GROWING UP:
NAVIGATING GEN AI's EARLY YEARS

Full Report

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Jeremy is a former CMO and product management executive with leading brands including Microsoft, T-Mobile, and Avalara – with a proven track record of driving profitable growth using innovative product and go-to-market approaches.

Jeremy is also active in the early-stage ecosystem, serving as an advisor to a diverse portfolio including Mint Mobile (acquired by T-Mobile) and Oleria (Salesforce backed enterprise security startup). Jeremy has served on Intel's Communications Advisory Board, the IT Services Marketing Association Board of Directors, the CTIA workgroup on Emerging Device. He received his MBA from the Wharton School and now serves on its executive board. His works have been featured in a variety of outlets, including Harvard Business Review, Fast Company, Entrepreneur, Martech and Forbes.

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Stefano is the Sebastian S. Kresge Professor of Marketing at The Wharton School and Faculty Co-Director of AI at Wharton. Prior to joining the University of Pennsylvania, Stefano was a professor of marketing and head of department at the Rotterdam School of Management, Erasmus University, in the Netherlands. He holds a PhD in marketing from London Business School and a degree in Statistics and Economics from the University of Padova, in his native Italy.

Most of his ongoing research investigates how new technology is changing consumption and society. He is a former MSI Young Scholar and MSI Scholar, and the winner of several grants and awards. He is currently an Associate Editor at the Journal of Consumer Research and at the Journal of Marketing. Stefano teaches in the areas of marketing strategy, new technologies, brand management, and decision making.

Mary Purk
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AI AT WHARTON

As Executive Director of AI at Wharton, Mary leads the AI academic research center that focuses on how AI tools can be utilized to solve business problems, customer journeys, and discover the human impact of AI and smart technologies for consumers, firms, and society.

She and the AIW team leverage the resources of the Wharton School to be seen as a world leader in the study of the business and societal impacts of advances in AI and technology to keep the world informed of any new research, teaching, or outreach related to AI, new technologies, and/or its impacts to expand Wharton's footprint in the AI/technology domain. She connects students, academics, and professionals across multiple industries to solve complex, real-world business challenges using machine learning, AI, and big data.

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Context

It is the intent of AI at Wharton to annually produce an outlook on AI Industry adoption. GBK Collective led the inaugural study in 2023 alongside Wharton Professor Stefano Puntoni. This year's study was sponsored by **AI at Wharton,** part of the **Wharton AI and Analytics Initiative** at The Wharton School, University of Pennsylvania; GBK Collective performed research and analysis.

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EXECUTIVE
SUMMARY

Abstract

In 2024, Generative AI (Gen AI) entered a new phase, as companies moved beyond initial hype and amazement towards a focus on proving ROI and understanding its performance. Trial of Gen AI surged this year, with 72% of decision-makers reporting uses of Gen AI once a week, compared to 37% in 2023. Increases are pronounced in the functional areas that lagged last year, including Marketing, Operations, and HR. Greater experimentation has shifted sentiment, with more decision-makers feeling "pleased," "excited," and "optimistic," and less "amazed," "curious," and "skeptical." Negative perceptions are also softening slightly, as decision-makers see more promise in Gen AI's ability to enhance jobs without replacing employees.

Still, companies today are confronted with unanswered questions on what Gen AI can do for them. There is agreement that Gen AI performs well on such tasks as data analysis, idea generation/brainstorming, and legal contract generation, but it is yet to be perceived as "highly impactful" across most functions. The top concerns cited by leaders continue to be accuracy or bias, data privacy, team integration, and ethical issues (though intensity of these barriers has slightly softened from last year).

Looking to the future, Gen AI adoption will enter its next chapter which is likely to be volatile in terms of investment and carry greater privacy and usage restrictions. Enthusiasm projected by new Chief AI Officer (CAIO) role additions and team expansions this year will be tempered by the reality of finding "accountable" ROI. While approximately three out of four industry respondents plan to increase Gen AI budgets next year, the majority expect growth to slow over the longer term, signaling a shift in focus towards making the most effective internal investments and building organizational structures to support sustainable Gen AI implementation. The key to successful adoption of Gen AI will be proper use cases that can scale, and measurable ROI as well as organization structures and cultures that can adapt to the new technology.

Study Objectives and Methodology

Spurred by the release of ChatGPT, Gen AI has generated a great deal of buzz and press over the past couple of years. While Gen AI has captured the public's fascination, it has also raised debate around its potential impact on commercial enterprises, the makeup of the talent economy, and the future of jobs.

Objectives

- Take a pulse on where enterprises are on their adoption of Gen AI, build on adoption survey results in 2023
- Assess how Gen AI is, or is expected to be, used overall and within department areas
- Pinpoint the impact that Gen AI has had, and will have, on employees
- Understand key investments and influencers during Gen AI rollout
- Uncover which brands are perceived as leading the way with Gen AI in the enterprise

Method

- 15-minute online quantitative tracking survey
- United States, with a mix of respondents across regions
- Total number of respondents: 802
- Interviews conducted between July 5 and July 15, 2024

Audience criteria

- Age 18+
- Enterprise commercial organization (1000+ employees)
- Company based in the US
- Employment requirements:
  - Be a full-time employee
  - Work for a commercial organization (private sector)
  - Roles: Senior Decision Maker in one of the following departments: HR, IT/Business Intelligence, Legal, Marketing/Sales, Operations, Product/Engineering, Purchasing/Procurement, Finance/Accounting, or General Management
  - Not work in Market Research or Advertising sectors

Gen AI gains momentum as enterprises increase experimentation and invest in proofs of concept in 2024.

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As newness and amazement temper and more companies adopt Gen AI, the dialog has shifted to experimentation and proving ROI.

2023: Trial

- 37% reported using Gen AI at least once a week.
- Gen AI spending was predicted to increase 25%.
- Gen AI users were Optimistic, Excited, and many are Impressed but Cautious. Non-Users were mostly Curious and Cautious.
- There was strong optimism for Gen AI adoption: 78% average likelihood of integrating Gen AI across business functions, with top use cases in Data Analysis, Content Creation, and Research & Insights.

2024: Experimentation

- 72% report using Gen AI at least once a week.
- Gen AI spending increased by 130% since 2023.
- After 12 months of increased experimentation and usage, Gen AI users are Pleased and Excited, and less Amazed and Curious, along with negative perceptions softening.
- On average, 55% currently use Gen AI across business functions. Of those, 58% rated the performance of these use cases as 'Great.' Users may focus their adoption based on successful trial outcomes.

2025+: Adoption & Deployment

- 72% say Gen AI budgets will increase in the next year, most over $5 million.
- However, a majority (57%) anticipate spending increases to slow (+1 - 10%).
- Slowing growth is perhaps an indicator that enterprises are still searching for the ROI on their initial investment.
- Future focus may be on the right internal investments and organization structures to support Gen AI.

"Our productivity has certainly increased since we started using [Gen AI]. I'm amazed by its power; AI is changing not only my company, it's already changing the world."

– Tech/Telecom Leader, $1B - $2B Annual Revenue

Gen AI adoption has surged, nearly doubling across functional areas in one year.

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Gen AI is Widely Used Across Multiple Areas

How/For What Purposes Gen AI is Currently Being Used (Among Total Respondents)

Document and Proposal Writing/Editing	64%
Data Analyses and Analytics	62%
Document/Meeting Summarization	59%
Marketing Content Creation	58%
Personalized Marketing and Advertising	58%
Internal Support and Help Desk	58%
Customer Service and Support	58%
Provides Evidence for Data-driven Decisions	57%
Customer Research/Competitive Intelligence	57%
Presentation and Report Creation	56%
Email Generation	56%
Fraud Detection and Prevention	55%

Predictive Customer Behavior	55%
Idea Generation/Brainstorming	54%
Product/Service Design and Development	54%
Sales Content Creation	54%
Risk Management	54%
Financial Forecasting and Planning	53%
Desk Research/Secondary Research/Lit Summary	50%
Employee Recruitment, Onboarding, and Enablement	49%
Predictive Maintenance	48%
Customer Loyalty and Retention Programs	46%
Legal Contract Generation	41%

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The top uses for Gen AI include document and proposal writing/ editing, data analysis, and document/ meeting summarization.

"The biggest impact of Gen AI will be to augment my capabilities. [It will] automate routine tasks and provide 24/7 support to our customers, freeing me up to focus on [customer] empathy and more complex problem-solving."

– Banking Leader, $100M - $250M Annual Revenue

See Executive Summary End Notes for survey question and base sizes.

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Usage in the Workplace: Using Gen AI at Least Once a Week

Legend: ■ 2023 ■ 2024

Category	2023	2024	Change
Total	37%	72%	▲ 35%
HR	35%	75%	▲ 40%
IT/BI	66%	75%	▲ 9%
Marketing/Sales	20%	62%	▲ 42%
Operations	16%	50%	▲ 34%
Product Dev/Engineering	40%	78%	▲ 39%
Purchasing/Procurement	50%	94%	▲ 44%
Management	26%	69%	▲ 44%
Finance/Accounting^		76%	
Legal^		69%	

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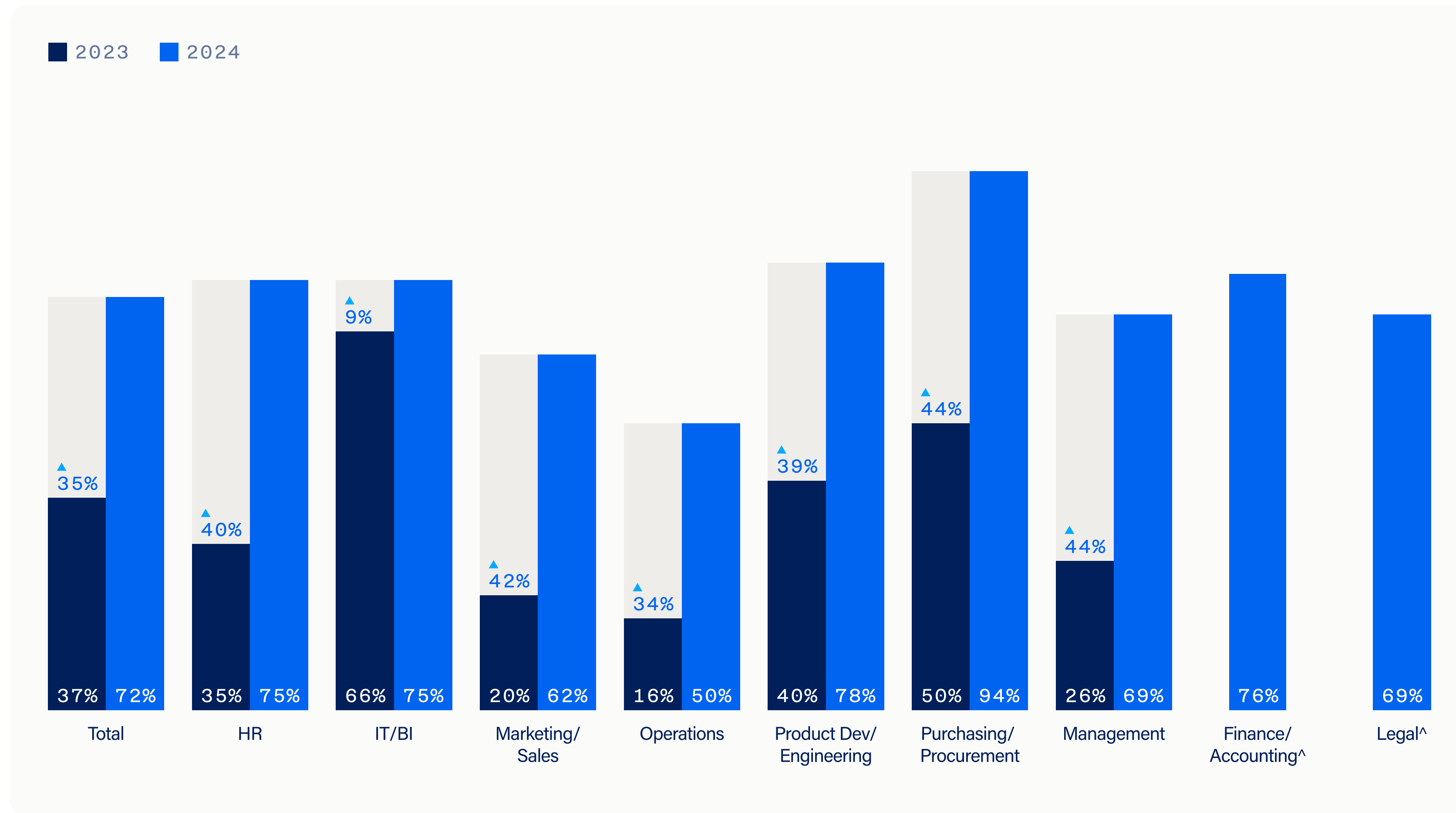
More and more companies are using Gen AI and adoption is now ubiquitous across functions, even the laggard areas of Marketing, Operations, and HR.

"In our marketing department, Gen AI has the biggest impact on creating content and strategy."

– Leader in Retail, $250M - $1B Annual Revenue

"[Gen AI] can analyze data, write memos, and make recommendations. It will automate many functions of HR [employees]... and may replace searching, sorting through, interviewing, and even recommending candidates."

– Leader in HR, $50M - $100M Annual Revenue

^Functional areas added to 2024 Survey. See Executive Summary End Notes for survey question and base sizes.

Audiences with notably frequent usage of Gen AI are:

- **Smaller companies** (revenue $50M to $250M): **80%**
- **Mid-sized companies** (revenue $250M to $2B): **78%**
- **Younger individuals** (ages 18-34): **80%**

Companies are adapting by expanding teams and adding Chief AI Officer (CAIO) roles.

Gen AI Strategy is Led Internally—Not by Consultants

■ 2023

■ 2024

* Statistically significant shift from 2023 at the 95% C.I.

▲▼ +/-5pp shift from 2023

One existing team
34%
46% ▲12%*

Multiple existing teams
47%
45%

Rely primarily on external consultants and partners
7%
5%

No one else internally or externally
6%
3%

Gen AI strategy responsibilities are being kept in-house across different sized teams.
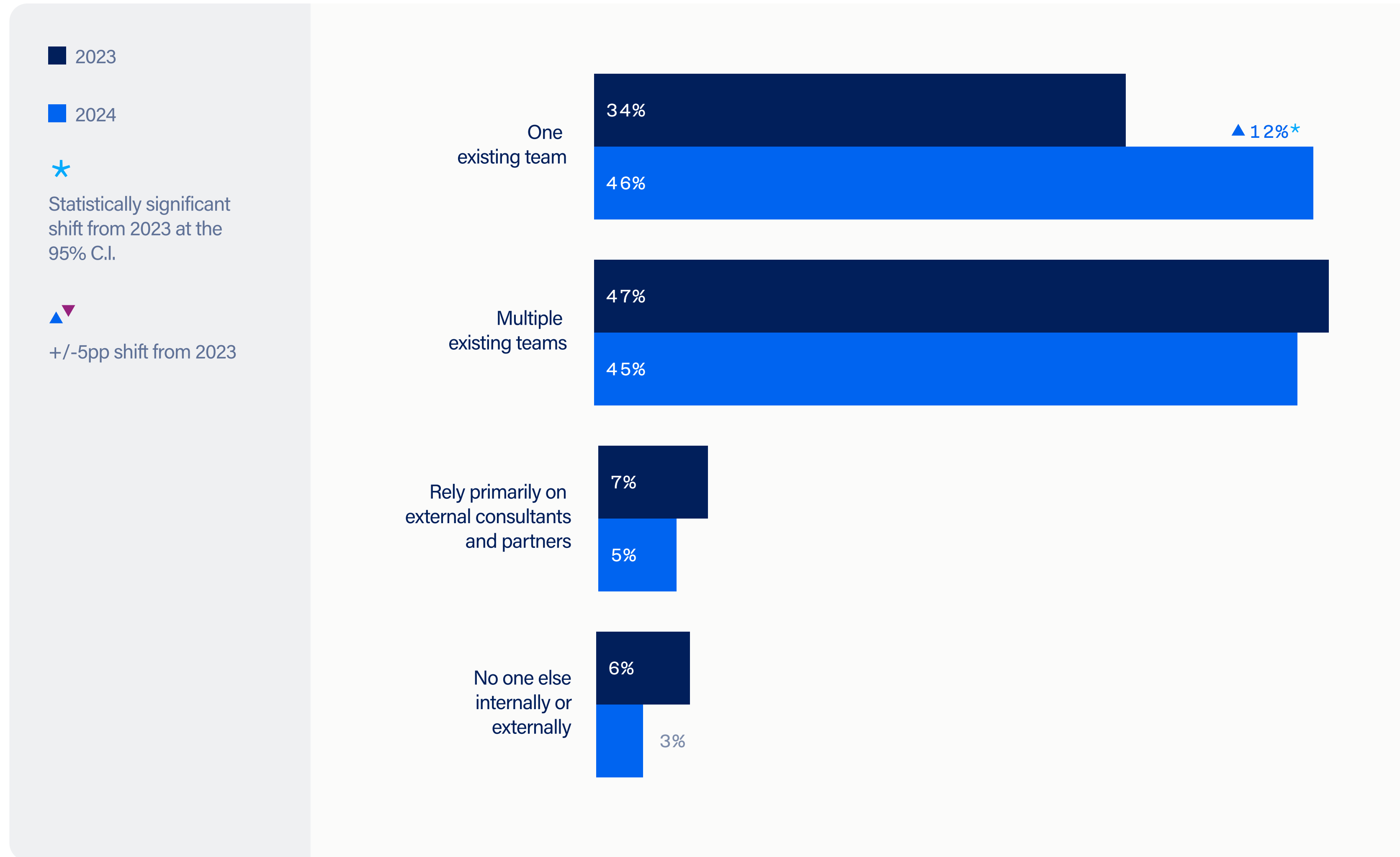
See Executive Summary End Notes for survey question and base sizes.

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Chief AI Officers (CAIO) are now in 21% of companies:

- **Large companies** (revenue $2B+): **16%**
- **Mid-sized companies** (revenue $250M to $2B): **21%**
- **Small companies** (revenue $50M to $250M): **23%**

Views of Gen AI have evolved since 2023, with greater acceptance that Gen AI will lead to greater productivity.

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Business Leaders' Excitement Around Generative AI Grows in 2024, While Concerns Decrease

■ 2023

■ 2024

* Statistically significant shift from 2023 at the 95% C.I.

▲▼ +/-5pp shift from 2023

	Curious	Amazed	Pleased	Excited	Worry	Skepticism
2023	53%	29%	18%	40%	19%	23%
2024	44%	25%	27%	48%	10%	23%

Curious: ▼9%* DOWN
Amazed: DOWN
Pleased: ▲9%*
Excited: ▲7%*
Worry: ▼9%* DOWN
Skepticism: ▼7%* DOWN
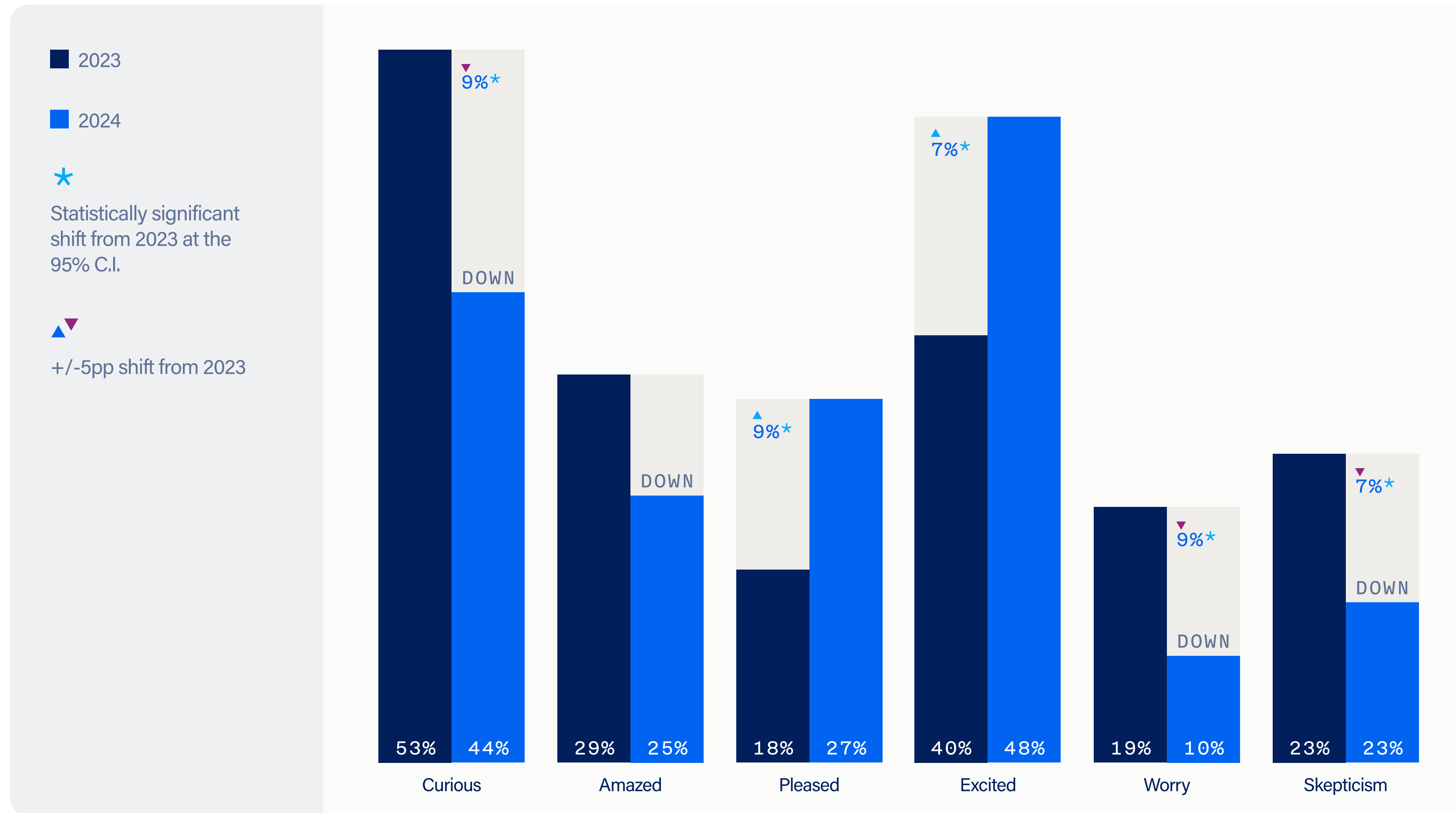
"Amazement" and "Curiosity" about Gen AI have decreased since 2023, and more people indicate being "Pleased" and "Excited" about it. Negative perceptions are softening slightly, as decision-makers see more promise in Gen AI's ability to enhance jobs (without replacing employees).

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Leaders View Gen AI as Positively Impacting Employee Skills

2023

80%
Enhance employees' skills in some tasks

75%
Replace employees' skills in some tasks

2024

90%
Enhance employees' skills in some tasks

72%
Replace employees' skills in some tasks

Compared to last year, decision-makers see more promise in Gen AI's ability **(up a statistically significant 10%)** to enhance jobs without replacing them.

"AI will not replace people for certain jobs, but rather enhance employee output… eliminate human error, and improve overall quality. "

– Automotive Leader, $2B+ Annual Revenue

See Executive Summary End Notes for survey question and base sizes.

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Most agree Gen AI is having an impact—though not yet an overwhelming impact.

Most Leaders Think Gen AI is Having a Positive Impact
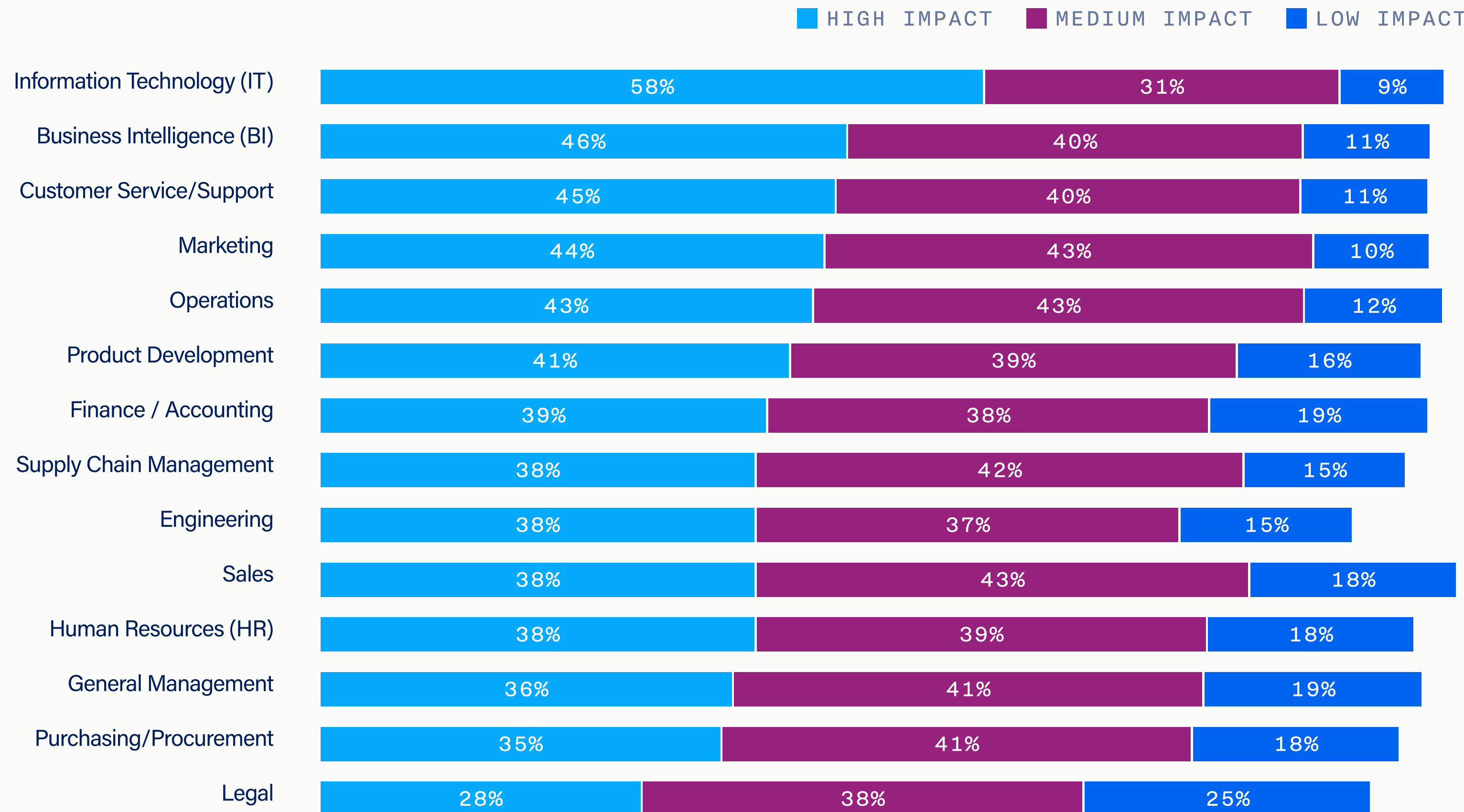
HIGH IMPACT | **MEDIUM IMPACT** | **LOW IMPACT**

Department	High Impact	Medium Impact	Low Impact
Information Technology (IT)	58%	31%	9%
Business Intelligence (BI)	46%	40%	11%
Customer Service/Support	45%	40%	11%
Marketing	44%	43%	10%
Operations	43%	43%	12%
Product Development	41%	39%	16%
Finance / Accounting	39%	38%	19%
Supply Chain Management	38%	42%	15%
Engineering	38%	37%	15%
Sales	38%	43%	18%
Human Resources (HR)	38%	39%	18%
General Management	36%	41%	19%
Purchasing/Procurement	35%	41%	18%
Legal	28%	38%	25%

Companies today are confronted with unanswered questions on what Gen AI can do for them. There is agreement that Gen AI is impactful, but it's yet to be perceived as "highly impactful" in most areas. **IT is the exception, where a majority (58%) believe it is highly impactful.**

Does not include "I'm not sure/NA", hence displayed data does not sum to 100%. See Executive Summary End Notes for survey question and base sizes.

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Investment will continue to increase over the next 2 to 5 years, but at a slower pace.

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Gen AI Budget Investment to Rise Across All Functional Areas Over the Next 2-5 Years

Legend:
- ■ Increase substantially (>10%)
- ■ Increase somewhat (1 - 10%)
- ■ Remain the same
- ■ Decrease

* Statistically significant shift from 2023 at the 95% C.I.

▲▼ +/-5pp shift from 2023

Total ▼10%* ▲6%* 1%
25% | 57% | 14%

HR ▼11%*
19% | 65% | 10%

IT/BI ▼23%* ▲16%* 1%
22% | 59% | 13%

Marketing/ Sales ▼11%* ▲5%* ▲9%* 1%
27% | 57% | 9%

Operations ▼5%* ▲6%* 3%
26% | 55% | 11%

Product Dev/Engineering ▼13%* ▲13%* 1%
23% | 62% | 14%

Purchasing / Procurement 1%
26% | 58% | 15%

Management ▼9%* ▲10%* 1%
35% | 44% | 16%

Finance/Accounting^
22% | 46% | 29%

Legal^
24% | 62% | 14%

Percentage increases in investment across functional areas, while still large, **are slowing compared to last year.**

Certain functions predict steadier fiscal investments with **IT/BI, Marketing, Operations, and Product/Engineering** predicting budgets increasing somewhat or remaining the same.

^Functional areas added in 2024.
Does not include "Not sure", hence displayed data does not sum to 100%. "See Executive Summary End Notes for survey question and base sizes.

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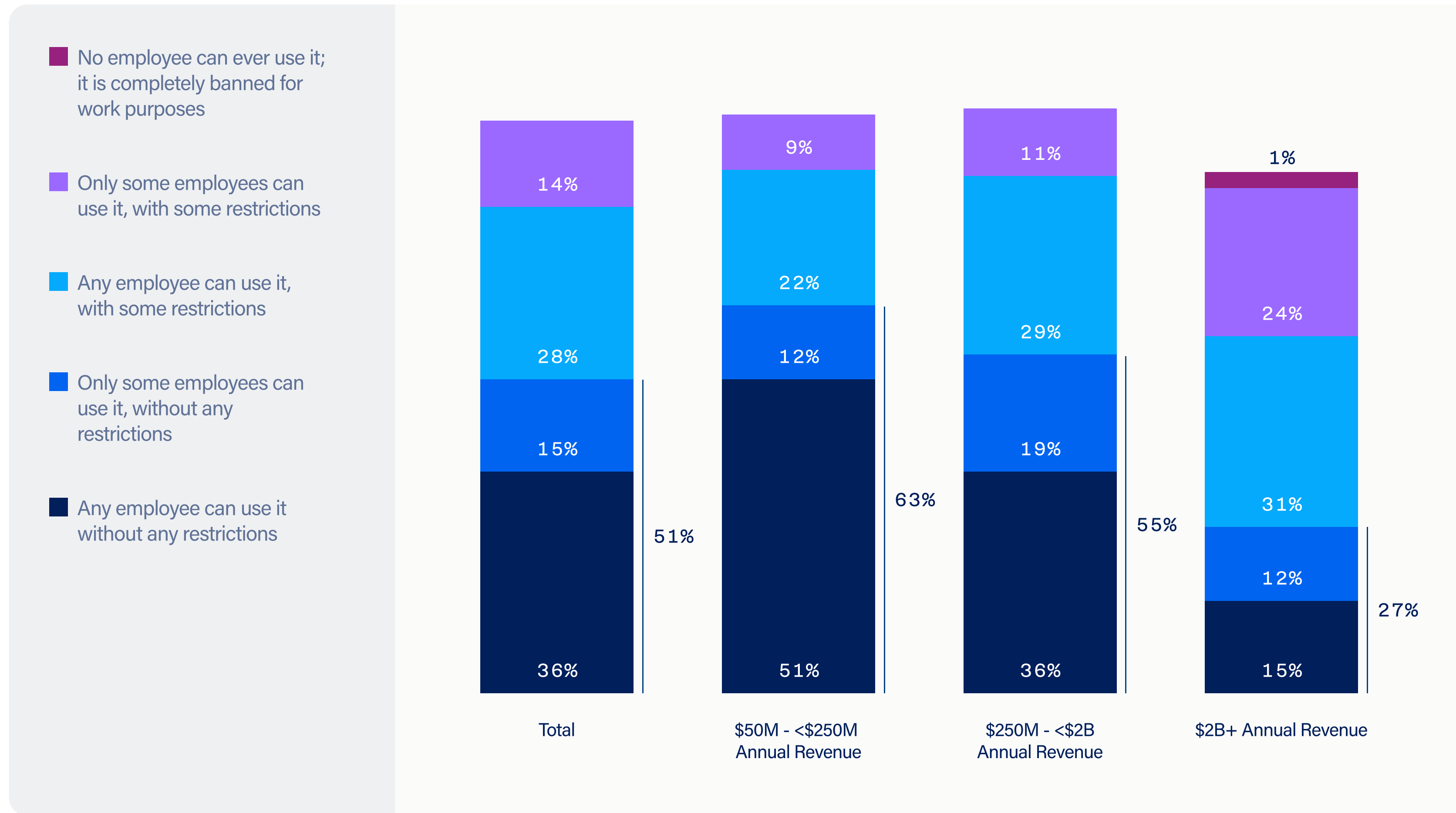
"I hope people become much less afraid of AI. I'm quite optimistic about future applications. At the same time, specific regulations need to be in place [for] safety, security, and ethical creation."

– Retail Leader, $250M - $1B Annual Revenue

For now, uniform or stringent usage policies on Gen AI practices in the workplace have not emerged.

About Half of Enterprises Have Few or No Restrictions on Gen AI Usage

Legend:
- No employee can ever use it; it is completely banned for work purposes
- Only some employees can use it, with some restrictions
- Any employee can use it, with some restrictions
- Only some employees can use it, without any restrictions
- Any employee can use it without any restrictions

Total
- 14%
- 28%
- 15%
- 36%
- 51%

$50M - <$250M Annual Revenue
- 9%
- 22%
- 12%
- 51%
- 63%

$250M - <$2B Annual Revenue
- 11%
- 29%
- 19%
- 36%
- 55%

$2B+ Annual Revenue
- 1%
- 24%
- 31%
- 12%
- 15%
- 27%

About half surveyed have **few or no restrictions of usage at work (51%)** – however more restrictions exist the larger the organization size. **Only 15% of $2B+ annual revenue enterprises allow use without any restrictions.**
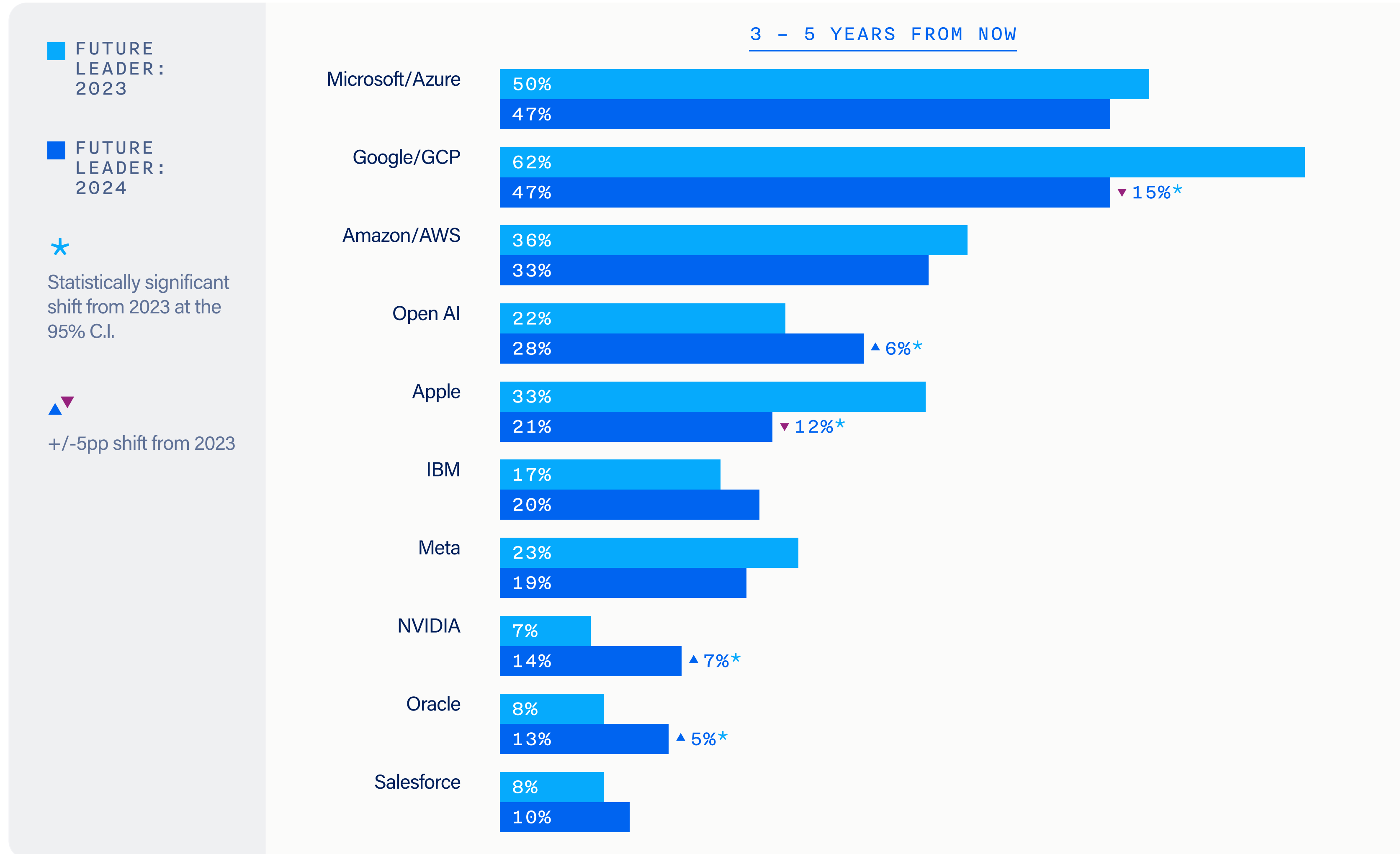
$2B+ annual revenue enterprises may see additional risks that require additional scrutiny.

See Executive Summary End Notes for survey question and base sizes.

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AI market leadership is in flux, but Microsoft and Google continue to be seen as leaders now and in the future.

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Perceptions of AI Vendors is in Flux

FUTURE LEADER: 2023

FUTURE LEADER: 2024

*

Statistically significant shift from 2023 at the 95% C.I.

▲▼

+/-5pp shift from 2023

3 – 5 YEARS FROM NOW

Vendor	2023	2024	Shift
Microsoft/Azure	50%	47%	
Google/GCP	62%	47%	▼ 15%*
Amazon/AWS	36%	33%	
Open AI	22%	28%	▲ 6%*
Apple	33%	21%	▼ 12%*
IBM	17%	20%	
Meta	23%	19%	
NVIDIA	7%	14%	▲ 7%*
Oracle	8%	13%	▲ 5%*
Salesforce	8%	10%	

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- Microsoft, Google, Amazon, and OpenAI are expected to lead in Gen AI for the next three to five years.

- Google and Apple have lost perception share as current and future leaders.

▌What Comes Next?

Continued usage of Gen AI will signal areas of opportunity—but it will also likely highlight the technology's weak points. Companies are incentivized to find effective and efficient use cases of Gen AI, but will require a learning curve to figure out how to mitigate the risks this technology poses, particularly those around data privacy, security risks, biases (the strong barriers against adoption today).

The most successful Gen AI applications and use cases will see higher adoption in the areas of knowledge documentation, fraud, and brainstorming. Today, Gen AI receives the highest performance scores for data analysis/analytics, idea generation/brainstorming, legal contract generation, fraud detection, and email generation. It is in these niche areas where the proliferation of products for Gen AI most likely will occur.

More defined usage polices are needed. For now, there are no uniform or stringent usage policies on Gen AI practices in the workplace—but this is something to watch for in the coming years as the technology becomes more ubiquitous across functional areas.

While many predict that Microsoft and Google will remain the enterprise leaders, the mantle is anyone's for the taking. With continued investment and increases in capabilities, it is possible that any of the top five leaders can outperform them.

Key Takeaways and Recommendations

Gen AI is still in the early phase. As with previous major advances in technologies (e.g., PCs, the Internet), Gen AI is currently being used to improve the efficiencies of business processes. It takes time for companies and industries to fully take advantage of the new tools, assess the right tools and platforms, and re-engineer their processes and develop new capabilities based on the new tech.

Short-term investment may be cooling, but this is not to be seen as a lack of interest. Investment in Gen AI remains strong, signaling that while maybe not immediately, many industries are preparing to embrace a world in which Gen AI plays a big role.

Remain vigilant, continue experimenting, watch for major developments, and be ready to follow quickly with investment as successful use cases become known. The companies that are prepared to pivot to Gen AI when the technology matures are going to be more competitive and agile. Companies that aren't treating this as a transformative technology could be caught flat-footed.

Have an open mind on which vendors are the best on Gen AI because best may soon be relative. Microsoft and OpenAI still appear to carry a first-mover advantage in decision-makers' minds. However, as Gen AI develops past the experimentation phase, other providers (including lesser-known players) will start to specialize their capabilities within certain industries or use cases. It's not hard to imagine providers diverging to claim an edge in niche areas.

Executive Summary End Notes

Page 09 Q8. Please indicate whether your organization uses or intends to use Gen AI for the following areas. - Currently use (Note: Response options updated in 2024) Total: 2024 (n=802)

Page 10 Q2. What is your experience using Gen AI for work purposes? (Note: Question wording updated in 2024) Total: 2024 (n=802), 2023 (n=672)

Page 13 Q18. Who in your organization is currently responsible for your Gen AI strategy? Total: 2024 (n=802), 2023 (n=672)

Page 14 Q23B. Does your organization have a Chief AI Officer (CAIO) (or similar role)? Total: 2024 (n=802), $50 million – less than $250 million in annual revenue (n=211), $250 million – less than $2 billion in annual revenue (n=421), $2 billion or more in annual revenue (n=170)

Page 16 Q3A/Q3B. Which (if any) of the words below describes your perception of Gen AI as it stands today? Total: 2024 (n=802), 2023 (n=672)

Page 17 Q6. What is your level of agreement with the following statements regarding the current impact of Gen AI on your organization? - Strongly/somewhat agree Total: 2024 (n=802), 2023 (n=672)

Page 19 Q5. How strong of an impact is Gen AI having on each of the following functions or departments within your organization? Total: 2024 (n=802)

Page 21 QSP5. Do you anticipate your organization's spending on Gen AI, 2-5 years from now, to increase, decrease, or remain the same? "Not sure" (<1%) data points not shown. Total (n=802), HR (n=91), IT/BI (n=92), Marketing/Sales (n=89), Operations (n=92), Product development/Engineering (n=92), Purchasing (n=102), General Management (n=75), Finance/Accounting (n=91), Legal (n=78)

Page 23 Q2A. Which best describes your current organization's policy for Gen AI for work purposes? (Note: New question in 2024) Total: 2024 (n=802), $50 million - less than $250 million in annual revenue (n=211), $250 million - less than $2 billion in annual revenue (n=421), $2 billion or more in annual revenue (n=170) Not shown in chart: Those answering "other," "don't know," or never used Gen AI.

Page 25 Q13B. Which of the following companies do you expect to be the leaders in Gen AI in the next 3-5 years? Total: 2024 (n=802), 2023 (n=652)

DETAILED FINDINGS:
CURRENT ADOPTION &
USAGE POLICIES

Key Findings on Adoption & Usage Policies

Closing the knowledge and familiarity gaps: The knowledge gap closes as more decision-makers familiarize themselves with Gen AI. Knowledge of Gen AI has increased +23 percentage points overall since last year. Increases are seen across functional areas, though particularly in Marketing/Sales (+49 percentage points)—the functional area faring lowest on knowledge and familiarity in 2023.

Usage is heightened: Overall usage of Gen AI is up across the board, particularly in areas of HR, Purchasing/Procurement, Product/Engineering, and Marketing. Adoption of Gen AI has sharply increased in these areas almost matching adoption rates within IT/Business Intelligence.

Not yet a revolution: While Gen AI investment continues to grow in 2024, many organizations are cautiously awaiting more concrete evidence of its transformative power and ability to tilt the scales on ROI. When asked whether Gen AI is having a high, moderate, or low impact on their business, most decision-makers perceive that it is having a low-to-moderate impact across functional areas (except for IT/Business Intelligence, where 58% believe it is having a strong impact).

Limited restrictions: Usage of Gen AI within companies appears encouraged as most decision-makers do not (yet) face access or usage restrictions. About half surveyed have little to no restrictions of at work usage (51%)—however more restrictions exist the larger the organization size possibly due to additional risk factors and internal decision-making processes.

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Gen AI is Widely Used Across Multiple Areas

How/For What Purposes Gen AI is Currently Being Used (Among Total)

Document and Proposal Writing/Editing	64%
Data Analyses and Analytics	62%
Document/Meeting Summarization	59%
Marketing Content Creation	58%
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Internal Support and Help Desk	58%
Customer Service and Support	58%
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Presentation and Report Creation	56%
Email Generation	56%
Fraud Detection and Prevention	55%

Predictive Customer Behavior	55%
Idea Generation/ Brainstorming	54%
Product/Service Design and Development	54%
Sales Content Creation	54%
Risk Management	54%
Financial Forecasting and Planning	53%
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The top uses for Gen AI include document and proposal writing/ editing, data analysis, and document/ meeting summarization.

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Knowledge and Familiarity of Gen AI is Increasing—Overall and Among Functional Areas

Knowledge and Familiarity with Gen AI by Functional Area
(Among Total, Showing "Expert/At Least Somewhat Familiar")

■ 2023

■ 2024

* Statistically significant shift from 2023 at the 95% C.I.

▲▼ +/-5pp shift from 2023

Total
47%
71%
▲ 23%*

HR
44%
73%
▲ 31%*

IT/BI
80%
80%

Marketing/Sales
21%
70%
▲ 49%*

Operations
26%
43%
▲ 17%*

Product Dev/Engineering
60%
79%
▲ 19%*

Purchasing/Procurement
57%
93%
▲ 36%*

Management
40%
63%
▲ 23%*

Finance/Accounting^
70%

Legal^
58%

- Knowledge of Gen AI has increased from last year by **+23 percentage points overall,** demonstrating that business leaders have spent the last year becoming more familiar with and deepening their understanding of the technology.

- Marketing, Procurement, and HR see the largest increases over last year **(+49 percentage points, +36 percentage points, +31 percentage points)**

Q1. Which best describes your personal knowledge and familiarity with Gen AI? Total: 2024 (n=802), 2023 (n=672)
^ Functional areas added to 2024 Survey

Growing Up: Navigating Gen AI's Early Years." AI at Wharton in collaboration with GBK Collective, October 2024.

Wharton AI at Wharton

Late Adopters in 2023 Are Catching Up

**Usage in Workplace –
Using Gen AI at Least Once a Week** (Among Total)

■ 2023

■ 2024

✱
Statistically
significant shift from
2023 at the 95% C.I.

▲▼
+/-5pp shift
from 2023

Total
37%
▲ 35%✱
72%

HR
35%
▲ 40%✱
75%

IT/BI
66%
▲ 9%
75%

Marketing/
Sales
20%
▲ 42%✱
62%

Operations
16%
▲ 34%✱
50%

Product Dev/
Engineering
40%
▲ 38%✱
78%

Purchasing/
Procurement
50%
▲ 44%✱
94%

Management
26%
▲ 43%✱
69%

Finance/
Accounting^
76%

Legal^
69%

- While IT/Business Intelligence were early adopters last year, Gen AI usage is up across the board with **most functional areas at 70% usage or higher.**

- Leading areas are Purchasing/ Procurement, Product/Engineering, IT/BI, and HR.

- Largest increases are in Purchasing, HR, General Management, Product/ Engineering, and Marketing.

Q2. What is your experience using Gen AI for work
purposes? (Note: Question wording updated in 2024)
Total: 2024 (n=802), 2023 (n=672)
^ Functional areas added to 2024 Survey

Growing Up: Navigating Gen AI's Early Years." AI at Wharton in collaboration with GBK Collective, October 2024.

AI at Wharton

Gen AI Impact Usage is Greatest Among Smaller Enterprises, with Larger Enterprises Showing Less Frequent Usage

Usage in Workplace – Using Gen AI at Least Once a Week by Company Size (Revenue in USD) (Among Total)

2023

2024

* Statistically significant shift from 2023 at the 95% C.I.

▲▼ +/-5pp shift from 2023

	Total	$50M - <$250M Annual Revenue	$250M - <$2B Annual Revenue	$2B+ Annual Revenue
2023	37%	57%	41%	18%
2024	72%	80%	78%	48%
Shift	▲35%*	▲23%*	▲37%*	▲30%*
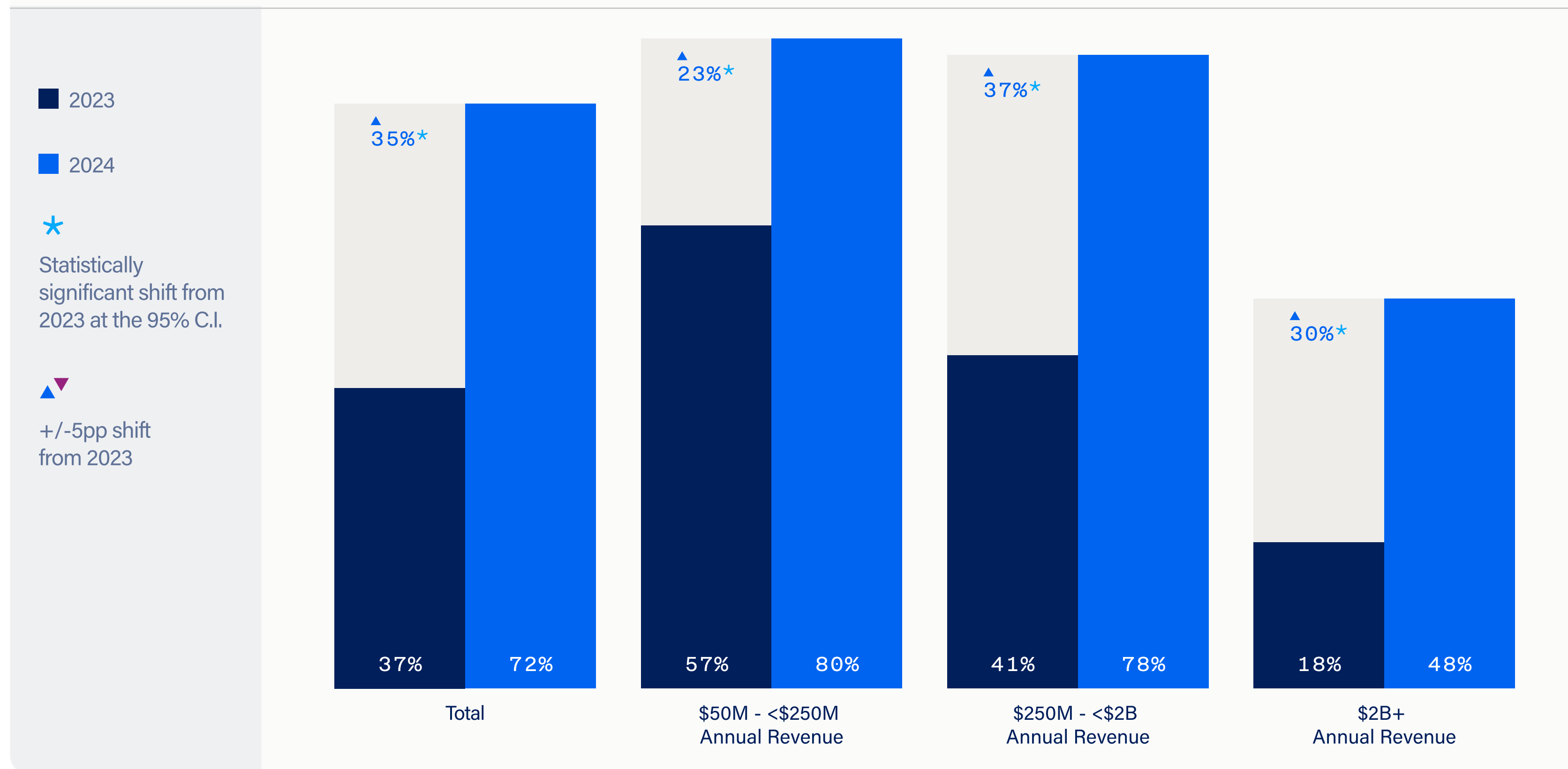
- Decision-makers at smaller enterprises (<2,500 FTE/$250M) continue reporting higher usage this year, with **80% (an increase of 23 percentage points)** using Gen AI at least once per week. Usage is much lower in the largest enterprises ($2B+)

- This finding may be due to smaller enterprises' agility to change tools and adjust processes faster, or that they may face greater pressure to realize the efficiency gains available with Gen AI.

Q2. What is your experience using Gen AI for work purposes? (Note: Question wording updated in 2024) Total: 2024 (n=802), 2023 (n=672)

Growing Up: Navigating Gen AI's Early Years." AI at Wharton in collaboration with GBK Collective, October 2024.

AI at Wharton

Regular Usage Among All Ages is Up,
but Adoption is Greater Among Younger Audiences

Usage in Workplace – Using Gen AI at Least Once a Week by Age
(Among Total)

■ 2023

■ 2024

*

Statistically
significant shift from
2023 at the 95% C.I.

▲▼

+/-5pp shift
from 2023

▲
35%*

▲
37%*

▲
27%*

▲
13%

	Total	18-34	35-54	55+
2023	37%	43%	49%	29%
2024	72%	80%	76%	42%
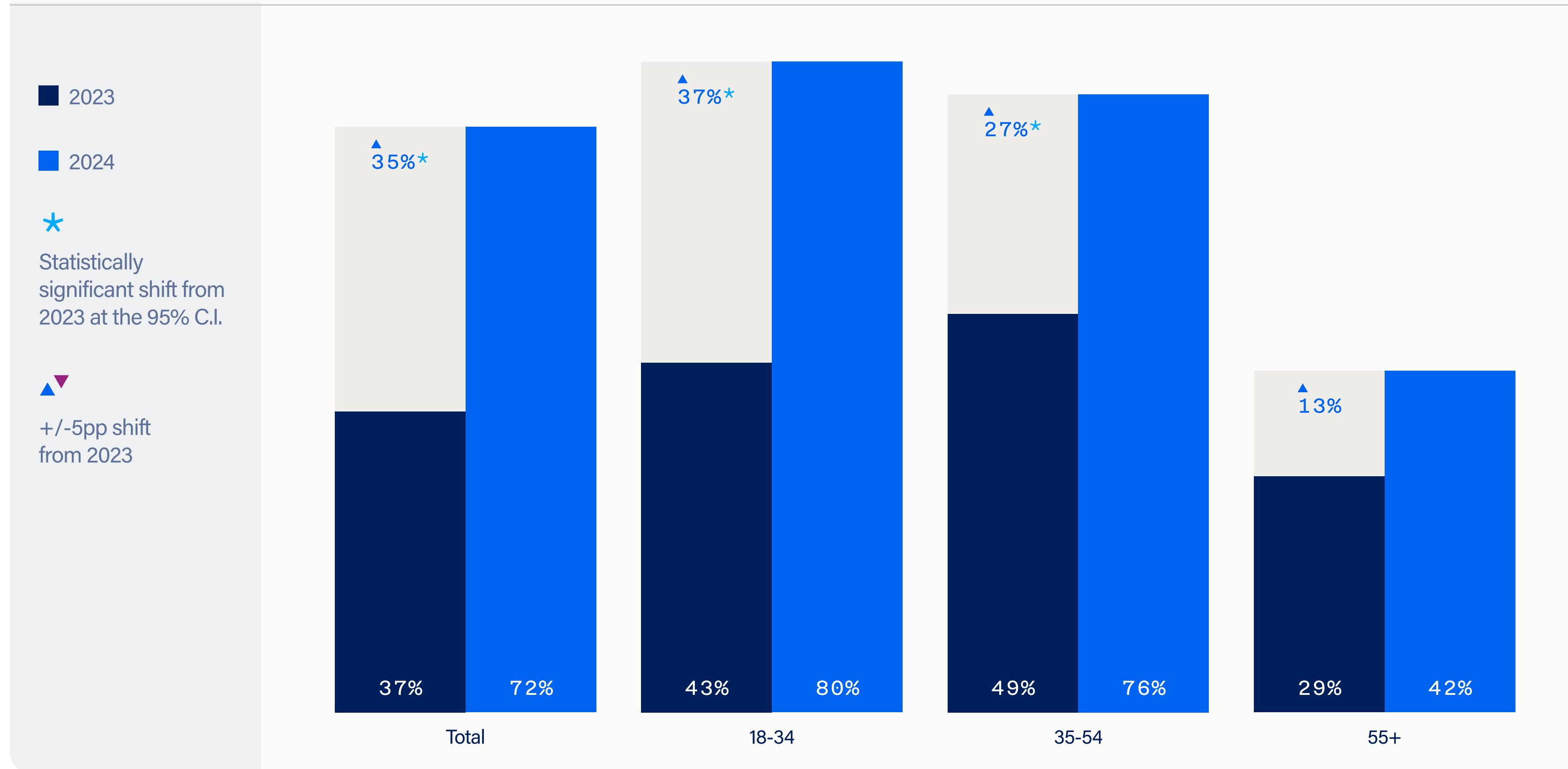
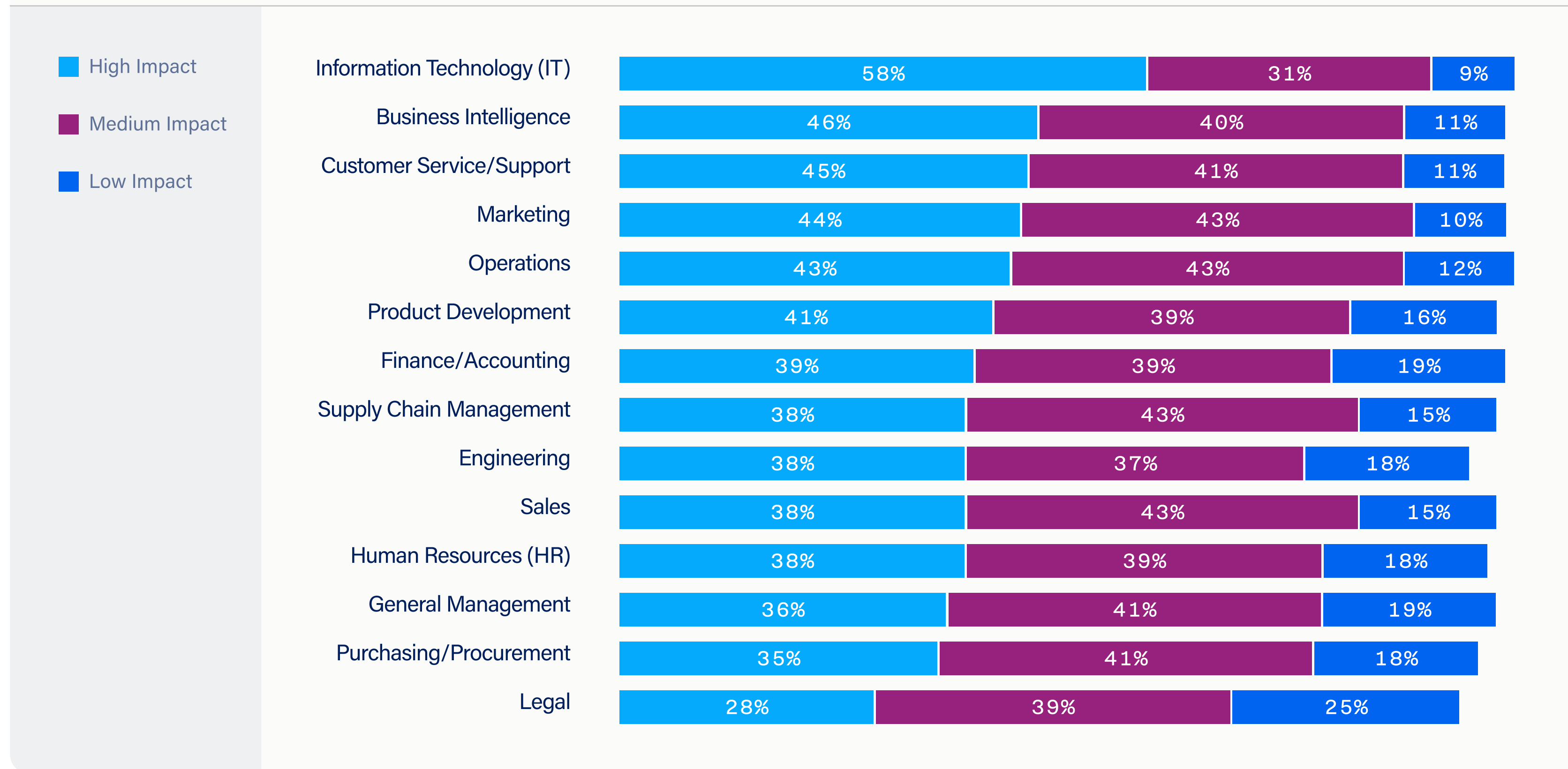- Over the last year, people under the age of 55 are adopting Gen AI at higher rates.

- **20% of those aged 55+** reported they "never have used" Gen AI, or do not use it currently.

Q2. What is your experience using Gen AI for work purposes? (Note: Question wording updated in 2024) Total: 2024 (n=802), 2023 (n=672)

Growing Up: Navigating Gen AI's Early Years." AI at Wharton in collaboration with GBK Collective, October 2024.

Decision-Makers Think Gen AI is Impactful – Though Not Yet Strongly Impactful Everywhere

Expected Impact Across Functional Areas
(Among Total)

Legend:
- High Impact
- Medium Impact
- Low Impact

Functional Area	High Impact	Medium Impact	Low Impact
Information Technology (IT)	58%	31%	9%
Business Intelligence	46%	40%	11%
Customer Service/Support	45%	41%	11%
Marketing	44%	43%	10%
Operations	43%	43%	12%
Product Development	41%	39%	16%
Finance/Accounting	39%	39%	19%
Supply Chain Management	38%	43%	15%
Engineering	38%	37%	18%
Sales	38%	43%	15%
Human Resources (HR)	38%	39%	18%
General Management	36%	41%	19%
Purchasing/Procurement	35%	41%	18%
Legal	28%	39%	25%

Despite growth in usage across functions, less than half of decision-makers think Gen AI is having a high impact on any functional area. **IT is the exception, where a majority (58%) believe it is highly impactful.**
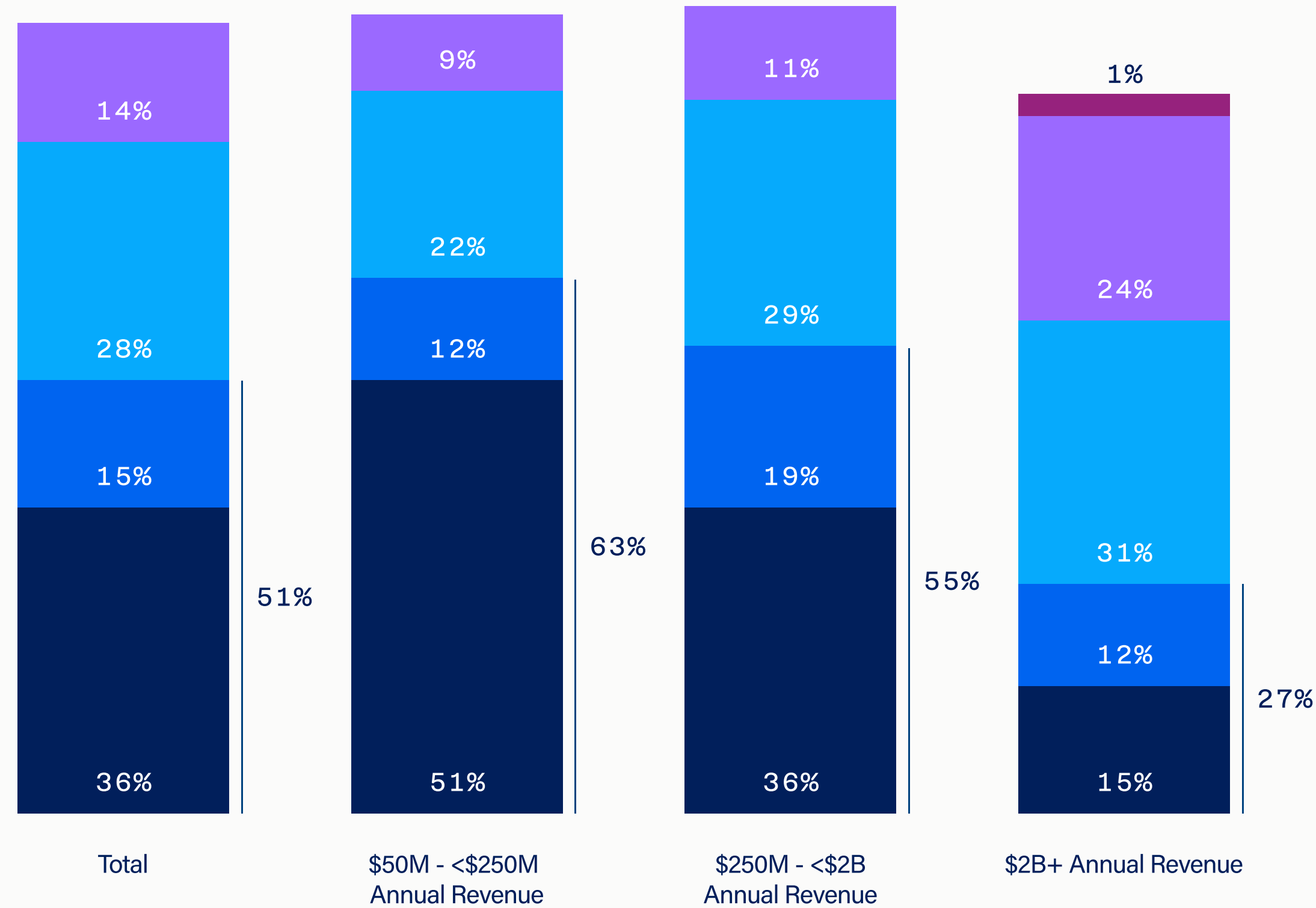
Growing Up: Navigating Gen AI's Early Years." AI at Wharton in collaboration with GBK Collective, October 2024.

AI at Wharton

Most Employees Do Not Face Heavy Restrictions in Accessing Gen AI at Their Companies

Usage Restrictions
(Among Total)

■ No employee can ever use it; it is completely banned for work purposes

■ Only some employees can use it, with some restrictions

■ Any employee can use it, with some restrictions

■ Only some employees can use it, without any restrictions

■ Any employee can use it without any restrictions

Total
- 14%
- 28%
- 15%
- 36%
- 51%

$50M - <$250M Annual Revenue
- 9%
- 22%
- 12%
- 51%
- 63%

$250M - <$2B Annual Revenue
- 11%
- 29%
- 19%
- 36%
- 55%

$2B+ Annual Revenue
- 1%
- 24%
- 31%
- 12%
- 15%
- 27%

About half surveyed have **little to no restrictions of usage at work (51%)** – however more restrictions exist the larger the organization size ("Without any restrictions" 15% at $2b+).

Larger companies may find additional risk that that requires additional scrutiny.

Q2A. Which best describes your current organization's policy for Gen AI for work purposes? (Note: New question in 2024)
Total: 2024 (n=802), $50 million - less than $250 million (n=211), $250 million - less than $2 billion (n=421), $2 billion or more (n=170)
Not shown in chart: Those answering "other," "don't know," or "never used Gen AI"

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Restrictions and usage policies vary by size of company.

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Restrictions are More Common Among Larger Enterprises

Usage Policy Adoption
(Among Total)

	Total	$50M - <$250M Annual Revenue	$250M - <$2B Annual Revenue	$2B+ Annual Revenue
Compliance with regulatory standards	59%	57%	60%	59%
Usage restrictions for sensitive tasks/employees/ subject matter	56%	52%	57%	58%
Data security policies	55%	49%	53%	68%
Employee training and awareness programs	54%	60%	50%	59%
Explicit approval process for usage	52%	54%	53%	47%
No formal policies in place	6%	6%	6%	8%

The largest companies (revenue $2B+) had have higher adoption of policies on employee training and data security.

QAP1. What types of Gen AI usage policies does your organization have in place? (Note: New question in 2024) Total: 2024(n=802), $50 million - less than $250 million (n=211), $250 million - less than $2 billion (n=421), $2 billion or more (n=170)

Growing Up: Navigating Gen AI's Early Years." AI at Wharton in collaboration with GBK Collective, October 2024.

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Many Enterprises Lack Gen AI Policies & Guidelines

Responsible AI Policy Adoption
(Among Total)

	Total	$50M - <$250M Annual Revenue	$250M - <$2B Annual Revenue	$2B+ Annual Revenue
Data privacy preservation	53%	50%	50%	63%
Human oversight and intervention	45%	43%	47%	41%
Ethical guidelines for AI usage	43%	37%	42%	54%
Transparency and explainability	41%	45%	40%	38%
Intellectual property rights	41%	34%	43%	43%
Fairness and bias mitigation	37%	42%	36%	32%
Accountability and governance	35%	31%	35%	40%
Inclusivity and diversity in AI development	27%	31%	25%	26%
Monitoring and auditing AI outputs	27%	22%	25%	35%
Sustainability and environmental impact	24%	22%	27%	19%
No formal policies in place	4%	3%	4%	6%

- Despite double-digit increases in Gen AI usage, many enterprises lack guardrails.

- The lack of usage and policy adoption potentially sends a mixed message in terms of leaderships' trust and clarity in what an increased investment in Gen AI means for their firms.

- The largest enterprises (revenue $2B+) have more guardrails than smaller organizations.

QAP2. What types of responsible AI policies does your organization have in place for Gen AI?
(Note: New question in 2024)
Total: 2024(n=802), $50 million - less than $250 million (n=211), $250 million - less than $2 billion (n=421), $2 billion or more (n=170)

Growing Up: Navigating Gen AI's Early Years." AI at Wharton in collaboration with GBK Collective, October 2024.

DETAILED FINDINGS: INVESTMENTS & INTERNAL STRATEGY

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Key Findings on Investment & Internal Strategy

Short-term budget boom continues. The average expenditure has skyrocketed from $4.5M in 2023 to $10.3M in 2024. Investments in Gen AI are seen in technology/tools/systems, training, consultants, and hiring.

Future spending is increasing, but at a slower pace. Looking 2 to 5 years out, the majority of firms (57%) anticipate increasing spending between 1 and 10%, a reduction over last year. This slowing pace is perhaps an indicator that enterprises are still searching for the ROI on their initial investment.

Investment in training is more muted. Training—still seen as a key internal strategy in rolling out Gen AI—is down from last year, seeming to indicate a more conservative investment posture. This may also indicate a "wait-and-see" mentality where firms seek to validate the utility of Gen AI before making sweeping internal investments in getting employees on board.

Enterprises are making organizational changes to adjust to Gen AI. More than 45% of companies report single or multiple internal teams tasked with Gen AI strategy, and 64% of companies without a team are considering forming one. Among those with internal teams, 80% are comprised of 10 or more employees. Nearly half (46%) have a Chief AI Officer.

AI at Wharton

Enterprise Spending on Gen AI Has More Than Doubled Since 2023

Organizational Gen AI Budgets
(Among Total)
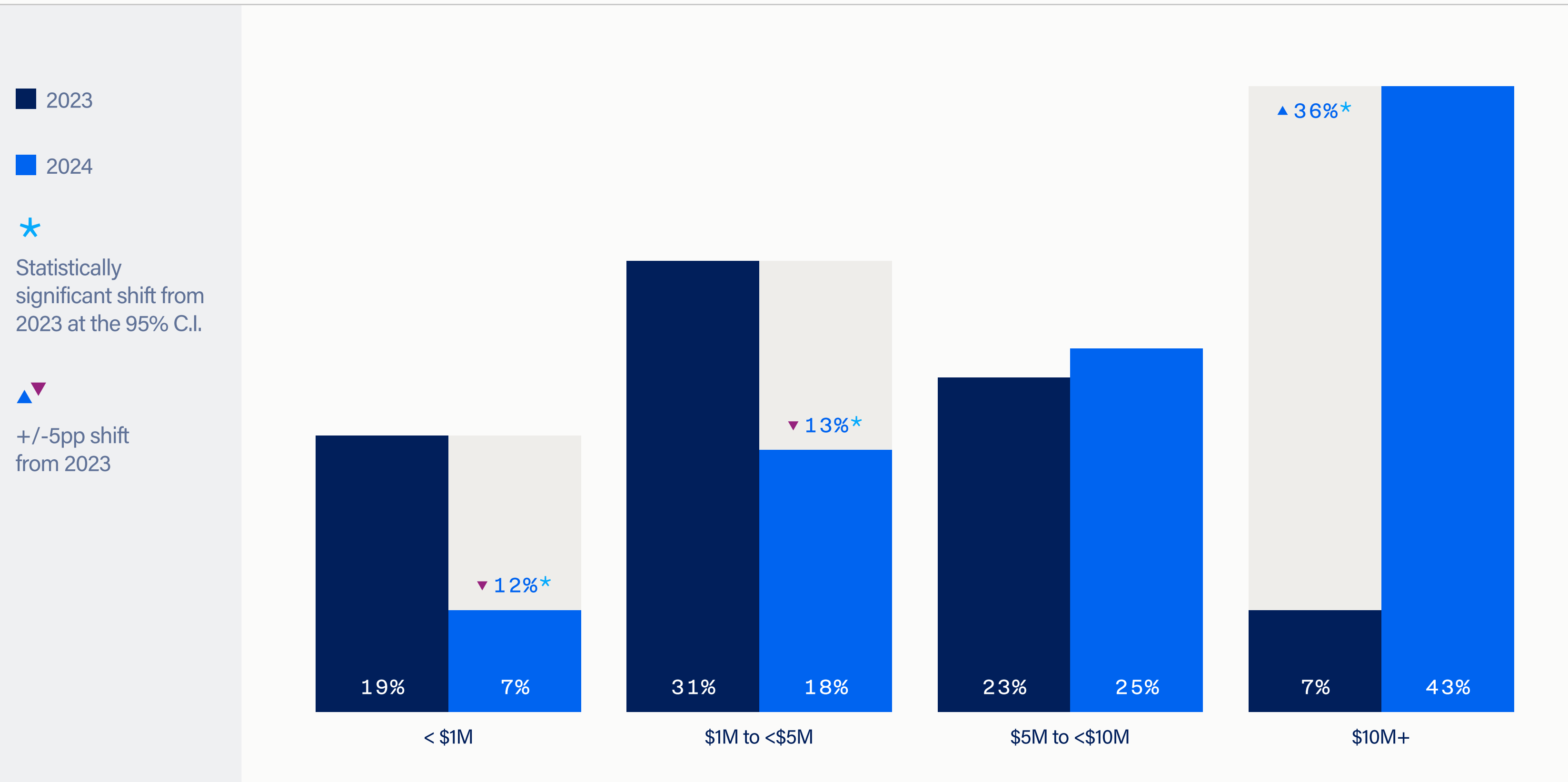
■ 2023

■ 2024

*****
Statistically significant shift from 2023 at the 95% C.I.

▲▼
+/-5pp shift from 2023

< $1M	$1M to <$5M	$5M to <$10M	$10M+
19% 7%	31% 18%	23% 25%	7% 43%
▼ 12%*	▼ 13%*		▲ 36%*

The average investment in Gen AI has **increased 2.3 times**, with enterprises spending $10.3M compared to $4.5M last year.

Compared to other functions Finance **(63%)**, Purchasing **(55%)**, and Legal **(54%)** spent had the highest budgets **($10+M)**

QSP1. What is your organization's approximate budget for Gen AI solutions and related services? (Note: Question wording updated in 2024)

Total: 2024 (n=802), 2023 (n=672)

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Enterprise Spending on Gen AI Currently Focuses on Training, Consulting, and Onboarding

Budget Breakout
(Among Total)
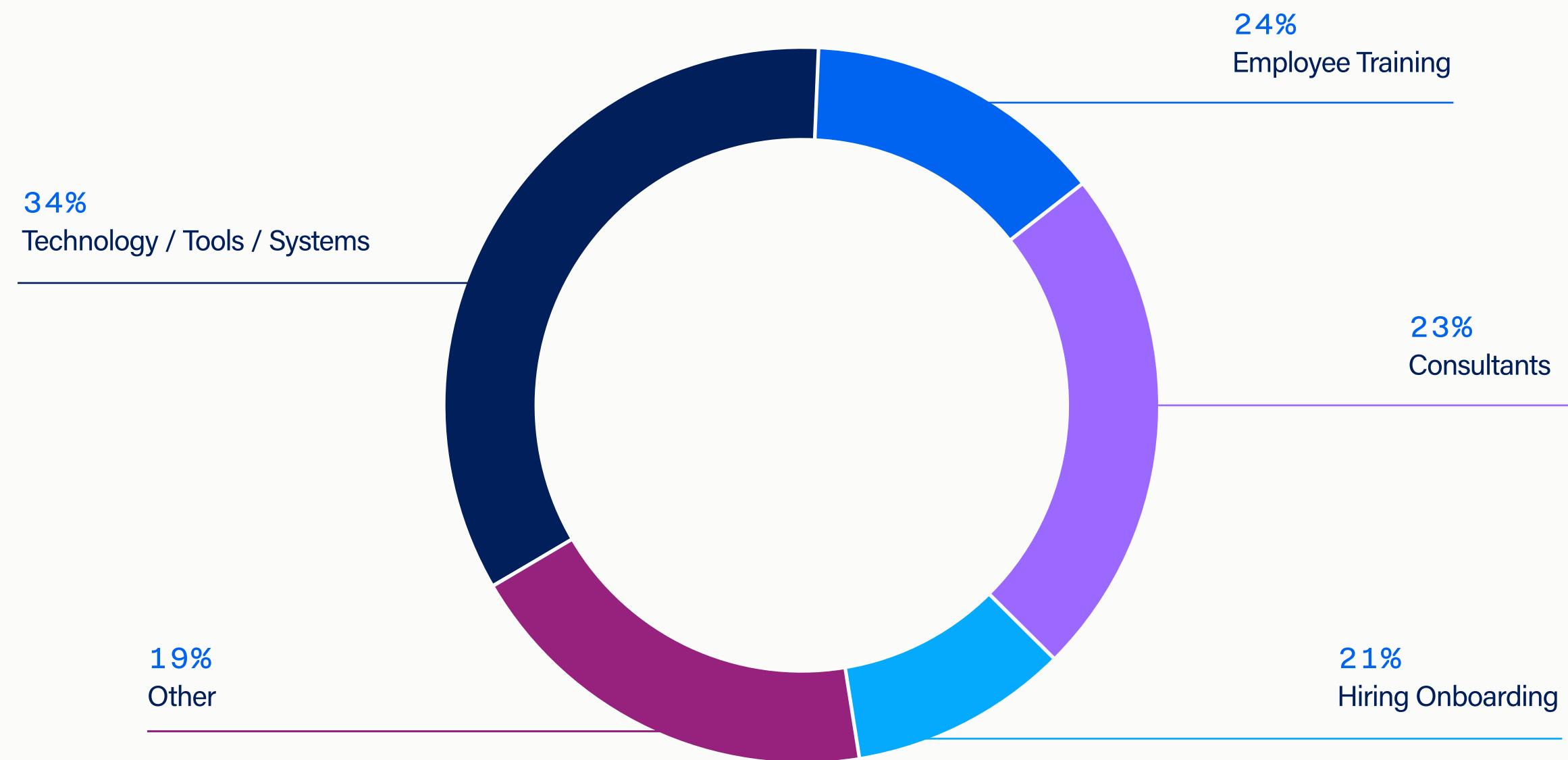
34%
Technology / Tools / Systems

24%
Employee Training

23%
Consultants

21%
Hiring Onboarding

19%
Other

The average investment in Gen AI has **increased 2.3 times**, with enterprises spending $10.3M compared to $4.5M last year. Primary investment areas are in technology tools and systems, training, hiring, and consulting.

QSP2. How do you budget for Gen AI across the below areas? - Mean (Excluding Zero) :Summary (Note: New Question in 2024)
Total: 2024 (n=802)

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Predicted Future Spending Means More Enterprises with Budgets Greater than $5M

Gen AI Budget Investment Next Fiscal Year – By Functional Area (Among Total)

Legend:
- ■ $10M+
- ■ $5-<$10M
- ■ <$5M

* Statistically significant shift from 2023 at the 95% C.I.

▲▼ +/-5pp shift from 2023

Functional Area	$10M+	$5-<$10M	<$5M
Total	▲30%* 49%	▲33%* 23%	▼16%* 21%
HR	▲32%* 42%	▼9% 19%	▼10% 32%
IT / BI	▲18%* 39%	▼14%* 27%	30%
Marketing/ Sales	▲35%* 45%	20%	▼7% 22%
Operations	▲21%* 38%	17%	32%
Product Dev/ Engineering	▲43%* 55%	27%	▼40%* 12%
Purchasing / Procurement	▲42%* 64%	▼5% 26%	▼30%* 9%
Management	▲26%* 39%	▼5% 17%	▼14% 35%
Finance / Accounting^	64%	20%	11%
Legal^	49%	35%	13%
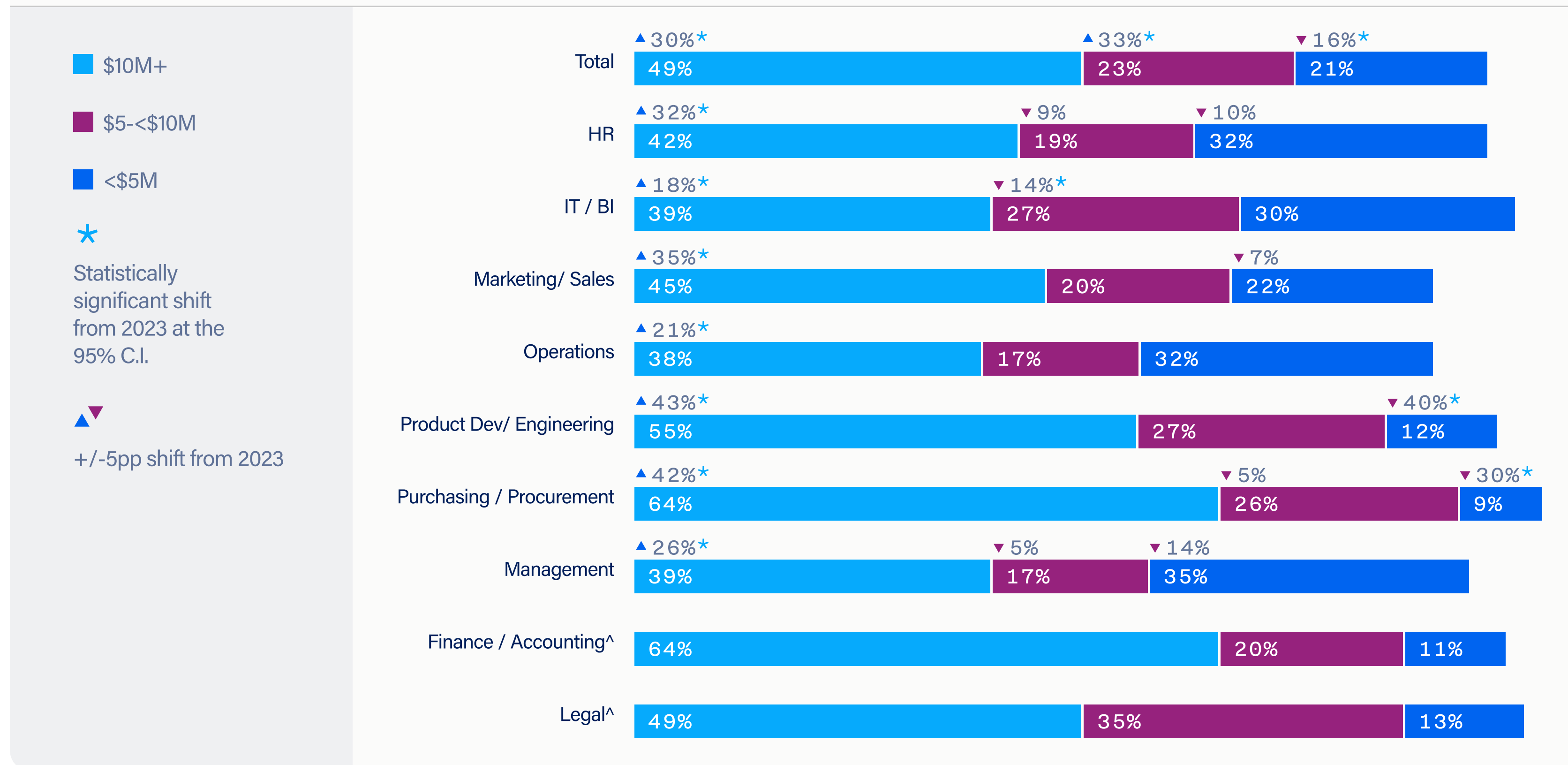
- The last 12 months have seen strong investments in Gen AI, and that should continue with **72% of enterprises predicting Gen AI budget growth** over the next 12 months.

- Finance **(64%)**, Purchasing **(64%)**, and Product Development/Engineering **(55%)** are most likely to have budgets greater than **$10M** next year

Does not include "I'm not sure/NA", hence displayed data does not sum to 100%
QSP3. Thinking about the next fiscal year, what do you anticipate your organization's approximate total budget will be for Gen AI solutions and related services?
Total: 2024 (n=802), HR (n=91), IT/BI (n=92), Marketing/Sales (n=89), Operations (n=92), Product Development /Engineering (n=92), Purchasing (n=102), General Management (n=75), Finance /Accounting (n=91), Legal (n=78)
^Functional areas added in 2024

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Training Will Be a Major Component of Enterprise AI Strategy

Training Investment Expectations by Functional Area (Among Total)

Minimal training/ investment

Moderate required training/investment

Extensive required training/ investment

Will likely need entirely new talent

*
Statistically significant shift from 2023 at the 95% C.I.

▲▼
+/-5pp shift from 2023

	Minimal	Moderate	Extensive	New talent
Total	6%	▲ 11% 41%	48%	3%
HR	4% ▲ 11%	54%	37%	4%
IT / BI	▼ 11%* ▲ 6% 8%	48%	▲ 10% 41%	3%
Marketing/ Sales	4% ▼ 5%	40%	▲ 10% 48%	2% │ ▼ 6%
Operations	2%	39%	▲ 15%* 53%	4%
Product Dev/ Engineering	▼ 8% ▼ 15% 5%	30%	▲ 25%* 61%	1%
Purchasing / Procurement	▼ 11%	39%	▲ 17%* 56%	5%
Management	▼ 7% 11%	31%	▲ 17%* 56%	0% │ ▼ 11%*
Finance / Accounting^	7%	45%	47%	1%
Legal^	18%	44%	33%	5%

In addition to dollar investments, there is consensus that moderate to extensive training is required in most functions, however not all functions need the same level of training their workforces. While new talent acquisition is most important for legal and general management, most functional areas predict decreases in that need.

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Investment in Training is Limited to the Basics and Not Uniform Across Functional Areas

**Investment in Training –
by Functional Area** (Among Total)

	HR	IT/BI	Marketing/ Sales*	Operations	Product Dev/ Engineering*	Purchasing/ Procurement*	Management*	Finance/ Accounting*	Legal*
Courses on AI	55%	55%	60%	51%	67%	41%	59%	52%	68%
Providing access to AI tools and software for hands-on learning	66%	57%	55%	49%	47%	49%	59%	32%	68%
Implementing AI learning projects or pilot programs	48%	66%	48%	57%	33%	46%	57%	55%	55%
Developing in-house training modules or courses	52%	43%	50%	57%	40%	36%	43%	48%	51%
Internal workshops or seminars	57%	40%	38%	60%	30%	31%	52%	35%	53%
Hiring external consultants or trainers	41%	38%	40%	40%	43%	41%	39%	35%	49%
Offering certification programs in AI	41%	43%	30%	51%	37%	28%	45%	26%	43%
Partnering with educational institutions for AI training	36%	43%	45%	34%	27%	31%	36%	19%	45%

While budgets will be dedicated to Gen AI training, just over half of companies currently provide courses on AI, hands-on access, and internal projects or pilots. More advanced partnerships, custom in-house training, and internal workshops and seminars lag.

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Investment Will Continue to Increase Over the Next 2 to 5 Years, But at a Slower Pace

Gen AI Budget Investment Next 2 to 5 Years – by Functional Area (Among Total)

Legend:
- ■ Increase substantially (>10%)
- ■ Increase somewhat (1 - 10%)
- ■ Remain the same
- ■ Decrease

* Statistically significant shift from 2023 at the 95% C.I.

▲▼ +/-5pp shift from 2023

Functional Area	Increase substantially (>10%)	Increase somewhat (1-10%)	Remain the same	Decrease
Total	25% ▼10%*	57%	14% ▲6%*	1%
HR	19% ▼11%	65%	10%	
IT / BI	22% ▼23%*	59% ▲16%*	13%	1%
Marketing/ Sales	27% ▼11%*	57% ▲5%	9% ▲9%*	1%
Operations	26% ▼5%	55% ▲6%	11%	3%
Product Dev/ Engineering	23% ▼13%	62% ▲13%	14%	1%
Purchasing / Procurement	26%	58%	15%	1%
Management	35%	44% ▼9%	16% ▲10%	1%
Finance/Accounting^	22%	46%	29%	
Legal^	24%	62%	14%	

Growing Up: Navigating Gen AI's Early Years." AI at Wharton in collaboration with GBK Collective, October 2024.

Percentage increases in investment—while still large—are slowing compared to last year. Across functional areas, enterprises predict less aggressive budget increases. However, certain functions predict steadier fiscal investments, with IT/BI, Marketing, Operations, and Product/Engineering predicting budgets increasing somewhat **(1-10%)** or remaining the same.

Does not include "I'm not sure/NA", hence displayed data does not sum to 100%.
QSP5. Do you anticipate your organization's spending on Gen AI, 2-5 years from now, to increase, decrease, or remain the same? Total: 2024 (n=802), HR (n=91), IT/BI (n=92), Marketing/Sales (n=89), Operations (n=92), Product Development /Engineering (n=92), Purchasing (n=102), General Management (n=75), Finance /Accounting (n=91), Legal (n=78)
^Functional areas added in 2024

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Chief AI Officers (CAIO) are now in 21% of companies:

- **Large companies** (revenue $2B+): **16%**

- **Mid-sized companies** (revenue $250M to $2B): **21%**

- **Small companies** (revenue $50M to $250M): **23%**

Companies are Adapting by Expanding Teams

Responsibility for Gen AI Strategy
(Among Total)

■ 2023

■ 2024

✱

Statistically
significant shift
from 2023 at the
95% C.I.

▲▼

+/-5pp shift
from 2023

One
existing team
34%
46%
▲12%✱

Multiple
existing teams
47%
45%

Rely primarily on
external consultants
and partners
7%
5%

No one else
internally or
externally
6%
3%

Gen AI strategy responsibilities are being kept in-house across different size teams. However, among those who do not currently have internal teams, **64%** are considering or in the process of creating one.

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Size of AI Teams Has Increased

Team Composition with Number of People
(Among those with Existing Teams)
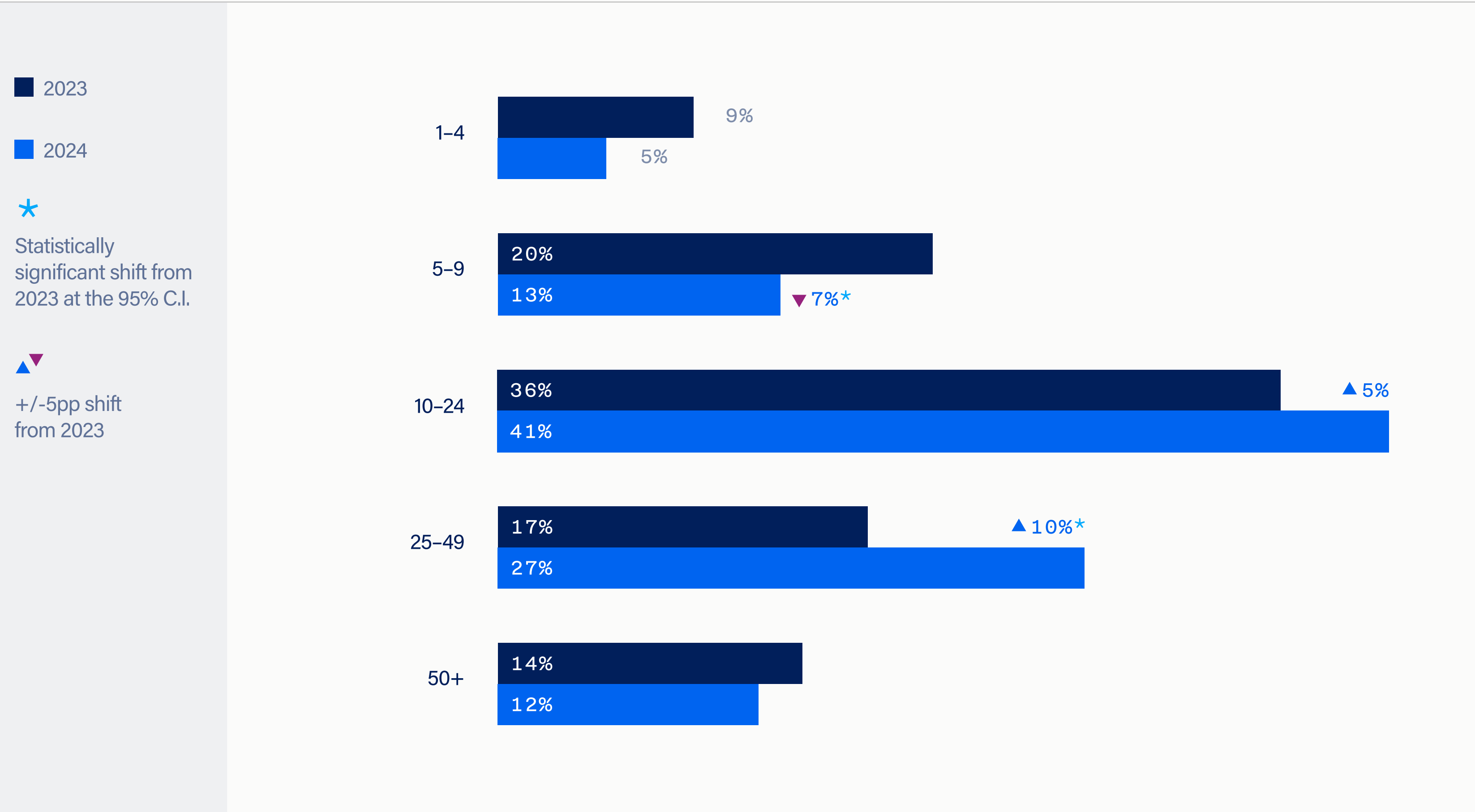
Size of AI teams have grown. Among smaller organizations, Chief AI Officer (CAIO) roles are prevalent.

■ 2023

■ 2024

* Statistically significant shift from 2023 at the 95% C.I.

▲▼ +/-5pp shift from 2023

1–4
9%
5%

5–9
20%
13% ▼ 7%*

10–24
36%
41% ▲ 5%

25–49
17% ▲ 10%*
27%

50+
14%
12%

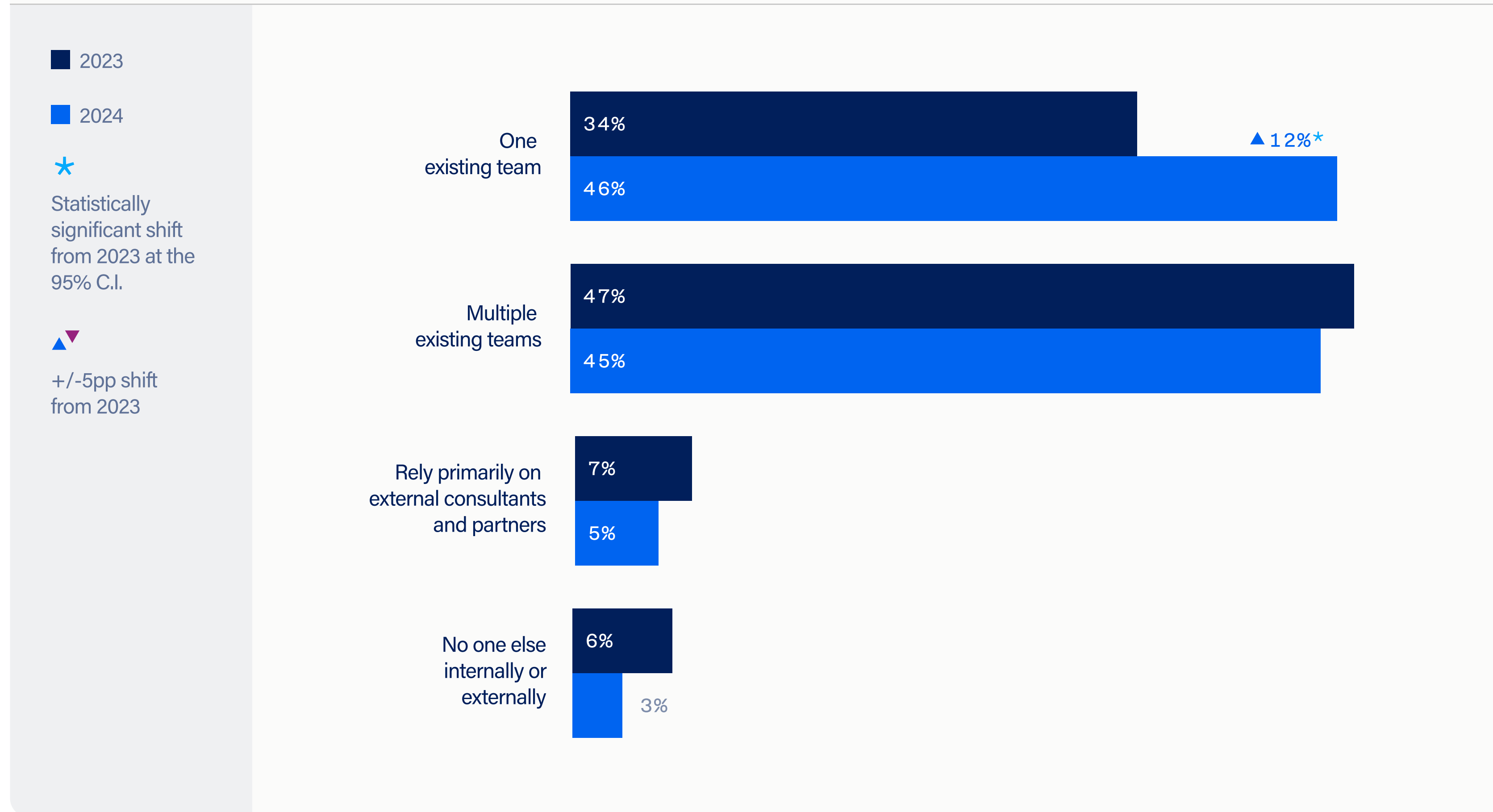Q19. Approximately how many people are specifically focused on your Gen AI strategy? 2024 (n=731), 2023 (n-541)

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Role of Training is Up for Debate; Rollout of GenAI is Not Guided by One Strategy

Strategies for Rolling Out Gen AI (Among Total)

■ Internal investment

■ External involvement

■ Misc investment

✱ Statistically significant shift from 2023 at the 95% C.I.

▲▼ +/-5pp shift from 2023

Invest in training programs for employees	▼ 11% ✱ **48%**
Allow our employees to test and innovate	**46%**
Hire management or technology consultants to advise us (e.g. McKinsey, BCG, Accenture)	**44%**
Hire new employees who have existing experience and skills	**44%**
Hire technology partners or contractors to help us	▼ 5% **44%**
Attend industry events or conferences	**37%**
Watch and learn from similar companies	**34%**
Buy industry analyst reports or consulting hours (e.g., Gartner, Forrester)	**32%**
None of these	**2%**

- Although the most common investments are employee programs for training, testing, and innovating with Gen AI, enterprises may be in a "wait-and-see" period, relying on lower-cost options such as industry reports.
- Fewer than half expect to bring in external consultants, partners, or contractors. Those who will bring in consultants expect that they will play a substantial role in strategy, planning, and rollout.

Q22. Which of the following methods has your organization done, or is currently doing, in making decisions on how to use or roll our Gen AI solutions or tools? 2024 (n=802)

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Among those planning to hire external consultants, 63% say that these consultants will have a substantial role, while 29% indicate they'll play a moderate role. Only 8% will rely primarily on consultants.

Q23A. How big of a role do you expect management and technology consultants to play in your organization's strategy, planning, and rollout of Gen AI projects? 2024 (n=354)

DETAILED FINDINGS: DRIVERS & USE CASES

Key Findings on Drivers & Use Cases

AI is everywhere. Last year, decision-makers expected Gen AI to touch everything—data analysis, content creation, research, and more. Indeed, after a year of usage and increased familiarity, use cases exist across a wide range of areas, including document writing/editing, analysis, data analysis, and summarization.

Top drivers. Top drivers of Gen AI adoption include decision-makers' expectations that it will boost productivity, optimize operations, and enhance customer experiences. However, the perceived benefits and factors for consideration have decreased from last year—perhaps indicative of decision-makers' better understanding of the realities of Gen AI's abilities.

Barriers remain, but to a lesser degree. Accuracy concerns, privacy risks, and integration challenges are the biggest hurdles to adoption. However, concerns have decreased around cost, trust (employee/internal resistance and lack of trust), and ethical concerns around the technology (e.g., systemic biases, transparency).

The Top Use Cases are Not Always Top Performers— Idea Generation, Legal Contracts, and Fraud Detection Perform Well

Gen AI Use Case Performance
(Among Organizations Currently Using Gen AI)

- ■ Great Performance
- ■ Good Performance
- ■ Poor Performance

☑ Top 5 most common use cases for Gen AI

Use Case	Great	Good	Use Case	Great	Good
☑ Data Analyses and Analytics	63%	35%	Customer Service and Support	59%	39%
Idea Generation/Brainstorming	62%	37%	Presentation and Report Creation	58%	40%
Legal Contract Generation	61%	37%	Customer Loyalty and Retention Programs	58%	40%
Fraud Detection and Prevention	60%	38%	Customer Research/Competitive Intelligence	58%	40%
Email Generation	60%	37%	Employee Recruitment, Onboarding, and Enablement	57%	39%
☑ Document and Proposal Editing/Writing	60%	37%	☑ Marketing Content Creation	57%	41%
☑ Personalized Marketing and Advertising	60%	38%	Product/Service Design and Development	56%	41%
Internal Support and Help Desk	60%	38%	Risk Management	55%	43%
☑ Document/Meeting Summarization	60%	37%	Financial Forecasting and Planning	54%	45%
Providing Supporting Evidence Towards a Data-driven Decision	60%	37%	Predictive Customer Behavior	53%	42%
Sales Content Creation	60%	37%	Desk Research/Secondary Research/Literature Summarization	53%	45%
Predictive Maintenance	59%	39%			

Users of Gen AI rated its performance, putting data analytics as a top performer along with other idea and content generation.

Growing Up: Navigating Gen AI's Early Years." AI at Wharton in collaboration with GBK Collective, October 2024.

Reasons for Using Gen AI Are Relatively Consistent This Year, With Some Softening in Intensity on Productivity and Optimization

Benefits of Using GenAI
(Among Those Likely to Use or Using Gen AI)

*
Statistically significant shift from 2023 at the 95% C.I.

▲▼
+/-5pp shift from 2023

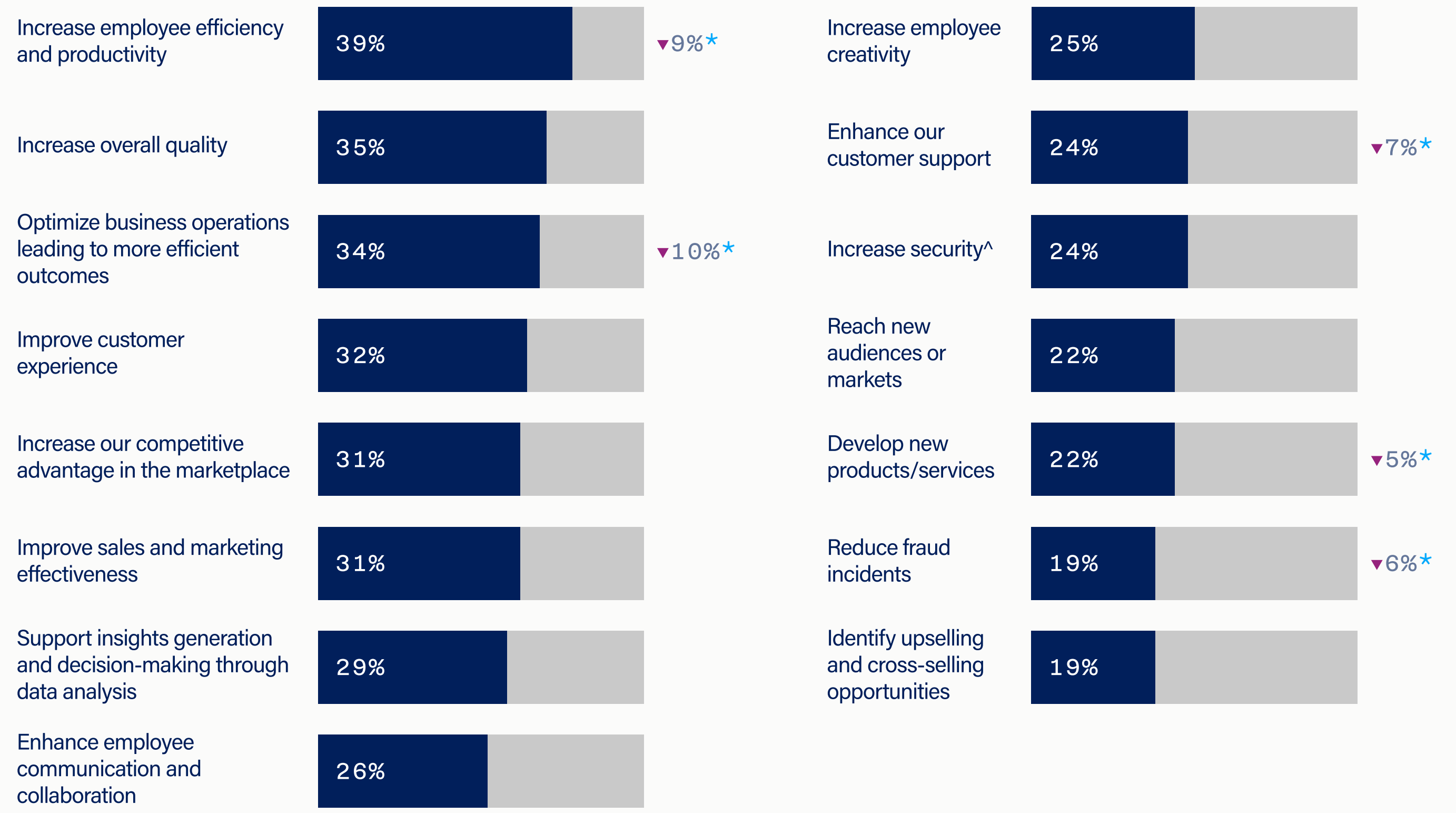| Benefit	%
Increase employee efficiency and productivity	39% ▼9%*
Increase overall quality	35%
Optimize business operations leading to more efficient outcomes	34% ▼10%*
Improve customer experience	32%
Increase our competitive advantage in the marketplace	31%
Improve sales and marketing effectiveness	31%
Support insights generation and decision-making through data analysis	29%
Enhance employee communication and collaboration	26%
Increase employee creativity	25%
Enhance our customer support	24% ▼7%*
Increase security^	24%
Reach new audiences or markets	22%
Develop new products/services	22% ▼5%*
Reduce fraud incidents	19% ▼6%*
Identify upselling and cross-selling opportunities	19%

Across enterprises of all revenues, **employee efficiency/productivity**, **increases overall quality**, and **optimize business operations leading to more efficient outcomes** are the highest perceived benefits of using Gen AI.

Q10. What are the main benefits your organization is seeking by using Gen AI? Currently use or intend to use Gen AI (n=794)
"Other" (<1%) and "None" (<1%) datapoints not shown.
^Added in 2024

Growing Up: Navigating Gen AI's Early Years." AI at Wharton in collaboration with GBK Collective, October 2024.

AI at Wharton

Security and Ease of Use Are Most Considered When Selecting a Gen AI Solution / Platform

What is Considered When Selecting a Gen AI Solution / Platform
(Among Total)

*
Statistically significant shift from 2023 at the 95% C.I.

▲▼
+/-5pp shift from 2023

Security of our organization's sensitive data/information — 36% ▼8%*

Ease of operations — 35%

Security/protection of customers' sensitive data/information — 35% ▼5%

Ease of use for our employees — 34% ▼12%*

Scalability and performance capabilities — 32%

Customization options for specific use cases — 32%

Transparency of algorithms and how data are used — 32%

Appropriate controls for ethical considerations such as potential bias — 31% ▼5%*

Cost — 28% ▼16%*

Adoption by other companies like ours — 26% ▲8%*

Meets my use case requirements^ — 24%

Availability of third-party resources to plan, implement, and support the solution — 22%

Customer support — 20% ▼7%*

Vendor reputation — 19%

- Consistent with last year, **Security** and **Ease of operations** are the top factors for consideration of Gen AI. Larger organizations also focus on Cost and Transparency of the algorithm and how data is used.
- **Cost as a barrier** factor fell from a top 3 consideration in 2023, suggesting firms are understanding Gen AI's value, and **Ethical Considerations** also fell, perhaps as familiarity has increased.
- **Adoption by similar companies** and **Availability of 3P resources** are up from last year are factors to watch.

Q12. What are the top factors you would consider when selecting a Gen AI solution or platform for your organization?
2024 (n=802)
^Added in 2024

Growing Up: Navigating Gen AI's Early Years." AI at Wharton in collaboration with GBK Collective, October 2024.
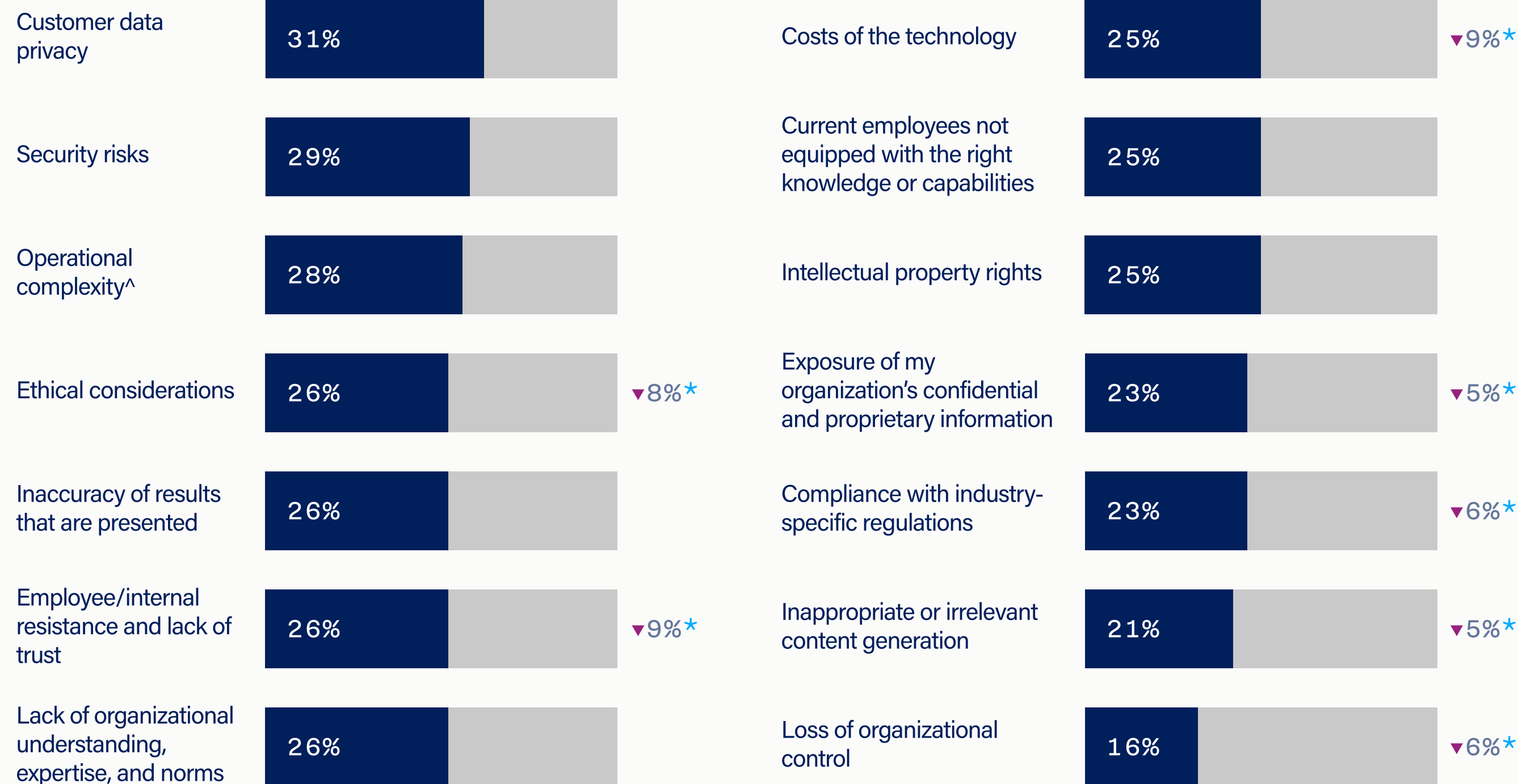
Concerns About Gen AI Have Decreased Over the Past Year

Barriers to Using Gen AI
(Among Those Likely to Use or Using Gen AI)

*

Statistically significant shift from 2023 at the 95% C.I.

▲▼

+/-5pp shift from 2023

Barrier	%	Shift		Barrier	%	Shift
Customer data privacy	31%			Costs of the technology	25%	▼9%*
Security risks	29%			Current employees not equipped with the right knowledge or capabilities	25%	
Operational complexity^	28%			Intellectual property rights	25%	
Ethical considerations	26%	▼8%*		Exposure of my organization's confidential and proprietary information	23%	▼5%*
Inaccuracy of results that are presented	26%			Compliance with industry-specific regulations	23%	▼6%*
Employee/internal resistance and lack of trust	26%	▼9%*		Inappropriate or irrelevant content generation	21%	▼5%*
Lack of organizational understanding, expertise, and norms	26%			Loss of organizational control	16%	▼6%*

- **Cost** and **Ease of use**—top barriers in 2023—have decreased in concern, suggesting enterprise decision-makers have more comfort with Gen AI.

- Last year, **inaccuracy of results, customer data privacy,** and **employee resistance & lack of trust** were top challenges, however after a year of increased familiarity only **customer data privacy** remains a top concern.

Q11. What are your main challenges or concerns related to using Gen AI within your organization? 2024 (n=802)
"Other" (<1%) and "None" (<1%) datapoints not shown.
^Added in 2024

Growing Up: Navigating Gen AI's Early Years." AI at Wharton in collaboration with GBK Collective, October 2024.

DETAILED FINDINGS: ATTITUDES & PERCEPTIONS

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Key Findings on Attitudes & Perceptions

Vibes are positive. After 12 months, positive emotive associations like Optimistic, Excited, and Appreciation for Gen AI are up, while Caution and Skepticism are down, as senior decision-makers have more understanding of the technology. While the negative potential of Gen AI is still in the back of users' minds, in the short-term there has been a positive shift.

Curiosity is being replaced by excitement. As familiarity and usage of Gen AI has grown over the last 12 months, enterprise users have had a chance to test and try out Gen AI, thus satisfying their curiosity.
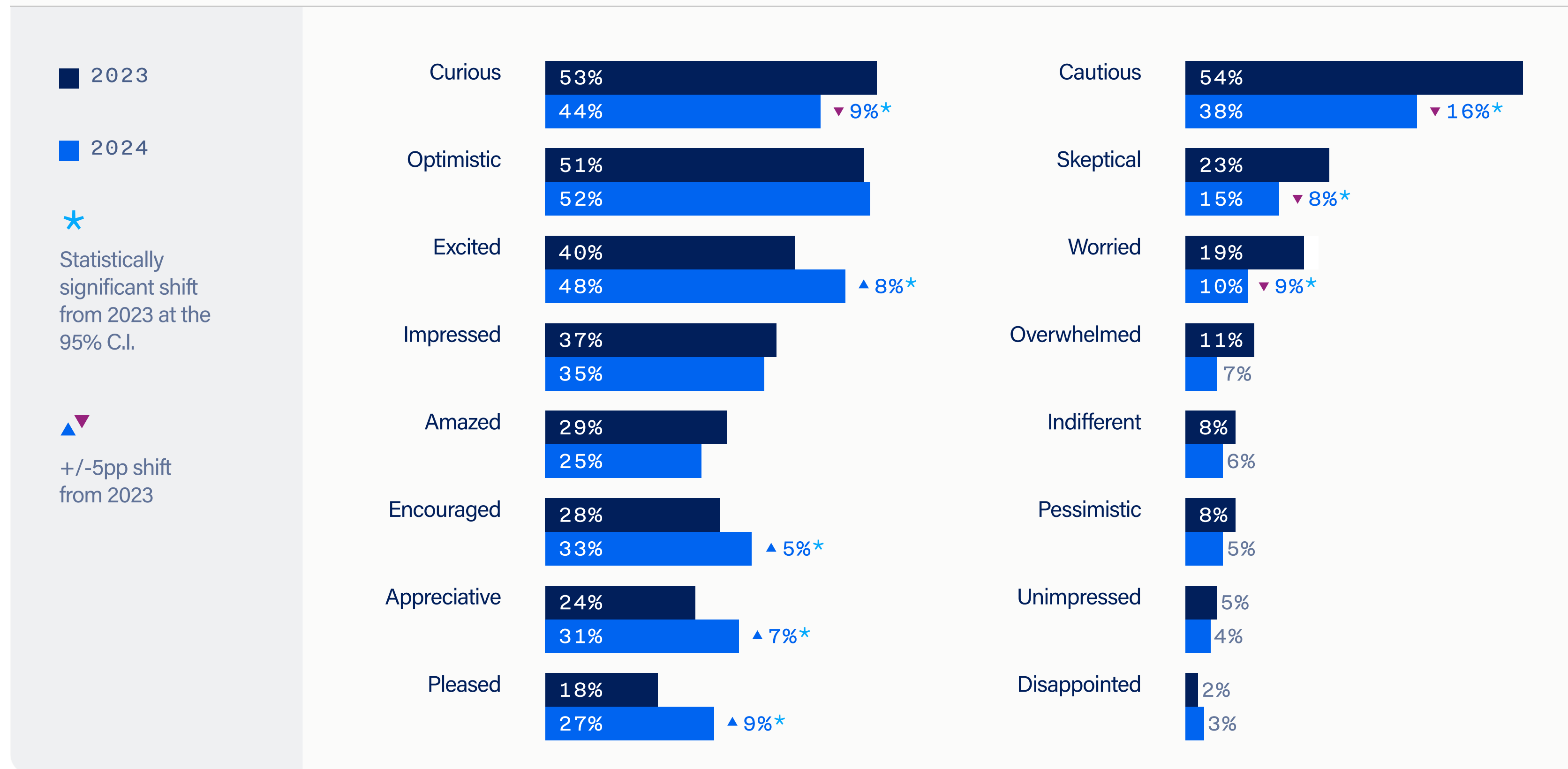
Gen AI is being seen as a productivity booster. As decisions-makers become more familiar with Gen AI, there is softened concern of it being a direct competitor to human capital and a realization that Gen AI is a tool that compliments and creates efficiencies in work streams.

Microsoft and Google are still the leaders in the Gen AI race. Microsoft has taken the top leadership role as Google slips over the last 12 months despite initial predictions it would continue to widen the gap. OpenAI and AWS are rising stars.

LLMs are going mainstream. Foundational models like GPT-4 are becoming enterprise staples. Users are becoming comfortable with more than just one model, exploring Claude (Anthropic), Copilot (Microsoft), MetaAI (Meta), and Perplexity, using both free and subscription versions (individual and commercial).

AI at Wharton

Leaders Show the Same or More Optimism and Excitement, with Decreased but Still Notable Curiosity and Caution

Emotional Associations with Gen AI
(Among Total)

■ 2023

■ 2024

* Statistically significant shift from 2023 at the 95% C.I.

▲▼ +/-5pp shift from 2023

	2023	2024	Shift
Curious	53%	44%	▼ 9%*
Optimistic	51%	52%	
Excited	40%	48%	▲ 8%*
Impressed	37%	35%	
Amazed	29%	25%	
Encouraged	28%	33%	▲ 5%*
Appreciative	24%	31%	▲ 7%*
Pleased	18%	27%	▲ 9%*

	2023	2024	Shift
Cautious	54%	38%	▼ 16%*
Skeptical	23%	15%	▼ 8%*
Worried	19%	10%	▼ 9%*
Overwhelmed	11%	7%	
Indifferent	8%	6%	
Pessimistic	8%	5%	
Unimpressed	5%	4%	
Disappointed	2%	3%	

Enterprise users are still "optimistic" and even more "excited" about Gen AI, however, they are less "curious" after having another year to build their familiarity with Gen AI.

Growing Up: Navigating Gen AI's Early Years." AI at Wharton in collaboration with GBK Collective, October 2024.
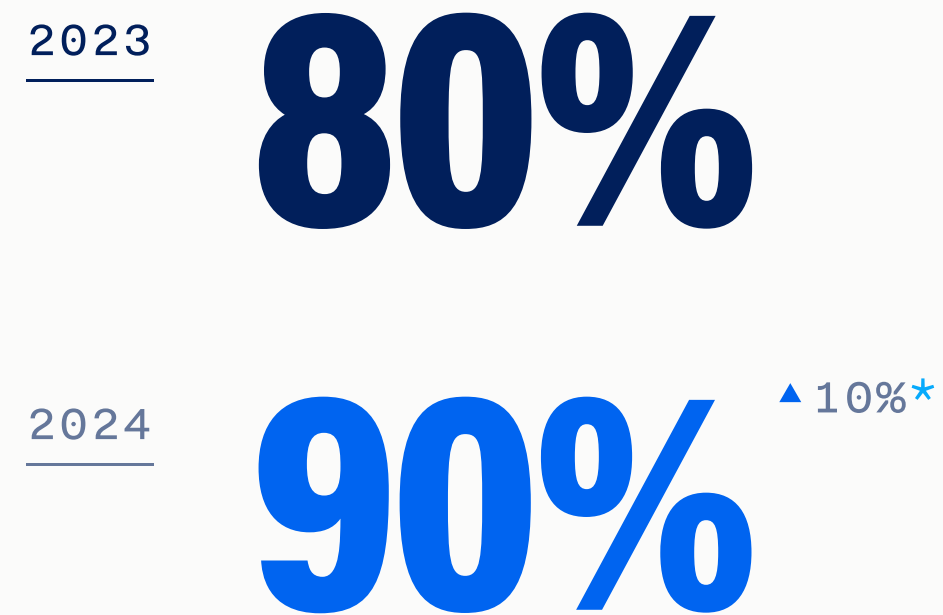
Gen AI is Still Seen More as a Tool to Enhance Employee Efficiency, Rather than a Replacement

Perceptions of Employee Impact
(Among Total, Top 2 Box – Strongly/Strongly Agree)

■ 2023

■ 2024

* Statistically significant shift from 2023 at the 95% C.I.

▲▼ +/-5pp shift from 2023

Enhance employees' skills in some tasks

2023   **80%**

2024   **90%**   ▲ 10%*

"AI will not replace people for certain jobs, but rather enhance employee output and help improve the overall quality of the output of employees and eliminate human error, and improve quality."

Leader in Automotive, $2B+ Annual Revenue

Replace employees' skills in some tasks

2023   **75%**

2024   **72%**
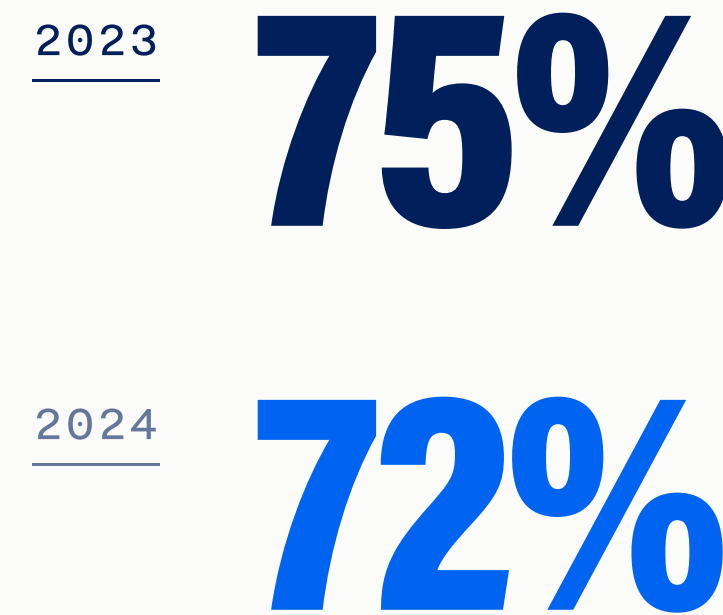
"The company is asking its best coders to train the AI and it's hard to fathom that this is entirely altruistic. I believe that companies will use AI to replace human workers because it's cheaper."

Leader in Technology/Telecom, $250M - $1B Annual Revenue

As familiarity and usage increase, there is more agreement on statements of efficiency and supplemental enhancement versus replacement.

Those working in Purchasing/Procurement (97%) are more likely than most other functions to agree Gen AI will 'enhance' skills, while those in Finance (87%) are more likely to agree it will 'replace.'
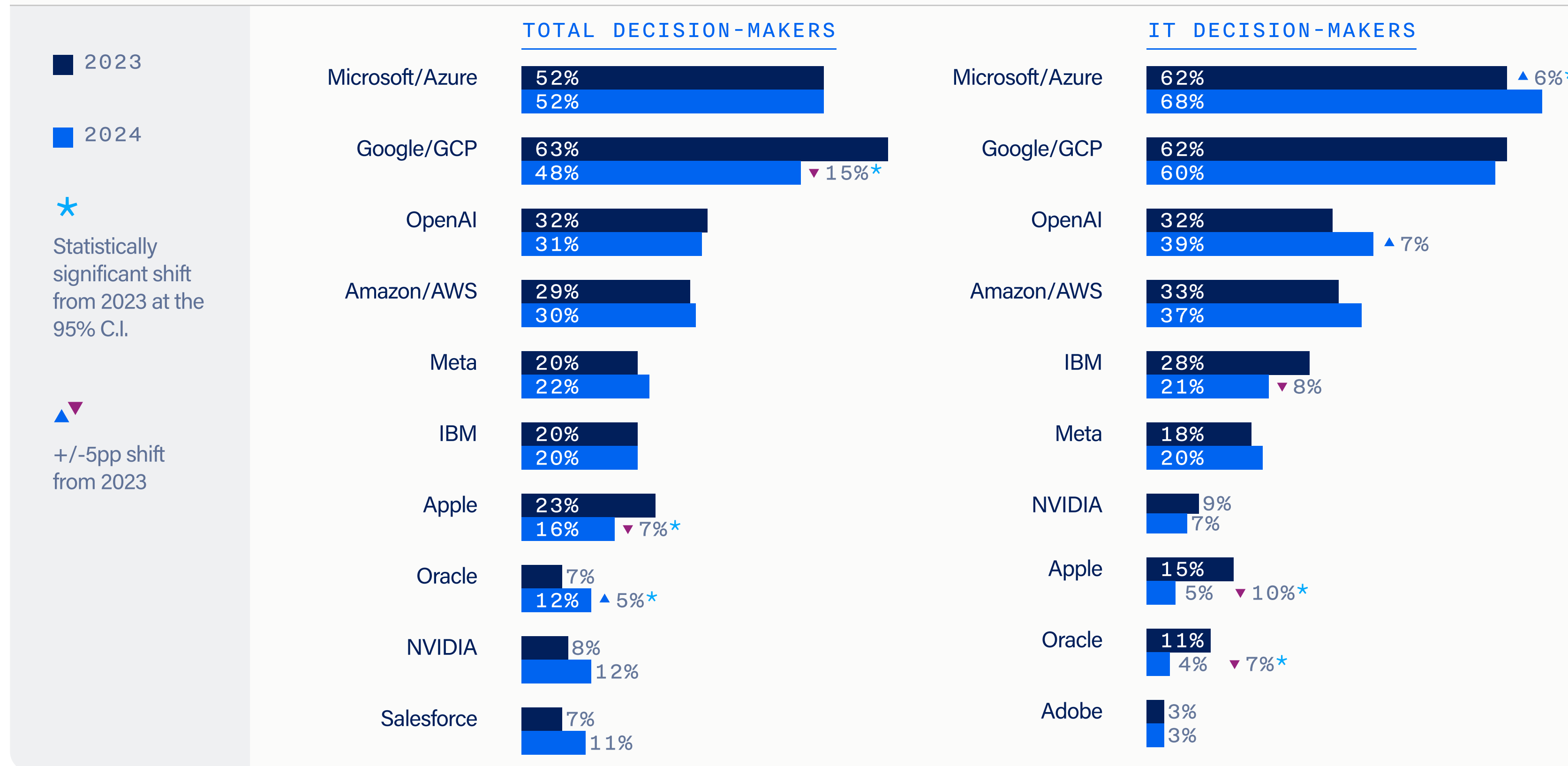
Q6. What is your level of agreement with the following statements regarding the current impact of Gen AI on your organization? - Strongly/somewhat agree :Summary
Total: 2024 (n=802), 2023 (n=672)

Wharton — AI at Wharton

Microsoft and Google are Seen as Today's Standout Leaders in Gen AI

Perception of Leaders in Gen AI — TODAY
(Among Total and IT Decision-Makers, % of the time each brand was selected in the top 3)

■ 2023
■ 2024

*
Statistically significant shift from 2023 at the 95% C.I.

▲▼
+/-5pp shift from 2023

TOTAL DECISION-MAKERS

Brand	2023	2024	Shift
Microsoft/Azure	52%	52%	
Google/GCP	63%	48%	▼ 15%*
OpenAI	32%	31%	
Amazon/AWS	29%	30%	
Meta	20%	22%	
IBM	20%	20%	
Apple	23%	16%	▼ 7%*
Oracle	7%	12%	▲ 5%*
NVIDIA	8%	12%	
Salesforce	7%	11%	

IT DECISION-MAKERS

Brand	2023	2024	Shift
Microsoft/Azure	62%	68%	▲ 6%*
Google/GCP	62%	60%	
OpenAI	32%	39%	▲ 7%
Amazon/AWS	33%	37%	
IBM	28%	21%	▼ 8%
Meta	18%	20%	
NVIDIA	9%	7%	
Apple	15%	5%	▼ 10%*
Oracle	11%	4%	▼ 7%*
Adobe	3%	3%	

- Among all decision makers, Microsoft/Azure and Google are seen as equal, although Google has slipped **(-16pp)** from its big lead last year.
- Among IT Decision Makers, Microsoft **(+6pp)** has broken away from Google **(-2pp).**
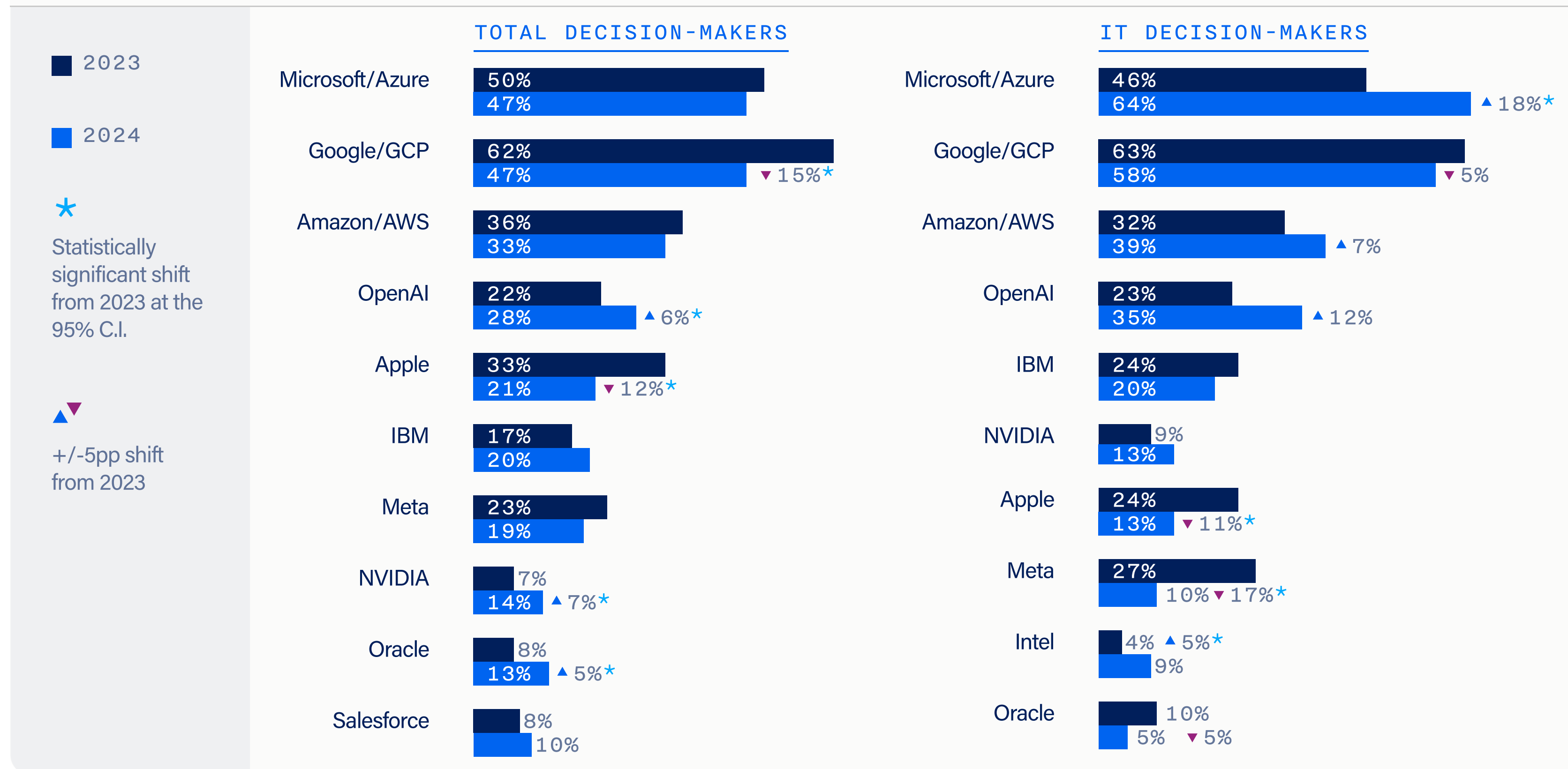- Open AI and Amazon/AWS come in closely together in the 3rd and 4th positions.

Q13A. Which of the following companies do you consider to be the current leaders in Gen AI? Total: 2024 (n=802), 2023 (n=652); IT Decision-Makers: 2024 (n=92), 2023 (n=117)

Growing Up: Navigating Gen AI's Early Years." AI at Wharton in collaboration with GBK Collective, October 2024.

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Microsoft and Google Are Expected to Maintain Their Front-runner Status, Although IT Leaders Feel More Bullish about Microsoft

Perception of Leaders in Gen AI — FUTURE
(Among Total and IT Decision-Makers, % of the time each brand was selected in the top 3)

■ 2023

■ 2024

✱
Statistically significant shift from 2023 at the 95% C.I.

▲▼
+/-5pp shift from 2023

TOTAL DECISION-MAKERS

Brand	2023	2024	Shift
Microsoft/Azure	50%	47%	
Google/GCP	62%	47%	▼ 15% ✱
Amazon/AWS	36%	33%	
OpenAI	22%	28%	▲ 6% ✱
Apple	33%	21%	▼ 12% ✱
IBM	17%	20%	
Meta	23%	19%	
NVIDIA	7%	14%	▲ 7% ✱
Oracle	8%	13%	▲ 5% ✱
Salesforce	8%	10%	

IT DECISION-MAKERS

| Brand	2023	2024	Shift
Microsoft/Azure	46%	64%	▲ 18% ✱
Google/GCP	63%	58%	▼ 5%
Amazon/AWS	32%	39%	▲ 7%
OpenAI	23%	35%	▲ 12%
IBM	24%	20%	
NVIDIA	9%	13%	
Apple	24%	13%	▼ 11% ✱
Meta	27%	10%	▼ 17% ✱
Intel	4%	9%	▲ 5% ✱
Oracle	10%	5%	▼ 5%

- Perceptions that Google will lead in Gen AI in the future are sharply down this year compared to last year speaking to the rocky year Google has had in its Gen AI roll-out of Bard and Gemini.

- Among IT decision-makers, Microsoft has dramatically increased **(+18 percentage points)** in perceptions as a future leader.

Growing Up: Navigating Gen AI's Early Years." AI at Wharton in collaboration with GBK Collective, October 2024.

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GPT and Gemini are the Most Commonly Used Large Language Models

Large Language / Foundational Models
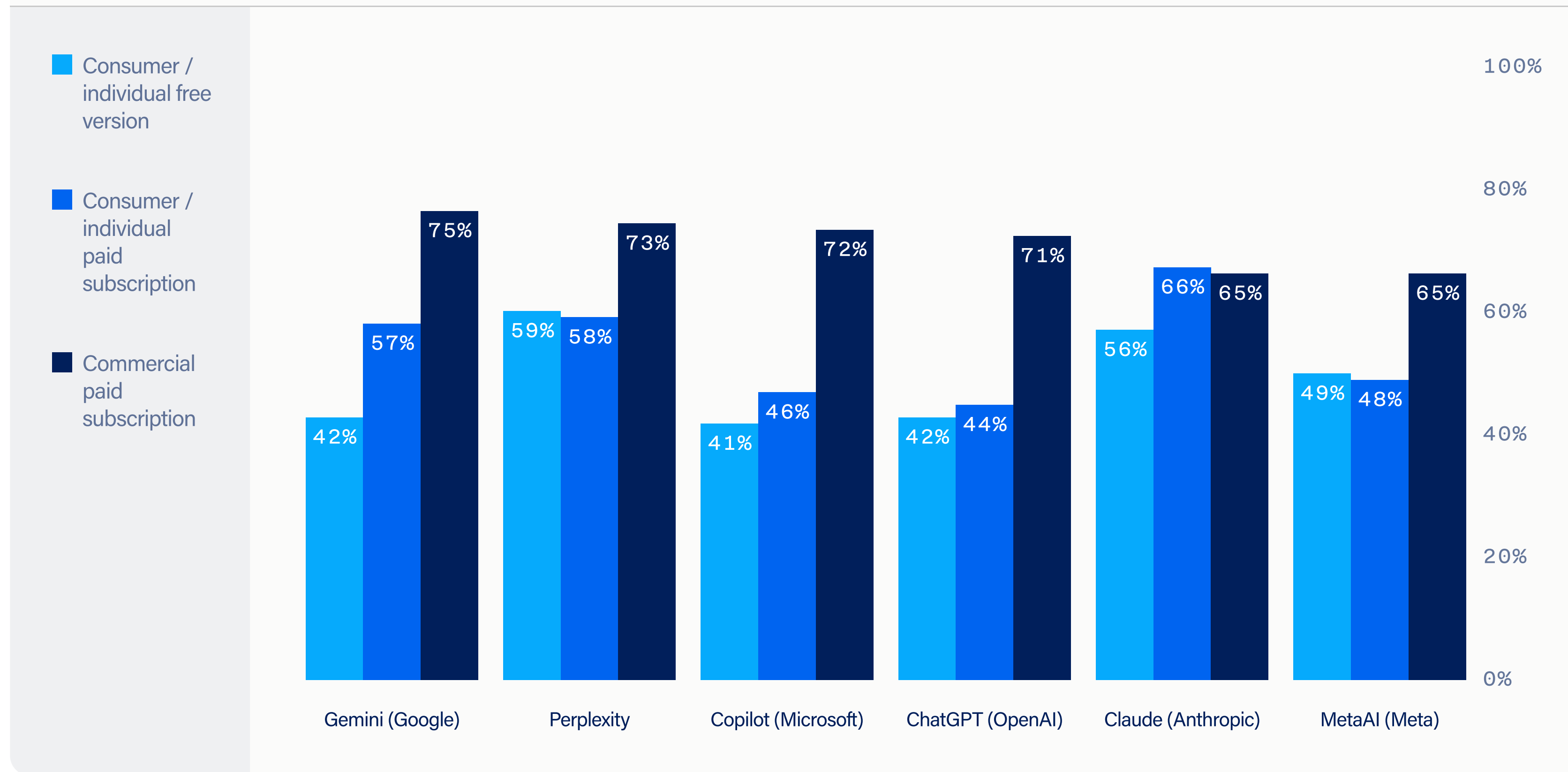(Among Total)
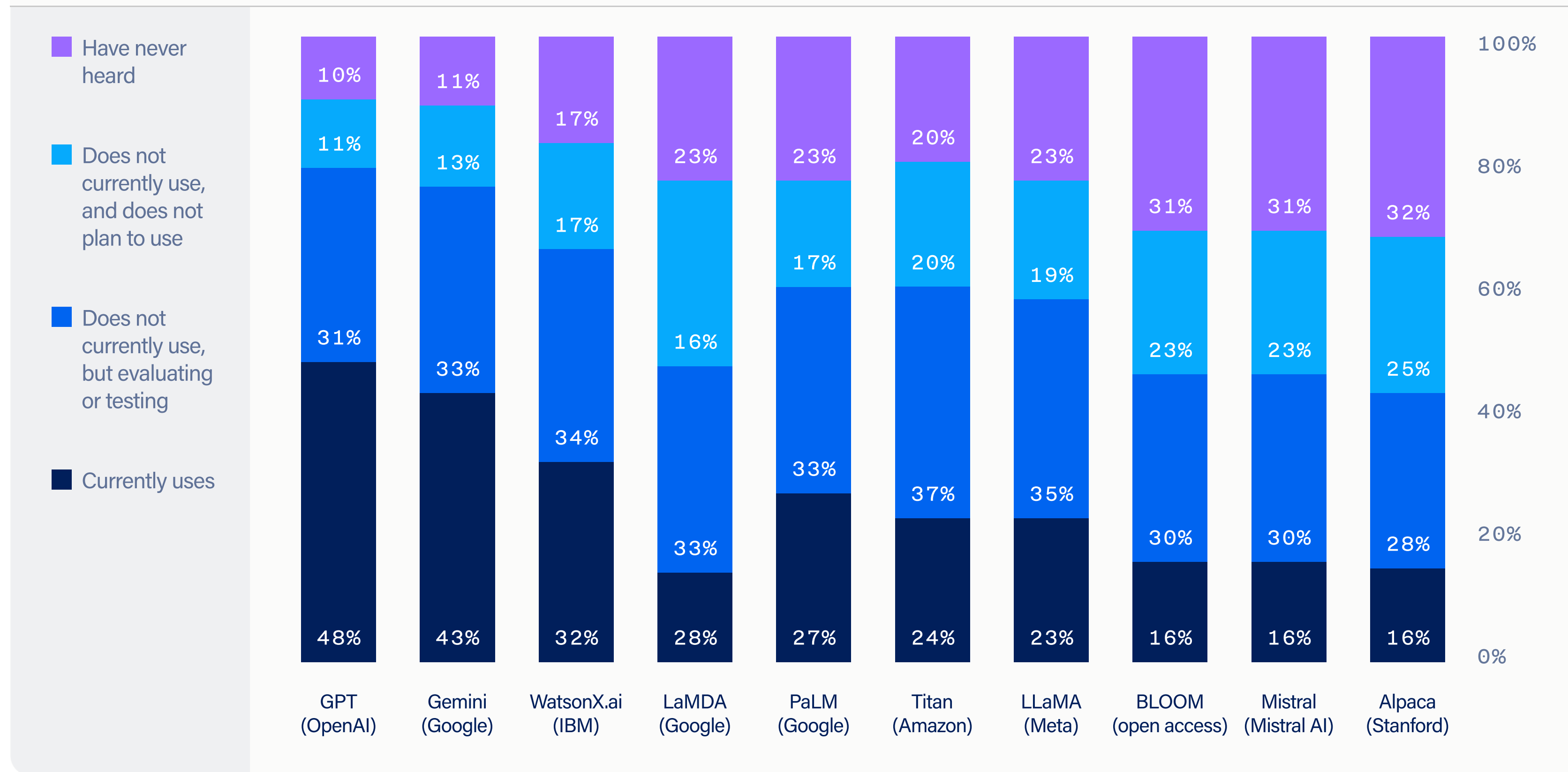
In Large Language Models (LLMs), **79%** of decision-makers are either currently using OpenAI's GPT in some capacity, or planning to use it in the future as the dominant market leader right now. Overall, familiarity with LLMs has grown, as companies test, use and evaluate.

Q16A. Please indicate your organization's use of the specific foundational LLMs (Large Language Model) listed below. - Currently use :Summary
2024: (n=802)
(Note: Question wording updated in 2024)

Growing Up: Navigating Gen AI's Early Years." AI at Wharton in collaboration with GBK Collective, October 2024.

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Four Players Vie for Commercial Subscriptions, While Consumer Versions Face More Competition

ChatBot Subscription Type
(Among current users of each ChatBot)

Legend:
- Consumer / individual free version
- Consumer / individual paid subscription
- Commercial paid subscription

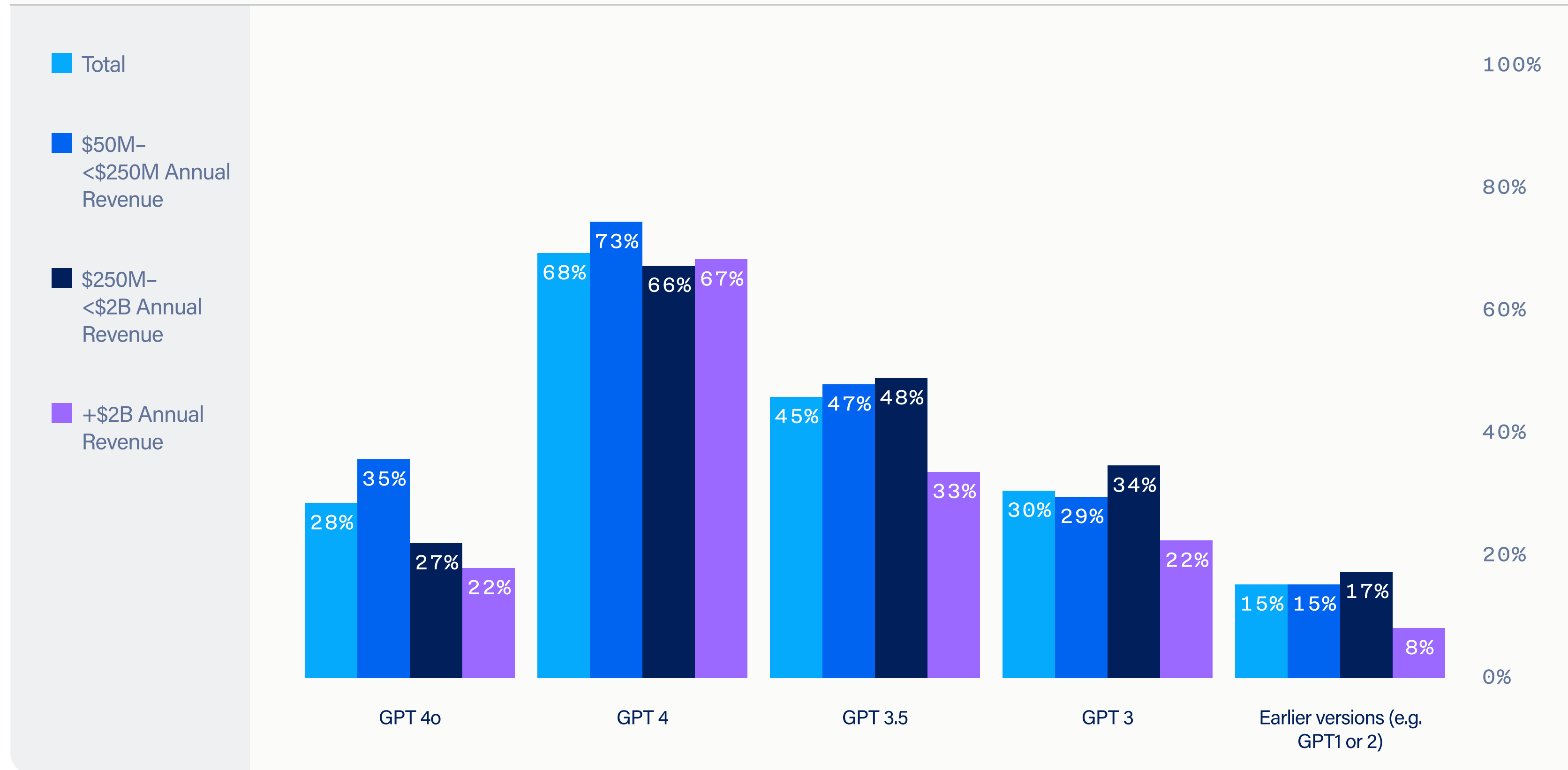|	Consumer/individual free version	Consumer/individual paid subscription	Commercial paid subscription
Gemini (Google)	42%	57%	75%
Perplexity	59%	58%	73%
Copilot (Microsoft)	41%	46%	72%
ChatGPT (OpenAI)	42%	44%	71%
Claude (Anthropic)	56%	66%	65%
MetaAI (Meta)	49%	48%	65%

In chatbots, Google, Perplexity, Copilot, and OpenAI are holding leads with commercial paid subscription users. Among consumer/individual versions, Claude is the top paid subscription and Perplexity is the top free version.

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Wharton AI at Wharton

OpenAI's ChatGPT4 is the Dominant Model Across Different Size Organizations

Commercial ChatGPT Subscriptions
(Among current ChatGPT users)

Legend:
- Total
- $50M–<$250M Annual Revenue
- $250M–<$2B Annual Revenue
- +$2B Annual Revenue

Chart data:

Model	Total	$50M–<$250M	$250M–<$2B	+$2B
GPT 4o	28%	35%	27%	22%
GPT 4	68%	73%	66%	67%
GPT 3.5	45%	47%	48%	33%
GPT 3	30%	29%	34%	22%
Earlier versions (e.g. GPT1 or 2)	15%	15%	17%	8%

Models like GPT 4 and GPT 3.5 are still used by all sizes of organizations. The newest model, GPT 4, lags in adoption behind even GPT 3.

Q16B. You said you are using GPT (OpenAI) in your organization. Indicate all models you are using? (Note: Question wording updated in 2024)
Total 2024 (n=306), $50 million - less than $250 million (n=103), $250 million - less than $2 billion (n=204), $2 billion or more (n=79)

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ChatGPT and Copilot are the Most Used Tools, with Gemini and Meta AI in the Second Tier

Top Used Tools
(Among Total)

- Have never heard of
- Does not currently use, and does not plan to use
- Does not currently use, but evaluating or testing
- Currently uses

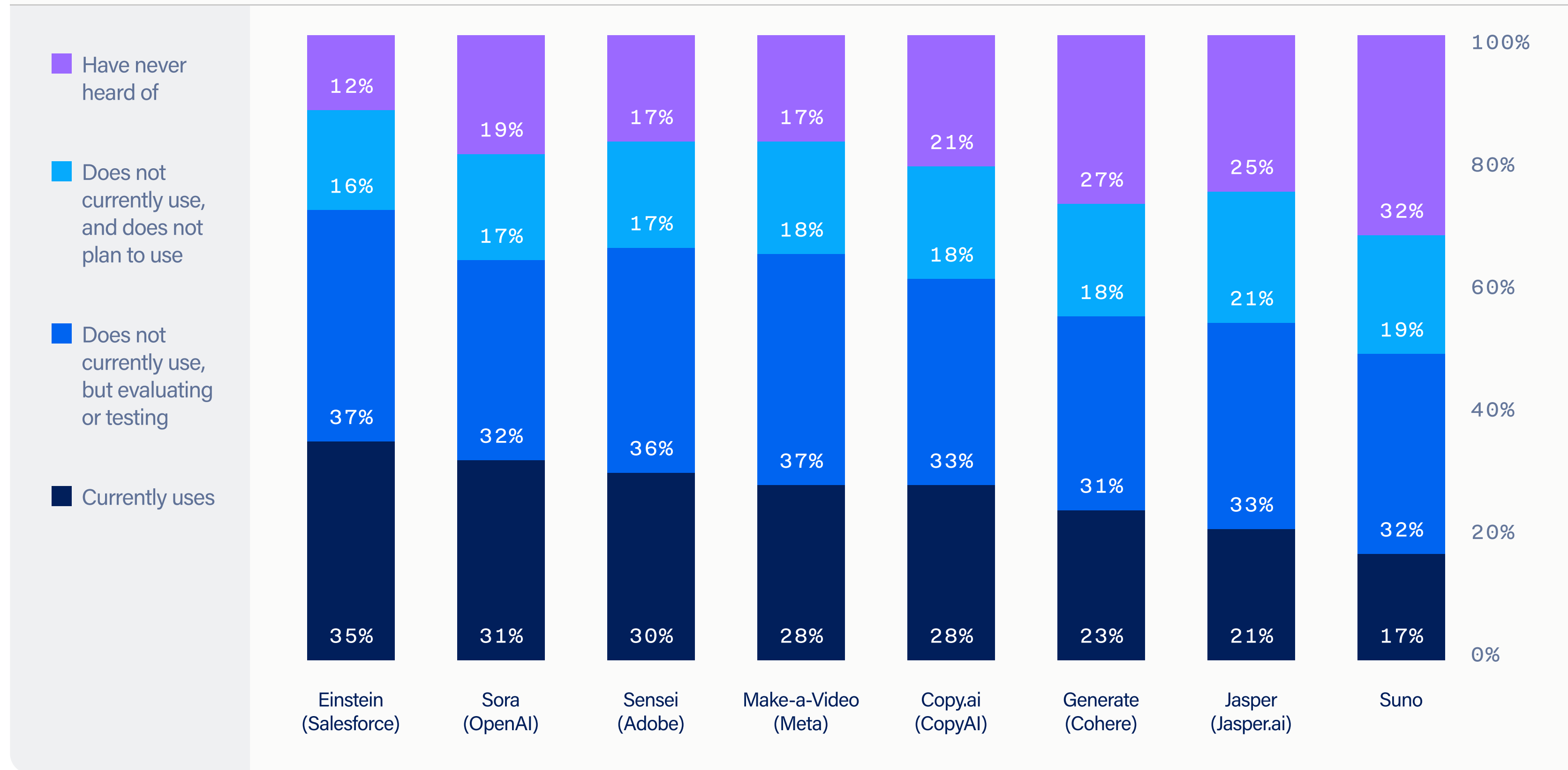|	GPT (OpenAI)	Copilot (Microsoft)	Gemini, formerly Bard (Google)	Meta AI (Meta)	DALL-E 3 (OpenAI)	Gen 1 and Gen 2 (RunawayML)	Stable Diffusion (Stability AI)	Midjourney v5	Perplexity	Claude (Anthropic)
Have never heard of	2%	4%	7%	3%	19%	25%	26%	28%	26%	26%
Does not currently use, and does not plan to use	8%	9%	15%	21%	17%	19%	17%	18%	21%	22%
Does not currently use, but evaluating or testing	28%	35%	39%	36%	35%	31%	33%	32%	33%	34%
Currently uses	62%	52%	40%	40%	30%	25%	24%	23%	21%	19%

In the broad collection of products for writing, content generation, or business processes, leading products are ChatGPT, Copilot, Gemini, Meta AI, and DALL-E 3.

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Using Gen AI for Media Generation is Relatively Niche, Although Many are Evaluating or Testing

Media Generation Tools
(Among Total)

Legend:
- **Have never heard of** (purple)
- **Does not currently use, and does not plan to use** (light blue)
- **Does not currently use, but evaluating or testing** (blue)
- **Currently uses** (dark navy)

	Einstein (Salesforce)	Sora (OpenAI)	Sensei (Adobe)	Make-a-Video (Meta)	Copy.ai (CopyAI)	Generate (Cohere)	Jasper (Jasper.ai)	Suno
Have never heard of	12%	19%	17%	17%	21%	27%	25%	32%
Does not currently use, and does not plan to use	16%	17%	17%	18%	18%	18%	21%	19%
Does not currently use, but evaluating or testing	37%	32%	36%	37%	33%	31%	33%	32%
Currently uses	35%	31%	30%	28%	28%	23%	21%	17%

In this collection of products that are used for media generation such as voice, image, or video creation, Einstein from Salesforce, Sora from OpenAI, Sensei from Adobe are used, but most are still evaluating or testing.
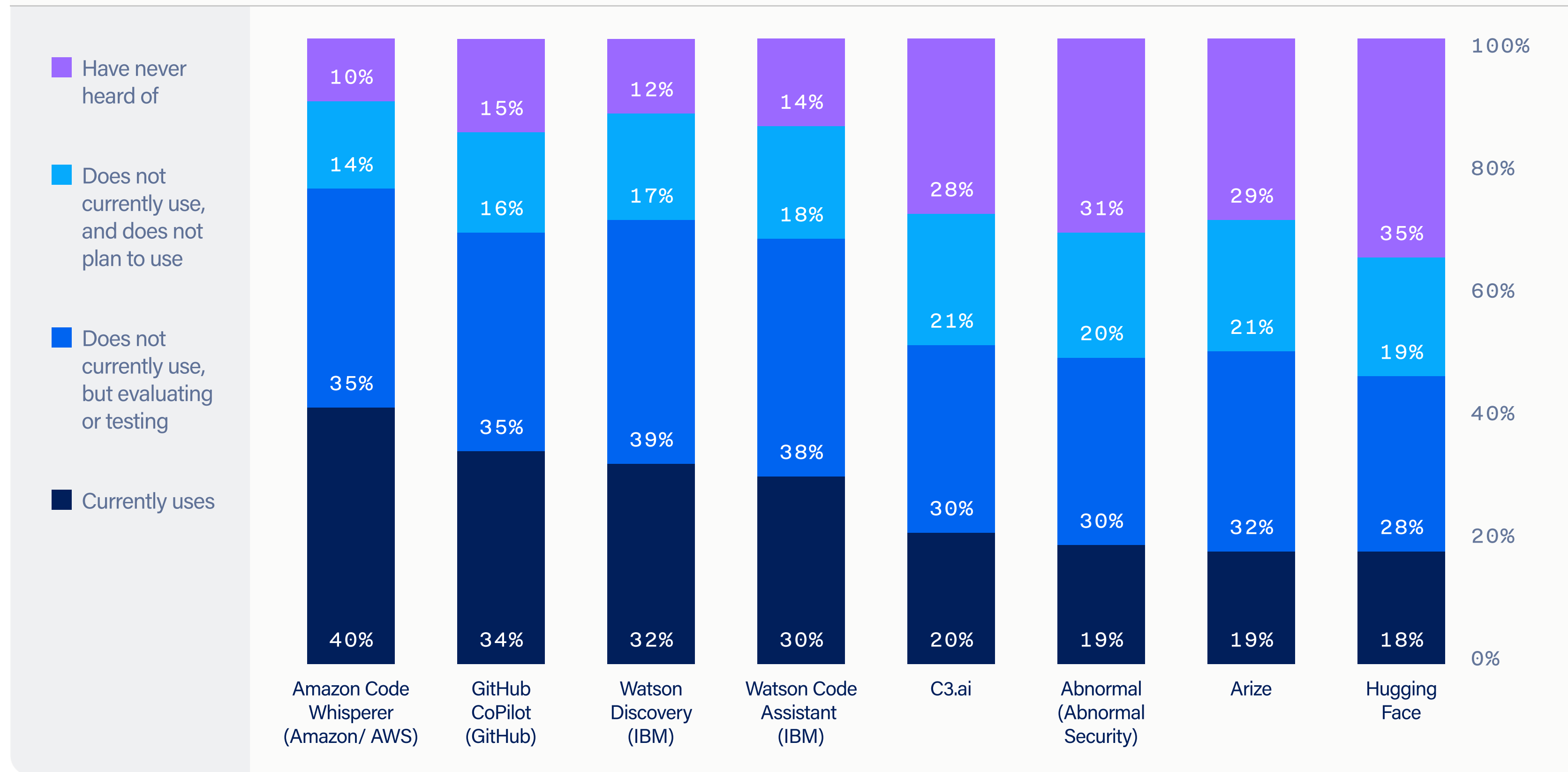
Growing Up: Navigating Gen AI's Early Years." AI at Wharton in collaboration with GBK Collective, October 2024.

Operational Usage is Dispersed Among the Big Players like Amazon/AWS, Microsoft, and Watson

IT, Development, Infrastructure, & Security Tools
(Among Total)

Legend:
- **Have never heard of**
- **Does not currently use, and does not plan to use**
- **Does not currently use, but evaluating or testing**
- **Currently uses**

	Amazon Code Whisperer (Amazon/ AWS)	GitHub CoPilot (GitHub)	Watson Discovery (IBM)	Watson Code Assistant (IBM)	C3.ai	Abnormal (Abnormal Security)	Arize	Hugging Face
Have never heard of	10%	15%	12%	14%	28%	31%	29%	35%
Does not currently use, and does not plan to use	14%	16%	17%	18%	21%	20%	21%	19%
Does not currently use, but evaluating or testing	35%	35%	39%	38%	30%	30%	32%	28%
Currently uses	40%	34%	32%	30%	20%	19%	19%	18%

In this collection of products that are used for IT, infrastructure, development, and security, Amazon/AWS Code Whisperer, GitHub Copilot, and IBM's Watson Discovery and Code Assistance are most used.

Growing Up: Navigating Gen AI's Early Years." AI at Wharton in collaboration with GBK Collective, October 2024.

APPENDIX

AI at Wharton

Notes on 2023 v. 2024 Comparisons

The 2024 survey is a follow-up of the Gen AI survey completed in the summer of 2023. Visuals are included to demonstrate differences between years, indicating percent changes between 2023 and 2024 ($\pm$pp) and statistical significance testing in those changes at a 95% confidence interval (*).

While the goal of the 2024 survey is to build upon the insights generated in 2023, the 2024 survey includes additional questions, updated responses options, new functional areas, as well as other changes. This means certain questions do not track data across years. Footnotes are included in cases where a question is not able to be tracked or compared across years.

For the 2024 survey's functional areas IT and Business Intelligence were combined, as well as added Legal and Finance/Accounting.

+/-5pp shift
from 2023

Statistically
significant shift
from 2023 at the
95% C.I.

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