ZURICH

Addressing the empathy gap

How human connection can give businesses a new competitive edge

Developed by Zurich Insurance Group in collaboration with Professor Jamil Zaki, Director of the Stanford Social Neuroscience Laboratory

Empathy

The action of understanding, being aware of, being sensitive to, and vicariously experiencing the feelings, thoughts, and experience of another.

Merriam Webster, 2025

Contents 02

Foreword 03

Foreword by Conny Kalcher 03

Foreword by Jamil Zaki Ph.D. 05

Executive Summary 07

The report 09

The empathy gap: a disconnect in business-consumer interaction 09

The desire for empathetic interactions is widespread 10

The tangible, real-world implications of empathy 11

Exposing variances across industries 12

Insurance's empathy emergency: an opportunity for industry leaders 13

Empathy is a global challenge for companies 13

Combatting misperceptions around empathy as a learned skill 14

Can AI replace human connection and empathy? 15

Conclusion 17

A blueprint for addressing the empathy gap 17

Appendix 18

Acknowledgments and disclaimer 19

Foreword

Beyond soft skills: How empathy powers trust, loyalty, and growth

In an AI-driven world, the need for authentic human connection hasn't disappeared, it has deepened. Empathy is both the foundation of meaningful relationships, and part of a company's competitive edge.

Conny Kalcher
Group Chief Customer Officer

Conny Kalcher is a global leader in customer experience, known for embedding empathy into business strategy. As Group Chief Customer Officer at Zurich Insurance Group (Zurich), she drives customer loyalty and advocacy across global markets, leading transformative initiatives in Retail and digital engagement. She has championed programs like the Zurich customer portal and helped reshape sales and marketing through customer insights.

A founding partner of the Net Promoter Score (NPS) and Loyalty Forum and Trustee of the Z Zurich Foundation, Conny has over three decades of experience from senior roles at LEGO and consultancy work at Mindfolio. Her work reflects a deep belief that empathy is not just a human value, but a powerful driver of long-term business success.

At Zurich, we see empathy as not just a soft skill, but a core business capability. As an insurer, we meet people at some of the most vulnerable moments in their lives. Listening, understanding, and supporting them isn't just part of our job, it's at the heart of everything we do.

And this goes beyond insurance. Across industries, the companies that succeed are those that deliver both high-quality products and exceptional experiences. By truly connecting with their consumers – understanding and acting on their needs – they build trust, earn loyalty, and drive sustainable growth.

To better understand the power of empathy in business, we collaborated with Professor Jamil Zaki, Director of the Stanford Social Neuroscience Lab and one of the world's leading voices on empathy. We also commissioned a global survey with YouGov to explore the link between consumer brand sentiment and business performance.

What we found is clear and compelling: there is a growing empathy gap between what consumers expect and what they receive, and that gap can have real consequences for trust, loyalty and growth.

But there's also a real opportunity. Academic research indicates that empathy isn't just innate, it can be taught, scaled and embedded into business operations with measurable results.

That's why at Zurich, we've placed empathy at the center of our global customer strategy – from how we design products and train teams, to how we engage with consumers, brokers and each other. Since 2023, our people have invested almost 46,000 hours in empathy training, equipping them to respond with emotional intelligence and authenticity, especially in moments of vulnerability.

As Professor Zaki states, "successfully cracking the empathy code presents a powerful competitive advantage."

This report is more than just a collection of data – it's a blueprint for building stronger, more resilient customer relationships and unlocking new paths for growth. By embedding empathy into our customer strategy, we're empowering our teams to deliver service that truly sets us apart.

We invite you to explore the findings, reflect on what empathy looks like in your organization, and consider how it can shape a more human and more successful future. Because in the end, if consumers aren't happy, they'll go somewhere else. Loyalty is earned, and empathy is a powerful way to earn it.

Jamil Zaki Ph.D.
Director of the Stanford Social Neuroscience Lab

Jamil Zaki, professor of psychology at Stanford, is a leading expert on social connection, pioneering a new perspective on empathy as a learnable skill. His extensive work, including more than 100 peer-reviewed articles and numerous awards, focuses on training individuals and communities to empathize more effectively. He holds a BA from Boston University and a PhD from Columbia, with postdoctoral research at Harvard.

Beyond academia, Professor Zaki actively engages in public science communication. He's the author of critically acclaimed books "The War for Kindness" and "Hope for Cynics". His popular TED and TEDx talks have garnered more than three million views, showcasing his ability to translate complex psychological concepts into accessible, meaningful insights for a wider audience.

Foreword

Empathy is a skill – and a strategic advantage

Cultivating empathy through science, sentiment, and strategy helps brands close the gap between consumer expectations and behavior. The companies that embed empathy will earn trust, loyalty, and long-term growth.

The writer Maya Angelou once said, “people will forget what you said, people will forget what you did, but people will never forget how you made them feel.” This is true of consumers as well: a fundamental truth that underpins this report, on which I had the privilege to collaborate.

My work centers on understanding the intricate ways humans connect, respond to, and care for each other. My research and that of many others finds that empathy includes three distinct components: cognitive empathy, our ability to understand another's perspective; emotional empathy, the vicarious sharing of another's feelings; and compassion, the motivation to improve another's well-being.

Through tools like functional magnetic resonance imaging (fMRI), we've observed the physical manifestations of empathy in the brain and found that it relates deeply to human beings’ ability to build relationships, and our tendency to help one another. Our work also clarifies that empathy is less like a trait, and more like a skill, which can be cultivated and strengthened through practice. And we have built “empathy gyms,” techniques and strategies through which anyone can learn to connect more effectively with others.

The findings of this report illuminate why empathic skills will continue to be a differentiator for companies and brands. Across industries, we identify an “empathy gap” between what consumers expect and what they are receiving. This gap is starker in the era of generative AI. Large language models (LLMs) are already perceived as more empathic than human listeners in some blind tests, but consumers nonetheless crave human connection. This survey found that while many believe that AI tools are generally helpful, many also report that chatbots cannot replicate the authentic emotional sharing that defines true human touch and connection.[1] As I often caution, an AI can understand you, but it cannot genuinely feel with you. “LLMpathy” can supplement human connection but not replace it.

In my opinion, trends including globalization, mental health strain, and polarization will continue to fray social fabric. Brands that engineer empathy into their systems, train it into their people, and measure it as a core revenue driver will not only survive, but they will also lead the way toward a new type of success, one that centers humanity.

1. All figures, unless otherwise stated, are from YouGov Plc, who also undertook the fieldwork and carried out the survey. Total sample size was 11,560 adults across 11 markets (Australia, Brazil, Chile, Portugal, Switzerland, UK, U.S., Germany, Italy, Malaysia, Spain). Fieldwork was undertaken between May 12 and May 28, 2025. The survey was carried out online. The figures have been weighted and are representative of adults in each market covered (aged 18+).

Executive Summary

The empathy advantage: global consumer insights

In today's competitive landscape, customer loyalty isn't bought – it's earned. But what drives it? Beyond price points and product features, a new global survey commissioned by Zurich reveals a powerful, yet often underestimated driver of trust and loyalty: **empathy.**

Working with YouGov, Zurich surveyed 11,560 individuals across 11 countries. The findings reveal a clear empathy gap – a disconnect between what consumers want and what companies deliver. In financial services, for example, consumers surveyed value empathy highly, yet their experience often falls short of expectations.

Consumers want more than seamless transactions. They want to feel understood, especially in moments of vulnerability or stress. A pervasive empathy gap could cost companies more than they realize.

Yet it also presents a powerful opportunity. Businesses agile enough to close the gap could gain a competitive edge. In fact, 61 percent of consumers say they're willing to pay more to companies that deliver on empathy. As Professor Zaki, Director of the Stanford Social Neuroscience Lab, notes: "Companies that can genuinely demonstrate empathy earn a significant competitive advantage. Companies that fail to do so risk customer churn, reputational damage, and missed growth opportunities."

Even as AI reshapes customer service, the desire for human connection remains strong. Efficiency may be automated, but genuine empathy remains a uniquely human trait that AI cannot replicate. In an age of increased automation and digital acceleration, empathy could emerge as the ultimate competitive edge to build resilience, deepen trust and drive sustainable growth.

60%

Customers want genuine care

Three in five consumers surveyed say they only engage with companies that demonstrate genuine care.

72%

Post-contract disconnect

Nearly three quarters of consumers surveyed believe that companies become less empathetic once a contract is signed.

43%

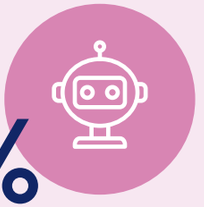
Cost of inaction

Almost half of consumers surveyed said they had left a brand due to a lack of empathy, with 25 percent considering leaving.

78%

The empathy deficit

More than three quarters of consumers surveyed believe most companies only care about making money, not the genuine needs of their consumers.



71%

Human connection over AI

Seven in ten consumers surveyed believe AI cannot recreate human connections.

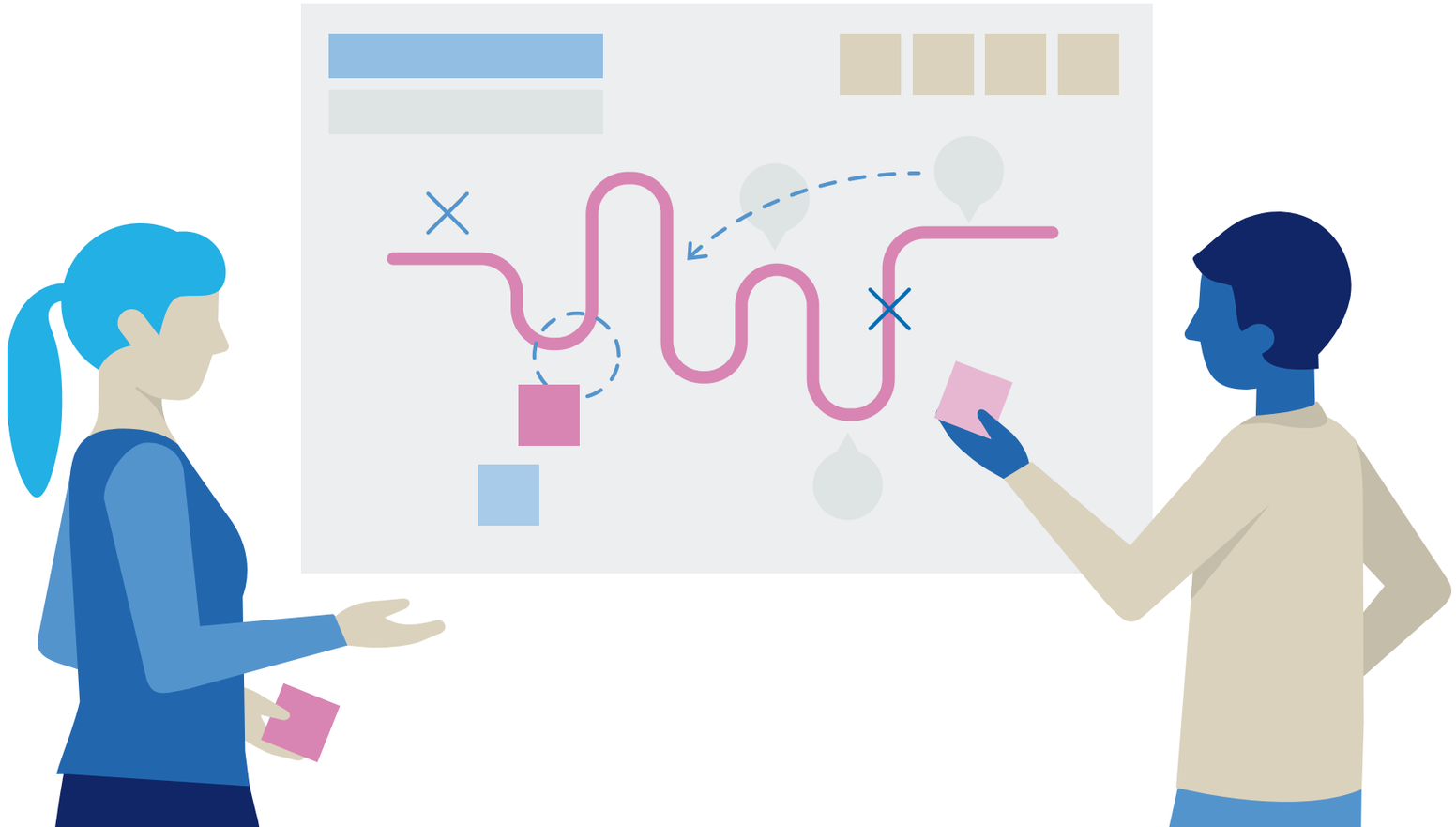
The report

The empathy gap: a disconnect in business-consumer interaction

In an era defined by hyper-connectivity, where businesses have more data and tools than ever to engage with consumers, a fundamental element is often absent in business-consumer interactions: human connection. This report identifies an empathy gap: a failure of companies to meet consumers' desire for understanding and care.

> **Clearly, people are not feeling that empathy is part of their standard experience of interacting with companies. There's a giant gap between what customers want and what they feel they're receiving.**

Jamil Zaki, Ph.D.
Professor of Psychology



The desire for empathetic interactions is widespread

Results from a survey of over 11,560 individuals across 11 countries suggest that empathy is far more than a “feel-good factor.” Consumers want companies to listen to their concerns and genuinely understand them and would avoid using companies that show a lack of empathy.

Three in five consumers surveyed (60 percent) said they only used companies that genuinely cared about them and their needs, while nearly three quarters (73 percent) of respondents said they would avoid using companies that showed a lack of empathy “toward my situation or circumstances.” And this isn't a regional quirk; despite minor variances, the desire for empathy holds true across markets, age groups and gender:

- Empathy was consistently rated as the fifth most important factor in brand choice in Australia, Italy, Spain, Portugal, Germany, Switzerland and Malaysia. It was prioritized only slightly less in Chile (ranked #6), Brazil (#6), the U.S. (#7) and the UK (#7).
- Women care only slightly more about empathy shown by brands (81 percent versus 76 percent male) and are marginally more cynical when it comes to empathy in the insurance sector. Only 27 percent of females surveyed believe most insurance companies are empathetic (versus 32 percent male).
- The value placed on empathetic gestures transcends demographics as 81 percent of 18- to 24-year-olds and 77 percent of 45- to 54-year-olds believe it is important or very important that a company is empathetic and genuinely cares about your needs.

> **“The “empathy advantage” shows up in employee engagement, team innovation, and consumer loyalty, making it a bottom line imperative.**
>
> Jamil Zaki, Ph.D.
> Professor of Psychology

The tangible, real-world implications of empathy

More than half (61 percent) of respondents said they would be willing to pay more to use a brand that demonstrates care. This aligns to decades of academic research which suggests that empathic interactions can drive business success.

Consumers who are emotionally connected to a brand are 52 percent more economically valuable than those who are merely satisfied (Magids et al., 2015). Researchers have also ranked major organizations on empathy – including their connection to consumers – and find that empathic organizations generated 50 percent more earnings (defined by market capitalization) than less empathic ones (Gourani, 2024).

And while price, quality (of products, customer service and support), and trust remain the most important factors in consumer brand choice, empathy also plays a significant role. In fact, when considering additional factors, 79 percent of respondents rated empathy as important, compared with online reviews (73 percent) and recommendations provided by experts (66 percent), or friends and family (64 percent).

> **Empathy challenges vary across industries, but its impact is universal. In sectors like insurance and healthcare, where people face life's hardest moments, empathy can build trust – or break it. A transactional approach erodes relationships, while small acts of care foster loyalty. Today's consumers expect to be seen and understood. Companies that embed empathy into their culture will thrive, not just survive.**
>
> Jamil Zaki, Ph.D.
> Professor of Psychology

Empathy in action at Zurich

Zurich is embedding empathy across its global operations as a strategic lever for customer loyalty and sustainable growth. Since 2023, employees have invested almost 46,000 hours in its award-winning Global Empathy Training Program, co-designed with Be Human Partnership. This initiative – recognized with four Gold Brandon Hall Awards in 2025 – has been completed by 26% of employees worldwide and continues to be rolled out.

To further support frontline teams, Zurich designed and delivered bespoke face-to-face empathy training in the UK in 2023. The program has since expanded to Switzerland, North America, Malaysia, and Australia, with more markets on the horizon. The impact of the training, and other activities, is both tangible and far-reaching:

- Customer advocacy, retention, and loyalty are all trending upward.
- The Transactional Net Promoter Score (TNPS) rose by 7 points from January 2024 to June 2025.
- Brand value has grown by 35 percent, making Zurich the second-fastest growing insurance brand among the global Top 20 (Brand Finance, 2024).

Looking ahead, Zurich will begin tracking Net Revenue Retention (NRR) as part of its 2025 – 2027 strategy – strengthening the link between customer experience and financial performance.

Exposing variances across industries

Looking at the results on an industry-by-industry basis, the survey found that 88 percent of consumers surveyed believed it was important for financial services companies, including insurers, to show empathy, second only to healthcare providers, at 94 percent of respondents.

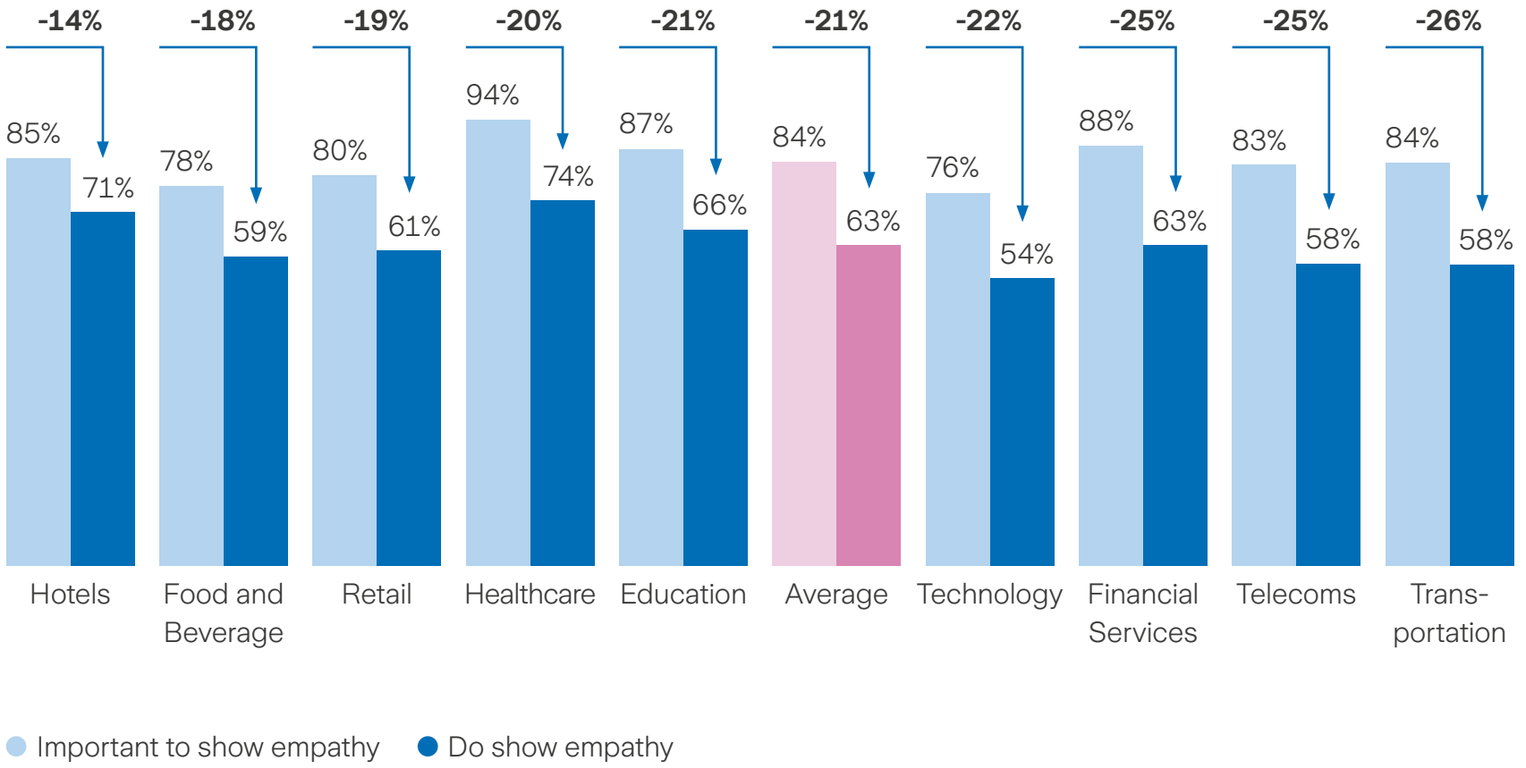
In the survey, healthcare ranked highest in perceived empathy, reflecting its human-centric mission. But financial services and insurance lagged behind, despite offering some of life's most critical and emotionally charged services.

Around three in five respondents (63 percent) believe financial services companies show empathy, placing this industry behind healthcare (74 percent), hotels (71 percent), and education (66 percent).

While financial services still lag behind industries like healthcare and hospitality in perceived empathy, the fact that 63 percent of respondents recognize empathetic behavior in this sector suggests some progress – though there remains significant room for improvement.

Fewer consumers believe that companies show empathy when dealing with their customers highlighting a clear empathy gap globally. The empathy gap: What level of empathy do consumers expect from the following sectors vs. what they receive?

The empathy gap



Insurance's empathy emergency: an opportunity for industry leaders

Of all the sectors surveyed, insurance faces an urgent empathy challenge – and a powerful opportunity for transformation. Despite the deeply personal nature of the services insurers provide, empathy is perceived to be in short supply.

Delivering an empathetic service to customers can have tangible value in the insurance sector, with 71 percent of all consumers surveyed being more likely to choose an insurance company that showed genuine care and interest in their needs. Almost half (49 percent) of respondents were willing to pay more to an insurer that demonstrated genuine care.

However, around two thirds (67 percent) agreed that insurance companies needed to work harder to earn their loyalty. Less than half (41 percent) of people agree or strongly agree that their insurance company is empathic, with even fewer percent (38 percent) feeling their insurance company cares about them or seeing insurance companies in general as empathic (29 percent). This leaves significant room for improvement.

Insurance is often purchased in moments of complexity and claimed during times of vulnerability. These are precisely the moments when empathy matters most, and when companies can truly differentiate themselves.

> **"This survey reveals a critical market inefficiency, and a competitive advantage for companies that can bring empathy to the heart of their practice."**
>
> Jamil Zaki, Ph.D.
> Professor of Psychology

Empathy is a global challenge for companies

Beyond the quantitative data, the survey captured powerful, individual stories. Each narrative consistently underscored the transformative power of empathy during moments of crisis, allowing organizations to distinguish themselves.

From a sofa delivered just before unwell parents arrived in Australia, to a bank going the extra mile to help with e-banking during illness in Switzerland, to a cab driver personally returning a forgotten item in Brazil, and retail employees accompanying a customer to the hospital in Chile. These moments, and the enduring memories of these gestures, affirm the immense power of the human touch, and profound impact of empathy when it's expressed authentically.

Yet while the desire for empathy is universal, its effective communication and the responses it elicits are culturally conditioned, necessitating localized strategies to bridge the empathy gap effectively.

> **"Global perceptions of empathy are shaped by culture and history. While the empathy gap is universal, expectations vary. In some markets, like Chile and Malaysia, consumers value proactive care and are willing to pay more for it. Others, like the UK and Germany, show greater skepticism. These differences matter. To build trust, companies must understand not just the need for empathy, but how it's experienced across contexts.**
>
> Jamil Zaki, Ph.D.
> Professor of Psychology

Combatting misperceptions around empathy as a learned skill

When it comes to empathy as a trainable skill, public opinion is divided. Results show that 45 percent of consumers surveyed believe empathy can't be taught to employees – they see it as an innate trait rather than a trainable skill.

> **Empathy is a skill we can cultivate and strengthen. In my lab, we've found that simply teaching people empathy is "moveable" empowers them to use it more effectively. When people recognize their capacity for growth, they're inspired to act. Science consistently shows that people want empathy – as a personal quality, in their relationships, and in their work lives. Tapping into this shared value of human connection can help companies to thrive.**
>
> Jamil Zaki, Ph.D.
> Professor of Psychology

However, academic research shows that while empathy is deeply human, it's also a skill that can be cultivated, measured, and embedded into workplace culture.

Effective training cultivates empathy as a strength, enabling the development of specific skills such as empathetic listening. Brands can help grow this skill by training frontline employees in empathetic communication. For instance, people can learn to more actively validate others' emotions, naming feelings people express (Back et al., 2007). They can also practice perspective getting, paraphrasing what others say and asking follow-up questions (Zaki, 2024).

The survey also points to the public's perceived failure of organizations to invest adequately in upskilling employees on empathy in line with expectations. Over four in five (86 percent) consumers surveyed agree employers have a responsibility to equip their employees with the skills and training they need to engage with consumers empathetically. But only 41 percent believe most companies actually do this.

But it has to be done in the right way. When empathy is superficial or insincere, consumers notice. It breeds cynicism and erodes trust. This gap cannot be addressed with just any training. As Professor Zaki warns, "I've seen companies, including very big companies, say 'we are going to train all of our staff in empathy,' and really, all they do is just give employees scripted corporate responses. They don't actually change their practices. In some cases, it's worse than doing nothing."

Can AI replace human connection and empathy?

The role of technology in customer interactions is constantly evolving. AI is reshaping customer experience, speeding up responses, streamlining claims and offering 24/7 service. But can it deliver empathy?

The survey explored consumer perceptions of AI tools and their impact on empathy. While many consumers recognize the utility of AI, few believe it can replace genuine human connection, especially in emotionally complex moments:

- AI has limits. While 51 percent of consumers found AI tools that are used in company interactions (such as chatbots and personalized communications) helpful some or most of the time, a strong majority – 71 percent – did not believe AI could replicate empathetic human connections.
- Humans are still preferred. More respondents valued direct human interaction (92 percent) compared with 24/7 availability (62 percent).

Professor Zaki warns of the potential for AI to be misused for manipulative purposes. “AI agents might act like they are trying to make you feel better, but what they are actually doing is keeping you hooked to their services,” he states.

The data also revealed that 60 percent of respondents expressed concern that AI is destroying customer empathy. According to Professor Zaki, while some studies have shown AI can be perceived as more empathetic than humans, AI cannot actually meet the first criterion of empathy – it cannot satisfy the need for emotional sharing; the empathy that shows “I feel your pain.”

While AI can enhance efficiency and provide valuable support, it cannot fully replicate the depth and authenticity of human empathy. The future of customer experience lies in a strategic blend of technological efficiency and genuine human connection.

“When contacting customer support, I'd like to have the power to choose – human interaction or smart automation.”

“When I've spoken to a person face to face rather than an AI or chatbots, it makes the experience feel valid and connected.”

“Customer service – real people trained to listen and understand, not AI or chatbots.”

At Zurich, our approach is simple: AI with a human touch. It starts with understanding real customer needs. Ultimately, the customer gets to choose how they want to be served. Some will prioritize speed and convenience, happy to resolve their situation quickly with the assistance of AI. Others, especially when in difficult situations, truly need that human connection and empathy first, not a machine. AI helps us consolidate data, streamline tasks and empower our people to focus on what matters most: supporting customers in vulnerable moments. By reducing friction and enhancing connection, we're building trust, loyalty, and a service culture that truly puts people first.

Conny Kalcher
Group Chief Customer Officer

Conclusion

Bridging the empathy gap

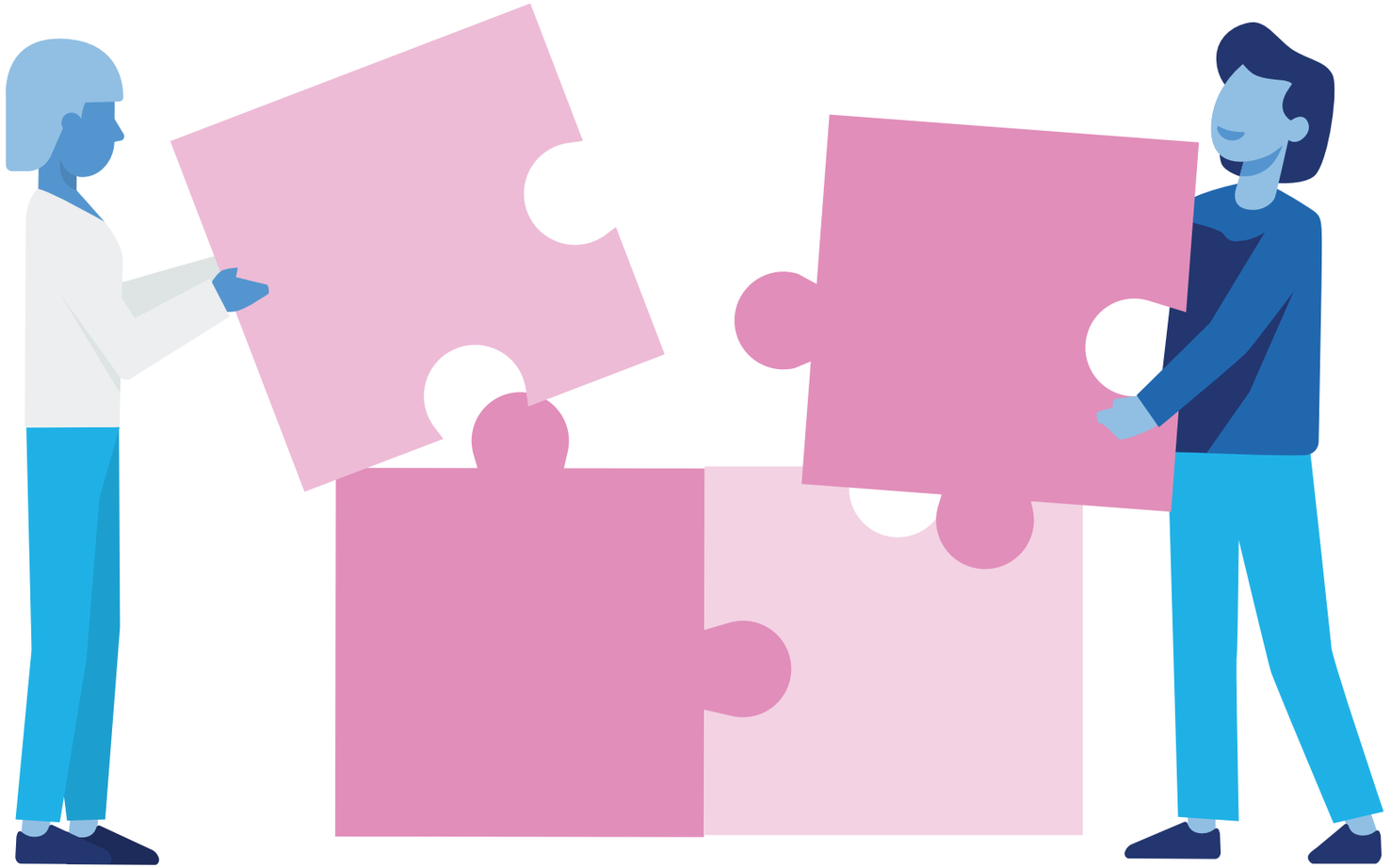
This global survey commissioned by Zurich, with expert insights from Professor Jamil Zaki, reveals a compelling message: Consumers require empathy, but many companies aren't delivering.

For businesses seeking to bridge this empathy gap and unlock competitive advantage, a clear blueprint emerges. Businesses must first recognize empathy as a strategic imperative, moving beyond superficial gestures to a deep, authentic commitment. This involves investment in bespoke empathy training programs, ensuring frontline employees are equipped with the practical skills to genuinely understand and respond to customer needs.

Successful empathy integration requires a cultural shift, where leadership champions empathetic practices and measures their impact as a key performance indicator.

The future of customer experience demands a sophisticated blend of technological efficiency and genuine human understanding. While leveraging AI for efficiency, organizations must prioritize human connection in critical customer interactions, understanding that technology augments, but does not replace, authentic emotional engagement.

By embracing empathy as a learnable skill, embedding it into operational DNA, and fostering a culture of genuine care, businesses will build resilient customer relationships, drive sustainable growth, and ultimately lead with empathy in a human-centric marketplace.



Appendix

Works referenced:

Back, A. L., Arnold, R. M., Baile, W. F., Tulsky, J. A., & Fryer-Edwards, K. A. (2007) 'Efficacy of Communication Skills Training for Giving Bad News and Discussing Transitions to Palliative Care', Arch Intern Med, 167(5), pp. 453-460.

Gourani, S. (2024) 'Empathy Is The New Currency', Forbes, 4 March. Available from: https://www.forbes.com/sites/soulaimagourani/2024/03/04/empathy-is-the-new-currency/

Magids, S., Zorfas, A., & Leemon, D. (2015) 'The New Science of Customer Emotions', Harvard Business Review, November. Available from: https://hbr.org/2024/04/how-to-become-a-more-empathetic-listener

Zaki, J. (2024) 'How to become a more empathic listener', Harvard Business Review, April. Available from: https://hbr.org/2024/04/how-to-become-a-more-empathetic-listener

Brand Finance. (2024). 'Global 500 2024: The annual report on the world's most valuable and strongest brands.' Brandirectory. Available from: https://brandirectory.com/reports/global/2024

Acknowledgments and disclaimer

This report was developed by Zurich Insurance Group in collaboration with Professor Jamil Zaki, Director of the Stanford Social Neuroscience Laboratory

Disclaimer: This publication has been prepared by Zurich Insurance Group Ltd and the opinions expressed therein are those of Zurich Insurance Group Ltd as of the date of writing and are subject to change without notice. This publication has been produced solely for informational purposes. All information contained in this publication has been compiled and obtained from sources believed to be reliable and credible but no representation or warranty, express or implied, is made by Zurich Insurance Group Ltd or any of its subsidiaries (the 'Group') as to their accuracy or completeness. This publication is not intended to be legal, underwriting, financial, investment or any other type of professional advice. The Group disclaims any and all liability whatsoever resulting from the use of or reliance upon this publication. Certain statements in this publication are forward-looking statements, including, but not limited to, statements that are predictions of or indicate future events, trends, plans, developments or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by numerous unforeseeable factors. The subject matter of this publication is also not tied to any specific insurance product nor will it ensure coverage under any insurance policy. This publication may not be distributed or reproduced either in whole or in part on other communication channels, without prior written permission of Zurich Insurance Group Ltd, Mythenquai 2, 8002 Zurich, Switzerland. Neither Zurich Insurance Group Ltd nor any of its subsidiaries accept liability for any loss arising from the use or distribution of this publication. This publication does not constitute an offer or an invitation for the sale or purchase of securities in any jurisdiction.