

AI-READY OR NOT: ARTIFICIAL INTELLIGENCE HERE WE COME!

MILLENNIALS EDITION



In October 2016, Weber Shandwick and KRC Research released **AI-Ready or Not: Artificial Intelligence Here We Come!**, a survey of 2,100 global consumers and 150 senior-ranking marketers. In its most basic definition, artificial intelligence (AI) is intelligence exhibited by machines. It is frequently thought of as robotics, but encompasses a broader range of technologies, some of which are in wide use among the general population today. **AI-Ready or Not** gauges consumer perspectives on AI and arms marketers with insights on how to communicate in the next wave of the information age, the era of artificial intelligence.

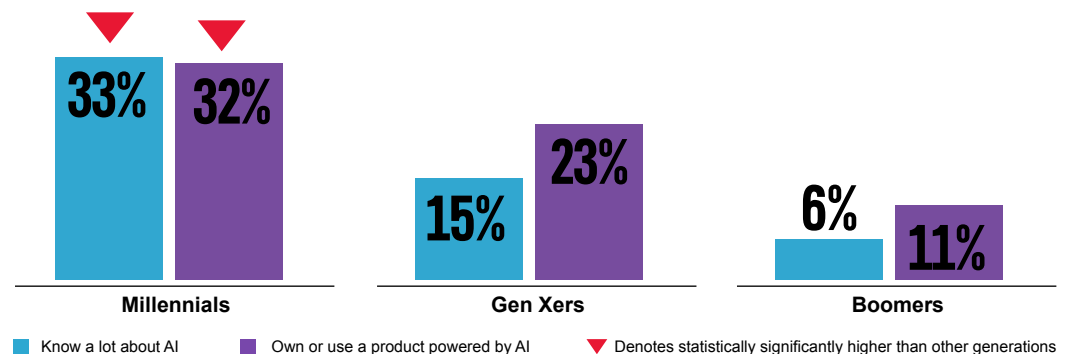
Among the consumers in this research were 682 Millennials (born between 1981-1996). We believe Millennials will be a key AI target for marketers. Why? According to a report from Goldman Sachs Asset Management, the spending of Millennials globally is predicted to increase by 17% over the next five years, overtaking the purchasing power of Baby Boomers by 2018.¹ And, according to the Global Shaper Community's Global Shapers Annual Survey 2016, 45% of respondents aged 18-35 believe AI/robotics is the next big trend in technology.² Their strengthening spending power, tech savvy and, as our research shows, amenability to AI, make Millennials a generation worth looking at by AI marketers.

Below are four findings from **AI-Ready or Not** that compare Millennials to Gen Xers (born 1965-1980) and Boomers (born 1946-1964).

1 MILLENNIALS ARE THE MOST KNOWLEDGEABLE ABOUT AI

Millennials are the generation most likely to have deep knowledge about AI. One-third (33%) claim to know a lot about AI, a rate more than twice that of Gen Xers (15%) and five times that of Boomers (6%). Millennials' knowledge about AI likely comes from their personal experience with AI products; they are more likely to own or use an AI product (32%) than Gen Xers (23%) and Boomers (11%).

Knowledge About/Experience With AI



However, despite their knowledge, Millennials' understanding of AI is limited to robots. This finding is consistent across generations when consumers were asked on an open-ended basis to say what first comes to mind when they think of AI. Education about AI will therefore be important for all generations. Marketers will need to broaden consumer understanding beyond robotics, even for the more AI-savvy Millennials.

¹ Goldman Sachs Asset Management, *Investing in the Millennial Effect*, September 2016.

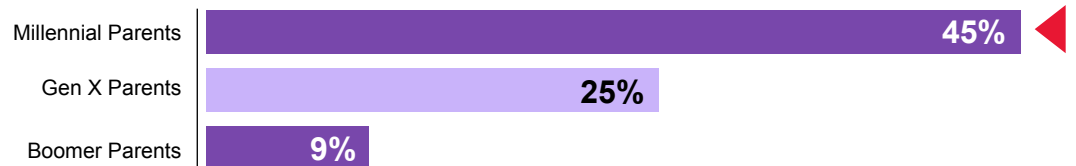
² Global Shapers Community (initiative of the World Economic Forum), *Global Shapers Annual Survey 2016*.



2 MILLENNIAL PARENTS TRUST AI FOR CHILDCARE

Consumers in our survey were presented with a list of 22 tasks and asked which they would trust AI to complete (the full list can be found in Revelation 4 in our main report). While childcare falls to the bottom of the list for each generation, parents who are Millennials are significantly more likely than older generations to trust AI to babysit (45%). A sizable amount of Gen X parents would trust AI (25%), but only 9% of Boomer parents would trust an AI sitter. Millennial parents are a consumer segment worth paying special attention to. According to a report from marketing and advertising agency Barkley, 80% of Millennials will have families within the next 10 years, which equates to more than 40 million households spending money on products and services for their families.³

Would Trust AI to Provide Childcare/Babysitting



◀ Denotes statistically significantly higher than other generations

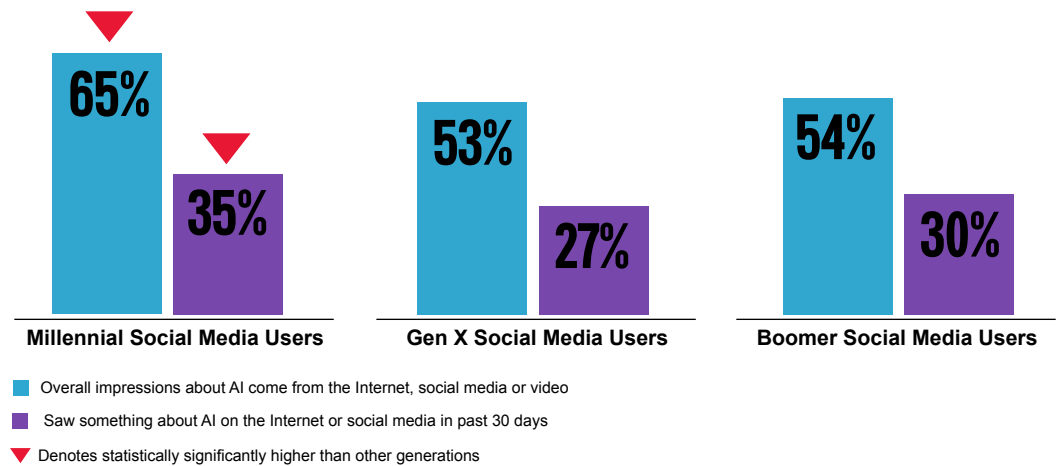
One reason why Millennial parents are more trusting than older parents may be that Millennials themselves grew up with digital technology and are more comfortable with letting their children grow up with new technology as well. For marketers looking to target AI products related to childcare, Millennials would likely be a receptive audience.

³ Barkley, *Millennials as New Parents: The Rise of a New American Pragmatism*, September 2013.

3 MILLENNIALS GET IMPRESSIONS OF AI FROM SOCIAL MEDIA, BUT ARE WARY

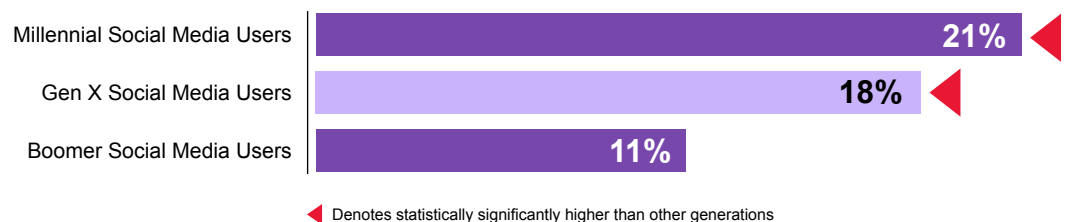
Among social media users, Millennials are more likely than Gen Xers and Boomers to get their overall AI impressions from the Internet, social media or video (65% vs. 53% and 54%, respectively). Millennials are also more likely to say they have seen something about AI on the Internet or in social media in the past 30 days.

Online Exposure to AI



Surprisingly, despite their reputation for being such a digitally savvy generation, only one in five Millennial social media users (21%) trust their online social networks for accurate information about AI. And while they are twice as likely as Boomer social media users to trust social networks (11%), they are no more trusting than Gen X social media users (18%).

Trust Online Social Media Social Networks For Accurate Information About AI

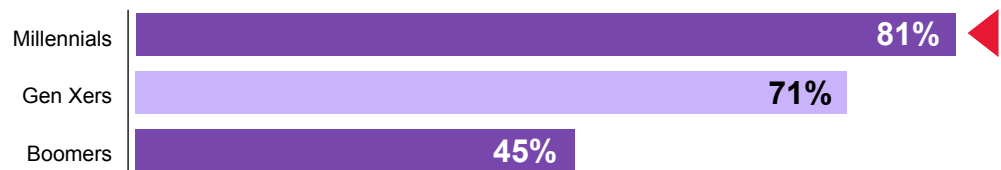


Marketers should think twice about heavily leveraging social networks when doing Millennial AI outreach, especially when attempting to build trust. Instead, they may want to focus on Millennials' top two most trusted resources on AI: technology experts (47%) and hands-on experience (38%).

4 MILLENNIALS HAVE SIGNIFICANT FEARS OF JOB LOSS

Eight in 10 Millennials (81%) believe AI has the potential to at least partially replace their jobs. This belief decreases with age, with 71% of Gen Xers and 45% of Boomers reporting their own jobs are at risk.

AI's Potential For Replacing Own Job At Least Partially

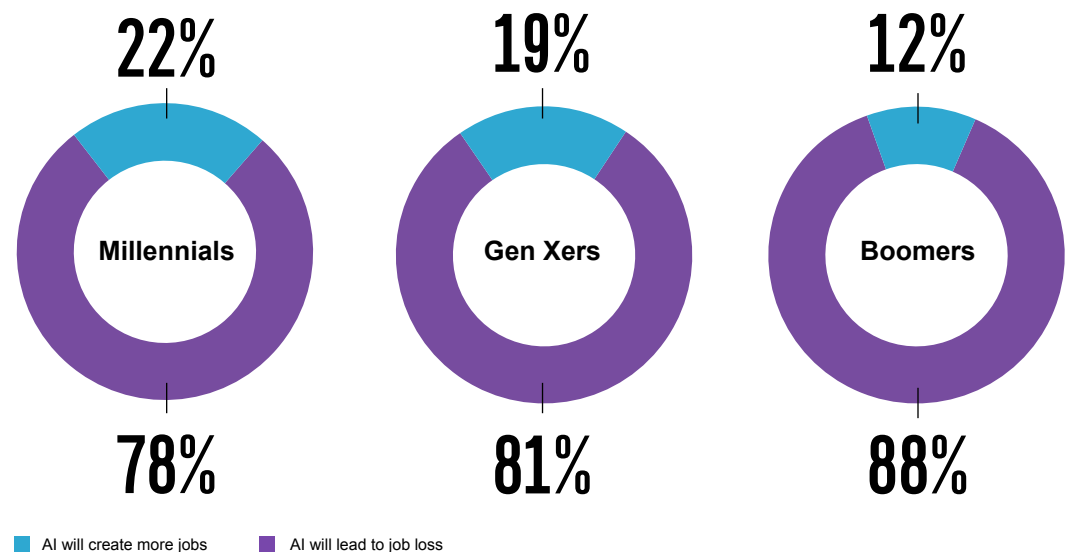


◀ Denotes statistically significantly higher than other generations

For Millennials, this heightened fear may stem from their greater expectation of rapid technological change coupled with the greater number of years they have left in the workforce. Boomers show a much higher sense of job security perhaps because they have either phased out of the workforce or will be exiting within the next decade.

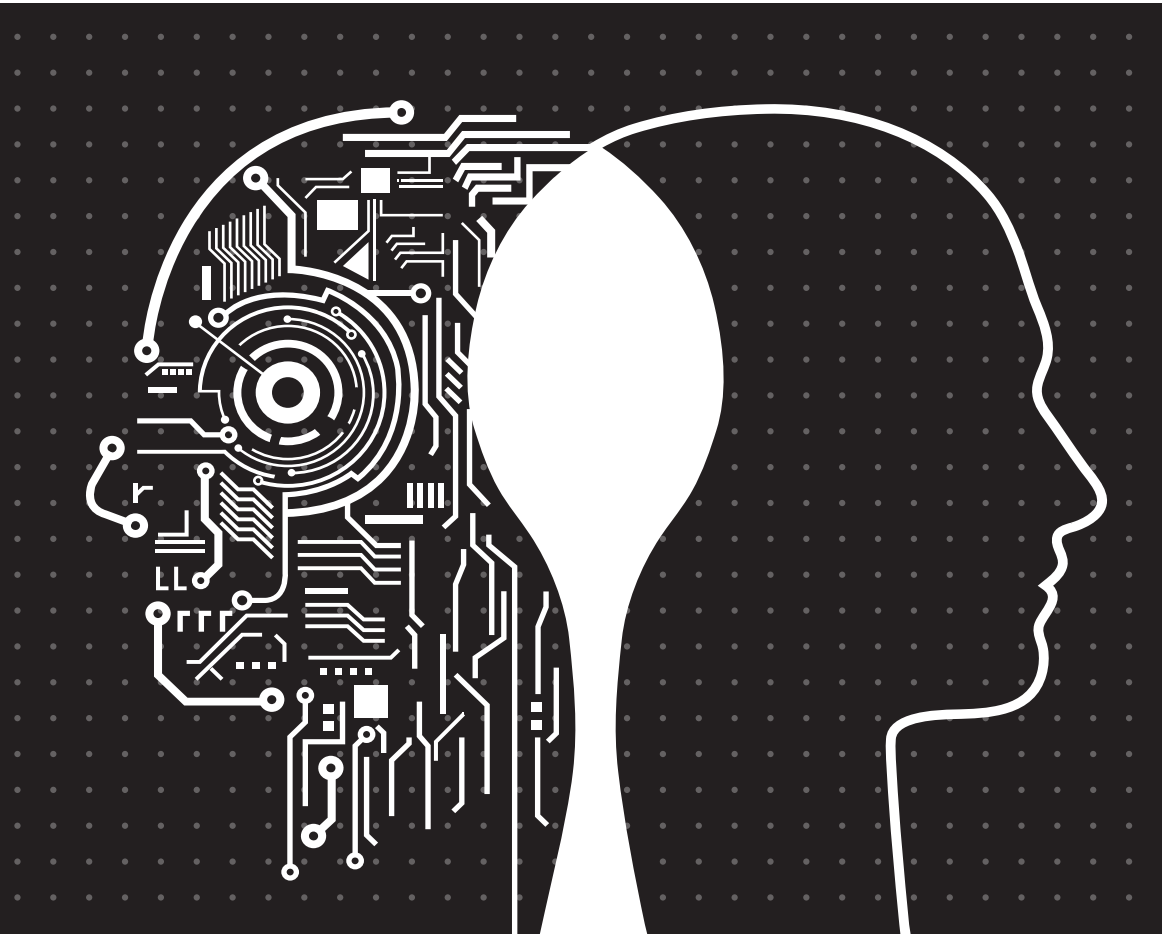
On a broader level, there is a clear perception that AI will lead to more job loss than creation, and this is pervasive across the generations. Three-quarters of Millennials (78%) say AI will lead to job loss compared to 22% who expect job creation.

AI Job Loss vs. Job Creation

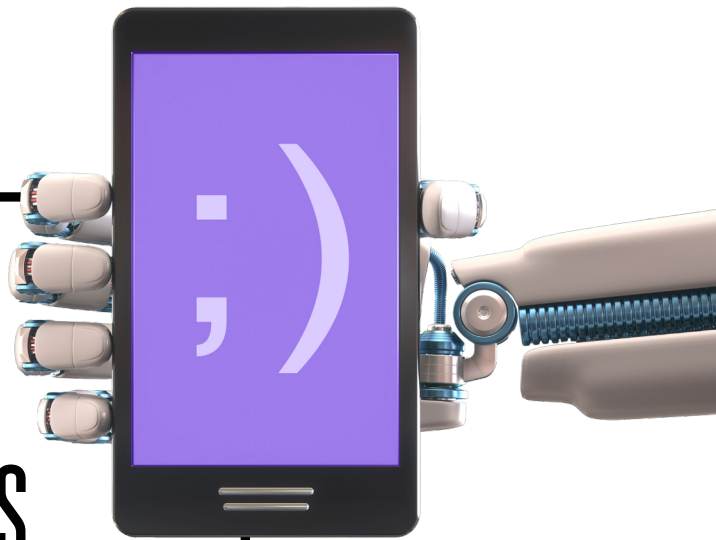


The three generations are in full agreement on their level of concern. Employers should be aware that job loss fears due to AI adoption are a real concern across multiple generation, and they will need to address rather quickly as the speed of AI disruption accelerates.

Very Concerned About Job Losses Due to Workers Being Replaced by Intelligent Machines or Technologies



IMPLICATIONS FOR MARKETERS WHEN TARGETING MILLENNIALS



BROADEN THE BASELINE UNDERSTANDING.

Educating all generations about AI is imperative. As their AI activities increase, marketers will need to broaden consumer understanding beyond robotics, even for Millennials, a highly coveted and critical segment to attract.

CONSIDER MILLENNIALS WHEN MARKETING AI CHILDCARE PRODUCTS AND SERVICES.

For marketers looking to target AI products related to childcare, Millennials are a receptive and trusting audience. They will likely be happy to expose their children to the latest technologies, knowing they will be growing up in the AI era.

DON'T FOCUS TOO HEAVILY ON MARKETING THROUGH SOCIAL NETWORKS.

It would seem as though for Millennial targeting, social networks would be a prime channel. However, in the case of AI, social networks probably won't build the trust that is required. Instead, focus marketing resources on what Millennials are more likely to trust: technology experts and hands-on testing.

ADDRESS JOB CONCERNS OF ALL GENERATIONS.

Employers need to acknowledge the possibility that their workers fear their jobs are in jeopardy because of AI. This is something that should be handled sensitively by company leaders in any internal communications on the subject. Employers need to be thinking about life in the AI era, where it will be necessary to retain the qualified workers they have, retrain others and attract new workers where they find talent gaps. Retraining workers may be especially important when targeting Millennial employees.

For more information about **AI-Ready or Not: Artificial Intelligence Here We Come! (Millennials Edition)**, please contact thoughtleadership@webershandwick.com