S&P Global Market Intelligence Foresees Rapid Expansion of Generative AI Software Market by 2028 to $52.2 Billion

NEW YORK, June 6, 2024 /PRNewswire/ -- As generative artificial intelligence (AI) technology pivots from research to the monetization and product launch stages, the software part of the generative AI market is now forecast to see significant expansion, reaching $52.2 billion by 2028 with a compound annual growth rate of 58% from 2023, according to S&P Global Market Intelligence.

S&P Global
Market Intelligence

Published by 451 Research, part of S&P Global Market Intelligence, the Generative AI Market Monitor report highlights an accelerated adoption rate of generative AI technologies across various sectors. This surge is attributed to advancements in AI models capable of generating new content, including text, images and code, leading to enhanced operational efficiencies and innovative applications in business processes.

"Our thorough and granular market forecast for generative AI software demonstrates the huge potential of this general-purpose technology to transform processes and eventually industries. Organizations around the world are committing resources to take advantage of this shift from traditional AI to generative AI," said Nick Patience, managing analyst of Data, AI, Infosecurity & Risk at S&P Global Market Intelligence.

Key highlights from the report include:

- This latest edition reflects a significant upward adjustment in market revenue predictions, with 2023 estimates increasing from $3.7 billion to $5.1 billion and the 2028 forecast climbing from $36 billion to $52.2 billion between our June 2023 and March 2024 publications.
- This accelerated curve can be attributed to three main drivers: expedited enterprise roadmaps for generative AI, an influx of new providers in the market, and intensified focus on monetization as demands for tangible financial results rise.
- North America currently dominates the generative AI market, with 64% of revenue in 2023 going to AI providers headquartered in the region. However, higher growth rates in Asia-Pacific, and Europe, Middle East and Africa are expected to gradually erode North America's dominance.
- The boundaries between different segments are becoming less distinct as multi-modal models—those trained to process and generate different types of data, like text and images—grow more sophisticated and software providers create offerings that span across them.
- Code generators are forecast to see the most pronounced growth rate of any sector, growing their share of the market from 6% in 2023 to 10% in 2028. This growth reflects both the early demand that popular products (like GitHub Copilot) have seen, and the improving performance of leading models.
- According to S&P Global Market Intelligence's Voice of the Enterprise: AI & Machine Learning, Use Cases 2024 survey, where survey respondents felt they saw generative AI delivering value the most at their organizations was process automation (45%), customer interaction (41%), and employee training (39%).

For more information about the Generative AI Market Monitor & Forecast or to arrange an interview with our analysts, please contact press.mi@spglobal.com.

About S&P Global Market Intelligence
At S&P Global Market Intelligence, we understand the importance of accurate, deep and insightful information. Our team of experts delivers unrivaled insights and leading data and technology solutions, partnering with customers to expand their perspective, operate with confidence, and make decisions with conviction.

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