



MBAA

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Increasing Market Share Through Technology

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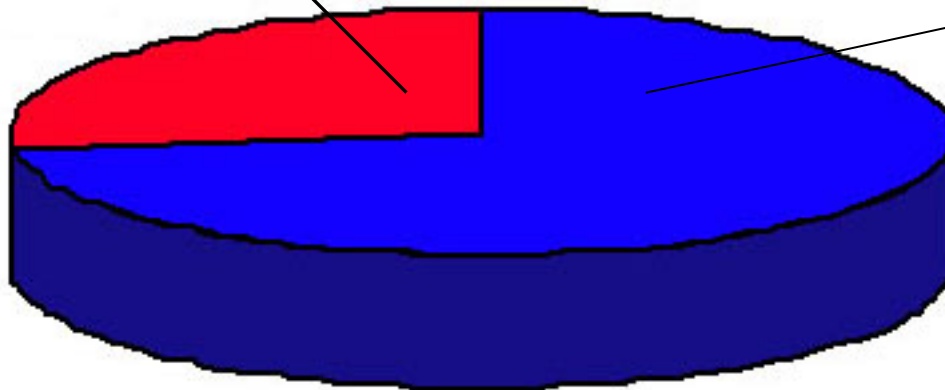
Can We Increase Market Share?



20% Horse & Buggy
Era Solutions



80% Internet-age
Solutions



About Domania



Leading authority on Purchase Retention

- Industry Acceptance
- Blue Chip Client Roster
- Award-winning products

Realtors steer most purchase lending, so we:

- Embedded Realtor customer acquisition in software
- Manage customer retention/acquisition tech for lenders.

Four elements to Domania offering:

- Content (bait) to attract borrowers. We use comps.
- Scoring – detects “buy zone” entry, schedules solicitations
- Segmentation - defines the client
- Solicitation/response via email.



Tech Investing

- **7 of 10 VC investments fail to meet objectives.**
- **Lender buying leading edge tech is like VC**
 - Spend year studying 10 options, pick two
 - failure still >50%
- **5% retention objective?**
 - Vendors promise 5% retention.
 - Pick two to meet goals.
 - Portfolio investor.



Avoiding Failure

Most technology investments fail at....

- ROI, deadlines, performance, career goals
- Too ambitious, ill-defined. Metrics unclear.



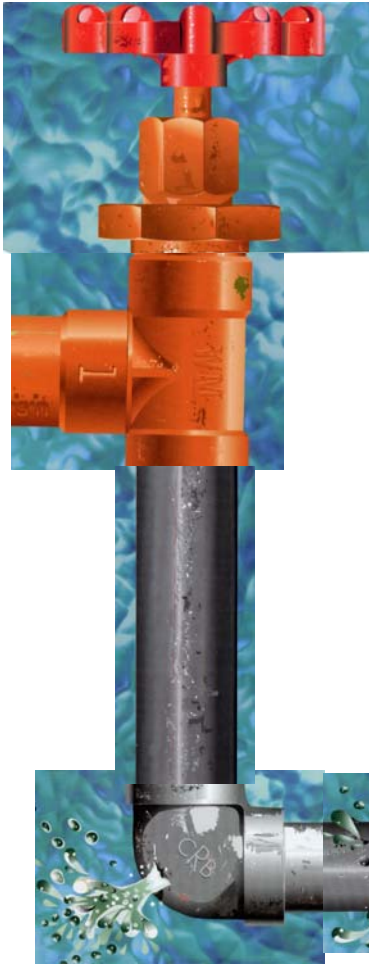
Solutions

- Address narrow, modest problem.
- Reject complex, long integration
- Know your metrics. Decisions easier. Confidence high

Speaking of failures....

- Lenders start from scratch. Little use of “dot com” lessons.
- Hire an unemployed dot-com veteran.
- Tap the learning from millions invested.

Intermission



Enough about concepts. Time for specifics.

- E-mail (done right) the “killer app”
- Data mining, segmentation drives email
- **Examples in**
 - Sales Channel
 - Loan Origination
 - Portfolio Management
 - Retention Strategies



Killer App...E-mail!



Forget loyalty. Think:

- 1) Regular communication “Buy zone” detection using
 - E-mail: lowest cost, highest return medium
 - >60% buyers on-line. Servicing <5% e-mails!
 - Communicate with people you don't want to talk with.

- 2) Data driven email communication:
 - Harvest addresses, migrate to servicing.
 - Bailout and reinsert email.
 - Data driven (time of day, stage, language)

Underutilized, misunderstood. Not spam. Dialogue.

What's "Data Rich" E-mail?



Rich data on loan, but.....little on borrower.

- Time vs price. Time of day? Stage?
- Drive email with customer profile.
- Low cost and high value.

Killer application is database driven e-mail

- Embed offer rules in campaigns to drive email actions.
- Minimize concessions.
- Offer \$400 Vs \$200?



Database driven, customized, response measured.

Pipeline Leaks

E-mail stops leaks in the customer acquisition/retention pipeline.

- Database driven email is key tool to prevent leaks.
 - Sales Channel
 - Applications
 - Portfolio
 - Retention
- Where can technology fill pipeline or prevent leaks?

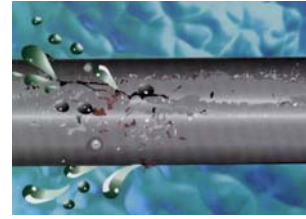
Channel



Application



Portfolio



Retention



Sales Channel 1



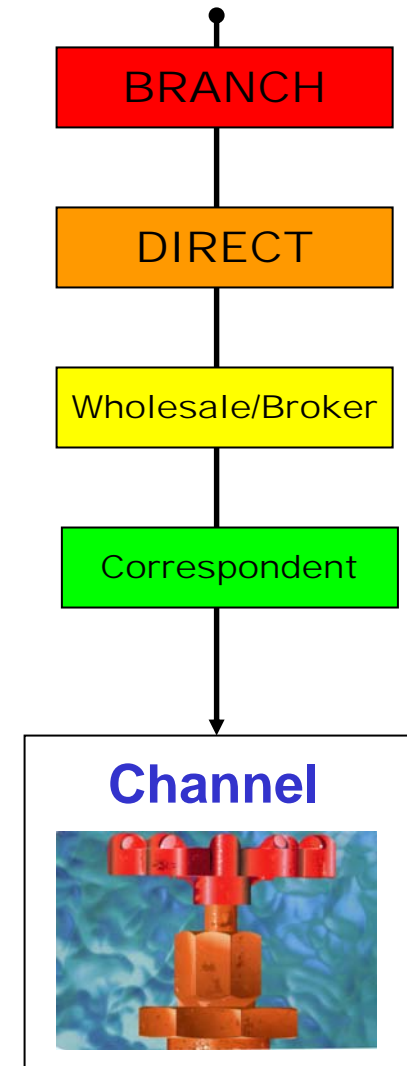
Ranking data driven email projects:

- 1) Content (bait) to fill pipeline, maintain relationship.
- 2) Tools that cut leaks (fall out)?

Content Face-off:

MLS vs school vs comps vs rates (score lowest)

- Response rate? Registration rate? Application rate?
- Benchmarks:
 - 2% DM response visit web site
 - 15% register
 - 8% apply for loan
-



Sales Channel 2



High touch branch support:

- Loan officer photos, phone/cell/fax/e-mail into emails.
- Sell ads to LOs! Adjust comp for corporate initiatives.

>70% of branch borrowers never visit the branch. How can tech help?

- Make call center seem like branch.
- Traffic cam? Weather report? School lunch menu?
- Offshore: name, accent, clocks, US TV, localize.

Remember Realtors?

- E-mail to RealTrends data base. Harvest very lovingly.
- One marketing person, one technology resource.
- Modest. Autonomy. Measurable. Achievable



Application Management

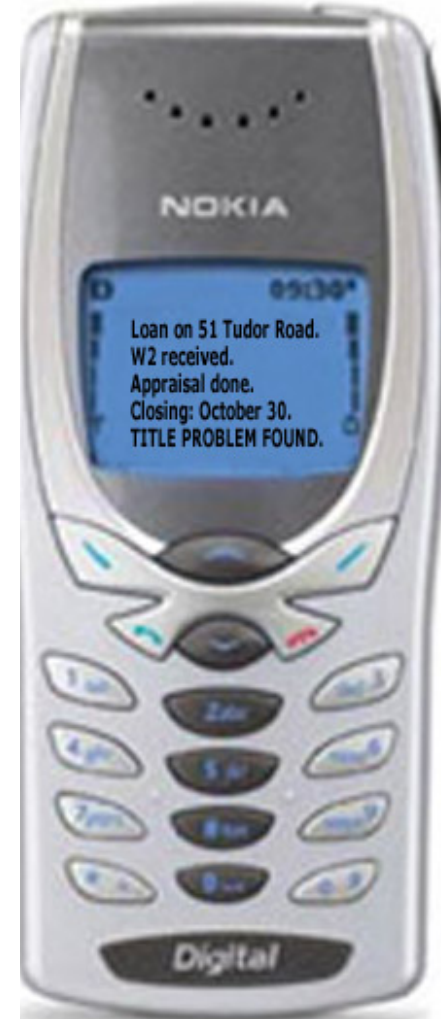
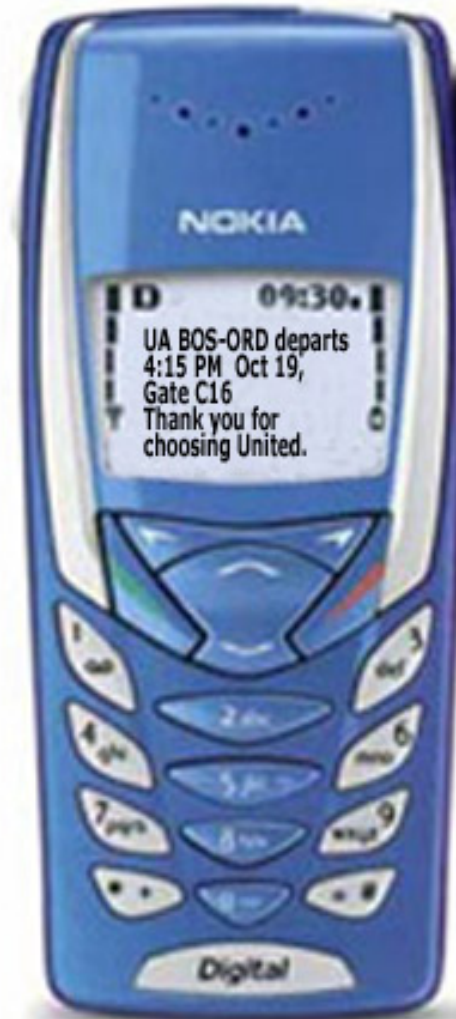


90% on line apps bail out.
50% applications fail. Solutions?

- **Must detect open/close:** *Reminder and reinsertion*
- **Must Stay in front of prospect:** *E-mail loan status updates to cell phone.*
- **Must score before handle problem app:** *Feed DB Creditinfo*
- **Must not irritate:** *Application done? Stop solicitations.*

Other Problems:

Paperwork fatigue, Poor borrower/LO/Realtor communication Lurking competitors



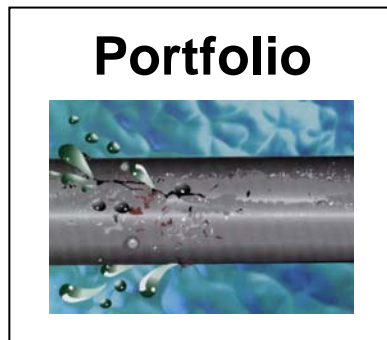
Mining the Portfolio

Origination wads up paperwork, throws to servicing to fix mess.

- Loan data accessibility by LO, call center, production
- Free text reveals minefields from last loan
- If try EBPP and fallout, reinsert.



MGIC Defender - customer satisfaction driven by servicing db.

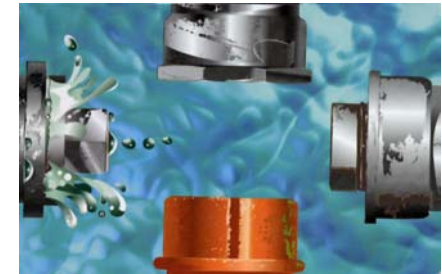


Retention

Can technology address causes of runoff?

- Purchase loan runoff is 93%!
 - No loyalty. Incumbent simply not considered.
 - Loyalty for commodity? IBM...Compaq...Dell.....???
 - Communication and “buy zone” detection
 - If active on payoff behavior, or using content...solicit.
- **REFI runoff ~20%.**
 - Streamlined offers/application: Stratmor's Lind on savings.

Retention



Technology Adoption:

**Slower than
anticipated...**

**impact larger
than expected.**

