

Referral Marketing With E-zines

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As the refi wave subsides, and it will – many originators will find themselves scrambling to maintain a pipeline and a career. Yet others will excel and thrive because they remembered and protected the #1 rule in referral marketing: happy customers provide us with more happy customers.

While this basic rule hasn't changed in centuries, the way we apply it has. New forms of communication, changes in customer expectations, and customer-focused technologies have changed the way we think about, talk to, market to, and retain our customer base.

Everyone talks about technology, and how much it saves us in time, expense and aggravation. While it's true that life would be much more difficult without calculators, computers and automated underwriting, I'm amazed at how little time is spent on looking at ways to use technology in a practical, efficient manner to enhance basic customer service.

I have strived to provide superior service to my customers over the years, and they have rewarded me greatly in return. I have also investigated, tested, planned and integrated technology, searching for ways to efficiently and effectively provide that service. In this article I will share one of my most basic, yet most powerful applications of technology in retaining and creating customers – the E-zine.

The e-zine, which is short for electronic magazine, is a specially prepared, worded, and timed e-mail newsletter to my customer base. Over the years, I have learned that the road to steady long-term success is created through maintaining a referral system. To be effective, that system must include a personal “contact” with that customer a *minimum* of four times per year. I call this relationship marketing.

While regular newsletters (snail mail) can be effective for some, they can also be expensive, slow, and time consuming to prepare and mail. Electronic newsletters on the other hand, can be prepared quickly, and inexpensively – I can send 50,000 e-mails at the touch of a button - at virtually no cost! Customers are also more prone to read quick e-mails as opposed to lengthy newsletters, and the response can be measured immediately. But there is a formula for setting up the steps to success.

Database Construction

The first step is to get your customer database in order. Create an Excel spreadsheet that contains 6 columns – first name, last name, e-mail address, type of transaction (purchase or refinance), date of transaction, and update date. If you don't know your customers e-mail address, start calling them and ask for it! Let them know

that you appreciate their business, and as a valued customer you want to be able to keep them up to date as interest rates change, new programs become available or interesting financial market information arises. They will be grateful you thought of them!

Prepare The E-Zine

Using Microsoft Word, or a host of other programs, prepare a short informational newsletter that includes market information, personal and company highlights, a great customer story, or any number of other interesting elements. But keep it short! E-mails that are too lengthy will be ignored, so make sure that the customer can read it within 2-3 minutes maximum.

Don't try to use fancy graphics (HTML), logos, banner ads, or anything of the sort. I like to keep it in regular text format, as it is more personal for the reader, and more likely to be read. The most important part of the e-zine is the "header", or what appears in the subject line. Don't make it a sales pitch or cute, but short and to the point – for example, my customer e-zine newsletter is called "Financial Fitness".

Distribution

Distribution of the e-zine can be done through basic e-mail programs such as Outlook or ACT!, but I prefer a more detailed and comprehensive on-line distribution service such as bcentral, refer-it, or cool-lists. Customers need to be able to "opt-out" of the service at anytime, and others should be able to sign up on the list electronically, either from the e-zine itself or through your website. Many of the on-line list maintenance companies will provide free hosting and upload/download capabilities from your excel spreadsheet. Other services with more options can be found for less than \$15 per month.

In addition, customers should be encouraged to pass the e-zine on to their friends and associates, and they will! As the list of readers grows, so will your exposure and credibility as a mortgage professional, and your subsequent referrals.

Links & Offers

As you become more comfortable with the format your newsletter, add links back to your website (you do have a website, don't you), and links to other interesting sites, articles or information. You can even market affiliate services and products with special discounts or offers. If you decide to utilize a list hosting company, your e-mail traffic can be measured to determine effectiveness, as well as the popularity of each link or offer within the e-zine. This allows you to better plan your newsletter as well as your customers' preferences. The e-zine should also allow them to respond directly back to you (via e-mail) with comments, questions, concerns, or any other customer service issue.

The entire e-zine process should take you about 3 hours per month to maintain and distribute (yes, the first couple of times it will take longer), but the returns are more than worth it. By communicating on a regular basis with your customers, you will

protect your client base, build credibility, and create a following of new customers – all for a cost of practically nothing!

I have three electronic newsletters that I distribute free-of-charge to over 40,000 people per month. “The Mortgage Minute” is provided to professionals within the mortgage lending industry, “Peak Performance” is designed for sales professionals, and “Financial Fitness” is the consumer newsletter. They are all free, and anyone has the ability to subscribe through my website at www.chipcummings.com. More than just the financial rewards, the comments I receive and the report built with my customers is personally rewarding.

People do business with people they trust, and they trust people that they like. It takes time to build that relationship, and it’s about more than just a mortgage. You are not in the business of providing mortgages – you are in the business of marketing financial services. That is an important distinction, as the value in your services is **you**, not the mortgage. Technology has played an important part in the advancement providing those services, but remember that technology is not a substitute for good customer service – it just makes good customer service easier to provide.

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