



ChatGPT

Product Teardown



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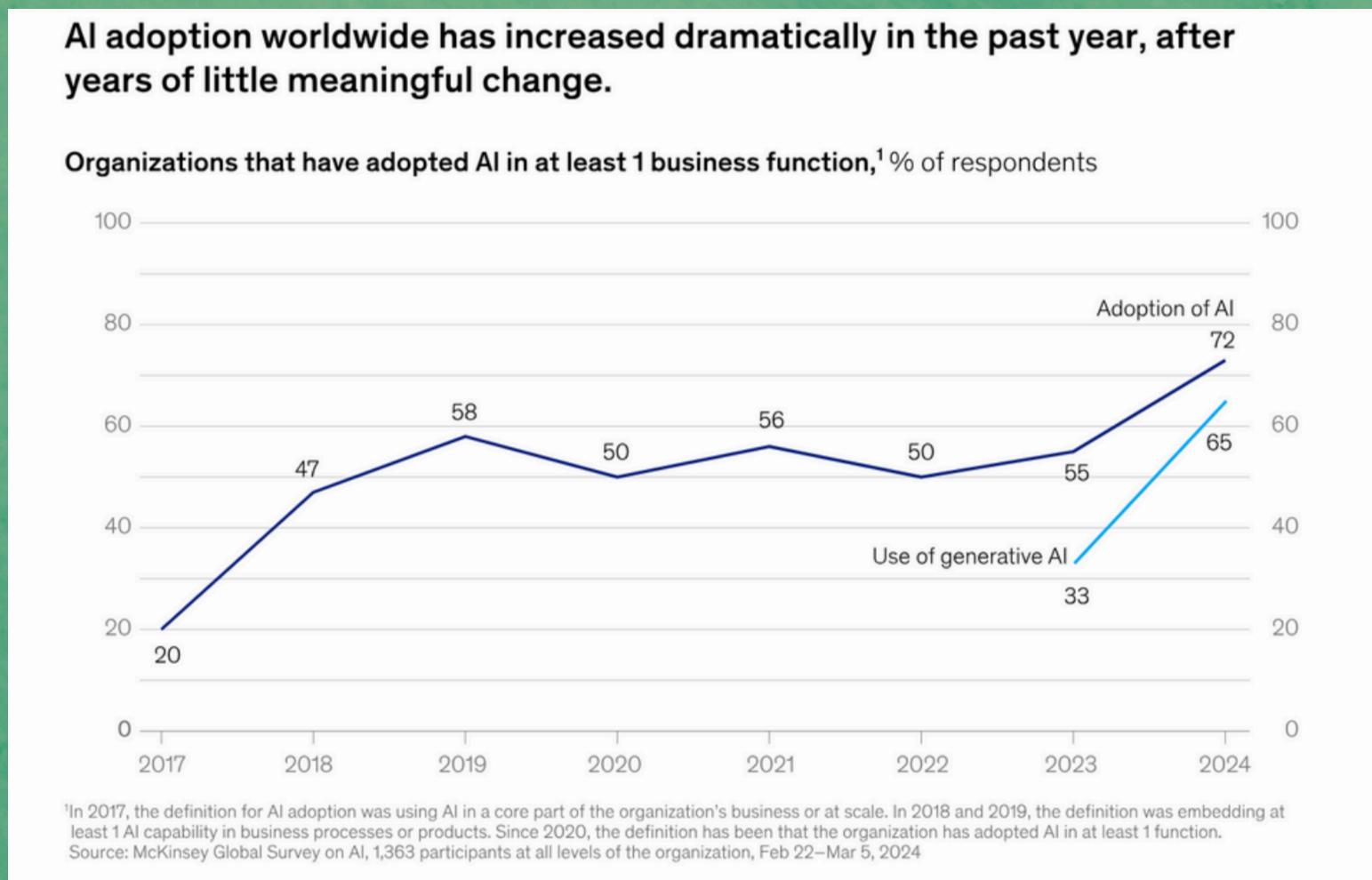
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Generative AI

- Generative AI, short for generative artificial intelligence, is a type of AI that can create new data, like text, images, music, and even videos that mimic human-like creativity.
- It uses machine learning techniques, particularly deep learning models like GANs (Generative Adversarial Networks) or language models such as transformers, to create new data based on patterns and examples it has been trained on.



Source: <https://www.mckinsey.com/capabilities/quantumblack/our-insights/the-state-of-ai>

Key Players In the Market



Market Trends

- In the latest McKinsey Global Survey on AI, **65 percent** of respondents report that their organizations are regularly using gen AI, nearly double the percentage from the previous survey just ten months ago.
- For the past six years, AI adoption by respondents' organizations has hovered at about **50 percent**. This year, the survey finds that adoption has jumped to **72 percent**.
- Compared with 2023, respondents are much more likely to be using gen AI at work and even more likely to be using gen AI both at work and in their personal lives

ChatGPT - An Overview

With over **175 billion parameters**, ChatGPT is one of the **largest** language models available

Developer : OpenAI

Model : Based on GPT (Generative Pre-trained Transformer) architecture

- Capabilities :**
- Engages in natural, human-like conversations.
 - Supports text completion, translation, summarization, and question answering.
 - Maintains context over extended interactions.
 - Provides recommendations
 - Multilingual
 - Easily integrates with various platforms via APIs

Pricing and Plans

- **Free :** Access to GPT-3.5; Limited access to GPT-4o
- **Plus :** Access to GPT-4, 4o and 3.5 ; DALL-E image generation; Create and use custom GPTs
- **Team :** Higher message limits on GPT-4,4o and DALL-E ; Admin console for workspace
- **Enterprise :** Unlimited, high speed access to GPT-4,4o and tools like DALL-E; Expanded context window; Domain verification and analytics

Business Model

Revenue generation streams

- **Subscription Plans:** Users can subscribe to different tiers, each offering varying access levels
- **API usage:** Developers are charged based on API usage depending on factors such as number of requests, processing time
- **Licensing and partnerships:** OpenAI licenses ChatGPT to partners, who integrate the AI model into their services

Cost structure

- **Research and Development:** Continuous investment in R&D to advance features
- **Infrastructure:** Cost associated with maintaining servers, data centres
- **Personnel:** OpenAI's taskforce and experts
- **Marketing and Customer support**

History and evolution of ChatGPT

2018

- OpenAI introduces its first model of GPT, with over **117 million** parameters
- Commonly known as **GPT-1**, it showcased the power of unsupervised learning



200 Million
Monthly Active Users

2019

- In Feb, **GPT-2** was released with a significant upgrade of **1.5 billion** parameters
- Initially released for research purposes, the full version wasn't available until later in November



10 Million
User Queries per Day

2020

- OpenAI launches **GPT-3** with over **175 billion** parameters, making it the largest and most powerful language model



1.4 billion visits
a month

2023

- **GPT - 4** is launched which includes several improvements, larger training datasets, and enhanced safety measures
- Aimed at enhancing user experience

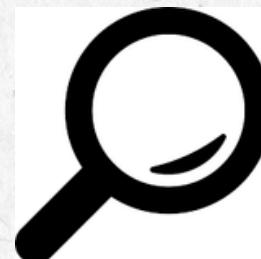


\$1 billion in
Revenue

Unique Features

Explore GPTs

- A store that features a diverse range of **GPTs developed by the partners** and community
- Helps users design and **interact** with various GPT models
- Builders are **paid** based on the user engagement on their GPTs
- These allow for further **customization** that is often missing in AI solutions
- Builders can also **release live demos** to test their interface and **receive feedback**



AIPRM (AI Prompt Repository Manager)

- It is a **prompt management library** that helps users improve output
- Allows users to **store** and access a collection of AI prompts
- **Categorizes prompts** based on specific tasks and use cases
- Has advanced **word search** and **filtering** options
- Users can experiment with different **styles and tones** thereby personalizing prompts



Community

- A **collaborative environment** where users, developers and other enthusiasts connect
- Platform for users to **ask questions**, share experiences
- Provide **feedback** directly to developers
- **Networking** opportunity for professionals and researchers in the field of AI
- Ensures ChatGPT is **guided by user feedback** and community needs



SWOT Analysis

ChatGPT

STRENGTHS

- Easy to use
- Generates new content rather than listing existing sources
- Provides **real time**, personalized responses
- Regular updates and improvements are made

WEAKNESS

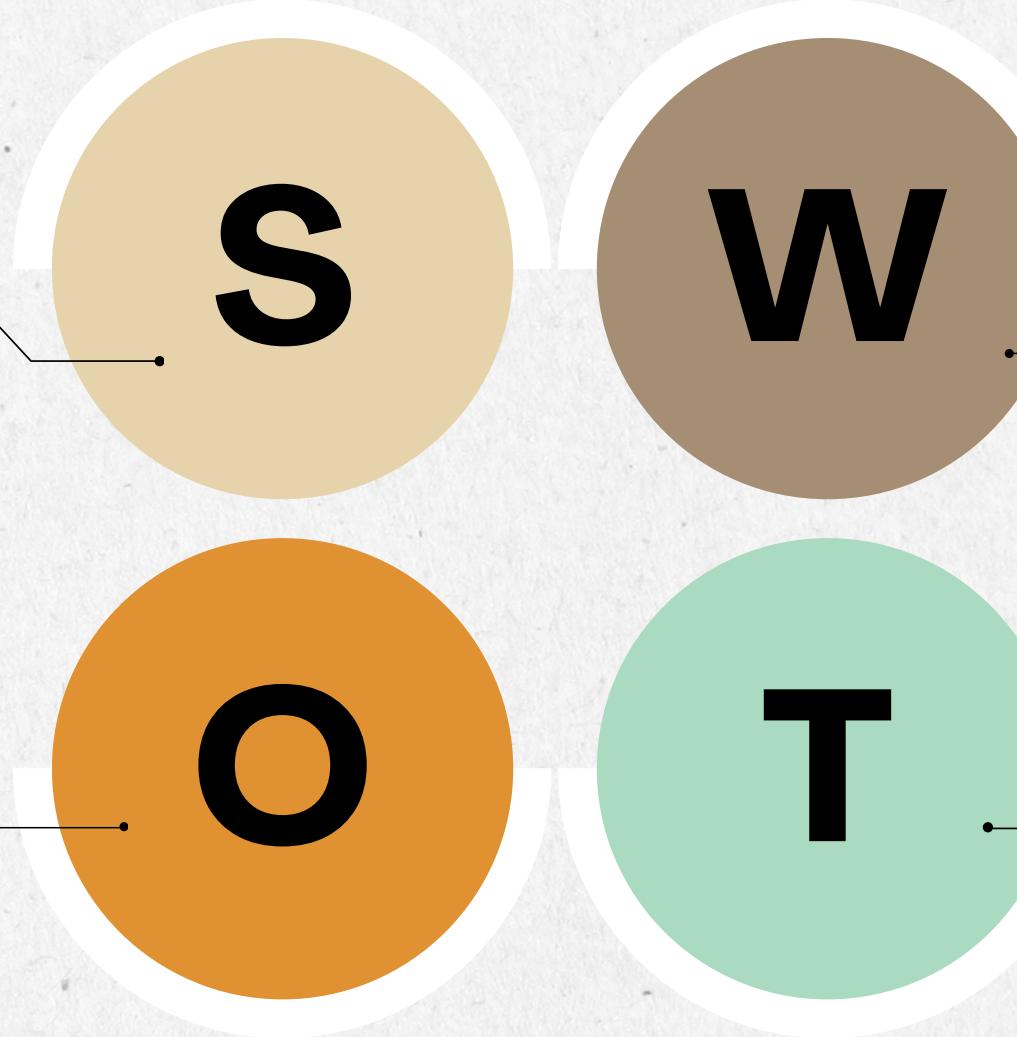
- Lack of training data post 2021
- Responses can be biased
- No sources are cited
- Lack of deep understanding in certain aspects
- Limited real-world understanding

OPPORTUNITIES

- Language **expansion**
- Integration of **voice assistants**
- Can be used for **healthcare** applications
- Increasing number of content creators
- Increasing **Internet penetration** and government initiatives

THREATS

- Increasing **competition** in the market
- **Security risks** and potential misuse
- New **regulatory policies** and scrutiny
- Public **skepticism** and concerns about AI and ethics
- Decline in high-order cognitive skills



User Insights

- We collected over **150 survey responses** in which nearly **70** percent of the respondents belonged to the '**less than 25-year-old**' age group.
- **65** percent of the participants used chatGPT **at least once a week** mainly for **general information, writing assistance, and coding purposes**, and nearly **80** percent had heard of prompt engineering
- Participants found ChatGPT **very easy** to use, **fairly accurate** and **fast** though not very **intuitive**.
- **50** percent found room for **improvement** in the product and provided feature **suggestions**.
- **75** Percent of the participants said that they would strongly **recommend** ChatGPT to others.

Major User Segments



Students



Developers



Researchers



Content Creators



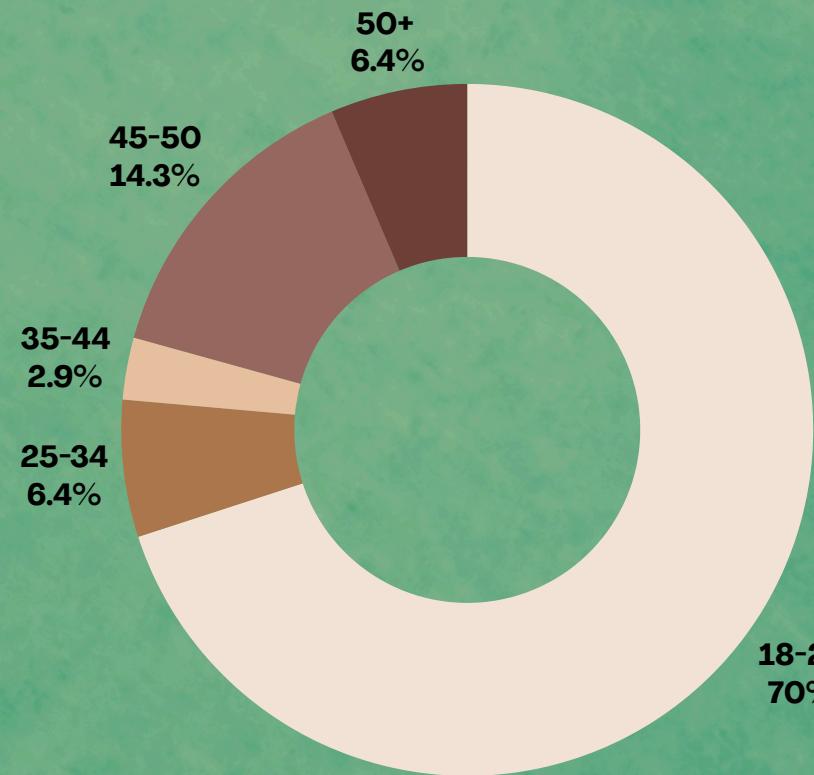
Buisnesses

Common User Pain Points

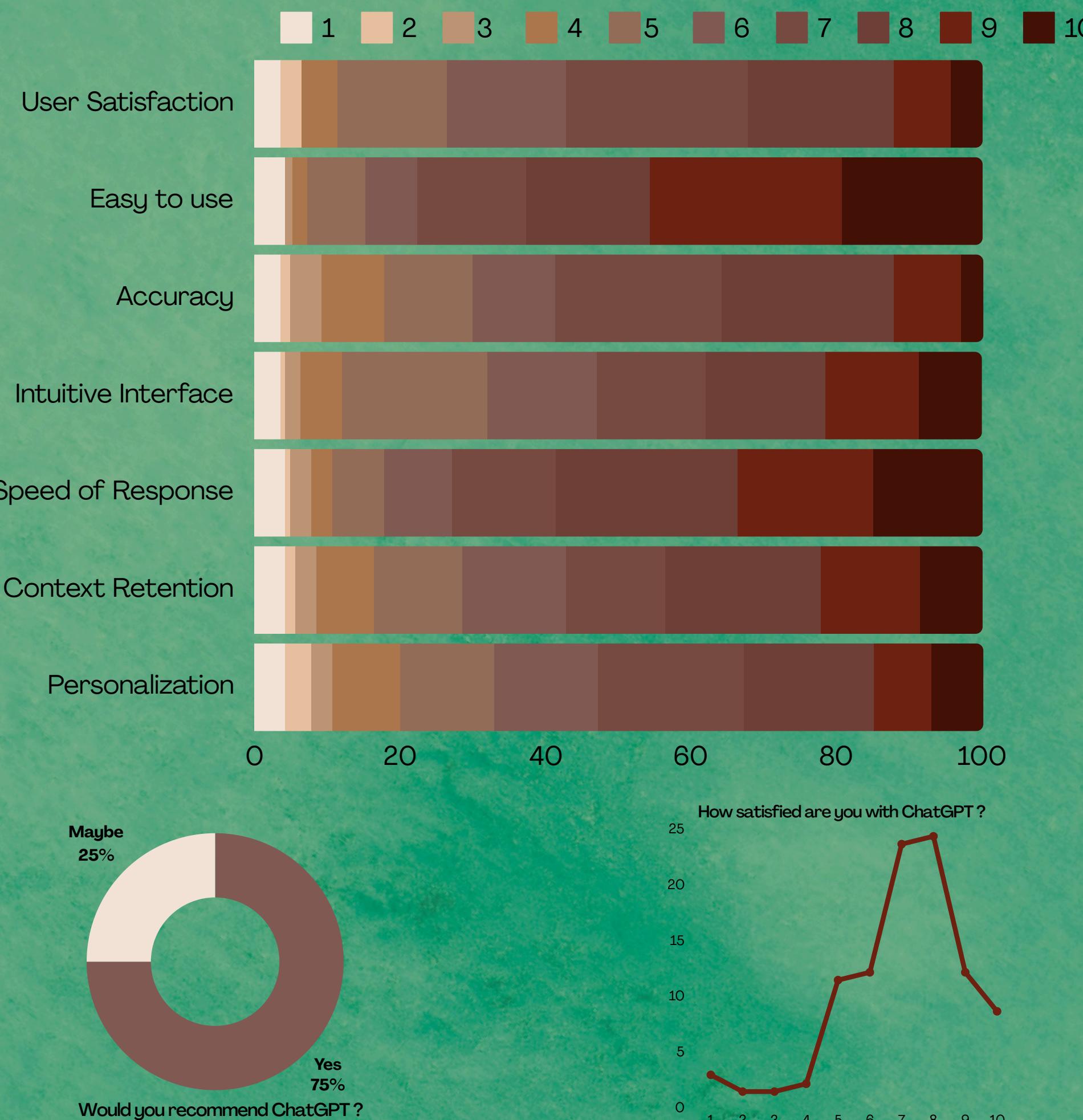
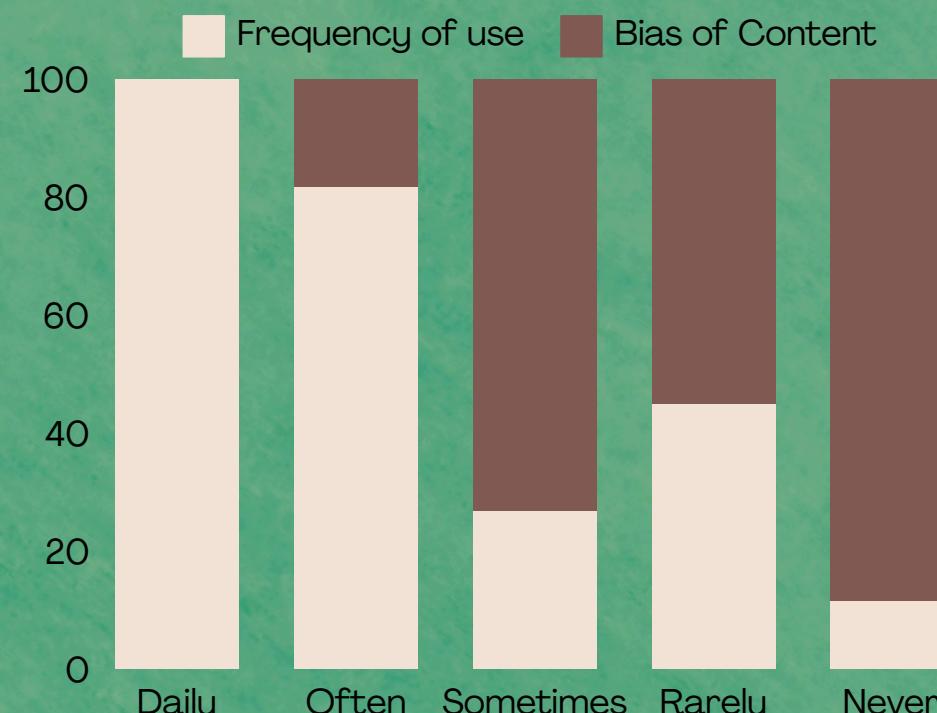
- Unintuitive UI
- Lack of Accuracy
- Slow Response Time
- Poor Feedback
- Response
- Generic Responses
- Lack of Updates
- Poor responses in other languages

Survey Insights

150
Respondants



62% Male
38% Female



Competitor Analysis

FEATURE	CHATGPT 	GEMINI 	COPilot 
Prompt Limit	Unlimited-GPT 3.5 Limited- GPT4	Unlimited	Unlimited
Response Quality	Feels Generic	Limited Information	Bit Cluttered
Source Citation	No	No	Yes
Voice Input/Output	No	Yes	Yes
Image Generation	No	Somewhat	Yes
Interface	Simple	Personalised	Cluttered More visual features

*Only the free versions are compared

Through our survey, we found out nearly 60% of people who use ChatGPT also use other AI Tools as well.

Primary Feature Suggestions

- **Voice Input/Read Aloud:** Adding a text-to-voice converter and an option to listen to responses smoothens the user experience. It also improves access to the platform.
- **UI improvements:** A more personalized and simplified UI. It could be made more attractive with images.
- **Prompt Suggestions:** Related prompts to be suggested based on the ongoing conversation to make the experience more intuitive and personalised.
- **Source Citations:** Citing sources after each response. This could improve the accuracy of responses and increase the trust of users.
- **Image Generation:** Would prevent users from using other platforms for image generation improving retention and engagement.

*Present in competitors

Secondary Features

- Better responses in regional languages
- Option to tailor responses (lengthen / shorten / tone change)
- Better Organised Chat Panel
- Faster, more accurate responses
- Advanced Analytics
- Integration with other apps



Key Metrics

Categories	Objective	Metrics
Performance Optimization	<ul style="list-style-type: none">• Enhance efficiency and reliability of responses• Improve speed of responses• Provide insights, sources	<ul style="list-style-type: none">• Average response time• Reduction in error• Number of insights derived from analytics
Functional Enhancements	<ul style="list-style-type: none">• Expand language capabilities• Advanced analytics and multimedia capabilities• Image generation	<ul style="list-style-type: none">• Increase in engagement in supported language• Min number of prompts for image generation
User Experience	<ul style="list-style-type: none">• Improve user experience with voice feature• Prompt suggestions to help ease conservation flow• Personalization of responses• Enhance usability with improved and easy UI	<ul style="list-style-type: none">• Click through rate of various features• Adoption rate of voice feature• Average session duration of users
Integration	<ul style="list-style-type: none">• Expand functionality by integrations into other apps	<ul style="list-style-type: none">• Adoption rate or the percentage of users that are actively using the feature

Thank you

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