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Organizations must proactively address ethics in AI to gain the public's trust and loyalty

Consumers, employees and citizens will reward organizations that proactively show their AI systems are ethical, fair and transparent

Paris, July 5, 2019 – The ethical use of AI is becoming fundamental to winning people's trust, a new study from the Capgemini Research Institute has found. As organizations progress to harness the benefits of AI, consumers, employees and citizens are watching closely and are ready to reward or punish behavior. Those surveyed said that they would be more loyal to, purchase more from, or be an advocate for organizations whose AI interactions are deemed ethical.

The "Why addressing ethical questions in AI will benefit organizations" study surveyed 1,580 executives from large organizations across 10 countries, and over 4,400 consumers across six countries.

Key findings include:

Companies using AI in an ethical way will be rewarded: Among consumers surveyed, 62% said they would place higher trust in a company whose AI interactions they perceived as ethical, 61% said they would share positive experiences with friends and family, 59% said that they would have higher loyalty to the company, and 55% said that they would purchase more products and provide high ratings and positive feedback on social media. By contrast, when consumers' AI interactions result in ethical issues, it threatens both reputation and the bottom line: 41% said they would complain in case an AI interaction resulted in ethical issues, 36% would demand an explanation and 34% would stop interacting with the company.

Ethical issues resulting from AI systems have been observed and experienced: Executives in nine out of 10 organizations believe that ethical issues have resulted from the use of AI systems over the last 2-3 years, with examples such as collection of personal patient data without consent in healthcare, and over-reliance on machine-led decisions without disclosure in banking and insurance. Executives cited reasons including the pressure to urgently implement AI, the failure to consider ethics when constructing AI systems, and a lack of resources dedicated to ethical AI systems.

Consumers, employees and citizens are worried about ethical concerns related to AI and want some form of regulation: Almost half of respondents surveyed (47%) believe they have experienced at least two types of uses of AI that resulted in ethical issues in the last 2-3 years. Most (75%) said they want more transparency when a service is powered by AI, and to know if AI is treating them fairly (73%). Over three quarters (76%) of consumers think there should be further regulation on how companies use AI.

Organizations are starting to realize the importance of ethical AI: 51% of executives consider that it is important to ensure that AI systems are ethical and transparent. Organizations are also taking concrete actions when ethical issues are raised. The research found that 41% of senior executives report to have abandoned an AI system altogether when an ethical issue had been raised.

"Many organizations find themselves at a crossroads in their use of AI. Consumers, employees and citizens are increasingly open to interacting with the technology but are mindful of potential ethical implications. This research shows that organizations must create ethical systems and practices for the use of AI if they are to gain people's trust. This is not just a compliance issue, but one that can create a significant benefit in terms of loyalty, endorsement and engagement," said Anne-Laure Thieullent, AI and Analytics Group Offer Leader at Capgemini. *"To achieve this, organizations need to focus on putting the right governance structures in place, they must not only define a code of conduct based on their own values, but also implement it as an 'ethics-by-design' approach, and, above all, focus on informing and empowering people in how they interact with AI solutions."*

Organizations must prioritize an ethical AI strategy: To address consumer concerns and unlock the trust dividend of ethical AI use, organizations must take a focused approach to making systems fit for purpose. Capgemini recommends a three-pronged approach to build a strategy for ethics in AI that embraces all key stakeholders:

1) **For CxOs, business leaders and those with a remit for trust and ethics:** Establish a strong foundation with a strategy and code of conduct for ethical AI; develop policies that define acceptable practices for the workforce and AI applications; create ethics governance structures and ensure accountability for AI systems; and build diverse teams to ensure sensitivity towards the full spectrum of ethical issues
2) **For the customer and employee-facing teams, such as HR, marketing, communications and customer service:** Ensure ethical usage of AI application; educate and inform users to build trust in AI systems; empower users with more control and the ability to seek recourse; and proactively communicate on AI issues internally and externally to build trust
3) **For AI, data and IT leaders and their teams:** Seek to make AI systems as transparent and understandable as possible to gain users' trust; practice good data management and mitigate potential biases in data; continuously monitor for precision and accuracy; and use technology tools to build ethics in AI.

Luciano Floridi, director of Digital Ethics Labs, Oxford Internet Institute, said, *"A classic way of gaining trust, with AI interactions in particular, can be summarized in three words: transparency, accountability, and empowerment. That means transparency so that people can see what you are doing; accountability because you take responsibility for what you are doing; and empowerment because you put people in charge to tell you if something you did was not right or not good."*

A copy of the report can be downloaded [here](#).

Research Methodology
The research surveyed over 1,580 executives from large organizations (with more than $1 billion in annual revenues) from 10 countries (China, France, Germany, India, Italy, the Netherlands, Spain, Sweden, the UK, and the US). Executives were drawn from three groups - General management/strategy/corporate; IT/AI/data science/analytics; HR and marketing. Additionally, a consumer survey was conducted with 4,400 consumers from six countries (US, China, UK, France, Germany, Netherlands) all of whom had had some form of AI interaction in the past so that they

could relate to ethics, trust, and transparency related issues in AI. The Capgemini Research Institute also conducted in-depth interviews with more than 20 academics, industry experts, and entrepreneurs.

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