

Digital customer service at Bank of America surges in Q1

Article

Bank of America (BofA) reported its Q1 2021 [earnings](#), showing a profit increase of 47% to \$8.1 billion, up from \$5.5 billion in [Q4 2020](#). Similar to its US counterparts, a strengthening outlook for the broader economy [enabled](#) the bank to release \$2.7 billion in loan loss reserves in Q1, spurring the positive growth. Alongside profits at BofA, digital customer service usage

also expanded in two key areas—appointment scheduling and interactions with the bank’s virtual AI assistant, Erica.

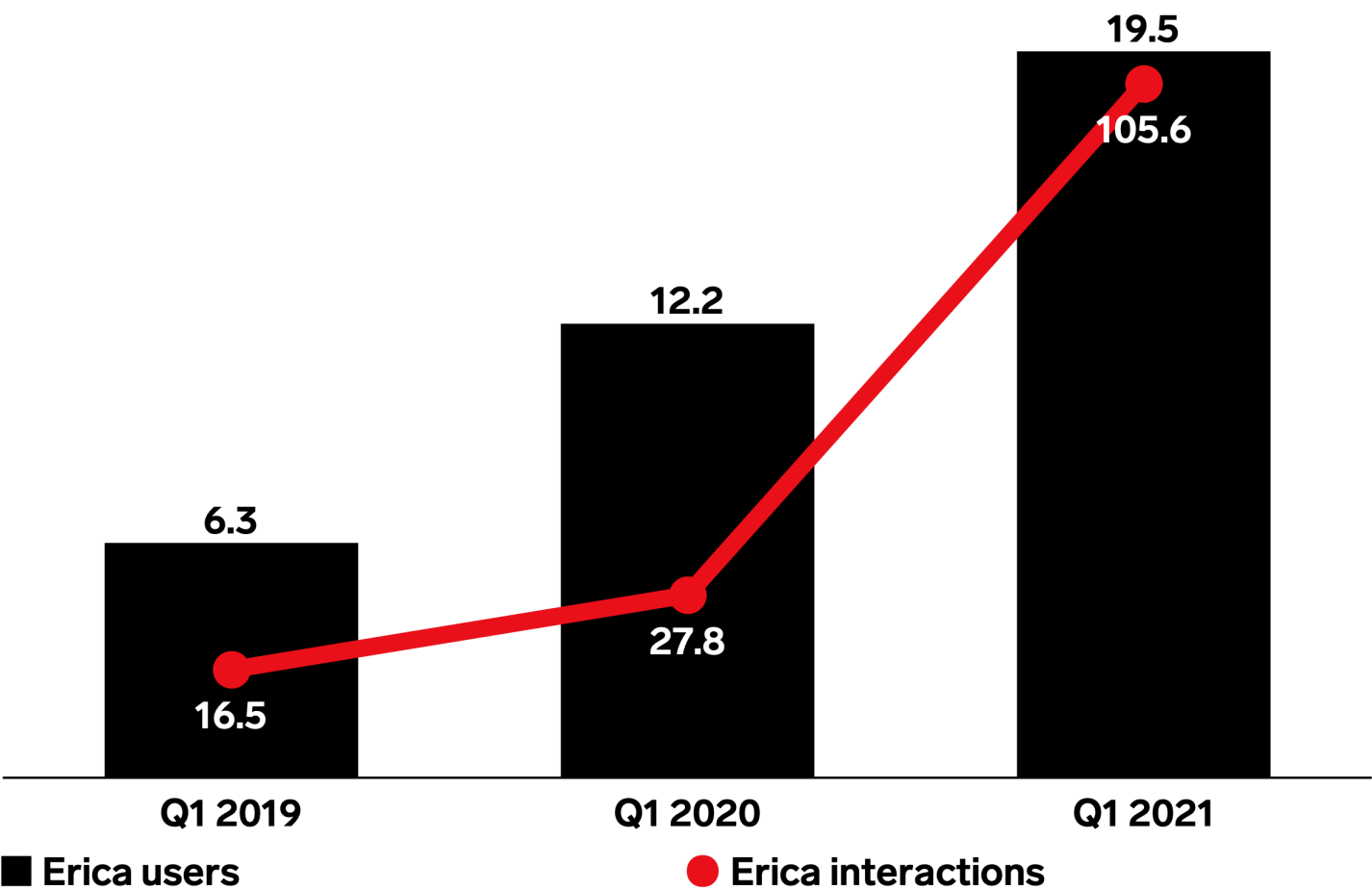
The bank saw a substantial uptick in appointments scheduled through digital channels, and it should encourage customers to maintain the practice post-pandemic. The number of client-scheduled appointments made via online, smartphone, or tablet jumped 23% from the previous quarter. Last month, Insider Intelligence [recommended](#) that financial institutions blend digital tools with physical branches to maximize convenience for customers, and BofA’s increased use of digital for scheduling displays a willingness for such a service. By delegating more scheduling to its digital platform, BofA could create a more efficient in-branch experience and free up its employees to focus on [complex](#) and high-value services, like mortgages or personal loans.

Engagement with BofA’s AI virtual assistant also skyrocketed, but the bank should look to augment its service with more human interaction.

- **Erica saw record growth over the last quarter.** Between Q4 2020 and Q1 2021, the AI assistant gained over 2 million users, hitting 19.5 million. Over the same period, it saw a record 198% jump in total interactions with the service. During the early days of the crisis, the bank better [equipped](#) Erica to respond to pandemic-related inquiries, which precipitated a spike in users. It’s possible that BofA similarly ramped up Erica to more accurately field stimulus-related questions, potentially contributing to Q1’s noteworthy growth.
- **Erica’s technological sophistication enables a superior level of convenience, but BofA could enhance the offering by providing access to human bankers.** US consumers still [place](#) a significant amount of value on human interaction when it comes to dealing with their banks. Erica is beginning to [increase](#) its ability to respond to more complex inquiries, but it’s likely still a few years away from being able to handle questions concerning sophisticated products or services. For those specific instances, it could pass off a customer to a live service representative in-app that could better assist them—similar to NatWest’s upcoming [video](#) feature. A hybrid approach would still provide users with the convenience they’ve come to rely on, while also maintaining access to the human support they value.

Total Erica Users and Interactions, Q1 2019–Q1 2021

millions



Source: Bank of America filings, 2021

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