

Role of Artificial Intelligence in Business Transformation

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Abstract

Artificial Intelligence (AI) has become the new trend in business in all countries of the world, which has the potential to trigger the effect of innovation, enhance competitiveness, and reconfigure the traditional working paradigms. The world of AI technologies is slowly penetrating the business processes and brand promotion, and the procurement of their knowledge is an inevitable step towards the sustainable development of local companies. This paper aims to examine the functions of AI in improving business performance, the main obstacles to its use, and the strategic benefits towards effective AI adoption by businesses in Sri Lanka. A qualitative study was used, which included semi-structured interviews with 10 business managers of Sri Lankan businesses that practice AI in their business activities. The paper aimed to identify experiences, issues, and quantifiable results of the AI adoption. The gathered information was analyzed using themes to triangulate the patterns and insights shared across multiple insights, which have relevance in local business contexts. Those key challenges, which were identified, were technical incompatibility, lack of skilled people, and moral issues in terms of creating data as a tool. The majority of the organizations indicated measurable marketing shifts, including the increased payback on the investments and low operational costs. The results recommend that AI be used as a future strategy to transform businesses among Sri Lankan SMEs as long as the adoption is underpinned by appropriate policies, capacity-building efforts, and awareness campaigns. The present research contributes to the existing body of literature, as it will provide empirical data on how AI is employed in the Sri Lankan SMEs, as well as outline any practical challenges and advantages, along with a set of recommendations for the strategic outcomes in terms of enhancing the areas of business operation and marketing in the developing economies.

Keywords: entrepreneurship, marketing strategy, operational efficiency, small and medium enterprises (SMEs), Sri Lanka