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James Robert Lay:

Greetings and hello. I am James Robert Lay, and welcome to episode 273 of the Banking on Digital Growth Podcast. Today's episode is part of the Exponential Insight series, and I'm excited to welcome Alana Levine to the show. Alana is the Chief Revenue Officer at Fintel Connect, an award-winning performance marketing technology company dedicated to driving growth in FinTech, in banking, and in the insurance space.

Today, Alana and I are going to unpack and share some of the biggest growth opportunities when it comes to influencer marketing, when it comes to affiliate marketing, so that you can continue to maximize your future growth at your bank, at your credit union, or at your FinTech. Welcome to the show, Alana. It is so good to share time with you today.

Alana Levine:

Likewise, excited to be here. Thanks, James.

James Robert Lay:

Before we get into talking, and I would say even more deeply demystifying influencer marketing, affiliate marketing opportunities as a path forward for financial brands to maximize their future digital growth potential, what's good for you right now, personally or professionally, to get started? It's always your pick.

Alana Levine:

Why don't go personal, we're going to be professional here, but they all blend together. I'm excited to be back in Vancouver. I snuck away to enjoy some sunshine over the holidays and back in full force now and plan to spend as many weekends as I can on the mountain. For those skiers out there, if you haven't been to Whistler, I highly recommend.

James Robert Lay:

You're bringing me back when I was up in Whistler working with I think it was the Canadian Credit Union Marketing Association. I was speaking in Whistler, and then went from Whistler all the way down to the desert in Vegas, back to back events, probably a good four years ago. But it was a fantastic experience. I love the village. I love going up to the top of the mountain. Enjoy that time on the slopes for sure. Let's jump into demystifying influencer marketing and affiliate marketing for financial brands so that we can guide the dear listener on their own journey of growth, because I do see influencer marketing, I do see affiliate marketing as an untapped growth opportunity here.

First off, before we get into what it is, let's start with misconceptions. What are the misconceptions that you hear about influencer marketing, maybe even affiliate marketing that you would disagree with?

Alana Levine:

Ooh, controversial. Love it. Good place to start. I would say there's a lot of, and it depends on who you're asking, there's a lot of common misperceptions around the channel. First and foremost, I would say the nature of the relationships and the partnerships. They tend to look at being a one-off placement, or you're paying for an article, or especially in the traditional influencer sense, running a campaign. When in reality in the way that we run the channel, we like to look at them as an extension of our clients or the marketing teams or institution strategy and their team. It's a long-term play, long-term relationship, number one.

It's definitely not a set it and forget it. The second thing is the commercial relationship and nature. Our goal is to create as much value for both the influencer and publisher and their audiences, as well as, of course, the financial brand when they're looking at attracting and bringing forward the right types of customers or members. Usually the thought is, I'm going to have to pay a boatload upfront, and I'm going to pay on a CPM rate, when really there's a number of different commercial models. Our goal is in creating that value, making sure that it's very results oriented.

Oftentimes if you can attribute a successfully opened account, a successfully funded loan back to that point of origin, there's a mutual trade-off and it controls a lot of the risk that comes with running this channel. I'd say commercial relationships. Another one, finally probably risk. There's a lot of concern maybe that, you know what, these partners can go rogue. These partners can say what they want to say, especially in such a highly regulated industry. There's some amazing tools and innovations in place that help really provide better transparency and controls to support both the publishers, as well as the brands.

Those are some common things, I would say. It's not as scary as you think and it's not as heavy lifting as you think, just shifts the mindset a little bit on how to really look at it.

James Robert Lay:

That's a great point about fear, because we tend to fear the unknown. If we don't know about this space of influencer or affiliate marketing, we might not even begin to go down that path because oh, it's too dark. It's too scary. I'd rather just stick with what is safe, what is tried, what is true. But in reality, I look at this as a tremendous growth opportunity because it's all about people. People do business with people. People trust people.

When you think about influencer marketing and the different channels and the relationships, is this something that can be viewed from say a B2C space, maybe on the retail baking side of things? Or is it viewed from a B2B, maybe on the SMB or the commercial side of things? Or maybe it's a mix of both? What's your take here?

Alana Levine:

Absolutely a mix of both. I mean, if you asked me that question 10 years ago, I'd probably say it's a different story, and I think it's a result of the innovation we've seen in really more of those foundational functions you need to operate in a digital space. What I mean by that is enabling seamless account opening online, signing up for credit cards. I'd say probably digital started with credit card signups a long time ago, which meant it opened the door for this channel to exist back then, as digital has evolved and

now there's a lot more sophistication around enabling digital capabilities with these different products and different business.

Before you couldn't open a business account online and now it's ubiquitous. For that sense, it's a bit of a chicken and egg. I think the products now and the sophistication of digital now has enabled more strategic partnerships across a whole range of B2B and B2C products and opportunity.

James Robert Lay:

You bring up a very interesting point about if you were looking at this 10 years ago. I think some context for the dear listener might be helpful. Because when we throw around the word influencer marketing or affiliate marketing, they might be defining this base upon their worldview. However, I think you and I are thinking and seeing things from a very similar perspective. I just want to pause for a moment to set some context. How would you define influencer marketing in today's environment? Number one. And then number two, how has that definition evolved say over the past decade? Because like you said, a lot has transformed.

I mean, if we think about the last decade, social media 2012 to 2022, we're just now a decade old really for the most part of social media reaching mass consciousness, granted it was before that time period. But I think if we look at trend lines, we now have a decade to review. How would you define influencer marketing? Number one. And then number two, how has that definition maybe changed over time?

Alana Levine:

The essence of the channel is really having a trusted third party that's providing content information to an audience that is high intent, is looking and seeking information like this, and they are providing that bridge to then take that next step towards engaging with a brand. Traditionally, the model is that it's based on a referral. To me, I would easily just define it as referral at scale. You have someone who's trusted. You have someone that has a platform that can speak to a broader audience, and they get behind a product or brand that they really believe in.

I mean, I'd say the original affiliate model, and I could tell you some stories of campaigns that were run in the past where brands would actually put either QR codes or coupons in bookstores. There's so many iterations I think of what influencers or affiliates have looked like. But I would say back then, it was a blogger. It was a website. It was an informational outlet. Now there's layers upon layers. A podcast could be an influencer, a financial advisor who decides to diversify and have a blog on the side where they put their thoughts down on products. I remember I spoke to a banker who talked about watching a YouTube video.

He follows this guy who talks about how to maintain your lawn. He's like, "I went out and I bought the sod that he told me to buy. Does that mean I was influenced?" I said, "You got it. That's exactly what it is."

James Robert Lay:

When you think about this, it boils down to maybe knowledge, expertise, guidance that's a bit more objective. I forget the exact research study, but I believe it was Contently, maybe 2014, 2015 time period, to where Contently found that content, and we'll just use content from a broad sense, whether that be a blog article, a video, a podcast, et cetera, content from a third party publisher... And I think on that note

of publisher too, publisher could be a traditional publishing brand, but publishing, back to your example of the saw, it could be an individual as well.

That whole publishing model has now changed, but content from a third party publisher is trusted I want to say three to four times more than content published by a traditional incumbent financial brand. Why is that? Once again, I'm paraphrasing here. The number was exponentially more from the third party versus directly from the financial brand. We probably want to maybe fact check that in our notes here. But why is that?

Alana Levine:

Human nature. You're going to trust somebody who is neutral third party that has bothered to do their research, and they're very transparent now about the fact that whether or not they're being compensated, but that all of their opinions are objective and it's informational. It's really about time saving. You're going to do your research. It's like asking a friend whether they recommend someplace to get your hair cut. You're going to trust them because they've been through the experience or they've done their research or have the background, as opposed to going to a brand where you feel like there's a likelihood that they're trying to sell you something.

It's clearly a very subjective opinion. They may not necessarily understand you, and it creates a little bit more of a pressured environment. Whereas the third party, they're providing this research or insight that helps you compare options as opposed to just presenting you with the one from a brand.

James Robert Lay:

I could see in a model like this, there's a tremendous amount of value that could be created for complex buying journeys, buying a home, for example, business specifically. Because someone is looking for that guidance, that expertise, but then they're concerned about the bias coming directly from the brand. I think about some of the digital secret shopping studies that we've run over the years. Some of the comments from just the first five seconds of visiting a financial brand's website, their homepage, some of the comments from people, "I feel like they're just trying to sell me something."

It's like the worst response we could get from the market based upon the positioning of the financial brand, because it's the last thing that we want to make people feel like is that we're trying to sell them something or that they're trying to be sold. When you look at opportunities for financial brands through influencer, through affiliate marketing, what are those opportunities specifically for the dear listener to think about, whether they're say a leader or on the marketing team, on the sales team? Where are the opportunities from the work that you've been doing? What have you been seeing here within the marketplace itself?

Alana Levine:

If you look at all of the different tactics at your disposal from a digital standpoint and the buying journey, this channel traditionally is what I would consider more of that consideration phase. Because someone has bothered to type into Google a particular search and they come across these really basically SEO engine type outlets. They're at that point where they're ready to make a decision. Number one, being part of that consideration set. I think the opportunity has come now for these super-regional institutions that are most likely the ones that haven't tapped into this channel yet to actually be able to level the playing field and have access.

That's one of the biggest barriers. I think these partners don't have the resources to go out and prospect and be able to educate the financial institutions on the opportunity, and the financial institutions don't have the bandwidth or understanding of how to navigate those conversations. I think now we're starting to see it's become a lot more common where you're seeing exposure from maybe more regionally focused brands in outlets that you may not have seen before.

I think being part of that consideration, building brand equity, it's been a great exploration for us in working with some of these institutions that are starting to either go national or they're wanting to expand their reach and experiment in different geographic areas. It's a great way to sense check and get indication of where there's appetite, where they may not have realized before, and also build that brand equity. We all know a consumer is going to need to touch a brand at least 10 to 15 times before they make a decision. The more that you're mentioned in these different places, the more likely you're going to start to build some credibility around your institution and what you have to offer.

That's the second thing is the credibility. And then the third thing I'd say is just in general education. It's really hard to convey in a banner ad or a paid search campaign what it is that you have to offer and what makes you special compared to the other 1,500 institutions you're competing against. Helping to tell that narrative about looking at campaigns to focus on your ESG message and what you do to contribute from an environmental standpoint, contributing back to the local community. It's connecting and helping them understand where your value is, and that's difficult to convey in an ad. But when you partner with these storytellers and these influencers, it's a lot easier to be able to achieve that.

James Robert Lay:

Well, it comes down to, and I wrote about this in *Banking on Digital Growth*, every financial brand is competing on the same great rates, the same "amazing service," and the same laundry list of lookalike product features. But now when you're working with an influencer or even an affiliate, there's a lot more narrative. There's a lot more story that goes far beyond just the checklist of the product features, but it's getting into a big philosophy that I believe in and teach, help first, sell second. That alone right there places positive deposits into a consumer's trust fund that over an extended period of time will then reshape their thought process into what the next best step forward is for their unique situation.

I think that's another important point that really loops us all the way back around to the very beginning. Like you said, this is a longer term initiative than just a one-off campaign, right? I think that's a big danger if we think that, oh, we're just going to do this one time, we might not get the longer term value. Where if we were committed to this because it is about placing deposits into a consumer's trust fund that sits between their ears, that transforms their behavior going forward. With that in mind, the idea of time and investment, I think about it like, for example, a CFO. Well, if I do X, then I should get Y.

And that perception has been shaped based upon if I do X, say historically a direct mail drop or run a TV ad or place a newspaper ad, I get some type of immediate response and immediate action. I mean, it's direct response marketing. What's the difference here and what are the opportunities to communicate? Say I'm a marketer and I'm going to have to now educate someone internally to say, hey, this is a viable path forward, but it's very different than what we have done historically when it comes to marketing, sell, lead gen, growth, et cetera. What's your take on that?

Alana Levine:

Every channel that an institution has tested or is now using was once an experiment. I mean, really this is just another step in that direction. I think the institutions that do it well have a mindset where there's a particular percentage of the budget allocated to experiment. They have that understanding that there's room to test and learn, and then you double down on the areas where you're seeing success. For example, when we engage with a brand, there's usually a stakeholder internally who's the advocate. They may represent a particular business line, or they have a particular bottom line initiative.

They're driving towards deposit generation, loan generation, whatever it is. And then what happens is they become the almost internal pilot where they're stress testing the channel. It's important to put those boundaries in place. I don't disagree that you need to be pragmatic about what the guardrails are. I think you need to set realistic expectations on what could or couldn't happen. But usually what happens is once you see success in one area, you then have expansion into other business lines and you start to see budget pulled from other areas. It's what's happened over time with those more traditional channels you mentioned, but this is now a newer channel that's coming into the folds.

Really, I think to speak to the CFO's language, it's making sure they feel comfortable that you understand where the boundaries are and what the levers and police you have at your disposal that are going to allow you to pull back if you need, double down if you need, create the transparency that they need to feel comfortable, and that this has been well-thought-out. You're not shooting from the hip. I think it's an exercise that everybody goes through with every new initiative. It shouldn't be any different from a marketing standpoint.

James Robert Lay:

I appreciated the perspective you just shared about being a pilot program. It's not we're all going to go in. We're going to pilot this. We're going to get some initial wins. We're going to get some initial feedback. We're going to get some learnings, and then we're going to be able to apply that to the next iteration going forward. And then over time, as value is created, A, and B is value is proved and quantified, B, then we can expand, like you said, into other areas of the organization.

A lot of opportunity for sure. But what are the roadblocks? What are the dangers that you see or are aware of when it comes to influencer or affiliate marketing that maybe the dear listener isn't thinking about when it comes to an initiative? What could it be that holds them back or just derails the entire process altogether?

Alana Levine:

First and foremost, what we come across most commonly is the transparency aspect. I'm sure, James, you've come across institutions that have difficulty when they're investing in digital initiatives to actually understand what the heck it did impact wise for the bottom line. It fascinates me. The first step, and I talk about it as like first trench, second trench, first trench investment areas are those technologies that will enable you to create that user journey and experience. It's putting those files in place. Whether it's digital account opening, loan origination systems, creating a landing page ecosystem that allows you to be more nimble.

Those things need to be in place before you even look to do this channel. One of those pieces is being able to provide that end-to-end transparency. Because if you're going to pay out on a success basis, you need to know where the potential successes come from. That's one thing I think really needs to be

addressed and any opportunity that comes. Sometimes we have inquiries where our board wants to know why we're not on Bankrate, how do we get to be on Bankrate. There's a whole range of responses to that.

But one of the biggest things I think is making sure that that success measurement capability is in place so that you're not spending \$200 on an app start click and then have no idea what happens after that. You can control what that acquisition cost looks like to find it in advance. That's one big thing I would say.

James Robert Lay:

Well, I want to expand upon that thought even further. Number one, you have a great article on The Financial Brand, thefinancialbrand.com, that you wrote, Five Essential Metrics that Prove The Marketing Strategy Works. You break down these KPIs or KPMs. You've got cost per acquisition. You've got approval rate. You've got lifetime value. You've got total count of conversions by lead source, and then you have net promoter score. When we go in and we diagnose and assess a financial brand, we're typically looking at it through the six different lenses of the BANCER Strategy Circle that I wrote about in Banking on Digital Growth.

Number one, build an audience or build a community with data, or to this conversation, look to leverage the audiences or communities of others. There's multiple ways to look at audience or community building now. That's the B in the BANCER Strategy Circle. Number two, attract leads with personalized offers. Then you have the N, nurture those leads with automation and content through that consideration stage that we are talking about, which where based upon the deal with the influencer or the affiliate, how could you build in some of their content into automated nurture workflows for a particular product line?

Because that then leads us to the C, which is to convert those leads into loans and deposits. Then you E, expand the relationship by delighting accounts, and then R, repeat the process with ratings, with reviews, and with referrals. Now, when you look at those six different lenses, it can be extremely overwhelming of like, well, where do I start? I like to take it up to a 30,000-foot view. Let's just focus top of the funnel. Let's focus on TLC. Let's focus on traffic leads, conversions, even though every single one of us needs a little bit of tender loving care from time to time, but we're going to look for traffic, leads, and conversions.

I think a lot of times organizations, they want to drive more traffic top of the funnel. They're going to go out and they're going to buy all this traffic, whatever those traffic sources might be. But unless they have the proper systems for conversions to quantify conversions, those channel sources, back to your Financial Brand article, to get mid-funnel leads for those in the consideration stage. They can run all the traffic, but they're just going to lose masses of mounts of opportunity. I wanted to pause here and appreciate you wanting to say, hey, we need to look at the bottom of the funnel and then work from the bottom to the top.

Work from the conversion source, work from the lead source, and then we can look at driving more traffic going forward. When you look at the opportunities and really the roadblocks here, as we start to wrap up the conversation, I always want to set the dear listener up for success of one thing, just one thing that they can do next on their own journey of growth to apply some of the thinking that we've

talked about here. What would that one thing be that you would recommend them to do next to begin to move forward and make progress in the area of influencer and affiliate marketing?

Alana Levine:

Sure. I would say if you haven't already, and this isn't an exercise you do once, this is an exercise you do once a year, if you can, more than once a year, it's, A, get everyone that touches your digital experience together in the room, because you can't do it single-handedly as the marketing team. You need compliance. You need product. You need the business owners to be involved. Lay the puzzle pieces out on the table. Look at what you have as the foundation already and start to identify where there are quick wins, because everybody has quick wins. They're all going to be different. Rome was not built in a day.

It's set a defined goal of where you want to be. If that measurement piece isn't in place yet, you need to define that problem upfront, because you can't solve a problem if you haven't clearly defined it. And then look at who needs to be involved or what you need to get that solved. I'm saying really my recommendation is lay it all out, get all the brains in a room, define that biggest barrier that's going to prevent you from being able to do this type of initiative, if it is transparency, for example, and then look at the quick win areas that you have within your own control that you can influence and start there.

James Robert Lay:

As you go through this exercise, you will gain clarity into goals, into the roadblocks that would prevent us from moving forward towards those goals, and then at the same time, the opportunities to overcome those roadblocks. I like that as a very practical next step for the dear listener to take on their journey of growth. This has been such a good conversation, Alana. What is the best way for someone who is listening to reach out to connect with you, to continue the conversation that we've started here today?

Alana Levine:

At LinkedIn, you can find me on LinkedIn, Alana Levine, email iana@fintelconnect.com, or you can just shoot us a note on our website and someone will find me. Whatever works.

James Robert Lay:

Connect with Alana. Learn with Alana. Grow with Alana. Alana, thank you so much for joining me for another episode of Banking on Digital Growth today. This has been a lot of fun.

Alana Levine:

Thank you so much for having me, James. Such a pleasure.

James Robert Lay:

As always. And until next time, be well, do good, and make your bed.