

James Robert Lay:

Debra ask, what exactly is digital growth as there seems to be some confusion at modern financial brand, particularly amongst my leadership team.

James Robert Lay:

Well, Debra, that's a great question that I'll answer for you on today's episode of Banking on Digital Growth,

James Robert Lay:

Greetings and hello. I am James Robert Lay, and welcome to the first episode of the Banking on Digital Growth podcast. Today's episode is part of inside digital growth series, and I'll be answering a question from Debra who's a VP of marketing for a financial brand on the West Coast.

James Robert Lay:

Debra asks what exactly is digital growth as there seems to be some confusion at my financial brand, particularly amongst my leadership team, because every time I talk about the strategic need for digital growth, the conversation always goes to things like mobile banking, online banking, remote deposit capture. They say, "Debra, we've already got this covered." I feel like there might be some confusion for all of us.

James Robert Lay:

So thanks for the question, Debra. This is a very good one to start the conversation with. In fact, this is one of the most important, if not the most important question for financial brands to critically think about.

James Robert Lay:

And to answer the question, I want to do three things. I want to first dive into why this is strategically important for financial brands. Next, I'm going to unpack some of the biggest insights you need to know around this subject. And finally, I'm going to show you how you can confidently move forward to take action and apply these insights to apply this thinking that guarantees that you move forward and make progress along your digital growth journey.

James Robert Lay:

To begin, I want to let you know that if you're thinking about this, if you're having these similar challenges at your financial brand, you're not alone in the struggle. As I often say, there's a lot of confusion, time and time again about what digital growth actually is, through the work we're doing with financial brands. In fact, the vast majority of banking, credit and leaders simply don't understand the concept of digital growth and that's not their fault. In fact, there's one that could be to blame for this as the idea of digital growth, as Debra noted is really rooted in a financial brand building up digital capabilities like online and mobile banking. And there are three problems that this limited perspective and really a lack of awareness presents.

James Robert Lay:

Problem number one is that when there's not a unified definition of digital growth that runs throughout the entire organization, everyone will define digital growth from their worldview, from their own experience. And that's quite a normal way of thinking about things.

James Robert Lay:

The second problem is that the worldview and experience that an individual has, and that experience is then transferred to the conversations at the leadership level, it often creates a false sense of security by financial brand leaders and for financial brand leaders that have already invested millions or they're currently doing so, or they're thinking about investing into building up digital capabilities like mobile banking, which while it is strategically important, mobile banking, mobile banking, online banking, these are in fact service oriented pieces of the business model. Because through these digital platforms, online banking, mobile banking, this is how a financial brand now digitally delivers their services.

James Robert Lay:

The third problem is because of this lack of understanding and awareness, and really up to this point, the primary focus for financial brands has been around service and delivery channels, these are not functions for future focus, growth oriented activities. And as a result, from our year over year studies now over the last five years, even today, and this number really hasn't changed, but just a few percentage point upwards of 85% of financial brands currently lack or do not have a well-defined digital growth strategy at all.

James Robert Lay:

Now, for sure, many of financial brands today are dabbling in digital. A lot have built new websites over the past few years that are now mobile optimized, and hopefully by this point, ADA compliant. But the reality is that the vast majority of these new websites through our ongoing studies and analysis, are still what we diagnose as glorified online brochures. Furthermore, we can see more and more financial branch shifting marketing dollars away from traditional channels as they are increasing investments in digital ad buys, and while that might sound like a good idea at first, the problem is that the majority of these ads still promote the same great rates, amazing service look like lists of commoditized product features that every other financial brand promotes. Even worse when we're talking about digital ads, I hear the complaints from both marketing teams, along with their CEOs or CFOs or see CLOs as they cannot prove the value that these digital ads are creating beyond clicks, which in reality, the clicks might not even be from a human being, but instead a bot. And taking the seeking further, how many of these digital ads are even being viewed because of the ongoing rise of digital ad blockers that are natively being built into both mobile and desktop browsers?

James Robert Lay:

The digital ads are central to any digital growth strategy, but the digital ad world is being turned upside down. Just recently as of a couple of months ago, Google announced that they're getting rid of third party cookies in their Chrome browser as of 2022. And that's going to change the entire digital ad game

James Robert Lay:

So without a unified understanding of what digital growth is throughout the entire organization from top to bottom, from bottom to top, financial brands will continue to struggle with these platforms, whether it be ads, whether it be emails, which email is in fact, the tried and true work horse for a digital growth strategy, although email was replaced and really kind of became the redheaded stepchild with the cool new kid on the block, the shiny toy of social media. And even today, I'm seeing financial brands throwing thousands of dollars, thousands of hours of time, down the drain posting just silly content. And then they report back vanity metrics from their social media activities like clicks, likes, follows shares.

James Robert Lay:

I understand digital growth, it can feel confusing, it can feel frustrating, it can feel overwhelming. There's a lot going on. There's a lot to manage. And there's a lot that seems to change almost every month, if not every quarter and really every year. But everything I've mentioned up to this point, the websites, the digital ads, the emails, the content, the social media, these are all channels or really tactics within the larger context of digital growth that so many financial brands simply get stuck doing. That's another diagnosis of ours. Financial brands are stuck doing digital. They don't have the space and time to learn new ideas and insights, to gain clarity about future opportunities, yet alone think about how to apply what they've just learned so that they can do digital even better and then review what they've done to learn again, to apply that thinking, and it's just this negative cycle of just getting stuck doing digital.

James Robert Lay:

And that's where they become confused. That's where they become frustrated. That's where they become overwhelmed. And we call this being stuck in the circle of chaos.

James Robert Lay:

Now, the good news is that it really doesn't have to be that way. And the first step to break free from the circle of chaos is to just gain clarity into what the opportunities for digital growth are. But before doing that, we have to gain clarity into why lacking a unified definition of what digital growth is, and then apply that thinking throughout the organization.

James Robert Lay:

So let's talk about what you can do by simply defining what digital growth is. Now, here at the Digital Growth Institute, we defined digital growth as a systematic process that's really centered around the modern consumer journey. It unifies marketing, it unified sells, operations, IT to achieve three things. Number one, increase website traffic, number two, generate leads, and then number three, convert those leads into loans and deposits. And as a result of these systems and processes, you position your financial brand beyond the commoditized great rates, amazing service and laundry list of lookalike bullet point product features that every other financial institution promotes because you're confidently generating now 10 times more loans and deposits.

James Robert Lay:


So now that we have what I would call more of an academic definition of what digital growth is, I want to show you where you can begin to quickly apply this thinking at your financial brand. It just takes a minute of time because what I really want you to consider doing as the next best step is to conduct a very quick, easy, simple assessment as you survey key stakeholders within your organization, by asking them from their perspective and their worldview, what they think and believe digital growth is?

James Robert Lay:

Now, who do you ask, ask your entire marketing team, ask your entire sales team, get into the C level and maybe even get into the board level. A lot of that's going to vary depending upon how your financial brand is structured, but at a minimum marketing, sells, operations, IT and the executives for each one of those.

James Robert Lay:

And the way that we frame the strategic question in our digital growth diagnostic assessments is asking the person taking the survey, what is your definition of digital growth? And it's important to reassure



those taking the assessment that there are no wrong answers as the primary goal for you in this exercise is just to simply gain clarity into if there's alignment and understanding around the fact that digital growth is indeed a systematic process that's centered around the modern consumer journey, unifying these key players of marketing, sales, operations and IT, with the ultimate goal of increasing website, traffic generating leads, and then converting those leads into loans and deposits. Odds are, you're probably going to find that the conversation or the responses tend to trend more towards the service and delivery channels of like online banking, mobile banking, but that's okay because now that you'll be gaining clarity into the situation, you'll be able to help educate and inform those that digital growth is an outward facing exercise, it's a lead generation facing exercise.

James Robert Lay:

And I also think it's important to note as well, digital growth, it's not about technology because that's another kind of big response that we get, it's about technology, or it might be about social media or digital ads. No. I don't even really bring up the point of technology in my book banking on digital growth until we're over halfway through. That's because at the heart of digital growth as we've defined before, it's people. Digital growth brings people together, both internally and externally, which today really, more happens more often than not digitally, but we can never lose sight of the fact that digital growth is about people, it's about human beings, it's about flesh and blood.

James Robert Lay:

And finally, I think it's also important to note early and often that digital growth, it takes time. Digital growth is really about transforming a financial brands business model, really, the growth model beyond the traditional branch sells and broadcast marketing strategies that are showing up even in today's digital marketing tactics.

James Robert Lay:

So as we wrap up, three key points to remember. Number one, defining digital growth throughout the entire organization, top to bottom, bottom to top, helps to create alignment, clarity, and focus about where we're going in the future for growth. Digital growth is not about technology.

James Robert Lay:


Point number two, digital growth is not about technology, but it's about bringing people together through well-defined systems and processes that are centered around the modern consumer journey.

James Robert Lay:

And then finally, point number three, take some time to assess your key stakeholders understanding of how they view and define digital growth based upon their own worldview and experience to see if there's alignment and cohesion, or if there might be some internal gaps that need to be bridged with some training and education.

James Robert Lay:

I often liken digital growth to running a marathon because once again, it takes time, but that's not even really a perfect metaphor because with digital growth, there is no finish line. In fact, digital growth has the wind, because as you move forward and make progress along your digital growth journey, there will always be new roadblocks to eliminate, there will always be new opportunities to create our capture. And that's why I want you to start thinking and sharing this internally, having conversations that digital growth is a journey. It is a journey from good to great. It is a journey that begins really in the mind.



Digital growth must be measured by progress, not perfection because as you maximize your own digital growth potential, you'll begin to generate 10 times more loans and deposits.

James Robert Lay:

Digital growth is a journey that allows you, empowers you, to lead people in the communities that you serve beyond the financial stress that's taking a toll on their health, their relationships, their overall sense of wellbeing as you commit to guide them towards a bigger, better and brighter future.

James Robert Lay:

And as we wrap up today's first episode of the Banking on Digital Growth podcast, I really wish you nothing but the best as you move forward and make progress along your own digital growth journey. If you have a question that you'd like to get answers to like Debra did today, email it to ask@digitalgrowth.com and I look forward to answering it on a future podcast episode. Until next time, be well and do good.