

Greetings and hello. Thank you for tuning into the 42nd episode of the Banking on Digital Growth Podcast, where I, James Robert Lay, your digital anthropologist, continue to coach and guide you 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.

I'd like to start things off by giving a shout out to Melanie who left a book review on Amazon, where she shared, "Finally, after reading countless books on marketing and strategy, I found the book that actually resonates with me and taught me something truly new. Banking on Digital Growth is one of those books that gives you a genuine aha moment on a regular basis. Happy to have found the book that has allowed me to redefine my understanding of marketing and the financial space."

Thank you very much for the note, Melanie. And I'm glad that you found the book helpful like thousands of other financial brand marketing and sales leaders have around the world who are already transforming and elevating their banks and credit use above being just another commoditized organization that's promoting dollars and cents. What they're doing is they're putting their perspective, their focus around the transformation of people and the communities that they serve by committing to guide them beyond financial stress towards a bigger, better, brighter future.

And one of the very first actions these leaders have taken is they've defined a purpose, which I've discussed in detail over episodes in this podcast, episode number 30, 33, 36 and 39. I want to take a walk back here for a moment. In episode 30, I shared how you can use purpose to position your financial brand beyond commoditization. In episode number 33, we unpacked how purpose can help you escape the commoditization trap. And then in episode number 36, we focused on why purpose is more important than even your mission or vision statements. Finally, in episode 39, we've explored purpose is at the heart. It's at the foundation of building trust with people in a digital world.

So what I'd like to do today is to continue along this pattern of purpose, this thinking around purpose, to provide you with perspective into how you can communicate and apply a purpose that puts people at the center of all of your thinking, at the center of all of your doing. Some key insights that were shared by Boston Consulting Group found that purpose. Purpose not only establishes trust and motivates consumer behavior as we've discussed in previous podcast episodes, purpose also does the same for internal team members as well.

And through Boston Consulting Group's research and looking specifically at gaining internal buy-in for transformative initiatives like digital growth, like digital transformation. What BCG found is that, "Purpose is one of those powerful intrinsic motivators because it speaks to both the head and the heart." Purpose can power your financial brand, we've talked a lot about this externally. But what I'd like to focus on now is how purpose can power your financial brand internally, and why a purpose is so important for digital growth, for digital transformation. Coming back to the Boston Consulting Group's research that they, once again, shared that. "The shift in employee expectation together with the demands of an always on transformation has further expose the shortcomings of attempting to influence people through carrot and sticks and far too many transformation programs. People are treated as a means to an end or worse as collateral damage."

When we look at digital transformation, we know that around 80% of digital transformation projects are failing right now. And they're failing not because of technology, but they're failing because we forget about those who have to deploy the thinking to ensure that these transformation or projects are a success. We're forgetting about the people. And that's why this purpose driven thinking can also be applied, not just to internal key stakeholders, not just to external key stakeholders, but it's an inside, outside perspective for team members, for consumers, for the communities that your financial brand serves.

After all, when we think about anxiety of all of these changes that we've experienced post-COVID, people internally, externally, we're all feeling pretty overwhelmed and frustrated across the board. And this is why purpose must be at the heart of your financial brand's digital growth blueprint. And to make this a reality, whether we're talking an internal facing purpose and an external facing purpose, which should be one in the same, it all comes down to making an emotional connection with people.

And this can be a very intense, emotionally charged, emotionally driven discussion, but it's worth it. Because once you define what your digital purpose is, you can begin to communicate that purpose and put it into action in the form of narrative. And the way you do this is by crafting a purpose statement that allows you to communicate your purpose with clarity and with simplicity, because simplicity is the only way to help someone else escape what we call the circle of chaos. And the circle of chaos, not only impacts account holders and prospective account holders, it also impacts internal team members as well.

Your purpose statement will be composed of four elements that tie back to the different parts of the brain we unpacked in episode number 39. There's your who, identifying the who, the people that you're creating value for. And then we have the what, the value that we create with the products you bring to bear in the marketplace. And then we have the how. And the how is how you create value through your process. And more importantly it's, how do you make people feel with those processes? Because experience is made up of just that. Experience is made up of a set of processes all working together.

And finally, at the top of what we call the pyramid of purpose, it's your why. It's the reason you exist. It's how you want people to feel, to trust you. It's the existential question of, why do you exist in the first place? Is it to just drive a profit or is it to truly transform the lives of people, help them get to a bigger, better, brighter future. And as a result, the profits will come because once you've defined your purpose statement, which does take time, it's time to apply your purpose. And this starts with your whole organization, your culture, living it and communicating it first and foremost, internally.

And then you apply your purpose externally in the communities you serve. And you do this through your communication, through your actions of both marketing and sales teams. This is what you say, it's what you do. This is how you build trust with people in a digital world. Your purpose statement also has the potential to become what we call a digital positioning statement. And this digital positioning statement is designed to attract like-minds.

Once again, internally and externally, people who believe in the bigger purpose beyond just the promotion of commoditized products, driving profit, but truly transforming the lives of people. And as we've talked about in previous podcast episodes, this idea of purpose is not just for commoditized retail products like socks and shoes. Purpose can absolutely create value and elevate your financial brand.

I want to take a look here at Aspiration, who is a purpose driven financial brand that launched in 2015. They've now raised over a hundred million dollars in capital, at the same time, they're putting that into action. They've acquired over a million customer accounts. And in fact, they're reporting that they're adding over a 100,000 new accounts every single month. So what's Aspiration's purpose? It's twofold, number one, it's helping people save money. And number two, it's helping to save the planet.

Aspiration strongly believes that they're not just building another commoditized financial company, but they're building something bigger, something more important. They're building a community of like-minds. They didn't set out to be a bank per se, even though they're on the financial side, they set out with a purpose of building a better world that could put more money back into people's pockets, to give people more power and do good with their money. They took all of this down and really distilled it into four simple words, their purpose, do well, do good. That's how Aspiration communicates their purpose, four words, do well, do good.


Now, they actually have to act on those words because if we think about trust, it's what you say, but it's also what you do. And how they act on these four words, do well, do good, it all comes down to even how they position their financial products. You see one of Aspiration's key products is being informed by their purpose, it's what they call their pay what's fair offer. And this allows consumers to pay Aspiration whatever fee that the consumer believes is fair to their account. And this particular pay what's fair offer was built on the belief that if you want to gain trust with people, you have to give trust. And Aspiration is so confident that they believe people will love being part of the Aspiration community, that they're doing what no other financial brand does when it comes to fees.

Now, granted, there has been some skepticism among investors when they launched this strategy, but with their pace of growth they're proving the skeptics wrong. You see, Aspiration's primary product is a spend and save account and that's offering interest rates that are a 100 times bigger than some of the largest banks at the time of recording. They have no ATM fees worldwide. They also have a program that allows their customers to AIM. An AIM is an acronym which stands for Aspiration Impact Measurement and AIM means to aim for a better future by tracking your planet impact score.

And this is really rooted around a person's spending behaviors, their spending habits, so that they can figure out whether they're spending money in a socially conscious way. In other words, AIM helps to provide insight into their account holders so that they can see how their dollars are matching up against their personal values and beliefs. They're also acting on the stated purpose of helping save the planet by using only fossil free accounts.

You see in 2019, there was a lot of bad press around the four largest global banks, JPMorgan Chase, Wells Fargo, Citi Bank of America, for how they were funding fossil fuels. And by leaning into this story, by leaning into this narrative, Aspiration through their purpose has been able to position themselves against fossil fuel funding. And as a result, Aspiration was able to scoop up over 200,000 X Wells Fargo customers who left the bank over this whole fossil fuel debacle.

Aspiration is very clear. They are profit driven, and I don't think we can lose sight of that, but they're profit driven with a purpose. And rather than charging fees to customers, they're making their money off of the spread of interest rates along with interchange that's charged to retailers when people swipe their Aspiration debit card. It's also important to note that they're giving 10% of every dollar they generate from customers to one of seven charities that the customers get to choose by focusing on helping Americans build a bigger, better life.



Now, amazingly, this makes Aspiration the industry leader in giving back, and it allows their customers to get to the side on the social causes that customers as an individual wants to focus on. When I think about Aspiration's approach as a purpose driven financial brand, it is absolutely a bold one. They've also made a really big bubble promise that customer deposits would never fund firearms or political campaigns. And in doing so, they really run the risk of alienating certain consumers who might be pro gun or work in fossil fuels. But my intent with highlighting Aspiration here has nothing to do with politics.

Instead, I just want to show and highlight how a financial brand is courageously committing to banking on a purpose that's bigger than itself and Aspiration is doing just that. They're doing it well, and they're doing it for both internal and external stakeholders. I'm impressed. I'm impressed with what Aspiration's doing, but I'm not the only one. You see, they've gained some attention and investment from big names like Orlando Bloom, Leonardo DiCaprio, and all of this comes back to Aspiration's focus on purpose.

And it's this purpose that is propelling the brand Ford through not only their communications, but also real action. And as we wrap up both today's thoughts, as well as this By the Book series, I want to leave you with one idea, one thought for you to continue to think about and consider as you move forward and make progress along your own digital growth journey. Without action, this idea of defining and banking on purpose, it's just another branding exercise. And for the most part, I hate to say it, but the branding for most financial brands, it's just BS. It's pretty pictures, colorful logos. It's shiny, happy stock people on websites. It's not real life.

When it comes to banking on purpose branding must transcend these shallow images. And in today's digital economy your financial brand's purpose is the brand. It's the why you do what you do. But the why is only skin deep, just like those pretty pictures that you might have on your website. If your purpose is not backed up by the proof, by the how, by the process. Defining your digital growth purpose is truly about transcending the promotion of commoditized dollars and cents. And you have an opportunity to position your financial brand around a purpose that educates, a purpose that empowers, a purpose that elevates people both internally and externally as you commit to put the transformation of people over commoditized transactions.

Be bold, commit to make purpose your North star, your guiding light. Confidently guide people on a path that creates a bigger, better, brighter future for the people in the communities that your financial brand serves. I'd like to thank you for joining me on the By the Book series. And I too look forward to continuing to guide you towards a bigger, better, brighter future through the insights that I share in my book, which you can pick up a copy for yourself and your team on Amazon, as well as through future thoughts I share on the banking on digital growth podcast. Because I commit to 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. As always, and until next time, be well, do good and wash your hands.