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Media Alert: Consumers in Australia and New Zealand embrace AI-led customer experience, but brands lag in adoption

- 39% of consumers in Australia and New Zealand favour AI-assisted brand interactions, but only 6% of brands are using generative AI to enhance customer experience
- Consumers on alert about data privacy and security as brands underestimate the impact of poor data usage

SYDNEY, Australia — November 2, 2023 — Consumers in Australia and New Zealand (ANZ) are global frontrunners in their preference for AI-driven customer experiences (CX), however ANZ brands are trailing the world in harnessing the latest AI innovations, a new report shows.

According to Adobe's [State of Digital Customer Experience](#) report, around 4 in 10 ANZ consumers (39%) would choose an AI-enabled tool or service over a human interaction. Many more want both options to be available, particularly when exploring new products and services.

Despite these preferences, and many ANZ consumers anticipating CX benefits from generative AI, brands are falling behind global peers. Only 6% are deploying or piloting generative AI to enhance CX initiatives compared to 18% globally. Brands in Europe and the US are also around twice as likely to already have dedicated AI budgets, and internal usage policies are more than three times as prevalent.

However, ANZ brands are committed to improving their generative AI capabilities in the next 12 months, with 43% saying it is their primary CX focus. That puts it at the top of the strategic agenda.

"Preferences for AI-assisted brand interactions are emerging as consumers see the potential benefits of generative AI. While ANZ brands are slower to launch generative AI initiatives than others globally, it's their number one strategic focus for enhancing customer experience," said Katrina Troughton, Vice President and Managing Director for Adobe ANZ

ANZ consumers more data-conscious in the generative AI era

The majority of ANZ consumers (58%) want brands to offer the same level of personalisation online and in-person, and they want unified, seamless experiences in every interaction. However, meeting this expectation remains a top challenge for brands.

Many are yet to adopt the data-driven technology tools and capabilities needed to deliver personalisation at scale and keep pace with customer preferences.

"Consumers say personalised experiences leave a lasting impression, but most brands struggle to deliver them. Delivering a great experience relies on connected data and insights, acted on in real-time. But with consumers acutely aware of data security and privacy issues, brands must prioritise responsible practices to hold on to customers," said Troughton.

Both consumers and brands agree that data privacy and security concerns constrain personalisation. Brands say consumer reluctance to share data is a top barrier behind inaccurate data collection. However, they underestimate the impact of data missteps. Over two-thirds (68%) of consumers will stop or consider not buying from a brand that isn't transparent about personal data use, but only 40% of brands believe it impacts retention.

Consumer attention on data practices extends to generative AI. ANZ consumers are the most worried of any location that, as brands use generative AI, their personal data will be used without consent (63%). They are also among the highest globally to believe that too much data about their behaviours will be collected (62%).

Across ANZ, many brands are yet to respond to the need for stronger AI guardrails to meet consumer expectations and ensure trust isn't compromised. Just 3% of brands have ongoing or completed initiatives to create internal usage policies, while 5% have created a working group tasked with considering it.

About the research

The *State of Digital Customer Experience* research is derived from a global survey of 4,000 consumers and 1,500 executives and direct reports (collectively referred to as 'brands'). The survey, conducted by Oxford Economics, was in field between June and August 2023. The Australia and New Zealand analysis comprises a sample of 200 consumers and 75 executives.

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