

How Mortgage Lenders Can Win in a Digital World

Leveraging Your Brick-and-Mortar Locations to Gain a Digital Edge



The mortgage industry is at an inflection point. Interest rates are up over last year and market uncertainty is creating new urgency for homebuyers to lock in a mortgage while rates remain relatively low.

This urgency is driving buyers into the market, creating a huge opportunity for lenders, but also the lowest supply of homes in 20 years. For homebuyers and lenders, the time is now. In fact, people are buying homes faster today than at any time in the past seven years.

As rates increase and inventories go down, access to the market is tightening — leaving lenders to compete for a more narrow slice of buyers. At the same time, these rising interest rates have reduced the possibility of refinancing for existing homeowners. In fact, refinance applications are down 41% from 2016.¹

All of these factors combine to make competition for new mortgage leads fiercer than ever. But online, territory for lenders is up for grabs — and not just for online lenders.

The National Association of Realtors® reports that 90% of all homebuyers search online for their home. For 42% percent of that group, the internet was their first step in the homebuying process — before contacting an agent.² And now that tech-savvy Millennials represent the primary home-purchasing segment of the population (Millennials accounted for 84% of closed home loans in January 2017, according to the Ellie Mae Millennial Tracker™ report),³ the percentage of prospective homebuyers conducting preliminary online research is only going to increase. So a strong digital strategy is critical in capturing net new homebuyers and in responding to this drop in refinance applications.

In the digital sphere, however, lenders face a different kind of competition. According to the Federal Housing Authority,⁴ nonbank online lenders now represent 73% of new loans.

That's an imposing statistic, and even the most digitally savvy lender could understandably feel overwhelmed at the prospect of going up against institutions dedicated solely to the online market. But the situation is far from hopeless. Technology is changing the way mortgage loan officers view their role and the loan lifecycle — **in fact, a survey with National Mortgage News revealed that 83% of respondents see digital mortgage technology as key to their company's future growth.**⁵

¹ "Weekly Mortgage Applications Drop 2.3% as Borrowers Wait for Lower Rates." CNBC. August 30, 2017. <https://www.cnbc.com/2017/08/30/weekly-mortgage-applications-fall-as-borrowers-wait-for-lower-rates.html>.

² "Digital Marketing for Mortgage Professionals." Adwerx, January 11, 2017. https://www.adwerx.com/blog/digital-marketing-for-mortgage-professionals/?ait_blog=webinar-branding-for-mortgage-professionals.

³ "Home Purchases by Millennials Increased in January, According to Latest Ellie Mae Millennial Tracker." Ellie Mae, March 1, 2017. <https://www.elliemae.com/about/news-reports/press-releases/home-purchases-by-millennials-increased-in-january-according-to-latest-ellie-mae-millennial-tracker>

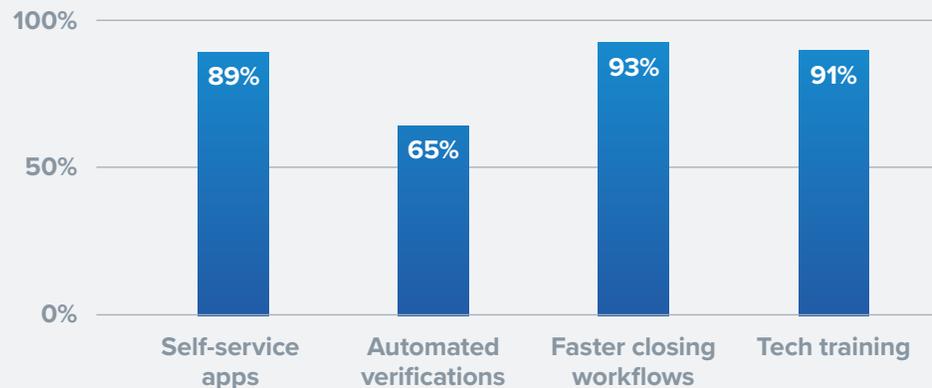
⁴ Creswell, Julie. "Quicken Loans, the New Mortgage Machine." The New York Times, January 21, 2017. https://www.nytimes.com/2017/01/21/business/dealbook/quicken-loans-dan-gilbert-mortgage-lender.html?_r=1

⁵ Kilgore, Austin. "2018 Top Producers." National Mortgage News, April 2018. <https://www.nationalmortgagenews.com/news/top-producers-2018>



Tech Strategies

Top Producers have been quick to adopt new technologies to improve borrower experience and internal processes.



With the right digital strategy, you'll be able to command the mortgage search landscape in a way that online lenders aren't able, and which most local lenders aren't utilizing.

*Notes: Respondents were asked to select which tools they used in 2017. Chart shows percent using each.
Source: NMN Top Producers Survey, Feb-March 2018*

Lending is Local

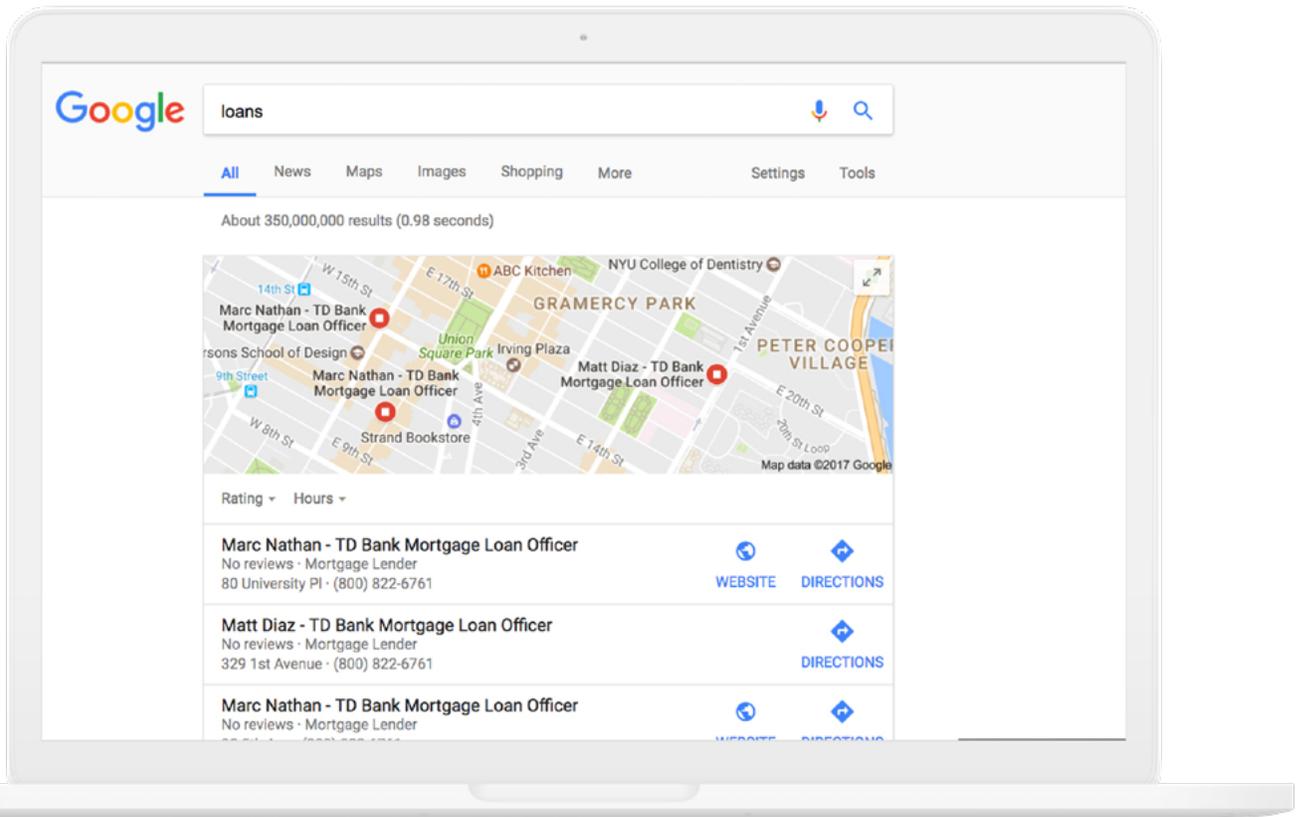
Competition is fierce when it comes to digital advertising for lenders. According to WordStream, of Google AdWords' top 20 most expensive keywords, #2 and #3 (*loans* and *mortgage*) belong to the mortgage lending industry — with a respective cost per click of \$44.28 and \$47.12.⁶ Since this is the primary acquisition channel for online lenders, they can afford to drive up the cost of pay-per-click (PPC) ads. But lenders with larger personnel and real estate costs must seek out alternative strategies to compete online.

It may seem counterintuitive, but as a mortgage lender with physical locations, you actually have an inherent edge in the online world. You're local. The secret to competing online is to have your lending officers and branch offices show up in local results — in search and in maps.

⁶ "How Does Google Make Its Money: The 20 Most Expensive Keywords in Google AdWords." WordStream. <https://www.wordstream.com/articles/most-expensive-keywords>

Google ranks local results above even the first organic results on the search engine results page (SERP). And showing up in local results is significantly less costly than paying to run ads against some of the most expensive keywords known to Google. All you need is the right information — and a way to ensure that information gets found.

So how does Google determine which businesses appear in local results for a given search? In 2016, Google revealed that local ranking can be influenced by the information in your Google My Business listing, and that “local results are based primarily on relevance, distance, and prominence.”⁷



⁷ "Improve your local ranking on Google." Google My Business Help, Google. <https://support.google.com/business/answer/7091?hl=en>

According to Google, “Relevance refers to how well a local listing matches what someone is searching for. Having complete and detailed business information can help Google better understand your business and match your listing to relevant searches.” This means that you need to be tagged for the appropriate categories and location attributes so that you index for relevant queries.

In evaluating distance, Google asks, “How far is each potential search result from the location term used in a search?” It’s simple — in order to be a good local search result, you need to be located nearby. You can’t easily change your location, but you can make sure that search engines know where you are.

Relevance and distance are primarily about accuracy. Google wants to provide the best possible information to users so that they keep coming back to Google for their queries. In

order to give Google high confidence that your information is accurate, you need to maintain consistency across all of the sites, maps, and apps where your information appears.

Prominence is a little less cut and dry than relevance and distance. “Prominence refers to how well-known a business is. Some places are more prominent in the offline world, and search results try to reflect this in local ranking,” explains Google. The real secret to prominence is customer reviews and testimonials — good ones, and lots of them. Well-known and well-liked businesses tend to have a lot of positive reviews and if you do too, that indicates to Google that you are worth showing to users. Google is simply acknowledging what lenders have known all along — that testimonials are key to showcasing a loan officer’s willingness to go above and beyond to get buyers into homes.



Local ranking only applies to brick-and-mortar businesses, so online lenders are ineligible to appear in the local pack or in maps. Meaning this very prominent search real estate is left wide open to you.

And yet, a 2017 study we conducted at Yext revealed startlingly high error rates in even the most basic online information about loan officers — a major no-no for any business in any situation, but especially for one that's trying to appear in local results.

Of the 5,849 loan officers whose online presence Yext examined across the search ecosystem (including sites like Google, Facebook, Bing, Yelp, and many others), 57% had no online presence at all. Of the remaining loan officers that did have some online presence, 64% of their business listings contained incorrect addresses, 42% had errors with their phone numbers, and 46% had errors

in business names. 9% of mortgage loan officer listings were duplicates. The level of inaccuracy in online data for loan officers is significantly worse than it is in other types of financial services. For example, when compared to bank branches, loan officers have nearly 9x more missing listings and 2x more phone number errors.

Since so few mortgage lenders have reliable and consistent digital knowledge, just by updating and maintaining yours, you can take advantage of this wide open opportunity to appear prominently in local results. And by creating listings for each brand and individual loan officer, you can essentially flood the search ecosystem with your brand. Accurate digital knowledge — the public facts about your business — has to be a foundational element of your digital strategy.



Loan officers have nearly
9x more missing listings
than bank branches

Business Listing Inaccuracies:

**Mortgage
& Lending**

vs.

**Retail
Banking**



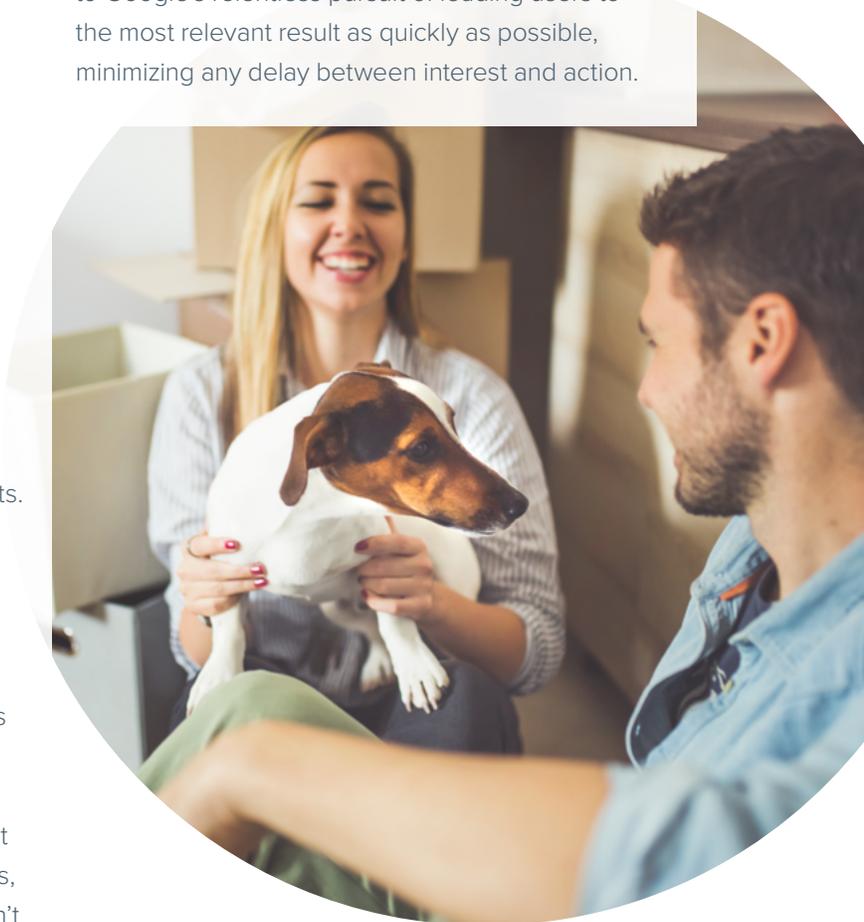
The Millennial Homebuyer Journey

Why is appearing in local results so important? Because more people are searching on-the-go these days (“near me” searches have grown 146% year over year)⁸ and as a result they increasingly rely on artificial intelligence to interpret their intent.

As digital natives, Millennials are leveraging online search more than any other generation. According to Zillow, 9 in 10 Millennials turn to the internet for help in the homebuying process.⁹ And search engines are filtering results more before consumers even get a chance to see them. All consumers are increasingly using this information that’s presented to them directly — without ever choosing between links. Now, too, people rely on voice assistants such as Apple’s Siri, Amazon Alexa, Google Assistant, and Microsoft Cortana. Many of these assistants function on devices that don’t even have screens and provide only a single “answer” to a query — as opposed to a list of results.

Since artificial intelligence depends on detailed business information to supply users with accurate answers to questions like “Who are the top-rated mortgage brokers in Illinois?” or “Home loan providers New England,” it is incumbent on lenders to build a robust online presence in order to rank at the top for specific queries. Put another way, if the online listings for your mortgage business don’t include things like your credentials, your specialties, and the languages you speak, your customers won’t find you when they search using those parameters.

These trends are here to stay. By 2020, it’s estimated that 50% of all searches will be completed by either voice or image search.¹⁰ Google search results pages have evolved from 10 blue links on a page to today’s mashup of answer cards, maps, and other structured data. This shift is due to Google’s relentless pursuit of leading users to the most relevant result as quickly as possible, minimizing any delay between interest and action.



⁸ Google Internal Search Data, 2014 – 2015, U.S., mobile devices.

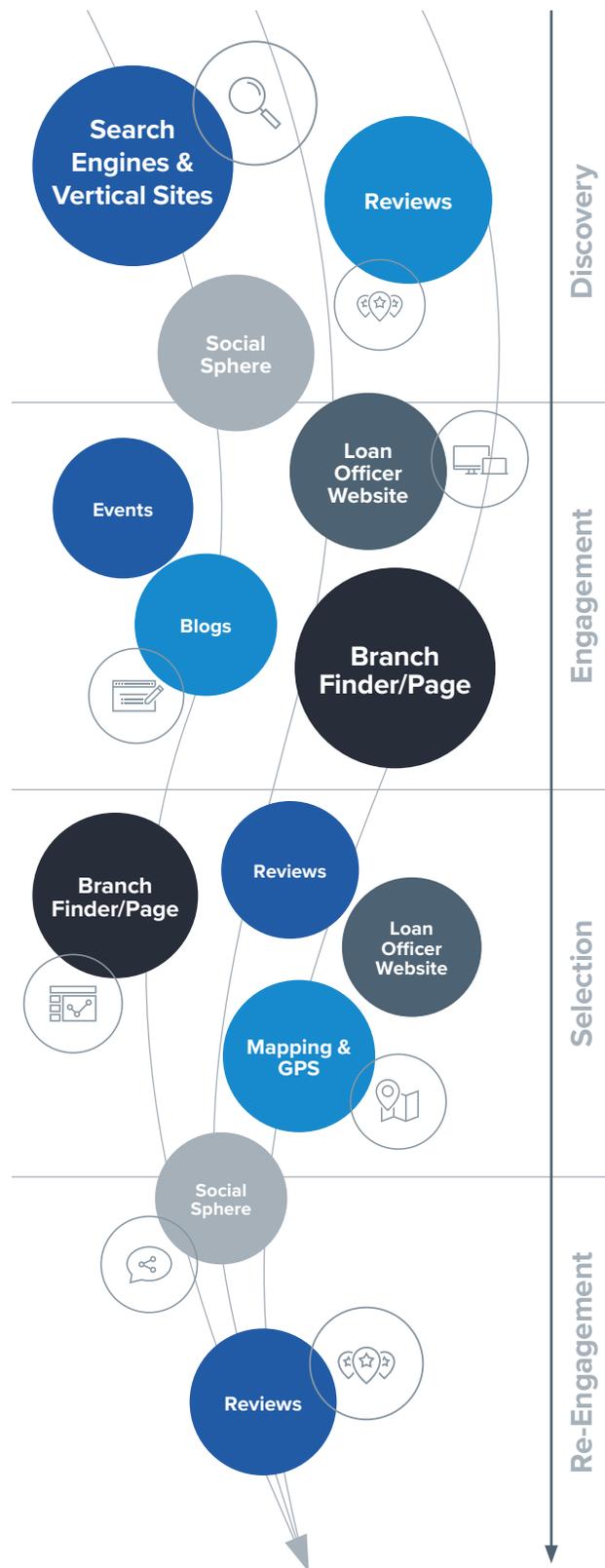
⁹ “The Zillow Group Report on Consumer Housing Trends.” Zillow, October 18, 2016. <https://www.zillow.com/research/zillow-group-report-2016-13279/>

¹⁰ “The Voice Search Explosion and How it Will Change Local Search.” Search Engine Land. June 20, 2016. <https://searchengineland.com/voice-search-explosion-will-change-local-search-251776>.

As the diversity of rating and review content grows online, so does the consumer’s appetite to take in vast amounts of it. Today, consumers seek out an average of 10 pieces of information before making a purchase. That number doubled from the year before, and reflects the demand for data and information about your brand experience.¹² A consumer’s desire to research purchase decisions is not endless, however, and one consequence is that they have come to rely on customer testimonials as a way to combat decision-fatigue. The review provides a signal that influences whether a homebuyer considers your mortgage business — or not.

Homebuyers’ increasing reliance on reviews has three key impacts on your business:

1. Search and map results on mobile and desktop now include star ratings of your locations. These star ratings are crucial to the search user experience. They need to be represented, and should accurately reflect the true consumer perception of your business. If you aren’t *starring in search*, you’re missing a major opportunity to position your locations and your brand. If your star ratings are not accurate, you could be losing out on significant foot traffic.
2. When consumers leave search results to dig in a little deeper on your business, they’ll often end up on third-party search sites like Yelp. There, their attention will shift from the star rating to the written reviews of your offices and officers. What are consumers saying about you? Are you taking advantage of every opportunity to engage with consumers?
3. Testimonials give lenders an opportunity to showcase the efforts that lending officers go through to get people into their homes. Reviews help the mortgage industry elevate its biggest asset — your professionals.



¹² “The Zero Moment of Truth Study.” Think With Google. 2011.

Claim Your Digital Territory with Yext for Mortgage

Yext's award-winning Knowledge Engine can help loan officers and lenders of all sizes take advantage of this tremendous opportunity — by putting them in control of their digital brands everywhere consumers search.



Promote the traditional, face to face lending experience.

Leverage Yext's integration-based partnerships with the world's leading digital services to establish a commanding online presence and be where your online-only competitors aren't — the local pack — at no cost-per-click.



Unite the facts about your business in one place.

Centralize all the public facts about your business — from operating hours and contact information, to your loan officers' bios, credentials, services provided, and more.



Show the best version of your loan officers — everywhere.

Deliver the same excellent level of service you do at your branches by showing consumers personalized, high-quality information and authentic reviews online.



The Yext PowerListings® Network. Be everywhere.

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