

BANKING'S AI REVOLUTION

Future-proofing banks with conversational technology

Banking in the Digital Age

As digital technology evolves, so does consumer behavior, prompting disruptions in a variety of industries and business models.

Accustomed to have any number of digital services at their fingertips, customers have come to have steep expectations of the organizations they interact with. Trust and loyalty are now intrinsically connected to how consumers are made to feel, with them craving rich, multi-faceted, individualized interactions. Thus, in an age when brand loyalty hinges on customer experience, even organizations in more traditional, highly regulated industries like banking must embrace digitalization and the benefits it can bring.

Over the past years, the financial services market has become congested with numerous new products and services. Many of them are built using technology support that ensures convenience, security, and innovation in an easy-to-use package. A crowded market translates into a multitude of choices that the consumer must navigate. In turn, this gives the consumer the freedom to simply move on to a new company should they be unhappy with their experience.

\$7.3 billion

in operational cost savings from using chatbots in banking by 2023, up from a \$209 million in 2019 (Juniper Research)

25%

Increase in operational efficiency by 2025 for organizations that embed AI in their multichannel customer engagement (Gartner)

80%

of customers believe that the experience a company provides is as important as its products and services (Salesforce)

The all-digital age we live in has come to signify a complete transformation of banking, with customers firmly in the driver's seat. Today and tomorrow's customers expect banks to be at the forefront of digital transformation. They expect solutions that simplify how, and when, customers interact with the institutions they entrusted with their finances. In the long-run, most banks are convinced that customers will punish them if they don't follow through on transforming their interactions into a seamless, frictionless experience in their everyday.

With this in mind, banks are eager to move beyond their traditional modus operandi and transform transactional relationships into new standards of personalized, integrated customer experiences. Using AI to reimagine procedural flows and introducing chatbots to simplify interactions can effectively make or break an organization.

The digital banking experience

Companies in dynamic, customer-oriented industries have long known that good quality products are not enough, even if they answer the market's exact needs.

What truly makes brands stand out is the overall customer experience. Nowadays, a great experience translates to higher sales, increased loyalty, and higher referrals. The same is valid for banking. Nowadays, customers expect more from banks than just financial services – they want a culture that nurtures their needs, builds trust, is personalized, and exceeds their expectations.

Key customer expectations

- ➔ **Accessibility** – customers are looking for easy-to-use digital platforms to access their financial services anytime, from anywhere, using any device.
- ➔ **Personalization** – customers are interested in personalized, relevant services and experiences that can answer their needs at the precise moment in the journey that they are at.
- ➔ **Real-time** – instant support is of the highest importance for users at the very minute that they want it. Traditional working hours are a thing of the past for today's digital customers, who want round-the-clock access to their finances and, thus, live assistance tools to go along with that.

74% of consumers prefer AI chatbots when they're looking for instant answers

PSFK

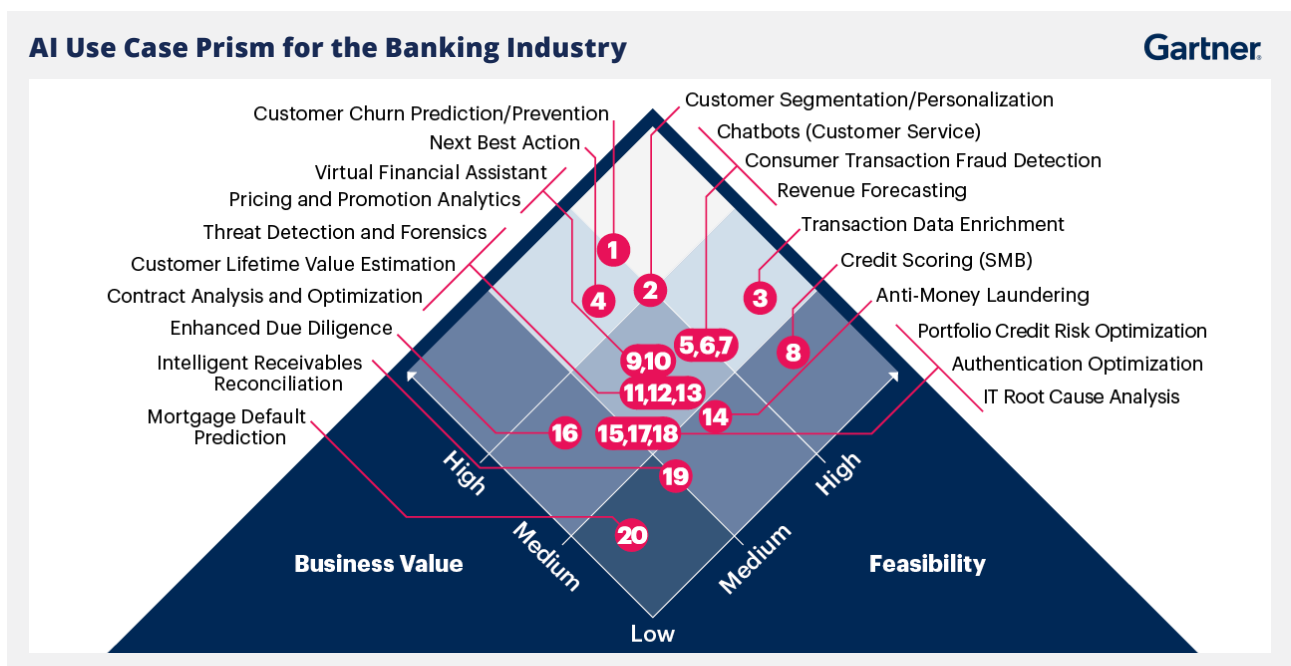


Transforming user-experience with AI

Artificial Intelligence can help banks build the capabilities needed to keep pace with modern demands and deliver that improved customer experience. AI-powered chatbots give banks an excellent opportunity to proactively engage with customers, stay relevant, offer real-time support and provide an authentic personalized experience. Chatbots deliver an extensive range of benefits on both the user and the bank side.

For users, AI chatbots ensure:

- ➔ **Convenience** – chatbots can easily be integrated into a multitude of platform types, from websites to mobile apps and more. Communication can be individualized to suit the users’ preferences.
- ➔ **Ease of use** – Natural Language Processing ensures that users can interact intuitively and seamlessly with chatbots – similar to how they would with a human agent, just faster and at the user’s absolute convenience.
- ➔ **Personalization** – AI chatbots can be capitalized upon to ensure constant, proactive engagements with customers. Thanks to their back-end integration with any banking system, chatbots can offer personalized advice or service plans to users while also supporting them in choosing the appropriate solution to fit current needs.
- ➔ **Speed** – traditionally, connecting to a bank representative would be a time-consuming and sometimes frustrating experience that also required a lot of information verification. However, a chatbot can not only reduce the amount of waiting for support to zero, but it can also swiftly identify the user in the bank’s system and offer a wealth of information on their account or help with accessing services in the blink of an eye.

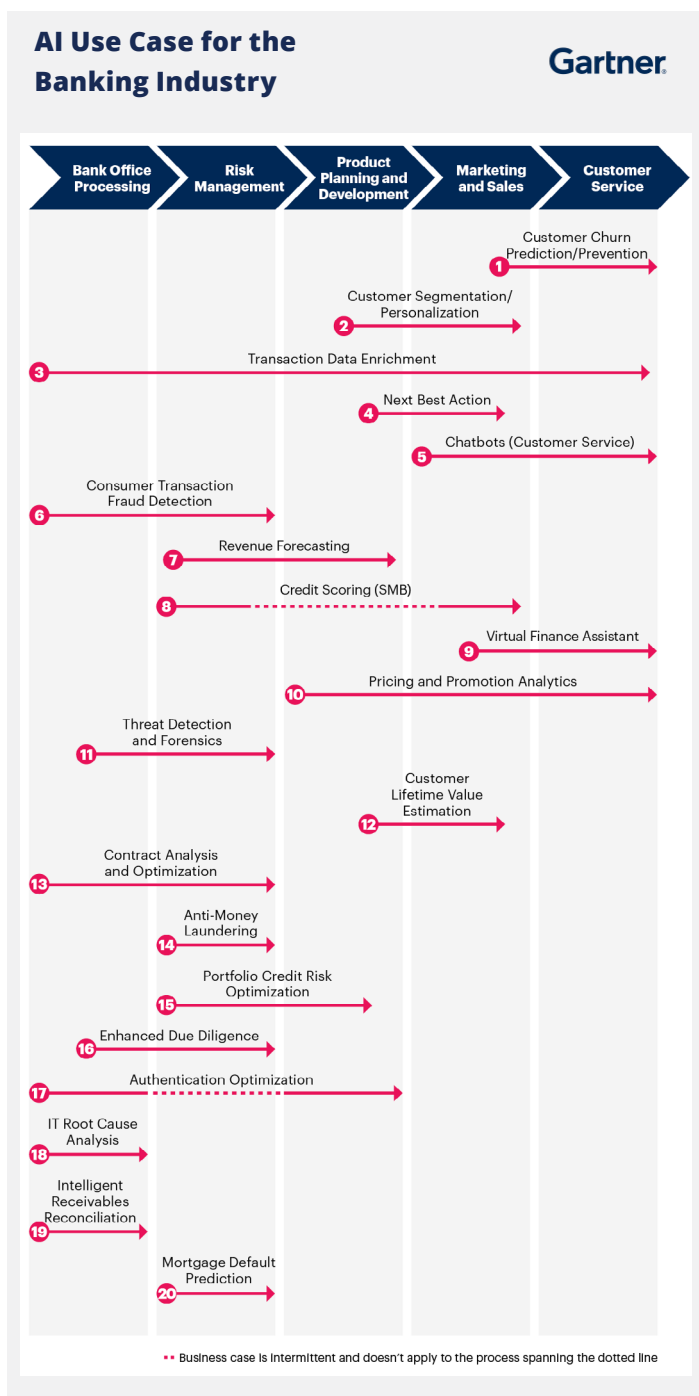


80% of customers who have used chatbots report the experience as positive.

Uberall

AI chatbots, concomitantly, offer a wealth of benefit for banks and their internal teams:

- ➔ **Reduced costs** – implementing a chatbot is cheaper and faster to enhance customer support capabilities than hiring, training, and deploying new employees in a bank’s call center. At the same time, customers receiving the real-time help they need has a massive positive impact on improving retention rate and diminishing the risk of customer loss, which, ultimately, saves financial and time resources for the bank.
- ➔ **Increased productivity** – automating specific tasks through conversational AI can make bank employees more productive by saving them time and letting them focus on more complex problems rather than being stuck with basic customer queries.
- ➔ **Fraud reduction** – as online payments become the norm, the incidence of online fraud is also on the rise, prompting banks to be ever more interested in the security of their customers’ money. Beyond introducing additional security measures, using chatbots to increase awareness of the potential signs of suspicious transactions can be an efficient way to minimize the risks of fraud occurrences. their finances and, thus, live assistance tools to go along with that.



The many faces of banking chatbots

Customer expectations in the banking industry have evolved continuously over the past years. Customers want convenience and speed in their service.

1. 24/7 customer support

Customers want a means to solve their problems fast, remote, and get answers easily and quickly. In fact, one of the critical aspects that directly impact customer experience is real-time assistance and 24/7 availability. Conversational AI makes it easy to automate customer support by answering simple queries and being available to engage customers round the clock, which then translates into higher customer engagement and retention rates.

Moreover, using NLP-enabled chatbots in banking contributes to keeping the feel of a personal relationship of trust that consumers used to cherish when dealing with their bank. The semblance of having a real conversation of a person, as well as the ability to transfer

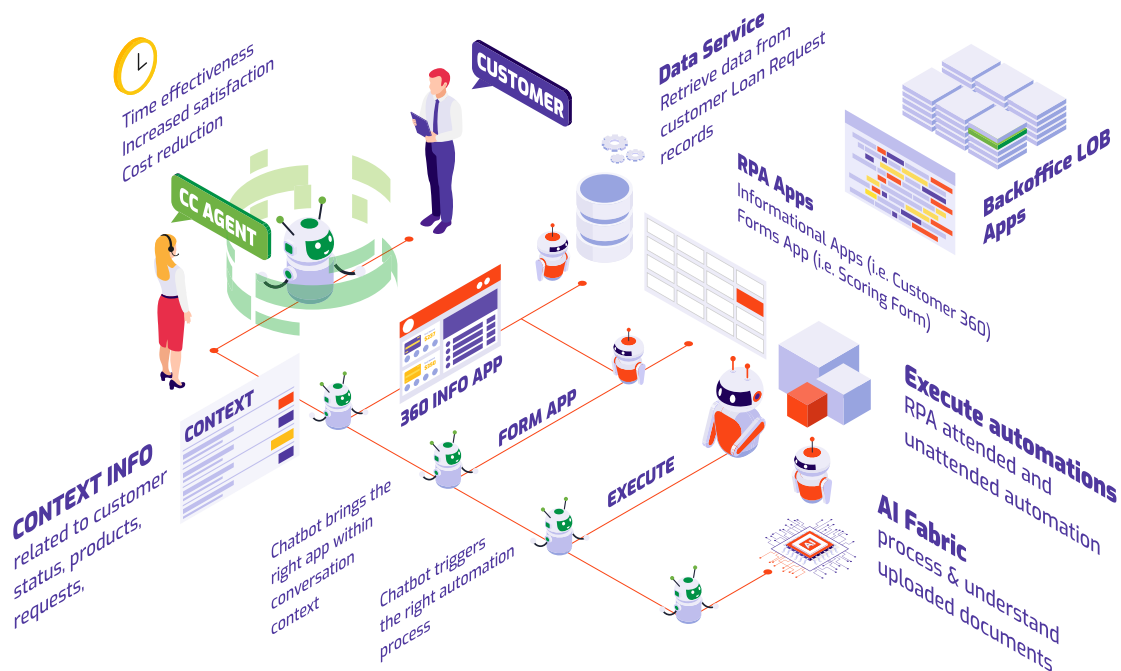
you to an actual bank agent for more complex matters, is an extra element that contributes to an exceptional experience.

Additionally, a chatbot is the best channel banks can use to offer users immediate access to routine information and answers to frequently asked questions, like the procedure for freezing a lost credit card or details about the bank's ATM network.

70%
calls and/or email inquiries
cut by using virtual customer
assistants

Gartner

CONTACT CENTER CONVERSATIONAL AUTOMATION





2. Customer self-service

Like the use case described above, customer self-service also relates to empowering customers to resolve issues without nagging delays or the need for a human interaction.

Consequently, banks no longer need to have dedicated staff to handle customer requests related to their accounts, nor should they worry about long wait times that customers would need to bear during peak hours. Instead, advanced chatbots can efficiently manage account-related queries on any scale and enhance experience efficiently.

Bots are linked to the bank's central systems and can thus quickly retrieve customer account details such as recent transactions, account balances, or due payment dates. Banks are also using chatbots to help customers submit and process different types of payments quickly and seamlessly. When they are used for payments, it saves customers the inconvenience of giving details each time with a transaction. The use of AI means that the bot can authenticate the customer in order to access their account information securely and do all the necessary verifications within the bank systems.

Chatbots can also send timely reminders and routine notifications to customers, from periodic bill deadline reminders to new offers. The purpose is always to keep customers aware of activities that can prove helpful to them. In this way, customers are supported to understand banking in a better way and stay up to date with the bank's latest features or products. A great value is ensured to customers via timely reminders.

3. Automated financial advice

AI-powered chatbots have also proven exceptionally efficient as virtual financial advisors, helping users get the support and advice that they are looking for much faster – and more straightforward.

For the average consumer, money management is confusing, complicated, and time-consuming. Keeping track of spending and one's cash flows and effectively planning for short- and long-term savings is a struggle for most people.

Chatbots can remove the stress of financial planning by delivering relevant information and personalized advice to consumers instantly and through familiar, conversational channels. They can guide customers through the complexities of day-to-day cash management, empowering them to make smarter spending decisions and, thus, improve their overall financial health.

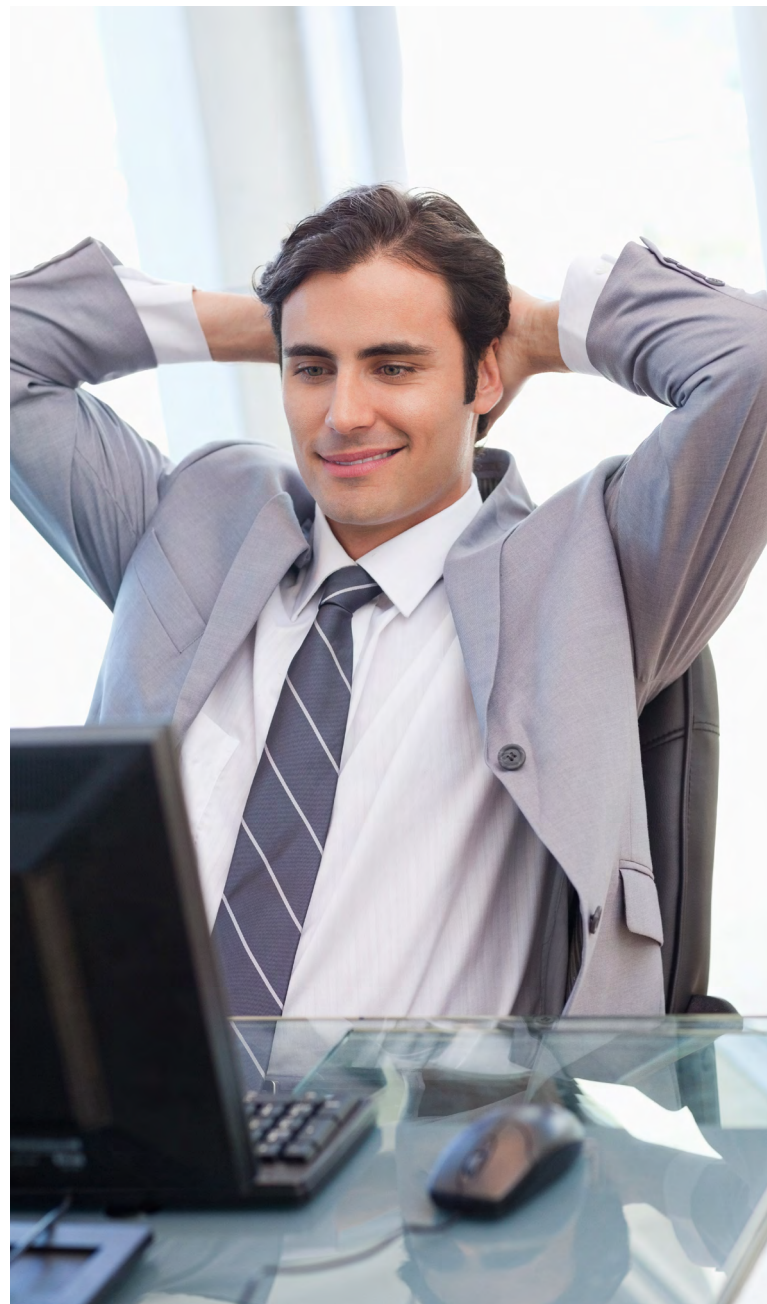
4. Customer acquisition

When it comes to engaging customers, chatbots deliver real value: they can start conversations, understand queries, decode sentiment, and provide instant replies, all in the blink of an eye.

As a result, banks are using them to generate leads and attract new customers. Conversational banking is an excellent tool for when visitors to your website need anything or are interested in a product or service.

Thus, chatbots can send the customer relevant notifications on the bank's website or when logged in to their accounts. Therefore, chatbots can help capture these leads and then send them to the sales team for further follow-up.

They can track spending habits and, based on that, offer standard recommendations for better money management. A banking chatbot can also explain complex finance terminology in a simpler language, saving time and reducing misinformation.



5. Customer onboarding

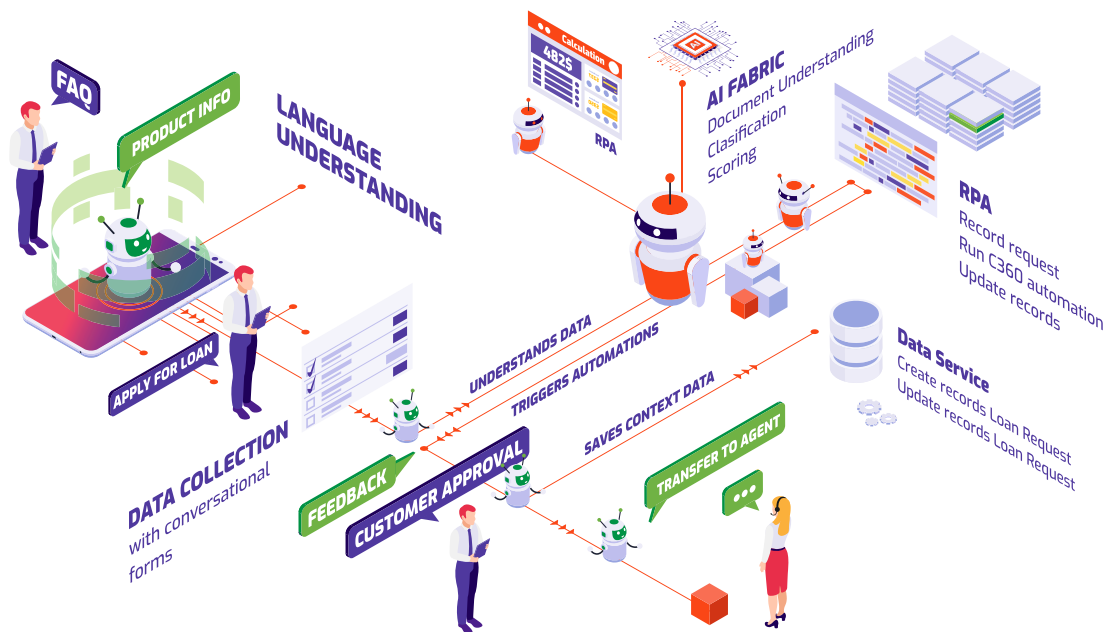
People expect a sign-up process to be quick, painless, and frictionless. Nonetheless, balancing customer demand for an effortless experience with the need to prevent fraud and protect customers' sensitive information is no easy task. Nowadays, people expect remote services, especially with the pandemic and the limitations on movements, many financial services have switched to become 100% online.

Leveraging AI-powered virtual assistants, consumers can easily simulate and define

the credit they are looking for and apply online, fully remote. Moreover, the chatbot then accompanies the users through the application process, requesting the necessary documentation and using ID recognition tool or biometric authentication to comply with all legal requirements.

The customer onboarding process brings at the same time new revenue streams, higher usage rates, and increased customer retention.

LOAN ORIGATION CONVERSATIONAL AUTOMATION



6. Customer feedback

Customers' time is incredibly valuable and asking them to spend it on filling in long surveys or submitting feedback forms can prove very frustrating. Using a chatbot instead allows it to engage a customer at a moment when it is convenient for the user and speed the process altogether. Chatbots can be deployed onsite or inside an app to learn what customers like and dislike. Some banks use chatbots to ask questions conversationally to keep customers engaged and squeeze a better submission rate.

Based on the feedback received, chatbots can redirect the conversation to offering products or services that seem appropriate, thereby enhancing the experience.

90%
of customer interactions will
be automated by banks using
chatbots, by 2022.

Juniper Research

How can conversational AI help bank employees?

Customer experience is of the utmost importance for banks, which is also true when it comes to their internal customers: employees.

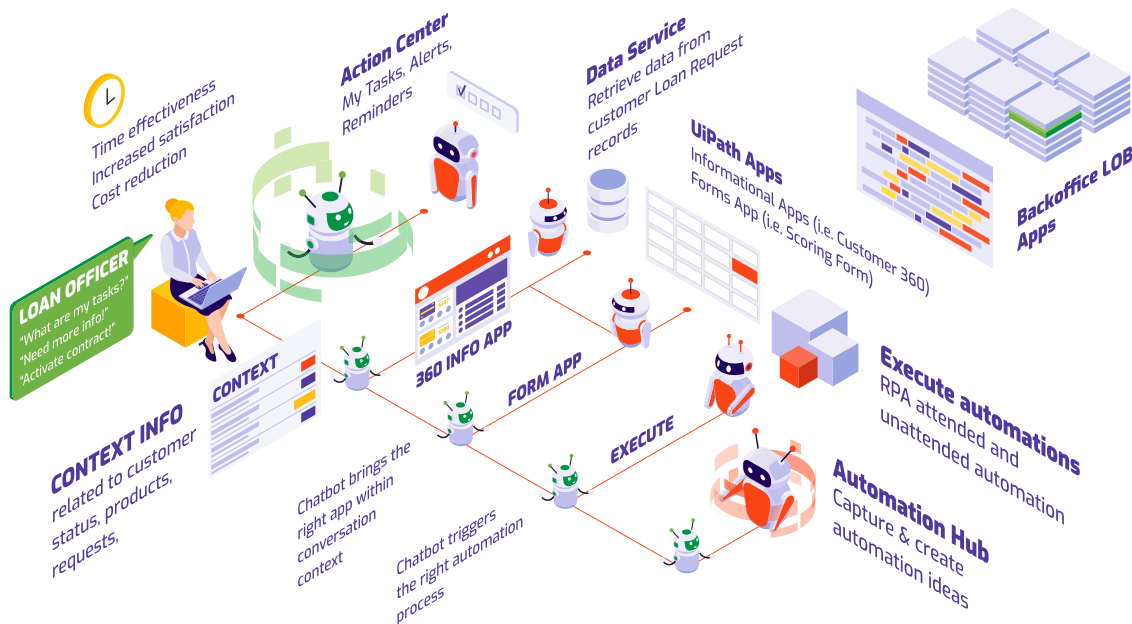
Especially with the advent of tremendous workforce changes of 2020, organizations of all shapes and sizes have been pressed to support changing employee needs. The right technology has become imperative to make a real difference. In this context, conversational AI technology allows the deployment of intelligent

digital assistants that can handle a high volume of queries in real-time, accurately, and cost-effectively. These bots can be implemented across various use cases, helping to bring tangible benefits to different aspects that employees value daily.

1. Employee self-service

A newer, enhanced version of the traditional employee self-service software comes in the form of automated, intelligent virtual assistants that integrate with existing HR systems and internal databases to change the employee experience significantly.

EMPLOYEE SELF-SERVICE CONVERSATIONAL AUTOMATION



The most important is the simplicity of use – thanks to NLP technology, chatbots imitate the kind of conversation an employee would have with an actual HR representative, making the interaction more pleasurable and straightforward.

Moreover, an HR chatbot is available for employees 24 hours a day and can offer personalized answers to the most common employee questions. This makes for a seamless interaction that saves time and provides the employee with a positive, satisfying experience.

2. Information support

Financial institutions are increasingly forced to dedicate more energy and resources to improving the customer's experiences. This begins with remapping traditional banking processes to adapt them to modern expectations of speed and simplicity.

Instead of being one of the most important cost centers for a bank, future operations must be drivers of innovation. Internal processes must be optimized, with positive effects on both the internal teams (increased productivity) and, consequently, on customers who stand to receive a better service altogether.

Chatbots can, for example, automate processes in the operations area, improving access to information and helping troubleshoot any issues for employees while working with any of the apps in the bank's specific ecosystem.

At the same time, chatbots can significantly reduce the possibility for human errors to zero by automating interest rate calculations, generating reports, or performing almost instantaneous verifications and checks.



3. HR support: recruitment, onboarding, training

One of HR's critical tasks in any organization is managing the employee life cycle, including recruitment, hiring, onboarding, and training. Recruiting chatbots, for example, can quickly process large quantities of CVs to select the most relevant ones. They can then automate the communication between recruiters and selected candidates.

Onboarding is all about what happens after the hiring decision has been made and the new hires are about to join the team. It involves tedious administrative tasks, like completing their documentation and ensuring access to all relevant initial pieces of training and procedures' overviews. It also initiates the employee's experience with the company by introducing him to his team members and

ensuring he gets accustomed to the internal culture.

Conversational technology allows companies to provide employees with personalized learning programs by integrating chatbots that use natural language processing within existing internal learning platforms to seamlessly guide employees through training initiatives. Chatbots are especially helpful in the context of remote work when organizations struggle to keep close to all the employees or identify the areas in which they are struggling. An intelligent virtual assistant can constantly be at employees' disposal to make learning suggestions or offer future training slots to ensure that the workforce develops.

On to the future of experience

Banks often rely on standardized, rigid processes to ensure compliance, operating as they do in one of the most strongly regulated industries globally.

However, changing customer expectations and louder demands for speed and flexibility push banks to double-check their traditional ways of working and seek digital solutions for increased automation. Chatbots offer a simple solution with fast results, guaranteed ROI, and minimal disruption in a bank's internal human resources' tableau in this complex context.

McKinsey estimates that 75% to 80% of transactional operations will be automated in the next decade. Operational staff will be more focused on working closely with clients to offer creative solutions for their needs. Automation and artificial intelligence will become integral elements of banking operations in the coming years, delivering not only cost benefits for banks, but increased usability and satisfaction for its customers.

Continuously changing markets, fast competition, and rising customer expectations have become a general rule of thumb for most industries, including banking. Customer experience in banking is an essential aspect of every strategic approach to meet the demands of their customers.

It has become evident that chatbots are an indispensable asset to the financial sector, where providing a high-quality customer experience is the key to success. The use of AI-powered chatbots can help deliver a quick and personalized banking experience and assist banks in meeting and exceeding soaring expectations easily. By embracing conversational technology, banks can redefine customer experience and future proof their experience for a future of new, rising challenges.





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The Digital Future of Banking. Delivered Today.

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Get in touch with DRUID to learn more about conversational automation.

About DRUID

DRUID is an end-to-end platform for building AI-driven conversational business applications, designed to deliver next-level employee productivity and total customer experience in the most intuitive way.

DRUID intelligent virtual assistants enable fast, personalized, omni-channel, and hyper-automated interactions while speaking each organization's language via open integrations with any existing enterprise systems.

