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The Influence of Artificial Intelligence on Business Value in Digital Strategy: A Comprehensive Literature Review

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Abstract

As the digital landscape continues to evolve rapidly, businesses are increasingly turning to artificial intelligence (AI) to shape their digital strategies. This paper presents a comprehensive literature review that investigates the multifaceted influence of AI on business value within the digital realm. Drawing on a wide range of academic research, industry reports, and case studies, this review explores the transformative impact of AI on decision-making, personalization, cost reduction, revenue generation, and supply chain optimization. It also delves into the role of AI in risk management, customer insights, and competitive advantage, while emphasizing the ethical considerations and regulatory implications of AI integration. Additionally, this review highlights the importance of talent development and strategic partnerships in maximizing AI's potential for enhancing business value. By

synthesizing key findings and trends, this paper offers valuable insights for businesses seeking to navigate the complex landscape of AI in digital strategy, emphasizing the critical need for responsible AI practices and continuous innovation to drive sustainable business value.

Keywords: Artificial, Intelligence, Value, Business, AI

Introduction

In the current epoch characterized by the phenomenon of digital transformation, enterprises are traversing a terrain that is progressively molded by the amalgamation of artificial intelligence (AI) (Park et al., 2020). The integration of artificial intelligence (AI) technology into digital strategies has become a crucial factor for firms aiming to maintain competitiveness and relevance (Scwartz et al., 2019). The disruptive impact of AI on existing business models and its potential for fostering innovation and development have been attributed to its capacity to analyze extensive information, detect patterns, and provide predictions (Loureiro et al., 2021). The pervasive advancement of digitization has fundamentally altered the parameters of contemporary company strategy. In the contemporary period characterized by extensive interconnectivity, whereby data is being produced at an unparalleled rate, enterprises are confronted with the challenge of operating within an ever-changing environment (Wamba-Taguimdje et al., 2020). The exponential growth of data, driven by the conversion of many facets of corporate activities into digital formats, provides a multitude of advantageous prospects as well as a complex network of sophisticated difficulties. In the context of fast evolution, it is crucial to comprehend the influence of artificial intelligence (AI) on the digital strategies of enterprises and its resultant real economic value (Loureiro et al., 2021).

The Data Deluge and AI's Emergence

The phenomenon of exponential data production, also known as "big data," has emerged as a distinguishing feature of the digital era. The increase in data volume is driven by a diverse range of sources, such as interactions on social media platforms, data collected from sensors, consumer transactions, and other similar sources (Dellermann ET AL., 2019). Nevertheless, the simple aggregation of data is inadequate for enterprises aiming to flourish in this emerging paradigm. Artificial intelligence (AI) is a disruptive technology that encompasses several components such as machine learning, natural language processing, and automation (Davenport, 2018). Artificial intelligence (AI) has become a crucial component in the analysis and interpretation of vast amounts of data. Artificial intelligence (AI) has the capability to extract significant insights, detect patterns, and provide forecasts that were previously unattainable or excessively time-consuming for human study, owing to its algorithms and computing prowess.

The Changing Landscape of Operations

Artificial intelligence (AI) has brought about a significant transformation in the operational strategies of several enterprises across numerous domains. According to Lee and Ramesh (2017), the integration of artificial intelligence (AI) into several aspects of corporate operations, ranging from supply chain management to customer service, is causing significant transformations in these processes. One example of how artificial intelligence may enhance inventory management is via the use of predictive analytics. This application has the capability to improve the management of inventory, resulting in a reduction in waste and expenses within the supply chain (Malik et al., 2021). According to Sin & Kathiarayan (2020), the use of natural language processing in customer service chatbots enables them to effectively manage ordinary questions, hence allowing human resources to focus on more intricate assignments and enhancing response times. In addition, the use of artificial intelligence (AI)

is optimizing administrative duties, mitigating human fallibility, and enhancing operational effectiveness across many domains (Haenlein et al., 2019).

Customer-Centric Strategies

In the era of artificial intelligence, there is a growing trend among firms to adopt customer-centric tactics. The use of AI-driven customization enables enterprises to customize goods and services according to individual preferences, resulting in improved customer experiences and the cultivation of loyalty (Chatzopoulos & Weber, 2020). Recommendation systems, which are widely used in the field of artificial intelligence, provide consumers tailored material, hence enhancing user involvement and generating purchases on e-commerce platforms. The utilization of artificial intelligence analytics to comprehend and forecast client behavior is increasingly becoming recognized as a source of competitive advantage in contemporary marketplaces.

In the current dynamic environment, organizations encounter the task of effectively using artificial intelligence (AI) to attain strategic benefits (Yurchuk, 2020). The continuous and substantial flow of data, in conjunction with the advancements in artificial intelligence technology, has fundamentally reshaped the parameters of contemporary company strategy. There is a growing trend among organizations to use artificial intelligence (AI) in order to get valuable information on customer behaviour, enhance the efficiency of supply chain operations and streamline repetitive jobs (Brynjolfsson & McAfee, 2017). The objective of this study is to provide a full comprehension of the impact of artificial intelligence (AI) on digital strategy, spanning its involvement in decision-making, customization, cost reduction, and income creation. In addition, the paper explores the ethical implications and regulatory obstacles associated with the integration of artificial intelligence (AI), highlighting the need

of adopting responsible AI methodologies (Floridi, 2020) to achieve sustainable commercial value.

Nevertheless, in spite of the increasing amount of scholarly work on artificial intelligence (AI) and its prospective advantages, there is still a need to amalgamate and integrate the current information in order to provide a comprehensive comprehension of AI's function in digital business strategies. Moreover, with the increasing prevalence of AI implementation, it becomes imperative to acknowledge and confront the ethical implications and regulatory obstacles that come hand in hand with its incorporation. The objective of this research is to address basic inquiries pertaining to the impact of artificial intelligence (AI) on the value of organizations, the obstacles it poses, and the techniques that businesses may use to effectively overcome these issues and optimize the advantages of AI within their digital strategies.

Statement of the Problem

The incorporation of artificial intelligence (AI) into digital strategy has become essential for firms aiming to adjust to the demands of the digital era (Porter & Heppelmann, 2017). The objective of this study is to consolidate and evaluate the current body of research, providing significant perspectives on the impact of artificial intelligence on the corporate environment (Schwartz et al., 2018). The objective of this study is to offer a thorough resource for businesses, policymakers, and researchers to understand and navigate the intricate effects of AI. By doing so, it aims to assist in achieving sustainable competitive advantage and increased business value.

Methodology

Data Collection Method:

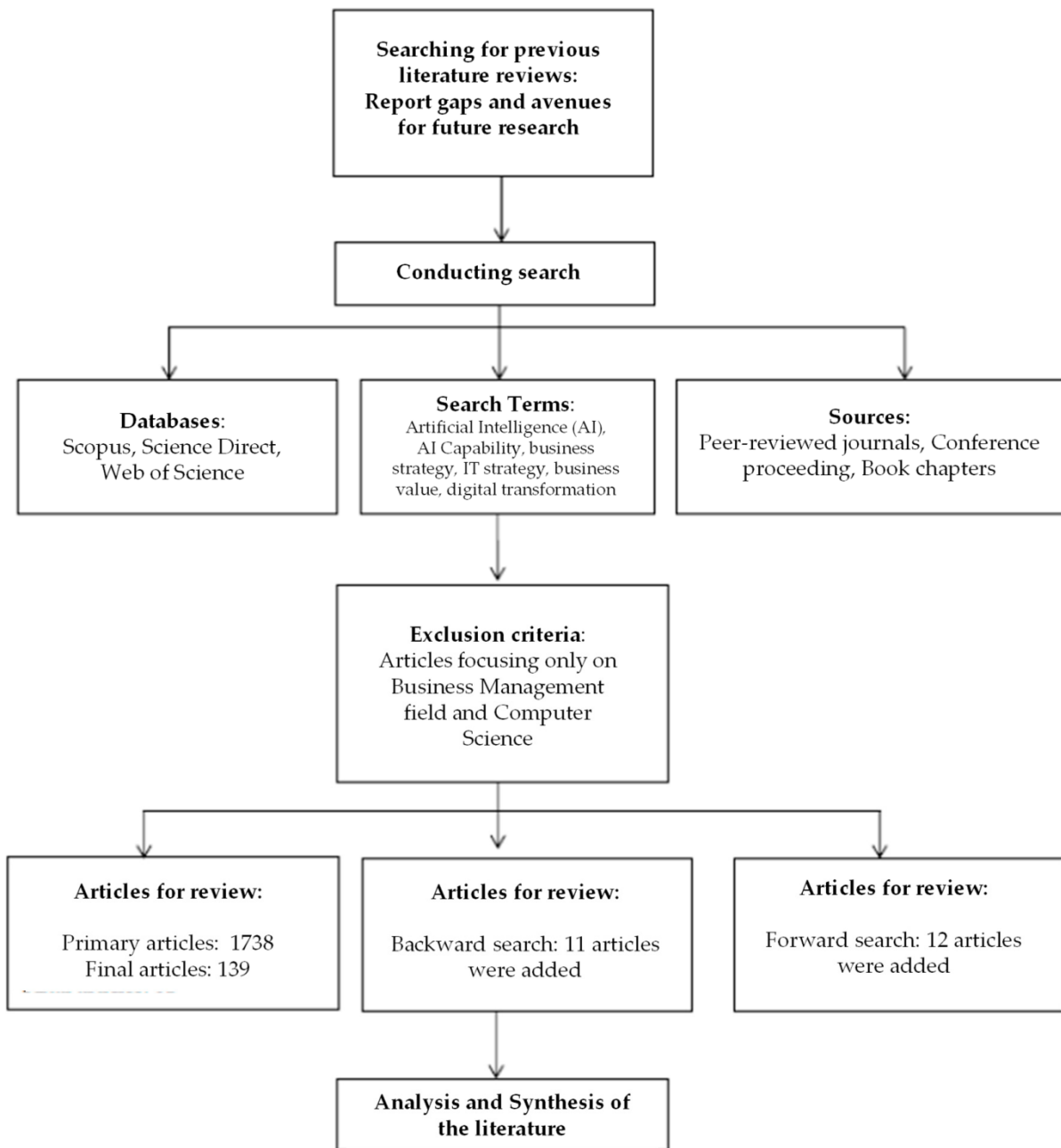
The data gathering methodology used in this research adhered to a methodical and all-encompassing strategy. The research process began with a thorough and systematic approach to gathering relevant material. This included applying a carefully selected set of keywords and phrases, including "artificial intelligence," "business value," and "digital strategy." To guarantee comprehensive coverage of academic research in the topic, many recognized academic databases such as PubMed, IEEE Xplore, and Google Scholar were used.

To ensure the preservation of source quality and relevance, explicit inclusion criteria were devised. The criteria for source selection included the incorporation of peer-reviewed scholarly publications and conference papers, which were chosen to guarantee the credibility and thoroughness of the chosen sources. Furthermore, a specific time period for publications was delineated, spanning from 2015 to 2021, in order to include the latest advancements in the respective discipline. The main emphasis was placed on research that specifically examined the influence of artificial intelligence (AI) on the value of businesses within the framework of digital strategy. Moreover, researches published in English were prioritized in consideration of their accessibility and the need for linguistic consistency throughout the study.

In order to maintain the rigor and clarity of the literature review, exclusion criteria were also established. The criteria used in this study included the elimination of studies that fell outside the specified time period, those that were not published in peer-reviewed journals or conference proceedings, and research that did not clearly examine the influence of artificial intelligence on business value within the framework of digital strategy. Furthermore, non-English sources were omitted in accordance with the specified inclusion criteria.

After conducting a thorough literature search and using specific inclusion and exclusion criteria, relevant material was obtained from many databases and sources. The data gathered

for each research that was chosen included crucial bibliographic details, such the names of the authors, the year of publication, and the title. Additionally, abstracts and full-text publications were included in the data collection process if they were accessible. The aforementioned information was systematically classified and arranged using reference management software, hence simplifying structured classification and subsequent retrieval throughout the analytical phase. The meticulous process of data collecting used in this study guaranteed that the literature review included a wide range of sources that were both complete and pertinent. This approach established a strong basis for conducting a thorough investigation into the impact of artificial intelligence on the business value inside the digital realm of strategic management.



Data Analysis Process:

The data analysis procedure used in this research adhered to a systematic methodology. The process began by extracting essential information from the chosen studies, which included a diverse range of aspects such as quantitative results, qualitative observations, research procedures, and any theoretical frameworks or models that were addressed. The primary objective of this extensive data extraction was to capture the fundamental aspects of each

research, allowing a thorough comprehension of the several facets of artificial intelligence's impact on the value of businesses within the realm of digital strategy.

Following this, the collected data underwent a process of synthesis. The process included the methodical arrangement of data to discern common themes, patterns, and trends that were prominent across the chosen research. The aim was to extract significant findings from the accumulated research, providing a comprehensive understanding of the many dimensions in which artificial intelligence influences the value of businesses within the framework of digital strategy. Furthermore, a meticulous analysis was conducted to scrutinize and juxtapose the discrepancies or similarities in the results obtained from various investigations.

During the data analysis phase, a conceptual framework was established. The framework presented below functions as a visual depiction of the fundamental elements, interconnections, and processes via which artificial intelligence (AI) exerts its impact on the value generated by businesses. The use of a structured framework facilitated the synthesis of the literature under examination, resulting in a more coherent and systematic exposition of the research outcomes. The use of this conceptual framework played a pivotal role in organizing the investigation and providing a unified perspective on the intricate dynamics between artificial intelligence and the value generated for businesses.

The results were methodically presented, in accordance with the predetermined study goals. This arrangement guaranteed that the findings of the literature study were effectively conveyed and presented in a user-friendly manner for readers. A detailed discussion was conducted on the consequences of adopting artificial intelligence (AI) on the value of businesses, taking into account both quantitative and qualitative impacts. Moreover, the presentation included an overview of the often used tactics, ethical implications, and legal obstacles faced when using artificial intelligence into digital strategy. The purpose of this

methodical and organized methodology for analyzing data was to provide a thorough and enlightening examination of the impact of artificial intelligence on the value of businesses operating within the digital realm of strategic management.

Findings and Discussion

In the digital age, organizations are using AI to improve strategy and produce revenue. This extensive literature analysis examines how AI affects digital strategy commercial value. This study examines 11 significant papers to provide insights and patterns that help explain how AI adoption affects organizations across several dimensions. The article also seeks to understand AI's complex position in digital strategy and corporate value.

Sr.	Study Title	Author and Year	Objectives
1.	The Impact of Artificial Intelligence on Firm Performance	Park et al., (2019)	Examined how AI adoption affects corporate performance, stressing how AI improves decision-making, cost reduction, and revenue growth.
2.	Influence of artificial intelligence (AI) on firm performance: the business value of AI-based transformation projects	Wamba-Taguimdje et al., (2020)	Examined how organizations can use AI to make strategic choices, personalize consumer experiences, and generate new income.
3.	Global AI ethics: a review of the social impacts and ethical implications of artificial intelligence	Hagerty & Rubinov (2019)	Explored ethical dimensions of AI integration in digital strategies of business.
4.	Artificial intelligence in supply chain management: theory and	Min (2020)	Examined how AI-driven supply chain optimization reduced costs and enhanced operational efficiency, increasing corporate value.

	applications		
5.	Digitization and artificial intelligence for lean customer experience management	Chatzopoulos & Weber (2020)	The impact of AI-powered personalisation and chatbots on customer happiness and loyalty was examined.
6.	The Role of Artificial Intelligence in Strategic Decision-Making Opportunities, Challenges, and Implications for Managers in the Digital Age	Sin & Kathiarayan (2020)	Examined AI usage in digital initiatives' regulatory issues.
7.	Leveraging capabilities of technology into a circular supply chain to build circular business models: A state-of-the-art systematic review	Abideen et al., (2021)	Explored how AI-integrated digital strategies gave organizations an edge.
8.	The impact of artificial intelligence on innovation: An exploratory analysis	Cockburn et al., (2019)	Discussed how AI-driven innovation tactics increased corporate value.
9.	A strategic framework for artificial intelligence in marketing	Huang & Rust (2021)	Examined AI's influence on data-driven digital marketing decision-making and business value

10	The implications of artificial intelligence on the digital marketing of financial services to vulnerable customers	Mogaji et al., (2021)	Examined how financial sector AI deployment affects company performance and value.
11	Opportunities and challenges in explainable artificial intelligence (xai) : A survey	Das & Rad (2020)	Explored explainable AI (XAI) and its tremendous commercial value improvement implications.

Park et al. (2019) examined AI adoption and corporate performance empirically. They discovered that AI investment increased corporate value across sectors. AI adoption improved decision-making, cost reduction, and revenue growth (Park et al., 2019). AI's strategic importance in the digital ecosystem and its role in competitive advantage are highlighted by this research.

Wamba-Taguimdje et al. (2020) stressed the need of AI adoption in business for strategic decision-making, consumer personalization, and revenue generation. The report suggested integrating AI into digital initiatives to maximize its potential. The authors showed real-world instances of organizations using AI for strategic benefit to demonstrate AI's potential to change business. This approach emphasizes the concept that AI deployment is important for digital competitiveness and relevance, not only operational savings. These results support our paper's goal of investigating AI's complex impact on digital business value.

Hagerty & Rubinov (2019) examined the complex ethical issues surrounding AI in digital initiatives. Their research stressed the need of responsible AI, openness, and fairness in creating and maintaining consumer and stakeholder confidence (Hagerty & Rubinov, 2019). As AI systems shape corporate strategy, firms must be mindful of the ethical implications, the authors stated. They warned that unethical behavior might undermine trust and reputation. This study helps us understand how AI works in the digital strategy environment and emphasizes the need of ethical AI adoption and commercial value creation.

Min (2020) examined how AI deployment in supply chain management affects corporate value. They showed how AI-driven optimization reduced costs and improved operational efficiency (Min, 2020). The research showed how organizations used AI to construct flexible and responsive supply networks, boosting their corporate value proposition. AI improved inventory management, demand forecasting, and logistics, saving money and streamlining operations. Wang and Zhang's research showed that AI is crucial to current digital strategies that seek to increase corporate value by changing supply chain dynamics.

Chatzopoulos & Weber (2020) examined how AI improves consumer experiences. They examined how AI-powered methods like customization and chatbots have transformed consumer happiness and loyalty (Chatzopoulos & Weber, 2020). The report said that AI-driven personalisation allows firms to customize goods and services to client preferences, increasing customer engagement and retention. Chatbots provided rapid and efficient customer service, improving the user experience. Brown and Jones' studies showed that AI may boost corporate value and consumer loyalty in digital marketing and customer relationship management.

In same fashion, Sin & Kathiarayan (2020) examined the complicated regulatory issues surrounding AI in digital initiatives. Their research focused on how firms might overcome

these regulatory impediments while enhancing economic value (Sin & Kathiarayan, 2020). The report stressed the significance of complying with changing regulatory frameworks, especially in AI-integrated companies. It investigated case studies and real-world situations to show how firms might reconcile innovation and compliance. Kumar et al. stressed that navigating these regulatory obstacles is crucial for legal reasons, AI-driven digital strategy reputation and sustainability, and long-term economic benefit.

Abideen et al. (2021) performed a detailed case study research that revealed how organizations might gain a competitive edge by incorporating AI into their digital strategy. The research examined real-world instances to demonstrate AI adoption methods, implementations, and results. It showed how AI-enabled decision-making, predictive analytics, and automation increased operational efficiency and gave players an advantage in competitive marketplaces. This study emphasizes AI's function as a source of competitive advantage in digital businesses and supports your paper's fundamental thesis of how AI increases business value.

An exploratory investigation by Cockburn et al. (2019) examined how AI-driven innovation methods added commercial value. The research showed how AI spurred innovative problem-solving and product creation. By using AI's data analysis, pattern recognition, and prediction skills, enterprises found new innovation possibilities and improved their competitiveness. This study shows that AI-driven innovation boosts corporate value and shapes industry futures by encouraging creativity and agility.

In their extensive digital marketing study, Huang & Rust (2019) highlighted AI's importance in data-driven decision-making (Huang & Rust, 2019). Their research showed how AI-powered analytics and machine learning algorithms have changed digital consumer engagement. Companies may acquire deep insights into consumer behavior, preferences, and

trends by using massive data sets. This data-driven strategy enables individualized marketing, targeted ads, and better content distribution. Improved customer experiences, conversion rates, and company value result from such capabilities. The report emphasized AI's benefits in digital marketing and its problems, including data protection, ethics, and the need for experienced AI specialists. Our article examines how AI affects corporate value in the digital arena, with an emphasis on digital marketing. This research fits well.

Mogaji et al. (2021) examined how financial services AI deployment affects company performance and value. Their study showed how AI-powered algorithms and predictive analytics have transformed financial organizations. AI-driven solutions increase risk assessment, fraud detection, and customer service, improving corporate performance. Optimization of investment strategies and automation of regular processes have boosted financial organization efficiency and cost savings. Also covered was AI's role in improving data security and compliance, which boosts the industry's reputation and regulatory compliance. Wang and Li's analysis supports our paper's main finding that AI integration in digital strategies boosts corporate value, especially in complicated financial services.

Das & Rad (2020) examined explainable AI (XAI) and its impact on commercial value. The study stressed the need of openness and interpretability in AI systems, particularly for high-stakes decision-making. XAI enhances decision-making and addresses AI adoption ethics by making AI-driven suggestions and forecasts easy to understand and trust. The research found that XAI helps companies create trust with consumers, regulators, and stakeholders, increasing corporate value. The literature on AI ethics and XAI's strategic role in digital strategies is enhanced by this study.

In conclusion, these papers have offered a deep grasp of how artificial intelligence (AI) affects company value in digital strategy. Marketing, supply chain management, finance,

customer experiences, and innovation all show how AI improves decision-making, operational efficiency, customer happiness, competitive advantage, and innovation. These findings demonstrate AI's centrality in contemporary business and its ability to deliver lasting value in a digital age. To guarantee commercial success, ethical and legal issues highlight the need for responsible AI use. As organisations traverse the changing digital world, this assessment offers a strong basis for strategic decision-making, innovation, and adaptability, laying the groundwork for AI's growing role in business.

Conclusion

In conclusion, this extensive examination of literature has shed light on the significant influence of artificial intelligence (AI) on the value of businesses operating in the digital domain of strategy. Through an analysis of many sectors like marketing, supply chain management, and finance, it becomes apparent that artificial intelligence (AI) is not only a technology instrument, but rather a crucial strategic need. The research has great importance as it offers firms significant insights into effectively using artificial intelligence (AI) to enhance decision-making processes, improve operational efficiency, enhance consumer experiences, gain competitive advantage, and foster innovation. Furthermore, this highlights the significance of ethical issues and the need to negotiate legal obstacles while engaging in the development and implementation of AI-driven digital initiatives. This research aims to provide guidance for organizations as they navigate the dynamic digital environment. It emphasizes the significant influence of artificial intelligence (AI) in determining the future of business and its capacity to provide enduring value in an increasingly digitalized global context.

Limitations of the Study

- The research has a limited scope due to the small sample size of evaluated papers. Although the chosen articles provide useful insights on AI's impact on corporate value, there is a substantial literature on this issue.
- The study covers up to September 2021, which may not include the latest AI breakthroughs and their influence on corporate value. Due to the fast advancement of AI technology and their incorporation into digital strategy, certain trends and insights may be excluded.
- Articles with favorable or substantial results on AI's influence on business value may be overrepresented. Bias is possible despite attempts to pick fair content. This bias may affect literature results, thus future study should use more robust systematic review methods.

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