ISSN–2278-5655

AMIERJ Aarhat Multidisciplinary International Education Research Journal

Volume–XV, Issue– III May – June, 2026

OPEN ACCESS Original Research Article

REIMAGINING COMMERCE IN THE AI ERA: REVIEW OF LITERATURE

* Prof. Rupa Manoj Rawal

MITCOM-MIT ADT University

Abstract:

Artificial Intelligence (AI) has become a revolutionary force that is changing business practices worldwide. AI-driven technologies are changing how businesses function and compete in a variety of areas, including marketing, supply chain management, financial decision-making, and consumer interaction. Intelligent, data-driven systems are gradually replacing traditional commerce, which mostly relied on human judgment and traditional analytical methods. The purpose of this study is to evaluate the literature that has already been written about artificial intelligence's involvement in commerce and to look at how AI is changing decision-making and business structures. The study synthesizes important themes on AI adoption, commercial transformation, difficulties, and opportunities using a conceptual and literature-based methodology. The paper also presents a conceptual framework based on earlier research to describe the paradigm shift in trade throughout the AI era. According to the study's findings, ethical governance, a trained workforce, and supportive regulatory frameworks are necessary for the successful adoption of AI, even though it provides enormous promise for efficiency, creativity, and competitive advantage.

Keywords: *Artificial Intelligence, Commerce, Business Models, Decision-Making, Digital Transformation, AI Era*

Introduction:

The rapid development of Artificial Intelligence (AI) has significantly influenced economic and business activities in recent years. AI refers to the ability of machines and computer systems to perform tasks that typically require human intelligence, such as learning, reasoning, prediction, and decision-making. With advancements in computing power, data availability, and algorithmic techniques, AI has become an integral part of modern commerce.

Commerce plays a vital role in economic development by facilitating the exchange of goods and services, generating employment, and contributing to national income. Over time, commerce has evolved from traditional trade practices to digital and electronic commerce. The emergence of AI represents a new phase in this evolution, often described as intelligent or AI-driven commerce. Organizations across sectors are increasingly adopting AI technologies to improve efficiency, enhance customer experience, and support strategic decisions.

AI based tools such as recommendation systems, chatbots, predictive analytics, and automation are now widely used in marketing, finance, logistics, and customer relationship management. These technologies enable businesses to analyse large volumes of data in real time, anticipate market trends, and respond quickly to changing consumer preferences. As a result, AI is not only transforming operational processes but also reshaping business models and managerial decision-making.

Despite its advantages, AI adoption in commerce also raises concerns related to data privacy, ethical use, workforce displacement, and regulatory challenges. Therefore, it is important to

critically examine the impact of AI on commerce from a holistic perspective. This paper seeks to address this need through a review of existing literature.

ISSN–2278-5655

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Objectives of the Study:

1. To examine the role of Artificial Intelligence in modern commerce
2. To analyse how AI is transforming business models
3. To understand the impact of AI on commercial decision-making
4. To identify challenges and opportunities associated with AI driven commerce

Research Methodology:

The present study is based on a literature review and conceptual analysis. Secondary data have been collected from research articles, academic journals, books, reports, and published studies related to Artificial Intelligence and commerce. Since the study is conceptual in nature, no primary data or empirical testing has been undertaken. The analysis focuses on combining existing knowledge to develop a comprehensive understanding of AI-driven transformation in commerce.

Review of Literature:

Artificial Intelligence has been widely acknowledged as a disruptive technology transforming traditional commerce into intelligent, data driven systems. According to Davenport and Ronanki (2018), AI enables organizations to automate routine tasks, enhance analytical capabilities, and support managerial decision-making across functional areas such as marketing, operations, and finance. Their study highlights how AI shifts businesses from rule based operations to learning based systems.

Research Gap: While the study explains AI applications in business, it does not specifically analyse how AI redefines commerce as an integrated system involving business models and decision-making together.

The role of AI in reshaping business models has been emphasized by Ritter and Pedersen (2020), who argue that AI facilitates value creation through data monetization, platform-based ecosystems, and personalized offerings. Their work suggests that AI enables firms to move beyond traditional linear business models toward adaptive and intelligent models.

Research Gap: The study focuses on conceptual business model innovation but lacks commerce-specific insights, particularly regarding retail, trade, and service-oriented commercial systems.

According to Huang and Rust (2021), AI has transformed e-commerce by enhancing customer experience through personalization, recommendation systems, and automated customer service. The authors highlight AI's role in improving customer engagement and operational efficiency.

Research Gap: Although the study explains customer-facing applications, it does not examine managerial and strategic decision-making implications of AI adoption in commerce.

Brynjolfsson and McAfee (2017) state that AI improves decision making by enabling predictive analytics, real-time insights, and scenario analysis. Their research emphasizes that AI augments rather than replaces human intelligence in strategic decisions.

Research Gap: The study primarily addresses decision-making at a general organizational level and does not sufficiently explore decision-making within commercial ecosystems involving multiple stakeholders.

The ethical implications of AI adoption have been discussed by Floridi et al. (2018), who highlight concerns related to data privacy, algorithmic bias, transparency, and accountability. The authors stress the importance of ethical governance frameworks to ensure responsible AI usage.

Research Gap: While ethical concerns are well documented, the literature lacks commerce-specific ethical models addressing consumer trust, pricing fairness, and data usage in commercial transactions.

ISSN–2278-5655

AMIERJ Aarhat Multidisciplinary International Education Research Journal

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According to Bughin et al. (2018), AI adoption leads to both job displacement and job creation, requiring workforce reskilling and organizational adaptation. Their study highlights the need for aligning human capital strategies with AI deployment.

Research Gap: The study does not sufficiently examine how workforce readiness impacts AI-driven commerce, particularly in developing economies.

Porter and Heppelmann (2015) argue that smart, connected technologies, including AI, reshape competition by redefining industry boundaries and value chains. AI enables firms to gain sustainable competitive advantage through superior insights and responsiveness.

Research Gap: Although competition and strategy are addressed, the study does not integrate AI-driven commerce outcomes such as customer experience, trust, and long-term value creation.

Recent review studies such as Dwivedi et al. (2021) emphasize that AI research remains fragmented across domains like marketing, operations, and information systems. The authors call for integrative frameworks to understand AI's holistic impact on business and society. ***Research Gap: There is a lack of comprehensive conceptual frameworks that integrate AI, business model innovation, decision-making, and commercial outcomes, especially from a commerce perspective.***

Identification of Research Gap:

The overview above makes clear that while there is a lot of research on AI and business transformation, the most of it concentrates on specific areas like technology, customer experience, or ethics. Integrated literature that views AI-driven commerce as an integrated framework involving business models, decision-making, prospects, and problems is remarkably lacking. The current literature-based study, "Reimagining Commerce in the AI Era," is necessary because of this gap.

Conceptual Framework:

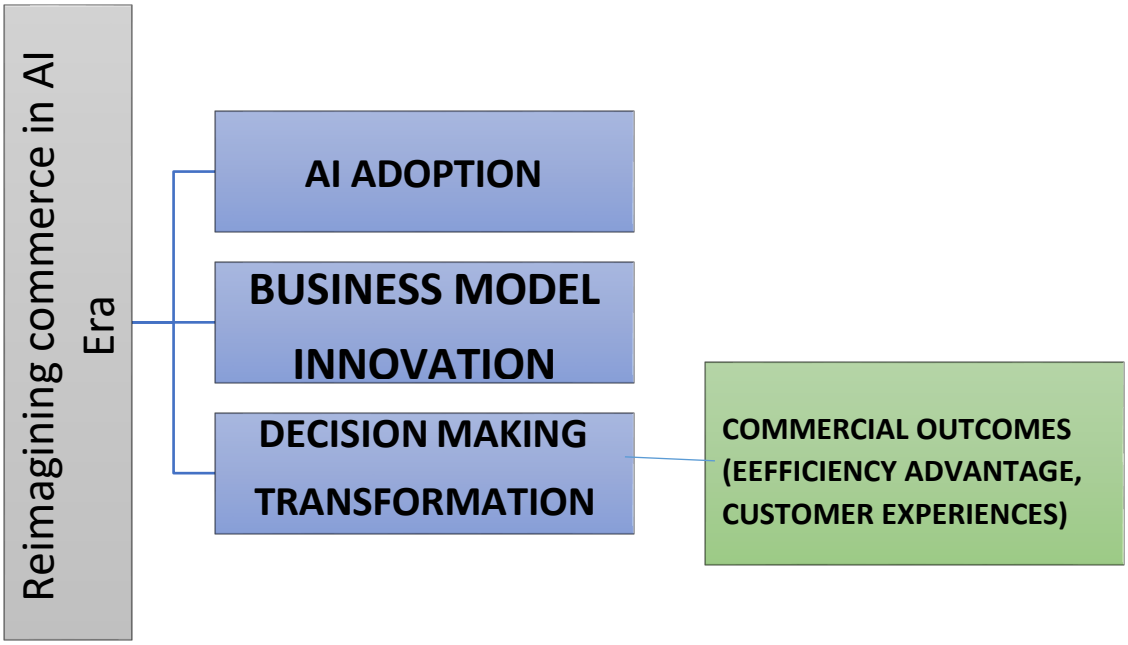

Figure 1: Conceptual Framework of AI-Driven Transformation in Commerce

ISSN–2278-5655

AMIERJ Aarhat Multidisciplinary International Education Research Journal

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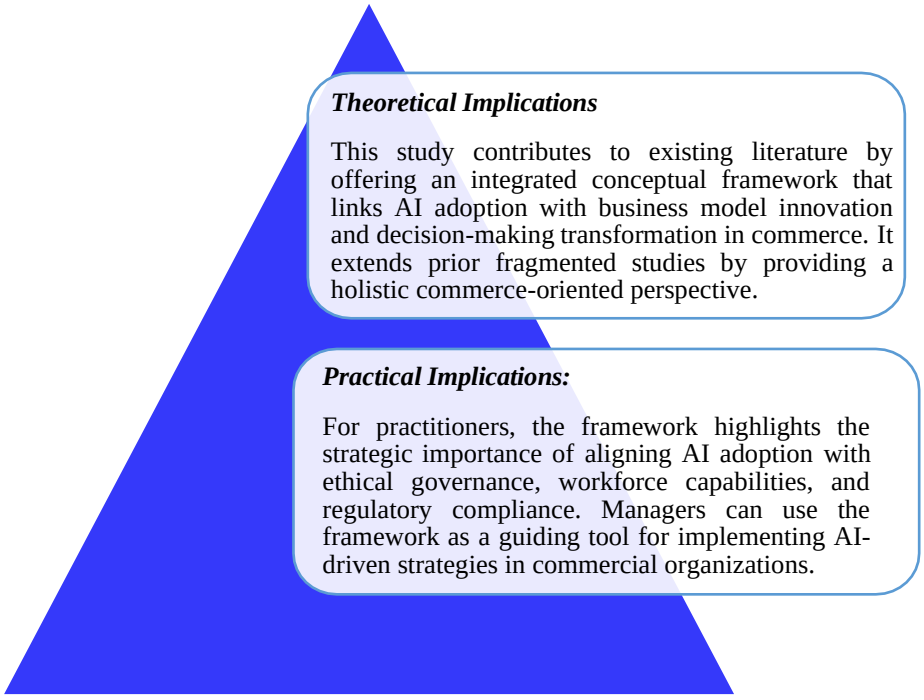
The figure illustrates how Artificial Intelligence adoption acts as a primary driver influencing business model innovation and decision-making transformation, leading to improved commercial outcomes. Ethical considerations, data privacy, workforce readiness, and regulatory support moderate the effectiveness of AI adoption across all stages. Based on the synthesis of existing literature, a conceptual framework is proposed to explain how Artificial Intelligence reimagines commerce. In this framework, AI adoption acts as the primary driving force influencing two core dimensions of commerce: business model innovation and decision making transformation. These dimensions, in turn, lead to improved commercial outcomes, including operational efficiency, competitive advantage, and enhanced customer experience.

The framework also recognizes the role of moderating factors such as ethical considerations, data privacy, workforce readiness, and regulatory support, which influence the effectiveness of AI adoption in commerce. This conceptual framework provides a structured lens to understand the paradigm shift occurring in commerce due to AI and serves as a foundation for future empirical research.

Implications of the Study



Limitations of the Study:

The present study is conceptual and literature-based in nature and does not involve empirical testing. The findings are dependent on the scope and quality of existing literature reviewed. Additionally, the study does not focus on a specific industry or geographical context, which may limit the generalizability of the framework.

While the present study provides a comprehensive conceptual understanding of how Artificial Intelligence reimagines commerce, several avenues remain open for future research. First, empirical studies may be conducted to test and validate the proposed conceptual framework using primary data from commercial organizations across different sectors such as retail, banking, logistics, and e-commerce.

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Quantitative methods, including structural equation modelling or regression analysis, may be employed to examine the relationships between AI adoption, business model innovation, decision-making transformation, and commercial outcomes.

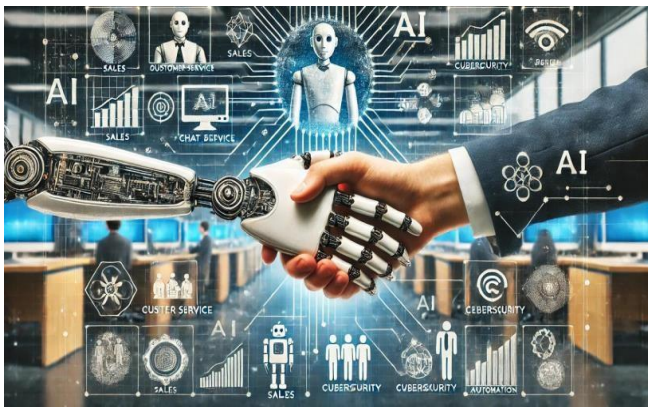
Second, future research may adopt a sector-specific approach to understand how AI influences commerce differently across industries. Comparative studies between traditional commerce and digital commerce sectors can provide deeper insights into contextual variations in AI adoption. Third, country-specific or cross-country studies, particularly comparing developed and emerging economies, may help identify the role of regulatory frameworks, digital infrastructure, and workforce readiness in shaping AI-driven commerce.

Further, qualitative research such as case studies and interviews with industry experts can explore managerial perceptions, ethical concerns, and organizational challenges associated with AI implementation. Longitudinal studies may also be undertaken to assess the long-term economic, social, and workforce impacts of AI adoption in commerce. Finally, future research may extend the framework by incorporating additional variables such as consumer trust, sustainability, and technological maturity to enhance the explanatory power of AI driven commercial transformation.

Conclusion:

Artificial Intelligence has emerged as a transformative force that is fundamentally reimagining commerce in the digital era. The present study, based on an extensive review of existing literature, highlights how AI adoption drives significant changes in business models and decision-making processes, leading to improved commercial outcomes such as operational efficiency, competitive advantage, and enhanced customer experience. Unlike traditional commerce models, AI driven commerce emphasizes data centricity, automation, and intelligent decision support. The study contributes to existing knowledge by synthesizing fragmented literature and proposing a comprehensive conceptual framework that integrates AI adoption, business model innovation, decision-making transformation, and moderating factors such as ethics, data privacy, workforce readiness, and regulatory support. By adopting a holistic commerce-oriented perspective, the paper advances understanding of the paradigm shift brought about by AI.

In conclusion, while Artificial Intelligence offers immense opportunities for commercial growth and innovation, its effective implementation requires a balanced approach that combines technological advancement with ethical governance and human oversight. The proposed framework serves as a foundation for future empirical research and provides valuable insights for scholars, policymakers, and practitioners seeking to navigate the evolving landscape of commerce in the AI era.



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Cite This Article: ***Prof. Rawal R.M. (2026).*** *Reimagining Commerce in the AI Era: Review of Literature* . **In Aarhat Multidisciplinary International Education Research Journal**: Vol. XV (Number III, pp. 149–154)