

AI Pricing: How Much Does Artificial Intelligence Cost?

Artificial intelligence offers immense value, and every business should try and take advantage of it. With AI, you can expedite processes, get value from company data, and provide clients with a better experience. All those benefits can help drive sales and boost revenue.

Please understand that your business doesn't have to build a custom solution. You can choose from many pre-built options that offer immense power and insights. Chatbots are one of the most common examples of AI that companies can use without straining themselves financially.

If your company uses a third-party AI software, like for a pre-built chatbot, expect to pay up to \$40,000 per year. Or in some cases, your business may find free chatbot applications that meet your needs. though these mostly work for entrepreneurial operations.

In comparison, [custom AI solutions cost](#) anywhere from \$6000 to over \$300,000. This price tag includes development and rollout. Ongoing AI services, like for consulting, generally cost less and depend on the consultant's hourly fee. Most AI consultants charge \$200 to \$350 per hour.

In 2020, companies can pay anywhere from \$0 to more than \$300,000 for AI software. This software can range from a solution provided by a third-party to a custom platform developed by a team of in-house or freelance data scientists.

AI Type	Cost
Custom AI solution	\$6000 to \$300,000 / solution
Third-party AI software	\$0 to \$40,000 / year

AI management

How you develop, launch, and manage your AI also influences the cost of artificial intelligence.

In-house AI management

- In-house AI management gives your business complete responsibility when it comes to your AI. Your team develops, launches, manages, and updates your AI solution. That means you maintain an in-house development and data scientist team.

Compared to outsourced AI management, in-house management tends to cost more.

That's because you must maintain a team, which includes salaries, benefits, and other hiring costs. For reference, data scientists **earn an average salary of \$94,000**.

Developers bring in around \$80,000 per year.

With in-house management, however, your company can build an experienced team that knows your business, brand, and users. They also understand what your organization needs from an AI solution, whether it's a chatbot, analysis system, or virtual assistant.

Outsourced AI management

- Outsourced AI management allows your business to pass-on the responsibility of your AI. Your dedicated partner, whether an agency, freelancer, or contractor, handles the development, launch, management, and maintenance of your AI solution.

Compared to in-house AI management, outsourced management usually costs less.

That is because your business does not have in-house hiring costs. You pay a monthly rate or one-time fee (depending on your service plan) and your AI partner takes care of the rest, whether it is building a chatbot, running data analyses, or fixing a system error.

Outsourcing your AI can also help your business connect with some experienced data scientists and AI companies. You can access top talent without the cost of hiring those individuals in-house. Plus, you can work with specialized people for complex, one-time tasks.

Whether you lead your AI initiatives in-house or collaborate with a partner, know that either decision will influence your AI software costs.

Key Points:

- 1) If you decide to keep operations internal, plan for some additional expenses.
- 2) For outsourced services, expect some cost savings.

Project duration

The duration of your AI efforts will also impact how much your artificial intelligence costs.

For example, if you are looking to build an AI analysis system in two, versus three, months, expect higher costs. Your provider (if you are outsourcing) will have to dedicate more developers to the build, as well as more hours. If you are taking on the project in-house, you may even have to hire more team members.

In most cases, a more in-depth AI initiative will require more time, which generates higher AI costs.

Project duration

For instance, building a complete AI analysis system can encompass several stages, from a minimum viable product (MVP) to a full product rollout. That process can take up to a year in some cases.

[An AI MVP, for example, often takes four to six months to generate]

As you research AI software costs for your business, take into consideration the timeframe.

That does not mean your company should try and push in-house or outsourced teams to build your solution faster. Or, that you should cut features that your business needs if it wants to make the most of your AI. Instead, you should look at the duration as a cost factor and budget for it accordingly.

Conclusion

Artificial intelligence offers immense value, and every business should try and take advantage of it. With AI, you can expedite processes, get value from company data, and provide clients with a better experience. All those benefits can help drive sales and boost revenue.

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