Altair Global Survey Reveals Growing Impact of Digital Twin Technology in Banking, Financial Services, and Insurance Industries

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Data highlights sector's broad use of digital twins for behavior modeling, personalization, fraud prevention, and more

TROY, Mich., Aug. 15, 2023 /PRNewswire/ -- Altair (Nasdaq: ALTR), a global leader in computational science and artificial intelligence (AI), released results from a global survey that reveals the widespread use of digital twin technology in the banking and financial industries. Although digital twin technology is typically associated with designing physical products, according to the survey, the banking, financial services, and insurance (BFSI) sector is among the leading adopters of digital twins, using the technology to address challenges like security, fraud detection, behavioral prediction, and more.

Digital twin technology creates a digital representation of a physical, real-world object or process to improve collaboration, information access, and decision-making. The global survey of more than 2,000 professionals throughout several industries and across 10 countries gauged digital twin technology adoption and assessed how organizations are utilizing it, its business benefits, and impact on sustainability initiatives.

"The BFSI sector today faces a range of challenges – from new competitors to heightened consumer expectations to addressing increased regulatory demands and combatting ever-more sophisticated criminal activity. All this puts the sector under extreme pressure to deliver exceptional products and services," said Sam Mahalingam, chief technology officer, Altair. "This survey's findings underscore how quickly and broadly digital twin technology has become a critical tool in helping financial services organizations battle these challenges and prepare for the future."

According to the survey, the BFSI sector's top three applications for digital twin technology are optimizing business processes (54%), digitally monitoring real-time behavior (51%), and predicting future behavior using predictive analytics (51%). BFSI's emphasis on applying digital twin technology for monitoring and predicting is unsurprising, since these functions allow teams and organizations to better prevent fraud, monitor and predict customer/borrower behavior, track customer satisfaction, and more.

Additional key findings include:

- **Adoption is widespread**
  - 71% of BFSI respondents said their organizations already leverage digital twin technology, trailing only the automotive and heavy equipment industries.
  - Overall, BFSI respondents were the most likely industry to say they are "highly knowledgeable about digital twin technology" at 64% – a number 14 points higher than the overall survey average (50%).
  - Of BFSI respondents who said their organization currently leverages digital twin technology, 97% said the technology was "important" to their organization, and 71% of those respondents said digital twin was "very important" to their organization — tied for the highest in the survey and eight points higher than the overall average (63%).
- **Personalization, real-time monitoring, and safety rank high**
  - BFSI respondents were the most likely of any industry to say digital twin technology had the greatest positive impact on "personalization of products and services" at 32%.
  - The data also confirms the industry's emphasis on using digital twins for "real-time monitoring and control" at 38% and "efficiency and safety" at 33%, which are important factors when tied to predictive analytics regarding customer behavior.
  - Compared to the other 11 industries surveyed, the BFSI sector is much more likely to use digital twin technology for

behavioral modeling (50% vs. 30% survey average).

- **Sustainability cited as top benefit**
  - 93% of BFSI respondents whose organization currently uses digital twins said it helps them create more sustainable financial products and processes — the third-highest proportion among the other industries within the overall surveyed (behind consumer electronics and the architecture, engineering and construction sectors). This is consistent with the recently reported uptick in consumer interest for greener banking products and services that promote sustainable practices and investments.
  - 83% of BFSI respondents said their organization is either currently using, or plans to use, digital twins to reach their sustainability objectives with 56% of those respondents' organizations currently using the technology.

To learn more about the survey methodology and to access the full report, visit https://www.altair.com/one-total-twin/bfsi. And to learn more about Altair's digital twin solutions, visit https://altair.com/digital-twin.

About Altair
Altair is a global leader in computational science and artificial intelligence (AI) that provides software and cloud solutions in simulation, high-performance computing (HPC), data analytics, and AI. Altair enables organizations across all industries to compete more effectively and drive smarter decisions in an increasingly connected world – all while creating a greener, more sustainable future. For more information, visit https://www.altair.com/.

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