

23001 Google v Microsoft: who will win the AI chatbot race?

The Guardian Fri 10 Feb 2023

The James Webb space telescope cost \$10bn to build, but it left Google with losses of more than \$160bn after the search engine's new chatbot answered a question about it incorrectly.

Google and Microsoft both announced plans for AI-enhanced search this week, taking the artificial intelligence space race into a new phase. However, the launch of the former's new chatbot, Bard, misfired badly when the error appeared in a demo.

The competitor to the Microsoft-backed ChatGPT was asked about the telescope and one of the answers displayed said it "took the very first pictures of a planet outside of our own solar system". Experts were quick to notice the inaccuracy – as were investors.

Shares in Alphabet, Google's parent, lost \$163bn in value over Wednesday and Thursday. The company remains a \$1tn-plus behemoth, in large part because of its dominance in search. But for how long?

Microsoft announced on Tuesday that it was using the technology behind ChatGPT, developed by the San Francisco-based company OpenAI, to enhance its Bing search engine and Edge web browser.

The company, which announced a multibillion-dollar investment in OpenAI last month, said the technology, based on a more powerful version of ChatGPT, would help users refine queries more easily, give more relevant, up-to-date results and make shopping easier.

Google knew it had to respond after the OpenAI deal and the runaway success of ChatGPT. It said on Monday that Bard was undergoing specialist testing and would be made more widely available to the public in the coming weeks.

Sundar Pichai, Google's CEO, said the technology behind Bard would soon be integrated into its search engine, citing the example of asking a new-look Google whether the piano or guitar is easier to learn. Unfortunately, it was the telescope response that got the most attention, combined with an underwhelming presentation on Google's latest AI-powered search plans in Paris on Wednesday.

Dan Ives, an analyst at US financial services firm Wedbush Securities, said the week had been a "massive success story" for Microsoft's CEO, Satya Nadella, but that Google's Paris event and Bard stumble had left the company with "more questions than answers".

However, he added: "While initially it feels like Google rushed Bard to market with the Microsoft ChatGPT deal and event overshadowing the company, this race will be a long one."

Microsoft is also unlikely to emerge unscathed from James Webb-type mistakes, experts said. Indeed, ChatGPT users have encountered inaccuracies while using the chatbot, the technology of which is underpinning the new-look version of Bing.

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