

Lion Global Investors Limited



Artificial Intelligence Powers the Future

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Like the proliferation of appliances powered by electricity, in the coming decade, the world will be powered by Artificial Intelligence (AI). The influence of AI is readily seen; from self-driving cars to beating Go champions, the accomplishments of AI continue to grow.

Many misunderstandings surround AI. While the Terminator and the Matrix have popularised the idea of AI, the reality is that AI is a widely used tool that is driving disruptive innovation for the companies that can harness its power.

This article will examine how companies use the power of AI to drive the future.

Google and Facebook

Tech titans Google and Facebook are household names, and their core products are enhanced by the application of AI.

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With Google, its core product of 'Search' relies on the RankBrain AI to identify associations with search terms entered by users. The ability to recognise associations between words from 2 trillion searches per year enables RankBrain to learn how users search for pages and how to generate the most relevant pages for each search. This ability to deliver relevant information has contributed to Google being the global leader of search.

Facebook employs AI to enhance the ability of the firm to use machine learning. FB Learner Flow is the AI that powers Facebook's machine learning models, which are used by its software engineers to determine which stories make it to the top of a newsfeed, or filter out content that breaches Facebook's guidelines.

Image recognition is an area where both Facebook and Google make use of AI to build a better user experience. Both Google Photos and Facebook Moments use AI to suggest tags for photos, including friends, places and objects.

Disruptive Innovation from AI

The emergence of AI is a crucial edge that companies employ to stay ahead of the competition. Other tech companies have started to take notice, with Microsoft, Baidu and Amazon all using AI to drive better performance.

The disruptive power of AI is very real; messaging applications like Whatsapp had disrupted the SMS business model and revenue from SMS has declined for traditional telecom giants. Facebook has disrupted the traditional media landscape by delivering more relevant content to users than television and newspapers.

Cloud computing giants like Amazon and Microsoft also have plans to roll out Artificial Intelligence tools to their customers so that businesses can build services they previously could not on their own. Just imagine an army of personal assistants trying to predict what the user requires or understand the user's unique situation. Business intelligence will be taken to a new level.

Companies that harness the power of disruptive innovation such as Artificial Intelligence stand to grow faster than traditional incumbents. The LionGlobal Disruptive Innovation Fund offers a passive management approach to help investors tap into the growth of companies which benefit from disruptive innovation.

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