

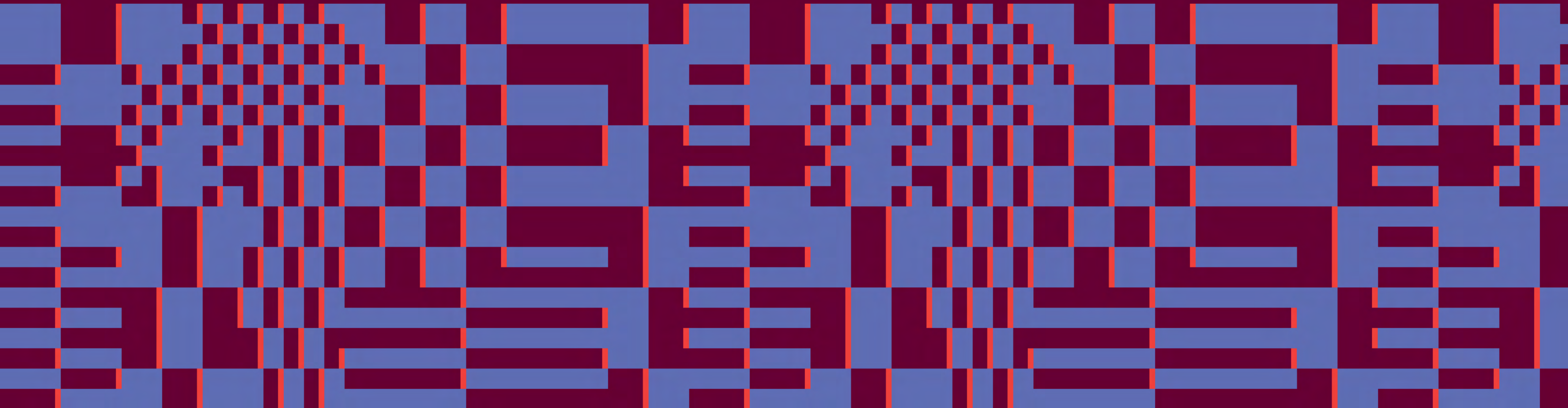
The AI Effect

Birth of the Consumer Evangelist

In partnership with



October 2024



What is the AI Effect?

Marketers have long understood - and analytics tell us - that there's a big difference between what people say they do, and what they actually do. With every innovation cycle, best practices emerge; what's novel, becomes normal and what's normal becomes the expectation.

Amazon Prime set a new bar for expectations around ecommerce fulfillment, with many now relying on the platform as a default channel for getting a good, fast and cheap(-ish) item in nearly any category.

The new disruptor, of course, is AI. Whether or not consumers are aware of AI's role in delivering them digital content, they are beginning to experience the outcomes of more complex models, LLMs and synthetic data fueling the engines they use everyday to consume information, entertainment, goods, and services. As companies adopt and integrate AI into their operations and user experiences deliver enhanced contextual relevance, consumers will increasingly expect — and demand — interactions that feel personalized to their wants and needs. This is the AI Effect.

How have shopper expectations already changed and who are the consumers driving this evolution forward?

We surveyed 1,000+ consumers to find out.

Key Takeaways



01

Rising Spenders—Consumers in their 20s—Have Abandoned Physical Credit Cards In Favor of Tap-to-Pay



02

AI is a Salve for Analysis Paralysis—Reducing Choice and Eliminating Decision Fatigue



03

Probable Upsides of AI—Benefits and Convenience—Matter More than Possible Downsides



04

AI Evangelists Have Arrived and They're Reshaping Expectations for Everyone

KEY TAKEAWAY 01

Grabbing one's wallet is a thing of the past. Phones have become the primary — and preferred — portal to purchase.



Mobile is Relied on for Shopping Online and IRL

Within the past two weeks...

A large, stylized graphic of the number 90% in a dark blue font, set against a background of light blue and white pixelated squares.

90%

**Purchased via Mobile
eCommerce**

A large, stylized graphic of the number 72% in a dark blue font, set against a background of light blue and white pixelated squares.

72%

**Researched Products
via Mobile**

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58%

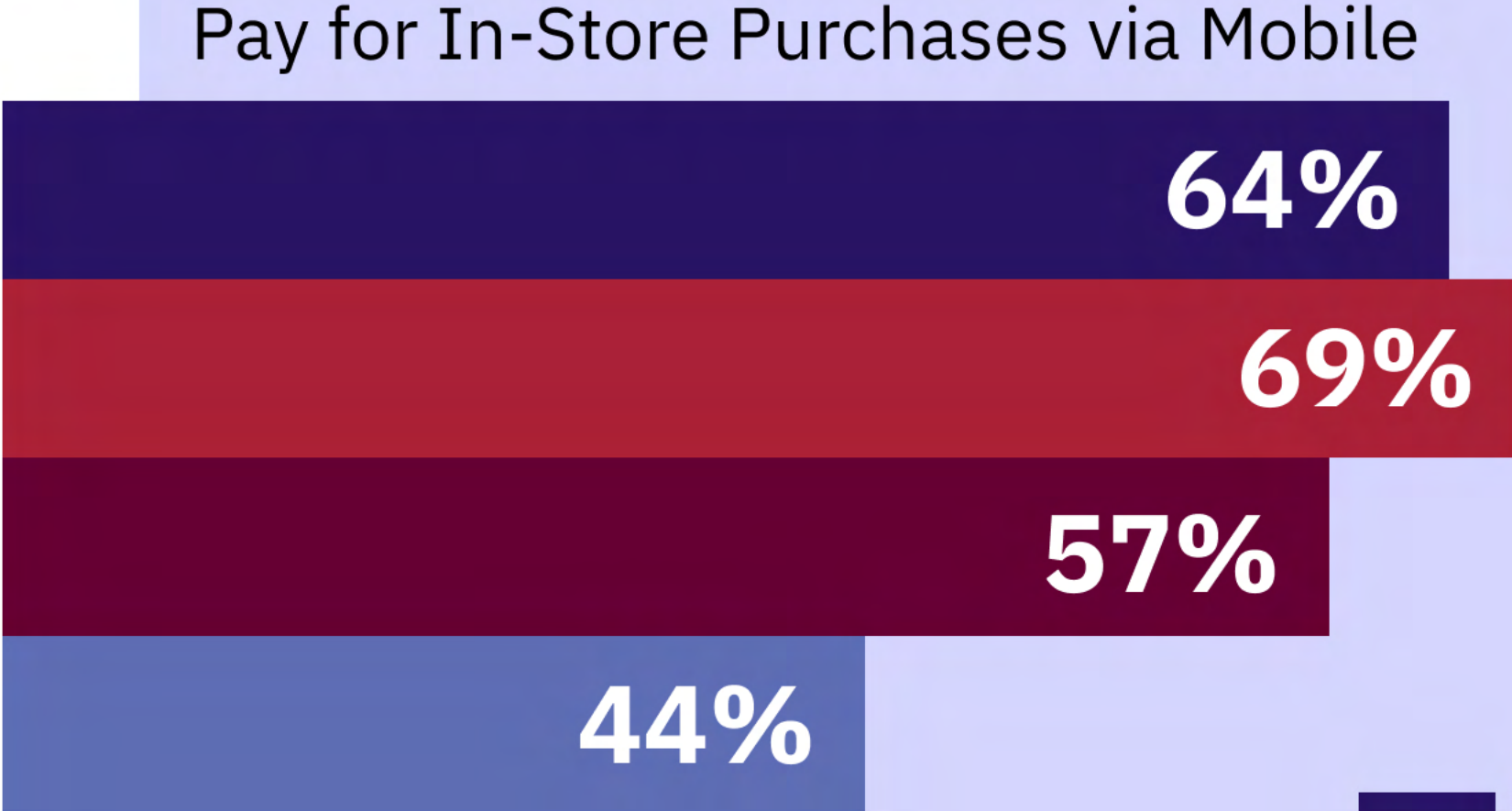
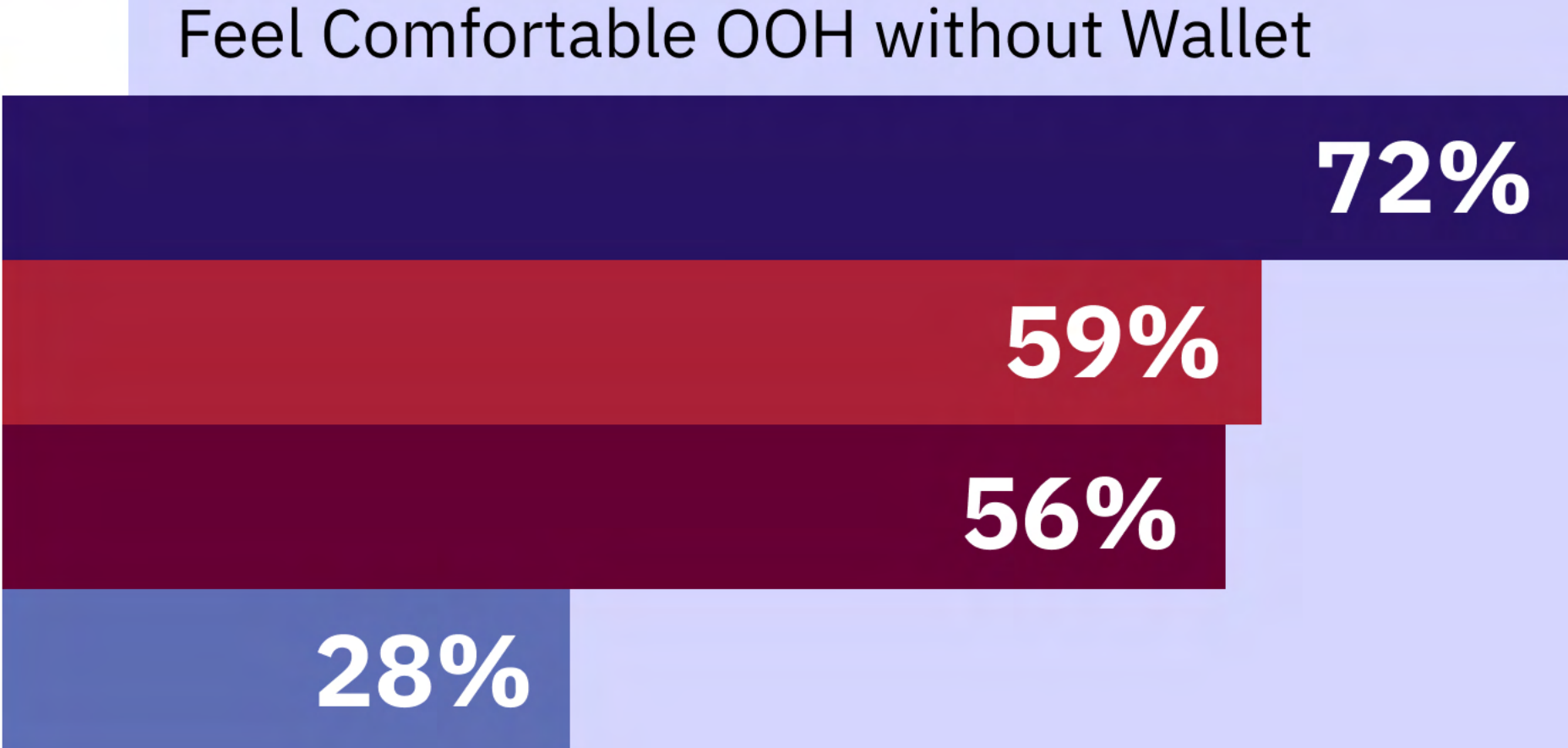
**Tapped-to-Pay for
In-Store Purchase**

Total N = 1025

Younger Shoppers Drive Expectation that Mobile Payments are Accepted Anywhere

Given their reliance on tap-to-pay, Gen Z shoppers are nearly **3X more comfortable leaving home without their wallets** than Gen Xers – confident their phone is the only thing necessary to successfully manage their daily needs

Mobile Payment Attitudes



20s N=199 30s N=274 40s N=271 50s N=270

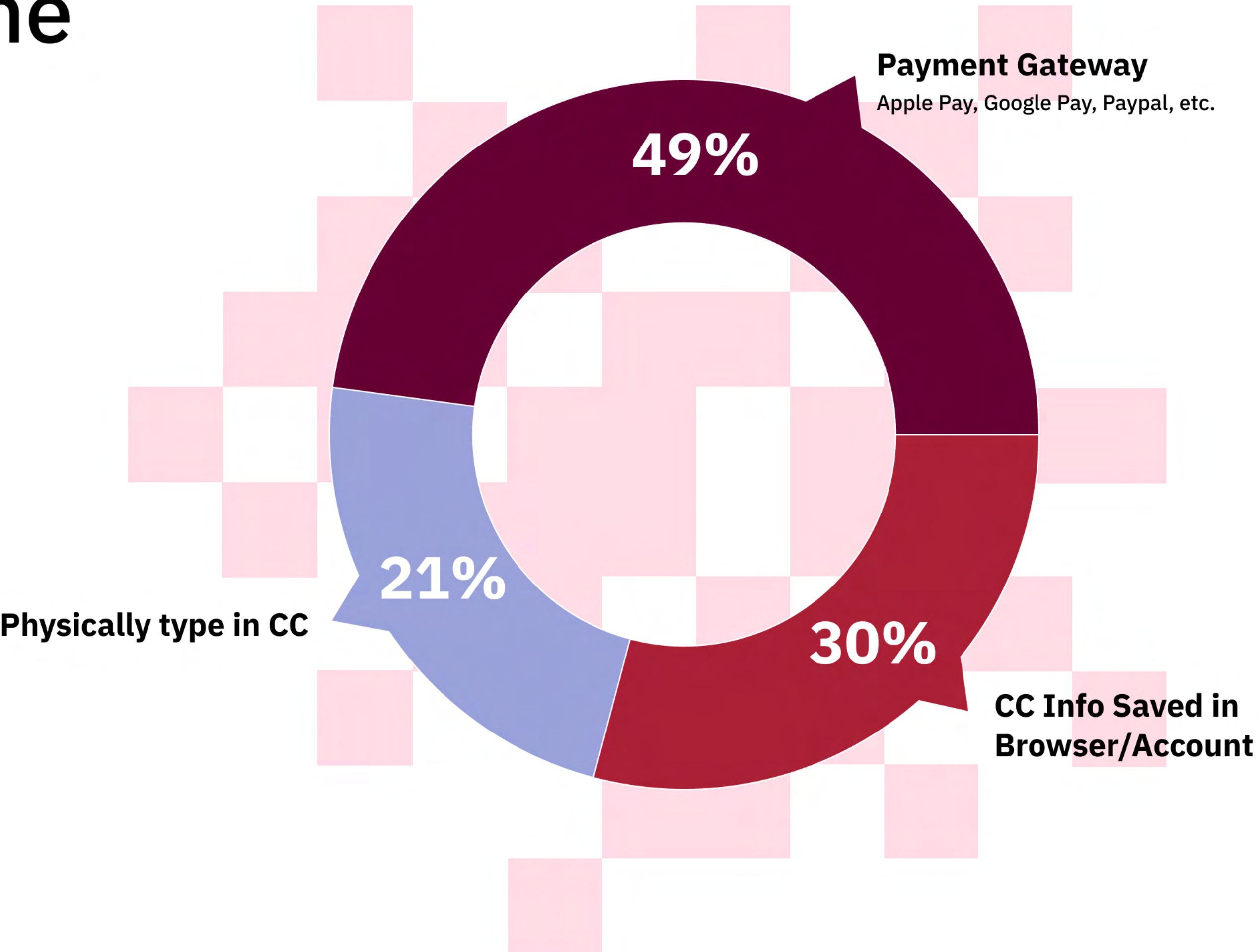


Online, Payment Gateways and Saved Credentials Cement the Credit Card's Role as a Relic Across Demographics



Only **1 in 5 consumers** are still pulling out the plastic to complete mobile eCommerce transactions

Preferred Method for Mobile Transactions



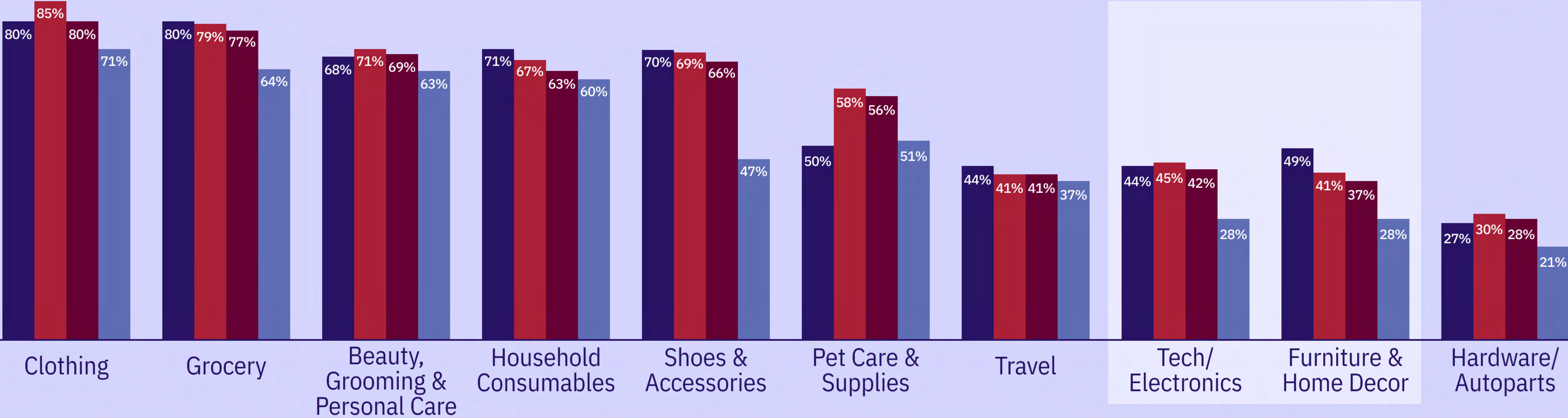
Total N = 1025

Trust Translates into Transacting at Higher Price Points

Shoppers in their 20s and 30s are *more open to purchasing more categories* on their phones, including big-ticket categories like Tech & Home

Categories Purchased on Mobile in Past 6 Months

20s	30s	40s	50s
N=199	N=274	N=271	N=270



KEY TAKEAWAY 02

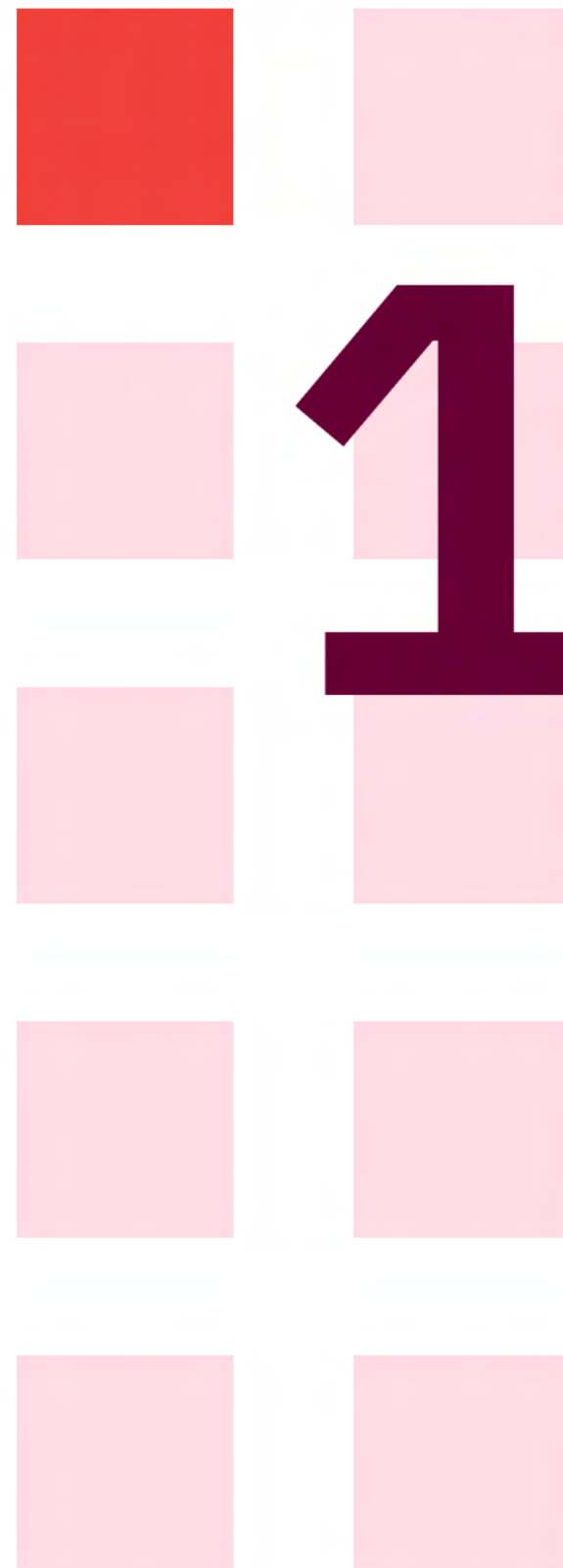
AI is a means to an end—streamlining choice, encouraging action and reducing decision fatigue. ChatGPT and social platforms with “smart search” are re-routing first steps of the customer journey.

Mindset Shift: Seeking Recommendations Over Results



42%

Have Incorporated ChatGPT into their Shopping Process — Primarily During Product Consideration/Research



1 in 10

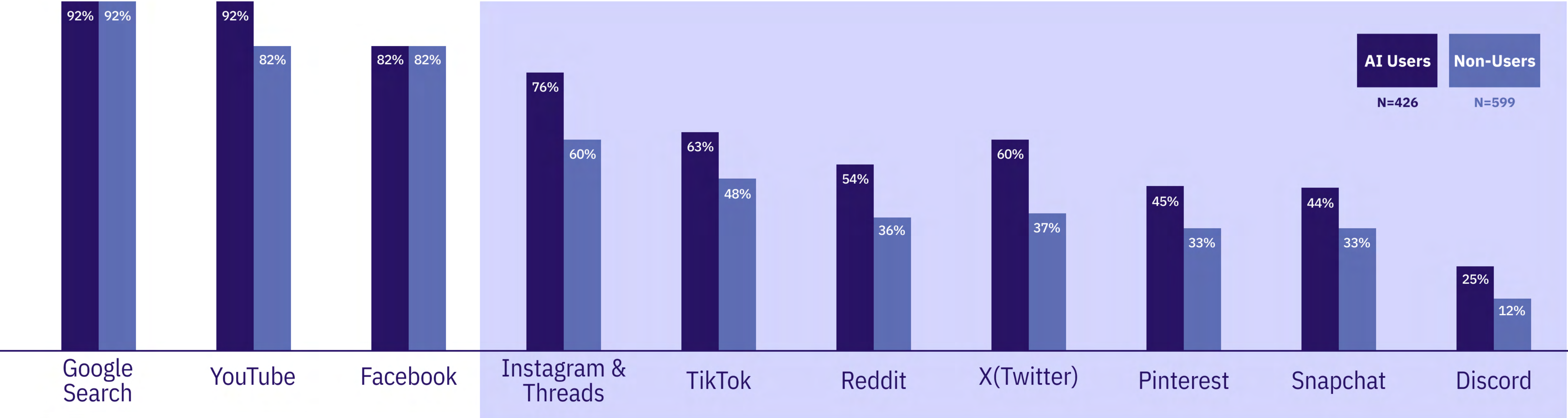
Would Choose ChatGPT over Google when Researching a 'New-to-Me' Category

Total N = 1025

Embrace of AI and Reliance on Social Go Hand-in-Hand

Google, YouTube and Facebook remain ubiquitous, but *those who've actively sought out ChatGPT as a shopping resource are significantly more likely to leverage a greater variety of digital platforms with AI integrated into their native search functionality.*

Platforms Used in the Online Shopping Process



AI Users are Comforted by Reduced Friction and Fatigue

91%

AI **gives me guidance** so I don't have to filter results for myself

89%

AI-generated review summaries are a **huge help** when making purchase decisions

87%

Search "powered by AI" **assures me** I'll get more personalized recommendations

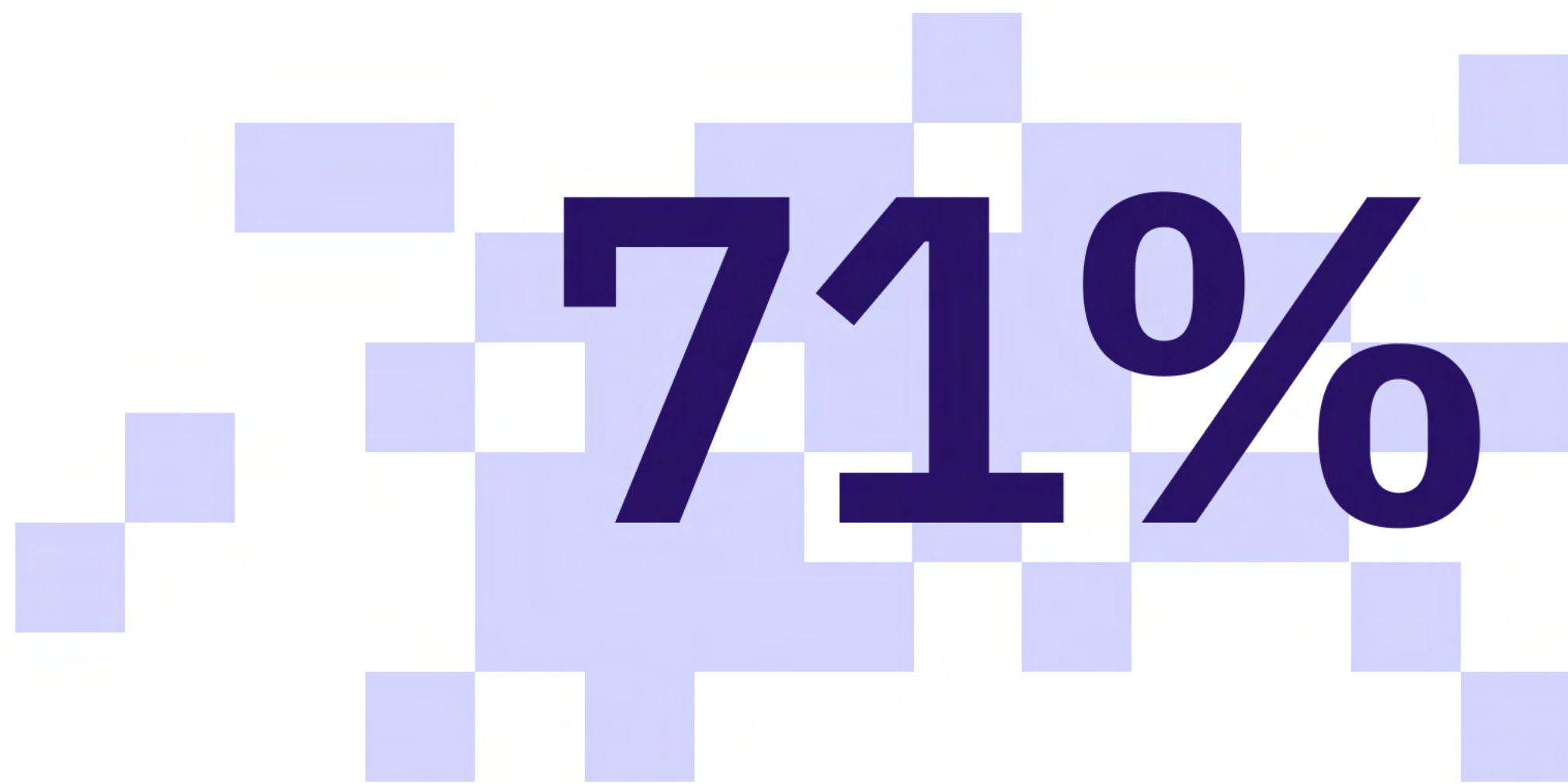
Use AI N=426



KEY TAKEAWAY 03

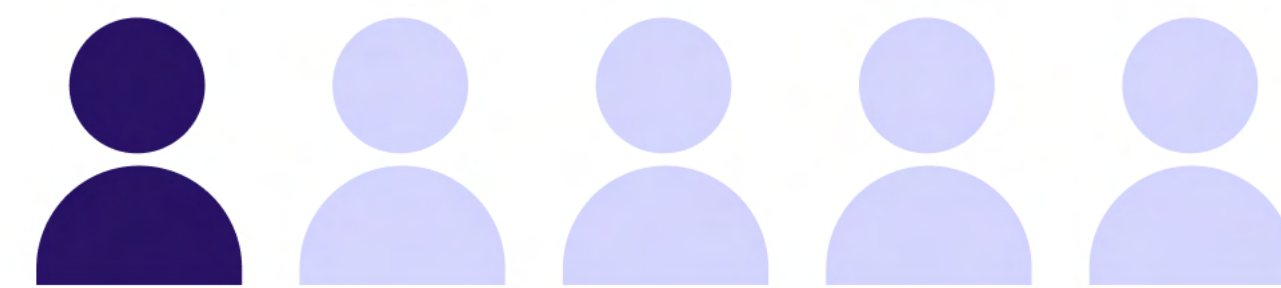
AI is a catalyst for contextual relevance. Consumers recognize the benefits of AI for online shopping, expressing optimism about how AI can impact their unique experiences.

Convenience Matters More than (Possible) Consequences



are **Unconcerned** about the Implications of AI in the Shopping Experience

1 in 5

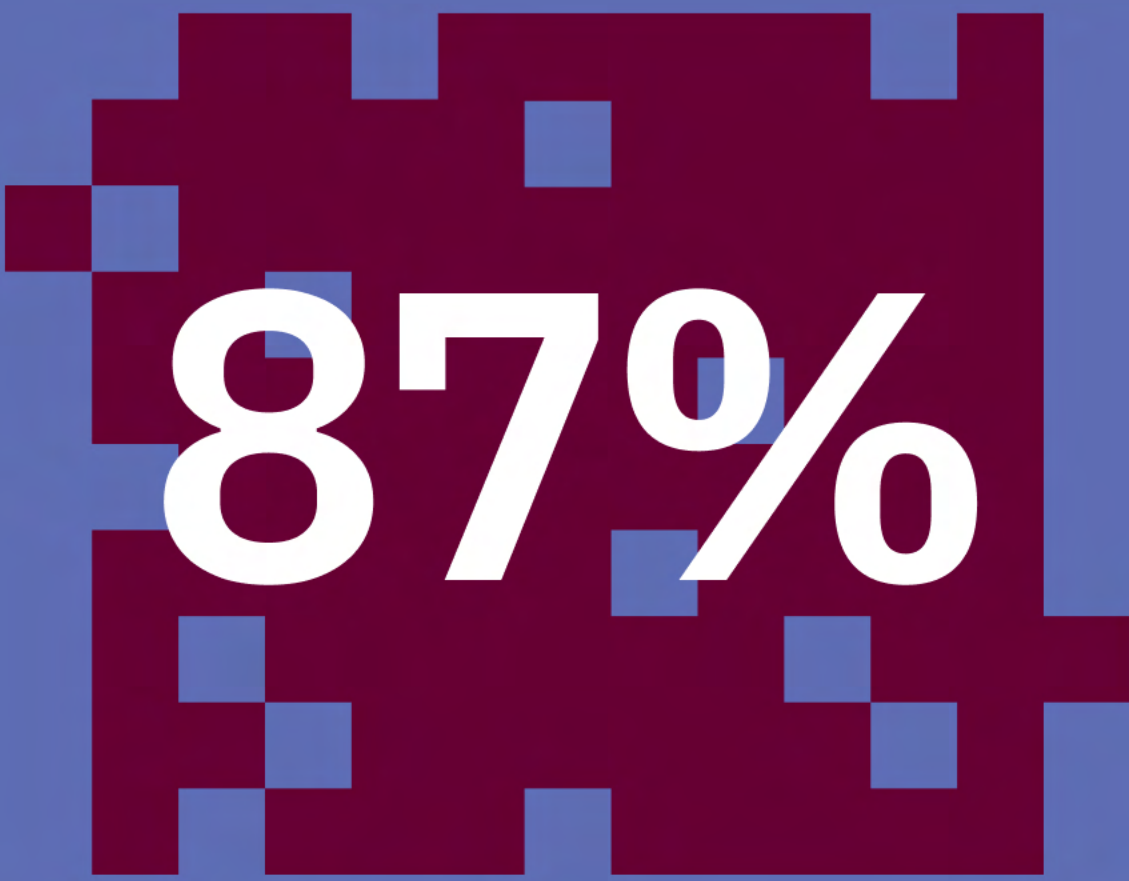


feel **Empowered** when Digital Platforms Integrate AI into UX

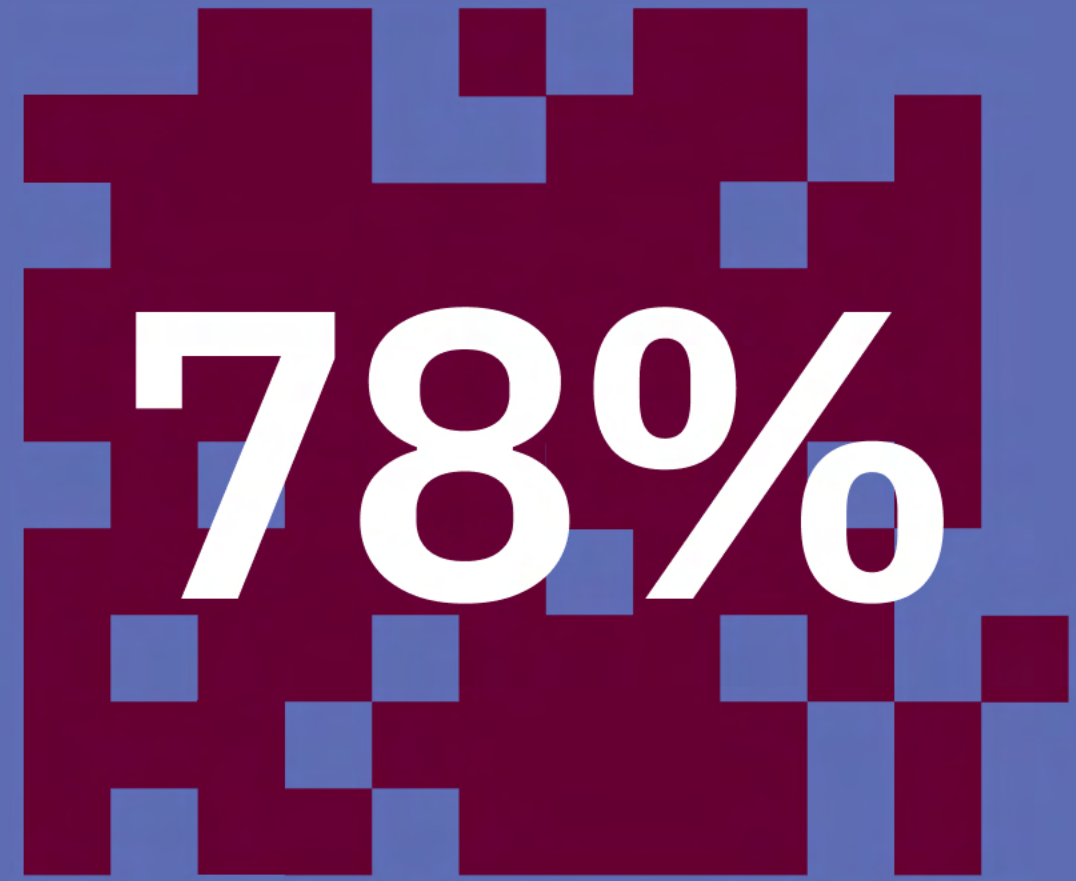
Total N = 1025

Consumers Have Great Expectations for AI Outcomes

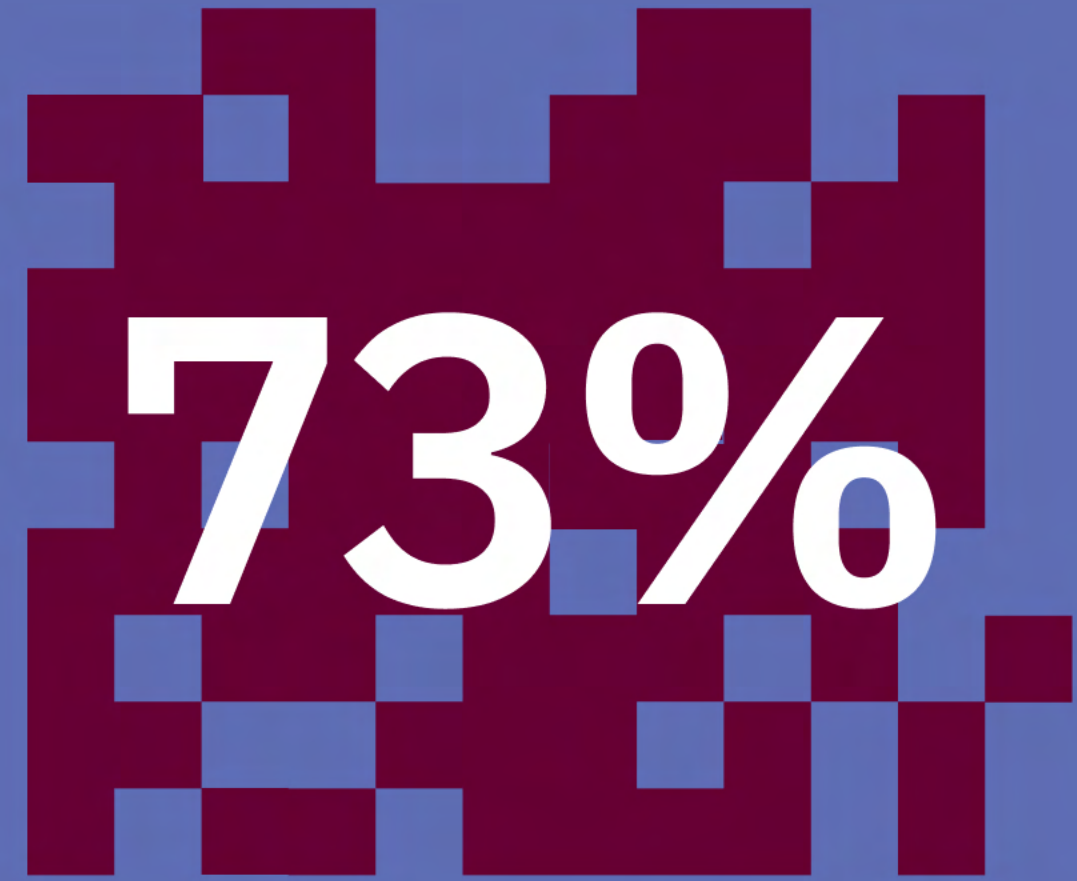
When thinking about impact of AI on their lives, consumers imagine AI will ultimately...



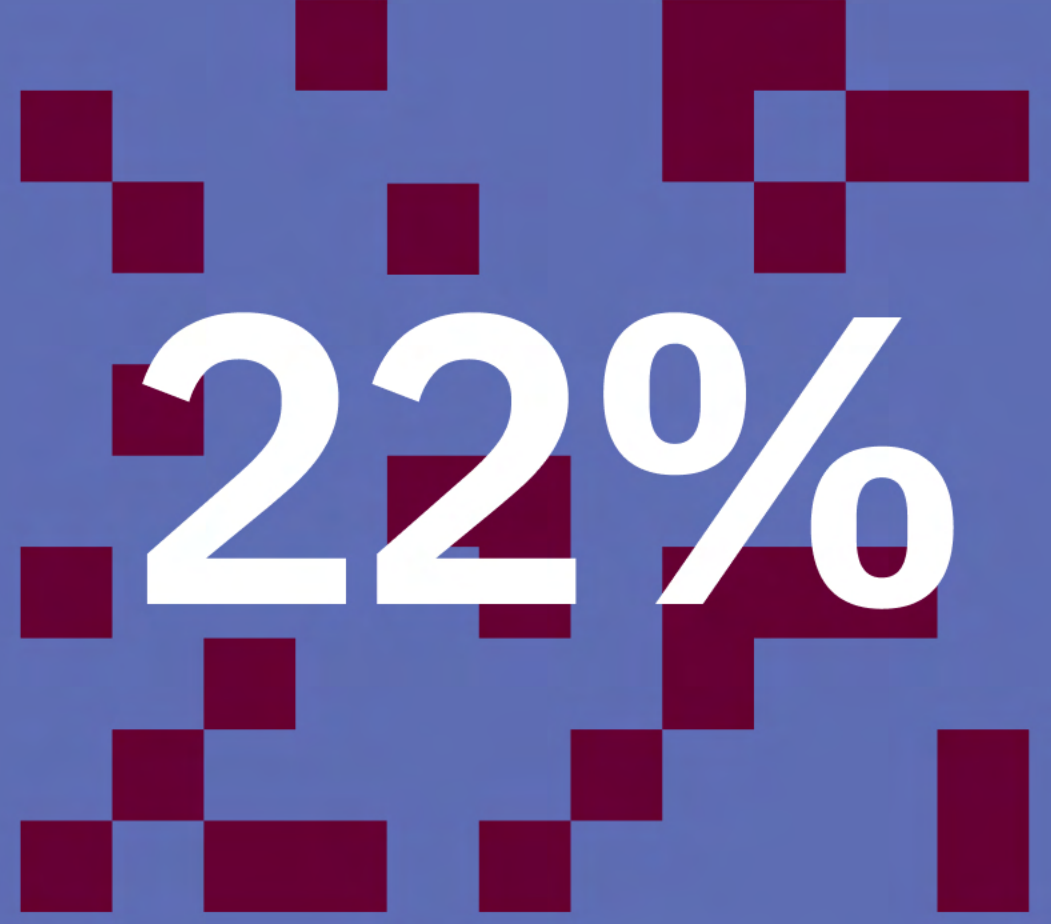
Make it **Easier** to Find What I Need



Make Shopping Experiences More **Enjoyable**



Enhance Customer Service & Support



Make Shopping **Less Personal**

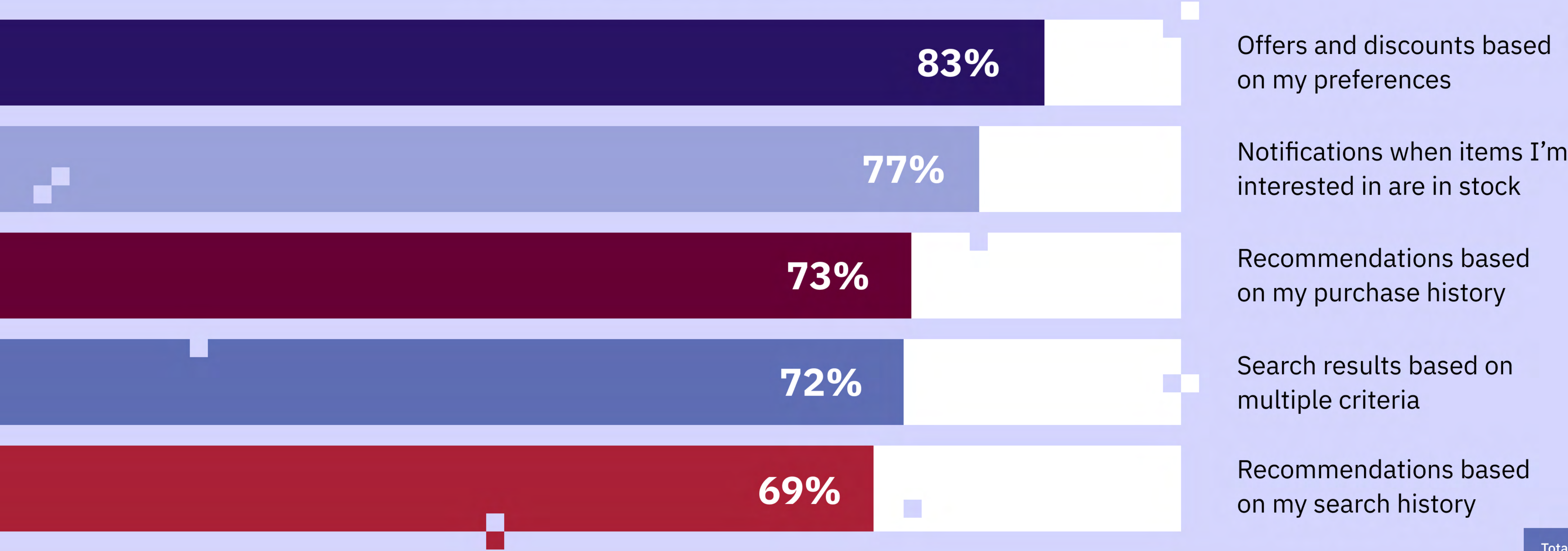
Total N = 1025



Customized Offers and Inventory Updates are Most Craved

Consumers want more content that reflects past behaviors and builds on prior experiences

Top 5 Most Desired AI-Driven Personalization Features



Total N = 1025



KEY TAKEAWAY 04

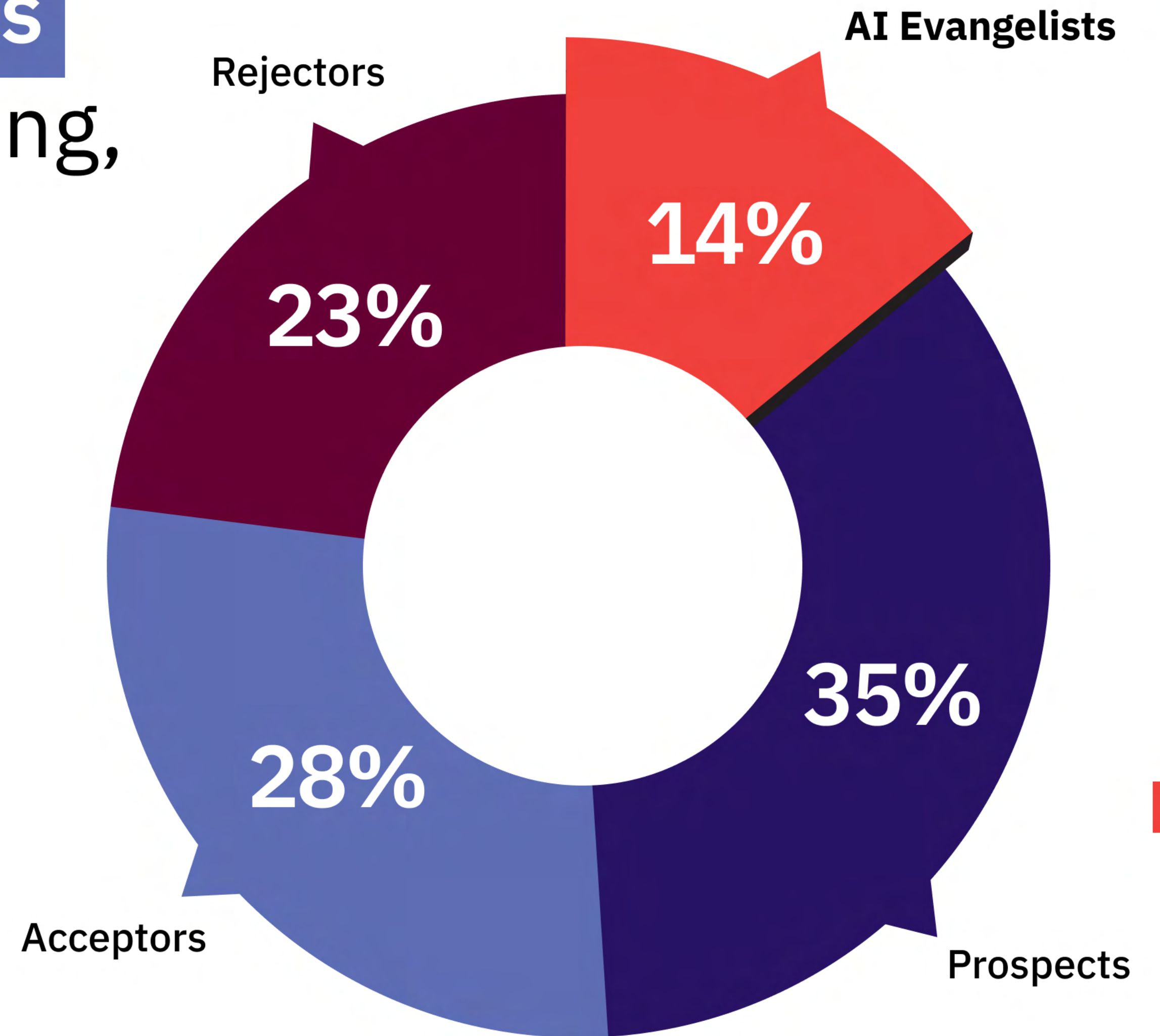
The consumer AI Evangelist has arrived. Tech savvy but not always mobile native, early adopters with a positive outlook on AI are setting new norms for eCommerce expectations.

Four Consumer Segments Reflect the State of AI Adoption



AI Evangelists	Acceptors	Prospects	Rejectors
Use AI in Shopping Journey	Use AI in Shopping Journey	Have <i>Not</i> Used AI in Shopping Journey	Have <i>Not</i> Used AI in Shopping Journey
<i>Feel Empowered by AI</i>	<i>Positive Outlook on AI, but Not Empowered</i>	<i>Positive Outlook on AI</i>	<i>Negative Outlook on AI</i>

Approximately 1 in 6 Consumers are AI Evangelists—Experimenting, Optimistic AND Empowered by the Outcomes



Total N = 1025

Meet the AI Evangelist

Consumers on the Leading Edge

Skews Male | Mostly Millennial | Affluent Earners

Highly Educated | 1 in 4 Have Advanced Degree

Diverse | 49% are non-White/mixed ethnicity

VR Believers | 2x more likely to own VR device vs. average consumer

Gamers | 50% more likely to play vs. average consumer

In Tap They Trust | 1 in 3 believe they can “always” pay for with their phone



AI Evangelists N=140

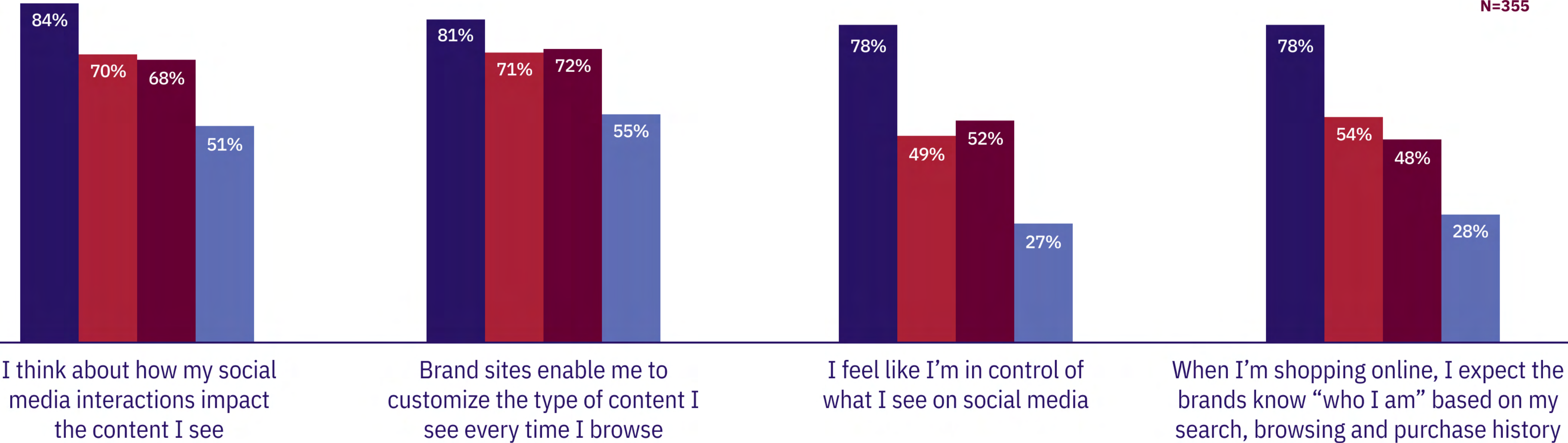
Demanding Personalized Experiences Across Touchpoints

Regardless of whether it’s “the algorithm” or free will, AI Evangelists are more deliberate about their online activities—and they expect that to translate into more relevant content and experiences.

- Conversely, AI Rejectors express a lack of agency around their content consumption.

Attitudes Towards Algorithmic Control & Customization

AI Evangelists	Acceptors
N=140	N=286
Prospects	Rejectors
N=355	N=244





Implications

- Increasingly, our phones are the portal to everything in our digital and physical lives. **Truly omnichannel experiences are less about where people are, and more about how they're transacting.** Don't entice cart abandonment by insisting on legacy transaction modes.
- Thanks to algorithms and AI, **social channels are beating brand sites at their own game**—serving as a trusted source for discovery and product research. Help visitors tune out what they don't want with smarter search, filters and integrations to make site experiences more resonant.
- For consumers, **AI is a means to an end.** No longer skeptical of AI-enabled experiences, consumers are welcoming innovation that makes their lives easier. When marketing enhanced functionality, focus on the outcomes vs. the operations.
- **The first wave of consumer AI Evangelists has arrived.** Smarter and savvier about tech than the average shopper, they're rapidly setting the tone for what “good” experiences look like in 2025 and beyond. Ignore them at your peril.

This Report is Brought to You by



Bloomreach personalizes the ecommerce experience, unifying customer and product data to unlock what customers want in real-time. Leveraging that insight dynamically across channels means the ecommerce experience becomes limitless – continuously reflecting a changing customer as they shop. With the scale of AI, this creates endless new paths to purchase, greater profitability, and accelerated business growth. Our products include the Engagement marketing automation platform, the Discovery eCommerce search solution, and Content, a headless content management system. Bloomreach holds more than 30 AI patents and serves 850+ global brands including: Albertsons, Bosch, Puma, and Marks & Spencer.

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DETAILED METHODOLOGY

An online survey was conducted from August 19-22, 2024 with N=1,025 US adults aged 18-60, HHI \$50k+. Overall participant distribution reflects Census on US region, gender and ethnicity; all participants were screened to be smartphone shoppers with Amazon Prime accounts. The survey was administered via Forsta, with sample delivered by Full Circle.



