

Create a Tailor-Made Marketing Message

Hard money lenders profit from understanding and educating customers

By Yanni Raz

Growth in the hard money industry has been incredible in recent years. Because of this, many lending houses have stepped up their marketing efforts as the competition within the segment has also increased. Many of these companies are missing the mark when it comes to capturing the attention of would-be borrowers.

Today, there are several ways to deliver a marketing message. Television ads, social media and a company website all work well, provided that we are not falling into habits that actually deter borrowers.

Just as there are a wide variety of ways you can expand your visibility, there are most certainly some common mistakes you should avoid.

■ **Not understanding the target borrower:** One of the most common mistakes in any marketing plan, and hard money is not immune, is a failure to recognize the target consumer. Consumers, in this case, are borrowers. Unfortunately, many lenders do not tailor the marketing message to particular segments. Instead, they simply throw out grandiose claims of incredible profits with little-to-no substance. Remember, the goal is to draw the attention of motivated buyers. What do they want? What will ultimately influence their decision? It isn't about you. It's about them — so make your marketing message convey that point.

■ **Not educating the customer:** The average borrower has no idea what the term "hard money" means. With this in mind, companies that broadcast their marketing messages without explaining the dynamics of the industry are essentially throwing money into the wind.

Maybe it will land where it's supposed to; maybe it won't. In any case, it isn't an effective way to manage a marketing campaign. Companies that have successful campaigns create educational materials for potential borrowers that outline the industry and explain various types of loans. When consumers trust your business, they'll convert. This is a guarantee.

■ **Ignoring the "social" in social media:** Far too often, social media campaigns do nothing but talk at potential customers. Successful hard money lenders use social media to talk with them. Facebook, for example, isn't your own brand's television station. Sure, it's a channel that centers on your organization, but who wants to follow that, aside from industry professionals? Instead, make it a spot that helps potential borrowers find opportunities. For instance, did a property come to market that offers a great chance at a flip? Why not start a conversation on social media? Get professionals to weigh-in on the practice, discuss the location (pros and cons), and create opportunities that lead potential borrowers to your service.

■ **Using a narrow scope:** When you are crafting a hard money marketing message, remember that the financing can be used for a variety of property purchases. Although you may prefer to focus solely on commercial real estate, you may be losing valuable market share to competitors because your organization is not addressing a variety of angles. This may not apply to commercial-specific lenders, but others should remember that there are many types of potential hard money borrowers.

■ **Refusing to adapt:** Marketing requires testing, implementation and then more testing.

Refusing to adapt your campaign can be an absolute killer. Instead, experiment a bit. See which types of social media posts or campaign messages seem to generate the all-important buzz. This also will help you understand your target borrowers and keep your marketing message fresh.



Lenders have taken quite a bit of heat over the past decade, as large banks used questionable tactics to lure would-be borrowers. This doesn't have to hinder your organization's ability to bring new buyers to the marketplace, however. By focusing on information, education and general helpfulness, you can be certain that your business will be viewed positively. Building trust is the key to long-term relationships. Many hard money borrowers also are investors, and companies that offer the right services and valuable expertise have an opportunity to tap into that business potential. ■



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