



CUSTOMERS WANT A GREAT EXPERIENCE

By Tom Ward

Let's get right to the point: The most successful loan originators have bigger lists of customers and prospects than the rank and file. And building and maintaining the list is the hardest—and most crucial—part of your successful mortgage business.

How do the best loan originators get such big lists? How do they maintain the relationship with each consumer year after year, from one home to another, and when the customer refinances once, twice, or more?

It's all about the experience the originator provides the customer. Good service is not enough. In fact, in today's fast-paced American society, excellent customer service is the bare minimum, a passing grade. To bring customers back and build your list through referrals, you have to deliver a "wow" experience that's second to none—every time. If the customer's most recent experience with your company didn't exceed expectations, they will opt out and your list will dwindle.

In his book "The New Law of Demand and Supply: The Revolutionary New Demand Strategy for Faster Growth and Higher Profits," author Rick Kash defines value like this:

$$\text{Value} = \frac{\text{Benefits}}{\text{Price}}$$

For value to exist, the benefits of the product or service must be greater than its price. We can see this formula at work throughout our consumer culture. Take bottled water, for instance. As Kash points out, water from the tap is free. How can a bottled water company charge anything for water? Because the benefits of bottled water—it's pure, lacks

chlorine and other additives, and is healthier than tap water—exceed its price. And that makes for a good customer experience.

Restaurants provide another great example of the importance of good customer experiences. When a new eatery first opens, it draws people only from the immediate neighborhood. To attract people from outlying areas, the restaurant must make customers feel they've had a great experience, so they'll recommend it to their friends. If the experience is only so-so and people aren't getting that "wow" factor, they won't come back. Why should they?

It's the same way in the mortgage business. But instead of trying to expand your customer base like a restaurant does, you're trying to build your list. We all know how hard it is to retain mortgage clients on your list, especially when your company doesn't service its loans. Month after month, the servicer is soliciting your customer to do business with them next time. Telemarketing calls, direct mail, and TV ads all try to pry customers off your list. That's why the experience the customer had with you must always be greater than what the servicer and other competitors are offering them.

Your Company Culture

To provide your customer with a "wow" experience that will keep them coming back and referring their friends, start by creating a company culture that encourages exemplary service—from the CEO to the receptionist. If you're in a team environment, everyone on the team has to understand the importance of the experience and contribute to it for the customer. It's about attitude and attention to detail, but it's also about empathy. Put yourself in the customer's

shoes. Some of the factors that separate good and bad customer experiences include:

Advance HUD-1 Statement. To make the closing go more smoothly and eliminate last-minute scrambles for certified checks, provide an accurate HUD-1 three business days prior. At the closing, sand is slipping through the hourglass—attorneys are pacing, anxious to get to their next closing. This service enhances the customer experience by responding to changes in advance, rather than during the heat of the battle.

Tax time. To spare customers the hassle of searching for their HUD-1 Statements during tax season, scan these important documents as they come in and e-mail copies to customers on January 15.

Closing phone call. Your top producers are too busy to physically attend every closing, but they can still call each customer during the closing. Have your closing department schedule the call to come through toward the end of the closing, right before the loan is funded.

Post-closing package. After the closing, continue the customer's positive experience by sending them a customized amortization schedule showing pre-payment strategies. Also include a copy of the appraisal as another important record for their files. During the closing, let them know to expect the package.

Call-backs. It might sound simple, but particularly in the frenzied pace of the recent refinance craze, simply returning a customer's call promptly sets the tone for a good experience. On the other hand, unreturned calls are the first warning signs of a bad experience.

Lock-ins. Get the numbers right. Make sure that customers receive the rates they expected.

Honesty. Always be truthful. Don't make up excuses for not delivering satisfactory service.

Documents. Ask for all the customer's documentation upfront. A good customer experience can turn bad in a hurry when loan originators continue to tell customers, "Just one more thing ... just one more thing."

Outsourcing. Remember that the services you outsource are a reflection of you. If a restaurant's valet dings your car, you're still going to be mad at the restaurant. The services that you outsource must provide the same exemplary experience that your company provides. Your company might be doing everything right, but the customer's rating of the experience can still sink when the appraiser shows up late, or the title company treats your customer like a second-class citizen.

At our company, the customer's good experience begins on the first contact, and continues when they walk through our doors. The receptionist is friendly and welcoming. In the Outlook program on her computer, she has received a notification of the meeting the customers are there to attend, so she knows they're coming. "Hello, you must be the Smiths," she chimes with a smile. It's the small details that can make a big difference. Right away the customer feels positive about the experience. Next, the receptionist offers the customers a menu of soft drink selections. The meeting with the loan officer is held in a private room, with no interruptions.

How you deliver that "wow" factor is up to you. In their terrific book "The Experience Economy," authors James H. Gilmore and B. Joseph Pine II write: "Good experiences are events that engage individuals in a personal way. While commodities are fungible, goods are tangible and services are intangible, experiences are memorable.... Most parents don't take their kids to Walt Disney World just for the event itself, but rather to make that shared experience part of everyday conversations for months and even years afterward."

I remember one time I took my kids to a resort in Hawaii. Not only had the staff taken note of my children's names before we arrived, they had even spelled them out in colorful sponges in the bathtub before we got there. This extra touch went way beyond simple good service: It was a memorable experience that has kept us coming back to the resort.

Think about the extra touches you can provide to give the customer a

"wow" experience. They might include closing the loan at the person's home, instead of having them go to the title company. Another idea is to send a courier to the house to pick up the documentation instead of using Federal Express.

Realtors and Builders

The traditional channels of list building are referrals from builders, Realtors, CPAs, and financial planners. These are the people with the lists, so to build your own, you have to give them a "wow" experience, too. You have to gain the trust and the business of real estate and financial professionals just as you do with your customers. You need to deliver unique, pertinent value. Maybe that means helping the Realtor become involved earlier in the timeline of a consumer's decision to buy a home. (According to the National Association of Realtors, there is typically an 18-month period between when the idea of a new home begins in a consumer's mind and when they actually buy.)

Unique, pertinent value also addresses specific market problems faced by builders and Realtors, such as an imbalance of supply and demand. To "wow" your builder and Realtor contacts, you might help decrease a customer's reluctance in regard to affordability, which in turn decreases a homebuilder's inventory of spec homes or a Realtor's stale listings. We do that with services that show the buyer they can afford more home than they thought. It's a win for the consumer who wanted a home in a certain neighborhood, but didn't think they could afford it. It's a win for the builder or Realtor. At each point, your efforts transcend good service to actually improve the quality of people's lives.

That's how you deliver a "wow" experience. And that's how you grow and maintain your list. 🏠



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