

Bank of America adds a human touch to its virtual assistant, Erica

Article

The news: Bank of America is adding a human element to its artificial intelligence-powered (AI) virtual assistant Erica, [per](#) Banking Dive.

A human touch: Launched in 2018, Erica has become one of the most-accessed virtual banking assistants, helping 32 million customers with over [1 billion interactions](#). Now, BofA is

enhancing the chatbot to give customers even more personalization and tailored product recommendations.

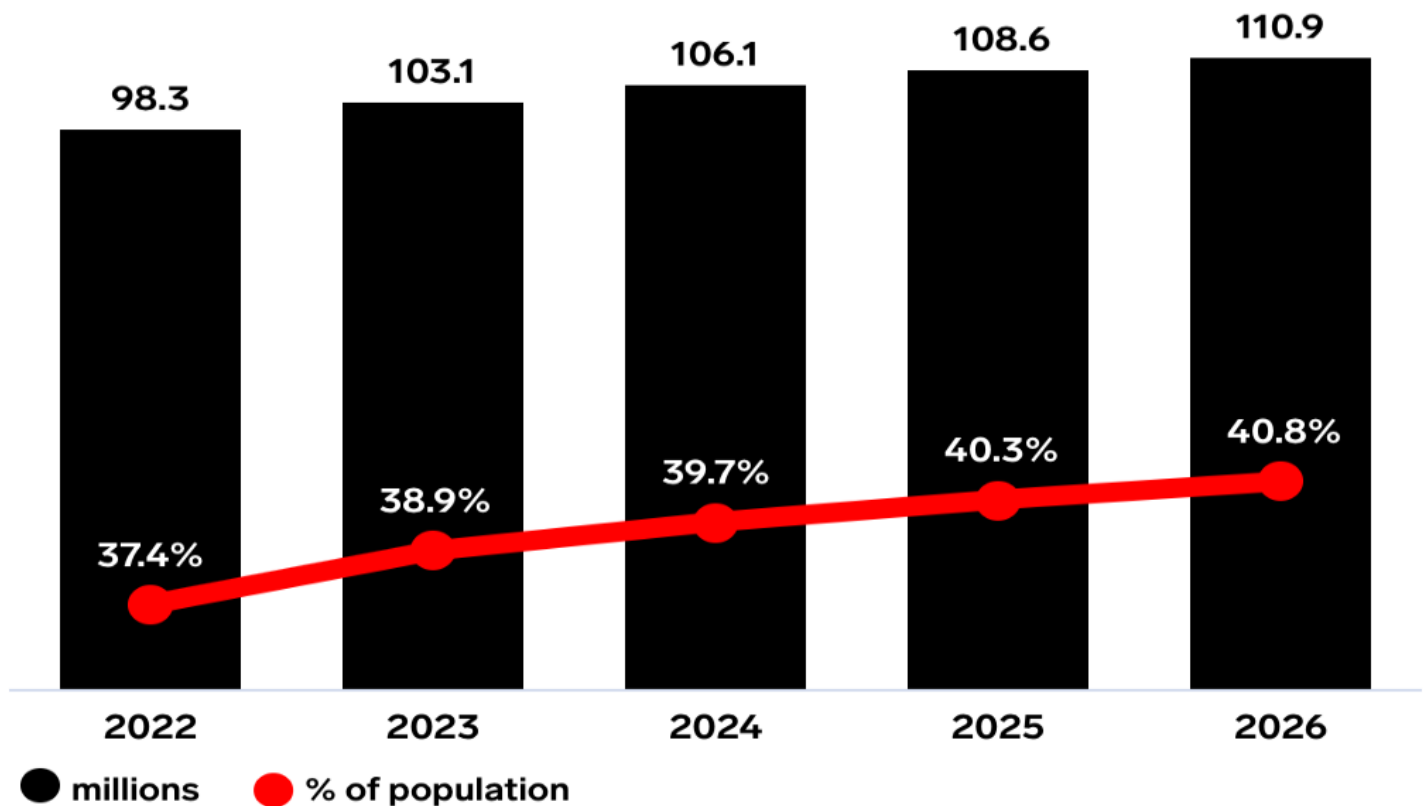
- Beginning in early 2023, users who begin interacting with Erica online will be able to switch to speaking with a human agent when they need more help. The agent can pick up where the chatbot left off.
- After the agent resolves the issue, the client can resume their interaction with Erica.
- Erica uses natural language processing, and its predictive nature can anticipate why a consumer is reaching out. The ability to switch to a human agent provides a more personalized experience for the consumer, letting the agent use information collected by Erica to suggest specific products to the client.

Appealing to young and old: Banks' digital transformations, accelerated by the pandemic, have changed the way many consumers manage their financial lives. BofA recognized that it's not just younger generations who are using Erica: Older clients are also taking advantage of the technology. But the bank realized that consumers of all ages still crave some human interaction.

- 95% of consumers say it's helpful to switch instantly from an online chat to a phone call, and 54% say they're more comfortable speaking with a human about sensitive financial matters, according to a [report](#) from telecom and cloud provider Sinch.
- Older generations are [making the move to digital banking](#), but 38% of baby boomers and 31% of Gen Xers prefer to speak to a customer service representative on the phone, according to a [report](#) from tech consulting firm Capco.
- [Studies](#) from KeyBank and J.D. Power revealed that millennials and Gen Zers prefer a combination of digital and human interactions when they're banking.

Bank Chatbot Users

US, 2022-2026



Note: individuals ages 18+ who interact with a bank with which they have an account through an AI-enabled chatbot on the bank's site (desktop or mobile) or branded mobile app, or via messaging app, SMS, or voice assistant to obtain information or receive customer service at least once during the calendar year

Source: eMarketer, July 2022

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Complement, not replace: AI is finding its place in banking primarily in the use of chatbots. In addition to BofA, other major banks like [Wells Fargo](#) and [Truist](#) have recently introduced AI-powered virtual assistants.

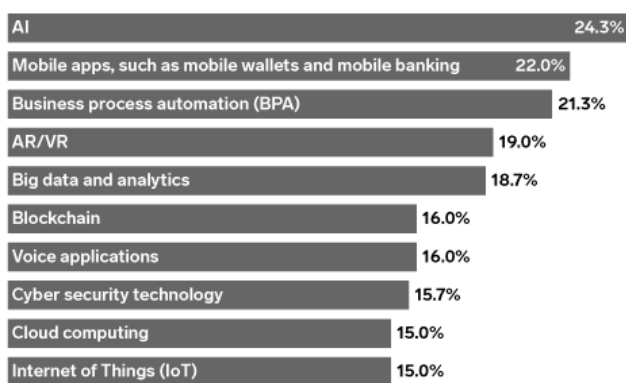
- But AI technology is unlikely to replace skilled human workers. Computational algorithms lack the ability to reason cognitively, so humans will always have a role in the [emotional aspect](#) of bank-customer relationships.

- Humans are also required to monitor the training of AI models. When **flawed data** is used to inform AI-powered algorithms, banks run the risk of providing unsuitable solutions to their customers. Or even worse, the models could create unintentional bias against certain types of consumers.

We expect AI to enhance, but not overtake the human elements of the banking relationship as the technology advances.

Which Technologies Do Banking Executives Worldwide Expect to Be the Most Effective?

% of respondents, Jan 2022



Note: in the next two years; respondents could select up to three
 Source: Economist Impact, "Threat Assessment 2022: Digital Competition in Finance" commissioned by WSO2, May 11, 2022

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The big takeaway: Customer demand for both digital banking and human interaction requires banks to find the right balance. BofA has an opportunity to become the industry leader with its expected enhancements to Erica, but other big banks are hot on its heels. BofA must be flawless in its execution, or risk losing the credibility it's already built with the powerful chatbot.

*This article originally appeared in Insider Intelligence's **Banking Innovation Briefing**—a daily recap of top stories reshaping the banking industry. Subscribe to have more hard-hitting takeaways delivered to your inbox daily.*

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