



What Has Everyone So Interested in Artificial Intelligence?

Description

Last week, on January 9, **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) announced it had acquired Layer 6 Inc., a world-renowned artificial intelligence (AI) company based out of Toronto.

In announcing the move, TD said that Layer 6 had emerged as a “global thought-leader and pioneer in the delivery of responsive, personalized and insight-driven experiences for the financial services industry.”

Bharat Masrani, TD’s president and CEO, said, “anticipating and meeting customer needs are at the heart of our promise, and we are excited to further accelerate our innovation agenda to deliver well into the future. As we deploy new solutions, we will extend our deep relationship with customers across all of our platforms ... in the digital age.”

[The acquisition of Layer 6](#) follows TD’s October agreement with U.S.-based Kasisto that will help the bank integrate it’s chatbot platform into the company’s mobile app.

Adding more fuel to the fire is that corporate investment in [AI has been picking up as of late across the board](#), with Canadian AI companies seeing record inflows during the first three quarters of 2017 — more than \$190 million spread across 22 deals, according to PwC Canada, an advisory and consulting firm.

And it isn’t just the private markets getting interested in AI. Recently, the Canadian and Ontario governments effectively “doubled down” on their investment in AI, collectively investing \$100 million in a Toronto-based research institute, the Vector Institute.

Along with the federal and provincial government, both TD and competitor **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) are also Vector Institute partners, along with Layer 6 founders Jordan Jacobs and Tomi Poutanen.

The fact that even the “conservatively minded” Canadian banks are starting to dedicate significant resources to AI research suggests that what was once a pipe dream may soon become a reality.

Investors may recall a similar show of confidence by **Constellation Brands, Inc. Class A** ([NYSE:STZ](#)) when it made a US\$245 million investment in acquiring a 9.9% minority stake in Canada's largest medical marijuana producer **Canopy Growth Corp.** ([TSX:WEED](#)) back in October.

Since then, shares in Canopy have absolutely taken off — to the tune of a 229% gain in under three months.

In what has now clearly become the information age, companies like TD, Royal Bank, and others have ever increasing amounts of data on consumers and their spending patterns.

And now, thanks to improvements in computing speeds and capabilities, companies such as TD can't wait to use new AI technology to power future generations of applications that will drive personalized and real-time advice, including predictive analytics that will help transform the customer experience.

Bottom line

There's certainly no escaping that technology has had a transformative impact on all of our daily lives.

Now the evidence is mounting that AI will be the next wave of that revolution.

The question is, are you willing to miss out on the next big thing?

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2. NYSE:STZ (Constellation Brands Inc.)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:RY (Royal Bank of Canada)
5. TSX:TD (The Toronto-Dominion Bank)
6. TSX:WEED (Canopy Growth)

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