DIGITAL GROWTH INSTITUTE

DEMYSTIFY THE DIGITAL CONSUMER JOURNEY TO GROW LOANS AND DEPOSITS

By James Robert Lay

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For our honeymoon, my wife and I had originally wanted to go to Bora Bora. We had been talking about this for the longest time. Bora Bora was our dream but sadly not in our budget back then. What could we do instead? I knew I wanted our honeymoon to be an experience we'd remember forever.

So I got online and Googled. With Bora Bora out of the running, I had no idea where we were going to go, but I started doing a ton of research. I probably researched for a good three months looking for the perfect destination. Finally, with the help of TripAdvisor, I was able to narrow our honeymoon down to three or four locations and properties.

One of these was a little boutique hotel called Ladera on the island of St. Lucia. At the time, 2006, St. Lucia hadn't blown up as a tourist spot like it would in the following years. Obviously, there was tourism there, but the place was still wonderfully quiet and quaint. (Later, the island was featured on The Bachelor, which brought travelers in droves!)

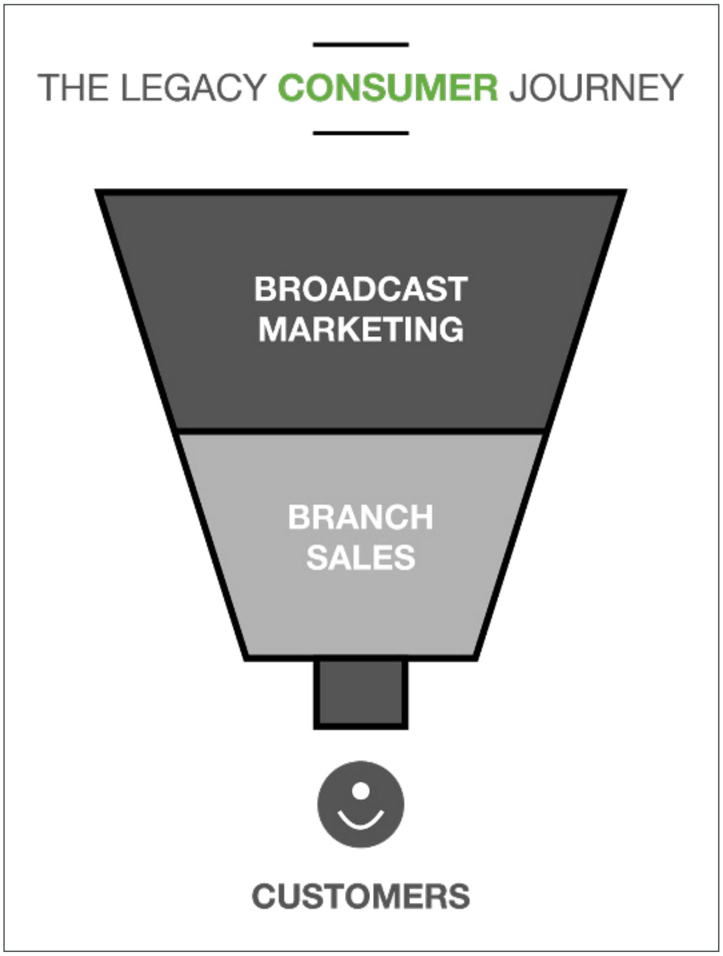
The neat thing about this particular hotel, Ladera, which I found through my research and all the positive ratings and reviews, is that it's situated about 1,500 feet above a bay between two extinct volcanoes. The whole place is open and exposed to the environment. There's no AC: you don't need it because you're so high in elevation that you always have a cool breeze running through. Also no phone, no TV, no internet—the perfect place for a honeymoon.

I bring this up to make the point that although I spent a lot of time and energy (digitally) researching the place in advance, once we got there, it was all worth it. I had picked the perfect spot—and I did it all *myself*. I was in control, and I didn't have to go through a travel agent like people used to before the days of digital.

THE BUYER CONTROLS THE MODERN CONSUMER JOURNEY

The way people shop and buy has changed forever. As financial brands, our job is to help facilitate the journey based on the unique situation of each individual consumer.

Pre-internet, the buying journey was so simple: there was point A and point B. First, you had some type of broadcast marketing stimulus—TV, print, radio—and this is what drove the consumer into a branch location. Then they would meet with a financial brand representative, get a loan, open an account, and so on. That was that. Life was good for financial marketing and sales teams.



Post-internet, the path is more like point A through point Z. There are just so many other waypoints we have to consider now as a financial brand guiding consumers along their individual buying journeys.

When I was researching a honeymoon hotel, I was anxious about messing things up, especially going to a place I had never been to before. This was our honeymoon, after all, a once-in-a-lifetime experience! Consumers shopping for financial products feel that same anxiety or even greater. They want to be sure they're making the right choice. They're looking for help and guidance.

> *I can't stress this enough:*
> You need to understand where they're coming from and empathize with what they're feeling, which is why it's so important to **map out their digital consumer journeys**.

But where do you start?

With a piece of paper and a whiteboard.

Analog. Ironic, right?

It all comes back to creating space and time to step into those other operational areas to *learn* about human behavior, how people are shopping and buying financial products, and then apply that thinking.

This isn't about fancy technology. It's about a pen and paper and sticky notes.

It's also where the golden opportunity lies for marketing to redefine their role beyond frustrated order taker to strategic leader—to show what marketing digitally is really about.

What *is* it about?

Systems and processes.

Experiences.

Marketing teams have the opportunity to redefine their role as experience engineers. And to engineer these experiences, they have to think and plan and map.

Digital consumer journey mapping is one of the most essential strategies that can maximize your financial brand's future digital growth potential.

Sadly, it's still an anomaly in our industry.

WE MUST ADDRESS THESE INDUSTRY PAIN POINTS

From the research we've conducted year over year across the industry, we've found 84 percent of financial brands have not mapped out digital consumer journeys.

Why is this such a problem? If you don't have a digital consumer journey mapped out, just think what it means for the person on the other end trying to navigate the complex world of buying a financial product.

It's like asking them to walk through the woods at night alone without a flashlight. Sooner or later, someone's going to get hurt!

A study from CUNA Mutual found 61 percent of borrowers shared they felt "anxious, stressed and/or afraid at some point before or during the loan application process."

Simply taking the time to map out consumer journeys from a digital-first perspective will absolutely help reduce the anxiety people are feeling when they're shopping and applying for a financial product.

Unfortunately, not only have most financial brands failed to do this, but they're also losing business around their consumer application process, which is another huge pain point.

Our year-over-year industry studies have found 83 percent of banks and credit unions do not have what we call an abandoned application process—meaning, when someone starts an application but abandons it, there's no way to even know who the person was, let alone follow up with them.

Just think of all the lost opportunities!

> When you haven't mapped out your digital consumer journeys, it's like you're asking consumers to walk through the woods alone at night without a flashlight!

The more you can understand how people actually shop for and buy financial products in today's digital economy, the better position you're in to address problems like abandoned applications and bridge these gaps.

So how do people shop and buy?

From our research, we have found 87 percent of bank shopping journeys start online.

How do we know this?

When we conduct Digital Secret Shopping Studies that include lead experience and emotional experience testing of financial brand websites, we actually ask people how they would go through the shopping process.

Most (87%) say, "We'd start with Google." The other 13 percent say, "We would ask a friend or talk to friends or ask on social media and then go to Google." (In other words, the number is really closer to 100 percent!)

When it comes to other financial products like mortgages, there have been studies like Ellie Mae's, which found 92 percent of people who bought a home within the previous year did their research online before—and this part is key—reaching out to a lender. Similarly, a study from Jornaya found that 60 percent of mortgage customers visit more than one third-party website before shopping for a loan.

It is also important to understand **just how *long* the buying journey is these days for people in the market for financial products.**

For a deposit product, like a checking account, we're talking two to three months on average from the time someone starts looking to when they actually convert. But for mortgages, that window can be six months or even longer!

**What are consumers doing during that six-month period?
They're looking for help!**

A study from Google Insights, the "Zero Moment of Truth," shared that consumers use an average of nine different sources of information to help them make a buying decision, and 57 percent comparison-shop bank products online, just like I did when I was comparing properties for my honeymoon.

> Human interaction doesn't have to be face-to-face, but it must be all about the experience.

Ultimately, what Google found, and what we have found through our own Digital Growth Secret Shopping Studies, **is human interaction—even if it's just a two-minute interaction online via email, chat, or even video—is still the most influential source in a consumer's buying journey for a financial product**.

THE EXPERIENCE FORMULA FOR GROWTH

Brett King (whose thinking has influenced me a lot) has taught us that banking isn't just somewhere you go but something you do.

I suggest banking must also become something you *experience*.

Once again, we've defined experience as nothing more than a set of systems and processes—centered on the digital consumer journey—that have been defined, applied, and optimized over a set period resulting in a positive or negative emotion.

Now we're taking this idea of experience and connecting it with digital consumer journey mapping, through the formula **DX + HX = Growth**.

DX is the digital experience, and HX is the human experience. As we will see, growth is not about one or the other. It can only happen when the two work hand in hand together.

Let's walk through this equation piece by piece, starting with the **digital experience**, which is actually made up of three sub-experiences.

First, you have your lead experience (LX), then your customer experience (CX), and finally your referral experience (RX).

The digital experience (DX) is the sum of all three multiplied by the emotional experience (EX) delivered digitally.

DX = (LX + CX + RX)(EX)

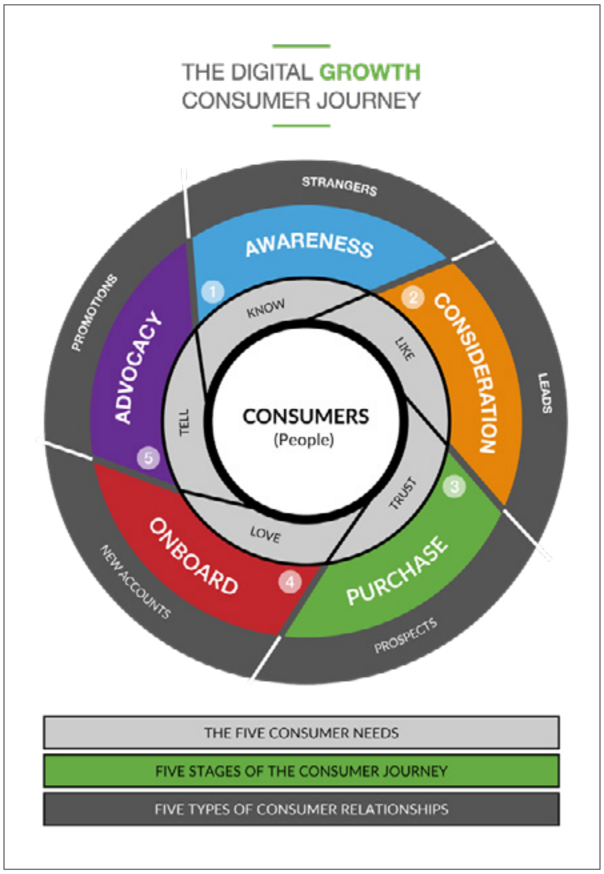
Just like digital experience (DX), the human experience (HX) is also made up of two key sub-experiences, as people are seeking two things central to their own human experience: Help (He) and Hope (Hp).

One important note: when it comes to their financial situation, people do in fact seek hope before help, as they truly long to escape the current financial situation they feel trapped in.

Finally, both help and hope are further amplified when empathy (Em) enters the equation through empathetic communication and messaging strategies.

HX = (He + Hp)(Em)

When mapping out digital consumer journeys, we need to consider all of these different experiences as we take into account the five consumer needs that are directly related to the stages of the buying journey.



5 STAGES OF THE BUYING JOURNEY

Stage one is the **awareness** stage: that's when a consumer is a stranger and needs to get to know you first.

Stage two is the **consideration** stage: when a stranger becomes a lead and begins to like you and what you stand for (your purpose).

Stage three is the **purchase** stage: when a lead becomes a prospect and has gotten to the point of trusting you enough to apply for a loan or open an account.

Stage four is the **onboarding** stage: when a prospect becomes an account holder because they "love" you and you "love" them—that is, commitment. (This love is tied to onboarding because it's where the consumer wants to be affirmed in their buying decision.)

Finally, stage five is the **advocacy** stage: when an account holder loves you so much they want to tell the world how great you are.

To recap, we have awareness (knowing), consideration (liking), purchase (trusting), onboarding (loving), and advocacy (telling). These are the five stages of the buying journey directly aligned with the five consumer needs.

Some of you may already be familiar with these ideas, but I've found it's very helpful for financial brands to have it all together in a framework like this and to be able to see the digital experience as a whole through this lens of the consumer's buying journey.

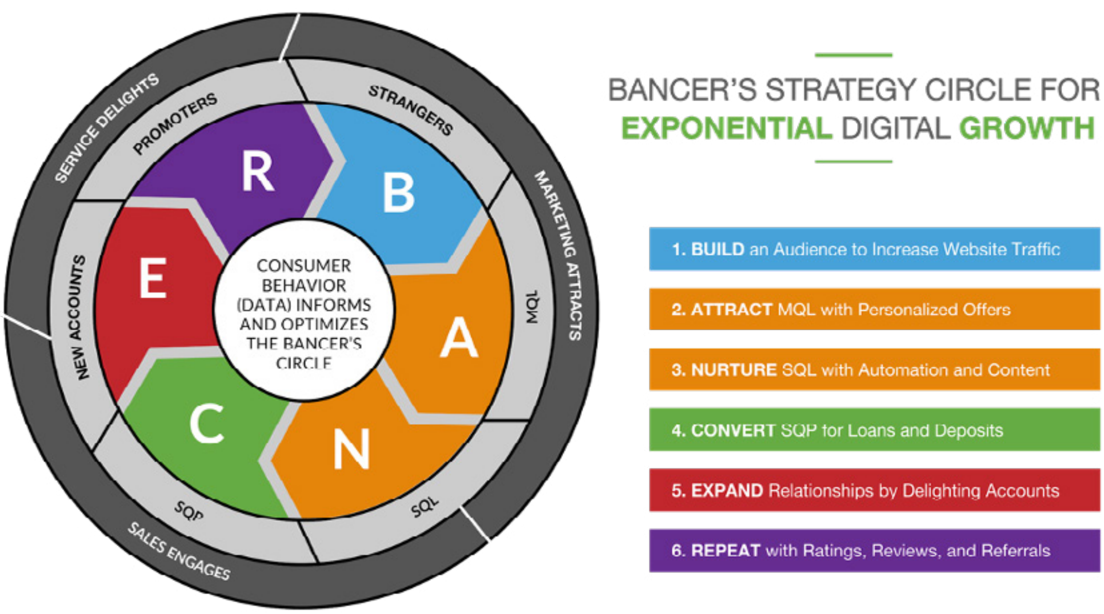
> The five stages of the digital consumer journey are awareness, consideration, purchase, onboarding, and advocacy.

APPLY THE BANCER'S STRATEGY CIRCLE TO MAXIMIZE YOUR DIGITAL GROWTH POTENTIAL

Expanding further on this thinking, we developed an operating methodology aligned to these journeys called the **BANCER** (pronounced "banker") Strategy Circle.

This is an acronym to help you remember six key strategic actions that align marketing, sales, and service activities around a centralized operation methodology.

- **B:** Build an audience to increase website traffic
- **A:** Attract qualified marketing leads with personalized offers
- **N:** Nurture sales qualified leads with automation and content to increase trust
- **C:** Convert sales qualified prospects into new loans and deposits
- **E:** Expand relationships by delighting account holders through onboarding
- **R:** Repeat this process with ratings, reviews, and referrals



> Your digital consumer journeys must always put people at the center of all of your thinking and doing.

Even as we've seen 87 percent of consumers starting their buying journeys online for financial products, interestingly, however, we're also seeing the **in-person, in-branch experience have the highest pull-through and conversion rate for digital leads.**

It's a paradox: digital is still driving in-branch leads.

But why?

In part, it has to do with the problem I mentioned earlier with the application abandonment process, as 85 percent to 92 percent of online applications are abandoned.

From an e-commerce standpoint, that's like someone leaving something in their shopping cart and not clicking the Buy button. There's intent there, but then something, some friction (most likely frustration in the application itself), causes the person to abandon the app and jump ship.

Obviously, if we don't know who those consumers are, we're losing the opportunity to get them to come back and complete the application process.

> Eighty-five to 90 percent of online applications with financial brands are abandoned by the consumer before they are submitted.

There may be a digital paradox at play for now, but the central fact remains that consumer journeys are completely different than they used to be: they're much longer, and the majority of journeys start *online* with consumers comparison shopping and very much in control of the entire buying experience *themselves*.

Mapping out digital consumer journeys is a strategic priority for financial brands in today's digital world.

In fact, you should apply and repeat this exercise for every single one of your product lines guided by the BANCER Strategy Circle.

But remember, it's an ongoing process. Once you apply the first iteration, come back again, review, and learn from what worked and what didn't. Then optimize to make it even better the next time around.

ABOUT THE DIGITAL GROWTH INSTITUTE

We simplify digital marketing and sales strategies that empower financial brands to generate 10X more loans and deposits. And we do this through the Digital Growth Method that provides clarity for financial brand marketing, sales, and leadership teams as they gain the knowledge, abilities, skills and habits they need to maximize their digital growth potential.

As a result, leadership teams no longer feel confused and frustrated about their future growth as the Digital Growth Method elevates their marketing and sales teams to escape the overwhelm of "dabbling in digital" and confidently guide 10X more people in the communities they serve beyond financial stress towards a bigger, better, and brighter future.

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