



Artificial Intelligence Chatbots

Breaking the Status Quo in the Financial
Services Industry

Executive Summary

The Financial Services Industry is stuck in a rut. Whilst competition, customer expectations, and technological development are all on the increase, at the moment financial entities fail to have their fingers on the pulse. As customers' demands and expectations continue to evolve, so does the need to match their pace and even to preempt what they will want, before they even know they want it.

It is no longer just enough to assume that your BFSI business will be ok because people will always need banks or insurance – as customers become savvier, they are looking for service providers that can meet, exceed, anticipate, and fully appreciate all of their needs. Furthermore, as costs for business operations increase, the need is increasing to find ways to lower outgoings whilst not compromising on service.

One of the biggest costs of BFSI business is providing a responsive and comprehensive level of customer service. Nowadays, customers want answers to their questions and queries immediately, and they also want them on a 24-7 basis, from any place in the world, and ideally using a range of devices

including smartphones and laptops. Gone are the days of sending emails and staying on hold for hours, today's consumers want answers and they want them right now. But offering this level of service comes at a cost. That is, unless you consider how artificial intelligence can help.

Since the financial crisis, the BFSI sector has struggled with profitability. Businesses operating within this sphere need to find new ways to not only save money, but also to enhance the service that they give their customers. It has been estimated that the use of Artificial Intelligence in the BFSI sector can save upwards of [\\$1 trillion in costs](#), a figure that is hard to ignore.

**AI can save
\$1 trillion in
costs.**



Introduction

Artificial Intelligence enables businesses to get closer to their customers by delivering exceptional conversations which can be intelligent and highly adaptable.

AI chatbots can automate a wide range of interactions with customers and can faithfully emulate natural, human conversation and can be utilized across a multitude of messaging apps such as Facebook Messenger, Skype, Slack, and can be built into a variety of platforms, such as website, mobile app, or email client to answer customers across devices, anywhere at any time.

AI can act as the first port of call in a new customer conversation, it can direct clients to the right department, and it can also answer a range of questions pertaining directly to the business. AI chatbots can be informed and directed by the business, and can even onboard clients for certain circumstances. AI chatbots work 24-7, every day of the year and lighten the load on your finances and staff.



Modern Day Problems in BFSI Sector

Providing on-demand customer service that meets the expectations of clients is just too expensive.

Financial institutions are hesitant to embrace new technology and break the status quo, meaning that levels of customer service satisfaction are rapidly dwindling. Unwilling to try new methods, money is being spent on service channels that are not effectively engaging their client base, and as a result, customers have grown disillusioned with the sector and those that operate within it.

In an increasingly 24/7/365 world, consumers are getting accustomed to having their needs attended to whenever they want and regardless of where they are. Gone are the days of snail mail, picking up a phone to a contact centre, or waiting three working days for a reply to an email.



With **72% of customers** stating that valuing their time is the most important thing a company can do for them, being able to provide time efficient service to them should be a priority.

Recent [research conducted by Hubspot](#) showed that 82% of consumers want an immediate response to their marketing or sales question, whereas 90% want an immediate response to their customer service enquiry. In addition to this, [a recent Facebook survey](#) stated that over half of all customers are more likely to engage with a business that they can communicate with via a messaging app they already use. In other words, people want instant service and they want it through a messaging platform, ideally one that doesn't require them going out of their way to use it.

Small to medium enterprises rely on administrative staff to answer phones, attend to emails, and man live chat platforms, but this is just not enough. After the staff go home, who is there to answer the customers enquiry? Paying for a company representative to be on call 24/7 is just not feasible for many SMEs and when a client is unable to get a response immediately, they will seek an answer from a competitor that can answer them in a timely manner.

Forrester recently found that 42% of consumers will abandon an online

transaction if their question is not addressed quickly. McKinsey discovered that 75% of online customers expect help in under five minutes, and Zendesk found that 64% of customers expect to receive real-time assistance. This results in a situation where companies are losing business to those that can afford 24/7/365 customer service solutions.



- **Front Office: \$490 billion can be saved** from reducing cashiers, customer service agents, and other staff.
- **Middle Office: \$390 billion can be saved** by using AI for compliance, AML/KYC, data processing, and other types of authentication.

Traditionally, businesses have turned to several options to help them meet the demands of their increasingly mobile and round-the-clock customers.

Contact Centres

Whether in-house or outsourced, contact centres have been the traditional way of managing customer and potential customer enquiries, the problem is that they are just not doing the job well enough. Whilst 81% of customers do pick up the phone to call when they have an enquiry, 75% of them will look for other ways of communication such as chat or messaging [before](#) resorting to this method.



Call Center Problems

- Call centres are expensive to run.
- With high staff turnovers of up to 43%, hiring, training, and retaining staff is an expensive process.
- It is both expensive and difficult to provide multilingual support, particularly on a round-the-clock basis.
- Scaling a call centre to manage peaks and troughs in business is hard to do.
- It is hard to guarantee that call centres are GDPR compliant.
- With customer service expectations increasing, call centres are not rising to the challenge and suffer from low customer service experience ratings.
- 80% of enquiries to call centres are the same so agents spend most of their time answering identical queries.

Call centres are failing and are no longer able to keep up with the needs of today's customers. Expensive, inefficient, and at times unreliable, consumers are becoming increasingly disillusioned and dissatisfied with call centre experiences. Furthermore, the cost of running them is exorbitant and not efficient enough for today's competitive market.

Live Chat

Some businesses, realising the inefficiency of contact and call centres, have instead opted to integrate live chat features onto their websites. Whilst it complements the fact that consumers are increasingly preferring to chat virtually rather than verbally, there are still some issues that present themselves.



Live Chat Problems

- Live chat still relies on having agents on hand to answer enquiries, meaning all the issues that are applicable to call centres, also apply.
- Customers still experience waiting times depending on how busy the service is and how many agents are on duty.
- If the internet connection drops, most sessions are disconnected meaning the customer has to begin the whole process from the beginning.
- Most live chat platforms integrate with websites only, meaning customers have to navigate on their browser and this can be complicated on mobile devices.
- Live chat overheads can be just as high as they are with call centres.

Whilst live chat may be a step in the right direction, it is not enough to keep increasingly demanding and digitized customers happy.



Free/DIY Chatbots

Some of the more technologically savvy businesses have opted to test out free or DIY chatbots. Whilst both of these options save money, unfortunately they usually end up costing a business in other ways.



Free/DIY Chatbots Problems

- These chatbots limit your options when it comes to marketing, branding, customizing, scaling, integration, and multi-channel functionality.
- The level of AI available is significantly restricted leading to issues such as lack of quality communication, poor conversational skills, and multiple failures in resolving customers queries.
- Support, guidance, and even technical and maintenance support is likely to be non-existent.
- No one will ever be able to access the source code meaning that the business has no control over functions, migration, or even how data is captured, processed and stored. This leads to a multitude of issues, including violations of GDPR.

Customers are expecting quicker and better service but BFSI businesses are not able to keep up with the demand due to cost, implementation and scalability issues. This leads to disillusioned customers, lost business, and a decrease in revenue.

The Future of AI

The future of AI is likely to surpass anything we could currently comprehend. Whilst savvy businesses users are integrating AI bots such into their customer service and operations processes, researchers at some of the world's top institutions are exploring fully AI-operational banking solutions. These conversational AI bots will be capable of engaging in a full verbal conversation with clients, much like an agent would, rather than relying on question and answer scenarios via a text platform.

At the moment, only [15% of businesses are using AI](#) but this number is expected to increase to at least 31% over all industries as businesses begin to rely on the data gathering and analysis capabilities that AI has in their particular business sphere. This ability to gather and process data in ways that were never possible before is expected to significantly up the game in the world of business, not just in the BFSI sector.

The future of AI in BFSI is going to comprise of deep computer science minds constantly striving to not only improve customer service and BFSI operations, but to even surpass what we have now.

Banks that invest in AI and human-machine collaboration in their businesses can look to boost their revenue by an average of 35% and their employment by [14% by 2022](#). Furthermore, [76%](#) of banking Chief Operations Officers believe that adopting AI will be a critical part of their businesses ability to differentiate in the market.

The future of BFSI businesses achieving their strategic priorities, lies in their ability to develop seamless collaboration between humans, and machines.

A 21st Century Solution for BFSI

The solution is to provide BFSI customers with 24/7/365 client-facing assistance that is on-demand, multilingual, intelligent, and of course, cost effective for businesses. Those that operate within the BFSI sphere need to have an open attitude towards adopting new technological solutions that will help them to manage and overcome daily operational hurdles. This willingness to explore new possibilities will allow employees to free up their time, nurture more meaningful professional relationships, and to excel in more complex and stimulating tasks.

By 2020, customers will manage most of their relationship with a business, without interacting with a human, so BFSI businesses that take steps to integrate AI chatbots now, will become trailblazers in what is going to be an inevitable adoption of AI.

One of the key roles that AI serves is to engage customers and to improve the services offered as well as offering businesses the opportunity to offer automated conversations to their customers and clients. The BFSI sector is worth over EUR 6 trillion- a number that is set to increase exponentially. As more and more competition enters into the market, and demands of customers become more digitally focused, the industry needs to react accordingly.

AI is capable of automating, reengineering, and transforming a wide range of aspects of your business. When used to its full capability, you will see many benefits including better customer service satisfaction, more streamlined workflow, dramatic improvements in efficiency, and tangible cost savings.

According to research from Business Insider, AI automation is not unwelcomed by members of the public. In fact, when compared to the public opinion towards call centres, AI bots come out on top. Here is a snapshot of the research which received 5000 respondents worldwide:

- **44%** were happy to deal with a customer service chatbot.
- **38%** of chatbot users rated their experience as positive. A further **51%** had a neutral stance.
- **48%** stated they preferred chatbots that solved issues rather than have a personality.

Your customers today want convenience and having an AI handle their requests 24/7 gives you the platform to provide it. The fact that you can deploy a Facebook chatbot or a WhatsApp chatbot day in day out, gives your customers the opportunity to discover information and make purchases that they could not do before.

Banking

When it comes to banking institutions, the most common enquiries received include balance checks, information on incoming or outgoing transfers, questions relating to the account or institution, and changes to personal details. All of these can be automated via the use of a chatbot, therefore freeing up agent's time to deal with other matters. Also, with an increase in the global mobility of clients, the requirement for a bank to be available across multiple time zones, means that AI is the perfect solution.

Insurance

AI can be used to assist customers in obtaining quotes, upgrading coverage, and answering questions about current or prospective plans. It also has the ability to receive claims and notifications before passing cases onto the relevant department.

Investments

When it comes to investments, AI can act as a robo-advisor as well as provide real-time predictions based on its analysis of big data and complex algorithms. AI also has the ability to manage investment portfolios including equities, bonds, gold, real estate, forex, crypto and more.

In a sector where predicting trends, analysing behavior, and being on call on an around the clock basis is imperative, AI's use-cases in the world of BFSI are almost endless.

All this may sound like a pipe dream, but the solution already exists.

EBO - The Chatbot Disrupting BFSI



EBO is an Artificial Intelligence chatbot which is currently disrupting the customer experience and service industry. Intelligent and adaptable, EBO can automate a vast number of interactions with customers in an on-demand and instant manner.

EBO is here to help businesses save time and resources by offering a deep level of artificial intelligence, learning capabilities and a love for conversing and helping customers with their queries. It also allows full automation of repetitive tasks or FAQs and allows staff to focus on what matters, rather than just the small things. The days of automated human conversations are here, 24/7.

EBO's vision is to help businesses build closer and longer lasting relationships with their BFSI clients through delivering exceptional service through AI-based conversations. Through the implementation of EBO, the aim is to improve engagement by 220%, reduce calls by -30%, and increase product consideration x 1.5.

Integrating EBO into a BFSI operation does not need to be a complicated and

arduous task, however it does require expert knowledge. This is where the solution delivery team at EBO come into play. Comprised of AI experts, developers, conversation design specialists, quality-assurance specialists, CX engineers, and technology consultants, the team works together to ensure EBO fits your requirements.

By using EBO as the first port of call for customers, each enquiry can be either dealt with immediately, or qualified and passed to the applicable and appropriate company representative. Countless manpower hours can be saved, operational costs can be streamlined efficiently, and client satisfaction will increase dramatically. Can you afford not to have EBO?



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