



Conversational Payments

# What are they and why do they matter?

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# Conversation

Conversation is the best starting point for a \_\_\_\_\_ relationship



# What are Conversational Payments?



- Utilize AI to engage in a conversation without the need to follow a script
- Means of interacting with a non-human to transact or manage a payment
- Interactive channel (via device or app) that will change the way we make payments
- Encompass all customer communication via voice to enhance the user payment experience
- Streamlines customer journey, reducing the number of actions a customer must take to complete a goal

# Voice vs. Conversational

“What is my available balance?”

“Your available balance is \$234.58”

“When is my credit card payment due?”

“Your next payment is due May 5th”



“What bills do I have coming due?”

“You have the following bills: Tap Water for \$42.50, Pedal Electric for \$378.66 and Spotty Cellular for \$512.32. Should I pay them?”

“Yes. How much do I have in my checking?”

“You have \$3,600. It looks like you will have an extra \$750 after paying your bills. Should I transfer it to savings or your investment account?”

“Please transfer to savings”



# What are Bots?

## What a bot is...

A computer program you can talk to via a messaging app, chat window or voice

## What a bot is for...

Intelligent digital assistants available to answer and resolve customer questions

## Voicebot Significance

**Convenience:** Works with existing website, messaging apps, other channels

**Automation:** Routine queries that make up most customer requests

**Future:** Where consumers are; preferred method to communicate

## What a bot Offers

- Manage high volume of requests anytime anywhere
- Address requests solve issues
- Accurate timely responses
- Enhancement to existing platforms
- Better customer insights & personalization
- Next generation conversations (natural)
- Guides users & reduces abandonment
- Increases adoption & usage
- Supports value of existing investments the FI has already made to boost the customer experience

# Voice Headlines

KFC First Fast Food Restaurant to Enable Ordering Through Alexa Skill in India



IBM Acquires McDonald's McD Tech Labs to Seal Drive-Thru AI Partnership



Bilingual Voice Assistants Will Soon Take Your Order at 1,000+ Marco's Pizza Locations



## The next billion mobile users will rely on video and voice

Tech companies are rethinking products for the developing world, creating new winners and losers



Some poor users say they are willing to pay for data even if it means forgoing consumption of things like cigarettes to afford prepaid cards

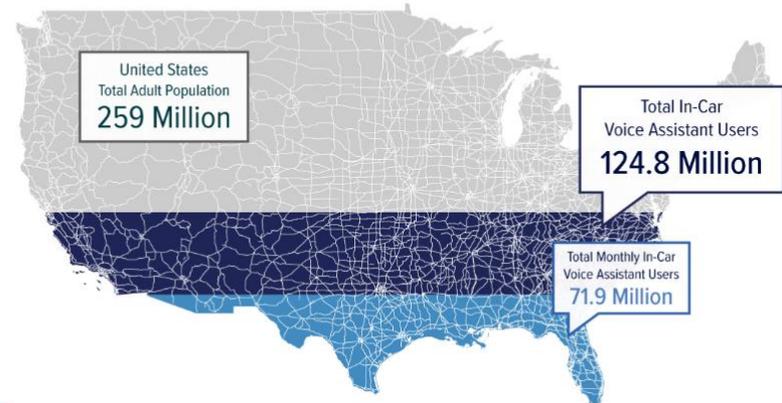
The internet's global expansion is entering a new phase, and it looks decidedly unlike the last one.

Instead of typing searches and emails, a wave of newcomers—"the next billion," the tech industry calls them—is avoiding text, using voice activation and communicating with images. They are a sixth of the world's less educated

Denver Startup Brings Voice Assistant Tech to Drive-Thru Can Soon Replace Human Roles



U.S. Total In-Car Voice Assistant Users 2022

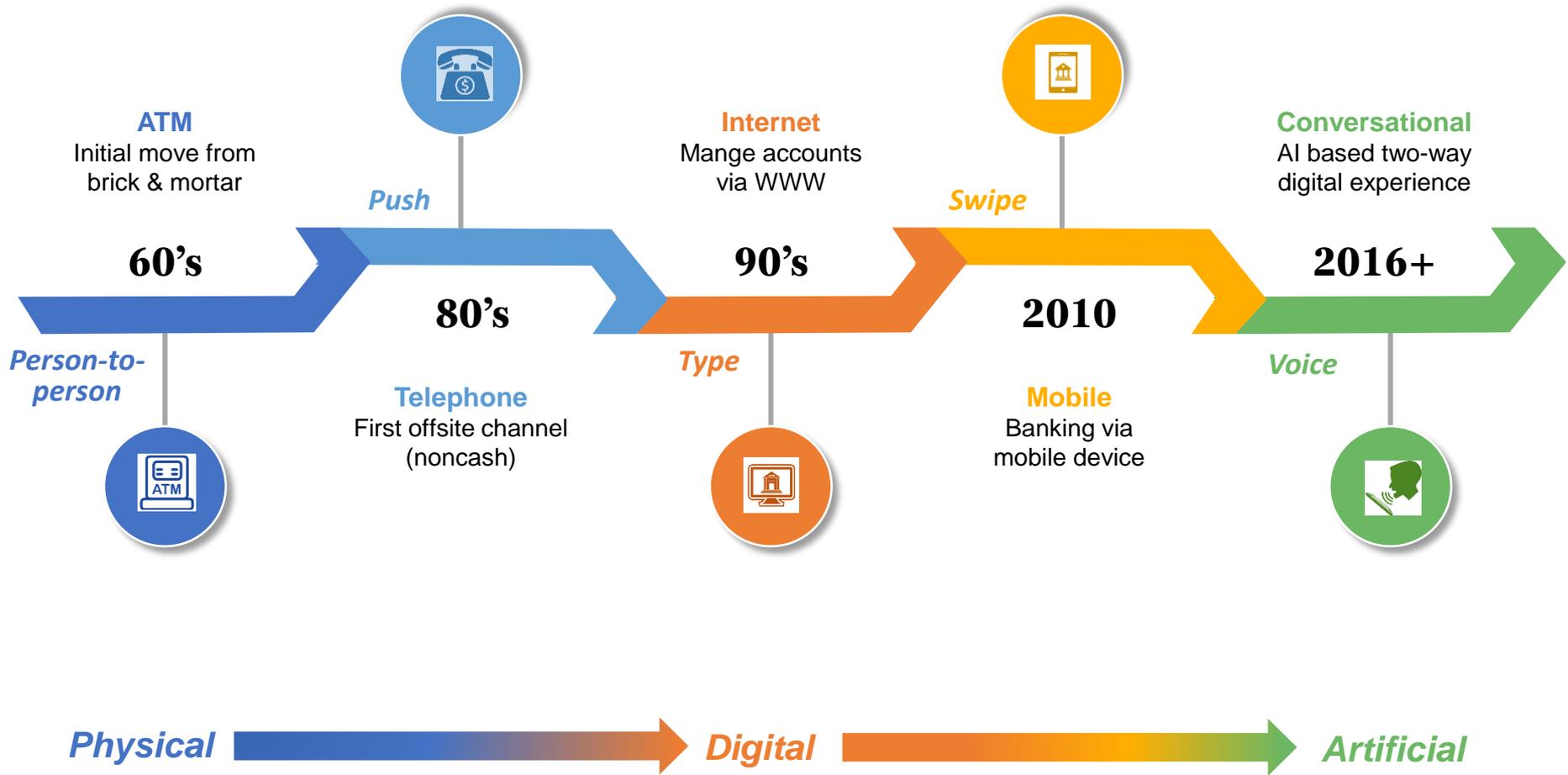


owered voice

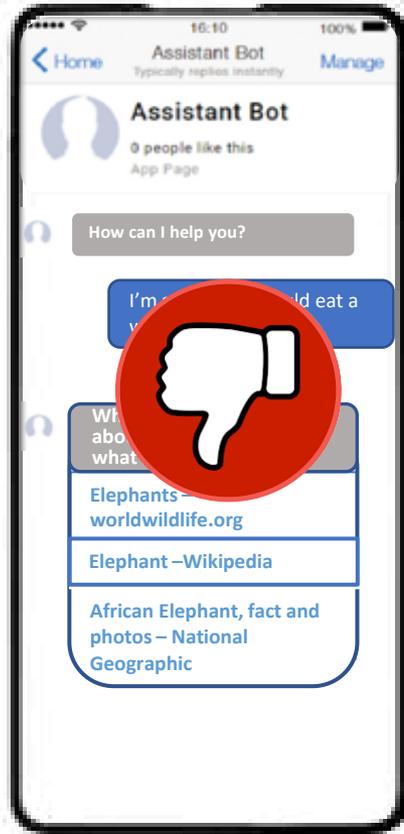


Source: Voicebot 2022

# Evolution



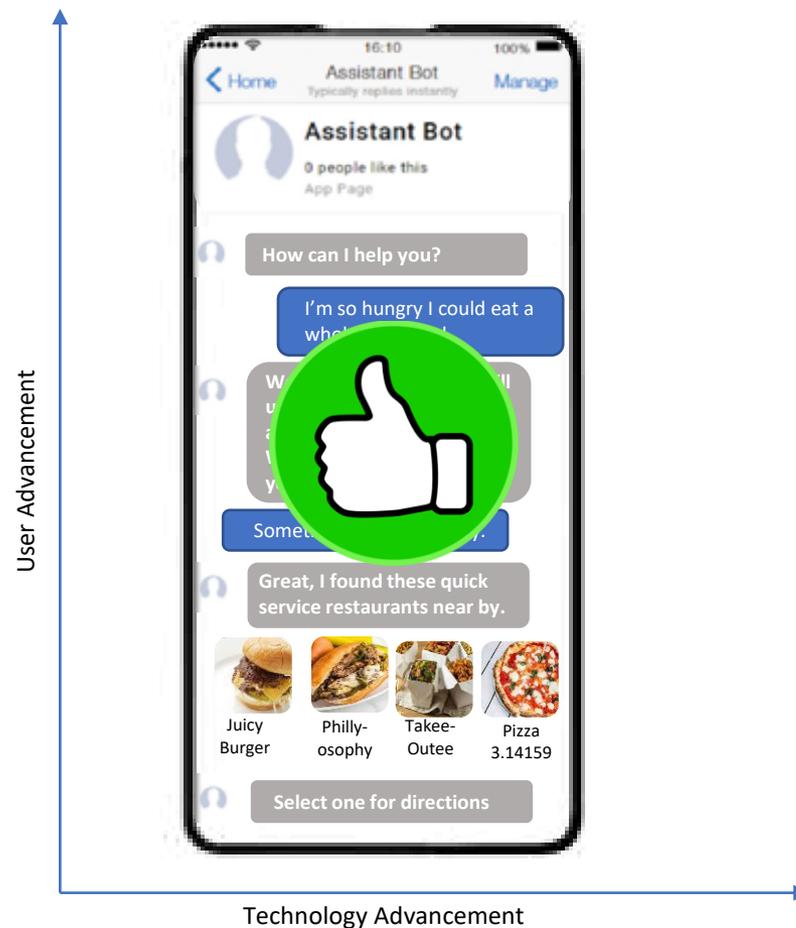
# Early Bots



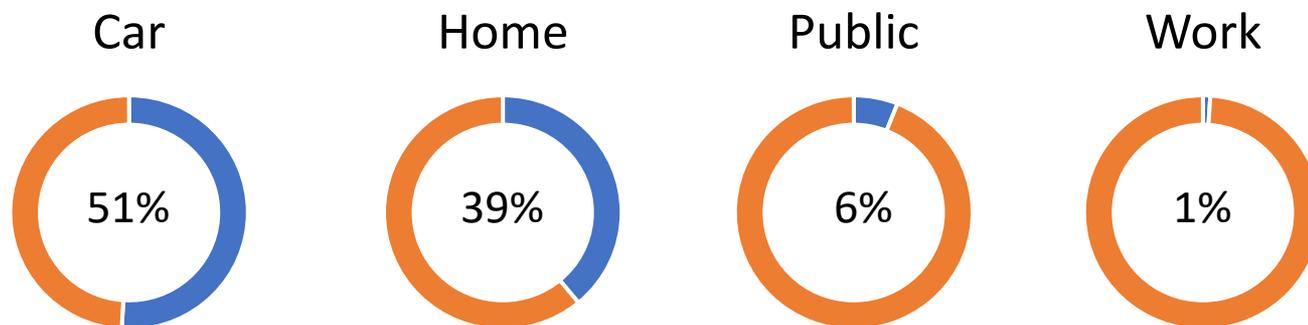
- Started with basic pattern matching
- Predefined responses
- Menu driven
- Task automation

# Bot Advancements

- Highly available
- Fast & intuitive
- Distills user intent
- Intelligent interaction
- Insights (needs & behaviors)

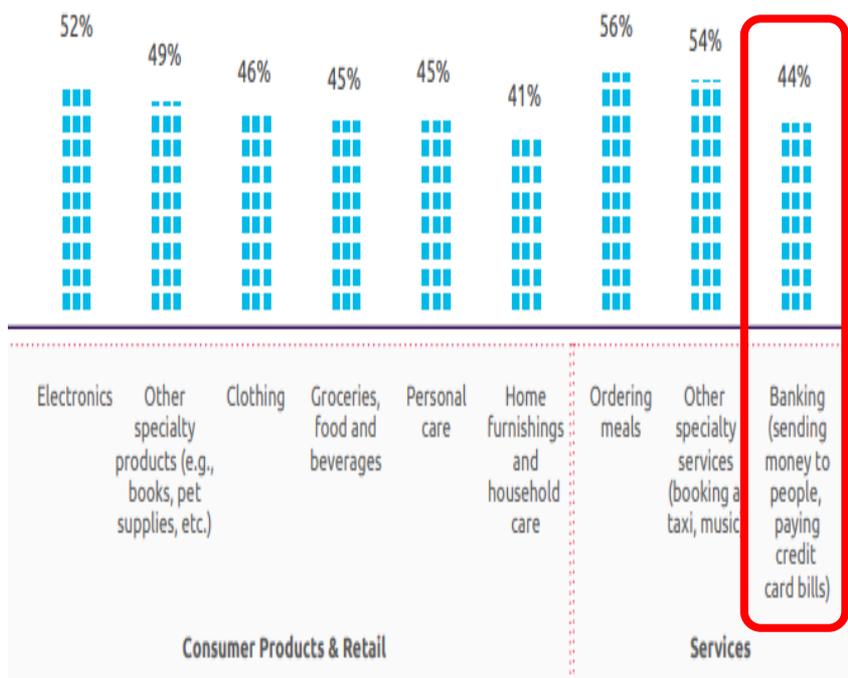


# Where do people use voice assistants?



# Interest & Usage

Level of interest in using voice assistants for purchasing the following

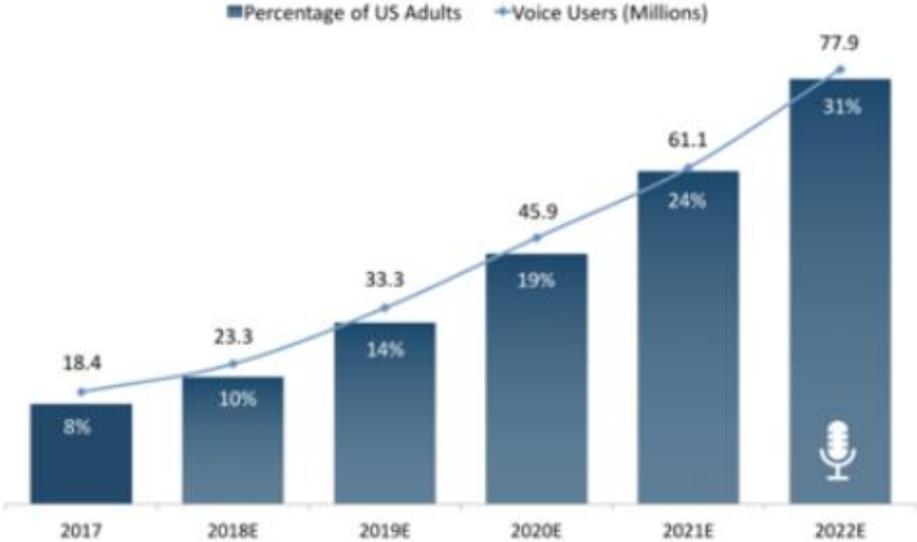


Level of usage across a variety of functions



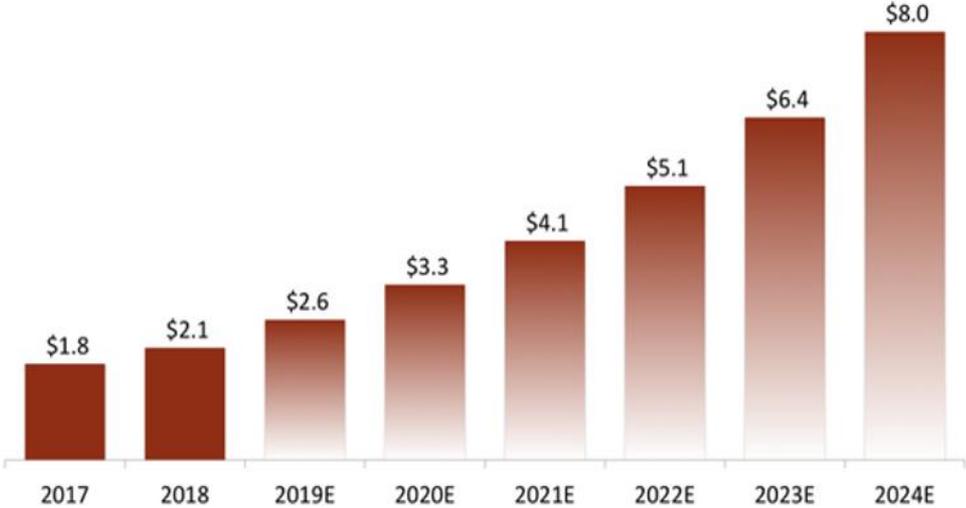
Source: <https://www.capgemini.com/wp-content/>

# Predictions



Forecast: U.S. Voice Payments Adoption

Forecast: U.S. Voice Payments Volume



# Accessibility



# Use Cases: Customer Service



## Automated Support

Query about a payment anywhere, anytime. Respond to common and complex payment queries.



## Customer Centric

Empower customers to engage in the way that they want and to connect on their own terms.



## Real Time Assistance

Providing account, payments, etc. related contextual information instantaneously.



## Voice Based Onboarding

Enables easy payment related setup and engages customers in a better way.



## Verification / Authentication

Offers convenience and security while improving the authentication process\*.

# Use Cases: Products & Services



## Goals-Based Savings

More convenient user interface. Hyper-personalized insights and more applicable goal setting.



## Account Controls

Set up notices, reminders, alerts, report fraud, manage transactions, and lock and unlock cards/accounts/etc.



## Practical Applications

Peer-2-peer, pay bills, loans, check balances, inquire about solutions, apply for loans, open account, etc.



## Financial Wellness

Eases burden of setting up, reviewing etc. Delivers messages in format that allows user to ask questions and take actions.



## Concierge Services

Offer robust experience, deeper functionality, better understanding of intentions Interact with users about their finances

# “Alexa, pay for gas.”



How to use Alexa to pay for gas

1



Pull up to an Exxon or Mobil station and say, “Alexa, pay for gas” using your car’s Alexa-enabled device or the Alexa app.

2



Confirm your location and pump number.

3



Give Alexa permission to turn on the pump.

4



Exit your vehicle, select a grade of fuel and begin fueling.

Source: <https://www.exxon.com/en/amazon-alexa-pay-for-gas>

# Benefits

***Bridges the gap between convenience and personal touch***

## **Financial Institution**

- Best in class
- Interactive
- Cost reduction
- Error reduction
- Reduce churn
- Ageless

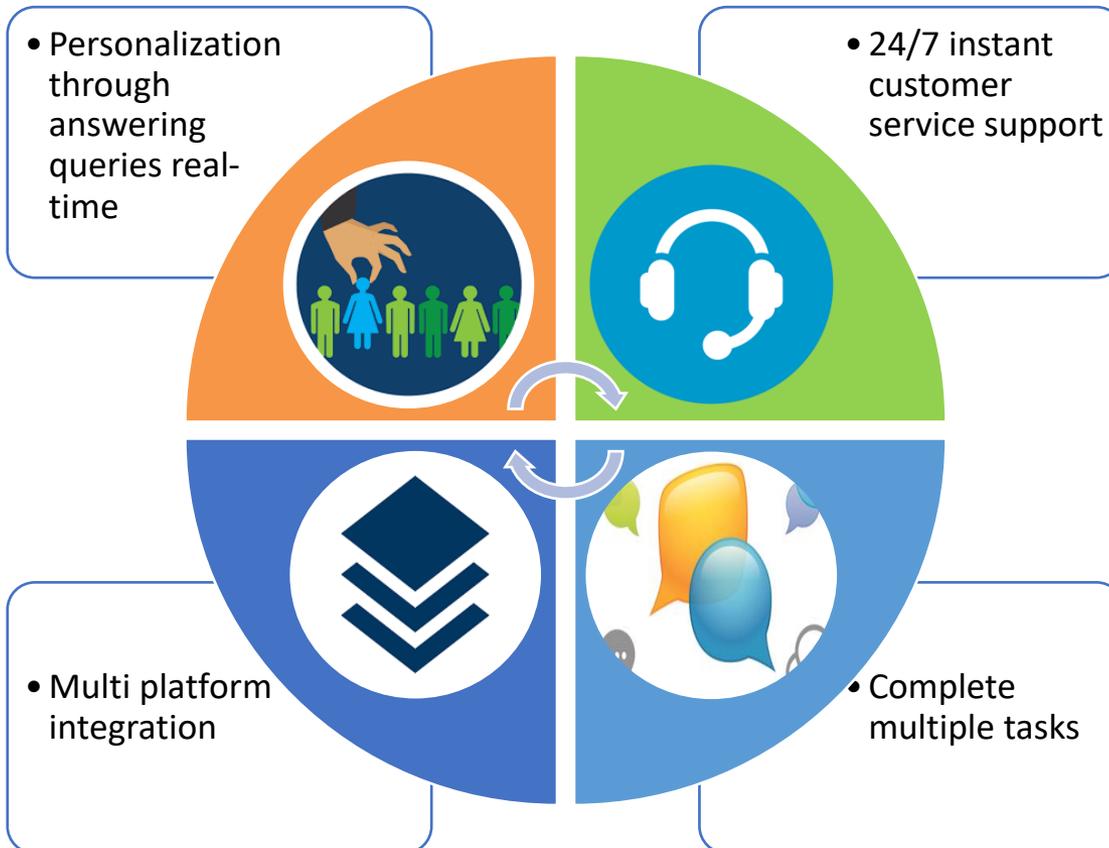


## **Customers**

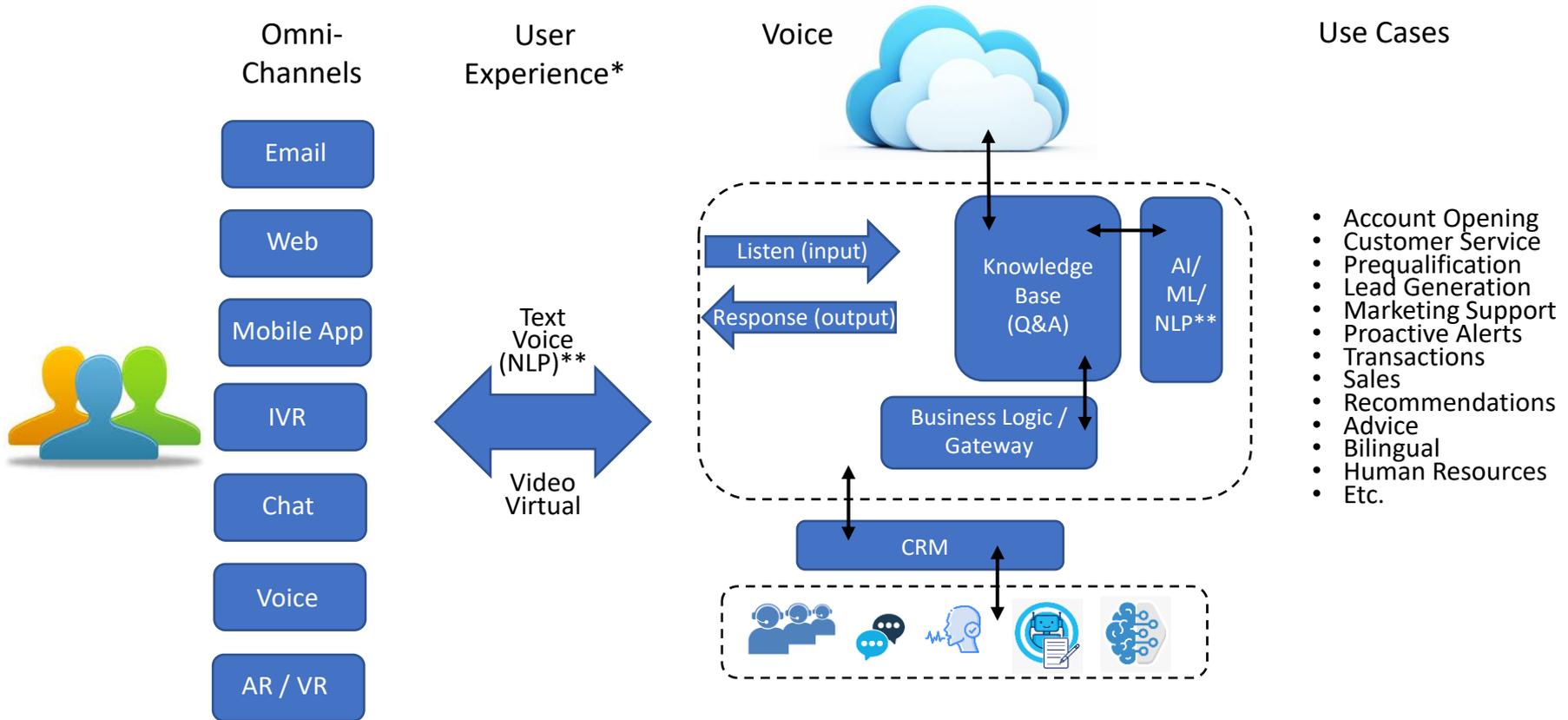
- Accessibility
- Quality of service
- Proactive engagement
- Self-service (hybrid)
- Personalization
- Preferred channel

# Advantages

Conversational bots offer endless possibilities, they can transform ideas into reality. From answering questions, assisting users with financial transactions, to serving as a concierge.



# Platform Architecture



\*User Experience includes text to speech, speech to text, text to voice, chat, etc.

\*\* AI artificial intelligence, ML machine learning, Natural Language Processing

# How to Prepare

- Security
  - Continue to proactively test and integrate alternative authentication solutions
- Omni-Channel
  - All channels & focus on customer
  - Visual engagement tools
- Technology Improvements
  - AI, NLP, devices, etc.
- Compliance
  - Collaboration between areas



# What's Next?

- Contextual understanding
  - Less mechanical & closer to natural human communication
- Deeper integration
  - Mobile banking apps, bank websites, credit apps, etc.
- Improved security
  - Voice and face recognition, biometrics, etc.
- Regulatory & Privacy
  - Landscape, requirements, privacy rights, etc.
- Internet of Things
  - Integrating visual interfaces
- Digital Concierge
  - More complicated tasks





# Thank You

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