



# Connected Conversations:

How AI and Chatbots Are Making  
Financial Services More Human

**bold360**  
by LogMeIn

In its most recent Global Banking Annual Review, McKinsey & Company set a provocative challenge at the foot of today's banks and credit unions: **innovate or become footnotes to history.**<sup>1</sup>

But innovation in the banking industry is complicated. Constrained by complex legal restrictions and compliance requirements, financial institutions only have so many levers to pull when it comes to bringing fresh ideas to their customers. They often must sit back as new entrants to the fintech landscape slip through looser regulations to serve overlapping customer segments. But that line of thought leads banks exactly where they need to go: the customer, the source of every useful innovation.

Today's banking customer has all kinds of new ideas about their banking experience. "The Amazon Effect" has successfully raised consumer expectations to the extent that a consistent, personal, and relevant experience is the new normal. Banks and credit unions that don't update their customer experience to meet those new digital requirements will find themselves marching toward irrelevance.<sup>2</sup>





“Today’s banking customers actually have higher expectations for their financial institutions than the companies they buy from,” says Chris Savio, Senior Product Marketing Manager at Bold360 by LogMeIn. “Finances can be a complex and sensitive topic. Customers expect their bank to respect that by providing high levels of empathy and thoroughly protecting their personal information. Anything less and you risk giving customers the impression you don’t prioritize their experience.”

One of the most promising ways financial institutions are meeting this demand is by deploying AI chatbots for customer experience. Banks and credit unions often find that this intelligent, scalable technology is actually helping them make their banking service more human—and do a better job of providing the personal touch that differentiates their customer experience.

If you’ve been considering new strategies for improving the quality and efficiency of your financial institution’s customer experience, here are four ways modern AI chatbots actually enable your bank to deliver the “human factor” that good customer experience demands.



Your Customers Expect...

## 24/7 Banking Customer Service

Being attentive to your customer starts with acknowledging how your customer demographics are changing. An increasingly large percentage of the population—35% of the U.S. workforce<sup>3</sup>—is made up of Millennials, a generation noted for its familiarity with consumer technology. For Millennials, and increasingly for all generations,<sup>4</sup> banking falls into the category of tasks that must compete with other commitments like family, work, and relaxation, which means it's often relegated to the evenings, after traditional banking hours. Further, the “Amazon Effect” makes customers expect to get excellent service on their own timetable.<sup>5</sup> AI chatbots can help you scale your bank's availability without scaling your workforce.

“The modern workday has moved from 9-5PM to more like 8-6PM,” says Savio. “Most people don't have time during the day to take care of their banking tasks, which leaves them unable to speak with a real person about their needs. Or, if they do offer evening support, it's costing the financial institution dearly. AI allows institutions to provide personalized banking assistance on their customers' schedules without increasing their own human capital. And for smaller institutions, it can be a game-changer to no longer be handcuffed by the human capital component.”



A third-party call center can be a solution for 24-hour banking, but it can also be very costly. When your membership starts growing rapidly, you end up paying more for your customer support, too. **With AI chatbots, you're able to support more people with the same resources.** No matter how many inquiries you have, customers don't have to wait on hold and the service they receive is easy to understand—we ended up getting better scores for our AI chatbot than our call center!”

Rey Chavez, Director of Member Contact Center, Advia Credit Union



Your Customers Expect...

## Fast and Accurate Information

When banking customers engage with their financial institutions, they measure the speed and accuracy of the service through two criteria. First, how quickly can the system access their account and deliver the correct information? Is it faster than a human could type it in and share it? And second, if they eventually do need to be connected to a live customer support agent, is their information captured and passed along accurately? In order to help you reach your potential, AI technology takes those general queries off your customer support team's plate, providing a quick, accurate, and effective response. If a query needs a more in-depth response, AI can hand it off to your human support staff to address.

"Today's Natural Language Processing lets you create a layered system of synonyms that match up with what a member could be trying to say," says Rey Chavez, Director of Member Contact Center, Advia Credit Union. "This cuts right through the confusion and allows your members to get fast and accurate information about their finances. It also ends up creating a very strong trust commitment because your members are able to self-serve their information while also feeling understood by their financial institution."

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**Customers often have a misconception of knowledge bases as some kind of antiquated knowledge repository.** But it's actually a powerful way to get the most relevant, accurate information to customers consistently across digital touchpoints, freeing those customer support agents up to work on higher-level customer requests.”

**Chris Savio**, Senior Product Marketing Manager at Bold360 by LogMeIn

Your Customers Expect...

## Security and Compliance

Fifteen percent of Federal Trade Commission (FTC) claims in 2018 were related to identity theft.<sup>6</sup> But even for customers that have not experienced identity theft or a data breach, privacy and security are top priorities, with 71% of consumers concerned about how companies collect and use their personal data.<sup>7</sup> This is another area in which properly-deployed AI chatbots can build trust with consumers by limiting user error and carefully automating potential compliance issues.

“There’s a connotation in the financial industry that security breaches are usually committed by a nefarious individual

who’s defrauding the bank and stealing from a customer,” says David Leonick, Product Manager, CX, at Wells Fargo. “But the overwhelming majority of security and compliance errors come from issues like user error when a customer support agent makes a mistake. Customer support agents make mistakes when they get tired or distracted. So, by automating complex and detailed tasks, you can see a significant reduction in compliance risk because you have built an AI agent that gives customers those disclosures in the correct way every single time. And in today’s banking environment, that level of accuracy and consistency is more important than ever.”

# Advances in Conversational AI

For financial institutions and consumers alike, the term “Artificial Intelligence” summons ideas ranging from Jetson’s Rosie the Robot Maid, to DeepMind’s chess champion, AlphaZero. But AI chatbots for financial institutions bridge that gap, providing a seamless, conversational approach to customer service built with modern Natural Language Processing (NLP).

NLP is the branch of AI that structures interactions between computers and humans.<sup>8</sup> It covers a segment of this technology that helps machines read, decipher, understand, and make sense of human language. Far from a clunky, scientific conversation, banking customers that engage with today’s AI chatbots experience a smooth back-and-forth that mimics the friendly and efficient service of the best customer support agent on your team. And when a banking customer needs more complicated support, they experience a smooth transition to your customer support agents.





# AI Gives Your Team More Time to Be Human

Whether talking with an AI chatbot or a personable customer service team member, the modern banking customer has high expectations for convenience, speed, and security. Which means that the technology you choose to deploy and how you deploy it is now just as important as who you hire and how you train them.

Today's AI solutions won't replace your customer service agents or get in the way of the human factors that drive the customer experience. On the contrary, they augment it, allowing you to do more without adding human resources. The higher the quality of your AI chatbot solution, the better it will be at taking the routine requests off the plate of your customer service experts—giving them more time to provide a personalized and positive experience for your customers.

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Built with cutting-edge Natural Language Processing technology, our conversational AI chatbots handle the most common challenges, freeing agents to tackle soaring customer expectations and make every interaction more human.

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