

Forget Blockchain: Generative AI is the real Web3

Tech execs and other prominent industry leaders have all voiced opinions on generative AI being revolutionary, an iPhone moment, scary, and even “more capable than anything we’ve seen before”. Even the chairwoman of the FTC recently wrote that AI is bringing about the greatest social change that we’ve seen since the Web 2.0. The term ‘Web3’, referring to the third generation of the internet, is often misunderstood as a synonym for blockchain, the technology that powers cryptocurrencies like Bitcoin and Ethereum. However, blockchain is nothing more than a database technology that stores information. It does not represent a fundamental shift in how we interact with the internet. Rather, these generational shifts are defined by its contributors, and the third iteration is all about generative Artificial Intelligence.

Web 1.0 is thought of as the static web. This era was defined by static web pages produced by relatively few content creators. Think newspapers that have been put online. AOL and Yahoo provided you with stories to read, and if you were knowledgeable enough, you could create your own personal web page. This was a very passive web experience for most people.

Web2 ushered in the era where everyone became a participant on the internet. The term Web 2.0 was coined in 1999 when new ideas for incorporating information sharing directly into the internet were taking root. This ultimately led to the social platforms such as Facebook and Tik Tok that we are all familiar with, allowing every participant to be a direct contributor. Web2 is often called “the social web”. Today, anyone can participate in the public discussion, create YouTube videos or podcasts, or even become an influencer to promote products.

The term ‘Web3’ was co-opted by the crypto and blockchain community early on in an effort to legitimize the technology. You can’t blame them, they were a solution looking for a problem and the hype allowed them to raise a tremendous amount of money to continue their development. However, nine years after that moment, we’re still waiting for that one blockchain product that changes our daily lives. I surmise we will forever be waiting.

Given the first two generations of the internet were defined not by *how* computing got done, but rather by *who* contributed to the content, it simply does not make sense to define Web3 as one of blockchain technology.

There have been dramatic shifts in computing along every step of our online experience, from mainframes, to PCs, the cloud, and mobile, and blockchain more closely resembles a database innovation along this journey. But as users, we define the internet based on how we consume and interact with content online. As such, we do not view the very nature of the internet as changing when the method of computation is swapped.

The real shift to Web3 comes with the introduction of generative AI as a direct contributor. Bill Gates recently stated "I knew I had just seen the most important advance in technology since the graphical user interface" while referring to generative AI.

AI has already been playing a significant role in determining what advertising is displayed to whom. For example, we encounter this daily when Meta uses AI algorithms to determine the best targeted ad placement. However, ad placement was just the warm-up. The announcements of ChatGPT, Google Bard, and Microsoft Copilot have only thrust AI into the spotlight and made clear that this next generation of the internet is upon us today. With the rapid rise of ChatGPT, we are no doubt already seeing tangible contributions by AI language models whether we notice it or not.

In contrast to the empty promises of the blockchain, what you will be doing in the near future is watching movies where AI was a contributor to the casting, editing, post-production, or even screenwriting. You will view AI curated sports highlights. You will be reading AI generated summaries of Zoom meetings, State of the Union Addresses, or that conference you couldn't attend. You will start following AI personalities on social media to both entertain and inform you. You are going to subscribe to podcasts entirely created and hosted by AI. Everyone will have a personal editor and assistant. And we will all likely have the pleasure of viewing advertisements crafted individually for us. History will show this as the transition to web3, marked by the rise of generative AI.

Did we really think the next evolution of a technology as transformative as the internet was monkey pictures and Shiba Inu coins? Absolutely not. Web3 is the introduction of artificial intelligence as a contributor.