



The Guide to Modern Life-Event Engagement

How financial services organizations will drive loyalty—
and revenue—by supporting customers' critical life events.



The Secret to Loyalty: Showing Up at the Moments That Matter

How do you keep customers coming back for life? That's the loyalty question that's more critical—and increasingly elusive—than ever for financial institutions (FIs). Modern consumers' financial lives are spread across more FIs than ever before. They may have banking and savings accounts with one, a mortgage with a second, insurance with a third, retirement accounts with a fourth, etc. Yet this fragmentation simultaneously presents a tremendous opportunity to the organizations that can crack the code on loyalty.

The "right person, right message, right moment" promise of data-driven personalization offers a solution to the loyalty challenge. But in many ways, this trifecta overcomplicates the situation. As Accenture highlighted in its 2023 Global Banking Consumer Study, FIs need to make a fundamental shift toward what they call "life centrality," which entails "playing a more meaningful role in customers' lives and helping them achieve their life aspirations."¹

To put it plainly, FIs will drive the biggest loyalty gains by following a radically simpler path: **Be there at the moments that matter.**

Earning Loyalty Was Never Easy, But it Used to Be More Natural

The consumer experience used to be de facto personalized in a genuine and human way. Face-to-face, one-to-one interactions drove most of the consumer relationship, so the “life centricity” that FIs are desperately chasing today was actually an innate part of the institution–consumer relationship then: People either walked into a branch or office to speak with someone directly or they called and didn’t have to navigate an endless phone tree.

FIs grew as the communities they served grew. This symbiotic growth demanded stronger relationships: FIs knew their customers and customers knew their FIs because those frequent face-to-face and one-to-one interactions brought a familiarity not just with their regular service needs, but with their broader life circumstances.

All bankers, LOs, and agents quickly recognized the importance of life events as triggers for new and expanded services. But the ones who excelled didn’t wait for the engagement or birth announcement in the local paper. They had a knack for anticipating when a customer was approaching a key life event. This proactive help built mutually beneficial relationships: the banker/LO/agent kept the customer engaged and grew share of wallet—and naturally helped the customer feel more prepared and more confident about their financial future.

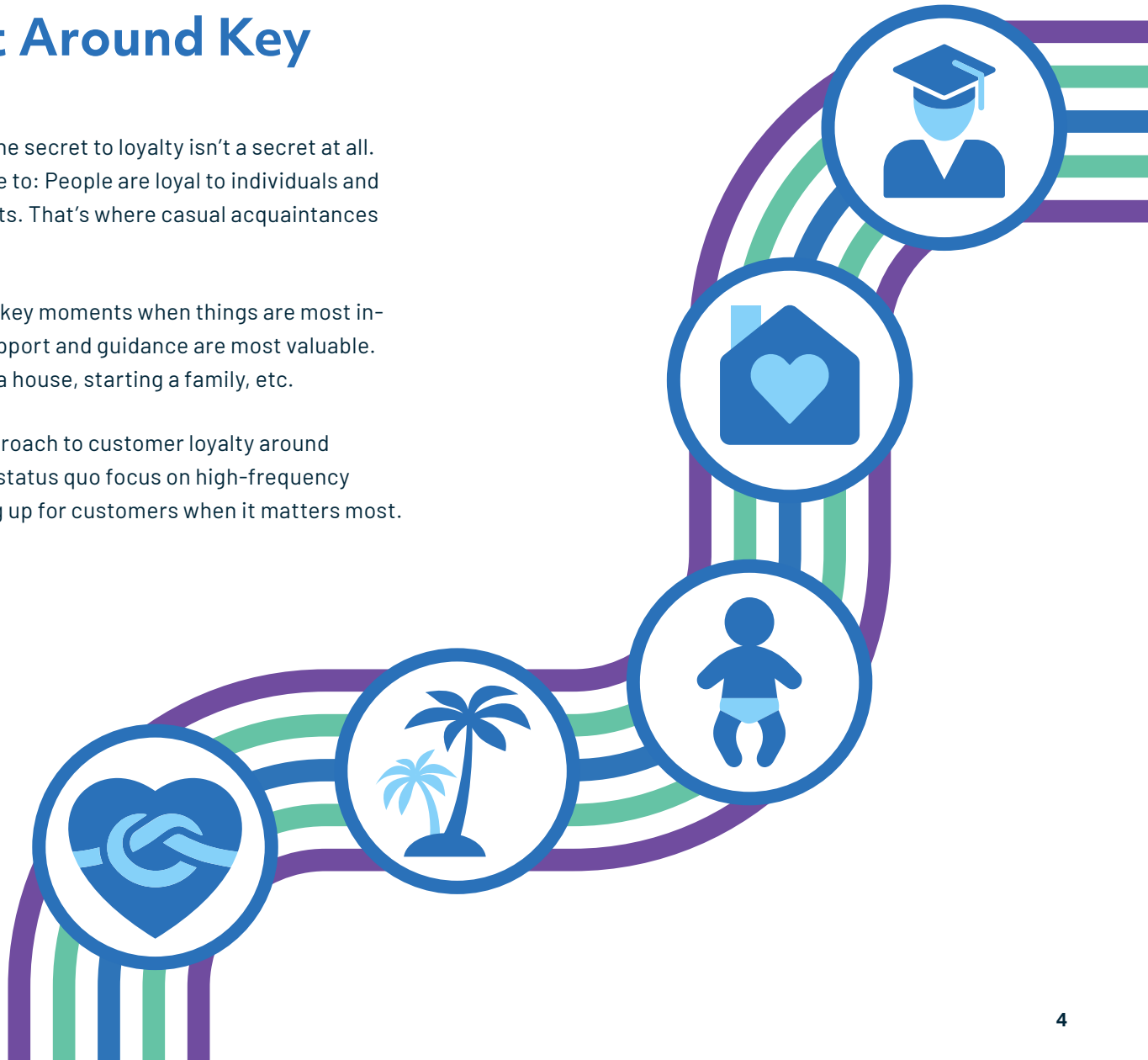


Focusing Engagement Around Key Life Events

Looking back to this historical experience shows that the secret to loyalty isn't a secret at all. Rather, it stems from a human truth everyone can relate to: People are loyal to individuals and institutions that deliver critical value at critical moments. That's where casual acquaintances are deepened into lifelong relationships.

Long-lasting (and emotional) bonds are forged in those key moments when things are most in-flux, needs are changing, uncertainties abound, and support and guidance are most valuable. Graduating with a new degree, getting married, buying a house, starting a family, etc.

Financial services organizations need to build their approach to customer loyalty around these key life events. They need to shift away from the status quo focus on high-frequency "personalization" and instead focus on quality—showing up for customers when it matters most.



Why Most Data-Driven Personalization Misses the Mark

Today's financial services customers prioritize the ability to get what they need with minimal human interaction. Yet they still crave personalized guidance from a trusted (human) advisor. And they're not getting it.

Data-driven personalization was supposed to solve this problem. But despite collecting an unprecedented amount of information on their customers, most attempts at data-driven personalization fall short for three reasons:

Not Demand-Driven

Most FIs simply don't show up for their customers at the moments that matter. That's because the conventional approach to data-driven engagement looks for reasons to reach out to the customer. The goal is to generate new demand by placing customers into lookalike buckets: "We think you might want product X because other people like you already have that product." That approach can drive incremental demand. But it misses the low-hanging fruit by ignoring signals of existing demand. Most consumers' demand for financial products and services clusters around key life events or stages. "Personalized" marketing should start by homing in on this demand—so FIs can show up at the moments that matter.

Slow Reaction Time

Many savvy FIs do look for life event signals. But conventional approaches leave them perpetually one step (or several steps) behind. Data-driven alerts may signal when a customer has moved, got married, or had a credit inquiry when they applied for a home loan. However, most organizations have multiple steps (many of them manual) to surface those opportunities to their customer-facing teams. And those teams can't always get through all of these leads in a timely manner. When a technology platform is designed specifically for the needs of a bank with pre-built workflows, automated outreach happens within moments of receiving an alert. Additional segmentation can help prioritize leads so teams know who to reach out to first and enhanced profile data provides context for more personalized conversations.

Product-Centric, Not Human-Centric

Attempts at personalization can also suffer from being too product-centric. Data-driven messaging essentially says, "Here's what we know about you—and here's the product we think you need." Although this direct approach may be effective for certain products, it can sometimes come off as transactional. Even if the message arrives right on time, today's consumers typically don't like to be sold to. This is where nurturing leads through education becomes a preferred method to connect with customers. An alert may help predict an intent, but the customer may not have even realized that need, yet. Through education, you help customers understand financial decisions others like them have made and how you can help them in the same way. This helps to build genuine connections and relationships.



Trustworthy Personalization Starts with Intent

Customers don't think in terms of financial products and services. They think, "I'm buying a house," not, "I need a mortgage," or, "I'm having my first kid," not, "I need life insurance and a 529 plan." FIs need to build their personalized engagement and communication strategy from the starting point of customer intent: what does the consumer want to do?

Accenture's 2023 Global Banking Consumer Study homed in on this fundamental change, urging FIs to focus on "understanding customer intent" and making "the shift from simply knowing basic demographic and financial information about a customer to comprehending their daily life, their aspirations and their intent behind obtaining certain financial products" in order to move "from basic personalization to having meaningful personal conversations; and from siloed to holistic propositions."



Personalization is Realized With Action

Despite a decade of articles, analyst reports and boardroom discussions about harnessing data-driven insights, a 2022 Capgemini study found that 3 in 4 FIs still struggled to turn data into actionable insights. Among the myriad reasons (siloed data, legacy tech, etc.) a big part of the problem is that they're too often trying to boil the ocean, expecting analytics to magically tell them answers to all the questions they're not even asking. Life events should be the guideposts that focus analytics on the question, "Which consumers are approaching key moments that we need to show up for?"

But FIs can't overlook the second part of the equation: acting on those actionable insights. Today, the insights FIs do get too often go nowhere because they don't act in time, they can't act at scale, and the connections they do make are one-offs. But life events aren't a single point in time—they're journeys that require rapid, relevant, and consistent engagement.

To realize the loyalty value of life event-driven personalization, FIs need both the system of customer intelligence to anticipate those life events, and the system of automated action to execute on those insights. They need to build a modern, integrated marketing tech stack that finds the signal of intent amid the noise and uses that signal as the trigger for automated, real-time engagement journeys.

Financial institutions that can put together intelligence with action—at scale—will rapidly build the kind of old-fashioned, mutually-beneficial relationships that drive loyalty and lifetime value.

Ready to build loyalty through life events?

[Download our latest guide: Three Keys to Activating Life Event Engagement](#)



About Total Expert

Total Expert is the purpose-built customer engagement platform trusted by more than 200 financial enterprises. The platform unifies data, marketing, sales, and compliance solutions to deliver the perfect customer journey across every financial milestone, in any market. Total Expert turns customer insights into actions to increase loyalty and drive growth for banks, lenders, credit unions, and insurance companies, and is now available to purchase through the AWS Marketplace and Salesforce AppExchange. For more information, visit totalexpert.com.

TotalExpert.com

© 2023 Total Expert. All Rights Reserved.