James Robert Lay:

Jesse asked what's the best way for our financial brand to market during uncertain times when it doesn't feel quite right to do a hard push for our products? Well Jesse, that's a great question and one that'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 13th episode of the Banking on Digital Growth podcast. Today's episode is part of the inside digital growth series and I'll be answering a question from Jesse who's a marketing director for a financial brand in Ohio. Jesse asked, what's the best way for our financial brand to market during uncertain times when it doesn't feel quite right to do a hard push for our products? Once again thanks for the great question Jesse. And I'd like to talk through three different points to answer it for you today. So first off let's start by talking about why this is an important question to ask in the first place. And from there we can discuss how you can do more than just push products in this post pandemic market. I really appreciate the awareness that you bring Jesse, because I agree it's not the right time to get back to pushing and promoting products and services, commoditized products, commoditized services, even though things are starting to open back up.

James Robert Lay:

Well, at least for now for that matter. In fact, right now there's no better time than ever before to begin to transform the way that we as financial brands, as banks, as credit unions think about marketing and sells in the first place. Because we are going to do more harm than good if we continue to go back to the way things were pre-COVID by promoting and pushing those commoditized products and services as we continue to navigate and traverse into this new normal, whatever this new normal might look like in really probably the next 12 to 24 months. I'll never ever forget what one financial brand, he was a CEO whose marketing team that we were advising and guiding about four or five years ago. And the CEO said something that I really had to just bite my tongue to keep my jaw from hitting the floor. When I asked about this particular institution's goals for growth and he coldly with a straight face replied, "We need to push more products down people's throats."

James Robert Lay:

And I literally took a step back and pushed my chair back quietly. But I couldn't believe what I just heard because that was the way that this particular financial brand was going to maximize their growth potential. And from his perspective, they were going to do it by pushing more products down people's throats. Now, in this post COVID-19 world it's not the time to push product down people's throats. In fact, it has never really been the time to push product down people's throats. This legacy thinking is what I believe is held over from the days of high pressure branch cells when front lines were driven by quotas, they were driven by the numbers, these insane goals. And in this type of high pressure sales culture does not create value for people. It doesn't create value for account holders or for leads or prospects. This type of high pressure sales environment in fact leads to a very negative internal culture, a very negative internal environment.

James Robert Lay:

The problem is this legacy thinking is still very active in today's digital first post-COVID world. Now we're going to go a little bit pre-COVID with this next thought, but just think about all the trouble that Wells Fargo got into when former CEO, John Stumpf who presided over the whole bank's cross selling scandal was barred from ever working at a bank again. And since the first scandal came to light in 2016, Wells Fargo had more than 5,300 staff members who were fired while the what's thriving brand has now paid about $185 million in fines for unethical sales practices. Taking that further they also settled a class action lawsuit for 110 million and have more than 3 billion with a B, in pending lawsuits according to an article from CNBC. Furthermore, there are eight executives that were fined for the role in the sales fraud including Stumpf who paid a personal fine of $17.5 million.

James Robert Lay:

I only mention this because there's no better case to learn from that a hard driving, high pressure marketing and sales strategy in today's digital world simply does not pay. Well it pays, but you would be the one paying for the fines that we're seeing coming out of Wells Fargo. Like I said, high pressure cells leads to negative culture and a negative overall experience in a digital first world. In fact, this idea of the high pressure sales environment is more of a liability than anything. Because the 2017 investigation by the Wells Fargo board blamed top management for creating a quote unquote aggressive sales culture that led to the sales scandal in the first place.

James Robert Lay:

So, what can your financial brand do about this to break free from that legacy thinking coming back to the original quote from a financial brand that we have guided and advised and since then fortunately they've changed their perspective. But at the time when they begin their journey with us, the CEO was driving the culture with the perspective that we need to push products down people's throats. Simply and really simplified you must commit to develop a culture framed around two key points and beliefs, a mantra if you will. Of helping first and selling second.

James Robert Lay:

I want you to say that with me, help first, sell second. Help first sell second. Granted more likely than not it's going to take some time for these four simple words to transform an entire culture that might be historically used to promoting commoditized products through marketing and then pushing those same products with sales teams in the branches. The good news is it's not impossible to build this type of culture at your financial brand rooted in the mantra or the principles of helping first and selling second. It just takes time. This requires training. This requires education to first provide clarity into the growth opportunities available in this new type of post-COVID world for marketing, for sales, for leadership teams. And when you commit to helping first and selling second throughout your entire organization from top to bottom, from bottom to top, you begin to center all of your thinking, all of your doing around people. Around the consumer, your account holders, the people in the communities that you serve and not on your own financial brands needs.

James Robert Lay:

No longer are you reactive waiting for people and really hoping that people raise their hand saying, "I need a loan, or I want to open an account at your financial brand." No, instead you're taking a positive and a proactive stance in their lives by offering two things that I've talked about multiple times on this podcast by offering number one help and number two hope. When hope more often than not has to come long before someone is open to receive the help that you're even offering to them in the first place. When you commit to helping first and selling second, you are going to guide people beyond their biggest questions, their greatest concerns. You're going to empower them to break free from the financial stress and the shame. Something that I really want to talk more and more about is as we continue these conversations together, the financial shame that holds them captive. And as a result, you're going to lead them to a bigger, better and brighter future. You see that's the magic of applying the mantra of helping first and selling second.

James Robert Lay:

So let's get practical now about how you can break free from a past where historically you might have promoted and you still might be promoting the pushing of commoditized products and transform that thinking to help first and sell second as you take a proactive stance in the lives of the people in the communities that you serve. And to do this, to make this very practical and not so theoretical, I want to briefly share with you a five step digital communication strategy that we've been providing with in guiding the financial brands in our programs over the past few months since COVID entered into this new world or since COVID entered the scene. So five steps, step number one, I want you to look at how you can quickly identify account holders who are going to be most vulnerable to an economic downturn. If we go back to some of the previous podcasts all the way back to March, when I first started writing and thinking through what was coming down the pipe, I predicted really the collision of four key elements creating the perfect storm.

James Robert Lay:

First and foremost, we had the health crisis. That would then lead to the economic crisis from there we would get societal crisis, which if we go back to March that wasn't the case, but we're seeing that across the board throughout the world. And then that societal crisis leads to a mental crisis at the individual level. So step number one, quickly identify account holders who are most vulnerable to an economic downturn. This is an opportunity for you to begin to use data to find those that have been impacted by all of the shutdowns. And yes things are starting to open back up, but it'll be interesting to see what happens in the months to come as kids go back to school or not and we're not out of this. We're not out of the woods yet. And we're probably going to be living in this environment for at least another 12 to 24 months as I've been predicting all along.

James Robert Lay:

When you look at this data some things to hone in on, look for people that own or work at restaurants, bars, retail, fitness center, salon, spas, the service business if you will. In addition to those working in the travel and the hotel industry. Further impact it could also be those working in not essential health care, for example dental and eye care practices. Now, once again dental is opening back up, eye care is opening back up. I just saw my dentist and she said it was a pretty rough four to six weeks whenever they were closed and trying to figure out what they were going to do next. So when you're looking at this data, one way you can do this is by searching for small business owners who you might already have accounts with or who they might have accounts with you that fit into the segments I just noted.

James Robert Lay:

And as a bonus, have your business development team reach out to business owners personally to check in with them via phone, email text. I literally just this week I got an email from my financial brand where I keep my business accounts inviting me to a webinar basically saying that, yeah we just got through a tough three months, here's what you can do next to move forward with confidence. And I was encouraged with that not only from just the messaging and the communication, but I was also encouraged because I actually got a call from my banker asking did I get the invite? And so they were connecting the digital experience with the human experience.

James Robert Lay:

Even if you've already done this, even if your business development team, your loan officers have already done this, have them do it again. Make this a habit to do a monthly or bimonthly or at least a quarterly check in for the next 18 to 24 months until we're hopefully free from the economic impact that this pandemic has caused. Which in some cases we're thinking economic impact might last for another three to five years post pandemic, but just simply giving someone an ear to talk to can provide them with clarity and calm in a time of chaos, confusion and crisis.

James Robert Lay:

You can also search account holder and employer data if you have that on file to identify potential problems based on the potentially impacted business segments that I had previously noted. Specifically like the service business. And this also could be found by looking at paycheck data through either physical or remote or direct deposits to identify trends and patterns and the frequency in the amount of those deposits while looking for changes over the last 30 to 90 days. Even better consider tightening up that data search, looking at changes in deposit history within just the 14 to 30 day period over the last, we'll just call it four weeks. So let's step into point number two, where you'll begin to drill down to trends for each person or business within the different segments for some additional insights. Here you can determine how have the businesses or account holders that you have changed those deposit frequencies over a specific period of time.

James Robert Lay:

And when you're doing this some other questions to think about and consider as you comb through these data trends for patterns or things like what have those deposit changes looked like? What is the relationship with each person or business with your financial brand? Or to the total savings that they have. Or it's the total debt they have, what's the debt to savings ratio for each person or business? And when you're looking to identify these trends and patterns, you can then move to step number three and begin to prioritize and rank each key segment trend. And that's what we're looking for. We're looking for segment trends at a high macro level, as you determine total number of people or businesses within each one of the segments.

James Robert Lay:

You might also look for each segment's average or total savings, as well as the average or total outstanding loans to give you some perspective of who you can target and how. Because digging deeper it's important to consider the potential level of risk for default for each one of the segments that you've identified based upon a projected environmental trends to come within the coming months and really even the coming years.

James Robert Lay:

I can think of one financial brand that we have been advising who has set up a weekly intake form who is working with their businesses that they have loans with so that the businesses can provide a weekly or biweekly or monthly report of activity, so that the business isn't waiting too long before they get into trouble and the bank can take a proactive step to provide recommendations or solutions to help the business navigate this post-COVID world. So whenever you're ranking these different market segments through the data that you're pulling rank these on a scale of one to five. With one being the lowest level of risk, while five representing the highest level of default. And once you have these rankings for these segments at a macro level, I want you to move to step number four. Because this is where you can begin to develop prescriptions and cures to the biggest pain points for the top segments most at risk for an economic downturn.

James Robert Lay:

Instead of jumping in and developing a product offering which I do see that there's an opportunity to develop new products now, I really recommend you hit the pause button and go all in. ALL being an acronym, asking, listening, and learning from the frontline staff, the loan officers, the business development teams who are reaching out to these key contacts in the top segments and learning what their biggest questions and concerns are right now. Once again, a great example is that weekly intake form or that biweekly or monthly intake form that one financial brand has deployed to create this open communication. But that's only the digital side of things. And this is where there's an opportunity to supplement the human experience or the HX with the DX, the digital experience through those surveys to ask, what are your biggest questions and concerns right now when it comes to your money on the consumer side and or your business? If you have not run some type of survey with your account holders since COVID has hit, there is no better time to do that than now.

James Robert Lay:

And even considering doing this on a quarterly basis is something that you could build into your own strategic planning workflow. Because here's where you can look for key patterns and trends to then develop, customize, secure solution products that create value through new product offerings. Don't be afraid either to reframe old products around a new problem. Sometimes it's just a matter of reframing, repositioning repackaging. And that's all it takes to move the needle because now you have cures and solutions to people's biggest pain points. Finally, let's move on to step number five because it's here. Once you've created these new repackaged products, we'll call them or solutions, now you can confidently communicate courage and your commitment to educate and empower the key market segments that you identified in step number one and step number two, to guide them during this time of chaos and crisis to help first and sell second.

James Robert Lay:

And it's here you'll share personalized messages that offer those two things we talked about before. The help and the hope by empathizing with those specific people pain points you've identified the key market segments further that are framed around the different stages of the digital consumer journey. So as we wrap up, I want to leave you with three key points to remember as we come back to Jesse's original question. When she asks what's the best way for our financial brand to market during uncertain times when it doesn't feel quite right to do a hard push for our products? So a brief summary as we wrap up. Number one, there is no better time than now to begin to transform the way we think about marketing and sales at our financial brands. And as things start to open back up and continue to open back up, but we could also go back to some shutdowns and closures, are we doing more harm than good by going back to the old way of promoting and pushing commoditized products in this new post-COVID world that we're all traveling through together?

James Robert Lay:

Once again, what happens if things get shut down in your city or your state, how do you respond to that? Have a plan, be proactive. Step number two, remember and repeat this simple mantra, help first sell second. And more practically applied commit to building a culture around helping first and selling second. I cannot stress this enough. It is important to give your financial brand space and time to do this because transforming beliefs and actions that are rooted in the past, rooted around promoting those commoditized products and services. Pushing hard sells, takes time to unwind and to transform. So give yourself some space, give yourself some grace, give yourself some time. In some cases I've seen it take three years to transform this cultural thinking.

James Robert Lay:

The most important thing to remember here is that with any big cultural transformation it's all about progress it's not about perfection. And then finally the last thing to remember and take away is save this podcast episode. Share it internally so that you can quickly reference those five steps to develop a digital communication strategy to proactively identify and reach out to those who might be most at risk for an economic downturn. As we wrap things up, do you have a question that you'd like to get answers to like Jesse? If you do, I invite you to hop on over to www.goaskjr. And submit your question there for a chance to get it answered on a future podcast episode. I'm really enjoying the questions that are starting to come in. And remember, there are no bad questions the only bad question is the question that goes unasked. Until next time be well, do good and wash your hands.