

The Future of Self-Service in the Financial Industry

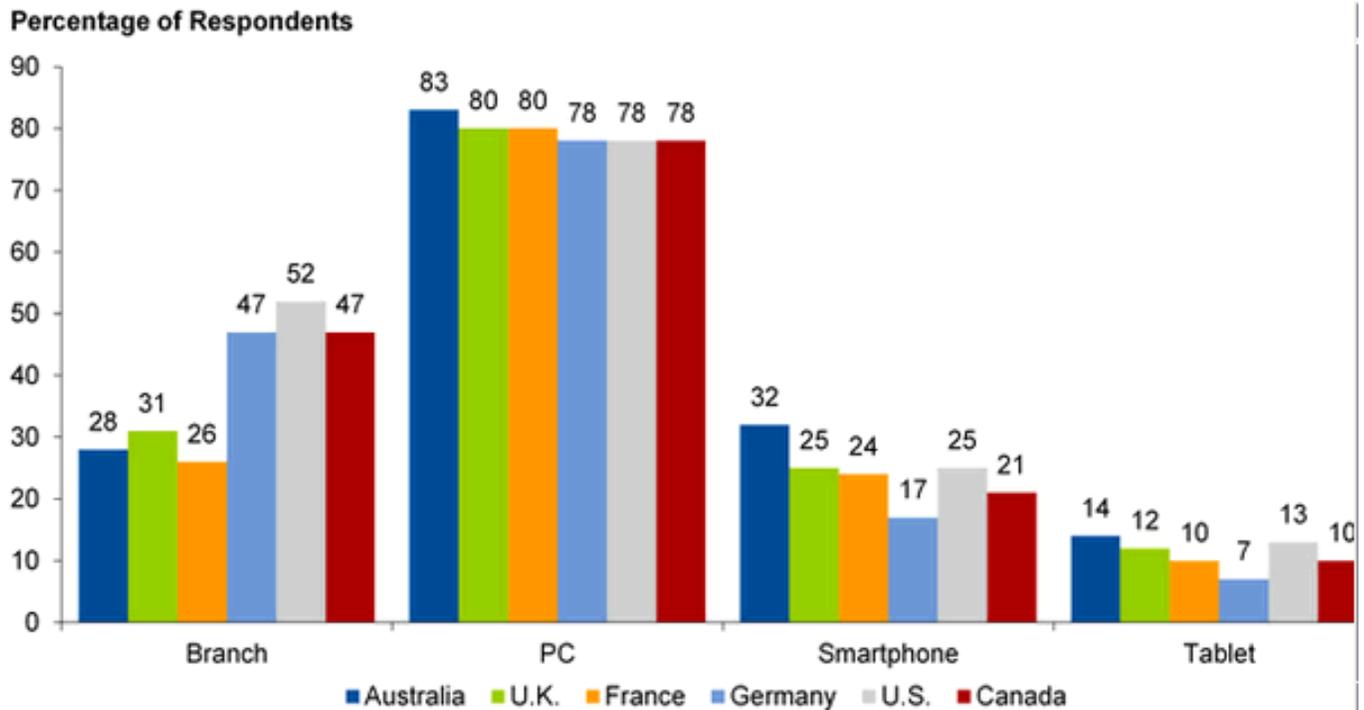
Self-service is all around us. From the self checkout kiosks in the grocery store, to the self check-in terminals at the airport; even restaurants are turning to tablets for order fulfillment. The truth is, consumers prefer self-service. According to NCR, which makes self-service technology, 85% of consumers prefer brands that offer several forms of self-service: online, at kiosks and via mobiles, etc. (www.economist.com, 2009). When it comes to the web, leading analyst firm Gartner predicted that in 2012, “By 2014, 50% of online customer self-service search activities will be via a Virtual Assistant (VA) for at least 1,500 large enterprises.” (Source: Gartner Predicts 2012: CRM Customer Service and Support Stagers in the Posthuman Age, Jacobs, J.)

One Fortune 500 organization reports that more than 70% of customers stated that the support site is their first stop, before other support channels such as phone support. More customers engage with online support offerings and spend more time navigating through support pages with a greater success rate in finding what they are looking for.

Statistics gathered by Gartner, in August 2013 are shown in the graph below. The data represents bank channel usage by country and preferred channel. To get direct insight into consumer behaviors and attitudes around financial services, Gartner conducted consumer research in 9 countries. Visits to banking channels via PC represent the most popular channel for accessing accounts. “Despite this higher level of branch use in emerging markets, the pattern across all countries surveyed is consistent, with a substantial drop-off in branch frequency compared with digital channels for routine banking activities (such as checking a bank balance, initiating a bank transfer or obtaining the answer to a query). Adjusting to this shift effectively is critical for retail banking organizations and the IT teams that support them.” (Source: Gartner: Bank Customers Still Love Branches, but Just Don't Use Them as Much. David Schehr, August 2013.)

Accessing accounts online via PC represents the most popular interaction channel. Responding to queries online (via self-service) should be a high priority for financial institutions.

Figure 1. Past-Month Bank Channel Use by Country (Developed Markets)



Source: Gartner (August 2013)

Virtual Personal Assistants Shine a Spotlight on Virtual Agents

According to a blog shared by Kate Leggett, Forrester Research, "Customers today are trained to go online to get answers to their questions by navigating a company's FAQ list, or by typing in keywords to surface the right piece of content. In fact, 66% of customers use this channel. But at 51%, the satisfaction ratings for this channel are the lowest of all the communication channels that Forrester tracks. It's because keeping content in line with customer demand and making it easily accessible to customers is very hard to do. Enter the world of virtual agents. These solutions use natural language processing and artificial intelligence to greet a customer and to serve up the right answer to their question, which is asked using a customer's natural speech pattern, not just keywords. These answers could be a straightforward response, knowledge base content, data (like 'Did my check clear?'), or the result of a transaction (like 'Book me on the next flight home out of San Francisco'). With the right tuning and integration to back-end systems, virtual agents are able to personalize and contextualize customer interactions."

Gartner predicts that "Virtual personal assistant usage in business will grow more quickly in 2017 and 2018 than iPad usage did in 2010 and 2011." ([Gartner Predicts 2014](#)) Google™'s recent announcement of Hummingbird further augments these predictions – As stated by Google's VP of Search, the goal was to create a more humanlike experience. Accompanied by Siri, Sherpa, Google Now, and other Personal Virtual Assistants, the future of interaction is self-service with enhanced humanlike capabilities.

We Live in a Mobile-Enabled World

In addition to these humanlike, self-service developments, the consumer demand for mobile devices has transformed the World Wide Web into the mobile web. In a recent Gartner survey (Source: Gartner: Survey Analysis: E-Commerce Customers Look to Cloud, Mobile and Transformational Change, July 2013, Fletcher, C., Alvarez G., et al.), "more than 48% of respondents plan to integrate mobile applications with their e-commerce storefronts, and more than 36% plan integrations for personalization." Search is the top feature integrated into e-commerce platforms – more than 85% of respondents have integrated or have plans to integrate search capabilities; the top two focuses for future integration are mobile (48%) and personalization (36%).

Virtual Agents are designed to be light-weight applications that live in the cloud. They are easily optimized for mobile interaction, and can be accessed from a mobile phone application, mobile website, or even activated through scanning a QR code. They are also multi-channel, which means the technology can be leveraged across multiple channels such as: social media, in the call center, in stores or branches, as well as the web (internally for employees/externally for end customers) and mobile environments.

One of the challenges for organizations is creating a customer service experience that does not function in the same manner across all channels. In "Six Best Practices for CRM Web Customer Service Deployments" Gartner validates these points by stating "The biggest problem with most self-service solutions is when the transactional self-service solution (e.g., online ticket booking, online banking, etc.) does not have an equivalent supporting channel. If the customer needs assistance, then he or she often has to use the phone channel. This approach increases the number of calls into the call center, as opposed to reducing the number of calls, thus negating the potential savings from a reduction in incoming telephone calls." (Source: Gartner: Six Best Practices for CRM Web Customer Service Deployments, 2012, Johan Jacobs).

A best practice for mobile strategy is to provide a customer service channel that complements the light-weight, easy to use, mobile format of the most popular devices. Similarly, create an optimized experience across various channels; for example: web, call center, social media, etc. Virtual Agents are not only ideal for these environments, but they are a part of a preferred multichannel customer experience.

Evidence in the Financial Industry

Computershare, a transfer agent that operates customer service centers for shareholder servicing for public companies and closed-end mutual fund companies, implemented a Virtual Agent in its Investor Centre in October of 2010. Brian Heffernan, Product Manager at Computershare said, "Whether it's through Penny, the virtual agent, or her living kin conducting live chats, the overall effort is to eliminate or reduce electronic mail. We don't want e-mails because, as any transfer agent will tell you, responding to an e-mail are the most costly method with which you could interface with a customer." Heffernan continues by noting, "That's because email does not generate its own responses. That requires not just a human, but a human skilled enough at responding properly—in a manner that not only fulfills the customer's need, but also will stand up under scrutiny in a compliance review. Beyond that, responding by e-mail tends to invite ... yet another e-mail from the customer. The multiple contacts ratchet up costs, dramatically. "Once it gets to the e-mail stage, it gets very expensive."

Companies in various industries realize the importance of self-service, and not simple self-service; smarter self-service. Similar brands have also noted that a simple search would not be effective in the financial industry. There is definitely a need for enhanced and more humanlike conversation that one receives when interacting with an Artificial Intelligence (AI) that uses a Natural Language Processor (NLP) and Inference Engine (IE). Mr. Heffernan acknowledges, "This can get tricky. A person whose company offers a Dividend Reinvestment Plan might simply refer to it as a Drip, when typing out one of its widely used acronyms. The system has to know that the person is referring to a DRiP. And the system has to know that companies use different acronyms for the same thing. Like DRP. Or even DSPP (Direct Stock Purchase Plan).The ins-and-outs of complex subjects, like cost-basis accounting, have to be grouped and weighted, to help create more precise responses, automatically. Over time, the tool [Virtual Agent] gains experience and gets better." (Source: 2011 Money Management Executive, By Tom Steinert- relkeld)

The Future

In the past, the standard for web self service was based on a simple search – for example: Google site search, basic Knowledge Management (KM) search, etc. The standard for websites has been based on pushing information to the public in a format that resembles an electronic brochure. The popularity of mobile devices, along with the shift of preferred customer service channels indicates that the future is Natural Language Processing and 2 way interaction channels. Based on much research and forward looking statements from leading analyst firms and experts, self-service projects achieve the highest Return On Investment (ROI) when leveraged across all channels and optimized for the right channel experience. Virtual Agents are a key component in a successful Web Customer Service strategy, as validated by industry experts.

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