

MONEY

Staying On Top Of Trends Is Key To Tapping Into The Growing AI Market



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In 2020, the outbreak of Covid-19 brought tremendous uncertainty and risk to the overall business environment. During this global crisis, business leaders needed to react and adjust quickly to

sustain their competitive advantage. Notably, the Covid-19 crisis has accelerated the development of the AI industry. It has also spurred adoption of and investment in artificial intelligence technologies not only from large institutions but also small-business owners.

According to the International Data Corporation Worldwide Artificial Intelligence Spending Guide, the AI industry is **forecast** to double by 2024, from \$50 billion in 2020 to more than \$110 billion in 2024. More than half of all AI spending was expected to come from the U.S., with retail and banking leading the charge. Western Europe will be the second-largest region investing in AI, followed by China. Japan and Latin America are expected to see the strongest spending growth over the forecast period.

From an investment perspective, let's take a close look at the numbers: According to Stock Apps, AI startups raised **\$73 billion** in the fourth quarter of 2020, a \$15 billion increase compared to the first quarter of 2020. Pitchbook's Emerging Tech Research report **recorded** 995 venture capital deals for the first quarter of 2021, with a total raised of \$20 billion. In mergers and acquisitions (M&A), the same research team recorded 52 acquisitions, with a total of \$1 billion in disclosed deal value. From the data, you can tell that AI investment is heavily weighted toward the late-stage applications developed by startups, especially in the healthcare industry.

From the market demand perspective, here are some examples of what AI is being used for to improve companies and the lives of individuals:

1. Retail Digitalization

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In 2019, Nike launched the Nike Fit app, which uses AR and AI to scan feet for a better fit. The technology uses 13 data points to help users find the right size Nike shoe. Since the pandemic started, the company has seen its focus on digital [pay off](#), and it plans to continue its use of powerful tools such as data personalization.

2. Tools To Facilitate Remote Working

X.ai is a scheduling software tool, powered by AI, that helps users schedule meetings more easily. The tool's AI engine can set locations, find times, send followups and reminders, as well as manage cancellations and reschedule requests.



3. Interactive Employee Experiences

Accenture's Employee Experience Platform is an AI-powered HR tool that utilizes analytics and digital engagement. The platform is designed to enhance users' experiences throughout the entire employee journey, including when an employee first joins a company, starts a family and leaves employment.

4. Public Health Tools To Help Fight The Covid-19 Pandemic

In March, the FDA [authorized](#) the first nondiagnostic machine learning-based device (developed by Tiger Tech Solutions Inc.) to screen for Covid-19. The tool is used to identify certain biomarkers that may signal a Covid-19 infection.

Additionally, Iveda Solutions Inc. developed technology using video analytics intended to enable users "to quickly detect individuals with fever symptoms for further testing" and "assist in implementing social distancing protocols." (*Full disclosure: Iveda is a current partner of Dragon Gate Investment Partners.*) Other companies are also [utilizing](#) video analytics and other technologies to combat Covid-19. For example, Herta is working to provide facial recognition even for those wearing masks, while Landing AI offers its own tool to monitor social distancing protocols.

Understanding the structure of supply and demand for AI is a good way to explore trends and opportunities. With proper understanding comes opportunities to adopt AI for yourself or your company, or join an AI company.

Big data companies may not be able to provide specific information that a user requires at any given time without working with the end user directly. In larger databases, there are often multiple valid opinions or labels for a single data point. For small-business owners looking to adopt AI and use it to their advantage, it is very

important to know why and how your data can help you first and what you need to accomplish with it. The more you understand your own data, the less likely you are surprised by objectionable labels or discrepancies of that data. Through mutual awareness and openness, business owners, especially those of small businesses, can use AI to build great collaborations and alliances.

The author has no position in the stocks of companies mentioned in the article.

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