# HOW BANKS CAN USE GENERATIVE AI TO ENHANCE MARKETING DISCLOSURES

Leveraging the power of automation to streamline messaging can make personalized disclosures more consistent, effective, and compliant.

Generative AI is the latest in a wave of innovative technologies that promises to enhance the ability of banks to perform critical routine tasks more effectively and efficiently. Marketing messages are one area ripe for improvement. Consider the following story.

Sarah, the marketing manager for a global bank, arrives at the office one morning to confront her latest challenge: Her team must support a new personalized product launch, while also ensuring the disclosures meet the needs of customers in a highly regulated industry.

Sarah encounters this situation frequently and understands that ensuring accurate, consistent, and compliant messaging across email campaigns, social media platforms and the bank's website will be critical to the launch's success. Disclosures lay out the key features, risks, and other details clients need to decide whether to engage in a financial transaction or investment. They also are a compliance requirement.

Each piece of personalized content must be compliant. Sarah's team must coordinate with multiple teams and channels, each with its own specific formatting requirements, to review and validate all possible variants and ensure that  personalization is adequately executed. This can be a daunting task, requiring extensive manual processes and strategies to successfully deliver compliant content while adjusting in real-time to unexpected changes ( i.e., products, channels, priorities and so on).

Sarah worries constantly about these challenges. How, she wonders, to streamline the process to enhance the time-to-market, effectiveness, and efficiency of marketing messages, while collecting critical feedback and insights to fuel future growth? For many banks, the answer lies in harnessing the power of generative AI.

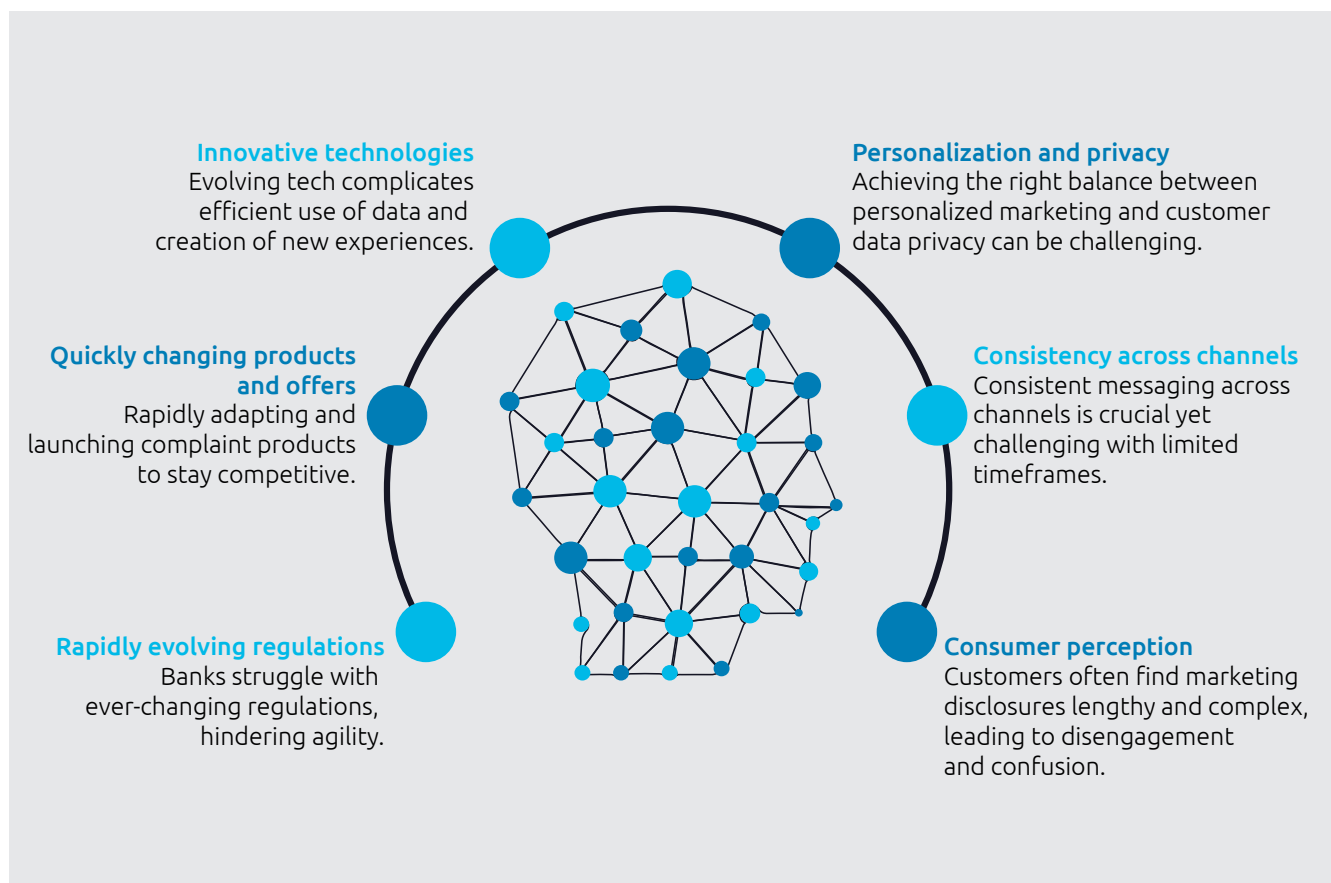# The challenges of disclosure in a fast-moving environment

Bank marketing managers like Sarah are under pressure to launch a steady stream of personalized campaigns under compressed timelines and increasing compliance scrutiny. In this context, disclosures are about more than fine print and checking regulatory boxes. They're a roadmap to the product's features, risks, fees, terms, and other factors customers need to make informed decisions about a financial transaction or investment.

Effective client communication can be a competitive advantage in the race for customer loyalty, but a variety of factors can make the task complex.

Key challenges include:

- **Rapidly evolving regulations:** Banks face a constant and complex stream of regulatory updates, raising compliance risk and making it difficult to adapt agilely to business changes.
- **Quickly changing products and offers:** To stay competitive, banks need to regularly modify products and offers, and get them to market quickly while ensuring they are compliant.

- **Innovative technologies:** Constantly evolving technologies can create numerous systems to maintain and integrate, making it more difficult for teams to efficiently manage customer data and create new experiences.
- **Personalization and privacy:** It can be a tricky balancing act to convey personalized marketing messages that drive customer loyalty while also protecting customer data and privacy.
- **Consistency across channels:** Maintaining accurate, consistent messaging across channels is critical to creating brand identity and coherent customer experiences but can be challenging on short timelines.
- **Consumer perception:** Customers often view marketing disclosures as too long or too complicated, which can lead to disengagement or confusion.



**Innovative technologies**
Evolving tech complicates efficient use of data and creation of new experiences.

**Personalization and privacy**
Achieving the right balance between personalized marketing and customer data privacy can be challenging.

**Quickly changing products and offers**
Rapidly adapting and launching complaint products to stay competitive.

**Consistency across channels**
Consistent messaging across channels is crucial yet challenging with limited timeframes.

**Rapidly evolving regulations**
Banks struggle with ever-changing regulations, hindering agility.

**Consumer perception**
Customers often find marketing disclosures lengthy and complex, leading to disengagement and confusion.

# Enter Generative AI

Banks can now solve many of these issues by leveraging the power of generative AI.

Generative AI utilizes machine learning algorithms to analyze and learn from large existing datasets to generate content, images and other types of output that mimic patterns and characteristics observed in the trained data. As a result, it creates new content that feels consistent with human-produced content.

Banks are already embracing generative AI to boost efficiency and effectiveness in areas like fraud detection, financial reporting, credit scoring and product customization.

Sixty percent of financial services executives in a recent Capgemini survey said their institutions were engaged in generative AI pilots and implementations, while 42% reported having specialized teams and budgets dedicated to the technology.

These applications are having a significant impact on the banking industry, and there is more to come. Embracing a holistic approach to generative AI across the value chain is quickly transforming how institutions confront many of today's operational and strategic challenges.

# How generative AI can help address Sarah's disclosure challenges

Leveraging the power of generative AI to streamline disclosure management can allow Sarah to significantly enhance the effectiveness of marketing communications.

Specific use cases include:

1. **Simplified complex product disclosures:** Generative AI can analyze the details of banking products and services to generate customer-friendly marketing disclosures. Advanced natural language processing capabilities can help ensure that complex information is communicated in plain language, empowering customers to make informed decisions.

2. **Personalized messaging at scale:** Generative AI can leverage customer data and profiles to dynamically generate content tailored to individuals' unique financial goals, needs, and preferences. The result? Improved customer engagement, increased trust, and enhanced brand loyalty.

3. **Automated compliance monitoring:** Generative AI can help Sarah's team streamline compliance monitoring processes. The technology is good at flagging potential compliance issues in marketing disclosures and can suggest resolutions, providing assurance that those messages are accurate, compliant, and meet legal and regulatory standards.

4. **Multichannel consistency:** Generative AI is good at using underlying data and rules for content generation to tailor marketing disclosures to meet the requirements of various channels, while maintaining a cohesive brand message. Whether it's websites, social media, email campaigns, or print materials, Sarah's team can feel confident that marketing content is consistent across all channels, reinforcing brand identity and customer trust.

5. **Real-time market intelligence:** Generative AI can monitor market trends and regulatory updates in real-time, enabling Sarah's team to stay ahead of the competition and adapt marketing disclosures to reflect the latest changes. With this agility, her team can ensure that the bank is delivering timely and relevant messaging to customers.

6. **Language localization for global markets:** Generative AI can help banks operating in global markets translate marketing disclosures into different languages, ensuring accurate and culturally appropriate messaging, while seamlessly adjusting to different currencies and numerical formatting to comply with local rules and regulations. That allows Sarah's team to effectively engage with customers in diverse markets and foster stronger connections.

Generative AI complements marketing teams by driving greater efficiencies and accelerating the process of bringing products, services, and offers to the market, crafting associated disclosures while ensuring both compliance and customer relevancy throughout.

# In conclusion

In the evolving financial landscape of regulatory requirements, customer needs, and competitors tactics, generative AI is a transformative technology for marketing and compliance teams. While still maturing with its own challenges around data, training, and underlying infrastructure and costs, its integration with a disclosure management platform augments its full potential. This powerful combination streamlines the end-to-end disclosure management processes from disclosure creation, approval to personalization and omnichannel delivery. As a result, it significantly reduces manual interventions and system swiveling, mitigating human error and regulatory risks. With these tools in place, Sarah's team can unlock unprecedented value for their organization, staying ahead of the competition and delivering meaningful, timely, and compliant customer messaging.
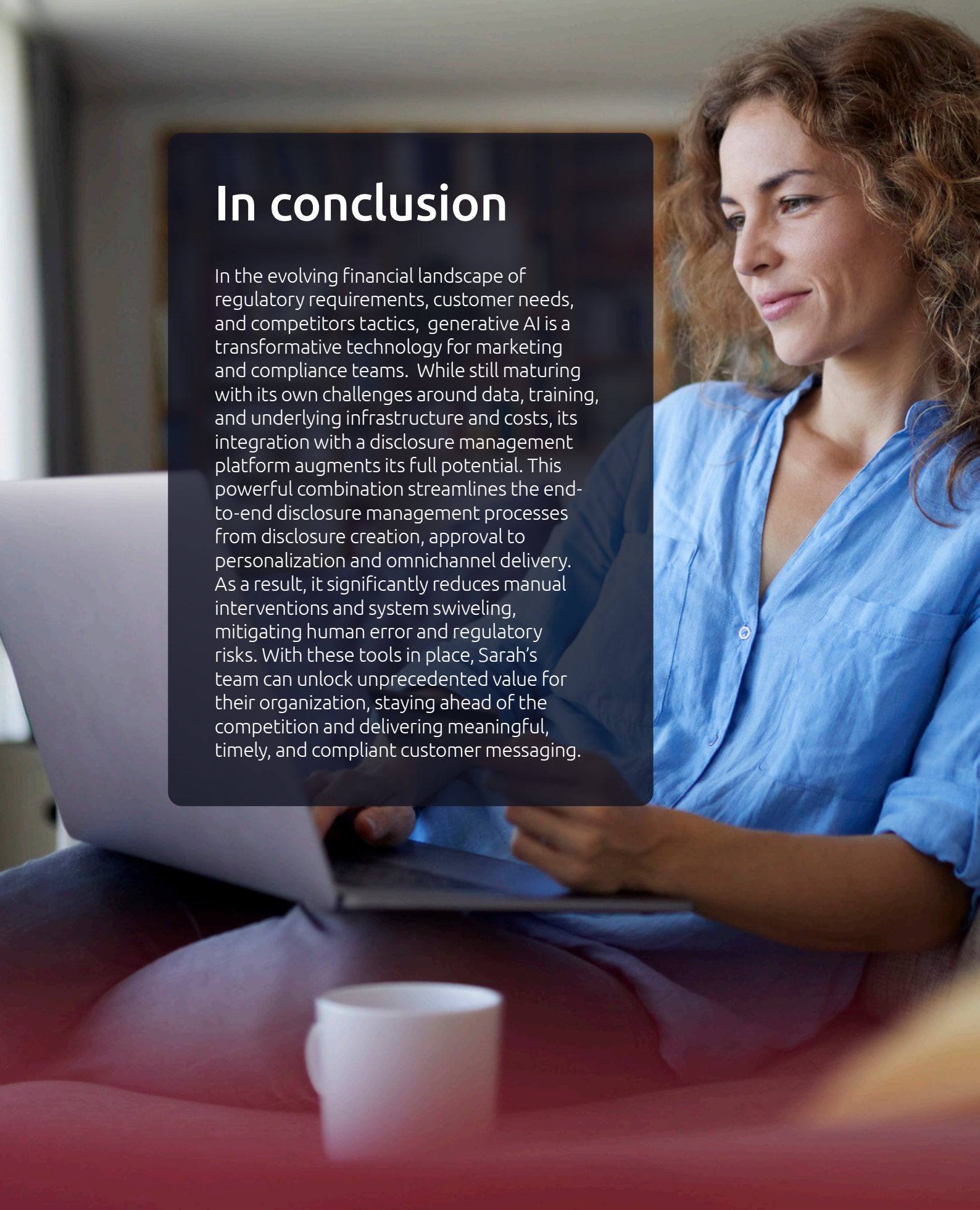
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Contact us at banking@capgemini.com to learn how you can make more
effective personalized disclosures by harnessing the power of automation.

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