

SIX RAINMAKER STRATEGIES TO GUARANTEE CUSTOMERS FOR LIFE

By Dan Gooder Richard

There is a Country-Western song sung by Kathy Mattea called, “Standing Knee Deep in a River (Dying of Thirst).” Maybe you’ve heard it. The title reminds me of the dilemma many mortgage brokers face when they’re looking for new customers and new business. You have safely stored away your database of past clients, and you know there is much more new business out there, but you don’t always make a connection between the two.

Believe me. If you have a client list now, you have at your fingertips all that you need to generate a steady stream of customers in any market. You are standing knee deep in possibility. And if you follow the six simple strategies detailed in this article, there will be no reason for you to feel “thirsty” ever again — especially in today’s marketplace.

Your single largest source of business

To start you must realize there are only two types of people in the world — ones you know and ones you don’t know. Included among the people you know are past clients and business contacts. Year in and year out, the people you know, specifically your past clients, will be your single largest source of business. Experience shows there are three reasons for this marketing truth.

1. Homeowners refinance more often than they move. Past customers turn to you again and again for refinanced loans to cover home improvements, college or medical expenses, debt consolidation and simply to take cash out for big ticket

purchases. Repeat refinancing business is the main stream to success for experienced mortgage brokers.

2. Each person on your client list has a circle of about 20 friends, relatives, neighbors and co-workers with whom they willingly share positive experiences. The larger the transaction, the more eager they are to talk about it. Customer referrals are a perpetual source of new business.

3. Every one of your business contacts — Realtors, builders, accountants, financial planners, insurance agents, etc. — influences their sphere of contacts and clients. Cultivating this third business-to-business referral source is essential. The secret is to make past clients, referrals sources and business-to-business (B2B) professional contacts your guaranteed customers for life.

Six simple strategies for optimum customer retention

With interest rates down, mortgage originations are expected to be strong and refinancings are already booming in 2001. Now is the perfect time for you to step up your efforts to hold on to your past clients for repeat business and maximize your referrals for new business.

Deliver great service

Strategy 1. The first strategy for keeping customers for life is: Deliver great service. Exceptional service will bring a customer back time after time. Plus, you know your clients are going to talk about their financing or refinancing experiences to dozens of people. Since they’re going to talk, give them something

extra to talk about. Good service simply provides an acceptable product efficiently to the customer’s satisfaction. Great service always includes giving a little bit extra. This is where you can stand out above your competitors.

Add a personal touch. During early conversations, ask about your client’s hobbies or special interests. Learn the names of close family members, their birthdays, and anniversaries. Make a note of these facts in your files for later follow up.

Give closing gifts. Closing gifts maximize the benefits of your personal touch and add shelf life to customer loyalty. If you give something that can be shared with the family, or something related to a client’s special interest, so much the better. For example, you might consider:

- Subscriptions to magazines related to home and garden (Home, Coastal Living, Homeowner), or general interest publications such as National Geographic. A magazine that fits your client’s special interest will be sure to make a hit. For less than \$2 a month, your best customers will get a reminder of you twelve times a year. And you don’t have to lift a finger.

- A small framed sketch of their home. Ask your builder, Realtor and architect friends for an artist they use. With a photo the artist doesn’t need to be local; search the Internet.

- A battery-operated smoke or carbon monoxide detector. Six months later, or once a year you can follow up with a

replacement battery and a stay-in-touch letter asking for referrals.

- A book on your customer's favorite topic or by their favorite author.

Stay in touch with your clients

Strategy 2. Stay in touch with your clients. Long-term contact is the key to your profitability. Maintain contact regularly, with imagination, and you will be remembered whenever the customer thinks or speaks about mortgage loans. Here are a few ideas you can build on as time and money permit to keep your name on the tip of their tongues:

- Stay in touch with personal notes, newsletters, postcards, e-mails, regular phone calls and personal visits.
- When your client list grows to the point where personal visits become too time consuming, consider a client appreciation group event.
- Send wallet calendars or date books toward the end of the year. Your customers will keep them and refer to them often. This is a great way to keep your name in front of your clients all year.
- Send birthday, loan anniversary, and other special occasion cards. If the occasion calls for it, a box of candy or a tin of cookies will be appreciated and shared among family or co-workers. Drop in a card that asks for the business: "Have you seen interest rates lately? You may be surprised at your borrowing power."

Educate your customers about referrals.

Strategy 3. Educate your customers about referrals. Referrals are critical to your continued success. However, your satisfied clients might not realize how important it is to you that they pass along names of potential borrowers. Here are some ideas that have worked for other mortgage brokers.

- Tell your clients a story about how you were able to help someone who was referred to you by a past client. Be specific.
- Publish a pie chart showing your sources of business and how important referrals are to you.
- Use slogans such as "Do a friend a favor. Ask them to call us," or "People who know us recommend us."
- After closing, present your client with a legal document binder to assemble and keep important home documents. Have

the binder imprinted with your name, company name and contact information, and be sure to include several of your business cards for them to pass on to their circle of friends and relatives. Ask their Realtor if the Realtor wants to be included and share the expense.

Ask for referrals

Strategy 4. Ask for referrals. You can be subtle about it, or you can be direct. Just know that if you don't ask for the business, someone else will, so don't be shy. Checkout these creative ideas other rainmakers have used to solicit referrals of potential customers.

- A day or two after a client's move-in day, drop by with a gift of wind chimes. Express your congratulations on their happiness with their new home, and let them know how important referrals are to your business. Ask them who they know in their (church, neighborhood, office, family, etc.) that is in need of your services. Every time the wind blows, the chimes will remind them of you and your request for referrals.
- Always ask for referrals in your follow-up mailings, visits and phone calls, especially when you leave voice mail messages. "Oh by the way, do you know any one who is moving?" Asking for referrals applies not only to your contacts with past clients but your conversations with prospective borrowers in your own sphere of influence as well.
- When you're given a referral, ask if you can mention the client's name in your initial contact. Be sure to get the prospect's phone number and address and a recommendation of the best time to call, if your client knows. Also ask why your client recommends that person. The more you know about the prospect, the easier it will be to open the door of their interest.

Follow up immediately

Strategy 5. Follow up immediately. When clients come through with a referral, let them know how much you appreciate it and promise to make contact right away. You'll build future customer loyalty with your "advocate" clients as you bring them closer into your inside circle of friends and business acquaintances with continued contact. Nothing reinforces desired behavior like a thank you, and there are many ways to express your gratitude. Here are just a few:

- After your first meeting with the new prospect, send your referring client a

personal note of thanks. Repeat the thank you note after closing.

- Send a key ring personalized with the client's name and include the message, "You are a key to my business success. Thank you for your referrals."
- Have a client appreciation breakfast, lunch, golf outing or ball game for those clients who have referred a customer to you in the last year. Invite both consumer and professional contacts, your B2B sources will appreciate the networking opportunity.

Repeat the cycle, continue the flow

Strategy 6. Repeat the cycle, continue the flow. Although it sounds simple, a systematic word-of-mouth campaign of referral generation takes as much planning and implementation as any good marketing plan. To generate customers for life, repeat this six-strategy cycle over and over again. Institutionalize the steps by outsourcing the tasks to free you for direct customer face time.

Then deliver great service to satisfied new customers who will be happy to relate their positive mortgage lending experience to their magic circle of friends and family. In other words, to quench your thirst for more and more new clients — regardless of interest rate fluctuations — you constantly have to prime the pump with outstanding service and relentless customer contact. Hmmm. Prime the pump. That reminds me of yet another Country-Western song. Sounds like a winner too.

Reprinted from
*NATIONAL MORTGAGE BROKER
MAGAZINE*

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