

Amazon struggles to insert itself into the generative AI conversation

Article

The news: Amazon is testing the use of AI to summarize product reviews as it tries to both improve the buying experience and convince investors it hasn't missed the boat on generative

AI (genAI).

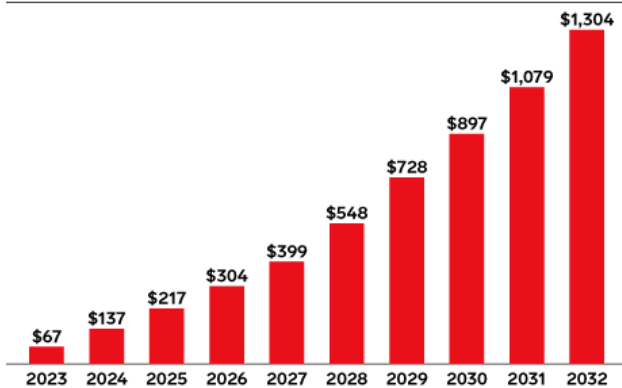
Zoom out: Amazon is steadily releasing a series of genAI tools to insert itself into a conversation dominated by its two biggest cloud competitors, **Microsoft** and **Google**.

- In addition to its most recent initiative, which uses AI to sum up what shoppers liked and disliked about products, Amazon lets marketers generate images and videos for their ad campaigns using AI.
- The retailer is also redesigning its search function to include genAI-enabled conversational elements.
- But Amazon's efforts have been underwhelming so far. Bernstein analyst **Mark Shmulik** said he's fielding persistent queries from investors about whether AWS is falling behind in AI. Internally, the company is scrambling to come up with its own version of ChatGPT that passes muster with clients.

The big takeaway: While Amazon's genAI initiatives show its commitment to developing the tech, they're not that far removed from the experiments that retailers like **Walmart**, Carrefour, and Instacart are running—which is surprising given Amazon's extensive AI expertise and resources.

- While Amazon has ample opportunity to catch up to **OpenAI**, Google, and Microsoft, its slow start may cost AWS cloud market share, as companies turn instead to providers with more sophisticated genAI tools.

Generative AI Revenues Worldwide, 2023-2032
billions



Note: includes revenues from hardware, software, generative AI-based gaming, generative AI-driven advertising, generative AI-focused IT services, and generative AI-based business services

Source: Bloomberg Intelligence as cited in press release, June 1, 2023

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