Bots in Action - Redefining the Experience of Customers & Employees of a Bank

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According to Forrester, five years into the age of the customer, power is shifting from organizations to customers. The trend applies to the banking and financial industry as well. Customers have become demanding, and their expectations from banks have risen sharply. Customers are expecting to be able to access banking services, get guidance, details about their accounts, and other relevant information instantly, with a seamless experience. A survey conducted by Cisco and GMC, states that 61% of the customers want streamlined interaction and communication. The experience of a customer with a bank has a great impact on the sentiment toward the brand as a whole. Banks, who excel in providing better experience are winning over the customers. Engaged customers are likely to have a longer relationship with the banks, and turn to banks more often for new financial services and advice on financial matters.

Customer experience is also affected by the service quality of a bank. Service quality is majorly dependent on the employees’ customer-centric mindset and their ability to work on customer requests swiftly. Employees struggling with the internal support teams like business units, IT, HR, admin and silo systems often spend a good chunk of their time resolving the internal impediments. Not having the right information and resources, makes it hard for them to focus on customer needs and priorities.

After relying for years on incremental changes, banks and other financial institutions have now realized the need to plan for a fundamental rethink of operations to meet customer expectations.

The top priority now is to revamp the journey of both customers and employees for improved experience, holistically.
How Bots come into picture?

Banks recognize the benefits of customer-centric strategies, and continuously invest in innovative technologies to implement these strategies. The bots are one of the next-Gen technology solutions, which can be used to automate repetitive, manual, as well as knowledge tasks taking self-service to the next level. This, complimented by 24x7 availability, enables bots to simplify the journey by addressing the pain points of customers and employees, and improve the overall experience of the end users.

By 2019, more than 10% of IT hires in customer service will mostly write scripts for bot integrations.

By 2020, 20% of the companies will dedicate workers to monitor and guide neural networks.

Source: Gartner

Fig. Bots assisted journey of a customer and an employee
Bots leverage the power of natural language processing, machine learning, analytics and open APIs, to gather information from various sources, learn continuously and build intelligence to respond to customer queries round-the-clock, providing human-like experience. Bots learn with each interaction, with a customer to provide more refined responses over time.

Bots can be broadly classified into two types, based on their functionality and usage in the banking industry.

**Virtual Assistant**

A virtual assistant is a natural language-enabled bot, which answers frequently asked queries, executes repetitive and manual tasks, performs straight through processing tasks and fetch information from multiple systems. For example, an assistant bot can fetch terms and conditions, interest rates and other relevant information around a financial product requested by a customer. The bot learns and improves its response over time from each interaction with a customer.

**Virtual Advisor**

A virtual advisor, also called a Robo-advisor, goes a level deeper. It incorporates artificial intelligence techniques to analyze a wide range of historical and real-time data to generate relevant insights. These insights help customers make informed decisions. These bots work on the self-learning mechanism and keep improving with time. For example, an advisor bot may take into consideration a customer’s spending patterns, past investments, risk appetite, micro and macro-economic factors of a country to suggest new investment options. Once the customer makes a new investment, the bot learns from it, and optimize its recommendations based on the customer’s activities.

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**Customer Focus**

- Customer Support
- Credit Card Underwriting
- Customer Onboarding - Customer queries, KYC
- Loans Origination
- Customer & Market Intelligence
- Wealth Management
- Sales Lead Generation
- Enterprise News and Q/A
- Employee Onboarding
- IT Service Desk
- Accounting & Expenses Filing
- Organizational Policies

**Employee Focus**

Fig. Application of bots in banking Industry
Many banks have already implemented, or are in the process of implementing different types of bots. Some banks have implemented chat bots to interact and resolve basic customer queries like helping with nearest ATM location, details of bank services, etc. Others have created bots to function as a financial advisor to help customers with budget tracking, making payments, advice on investments and more. Bots are also being implemented to replace Interactive Voice Response Systems (IVRS), and work as a more interactive and human-like channel for customers.

**Specific Examples Of Bots’ Implementation In The Industry**

- **Bank of America** has “Erica”, a voice- and text-enabled chat bot working as a digital assistant for customers.

- **Capital One** has “Eno”, a text-enabled chat bot that helps customers manage their money using their smartphone.

- **RBS** has “Hybrid Bot”, which collaborates with humans to offer fast and accurate customer service.

- **Ally Bank and DBS** have virtual assistants within the Mobile Banking app to assist customers.

- **Barclays Africa, American Express, Master Card** have implemented bots to provide support on Facebook messenger and other social media channels.

- **Santander** has a voice enabled bot to help their customers with money management.

**JPMorgan Chase** has “COIN”, an intelligent AI bot to analyze complex legal contracts. The bot has helped JPMorgan save over 360,000 lawyer hours annually.

Inside a bank’s workplace, bots can bring various support systems/teams to one platform, and provide a single channel to resolve day-to-day queries of employees. For example, a bot can fetch information matching an employee’s query on a financial product, or display a list of available conference rooms and schedule a meeting, or raise an IT support ticket in the IT service desk - all from one chat bot interface. A bot can also help an employee to create, update and analyze customer records. Getting the internal bottlenecks resolved in real-time helps employees to focus on the more important task at hand – customer delight and better customer service. In essence, bots are effective both outside as well as inside a bank.

**Advantages of Bots**

- Leveraging bots, banks can provide round-the-clock assistance to customers in each stage of their journey.

- Virtual advisors help customers in decision making - investments, risk management, new product and services, etc., thereby creating a better experience for customers.

- Customer-facing employees can expedite service requests resolution using virtual assistants.

- Bots improve employee experience by taking over their manual-intensive, repetitive tasks minimizing the inter-team dependency and reduce overhead of support functions.
Bots provide a single interface to manage multiple tasks eliminating the problems associated with silo systems.

Implementation of bots result in enhanced internal communication and collaboration.

**What’s the Catch?**

While the virtual assistants are easy to create and attract less cost and time; the intelligent advisor bots may require significant investment and time to meet the expectations of customers, especially if an organization is just starting on AI journey. The intelligence of advisor bots is built over time and is very much dependent on the existing knowledge base and infrastructure of an organization. The application of a bot needs to be carefully analyzed to align with the tactical and/or strategic initiatives of an organization.
## The Way Forward

Artificial Intelligence-powered bots are being rapidly adopted in the industry. Big banks are already taking advantage of bots at the tactical level, to streamline their operations and provide a more convenient and impactful customer experience. In coming years, the bots will have advanced self-learning capabilities to provide better targeted products, improved services and advisory ensuring a personalized experience for the customers at each stage of their journey. The advancement in technology has made a compelling case for AI to be considered, as an integral part of the long-term strategy by the financial institutions.

"According to a recent study by McKinsey, impact of Automation of Knowledge Work will be USD 5-7 trillion, across a wide range of industry sectors by 2025."

## About the Author

**Vishwa P. Mahanta** is a Digital Transformation Consultant at LTI.

He has 10+ years of experience in IT Industry in digital technology advisory, business analysis and project management. He has extensive experience in artificial intelligence, digital transformation, digital marketing experience, content management and e-discovery domain with majority of clientele in banking and financial industry.