Consumers Want Privacy, Better Data Protection from Artificial Intelligence, Finds New Genpact Research

Third study in three-part series shows customers' AI acceptance at odds with businesses' expectations

NEW YORK, Dec. 6, 2017 /PRNewswire/ -- Despite massive corporate investments in artificial intelligence (AI), nearly three-quarters of consumers are concerned about AI infringing on their privacy, according to a new study from Genpact, a global professional services firm focused on delivering digital transformation. The survey of more than 5,000 people across the United States, United Kingdom, and Australia also reveals that 59 percent of respondents think their government should do more to protect personal data from AI.

Disconnect in corporate and customer views

Consumers' wariness of AI contrasts significantly with optimism expressed by corporate management. According to a previous Genpact study conducted earlier this year, 88 percent of senior executives at companies that are leaders in AI expect the technology will drive better customer experiences within three years.

The consumer survey released today is the third in a three-part Genpact research series that offers a comprehensive view of AI adoption, readiness, and impact across three critical and disparate communities – the C-suite, workforce, and consumers. The first study, published in September 2017, explores the C-suite and senior management's perspective, and the second survey, released in November 2017, looks at workers' views.

In the consumer research released today, only 12 percent of people surveyed say they would prefer to be served by a chatbot, *even if the service they receive is faster and more accurate* than that of a human. Yet over three times more executives (38 percent) think their customers will prefer service by a chatbot in three years, according to Genpact's senior management study. Companies need to lay the groundwork now to address this disconnect and pave the way for smooth AI adoption.

Building trust with cautious consumers

Although companies continue to embrace AI (for example, 82 percent of senior executives say they plan to implement AI-related technologies by 2020), many potential customers still have substantial fears. Nearly two thirds (63 percent) of respondents in the consumer study worry that AI will make decisions that will impact their lives without their knowledge. Moreover, 58 percent of people surveyed do not feel comfortable with companies using AI to access their data to personalize and improve their experiences with a brand.

"AI is a game-changer to improve the customer experience, yet real challenges remain regarding trust and privacy," **said Sanjay Srivastava, chief digital officer, Genpact**. "To encourage adoption, the key is to have visibility into AI decisions, and be able to track and explain the logic behind them. Companies need to break through the 'black box' to drive better insights for their business and give consumers the assurance they need."

Meeting consumer expectations today, and tomorrow

Even with explosive growth of home digital assistants, chatbots, smart sensors, etc., consumers still perceive they have little contact with AI. Less than half of those surveyed say they interact with some form of AI regularly (i.e., once a week or more). In addition, two in five (41 percent) believe that AI has made no difference to their lives.

However, the study also shows that younger generations interact with AI more frequently and cite its benefits. They are twice as more likely than older people surveyed to say AI is making their lives better. Younger generations also don't need the human touch quite as much: Only one third of Gen-Z and millennials strongly agree that they prefer human interaction rather than AI, compared to 57 percent of baby boomers.

"AI, even in these early days, is the single biggest shift transforming how people interact with businesses and the world around them," said Srivastava. "The generational differences with AI adoption are critical to understand, especially as demographic shifts continue, and millennials and Gen-Z have greater impact on business decisions. The companies that will win in this new world are ones that seize AI's potential in a way that deeply understands and solves for consumers' concerns."

For more details on this study, see *The consumer: Sees AI benefits but still prefers the human touch* . For views from the C-suite, read Genpact's first report, *Is your business AI-ready?* , and see *The workforce: Staying ahead of artificial intelligence* for second part in the series. Combined, these findings give businesses valuable insights on how to succeed with artificial intelligence.

About the Research

In August 2017, Genpact worked with research firm YouGov to survey 5,179 people (2,189 in the United States, 1,749 the United Kingdom, and 1,241 in Australia) to study how artificial intelligence impacts their personal and professional lives. Of the total survey population, 2,795 were employed at least eight hours per week. YouGov conducted the fieldwork online between August 15-30, 2017. In addition, in a separate study conducted in June 2017, Genpact and FORTUNE Knowledge Group surveyed 300 global senior executives on AI issues, and also differentiated between "AI leaders" – respondents who achieve strong positive business outcomes from AI, scoring 9 or 10 on a 10-point scale -- and "AI laggards," who scored 1 through 6 on the same scale.

About Genpact

Genpact (NYSE: G) is a global professional services firm that makes business transformation real. We drive digital-led innovation and digitally-enabled intelligent operations for our clients, guided by our experience running thousands of processes for hundreds of Global Fortune 500 companies. We think with design, dream in digital, and solve problems with data and analytics. We obsess over operations and focus on the details – all 78,000+ of us. From New York to New Delhi and more than 20 countries in between, Genpact has the end-to-end expertise to connect every dot, reimagine every process, and reinvent companies' ways of working. We know that rethinking each step from start to finish will create better business outcomes. 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 at Genpact.com and on LinkedIn, Twitter, YouTube, and Facebook.

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