# AI BASED DISCOURSE FOR BANKING INDUSTRY

## INTRODUCTION

Artificial Intelligence (AI) has been around for a long time. AI was first conceptualized in 1955 as a branch of Computer Science and focused on the science of making "intelligent machines" machines that could mimic the cognitive abilities of the human mind, such as learning and problem-solving. AI is expected to have a disruptive effect on most industry sectors, many-fold compared to what the internet did over the last couple of decades. Chatbots deliver a very high ROI in cost savings, making them one of the most commonly used applications of AI across industries. Chatbots can effectively tackle most commonly accessed tasks, such as balance inquiry, accessing mini statements, fund transfers, etc. This helps reduce the load from other channels such as contact centres, internet banking, etc.

## DESCRIPTION

The main purpose of chatbots in banking is providing a better customer experience. However, they also help the staff and prevent stressful situations that arise from direct communication with clients. Artificial intelligence may assist customers in many ways. The most common use scenario for chatbots in bank customer service is the automatization of repetitive mundane tasks. Such tasks need fast and simple solutions that require self-learning, but at the same time, do not imply creativity. They include, among other activities:

- ❖ Greeting customers.
- ❖ Obtaining information regarding their problem.
- ❖ Providing the requested information to clients.
- ❖ Accepting a payment from a user.
- ❖ And many other simple tasks.

Artificial intelligence and machine learning are slowly becoming conventional territories for several industries. In today's scenario, a chatbot is considered the most trending technology. Whether an emerging start-up or a large enterprise, chatbots have a crucial role where automation is the need of the hour, and the banking sector is no exception. In today's trend, with automation, the banking world is slowly getting self-service oriented to cater to the needs and demands of digital-savvy customers. Therefore, including chatbots in the financial industry is a remarkable phenomenon to decrease the overall banking task to a great extent.

Due to hectic schedules, people hesitate to stand in long queues and complete their banking operations. Thus, people prefer mobile banking, net banking, and trend chatbot banking. With the help of a chatbot for banking, the customers can perform any financial transactions without much hassle through text or voice. Additionally, due to chatbots, customer satisfaction has improved a lot. It is also noticed that people are more comfortable

with chatbots as they are more robust and efficient when responding to queries than human agents.

Since the pandemic started, the financial industry has seen people willing to move towards digital transactions across financial institutions of all sizes. In addition, customers are now more willing to move towards more digital activity. To meet the customer's expectations, financial industries are now taking more approaches towards adopting new technology to serve more customers with the help of digital channels. Thus, the role of AI chatbots in the banking system in the coming years will be more significant and ever-expanding. Nowadays, most banks have implemented chatbots to handle routine tasks such as fund transfers between accounts, resetting mobile banking passwords, paying bills, and even opening a new checking account. With the advancement of technology and the progress of customer adoption, in the coming time, chatbots in banking will be handling more complex tasks and interacting with consumers on a more human level, like helping a customer with pre-approved loan origination.

# CONCLUSION

### Improving Customer Service

Conversational AI chatbots are the future of digital banking. Certain fundamental components of customer care and support, such as speed, access to information, and pleasant interactions, are slowly becoming more viable with the introduction of banking chatbots.

### Customized Banking Services

Customers are increasingly demanding personalized services that are suited to their specific demands. Personalized experiences and services are expected by the majority of the users. Chatbots use client data to provide a completely customized digital banking experience that is personalized to their specific needs.

### Lower your expenses

Chatbots implemented across the digital banking and healthcare industries might save more than $8 billion per year by 2022. According to some estimates, traditional financial institutions might save $1 trillion by 2030 by implementing artificial intelligence and cutting costs by 22%.

### More Effective Risk Mitigation

Conversational AI chatbots can help manage and simplify the process of reviewing vital data about prospective customers' loans, market trends, and the borrower's most recent financial actions, as well as generating credit reports and offering risk advice. Chatbots help detect fraud and streamline processes by reducing human mistakes. Increase Work Productivity and Reduce WorkloadCustomers' waiting time to reach out to the teller or sit on the phone wringing their hands is reduced when an AI chatbot can handle their questions. Instead of answering basic consumer inquiries, agents aided by AI smart bots may focus on resolving complex issues.