

From Meta to Microsoft, AI's big moment is here

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An Apple store in Palo Alto, California, the United States. Apple Inc is planning to use artificial intelligence in its products and services. AFP PIC

BIG Tech companies have a new obsession: artificial intelligence.

This week, chief executives across the sector packed earnings calls with mentions of the heavily hyped technology, which until recently existed more in the background than as a solid contributor to the bottom line.

In conference calls after financial results, tech execs uttered the phrases "AI", "generative AI" or "machine learning" from two to six times as often as they did in the previous quarter, according to a review of conference transcripts by Reuters.

Executives from Microsoft Corp and Alphabet Inc, the latest big rivalry in tech, took their battle to the conference call frontlines. On Thursday, Alphabet appeared to edge out the competition.

The Google owner's call referred to AI 45 times, up from 13 times at the end of the third quarter, outpacing Microsoft, whose call was peppered with 39 references, up from 15 in the previous quarter.

The release of software that can generate virtual text and images, exemplified by ChatGPT, a chatbot from the startup OpenAI, has set off a race to integrate AI into more products and for investors to bet on which company will emerge on top.

Microsoft's investment in Open-AI and aggressive efforts to make ChatGPT widely available to its cloud customers, among other plans, represent a new challenge for Alphabet.

Industry observers have said embedding human-like, ChatGPT-style responses in Microsoft's Bing search engine could give it a leg up on Alphabet's Google, long the information search leader.

In a potential nod to the public's ChatGPT fixation, Alphabet chief executive officer Sundar Pichai said Google remained in the game.

"We'll pursue this work boldly, but with a deep sense of responsibility," he said.

David Heger, an analyst with Edward Jones, said Google was opening up more about its large AI investments after staying quiet.

"They were much more vocal about how that benefits pretty much all parts of their business and how they expect that to be further integrated into their business going forward," he said.

Snap Inc chief executive officer Evan Spiegel said on the social media company's fourth-quarter call that generative AI would be critical over the next five years to growing augmented reality (AR), which is important to its business.

That technology, which overlays computerised images onto the real world, is currently limited because artists must build 3D models, but generative AI can speed up the process, Spiegel said.

"Imagine playing around with your kids wearing AR glasses and saying, 'oh my gosh, there's a pirate ship and a big monster'. We can bring those to life using generative (AI) art, which I think is really exciting," he said.

Facebook founder and Meta Platforms Inc chief executive officer Mark Zuckerberg called generative AI "an extremely exciting new area" on Wednesday during a conference call that referenced the phrase 30 times, up from 22 times in the previous quarter.

He said users could expect the company to "launch a number of different things this year" in generative AI.

Meta plans to incorporate the new technology across almost all its products, such as generating images, videos, avatars and 3D assets, Zuckerberg said.

Marketers could use generative AI to help with written copy for their paid posts or create imagery and video, Nicola Mendelsohn, vice-president of the global business group for Meta, said in an interview.

"One of my goals for Meta is to build on our research to become a leader in generative AI," Zuckerberg said.

Even at Apple Inc, where hardware such as the iPhone has reigned supreme, AI is a big part of the future.

Asked by an analyst about Apple's AI strategy, chief executive Tim Cook said on Thursday that the company is using such tech to power features like car crash detection in its iPhone and Apple Watch and that it will be applied throughout Apple's products and services.

"We see an enormous potential in this space to affect virtually everything we do," Cook said. "It's obviously a horizontal technology, not vertical. And so, it will affect every product and every service that we have."

The writer is from the Reuters news agency