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James Robert Lay:

Greetings and hello. I am James Robert Lay and welcome to the 195th episode of the Banking on Digital Growth podcast. Today's episode is part of the Clarity Call series, and I'm excited to welcome Todd Treadway to the show. Todd is the SVP and digital channels director at Provident Bank, and I'm looking forward to talking through some big questions that he has framed around how they can maximize their future digital growth potential at Provident Bank, while also at the same time educating and empowering you to continue to move forward with courage and confidence on your own digital growth journey. It's your financial brand or fintech. Welcome to the show, Todd. It is so good to share some time with you today, buddy.

Todd Treadway:

Thanks, James Robert. Happy to be here today.

James Robert Lay:

Before we dive into some questions that you have, questions that I'm looking forward to giving you and the dear listener some clarity around to guide you forward on your own digital growth journey, first off, to start off on a positive note, what is going well for you right now? Personally, professionally, it is always your pick to get started here.

Todd Treadway:

Wow. Personally, I'll take that road with this one, really happy, number one, spring is here, but also that means graduation season is here. And just happy that I am the father of an upcoming graduate from Indiana University's law school, McKinney Law School, and really looking forward to next month being able to celebrate with our friends and family my oldest son's graduation.

James Robert Lay:

Well, congratulations to you. Congratulations to your son. It is a momentous moment to definitely take some time to pause and celebrate the progress that he has made. And then also, you as a father, helping him get to this point, as well as a father of four kids. Now, mine are at a different stage in life. My oldest is 12, then I have a 10, an eight, and almost six year ... or a six year old. Everyone's about to age up. So, we got a little bit of time before we get to that stage, but are definitely enjoying the moments as they come right now.

James Robert Lay:

Now, you and I met back in September at a Total Expert event, Accelerate, out in Arizona, and we had a great conversation following my session. And I'm glad that you came back on to continue this discussion, and I want to get into some of the questions that you would like to gain some clarity around. For some context for the dear listener, I always like this. I've not seen these questions. This is not staged, this is not rehearsed.

Todd Treadway:

That's right.

James Robert Lay:

This is nothing more than a conversation that we can all learn and grow from together, which is why I enjoy the Clarity Calls series so much because I too am learning through this experience. So, thank you for that, and as I mentioned before with you, before we hit record, the only bad question is the question that goes unasked, so let's get into this.

James Robert Lay:

What's a question that might be on your mind right now when it comes to the work that you're doing at Provident Bank, a question that you might have around maximizing your future digital growth potential? What's on your mind?

Todd Treadway:

Sure. We did a journey and we've recently converted in the last 18 months our digital banking platform. So, one of the questions, I guess, come to my mind is, we're real proud of that conversion and the success story we had of turning around our mobile app in particular, and having an app store rating go from 1.8 to around 4.7 or 4.8.

James Robert Lay:

Wow.

Todd Treadway:

My question is, now that we've got the app store ratings, how do we keep them? What do we need to be focused on as a company to make sure we don't rest on our laurels, and are able to take a 4.8 even higher?

James Robert Lay:

Yeah, I like the thinking. It's like you're measuring the progress on your journey. We went from a 1 something to a 4.6, 4.7. Now you're wanting to do even better going forward, and the question is, what do we do to not just acquire these accounts, get them to adopt mobile banking, but then further the penetration, grow the share of wallet, retain them over the life of an extended period of time.

James Robert Lay:

My initial thought, when it comes to mobile banking, a great opportunity is the targeting capabilities around ads, but not ads just for product, because that is typically the default. We think ad, we think promotion, we think direct marketing. But there are now opportunities to utilize data from other sources, for example, marketing automation that tracks the behavior of an individual on your public-facing website. And so, we're capturing that via an email address cookie, and this is where first-party data, I feel, has the potential to create even more value going forward in a third-party cookieless world.

James Robert Lay:

And so now we can take ... Okay, well, let's say that they were on your public-facing website. They're a current account holder and they were looking for a mortgage, and we know that because that information is getting stored in the cookie associated with an email ID or a mobile ID. Now, we can field that data into our mobile banking platform and not serve up an ad. Apply for the mortgage, because we don't know where they're at. They could be early stage awareness, and so we can think through an ad strategy that is a little bit more help first, sell second.

James Robert Lay:

And so maybe the first ad that we show them is, click here to download the home buying guide, the guide to buy the home you love, and that then takes them to where they can get this really meaty piece of material and content. And then we know that they've clicked on that, so the next time that they come in, maybe it's, calculate your mortgage payment. Then the next time that they come in, maybe it's, speak with a mortgage professional. And so, we're transforming the communication based upon their own unique buying journey, and that says, "You know what? They're not just about pushing or promoting a product to me. They're really here to help educate, inform, and increase my level of courage, and more importantly, confidence to get me to the future that I want to create."

Todd Treadway:

I think we're thinking along the same lines there. And I would say ... I guess I would ask, not say, personalization can be key with that, right, of driving the level of that engagement. The more personable it is to that individual's needs, what they're looking at, I'm guessing the more effective that engagement will be.

James Robert Lay:

Well, absolutely, because we're moving, and we have moved from a world of mass one to mini messaging to now it is a world ... And the ultimate goal is really one-to-one communication that is unique to an individual. Now, the challenges that this creates is scalability, right? And so, the way that I try to bring this back in so it doesn't feel so overwhelming is, let's say we have maybe three product lines that we're looking to personalize communication around, because that's what this is. This is about communication. It's about placing deposits into an account holder's mind to ... And at this stage, because they're already an account holder, these are deposits that increase their level of commitment. We'll call it their level of love, even.

James Robert Lay:

And I'm going to come back to another opportunity here as well, from an acquisition and really a future growth standpoint. But the more that we can provide messaging and communication that's unique to them, the higher propensity for engagement, number one, number two, the higher propensity for conversion, and number three, the higher propensity for retention. And so, instead of thinking like, "Oh, that's an exponential number of communication pieces, ads, content, landing pages, et cetera," well, what if we started with one product? And we piloted this and we only want to focus on really building capability around a journey for just one product line.

James Robert Lay:

And we do this for 90 days, MVP, minimum viable product, and we test this experience. And out of that, we can then come back and say, "Well, what did we learn? How can we apply these learnings into a second product?" And if we do this over the course of a year, through a 90-day growth method, then at the end of the year, guess what? We now have four digital journeys that are unique to the mobile banking experience that are tied back to an individual's personal journey based upon the behavior that they're taking on the public-facing website. So, it's not so overwhelming. We're now breaking this down bit by bit, byte by byte, not trying to boil the ocean all at one time.

James Robert Lay:

What's your take on that? What do you feel, hearing me download some of this thinking to you? Like you said, you're on that path already. Where might you see some opportunities, low-hanging fruit, to either create or capture? Or maybe even a roadblock that could stand in your way?

Todd Treadway:

I think for us, whenever we look at it, I see different needs for different personas or demographics, right?

James Robert Lay:  
Great point. Yes.

Todd Treadway:

And I think for each of those, while they can be unique, I think they share one characteristic of any time we approach. I think it's just kind of the basic business function, if you're going to do something, let's do it well. But in the digital space, I like to operate under the umbrella of the persistent pursuit of the ultimate customer experience.

James Robert Lay:  
Yes.

Todd Treadway:

You know you're never going to get there, but you've got to have this dogged determination and the fire in your belly, so to speak, that you attack that ultimate customer experience day in and day out. And what may be a very smooth journey for a persona this year, this quarter, if you're not currently engaging that and looking at that effectiveness, it could kind of get away from you.

Todd Treadway:

So, I think it is starting with some low-hanging fruit. Maybe it's as simple as the clients that are tracking to you and potential customers of a checking account or a simple savings account. Maybe it's a persona that's coming to an area looking for some literacy that isn't specifically financial.

James Robert Lay:  
Yes.

Todd Treadway:

Maybe it's a senior base persona that are needing help because they are just getting phished or getting text messages about Zelle or Venmo, and they don't even use the service and they're confused. But I need to create that journey on a digital process that number one, makes them comfortable, and number two, answers their questions that we can in order to get them comfortable in a channel that they traditionally may not be comfortable interacting with.

James Robert Lay:

I love where you're thinking is on two fronts, number one, the persistent pursuit for continuously optimizing an experience. David Brear had just joined me for another conversation on the podcast, and one of the things that they talk about over at 11:FS is they believe that financial services is only 1% finished, meaning that there's still the 99% to continuously create to make even better than it was before. And it's this idea of continuously optimizing an experience.

James Robert Lay:

And I think we should step back. Number one, what is an experience? The way that we define experiences are well-defined systems and processes that have A, been strategically thought out, B, applied and implemented, executed against. But the secret is the C, which is continuously optimize over time, resulting in either a positive or a negative emotion. And this is one of the reasons that we do so much digital secret shopping, and a lot of times on the same exact products year over year. Because you're finding these little, little small things that have huge impacts on the bottom line.

James Robert Lay:

The second piece that I like your thinking around is the idea of advocacy or education, tying it back to personas, their particular pain points, their questions, their concerns. What's keeping them up at night? And I think a really practical exercise that you and the dear listener might be able to take is something that I call drop and give me 20. And no, it's not pushups. It's drop and give me 20, what are the 20 most common questions that you get around a particular product line?

James Robert Lay:

Once again, this is an exponential exercise, so maybe you take five product lines, 20 questions, that's a hundred right there. Now you have guidance, and this is a collaborative opportunity within other business lines within the organization. Because a lot of times I'm like ... Well, people ask me, "I'm not digital facing. How do I play into this whole digital narrative?" And I'm like, "You have knowledge, right? You have expertise, right? We can transfer that knowledge and expertise through the medium of digital to answer questions and concerns to provide guidance." And so this is where the drop and give me 20 exercise comes into play, and we can work collaboratively to produce that content and then use digital as the tool to distribute that content.

Todd Treadway:

Yeah. I love it.

James Robert Lay:

The other thing too, and I want to come back to your point on the progress that you've made around mobile banking and the app, and quantifying that through ratings in the app store. My mind is going into the BANCER's Strategy Circle that I wrote about in Banking on Digital Growth, where BANCER is an acronym. B, build an audience, A, attract leads with personalized offers, and we kind of just talked about that, N, nurture those leads with automation and content, C, convert them into loans and deposits, E, expand the relationship by delighting accounts with the onboarding process.

James Robert Lay:

But it's the R right here that I want to dive a little bit deeper into because you've already touched on the ratings and the reviews. The third R, it's not reading, writing, and arithmetic. The third R, ratings reviews, referrals. I see referrals as a tremendous growth opportunity for financial brands to tap into, particularly through the mobile app experience.

James Robert Lay:

Now, coming back to the digital secret shopping that we've done, we have actually seen this a lot in the fintech space. They ask for digital referrals as part of the mobile banking experience, typically as part of the primary navigation in the mobile banking experience. One of the very first early examples that we saw goes back almost 10 years now to when we started benchmarking these studies, 2012. It was Simple, now defunct, acquired by BBVA. Spun them off. And it was kind of like, man, they were like the original one, but I think what BBVA did is they took that methodology and then they just rolled it up into their other business and product lines.

James Robert Lay:

So, it's the brand that no longer exists. The thinking is still very, very much alive, but what Simple did, and it really led to the acquisition of over a hundred thousand accounts in a relatively short period of time, without a lot of traditional media or marketing, even traditional from the sense of digital, it was all

referral-driven. And it makes a ton of sense. People trust people, and if we can ask people to rate us, to review us, we can also ask them to refer us to their friends and family because they'll trust that referral. Now, that's a whole strategic conversation in and of itself from an execution standpoint.

James Robert Lay:

But practically speaking, it's low-hanging fruit that I often see not being taken advantage of in the space outside of typically fintech, but also too, if we think about, we talk a lot about retail banking? Well, this is digital retail banking, because if you think from a retail standpoint, digital retail, that is, we're always being asked to refer for some type of a discount or a coupon. And I know my wife, for example, she takes advantage of that all the time with our four kids. She has no problem referring someone to a brand to get \$25 off buying kids' clothes. I think the same can be true when it comes to what we're doing here in financial services, more specifically through the mobile app. What's your take on that?

Todd Treadway:

No, I love it. Once we build that trust, right, as you said, the trust and relationship, people are going to refer what they're satisfied with. So, I think it starts with doing the right thing and making sure that experience is as honed in as possible. But not being afraid to ask, I think, is the first thing. And then secondly, incenting that referral or making it worth the referral on both sides of the fence, right? You see that in other mobile platforms or gaming as it's taken off, but both the person that's giving the referral and the person coming in, making sure that the offer is beneficial on both sides. But number two, I think creating that mechanism so that it multiplies down the line in a pay it forward type of mentality.

James Robert Lay:

Absolutely.

Todd Treadway:

Right? Because when you're satisfied, you want others to be satisfied.

James Robert Lay:

Yes.

Todd Treadway:

And especially as something as near and dear as your bank or your personal finances, right? It's hard, man. There's a bank on every corner. When you find one that does it, right, let's not be afraid to shout that out and be loud and proud with it. And I think we'll see the tangible growth down the line in the digital space, as you mentioned. Some of that, James Robert Lay, is exactly what has taken on in the traditional consumer or retail brand space for years. Now, it's just putting the digital spin on that, and some of our fintech partners came up with some creative ways that we can do that, and we could probably learn a thing or two from them.

James Robert Lay:

Absolutely. And once again, if you think about this idea of trust, it's reaching a level of trust, coming back to the BANCER Strategy Circle, expanding the relationship by delighting accounts through the onboarding period. Now we can ask for the rating. Now we can ask for the review. Now we can ask for the referral. But what we're doing is we're bypassing the B of building an audience. We're bypassing the A of attracting accounts with personalized offers. We're now moving people directly into the nurture part of this methodology, nurturing them with automation, nurturing them with content. And that is, for the few financial brands that we do see who are implementing some type of a digital referral system within

our own secret shopping studies, it's typically a one-and-done outreach to the person being referred. This is where, like any relationship, it's going to take time. We need to place those deposits.

James Robert Lay:

Now, let's bring this full circle back to the original point around content. That's where we could probably repurpose some of the content that we're collecting from the drop and give me 20 exercises as part of nurture workflows for those that have been referred, to make those deposits, to build that trust, and ultimately to convert them to a loan or to a deposit.

James Robert Lay:

Todd, this has been a fun conversation, really practical. It's been good to collaborate together with you, man.

Todd Treadway:

Yeah. Great conversation. Thank you for having me on. And for anybody out there, I would take advantage of the opportunity to text those questions in, because you're going to get an answer to them and it's going to be a good answer. So, thanks James Robert Lay, for having us on and letting us spread the word about Provident Bank.

James Robert Lay:

Absolutely. Let me ask, what's the best way for someone to continue the conversation that we started here today? How can they reach out, say "Hello," connect with you, Todd?

Todd Treadway:

Yeah, the easiest way to reach out to me is probably through email, todd.treadway, T-R-E-A-D-W-A-Y, @provident.bank. We are a dot-bank domain. So, todd.treadway@provident.bank. But I'd also welcome them to come at me in LinkedIn. I would love to engage with them there and continue the conversation.

James Robert Lay:

Connect with Todd, learn from Todd, grow with Todd. Todd, this has been a great conversation. If you're listening and have a question like Todd, back to your point, that you'd like to get some questions on, do text me, 415-579-3004. As Todd mentioned, I do read every single question that I get personally and will follow up with you, either with a resource, a podcast, a conversation that I've already had, to help answer that question. Or like the conversation today, will dive deep into the question to provide you with some clarity as well.

James Robert Lay:

So, Todd, thanks for joining me for another episode of Banking on Digital Growth. This has been a lot of fun, buddy. Until next time and as always, be well, do good, and make your bed.