

THE EFFECT OF ARTIFICIAL INTELLIGENCE IN BUSINESS

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Abstract: Artificial intelligence pushes businesses forward more quickly than many can follow. Machines now handle repetitive tasks instead of people while improving how customers feel about services. Decisions grow sharper when guided by facts found in numbers rather than guesses. New ways to earn money appear where none existed before because systems learn patterns once invisible. Still, problems arise, too. Some lose jobs when machines take their work. Choices made without human hands raise moral questions. Personal information faces greater danger as more gets collected and used silently. Big companies pull ahead using smart tools that small ones cannot reach. Studies show these trends play out across industries today. Stories from real life show which choices succeed, while some risks remain obvious. Yet one route weighs expansion against caution, keeping advances from breaking faith. Still, it upholds balance, awareness, and steady tech use when speed is demanded. AI changes how businesses work using learning machines and automated tasks.

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I. INTRODUCTION

A shift is under way as machines start handling jobs once meant for humans. Not long ago, programs just moved numbers around or spotted odd trends. Now they write summaries, reply to clients, study market shifts, and at times guess what shoppers want before they ask — all things only staff handled earlier. Software based on layers of learning models spreads into small firms, big corporations alike, changing routines without making noise. Thirteen trillion dollars might enter world economies by 2030 thanks to such systems, one analysis claims. That estimate arrived years back. Since then, leaders across fields pause, question how these tools belong — are they helpers, stand-ins, or neither exactly? What sits between human effort and code still takes shape. Out of nowhere, concerns pop up about jobs vanishing, how data gets used, whether competition stays fair, and also who ends up holding the power. Instead of picking a camp, this report lays out plainly what companies might win — balanced by what could go wrong alongside it.

II. LITERATURE REVIEW

Lately, studies about artificial intelligence in workplaces have expanded fast. Not long ago, Brynjolfsson and McAfee started viewing AI less as a gadget, more as a force that reshapes whole fields — similar to how power changed everything decades earlier. Because of their view, people began seeing why some firms adopt quickly while others lag behind; those who act early build momentum others cannot match. Looking at real company behavior, Davenport alongside Ronanki spotted patterns in usage — tasks get automated, information gets uncovered from numbers, human interactions shift into fresh formats. Since their research came from actual use instead of just ideas,

professionals still refer to it while organizing similar launches. Lately, Acemoglu posed a tougher issue: if artificial intelligence replaces workers quicker than fresh jobs emerge, possibly harming steady work in manners earlier tech shifts did not. This worry now steers current discussions on rules. Across each of these studies runs a common thread — smart systems generate vast worth, but rewards pile up without intentional moves to share gains beyond narrow groups.

III. AI IN BUSINESS - OPPORTUNITIES

A. Operational Efficiency

Now invoices, schedules, and stock updates, because of automated systems, take minutes instead of days. Hours-long chores vanish nearly at once. Mistakes caused by tired eyes or missed steps drop sharply. People who used to repeat the same actions all day shift toward decisions needing insight, original ideas, and building trust with clients — things code cannot mimic easily.

B. Data-Driven Decision Making

Once, leaders leaned on gut feeling when planning moves ahead. Now machines dig through piles of data — numbers from sales, shifts in markets, online chatter, rivals' steps — pulling out hidden clues people miss. Outcomes built on such insights often come quicker, fit reality more closely. Firms tapping into forecast tools see tighter profits and less leftover mess.

C. Personalised Customer Experience

Every click shapes what shows up next, guiding users without them noticing. Because history matters, suggestions feel familiar rather than random. When someone reaches out, help

finds them early — before patience wears thin. What used to belong solely to high-end stores now moves fast and cheap across massive audiences. Machines learn quietly, adjusting each moment like a reflex.

D. New Revenue Streams and Business Models

Something changes when machines learn how to decide. Entire kinds of tools appear — ones that simply were not possible before computers started recognizing patterns. Because algorithms detect wear in factory gear, companies now sell fixes before breakdowns happen. Insurance shifts based on personal behavior, not averages, thanks to constant data feeds. Stories, images, even music come from systems trained on massive libraries, reshaping who creates what. Delivery routes adjust themselves across cities using live traffic streams, cutting delays without human input. When businesses build around these functions instead of just adding them later, unseen corners of demand show up — places others have not reached.

IV. CHALLENGES AI BRINGS TO BUSINESS

A. Job Displacement

Fast job losses hit certain industries before replacements show up. In places like manufacturing or customer service, machines take over quicker. Data work and bits of finance see similar shifts too. People doing those tasks rarely get support to learn different skills. Time runs short when switching careers feels impossible. Gains from efficiency tend to enrich investors more than workers. Help from policy or training programs could change that pattern.

B. Ethical and Accountability Gaps

Someone gets turned down by a machine. A resume lands in the reject pile thanks to code. Prices shift based on hidden logic. Nobody raised a hand to decide it. Blame slips through fingers like sand. Flaws baked into old records push some folks to the back of the line — repeated, silent, steady. Rules meant to protect arrive late. Help feels out of reach when systems move faster than laws. Firms operate in gray zones, unsure what they must do.

C. Data Privacy and Security

Most of what fuels artificial intelligence comes straight from people's lives — habits, choices, private details. When companies gather huge amounts, they open doors hackers can walk through. The bigger the pile of stored details, the worse it gets if something goes wrong. Watched but not informed — that is how users and workers often feel, leading them to question who is really in control. Losing trust spreads faster than code; fines follow close behind.

D. Concentration of Market Power

Most of the time, training strong artificial intelligence needs huge amounts of data, powerful computers, and also experts who know how it works. Big corporations often have what it takes — deep pockets plus resources others lack. The more

people use top systems, the smarter they become, widening the gap without warning. When early leads grow silently, new players find every step harder than the last. A few dominant names could end up holding keys to tools entire sectors rely on, almost by accident.

V. AMAZON'S USE OF AI - CASE STUDY

Out there among big companies, Amazon stands out for using artificial intelligence everywhere it can. Predicting what shoppers might buy comes down to patterns in clicks and past orders, fueling many of its sales. Inside storage centers, smart machines move around, handling goods faster while lowering staffing needs. Talking to devices now feels normal because a digital helper named Alexa answers requests day after day.

One moment, Amazon built an AI to handle job applications. Then came trouble. It started favoring men without warning. So they stopped using it — quietly. That slip revealed how fast problems grow when tech spreads wide. Power comes with risk. Speed hides traps. Watching closely matters just as much as moving fast. Gains mean little if trust slips away.

VI. RECOMMENDATIONS

From studies and real-world tests, a few moves stand out. Training aligned with actual job openings beats one-size-fits-all classes every time. When firms split retraining costs with public funds, trust grows quietly — less churn follows. Later will not fix what earlier could have softened.

Before letting AI handle big decisions, set up clear rules. When logs are kept, explanations required, and one person is on the hook, things shift quietly but surely. Systems begin to bend toward care instead of speed. Oversight becomes real when someone has to answer, not just build.

When you collect data, it needs a clear reason behind it. Keeping only what is necessary helps. What stays should be locked down with encryption. Check how long things are saved — often. Doing these steps cuts risk while still letting AI do real work.

Older antitrust laws were built for different times. When small companies get locked out of key tech systems, competition fades fast. Fair access to core AI tools helps level the playing field — without it, dominant players keep pulling ahead by default. Rules must shift as the ground changes beneath them.

VII. CONCLUSION

Computers that think like people are changing the way companies work, fight for customers, and make worth from ideas. Speed grows when tasks run smoother, choices get sharper due to better data, while unseen business zones pop up out of thin air. Trouble comes too — roles vanish overnight, control shifts into fewer hands, personal space shrinks bit by bit, blame becomes hard to pin down afterward. To walk ahead without stumbling requires more than fear or blind trust; it

demands clear eyes about what changes truly mean. Building ways for artificial intelligence to help many people starts with fair systems, clear guidelines, and strong routines. Where businesses, oversight groups, and employees agree on these aims, does tech start lifting everyone up instead of pulling some down.

VIII. REFERENCES

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