

2025: AI's Vibe Check Year

Author: Rebecca Bellan

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In early 2025, the AI industry saw unprecedented investment, with OpenAI raising \$40 billion and new startups securing massive seed rounds. Companies like Meta spent billions acquiring talent and infrastructure. However, the initial fervor began to wane as concerns arose about an AI bubble, user safety, and sustainable growth. The focus shifted from mere acceptance to scrutiny, questioning the sustainability of AI companies' velocity and business models. As model improvements became incremental, the emphasis moved towards productization and distribution. Companies like Perplexity and OpenAI explored innovative strategies, while Google leveraged its existing ecosystem. The year also brought increased scrutiny with copyright lawsuits and concerns over mental health issues related to AI chatbots. Industry leaders and even AI labs cautioned against overreliance and the dangers of unchecked scaling. 2025 marked a turning point for AI, setting the stage for 2026, where companies must prove their economic value and address critical questions about their impact and sustainability.