
AI IN COMMERCE AND MANAGEMENT: TRANSFORMING BUSINESS PRACTICES IN THE DIGITAL ERA

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Abstract :

Artificial Intelligence (AI) is increasingly influencing the way business organizations operate and are managed. In the fields of commerce and management, AI is being used to automate routine activities, analyze large volumes of data, and support managerial decision-making. This paper examines the concept of Artificial Intelligence and its growing role in commerce and management. It focuses on key application areas such as marketing, finance, human resource management, supply chain management, and customer relationship management. The study also highlights the advantages, challenges, and future opportunities associated with the adoption of AI in business. The paper is descriptive and conceptual in nature, based on secondary data collected from books, journals, reports, and online sources. The study concludes that AI has the potential to enhance efficiency, accuracy, and competitiveness in business organizations if implemented in a responsible and strategic manner.

Keywords : Artificial Intelligence, Commerce, Management, Business Decision-Making, Digital Transformation

Introduction :

In the modern digital economy, Artificial Intelligence has become one of the most important technological developments affecting commerce and management. AI refers to computer systems and machines that are capable of performing tasks that normally require human intelligence, such as learning from data, analyzing situations, and making decisions. With the rapid growth of information technology, businesses are generating large amounts of data, which cannot be effectively handled through traditional methods alone.

To remain competitive, organizations are adopting AI-based tools and systems to improve productivity, reduce costs, and enhance the quality of managerial decisions. AI supports managers by providing timely insights, identifying patterns in data, and predicting future business trends. As a result, AI is no longer limited to technical fields but has become a crucial component of commerce and management practices.

Objectives of the Study :

The objectives of the present study are as follows:



- To explain the concept of Artificial Intelligence in relation to commerce and management.
- To study the major areas where AI is applied in business organizations.
- To analyze the benefits of AI for managerial and commercial activities.
- To identify the challenges involved in the implementation of AI.
- To examine the future scope of AI in the field of commerce and management.

Research Methodology :

The study is descriptive and conceptual in nature. It is based entirely on secondary data collected from various sources such as textbooks, academic journals, research papers, business reports, and authentic websites. The collected information has been carefully reviewed, compared, and rewritten in original language to ensure clarity and originality. This method helps in understanding the overall impact of AI on commerce and management.

Role of AI in Commerce and Management :

1. AI in Marketing Management :

In marketing management, AI is used to study consumer behavior, analyze market trends, and design personalized marketing strategies. AI-based tools such as recommendation systems, chatbots, and customer analytics help organizations interact effectively with customers. These technologies improve customer satisfaction by providing relevant information and timely responses.

2. AI in Financial Management :

AI plays an important role in financial management by assisting in areas such as fraud detection, risk assessment, budgeting, and financial forecasting. By processing large volumes of financial data, AI systems help managers make accurate and quick financial decisions, thereby reducing errors and financial risks.

3. AI in Human Resource Management :

Human Resource Management has also been influenced by AI. AI applications are used in recruitment, employee performance evaluation, training, and workforce planning. Automated resume screening and employee analytics help HR managers save time and improve efficiency while maintaining fairness in decision-making.

4. AI in Operations and Supply Chain Management :

In operations and supply chain management, AI supports demand forecasting, inventory control, and logistics optimization. Predictive analytics enables organizations to minimize delays, reduce operational costs, and ensure smooth flow of goods and services.

5. AI in Customer Relationship Management :

AI-based Customer Relationship Management (CRM) systems assist businesses in



providing better customer support. Virtual assistants and automated service platforms offer quick solutions to customer queries, which improves customer loyalty and brand image.

Benefits of AI in Commerce and Management :

The adoption of AI in business offers several advantages:

- Improved efficiency and productivity in business operations
- Better quality of managerial decision-making
- Reduction in operational costs and human errors
- Enhanced customer experience and satisfaction
- Strengthened competitive position in the market

Challenges and Limitations of AI :

Although AI provides many benefits, its implementation involves certain challenges:

- High cost of technology and infrastructure
- Shortage of skilled manpower
- Issues related to data security and privacy
- Ethical concerns and algorithmic bias
- Resistance to technological change among employees

Organizations need to address these issues to ensure effective and ethical use of AI.

Future Scope of AI in Commerce and Management :

The future of AI in commerce and management appears highly promising. Continuous improvements in machine learning and data analytics are expected to make AI more advanced and affordable. In the coming years, AI will play a significant role in strategic planning, innovation, and sustainable business development. Organizations that adopt AI with a long-term vision are likely to achieve greater growth and stability.

Conclusion :

Artificial Intelligence has become a powerful tool in the field of commerce and management. It supports business organizations in improving efficiency, enhancing decision-making, and responding effectively to market changes. While there are challenges related to cost, ethics, and skills, the overall contribution of AI to business development is positive. Therefore, the responsible adoption of AI is essential for achieving sustainable growth in modern business organizations.

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