

Four keys to successfully launching conversational AI for your bank.



\$1 trillion

Annual potential added value of AI for global banks



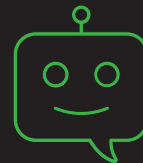
90%

Of bank executives plan to increase AI investments



7M

İşbank customers use Cline AI



60%

Banks use chatbots to enhance customer experience



+50%

Banks use conversational AI

Despite billions of dollars spent on game-changing technology each year, most banks are still struggling to capture AI's potential to transform the customer experience. Deciding where to start can be daunting, but there's no time to lose. COVID-19 has driven traditional banking online; virtual banks are already wooing younger generations; and consumers are choosing brands based on the quality of their digital experiences. The stakes—and the opportunities—are significant. McKinsey estimates that AI technologies could deliver up to \$1 trillion of additional value every year for global banking firms. The right AI technologies can help boost revenues through increased personalization, lower costs through greater efficiencies, and uncover opportunities for growth.

Conversational AI can help banks capture these lucrative advantages. But to reap the rewards, banks need to go to market quickly, meet customers where they are, deliver a positive experience, and assemble the right team.

Go to market now—or fall further behind.

Once consumers are loyal to a brand, it makes them easier to retain and harder to steal. That's the power of a high-quality customer experience, and why even traditional banks are ramping up its pursuit. Approximately 60% of retail banks are already using chatbots as customer experience aids, and more than half are incorporating natural language processing for conversational AI. The far-reaching impact of COVID-19 is accelerating these trends: nearly 9 in 10 financial services executives now plan to increase their AI-related investments through 2025.

As the competition heats up, a flurry of global industry leaders are increasing the speed and scope of their conversational AI launches. Bank of America's voice assistant, Erica, now has more than 10 million users. ICICI, one of the largest private banks in India, recently partnered with WhatsApp to reach one million banking customers in just three months. In July 2020, U.S. Bank launched a voice-first app that imitates the experience of talking to a teller and includes more than 300 features. İşbank, the largest private bank in Turkey, has expanded its conversational AI app to reach seven million

Meet bank customers where they are.

Banks have long relied on in-branch interactions to deliver and upsell services, but today's banking customers are first and foremost digital consumers, conducting their personal and professional lives via phone apps, social media, voice assistants, text, and more. The pandemic is accelerating fundamental shifts in banking preferences, and banks need to keep up in order to win over customers and unlock new revenue streams.

In the first few months of COVID-19, use of online and mobile banking channels increased dramatically across developed countries, and those usage levels are expected to hold steady in the post-pandemic market. Banks are making forward strides by redirecting their spending from brick & mortar branches to digital features like automated account creation and contactless payments. But there's still a long way to go. Customer acquisition and retention is especially challenging with Millennials and Gen Z, who may never set foot in a branch and are quick to switch banks or skip traditional banks altogether if they find a better online option.

Design a positive customer experience.

While most users have a positive attitude toward conversational platforms, they quickly run out of patience with AI that doesn't perform as expected. The challenge is to delight customers with experiences that are:

Intuitive: The interaction should flow like a "normal" conversation with another person and be as natural as talking out loud. For example, if a customer uses in-app voice to ask "Did my December paycheck hit my account yet?" they're expecting a simple yes or no answer. If the app serves up a month's worth of checking account transactions for them to sort through instead, they're likely to be frustrated and disengaged.

Personalized: The most effective conversational AI lets users customize their experience. From simple daily balance updates to friendly nudges when they're about to exceed their monthly

customers, while in Russia, Tinkoff Bank recently bolstered its Oleg voice assistant.

These innovative banks are winning business from competitors and pulling the industry forward. Some have chosen to accelerate their speed to market by partnering with vendors. For example, U.S. Bank's new app was created with assistance from Clinc, who designed the voice AI and helped the bank go live in a fraction of the time—and for a stunning 95% less cost—than Bank of America, who chose to develop Erica in-house on their own platform. İşbank took yet another approach: They partnered with Clinc to build a conversational AI on a Clinc-provided platform, giving their internal teams hands-on training and equipping them with the knowledge and tools to improve their own app moving forward.

Whether they choose an internal, external, or hybrid approach to AI development, the first step for banks just coming off the sidelines is to understand where their audience truly is.

To gain insight into customer behavior and motivation, banks can turn to a reliable resource they already have on-hand: call center data. Analyzing why customers contacted the call center provides a clear window into which tasks they weren't able to accomplish on their own. Armed with that data, banks can start exploring how and where conversational AI could be used to answer customer questions and enable greater self-service. Perhaps customers want to freeze a lost debit card, dispute a charge, or get an update on a loan application. Instead of having to contact the call center, could customers ask the bank these questions via their Google Home device, Siri, or a quick text? Thanks to the growing power of AI, the answer is almost always yes.

Conversational AI creates an avenue for banks to connect with consumers where they live—online. But meeting them is only half the challenge. The experience customers have during that connection makes all the difference.

carry-out budget, the ability to make the experience their own is of high value to today's consumers.

Seamless: Few digital experiences are as irritating as being asked to repeat the same phrases or re-enter the same information. Modern users expect brands to follow them across devices, so that they can go from voice commands in their car to texts on their phone or Facebook app without missing a beat in the conversation.

Delivering on these three tenets of conversational AI is a tall order. While it may seem aspirational (or overwhelming) for banks just starting out, it's critical to keep these principles top of mind from the start – and to have them front and center when assembling the team that will design and execute your AI solution.



Build (or borrow) the right launch team.

Conversational AI is still fairly new, and banks find themselves competing across every industry and geography for a small subset of high-tech talent with the right expertise. The people most in demand are also shortest in supply: AI developers and engineers, AI researchers, and data scientists who have endless choices of where to take their skills, including high-energy start-ups, established tech titans, and fast-growing fields.

Banks that attempt to address the talent shortage by developing conversational AI in-house face their own set of challenges. Teaching AI to anticipate human behavior is an incredibly complex task, and what appears to be “free-flow” interactions actually need to be

carefully curated and structured by skilled designers to ensure logical conversations paths. In-house AI teams are often inadequately staffed and fail to take a product to market before their funding is pulled—or worse, take a subpar product to market and damage the company’s brand and customer relationships.

For banks just starting down the path of conversational AI, it often makes sense to look outside their own walls. Engaging seasoned conversational AI designers and/or partnering with a proven third-party platform can minimize a bank’s internal learning curve, alleviate risk, and accelerate speed to market.

To ensure sustainable success, Clinc recommends that conversational AI teams be staffed with the following roles and responsibilities:

Experience Owner (XO)	Conversational AI Designer (CD)	Software Engineer (SW)	Conversational AI Engineer (CE)	Quality Assurance Lead (QA)	Project Manager (PM)
Scope definition iteration	Personality creation	Deployment	Data quality analysis	Test suite coverage	Track project progress
Usage & containment analysis	Response generation	Load & resilience testing	AI enhancements	Quality assurance	Sprint board management
Out-of-scope analysis	Voice of the enterprise	Channel integration	Data collection & labeling	Experience testing	Facilitate scrum meetings
Channel growth analysis	UI/UX creation	Business logic			

Start the conversation today.

The modern banking customer demands fast, friction-free experiences across every touchpoint of their digital lives. To keep up, banks need to deliver AI-powered interfaces that are as intuitive and seamless as human conversations. When you’re ready to start unlocking the possibilities of conversational AI for your bank, Clinc is here to help.

Let’s start the conversation today. Learn more at clinc.com.

1. McKinsey & Company “AI bank of the future: Can banks meet the AI challenge?”
2. The Road Ahead: Artificial Intelligence and the Future of Financial Services
3. Deloitte Digital’s Digital Banking Maturity 2020 Report
4. [Becoming Human “Conversational AI: The growing potential of chatbots and intelligent personal assistants for businesses”](#)
5. Deloitte “The AI talent shortage isn’t over yet”

