

MAY 2024

The Latest AI Edition – and More!

Artificial intelligence continues to be the main event in the news with these latest developments:

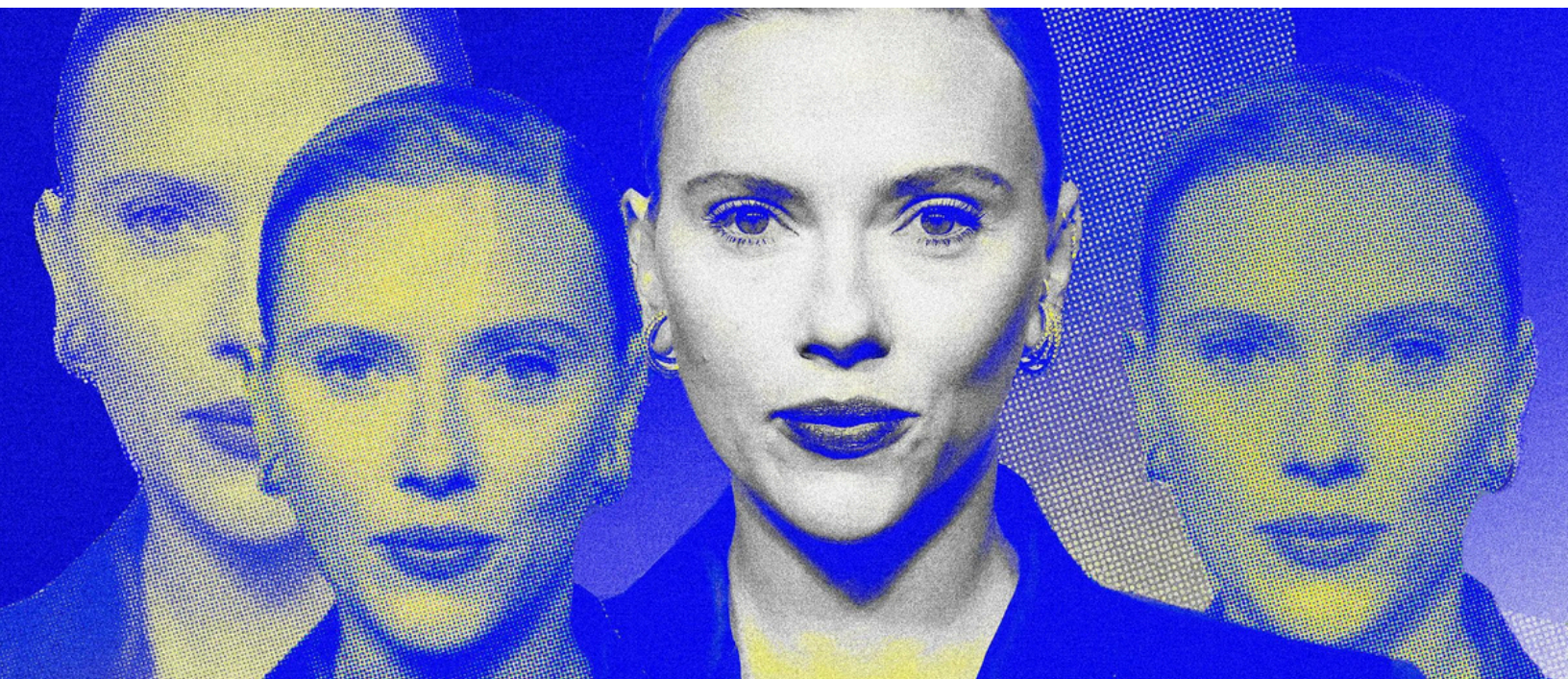
- **Actress Scarlett Johansson** sues **OpenAI** for mimicking her voice from the movie “Her”
- **Legendary investor Warren Buffett** says there’s a great potential for scams using AI, calling it the “growth industry of all time,” and comparing it to the advent of nuclear weapons
- **Facebook parent Meta** plans to give its AI technology away so the entire world becomes dependent on its AI model
- One expert says that **AI will not replace you as a worker**, but you will be replaced by a worker who knows more about using AI than you do... hmmm

Don't make Scarlett Johansson angry, because she's more than a Marvel superhero! She's a tiger when it comes to defending her intellectual property, **according to Reuters**.

OpenAI chief executive Sam Altman was so impressed with her voice performance in the movie, “Her” about a virtual person that he negotiated extensively for Scarlett to be one of the voices of their newest AI system called “Sky”. However, due to concerns that AI could take away work opportunities from the entertainment industry, she declined the offer.

Scarlett was shocked to learn from friends and family that Open AI launched “Sky” with a voice and delivery style eerily similar to her.

Open AI has since dropped “Sky” but keep watching for future battles in many industries over the potential cloning of intellectual property.



Berkshire Hathaway founder/CEO Warren Buffett has warned that Artificial Intelligence could be more than a disruptor. **According to Fox Business**, Buffett warns that AI has the potential to cause unanticipated cataclysmic consequences in the form of expanded scams.

He said, "We let a genie out of the bottle when we developed nuclear weapons... and that genie has been now doing some terrible things lately."

Buffett adds, "It's part the way out of the bottle and it's enormously important and it's going to be done by somebody so we may wish we'd never seen that genie, or it may do wonderful things."

He says the reproduction of images, video, and voices will lead to more sophisticated scams that will become "the growth industry of all time."



Facebook parent Meta has determined the best way to win the AI race **is to give away its Artificial Intelligence software**. **The Wall Street Journal reports** that by making Silicon Valley's hottest new technology free, the offer will drive down competitors' prices and spread Meta's version of AI more broadly.

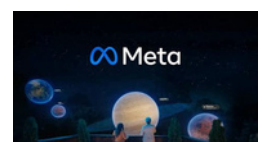
The end result: More control over how people interact with technology in the future. In essence, Meta would control the coded language most frequently used in the software.

To make the strategy work, Meta must convince its billions of users to commit to its free AI services in the same way they have flocked to Facebook, Instagram, and WhatsApp. Meta would then turn those eyeballs and clicks into dollars by selling advertising on its AI platform.

Harvard Business Review provides a brilliant yet troubling insight: The good news is that AI will not replace you or me at work.

Now, the bad news: We will be replaced by a new worker who has greater skills using AI than we have, which essentially makes that worker more valuable, more productive, and likely less expensive.

In this way, AI is leading to job transitions, only more indirectly job displacements. However, the result is the same. **People will be losing jobs because of AI!**



Smart Innovation

Fox Business reports that Visa will help customers “thin out their wallets” with a new technology.

Visa has been a forerunner in reinventing the credit card, so Americans may make payments from multiple cards and accounts while using just a single card.

VISA

Cultivating bad spending habits? Visa will also soon be offering its flexible payment option (**Buy Now, Pay Later**) that is already available in Asia.

One additional feature will be the **Payment Passkey Service** which allows customers to make online payments with a scan of their face or a fingerprint, thus replacing passwords or one-time codes.

Smart Innovation: Pizza Beats Burgers, Burgers Respond

Yahoo Finance Reports quarterly sales traffic growth for **Domino's Pizza** while traffic at **McDonald's**, **Wendy's**, and **Burger King** declined. The burger operations grew gross sales through price increases while Domino's grew due to increases in the number of transactions.

The reason? The average cost for a Big Mac combo meal at Mickey D's is \$8.19, according to www.fastfoodprice.com, while Domino's Pizza offers a single-topping large pizza for \$7.99, and Pizza Hut offers a \$7 Deal Lover's Pizza.



Compare the difference: You can feed **THREE** people with a single pizza or feed those same three people a Big Mac meal for almost \$25. It's clearly a no-brainer that pizza is conquering the burger industry as a more cost-effective meal.

In response, **McDonald's** is launching new offerings to create value. First is a **proposed \$5 meal deal** in June that will offer a McDouble or a McChicken plus four-piece chicken nuggets, small fries, and a small drink.

McDonald's is also beefing up its burger offerings with what it calls larger and better-quality burgers that are in the test market stage.

Meanwhile, **Fortune Magazine reports that Wendy's** is stepping up to the plate by offering a small order of seasoned potatoes with your choice of a Bacon Egg & Cheese English Muffin (like the Egg McMuffin at McDonald's) or the Sausage Egg & Cheese English Muffin.

It's all about **perceived** consumer value. Fast food (pardon me – they prefer to be called “quick-service restaurants”) operators are desperate to retain their customer loyalty while also maintaining or boosting their profit margins.

Smart Humor: Clever Chuckle on AI

“About My Father” star and stand-up comic **Sebastian Maniscalco** isn’t sure of the total far-reaching impact of Artificial Intelligence, but he has already seen it impact him as an individual.

Fox News Digital reports he is unsure how AI will affect comedy, but he’s already seen his wife playing with a kitchen redesign program.

Sebastian uses AI for writing emails. “I’ve often taken what I want to say in an email and ask AI to write it with correct grammar and tense, because the way I write emails is like Rocky. **So, it takes Rocky Balboa and makes me sound like I went to Yale!**”

He added that **AI makes his emails less authentic** because email recipients won’t recognize the conversation and word patterns to realize it’s truly him.



Smart Consumers: Turning to Private Labels

The Food Industry Association reports that consumers are accelerating from national brands to private labels because of price and quality.

As retail prices continue to rise, consumers are being particular about choosing more than merely commodity items such as paper towels and soaps.

A recent survey revealed that 96% of U.S. consumers surveyed reported they buy store brands occasionally, and 46% say they buy private (generic) brands most of the time.

They report that private brands seem to be just as good as name brands.

And they should be. After all, most of the private label products are manufactured by those same national companies.

I recall a friend who managed a large chain department store and he shared that their private label women’s hosiery were made by the leading national manufacturer. Without the prestigious name, his company could sell their almost identical hose for significantly less.

Another friend’s product was the #2 seller in its industry, but he said he was technically the #1 manufacturer. After all, the company private-label manufactured the products for the #1, #3, and #4 sellers!



Tiebreaker: Nestle' Targets Ozempic

Here's good news for **Ozempic** and **Wegovy** users: **Nestle'** is now creating your next generation of heat-and-eat meals.

Business Insider reports the latest example of consumer brands flexing for the rising use of **Semaglutide** in the form of frozen foods that include sandwiches and bowls.

As consumers grow frustrated with the cost of dining out and want to reinforce their commitment to weight loss, the Nestle' offering under the **Vital Pursuit** brand will provide a dozen different choices with a suggested retail price of \$4.99.

The meals will be aligned nutritionally and portion-sized to accommodate users of the weight loss medications.

