



Capgemini Press Contacts:

Mary Sacchi (North America)

WE Communications for Capgemini

Tel.: +1 (212) 551 4818

E-mail: msacchi@we-worldwide.com

Bartu Sezer (EMEA)

WE Communications for Capgemini

Tel.: +44 (0)20 7632 3861

E-mail: bsezer@we-worldwide.com

While AI has provided significant benefits for financial services organizations, challenges have limited its full potential

AI can boost the customer experience, but there is opportunity for financial services firms to take an even more customer-centric approach

Paris, November 9, 2020 – COVID-19 has catalyzed financial services organizations to harness Artificial Intelligence (AI) to improve customer experience (CX); however, challenges in integration and customer perceptions are undermining its potential. Financial services firms' implementation of AI at scale is the lowest across all industries, and where AI has been deployed, there are still some customer expectations that are not being met – with half of customers saying they receive no value from AI-enabled interactions. This is according to a report published today by the [Capgemini Research Institute](#) entitled, "[Smart Money: How to drive AI at scale to transform the financial services customer experience](#)".

The deployment of AI to improve the overall CX has grown significantly in the financial services industry in the past three years. Nine in ten (94%) organizations say that improving the customer experience is the key objective behind launching new AI-enabled initiatives and customers are becoming comfortable in interacting with AI on a regular basis. Just over half of customers (51%) have daily AI-enabled interactions (like talking to a chatbot) with banking and insurance firms; this becomes even more important as most customers (78%) expect to increase touchless interactions as the COVID-19 crisis prolongs. Financial services firms have already perceived the positive impact on their bottom-line of implementing AI in customer-facing functions, including reduced cost of operations (13%) and increased revenue per customer (10%).

COVID-19 provides opportunity to accelerate AI deployments to improve the customer experience even further

Financial services firms say that improving CX is the key objective behind launching new AI-enabled initiatives. However, a clear disconnect is emerging as there are some customer expectations that are not yet being met. Almost half (49%) of consumers rate the value they derive from AI-enabled digital touchpoints as non-existent or less than expected. Customers are increasingly looking for a more human experience when interacting with AI-powered chatbots, and 35% say that their current interactions lack the human touch.



COVID-19-driven changes in customer behaviors offer a unique opportunity for banks and insurers to accelerate AI deployment. Customer interactions with AI are directly or indirectly spread over multiple channels throughout the financial services value chain.

- A majority (78%) of consumers expect to use touchless interactions more, through voice assistants, facial recognition or apps – compared to just 61% pre COVID-19.
- Close to half (45%) of customers will increase their use of contactless payments during the pandemic.
- COVID-19 is also prompting a major behavior shift by older consumers as contactless payments adoption has grown by 37% in the 61–65-year age group, and a 33% increase with those over 66.

Ability to scale AI is a challenge for traditional Financial Services organizations, but not for FinTechs

While the organizational benefits that banks and insurers can realize by using AI in better engaging with their customers are the highest across industry sectors, financial services firms have the lowest scaled implementation across all industries. Only 5% of banks and 6% of insurers have been able to deploy AI at scale across several touchpoint functions. The biggest challenge is leadership and organizational resistance driven by anxieties about the need for new skills and job loss fears (reported by 52% of banking and 53% of insurance). Difficulty in identifying the right use cases to scale, long gestation periods for implementation and lack of trust for high-priced interactions also are barriers for adoption.

While traditional players are struggling with AI implementation at scale, it is a different scenario for new-age players like FinTechs. Not bound by the same challenges as traditional legacy financial services firms, FinTechs are succeeding in delivering superior value to customers by using AI-driven solutions to make financial services tasks more efficient and customers interactions friendlier.

Benefits of AI deployments to organizations are clear

Even with the lower rate of AI implementation compared to other industries, financial services firms have realized significant benefits. They have reduced their cost of operations by 13% and have increased revenue per customer by 10% after deploying AI in customer-facing functions. AI has also helped deliver improvements in customer satisfaction. Banks and insurers have witnessed greater customer engagement with brands from deploying customer AI. Around one in five industry firms (25% for banks and 19% for insurers) have seen a 20–40% increase in customer engagement.

"Financial services firms have much to gain from implementing AI in their customer interactions, and they have an opportunity to embrace AI to reimagine the customer experience journey, but there are steps to be taken before the benefits are fully realized for businesses and consumers alike," said Anirban Bose, CEO of Capgemini's Financial Services and Group Executive Board member. *"Organizations need to focus on educating their customers and staff on what AI can do for them. It will take both investment and consumer trust to make the most of this powerful technology. To deliver the right AI-powered experience centered around the consumer, banking and insurance firms must ensure they have senior leadership roles in charge of internal and external AI adoption and acceleration."*

Report methodology

The AI in Customer Experience for Financial Services report has been created from customer and executive surveys. In April and May 2020, Capgemini surveyed 5,300 customers across 12 countries and 318 business leaders from large financial services organizations with at least \$1 billion in 2019



annual revenue across a range of sectors and countries. In addition, interviews with industry executives, were conducted, to examine how the customer experiences with AI in CX have evolved, what organizations are doing to get more benefits, where they are implementing AI in CX, what the challenges are and how they are ensuring trust among consumers with respect to their AI systems. Quantitative research was complemented with two virtual focus group discussions, with 8 to ten consumers per focus group, for Germany, and the US. The survey, as well as the focus group discussions, had a healthy mix of demographics and AI user and non-user respondents.

About Capgemini

Capgemini is a global leader in consulting, digital transformation, technology, and engineering services. The Group is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. A responsible and multicultural company of 265,000 people in nearly 50 countries, Capgemini's purpose is to unleash human energy through technology for an inclusive and sustainable future. With Altran, the Group reported 2019 combined global revenues of €17 billion.

Visit us at www.capgemini.com.