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Manicuring Your Message for Today's Homebuyers

The mortgage meltdown has changed how you should market to clients

For both originators and homebuyers, a number of buzzwords seem to characterize the recent era in real estate. Terms like short sale, distressed property, underwater mortgage and subprime have become common vocabulary in the wake of the housing-bubble bursting and the headlines that chronicled it.

In short order, arcane industry terms and formerly unusual situations made their way into water-cooler conversations around the country because of the sheer number of consumers affected by what took place in the mortgage industry. What used to be insider information is no longer uncommon conversation, and with that in mind, mortgage professionals need to speak to their homebuyers differently — especially if they're trying to ramp up their sales or referrals.

Now more than ever, the concept of “knowing enough to be dangerous” certainly applies to the homebuying process. Of course, originators and Realtors have long dealt with clients who have gathered information from seemingly everywhere except industry professionals, but because of regulatory agencies and trade organizations mobilizing themselves to educate the public, the mortgage industry today is dealing with a truly savvy consumer base.

So, how can mortgage professionals grab the attention — and business — of a more sophisticated customer in this new age of hypervigilant compliance and ongoing market recovery? The answer depends on the approach and composition of your marketing efforts.

Target audience

To improve their marketing, originators should first understand the mindset of the people they hope to do business with. These customers will likely fall into three categories: People who somehow suffered as a result of the market conditions of the last few years; people who were unaffected by the market because of age, life stage or choice; or people who did — or hope to — capitalize in some way on the real estate crash and mortgage meltdown.

With these homebuyer segments identified, mortgage professionals should then determine who their most coveted clients are. Although you may be unlikely to turn down any type of business, your marketing should be focused on a particular segment or specialty. Is it first-time homebuyers? Move-up buyers? Empty nesters? Investors?

Honing in on your coveted client will quickly reveal the kind of mindset you're dealing with. For instance, first-time homebuyers were likely unaffected by the bursting of the housing bubble, while move-up buyers and downsizers may have suffered at the hands of the market.

In any case, once you've identified your preferred target audience, you'll want to identify what we'll call “opportunity alerts” and craft what we'll call a “manicured message” for your newsletters, phone calls, emails and other promotional materials. Let's take a closer look at what characterizes an opportunity alert and a manicured message.

An example

An opportunity alert is a translation of an industry term, market condition or other

scenario that could — or should — motivate a consumer to act. Related, a manicured message is a customized statement that reaches out to consumers in a way that assures as many people can identify with it as possible.

Although these concepts may seem simple, some mortgage companies are remarkably out of touch when it comes to their marketing. Take, for instance, a full-page flyer with a headline like, “Can an FHA Loan Help You?” The problem with such a flyer is the simple fact that this question never crosses the mind of the average person. Right away, a flyer like this gives its audience the perfect out by making the focus of the ad a question that no one is likely to answer. Why? Because most viewers of the flyer don't know how a loan from the Federal Housing Administration (FHA) could affect them — not yet, at least.

A better approach would be to ask an entirely different question. For instance, consider this one: “Would you like to buy your dream home, but lack a downpayment?” Identifying such an ideal scenario — i.e., buying your dream home — and then noting a common obstacle often gets an immediate agreement from a lot of potential clients,

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making it a strong manicured message. From there, the flyer could then prime the reader with an opportunity alert, saying that “an FHA loan may be able to help,” for instance.

These days, housing has become a common topic of conversation, so regardless of your ad’s exact content, remember to include a reference to “you or anyone you know” when reaching out to your audience. Broadening an ad’s scope in this regard may help a well-manicured message stand a greater chance of making its way into conversations with friends, family and coworkers, ultimately resulting in a referral.

Tailored message

With these terms and approaches now in mind, let’s turn back to industry vocabulary and what’s topical today. Recent figures

released by RealtyTrac have indicated that although distressed properties still make up a significant portion of certain housing markets, the industry is seeing broad improvement and recovery in many year-over-year comparisons of different areas and categories. Still, the public is barraged with media coverage, and people draw their own daily conclusions about the apparent health of the market.

Ask yourself, then, how foreclosures in your local market affect your coveted clients. Are they driving home values down for the move-up buyers you’d like to target? Conversely, are they great opportunities for first-time homebuyers or investors you’d like to work with?

With distressed properties still frequently in the news, be prepared to speak to what’s on the minds of the people you’d

like to do business with. Aim to intrigue them with what you can do to help them reach their goal, whatever goal that may be.

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Few will disagree that the market tumult of the last few years highlighted how critical the real estate and mortgage markets are to our nation’s economy — not to mention the personal finances of people who simply need a roof over their heads. Lending and real estate professionals are uniquely positioned to be invaluable resources for the public even at times when they are not actively seeking to buy, sell or refinance their homes. Communicating wisely will establish you as the expert you are, and precisely manicuring your messages helps you capture — and keep — your customers’ attention and loyalty. ●