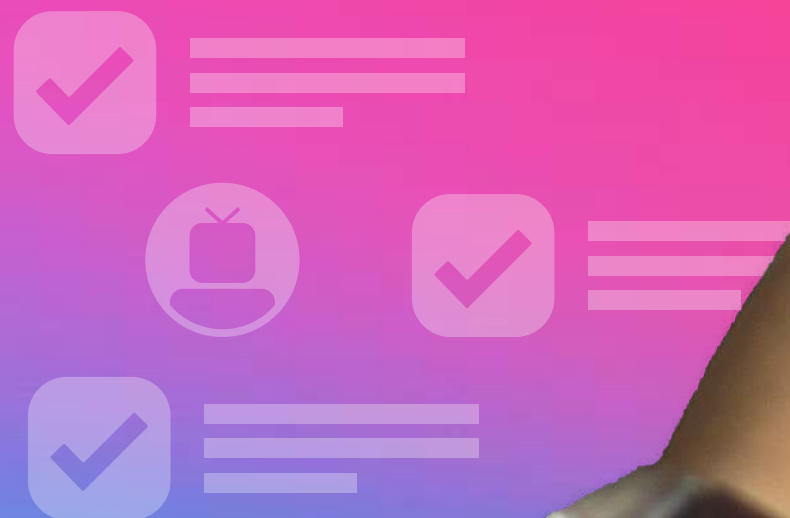
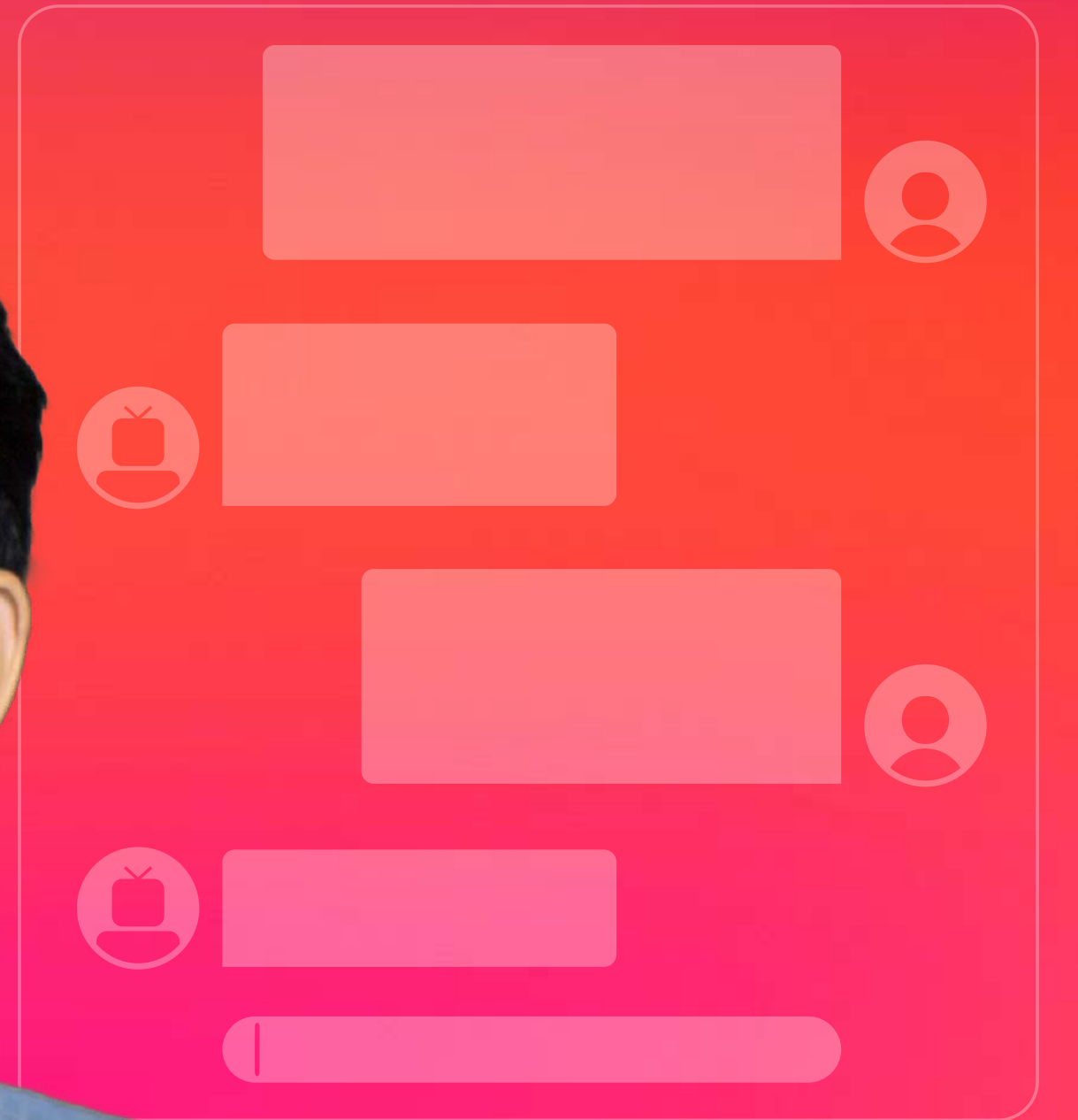


APAC ●

Chatbots:

Shaping the future of personal banking



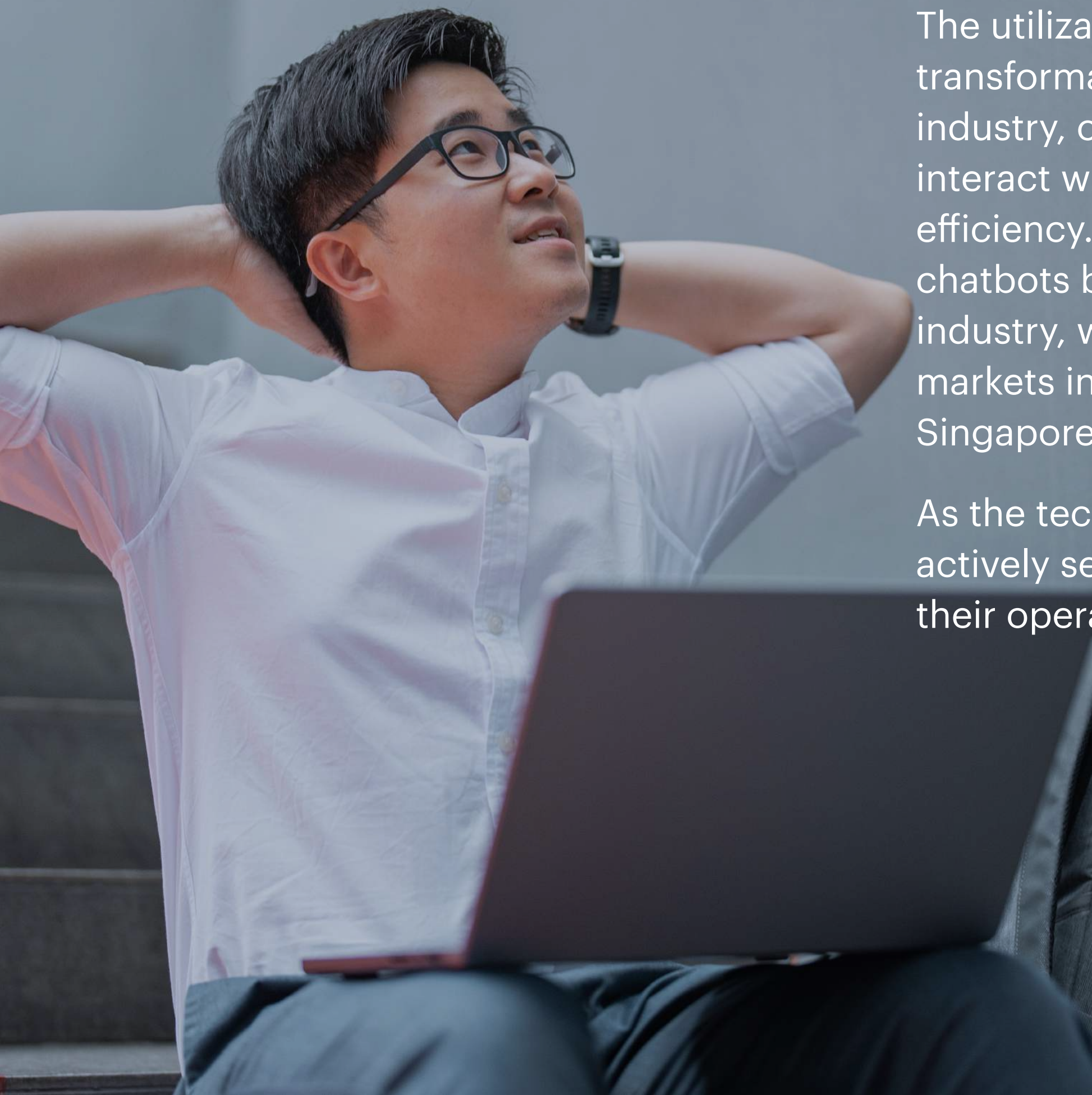
Introduction

The utilization of chatbots has emerged as a transformative trend in the financial services industry, creating a revolution of how organisations interact with customers and improving operational efficiency. This report explores the adaptation of chatbots by consumers in the financial services industry, with a focus on personal banking, for markets in Australia, Indonesia, Hong Kong, Singapore, Malaysia and Thailand.

As the technology evolves, financial institutions are actively seeking innovative solutions to streamline their operations and deliver personalized

experiences to their clients. Chatbots, powered by artificial intelligence (AI), particularly natural language processing (NLP), are useful tools to enable seamless, real-time interactions with customers, providing efficient self-service options and enhancing overall customer engagement.

In this report, we explore the specific ways chatbots are involved in customer interactions, the benefits they offer to banks and customers, barriers to using chatbots as well as customer expectations in their experience of using chatbots in the future.



Customer Touchpoints in Financial Services

Touchpoint analysis

When considering customer touchpoints in personal banking, it's important to distinguish between direct and indirect interactions. Direct touchpoints involve direct communication or engagement between the customer and the financial institution, while indirect touchpoints are interactions that indirectly influence the customer's experience.

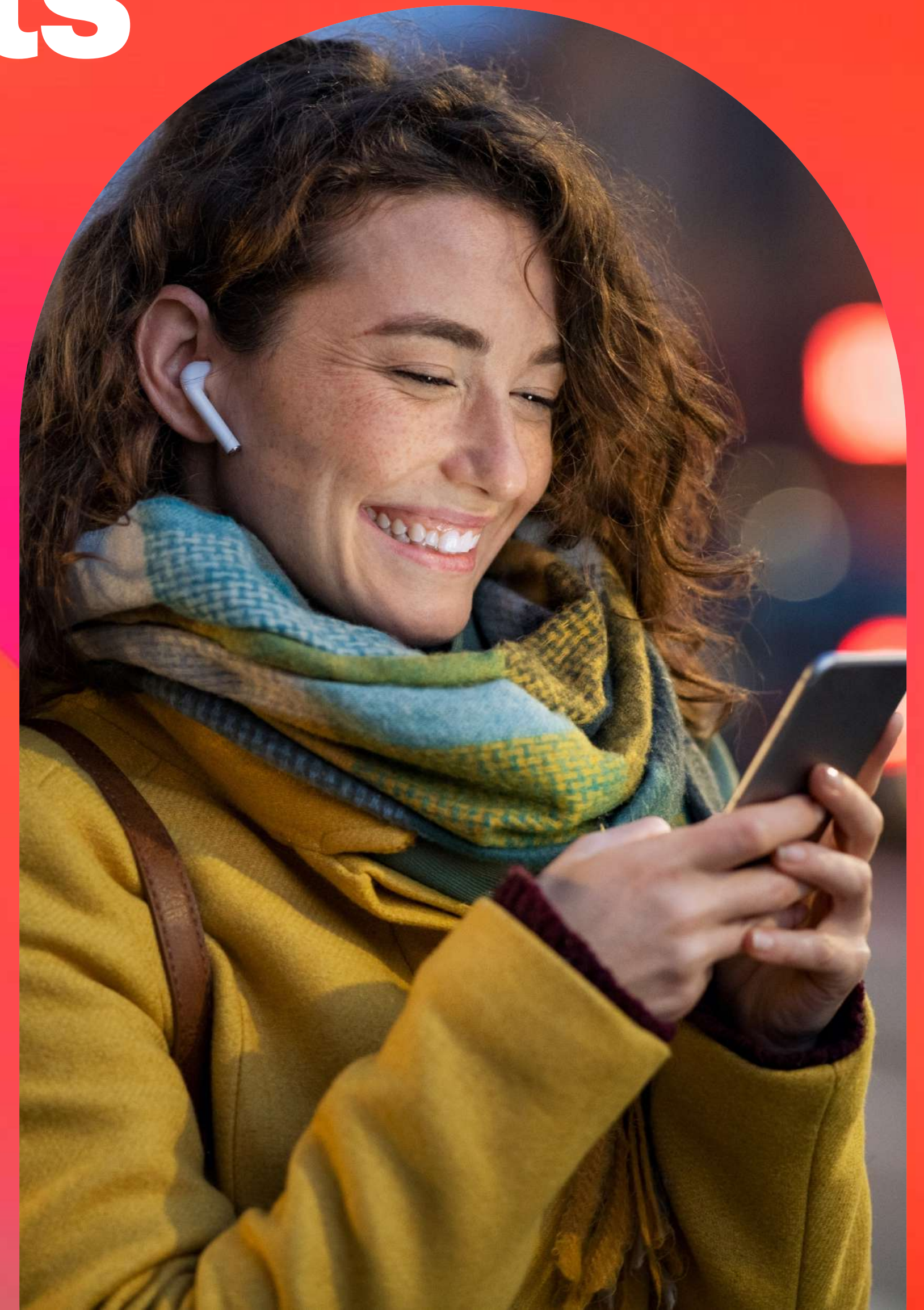
Our research reveals that the top three touchpoints that have experienced significant growth across all markets during the pandemic are primarily indirect touchpoints. Among these, mobile banking apps have witnessed the most substantial increase in usage across all regions. Specifically, in Thailand, Malaysia, and Indonesia, more than **60%** of respondents reported a notable rise in their frequency of using mobile banking apps since the onset of the pandemic.

In these markets, the surge in mobile banking app usage has been significant, with Thailand showing a **64%** increase, followed closely by Malaysia at **63%** and Indonesia at **61%**. This data highlights the profound impact of the pandemic

on customer behavior, as individuals increasingly rely on the convenience and accessibility offered by mobile banking apps for their financial needs.

The data also shows a consistent decrease in in-branch or in-person interactions across all markets since the pandemic. Phone calls, SMS and text messages also experienced declines. These findings emphasize the shift towards digital channels and self-service options as customers increasingly rely on mobile banking apps and online platforms for their financial needs.

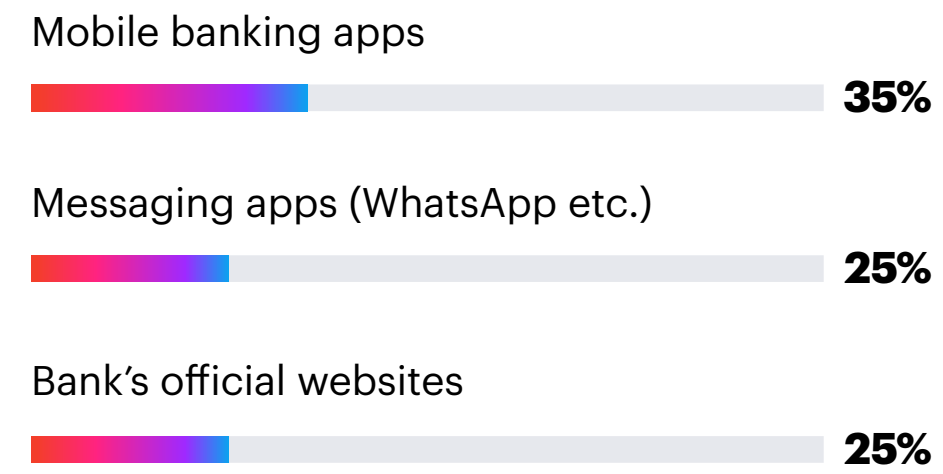
There is a growing reliance on mobile banking apps and messaging apps as key touchpoints in these markets. Financial institutions should prioritize optimizing these channels to meet the evolving needs of customers, while also considering the relevance of email, official websites, and online chat as important touchpoints in certain markets. By doing so, institutions can deliver exceptional customer experiences.



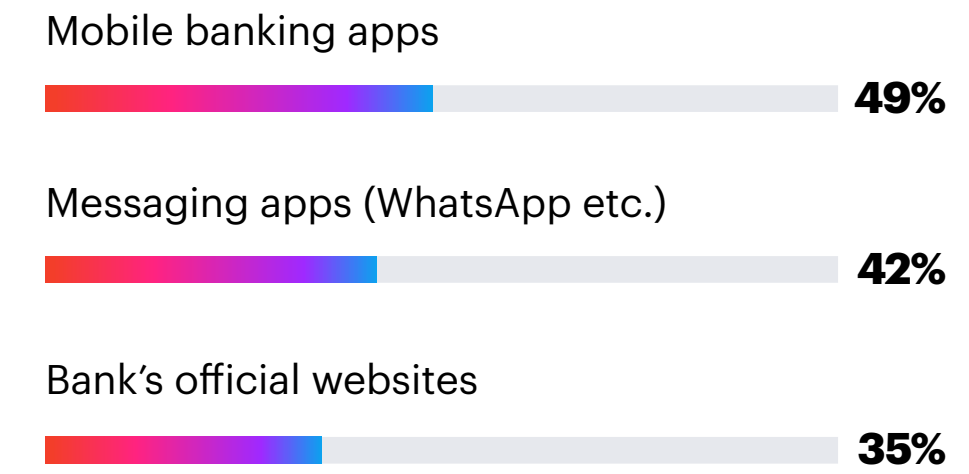
Top 3 touchpoints that have increased since the pandemic



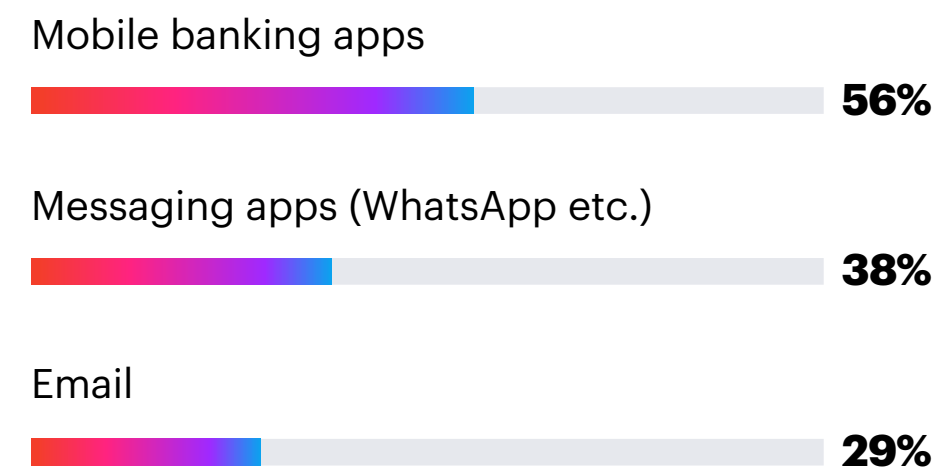
Australia 🇦🇺



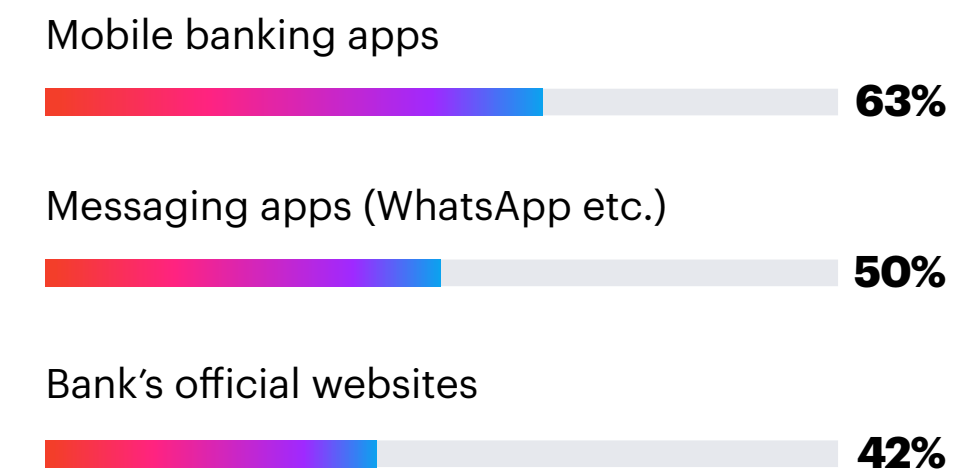
Hong Kong 🇭🇰



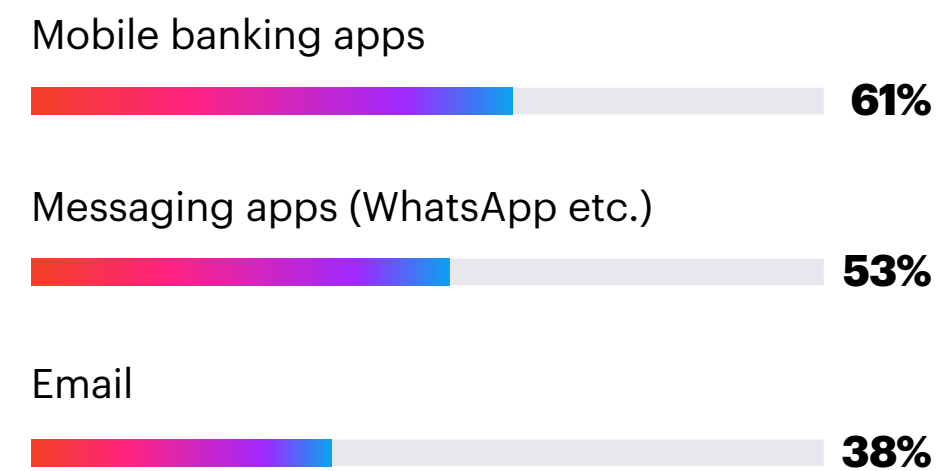
Singapore 🇸🇬



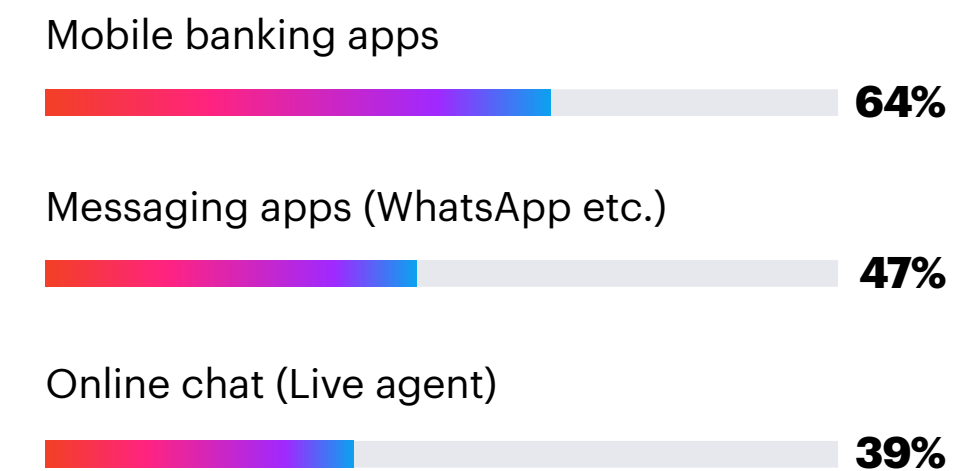
Malaysia 🇲🇾



Indonesia 🇮🇩



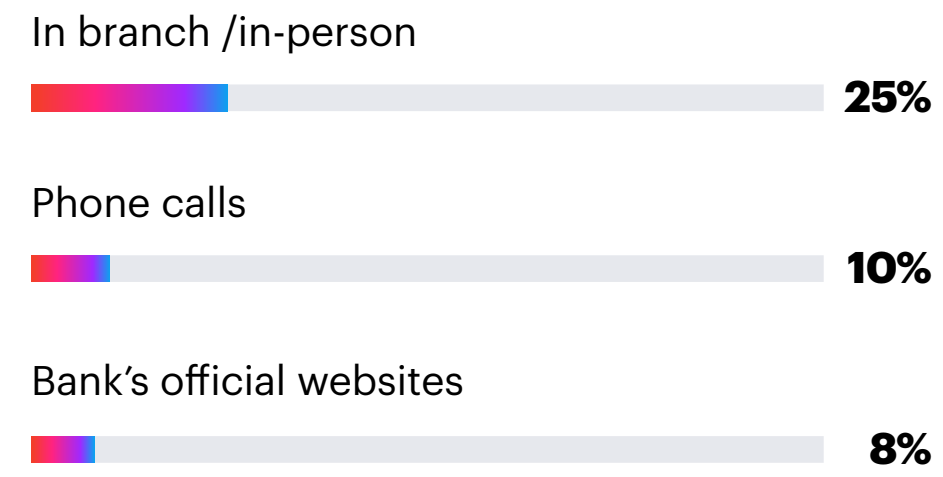
Thailand 🇹🇭



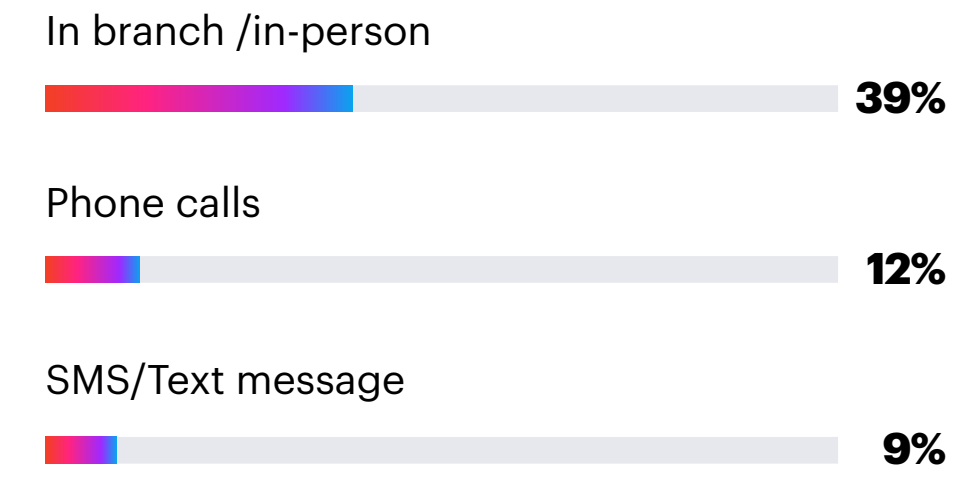
Top 3 touchpoints that have decreased since the pandemic



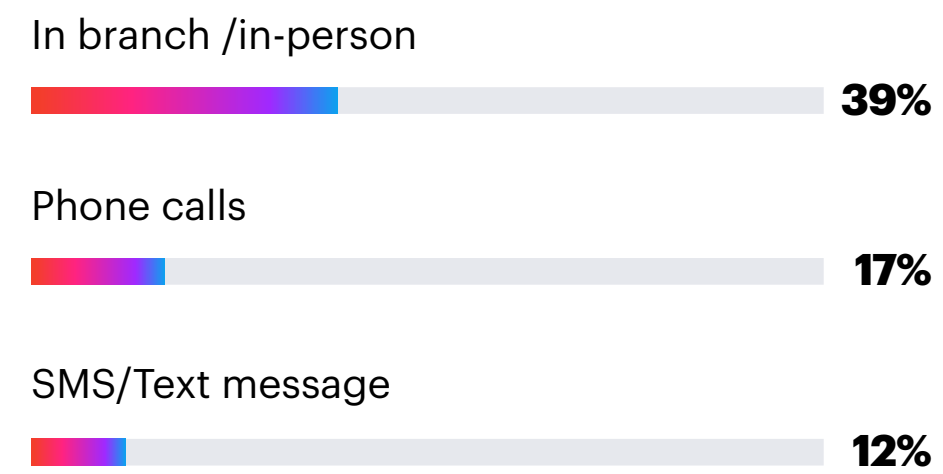
Australia 🇦🇺



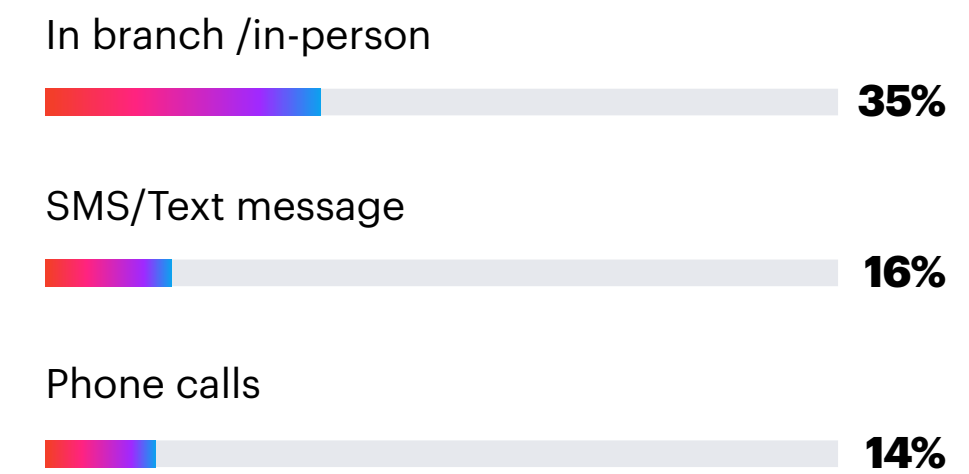
Hong Kong 🇭🇰



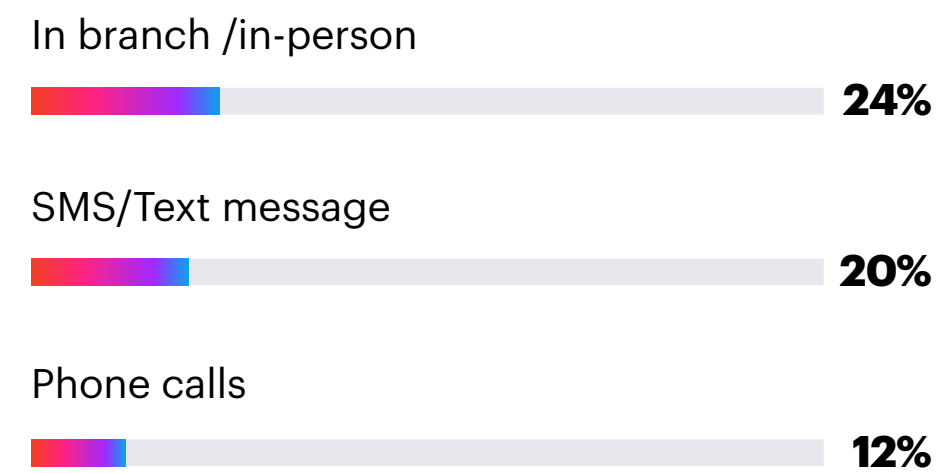
Singapore 🇸🇬



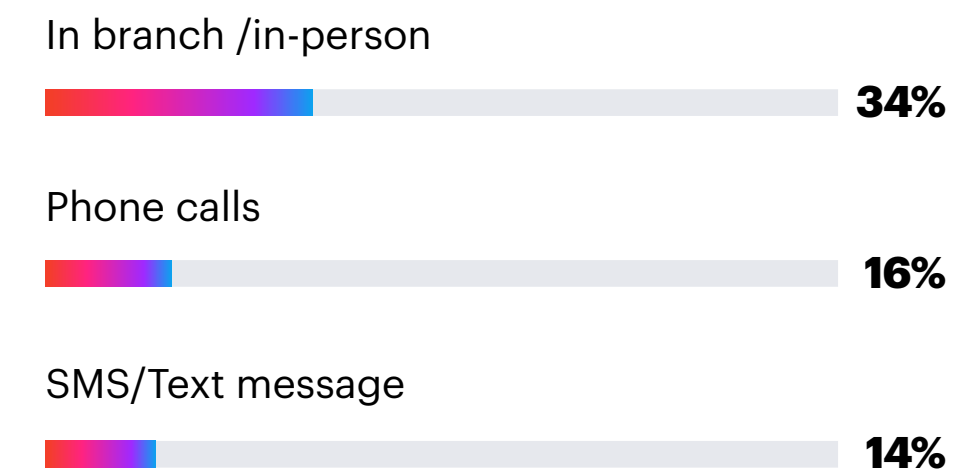
Malaysia 🇲🇾



Indonesia 🇮🇩



Thailand 🇹🇭



Likelihood of using chatbots

Preference of Chatbots usage

Interestingly, in terms of being most likely to use chatbots, consumers in developing economies such as Thailand and Indonesia are more likely to use chatbots than countries with developed economies like Singapore and Australia.

Thailand leads the way with over half of respondents expressing a willingness to engage with chatbot services. Indonesia follows closely at **47%**.

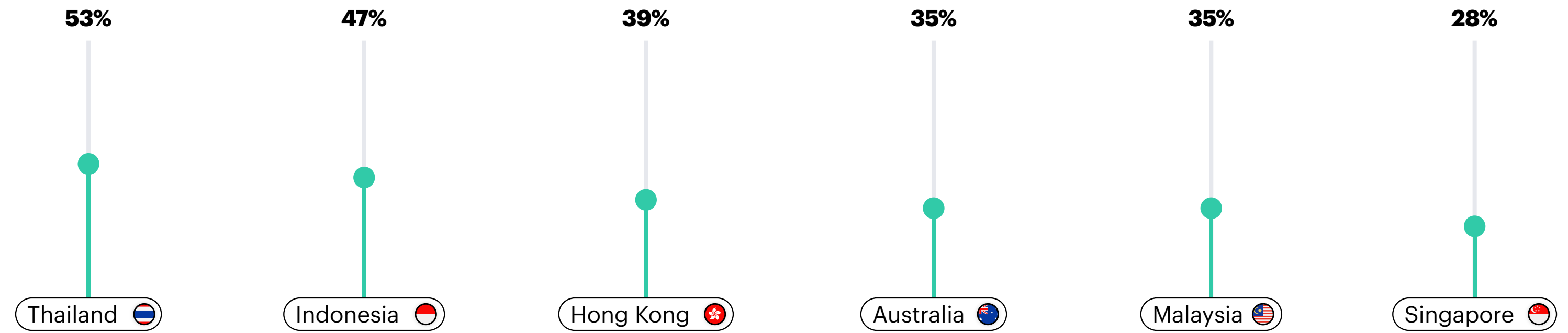
On the other hand, when it comes to being least likely to use chatbots, Australia ranks highest with **45%** of respondents

expressing reluctance. Singapore follows closely behind at **41%**, while Hong Kong and Malaysia show a lower inclination with **27%** and **26%** respectively.

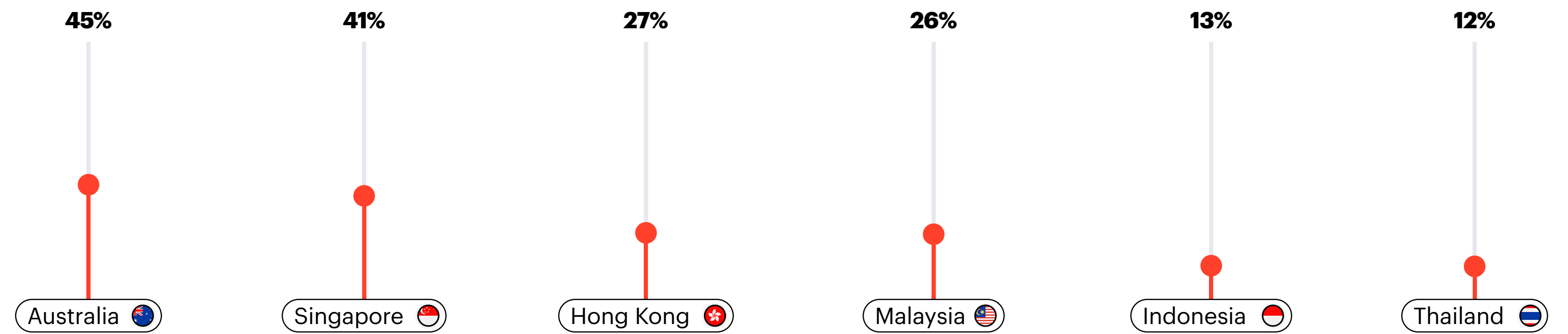
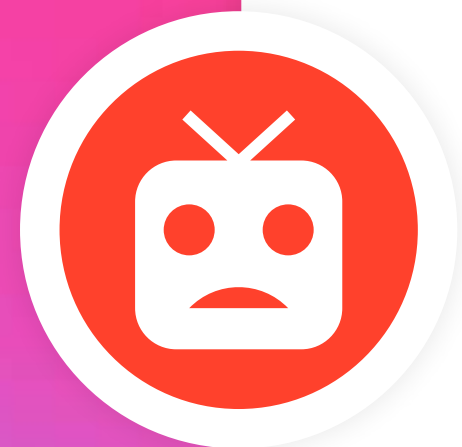
While Thailand and Indonesia demonstrate a higher level of acceptance, Australia and Singapore appear to have a higher degree of skepticism towards chatbot usage. Implementing chatbots successfully requires careful consideration of customer preferences and expectations in each specific market.



Most likely to use chatbots



Least likely to use chatbots



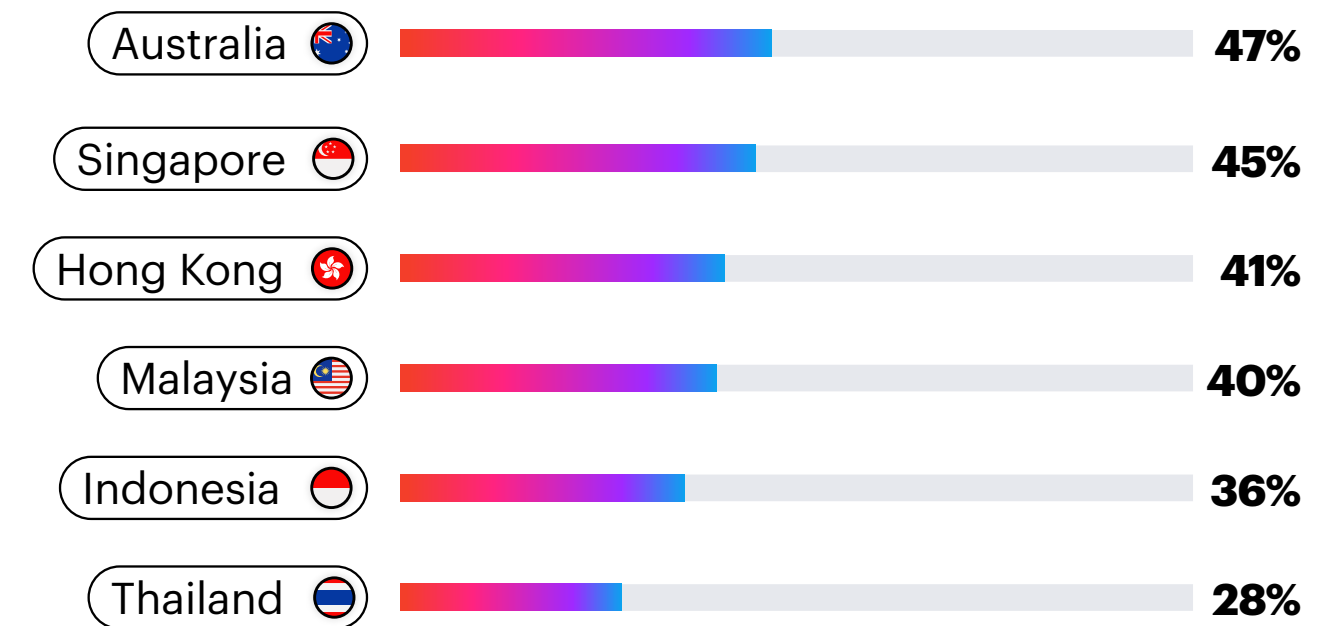
Frequency of using chatbots

The data on chatbot usage for personal banking in the past three months reveals varying levels of adoption across different markets. Australia and Singapore have a higher percentage of respondents who have never used chatbots or use them infrequently, while Hong Kong and Thailand show a greater proportion of users engaging with chatbots **at least once a week**.

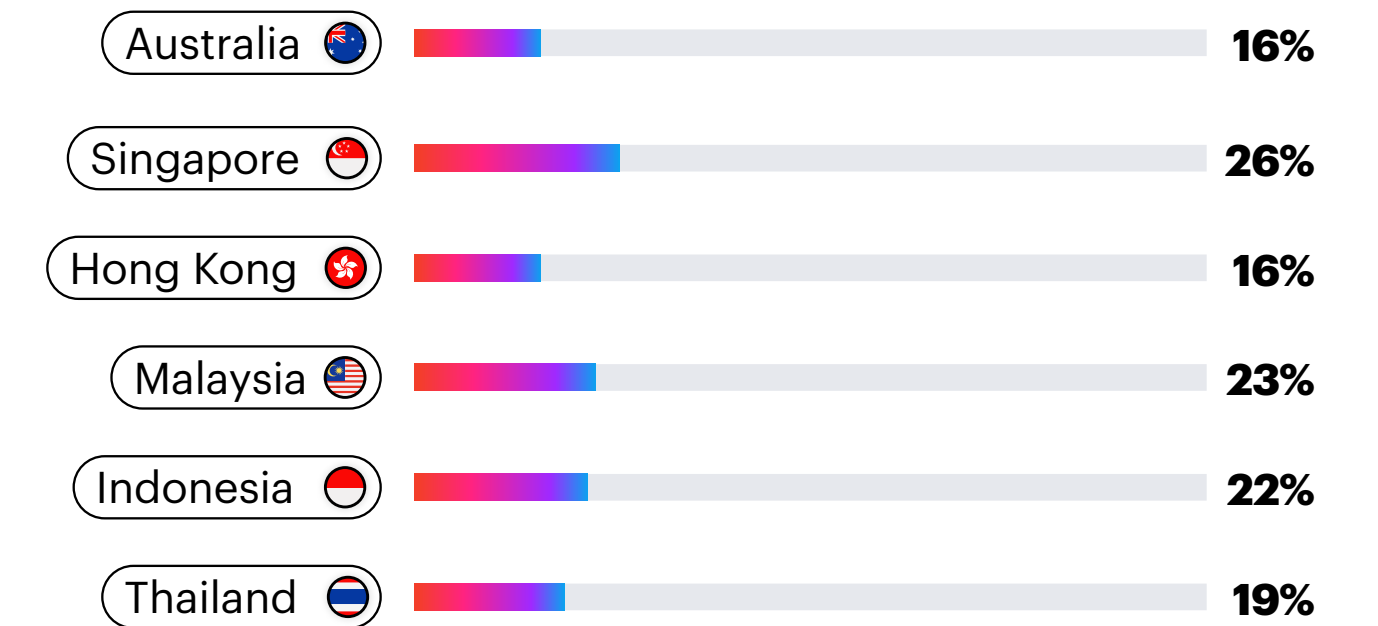
Understanding these usage patterns can help financial institutions tailor their chatbot strategies and ensure they align with customer preferences. There is a need to strike a balance between chatbot implementation and maintaining alternative channels for customers who prefer human interactions.



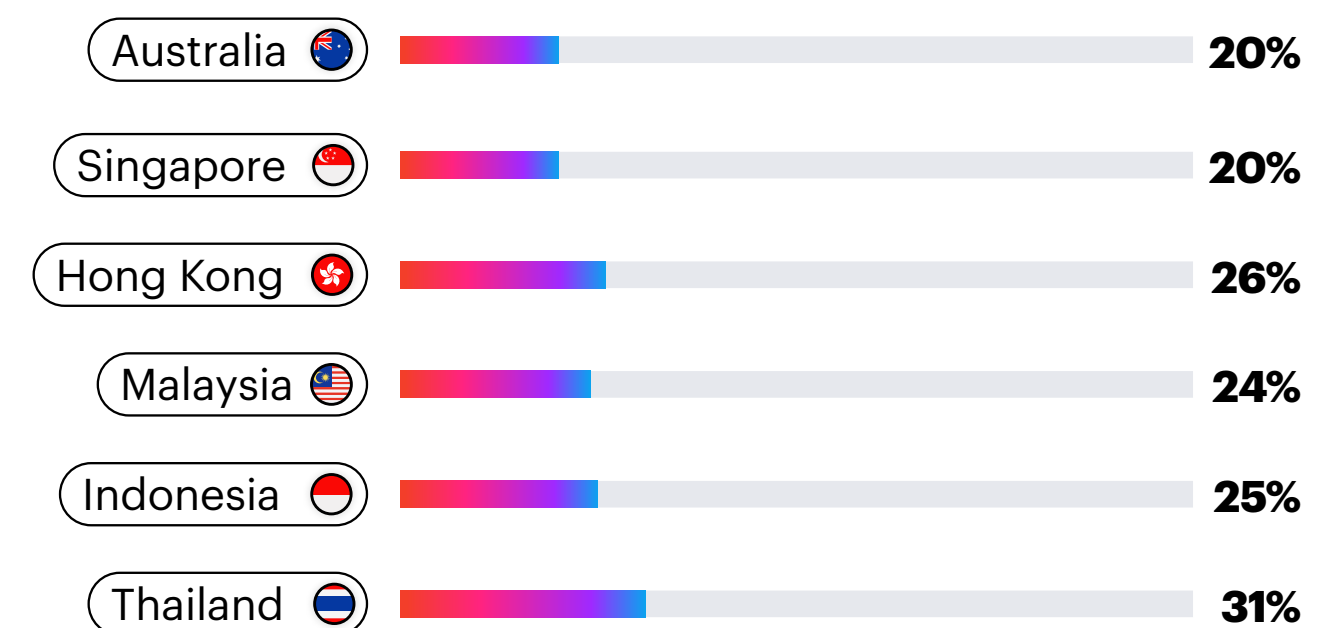
Never used chatbots for personal banking in the past 3 months



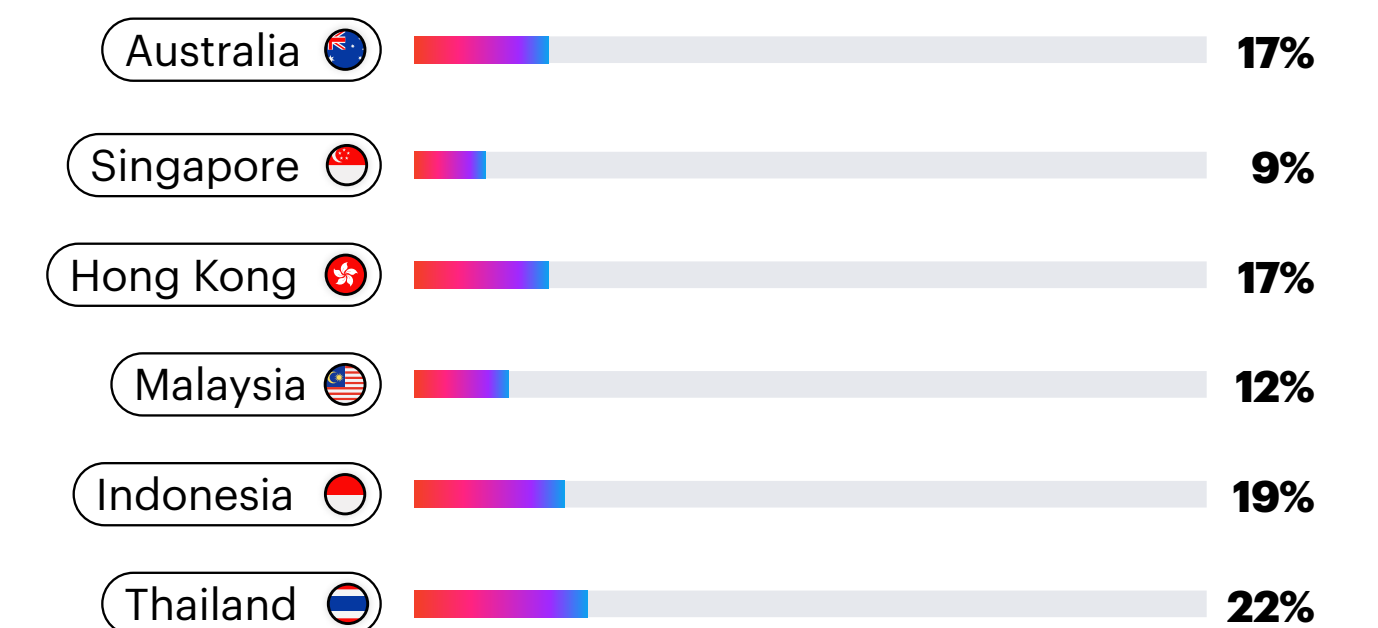
Less than once a month



1-3 times a month



At least once a week:



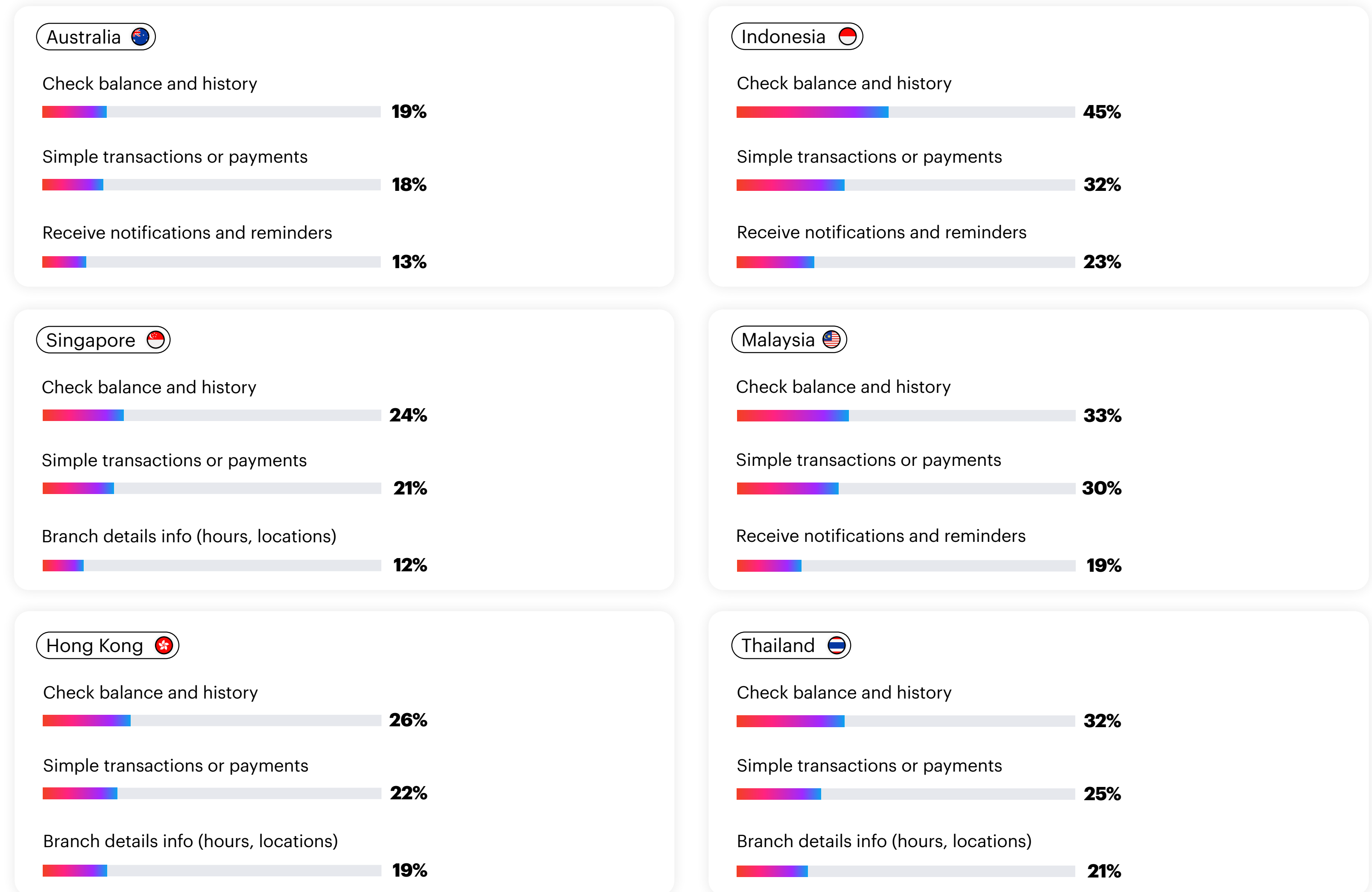
Top 3 services used when using chatbots

With financial institutions opting to use chatbots to fast-track and simplify consumer banking journeys, what do consumers really use chatbots for? Our data shows that consumers in APAC are more likely to rely on chatbots for simple and easy to execute tasks. More than 1 out of 5 in consumers are using chatbots to check their balance and history. Other types of services that they are more likely to be used are simple transactions or payments, finding branch details information and receive notifications or reminders.

Consumers are less likely to use chatbots for more complex services such as loan/mortgage assistance, managing insurance queries or even asking for financial advice or insights as less than 1 in 10 are doing so.



Top 3 services used when using chatbots:



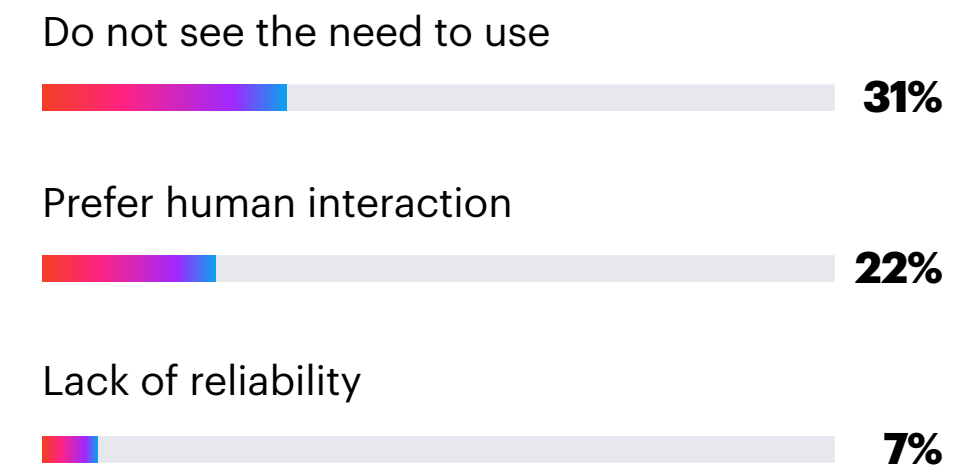
Benefits and barriers

The top three reasons consumers cite for not using chatbots vary across markets. In Australia, Singapore, and Hong Kong, the main reason cited is not perceiving the need for chatbot usage, accompanied by a preference for human interaction. Concerns about reliability also arise in some markets. While in Indonesia and Malaysia, a lack of familiarity or knowledge about chatbots is an additional factor. The lack of familiarity is the top factor in Thailand which indicates more education on the usage of chatbots is needed.

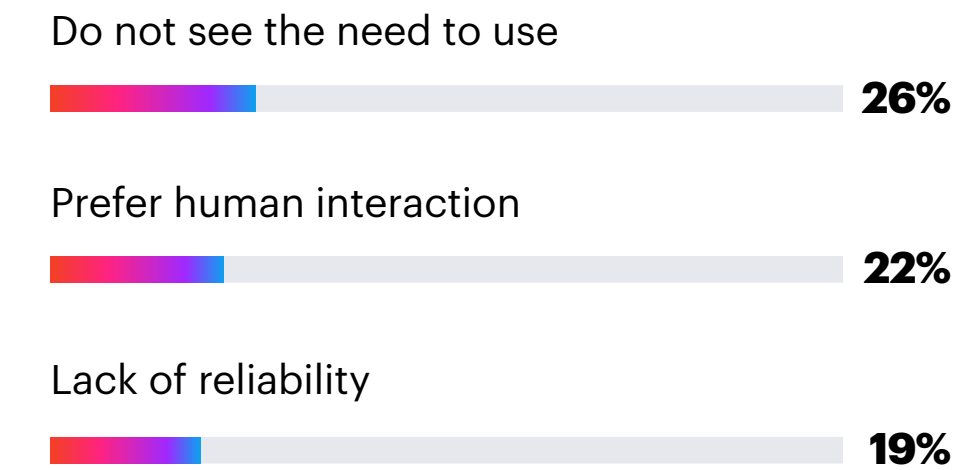
Financial institutions seeking to encourage chatbot adoption should address these concerns by emphasising the benefits, ensuring reliability and providing education on usage to build consumers' trust in chatbots.

Reasons to not use chatbots

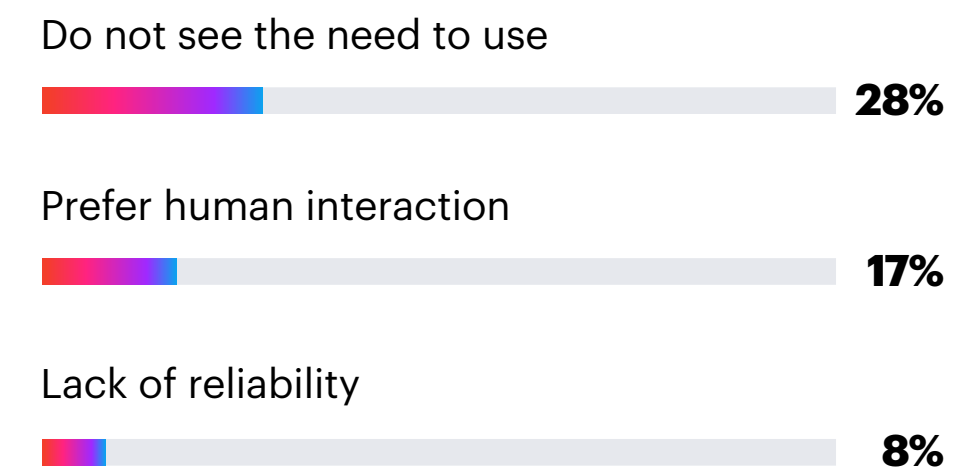
Australia 🇦🇺



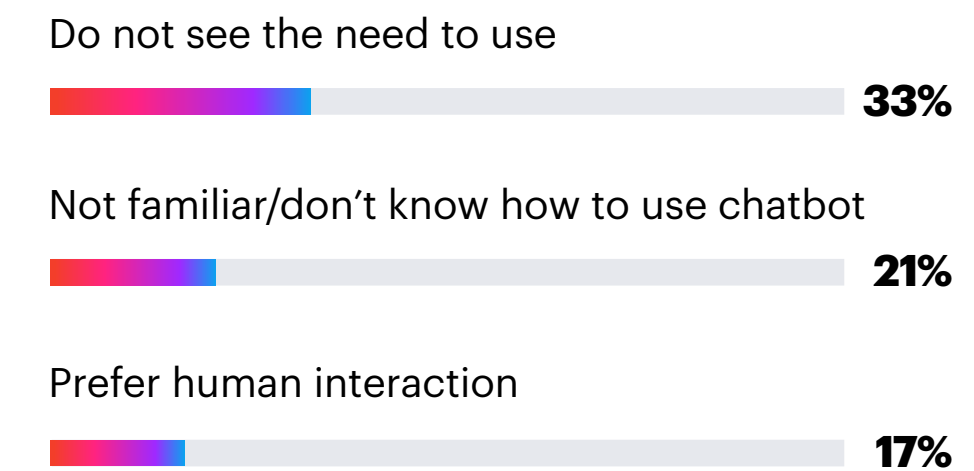
Hong Kong 🇭🇰



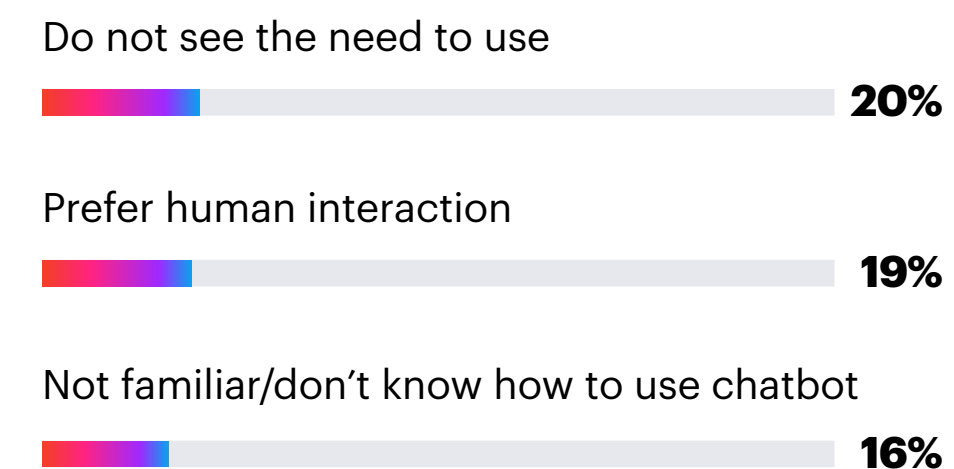
Singapore 🇸🇬



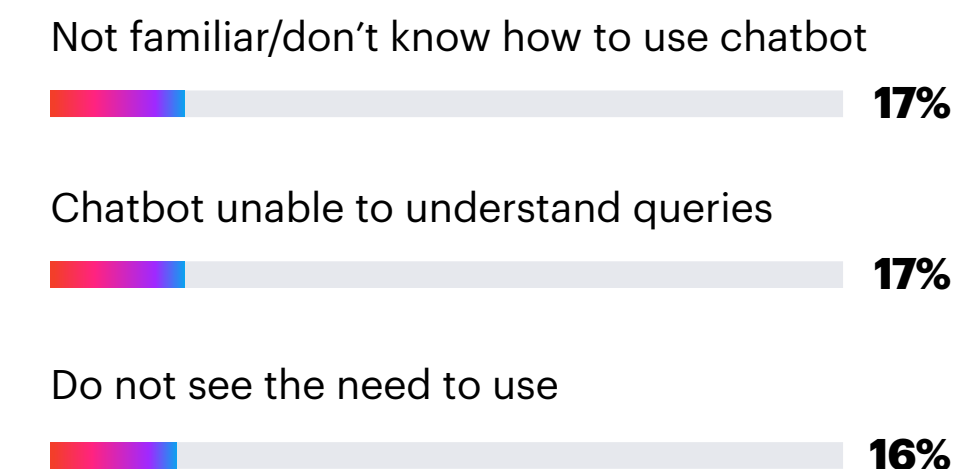
Malaysia 🇲🇾



Indonesia 🇮🇩



Thailand 🇹🇭

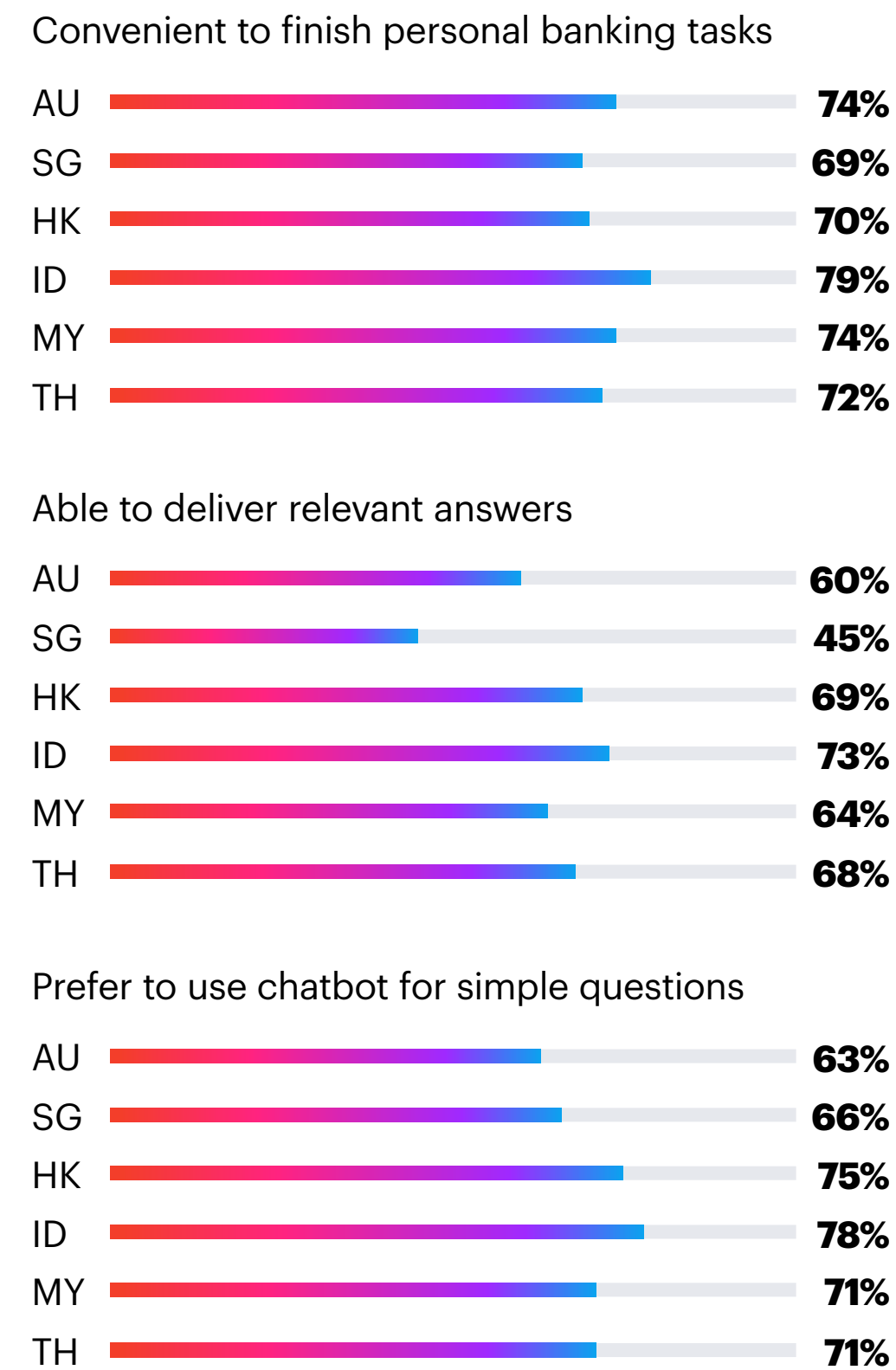


Chatbots in the financial services sector offer convenience for customers to finish personal banking tasks efficiently as over 7 in 10 of APAC consumers agree with that. Most APAC consumers also agree that they excel at delivering relevant answers and information, ensuring a streamlined user experience. The anomaly is Singapore where only 45% agree that chatbots in the financial services sector can deliver relevant answers. Overall, Singaporeans are less confident in the capabilities of financial chatbots compared to the rest of the countries.

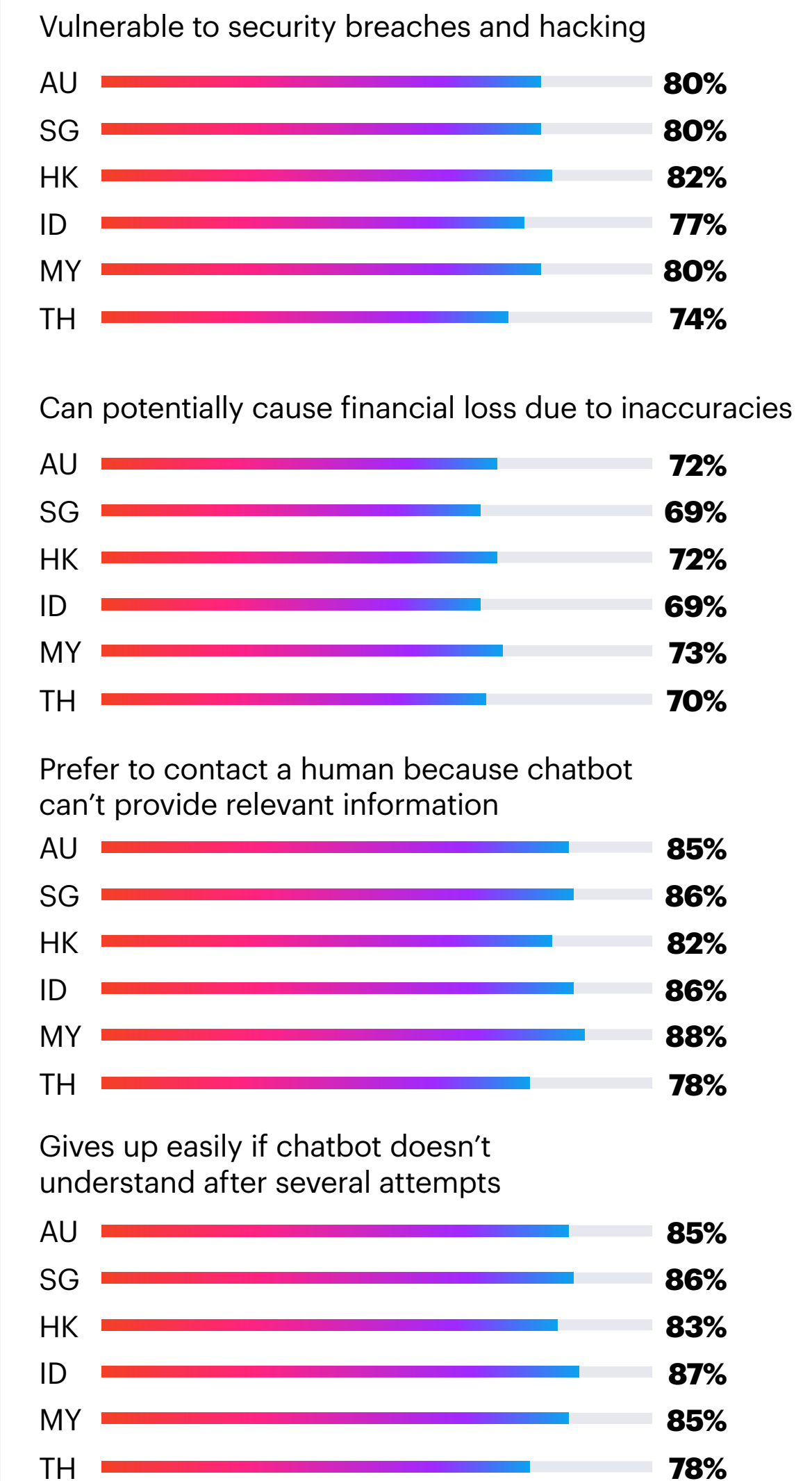
However, about 8 in 10 APAC consumers are concerned about security vulnerabilities and the potential risk of hacking, which can compromise sensitive financial data. Inaccuracies in responses can also pose a potential financial loss.

Almost 9 in 10 consumers prefer contacting a human representative as they believe chatbots are unable to provide the necessary relevant information. On the other hand, chatbots are favored for handling simple questions. It's important to note that if a chatbot fails to understand user queries after several attempts, users may become frustrated and abandon the conversation. Striking a balance between chatbot capabilities and human support is crucial to meet customer expectations and ensure a positive overall banking experience.

Benefits



Barriers



How do consumers expect financial institutions to utilise chatbots?

Privacy concerns

Data privacy has always been a concern for financial institutions, given the potential risks associated with inadequate safeguarding of customer data. The recent insights from these markets further emphasize the significance of protecting sensitive information. Our data shows that consumers are more willing to share the less

significant data. Email is one that most consumers are willing to share, more than 3 in 10 consumers in these markets are willing to do so. Full name also came on top in almost all markets, except for Thailand. In Thailand however, consumers are more willing to share OTP (**32%**) compared to full name (**27%**)

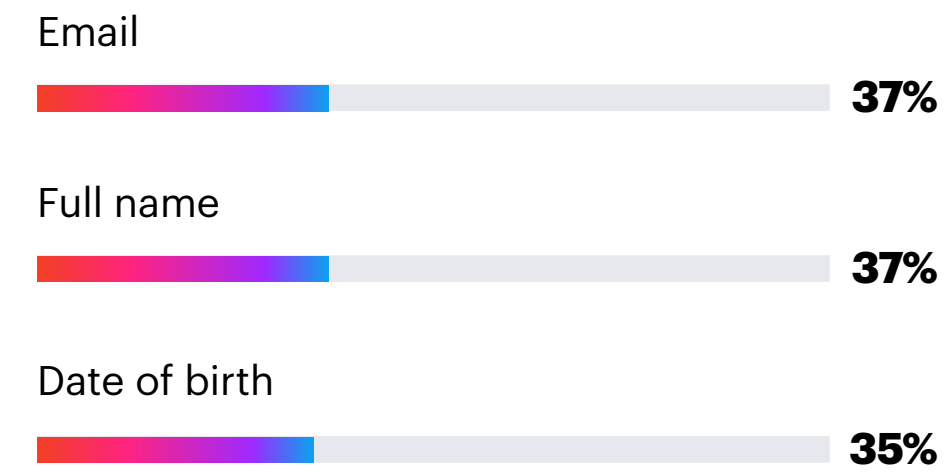


Extent of personal information consumers are willing to give

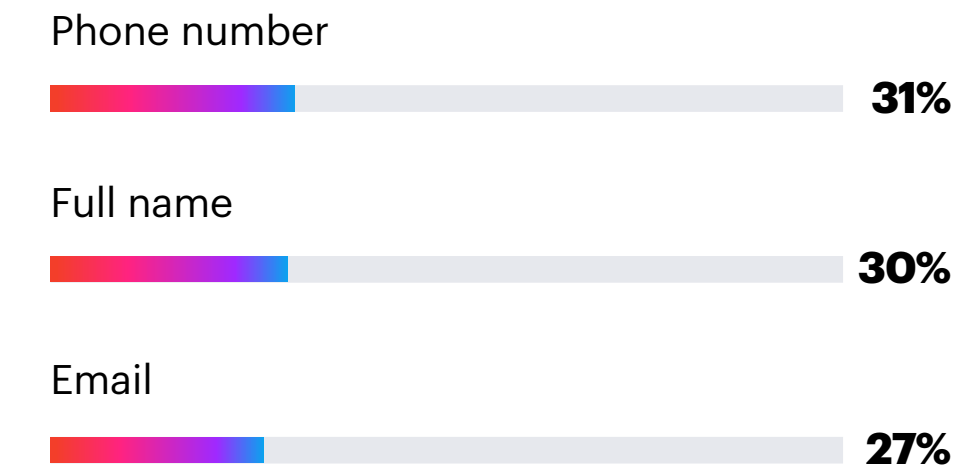


Most likely to be willing to share

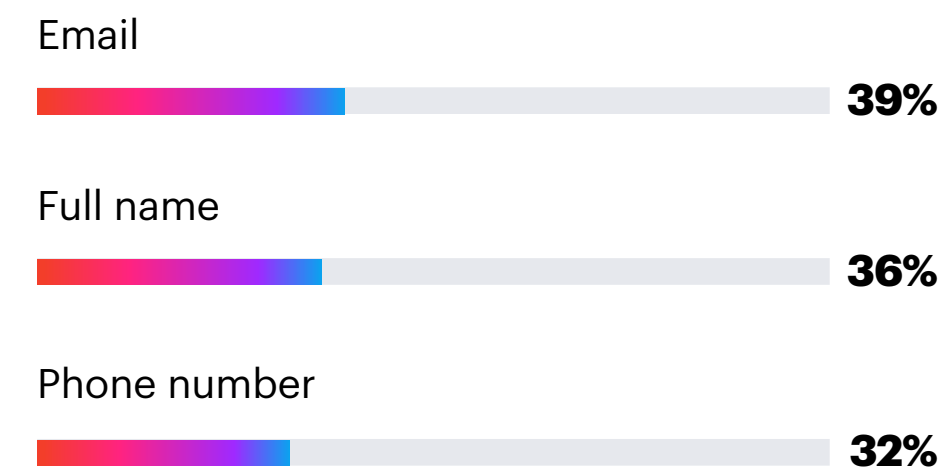
Australia 🇦🇺



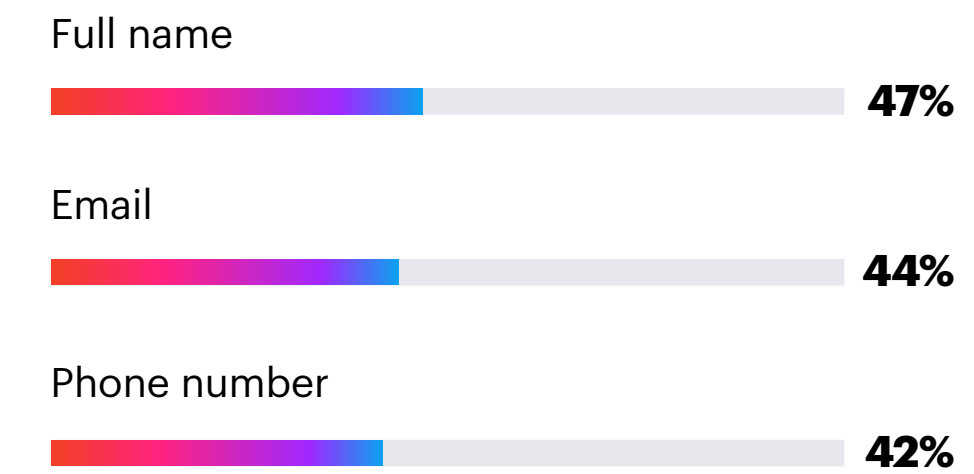
Hong Kong 🇭🇰



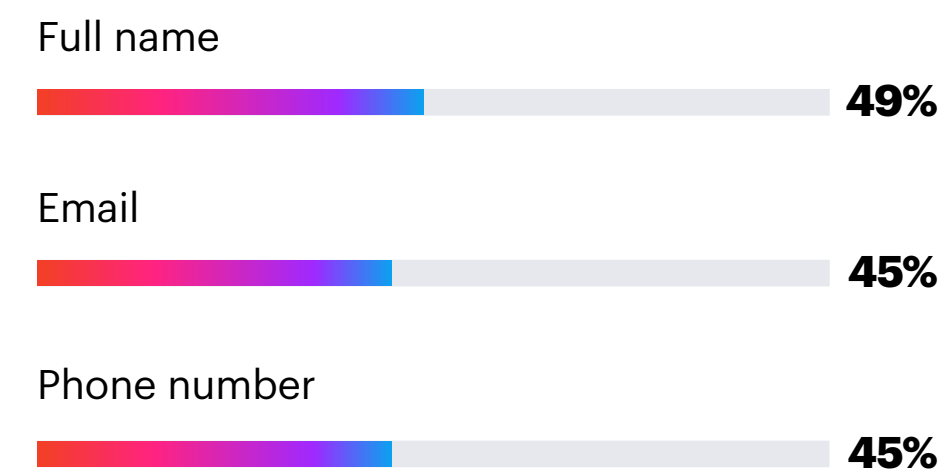
Singapore 🇸🇬



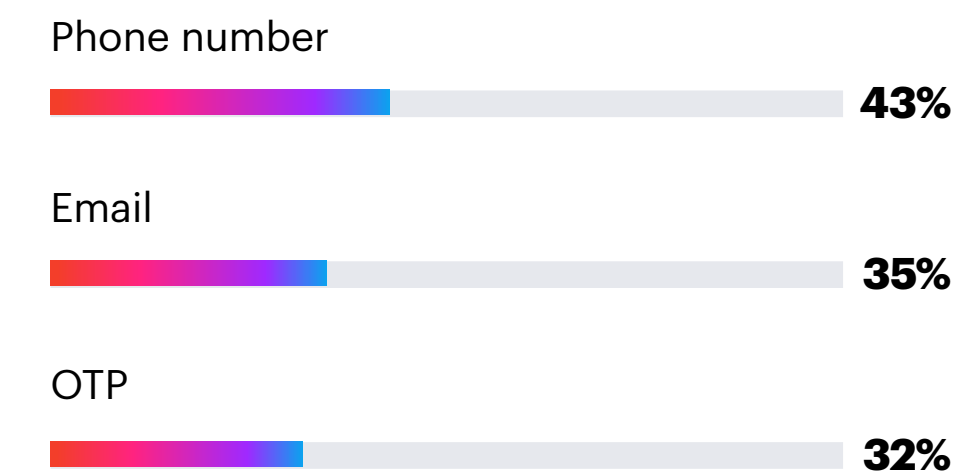
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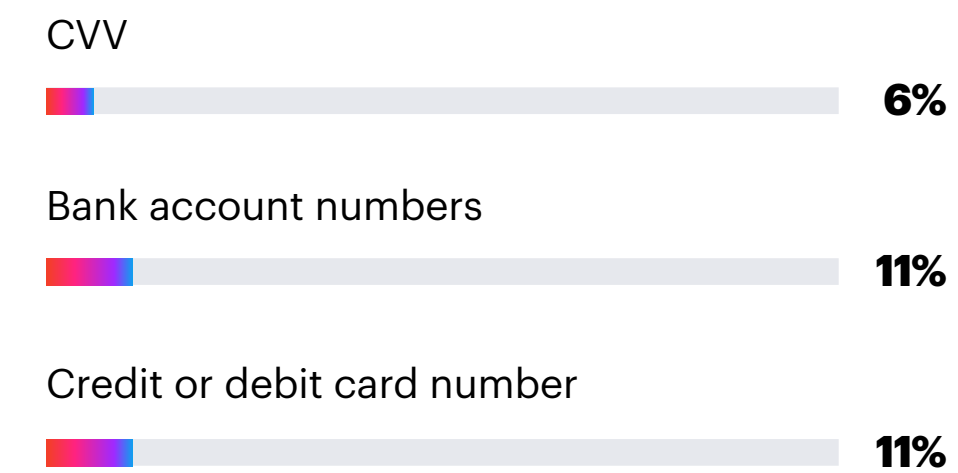
Extent of personal information consumers are willing to give

When it comes to sharing personal information, consumers in these markets display a cautious approach. CVV and credit/debit card numbers are deemed highly sensitive, as only 1 in 10 consumers are willing to share them. Australians prioritize the security of bank account numbers, with a similar proportion hesitant to disclose this information. Interestingly, in Hong Kong, the address is also considered a crucial piece of information, as only 12% of consumers are willing to share it. These findings indicate a strong emphasis on safeguarding personal data in these markets, highlighting the need for financial institutions to prioritize data security and privacy measures to instil trust and meet the expectations of their customers.

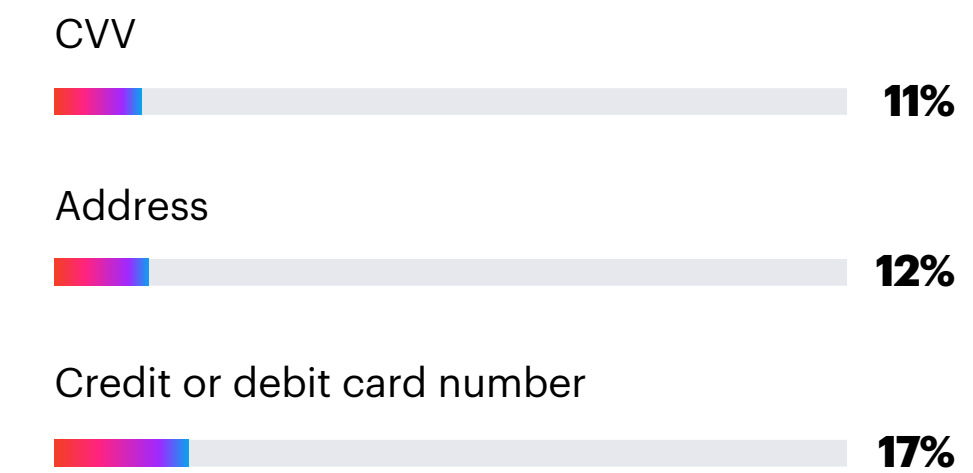


Least likely to be willing to share

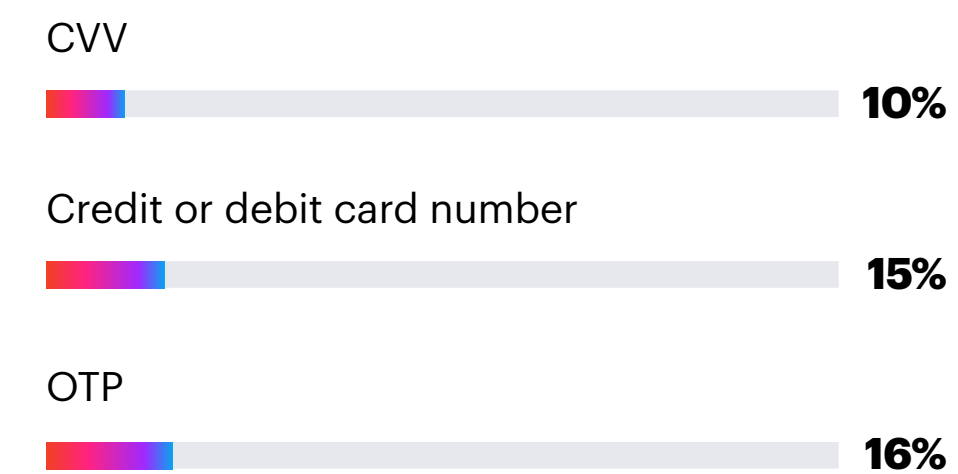
Australia 🇦🇺



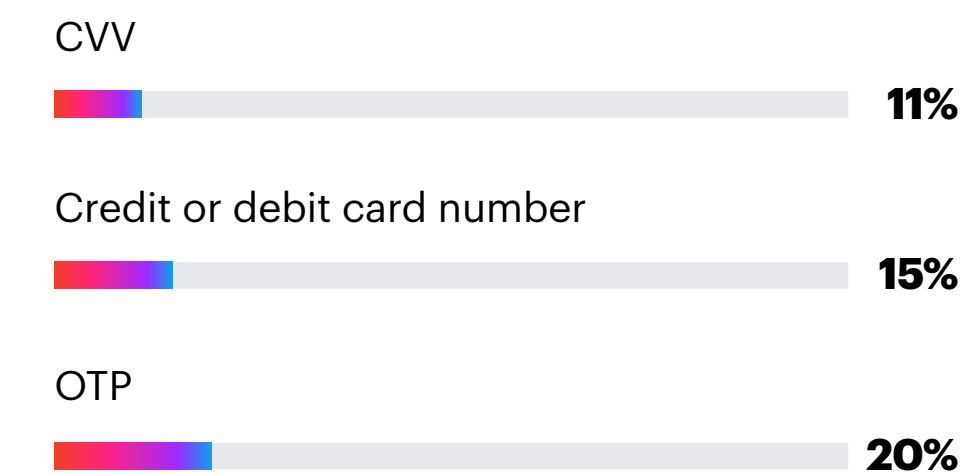
Hong Kong 🇭🇰



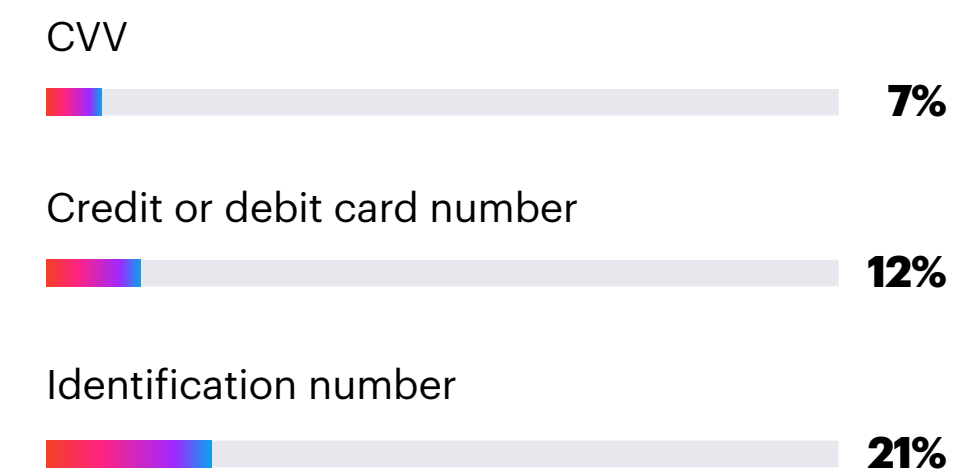
Singapore 🇸🇬



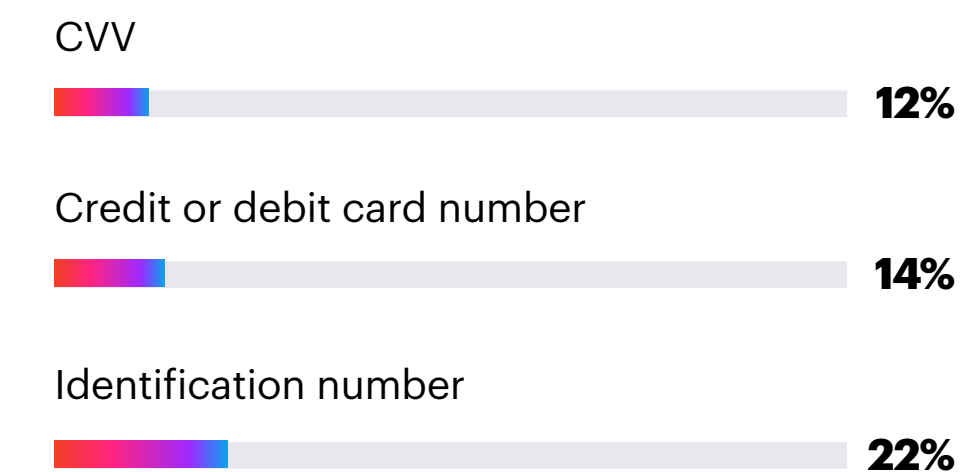
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Personalization

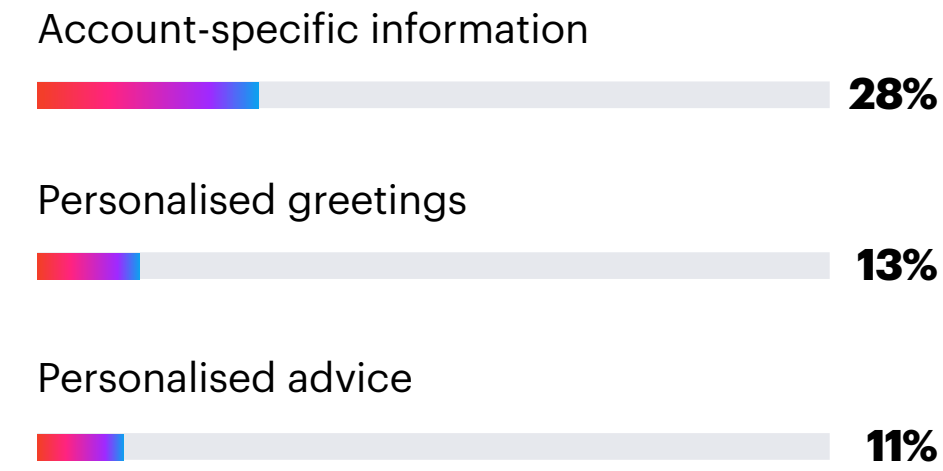
By leveraging chatbot capabilities to deliver account-specific information, customers feel understood and attended to on an individual level, enhancing their overall satisfaction and engagement. Account-specific information is a top priority for personalization in all markets, with percentages ranging from **24%** to **34%**, with the highest percentage in Indonesia.

Personalized greetings create a sense of familiarity and warmth, establishing a more human-like connection with the chatbot. They are also valued, though to a lesser extent, with percentages ranging from **13%** to **16%**.

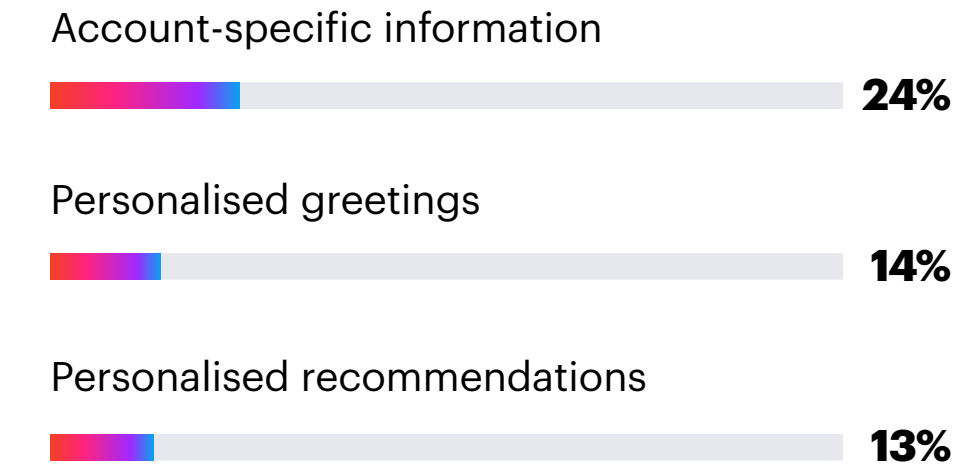
Additionally, in markets where local language plays a significant role, ensuring that chatbots are available in the customers' preferred language contributes to a personalized and localized experience, especially in Malaysia (**13%**).

Personalised advice and recommendations are also appreciated in all markets as it strengthens customer relationships and fosters loyalty in the increasingly digital banking landscape.

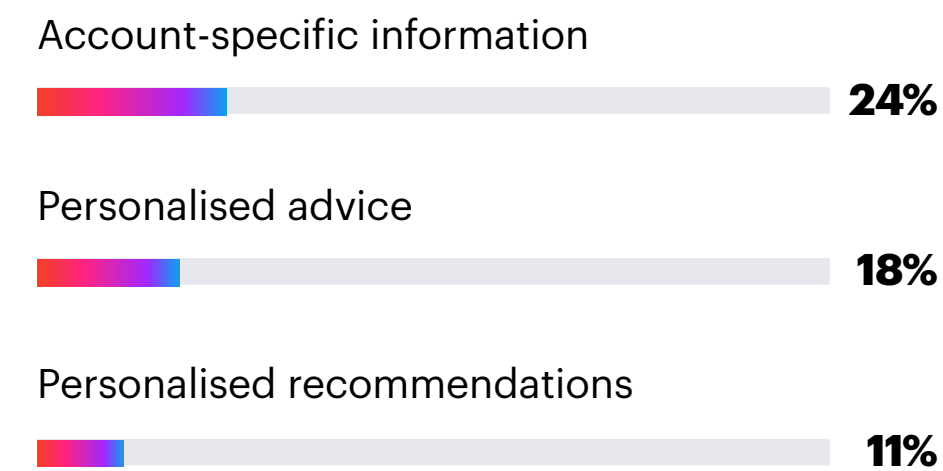
Australia 🇦🇺



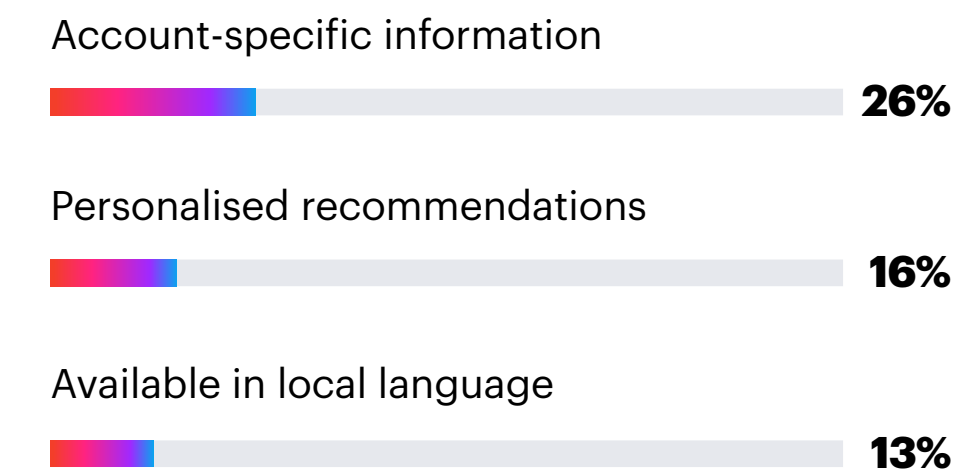
Hong Kong 🇭🇰



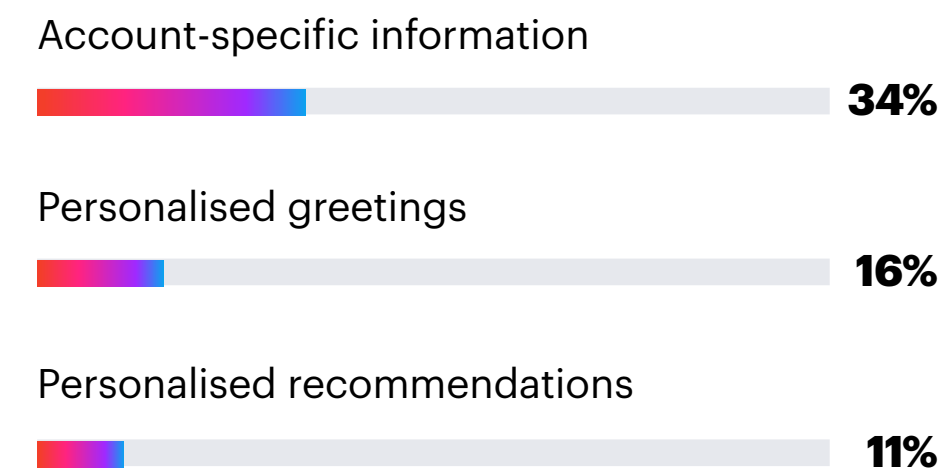
Singapore 🇸🇬



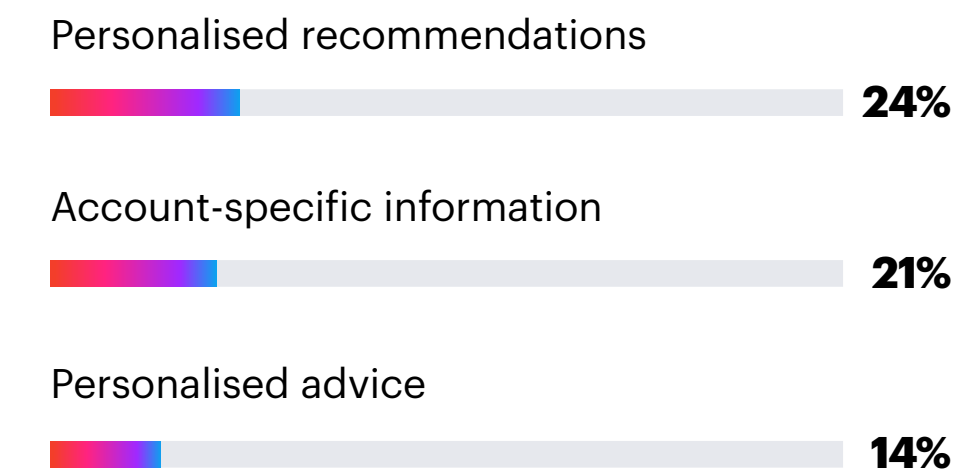
Malaysia 🇲🇾



Indonesia 🇮🇩



Thailand 🇹🇭



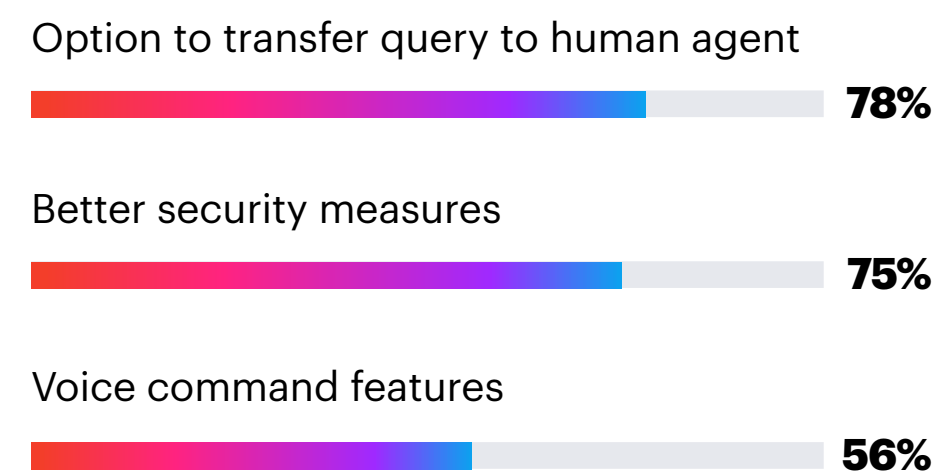
What do consumers expect in the future?

Consumer expectations for the future of chatbot experiences are driven by three key factors: enhanced security measures, the option to transfer queries to a human agent, and the integration of voice command features.

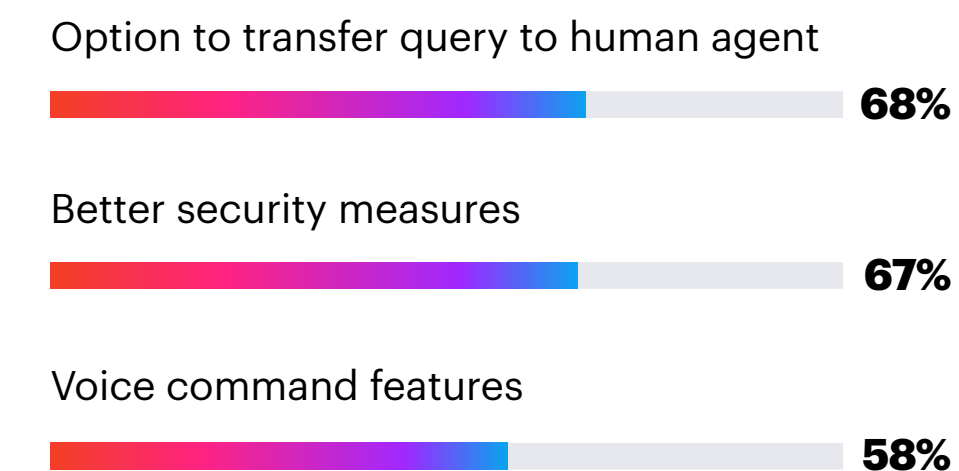
Across markets, the desire for better security measures is consistently high, with percentages ranging from **55%** to **75%**, highest being in Australia. The option to transfer queries to a human agent is also a priority, indicating the continued importance of human interaction in the customer service journey. Voice command features are also high scoring in markets such as Australia (**56%**), Hong Kong (**58%**), Malaysia (**44%**) and Thailand (**55%**), suggesting an increasing interest in hands-free and intuitive interactions.

To meet these expectations, financial institutions should focus on implementing robust security measures, providing a smooth transition to human agents when needed, and exploring voice command capabilities to offer a future-oriented chatbot experience that aligns with customer demands.

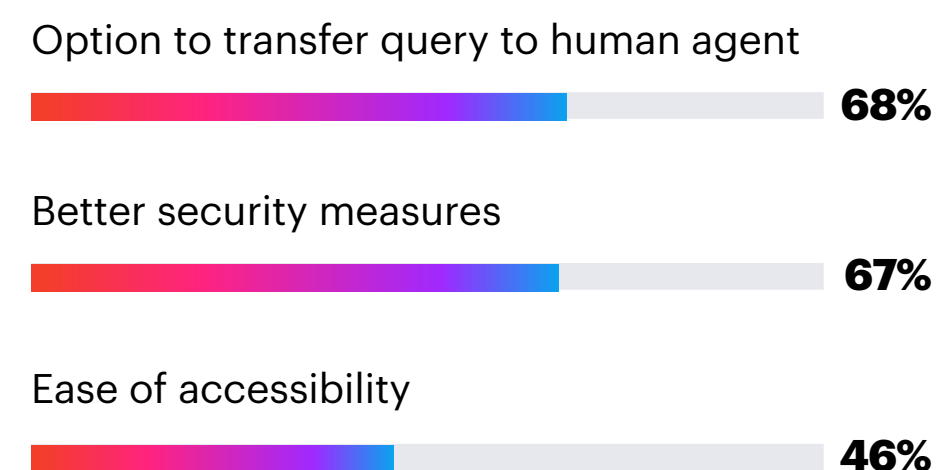
Australia 🇦🇺



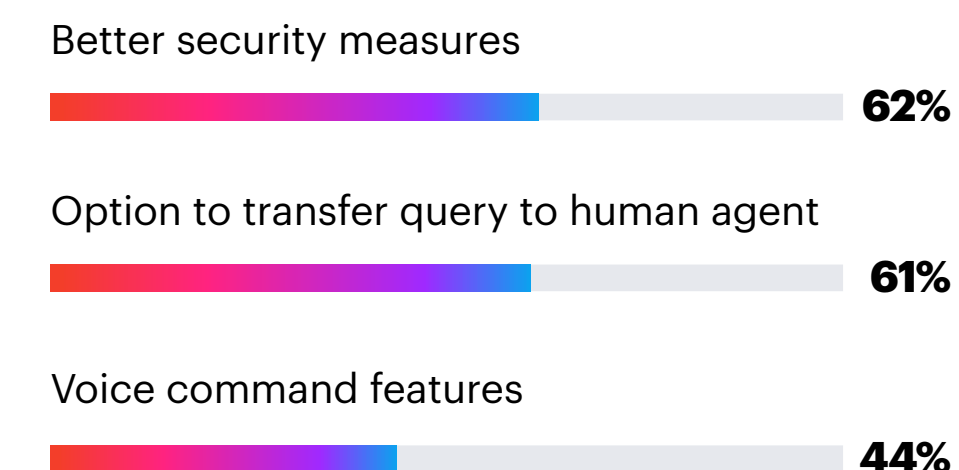
Hong Kong 🇭🇰



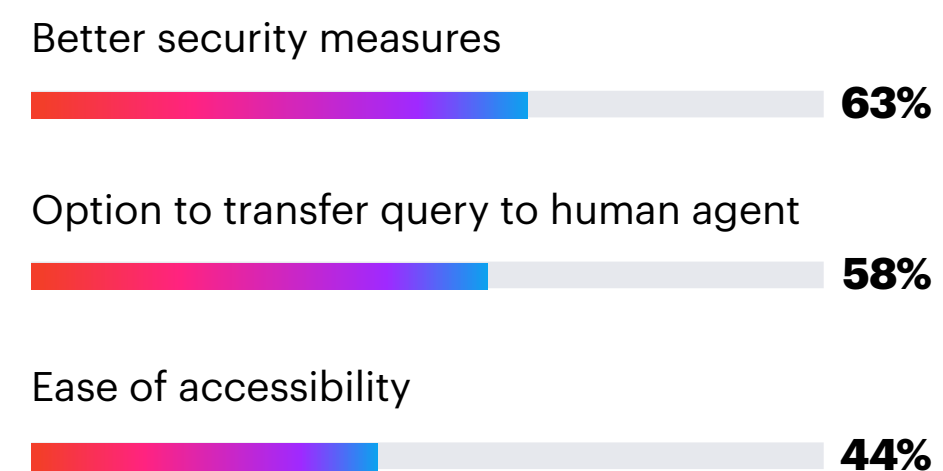
Singapore 🇸🇬



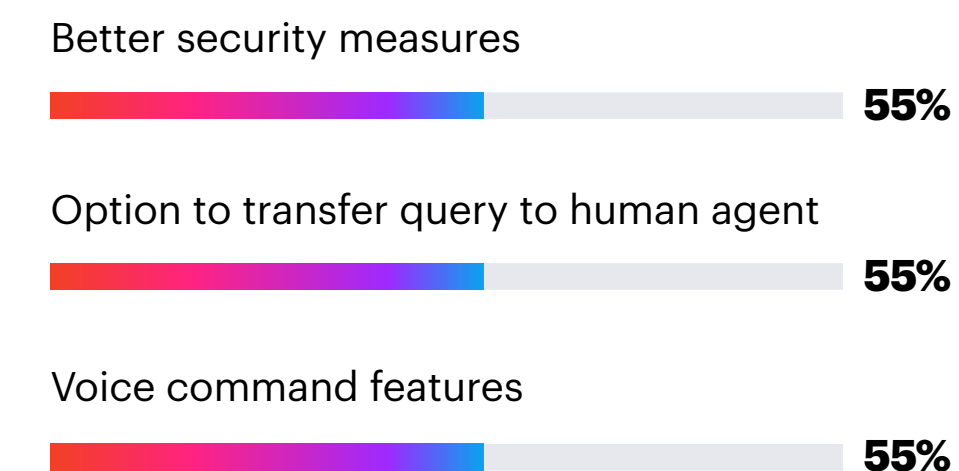
Malaysia 🇲🇾



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Summary & Conclusion

In conclusion, this report has delved into the specific ways chatbots are involved in customer interactions within the financial services sector, specifically in their personal banking experience. We explored the benefits they offer, including improved convenience personalised assistance and streamlined processes. However, our study also points about barriers to chatbot adoption, such as preference for human interaction in more complex scenarios. Despite these challenges, customer expectations for the future of chatbot experiences were uncovered, emphasizing the importance of enhanced security measures, the option to transfer

queries to human agents, and the integration of voice command features.

As we move forward, it is crucial for financial institutions to continue innovating and refining their chatbot offerings to align with evolving customer expectations. By leveraging the benefits of chatbots and addressing customer concerns, financial institutions can unlock the potential of this technology to enhance customer experiences, drive operational efficiency, and stay competitive in the ever-evolving digital landscape of the financial services industry.



Methodology

YouGov Surveys: Serviced provide quick survey results from nationally representative or targeted audiences in multiple markets. This study was conducted online on 11-18 May 2023, using a questionnaire designed by YouGov. For this report, the following population representation was used:

Market	Population Sampled Representation	Sample Size
Australia	National Representative – 18+	1,065
Hong Kong	Online Representative – 18+	1,037
Indonesia	Online Representative – 18+	2,196
Singapore	National Representative – 18+	1,097
Malaysia	National Representative – 18+	1,025
Thailand	Online Representative – 18+	2,082

Thank you

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