

Successful Lead Generation with High Impact Direct-Mail Marketing

~By Cathie Gharing

Originating loans through direct-mail lead generation is the most effective and profitable means to increase your monthly funding volume. Mortgage Brokers should maximize their sales productivity by investing most of their time in pre-qualified leads. Prospecting is a low-wage job; selling is a high-paid job! Why use highly paid salespeople to do low-wage work?

Think about this: Here's what I call the



Millionaire-Maker Discovery: *"I discovered that you can have the most wonderful product or greatest service ever invested and still starve. I discovered that you can be a spectacular salesperson and still starve. I discovered that you can provide great value and still starve. Unless and until you have an affordable, efficient and dependable means of attracting a sufficient flow of qualified buyers to you, you cannot get rich, you may very well starve and you certainly won't have peace of mind."* ~Dan Kennedy, Marketing Consultant

Even though direct-mail marketing can be very effective in providing cost-effective leads to Mortgage Brokers, it's not as easy as it appears to be! Why is this? Because direct-mail doesn't work as well as it used to—in part because there is so much of it and in part because people have learned to ignore it. The biggest problem with any advertising medium today is that it fights for people's attention by interrupting them...but there's too much going on in people's lives for them to be interrupted. America is an over-communicated society and therein lies the problem. Even though more businesses are using direct-mail, it actually is less effective. Direct-mail is a victim of its own success. More Mortgage Brokers are using direct-mail but less people are responding. However, when direct-mail works it's

unbeatable! When you can find the right formula for your specific needs, direct-mail can be magical.

Let the magic of high-impact direct-mail work for you by generating a continuous flow of cost efficient leads which can maximize your monthly funding volume dramatically. In today's communication jungle, the only hope to be successful is to deploy progressive, sophisticated and proven direct-mail strategies. The following are some strategies and concepts Mortgage Brokers should utilize to make their direct-mail marketing more effective.

Direct-Mail Requires Professional Support

Direct mail looks easy enough. You print a mailing indicia in the upper right-hand corner, get some rubber bands, trays and tags, and have at it. But should direct-mail really be a do-it-yourself activity?

The answer is an absolute and emphatic, "No!" Preparing mail properly has always been tough, but now it is tougher than ever thanks to the postal reclassification.

Without the professional services of a direct-mail company, you run the risk of losing valuable time and considerable money by trying to tackle the job yourself. Today, efficient, accurate and deliverable direct-mail requires up-to-the-minute knowledge of mailing costs, mailing list hygiene, proper formats, automation discounts, carrier routes, bar codes and much more.

Think about this: *You can justify spending a little more to print on a better paper in order to make you mailing look better or use a colorful envelope so that it will not be missed. But the quality of postal delivery does not get better or faster just because you inadvertently pay more for postage, or because you are not familiar with the ins-and-outs of the postal system. Since postage costs can account for half of your entire direct-mail budget—and sometimes more—why would you ever want to spend more than you have to?*

Direct-mail is a science that professional direct-mail companies work with every day. That makes them experts. Just as they do not profess to be experts regarding the technology or body of knowledge that you work with in your business, you should not assume that you can do what they do with

equal expertise. They do the most good for those clients who put their trust in them, who turn to them as direct-mail experts and who allow them to show them the *big picture*.

Why distract yourself from what you do best in your business to handle the myriad of details involved in getting your direct-mail campaign to the post office when support is so close at hand?

Weigh Cost of Mailing Against Value of Results

When it comes to developing a direct-mail campaign, it is easy to get trapped into thinking that the only important question to ask of a direct-mail company is "How much (or actually 'how little') will the mailing promotion cost?" It is easy to believe that a lower price is better.

The fact is that what a direct-mail piece costs to produce, print and mail is not always the only or best barometer to consider. The primary consideration really ought to be results.

If you are bold and brave enough to start from a premise that when it comes to direct-mail, "price is no object," and you produce direct-mail based on what you want to achieve in results, you may be pleasantly surprised with the results.

Doing a better job doesn't mean doubling and tripling how much you spend or adopting a "sky's the limit" attitude. If you are willing to spend just a little more on a better design and better copy, your ability to attract more prospects may improve. If you invest in a slightly better mailing list, you may be able to reach some key prospects you might otherwise have missed. The best kind of prospects are, you know, the ones who buy.

If you spend a little extra for personalizing the sales letter, you might be able to entice someone who ordinarily would not give it the time of day to read every word.

Look at the level of sophistication of the mail that comes to your doorstep these days—both at home and at the office. High-quality mail attracts your attention, and attracting attention means getting your message across.

Don't focus on the cost of the mailing. Instead, look at the expenditure in relation to the increased results you can achieve by investing a little more.

The Impact of Premiums

A premium gift, a bonus, something extra—something free. People are attracted to them. They like to read about them and, even more, they like to get them. In fact, they like

to receive them so much that it is very practical to expect substantial increases in response to your mailing just by using a premium.

But what constitutes a good premium? A good premium should be relevant and support your offer, but it should not be allowed to overshadow or detract from your primary product or service.

A good premium is something that relates to the same audience characteristics that your product attracts. You probably would not send a rock music cassette as a premium for a retirement home offering. Likewise, you would not use a windshield ice-scraper premium for people who live in Florida.

The very best premium is the one that has real benefit to the user, even if it actually has very little expense associated with it. It could be information you already have that would cost you little to compile but would be valuable to your prospects.

The purpose of a premium is not to overpower the value of your product or service. It should support it, help move the reader along, and encourage him to notice or act upon your offer. And, it is a win-win situation. Your customer gets a useful gift and you get the bonus of increased sales.

Contests and Prizes Impact Response

Contests attract attention. Big prizes attract attention. Attention leads to sales.

Contests can be powerful motivators. After all, who wouldn't want to win a Mercedes-Benz or a trip-for-two on a Caribbean cruise?

Unfortunately, your customer already knows from experience that the odds of winning are often stacked against him. However, by including more small prizes, you give him more hope of winning something.

Prizes should be credible and possess the highest possible perceived value.

Sometimes, however, in order to create the illusion of a higher value to their prizes, companies make more out of something than it really is.

One way to test if a prize has value is to apply this simple question: Will it be retained? If so, it has value.

Contests are governed by state law. Depending on the state where you live, and the state or states where you plan to mail, you may need to do some homework. Laws about sweepstakes and contests vary from state to state, so it is always best to check with an attorney who specializes in gaming laws. For the most part, government agencies prefer contests that are fair and do not require a purchase to be made as a condition of winning.

Although contests are not appropriate for every mailing, they can be a viable, direct-mail strategy. They work by attracting your customer's attention to you and your product or service, and that's the whole point of direct-mail.

Consistent Response Comes from Mailing Consistently

Ever notice how few responses a company receives when it doesn't mail anything?

That may sound like a silly question, since it is fairly obvious that if a company doesn't mail, it shouldn't expect to see any response. Conversely, a company that does mail can generate tremendous response.

Surprisingly, though, many companies and business owners don't see this cause and effect relationship. Clearly, by sending direct-mail to your customers and prospects, you are taking control of your own corporate destiny.

So, here is the corollary: If you mail every day, you are likely to receive responses every day. Likewise, if you mail every week or every month, you are likely to obtain responses every month. The cycle creates itself.

If, for example, you need 20 leads a week for your business, and you know that by mailing 1,000 solicitations a week you generate those 20 leads, then it makes sense to mail 1,000 pieces every week.

The problem is that it is easy to get sidetracked. For instance, when business is very good, there is a temptation to stop mailing—at least until the production department gets "caught up." Often, there's too much "other" activity going on — proposals to write, follow-ups from last month, or even the annual sales meeting. (Ever notice how few *new* sales occur during those weeks when a company holds its annual sales meeting?)

But what happens when the proposals finally get written, all the loose ends from last month are tied up and the sales meeting is finally over? If you have not tried to generate new leads, none will be coming in, and no new leads means no new sales.

By mailing every day, every week, or every month, a company can be in constant touch with a meaningful portion of its total market, both customers and prospects. Through a consistent mailing program, each sales lead arrives when it is needed, which minimizes the peaks and valleys that often appear to dominate a company's sales activities.

You know from experience that when you lose a day, there is just no way to go back and do it again (at least not in our time zone). Or, when you lose a month, it is gone for good, along with all the sales, leads, or inquiries associated with it. Suddenly, you have to work

a lot harder to make up what you have lost.

Consistency, whether that means mailing every day, every week, or month again, along with all the sales, orders and inquiries that go with it, work towards developing and maintaining a consistent mailing schedule.

Sometimes, though, businesses do not mail as often as they would like or think they should because they feel like it is too time consuming. That is exactly why you should use a professional direct-mail company. As professionals, they can help coordinate all of your direct-mail activities—a year in advance, if that is practical for you. They can make your entire direct-mail program happen almost effortlessly and automatically, with limited effort and little of your time.

Use Every Response Option Available

To encourage your prospect or customer to respond to your offer, you want to make it easy for him to do so. If he has to work too hard to respond, he may simply put your offer to the side and subsequently forget about it. That closes the door on any chance of a sale.

There are numerous response options available. Depending on the product or service you are selling, and the market you are trying to reach, some are better than others.

In any event, the one thing you absolutely want to avoid is assuming that your customer will be so overtaken by your offer that he'll run around, search out his own envelope, find, stamp and then mail his order to you.

The following are a few of the most common direct-mail reply options available. The key is, regardless of the response vehicles you choose, make it so easy that your prospect responds now!

- A. Business Reply Cards and Envelopes
- B. Toll-Free Numbers
- C. Fax Orders

You can choose to include any of the above response options in your mailing. With all of them, you want to make the way free and clear for your customer to place an order. Anything that hinders the ability to act quickly and easily might prevent customers from making a purchase. So, by offering various response options, you increase your chances of completing a sale.

Be Fully Prepared to Respond Fast

Picture this: It's halftime of the big game (the direct-mail campaign). The quarterback (your sales manager) is in the locker room (conference room). The whole team (staff) is present and accounted for.

"Okay, team," he (your sales manager) says. "We've got 'em right where we want

'em. We mailed a great offer. We've promised more than ever. We're priced better and lower than ever before. We look sharper than the competition. We've added lots of extra value to the deal. So, here's what I want you to do when they call," he continues. "I don't care what it takes. Put 'em off. That's right, don't talk to 'em. Whatever you do, don't call 'em back right away. We're not ready to fill those orders."

Time Out!

The point is that in many cases there is a correlation between the length of time it takes you to respond to your prospect and how likely you are to close the deal. An hour or a day, perhaps, is reasonable, but wait two weeks or two months, and your prospect is gone. How fast you respond to an inquiry, reply card, or phone call can make a dramatic difference in the final score of the game (sales campaign).

the best strategy is to be ready, even before you mail, with a game plan as to who will respond, how, and with what.

You certainly don't want to wait until you mail your lead-getting piece to start designing and printing your follow-up pieces. Equally important, you want to make sure everyone in the company knows what the promotion is, what you are selling and at what price. It means being prepared to answer every inquiry just as soon as it comes in and to answer them with accuracy, professionalism, and precision.

When you mail, you are bound to get response. Some people will buy, and some will not. Think about it this way: Direct-mail is just like fishing. Some bite, some get away.

Each time you send out a mailing, think of it as casting a line. With a little patience and the right bait, you should be reeling in the leads and sales before you know it.

Leave no stone unturned and be relentless in following up all leads. Be persistent, methodical and tenacious in your follow-up. It will pay off!

Pushing the Envelope

The massive volume of direct-mail today has made consumers less receptive and responsive. Many direct-mail marketers are finding it increasingly difficult to get consumers to take notice of their direct-mail offers.

As a result, direct marketers are going to new lengths of creativity and in some cases even deceptiveness to get consumers' attention. Much of direct-mail marketing has moved away from the contents and has focused on the envelope itself.

"The job of the envelope is to get opened. People get so much stuff. You are going to have to stand out in the mailbox, look different, create curiosity, get people to think, 'What is in this bright red envelope?'"~Joan Throckmorton, Direct Marketing Consultant

According to a recent study on direct-mail (*Direct Magazine*, March 1998), the Sigma Marketing Group concluded that "as many as half tossed a direct-mail piece out at the envelope stage, not bothering to look at the contents of the piece." Don't let your envelope tell the reader he is about to be sold something. Getting the reader to open the envelope is 90% of the battle. Do not tip off the reader on the outside as to what they will be seeing on the inside. A successful and longtime direct-mail consultant put it this way: *"The only purpose of an envelope—other than to keep its contents from spilling out onto the street is to get itself opened."* ~Herschell Gordon Lewis, *Direct Marketing Consultant*

Envelopes literally move the direct-mail industry, yet most people are unaware of the vast number of different sizes and types of envelopes that are available as standards.

Stop and think about the envelope you use for your next mailing. Since you do not get a second chance to make a first impression, be sure to choose an appropriate envelope that will make you and your product look the best.

Many of the previously mentioned strategies have been utilized successfully by veteran direct-mail marketers for years. They are all directly applicable to the mortgage industry for effective, efficient lead generation.

Direct-mail is the most reliable and productive way to reach, motivate, and sell to a specific, qualified audience.

In the 1980's, direct-mail proved itself as a science. This science showed that by developing the proper offer, packaging it skillfully, and putting it in front of the right prospect, there was a statistical probability that it would be seen, considered, and acted upon.

But there was more. This new science went on to change some baseline thinking in business and industry regarding the cost of advertising and promotion. Instead of looking at "cost per thousand," the direct-mail industry demonstrated the importance of measuring "cost per response" when trying to gauge the value of effective promotion. Since direct-mail is the only advertising medium that is fully focused, response and cost-per-response are totally

measurable and identifiable factors.

Across the board, targeted marketing that is driven by cost per response has changed the way businesses and industries think about spending their advertising dollars. Although it has its place, the shotgun approach to marketing and advertising claimed by newspapers, magazines, television and radio may miss more than hit. However, direct-mail marketing puts you right on the mark.

Start today and find the magical formula for high impact direct-mail that works for you. Then, constantly mail, constantly generate new leads and constantly originate more loans. You will maximize your monthly funding by working smarter, not harder, and your return on your investment in a strategic direct-mail program will be one of the most important decisions you will ever make.

For information about Response Mail Express, call (800) 273-8866, by fax at (813) 885-8201 or you may visit <http://www.responsemail.com>.