

Greetings and hello. Thank you for tuning into the 33rd episode of the Banking on Digital Growth podcast, where I, James Robert Lay, your digital anthropologist, continue to simplify 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 conversation and insights, I'd like to give a shout out to Amy for her Amazon review, where she shared a couple of words that I wanted to share with you. She wrote, "With the world in so much upheaval nowadays, this book couldn't have come at a better time. More and more of what we do has to be in the digital space, but how do we go digital while remaining human?" Amy continues, "James Robert presents a strategic path with proven results to create those human experiences in a digital space." She shares, "This is a must read for anyone who works in the banking space and questions where the future is taking us while looking for ways to assure our institutions have a place in the hearts and minds of consumers today and into the future."

Thank you for the kind words, Amy, as always. And I really do appreciate the feedback and support from readers like you because you are why I do what I do. And it is you, you who are guiding your financial brands forward with courage and confidence, no matter if you're in marketing, in sales, on the leadership team, you're leading people through this post-COVID world. You are a shining light for others who are looking for help and hope. You and your financial brand are a rock, a rock for people in the communities that you serve, people who are looking for support, something, someone to cling to in this sea of financial chaos that COVID has brought to so many.

And you know that the future of your financial brand's growth is far beyond the promotion of commoditized products and services. And here's why. I know you are committed to helping others create an even bigger, better, and brighter future because you're driven by a purpose that puts the transformation of people over the transaction of dollars and cents. And that's exactly what I'd like to continue to discuss and share with you on today's episode of By the Book. Because last time, and you can go back and listen to episode number 30, because in episode number 30, we started to explore the story of TOMS shoes and how they were able to really break free and build a brand beyond the commoditized world of shoes, as it was back then, whenever TOMS came to market.

And the way that they did this was they built a business around purpose. And coming back to what Amy had shared in her Amazon review, she talked about the need to remain human in the digital space, to assure our institutions have a place in the hearts and minds of people, both now as well as in the future. And when we look at the story of TOMS, as I discussed in episode 30, I shared exactly what happened as well when they lost their way, when they forgot their purpose. And then they began to just to look like every other company selling shoes. And this is exactly what I have observed over the last almost 20 years of studying, advising, guiding, coaching financial brand marketing, sales and leadership teams when it comes to positioning through the lens of digital.

Now, the vast majority of banks and credit unions still do continue to promote the same, what I call the same great rates, amazing services, and commoditized lists of lookalike product features. And it doesn't matter where this is digitally. It could be on their website primarily. But it's also in their digital ads as well as their emails. The good news for you is that it does not have to continue to be this way. There is a way, there's a path that you can escape what I call the commoditization trap, which is really just a race to the bottom. Now, often when I share the stories of TOMS, as I did in episode number 30, with financial brand



marketing teams, sales team, leadership teams, they have trouble applying those lessons to themselves. A lot of times, they'll doubt the potential for what I call banking on purpose to really be an accelerant, a driver, a differentiator for their future digital growth.


And that's when I tell them that there's another way. And that there's another company even who's applying this thinking in a commoditized marketplace. And that company is Bombas, and Bombas has become known as "the TOMS shoes of socks", because once again of their socially conscious business model, and of course, because socks and shoes go together hand in hand, or foot in foot.

Bombas was founded in 2013 and they were built on a purpose of supporting the homeless community and bringing awareness to a growing rampant problem that they felt deserved greater attention across the United States. And so like TOMS, Bombas' business model was built around the BOGO, the buy one, give one model. So for every pair of socks Bombas sold, the company donated a pair to the homeless. And also, like TOMS, it's not just about charity. This is about business. This is about growth. This is about profitability. But that growth and profitability comes from helping other people outside of the organization, outside of the traditional key stakeholders of the company.

And one of the co-founders of Bombas is a guy, his name's David Heath. And back in 2011, he came across a Facebook post about how socks were one of the most requested clothing items at homeless shelters. Now, again, like Blake, coming back to the origin story of TOMS, Bombas was born out of a genuine need to serve and help others, to create values for others just beyond the company. And in David's case, his co-founder, Randy Goldberg, came on board. And so the two quit their day jobs and they launched on Indiegogo. And this was a crowdfunding initiative to help raise some initial capital. Now, they originally set a goal to raise \$15,000 in just 30 days. But to their amazement, to their delight, they hit \$25,000 in crowdfunding within the first 24 hours. And by the time the campaign was over, they had crowdfunded more than \$140,000. And from that point forward, they went on to raise another million dollars with seed funding.

What really helped Bombas to take off was when they landed a deal with Daymond John on Shark Tank. And it was that relationship that propelled their growth. And within two months of being on the show, they did \$1.2 million in sales, as they sold out all of their inventory. I used this example of Bombas when I talk to financial marketing, sales and leadership teams to show that TOMS, the story of TOMS, is not just a one-off fluke, but it does make the case for profitability around banking on purpose, or for that of purpose-driven brands, especially when those brands like banks and credit unions are competing in commoditized markets. And so profitability, that's what all business leaders and executives really want to know about. That's what they think about. And yes, profit can be deeply rooted in a purpose, once again, that does transcend dollars and cents.

So coming back to this idea of profitability and bottom line, how profitable is Bombas? Well, we need to look at their business model. Their socks are not cheap. And so a 12-pack of women's ankle socks, for example, cost around \$145, while a single pair of men's is just \$12. So like TOMS, these socks are not for everyone. But also like TOMS, the story of Bombas demonstrates how commoditized products do create a triple threat of tremendous value for multiple stakeholders. Number one, we have creating value for the consumer. Number two, we have creating value for the company. And then number three, we have creating value for those homeless that are in need of socks. And so when we look at the value creation in 2018, Bombas ended the year with \$102 million in revenue. Who would have ever thought that the lowly, unglamorous, bottom of the totem pole when it comes to clothing and accessories, the sock,



could be transformed into a purpose-driven powerhouse brand driving over a hundred million dollars in revenue.

So what's next for Bombas? Well, they're continuing to fulfill and live out their purpose-centered brand as they journey down the path of putting other people first. In fact, they've moved into the T-shirt space. And so for every T-shirt sold, they donate a T-shirt to someone who need it. And as of summer of 2019, they have already donated over 18 million pairs of socks and shirts. So clearly, purpose is a very powerful way to create value. It's a way to drive revenue. It's a way to drive profits. But even more so for brands competing in commoditized marketplaces, selling commoditized products. And this is true, regardless of if your product is socks, shoes, checking accounts, or loans.

In fact, there's a lot of evidence that I'll share in a future podcast that purpose-driven brands are continuously outperforming traditional ones. And this is true from both a financial standpoint, i.e. the bottom line, as well as in terms of creating exponential triple threat of value for the company or the brand, its customers or its account holders, as well as for the community in general. So more to the point, if purpose-driven companies are not only competing but they're crushing the competition in commoditized marketplaces, what can your financial brand do to bank on purpose?

Think about that as we wrap up today. What are the greatest opportunities for your financial brand to bank on purpose? Because unfortunately, the vast majority of banks and credit unions, through our ongoing studies and assessments, are not driven throughout the entire organization with that perspective of banking on purpose. A lot of them are being driven, being guided by traditional mission or vision statements. But the problem with mission and vision statements is they inform what we do and how we do it. And oftentimes, these mission statements and vision statements are informed by past perspective. And so that's why I'm going to show you a third path forward beyond the traditional mission and vision statements, the what we do, the how we do it, with something we call a purpose statement that really helps to define the why we do what we do. And we'll talk about that on the next episode of the By the Book series. As always, and until next time, be well, do good, and wash your hands.