

November Edition



COMBROSIA: THE COMMERCE SUBJECT SOCIETY
Motilal Nehru College, University of Delhi



COMBROSIA TIMES

ARTIFICIAL INTELLIGENCE

BOON OR BANE ?



WHAT IS ARTIFICIAL INTELLIGENCE ?

- Artificial intelligence (AI), refers to the simulation of human intelligence processes by machines, typically computer systems.
- It involves the development of algorithms and technologies that enable machines to perform tasks that would normally require human intelligence, such as visual perception, speech recognition, decision-making, and language translation.
- AI encompasses various subfields, including machine learning, natural language processing, computer vision, robotics, and more, all aimed at creating systems that can learn, reason, and adapt to new situations autonomously.



- With AI, machines perform cognitive functions like learning, planning, reasoning, decision-making, and problem-solving.
- AI is a machine's simulation of human intelligence, and it could solve major real -world challenges. This is why we are discussing whether AI is a boon or bane!



ADVANTAGES OF AI

PRODUCTIVITY INCREASES SIGNIFICANTLY

AI is no longer a luxury in the corporate world, but rather a necessity. It helps in managing high-level computational roles and responsibilities that require time and effort. About 64% of business organisations increase growth and productivity using AI-based applications.

COMPLEX PROBLEM-SOLVING

artificial intelligence has advanced from mere Machine Learning algorithms and now encompasses advanced concepts like Natural Language Processing and Deep Learning. This advancement in technology helps AI solve problems like medical diagnosis, fraud detection, weather forecasts and many more.

MANAGES REPETITIVE JOBS AND OPERATIONS

Labour-intensive tasks that need to be repeated multiple times take up precious time and effort. With AI, businesses can assign these mundane tasks to machine learning-powered solutions. This will free up personnel, reduce hiring requirements and leave senior professionals with more time to focus on their key offerings.

REMOVES THE RISK FROM HUMANS TO MACHINES

AI "Removes the risk from humans". AI helps humans push their limits without suffering the damage that comes with it. AI bots can take on several risky physical tasks that would adversely impact a human being in the long term or short term. This includes situations like interplanetary visits, bomb defusing, ocean exploration and oil and coal mining.

ENHANCES STANDARD OF LIVING

AI evolved from the idea of personal robot servants to practical applications in daily lives, like Cortana, Alexa, and Siri, as well as platforms such as Amazon and Spotify which are new age tools which are examples of improved standard of living.



DISADVANTAGES OF AI

HIGH COSTS OF CREATION

As AI is updating every day the hardware and software need to get updated. The maintenance requires plenty of costs. It's creation requires huge costs as they are very complex machines.

UNEMPLOYMENT

Concerns about automation and AI altering jobs raise questions about future employment. Estimates vary widely, suggesting 3% to 14% of the global workforce (75 million to 375 million workers) may need to switch jobs by 2030.

ETHICAL CONCERNS

The ethical implications of AI usage, especially in fields like healthcare (e.g., patient data handling) and military applications (e.g., autonomous weapons), raise significant concerns about accountability, transparency, and unintended consequences.

BIASNESS AND ERRORS

AI systems can inherit biases present in the data they are trained on, leading to biased decision-making. This can result in discriminatory outcomes, particularly in areas like hiring, lending, and criminal justice. It can also make mistakes or provide inaccurate results, especially when dealing with novel or unforeseen situations. Dependence on AI without proper validation can lead to critical errors.

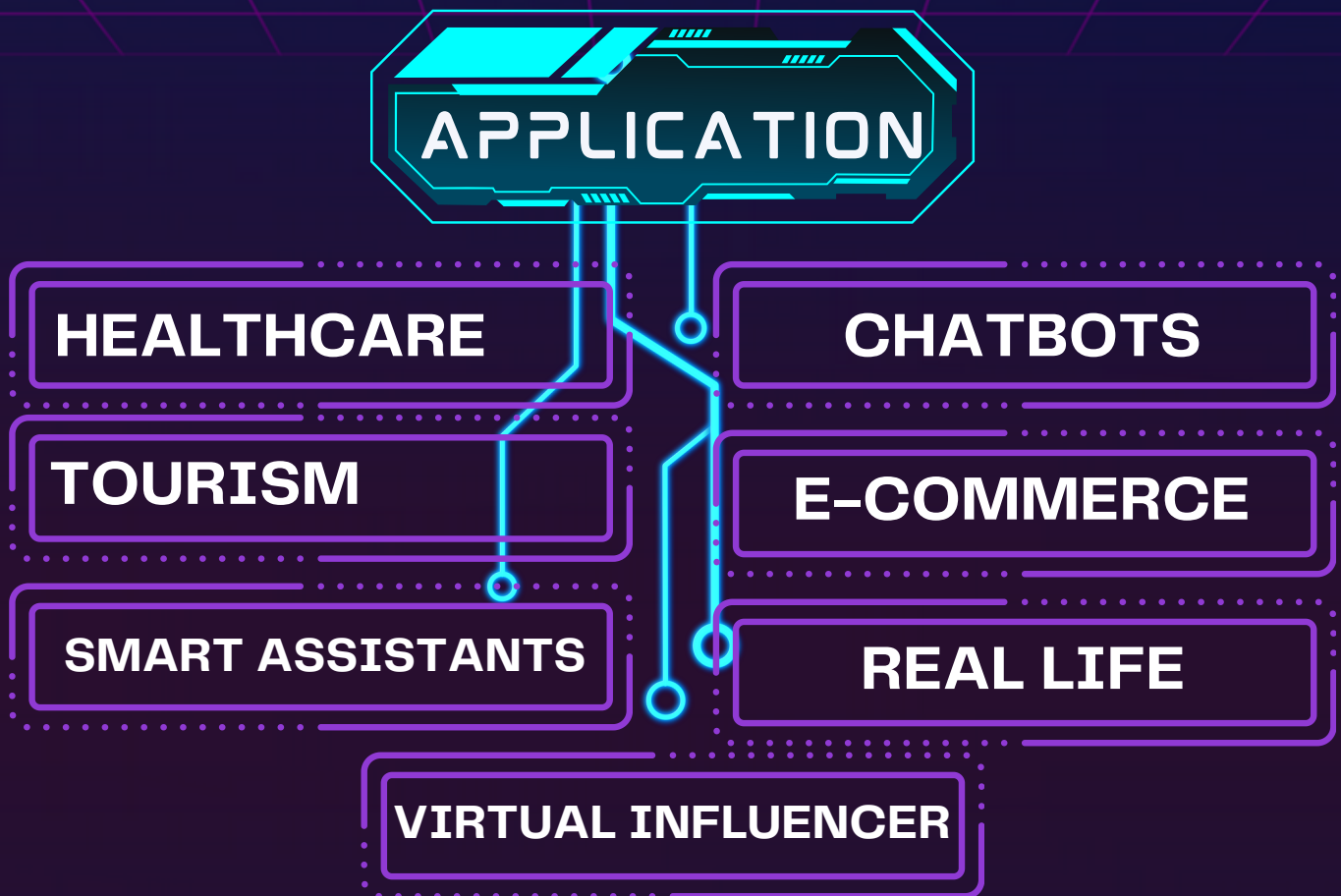
DISINFORMATION

Rise in disinformation is a disadvantage of artificial intelligence. Deepfakes such as fake texts and images will be incrementally used for targeted disinformation campaigns in the future, threatening democratic processes and causing societal polarization.



APPLICATIONS OF ARTIFICIAL INTELLIGENCE

Artificial intelligence applications are numerous and ensure benefits like improved services, better customer satisfaction, and behaviour forecasts. Some of the crucial applications of artificial intelligence in several industries are as below –



HEALTHCARE

Artificial Intelligence (AI) is transforming the healthcare industry in numerous ways, enhancing diagnosis, treatment, and patient care. Some real-world examples of how AI is being utilized in healthcare are **Apple Watches and Fitbit**

SMART ASSISTANTS

Siri, Google Home, and Amazon Echo are popular smart assistants and good examples of AI applications. These devices use natural language processing (NLP) to interpret the consumer response and respond either verbally or through the execution of a specific action.



TOURISM

Personalized Recommendations: AI algorithms analyze user preferences, behavior, and past interactions and, in turn, provide them with personalized travel recommendations about places to visit, accommodations, etc., as per the traveler's interests and preferences.

Itinerary Planning and Dynamic pricing: Generative AI tools can assist in creating detailed travel itineraries, suggesting activities, transportation options, and time allocations. AI algorithms help determine optimal pricing for flights, accommodations, etc., by analyzing market trends, demand patterns, and competitor pricing.

CHATBOTS

entering a web page pops up interactive chatbots that suggest products/restaurants/ hotels/services based on the queries. Chatbots are computer programs that simulate and process human conversations. like Amazon's Alexa, Apple's Siri, or Microsoft's Cortana.

ELECTRONIC COMMERCE

Artificial intelligence is used in e-commerce to – Recommend related products to the customer, remind them of the past purchase, predict whether a product will be successful and to optimize inventory and avoid out-of-stock, predict revenues

REAL LIFE APPLICATIONS

India's first AI News anchor: The India Today Group introduced its inaugural full-time artificial intelligence (AI) news presenter in April 2023, a virtual anchor named Sana, now featured across multiple news updates daily on the Aaj Tak news channel. Sana embodies a remarkably human-like visage while being equipped with text-to-speech technology that enables it to interpret and relay information effectively.

INDIA'S FIRST VIRTUAL INFLUENCER

Virtual influencers, like KYRA in India, are computer-made personas mimicking human traits. They're gaining popularity in marketing, with brands flocking to these digital personalities on Instagram, where KYRA has over 241K followers



IMPACT OF AI ON FINANCIAL SECTOR

Artificial intelligence has grown exponentially and has helped businesses increase income by refining programs and procedures, simplifying tedious tasks, and boosting customer service. Here are some of the perks that are achieved when the financial sector combines its offerings with digital immersion.

AUTOMATING TASKS

Industry leaders use automated robotic procedures to reduce operational costs and increase productivity. With the help of AI task such as data entry, invoice processing and report preparation has become easy. Intelligent character identification enables the automation of numerous tedious,time-consuming processes that formerly required thousands of work hours and inflated payrolls.

PERSONALIZED BANKING

Financial firms can use AI to understand what works and what doesn't through the respponeses of chatbots, for their consumers, as well as keep better track of their financial activity.

OPTIMIZING INVESTMENT PORTFOLIOS

AI-powered models help organizations to improve investment portfolios, cutting asset management costs and potentially enhancing consumer returns.

RISK MANAGEMENT

Artificial intelligence in finance is a powerful ally in assessing real-time activity in any given market or thorough projections it produces are based on multiple considerations and are critical to corporate strategy. This can assist financial organizations in making more informed lending decisions and increasing overall profitability.

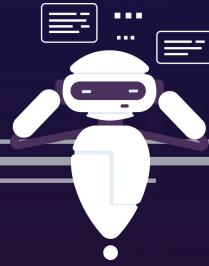
INDUSTRY SENTIMENT EVALUATION

Determining market sentiment necessitates the processing of large amounts of organized and unstructured data, such as articles, blogs, forums, and even comments. Platforms based on block chain technology and artificial intelligence technology performs the analysis automatically and provides the results quickly.



HOW IS AI TRANSFORMING ECOMMERCE?

Learning technologies and algorithms are currently altering the way we buy and sell items online, making e-commerce particularly vulnerable to AI disruption. AI can not only execute operations that we previously performed manually, but it can also optimize the client experience and give businesses with the data they need to make smart business decisions.



BUILD AI-SMART BUSINESSES

AI in eCommerce enables organizations to develop a convincing strategy by making more informed and proactive decisions. It has a significant impact on increasing eCommerce sales and customer satisfaction helping businesses to improve their brand image.

DATA ANALYTICS

It is feasible to analyze and identify useful consumer trends with the assistance of AI. The usage of AI in the eCommerce industry allows us to locate data about target audience and segment them based on the specific business needs.

AI COPYWRITING

Brands may now utilize AI algorithms to generate headlines, blog intros, and product descriptions instead of hiring copywriters or ad agency. Using advanced AI language models, these systems can provide digital ad text, social media material, and other e-commerce copy.

CONTEXTUAL TARGETING

Using AI, e-commerce companies can build personalized online experiences and recommend products that are specifically tailored to each buyer.



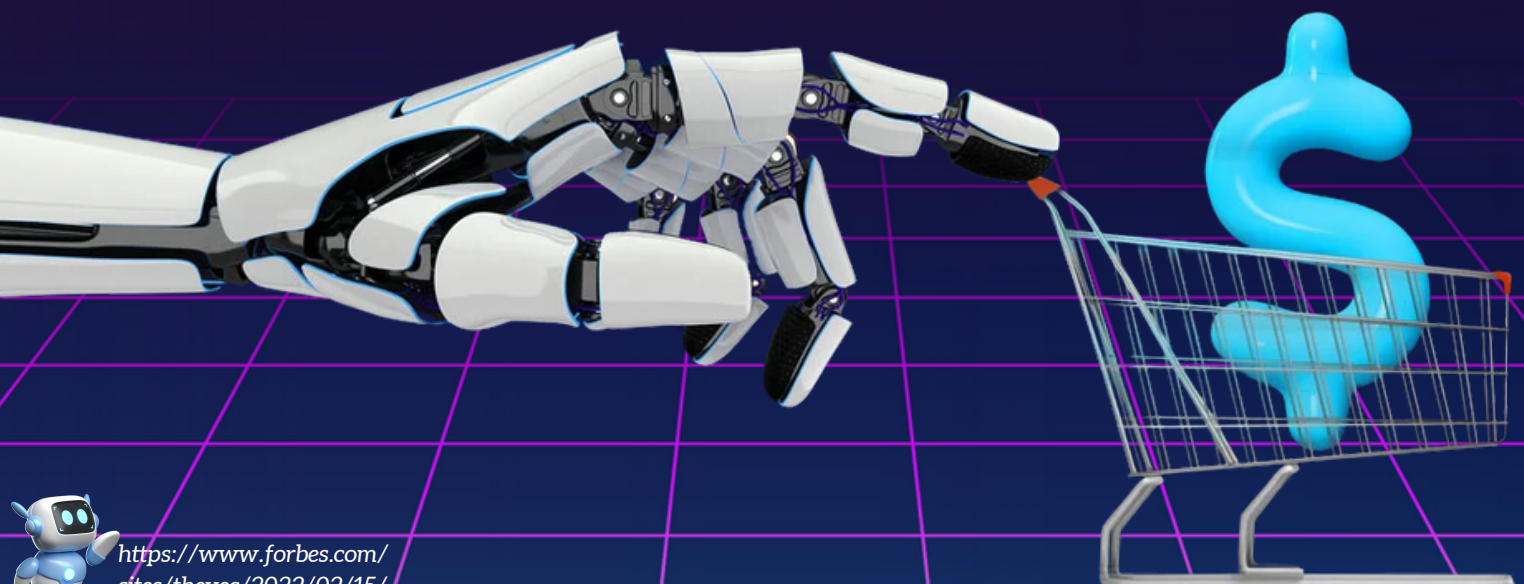
VIRTUAL ASSISTANTS

E-commerce has always had customer service agents who provided phone support, but AI has assisted in filling the gap and providing clients with immediate assistance. Chatbots and other virtual assistance are increasingly being used by e-commerce merchants to provide 24/7 support to all of their online consumers.

CONTENT CREATION

AI is also helping firms develop better content, which is revolutionizing e-commerce. From product descriptions to accompanying photographs, the appropriate information may make or break a customer's decision to purchase.

AI is revolutionizing ecommerce by improving the consumer experience, lowering expenses, and enabling ecommerce organizations to run more efficiently and effectively. As AI technology advances, we may anticipate even more transformational breakthroughs in the ecommerce space.



AI- IMPACT ON ECONOMY

Artificial intelligence (AI) can transform the productivity and GDP potential of the global economy. Strategic investment in different types of AI technology is needed to make that happen.

Labour productivity improvements will drive initial GDP gains as firms seek to "augment" the productivity of their labour force with AI technologies and to automate some tasks and roles.

Research also shows that 45% of total economic gains by 2030 will come from product enhancements, stimulating consumer demand. This is because AI will drive greater product variety, with increased personalization, attractiveness, and affordability over time.



The greatest economic gains from AI will be in China (26% boost to GDP in 2030) and North America (14.5% boost), equivalent to a total of \$10.7 trillion and accounting for almost 70% of the global economic impact.

Robotics and healthcare will see the most significant AI applications. Automation of repetitive tasks and the use of chatbots will be key contributors, enhancing productivity, diversifying revenue streams, and creating more job and earning opportunities.



FACTS ABOUT AI



The global artificial intelligence market is projected to expand at a compound annual growth rate (CAGR) of 37.3% between 2023 – 2030. It is projected to reach \$1,811.8 billion by 2030.

A report by NASSCOM suggests that AI use in India could add USD 450-500 billion to the country's GDP by 2025.



IBM reports that over 35% of companies have already adopted AI in their operations

91.5% of leading businesses invest in AI, reports CompTIA.



Gartner suggests that customer satisfaction is expected to grow by 25% by 2023 in AI organizations.

77% of the devices we use these days feature at least one form of AI. Instagram and Facebook filters are the perfect example of this.



ChatGPT, a popular Generative AI tool, currently has over 100 million users. The website generated 1.6 billion visits in June 2023

AI AND THE FUTURE OF WORK

IMPROVED EMPLOYEE EXPERIENCE

Automation of processes involving AI lead to a better employee experience by lessening the burden of administrative requirements and creating a more interesting working environment.

INCREASED EFFICIENCY AND PRODUCTIVITY

AI-based tools improve employees' performance by increasing workflow efficiency thus leading to higher productivity and easy completion of tasks.

NEW JOB ROLES AND SKILL DEMANDS

Through automation, AI frees employees to engage in higher order thinking aspects in their work as opposed to redundant and monotonous tasks.

ETHICAL AND RESPONSIBLE AI USE

Ethical and responsible use of AI will be essential for shaping the future of work, as the decisions in decision making process must be fair, transparent and accountable.

ENHANCED DECISION-MAKING

AI offered decisions are driven by data and they guide business decisions better.

REMOTE WORK FACILITATION

Remote work is facilitated using AI technologies since these support virtual collaborations, project management, as well as communication in distant teams.

ADAPTIVE LEARNING PLATFORMS

Personalised learning can be achieved through use of AI driven learning platform that are designed to aid employees in upskilling and reskilling depending on the specific requirements for different roles.



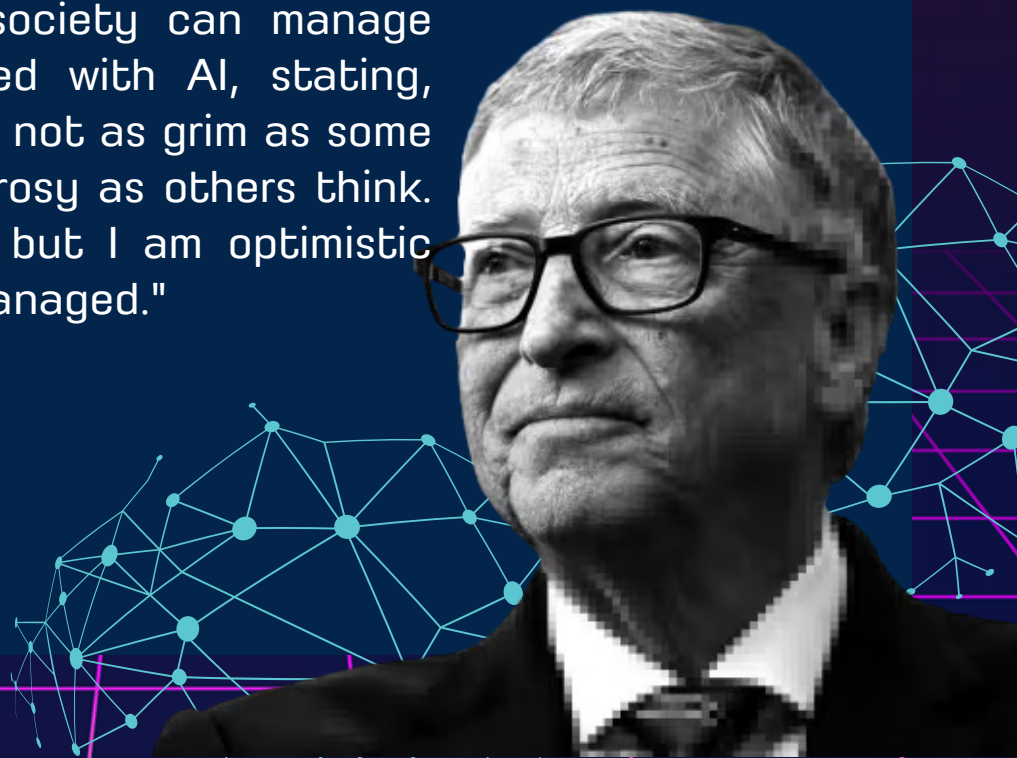
WHAT BILL GATES HAS TO SAY ABOUT THE FUTURE OF AI?

During a recent podcast interview, Microsoft co-founder and philanthropist Bill Gates expressed optimism about the future of work, stating that artificial intelligence may pave the way for a three-day work week. He emphasized that technology will not replace humans but reshape their lives forever.

He addressed fears about AI taking over jobs, suggesting that a gradual transition supported by suitable government policies might lead to a society with less manual labour and more personal time. He emphasized AI's positive potential, imagining a world in which machines manage chores such as food production. He was also enthusiastic about AI's promise to boost productivity in a variety of industries, including programming, testing, and healthcare.

The billionaire also acknowledged the challenges of AI being utilized for bad purposes such as deep fakes and cyber-attacks. He also touched on the dualism of AI, stating that it may both empower and polarize humans.

He believes that society can manage the risks associated with AI, stating, "The future of AI is not as grim as some people think or as rosy as others think. The risks are real, but I am optimistic that they can be managed."



CONCLUSION

There is no doubt that AI has become a transformative factor in the society. Although AI introduces unique developments in procedures, increasing productivity, it raises issues related to replacement, moral aspects, and possible abuse. However, the secret is in the responsible introduction of these technologies with a focus on promoting and protecting the welfare of humankind. Through such a balanced approach that promotes ethics, is transparent, and is evaluated, it is possible to benefit from the advantages of Artificial Intelligence (AI) without suffering its pitfalls. That is because effective navigation through such an evolving landscape will require joint efforts of policymakers, technologists, and the society en-masse to prevent AI from turning into a curse.

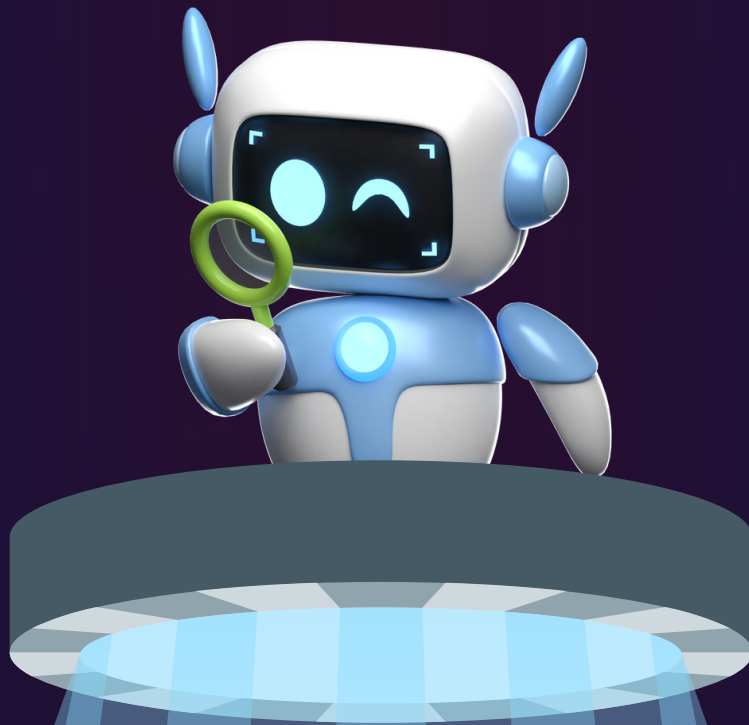




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