

Chat with robots

Chatbots, Robo-Advisory, Augmented Reality: The financial industry is increasingly proving to be a creative flow-line for digital renewal. Still, as far as security is concerned, the new world of data still has skepticism.

"Michelle, I have an idea how we can reduce your debt and save additional \$ 800 a year." As a matter of fact, good advice on the sustainable recovery of household budgets is never wrong, even if they do not come from a worried life partner or from slightly troubled contestants. But of "erica", a very humanly operating financial software. That is the name of the Bank of America's specialist, who is to take up her job later this year.

What seems like slightly over-turned science fiction is a reality for clients of this credit institution. Integrated into the mobile app, the computer program is supposed to understand concern and communicate information like any other employee. "erica" thus fulfills the tasks that strategists expect from their chatbots. These computer species, whose generic name is from Chat and Robot, is generally talented. The smart helpers can book tickets, search flights, provide information about the weather or answer questions. The intelligent programs, usually cuddled with sweet names, become smarter with increasing useful lives. By learning algorithms, they can respond more and more to the user.

This favors the financial sector and explains why more and more companies are dealing with chattering robots. Robots can be found in banking apps or accessible via messenger services, which the consumer is using anyway (eg the Facebook messenger). Clever dialogue systems can handle simple service requests, but can also accept payment orders. Contrary to the usual digital banking, this customer contact is more human, because electric wise guys are programmed to "understand" people to a certain extent.

A signal for radical change of society

Such inventions are a further signal for the radical change of the money world, despite skeptical comments that critical consumer machines hardly trust in sensitive financial issues. The once-humid hemisphere of switches and bills is becoming an assembly line for innovations with a revolutionary character, at least theoretically. Strategists breed with high-pressure in the thinktanks on applications or concepts, against which each account exporter acts as a prehistoric relic. Klaus Hölzer, expert on management consulting Oliver Wyman, cites several reasons for this current acceleration: "The speed of innovation in the financial sector has improved dramatically over the last few months. Robotics and artificial intelligence are no longer a trend for the future. The number of companies pushing with innovative products and solutions is constantly growing. These are not just start-ups, but also technology providers. In addition, traditional financial services providers have started a major catching up in this area. "

The miserable mammon also acts as a fuel: "There is a great deal of money being pinned into the reinvention of banking. Investors recognize that a generation of digital natives has no market affiliation, and banks have generally lost faith in their business cause of strong sales orientation. The competition is experiencing a situation that speaks for the rapid acquisition

of new customers", notes Christian Rauscher, CEO of the consulting company emotion banking.

Nevertheless, many banks show zero willingness to leave the field to others and sometimes directly go to online newcomers to the financial industry. BAWAG PSK has recently signed a cooperation agreement with the local FinTech "baningo". Through its web platform, prospective customers and customers of the credit institute can find the consultant who is appropriate for their respective needs in their vicinity. The contact can then also take place via the virtual channel.

Robo-Advisory as high flyer

UniCredit, to which Bank Austria belongs, is also intensifying the course towards a digital future. By 2019 1.6 billion euros are to flow into IT innovations. Robo Advisory is a theme on top of the agenda. This tool, which also fits perfectly for all those, who handle the money business primarily electrically, promises total ease.

Behind Robo-Advisory, cheered as a new super-aviation enthusiast, is an automated form of financial investment. She could be liked by couch potatoes, because online convenience is on the agenda: the investor behind the monitor answers questions, including risk considerations, deposits his or her return expectations and gets a pre-prepared strategy of the facility served. After the "yes" the deal is perfect with just a few clicks. According to Oliver Wyman, the assets under management managed by Robo Advisory will be worth 440 billion dollars worldwide in 2020. Such perspectives should particularly strengthen the optimism of newcomers like moomoc. Founded in September 2016, the Robo Advisor offers interested people the opportunity with 10,000 euros to save up and to build up relevant assets, if everything works out. To this end, funds are invested in securities systems based on mathematical models. The customer can keep his already existing depot or use a depot solution with a large online broker via moomoc. Co-founder Andreas Fritsch of course finds a particularly bright future: "The stock markets are becoming less and less manageable. So Robo Advisor, who promote individual strategies, are facing a boom. The more they show that they have not only beautiful websites, but can increase the assets of their customers, they will conquer market share of classic providers."

With some classical credit institutions, the enthusiasm may be limited: Robo- Advisory is not an issue for Erste Bank and Sparkasse. Plans are much more concerned with structured help when investments are needed by "George": In the future, users of the in-house online banking platform will be given all the tools to manage and assemble securities according to the Bank's recommendations. Even the Oberbank can't get infected with the hype. "We observe the development, but we do not see any need for action to integrate this rail into our offerings. Most Robo Advisor solutions are limited in flexibility and manageable in terms of product diversity, and personal advice is often superior", says Florian Hagenauer.

Skeptically, however, the new world of miracles is often also in terms of data security. Many projects are technically not very well-developed, many founders lack the experience and money for the security, which goes beyond a placebo firewall. For hackers, such objects could be an easy prey should more money flow into advertising than in risk reduction. Thus, with the multitude of FinTechs no one knows exactly how good the IT is and in which countries the servers actually stand. The hyped Internet of Things (IoT) provides evidence that technical euphoria should not take away the reason factor. The online networking of everyday objects through the incorporation of processors, sensors and network technology is also an option for handling money transactions - which could lead to obstacles. "The latest events show that manufacturers of different IoT products

are not aware of their responsibilities. Almost every month, security gaps are discovered like a run fire", says Markus Robin, general manager of security company SEC Consult.

However, deficits in terms of security are counterproductive for the market success. Christian Rauscher points to the structural entrance hurdle: "FinTechs is certainly concerned about the issue of security at the back end, after all it's about money. We have a long tradition of data protection, so there is a certain basic conception. As result, most newcomers have changed their business model to working with established credit institutions. This leads to trust, brand strength or reputation together with innovation as well as a great customer experience."

Do-it-yourself is also possible to shield the online territory from attacks. Dieter Steiner, head of security service provider SSP Europe: "Start-ups are under great scrutiny. An inexperienced founder must therefore choose providers who provide secure platform shapes with open interfaces for sufficient data security. Newcomers save money on expensive development costs and can quickly enter their market with their business model." Any doubts about data leaks will hardly slow the boom anyway. With Augmented Reality, the industry has found the next panacea. In doing so, the human perception is expanded using data- keyword data frames. According to PwC, this application will conquer the industry and even have high potential for a cognitive revolution.

Perhaps the money world is becoming a pioneer. Walter Mösenbacher, head of the Raiffeisen e-force, outlines an operation: "For banks, a use case for real estate would be conceivable, mortgages or credit allocation would be part of the core business. The customer can see which street houses are for sale while using the app. At the same time, information such as the purchase price is displayed." Thus some of the banks' revenues could be expanded real.

The original article can be found at <https://www.secure-data-space.com/wp-content/uploads/2017/03/201703-25-Profil-Roboter.pdf>.