

Stand Out From the Competition

Harnessing customer service metrics can improve your bottom line

By Chad Jampedro

The mortgage industry can be a difficult business. Brokers and bankers have no direct control over the economy, no forecast into future rates and no certain insight about the number of people looking to enter the housing market. Couple these difficulties with the rise of globalization, the Internet and other advances in technology, and it's easy to see why many mortgage lenders are scrambling to stand out from the competition.

The solution to these troubles? Provide borrowers with great customer service. This may sound like a simple concept, but business researchers agree that customer service goes a long way. According to the Gartner Group, organizations that prioritize customer service generate an average of 60 percent higher profits than their competitors.

Although originators should always strive to offer the best rates and loan packages to their customers, the cornerstone of the mortgage industry rests on how well banks and brokerages respond to customer needs. Are you replying to inquiries in a timely manner? Are your customers comfortable with your loan officers? Can consumers find the information they need?

It's impossible to ignore the influence of the customer experience, but few businesses harness the raw power of buyer satisfaction. In an industry that relies heavily on referrals, providing stellar service is vital to supporting your bottom line.

Measuring success

In years past, determining the efficacy of customer service was somewhat a guessing game. Today, the emergence of the data-driven marketplace has given mortgage companies abundant tools to measure their efforts. These measurements — called “customer-service metrics” — are driving the industry forward.

There are several points to consider in this regard, but generally evaluating these five metrics will help you get started:

1. **Quality of people**
2. **Response time**
3. **Ease of services**
4. **Social media**
5. **Monitoring**

Most mortgage companies already track indicators such as number of inquiries, applications submitted and loans completed. They may also have a sense that customer-service employees are adequately handling all of the various tasks related to these indicators.

Noting total volume factors will provide banks and brokerages with some hard numbers, but providing adequate support isn't enough to capture success — not in today's market. With that in mind, let's dig deeper into these customer-service metrics.

Quality of people

Ensuring quality customer service begins with the people you hire. Mortgage employees should be friendly, helpful, and able to glean how their roles impact the customer and the company alike.

According to a study from McKinsey & Co., 70 percent of buying experiences are based on how customers feel they were treated. That's why it's important to establish a personal emotional connection with your clients. No one wants to feel like a number or get brushed off when a question or concern arises. This type of neglect is the quickest way to lose potential customers — or even existing ones.

Once you have a solid team in place, it's imperative to provide ongoing training. It's extremely hard for employees to help customers when they don't understand the intricacies of the business, and customers will catch on to this lack of knowledge. A study conducted by Echo Research for American Express Co. found that nearly one-third of consumers believe that businesses are paying

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less attention to providing good customer service. It's up to you and your team to dispel those fears.

Response time

In this age of instant gratification, it should come as no surprise that customers seek a quick response to inquiries — many of which arrive outside standard business hours. A good rule of thumb is to respond to Web inquiries within 24 hours and phone calls within one or two days. After a single week, customers are likely to jump ship and never return.

An eager, self-motivated team is the first step to maintaining good response times. High-quality and consistent customer service builds trust between consumers and companies. In the mortgage business, originators usually have just one shot at gaining that trust.

Ease of services

With the abundance of technology used throughout mortgage transactions, there's bound to be technical issues at some point. Service-related issues often frustrate customers more significantly than problems related to price or product, however, so origination companies should pay special attention to this aspect of their businesses.

Work with your information-technology team to address technical issues as soon as they arise. The problem may be that your tools are outdated, that your existing instructions are confusing or that a customer service employee hasn't been properly

trained. Make sure you prominently display your company's contact information so that customers have an easy way to reach out should problems arise.

Technological problems aren't the only issues that can cause a stir in the mortgage process, however. Customers are often equally as frustrated when they receive bad service during a phone call or — even worse — during a face-to-face meeting with a service agent.

For these reasons, it's crucial to educate your sales and support staff on the technologies and processes used by customers. This will position your employees to be an ally throughout the application and loan process, and allow them to troubleshoot on the fly.

Social media

For service-oriented businesses, social media is something of a double-edged sword. On one hand, social media presents a challenge to companies that might feel they have no control over customers' rants or raves. On the other hand, it also provides an opportunity to be open and transparent with clients. Remember, happy customers tell friends; unhappy customers tell the Internet.

Although you can't please everyone, comments posted on social media channels allow mortgage companies to take control of the conversation. It is important to respond to customer complaints instead of ignoring them. Usually, a complaint can be resolved in favor of the customer — an outcome that everyone following the conversation can see for themselves.

Monitoring

In addition to reviewing your social media pages, your company website and other outlets, employing a customer relationship management (CRM) system can be a great way to track customer engagement. These programs allow employees and supervisors to input customer-related data like contact information, dates and notes on customer interactions, and where customers are in the sales pipeline. After training employees to use this system, be sure to analyze the data to leverage all of its potential.

In addition to implementing a CRM system, give your customers the opportunity to offer direct feedback through post-closing surveys. This will allow you to gather opinions on your service, tie customer experiences to specific employees and identify areas for improvement.



Purchasing a home is no small feat. It's easy for customers to get frustrated over the amount of red tape required to secure a mortgage or the arduous process to find a feasible loan. Bearing that in mind, it's important for originators and other mortgage employees to consider their customers' emotions. Buying a home is one of the biggest decisions of a person's life. It's your job to make the experience a good one. ■