



# Cultivating Effective Lead Generation and Conversion Strategies across a Competitive Landscape

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## ***Lead Generation***

Acxiom Overview

Definitions of a lead

Types of leads

Qualities of an effective lead generation program

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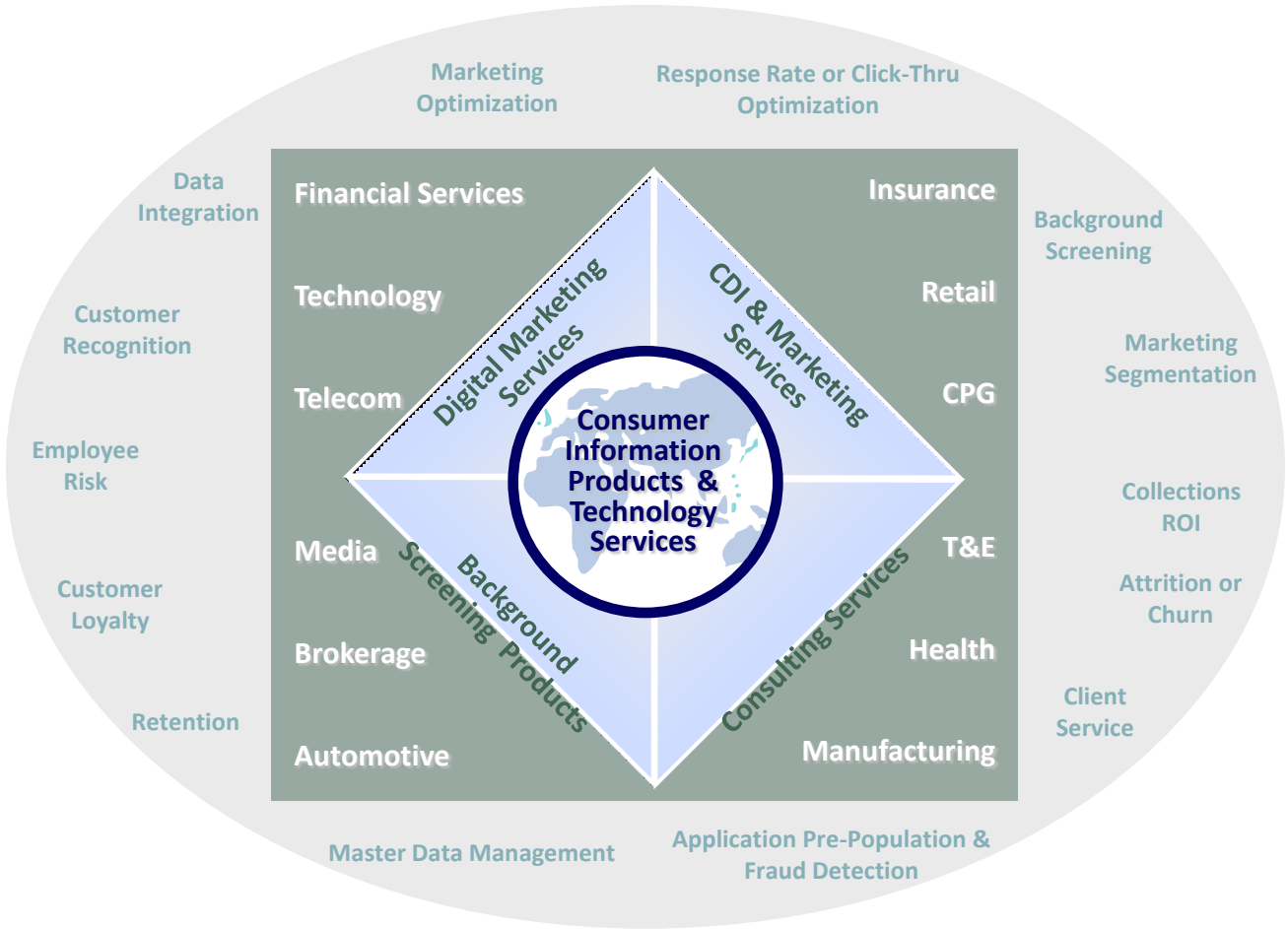
## ***Lead Conversion***

Liberty Overview

What Do You Need To Know About RM Leads?

What Is Your Qualification And Management System?

## A Global, Interactive Marketing Services Company



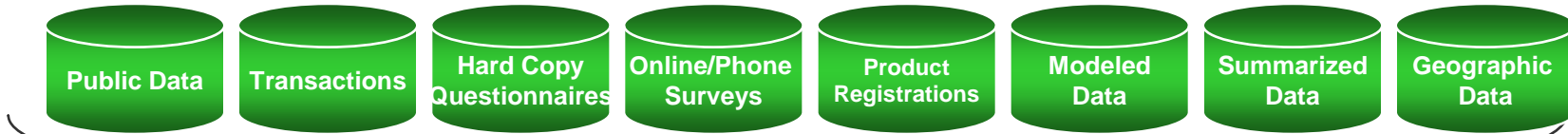
Asia-Pacific

North America

Europe

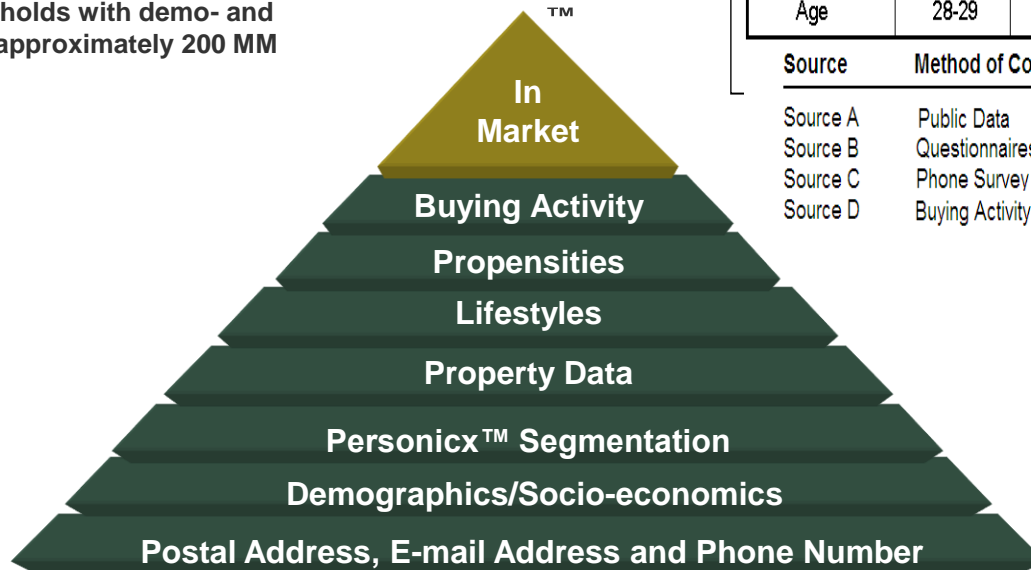
# InfoBase-X: Nuts and Bolts

## InfoBase-X Data Sources



Data Element	Source A	Source B	Source C	Source D	Record
Children	Yes	1@ 6 to 12 1@ under 6	Yes	Blank	1@ 6 to 12 1@ under 6
Income	\$25K-\$30K	\$20K-\$30K	Blank	Blank	\$25K-\$30K
Homeowner	Blank	No	Yes	Blank	Yes
Occupation	Blank	Blue Collar	Blue Collar	Blank	Blue Collar
Age	28-29	27	Blank	28-29	28-29

A multi-dimensional database composed of over 131 MM US households with demo- and socio-graphic data on approximately 200 MM individuals.



Source	Method of Compilation	Recency / Specificity
Source A	Public Data	Verified 6 months ago
Source B	Questionnaires	Verified 12 months ago
Source C	Phone Survey	Verified 4 months ago
Source D	Buying Activity Data	Verification dates vary by element

v., Lead, (Lēd), lead·ing, leads.

- To show the way to by going in advance
- To guide or direct in a course
- To act as a commander, director, or guide

and now another definition:

- Individuals whose names were found in a phone book
- ...or sources I won't tell you about
- ...that have been contacted or have contacted us
- ...about a product (possibly even one you are selling)
- ...and displayed remote interest (breathing, saying "hello", having a mail box, etc.)

The referral of a prospect, who is a *candidate* for the presented product or service, has expressed an *interest* in the product or service, AND is interested in *discussing* that product or service with a *qualified individual*.

## Non-Targeted Leads – no segmentation, typically just a list

### Positives

Cheap

You control the product positioning and the “go-to-market”

### Negatives

Too many to mention

More work required

## Telemarketing Leads – phone contacted

### Positives

Typically are very product specific and targeted

You can control the message and branding aspects

If wrapped with segmented or modeled data, can be very economical

Top of mind lead

### Negatives

High volumes are required by vendors

Regulatory requirements and risk

Someone will get upset

Start-up requires some effort

## Web-based Leads – either web-site collected or emailed

### Positives

Financially definable

Low amount of effort on the producers part

Top of mind lead

Interest from consumer is presumable already there

### Negatives

Volume won't carry

Your targeted segment?

Competition with other producers is high

Quality can be questionable

## Direct Mail with Demographic Segmentation – base targeting used

### Positives

High volume

Proven channel and supplier accessibility

Flexible messaging

### Negatives

Somewhat fluctuating ROI with up-front costs

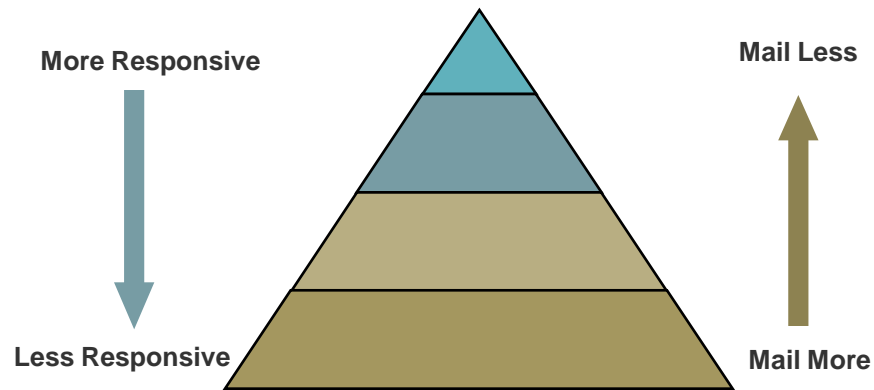
Effort is higher

Supplier scalability

Becoming more expensive due to postage increases



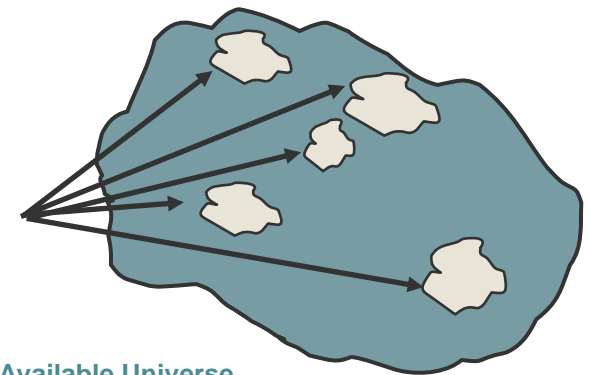
No additional prioritization based on prospects' likelihood of responding to the offer or purchasing the product



Over-marketed prospects

- Saturation - often targeted by multiple lenders
- Possibly becoming less responsive after each mailing

Resulting in poor response rates and ROI



Available Universe  
using standard age &  
home ownership  
criteria = ~19 MM

## Direct Mail with Modeled Data – analytics used for targeting

### Positives

High volume

Flexible messaging

Improved targeting & response

Higher ROI than segmented mail

Selectable based upon cost or volume desired

Customizable to your targeted customer base

### Negatives

Higher up-front costs & effort

Supplier scarcity

Perceived “black box”

# Sample Return On Investment

Quantity mailed can be determined based on lead goals, expense constraints, and return on investment hurdles.

Decile	Resp Rate	Mktg Cost	Cost per Lead	Cum. Cost per Lead
1	1.07%	\$29,502	\$37	\$37
2	0.56%	\$32,142	\$71	\$50
3	0.43%	\$34,184	\$94	\$60
4	0.39%	\$31,782	\$102	\$67
5	0.32%	\$33,826	\$124	\$74
6	0.30%	\$29,727	\$133	\$79
7	0.28%	\$32,400	\$141	\$85
8	0.28%	\$30,280	\$144	\$89
9	0.26%	\$35,885	\$153	\$94
10	0.20%	\$29,479	\$202	\$99
<b>All</b>	<b>0.40%</b>	<b>\$319,208</b>	<b>\$99</b>	<b>\$99</b>

Sample

- Average cost per lead of \$37 for records in the top decile is less than half of the overall average cost per lead.
- The model enables marketers to more precisely forecast and control their cost.

- If the goal is to generate as many leads as possible at less than \$75 cost per lead then we can mail to the prospects in the top 5 deciles.

Equity amount

Home market value

Age

Presence of automobiles

Length of residence

Age of mortgage loan

Interest in investments

Contributes to charities

Interest in travel

## Easy to use

- Allows phone or web-based ordering
- Provides Producer training
- Promoted to Producers and captures feedback

## Functionality

- Uses Modeled Segmentation and “compiled” data sources
- Suppresses previous campaigns
- Provides “lock-outs”
- Provides efficient distribution of response info
- Tracks and Analyzes response and conversion

## Flexibility

- Quick delivery or staggered drops
- Includes a “testing” regiment
- Multiple approaches – branded and non-branded

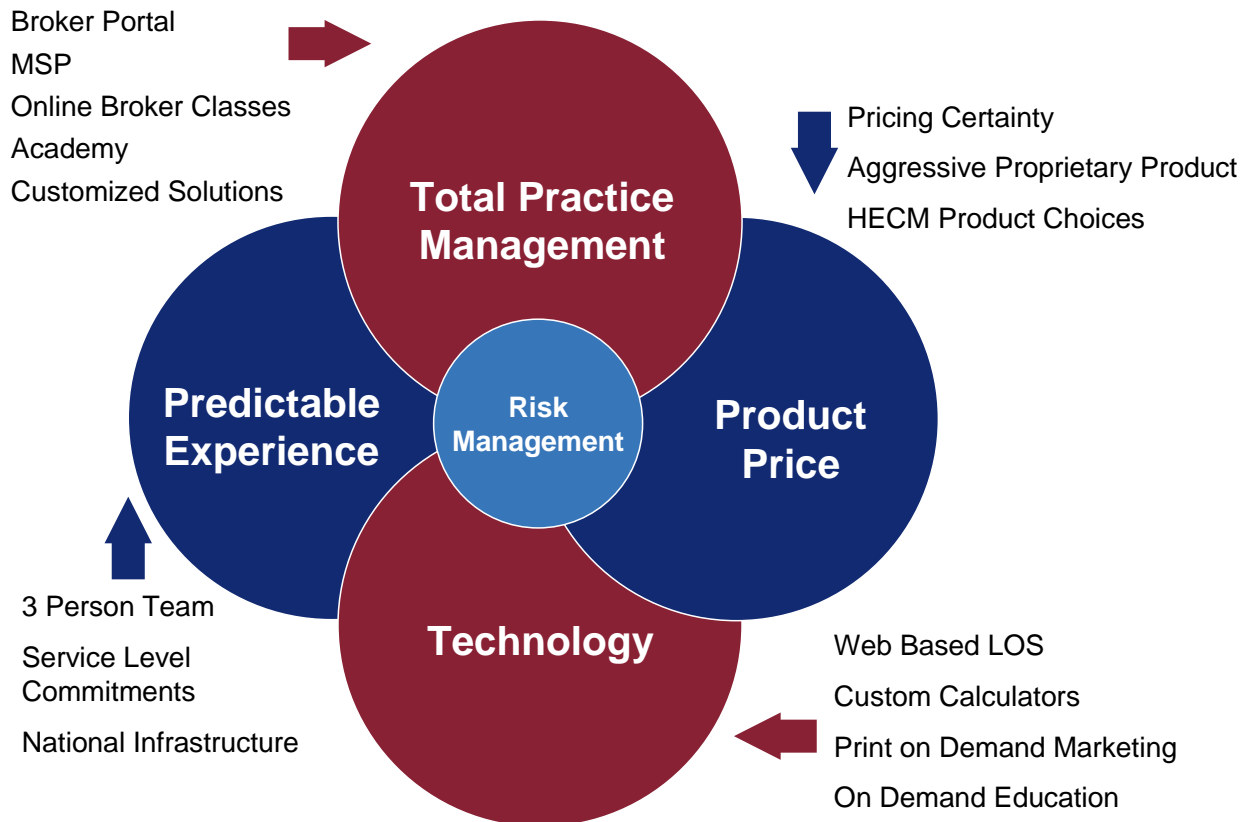
## Liberty Overview

What Do You Need To Know About RM Leads?

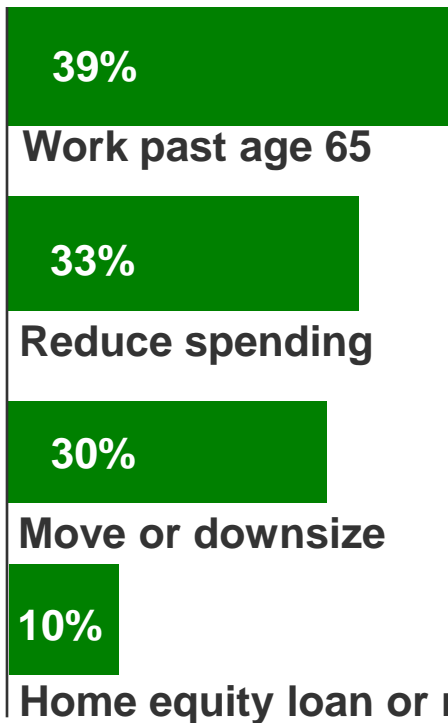
What Is Your Qualification And Management System?



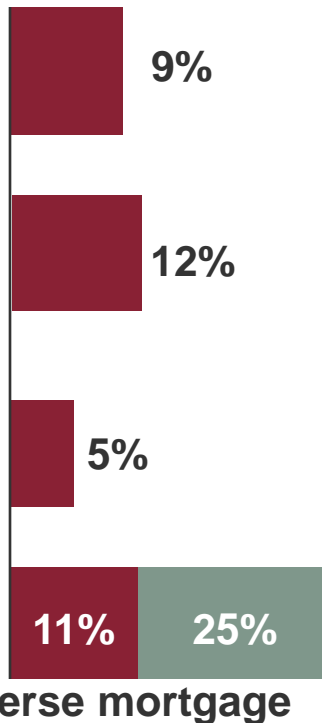
**We Partner With Select Originators To Change Seniors' Lives By Providing Tools And Expertise To Achieve Excellence Within Your RM Business**



## Expectation



## Reality



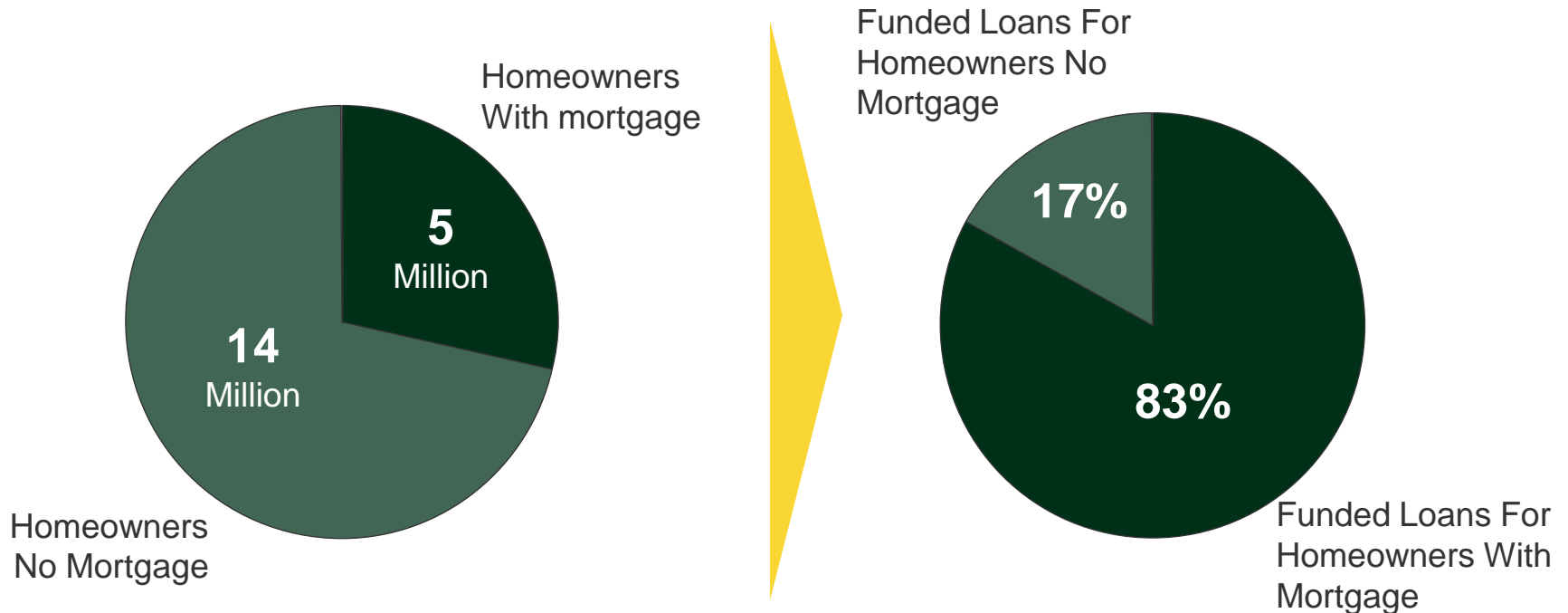
40% of seniors are forced out of work early

Most underestimate expenses during retirement

95% don't move

Additional 25% are considering using home equity

## 83% Of Funded Loans Paid Off An Existing Mortgage



Consumer Credit Counseling Profile 2007 / AARP Report 2007 / LRM proprietary

**The RM Product Is A Largely Needs Based Solution.**

- 1. Leads Have A Very Long Shelf Life**
- 2. Long Sales Cycle - Be Persistent & Client Centric**
- 3. They May Or May Not Be One Time Close Calls**
- 4. Average 2 Visits To The Home Or Phone Consultations To Secure Application**
- 5. Average 3 Hours Of Consultation Time To Secure Application**
- 6. Value Proposition Must Be Information Based**
- 7. Use The 78/22 Rule In Sales Approach**
- 8. Senior Clients are Sensitive To Scams And Fraud**

**Adjust Your Thinking Before Building A System.**

# Your System – The Steps

		Rate	Cost Per Unit	
<b>Direct Mail Pieces</b>		50000	\$1	
↓	Conversion	0.35%		
<b>Leads</b>		175	\$214	What System Do You Use? How Do You Track? What Is Your Pre-Qualification Process?
↓	Conversion	25%		
<b>Consultations</b>		44	\$159	
↓	Conversion	55%		
<b>Applications</b>		24	\$476	Is Your Operations System Prepared For The Reverse Mortgage?
↓	Conversion	75%		
<b>Funded Loans</b>		18	\$951	
Lead To Fund Conversion Efficiency		10%		
Total Variable Marketing Cost \$		\$1,800		
Total Variable Marketing Cost %		50%		

**How You Measure Your Performance Will Vary Greatly, But, You Must Measure.**

## Which CRM?

<b>Old School:</b>	<b>Paper</b>
<b>Simple:</b>	<b>Microsoft Excel</b>
<b>Basic CRM:</b>	<b>Microsoft Outlook</b>
<b>PC CRM:</b>	<b>ACT!, Goldmine</b>
<b>Web CRM:</b>	<b>Salesforce, Lender Systems</b>

## Key Elements

- **Contact Information**
- **Loan Information**
- **Property Information**
- **PCP: Personal Care Point**
- **Status: Hot, Warm, Cool**
- **Stage: Lead, Consultation, Application, In Process, Previous Client**
- **Group: Previous Client, Current Client, Affinity Source, Vendor, Friends/Family**

**The Only Requirement For A Technology System Is That You Use It, Every Time, All The Time.**

### Determine How And To What Level You Qualify Your Leads.

- **Different Lead Types Require Different Qualification Process**
  - E.g. Live Transfer Phone Lead Is Significantly Different Than A Reply Card Lead With No Phone Number
- **Two Parts To All Transactions: ‘Willing’ and ‘Able’**
  - Many Clients Are Willing And Not Able
  - Most Who Are Able Are Not Willing
- **Practice Persistence Until Initial Contact, 7-15 Attempts**
- **Mutually Agreed Upon Frequency After First Contact**
  - Life Changes, So Whomever Had Most Recent Quality Contact Wins

**Proper Pre-Qualification Saves You Thousands Of Dollars And  
Hundreds Of Hours!**

## Face 2 Face Higher Conversion

1. Set Appointment And Expectations During Pre-Qualification
2. Hand Carry Application, Review On-Site
3. Complete Application and Scan Documents

## Phone Higher Capacity

1. Use Two Call Format
2. Call One: Learn About The Clients Personal and Financial Situation
3. Use Overnight Mail To Deliver Information and Application
4. Call Two: Review Application, Sign Application And Put In Fed/Ex

**Remember The 78/22 Rule. High Conversion At This Step Is Dependent Upon A Strong System.**

### **The Operations Process Is Not Difficult, Just Different. Build Your Team For The Unique Challenges And Take Nothing For Granted.**

- **Average 55 Days To Fund**
- **Prepare For Unique Loan Challenges: Counseling, Trusts Power of Attorneys**
- **Prepare For Unique Borrower Challenges**
- **Weekly Update Calls Are Powerful**

**Proper Pre-Qualification Saves You Thousands Of Dollars And Hundreds Of Hours!**

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