



Mortgage Marketing Benchmarks Report

2017

Introduction

“How can I stay relevant to past clients to drive referrals and repeat business?”

That’s a question successful loan officers ask themselves on a regular basis. Top-notch customer service, industry knowledge, and excellent communication skills — many factors differentiate one loan officer from the next. However, there’s one thing most everyone in the industry will agree on: it’s all about building solid relationships and providing value to clients. This makes it especially important for loan officers to invest in marketing channels that help them do just that.

Loan officers have tried everything from traditional advertising to digital methods such as email and social media marketing, all in an effort to grow their business. But what’s most effective?

To answer that question, we went straight to the source. We asked 140+ mortgage loan officers how they find new business and here's what they said.

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Key Takeaways

Loan officers consider referrals to be their most valuable source of new business. However, most loan officers do not actively invest in referral marketing to spread word-of-mouth about their services.

Other effective sources of new business, after referrals, are professional associations/networking, email marketing and social media (Facebook, LinkedIn, Twitter). These channels, when used right, help loan officers be remembered by their network and generate referrals from happy clients. The issue? An effective online marketing strategy requires a lot of time and expertise. In fact, the majority of survey respondents cited their biggest challenge to be that they do not consider themselves to be marketing experts, and are unsure where to focus their marketing efforts.

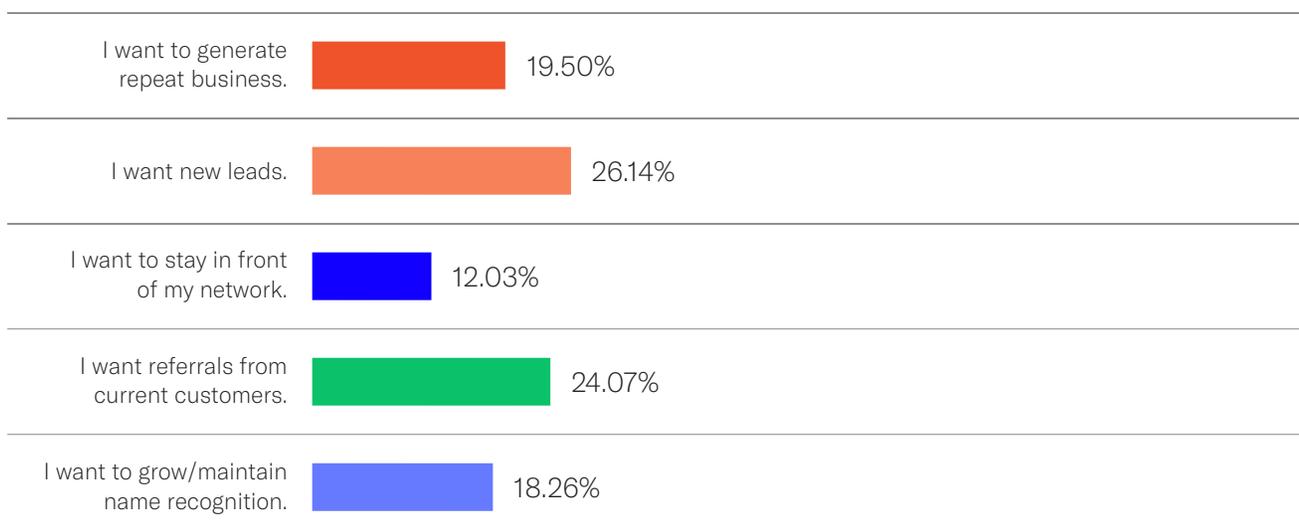
Finally, our survey uncovered some interesting findings regarding leads. Loan officers ranked getting new leads as one of their highest priorities, but in reviewing the areas where loan officers spend their marketing dollars, they reported purchased leads to be the most expensive, but also an unlikely source of new business.



Top Areas of Focus for Loan Officers

When surveyed, loan officers said they are most focused on generating one of three things: new leads, referrals from past clients, and repeat business. All three of these business drivers work to fuel one another. When clients have their loan officer's name top of mind, they are more likely to give them repeat business and referrals.

**Of the following options, what are you most focused on as a small business owner?
Select your top two priorities.**



Biggest Challenges for Loan Officers

When asked about their biggest challenges, most loan officers cited not having the expertise or time to handle their own online marketing. A number of loan officers also said that it's difficult to determine which marketing channels are driving a return on investment.

Expertise: 25.5% of loan officers say that they are not a marketing expert, and are not sure where to focus their efforts. Similarly, 15.9% say they don't consider themselves tech savvy and would prefer someone else to handle digital for them.

Time: 19.3% of loan officers say they know they need to stay in front of their network, but they don't have enough time.

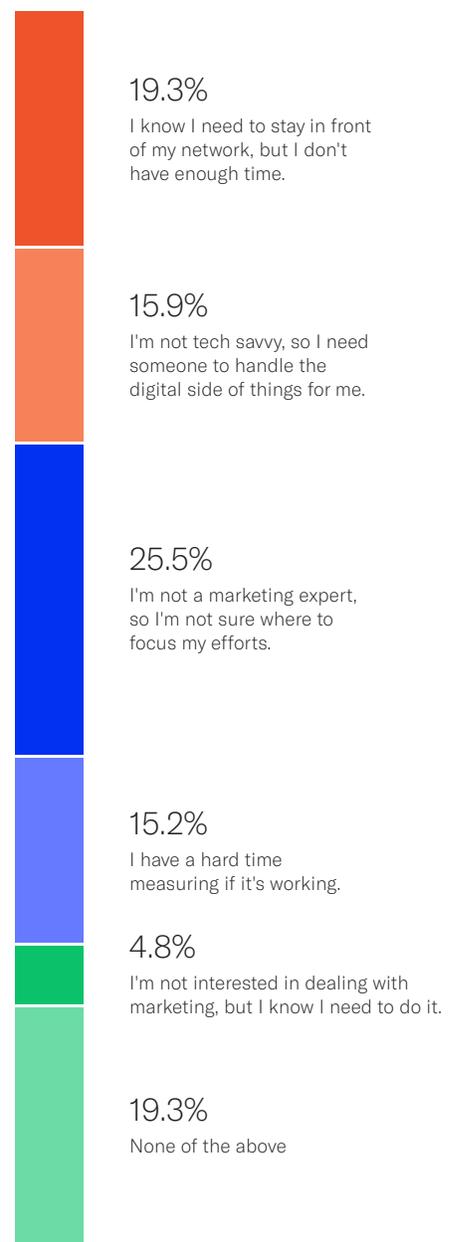
Proof: 15.2% of loan officers say they aren't sure which channels are driving new business.

Managing marketing effectively for loan officers is a full-time job in and of itself. In fact, a study from Small Business Trends shows that the average business owner spends **20 hours** each week on marketing. It's easy to understand why so much time is being spent on marketing when **75 percent** of businesses say that online marketing brings customers in the door.

But with so much weight being placed on the value of online marketing, why are **34 percent** of business owners allocating less than 10 percent of their marketing budget to online channels?

Maybe it has to do with the premium prices most third-party marketing firms charge loan officers for solutions that don't quite meet their needs. It's just not in the budget, and it doesn't do the trick. But it doesn't have to be that way. We understand that every dollar and minute matters in the mortgage industry. That's why we offer an affordable, done-for-you **online marketing solution** that's customized to meet the needs of loan officers. Why do it yourself when you could have an expert do it for you?

Which of the following best describes the challenges you face in marketing your business?

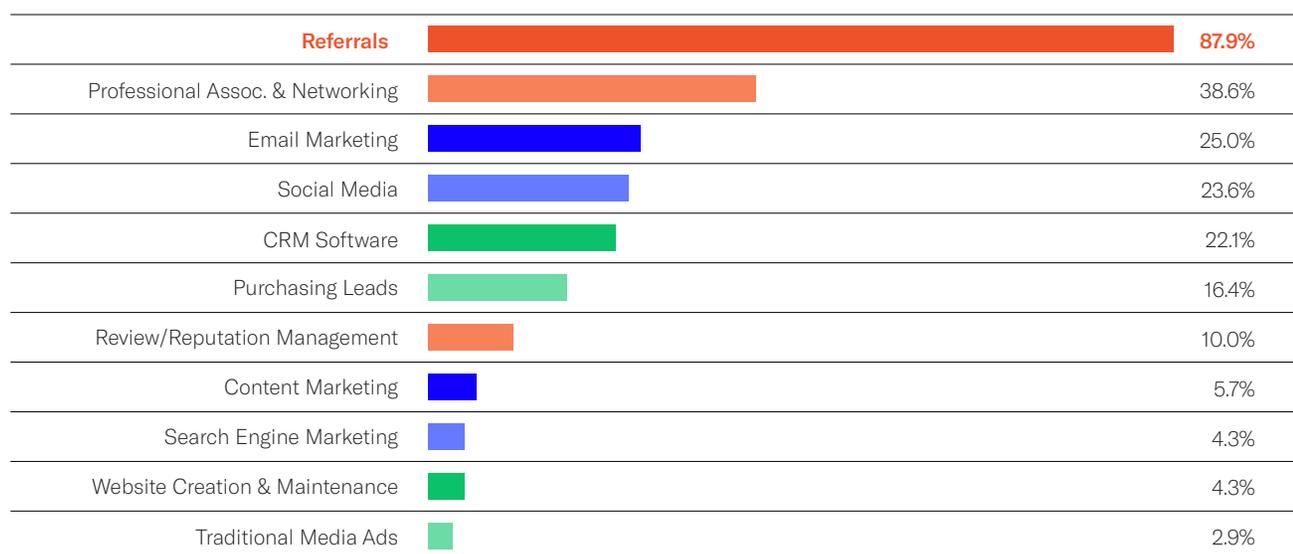


Most Successful Marketing Tactics for Loan Officers

Referrals from current clients win by a landslide, followed by professional associations/networking, then email and social media marketing. Loan officers know that the best avenue for securing new business lies within the network of people they know. And that's backed up by a Nielsen study reporting that **92 percent** of people trust recommendations from friends and family, more than all other forms of marketing.

Beyond a verbal ask, loan officers can build referral leads by simply giving clients a place to leave their referrals. We recommend making a conscious effort to initiate referral request conversations in a way that's not pesky or desperate. If a loan officer delivers value to clients, they may be surprised at what those clients are willing to reciprocate. Happy clients are eager to tell others about excellent service, and it's perfectly acceptable to ask them to.

Which of your current marketing efforts are most successful? Select all that apply.



Loan Officer's Monthly Spend by Marketing Channel

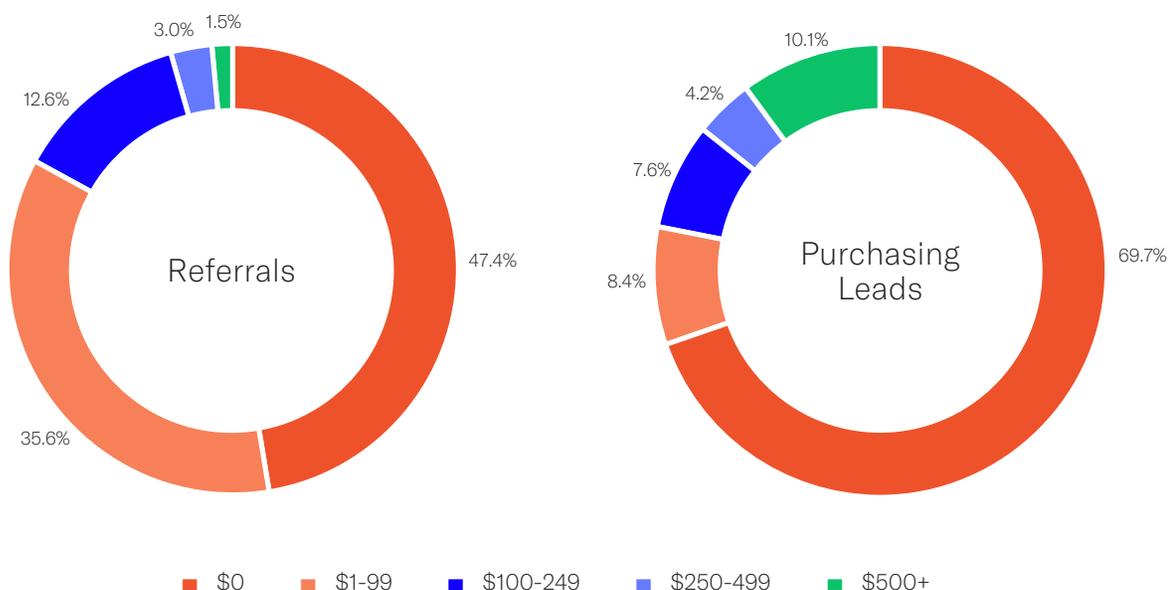
Purchased leads are the most expensive marketing tactic for loan officers. And while they will grow your list size immediately, they are risky because the steep cost comes with no guarantee of new clients. In those instances, what seems like a quick fix may actually be a waste of marketing dollars.

Another thing making purchased leads risky is that they can harm a loan officer's reputation. Most people mark emails from unknown senders as spam. Since the leads on a purchased list have never seen the loan officer's name, they are more likely to send those emails to their spam folder. If this happens too many times, the email account sending to a purchased list

will be flagged and shut down. Why should loan officers take the gamble purchasing leads when their **customer relationship management** (CRM) system is already full of valuable customer data that will help them attain more clients?

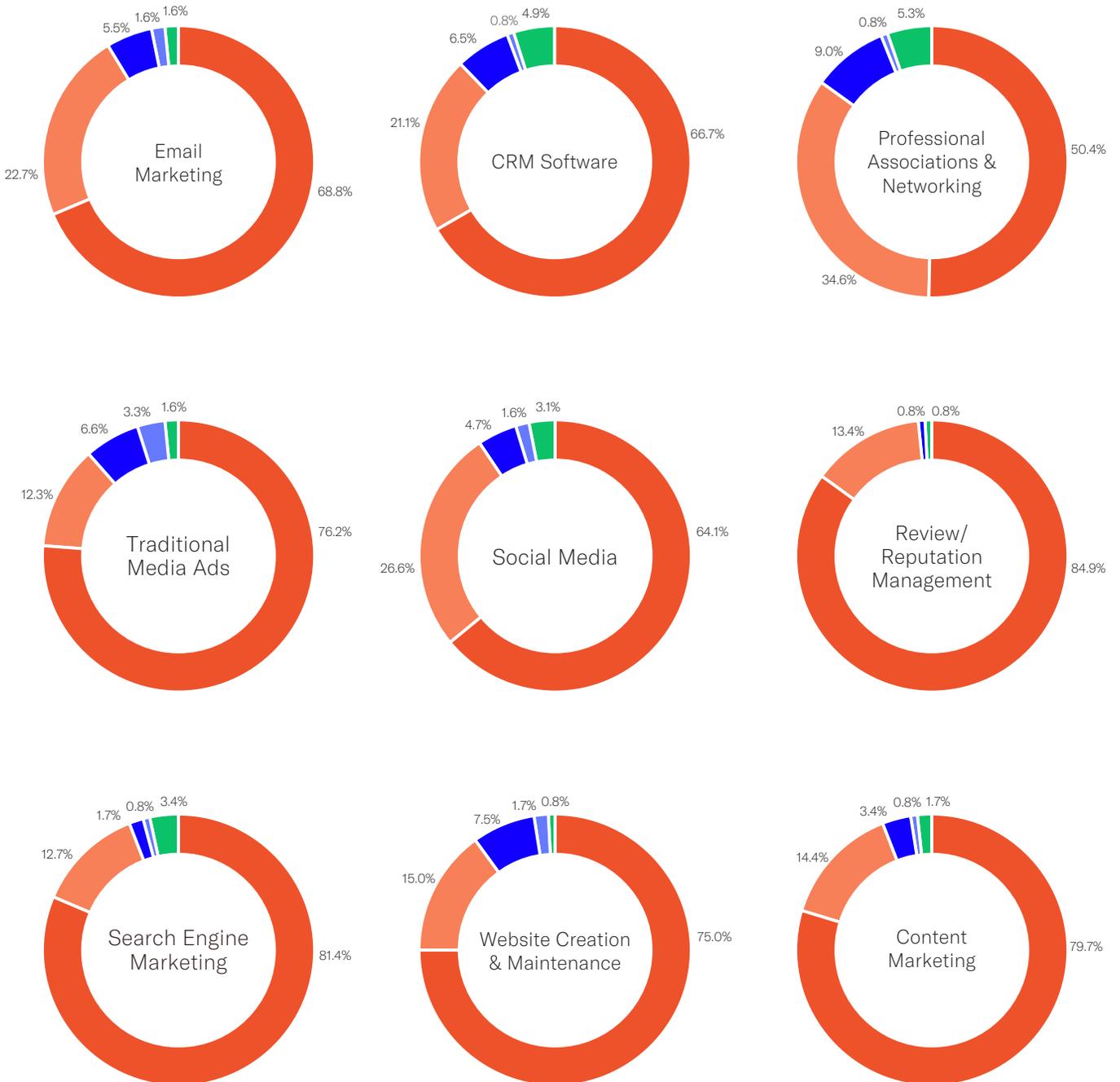
While the idea of instant expansion makes purchased leads sound like a tempting option, loan officers will do much better if they focus their marketing strategy around staying in touch with their current network. When it's all said and done, relationships are what really matter, and loan officers can't build trust and loyalty when they don't know the people on their email or dial list.

Average Monthly Marketing Spend, by Category



Average Monthly Marketing Spend, by Category

■ \$0
 ■ \$1-99
 ■ \$250-499
 ■ \$100-249
 ■ \$500+



Where Loan Officers Would Spend Extra Dollars

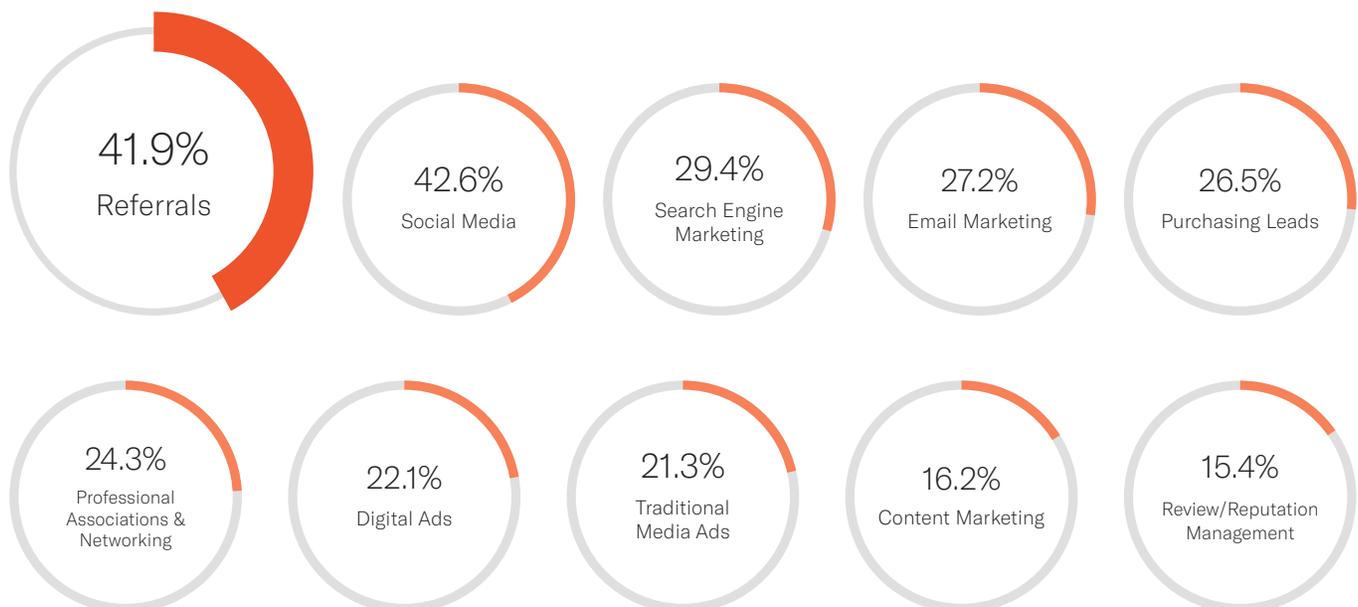
Social media sites, like Facebook, Twitter, and LinkedIn, would be the top priority if loan officers had extra budget to spend on marketing; a close second is referral marketing. Other areas loan officers are interested in investing are search engine marketing and email marketing.

We know there's a lot of different information out there regarding how to best market a mortgage business and

it can get overwhelming. The ideas and stats in this report are intended to give a better understanding of what's working for other loan officers and inspire ideas about new ways to generate business. Loan officers can try these ideas, monitor their results, and if they ever need a little help, [we'll always be here](#) to assist.

If you had extra budget for marketing, which additional areas would you invest in?

Top 10 categories listed below:

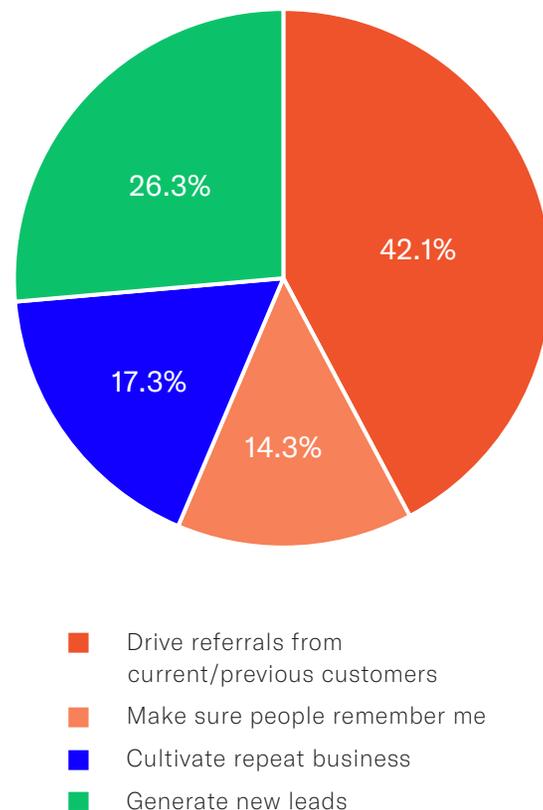


Why Being Remembered Counts

Driving referrals is the top reason loan officers want to stay in front of past clients. And we agree — it's important to be remembered. Equally important, is making sure a loan officer is remembered in a positive light. A thoughtful [online marketing strategy](#) is a great way to build and maintain relationships with clients. The more value loan officers show clients in their interactions, whether online or in person, the more likely they are to get referral business from their clients.

As an example, let's say Scott is a first-time homebuyer who has never had a mortgage before. He worked with a loan officer, who walked him through the entire process and helped him feel great about buying his first home. After he closed, Scott didn't need to call on his loan officer anymore, but he did appreciate the email newsletters she sends once a month filled with useful topics ranging from personal finance advice to remodeling tips. Because of this correspondence, when Scott's coworker says he's looking to buy a home but doesn't know who to turn to with his questions, Scott knows just who to suggest and has no trouble remembering his loan officer's name. This example could be the same for someone looking to get into investment properties, a second home, downsize or refinance.

What is the most important reason to stay in front of your network?



The Best Kinds of New Business

Referrals from current clients is the favorite kind of new business for loan officers. In fact, most every loan officer we talk to tells us that the majority of their new clients come from referrals. Thus, keeping in touch with clients helps loan officers stay top of mind for referral business.

Which type of new business are you most looking for?

Referrals from current and previous customers



New opportunities outside of my network



Repeat business



Favorite Online Marketing Channels



Loan officers say email is their most effective marketing channel, followed by Facebook and LinkedIn.

Facebook

Facebook ads are an inexpensive and effective way to grow an audience, get posts seen more often and increase engagement with posted content. Facebook designed its ad tools to be easily understood by users of all experience backgrounds. But most important of all, the ad platform is designed to help loan officers achieve a specific end goal, such as showcasing properties or increasing web traffic.

Facebook is still free for loan officers to use. And while social should be a primary component of a loan officer's marketing plan, the news feed is getting crowded. That means less organic visibility for posts. Facebook wants loan officers to succeed, which is why they've built such a robust ad platform to help them do just that.

Email

Email is a direct line of communication to existing clients and prospects. Many loan officers partake in email marketing in one form or another, but are they doing it right? Maybe they only send emails based on templates from their parent company or perhaps they have an automated program reaching out to their network on special occasions, like the holidays or for their birthday. Whatever the case may be, there's always room for improvement.

Not everyone is in the market to refinance or purchase a home, but when they are, whoever is top-of-mind is most likely to get a phone call. That's why email is so powerful. Loan officers can stay in front of their audience by writing newsletters people actually want to open. That means sending content about things related to the mortgage industry but not intended to sell anything. For loan officers, examples of this include topics ranging from tips to improve your credit score to ideas on how to increase the value of your home.

LinkedIn

Loan officers understand the value of using LinkedIn as a networking tool. But many loan officers don't know that LinkedIn is also a great channel to showcase their industry expertise. The LinkedIn long-form posting feature lets users write and publish original content to be featured across the site through its curated news feed, Pulse.

Loan officers can write and share their own content on LinkedIn's Pulse, gaining an instant leg up on the competition. It takes a long time to build an audience of followers, but with Pulse, a loan officer's voice is added to a network of individuals who are already tuned in. This strategy gets loan officers noticed as an expert in their field and boosts their credibility.

Recommendations

Across the board, loan officers attribute a ton of value to referrals from clients, professional associations/ networking and email marketing. All of these channels are extremely effective in keeping a loan officer's name top of mind when it's time for someone to purchase a new home.

There's a big assumption that word of mouth spreads organically, and there's some truth to that. However, when loan officers invest in marketing channels that help them be remembered, they fuel those recommendations that bring them new business. With all of this in mind, it is clear that loan officers should invest more in the channels that have a proven ROI, such as [referral](#), [email](#) and [social media](#) marketing.

The big takeaway here? Loan officers work hard to go above and beyond for their clients. If those clients can't remember their name, they miss out on valuable referrals and repeat business.



Key Stats by Topic

Loan officers want **referrals**.

- 87.8% of loan officers said that referrals from current clients are one of their most successful marketing tactics.
- 41.9% of loan officers would invest in referrals if they had extra budget for marketing.
- 47.4% of loan officers do not spend *any* money on referrals (per month).

Loan officers want **leads**.

- 26.3% of loan officers said that lead generation is the most important reason to stay in front of their network.
- Only 16.4% of loan officers said they have had success purchasing leads, but purchased leads are the #1 item loan officers spend \$500+ on.

Wrap-up

A loan officer's best opportunities are in their network. Most loan officers spend time and money on purchased leads and advertising, but it's hard to make an impression on people you don't know and who don't know you.

A loan officer's next client is most likely to come from a past happy client or their friends. Loan officers should prioritize the channels where they spend energy based on where they are seeing a return on investment. It's important to focus on building relationships with clients to generate valuable referrals and embrace marketing automation tools that help offset the amount of work that loan officers have to do.

Curious about mortgage loan officer marketing automation? We help loan officers leverage existing relationships to generate new business.

[Learn more.](#)

Bylines & Methodology

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Report Methodology

This report is based on a survey completed by more than 140 loan officers in February 2017. Responses were collected via email, offering recipients the chance to win a \$500 Amazon gift card in a lottery following completion of the survey.

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