TAZI

AI, Business and Compliance KPIs for

4 Financial Services Use Cases

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TAZI AI
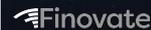
4 Example Use Cases

We review four AI based use cases in financial services and propose machine learning, business and compliance KPIs for each use case.

- Example 1: Voice of Customer: Sentiment, Topics, Complaints Detection
- Example 2: Customer Attrition Prediction
- Example 3: Targeted Marketing (Personalization)
- Example 4: Fraud Detection KPIs

Example 1: Sentiment, Topics, Complaints Detection

- Unified look at all customer interactions, understanding what people are looking for across communication channels (call center, social, web, mobile, etc)
- Better and faster prioritization of communication by checking their topic and sentiment
- Automated and fast response to trending topics
- Reduced complaints & escalations
- Increased customer satisfaction
- Reduced customer effort

Business Impact: If positive sentiment increases by 1%, retention increases by 3-5%

Example 1: Sentiment, Topics, Complaints Detection KPIs

AI KPI	Business Value KPI	Compliance KPI
Accuracy	Complaint Resolution Rate	Data Privacy Compliance
Precision	Customer Satisfaction (CSAT) or NPS	Fairness and Bias Testing
Recall (Sensitivity)	Reduction in Resolution Time	Auditability and Traceability
F1 Score	Proactive Issue Identification Rate	Model Risk Management Compliance
AUC-ROC	Customer Retention Rate	Explainability
Response Generation Quality	Cost Savings from Automated Responses	Data Retention and Disposal Policies
Model Interpretability	Campaign Effectiveness for Issue Resolution	

Example 2: Customer Attrition Prediction

- Predicting which customers will churn in the next 3 months
- Identifying Ideal Customer Profile
- Next best Action for when and how to engage
- Predicted offer for deepening relationship
- Lead time to implement a successful outreach strategy
- Reduced customer attrition
- Increased customer satisfaction
- Increased operational efficiency

Business Impact: 8-15% reduction in customer attrition.

Example 2: Customer Attrition Prediction KPIs

AI KPI	Business Value KPI	Compliance KPI
Accuracy	Customer Retention Rate	Data Privacy Compliance
Precision	Customer Lifetime Value (CLV)	Fairness and Bias Testing
Recall (Sensitivity)	Reduction in Churn Rate	Auditability and Traceability
F1 Score	Campaign Effectiveness	Model Risk Management Compliance
AUC-ROC	Return on Investment (ROI)	Explainability
Prediction Latency	Cost Savings from Retention	Data Retention and Disposal Policies
Model Interpretability	Customer Satisfaction (CSAT) or NPS	

Example 3: Targeted Marketing (Personalization)

- Determine potential customers to acquire that are similar to the ideal customer profile
- Determine the channel, time, content for marketing outreach
- Optimize product and pricing
- Optimize marketing spending
- Increase retention
- Reduce marketing spending
- Reduce risk, cost and fraud

Business Impact: Increased marketing success and retention, reduced marketing expenses.

Example 3: Targeted Marketing (Personalization) KPIs

AI KPI	Business Value KPI	Compliance KPI
Customer Acquisition Prediction Accuracy	Customer Acquisition Rate	Data Privacy Compliance
Lookalike Audience Similarity Score	Customer Retention Rate	Bias and Fairness in Audience Targeting
Channel Effectiveness Prediction	Conversion Rate from Targeted Campaigns	Auditability and Traceability of Marketing Decisions
Optimal Outreach Timing Accuracy	Marketing ROI Improvement	Compliance with Advertising Regulations
Content Personalization Accuracy	Reduction in Customer Acquisition Cost (CAC)	Consent Management for Personalized Outreach
Price Sensitivity Prediction	Revenue Growth from Optimized Pricing	Explainability of Targeting Decisions
Marketing Spend Optimization Accuracy	Increase in Customer Lifetime Value (CLV)	Model Risk Management Compliance
Customer Retention Prediction Accuracy	Reduction in Marketing Waste (Ineffective Spend)	Data Retention and Disposal Policies
Fraudulent Activity Detection Rate	Cost Savings from Fraud Prevention	Ethical AI Usage in Marketing
Model Interpretability	Increase in Engagement Rate for Personalized Marketing	Transparency in AI-Driven Pricing and Offers

Example 4: Fraud Detection

- Unified look at all customer interactions, understanding what people are looking for across communication channels (call center, social, web, mobile, etc)
- Better and faster prioritization of communication by checking their topic and sentiment
- Automated and fast response to trending topics
- Reduced complaints & escalations
- Increased customer satisfaction
- Reduced customer effort

Business Impact: 34% reduction in false positives.

Example 4: Fraud Detection KPIs

AI KPI	Business Value KPI	Compliance KPI
Accuracy	Fraud Detection Rate	Data Privacy Compliance
Precision	Reduction in Fraud Losses	Fairness and Bias Testing
Recall (Sensitivity)	Customer Trust and Satisfaction	Auditability and Traceability
F1 Score	Operational Efficiency	Model Risk Management Compliance
AUC-ROC	Cost Savings on Fraud Prevention	Explainability
False Positive Rate	Customer Retention Rate	Data Retention and Disposal Policies
Prediction Latency	Return on Investment (ROI)	

Thank you!

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• No Performance Guarantees: specific metrics cited, such as an 8-15% reduction in attrition or a 34% drop in false positives, are illustrative examples based on historical scenarios. Actual results may vary.
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