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COMPETE, INC.
The Predictive Edge

FINANCIAL SERVICES ADVISOR

Insights for financial services executives on consumer online behavior

By the Financial Services Team

Taking a measured, data-driven approach to testing is the key to improving home loan conversions.

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Compete tracks and analyzes consumers' pre-purchase consideration of banking and lending products from intent through evaluation through post-sale satisfaction. Financial services companies use insights from Compete about consumers' online evaluation of products and services to enhance marketing plans, hone product packaging and increase penetration into target customer segments

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INTEGRATED ONLINE & PHONE CAMPAIGN GIVES CUSTOMERS MORE OPTIONS

Cost-effectively staffing call centers in tandem with the ups and downs of the market is a challenge. One lender has recently taken a creative marketing approach to drive more business to its center. Compete analyzed an innovative move by Countrywide's home loan business to use the Internet and phone channel in an **integrated marketing campaign**.

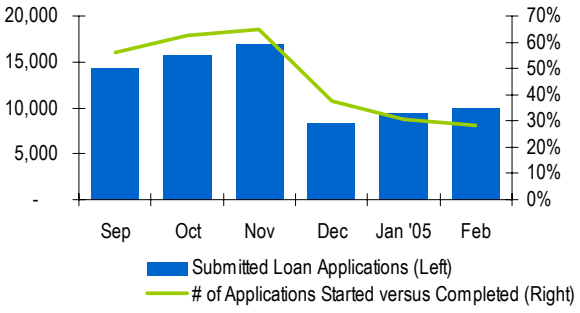
Countrywide unveiled a creative new marketing strategy that makes it easier for consumers to research and apply for home loans. The approach uses search marketing and advertising to direct interested consumers to call centers. Consumers who click on ad banners or search results are taken to landing pages that give three **calls to action**: an 800 number, a short lead form, and the option of entering their own phone number for call-back. Asking consumers for permission to call them is an innovative approach that cuts through the clutter of simply pushing information to consumers. And it's one that may be paying off. Compete saw the number of consumers who completed Countrywide's lead form double from 2,000 in January to 4,000 in February.

Innovative firms like Countrywide are using creative marketing solutions that bridge online and offline channels to acquire new business. The long-term success of these initiatives requires that lenders **anticipate trends** and improve visibility into the shifting demands and preferences of customers.

DESIGN CHANGES NOT ALWAYS FOR THE BETTER

Prior to late November 2004, many would have envied Ditech's online home loan application performance. Approximately 60% of consumers who started an online application actually completed and submitted it. Then in late November, Ditech changed the design of the loan application and experienced a significant drop in conversion rates. So what happened?

Compete analyzed Ditech's new application process and **pinpointed the drop-off** in completions to the last page of the process: reviewing and printing disclosures. Fewer consumers clicked the submission button after this step. Could it be that the 18-page disclosure (for HELOC) is bogging down applicants?



Design changes alone, are not a guarantee of improved conversions. Taking a measured, data-driven approach to testing site content, tools and messaging is the key to improving conversions in the long run.

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