

Hit the Mark with Direct-Mail Marketing

To reach your intended market, do your homework

By **Ron Appel**, national sales director, A+ Letter Service

TO CREATE AN EFFECTIVE MARKETING plan, you must first identify the market sector you want to target.

Too often, when mortgage brokers consider which markets to target, they are unprepared for the particular market sector they choose. For example, if they choose to jump into the bankruptcy market without having the proper breadth of products and lenders to accommodate that sector, they will scramble to satisfy their prospective borrowers. This will only serve to alienate their clients and will result in doing more harm than good for their company's image and credibility.

Getting your ducks in a row after the fact is a recipe for disaster and also a waste of your valuable marketing dollars. Before entering any new market, therefore, you must first consider what your shop's specialty is. Is it nonprime? Do you

prefer A-paper business? Are you well-versed in bankruptcy? Can you handle the entire spectrum of financial needs for most borrowers?

You must address these issues before deciding which market sector to pursue.

Maximizing potential

So how can you best maximize the potential from your own market? If loan value is the driving force behind your marketing efforts, then do your homework first. Every geographic sector of the country has pockets of affluent borrowers and pockets of less-affluent borrowers. Become an expert in the demographics of the states in which you are licensed.

Sending a nonprime mailer to neighborhoods with \$500,000 homes will probably not yield the type of borrower you seek to target. Research your towns and counties to best match your financial products with the clientele within those regions.

Another market that can be a strong sector for direct-mail campaigns is the renter-to-purchase market. Again, keep in mind the area that you are targeting when conducting this type of marketing campaign. Sending a mailer geared to renters in an area that primarily has single-family homes will not yield the response rates you desire.

Remembering the list

Remember, it all starts with the list. Make sure that you are using the right filters and criteria to best match your marketing goals. The easiest way to increase direct-mail response rates is to

get your message in the hands of those borrowers who are most likely to match your intended target audience. Would you send out a mailer targeting jumbo loans to a bankruptcy database? Of course not.

You know that you will probably not receive a single phone call if you do. So before you waste your marketing dollars chasing the wrong prospects because you did not do your homework, think about the goal of your marketing plan.

Once you have decided on your marketing direction and purchased the appropriate data file, scrub your data file against the National Change of Address list. Also certify your data file with the U.S. Postal Service's Coding Accuracy Support System. This will ensure that once you have targeted the right prospects, your mailer will be delivered to your intended audience.

Respecting your borrowers

Another important factor for success is to approach each prospective borrower with respect, courtesy and professionalism. Looking down on or chastising a bankruptcy prospect is not only foolish, but it will certainly not win you that prospect's business either. Remember that people who have fallen on hard times and who have instilled their trust in you can provide a tremendous amount of referral business for you and your company.

Word of mouth still rules in gaining and keeping new and existing customers. If you never lose sight of that, you will surely reap the benefits from the power of referrals. **■**



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