

James Robert Lay:

Greetings and hello. Thank you for tuning into the 27th episode of the Banking on Digital Growth Podcast, where I, James Robert Lay, your digital anthropologist, will help you cut through the clutter, the confusion and the chaos of digital, so that you can identify the biggest digital marketing and sales strategies that will empower you and your financial brand to generate 10 times more loans and deposits. Today's episode is part of the By the Book series, where I share insights from my bestselling book, Banking on Digital Growth: The Strategic Marketing Manifesto to Transform Financial Brands. But before we get into today's discussion, I'd like to thank Terrell for his Amazon review, where he shared, quote, banking on digital growth is exactly what this industry and all of its executives need and need to read. Too often, the subject of digital marketing is cast aside as just something that maybe we'll do later or we'll try it for 30 days. And if we don't see results, well, it didn't work. James Robert educates and informs in a way that is easy to read, absorb, and allows readers to begin to take action.

James Robert Lay:

Terrell finishes up, he says, the book won't disappoint, and you'll be excited to get started once you've turned the last page. Thank you very much for the review on Amazon, Terrell. And I appreciate the kind words. To your point about getting excited. Well, we for sure are living in exciting times, and there's a lot that we can learn about where we are today and maybe even predict about where we will go over the next five to 10 years, simply by taking time to stop and pause, to break free from the doing so that we may create space and time to review and reflect on where we've been. And more importantly, what can we learn through this analysis?

James Robert Lay:

So to this point, what I'd like to do right now is to take you on a journey. I want to take you back in time. And to quote Doc, from Back to the Future, "Where we're going, we don't need roads." All we have to do is just go back to episode number six, for context, where we explored the four major industrial revolutions that have unfolded over the last 300 years or so. And as I shared before, we're in the midst of the fourth industrial revolution, or what I'm calling the age of AI. And if you haven't had a chance to catch up on episode number six, don't worry. I'm going to set some context here. When we look back at the other three major revolutions, what's remarkable is that the massive steps that we made during that time period, the leaps in technology, which used to come about every 100 years or so, but now when we look at where we've been just over the last 50, what we've done in the last 50, really, maybe even in the last 25 years, is what used to take a hundred years.

James Robert Lay:

Just think about it. It was 100 years between the First Industrial Revolution, which brought about steam powered engines in the late 1700s to the Second Industrial Revolution, where we saw the rise of electricity around the 1870s. Then another 100 years go by and we get into the Third Industrial Revolution in the late 1960s and the early '70s, which was built upon computing power. But in this period of time, from then until now, this is where things have gotten really interesting. For example, in the early 1990s, we had another huge leap. So that was only about a 30 year period, 20 year period, 25 year period, from the late '60s, early '70s to the early to the mid '90s, where we had the Internet come online. And now it's been another 25 years or so since the mid '90s and the rise of the Internet to where we now have the cyber physical or the age of AI in which we're in the early stages still.

James Robert Lay:

But we're starting to see, for example, the Internet of Things, artificial intelligence, machine learning, augmented reality, virtual reality, and so much more. All of which are being designed to, and this is really

dependent upon your point of view, either A, take over the world or B, which is my hope, simplify, solve problems and automate the task that were once very complex for us to do. Because when this happens, when we simplify the complex with technology, this frees us up to create an even bigger, better and brighter future for ourselves and those around us. And clearly, the rate of innovation that we're seeing now is extraordinary. It's unprecedented. It can even be overwhelming and a vast departure from what we've ever experienced in the past. But the other elements of these revolutions have stayed the same. For example, when we look back in time and explore at the macro level, each one of these Industrial Revolutions happened during a period of major societal unrest and societal conflict. With the steam revolution we had, for example, we'll just call it the War for America's Independence.

James Robert Lay:

Then, with the rise of electricity, we had, and here in the United States particularly, we had the Civil War. Then with the computer revolution, that was set against the drop of the Vietnam War and all of the conflict that came out of the rise of the counterculture. But what about now? Well, COVID from my view, in my lens of the world, COVID is just a preview of what's to come. So buckle up buttercup and get ready for a wild ride. Once again, this is why I'm betting that AQ and EQ, adaptability and emotional intelligence will far outweigh IQ in the coming years. Now is the time to begin to train ourselves, to train our minds, to become more adaptable as I've provided insights on both in multiple podcasts so far. It doesn't matter what side of the political spectrum that you're on.

James Robert Lay:

And right now, here in the U.S., 2020, it's a big year politically with the presidential race. But it doesn't matter what side you're on. And I think it's funny, just as an aside, talking about sides, this idea of division, something that I covered in episode number 25. Has digital divided us more? Just something to think about. And I know that there's a really big show right now on Netflix that is exploring the darker side of social media. But a lot of the rise of this division, and really the anxiety, it's rooted in deeper concerns. Where is my place going to be in this age of AI? What's going to happen to my job? Will a robot take it? And if I don't have a job, how am I going to pay for my student loans? How am I going to support my family?

James Robert Lay:

The point I'm making here is that showing sensitivity to these concerns, to these really basic needs of people, is going to have to be essential in doing business in this post COVID world. And I've said it before. Empathy is going to be one of the biggest strategic competitive advantages in this digital world, in this age of AI. And really we could just call it the age of anxiety over money and more. Empathy is going to be a powerful tool in your tool belt from a relationship standpoint, for both marketing and sales. But the good news is that empathy, as I shared in episode number 25, empathy can be learned. So let's come back to looking at these Industrial Revolutions, because through this analysis, through this study, we can also map out along the same chronology a series of revolutions and transformations in marketing. For example, the late 1700s to moving into the 1800s, we go from print to mass media. Mass media in the early 1900s, we have newspaper. That evolves into radio then to TV broadcast. And then from mass and broadcast, we move into digital and social media.

James Robert Lay:

Then, now, in the Fourth Industrial Revolution, in the age of AI, we're moving into the fourth marketing revolution or transformation, which involves a massive shift even further towards one to one messaging, automation, data, AI, all opportunities to empower bank and credit in both marketing teams, as well as sales teams, to be even smarter, to be even better with communication. Because communication is at

the heart of everything for both marketing and sales. But what we're looking at is communication at scale, and really communication at scale from a one to one perspective. And the financial brands that can communicate at scale through a one-to-one perspective will be the ones that excel, and those that do it with empathy will be the winners over the next five to 10 years.

Speaker 1:

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 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:

In this new age of marketing and sales, banks and credit unions, it's so important for us to realize, it doesn't matter if you're on the marketing team, the sales team, the leadership team, that we are no longer in control of the buying journey and the way that consumers receive our communication. Technology has given rise to both an educated and an empowered consumer. They control the communication they receive, as well as the individualized buying journeys that they choose to take. They do what they want, when they want, how they want, not by what we want them to do. All we can do is guide them along those journeys. And this is forcing us, rightfully, to put people at the center of all of our thinking and doing. This is not about us. Marketing and sales, our products, they are not about us. This is about what people need when they need it, not when we need it.

James Robert Lay:

And that's why the old legacy models of running the quarterly marketing campaigns, we have to transition those into perpetual, evergreen, always on campaigns so that when people enter individual stages of the buying journey, we have the right content with the right context to guide them through these different stages, beyond their questions and concerns, and towards their hopes and dreams. Alex Sion, who's currently leading Citi Venture's D10X program. And he was the president of Moven at one point, he really shed some light on this when he said banking in the future will be less about product innovation and more about innovation on the client experience.

James Robert Lay:

It's one of those things, how much more can we innovate the actual financial product at this point? Brett King, who was the founder of Moven, he's been very successful at doing that, this idea of innovating on the experience when he wrote, banking is no longer somewhere you go, but something you do. And now banking, here's the opportunity, banking becomes so much more than just something you do, especially through the lens of open banking and the opportunities that that presents, banking becomes something that we experience and experience in multiple areas and facets of our life.

James Robert Lay:

When I'm looking at this, it's not just the money conversation, it's the financial wellbeing which has a positive impact on the physical wellbeing which has a positive impact on the mental wellbeing. Banking

in the future will be more than just about dollars and cents. It's looking at the whole life of a person. And so what I mean about experience. As it relates to digital growth, an experience is nothing more than a set of systems and processes that are centered around the digital consumer journey. And there's three things that happen when we think about a digital experience. Number one, they've been defined. Number two, they've been applied.

James Robert Lay:

And the secret with digital growth and digital experiences is that these experiences are optimized over a period of time, resulting in one of two things. A positive or a negative emotion. So many times in the financial services space, through the coaching, the guiding, the advising I do, I see the hearts and minds are in the right place for marketing and sales teams for leadership teams. We start these initiatives, we define what they are, we apply that thinking, but then we just keep moving on. Onto the next thing, onto the next project, onto the next checklist item, onto the next shiny object. We don't take the time to stop, pause, review, reflect on where we've been and how we can make whatever it is that we've done even that much better going forward. So we've moved from Brett's perspective. Banking is somewhere you go to something you do to what it must become, something that you experience.

James Robert Lay:

And this is the opportunity for financial brand marketing and sales team to transform legacy growth models. When we think about the old way of doing business as a financial brand, as a bank or a credit union, it's helpful to envision what I call the growth pyramid. And 3/5s, at least 3/5s of this pyramid was built around the legacy branch sales and broadcast marketing model. Historically speaking, that is. And then when digital came on the scene, digital was bolted on ad hoc to the pyramid, retrofitted to the old structure. Are we looking to destroy the old model entirely and start from scratch? I think there's so much more growth opportunity when we talk about transformation instead of destruction or disruption. And that's why, instead of destroying the old model, my thinking is, and my recommendation is, to look at transforming the growth pyramid upside down.

James Robert Lay:

So where now the entire growth model is 3/5s digital and 2/5s physical at a very minimum. And as digital becomes the primary driver for growth, regardless of whether someone applies online, calls into a branch, comes in, or has a conversation with someone face to face, digital becomes the heart of the consumer buying journey because that's how people shop and buy it. Remember, we're not in control of how someone shops and buys with the educated and empowered consumer. And with the new pyramid, the new growth model will reflect that. In fact, maybe over the next five to 10 years, this growth pyramid, digital becomes 4/5s of the model, or maybe even 100% depending upon where you are and how you're operating. I'm not as bullish as Brett when he wrote branch today, gone tomorrow. But he was spot on, that book's almost 10 years old now, when he was looking at and predicting that the branch is dead.

James Robert Lay:

Now, maybe we'll get to that point when indeed the branch is dead, but personally I'm just not there yet. People still want to come into the branch, but COVID is changing all of that. And as these consumer behaviors get reprogrammed, I think it's important to watch at the macro level what these behaviors will be. And if people come into the branch, this is my prediction. It's not going to be for the transaction. It's going to be for something more, whether that be coaching, guidance, advice, sitting down face to face. Think of the branch, and if we want to hypothesize on what the branch of the future will look like, to me,

it'll be more like the doctor's office to where you go and you meet with a doctor, a physician, and you're having some deep level conversation around whatever the problem is that you're trying to solve.

James Robert Lay:

Granted, that conversation could also be transacted digitally through a platform like video, Zoom, FaceTime, et cetera. But from my vantage point, I'm really trying to look at everything happening at the intersection of four key areas. From marketing, from sales, from technology, and really here's the wildcard variable, it's human behavior. And I do this so that I can better understand what the future of digital growth will be for financial brands. And the way that I see it, the future will be built around four key areas of focus. Number one as I've shared in this podcast, communication. Communication is key. As I spoke about on previous podcasts, it's communicating courage, it's communicating confidence, it's communicating clarity. People are looking for help and hope. Hope has to come before for help more times than not. So communication will be through the lens of digital and mobile technology platforms.

James Robert Lay:


Number two. Financial brand marketing teams will become content in media machines. With content, i.e. communication, being the fuel for digital growth. Number three. Sales teams will transform themselves beyond order takers and product pushers to become proactive coaches, advisors, and guides on consumers buying journeys. And then finally, number four. We're going to use digital channels to become even more empathetic and more human, which is a bit of a paradox. But if we can gain a better understanding in to someone's financial behavior, their financial mindset, through their buying and spending patterns, we can use that insight, use that information that they might not even have awareness of, to provide them with recommendations. Coming back to point number three, sales teams becoming proactive coaches, guides, and advisors. And it's through that guidance, it's through that insight, it's through that knowledge, that becomes the competitive advantage in this digital world, just like empathy. But empathy, we talk a lot about this externally from an account holder standpoint, but empathy is also important internally.

James Robert Lay:

Because when we think about transforming and flipping the growth model, the growth pyramid upside down, from leading with the physical world to leading with the digital strategies, we have to be empathetic to all the people within the organization whose worlds you might be literally flipping and turning upside down. Those that have been with the financial brand for 10, 15, 20 plus years. There's a lot of emotion tied to change. And the past growth model, yes, it was built upon the physical, tangible world. You could see it, you could touch it. You could walk into a branch. You could handle the direct mail that you sent out. The tactile experience traditionally made us feel good. But as we know, the future is digital and that's an intangible world of servers, of code.

James Robert Lay:

You can't see it, you can't touch it. And this understandably makes it feel a little bit scary, feel a little bit overwhelming, feel a little bit confusing. But that's the reality. Not just of this industry, it's happening in all different verticals throughout our entire world. So, as we continue our journey together through these podcasts, through our research, through my writing, through my speaking, my coaching, my advising, I look forward to creating the future with you. I look forward to creating a future where we work together to guide people in the communities that you serve beyond their financial stress, that stress that's taking a toll on their health, their relationships, their overall sense of wellbeing, as you commit to guide them beyond that so that they can create an even bigger, better and brighter future. As always, and until next time, be well, do good and wash your hands.



Speaker 1:

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 more practical improvement insights, visit www.digitalgrowth.com to grab a preview of James Roberts 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.