Time to Make a Change?

Examine your marketing plan from the past year and decide how you want to move forward

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

SURVIVAL IN THIS INDUSTRY, FOR those who were fortunate enough to make it through the past year, will largely depend on your future actions.

Before you move forward, however, you must take a hard look back at the past year and determine what worked for you and what didn't. Repeating past mistakes can spell doom for the months ahead. But effecting change can be a hard thing to do — humans are creatures of habit by nature. Change also can be difficult to implement if you do not know where to start.

Clearly, many factors were responsible for the downturn in the market during the past year, and you can't address all of them. But by committing yourself to a proactive marketing campaign, as well as by tracking your marketing dollars and performance accurately, you can work to ensure this year is profitable.

The year ahead

If you haven't already reviewed this past year from every possible angle, do so now. Take a close look at your marketing plan and determine what was effective for you. If you have not included marketing in your budget plans, think about this: Where will your new business come from this year?

Determine your actual cost per closing versus your cost per generated lead. Generally, brokers report costs of about $300 to $400 per closed loan. Examine which lead sources are producing at this ratio for you.

To prepare for this evaluation of your marketing efforts, you may benefit from reviewing the most-common lead-generation resources. Here is an assessment of the leading marketing tools and their pros and cons:

- **Internet leads:** Although these leads are relatively inexpensive, they can produce a low closing ratio. Typically, these leads are bought and resold many times. You may be the 15th broker calling on a particular lead.
- **Telemarketing leads:** This used to be a preferred method for lead generation in the mortgage industry. Properly qualified homeowners can help these leads draw in closings. But the Do Not Call Registry has put the clamps on this approach; more than 145 million U.S. residents now cannot be solicited by phone.
- **Direct mail:** Response rates from this marketing tool have been dropping in the past year or so. But you may only need a response rate of 0.5 percent to 1 percent to reap a favorable return on investment from direct mail. This type of lead-generation resource also produces a proactive lead — meaning the respondent (a homeowner or borrower) calls you.

If you decide to use direct mail, do your homework. The effectiveness of the old No. 10 business envelope has diminished in the past few years. A product that has been gaining momentum, however, is the snap-pack-style mailer. It emulates a check format — and with tax-refund season closing in, it could help your open-rates increase.

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If you plan to remain in the mortgage industry, the "business as usual" approach may no longer provide you with the revenue or income stream you have grown accustomed to. It's time to evaluate your marketing efforts and decide how you want to move forward. Change, though hard to accept and sometimes even harder to facilitate, may be the only answer for your survival.

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