

Generative AI Software Market Forecast to Expand Near 10 Times by 2028 to \$36 Billion, S&P Global Market Intelligence Says

NEW YORK, June 8, 2023 /PRNewswire/ -- The popularity of ChatGPT spawned an array of startups and kicked off a race by major technology providers to compete for mindshare. Revenues of generative artificial intelligence (AI) technology offerings are forecast to reach \$3.7 billion in 2023 and expand to \$36 billion by 2028 with a compound annual growth rate (CAGR) of 58 percent from 2023 to 2028, according to a new S&P Global Market Intelligence report.

The new Market Monitor Generative AI report explored this emerging market, measuring and forecasting revenues for 263 software companies in the world that provide generative AI products, including text, images, audio, video, code and structured data generators.

"The Generative AI software market is currently in the development stage. While Generative AI models have been in development for years, the wide-scale productization of these models is a recent phenomenon with many vendors included in our analysis currently still in the beta or initial launch stage with their commercial products," said Nick Patience, managing analyst of Data, AI, Infosecurity & Risk at S&P Global Market Intelligence. "However, we anticipate a rapid expansion of the market overall, with some sectors advancing faster than others. Overall, we think the impact of generative AI will be huge and change the way we work with language, images, code, audio and video."

Key highlights from the report include:

- While distinct media generation segments will likely coalesce over time, at its current stage of emergence, each segment demonstrates distinct market characteristics and competitive dynamics.
- The text generator space is particularly vibrant, with lower-than-expected costs of foundation model application programming interfaces (APIs) contributing to a burgeoning ecosystem of startups, many targeting sales and marketing use-cases. This sector is expected to expand at a CAGR of 50 percent from 2023 to 2028.
- Code generation represents a less mature market, with fewer monetized projects or established vendors. With a CAGR of almost 73 percent between 2023 and 2028, however, it may represent the fastest growing Generative AI segment.
- The image generation space is also forecast to have a robust growth trajectory growing 148 percent for 2023 year on year, with its five-year CAGR at 66 percent. The sector contains some high-profile startups and more recently the entrance of established technology providers with large, curated image libraries. It has proven an early target for copyright infringement lawsuits.
- Generative AI approaches to structured data generation are emerging, and are likely to benefit from growing concerns around privacy. Few vendors currently productize generative AI-based synthetic data services, but a number of prominent startups have emerged to drive growth in the embryonic space with a five-year CAGR of 59 percent.



To arrange an interview with our experts or request a full copy of the S&P Global Market Intelligence Market Monitor Generative AI report, please contact press.mi@spglobal.com.

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