

RESEARCH REPORT

AI and the Power of Perception



by DataRobot

www.moreintelligent.ai/



Table of Contents

Introduction	1
Business Survey Insights	2
Perceptions and Direction of AI / ML	7
Customer Survey Insights	12
Implications for Business Adoption of AI.....	20
Methodology	21

Introduction

WHILE CAPABILITIES, SKILLS, TOOLS, AND TECHNICAL PROFICIENCY are all a major focus for organizations looking to maximize the benefits of AI, there is one aspect that gets less coverage.

Cultural trust in AI in the general population is at risk, and may have long term impacts in the form of regulation and trust. Without consumer buy-in, organizations will not easily be able to optimize operations or discover and act on game-changing insights using AI. If fear and doubt around AI, its ethics and fairness, are able to proliferate and take hold in public opinion, the risk is that a powerful tool – and heavily invested in – might have to be left on the shelf.

Over the course of May and June 2022, we surveyed 5,004 consumers and 1,250 business-side decision makers, influencers, and users of AI in a range of industries. Our goal was to learn more about how businesses are using AI and where they're having the most success. We also wanted to understand the current perceptions of AI among both consumers and businesses, the drivers of those perceptions, and the factors that might cause them to shift.

The data revealed that, although AI acceptance has passed a critical mass among businesses, there is a disconnect between the positivity of their outlook and that of consumers.

This report breaks down the survey results in more detail to give business readers unique insights into where their peers are focusing their AI efforts, and the strength of public opinion when it comes to trust – or distrust – in AI.



Business Survey INSIGHTS



How are Organizations **USING AI** and What Impact is It Having

The areas in which businesses report AI to be having the biggest impact are in customer experience and personalization, financial performance optimization, business agility/decision-making, and innovation and new product development. Figure 1 shows the specific areas where respondents identified the key business outcomes of using AI/ML and how they expect that to change in 3 years.

Figure 1. Which of the following are the key business outcomes of using AI/ML now and which will be the main outcomes in 3 years' time?



Figure 2 shows the top five areas where respondents believe AI is having the biggest impact by sector (again rated by respondents as 4 or 5 on a scale of 1 to 5).

Figure 2. To what extent has AI/ ML impacted the following areas (by sector) so far within your organization?

	Healthcare	Financial Services	Banking	Retail	Manufacturing
Increasing business agility	66%	70%	62%	70%	75%
Improving customer experience	69%	71%	56%	70%	64%
Increased customer personalization	69%	65%	57%	67%	66%
Operational cost reduction	66%	69%	65%	66%	62%
Accelerating innovation across the organization	63%	67%	63%	62%	66%

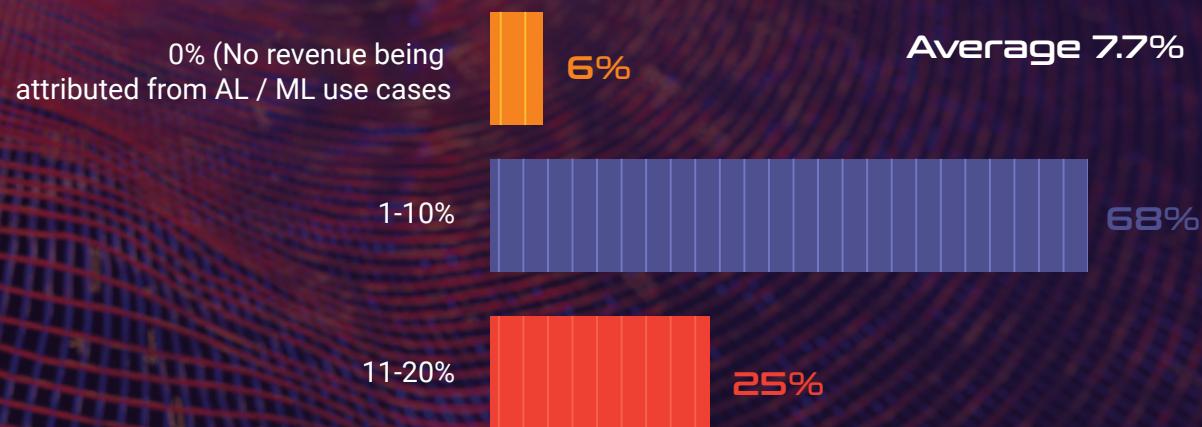
Building confidence and trust

is a vital step toward widespread acceptance in the lifecycle of any new technology.

And over the next three years, respondents indicate that AI's impact is expected to continue to be most-strongly felt in product and service development, customer experience, and decision-making. But businesses are also expecting some eye-catching improvements in the ability to generate revenue with AI/ML (Figure 1).

An overwhelming majority of respondents report already generating at least some revenue directly from AI/ML (Figure 3).

Figure 3. What percentage of revenue do you estimate is being attributed as a direct result of AI/ML implementations and use cases?



The Takeaway

We could be seeing the first green shoots of a breakthrough in the maturity of AI use in business. Today's successes in key business areas, from customer facing applications to financial functions – including direct revenue generation – could build further confidence and trust, which is a vital step toward widespread acceptance in the lifecycle of any new technology.

One interesting possibility is that these revenue impacts could potentially kickstart a virtuous cycle of benefits. As more and better decisions are driven by AI, the resulting improvements in customer experiences and cost reductions could in turn drive further adoption, and increased revenue generation overall.

Perceptions and Direction of AI / ML AND OBSTACLES



WE SEE EVIDENCE of a strong foundation for AI/ML's increased mandate coming through in businesses' perceptions of the technology, particularly in the shape of support for AI in the business and investment in its development (Figure 4).

Figure 4. Within your organization, what is the general perception of AI/ML?

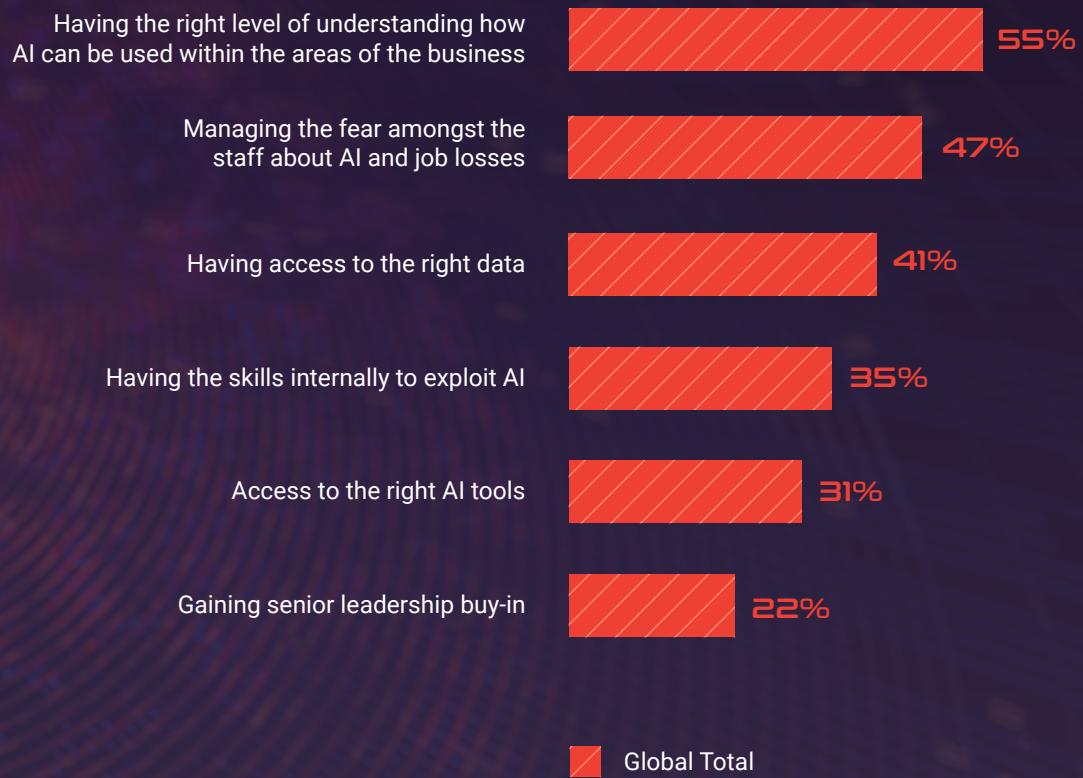


Thinking around how to get more from AI/ML is crystallizing around tools, education, and regulation – exactly the areas needed to push new technologies on from emerging and experimental to established and business critical.

However, it must also be noted that most of the above responses – particularly the level of investment without fully knowing how to exploit the technology – serves as a reminder that the status of AI/ML might still best be described as “emerging.” It is a technology that is becoming generally accepted as being useful – powerful, even – and effective. But many businesses are still in the early stages of understanding how best to use it.

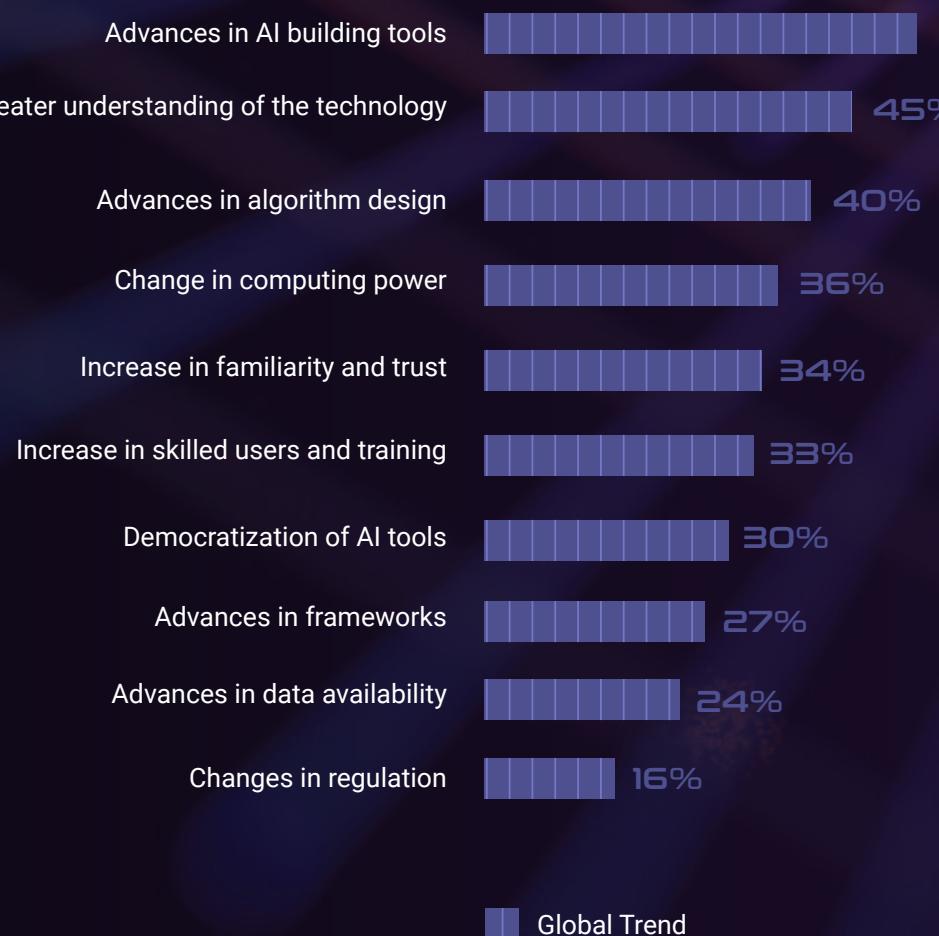
When drilling further into the challenges around AI/ML, we find some familiar faces, including skills, data, tools, and concerns over job security (Figure 5).

Figure 5. Which of the following are key challenges in getting the best business outcomes using AI/ML currently?



In response to these challenges, the top five changes that businesses believe are most needed to make future AI/ML implementations more successful primarily center on advances in technology — or better understanding how to use it (Figure 6).

Figure 6. Which of the following key changes do you think are required to make the implementation of AI/ML more successful in the future?



Fears around job losses arising from AI/ML implementations may be well founded (Figure 7).

Figure 7. Has the implementation of AI/ML resulted in a reduction in headcount at your organization?



The average of reductions in headcount reported by respondents as a direct result of the implementation of AI/ML stands at 5%. That is expected to be approaching 6% (5.67%) in three years' time.

The Takeaway

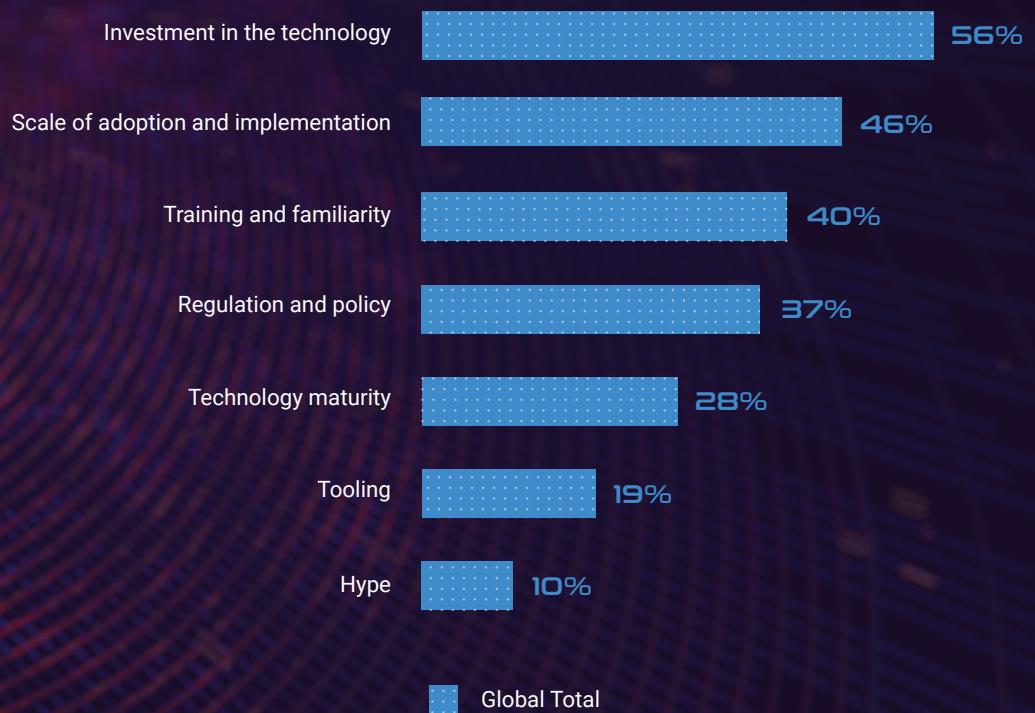
Despite the challenges, 46% of respondents believe AI is heading in a positive direction, driven mainly by investments in technology and the growing adoption and implementation of AI into everyday life. Training and familiarity, regulation and policy, and technology maturity make up the remainder of the top five (Figure 8).

This positive change strengthens the impression of a technology undergoing, or approaching, a transitional period. Thinking around how to get more from AI/ML is crystalizing around tools, education, and regulation – exactly the areas needed to push new technologies on from emerging and experimental to established and business critical. (They are also needed in order to better manage expectations around AI's potential: elsewhere, our survey found that 59% believe AI/ML would be held back by expectations being out of line with the reality of the technology.)

As the challenges flagged by our survey show, AI is not yet mainstream. But its direction is positive, and progress seems assured – it is only the pace of change that might be the biggest open question.

46% of respondents believe AI is heading in a positive direction

Figure 8. What are the main factors driving the trajectory of AI/ML?





Consumer Survey INSIGHTS

AI Awareness Among Consumers

Businesses looking to increase revenue and better serve customers with AI will need to understand the general population's expectations and awareness of the technology. With any new technology there is always hesitation, but AI can make decisions that impact people's lives. As such, there is a higher potential for both stronger resistance and, perhaps more importantly, increased reputational risks for businesses when it comes to missteps.

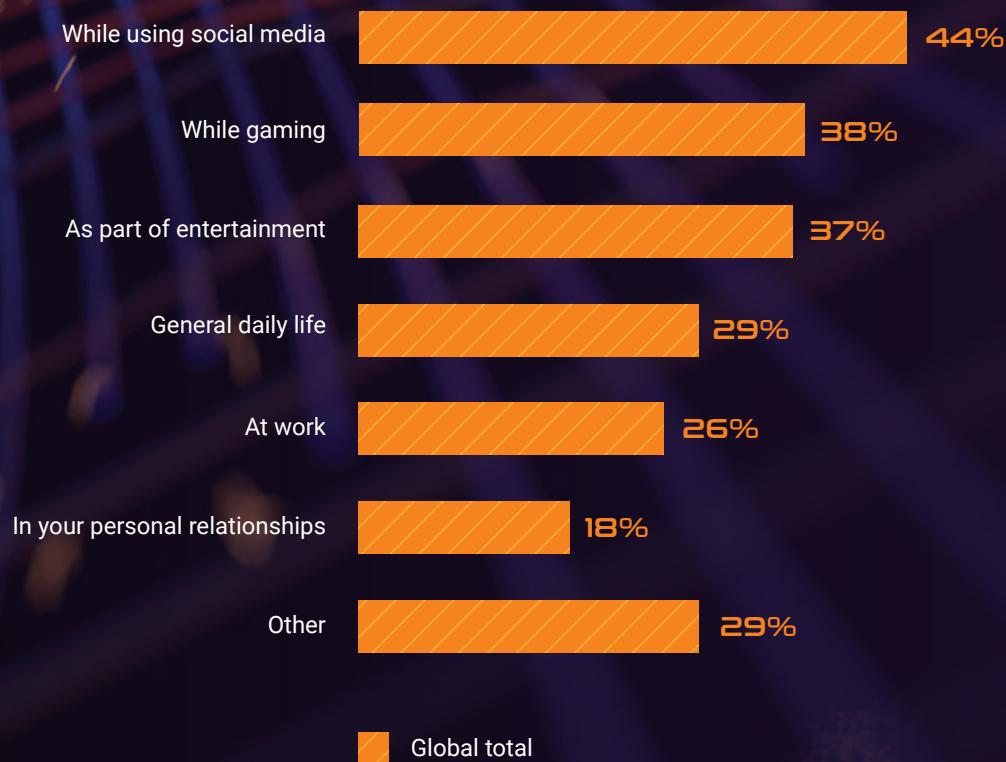
Consumers' awareness of AI playing a role in their everyday life is high: 57% report being aware of AI playing a role in their everyday life either to some extent or to a great extent. But with AI present everywhere from social media and streaming to insurance and banking, 35% of the consumers that reported being hardly at all or not at all aware of AI in their everyday life may be surprised to find the extent to which this is likely not true.

Indeed, the top areas in which consumers report being most aware of their exposure to AI are social media, gaming, and entertainment – but there is strong awareness of AI in general daily life, at work, and in personal relationships (Figure 9).

57%

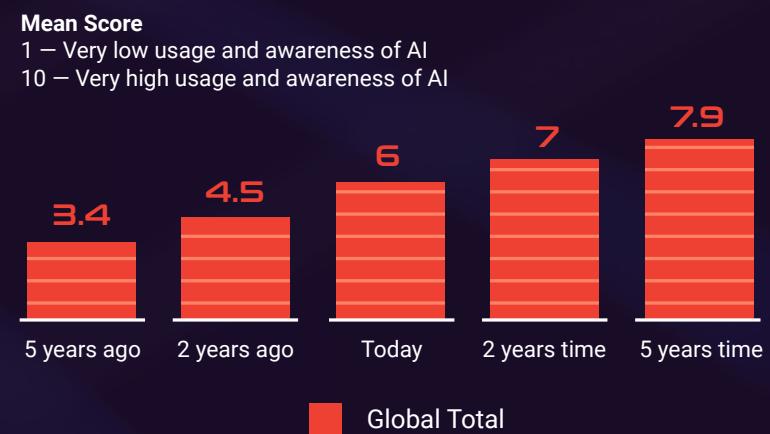
of consumers aware of AI playing a role in their everyday life

Figure 9. And then thinking of specific areas of your everyday life, to what extent would you say that you are aware of being exposed to AI?



Most consumers are also predicting high usage and awareness over the next two to five years' time, compared to middling usage and awareness today (Figure 10).

Figure 10. In your view, how has mainstream usage and awareness of AI changed over the last 2-5 years, and how do you see it changing over the next 2-5 years?



Concerns and Perceptions ABOUT AI

Awareness of exposure to AI is one thing. Welcoming it is quite another. Here, the picture is mixed. A healthy majority believe AI is having a positive impact on society, but many are unsure, and a small group believe the opposite. And the pendulum swings the other way when it comes to trust in AI – most consumers are unsure or don't trust it (Figure 11 and Figure 12).

Figure 11. Do you think that AI is positively impacting society?

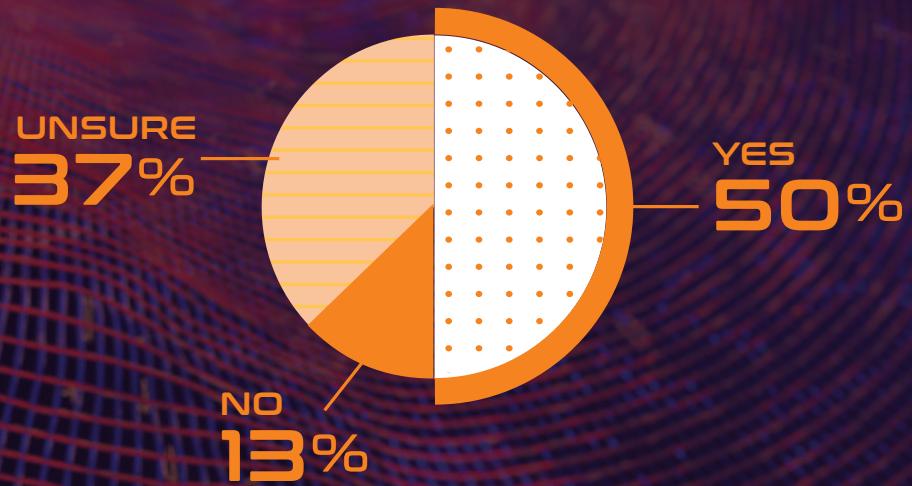
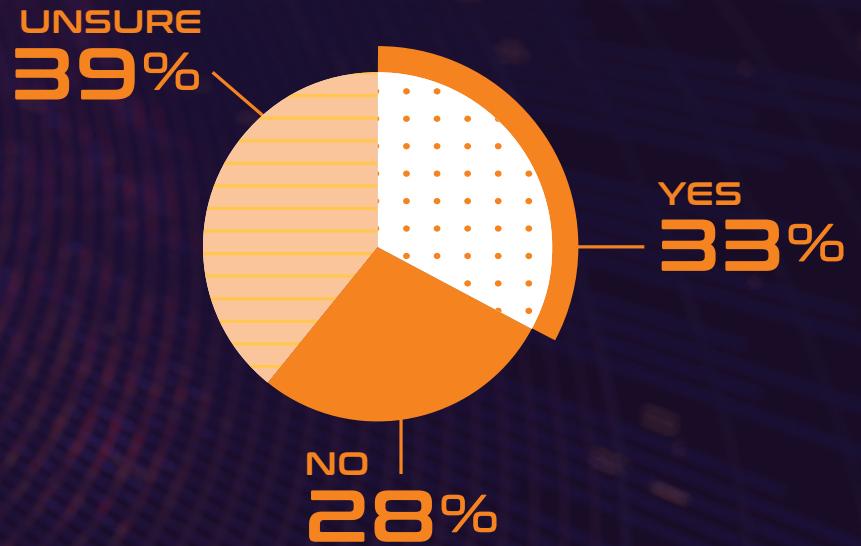
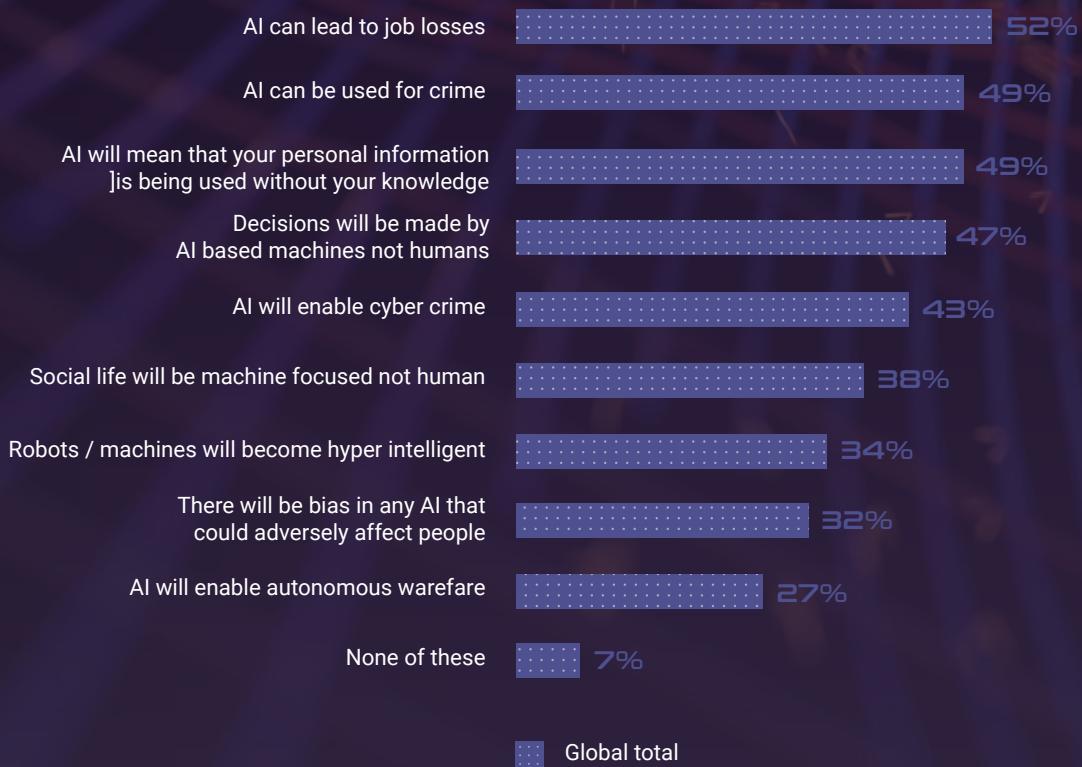


Figure 12. Do you trust AI?



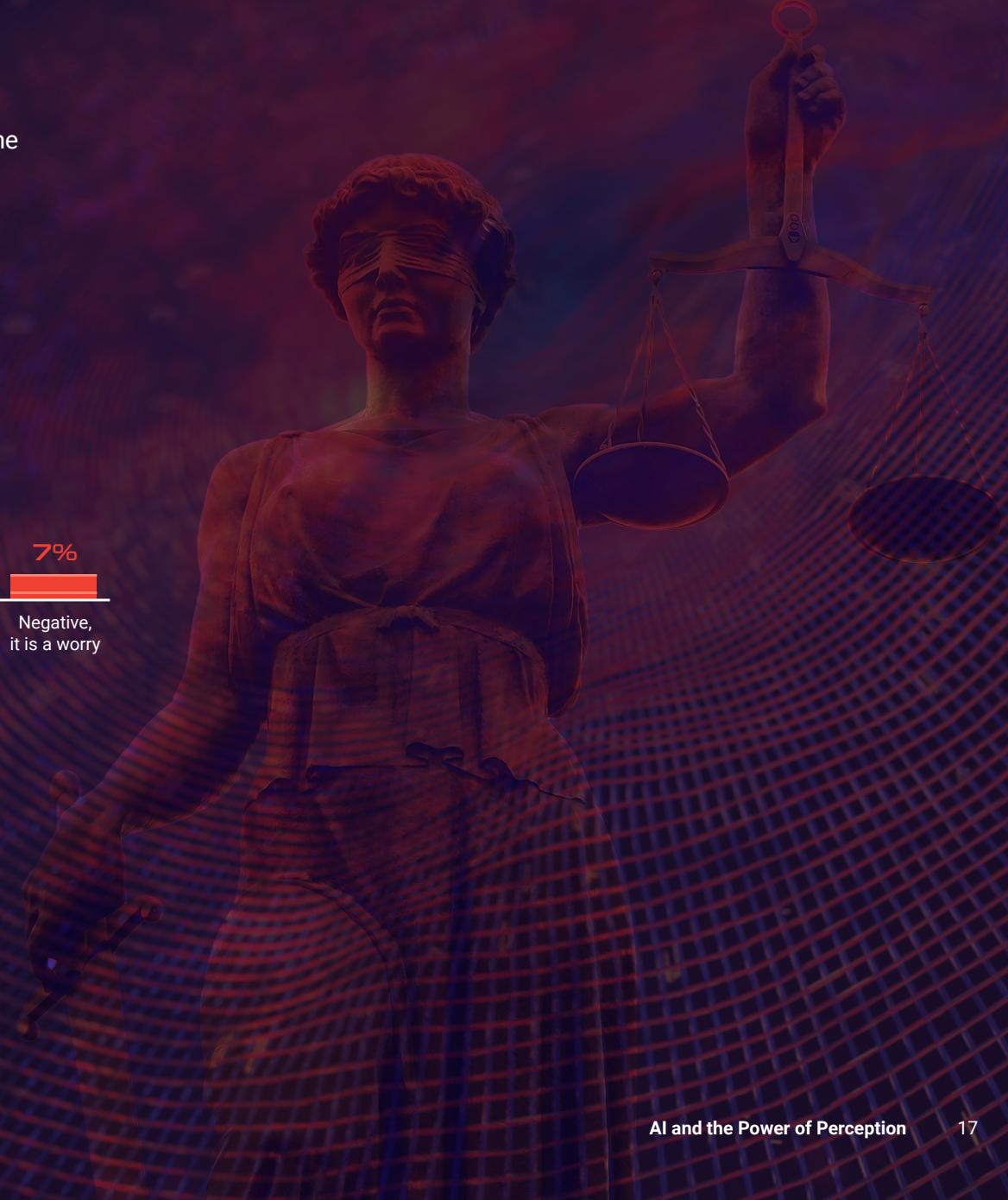
The concerns underlying this lack of trust in AI are varied. Its potential to lead to job losses comes up most often, closely followed by its potential to be used for crime, or the fact it opens the door to unauthorized use of personal data (Figure 13).

Figure 13. Which of the following, if any, are concerns that you might have about AI?



It is perhaps unsurprising, then, to see that most consumers (53%) are neutral, skeptical or negative about AI. And even a majority of the consumers for whom the perception of AI is positive, temper that sentiment by saying it needs to be regulated (Figure 14).

Figure 14. What is your current perception of AI?



What is Influencing Consumer Impressions of AI?

There are huge differences in the sources of information that consumers report basing their understanding of AI on, and the sources that business responders think influence consumer perceptions.

Business respondents believe industry trends, real world experience of AI/ML, and consultants/analysts are the top informers of AI for the general population. Yet consumers list news media, social media, companies they communicate with, nonfiction books and TV shows – even science fiction – as their top influencers when understanding AI (Figure 15 and Figure 16).

Figure 15. Consumer audiences: Where would you say that your current understanding of AI largely comes from?

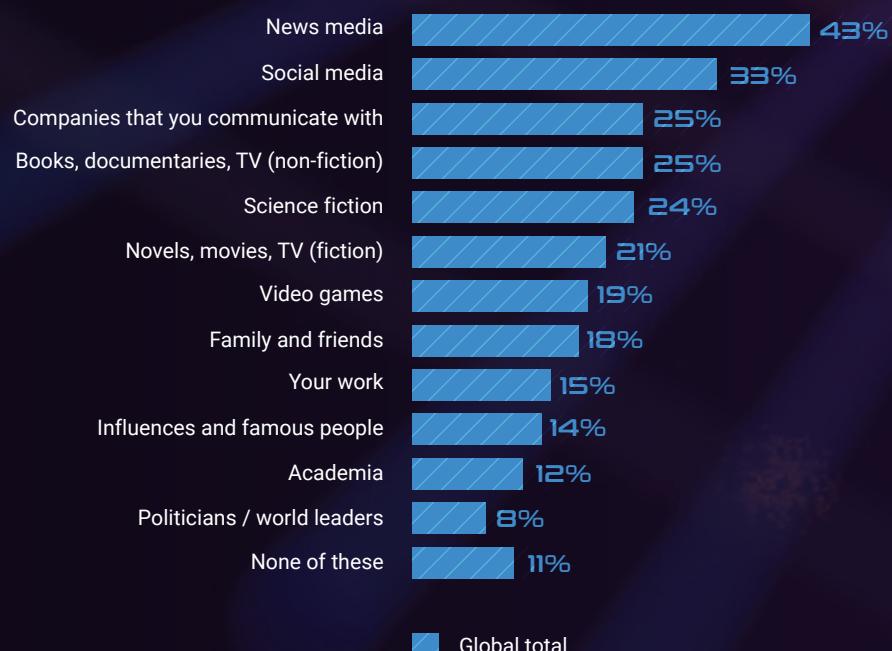
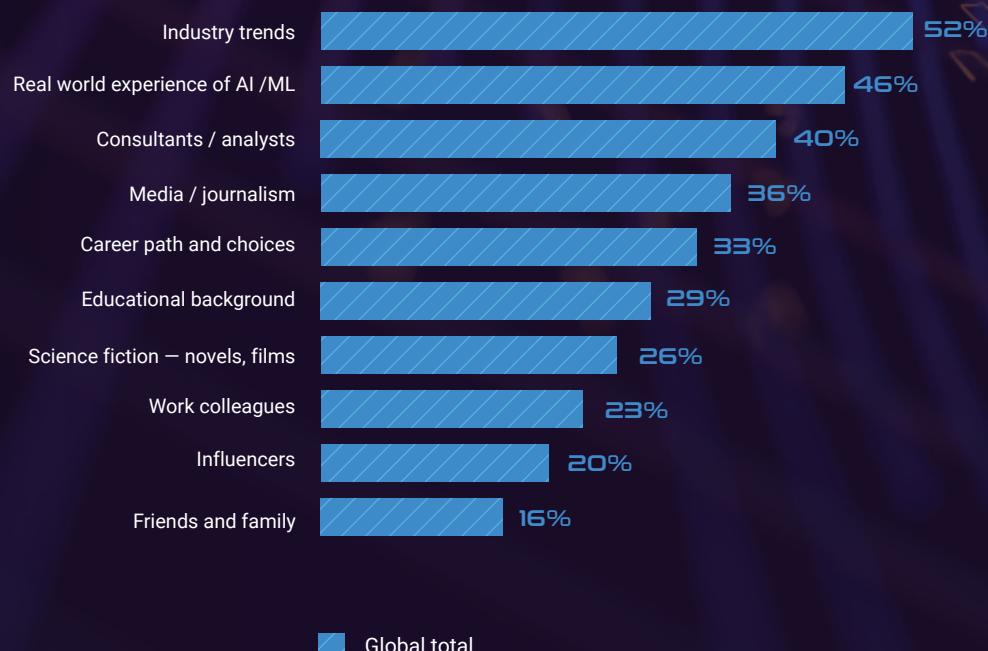


Figure 16. Business audiences: What would you say are the main factors behind determining the general population's perception of AI?



The Takeaway

There is a divergence in the positivity and trust around AI reported by businesses and consumers, which will be harder to overcome while misperceptions persist among businesses over the sources of information that shape public opinion.

And yet, encouragingly, there is overlap in the desired actions and improvements that each group would like to see in order to ease AI concerns and challenges. The wish lists for both consumers and businesses both feature some form of increased regulatory guidance, for example. Meanwhile, the increased training that B2B respondents report looking for would help to demonstrate to consumers a commitment to higher standards. It would also give consumers more confidence that responsible data practices were being followed.

Other concerns will take longer to address, however. While some job losses have been recorded in our survey as a result of AI, it is too early to make a call on the extent to which these concerns are warranted, overblown, or somewhere in between.



Implications for Business Adoption of AI

The potential opportunity and growth trajectory for business use of AI/ML will likely be influenced by two distinct but overlapping forces. First, without high consumer trust around AI – both in terms of the tech itself and the intentions of the companies using it – the ceiling on what businesses can achieve with the technology will be limited. But, second, the ability of businesses to increase consumer trust levels will also be limited while they grapple with the challenges around their own understanding of how AI can be used in the business. Misconceptions about the most influential channels through which to better inform consumers will also be a major obstacle.

While this remains the case we may see a period of incremental increases in the scope of AI use in business, particularly when it comes to customer facing or customer-adjacent functions.

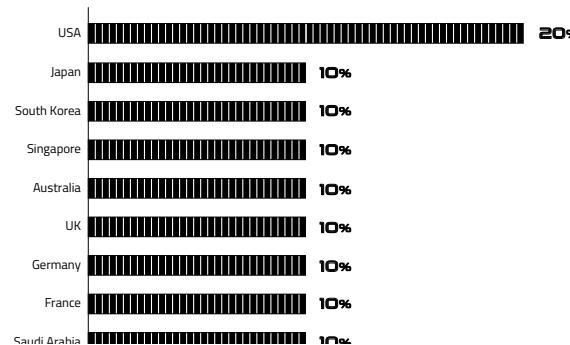
The prize for earning increased trust will be an accelerating pace of change, and a shorter journey to the anticipated benefits of AI flagged in our survey, including increased revenue. And the journey to those outcomes appears to be through better tools, increased investment in training and industry standards, and increased transparency around AI's current and potential uses. These are factors that businesses can get to work on right away, to be ready to move first on the new opportunities unlocked by improved consumer perceptions in the future.

Methodology

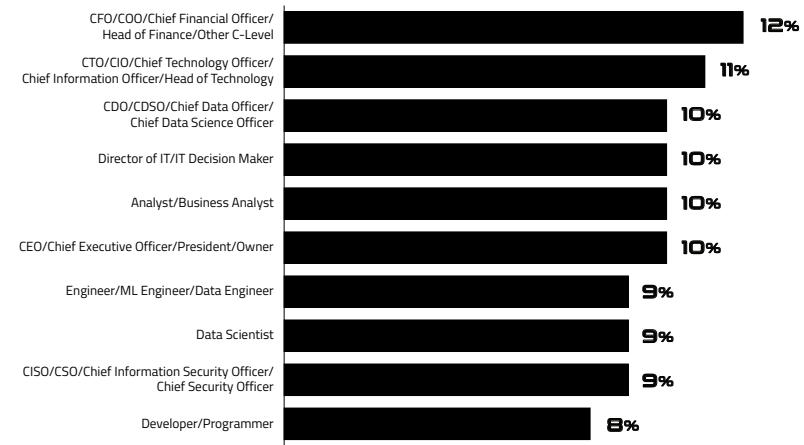
METHODOLOGY

Business audience profile

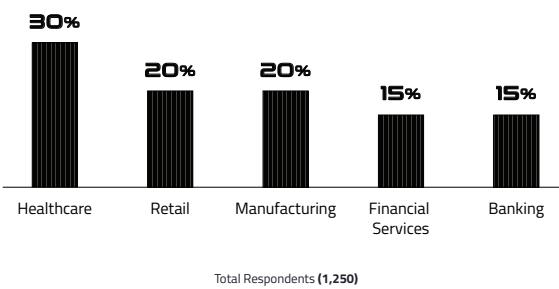
COUNTRY



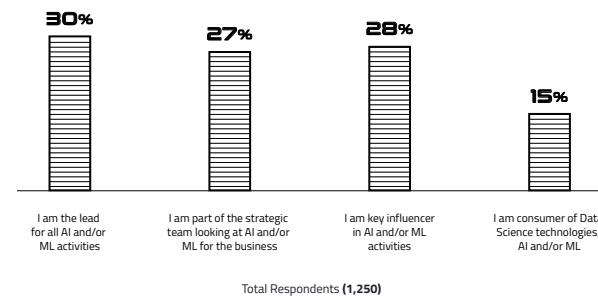
JOB TITLE



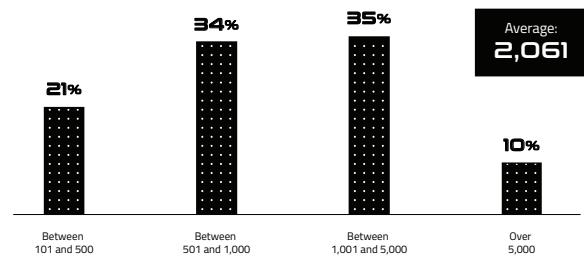
INDUSTRY



DECISION MAKING

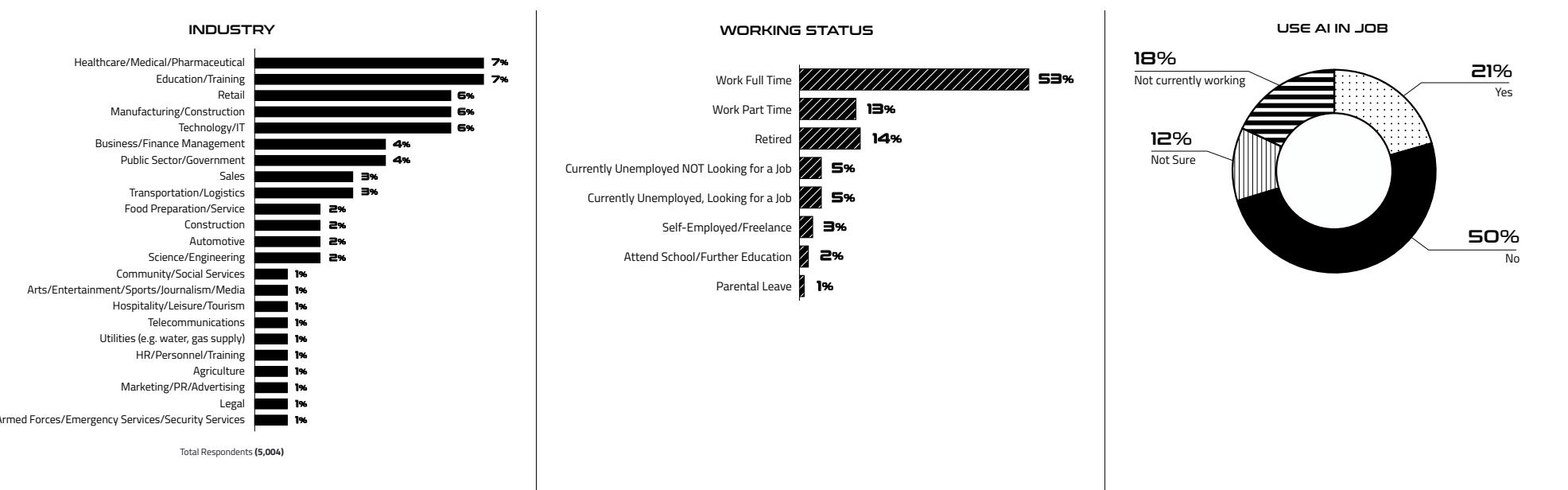
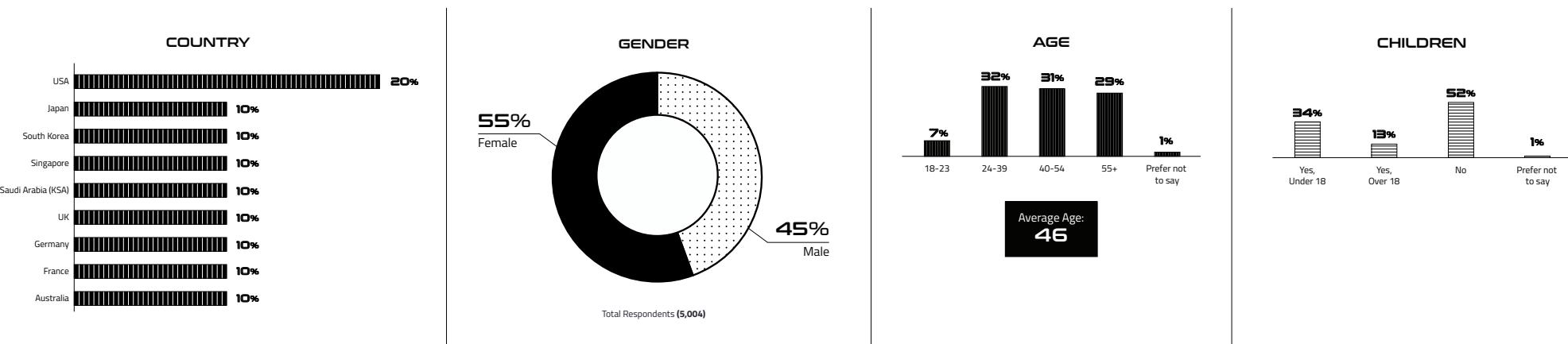


NUMBER OF EMPLOYEES



METHODOLOGY

Consumer audience profile



About the Research

The survey was conducted by Coleman Parkes in April and May 2022 and targeted 1250 senior AI/ML decision makers in organizations across key sectors in USA, EMEA, and APAC. Additionally, 5000 consumer interviews were conducted in the same geographical regions targeting a representative demographic sample of the population.

About Coleman Parkes

Coleman Parkes is a full-service B2B market research agency specializing in IT/technology studies, targeting senior decision makers in SMB to large enterprises across multiple sectors globally. For more information, contact IanBeston@coleman-parkes.co.uk

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