



# The consumer: Sees AI benefits but still prefers the human touch

Dispelling myths on how people see AI's impact on the workforce

genpact



# Consumers open to AI. But data protection key.

## Companies to balance consumer needs with AI opportunities

You may not yet travel in a self-driving car or have medical treatment diagnosed by a machine, but artificial intelligence is already part of most people's lives. And companies need to pay attention to how their customers react.

The findings from our study of more than 5,000 people in the US, UK, and Australia show that consumer interaction with AI is still low: less than half of respondents interact with AI once a week at best. But people are recognizing that it brings them benefits, such as better customer service, reduced human error, and time saving. Younger generations in particular.

### **Protect privacy and data**

Greater acceptance among consumers – especially younger generations– is encouraging for businesses rolling out AI-powered services and solutions, but they must listen to people's concerns. Unease about data protection and fears about privacy loss emphasize the need for companies to be transparent and governments to create safeguards.

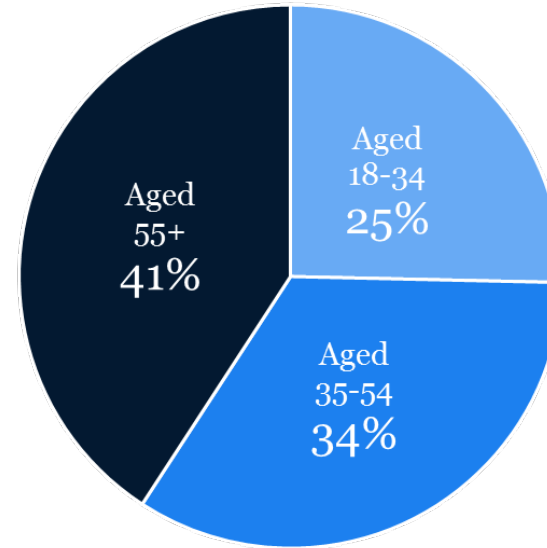
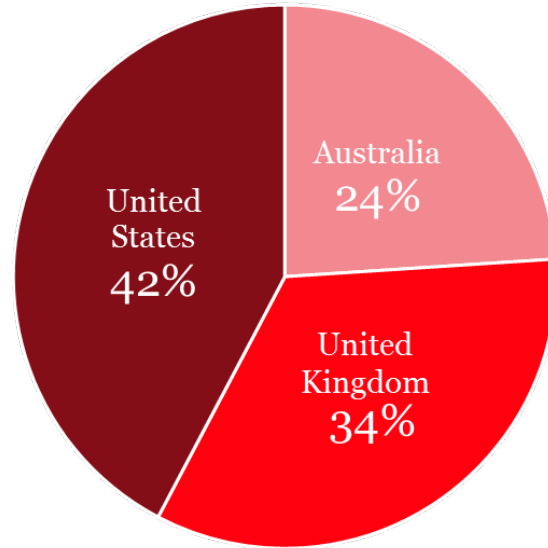
### **Chatbots over people? Not yet**

As companies gear up to make greater use of AI in customer service through chatbots, only 12% of people say they would prefer this channel. Even if the service they receive is faster and more accurate.

This is the third in a [three-part research series](#) by Genpact that explores the state of AI adoption, readiness, and impact across three communities: the C-suite, workforce, and consumers. This report examines AI in people's lifestyles.

**Read on** to see how our findings dispel common myths about AI and consumers. And take note of the five lessons that help businesses get customers on board with AI.

# About this research



Genpact worked with research firm YouGov to survey 5,179 people (2,189 in the US, 1,749 in the UK, and 1,241 in Australia) and study how artificial intelligence impacts their personal and professional lives. Of the total survey population, 2,795 are workers, employed at least eight hours per week. YouGov conducted the fieldwork online between August 15-30, 2017.

Our [research series](#) provides a comprehensive view of AI adoption, readiness, and impact from the C-suite, the workforce, and consumers. Combined, these findings give businesses valuable insights on how to succeed with artificial intelligence.

[The first study](#), released in September 2017, explores the senior management perspective, and second examines [AI in the workforce](#). This study reflects how consumers see AI in their personal lives.

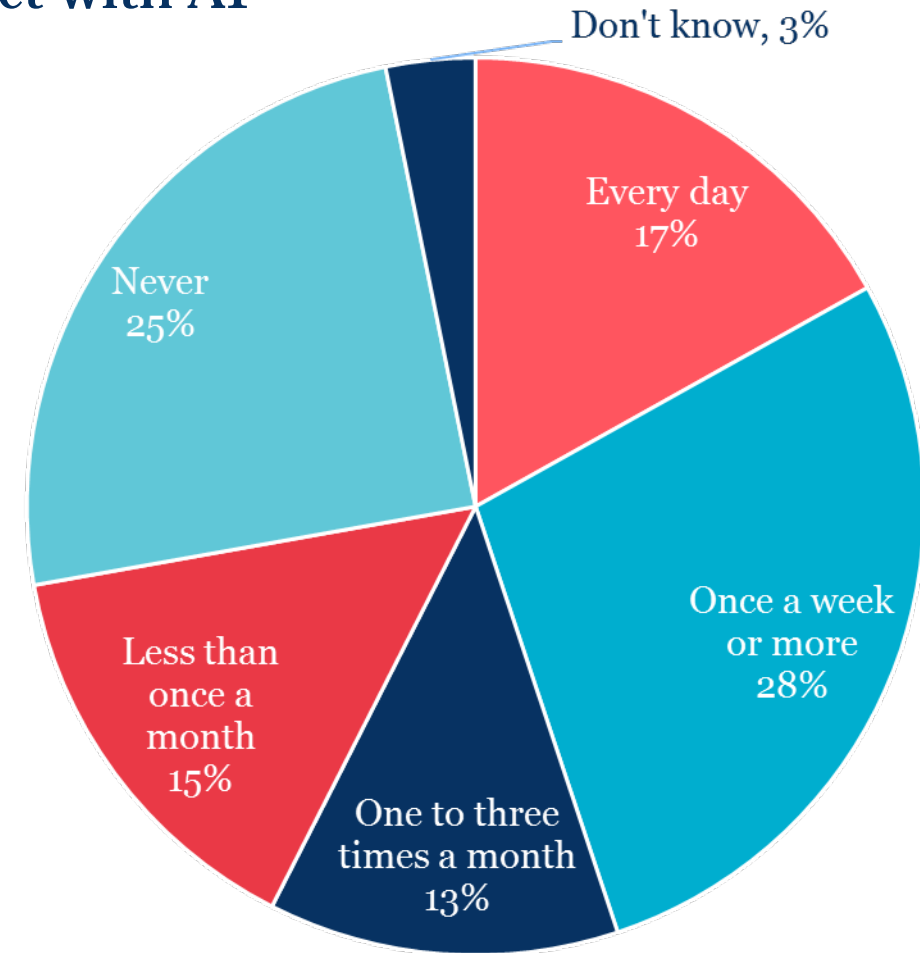
# MYTH 1:

AI is having a profound  
impact on our daily lives

# AI is not yet running the show

Many consumers rarely, if ever, knowingly interact with AI

- Less than half of consumers surveyed say they interact with AI at least once a week, and fully one-quarter say that they *never* do
- Usage is higher among younger consumers: two-thirds of 18-34 year olds use AI at least once a week and more than one-quarter (27%) use it every day. Only 10% of people over 55 interact with it daily



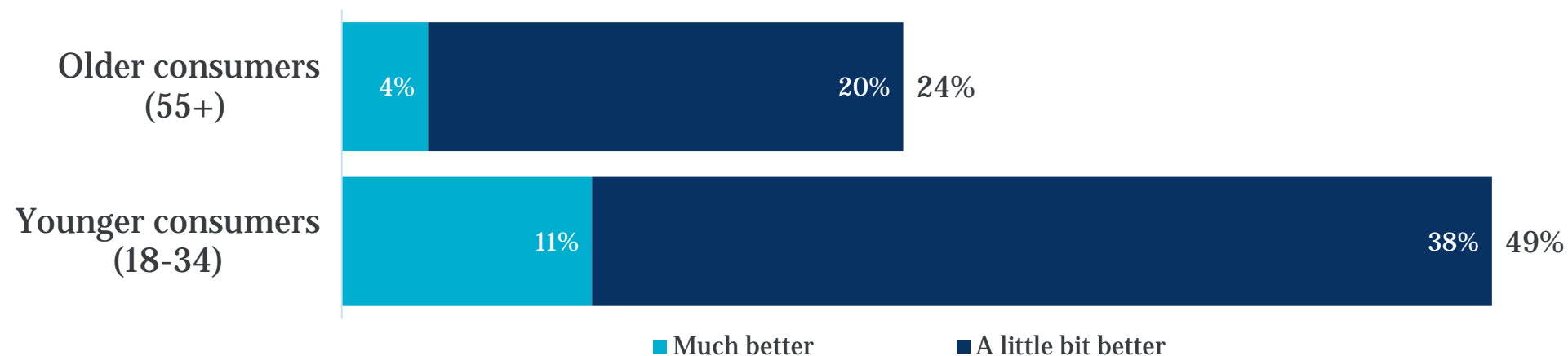
How often do you interact with AI? (% respondents)

# Consumers who interact with AI more, like it more

## Growing comfort with AI among younger people is paving the way

- Respondents are over three times as likely to say that AI is making their lives better (34%) rather than making them worse (11%). Although 41% say that it has made no difference
- Younger consumers are more than twice as likely to say it's having a positive impact
- So AI is positioned to reshape the consumer experience, propelled by technological advances and younger consumers who are likely to welcome *more* interaction with AI, not less

### Is AI making your life better or worse? (% respondents)



# MYTH 2:

## Consumers have yet to fully appreciate the impact of AI

# Many consumers see real advantages from AI

Particularly the well-educated, the affluent, and the young

## Key personal benefits of AI (% respondents)



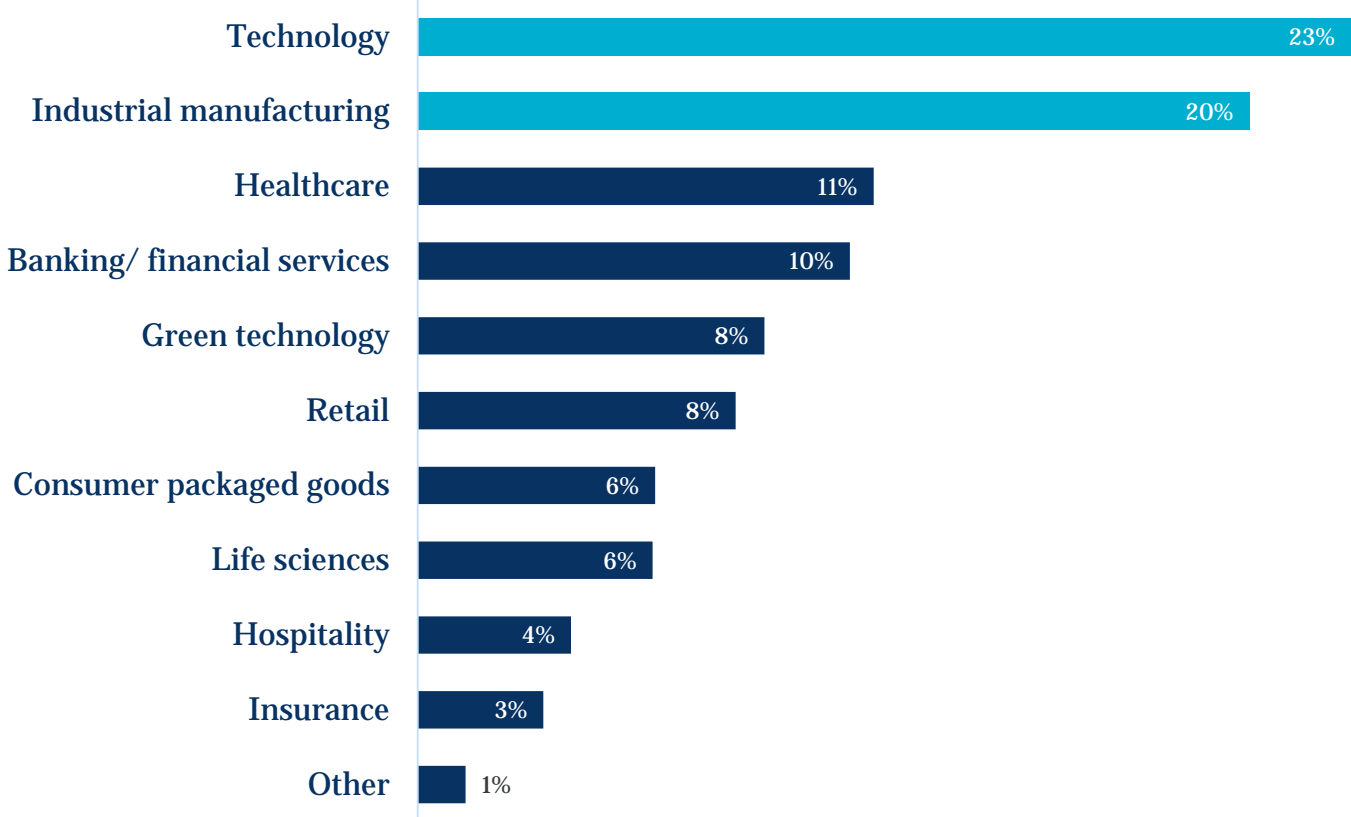
- Most older consumers say AI doesn't offer them any personal benefits, but younger respondents tell a different story
- Almost 60% of 18-34 year olds say AI offers them advantages compared to 24% of those aged over 55
- The younger group is more likely to understand that it saves them time, catches their mistakes, improves their productivity, and enhances the customer service they receive
- The more educated and affluent consumer segments are also more likely to say that AI offers them a variety of advantage



# Tech and manufacturing to benefit most from AI, say consumers

There's no clear consensus but they know AI will reshape business and industry

## Top industries to benefit from AI (% respondents who expressed an opinion)

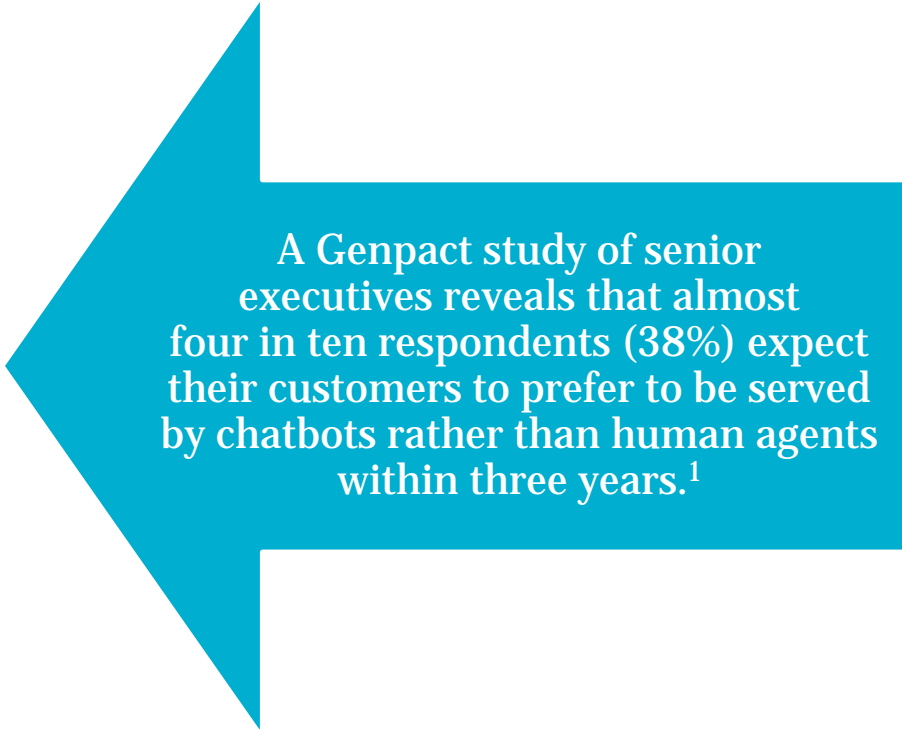


# MYTH 3:

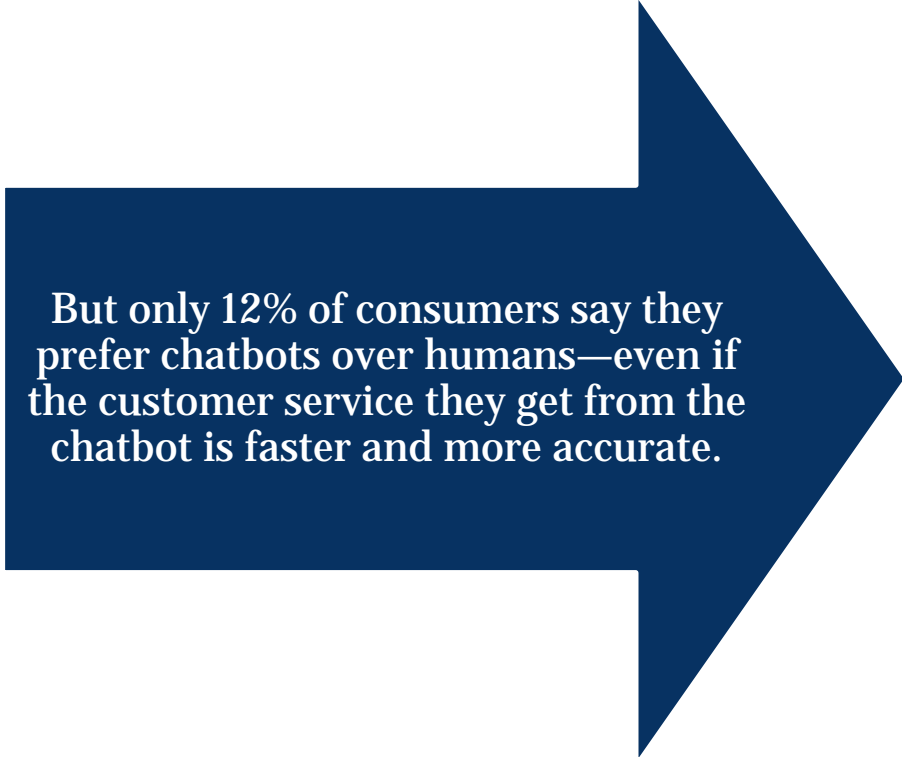
## AI will completely transform customer experiences

# Consumers still strongly prefer human interaction

AI chatbots have far to go before being fully accepted by an uncertain public



A Genpact study of senior executives reveals that almost four in ten respondents (38%) expect their customers to prefer to be served by chatbots rather than human agents within three years.<sup>1</sup>



But only 12% of consumers say they prefer chatbots over humans—even if the customer service they get from the chatbot is faster and more accurate.

There is a silver lining for the 88% of AI leaders – those getting most impact from AI – who expect AI to deliver improved customer services by 2020. Only 33% of 18-34 year olds strongly agree that they prefer human to AI interaction compared to 57% of older generations. This younger group is also less opposed to chatbots than any other, and more likely to be won over by positive AI experiences

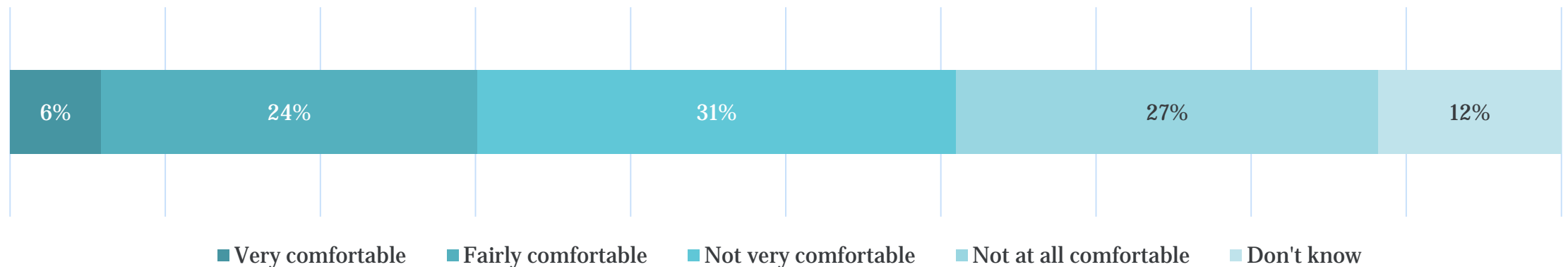
<sup>1</sup> [Is your business AI-ready?](#) Study of 300 senior executives conducted by Genpact and Fortune Knowledge Group

# To succeed with AI, businesses must address privacy fears

## Consumers have real concerns that their control is slipping away

- Nearly two-thirds of consumers (63%) are worried that AI is going to make decisions that will impact their lives without their knowledge
- More than half say they are uncomfortable with the idea of companies using AI to access their personal data
- Almost three-quarters (71%) say they don't want companies to use AI that threatens to infringe on their privacy, even if it improves the customer experience

How comfortable are you with companies using AI to access your personal data to personalize and improve the customer experience? (% respondents)



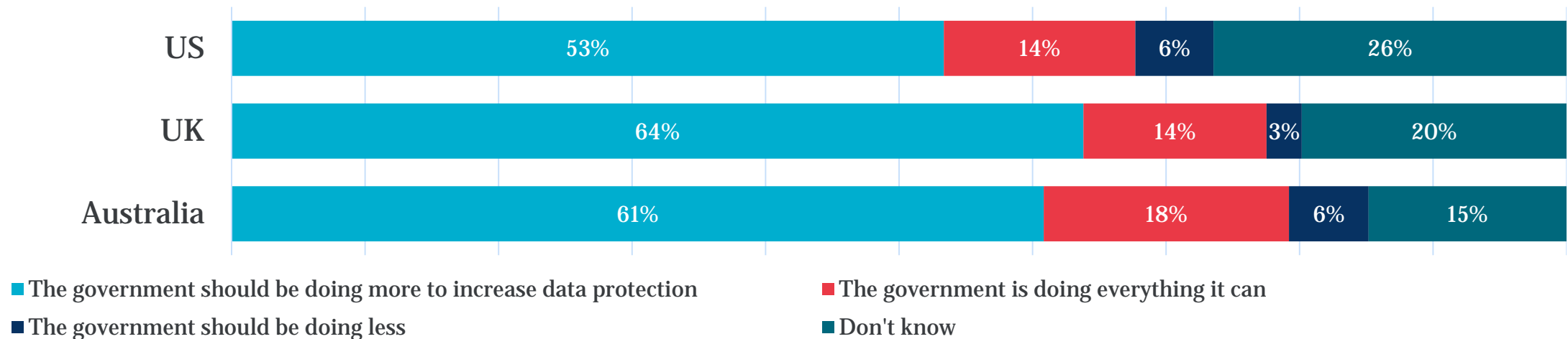


# Consumers want stronger safeguards

## They think governments must step up to protect them against encroaching AI

- Most people (59%) believe their governments should be doing more to protect their privacy against encroachment from companies using AI
- The private sector must emphasize transparency, co-operation, and visibility — powerful controls will win consumer confidence and allow them to use AI to its fullest

### What should your government be doing regarding data protection and the use of AI? (% respondents)



# The takeaways

## Five lessons to help businesses get customers on board with AI

AI has a bright future among consumers. People are growing more comfortable with the technology, especially younger generations as they recognize the benefits it brings and accept it as a fact of life.

While AI is a game changer for interacting with customers, there's still some way to go. Most consumers want to be helped by a person, not a machine, and they fear what computers are doing with their private information. As 82% of senior executives say their businesses plan to adopt AI-related technology within three years, they must address customer concerns or risk driving them away.

### **Make AI work for your customers**

The findings from this study reveal lessons for companies that want to implement AI while meeting customer expectations:

1. Ensure you can explain the logic behind the decisions made by AI
2. Balance improved customer experience with secure use of personal data
3. Work with industry peers and government bodies to develop transparent data practices
4. Build AI practices around human-centric design
5. Engage younger generations as advocates for AI among your customer base and within your business

### **More: The C-suite and workforce on AI**

For more AI insights, read [Is your business AI-ready?](#) and [The workforce: Staying ahead of artificial intelligence.](#)

# We are Genpact

We're a global professional services firm that makes transformation real.

We drive digital-led innovation and digitally-enabled intelligent operations for our clients. Guided by the experience that comes from running thousands of processes for Fortune 500 companies.

We think with design. Dream in digital. Solve problems with data. Obsess over operations and sweat the small stuff. All 78,000 of us.

From New York to New Delhi (and 20 countries in between), we have the end-to-end expertise to connect every dot. Reimagine every process. And renew your ways of working. Because we know that rethinking each step from start to finish will change your business for the better.

Wherever you want your business to go, we'll focus on getting you there. So you can focus on your big picture, big returns or next big thing. Whatever it is, we'll be there with you—putting data and digital to work to create bold, lasting results.

Because transformation happens here.

Get to know us. [Genpact.com](https://www.genpact.com)

To discuss artificial intelligence further,  
visit us at [genpact.com](https://genpact.com)

