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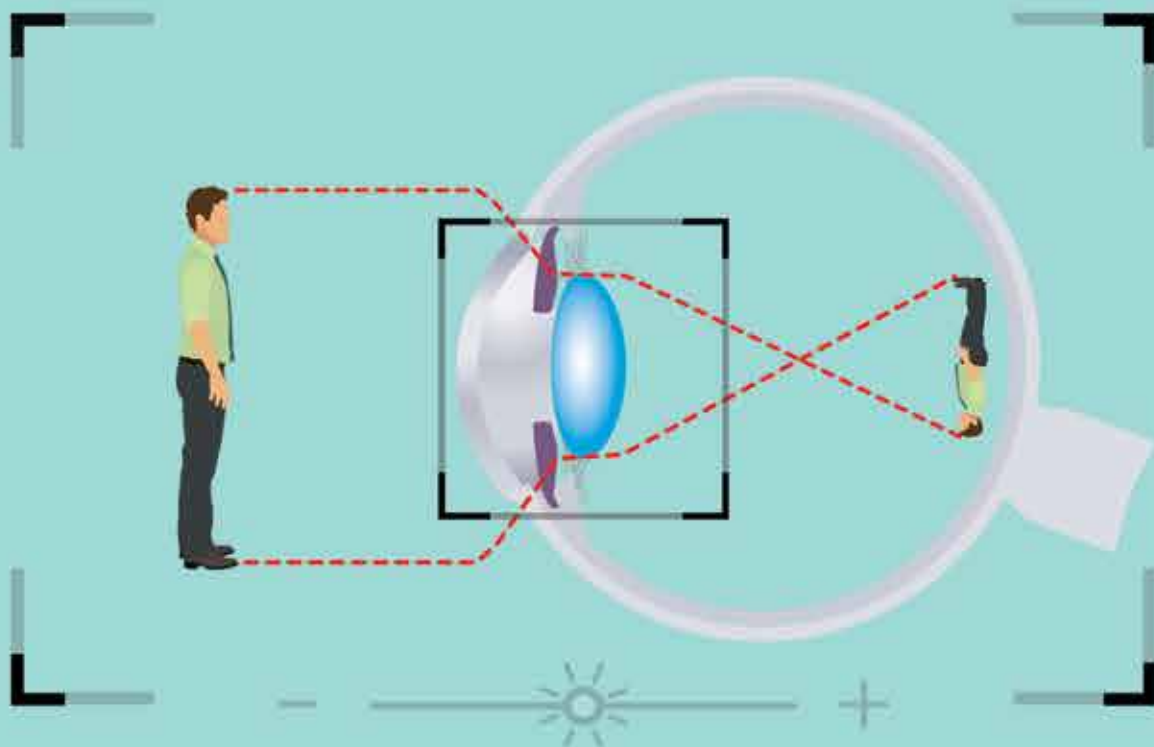


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By Mike Eshelman

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BRING THE **BORROWER** INTO FOCUS

Data-rich marketing will deliver
the right message at the right time
to the right clients

Ten years ago, the most advanced marketing discussions on lead generation revolved around clicks and conversion funnels, or getting people to visit your website and turning those visits into a sale.

Today's marketers are moving from pure lead generation to a new approach, creating superior experiences that reach the client when and where they want with a message they are open to receive. Originators will want to pay attention to this evolution in marketing. ■ ■ ■

THE JOURNEY SUMMIT

THIS PAST SPRING FOCUSED
on marketing for major life purchases,
including shopping trends for residential mortgages,
insurance products, automobiles and academic degrees.

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One of the themes to emerge from the conference is that lead-based marketing is dying. The idea is that companies of all kinds need to dig deeper to connect with clients, especially those considering these major purchases.

In order to do that, marketers will need to access behavioral buying signals to inform outreach at different stages of a consumer's purchasing journey. Mortgage companies that understand this can gain a competitive advantage in the marketplace.

Changing approach

For the last couple of decades, marketers in the mortgage industry have spent money on various channels — direct mail, display advertising, e-mail marketing and broadcast media — to generate sales leads. As those leads fill out forms or call in, the marketing automation engine revs up to convert those leads into clients.

Historically, the experience one lead receives is fairly similar to that of other leads. This one-size-fits-all approach tells the person that they are just another lead among many others and aren't cared about enough to customize their experience by providing the information they want, when they want it, in a thoughtful way they will appreciate. This approach is called lead-based marketing and it's quickly dying.

Marketers have access to more technology and more data today than ever before, allowing them to build a hyper-personalized experience while the client is progressing along their shopping journey. Gaining a clearer picture of who the person is, what they are interested in, how they like to communicate, and whether they are in an early stage or late stage of their shopping journey are all factors to consider when deciding to engage with them. This people-based marketing approach has delivered results far superior to the one-size-fits-all approach, and has proved to be well worth the time and effort.

Imagine you're the prospective borrower who has completed an online application with an originator, which consisted of supplying a lot of personal information, and you call to ask a couple of questions. Would you prefer scenario A or B?

Scenario A: "Hi (your name), I see you submitted an application today for a refinance at (your address). Let me connect you with a licensed loan officer." The loan officer answers, "Hi (your name), I have your information here and it looks like you were a little hesitant to provide your Social Security number. What questions can I answer for you at this time?"

Scenario B: "Thank you for calling XYZ Lending. To speak with a loan officer, press one, otherwise press zero." You press one and a loan officer answers, "Hi, this is Mike. Who am I speaking with? Let me find your information, please hold."

Most people would likely choose Scenario A because it proves the originator took the time to set up a personalized experience while cutting down the time to get questions answered, as well as establishing trust that there will be a great experience working with an efficient mortgage company.

Those who choose the latter mortgage company will likely feel discouraged every time they need to call. That's the difference between a generalized lead-based marketing experience and people-based marketing that can be applied across different channels.

Leverage data

Top marketers are leveraging partnerships with data-as-a-service companies to learn more about their client base or potential clients. By leveraging alternative and unique data sets, marketers are able to learn more about consumers and create sophisticated experiences that are appreciated. Data-as-a-service companies organize and provide access to your clients' and prospects'

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shopping-journey behaviors and preferences, enabling smarter and safer interactions. Marketers are then able to optimize timing and messaging by leveraging the consumer's preferred method of communication.

Imagine knowing when a prospect from last year is back in the market for a mortgage. What if you also knew that they were researching refinance and home equity options? Not only could you engage with them in a timely manner, you could include messaging that is focused on cash-out options since that is clearly what is motivating them.

To take this example further, what if you also knew their communication preference was text messaging and they hardly ever answered phone calls? Beyond that, if you have many originators working in your organization, it would be possible to match that client with the originator who is most likely to convert the interaction into a deal.

There are many ways the right data-as-a-service partner or partners — those focused on financial services — can change your marketing strategies. This includes a simple and basic approach, all the way to a deep and sophisticated approach that results in machine-learning automated marketing campaigns.

Don't feel that changing from a lead-based to a people-based approach is only for those with fat wallets and technical resources. You simply need a little focus and care to get started. Most data-as-a-service

companies can provide seamless integration with various customer-relationship management and marketing technologies.

Proceed cautiously

Given mortgage lending is a highly regulated industry, there are a lot of things to consider when selecting data-as-a-service partners. First and foremost is data security. Be sure to gain a clear understanding of the data-exchange process.

For instance, note whether you are required to send your clients' and prospects' highly sensitive personal and financial information in plain text, or if it is exchanged in a privacy friendly manner, such as encryption, hashing or converting passwords to codes. How is your data being stored by your potential partner? It is highly recommended to have your information security officer thoroughly vet each partner you are considering to ensure data security.

Second, ask for their best practices for using mortgage-specific data. They should be well-versed in mortgage lending and industry regulations to avoid potential issues. For instance, if they are modeling data to better target prospects, you don't want to fall into the trap of unknowingly redlining, or denying a group of people mortgages based on their demographics.

This has become a hot topic with machine-learning marketing automation and will be a focus of regulators as machine learning becomes more mainstream. Along with best practices, also ensure you are on the same page with the data partner on how success

will be measured, and that you will be able to measure your return on investment clearly.


Lastly, understand how your potential partner will return the output data to you. You may be able to easily digest the data into your existing marketing technologies through an existing integration, or you may be required to manually upload the data. Once you understand how the data will get from point A to point B, you need a plan to execute your people-based marketing approach. The last thing you'll want is new data coming in that you aren't ready or able to use.

Cultivate relationships

In today's world, mortgage originators can collect substantial amounts of data on their clients and prospects which, if used thoughtfully, will create an experience that is appreciated and will lead to positive results. Delivering the right message to the right client at the right time, using the right method of communication, can exponentially increase sales performance.

Equally important as marketing to the right people at the right time is not marketing to the wrong people, or worse, to the right people at the wrong time and causing them to be annoyed. Client generation is based on being able to influence consumer behaviors by engaging with prospects in a thoughtful and personalized manner.

Cultivate a relationship with the consumer along their journey and provide messaging that lines up with the product they are seeking. It will boost your marketing efforts. ■



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