



# Tahzoo.

**Contextualized Personalization  
& Financial Services 2022**

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# Overview

In an age increasingly dominated by digital natives, customers not only conduct much of their lives online but also expect companies to recognize who they are and what they need. To build, grow and retain these relationships over time, the financial services industry must move toward greater contextual personalization.

Disruption is already having an impact and it is up to traditional financial services companies to either step up and provide their customers with the experiences they expect or follow the long list of companies who once dominated their category. In 2022, there are three major trends that will advance the pattern of disruption:

- Tech companies are well-established now in payments: Apple Pay and Google Pay have respective market shares of 43.4% and 25.0% in proximity mobile payments, a nearly \$247 billion market.



*Percentage of respective market shares in proximity mobile payments Apple Pay and Google Pay have*

- Venture capital firms invested nearly three times more money in

embedded-finance companies in 2021 versus 2020, per PitchBook.

- Big tech companies are also expected to show continued interest in banking, despite Google's decision to pull the plug on Plex. They will, however, likely attempt to do so by partnering with established financial institutions (FIs)

# Post Pandemic Contextual Personalization

In the world of digital customer experience, personalization is often overused and underdelivered on. Beginning with the basics, personalization is defined as the ability to create, manage and present discreet sets of content (words, images, video and audio) to a specific customer based on 360-degree data about that customer. This includes their context and likelihood to respond.

The variables to be considered are almost limitless. They contain individual data like demographics, transactional history, and behavioral history. Furthermore, they are defined by the way people search and consume content, driven in large part by the language they use, taxonomy, topics they search for, and semantics.

Additionally considered are contextual data points like day/time, location, journey stage and intent triggers. Combined, all these factors can drive a richer and more personally targeted customer experience which will produce higher conversion rates, increased customer lifetime value, and stronger brand loyalty.

The impact of contextual personalization is particularly important for the financial services industry which is inherently and historically relationship-based. The value of the relationship is not measured based on single transactions, but rather builds over time. It is measured by the extant and potential lifetime customer value, and includes tracking the number, variety, and value of accounts between customer and firm.

As these relationships migrate to becoming more and more digital centric, the primary enabler is the technology. Software-enabled contextual personalization has advanced significantly in the last few



years. Advances in computing power and the virtual elimination of the cost of data storage has reduced the technological impediments from successfully mirroring the traditional face-to-face relationship in a digital world. In many ways, however, the digital transformation of the consumer experience has lagged the advancement of technology. There remains a gap between consumer expectations and the reality of today's digital consumer experiences in financial services.

The reason for this gap is not primarily due to the technology. The old saying “garbage in, garbage out” applies. Most companies spend more on the technology to manage customer data than on compiling and analyzing that data to inform the personalized presentation of content most likely to be relevant to the consumer and produce successful customer engagement.

## **Relationship-driven Experiences need personalization the most**

All companies, especially relationship-driven ones like financial services companies, need to invest in the study of how their target audiences think, speak, behave, and most importantly, respond to content. They need to understand the triggers along the customer journey that will get consumers to respond favorably and choose to move to the next stage of their journey.

The customer journey, traditionally defined as a set of stages starting with discovery, exploration and purchase, has changed. Instead of being monolithic and lineal, journeys differ depending on the individual, context, and quality and personalization of the experiences presented.

We believe the single biggest driver of successful customer engagement is to present content in a way that is not only relevant to a given individual, but also reflects an understanding of how that person consumes the content and learns about the product or service.

Some people engage or learn better when the content is presented verbally through mediums such as podcasts. Others prefer visual sources like videos, while some respond best when they can read the content presented textually. Moreover, not all people learn in a lineal fashion. Their

customer learning journeys can take many turns and encompass many different elements.

The challenge for a company is to be able to respond to each customer's unique triggers, particularly the ones that will advance them on their journey. This is not a new concept; it has been applied in the face-to-face world for millenniums. Nevertheless, we turn to the modern age to find some apropos examples.

If you go into a Walmart or any number of discount retailers, you will be lucky to find a personal assistant that can guide you to finding the right product and navigating the sales process. But if you go into a Nordstrom store, you will likely be greeted by a store employee who either remembers you and your preferences or is able to help you find what you want.

In the financial services industry, insurance brokers, investment advisors, or even seasoned bank tellers have served the same function. Today, however, much of that one-to-one relationship is being shifted over to a one-size-fits-all automated transaction. Instead of visiting a teller, you go to an ATM. Instead of discussing your investment strategies, you consult a bot.

Again, the problem is not the technology itself but rather the process of teaching the technology to be as responsive to an individual as a human would be. To accomplish this, two key things must occur. First, you must understand what makes your customer tick through learning models which can make their experience more relevant to the way they think and act. Second, you must predict what their money mindset is entering each experience and present the most relevant and compelling content to advance them along their financial customer journey.

## **Learning Models**

For inspiration, we start by turning to Robert Gagné, who published his seminal work on the conditions of learning theory in the 1980s. He posited that when the right conditions for learning are invoked, one will experience the five categories of learning outcomes which include the human capabilities of intellectual skills, verbal information, cognitive strategies,

motor skills and attitudes. Improving the conditions for learning based on each individual's learning model will have a significant impact on communication, engagement, and the outcome of the experience.

## Money Mindstates

Money Mindstates refer to understanding the various perspectives and perceptions people have about their financial lives at any given moment, influenced by outside influences and stimuli. They were first developed for the European Banking Commission and were widely used within financial services to understand customer psychology.

For example, established thinking in life insurance says that the best time to sell life insurance is right after the birth of a couple's first child. The logic is sound. Becoming a parent shifts your focus from yourself to your child and you focus a lot of your energy providing for that child.

In a recent study for a major insurance company, however, Tahzoo discovered that new parents were not searching for or talking about life insurance or financial planning immediately after childbirth. Instead, they were thinking, "how do I keep my child alive?" Their thoughts were on the most immediate challenges to parenthood, sleep, changing diapers and the like. Only once they felt comfortable were their minds able to shift to another mindstate where they could think beyond the next day and consider their future, financial planning, and life insurance. The right money mindstate strongly influenced the receptiveness to marketing and sales campaigns.

Determining the mindstate is instructive, but what is more important are the triggers that spark a consumer to move from one mindstate to another. These moments of transition are opportunities for financial services firms to initiate dialogs and engagement which in turn advance long-term relationships; this is the basis for revenue in financial services.

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THE PRODUCT OR  
SERVICE.**

# Customer Experience Model

By marrying the principles of Gagne’s “Learning Models” with the theory of “Money Mindstates,” we can unite the disparate pieces into a comprehensive digital customer experience model that describes:

- How customers think about their own financial situations—their “Money Mindstates”—and the life-event triggers that cause a shift from one “Money Mindstate” to another. These moments of transition are the key selling opportunities for marketers;
- The step-by-step process based on learning models for educating a prospect through digital channels;
- How to gather insightful and accurate data about those customers; and, last,
- The technology to deliver relevant customer experience to sell better in the online setting.

When this happens—when Learning Models and “Money Mindstates” are truly aligned— only then will financial services customers be both engaged and educated. And that’s when great things can happen. Contact us at [Tahzoo.com](https://Tahzoo.com) to learn more about how we can help you drive more personal, engaging and long-term digital relationships with your customers.



# Looking to optimize your customer experience?

Get in touch with us at [info@tahzoo.com](mailto:info@tahzoo.com)

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## About the Author

Brad Heidemann  
CEO

As with most entrepreneurs, Brad started Tahzoo with a vision. To create a company that would exist to make millions of people a little bit happier every day. Founded on the idea, that if you cared for your customers and you cared for your employees, you'd have a company worth caring about.

For more than a decade now Tahzoo has been delivering innovative and sophisticated customer experience solutions for Fortune 500 clients. Brad spends most of his time applying Machine learning, Linguistics and Complexity theory to personalize the experience between Brands and their customers. When he's not with his family or pondering our future on one of his cross-country BBQ drives, you'll find him writing prolifically and collecting rare rums. He loves reading, playing chess and tennis. Brad was blessed to have many mentors and teachers over the years, all of whom played a critical role in shaping his thinking and approach to caring for others. He lives the philosophy of "paying it forward". His focus on teaching and growing Tahzoo team members is core to his personal mission. You can find many of his stories, lessons learned, management philosophy and cultural insights on his personal site, the Desk of Brad.

## About Tahzoo

We are a global Customer Experience consultancy focused on creating and delivering digital experiences that make consumers happier every day. We combine creative horsepower, data-driven insights, and technical know-how to redefine how users interact with and experience your brand.

**Architects for the Experience Age**

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