

James Robert Lay:

Greetings and hello. I am James Robert Lay, and welcome to the 150th episode of the Banking on Digital Growth podcast. This episode is part of the Inside digital Growth series, but this, this is no ordinary episode. This is a very special episode, 150, where I want to take time to pause, to reflect together with you because we are halfway through on our journey to 200 episodes with one mission in mind here at the Digital Growth Institute. And that mission is this: to simplify digital marketing and sales strategies that empower financial brands and fintechs to generate 10 times more loans and deposits. And we do this through training and education programs that are further supported by bespoke research and insight engagements. We do this for one reason: money is stressful.

James Robert Lay:

I predicted since early 2020 in some of our very, very early podcast here, right at the start of the COVID pandemic, that financial stress will be a silent epidemic, an epidemic of epic proportions that takes a toll on people's physical health, the relationships that they have with loved ones, and really just a person's overall sense of wellbeing. My predictions, unfortunately, are turning out to be true as we continue to journey through a post-COVID world. According to a study from TB, 85% of Americans feel stressed about money. Let's put this another way because I want to make this as real as possible for you. Four out of five people you know, four out of five people you know feel stressed about money. Furthermore, 72% have reported feeling stressed about money over the past month according to a study from the American Psychology Association. Almost three out of four people you know have felt stressed about money over the past month.

James Robert Lay:

But why is this? Why do people feel this way? For one, according to CNBC, one out of every two people you know is living paycheck to paycheck, and this is independent of income. Here's the thing, the stress, this financial stress, it is taking a toll on people's health. It is taking a toll on the relationships that they have with their friends and family. It is taking a toll on their overall sense of wellbeing. For example, according to stash.com, almost one in three people you know are losing sleep, losing sleep because of financial stress. While another one in three feel too embarrassed to discuss financial matters with anyone because they think they're worse off than their friends. Yes, financial shame is real as one out of every five people you know don't talk about money because they are ashamed of their financial habits. There is indeed a growing epidemic, health epidemic rooted in financial stress.

James Robert Lay:

And this is why we do what we do here at the Digital Growth Institute because we believe that by working together, by collaborating, by training, by educating, by coaching, by guiding financial brand and fintech marketing sales and leadership teams, we can make the world a billion times better by guiding a billion people beyond financial stress towards a bigger, better, and brighter future. This podcast, this podcast is just one of the many ways that we are living out this purpose. Because it is, in fact, one of the best ways that we can educate the greatest number of people at scale around the world. When we launched this podcast in Q2 of 2020, I never thought that we'd hit 150 episodes in just over a year later, as we have released two episodes per week, every single week for 75 weeks now. And since that time, the insights, the knowledge that has been shared through this podcast, through these conversations, this knowledge has reached right around 100,000 ears in over 130 countries. But none of this would've been possible, first and foremost, without you, the dear listener, who I would like to thank for sharing time with me, for sharing time with all of the guests that we've had on the show. Thank you for the opportunity to share ideas, to transfer knowledge, to collaborate together with you and with others no matter where you are in the world.

James Robert Lay:

I'd also like to thank my team over here, who makes all of these moving parts of this podcast work. Because without them, I would have some really good conversations, and I do, I have a lot of fun with these conversations. But these conversations would never get shared with you, the dear listener, if it was not for my team, who makes this a reality. So thank you, Audrey. Thank you, Bianca. Thank you, Rob, Logan, James, thank you for ensuring every gear runs smoothly for the DGI podcast production engine. I'm grateful for all of your support, from coordinating guests, all of the scheduling, to editing the audio, the production, to taking that turning it into content, articles, to sharing all of this knowledge that we have gained through social media. Thank you all for making this production a reality to fulfill our purpose of 1BxBTR.

James Robert Lay:

Finally, as this is a special 150th episode, I'd like to both thank and dedicate this episode to all of the authors that have shared their knowledge, their perspective, their expertise with both me as well as with you, the dear listener. In fact, we have welcomed 18 authors to the podcast so far, and to celebrate them, we're going to do something special and break up episode 150 here into two different parts. Because I'm going to highlight the biggest key insights that each of them have shared to give you, the dear listener, a resource that you can reference going forward into the future, a resource that you can share with your team to educate and empower them. And there's really no better way to introduce someone to the Banking on Digital Growth podcast than to invite them to either listen to episode 100, where we compile the top 10 insights from the first 100 shows, or to share episode, now, 150, both the first and second part of episode 150, with all of the insights that the authors have shared who have joined me for a conversation.

James Robert Lay:

You can use this episode as well as part of your internal training to compile a reading list of books, because I highly recommend each one of these books that each one of these authors have written. I, in fact, share these books for those that are in the Banking on Digital Growth program to read, and I've read every single one of them. So please, do share this conversation with others you know that might find it a value as they continue to move forward and make progress along their own digital growth journey. So with that, let's go ahead and get into the show, starting with the first key insight from Joe Pulizzi, who is the author of Content Inc, when he joined me for a conversation going back to episode number 90. In fact Joe's thinking has greatly influenced me over the years, not only the way that we approach content here at the Digital Growth Institute, but also the way that we approach our programs in our community. Because when it comes to financial product development, financial product optimization even, I know this is an area many financial brands struggle with.

James Robert Lay:

Number one, what's the problem with this legacy thinking of, we'll just call it, putting the product first, particularly in this post-COVID digital world? And then what's the optimal path forward beyond just pushing and promoting product here?

Joe Pulizzi:

Well, it's just so weird. We think that there's one way to start a business, and that's product-led. And as I've been doing research on this audience first model, which we'll unpack a little bit, realizing, "Oh my gosh, okay, all these companies are creating these products and there's such a high failure rate." I mean, in three years, more than 50% of these product-led initiatives fail. I'm like, "Okay, that's interesting." You've got everybody, including Peter Thiel, and every other product business startup guru out there saying, "Oh, well, this is great, just create an unbelievable product and everything will work out." But it

doesn't. And by the way, it's really risky and really expensive and really time-consuming, and you're like, "Okay, well, there's got to be a better way." And that's where we started. In 2014, I started interviewing these companies who created an audience-first model, which is basically they built an audience, whether that's an email newsletter, a podcast, a blog, a YouTube series, a TikTok, whatever the case is, they built a loyal audience. And then after 9, 12, 18 months, they started to monetize that audience in different ways. And then after 24 months, they diversified into other areas. And then in five years, generally what we find out is these startups, and I know we'll talk about financial brands, but in this case, a startup, five years, \$5 million valuation seems fairly regular thing.

Joe Pulizzi:

They don't have the high startup costs that you do when you create a new product. I thought that we were onto something. I was like, "This can't be a thing, right? Why aren't more people thinking about this?" But just change takes so long. People don't think that there's actually a different way to do it, so that's why I've been out on this marathon podcasting tour, I'm doing a book tour coming up. I'll tell anyone who will listen to me, saying, "I think there's a better way to launch a new product inside a company or to launch a new business. And that's build the audience first, figure out an audience that has some unmet needs, solve those pain points through consistently delivered information, and then once you do that, just listen to them. They will absolutely tell you what they're willing to purchase." I would say the same for any financial brand out there.

James Robert Lay:

I agree with Joe. There is no better way to launch a product, to optimize a product, and that can come from building an audience or, what I like to say, building a community that you can collaborate with. In fact, this idea of community is one that we're continuously focusing on here at the Digital Growth Institute because community is two way. Community is conversational. Community is collaboration. In fact, Joe's thinking echoes some of what Patrick shared in episode number 147 about launching a customer advisory board. This idea of collaboration, even a customer advisory board, must be at the heart of innovation, which is what Bradley Leimer, author of Beyond Good, and I discuss in episode number 108. Innovation is key to continued growth.

Bradley Leimer:

I think the most important thing about innovation and where we have seen things happen is that innovation can't just be for efficiencies. It can't just sort of point back into the organization as a form of profit. What we've found over the last 16 months of this pandemic is that so many businesses have had to pivot. They did it to survive. They did it so that they could do any sort of semblance of normal during this time. And a lot of that, though, that survival was survival of the top, survival of the founder, of the CEO. Because we've seen business models just go awry, and the most important thing is for us to think about how our business impacts the people around us, the people that are our customers. If you're not building something that is helping people, if you're not in financial services for that reason, to actually help people with their own financial lives, what are you doing?

James Robert Lay:

That is a very tough question from Bradley but one, I think, we must all ask ourselves from time to time. If you are not in financial services to actually help people with their own financial lives, to guide them, to guide them beyond stress, to get them to a bigger, better, brighter future, what are you doing? Because, once again, money is confusing. Money is stressful, and the stress is taking a toll on people's health, their relationships, and their overall sense of wellbeing. Think about yourself, think about your financial brand for a moment, and tell the truth, are you adding to the stress of money, or are you helping to take it away? These are hard questions, yes, but it is important to tell the truth because all transformation that

leads to future growth begins by telling the truth, by telling the truth about where you've been, where you're at, and where you can grow next. And sometimes this requires us to rethink what we know and then pivot, go down a new path, a new direction, which brings us to the thinking of Kirk Drake, author of Financial, and the insights he shared with me in episode number 63.

Kirk Drake:

It's interesting having worked with Paul Fiore at CU Wallet and hundreds of other entrepreneurs over the years in masterminds and other type functions, one of the things I pocketed away as a lesson that really applied last year was the ability to really disconnect from your perception of reality and embrace agility and change quickly, right? And so, back in the day when I was working with Fiore, something came up in the business that was different than what our expectations were. Maybe it was a market change, maybe a new competitor, maybe a client didn't go some direction that we wanted. His ability to pivot and change and go forward with the new journey was just breathtaking. I mean, it was just so fast. I think what it really taught me over time was when something crazy happens, like COVID, that disrupts all of your prearranged business plans and attempts to organize the world into whatever we think reality is, really the quickest thing you can do is rip off that bandaid. Our human brains would tell us not to leave the house and never go anywhere and never take any risks, right? So ignore all of that and lean into the facts and the information you have right then to make a different plan and change the future to be what you want it to be.

Kirk Drake:

Last year was the first year where I was really able to take six or seven years of those lessons, see COVID, see the impact, immediately react, change, reassess, and adjust and do that two or three times during the year. And it just resulted in fantastic results across the board in everything I was involved in.

James Robert Lay:

I have been saying this from the start of the pandemic, a person, a team's, an organization's AQ, their adaptability quotient, will be a competitive strategic advantage. And here's why this is important, because organizations are made up of teams, teams are made up of individuals, and individuals, therefore, must be adaptable. Adaptability requires change, so therefore, change must start from within at the individual level. And one of the biggest reasons change is hard for individuals, for teams, for orgs is because we get stuck thinking, "How are we going to do something new?" But as Dan Sullivan, author of Who Not How, and I discussed in episode number 69, the more we can train our minds to think who before how, the more we will be able to create and capture exponential opportunities around us.

Dan Sullivan:

What's always lagged is the human teamwork around exponential technology, and I said, "You know what I'd like to do? I'd like to create a exponential teamwork concept, okay?" This was just something that played in the back of my mind for a couple decades. And then it was actually Dean Jackson, who's a wonderful internet marketing guru, we have a podcast together, and I had introduced to him a notion that procrastination, which is seen as a very bad thing, it's a source of guilt for a lot of people, it's a shameful secret to procrastinate, I'd come to an understanding in myself that it was actually wisdom on my part that makes me procrastinate. And that is I'm a big goal-setter. I see things in the future and I set goals, but I noticed that when I set the goal, when it came to time to take action, I wouldn't take the action.

Dan Sullivan:

A lot of people consider this a failing, a fault, something to be guilty with. I said, "What if it's wisdom? What if the procrastination is telling me that it's a great goal but I'm not the one to do it? And that

instead of asking myself, 'How am I going to get there?' I should ask, 'Who's going to help me get there, or who's actually going to achieve it for me.'" And it was like a lightning strike. First of all, all the work I had done in Strategic Coach going back to the 1970s, all of a sudden, it just sifted into place. Everything you're doing is to get entrepreneurs to be the visionary, to lay out the future for other people, and then put together teams of people who are whos, and they have much better skills than the entrepreneur to achieve it.

Dan Sullivan:

Peter Diamandis, who is an advanced scout in almost every area of technology on the planet, we have a podcast series called Exponential Wisdom. I just dropped this idea in the next podcast. He said, "Oh my God." He said, "Who not how. That's amazing." "Well, they're Dean Jackson's words." And I said, "Dean, it's just which of us can get to the intellectual property lawyer first here." Dean was great with it. I mean, it wasn't something that he was going to do anything with, and he said, "Well, run with it." And so immediately went into the Strategic Coach program. I immediately created a small book just for coach clients, and then I met Ben Hardy and Tucker Mack. I said, "I think this is a major market book, but I'm not a person who can write and package and market a major market book." Ben and Tucker said, "Well, we'll do that for you."

Dan Sullivan:

They found Hay House, the publisher, and negotiated the contracts. Because of our fast start with this one, we now have a 10-year, 10-book contract. And I'm not going to do any of the writing, Ben's going to do it all. And so, something I dreamed about, I'd have major market books, but I was just... I mean, James, you know there's things you can dream all you want, but you're never going to be the person that does it.

James Robert Lay:

Yes, indeed, thinking who before how is a guaranteed way to not get stuck, to not get trapped with capability or capacity limitations. Because it is often when we think how are we going to do something, the mind gets trapped in thinking why we can't do it. But when you train the mind to think who before how, I'm not kidding, new opportunities really do begin to appear everywhere around you. In episode number 84, John Lanza, author of The Art of Allowance, and I discuss a tremendous opportunity all financial brands have to create, to capture, to maximize their future growth.

John Lanza:

All that aside, I actually think the biggest problem and the biggest opportunity is that financial brands, they're failing to recognize that it's important to connect with the parents, to connect with the moms. We talk about the moms, we're not ignoring the dads, but the moms are the ones who make most of the consumer decisions in the household. The reason that you want to do this is that we know from research that parents are going to be the guides for their kids, right? The teens routinely say that they look to their parents. The way financial literacy works is there are three main ways. There's modeling, which is the kids do what you do, not what you say. They're going to watch the parents. And so if you have a program that helps not only the kids but the parents be a better guide, great.

John Lanza:

Direct instruction, it's another way that kids learn. So that's going to be the actual teaching that the parents are doing with their kids. And then experience, which is a huge part of it, so financial experience, and that comes in the form, we'll talk about it, but an allowance and then going to the institution, saving their money there, engaging with a debit card as they get older. Those are all part of the financial experience. And ultimately, it's all about introducing your kids to the language of money from a young

age, and then carrying through this conversation as they get older. It's a big opportunity for financial brands to be the steward in this area.

James Robert Lay:

Yes, indeed, parents will be the guides for their kids, and a path towards future growth is empower parents to be an even better financial guide, a financial coach for their kids. So my question to you is, what are you doing? What is your financial brand doing, your fintech doing to empower and elevate parents with the tools, with resources, with the technologies they need to be financial guides, to be financial stewards for their kids? One great next step for you, if this is an area that you'd like to explore further, which really begins to connect the thoughts of Joe, where we begin this podcast around building an audience, around building a community, is expanded on the conversation that I had with Shari Storm, author of *Motherhood is the New MBA*, in episode number 84.

Shari Storm:

One of the things that John and I did during the pandemic is we set up these tea panels for several different conferences around the country. What became very apparent to us when we were talking with these teens and asking them questions and getting insight was that teenagers these days are really different than teenagers even 10 years ago. The stark difference in terms of their life's experience, their opinions is really quite remarkable. I mean, you think about kids these days, they're the only generation to have active shooter drills since kindergarten at school, right? How many adults even know what ALICE is? You ask any kid, they know.

Shari Storm:

They're the only generation that has always had mobile banking and home banking. They are never going to write checks. They're the first generation that has never sat in front of a television and flipped through the channels because they are the generation that has had content fed to them based on what they like. They've had it curated for them. And then you throw in the pandemic on top of all of that. This particular generation is just really different. And so, John and I started working with that. The thing about financial institutions is they all to be there when a consumer's ready to get their first car loan or their first debit card or their first mortgage. But what we found is kids are making those branding decisions, they're building their alliances when they're young, younger than teenagers, when they're 5, 6, 7. There's even some studies that say that some consumers figure out their brand identity by the age of two.

James Robert Lay:

Wow.

Shari Storm:

And so, one of the things that we really wanted to stress was that this is a comprehensive, strategic initiative that banks and credit units should be looking at.

James Robert Lay:

Technology drives change, and as Shari noted, we're seeing that change cut across all generations. How might you be embracing the differences across generations at your financial brand? How might you be ensuring that you don't make assumptions to ensure you don't get trapped in your own biases and project your own worldview on others? Well, data is a great way to take an objective view of the world, to remove feelings, to remove emotions that might cloud our judgment and perception. However, this is important, because as Chris Skinner notes, author of *Doing Digital*, Chris Skinner and I discussed in

episode number 67 data, technology, AI automation, all of those are just elements required for digital growth, but there's some other important things that we must think about and consider as well.

Chris Skinner:

AI machine learning is actually there to augment human interaction. It's not meant to replace it. I think that this is one of the things that we get fundamentally wrong, that a lot of digitalization, particularly in financial services, is being cost reduction and getting rid of staff instead of being augmenting service and giving better customer relationships and customer advice. And when you turn it around to the customer focus, which is actually where we should always start, we shouldn't start with the cost focus, we should start with what does the customer need and how are they behaving and how can we be more predictive in servicing them and better at servicing them? Then we can augment our people with much better tools to deal with customers rather than trying to get rid of our people.

James Robert Lay:

That's a great point. We should start to be customer focused as opposed to, I guess, traditionally would be cost focused, what can we do to reduce cost? Is that a fair statement of how we-

Chris Skinner:

Well, I use the line regularly, again, going back to traditional banks versus digital banks, which is traditional banks tend to push products through channels to get greater share of wallet and cross-sell. Whereas, digital banks start with the customer journey and need and then build the user experience to be part of a relationship interaction digitally rather than trying to actually sell them anything.

James Robert Lay:

Let me reinforce Chris's point here, we must always start our thinking and doing with a focus on people, their questions, their concerns, their hopes, their dreams. And the opportunity here is for your financial brand, for your fintech to define a purpose, a purpose that puts the transformation of people over the commoditized transaction of dollars and cents. This thinking about putting people at the center of all of our thinking, all of our doing has been key to our four areas of study here at the Digital Growth Institute, as our focus is rooted at the center, it's rooted at the intersection of marketing, sales, technology, and human behavior. And it is, in fact, human behavior that I'm personally most passionate and excited about because human behavior is the wild card, and it really does impact the other three elements of marketing, of sales, of technology. This is why I enjoyed the conversation with Will Leach, author of *Marketing to Mind States*, and some of the thinking that he shared in episode number 11.

Will Leach:

Here the idea. So, for the last 20 years, I've studied human behavior and the psychology of messaging. 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 are 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. 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 are going to last for a couple of months given the new environment with political and biological and financial markets.

Will Leach:

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 like the Holy

Grail, if you're in marketing, of understanding why emotional marketing works. It's because you're tapping into a psychological mindset. If you know the mind state, you know a much better way of engaging with consumers.

James Robert Lay:

People buy with their heart and then maybe, but not always, they then justify that purchase with their mind. This is why moments matter. This is why experiences matter. Because what is an experience? Experiences, we define it here at the Digital Growth Institute, an experience is just a well-defined system or process that has been strategically thought out, applied, and the key is this, optimized over a period of time, resulting in either A, a positive emotion or, B, a negative emotion. And as I look out at the future of marketing in the next two to three years, I really do see marketing teams going beyond pushing and promoting commoditized products but transforming to become experience engineers. And to become an experience engineer and really viewed as an experience engineer throughout the entire organization, not just marketing teams being viewed as kids that play with Peyton crayons or glorified in-house Kinko's there to serve the last minute needs of others, this is going to require courage. It's going to require marketing teams and sales teams and leadership teams to try new things. Because, otherwise, I guarantee you, the past will become the predictable future as John Oxford, author of No More Next Time, and I discussed in episode number nine.

John Oxford:

Well, let's think about this, you work in the financial services industry, I do as well. There's two things bankers hate; risk and expense. They like to save money, better margin. It's all about saving not spending on the bank side. And then risk, they don't like risk. We like to know what's going on. We know our clients, there's the credit piece of it. And so, bankers mostly think about, "How can I eliminate, and how can I eliminate expenses?" And so, marketing is completely different. It's always a risk to put a message out there, whether it be compliance risk, reputational risk, expense risk, there's always a risk. So you're doing something that makes you vulnerable out the gate.

John Oxford:

I've had plenty of campaigns that were completely rejected by executive management when I pitched them, and I've had planning that have been like, "This is going to be the coolest thing you've ever done." And so, it's almost like when you hear actors talking about when they go pitch to be in a movie or something, how many times they get turned down, even the best ones, before they get one. You're rejected for 400 before you land one. It's kind of where marketing is. A lot of your ideas and a lot of your creative is going to be rejected because of risk and expense. You want to make this huge ad, well, they won't pay for it. Or you want to do something that's really cool, but is it too funny? And so, your bank is more of a stogy, column, marble-looking bank, and so trying to be humorous isn't really in your brand narrative. So then that gets pushed aside because of a risk that maybe a CEO thinks they don't want to do. And so, it is vulnerable because you're putting yourself out there, you're taking a risk on reputation, you're taking a risk on building an audience, and you're doing everything against what banks do, risk and expense, because you're spending money without a sure ROI on the front end.

John Oxford:

With content, now, look, you can build an ROI model, but on the front end, when you're pitching it, it's really hard to, unless you're just making it up, a true ROI, especially in just brand. And so, look, I'm telling you, it's vulnerable and marketers have to be brave. I know it sounds funny, but I don't want to be demeaning towards military, but it's like being a soldier. You got to go out there and put your guns out and take your shot. And a lot of times you're going to miss, and a lot of times you're going to hit, but you got to be brave and you got to be willing to take some risk. I don't think banks do that enough. I don't

mean like crazy risks. Don't get into like compliance issue and trying to mislead or anything, but you've got to get out there. Just banks, we're real hesitant to get out there and try to be as good at marketing as I think we can be.

James Robert Lay:

So where might you need to build courage? Where might you be able to help others build their own courage, courage to commit, the courage to commit, the courage, to move beyond your own digital growth journey with confidence, to overcome some of the fears you might have, fears of the unknown, fear of change, fear of failure. Because as we wrap up this first part of episode number 150, you probably have some questions that you're thinking about right now, something you might have heard from one of the authors, something that you'd like to gain some additional clarity around. You can go, definitely, grab their book, dive into their thinking, listen to the expanded conversation. But I also want to give you an opportunity. I want to invite you to text your biggest digital marketing sales or leadership question to me. Text your question to 832 549 5792, I really do read all of them, because I'd like to invite you to join me for an upcoming clarity calls conversation in the near future, where we'll talk through your question together on this podcast.

James Robert Lay:

Until then, keep an ear out for the second part of episode number 150, where I will share the top insights from the other nine authors that have joined me for a Banking on Digital Growth conversation up to this point. As always, and until next time, be well, do good, and make your bed.