

Creating Customers for Life

Offering extended services keeps customers coming back

By **Joseph Corno**, president, We Be Consulting and Seminars

MOST LOAN-ORIGINATING COMPANIES have plans for networking and gaining additional business through customer referrals. Many originators also have repeat customers. Yet while customers mature into other facets of the mortgage business, we don't grow with them. Why not?

Like wholesale institutions that offer various levels for a retail-lending company to work with them, retail-loan companies need to offer extended services for their customers. Offering additional services can allow you to retain a large percentage of your existing customer base and referrals.

Studies have shown that companies that perform limited loan services at exceptional levels and that use post-contact marketing systems retain only 10 percent of their satisfied customer base. Their customers do not have a retained commitment to return to the company for service. They'll go anywhere as long as there is trust and their loan needs are satisfied.

On the other hand, a company that offers additional services to its customers retains 70 percent of its satisfied customer base. The saying, "There is no competition

against quality service," now includes "against additional services."

Banking institutions do this with free checking, Christmas savings plans, automobile loans and 24-hour, online-banking services. As a loan-origination business, what other services can you offer?

Additional services

One additional service can be land development. You could network and pool consumer funds. The customer can invest in various land developments that can earn higher yields than what the banks offer.

Income properties are another service you could offer. This is an area that most originators focus on for customers who have purchased a primary home and who wish to invest in residential rental properties. Not all customers desire to be landlords, however, and this additional service is a typical service most lenders offer. Consider making it part of your services.

Investing in commercial properties is a largely untapped area. For customers who operate their own business and lease their office space, offering commercial investment via U.S. Small Business Administration financing and other commercial-loan programs can help them own their business properties.

Also, do not neglect the employees of your customers. They might want to invest in commercial properties themselves. Many times, they do not know they want to invest in such properties until the opportunity is presented to them. If you are lucky, you will be the one who presents it to them.

Short-term investing in construction for resale is another service you can offer. Speculation (spec) homes to construct

and sell are an area for pooling funds. It is difficult to acquire spec-home funds. Yet, through equity lines of credit on other properties or pooled funds, people can fund the spec home and pay down their equity line when the spec home is sold.

I have always recommended that small builders use an equity line against their own property or that they use a business line of credit, rather than obtaining construction financing every time they build a home. There are no fees when they draw on the line. Then it can be paid down when the finished home sells, and it will be waiting and ready to use for the next home at no cost. Of course, with a zero balance on the line, there is no interest being charged. This is another service you can offer.

Some retail-lending sources have pooled funds to offer on short sales, remodeling for resale, distressed sales and real estate option sales, as additional services. These investments are for short-term gains.

Remember that all licenses, bonds and laws must be met to perform any of these services. Be sure to check into all laws and requirements if you're considering expanding your business.

Marketing your new offerings

I have an atypical idea for you to consider. Why not create a plan that each customer can review and decide upon — a course that incorporates all of the above areas? Like debt-elimination plans or credit-repair courses of action, your course of action will be one that each customer receives for potential future business.

You could create an outline to give to all your customers when they purchase their

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Joseph Corno has three decades of industry experience and loves to train ahead of the curve using atypical methods for improving volume while increasing customer service. We Be

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first primary residences. It could include information on topics like becoming a landlord, commercial purchasing and short-term property investment. In reviewing the handout, the customer would immediately know, for future reference, about all the additional services you offer. Instead of post-marketing on birthdays and holidays, a typical practice, include letters about your varied investment opportunities with your quarterly mailers. You can incorporate refinancing and residential-owner occupancy information. You could also pick up the phone and call them periodically. Miracles do happen.

Customers may not yet be ready to use your additional services, but their friends and family may be ready. Imagine if Uncle Henry has the whole family over for Thanksgiving dinner, and a discussion arises on investments. Just imagine if Henry announces to everyone in the room: "I just received a letter from my loan company on that." Won't that be a nice holiday season for everyone? **!!!**

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