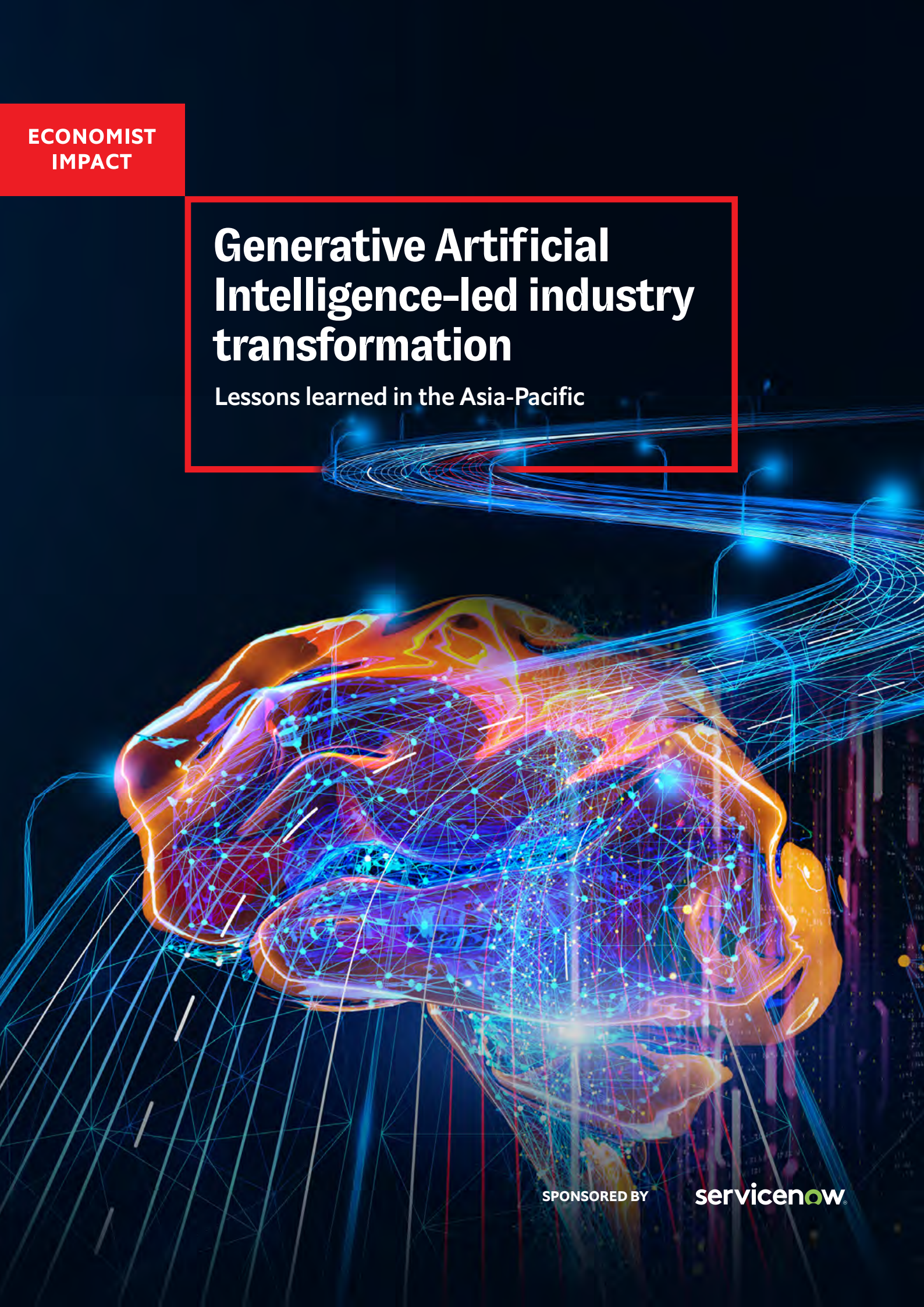
ECONOMIST IMPACT

Generative Artificial Intelligence-led industry transformation

Lessons learned in the Asia-Pacific



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About this report

Generative Artificial Intelligence-led industry transformation is a report from Economist Impact sponsored by ServiceNow, which explores the opportunities and challenges of Generative Artificial Intelligence (GenAI) in Asia-Pacific (APAC) countries with industry-specific case studies based on desk research, two workshops and qualitative interviews with experts and executives. Kim Andreasson is the author of the report. Aayushi Idda Sharma and Elizabeth Mackie are the editors and contributed research and analysis. Jan Copeman copy-edited the report and Nightshift Media designed it.

The expert workshops were conducted on 8 February and 15 February 2024. Our thanks are due to the following participants (listed in alphabetical order by surname) for their time and insights:

- Kamal Ajitsaria, chief digital officer (CDO), Adani Energy Solutions, India
- Habib Baluwala, domain chapter lead - commercial data (AI and Data Intelligence), Spark NZ, New Zealand
- Glenda Dsouza, strategy lead - group technology office, Mahindra Group, India
- Naren Gangavarapu, chief information and digital officer, Northern Beaches Council, Australia
- Susan Gibson, head of data analytics and AI, UTS, Australia
- Howard Kwong, CDO, Prudential, Hong Kong
- Bussakorn Somboonpeeti, product & delivery lead, Enterprise Big Data & Advanced Analytics Platform, DBS Bank, Singapore
- Vincent Teyssier, chief technology and AI officer, Kairoswealth, Singapore.

In addition, we conducted in-depth interviews with executives and experts between February and March 2024. Our thanks are due to the following interviewees for their time and insights:

- Benedict Cheng, group chief risk officer, PCCW, Hong Kong
- Anuj Gupta, IT director: Strategic business partner for innovative medicines, Asia Pacific Middle East & Africa, Novartis, Australia
- Dan Jermyn, chief decision scientist, Commonwealth Bank of Australia, Australia
- Mohit Kapoor, group chief technology officer (CTO), Mahindra Group, India
- Sandip Kumar, executive director of strategy, transformation, major capital and digital, Gold Coast Health, Australia
- Lily Lai, chief information officer (CIO), Airport Authority Hong Kong, Hong Kong
- Denis JJ Ng, executive director - head, group transformation strategy, Transformation, Technology & Operations, Standard Chartered, Singapore
- Ian Pestelos, global head, delivery excellence, Transformation, Technology & Operations, Standard Chartered, Singapore
- Shoba Ramen, associate director, digital product (SuperApp), AIA, Hong Kong
- Vincent Teyssier, chief technology and AI officer, Kairoswealth, Singapore
- Divyesh Vithlani, group chief transformation officer, Standard Chartered, Singapore

Executive summary

Generative Artificial Intelligence (GenAI)—algorithmic technology based on large language models (LLM) capable of generating text, images or other data in response to user prompts—can boost productivity and create competitive organisational advantages. The global GenAI market has been predicted to grow by over 40% annually, from US$40bn in 2022 to US$1.3trn by 2032.

Many companies in a wide range of industries—ranging from public sector healthcare to private sector telecommunications—have embraced GenAI to tackle existing challenges and seize new opportunities, such as better customer service delivery and improved operational efficiency. Given the potential benefits, awareness of GenAI has risen to executive levels at industry-leading organisations seeking to reap the full benefits of implementation.

However, companies also face challenges in adopting this relatively new technology, due to legal questions and privacy concerns, protection of proprietary information and cybersecurity, as well as inadequate training and upskilling of existing staff. This can hinder the full potential of GenAI across all industries.

This report looks at the state of industry-led GenAI adoption and implementation in Asia Pacific (APAC), with a particular focus on government, financial services (banking and insurance), manufacturing, telecommunication service providers and technology service providers. Research shows that some organisations have embarked on exciting GenAI ventures that are already providing benefits and have cemented the topic at the executive level while they are also grappling with the challenges to fully embed GenAI into their overall digital transformation roadmaps.

The key findings of the research are as follows:

- **Artificial Intelligence (AI) is predicted to be the most effectively used technology over the next three years and GenAI has raised its profile.** The media coverage of ChatGPT has raised the understanding of AI generally and GenAI specifically and is now widely viewed as the key to future success in meeting customer demands and improving internal efficiencies.
- **Greater digital skills are necessary to seize the opportunities of GenAI to create a competitive advantage for organisations in the APAC region.** The debate on whether GenAI leads to job losses or improves productivity among existing workers boils down to enhancing digital skills.
- **CIOs and CTOs have benefitted from GenAI.** With increased executive awareness of GenAI, technology functions have risen to the forefront of corporate decision-making and they are increasingly using GenAI to enhance business outcomes.
- **Several roadblocks to unlocking the full potential of GenAI remain.** Regulations, proprietary data concerns, cybersecurity and a greater need for training remain obstacles to full implementation.
- **There is a need to identify industry use cases and evaluate return on investment.** Organisations are not adopting GenAI for the sake of adopting GenAI, instead taking a cautious approach to implementation, given the potential risks involved.

Definitions

GenAI is a subset of AI, and is based on models that learn the patterns and structure of data to generate new information with similar characteristics that can create value for organisations, if applied appropriately.[1] "Broader AI encompasses machine learning, deep learning and GenAI", explains Sandip Kumar, executive director of strategy, transformation, major capital and digital at Gold Coast Health, Australia.

GenAI operates through large language models (LLMs) like Generative Pre-trained Transformers (GPT). These models are trained on extensive datasets, enabling them to predict and generate sequences of text that are statistically likely to follow given inputs.[2]

For the purposes of this report, GenAI is considered artificial intelligence capable of generating text, images or other data using algorithms, such as LLMs, in response to user prompts.[3]

Introduction

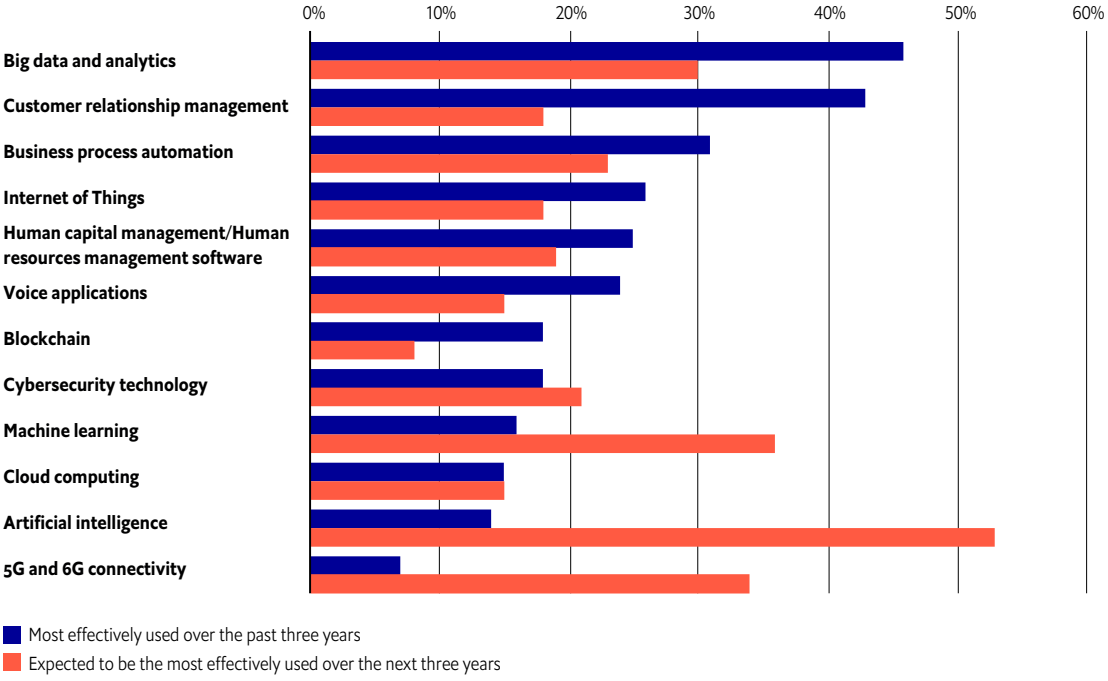
Artificial Intelligence (AI) is predicted to be the most effectively used technology over the next three years, according to an Economist Impact survey of Asia-based C-suite executives (see figure 1).[4]

"For many of us who have been following AI for a long time, I think GenAI has really put the whole AI agenda into fruition," says Sandip Kumar, executive director of strategy, transformation, major capital and digital at Gold Coast Health, Australia.

Within two months of its launch in 2022, ChatGPT had 100m users posing all sorts of random questions and media coverage was a tipping point to raise interest in GenAI.[5] Organisations took notice and the adoption and knowledge for business purposes also surged, with such tools raising awareness of the opportunities, and challenges, of the technology. This year will illustrate how organisations will leverage GenAI.[6] As rapid technological advancements occur and the ability to process and analyse vast datasets increases, GenAI is expected to have a significant impact on sectors that rely heavily on knowledge work, such as finance, pharmaceuticals, education, and technology as well as government.[7] Estimates from a global survey suggest knowledge-based industries are likely to see more disruption but also potentially gain more from the introduction of GenAI.[8]

The global GenAI market has been predicted to grow by over 40% annually, from US$40bn in 2022 to US$1.3trn by 2032, according to Bloomberg Intelligence (BI), as adoption is rising rapidly.[9] In the APAC region, approximately 70% of organisations are either exploring or have already started investing in GenAI technologies.[10] Regional CEOs recognise the potential to improve growth and gain a competitive advantage; however, they are also encountering significant challenges in formulating and implementing their strategies.[11]

Figure 1: Which have been the most effectively used technologies for your organisation over the past three years and which do you expect to be the most effective over the next three years?



Source: Economist Impact, Digital capabilities in Asia-Pacific: the journey towards greater opportunities: APAC: Digital Capabilities - ServiceNow

GenAI tools can transform businesses in several ways. They can improve knowledge management across large datasets, identify trends and potential issues in data, and automate repetitive operational tasks ranging from coding to customer support.[12] GenAI models can also be fine-tuned to address industry- and function-specific challenges,[13] thereby helping to develop new products or services more quickly.[14] "Considering its computational power, GenAI allows us to extract completely different insights into the emerging needs of citizens and enables us to quickly connect disparate data sets", explains Mr Kumar.

Private sector entities are looking at potentially similar benefits. "I think large language models have created a breakthrough in their ability to provide a basic human decision model, which is not rule based, which is heuristics," says Vincent Teyssier, chief technology and AI officer at Kairoswealth, Singapore. "Before GenAI, a customer would type beef, and if you have beef in your database, they would find it, but they wouldn't find Angus or Wagyu," he explains about the difference between rule based models and GenAI. "With large language models you can extract way more insights from data and bring some automation to a lot of business processes."

However, organisations should be realistic about the challenges of implementation and usage, ranging from digital skills to customer engagement. The challenges include regulatory uncertainty, data privacy and cybersecurity concerns, and the need for employee training and development.[15] Additionally, many businesses in the region may be held back by a risk-averse culture and inadequate data management capabilities.[16]

CASE STUDY

GenAI in government

The public sector can reap the benefits of GenAI to improve delivery across a broad range of services. "It offers us an ability to interact with citizens in a completely new way", says Sandip Kumar, executive director of strategy, transformation, major capital and digital at Gold Coast Health, Australia.. "From a public sector perspective, it allows us to really understand what citizens need and how the public sector can respond."

The public sector can reap the benefits of GenAI to improve delivery across a broad range of services.

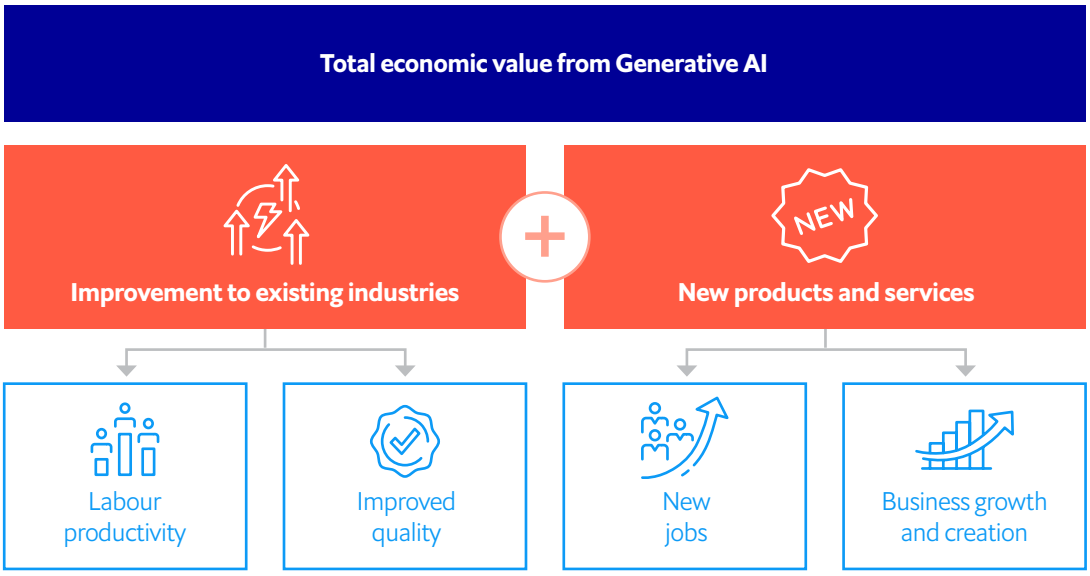
At Gold Coast Health, GenAI is used to provide contextualised information, which is a whole new frontier for healthcare. "There are lots of notes captured when we interact with patients and now we can improve care by using the information that is already available in multiple domains", says Mr Kumar. "GenAI allows us to quickly extract, validate and produce insights and convert insights to actions and that is going to be quite a tremendous leap forward for healthcare." For example, he estimates that a clinician typically spends about an hour a day on documenting conversations, which can now be virtually eliminated through ambient software and summarised by GenAI, leading to more quality time spent on patient care. "That's a really easy one to measure in terms of the very clear value", Mr Kumar says about tracking the benefits of GenAI.

One difference between the public and private sectors is that the former uses GenAI to improve internal efficiencies to a greater extent whereas the latter often focuses on customer demand to increase revenue. "One reason is that the level of risk a public entity can take is far different to that of a private organisation", explains Mr Kumar. "There is a higher risk for a public sector organisation to expose citizens to GenAI with challenges around hallucinations when they need us most". Hence, any GenAI efforts at Gold Coast Health are focused on explainability and security around data utilisation.

Embracing GenAI

"Everything we're trying to do is around improving our processes and offering our customers better services," says Dan Jermyn, Chief Decision Scientist, at Commonwealth Bank of Australia, Australia, which was recently recognised as the leading Asia Pacific bank and ranked sixth globally in the Evident AI Index for banks, a global standard benchmark of AI maturity. For example, the bank's Customer Engagement Engine powers real-time communication in a relevant and contextualised way and leverages more than 1,000 machine learning models running across 157bn data points. "Here at CBA, GenAI is one of the ways that helps us to provide better customer outcomes and empowers our staff to spend more time on the things that will drive the biggest positive impact for our customers."

Figure 2: GenAI creates economic value through two main channels



Source: https://news.microsoft.com/wp-content/uploads/prod/sites/66/2023/07/230714-Australias-Gen-AI-Opportunity-Final-report.pdf

The perceived primary benefits are external in terms of customer care and demands, but also internal, leading to operational efficiencies and innovation both in terms of improvements to existing industries as well as new products and services (see figure 2).[18]

There are two sides to the coin: those who can and are willing to adapt and use GenAI to improve productivity and those who may suffer the consequences of not doing so.

In the healthcare industry, GenAI applications are embraced to help in automating operational work, bringing years of clinical data to a clinician's fingertips in seconds and modernising health systems infrastructure.[19] It has been predicted that GenAI can help unlock portions of an unrealised US$1trn of improvement potential by automating tedious work.[20]

However, those who are unwilling or unable to adopt digital skills are facing a stark future. Hence, there are two sides to the coin: those who can and are willing to adapt and use GenAI to improve productivity and those who may suffer the consequences of not doing so. "GenAI is 100% going to displace workers", says Mr Teyssier, who explains that he has already cut creative agency funding by 50% by being able to generate graphics and marketing material automatically. "There will be some significant challenges with the improvement of GenAI because people will not necessarily be able to retrain fast enough."

In consulting services, for example, companies are typically using pyramid models in which there are few highly paid partners at the top and massive numbers of lower paid junior analysts at the bottom doing most of the work. "I think fresh graduates will have a very hard time in front of them because they're not coming with a wealth of experience, which means that their work can be very easily automatable by GenAI", says Mr Teyssier. "But the middle part of the pyramid also needs to change because you need very niche expertise to go beyond what GenAI can do for you to become profitable in the middle layer."

Education is another sector that has struggled to find new ways forward, given increasing plagiarism (knowingly or unknowingly). As such, many institutions didn't proactively embrace GenAI but were forced to face the consequences early as students started to adopt the technology for homework and tests, which means the learning industry is probably 12 months ahead in understanding the capabilities of such tools.[21] In response, some educational institutions have started to embrace GenAI by evaluating how students use the technology in terms of the questions they ask the tool.

This equation has led to a debate surrounding potential job losses. A recent study by Forrester, a consultancy, found that 36% of workers fear losing their jobs due to automation or AI over the next 10 years.[22] However, GenAI may create as many jobs as it will displace.[23] "We had the Industrial Revolution and yes, we saw job losses in a particular area", says Anuj Gupta, IT director: strategic business partner for innovative medicines, Asia Pacific Middle East & Africa at Novartis, Australia. "But I think new jobs were created in different areas and we might see the creation of new jobs that we are not even aware of today." In fact, some analysts have argued that GenAI may reshape far more jobs than it will eliminate.[24] According to a paper from the International Labour Organisation (ILO), a UN agency, GenAI is most likely to augment work and automate tasks, leaving people time for other duties.[25]

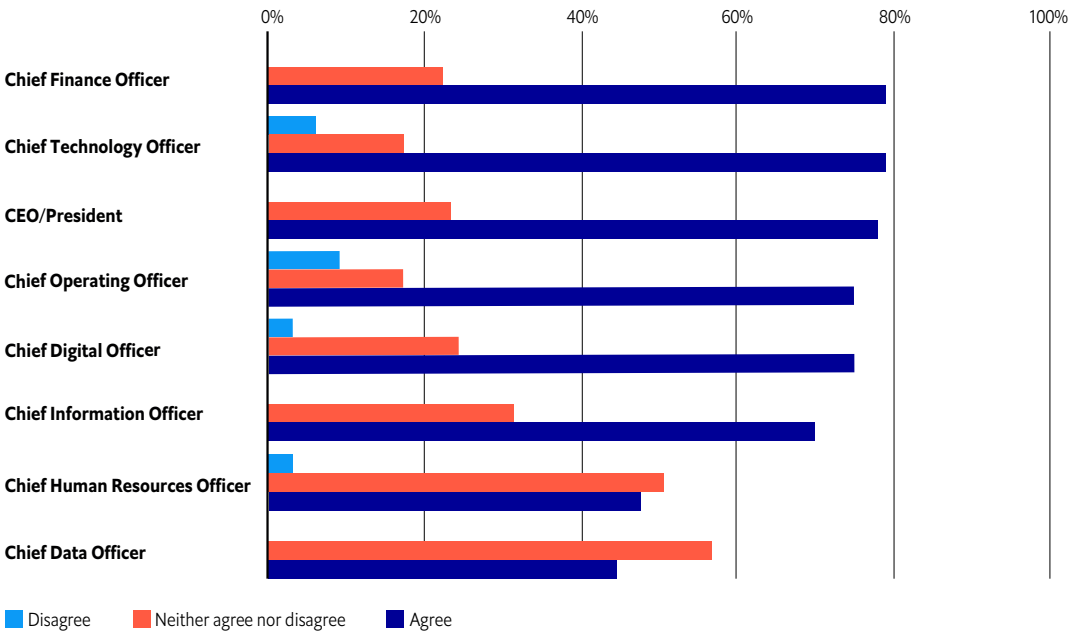
Therefore, GenAI may not necessarily replace workers but rather assist existing staff to be more productive.[26] The analogy being the introduction of automation and robotics in manufacturing, which largely led to efforts to upskill the workforce, highlighting the importance of skills development.

GenAI may not necessarily replace workers but rather assist existing staff to be more productive.

The European Union, for example, aims to upskill 80% of the population by 2030 including in emerging technology competencies such as AI.[27] In ASEAN, the Consolidated Strategy on the Fourth Industrial Revolution also highlights the importance of skills development.[28]

The adoption of digital skills can be a source of differentiation for businesses looking to stay competitive in a rapidly changing landscape.[29] About two-thirds (68%) of C-suite executives in the APAC region—all of whom were familiar with digital inclusion at their organisation—agree that greater digital inclusion can serve as a competitive advantage in their industry.[30]

Figure 3: APAC leaders believe that greater digital inclusion can serve as a competitive advantage in the industry



Source: Economist Impact, Digital capabilities in Asia-Pacific: the journey towards greater opportunities: APAC: Digital Capabilities - ServiceNow

CASE STUDY

GenAI in financial services

GenAI is set to transform the financial services sector, despite only 20% of companies reporting they currently have a responsible framework for its use, according to a 2023 survey from consultancy Ernst &Young.[31] "In every company it needs to start with a vision", says Vincent Teyssier, chief technology and AI officer at Kairoswealth, Singapore, a Singaporean wealth-management platform. "Day to day, we look at what we've done, how we failed, how we should pivot, and potentially go back to the company founders and say, you know, maybe this is a bit too visionary, we have to scale back and go back to the drawing board", says Mr Teyssier. "This is the kind of process that ultimately brings the innovation mindset that is required for GenAI today."

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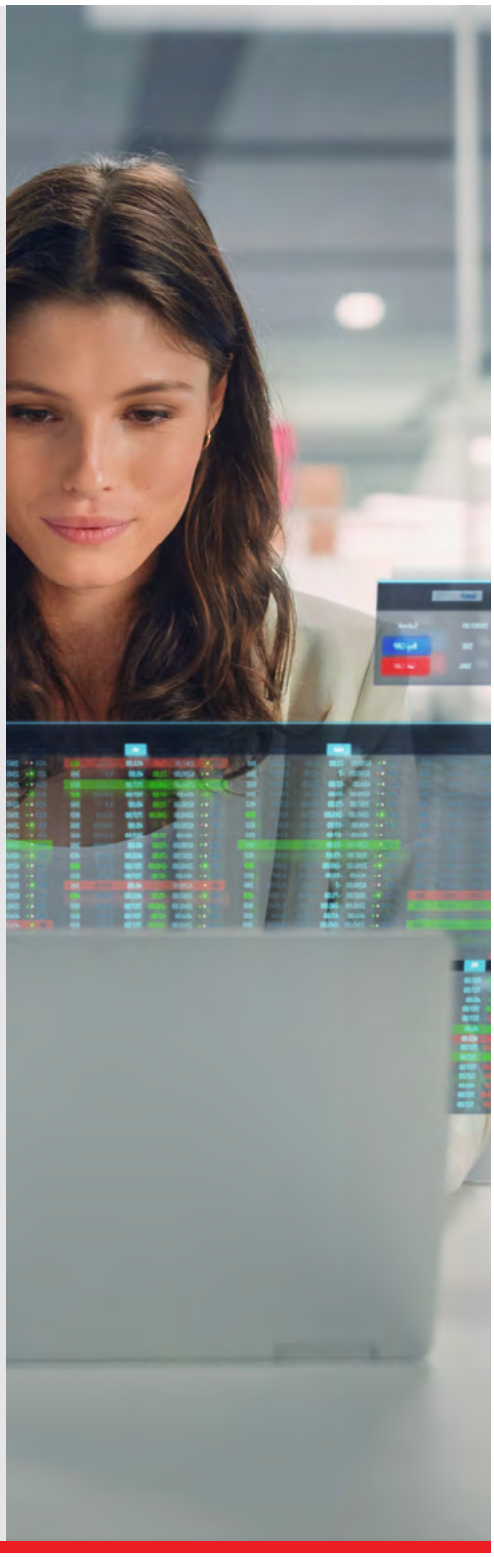
Scaling was a particular challenge for the wealth management platform in implementing GenAI as it takes information from different datasets, both bank and investment sources, to automatically create a unified view of portfolios and provide recommendations based on an investment profile. "We understood that the accuracy degraded as we scaled the amount of information to a larger number of data elements", says Mr Teyssier. The company took the direction of constraining the knowledge domain fed to the LLM through clever user interface. "Suddenly, we regained the accuracy that we had lost by scaling", says Mr Teyssier. "It's not that you dump one terabyte of data, and it's going to answer questions, miraculously. Instead, you need to be able to single out the right context within this terabyte", he advises.

Moving forward, Mr Teyssier believes that GenAI will be "absolutely everywhere" in the financial services sector. "GenAI allows us to bring hyper personalisation and automation", he says. "Ultimately, I think it's going to be great for humanity."



Organisational approaches

A global survey shows that one-third of respondents say their organisations are using GenAI in at least one business function and one-quarter say GenAI is already on the agenda of executives.[32] Board level and senior management awareness leadership is important for adoption but also to understand the risks that are involved.[33] "We are blessed to have a CEO over the past five years who has data and digital as a priority, which flows down in the organisation", says Mr Gupta. "I think it's a huge factor and our CEO is an incredible banking leader, but also an incredible technology leader and this permeated throughout the organisation," says Mr Jermyn. "The top-down focus on how powerful technology can unlock better business outcomes is our DNA and that's a huge advantage," adds Mr Jermyn.

Board level and senior management awareness leadership is important for adoption but also to understand the risks that are involved.

For implementation and adoptions, experts suggest a collaborative approach, where the IT department works with business units in cross-functional teams.[34] The Airport Authority Hong Kong, for example, has a technovation board, chaired by the CEO. "The technovation board meets every six months", explains Lily Lai, CIO at the Airport Authority Hong Kong. "This is when we provide a technology update to the senior executives, and have a very thorough discussion, led by our CEO."

Technology opportunities and challenges have long raised the profile of the IT function within organisations across industries, highlighted by the establishment of the chief information officer (CIO) and chief technology officer (CTO) roles which have an increasingly larger input into business decisions. GenAI is likely to accelerate that trend. "In progressive companies, data, AI and machine learning is reason enough for the CTO to be part of business decision making and business prioritisation", says Mohit Kapoor, group CTO at Mahindra Group, India. "GenAI has accelerated that change in the last two years, in an environment where data and being digital-first is essential."

CASE STUDY

Gen AI in telecommunications and technology

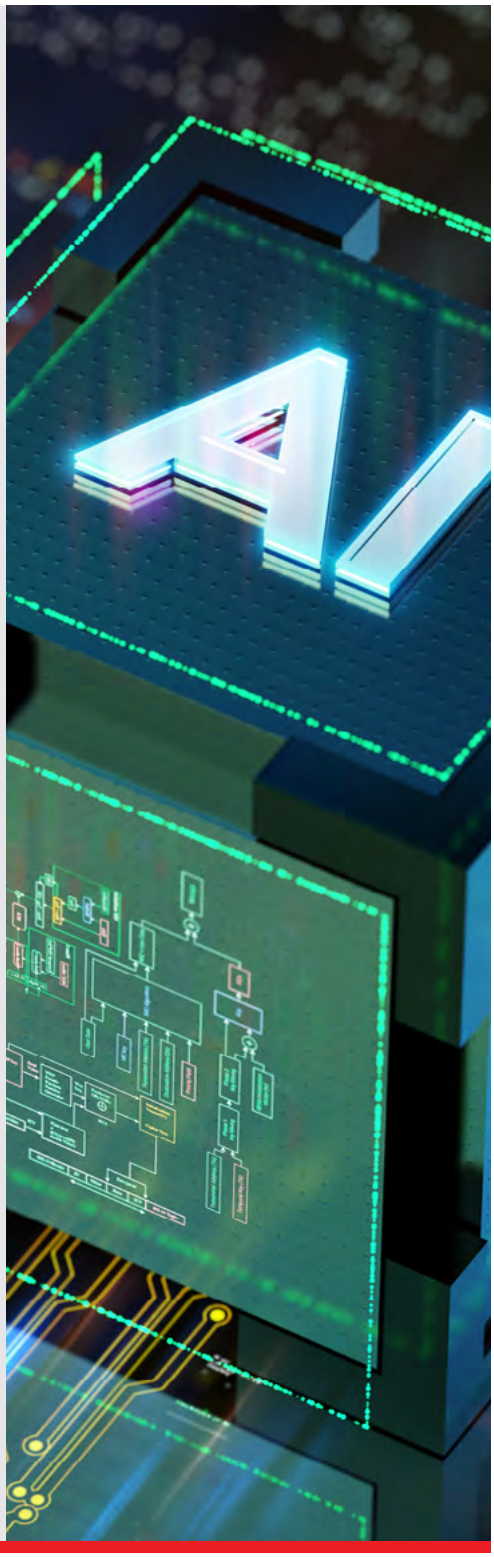
More than one-half (56%) of telecom operators are currently testing GenAI solutions with about 2 in 10 (18%) having deployed them commercially, according to GSMA, an industry organisation.[35]

Right now, the focus is on meeting customers' lifestyle needs", something which is especially important as the company has consumer business alongside its enterprise and media business.

"I don't think there's a choice not to adopt GenAI", says Benedict Cheng, group chief risk officer, PCCW, Hong Kong. "Especially as a technology, media and telecommunication conglomerate, we have the cutting-edge technology, we have the people, we have the expertise, so we have a sound foundation for deploying GenAI." Multiple reports also illustrate the number of areas in which GenAI can be leveraged to enhance operations for telecom operators, such as network management and the creation of digital twins.[36]

At PCCW, a Hong-Kong-based conglomerate and telecommunications provider, the current primary focus of GenAI is in enhancing service quality and operational efficiency. "It is crucial to prioritise in order to make the best use of available resources", he explains. Right now, the focus is on meeting customers' lifestyle needs", something which is especially important as the company has consumer business alongside its enterprise and media business.

However, consumer-facing implementation also brings risk as the telecom industry amasses increasingly vast amounts of data.[37] "Cybersecurity and privacy compliance is of utmost importance", says Mr Cheng. "We have to safeguard and ensure our customer data and related information are protected in an isolated secured environment."



Roadblocks

GenAI adoption is still limited by regulatory questions, the need to protect proprietary organisational data, and cybersecurity, as well as a lack of digital skills.[38] There are also tremendous amounts of improvement opportunities with how to manage the quality of data in terms of inconsistency and comprehensiveness as well as service design and biases in algorithms.[39] Since there is no commonly agreed-upon standard framework for AI and GenAI across the world, every regulator is developing their own version. Financial institutions typically take an ethical and responsible approach to the relevant frameworks. A combination of regulation, legislation and collaboration between public and private sectors to address risks in a meaningful manner is critical.

"Implementation is relatively straightforward, but one of the key challenges for the broader industry comes down to the review of contracts and all the terms and conditions related to GenAI models"

Benedict Cheng, group chief risk officer, PCCW

"I think this is what everyone across the world is looking at, whether it's the privacy or the intellectual property (IP) rights", Mr Gupta says about the regulatory environment from a healthcare perspective. "You don't want your data to end up in the wrong hands but at the same time, you want to make sure you are able to create the right level of partnerships." Drug discovery, for example, can happen much quicker with GenAI but may result in such data ending up in the public domain. "I think pharma as an industry has no different challenges to any other industry", Mr Gupta elaborates.

At PCCW, a Hong Kong based conglomerate, Benedict Cheng, group chief risk officer, confirms the broader challenges of GenAI across industries and regions. "Implementation is relatively straightforward, but one of the key challenges for the broader industry comes down to the review of contracts and all the terms and conditions related to GenAI models", he says. "We need to look at the law of the governing jurisdiction-pertaining to data rights, ownership consent, roles and responsibilities, among other things." The fine print of contracts, or service-level agreements, will determine the right use cases and contain language that makes our journey more manageable and efficient.

"I would say the biggest challenge is more about agile technology and maturity in terms of the deployment capability"

Lily Lai, chief information officer (CIO), Airport Authority Hong Kong

"That's why we need to make sure that we know what the models are doing with our data and the intended outcome", says Mr Cheng.

"Data leakage is going to be a challenge along with biased answers and non-compliant answers", says Mr Teyssier. "This could potentially lead to very big reputational damage if you do not implement the right safeguards." The amount of attacks and data leaks had propelled cybersecurity to the top of boardroom agendas prior to GenAI, but it has now perpetuated. "Of course, it keeps me awake at night", says Mr Kumar. When using GenAI at Gold Coast Health, the data is always returned, restored on premises and only anonymised information is fed into models. "In our research and prototyping space, we've only been able to use private LLMs and a response is never going to be openly available, which means there's no feedback loop in the models that we're using. "It's containerised and it's private", Mr Kumar elaborates. For additional assurance, the organisation anonymises all data and only works with partners who meet their privacy requirements. This is particularly important in the healthcare industry, which holds a lot of personal information. "Healthcare is a key target for all cybercrime so we're acutely aware of how data can be misused and having to continue to adopt our cyber posture", summarises Mr Kumar.

"One thing that took us by surprise was the sheer breadth of interest and excitement around GenAI," says Mr Jermyn. "There is demand for education and for exploring new ideas at the same time because the acceleration of the technology is unlike anything we've ever seen," says Mr Jermyn, about the potential challenges.

"Resource availability is a huge, huge issue", says Ms Lai. "Whether it's from the operational side or the technical side, we have run out of people." She views the scalable adoption readiness, or maturity of GenAI as being one of the main challenges. "I would say the biggest challenge is more about agile technology and maturity in terms of the deployment capability", says Ms Lai. "Medium or small organisations may not have sufficient skills or funding to enable their potential clients to get technology-ready."

CASE STUDY

GenAI in manufacturing

AI was already a priority for the Mahindra Group, an Indian conglomerate with a large automotive and farm equipment manufacturing component alongside many other adjacent business lines, but GenAI accelerated the number of use cases in terms of customer service, sales and marketing, financial analysis, analytics and technical functions. "Early last year we realised that off-the-shelf GenAI has data leakage risks, an intellectual property risk and a hallucination risk", says Mohit Kapoor, group CTO. To mitigate risk, the company embarked on building Gen AI in a managed container in the cloud and attaching it to a model garden with multiple industry leading GenAI models. The insights the model generates are contained within the company, explains Mr Kapoor. "If you use a GenAI model on company data, and also seek intelligence from market data, the outcome is a lot better and such a container model keeps it confidential within the boundaries of the company so it's not leaking into the cloud."

The key to success is to have a business sponsor for the digital and AI teams to implement the practical solutions. "For the technology team to understand the business priorities and problems is a challenge as well as opportunity", says Mr Kapoor. At Mahindra, GenAI is primarily rolled out at car service centres to help them find better solutions to customer problems more quickly. A recent study from Boston Consulting Group (BCG), an American consultancy, also found that GenAI leads to an improved customer experience in the automotive sector.[40]

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With a large automotive manufacturing and repair component within the Group, a lot of work is spent tracking the uptime of various machines and when to repair them. "We have lots of internal data on this, and lots of operating manuals, which come from the machine makers", explains Mr Kapoor. "If you put all that into a GenAI knowledge base, you can do lots of intelligent troubleshooting and hence equipping people on shopfloors with ready now knowledge to maintain quality and speed of delivery to customers."

Moving forward

Industries across the spectrum face similar opportunities and challenges when it comes to GenAI. The primary benefits of GenAI are improved customer service and enhanced productivity while the risks are data-related in terms of regulations, security and the need for skills in order to use the technology productively and avoid layoffs.

"People might be increasingly concerned about the impact of AI on their job security. However, GenAI can help automate and digitise some processes, and free up their time and resources", says Mr Cheng. "Then people can focus on more value-added work."

The realisation that digital and data-first policies are the right way to scale businesses started around five years ago, estimates Mr Kapoor. "I see myself spending a lot more time with the business than I spend with the technology teams compared to 10 years ago", a trend which is only likely to increase with the implementation of GenAI.

"Within three years or so there will be a major change happening with the way we use technology, and GenAI is definitely one part of that," says Ms Lai. In APAC, organisations are predicted to triple GenAI spending in 2024.[41] Now the immediate challenge will become how to create return on investment by using appropriate use cases to drive industry-led digital transformation through GenAI while avoiding the pitfalls of the technology.

CASE STUDY

GenAI in insurance

AIA, a Hong Kong-based multinational insurance and finance corporation, also provides technology services to its current and potential customers. A recent exploration is a SuperApp* that uses GenAI. Different variations of the app have been rolled out across APAC markets in the digital health ecosystem. "In a wellness tool, people want to have a conversation. That's where GenAI can help", says Shoba Ramen, associate director, digital product (SuperApp) at AIA. "We see it as a support system for our customers and clients to help them navigate the health and wellness ecosystem."

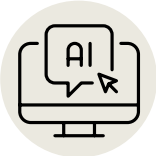
Use cases are important to AIA because the company doesn't want to get caught up in the GenAI trend for the sake of doing it and therefore looks for return on investment. This means, from a strategic perspective, that once use cases are identified they are presented to the different markets in the region to assess the business case viability at the local level. "Based on their strategy for the next year or two, does this fit in? Is this something that will enhance your customer experience, your sales process, your campaigns, whatever it is", explains Ms Ramen. "During this exploratory stage there will be a team to see if there is an actual use case that would have a return on investment."

Use cases are important to AIA because the company doesn't want to get caught up in the GenAI trend for the sake of doing it and therefore looks for return on investment.

Due to potential legal implications in terms of trademarks and ownership issues when generating content, however, the company is treading carefully with regards to GenAI. Adoption is also limited to the services offered. "If you don't have the right products, the right people and the right use cases, then GenAI on its own is not enough to offer a competitive advantage", explains Ms Ramen. "For me it's important to understand nutrients, health and wellness, then I ask what GenAI can do to help."

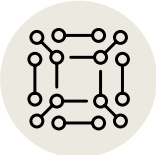
*The aspects mentioned in this case study about SuperApp are currently not in production but in exploration phase

Key takeaways



Keep up with developments: While awareness of GenAI has vastly improved, few organisations fully understand the best use of the technology and need to continuously monitor developments and use cases in their industry to fully realise the benefits.

Improve digital skills to gain a competitive advantage: Provide guidelines, training programmes and encourage existing workers to adopt GenAI to enhance productivity.



Encourage technology and business collaboration at the highest level: Technology function executives have risen to the forefront of corporate decision-making and need to work ever closer with executives from other business departments.

Acknowledge the challenges of GenAI: Keeping track of existing regulations, proprietary data concerns, and revisiting existing cybersecurity policies are crucial to appropriately implementing GenAI.

Evaluate return on investment: To date, few organisations are able to pinpoint the actual value of implementing GenAI, hence such adoption needs to be carefully monitored and key performance indicators (KPIs) established before embarking on wide-ranging projects.

End notes

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ECONOMIST IMPACT

LONDON

The Adelphi
1-11 John Adam Street
London WC2N 6HT
United Kingdom
Tel: (44) 20 7830 7000
Email: london@economist.com

GENEVA

Rue de l'Athénée 32
1206 Geneva
Switzerland
Tel: (41) 22 566 2470
Fax: (41) 22 346 93 47
Email: geneva@eiu.com

AUSTRALIA

Level 14, Unit #138,
5 Martin Place
Sydney
Australia
Tel: (61) 2 8551 0023

NEW YORK

750 Third Avenue
5th Floor
New York, NY 10017
United States
Tel: (1.212) 554 0600
Fax: (1.212) 586 1181/2
Email: americas@eiu.com

DUBAI

Office 1301a
Aurora Tower
Dubai Media City
Dubai
Tel: (971) 4 433 4202
Fax: (971) 4 438 0224
Email: dubai@eiu.com

GURUGRAM

Skootr Spaces, Unit No. 1
12th Floor, Tower B, Building No. 9
DLF Cyber City, Phase – III
Gurugram – 122002
Haryana
India
Tel: (91) 124 6409 300

HONG KONG

1301
12 Taikoo Wan Road
Taikoo Shing
Hong Kong
Tel: (852) 2585 3888
Fax: (852) 2802 7638
Email: asia@eiu.com

SINGAPORE

8 Cross Street
#23-01 Manulife Tower
Singapore
048424
Tel: (65) 6534 5177
Fax: (65) 6534 5077
Email: asia@eiu.com