



# GENERATE LEADS WITH CUSTOMER-DIRECT MARKETING

By Dan Gooder Richard

After the recent dramatic downturn in refinance and purchase demand, many loan originators are facing problems they never had to think about before. A common refrain among lenders “The market has changed. Before, our phone was ringing off the hook. Just to keep up, we worked day and night seven days a week. Now, we have to go after prospects, and I don’t know how to do it.”

It’s a fact: For the year 2000 and beyond, proactive marketing and lead generation is going to be more critical to survival than ever. For the first time in years, loan originators will have to launch aggressive lead generation programs. The solution is to reach out to customers with direct marketing at a level of professionalism and a scale of volume like never before.

Today’s top producers know they must become rainmakers to beat the competition to the remaining business, and they know they need a systematic approach to generate, capture, and close more leads and loans. The new strategy is fairly straightforward: Attract prospects to call you before the competition, turn leads into a steady stream of new customers, and cultivate past clients to provide more referral prospects. This is the premise behind the “3-Step Rainmaker Lead System™” introduced in my new book, *Real Estate Rainmaker®*.

## Prime The Prospect Pipeline

The challenge for rainmakers is to keep the pipeline full of prospects. The 3-Step System is the pipeline—a watertight marketing system designed to be a circle, never ending, always nudging customers along, and forever producing referrals and repeat business. The three steps are: Lead Generation, Prospect Follow-Up, and Long-Term Contact, which perpetuates the cycle by generating more leads. Customers are never turned loose.

The beauty of the rainmaker system is its holistic approach and comprehensive treatment of the natural prospect-customer-prospect cycle. Getting more prospects begins with lead generation, and that begins with direct response offers.

Direct response marketing is a proven technique designed to generate a direct response from a desired customer by making an appealing offer, often a free premium. Rainmakers understand direct response is the opposite of “image” or institutional advertising that is centered on the advertiser, not the customer. A classic image headline is “We’re # 1.” Direct response is also the opposite of personal marketing that is centered on the individual placing of the ad instead of the customer, for example: “I’m the greatest!”

In contrast, customer direct response marketing addresses the prospect and has two fundamental requirements:

1. Offer something of value...
2. ...that only your target customer would respond to get.

## Nine Proven Customer Direct Techniques

**1. Handpick the customers you want.** Direct response offers give you the power to pick your customer. Want first time buyers? Couples moving up? New home buyers? City dwellers buying vacation homes? Cash-out refinancees? B, C, or D prospects? By designing your offer to appeal to your targeted customer, you are in control.

**2. Focus on the customer’s problems.** Listen to your customers. What do they want? What do they worry about? What information about mortgages do they need that they don’t have? What problem do they need you to solve?

**3. Translate your solutions into offers.** After you learn what your customers want and need, figure out how you can help them get it. Turn your solution into an offer that they can’t refuse. Imagine a first-time buyer’s confusion over mortgage lingo and the paperwork involved. Offer them a booklet that simplifies and clarifies the whole mortgage loan process.

**4. Turn your solution into a premium.** Take your solution and turn it into something tangible. A no-risk loan

preapproval, an information-filled report describing 17 ways to save thousands on a mortgage, or a one-evening workshop on how to shop for the best loan. Prospects want information on a variety of subjects; you have the information and you want prospects. Offer a premium that will bring you together.

#### **5. Make your offer valuable.**

For a direct response offer to be effective, it must promise prospects a huge self-serving reward. Yet, it must be believable. Be specific and make your copy have value in terms of money, time, or information such as:

- Six little-known ways to cut closing costs
- Discover how much house you can buy with one 3-minute phone call
- Discover 12 secrets to a stress-free family move

**6. State your offer clearly.** Make it big, bold, and up front. Make it easy to read and understand, with no small print. Make sure the copy features a clear benefit to the customer. Make your prospect call, write, e-mail you, or come by your office to get the premium they won't be able to resist.

**7. Limit the time or supply of your offer.** Push prospects to respond now. A limited-time offer with a stated expiration deadline or "seats are limited, please reserve early" copy creates urgency and gives the prospect a reason to get off the fence and respond.

**8. Everything must contain a response offer.** All your marketing, advertising and prospecting should include response offers, even your voice mail messages! When you send an e-mail, include a hyperlink and the latest rates on your website.

**9. Constantly test offers.** Your best lead generation offers, whether they are reports, booklets, or services, will be the result of literally hundreds of tests over the years. Different target prospects will have different "best" offers. If an offer doesn't produce results within an acceptable period of time, rewrite the ad or place the ad in a different form of media.

## **Create your own identity**

Stand out from the crowd by focusing your lead generation marketing on

customers and providing solutions to their problems, not on yourself. Amaze them with your credentials and production later during the sales appointment. Uppermost in every prospect's mind is "What's in it for me?" Build your reputation by convincing them you are the financing expert who has the answers they want.

Plan your ads, letters, postcards, newsletters, for readers who scan. Use boldface subheads and underlines to emphasize your main points. Keep it short. Make it simple for your prospect to respond with a reply mail coupon or envelope. Consider using an 800 number, and call capture 24-hour hotline technology with pager, fax or e-mail notification to you of a lead. Prospects shouldn't have to struggle to do business with you.

## **Maximize Your Results**

After you've developed offers, run the ads, and generated direct leads, take precautions to avoid falling into the lost lead trap. Set up a viable contact management system so that you make certain to follow up on all leads, until they buy or die.

Educate follow-up prospects on the buying and financing process, send them special reports, send them reprinted news articles, and flood them with information. Give it as long as it takes to land an application. Then, tap into friends and family of the prospects by asking for leads and referrals. Maximize your network of like-minded customers. And never let a lead go unanswered or wait too long to answer. If you wait more than 24 hours, you've let the lead slip through your fingers and into the grasp of competition.

## **Build A Trophy Database**

Building a Trophy Database of prospects, past clients and people you know is the single most important secret to becoming a successful rainmaker. Several softwares are available specifically for originator's contact management.

Producer's Edge by Advanced Marketing (800) 442-4835 offers a range of tools for database management, such as mass mailings, side-by-side loan comparison and good faith estimates, and

it interfaces with several leading loan origination system (LOS) softwares.

TQS PLUS 4.0 by Byte Enterprises (800) 695-1008 has recently released a new module called TQS Market Manager that features full contact management inside this loan origination system software.

SyncMaster by Westlake Consulting in Westlake Village, CA and Mortgage Quest by Market Focus (800) 708-9715 offer the ability to import and export mortgage industry specific contact information back and forth between LOS softwares such as Calyx Point (800) 576-6350 and Genesis 2000 (800) 882-0504 and popular contact management softwares ACT! and Goldmine.

Loan Tracker, Loan Handler and Loan Finder by Contour Software (800) 266-8687 are separate modules that provide report functions useful in follow-up and lead generation.

Contact Manager is a function in Genesis 2000 that provides conversation logs, mail/merge letters, labels and schedules follow ups using user-defined reports for contact management.

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