

# Microsoft expands Bing AI offering as prices skyrocket

## Article

**The news:** Microsoft is bringing **Bing AI** integration to mobile and **Skype** as it raises API prices.

- Users will now be able to use voice input when interacting with Bing AI, per [TechCrunch](#).
- For Skype, the changes allow AI responses to be incorporated into text conversations.

- Microsoft is **increasing prices by between 257% and 900% for its Bing Search API** in May to help pay for search improvements, per [The Register](#).

**A shaky business model:** Microsoft likely wagered that [getting a head start on Google](#) in market share will help it [offset costs](#). But the API price hikes show that it'll have to pass on some Bing AI costs—which [could amount to billions annually](#)—to developers.

Meanwhile, [other problems](#) could also make profitability elusive.

- Once the novelty wears off, users might be less forgiving of errors, such as Bing [insisting that it's still 2022](#).
- Concerns about accuracy and digital privacy have prompted groups like **JPMorgan Chase**, **Amazon**, **Stack Overflow**, and several universities to [restrict use of ChatGPT](#).
- Then there are the disturbing responses, including Bing [threatening to destroy the professional reputation](#) of **University of Munich** student **Marvin von Hagen**.
- Users find these responses entertaining, prompting Microsoft to ease the [restrictions it recently enacted](#) on the technology.
- **Many rounds of questioning are needed to elicit the colorful responses that in turn drive up compute costs and raise ethics alarm bells. Microsoft may not be able to keep the show going**, making accuracy a necessity.

**A myopic strategy?** Big Tech companies are working behind the scenes to reduce generative AI's costs and enhance accuracy, which might entail building smaller, more specialized models. However, there's evidence that the technology isn't quite ready for prime time.

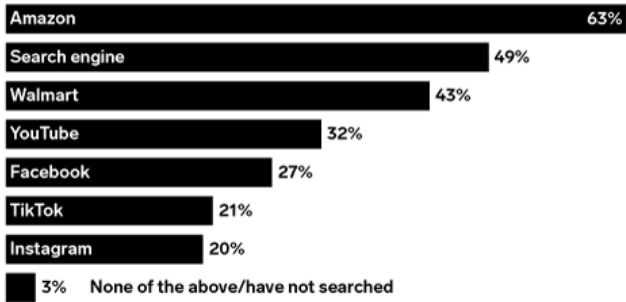
While they make technical tune-ups, it would be a mistake to ignore other innovation avenues.

- This includes continuing to improve list-based search, potentially by integrating an AI assistant that helps users fine-tune prompts to get better results.
- They could also **provide consumers with more creative tools to save, organize, and make use of the information**.

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## Where US Adults Start Their Search When Shopping Online, Aug 2022

% of respondents



Note: respondents could select multiple options

Source: Jungle Scout, "Consumer Trends Report: Q3 2022," Sep 13, 2022

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