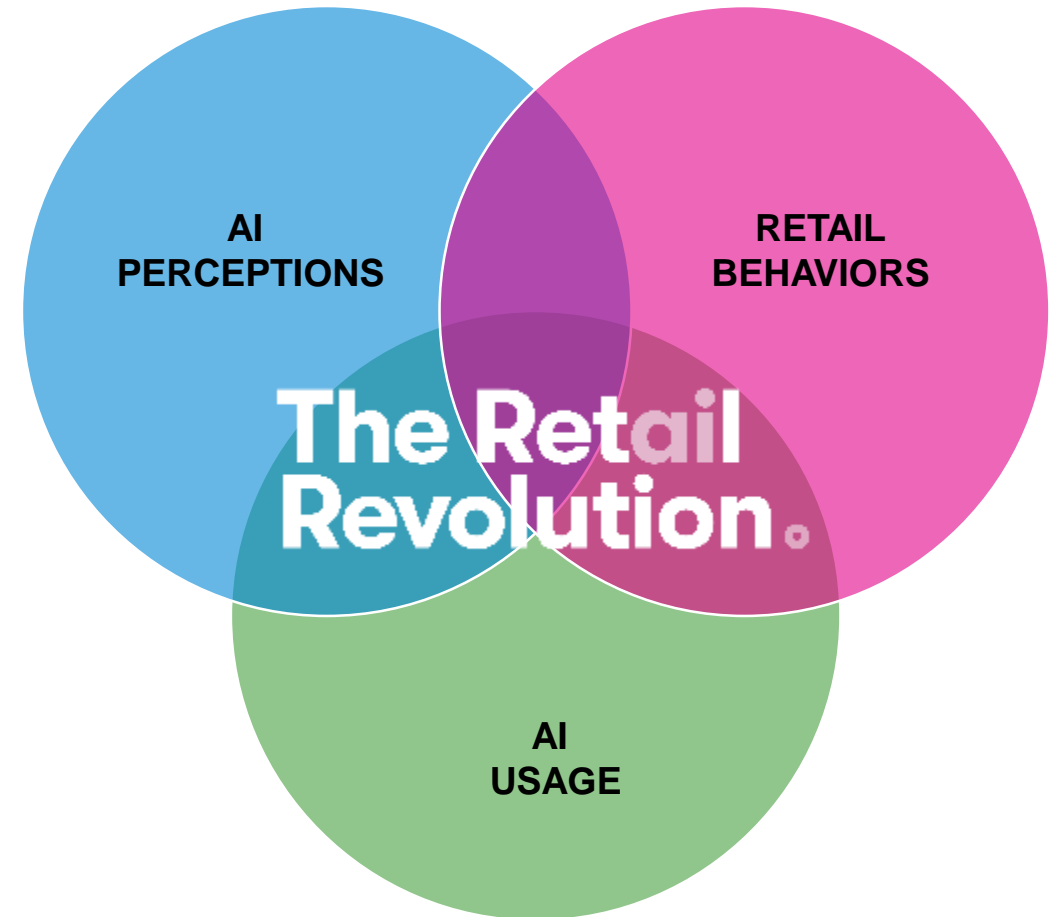# The Retail Revolution.

AI Perceptions and Adoption

Better decisions, faster.
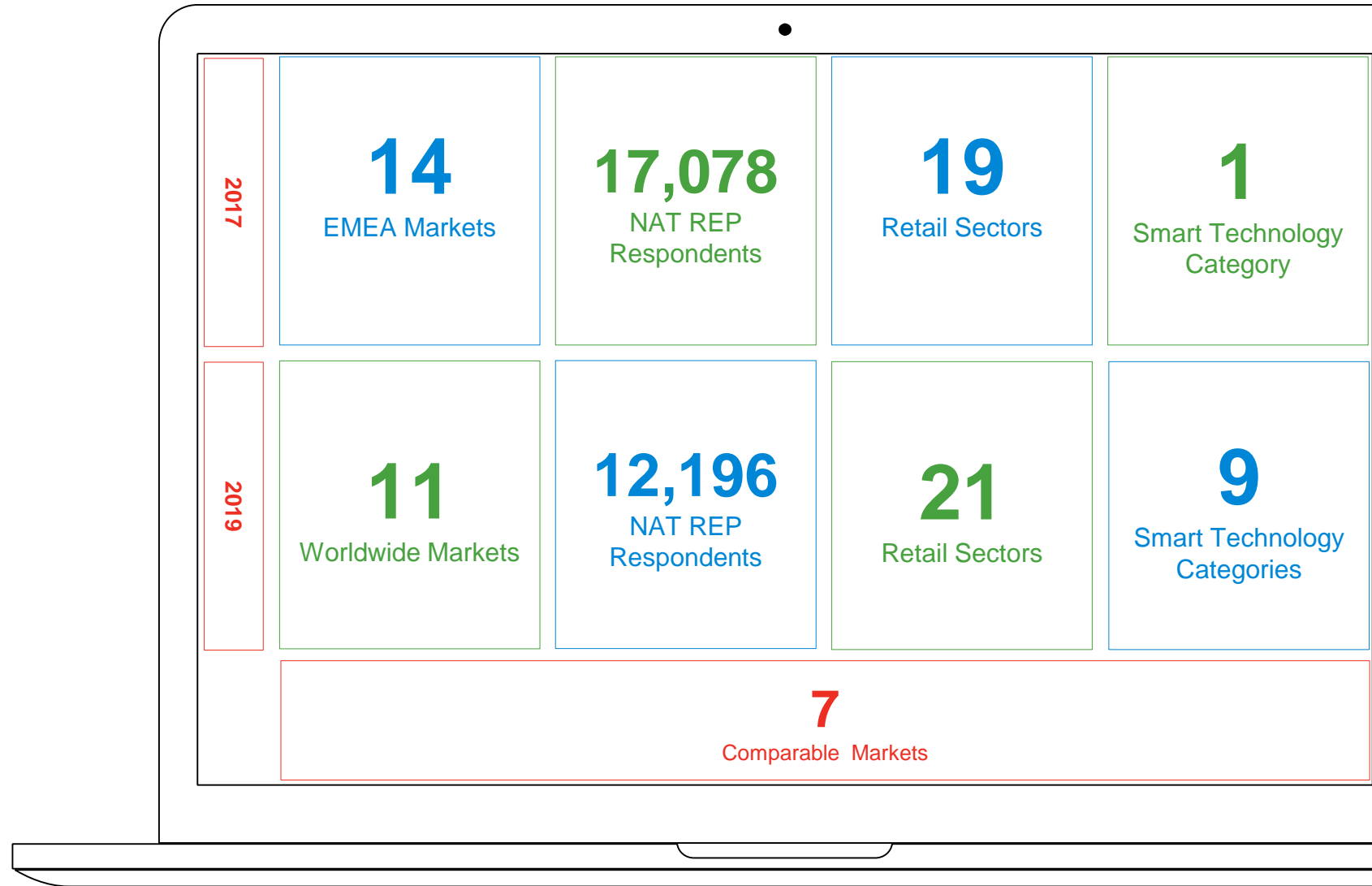
OMD

How do consumers accept, understand and trust AI in their day to day lives?

AI PERCEPTIONS

RETAIL BEHAVIORS

AI USAGE

The Retail Revolution.

What we cover

OMD's global multi-phased research project to track longitudinal AI perceptions and adoption, as well as to investigate how voice AI should be applied to create more valued and valuable brand experiences across the consumer journey.

2017

14 EMEA Markets	**17,078** NAT REP Respondents	**19** Retail Sectors	**1** Smart Technology Category

2019

11 Worldwide Markets	**12,196** NAT REP Respondents	**21** Retail Sectors	**9** Smart Technology Categories

7 Comparable Markets

Methodology

ABOUT THE RETAIL REVOLUTION

OMD's global multi-phased research study tracks AI perceptions and adoption, as well as investigates how voice AI should be applied to create more valued and valuable brand experiences across the consumer journey.

All figures in this report are derived from quantitative online surveys representative of the total population (18+ years old).

The first wave was conducted across 14 countries in August 2017 with a total sample size of 17,078. The second wave was conducted across 11 countries in April 2019 with a total sample size of 12,196. There are seven countries included in both research waves, which is where we draw our longitudinal findings.

2017 Sample Size by Market

UK	NL	SP	IT	DE	SW	BE	PO	DN	NO	RU	FI	FR	RO
1,178	1,501	1,092	1,099	1,132	1,441	1,092	1,224	1,390	1,306	1,072	1,394	1,026	1,131

2019 Sample Size by Market

UK	NL	SP	IT	DE	SW	BE	US	AU	IR	GR	SA	IN
1,114	1,180	1,053	1,061	1,055	1,184	1,157	1,141	1,129	1,095	1,027	TBC	TBC

Smart technologies are at different stages of adoption

Voice technology is becoming mainstream with more people now claiming to use it than music streaming.

Personalisation and experience are wanted from these activations
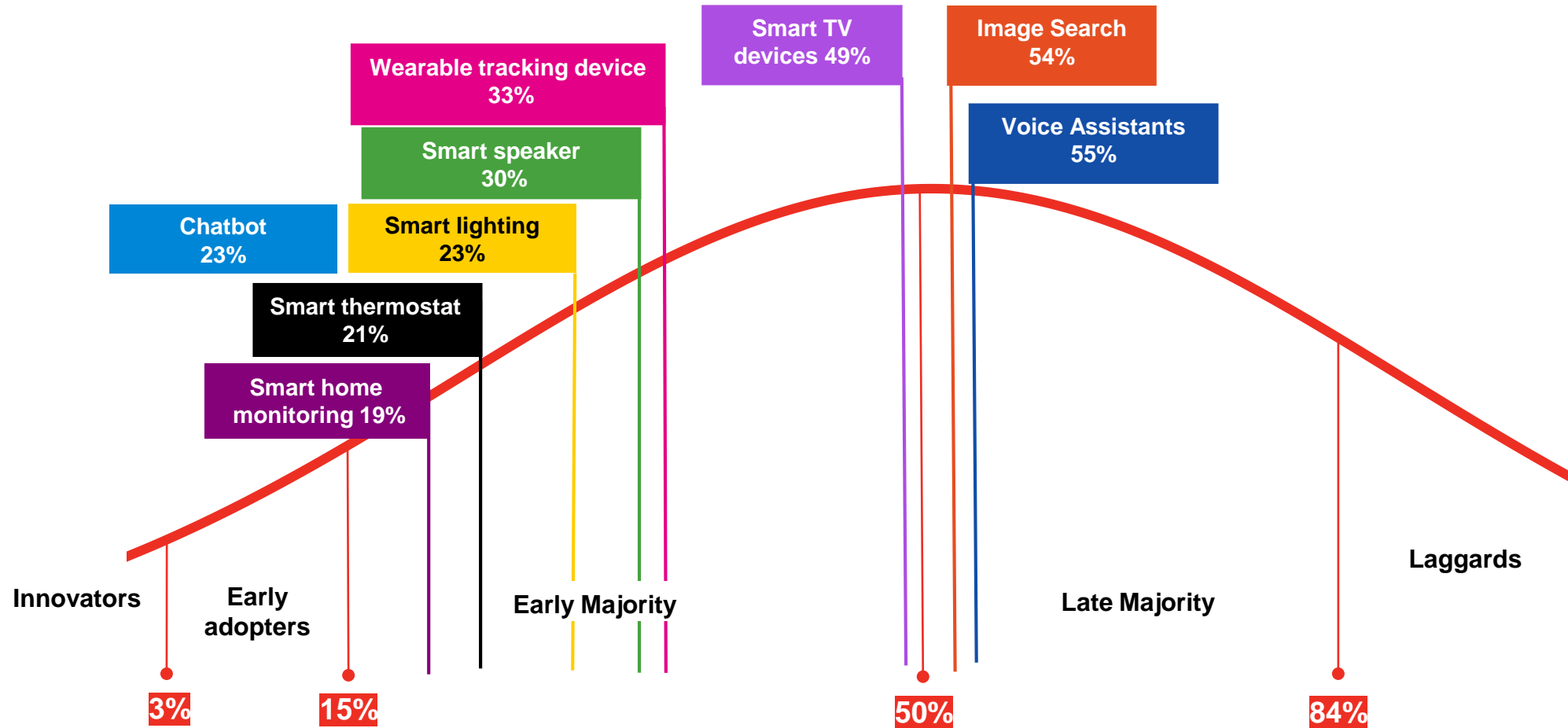
As usage increases, people expect basic functionality as a necessity.
They now crave more relevant and engaging interactions.

Trust needs to be addressed for future adoption and capabilities
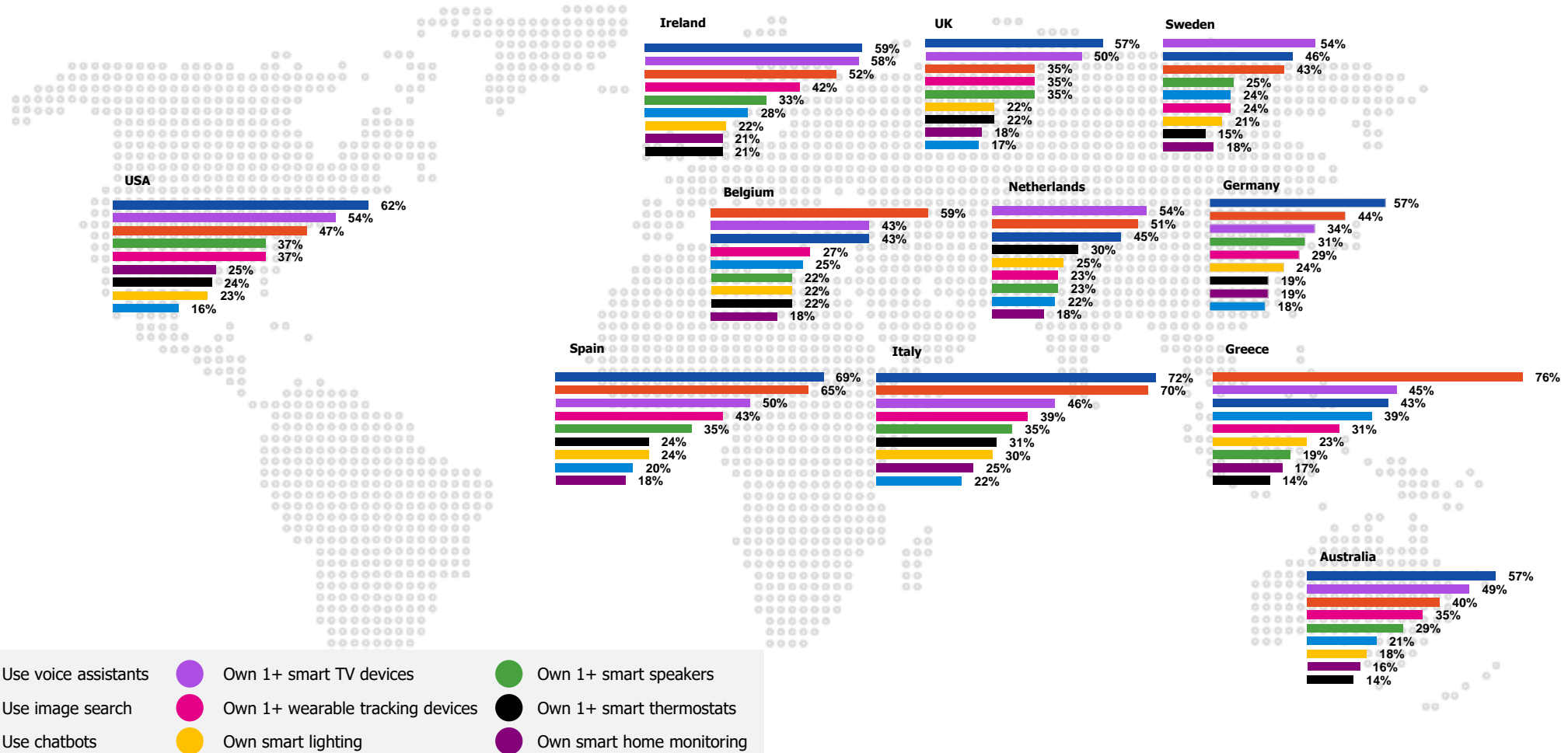
Brands and platform providers need to ease consumers' minds around their safety and functionality.

Smart technologies are at different stages of adoption

Wearable tracking device 33%

Smart speaker 30%

Smart TV devices 49%

Image Search 54%

Voice Assistants 55%

Chatbot 23%

Smart lighting 23%

Smart thermostat 21%

Smart home monitoring 19%

Innovators

Early adopters

Early Majority

Late Majority

Laggards

3% 15% 50% 84%

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Italy and Spain claim to lead voice assistant usage. USA claims to lead smart speaker ownership

Ireland
- 59%
- 58%
- 52%
- 42%
- 33%
- 28%
- 22%
- 21%
- 21%

UK
- 57%
- 50%
- 35%
- 35%
- 35%
- 22%
- 22%
- 18%
- 17%

Sweden
- 54%
- 46%
- 43%
- 25%
- 24%
- 24%
- 21%
- 15%
- 18%

USA
- 62%
- 54%
- 47%
- 37%
- 37%
- 25%
- 24%
- 23%
- 16%

Belgium
- 59%
- 43%
- 43%
- 27%
- 25%
- 22%
- 22%
- 22%
- 18%

Netherlands
- 54%
- 51%
- 45%
- 30%
- 25%
- 23%
- 23%
- 22%
- 18%

Germany
- 57%
- 44%
- 34%
- 31%
- 29%
- 24%
- 19%
- 19%
- 18%

Spain
- 69%
- 65%
- 50%
- 43%
- 35%
- 24%
- 24%
- 20%
- 18%

Italy
- 72%
- 70%
- 46%
- 39%
- 35%
- 31%
- 30%
- 25%
- 22%

Greece
- 76%
- 45%
- 43%
- 39%
- 31%
- 23%
- 19%
- 17%
- 14%

Australia
- 57%
- 49%
- 40%
- 35%
- 29%
- 21%
- 18%
- 16%
- 14%

Legend:
- Use voice assistants
- Use image search
- Use chatbots
- Own 1+ smart TV devices
- Own 1+ wearable tracking devices
- Own smart lighting
- Own 1+ smart speakers
- Own 1+ smart thermostats
- Own smart home monitoring

Out of all the smart applications and devices, the top 3 that people are planning to use more of on the next 6 months are smart TV devices, voice search and image search

01

Top choice in

UK, NL, USA, AUS, IR, SW

02

Top choice in

ES, IT, DE

03

Top choice in

BE, GR

55% of consumers claim to have tried a voice assistant
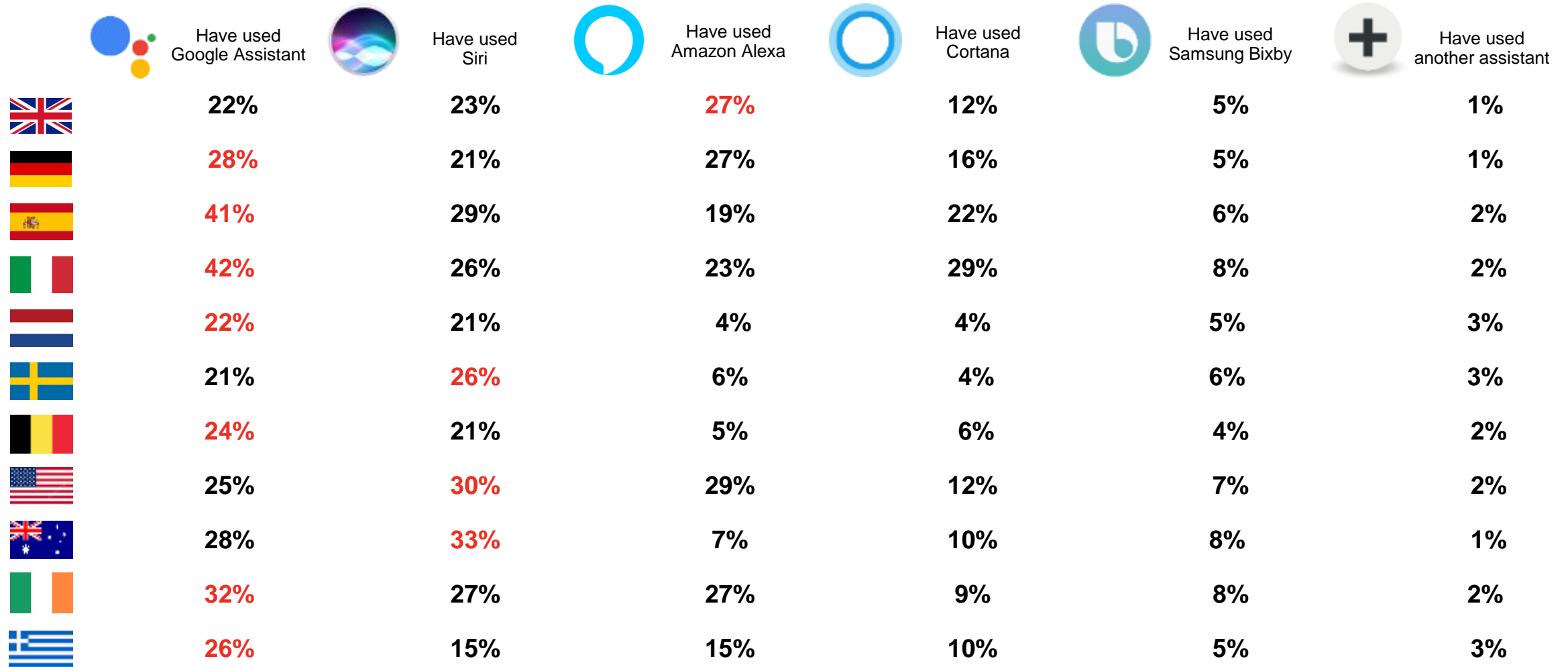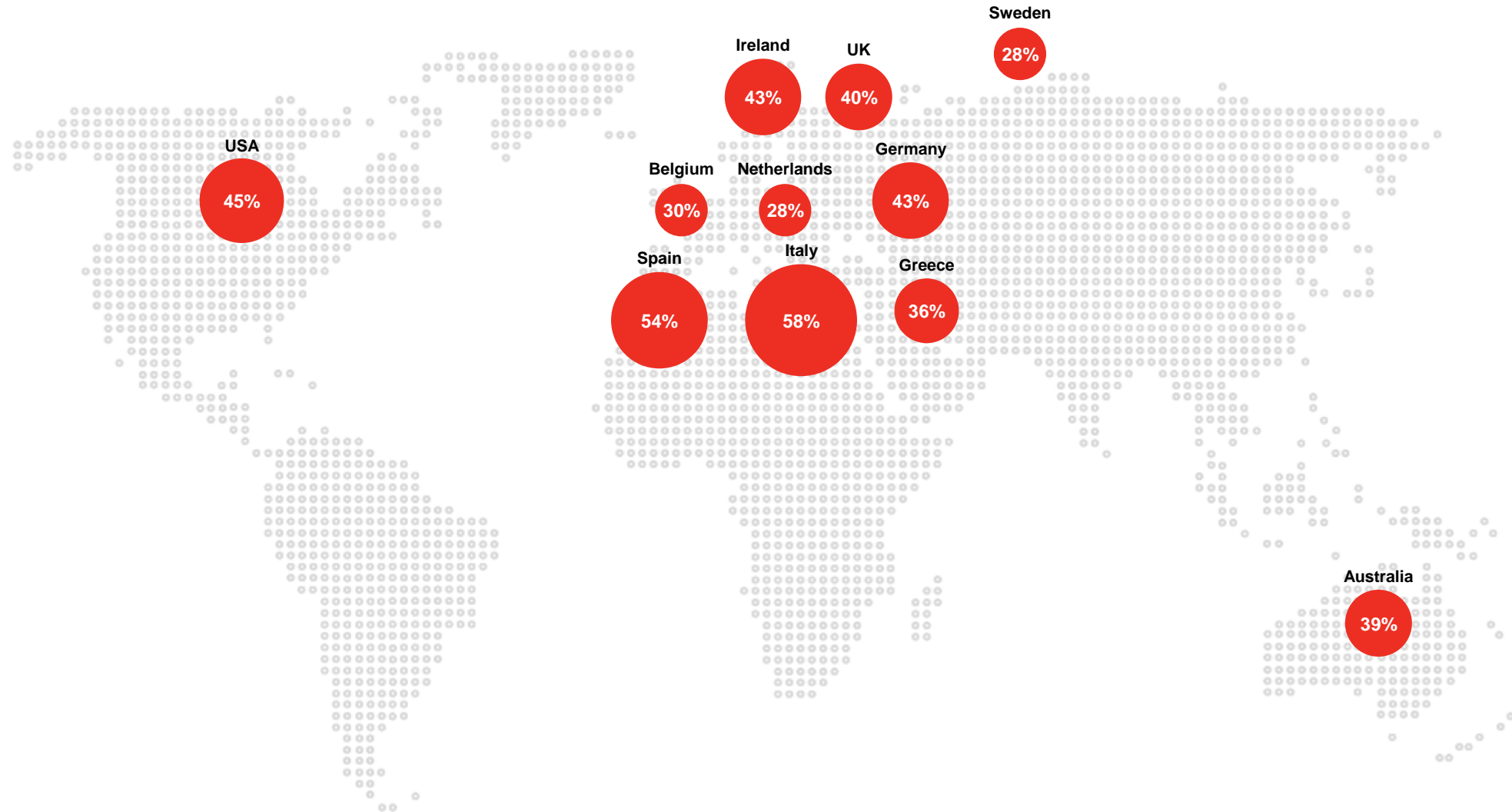
28%

**Have used
Google assistant**

25%

**Have used
Siri**

16%

**Have used
Amazon Alexa**

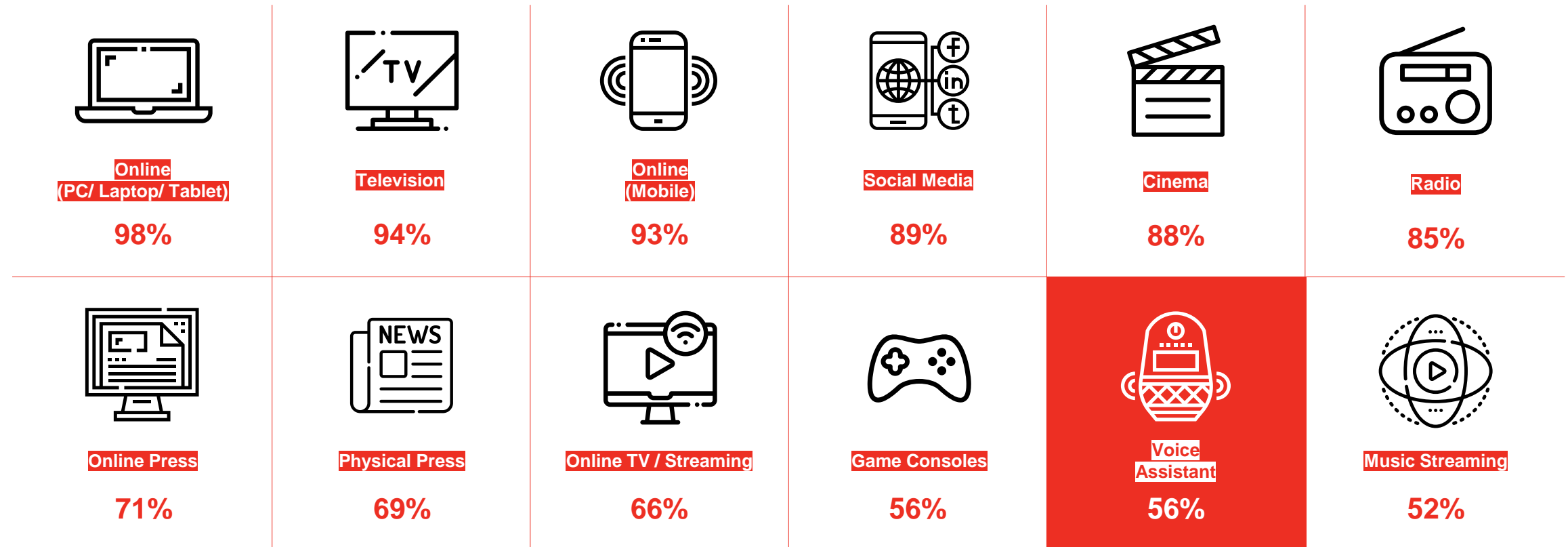# Google Assistant has the largest penetration of voice assistants across all devices

	Have used Google Assistant	Have used Siri	Have used Amazon Alexa	Have used Cortana	Have used Samsung Bixby	Have used another assistant
🇬🇧	22%	23%	27%	12%	5%	1%
🇩🇪	28%	21%	27%	16%	5%	1%
🇪🇸	41%	29%	19%	22%	6%	2%
🇮🇹	42%	26%	23%	29%	8%	2%
🇳🇱	22%	21%	4%	4%	5%	3%
🇸🇪	21%	26%	6%	4%	6%	3%
🇧🇪	24%	21%	5%	6%	4%	2%
🇺🇸	25%	30%	29%	12%	7%	2%
🇦🇺	28%	33%	7%	10%	8%	1%
🇮🇪	32%	27%	27%	9%	8%	2%
🇬🇷	26%	15%	15%	10%	5%	3%

40% of people are using voice at least once a month

Sweden
28%

Ireland
43%

UK
40%

Germany
43%

Belgium
30%

Netherlands
28%

USA
45%

Spain
54%

Italy
58%

Greece
36%

Australia
39%

Voice assistant usage has surpassed music streaming

Have used in the past:

Online (PC/ Laptop/ Tablet)	**Television**	**Online (Mobile)**	**Social Media**	**Cinema**	**Radio**
98%	94%	93%	89%	88%	85%
Online Press	**Physical Press**	**Online TV / Streaming**	**Game Consoles**	**Voice Assistant**	**Music Streaming**
71%	69%	66%	56%	56%	52%

50% of Voice Assistant users access the voice control function on a weekly basis…

… while **64%** of Smart Speakers owners report using them at least weekly
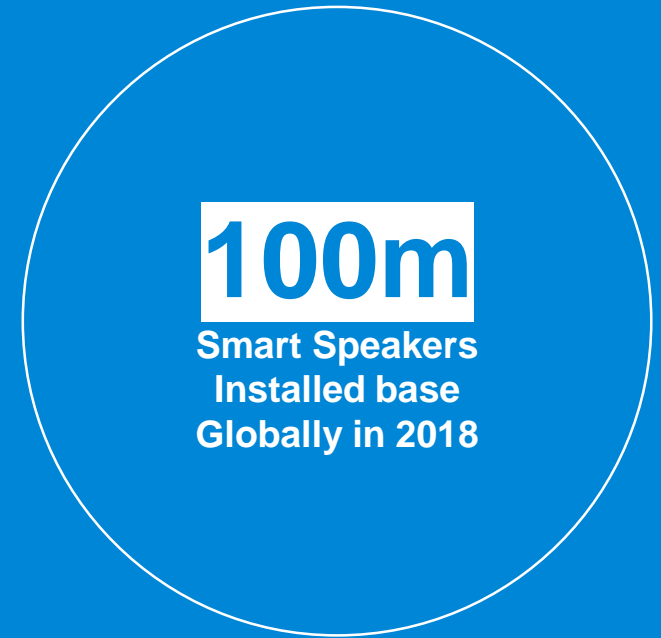
30% own a Smart Speaker
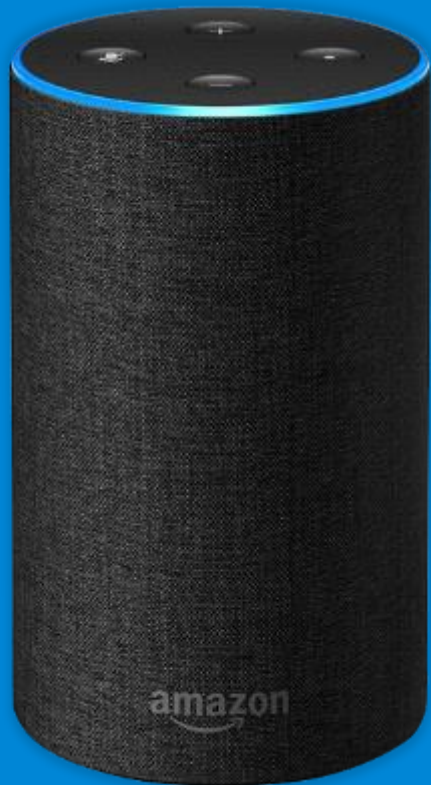
#1 in:

US
UK
DE
IT
ES
IE

#1 in:

NL
BE
AU
SE
GR

100m

Smart Speakers
Installed base
Globally in 2018

Amazon tops smart speaker ownership across more countries

	OWN A GOOGLE SMART SPEAKER	OWN AN APPLE SMART SPEAKER	OWN AN AMAZON SMART SPEAKER	OWN ANOTHER SMART SPEAKER
🇬🇧	8%	3%	28%	5%
🇩🇪	6%	2%	24%	4%
🇪🇸	12%	6%	18%	5%
🇮🇹	14%	4%	23%	4%
🇳🇱	10%	0%	8%	10%
🇸🇪	10%	4%	8%	9%
🇧🇪	9%	3%	7%	8%
🇺🇸	12%	2%	27%	4%
🇦🇺	18%	4%	9%	6%
🇮🇪	12%	3%	17%	8%
🇬🇷	8%	3%	6%	7%

64% of Smart Speakers owners report using them at least weekly

Who use them at least once a day?

56% 44%

14% 31% 22% 16% 11% 6%

- 18-24
- 25-34
- 35-44
- 45-54
- 55-64
- 65+
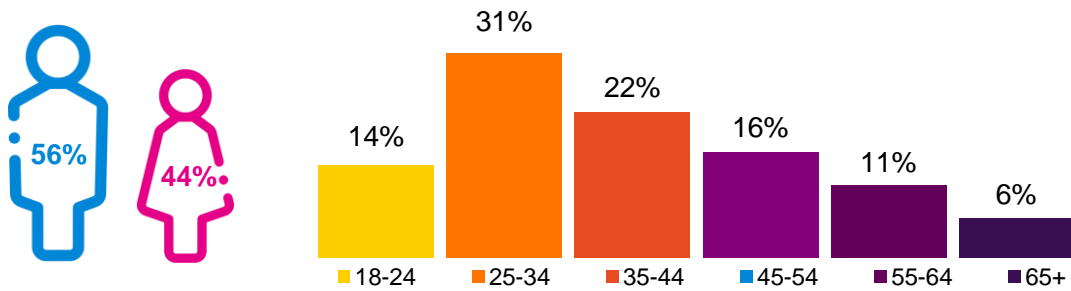
38% of smart speaker owners use them at least once a day

Length of ownership

Less than a year ago 45%

Over a year ago 55%
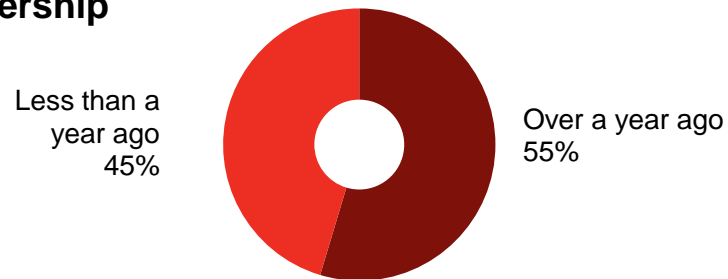
Total smart speakers ownership across countries

USA	Italy	Spain	UK	Ireland	Germany	Australia	Sweden	Netherlands	Belgium	Greece
37%	35%	35%	35%	33%	31%	29%	25%	23%	22%	19%
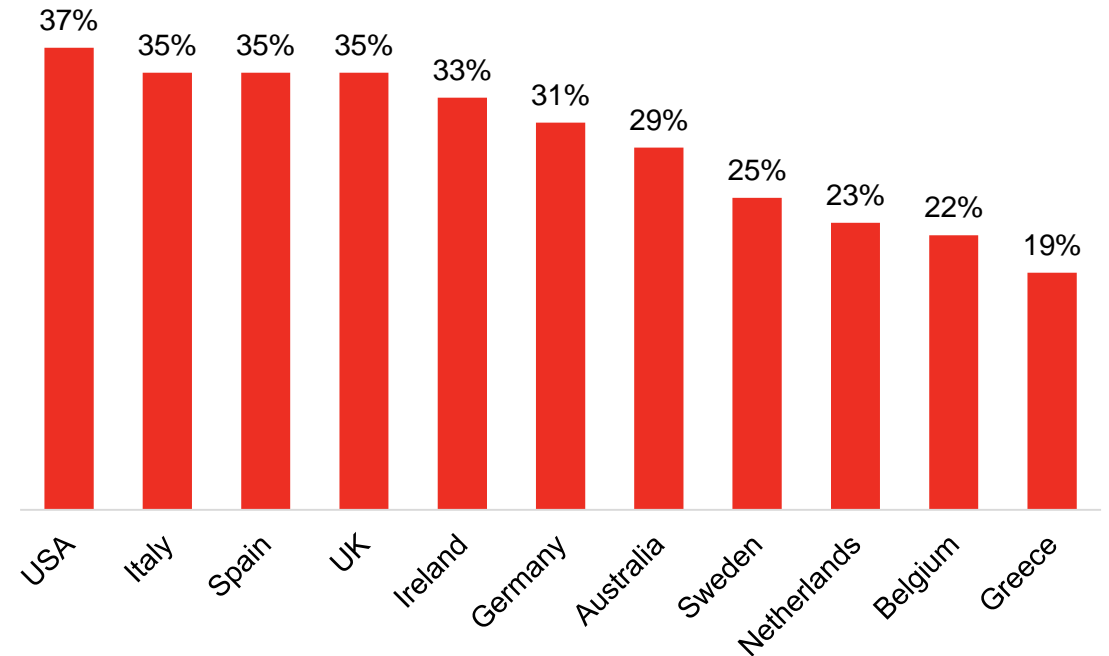
Frequent voice users aren't loyal. They use multiple assistants

	Apple's Siri	Microsoft's Cortana	Google Assistant	Amazon Alexa	Samsung's Bixby	Other voice assistant
Apple's Siri	100%	**39%**	33%	**40%**	**38%**	32%
Microsoft's Cortana	20%	100%	26%	27%	30%	4%
Google Assistant	**40%**	**59%**	100%	**45%**	**55%**	**52%**
Amazon Alexa	30%	**38%**	28%	100%	33%	24%
Samsung's Bixby	11%	16%	13%	13%	100%	12%
Other voice assistant	3%	4%	4%	3%	4%	100%

*Read table vertically

Source: Retail Revolution, OMD, 2019, Base: Worldwide voice assistant users n=6,145 Markets: UK, Netherlands, Germany, Belgium, Spain, Italy, Sweden, Ireland, Greece, USA, Australia

18

The most common place for smart speakers is the living room

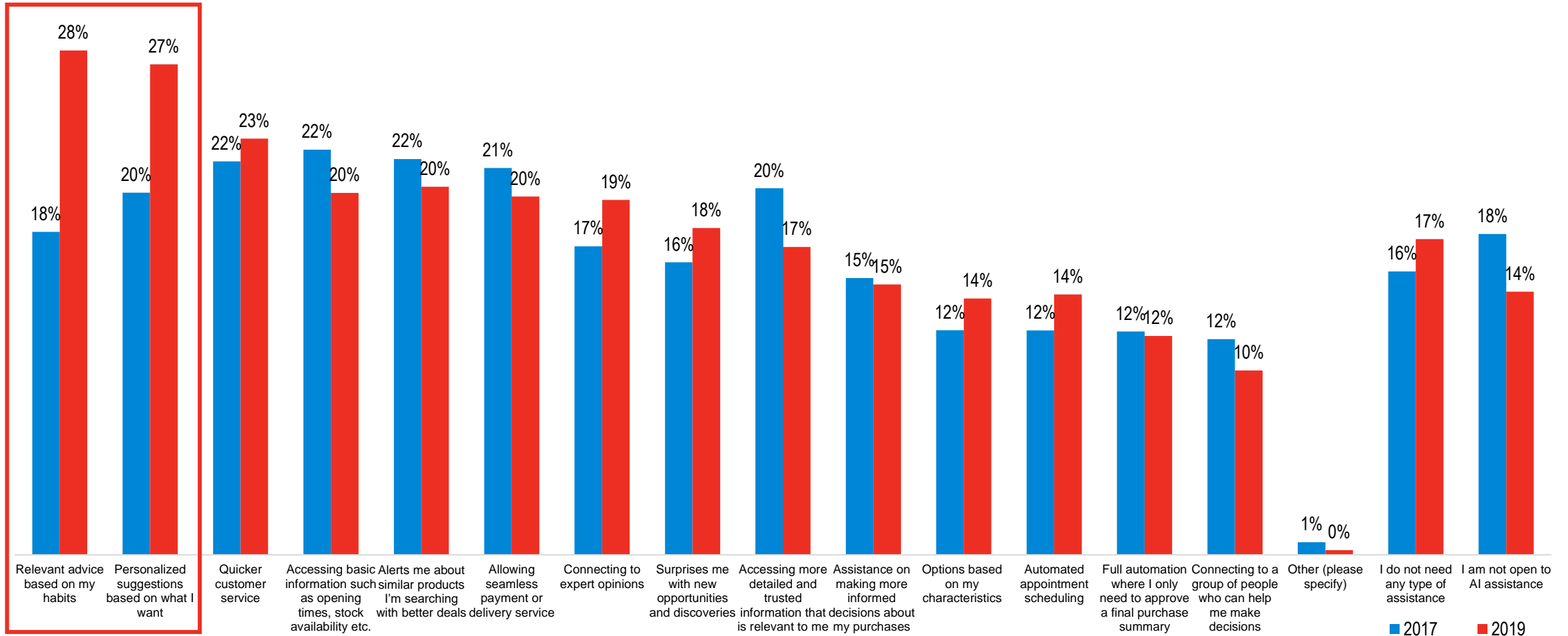**Key audiences using smart speakers**

Tech-savvy   18-34 y.o. 49%,
Male 61%, Female 38%

- Buys new tech as soon as possible

- Open to AI teaching them new things about themselves

- Interested in/have smart home tech

- Spending more time with traditional radio

Parents   35-44 y.o. 31%,
Male 51%, Female 49%

- Their trust in AI is driven by transparency

- Open to AI offering interesting new services

- More likely to have smart speakers installed in the kitchen

- Spending less time with computers

As usage increases, people are looking for more experience-based and personalized AI assistance

Relevant advice based on my habits: 2017 18%, 2019 28%
Personalized suggestions based on what I want: 2017 20%, 2019 27%
Quicker customer service: 2017 22%, 2019 23%
Accessing basic information such as opening times, stock availability etc.: 2017 22%, 2019 20%
Alerts me about similar products I'm searching with better deals: 2017 22%, 2019 20%
Allowing seamless payment or delivery service: 2017 21%, 2019 20%
Connecting to expert opinions: 2017 17%, 2019 19%
Surprises me with new opportunities and discoveries: 2017 16%, 2019 18%
Accessing more detailed and trusted information that is relevant to me: 2017 20%, 2019 17%
Assistance on making more informed decisions about my purchases: 2017 15%, 2019 15%
Options based on my characteristics: 2017 12%, 2019 14%
Automated appointment scheduling: 2017 12%, 2019 14%
Full automation where I only need to approve a final purchase summary: 2017 12%, 2019 12%
Connecting to a group of people who can help me make decisions: 2017 12%, 2019 10%
Other (please specify): 2017 1%, 2019 0%
I do not need any type of assistance: 2017 16%, 2019 17%
I am not open to AI assistance: 2017 18%, 2019 14%

■ 2017 ■ 2019

There is greater demand for AI which enhances real life experiences, with less focus on the practical aspects

50% It can teach me new things about myself (habits, preferences, etc.) (**46%** 2017)
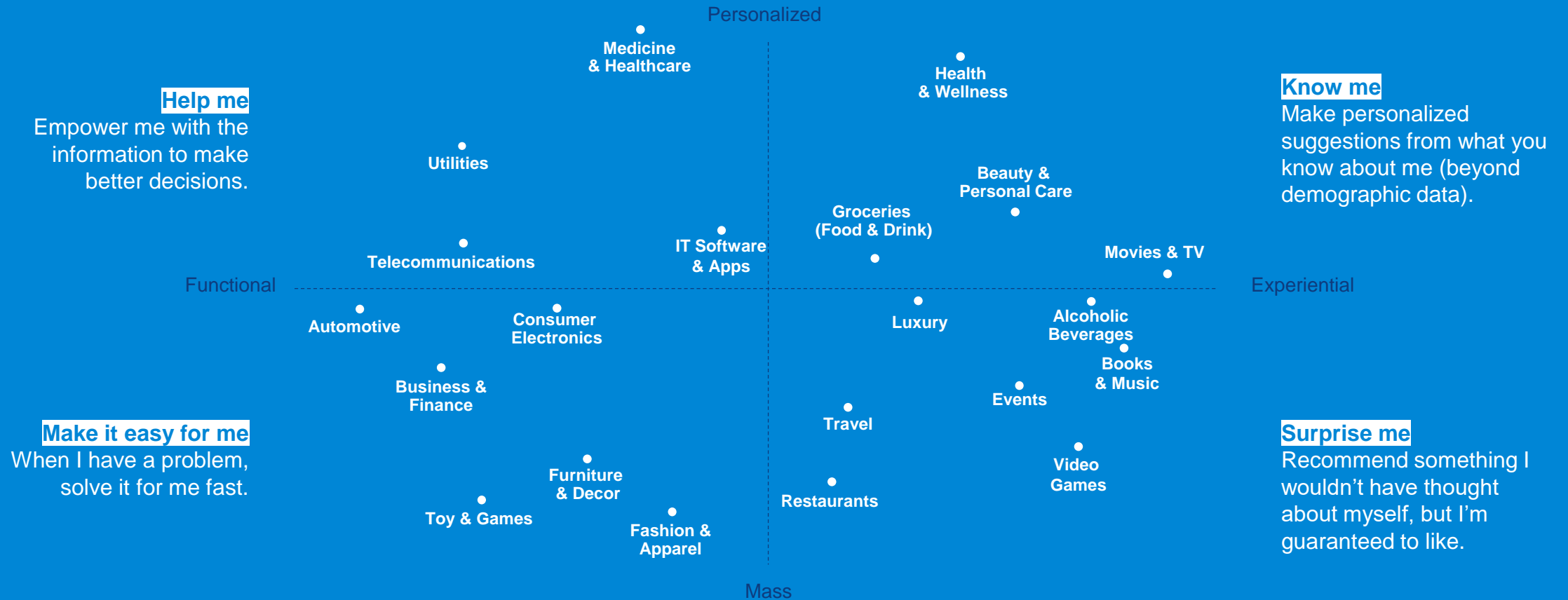
52% Enhance real life experiences (**50%** 2017)

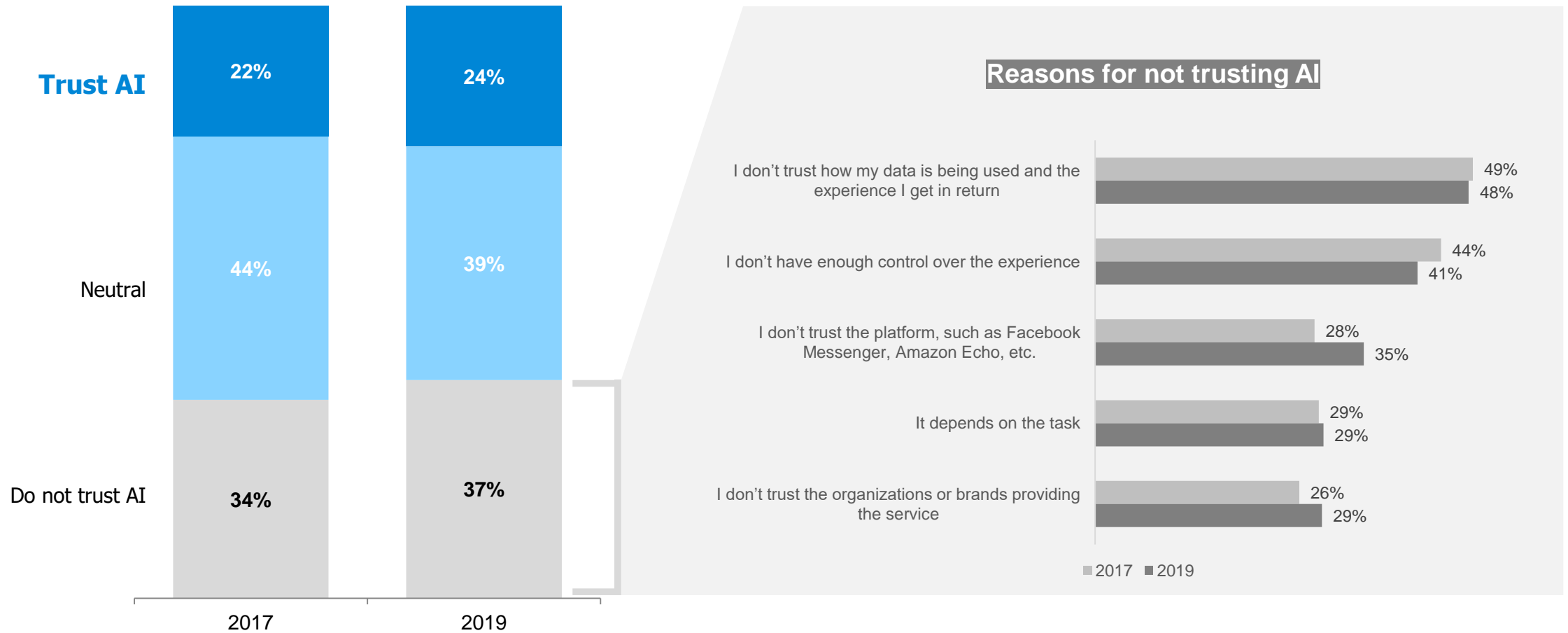**55%** It can provide advice and expertise (**60%** 2017)

55% It can take over basic functions (**59%** 2017)

62% It can alert me about shipping updates (**66%** 2017)

The Retail Revolution.

Desires for AI assistance differ across shopping categories

Personalized

Mass

Functional

Experiential

Help me
Empower me with the information to make better decisions.

Know me
Make personalized suggestions from what you know about me (beyond demographic data).

Make it easy for me
When I have a problem, solve it for me fast.

Surprise me
Recommend something I wouldn't have thought about myself, but I'm guaranteed to like.

Medicine & Healthcare

Health & Wellness

Utilities

Beauty & Personal Care

Groceries (Food & Drink)

IT Software & Apps

Movies & TV

Telecommunications

Automotive

Consumer Electronics

Luxury

Alcoholic Beverages

Books & Music

Business & Finance

Events

Travel

Furniture & Decor

Video Games

Toy & Games

Restaurants

Fashion & Apparel

Trust of AI interactions has become more polarized, with fewer people trusting the platforms.

Trust AI

	2017	2019
Trust AI	22%	24%
Neutral	44%	39%
Do not trust AI	34%	37%

Reasons for not trusting AI

	2017	2019
I don't trust how my data is being used and the experience I get in return	49%	48%
I don't have enough control over the experience	44%	41%
I don't trust the platform, such as Facebook Messenger, Amazon Echo, etc.	28%	35%
It depends on the task	29%	29%
I don't trust the organizations or brands providing the service	26%	29%

■ 2017 ■ 2019

Trust has become a key barrier of AI adoption. Distrust increases with age.

AI Barriers

Distrust increases with age

AI Barriers chart (2017 grey / 2019 red):

Barrier	2017	2019
I don't need AI	38%	38%
I don't trust the data collection of AIs	24%	33%
AI is too intrusive	19%	28%
I don't think AI is safe	20%	27%
It is easier to use my default option, such as manually searching on a web browser or calling a customer service desk	21%	22%
I don't understand the benefit of using AI	21%	20%
I need to be taught how to use it	18%	13%
I don't think the interactions are seamless or human enough	12%	14%
I don't think the technology is developed enough	14%	11%
It's not accessible for me	7%	5%

■ 2017
■ 2019

Distrust increases with age chart:

Age	Trust AI	Distrust AI
18-34	27%	32%
35-44	26%	33%
45-59	24%	37%
60+	19%	45%

Age

— Trust AI   — Distrust AI

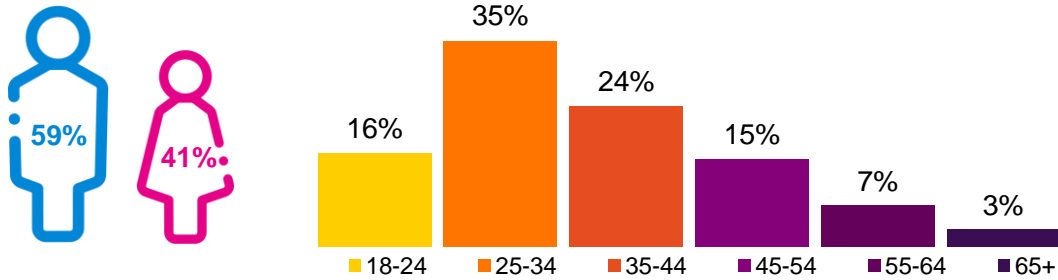# Trust in AI varies across countries. Spain and Italy are the most trusting, Sweden and USA the least

Legend: ■ Trust AI ■ Distrust AI

Country	Trust AI	Distrust AI
Spain	32%	30%
Italy	31%	34%
Greece	26%	27%
Netherlands	24%	34%
Germany	23%	39%
USA	23%	41%
UK	20%	39%
Ireland	20%	34%
Belgium	18%	40%
Australia	19%	40%
Sweden	19%	41%
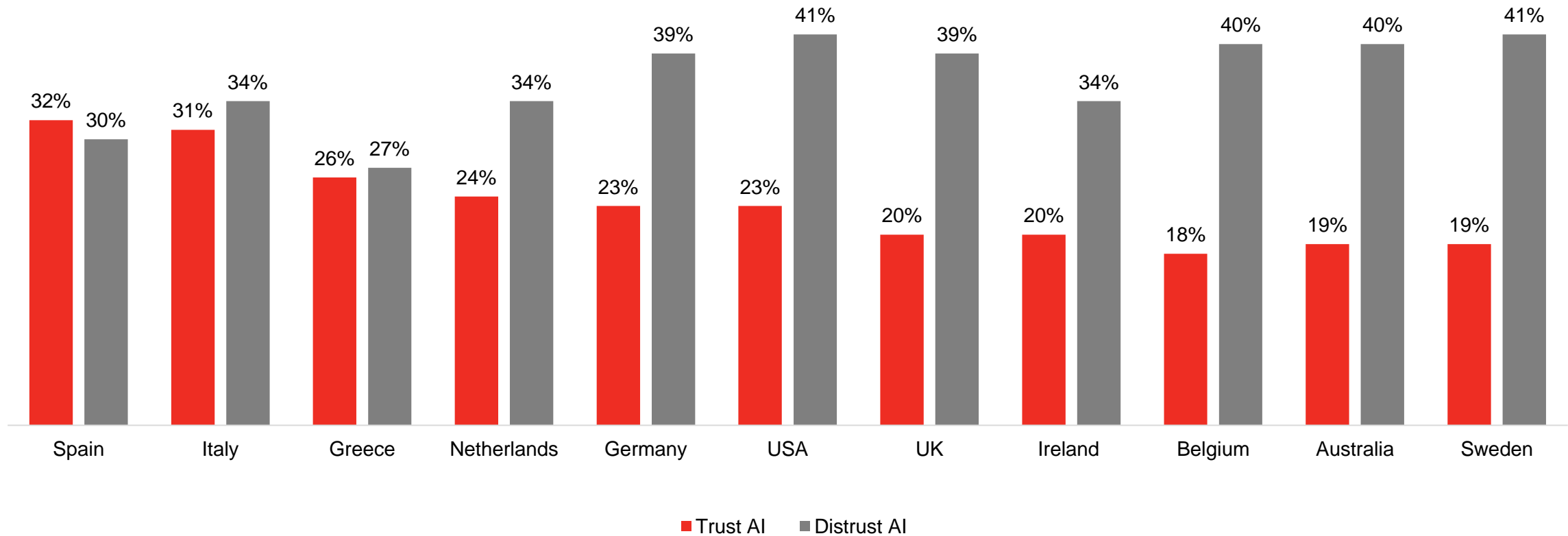
Smart Speakers are most influential for inspiration, while digital assistants and image search are most influential for research

	When looking for inspiration	When researching a product or service	When purchasing a product or service	For after-purchase customer service
Digital Assistants	42%	52%	42%	38%
Image Search	59%	61%	54%	44%
Smart Speakers	55%	52%	45%	44%

Source: Retail Revolution, OMD, 2019, Base: Worldwide total who understand AI n=11,104, Markets: UK, Netherlands, Germany, Belgium, Spain, Italy, Sweden, Ireland, Greece, USA, Australia

18% of consumers are using voice regularly as part of their purchase journey

Who use them at least once a day?

59%   41%

16% — 18-24
35% — 25-34
24% — 35-44
15% — 45-54
7% — 55-64
3% — 65+

Types of voice purchase

Smart Speaker 37%

Digital Assistant 63%
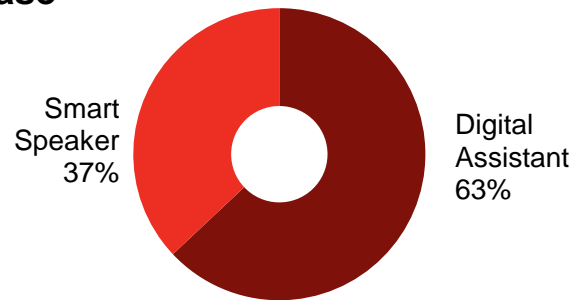
Consumers using voice at least once a month as part of their purchase journey across countries

Country	%
Italy	28%
Spain	26%
Germany	22%
UK	20%
USA	19%
Ireland	18%
Australia	16%
Belgium	15%
Netherlands	14%
Sweden	13%
Greece	13%
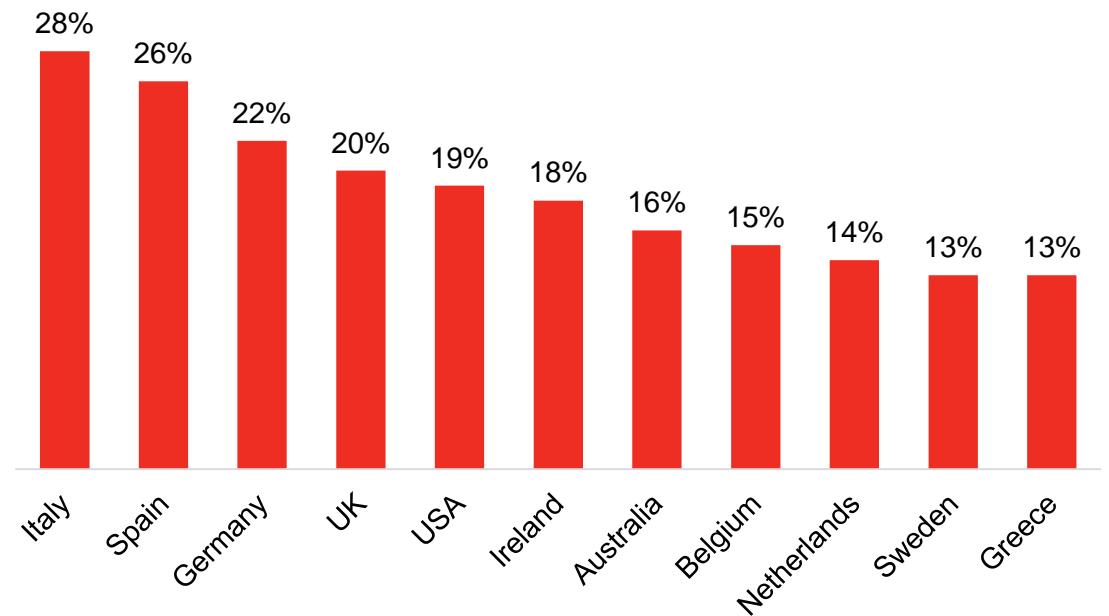
41% of respondents are already willing to share their data to get a better service

21%

38%

32%

9%
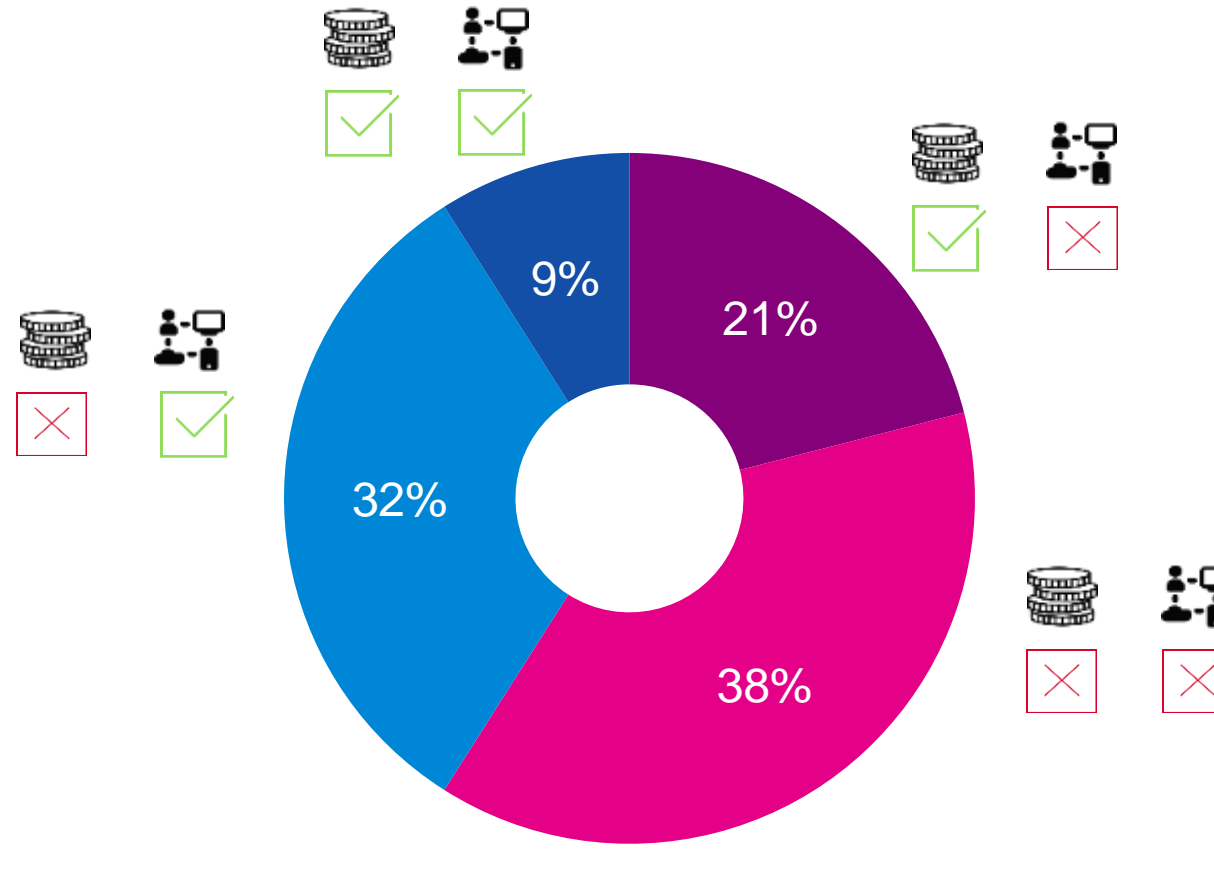
Willingness to pay for a better AI service

Willingness to share data for a better AI service

A substantial amount of consumers are still reserved about smart technologies due to security and data worries

Customer benefits

Voice and smart technologies are offering people **greater convenience**. As these needs are being met, they want **more personalization and experiential interactions**.

Data can be gathered for example when someone enters or leaves through the door. This is valuable information for device autonomy, such as for Nest to automatically adjust the heating accordingly.

H O W E V E R

Potential issues

Consumers are **increasingly aware of how much data brands hold on them**, especially when thinking about smart technology brands and tech giants such as Amazon, Google and Facebook.

The Beecham Research report states that the reason that **wider adoption of smart home systems have been stilted is due to consumers' concern over security and privacy**.

Better decisions, faster.