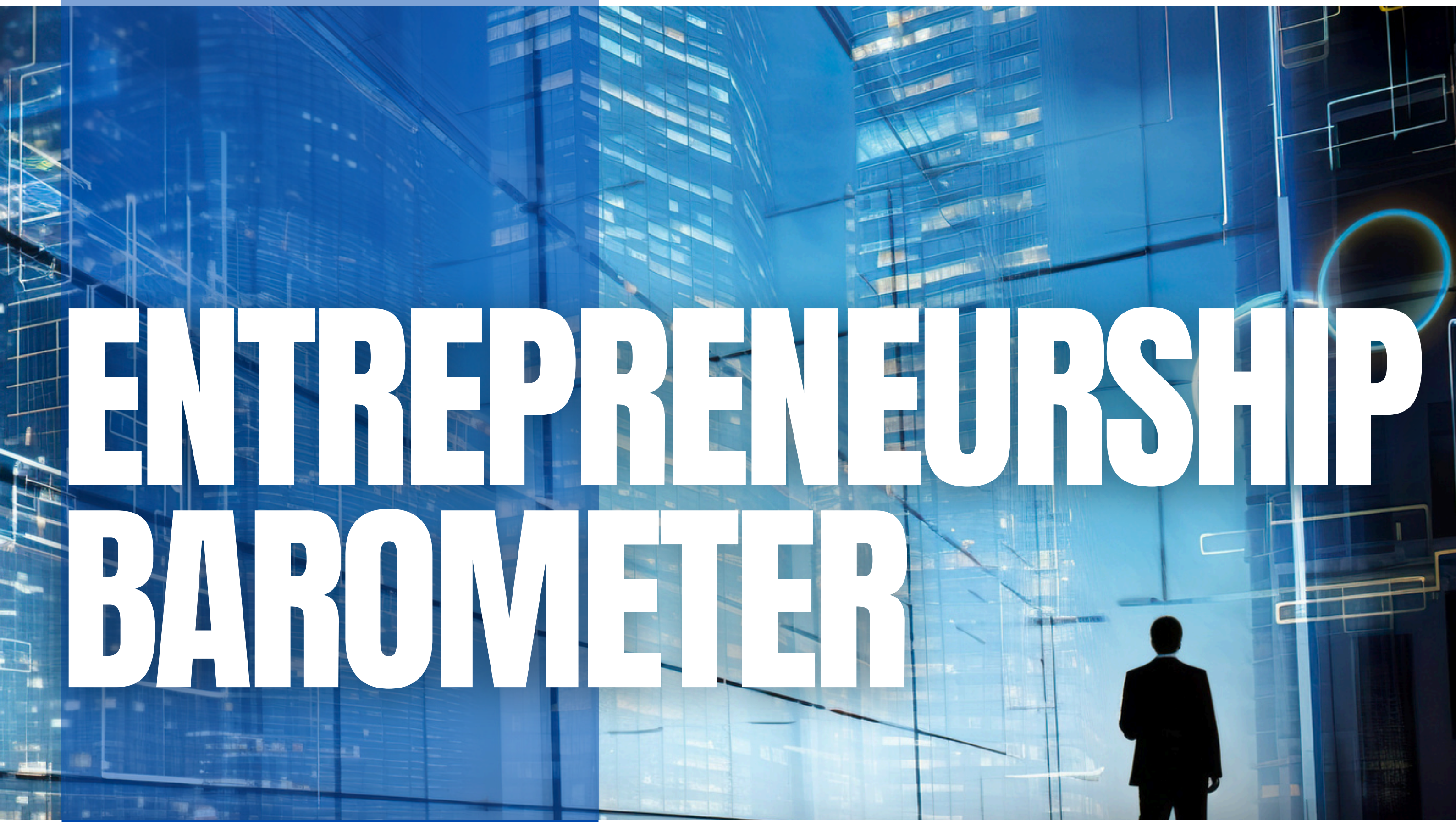

ENTREPRENEURSHIP BAROMETER

REPORT #2
SPRING 2026

The MBS Entrepreneurship Barometer Report is an annual academic initiative led by the Department of Strategy and Entrepreneurship at MBS School of Business. It gathers the views, challenges and expectations of founders and entrepreneurs. This edition focuses on tech entrepreneurs in Europe and aims to generate insights for policymakers, educators and the broader entrepreneurial ecosystem.

This report is based on a survey that was conducted in March/April 2026 and included **122** participants.

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KEY FINDINGS:

1. AI has moved from optional tool to default infrastructure across most entrepreneurial firms, with adoption now near-universal.
2. AI is expanding across all functions. Customer-facing uses lead, with internal efficiency and innovation close behind.
3. Most entrepreneurs report tangible value from AI, both for their own business and for their industry, suggesting the gains are real and widely shared.
4. Adoption is increasingly driven by ecosystem pressure from investors, partners, customers, and the media, with using AI now functioning as a credibility signal as much as a strategic choice.
5. A clear majority say their industry is being saturated with low-quality AI-generated content, and the firms most heavily using AI are also the most aware of the saturation.
6. Entrepreneurs are uncertain whether customers have begun to push back against AI-generated content, with the largest single group of respondents undecided.
7. Faced with saturation, firms are not racing to produce more content. They are investing in quality, brand, and direct human interaction instead.
8. Entrepreneurs reporting a competitive advantage from AI are also those most likely to view their industry as saturated with low-quality AI content, indicating the advantage is relative rather than absolute.
9. Twice as many entrepreneurs expect AI to strongly improve differentiation over the next 2–3 years as say it already has, while the number expecting AI to weaken their position also rises sharply.
10. Nearly five times as many entrepreneurs expect AI to strongly lower barriers to entry over the next 2–3 years as say it already has, pointing to more crowded markets ahead.

AI, Slop, and the Entrepreneur's Dilemma

In December 2025, Merriam-Webster named "slop" its Word of the Year, defining it as digital content of low quality produced in quantity by artificial intelligence. The choice reflected a shift that entrepreneurs had been watching unfold in real time: in barely three years, generative AI has moved from novelty to default infrastructure across most business functions, from marketing and customer service to product development and strategic decision-making.

That shift has transformed what firms can do individually, but it has also transformed the markets they operate in. As the Reuters Institute for the Study of Journalism has documented, AI-generated content is now quietly flooding entire segments of the internet, from news sites to social feeds to search results. The cost of producing a blog post, a product description, or an ad campaign has collapsed, and so has the signal value of producing one. Industry feeds, customer inboxes, and search results are filling with content that is technically competent and essentially indistinguishable.

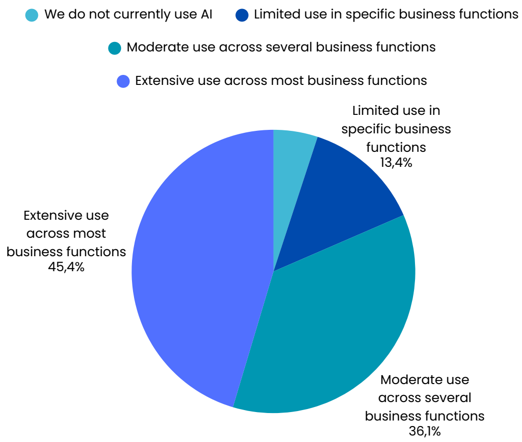
For entrepreneurial firms, this creates a competitive environment unlike anything the previous wave of digital tools produced. Adoption of AI is no longer a differentiator, because everyone is adopting. But the markets those firms compete in are becoming noisier, more saturated, and harder to stand out in, particularly for the small and young companies that depend on visibility to grow. Trade policy, data regulation, and public investment in European AI capacity will shape how this plays out, but the more immediate question is strategic: on what basis can entrepreneurial firms still build advantage when the cost of imitation has collapsed? The findings that follow suggest that entrepreneurs have already started answering that question in practice, though not always in ways the public debate around AI adoption would predict.

Entrepreneurs report widespread AI integration across business functions

AI has moved well beyond experimentation among entrepreneurial firms. Nearly half of respondents (46%) report extensive use of AI across most business functions, while another 36% report moderate use across several functions. Only 5% indicate that they do not use AI at all. Taken together, more than four out of five firms now use AI meaningfully in their operations, making it a standard component of how entrepreneurial businesses run today rather than a specialized or optional tool.

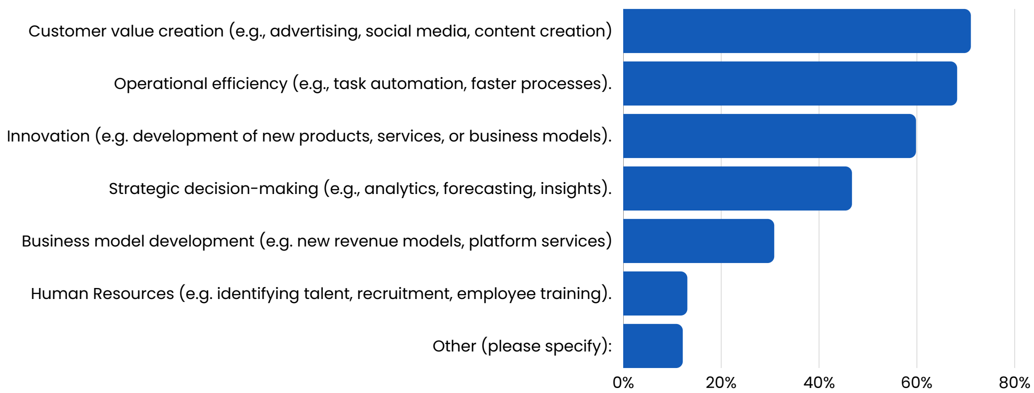
Adoption is widespread, but it is not evenly distributed across functions. Customer-facing activity is the most common area of use: 71% of respondents report using AI for marketing, communication, content creation, advertising, or social media. Operational efficiency follows closely, cited by 68% of respondents, particularly for task automation and faster internal processes. Innovation-related uses, including the development of new products, services, and business models, are reported by 60%, while strategic decision-making through analytics and forecasting is cited by 46%. Business model development (31%) and human resources (13%) trail significantly behind.

How would you describe your firm's current use of AI tools?



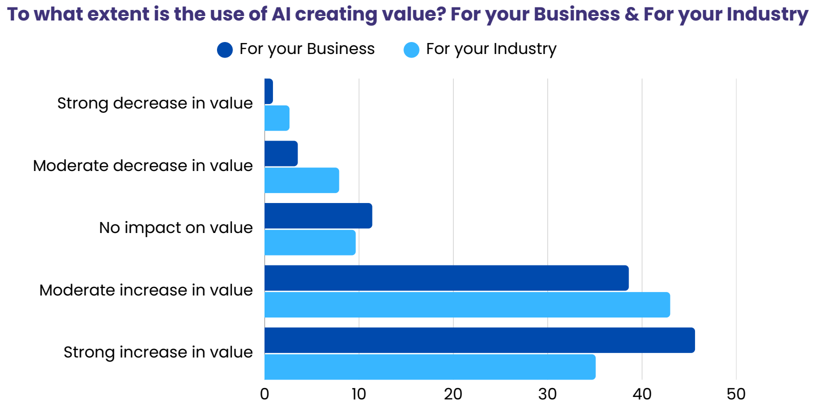
The concentration of AI use in customer-facing activity is notable. The same function in which firms most heavily deploy AI is also the area in which respondents report the strongest perception of market saturation with low-quality AI output.

In which areas is AI currently used in your business? Select all that apply.



Firms report broad value gains from AI

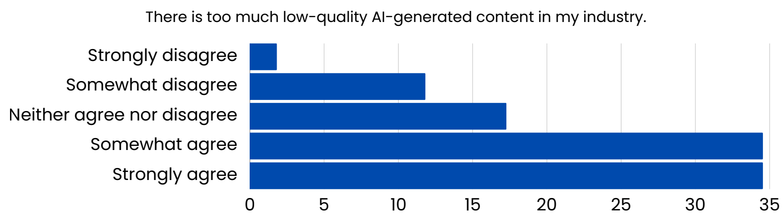
Entrepreneurs report broad gains from their use of AI. More than 84% of respondents see a moderate or strong increase in value for their own business, while only 4% report any decrease. The industry-level assessment is almost as positive, though slightly more cautious. 78% of respondents see a moderate or strong increase in value across their industry, while 10% perceive a decline. Entrepreneurs are not adopting AI only in response to hype or ecosystem pressure. They are seeing tangible benefits in their own operations, and they believe their peers are doing the same.



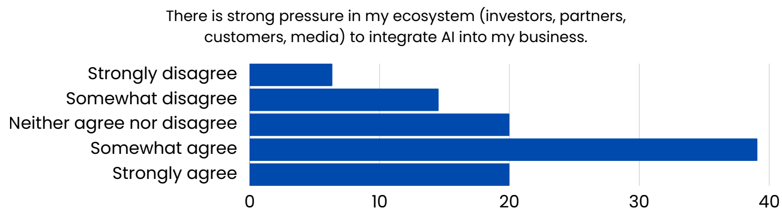
The gap between the two assessments is small but consistent. Firms are slightly more confident about the value they themselves are capturing than about the value being created across their industry as a whole. The same technology that improves productivity inside the firm also lowers the cost of imitation outside it, and the survey suggests entrepreneurs are beginning to price both effects into their assessments of the wider market.

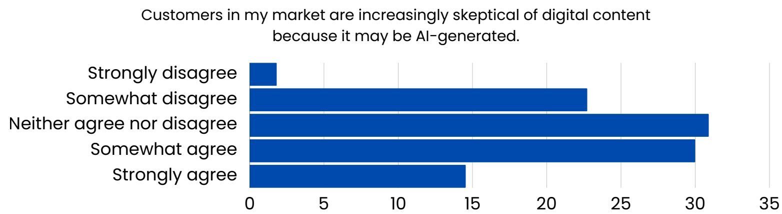
Pressure to adopt, perceived saturation, and uncertainty about customers

Nearly seven in ten entrepreneurs (69%) agree that there is too much low-quality AI-generated content in their industry, including 35% agree strongly. Only 13% disagree. This view is consistent with the fact that the most common use of AI among firms is in content and communication, meaning that the same function where entrepreneurs most heavily deploy AI is also the one they see as the most saturated.



A majority also report ecosystem pressure to adopt. 59% of respondents agree that there is pressure in their environment, from investors, partners, customers, or the media, to integrate AI into their business, including 20% that agree strongly. One in five disagree and one in five are neutral. AI adoption is becoming a legitimacy issue as well as a strategic one. In many sectors, using AI now functions as a signal of modernity, relevance, or competitiveness, independently of whether it actually improves the business.





Views on customer perception are more divided. 45% of respondents agree that customers are increasingly skeptical of digital content because it may be AI-generated, 31% are neutral, and 24% disagree. Firms are conscious of saturation in their own output but remain uncertain whether customers have begun to push back, or whether they simply do not yet have a reliable read on how customers perceive AI-generated content.

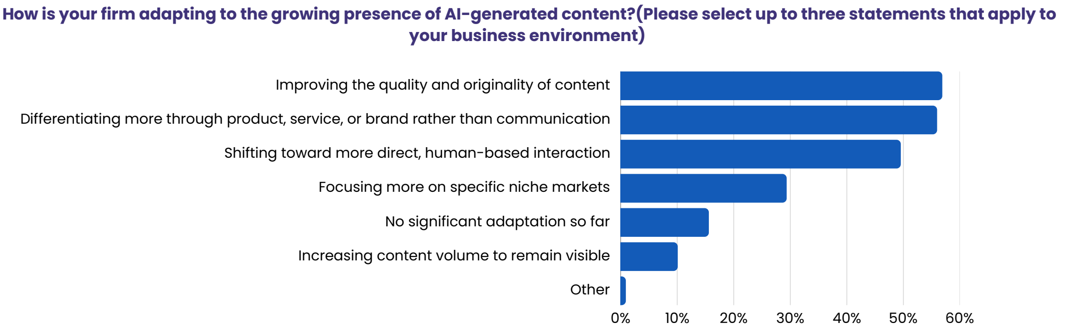
Firms are adapting through quality, human interaction, and strategic positioning

Faced with the growing presence of AI-generated content, entrepreneurs are not competing on content volume. Only 10% of respondents say they are increasing their output to remain visible, a clear sign that firms do not see the race to produce more as a viable response to market saturation. The dominant responses describe strategic adaptation around quality and positioning instead.

Three strategies are each cited by roughly half of respondents. 57% are trying to improve the quality and originality of their content, a direct response to the saturation reported earlier and a recognition that generic AI output no longer carries the same value it once did. 56% are differentiating more through product, service, or brand rather than through communication alone, shifting the basis of competition away from messaging and toward the substance of what firms actually offer. 50% are investing in more direct, human-based interaction, including relationships, communities, and offline engagement, forms of contact that are harder to automate and easier for customers to trust.

Together these three strategies form the core of the current entrepreneurial response to AI-generated content, and they point in a consistent direction. Firms are not trying to beat AI-generated content at its own game. They are moving the competition elsewhere, toward ground where AI has less of an advantage and where entrepreneurial firms can still build credibility through product quality, brand equity, and human relationships.

A smaller group (29%) is focusing more on specific niche markets. As AI lowers the cost of producing standardized output, advantage appears to be shifting toward more specialized positioning, domain expertise, and deeper customer understanding. Niche positioning remains a secondary adaptation rather than a primary one in this year's results, but it may become more prominent as markets continue to saturate and as firms look for defensible segments that broader AI-powered competitors cannot easily serve. 15% of respondents report no significant adaptation so far. These firms either do not yet feel pressure to adapt, do not know how, or are waiting to see how the environment evolves before committing to a response.



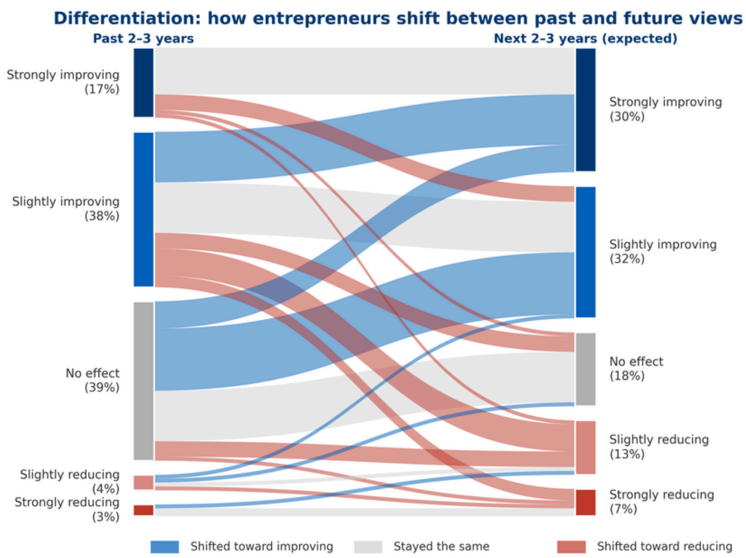
Differentiation: a polarizing effect

When asked how the rise of AI-generated content has affected their ability to differentiate from competitors, entrepreneurs did not describe a clear loss of advantage. A majority (56%) say AI has improved their differentiation over the past 2–3 years, 39% report no significant effect, and only 7% say it has reduced it. Looking ahead, expectations are slightly more positive, with 62% of respondents expecting AI to improve their differentiation over the next 2–3 years.

Behind this average, views are moving in two opposite directions. The share of firms expecting AI to strongly improve their differentiation rises from 17% to 30%, while the share expecting AI to reduce it rises from 7% to 20%. The middle ground of respondents reporting no clear effect shrinks from 39% to 18%.

A second result adds context. Two-thirds of the entrepreneurs who say AI is helping them stand out also agree that their industry is flooded with low-quality AI content. The two groups overlap heavily, suggesting that the advantage these firms report is relative rather than absolute. They see themselves as differentiating precisely because the baseline around them has dropped.

These findings suggest that AI is increasingly seen as a determinant of competitive position rather than a neutral tool. Firms combining AI with strong brand credibility, proprietary knowledge, and direct customer relationships appear best placed to stand out. Firms relying on AI mostly to produce more of the same kind of content are the most exposed to the erosion a growing minority of respondents now anticipate.



Barriers to entry: a sharp expected acceleration

When asked how the rise of AI-generated content has affected barriers to entry in their industry, entrepreneurs describe a clear downward trend that is expected to strengthen. Over the past 2–3 years, 52% of respondents say AI has lowered barriers to entry, 34% see no clear effect, and 14% think barriers have risen. Looking ahead, 60% expect AI to lower barriers over the next 2–3 years.

Looking ahead, the shift is sharper than the one observed over the past 2–3 years. The share of respondents who expect AI to strongly lower barriers to entry rises from 6% to 29%, nearly fivefold. Entrepreneurs expect the trend not only to continue but to accelerate.

AI tools reduce the cost of producing content, conducting research, automating processes, and building initial market presence. Activities that once required specialized labor or significant time investment can now be performed faster and at lower cost. For early-stage firms, this represents a real advantage. For incumbents, it increases competitive pressure, as more actors can enter markets with limited resources, particularly in digital and service-based activities.

The expected acceleration also has a less optimistic side. The same conditions that allow new firms to enter cheaply, namely low-cost content production, automated processes, and ready-made digital infrastructure, also allow them to enter without much quality control. Combined with the perceived saturation of low-quality AI content already reported, lower barriers to entry suggest that markets will not only become more crowded over the next 2–3 years, but more crowded with thinly differentiated, AI-generated output. The challenge for incumbent entrepreneurial firms is therefore twofold: more competitors, and a noisier environment in which to be heard.