

DIGITAL TRENDS: CONSUMER – CANADA – 2023

2023 saw an explosion in the capability of generative AI and consumers are growing increasingly uneasy.



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Digital Trends: Consumer - Canada - 2023

This report looks at the following areas:

- Wearable tech ownership and interest
- Utilization of AI for generative content and household maintenance
- Willingness to engage with and consume AI-generated content and media
- Concerns and fears over AI advancement and impact on the job market
- General attitudes towards AI, wearable tech and the metaverse
- Activities interested in participating in within online spaces



2023 saw an explosion in the capability of generative AI and consumers are growing increasingly uneasy.

Overview

Generative AI entered the cultural zeitgeist of Canadian consumers in early 2023 with an explosion of excitement and popularity as consumers started to fully realize and conceptualize on a mainstream level what AI tools were capable of. In March, OpenAI released the newest version of its generative AI tool – a much more accurate and intelligent version of previous models that is able to generate significantly longer form content. Other major corporations are all also building and investing in their own AI models.

The AI renaissance has far reaching consequences for the entire tech and media industries. New LLMs (large language models) are propelling voice-activated smart speakers into new and exciting territory, smart devices are becoming more competent, and generative AI is revolutionizing content creation in a way never-before-seen. Consumers are, rightly, worried about the speed of AI advancement and threats to their livelihood by automation.

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Aside from AI, tech and consumer lifestyles are becoming increasingly intertwined as consumers adapt tech to every aspect of their lives, from wearables to digital social spaces. While things like the metaverse have seen hiccups primarily centered around branding, consumers aren't ultimately averse to spending time in digital spaces both alone and with friends.

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Report Content

EXECUTIVE SUMMARY

Key issues covered in this report

- Overview
- What you need to know
- Key takeaways
- Market predictions
- AI is developing too quickly for consumers
- Ultimately, style is important when it comes to wearable tech
- Generating excitement over the metaverse among non-users is the biggest hurdle for brands
- Opportunities

CONSUMER INSIGHTS

Consumer fast facts

Attitudes towards AI

- Canadians' interest surpasses their unease when it comes to AI technology
 - Graph 1: AI associations, 2023
- Still, brands can help put consumer fears to rest with outreach campaigns
- Proper oversight can mean utilizing third party tools to ensure ethics compliance
- Men feel significantly more positive about AI than women
 - Graph 2: AI associations, men vs women, 2023
- Exciting, cool and fun: younger men need less convincing
 - Graph 3: AI associations, by age and gender, 2023
- When promoting a wide range of AI-driven devices, focusing on AI capabilities is a good tactic to sell to younger men
- Brands have opportunities to increase perceptions of AI among older women
 - Graph 4: AI associations, women 55+ vs overall, 2023
- JoyForAll promotes AI companion robots for seniors
- Utilize diversity and leverage representation when promoting AI to younger consumers
 - Graph 5: AI associations, Asian consumers vs overall, 2023
- Dads are excited for AI, but brands have the opportunity to get all parents onboard
 - Graph 6: AI association with "excited", moms vs dads, 2023
- Consumers feel threatened by AI advancement
 - Graph 7: AI concerns (% agree), 2023
- Brands can position generative AI as a workplace aid rather than a replacement

AI acceptability and competence

- Consumers still have concerns about AI competency when it comes to household management
 - Graph 8: agreement with "I trust AI to complete basic tasks around my house ", 2023
- Younger men are specifically confident in AI abilities
 - Graph 9: agreement with "I trust AI to complete basic tasks around my house", by age and gender, 2023
- Utilizing visual mediums, brands can showcase their devices at work in order to better convince consumers of their efficacy
- Canada's tech-forward minority communities are embracing AI
 - Graph 10: agreement with "I trust AI to complete basic tasks around my house", by race, 2023
- AI can help give diverse communities a voice.
- Dads are more ready to trust AI to manage basic tasks around the house
 - Graph 11: agreement with "I trust AI to complete basic tasks around my house", moms vs dads, 2023
- Most consumers haven't embraced AI for most daily tasks, but many are open to it
 - Graph 12: AI activity awareness and usage, 2023
- Low usage may betray a lack of full knowledge of AI device features
- Younger consumers are more likely to be utilizing AI for household management
 - Graph 13: managing a household, by age, 2023
- Brands promoting AI-aided exercise should work on convincing younger men of its benefit
 - Graph 14: tracking/planning exercise, by age, 2023
- With worries over household competence still prominent, consumers are hesitant to trust AI to drive vehicles.
 - Graph 15: agreement with "I am aware that AI could be used for 'driving' but have not used it", by age and gender, 2023
 - Graph 16: driving - "I have used AI for 'driving'", by age and gender, 2023
- Chinese consumers are significantly less likely than others to utilize AI for dieting and exercise
 - Graph 17: tasks consumers have used AI for, by race, 2023

Generative AI in media creation and consumption

- Tied to competence, consumers have reservations about AI ability to create art and media
 - Graph 18: agreement with "AI will never be able to match the artistic ability of a human being," 2023
- Women are significantly more likely to feel that AI will never surpass humans artistically
 - Graph 19: agreement with "AI will never be able to match the artistic ability of a human being, by age and gender," 2023
- Brands that can get AI-generated art in front of consumers can help change perceptions about quality
- Current AI usage is most commonly for static visual generation and descriptive writing
 - Graph 20: AI content creation usage and awareness, 2023
- Generative AI is currently most utilized by consumers to cut corners or entertainment
- However, interest in consuming AI-generated media content remains low
 - Graph 21: types of AI media interested in consuming or interacting with, 2023

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- Brands can position AI generation as a means to fill skill gaps
- Younger men are significantly more likely to be utilizing generative AI tools
 - Graph 22: AI content creation usage, by age and gender, 2023
- Brands may find success promoting generative AI to students
- Younger men are also most likely to consume AI content
 - Graph 23: types of AI media interested in consuming or interacting with, men 18-34 vs overall, 2023
- Diversity is important when promoting AI tools
 - Graph 24: AI content creation usage, by race, 2023
- AI-generated content can aid in representation efforts
 - Graph 25: types of AI media interested in consuming or interacting with, by race, 2023
- Fathers are more likely to make use of generative AI
 - Graph 26: AI content creation usage, moms vs dads, 2023
- Fathers may also be looking for cheap and easy methods of keeping their children entertained
 - Graph 27: types of AI media interested in consuming or interacting with, moms vs dads, 2023

Wearable tech ownership and interest

- Perceptions of high cost may be holding back wearable tech
 - Graph 28: wearable tech associations, 2023
- General interest in wearable tech spans all ages and genders
- Two major issues plague wearable tech: redundancy and cost
 - Graph 29: wearable tech attitudes (% agree), 2023
- Consumers tend to accessorize with smart wearables, with ownership of more encompassing devices like clothing remaining low
 - Graph 30: wearable tech products currently owned, 2023
- Younger consumers would prefer their wearables to be less noticeable
 - Graph 31: wearable tech is too noticeable, by age and gender, 2023
- Women are just as likely to own watches and fitness trackers
 - Graph 32: wearable tech products currently owned, by age, 2023
- Wearable tech brands need to work harder to communicate value to older women if they are to increase ownership
 - Graph 33: wearable tech is too expensive for its usefulness (% agree), by age and gender, 2023
- Older consumers are considerably less likely to track their vitals via their smart wearables
 - Graph 34: agreement with "I use wearable tech to track my vitals," by age and gender, 2023
- Consumers show outsized purchase interest in smart glasses, jewellery and shoes when compared with ownership
 - Graph 35: wearable tech devices, ownership vs interest, 2023
- Black and South Asian consumers show significantly higher purchase interest across a range of wearable tech items
 - Graph 36: wearable tech purchase interest (select), by race, 2023
- Diversity is key when engaging with minority consumers

AR/VR and digital spaces

- There is a small but sizeable subset of the population interested in digital meeting spaces and purchases
 - Graph 37: metaverse and VR attitudes (% agree), 2023
- Younger men are significantly more open to utilizing digital meeting spaces
 - Graph 38: agreement with "I would purchase virtual items that exist in cyberspace with no physical counterpart", by age and gender, 2022/23
 - Graph 39: agreement with "I would enjoy meeting virtually with friends online with 3D avatars", by age and gender, 2023
- Metaverse brands that can engage younger men will have more luck selling digital items
- Younger consumers have been more conditioned to accept digital purchases
- Black and South Asian consumers are significantly more likely to desire digital meeting spaces
 - Graph 40: metaverse attitudes (% agree), by race, 2023
- Engaging the POC community is a good way to elevate metaverse spaces in the cultural zeitgeist
- Despite astro-turfed "excitement" around the technology, consumers still largely view the metaverse negatively
 - Graph 41: metaverse associations, 2023
- Security, utility, cost and authenticity all contribute to why the metaverse has failed to find a place in the consumer zeitgeist
- The negative associations with the metaverse are relatively static across age groups
 - Graph 42: "negative" metaverse associations, by age, 2023
- Younger men feel more positively about the metaverse...
 - Graph 43: positive metaverse associations, 18-44 men vs 18-44 women vs overall, 2023
- ...but concerns around authenticity are highest among men, as well
 - Graph 44: associate the metaverse with "lame", by age and gender, 2023
- Nearly half of consumers simply aren't interested in engaging with online spaces, but younger men are a growing niche for metaverse social spaces
 - Graph 45: online activities interested in, 2023

COMPETITIVE STRATEGIES

Launch activity and innovation

- OpenAI transforms the generative landscape with GPT-4
- The AI revolution is spanning industries in ways previously unforeseen
- Canadian regulators need to be on guard in order to better protect consumers
- Multiple brands launch Metaverse experiences
- Cutting edge wellness wearables around the world are poised to make their way to Canadian consumers

Marketing and advertising

- Facebook, Instagram and YouTube are the most widely utilized platforms on a daily basis

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- Graph 46: daily social media usage, by age, 2023
- Men of all ages were more likely to be found on YouTube daily, while older women gravitate to Facebook and Instagram.
 - Graph 47: daily social media usage, 18-34 vs overall, by gender, 2023
 - Graph 48: daily social media usage, 35-54 vs overall, by gender, 2023
- Brands tap into consumer desire for personal growth and wellness.
- AI brands commonly tout the power of their language models while educating consumers
- Brands are tackling concerns about learning curves with readily available tutorials

Opportunities

- Brands should continue to work on improving public perceptions of AI
- Target special interests and leverage existing platforms to drive Metaverse usage
- ViewSonic's UNIVERSE gamifies learning to drive student engagement
- Outside of statement pieces, wearable tech devices need to be less noticeable
- Without a screen, the WHOOP strap can be worn in a variety of discreet ways

THE MARKET

Market context

- Consumers will continue to be price-sensitive and hesitant when considering tech purchases

Market drivers

- Costs remain elevated for Canadians
 - Graph 49: Consumer Price Index, 2020-23
- Acceleration in December CPI was driven by gasoline prices
- Inflation remains a top of mind worry for all Canadians
 - Graph 50: top three concerns over the next six months, 2023
- A slight increase in household savings may lead to heightened tech spending
 - Graph 51: household savings rate, 2019 - 23
- Canada's proportion of visible minority demographics is set to increase significantly
 - Graph 52: proportion of visible minority in Canada, 1981-2036 (projected)
- Tech brands will need to learn how to better engage older populations
 - Graph 53: population aged 0-14 and 65+ (2000-40*)

APPENDIX

- Consumer research methodology
- Generations
- Abbreviations and terms

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