

It's in the Message

To maximize your response rates in today's market, focus on your direct-mail campaign

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

THE DATABASE OR MAILING LIST you use in your direct-mail marketing is extremely important. In fact, your success, in large part, will depend on the quality of the data.

Most experts agree that inaccurate or antiquated data is the primary reason direct-mail campaigns fail. There are other components of a direct-mail campaign that can cause failure, however, including the message and structure of the letter.

The message

When writing your ad copy or sales letter, you must remember to keep your ego in check.

What do I mean by this? Simply, we all want to impress our mail recipients with our knowledge of our products or services. But in so doing, we may lose sight of the fact that the average borrower does not understand all the nuances of various loan programs.

While you are the mortgage expert, your target audience likely does not possess your knowledge of the mortgage industry or the various loan programs available. In fact, with the ever-increasing myriad of hybrid-loan programs, it is becoming more difficult for today's homeowners to decipher all the options available to them.

Explaining all the loan-program options available would fill more than a direct-mail piece — it could fill a book. Using bullet points is an effective way to provide an overview of some of your most-popular loan programs and services. You do not need to get into the specifics and details of each program and service you offer. Consider the following sample list:

- Rates starting as low as 1.25 percent
 - Close in as few as 15 days
 - Credit issues are no problem
 - Fast approval, usually within 24 hours
 - No-income-verification and self-employment loans available
- The point of a direct-mail campaign is to generate qualified prospects and to incorporate a call to action within your ad copy. Some examples of calls to action are:
- Respond within the next 24 hours and receive a free personal credit analysis;
 - Respond today and receive a free home appraisal, a \$450 value;
 - Rates are rising, so don't delay; and
 - Call today, and we can have cash in your hands in as few as 10 to 15 days.

Remember, the average shelf life of a direct-mail letter is about three to five seconds. As such, if you do not capture readers' attention with your headline, banner or opening paragraph, you will lose their interest, and your letter likely will end up in the wastebasket.

Letter structure

When designing a direct-mail letter, simple is always better. The most basic format is to use an effective headline, have a strong opening paragraph and incorporate a special offer.

The opening headline or banner ad is designed to grab the reader's attention. You must design your headline to invoke an emotional response in readers and to entice them to read the rest of your letter.

A couple of examples of effective opening headlines for targeting 2/28 and 3/27 ARM bor-

rowers, for example, are: "Is your adjustable-rate mortgage about to adjust?" or "Is your mortgage payment about to increase?"

After capturing readers' attention with your opening headline, you must now follow it with a strong opening paragraph. The opening paragraph should be simple and to the point. You can feature the strengths of your company, what advantages you offer over your competition, a special offer, etc.

Try to avoid using too many paragraphs, unless you are composing a sales letter. Readers' eyes will flow from the opening headline or banner to the first paragraph. Often, however, readers will then shift their attention and read the post-script before they read the second paragraph.

Although a graph or chart may be helpful for illustration purposes, it might be best to keep it simple to yield higher response rates. If prospective borrowers view your letter as confusing or even misleading, it would stand to reason that they will feel that dealing with your company will also be difficult. Perception is everything.

Finally, incorporating a special offer or premium incentive offer is an effective way to increase your response rates. Before you make an offer, check with your state's department of banking to determine any restrictions and guidelines regarding what you can and cannot offer to borrowers as an incentive.

Why offer an incentive or premium to prospective borrowers? Well, when all else is equal, such as rate and term, who would you want to do business with: someone offering you a \$250 home-store gift card or someone who is giving you a free pen at closing?

Everyone likes to get something for nothing. This, too, is human nature: Everything has a perceived value.

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By focusing on the message and structure of your letter, you are more likely to create a direct-mail piece that will make an impression on prospective borrowers. This can lead to more business. **!!!**



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