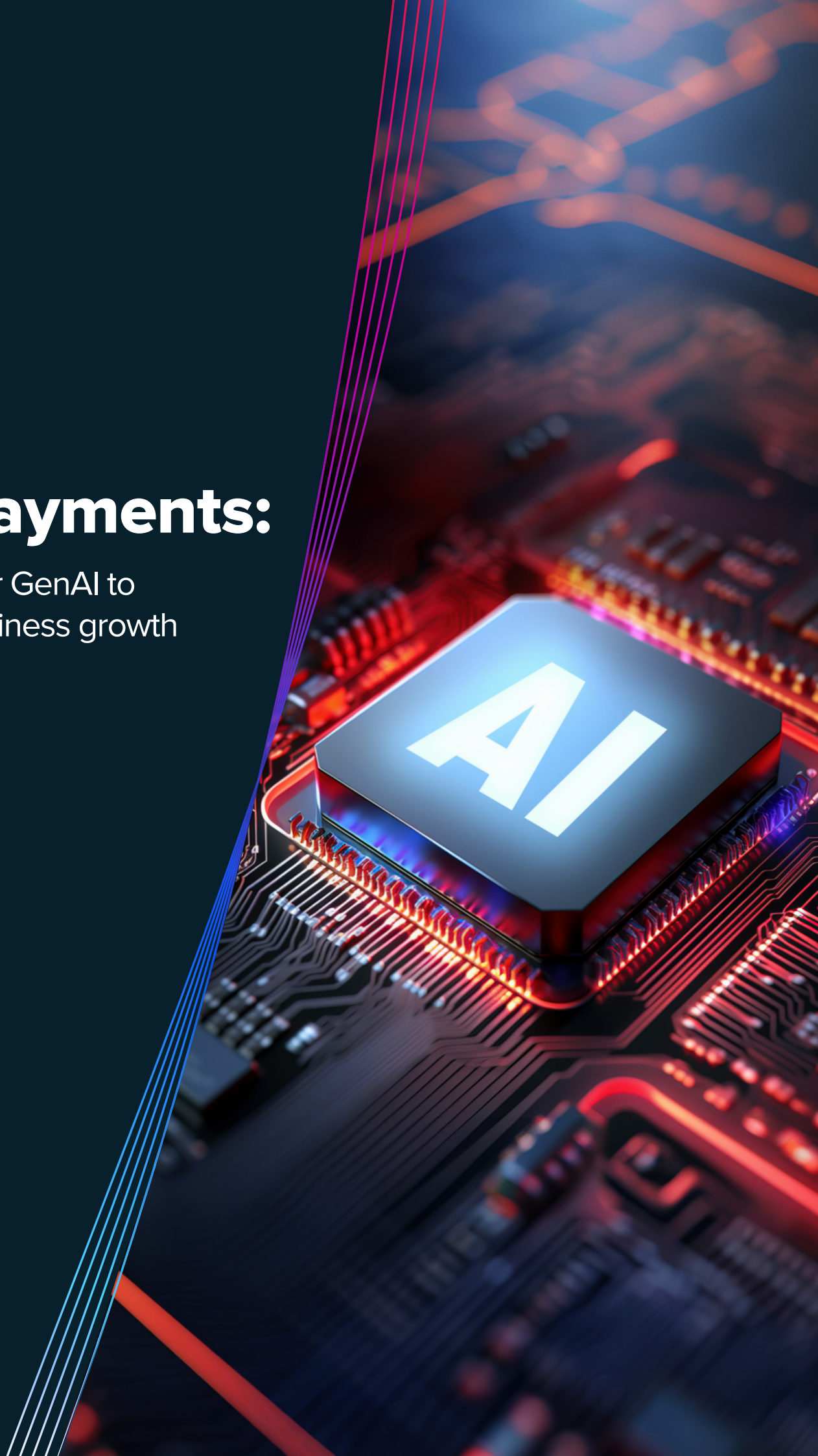


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NEW GUIDE

AI in payments:

4 use cases for GenAI to
accelerate business growth



Introduction

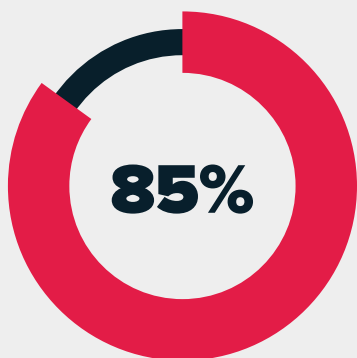
Generative Artificial Intelligence (GenAI) is one of the most significant advances in recent technology history. It's a set of algorithms that bring forth new, realistic content such as text, images, or audio from existing data, mimicking human output with striking precision. Complimentary to traditional AI and machine learning (ML) models, which have actively been used in areas like fraud prevention, GenAI introduces a new level of adaptability and creativity.

The rapid adoption of GenAI, combined with high market expectations and notable productivity gains in early implementations, marks its potential for scalability and operational optimization in the tech world.

When it comes to online businesses and payment processing, GenAI can be particularly impactful. It's reshaping not just how consumers interact and transact online but also improve the operational processes behind payments. The key question now is how businesses can effectively harness GenAI to benefit their operations and their customers.

Read on to find out 4 ways in which GenAI, paired with innovative payment technology, can accelerate your business growth.

Fraud prevention and risk management – from predictive to proactive



of payment professionals see improved fraud prevention as a rapidly growing use case for AI¹

Fraud prevention within the eCommerce sector has long relied on traditional AI and machine learning techniques. These methods use predictive models that learn from past data to identify potentially fraudulent activities. However, this approach has its limitations. Relying on historical data can be expensive, both in terms of the computational resources required to process large datasets and the need for constant updates to keep up with evolving fraud tactics.

Additionally, traditional AI systems can be reactive rather than proactive, often identifying fraud patterns only after they have occurred.

Generative AI enhances this approach by not just learning from past data but actively generating new, realistic scenarios and data models. Unlike traditional AI, GenAI's ability to simulate potential future fraud tactics enables a more proactive stance in fraud detection. This means that GenAI can anticipate and prepare for emerging fraud methods before they materialize in real-world transactions.

Top use cases of AI and ML in the payments industry according to senior payment professionals worldwide



¹ <https://www.statista.com/statistics/1535112/ai-and-machine-learning-in-payments-use-cases/>

Hyper-personalization of payment processes for higher conversion rates

Despite the consumers' proclivity for all things digital, 70% of consumers still expect personalized interactions from brands. GenAI can offer hyper-personalization by analyzing large volumes of real-time customer data across all stages of their transaction journey, tailoring payment methods, dynamic pricing options and BNPL plans to individual preferences and circumstances.

This can also include the integration of conversational commerce by providing personalized product recommendations through intelligent chatbots and embedding payment options within the chat interface for a seamless shopping experience. More than a third of consumers (37%) are already comfortable with companies using AI to enhance digital payments—a number that continues to rise. A further 25% say they'd be open to AI-driven payment innovation if they simply understood it better. This gap reveals a dual opportunity: one of growing adoption, and another rooted in curiosity, tempered by caution.

As AI plays a greater role in optimizing payment flows, transparency and education will be key to building lasting consumer trust.

Brands that excel at personalization realize up to 40% more revenue than the industry average.²

37%

of consumers

are comfortable with companies using AI to improve digital payments as of 2024

25%

of consumers

would be more comfortable if they knew more about it

VS.

² <https://fintechmagazine.com/company-reports/nuvei-on-the-future-of-artificial-intelligence-in-payments>
<https://www.statista.com/statistics/1393686/consumer-interest-in-ai-digital-payments/>

Payment efficiency and productivity gains with GenAI

GenAI can increase payment efficiency by up to 30% leading to savings of up to 15%³

One of the critical challenges online businesses face is efficiently handling a large volume of transactions, especially as they grow and diversify. Our study found that payment complexity is a challenge for 74% of businesses globally⁴. Traditional systems often struggle with the complexity and variety of transactions, leading to payment routing inefficiencies as well as delays and errors in matching payments to orders. This can result in customer dissatisfaction, lost revenue, and operational bottlenecks.

GenAI can offer a significant enhancement by automating and refining transaction matching, payment routing and even resource allocation.

³ <https://www.bcg.com/publications/2023/optimizing-genai-in-payments>

⁴ <https://pages.nuvei.com/payment-orchestration-whitepaper>

For instance, by analyzing historical and real-time transaction data GenAI can identify the most efficient routing paths. It considers factors such as transaction types, success rates, and processing fees associated with different payment gateways or networks. By dynamically adjusting routing decisions based on this analysis, GenAI ensures that transactions are processed through the most cost-effective and speedy channels.

By learning and adapting to new transaction patterns, GenAI can swiftly match payments to the corresponding orders, even as transaction types become more complex. It can analyze large volumes of transaction data to identify patterns and anomalies that might indicate discrepancies. It then cross-references this information with customer orders and payment details, ensuring accurate and speedy transaction matching. This streamlines the reconciliation process and reduces the likelihood of errors. At the same time, it increases productivity by freeing up human resources for higher-value tasks.



Building stronger business relationships with intelligent assistance

Knowledge work sees 37% faster completion with Generative AI assistance⁵

In the payments technology sector, fostering strong relationships with customers is vital. When competitive differentiators between payment service providers become narrow, what businesses value most is human-led on-demand support.

To maximize the efficiency of interactions and the quality of guidance payment technology providers offer to their customers, GenAI can be used to automate and streamline tasks that do not rely on in-person communications. This includes processing vast volumes of data to help answer technical integration queries, searching large developer documentation bases or knowledge portals for immediate answers. A GenAI-enabled virtual assistant can serve as an innovative tool to enhance business relationships by providing intelligent, data-driven support, while maximizing resources for strategic collaborations that require real human insights and expertise.

⁵ <https://www.bcg.com/publications/2023/optimizing-genai-in-payments>

ABOUT NUVEI

Nuvei is the Canadian fintech company accelerating the business of clients around the world. Nuvei's modular, flexible and scalable technology allows leading companies to accept next-gen payments, offer all payout options and benefit from card issuing, banking, risk and fraud management services.

Connecting businesses to their customers in more than 200 markets, with local acquiring in 50 markets, 150 currencies and 720 alternative payment methods, Nuvei provides the technology and insights for customers and partners to succeed locally and globally with one integration.

For more information, visit www.nuvei.com

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