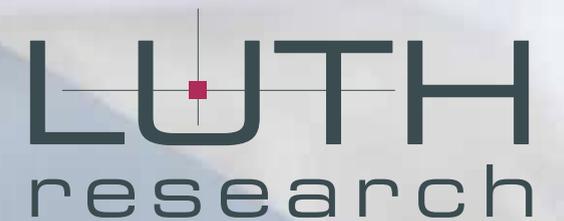


Adventures in Home Finance

Sue's Journey

 Bing

 Microsoft

 LUTH
research

Exploring Influential Online Touch Points

Buying a home is a big deal – there’s no two ways about it. It is the largest financial commitment most people will ever make. It’s complex, involves many players and requires time and thought.

Mortgage lending is a critical component of home buying – few can buy a home without it. Of course the consumer’s focus is on the home – the mortgage is a means to that end. That said, the mortgage decision is a weighty one, and most look for the best deal they can get on both the mortgage and their new home.

In this digital age, the internet is the most likely source of information about mortgage lending – it’s convenient, always on, and information is deep and wide, allowing the consumer to learn as much – or as little – as they want or need. And for marketers, the internet provides a wealth of information about consumers.

Yet even as mortgage lenders have volumes of consumer data to analyze, the most influential touch points in shaping consumer engagement remain murky. Mortgage marketers have at their fingertips all the digital data and analytics regarding website traffic, SEO, and ad click through, but what is the behavioral relationship between search, visits and outcomes like choosing a lender?

Leveraging Luth Research’s patent-pending **ZQ Intelligence™** behavioral data, we examined search, app and web activity to identify those life moments, big and small, that motivate consumers to consider and select a mortgage lender. In the following, we provide a real-life example of these scenarios unfolding. The information provides a glimpse into the why and how of exploring and choosing a mortgage lender.

This is a 360-degree view of one woman moving through the stages of home buying, including shopping for homes, learning about and qualifying for a mortgage, and navigating the purchase. The view exemplifies the coming wave of mortgage buyers – maturing, affluent enough, pragmatic, and online since birth. The snapshot is useful in understanding and meeting these consumers where they are on their journey.

Over 64,000 online page views were analyzed for relevance regarding mortgage lender selection and home purchase. Within these page views, three important and distinct modes of behavior are identified, providing insurers fresh opportunities to influence consumer decisions and perceptions.



LEARNING

SPECIFICITY

PURCHASE

Learn the language,
how much can she
afford, where does she
want to live

Increasingly tactical
questions that arise as
she closes in on
"the one"

Offer, acceptance, and
closing

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Sue

An Urban Home Buyer

About Sue

39 years old, lives in California
Employed full time
HH income \$35-\$50,000

Top online stops:

Shopping:	Amazon
Real Estate:	Redfin
Home&Garden:	Home Depot

Overview

Sue is 39 and lives with her husband and their cat. Though she's not quite a Millennial, Sue exhibits behaviors associated with Millennials, like spending a solid amount of time online for a range of purposes, including shopping, real estate, and home improvement projects.

Sue uses search in a big way, conducting 11,837 searches over a two-year period; three-quarters of her searches are on her mobile. One-in-ten of Sue's searches relate to her quest for a home, with 3% of all search terms relating to the lender. The remainder are the stuff of life – accessories for her MINI Cooper, career, clothing and fashion, pet food and a kitty condo, DIY videos, health questions, entertainment, and travel.

Two broad characteristics regarding Sue's online life:

1. She's relatively **device-agnostic** – her research is conducted on her mobile, PC, and tablet – though she does use her phone more; and,
2. She's **real estate app** and **site agnostic** – she accesses 152 different real estate websites and apps during her house hunting. Her clear favorite accounts for 55% of her online real estate visits; the next most used real estate site accounts for 7% of her real estate visits.



Learning

Sue is expansive in the apps and sites she uses – she bounces among leading lenders and realty websites and apps, along with online classifieds, search, and even review site Yelp.

As she starts out in January, Sue's searches consist primarily of towns and street addresses – she's seeing what's out there. This is the starting point for buying a home – you see what's out there that you like, perhaps even before you know what you can afford or where you want to be.

She seldom visits traditional bank sites or apps for mortgage lending information, even as she visits their sites to pay bills, check her credit score, and manage investments. Instead she turns to blogs, relevant content sites like Curbed, real estate sites, and online mortgage lenders. This suggests she is open to non-traditional lenders.

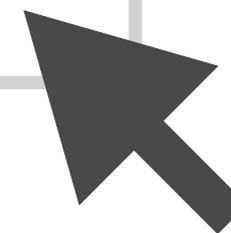
Towns



Street Addresses

TRADITIONAL BANK
SITES AND APPS FOR
MORTGAGE LENDING
INFORMATION

BLOGS
RELEVANT CONTENT
SITES
REAL ESTATE SITES
ONLINE MORTGAGE
LENDER



This phase is perhaps the best opportunity to reach Sue – it’s the part of her journey in which she’s actively seeking new information, and she’s not yet selected a mortgage provider. Indeed, she may not fully understand the role of a mortgage provider in the home buying process, given search terms like “grant for new home”, “can you get an FHA loan on any house”, and “CA first time home buyer programs”. Regardless, her search terms show she seeks information appropriate to a first time home buyer. Messages like “Beginner’s Guide to Home Buying” and “Mortgage Info for First Time Home Buyers” will resonate, along with initial messages about price, such as “Special Introductory Rates for First Time Homebuyers”.

Grant for a new home



Can you get an FHA loan on any house

CA first time home buyer programs



**BEGINNER’S GUIDE TO
HOME BUYING**

**MORTGAGE INFO FOR
FIRST TIME HOME BUYERS**

**SPECIAL INTRODUCTORY
RATES FOR FIRST TIME
HOMEBUYERS**

During February and March, Sue visits real estate websites and apps about 150 times per month. Truthfully she's just getting warmed up – Sue's a shopper as well as a DIY-type of woman; early in her journey, Sue visits home and garden sites and apps less than 10 times in either month. At this point, she's focused on real estate far more than home projects, major appliances, and home fixtures. As we'll see later, this pattern shifts.

Sue's home financing research is pretty quiet in the early months, but takes off one weekend late in March. From January through mid-March, her online home shopping behavior consisted of searching for homes with cursory looks at learning about financing. Now she's digging into financing, reading content like "7 Crucial Facts about FHA Loans" and "How Much House Can I Afford". She also uses search to navigate to real estate and lender sites to use mortgage payment, affordability, and rent vs. own calculators, and searches "grant for a new home" then checks to see if she qualifies for a home grant program.



Grant for a new home



At this point, she's surveying the landscape and gathering information on the financing side, presenting mortgage marketers with opportunities to message educational information about lenders and lending. Again, this is the time to promote content like "New Home Financing Basics", and present initial messages like "Lowest Rates for First Time Homebuyers" and "Best Rates, Great Service".

More broadly, Sue's searches show she's learning the language of the industry, and establishing some initial thresholds, using terms like pre-qualified, closing costs, and first-time home buyer. They also illustrate what may be a generational approach to gathering information – Sue uses search to go out to multiple information sources, rather than finding a single source of information about first time home buying. The implication is there's no single site to message on – marketers must focus on multiple sites and apps that deliver the relevant demo for their messages.



**NEW HOME FINANCING
BASICS**

**LOWEST RATES FOR FIRST
TIME HOMEBUYERS**

BEST RATES, GREAT SERVICE

Sue also does something interesting – for select properties she finds on realty websites and apps, she'll search the same street address in a search engine. She sometimes maps them too, suggesting properties of interest. Identifying consumer behavior such as this represents a golden opportunity to insert relevant messages, like "How to Finance Your First Home", or "Best Mortgage Rates for First Time Home Buyers".



**HOW TO FINANCE YOUR
FIRST HOME**

**BEST MORTGAGE RATES
FOR FIRST TIME HOME
BUYERS**

Specificity

Sue begins to transition in April, about three months after she began.

Specificity is the key – Sue’s early searches are broad and include terms indicating early information gathering. The transition to Getting Specific is just as you would expect – search now relates directly to financing and purchase details: pre-approval duration, definition of pending, when is the down payment due. Messaging should reflect this: “What You Need to Know about Financing Your First Home” and “Best Online Mortgage Rates – Apply Today, Qualify Today”.

Sue’s home shopping kicks into high gear in May and June – in each month, she has well over 300 visits to real estate sites and apps, scanning hundreds of properties, searching some using a search engine, and mapping a smaller number. As time goes on, her focus on metro LA tightens.

LEARNING

SPECIFICITY

PURCHASE

Pre approval duration



Definition of pending

When is the down payment due



**WHAT YOU NEED TO
KNOW ABOUT FINANCING
YOUR FIRST HOME**

**BEST ONLINE MORTGAGE
RATES - APPLY TODAY,
QUALIFY TODAY**



Sue occasionally binges, too. For example, on May 12 she shops leading and niche lender and realty websites and apps for five hours. This is another behavior indicating a buyer who's in the hunt; given her hours of online research, Sue's presenting multiple opportunities for repeated exposure to relevant messages such as "Best Ways to Pay for Your New Home" or "Choosing the Right Mortgage Lender", as well as messages of trust, longevity, and access to tools like a mortgage payment calculator.

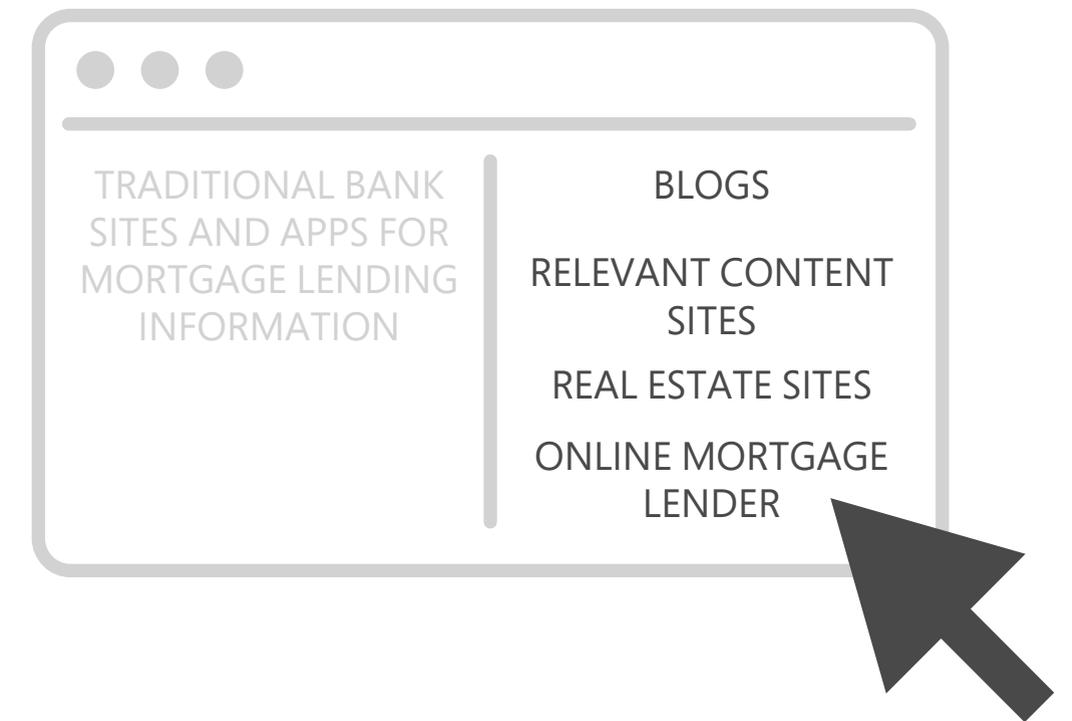


**BEST WAYS TO PAY FOR
YOUR NEW HOME**

**CHOOSING THE RIGHT
MORTGAGE LENDER**

Also in May, Sue gets specific with financing. To this point, Sue's consulted a variety of lender sites – there's one she visits often, and 20 others she visits once or twice – she's shopping lenders and financing information. On this day, however, she searches for a different lender by name, goes to his broker page at a national mortgage lender's website, uses their mortgage calculator, then creates a login on his broker page. She visits this broker's portal several times over the next few weeks, applies online for a loan with his company, and checks status several times. As part of her due diligence, Sue visits a loan clearing house and read reviews of her broker, as well as visiting a couple of other informational sites to compare rates.

It's interesting to note that even though Sue has ongoing relationships with three major financial institutions, she scarcely considers them for financing – she takes five minutes to review one's information and mortgage calculator, and does not consult the other two at all.



Purchase

It's July and we can tell Sue is close. The shift to qualification and purchase is evidenced by her search terms – they now reflect specific questions relevant to an individual property like septic and roof, or where she's at in the purchase journey, like pending deal, declined offer, owner will carry, and low appraisal. The number of real estate sites and apps she visits peaks in July.

Likewise, her financing work has transitioned to due diligence. She visits her lender and reviews their first-time home buyer checklist. Yet even as she's working with one lender, Sue continues to visit other lender websites to look at rates and mortgage calculators, read content about the escrow process, and request a quote from an online provider. Sue is a shopper, after all.

Septic and roof



Pending Deal

Declined offer

Owner will carry

Low appraisal

One other interesting transition that underlines where she's at in the purchase journey – her visits to home and garden sites and apps inch up in June and July, increasing notably in August and September, including visits to big box home improvement store sites and apps, as well as high-end appliance and fixture sites. The increases in such visits suggests a seriousness in the purchase journey – Sue's comparison shopping major appliances, fixtures and accessories for a new home. Here again, Sue's presenting opportunities for relevant messages.

And sure enough, she goes to her DropBox account and downloads loan.zip – she now has loan documents.



Takeaways

In broad strokes, Sue's journey reflects the experience of a growing segment of first-time home buyers in a digital age. She has a lot of learning to do and relies on the internet to search information and shop properties far and wide – early on, nothing is off limits.



Starting Out

When she's "Starting Out" her searches are indicative of learning the ropes. Messages that reflect that are more likely to break through – "Here's How to Choose the Best Mortgage Lender", "Buying Your First Home, Step by Step" and "First Time Home Buying 101", in addition to value- and immediacy-based messages like "Best Mortgage Rates, Approval in Minutes".



**HERE'S HOW TO CHOOSE
THE BEST MORTGAGE
LENDER**

**BUYING YOUR FIRST HOME,
STEP BY STEP**

FIRST TIME HOME BUYING 101

**BEST MORTGAGE RATES,
APPROVAL IN MINUTES**



Getting Specific

As she progresses into “Getting Specific”, reality encroaches – acquiring financing becomes a priority, and search include specifics like a dollar amount and her credit score. She picks a broker and uses his portal several times during this phase, getting her ducks in a row. Her use of real estate apps and sites in conjunction with search and mapping indicate properties she’s more serious about. And sometimes Sue binges on realty for hours at a time. Messages during “Getting Specific” must reflect Sue’s increasing sophistication – “Great Mortgage Rates, Flexible Options” and “Your Great Credit Gets Low Rates and Fast Approval”.



**GREAT MORTGAGE RATES,
FLEXIBLE OPTIONS**

**YOUR GREAT CREDIT GETS
LOW RATES AND FAST
APPROVAL**



Qualification and Purchase

Sue hits the “Qualification and Purchase Period” when she’s made the purchase decision, commits money, and waits for acceptance. She’s got her loan papers in hand, so messaging during this phase of Sue’s journey is win-over-oriented – “It’s Never Too Late to Seek the Best Mortgage Rate” and “Low Rates, Great Service”.

Her approach to mortgage information gathering is interesting, too; even with relationships with three major financial institutions, she scarcely considers them for information or financing. This suggests she either doesn’t know they offer it, or possibly doesn’t trust them. The implication is that no institution has a lock on Sue’s mortgage business – lenders must go online to communicate their message, knowing that on some days Sue’s going to choose your company, and some days Sue’s going to choose someone else.



**IT’S NEVER TOO LATE TO
SEEK THE BEST MORTGAGE
RATE**

LOW RATES, GREAT SERVICE