

AI — A NEW HOPE

International consumer study on consumer-facing
AI applications in Consumer and Home Electronics

June 2024

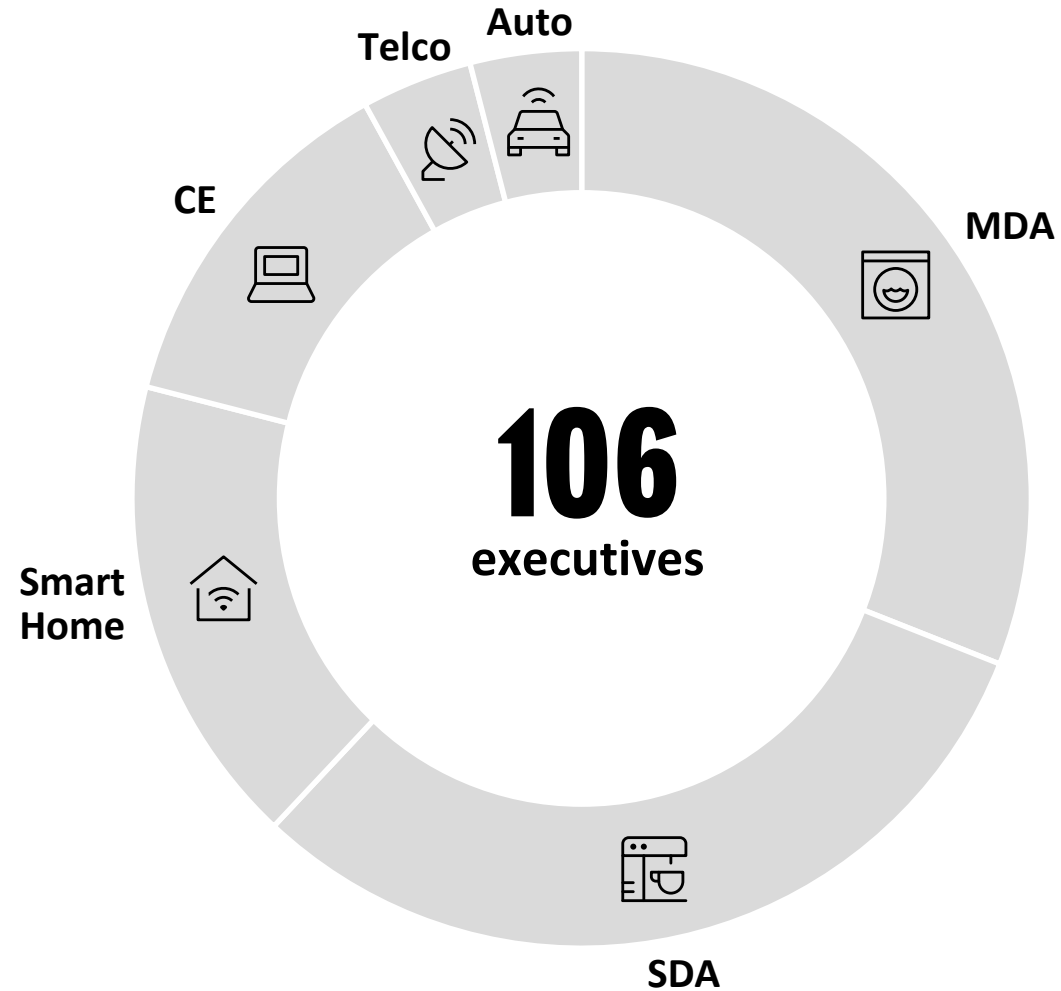
A business of Marsh McLennan

THIS STUDY WAS CONDUCTED IN MAY 2024

Joint study by GFU
and Oliver Wyman

Executive survey,
conducted across four main
industries in May 2024








Sample size by industry



Source: Oliver Wyman Executive Survey, n = 106

WE ASKED EXECUTIVES ABOUT CUSTOMER-FACING AREAS OF AI APPLICATIONS

Seven customer-facing areas of AI applications

Customer journey stage	AI application areas	Examples
Before the purchase	 Advertising/ Performance marketing	AI-based ad optimization
	 Sales advice	Virtual shopping assistant in own web shop
During product usage	 Personalization, user interface and product features	Suggested programs/working modes based on past user behaviour
	 Energy management	Automatic working mode selection based on recognized usage
	 Predictive maintenance	AI-based prediction of maintenance needs
After-sales	 Product support	Chatbots/AI-based self-help services
	 CRM/Consumer engagement	Personalized newsletters/ product suggestions

Source: Oliver Wyman Executive Survey, n = 106

EXECUTIVES EXPECT AI TO WEAVE INTO ALL ASPECTS OF COMPANY PERFORMANCE



*AI will be as **impactful as moving from the typewriter to the computer.***

*We expect AI to **enable our employees to deliver better-quality work,** translating into better decisions and improvements for our customers.*

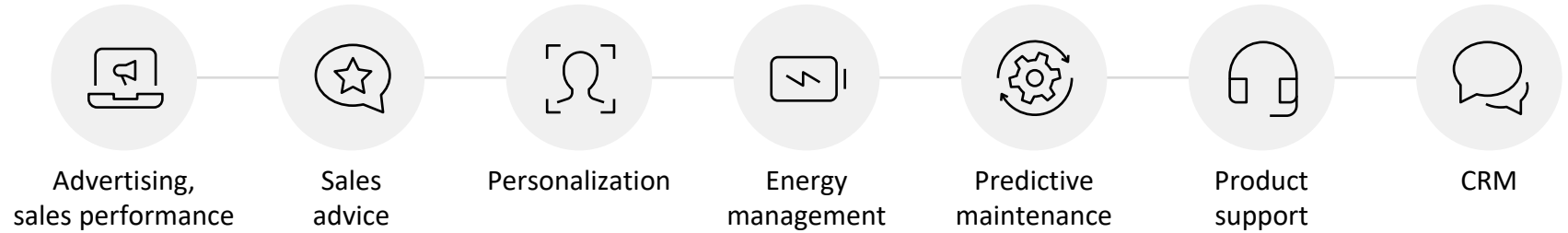
*By implementing AI solutions, we expect not only **efficiency gains,** but also higher **employee satisfaction** and **better decision-making** based on comprehensive data analysis instead of gut-feeling and experience. We expect that in the long run, **AI will be autonomous in making routine decisions** — more fact-based and faster than humans.*

Source: Oliver Wyman Executive Survey, n = 106

COMPANIES ARE ACTIVELY DEVELOPING AI APPLICATIONS

Currently, personalization and product support most broadly used, by >50% of companies

Current usage of AI applications across areas



Today

>95%

of companies have implemented applications in at least **one** area

68%

of companies have implemented applications in at least **three** areas

7%

of companies have implemented applications in at least **five** areas

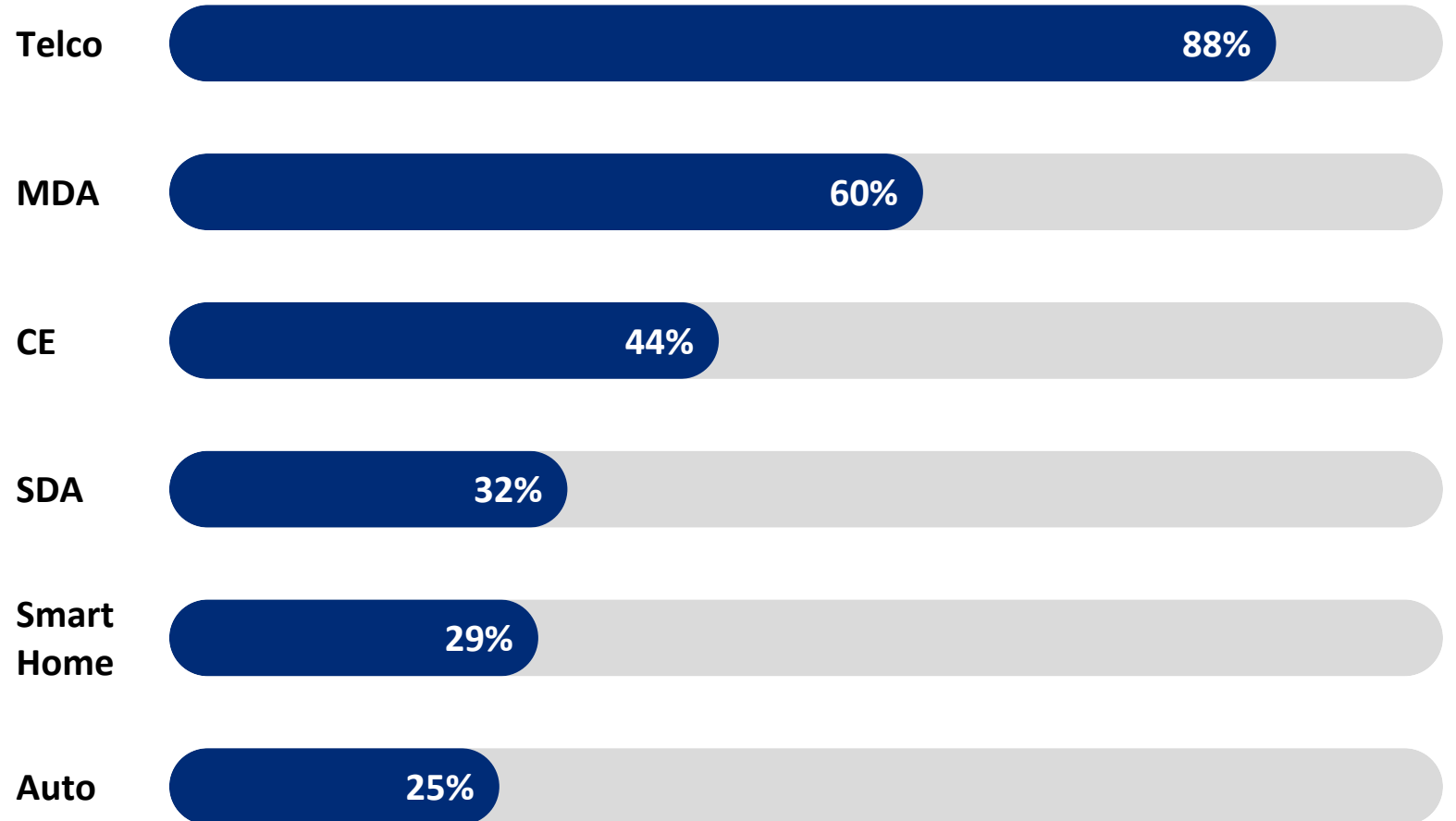
Source: Oliver Wyman Executive Survey, n = 106

MATURITY OF AI IMPLEMENTATION VARIES BETWEEN INDUSTRIES

On average, Telco leads with 88% of companies having implemented AI applications in four or more areas, while SDA Smart Home and Auto lag somewhat

Current AI usage per industry

% of companies with implemented AI applications in at least four areas



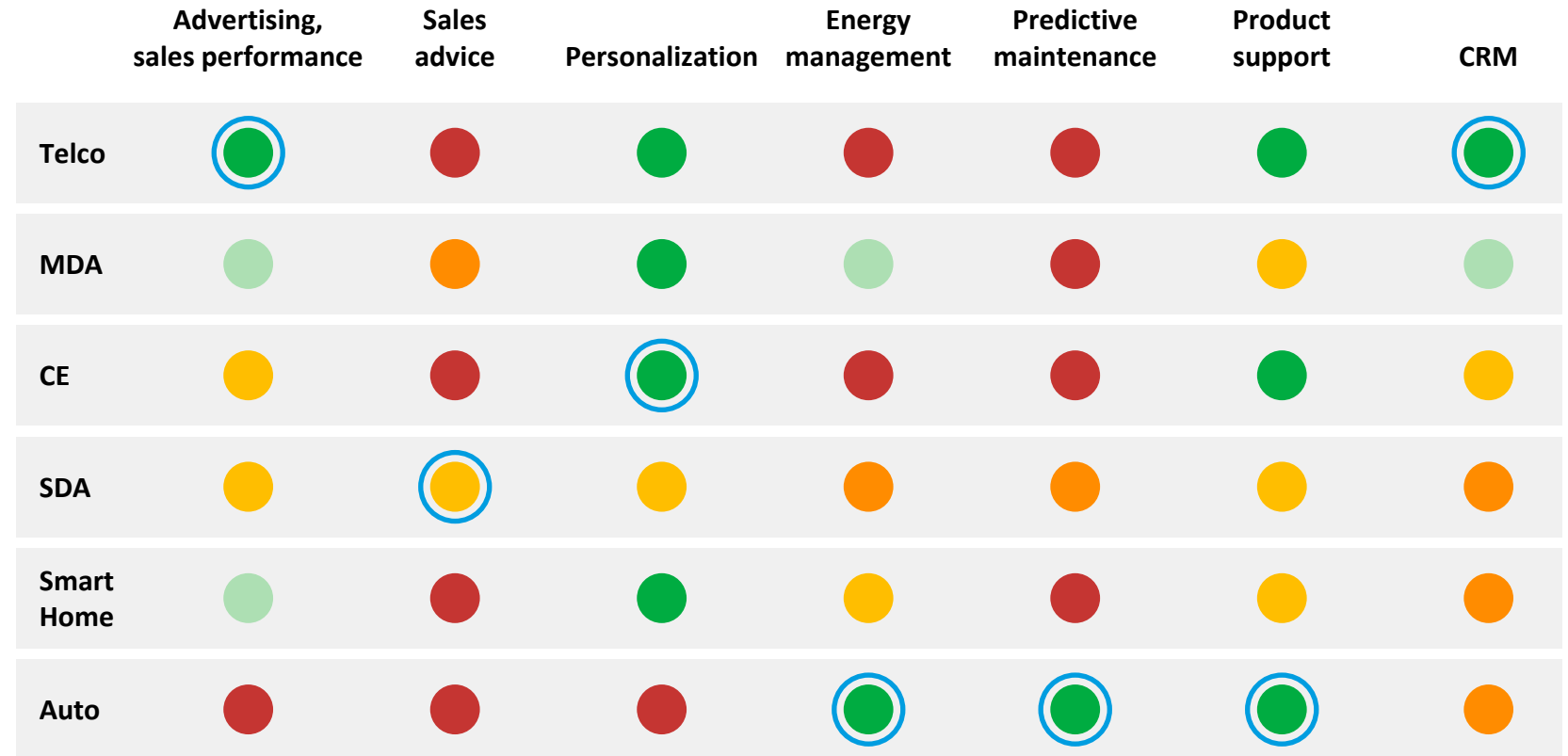
Source: Oliver Wyman Executive Survey, n = 106

POCKETS OF EXCELLENCE ARE SPREAD ACROSS INDUSTRIES

Even relative “laggards” in one area can be “leaders” in another area

Current AI penetration per industry per area

% companies with implemented AI applications per industry



Low implementation ● ● ● ● High implementation ● Area leader ○

Source: Oliver Wyman Executive Survey, n = 106

COMPANIES REALIZE VARIED UPSIDES FROM AI APPLICATIONS

Sales advice and advertising generate strong upside across impact metrics, other AI areas with more targeted impact

Current impact of AI applications per impact metric

Ranking of % improvement on impact metric, top five for companies that use the AI area today

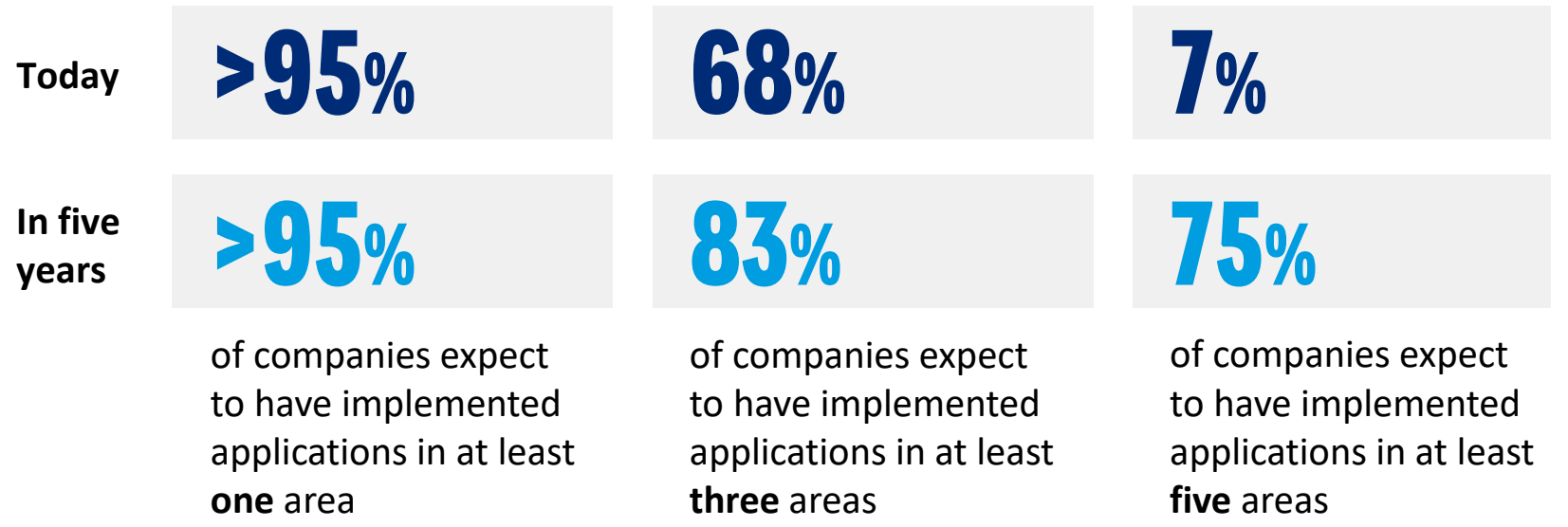
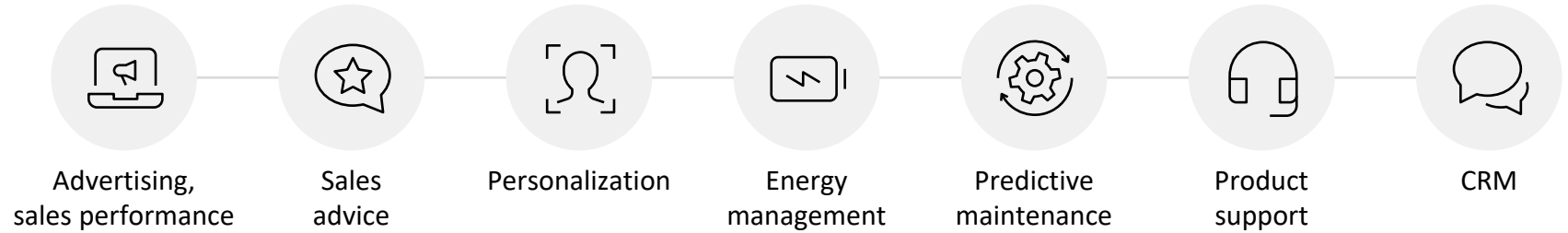
	Reduced structural/ operating costs	Improved customer satisfaction	Increased net sales	Increased gross profit
#1	Sales advice	Sales advice	Sales advice	Advertising
#2	CRM/Consumer engagement	Predictive maintenance	Advertising	Sales advice
#3	Personalization	Advertising	Predictive maintenance	Personalization
#4	Product support	Product support	CRM/Consumer engagement	CRM/Consumer engagement
#5	Advertising	CRM/Consumer engagement	Product support	Energy management
	3.4%	3.4%	2.8%	1.9%
	Average % improvement			

Source: Oliver Wyman Executive Survey, n = 106

COMPANIES ARE VERY AMBITIONS IN ROLLING OUT AI IN THE FUTURE

Ramp-ups are planned across all AI areas, with applications across the board expected to be implemented by around 90% of companies by 2028

Expected future usage of AI applications across areas



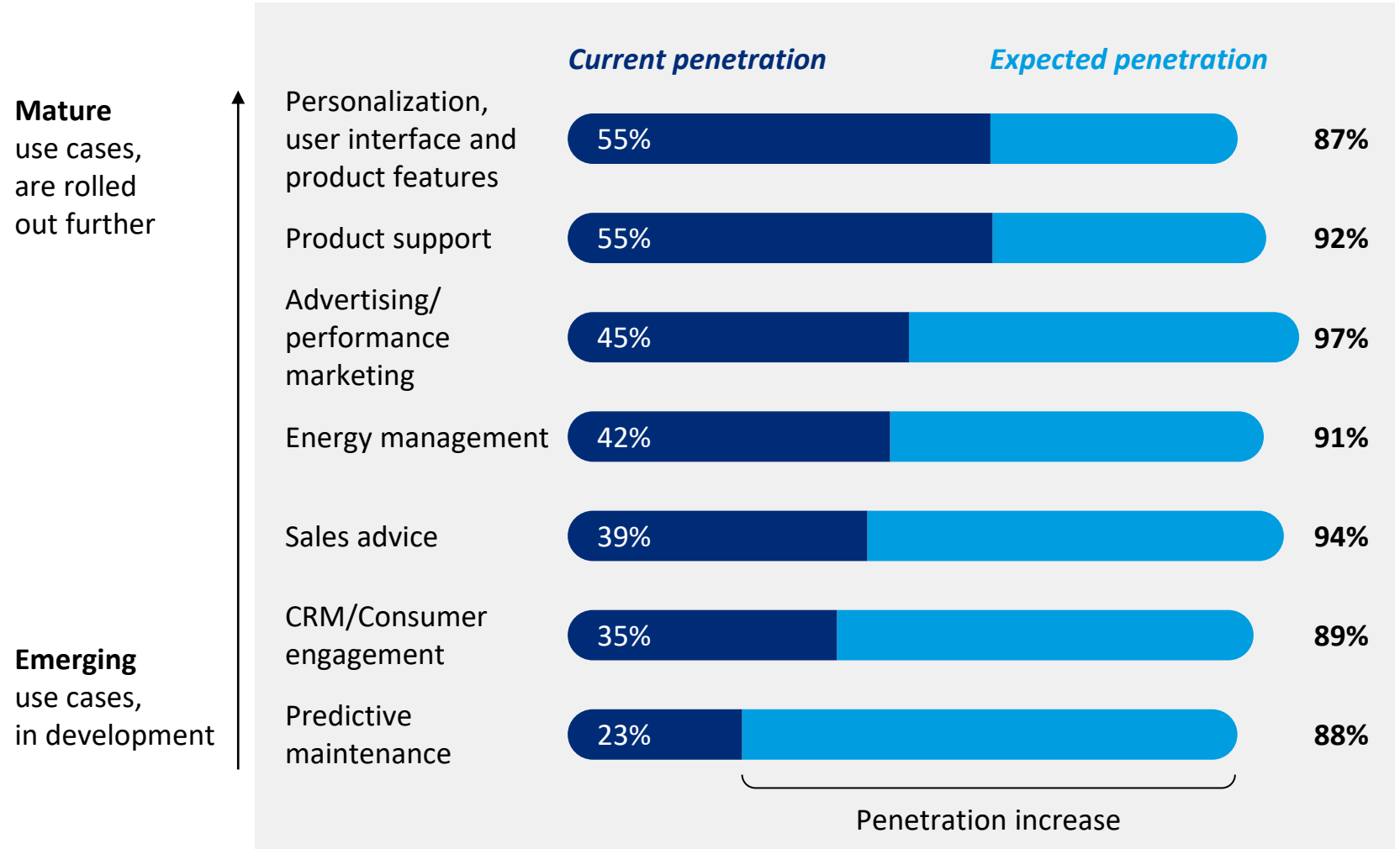
Source: Oliver Wyman Executive Survey, n = 106

COMPANIES AIMING TO RAMP UP THEIR AI USAGE ACROSS THE BOARD

Currently, personalization and product support with most common live usage (55% of companies) — In the future, all AI areas with expected penetration of ~90%

Current and expected penetration per AI application area

% of companies that have implemented/expect to implement AI applications



Source: Oliver Wyman Executive Survey, n = 106

GETTING THE MOST OUT OF AI REQUIRES SHIFTS IN WAYS OF WORKING



*Soft skills will become more important. You need to be able to **ask the right questions** to get the most out of AI.*

*In 10 years, **every employee will be able to work with AI.***

*AI will be a key prerequisite in the future. The **training effort is comparatively small** compared to other technical innovations. Especially the young generation is showing a strong interest in AI and educating themselves.*

Source: Oliver Wyman Executive Survey, n = 106

KEY RESULTS OF THE STUDY



Executives expect **AI to weave into all aspects of company performance** — adding up to a substantial impact the bottom line, and with large benefits for efficiency and quality at all levels



AI implementation is in full swing (99% use ≥ 1 AI area, 67% use ≥ 3), but **maturity differences** across industries, with Telco and MDA leading. Between AI areas, **Personalization and Product support** with highest penetration today



“AI niche champions” exist for all AI areas and are **spread across industries** — even relative “AI laggards” in one area can be “AI leaders” in another



Currently, **effects from AI** mainly on **structural costs (-3.4%)** — most impact generated by **AI in Advertising and Sales advice**. Companies also realize significant efficiency and quality improvements



Forward-looking, companies are **very ambitious in rolling out AI across all areas** — 75% aim for live use cases in at least five areas, translating to **future penetration for all AI areas of ~90%**



Adoption of AI causes **shift in company skill-sets from “execution” to “decision-making” skills** — employees are excited for the change, but require support to make it happen



A business of Marsh McLennan