GBK COLLECTIVE

TAKING A PULSE ON GENERATIVE AI

Usage, Investments and Perceptions Among Enterprise Decision Makers

OCTOBER 2023

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METHODOLOGY & OVERVIEW

STUDY OBJECTIVES & METHODOLOGY

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Background

Spurred by the release of ChatGPT, generative AI has generated a great deal of buzz and press over the past year. While generative AI has captured the public's fascination, it has also raised debate around its potential impact on commercial enterprises, the makeup of the talent economy, and the future of jobs.

Objectives

1. Take a pulse on where enterprises are on their adoption of generative AI;
2. Assess how generative AI is, or is expected to be, used within department areas;
3. Pinpoint the impact that it has had, and will have, on employees;
4. Understand key influencers during rollout;
5. Uncover which brands are perceived as leading the way with generative AI in the enterprise.

Method

15 min online quantitative survey

Geography: United States, with a mix of respondents across regions

Total number of respondents: 672

Interviews conducted between July 25 and August 8, 2023

Screening Criteria

Age 18+

Enterprise commercial organization (1000+ employees)

Company based in the US

Employment requirements:

- Be a full-time employee
- Work for a commercial organization (private sector)
- Not work in Market Research or Advertising sectors

Roles: Must qualify as a *Senior Decision Maker* in one of the following departments:

- HR, IT, Legal, Marketing/Sales, Operations, Product/Engineering, Purchasing/Procurement, or General Management
- Readable sample sizes for each of these departments was collected

STUDY LEADERS AND AUTHORS

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JEREMY KORST

PRESIDENT & PARTNER, GBK COLLECTIVE

Jeremy is a former CMO and product management executive with leading brands including Microsoft, T-Mobile, and Avalara – with a proven track record of driving profitable growth using innovative product and go-to-market approaches.

Jeremy is also active in the early-stage ecosystem, serving as an advisor to a diverse portfolio including Mint Mobile (acquired by T-Mobile) and Oleria (Salesforce backed enterprise security startup). Jeremy has served on Intel's Communications Advisory Board, the IT Services Marketing Association Board of Directors, the CTIA workgroup on Emerging Device. He received his MBA from the Wharton School and now serves on its executive board. His works have been featured in a variety of outlets, including Harvard Business Review, Fast Company, Entrepreneur, Martech and Forbes.

STEFANO PUNTONI, PhD

FACULTY CO-DIRECTOR, AI AT WHARTON

Stefano is the Sebastian S. Kresge Professor of Marketing at The Wharton School and Faculty Co-Director of AI at Wharton. Prior to joining the University of Pennsylvania, Stefano was a professor of marketing and head of department at the Rotterdam School of Management, Erasmus University, in the Netherlands. He holds a PhD in marketing from London Business School and a degree in Statistics and Economics from the University of Padova, in his native Italy.

His research has appeared in several leading journals, including Journal of Consumer Research, Journal of Marketing Research, Journal of Marketing, Nature Human Behavior, and Management Science. He also writes regularly for managerial outlets such as Harvard Business Review and MIT Sloan Management Review. Most of his ongoing research investigates how new technology is changing consumption and society. He is a former MSI Young Scholar and MSI Scholar, and the winner of several grants and awards. He is currently an Associate Editor at the Journal of Consumer Research and at the Journal of Marketing. Stefano teaches in the areas of marketing strategy, new technologies, brand management, and decision making.

RESEARCH & INSIGHTS TEAM

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BRIAN SMITH

EXECUTIVE VICE PRESIDENT

Brian works with clients across technology and other sectors to apply customer and market insights and data analytics to help them solve some of their toughest international marketing and business challenges. His work focuses on the impacts of technology, and he brings a wealth of experience across areas including marketing and business strategy, customer insights and analytics, technology and management consulting with previous roles at Microsoft, Deloitte Consulting, and ABN AMRO. Brian holds an MBA from the University of Chicago Booth School of Business in international business and marketing.

AMELIA COLÓN

VICE PRESIDENT

Amelia has worked for nearly a decade in brand strategy & analytics consulting advising clients in navigating strategic marketing challenges through custom research, advanced analytics, and compelling storytelling. She has partnered with a diverse set of Fortune 100 top companies across verticals and specializes in B2B digital advertising and technology research. Previously, Amelia directed research and insights within Kantar's Brand Strategy (MaPS) and Analytics practices. Amelia holds a B.S. in Management & Business with Honors from Skidmore College.

ERYN LIPETZ

SENIOR ANALYST

Eryn received her Bachelors Degree in Business Administration from the Ross School of Business, University of Michigan, where she focused in marketing and strategy and received a well-versed business education. Eryn is fascinated by consumer behavior and the way brands bring people together. She is a problem-solving and team oriented individual. Her prior work experience includes Brand Marketing, Public Relations, and sales positions in healthcare, retail, and financial service industries.

EXECUTIVE SUMMARY

GENERATIVE AI HAS ARRIVED AND IS QUICKLY BECOMING MAINSTREAM

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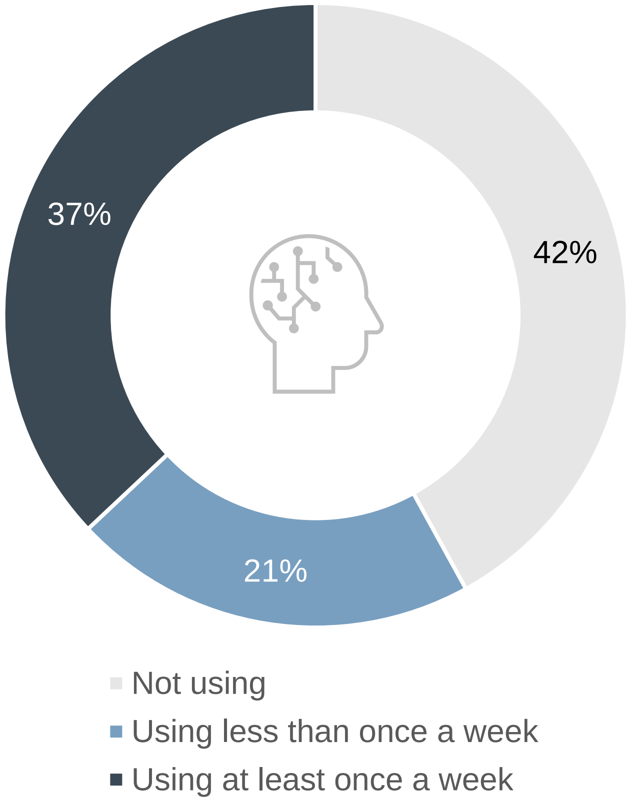
TOTAL USAGE OF GENERATIVE AI IN THE WORKPLACE

(Among Total)

In US enterprise companies, generative AI has reached a tipping point, with **58%** of decision-makers using it in the context of their roles at work.

As the hype-cycle continues, generative AI is becoming "general purpose technology" – a new platform with far-reaching impact.



Q2: Which of the following best describes your own experience using generative AI technology? n=672.
Study by GBK Collective, with full details located at gbkcollective.com

ENTERPRISE LEADERS SEE GEN AI USE CASES AS UBIQUITOUS

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The consensus among enterprise decision makers is that generative AI **will be used across a wide variety of areas to increase efficiency & optimization**, from insights and data analysis, content creation, employee onboarding, product development, to legal contracts.

PROJECTED USE CASES FOR GENERATIVE AI IN 3-5 YEARS (LIKELY OR ALREADY USING)

(Among Total)

Data Analytics	89%	Customer Loyalty / Retention	75%
Marketing Content	87%	Product Design / SW Development	>70%
Market Research	84%	Supply Chain Management	70%
Document / Text Support	>80%	Employee Recruiting / Onboarding	>65%
Customer & Employee Support	>80%	Legal Contracts	58%

Q8: How likely do you believe your company is to use generative AI over the next 3-5 years in each of the following functional areas? n=672.
Study by GBK Collective, with full details located at gbkcollective.com

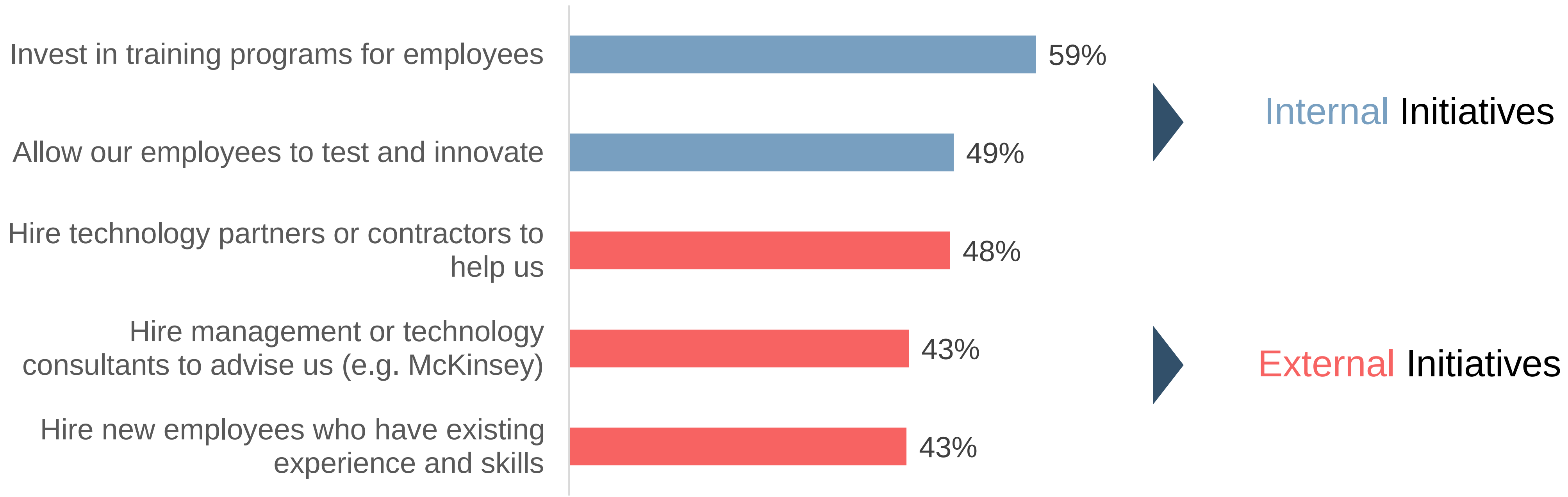
ENTERPRISES HAVE BIG PLANS FOR GEN AI INVESTMENT

GBK

Across the board, enterprise investment in generative AI will increase by **25%** in the next year
Enterprises will invest substantially in both **internal talent** and bringing in **outside experts.**

FUTURE STRATEGIES FOR ROLLING OUT GENERATIVE AI

(Among Total, Showing Top 5)



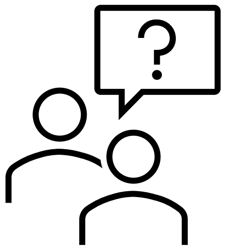
Q18: Which of the following methods do you expect your company to use in making decisions on how to use or roll out generative AI solutions or tools? n=672.
Study by GBK Collective, with full details located at gbkcollective.com

ENTERPRISE LEADERS PERCEIVE GEN AI VERY POSITIVELY

Among most decision-makers, generative AI is met with positivity and upbeat emotions. Those **using** it at work see more benefit in its ability to support employees’ skills vs. replacing jobs. Those not using it are more cautious around its impact on the talent economy (but are nonetheless still curious).

TOP EMOTIONS ASSOCIATED WITH AI

(Among Total)



Curious

Optimistic

Excited

Impressed

PERCEPTIONS ON EMPLOYEE IMPACT

(Among Users)

48% — **Enhance** employees’ skills in some tasks

36% — **Replace** employees’ skills in some tasks

Q3a/b: Which (if any) of the words below describes your perception of generative AI as it stands today? n=672.
Q7a/b/c: How much do you agree with the following statements regarding the impact that generative AI may have on your company? Use n=392, Don’t use n=162.
Study by GBK Collective, with full details located at gbkcollective.com

DETAILED FINDINGS: CURRENT ADOPTION

SUMMARY OF KEY FINDINGS ON CURRENT ADOPTION LEVELS

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Generative AI adoption is swiftly gaining traction – with the majority of enterprise leaders now using it.
Our results show that 37% report actively using it at least once per week with another 21% using it less frequently.

However, generative AI adoption varies by industry, functional role, and organization size:

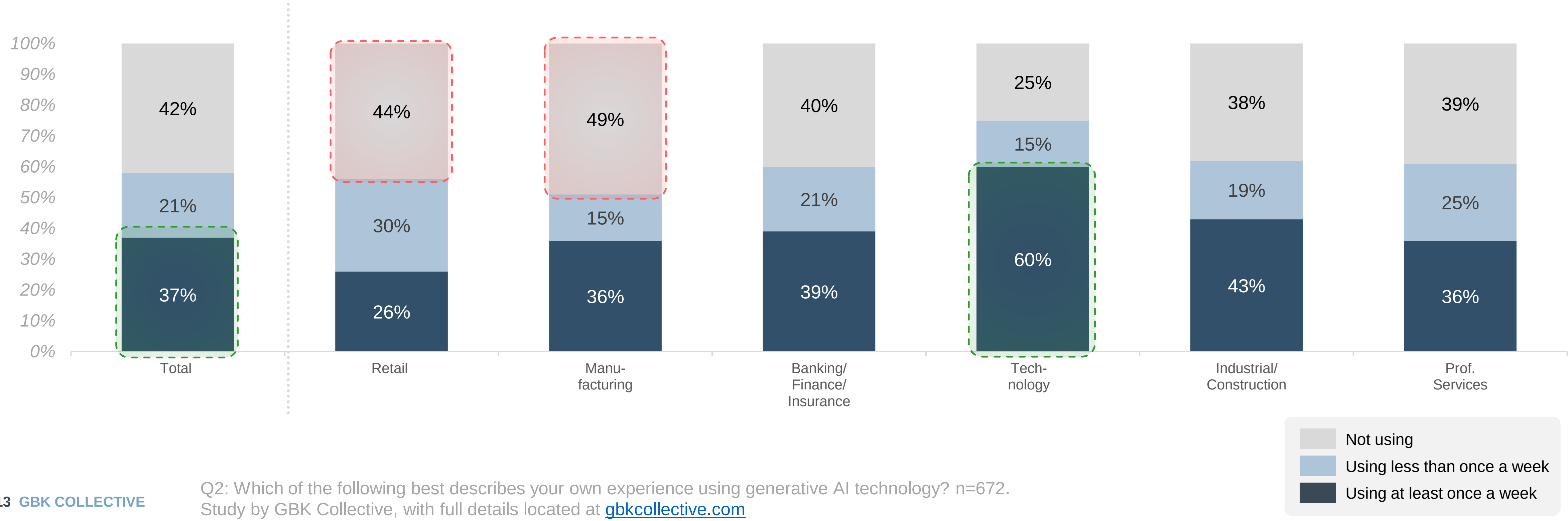
- **Leaders in the Tech industry are the highest adopters.** As might be expected, usage is higher in the tech space. We also see notably lower usage in Retail and Manufacturing – perhaps where generative AI is seen as less relevant, use cases have been slower to develop, or thinner margins may hinder experimentation.
- **IT departments lead in adoption, with Marketing/Sales and Operations lagging.** Respondents from IT departments have the highest adoption, aligned with expectations, with 66% using at least once per week. Notably lagging, however, are Marketing/Sales and Operations departments, where 65% and 62% are not using at all. Given the prevalence of use cases with content generation, marketing leaders may not be fully prepared for the coming disruption to their roles and departments due to generative AI.
- **Small enterprises are outpacing large organizations.** Decision makers at smaller enterprises report higher usage, with 57% using at least once per week, than their counterparts in larger enterprises, of which 59% are not using yet at all. We hypothesize this is perhaps because they may be able to change tools and adjust processes faster or that they may face greater pressure to realize the efficiency gains available with generative AI.

GEN AI ADOPTION GROWING SWIFTLY – ALBEIT UNEVENLY

GBK

- The majority of enterprise leaders now using generative AI, with 37% of decision makers are using it at least once per week and another 21% using it less frequently
- However, usage varies by industry, with Tech leaders the highest adopters at 60% using at least once per week
- Usage is notably lower in Retail and Manufacturing - perhaps where generative AI is seen as less relevant, use cases have been slower to develop, and thinner margins may hinder experimentation

USAGE IN WORKPLACE – BY INDUSTRY



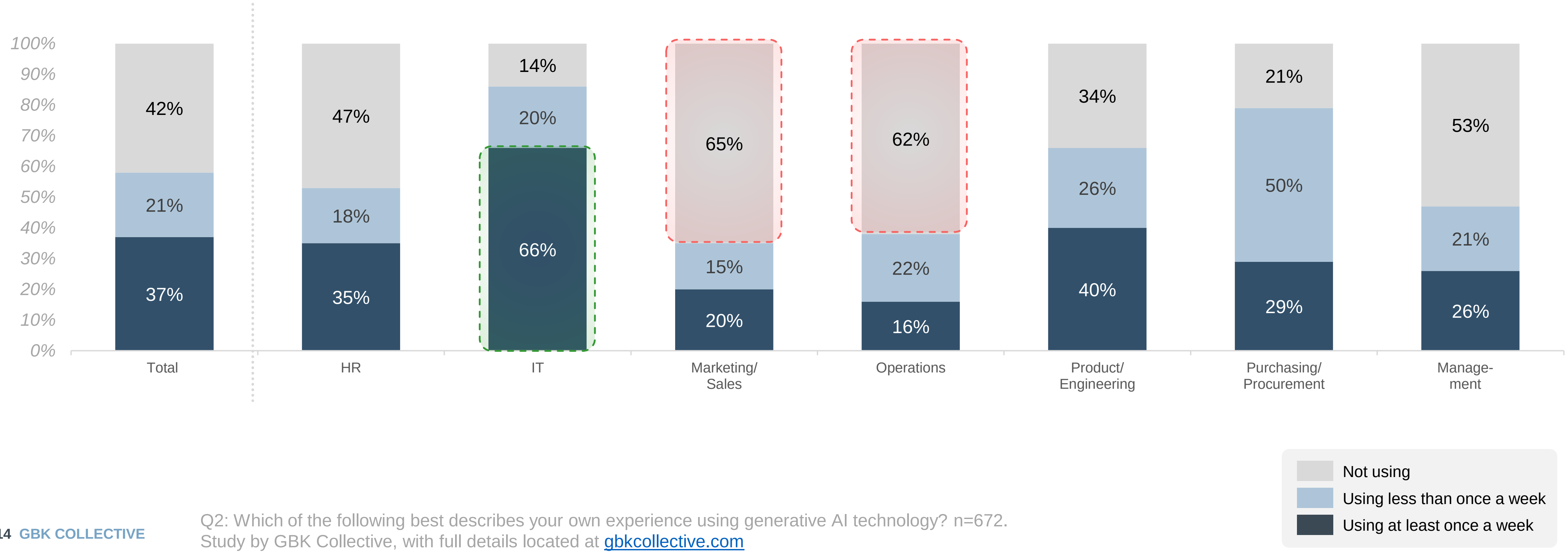
Q2: Which of the following best describes your own experience using generative AI technology? n=672.
Study by GBK Collective, with full details located at gbkcollective.com

IT LEADS IN GEN AI ADOPTION WHILE MARKETING/SALES AND OPS LAG

GBK

- Respondents from IT departments have the highest adoption, with 66% using at least once per week
- Notably lagging in adoption are Marketing/Sales and Operations departments, where 65% and 62% are not using at all

USAGE IN WORKPLACE – BY FUNCTIONAL AREA

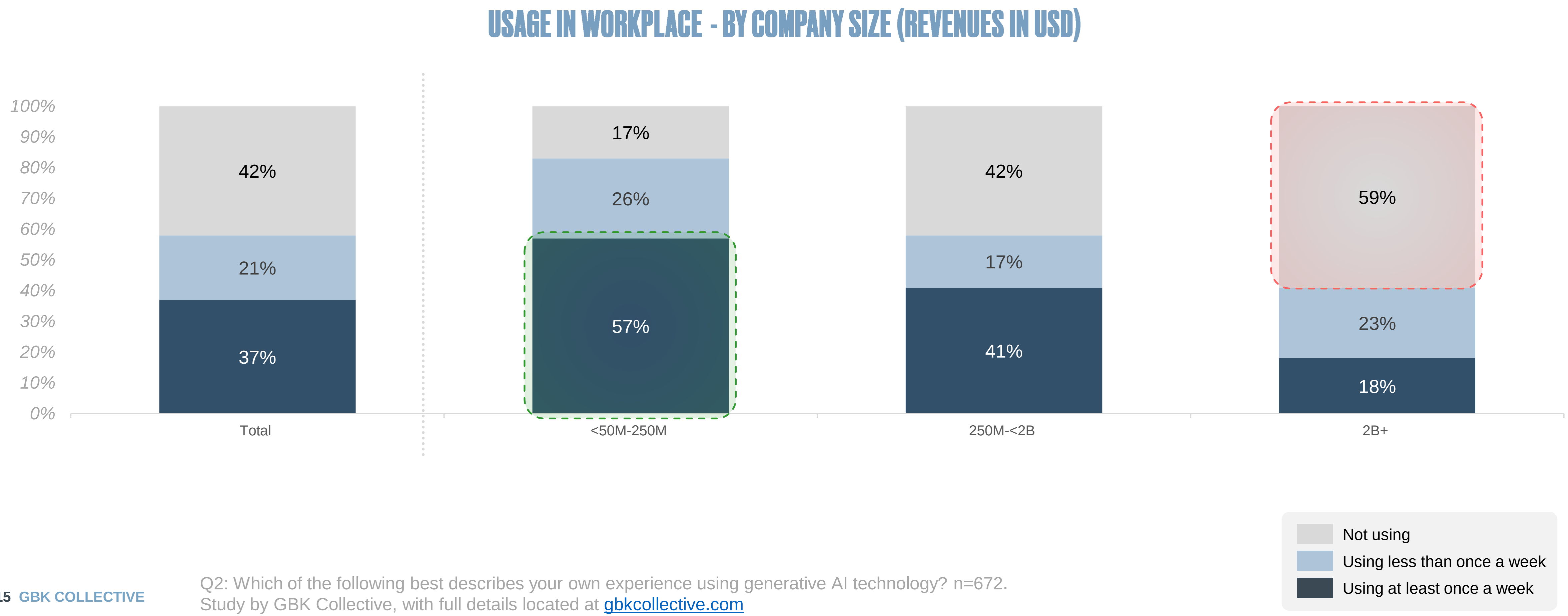


Q2: Which of the following best describes your own experience using generative AI technology? n=672.
Study by GBK Collective, with full details located at gbkcollective.com

SMALLER ENTERPRISES OUTPACE LARGER PEERS IN GEN AI ADOPTION

GBK

- Decision makers at smaller enterprises report higher usage, with 57% using at least once per week, than their counterparts in larger enterprises, of which 59% are not using yet at all
- This may be due to smaller enterprises' agility to change tools and adjust processes faster or that they may face greater pressure to realize the efficiency gains available with generative AI



Q2: Which of the following best describes your own experience using generative AI technology? n=672.
Study by GBK Collective, with full details located at gbkcollective.com

DETAILED FINDINGS: INVESTMENTS

GEN AI INVESTMENT PROJECTED TO INCREASE BY 25% NEXT YEAR

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- In the next 12 months, enterprises plan to increase spending on generative AI by 25% on average
- The highest growth is expected where it is more nascent - larger enterprises, Professional Services and Retail industries, and Marketing/Sales, HR, and Operations departments.

PROJECTED GROWTH RATES OF GENERATIVE AI INVESTMENT

Overall Growth Rate **25%**

By Company Size

2B+	**27%**
250M-<2B	25%
<50M-250M	23%

By Industry

Professional Services	**28%**
Retail	**27%**
Banking/Finance/Insurance	25%
Manufacturing	24%
Technology	20%
Industrial/Construction	20%

By Function

Operations	**32%**
HR	**31%**
Marketing/Sales	**30%**
Product/Engineering	**28%**
IT	21%
Management	20%
Purchasing/Procurement	20%

Q19: Thinking about the last 12 months, how much did your company spend on generative AI solutions and related services? n=672.
Q20: Thinking about the next 12 months, how much does your company plan to spend on generative AI solutions and related services? n=672.
Study by GBK Collective, with full details located at gbkcollective.com

SUMMARY OF KEY FINDINGS ON INVESTMENTS

Investment in generative AI is poised to surge – especially in industries and functional areas where adoption has lagged. In the next 12 months, enterprises plan to increase spending on generative AI by 25%. The highest growth is expected where it is more nascent – perhaps in an effort to catch up – in larger enterprises, the Professional Services and Retail industries, and in the Marketing/Sales, HR, and Operations departments.

Enterprises are putting substantial investment into training and building up internal capabilities to handle generative AI. The majority have one or multiple teams, with 10 or more employees working on it. In addition, external parties such as consultants and partners heavily influence and will continue to inform their strategies and decision making.

Respondents report their companies will be investing in employees and partners to make use of generative AI. About half expect their companies to invest in training programs for employees, encourage them to test and innovate, and hire new employees with the necessary experience or skills. Many also expect that external partners will (continue to) play a large role in informing their strategy and handling of generative AI. Approximately half of overall enterprises expect to bring in external consultants, partners, or contractors, which are anticipated to play at least a substantial role in informing internal decision-making.

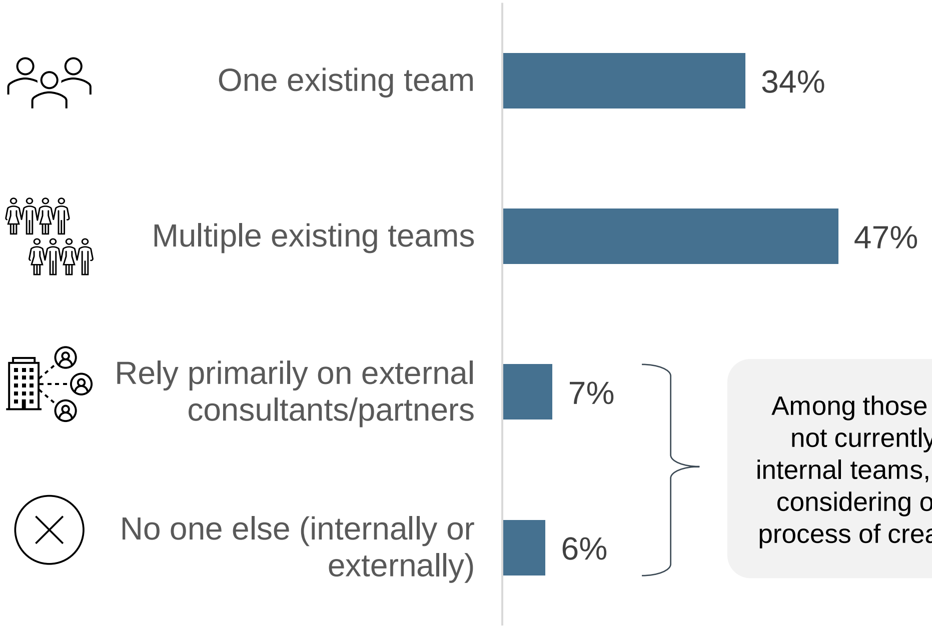
ENTERPRISES RELYING IN INTERNAL TEAMS TO CREATE GEN AI STRATEGY

GBK

Enterprises are tasking their own employees to develop their generative AI strategy - with the majority having one or multiple teams, with 10 or more employees working on it.

RESPONSIBILITY FOR GENERATIVE AI STRATEGY

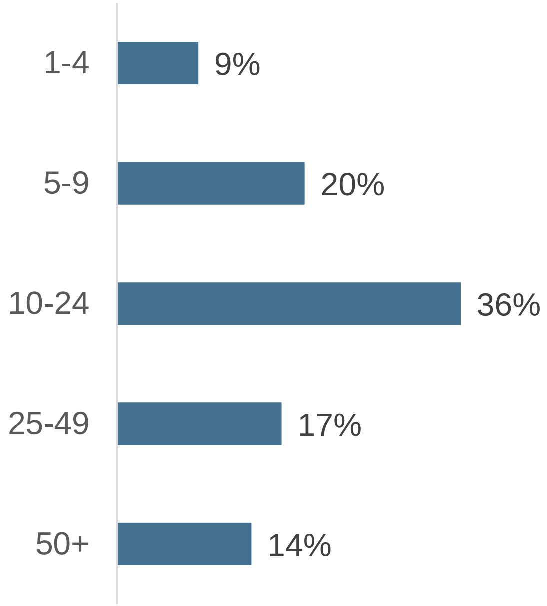
(Among Total)



Among those who do not currently have internal teams, **46%** are considering or in the process of creating one

TEAM COMPOSITION WITH NUMBER OF PEOPLE

(Among those with Existing Teams)



Q14: Who in your company is currently responsible for your generative AI strategy? n=672.
Q15: Approximately how many people are specifically focused on your generative AI strategy? n=541.
Q16. In a previous question, you said your company does not have anyone responsible for your generative AI strategy. What are your plans for such a team? n=41.
Study by GBK Collective, with full details located at gbkcollective.com

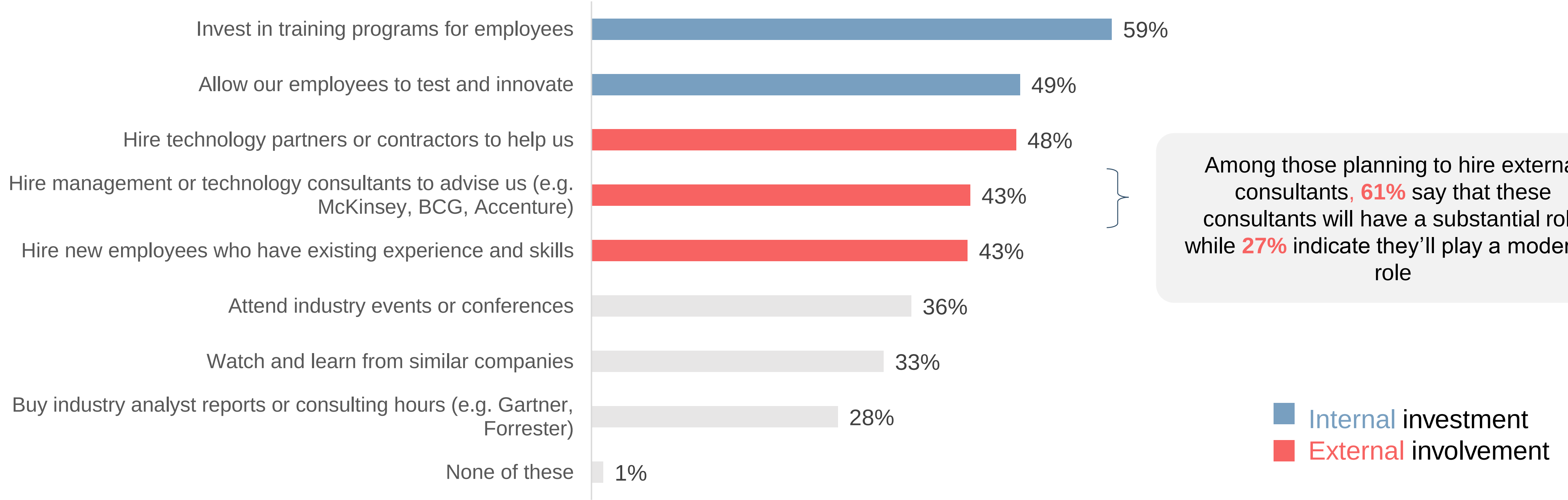
GEN AI ROLLOUT WILL RELY ON INTERNAL AND EXTERNAL TEAMS

GBK

- Companies expect to invest heavily in their employees in terms of training, test, and innovation programs.
- Approximately half of overall enterprises expect to bring in external consultants, partners, or contractors.
- Many companies expect that external partners will (continue to) play a large role informing their strategy and handling of generative AI (of whom will be expected to play a substantial role in informing decision-making).

FUTURE STRATEGIES FOR ROLLING OUT GENERATIVE AI

(Among Total)



Among those planning to hire external consultants, **61%** say that these consultants will have a substantial role while **27%** indicate they'll play a moderate role

Q18: Which of the following methods do you expect your company to use in making decisions on how to use or roll out generative AI solutions or tools? n=672.
Q18a: How big of a role do you expect management and technology consultants to play in your company's strategy, planning, and rollout of generative AI projects? n=289.
Study by GBK Collective, with full details located at gbkcollective.com

DETAILED FINDINGS: DRIVERS AND USE CASES

SUMMARY OF KEY FINDINGS ON DRIVERS AND USE CASES

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Decision makers believe the uses for generative AI will be wide-ranging and seemingly ubiquitous. In the next 3-5 years, they agree that generative AI could be used for tasks across the board, though most notably for generating *data analysis, content creation,* and *research and insights.* Even at the bottom of the list of use cases we presented them, the solid majority still foresee use cases in *legal contracts, employee recruiting,* and *managing supply chains.*

The biggest drivers of generative AI adoption are also diverse – covering both efficiency and quality. In line with our expectations, the top drivers are related to efficiency – namely employee productivity and optimizing operations. But respondents also see quality as a driver across many areas of the business and arguably having a bigger effect. Many see improvements coming in customer experiences, increasing competitive advantage, and improved sales, marketing, customer support, better insights and decisions through analytics, and new products.

On the other side, there are also barriers working against these benefits. Enterprise decision-makers are most wary of inaccuracy of results (e.g., "hallucinations"), the risk to customer privacy, internal resistance, ethical considerations (e.g., systemic biases), and costs/product integration challenges when considering adoption.

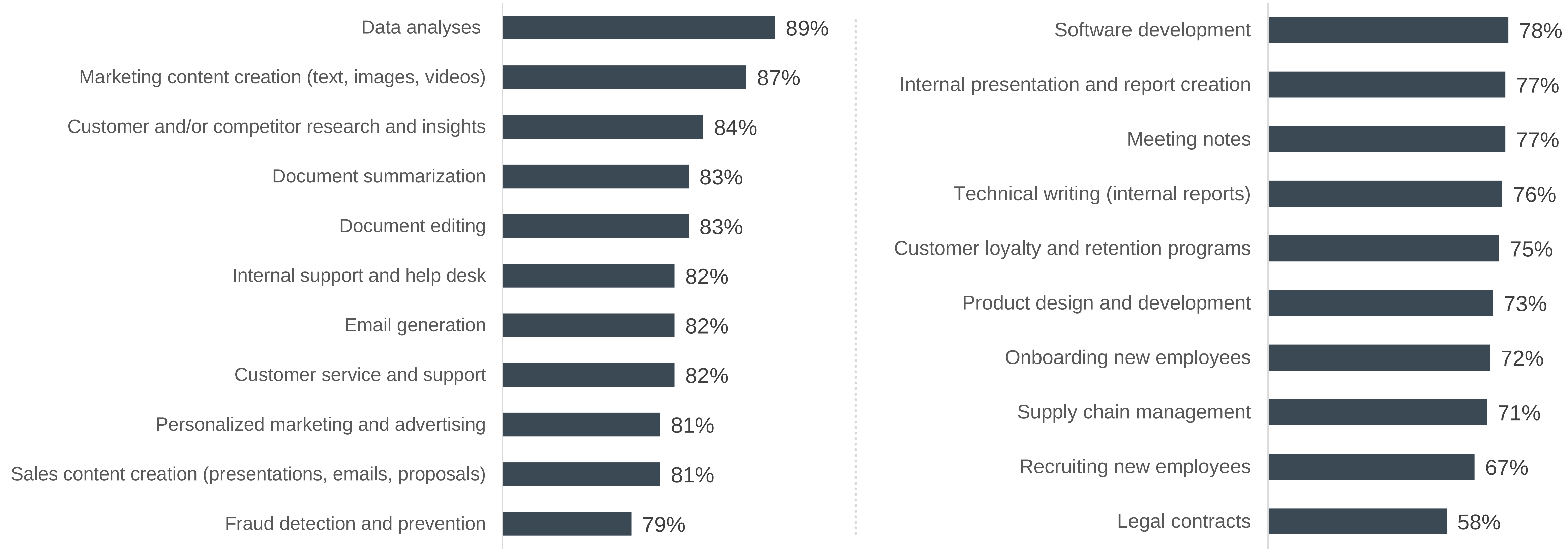
USE CASES FOR GEN AI ARE EXPECTED TO BE NEARLY UBIQUITOUS

GBK

- Enterprise decision makers believe generative AI will be used for many different tasks over the next 3-5 years, including *analysis*, *content creation*, and *research and insights*.
- Even at the bottom of this list, the solid majority still foresee use cases in *legal contracts*, *employee recruiting*, and *managing supply chains*.

PROJECTED USE CASES FOR GENERATIVE AI IN 3-5 YEARS (LIKELY/USING)

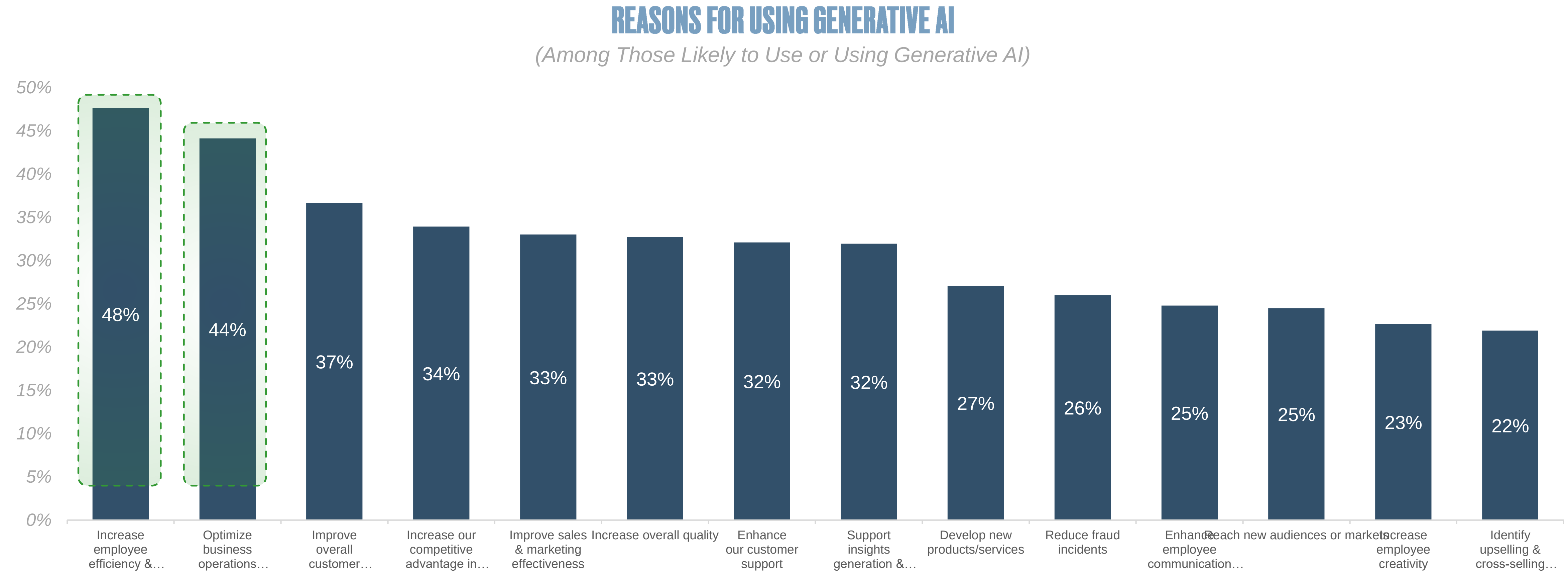
(Among Total)



Q8: How likely do you believe your company is to use generative AI over the next 3-5 years in each of the following functional areas? n=672.
Study by GBK Collective, with full details located at gbkcollective.com

GEN AI ADOPTION DRIVEN BY GAINS IN BOTH EFFICIENCY AND QUALITY

Across enterprises of all revenues, *Employee efficiency* and *Optimize business operations leading to more efficient outcomes* are the highest perceived benefits of using generative AI.



Q9: What are the main benefits behind your company's consideration of using generative AI? n=657. "Other" (1%) and "None" (1%) datapoints not shown.
Study by GBK Collective, with full details located at gbkcollective.com

CONCERNS AROUND GEN AI POSE SOME CHALLENGES TO ADOPTION

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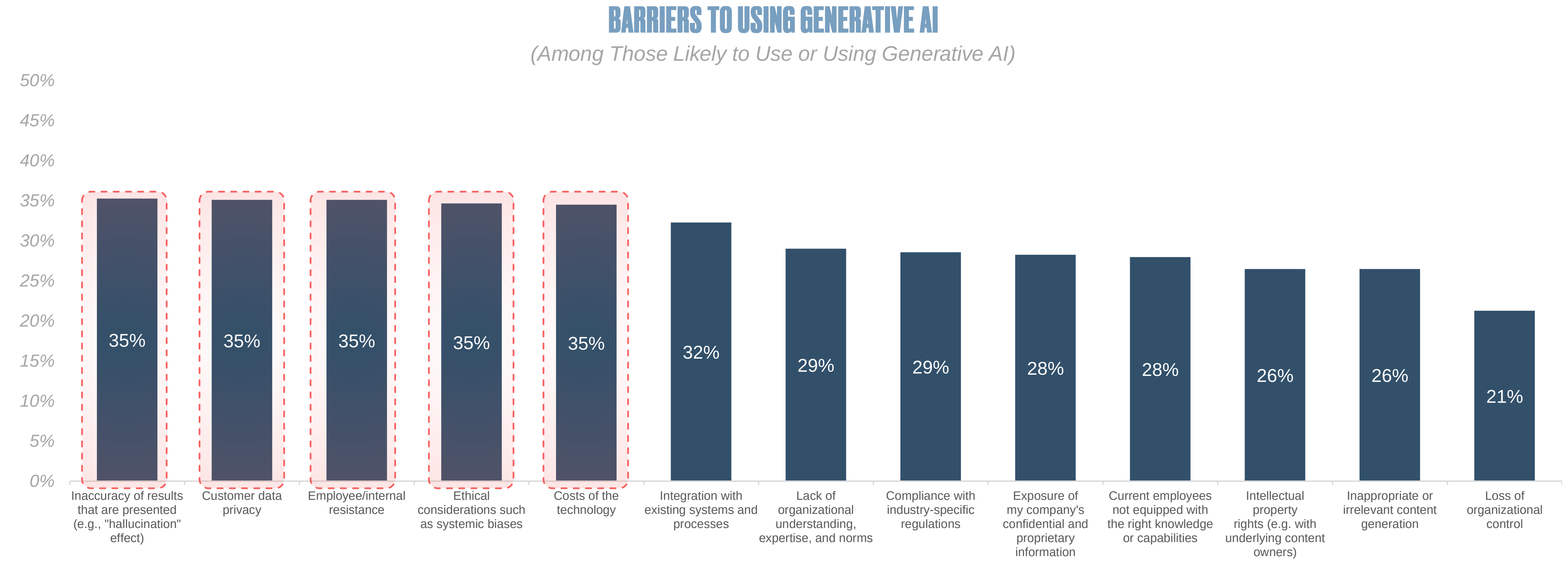
Enterprise decision makers are equally wary about *inaccuracy of results*, the *risk to customer privacy*, *internal resistance*, *ethical considerations*, and *costs* of generative AI.



Q10: What are your top (potential) challenges or concerns related to implementing generative AI within your company? n=657. “Other” (0%) and “None” (4%) datapoints not shown.
Study by GBK Collective, with full details located at gbkcollective.com

DETAILED FINDINGS: ATTITUDES AND PERCEPTIONS

SUMMARY OF KEY FINDINGS ON ATTITUDES AND PERCEPTIONS

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The reception of generative AI is generally upbeat and inquisitive among these senior decision makers. The positive emotive associations that are most frequently endorsed are *Optimistic*, *Excited*, and *Impressed* among all, but especially with those using it. However, that excitement is also coupled with being *Curious*.

Those not using generative AI (particularly those in Marketing/Sales) are *Curious* about it, though they still have reservations. *Caution* and *Skepticism* are emotions that are evoked among this group (presumably based on speculation vs. having seen evidence of its impact). Even among those who do use it, about half still indicate the need for being *Cautious*.

Generative AI is seen as more helpful than harmful to employees. Consistent with what we outlined above regarding usage drivers, decision-makers currently using the technology are optimistic that generative AI will not lead to widespread replacement of employees, but rather serve to support employees in achieving greater productivity and quality of work. This sentiment differs from those not using, who are more negative about its impact on the talent economy.

Google is perceived as the current and future leader in generative AI, followed by Microsoft in second place. IT decision-makers, who are presumably more knowledgeable about these vendors, see both as neck and neck currently, but predict that Google will widen the lead as a perceived leader over Microsoft, OpenAI, and IBM. They also expect Apple and Meta will inch closer to close the gap with those others. Interestingly, NVIDIA does not get much credit for its platform-level leadership, either now or in the future.

RECEPTION OF GEN AI GENERALLY POSITIVE –COUPLED WITH CAUTION

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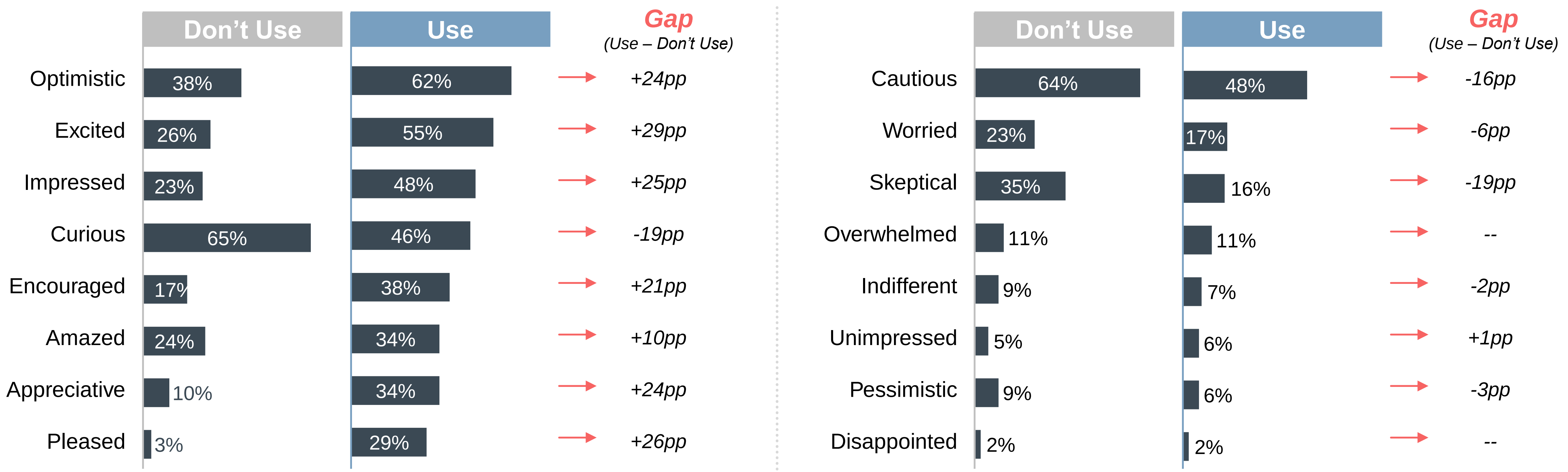
- *Optimistic*, *Excited*, and *Impressed* rank among the most frequently endorsed emotions among overall decision-makers.
- Those not using generative AI are more *Curious* about what it can do. Still, *Caution* and *Skepticism* are emotions that are evoked among this cohort (presumably based on speculation vs. having seen evidence of its impact).

EMOTIONAL ASSOCIATIONS WITH GENERATIVE AI

(Among Total)



Q3a/b: Which (if any) of the words below describes your perception of generative AI as it stands today? Use n=392, Don't use n=162.
Q4: Describe in your own words the biggest impact you believe generative AI will have within your company or industry. Use n=392, Don't use n=162.
Study by GBK Collective, with full details located at gbkcollective.com

GEN AI SEEN AS MORE AS 'ENHANCING' VS. 'REPLACING' EMPLOYEES

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- Decision-makers currently using the technology are more optimistic that generative AI will not lead to widespread job cuts, but rather, serve to support employees in achieving greater productivity and quality.
- Those not using generative AI are more skeptical of any such benefits, convinced that generative AI is just as likely to replace employee skills as it is to enhance them.

OVERALL IMPACT OF GENERATIVE

*(Among those who use and do not use generative AI at work, Top box – **Strongly Agree**)*

Don't Use	Use	
20%	48%	**Enhance** employees' skills in some tasks
22%	36%	**Replace** employees' skills in some tasks

*"I believe that it will untie the hands of the majority of our employees to do **more productive work** instead of being tied down in paperwork."*

Respondent from:
(1,000 - 2,499 employees, \$100M to <\$250M, Manufacturing, West)

*[We're] **worried** that it will make the sales experience **less personal and replace jobs.**"*

Respondent from:
(1,000 - 2,499 employees, \$2B+, Technology/Professional Services, South)

Q7a/b/c: How much do you agree with the following statements regarding the impact that generative AI may have on your company? Use n=392, Don't use n=162.
Study by GBK Collective, with full details located at gbkcollective.com

GOOGLE & MICROSOFT PERCEIVED AS GEN AI LEADERS

- Google is seen as the standout leader in generative AI, with Microsoft coming in a close second and Open AI a more distant third place.
- IT decision-makers see Google and Microsoft as nearly tied, but expect Google will widen the lead against Microsoft, Open AI, and IBM.
- NVIDIA is not getting much credit for its platform-level leadership, either now or in the future.

PERCEPTION OF LEADERS IN GENERATIVE AI (AIDED) – TODAY & FUTURE

(Among Total, % of the time each brand was selected in the top 3)

All Decision-Makers

Current Leaders	%
Google	**23%**
Microsoft	19%
OpenAI	11%
Apple	8%
IBM	7%
Meta	7%
NVIDIA	3%
Oracle	2%
Salesforce	2%

Future Leaders	%
Google	**22%**
Microsoft	18%
OpenAI	8% ▼
Apple	12% ▲
IBM	6%
Meta	8%
NVIDIA	2%
Oracle	3%
Salesforce	3%

IT Decision-Makers

Current Leaders	%
Google	**22%**
Microsoft	21%
OpenAI	11%
Apple	5%
IBM	10%
Meta	6%
NVIDIA	3%
Oracle	4%
Salesforce	3%

Future Leaders	%
Google	**22%**
Microsoft	16% ▼
OpenAI	8% ▼
Apple	8% ▲
IBM	8% ▼
Meta	9% ▲
NVIDIA	3%
Oracle	4%
Salesforce	3%

Indicates a directional increase/decrease of 2pp+ from current to future ▲▼

Q13a: Which of the following companies do you consider to be the current leaders in generative AI? Select up to 3. n=672. (Not every brand measured is displayed.)
Q13b: Which of the following companies do you expect to be the leaders in generative AI in the next 3-5 years? Select up to 3. n=672. (Not every brand measured is displayed.)
Study by GBK Collective, with full details located at gbkcollective.com

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THANK YOU

WE LOOK FORWARD TO EARNING YOUR BUSINESS

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WE SOLVE PRODUCT & MARKETING CHALLENGES IN HIGH DEFINITION

GBK

Leading Academic Thought

Real-World Corporate Experience

World-Class Analytics & Insights Expertise

Co-Founded by the chair of the marketing department at the Wharton School, **GBK Collective partners with leading academics and industry luminaries to apply leading-edge, innovative methods** to solve our clients' most pressing business issues.

We've been in your shoes. **Our partners and consultants have decades of real-world corporate experience**. We focus on practical and actionable solutions to real issues.

Our team is filled with senior leaders from leading global strategy, insights and analytics firms. In many cases, they literally wrote the book on industry best practices and methods.

We are boutique, bespoke, and not black box. There is no one size fits all. We learn the context of your business and the issues at hand, and then combine the relevant methods and expertise to address them.