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here's often a good story behind the launch of a company, and that is certainly the case with LoyaltyExpress, a Woburn, Massachusetts-based provider of customer relationship management (CRM) and marketing solutions. About 12 years ago, Founder Mary Beth Doyle and Co-Founder and Chief Executive Officer (CEO) Jeff Doyle saw ample opportunity to improve marketing in the mortgage business. ¶ Mary Beth was the general manager of the U.S. division of an international software company. She learned a great deal there about the European approach to targeted and personal communications, including CRM. When compared with the mass-produced, cookie-cutter approach typically used in the United States, European CRM seemed light-years ahead to her. Marketing in Europe was more personalized, targeted and effective. ¶ While consulting for a mortgage banking client in the States, Mary Beth realized the industry was even further behind other industries when it came to marketing and CRM. She immediately consulted with her husband, Jeff. Together they saw a huge opportunity to



LENDERS — by MARY McGARITY —

In an era of heightened concern over compliant mortgage marketing, LoyaltyExpress provides the expertise—and technology—lenders can trust. The company has built an all-in-one digital, print and manufacturing environment for marketing that even compliance officers will love.



LoyaltyExpress' Mary Beth (founder) and Jeff Doyle (CEO and co-founder)

bring more sophisticated marketing and database methodologies to the U.S. mortgage industry. And as they began exploring just how some mortgage lenders were marketing, they quickly discovered that lenders needed exceptional amounts of improvement and service.

The mission: Security first

Mary Beth reached out to her own lender to learn more about how mortgage companies manage marketing and CRM. After meeting with the CEO, she was shocked to learn that the company was violating a number of regulations and data-privacy standards in its marketing.

“In their marketing efforts, staff members were emailing

LoyaltyExpress creates and vets lender messages to ensure they are accurate, consistent and compliant with current regulations.

hundreds of personal data files to third-party vendors,” she recalls. “They were using the third-party providers to send out generic greeting cards and cookies to customers that had recently closed mortgage loans.”

To make matters worse, the lender was disposing of old customer loan files in a dumpster behind its building. Mary Beth quickly raised her concerns with the CEO that the company was breaching privacy laws by mishandling its customers’ personal information.

With a background that includes executive-level stints at several international data-mining and business-intelligence companies, and with her experience owning and operating her own startup and consulting companies in the print and communications industries, Mary Beth knew she could help.

So could Jeff, whose experience includes being a consulting executive to the mortgage industry as well as varied technical and customer management positions in the software and telecommunications industries.

The couple offered to develop a framework that would address the problem. The two came up with a proprietary CRM and process automation solution that addressed privacy concerns and included a dashboard view of customer, partner and prospect databases for every loan officer within an enterprise.

The solution also provided intelligent alerts and, importantly, more personal and effective marketing to the lender’s customers. After the CEO heartily embraced the framework the Doyles came up with, they knew they had a real solution on their hands that could benefit the mortgage industry.

‘Everything happens within our walls’

In 2004, LoyaltyExpress was launched as a provider of marketing automation and cloud-based CRM solutions for mortgage companies and banks. Today, its products and solutions are used by top-20 banks, mid-market mortgage lenders and smaller brokers.

Within its first year of business, LoyaltyExpress secured a top-three global bank as a client. The company quickly worked to create and build a top-of-the-line digital print and manufacturing environment with proprietary technology. LoyaltyExpress’ fulfillment center manages all printing, mailing, promotional items and emailing services.

“Everything happens within our walls,” Jeff says. “In terms of data security, being able to rely on our in-house infrastructure is very much a plus for lenders because they don’t have to use multiple vendors. Compliance officers love us, as the lender’s risk is reduced substantially.”

Today, Mary Beth remains the creative vision behind the privately held company’s marketing and sales initiatives. As CEO, Jeff executes the company’s strategy and direction, and is heavily involved in LoyaltyExpress’ technology.

The number of employees has grown to 32 but the Doyles have deliberately kept the company small. “We don’t have a sales force. Jeff and I are the sales force,” Mary Beth says.

LoyaltyExpress has a dedicated team of writers and a graphic design department. True to the company’s name, its employees tend to stick around: The vast

majority of its top-tier managers have been with LoyaltyExpress since 2005.

Lender clients are each assigned their own team of writers and graphic designers for editorial and content creation as part of “concierge-level service,” Jeff says. “We produce as much or as little as a lender desires for image sourcing, writing and graphic design. We also consult on custom projects such as recruiting booklets, event management and presentation materials.”

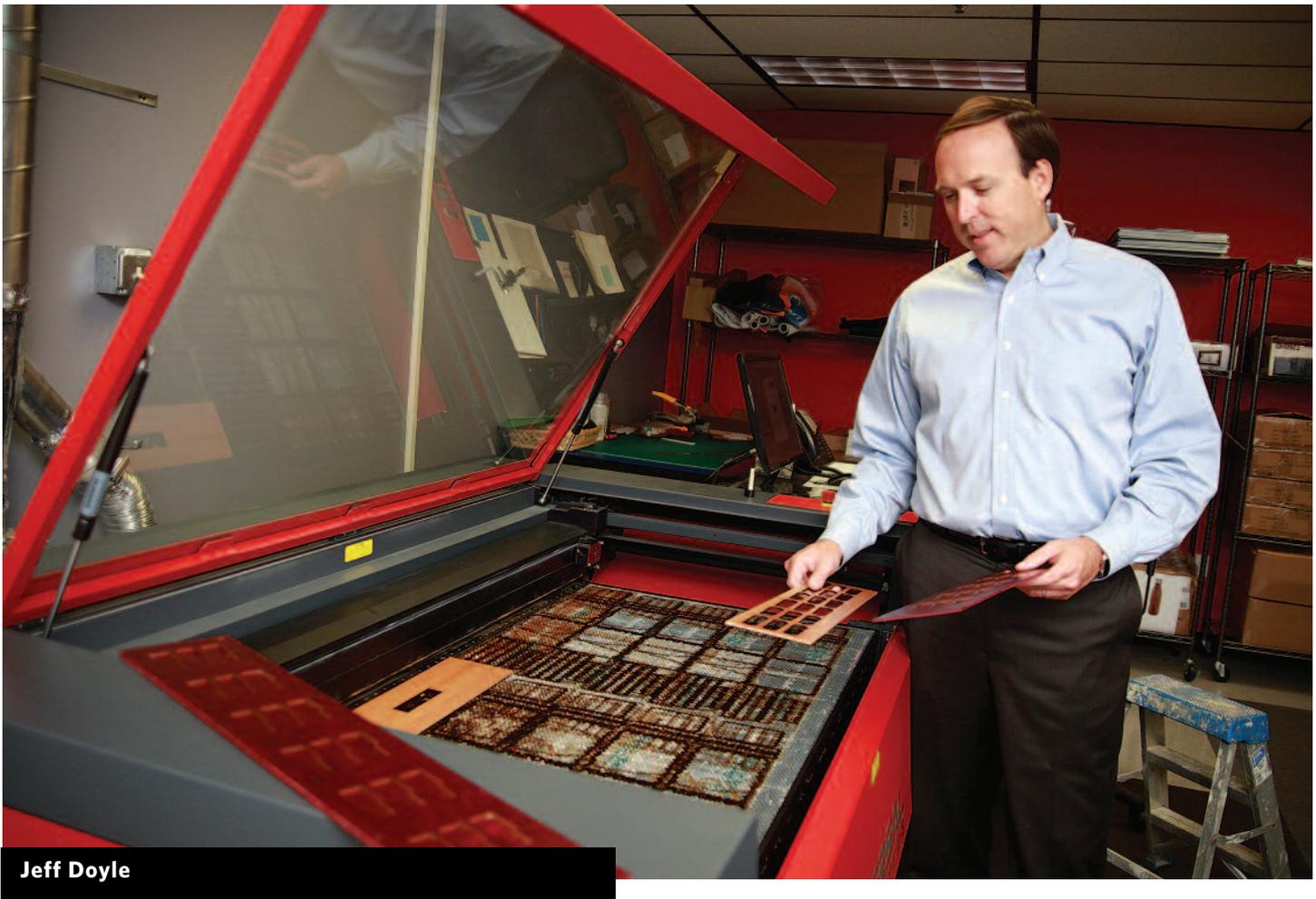
LoyaltyExpress creates and vets lender messages to ensure they are accurate, consistent and compliant with current regulations. Says Mary Beth: “Language is a big part of marketing and compliance, and we have the right people and technology to create effective, targeted and compliant messages.”

Marketing language even needs to take into account variations within the same mortgage company. “The requirements and the regulations often vary from state to state. For example, a very different marketing message might exist in Virginia compared to Vermont,” she adds. Regulations also can vary from state to state, and LoyaltyExpress is on top of those guidelines, she says.

The company’s flagship CustomerManager™ platform enables lenders to automate marketing from inquiry to prequalification and throughout the entire loan process, including multiyear retention programs for new borrower clients. LoyaltyExpress’ newer MarketingCentral develops and manages messaging, graphic design and image sourcing for customized and compliant marketing materials.

LoyaltyExpress has built a faithful following from the mortgage executives it works with—in fact, 80 percent of the company’s new business is generated by referrals. Frequently when executives leave a LoyaltyExpress client, they hire LoyaltyExpress at the new bank they go to.

When the Doyles first started LoyaltyExpress in 2004, “we did things very manually through faxes and so on,” Jeff notes.



Jeff Doyle

In 2005, he and the chief technology officer led the effort to build a web-based system for lenders that provided five different levels of access, according to the role of each person who uses the system. “They can see different things on the reporting side, orders placed, loan pipeline. The system can be integrated to credit-reporting agencies. When a customer’s credit gets pulled, loan officers get an alert that the individual is shopping around,” he says.

While LoyaltyExpress does not publicly divulge client names, the company counts many of the country’s leading lenders among its customers—including one of the top-three banks in the country. It also works with divisions of global banks.

“We have very strict security standards, including not naming our clients to further diminish the threat of systems and data being hacked,” Mary Beth says.

Compliant marketing at an opportune time

The Doyles started up LoyaltyExpress at an opportune time. If mortgage lenders needed help ensuring their CRM and marketing efforts were managed in a compliant manner in 2004, that need has only intensified since then.

The issue became even more of a front-burner compliance focus when the Consumer Financial Protection Bureau (CFPB) signaled it was putting heightened emphasis on regulatory enforcement and consumer protection on the marketing side

of the mortgage industry.

“We help lenders implement more effective marketing to their customers while safeguarding them against compliance violations. The consumer-protection laws can quickly put a lender out of business if lenders are not on top of them,” Jeff says.

Without a doubt, the mortgage industry’s need to ensure compliance and security in its marketing efforts has changed dramatically since 2008. The country’s financial and housing crises and the subsequent enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act in 2010 have placed these issues front and center.

One of the biggest changes over the last 10 years or so, says Jeff, is the fact that individual loan officers aren’t in charge of their own marketing messages anymore. “Today both a company’s management and the individual loan officer can be held liable for violations,” he says.

How does LoyaltyExpress differ from other marketing and CRM providers? “We deliver an all-in-one solution,” Jeff says. “Some of our competitors may offer CRM, but they don’t have the infrastructure or the writing and creative teams that LoyaltyExpress has to automate messages and ensure compliance. Our biggest advantage is that we offer enterprisewide-level compliant marketing.”

And all the work is performed within the confines of the

LoyaltyExpress fulfillment center at its Massachusetts headquarters. Says Jeff, “Mortgage lenders can get everything they need [in terms of CRM and marketing] in one place. Instead of having to work with eight different vendors, they can work with one.”

LoyaltyExpress also touts its flexibility, both in catering to individual lenders’ needs and in staying abreast of regulations. “We’ve created a software platform that can accommodate the ups and downs of the market, and that can stay up-to-date with rapidly changing regulatory directives,” Jeff says.

Keeping companies out of trouble

All marketing materials put out by LoyaltyExpress go through

Mary Beth believes loan officers’ use of social media—including Instagram, Facebook, LinkedIn and Twitter—may present the biggest risk for companies.

a legal check, ultimately through a client’s legal and compliance team. “We use a common-sense approach to ensuring compliance,” Jeff says, adding that LoyaltyExpress stays apprised of the industry’s needs by regularly participating in Mortgage Bankers Association (MBA) conferences and workshops on compliance.

Increased oversight by both state and federal regulators means that lenders need to ensure that every message they send out to consumers—including in advertising, social media, and regular and electronic mail—does not mislead or deceive customers.

“Even if it’s done unintentionally, lenders are at risk of fines or penalties. One of the biggest threats to a bank is being shut down for regulatory compliance mistakes that its loan officers are making,” Jeff says.

In fact, one of the main issues the Doyles see with lender compliance is the lack of consistency companywide when implementing directives. “Many mortgage lenders do a great job of focusing on regulatory compliance at the senior level, yet those efforts are not carried out at the loan originator level,” Jeff says. “It doesn’t matter if the right things are being done at the top if the directives aren’t implemented throughout the entire enterprise.”

The CFPB has dramatically stepped up enforcement of consumer-protection violations with respect to advertising and marketing, Mary Beth adds, and it is often at the loan officer level where slip-ups occur.

“The CFPB is focused on unfair, deceptive, or abusive acts or practices [UDAAPs], as outlined under the Dodd-Frank Wall Street Reform and Consumer Protection Act,” she says. “In the past, individual originators often did their own thing with their marketing and advertising. The CFPB doesn’t tolerate that approach, and the fines and penalties can be steep.”

Mary Beth believes loan officers’ use of social media—in-

cluding Instagram®, Facebook™, LinkedIn® and Twitter®—may present the biggest risk for companies.

“When the CFPB is measuring damages, social media creates the biggest potential risk, and the bureau is looking to make examples out of bad actors. The audience with social media is vast. You can reach 10 million people via social media, whereas with a postcard you might be reaching only 2,000,” she says.

And that’s where LoyaltyExpress can help mortgage lenders, Jeff says. The company’s two key offerings—its flagship CRM technology, CustomerManager; and the private-label branding store, Marketing Central—can be integrated together to create a single CRM and marketing solution.

While their primary audience is mortgage banking, MarketingCentral can also be used throughout a bank’s other lines of business—auto finance, wealth management, commercial lending and business banking. Regardless of how its solutions are used, LoyaltyExpress provides thorough checks to ensure distinctive and compliant marketing.

Automated, multimedia campaigns

LoyaltyExpress’ CustomerManager is a software-as-a-service (SaaS) platform that facilitates lead management, integrated email and direct-mail campaigns. The platform offers lenders CRM with direct mail, email and creative services bundled in.

“With CustomerManager, lenders can implement marketing campaigns from the first inquiry to the loan application, processing and closing, and automate a multiyear retention program,” Jeff says. That includes closing gifts, customer satisfaction surveys and ongoing communications thereafter.

LoyaltyExpress is primarily geared to mortgage lenders with 50 or more loan officers. “Our sweet spot is companies with 200 to 300 loan officers that have marketing departments, but they may not be able to handle all of it in terms of marketing, advertising and still being compliant,” Jeff says. “By offering best-in-class direct mail, a gift-fulfillment center and print fulfillment, we eliminate the need for lenders to use multiple marketing vendors.”

According to LoyaltyExpress’ marketing materials, CustomerManager helps lenders communicate with prospects, partners and customers with things like automated, multimedia drip campaigns (a communication strategy that sends, or “drips,” a pre-written set of messages to customers or prospects over time), according to LoyaltyExpress’ marketing materials. Campaigns can be initiated by loan officers, corporate administrators or corporate and third-party feeds, such as credit bureaus and lead providers.

Site access to CustomerManager is limited to loan officers with Nationwide Mortgage Licensing System and Registry (NMLS) licensing. Contacts are flagged for do-not-email, do-not-call or do-not-mail, preventing marketing orders from being implemented to those contacts.

MarketingCentral is a “centralized collateral store,” according to Mary Beth. Lender clients can choose from a wide variety of custom-made content from LoyaltyExpress’ creative services team from their storefront, including sales and corporate fliers, open-house fliers and rate sheets, paper and metal

business cards, corporate stationery and closing gifts.

“Marketing departments can post stationery to print or source through us,” she says. “There is an inventory-management piece. Even if the lender already has vendors to design some items, they can have those uploaded here so that everything is accessible in one spot.”

One of the most popular features of MarketingCentral is “Web-to-Print or PDF,” where marketing fliers can be created quickly as downloadable, high-resolution PDFs or as high-quality print orders that can be shipped.

Business is up

Overall, LoyaltyExpress’ business is up about 20 percent in overall revenues from a year ago, according to Jeff, who adds that MarketingCentral in particular has been a big hit since it was introduced three years ago.

The number of users of LoyaltyExpress’ MarketingCentral Web-to-Print platform doubled from 1,200 in 2014 to 2,500 in 2015, and continues to grow in 2016. The Doyles attribute much of that increase to the numerous regulatory changes in recent years and lenders’ subsequent demand for marketing materials that comply with those changes.

Jeff describes how LoyaltyExpress helped a top-10 bank implement a CRM system as well as a three-year client-retention direct-email campaign for every new borrower.

“The bank lacked an enterprise CRM system for its home lending division, requiring loan officers to log into multiple systems to access customer information,” he says. The bank also needed a central repository for partner and referral sources. Loan officers were relying on manual spreadsheets for loan information, and did not have an easy way to market to their contacts via HTML email or direct mail. “Plus, the bank did not have a client-retention strategy that was personalized for each loan officer and customer relationship,” Jeff says.

LoyaltyExpress implemented Customer-Manager to more than 4,000 loan officers employed at that top-10 bank client, providing a single view of every customer with consolidated loan, marketing, call and contact information. Loan officers also received access to partner and lead databases to manage contacts in a single system.

“By partnering with us, the bank client consolidated data from multiple sources and was able to shut down a legacy system,” Mary Beth says. The bank also reduced risk and audit expenses by eliminating separate email and direct-mail vendors. “Their retention rate was increased from 18 percent to 34 percent in the first year of partnering with LoyaltyExpress,” she adds.

The company is also growing its partnerships. In 2014, LoyaltyExpress directly integrated with Pleasanton, California-based Ellie Mae’s Encompass® all-in-one mortgage management solution, which “was a big deal for us,” Jeff notes. LoyaltyExpress is able to automate marketing for Encompass clients, from first inquiry to post-closing retention programs.

The Ellie Mae integration prompted a number of inquiries

from lenders that subsequently began using LoyaltyExpress’ services. In the summer of 2015, the company released CustomerManager 6.0, an enhanced version of its CRM platform, which builds on the company’s initial integration by including the ability to pass additional data fields associated with each closed loan.

And LoyaltyExpress is in the midst of releasing a MarketingCentral application for San Francisco-based Salesforce.com Inc. that will bring direct mail and print to Salesforce.com clients, Jeff says. That move will help LoyaltyExpress expand from working mainly with mortgage lenders to working with all types of banks, he notes. “We can see ourselves expanding more into retail banking, but also areas like auto financing and wealth management,” he says.

Its first client is one of the largest Salesforce.com deployments in Salesforce’s financial services practice. The Doyles anticipate rapid adoption of the Salesforce.com functionality.

The power of atonement

Beyond helping lenders make money, LoyaltyExpress also helps them do the right thing. “We work with lenders to stay in touch with their list of customers and to communicate effective messages,” Mary Beth says. That includes times when the message is an apology.

“We’ve taught lenders a lot about atonement and how important it is to own up when you’ve made a mistake. We can look into a

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database and see that a lender might need to send 50 people an apology because of a screw-up on their loans, for example.”

She cites an example from one of LoyaltyExpress’ largest banking clients. “They had a big problem with their call center. An automated software program was calling its customers 10 times a day,” Mary Beth says. “Eighty-five hundred clients were affected and many were really ticked. Our recommendation was to do something special, and we arranged to have a branded atonement gift of brownies sent to all 8,500 customers in three days.

“When a lender can stand up and say ‘we screwed up,’ their customers are always so amazed. This particular lender got an extraordinary number of positive phone calls and feedback for their timely responsiveness,” she says.

“At the end of the day, it’s all about how you make people feel,” Mary Beth says. “We help lenders make their customers feel good. It all comes down to that.” **MB**

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