LEVERAGING AUTOMATED INTELLIGENCE TO RESHAPE FINANCIAL SERVICES

Find out how the newest technology within the financial services industry can be leveraged by financial institutions and how this leads to an overall improvement in customer financial wellness

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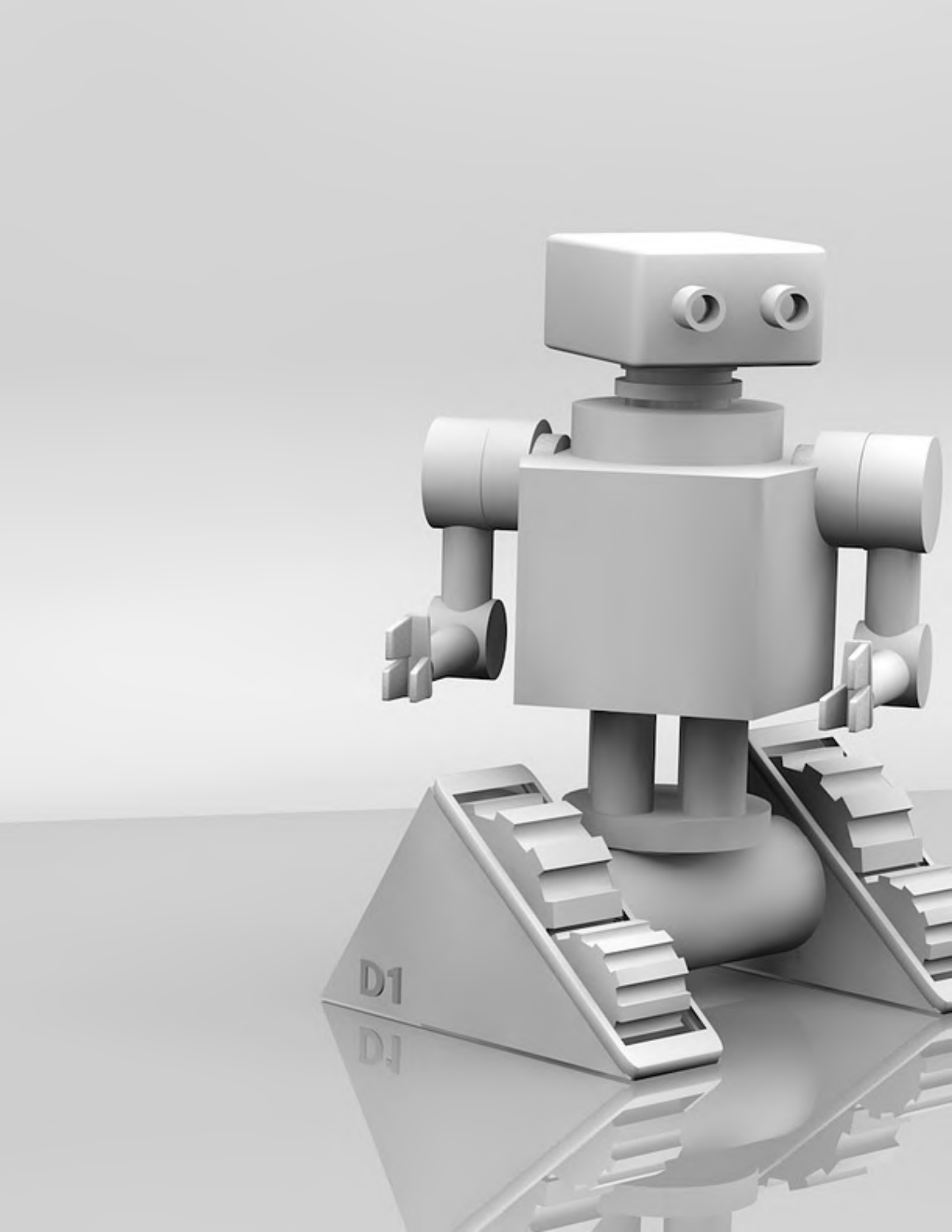
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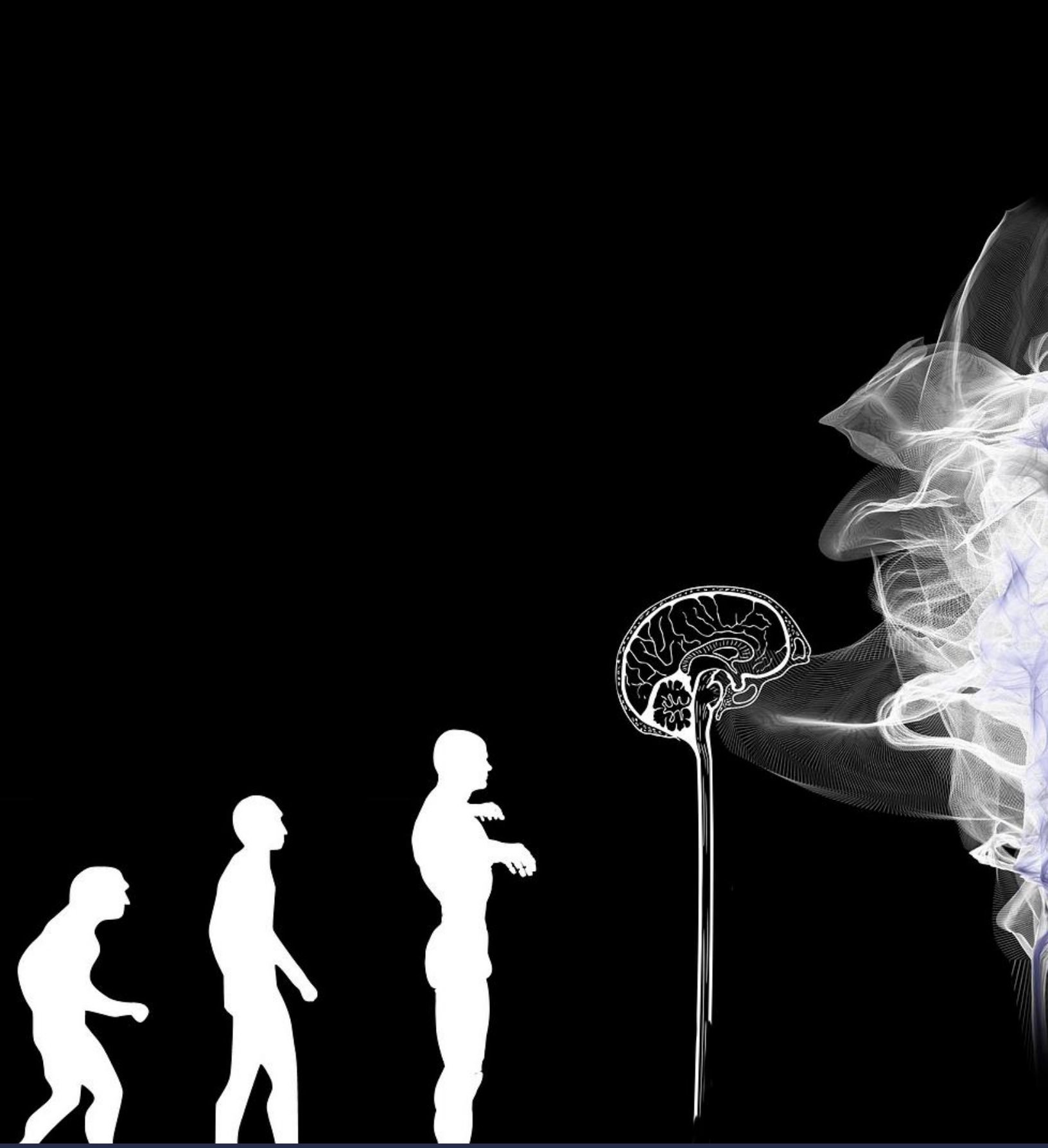

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AUTOMATED INTELLIGENCE CHANGING THE GAME

Consumers look for financial institutions that will enable them to improve financial decisions to attain improved financial wellness.

The publication will examine tools in which financial institutions can leverage to help improve the wellness of their customer's financial state. With technology continually developing, customer expectations of what financial institutions offer in their services also heighten. 'Smart tools' incorporate artificial intelligence (AI), offering predictions promptly.

Actionable guidance delivered by the processing of these 'smart tools' allows consumers to improve financial health. Financial institutions can better address customer needs; drawing positive implications such as customer loyalty and opportune marketing exposure. Customers are always demanding more. Financial institutions must continually maintain and improve their technological offerings to cater to these rapidly evolving expectations.

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HOW TECHNOLOGY IMPROVES THE FINANCIAL WELLBEING OF CLIENTS

Managing finances can be tough for everyday consumers; there are many questions and concerns these consumers ask and raise. Seemingly for these consumers, it appears to them that there is just no one to help them with these concerns. The first generation of personal financial management (PFM), provided great use as a tracking tool, however, was not automated to offer insights that would allow for future outcome predictions. Information attained and presented would be static, without many contexts; they are not actionable and are do not provide customers with personal feedback that enables them to improve financial wellness.

New financial wellness tools mark a change in how financial institutions deliver financial advice to their customers. Recently developed financial instruments known as ‘smart tools’ provide consumers with guidance that they can act upon to improve their financial wellbeing. Driven by automated intelligence, they leverage machine learning algorithms to access a consumers’ history, which formulates predictive projections that correspond to past behaviour. The predictions can be used to develop actionable recommendations that assist customers with their financial wellness both day-to-day and future preparations.

These developed tools equipped with automated intelligence also benefit financial service providers (FSP). Using these tools, customers can take control of their finances and can enforce a more significant relationship between customers and financial institutions.

ATTENDING CUSTOMER NEEDS

As consumers increasingly demand help with managing finances, the arrival of these ‘smart’ financial wellness tools draws many benefits for FSP’s. Financial wellness tools help address common concerns of consumers relating to their finances and provide them with a great sense of control; reducing stress around finance. Outcome generates a positive cycle, actionable recommendations brought by ‘smart tools’ improve customer satisfaction and financial health, in turn improving customer retention and loyalty.

FSPs can also leverage financial wellness tools to achieve more precise customer segmentation, product marketing and relationship development. FSPs can offer a more personalised solution to its customers that fits the consumer’s financial situation.

LEVERAGING NEW TECHNOLOGY

The new financial wellness tools give consumers the actionable insight needed. There are several steps FSPs need to take to maximise the potential of these tools.

Creating meaning with data

FSP's must have data that provides its customers with a holistic view of their financial wellbeing. These data sources include information regarding customer investments, borrowing, savings and income. If FSPs want a comprehensive solution, they require comprehensive financial data about their customers.

Their financial data needs to be cleansed and enriched, meaning data must be contextualised and have a purpose to become actionable.

FSPs need to work with partners who can deliver clean data and can incorporate these into financial wellness apps.

Continuous improvement schemes for customers

Automated intelligence presents data in a guided manner that is actionable for the consumer. PFM tools only paint a picture of account balances from the past or present. The AI engine is equipped with machine learning that can identify patterns to offer predictive intelligence. Institutions can scan the historical balance of consumer records which in turn allows for predictive behaviour that would enable for actionable guidance.

Earlier financial wellness tools were static and provided only pie charts of the consumer's bank account balances. New tools use AI to predict outcomes, which can be useful in guiding customer decisions as they can benchmark against the four domains of financial wellness – planning, saving, spending and borrowing. The tools ultimately provide customers with a clearer understanding of their interactions with their money.

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