5 Costly Myths Even Smart Mortgage Executives Believe About Direct Mail – Debunked!

Independent research explains why direct mail deserves a place in your marketing mix

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A Publication of

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About Top of Mind

Founded in 2003, Atlanta-based Top of Mind Networks (https://www.topofmind. com) started as a bootstrapped direct-mail marketing company. Today, the company is recognized as the mortgage industry's most-relied-upon provider of marketing automation and creative content solutions. From individuals to enterprise lenders, Top of Mind's SurefireCRM helps thousands of mortgage professionals win new business, earn repeat business and deserve referral business; with intuitive, "set it and forget it" workflows and award-winning content that inspires emotional connections with customers.



Introduction

In this age of digital marketing, lenders may be overlooking one of the most reliable and effective means of nurturing relationships with prospects and past customers: direct mail. You may be surprised to learn that physical collateral still resonates with consumers, including millennials. This guide debunks common misconceptions about the direct mail channel so you can make a better-informed decision about whether direct mail belongs in your marketing mix.



Don't Believe the Hype

The myths about direct mail are widespread, but they are not rooted in objective facts that apply to our industry. Mortgage lenders should think critically about studies that unilaterally dismiss the value of direct mail.

Getting a mortgage is not like buying a coffee — so there's no reason to expect that the marketing channels that work best for selling lattes are also the most effective for influencing a home purchase decision. After all, consumers spend an average of two years in the consideration phase before they buy a home. When's the last time it took you that long to order a caramel macchiato?

And studies that denounce direct mail as defunct have another problem: most are sponsored by companies that sell digital marketing solutions and have a vested interest in siphoning marketers' money away from direct mail. In creating this guide, we took care to bolster data from our own systems with statistics from independent studies not affiliated with those who sell marketing products or services. Check out our references at the end of the guide for more information.

Myth #1: Direct Mail is Dead

Think direct mail is yesterday's news? Think again. Last year, the United States Parcel Service delivered more than 75 billion pieces of direct mail marketing to 128 million households (plus millions more PO boxes). And it's not long-in-the-tooth corporations or small-town mom-and-pops that are relying on direct mail; tech giants Google and Amazon are among the top-ranked users of direct mail today, and the medium is being embraced by hip startups like Casper, Glossier and Away.

• Consumers Crave Short Messages

The misconception that direct mail is dead may stem from the fact that consumer communication preferences are rapidly evolving. Today's consumers prefer to receive bite-sized content that can be digested in one sitting. As a result, business use of multi-page brochures and other long-form direct mail is declining — but more and more marketers are turning to postcards for their proven effectiveness.



• **Print Has Staying Power** Studies show that the average email has a lifespan of just a few seconds, while a postcard's average lifespan is 17 days. Moreover, consumers have a stronger emotional response to physical ads and are up to 70% more likely to remember them. These qualities are especially essential in



the mortgage business, where buying cycles average three to seven years and relationships must be kept warm over an extended period. No medium offers better long-term brand recognition.

Myth #2: Direct Mail Doesn't Scale

Online print shops make designing and ordering print collateral affordable, but the entire process isn't necessarily easy. Mortgage marketers have long struggled with the limitations of the online printing model, which simply isn't flexible or scalable enough to meet the needs of lenders with origination teams of 50, 100, 500, or more.

Fortunately, it's more than possible for lenders to deploy direct mail at scale. Top of Mind does it every day! You just need the right tools. Multi-year campaigns and one-time deployments such as holiday cards are easy to implement within a comprehensive marketing automation platform.

Comparing SurefireCRM's multi-year post-close campaigns to a Vistaprint job is like comparing apples to oranges. Vistaprint will print the cards and ship them to you, but you then have the labor-intensive job of separating, putting them in envelopes, licking stamps, and sending them to the post office. All while having no way to track whether the effort is providing you any trackable ROI. With automated workflows in a CRM platform like Surefire, audience selection is automatic, card selection is automatic, sending, delivering, and tracking is all automatic - no labor required. And don't forget compliance, A CRM platform also provide safeguards to make sure your marketing is compliant with intensive industry standards,



Utilizing the direct mail channel as a mortgage advisor or an originating mortgage organization is substantially different than using it as a consumer. This is why non-specialty software can fail so fantastically when trying to enter the mortgage industry. They oversimplify the business and do not respect its complexity, it's compliance implications or the scale of the endeavor.

Myth #3: Direct Mail is Expensive

When we say something is "expensive," what we really mean is that it is hard to make a case that its value justifies its cost. Historically, the ROI of direct mail has been hard to track. But if you pair your direct mail effort with a CRM that does the tracking for you, it becomes easy to see a direct correlation between mailings and deals.

A sample study we conducted last year showed that one lender's investment in 2,700 postcards returned 6 million in loan volume. In another study, we determined that the actual "real" costs of using an online retailer for print are substantially higher than the quoted "per piece" price that consumers often focus on. Don't forget all the "extra" work that an online provider leaves up to you.

Myth #4: Young People Don't Read Mail

You know the stereotype: millennials are digital natives, glued to their smartphones, and the only way for marketers to reach them is through social media. The truth is, millennials respond to a low-tech marketing approach that's been around for centuries: Paper in a mailbox.

- 84% of millennials take the time to look through their mail.
- 64% would rather scan for useful info in the mail than email.

Let's look at how millennials interact with mail. Here are some revealing statistics.

- 77% of millennials pay attention to direct mail advertising.
- 90% of millennials think direct mail advertising is reliable.
- 57% have made purchases based on direct mail offers.
- 87% of millennials like receiving direct mail.



How They Differ from Other Adults Compared with previous generations, millennials are:

- 71% MORE likely to scan the mail compared to 66% of non-millennials
- 54% LESS likely to discard mail without reading it compared to 59% of nonmillennials
- 45% MORE likely to organize and sort the mail compared to 40% of nonmillennials
- 36% MORE likely to take time to read the mail compared to 35% of nonmillennials
- 24% MORE likely to show mail to others compared to 19% of non-millennials

Myth #5: Email Does the Same Thing for Cheaper

Many brands have abandoned the mailbox; this is your advantage. Also, how will you stay in touch with your opt-outs, unsubscribes? Physical mailboxes have gotten a lot less cluttered. There's less competition in your audience's mailbox. The few mailings people do receive have far less of a "junk mail" vibe by default.



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