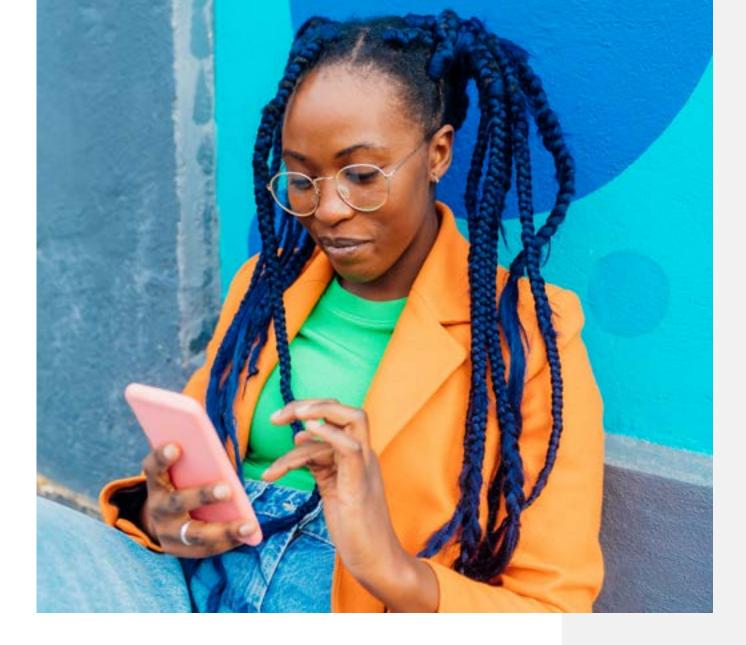# Consumers and the GenAI effect:
A competitive advantage

Capgemini

A [new research report](#) finds consumers who have used GenAI are embracing it – and that's having a major influence on how they shop for goods and services.

Consumers have been learning about and experimenting with generative AI (GenAI) for a little over a year now – and as they're becoming more familiar with the technology it's changing how people interact with consumer products companies and retailers. Those engaging with these organizations – whether through in-person shopping experiences or via customer service representatives, chatbots, or other channels – now expect more sophisticated, natural customer experiences that only GenAI-powered systems can deliver.

What's more, a track record of positive experiences with GenAI is now changing consumers' purchasing behaviors. This has important business implications. It's clear that embracing GenAI to improve customer experiences is no longer an option but a necessary business tactic. But here's the good news: organizations that master the use of this rapidly evolving technology while deploying guardrails and governance to maintain consumer trust stand to realize significant competitive advantages.

Consumers are open to GenAI-managed experiences

GenAI builds upon the ability of artificial intelligence to analyze data and make predictions. It's able to learn and adapt by combining multiple instructions from a company's team members with the organization's data to rapidly generate new text, images, audio, and video. Properly deployed and managed, GenAI can enhance human teams to create superior customer experiences – leading to happy, loyal customers, and repeat business.

By any measure, the growth of GenAI has been quick and its reception has been impressive. Many consumers have experimented with ChatGPT, DALL-E, and other publicly available GenAI applications – and their impressions have been overwhelmingly positive.

In its recent report, What matters to today's consumer – the 2024 consumer behavior tracker for the consumer products and retail industries, the Capgemini Research Institute shares several key indicators of GenAI's success:

72% of those surveyed were aware companies are deploying GenAI tools to improve shopping experiences.

What's more, **66%** said they're open to purchasing new products or services recommended by GenAI.

20% of those asked reported they have already engaged with a GenAI tool when shopping.

Confidence in the technology is high, with **55%** reporting GenAI notably enhanced their shopping experience.

As a consequence, consumers are transforming their online purchasing behaviors. The report notes that 52% of those who have used the technology have replaced traditional search engines with GenAI tools when looking for product recommendations. Meanwhile, 52% of those who have engaged with the technology have actually purchased products based on recommendations made by GenAI.

Digging further into the report, Capgemini researchers noted Millennials (aged 25 to 40) are leading the embrace of GenAI-enhanced shopping, followed closely by Generation Z shoppers (aged 18 to 24). Without a doubt, GenAI will be an important tool for enterprises seeking to attract younger consumers to their brands and build lifelong relationships with them.

Consumers are also increasingly aware of ethical issues

At the same time, it's important organizations in this sector closely monitor and manage their use of generative AI. Even as consumers grow knowledgeable about the benefits of this technology and become more comfortable with its use, they're also more aware of potential challenges.

Capgemini researchers discovered significant consumer concerns about the potential for GenAI being used for unethical ends. More than six in 10 of those asked cited concerns about GenAI being used to produce false testimonials, create misleading reviews, or clone competitors' product designs or formulas. Almost six in 10 also cited worries that human artists and creators may not be recognized or compensated when their works are used to train GenAI models.

Of those surveyed, 70% want companies to inform them when interactions may involve GenAI. The option to escalate from GenAI to a human representative was also desired by 70% of survey participants.

These findings provide valuable direction for organizations looking to leverage the advantages of this technology.

Don't delay GenAI plans

As the research makes clear, GenAI is here to stay. Consumers are using it, are comfortable with it, and – most importantly – they like it. Increasingly, consumers will demand the kind of services from companies that only GenAI can provide. Therefore, every company should craft a strategy to implement the technology – if they haven't already.

A good first step is ensuring the enterprise has the right talent in place to manage GenAI. Engaging the right strategic partner – one that understands both the technology and the specific subsector in which the business operates – is an excellent place to start.

This strategic partner should be able to identify use cases and build solutions. It should also ensure the company has the right technology platform in place. GenAI requires massive amounts of data from across the company's ecosystem to do its best work, so it's essential that this platform enables the enterprise to deploy secure, reliable, and scalable solutions.

Good governance is a must

Consumer products companies and retailers live and die on brand reputation, so it's vital that organizations in this sector have a proper governance structure in place to ensure that all GenAI solutions they deploy are responsible and ethical. The right strategic partner will help the company deploy proper guardrails to protect the integrity of key elements of its brands, as well as ensuring the use of GenAI is always in compliance with all data privacy and other regulatory requirements.

Elevating the possible with GenAI

GenAI is a new and rapidly evolving technology that is already proving its value, helping companies elevate their customers' experiences through more personalized service that's informed by the context of the engagement.

To help companies in the consumer products and retail sector (CPRS) create and execute a successful GenAI vision, Capgemini has established partnerships with all major GenAI platform providers and other technology companies. Capgemini leverages this technology expertise – plus its own experience as a strategic technology partner to companies in the sector – to design, deliver, and support GenAI strategies and solutions that are secure, reliable, scalable, and tailored to the unique needs of its clients.

This work includes the data platforms GenAI runs on, the large foundation models and enterprise-specific knowledge models that GenAI relies on, the guardrails that protect data and govern its use, and the design and deployment of business use cases that are feasible and will deliver tangible outcomes.

To learn more about our CPRS use cases or to understand how we've helped your peers in the industry, Please contact:

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About Capgemini

Capgemini is a global business and technology transformation partner, helping organizations to accelerate their dual transition to a digital and sustainable world, while creating tangible impact for enterprises and society. It is a responsible and diverse group of 340,000 team members in more than 50 countries. With its strong over 55-year heritage, Capgemini is trusted by its clients to unlock the value of technology to address the entire breadth of their business needs. It delivers end-to-end services and solutions leveraging strengths from strategy and design to engineering, all fueled by its market leading capabilities in AI, cloud and data, combined with its deep industry expertise and partner ecosystem. The Group reported 2023 global revenues of €22.5 billion.

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