

Getting the Most Marketing for Your Money

Understanding various marketing outlets can help you gain the best bang for your buck

By **Ron Appel**, director of operations, Summit Direct Mail Services

MORTGAGE BROKERS FACE MANY ways to spend their marketing dollars. To choose the best outlet for your marketing budget, you must first understand exactly what you are getting for your money. A few popular sources include Internet leads, telemarketing leads, print advertising and direct mail.

Internet leads

Internet leads are relatively inexpensive. Depending on your resource for these leads, they also can be “fresh” from respondents who completed some form of online application.

A downside, however, is that most Internet leads are not exclusive. They often are shared and resold among other brokers. In many cases, you won't be the first broker contacting a lead — even on that day. You often may wind up with an irate homeowner who has no desire to speak with you.



Ron Appel is the director of operations for Summit Direct Mail Services. Summit specializes in lead-generation services for mortgage professionals. It also attends many regional and all national trade shows and exhibits on the National Association of Mortgage Brokers circuit. To contact Appel, e-mail him at ronappel@summitdirectmail.com or call him directly at (888) 259-9177, ext. 222. Visit Summit's Web site at www.summitdirectmail.com.

Remember, too, that if you have a national focus, East Coast brokers often have a time-zone advantage over West Coast brokers in contacting an Internet lead first.

Telemarketing leads

The upsides to telemarketing leads are that they are relatively fresh and can be exclusive. Plus, you can opt for “live” transfer programs.

But telemarketing leads are expensive. In addition, you are not personally qualifying prospects. You likely do not know what borrowers have been told to be qualified as a valid lead.

Additionally, with the exception of live transfer programs, you may have to spend time chasing your prospects after you receive your lead from your telemarketing resource.

Print ads

With advertisements in print media, you can reach out to a wide base of prospects, be they via the newspaper or a general-interest magazine.

There are some downsides to print advertising in general-interest publications, however. In addition to its expense, the shelf life of your ad is virtually only a few seconds — or as long as it takes to turn the page. You also are not targeting a specific niche.

Print media typically employ a shotgun approach to marketing: Reach out to enough people, and you are bound to find someone who needs your services.

Direct mail

Direct mail typically has predictable response rates. Properly run direct-mail campaigns can produce between a 0.5-percent and 1.5-percent response rate. This number may seem low, but it equates to 25 to 75 calls for every 5,000 pieces sent.

Another advantage is that you can customize your message. You can target any niche and can increase your chance that respondents will fit the profile you seek.

The cost is moderate. Most important, your prospect is calling you.

A downside to direct mail is that most direct-mail pieces (99 percent) will be tossed away.

Most brokers focus on the cost per piece when considering direct mail. This is a mistake. Cost per piece is not the important factor; cost per response is the only real factor that will determine your true success.

■ ■ ■

Most marketing experts agree that a combination of resources will produce the best results. When deciding which form or what combination of resources you should employ in your marketing plan, you must consider the return on investment.

Take a close look at where you're spending your marketing dollars and be willing to shift your budget to the resource that is producing the best results. **!**