

Customer experience as a competitive advantage in home lending



In the age of Dodd-Frank, mortgage lenders are waking up to a new reality: customer experience isn't just about practical service and compliance issues. An exceptional customer experience can mean the difference between winning and losing business altogether. Referrals are no longer driven by the real estate or financial world --consumers have stepped up to own the decision, thanks to the increasing influence of social media. As this trend accelerates, financial institutions will need to keep pace with consumer expectations if they want to gain competitive edge.

For the first time in history, consumers have the opportunity to publically share their experiences with any business, with a broad network of friends and colleagues. New York public relations firm Edelman reported that, in the online world, 76% of consumers will recommend companies they trust to a friend. And 57% of shoppers are more likely to buy after receiving opinions from friends, according to a recent Social Impact Consumer Study from Sociable Labs.

What we're talking about here is trust – which means mortgage lenders have a big job ahead of them. Even before the economic crisis rocked consumer confidence in financial services, people turned to their friends for advice to find the best TV, cell phone, etc. Now home loan borrowers often seek referrals from their social network before they'll consider talking with a lender. Thus, if lenders want to gain a marketing advantage, it's in their best interest to deliver experiences worth recommending.

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Building consumer trust through great customer experience

The customer experience is a constantly evolving journey. Customers have many experiences as they transition through a lifecycle of interactions with a business. With home loan lending, the customer's journey takes them from learning about your brand, to engaging in early discussions, to closing a deal, to maintaining a relationship with you for the life of their mortgage. Along the way, at every touch point, they are mentally measuring their experience – and if it's noticeably good or bad, they're probably talking about it.

To leverage the power of positive word-of-mouth, lenders should consider a few key best practices to ensure they deliver a customer experience that inspires trust, such as:

- **Focus on the end-to-end experience** - Evaluate the customer experience across all channels to gain a complete picture of how consumers view your business. With all the various players, the mortgage industry can be fragmented, and a mistake made by one party can sour the entire process for a borrower. Designate someone to keep an eye on the customer journey, who's available to smooth any bumps in the road and strengthen the relationship.



- **Grow a customer-centric company** – Invest in employee training to help everyone understand how to embody your brand values when they engage with customers. Responding to servicing needs or providing better refinancing rates isn't enough for consumers. They want experiences that feel good, especially when their money and their home is involved. By building a company culture focused on exceptional customer experience, you increase the likelihood that borrowers will recommend your business to everyone they know.

Delivering a positive customer experience is good for business. In today's mortgage industry, meeting compliance needs is only the beginning. A winning customer experience can be the key to a much stronger brand and give you a powerful marketing tool.

Let's Talk

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