



Guide  
AI-first personalization

# Transform the banking experience with personalization.

Five principles for boosting sales and CX, while reducing costs.

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Leading brands used to be built with advertising. Today, they're built through powerful, personalized experiences.

### **The power of personalized experiences**

At their very best, personalized experiences combine business insights, human empathy, and technological innovation. They allow brands to recognize and serve their customers more efficiently, while creating loyalty and trust—and additional revenue.

For more than 20 years Nuance has helped leading brands deliver personalized experiences through our AI-first approach; building better customer experiences, all around.

Over the next few pages, we'll explore the fundamentals of effective personalization and share five principles to guide your personalization initiatives—whether you're trying to solve a specific business challenge like improving your conversion rates, or you're simply looking to improve your customer's experience.

What's the first thing you think of when you hear the word "personalization?"

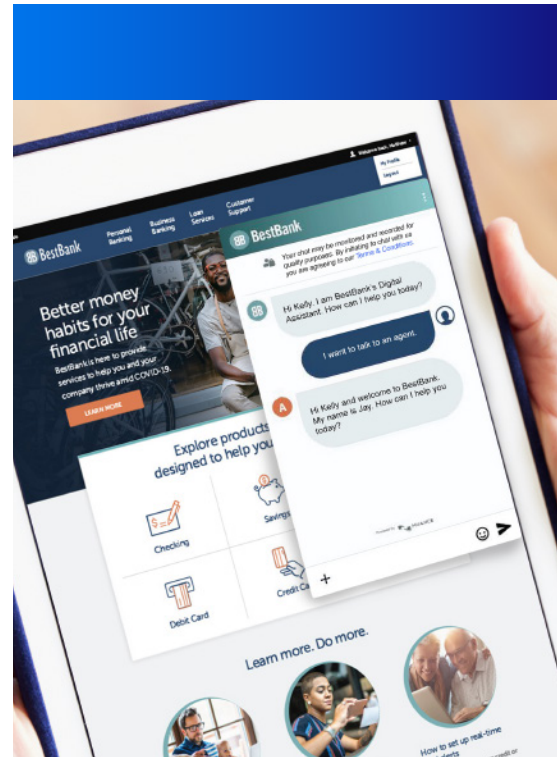
### Let's get up close with personalization

For many, it's the experience of visiting an online retailer and being greeted by products we might want to buy based on our previous purchases or browsing patterns. This is a testament to the impact of Amazon's pioneering work on recommendation algorithms. The company's ground-breaking advances include recommendations based on similarities between products, not customers, and the chronological sorting of data before being input into neural networks.<sup>1</sup>

But maybe the word "personalization" doesn't make you think of online shopping. Maybe you think of the songs Spotify puts in your 'Discover Weekly' playlist, or the shows Netflix believes you'll enjoy. Maybe you think about your bank knowing who you are when you call to make a transfer. Or a fashion brand's virtual assistant checking if you want to default to your usual shipping preferences.

The reality is that personalization comes in many flavors—and most all of them are well received. As customers, we enjoy feeling "known" by our favorite brands; and our favorite brands enjoy that we're less likely to leave them for a competitor that doesn't already know our tastes for documentaries, and high-top sneakers, and that we always call in on the 5th of the month to pay our visa bill.

But whatever the context, one thing remains true: Effective personalization starts with first knowing who you're talking to.



Customers enjoy feeling "known" by their favorite brands. Greeting them by name, with products that fit who they are, based on browsing patterns, and history delivers convenience while bolstering your sales.

You might be surprised to find a conversational AI expert saying that the most personalized experiences aren't the most "conversational." But if you take an AI-first approach to personalization, that's the only logical conclusion.

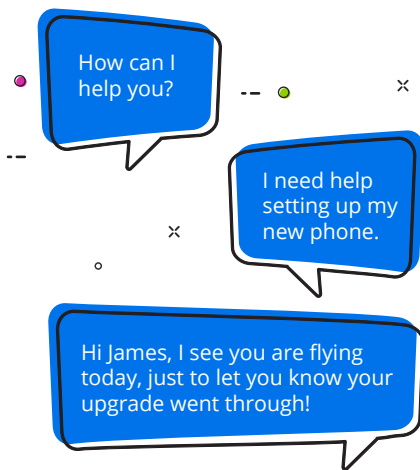
### What AI-first personalization looks like

To understand why, we need only look at the rapid evolution of automated self-service experiences.



#### Directed dialog – “Tell me in my words”

In its simplest form, automated self-service enables generic “one to all” or “one to many” engagements. Whether through a basic chatbot or a menu based IVR, a customer is typically asked to, “Please select from the following options.” This is an impersonal experience on every level yet is the most common way to engage with a brand today.



#### Open dialog – “Tell me in your words”

More sophisticated automated self-service engagements allow customers to express their needs in their own words.

A virtual assistant (VA) combines conversational AI and contextual data to understand the customer's intent as expressed in their natural speech. For example, the customer may say (or type) “I'd like to check my balance,” “I'm looking to upgrade my phone,” or “I need to reschedule my flight.” Some advanced VAs can even complete such tasks for the customer, accessing the relevant business systems on their behalf.



“With AI, the most personalized customer conversations can involve very little conversation at all.”

— Seb Reeve, Conversational AI Evangelist



Interactions with more sophisticated VAs *feel* more personal because they're more like an interaction with a human. But in some scenarios, it's possible to take AI-first personalization even further and create experiences that are truly "one to one."

### "I already know"

Let's take the example of a customer calling their bank to ask about credit card rates.

They reach the bank's IVR, which is powered by an advanced virtual assistant. The VA uses call validation to identify the customer based on the phone they're using, and voice biometrics to seamlessly verify their identity. It can then personalize its greeting based on the customer's recent interactions with the financial institution saying, "Hi Gabriel, thanks for calling Best Bank, how may I help you today?"



### "Here, it's already done. "

But even this experience could be improved. Best Bank might be having an auto loan event, with offers that Gabriel might have clicked on.

In this case, AI-first personalization can actually save Gabriel from having a conversation; receiving tailored auto loan rates and offers during the weekend promotion. In fact, a survey and subsequent article by the Harvard Business Review found you don't need a lot of bells and whistles to instill loyalty, you only need to make doing business easier and if possible, anticipate future needs or issues. This is the ultimate in personalization—removing customer effort and acting on their behalf for the best possible outcome.

For brands keen to bring this kind of AI-first personalization to their own customers, there are a few key principles to keep in mind.

## CASE STUDY



### Personalization in practice at Swedbank

The Swedish retail bank has integrated its Nuance VA with its CRM, allowing it to support a range of common tasks, including replacing and unblocking credit cards. The integration gives the VA the insight it needs to help the customer—from the webpages they have tried to access, to the cards they have on their account.

"The integration with our CRM helps customers complete specific act flows like replacing their card and ordering historical account statements, all without interacting with an agent. It's also helping us provide more personalized answers—such as telling customers their International Bank Account Numbers."

— Hans Lindholm, Team Manager at Swedbank

# The five principles of successful personalization



## 1. See it from the customer's point of view

This first principle may seem obvious, but it's surprisingly easy to overlook. There are many reasons to personalize customer engagement: to reduce cart abandonment, to increase sales, to mitigate agent fatigue, to reduce fraud, to bolster your brand's reputation, and so on.

But whatever your primary objective, it's important to start with your customers. To understand why, put yourself in the following situations.

1. You've called your credit card company to stop a transaction, and you're greeted with, "Hello [Your Name], are you calling about the purchase you just made?"
2. You're driving home from the hardware store, and your credit card company messages you to say, "Based on your recent movements and purchases, we see you're remodeling your kitchen. Would you like 10% off flooring tiles at Home Depot?"

In both instances, the personalization is offering genuine value to you as a customer. But for most people, the second scenario tips over into "creepiness." (There are plenty of ways to deliver location-based personalization that doesn't feel "unsettling." For example, a bank might proactively send a customer a link to validate international travel to mitigate fraud.)

Personalization will always be a delicate balance—as customers, we want to be known, but not "too" known. Putting yourself in your customer's shoes is the surest way to get this balance right.

## 2. Be proactive and be timely

Nothing shows a customer you understand their needs like reaching out to them at the perfect moment to save them future worry or effort.

Imagine you're a utility managing a localized power outage. With a little help from AI, it becomes easy to proactively message your affected customers—explaining the issue and providing regular updates on your work to restore their service.

Through this proactive, timely, personalized engagement, you allay your customers' fears, reduce frustration, and even prevent a spike in calls to your contact center.

You'll also want to personalize your proactive engagements to reflect each customer's channel preferences. For instance, if you know that Alisha always reaches out to you using WhatsApp, you could do the same when you need to tell her about upcoming changes to her plan.





### 3. Recover gracefully

No brand gets personalization right 100% of the time. But the smartest understand that even a personalization “fail” can be turned into a positive customer experience. The key is creating a path to recovery.

Let’s say you buy a pair of shoes online. They arrive the next day—just after you’ve seen the same pair for \$50 less on another site. You sign into the retailer’s app to see if they’ll match the price.

The retailer’s chat is front-ended by a VA. Based on all the data it has at hand, the VA makes its best guess as to why you’re getting in touch. It says, “Hi [Your Name], are you happy with the sneakers in purple? If not, I can help you arrange a return.”

You say, “The sneakers are great! But I’m hoping you can match a price I’ve found online?”

The VA immediately starts walking you through the retailer’s price match process, and you’ve soon arranged the refund you were hoping for. The VA has delivered a great, personalized experience—it asked a relevant question, and didn’t waste your time—despite initially misdiagnosing your issue.

In this sneaker example, you’re likely to feel pleased with the personalized service and to purchase again. After all, the brand was responsive and easy to do business with, increasing your loyalty. What’s more, the retailer has avoided losing a sale and potentially a customer, as might have been the case if its VA hadn’t been able to handle the price match. It was a win-win.

As always, the key to recovering gracefully is seeing the interaction from the customer’s perspective. An extreme example of what not to do: Even if a financial institution predicts a customer is calling to report being targeted by a phishing scam, it won’t want its VA to lead with, “Hi [First Name], are you calling about fraud?”—this could potentially alarm someone who was only calling about opening a new account.



The key to recovering gracefully is seeing the interaction from the customer’s perspective.

## 4. Personalize automated and human experiences

So far, we've spoken mainly about personalization in the context of automated customer engagements.

But there will always be times when a customer needs or simply wants to speak to a human being: When they can't find the answer themselves, or when they need to feel human empathy and reassurance. And when they do, continuing that personalization is the key to creating a better experience for both customers and agents.

AI can help human agents personalize the conversation. As we discussed earlier, AI-powered biometrics can authenticate the customer in seconds, allowing the agent to focus on establishing their need, not their identity. Then, AI can support the agent throughout the interaction—serving up details regarding the customer's service or account history, recommending relevant products, and suggesting next steps. It can even analyze customer sentiment and predict CSAT, guiding the agents' reactions and responses.

One great way to make live agent experiences feel even more personal (and to manage contact center traffic volumes) is to offer customer service via asynchronous messaging.

Asynchronous contact gives your customers the freedom to pause their conversation while they drive the kids to school or jump into their next meeting—just like they would pause a text conversation with a friend. When they're ready to continue, the agent still has all the context they need to pick up exactly where they left off—seamlessly and hassle free.

Enterprises that have already embraced asynchronous conversations are even finding that it helps them to drive increased revenue: One organization that adopted the technology saw a 12% revenue increase in a single channel. When the data was analyzed, they found that when customers had their questions answered or issues resolved quickly and effortlessly, they were more likely to inquire about other revenue producing products.

12%

Revenue increase in a single channel at one organization that adopted personalization technology

## Personalization in practice—powering customer satisfaction

One of the largest financial institutions in the US has been investing heavily in customer experience and security. More recently, the company doubled down on automation, conversational IVR and fraud prevention, working to provide world-class self-service, putting customers in the driver's seat.

### FEATURED OUTCOMES/ STATISTICS

84%

adoption in biometrics for authentication and fraud prevention

155%

growth in automation

87%

containment with virtual assistant

## 5. ABO (Always be optimizing)

Our final principle for creating powerful personalized experiences is to keep looking at your engagement data. Keep analyzing what's working, and what isn't. And always be optimizing for ever-greater success.

Optimizing begins with analytics. You need to know your processes, know which steps and channels are working—and which aren't—and you need to be flexible enough to address issues when you find them. The devil is in the details, and you can't fix what you don't acknowledge. Once you've identified areas of improvement, keep optimizing.

Your choice of solution vendor is key. If you want to fully own optimization, you should choose a partner

that provides a strong DIY toolset for the creation and implementation of optimization plans. If it makes more sense for you to hand the responsibility over, make sure you choose a partner with a robust team of AI experts.

We find that for many brands the sweet spot is actually somewhere between these extremes: A collaborative, hybrid approach, where they remain firmly in the driver's seat, but can access the skills, guidance and support whenever they need.

Select a well-established vendor, and they'll be able to guide you based on learnings from across their customer base, not just from within your own business. At Nuance, for example, we're able to draw on the insights we gain supporting 31 billion customer interactions and 8 million authentications every year.

## Conclusion: Personalization that serves everyone

The power of successful personalization is easy to grasp. Just think about walking into your local café and hearing the server say, "Hi there! Flat white coming up! Oh, and you know what? We've got those red velvet donuts you love fresh out of the oven!"

This sort of personalized experience feels great for you, for the server, and for the business (which has very likely just upsold a donut.)

Today, with the help of the latest conversational AI and biometrics technologies, it's possible for brands to deliver similar levels of personalization remotely, and at scale.

So, when a member contacts you, your agent can greet them by name, know what they're likely calling about, and what else they might be interested in—if your IVR hasn't already saved them the conversation by anticipating and resolving the customer's need directly.

As you build out your own personalized experiences, just remember:

1. Put yourself in the customer's shoes
2. Be predictive and proactive, and save conversations
3. Recover gracefully when personalization misses the mark
4. You can (and should) personalize both automated and human engagements
5. Optimize. Optimize. Optimize.

Simple steps to help create frictionless, efficient, loyalty-building experiences that your customers and your brand will love.

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### LEARN MORE

Visit our Bank CX Resource Hub for the latest videos, guides, on-demand webinars and more to help take your customer experience to the next level. Or email [cxexperts@nuance.com](mailto:cxexperts@nuance.com) for more information.



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#### Endnote

1 <https://www.amazon.science/the-history-of-amazons-recommendation-algorithm>

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#### About Nuance Communications, Inc.

[Nuance Communications](#) is a technology pioneer with market leadership in conversational AI and ambient intelligence. A full-service partner trusted by 77 percent of U.S. hospitals and 85 percent of the Fortune 100 companies worldwide, Nuance creates intuitive solutions that amplify people's ability to help others. Nuance is a Microsoft company.

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