

CELENT

MAXIMIZING CUSTOMER VALUE THROUGH AI-DRIVEN RELATIONSHIPS

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EXECUTIVE SUMMARY

COVID-19 is justifiably top of mind for bankers today, yet two pre-pandemic hot topics remain salient today: customer experience (CX) and artificial intelligence (AI). CX is inextricably bound with emotion and with customers' increasing desire to get exactly what they want and need, when they want it. Real time isn't yet table stakes, but the breakdown of traditional servicing in the early days of shelter-in-place orders has amplified its need. An overused and overly general term, AI nevertheless is going to be hugely valuable in improving CX, particularly when machine learning (ML) techniques are applied in a world constantly in flux.

A basic and high-level understanding is built on Celent's definition of AI: "Technology that makes inferences and decisions that used to require human involvement." In banking, ML techniques bring improvements in risk modeling, biometrics, fraud detection, underwriting, and marketing. Data powers this; the more data that inference engines can ingest, the faster and better they can learn, and the better their answers.

Applying AI to the banking customer lifecycle helps banks across four key phases: acquisition; servicing; nurturing/retention; and growth. All of this must occur while continually managing risk and fraud. Customer interaction will be both wholly digital and mediated through employees. AI can help in both of these experiences.

AI algorithms should be built on a robust data foundation. Basic data provides a good start (e.g., the customer record and list of product holdings), while supplemental records like channel interactions and behavioral data can significantly improve the quality of the interactions. To turn this data into actions — specifically, next best actions (NBA) — requires modeling. ML can help construct and iterate two fundamental sorts of models: propensity models, which calculate the relevance of particular actions to a customer, and value models, which calculate the worth of an offer to the bank.

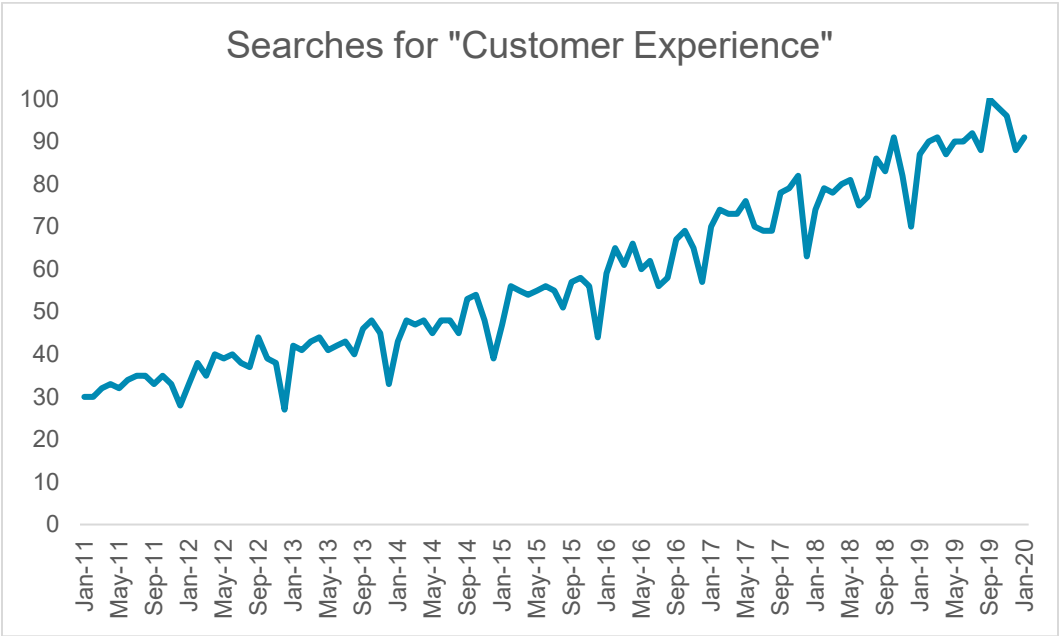
To make this work, banks should consider six principles: 1) be focused and start small; 2) get your data house in order; 3) determine success metrics and iterate; 4) strive for real time; 5) build in analytics capabilities; and 6) recognize that consumers will give you only one chance.

A customer experience that recognizes the unique needs of each customer is the critical differentiator for banks today. A well-crafted AI strategy to improve it through a robust set of real time NBAs, not just sales offers, will be an important element of banks' engagement strategies.

CUSTOMER EXPERIENCE CONTEXT

Banks today understand the necessity of delivering a differentiating customer experience, and worldwide interest in the topic has steadily grown over the last decade (Figure 1). With non-banks previously raising the bar and the current market volatility, customers expect even more from their financial institutions. But delivering on those expectations effectively and efficiently is hard. Banks and credit unions need to be able to deliver an experience that flows across silos over the course of an individual customer journey in a real time way that presents a unified face of the institution to the customer. You need to show customers that you understand their pain, that you're ready to help, and that you can provide tangible value — even when everything else is turned upside down. AI technologies provide a useful set of tools that can help banks provide personalized interactions.

Figure 1: Customer Experience Has Become More Relevant over the Last Ten Years



Source: Google Trends, January 2020. Results indexed to maximum of 100 in September 2019.

We should note that while there are a host of areas where AI can help a bank (including a wide range of process-oriented activities that benefit from AI's pattern recognition capabilities across wide sets of data), we're going to focus on a specific set of customer interactions that will ultimately benefit both the customer and the financial institution. First, though, we should clarify what we mean by AI.

OUR VIEW OF ARTIFICIAL INTELLIGENCE

We joked that saying “AI” is a way to increase the chances of your project being funded by 30%. All kidding aside, AI is such a broad term that showing how it can specifically help deliver results requires defining it.

Our quick definition is that AI is technology that makes inferences and decisions that used to require direct human involvement (Figure 2).

Textbooks tend to agree on certain key attributes of AI. They include reasoning, knowledge, planning, learning, natural language processing, perception, and manipulation of the physical world.

AI is technology that makes inferences and decisions that used to require direct human involvement.

The study and promise of AI has been cyclical. The concept first was floated in the 1950s, but several times since then, the promise exceeded the delivery, and funding dried up, resulting in so-called “AI winters.” The most recent AI winter ended around 2012, driven in part by interrelated advances in three areas: computer processing power, data availability, and algorithms.

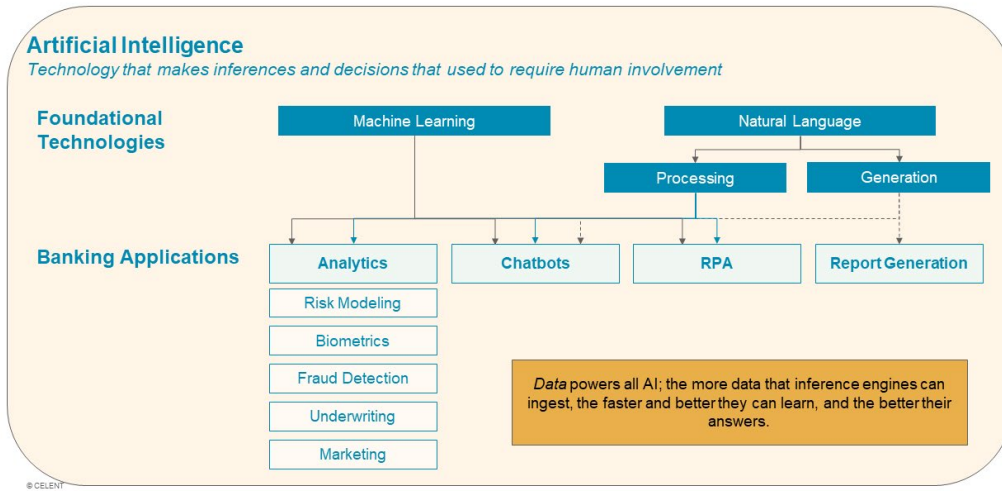
The two subcategories of AI most salient to financial services are **machine learning** (ML) and **speech**, including both natural language processing (NLP) and natural language generation (NLG).

ML occurs when computer systems complete a task without explicit instructions and then use new data to alter their decision-making criteria (their algorithms). There are many branches of ML, and the field advances constantly, but for our purposes the key element of ML is the notion of machines being able to make decisions that improve over time as new data is encountered. Data, incidentally, is critical to ML; the more data that ML algorithms are exposed to, the better their performance.

NLP and NLG let humans communicate with computers by speaking or typing as they would to another human, without having to learn specific and sophisticated programming languages or syntaxes. While data scientists have made great progress with natural language, there is still a long way to go before language algorithms can handle human interactions as well as humans. Nevertheless, in well-defined situations with a bounded set of use cases, natural language can increase the efficiency of human workers.

Figure 2: Artificial Intelligence Has Two Main Banking Applications

Celent's Fundamentals of AI in banking



Source: Celent Analysis

While robotic process automation (RPA) is perhaps not strictly AI, since it typically follows a strict set of rules, it's still a very useful technology. When the ML can watch a process to which RPA is being applied and see what exceptions are generated and how they're handled, and *then modify the RPA rules*, that's AI-enabled RPA.

The benefits of AI are wide-ranging. It can take actions based on volumes of data that humans simply wouldn't be able to assimilate and analyze on their own. In doing so, AI can reduce costs, mitigate risks, increase revenue, and improve the customer experience. How, specifically, can this set of technologies help improve the customer experience of consumers interacting with financial institutions?

USING AI TO IMPROVE CUSTOMER EXPERIENCE

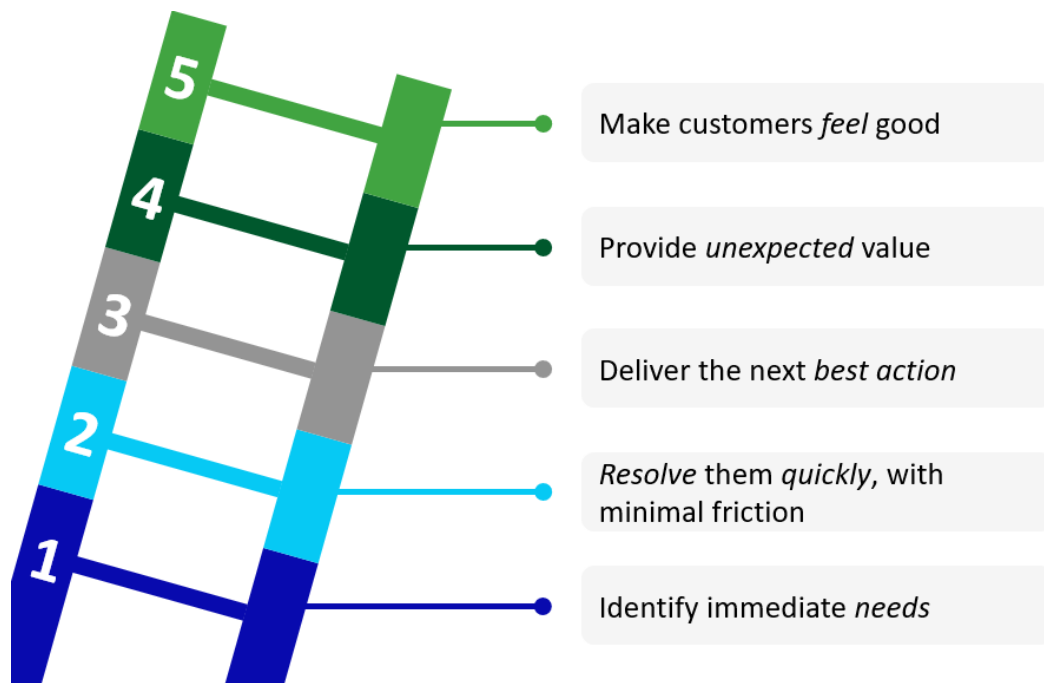
We've established that delivering excellent customer experience is critical for banks — now more than ever. We've also shown that AI, particularly ML, can help banks become more efficient and more effective. We'll now discuss some specific ways in which ML can help improve the customer experience¹ to improve retention and directly drive revenue growth.

WHAT DO CUSTOMERS WANT?

Just saying “improve customer experience” isn't terribly useful. What are the specific elements of customer experience that need to be improved, and how can banks go about doing that in a staged and systematic fashion?

It's helpful to think about customer experience in terms of a progression. Like Maslow's famous hierarchy of needs (physiological, safety, love/belonging, esteem, and self-actualization), there are a set of customer experience needs that range from the very basic to the highly sophisticated (Figure 3).

Figure 3: Customer Experience Hierarchy of Value



Source: Celent Analysis

At the most basic level, a bank must be able to figure out what the customer needs in the moment, *even if the customer can't articulate it*. The bank should then meet those needs, resolving them quickly with the least amount of effort necessary from the customer. Closed branches and overwhelmed contact centers have shown that this needs to be digital if at all possible. After that, being able to provide the next best offer — and not necessarily the next best offer — improves the feelings the customer has toward the bank. Climbing the ladder, banks should surprise the customer with something valuable (an insight, an offer, or even a compliment). And finally, in a world of intangibles, a bank

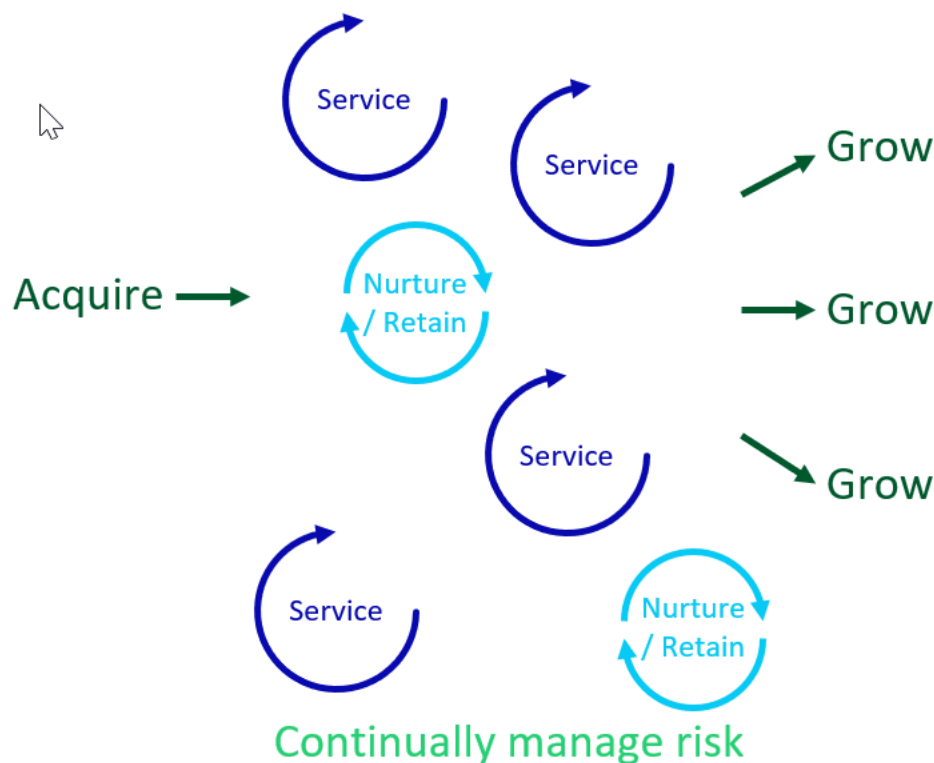
¹ Natural language analytics can be used for sentiment analysis, but that particular application of AI is one that we'll save for another report.

reaches the top by leaving the customer feeling good. There are many ways to do that (and even more ways to leave them feeling grumpy, frustrated, or unsatisfied), but the notion of attending to a customer's emotions is new to many banks. Making that an explicit goal is worthwhile, but what's the role of AI in delivering this enhanced customer experience?

HOW CAN A BANK DELIVER AI-ENHANCED CUSTOMER EXPERIENCE?

The notion of a customer lifecycle is well known, and AI can play a role in each phase (Figure 4). The enhanced customer experience, while good for the customer, is also good for the bank. It can pull each of the three main levers of value: increasing revenue, decreasing costs, and mitigating risk. It's worth noting that as customers expect more from their banks, *real time* customer experience has become more important than ever before; that demand for real time will be nearly impossible to meet with most banks' current customer experience architecture.

Figure 4: Where AI Can Help in the Customer Lifecycle



Source: Celent Analysis

It's particularly important to note that not all this improvement will come from customers interacting directly with algorithms. In many instances, AI-augmented bank personnel — from call center representatives to back office processors to underwriters — will be the ones directly using the technology to deliver results to customers more quickly, at better prices, or more intuitively. In the examples below, we've focused on inbound interactions for brevity and because that's where we believe most firms should start.

Customers Interacting Directly with Systems

In many instances, customers won't have any contact with a human banker. If they take the initiative, they'll likely connect via mobile or a laptop; in some cases, it may be via phone or, occasionally but increasingly, using a voice device. The common thread is that advanced interactions are driven by algorithms, programs that can use ML to improve

over time as they ingest more data and learn from their ongoing interactions. Below, we show some ideas of how AI can improve CX across the lifecycle.

Acquire

AI can improve customer acquisition in two distinct ways. First, look-alike modeling lets a bank or credit union determine a browser's persona and tailor the interaction based on what's been effective with similar personas. This increases conversion rates and decreases acquisition costs. Second, as the prospect becomes a customer, personalized bundling can increase initial transaction revenue and margin, including the sale of appropriate additional products.

Service

Customers interact with the bank most during the servicing phase, when they need to execute transactions or find information. These common interactions provide numerous opportunities for CX enhancement via AI. For example, providing relevant content on the screen can increase self-service adoption as the satisfied customer keeps returning. Over time, this decreases servicing costs. A major Canadian bank has identified that a significant portion of inquiries at the call center related to whether digitally initiated payments had gone through. The bank altered the response protocol so that if a customer rang immediately after initiating a payment, the first words they'd hear would be (paraphrasing), "If you're calling about your recent payment to [merchant], we're currently processing it. If you're calling about another matter, please tell us what it is."

Nurture/Retain

Customer nurturing and retention is closely related to service but is nevertheless distinct. These interactions are typically bank-led, as opposed to customer-initiated service interactions. In the midst of the pandemic, as we transition to the new normal, this should likely be the primary focal area for banks as they look for long-term customer value.

One example of nurturing comes through providing relevant content proactively, in the form of preemptive nudges that can surprise the customer and help them avoid issues they hadn't even considered. This can decrease servicing costs and increase customer satisfaction. Another tactic is to generate reminders, like account features that aren't being used, to stimulate engagement and increase satisfaction. A common thread is that the customer doesn't have to set anything up; information, advice, and questions are served, and the customer can provide feedback on whether they're helpful or not.

An extreme form of nurturing comes into play when the customer is considering ending the relationship or switching to another product. Real time recommendations at a moment of switching truth have the potential to keep customers from defecting without having to overuse incentives. On a more advanced level, ML can help to identify customers at risk of attrition. The bank can then make proactive offers to customers to head off leaving situations before they escalate. ML can, in turn, analyze the success of various types of offers and help to improve them.

Finally, we'd note that the market is volatile right now – and so is customer context. Massive shifts in policy and spending are destroying existing predictive models and no one knows how many shifts will occur before we arrive at the "new normal", when that will occur, and what it will actually like. Machine learning will be critical to catch the zigs and zags that will be taking place over the next 3, 6, 12, 18 months – automatically. Hand constructed predictive models will not be able to keep up with the frequency of change.

Grow

Knowing the customer is the key to using AI to help grow the relationship through the addition of new assets or the adoption of new products. Identifying bundling opportunities can increase revenue while providing a defense against attrition. And as the system learns more about the customer, it can provide ever more relevant offers at the

appropriate time. Importantly, ML can help not just in the *what* but also in the *how*. That is, the bank must not only decide what product or service to offer but also how to present it to the customer.

Manage Risk

All of this should take place in the context of mitigating risk to the institution. Improving underwriting, increasing the appropriateness of offers, and monitoring for warning signs can all help decrease defaults and collection costs.

Customers Interacting with Employees

AI can still play a role for those customers who opt for a human interaction, whether by phone or in person. In this case, AI helps the employee to deliver a better customer experience. There's actually a lot more room for error in this scenario for two reasons. First, the employee can be trained; even a modicum of education will go a long way (e.g., teaching employees the best question syntax or when to ditch the AI to find the information themselves). Second, employees will tolerate a less-than-perfect experience and can adapt on the fly to solve the customer's problem. Employees realize that using AI to solve 80% of their issues is a lot better than having it solve none, and they'll be tolerant of the 20% where they have to do things the old-fashioned way.

What, then, are the advantages of employees using AI to deliver a better customer experience? While they clearly benefit from all of the use cases outlined in the direct interaction scenarios above, they also can become much more efficient. They can use guides on their computer or tablet, or they can take advantage of "whisper bots" to guide them quickly to where they need to go rather than navigating pages of nested menus.

On the employee retention side, AI can make their job more interesting by reducing the time spent on mundane tasks and make it easier to find information (the amount of which is so huge that it can be nearly impossible for most people to assimilate it). This can increase job satisfaction and improve employee retention.

Building the AI Algorithms on a Robust Data Foundation

Banks have the most basic data they need to begin using AI to improve CX: the core customer record and a list of product holdings. The real value comes from incorporating channel interactions and banking behaviors, and not everyone has the systems in place to capture those interactions and behaviors and then make use of them in AI algorithms. Figure 5 shows a more comprehensive (but still vastly simplified) list of useful data.

Figure 5: Data to Be Used in AI-Driven Customer Experience

DATA TO CONSIDER

(Illustrative only – by no means complete)

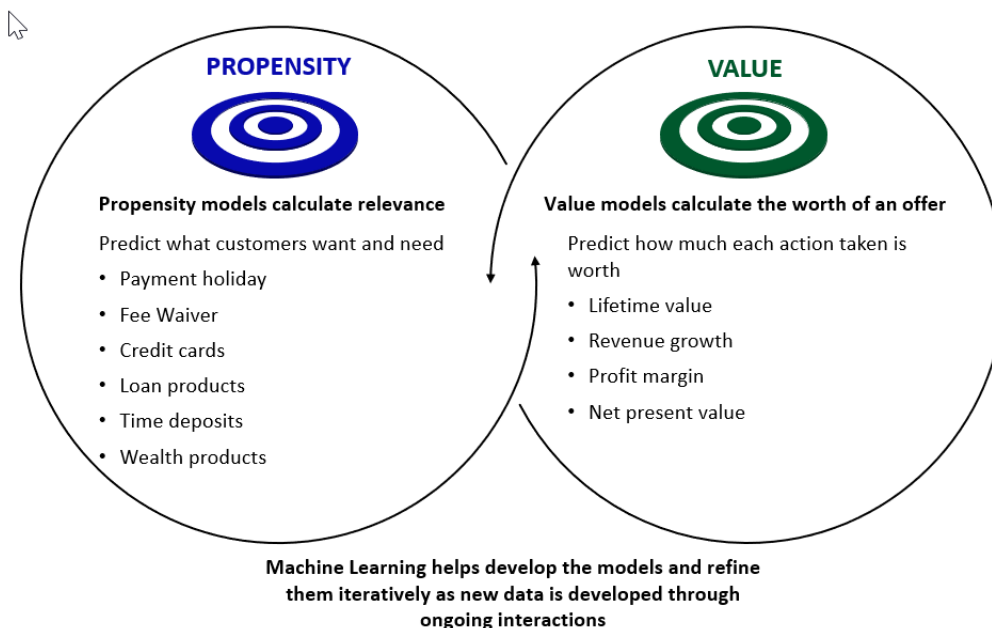
Individual & Household	Product Holdings	Channel Interactions	Behavioral Data
<ul style="list-style-type: none"> Name & Address Age (Date of Birth) Lifetime Value Tenure Asset Amount Marital Status Housing Type Household Age Of Youngest Child Age Of Oldest Child Household Size Current Product Holdings Residency Status Personal Income, Household Income, Self-employed Income Length At Employment Credit Score Military Status 	<ul style="list-style-type: none"> Number of Accounts Account Type Balance Active Status Reward Type Open Date Average Monthly Balance Average Yearly Balance Average Transaction \$ Average Transaction # Account in Arrears (Y/N) Credit Line Available Credit Delinquency Amount 30 Days Past Due (Y/N) 60 Days Past Due (Y/N) 180 Days Past Due (Y/N) 	<ul style="list-style-type: none"> # Web Logins, Past N Days # Mobile Visits, Past N Days # Online Banking Logins, Past N Days Days Since Last Login Count Emails Opened In Past N Days Number Of Emails Clicked Through In Past N Days # Page Visits On Website Total Visit Duration Average Visit Duration Average # Pages Viewed Interaction Intents 	<ul style="list-style-type: none"> Average Monthly Deposit # Of Deposits, Past N Days # Branch Deposits # ATM Deposits # Mobile Deposits # Withdrawals In The Past N Days # ATM Withdrawals # Non-Atm Withdrawals # Credit Card Trans Average Checking Account Balance Bonus Points Earned # Products Owned # Time Deposits # Credit Cards # Cards with Current Period Transaction

Source: Pegasystems

Once that data is in place, the bank must use it. Using two types of models helps banks focus on what they'll deliver to their customers and also what the benefit to the bank will be. **Propensity models** predict what customers will want and need, while **value models** assess how worthwhile each action will be for the bank. Bankers can use ML to develop the first iteration of each model using historical data. As the models are implemented in the field and customers' reactions gauged, ML can develop the next generations, continuing to iterate as more data comes in (Figure 6) so that new NBAs are served to customers.

Figure 6: The Mechanics of Making It Happen with Two Types of Models

THE MECHANICS OF MAKING IT HAPPEN WITH TWO TYPES OF MODELS



Source: Celent adaptation of Pegasystems framework

The NBAs are autogenerated, used across channels, refactored on an ongoing basis, and built to be used in real time. An example of adaptive decisioning is described below.

Commonwealth Bank of Australia

Commonwealth Bank of Australia won a Celent Model Bank Award for Customer Engagement in 2018 and then again in 2020. In the initial award, CBA's Head of Decisioning, Andrew McMullan, said that "we used Pega's Adaptive Decisioning capability to build 250 model[s] in one week ... That would have taken my team of 25 data scientists more than three years using a traditional predictive modeling approach." The bank saw a tenfold increase in lead volume, 95% of which was actionable. Lead conversion rates also tripled.

As we said in Celent's 2018 case study, what "... drove CommBank's investment in its Customer Engagement Engine (CEE) ... was the simple idea that the organization should be aligned to deliver superior customer engagement, resulting in the best customer experience possible — at scale. Practically, this involves ensuring that each customer point of contact results in the right conversation to ensure the right message is conveyed or the right offer extended. If done well, this would ensure the best possible level of customer service. The concept is institutionalized at CommBank by the term 'Next Best Conversations (NBC).' Many times, the next best conversation is not a sales pitch, but a simple 'thank you.'"

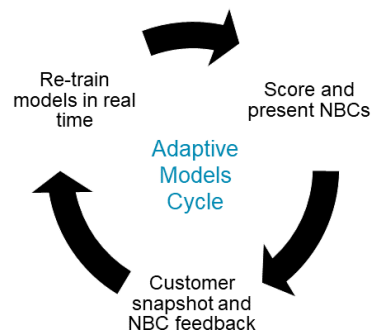
Since the 2018 win, CBA has continued its progress on CEE. Figure 7 shows the results of its now 560 total models, with 291 in production. Progress like this is what garnered CBA another Model Bank Award.

Figure 7: Adaptive Models Produce Results for Commonwealth Bank of Australia

ADAPTIVE MODELS USE CONTEXTUAL INFORMATION AND ADAPTIVE LEARNING TO CONTINUALLY OPTIMIZE

Manifest Benefits

- 560 models in total, with 291 in production
- ADMs have learned from 678 million customer interactions representing 157 billion data points.
- Up to 66% uplift in click-through rates
- New offers, communications, and messages get to market faster and are personalized for each customer

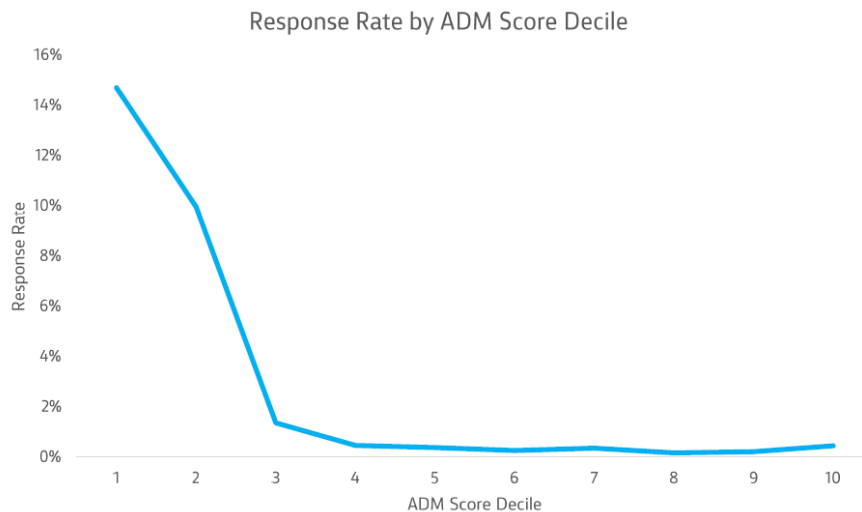


Source: Celent Analysis of CBA interviews

The time and cost savings of adaptive models compared to manual model management is manifest. But more compelling in Celent's view is the collective result of the speed and scale advantages brought by CommBank's arsenal of ADMs (adaptive decisioning models). Said simply, many highly predictive models are required to deliver personalized and relevant customer engagement at scale. It is the net effect of many models over time that produces sustainable improvements in customer experience.

As CBA continued to implement the program, it produced some impressive results. Figure 8 highlights the power of using ADMs in prioritizing NBCs. In this example, the top three deciles (roughly 30% of customer interactions) of the ADM show a strong response rate from customers compared to the larger customer population. Therefore, this conversation will be prioritized for customers with similar attributes. Conversely, since the ADM identifies that this NBC is not relevant to the bottom seven deciles, CEE will not show this conversation to customers like them.

Figure 8: This ADM Shows Dramatic Response Rate in Top 3 Deciles



Source: Commonwealth Bank of Australia

In addition to CommBank's ability to automate model management at scale, its use of ADMs provides additional opportunities to enhance customer experience and business value, including the following:

- By shedding light on the profile of customers who are likely to click on given messages, ADMs effectively automate A/B tests for collateral, messaging, or offers to customers with different score profiles, optimizing NBC performance and customer experience with far less staff effort.
- The ability to choose an optimal advertising or offer placement based on customers' likelihood to click through accomplishes two objectives. First, it improves offer effectiveness for the bank. It also improves CX by ensuring that messages from CommBank are highly relevant.
- New offers, communications, and messages get to market faster and are personalized for each customer.
- Introducing dynamic impression capping. By taking into account how often a particular message has been displayed to each customer, CommBank drives a more contextual and personalized experience. Previously, caps were determined by manual rules, whereas now the machine independently picks how often to display each message to a given customer.

WHAT WORKS (AND WHAT DOESN'T) WHEN IMPLEMENTING AI

AI's promise is immense, yet unrealistic ambitions can lead to project failures. Developing realistic workplans with modest but achievable goals should pave the way for greater ultimate success. And there are enough who've gone before to have distilled some useful lessons that will let you avoid repeating their pain.

PRINCIPLES TO EMBRACE

The particulars of many projects will depend on the specific situation of each bank. What is its culture like, where does its data stand, and what current systems does it use? A common set of principles related to AI-augmented customer service can nevertheless be distilled from the implementations we've seen at banks around the world.

Be Focused and Start Small with an Eye to the Future

Start with a narrowly defined part of a journey. Which product will you use (e.g., deposit accounts, credit cards)? Which specific touchpoints will you be using to start? Which ones will you go to next? Select a bounded interaction or process to which you can apply AI algorithms in such a way that they don't bleed over into other areas. A discrete area for implementations will let you analyze your progress as cleanly as possible.

A top-10 American bank thinks AI is important enough that it recently hired an SVP of AI. They tell us that one of their mandates is to ensure reuse of successful techniques across the bank to avoid duplication of effort and ensure the propagation of best practices.

Get Your Data House in Order

Using AI well requires data, and lots of it, delivered in a timely fashion. Make sure your data is up to the task; otherwise, your AI experiment might significantly underdeliver. By the same token, don't let the perfect become the enemy of the good. As Christian Nelissen — then at Royal Bank of Scotland — said about data, “You can do a lot with a little.”

Determine Success Metrics and Iterate

What exactly will you be measuring? How will you do that? What are the quantitative indicators that determine whether you're successful or not? Metrics will ideally be unambiguous, automatically (or at least easily) generated, and attributable to the project rather than to exogenous factors. As you learn more, adapt your metrics to the new reality.

Some of the more common key performance indicators include response rate, conversion rate, customer lifetime value, and net promoter score. Others, of course, will be relevant to each bank's individual situation and project goals.

Strive for Real Time

Best-in-class customer experience is now real time. Keep in mind that one key factor is going to be how real time your NBAs are; when done right, they should adapt to the latest relevant information, whether it's a page-view, click, or open-ended response.

Build in Analytics Capabilities

The combination of well-defined success metrics and orderly data will let you analyze your pilots and experiments. Design your system so that analytics are a natural result of customer interactions rather than the result of a secondary process that has to be run after the fact. Analytics should flow naturally and be generated automatically; they should

not be a separate task that has to be commissioned anew each time someone wants feedback.

Recognize That Consumers Will Give You Only One Chance

The harsh reality is that customers will only give upside recognition to exceptional experiences, while they'll immediately notice and amplify any negative interactions. When designing your pilots, strive for a shrug (or even invisibility) as your worst-case scenario. Remember, too, that employees will be much more tolerant.

MISTAKES TO AVOID

Implementing an AI project, like anything, is easier with practice. Enough banks have been through the initial stages that they've made mistakes that they now know to avoid in the future. Some of the most common follow.

Being Overly Ambitious

While it may be tempting to take on a huge project ("let's reinvent our entire customer engagement system using AI"), biting off more than you can chew is a recipe for disaster. It introduces too many complicated variables, any one of which can lead to problems. And more complexity increases the difficulty of teasing out root causes when issues inevitably arise.

Building on a Shaky Data Foundation

Most banks need to improve their data. Determining by how much, and when to stop, will be judgment calls. There's a reason that the trite phrase "garbage in, garbage out" is taught to first-year computer science students: it's axiomatic. AI-driven customer experience is built on good data; bad data will see the entire effort collapse.

Being Slow and Unprepared to Adapt

Since you're starting small, start fast and go hard. And after you begin, your AI journey is going to contain surprises and bumps in the road. Expect these and have a plan in place that's founded on flexibility and quick response. You're going to need to continuously adapt.

Customer experience is the critical differentiator for banks today. A well-crafted AI strategy to improve it through a robust set of real time NBAs will be an important element of banks' engagement strategies.

GETTING STARTED

Using AI to improve the customer experience appears to be a good idea. Where, though, does a bank start? What, in concrete terms, are the next steps? We've got some thoughts on that.

We'd start by noting that there are two main types of areas where AI can affect the customer experience: direct one-to-one customer interactions, and more indirect processes that go through an employee and therefore take place at a slight remove from the customer.

Pick the right use cases that do the following:

- Improve relevance
- Increase transparency
- Ensure suitability
- Further the relationship
- Have clear, time-boxed goals
- Start small, then build

TACTICS TO EMPLOY

So we've offered some principles, but what do you do practically? Some lessons gleaned from multiple implementations suggest three key tactics. They follow common threads of the principles above: start small and focused, measure to build incrementally on successes, improve your data, and iterate.

Balance Nurture / Retain with Growth Initiatives

Traditionally, growth strategies offered the highest value at the lowest risk. Attracting and converting has a high return, and if the algorithms are unsuccessful, then it's much better to have lost a potential source of income than to have jeopardized an existing revenue stream. However, until a "new normal" is reached, there is currently an unprecedented need for nurture/retention. When each interaction is a HYPER "moment of truth," banks cannot afford to lose their best customers in a "flight to safety."

Use Inbound Touchpoints Rather Than Outbound

When prospects and customers are the ones who initiate contact, they provide a host of behavioral data. This increasing base of data is the foundation on which your AI engines will be built. Over time, as you hone your algorithms, you can progress to using AI to help drive outbound programs.

Use Actions and Offers Before Bundles

Providing NBAs and targeted, contextualized offers are relatively simple goals. While the payoffs might not be as high as bundles, the complexity is considerably lower.

Finally, as you embark on your AI journey, remember two things. First, money and banking can be fraught with emotion; keep that in mind and implement offramps from machines to humans. Also, while emotion is hard to quantify, you can determine customer satisfaction through inference or by asking directly. Do so. Second, use AI for what it's best at — crunching through lots of data — rather than trying to force things into an AI framework. There are specific ways that it can improve the customer experience when used well, and other ways that it can degrade that same experience when used in poorly.

Was this report useful to you? Please send any comments, questions, or suggestions for upcoming research topics to info@celent.com.

LEVERAGING CELENT'S EXPERTISE

If you found this report valuable, you might consider engaging with Celent for custom analysis and research. Our collective experience and the knowledge we gained while working on this report can help you streamline the creation, refinement, or execution of your strategies.

SUPPORT FOR FINANCIAL INSTITUTIONS

Typical projects we support related to customer experience and AI include:

Vendor short listing and selection. We perform discovery specific to you and your business to better understand your unique needs. We then create and administer a custom RFI to selected vendors to assist you in making rapid and accurate vendor choices.

Business practice evaluations. We spend time evaluating your business processes, particularly around customer interactions. Based on our knowledge of the market, we identify potential process or technology constraints and provide clear insights that will help you implement industry best practices.

IT and business strategy creation. We collect perspectives from your executive team, your front line business and IT staff, and your customers. We then analyze your current position, institutional capabilities, and technology against your goals. If necessary, we help you reformulate your technology and business plans to address short-term and long-term needs.

VendorMatch digital service. Our digital service offers a vendor discovery and shortlisting tool that enables you to scope the market for financial technology that meets your requirements, quickly determine a solution's core functionality and features, compare solutions, and manage your evaluation.

SUPPORT FOR VENDORS

We provide services that help you refine your product and service offerings. Examples include:

Product and service strategy evaluation. We help you assess your market position in terms of functionality, technology, and services. Our strategy workshops will help you target the right customers and map your offerings to their needs.

Market messaging and collateral review. Based on our extensive experience with your potential clients, we assess your marketing and sales materials — including your website and any collateral.

RELATED CELENT RESEARCH

Commonwealth Bank of Australia: Personalized Engagement at Scale; Winner of 2020 Model Bank Award for Customer Engagement
April 2020

Commonwealth Bank of Australia: Model Bank Video Overview (free content)
April 2020

Optimizing the Consumer Credit Life Cycle
November 2019

Next Generation of Sales Assistants in Banking: From CIM to Smart Bots and Whispering Agents
July 2018

Enabling AI Through DataOps and Teamwork: How Banks Can Get Started
August 2018

AI Made to Reduce False Positives, Part 1: Detection Capabilities and Use Cases
May 2018

2018 Model Bank Winner for Customer Engagement: Commonwealth Bank of Australia
April 2018

2018 Model Bank Winner for Personal Financial Experience: RBC
April 2018

Artificial Intelligence in Banking: Where to Start?
August 2017

Understanding the Investment into AI in Banking: Celent Digital Panel Series 6
July 2017

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