

Artificial Intelligence Effect in Banking Sector

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ABSTRACT

This paper looks into how artificial intelligence technology has impacted customers' overall experiences in the banking industry. It focuses on the impact of personal digital transformation on consumers, influences the development of digital banking, and how this has influenced consumer expectations experience. It examines how banks employ chatbots and other artificially intelligent virtual agents to transform their businesses and how people use their banking services. Finally, the extent of neobanks is investigated in this work. The banking industry According to the survey, digital transformations have resulted in a rise in consumer spending expectations from their financial institutions. Despite the fact that banks are revolutionizing their customer care offerings though customers are not engaging with virtual agents at the expected rate. According to the findings, consumer understanding gaps caused by neobanks, are not gaining traction as expected.

INTRODUCTION

The integration of ICT and technology into financial services has progressed, resulting in a total transformation of the financial sector. However, there are a variety of definitions and perspectives on fintech. For example, some academics define fintech as the application of technology in financial services. Using automation to analyze data and translate output to improve a company's purpose and service to its consumers. Technological advancements, particularly in the banking sector, consumers' interactions with banks, as well as how they handle their finances, have changed dramatically. Due to the rapid advancement of Artificial Intelligence (AI) inside the sector, fintech has reshaped customers' expectations and set a new and high standard for user experience. Electronic applications and Artificial Intelligence (AI) have had a massive impact on many existing businesses, as well as the formation of new types of businesses in the market. The term "artificial intelligence" is defined as "grouping of ideas". Logic, networks, algorithms, and embedded probability are examples of data-driven approaches. AI has made it possible for businesses to grow. Formation with 100% digital capabilities, especially in previously thought-to-be-impossible areas, enabled a level of client experience never before imagined in a variety of industries. As Neobanks has grown in popularity, this is currently present in the financial business, particularly in the banking sector. Neobanks are notable for their reliance primarily on cloud-based technologies and the lack of a physical presence for customers to visit.

Customer Experience (CX) is increasingly being recognized as a crucial component of any business and as a critical factor in its success. Customer experience is fundamentally a technique for a

company to manage a consumer's image of their company. Customer experience can be defined in a variety of ways. It is defined as "a relationship between an organization and a consumer as seen through a customer's conscious mind and intuitively assessed against consumer expectations at every touchpoint". CX is defined as "the cognitive and emotive result of the experience "exposure to or interaction with a company's people, processes, technologies, and goods by a customer Client experience is at the heart of every business, and Customer Relationship Management (CRM) system is one way to manage customer data and this experience. CRM in the banking industry is defined as "a business approach aimed at understanding and managing customer relationships "to anticipate the demands of existing consumers while also looking for new ones that could be interested As a result, new processes are necessary to establish systems based on integrated technologies to deliver fresh and consistent sustenance to customers when using the bank's various communication networks. As a result of this strategy, it is now clear that more banking companies are adopting it putting such systems in place, particularly with the use of AI, such as digital banking Artificial Intelligence-powered Chatbots are among the services available. As a result, traditional financial services can continue to exist. be available 24 hours a day, 7 days a week in a bank's product or service offerings".

CONCLUSION

The first significant finding of this study was that everyone is going through a digital transformation journey. As a result, customers now expect their banks to be digitally transformed or have already done so. As a result of these expectations, Banks are constantly improving their apps to deliver such a wonderful experience,

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almost to the point of being obsolete Customers' visits to their local bank branch are being replaced. Consumers now utilize their banking app as their primary source of information and the first place to go for their banking needs. Second, due to the absence of the use of technologies such as Chatbots on banks' applications and websites, it became clear that Artificial Intelligence-powered technology in banks has not had the desired effect on consumers' experiences as expected by other studies. According to this survey, employing Chatbots is on the cusp of being well-known and possibly more trustworthy. Because of the ease and comfort that

Artificial Intelligence-powered technology provides, the younger generation is increasingly using it. Chatbots. Finally, a key finding from this research is that customers are unaware of the importance of the existing information about the scope and capabilities of Neobanks The vast majority of shoppers who exclusively use their online-only bank account to manage their finances while traveling abroad Despite the fact that a Neobank has the same capabilities as a traditional bank, some consumers have accounts but do not use them.in the same way that a regular bank does. Consumers' knowledge of online-only bank accounts is low. The risk of holding money with a Neobank has increased.