

3 key benefits of AI for enhanced customer experience in fintech

The convergence of financial technology (fintech) and mobile commerce has ushered in a new era of transactional possibilities. By embracing the artificial intelligence-driven approach, fintech can create a more engaging and tailored experience for their customers.

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Let's delve into three compelling reasons why this AI-powered approach is a game-changer.

Personalised Customer Engagement

Personalised customer engagement is the process of delivering tailored and relevant experiences to customers across different channels and touchpoints. It involves using data and AI to understand customer needs and preferences and then offering products or services that match their interests and goals. Personalised customer engagement powered by AI can help financial companies increase customer satisfaction, loyalty, and retention.

One example comes from how a traditional bank can leverage technology to improve customer experience. US retail bank Citi *has developed* a customer analytic record (CAR), which provides a view of each customer's data, including their financial records, the financial products they use and their interactions with the bank through online banking, visits to branches, phone calls, or email.

The bank is linking its CAR data pool with automated decision-making software to analyse customers' interactions in real time and recommend relevant services to offer customers at any given time. The decision engine is able to suggest offers or services that might genuinely interest the customer, flagging them up for bank staff to recommend or delivering them direct to the customer through text, mobile banking and other channels.

Efficiency and Effectiveness in Retail Operations

AI can help retailers improve their operational efficiency and effectiveness by automating tasks, optimising processes, and enhancing decision-making. By using data and AI, retailers can forecast demand, avoid stock issues, and adjust pricing and marketing strategies.

For example, Tencent, a Chinese multinational technology conglomerate, has been at the forefront of fintech innovation. Its WeChat Mini Programs, launched in 2017, empower users with instant access to fintech services. These lightweight apps within WeChat offer everything from shopping to financial services. In 2019 alone, Mini Programs *facilitated* transactions exceeding 800 billion RMB, demonstrating their immense business value achieved only within two years.

According to *Statista*, the most popular types of WeChat Mini Programs belong to mobile shopping and daily services, both in terms of usage time share and monthly active userbase. When it comes to brands, MiniPrograms set up by fast food chains such as McDonald's and KFC topped the chart with over 20 million monthly active users.

Efficiency in retail operations has become an integral strategy embraced by companies ranging from corporate giants, as demonstrated in the example above, to nimble early-stage startups—all striving to enhance

their performance and deliver exceptional customer experiences.

At the Mobile World Congress (MWC) 2024 in Spain, an annual trade show focused on the mobile communications industry, Payplug, a South Korean fintech startup, showcased its smart mobile payment terminal that operates as a mobile app. This solution effectively bridges the divide between conventional payment methods and the convenience of digital transactions.

Increased Audience Reach for Brands

AI can help fintech companies increase their brand reach and engagement by creating personalised and relevant experiences for their customers across different channels and touchpoints. By using data and AI together with brands, fintech companies can understand customer interests and needs, and enhance brand experience as a result of it.

At the Fintech and Mobile Commerce Summit during MWC Barcelona 2024, industry leaders converged to explore the latest trends. Experts Aamir Ibrahim (CEO, Jazz), Jeff DeLong (Senior Director of Strategic Alliances, Worldpay), Viktorija Radman (Telecom Global Business Director, Infobip), Khalifa Al Shamsi (CEO, e& life), and Li Zhixian (Senior Director, Alipay+ Wallet Tech, Ant International) shared recent insights about mobile wallet-based solutions, embedded finance, and the transformative power of super apps.

One of the consumer trends in fintech, for example, was shared by Jeff DeLong who highlighted the significance of social commerce through a provided link.

Another potential use case for a customer could be to scan a QR code on a clothing item they liked at a brand event, and use a virtual AI-powered try-on assistant to see how it would look on them. Then, they could buy it

instantly without leaving the app or entering any payment details. This shows how AI can simplify and streamline the buying process, increasing customer satisfaction.

These advantages underscore the transformative impact of AI in navigating the fintech terrain and unlocking unparalleled opportunities for industry players and consumers.

Svetlana Stotskaya is a global marketing consultant and business mentor with a passion for technology.

Article by Svetlana Stotskaya