Artificial intelligence, or AI, refers to the simulation of human intelligence by software-coded heuristics. Nowadays this code is prevalent in everything from cloud-based, enterprise applications to consumer apps and even embedded firmware.

The year 2022 brought AI into the mainstream through widespread familiarity with applications of Generative Pre-Training Transformer. The most popular applications are OpenAI's [DALL-E](https://www.investopedia.com/openai-rolls-out-upgraded-ai-image-generation-tool-with-dall-e-3-7972607) text-to-image tool and [ChatGPT](https://openai.com/blog/chatgpt). The widespread fascination with ChatGPT made it synonymous with AI in the minds of most consumers. However, it represents only a small portion of the ways that AI technology is being used today.

The ideal characteristic of artificial intelligence is its ability to rationalize and take actions that have the best chance of achieving a specific goal. A subset of artificial intelligence is [machine learning](https://www.investopedia.com/terms/m/machine-learning.asp) (ML), which refers to the concept that computer programs can automatically learn from and adapt to new data without being assisted by humans. Deep learning techniques enable this automatic learning through the absorption of huge amounts of unstructured data such as text, images, or video.

KEY TAKEAWAYS

* Artificial intelligence (AI) refers to the simulation or approximation of human intelligence in machines.
* The goals of artificial intelligence include computer-enhanced learning, reasoning, and perception.
* AI is being used today across different industries from finance to healthcare.
* Weak AI tends to be simple and single-task oriented, while strong AI carries on tasks that are more complex and human-like.
* Some critics fear that the extensive use of advanced AI can have a negative effect on society.

**Understanding Artificial Intelligence (AI)**

When most people hear the term artificial intelligence, the first thing they usually think of is [robots](https://www.investopedia.com/sectors-and-industries-analysis-4689756). That's because big-budget films and novels weave stories about human-like machines that wreak havoc on Earth. But nothing could be further from the truth.

Artificial intelligence is based on the principle that human intelligence can be defined in a way that a machine can easily [mimic it and execute tasks](https://www.investopedia.com/terms/k/knowledge-engineering.asp), from the most simple to those that are even more complex. The goals of artificial intelligence include mimicking human cognitive activity. Researchers and developers in the field are making surprisingly rapid strides in mimicking activities such as learning, reasoning, and perception, to the extent that these can be concretely defined. Some believe that innovators may soon be able to develop systems that exceed the capacity of humans to learn or reason out any subject. But others remain skeptical because all cognitive activity is laced with value judgments that are subject to human experience.