

5 Simple Steps to Member Share Growth

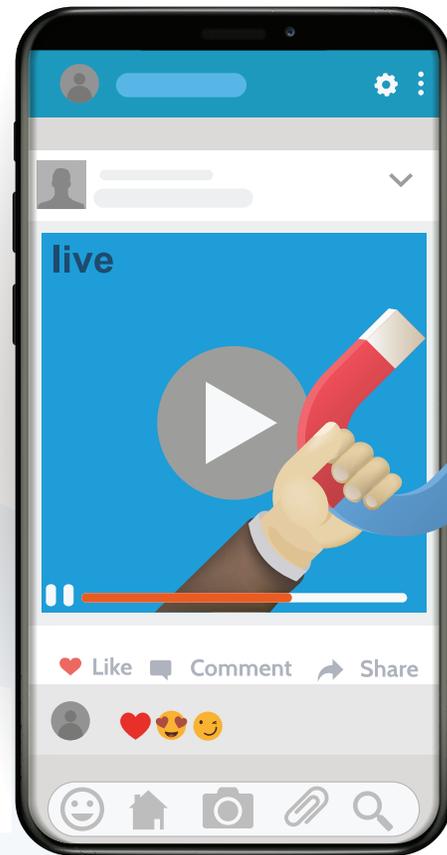
A Facebook Strategy for Capturing Member Homebuyers

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It's undisputed that the low-hanging fruit of profitable lending is to tap into your existing members, officially called Member Share.

Member Share is a measurement of your brand equity with your existing members and it's the fastest way to increase your loan volume.

Learn how one simple Facebook ad strategy will help you cast a net around your existing member base to place your lending products in front of them before they even begin searching for a new home.



Do you take a good, hard look at your team's marketing strategy every year?

You should. Lenders struggle to understand how to grow their volume, yet the key to growth is living right in your member base. The highest-quality growth is achieved by getting a lot more business out of your existing members.

Here's a general rule of thumb as you consider your marketing strategy:

According to Gallup's State of the American Consumer" ([LINK: https://www.gallup.com/services/176282/state-american-consumer.aspx](https://www.gallup.com/services/176282/state-american-consumer.aspx)), right now, you're probably doing a maximum of one-third of the business you could be doing with current members. In other words, if you're doing \$200 million in purchase sales, there's an additional



in their buying decision.

For lenders, that perfect time is when borrowers begin to think about purchasing a home—not when they “pull credit.” If you’re using “pull credit” as a trigger to take action, you’re late to the party.

Get ahead of your competition by placing ads on Facebook so that you can catch members at the right time.

Here’s how it works: Your marketing team has a Facebook Ads Manager account, right? If not, account creation is the first step. When you upload your members’ email addresses into your Facebook Ads Manager account, they will be matched to their user profiles. You should see about a 60%-70% match rate. If you also have their phone number, that match rate could increase to about 80%.

Now you have what is called a Custom Audience, a prime group of prospects that you can place your ads in front of.



2 ‘Pixel’ your website.

What the heck is a “pixel”? Akin to magic pixie dust, it’s a wee bit of code that Facebook gives you that your website manager can place on each page of your credit union’s website. This is the ligament that holds the bones together. Facebook can now provide you with data on how your custom audience is moving around on your site.

You can now create an ad letting your members know that if they’re thinking about purchasing or refinancing a home, they should click on your ad to learn how you can help.

We use a simple tool called Canva ([LINK: https://www.canva.com/](https://www.canva.com/)) to create stunning ads. The array of awesome templates will help you along, just make sure that your ad follows your brand standards so that your member

\$400 million in low-hanging fruit with your current members, just waiting to be picked.

So, how do you get to that extra \$400 million? By growing your Member Share, one of the five key metrics to profitable lending ([LINK: https://landingpages.mortgagecadence.com/2019_benchmarking_results-d/](https://landingpages.mortgagecadence.com/2019_benchmarking_results-d/)), the best indicator of your brand equity with existing members, not to mention the least expensive way to drive new business.

Member Share is the percentage of members that borrow from you. Industry average is about 0.85%. That’s less than 1%. For perspective, high performing lenders run about 2.6%. The following five steps, when fully executed, are guaranteed to drive organic growth.



1 Tap into your member data.

Any self-respecting marketer will tell you the most important data on a member is their email address and phone number. These two pieces of data open a world of opportunity to put your brand in front of them at exactly the right time

recognizes you. Your greatest strength, since you’re great with your members, is your brand. After all, they already know, like and trust you, right?

3 Got video?

Perhaps you have some assets that are very helpful in informing and educating borrowers. Did you invest in a TV ad? Billboard? Have a white paper or other piece of content that provides insights into the borrowing process? Perfect! You’re ready to get started.

If not, you can quickly and easily create a video. This takes a bit of courage if you’ve never done one before, but here’s an example of just how easy this can be.



Check out the accompanying image of a reach campaign I did while at MBA Annual in Austin this past October. I held up my phone and recorded a 40-second video welcoming the viewer and asking them to pop by our booth on the floor so that we could say hello. Oh, and I mentioned that we had fresh macaroons to give away ... it works every time.

We dropped a screenshot of the video into Canva and gave it a little attention-grabbing help. You can see there is nothing fancy or complicated about it. Just sticking to the facts.

Now, from here, you could do one of two things:

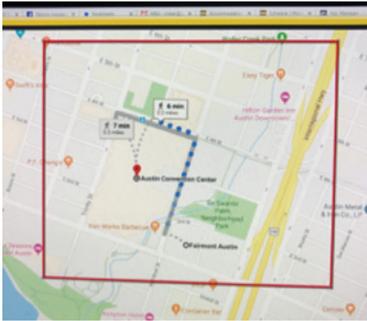
1. Set an ad budget of about \$5 per day for 3-7 days for your

“
The highest-quality [mortgage loan] growth is achieved by getting a lot more business out of your existing members.”



custom audience. (Remember, these are already your members, so we're just popping up in their newsfeed to keep them informed.)

2. Because I didn't have a custom audience for MBA, I just told Facebook to put a "fence" around the Convention Center and place my ad in front of anyone in that area until my budget ran out.



Here are the results:

- 912 individuals watched the 40-second video.
- 912 Facebook IDs captured. (More about why this matters will follow.)
- \$355 ad spend.
- 36¢ per-person ad spend.

Note that this is not an expensive marketing strategy. Quite the contrary. This advertising approach results in contacts with members who are in the market to buy (or refinance) a home for pennies per lead.

Next, we were able to place ads in front of this custom audience of 912 people to enforce general brand awareness. We just did a webinar with our partners at *HousingWire* about high-performance lending and the KPIs (Key Performance Index factors) that drive decisions, so we used the webinar replay within our retargeting ads.

We taught this little trick to one of our clients that was looking to grow Borrower Share and, in less than a year, they increased their loan pipeline by 122% using this exact strategy. Let's take a closer look at their results:

- June 2018: \$33 million in closing (the highest amount closed in one month in the institution's history).
- July: \$42 million in closing (another record-breaking month).

- August broke July's record.
- They met their annual sales goal at the end of August.
- In 2019, they are tracking to exceed their sales goals by 45%.



4 Right time, right place.

The next step is knowing where to position your brand on the path of your members when they are at the earliest stage of shopping for a home. Think about the websites people visit when they are in the early stages of house hunting. Shoppers usually start checking out inventory online with sites like Zillow, Trulia, Redfin, Realtor.com, Homefinder.com, etc.

Most Facebook users stay logged in to their account as they browse the Internet, giving Facebook the ability to track which sites your custom audience visits.

With an ad campaign within Facebook you're able to cherry pick the individuals within your custom audience who have visited specific websites or who follow certain

brands. Because Facebook tracks our brand affinities in their database, you're able to tap into that data to do highly targeted advertising.

As you track the analytics, you'll start to see people percolating to the top as they begin to engage with more and more of your content. This is a signal to you that they are indeed in

the market for a mortgage or refinance product, and it's time for you to set the hook.

This is where you get creative and place an irresistible offer they can't refuse. Perhaps it's a zero-points loan, for example. Or, perhaps it's the best

borrower experience because of your unique mentorship, walking them through the process step-by-step.

When you're ready to expand this strategy into a cold market, this is where you can target your competitors by identifying their members and placing ads in front of them that express your competitive differentiator. Sleuthy, right?



5 Invest in LTV

LTV refers to the Life Time Value of your member, and knowing this metric is extremely important for growing your business. This metric helps guide your decisions around what you should pay to acquire a new member, to get your existing members into new products, or to retain a member.

If you get pushback about your marketing budget for paid ads, simply reply with this question: "If you gave me \$1 and I gave you \$3 back, is that a deal you would take?" (They can't say no ... they just can't).

This is what I refer to as the magic money box.

Continue to focus on delivering an exceptional experience to your members and pair this with ads that create awareness around other solutions you can help them with. This is the best, most effective way of staying top of mind. ▲



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Pamela Herrmann is VP Marketing and Chief Storyteller for Mortgage Cadence. She is a best-selling author and her most recent book, "The Customer Manifesto — How Business Has Failed Customers and What It Takes to Earn Lasting Loyalty," was on Business.com's list of customer-service books every business owner should read.



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