

RESEARCH

44pc of consumers lack trust in generative AI: Kearney

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As luxury brands increase the use of tools such as Chat GPT, experts recommend toeing the line with human touches before transitioning to these technologies full-on, in an effort to establish trust. Image credit: This is Engineering RAEng

By ZACH JAMES

A new report by global management consulting firm Kearney's global think-tank Consumer Institute (KCI) finds that citizens have trouble believing in a rising segment of the technology sector.

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With the usage of generative AI (GAI) such as Chat GPT increasing among consumers and corporations, consumers are voicing concern over the practice. KCI's publication reveals that 44 percent usually do not trust the programs.

"Consumers have meaningful concerns about AI, which impacts their short-term usage and their long-term trust," said Katie Thomas, co-author of the report and leader at KCI, Pittsburg.

"Specifically, they worry about the loss of human connection, data privacy, and even AI taking over the world," Ms. Thomas said. "While brands are increasingly exploring GAI usage given its current popularity and perhaps favor, the general use of AI is not new many brands have been using various AI and machine learning technologies across their organizations.

"As they experiment more with Generative AI specifically, having the right checks and balances in place is important to avoid risks associated with the inherent biases or misrepresented information that still exists in many cases."

The report, titled "**Generative AI and Consumer Trust: Can AI Regenerate Consumer Trust in Brands?**" is based on a survey conducted in May 2023 that measured the attitudes of 7,000 consumers from around the globe.

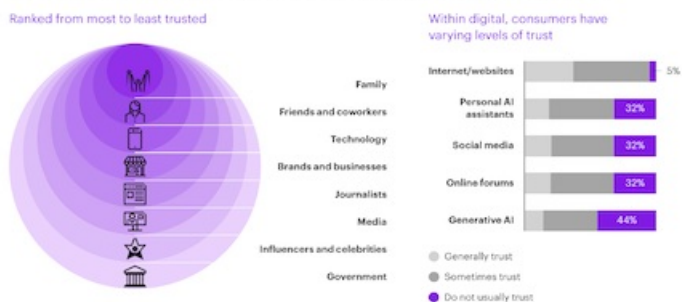
Uphill battle

While the private and public sectors are increasingly using GAI, particularly in the home, users' levels of trust continue to be low.

As luxury brands opt to use the technological tools, experts recommend prioritizing human touches before transitioning to these capabilities completely, in an effort to build a rapport. The report details how this trust can be established.

While nearly half of those surveyed have experimented with GAI already, the participants agree that believability has not been garnered. Because of this, Ms. Thomas and her fellow researchers note possible areas of improvement.

Figure 1
Consumers trust their inner circle first, but fortunately that is followed by technology and business



Source: Kearney Consumer Institute Generative AI Study - May 2023

GAI found itself at the bottom of the list of trusted technological mediums but above brands and the media. Image credit: KCI

"In order to make consumers comfortable with the technology, a slow test-and-learn approach is best," said Ms. Thomas.

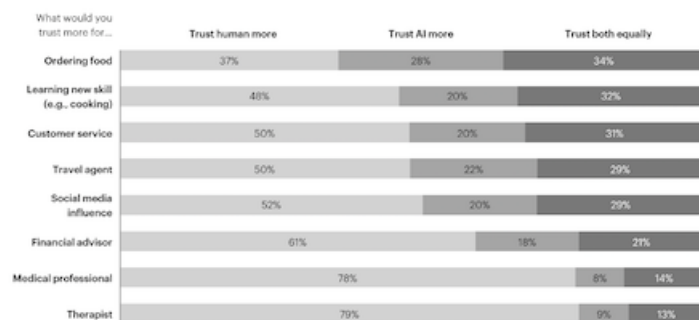
"Kearney Consumer Institute research indicated the importance of human/AI connectivity," she said. "As brands identify more consumer-facing use cases for the technology, they'll want to ensure the right balance between human and machine and [that] there is a human back-up where needed or wanted."

AI, without human intervention, is known to produce untruthful results. KCI's report notes that trust is both hard to gain and easy to lose, complicating efforts to legitimize GAI in the eyes of users.

Despite this, the survey outlines contradictions in consumer attitudes toward AI.

Nearly all regions surveyed list a loss of human connection and data privacy as the two biggest concerns but also recognize benefits. Respondents note that quicker customer service, lower cost of products and more efficiently-created products are ways that AI can improve their lives.

Consumer bias is largely still toward humans



Source: Kearney Consumer Institute Generative AI Study - May 2023

Aside from customer service positions, humans still prefer interacting with other people rather than algorithms. Image credit: KCI

KCI's research shows that consumers are willing to interact more with AI in customer service settings, such as ordering food or strategizing with a travel agent. For more complex tasks, such as financial advising and therapy, human contact is widely considered necessary.

Digital moves

While AI has been a key buzzword in many boardrooms this year, luxury has been slow to adopt it, outside of a few outliers.

With the sector fully jumping into the metaverse concept and non-fungible tokens in recent months (see story), AI integration has been mostly a slow start.

German automaker Mercedes-Benz is among the brands stepping into the new frontier, integrating ChatGPT into the virtual assistant in their fleet with the help of Microsoft (see story). Available to more than 900,000 vehicles in a beta program, it is likely the largest-scale implementation of the technology luxury has seen to date.

Coming from another luxury category, French beauty brand Guerlain recently released a series showcasing AI-generated Bee Bottles, reimagining the brand's design symbol ([see story](#)).

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