

James Robert Lay:

Martin asked, "How can our marketing team get executive buy in to commit and focus our marketing and sales on a niche with the development of consumer personas?" This is a very good question, Martin. And one that I look forward to answering for you on today's episode of Banking on Digital Growth.

Speaker 2:

You're listening to banking on digital growth with James Robert Lay, a podcast that empowers financial brand marketing, sales and leadership teams to maximize their digital growth potential by generating 10 times more loans and deposits. Today's episode is part of the Inside Digital Growth Series, where James Robert shares answers to some of the biggest digital marketing and sales questions he gets from the Digital Growth community. Have a question you want to get answers to on a future episode? Visit [www.goaskjr.com](http://www.goaskjr.com) to submit your question today. Now let's go inside Digital Growth.

James Robert Lay:

Greetings and hello. I am James Robert Lay and welcome to the 115th episode of the Banking on Digital Growth Podcast where I, James Robert Lay, your digital anthropologist commit to continue to coach and guide you along your financial brand's digital growth journey as you commit to coach and guide people beyond the financial stress, that's taking a toll on their health, their wellbeing, their relationships, guide them towards a bigger, better brighter future. Today's episode is part of the inside Digital Growth Series. And I look forward to answering a question from Martin who is a VP of marketing for a financial brand in the Midwest. But before we get into it, I'd like to invite you, the dear listener, to be a guest on this podcast. And that's because we are launching Clarity Calls.

James Robert Lay:

Clarity Calls is going to be a new series that is all about you, all about your questions, all about your concerns. And it is a series that I'll look forward to doing together with you who work at a financial brand, a bank, a credit union, even a fintech, to provide you with clarity and insights into your biggest digital marketing sales leadership questions when it comes to generating even more loans and deposits so you can confidently maximize your digital growth potential with increased commitment, increased courage. We already have a good number of guests lined up that have submitted questions already, and I look forward to bringing their conversations to you very soon, but I would love for you to join me for a clarity calls episode as well. So please do text your question to (832) 549 5792. And then my team will get you scheduled to be a guest for an upcoming podcast episode. And we'll talk through your question together and you'll walk away with clarity.

James Robert Lay:

So let's get back to Martin's question as he asked, "How can our marketing team get executive buy in to commit and focus our marketing and sales on a niche with the development of consumer personas?"

James Robert Lay:

First off Martin, I'm really encouraged by your question because you're thinking beyond the here and now. You're thinking beyond the present moment where so many financial brands, whether it be their marketing team, their sales team, their leadership team are trapped, trapped in the present moment with their heads down doing. We've talked a lot about a lot of us getting trapped and stuck doing digital. And that's because they don't create space and time to pause, to review, to learn, to think, so they can do even better going forward.

James Robert Lay:

I also want to provide some high level insights for you, Martin, around personas, but more importantly, some examples you can share with others on your executive team about how to apply personas, to guide your thinking, which will then optimize your doing. Because a big mistake I see financial brands make when it comes to personas specifically, is they take the time, the effort, the energy to develop personas, and then never use them. They don't use them in their marketing strategy. They don't use them in their product strategy. They don't use them in their sales strategy. And so what happens is the past predicts the future and they remain stuck in the status quo. They remain trapped in the cave of complacency. So let's look beyond the persona today and really focus on how to apply personas. And more importantly, how to frame the thinking of personas into other aspects and elements for future growth to create value.

James Robert Lay:

So to begin, you might be listening and thinking what's a persona? I've heard this term before, but what does it really mean? So at the Digital Growth Institute, we define consumer personas as semi-fictional representations of your ideal account holder, based upon two things: market research and real world data. And when we think about consumer personas and this idea that they are a semi-fictional representation of your ideal account holder, a big mistake, a lot of financial brands make is they think that they're going to go into their current data and identify their persona there. And maybe that's the case. But once again, this should be a future-focused exercise. Do you have enough data on who you would like your ideal account holder to be in the future if that ideal account holder is not who you currently are attracting or who you currently have today?

James Robert Lay:

Because right now the vast majority of financial brands define their market segments for marketing strategy, for sales strategies, through demographic data, age, sex, education, occupation, income, so forth and so on, but this isn't good enough. You cannot connect emotionally, you cannot connect empathetically with a data set. Something that many financial brands are starting to slowly learn, the role of empathy, empathy being a competitive advantage in a digital economy. Now, when it comes to personas, our research has found that 68% of financial brands have not created or defined consumer personas. And so without personas, there's no empathy. Without personas, there is no focus. And when you don't have focus, this leads to competing in a crowded and commoditized marketplace. You're promoting the same commoditized products within the bloodied red waters, just trying to stay afloat, trying to survive in a sea of sameness.

James Robert Lay:

So personas are really a key, a key element for a financial brand's future digital growth strategy as personas provide two things. They provide focus and they provide clarity into the who, what I like to call the few who, a financial brand will create value for. And I say the few who, because when we talk with a financial brand and we ask them who their ideal market segment, the response is typically 18 to 65, male-female with money in their pocket.

James Robert Lay:

And that's everyone. That's Gen Z, that's the Millennials, that's the X-ers, that's the boomers. And even within those, we'll call them a high broad, generational market segments, there are specific audiences available to create or capture. And in today's post COVID digital first world, a financial brand that tries to focus on everyone 18 to 65, 70 even, tries to be all things to all people. If you're not one of the big global or national brands, you're going to struggle. No longer can you afford to even attempt through your marketing and sales strategies to be all things to all people. It's just that economically feasible. And I'm going to talk about why that is here in a moment.

James Robert Lay:

I am confident that financial brands who find the courage to break free from the masses, to escape the bloodied waters of the sea of sameness, to move beyond legacy thinking rooted in the past. And really those that focus on defining the few whos, the whos of the few that they can create the greatest value for, those will be the ones that not only survive over the next 5 to 10 years, these are going to be the ones that thrive. But don't just take my word for it. I want to reference the author, Seth Godin here, because he's been providing really practical perspective on the subject, going all the way back to 2008 with his book Tribes. And then he followed that book up in 2011, with another book on the subject, We're All Weird.

James Robert Lay:

And so what's a tribe. And how do tribes play in with personas in this idea of niche market segments? According to Seth, a tribe is any group of people, large or small, who are connected to one another, maybe it's a leader, maybe it's an idea, a belief even, a value or a set of values. And for millions of years, humans have joined tribes, whether that be a ethnic tribe, a political tribe, a religious tribe, even musical tribes, his reference was Deadheads. Shout out to Ron Shevlin on that one. And so this thinking of tribes can be further applied to financial brands through the writing and thinking of Jeffery Kendall, CEO of Nimbus, because he's been doing a lot of thinking and writing around the subject of niche banking over the past year with articles published in Forbes.

James Robert Lay:

And Jeffery provides some good news for financial brands. As he writes, "Challengers do not own digital. There is room for traditional banks in these spaces. In fact, I'd argue traditional banks are better positioned to win with market expansion strategies than pure play challenger banks." I also want to quote Jeffery here where he wrote specifically that, "The traditional community bank or credit union mindset is to think about opportunity within a defined geography. However, the definition of what makes a community has evolved from a geographic term to an identity or an affinity to a common cause, brand or goal.

Speaker 2:

Technology has transformed our world. And digital has changed the way consumers shop for and buy financial services forever. Now consumers make purchase decisions long before they walk into a branch, if they walk into a branch at all. But your financial brand still wants to grow loans and deposits. We get it. Digital growth can feel confusing, frustrating, and overwhelming for any financial brand marketing and sales leader. But it doesn't have to because James Robert wrote the book that guides you every step of the way along your digital growth journey. Visit [www.digitalgrowth.com](http://www.digitalgrowth.com) to get a preview of his best-selling book Banking on Digital Growth. Or order a copy right now for you and your team from Amazon. Inside, you'll find a strategic marketing manifesto that was written to transform financial brands, and it is packed full of practical and proven insights you can start using today to confidently generate 10 times more loans and deposits. Now back to the show.

James Robert Lay:

So the thinking that Jeffery shared earlier this year through his writing in Forbes really closely aligns with that of what Seth was sharing through his writing 13 years ago. And Jeffery and I have had multiple conversations on this podcast and within some other fireside chat discussions about the subject of niche banking and the role really that personas are going to play within this conversation, within this discussion, within this thinking here. And so I'd really like for you, the dear listener, to reflect on and think just for a moment about the future growth opportunities that are available here for you, for your

financial brand, when it comes to personas, when it comes to targeting and focusing on a niche. When you think about your future growth, is your growth opportunity restricted by physical borders and boundaries? Or are the groups both opportunities that are available for you to either create, capture or capitalize on, restricted by the borders and the boundaries of your mind, what you believe, what you think, what others on your team think and believe what is possible?

James Robert Lay:

Be honest with yourself, be truthful to your team because all transformation that leads to future growth begins by telling the truth to yourself first and foremost, and then to your team. And if you're listening to this podcast right now thinking, this idea of personas and of focusing on a niche, we're just a small local community financial brand. That's the point. That's the point. You cannot afford to compete and go head to head and try to target all people through all different demographics and generations if you're not a large national or a global bank. It is just too expensive. You might be thinking that we can never grow beyond our physical borders and boundaries because we lack a physical branch footprint. Once again, I want you to know we're really challenged your thinking here, because digital provides you with the capability to do just that. And to do this, I want to make it very practical with some tangible proof.

James Robert Lay:

And let's look at BankMD. BankMD is a financial brand, a niche financial brand that was started by a little known bank, TransPecos Financial base out of San Antonio, Texas with a legacy dating back to 1924. Long story short, TransPecos had only around 195 million in assets when they launched BankMD, they started this process in 2018 and then they launched it in January of 2019. BankMD being a niche national digital banking brand. So let's flash forward to March, 2021. So this little known TransPecos Financial based bank out of San Antonio, out of San Antonio, Texas with roots dating back to 1924. Let's flash forward to March of 2021 and see what that progress, what that growth looked like for them.

James Robert Lay:

And while specific goals in numbers for BankMD brand are not public, a report from the financialbrand.com noted that the impact of this digital niche banking strategy is clearly visible in the performance of TransPecos bank, their operating income, which is now 472 million in assets. And for the year end 2020, their net operating income was 3.8 million. And this was up 240% over the prior year, at year end 2019. Return on assets also went up from 0.6% to 1.3% during the same period according to FDIC data. Coming back to the idea of assets, bank assets grew 110% from year end 2018 to year end 2020.

James Robert Lay:

Now, according to BankMD's founder and president, this growth was largely the result of BankMD's operation, and he believes that they've really just scratched the surface with the future growth available for them to create, capture and capitalize on. So what does this success, what does this growth come down to? Three words: focus, niche, personas.

James Robert Lay:

In other words, through BankMD, TransPecos Bank focused on the niche of serving physicians. And while physicians are focused on curing the pains of their patients, BankMD is focused on curing the financial pains of physicians. And there are other niche banks that have found success as well. I encourage you to study them. One of them is Aspiration, aspiration.com, and their whole niche banking strategy is around saving the planet. There's also Redneck Bank and yes, that's a real bank whose parent bank is All America Bank out of Oklahoma. Then there's Fitness Bank, whose parent bank is Affinity Bank out of Atlanta, Georgia. And once again, there's a whole other plethora of niche banking brands popping up,

whether it be on the consumer side or on the commercial small business side, and fintech is giving rise to a lot of these niche banks focused on specific niche personas.

James Robert Lay:

Let's look here just one more moment with another market segment that I see a tremendous amount of opportunity and growth in, where money causes an extreme amount of stress and that is in couples and relationships. And in this niche vertical, there are brands like Twine, there's Zeta, there's Honeyfi, who are all focused on solving problems for niche personas. And it's important to note some of the stories behind the brands here. You see Twine, Twine is a niche robo-advisor and personal finance tool that was launched by 125 year old brand, John Hancock, who's looking to reinvent itself with niche market segments. Zeta, their co-founder, Aditi Shekar, spent three years tracking how couples share and manage finances all the way down from swiping a credit or a debit card to how they split a bill. And her study, which was rooted in human behavior, led to tens of thousands of couples signing up for a free budgeting app experiment that has now been transformed into a venture backed fintech. And for Zeta, their study in human behavior really, even moreso couple behavior, guided their thinking and development of the Zeta experience.

James Robert Lay:

And it's important to make this point here because a focus on a niche market, a focus on a niche persona really helps a financial brand truly learn their persona's biggest questions, their biggest concerns, the pains that they have, and then develop products and experiences and marketing and sales strategies that cure those pains, that guide a person, that guide the persona beyond the questions and concerns towards a bigger, better, brighter future. And when solving the pain points for couples, Zeta co-founder, Aditi shared with TechCrunch, "In some ways, we see ourselves as part of a replacement for Venmo. We saw couples venmoing back and forth to each other sometimes six times a day. And we wanted to take over their money chores." I know Venmo is causing a lot of pain and a lot of them concerns for financial brands. So here's my question for you, dear listener, is your financial brand taking a proactive stance to take over people's money chores? Or are you saying still in a reactive and passive state thinking about money and money management through a traditional lens of just checking account, debit card, credit card?

James Robert Lay:

Derik Sutton from Autobooks, And I discussed the idea of money chores, or really what is framed a job to be done in episode number 94, through the lens of small business banking jobs to be done. Because when you start thinking about product and product experience and marketing and sales strategy, and thinking through the lens of jobs to be done, through a human centered approach to designing growth, your perspective begins to change, your thinking begins to change, and therefore your doing will also transform as well.

James Robert Lay:

Alex Sion, who's the global consumer banking lead for Citi Venture's D10X Program, we talked together on episode 109 about product optimization, and that would also be a great follow up listen, when it comes to applying consumer persona insights at your financial brand to optimize your products. And when I think about Alex, who co-founded Moven with Brett King, also a guest of the podcast back in 2012, I can't help but connect them with Ramy, who was the COO at Moven, and Ramy started up Honeyfi that was acquired by Strategic Financial Solutions in March of 2021. And Honeyfi once again, coming back to solving the pain points of couples is just another great example of how targeting on a niche market segment, on niche personas allows all of the thinking, all of the doing, all of the content to

be framed around specific questions and concerns, problems, and then offer cures and solutions to those pains, to those problems.

James Robert Lay:

Now, Ramy is VP of budgeting products at Firstly. Firstly is another niche financial brand that I recommend putting on your radar to watch, because Firstly is also focused on solving specific problems and curing the pains for families stuck in what is known as the sandwich generation. So think about that for a moment. What is your financial brand doing to answer questions, to solve problems, to ease the pain of the sandwich generation? The sandwich generation being defined as a generation of people, typically in their 30s or 40s, maybe even 50s, who are responsible for raising their children while at the same time, caring for their aging parents. They're stuck in the middle like a sandwich, because when you can get really clear into who a specific niche market or niche persona is, you will have so much deeper understanding into their questions, concerns, their pains, and then be able to develop products, strategy, marketing, sales, all tied back to solving those pains, to curing the pain, to guiding them towards the future.

James Robert Lay:

So as we wrap up, some questions to think about. What opportunities that we've talked about today, with some of these examples that I really encourage you to go and do some deeper research around, but just introducing it to you today. What opportunities might there be available for you to focus on when it comes to a niche persona? And who would that niche persona be? If you could pick a persona or a niche market, what would that market be? What problems might you be able to solve? What pains might you be able to cure? Take some time, think about this, write about this. Because I really think the best thinking comes through our writing, even if it's just on a blank piece of paper.

James Robert Lay:

Because through focus on niche market personas, you really truly can create entire new communities, communities that expand far beyond the physical borders, the physical boundaries to solve problems for a niche group of people, for a niche group of personas. A challenge I encourage you to break through, to break free of the boundaries of your mind that might be holding you back from maximizing your future growth potential here, boundaries that are preventing you from guiding even more people beyond their questions and concerns and towards their hopes and dreams.

James Robert Lay:

So if you have a question like Martin, I'd love to hear from you. I'd love for you to join me for one of our upcoming Clarity Call conversation episodes, where I am going to answer your biggest digital marketing, your sales, your digital leadership questions. So text me now, if you have a question that you'd like to get clarity to (832) 549 5792. And I'll look forward to talking it with you on an upcoming episode very soon. And remember, the only bad question is the question that goes unasked. As always, and until next time, be well, do good and make your bed.

Speaker 2:

Thank you for listening to another episode of Banking on Digital Growth with James Robert Lay. Like what you hear? Tell a friend about the podcast and leave us a review on Apple Podcasts, Google Podcasts, or Spotify and subscribe while you're there. To get even practical improvement insights, visit [www.digitalgrowth.com](http://www.digitalgrowth.com) to grab a preview of James Robert's best-selling book, Banking on Digital Growth or order a copy right now for you and your team from Amazon. Inside, you'll find a strategic marketing and sales blueprint framed around 12 key areas of focus that empower you to confidently generate 10 times more loans and deposits. Until next time, be well and do good.