Make More of Your Leads

through Intelligent, Effective Engagement

in collaboration with inscellerate
engage.intelligently™

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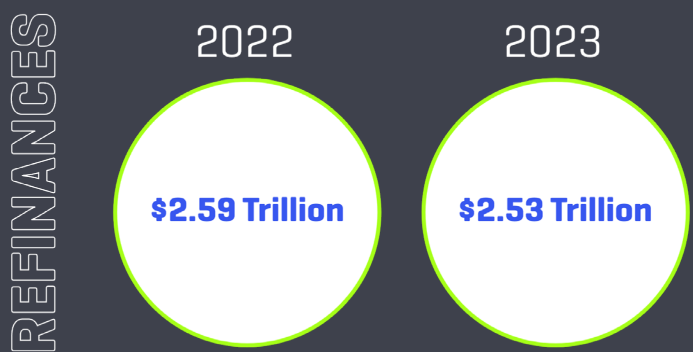
Lenders' Responses to Their Leads

According to the Mortgage Bankers Association (MBA), refinances will continue to decline in 2022, after falling by 62% during 2021. In total, the decline will, MBA says, amount to $2.59 trillion in 2022 and $2.53 trillion in 2023. What this means is that demand will fall, which will require new adaptations by lenders.



The reality is that as demand for mortgages decreases, every lead will represent significantly more value. Approaches that have been profitable in such a strong purchase market are going to become untenable. This means that lenders who have gotten by on low or middling conversion rates may find themselves struggling to keep up with less favorable conditions.

According to the findings in our most recent annual MBA "Speed to Contact" Research Study, this issue is widespread. We reached out to 489 companies, completing the contact forms on their websites and providing them with the information they would need to respond to us. Of those companies, 40% never responded to us at all, though. That was undoubtedly striking – but far from the only flaw that we observed. In addition to simply recording whether or not lenders were getting back to us, we also recorded the means by which they responded (phone calls, emails, or texts) and the time that it took them.

The average response time was 19 hours, whereas the median response time was 24 hours. In light of everything that we know about the impact that fast responses make, both of these figures are catastrophic for lenders who should be optimizing their conversion rates. We will get into that more in the next section.

It is also worth noting that only 53% took the time to follow up more than once of the lenders who responded at all. **Meanwhile, less than 1% of them used all available means (phone calls, emails, and texts) to communicate with their leads.** These figures signify failings on multiple fronts: even when lenders get the initial response somewhat correct, they tend to fall off soon afterward.

We can explain these findings cohesively through a single, straightforward concept: engagement. Lenders who have focused on engagement have, time and again, outperformed their peers who have either not responded to their leads or not followed up with their leads sufficiently. Let's dive into this concept more deeply.

Why Engagement Matters

The results of our studies were unequivocal. In addition to our MBA Contact Study, we also delivered our Lead Vendor Analysis Report findings. We found that when lenders who purchased leads from a lead provider implemented an engagement platform and strategies, they could increase the number of loans they funded. There was neither size of lender nor a type of lead from the different providers that didn't benefit from this approach. As a result, lenders have made measurable, substantial improvements to their businesses across the board, doing nothing more complex than following up with their leads effectively.

Those lenders getting leads from Direct Mailer were able, for example, to increase their funding rate from 1.82% to 5.60%. This improvement is seismic. Remarkably, it required no systematic overhaul. That improvement came about because those lenders integrated an engagement platform into their already existing processes. When they were able to track and more precisely manage the efforts that they were putting into lead engagement, they exhibited a more than threefold rate improvement.

Here are the results from lenders using Bankrate, they were funding at a rate of 5.85% even before integrating an engagement platform into their processes. It was a clear affirmation of the value of engagement, then, that they too exhibited significant improvements through engagement, their rate going all the way up to 8.18%.

5.85%
FUNDING RATE

Integrating to an engagement platform into Bankrate's processes

8.18%
FUNDING RATE

Lenders using Realtor.com for leads were funding loans at a rate of 0.40%, which was on the lower end of the companies we studied. Through engagement, they, too, drove substantial improvement. Their rate increased to 0.70%. Their success, coming as it did amid admittedly disappointing figures, seems especially meaningful – because of what it says about the spectrum of results that lenders are seeing. On both ends of that spectrum, engagement makes a discernible impact.

Focusing on engagement, lenders increased their conversion percentages uniformly. They provided the best possible proof that engagement matters without any caveat. For every lender, a failure to engage turns into lost revenue in times of abundance and precarious finances in times of scarcity. The numbers bear out the truth that properly engaged leads convert more frequently.

It is worth examining not only the frequency with which engagement-focused lenders improved their bottom lines but the significance with which they did so.

Bottom Line:

Focusing on engagement, lenders increased their conversion percentages uniformly.

Great Engagement, Real Results

On average, lenders who focused on engagement could generate $4 million more in annual revenue than they had previously. These results were, once again, universal. For every 1,000 internet leads every month, lenders using Bankrate funded eight loans more than they had before integrating an engagement platform into their processes. Those using Leadpops drove even more impressive results, funding eleven more loans than they had.

It is informative to note that among lenders who focused on engagement, the increase in revenue has been as significant as it is. While an engagement platform does entail a cost to lenders, the cost is vanishing next to the potential upside. Engagement, the value of which our research has proven, can equate to financial boons unlike any other tweak or shift a lender can make.

Remember the conversion rate increases that we have observed: for lenders getting leads from Google, the rate increased from 0.76% to 2.88%; from Monster Lead Group, it increased from 2.48% to 5.24%. From Freerateupdate, which exhibited an increase from 1.70% to 1.97%, that 0.27% rate increase will amount to a significant revenue figure. Even that increase is, after all, equal to more than 15% of the previous rate.

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These findings point to specific, actionable strategies that lenders can use to optimize their engagement. Although still easy to grasp, the concept of engagement then becomes a series of shifts in behavior and mindset. Lenders can enhance their interactions with their leads, making a positive impression that will increase conversions.

One such strategy is to pay more careful attention to timing. As we have explained, our research has proven that speed of response will make a difference in lenders' results. Tracking and measuring the speed of response will make improvements more attainable. An engagement platform keeps the tracking, and the communication in one place provides the necessary assurances that lenders are not letting their response times veer too far away from the rapid ideal.

An engagement platform will ensure that lenders are actually doing so, once they have accepted the value of such efforts and decided to apply them.

Learn More

Source	Without Engagement Platform	With Engagement Platform
Google	0.76% CONVERSION RATE	2.88% CONVERSION RATE
Monster Lead Group	2.48% CONVERSION RATE	5.24% CONVERSION RATE
Freerateupdate	1.70% CONVERSION RATE	1.97% CONVERSION RATE

Another such strategy is to engage with leads continuously. Instead of the one-and-done approach that is so common among lenders, lenders who focus on engagement to improve conversion rates can track the frequency with which they are reaching out to potential customers. Through phone calls, emails, and texts, lenders can interact with their leads in the ways that research has shown work. An engagement platform will ensure that lenders are doing so once they have accepted the value of such efforts and decided to apply them.

These strategies, although intuitive, may seem challenging to master, especially for small lenders who are wielding minimal tools and resources. Effective engagement has been a daunting task in the past – but not anymore. Thankfully, there is a great equalizer in our midst.

The Equalizer

To lenders, technology can represent either an obstacle or an opportunity. It may seem, at times, that only the largest organizations can afford in-house technology developers or the most cutting-edge, advanced tools. In those cases, technology may seem to hinder competition. What we have observed, though, is the opposite. Because there is affordable, high-impact technology available for engagement, lenders of all sizes have been able to make strides right alongside their larger, more dominant peers.

The difference between these perspectives is, then, one of choice. Knowing that the technology is out there, organizations need to choose to adopt it. When lenders make that choice, they can handle the challenges that a focus on engagement presents. The hard-to-track interactions become much easier to parse when there are statistics for speed of response, frequency of engagement, and method of communication. Managers and other decision-makers can use those statistics to take the correct action with all of their leads.

Because of these statistics and all other tools that a robust engagement platform will offer, engagement is more accessible to lenders than ever before. Technology has leveled the field so that instead of finding themselves buried underneath the largest lenders' insurmountable budgets, lenders who are willing to put in the work can drive conversions and continue to expand their companies. Organizations of all sizes in the mortgage industry can compete for the same leads – and for any one of them to emerge victoriously.

If engagement is the unrivaled game changer for the mortgage industry, then technology is the shortcut to that game-changer. Other lenders have already discovered what all of the components of engagement amount to for their companies. Now, you can do the same.

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Engagement Technology and You

Our Lead Vendor Analysis Report considered 274,810 online leads between 2019 and 2021. It was, in short, a reasonably comprehensive look at what was going on in the industry. Breaking down the average loan size ($350,000) that lenders are funding, as highlighted in the report, we get a clear idea of the revenue potential they are dealing with. $350,000 per loan will equate to $8.05 million per month or $96.6 million per year. **These figures are so massive that whether a conversion rate increases by 3.78% (those using Direct Mailer's has) or by 0.27% (lenders using Freerateupdate's has), the revenue change will be substantial.**

It is worth repeating: as 2020 gets further behind us, its market strength gets further behind us as well. Lower demand in the mortgage industry should give pause to any lenders whose conversion rates have lagged behind their peers. Every lead, the lower demand gets, becomes more valuable. It should be a point of concern for some lenders to think that while they have gotten by through the 2020 and 2021 markets, their (lack of) engagement practices may soon catch up to them.

Fortunately, it has never been simpler to implement engagement practices than it is today. Intelligent strategies, tracked and managed through an engagement platform, can guarantee that lenders are interacting with their leaders in a way that will lead to conversions. Respond quickly, keep the lines of communication open, and speak to people over the methods they prefer: these are a few ideal engagement strategies, all of which diligence will make more achievable.

When we launched Insellerate, we did so because we wanted to change how lenders interacted with their customers fundamentally. We saw the potential for a transformation in the mortgage industry. However, this transformation is nothing so radical that it will force people to rethink what they have learned about lending in the past. Instead, it optimizes processes based on what many of us in the mortgage industry know – and what 40% and more of us routinely fail to employ.

We continue to push ourselves and our partners to make the most of the mortgage business that is out there. Because it is never wise to ignore a lead that could have been converted, and because it is even less wise to do that as we face a different type of market in the near future, we stress efficiency in this industry. Efficiency comes down to engagement, above all else, because when a lead falls by the wayside, it is no different from a lender throwing away revenue.

Talk with Insellerate Today!

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