

# Leveraging Predictive Data to Market to Homebuyers

**Iowa Finance Authority**

Communications: Integrated Campaign

**HFA Staff Contact**

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The Iowa Finance Authority (IFA) is a leader in utilizing predictive data to optimize homebuyer marketing strategies – recognizing it as the future of the industry. By leveraging this data-driven approach, IFA has achieved highly targeted campaigns that maximize resource allocation.

This integrated marketing campaign, powered by predictive data, has yielded astounding results, including the generation of an unprecedented **22% of all IFA closed loans** and a year over year **increase of 17% in total homebuyers assisted.**

This data-driven approach resulted in a staggering **313% surge in loan conversions** compared to the previous year's strategy that did not leverage predictive data and delivered an impressive **516% return on investment.**

**CHALLENGES:** Housing Finance Agencies (HFAs) encounter distinct marketing hurdles in connecting with potential homebuyers. These challenges include:

- Large target audience
- Indirect Application Process: Unlike traditional lenders, prospective homebuyers cannot directly apply for HFA programs.
- Product Competition: During initial contact with lenders, homebuyers may be directed towards alternative loan options, potentially bypassing HFA offerings.
- Evaluation Complexity: Accurately assessing the effectiveness of marketing investments for HFAs can be intricate due to the indirect application process.

**SOLUTION:**

Our solution tackles these challenges head-on through an integrated marketing campaign driven by predictive data. By leveraging this approach, we efficiently identify individuals with the highest likelihood of pursuing homeownership. Through a carefully tailored drip email strategy, we ensure that our messaging resonates deeply with these prospects, fostering maximum engagement.

Once engaged, we seamlessly connect these prospects with our select group of preferred lenders, equipping them with detailed information for prompt follow-up. This streamlined process significantly boosts the conversion rate of leads into successful homebuyers within our program.

Our success metrics extend beyond mere conversions, encompassing a comprehensive set of benchmarks that underscore our effectiveness. This cohesive strategy not only delivers optimal results but also reaffirms our unwavering commitment to expanding homeownership opportunities. By maximizing our resources and nurturing our lender network, we ensure a high return on investment while empowering individuals to achieve their homeownership dreams. A win-win-win approach.

## **INNOVATION**

The introduction of a partnership with a predictive data firm to refine our marketing targeting has been a game changer for our effectiveness and bottom-line results. This forward-thinking strategy ensures that every marketing tactic is finely tuned to connect with the homebuyers most likely to take action. It's meticulously crafted to resonate with the audience and precisely measurable, from the initial click to the final loan document signed. The outcome is an impressive blend of targeting high-value prospects, effectiveness, resource optimization, creativity, data leverage, and measurable impact on the bottom line.

## **STRATEGIC OBJECTIVE**

- Increase the number of homebuyers purchasing a home using an IFA mortgage program.

## **TARGET AUDIENCE**

Using predictive data, IFA now hones in on its target audience with precision. Beyond traditional demographic data, our predictive analytics delve deep into the characteristics of prospective homebuyers. Partnering with Emigrat, an Iowa-based Tech-Star accelerator start-up, we utilize a custom machine learning algorithm to assign predictive scores to individuals within our target demographic.

This innovative approach ranks Iowans based on various factors, such as household income and signaling those most likely to relocate within the next six months. Emigrat's predictive model evaluates a plethora of variables, offering insights into an individual's propensity to move or purchase a home. Factors such as tenure at the current address and past relocation patterns are scrutinized, providing invaluable predictive indicators.

Armed with this data-driven strategy, IFA tailors its homeownership marketing efforts to precisely target these prospects. The efficacy of this approach is underscored by the model accurately predicting **71% of IFA conversions to date**. This has resulted in a staggering **313%** increase in converted loans compared to our previous year's digital strategy, which lacked predictive data targeting.

## **Tactics:**

Utilize predictive data across an integrated marketing campaign incorporating:

- Display Ads with retargeting strategy
- Social Media Ads
- Google Ads
- Marketing Funnel featuring financial literacy information
- Videos showcasing individuals in our target market
- Preferred Lender Network
- Quick Eligibility Check
- High-Value Homebuyer Lead Generation System linking directly to Preferred Lenders

### **DEMONSTRATE EFFECTIVE USE OF RESOURCES | ACHIEVE MEASURABLE RESULTS:**

By harnessing the power of predictive data, IFA has revolutionized its marketing strategies, has tailored content and anticipated market shifts with unprecedented accuracy and efficacy. By maximizing reach and minimizing resource allocation inefficiencies, IFA delivers significant value to both consumers and lender partners.

### **RESULTS: (First nine months of strategy)**

- **516%** Return on investment.
- **317%** above goal of converted loans for the entire year after nine months.
- **313%** increase in converted loans over previous year's campaign that did not use predictive data targeting.
- **413** direct loan conversions from the marketing strategy using predictive data to IFA homebuyers.
- **62%** Increase in qualified leads provided to Preferred Lenders over previous strategy not including use of predictive data.
- **56%** increase in number of eligibility quick checks completed over previous strategy not including use of predictive data.
- **47%** Reduction in Cost per Acquisition due to media optimization and Emigrat's assistance in targeting prospective homeowners.
- **22% of all IFA loans** were directly generated from predictive data used to power the integrated marketing campaign.
- **22%** of these loans closed with an IFA Preferred Lender through our leads system.
- **17%** Increase in IFA's bottom line – the total number of homebuyers assisted using an IFA program year over year.

### **BENEFITS THAT OUTWEIGH COSTS**

The benefits of our fully integrated homeownership marketing strategy far outweigh the costs, particularly evident in the robust Preferred Lender network we've cultivated. With a total investment of \$315,000, covering predictive data acquisition and primarily focused on display and social ads, our aim was to convert 99 new loans to IFA buyers to break even. However, we surpassed this target by an impressive **317%**.

Beyond the quantitative metrics, the success of our strategy is exemplified by the strengthened relationships within our lender network, a pivotal component of our integrated approach. Our partners express higher satisfaction levels than ever before, as evidenced by unsolicited testimonials and high rates of engagement.

### **REPLICABLE**

Our integrated solution stands as a highly replicable model for housing finance agencies grappling with similar challenges. One state is already considering emulating our success, and we welcome further discussions to extend this technology across our industry nationwide, ultimately serving a greater number of homebuyers.

# The Power of Predictive Data in Marketing to Homebuyers



IOWA FINANCE  
AUTHORITY

## CHALLENGES

Large Target Audience

Indirect Application Process

Product Competition

Evaluation Complexity

## SOLUTIONS

Leverage predictive data to target those most likely to purchase a home.

Connect high value leads to preferred lender.

Crystal Clear ROI .

## GOALS

1

Market to homebuyers most likely to purchase a home.

2

Strengthen Preferred Lender Network.

3

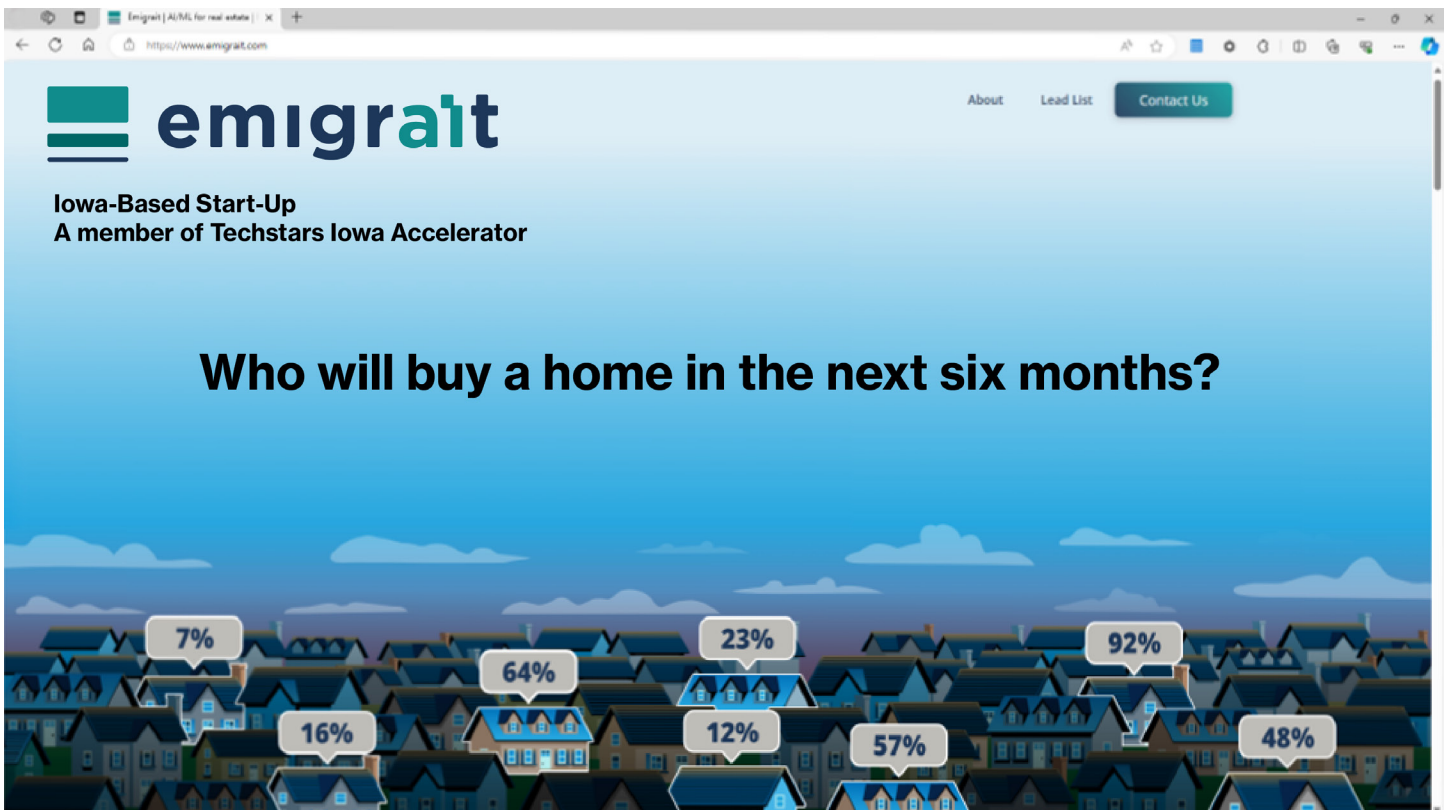
Convert at least 99 leads to loans closed to show clear ROI | Increase number of homebuyers assisted



# REACHING HOMEBUYERS

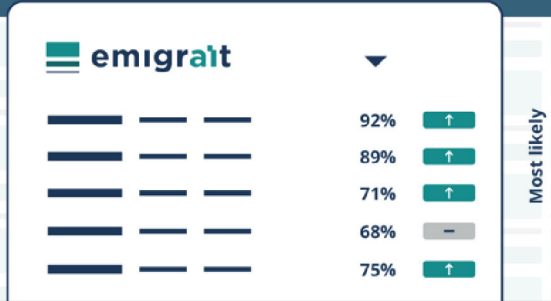
- 1 Leverage Predictive Data
- 2 Digital Marketing
- 3 Social Media Marketing
- 4 Google Keywords
- 5 Impactful Creative
- 6 Drip | Email Funnel
- 7 Nurture Preferred Lender Network
- 8 Qualified Leads to Lenders
- 9 Clear ROI of Campaign Leads Converted to IFA Homebuyers

*The Future  
of Marketing  
is in the Numbers*



# CONSUMER MARKETING LIST

- Every consumer 18+
- Ordered by Score
- Score change



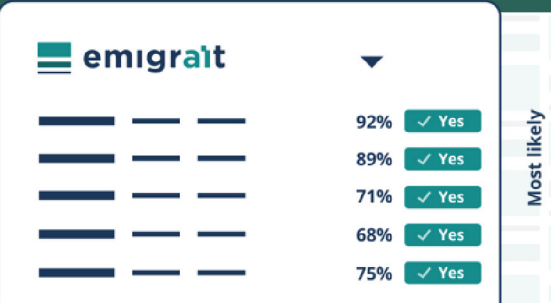

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**71%** ↑ 7%



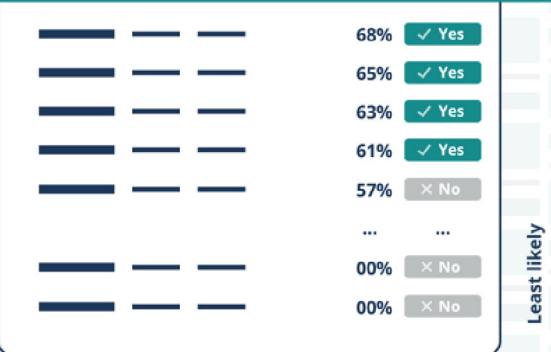
# CONSUMER MARKETING LIST

We check if they actually buy.



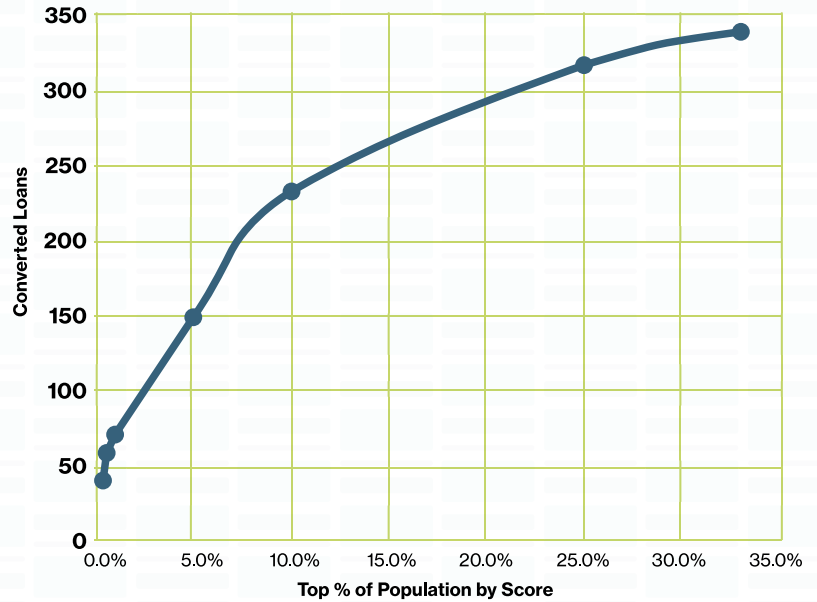

**Bob Smith**  
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**71%** ✓ Yes



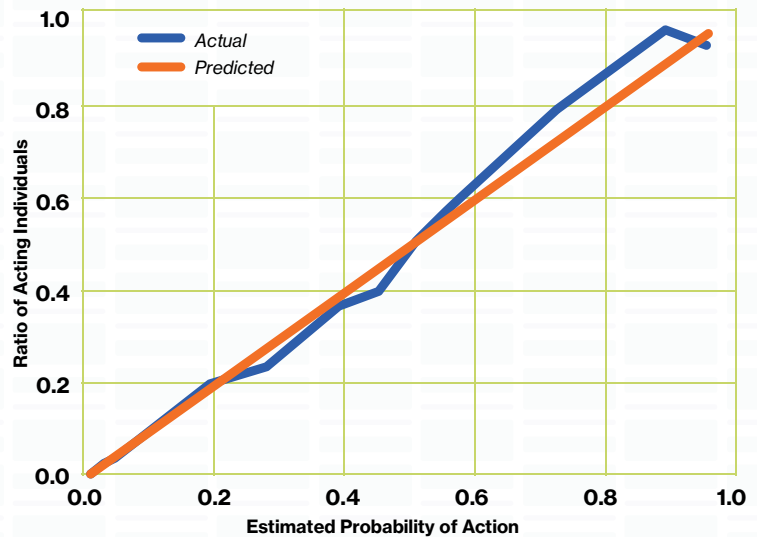
# BREAKDOWN

## Converted Loans vs Scores



# ACCURACY CHECK

## Verify scores are accurate



Completed post-purchase, when public records become available.

# RESULTS

**313%**

**INCREASE**  
IN CONVERTED LOANS  
OVER PREVIOUS YEAR'S CAMPAIGN  
THAT DID NOT USE  
PREDICTIVE DATA TARGETING

**413**

**LOANS DIRECTLY  
CONVERTED**  
USING PREDICTIVE DATA TO  
FOR MARKETING TO POTENTIAL  
IFA HOMEBUYERS

**516%**

**RETURN ON  
INVESTMENT**

**22%** OF ALL  
IFA LOANS

WERE DIRECTLY GENERATED  
FROM PREDICTIVE DATA USED  
TO POWER THE INTEGRATED  
MARKETING CAMPAIGN

**17%** INCREASE  
IN IFA'S  
BOTTOM LINE

THE TOTAL NUMBER OF  
HOMEBUYERS ASSISTED USING AN  
IFA PROGRAM YEAR OVER YEAR.

**47%**

**REDUCTION**  
IN COST PER ACQUISITION DUE TO  
MEDIA OPTIMIZATION AND EMIGRAIT'S  
ASSISTANCE IN TARGETING

**62%**

**INCREASE**  
IN QUALIFIED LEADS PROVIDED TO  
PREFERRED LENDERS OVER PREVIOUS  
STRATEGY NOT INCLUDING USE OF  
PREDICTIVE DATA

**56%**

**INCREASE**  
IN NUMBER OF ELIGIBILITY QUICK CHECKS  
COMPLETED OVER PREVIOUS STRATEGY  
NOT INCLUDING USE OF PREDICTIVE DATA

**22%**

**OF LOANS CLOSED**  
WITH AN IFA PREFERRED LENDER  
THROUGH OUR LEADS SYSTEM

“I APPRECIATE IFA’S FORWARD-THINKING AND INNOVATIVE LEADS SYSTEM WHICH CONNECTS IOWA HOMEBUYERS WITH LENDERS IN THEIR AREA, LIKE ME WHO ARE READY, WILLING AND ABLE TO ASSIST THEM THROUGH THE PROCESS. I’VE **RECEIVED COUNTLESS LEADS THROUGH THE SYSTEM** AND HAVE HAD THE PLEASURE OF HELPING SEVERAL BECOME HOMEBUYERS THROUGH IFA’S PROGRAMS.”

Jessica Greving – IFA Preferred Lender  
Residential Mortgage Network



“I’VE FOUND MYSELF EXTREMELY IMPRESSED WITH BOTH IFA’S HOMEOWNERSHIP LEADERSHIP AND THEIR PROMOTION OF THEIR PROGRAM TO THE PUBLIC. NOT ONLY DOES THEIR POSITIONING OF THE PROGRAM (WITH PREFERRED LENDERS, AND CONSUMER-FACING EDUCATION) HELP A TON, BUT SO DOES **THEIR ABILITY TO GENERATE INBOUND LEADS** FOR THEIR PREFERRED LENDERS.”

Tyler Osby – IFA Preferred Lender  
The Tyler Osby Team at Fairway Independent Mortgage



“I WAS CONNECTED WITH AN IFA  
PREFERRED LENDER AFTER FILLING  
OUT THE ELIGIBILITY QUICK CHECK  
ON THE WEBSITE TO SEE WHAT I  
QUALIFIED FOR. I ENDED UP  
WORKING WITH THAT LENDER  
THROUGH THE ENTIRE HOMEBUYING  
PROCESS, WHICH WAS SO EASY AND  
SEAMLESS. I AM SO HAPPY IN MY  
NEW HOME, THANKS TO IFA.”

Kendra Dimmitt  
Carson, Iowa



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