

Global Innovation

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The AI revolution: The Hopper step – unlocking new markets through computing power

Nvidia's recently unveiled Hopper infrastructure marks a paradigm shift in computational power economics, collapsing the costs of computing by an astonishing 90%. This ground-breaking advancement has catapulted 'accelerated computing' into the mainstream, while also serving to highlight the antiquated nature of our existing computing infrastructure. For forward-thinking investors, this generational shift poses a golden opportunity to strategically invest in this new computing platform.

Not only is this momentous reduction in computing costs inherently unclogging industry bottlenecks, it is also nurturing the birth of new and unforeseen markets. It's not just high-profile companies like OpenAI that can afford to train large language models anymore – lower training costs mean software giants such as Adobe, Airbnb, and ServiceNow can create and deploy domain-specific models which translate into innovative services for their clientele.

Adobe, in collaboration with Nvidia, has utilised its vast image catalogue to train a foundational model which has led to the creation of their pioneering generative AI product, Firefly. Firefly is consumer-centric, differentiated, and democratises creativity by lowering barriers to entry – it's now easier than ever to make photographs look professionally edited. This is naturally beneficial to the consumer, while also serving to grow Adobe's addressable market as more consumers enter the creative domain.

Meanwhile, Airbnb has been able to capitalise on its treasure trove of data, training its pricing algorithm to dynamically optimise pricing across its platform. This approach helps strike a precise balance between supply and demand, driving up supply utilisation and guaranteeing that customers can always find the best value accommodation. Consequently, Airbnb has become the go-to starting point for 90% of customers searching for short-term vacation housing, enhancing platform stickiness and trimming customer acquisition costs.

What happens when companies lack the necessary expertise to train large language models on their domain-specific data? This is where ServiceNow steps in, leveraging its long-standing partnership with Nvidia to empower businesses to incorporate generative AI into their operations, addressing bottlenecks across their myriad customer industries. A prime example is United Healthcare's call centres, where generative AI helps resolve issues with

scaling analogue fixed costs in line with customer growth – a long-standing thorny issue for the group, and whose resolution both reduces operational costs and opens the door for future growth.

From a consumer standpoint, the implementation of generative AI across products and services often remains unseen, much like how Google Maps subtly revolutionised location services to the benefit of all users. However, we will undoubtedly notice when industry bottlenecks dissolve, as services become available at substantially lower prices. Given the current backdrop of rising inflation it is hardly surprising that this innovative technology is being adopted with such fervour. The technology stands ready, and the time to tackle these pressing issues is now.

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