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Topic: Apple Takes Serious Strides Towards AI Features

Apple researchers have revealed new information that they have developed an AI system called MM1 that has the capability of interpreting and generating different types of data (i.e. text and images) at the same time. According to the developers, MM1 "boasts superior capabilities" that can offer "advanced reasoning and in-context learning to respond to text and images" (Murphy-Kelly, 2024). This new technology could benefit Apple's products including its iPhones, Macbooks, and Siri. Apple is expected to show off several new AI features in June at its developer.

Many tech companies have been pouring billions of dollars into the development of AI, however Apple has typically trailed behind in the AI scene, with companies such as OpenAI taking the lead on the advancement of the new technology. However, Apple has been discussing with Google and has reached a deal. This partnership could indicate that Apple is not quite where it wants to be and is interested in licensing Google's AI engine, Gemini, into its iPhones and other IOS features. Furthermore, Apple has been developing its generative AI capabilities and has acquired companies such as DarwinAI – a Canadian startup– and has also devoted a division to the advancement of AI.

The partnership between Apple and Google is beneficial for both companies. For Apple, the agreement would give them "the foundation and technology to double down on AI-powered

IOS features currently being developed" (Murphy-Kelly, 2024). Google benefits from this deal by being the default search engine on all of Apple's products. Analysts from Wedbush Securities expect the partnership to be advantageous for both companies. According to analysts, "This is a major win for Google to get onto the Apple ecosystem and have access to the golden installed base of Cupertino with clearly a major license fee attached to this" (Murphy-Kelly, 2024). The deal could also be a "huge 'validation moment' for Google's generative AI positioning" compared to Microsoft and OpenAI who have dominated the market early on. Moreover, there are over 2 billion Apple devices in use, meaning that Google could have "more consumers using its AI than its chief rival, OpenAI, which makes the ChatGPT AI chatbot – making a pact with Apple a tantalizing prospect" (The Strait Times, 2024).

Sources:

Murphy-Kelly, S. (2024, March 18). *Apple is Getting Serious About AI*. CNN. <u>https://www.cnn.com/2024/03/18/tech/apple-ai-google-gemini/index.html</u>

The Straits Times. (2024, March 20). *Apple and Google are Discussing a Deal to Bring Generative AI to iPhones.* The Straits Times. <u>https://www.straitstimes.com/business/apple-and-google-are-discussing-a-deal-to-bring-generative-ai-to-iphones</u>