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Generative AI: A Literature Review on Business Value

Completed Research Full Paper

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Abstract

This paper aims to consolidate and advance the understanding of the business value of Generative Artificial Intelligence (GenAI) by reviewing existing literature from academic sources and industry reports. Based on the existing literature on IT business value we categorized the impact of GenAI along three dimensions: strategic, informational, and transactional. Strategic implications reveal the potential of GenAI to drive innovation and growth, emphasizing the need for a balance between innovation and cost efficiency. Informational implications underscore the importance of integrating GenAI into decision-making processes effectively to enhance market analysis and R&D functions. Transactional implications focus on maximizing business value through managing transitions and reshaping job roles. The paper calls for further research to validate case-based findings quantitatively, explore innovation-cost efficiency interplay, and understanding long-term implications to fully leverage the benefits of GenAI.

Keywords

Generative AI, Business Value, Value Creation, Value generating mechanisms.

Introduction

In recent years, the rapid advancement and integration of Artificial Intelligence (AI) technologies have reshaped the landscape of business operations across diverse industries. From enhancing operational efficiency to revolutionizing customer experiences, AI's potential to deliver transformative value to organizations is increasingly evident (Güngör, 2020). Within this realm, the subset of Generative AI (GenAI) has emerged as a pivotal technology, considering the designation of 2023 as the break-out year for GenAI, as acknowledged by McKinsey (2023). Generally, GenAI can be defined as a technology that generates human-like content in response to complex and varied prompts (Weng et al., 2023). However, while there are high expectations for the use of GenAI, open questions remain regarding how to effectively prioritize and scale the right use cases. Even with significant investments of time, effort, and resources into the development and adoption process, the expected benefits of AI may remain elusive (Makarius et al., 2020) because organizations are faced with a new array of barriers and challenges (Duan et al., 2019). Among these challenges are the necessity of bridging cross-domain knowledge to develop accurate and meaningful models (Duan et al., 2019), the task of identifying, integrating, and cleansing diverse sources of data (Mikalef & Gupta, 2021), and the challenge of seamlessly integrating AI applications into existing legacy systems (Davenport & Ronanki, 2018). To harness the potential value of GenAI, organizations must comprehend both how to surmount these challenges and the capacity of these technologies to add value. Yet in research, the main focus lies on technological understanding rather than the main value-generating mechanisms (Alsheibani et al., 2020). Further, as also shown by our review of the literature in this paper (see below), current research is fragmented and focuses on specific areas without a comprehensive view of all value-generating aspects. Existing literature acknowledges the transformative potential of AI but often falls short in providing actionable insights to navigate the complexities of GenAI adoption. Even though the transformative value is recognized, and many organizations acknowledge the need of investments, there is not clear path or strategy defined. This paper stands out by addressing this gap in the literature. Unlike previous studies that predominantly focus on technological understanding, our research centers on

the value-generating mechanisms of GenAI. The unique contribution lies in providing actionable insights and a strategic agenda to propel our understanding of GenAI forward. We aim to bridge the gap between theoretical knowledge and practical value creation, offering guidance for organizations seeking to harness the transformative potential of GenAI effectively. To achieve this, we undertake a systematic collection of the extant literature and present a narrative literature review, consolidating the current state of research and offering a comprehensive roadmap to guide future research avenues (Templier & Paré, 2015).

Background

Even long before the adoption of AI, Academia as well as the industry have been facing the problem of evaluating the business value of Information Technologies (ITBV). The often intangible nature of some IT benefits such as employer branding or enhanced customer satisfaction presents difficulties in tracing cash flow measurements (Tallon, 2008). In the following, we will first give an overview of the evolution of research on the business value of IT, highlighting significant studies and key findings that have shaped our understanding of the impact of IT and derive value-generating mechanisms for AI technologies. Generally, the concept of IT business value encompasses the contribution of IT to organizational performance and the benefits derived from it (Töhönen et al., 2020). Turner and Lucas (1985) categorized IT investments based on the organizational goals they aim to fulfill, entailing strategic, informational, or transactional benefits. A strategic IT investment seeks to reshape the competitive landscape or redefine the nature of a product within an organization. Investments in IT for informational purposes aim to furnish information and facilitate communication for effective decision-making within the firm. On the other hand, transactional IT investment is geared towards bolstering operational management and reducing costs (Orlikowski & Barley, 2001). Melville et al. (2004) classify IT business value as the influence on organizational performance, such as productivity gains, increased profitability, cost reduction, and competitive advantage. By those means, organizational performance has been defined as the impact of IT at both process and organizational-wide levels, comprising efficiency and competitive impacts. Aiming to synthesize these two perspectives, competitive advantage and increased profitability align better with the realm of strategic impact as it has the potential to reshape the outer environment of a firm (Freeman & McVea, 2001). Productivity gains and cost reduction on the other hand are primarily oriented towards transactional impacts as it has the potential to reshape how an organization works (Robeyns, 2003). As elucidated, several authors have discussed the prospect of IT reshaping not only the competitive landscape but also the very structure of the organization (Mitchell et al., 1997; Grant, 1991). This aligns with the perspective of two other authors who emphasize the concept of transformation. Brynjolfsson and Hitt (2000) support the view of transformation as a driver of value. They identified evidence where IT investments are linked to new business processes, new skills, or a change in the product portfolio. Consequently, transformation is triggered by a new set of information that prompts the decision-making process and affects both strategic and transactional components.

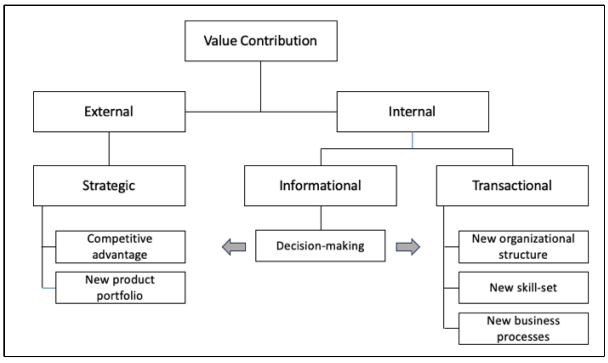


Figure 1: Value Contribution Concept

Overall, IT creates value on different levels and affects various components in an organization, as illustrated in Figure 1. Conversely, IT does not generate value independently. Instead, it should be integrated into a business value-creation process alongside other Information Systems (IS) and organizational factors, working together synergistically (Wade and Hulland, 2004). When perfectly integrated into business processes and company ecosystems, IT value can manifest in various ways. IT

functions as a production machine, generating value through increased productivity akin to other forms of capital. Additionally, value may manifest as process enhancements (such as reduced cycle time), improved profitability (reflected in return on assets), or enhanced consumer surplus (Barua and Mukhopadhyay, 2000). While IT refers to the infrastructure and systems used to manage and process information within organizations, AI encompasses technologies that simulate human intelligence to perform tasks. Based on that unique difference AI offers even though still being classified as IT, some authors have started to summarize findings related specifically to the business value of AI. Enholm et al. (2022) provides a systematic literature review that attempts to explain how organizations can leverage AI technologies in their operations and elucidate the value-generating mechanisms. On the other hand, Benbya et al. (2021) explore the opportunities and tensions that arise from AI implementation. Despite research on generating value from AI, GenAI as a subset of AI offers additional capabilities, including creativity, adaptability, and potential to revolutionize content creation and interaction. GenAI stands as a unique category within AI, representing a potent technology notably popularized through platforms like ChatGPT (Hu, 2023). As per our understanding, Generative AI possesses a distinctive capability: it not only offers responses but also generates the content within those responses, surpassing the human-like interactions found in Conversational AI (Lim, Kumar et al., 2022). Furthermore, Generative AI can create novel responses beyond its initial programming, whereas Conversational AI usually depends on predefined responses (Weng et al., 2023). However, based on the relationship between IT, AI and GenAI concurrently offering additional benefits, we can derive some interesting areas of value contribution. Additionally, as mentioned, there have been publications related to the opportunities offered by AI in general, however the differing characteristics and complex nature of GenAI calls for a deeper understanding of the specific impact of GenAI on organizations. Hence, the value of GenAI goes beyond. Therefore, to comprehensively assess the potential value that GenAI can offer to a firm, it is important to apply the theoretical insights gleaned from research on IT and AI business value.

Research Methodology

A systematic literature review methodology was employed to examine and synthesize the breadth and depth of the academic literature on GenAI's business value. This approach was chosen for its capacity to systematically analyze and evaluate a wide range of studies, ensuring a comprehensive overview of the subject (Baumeister & Leary, 1997). By analyzing the literature narratively, we were able to identify key themes, gaps, and emerging trends in the field. To ensure methodological rigor, the guidelines of Webster and Watson (2002) and vom Brocke et al. (2009) were followed. Furthermore, the PRISMA framework was used for guidance during literature retrieval and selection, as explained in the following. The search strategy encompassed multiple academic databases including the AIS eLibrary, Web of Science, Scopus, Google Scholar, and EBSCO. Keywords such as "GenAI business value", "GenAI impact on organizations", and "GenAI value creation" were used to identify peer-reviewed articles from journals and conference proceedings. As we aim to identify the organizational benefits of GenAI, it is crucial to not only identify scientific publications but also industry reports reflecting the organizational adoption. Even though the various AI concepts have been around for many years, interest from academia and industry has only started in the past couple of years. Figure 2 illustrates the identification process of the literature considered in this review. The first search resulted in only 19 relevant papers that follow the specific intention to analyze the impact of GenAI technologies. Given the recent emergence of Generative AI 16 out of 19 publications were published between 2023 and now. Hence the relationship between GenAI and AI, we decided to incorporate studies exploring the transformative potential of AI in general. However, even with some similarities it would not be enough to draw a holistic conclusion, which is why we decided to only use those findings as a directional component enrich it with specific aspects on GenAI. Accordingly, we added "AI benefits", "impact of AI", "AI business value" and "AI in organizations" to the previous search terms. Through this expansion, we found 123 additional papers. This results in 142 publications screened based on predefined inclusion and exclusion criteria. As the attention of organizations regarding AI technologies increased in the last years, especially on GenAI, we focused our research on (1) publications between 2017 and now, as researchers began to not only publish literature on AI, in general, but also on GenAI. Furthermore, we only integrated (2) high-quality studies that have undergone rigorous peer review and present their research methodologies transparently to ensure credibility, (3) publications containing empirical evidence or data analysis, and (4) publications focusing

on the application of AI rather than the technological understanding, and its impact on value creation, to capture the organizational context and guarantee relevance for organizations.

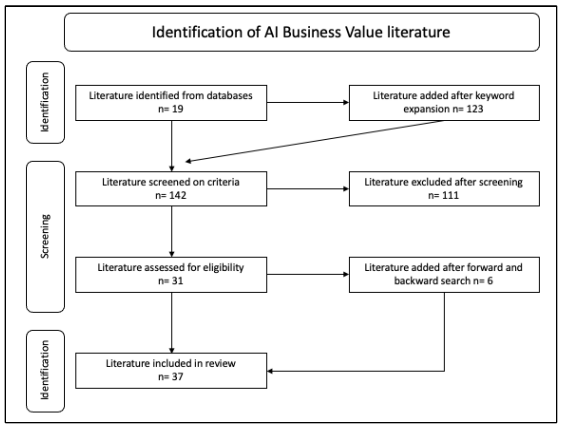


Figure 2: Research Approach

Consequently, even with the expansion of general AI research, we excluded (1) publications strongly focusing on other subcategories of AI. Finally, 31 publications were taken into consideration. With the help of a forward and backward search based on the 31 papers, 6 additional publications were identified, resulting in a total number of 37 publications. About half of the publications focused solely on GenAI, while the other half integrated general research on the value of AI technologies. Distributed over time, as expected the reviewed publications peak in 2023 because of the increased attention on GenAI (see Figure 3). Some of the publications were qualitative empirical studies with mostly single case studies and sometimes multiple case studies. Others focus on showcasing a research agenda and comprising the latest research in one publication. About half of the analyzed papers (17 out of 37) used an existing theory, framework, or theoretical concept as a lens for their qualitative analysis. For example, Alavi et al. (2024) revisit (Alavi and Leidner, 2001) as a conceptual lens to identify the organizational implications of GenAI while Hamilton et al. (2023) applies the perspectives of dynamic capabilities and dynamic competition. The remaining 7 academic papers revolved around analyzing specific organizational cases to inductively derive a theoretical framework fitting their research needs. On the one hand, some of these publications identify the potential value of AI based on a specific case study such as the use of AI in healthcare organizations or financial institutions (e.g., Wamba-Taguimdje et al., 2020). In contrast 13 out of 37 publications are based on industry reports that performed various surveys. Following, some reports assessed the use of GenAI in organizations (Deloitte, 2023; Capgemini, 2023; Oliver Wyman, 2024). Table 1 summarizes the identified publications, and their research aims.

Table 1: Research Aim of relevant publications.

Publication	Research Aim
Côrte-Real et al. (2017). Journal of Business Research, 70, 379-390	Evaluate the business value generated by the adoption of Big Data Analytics within European firms
Brynjolfsson, E. & Mcafee, A. (2017). Harvard Business Review	Identify the various ways in which AI is impacting business operations and strategies
Mikalef et al. (2017). BIS 2019 (pp. 1–32)	Provide a systematic literature review on big data analytics capabilities
F. Di Maddaloni & K. Davis (2018).	Empirically investigate to gather insights into project managers' perception of IT
PWC (2018)	Analyze how AI reshapes business strategies
Plastino, E. & Purdy, M. (2018). Strategy & Leadership, 46(1), 16-22	Discuss strategies to leverage AI effectively and create transformative value
Davenport, T.H. & Ronanki, R. (2018). Harvard Business Review, 96, 108–116	Review case studies on practical applications of AI in a business context
Ransbotham et al. (2018). MIT Sloan Management Review	Address challenges and considerations associated with integrating AI into existing business processes and structures
Tricco et al. (2018). Annals of Internal	Provide an understanding of the potential implications of GenAI for Business Model Innovation

Medicine, 169(7), 467–473	
Griffy-Brown et al. (2018). Technology and the good society, 1-3	Explore how GenAI can change the strategy of an organization
Mikalef et al. (2019). BIS 2019 (pp. 1–32).	Develop a theoretical framework for developing AI capabilities
Güngor, H. (2020). Journal of Creating Value, 6(1), 72-85.	Explores how AI contributes to value creation, emphasizing a multi-stakeholder perspective
Wamba-Taguimdje et al. (2020). Business Process Management Journal, 26(7), 1893-1924	Examine the impact of AI on firm performance, with a specific focus on AI-based transformative projects
Kitsios & Kamariotou (2021). Sustainability, 13(4), 2025	Outline a research agenda on the intersection of AI, business strategy, and digital transformation
Benbya et al. (2021). JAIS, 22(2),	Explore implications of future research on AI in an organizational context
Jöhnk et al. (2021). Business & Information Systems Engineering: Vol. 63: Iss. 1, 5-20	Explore AI readiness factors for organizational AI adoption.
Gartner (2022)	Explores the revenue opportunities and business value associated with GenAI
Enholm et al. (2022). Information Systems Frontiers, 24(9), 1709–1734	Analyzed the existing state of research on AI business value.
Haefner & Gassmann (2023).	Explore the impact of generative AI on business model innovation
Ooi et al. (2023).	Explore future directions of GenAI, including its applications in different industries
BCG (2023)	Analyzes how companies can leverage GenAI to drive business impact and maximize potential value
McKinsey (2023a)	Assess the economic potential of GenAI
McKinsey (2023b)	Assess the current landscape of GenAI adoption and identify the benefits
Brown, S. (2023)	Explores the acceptance and integration of AI in different industries
Nah et al. (2023). 25(3), 277-304	Analyze AI-human collaboration and the related challenges
Brand et al. (2023)	Explore the value propositions of GenAI
Hamilton et al. (2023). ICEB 2023 Proceedings (Chiayi, Taiwan). 2	Explore the effect of AI on the competitiveness of organizations
Capgemini (2023)	Analyzes different use cases of GenAI in various industries
Deloitte (2023)	Assess the current state of GenAI adoption in organizations.
Feuerriegel et al. (2023). Business & Information Systems Engineering: Vol. 66: Iss. 1, 11-126	Explore the value of GenAI within different industries.
Van Giffen & Ludwig (2023). MIS Quarterly Executive: Vol. 22: Iss. 1, Article 3	Assess how AI value can be leveraged based on a case study with Siemens.
BCG AI Radar (2024)	Provides insights on the current state of AI and GenAI adoption, investment trends, and challenges
Stackpole, B. (2024)	Focusses on how businesses can find and prioritize GenAI opportunities.
Deloitte (2024)	Explores the different use cases of GenAI and how it can be integrated into organizational processes
Oliver Wyman (2024)	Explores the effect of GenAI on Businesses and Industries
Koukouvinou & Holmström (2024)	Document the state-of-the-art research on AI value contribution
Alavi et al. (2024)	Highlight the benefits and challenges of GenAI from a knowledge management perspective.

Because of the limited page numbers, we did not integrate the references of the literature review again in the back.

It is evident, that the academic landscape has witnessed a continual evolution in the exploration of information systems, strategic management, and the transformative impacts of technology on organizations. However, the area of GenAI seems to be underrepresented. In the following, the findings of the studies are summarized and structured along the previously introduced framework (see Figure 1): above, we identified three key themes related to the impact of IT on business value: strategic, informational, and transactional benefits. As the benefits of GenAI are intertwined with the broader advantages offered by IT in general, we can map our findings along these key themes offering a structured and comprehensive approach to synthesize the diverse range of evidence available.

Findings: Value contribution of Generative AI

This section delineates the outcomes of the systematic literature review, organized based on thematic codes (see Figure 1) identified through the analysis of prior studies (see Background section). Based on the areas of how IT affects the way organizations work, synthesized from existing studies, we can dissect the findings of the literature research on GenAI into the three areas of IT impact.

Strategic

As outlined in the Background section, IT has the potential to reshape the competitive landscape and the way organizations are viewed by customers and competitors. Likewise, AI can drive changes at the task, process, and business levels, offering a competitive advantage to organizations. In an interview study by Jhönk et al. (2021), AI is viewed as a general-purpose technology that provides organizations with the potential for wide-ranging improvements and new business opportunities. In the end, it may have an impact on the strategy of an organization and offer the opportunity to explore new product portfolios (Jhönk et al., 2021). Additionally, analytics and AI can deliver capabilities to enhance market sensing, seizing, and reconfiguration to improve competitiveness (Hamilton et al., 2023). This reflects the theoretical view on AI. Hence a recent study by McKinsey shows that the use of AI supports organizations in adapting to shifts in their market environment and has impacted customer relations (McKinsey, 2023a). While AI capabilities have proven to impact the strategic environment of an organization, GenAI is expected to go deeper. GenAI is set to reshape business models by speeding up content creation in creative industries, personalizing product suggestions in e-commerce, and enabling AI-generated content for marketing. It has the potential to completely change the interplay with customers, enhancing communication, improving retention, and managing customer complaints which results in an enhancement of the relationship between customer and organization (Hafner & Gassmann, 2023). For that reason, companies can react fast if their external environments change. GenAI not only influences customer relations but also can revolutionize existing business models (Brown, 2021). GenAI can drive new revenue models and cost structures, based on the data generated and with that enable innovative monetization strategies (Tricco et al., 2018). For instance, a financial information company targets up to $100 million in incremental revenue through GenAI offerings. In conclusion, when combined with other systems and concepts, GenAI can provide transformative benefits, and new revenue streams, and create a long-term competitive advantage for organizations (BCG, 2023). Netflix, a streaming platform, leverages Generative AI to personalize content recommendations for its users. By analyzing viewing history, preferences, and behavior patterns, Netflix's recommendation system generates personalized suggestions tailored to individual tastes and interests. With the help of GenAI, Netflix can not only improve user experience, but also predict the popularity of content investments enhancing its investment structures (The Economist Times, 2024). However, the influence on the company's business model is triggered by information aspects, such as accuracy and almost immediate access to new information (McKinsey, 2023a). Therefore, changes in the external environment are driven by the informational component of GenAI.

Informational

As data growth is reported to grow by 40% each year (Statista, 2021) the significance of AI becomes more pronounced because it possesses the capability to swiftly process large amounts of data. It represents a knowledge asset that provides more accurate and transparent results to support decision-making and likewise adds value (Manyika et al., 2011). By allowing organizations to continuously renew their knowledge base (Ambrosini & Bowman, 2009), the technology creates an antecedent dimension of success. The utilization of AI profoundly influences decision-making procedures, augmenting both their efficiency and effectiveness. It can not only support managerial tasks such as resource allocation (Feuerriegel et al., 2023) but also derive insights for new business opportunities like product innovations or new revenue streams. Incorporating AI tools into decision-making frameworks facilitates the assimilation of insights derived from machine learning algorithms. The capacity of AI tools to iteratively learn from training datasets and refine their performance significantly amplifies their utility and value in bolstering decision-making processes (Benbya et al., 2021). Notably, GenAI also surpasses traditional AI in its informational impact, offering an even greater magnitude of influence. In knowledge creation, GenAI enhances information processing and cognitive learning, empowering individual, and

organizational development. (Alavi et al., 2024). In marketing and sales, GenAI can optimize lead identification, marketing strategies, and personalized outreach. This leads to more effective customer engagement and better conversion rates (McKinsey, 2023b). Specifically, GenAI can be used to generate personalized recommendations gathered from customer data and preferences, offering potential to growth. In conclusion, GenAI offers various business opportunities by processing data and generating insights. Yet, current efforts to adopt GenAI prioritize efficiency, productivity, and cost reduction over innovation and growth (Deloitte, 2023).

Transactional

Generally, AI can automate tasks, and it can change work practices, organizational structures, and power dynamics within organizations. However, it may create tensions related to the substitution of tasks, and impact how work is performed and how organizations are structured (Benbya et al., 2021). Sometimes AI technologies even enable firms to self-calibrate, enhance sensing, and deliver new capabilities for improved performance and competitiveness (Hamilton et al., 2023). Nonetheless, GenAI exerts a more pronounced effect on efficiency when contrasted with other forms of AI technologies. It triggers shifts in skill requirements and disrupts traditional job roles, having the potential to replace or reshape jobs with highly repetitive tasks such as paralegals or bookkeepers. However, it not only transforms human roles in terms of performing repetitive tasks but more into evaluating, editing, and generating actions out of the data (Tricco et al., 2018). This has an even more substantial effect on job roles and skills because employees need to learn what to do with the information provided by GenAI applications, and therefore opens new opportunities for growth and innovation by automating tasks and with that reducing costs (Feuerriegel et al., 2023). Along with that, responsibilities can shift within business units, requiring reallocation of budgets or adjustments to performance assessments. Finally, GenAI tools can deliver broad productivity gains of 10% to 20% across the enterprise and reshape processes for 30% to 50% efficiency and effectiveness improvements (BCG, 2023). For example, Deutsche Bank announced to develop a GenAI application that writes briefings based on customer information for its investment bankers. This technology reduces time needed to prepare for meetings with their clients and enhances productivity (Chan, B., 2023).

Summary

It is important to underline that the three dimensions cannot not be seen separately but more as an interconnected system. The findings outline the crucial connection between GenAI deployment and business outcomes. By integrating recent survey findings and industry reports, the aim is to fortify these insights with contemporary empirical evidence. Throughout each of the previous dimensions, industry reports were found, underlying the findings from academic papers (see Figure 4). Generally, excitement about GenAI is high, with transformation expected in the next three years. Managers feel confident about their organization's GenAI expertise. Nonetheless, 74% of executives surveyed by Capgemini agree that the benefits of GenAI outweigh the risks associated with its implementation (Capgemini, 2023). We also compared the two types of studies – scientific and from industry – to discern patterns and discrepancies across them. While both scientific literature and industry studies touch upon similar themes regarding the strategic, informational, and transactional dimensions of GenAI, they differ in the specific findings and nuances they present. Although the scientific literature identifies the revolutionizing potential of GenAI to reshape business models, offer new revenue streams, and build competitive advantages through innovation (Hafner & Gassmann, 2023; Tricco et al., 2018), the industry seems to acknowledge the strategic impact, but the current focus lies on efficiency and cost reduction (Deloitte, 2023). Along with that, research highlights how GenAI enhances information processing and cognitive functions improving customer engagement as well as marketing and sales (Alavi et al., 2024). However, the industry still underlines the significance of generating insights in terms of efficiency and productivity (BCG, 2024). Though, research notifies the potential to automate tasks and the related productivity gains improving performance (BCG, 2023) various authors explore how GenAI triggers shifts in skill requirements and job roles (Hamilton et al., 2023; Tricco et al., 2018). In essence, the infusion of GenAI permeates through varied dimensions, reshaping skill sets, decision-making processes, product innovation, operational efficiency, competitiveness, and customer experiences. Its multifaceted impact signifies not just a technological advancement but a transformative force fueling business growth and evolution.

Strategic	• **Product Portfolio**: AI accelerates product development and deployment, fostering innovation and growth through responsive market strategies (Bughin et al., 2018)
	• **Business Model:**
	  • 31% of marketers highlight AI's role in enhancing customer understanding and personalizing experiences, boosting satisfaction and loyalty (PwC, 2018).
	  • GenAI generates 75% of its value in customer operations, marketing, sales, software engineering, and R&D, amplifying economic potential (McKinsey, 2023a)
	• **Competitive Advantage:**
	  • AI enables companies to gain competitive advantages by identifying trends and opportunities, with 61% of executives crediting AI for supplying data-driven insights (Baumgartner et al., 2016).
	  • Developing GenAI business models fosters long-term competitive advantage in the market (BCG, 2024).

Informational	• **Decision-making:** AI furnishes stakeholders with accurate data analysis, empowering informed decisions and driving better outcomes (Szczepanski, 2019)

Transactional	• **Skill-set:**
	  • Automating tasks liberates employees for more creative endeavors, with 72% of executives acknowledging AI's role in enabling purposeful work (Baumgartner et al., 2016).
	  • On average, 46% of workers require reskilling in the next three years (BCG, 2024).
	• **Business Process:**
	  • 54% of industry leaders attribute increased productivity to AI's streamlining of operations and predictive maintenance processes (PwC, 2018).
	  • Executives foresee efficiencies from GenAI in the next three years, with projected savings of 7–9% (Capgemini, 2023).
	• **Organizational structure:**
	  • AI-driven optimization helps businesses capitalize on efficiency improvements, crafting leaner operational models that reduce costs and enhance competitiveness (Bughin et al., 2018).
	  • Companies investing more in GenAI are 1.5 times more likely to anticipate over 10% in cost savings (BCG, 2024).

Figure 3: Findings from industry studies.

Discussion

The goal of this article was to consolidate and, thus, advance the literature on the business value of GenAI by presenting a comprehensive overview of the existing literature. In the following, we discuss the results to reflect on the implications for future research avenues.

Strategic implications

The findings show a general understanding that GenAI has the potential to drive innovation and growth within organizations (Tricco et al., 2018; PWC, 2018; McKinsey, 2023a). However, opinions differ in specific nuances to leverage this potential. While some authors recognize areas of success, such as content creation or generating sales leads to build new revenue streams, industry focus lies so far on efficiency and productivity rather than fostering creative and innovative ideas. Future research may delve deeper into understanding how organizations can handle the interplay between innovation and cost efficiency when adopting GenAI applications. Since GenAI contributes to innovation within organizations, moreover it could be interesting to assess the mechanisms through which it drives competitive advantage. Furthermore, as the adoption of GenAI increased in the last years, existing research is limited. While many academic and practitioners' studies gave implications on the future development of GenAI and how it is expected to evolve in an organizational context (BCG, 2024; Capgemini, 2023), research is still lacking real-life evidence and case studies. Therefore, Researchers may explore the long-term implications of GenAI on business models, competitive advantages, and customer relations, identifying strategies for sustainable value creation.

Informational implications

As the findings suggest, underlying the decision-making process with GenAI, applications might offer valuable insights impacting the external as well as the internal environment of organizations. As those applications have proven to be more accurate and faster than humans, even sometimes able to identify new trends, they are expected to advance market analysis mechanisms and enhance R&D functions (Szczepanski, 2019). However, there is not much research focusing on how to properly integrate the applications into the decision-making process. Researchers may explore innovative approaches for integrating GenAI into organizational decision-making frameworks, including strategic planning, risk management, and performance evaluation. Generally, future research could explore the integration of GenAI applications influencing the decision-making process and key factors mediating this relationship. Since decision-makers need to trust and use the insights that are generate by GenAI applications, additionally it could be interesting to understand how transparency and interpretability of generated recommendations affect decision-makers trust. Finally, business value cannot be leveraged when insights are not considered in the process. Additionally, the organizational lens should be considered as research lacks concrete use cases of successful deployment. Studies should investigate the impact of GenAI-generated insights on improving the quality, accuracy, and timeliness of decision-making across various business functions and industries, further enriching the research. It would allow for an in-depth analysis, providing rich and detailed insights into complex and real-world situations. As GenAI applications are

affecting various business units in organizations, case studies could capture the complexity and uniqueness and explore multiple dimensions and perspectives as to why organizations seem to focus on achieving a specific outcome rather than integrating properly to harness all benefits.

Transactional implications

The existing research has mainly emphasized the cost-efficiency and productivity benefits of GenAI, yet the broader spectrum of its value remains unexplored. Although some authors have recognized the potential of GenAI to reshape job roles and skills needed (Benbya et al., 2021; Tricco et al., 2018), there is a notable gap in understanding the holistic business value impact resulting from this. Future research should prioritize exploring strategies to maximize the business value derived from GenAI adoption. This includes investigating how organizations can effectively manage transitions and leverage GenAI to drive innovative thinking, new work methods and acceptance of change. In addition, research could be broadened to a more socio-economic context. While some publications have acknowledged the need to foster learning and training (BCG, 2024), future studies may delve deeper into potential workforce displacement and skills mismatches which can result in negative effects caused by the implementation of GenAI. Furthermore, it can add value to fully analyze organizational working to identify critical components in organizational structures needed to leverage GenAI technologies. By broadening the research, research can provide valuable insights into how businesses can harness the full potential of GenAI while navigating organizational changes smoothly and capitalizing on emerging opportunities. Overall, we must acknowledge that more research is needed before the academic community can make substantial recommendations for identifying and leveraging the benefits of GenAI.

Conclusion

By exploring the convergence of the emerging fields of GenAI business value research and related insights from general AI value research, we have been able to gain insights into the transformative potential of GenAI in organizational settings. GenAI's strategic deployment parallels transformative IT investments, influencing external environments by swiftly adapting to market shifts and redefining business models. The review underscores the pivotal contribution of GenAI across skill-set transformations, operational efficiencies, strategic innovations, competitiveness, and customer experiences. However, like any other research, this study is not without limitations. Firstly, the literature search may have missed important publications, especially because some search results were inaccessible. Some were either not available in the databases or elsewhere. Additionally, there is the possibility that research specifically on the value contribution might have eluded the scope. However, we consider this scenario as unlikely, as the analyzed publications would have left a trace to parallel research. Additionally, any form of summarization holds the potential for bias, even though we evaluated the articles objectively and comprehensively. Therefore, it might be beneficial to delve into the underlying literature for a more nuanced understanding. Furthermore, the latest emergence of GenAI resulted in a limited number of publications. This might have led to misconceptions. Still, we only incorporated publications on general AI value and excluded insights about other specific forms of AI like machine learning or deep learning, to minimize this effect as best as possible. As mentioned, we still found additional research areas caused by the limited research available. This shows that GenAI value creation is far from being fully understood and becoming a well-established concept in literature. Instead, we found that GenAI value creation is still in its emerging stage and extant research has left many questions open. The impact on an individual level for organizations and employees has not been broadly investigated yet, the long-term consequences are still unknown, and research is lacking specific case studies. Finally, we hope that our orchestration of the existing study will inspire the international scientific community to engage in further research on this prevalent and important topic. In conclusion, this comprehensive review not only presents a synthesized understanding of GenAI's impact on business value but also underscores the need for ongoing scholarly inquiry into this dynamic and transformative domain.

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