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Research: How AI Integration into Smartphones Shapes Purchase Decisions

As Apple prepares to launch Apple Intelligence, a new survey commissioned by Amdocs and conducted by Dynata reveals that consumer attitudes toward AI in smartphones vary significantly across generations. The survey, which included 1,000 U.S. consumers, highlights key trends in AI awareness, demand for seamless integration, and concerns over data security.

These insights provide a clear roadmap for how AI will shape the future of smartphone adoption, particularly among tech-savvy Millennials and Gen Z. This fact sheet shares the key findings, illustrating why GenAI is poised to be a major differentiator in the competitive smartphone market.

*"These findings highlight the expansive nature of GenAI technology, especially among **younger generations who are adopting it at a rapid pace**, while still highlighting concerns of how it is being used. As we see GenAI seamlessly integrated into major devices like the iPhone, **it brings both incredible opportunities and important challenges to light."***

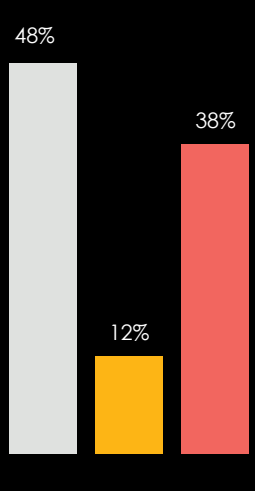*– Anthony Goonetilleke, Group President of Technology, Head of Strategy, Amdocs*

The Generational Divide in AI Awareness and Adoption in Smartphones

The integration of AI features in smartphones is more appealing to younger generations, making them the primary target for AI-enhanced devices.
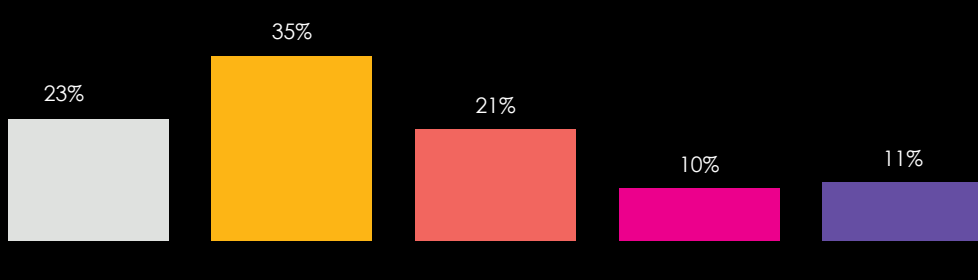
Gap in Awareness: Nearly half of Gen Z (45%) is highly aware of Apple's AI announcements compared to just 14% of Baby Boomers.

More Likely to Purchase: 41% of overall consumers say AI integration makes them more likely to purchase a new smartphone. This jumps to 52% for Millennials and 59% for Gen Z.

Interest in Using: 65% of Gen Z and 70% of Millennials are likely to explore and use new AI features, compared to only 40% of Baby Boomers.

48% 12% 38%

■ Yes ■ No ■ Neutral / Not Sure

Do you believe AI integration will improve the overall user experience of smartphones?

23% 35% 21% 10% 11%

■ Very Likely ■ Somewhat Likely ■ Not Sure ■ Somewhat Unlikely ■ Very Unlikely

All Consumers: How likely are you to explore GenAI features on your smartphone?

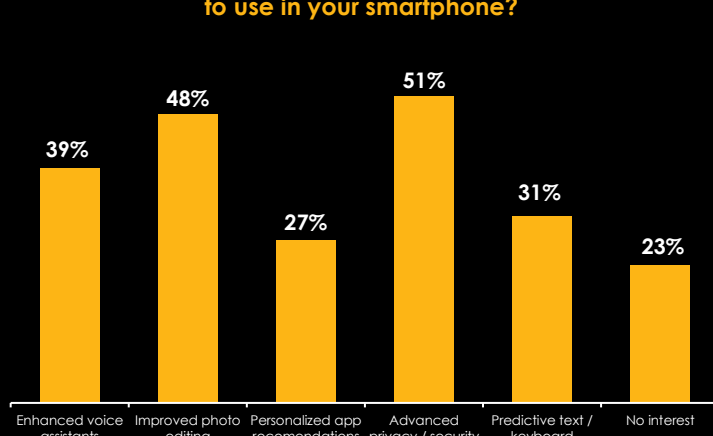## Consumer Want Seamlessness and Specific GenAI Features

While AI features are in demand, the key to mainstream adoption lies in seamless integration and strong data protection:

Embedded = Preferred: 56% of consumers are more willing to use AI technology if it's seamlessly integrated into their smartphones.

Most Wanted Features: Top AI features consumers want include advanced privacy and security (51%) and improved photo/video editing tools (48%). Overall, 73% of consumers are interested in at least one feature.

Security Concerns: 69% of consumers express concern about how their personal data is used by AI on smartphones.
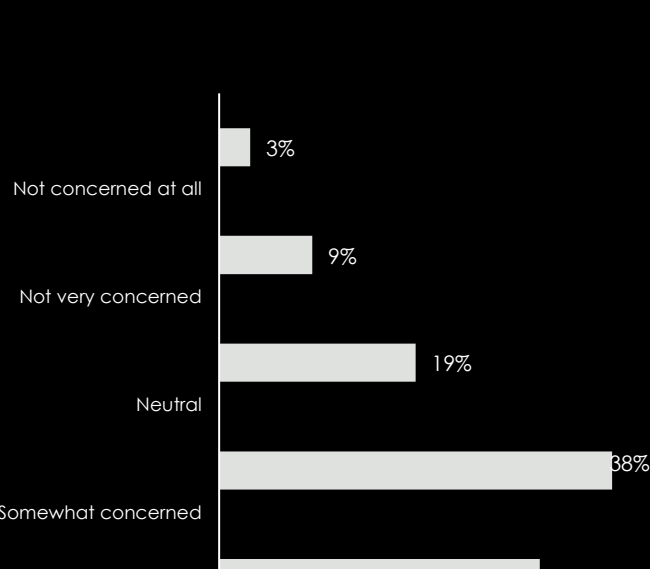

What specific GenAI features would you like to use in your smartphone?

39% 48% 27% 51% 31% 23%

Enhanced voice assistants | Improved photo editing | Personalized app recomendations | Advanced privacy / security features | Predictive text / keyboard enhancements | No interest

*"While nearly half of consumers recognize the potential for improved smartphone experiences through AI, there is also a **clear demand for advanced privacy and security features**. This dual focus on innovation and addressing consumer concerns will drive the future of AI adoption as it becomes incorporated into our daily lives."*

– Anthony Goonetilleke, Group President of Technology, Head of Strategy, Amdocs

Trust and Transparency are Critical Areas Smartphone Developers Must Address

Not concerned at all — 3%
Not very concerned — 9%
Neutral — 19%
Somewhat concerned — 38%
Very concerned — 31%

How concerned are you about how your personal data is used by AI features on your smartphone?

Building consumer trust through transparency and enhanced security will be crucial for AI's success in the smartphone market:

Security Awareness Gap: Over 50% of consumers are not fully aware of the security features companies are implementing in AI-driven smartphones.

Balancing Security with Innovation: Despite these concerns, 48% agree that AI will improve the overall smartphone experience.