

# Moving Beyond **BRAND X**

BY JOHN SEROKA

**You don't have to be a faceless competitor with no brand loyalty in the vast mortgage space. Here are some tips on how to build a brand and get some mileage out of it.**

It's no secret that mortgage lending is a highly competitive industry and that it continues to be extremely difficult for lenders to differentiate themselves from one another. ☀️ Mortgage companies often compete on rate alone. Yes, rate is surely a top consideration, but all things being equal, "how low can you go" can't be the only hand you have to play. ☀️ When you hear the word "branding," your logo and the name of your company come to mind. But your brand is not your logo—it's what your logo represents. ☀️ So if I were to ask you how you define your brand, how would you respond? ☀️ For many chief executive officers, chief marketing officers and other marketing professionals, how you define your brand can be a challenging question to answer. Often, too much focus is placed on driving inbound calls that only lead to success in the immediate term, instead of setting your company up for long-term, sustainable success by focusing on why those in the market should select your company over another. ☀️ So, if you feel like the return on investment (ROI) you're experiencing on your campaigns is disappointing, it can be tough to determine at times if that's due to a marketing problem or a brand problem.

## Marketing problem or brand problem?

The two are easily confused, and some believe that pouring more and more dollars into marketing will win more business and drown out competitors. This may be true. Marketing, as defined by Merriam-Webster, is the process or technique of promoting, selling and distributing a product or service.

Marketing certainly builds awareness. However, if it's not brand-driven marketing, the ROI will be rather disappointing comparatively.

I meet with many mortgage companies that feel like they're in a perpetual state of playing catch-up. So how can you put a stop to this once and for all?

The answer comes down to developing your brand—a brand that people gravitate toward so that you make the list of viable contenders when they're shopping for a mortgage.

Sure, the bottom line may certainly come down to rate, but if you don't even make the list, then they won't know you have a competitive rate.

So how do you know whether you have a marketing problem or a brand problem?

- If you only win based on rate alone, you definitely have a brand problem.

- If you lack clarity and evidence of distinction in the eyes of your employees, customers and/or community, you have a brand problem.

- If competitors are successful at eroding your market share and there's no strategy to gain it back, you have a brand problem.

- If your website basically reads the same as your competitors' websites, you have a brand problem.

- If your creative is dry, if you don't have a call to action or if you don't know the best times to launch an email campaign, you have a marketing problem.

Simply discovering you have a brand problem should be enough motivation to do something about it.

Without a strong brand that clearly communicates who you are, how you're different and why you exist, you automatically blend into the same pool as everyone else. That's a very vulnerable place to be.

It's important to point out a distinction here since we've been tossing around the terms "branding" and "brand development."

Brand development is the discovery of a brand's evidence of distinction; branding is the tactical application of how that distinction is communicated internally and externally across all marketing channels and touch points. A new logo, tagline and color palette can refresh a tired communications program, but none of these tactics change a brand's distinction.

Also keep in mind that if your company has a strong brand, people will rarely consider others; they request your brand by name and recommend your brand regularly.

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Strong and well-established brands also survive marketing budget wars, increase appeal to potential co-branding partners, help to mitigate negative press during a crisis and expedite consumers' decision-making process.

It is important to note that most brands that fail, do so because they lack substance—a true core identity. Without a clear understanding of your brand, consumers have no choice but to base their decisions on factors outside of your control, like your competitors' marketing cam-

paigns and how they differentiate themselves from your company. Hence, it is vitally important for you to take control of your brand.

## Developing your brand

Developing your brand is a process of unearthing your true evidence of distinction to make your competitors less relevant and to position yourself to be one of the top contenders.

When embarking on brand development, many companies make the fundamental mistake of looking only to the outside to identify customer criteria, motivations and preferences for selecting one company over another. This is traditionally done by executing external market research designed to identify market perceptions of the company compared with perceptions of its competitors.

Another tool commonly used is secondary research that is composed of a competitive review of publicly available information via online and printed materials. This secondary research helps the subject company identify what others are saying about themselves in order to carefully construct a set of key messages that do not overlap.

But there's a critical step missing on which brand development should truly be based: unearthing evidence of distinction through internal discovery. It's inside-out brand development, and that's how great brands are built.

The goal of the process is to provide clear, concise answers to the following four questions to create the pillars of your brand.

### 1. Who is your company?

Of course, the simple answer is: "We're a mortgage banker." So what kind of mortgage banker are you?

The goal is to describe who you are in a few simple words. Maybe you're a mortgage banker that caters to a specific demographic or specializes in providing reverse mortgages so that seniors have more comfortable options for living out their final years with dignity in their own homes.

There are several questions you can ask to assist in the process of uncovering who you really are:

- Who is your customer? What keeps him or her

awake at night? How does your offering address that need?

■ How is your solution more effective/appropriate than other solutions at solving customers' problems?

■ What is your company known for? How will this evolve over time?

■ If you could tell your mom one thing about your mortgage company, what would it be and why?

■ How would you describe the personality of your company?

■ What are your company's core values?

Answers to these questions take time, introspection and serious thought. However, the outcome will help you define who you really are as a company.

## 2. How is your company different?

It's a difficult question to answer, especially in the mortgage industry. A good way to start would be to take a look at what your company's strengths are and what competitors' weaknesses are. The key here is to determine what stands out about you that has the potential of winning over the hearts and minds of a segment of the population.

Once you've determined what stands out about you that has that winning quality, then it is up to you to prove that you "own" this quality.

For example, if you determine your winning quality is experience, everyone will tell you that they have plenty of experience. So how do you prove that you own this quality?

You could have testimonials on your website that speak to the highly qualified and experienced loan officers whom your customers have worked with. You could have educational resources on your website and even a section that talks about what customers can expect, what they should watch out for and other things to consider when applying for a mortgage or even thinking about applying for a mortgage. This experience needs to shine through so that it's pervasive.

## 3. Why does your company exist?

This question is designed to strike at the heart of your company. It digs deep. Does your company exist to guarantee the lowest rates available, and is this what you want everyone to know about your company? Or does your existence have a deeper meaning?

In an anecdote related on his blog in 2010, author Simon Sinek told the story of Phil Knight, co-founder and former chief executive officer of Nike Inc., who was keynote speaker at a conference. During his speech, Knight made a case for why the audience should choose Nike over the competition. (Remember, we're talking about running shoes. Like mortgages, running shoes are similar to each other.) Knight didn't talk about what Nike is or why it's a better brand, and he definitely

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didn't differentiate Nike's shoes based on price. Rather, he told a story about why Nike exists.

Looking across the audience, Knight asked those who run to stand up. And a good percentage stood up. Then he asked those who run three or more times a week to keep standing; everyone else was asked to sit down.

Looking out at the people left standing, Knight said, "We are for you."

"When you get up at 5 o'clock in the morning to go for a run," he went on, "even if it's cold and wet

out, you go. And when you get to mile 4, we're the one standing under the lamp post, out there in the cold and wet with you, cheering you on. We're the inner athlete. We're the inner champion."

## 4. What is your company capable of becoming?

You may find that your company does not currently have strong evidence of distinction, so striving to answer this question opens up new doors of opportunity.

There are plenty of companies that are not succeeding and getting shoved aside by competitors that have a relevant, meaningful and tasty secret sauce. Answering the question, "What are you capable of becoming?" is a necessary step to come up with yours. A lot of companies have infinite potential, but don't realize it. Answering this question provides hope, focus and direction.

Accordingly, when you engage in the process of developing your brand and coming up with your true evidence of distinction, you will learn new things about your company, your people and the talents you actually bring to the competitive table. Once you have identified specific differentiators that can be built upon, it's up to you to turn that potential into reality for your company, ultimately proving it to your customers and prospects.

For example, let's take service. If you believe your company offers the very best customer service, how do you prove this is true? As with experience, many can say they offer great service—but there's nothing to back that up.

Your service ethic must be woven throughout your website and other communication materials, and must be bold and clear. For example, your service ethic should be highlighted on your website—maybe you have testimonials that speak to your service ethic, and you take the extra step of having a grievance policy in place so that in those rare instances when a customer might feel slighted, the customer feels welcome and is encouraged to call and speak with someone in management about the problem.

You might even have an "employee of the month" section where those who provide exceptional value and service are recognized. Now, you don't just talk about great service in a generic way—rather, the service ethic in your company defines you.

## Brands in action

The following are two examples of companies that have embraced the power of branding and use it to their competitive advantage.

Dave Powers, branch manager of the Rancho Cucamonga, California, branch of Dallas-based PrimeLending, and A.W. Pickel III, founder of Overland Park, Kansas-based LeaderOne Financial, were both able to define their brands along with the pillars of their respective brands very quickly.

Powers knows immediately that his brand is defined as “experience.”

He says, “Our tagline is ‘Mortgages Without Obstacles.’ What does this mean? Well, so many layers of regulation have befallen [on] the mortgage industry that PrimeLending takes the process to the next level with highly experienced loan officers, and operation and support staff who really understand the process. We only hire those with 10-plus years’ experience.”

Powers understands the importance of having that true evidence of distinction. The tagline “Mortgages Without Obstacles” is rooted in the vast experience of his loan officers.

“There are so many people in this industry caught up in a decade of stated-stated-stated and they really don’t know how to put a loan together. They don’t know how to look at a borrower’s income. And, at times, you get borrowers who have corporations, partnerships, sole proprietorships and, quite honestly, there is a very small percentage [of loan officers] who know how to make sense of that information and determine a monthly gross income in order to qualify them,” he notes.

Experience is what PrimeLending leverages in order to be competitive, and it has a very strong culture of experience.

“PrimeLending has been growing and evolving for 25 years by valuing employees’ opinions and inviting team members from around the U.S. for advisory council meetings. These meetings address the initiatives that are current and relevant to our continued growth strategies,” says Powers.

Providing the know-how and ability to execute the mortgage process without obstacles, and keeping the process smooth and handled only by the very best origination team are parts of this growth strategy—that’s PrimeLending’s brand.

When asked how Powers believes PrimeLending living its brand has impacted its business, he stated, “By living our brand, we have the opportunity to hire quality loan officers who meet our high standards. Loan officers are inquiring as to why PrimeLending is different from the competition, and the answer is: We only hire the best with the most experience, and surround ourselves with high producers who are well educated [about] the mortgage process. This has provided PrimeLending with a unique opportunity to grow exponentially in an

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environment where so many have fallen by the wayside.”

## A brand built on integrity

Pickel knows exactly “who” his company is. He started LeaderOne Financial with the goal of being a mortgage banker who operates with integrity and provides world-class service by not avoiding the hard phone calls, whether from the Realtor® or borrower.

He says, “I started working in this business and learned a lot

about it from this individual I worked with. One of the things I learned was that this individual didn’t like taking the hard calls. So, eventually, all those referral sources went with me when I left. Then I worked for a small savings-and-loan and I saw things happening in the mortgage industry I didn’t like. I decided, after talking with my wife, that I wanted to start my own company and build it the way I think it should be built.”

Pickel has thought hard about what makes his company different and how he distinguishes it in the marketplace. He says, “I think that our truly unique brand goes back to an underlying value, and that is the worth of the individual—every person has the right to be treated in a dignified way and have the respect of others. Nobody has a perfect life and nobody should be treated with less dignity and respect just because they have a couple dings in their credit. This may sound generic, but I think it comes down to how you live it out. As a banker, we collect the first payment here. When we receive that first check, we have someone call them that same day and let them know we received their first check and that we are thrilled to be their mortgage company. The customer can feel free to call us and let us know if we can do anything for them—and they receive the direct line for that person.”

Brent Duhaime, chief production officer of LeaderOne Financial, says, “We have a strong belief in transparency. We allow our customers to post comments on our Facebook™ site, and even if they didn’t have the very best experience, we openly respond to their comments very quickly.” This lets them know they’re being heard.

Brett Butler, marketing manager for LeaderOne Financial, also has a strong belief in maintaining transparency as well as long-term relationships with LeaderOne Financial’s customers, using a vibrant social media presence and a unique consumer grievance policy.

“The way we live our brand internally and externally kind of goes hand-in-hand. We have a consumer grievance policy in place on our website to help us discover any red flags we need to give special attention to within the company. We like to function as a small company but operate as a big company. We think of our customers as individuals, not just closed loans,” says Butler.

Pickel explains, “The core of our brand resides in offering world-class service, which is our motto, and comes down to respecting the worth of each individual—every person having the right to be treated with

respect and dignity no matter what his or her situation may be, and this plays itself out in many ways at our company.”

Pickel didn’t conduct any external or internal studies when it came to developing the LeaderOne Financial brand. His brand comes from within, and he built his company around his core values.

He says, “We will always make our decisions based on people first.” This includes both hiring decisions and how the company works with its constituencies.

He adds, “When we conduct the interview process [with job candidates], we have multiple touch points. The interviewee has the opportunity to meet with us on several occasions so we all have the chance to really get to know them as an individual, understand them and make sure they have the skill set for the position. They also need to share our values.”

Pickel adds, “My background includes spending 10 years working one-on-one and in small groups through an interdenominational group with college kids. This experience left an impression on me; it’s at the core of my being and value system, which plays out in how I run my company and treat others.”

When asked how Pickel feels living his brand has impacted his business, he replied, “Financially I believe,

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in the short run, [there] has been a negative impact because we have done what is right even when it costs us money. However, that said, when you do what is right, eventually those chips come back in your favor.”

He adds, “When you do what is right, it gives you staying power. Staying power results from good character, which cannot be bought but must be earned on a daily basis. It readily results in your brand/name being trusted.”

#### **What’s next?**

Developing your brand is challenging and requires that you dig deep, but the payoff can be big. Having a strong brand will elevate your mortgage company to a new status so that your constituencies consider not only price, but softer considerations as well. Those who conduct business with you know what they can expect from you each and every time because your brand will be consistent and evident throughout your entire company, at every touch point. **MB**

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