

Analysis of the Implementation of AI Techniques in Valuation for Science and Technology Industry

Yizhou Ding *

School of Business and Administration, Phitsanulok University, Phitsanulok, Thailand

* Corresponding author: 1910851101@mail.sit.edu.cn

Abstract. In the wave of science and technology in the 21st century, artificial intelligence (AI) has become a force that cannot be ignored. This paper mainly studies the application of artificial intelligence (AI) technology in the valuation analysis of the technology industry. First, it discusses the basic concepts and development of AI technology, as well as the basic theories and methods of valuation analysis in the technology industry. It then analyzes the application of AI technology to valuation analysis in the technology industry, including improving the efficiency and accuracy of valuation analysis, and as a new source of value. It also explores the challenges and prospects of AI technology in technology industry valuation analysis, including the collection, processing and protection of data, as well as legal and ethical issues. Finally, it analyzes the practical application of AI technology in the valuation analysis of science and technology industry, including the case analysis of practical application, the effect evaluation, and the suggestions and prospects of practical application. These results indicate that the application of AI technology in the valuation analysis of the technology industry has great potential and value, but it also faces some challenges and problems. Therefore, the application of AI technology in the valuation analysis of the science and technology industry should be actively explored and utilized to achieve the sustainable development and value enhancement of the science and technology industry.

Keywords: Artificial intelligence, technology industry, valuation analysis.

1. Introduction

From self-driving cars to smart homes, from medical diagnoses to financial transactions, the application of AI has penetrated into every aspect of our lives [1]. The technology industry, as the main driver and application area of AI, has important implications for investors, entrepreneurs, policy makers, and all relevant stakeholders. However, traditional valuation methods may not accurately reflect the unique value characteristics of the technology industry, especially under the influence of AI technology [2]. Therefore, the purpose of this paper is to explore the application of AI technology in the valuation analysis of the technology industry and try to provide a new and more accurate valuation method.

The development and application of AI technology has had a profound impact on the value of the technology industry [3]. On the one hand, AI technology can improve the production efficiency of the technology industry and reduce costs, thereby increasing the value of enterprises. On the other hand, AI technology can create new business models and revenue streams, further enhancing the value of enterprises [4]. However, these values may not be fully reflected by traditional valuation methods. Therefore, one needs to study the application of AI technology in the valuation analysis of the technology industry to more accurately evaluate the value of the technology industry [6].

The main research question of this paper is: how AI technology affects the value of the technology industry. The definitions of the application of AI technology in the valuation analysis of the technology industry will be discussed. The usage approaches of AI to improve valuation accuracy in the tech industry will also be demonstrate. In order to answer these questions, this study will first review the theoretical basis of AI technology and technology industry valuation analysis, then conduct empirical research, and finally discuss the challenges and opportunities of AI technology in technology industry valuation analysis.

2. Theoretical Basis

Artificial intelligence, or AI for short, refers to the science of intelligent behavior of systems or software made by humans. This kind of intelligent behavior includes learning, understanding, reasoning, problem solving, perception, language recognition, etc. The evolution of AI can be divided into several stages: the early days of symbolist AI, the rise of machine learning, the revolution of deep learning, and the current era of AI+. Early symbolist AI mainly relied on human-written rules and procedures, and its intelligent behavior was mainly achieved by simulating human thought processes. However, this approach often runs into difficulties when dealing with complex real-world problems, because real-world rules and procedures are often complex and vague, and difficult to fully understand and code.

The rise of machine learning marks a new phase in the development of AI. Machine learning is an AI technology capable of learning from data, which no longer relies on human-written rules and procedures, but automatically generates and optimizes models by learning large amounts of data to achieve intelligent behavior. The emergence of machine learning has greatly improved the intelligence level of AI, making AI able to deal with more complex real-world problems. The revolution in deep learning has further boosted the development of AI. Deep learning is a machine learning technique based on neural networks that automatically learns and extracts deep features of data to enable more advanced intelligent behavior. The emergence of deep learning has enabled AI to process more complex data, such as images, sounds, and text, thus achieving remarkable results in areas such as image recognition, speech recognition, and natural language processing.

At present, human beings are in the era of AI+, which is an era of deep integration of AI technology and all walks of life, generating huge social and economic value. In this era, AI technology can not only improve the efficiency and quality of all walks of life, but also innovate business models and service methods, thereby creating new value. For example, AI technology can help the medical industry carry out accurate diagnosis and personalized treatment, and improve the quality and efficiency of medical services; AI technology can help the financial industry to conduct risk assessment and asset allocation, and improve the quality and efficiency of financial services; AI technology can help the education industry carry out personalized teaching and intelligent tutoring, and improve the quality and efficiency of education services.

The valuation analysis of the technology industry mainly includes two types of methods: the valuation method based on financial data and the valuation method based on non-financial data. The valuation methods based on financial data mainly include discounted cash flow method (DCF), price/earnings ratio method (P/E), price/book ratio method (P/B) and so on. The valuation methods based on non-financial data mainly include user value method, network effect method and technology value method. However, these traditional valuation methods may not accurately reflect the unique value characteristics of the technology industry, especially under the influence of AI technology. Discounted cash flow method (DCF) is a valuation method based on the future cash flow of an enterprise. It calculates the value of a business by predicting its future cash flows and then discounting those future cash flows to the present. However, for technology companies, their future cash flows are often highly uncertain because their business often relies on constant innovation and change. Therefore, the DCF method may not accurately assess the value of technology enterprises.

Price/earnings ratio (P/E) and price/book ratio (P/B) are two valuation methods based on corporate financial data. The P/E ratio method is to calculate the value of an enterprise by comparing its market value with its net profit. The price-to-book ratio method is to calculate the value of an enterprise by comparing its market value with its net assets. However, for technology companies, their financial data often cannot fully reflect their value, because the value of technology companies often depends on their technology, users, data, etc. Therefore, P/E and P/B methods may not accurately evaluate the value of technology enterprises.

User value method, network effect method and technology value method are three valuation methods based on non-financial data. The user value method is to calculate the value of the enterprise by evaluating the user value of the enterprise. The network effect method is to calculate the value of

the enterprise by evaluating the network effect of the enterprise. The technology value method is to calculate the value of the enterprise by evaluating the technology value of the enterprise. These methods can better reflect the value characteristics of science and technology enterprises, but their application also requires a large amount of data and complex models, so their application is also facing certain challenges.

The application of AI technology in valuation analysis is mainly reflected in two aspects: First, the use of AI technology to improve the efficiency and accuracy of valuation analysis; The second is to take AI technology as a new source of value and incorporate it into the consideration of valuation analysis. First of all, AI technology can improve the efficiency of valuation analysis, reduce human error, and improve the accuracy of valuation through automation and intelligence. For example, AI technology can automatically collect and process large amounts of financial and non-financial data to predict a company's future cash flow through machine learning algorithms, thereby improving the accuracy of the DCF method. In addition, AI technology can automatically learn and extract deep features of data through deep learning and neural networks, thereby improving the accuracy of user value methods, network effects methods, and technical value methods. Second, AI technology itself is a new source of value. For example, AI technology can create new business models and revenue streams, improve a company's competitive advantage, and thus increase its value. Therefore, one needs to take the value of AI technology into consideration in valuation analysis. For example, one can evaluate the value of an enterprise's AI technology by evaluating factors such as its maturity, application scope, and innovation ability. Fig. 1 gives the results for Tesla.

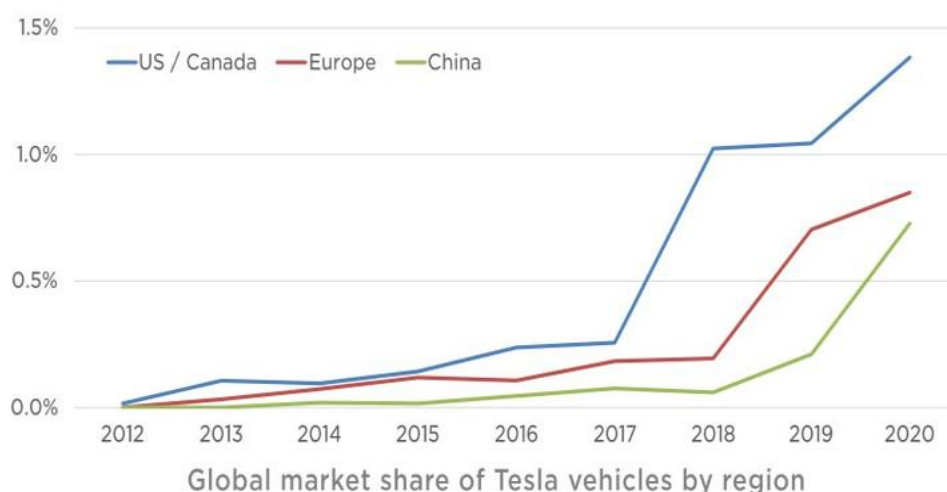


Figure 1. Global market share of Tesla.

In general, the application of AI technology in valuation analysis in the technology industry can not only improve the efficiency and accuracy of valuation analysis, but also enhance the value of enterprises. Therefore, one should actively explore and use the application of AI technology in the valuation analysis of the science and technology industry to achieve the sustainable development and value enhancement of the science and technology industry. Besides, the application of artificial intelligence technology in the valuation analysis of the technology industry

AI technology is widely and deeply applied in the science and technology industry. For example, Google has used AI technology to optimize the performance of its search engine, enabling users to find the information they need faster and more accurately, resulting in improved user experience and user engagement, further boosting Google's market share and revenue. For example, Tesla has used AI technology to develop autonomous driving systems that not only improve the safety and convenience of cars, but also create new revenue streams, such as selling licensing rights to self-driving software. These cases show that AI technology can significantly increase the value of technology companies by improving efficiency, improving user experience, and innovating business models.

There are two main ways that AI technology affects the value of the technology industry: one is to improve production efficiency and product quality, thereby improving the profitability of enterprises; The second is to innovate business models and service approaches, thereby opening up new revenue streams. For example, AI technology can improve production efficiency and reduce costs through automation and intelligence, thus improving the profitability of enterprises. At the same time, AI technology can also help enterprises discover new business opportunities and open up new revenue streams through data mining and predictive analytics. Therefore, the application of AI technology can significantly improve the value of science and technology enterprises.

AI technology can improve the accuracy of valuation analysis by improving data processing power and prediction accuracy. For example, AI technology can automatically collect and process large amounts of financial and non-financial data, reducing human error and improving the accuracy of data. At the same time, AI technology can also improve the accuracy of predictions through methods such as machine learning and deep learning, thus improving the accuracy of valuations. In addition, AI technology can also help to better understand and predict the development trend of the technology industry through pattern recognition and trend prediction, thereby improving the accuracy of valuation.

3. Challenges and Prospects

Although the application of AI technology in valuation analysis in the technology industry has great potential, it also faces some challenges and problems. First of all, the application of AI technology requires a large amount of data support, but there are certain difficulties in the collection, processing and protection of data. The collection of data may involve user privacy issues. In the technology industry, data is an important resource, but the collection of data often involves issues of user privacy. For example, in order to improve the accuracy of valuation analysis, it is necessary to collect large amounts of user behavior data, but this may violate users' privacy rights. Therefore, how to effectively collect and utilize data while protecting user privacy is an important challenge in the valuation analysis of AI technology in the technology industry.

The processing of the data may require a large amount of computing resources. The application of AI technology usually requires processing a large amount of data, which requires a large amount of computing resources. However, the acquisition and management of computing resources require a large investment of money and manpower, which is a major challenge for many technology companies. Therefore, how to effectively process a large amount of data under the condition of limited resources is an important challenge for AI technology in the valuation analysis of the technology industry.

Protection of data may require complex security measures. The security of data is an important issue in the tech industry. On the one hand, the leakage of data may lead to the disclosure of the business secrets of the enterprise, causing damage to the competitiveness of the enterprise. On the other hand, the leakage of data may also violate the privacy of users and cause damage to the reputation of enterprises. Therefore, how to effectively protect the security of data is an important challenge for AI technology in the valuation analysis of the technology industry. Second, the pace of development of AI technology is far outpacing the pace of regulatory and ethical development, which may lead to some legal and ethical issues. For example, the application of AI technology may lead to the disappearance of jobs, triggering social instability and inequity. Therefore, how to solve these legal and ethical issues while promoting the development and application of AI technology is an important challenge in the valuation analysis of AI technology in the technology industry.

Despite the challenges, the application of AI technology to valuation analysis in the technology industry also faces great opportunities. With the continuous development and improvement of AI technology, one can expect more application scenarios and higher application effects. First, AI technology can help to better understand and predict trends in the technology industry, thereby improving the accuracy of valuations. With the development of AI technology, one can use AI

technology to conduct deeper and more accurate data analysis, so as to more accurately predict the development trend of the technology industry. This will not only help to more accurately assess the value of technology companies, but also help to better understand the trends in the technology industry and make better investment decisions. Second, AI technology can also help discover new business opportunities and open up new revenue streams, thereby increasing the value of tech businesses. With the development of AI technology, one can use AI technology to develop new products and services, innovate business models, and open up new revenue streams. This can not only increase the value of technology companies, but also help technology companies stand out in the fierce competition. Therefore, one should actively explore and use the application of AI technology in the valuation analysis of the science and technology industry to achieve the sustainable development and value enhancement of the science and technology industry. At the same time, it is necessary to pay attention to the development trend of AI technology to better understand and predict the development trend of the technology industry.

4. Practical Applications

The practical application of AI technology in valuation analysis in the technology industry is very extensive, and the application cases of Alibaba Group and Tesla Company are particularly notable. Alibaba Group uses AI technology for big data analysis to deeply mine and analyze user behavior and commodity sales on its e-commerce platform. For example, through AI technology, Alibaba is able to accurately predict the purchasing behavior of users, so as to recommend the most suitable products for users and improve the purchase rate of users. At the same time, Alibaba also uses AI technology to analyze the sales data of goods and find the hot spots and trends of sales, so as to adjust the supply and pricing strategy of goods. These apps have not only boosted Alibaba's revenue, but also increased user satisfaction, resulting in a more accurate assessment of its business value.

Tesla uses AI technology to develop self-driving cars. Tesla's Autopilot system, Autopilot, is one of the core applications based on AI technology. Through deep learning and neural networks, Autopilot is able to identify and parse data from the vehicle's sensors to enable the vehicle to drive itself. In addition, Tesla also uses AI technology to optimize vehicle performance and predict faults, improving vehicle safety and reliability. These applications have not only improved the quality of Tesla's products, but also innovated the business model of the automotive industry and created tremendous economic value for the company.

Through the analysis of the above cases, it can be seen that the practical application of AI technology in the valuation analysis of the science and technology industry has significant effects. First, AI technology can improve the efficiency and accuracy of valuation analysis. In Alibaba's case, AI technology improved Alibaba's revenue and user satisfaction by accurately predicting user behavior and analyzing merchandise sales, thereby more accurately evaluating its business value. In Tesla's case, AI technology has improved vehicle safety and reliability by optimizing vehicle performance and predicting failures, resulting in a more accurate assessment of its product value.

Second, AI technology can innovate business models and service methods, thereby increasing the value of technology enterprises. In Tesla's case, AI technology has innovated the business model of the automotive industry by enabling vehicles to drive themselves, creating significant economic value for the company. This shows that AI technology can not only improve the quality of products and services, but also innovate business models and open up new revenue streams.

Finally, AI technology can help us better understand and predict trends in the technology industry, thereby improving the accuracy of valuations. With the development of AI technology, one can expect that AI technology will play an increasingly important role in the technology industry, which will have a profound impact on the valuation of the technology industry.

For the practical application of AI technology in valuation analysis of the technology industry, one has the following suggestions and prospects. First, one should actively explore and utilize AI technology to improve the efficiency and accuracy of valuation analysis. AI technology has powerful

data processing and analysis capabilities, which can help us more accurately evaluate the value of technology enterprises. Therefore, one should make full use of AI technology to improve the efficiency and accuracy of valuation analysis. Second, one should fully consider the value of AI technology and take it into consideration in valuation analysis. AI technology can not only improve the quality of products and services, but also innovate business models and open up new revenue streams. Therefore, it is necessary to fully consider the value of AI technology and take it into consideration in valuation analysis. Finally, one should pay attention to the development trend of AI technology to better understand and predict the development trend of the technology industry. With the development of AI technology, one can expect that AI technology will play an increasingly important role in the technology industry, which will have a profound impact on the valuation of the technology industry. Therefore, one should pay attention to the development trend of AI technology to better understand and predict the development trend of the technology industry. It is expected that the application of AI technology in the valuation analysis of the technology industry will achieve greater progress and results.

5. Conclusion

To sum up, the main findings of this paper include: the application of AI technology in the valuation analysis of science and technology industry has a remarkable effect; AI technology can improve the efficiency and accuracy of valuation analysis, innovate business models and service methods, and improve the value of science and technology enterprises; The practical application of AI technology in the valuation analysis of science and technology industry has important practical value. The research in this paper has important theoretical and practical significance for understanding the application of AI technology in the valuation analysis of science and technology industry, improving the efficiency and accuracy of valuation analysis, innovating business models and service methods, and improving the value of science and technology enterprises. The findings of this paper can provide important reference and guidance for investors, entrepreneurs, policy makers, and all relevant stakeholders. For future research, one proposes to further deepen the application research of AI technology in the valuation analysis of the science and technology industry, explore more application scenarios and strategies, and evaluate more application effects, so as to achieve sustainable development and value enhancement of the science and technology industry. At the same time, it is also recommended paying attention to the development trend of AI technology to better understand and predict the development trend of the technology industry. Practical cases show that the application of AI technology in real business environments has achieved remarkable results. This provides a strong basis for investment and business decisions in the technology industry, and also provides useful references for the application of AI technology in other industries.

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