

Banking chatbots and virtual assistants face higher consumer expectations due to ChatGPT buzz

Article

The trend: As financial services customers increasingly get used to interacting with virtual assistants and chatbots on banking apps, **banks and card issuers are creating user experiences more like generative AI-powered search**, per American Banker.

- For example, the latest update by **Bank of America** has made its industry-leading virtual assistant, Erica, into a search-bar-like field at the top of the bank's app.
- Jorge Camargo, a managing director at Bank of America, says **customers increasingly want to use Erica as a search engine** instead of simply asking it questions.

How we got here: An October 2023 Corporate Insight survey of 3,300 consumers who used apps from credit card issuers found that **24% had interacted with a virtual assistant in the past six months**. That's up from just 4% in October 2019.

- Bank of America says the number of Erica users has increased steadily over the past three years, after more than doubling between 2020 and 2021. **By Q4 2023, Erica had 18.5 million active users.**
- Both Corporate Insight and Bank of America attribute this increase to **marketing efforts and enhanced in-app capabilities**—such as getting answers in-app, rather than referring the user elsewhere on the app or website.

And this number will only grow. Last year, **62% of financial services executives surveyed by KPMG said they plan to use generative AI for customer service and personalization.**

The ChatGPT boost: Consumer interest has also heated up due to continual buzz about generative AI (genAI). **Exposure to ChatGPT and Google Gemini is shaping customers' expectations around their interactions with virtual assistants.**

- Camargo says research and experience design led Bank of America to shift Erica's interface to a search bar and away from the commonly seen chat bubble popping up in the lower right-hand corner of the page.
- This change makes Erica's interface more closely resemble online search tools, including the interface for genAI tools. Erica hasn't yet incorporated genAI, Camargo says, but its knowledge base and personalization of interactions has improved.
- Customers prize the proactive insights that genAI and machine learning provide, such as insights into spending patterns and recurrent charges. For example, Fargo, the **Wells Fargo**

assistant, offers subscription insights and a personalized spending tracker.

Yes, but: Consumers' bad memories of past negative experiences with early menu-based chatbots and virtual assistants that force-marched them through a series of irrelevant questions may linger, hindering adoption. GenAI-powered virtual assistants will need to provide humanlike responses and live up to expectations set by [consumers' other AI interactions](#) in their personal and professional lives.

*[Read this next](#) for a deeper dive into **forecasted adoption rates of genAI in banking chatbots in the US, Canada, and the UK**. GenAI-powered chatbots are already taking off on social media platforms—you can read more about them [here](#), and why we think they may end up directing more search activity to social media.*

Customer-Facing Areas Business Leaders Worldwide Anticipate Being Heavily Influenced by Generative AI in the Next 2 Years, Aug 2023

% of respondents



Source: Zendesk, "2024 CX Trends," Jan 19, 2024

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