Why Meta could be the dark horse in the generative AI war

Article

The news: **Meta** entered the **AI race** in a big way last week, and the company is in it to win it.

- **Meta AI is now integrated into the search bars on Facebook, Instagram, and WhatsApp** in the US and a dozen other countries. Facebook users can also use Meta AI while scrolling through the feed and in chats on Messenger.

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- Meta AI is also available as a standalone tool on the website **Meta.ai**, putting it in direct competition with the likes of **OpenAI**'s **ChatGPT** and **Google**'s **Gemini**.

- Meta AI is powered by **Llama 3**, Meta's newest and most powerful large language model, which was released simultaneously.

Why it matters: Meta could be the dark horse in the generative AI war.

- Meta AI has a built-in audience. **Fewer than half (43%) of US Facebook users need to use Meta AI at least once per month for it to be as big as market leader ChatGPT**, per our estimates. That's not unthinkable given how prominently Meta AI is now placed in Meta's apps.

- Meta already has a robust role in product search. **One-fifth (21%) of US consumers started their online product searches on Facebook** in Q3 2023, per Jungle Scout. Some 17% did so on Instagram.

- **Meta AI is free to use**, even as a standalone tool. The most accurate and up-to-date version of ChatGPT, ChatGPT Plus, costs $20 per month.

- Llama 3 is open-source, meaning that anyone can access and build products on it for free. Independent researchers can also spot and solve problems with the technology, including mistakes and copyright issues.

Yes, but: Meta AI will only be as good as its underlying model, and Llama 3 still has some work to do. Meta says it is currently training a new version that is six times as powerful as the biggest Llama 3 model and aims to make it "multilingual and multimodal."

- Meta AI is currently only available in English, while ChatGPT supports 10 languages.

- Llama 3 can currently generate text, images, and animated GIFs. Some users have also complained that Meta AI is more conservative in its responses than other generative AI chatbots.

The big picture: The sheer size of Meta's existing audience, combined with the convenience of being able to access Meta AI in Facebook, Instagram, and WhatsApp, will make the company stand out in a crowded genAI market. Meta's powerhouse ad platform also gives it a leg up in monetization as genAI search advertising gains steam.

- Meta is a staple in most marketers' ad strategies and will account for 22.8% of worldwide digital ad spending in 2024, per our forecast.

- Both Facebook and Instagram already offer some search ad placements, while WhatsApp monetizes via business messaging tools. **There's little doubt that Meta will ultimately introduce ads or other paid business features into Meta AI as it scales**.

- Meta has already introduced Meta AI as a search assistant in its **Ray-Ban smart glasses**. Users can capture images and video, ask questions, and get results back. It's not a stretch to imagine that **Meta could develop this into a paid visual search tool**.

Meta AI Could Surpass ChatGPT in Monthly Users Thanks to Its Built-In Audience

US users in millions, 2024

Facebook	177.6
Instagram	140.3
ChatGPT	77.2
WhatsApp	67.6
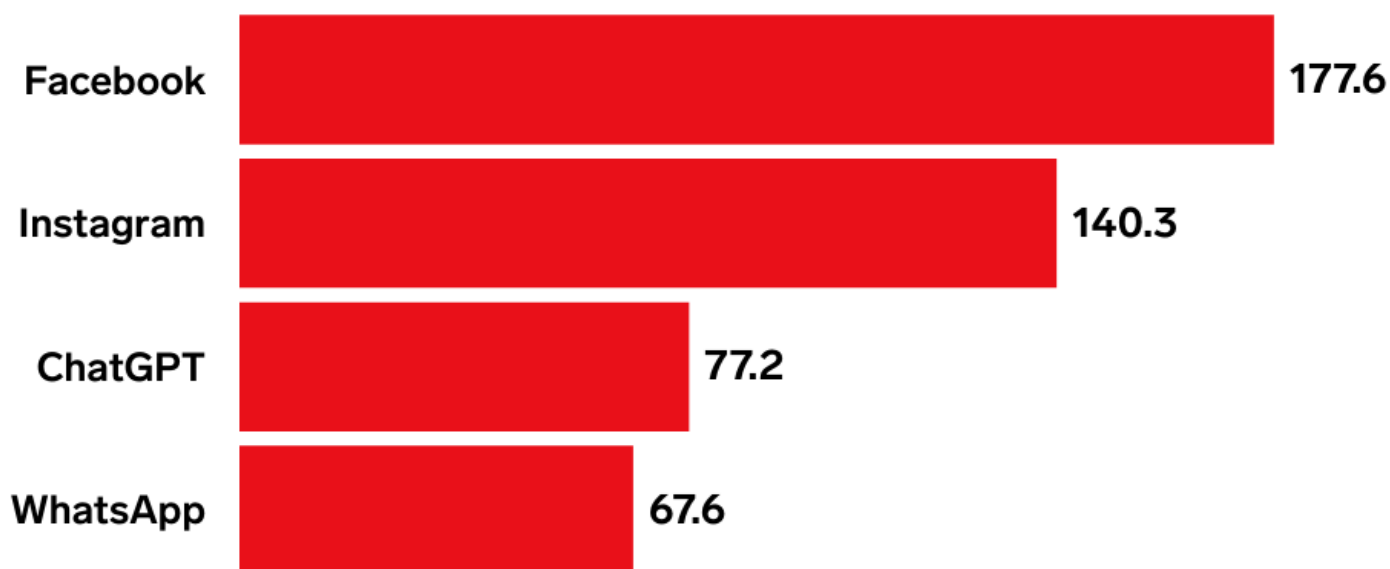
Note: Internet users of any age who access their Facebook, Instagram, or WhatsApp account via any device at least once per month; internet users of any age who enter a prompt into ChatGPT on openai.com (browser or app) via any device at least once per month
Source: EMARKETER Forecast, May 2023, June 2023

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