

# Navigating the AI Brand Dilemma:



A comprehensive guide to consumer expectations, anxieties and brand distrust in a new era of AI

*Emily Rizer, Christine Chung, Emma Havighorst*

April 2024

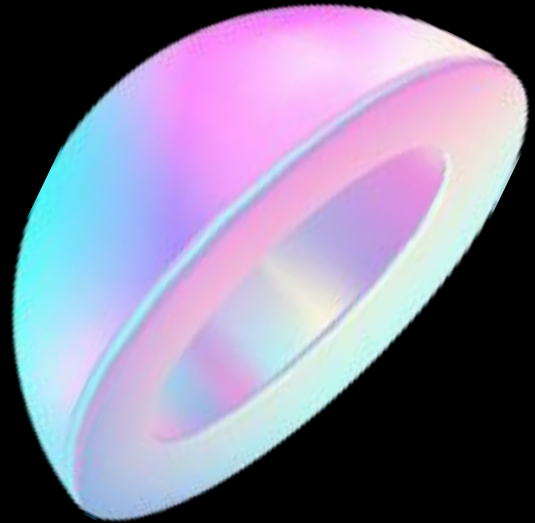


# Our Mission//



In today's bustling tech landscape, one topic is loudest: AI.

As advertising leaders, it's our responsibility to pioneer this new frontier and embrace its possibilities as early-adopters. However, in the industry's race to harness AI's promise of efficiency and innovation, we risk losing sight of the most crucial perspective: that of the consumer.



64%

of marketers predict AI is key to success in next 12 months

87%

of marketers feel their organizations have advanced AI knowledge

Our research set out to decode consumer sentiment around AI to empower brands to discern if, when and how to utilize the technology.

We found that while AI is complex, consumer sentiment is even more so.

Our report centers on results from Assembly's custom research, with over 600 qualitative interviews to reveal the diverse spectrum of consumer perspectives and contradictions on AI: understanding, adoption, openness and expectations. Each response is a dynamic interplay shaped by nuances of language, category application and context.

We invite you to explore the fascinating world of consumer understanding and sentiment surrounding AI. Together, let's unlock the insights that will shape the future of advertising in this new era.



## Included Within This Report//

CHAPTER 1:

The Evolution & Adoption Of AI

CHAPTER 2:

Shifting Consumer Expectations & The Brand Dilemma

CHAPTER 3:

The Factors Of Trust & Brand Imperatives

CHAPTER 4:

A Closer Look At The Nuances By Category

## A Quick Look By The Numbers//

// 1 in 2

Consumers Don't Know  
When They're Interacting  
With AI

// 73%

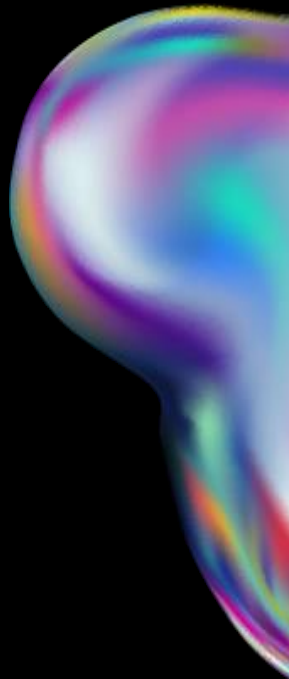
Of Consumers Believe AI  
Can Improve Customer  
Experience

// 70%

Of US Adults Do Not Trust  
Companies To Use AI  
Responsibly

// 68%

Of Consumers Believe  
Companies Should Disclose  
AI Usage





CHAPTER 1:

# The Evolution & Adoption Of AI



# We've Entered A New Era Of AI



## 2000's: Passive Technology

**AI** operates largely behind the scenes as machine learning & automation with little consumer direction.

Examples:

- Search Auto-fill
- Streaming recos

The Consumer Facing Shift From Passive to > Active AI Pushed The Conversation To Mass Culture



## 2020's: Active Technology

**Generative AI** becomes consumer facing. It requires user-directed activation and can create net new content like audio, images, text, video.

Examples:

- Apple's Siri
- IBM's Watson
- Amazon's Alexa



# Consumer AI Usage Is Growing

# 77%

Of Consumers Have Used AI

Consumers State Four Consistent Areas When  
Asked About Potential Positive Impacts of AI

## Creativity

“To use in creative pursuits to help create content, write scripts, edit videos”

## Advancement

“It could advance many fields like medicine and technology and create jobs”

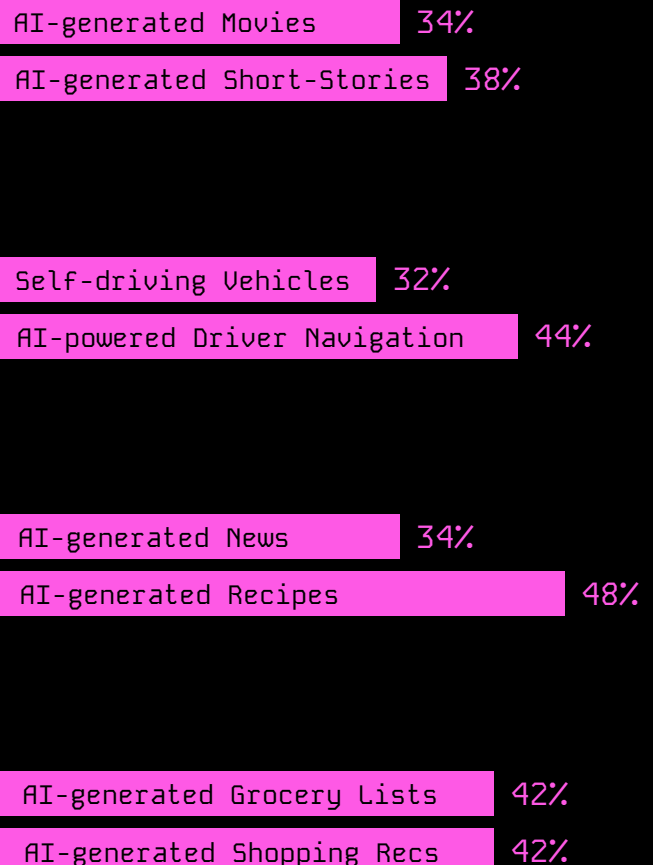
## Access To Info

“Convenience, speed of transactions, access to more information”

## Daily Ease

“It can do some everyday tasks that are not as exciting for humans to do”

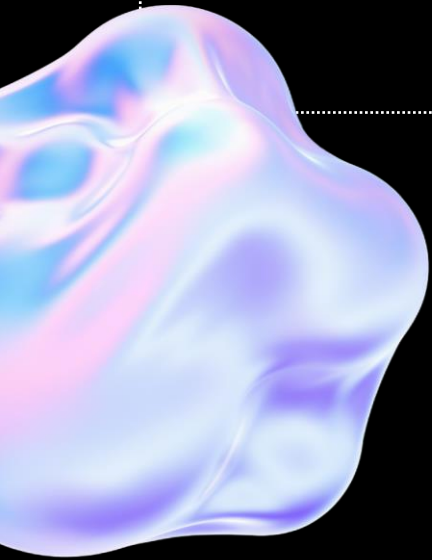
### % Interest In AI-related Products





CHAPTER 2:

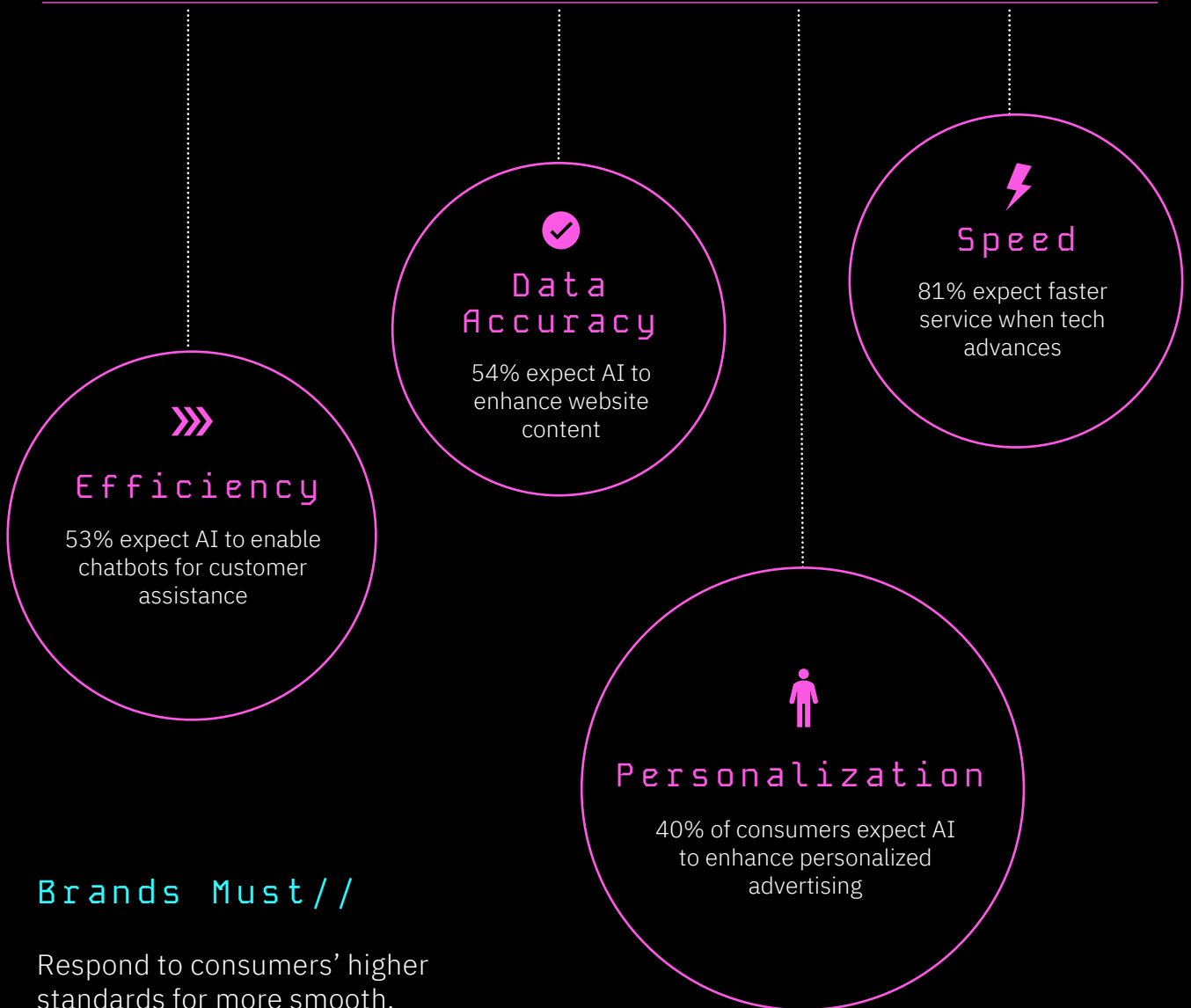
Shifting Consumer  
Expectations & the  
Brand Dilemma





# AI Grew New Expectations For Elevated Daily Experiences

Consumers Identify Common Areas Where AI Will Automate  
And Enhance Their Day-to-Day Touchpoints With Brands



## Brands Must //

Respond to consumers' higher standards for more smooth, streamlined and personalized experiences





# Brands Are Caught In An AI Dilemma

## !! Consumers Expect Better Brand Experiences With Advanced Tech

63% Say Brand Experiences  
Are Falling Short Of What  
Is Actually Possible

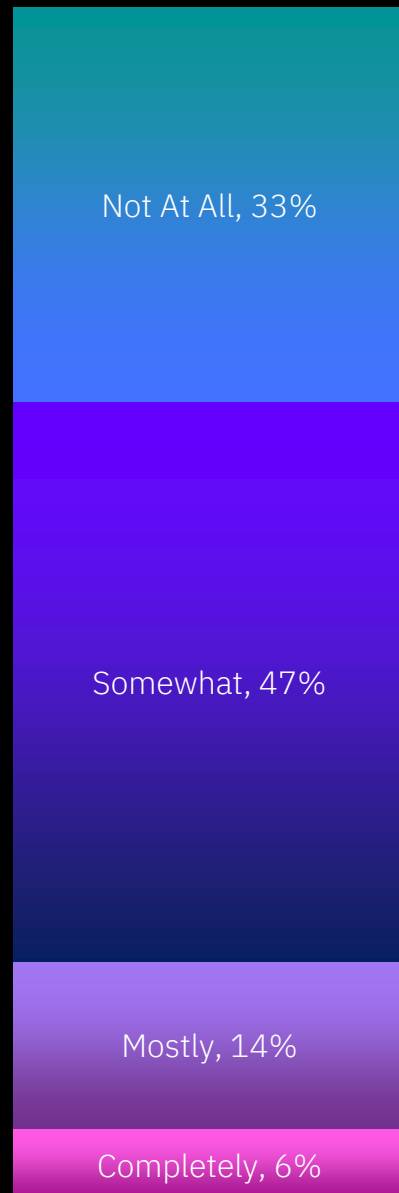
## X But Consumers Feel Concerned About Brand AI Use

70% Of Us Adults Do Not  
Trust Companies To Use AI  
Responsibly

### Brands Must //

Seek purposeful use cases for AI  
to enhance experiences while  
attentively addressing consumer  
concerns

Us Pop  
% Degree Of Trust In AI





68%

of Consumers Say

“ Advances In AI  
Make Brand Trust  
Even More Important ”



# The Three Factors That Drive Consumer Trust In AI

Understanding



Brands Must //

Educate Consumers  
On AI Nuances And  
Benefits

Security



Prove Data  
Protection And  
Reliability

Transparency



Clearly  
Communicate  
Usage And Intent



CHAPTER 3:

# The Factors of Trust & Brand Imperatives



# Key Factor For Trust In AI Understanding



I think if people are educated about the features of AI, they would become more familiar with it and they would feel the same [positive] way I do. But a lot of people are not knowledgeable about AI yet.”



# Despite Widespread AI Usage, 1 In 2 Consumers **Don't Know** When They're Actually Interacting With AI

Most Consumers Are  
Only Able To Identify  
Passive Forms



% Of Us Adults Who Identify That The Following Use AI

68%

Wearable Fitness  
Trackers



65%

Chatbots To Answer  
Questions



64%

Product  
Recommendations



62%

Security Camera  
Alerts



57%

Music  
Recommendations



51%

Email Services  
Flagging Spam



Only

**30%**

Of Americans Can Identify  
AI Involvement In All 6



## Lower AI Understanding Drives Higher AI Concern

People Who Report "Reading Little About AI"  
Are 10% More Likely To Be Concerned



# The Complexity Of Generative AI Drives Consumer Distrust





5%

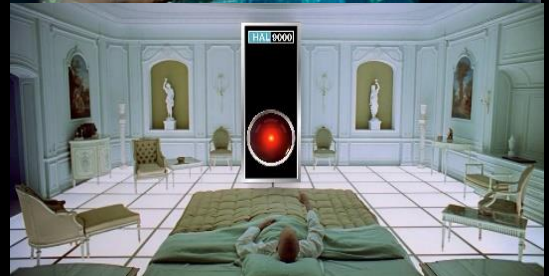
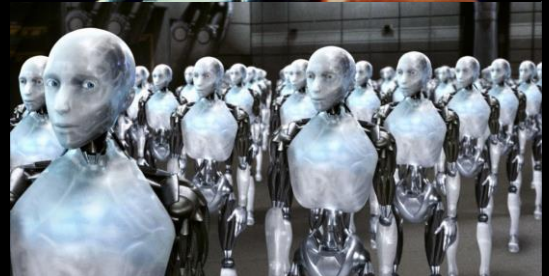
Of Consumers Referenced  
A **Media Depiction** When  
Speaking About Their AI  
Concerns

## A Deeper Look:

For a long time, most Americans' only touchpoint with generative AI was sci-fi, whose largely dystopian depictions linger into modern sentiment

“ AI is a little concerning because there's all sorts of stories, like **Terminator**, **Ghost in the Shell** about AI going rogue and trying to destroy humanity.”

“ I'm most concerned about it taking over the world, just like in one of the **Iron Man** movies.”



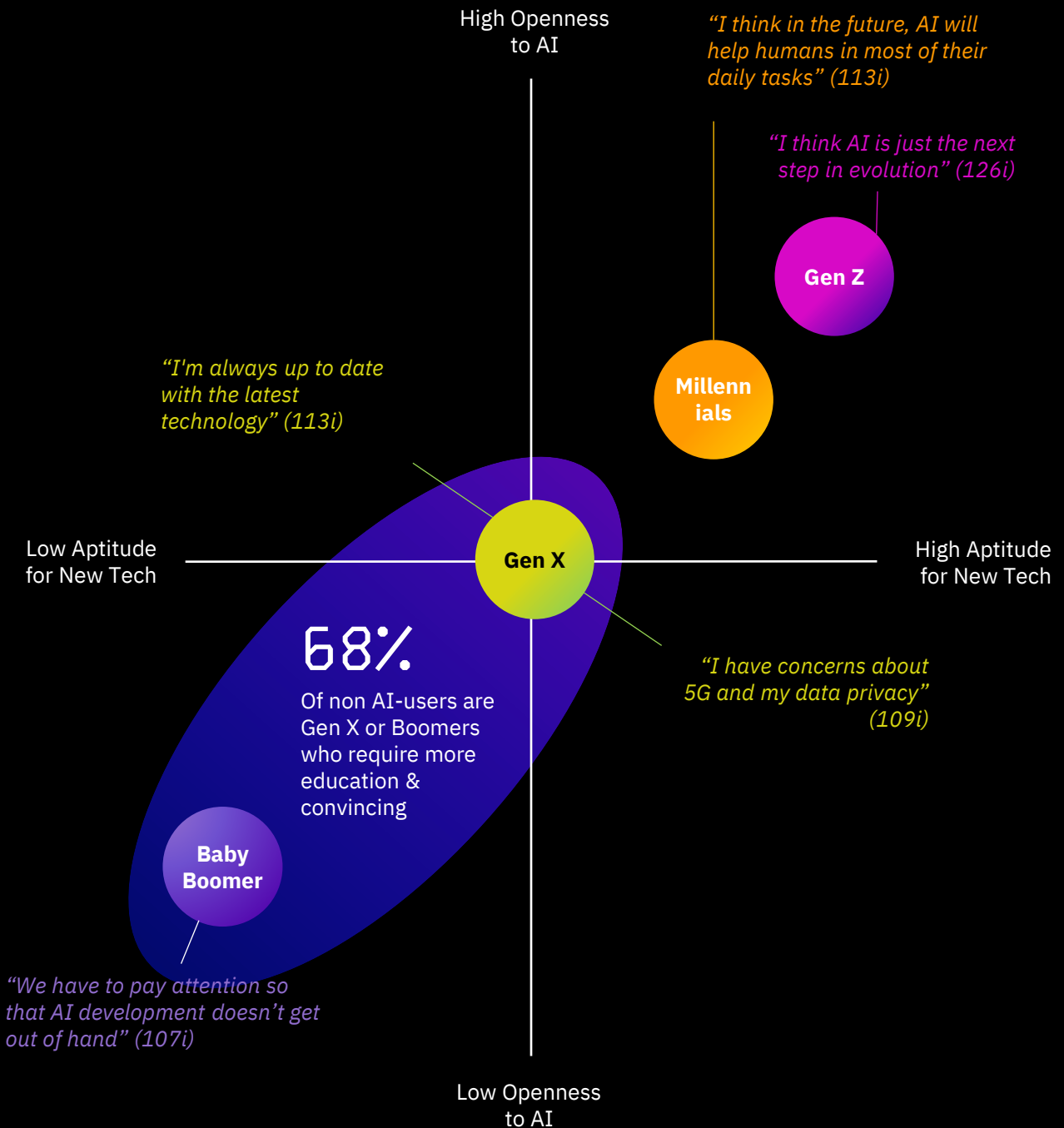
## Brands Must //

Humanize AI interactions to offer consumers a familiar tech representation and introduce new positive touchpoints to the technology





# AI Openness Rises With Younger, More Tech-Familiar Generations





# 70%

Of Gen Z Uses  
Generative AI

## A Deeper Look:

Gen z's values-based mindset & cultural upbringing uniquely positions them to be early adopters and future advancers of AI

**Values-based**  
Their emphasis on transparency and accountability can drive them to advocate for ethical AI practices and unbiased systems

**Digital Natives**  
Their digital fluency and openness makes them eager early adopters and experimenters of new technology

**Creative-led**  
They can envision novel applications for AI and push the boundaries of what is possible with the technology

**Critical Thinkers**  
An inclination to question assumptions allows them to envision new ways AI can address societal challenges and improve lives



# Brands Have a Responsibility to Aid Consumer AI Understanding

82%

Of Consumers Are  
Interested In  
Learning  
More  
About  
AI

## Brands Must //

Provide consumers with clear context on the purpose and capabilities of the technology when employing AI

## Brands Must //

Gauge the level of discomfort that consumers are willing to tolerate in exchange for the value they receive from AI's outputs





# Key Factor For Trust In AI Security



Overall, I have more concerns than excitements [about the future of AI]. I'm very concerned about job displacement, disinformation and voter manipulation.”



# Consumer AI Concerns Are Lead By Threats To Personal & Societal Security

Consumers' Top  
AI Concerns Are Job  
Displacement, Privacy Loss  
And Unreliable Information



## Brands Must //

Ensure and emphasize the  
commitment to consumer privacy  
and prove reliability of data and  
content



78%

Of Workers Fear  
Job Loss Due To AI  
Growth



53%

Fear Leaked  
Personal Information  
With AI



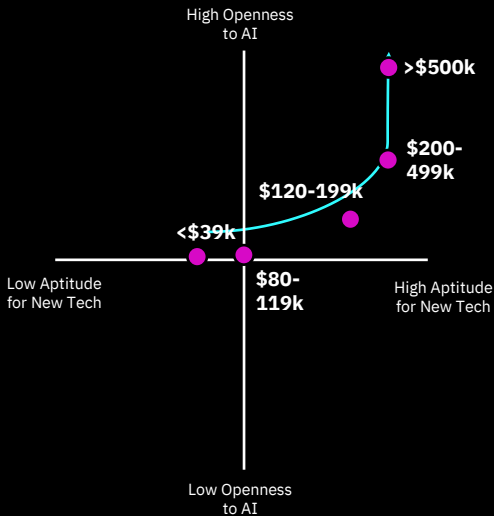
70%

Say The Impact  
Of Generative AI  
Lowers Trust In  
News & Info



# Fears Of Job Loss Span Income, Education & Employment

## Income



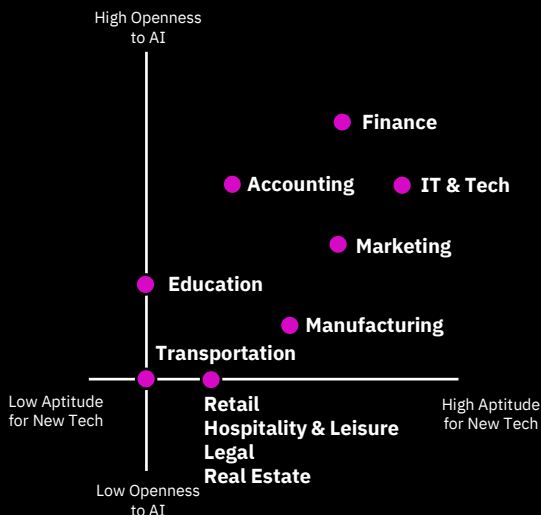
Higher Incomes Are More Likely To Be Open To AI

With greater income comes lower risk of job displacement and financial security – both of which are major AI concern factors for the median American making \$47.9k annually.

Gen Z Is An Anomaly To The Income Correlation

Contrasting against all other generations, as Gen Z's income rises, their openness to AI falls. The risk of job displacement early in their career overpowers Gen Z's proclivity to tech.

## Industry



Employment Category Reflects Job Concerns

Those working more manual, labor-intensive jobs tend to be more pessimistic about AI as the fear of job automation looms. Industries with higher openness tend to correlate to industries with highest current adoption without risk of job elimination.

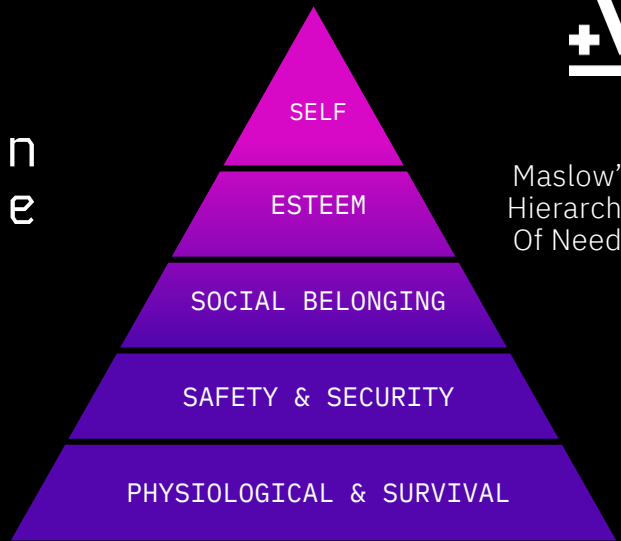
Higher Education Drives Openness And Decisiveness

Higher-educated Americans are generally more positive about AI's impact, while lower-educated individuals tend to be more pessimistic and more uncertain about its implications.

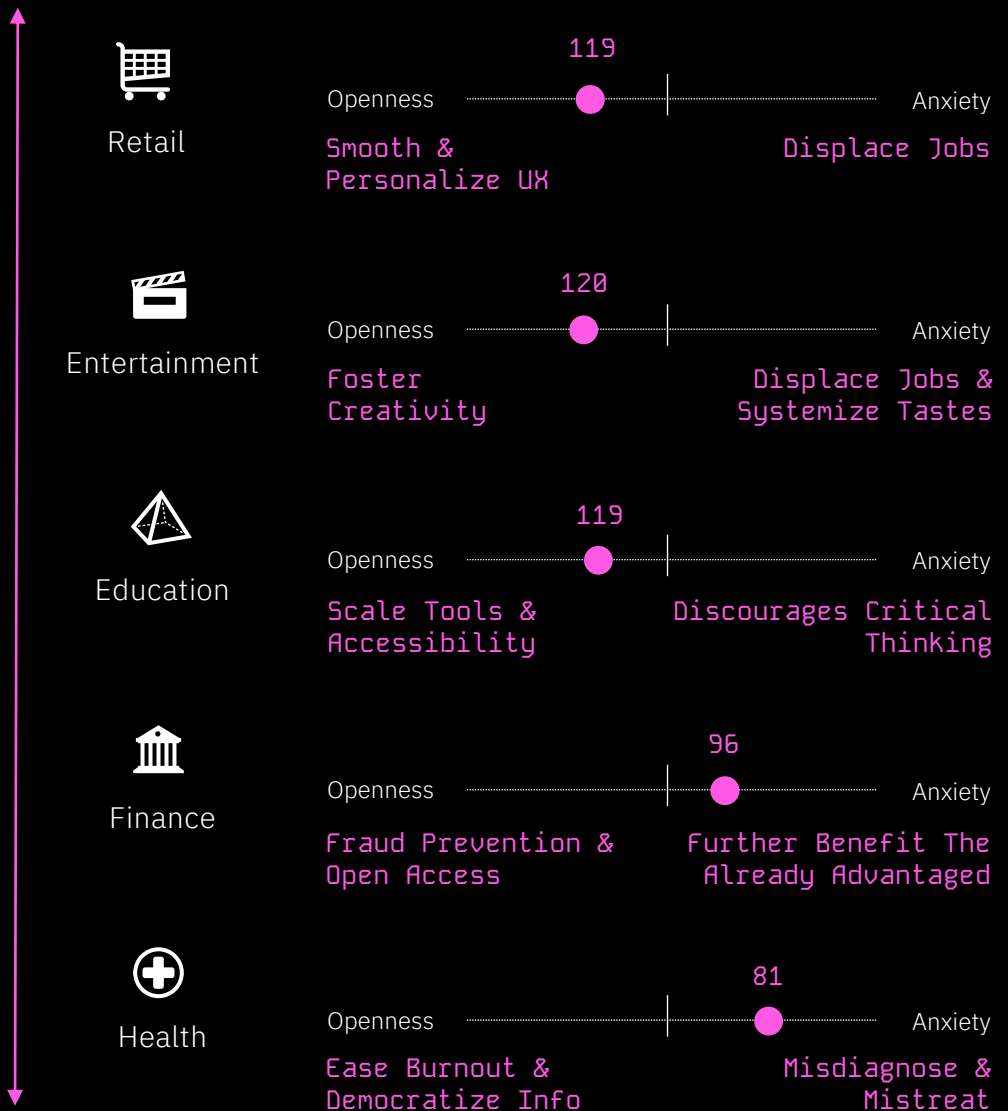
# Consumers Are More Open To AI Usage In Categories That Are Less Imperative To Their Daily Lives



Maslow's Hierarchy Of Needs



Consumer Anxiety Grows As Needs Become More Basic





# Key Factor For Trust In AI Transparency



I am most concerned about knowing when something is produced by artificial intelligence versus an actual human being. I want there to be transparency with that.”





# Lack Of AI Transparency Impacts Consumer Outlook

Although many organizations believe they are placing guardrails around AI usage, consumers do not feel they understand these processes and policies and therefore, lose trust in brands & the technology



## Consumer Perception

**62%**

Of Consumers Express Concern About How Companies Are Using Consumers' Personal Data For AI

## The Gap In Reality

**60%**

Of Consumers Have Lost Trust In An Organization Due To Their AI Use

## Brand Behavior

**87%**

Of Companies Believe They Have Safeguards In Place To Address Concerns Around Automated Decision Making



# Consumers Advocate For Transparency With AI Usage

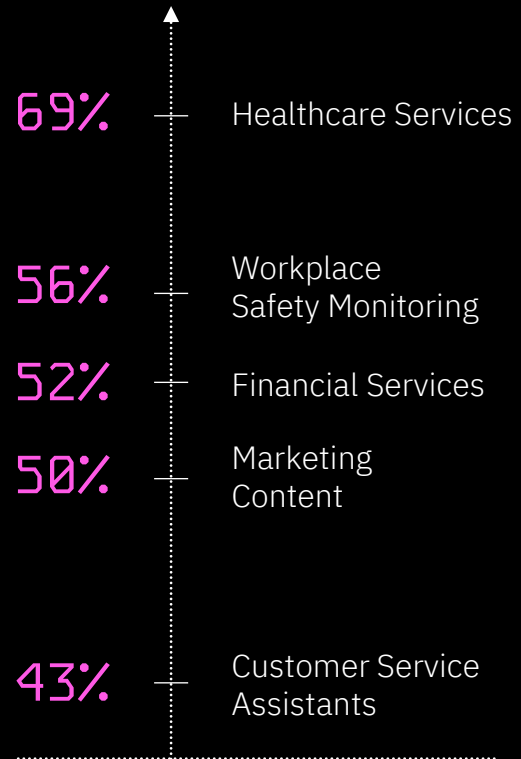
68%

Of Consumers Said  
Companies Should  
Voluntarily Disclose Their  
Use Of AI

59%

Of Consumers Said  
Businesses Should Be  
Legally Mandated By  
The Government To  
Disclose AI Usage

Top AI Uses That Consumers  
Believe “Businesses Should  
Be Legally Required To  
Disclose”



Transparency Expectations  
Rise With AI Usage That  
Is Closest To Personal  
Security & Wellbeing

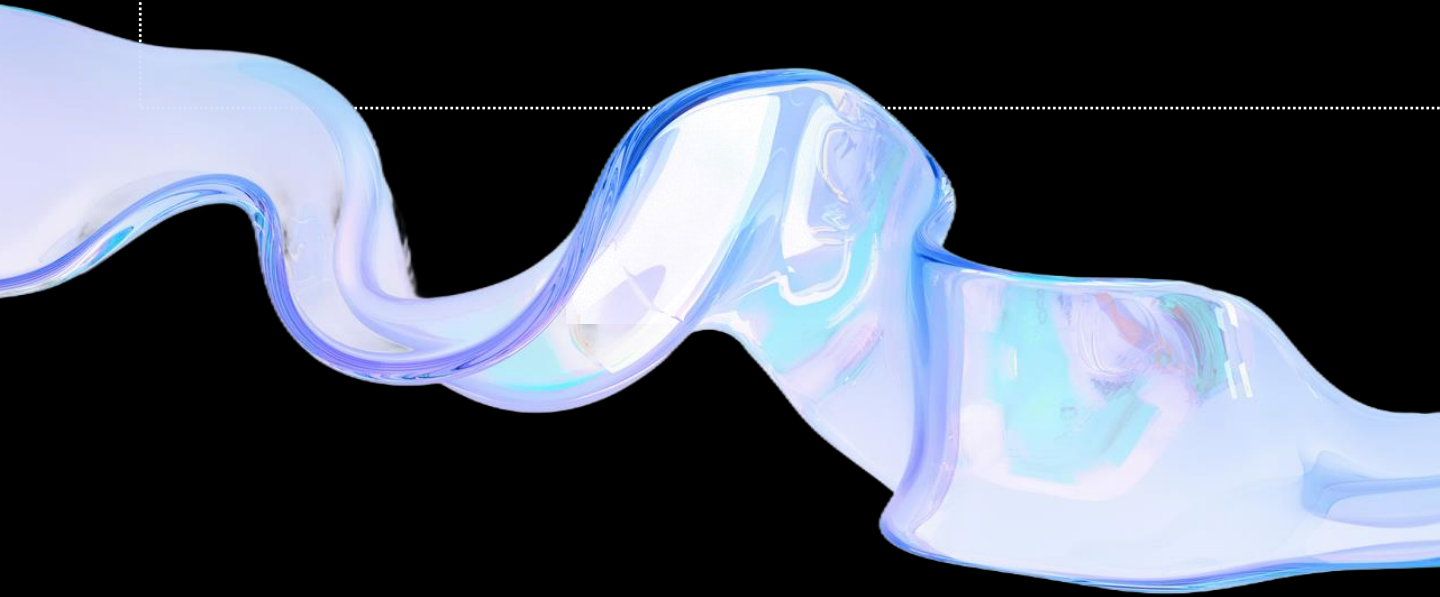
## Brands Must//

Prioritize clear and prominent disclosure when employing AI. This enhances consumer understanding of the technology’s purposes and capabilities, reducing anxiety



CHAPTER 4:

# A Closer Look at the Nuances by Category





# The Three Factors That Drive Consumer Trust In AI...

Consumer  
Familiarity



Confidence In  
Security



Brand  
Transparency



...Become More  
Nuanced By  
Category



SNAPSHOT:

# Retail

## The Model For AI Revolution

WHAT TO KNOW // At the forefront of AI integration, retail already sees significant consumer awareness and openness to continue to enhance brand experiences.

119

Openness



Anxiety

59%

Of People Are Interested in Using AI Chatbots For Product Research

73%

Of Consumers Believe AI Can Improve Customer Experience

“Benefits would be more accurate representations and less returns. Concerns is nothing is quite like the real thing.”

### What Consumers Think About Potential Impacts

#### Opportunities

- Improved shopping experience with more accessible product sampling options
- Increased confidence in purchases
- Faster, more available customer service for basic inquiries
- Automated checkout procedures
- Can help streamline supply chain & optimize waste

#### Concerns

- Accuracy of auto-generated technology: ex virtual try-ons and misuse of auto-generated images in product descriptions
- Lack of human touch in retail in-store presence and customer service
- Frustrating experiences with attempts to automate more complex asks
- Distorts shopping experience and expectations of immediate dopamine



SNAPSHOT:

# Entertainment

## An Opportunistic Space For AI

WHAT TO KNOW // AI-generated content is exciting and can spur innovation but the line between AI generation and human oversight starts to raise questions and audible flags when undisclosed.

120

Openness



Anxiety

22%

Believe Generative AI Can Write More Interesting TV Shows And Movies Than Humans

44%

Say Generative AI And Humans Can Each Produce Entertaining Content

“Taking away jobs from creators... and the possibility of copying protected works without approval by original creators.”

### What Consumers Think About Potential Impacts

#### Opportunities

- Enhanced creativity that can be executed across platform to create a more immersive experience
- Increased engagement with innovative, novel content
- Fast, personalized content creation

#### Concerns

- Content homogenization as visuals, storytelling are more and more being guided by AI, reducing creativity and novelty
- Inability to understand where creativity and ideas have originated
- Exponential addiction to instant dopamine with lesser regard for artistry and craftsmanship
- Increased job displacement



SNAPSHOT:

# Education

A Compelling And Pragmatic Space For AI

WHAT TO KNOW // Teachers are emerging as surprising champions of AI in a vertical where learning & adoption to technology is crucial to shaping future generations.

119

Openness



Anxiety

42%

Report That AI Creates a More Equitable Education System

51%

Of People Believe AI Technology Will Have Positive Impact On Future Of Education For Teachers

“I have mixed feelings. It could be beneficial but I feel like I'd like humans to handle most of the education for our kids.”

What Consumers Think About Potential Impacts

## Opportunities

- Personalized curriculum and resources made accessible for different learning levels and needs
- Efficiency in course planning and material generation gives educators more time to spend with students
- Data-driven insights to identify gaps in learning across the board and within segments

## Concerns

- Oversight of nuances to curriculum development that would only come from qualitative, human to human conversations
- Further undervaluing the role that educators play
- Accuracy of curriculum and materials generated
- Promoting surface-level learning by making plagiarism, efficient data diving more accessible





SNAPSHOT:

# Finance

## A Tense Space For AI

WHAT TO KNOW // Impact on consumer lives is more tangible in finance than other categories, evoking strong anxieties as people more carefully consider the application of AI.

96

Openness



Anxiety

### 37%

Of Adults Are Interested In AI Tools to Manage Money

### 31%

Of Adults Are Comfortable Taking Generative-AI Powered Financial Recommendations Without Verifying It With Another Source

“AI is not perfect and can make mistakes so relying on AI 100% is concerning.”

What Consumers Think About Potential Impacts

### Opportunities

- Speed in application processing for loans, credit cards
- Fraud prevention is more accurate, frequent and automated
- Effective budgeting and investment management strategies by analyzing and predicting trends"

### Concerns

- Bias against under-represented or disadvantaged groups leading to resource accessibility being widened
- Personal data and identity being misused by companies
- Security of personal data
- Inaccuracy of AI fraud monitoring can lead to inconveniences for customers





SNAPSHOT:

# Health

## A Concerning Space for AI

WHAT TO KNOW // Consumers are most hesitant about AI integration into healthcare than any other category. Brands must tread lightly with complex consumer-facing AI.

81

Openness



Anxiety

23%

Of People Think AI Will Help People Take Care Of Their Health More Than It Will "Hurt"

83%

Of Consumers Say It's Extremely Important For Healthcare Providers To Disclose Generative AI Use In Treatment Or Clinical Support

“I don't feel great about this. It's sometimes hard enough to get good answers from your doctor. This worries me. I think this task should stay with humans.”

### What Consumers Think About Potential Impacts

#### Opportunities

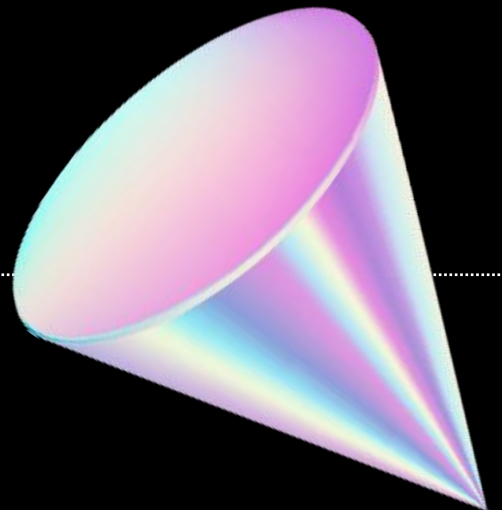
- Personalized, comprehensive, optimized treatments & plans
- Alleviate worker stress and faster access to healthcare
- Help disadvantaged and elderly patients communicate
- Early detection to manage diseases
- Drug development acceleration

#### Concerns

- Potential for misdiagnosis due to over-relying on AI, leading to preventable deaths or negative health outcomes
- Loss of critical human thinking when relying solely on medical history
- Inaccuracy, security concerns, misuse of personal health records
- Bias against under-represented or disadvantaged groups



# Appendix





# Sources

## Primary: Assembly Global Qualitative Research

Assembly Global. (2024, February 5 – 14). Two wave, 600 panel response, “Consumer Sentiment on Use of Artificial Intelligence”.

## Mission & Topic of AI

Kaput, M. (2023, August 29). The 2023 state of marketing AI report. Marketing AI Institute.  
Ray, O. (2023, November 14). Marketers to invest more in AI in 2024, but are they overestimating their AI skills? Invoca.  
Pega. (n.d.) What Consumers Really Think About AI: A Global Study.  
Des Georges, C. (n.d.) 25 stats about AI in customer experience that show how consumers really feel. Survey Monkey.  
Faverio, M. (2023, October 18). Key findings about Americans and data privacy. Pew Research Center.  
Business Wire. (2023, January 31). 73% of Consumers Believe AI can have a Positive Impact on their Customer Experience.  
Zetwerk. (2024, January 11). Should Businesses Disclose Their AI Usage?

## We've Entered a New Era of AI

McKinsey & Company. (2023, April 24). What is AI?  
Anyoha, R. (2017, August 28). The History of Artificial Intelligence. Science in the News, Harvard University.  
IBM Data and AI Team. (2023, October 12). Understanding the different types of artificial intelligence. IBM Blog.  
Qualcomm Technologies, Inc. (2023, August). History of AI: How generative AI grew from early research. Qualcomm.  
CNBC. (2023, December 8). Google faces controversy over edited Gemini AI demo video.  
Digital Humans. (n.d.). A short history of artificial intelligence.  
Nazemoff, V. (2022, February 17). Leveraging Passive and Active Data Using AI In Your Digital Business. LinkedIn.

## Consumer AI Usage is Growing

Ray, L. (2019, April 22). We Surveyed 1,400 Searchers About Google - Here's What We Learned. Moz.  
Hespell, R. (2023, September 26). Our 10 Biggest AI Moments So Far. Google.  
Morning Consult. (February 22, 2023). Share of adults in the United States who are interested in artificial intelligence (AI) related products as of February 2023 [Graph]. In Statista.

## AI Grew New Expectations for Elevated Daily Experiences

Haan, K. (2023, Jul 20). Over 75% Of Consumers Are Concerned About Misinformation From Artificial Intelligence. Forbes.  
Gupta, S. (2023, Aug 28). Salesforce: A surprising number of consumers trust companies to use AI ethically. Fast Company.

## Brands are Caught in an AI Dilemma & Advances in AI Make Brand Trust Even More Important

Gupta, S. (2023, Aug 28). Salesforce: A surprising number of consumers trust companies to use AI ethically. Fast Company.  
Faverio, M. (2023, October 18). Key findings about Americans and data privacy. Pew Research Center.  
DunnHumby. (2023, November 2). Extent to Which US Consumers Trust AI, Aug 2023 (% of respondents). eMarketer.

## Advances in AI Make Brand Trust Even More Important

Gupta, S. (2023, Aug 28). Salesforce: A surprising number of consumers trust companies to use AI ethically. Fast Company.

## Despite Widespread AI Usage, 1 In 2 Consumers Don't Know When They're Actually Interacting With AI

Pega. (n.d.) What Consumers Really Think About AI: A Global Study.  
Des Georges, C. (n.d.) 25 stats about AI in customer experience that show how consumers really feel. Survey Monkey.  
Pew Research Center. (2023, February 15). AI Awareness Report.

## The Complexity Of Generative AI Drives Consumer Distrust

Webster, M. (2024, January 10). 149 AI Statistics: The Present & Future of AI At Your Fingertips. Authority Hacker.  
Haan, K. (2023, April 25). 24 Top AI Statistics And Trends In 2024. Forbes.  
Survey Monkey. (2023, November 2). US Adults Who Are Interested in Using AI Chatbots for Select Shopping-Related Activities, Oct 2023 (% of respondents). eMarketer.  
Haan, K. (2023, Jul 20). Over 75% Of Consumers Are Concerned About Misinformation From Artificial Intelligence. Forbes.

## Media Depiction

Assembly Global. (2024, February 5 – 14). Two wave, 600 panel response, “Consumer Sentiment on Use of Artificial Intelligence”.

## AI Openness Rises With Younger Tech-Familiar Generations

YouGov. (2024, February 4). YouGov US Profiles 2024\_02\_04, YouGov  
Machiraju, M. (n.d.) AI's Role in Global Workforce Dynamics: Highlights from the AI x Future of Work Summit. HiredScore.

## Gen Z Pioneers

September 7, & 2023. (2024, March 13). New AI Usage Data Shows Who's Using AI — and Uncovers a Population of “Super-Users.” Salesforce.



# Sources, cont.

## Brands Have a Responsibility to Aid Consumer Understanding

Gillespie, N., Lockey, S., Curtis, C., Pool, J., & Akbari, A. (2023). Trust in Artificial Intelligence: A Global Study. The University of Queensland and KPMG Australia.

## Consumer AI Concerns Are Lead By Fears To Personal & Societal Security

Once, L. (2024, January 9). 85% of U.S. workers fear job loss in 2024, survey finds. Outsource Accelerator.  
Tyson, A., & Kikuchi, E. (2023, August 28). Growing public concern about the role of artificial intelligence in daily life. Pew Research Center.  
Reuters Institute for the Study of Journalism at the University of Oxford. (2024, January 9). Impact of Artificial Intelligence (AI) and Generative AI on the Public's Overall Trust in the News According to Publishers Worldwide, Dec 2023 (% of respondents). eMarketer.

## Fear of Job Loss Span Income, Education & Employment

YouGov. (2024, February 4). YouGov US Profiles 2024\_02\_04, YouGov  
Gloria Guzman and Melissa Kollar, U.S. Census Bureau, Current Population Reports, P60-279, Income in the United States: 2022, U.S. Government Publishing Office, Washington, DC, September 2023

## Consumers Are More Open to AI Use in Categories that are Less Imperative

YouGov. (2024, February 4). YouGov US Profiles 2024\_02\_04, YouGov

## Lack of AI Transparency Impacts Consumer Outlook

Cisco. (2022, October 11). Consumers want more transparency on how businesses handle their data, new Cisco survey shows.  
Cisco. (2023, October 18). Younger consumers more likely to exercise data privacy rights: 2023 Cisco survey. Cisco Newsroom.

## Consumers Advocate For Transparency With AI Usage

Zetwerk. (2024, January 11). Should Businesses Disclose Their AI Usage?

## Retail

SurveyMonkey. (2023, November 2). US Adults Who Are Interested in Using AI Chatbots for Select Shopping-Related Activities, Oct 2023 (% of respondents). eMarketer.  
Business Wire. (2023, January 31). 73% of Consumers Believe AI can have a Positive Impact on their Customer Experience.

## Entertainment

Spangler, T. (2024, March 20). U.S. Consumers Pay Average of \$61 per Month for Video Streaming Services: Study. Variety.

## Education

Quizlet. (2023, July 24). Quizlet's State of AI in Education Survey Reveals Teachers Are Surprise AI Champions. [www.prnewswire.com](http://www.prnewswire.com).

## Finance

Epperson, S. (2023, September 12). Asking ChatGPT for financial advice? Only 37% of adults are interested in AI tools to manage money, CNBC survey finds. CNBC.

## Healthcare

Padgett, Z. (2023, May 23 - 26) Outbreaks Near Me|SurveyMonkey poll: AI isn't disrupting healthcare – yet. SurveyMonkey.  
Gordon, D. (2023, November 22). Will AI Improve Healthcare? Consumers Think So, New Surveys Show. Forbes.

