

Google Cloud's New Banking Survey Finds C-Suites and Boards More Involved in Tech Decisions Due to Heightened Interest in Gen AI

- *Sentiment towards gen AI-powered banking experiences positive among millennials and Gen Z consumers*
- *Bank execs say gen AI will drive revenue growth through investment research improvements, more effective marketing, and better customer acquisition and retention strategies*
- *Banks actively hiring AI talent to support their gen AI initiatives*

SUNNYVALE, Calif., Oct. 23, 2023 /PRNewswire/ -- At [Money20/20](#), Google Cloud today announced new research that explores the sentiment towards generative AI (gen AI) in banking among North American banking executives and consumers. The study, based on a survey of 350 banking executives responsible for gen AI decisioning and more than 2,000 banking consumers in the United States, found broad interest in gen AI technologies as a way to improve operations and the customer experience, while some barriers and risks remain.

The majority (92%) of banking executives stated there is high demand for gen AI within the banking industry, with 95% stating it has the potential to transform the industry. Increased interest in gen AI is driving senior leadership, like C-suite executives and boards of directors, to get more involved in technology and IT decisions, according to almost all banking respondents (96%).

Despite high demand and industry optimism, a generational divide exists among consumers, as nearly half (45%) of millennials and Gen Z respondents aged 18-44 said they were either "somewhat comfortable" or "very comfortable" with gen AI-powered applications if they provided better customer experiences, while only 20% of consumers aged 55+ said the same. That said, AI-driven experiences such as smarter, more helpful AI chatbots (20%), faster and automated credit card application and approval (18%), and a 360-degree view of financial portfolios (16%) were among the top experiences that consumers of all age groups would like to see their banks improve or add.

"Gen AI isn't just a new technology buzzword—it has the potential to revolutionize the way we live, work, bank, and invest," said Zac Maufe, global head of Regulated Industries, Google Cloud. "This recent research reinforces what we've been seeing in the banking industry for the past six months, which is that gen AI can represent a massive productivity and operational efficiency opportunity. Gen AI can also help create hyper-personalized digital experiences that consumers are demanding, especially as the next generation of banking consumers become more comfortable with the technology."

Gen AI can drive cost savings as banks experiment or pilot use-cases

According to banking executives surveyed, the top benefit that gen AI can bring to the industry is increased operational efficiency and cost savings (49%). Specifically, more than a third of executives at national banks (38%) said that gen AI will deliver 61-80% in cost savings over the next five years.

Additional benefits revealed by respondents included better data analysis and predictive analysis (45%), and improved fraud detection and security (44%). More accurate card fraud detection was also the top answer among consumers for potential improvements (33%).

Forty-seven percent of banking executives say they are in the proof-of-concept stage of gen AI implementation, while 35% say they are piloting and testing use-cases. According to these executive respondents, gen AI is being integrated within the industry in the following ways:

- Generating content related to employee productivity, such as responses in email, documents, and presentations (57%)
- Assisting in creating new marketing content or campaigns like advertisements, offers, social posts, etc. (55%)
- Assisting in code creation for applications/software (50%)
- Summarizing complex financial information, such as financial reports or prospectus' (49%)
- Summarizing capital market research for client briefings and faster investment decision making (49%)
- Enhancing chatbots and virtual assistants for customer interactions (48%)
- Predictive modeling of risk scenarios (40%)

The respondents estimated that gen AI will drive the most significant revenue growth by improving investment research (41%), more effective marketing/customer segmentation (38%), and better customer acquisition and retention strategies (38%).

"Banking leaders are no longer just experimenting with gen AI; they are building and rolling out use-cases that can improve operational efficiency," said Yolande Piazza, VP, Financial Services, Google Cloud. "We believe that banks that will succeed in the future are those that are identifying use-cases that solve specific business problems and are grounded in their organization's strategy. This can enable them to measure the results easily, and encourage leadership buy-in."

Bank execs say they are actively hiring for AI-specific roles

To prepare for the implementation of gen AI tools, bank executives say that they are investing in technology to get their data into the cloud (49%), updating AI data policies (49%), and speaking with regulators about the value of gen AI (45%).

More than half (56%) of banking executives from national banks said data security issues, such as leaking confidential company data to the AI language model, was their top concern for adopting gen AI, while 50% of regional banks say their biggest issue relates to the talent/skills gap. Nearly every respondent surveyed (99%) said that they are hiring talent to support gen AI initiatives, with over half of executives at national banks (58%) stating that they plan to hire significantly or extensively.

The most popular roles that bank executives plan to hire are AI quality assurance testers (34%), AI strategy consultants (32%), and AI product managers (30%). However, when it comes to the most desired skill sets, knowledge of cloud (49%), understanding of AI ethics, regulations, and compliances (49%), programming language skills (48%), understanding AI algorithms and models (44%), and understanding the intersection of business AI (44%) were ranked highest.

Banks prep for current and anticipated regulatory changes around gen AI

Regulatory compliance uncertainty (39%) was also raised by respondents as one of the top drawbacks for the industry to adopt generative AI, but many executives surveyed stated they are taking a number of steps to prepare for current and anticipated regulatory changes. This includes working with their gen AI partners to better understand the risks (36%), investing in advanced encryption and data security technologies (35%), and deploying AI-powered threat detection and prevention systems (34%).

IT spending is anticipated to go up, according to banking executives. Forty percent of respondents said that gen AI will necessitate a 26-50% increase in their IT budgets over the next 1-2 years. Part of that budget will likely go towards AI partnerships, as 93% of banking executives said their organizations plan to partner with AI technology providers within the next 6-12 months to support their gen AI strategies.

"As financial institutions start to realize the business value from [generative AI](#) and make significant investments in the technology, our research shows that they may also face challenges with adoption given the highly regulated nature of the industry," Maufe added. "We believe that by taking a proactive approach to risk management, banks can ensure that they are using this powerful technology in a safe and responsible way."

About Google Cloud

Google Cloud accelerates every organization's ability to digitally transform its business and industry. We deliver enterprise-grade solutions that leverage Google's cutting-edge technology, and tools that help developers build more sustainably. Customers in more than 200 countries and territories turn to Google Cloud as their trusted partner to enable growth and solve their most critical business problems.

Survey Methodology

This survey was conducted online within the United States by The Harris Poll sponsored by Google from October 2-11, 2023, among 350 IT Decision Makers or Senior Level Executives that have decision-making authority in selection, direction, or procurement of Generative Artificial Intelligence technologies for their organization, among whom 117 are employed at National Banks, 117 Regional Banks, and 116 Local Banks. The ITDMs or Senior Level Executives are US full time employees, adults age 18+, who work at a company with a minimum of 500 employees. On October 10 - 12, 2023, a consumer study, sponsored by Google, was conducted online among 2,096 U.S. adults ages 18 and older, of whom 1,952 are account holders with a bank. The consumer data are weighted where necessary by age, gender, race/ethnicity, region, education, marital status, household size, household income, and propensity to be online to bring them in line with their actual proportions in the population. The sampling precision of Harris online polls is measured by using a Bayesian credible interval. For the consumer study, the sample data is accurate to within +/- 2.7 percentage points using a 95% confidence

level and +/- 5.21 percentage points for the ITDMs or Senior Level Executives.

SOURCE Google Cloud

For further information: press@google.com

<https://www.googlecloudpresscorner.com/2023-10-23-Google-Clouds-New-Banking-Survey-Finds-C-Suites-and-Boards-More-Involved-in-Tech-Decisions-Due-to-Heightened-Interest-in-Gen-AI>