

GenAI Newsletter July #1 – Claude is a terrible business owner.



Dear readers, Welcome to the latest edition of Artefact's GenAI Newsletter! This month, we dive into the fascinating – and sometimes bizarre – developments in artificial intelligence, from an AI's misadventures as a business owner to groundbreaking advancements in gaming and drug discovery. We also explore key trends in market investment, critical security risks, and the evolving ethical landscape surrounding GenAI. Stay informed on how AI continues to reshape our world!

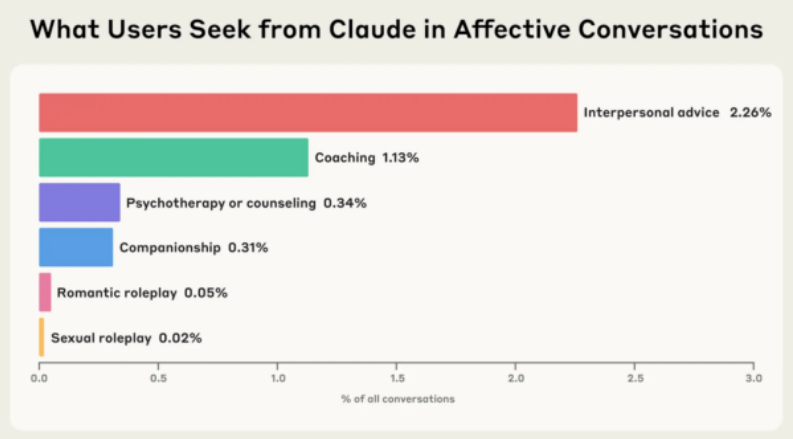
GenAI News Podcast

Don't have time to read this newsletter?

Top Highlights



Business News & Market Insights



> Major deals, Partnerships & Innovations

Focus of the Week

What's up in China: Insights from Mass Adoption and the Doubao Effect Last month, we highlighted China's unprecedented pace of AI adoption, driven by a tech-savvy population, ubiquitous super-apps, and strong government backing. Indeed, returning to China often brings a sense of shock as a new technology has seamlessly integrated into daily life since your last visit; once it was universal mobile payments, and now it's AI everywhere. Walk down any street, and you might hear "Hey Doubao!" as people interact with their smartphones, listening to AI news briefs, asking questions, or simply chatting. This level of AI integration and widespread adoption is hardly matched by Western countries. And while DeepSeek has garnered significant attention, the app we're focusing on today is Doubao, ByteDance's (known globally for TikTok) main AI application. Doubao stands as the first clear proof of widespread daily AI adoption in China. In January, Doubao recorded 17 million daily active users (DAUs), while DeepSeek's chatbot app, which entered an already primed market, saw 22.2 million DAUs in the same month. For context, OpenAI's ChatGPT, a global leader, has 122.58 million daily users. Doubao continuously evolves, recently adding a "deep research" feature for complex tasks, generating reports and visual web results, and even converting content to podcast format. A real-time video call feature, introduced in May 2025, enables Doubao to assist users with diverse scenarios like museum tours or gardening advice by interpreting live video. Doubao's success is deeply rooted in ByteDance's powerful ecosystem and strategic AI approach. Leveraging its decade of expertise in sophisticated recommendation algorithms (the "secret sauce" behind TikTok/Douyin), ByteDance seamlessly integrates Doubao across its platforms, driving user personalization and engagement. This "technology-driven product" logic, combined with

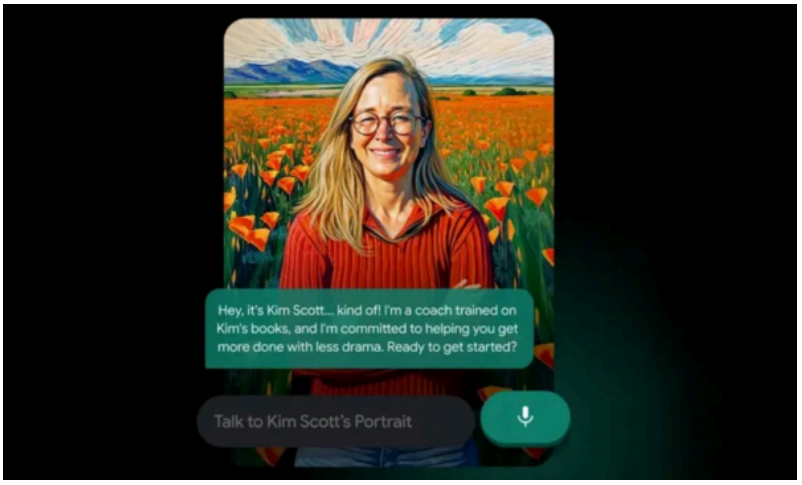
an aggressive pricing strategy, democratizes access to advanced AI. ByteDance's enterprise cloud platform, Volcano Engine, further commercializes Doubao's capabilities for external clients. This commitment to innovation, talent (via its Seed research team), and ecosystem leverage places ByteDance firmly among the 'Top 5' foundational model players, pushing advancements in multimodal capabilities and a higher "intelligence ceiling." Want to know more? Follow our *What's up in China?* focuses!

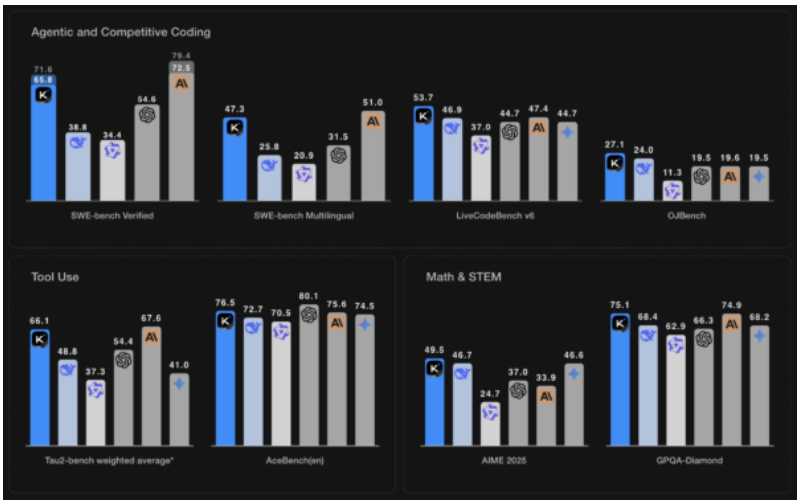


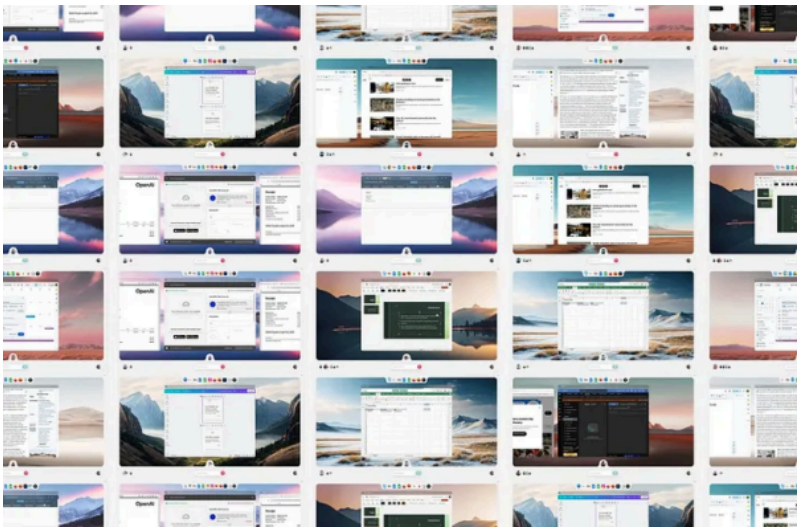
– Brought to you by Nicolas Lang, Senior Data Consultant & GenAI Product Specialist at Artefact.

New Models & Innovations

> Multimodal (Image, Video, Audio) Models







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