

MEDIA REPORT 10

Summary

In the AP News article, “Amazon is investing up to \$4 billion in AI startup Anthropic in growing tech battle” written by The Associated Press, reports on Amazon investing 4 billion dollars in Anthropic(an artificial intelligence startup based in San Francisco) taking a minority stake in the company. This investment shows how Big Tech companies are investing in AI as they compete to capitalize on the new opportunities that the newest generation of AI technology has. Amazon stated that the deal is part of a broader collaboration to develop foundation models, which underpin the generative AI systems that have captured global attention. Foundation models are known as large language models that are trained on vast pools of online information(like blog posts, digital books, scientific articles, and pop songs to generate text, images, and videos that resemble human work).

Under the agreement between Amazon and Anthropic, Anthropic is making Amazon its primary cloud computing service and is using Amazon’s custom chips as part of its work to train and deploy generative AI systems. Anthropic was founded by former staffers from OpenAI(the company that created the AI chatbot ChatGPT which can come up with human responses to prompts). Anthropic has created their own ChatGPT rival and the latest version is available in the U.S. and the U.K. It is capable of sophisticated dialogue and creative content generation to complex reasoning with detailed instruction. Amazon has been competing with rivals like Microsoft who has invested \$1 billion in OpenAI as of 2019 followed by another multi-billion-dollar investment at the start of the year. Amazon has been releasing new services to compete in the AI technology race. They released an update for its popular assistant Alexa so users can have more human-like conversations and AI-generated summaries of product reviews for consumers.

Personal Opinion

Overall, I strongly agree with Amazon investing 4 billion dollars in Anthropic because it would allow Amazon to build new technologies and provide updates to older technologies that will use AI systems while also allowing Anthropic access to Amazon's primary cloud computing service and Amazon's custom chips as part of work to train/deploy generative AI systems. Foundation models would be helpful in the development of AI systems because of their extensibility/adaptability, flexibility, performance, accuracy, and ease of training. I believe that Amazon has made a good agreement with Anthropic because they will both benefit from the development of AI technologies through this agreement.

Citation

Press, T. A. "Amazon is investing up to \$4 billion in AI startup anthropic in growing tech battle". AP NEWS. Associated Press, September 25, 2023.
<https://apnews.com/article/artificial-intelligence-amazon-anthropic-investment-72d21e6c663d506dbf968f50628e7ded>