

How AI and a personal touch can rebuild trust in financial services

by Lynda Barnes

AI is not here to take your job.
It's here to make the industry more customer-centric, and humans still have a vital part to play.
Let's find out more.



Artificial intelligence (AI) software has a chequered reputation. Many people worry that AI that automates specific tasks will eventually put them out of a job. At the same time, some consumers find the prospect of interacting with a piece of software instead of a human unsettling. However, when you combine the power of AI with the unique emotional intelligence that only humans can bring, you can create something unique. By using AI in this way, financial services companies can be better at putting customers at the heart of what they do.

In this article, we'll look at how AI with a human touch can make financial services more customer-centric. We'll also talk about the areas where humans still have a role to play.

Financial services has a customer-centricity problem

It's fair to say that there is a disconnect between financial services organisations and their customers. Customers use these companies because they have to, not because they want to.

In 2019, the Edelman Trust Barometer gave financial services a trust rating of just 51% (although that was up from 43% in 2014). **Research from PWC** found that customers are concerned about:

- Getting poor returns from their savings (37%)
- Being overcharged through unfair fees (31%)
- Institutions making risky investments with their money (30%)

What's more, there's a chasm between how companies rate themselves and how their customers feel about them. Research by Bain & Company discovered that while 80% of companies say they provide 'superior' customer service, only 8% of their customers agree.

Companies have tried to address this customer-centricity problem with new products and fluffy marketing campaigns, but they are finding success from an unlikely source – AI.



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How AI helps companies give customers what they want

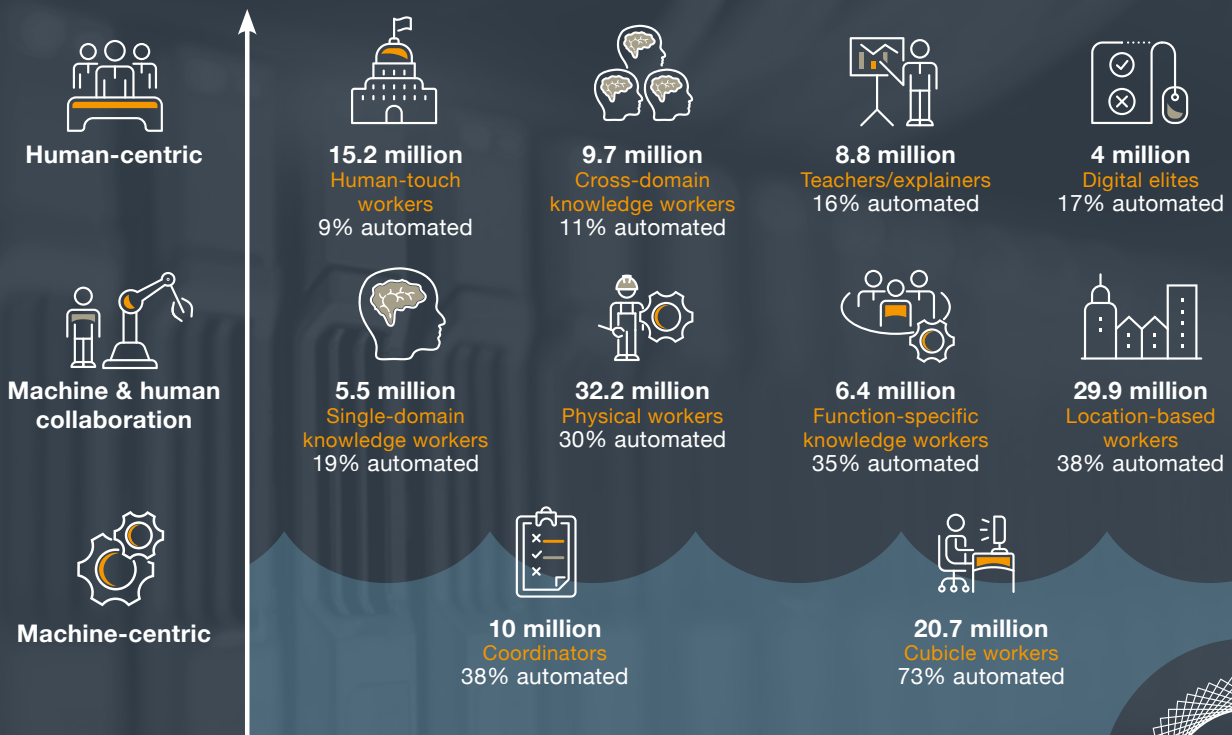
Artificial intelligence may sound complex, but it performs a very simple function in financial services – adding a human touch.

For example, companies can create conversational chatbots that sit on their website. If a customer has a question, they can ask the chatbot. Assuming it's programmed well, the chatbot will give them the information they need quickly and easily. Customers will be able to follow up and connect to a human being if necessary.

Chatbots help the customer because they function 24 hours a day (there are no business hours!), you don't have to sit on hold for an hour to talk to a chatbot, and they give simple answers to simple questions.

AI is also better than human beings at collating and analysing large amounts of data without bias, conscious or unconscious. For example, in the insurance industry, AI can help accurately evaluate risk and offer the customer a quote to match. This is useful for the customer and the company.

In a world where 86% of buyers will pay more for a better customer experience, financial services companies are using AI to gain an edge over their competitors.



The water rises as automation handles greater context & variability.





Humans still have a role to play

While there are numerous real-world examples of financial services companies using AI to improve customer experience, there will always be examples where AI falls short, where humans still have the advantage. **Not every problem can be solved with technology.**

While AI automation has replaced humans in certain situations, such as at Fukuko Mutual Life Insurance, where 34 employees were made redundant and replaced by IBM Watson Explorer AI, most institutions prefer to use AI with a human touch.

Areas that are still human-centric, where AI has had little effect, include:

- Human touch workers
- Cross-domain knowledge workers
- Teachers/explainers
- Digital elite

The advantage for humans is that they possess emotional intelligence. Customers aren't robots and they buy with their hearts as much as their brains (if not more). Technology should be used as an enabler for humans to provide a better customer experience, not a replacement.



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