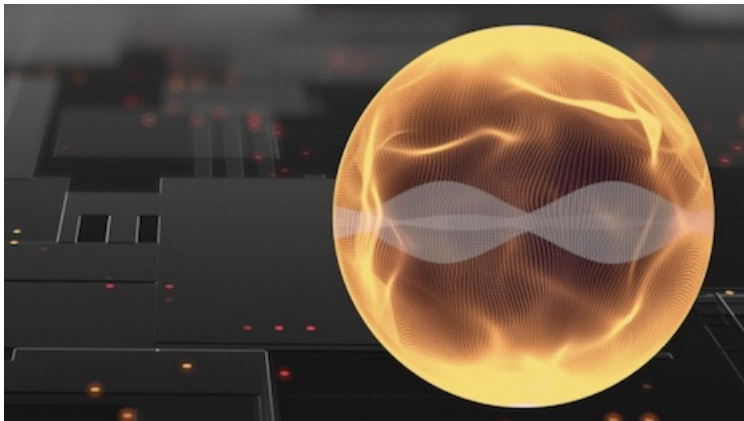


RESEARCH

## Global artificial intelligence market to reach \$422B by 2028: Mastercard

August 16, 2023



*The newest Signals report explores how human-like technology can boost customer engagement, business efficiency and software development. Image courtesy of Mastercard*

By EMILY IRIS DEGN

The number of companies using artificial intelligence (AI) is at an all-time high.

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According to the "**Signals: Commerce in the age of generative AI**" report from Mastercard, 20 percent of businesses were using the technology for at least one purpose in 2017, but in 2022, that number spiked to 50 percent. Generative AI continues to gain traction within commerce, projected to grow at a compound annual rate of 39.4 percent and attain a \$422 billion valuation by 2028.

The findings, edited in part by GPT4, include data, news reports and studies done by various research firms from around the world.

Human adjacent

The newest Mastercard report delves into how person-like technology can boost customer engagement, business efficiency and software development.

Looking ahead, findings reveal how businesses can step into tomorrow's economy via democratized generative AI.

<https://t.co/Ya6hoZVGEH> [pic.twitter.com/VE10tbDUFy](https://pic.twitter.com/VE10tbDUFy)

Mastercard News (@MastercardNews) **August 7, 2023**

According to Mastercard, innovations in the sector such as AI-powered personal shoppers, virtual styling experts and digital assistants that specialize in personalized product recommendations could reshape the very idea of consumerism and the buying experience as soon as the next two to three years.

Each of these solutions is framed as not only beneficial to customers but as money-saving for retailers.

Virtual shopping experts can help brands isolate low-performing products and badly-rated items, allowing the company to either rethink the offerings or take them off the market altogether in a cost-effective move.

AI can also sift through customer data to give shoppers tailored tips and point them toward products that best suit their tastes and needs, cutting down on return volumes that businesses have to process.

All of this is funneled into what Mastercard identifies as the five key trends that will take over the market in the next five to seven years, including widespread integration, data differentiators, bespoke AI, staying power and AI-to-AI interactions.

Outlining how commerce as a whole has arrived at this point, these developments are hashed out, their impacts on finance, enterprise, travel and beyond all explored.

Many businesses are seeing the value in AI's versatility, the report bringing up that investment in the technology has increased 13-fold in the last decade, growing from \$14 billion in 2013 to \$190 billion last year.

These investments cover everything from bespoke AI applications to delivery services with little or no human intervention, something especially of use during pandemics ([see story](#)). Some are even turning to the capability to boost the economies of developing countries.

Gates Foundation Funds Nearly 50 Generative AI Projects In Low And Middle Income Countries

<https://t.co/icSPLUbEIV> [pic.twitter.com/mv6sJihvg5](https://pic.twitter.com/mv6sJihvg5)

Forbes (@Forbes) August 15, 2023

"Unlike other technologies that have seen hype cycles, generative AI exhibits clear use cases, has led to the creation of robust solutions, and is developing swiftly," the report states.

"New opportunities will continue to appear," it says. "This technology is poised to be transformative across nearly every sector."

Flaws and all

Though in 2021 the international AI market reached \$60 billion and is only set to skyrocket in worth in the coming years, its swift development is not without its challenges ([see story](#)).

The report emphasizes that human intervention and oversight remain necessary, stating that the opportunities are promising if both the risks and potential are addressed. Much of the issues outlined have to do with accessibility and inclusivity.

Bias is a large issue addressed, the findings uncovering how AI can amplify societal perspectives and opinions, even when they are unfounded, racist, sexist or archaic. Mastercard points out that this is due to developers' lack of awareness and the fact that image-generators are trained on older data sets.

Ample audits and collaboration between AI experts, ethicists, policymakers and communities are floated as solutions to make the capability more just and representative of the world's true diversity.

In the series Indigenous Youth: Our Vision, Our Future, Our Languages, young people explain why language is at the heart of cultural revitalization. [#WeAreIndigenous](#)

[pic.twitter.com/P2civ7oMCZ](https://pic.twitter.com/P2civ7oMCZ)

Mastercard Foundation (@MastercardFdn) August 9, 2023

Additionally, ChatGPT can understand and generate text in 95 languages, but in the case that they are not anglophones, the resulting output can be inaccurate since early generative AI solutions were trained on English. For example, in South Korea, only 26.5 percent of people read ChatGPT-created answers and considered them trustworthy.

Job disruption, increased cybercrimes, murky transparency and breached privacy rights are all pointed out as well.

However, the spread of false information is perhaps among the most pertinent issues, as the corrosion of societal

trust can be especially damaging to democracy and equity.

As far as the solutions go? Informed AI governance, transparent social media algorithms, deep fake detection and media literacy education are all hailed as options.

"We believe that using AI-powered solutions, continuous enhancement of cybersecurity tools, customer education and capacity building, will help in mitigating cybercrimes." - Diana Majimbo, Manager, Cyber and Intelligence, East Africa, Mastercard. [@ugbankers](#) [#BankingConf23](#) [pic.twitter.com/2qjOfObhJW](https://pic.twitter.com/2qjOfObhJW)

Mastercard MEA (@MastercardMEA) [August 14, 2023](#)

With these issues in mind, it appears that businesses and governments are learning to work together in order to ensure the safe usage of the technology, providing what seems to be a glimmer of hope among the fear-forward predictions that often dominate AI-related conversations.

"Regulatory frameworks and guardrails are crucial, just as they are for any potentially transformative technology," the report states.

"So far, regulators and legislators around the world have struggled to keep up with AI's advances, but the startling advent and swift progress of generative AI seem to have concentrated their attention," it says. "Interestingly, companies are advocating for governmental oversight of AI activities.

"This suggests that governments, the private sector and civil society can collaborate fruitfully in developing AI regulation."