

James Robert Lay:

Clayton Christensen, who wrote The Innovator's Dilemma, once shared, "Questions are places in your mind where answers fit. If you haven't asked the question, the answer has nowhere to go. It hits your mind and bounces right off. You have to ask the question, you have to want to know in order to open up the space for the answer to fit." And today, we are going to be going inside digital growth because I'm going to be answering questions from three listeners to educate and empower you, the dear listener, so you can confidently move forward and make progress along your own digital growth journey.

James Robert Lay:

Greetings and hello, I am James Robert Lay and welcome to another episode of the Banking on Digital Growth Podcast. Today's episode is part of the Inside Digital Growth series where I, James Robert Lay, your digital anthropologist, will guide and coach you along your digital growth journey so that you may guide and coach others along their financial journey. And together, we will lead people to a bigger, better and brighter future beyond their financial stress that is taking a toll on their health, their well-being, and their relationships. And to do that today, I'm going to be answering questions from three listeners to help educate and empower you, the dear listener. But before we get to those questions, I'd like to invite you to text me a question that you might have about digital marketing, sales, technology, or leadership that you'd like to get an answer to.

James Robert Lay:

So, text your question to 415-579-3004 and my team will make sure that I have an answer for you on an upcoming podcast episode just like I'm going to do today. Starting with Becky, because Becky writes in, Becky says, "I'm having a hard time getting my executive leadership team to understand the difference between digital marketing and digital growth. What can I do to help them think beyond digital marketing like ads and emails?" Well, you are correct, Becky, digital marketing is actually a subset of digital growth as it can include digital ads. Digital marketing can include emails, it can include social media, it can include your website, content, marketing automation, A/B testing, CRO which is conversion rate optimization, SEO which is search engine optimization, lead gen, lead nurturing, the list can go on and on and on.

James Robert Lay:

However, these are just tactics, tactics that get wrapped up into the larger umbrella of digital growth strategy. And digital growth for that matter is really a super broad topic. And so, let's simplify at this because it is the broadness of the subject of digital growth where I find many financial brands and even fintechs begin to feel confused, they feel frustrated, they feel overwhelmed. And as a result, they only dabble in digital. For context to share with your team, Becky, I want to provide some practicality to help give them a common understanding around the common framework. Because we define digital growth here at the Digital Growth Institute as a systematic process centered on the modern consumer journey that unites marketing, sales, operations, and IT teams around three key goals. Number one, increasing website traffic, number two, generating and nurturing leads, and then number three, converting those leads into loans and deposits.

James Robert Lay:

But let's just not stop there because that is only the what and the how of digital growth. From my experience, I have found communicating, educating, and empowering others is more important when we communicate the why of something. Because it is the why that connects in at a deeper level beyond the what and the how. And in the case of digital growth, the why is in fact digital growth positioning a financial brand beyond the commoditized great rates, and the amazing service, and all of those laundry lists of look-alike product features that every other financial brand promotes. That is why digital growth

is important. The what and the how come back to the systematic process centered around the modern consumer journey, uniting marketing sales ops and IT teams around three goals, increasing website traffic, generating leads, and then converting those leads into loans and deposits.

James Robert Lay:

So, two questions to ask your executive team, Becky, how much opportunity might you be losing as an organization because you lack a common language of what digital growth really means across your internal teams? Because if everyone is defining this idea of digital growth differently, there will be friction and there will be frustration. And then, the second question that I want you to ask and think about, Becky, is what does your financial brand's future look like if you continue down the same path where there's a lack of understanding between the differences of digital marketing, once again, a subset of digital growth, and then what digital growth actually means from a strategic point of view? What does your future look like if you continue down this path where you lack unity, you lack clarity, you lack focus, and you're ultimately losing the ability to maximize your future digital growth potential? Great question, Becky.

James Robert Lay:

Let's get over to Chantal. Chantal has a, really it's a good follow-up question to Becky because Chantal writes in and ask, "How far has digital gone to replace traditional advertising and marketing, and how is digital marketing affecting the brand of financial services firms?" Good question, Chantal. We're seeing, in some cases, swings of digital spend within marketing now taking up to 60% to 70% and in some case, upwards of 90% of the total marketing budget. But does this make sense? Coming back to my points with Becky, does this make sense if there is not a unified perspective of digital growth within the organization, once again, recalling the definition of digital growth as a systematic process centered around the modern consumer journey that unites marketing, sales, ops, and IT teams around the following goals, increasing website, traffic generating, nurturing leads, and then converting those leads into loans and deposits?

James Robert Lay:

Remember, digital marketing is just simply tactics. And those tactics will continue to change and transform over time, but the foundational strategic elements that inform the tactics I have found to really have held true over the last decade and when I started thinking about all of this, going back all the way to 2010, '11 and '12. Now, does this mean that traditional marketing is dead? Of course not. There may still be some use cases for traditional marketing when it comes to creating awareness, to drive traffic at the top of the funnel. But even then, traditional marketing might not always make sense. This is where knowing who your ideal consumer persona, your ideal market segment can actually help to inform, can help to act, to guide your own digital growth strategy.

James Robert Lay:

It is also important to note that digital marketing, once again, the tactics here if you will, are really undergoing a massive transformation on three different fronts that I want to unpack for you, Chantal. Number one, digital ads are in flux right now because of data privacy. For example, let's say third-party cookies. Third-party cookies are going away. This was a trend that I predicted back in 2017, 2018, digital ads or what I call the drug of choice for financial brand marketers. Because it's easy, it's easy to go out and buy digital ads and it's most like traditional marketing that the financial brands were doing for years leading up to the point of digital. We go out, we need some traffic, we need something, we need loans, we're going to go out and buy some ad inventory and run ads to our website or to our landing page.

James Robert Lay:

But the targeting and the ability to target, that is what is being transformed because third-party cookies are going away. The other pain point when it comes to digital ads, and no one in this space wants to talk about, is ad bots. And it would be really interesting to go in and look at your data to try to determine how much traffic is being generated, not from human beings but from bots that will never apply for a loan or open an account at your financial brand or your fintech. And the second point that I want to make here is that email is undergoing a transformation, very similar to digital ads. And like digital ads, Apple is once again leading the way for marketers to have to rethink their perspective around email, because Apple has removed the ability to track email openings in iOS 15. And this is important considering the fact that Apple Mail pulls in more than 48% of the total email client share within the market.

James Robert Lay:

In some cases, I have seen Apple Mail take upwards of 60% of a financial brand's email usage when it comes to their account holders. And then, the third point that I want to make, Chantal, is this, the social media ship is sinking as we know it, social media as we know it. That ship is sinking because organic reach is all but dead on most channels. LinkedIn, TikTok are still solid for the moment when it comes to organic reach, but I'm predicting that that will continue to transform and change just as it did for Facebook, for Twitter, for Instagram. And so, for brands wanting to maximize their social media reach and engagement to really amplify their content distribution, they are going to have to pay to play. This, however, opens up one of the greatest opportunities to where I'll do some more thinking around this going forward.

James Robert Lay:

But I want to give you a preview into where my mind is. The opportunity is to empower branch managers, lenders, leaders to become many marketing channels of one, to become micro-influencers in the communities that you serve by sharing the content that your financial brand produces ultimately to help, first and sell, second, content that provides people with help and hope who are, in fact, stressed about money. This is the next level for marketing which requires employee engagement on social. And it makes a lot of sense for this to be the next evolution of marketing because people trust people. In fact, and this might be an unpopular thought right now at the time in 2022, so it'll be interesting to look back into this conversation two to three years from now because I do predict the micro has the potential to beat the macro over the next five years.

James Robert Lay:

And what I mean through the context of this idea of content is that the employee brand, the individual employee brand, has the potential to create exponentially more value than the corporate brand going forward in the social media world, particularly when you have a group of internal employees collaborating together as a SMAG or what I call a social media advocacy group. So, just some thinking on that, of what I predict will become in the future based upon the trends that we have studied in the past and are also informing the current conditions here in the present moment. I want to move to the third question here. Marcus writes, "I've been listening to the podcast for a while and I want to get my team on board to move forward together. What is the next step you recommend to get others on board?"

James Robert Lay:

Well, once again, Marcus, to really maximize your future growth potential, your digital growth potential, you are going to need to gain alignment from the entire organization. Now, I want to give you a couple of examples here. We have financial brands that have been in the Banking on Digital Growth Program for five, six, seven years, some only with their marketing team. And I've learned a lot over the time. They've

made good progress, they've seen some success, they've experienced some really, really good wins. But what always happens when just the marketing team is in the program? And I've transformed my program and the thinking around this, what happens is they always run up with internal challenges from other teams who don't have the same knowledge or the same awareness that they do, even down to the simple definition of digital growth to begin this whole conversation coming back to Becky's question.

James Robert Lay:

And so, what happens is conflict as a result. And that conflict creates friction, and that friction turns into frustration, and that ultimately just leads to this like ongoing cycle of chaos and it's just a nasty, nasty situation. On the flip side, I can think of financial brands that have brought a larger internal cohort into the Banking on Digital Growth Program. And that cohort is made up of team members from marketing, from sales, from service, coming back to the definition of digital growth, from ops, from IT, even compliance. And those that bring the cohort with a cross section of talent, of expertise, those financial brands go on to do even more together because they are aligned around a common language. More often than that, more important than that, they become aligned around a common purpose that is far bigger than what they are doing in the present moment.

James Robert Lay:

And it is for this reason, when we think about digital growth, there are four levels of transformation. You must transform the self before you transform the team, you must transform the team before you transform the organization, because organizations are made up of teams, teams are made up of individuals. And when you begin to transform at that organizational level, that's where that thinking starts to spill over externally to transform the lives of people in the communities that your financial brand or even your fintech serves because you have committed at a cultural corporate level to truly put the transformation of people over the commoditized transaction of dollars and cents.

James Robert Lay:

So, as we wrap up another episode of Banking on Digital Growth, I want to thank Marcus, Chantal, Becky for your really, really good questions. And remember, I also want to hear from you, the dear listener, because you might have a question that you'd like for me to answer in an upcoming podcast episode. Maybe it's about digital marketing, sales, or leadership technology. Once again, now is the time to text me the question that you've been thinking about, that you'd like to get answers to. Text that question to 415-579-3004, 415-579-3004. Always remember, there are no bad questions except for the question that goes unasked. As always and until next time, be well, do good, and make your bed.