James Robert Lay:
Brad asks, how can we track ROI from the moment a person sees an ad or some type of other communication that we're promoting to the time a loan closes. Most LOS's don't make this process very easy to follow. That's a great question, Brad. 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 16th 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 Brad. Who's the vice president of digital marketing for a financial brand out in California. Brad asks, how can we track ROI from the moment a person sees an ad or some other type of communication that we're promoting, to the time the loan closes. Most LOS's don't make this process very easy to follow the consumer journey. Well, thanks for the question, Brad. It is a good one. In fact, this question is one we often help financial brand marketing teams focus on answering first when diagnosing and assessing their unique situation, because whenever we do help them answer this question, marketing teams quickly increase the perceived value they create internally at their financial brand. And as a result, they begin to transform marketing from being traditionally viewed as a cost center, or as I've spoken about in the past or worse kids that just play with Peyton crayons.

James Robert Lay:

So what I'm going to do for you today is take some time to walk through one of the primary processes that we recommend when diagnosing and advising financial brands that want to maximize their digital growth potential. In fact, this process has already generated hundreds of millions of dollars in deposits and loans and leads for financial brands that have deployed this thinking. So stick with me, we're going to get a little technical, but not too much. Take good notes and most importantly, don't be afraid to bookmark this episode so that you can reference it again in the future and listen to it. Or even share it internally with someone else on your marketing team, even on your sales team, because there's an opportunity for marketing and sales alignment here, specifically around operations and maybe even your IT team from the technicalities of this.

James Robert Lay:

So to begin answering your question, Brad, I want to first address the pain point you noted, that most online account opening and LOS platforms currently make this process of tracking channel attribution as part of the digital consumer journey very difficult, if not almost impossible. This is in fact, one of the biggest complaints I hear from marketing teams when advising them. And I truly do feel the pain here because when we don't know where people are coming from, when we don't know where the leads are converting for loans and new accounts, it's like we are flying blind. And when we fly blind, sooner or later, we are going to crash and someone's going to get hurt. Furthermore, these blind spots make it feel like an almost impossible task to determine what digital marketing channels are working while at the same time, really gaining a sense of clarity and understanding of what digital marketing channels are not working. And because of this, marketing teams end up having to fall back on reporting vanity metrics for ad campaigns, for email campaigns, for social campaigns, like reach, clicks, likes.

James Robert Lay:

And a lot of times these vanity metrics make marketing teams feel good, but the problem is these vanity metrics only tell half the story. Now to be clear, there's nothing wrong with these top of the funnel metrics. In fact, they are very important and I do compare them to the instrument readings on an airplane. As vanity metrics, reach, clicks, likes, et cetera, do provide some type of leading indicator as well as context that can help us to determine whether or not our marketing activities are either gaining altitude or losing altitude. But as I noted before, these metrics, reach, clicks, likes, et cetera, only tell half the story and they don't provide the deeper insight that others within our financial brand are looking for. Truth be told, bank and credit union CEOs don't really how many clicks your ad got. CLOs are not interested in reach.

James Robert Lay:

And I've seen a lot of CFO eyes glaze over when marketing teams pull from the acronym alphabet soup and they start sharing things like CPM, CPC, CTR. I also think it's important to take a moment to just briefly address the dark truth that many financial brand marketing teams are not aware of because they lack the mission critical conversion capability. And that is the fact that the vast majority of financial brand marketing teams that we have worked with over the years, to diagnose a situation, or in many times, for lack of a better word, are getting screwed by their digital marketing agencies. And I'm going to hold these digital marketing agencies accountable and responsible because they should take responsibility for the success and performance of the digital ads they place. But for one reason or another, they don't take the responsibility and end up taking advantage of financial brands. Some who are paying millions of dollars in ad placement because they're not able to attribute the digital ads they place all the way down to conversion.

James Robert Lay:

There have been multiple cases in our findings, in our recommendations from our diagnostic studies, where we have had to call out digital ad agencies and digital media firms who have been taking advantage of the financial brands we advise. Because the bank and credit and marketing teams just simply lack the conversion and attribution capabilities that would protect them from these ad agencies. That would protect them from ad fraud, which ad fraud is a topic that I would like to come back and cover on a future podcast because ad fraud is something that we're seeing more and more and more of, but digital ad agencies don't want to address it because this ad fraud is a direct threat to obviously their core business model. Without naming names, there is a well known digital media brand that we have found on at least five different cases where this digital media brand was driving traffic to a financial brands' website that was outside of this particular financial institutions, desired geo targeting location.

James Robert Lay:

So for example, let's say the financial brand we were advising was located in Houston, Texas. In the specific diagnostic study, we found that 60 to 80% of the traffic was coming outside of the Houston market, with the vast majority of that traffic being fraudulent when we started analyzing the IP activity of the traffic that this digital media brand was driving. So what did we do? We alerted the client of these findings and the client reached out to this digital media brand feeling very frustrated, they wanted answers. They were like, what's going on? Why is this happening? Here's the data and the data just doesn't lie. And every single time, this well-known digital media brand, they had a rep that came back to the client and the rep always claimed this was the first time that they had ever seen something of this magnitude of ad fraud. And now this would make sense on the first time, the excuse would work on the first time, but not the second, not the third, not the fourth, not the fifth.

James Robert Lay:

So I just wanted to start off by addressing some of the challenges and the frustrations that we see in here from banking, credit and marketing teams, who are continuing to combat the issues rooted in a lack of capability to consistently track conversion and attribution activities for deposits and loans down to a specific channel. And it's this lack of clarity, this lack of understanding, which is what reinforces the false fact that marketing is viewed as a cost and an expense at the vast majority of banking credit unions. Now, with all of this said, I have some good news because if you're listening and you're struggling right now with channel attribution, the good news is that you do not have to keep flying blind. You can gain improve performance insights into conversions for leads, for loans, for deposits, for new accounts.

James Robert Lay:

And I'm seeing more and more marketing teams work to solve these strategic mission, critical problems. Some have already taken a proactive step to set up activity and goal tracking within Google analytics. And that is a step in the right direction. This gives insight into channel attribution down to specific areas of performance like clicks on a call to action to apply. And while this is a step down the right path, because they are getting clarity and attribution into tracking call to action clicks back to specific digital marketing ad campaigns or channels like email and social media. The problem is the fact that online account opening and loan applications have an abandon application rate on average of around 85 to 92%. So what does that mean? It means if you're currently tracking digital marketing performance, for digital ad campaigns, for social media campaigns, for email marketing campaigns, down to clicks on a CTA button, on a landing page, you could, but now with a hundred percent confidence consider projecting conversions by taking around eight to 15% of clicks on the call to action.

James Robert Lay:

Now this isn't science, but considering an 85 to 92% abandonment rate, we can take an estimated eight to 15% conversion rate on those CTAs, for those that go through and complete the entire loan application process.

James Robert Lay:

Let's say we get a thousand clicks on a CTA to apply, looking at the math we can assume hypothetically, 850 of those clicks abandon the application process and 150 of them pull through all the way to conversion. But even then that doesn't give us insight into, out of the 150 that complete the application, how many are actually funded. And a lot of this might be hopeful thinking, and here's the thing, there's an even better path forward that I'd like to unpack for you. Because this is going to add a tremendous amount of additional insight, but I have to warn you, it's also going to add some complexity because this recommendation involves a couple of different systems and processes and also working across multiple departments. So this is where I want you to stick with me and why I recommend bookmarking this episode and sharing this internally. Because I will want to walk you through a step by step process to tracking and measuring conversions and channel attribution for your marketing team.

James Robert Lay:

And to do this, I'm going to set the stage and frame this up to where we're going to make a couple of assumptions from the general findings that we discover in our diagnostics. Number one, we're going to assume that you're running a digital ad campaign. Now in this exercise, I'm not so interested in determining where you're running this ad campaign. It could be PPC, it could be display. It could be remarketing. All I care about is that you're running some type of a digital ad campaign. And then number two, this ad campaign is driving traffic to a specific landing page and not the general product page of your website. That is an optimization opportunity if you are running traffic, digital ad traffic, to a product page on your website, there's an even better approach to drive traffic, not to the product page, but to a campaign specific landing page. And that brings me to the point number three, for this example, that the landing page primary call to action is for a product that's being promoted, linking off to a third party application, whether that be for a deposit application or a loan application.

James Robert Lay:

And then the fourth assumption that we're going to make here is that we're running Google analytics. And up to this point, historically, you have been able to track links on this call to action. So you do have some historical data that we can make some assumptions around. So with this framing, with this narrative, there are two possible paths that you can consider to apply, to optimize this very common digital marketing campaign implementation strategy. The first path is going to be a little bit harder, even if not impossible, because this is going to require you to work with your third party online account opening or loan out provider to integrate what is called cross domain tracking. This is where things are going to get a little bit technical here. Cross domain tracking solves one of the biggest digital marketing challenges, because whenever we take someone from our financial brands website to a third party website, for a loan or for deposited account for the application, we lose all analytical tracking capability.

James Robert Lay:

But I want to be very clear, cross domain tracking is a fairly advanced subject matter that takes time to first and foremost, teach, second to apply and third to optimize. And most importantly, once again, I'm going to stress this, cross domain tracking requires the support of your third party online account opening or loan application provider. Which I've seen many times they are simply not willing to play nicely on for one reason or another. So that challenge right there in and of itself really leads me to another strategic recommendation, a second path. And that's where you can start looking for a new online account opening or loan application partner willing to work with you. Never forget it is you, your financial brand, that writes the checks. And if you've got a "partner", and at this point, they're really nothing more than a vendor that's not willing to play nice, start researching other platforms.

James Robert Lay:

Because there are so many more that are popping up now because of the common pain points that we're seeing time and time and time again, when it comes to the most important part of the digital consumer buying journey, which is the application. Once again, that conversation is for another day. Because what I want to do is come back on track and continue the example where we're going to assume at this point that we have run into this common roadblock and your third party application provider does not want to play nice. Does this mean that you're stuck? Does this mean that you're resigned to continue to fly blind when it comes to your conversion and channel attribution performance? Absolutely not. This is the third path, this is the third way, a path that we discovered five years ago, because we knew the critical strategic importance of empowering financial brand marketing teams to gain clarity into conversion and channel attribution insights. We call this third path, the digital growth pre-application process.

James Robert Lay:

This process is really first of its kind in the banking industry and something that we have continued to recommend over and over and over again for the financial brands that we work with. And as a result, the digital growth pre-application process has already generated hundreds of millions of dollars in loans and deposits for financial brands that we advise. Now, there's a quick caveat before unpacking the digital growth pre-application process. This process does require a marketing automation platform, and that's a good thing because a marketing automation platform opens up an entirely bigger world of opportunity that we can come back and discuss on future episodes. So I do want to make that caveat before we go further. What I'm about to talk through does require a marketing automation platform. And so with that in mind, you're probably going to fall into one of two camps at this point, when it comes to marketing automation. Number one, you already have a marketing automation platform and the good news for you is what I'm about to recommend like the majority of the recommendations I make when advising financial brands is that this recommendation is plot form agnostic.

James Robert Lay:

And that means you can apply this thinking, regardless if you run Salesforce, Pardot, Total Expert, Marketo, HubSpot, Act-On, SharpSpring. I'm not so interested in the marketing automation technology that you have, it's the fact that you already have it you can apply this thinking. On the flip side, you don't have marketing automation and you might feel a little bit behind, as marketing automation is one of the four gears we recommend for financial brands who are building a digital growth engine. And if this is you, the recommendation I'm about to share can help to fund your marketing automation investment and really begin to transform your marketing team beyond the cost center into a growth engine. I think it's also important to take comfort knowing that there's still about 80% of financial brands who have not adopted some type of marketing automation platform as of yet. So let's get into it and continue forward together. In brief review, coming back to the common digital marketing campaign example that you're driving traffic from a digital ad to a specific landing page.

James Robert Lay:

It's on this landing page that you can remove the CTA that links off to the third party application, because when you remove the CTA, you're going to replace that CTA with a form that you develop in your marketing automation platform. And on this form, you will collect some basic contact information, name, email, phone, that's it, nothing more, nothing less. Because when someone completes this form on the landing page, you'll then link them off to the third party application where they'll continue on with the process for the loan or for the new account. Once this person completes the third party application, this is very important to also deploy, you'll then link them back to the completion page or a completion page on your website. And this is really where you can begin to optimize the entire journey because no longer is it going to be a generic message, you can have a specific completion page for every single one of your products, defining what happens next.

James Robert Lay:

Furthermore, it's this completion page that is what closes the loop and will provide you insight into the completed application conversions, that you'll be able to go into your marketing automation platform to pull up people or to pull a list of people that hit the conversion page. And then you can scrub that list against those that started the digital growth pre-application process. So you can take this thinking even further because now you can scrub both the conversion and attribution data against those loans that are funded and those that started the digital growth pre-application process. As a bonus, you're getting some additional data and insight into people's digital activities that you can further deploy to take action on in the future. For example, those that abandoned the process and never hit that conversion page back on your website, there's a whole slew of activity that you can do to follow up with and pull them through.

James Robert Lay:

And in some instances we've seen implementing abandoned application processes increases the conversion rate for those that abandoned by about 15 to 20%. Which has huge implementations on the bottom line without having to spend any more marketing dollars at the top of the funnel. So as we wrap up today, there are four key things to remember as we come back to Brad's question about how to track ROI from the moment a person sees an ad or some other type of communication digitally, to the time the loan closes, because most LOS's make it difficult to follow the consumer journey at this level. Number one, if you are struggling with quantifying conversion and channel attribution, I want you to know that you're not alone and I feel your pain. Number two, I want you to consider the cost of continuing to fly blind and the toll that this takes on you, on your marketing team, on your lending team, and on your financial brand, specifically in relation to ad fraud.

James Robert Lay:

Number three, I want you to have confidence knowing that there are really three different paths forward that you can apply to close the loop with cross site tracking, with looking for a new Los or with applying the digital growth pre-application process. Which has already generated hundreds of millions of dollars in loans and deposits, and even leads over the past five years for the banks and credit unions that we have advised and guided. And theN number four, share this episode with someone you know, it's your financial brand that might also find these insights helpful. Because as I started today's conversation, deploying this thinking, deploying these recommendations, takes not just the marketing team, but the marketing team and the lending team or the marketing team and the deposit team, IT, leadership, all working hand in hand together.

James Robert Lay:

Finally, as we wrap up, do you have a question? Do you have a question like Brad, that you want to get answers to? Because I want to hear from you. I want to help you. And I'd like for you to take a minute to ask a question that you'd like to get answered on a future podcast over at www.goaskjr.com. Hop over there, www.goaskjr.com, ask your question and I look forward to helping you on a future episode of inside digital growth. As always, remember there are no bad questions and the only bad question is the question that goes unasked. Until next time be well, do good and wash your hands.