



# Consumers Still Have Trust Issues with AI



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Technology companies, brands, retailers and many other companies may be welcoming the era of generative AI, but consumers remain wary, especially when trusting its use in several categories, according to 2023 Ipsos research.

Almost 70% of consumers said they were familiar with the concept of artificial intelligence while 31% were unfamiliar with it. One-quarter were "very familiar" compared to 7% "not at all familiar."

## Consumers' Trust in Categories Widely Using AI, 2023

Category	Feb. 2023	Aug. 2023
Users/Customers' product or service reviews	19%	24%
Articles shared on social media by friends	18%	18%
Companies or brands	17%	19%
TV advertising	13%	14%
Influencers	13%	14%

Ipsos, September 2023

More detailed responses for each of these categories from the August 2023 survey found the influencers category had the largest gap between consumers who "trust a great deal more" (5%) and "distrust a great deal more" (29%). Interestingly, the smallest gap was in the companies or brands categories at 11% while the gaps for the other three (reviews, articles shared on social media by friends and TV advertising) were all 14%.

This consumer distrust in the use of AI in these categories is offset by the fact generative AI is often "hidden" in the programming of the many apps and products consumers already use daily. According to Forrester Research's Predictions 2024 report, 60% of AI skeptics will be using and many will consider it a positive experience, although they are unaware they are benefiting from it.

Conversely, Forrester also expects the limits of the technologies necessary to operate generative AI tools and platforms are likely to cause many companies that would like to incorporate more use of AI to pause. For example, the NVIDIA H100 AI processor which is often a first choice costs more than \$40,000, requires as much as 700 watts of power and generates a significant amount of heat. These and other impediments will force many companies to be less ambitious about their use of AI.

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## Research Roundup



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- **Teens are Gen Zers, too**

Whenever advertisers want to target Gen Zers, remind them that teens from the age of 13 are also Gen Zers. A 2023 survey from Giraffe Insights/Precise TV found "45% of teens are likely to recall an ad seen on YouTube," followed by Facebook (28%), TikTok and Instagram (both at 23%) and broadcast TV (20%).

YouTube is also first among teens 13-17 years old for where they saw the commercial for the last product they asked their parents to buy for them. Of the 19% who said this, 21% were 13-15 and 17% 16-17.



- **Consumers are actively purchasing various products**

Although there may be some softening in consumer spending, which will help to reduce inflation, an Ipsos September 2023 survey revealed more consumers are actively planning to purchase products in some categories. The two that have increased the most from the June 2023 Ipsos survey are tech equipment, increasing from 10% to 16%, and mobile phone, increasing from 13% to 19%. An automobile increased two points to 16%. Unsurprisingly, a home purchase was the only category that decreased, from 8% to 7%, respectively.

- **What young adults are buying for their homes**

According to the YPulse Shopping for the Home survey (August 2023), the top three home product categories Gen Zers plan to buy for their homes during the next 12 months are décor and pillows (35%), electronics (33%) and bedding and bath supplies (31%). Millennials' top three are slightly different: electronics (42%), bedding and bath supplies and kitchen items tied (40%) and indoor furniture (36%).

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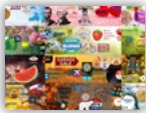
## Newest and Future Special Reports



Navigating the New Era in B2B Sales (September 2023)



Gen Z Consumers: Coming of Age (October 2023)



2024 Calendar of Events (November 2023)

## Start to Plan for a Better Year in 2024

Open Road for the Auto Industry – With the UAW strike ended, sales should continue to increase, according to the November 2023 Auto Update Report.

What Purchase Funnel? – The November 2023 New Media Insights Report reveals why consumers are not following the classic purchase funnel.

Targeting Gen Z Consumers – The Special Report, Gen Z Consumers: Coming of Age, provides insights about Gen Z culture, life plans and spending habits.



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