



# FINANCIAL FREEDOM

Mary Boston, CMO

# Challenges

- 1) Significant increase in marketing entrants to reverse mortgage space: Seniors are being barraged with marketing in all channels (TV, direct mail, internet, etc).
- 2) Revenue compression in secondary market has reduced allowable for marketing expense.
- 3) Unethical lenders/marketers could potentially increase regulatory requirements for this protected class (high pressured sales, deceptive advertising, etc.).
- 4) Bad press is hurting response rates. When proceeds of Reverse Mortgages are being used for other financial products that aren't suitable for senior, we receive the backlash.

# KEY LEVERS – THEY ALL MATTER

## Target Audience

- Senior Segments
  1. Very Needs Based
  2. Managing on a Budget
  3. Wants Based: Financial Tool (Jumbo Product)
- Use of demographic and credit data for targeted channels such as direct mail and outbound dialing
- Profiling for broader based marketing efforts such as TV or Print

## Creative/ Offer/ Message

- Rational or emotional messaging?
- Straight Forward – simple package / creative vs. more intricate creative
- What's your offer?
  - Free Information
  - Consultation at your home
  - No obligation, reverse mortgage analysis to see how much you could receive

## Vendor Relationships

- Strategic Partnerships: Are they helping you move the ball down the field?
- Speed to market and sense of urgency
- Pricing: 50-150% range

## Sales

- Lead is “gold” mentality. No “App'em” and “Scrap'em”
- Are sales reps identifying additional prospects through referral scripting?
- Who created the lead record?
- Trusted Advisor sales training
- Performance based lead distribution
- Beware of lead hogs

## Reporting & Optimization

- Accurate reporting that's matched back to original lead
- Stack ranking reports
- Management involvement with ongoing focus on data and coaching
- Lead incubation
- Identify next levers to test for all categories

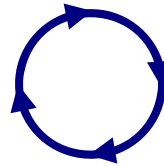
# NEW CUSTOMER ACQUISITION DISCIPLINE

## OPTIMIZE

- Make changes to levers having greatest impact
- Shift dollars to greatest performers
- Next test recommendation

## TRACK & REPORT

- Understand performance for all levers
- Understand impact of movement of levers and impact to the bottom line



<b>PRIMARY BENEFIT</b>
<ul style="list-style-type: none"> <li>• Complete understanding of company ROI</li> </ul>
<b>SECONDARY BENEFITS</b>
<ul style="list-style-type: none"> <li>• Brand awareness / consideration</li> <li>• Higher response rates in other channels</li> <li>• Employee morale</li> <li>• Positive reinforcement to key influences</li> <li>• Recruiting</li> </ul>

## ESTABLISH METRICS & TRACKING

### Short term goals

- Cost per call
- Cost per fund
- MCR (marketing cost to revenue)
- Increase realtor/ builder referrals and fundings
- New brokers signed up

### Long term goals

- Portfolio recapture rate
- Intent to purchase
- Number of loans per business partner

## TEST

- Offers
- Creative
- Conversions
- Capacity

MARKET COST PER LEAD

		Response Rate					
		0.3%	0.4%	0.5%	0.6%	0.7%	0.8%
<b>Cost Per Piece</b>	\$ 0.60	\$ 200.00	\$ 150.00	\$ 120.00	\$ 100.00	\$ 85.71	\$ 75.00
	\$ 0.55	\$ 183.33	\$ 137.50	\$ 110.00	\$ 91.67	\$ 78.57	\$ 68.75
	\$ 0.50	\$ 166.67	\$ 125.00	\$ 100.00	\$ 83.33	\$ 71.43	\$ 62.50
	\$ 0.45	\$ 150.00	\$ 112.50	\$ 90.00	\$ 75.00	\$ 64.29	\$ 56.25
	\$ 0.40	\$ 133.33	\$ 100.00	\$ 80.00	\$ 66.67	\$ 57.14	\$ 50.00
	\$ 0.35	\$ 116.67	\$ 87.50	\$ 70.00	\$ 58.33	\$ 50.00	\$ 43.75

- Modeled list will significantly outperform non-modeled list
- Cost per piece will vary based on package format
- First class vs. bulk should be tested (.15 cent difference in cost)

**MARKETING COST PER FUNDED LOAN**

		<b>Flow-Through: Lead to Funded Loan</b>					
		3%	4%	5%	6%	7%	8%
<b>Cost Per Lead</b>	\$ 130	\$ 4,333	\$ 3,250	\$ 2,600	\$ 2,167	\$ 1,857	\$ 1,625
	\$ 120	\$ 4,000	\$ 3,000	\$ 2,400	\$ 2,000	\$ 1,714	\$ 1,500
	\$ 110	\$ 3,667	\$ 2,750	\$ 2,200	\$ 1,833	\$ 1,571	\$ 1,375
	\$ 100	\$ 3,333	\$ 2,500	\$ 2,000	\$ 1,667	\$ 1,429	\$ 1,250
	\$ 90	\$ 3,000	\$ 2,250	\$ 1,800	\$ 1,500	\$ 1,286	\$ 1,125
	\$ 80	\$ 2,667	\$ 2,000	\$ 1,600	\$ 1,333	\$ 1,143	\$ 1,000

- Flow through (lead to fund) has the most significant impact on metrics
- Loan Officers vary significantly in their ability to convert leads to loans
- Have realistic expectations for performance from prospecting initiatives