

# Apple's Vision Pro, AI and Gen Alpha: 3 SXSW takeaways

Article

South By Southwest was last week, and AI and VR were all the buzz. **Gen Alpha** is growing up with these technologies, which means the next generation of consumers will not just be used to AI and VR—they'll expect to see it. Here are three takeaways from our analyst regarding tech trends at the event.

## 1. Apple's Vision Pro is a big leap forward

“Just seeing the Vision Pro and what it represents was pretty mind blowing,” said our analyst Sky Canaves.

Some 11.0% of the US population will use VR headsets at least once per month this year, according to our March 2023 forecast. Those figures may be higher following the February release of Apple’s Vision Pro headset.

Mass adoption of VR headsets is still years off due to the size and price of the technology. But developers are innovating, and by the time a smaller, more affordable headset is available, brands, retailers, and apps need to be ready for consumers.

Lowe’s Innovation Labs, which offered a user-friendly virtual showroom, is one example Canaves is watching. “It was a more intuitive way of interacting with the retail experience,” said Canaves. “It does feel fully immersive.”

## **2. The next evolution of AI will be multimodal**

Large language models are giving way to large world models and large action models, which are based on human action rather than just language.

“You’re combining text, voice, speech, images, and even sensors from wearables,” said Canaves. “That data can be interpreted and used to create even more powerful models, and even greater personalization.”

OpenAI’s Sora is an example of generative AI with multimodal output, creating videos out of text which could, further down the road, generate personalized ads.

These AI models, combined with the Vision Pro’s biometric measurement capabilities for metrics like pupil dilation, could result in a “dystopian” model that combines sensors with pricing and optimization, said Canaves.

“You could essentially force people to pay more for groceries if they’re not willing to watch advertisements first.”

## **3. Gen Alpha will be the first AI-native and VR-native generation**

The AI, AR, and VR trends above are shaping the habits of Gen Alpha. As this generation ages and has more money to spend, this technology will play a bigger role in marketing and ecommerce.

Nearly 3 in 10 (26%) Gen Alphas live in a household that has a VR headset, per Morning Consult.

“This is Gen Alpha’s reality, and what happens in these virtual spaces is real to them,” said Canaves.

Marketers should be looking to Gen Alpha’s tech habits to predict future marketing trends. **Gaming** behaviors in particular show which devices Gen Alpha feels most comfortable with. “They’re already involved in these immersive experiences, and virtual worlds and using conversational AI tools like **Amazon's** Alexa,” said Canaves.

Don’t put all your eggs in the digital basket. “We also see these younger generations really still crave real-world experiences because so much of their lives are digital,” said Canaves. Even as multimodal AI and VR headsets transform marketing and retail, in-person connection will not go away, and brands that can create meaningful experiences will stand out.

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