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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 Exponential Insight Series and I'm excited to welcome my friend Will Leach to the show. Hello, Will.

Will Leach:

Hello, James Robert. Thank you for having me. I appreciate you.

James Robert Lay:

Well, you are the bestselling author of Marketing to Mindstates and you're the founder and the CEO of Trigger Point, which is a behavioral research and design consultancy. Mind states. It's exactly what I believe every financial brand marketing team, sales team, leadership team, should be thinking about right now in this time of chaos, confusion, and crisis. Can you just help frame up what are these mind states in the first place for some just general context?

Will Leach:


Yeah, here's the idea. So for the last 20 years, I've studied human behavior and the psychology of messaging. And what you find out, especially in the last decade is that we are influenced by context. We all have attitudes. We have beliefs, I have my own belief system, James Robert you have yours, we all have attitudes and preferences, things like that. We've known this for a long time. What a mind state is, or these moments when context, like the current context we're all in right now from a global perspective, where context influences our attitudes, our beliefs, our values, things like that.

Will Leach:

So a mind state takes into consideration these moments and these moments can last anywhere in between a couple of minutes to where I think these moments going to last for a couple of months, given the new environment with political and biological and financial markets. So specifically a mind state are these temporary moments of emotional arousal. And when you have emotional arousal, you're much more susceptible to emotional decision making. And so it's kind of like the Holy grail if you're in marketing of understanding why emotional marketing works, it's because you're tapping into a psychological mind state. If you don't know the mind state, you know a much better way of engaging with consumers.

James Robert Lay:

I love that perspective because it's very closely aligned with what we teach here at the Digital Growth Institute. People want three things in life. They want to feel healthy, they want to feel wealthy and they want to feel just good about life in general. Where I find the challenge is for many financial brand marketing sales and leadership teams is that they're really driven by not the emotive, but more of the logical thinking. And it makes sense when you're handling people's money, you want to be logical. You



want to be rational. So that creates some gap. And that creates some tension, particularly with the way that financial brands go to market and communicate emotion. What's your recommendation there?

Will Leach:

I would just first off say that there is nothing more emotional in this world. Well, very few things are more emotional than money. Because money provides us the ability to provide nurturance to our families, to provide protection to our families, to provide esteem to our families. So not to say that money cannot be functional in nature because yes, we have budgets we have to live by. We are trying to grow money, but there is deep emotion that money provides. So first thing I would tell anybody is that if you're in the financial services space, you need to elevate your thinking above and beyond just the rational desires that people have to earn more money. But what is the emotional benefits of having more money? And I'm telling you, motivational psychology gives you a lot of great understanding of how to use money in a way that benefits you in highly emotional ways. Like I said, providing for your family, providing protection, et cetera.

James Robert Lay:

Sometimes puts people off. But I think it's the more honest conversations that we have and lean into those hard conversations. The more that we can make progress as a society, like the idea of poverty, a lot of the research that we've done is poverty and people who struggle with budgets. It is a mindset to a degree, but it's also somewhat environmental, which can be tied back to mindset. People don't necessarily have a savings problem. I find people have more of a spending problem and the way that they make these decisions, right?

Will Leach:


I would agree with you. I think the first thing I think about as it relates to understanding the emotions and helping people make... The emotions of people making financial decisions, but also understanding how to help people make better financial decisions is understanding goal theory, which in my book, it's laid out in one of the chapters, but this idea of understanding people's goals. And if I understood not those easy, I want to save money, I want to make more money. That's easy stuff. It's more the emotional purpose behind those goals. Like we just said, if we can ladder up to that, I'm telling you there is a large... We can provide great benefits to society if we could just help people understand their true goals for money, and it's not to save more money or to make more money. There's something much more powerful than that. And you will get to that goal by saving money or making more money.

James Robert Lay:

Yeah. It's like reaching your full potential. And I'm seeing a lot of that if we're going to pull context and I love your point of context. I speak and talk and write and teach a lot about context and content. You got to overlay the two and contextually with the environment and the way that we're seeing things right now, this volatile, uncertain, complex, ambiguous time that you've written about, what are the three things that people are looking for and how is that different than what it would have been say if we were having this conversation in 2019?

Will Leach:

Yeah. It's an amazing evolution that our market has taken place in the last two weeks. And so my company studies brands in financial services, consumer packaged goods, restaurants, pharmaceuticals. So I see lots of different mind states. I studied these mind states. Very broad. And so when I typically do a piece of research for a client, I find that there is one or two mind states out of, we have a total of 18 that we talk about in the book, that a category is really driven by. And so what I'll tell my clients, I'll say, listen,



once you do this piece of research, you're good. You don't have to change because categories don't tend to change dramatically. So I said, you can use this piece of research for years. That all changed two weeks ago, because now what we're seeing in all of our research, regardless of category, and we've done stuff in travel, we've done stuff with pet food.

Will Leach:

We've done stuff with retail, all in the last three weeks, that now there are three overall kind of strong goals that everybody has, regardless of what decision you're making, what category you're in, et cetera. And so I started about a week ago saying everybody things just changed. Your segmentation is now dated. Your brand story can now be tweaked because everybody feels these three things. And three things are people are seeking so much uncertainty in the marketplace right now across. Are we going to have a job? Am I going to get sick? What's going to happen in politics? How do I protect my family? I'm telling you that there are three things across everything that we're seeing. And the first one is to feel safe and they're not necessarily in order, but safety is a very strong goal that we all have. And people are very worried about safe, whether it's financial safety or it's just physical safety.

James Robert Lay:

Security.

Will Leach:

Security right. After that, is control. People don't feel like they're in control of their situation. And so people desire control in any category. And then lastly, release. We're finding is that, these moments of release, we call them kind of in the consumer packaged goods space. We'll say things like people want to relax and unwind because there's so much uncertainty in the news, at our jobs that you want moments to just tune out all that and just get a release. That emotional "haa". Those three things are across any category. I haven't seen a category yet that doesn't need to play in one of those three things.

James Robert Lay:

So we've got safety, security, we've got a sense of agency or control and the need to release, or just relax, kind of escape the complexity, escape the confusion, and everything's going to be okay. And a lot of, I see this fear. Fear is playing tremendously into this narrative. And when people are fearful, people don't necessarily make the best choices or make the best decisions. What are the opportunities for financial brands to help people overcome the fear, whether it be real or just simply perceived.

Will Leach:


Yeah. So I think it kind of depends on where you are or where your customer is in kind of their financial journey.

James Robert Lay:

Yes.

Will Leach:

So we've done some research with a couple of institutions and we've seen that there is a pattern in mind states. Now this is all pre Corona, but I don't know how much it's going to change to be honest with you. Because these mind states kind of fit into what I just talked about, the desire for security, control and release. So what we've seen is people who are new to money, let's just say you're 16 years old and you're just getting your first paycheck and you go all the way through college, and maybe you're just



starting out in your career. People desire to feel safe, that they're not spending their money or being, how do I say it, being screwed especially [inaudible 00:10:23].

Will Leach:

But they're scared that, am I spending my money wisely? Am I overpaying for things? I'd have to live on a budget, et cetera. So I would say that for people new in their money and they don't feel very competent yet, they haven't just had a lot of money and exposure to investments yet, right? I would say to anybody who is serving that client and customer, you're safe in our hands. We're not going to let you make a big mistake. So you're going to prevent them from making a big mistake. We call that cautious security.

James Robert Lay:

So the solution there, if I may is a financial brand, might be able to communicate we're going to guide you, we're going to teach you, we're going to coach you every step of the way. You don't have to do this by yourself.

Will Leach:

Especially say the first one. Now, when you say guide and coach, that is the next stage. So you're getting into the next stage. That's called cautious... We call it cautious competence. As you get a little bit of a background with running maybe your own budget, you're starting to buy slightly higher products, slightly more expensive product, sorry. Then some desire more competence. That's where I think if you were to look at somebody's network, their portfolio, you would look at them and say, okay, this person feels like... There will be some that want that guidance. But the early stage people are just going, I wanted to know that you're protecting me. Your security systems are in place that you're not going to allow volatility to hurt me to a point where I can because harm to me or my family. Then you go into competence.

James Robert Lay:

Interesting that we're talking about that idea of competence, because some of the research that we've been digging into as of late before all of this Corona virus was around financial education and financial literacy and how that could actually be hurting more people and harming more people because it gives them a false sense of, I know this stuff, but in reality, it's so complex. And that's where that idea of coaching. And that next level, that next stage for people who want to level up, I really like that. Continue, please.

Will Leach:

So then after that, you find that when you get into middle management, so let's just talk about maybe you're starting a family, you're starting to get like maybe benefits. I'm sorry, not benefits, bonuses at the end of the year, et cetera. You'll start seeing that people want to maximize gains. They want to maximize their return on their investments in the stock market, into real estate. That's when they start making their first real investments. That is when we start talking about, we call optimistic achievement and that's the person who desires to maximize their potential. We just kind of talked a little bit about that. So you would message very differently to that person because this person isn't so scared that they're going to make a big mistake. They're more about, okay, I've been in it for a while. They may be in the mid thirties. I have a limited window of earning power, where I have to make in the next 30 to 40 years enough for me to provide for my family, maybe provide for our parents and also provide for myself long term.



Will Leach:

They may be all about maximizing their ability to gain. They're willing to take on more risk, et cetera. So if I was looking at those types of people, I would start thinking about positioning my messaging or positioning my brand around maximizing your chance for greater returns. However, now we're now in this new world where right now people... I'm not sure about that messaging right now for a middle manager because they may be thinking, am I going to have a job? Middle managers going to be... It hurts the middle class. And so now, if I was in that space, I may start talking and bring in more cautious, more security saying under this circumstances, next 18 months, we're here for you. And we're going to manage the volatility, we're going to manage to where you can still maximize your growth but we're always going to be making sure you maintain what growth we were able to bring together. Does that make sense?

James Robert Lay:

That makes perfect sense. And one of my favorite examples of a financial brand applying this, is Tropical Financial out of Florida. They developed a program over the last year called Get Beyond Money and it is a money coaching program and it was rooted in consumer research and insights. They tried to get this program off the ground two years in a row, but faltered. And finally it was... I'm glad they kept pushing forward because they are positioned now in this time of volatility to help people get beyond money. Now I think for them maybe, coming back to that point of security... Because here's something that you've written about that we could go down is, the idea of promotion versus a focus on the preventative nature of communication. This is really going to be a big transformation as we've... Kind of like dance around but you gave a great example of a recommendation for Chase in a recent LinkedIn article.

Will Leach:


What you find in the literature. So I studied behavioral science and there's this concept called regulatory theory, regulatory fit there. You don't have to worry about that, for your listeners. And I think what they do really need to know is that we all approach our goals in one of two ways. One way is called promotion. Meaning that we are seeking to maximize gains, that's our strategy to reach our goal. So think about, you are swinging for the fences in this mind state, you're going to swing for the fences. So you're going to look for brands, messages, strategies that tell me if I want to reach this goal, whatever financial goal you have. My best way of reaching that is to find a company that will help me maximize my chances of successfully reaching a goal. Swing for the fences, more innovation, et cetera. Then you have another group of people that will use a prevention mind state.

Will Leach:

And what they will do is they think the best way to reach their goals is to limit risk. And they're going to look for brands. They're going to look for companies, messages, strategies that tell them, if you go down this path, you are less likely to lose money. Same goal, right? But you are going to approach it in slightly different ways. And it's a small change. So think about it as almost half glass, half empty, half glass full.

Will Leach:

People have a natural tendency to move in one of the two directions. And what we're seeing right now is because there's so much uncertainty in the marketplace, that there is a strong shift for prevention. Like people want to maintain what they have. It's a bit irrational at this point after two weeks, but you know what? I'm not so sure in another two weeks we're not all going to be thinking to ourselves the same thing. So I think that companies need to start messaging, especially in this space right now, where there's so much volatility, so much uncertainty around prevention. Your job is to tell people, if you choose me,



you are less likely to experience risk or shock or anything that could mitigate your ability to reach your goals.

James Robert Lay:

And golly, I can tell you how many financial brands and marketing teams, sales teams, leadership teams I've gone to battle with over this because from what I see sometimes the perspective of behavioral economics, people are more likely to take an action to avoid a loss than they might be to achieve a gain. And I think of like a headline and particularly for a couple of clients that we've worked with, they have something called a quick savings quiz calculator that someone can input how many credit cards they have, how many mortgages, how many auto loans, how many personal loans, and if they were to move their money to this new financial brand, this is how much money the financial brand can help them save. We've experimented with AB testing, transitioning from take the quick savings quiz to see how much we might be able to help you save to take the quick savings quiz, to see how much money we might be able to help you stop losing. When we went to the negative connotation, we actually saw more conversions.

Will Leach:

Yeah. So I did a study years ago and experiment where I looked at coupons, slightly different thing but it's going to talk about the same idea. Coupons almost always say save a dollar. Very prevention. What we found is that for new innovations, for this one company, rather than saying save a dollar, we said, get a dollar off. Very small font on off. But get a dollar was the promotion way of talking about it. And we saw a two X lift in coupon redemptions. I did nothing different except for change those words because it fit the natural path of what people wanted in that moment. Context matters. And so those small little things, I would tell anybody listening to this, they're small changes in words, that's all it is. But it just feels natural in a time where we feel very uncertain with organizations and what's happening in the world, things that feel natural and intuitive are going to play out much better. It's going to cause lower anxiety.

James Robert Lay:

And I think for me, the biggest challenge for financial brand marketing sales and leadership teams is they're so busy doing all of this stuff. They're stuck in the trenches, they're inside the bottle and no harm, no foul to them. But those small little changes, if you're currently like just working and doing, you don't take time to stop, pause, think reevaluate, it's going to be very hard to make those small incremental changes that can have exponential results for a long period of time.

Will Leach:

And I think this is one of the easiest changes you just talked about. And when I go and I speak about this topic, the promotion prevention is the easiest thing that you can do. And most people find it's one of the most valuable things. You can do that tomorrow, right? And then just do AB testing and do it. So it's the easiest, fastest way. Don't try to figure out people's motivations. Don't try... Just do some of these experiments like that and I think you can get to a really nice place.

James Robert Lay:

I want to shift the conversation slightly because we've been talking about a lot of like external communication, another area of opportunity that I see, like with the work you're doing marketing to mind states, can practically apply internally, culturally for team members. Because we have to remember too, there's a lot of uncertainty and ambiguity going on. Am I going to have a job? Are we going to be here in the next 12 to 18 months? How can, and we'll just call it the leadership team, take ownership of some of this communication to calm the nerves, reduce the anxiety internally?

Will Leach:

Yeah, I think you're right. Like the book is called Marketing to Mind States, but it's a book about human behavior. You read it. Where I talk about how I use this to get my Sunday vegetables, right? It's a human behavior book, but I come from a world of marketing. So if you just ladder the same ideas to internal communications, you're right. You can. I will tell you, every study I'm doing... Because these are human studies. We're seeing the same desires, everybody right now in your organization feels the desire to, I just want to know that I'm safe. Like, am I physically safe in this work environment? Or are they cleaning the environment enough, but also financially. Am I going to be laid off? And what kind of severance package am I going to get? If I do get laid off, am I going to have to take a salary dip? Right?

Will Leach:

So safety, providing some sense of control because they don't feel like they're in control. And I will tell you, there is safety in environments that you're familiar with and control. So it sounds funny but just providing a schedule and things that people should do on a date, your employees should do on a daily basis, provides a sense of control. That they can control their environment. So having weekly meetings, maintaining weekly meetings matters in this point, even if you don't really know what to say. I had one on Friday and I didn't really know what to say on Friday, but I had it. Why? Because there's consistency.

Will Leach:

And when I feel like my boss is giving me a consistency of a meeting, I feel like there's some control. And the last one is released. If you can do anything in your office to allow... You were seeing lots of virtual happy hours between employees right now, since we're all working remotely. Those things giving some levity and some smiles helps them feel better about their office. And they're going to bring that to their home, right? Because in the home there's a lot of anxiety too. So do that for your employees so they can bring that energy into their homes. And we'll all be better off.

James Robert Lay:


Man, so much practicality right there, both internally and externally. I think of some of the conversations that I've had within the last few weeks is like, for example, if you're not using Zoom internally, start using Zoom. You and I were face to face, we got on the call. I was like, I feel like I've known you forever. And we've had a couple of conversations, but this is our first time seeing each other. But there's that human connection. Was it 93% of communication is non auditory. Is visual. And so we got a lot going on right here. So if you're not doing... I've wrote an article, like why? Do this now? Same thing for your account holders, like weekly fireside chats on Facebook live. Even if you just like get some questions that are coming in from your call center, apply those, answer them. Because you have to communicate courage. Courage just like the virus is contagious.

Will Leach:

Yeah. I love that idea. And even just having office hours where you're online and maybe you'll get two people for your clients show up or maybe you'll get 17 or 18. So I just heard this story where this guy decided and it had... We're not doing financial services. He said, I have 20 clients. I'm just going to say, I'm going to be online on Zoom at 11 o'clock. And I'm just here for you. He didn't put an agenda, right? He said 17 out of 20 people got together and they first just kind of, these are CEOs. And one of them was dealing with, he's going to have to lay off 80% of his staff.

Will Leach:

So he gets on the phone call, Zoom, they're all zooming. They'd never met each other, but there's this humanness right now because we all are going through this for the first time. And he said that now they



all just want to meet, have open office hours and you don't have an agenda. Just say, I'm here for you. And if I don't know the answer, let's just talk about that. We don't know the answer, but let's go figure something out. And he said, it was wonderful because there's this human connection that we're all looking for. If you're not making face to face connection right now with your employees or your clients, you are behind because we're all doing it now.

James Robert Lay:

And that's why video into your point of release, right? Another practical thing that I've made recommendations around is like in any client, this could work with your clients. Netflix watch parties.

Will Leach:

Haven't heard of this one.

James Robert Lay:

Because now like community... We're human beings. We're not meant to live in isolation like we're all being forced to do which in some projections could be for the next 6 to 12 to 18 months. We have to figure out ways that we can bring people together for a common purpose, a common enjoyment, common pleasure. So really good stuff. Thank you. Thank you for just all the practicality that I think is so relevant right now. Let's look forward. Let's look ahead. Over the next 12 to 18, 24 months, I'm a financial brand marketing leader, I'm a sales leader, what can I do? What can I apply now that will help my financial brand help others during this time?

Will Leach:

Yeah, I'll do my best. And I think we're all trying to think about what's going to happen in the future. I will look at it from a behavioral psychology perspective which is kind of my skill and the way I'm going to think about my business. So for the next six months to basically all of 2020 in my head, I'm going to focus on my ability to provide people a feeling of, just what we've talked about all day long today. Safety, control and release. Now I may not be able to lean heavily on release because my company doesn't do that well. I can provide people greater control and I could do things with... And I think about the things I can do is, I can give my clients more options. Because options, when people can make selections and they have different selections, they feel like they're in more control.


Will Leach:

So I'm not going to tell my clients, here's your one path. I'm going to give them two to three. Two options. Like one path is just a mandate. Two paths is a decision. Three are choices. So I'm going to try to give anything I can do to give you options because you get greater control. So that's what I'm going to do for first 12 months is basically how can I make my clients feel safer, more in control and give them moments of release. Second thing what I'm thinking about is what's going to happen is we're going to find a new normal. We just are. Human behavior, we always... Right now we're on the tails, right? We're doing things that were not necessarily rational. And sometimes those are to our benefit and sometimes those are to our judgment. And there's nothing I think a lot of companies can do right now.

Will Leach:

People... Well, here's a great example, Twitter right now has the highest number of views that they've ever had. Like they're going up 40% this past week, yet brands are pulling advertising away from Twitter. That's not rational, right? Doesn't make any sense. That's the world we live in. So those are the tails. That's going to happen, I think to the remainder of this year. Then I'm thinking for the next 2021, we're going to start kind of finding a normal, a normalcy. And that normalcy is we're not going to go back to





the way it was. We're not going back there guys. One of the first thing is going to happen. I'll tell you. Is that a lot of corporations are going to get used to the idea of saying, you know what, why do we need these big buildings?

Will Leach:

Like we were actually okay with working from home or other companies say, why do we need to travel? I have travel budgets. We can do a webinar just like this. Why don't I have to travel to Seattle? So I think we're never going to get back to that old thing, but we're going to find normalcy because humans, we adapt. We always... Especially the younger you are, the more likely you are to adapt. And then I think probably in 2022, it sounds funny, but there will be a point where there will be, the new reality will set in, we'll re-normalize and what I think what you should do, if you're any kind of business owner is trying to map out in this middle, when we come back kind of this middle next 18 months, finding little pockets of what we believe the new normal will be that's going to happen 12 months later.

Will Leach:

So that's what I'm focused on. Right now, I'm not focusing on how people are behaving because it's very different. So I'm not encouraging anybody to do marketing research and that's my job. I think next couple of months, not going to touch it. I'm going to wait for some new normalcy and then figure out pockets because the world is going to change. 2022 is not going to be the same thing as 2019. Not a chance.

James Robert Lay:

I'm in a hundred percent agreement. It's actually interesting you mentioned the idea of adaptability because that's actually a measurement that we take when working with a financial brand and their marketing team, their sales team, what is your AQ? What's your adaptability quotient to be able to handle change at an exponential pace? Listen. Will, anyone who's listening, they want to get in touch with you, they have more questions, they just want to say hi. What's the best way for them to do that?

Will Leach:

Sure. LinkedIn is still one of my go-to mechanisms to get hold of anybody. So it's Will Leach on LinkedIn. I post most of my videos, most of my content there. I'm also a writer for Forbes. So you can find me on Forbes and expect we're coming out with a brand new set of resources at [mindstategroup.com](http://mindstategroup.com) in May. It's not ready now, but that's what we're going to start housing, lots of free content, access to the book, access to videos, access to courses and things like that. Just to provide greater competence in understanding how to apply all this behavioral psychology into any business that is listening out there today.

James Robert Lay:

I love it. I love you're going to provide clarity. I love you're going to provide focus. I love you're going to provide a clear path forward for people in this time of chaos. So thank you so much for joining me for this conversation. Will, it's been a pleasure on this episode of banking on digital growth.

Will Leach:

My pleasure. Appreciate you.

James Robert Lay:

Until next time. Be well, do good and wash your hands.