

# How likely are consumers to adopt artificial intelligence for banking advice?

February 18 2021

---



Credit: Pixabay/CC0 Public Domain

A new study published in *Economic Inquiry* is the first to assess the willingness of consumers to adopt advisory services in the banking sector that are based on artificial intelligence (AI). Investigators examined

whether the likelihood that consumers adopt AI in banking services depends on tastes for human interaction across different cultures.

The study focused on robo-advisory services, which are automated investment platforms that provide investment advice without the intervention of a human advisor. When investigators analyzed an ING Bank dataset encompassing 11,000 respondents from 11 countries, they found that different attitudes across cultures shape differences in local consumers' likelihood of adopting robo-advisory services.

The analysis revealed that robo-advisory services may be adopted where they compensate for feelings of a lack of trust and reliability towards human advisors among consumers. Also, fear of being cheated had a strong influence in enhancing consumers' preference to use AI. Places where [social interaction](#) is considered important did not welcome the AI novelty, even when controlling for all of the usual factors that determine the adoption of new technology.

"There is some special value that people place on [human interaction](#) in services, which an AI-based service simply cannot substitute. Even when using a classical economic model for the adoption of innovation, such as the model by eminent economist Arrow and co-authors (previously used for understanding the adoption of new medicines), we see that the value of human interaction shows a clear importance for the AI customer in the service sector," said corresponding Annie Tubadji, Ph.D., of Swansea University.

**More information:** *Economic Inquiry*, [DOI: 10.1111/ecin.12978](https://doi.org/10.1111/ecin.12978)

Provided by Wiley

Citation: How likely are consumers to adopt artificial intelligence for banking advice? (2021, February 18) retrieved 5 May 2024 from <https://phys.org/news/2021-02-consumers-artificial-intelligence-banking-advice.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.