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Engineering peace of mind

State of AI 2026

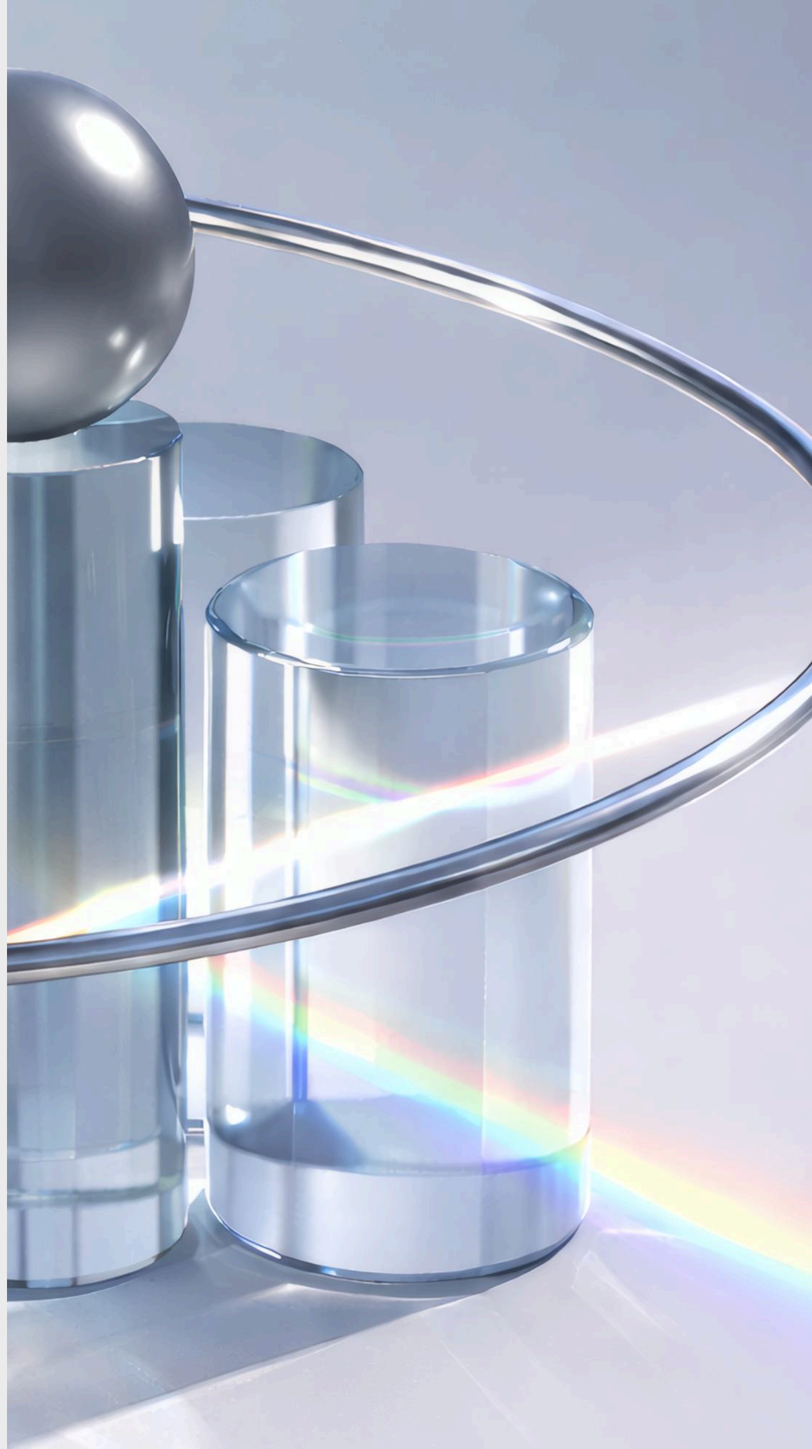


Table of contents

Total investment

Total worldwide AI spending projected to reach $1.5 trillion.

Investment focus is moving from building the AI foundation (heavy compute) to embedding it into business processes (workflows).

Generative AI market

GenAI software to reach $220 billion by 2030 (29% CAGR).

GenAI is expanding faster than the general AI market, shifting focus to creative and code-generating applications.

Corporate depth

88% of organizations use AI, with more than half using it in three or more functions.

AI is no longer a pilot project; it is a critical, integrated component of core business operations.

AI market

Projected to reach $467 billion by 2030 (22% CAGR).

The AI market is experiencing massive growth, underpinned by foundational technologies and widespread enterprise adoption.

VC activity

AI companies accounted for 48% of all global equity funding in H1'25.

The vast majority of venture capital is flowing into AI, establishing a clear "AI Premium" on company valuations.

Consumer scale

800 million weekly active ChatGPT users in Oct 2025.

The speed of consumer adoption signifies that AI has become a daily behavioral change, rather than just an experimental tool.

Geographic shift

North America dominates the current VC (89%), but Asia-Pacific's market share is projected to grow to 47% by 2030.

The market for AI applications is rapidly diversifying, with Europe and China leading future growth rates.

AI isn’t an extra feature anymore.

It’s now at the core of how businesses run, compete, and grow. As an AI-first company with more than a decade of experience, we combine proprietary research with insights from real-world AI projects delivered for companies across 30+ industries.

01

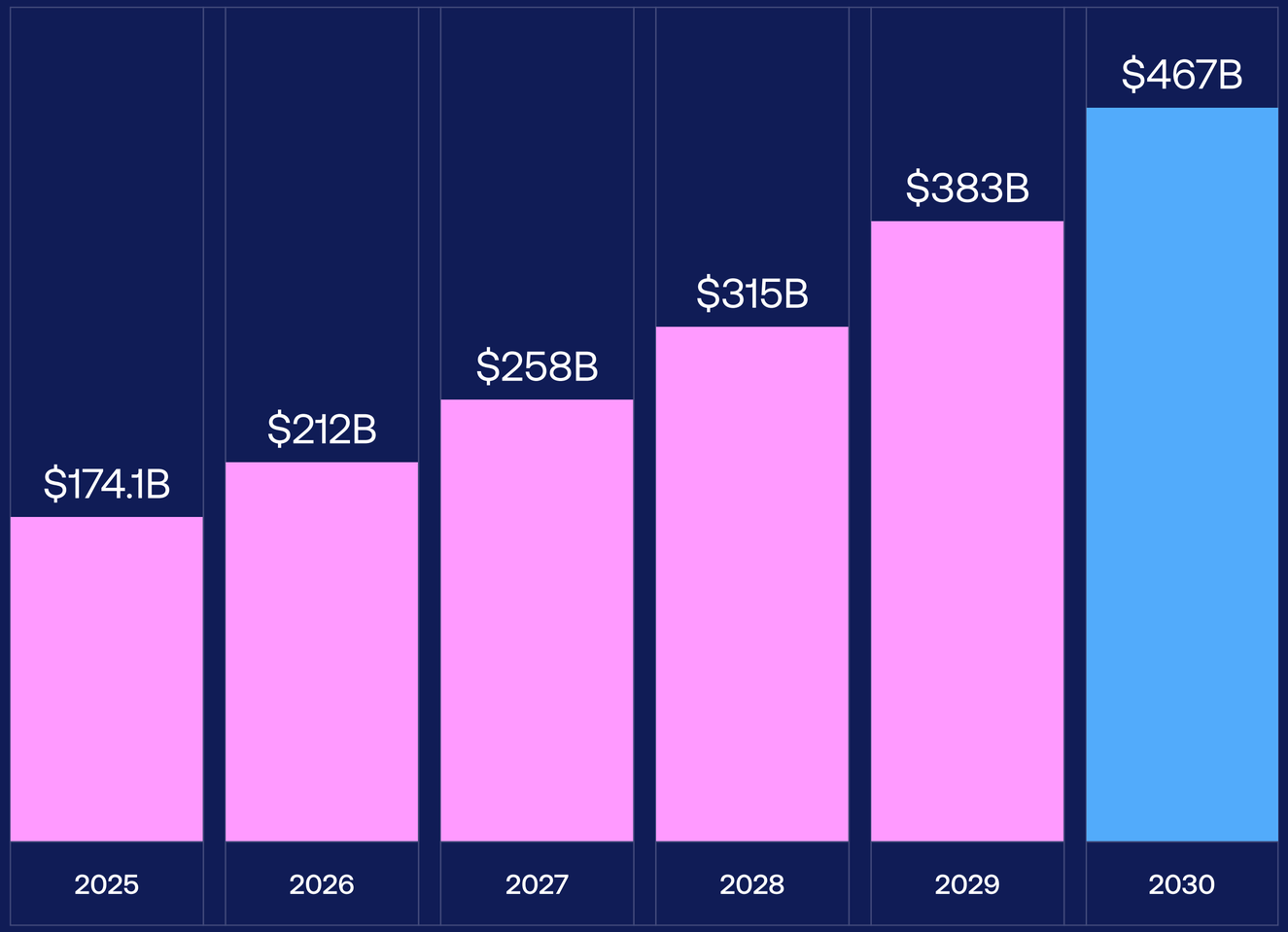
Market statistics

Market stats

Core trend	2025 value	2030 projection
Global AI software market	$174 billion	$467 billion (22% CAGR)
Generative AI market share	37% of total AI spending	47% of total AI spending
Fastest GenAI growth	Europe (45.5% CAGR)	China (45.1% CAGR)
Regional shift	North America (54% Share)	Asia-Pacific (47% share)

AI and GenAI market size

The global artificial intelligence (AI) software market size

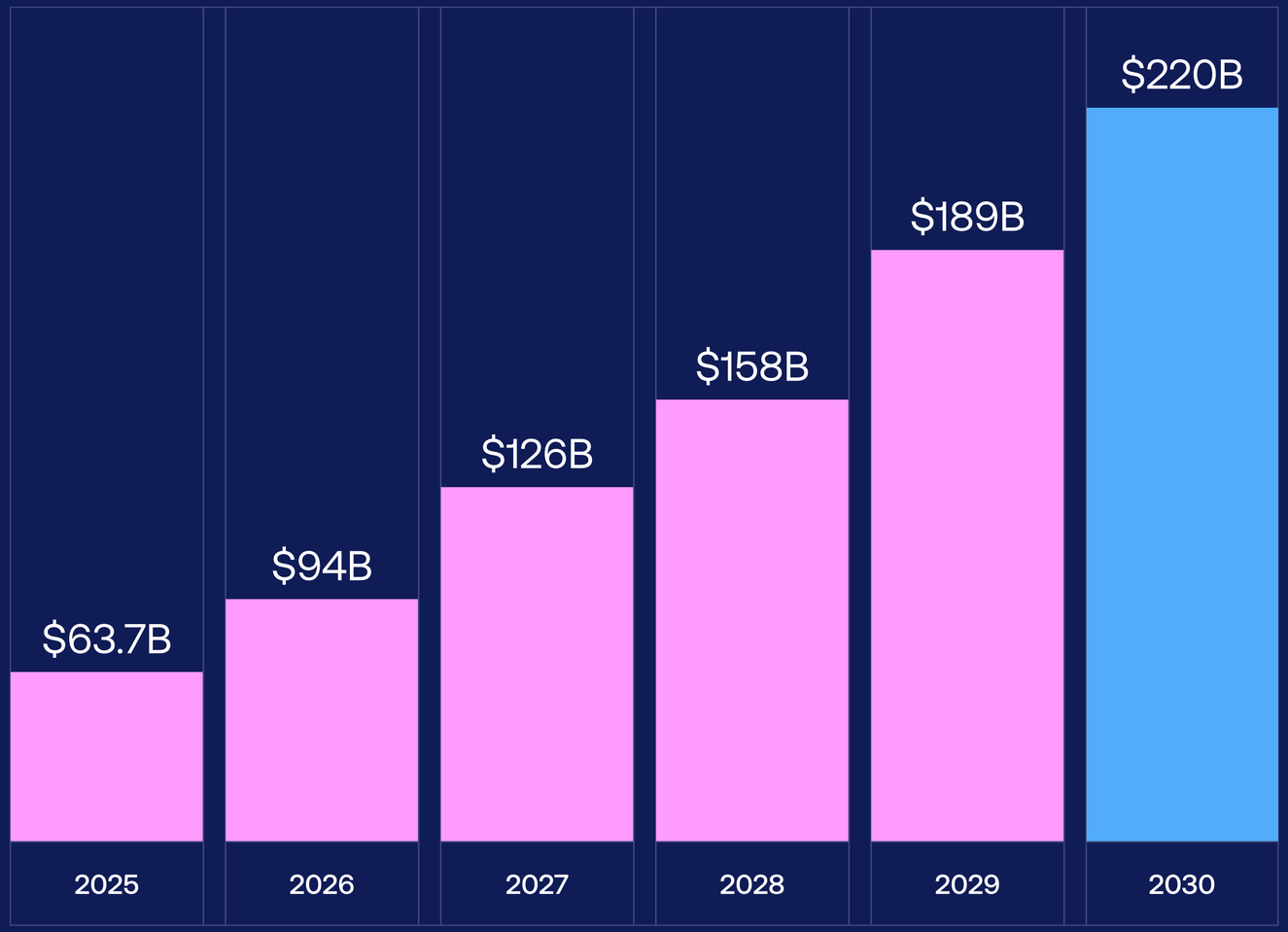


One of the clearest indicators of a field's maturity is its size and growth.

According to ABI Research, the global artificial intelligence (AI) software market is projected to reach **$174 billion in 2025** and grow to **$467 billion by 2030**, reflecting a compound annual growth rate of about 22%.

AI and GenAI market size

The global GenAI software market size



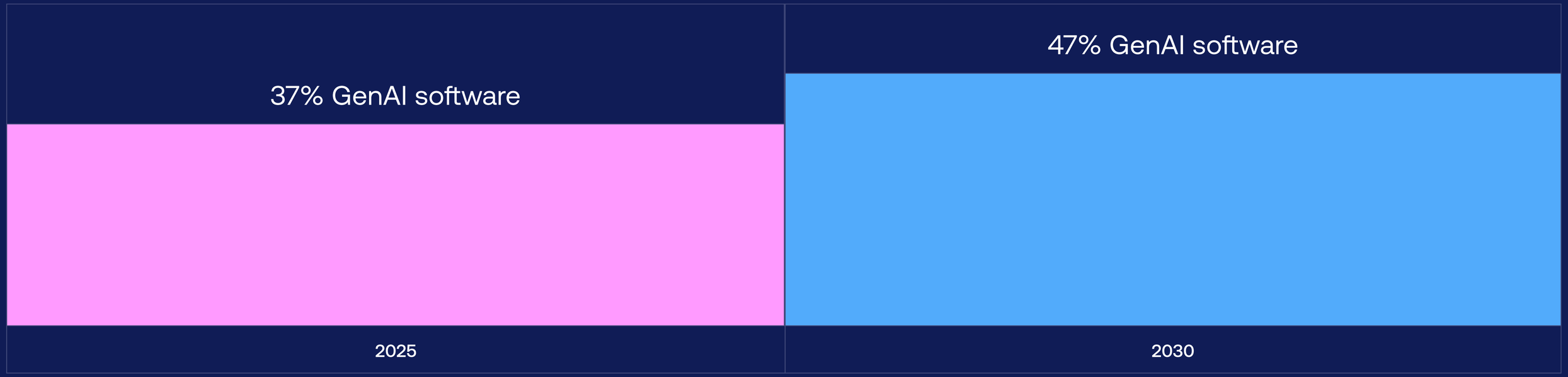
ABI Research also notes that the generative AI (GenAI) software market is expanding even faster, with a 29% CAGR, rising from **$63.7 billion in 2025** to **$220 billion by 2030.**

AI and GenAI market size

The faster growth of GenAI means its share within the overall AI software market will increase from **37% in 2025** to **47% by 2030**.

The trend marks a clear evolution in AI's role, from analyzing and optimizing existing data to creating new content such as text, images, and code.

The global GenAI software market

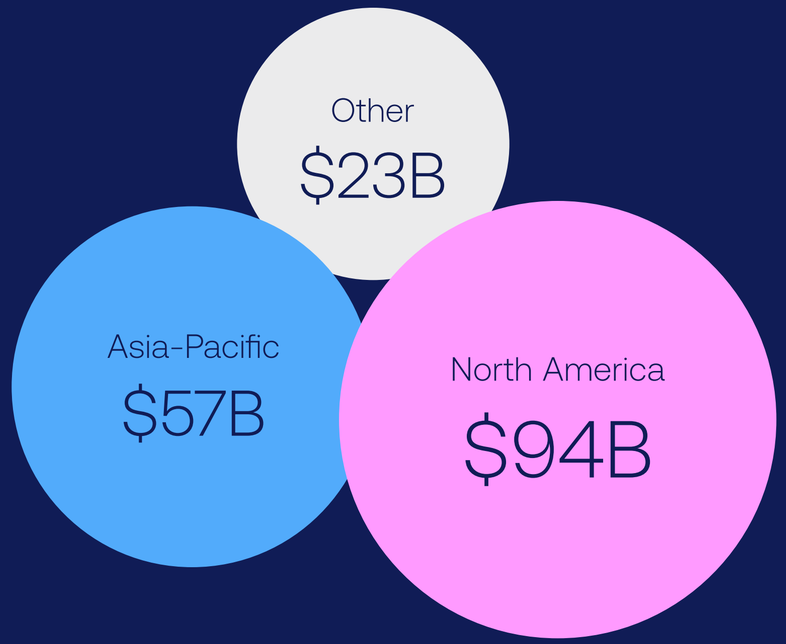


Global AI software market by region

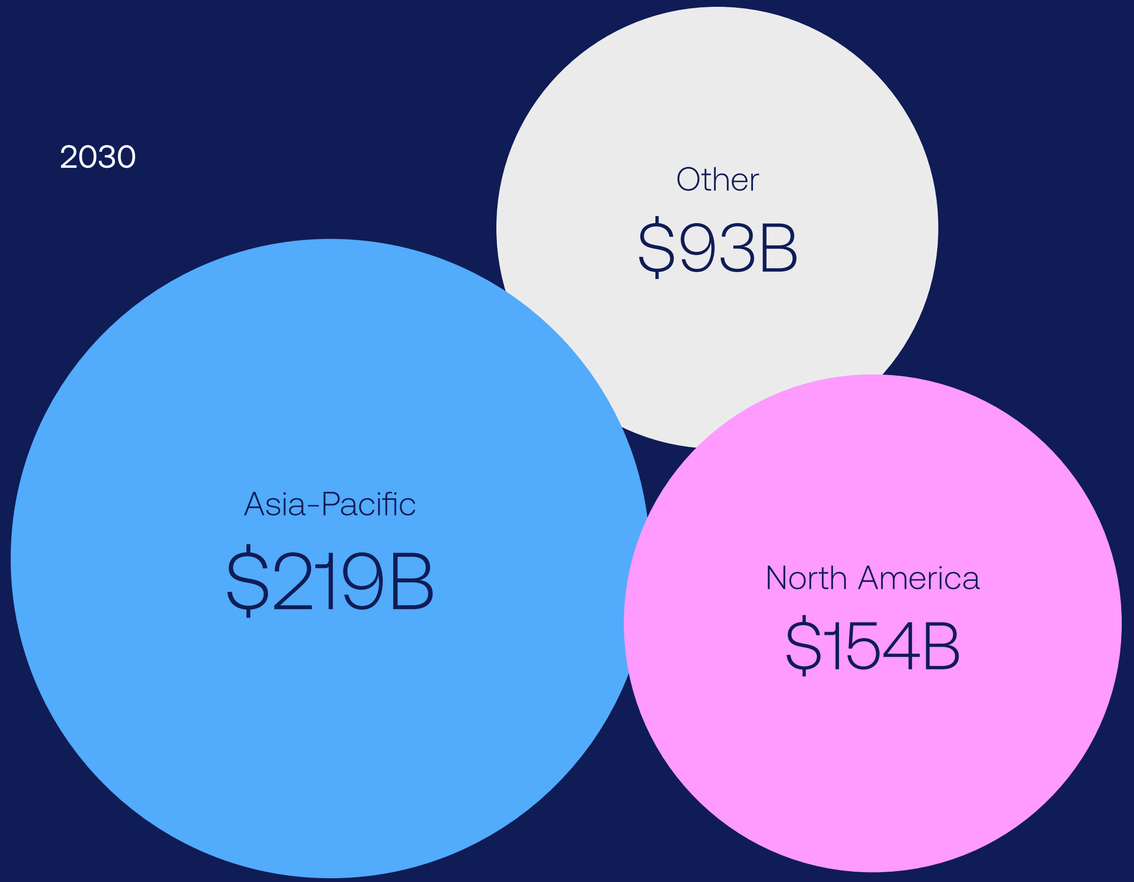
From a regional perspective, **North America dominates the global AI software market in 2025,** holding a 54% share. The Asia-Pacific region, driven mainly by China, follows with 33%.

By 2030, we anticipate that this balance will shift. As China deepens its engagement in the AI race with the United States, the Asia-Pacific region's share is projected to rise to 47%, while North America's share may fall to 33%.

2025



2030

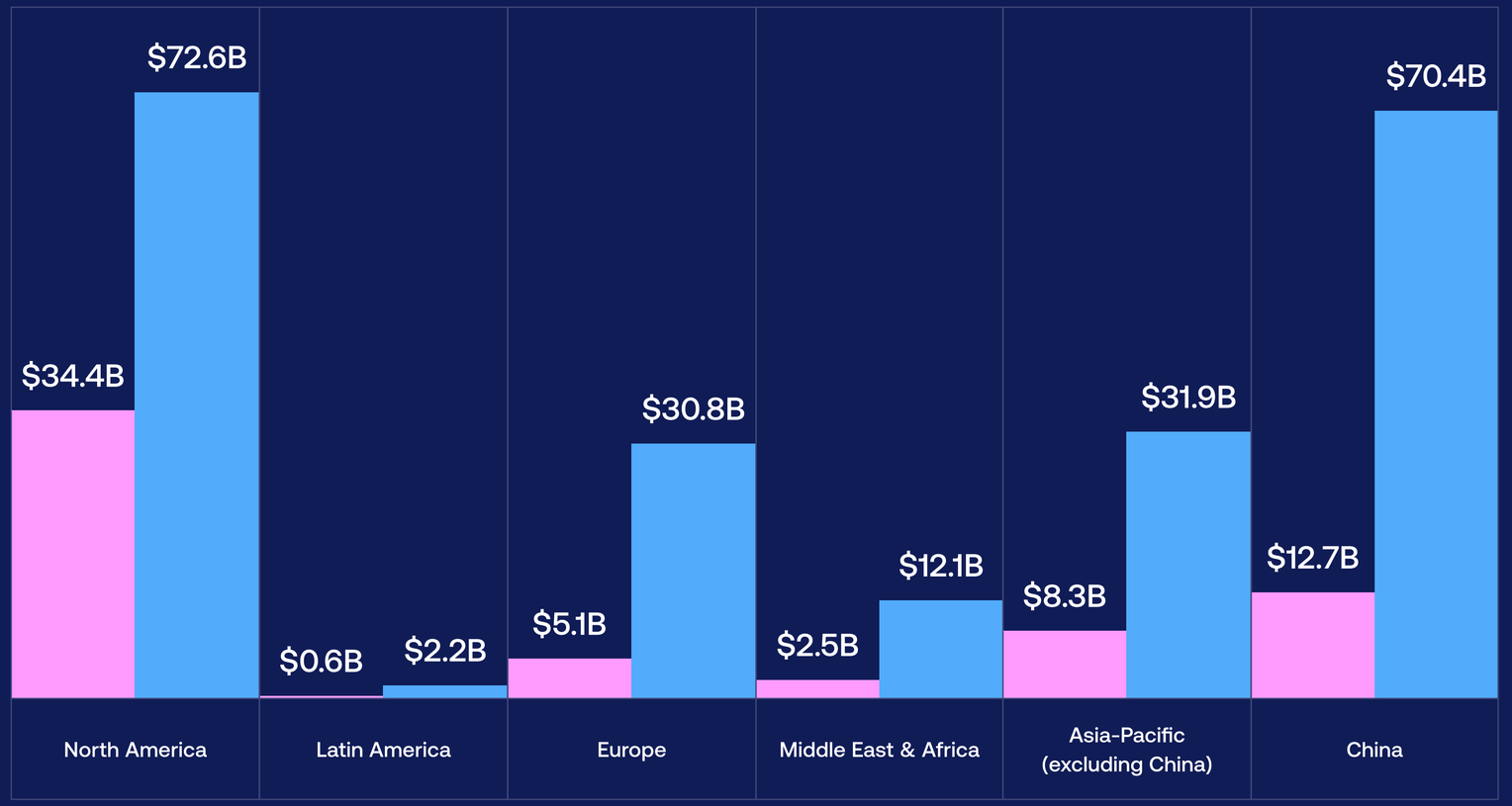


“The US has mostly led AI innovation so far, but the balance is shifting. Investment and capability are becoming truly global, with Asia and Europe accelerating at a remarkable speed. The next wave of AI leadership won’t be about where a company is based, but about who can scale and apply AI the fastest.”

Glyn Roberts, CTO of Digital Solutions at Vention

When it comes to GenAI, **China is on track to nearly match North America by 2030,** with forecasts of $70.4 billion and $72.6 billion, respectively. One reason for that is China's significantly higher growth rate of 45.1%, one of the strongest in the world. North America's rate, at 17%, is the lowest due to its larger starting base.

GenAI software market, 2025 vs 2030



Europe is the only region expected to grow even faster, with a 45.5% CAGR. While the North American market is likely to double in value over the next five years, the Chinese market could expand 5.5 times, and the European market may grow sixfold.

While the North American market is projected to roughly double in value over the next five years, the Chinese market is expected to grow by 5.5 times and the European market by six times.

02

AI spending and deals

AI spending

In this report, spending means **all major investment areas: hardware, software, services, and embedded AI** in both consumer and enterprise products. The aim is to show how money is being allocated across the entire AI ecosystem.

Total AI investment

Projected to reach $1.5 trillion worldwide

Growth leaders

AI application software and AI infrastructure software

Hardware dominance

Hardware/infrastructure accounts for 59% of total spending

Strategic shift

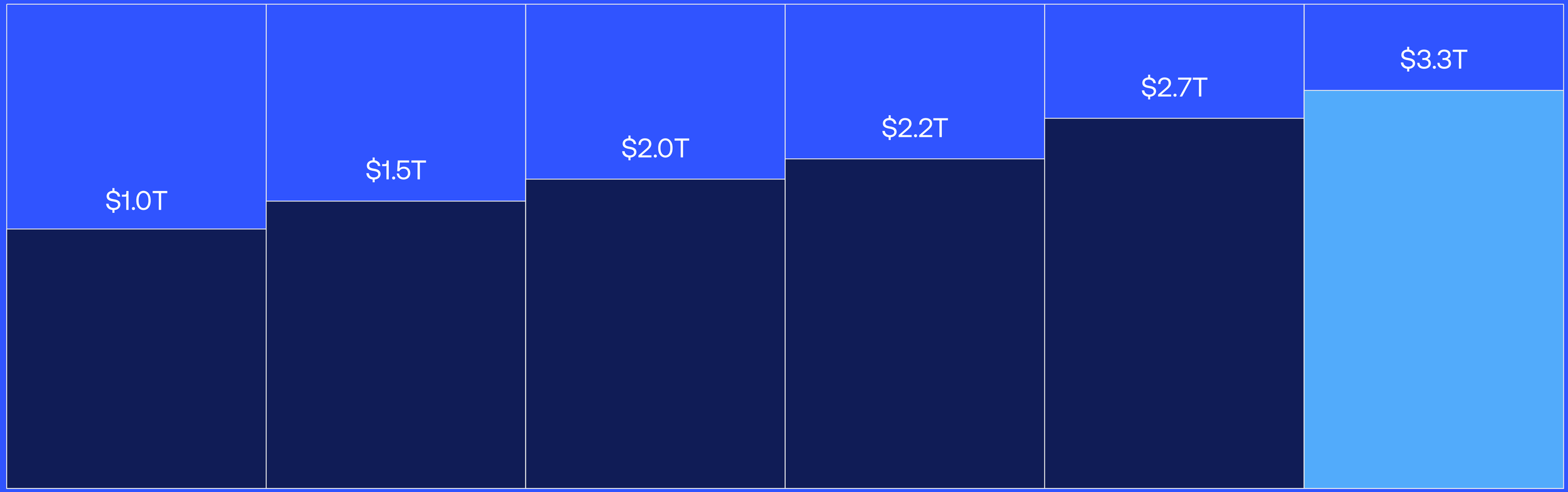
Value moving from heavy compute to embedded business workflows

AI spending

Vention's research shows that while AI is perceived as a way of reducing costs, companies are ready to invest up to 30% more into specialized, high-impact AI use cases. This is also supported by global research.

Gartner estimates that **total worldwide AI spending will reach nearly $1.5 trillion in 2025,** grow to over $2 trillion in 2026, and rise to $3.3 trillion by 2029, with a compound annual growth rate of about 22%.

Total worldwide AI spending forecast, $T



AI spending

To make the picture clearer, we can group these categories into two larger segments:

- **Software and services** (AI services, AI application software, AI infrastructure software, GenAI models)
- **Hardware and infrastructure** (AI-optimized servers, AI-optimized IaaS, AI processing semiconductors, AI PCs based on ARM and x86 architectures, GenAI smartphones)

The overall spending numbers break down as follows:

	AI services	AI application software	AI infastructure software	GenAI models	AI optomized services (GPU and non-GPU AI accelerators)	AI optimized IaaS	AI processing semiconductors	AI PCs by ARM and x86	GenAI smartphones	Total AI spending
2024	259K	84K	57K	6K	140K	7K	139K	51K	245K	988K
2025	283K	172K	126K	14K	268K	18K	209K	90K	298K	1.5M
2026	325K	270K	230K	26K	330K	38K	268K	144K	393K	2M

AI spending

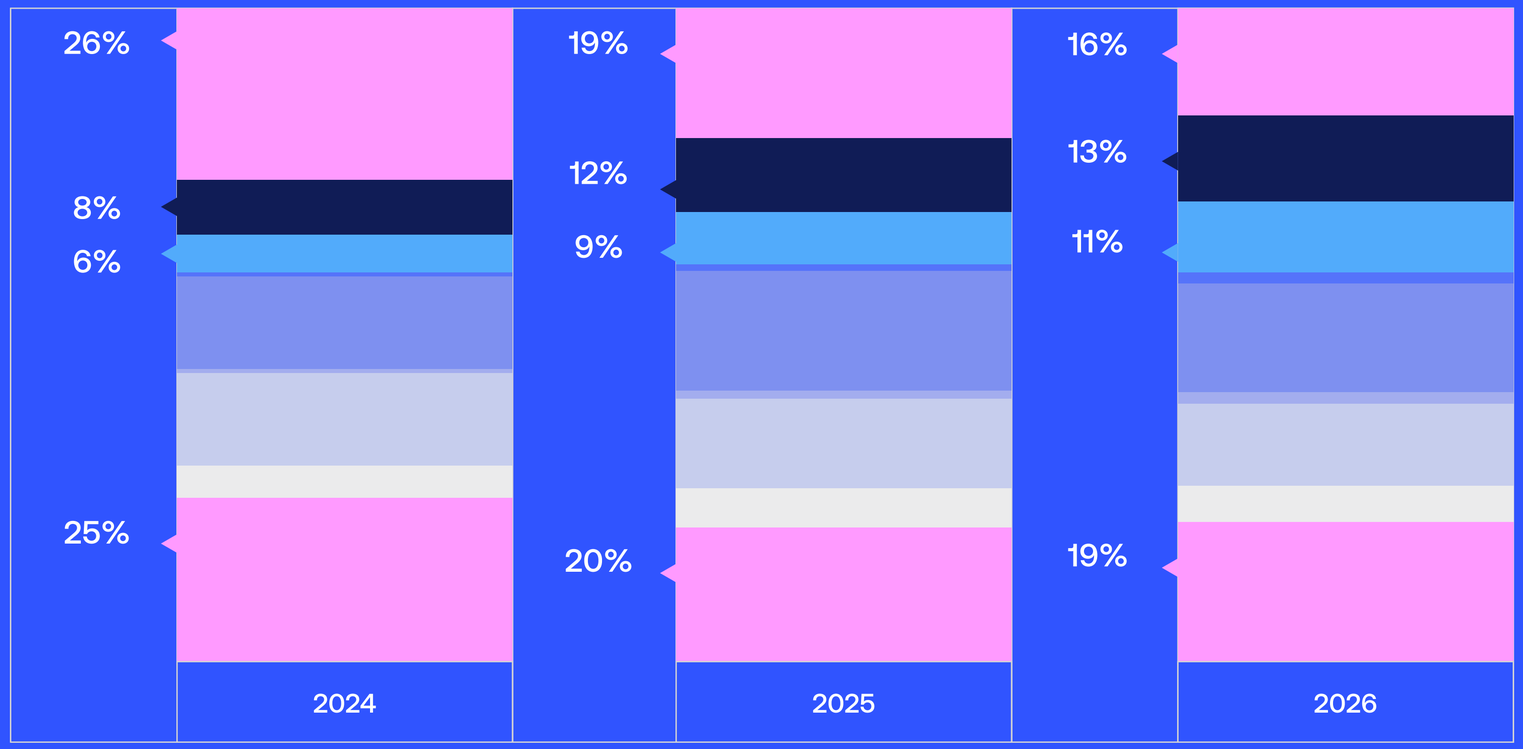
Spending on hardware and infrastructure is projected to exceed software and services, accounting for around **59% of total expenditures** during this period.

Total worldwide AI spending, 2024-2026

“As we can see, 2025 has been the year of heavy investment in compute, but the real breakthroughs will come in 2026 when we see a similar scale of commitment to embedding AI into real business workflows. Hardware enables, but applied intelligence transforms.”

Glyn Roberts, CTO of Digital Solutions at Vention

Total worldwide AI spending



All categories are showing steady year-over-year growth in absolute terms, although some are experiencing a decline in relative share.

For example, **AI services spending fell from 26% in 2024 to 19% in 2025** and is expected to drop to 16% in 2026. Other areas, including AI application software and AI infrastructure software, are gaining ground, increasing from 8% and 6% in 2024 to 13% and 11% in 2026.

According to Gartner, these two segments are expected to drive the next wave of growth.

AI deals

Record funding

AI accounts for 48% of all equity funding

Valuation premium

AI company rounds are 17%–115% larger than non-AI firms

Big Tech influence

Over 55% of investment volume committed by the Big Tech 5

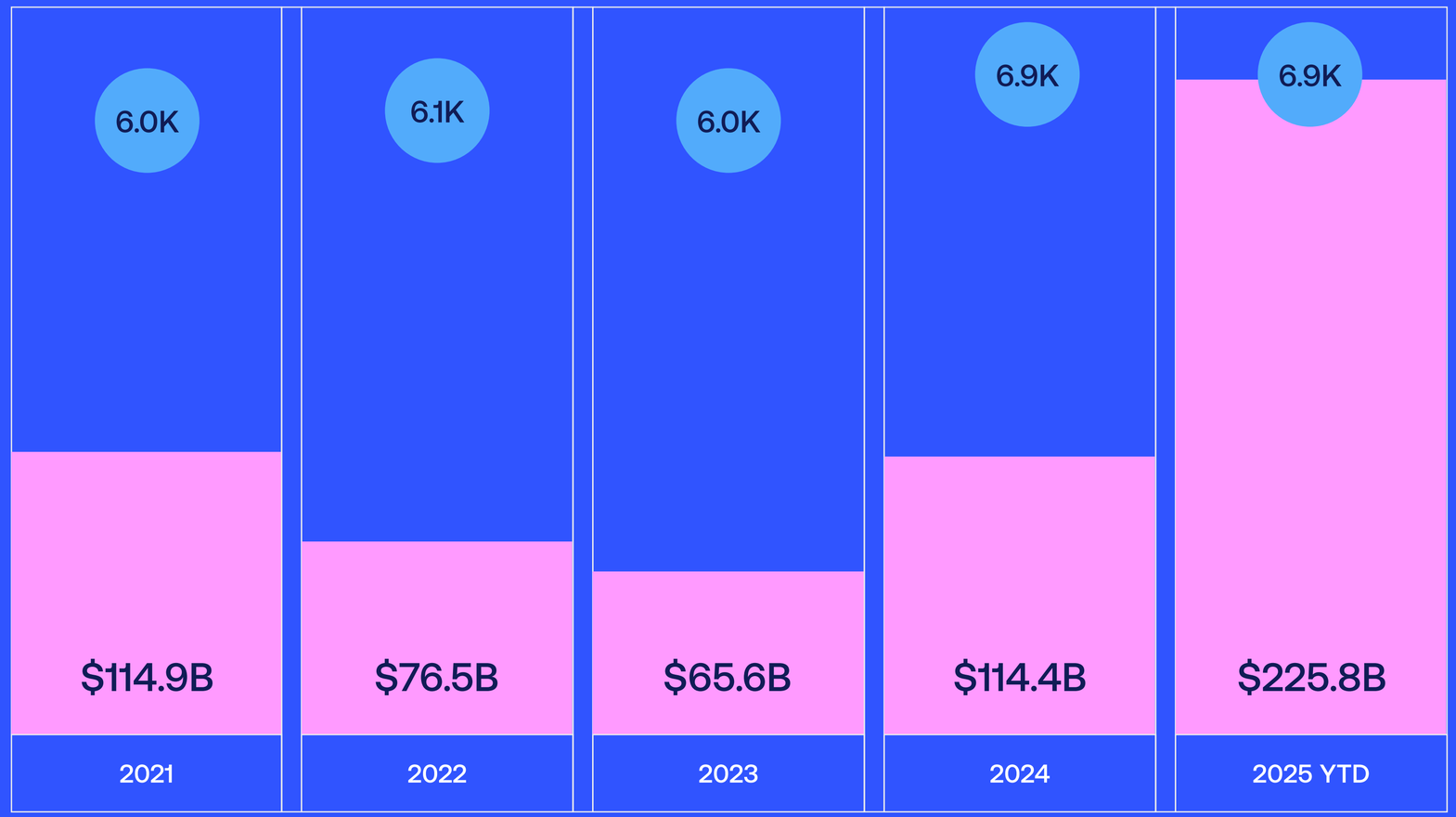
Geographic concentration

North America remains the dominant VC destination (89% of volume)

AI deals: general outlook

AI investments in 2025 reached $225.8 billion, surpassing previous records of $103.4 billion in 2021 and $105.7 billion in 2024.

What's more, AI companies made up about 48% of total equity funding in 2025, even though they represent only 23% of total deals. In other words, one in five venture deals and one in two invested dollars went to AI.



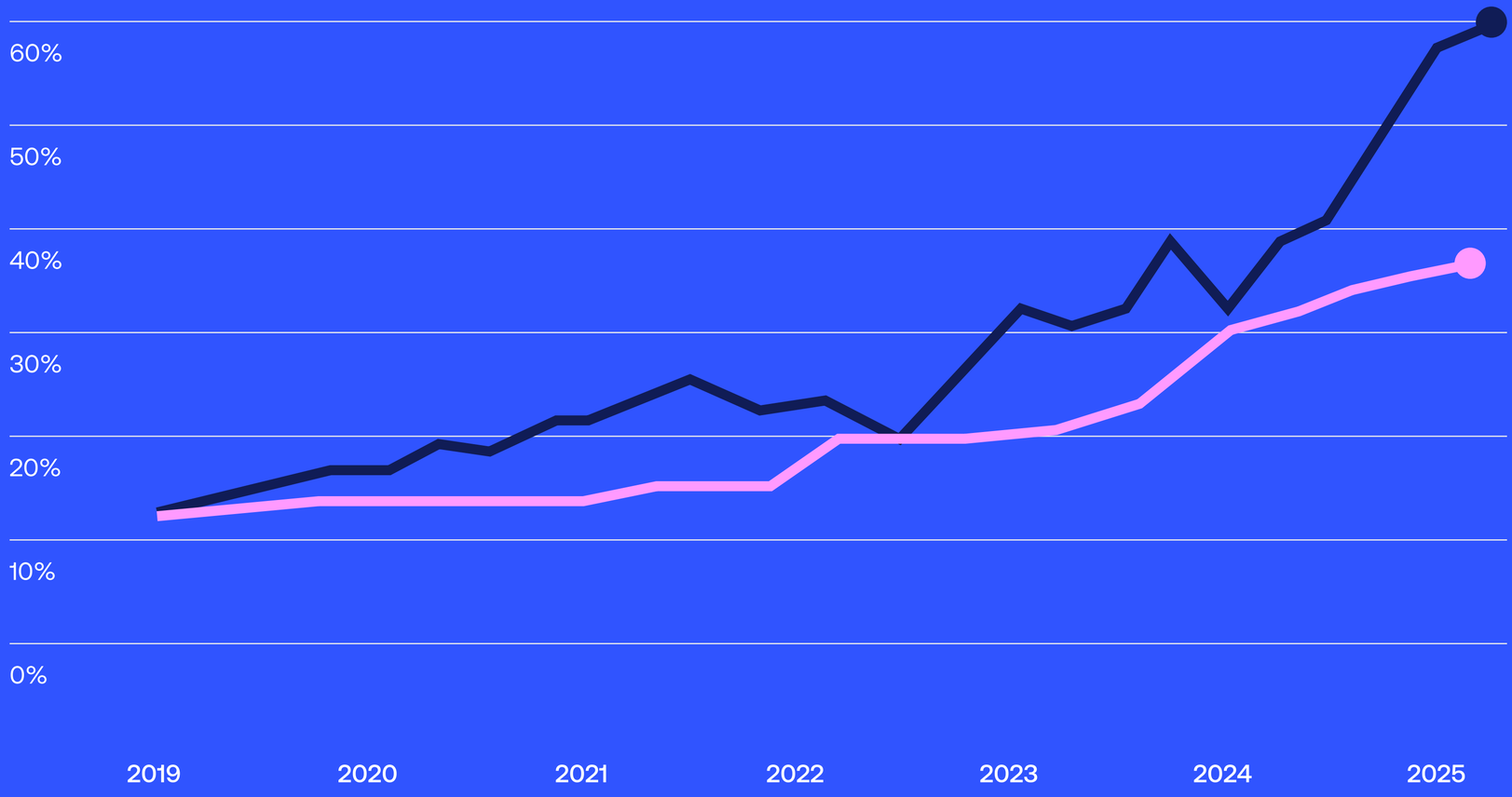
Annual equity funding & deals

Funding Deals

AI deals: general outlook

In the United States, AI's share of funding and deals is even greater. According to SVB, AI companies accounted for 58% of all capital invested and 36% of total deals in 2025. In 2024, these shares were around 30%, and in 2022, they were close to 20%.

AI investments have been growing rapidly over the past few years, capturing a larger share of total funding while the average deal size continues to rise.



More than half of VC dollars flow to AI

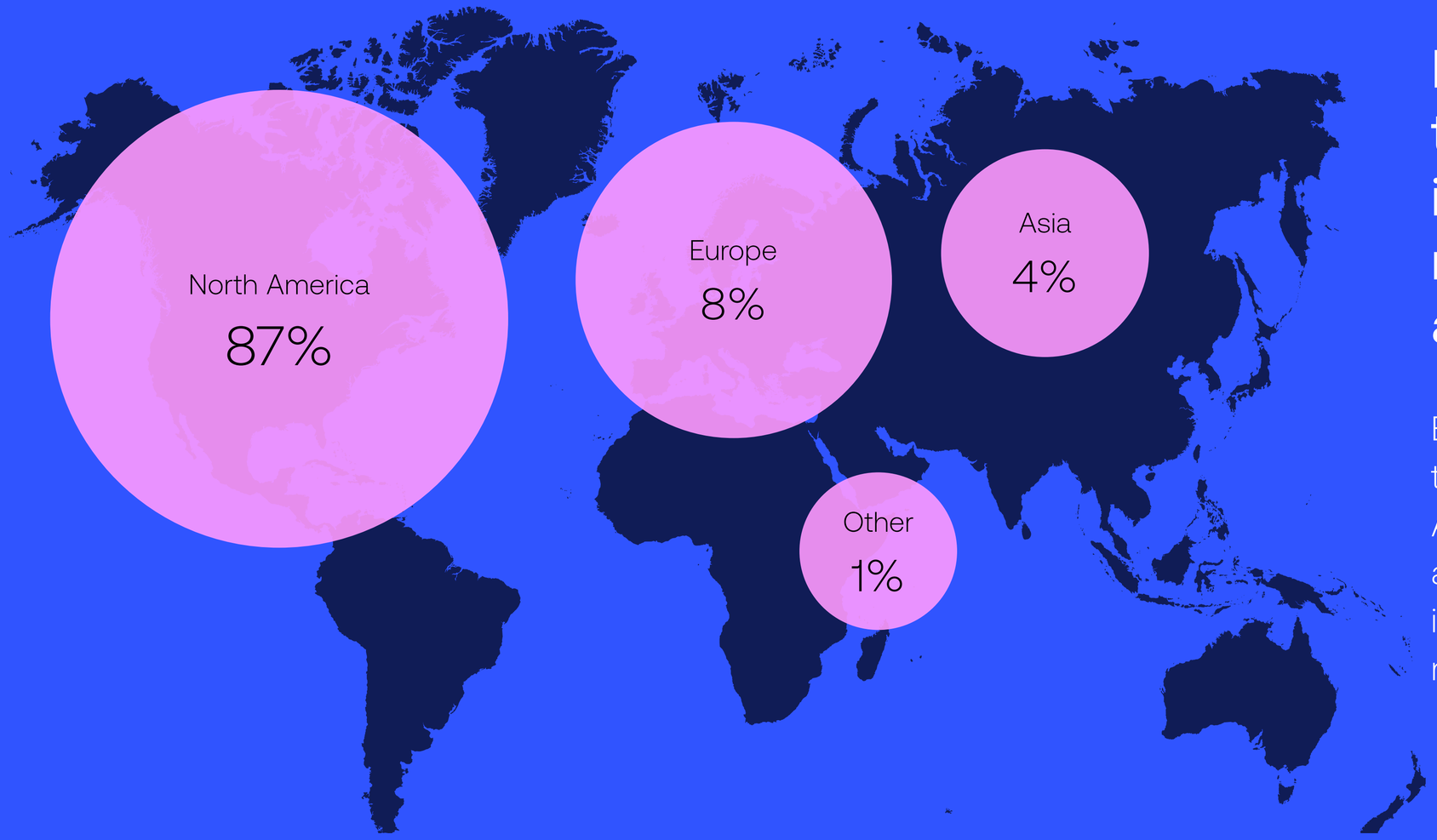
VC deals VC dollars

Quarterly equity funding & deals

Quarterly data confirms this trend. Although the total investment volume rose sharply over the last five quarters, **the number of deals remained steady,** averaging 1,300 to 1,800 per quarter.

Regional spread

Regional equity investments in AI companies, 2025



North America continues to dominate AI venture investments. In 2025, the region captured 87% of all capital raised.

Europe ranks second with 8%, which is twice the share of Asia, accounting for 4%. Although Asia's AI software market is quickly approaching North America's in size, investment levels in Asian AI companies remain far lower.

Deal size

The average deal size in 2025 is twice as high as in 2021 and 2024, which is driven by major funding rounds from companies such as:

OpenAI

$40 billion in March

Anduril

$2.5 billion in February and $2.5 billion in June

Anthropic

$1 billion in January, $3.5 billion in March, and $13 billion in September

Infinite Reality

$3 billion in January

Scale AI

$14.8 billion in June

Safe Superintelligence

$2 billion in April

xAI

$5 billion in June

Anysphere

$2.3 billion in November

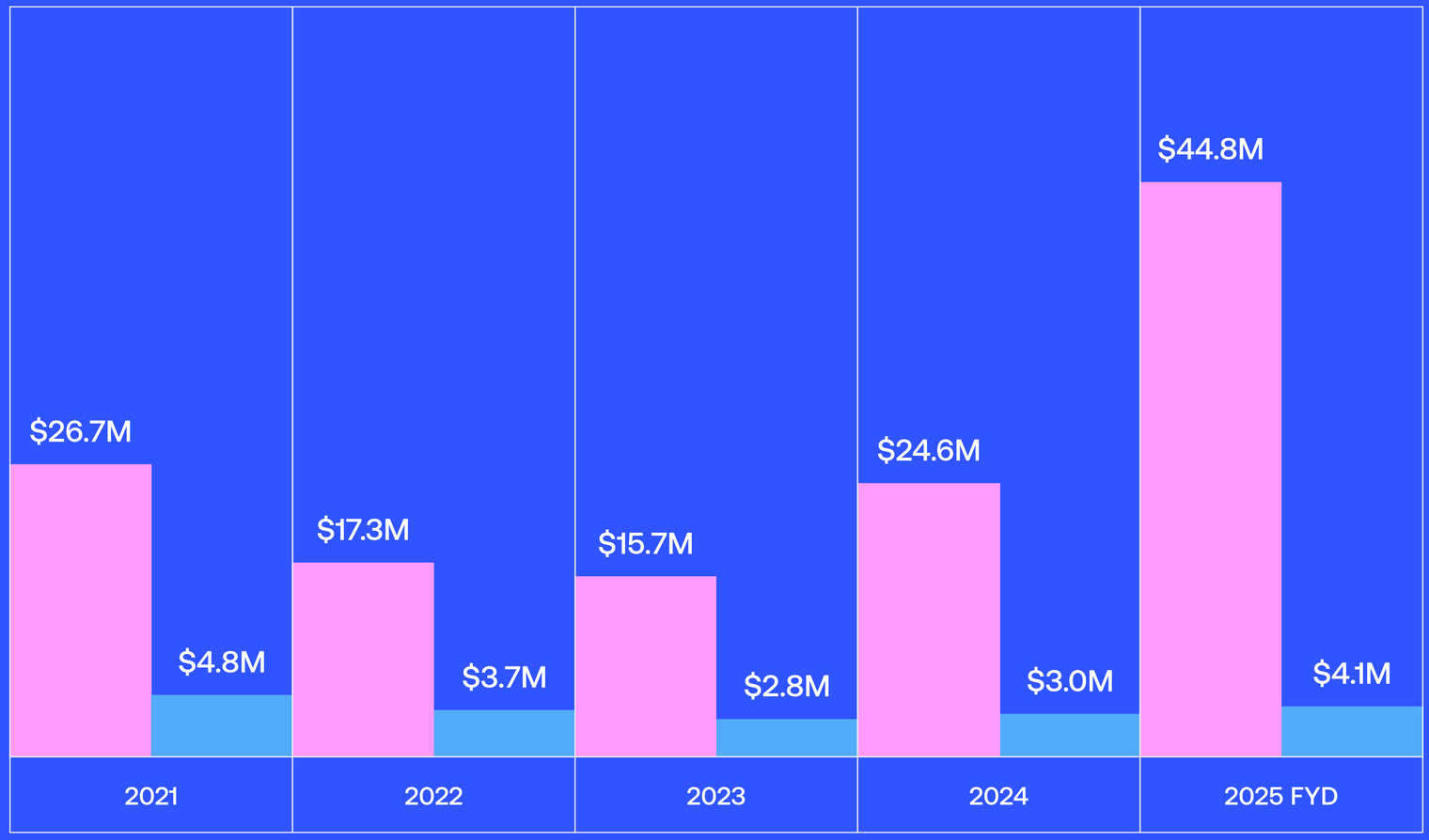
Reflection.Ai

$2 billion in October

The median deal size in 2025 hasn’t yet reached the 2021 record, but has increased by nearly 30% compared with 2024.

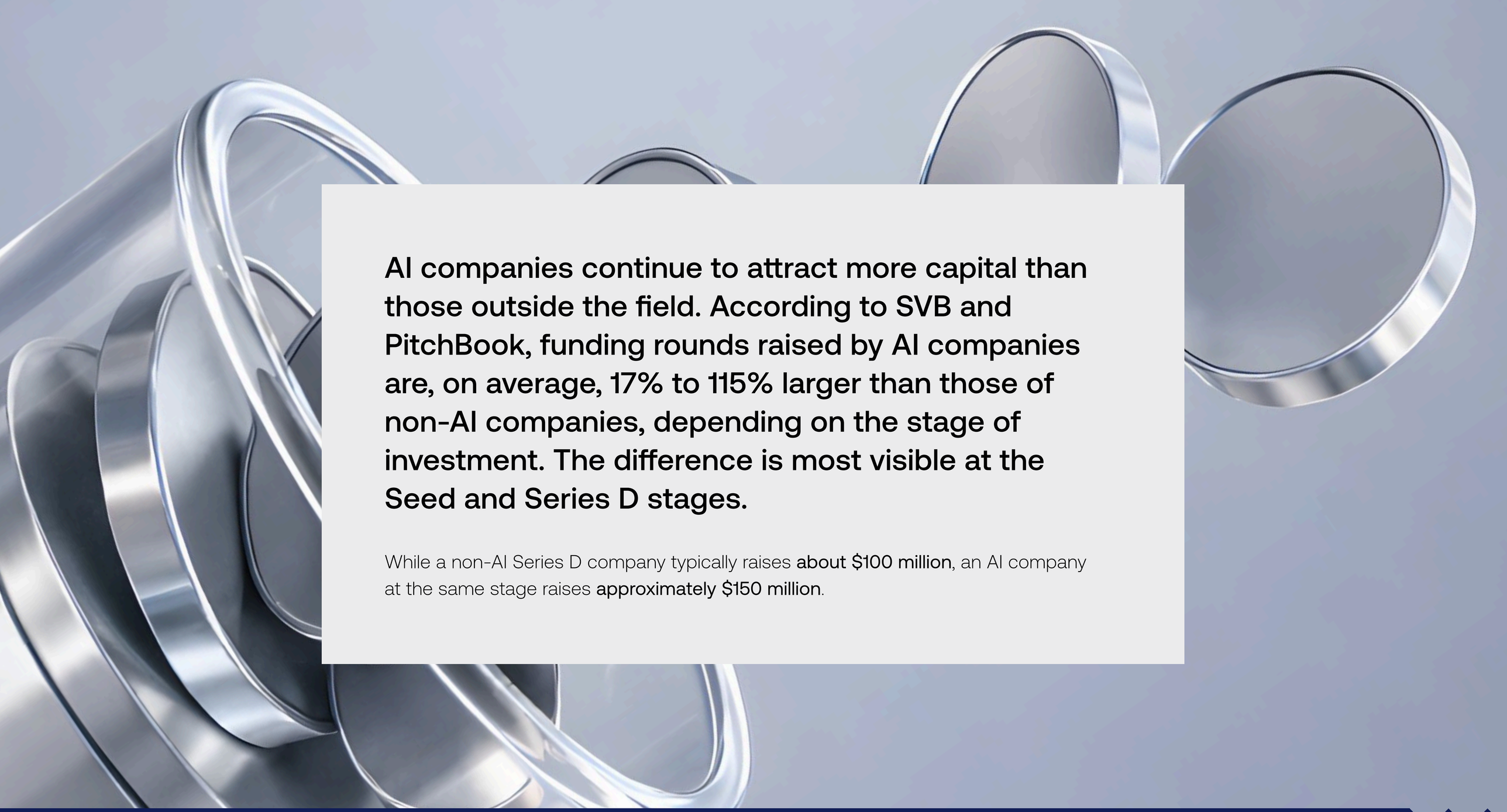
Deal size

Overall, AI companies attract significantly more capital than those not yet involved in AI.



Annual average & median deal size

Average deal size Median deal size



AI companies continue to attract more capital than those outside the field. According to SVB and PitchBook, funding rounds raised by AI companies are, on average, 17% to 115% larger than those of non-AI companies, depending on the stage of investment. The difference is most visible at the Seed and Series D stages.

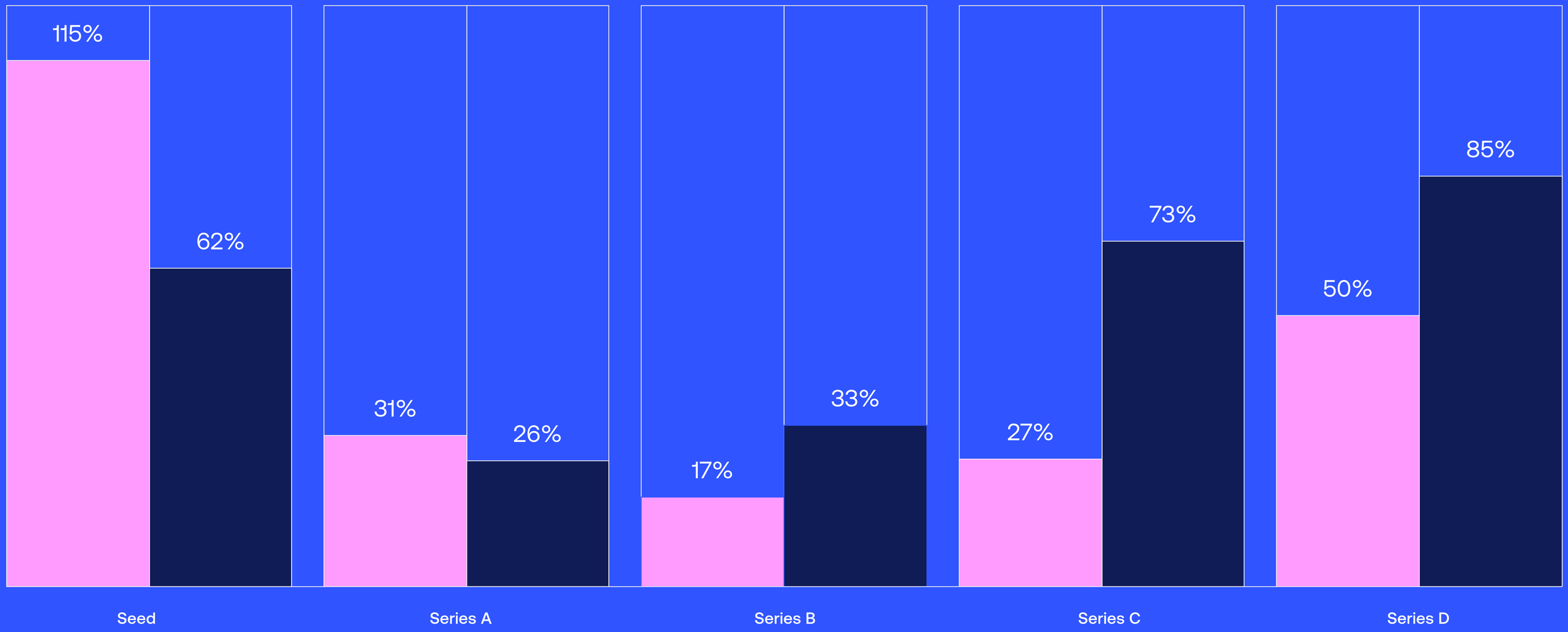
While a non-AI Series D company typically raises **about $100 million**, an AI company at the same stage raises **approximately $150 million**.

“The phase of putting AI on every pitch deck and calling it a strategy is coming to an end. Companies and startups need to show they understand how AI creates real value for their users. And no, it’s not another chatbot sitting in the bottom left corner.”

Paul Lunow, CTO at Vention

For AI, frothy deals and high valuations

Median premiums for AI deal size and valuation (2025)

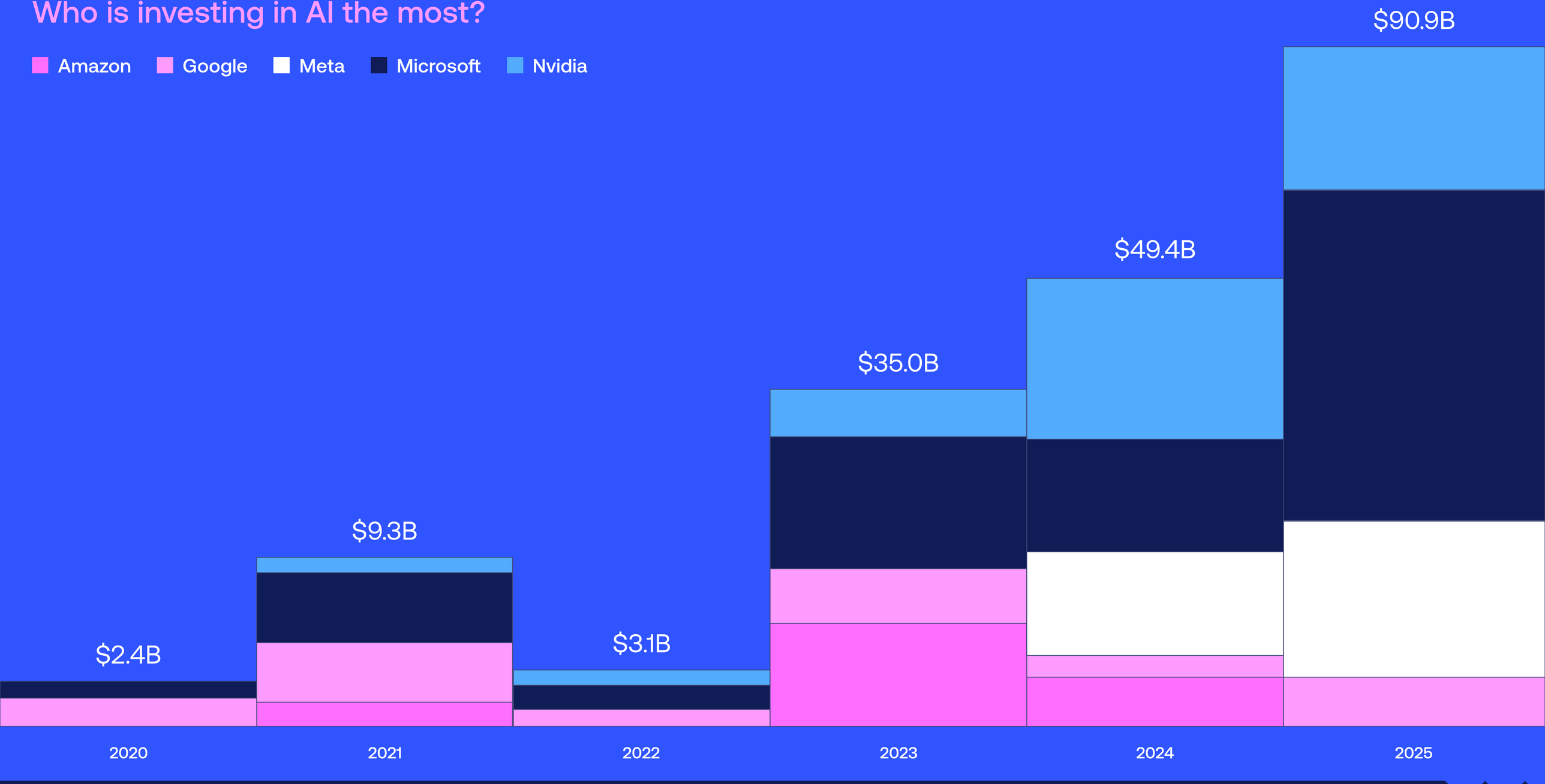


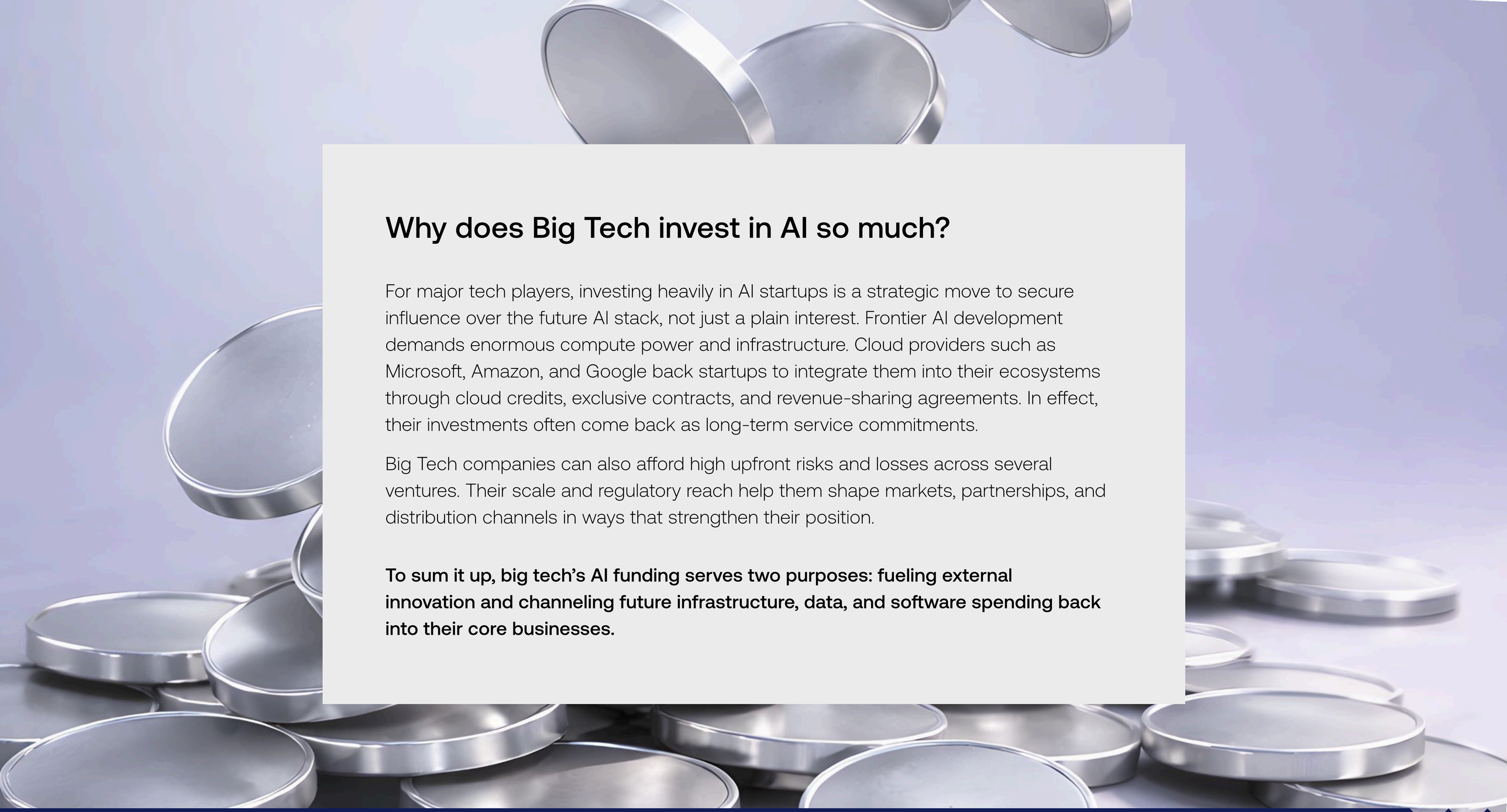
Who is investing in AI the most?

Big Tech companies continue to dominate AI investments. According to Crunchbase, in 2025, **Amazon, Meta, Nvidia, Google, and Microsoft** invested more than $90 billion in AI startups. Together, they accounted for more than 40% of the total global AI investment volume.

- Of the $90 billion, about $40 billion came from OpenAI's funding round in March. The round included Microsoft among 16 co-investors, with SoftBank as the lead investor.
- **Meta** resumed active AI investing after a four-year pause (2020–2023), allocating $11 billion across three deals in 2024 and more than $14 billion through one major deal with Scale AI in 2025.
- **Amazon** scaled back its AI investments after two years of heavy activity. Following over $10 billion in spending in 2023 and 2024, the company committed less than $200 million in 2025.
- **Nvidia** is emerging as the new leader in AI investment. Having spent $20.6 billion in 2024, they continue gaining momentum with $27.7 billion of investments in 2025, outpacing most peers in strategic AI funding.

Who is investing in AI the most?





Why does Big Tech invest in AI so much?

For major tech players, investing heavily in AI startups is a strategic move to secure influence over the future AI stack, not just a plain interest. Frontier AI development demands enormous compute power and infrastructure. Cloud providers such as Microsoft, Amazon, and Google back startups to integrate them into their ecosystems through cloud credits, exclusive contracts, and revenue-sharing agreements. In effect, their investments often come back as long-term service commitments.

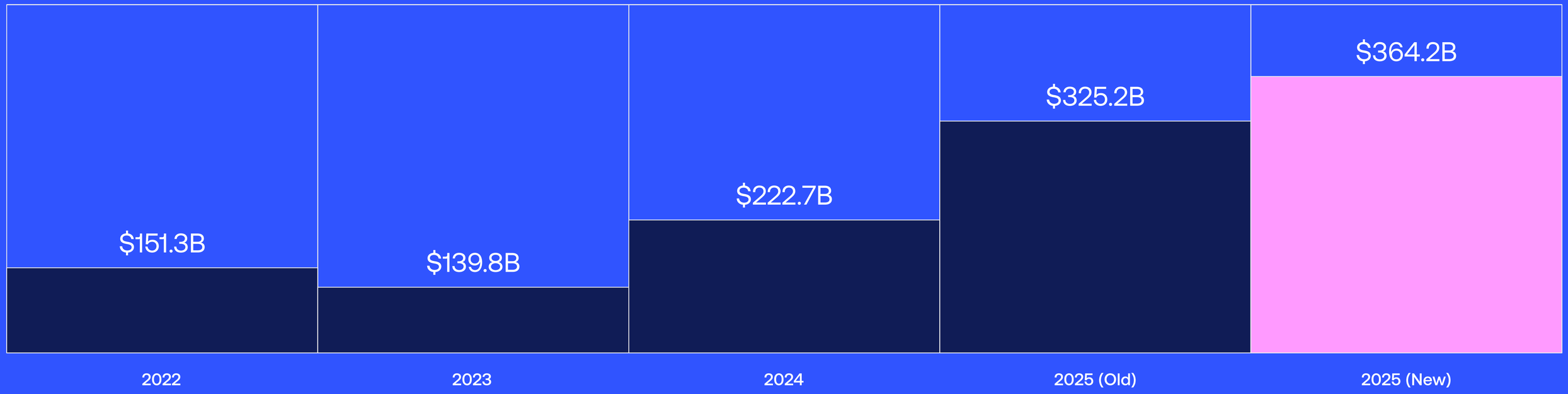
Big Tech companies can also afford high upfront risks and losses across several ventures. Their scale and regulatory reach help them shape markets, partnerships, and distribution channels in ways that strengthen their position.

To sum it up, big tech's AI funding serves two purposes: fueling external innovation and channeling future infrastructure, data, and software spending back into their core businesses.

Why does Big Tech invest in AI so much?

Big Tech is not only investing in external AI companies. It's also pouring money into its own AI infrastructure, which shows up in the sharp rise in capital expenditures. Earlier this year, the **four U.S. hyperscalers were expected to increase their CapEx by more than 30% in 2025** compared to 2024, reaching nearly 325 billion dollars.

In the second half of the year, after these companies updated their spending plans, it became clear that they were on track to spend as much as a combined 364 billion dollars in their 2025 fiscal year, driven mainly by AI-related investments.



For Big Tech, AI is no longer a software feature. It has become a hardware arms race. Capital expenditure sits at the center of that race because every generative model, AI assistant, or LLM-powered service depends on physical compute and network capacity. Only sustained, large-scale capital spending can support that level of demand.

03

AI adoption and usage

With all these deals and spending, how widely has AI managed to spread its influence across the globe? To answer that, we look at the latest AI adoption statistics across regions, industries, and company sizes.

General public usage

61% of US adults have used AI in the past six months.

ChatGPT active users

800 million weekly active users (4x growth in one year).

Corporate adoption

88% of organizations use AI in at least one business function.

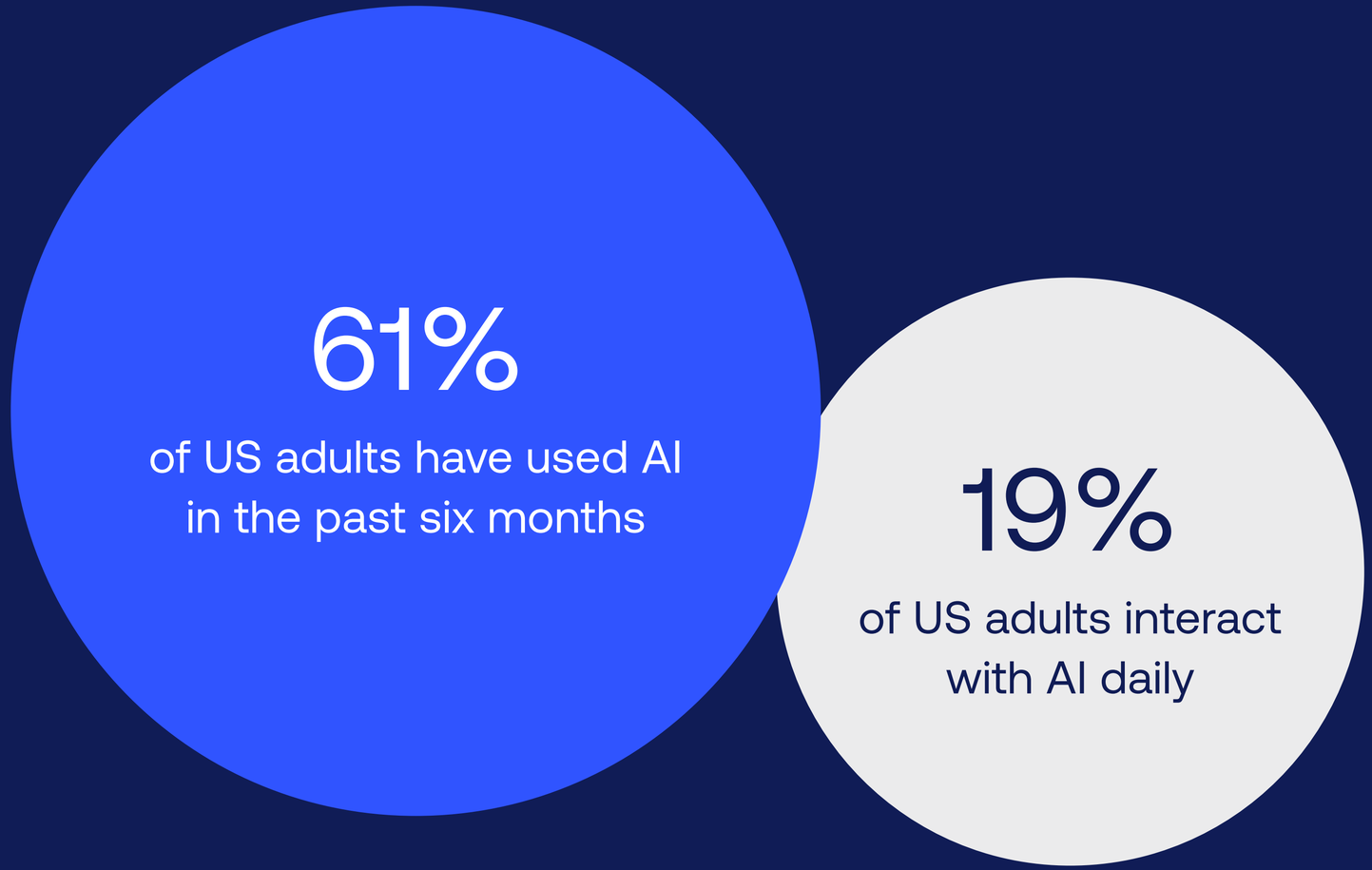
Functional depth

Half of all organizations use AI in three or more business processes.

General users

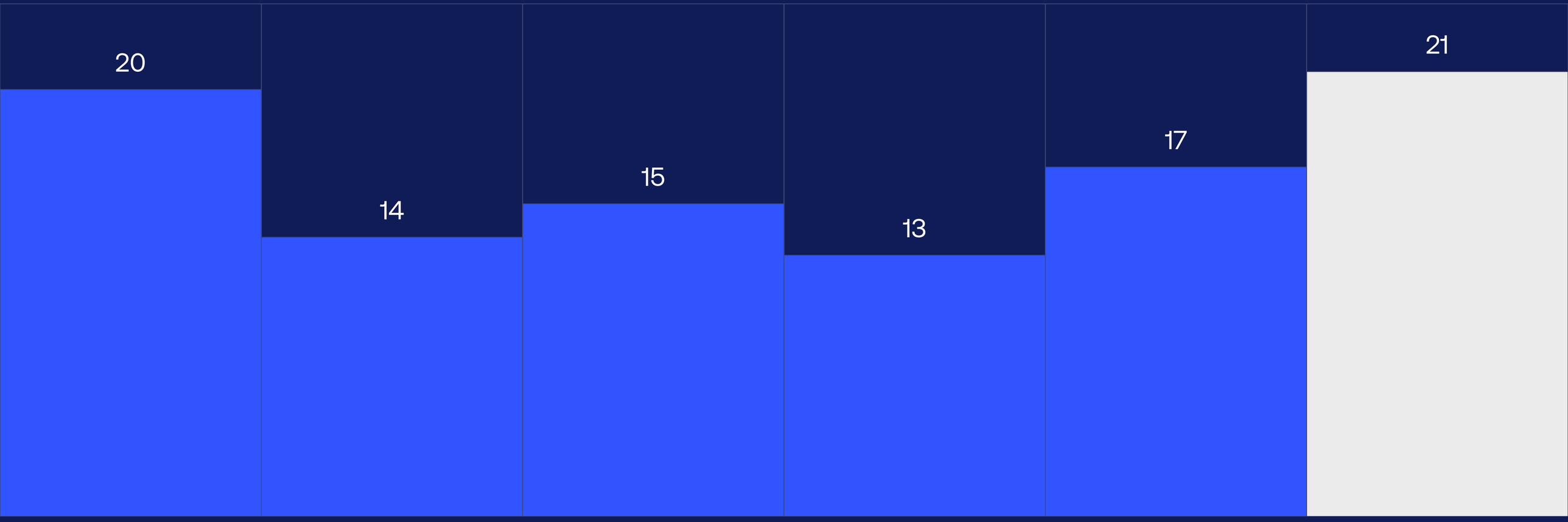
Over half of American adults (61%) have used AI in the past six months. Nearly one in five relies on it every day.

AI adoption among US adults



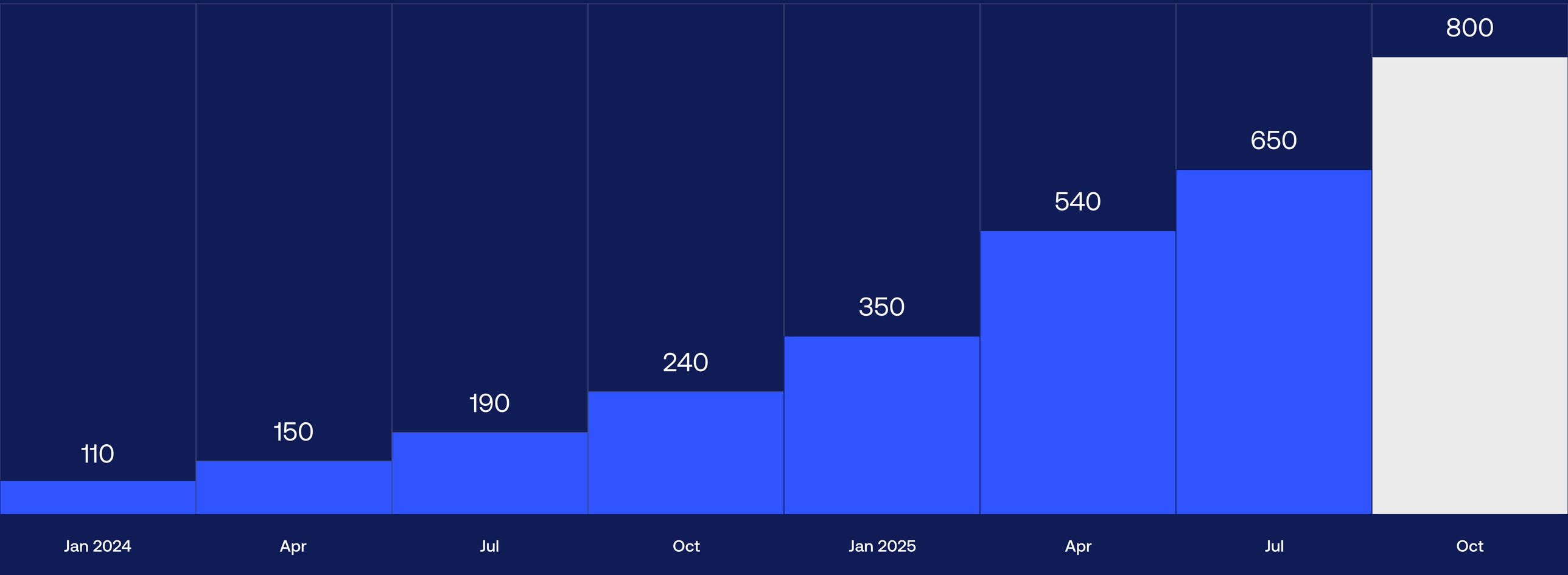
Frequency of international use of AI tools for personal, work, or study purposes

A KPMG study conducted in early 2025 shows similar trends across the globe. About **21% of the world's population uses AI tools daily,** and 66% use them at least every few months.



Chat GPT’s weekly active users
(in millions)

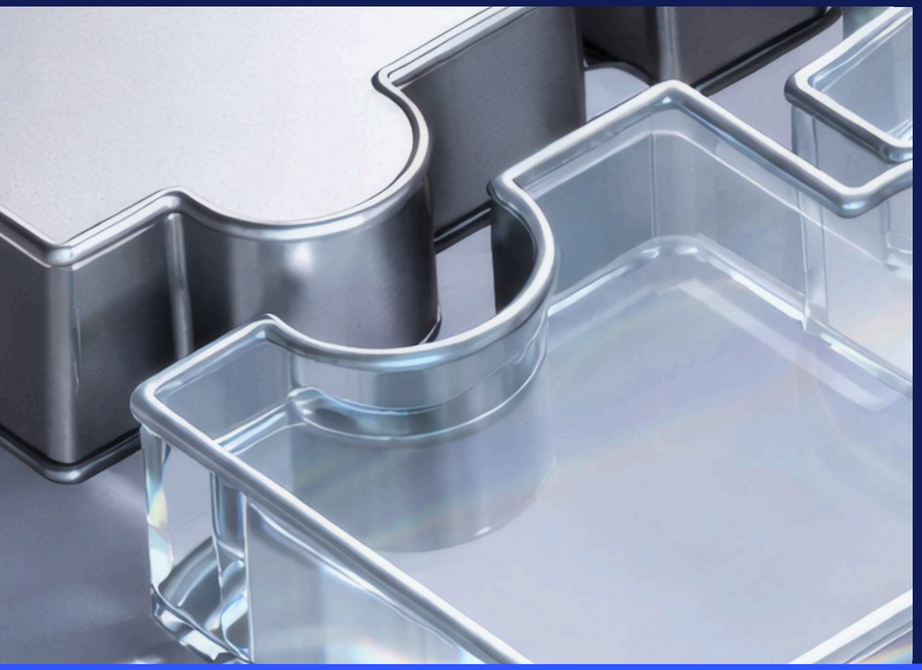
One of the most striking findings on AI adoption can be found in a joint study by OpenAI, Duke University, and Harvard University, which was published in September 2025. As of July 2025, **ChatGPT was used weekly by roughly 700 million people,** representing roughly 10% of the global adult population.



Expert perspective

By October 2025, during the OpenAI DevDay keynote, Sam Altman, the CEO of OpenAI, announced that ChatGPT's weekly active users had already reached 800 million. A year earlier, in October 2024, the number was 200 million. In November 2023, it was 100 million.

In one year, weekly active ChatGPT users have quadrupled. Over two years, the total has increased eightfold.



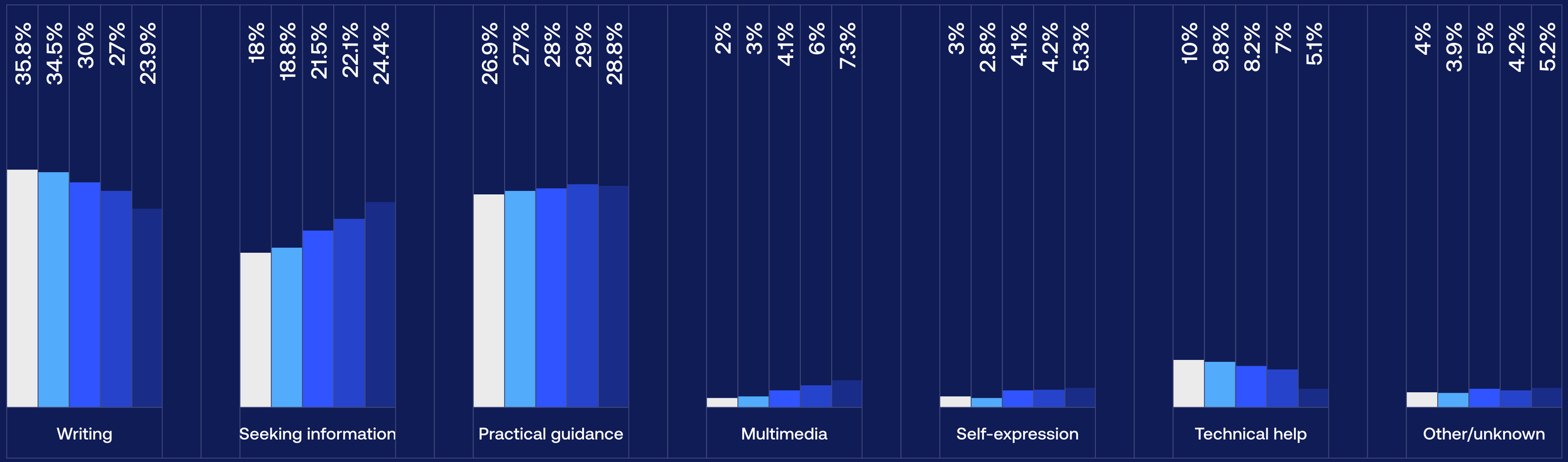
OpenAI's report also highlights how people use AI tools.

- In everyday life, the top three uses are seeking practical guidance, finding information, and writing.
- In work settings, the same three stay at the top, followed closely by technical help, which ranks fourth across overall usage patterns.

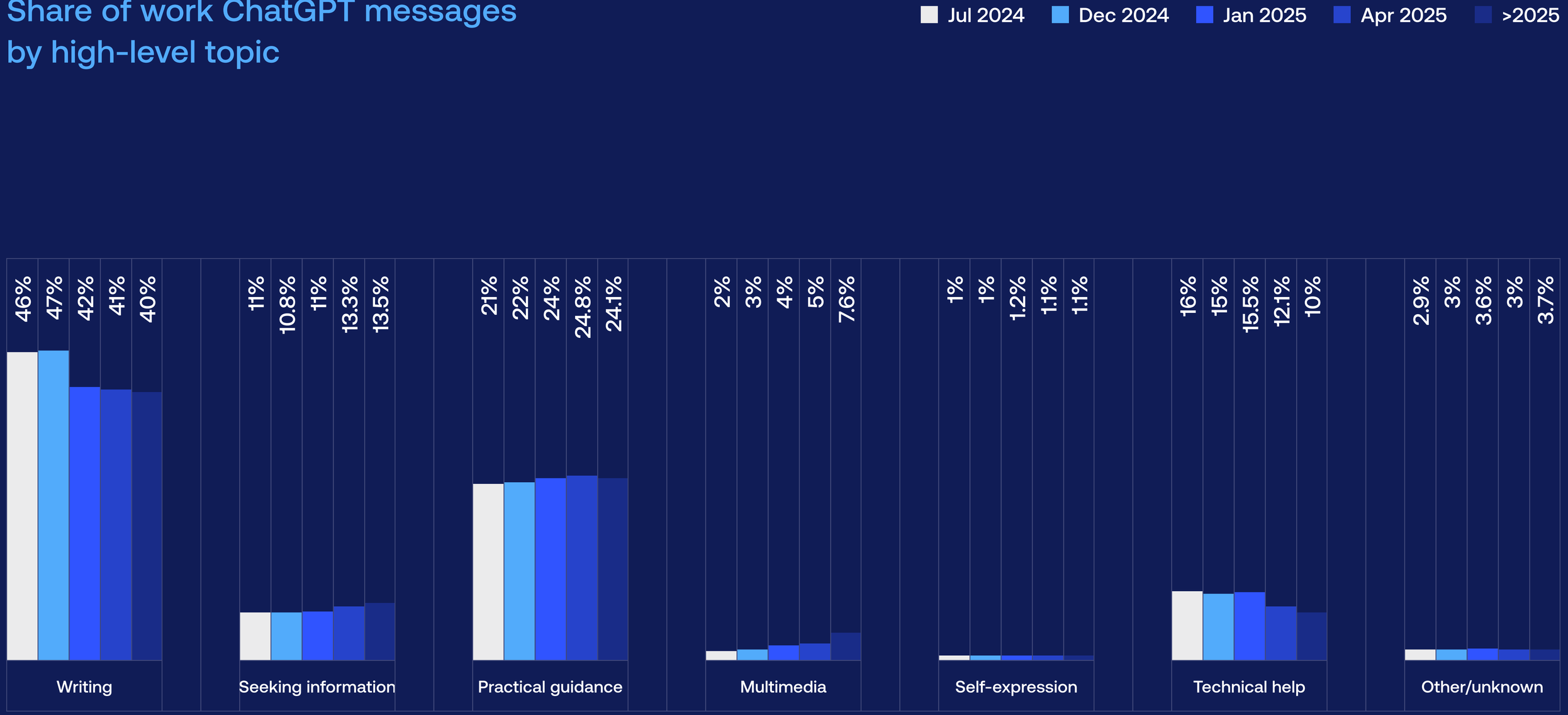
“AI has become part of everyday life, moving from experimentation to behavioral change, as we can see from these results. The next challenge for organisations is to harness this familiarity internally, transforming how teams learn, decide, and deliver together.”

Glyn Roberts, CTO of Digital Solutions at Vention

Share of consumer ChatGPT messages by high-level topic

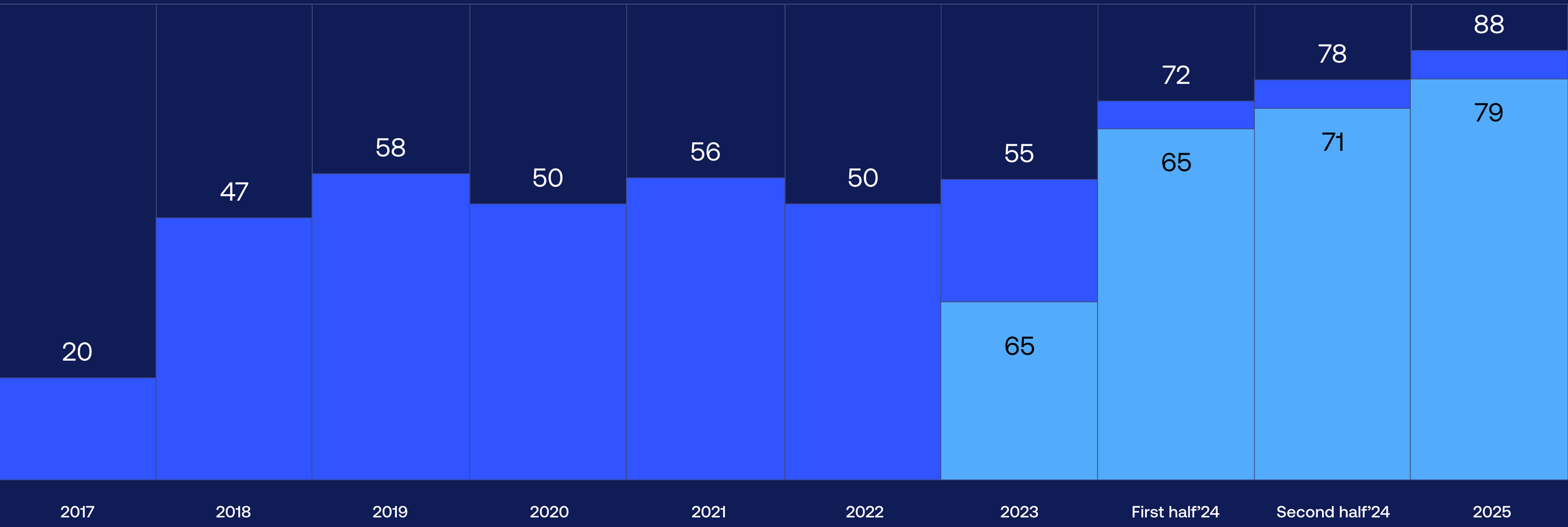


Share of work ChatGPT messages by high-level topic



Corporate adoption

Organizations' use of AI has accelerated markedly in the past year, after years of little meaningful change

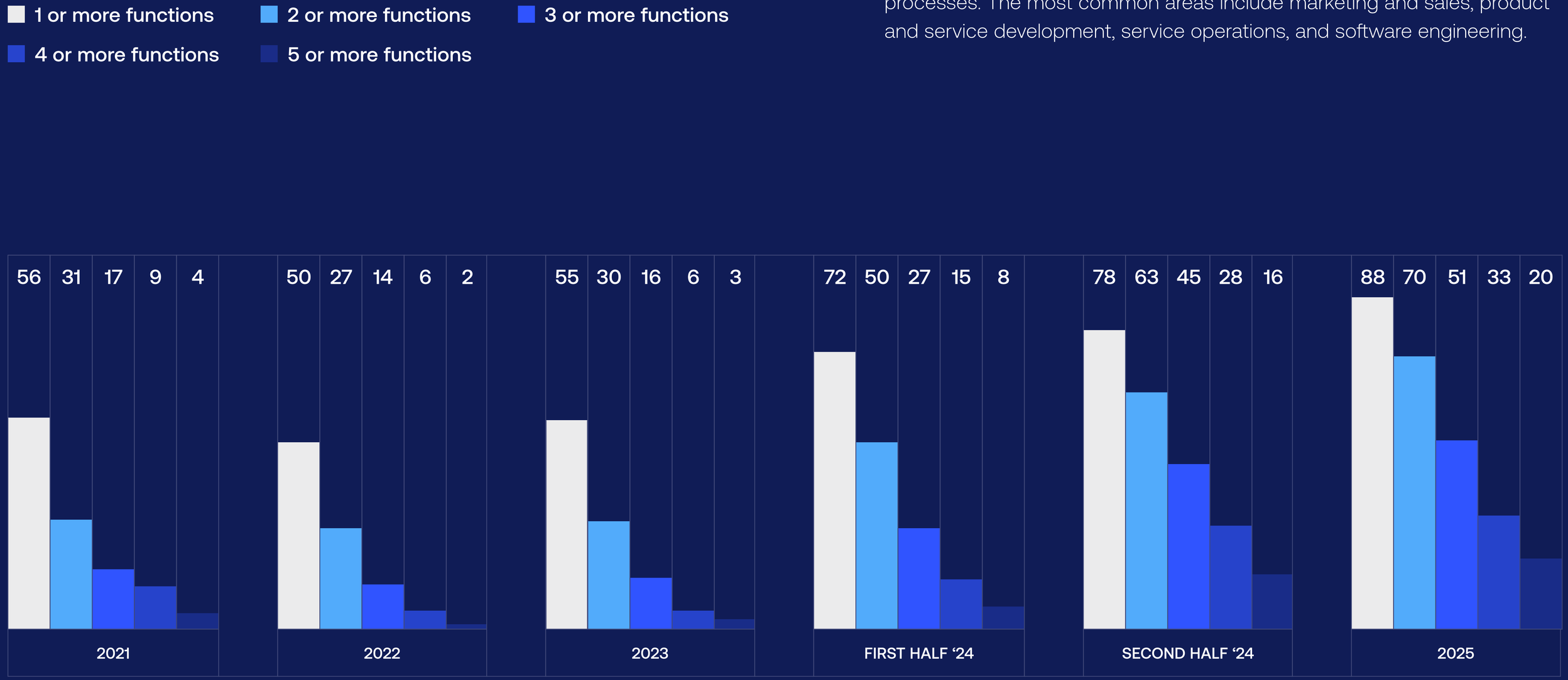


AI adoption across businesses continues to rise.

Our own research revealed that 93% of companies are already using AI. 80% use it directly, and the other 13% benefit from AI through a vendor.

McKinsey's findings showed that 88% of organizations already use AI in at least one of their business functions, with the share of those using GenAI growing to 79%.

Organizations are increasingly using AI in multiple functions, %

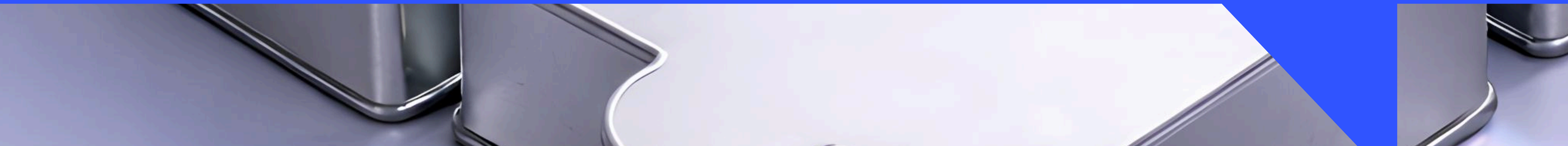


It’s also worth noting that the share of companies using AI in multiple business functions is increasing even more rapidly.

More than half of all organizations now deploy AI in three or more business processes. The most common areas include marketing and sales, product and service development, service operations, and software engineering.

“As tech leaders, it’s our job to support our companies in how they use AI. That means guard rails, shared context, and up-to-date documentation. When everyone is using AI tools, we need to make sure the outcome is the best possible.”

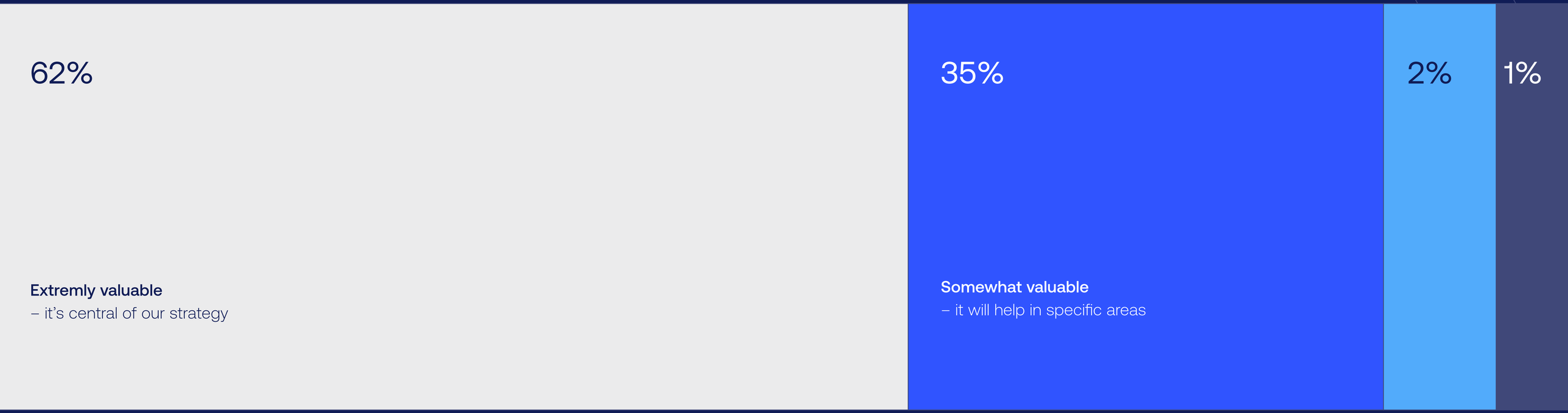
Paul Lunow, CTO at Vention



Corporate adoption

Our research shows even stronger numbers.
99% of respondents said they are using AI in business, and **97% said AI brings real value**.

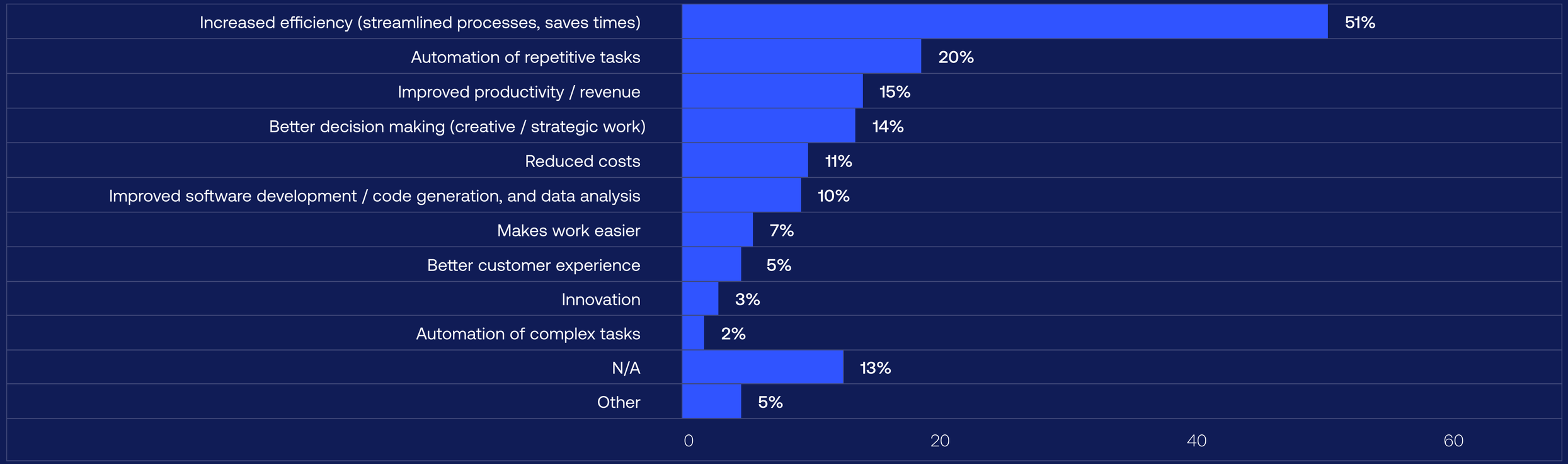
How valuable do you think AI will be for your business in the next 1-2 years?



What is the #1 benefit you believe AI can have for your business?

Among the benefits, respondents pointed to the same themes again and again:

- Automation of repetitive tasks
- Improved productivity and revenue
- Better decision-making
- Improved software development/code generation
- Data analysis



Adoption by industry

AI adoption is expanding across nearly every industry. It now plays a key role in banking, insurance, manufacturing, retail, healthcare, life sciences, education, and even government services.

The AI technology with the highest adoption rate is generative AI, as it's used by an average of 81.3% of organizations across these industries. Quantum AI is the least utilized, with an average adoption rate of 28.4%.

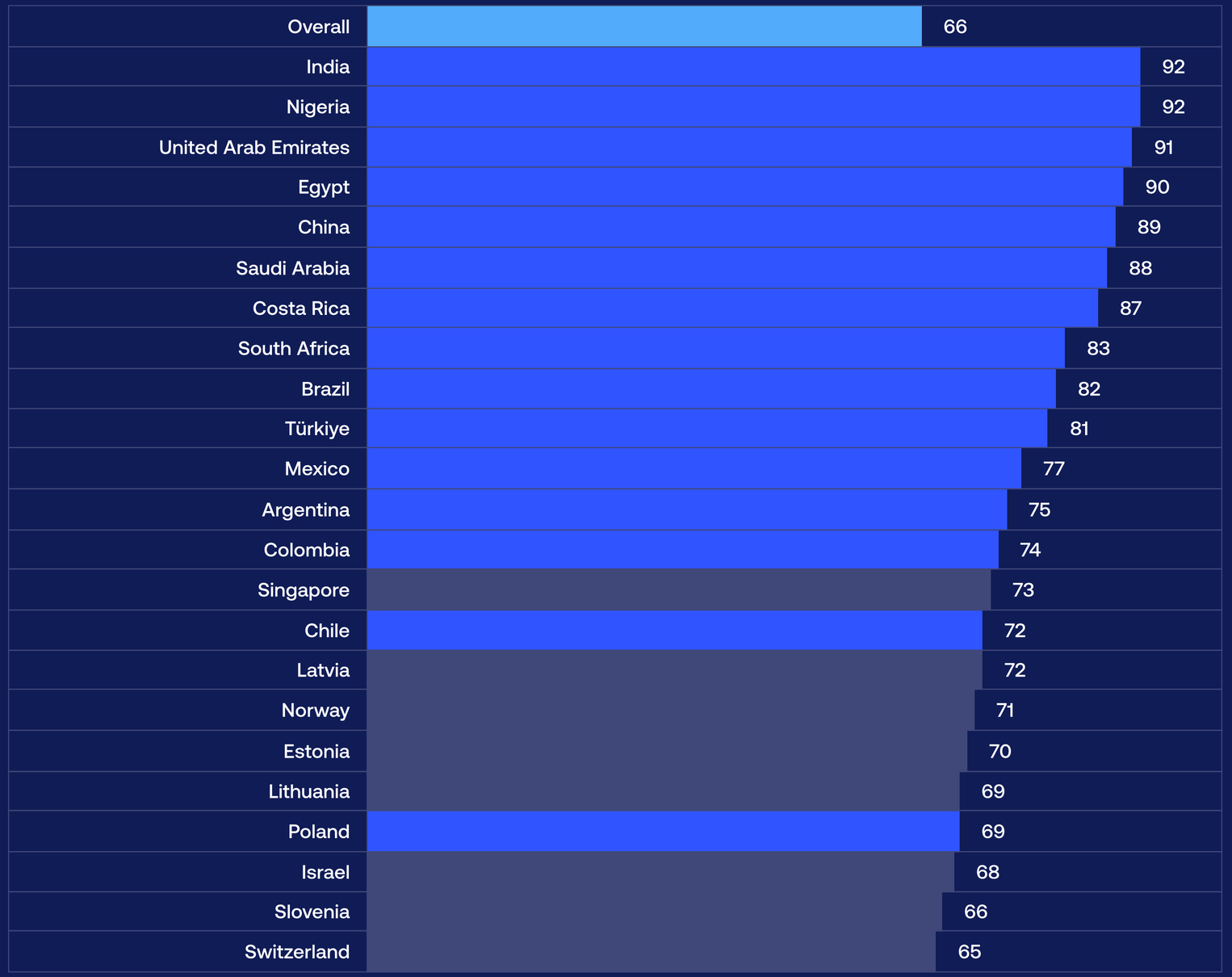
While the adoption rate of quantum AI is still relatively low, the fact that over a quarter of respondents are already exploring ways to merge quantum computing and AI suggests growing demand for faster and more efficient infrastructure.

AI technologies used

- Banking
- Insurance
- Manufacturing
- Real trade
- Government
- Healthcare
- Life sciences
- Education

Regular use of AI systems across countries

- % Overall economy
- % Advanced economy
- % Emerging economy



When looking at AI adoption by geography, developing economies now lead the way. According to KPMG, the top ten countries by percentage of regular AI users are all emerging markets, including **India, Nigeria, Egypt, China, Brazil, Mexico, Argentina, and Colombia.**

While developed economies, particularly the United States, continue to drive AI innovation and production, everyday use is expanding faster in developing regions. In other words, the tools built in advanced economies are increasingly being adopted, tested, and scaled in emerging ones, which shows a global balance between innovation and widespread practical application.

“AI has become a serious information distribution channel, and it’s still growing. Every company needs a clear strategy for how its information and functionality will be picked up and used by LLMs. This can come from innovation teams, platform improvements, or focused marketing work. A strategy with strong technical grounding is no longer optional.”

Paul Lunow, CTO at Vention

04

AI and productivity

AI and productivity

According to a McKinsey survey, every C-suite executive in the US already has a GenAI roadmap in place or in progress, and about 25% say theirs is already complete.

According to respondents in our research, AI is seen as a major driver of efficiency. The biggest benefits and motivators for AI adoption are the following:

- In the UK, **46.9% of decision makers** see faster development speed as the key benefit.
- In DACH, **45.9% of respondents** say they benefit most from AI task automation.
- Among mature companies, task automation is also the primary motivator, with **40.5% of companies** naming it as the top benefit.

AI and productivity

The growing focus on GenAI shows how strongly companies now connect it with everyday performance. Leaders see AI as a way to help teams work faster, use information more effectively, and cut time spent on repetitive tasks, all of which drive productivity.

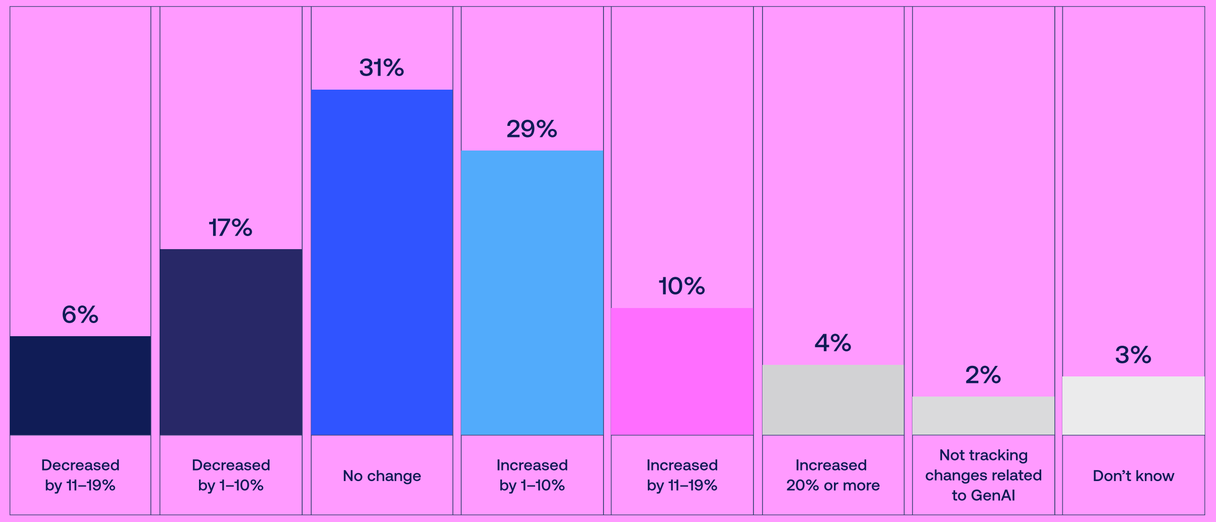
Presence of a defined gen AI road map, % of US C-suite respondents

US C-suite's perception on how gen AI has affected revenues and costs, % of respondents

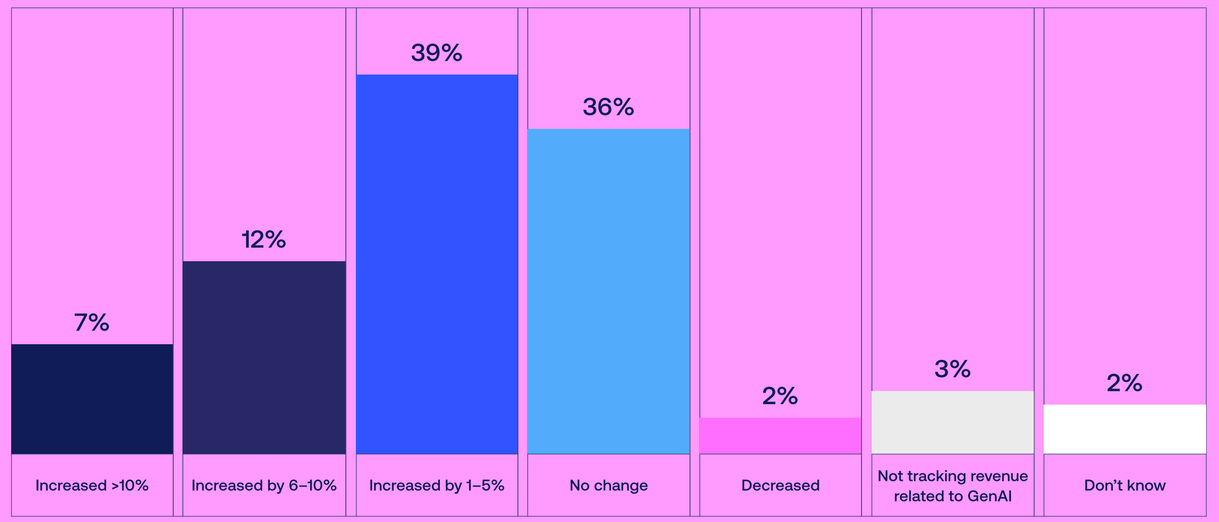
When it comes to ROI, the short-term impact remains mixed. Only 19% of respondents said AI boosted their ROI by more than 5%, while 75% reported low-to-zero gains so far.

When it comes to costs, 60% saw either no change or an increase below 10%; 23% experienced a drop of up to 19% in operating costs.

Costs

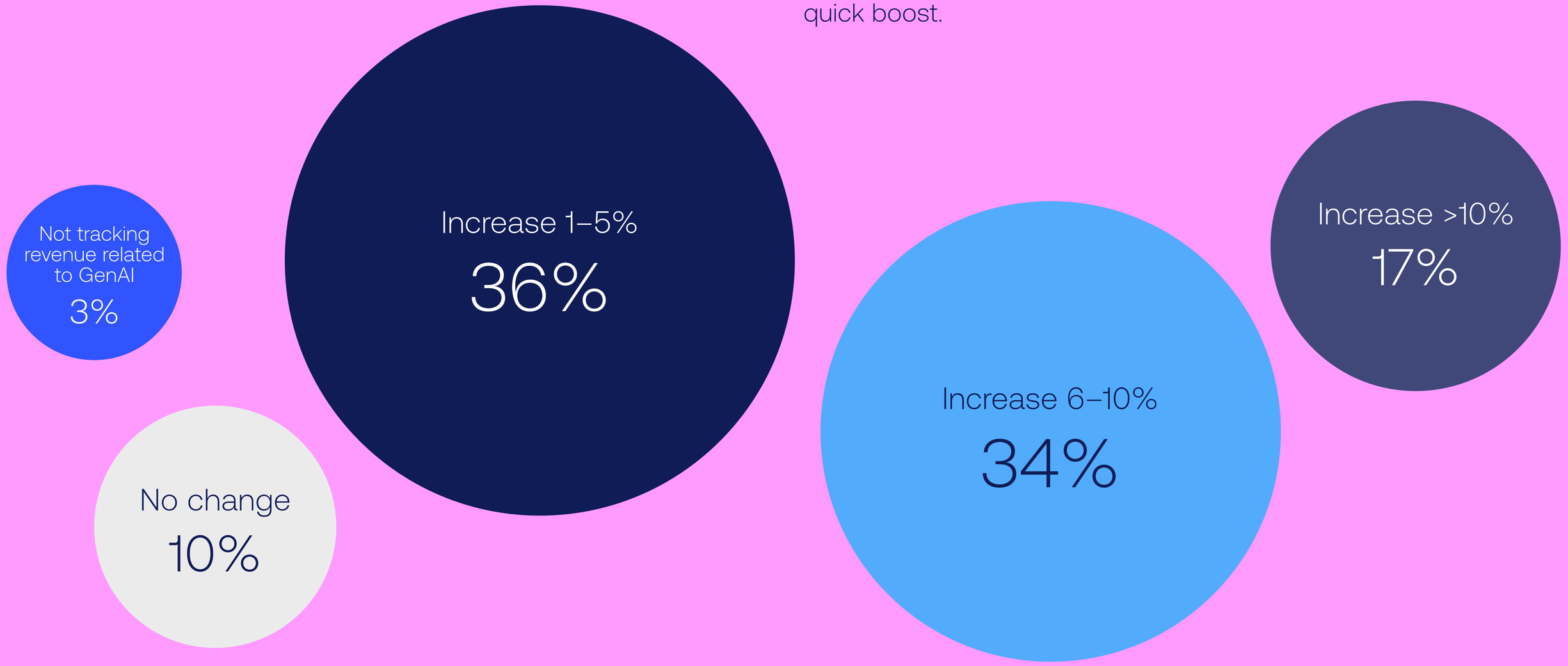


Revenues



US C-suite's perception on how gen AI will affect revenue, next 3 years, % of respondents

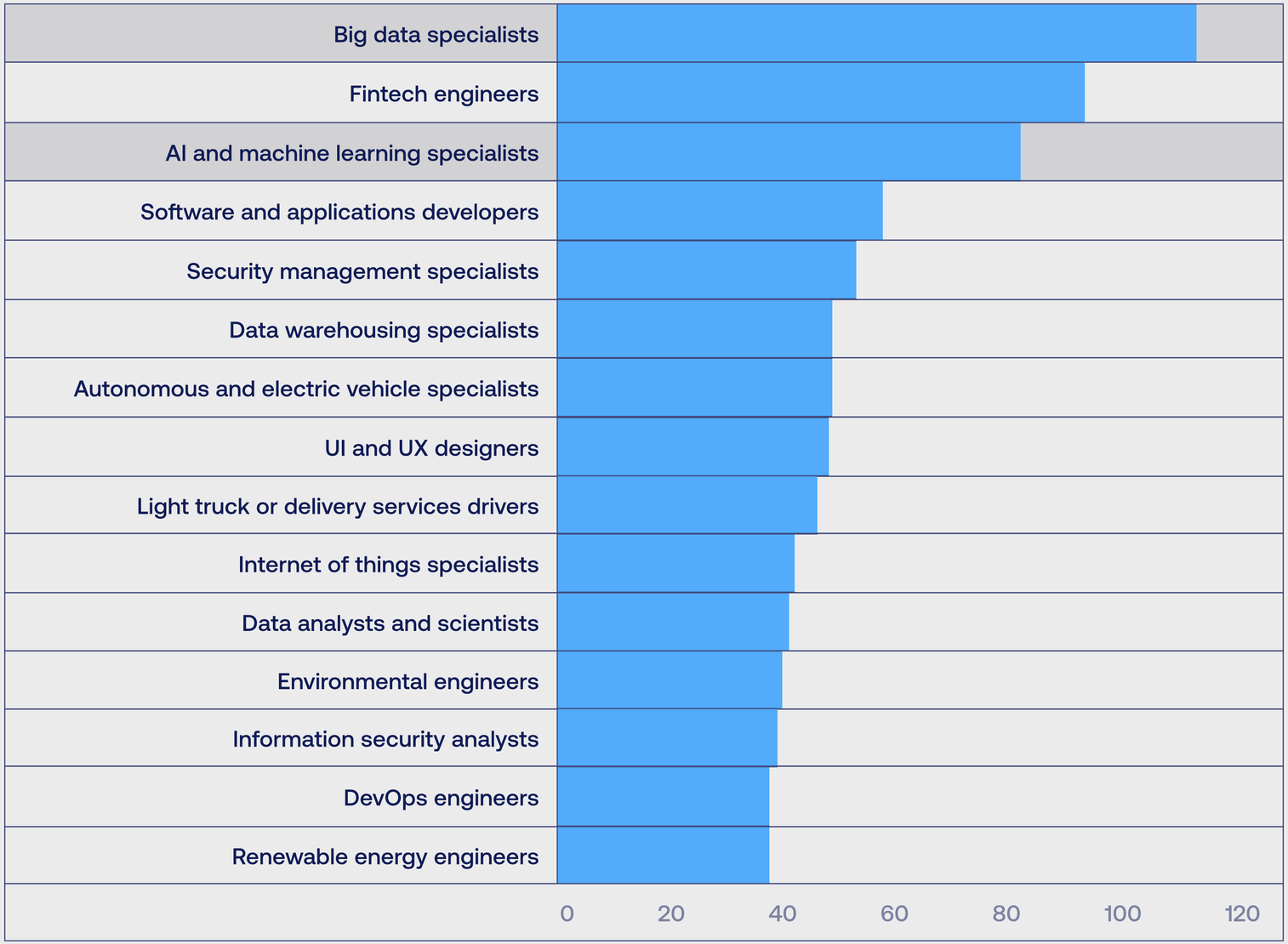
But the future looks more optimistic. Over the next three years, only 10% of executives expect no change in revenue from AI. At the same time, 51% anticipate growth of more than 5%, showing that most companies view AI as a long-term investment rather than a quick boost.



05

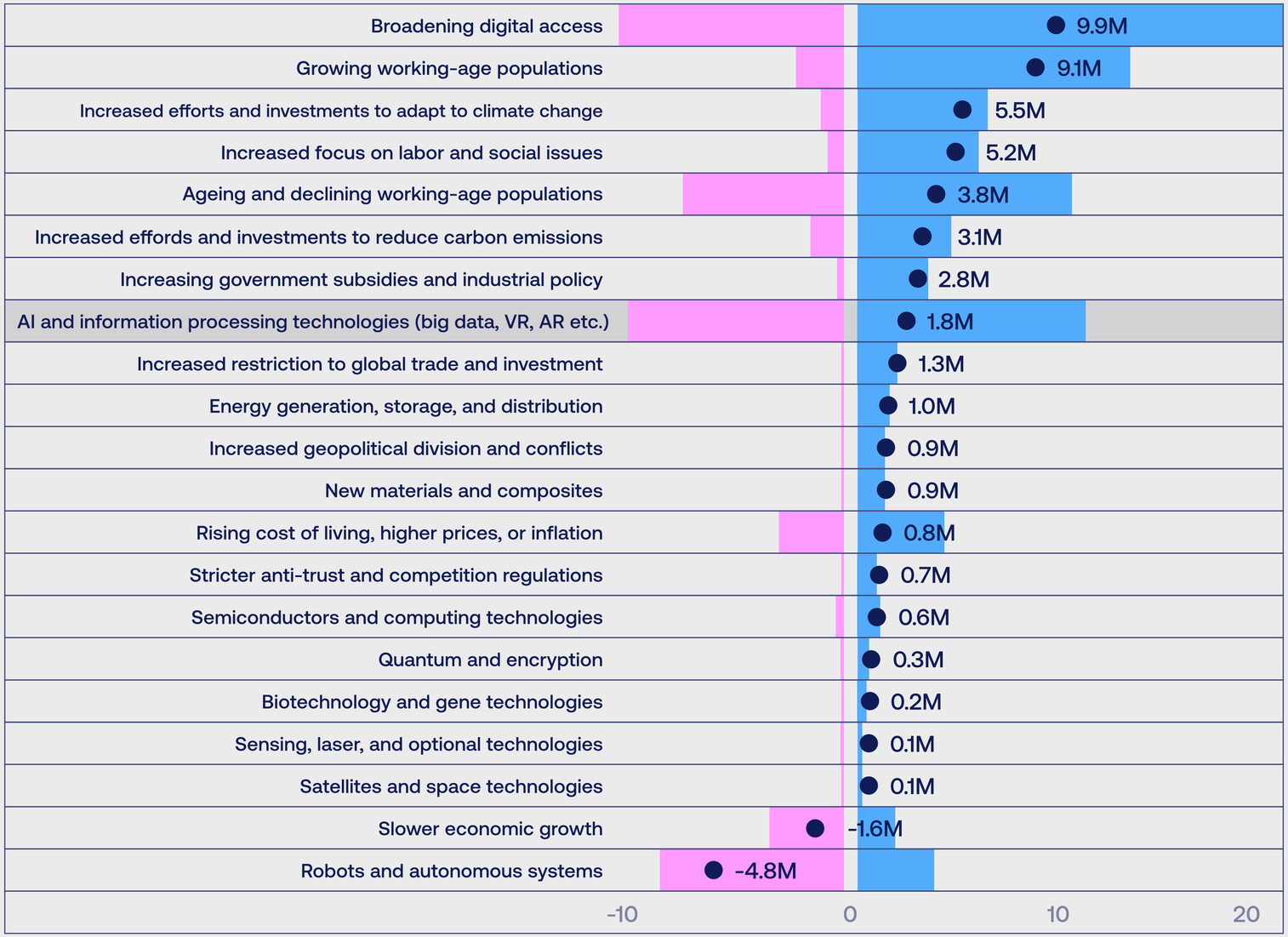
AI and jobs

For AI, frothy deals and high valuations



The World Economic Forum's Future of Jobs Report 2025 offers a look at how the job market will evolve through 2030. Two of the three fastest-growing roles are linked to AI and data: big data specialists and AI or machine learning engineers.

Fastest-growing and fastest-declining jobs, 2025-2030



The report also finds that AI and related information-processing technologies will have a net positive effect on global employment, creating more jobs than they displace.

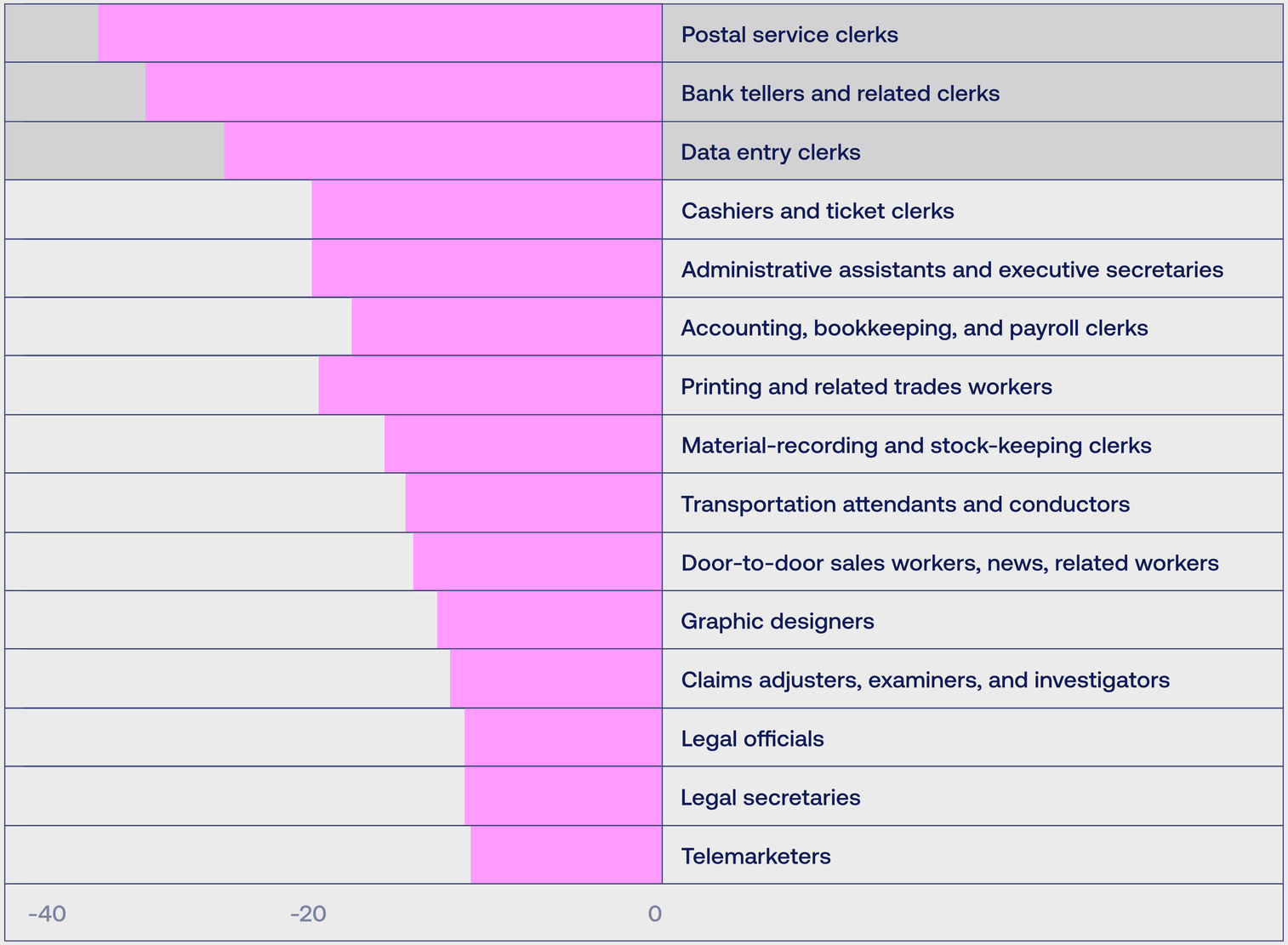
“Some worry that AI will take jobs away, but history suggests a different outcome. When machines entered factories or computers entered offices, they didn’t eliminate work. They changed what people worked on.

AI follows the same pattern. It takes on tasks it can do faster, more consistently, and at a scale that’s hard for humans to match. That frees people from repetitive work and shifts their focus to judgment, creativity, and decision-making.

New responsibilities are emerging where AI supports the work, does well-defined tasks, and extends human capacity, while people stay firmly in charge of direction, quality, and accountability.”

Sergei Kovalenko, Vention CEO

Fastest-growing and fastest-declining jobs, 2025-2030



The fastest-declining jobs are tied to manual or repetitive work that can be easily automated. We expect roles such as data entry clerks, cashiers, and postal service clerks to shrink the most.

In contrast, AI-driven and tech-enabled jobs continue to expand, which highlights the growing importance of digital skills across industries.

“With Vention’s commitment to AI enabled engineers, we support exactly that. We put humans in the loop and equip them with business knowledge, critical thinking skills, and AI tools so they can increase your business value.”

Paul Lunow, CTO at Vention

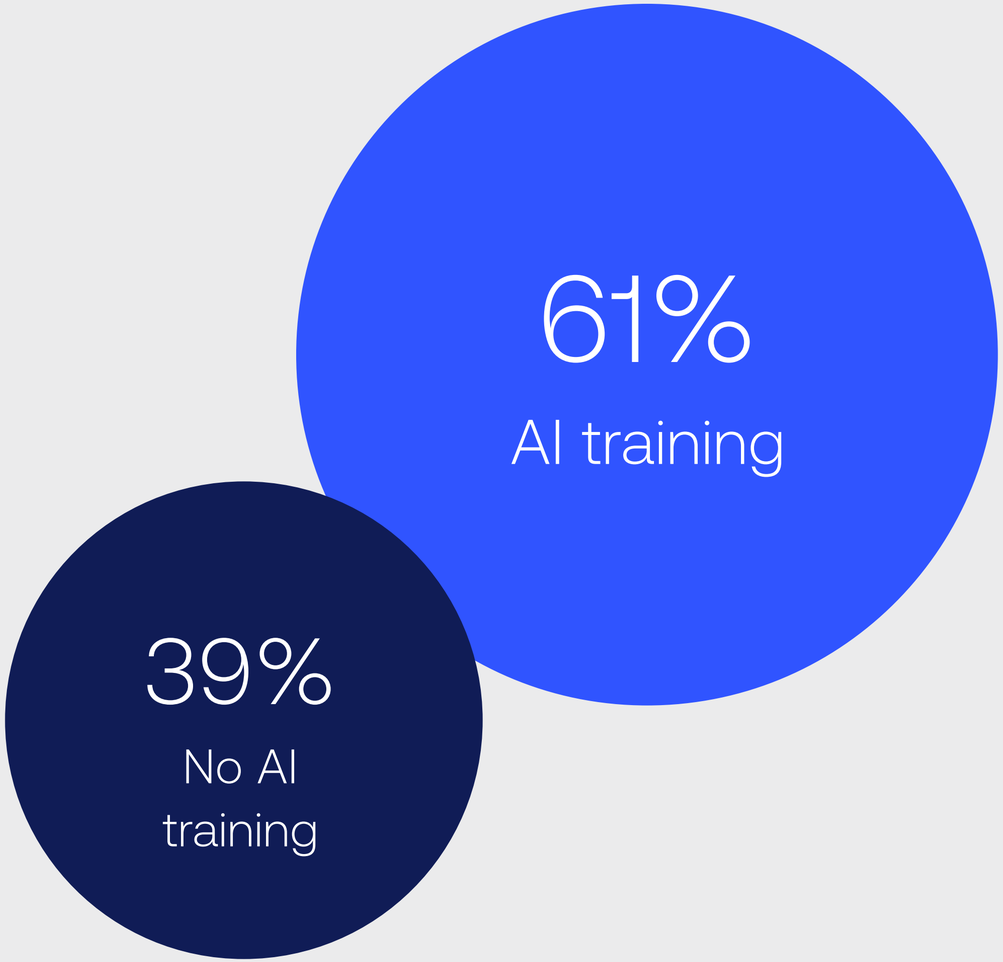
While the overall impact of AI on the job market is considered net positive, our research shows that 76% of decision makers believe they will not need to hire as many software developers this year.

Among the most affected roles, junior engineers and developers appear the most often, with 41% of respondents mentioning them.

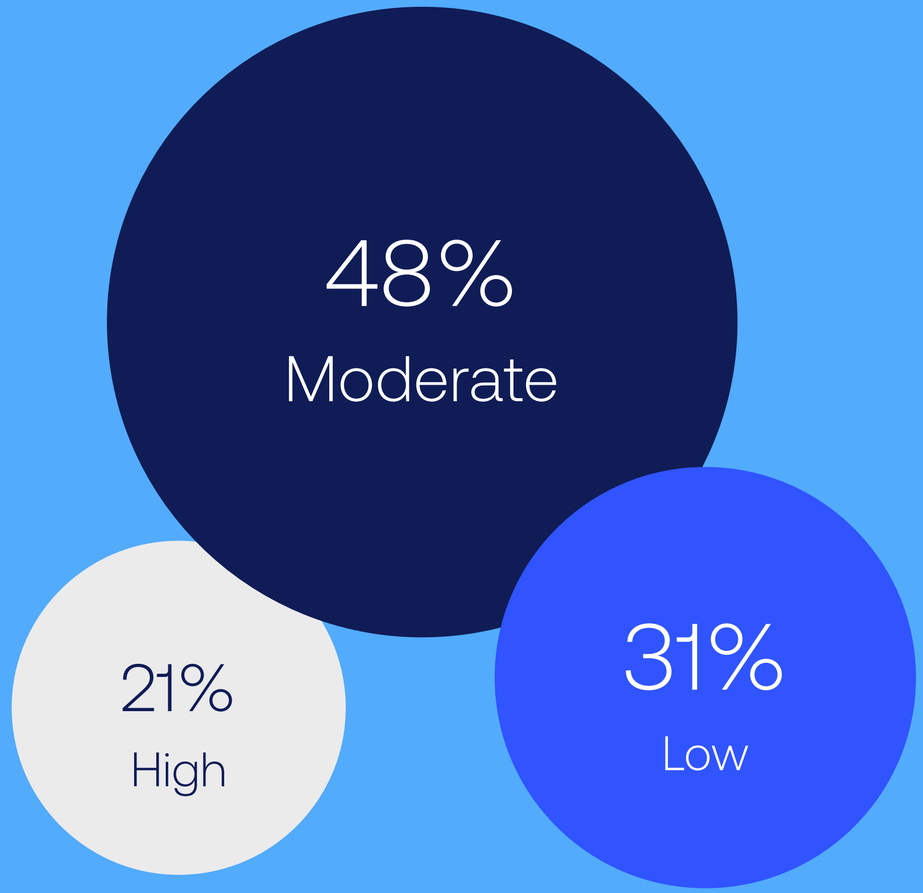
AI and other emerging technologies are expected to strengthen the labor market overall, but workers in automation-prone roles will need to reskill to stay relevant. Many organizations already encourage AI-related training to prepare for this transition.

According to KPMG, 83% of professionals are interested in learning more about AI. However, only 21% rate their AI knowledge as high, and just 39% have taken any AI-related courses.

AI-related training or education

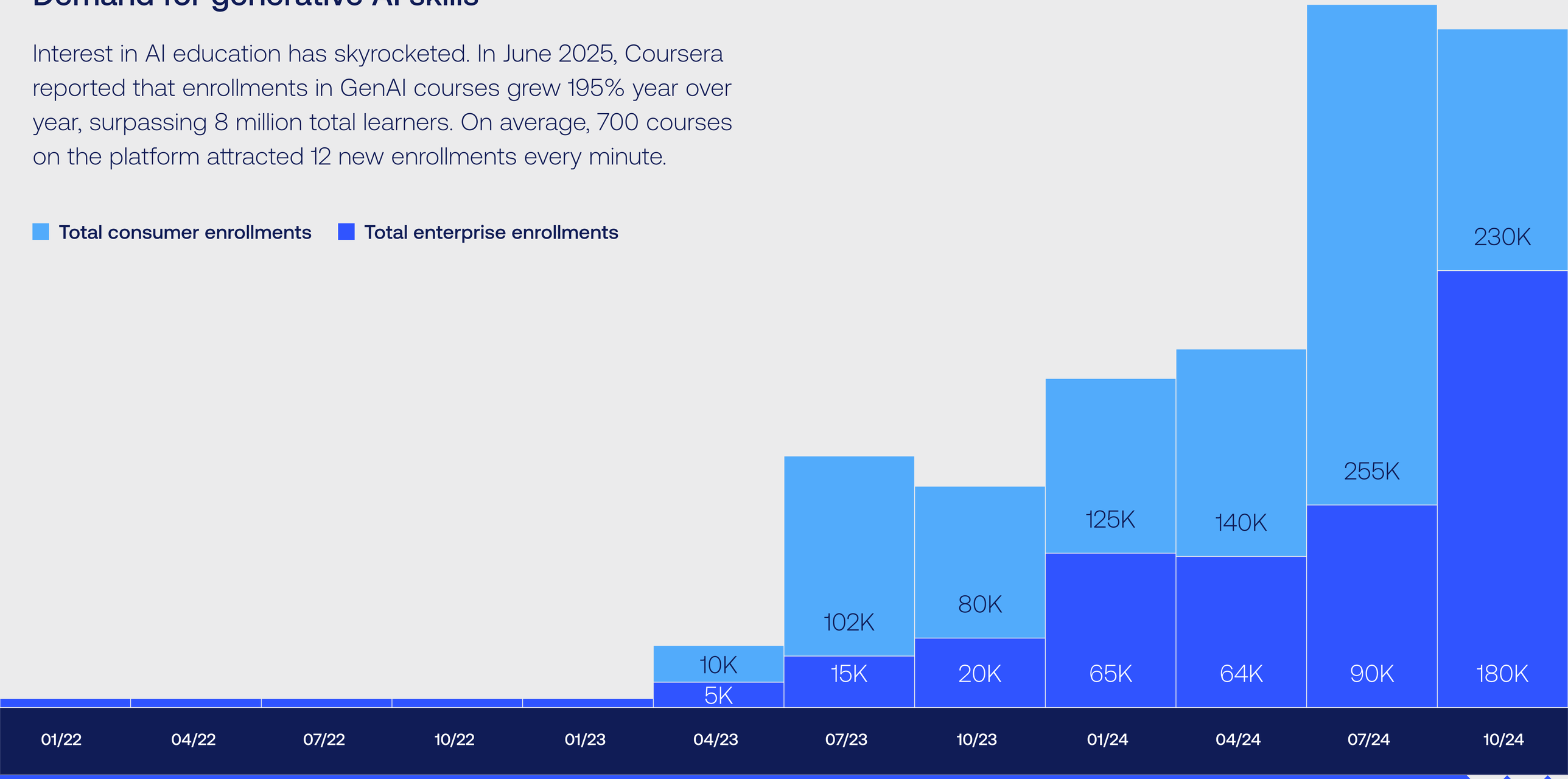


Self-reported AI knowledge



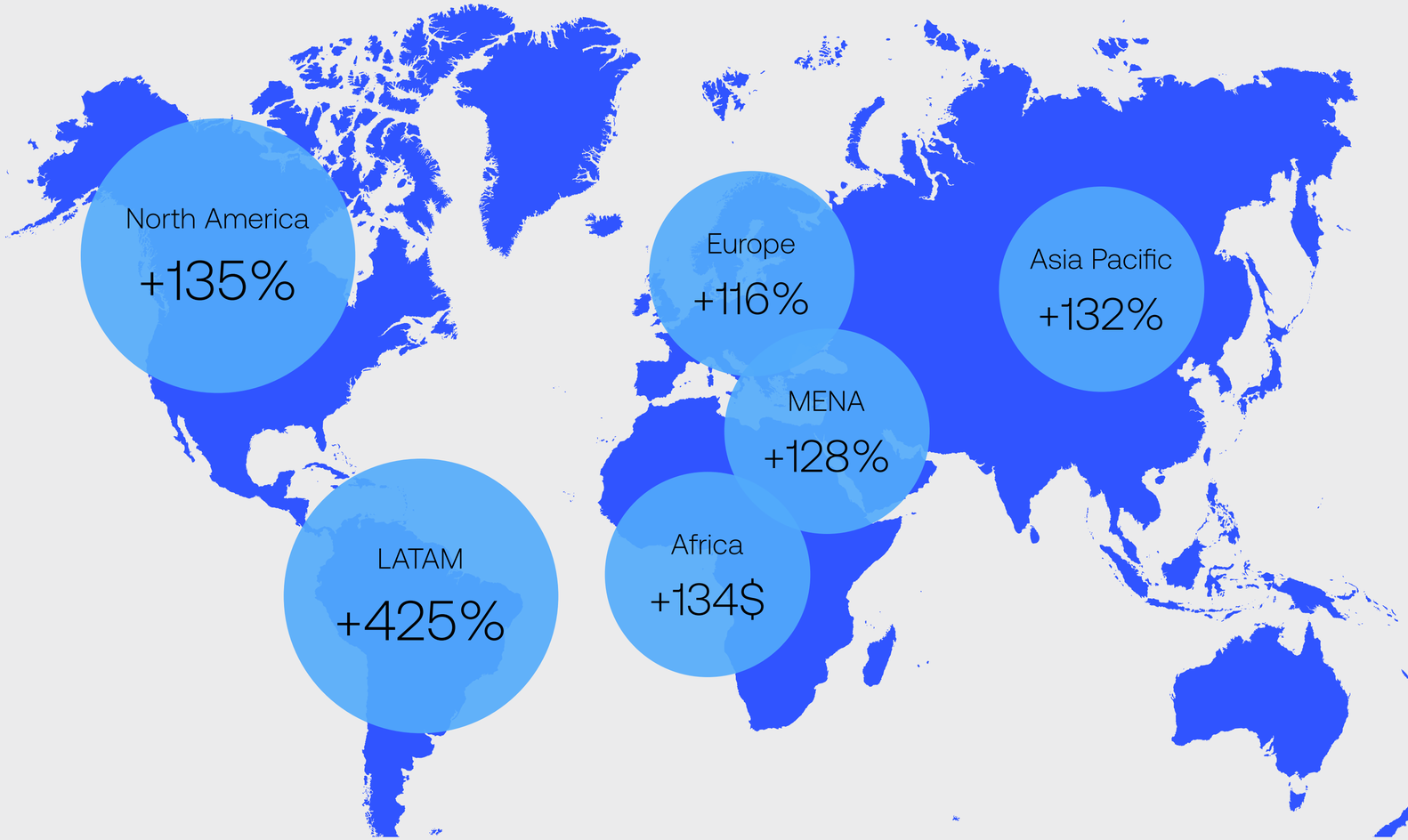
Demand for generative AI skills

Interest in AI education has skyrocketed. In June 2025, Coursera reported that enrollments in GenAI courses grew 195% year over year, surpassing 8 million total learners. On average, 700 courses on the platform attracted 12 new enrollments every minute.



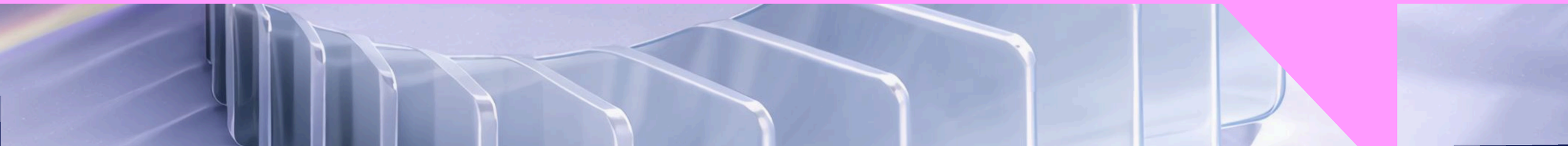
GenAI courses enrollment growth YoY

While global demand for GenAI courses more than doubled, Latin America recorded the sharpest rise (a 425% surge in enrollments), followed by Africa (+134%) and North America (+135%).



“Learning by doing is essential for real AI adoption. Productivity rises when engineering teams include knowledgeable, well-trained engineers, and it also strengthens how teams share experience and learn from one another.”

Paul Lunow, CTO at Vention

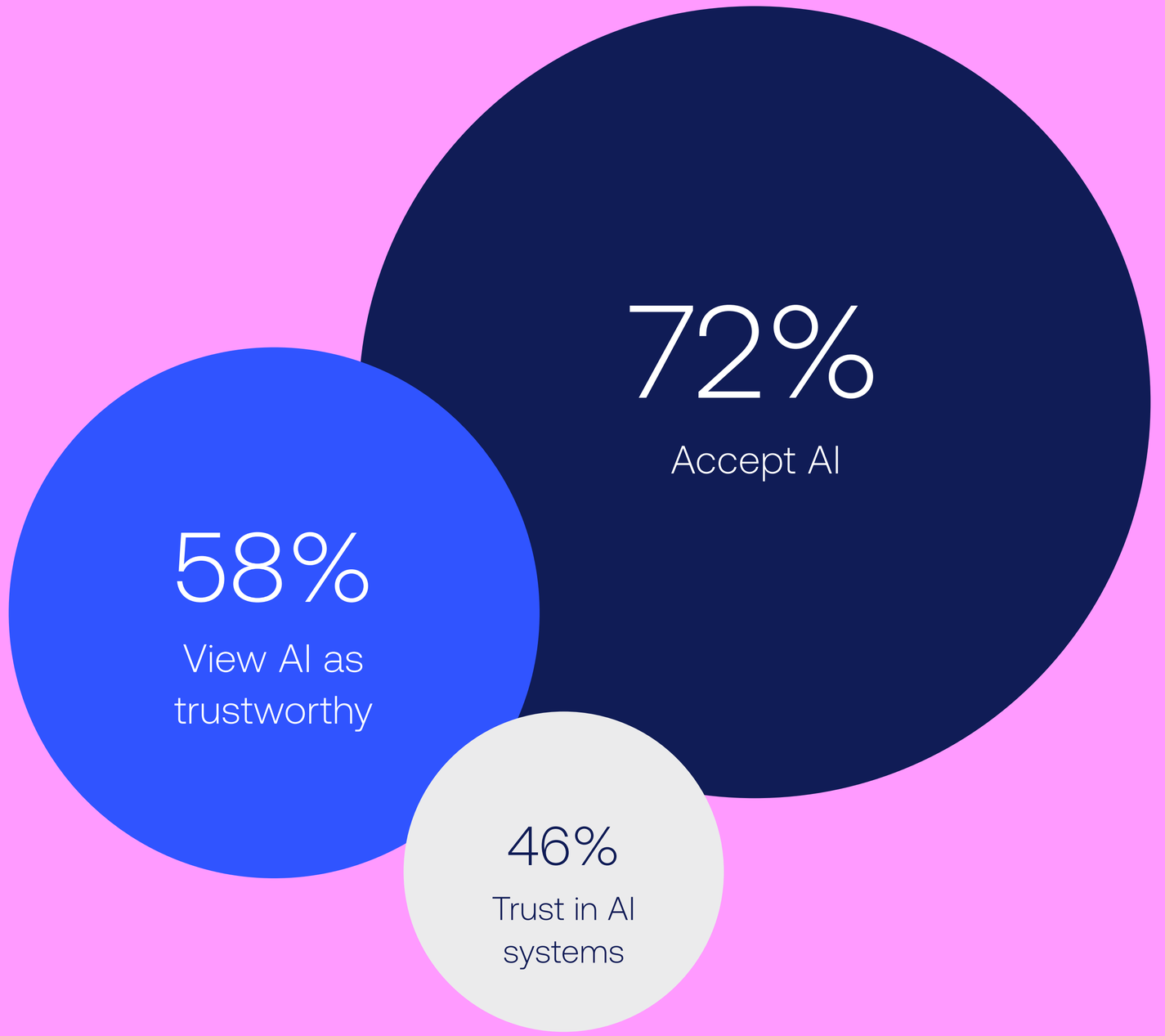


06

AI acceptance

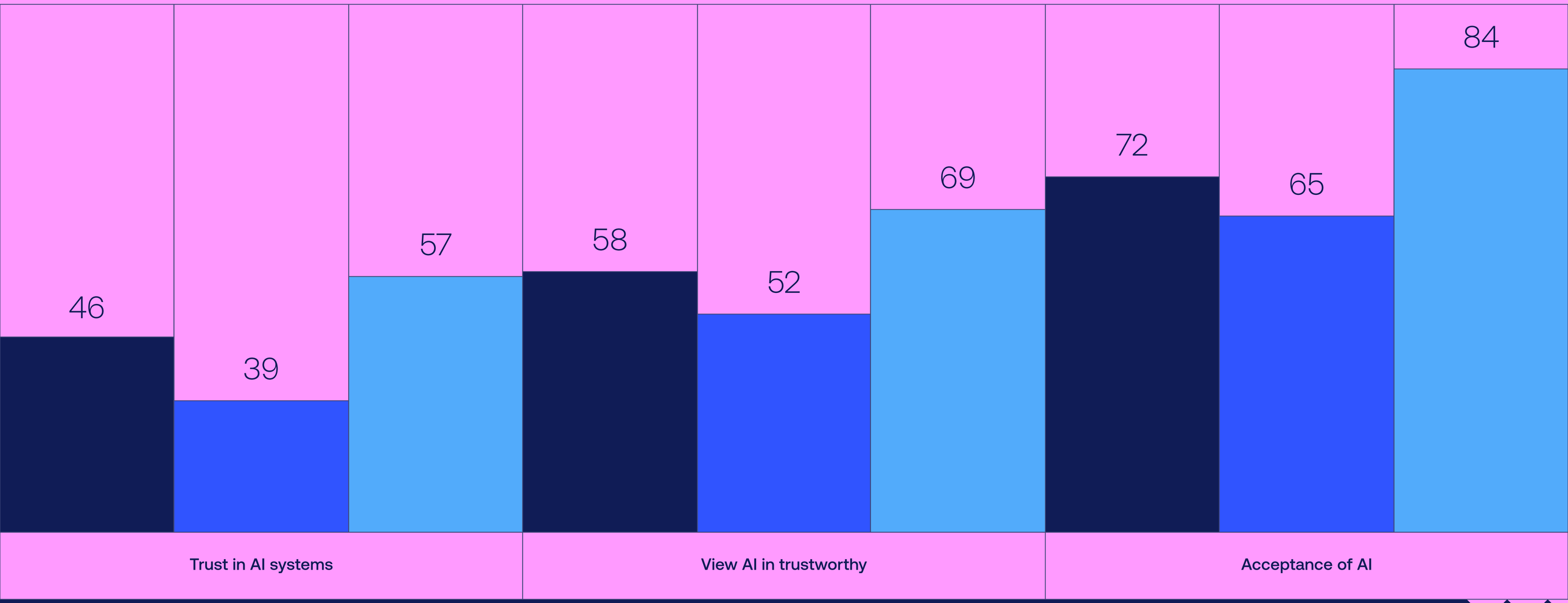
Trust and acceptance of AI systems, global

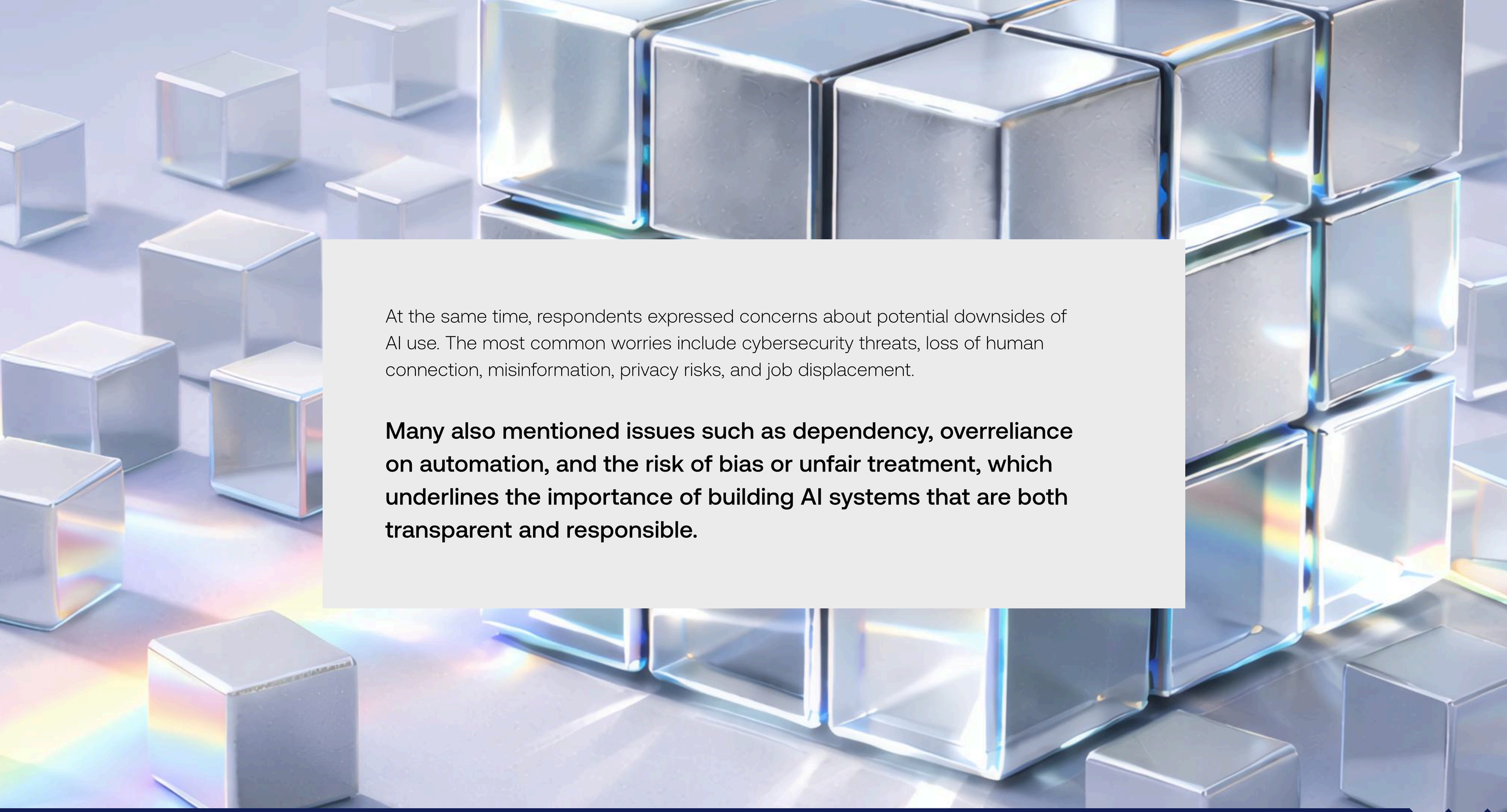
Businesses and consumers alike have already made AI part of their everyday lives. According to a KPMG study, **72% of respondents accept AI,** 58% view it as trustworthy, and 46% say they trust AI systems on a deeper level.



Trust and acceptance of AI systems across economic groups

Similar to adoption and education trends, acceptance levels are notably higher in emerging economies.

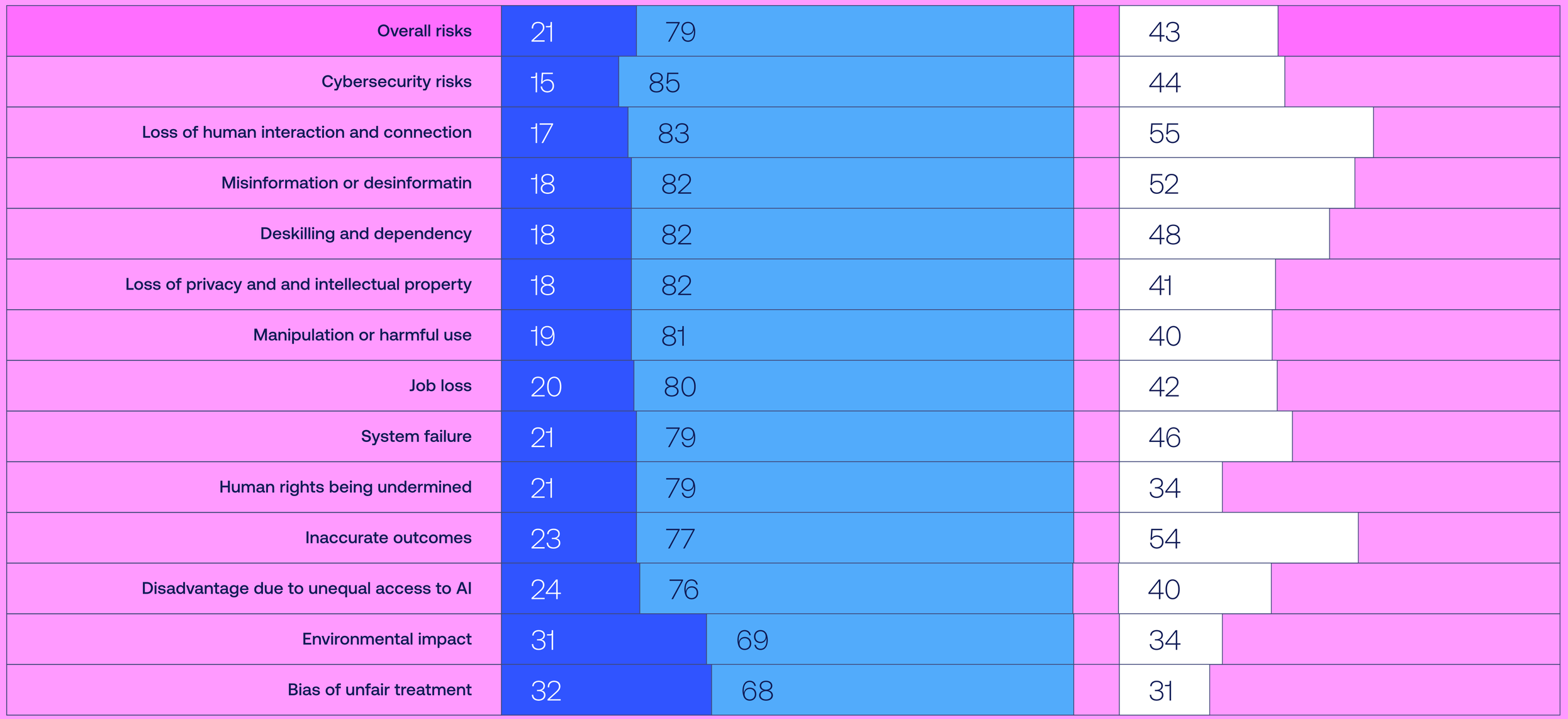




At the same time, respondents expressed concerns about potential downsides of AI use. The most common worries include cybersecurity threats, loss of human connection, misinformation, privacy risks, and job displacement.

Many also mentioned issues such as dependency, overreliance on automation, and the risk of bias or unfair treatment, which underlines the importance of building AI systems that are both transparent and responsible.

Perceived risks and experienced negative outcomes from AI use



07

AI and security

As the AI market grows, so does attention from malicious actors. AI is already used in sensitive areas like code generation, asset management, and autonomous systems.

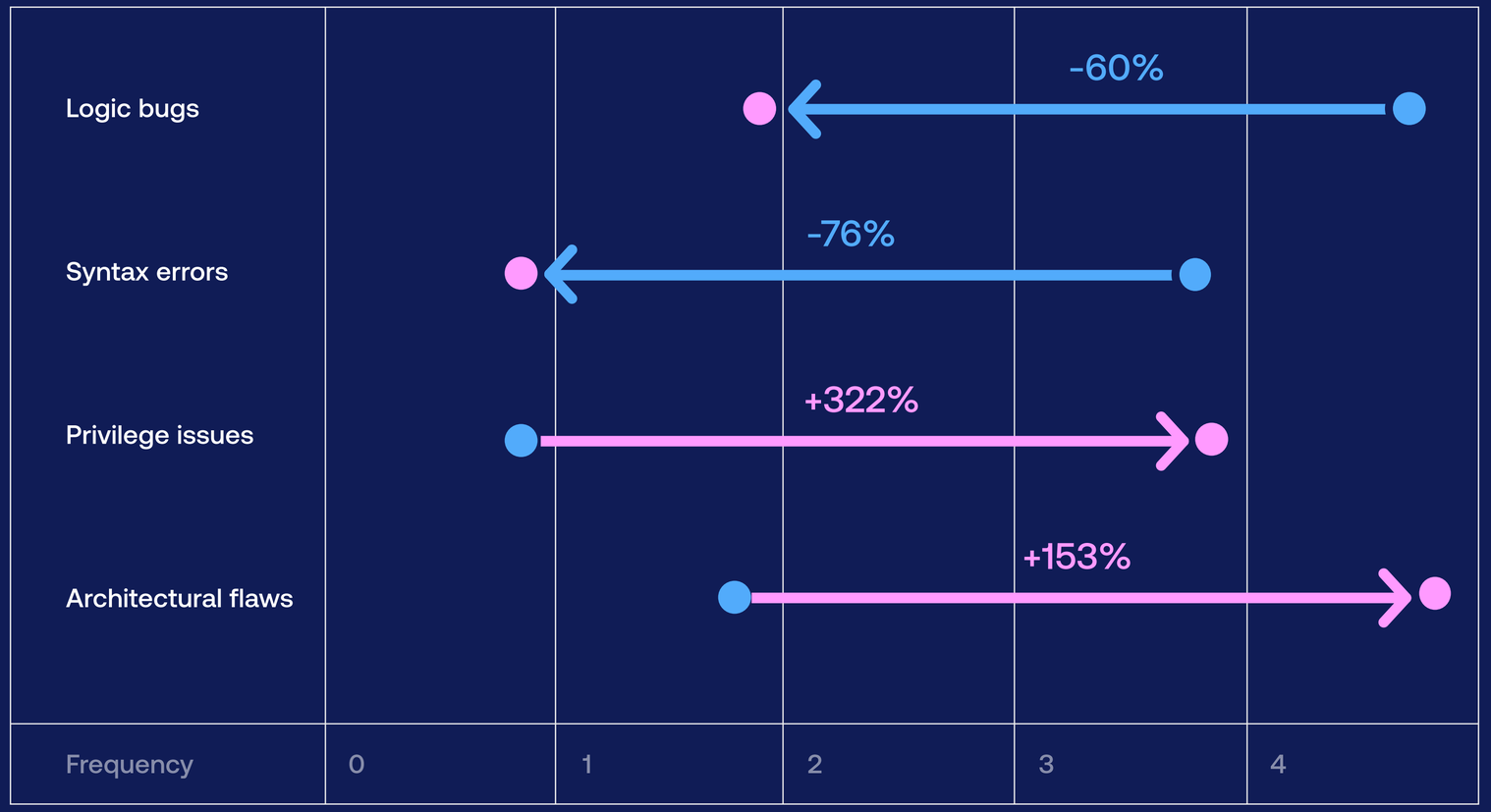
Tools such as **Lovable** and **Firebase Studio** simplify development by providing full-stack prototyping environments that allow users to launch products without writing code.

However, such rapid development and wide accessibility introduce various new risks. The most common ones are advanced prompt injections, poor model security, and untested integrations.

Technical vulnerabilities

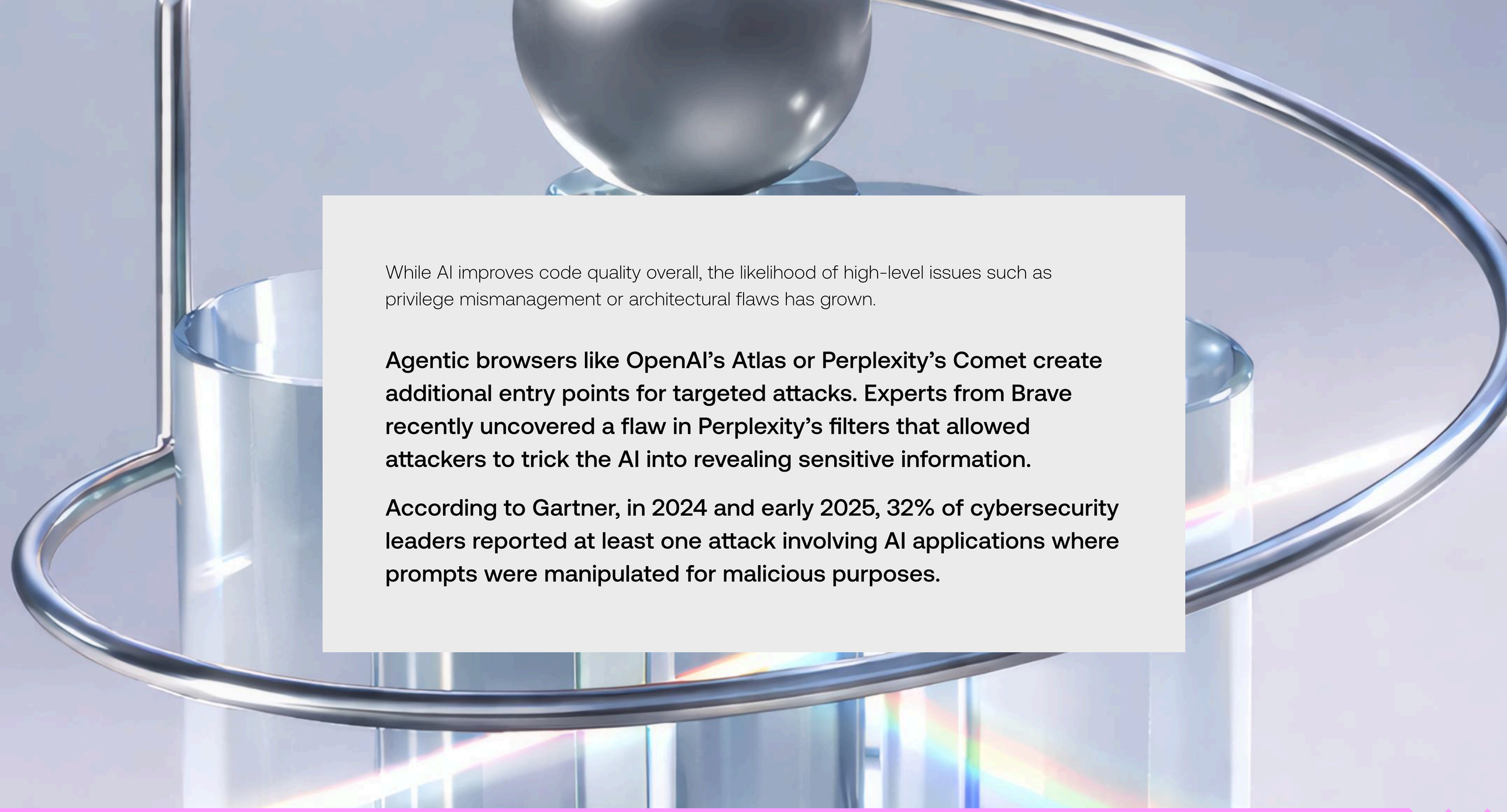
Research published by Apiiro on September 5, 2025, shows both benefits and challenges of using AI in software development.

Relative change from Non-AI to AI-assisted (1 = rare, 5 = common)



AI suppresses shallow bugs, amplifies deep flaws

Non-AI AI-assisted



While AI improves code quality overall, the likelihood of high-level issues such as privilege mismanagement or architectural flaws has grown.

Agentic browsers like OpenAI's Atlas or Perplexity's Comet create additional entry points for targeted attacks. Experts from Brave recently uncovered a flaw in Perplexity's filters that allowed attackers to trick the AI into revealing sensitive information.

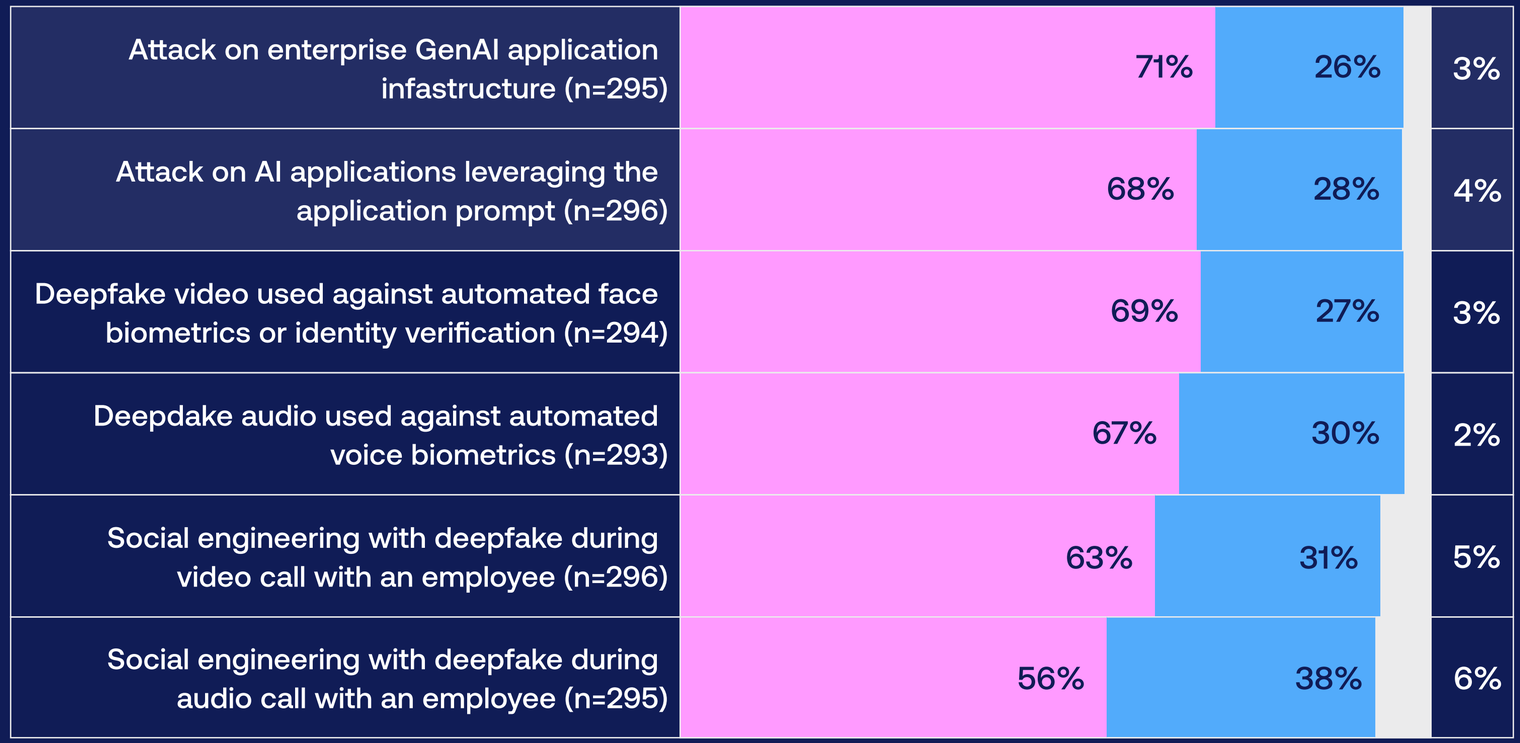
According to Gartner, in 2024 and early 2025, 32% of cybersecurity leaders reported at least one attack involving AI applications where prompts were manipulated for malicious purposes.

Social vulnerabilities

AI-driven security risks extend beyond code. Approximately 62% of organizations have experienced deepfake attacks that involve social engineering or the manipulation of automated systems, such as biometric verification. Such incidents show how AI-powered deception is quickly becoming a mainstream cybersecurity threat.

Impact of GenAI on the attack landscape

- Organizations did not experience this
- Organizations had at least one minor accident
- Organizations had at least one major accident



Responsible AI

As AI adoption accelerates, the need for responsible practices grows at a similar pace. Responsible AI (RAI) focuses on building and using AI systems in lawful, ethical, and reliable ways.

Interest in RAI is growing worldwide, driven by stronger cooperation between regulators, increased academic research, and growing demand for transparency from users. In 2024, the number of scholarly papers on AI governance reached 1,278, up from 992 in 2023, which reflects how central the topic has become.

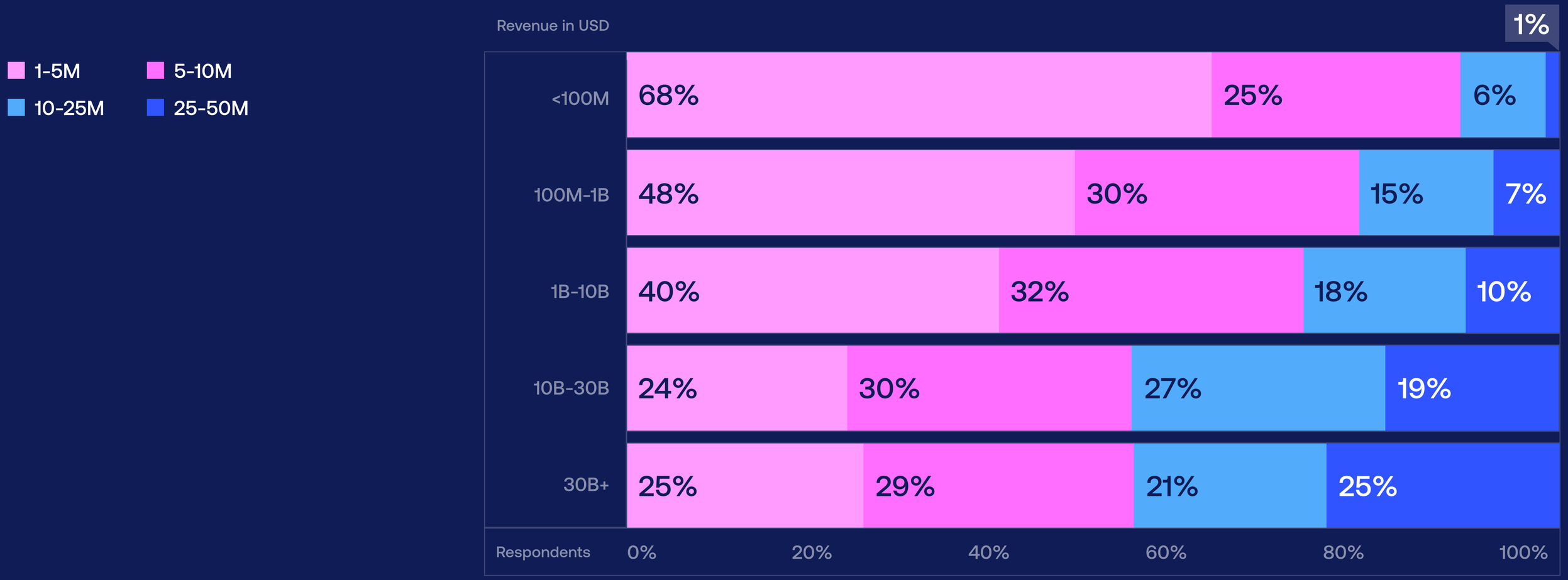
AI governance platforms now rank second among strategic technology priorities for 2025. Organizations adopting them are expected to achieve 25% better regulatory compliance by 2028 and as much as a 30% increase in customer trust.

MarketsandMarkets projects that the AI governance market will grow from $890 million in 2024 to $5.8 billion by 2029, representing an annual growth rate of about 45%.

Companies are already investing in operationalizing RAI. McKinsey's 2024 survey found that both large enterprises and smaller firms are dedicating a growing share of their budgets to responsible AI initiatives, treating them as long-term strategic priorities rather than compliance exercises.

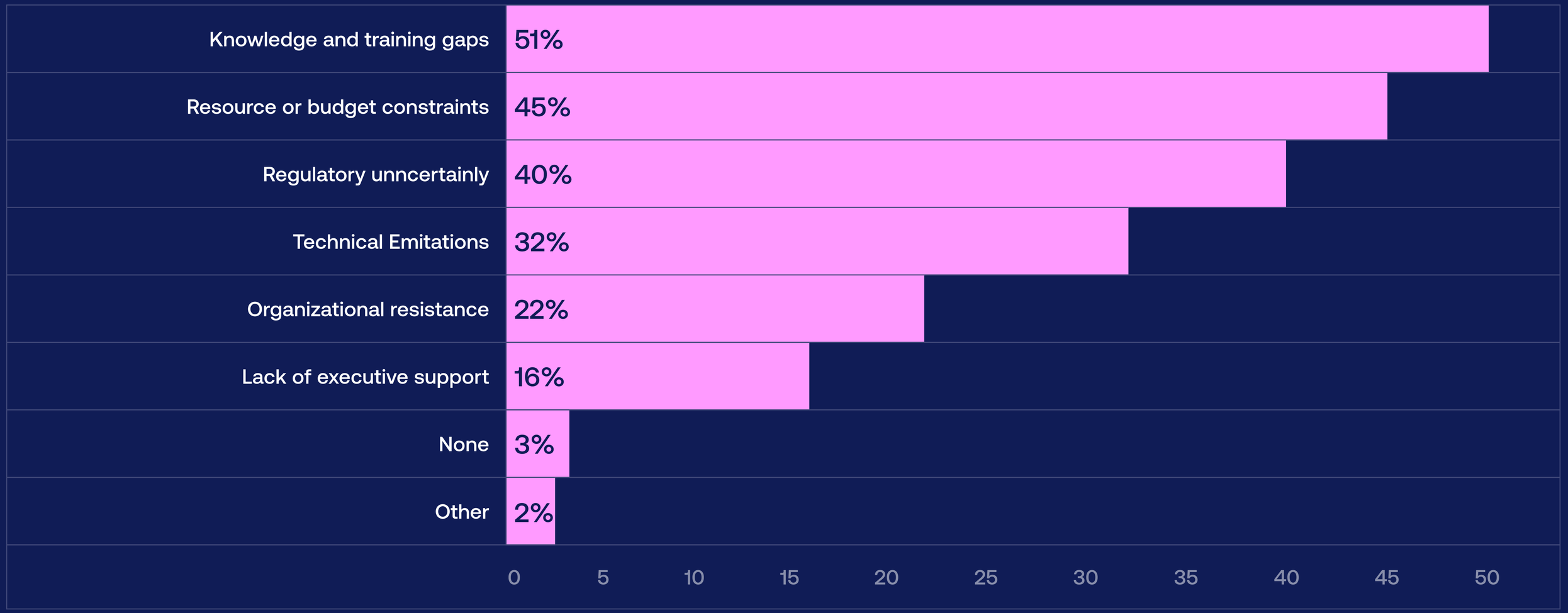
Investment in responsible AI by company revenue, 2024

The biggest challenge companies face is not the funding itself, but the shortage of AI-specific knowledge and training. Resource constraints came in second, followed by regulatory uncertainty and technical limitations.



Main obstacles to the implementation of responsible AI measures, 2024

To sum it up, while organizations are eager to adopt RAI, success depends on equipping teams with the right expertise to apply these frameworks effectively.



Share of respondents reporting difficullty in organizations' hiring of AI-related roles, % of respondents

This knowledge gap is also reflected in the job market, now from the hiring side: AI ethics specialists and AI compliance specialists took the first and third places, respectively, among the most difficult AI-related jobs to hire for.

08

Is AI a bubble?

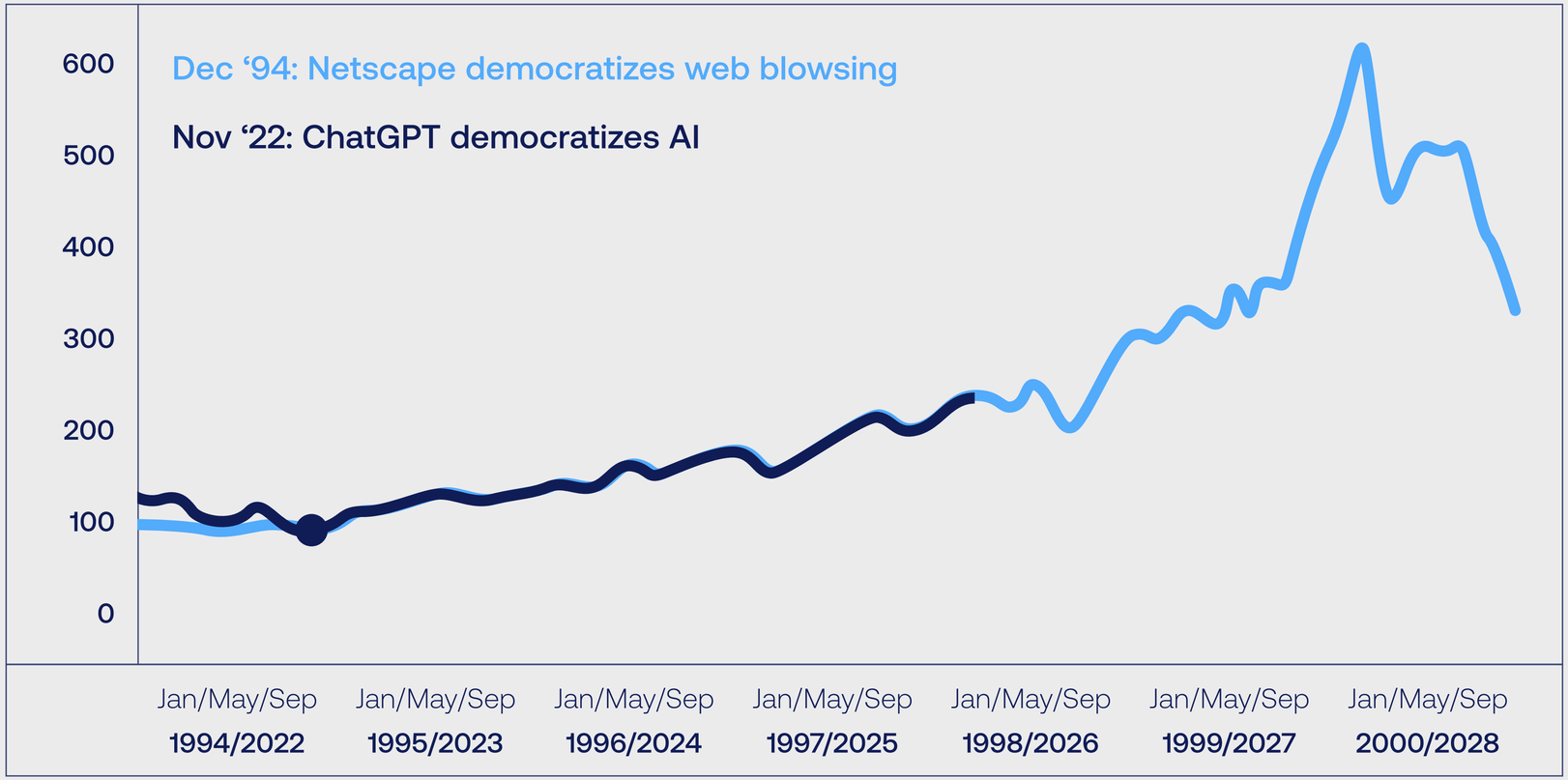
Is AI a bubble?

With the rapid growth around AI, it’s natural to wonder whether we’re seeing another bubble form, similar to the dot-com boom of the 1990s.

AI has followed a familiar path.
Where does it go from here?

Index of Nasdaq Composite price

Dot-com era AI era

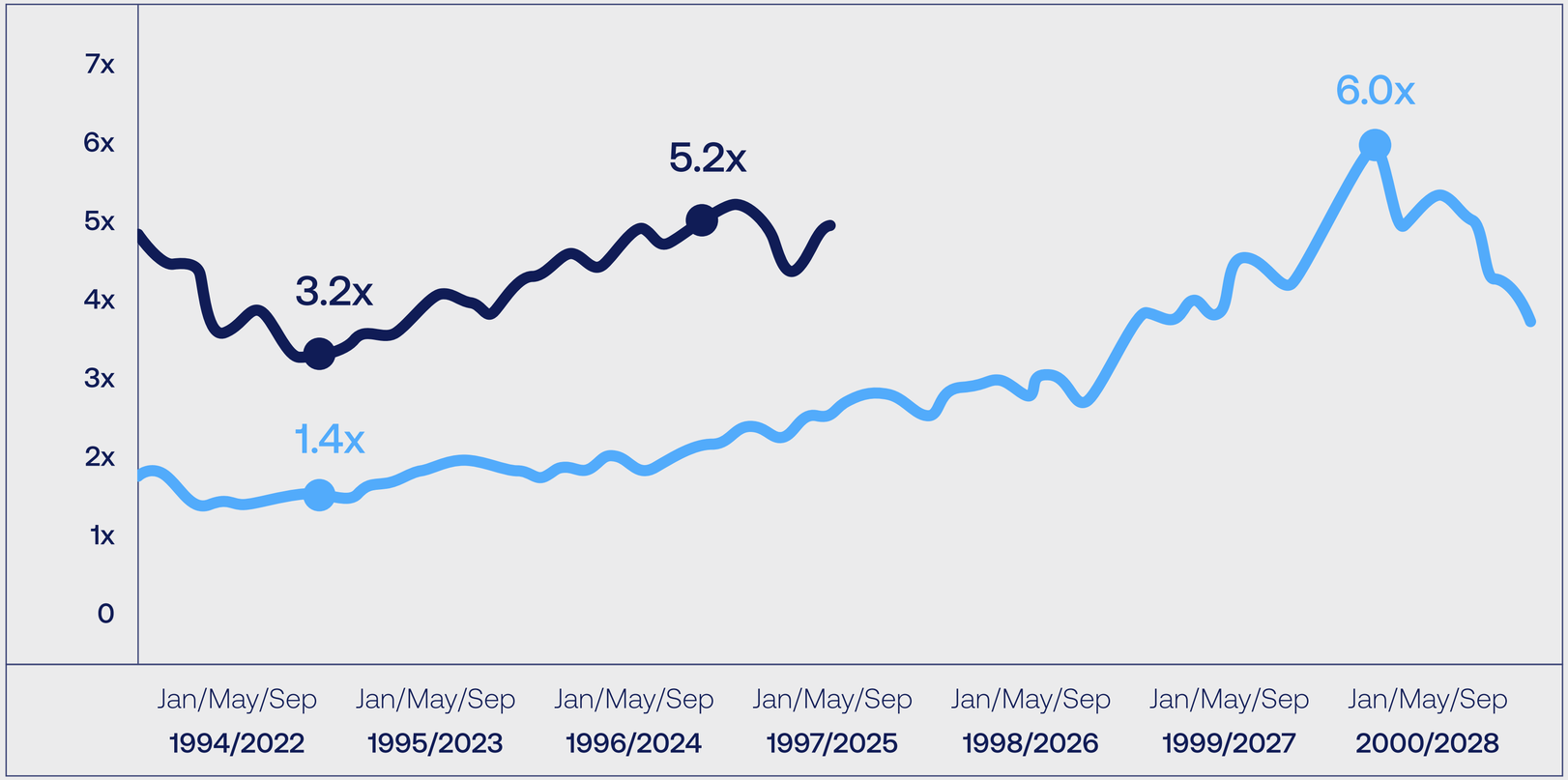


Is AI a bubble?

If you compare Nasdaq trends from that period with today's AI-driven market data, the similarities are easy to spot. Early excitement, heavy investment, and expectations running ahead of reality. That part of the cycle definitely looks familiar.

AI has followed a familiar path.
Where does it go from here?

Nasdaq revenue multiples (TEV/Revenue)



Launching an AI product on its own is no longer enough. What matters now is whether it solves real problems, fits into existing workflows, and holds up in everyday use.

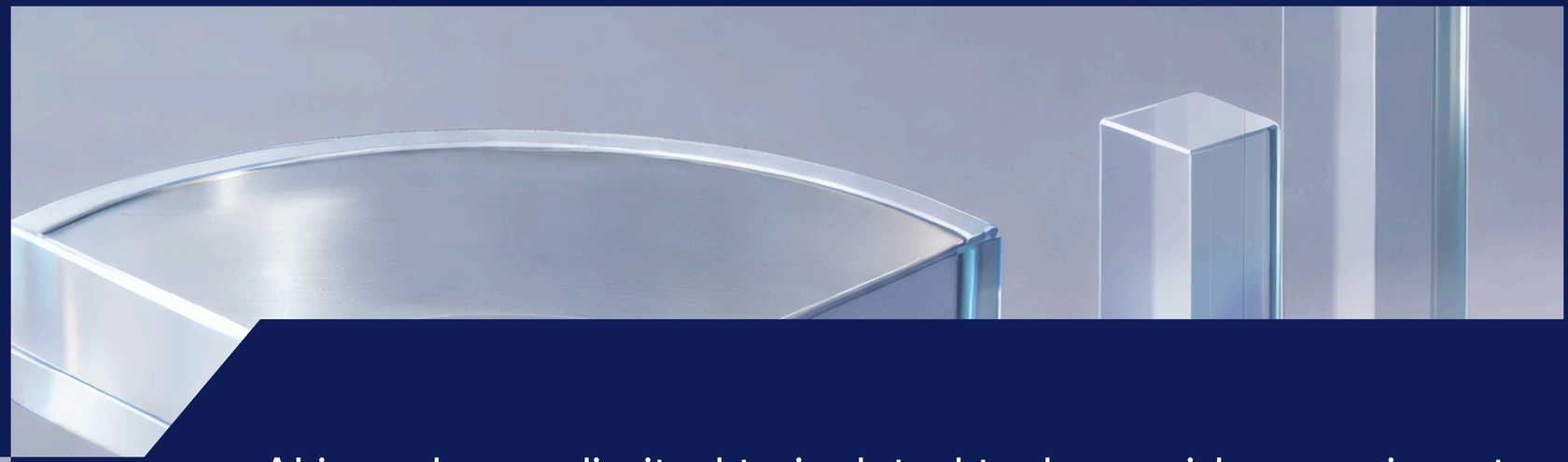
The market is becoming more selective. Deals are more deliberate, and companies are no longer pursuing AI just to say they have it.

And we at Vention see this clearly. Conversations have moved away from “Can we add AI?” to “How does AI change how we build, ship, and maintain software?” That’s where approaches like retrieval-augmented generation (RAG), AI embedded directly into the software delivery lifecycle (SDLC), and more fluid development styles, often referred to as vibe coding, start to matter.

These are not surface-level additions because they reshape how teams think, plan, and deliver. RAG helps AI work with trusted knowledge. AI in the SDLC changes how ideas move from requirements to release. Vibe coding reflects a broader shift toward faster iteration, clearer intent, and closer collaboration between people and tools.

Even if a market correction comes, companies with a clear direction and practical approach will continue to move forward. The dot-com bubble didn’t kill the internet. Instead, it cleared the noise and set the foundation for what followed.

Future of AI: From experimentation to the new normal



AI is no longer limited to isolated tasks or side experiments. It's becoming part of how teams work, make decisions, and build products. More often, it runs quietly in the background, shaping results without drawing attention to itself.

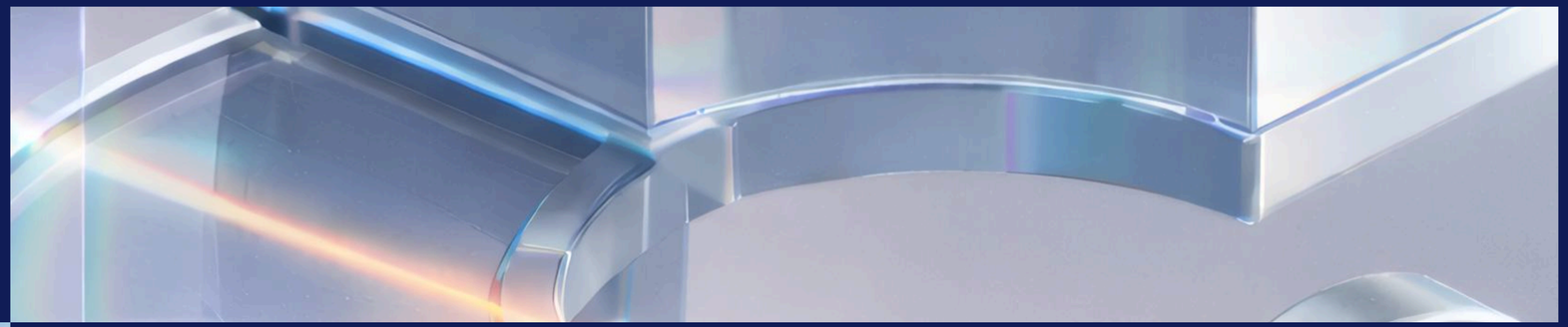
What's changing now is how AI is used. The focus is moving away from standalone models and demos toward systems built into everyday workflows.

At Vention, we've been working this way for years. We apply these approaches internally and with clients, treating AI as part of the delivery system rather than something layered on top. That early focus is now becoming the norm, as what once felt experimental turns into standard practice across the industry.

Teams that integrate AI thoughtfully into their workflows will move faster with fewer surprises, while short-term or careless implementations won't last.

Change will continue, and no one can predict every shift. What matters is staying practical, learning quickly, and building systems that can adapt over time.

AI is not replacing strong engineering or good judgment. It's amplifying them.



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Yahoo Finance

OpenAI

Menlo Ventures

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