Trust in the Era of the AI-Informed Customer

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Transcript

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Abstract

For the first time in history, the customer arrives at the table with her own analyst sitting beside her, and that analyst is AI. Maninder Singh Juneja opens this discussion by arguing that trust has always rested on two foundations: genuine expertise and the customer's practical inability to verify what she was told. AI has not touched the first foundation, but it has demolished the second, turning customers from passive buyers into active counterparties who can check a doctor's diagnosis, a cosmetic ingredient list, or an insurance policy's fine print in seconds.

The conversation moves chronologically through this idea. Maninder begins with a personal anecdote about his wife's eye condition and a cosmetic purchase, uses it to introduce George Akerlof's "market for lemons," and then maps out where institutions are most exposed: products designed for an era of information asymmetry, frontline staff whose scripted pitches now erode rather than build trust, and brand promises that are increasingly auditable in seconds. Tarun Chugh responds with a real-world jolt from his own distribution network, walks through how life insurance as a complex product is especially exposed, and introduces the practical shift from SEO to GEO (generative engine optimization). Amrita Agarwal then offers a more skeptical, research-grounded counterpoint, questioning whether AI is truly a step-change in verification or simply an aggregation of transparency tools that already existed, and pulling in evidence on labor productivity, empathy, and competitive dynamics.

What follows is a chapter-by-chapter account of the anecdotes, frameworks, disagreements, and open questions raised across the three perspectives.

Supplementary Resources

- **The Market for "Lemons": Quality Uncertainty and the Market Mechanism** by George A. Akerlof (Journal article) [1]
- **Generative AI at Work** by Erik Brynjolfsson, Danielle Li and Lindsey Raymond (Journal article) [2]

- **ChatGPT sets record for fastest-growing user base – analyst note** by Krystal Hu (Resource) [3]
- **Trust in the Era of the AI-Informed Customer** by Maninder Singh Juneja (Resource) [4]
- **Annual Report 2025-26** by Reserve Bank of India (Working paper) [5]

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Introduction: AI and the informed customer

[00:00:05] Maninder Singh Juneja:	Redesign now.
[00:00:07] Maninder Singh Juneja:	Your customer has AI. Over a billion people are now using AI. Every generation, every language, voice, text, image. The fastest adoption of technology in human history.
[00:00:27] Maninder Singh Juneja:	Something changed the first time you used AI to check on the professional, doctor, lawyer, any salesperson, anything that was being given to you. You probably didn't notice, but your customers are doing exactly the same.
[00:00:47] Maninder Singh Juneja:	The question is no longer whether AI is coming. The question is whether you are looking at what it is doing to the customer on the other side of the table. Let me start with something that happened in my own house.

A personal story: AI connecting fragmented expertise

[00:01:03] Maninder Singh Juneja:	My wife has an eye condition, MGD. It was a big term, meibomian disease. What it does is tiny oil secreting glands in the eyelids are not functioning properly. The diagnosis was correct, the medicines were right, but there was not a big effect, so we put that into AI to reconfirm, which it reconfirmed, that it was right.
[00:01:31] Maninder Singh Juneja:	Some weeks later, she wanted to buy some cosmetics and she felt that she always ended up buying similar shades. She put the photograph of all her cosmetics into the same AI. And then she went into her shop to buy, and when she bought, she got, amongst other things, a waterproof eyeliner.
[00:01:52] Maninder Singh Juneja:	The moment she put the picture in, the message from AI was not that you buy this or buy that shade. It was, by buying this, you are pouring wax into a drain. This is going to block all your pores.
[00:02:08] Maninder Singh Juneja:	It was a big shift for her. She stopped using that and she improved drastically.

[00:02:18] Maninder Singh Juneja: What happened? The ophthalmologist saw the eye, the cosmetic counter saw the product, AI saw the person. The AI did not know more about ophthalmology. It knew enough context to connect the two domains.

[00:02:18] Maninder Singh Juneja: No institution was designed to connect.

[00:02:37] Maninder Singh Juneja: None of these people were wrong, but something had permanently changed at the customer's end. The belief in experts had come into question, and that brings in trust. The trust itself, across every domain, starts getting questioned, whether it is financial services, lawyers, design engineers, you name it.

The two foundations of trust and verification

[00:03:02] Maninder Singh Juneja: And today, once trust is broken on a general class of experts, it suddenly gets another set of questioning which nobody has seen before. Trust normally rests on two foundations: genuine expertise. The doctor knows the medicine, the banker knows the credit profile, he knows about you and how the business is going to perform. The insurance agent knows the policy structure, the design engineer knows the design, and so on.

[00:03:31] Maninder Singh Juneja: The customer relied on the professional to apply the knowledge honestly. That foundation survives. It is more valuable than ever. But there is a second one: the customer's practical inability to verify.

[00:03:31] Maninder Singh Juneja: Not the inability through ignorance, but inability through access, through paucity of time.

[00:03:55] Maninder Singh Juneja: If you look at any medical problem, the person always looks for a second opinion. It is like taking out time to go to a specialist, fix time, find a specialist, fix an appointment, spend more money, spend more time, and then do it. Or if you are buying insurance, look across four different companies, what are the policies, everybody has different terms, exclusion, inclusion, how to compare it.

[00:04:19] Maninder Singh Juneja: Or in case of a loan, foreclosure charges for a home loan, floating, fixed, and the complexity of fees which comes along with it. Earlier, the customer was not able to verify. They believed in what the expert said, or just gave up at some point of time and bought a product. Verification was never possible.

[00:04:19] Maninder Singh Juneja: It was uneconomic, it was time consuming, and it required expertise.

[00:04:47] Maninder Singh Juneja: So, since that, what happened in the industry is that alternatives came up, the regulators came up, the laws came about, people got endorsements to build trust of people. Regulators brought in policy, they ensured that everything goes to a board, all complaints are heard, and the ombudsman comes in.

[00:05:11] Maninder Singh Juneja: So this was an alternative for people to believe in the organization. George Akerlof named it in nineteen seventy, the market for lemons. When the buyer cannot verify quality, the market builds institutions to verify on her behalf. None of them gave the customer the truth, but they gave her a reason to trust without it.

The customer as counterparty with an AI analyst

[00:05:35] Maninder Singh Juneja: That was the architecture of trust. AI has changed that. She now can do for herself what institutions once did on her behalf, what the regulators and other people did. She's no longer coming to buy a product.

[00:05:35] Maninder Singh Juneja: She's coming to evaluate. She's no longer a customer, she's a counterparty now.

[00:06:00] Maninder Singh Juneja: The customer is now arriving, and along with her sitting is an analyst, which is an AI. Which means the advantages institutions held for decades are gone. And what were these advantages? They knew more.

[00:06:00] Maninder Singh Juneja: They compared better. They framed the choices. They were the first stop. Information stopped being the moat.

[00:06:24] Maninder Singh Juneja: The cost of information which was there is now lower, and it all got transformed by AI instantly and for free. For the first time in history, the institution is no longer the customer's primary intelligence. It makes trust in an organization vulnerable.

[00:06:44] Maninder Singh Juneja: Institutions have started using AI to reduce cost, bring in efficiency, all very important and critical for the organization to survive in the competitive world. But the customer started using AI to do something more, that is, increase agency. The ability to act on knowledge they just received, to compare, to evaluate things which were complex have now simplified.

[00:07:09] Maninder Singh Juneja: And the moment she could act across her whole life, the way we are organized starts matching the way she actually lived. Most organizations saw a fragment of the customer's life, a small snippet of a movie which the customer is being played. Each organization inside is also structured around products, risk, service, and others.

[00:07:34] Maninder Singh Juneja: So institutions tried to optimize their domains across these verticals. AI optimizes life. Trust has moved from believing the institution to testing the institution. The whole structure rested on an assumption no one examined.

[00:07:34] Maninder Singh Juneja: The question is no longer what protected us. It is what is left when verification becomes cheap. What gets impacted?

Impact on products, frontline staff, and brand

[00:07:59] Maninder Singh Juneja: So the impact is on three, four areas, and I'd like to cover that. First, products. Products were designed with information and support systems from a time when AI was not there. That time is over.

[00:07:59] Maninder Singh Juneja: The customer is now arriving with the knowledge, understanding the fine print. Complexity which, you know, MGD, which I could not understand, is now simplified as oil glands getting blocked.

[00:08:28] Maninder Singh Juneja: The product that will survive this scrutiny now will have a moat, and the manufacturers will have to start thinking about it. Second, the front line has to be trained, knowing that the customer is coming prepared. What survives now will be judgment, reading the human, not the query.

[00:08:49] Maninder Singh Juneja: You have to understand, empathize, go through the life of the customer, and the salesperson's process has to change. The RM who recites the product terms to the counterparty is not adding value, he's consuming trust. Third, brand. Brand is one of the most important things which has been built for trust.

[00:09:09] Maninder Singh Juneja: We see two parts of brand: the promise, which is now auditable in sixty seconds — the number of complaints, what is the issue if the customer is facing, how was that treated. All that information, if you ask an AI, it will summarize and bring it to you across the entire internet, and whatever the complaints are.

[00:09:31] Maninder Singh Juneja: The second is the signal, the identity, tribe, aspiration, which AI cannot evaluate. That's in the mind of the customer. The promise has become auditable, the signal survives, and you have to know which half your brand is built on. Survival is not automatic.

[00:09:31] Maninder Singh Juneja: Some things break first, and they break quietly.

Trust ruptures and confidently wrong customers

[00:09:50] Maninder Singh Juneja: There are two scenarios, and both are trust problems, but they land at different points of time. When the customer arrives already having knowledge of competition, products, the fine print, she knows what the weakest clauses are. The relationship manager does not know she has come prepared.

[00:10:12] Maninder Singh Juneja: If he's not, any push that is not an honest push will lead to a reduction in trust. The second is when the renewal happens or other things are happening. A customer today can just write a simple query to AI and ask it to run through all their emails.

[00:10:34] Maninder Singh Juneja: When it is running through emails and says, "Where are my risks? What should I be doing?" — just in one instruction, everything that has been sold is now coming up, and the customer is aware. So this will rupture the trust. They may not become formal complaints.

[00:10:34] Maninder Singh Juneja: Silence, but the silence comes and affects you months later when the renewal does not happen.

[00:11:01] Maninder Singh Juneja: There is another part of this. It is easy now to take it for granted and believe that the customer knows everything. But the customer is not always right. Verification does not mean correctness.

[00:11:01] Maninder Singh Juneja: AI reduces information asymmetry. It does not eliminate human bias or errors.

[00:11:23] Maninder Singh Juneja: AI makes the consumer undefeatable, not necessarily right. Those are not the same thing. An informed customer is defensive; a misinformed customer with AI is powerfully wrong. They arrive at the wrong conclusion with algorithmic certainty.

[00:11:23] Maninder Singh Juneja: Your institution's response must change even when the customer is wrong.

[00:11:46] Maninder Singh Juneja: The face of the organization now has to be prepared for different scenarios. Some of it, the customer has come prepared. Some of it, they will try to put in front of the customer and answer. And all of these have to be handled so that the trust of the customer in the institution does not get broken.

Questions institutions must ask themselves

[00:12:05] Maninder Singh Juneja: Trust built on genuine expertise will survive the scrutiny and grow stronger. Trust that depends on the customer's inability to verify will not. Which means AI is no longer just a technology decision. The winners won't only build better AI.

[00:12:05] Maninder Singh Juneja: They will design better businesses.

[00:12:26] Maninder Singh Juneja: Most AI roadmaps answer the easiest questions. They avoid the hardest one. If the customer arrives fully informed, what is the institution actually for? Three questions follow directly from this gap.

[00:12:26] Maninder Singh Juneja: Most leaders will answer this with a roadmap of operational efficiency.

[00:12:49] Maninder Singh Juneja: They now need to measure customer agency and see how they tackle it. What part of our value proposition exists because the customer cannot verify it? If every customer walked in tomorrow with an AI advisor, what would still make them choose us? Are we using AI to reduce our cost while our customers are using AI to increase their bargaining power?

[00:13:15] Maninder Singh Juneja: I will ask my colleagues to answer these questions as we go along. Every institution eventually gets redesigned around whatever has become abundant. Moats come from what is scarce. Verification is becoming abundant.

[00:13:15] Maninder Singh Juneja: Earned trust is now what's going to be scarce. Thank you.

Trust evolution: word of mouth, Google, then AI

[00:13:40] Tarun Chugh: Yeah, hi. I read through Maninder's article. I call him Mandy, so please get used to that. It was very insightful.

[00:13:40] Tarun Chugh: I think it was one of the first AI articles I saw from India. Mostly it seems to be the domain of the US.

[00:13:59] Maninder Singh Juneja, Tarun Chugh, Amrita Agarwal: I think he makes some pertinent points. He starts with, and what hit me was the fact that there was a time when trust was built on word of mouth — what your uncle told you, what your father told you, what your friend told you. Over the last fifteen, twenty years, we've seen it change to what Google told you. And Google became the most trustworthy uncle you had, or aunt.

[00:14:33] Tarun Chugh Now it's mighty different. It's changing gradually, but it is changing for sure. Now it's AI.

[00:14:46] Tarun Chugh: I've taken some notes, so I will refer to them. And mind you, this AI shift is quite swift. And honestly, I didn't realize till I was hit on the face by my own distribution. I had a situation where I met, and I was sharing this with Mandy, one of my large distributors, in front of me, searched on my product.

[00:15:14] Tarun Chugh: And actually the AI engine did not come up with something that was correct. It came out saying something that, honestly as a company, we'd be shocked to see out in the market. It told us a few things. It told us quite a few things we weren't paying attention to.

[00:15:14] Tarun Chugh: It told us that the customer was now going to check, but were we putting enough time, were we putting enough effort there?

[00:15:51] Tarun Chugh: From that day, a lot of things have changed. But before I tell you what has changed, let me just say what AI really has brought to the fore, and what I saw in the article as well.

[00:16:13] Tarun Chugh: First, the verification part. How a generalist AI engine can work better than siloed specialists — the example of the doctor, the dry eyes that you read in the article, pretty much exemplifies that. And how a smart generalist, which is what I would call an AI engine, is able to use abundant information available but asymmetric.

[00:16:43] Tarun Chugh: Different pools of information and connects them, becomes a very potent advisor to an individual. Add to that the point that is made even in the article, and it's pretty much exemplified: today when I see youngsters, we're still getting used to it honestly, using a lot more of that engine. If you go to Claude, if you were to use ChatGPT, Perplexity, or whatever have you, the paid or the unpaid versions, you actually are putting in your context of who you are into the engine.

[00:17:22] Tarun Chugh: The engine actually knows what you've been doing for the last couple of months, who you really are. I've seen youngsters — I won't get specific — checking on their relationships, how should they respond to an individual. They've been checking on how to fill out an interview form, how to prepare for an interview, and sharing their vulnerabilities with the AI engine.

[00:17:57] Tarun Chugh: So suddenly, from a Google search, this piece of technology has a lot more context of you. And because it's conversational, there's no jargon in that. And mind you, something that you can communicate, you tend to trust more. And it communicates right back.

[00:18:21] Tarun Chugh: So you tend to trust it more. So the level of trust that has gone up hence is something that is incomparable. And again, I refer to the article, it's coming in various forms there. And possibly the information asymmetry that was there is now questioned because there is somebody you can trust more, far better than the uncle you knew in the past, because this one is knowledgeable, far more knowledgeable, and you don't have any doubts of age barriers, issues, because this person knows your context as well, much better than the uncle knew maybe.

Generative engine optimization and advisor trust in insurance

[00:19:02] Tarun Chugh: So what do organizations do? Well, what did I do when I did hear about my own product? We were doing SEO, so we were doing a lot of search engine optimization. The first thing I went and Googled and checked was, well, I need to do GEO, which is generative engine optimization.

[00:19:02] Tarun Chugh: That was my first response.

[00:19:33] Tarun Chugh: But when I went through the article, a lot of things hit you. You get context very comprehensively in this article, where it actually talks about the fact that you cannot leave any loose ends untied out there on the internet, out there in social media. You got to be very attentive. Maybe the fact that we weren't showing up in the comparison of our product, which I talked about earlier.

[00:20:02] Tarun Chugh: You got to be agile. You see something, you respond, you put together. But above these two, you got to be absolutely transparent. Don't try to play that thing, because the AI is trying to get information from various sources, and like an SEO engine, whoever's worked on it, GEO is something that you do not try to play with, because they will keep changing their context, they will keep changing their sources, and they will go with the most authentic information, all these engines.

[00:20:02] Tarun Chugh: So do not play around with transparency.

[00:20:42] Tarun Chugh: And you've got to be proactive. You can't expect to get into a situation like I got into and then start putting things in. You got to be putting it in from day zero maybe.

[00:20:58] Tarun Chugh: What are the positives of this though? Corporations can use this in various forms. I'll start with life insurance, that's the sector I represent. It's a very complex product, possibly the most complex product in the financial services sector.

[00:20:58] Tarun Chugh: What I've learned from AI over the last six years since we've been working with basic stuff is that the more complex, the more prone for AI search. The more complex, the better you can use it, or the more you can be left in the lurch if you don't use it well.

[00:21:39] Tarun Chugh: So we've already started using it for training of our advisors. The customer agency that's being talked about, coaching our advisors, preparing them for query handling, because you cannot just go in now, as the article also says, and just plainly walk into a room and say, "Sir, just trust me, I will do it." A lot of people do that. A lot of our advisors still do that.

[00:22:06] Tarun Chugh: Because you're talking now to a customer who's actually gone and searched on the engine, knows about you, the company, knows about the individual, the agent, and surely knows about the product as well. If they don't in the first instance, they will surely know, because you never sell a life insurance product in one go. It takes four or five meetings, right? So there's enough ways in which the person can go and verify, and there's enough time.

[00:22:34] Tarun Chugh: So it also puts up a case for life insurance companies and financial institutions to go and enhance the image and transparency — again, transparency is critical — by which they present their own advisors. Have we looked into that at all? It was not something in our consideration set till now.

[00:22:56] Tarun Chugh: We have been selling trust through absentee landlords, in the sense that we are the product manufacturer, and the advisor is the one who walks in with her or his trust and gets a life insurance policy sold. Now, even this individual needs to be endorsed. That's extra money spent, but it has to be done.

[00:23:20] Tarun Chugh: The profile of not just the brand, the product, but even the advisor has to be built. But mind you, you can only do it for the advisors you can yourself trust. So that agency that you are taking with you is a customer agency that you have to be willing to be trusted for as well.

[00:23:44] Tarun Chugh: And the biggest thing which can be positive from a corporate perspective is that you can personalize things. We've been hearing a lot about personalization, but the AI engine is now helping personalize. So, hallelujah — wait for the time when an AI engine recommends a product to you.

[00:24:13] Tarun Chugh: At that time, as a life insurance company or a financial services company, where will you be? So you already are — you get on to Gemini, on Google search, it is starting to recommend pages you have to go through. In a more asymmetric world, it will possibly choose all these bases and talk about various clicks you have to make. Some of these may be recommending something to you, and this personalization, you don't know when it will turn into marketing.

[00:24:45] Tarun Chugh: So we have to be watchful, and as a corporate, you have to be on the right side of it. The other bit, if I can, which is not mentioned in this article, but maybe just a supplement from my side, is MCP, model context protocol. Basically, it is coming out as a system by which you do not need apps anymore.

[00:25:12] Tarun Chugh: You can actually provide all questions and answers and become an appless world by being on this AI. Just imagine the kind of personalization that is going on at the back end to make this possible.

[00:25:27] Tarun Chugh: On the whole, I was very happy to see something like this out in the market, such an article, because currently we've only been practitioners learning from various snippets, but the good thing was, I found this comprehensive. And the matter of trust, funnily, I don't pick up from the US. I was happy to see it in this article.

Rethinking the article: information quality, labor, and competition

[00:25:59] Amrita Agarwal: So, thank you, Maninder, for an excellent article. I loved our earlier discussion, and then I loved reading the article again. So, trust in the era of AI-informed customers is a very, very timely and pertinent topic. My understanding of the key elements of the article — as you've already covered it, so I'll just go through the key elements I focused on.

[00:26:24] Amrita Agarwal: One was that verification was harder earlier — more time, more cost and effort. Now it's easier, so people are using it for real-time claims verification as well as fine print analysis. Brand promises are getting more audited. However, this will not substitute the tribal aspect or the connection aspect of human interactions.

[00:26:50] Amrita Agarwal: You emphasized that, however, the customer needs to ask better questions. If the customer is not trained correctly, the outcomes will not be there, and you advocate for not-for-profits, researchers, GitHub for good questions — very rightly — to fill that gap. On labor, you talk about productivity boosts, especially for low-skilled workers, which is happening, and there's a lot of documentation on this.

[00:27:16] Amrita Agarwal: You feel that there'll be a gap in terms of AI being able to bridge the human empathy element of it, so long-term relationships and those are things which companies and individuals still need to look at, aside from what AI is providing. You focus on the asymmetry reversal, which is where the companies will have more understanding and nuance of the decision hierarchy or the cognitive understanding and behavior of the customers, and privacy issues in that context.

[00:27:49] Amrita Agarwal: However, there is a need for focus on genuine experience and judgment beyond what AI is able to get. Overall, you advocate not for a cost-saving view of AI, but a more business-model view of AI adoption that will be needed in the future. That's what my key takeaways from the article were. I'm going to go through most of these elements and share my additional thoughts on these.

[00:28:16] Amrita Agarwal: On the information asymmetry and verification, definitely there is a big benefit, as you also mentioned. Many customers are seeing they can ask all the information from ChatGPT or Google Gemini and get a lot more feedback back. But AI could also be attacking distribution, in the sense it will be breaking your connection and trust with the customer, and, as was already mentioned, the companies' customers are going to ChatGPT and Gemini. So that breaks the avenues for building trust and creates an opacity with respect to customers.

[00:28:56] Amrita Agarwal: The second important element is the quality of the information AI has is as good as what is fed to it. So if the customer asks medical information, in the situation which was mentioned, there's a vast history of medical information which is there from RCTs, randomized control trials, statistical analysis. That has better odds of giving better quality data when AI responds.

[00:29:26] Amrita Agarwal: However, when we ask things which are not very statistical, which are anecdotal or where individual experience is the base, the veracity of the statistical quality of outcome AI gives may or may not be that good. So I think it depends — will AI give right answers to the customers? We don't know.

[00:29:50] Amrita Agarwal: And also, the customers — as we already discussed, companies will become smart. They will give false information to AI, or not even false, better-packaged information to AI. So, an analogy: women have makeup, and they use makeup to make themselves look nicer, and from a distance you cannot tell — they just look nicer. But perhaps now the distance has reduced, and you can tell that the makeup is there, and it may not look as nice.

[00:29:50] Amrita Agarwal: But the companies may evolve, and women may evolve and use even nicer makeup.

[00:30:27] Amrita Agarwal: Instead of becoming — making themselves prettier — so we don't know whether the trust will really improve, or companies will just put out better information, and which way this will go.

[00:30:40] Amrita Agarwal: How it impacts brand promise — I mentioned this a little bit earlier because we do not know if customers will really audit the brand promise, but again, it's very anecdotal. There is no statistical information. So, on claims ratio, which was one point mentioned in the article — again, AI can tell you, based on open information, that maybe the claims process of XYZ insurance company is not good, but it has no statistical validity to that thought.

[00:31:09] Amrita Agarwal: So if someone puts out — your competition puts out a lot of false information on the internet seeming to be very verified — so we do not know what the audit of the brand promise will really mean. What was open was already open. A lot of data sources existed, a lot of auditors existed, a lot of not-for-profits were putting out testing of different personal hygiene and care products.

[00:31:37] Amrita Agarwal: So is AI really a step change, or is it just an aggregation of a lot of transparency which existed? So I feel like the promise that AI will be a big step change on our ability to audit the brand promise — yes, potentially there is easier access to transparency, but is it so high quality in its output?

[00:32:00] Amrita Agarwal: The other thing which was mentioned is on the impact of brands around tribal affiliations. Actually, there seems to be some early research that AI can simulate tribal affiliations, and as young people are looking to it for support and empathy and connection, I think we need to think about how AI can help even with a coherent architecture of empathy and connection which companies may want to build with their own customers, especially the younger cohorts.

[00:32:34] Amrita Agarwal: On the scarce asset — which is whether customers are equipped with the right questions or not — I completely agree. I think this will be a game changer. Customers who are equipped with right questions will really be able to use things much better. And your suggestions for not-for-profits, research groups, GitHub for good questions — these are all great suggestions.

[00:32:58] Tarun Chugh, Amrita Agarwal: I think even for-profit enterprises will try to do that, to make AI more relevant through better libraries, skills, plugins. So the AI companies will want to make the AI better, and that may also evolve. So it's not only in the realm of not-for-profits, but for-profits would also want to build layers on top of AI and provide better value added in terms of right questions for different subgroups, industries, use cases, and that's the next generation.

[00:33:28] Amrita Agarwal: On how it impacts labor — the relevant literature and research exists that productivity improvement is happening with AI, especially for the low-skilled, novice workers, especially in very defined use cases, like maybe sales or writing or coding or specific research.

[00:33:54] Amrita Agarwal: So on very point solutions, there's been massive improvement in productivity, especially for the lower-experienced people. However, I feel like we are at early stages of AI usage for more complex use cases, and as that evolves — there's been some studies in Kenya around entrepreneurs using AI for their usage, and there's been an early, strange result that there's been net no effect. But the high-skilled entrepreneurs were able to use AI to really improve their outcomes, whereas the lower-skilled entrepreneurs were not able to use it.

[00:34:27] Amrita Agarwal: So for more complex tasks, will AI be better handled and more useful for more skilled workers versus lower-skilled workers? It's yet to sort of play out. One example I can see is in one of the companies I'm supporting, the tech division of the company — I can see that the design, product, engineering, and data roles are collapsing, and then you have to use AI in that context.

[00:34:56] Amrita Agarwal: Now, the ability of a low-skilled worker to adequately understand all these skills and use AI effectively, I wonder how that would be versus a very high-skilled worker who's able to understand design, product, data engineering, and bring that together to be leveraged by AI. And this is what I understand is happening in Europe and the US — roles are collapsing, more skilled workers seem to be needed to leverage AI in those complex situations.

[00:35:27] Amrita Agarwal: On the impact of labor, that labor will then be required for relationship building, empathy, connection — there's actually a reverse literature. There was a blinded study where patients were made to chat with AI or doctors in an anonymous fashion, and the patients, when they did not know it was AI on the other side, felt AI was more empathetic.

[00:36:00] Amrita Agarwal: I'm not talking about the accuracy, but empathy. But there have been other studies which show that if people know it's AI, then they don't value that empathy. So how AI will be used for connections — sentiment analysis is another area where AI is being used to understand people's emotions. It is still an evolving field.

[00:36:00] Amrita Agarwal: It need not be that only humans know how to support human emotions.

[00:36:33] Amrita Agarwal: Lastly, I completely agree with you — where we are in the journey of AI, we are still at a very early stage. This is going to see many more iterations, and customers will evolve and businesses should evolve. But the level of impact, I feel, may vary. It may not all happen at once, it may happen in phases.

[00:36:54] Amrita Agarwal: But there's another important pathway for pressure for companies to change, which doesn't run only from customers to companies. It also runs through competition. Competition will use AI to innovate faster because it's easier to do it with productivity improvements. That competition will put pressure on you.

[00:37:15] Amrita Agarwal: Let's take an example of a monopolistic business where there is no competition. Even if the customer knows better, what's going to happen? Nothing. That's the only option.

[00:37:15] Amrita Agarwal: In low-competition sectors with low value addition, people will not have choices. But in high-competitive sectors with high value creation opportunities, people would then invest.

[00:37:37] Amrita Agarwal: So I feel like there is a pathway from customers to innovation and business model changes, but I feel like there's a faster pathway from competition just being able to out-innovate because it's easier to innovate now, leading to business model changes. That's the one, perhaps in the short term, they need to look out for. And the customer impact will be more played out over time.

[00:38:01] Amrita Agarwal: Thank you, but I fully agree on the larger direction that it should not be thought of as a small productivity improvement or some management of agent information. It has to be thought of more as a strategic tool, a strategic lens for business model changes. Thank you.

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