

Why RAG is Needed:

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Language models alone struggle with outdated knowledge, hallucinations, and lack of domain context. RAG solves this by retrieving relevant, real-time information—making AI responses accurate, contextual, and verifiable.

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LLM Limitation (Without RAG)

Knowledge Cutoff



Hallucinations

No Domain Knowledge

Context Window Limits

No Source Attribution

Fine-Tuning is Costly

Problem Description

LLMs can't access information after their training date (e.g., news, updates).

LLMs may generate false or misleading information.

Out-of-the-box LLMs don't understand custom company/product-specific data.

LLMs can only process a limited number of tokens (~4K–32K max).

Responses lack transparency—users can't verify sources.

Customizing LLMs via fine-tuning is expensive, slow, and rigid.

How RAG Solves It

Retrieves real-time data from external sources (e.g., websites, databases, documents).

Grounds answers in real documents, reducing hallucination.

Retrieves context from your own data (PDFs, Notion, product manuals, wikis).

Uses vector search to retrieve only relevant chunks, optimizing context usage.

Returns source documents, page numbers, or URLs for verifiability.

Avoids fine-tuning by dynamically injecting context through retrieval.

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