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# Chapter 1

# Grasping the Basics of Generative AI

Can you imagine a world where machines can learn, create, and think like humans? This is the realm of generative AI (GenAI), where technology and creativity come together. Some types of AI learn from experience, while others follow strict rules.

In this chapter, we look at AI systems that need guidance, like students in a class and those who learn on their own. We also discuss AI that makes entirely new content instead of just organizing data. This chapter explores the diverse world of AI.

## Understanding the Different Flavors of AI

Each kind of AI has its own special function and way of working, just like tools in a toolbox. In the following sections, we look at these different types of AI to understand what they're like and how they work. We start with two main types:

- » AI that learns from data, which we call machine learning (ML)
- » AI that follows specific rules

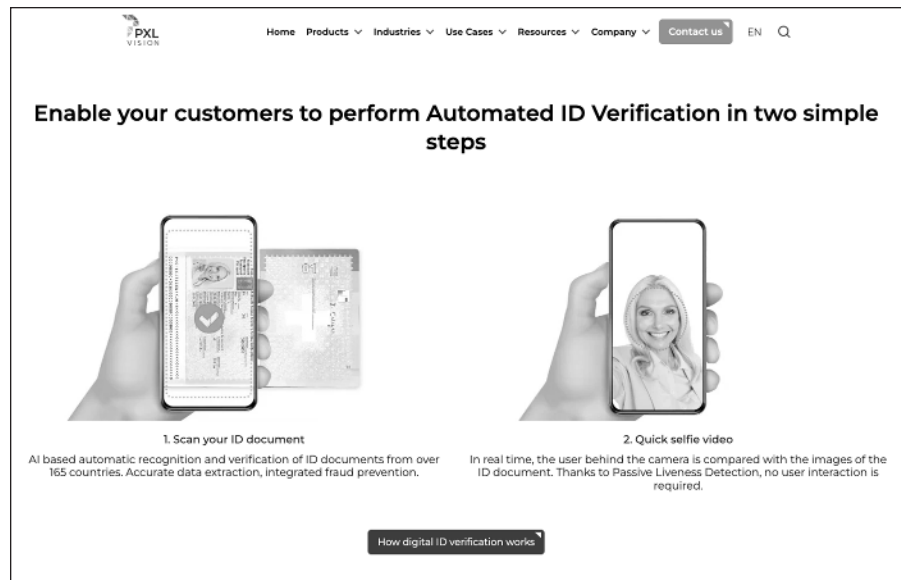
Both types of AI have their own strengths, making them suitable for different kinds of tasks. Understanding this will help you get a clear picture of how AI is changing our world, from health care to manufacturing and beyond. Each type of AI brings something valuable to the table, showing just how diverse and useful these technologies can be.

## Using AI that learns from data

ML can acquire knowledge and get smarter over time. It works by training on large amounts of data, finding patterns in it, and then making decisions based on what it finds.

This kind of AI is always changing. It gets better as it gets more data to learn from. For example, think about a system that recommends music. It looks at the songs you liked before and what other people who like the same music as you do also enjoy. Then it suggests new songs for you.

Another common area where ML excels is facial recognition. By reviewing many photos of a person's face, PXL Ident ([www.pxl-vision.com/en/pxl-ident](http://www.pxl-vision.com/en/pxl-ident)) can learn to recognize new photos of that person. Figure 1-1 shows an example of this application.



**FIGURE 1-1:**  
PXL Ident performs facial recognition, a common type of ML.

The ability to learn and change makes ML very powerful and useful. It can perform tasks like creating personal recommendations, organizing your phone's photo albums, or helping self-driving cars make decisions.

We can further break down ML into two specific types. These types differ in the way we teach AI:

- » **Supervised learning:** The AI learns from data that already has answers. It's like giving it a quiz with an answer key. For example, when AI works on recognizing images, it gets tons of pictures that are already named, like cat photos labeled "cat." This way, the AI learns to pick out similar images on its own.
- » **Unsupervised learning:** In this type of ML, the AI doesn't get any answers up front. It looks at the data, like customer buying patterns, and tries to make sense of it by itself. It's like solving a puzzle without the picture on the box as a guide. In business, this type of AI helps figure out which customers may like certain products, even though no one has sorted these customers into groups before.

ML is great because it can learn and change. It's like a quick learner that gets better the more it practices. This makes it perfect for jobs where things keep evolving or need a personal touch. For example, in health care, ML helps with diagnosing diseases. It looks at medical images, like X-rays or magnetic resonance imaging (MRI) scans, and learns from many examples. Over time, it gets very good at spotting signs of different health conditions.

## Using follow-the-rules AI

Follow-the-rules AI doesn't learn from data. Instead, it follows a set of instructions we give it. This means that it doesn't change or get better over time. It's useful for tasks that are done the same way every time. This kind of AI is reliable for critical jobs where mistakes could be dangerous. Imagine a nuclear power plant. Here, rule-based AI helps monitor everything, making sure all systems are working correctly. It does the same thing every time, which is really important for safety. In a factory, rule-based AI checks products for any defects. It uses specific guidelines to examine each item, making sure everything meets the standard. This keeps the quality of the products consistent, which is super important for the business and the customers.



TIP

A good example of follow-the-rules AI is email spam filters. The filters have a set of rules, such as looking for certain words, to decide if an email is spam. This method is straightforward and always follows the same steps. It is great for jobs that require consistency and follow specific rules or guidelines.



Follow-the-rules AI is the go-to for tasks that require steady and unchanging performance.

## Needing a Teacher versus Learning On Its Own

How AI learns is really important. However, not all AI learns the same way. There are two types of AI learning:

- » **Supervised learning:** Supervised learning needs guidance, which is kind of like having a teacher. It learns from examples that already have answers.
- » **Unsupervised learning:** With unsupervised learning, AI figures things out on its own. It doesn't have answers up front — it has to sort through data by itself.

Knowing the difference between these learning styles helps you understand AI better. It shows you how AI can either follow a set path or discover new things, depending on how it's taught.

### Considering supervised learning

Supervised learning in AI works something like having a teacher. This kind of AI gets data that is already labeled or has clear definitions. Think of this data as a textbook with all the answers. The AI learns from this “textbook” to understand patterns and make choices about new, similar information.

For example, in medical diagnosis, supervised learning is highly useful. AI systems get trained with many medical images, like X-rays or MRI scans, that doctors have already diagnosed. The AI studies these images and learns how to spot various health conditions. Then, when it sees new patient images, it can suggest what the diagnosis may be. This helps doctors diagnose more quickly and accurately.

In the world of finance, banks use supervised learning, too. They train AI on data about transactions, some of which are marked as fraudulent and others of which are marked as safe. When the AI checks new transactions, it looks for signs that match known fraud. If it spots something suspicious, it alerts the bank. This way, the AI helps stop fraud before it causes any harm.



REMEMBER

In both these cases, the AI relies on its training from labeled data to make smart decisions. It's a bit like a student who has studied a lot and then applies that knowledge to new problems. This kind of AI is great for tasks where you need reliable and accurate results based on clear examples it has learned from.

## Dipping into unsupervised learning

With unsupervised learning, AI systems learn from data that does *not* have clear instructions or labels. Imagine AI as an explorer going through data without a map. It looks for patterns and figures out the structure of the data all by itself. The goal is not just to find the correct answer but to explore and uncover how the data is organized.

One area where unsupervised learning is highly useful is in retail market segmentation. In this case, AI examines customer data, like what they bought, their preferences, and where they're from. However, it doesn't have predefined groups. The AI figures out its own ways to group customers based on the data. This helps businesses understand their customers better and create marketing strategies for different groups. It's a smart way to increase customer happiness and boost sales because the offerings are more tailored to each group.



TIP

Unsupervised learning is also important on social media platforms. The algorithms look at what users do — for example, the posts they like or share — to spot trends and common themes. Using this info, the AI can adjust what each person sees in their feed, making sure it shows posts they're more likely to find interesting. This makes the social media experience better for users because they get content that is more relevant to them. In both retail and social media, unsupervised learning helps AI understand and respond to people's preferences in a more personalized way.

## Recognizing differences and their impact

The main difference between supervised and unsupervised learning in AI is about whether the data has labels. Supervised learning has a clear structure. It uses data where the outcomes are already known. Think of it like having a guidebook. It's great for specific tasks like sorting things into categories or making predictions.

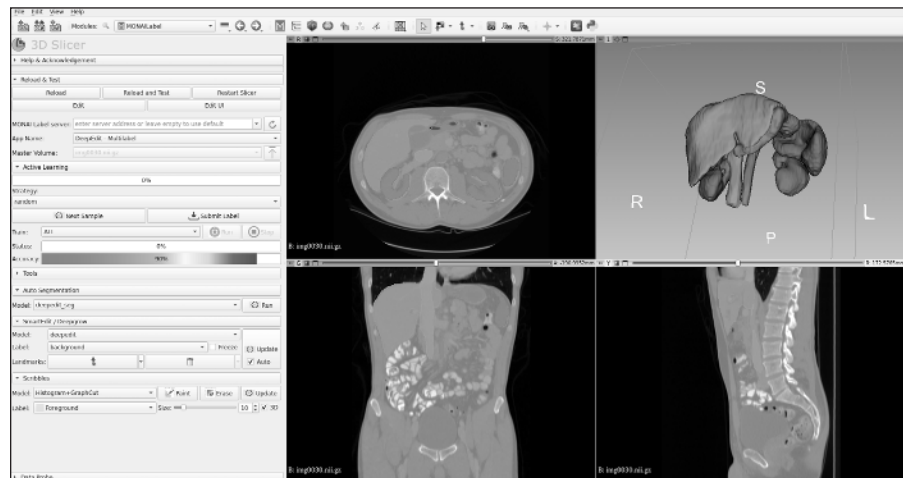
Unsupervised learning, on the other hand, is more like an adventure into the unknown. It works with data that doesn't have labels. The AI has to figure out the patterns and structures in this data by itself. It's kind of like exploring a new place without a map. This approach is perfect for digging through data to find new insights and groupings, especially when we don't know what the connections may be.



These differences really shape how we use these types of AI. When you know exactly what you're looking for, supervised learning is the way to go. But when you're in the mood to discover new things and you don't have clear answers, unsupervised learning is the better choice. It's all about whether you have a clear direction from the start or you're exploring to find new patterns and connections.

## Grasping real-world implications

In the practical world, the way AI learns — whether it's supervised or unsupervised — really matters. For instance, in health care, supervised learning plays a big role. It helps catch diseases early by analyzing medical images like X-rays or MRI scans. One example of this kind of application is Nvidia's MONAI platform (<https://monai.io>), shown in Figure 1-2.



**FIGURE 1-2:** Nvidia's MONAI platform helps train ML for medical imaging.

This early detection can be lifesaving, because it spots health issues before they get serious. In business, unsupervised learning is a big help, too. It lets companies dig into customer data to find out what people like and don't like. This leads to improved products and services because businesses better understand their customers.

But these methods aren't without their challenges. Supervised learning needs a lot of data that already has answers, which can take a lot of time and money to get ready. Unsupervised learning is more go-with-the-flow, but it can sometimes give you unclear or not-so-accurate results because it doesn't have clear instructions to follow.



TIP

Both supervised and unsupervised learning have special strengths and uses. Getting to know these methods helps you see what AI can and can't do. As AI keeps getting better, these ways of learning will become even more important. They'll help shape the future by offering new ideas and solutions in all kinds of fields.

## Observing AI That Creates New Things versus AI That Sorts and Filters

There are two types of specialized AI, each with a unique role. The first is GenAI, which creates new content. The second is discriminative AI, which sorts and categorizes existing information. Knowing how these two types differ is important. It's like understanding that each player on a team has a special job to do.



REMEMBER

GenAI is the innovator, making new things. Discriminative AI is the organizer, making sense of what's already there. This understanding helps you see how AI functions in different ways, each type playing its part in the vast field of AI.

### Looking at generative AI as the innovator

GenAI stands out in the AI realm for its creative abilities. It isn't limited by what it already knows — it can create entirely new works. This type of AI takes a large amount of data, learns from it, and then uses that knowledge to make something new and original. Here are three examples:

- » **Creating music:** You may use a GenAI app that can write music. It learns about notes, melodies, and what makes a good song. It then uses what it learned to write a completely new song. This song will be something unique that has never been heard before.
- » **Making art:** GenAI is making a big impact in the world of art. Artists can now use AI tools to create one-of-a-kind designs and images. These AI tools have been trained on massive amounts of paintings, illustrations, and other types of images from throughout history. The AI can then take this training and generate new artworks that mix different artistic styles and elements in innovative ways.
- » **Storytelling:** Another exciting application of GenAI is in storytelling. AI programs trained on thousands of books can come up with their own stories, creating new narratives, characters, and plotlines.



TIP

GenAI is especially relevant to this book's focus on prompt writing. It shows that AI can not only process and understand existing content but also use that understanding to generate new, creative works. This capability of GenAI to create fresh, original content from a rich background of existing data is a major development in the field of AI.

## Navigating discriminative AI as the organizer

Discriminative AI, in contrast to GenAI, functions more like a decision-maker. It works with information it already knows to organize new data and make choices. This is like a librarian who arranges books in different sections or a referee who makes decisions based on a game's rules. Discriminative AI is categorizing and making decisions based on set criteria.



REMEMBER

In everyday life, discriminative AI is fairly common. For example, consider email systems. Most of them use discriminative AI to keep spam out of your inbox. The AI learns what spam emails look like by studying examples. Then it applies what it has learned to new emails and sorts those emails into "spam" or "not spam" categories. This helps make sure your inbox stays clean and relevant.

Online shopping is another area where discriminative AI is very useful. It helps suggest products you may like. The AI observes your past shopping habits, including what you've browsed and bought. Then it recommends similar items based on these past choices. Think of this as having a personal shopping assistant who knows your tastes and preferences.



REMEMBER

GenAI is about creating new content; discriminative AI focuses on organizing information and making decisions. Discriminative AI is an important key that unlocks more personalized online experiences. This could include managing our emails or enhancing our online shopping. Understanding the role of discriminative AI helps you better appreciate how to tailor AI for specific tasks. This goes a long way toward enabling efficiency and relevance across various applications.

## Viewing how they work together

Generative and discriminative AI, while different, often team up to work better. For example, here's how they do this in a movie recommendation system:

» **Generative AI comes up with a list of movies that seem to fit what a user likes.** It's using what it knows to create something new, which is a list of movies they might enjoy.

» **Discriminative AI steps in and narrows down this list.** It looks at what the user has enjoyed in the past and picks out movies from the list that are most likely to hit the mark.

This way, the user gets recommendations that are not just random but tailored to their specific taste, thanks to the combined efforts of both types of AI.

## Thinking about the impact of AI

GenAI is changing how we tackle creative work and solve tough problems. It's doing more than just helping artists and writers come up with new ideas. It's also finding new ways to treat diseases. Imagine GenAI discovering treatments for illnesses we cannot cure yet. This type of AI is a game changer in health care and other important areas.

Discriminative AI is great at sorting through lots of information. It's really useful in big tasks like studying climate change or planning cities better. For instance, it helps scientists understand environmental changes and city planners manage resources smarter. This AI looks at huge amounts of data and makes sense of it, helping people make better decisions in crucial areas.



TIP

Both kinds of AI have a big impact. They're making real differences in important fields. GenAI brings new ideas and solutions, while discriminative AI helps us handle and understand large amounts of data better. Their influence improves how we manage big challenges and make advances in our world.

GenAI has the power to create things we haven't even thought of yet. Imagine new kinds of entertainment or innovative ways to tackle climate change. That is what GenAI might bring us. On the discriminative AI side, it will keep making our lives with technology easier and more natural. It's about understanding and organizing the information around us.

Knowing the differences between these two types of AI, as in which one creates and which one organizes, is key to understanding how versatile AI is. The mix of generative and discriminative AI will keep shaping our experiences. They'll bring us new ways to handle the problems and opportunities we face every day.

# Looking at the Role of Human-Technology Interaction

A key area we need to focus on is how humans and technology work together. It's about more than just mixing human skills with AI abilities; it's about the growing, changing relationship where technology improves and broadens what humans can do. It supports and increases human capabilities. It isn't about taking over human jobs. Instead, it's becoming a helpful partner that makes tasks easier. That, in turn, allows you to do more than before and do it better and faster.

The AI-human partnership is all about combining what both do best. AI is great at working fast, being precise, and handling a lot of data. When you mix this with human thinking, creativity, and know-how, you get an amazing team. This combination leads to new ideas and solutions in many areas.



TIP

Think of AI as a very efficient helper that handles the heavy data work. It lets humans use our unique skills to think of new ways to solve problems and be creative. Together, AI and humans can do things neither can do alone. We work hand in hand to create better ways of accomplishing tasks.

In the next sections, we explore the AI-human partnership by looking at how AI helps doctors make better diagnoses, assists teachers in personalizing lessons, and aids businesses in making smarter decisions.

## Improving health care

AI can totally change an industry — in this case, health care. AI is very good at working through a lot of medical information and spotting patterns that may be important. It can figure out what's wrong with patients and decide the best way to treat them. Here are some examples:

- » **Changing how doctors diagnose diseases:** Doctors are using AI to help look at things like X-rays or MRI scans. The AI checks these images for anything unusual that may show a disease is present. It gives a first look, and then doctors take over to make the final call. This team-up leads to finding diseases earlier and more accurately, which can really make a difference in how well patients recover.
- » **Suggesting custom treatments:** AI can do more than help find diseases. It also plays a big role in figuring out the best treatment for each patient. It looks at all the patient's information — for example, their medical history, their genes, and even their daily habits. With this data, AI suggests treatments

that are suited to that person. Health-care professionals can then step in to fine-tune these plans, making sure each patient gets the care that is best for them.

- » **Fighting diseases:** AI is helping fight cancer. Hospitals have started using AI systems to find cancer early. These systems are trained on a massive number of patient records and images from tests, picking up early signs of cancer more accurately than usual. Thanks to this, doctors can start treating patients sooner, which really improves the chances of successful treatment.



REMEMBER

AI is initiating a new era in health care. It isn't just about new gadgets or software; it's about how AI and humans can work together to make everyone healthier. This teamwork is changing how we understand diseases and treat them, leading to better care for patients everywhere.

## Transforming learning experiences in education

In today's world, AI is changing education, making learning more tailored and effective. Learning is not just about reading books or listening to lectures anymore. AI is bringing a whole new approach to how students learn and how teachers teach.

- » **Tailoring learning for every student:** AI tools are highly adept at figuring out how each student learns best. It looks at what students are good at and what they struggle with. Then it suggests teaching materials and activities that fit each student's needs. This means every student gets to learn in a way that works best for them, whether they need extra help or are ready for more advanced topics.
- » **Helping teachers:** AI is great for more than just students; it's also a huge assistance for teachers. These systems can track how each student is doing and show teachers where a student may need more help or where they're doing really well. This info helps teachers make their lessons even better. They can spend more time on topics that students find tough and less on things they already know.
- » **Teaching graduate students:** AI is making a difference in schools. Some schools have started using AI to make learning better for everyone. For example, Nazareth University in upstate New York has started to integrate AI into experiential learning tasks for graduate students. These students, many of whom work in business and do not have much tech experience, are finding this very useful. They're able to use AI in class to do things they couldn't do before, such as writing code or analyzing lots of data quickly.

Then they take these new skills straight to their jobs, using AI to help with things like making predictions based on data. This way, AI is not just something they learn about; it's a tool they use to get better at their jobs and do things they couldn't do before.



REMEMBER

AI is transforming education. It's helping students learn in their own unique ways. It's supporting teachers in guiding each student's learning journey. In higher education, it's also giving students real-world skills that they can immediately apply in the workplace. With AI, education is becoming more about understanding and meeting each student's individual needs, making learning more enjoyable and effective.

## Catalyzing efficiency and innovation in the workplace

AI is making an early but important impact in the modern workplace. It's changing how we do everyday things. It makes business operations run smoother while also sparking new, creative ideas. Here are some examples:

- » **Making routine jobs easier:** AI excels at taking over mundane, repetitive tasks. This change is happening across many types of industries. When AI takes over these routine jobs, it lets people focus on the more interesting parts of their work. They get to do things that require human creativity and problem-solving skills. This switch not only makes people more productive but also makes them happier with their jobs because they're doing more meaningful work.
- » **Helping businesses make smarter decisions:** In the business world, AI's ability to look through large amounts of data is exceptionally valuable. It helps companies figure out what may happen in the future, like what customers will want or how the market will change. This means businesses can plan better and come up with new ideas.
- » **Using AI in manufacturing:** Manufacturing is one area that is currently benefitting from AI. Companies can set up AI systems to monitor their machines. This AI can predict when a machine is going to break down before it actually happens. By fixing things before a problem occurs, the company has less downtime. This means they have to pause less often for repairs. They also save money on repairs. In addition, machines last longer because they're well maintained.



REMEMBER

AI is a game changer in the workplace. It isn't about replacing people; it's about helping them do their jobs better. AI takes care of routine tasks so people can focus on what they're really good at, which is thinking, creating, and solving problems. This makes businesses more efficient and helps them come up with more innovative ideas.

## Navigating the AI-Human Partnership

As AI becomes a bigger part of our daily lives, we need to think about the ethical side of things. It's vital to make sure that, as technology advances, it doesn't clash with what we value as a society and as individuals. We want AI to make life better, not cause new problems. Here are some ways AI can help to solve problems:

- » **Dealing with changes in jobs:** One big issue with AI is how it may change the job market. AI can do some tasks on its own, which is great for efficiency but can be worrying for job holders. That's why it's crucial to help workers learn new skills or improve their current ones. We need to get everyone ready for a world where AI is more common at work. This way, people can work *with* AI, not be replaced by it.
- » **Keeping information safe:** AI works with a lot of data, including our personal data. Keeping this information secure is extremely important. We need strong rules and systems to protect our privacy. This means making sure that AI systems can't misuse our data. By doing this now, we can keep trusting AI and feel secure about our personal information.
- » **Making ethical choices:** AI must make morally right decisions, especially in areas like health care or law enforcement. For example, in health care, AI may help decide on treatments. In these cases, we need to make sure it considers what is *best* for patients, not just what is most efficient.



REMEMBER

As AI becomes more widespread, we need to make sure we use it in ways that match our values and ethics. This means training people for new kinds of jobs, protecting our private information, and guiding AI to make good, fair decisions. By doing this, we make AI a positive force in our lives.

## Unpacking the Mechanics of Generative AI

Learning how GenAI creates new content will help you understand more about how to make AI work best for you. In this section, we begin by looking at *algorithms* (the rules and steps AI follows to create content and explain things like neural

networks). These algorithms are like the AI's brain, helping it learn and decide what to produce.

We also cover natural language processing (NLP), which is how AI understands and uses human language. We break down these ideas so that even if you aren't a tech expert, you'll understand the value of this technology.

## Understanding neural networks

Neural networks are at the core of most AI systems that create content, like text, images, or even sounds. Think of neural networks as a group of algorithms that find patterns. They work like our senses do, picking up and sorting all kinds of information. Everything AI looks at, whether it is pictures, sounds, words, or other data, gets turned into numbers for the neural network to understand.



TIP

Neural networks are set up kind of like our brains, with layers of nodes connected. Each node gets some information, works on it, and then sends it on to the next layer. The first layer, the “input layer,” is where the AI gets its data. The final layer, the “output layer,” is where the AI shows the results of its work. In between, there are “hidden” layers where all the thinking happens.

When AI systems generate text, it's like how a child learns to speak and understand words. Just as a child picks up language by listening and noticing patterns, neural networks learn from lots of similar examples. They spot patterns in how we put together words and sentences and how different parts of language fit together. This way, AI can create text or other content that makes sense.

## Discovering natural language processing

NLP is a big part of how AI systems create text and understand language. It sits at the crossroads of computer science, AI, and the study of language. NLP is all about how computers can get, understand, and make sense of human language.



TIP

One of the toughest parts of NLP is getting the context and subtle meanings in language right. Human language is complicated and full of small details that can change what words or sentences mean. NLP algorithms try to figure out these tricky parts. They help AI systems understand the way we talk and write. For example, you could write a prompt and the AI could generate a response that sounds like a person wrote it. This is about more than just words; it's about making sense of things like tone, humor, and even sarcasm. With NLP, AI can not only write like us but also start to understand the finer points of our language, like how we use different words in different situations.

# Creating text and content with AI

When AI makes text or other types of content, it follows a special process. For example, text generation AI needs to learn a lot about language. It does this by looking at huge amounts of text. During this training phase, the AI's neural network studies the text, picks up on patterns and structures, and understands how words relate to each other.

After the training phase, the AI is ready to start creating its own text. It begins with something small, like a word or a sentence. Then, using what it learned, the AI builds on that, adding more words to make sentences that make sense and fit the context. It's kind of like putting together a puzzle, where each word is a piece that must fit just right.

The AI does this by guessing what word should come next based on what it knows about how words are usually used. It's like when you're talking, and you kind of know what word comes next. The AI does the same thing, but it uses math to make its guesses. It looks at how often we use words together and the patterns it saw during training to make its best guess for the next word. This way, the AI can write text or create other content that feels natural and flows well, just like how a person would talk or write.

## Building practical applications

One common use of AI is for chatbots and virtual assistants. These AI helpers can chat with people, give them information, answer questions, and even have a friendly conversation. Here are some other practical applications:

- » **Creating content:** AI is helpful in creating various kinds of content. It can write articles and reports and even come up with creative stories or poems. AI isn't ready to take over from human writers completely, but it provides a great assist. It can make rough drafts, come up with new ideas, or write about specific things when needed.
- » **Translating languages:** AI systems can learn many different languages and switch creating text from one to another. This is very useful for talking to people who speak another language or for understanding text written in a language you don't know.
- » **Making images:** AI can also create images, like art or illustrations. For example, imagine telling an AI what kind of picture you want, and having it draw the picture for you. This is great when you need a specific type of image but you don't have the time or skills to make it yourself.

# Seeing How AI “Understands” Prompts

AI is exceptionally good at figuring out and responding to prompts from users. This task may seem easy, but there is actually a lot going on behind the scenes. AI understands prompts by looking at the overall situation, determining how relevant the prompt is, and looking at what it has learned before. AI uses what it has learned from all the information it has been trained on to make sense of what you’re asking. It’s like how humans learn from experience. When you ask AI something, it uses what it knows to give the best answer it can. This is why sometimes AI seems smart, and other times, it may get things a bit mixed up. It’s all based on what it learns and how it has been programmed to understand people’s words.

## Deploying training data

Training data is essential for AI to understand what we ask it to do. This data is like a massive volume of examples that AI uses to learn. It’s like the way students use textbooks in school. Students read books to learn about different subjects; AI goes through this training data to learn patterns and how to use language.



TIP

If you make an AI model to help with customer service, it needs to see thousands of questions from customers and the best ways to answer them. By looking at all these examples, the AI would learn what kind of answer is right for different kinds of questions. This helps it respond to customers helpfully and accurately.

Consider an AI model that helps people learn new languages. This kind of AI would need to be trained with a lot of information about languages. It would then have substantial knowledge about words, grammar, and how to use language correctly. It could then help people learn a new language by correcting their mistakes and showing them the correct way to say things.



REMEMBER

The more data the AI has, the better it gets at understanding and responding. Training data is crucial because it gives AI the information it needs to be knowledgeable and helpful. Essentially, it’s like giving AI many examples to practice with so it can get good at its specialized task.

## Understanding context

Understanding context is extremely important for AI when it’s figuring out what you ask it to do. Context is about the extra information or the situation around the question you ask. For example, when you’re talking to someone, knowing what the topic is or what’s happening around you will help you make sense of the conversation.

For example, imagine you ask an AI weather bot, “Should I take an umbrella today?” The AI thinks about conditions like where you are and what the weather is like right now to give you the right answer. Or, if you tell an AI assistant, “Play something I like,” it infers that you mean music and looks at what songs you’ve enjoyed before. This context helps the AI understand that *play* refers to music and not sports. This context also helps the AI understand that “something I like” means song that suits your taste.

Context helps AI understand not just the words you say but also the meaning behind them. It’s like giving AI clues to help it figure out exactly what you need or want. This way, AI can provide you with responses that make sense for your specific situation or question.

## Understanding the role of relevance

Relevance in AI is all about how well the AI’s answer fits what you’re asking for. AI systems have special algorithms, kind of like rules, that help them figure out the best response. They look at the question and use what they’ve learned to pick an answer that matches what the user needs. This is similar to how a librarian listens to what book you want and then finds the one that best fits your request.

For example, think about an AI that helps schedule meetings. If you tell it, “Set up a meeting with Taylor next Tuesday,” the AI needs to understand more than just the task of scheduling a meeting. It has to figure out the specific details like who the meeting is with (Taylor) and when it should be (next Tuesday). By focusing on these details, the AI makes sure its response is relevant and helpful. This way, the AI can be really useful, giving you the exact type of help you’re asking for.

## Looking at everyday examples

AI can understand what we ask it to do in our everyday lives. One familiar example is the use of virtual assistants like Siri or Alexa. These AI helpers are made to figure out all kinds of things we ask. This includes things like setting alarms and giving us updates on the news. They listen to what we say, understand the situation (like where we are or what time it is), and then deliver answers that make sense.

Another place we see AI is in customer support chatbots. These are the AI systems you may talk to for help with a product or service. They take customer questions and try to give back useful information or sort out problems. The AI has to understand what the customer is asking, see what the question is really about, and then give a responsive answer.

## THE POTENTIAL OF PROMPTING

As AI continually gets better, it will understand and answer our questions more intelligently. Future improvements in how AI processes natural language and learns from data will help it understand the subtle aspects of how we communicate. This means AI will give answers that are more on-point and helpful.

As AI becomes a bigger part of our everyday lives, it will get even better at figuring out what we mean. This will make using AI feel more natural and tailored to our needs. Consequently, this will improve how we interact with it in daily tasks. The goal for AI is one where it can chat with us like another person would, making it easier for us to use technology in our daily lives.



TIP

For more information about the use of chatbots for customer service, see Chapter 10.

### Uncovering challenges in AI's understanding of prompts

AI has come a long way in understanding us, but it isn't perfect yet. One big problem is when our words are not clear or can mean different things. For example, if you ask an AI that suggests movies, "What's a good movie?" but you don't say what kind of movies you like, the AI won't know what to recommend.



TIP

Another issue is making sure AI is fair and doesn't have biases. AI learns from lots of data, and if that data has biases, the AI may end up biased, too. This means it could give responses that aren't fair or even accurate. People working on AI are trying hard to fix this problem.

## Considering the Strengths and Limitations of AI Models

AI has its own set of strengths and challenges, just like any new technology. It's important to know what AI is good at and where it may need your guidance. This understanding helps you have a realistic appreciation for what AI can do and where you need to step in to make sure everything goes right. Knowing both the strengths and the limits of AI is key to using it skillfully.

## Reviewing the strengths

People are evaluating and discovering new uses for AI every day. Here are some of the strengths they've uncovered:

- » **Speed and efficiency:** AI's ability to quickly process and analyze data is one of its most impressive strengths. This speed is helpful in areas where fast decisions are crucial, like understanding financial markets or making a quick medical diagnosis.
- » **Consistency and reproducibility:** A great thing about AI is how consistent it is. After we train AI models, they can do the same task over and over without making mistakes or changing how well they do it. This is especially important in manufacturing products or checking their quality. For these tasks, it's essential to do the job the same way every time.
- » **Handling complex tasks:** AI is excellent at dealing with really complicated jobs. For example, in studying genes, AI can look through massive volumes of data and find patterns that would be too difficult for people to find on their own. These tasks are often too big and complex for us, but AI can easily handle them.
- » **Scalability:** AI can grow with the job. As businesses grow and have more work, customers, and data to deal with, AI can keep up. This means AI can adapt as companies expand, which is a huge help across many industries.



REMEMBER

The strengths of AI show how powerful and useful it can be. Its speed, consistency, ability to handle complex tasks, and scalability make AI a valuable tool in many different fields.

## Identifying the limitations

With all technologies, there are always limitations. With AI, here are some that have already been identified:

- » **Lack of creativity and emotional intelligence:** AI models have advanced computing abilities, but they don't extend to creativity and emotional intelligence. AI can work with data and create content, but it can't match our ability for abstract thinking. Plus, AI can't grasp emotional subtleties. This is a big gap for fields like the arts or service jobs that require a lot of empathy. These fields need creative thinking and an understanding of emotions that AI can't provide.
- » **Dependence on data quality:** AI's ability to perform depends on the data it learns from. If the data has biases, is incomplete, or is not accurate, the AI's responses will have these same problems. This makes AI less trustworthy when the data is not top-notch, which is a big issue.

- » **Difficulty in understanding context:** AI often has a hard time getting the full picture. This is especially true with cultural or situational details that are subtle but important. It can lead to AI giving answers that don't fit the situation. This can be especially tricky in areas that deal with people's feelings or social issues.
- » **Challenges in adaptation and generalization:** AI is usually made for certain jobs or to work within set limits. It isn't great at adjusting to new things that it wasn't specifically trained to do. It also struggles to apply what it knows about one thing to different situations. This is a big hurdle in places where being able to change and adapt is key.

These limitations show that AI, while powerful, still has a long way to go. It's important to remember these limits when using AI so we can make optimal use of it.

## Balancing AI's strengths and limitations

It's important to know what AI is good at and where it falls short. This will help you use AI most effectively. AI can be very helpful with tasks that need fast processing and consistency, like going through lots of data or doing repetitive jobs. However, when it comes to things that need creative ideas, understanding feelings, or making decisions based on more than just facts, we still need a human touch.

For example, in health care, AI can be a great asset to figure out what's wrong with someone and suggest treatments. Doctors, though, still need to understand the whole picture of a patient's health while also giving care that is kind and thoughtful. In creative areas like writing or making art, AI can come up with ideas or patterns, but it can't add the feelings or deeper meaning that a person can.

AI is a great tool that can do a lot, but it isn't perfect. We need to use AI where it's strong and bring in people where AI isn't enough. This way, we get the best of both: the power of AI and the unique aspects only humans can provide. Here are two issues we need to consider:

- » **Setting realistic expectations:** To really understand what AI can do, we need to be realistic about its abilities and limits. It's important to see AI as something that makes what we do better, not as something that can do everything on its own. This way, we'll get the most out of AI, using it to help us without expecting it to replace the unique things only people can do.
- » **Thinking about AI going forward:** As we think about what's next for AI, we can expect new technology developments to fix some of its current problems. We're aiming for teamwork where AI and people work together. This way, we can come up with smarter, more effective, and kinder ways of doing things.