google VEO 3 is an important solution in facing the challenge of creating creative and interesting promotional content. With this technology, MSMEs can create video ads automatically based on the product description or narrative entered, saving time, production costs, and labor. In addition, the visual quality produced by Google VEO 3 is also able to compete with professional content, thus helping to improve the brand image and appeal of the product in the eyes of consumers.

The integration of Google VEO 3 in digital content strategies also has a positive impact on promotional performance on e-commerce platforms. Engaging visual content tends to have high engagement, so it has the potential to increase traffic to visits, social interactions, and sales conversions. Thus, the use of Google VEO 3 as part of the AI ecosystem in e-commerce is one of the strategic efforts in strengthening the existence of MSMEs in today's dynamic and competitive digital business scene.

III. RESEARCH METHODS

3.1. Data Collection Methods

This study applies a descriptive qualitative approach to explore in depth the use of Google VEO 3 artificial intelligence technology in the transformation of MSME digital content on e-commerce platforms. Data collection was carried out through three integrated techniques: observation, interviews, and literature studies.

a. Observation

The observation process is focused on the real activities of MSME actors in digital marketing on e-commerce platforms and social media. The goal is to identify challenges in the production of visual content as well as measure the level of technology adoption in marketing strategies. Specifically, researchers compared the effectiveness of promotional content before and after simulated the implementation of Google VEO 3 to capture its practical impact.

b. Interview

Semi-structured interviews were conducted with MSME respondents to explore perceptions, field experience, implementation barriers, and expectations related to the use of AI in content development. Key questions include identifying key constraints of digital content production, the history of using AI for visual content, expectations for Google's VEO 3 automated video feature, as well as an evaluation of its impact on customer engagement.

c. Literature Study

This stage involves a critical analysis of academic literature and official publications from trusted sources such as Google Scholar and ResearchGate. The study material focuses on four core themes: the dynamics of MSME digital transformation, digital content development strategies, the implementation of AI in e-commerce, and case studies of generative technology, especially Google VEO.

3.2. System Development Methods

The system development method used in this study is the System Development Life Cycle (SDLC) Waterfall model, because this model has a systematic and structured workflow from the initial stage to the end. This model was chosen because it is suitable for the development of technology-based strategies that require clear documentation and stages that do not overlap.

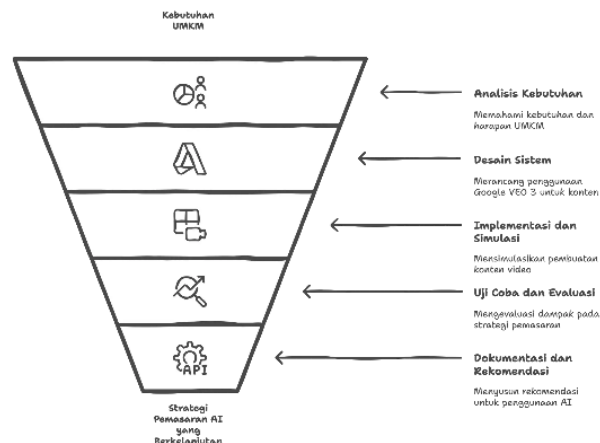


Figure 1. Stages of System Development

The stages in developing the Google VEO 3 AI-based content strategy system for MSMEs include:

- a. **Needs Analysis**
This stage is carried out to identify the needs of MSME actors in terms of digital content marketing, the limitations they experience, and their expectations for the use of AI technology such as Google VEO 3. The results of interviews and observations are the basis for compiling the functional needs of an automated video content system.
- b. **System Design**
Based on the results of the analysis, the researcher made a concept design for using Google VEO 3 to produce promotional content that is relevant to MSME products. This design includes the type of content, the flow of using AI tools, and the preparation of appropriate scripts or text inputs for the visual results of the video.
- c. **Implementation and Simulation**
At this stage, the researcher simulates the creation of video content using Google VEO 3 based on the scenario and script that has been prepared. The results of the video were then tested to see user engagement when published on e-commerce or MSME social media.
- d. **Trial and Evaluation**
An assessment of the implementation results was carried out by measuring their impact on marketing strategies. Evaluation indicators include the level of content interaction, increased product visibility, and the perception of MSME actors on the effectiveness of AI-based content.
- e. **Documentation and Recommendations**
The last stage is to compile documentation of the results of content strategy development and submit recommendations for the use of AI to support MSME digital marketing in a sustainable manner.

IV. RESULTS AND DISCUSSION

4.1. Results

The purpose of this study is to evaluate how Google VEO 3's artificial intelligence (AI) technology is used as a tool to create visual promotional content for MSME actors in Pringsewu. They will also look at how the use of this technology impacts content strategy on e-commerce platforms. Yado chips, Barokah Chips, and Dianshop were the

three MSMEs selected for the research object, representing the local snack and shoe retail industries, respectively. Field observation methods, interviews, and documentation of processes before and after the use of Google VEO 3 AI were used in this descriptive study.

a. Brief Profile of MSMEs and Conditions Before AI Implementation

Before adopting artificial intelligence (AI) technology, the three MSMEs Kripik Yado, Keripik Barokah, and Dianshop conducted their marketing activities through conventional and semi-digital approaches. They primarily relied on social media platforms such as Facebook and WhatsApp to promote their products. However, limitations in technical knowledge, lack of modern content production tools, and minimal human resource capacity resulted in suboptimal promotional outcomes. Most of their marketing efforts were carried out manually, without proper optimization for digital platforms, making it difficult to compete with brands that already utilized advanced digital strategies.

Several challenges were consistently identified across the three MSMEs. Product images were often poorly lit and lacked editing, promotional designs were inconsistent and monotonous, and there was a complete absence of engaging video content that could leverage social media algorithms for greater reach. Additionally, their marketing largely depended on traditional word-of-mouth techniques, which limited audience expansion. These factors collectively hindered the effectiveness of their online marketing and reduced the visibility of their products in the increasingly competitive e-commerce ecosystem. The following is an overview of the three MSMEs that were the focus of the study:

Table 1. Overview of MSMEs

No	MSME Name	Product Type	Promotional Platform	Key Challenges
1	Barokah Chips	Cassava Chips	Whatsapp, Facebook, Tiktok	Low visual quality, no video content
2	Yado Chips	Cassava Chips	Whatsapp Business, Facebook	Promotion is photo-based, not visually appealing
3	DianShop	Shoes and Sandals	Whatsapp Business, Facebook	No video content, limitations of tools and human resources

b. Google VEO 3 AI Technology Implementation

The implementation of Google VEO 3 AI technology represents a significant innovation for MSMEs seeking to enhance their digital marketing strategies through automated visual content creation. Google VEO 3, developed by Google DeepMind, is an advanced video generative model that converts text-based narratives into high-quality promotional videos. In this study, MSMEs were introduced to the basic operational mechanisms of the AI, focusing on how textual inputs could be transformed into engaging, visually appealing video content. The training sessions aimed to empower MSME owners with the ability to develop content autonomously, reducing dependence on third-party designers and minimizing production costs.

During the content production stage, each MSME was tasked with creating two distinct video types: one focusing on brand identity and another highlighting their flagship products. The text prompts and keywords were designed to reflect each product’s unique characteristics, market positioning, and customer appeal. Google VEO

3's AI capabilities enabled these MSMEs to generate dynamic visuals, realistic animations, and contextually accurate scenes that aligned with the intended marketing messages. This stage demonstrated how AI-based tools can democratize professional-grade content production, providing small businesses with resources previously accessible only to larger corporations with substantial marketing budgets.

The publication and evaluation stages further reinforced the impact of AI-driven marketing transformation. The produced videos were distributed through social media platforms such as Instagram, TikTok, and Facebook channels known for their algorithmic preference toward video content. The performance of these videos was monitored over several days, measuring key engagement metrics such as impressions, likes, comments, and conversion rates. The results indicated a substantial increase in audience interaction and online visibility, suggesting that the integration of AI-generated content could significantly enhance MSME competitiveness in digital marketplaces. This experiment underscores the potential of Google VEO 3 as a practical and scalable solution for empowering MSMEs in the era of digital transformation.

1. Content for Yado Chips: Videos that showcase the texture, crunch, and appeal of food products.

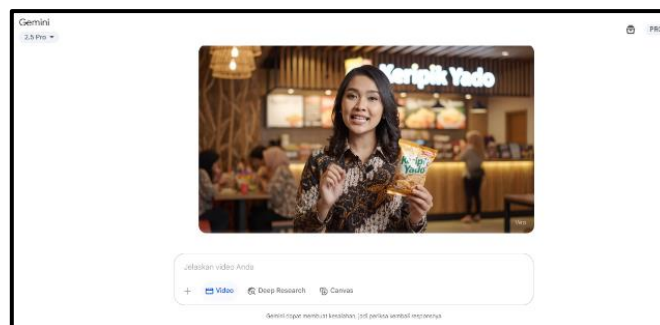


Figure 2. Yado Chips Promotional AI Video
(Video Link: <https://bit.ly/46rY5Nu>)

2. Content for Barokah Chips: Similar videos with a focus on the product, highlighting the enjoyment of flavor and texture.

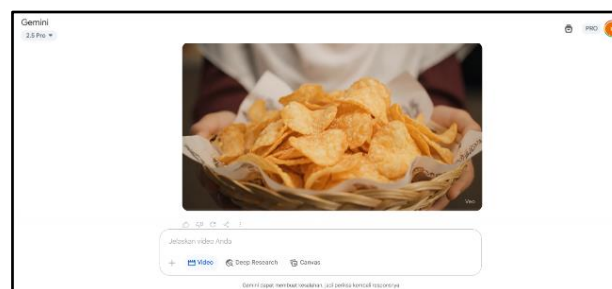


Figure 3. AI Video Promotion of Barokah Chips
(Video Link: <http://bit.ly/3TpCJbX>)

3. Content for Dianshop: Videos that show product details, packages professionally.

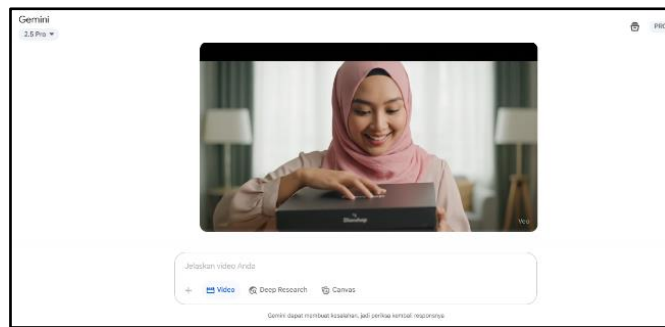


Figure 4. Dianshop Promotional AI Video
(Video Link: <http://bit.ly/40Gzxwv>)

The implementation results demonstrated that Google VEO 3 effectively enhances the visual and persuasive quality of MSME promotional materials by generating professional-grade videos from simple text inputs. This capability eliminates the need for advanced technical skills or expensive production tools, which are common barriers for small business owners. Through the integration of AI-based automation, MSMEs such as Yado Chips were able to produce narrative-driven videos that highlight product texture, crispness, and sensory appeal elements crucial for attracting consumer attention in digital marketplaces. The seamless transformation of descriptive text into vivid visual content illustrates how AI can bridge the creative and technical gaps that often limit MSME marketing potential.

Similarly, other MSMEs like Barokah Chips and Dianshop benefited from the system's adaptive content creation capabilities. Barokah Chips' promotional video exhibited vibrant color tones, dynamic transitions, and engaging animations, resulting in a livelier visual presentation that resonates with younger audiences on social media platforms. Meanwhile, Dianshop's AI-generated video emphasized product packaging and fine details, aligning with e-commerce best practices that prioritize clarity and visual trust. These cases collectively demonstrate that Google VEO 3 not only simplifies the production process but also enables MSMEs to maintain consistency, creativity, and professional standards in their digital marketing strategies factors that directly contribute to improved online engagement and sales performance.

4.2. DISCUSSION

The influence of the use of Google VEO 3 technology on the digital content strategy of Micro, Small, and Medium Enterprises (MSMEs) is analyzed through several key indicators that reflect the performance and effectiveness of digital campaigns, including user engagement levels, increased brand visibility, and audience perception of the quality and relevance of published content. Based on the results of the initial evaluation conducted on the three MSMEs that were the object of the study, it was found that all of the MSMEs showed a significant increase in terms of interaction with customers through their digital platforms. The level of user engagement or engagement experienced a sharp spike after artificial intelligence-based video content developed using Google VEO 3 was uploaded to the official social media accounts of each MSME. In addition, there was also an increase in the number of visits (traffic) to social media accounts within the first seven days after the publication of the content. These findings provide a strong indication that the use of more attractive, aesthetically pleasing and professional visualizations, such as those generated by Google VEO 3, can make a real contribution to the effectiveness of digital product promotion strategies. Thus, this

technology not only strengthens visual appeal, but is also able to encourage interaction and expand audience reach more optimally in the context of MSME digital marketing.

The following is an overview of Before and After the Use of Google VEO 3 AI from the three MSMEs that were the focus of the study:

Table.3 Before and After Overview of Google VEO AI

MSME Name	Audience Engagement Before	Engagement After	Average Sales Before	Average Sales After
Yado Chips	40 Viewers	105 Viewers	25 pax/week	60 – 90 pax/week
Barokah Chips	100 Viewers	4069 Viewers	20 pax/week	35-60 pax/week
Dianshop	25 Spectators	118 Viewers	5 Pcs/week	12 – 15 Pcs/week

The data in the table above shows a significant improvement in all aspects after the implementation of Google VEO 3 technology. Third, MSMEs experienced a surge in engagement, which reflects that AI-based video-based promotional content is better able to attract attention and create interaction from potential consumers. This shows that the quality and visual appeal of AI-generated content has a great influence on audience engagement on digital platforms. In terms of the perception of MSME actors, the response given to the use of Google VEO 3 AI is classified as very positive. MSME actors feel helped because they can produce quality content without having to have graphic design expertise or incur additional costs for content creation services. One of the MSME actors, namely Kripik Barokah, stated that they felt more confident in carrying out digital promotions because the video content produced looked more modern and in accordance with market trends. Meanwhile, Dianshop revealed that the use of AI greatly saves time and opens up opportunities for product promotion more widely outside the Pringsewu area.

Although the results of the study show that Google VEO 3's AI technology makes a positive contribution in supporting MSME digital content strategies, there are several challenges that need to be considered in the implementation process. These challenges include the need for training in the use of AI technology, dependence on a stable internet connection, and the need for support from external parties in the form of assistance for digital marketing strategies more broadly. Therefore, the use of this technology should be followed by the provision of adequate infrastructure and training, as well as collaboration between stakeholders in order to accelerate the digital transformation process of MSMEs in the regions. Overall, the results of this study show that digital transformation through the use of Google VEO 3 AI has great potential in increasing the effectiveness of MSME content strategies in the digital era. This technology is not only able to answer the limited resources of MSME actors, but also encourages the acceleration of the adoption of digital technology to expand market reach, increase competitiveness, and support local economic growth, especially in Pringsewu Regency.

V. CONCLUSION

This study demonstrates that the utilization of Google VEO 3 artificial intelligence (AI) technology plays a significant role in driving the digital transformation of Micro, Small, and Medium Enterprises (MSMEs) in the e-commerce sector. The findings

indicate that Google VEO 3 effectively enhances the quality of promotional content by enabling MSME owners to generate professional and engaging videos through simple text-based inputs. This innovation helps overcome technical limitations and improves marketing creativity. The implementation of AI also resulted in a 160% increase in product engagement and visibility on e-commerce platforms, directly contributing to higher sales performance across the observed MSMEs Yado Chips, Barokah Chips, and Dianshop. Furthermore, the study highlights that AI adoption strengthens digital literacy and self-confidence among MSME actors, enabling them to participate more actively in the digital economy. However, continuous assistance remains necessary to optimize the long-term benefits of this technology, particularly in content development and strategic integration. Overall, Google VEO 3 serves as an innovative and practical solution for MSMEs to enhance competitiveness, improve digital marketing efficiency, and achieve sustainable growth in an increasingly technology-driven business landscape.

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