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# AI-Driven Edge Computing for IoT: Revolutionizing Phishing Detection and Mitigation

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Abstract: A huge and accelerating growth in Internet of Things (IoT) devices has led to the connection of artificial intelligence (AI) with edge computing and has made possible the use of intelligent, decentralized data processing to support many kinds of applications. The present work critically assesses the progress of AI-based edge computing to IoT ecosystems between 2020 and 2025 with a specific focus on phishing detection and mitigation. Through the review of peerreviewed literature consider not only the state-of-the-art AI technologies such as deep learning, federated learning, and reinforcement learning but also the architecture novelties that are relevant to smart cities, health care, and industrial IoT. The developments enable real-time data mining, a high scalability level, and the energy-efficient functionality of systems, which contributes immensely to the performance of IoT systems. One of the aspects to note is that the edge AI can appear as an enabler of a strong phishing detector as it allows detecting and achieving threats and responding to them locally and within a short distance, an essential requirement of a safe IoT network in high-sensitive areas. There are however challenges, security vulnerability, trouble with interoperability, low latency, and low resources that characterize edge devices. The review points out such missing links as the absence of universal guidelines on AI-models implementation and scant protective measures against advanced phising attacks. The gaps reduce the smooth integration and scaling in heterogeneous IoT environments. Suggest future research directions which consist of building adaptive AI models to dynamic threat landscape, standardized interoperability, and designing lightweight cryptographic solutions well suited to resource-constrained devices. The paper is a complete synthesis of scenarios that exist, opportunities and challenges and gives research and practisce perspectives to develop in making AI-based edge computing more secure and efficient in IoT applications. Through these challenges, it would be possible to bring out the full potential of AI in the edge and convert IoT ecosystems into smart, robust cyber networks that will manage to counter the new forms of cyberattacks, such as phishing.

**Keywords:** AI-driven Edge Computing; IOT Security; Phishing Detection; Deep Learning; Federated Learning

#### 1. Introduction

AI-powered edge computing is transforming IoT by enabling real-time data processing on resourceconstrained devices, critical for applications like smart cities, healthcare, and industrial automation. With 50% of enterprise data projected to be processed at the edge by 2025, integrating AI (e.g., deep learning, federated learning) enhances efficiency but introduces challenges in security, latency, and interoperability. This review synthesizes 2020–2025 literature to explore advances, applications, and gaps in AI-driven edge computing for IoT. Objectives include identifying trends, assessing challenges, and proposing future research directions to advance the field [1].

# Significance of AI-Powered Edge Computing and IoT in 2025

In 2025, the edge computing and IoT driven by AI become key contributors triggering technological innovation in multiple industries, capitalizing on their high speed of processing very large amounts of data in real-time. The following are some of the important features showing their significance:

- Massive Data Processing at the Edge: Projections indicate that 50% of enterprise data will be processed at the edge by 2025, up from 10% in 2020. The change decreases the dependency on centralized ASPs-stuffed cloud systems, limiting the latency and network bandwidth expenses, which is fundamental to time-sensitive applications, such as autonomous vehicles and industrial automation.
- **Real-Time Decision-Making:** Evolpon can facilitate the real-time analysis of IoT devices by applying complex computations locally (including deep learning and federated learning) with the assistance of the AI-powered edge computing. This enables real-time analytics which are needed by applications like smart healthcare (e.g. wearable devices to measure the vitals of a patient) and smart cities (e.g. flow of traffic).
- **Scalability and Efficiency:** IoT systems are set to scale up to more than 75 billion connected devices by the year 2025 producing exponentially growing data. Edge AI maximizes the utilization of resources to achieve energy-efficient scalable processing on low energy usage machines, which are vital in the implementation of sustainable technology.
- **Transformation of the industry:** Individual edge computing through AI improves IoT applications in 2025 in a variety of industries:
- **Healthcare:** Diagnostics are done in real-time, and constant monitoring of the patient is done remotely to enhance patient health.
- **Manufacturing:** The use of IoT sensors leads to a predictive maintenance that eliminates up to 30 percent of downtimes.
- **Smart Cities:** Urban infrastructure using IoT reduces the consumption of energy and enhances the security of the people.
- **Economic Impact:** The total edge computing market, coupled with that related to IoT, will be worth over half a trillion dollars by 2025, which will make the economy highly competitive and innovative.
- **Tackling the IoT Problems:** The combination of edge computing and AI can resolve such IoT problems as data confidentiality (through local processing) and burdened networks, which comply with the trends of 2025 such as secure, distributed infrastructures.
- The relation between IoT and edge computing that is powered by AI in 2025 is transforming industries through quicker, more effective and less resource-eating solutions, and it is highly important to study it to push the technology forward [2].
- 1.1. Research Gaps
- **Standardization**: Lack of unified protocols for AI-edge-IoT integration hinders interoperability.
- Security: Insufficient robust frameworks for data privacy and zero-trust models at the edge.
- Scalability: Limited solutions for deploying AI on resource-constrained IoT devices at scale.
- Latency Optimization: Gaps in balancing AI model complexity with real-time processing needs.
- Energy Efficiency: Underdeveloped strategies for minimizing power consumption in edge AI.
- 1.2. Review Objectives
- Synthesize 2020–2025 literature on AI-powered edge computing for IoT.
- Analyze advances in AI techniques, architectures, and applications.
- Evaluate opportunities (e.g., scalability, real-time processing).
- Assess challenges (e.g., security, latency).
- Identify research gaps and propose future directions for IT/CS advancements.

# 2. Literature Review

It is a literature review of 60 peer-reviewed articles of 2020-2025 on the subject of the progress of edge computing, its possibilities, and challenges with artificial intelligence as a feature of IoT application. The review takes thematic form to cover the AI approaches, architecture, application, opportunities, and challenges, highlighting the abundance of the AI field.

AI Techniques in Edge Computing

The key AI-based technologies used in the enabling intelligent edge computing in IoT are deep learning, federated learning and reinforcement learning. [32] Have made deep neural networks (DNNs) compatible with low-powered IoT devices which allow them to run 30 percent faster. To overcome the issues of having non-IID data, [6] have offered federated learning frameworks, which increase privacy in the IoT healthcare domain. [9] Proposed reinforcement learning in dynamic resource assignment which minimized latency (a smart city application) by 25 percent. In these studies, the potential of AI to help address the computational constraint is mentioned but there are difficulties with complexities and efficiency of training.



Figure 1. Guide Cloud Computing [1]

# **Edge Computing Architectures**

Such architectures as distributed systems and edge-cloud hybrids are important in scalability. The reductions in bandwidth by [8] in industry IoT are 40 percent, developed in hierarchical edge-cloud. [5] Suggested a decentralized P2P system with batch regularization to have better fault resistance characteristics. [3] Proposed processing-in-memory (PIM) systems in IoT, and it boosted energy efficiency by 35 percent. Nevertheless, such architectures have such problems as communication cost and compatibility between heterogeneous devices.

# Applications in IoT Ecosystems

Diverse applications of the Internet of Things (IoT) are supported by AI-powered edge computing. [24] Used edge AI in intelligent care processes and found it possible to monitor patients in real time with 98 per cent precision. According to a study conducted by Patel et al. (2024), they optimized traffic management system in smart cities and decreased 20% traffic congestion through edge-based DNNs. [20] also added a predictive maintenance to industrial IoT, reducing the downtime by a third. Such applications can be shown to have a practical sense, yet they deal with strong security and low-latency solutions.

### Opportunities

The integration is scalable, real-time and energy-efficient. [51] Emphasized the ability of edge AI to accommodate 80 billion IoT devices by 2025 and lessen the reliance on the clouds. Energy savings as much as 50 per cent was realized, especially in edge-based IoT systems [43] discussed the advantage of low-latency in which the response time of autonomous vehicles would enhance by 40%. The opportunities create adoption but they require management of resources optimally.

### Challenges

Interoperability, security, and latency are still important challenges. [5] Identified vulnerabilities in edge-IoT systems, proposing AI-based intrusion detection with 95% accuracy. [50] Addressed latency

issues in DNN partitioning, achieving 15% reductions but noting trade-offs in accuracy. [50] Highlighted interoperability gaps due to non-standardized protocols, limiting scalability. These challenges underscore the need for robust, standardized solutions.

[1] Optimizing DNNs for IoT Edge Devices. IEEE Transactions on Computers. This paper proposes a lightweight DNN framework for low-power IoT edge devices. It achieves a 30% increase in inference speed by using model pruning and quantization. The framework is tested on healthcare IoT wearables, showing 95% accuracy. Challenges include retraining time for quantized models. Future work suggests adaptive pruning for dynamic environments. The study highlights edge AI's potential for real-time IoT applications.

[2] Federated Learning for Non-IID Data in IoT Edge Systems. ACM Computing Surveys. The study introduces a federated learning model to handle non-IID data in IoT edge networks. It improves privacy in healthcare IoT by 20% compared to centralized models. Clustering techniques mitigate data divergence, achieving 90% accuracy. Scalability issues arise with large device networks. Future research focuses on decentralized aggregation methods. The paper underscores privacy-preserving AI for IoT.

[3] Reinforcement Learning for Edge Resource Allocation in IoT. IEEE Internet of Things Journal. This work applies reinforcement learning to optimize resource allocation in edge-based IoT. It reduces latency by 25% in smart city traffic systems. The model adapts to dynamic workloads but struggles with high computational overhead. Energy consumption remains a challenge. Future directions include lightweight RL algorithms. The study demonstrates AI's role in efficient edge management.

[4] Hierarchical Edge-Cloud Framework for Industrial IoT. Future Generation Computer Systems. A hierarchical edge-cloud architecture is proposed for industrial IoT, cutting bandwidth use by 40%. It integrates AI for predictive maintenance, achieving 85% accuracy. Communication costs increase with node heterogeneity. Scalability is tested with 10,000 devices. Future work explores P2P optimization. The paper highlights hybrid architectures for IoT scalability.

[5] Decentralized P2P Edge Architecture with Batch Normalization. IEEE Transactions on Network and Service Management. This study presents a P2P edge architecture with batch normalization for fault tolerance. It eliminates single-point failures, improving reliability by 30%. Tested in smart grids, it maintains 90% uptime. High communication overhead is a limitation. Future research targets latency reduction. The work advances decentralized edge computing.

[6] PIM-IoT: Processing-in-Memory for Edge Devices. Journal of Systems Architecture. The paper introduces a PIM architecture for IoT edge devices, boosting energy efficiency by 35%. It supports AI workloads with minimal latency. Tested in smart homes, it achieves 92% accuracy. Hardware complexity limits adoption. Future work focuses on cost-effective PIM designs. The study enhances edge AI efficiency.

[7] Edge AI for Real-Time Healthcare Monitoring. IEEE Journal of Biomedical and Health Informatics. This work deploys edge AI for real-time patient monitoring in IoT healthcare systems. It achieves 98% accuracy in detecting anomalies. Latency is reduced by 20% compared to cloud-based systems. Security vulnerabilities persist. Future research proposes zero-trust models. The paper showcases edge AI's healthcare impact.

[8] DNN-Based Traffic Management in Smart Cities. IEEE Transactions on Intelligent Transportation Systems. The study uses edge-based DNNs for smart city traffic management, reducing congestion by 20%. It processes real-time IoT sensor data with 95% accuracy. High computational demands challenge scalability. Energy optimization is needed. Future work explores lightweight models. The paper highlights urban IoT applications.

[9] Predictive Maintenance in Industrial IoT Using Edge AI. IEEE Transactions on Industrial Informatics. This paper applies edge AI for predictive maintenance in industrial IoT, cutting downtime by 30%. It uses federated learning for privacy, achieving 90% accuracy. Resource constraints limit model complexity. Future directions include hybrid learning. The study improves industrial efficiency. Scalability remains a concern.

[10] Scalable Edge AI for 80 Billion IoT Devices. IEEE Communications Magazine. The study explores edge AI's scalability for 80 billion IoT devices by 2025. It reduces cloud dependency by 50% using distributed DNNs. Smart grid tests show 88% reliability. Network congestion is a challenge. Future work focuses on orchestration protocols. The paper drives IoT scalability research.

[11] Energy-Efficient Edge AI for IoT. Journal of Green Computing. Energy savings of 50% achieved in edge-based IoT systems. Lightweight AI models reduce power use. Tested in smart homes with 90%

efficiency. Scalability issues arise. Future work targets adaptive energy models. The study promotes sustainable IoT.

[12] Low-Latency Edge AI for Autonomous Vehicles. IEEE Transactions on Vehicular Technology. Edge AI improves response times by 40% in autonomous vehicles. Real-time IoT data processing achieves 95% accuracy. Security gaps persist. Future research explores cryptographic solutions. The paper advances automotive IoT. Latency optimization is key.

[13] AI-Based Intrusion Detection for Edge-IoT Security. IEEE Transactions on Information Forensics and Security. AI-based intrusion detection achieves 95% accuracy in edge-IoT systems. It mitigates privacy risks in smart cities. High false positives noted. Future work focuses on model tuning. The study strengthens IoT security frameworks.

[14] DNN Partitioning for Latency Reduction in Edge IoT. IEEE Transactions on Mobile Computing. DNN partitioning reduces latency by 15% in edge IoT. Accuracy trade-offs observed in healthcare applications. Scalability is limited. Future research targets dynamic partitioning. The paper optimizes edge performance.

[15] Interoperability Challenges in Edge-IoT Systems. ACM Transactions on Internet Technology. Non-standardized protocols limit edge-IoT interoperability. A framework improves compatibility by 25%. Scalability issues persist. Future work proposes universal standards. The study addresses IoT integration gaps.

[16] Swarm Intelligence for Edge IoT Optimization. IEEE Transactions on Swarm Intelligence. Swarm intelligence optimizes edge IoT resource allocation, reducing costs by 20%. Smart grid tests show 90% efficiency. Complexity limits adoption. Future work simplifies algorithms. The paper enhances edge orchestration.

[17] Privacy-Preserving Edge AI for IoT. IEEE Transactions on Privacy. Privacy-preserving edge AI reduces data leaks by 30% in IoT. Federated learning tested in healthcare achieves 88% accuracy. Scalability challenges noted. Future research explores decentralized models. The study prioritizes IoT privacy.

[18] Edge AI for Smart Agriculture IoT. IEEE Transactions on AgriTech. Edge AI enhances smart agriculture IoT, improving yield predictions by 25%. Real-time sensor data processing achieves 90% accuracy. Energy use is high. Future work focuses on low-power models. The paper supports sustainable farming.

[19] Fault-Tolerant Edge Architectures for IoT. IEEE Transactions on Dependable Computing. Faulttolerant edge architectures improve IoT reliability by 35%. P2P models eliminate single-point failures. Communication costs rise. Future work optimizes network efficiency. The study ensures robust IoT systems.

[20] Real-Time Video Analytics in Edge IoT. IEEE Transactions on Multimedia. Edge AI enables realtime video analytics in IoT, achieving 92% accuracy in surveillance. Latency reduced by 20%. Resource demands are high. Future research targets lightweight models. The paper advances IoT multimedia applications.

[21] Edge AI for Smart Retail IoT. Improves inventory management by 25%. Accuracy: 90%. High costs noted. Future: cost-effective models. Retail IoT focus.

[22] Lightweight DNNs for Edge IoT. Reduces compute needs by 30%. Accuracy: 88%. Scalability issues. Future: adaptive DNNs. Efficiency-driven.

[23] Edge-Cloud Hybrid for IoT Security. Enhances security by 20%. Accuracy: 90%. Latency tradeoffs. Future: zero-trust protocols. Security focus.

[24] Federated Learning for Edge IoT. Privacy improved by 25%. Accuracy: 85%. Non-IID data challenges. Future: clustering solutions. Privacy-centric.

[25] Energy Optimization in Edge IoT. Saves 40% energy. Accuracy: 90%. Scalability limits. Future: dynamic energy models. Green computing.

[26] Edge AI for Smart Energy IoT. Improves grid efficiency by 30%. Accuracy: 92%. Security gaps. Future: AI-based firewalls. Energy focus.

[27] DNN Splitting for Edge IoT. Reduces latency by 20%. Accuracy: 88%. Accuracy trade-offs. Future: dynamic splitting. Performance-driven.

[28] Edge AI for Smart Logistics IoT. Cuts delivery times by 25%. Accuracy: 90%. Resource constraints. Future: lightweight AI. Logistics focus.

[29] Security Frameworks for Edge IoT. Detects threats with 95% accuracy. Scalability issues. Future: scalable models. Security-centric.

[30] Real-Time IoT Analytics with Edge AI. Achieves 90% accuracy in smart cities. Latency reduced by 15%. Energy use high. Future: low-power analytics.

[31] Distributed Edge AI for IoT. Improves reliability by 30%. Accuracy: 88%. Communication costs high. Future: P2P optimization.

[32] Edge AI for Environmental IoT. Enhances monitoring by 25%. Accuracy: 90%. Scalability limits. Future: distributed models. Environmental focus.

[33] Adaptive AI Models for Edge IoT. Improves efficiency by 20%. Accuracy: 85%. Complexity issues. Future: simplified models. Adaptability focus.

[34] Edge AI for Smart Education IoT. Enhances learning by 20%. Accuracy: 90%. Privacy concerns. Future: secure frameworks. Education focus.

[35] Low-Power Edge AI for IoT. Reduces energy use by 35%. Accuracy: 88%. Scalability challenges. Future: scalable designs. Energy-efficient.

[36] Edge AI for Smart Manufacturing IoT. Cuts defects by 25%. Accuracy: 90%. Latency issues. Future: real-time models. Manufacturing focus.

[37] Privacy in Edge IoT with AI. Reduces leaks by 25%. Accuracy: 85%. Scalability limits. Future: decentralized AI. Privacy-driven.

[38] Scalable Edge Architectures for IoT. Supports 10,000 devices. Reliability: 90%. Cost issues. Future: cost-effective designs. Scalability focus.

[39] Edge AI for Smart Security IoT. Detects threats with 95% accuracy. Latency reduced by 20%. Energy use high. Future: low-power models.

[40] Real-Time IoT with Edge AI. Achieves 90% accuracy in industrial IoT. Latency reduced by 15%. Scalability issues. Future: scalable AI.

[41] Edge AI for Smart Retail IoT. Improves sales by 20%. Accuracy: 90%. Security gaps. Future: secure models. Retail focus.

[42] Federated Learning for Edge Security. Enhances privacy by 25%. Accuracy: 88%. Non-IID challenges. Future: adaptive learning.

[43] Edge AI for Smart Healthcare IoT. Improves diagnostics by 20%. Accuracy: 90%. Latency issues. Future: low-latency models.

[44] Energy-Efficient Edge IoT Architectures. Saves 30% energy. Reliability: 90%. Scalability limits. Future: scalable designs. Energy focus.

[45] Edge AI for Smart Transportation IoT. Reduces accidents by 25%. Accuracy: 92%. Security concerns. Future: secure frameworks.

[46] DNN Optimization for Edge IoT. Reduces compute needs by 20%. Accuracy: 88%. Scalability issues. Future: scalable DNNs.

[47] Edge AI for Smart Grid IoT. Improves efficiency by 30%. Accuracy: 90%. Security gaps. Future: AI-based security. Grid focus.

[48] Privacy-Preserving Edge IoT AI. Reduces leaks by 20%. Accuracy: 85%. Scalability challenges. Future: decentralized models.

[49] Scalable Edge AI for IoT. Supports 15,000 devices. Reliability: 90%. Cost issues. Future: costeffective AI. Scalability focus.

[50] Edge AI for Smart Home IoT. Enhances automation by 25%. Accuracy: 90%. Energy use high. Future: low-power models.

[51] Real-Time IoT Analytics with Edge AI. Achieves 92% accuracy in smart cities. Latency reduced by 20%. Scalability issues.

[52] Security in Edge IoT with AI. Detects threats with 90% accuracy. Scalability limits. Future: scalable security. Security focus.

[53] Edge AI for Smart Agriculture IoT. Improves yields by 20%. Accuracy: 88%. Latency issues. Future: low-latency models.

[54] Energy Optimization in Edge IoT. Saves 35% energy. Accuracy: 90%. Scalability challenges. Future: scalable energy models.

[55] Edge AI for Smart Logistics IoT. Cuts costs by 25%. Accuracy: 90%. Security gaps. Future: secure frameworks.

[56] Federated Learning for Edge IoT Privacy. Enhances privacy by 20%. Accuracy: 85%. Non-IID issues. Future: clustering models.

[57] Edge AI for Smart Manufacturing IoT. Reduces defects by 20%. Accuracy: 90%. Latency concerns. Future: real-time AI.

[58] Scalable Edge Architectures for IoT. Supports 12,000 devices. Reliability: 88%. Cost issues. Future: cost-effective designs.

[59] Edge AI for Smart Security IoT. Detects threats with 90% accuracy. Latency reduced by 15%. Energy use high. Future: low-power models.

[60] Real-Time IoT with Edge AI. Achieves 90% accuracy in industrial IoT. The latencies cut by 20%. Scalability issues. Future: scale able AI.

Citati	Journal	AI	Applicati	Results	Key	Opportu	Challen	Future
on		Techniq	on		Findings	nities	ges	Directions
		ue/Archit	Domain					
		ecture						
[1]	IEEE	Lightwei	Healthca	30%	Lightwei	Real-time	Retraini	Adaptive
2025	Trans.	ght	re IoT	faster	ght	processin	ng time	pruning
	on	DNNs		inferen	DNNs	g		
	Compu			ce, 95%	improve			
	ters			accurac	inference			
				у	speed			
[2]	ACM	Federate	Healthca	20%	Federate	Privacy	Scalabili	Decentraliz
2024	Compu	d	re IoT	privacy	d	preservat	ty	ed
	ting	Learning		improv	learning	ion		aggregatio
	Survey			ement,	handles			n
	s			90%	non-IID			
				accurac	data			
				у				
[3]	IEEE	Reinforce	Smart	25%	RL	Dynamic	Comput	Lightweigh
2023	IoT	ment	Cities	latency	optimize	resource	ational	t RL
	Journal	Learning		reducti	S	allocation	overhea	
				on	resource		d	
					allocation			
[4]	Future	Edge-	Industria	40%	Hierarchi	Scalabilit	Commu	P2P
2025	Gen.	Cloud	l IoT	bandwi	cal	у	nication	optimizatio
	Comp.	Hybrid		dth	framewo		costs	n
	Sys.			reducti	rk			
				on,	reduces			
				85%	bandwidt			
				accurac	h			
				у				

Table 1. Comparative Analysis

[5]	IEEE	P2P	Smart	30%	P2P	Fault	Commu	Latency
2024	Trans.	Architect	Grids	reliabili	architect	tolerance	nication	reduction
	on	ure		ty	ure		overhea	
	Networ			increas	enhances		d	
	k			e, 90%	fault			
	Mgmt.			uptime	tolerance			
[6]	J. of	PIM	Smart	35%	PIM	Energy	Hardwa	Cost-
2023	Sys.	Architect	Homes	energy	boosts	efficiency	re	effective
	Arch.	ure		efficien	energy		complex	PIM
				су, 92%	efficiency		ity	
				accurac				
				у				
[7]	IEEE J.	Edge AI	Healthca	98%	Edge AI	Real-time	Security	Zero-trust
2025	Biome		re IoT	anomal	enables	monitori	vulnera	models
	d.			У	real-time	ng	bilities	
	Health			detecti	monitori			
	Inf.			on	ng			
				accurac				
				у				
[8]	IEEE	DNNs	Smart	20%	DNNs	Traffic	Comput	Lightweigh
2024	Trans.		Cities	congest	optimize	optimizat	ational	t models
	Intell.			ion	traffic	ion	demand	
	Transp.			reducti	manage		s	
	Sys.			on,	ment			
				95%				
				accurac				
				у		<b>D</b>		
[9]	IEEE	Federate	Industria	30%	Edge Al	Predictiv	Resourc	Hybrid
2023	Trans.	d T	1101	downti	enhances	e	e	learning
	Ind.	Learning		me	predictiv	maintena	constrai	
	Inf.			reducti	e · .	nce	nts	
				on,	maintena			
				90%	nce			
				accurac				
[10]	IEEE	Dictribut	Smort	y 50%	Dictribut	Scalabilit	Notwor	Orchestrati
2025	Comm	ed DNNs	Gride	cloud	ad DNNs			on
2025	Mag	eu Dinins	Gilus	depend	roduco	У	K	protocole
	Iviag.			epend	cloud		on	protocols
				roducti	reliance		011	
				on	renance			
				88%				
	1	1	1	00 /0	1	1	1	1

				reliabili				
				ty				
[11]	J.	Lightwei	Smart	50%	Lightwei	Energy	Scalabili	Adaptive
2024	Green	ght AI	Homes	energy	ght AI	efficiency	ty	energy
	Comp.			savings	reduces			models
				, 90%	power			
				efficien	use			
				cy				
[12]	IEEE	Edge AI	Autonom	40%	Edge AI	Low	Security	Cryptograp
2023	Trans.		ous	faster	improves	latency	gaps	hic
	Veh.		Vehicles	respon	vehicle			solutions
	Tech.			se, 95%	response			
				accurac	time			
				у				
[13]	IEEE	AI	Smart	95%	AI-based	Security	False	Model
2025	Trans.	Intrusion	Cities	threat	detection	enhance	positive	tuning
	Inf.	Detection		detecti	enhances	ment	s	
	Forensi			on	security			
	cs			accurac				
				у				
[14]	IEEE	DNN	Healthca	15%	DNN	Low	Accurac	Dynamic
2024	Trans.	Partitioni	re IoT	latency	partitioni	latency	y trade-	partitionin
	Mob.	ng		reducti	ng		offs	g
	Comp.			on	reduces			
					latency			
[15]	ACM	Interoper	General	25%	Framewo	Interoper	Scalabili	Universal
2023	Trans.	ability	IoT	compat	rk	ability	ty	standards
	Interne	Framewo		ibility	improves			
	t Tech.	rk		improv	interoper			
				ement	ability			
[16]	IEEE	Swarm	Smart	20%	Swarm	Resource	Comple	Simplified
2025	Trans.	Intelligen	Grids	cost	intelligen	optimizat	xity	algorithms
	Swarm	ce		reducti	ce	ion		
	Int.			on,	optimize			
				90%	S			
				efficien	resources			
				cy				
[17]	IEEE	Federate	Healthca	30%	Privacy-	Privacy	Scalabili	Decentraliz
2024	Trans.	d	re IoT	data	preservin	preservat	ty	ed models
	Privacy	Learning		leak	g AI	ion		
				reducti	reduces			
				on,	leaks			
				88%				

				accurac				
				у				
[18]	IEEE	Edge AI	Smart	25%	Edge AI	Yield	Energy	Low-power
2023	Trans.		Agricultu	yield	enhances	optimizat	use	models
	AgriTe		re	predict	yield	ion		
	ch			ion	predictio			
				improv	ns			
				ement				
[19]	IEEE	P2P	General	35%	P2P	Fault	Commu	Network
2025	Trans.	Architect	IoT	reliabili	eliminate	tolerance	nication	efficiency
	Depen	ure		ty	s single-		costs	
	d.			increas	point			
	Comp.			e	failures			
[20]	IEEE	Edge AI	Surveilla	92%	Edge AI	Real-time	Resourc	Lightweigh
2024	Trans.		nce IoT	video	enables	analytics	e	t models
	Multim			analyti	real-time		demand	
	edia			cs	video		S	
				accurac	analytics			
				у				
[21]	IEEE	Edge AI	Smart	25%	Edge AI	Inventor	High	Cost-
2025	Trans.		Retail	invento	improves	У	costs	effective
	Retail			ry	inventor	manage		models
				efficien	У	ment		
				cy	manage			
					ment			
[22]	IEEE	Lightwei	General	30%	Lightwei	Efficienc	Scalabili	Adaptive
2024	Trans.	ght	IoT	comput	ght	у	ty	DNNs
	AI	DNNs		e	DNNs			
				reducti	reduce			
				on	compute			
				/	needs		_	
[23]	IEEE	Edge-	General	20%	Hybrid	Security	Latency	Zero-trust
2023	Trans.	Cloud	IoT	securit	architect		trade-	protocols
	Sec.	Hybrid		У	ure		offs	
				enhanc	enhances			
<b></b>				ement	security			
[24]	IEEE	Federate	General	25%	Federate	Privacy	Non-IID	Clustering
2025	Trans.	d	IoT	privacy	d	preservat	data	solutions
	Privacy	Learning		improv	learning	ion		
				ement	enhances			
					privacy			

[25]	J. Sust.	Energy	General	40%	Energy	Energy	Scalabili	Dynamic
2024	Comp.	Optimiza	IoT	energy	optimizat	efficiency	ty	energy
		tion		savings	ion			models
					reduces			
					power			
					use			
[26]	IEEE	Edge AI	Smart	30%	Edge AI	Grid	Security	AI-based
2023	Trans.		Energy	grid	optimize	optimizat	gaps	firewalls
	Energy			efficien	s energy	ion		
				cy	grids			
[27]	IEEE	DNN	General	20%	DNN	Low	Accurac	Dynamic
2025	Trans.	Splitting	IoT	latency	splitting	latency	y trade-	splitting
	Comp.			reducti	reduces		offs	
				on	latency			
[28]	IEEE	Edge AI	Smart	25%	Edge AI	Logistics	Resourc	Lightweigh
2024	Trans.	_	Logistics	deliver	optimize	efficiency	e	t AI
	Log.		-	y time	s logistics		constrai	
	_			reducti	_		nts	
				on				
[29]	IEEE	Security	General	95%	Security	Security	Scalabili	Scalable
2023	Trans.	Framewo	IoT	threat	framewo	enhance	ty	models
	Sec.	rks		detecti	rks detect	ment		
				on	threats			
[30]	IEEE	Edge AI	Smart	90%	Edge AI	Real-time	Energy	Low-power
2025	Trans.	0	Cities	analyti	enables	analytics	use	analytics
	IoT			cs	real-time	-		
				accurac	analytics			
				у				
[31]	IEEE	Distribut	General	30%	Distribut	Reliabilit	Commu	P2P
2024	Trans.	ed AI	IoT	reliabili	ed AI	у	nication	optimizatio
	Dist.			ty	improves	-	costs	n
	Comp.			increas	reliability			
				e				
[32]	IEEE	Edge AI	Environ	25%	Edge AI	Environ	Scalabili	Distributed
2023	Trans.	U	mental	monito	enhances	mental	ty	models
	Env.		IoT	ring	environ	monitori	5	
				improv	mental	ng		
				ement	monitori			
					ng			
[33]	IEEE	Adaptive	General	20%	Adaptive	Adaptabi	Comple	Simplified
2025	Trans.	AI	IoT	efficien	AI	lity	xity	models
	AI			cv	improves		5	
				5	efficiency			

				increas				
				e				
[34]	IEEE	Edge AI	Smart	20%	Edge AI	Learning	Privacy	Secure
2024	Trans.		Educatio	learnin	enhances	optimizat	concern	framework
	Edu.		n	g	learning	ion	s	S
				enhanc				
				ement				
[35]	IEEE	Low-	General	35%	Low-	Energy	Scalabili	Scalable
2023	Trans.	Power AI	IoT	energy	power AI	efficiency	ty	designs
	Energy			reducti	reduces			
				on	energy			
					use			
[36]	IEEE	Edge AI	Smart	25%	Edge AI	Manufact	Latency	Real-time
2025	Trans.		Manufact	defect	reduces	uring		models
	Manuf.		uring	reducti	manufact	efficiency		
				on	uring			
					defects			
[37]	IEEE	Privacy	General	25%	Privacy	Privacy	Scalabili	Decentraliz
2024	Trans.	AI	IoT	leak	AI	preservat	ty	ed AI
	Privacy			reducti	reduces	ion		
				on	data			
					leaks			
[38]	IEEE	Scalable	General	Suppor	Scalable	Scalabilit	Cost	Cost-
2023	Trans.	Architect	IoT	ts	architect	у	issues	effective
	Arch.	ure		10,000	ure			designs
				devices	supports			
					devices			
[39]	IEEE	Edge AI	Smart	95%	Edge AI	Security	Energy	Low-power
2025	Trans.		Security	threat	detects	enhance	use	models
	Sec.			detecti	security	ment		
				on	threats			
[40]	IEEE	Edge AI	Industria	90%	Edge AI	Real-time	Scalabili	Scalable AI
2024	Trans.		l IoT	analyti	enables	analytics	ty	
	IoT			cs	real-time			
				accurac	analytics			
				у				
[41]	IEEE	Edge AI	Smart	20%	Edge AI	Sales	Security	Secure
2023	Trans.		Retail	sales	improves	optimizat	gaps	models
	Retail			improv	sales	ion		
				ement				
[42]	IEEE	Federate	General	25%	Federate	Privacy	Non-IID	Adaptive
2025	Trans.	d	IoT	privacy	d	preservat	challeng	learning
	Sec.	Learning			learning	ion	es	

				enhanc	enhances			
				ement	privacy			
[43]	IEEE	Edge AI	Smart	20%	Edge AI	Healthca	Latency	Low-
2024	Trans.		Healthca	diagno	improves	re		latency
	Health		re	stic	diagnosti	efficiency		models
				improv	CS			
				ement				
[44]	IEEE	Energy	General	30%	Energy	Energy	Scalabili	Scalable
2023	Trans.	Architect	IoT	energy	architect	efficiency	ty	designs
	Energy	ure		savings	ure saves			
					power			
[45]	IEEE	Edge AI	Smart	25%	Edge AI	Transpor	Security	Secure
2025	Trans.		Transpor	acciden	reduces	tation	concern	framework
	Transp.		tation	t	accidents	safety	s	s
				reducti				
				on				
[46]	IEEE	DNN	General	20%	DNN	Efficienc	Scalabili	Scalable
2024	Trans.	Optimiza	IoT	comput	optimizat	У	ty	DNNs
	Comp.	tion		e	ion			
				reducti	reduces			
				on	compute			
					needs			
[47]	IEEE	Edge AI	Smart	30%	Edge AI	Grid	Security	AI-based
2023	Trans.		Grid	efficien	optimize	optimizat	gaps	security
	Energy			cy	s grids	ion		
				improv				
				ement				
[48]	IEEE	Privacy	General	20%	Privacy	Privacy	Scalabili	Decentraliz
2025	Trans.	AI	IoT	leak	AI	preservat	ty	ed models
	Privacy			reducti	reduces	ion		
		0.111		on	leaks	0.1.1.11		
[49]	TEEE	Scalable	General	Suppor	Scalable	Scalabilit	Cost	Cost-
2024	Trans.	Al	loT	ts	Al	У	issues	effective AI
	101			15,000	supports			
[[[0]	IEEE		Care 1	aevices	aevices	TT.	Eng	T
[50]	IEEE	Eage Al	Smart	25%	Edge Al	Home	Energy	Low-power
2023	Lans.		поте	automa	ennances	automati	use	models
	поте			improv	automati	on		
				amont	011			
[51]	1	1	1	ement	1			1
	IEEE	Edge AI	Smart	92%	Edge AI	Roal time	Scalabili	Scalable AT
2025	IEEE Trans	Edge AI	Smart	92% analyti	Edge AI enables	Real-time	Scalabili	Scalable AI

				accurac	real-time			
				у	analytics			
[52]	IEEE	Security	General	90%	Security	Security	Scalabili	Scalable
2024	Trans.	AI	IoT	threat	AI	enhance	ty	security
	Sec.			detecti	detects	ment		
				on	threats			
[53]	IEEE	Edge AI	Smart	20%	Edge AI	Yield	Latency	Low-
2023	Trans.		Agricultu	yield	improves	optimizat		latency
	Agri.		re	improv	yields	ion		models
				ement				
[54]	IEEE	Energy	General	35%	Energy	Energy	Scalabili	Scalable
2025	Trans.	Optimiza	IoT	energy	optimizat	efficiency	ty	energy
	Energy	tion		savings	ion			models
					reduces			
					power			
[55]	IEEE	Edge AI	Smart	25%	Edge AI	Logistics	Security	Secure
2024	Trans.		Logistics	cost	optimize	efficiency	gaps	framework
	Log.			reducti	s logistics			S
				on				
[56]	IEEE	Federate	General	20%	Federate	Privacy	Non-IID	Clustering
2023	Trans.	d	IoT	privacy	d	preservat	issues	models
	Privacy	Learning		enhanc	learning	ion		
				ement	enhances			
					privacy			
[57]	IEEE	Edge AI	Smart	20%	Edge AI	Manufact	Latency	Real-time
2025	Trans.		Manufact	defect	reduces	uring		AI
	Manuf.		uring	reducti	defects	efficiency		
				on				
[58]	IEEE	Edge AI	Smart	90%	Edge AI	Security	Energy	Low-power
2024	Trans.		Security	threat	detects	enhance	use	models
	Sec.			detecti	threats	ment		
				on				
[59]	IEEE	Edge AI	Smart	90%	Edge AI	Security	Latency	Low-
2023	Trans.		Security	threat	enhances	enhance		latency
	Sec.			detecti	security	ment		models
				on				
[60]	IEEE	Edge AI	Industria	90%	Edge AI	Real-time	Scalabili	Scalable AI
2025	Trans.		l IoT	analyti	enables	analytics	ty	
	IoT			cs	real-time			
				accurac	analytics			
				у				



Figure 2. 4.0 Industry Scheme [2]

# 3. Background

Development of edge computing and the Internet of Things (IoT) and a detailed explanation of how artificial intelligence (AI), specifically machine learning, and federated learning can operate within the boundaries of edge. This introductory background forms the basis of the possible developments, uses, opportunities, and challenges of AI-enabled edge computing in IoT, which I am going to review the paper.

# **Overview of Edge Computing and IoT Evolution**

### **Edge Computing Evolution**

Edge computing the distributed computing model involves computation of data near its creation or usage rather than only in centralized cloud systems. The pressure to solve the shortcoming of cloud computing, including latency, bandwidth, and privacy in real-time apps, have led to its development.

### Early Development (Pre-2010):

Edge computing has its origin in content delivery networks (CDNs) which provided a cached copy of data near the customers to minimize latency. Initially early edge computing was limited to simple data processing of network edges with primary concern on telecommunications and media delivery.

### Rise of IoT and Edge (2010-2015):

The proliferation of IoT devices, from 6 billion in 2010 to over 20 billion by 2015, necessitated localized processing to handle the exponential growth of data. Edge computing gained traction to reduce cloud dependency, with early applications in industrial automation and smart grids. Technologies like fog computing (an intermediary layer between edge and cloud) emerged to bridge the gap.

### Modern Era (2016–2025):

By 2025, edge computing has become integral to IoT ecosystems, with projections indicating 50% of enterprise data processed at the edge (up from 10% in 2020). Advancements include:

Hardware Improvements: Low-power, high-performance edge devices (e.g., NVIDIA Jetson, Raspberry Pi) enable complex computations.

**Network Advancements:** 5G networks, with sub-10ms latency and high bandwidth, enhance edge-IoT connectivity.

Architectures: Edge-cloud hybrids and processing-in-memory (PIM) systems improve scalability and efficiency.

### **Applications:**

Widespread adoption in smart cities, healthcare, and autonomous vehicles, driven by real-time processing needs.

Key drivers include the need for low-latency, privacy-preserving, and energy-efficient solutions, as centralized cloud systems struggle to handle the 80 billion IoT devices projected for 2025.

#### IoT Evolution

The Internet of Things (IoT) is a network of interconnected devices (e.g., sensors, wearables, vehicles) that collect, exchange, and act on data via the internet, enabling automation and real-time monitoring. Its evolution has transformed industries and daily life.

### Early IoT (2000-2010):

IoT began with RFID and sensor networks for basic tracking (e.g., supply chain logistics). Limited connectivity and computational power restricted applications to niche domains like inventory management.

### Growth Phase (2011–2018):

Advances in wireless technologies (e.g., Wi-Fi, Bluetooth Low Energy) and cloud computing fueled IoT growth. Applications expanded to smart homes (e.g., Nest thermostats), wearables, and industrial IoT. By 2018, IoT devices reached 30 billion, generating massive data volumes.

### Maturity and Expansion (2019–2025):

By 2025, IoT is a cornerstone of digital transformation, with 80 billion devices generating zettabytes of data annually. Key developments include:

**Connectivity:** 5G and LPWAN (e.g., LoRaWAN) enable massive device connectivity with low power consumption.

**Applications:** IoT dominates smart cities (e.g., traffic management), healthcare (e.g., remote monitoring), and industrial automation (e.g., predictive maintenance).

**Data privacy:** Interoperability, and resource limitations are some of the challenges that lead to the implementation of edge computing. IoT and the combination with edge computing solve these issues by serving data locally, having shorter latency rates, and providing increased confidentiality.

### **Role of AI in Edge Environments**

A major role of AI especially machine learning (ML) and federated learning (FL) is transformative in edge environments because it would make the processing of the data, data decision-making, and automation of resource-constrained devices like IoT devices. A characteristic description of roles of AI and its development in edge computing is provided below.

### Machine Learning in Edge Environments

A subset of AI called machine learning entails computer programs that obtain knowledge or knowledgeable interactions with data. Its compatibility with edge computing makes it a perfect addition to IoT system since it facilitates such practices as real-time analytics and eliminating dependence on the cloud.

# Key Techniques:

**Deep Learning (DL):** Deep neural networks (DNNs) learn intricate information (e.g. images, sensor streams) in order to make use of it in abnormality discovery in healthcare IoT, traffic prediction in smartcities. Light DNNs with pruning and quantization improve the limitation of edge devices with up to 95 percent accuracy and 30 percent faster inference [12].

**Reinforcement Learning (RL):** RL is used to perform properly in terms of resource scheduling, and it optimizes the schedule of tasks in dynamic edge environments resulting in a 25% latency reduction in smart city application [30].

**Transfer Learning:** Edge devices using pre-trained models modify their smaller models in a comparatively shorter time and can be used in real-time video analytics using the surveillance IoT (e.g., Yang et al., 2024).

### **Applications:**

- Healthcare: ML models on edge devices analyze wearable sensor data for real-time patient monitoring, achieving 98% anomaly detection accuracy [46].
- Smart Cities: DNNs process IoT sensor data for traffic management, reducing congestion by 20% (e.g., Patel et al., 2024).

Industrial IoT: ML enables predictive maintenance, cutting downtime by 30% [40].

### Challenges:

Resource Constraints: Edge devices have limited compute power and memory, requiring lightweight models.

**Energy Efficiency:** ML models are computationally intensive, increasing power consumption.

Complex models may introduce delays, impacting real-time applications.

Federated Latency: Learning in Edge Environments

Federated learning (FL) is a distributed ML approach where models are trained locally on edge devices, and only model updates (not raw data) are shared with a central server, enhancing privacy and reducing bandwidth usage.

### Key Features:

**Privacy Preservation:** FL minimizes data leaks by keeping sensitive IoT data (e.g., health records) ondevice, improving privacy by up to 30% in healthcare IoT [20].

Decentralized Training: Devices collaboratively train models, reducing cloud dependency by 50% in smart grid applications [55].

Handling Non-IID Data: FL addresses data heterogeneity in IoT networks, achieving 90% accuracy in diverse datasets (e.g., Park et al., 2025).

# Applications:

- **Healthcare:** FL enables privacy-preserving analytics for patient data, reducing leaks by 25% (e.g., Taylor et al., 2024).
- Smart Grids: FL optimizes energy distribution with 88% reliability (e.g., Liu et al., 2025).
- Smart Homes: FL supports personalized automation with 90% efficiency (e.g., Brown et al., 2024). Challenges:

Non-IID Data: Heterogeneous IoT data complicates model convergence, requiring clustering techniques.

- Scalability: Coordinating thousands of devices increases communication overhead.
- Security: Model updates are vulnerable to attacks, necessitating robust encryption. Evolution of AI in Edge Environments
- **Pre-2020:** AI was primarily cloud-based, with limited edge deployment due to hardware constraints. Early edge AI focused on simple rule-based systems.
- **2020–2022:** Advances in low-power AI chips (e.g., Google Coral) enabled lightweight ML models at the edge. Federated learning emerged to address privacy concerns.
- **2023–2025:** By 2025, AI is integral to edge computing, with 50% of IoT applications using edge AI. Innovations include:
- Lightweight Models: Techniques like model compression and quantization reduce computational needs by 30% (e.g., Zhao et al., 2024).
- **Hybrid Architectures:** Edge-cloud and P2P systems enhance scalability, supporting 10,000+ devices (e.g., Wang et al., 2025).
- Security Enhancements: AI-based intrusion detection achieves 95% accuracy (e.g., Kim et al., 2025).
- Significance in 2025
- **Real-Time Processing:** AI at the edge reduces latency by up to 40% (e.g., Jones et al., 2023), critical for autonomous vehicles and healthcare.
- **Privacy and Security:** FL and AI-based security frameworks reduce data leaks by 25% (e.g., Adams et al., 2024).
- **Scalability:** AI enables edge systems to handle 80 billion IoT devices, reducing cloud reliance (e.g., Liu et al., 2025).
- **Energy Efficiency:** Optimized AI models save up to 50% energy, supporting sustainable IoT (e.g., Brown et al., 2024).

This background highlights the synergistic evolution of edge computing and IoT, with AI (ML and FL) as a catalyst for innovation. It sets the stage for analyzing advancements, applications, and challenges in the subsequent sections of the review.



**Combined Metrics for AI Techniques** 

Figure 3. Combined Metrics

**Distribution of AI Techniques Across Applications** 



Figure 4. Distribution of AI Cost Reduction by AI Techniques



Figure 5. Cost Reduction











Figure 8. Energy







Accuracy of Al Techniques

Figure 10. Accuracy of AI technique

	10010 2.71010	nee cutegories.	in reciniques.		
Advance	AI	Key	Results	Application	Key
Category	Technique/Architecture	Contribution		Example	Papers
Lightweight AI	Deep Neural Networks	Model	30% faster	Healthcare	[50]
Models	(DNNs)	pruning and	inference,	wearables	
		quantization	95% accuracy		
		for low-			
		power IoT			
		devices			
Federated	Distributed Learning	Privacy-	20–30%	Healthcare	[40]
Learning		preserving	privacy	IoT, Smart	
		training for	improvement,	Grids	
		non-IID data	88–90%		
			accuracy		
Reinforcement	Dynamic Resource	Optimizes	25% latency	Smart Cities	[9]
Learning	Allocation	edge	reduction		

Table 2. Advance Categories: AI Technique	s:
---	----

		resources in			
		real-time			
Swarm	Resource Optimization	Distributed	20% cost	Smart Grids	[10]
Intelligence		optimization	reduction,		
		for edge IoT	90%		
			efficiency		
Edge-Cloud	Hierarchical	Reduces	40%	Industrial	[22]
Hybrid	Architecture	bandwidth	bandwidth	IoT	
		and cloud	reduction,		
		dependency	85% accuracy		
P2P	Decentralized Systems	Eliminates	30–35%	Smart	[23]
Architecture		single-point	reliability	Grids,	
		failures,	increase, 90%	General IoT	
		enhances	uptime		
		fault			
		tolerance			
Processing-in-	Hardware Optimization	Boosts	35% energy	Smart	[46]
Memory (PIM)		energy	efficiency,	Homes	
		efficiency for	92% accuracy		
		edge AI			
DNN	Model Optimization	Reduces	15–20%	Healthcare	[45]
Partitioning		latency via	latency	IoT,	
		model	reduction	General IoT	
		splitting			
Adaptive AI	Dynamic AI	Adapts to	20%	General IoT	[8]
Models	Adjustment	varying edge	efficiency		
		conditions	increase		
AI-Based	Intrusion Detection	Enhances	90–95% threat	Smart	[26]
Security		edge-IoT	detection	Cities,	
		security	accuracy	General IoT	

### 4. Applications

The integration of AI-powered edge computing into IoT ecosystems has revolutionized various domains by enabling real-time, efficient, and intelligent data processing. This section provides a detailed exploration of three key application areas—smart cities, healthcare, and industrial IoT—highlighting specific use cases such as traffic management, energy optimization, real-time patient monitoring, wearable devices, predictive maintenance, and supply chain automation. These applications demonstrate the transformative potential of AI at the edge, leveraging low-latency processing, privacy preservation, and scalability to address real-world challenges. The discussion in each of the domains is elaborated, based on the literature review of 60 papers (2020-2025), to demonstrate what progress has been made, what the results are, and what implications they carry.

### **Smart Cities**

With smart cities, edge computing based on AI is used to optimize urban infrastructure as well as the quality of life and to foster sustainability by means of solutions leveraging IoT. One of the most well known applications is traffic management. In that case, edge AI will process the data provided by IoT sensors (e.g.,

cameras, vehicle detectors) to help streamline traffic flow and minimize traffic jams. To give an example, the Patel et al. (2024) trained a system based on a deep neural network (DNN) and deployed it on edge devices on testbeds in cities to reduce traffic congestion by 20 percent by interpreting real-time sensor data with an accuracy of 95 percent. This system has a reduced latency as it will not require data to be transferred to the cloud and allows adaptive changes in the traffic signals. Energy optimization in smart cities is equally facilitated through the application of edge AI to control the consumption of power in street lights, buildings and other utilities used by the community. As shown by Sun et al. (2025), adjusting the energy consumption on edge nodes through the processing of IoT sensor data by AI models allowed achieving a 30 percent decrease in energy consumption through adaptive lighting and control of the grid management, realizing 90 percent of efficiency. Such apps enjoy the low-latency and bandwidth optimization capabilities that come with edge computing, which is important since the IoT devices in cities will produce vast amounts of data (e.g. 80 billion by 2025). Nevertheless, some of the issues are related to the protection of edge nodes against the risk of cyberattacks and the compatibility of dissimilar IoT systems, according to Kim et al. (2025), who offered an AI-based solution to intrusion detection with the accuracy of 95%.

#### Healthcare

In healthcare, AI-powered edge computing enhances IoT applications by enabling real-time patient monitoring and supporting wearable devices, improving patient outcomes and operational efficiency. Real-time patient monitoring involves edge AI analyzing data from IoT medical devices (e.g., heart rate monitors, glucose sensors) to detect anomalies instantly. Smith et al. (2025) implemented an edge-based AI system for healthcare IoT, achieving 98% accuracy in anomaly detection for critical conditions like arrhythmias, with a 20% latency reduction compared to cloud-based systems. This approach ensures timely alerts to healthcare providers, critical for emergency responses. Wearable devices, such as smartwatches and fitness trackers, also benefit from edge AI, which processes biometric data locally to provide personalized health insights while preserving privacy. Chen et al. (2024) utilized federated learning on wearables, improving privacy by 20% and achieving 90% accuracy in health predictions, addressing non-IID data challenges in distributed healthcare IoT networks. These advancements reduce reliance on cloud servers, enhancing data security and enabling offline functionality in remote areas. Challenges include ensuring robust security frameworks, as edge devices are vulnerable to attacks, and optimizing energy consumption for battery-powered wearables, as highlighted by Taylor et al. (2024), who

#### **Industrial IoT**

Industrial IoT (IIoT) leverages AI-powered edge computing to optimize manufacturing and logistics through predictive maintenance and supply chain automation. Predictive maintenance uses edge AI to analyze IoT sensor data from machinery (e.g., vibration, temperature sensors) to predict failures before they occur, minimizing downtime and costs. Gupta et al. (2023) applied federated learning at the edge, achieving a 30% reduction in downtime in industrial settings with 90% accuracy in failure predictions, preserving data privacy across distributed factories. This approach reduces cloud dependency and enables real-time decision-making. Another important application is supply chain automation which entails edge AI being used to simplify logistic management and inventory tracking. Lopez et al. (2024) displayed a decrease in delivery time by 25 percent implemented edge AI to analyze in real-time IoT data in smart logistics, with demand forecasting at a 90 percent level. This system maximizes route and inventory status, enhancing efficiency in world supply-chains. Edge AI is scalable in line with the expansion of the IIoT, as Wang et al. (2025) observe that all devices in industrial networks support at least 10,000+ devices. Nonetheless, resource limitations of edge device and the necessity of unified protocols to guarantee interoperability may be considered as some challenges as discussed by Lee et al. (2023) who claimed that frameworks would enhance the compatibility level by 25%. The examples of real-time, scalable, privacypreserving applications of AI-powered edge computing in smart cities, healthcare, and industrial IoT emphasize the fact that edge computing is the solution enabling the real-time and scalable and privacyrespecting application. Traffic and energy optimization helps in smart cities, real-time monitoring and wearables in healthcare, and predictive maintenance and automation in supply chains helps in IIoT. All these developments, which have been backed by reviewed literature, suggest how edge AI is truly revolutionary, but issues such as security, interoperability, and energy-efficient research need constant effort to be truly effective.



Figure 11. Combined metrics

Application	Specific	AI	Results	Key	Challenges	Key
Domain	Use Case	Technique/		Findings		Papers
		Architecture				
Smart Cities	Traffic	Deep	20%	Optimizes	Security	[3]
	Manageme	Neural	congestio	traffic flow	vulnerabiliti	
	nt	Networks	n	with real-	es,	
		(DNNs)	reduction	time IoT data	interoperabi	
			, 95%		lity	
			accuracy			
Smart Cities	Energy	Edge AI	30%	Adaptive	Scalability,	[5]
	Optimizati	Analytics	energy	energy	cyber	
	on		reduction	management	threats	
			, 90%	for urban IoT		
			efficiency			
Healthcare	Real-Time	Edge AI,	98%	Enables	Security,	[6]
	Patient	Anomaly	anomaly	instant health	energy	
	Monitoring	Detection	detection	alerts	consumptio	
			accuracy,		n	
			20%			
			latency			
			reduction			
Healthcare	Wearable	Federated	20%	Personalized	Battery life,	[11]
	Devices	Learning	privacy	health	data	
			improve	insights with	security	
			ment,	privacy		

Table 3. Applications	Domains: Use Cases
-----------------------	--------------------

			90%			
			accuracy			
Industrial	Predictive	Federated	30%	Predicts	Resource	[12]
IoT	Maintenan	Learning	downtim	machinery	constraints,	
	ce		e	failures in	interoperabi	
			reduction	real-time	lity	
			, 90%			
			accuracy			
Industrial	Supply	Edge AI	25%	Optimizes	Standardizat	[13]
IoT	Chain	Analytics	delivery	logistics and	ion,	
	Automatio		time	inventory	scalability	
	n		reduction			
			, 90%			
			accuracy			

### 5. **Opportunities**

These opportunities in the integration of AI-powered edge computing into IoT ecosystems are vast and they are shaping the IoT ecosystem of connected devices and applications. With the expected number of IoT devices to surpass 80 billion by 2025 and create zettabytes of data, it is crucial now more than ever to have systematically designed and responsive, scalable and efficient systems. This part discusses in detail with reference to the work of literature review of 60 peer-reviewed articles (20202025) three important opportunities scalability to massive IoT implementations, real-time processing, benefits in terms of cost and energy efficiency. These opportunities underscore the effectiveness of the AI at the edge that can overcome the shortcomings of the conventional cloud-based solutions and deliver both resilient and sustainable high-performance IoT applications in different spheres, including smart city, healthcare, and industrial automation applications.

### Scalability for Massive IoT Deployments

Another important opportunity that AI-powered edge computing can provide is scalability, which will allow IoT systems to deal with the doubling up of connected devices, projected to be more than 80 billion pieces by 2025. Edge AI allows the analysis of information on site, decreasing centralized resources necessary in the cloud, therefore, avoiding overload and overselling capabilities of the systems. Liu et al. (2025) have shown that distributed Deep Neural networks (DNNs) placed at the edge nodes could support mass scale IoT deployments that provided 50 per cent less cloud reliance than Smart grid installations of 88 percent reliability levels. This will enable thousands of those devices to go online simultaneously without any massive burden to network infrastructure. Equally, to develop a multi-level hierarchical edgecloud network that could recognize more than 10,000 gadgets in an industrial environment, Wang et al. formulated an approach that decreased bandwidth by 40 percent (2025). High scalability is of special importance to smart cities, which typically have millions of sensors (e.g., traffic cameras, environmental monitors) which produce continuous streams of data. The use of AI methods such as federated learning takes scalability a step further by allowing training of models on devices decentrally, an accuracy of 90% on healthcare IoT networks was demonstrated by Chen et al. (2024) with little intervention from the central server. Nevertheless, the issue of interoperability between heterogeneous devices and a requirement to have standardized protocols, as observed by Lee et al. (2023), need to be mitigated in order to access this opportunity in full. Scalability enables the IoT ecosystems to scale organically, allowing the connected devices to spread all over the globe and creating new opportunities in the sphere of city planning, logistics, and others.

### **Real-Time Processing for Low-Latency Applications**

Another opportunity is real-time processing, which will be possible due to edge computing powered by AI, which makes it possible to analyze data low latency in projects where time is essential. The concept of low latency is achieved by the fact that instead of sending the data to a remote cloud facility, it is processed at the edge appliance, which satisfies the needs of such applications as self-driving cars, patient health monitoring, and smart cities infrastructure. Jones et al. (2023) reported an increase in response time by autonomous vehicles that use edge AI of 40 percent and 95 percent accuracy when detecting obstacles in real-time. This functionality is essential in systems with safety critical needs where milliseconds are important. Smith et al. (2025) showed that edge-based AI patient monitoring systems could identify anomalies with 98 accuracy and a 20% latency improvement in comparison with the counterparts that use clouds, allowing immediate conditions such as heart arrhythmias warnings. Likewise, Patel et al. (2024) demonstrated that edge AI minimizes the traffic management latency of 20 percent in smart cities with 95 percent of optimized signal corrections. Additional approaches to minimize latency are such techniques as reinforcement learning (Li et al., 2023) and DNN partitioning (Davis et al., 2024), which result in a 25% and 15% latency reduction due to dynamic resource allocation and computational task splitting. The characteristics of edge AI used in the real time processing ability do not just amplify the product, but also enables functionality offline in less accessed areas to increase reach of IoT. Nevertheless, there are problems to resolve, including the trade-off between model size with latency and how to reliably do the same on various edge devices, which must be addressed by developing lightweight AI models and adaptive algorithms.

### **Cost and Energy Efficiency Gains**

Such cost and energy efficiency boosts are a pillar opportunity in that AI-enabled edge computing will cut back the operational expenses and the power cost of the involvement, making IoT deployments more sustainable and affordably viable. Edge computing reduces the number of requirements of cloud infrastructure and high-bandwidth networks, thereby lowering operation expenditure since it processes the data locally. According to Brown et al. (2024), smart home IoT systems with lightweight AI models allow a maximum energy saving of 50 percent and enjoy a 90 percent effectiveness in automation activities. In a similar fashion, as part of general IoT applications, Huang et al. (2024) showed that energy consumption decreased by 40 percent using optimized edge architectures, which would be a sustainable design of large-scale networks. Gupta et al. (2023) demonstrated in industrial IoT that predictive maintenance with edge AI application saves organizations 30 percent of downtime and 25 percent of maintenance costs in a manufacturing environment. Another technique such as processing-in-memory (PIM) architectures (Zhang et al., 2023) provides an extra 35% of energy efficiency in smart homes allowing more challenging AI applications to run on low-power devices. These advantages are paramount seeing that IoT devices work a lot on a battery as well as energy saving prolongs the life of the device and minimizes environmental effects. Economical gains were also observed by the Nguyen et al. (2025) with the reduction of 20% of the cost in the smart grid using swarm intelligence to optimize resources. Nevertheless, both the costly first exposure of edge devices and the need of energy-efficient AI algorithms to support resource-constrained devices are potential challenges (Patel et al., 2023). Such efficiency benefits can be among the main selling points of AI-based edge computing as a cost-effective solution to deviceheavy and environmentally sensitive IoT use cases. AI-enhanced edge computing in IoT can transform because of the possibilities of scalability, real-time working, and cost and energy efficiency. Its scalability speeds up the use of huge devices, real-time processing allows the development of low latency applications and the efficiency saves expenses and carbon footprint. The opportunities that were confirmed by the read literature affirm that edge AI is one of the major facilitators of the next-generation IoT systems; however, interoperability, security threats, and algorithm enhancements can be addressed to derive more benefit.

Table 4. Opportunities

Opportunity	Description	AI	Results	Key	Challenges	Key
		Technique/		Findings		Papers
		Architectur				
		e				
Scalability	Supports	Distributed	50% cloud	Reduces	Interoperab	[1]
	massive IoT	DNNs,	dependency	network	ility,	
	deployment	Edge-Cloud	reduction,	congestion,	standardiza	
	s (80 billion	Hybrid,	supports	enables	tion	

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	devices by	Federated	10,000+	large-scale		
	2025)	Learning	devices	IoT		
Real-Time	Enables	Reinforcem	15-40%	Supports	Model	[16]
Processing	low-latency	ent	latency	autonomous	complexity,	
	for time-	Learning,	reduction,	vehicles,	device	
	sensitive	DNN	95–98%	healthcare,	heterogenei	
	applications	Partitioning	accuracy	and smart	ty	
		, Edge AI		cities		
Cost and	Reduces	Lightweigh	20-50%	Lowers	Initial	[18]
Energy	operational	t AI, PIM,	energy	cloud costs,	hardware	
Efficiency	costs and	Swarm	savings,	extends	costs,	
	power	Intelligence	25% cost	device	algorithm	
	consumptio		reduction	lifespan	optimizatio	
	n				n	

### 6. Challenges

The application of AI-based edge computing in IoT environments could be revolutionary in its benefits but is also followed by serious obstacles that should be resolved in an effort to guarantee pervasiveness and functionality. With the IoT applications expanding to 80 billion devices by 2025, which means massive data quantities, edge Computing issues become more evident. In this section, the authors give an in-depth analysis of four most important challenges, which are security (data privacy and zero-trust models), latency (speed versus accuracy), interoperability (lack of universal protocols) and resource constraints (limited compute power on edge devices), based on the literature review of 60 peer-reviewed papers (20202025). All the challenges are elaborated, explaining their consequences, existing solutions, as well as the remaining problems that still need to be solved to promote the concept of AI-powered edge computing in IoT applications.

### Security: Data Privacy and Zero-Trust Models

A major issue in AI-facilitated edge computing on IoT devices is that of security, especially when it comes to issues relating to protection of privacy and/or the deployment of an effective security system e.g. zero-trust architecture. The IoT objects (e.g., sensors, wearables) track valuable sensitive information (health records, locations, etc.), which makes them excellent targets of technology-enhanced crimes. By keeping data in the application local, edge computing can lessen the possibility of data breaches on its way to the cloud, however local devices tend to be resource-limited and less protective, thus being exposed to edge vulnerability. Kim et al. (2025) also suggested an AI-powered intrusion detection system in smart city IoT networks, where 95 percent accuracy in detecting a threat was achieved, but false positives were listed as a drawback, requiring additional adaptation. On the same note, Chen et al. (2024) pointed out that federated learning improves data privacy protection in healthcare IoT by another 20-30 percent by storing vital information on-device, yet updates exchanged in the network can be subject to attacks, such as model poisoning. The solution to this would be to employ zero-trust models, where no device or a user should be assumed to be trustworthy, and where Smith et al. (2025) propose to intersect zero-trust models in healthcare IoT to eliminate risks, but at the cost of augmenting the computational overhead by 15%. These concerns are also worsened by the fact that there is no such thing as standardized security procedures, and since IoT devices vary and are heterogeneous, chances are their security protocols will be incompatible. Taylor et al. (2024) also claimed that having scalable zero-trust frameworks is highly desirable since the existing solutions cannot handle the variety of edge devices. The solution to security is to create lightweight and AI-based security models and universal standards that can put edge-IoT ecosystems out of danger.

### Latency: Balancing Speed and Accuracy

In AI-enabled edge computing, the problem of latency is very relevant, and end-to-end full latency requirements are increasing daily with the growth of IoT applications such as autonomous vehicles and real-time patient monitoring. With edge computing, the latency is lowered since it conducts the processing

locally, yet complex AI models, including deep neural networks (DNNs), frequently cause delays, thanks to the computational requirements. Davis et al. (2024) investigated DNN partitioning to achieve 88 percent accuracy and decrease latency by 15 percent in healthcare IoT scenarios but said there were trade-offs, with the division of models between edge and cloud resulting in a loss of precision. On the same note, Li et al. (2023) applied reinforcement learning to optimizing resource placement in smart city IoT, cutting latency by a quarter but mentioning that the most complex models cannot keep up with sub-millisecond requirements in applications such as autonomous driving, Jones et al. (2023) remarking that they were able to shorten response time by 40% but accuracy was compromised at high workloads. The complexity is that, on the one hand, precise AI models often require an immense number of computations, whereas, on another hand, low-resource edge devices require quick processing operations. Wu et al. (2025) have postulated dynamic DNN splitting because it has a 20% latency savings, though the loss of accuracy seems irrelevant. Such results demonstrate the importance of having lightweight AI algorithms and adaptive methods that can deliver low-latency guarantees that do not compromise reliability, especially when using time-sensitive IoT applications.

#### Interoperability: Lack of Standardized Protocols

Interoperability poses a significant challenge due to the lack of standardized protocols for AI-powered edge computing in IoT ecosystems. With billions of heterogeneous devices (e.g., sensors, gateways, and wearables) from different manufacturers, ensuring seamless communication and data exchange is complex. Lee et al. (2023) proposed an interoperability framework that improves compatibility by 25% in general IoT systems, yet noted that non-standardized protocols limit scalability across diverse networks. For instance, smart city IoT deployments often involve multiple vendors, leading to fragmented systems that hinder data integration. Wang et al. (2025) noted that hierarchical edge-cloud systems can support 10,000+ devices and have compatibility problems caused by proprietary protocols, which raise deployment expenditure by 20 percent. Federated learning, while scalable, struggles with interoperability when devices use different data formats, as noted by Chen et al. (2024), who reported a 10% performance drop in non-IID data scenarios. There are no common standards that complicate the intelligence implementation of AI models across the edge devices, which reduces the possibility of large-scale deployments of IoT. The studies conducted in the future should be aimed at the creation of open standards and protocols because it will provide easy interoperability (Park et al., 2025), who proposed the adaptive clustering that will reduce compatibility problems.

#### **Resource Constraints: Limited Compute Power on Edge Devices**

The main challenge to implementing AI in IoT devices is resource limitation, especially the computation and memory available on the edges. IOT sensors and other wearable devices are edge devices which are commonly constrained in capabilities (both low-power processors and storage), making more complex AI frameworks like DNNs implausible. Zai et al. (2025) provided a solution to this by creating lightweight DNNs by use of pruning and quantization with faster inference by 30 percent and 95 percent accuracy on healthcare wearables, although retraining is still a costly affair. Likewise, Zhang et al. (2023) presented processing-in-memory (PIM) architectures failing to achieve increased energy efficiency, but revealed 35% energy-frequency efficiency of processing-in-memory systems in smart homes, although limiting to the complexity in hardware. According to Gupta et al. (2023), 90% accuracy in federated learning on industrial IoT predictive maintenance has weaknesses due to resource limitations because it needs 20 percent additional memory than what edge computers commonly offer. In the smart home IoT context, Brown et al. (2024) demonstrated only 50% energy savings in their lightweight AI model, which is not as impressive as the closest competitors with their 90-99% energy savings, and this energy saving is not applicable to thousands of devices because of the restriction in compute. Such limitations require new solutions such as model compression power-efficient algorithms, and hardware acceleration. Patel et al. (2023) have acknowledged that design of AI models with low power would expand the lifetime of an AI enabled device, a factor that future research should be aimed at arresting bottlenecks on resources.

The issues of security, latency, interoperability, and resource limitations have a severe effect on the AI-powered edge computing implementation in the IoT. Security concerns, such as privacy of data and demand to zero-trust models, force to implement power-efficient, intelligent protection of vulnerable edge devices. Latency issues require trade-offs between speed and accuracy, especially regarding time-sensitive application. Standardization of protocols has also been the reason behind interoperability concerns, which

inhibits an easy integration process in various IoT ecosystems. The use of complex models of AI is bounded by the resource constraints, which require the innovation in lightweight algorithms and hardware. These issues that have been proven by the literature reviewed identify the importance of carrying out further research in order to make the AI-driven edge computing in the Internet of Things reliable, scalable, and effective.

Challenge	Description	AI	Results	Key	Solutions	Key
		Technique/		Findings	Proposed	Papers
		Architecture				
Security	Data privacy	AI Intrusion	95%	AI-based	Zero-trust	[2])
	and zero-trust	Detection,	threat	detection and	models,	
	model	Federated	detectio	federated	lightweight	
	implementati	Learning	n, 20–	learning	encryption	
	on		30%	enhance		
			privacy	security		
			improve			
			ment			
Latency	Balancing	DNN	15–25%	DNN	Dynamic	[8]
	speed and	Partitioning,	latency	partitioning	partitioning,	
	accuracy in	Reinforceme	reductio	and RL	lightweight	
	real-time	nt Learning	n, 88–	reduce	models	
	applications		95%	latency with		
			accurac	accuracy		
			у	trade-offs		
Interoperabili	Lack of	Interoperabil	25%	Frameworks	Universal	[50]
ty	standardized	ity	compati	improve	standards,	
	protocols for	Framework,	bility	compatibility	adaptive	
	heterogeneou	Federated	improve	, but	clustering	
	s devices	Learning	ment	standardizati		
				on gaps		
				persist		
Resource	Limited	Lightweight	30–50%	Lightweight	Model	[55]
Constraints	compute	DNNs, PIM	energy	AI and PIM	compression	
	power and	Architecture	savings,	address	, hardware	
	memory on		90–95%	resource	acceleration	
	edge devices		accurac	limits		
			у			

 Table 5. Challenges in IOT

# 7. Discussion

Incorporation of AI-driven edge computing into IoT systems is the shift of paradigm, as IoT is currently generating so much data that an estimated 80 billion IoT devices will be generating in 2025 alone. There is a discussion of the main trends and contradictions discovered in the literature review of 60 peer-reviewed articles (2020 2025), critical research gaps, and future research steps to contribute to the evolution of the area of the AI-based edge computing as applied to the IoT. This discussion can help to create the integrated picture of the ongoing situation in the field and draw the direction of how the unresolved

problems can be solved and new possibilities discovered with the help of critical analysis of the achievements, practices, possibilities, and problems.

#### Synthesizing Trends in the Literature

A number of major trends in AI-enabled edge computing of IoT are disclosed in the literature and are evidence of high rates of technological and application advancement. One of the most active forces is the move toward using lightweight AI, including deep neural networks (DNNs) and lightweight networks that have been pruned and quantized and can be executed on the constrained resources on the edge devices. Zai et al. (2025) showed that a speed-up of 30 percent can be achieved with 95 percent accuracy even in healthcare IoT, showing that complex AI models do not require such extent of centralization. The other trend is federated learning (FL), especially in cases where data privacy is particularly important, such as in healthcare and smart grids, with a study such as Chen et al. (2024) showing respective improvement in data privacy of 20-30 percent when taking locally trained models on edge devices. Scalability occurs since the edge-cloud hybrid framework, discussed by Wang et al. (2025), can cut the bandwidth consumption by 40% which makes it possible to use large IoT deployments. The ability to perform processing in real-time also becomes a major trend, and Jones et al. (2023) demonstrate a 40% decrease in the response time of an autonomous vehicle, which means the edge AI is used in low latency applications. Moreover, increased attention is paid to energy efficiency whereby Brown et al. (2024) and Huang et al. (2024) reported 50 percent and 40 percent energy reduction, respectively, when using lightweight AI and processing-in-memory (PIM) architecture, respectively. Overall, these tendencies show that are on the path to decentralized, efficient, and privacy-respecting IoT systems with the help of the innovations based on AI at the edge. Nevertheless, literature also focuses on ensuring that there is proper security and interoperability solutions that will continue an improvement of these advancements.

#### 8. Future Direction

In order to overcome such gaps and inconsistencies, some research directions in the future are suggested. Hybrid AI Models: Research may create hybrid AI models that will integrate lightweight DNNs with reinforcement learning or federated learning to find the balance between precision and latency. As an example, performance could be optimized on real-time applications such as autonomous driving by jointly combining adaptive-pruning (Zai et al., 2025), along with dynamic partitioning (Davis et al., 2024). Edge-Native Protocols: Standardized, edge-native protocols specification is the most important research to enhance interoperability. Future research might concentrate on open-source frameworks, compatible with IoT devices of many kinds, making deployments cost-efficient and more scalable, as proposed by Lee et al. (2023). Scalable Security Frameworks: Lightweight security frameworks based on artificial intelligence, e.g. refined zero-trust models with reduced complexity, are required. Kim et al. (2025) suggested model tuning, which can be reduced in false positives, and further studies can investigate decentralized encryption in edge devices. Energy-Efficient Hardware and Algorithms: Improved hardware, including the nextgeneration PIM architectures (Zhang et al., 2023), and the algorithms that operate on the ultra-low-power devices (Patel et al., 2023) may resolve the resource limitations. Decentralized Federated Learning: Chen et al. (2024) recommended improving FL in non-IID data and large-scale networks and this could be done by using adaptive clustering and P2P aggregation to lower the communication requirement. Real-Time Optimization: The research of the dynamic AI model optimization, including adaptive RL (Li et al., 2023), will reduce the latency without compromising the accuracy. These guidelines will eliminate the existing constraints and promote the development of AI-driven edge computing in the IoT domain.

The use cases building blocks and integration into the infrastructure are discussed and are synthesized as main trends, including lightweight AI, federated learning, and edge-cloud architectures, allowing to create scalable efficient, and low-latency IoT systems. The complexity of the field, however, is evidenced by contradictions in latency-accuracy trade-offs, scalability-resource constraints and security-efficiency tensions. The inability to find solutions in security frameworks and standardization, energy economy, scalable FL, and latency optimization emphasizes the necessity of localized innovation to address this research gap. Future directions suggested and upcoming trends, such as hybrid AI-based systems, edge-native protocols, and scalable security models, provide a way forward that will achieve the potential of AI-driven edge computing in revamping IoT ecosystems by 2025 and possible in the future.

#### 9. Conclusion

The review article Advances in AI-Powered Edge Computing for IoT Applications: Opportunities and Challenges is a synthesis of the review of the current situation in the field, which is based on 60 peerreviewed articles of 2020-2025. The final part summarizes the major insights and contributions of the literature review and further explains how AI-powered edge computing within IoT ecosystems can become transformative. It also underlines the meaning of such findings to such related disciplines such as the area of information technology (IT) and computer science (CS), and their relevance to the industry players. This review has been well balanced since issues related to advancements, applications, opportunities, and challenges, and the future directions have been discussed, which forms a good base to ensure further research and deployment in this fast-changing field.

#### **Key Insights and Contributions**

It is evident in the literature review that the AI-driven edge computing is a critical driver behind the next-generation IoT systems, as IoT devices are expected to pass the 80 billion mark by 2025, which will result in issues of the centralized cloud organization. Other major insights are the new techniques to develop lightweight AI models, including deep neural networks (DNNs) optimized by pruning and quantization that exhibit up to 30 faster inference with at least 95 accuracy on resource-constrained devices, as illustrated Federated learning (FL) has emerged as a cornerstone for privacy-preserving applications, improving data privacy by 20–30% in healthcare and smart grid IoT, Edge-cloud hybrid architectures and processing-in-memory (PIM) systems enhance scalability and energy efficiency, supporting 10,000+ devices and reducing bandwidth usage by 40%, according to Applications in smart cities (e.g., 20% congestion reduction, healthcare (e.g., 98% anomaly detection accuracy, and industrial IoT (e.g., 30% downtime reduction, underscore the real-world impact of edge AI. Opportunities such as scalability, realtime processing (15-40% latency reduction), and cost/energy efficiency (up to 50% energy savings) highlight the potential for large-scale, sustainable IoT deployments. However, challenges like security vulnerabilities, latency-accuracy trade-offs, lack of standardized protocols, and resource constraints necessitate ongoing research. The review's contributions lie in synthesizing these trends, identifying contradictions (e.g., scalability vs. resource limits), and proposing future directions, such as hybrid AI models and edge-native protocols, to address gaps in security frameworks and standardization.

### **Implications for IT and Computer Science**

The results have far reaching implications on IT and CS influencing research agenda, educational programmers. ITs New edge computing paradigm requires new paradigms of network management, security and orchestration of resources. The enhancement of AI-based intrusion detection systems, which posted the 95 percent accuracy rate demonstrates the necessity to conduct a breakthrough in cybersecurity research to secure edge devices. It should be noted that algorithm optimization in resource-limited contexts is an important topic in the context of CS, evidenced by the interest in lightweight AI models, federated learning, and reinforcement learning. The absence of fixed steps, according to requires investigation of interoperable frameworks, which is one of the most important issues that need to be addressed by CS to provide seamless integration into IoT networks. The review also brings the consideration of the role of interdisciplinary approaches, i.e., integrating AI, distributed systems, hardware design (notably, the so-called PIM architectures, In academic terms, the observations point toward the need to revise coursework in CS to train students on edge AI, federated learning, and security specific to IoT as the new set of requirements in the industry. The suggested future trends namely hybrid AI models, edge-native protocols, and scalable FL also present obvious opportunities to IT/CS researchers to spark innovation in the quest to make edge computing manage the challenges of giant IoT eco-systems.

### **Implications for Industry**

The AI-driven edge computing has huge potential functions across industry players in terms of efficiency improvement, cost reduction, and provision of emerging services, alongside challenges, which may be coordinated through strategic investments. In smart cities, edge AI's ability to reduce traffic congestion by 20% and energy consumption by 30% enables municipalities to improve urban living and sustainability, but deployment requires robust security frameworks to counter cyber threats. In healthcare, real-time patient monitoring with 98% accuracy and privacy-preserving wearables can revolutionize patient care, yet industries must address battery life and data security to ensure reliability. Industrial IoT benefits from predictive maintenance 30% downtime reduction, and supply chain automation driving

productivity, but resource constraints and interoperability issues demand investment in lightweight AI and standardized protocols. The cost and energy efficiency gains make edge AI economically viable, particularly for large-scale deployments, but high initial hardware costs remain a barrier. Industries must collaborate with academia to develop scalable security solutions and open standards, as suggested to accelerate adoption. The projected \$500 billion market for edge computing and IoT by 2025 underscores the economic incentive for industries to invest in edge AI infrastructure, positioning them to capitalize on emerging opportunities in smart cities, healthcare, and manufacturing. In conclusion, this review provides a comprehensive synthesis of the advancements, applications, opportunities, and challenges of AIpowered edge computing in IoT, offering key insights into its transformative potential. Contributions include a detailed analysis of lightweight AI, federated learning, scalable architectures, and real-world applications, alongside identification of critical gaps in security, standardization, and resource optimization. The implications for IT/CS highlight the need for advanced research in algorithms, security, and interoperability, while industry stakeholders are poised to leverage edge AI for efficiency and innovation, provided they address deployment challenges. By proposing future directions like hybrid AI models and edge-native protocols, this review lays the groundwork for advancing AI-powered edge computing, ensuring it meets the demands of a connected, intelligent world by 2025 and beyond.

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