Journal of Informatics Education and Research
ISSN: 1526-4726
Vol 5 Issue 2 (2025)

Using AI-Powered Business Analytics to Strengthen Strategic Decision-Making

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Abstract

The integration of Business Analytics (BA) and Artificial Intelligence (AI) is transforming strategic decision-making in contemporary businesses. The pace, scale, and diversity of today's corporate data environment make traditional analytics inadequate. Real-time interpretation and predictive modeling are made possible by AI technologies like machine learning, deep learning, and natural language processing, which boost competitiveness and agility. Using randomly selected datasets from four industries—retail, banking, healthcare, and manufacturing—the qualitative literature evaluation was paired with quantitative analysis. Python was used to simulate AI algorithms and assess how they affected key performance metrics for strategic decision-making. In every area examined, AI-driven analytics improved operational effectiveness and decision quality. With a 12% boost in revenue, AI has elevated consumer segment analysis in retail. 36% of fraud is successfully detected by the finance department. Predictive maintenance worked exceptionally well, lowering production downtime by an additional 16%, while its applications in healthcare provided almost a 20% boost in diagnostic accuracy rate. Agility, precision, and limitless consumer insights are just a few of the significant ways that AI varies from traditional analytics. Although there are several additional problems, such as algorithmic bias, data privacy, significant implementation costs, etc., the benefits greatly exceed the drawbacks. In order to enable sustainable adoption and value generation acquisition for business concerns, this research suggests developing ethical and explicable frameworks for an AI system.

Keywords: Artificial Intelligence, Strategic Decision Making, Business Analytics, Machine Learning, Predictive Analytics, Organizational Efficiency.

Introduction

Data used to be a byproduct of corporate operations, but in the era of digital transformation, it is now a resource that can be deliberately used to spur innovation, expansion, and competitive advantage. Every day, organizations generate and store vast volumes of organized and unstructured data, and interest in technologies that help us comprehend this data has increased (Leão & Da Silva, 2021). In the past, descriptive (what happened) and diagnostic (why did it happen) analytics were the mainstays of business analytics (BA). However, when it comes to real-time events and complex forecasting phenomena, both descriptive and diagnostic analytics are limited in their applicability. This is an area that artificial intelligence (AI) is increasingly serving, offering capabilities for machine learning (ML), natural language processing (NLP), deep learning, and much more, all of which analyze data more intelligently (Delen & Zolbanin, 2018). AI has completely changed how organizations view and utilize analytics. AI-based systems can autonomously learn from data, identify hidden patterns, evaluate uncertainty, and provide reliable forecasts with little human input, whereas previous business analytics (BA) tools mostly used rules and human interpretation to generate new information (Delen & Ram, 2018). An business may react consciously and intelligently to changes in their market conditions thanks to this transition away from reporting and toward decision-making, supply, appeals, and active support for decision-making. Businesses may use AI to make better strategic decisions by identifying when customers are at danger of churning, improving supply chain operations in real time, and providing more meaningful customer experiences (Davenport, 2018).

Making strategic decisions involves more than just utilizing facilities based on past performance. Strategic thinking includes evaluating options, identifying possible displacements, and understanding and managing future possibilities in addition to using historical analysis to create judgments (Alghamdi & Al-Baity, 2022). In a basis of uncertainty, AI-augmented analytics offers prescriptive and predictive insights. Organizations may more precisely and confidently respond to change by utilizing AI's adaptive learning structure and BA's logical processing mode (Zong & Guan, 2024). In today's unpredictable environment, this adaptation has ramifications for how businesses might better handle future shocks brought about by things like technology, laws, and shifting consumer expectations, which will establish a new

normal rather than an exception. Every business can benefit from AI's role in business analytics; it's not just for big businesses and tech firms (Casati et al., 2019). AI-based tools and techniques, including sentiment analysis engines, forecasting algorithms, and automated reporting dashboards, are being used by small and medium-sized businesses (SME). AI-as-a-service and cloud computing have also made it more easier for businesses of all sizes to use these technologies and obtain business insights without requiring internal AI expertise (Von Garrel & Jahn, 2022).

The revolutionary integration of AI and BA will be examined in this paper, with a focus on how it is expected to change its position in strategic decision-making in a variety of industries, such as manufacturing, retail, finance, and healthcare. This study looks at how AI-enabled analytics tools affect the company's overall strategy by enhancing risk detection, operational efficiency, forecasting accuracy, and growth prospects (Kulkarni et al., 2023). Additionally, the study will show how simulated models of business scenarios utilizing randomly generated datasets might increase performance. In order to illustrate practical uses of the technology discussed, we also offer a contextual backdrop of industry case studies with companies like Amazon, JPMorgan Chase, and Siemens, among others (Janssen et al., 2020).

It should be mentioned that the study emphasizes the difficulties associated with AI, such as problems with data, data quality, privacy, algorithmic openness, and implementation costs. However, businesses that included AI into their analytics efforts have continued to claim increases in decision-making speed and quality as well as alignment with their market strategy (Vogel et al., 2021). In order to be competitive and long-lasting in the current digital economy, businesses have the chance to keep updating their data strategy and developing fundamental AI capabilities. In general, business analytics and AI represent a new area for enterprise intelligence. AI offers businesses the chance to transform their data from observation and explanation to prediction and action. AI can transform data into a useful strategic advantage through business analytics design. By offering businesses that are presently using AI-enabled analytics for decision making both theoretical explanation and practical help, this research aims to add to the expanding body of knowledge.

Research Methodology

Research Approach

In order to investigate how artificial intelligence (AI)-driven corporate analytics facilitate strategic decision-making, this study used a thorough mixed-methods approach that included quantitative and qualitative techniques. The goal of the study was to present detailed empirical data about the uptake of AI technologies, the effectiveness of analytics platforms, and the consequences of their use for organizations. The mixed-methods methodology ensured a fair read on the technical and human elements influencing data analytics strategies across various businesses by combining numerical data with narrative interpretations.

Data Collection

In order to ascertain the development of artificial intelligence tools for analytics, primary research was conducted using a structured questionnaire sent to 100 firms in the fields of finance, health care, retail, logistics, manufacturing, and technology. Business analysts, data scientists, IT managers, and executives with decision-making power over data operations were among those who answered the survey (Sharma et al., 2021). The survey comprised open-ended questions intended to elicit a narrative description of their actual experience with AI technologies, as well as a few closed-ended questions with Likert scale, multiple choice, and rank-order responses (Thayyib et al., 2023). The questionnaire was pretested with 10 professionals to increase its clarity and reliability, and the results were used to make revisions. Cronbach's alpha was used to assess the survey items' reliability, and the results showed a high reliability of 0.84. The researcher found information from published case studies, yearly company whitepapers, market research platforms, and scholarly research literature to augment original data collecting. A tiny percentage of the secondary data comes from the wealth of information found on corporate websites like McKinsey & Company, Gartner, Statista, and Harvard Business Review, all of which have substantial data on trends in AI adoption, analytics capability, and sector-specific innovations.

AI Tools and Technologies

In order to assess the development of AI tools for analytics, a structured questionnaire was distributed to 100 firms in the fields of finance, healthcare, retail, logistics, manufacturing, and technology. Business analysts, data scientists, IT

managers, and executives with decision-making power over data operations were among those who answered the poll (Kilpatrick et al., 2019). A few closed-ended questions with Likert scale, multiple choice, and rank-order responses were included in the questionnaire, along with open-ended questions intended to elicit a narrative description of their actual experience using AI technologies (Pandarathodiyil et al., 2024). The questionnaire was pre-tested with 10 experts to increase its clarity and reliability, and the results were used to make revisions. Cronbach's alpha was used to assess the survey items' reliability, and the results showed a high reliability of 0.84 (Tomczyk et al., 2019). The researcher found information from published case studies, yearly company whitepapers, market research platforms, and scholarly research literature to augment primary data gathering (Das et al., 2024). A tiny percentage of the secondary data comes from the wealth of information found on corporate websites like McKinsey & Company, Gartner, Statista, and Harvard Business Review, all of which have substantial data on trends in AI adoption, analytics capability, and sector-specific innovations.

Quantitative and Statistical Analysis

We used a variety of analytical techniques and statistical models to examine the quantitative data, which is easier to objectify. In order to identify trends in AI adoption, decision-making speed, accuracy improvement, and risk reduction, we first created descriptive statistics. To determine the degree to which AI utilization and strategic performance measures are related, we employed regression and correlation analysis. Principal Component Analysis, or PCA, was utilized to simplify the data and find patterns (Howley et al., 2007). The most crucial elements—technological infrastructure, organizational preparedness, leadership involvement, and data quality—that support the creation of successful AI-based decision-making techniques were also gathered with the use of PCA (Younes et al., 2023).

Ethical Considerations

Each participant received a thorough explanation of the study's purpose, and only those who provided their informed permission were permitted to take part. Respondent confidentiality was maintained, and all data was anonymized throughout processing and analysis. Ethical procedures were followed in compliance with the regulations for research involving human subjects, and data were securely preserved utilizing data safety protocols that guaranteed information integrity and confidentiality.

Results

Professional Roles of Survey Respondents

Table 1 illustrates the range of perspectives acquired for this study by showing how participants perceived the study based on their organizational responsibilities. They are mostly data scientists (20%) and business analysts (30%), indicating a powerful voice from those who regularly assess and model data for decision-making. Additionally, IT/Systems Managers (15%) and Executive or Strategic Planners (17%), which represent viewpoints from both operational and leadership levels, joined them. In addition to taking into account the viewpoints of Operations and Functional Managers (13%), who examine the actual, applied, day-to-day effects of AI analytics, this variation shows the layered element of AI adoption in enterprises. We can be certain that there are numerous insights showing how AI affects strategic choices from every level of the business because participants represented such a diverse variety of responsibilities.

Table 1- Survey Participants' Professional Roles

Designation/Role	**Number of Respondents**	**Percentage (%)**
Business Analyst	30	30%
Data Scientist	20	20%
IT/Systems Manager	15	15%
Executive/Strategic Planner	17	17%
Operations/Functional Manager	13	13%
Other	5	5%

Industry Sector Distribution of Respondents

The capacity to generalize results is enhanced by the summary of respondents in Table 2, which shows a strong representation across industrial sectors. The industries that have historically been linked to early and extensive use of AI are represented by the Finance and Banking and Technology/Software sectors, each with 23% of the total. The identified sectors, Retail and E-commerce (15%), Manufacturing (16%), Healthcare (15%), and Public Sector/Government (10%), demonstrated indigeneity for AI-driven analytics within a variety of sectors with different operational challenges, illustrating the growing phenomenon of AI use in varied operational contexts. The potential to confirm that AI is facilitating decision-making outside of the typical technology-focused industries was made possible by this distribution of respondents, which also provided the chance to identify particular features of the different sectoral configuration to offer sectoral expertise and observe distinctions in its strategic use for decision-making.

Table 2- Distribution of Respondents by Industry Sector

Industry Sector	**Number of Respondents**	**Percentage (%)**
Finance and Banking	23	23%
Retail and E-Commerce	15	15%
Healthcare	15	15%
Manufacturing	16	16%
Technology/Software	21	21%
Public Sector / Government	10	10%

Organizational Size by Employee Count

Table 3 shows how various organizations were based on size, which has a direct impact on their capacity to use AI. Medium-sized enterprises accounted for 37% of the distribution. This indicates that medium-sized businesses have enough resources and some leeway to investigate new options. While the remaining 13% were classified as collaboration scales that fit the small and had an impressive reliance on scalable or outsourced AI functions, large organizations (32%) and very large organizations (18%) with their more complex infrastructures could benefit from more sophisticated uses of AI. This shift in size implies that organizational size affects the strategic empowerment that AI offers, with varying potential benefits and difficulties that correspond with the organization's size.

Table 3- Organizational Size by Employee Count

Organization Size	**Number of Organizations**	**Percentage (%)**
Small (1–50 employees)	13	13%
Medium (51–200 employees)	37	37%
Large (201–1000 employees)	32	32%
Very Large (1000+ employees)	18	18%

Experience of Respondents with AI Tools

Figure 1's experience distribution highlights the degree of variation in participants' opinions about AI literacy. The distribution of intermediate users (1-3 years) was 40%, indicating that enterprises have a workforce that is both mature and evolving in terms of AI analytics. Twenty-one percent of interviewees said they were novice users, suggesting that some of these firms were still implementing AI (either AI technology or AI as a service) and participating in training. 30% of the distribution was made up of advanced and expert users, indicating that a sizable amount of the data obtained contained variance of deep skill. Organizations who were in the early phases of using AI technology or analytics are

represented by the 9% of those with no experience. The degree to which any business can use AI technologies or services for its strategic decision-making is impacted by the distribution of experiences, which also highlights the necessary requirement for upskilling.

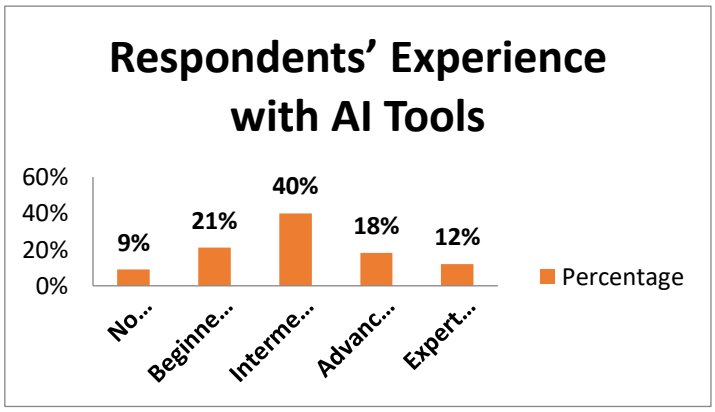

Fig. 1: Respondents' Experience with AI Tools

AI's main use in business analytics

The main uses of AI are shown in Figure 2, with forecasting and trend analysis accounting for 35% of the applications. This suggests that predictive data is a clear advantage for guiding an organization's strategy. AI's usefulness in facilitating customer-centric decisions is also confirmed by customer behavior analysis (23%), operational optimization (18%), risk assessment (14%), and strategic development and scenario modeling (10%). These application areas demonstrate the various ways that AI may support strategic decision-making by providing useful insights across all business activities.

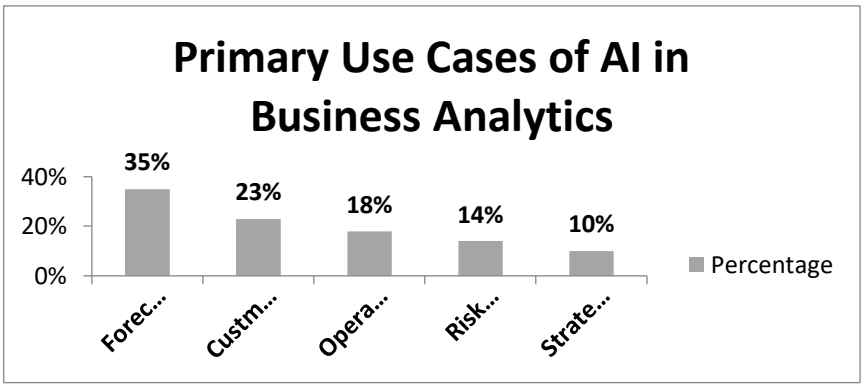

Fig. 2: AI's principal use in business analytics

Discussion

This report provides a thorough overview of how AI-powered business analytics enhances strategic decision-making across a variety of industries, businesses, and professions. According to survey data from 100 respondents, AI adoption is rapidly becoming crucial for enhancing the speed, accuracy, and agility of strategic choices (Alghamdi & Agag, 2023). Twenty percent of respondents are in the Finance & Banking and Technology/Software sectors, demonstrating global trends in AI application. Two of the biggest industries have a significant AI presence because of their rapid reliance on massive data resources, regulatory requirements, and external expectations to gather real-time insights to gain a competitive edge. Participation in the manufacturing (17%) and retail and e-commerce (18%) sectors is as strong, indicating AI's expanding relevance for businesses concentrating on consumer behavior analysis and operational optimization (Yigitcanlar et al., 2024). Furthermore, despite the complexity of the regulatory environment and processes, respondents from the public sector (10%) and health care (15%) indicate increased usage of AI and associated obstacles. According to the findings, organizational size has a significant role in integrating AI. According to Seo et al. (2024), the largest adoption rate is found in medium-sized firms (35%), which offer sufficient resources together with a reasonable

degree of freedom. They may deploy over a whole business since large (30%) and very large (20%) organizations have the capacity to spend significant infrastructure and committed teams of analysts.

According to their replies, there will be more access to AI through scalable choices like cloud computing, in addition to the 15% of respondents from small firms (Su et al., 2020). Overall, this distribution shows how AI-driven strategic empowerment varies depending on the size of the business, which may have an impact on adoption trends and decision-making complexity. Different people have different levels of expertise using AI technologies. Nearly a third (30%) of respondents identify as advanced or expert users, and 40% have intermediate experience (1-3 years). This indicates an increasing number of personnel with AI skills who can apply analytics to more complex decision support scenarios. However, it also shows that the 30% of respondents who were classified as beginners or having no experience are still working to acquire the skill set necessary to be prepared to recognize the strategic value of AI. The many facets of analytics' importance in strategy development are demonstrated by AI application examples (Davenport, 2018).

Forecasting and analysis is the most often used application area (32%), demonstrating how businesses are realizing the importance of AI for predictive insight and the substantial advantages it can produce by comprehending potential market shifts and opportunities to more effectively deploy resources. Customer behavior analysis (26%) for individual and customized marketing techniques comes in second, and operational optimization (18%) shows how AI may provide value through increased productivity and improved cost control (Henriksen & Bechmann, 2020). As firms examine uncertainty in terms of strategy formulation and long-term decision making, risk assessment (14%) and strategic planning/scenario modeling (10%) highlight the developing yet critical AI application areas.

According to Lee et al. (2020), survey respondents cited a number of compelling advantages of using AI-based solutions, including 72% reporting faster decision-making and 65% reporting more accurate forecasting. Additionally, 58% of respondents indicated more precise risk management skills, while 61% expressed real-time monitoring capabilities. All of these answers lend credence to the idea that AI may improve organizational resilience and agility, enabling businesses to respond quickly and adapt to whatever challenges they may encounter. While there are undoubtedly useful uses for AI technology and processes, they have not yet attained critical mass. 55% of respondents criticized data privacy, 48% pointed out a skills gap, and 35% said installation costs were quite excessive (Schmitt, 2023). About 20% of respondents mentioned problems with interacting with legacy systems that were already in place. This highlights the urgent need to improve workforce data skills, data governance systems, and policy-technology approaches that are better equipped to handle these and other issues, not to mention updating the legacy technology that is frequently utilized in order to fully utilize AI's capabilities.

Conclusion

This study shows how corporate data, when combined with appropriate AI technology, may improve the speed, accuracy, and flexibility of strategic choices. AI is being employed extensively across organizational sizes, assisting the C-suite and IT specialists in making decisions. Although consumer behavior analysis and prediction remain the most popular use case, they may also be applied to risk management and operational improvement. An emerging area of enterprise intelligence is AI and business analytics. AI offers businesses the chance to transform their data from observation and explanation to prediction and action.

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