

Starting Over Financially After Foreclosure: Using Key Marketing Messages to Reach Clientele

Erica Tobe

Sarah Carter

Michigan State University Extension

Abstract

Families that experienced housing instability during the Great Recession sought professional mitigation services to avoid foreclosure. After a resolution to a client's housing situation was reached and counseling services ended, clientele continued to struggle financially and emotionally with credit, debt, and other fiscal situations. To fill that void, the "Starting Over After Foreclosure" toolkit was developed as a supportive resource to aid struggling clientele. To ensure the toolkit reached its end user, a marketing approach was used to specifically target industry professionals working with clientele. To maximize promotion of the toolkit, qualitative data collected from industry professionals were analyzed and targeted marketing messages were created. Special attention was paid to tone and language responses from the identified groups.

Keywords: foreclosure; financial; counseling; post-foreclosure

Introduction

Since 2008, some families have experienced housing instability. Between the years 2007 and 2012, four million US families experienced home foreclosure (Blomquist, 2012). Those affected sought professional mitigation services with a goal to avoid foreclosure. Close to 1.6 million households were served by federally funded housing counseling programs during this time (NeighborWorks America 2013.) Once families achieved a housing outcome and a resolution was accepted, services ended. After the resolution however, many families continued enduring financial challenges regarding credit and debt management. Bennett (2012) found that after services end, income supports and educational resources to assist families become unavailable. In addition, financial challenges become more difficult when combined with the emotional hardship experienced by families during and after their fiscal crisis.

A qualitative research study was conducted by a Midwest university to assess the social and economic needs of families and help set priorities for a research based resource that could provide content appropriate education after services ended (Wallace-Bechard, C. et al under

review). Based on the research, the “Starting Over after Foreclosure Toolkit” was developed by a University Extension program to help meet the support needs of clientele. Written to be easily read and accessible online, clientele could select the most relevant information from eight stand-alone units to provide a remedy for recovering from foreclosure. However, early marketing efforts of the toolkit proved to be difficult. Since households who had previously experienced foreclosure often relocate to a new housing situation, a need was identified to create an approach that could effectively promote the resource to the end user. As a result, a different marketing approach needed to be explored.

What has been done? - Conducting market research among key stakeholders

“Strategic marketing” is a multi-step process that promotes spreading awareness and interest in a product, brand, or ideal (NeighborWorks America, 2008). Extension staff members identified a list of professional contacts within industries that could best distribute the toolkit, based on their connection to clientele. Staff members contacted industry leaders and requested participation of their members. Participants were invited, by their respective organizational leader, to attend a training convened by their stakeholder group within this specific state. Toolkit training sessions were conducted by Extension staff within four industries: attorneys (n=4), financial representatives (n=5), realtors (n=6) and housing counselors (n=53). Each training provided an overview of the toolkit and varied in length between thirty minutes to two hours, based on the time allotted by the industry representative. Upon completion of the training, participants were asked to complete a series of open ended questions assessing their perceived interest and their perspective of client needs. In total, eighty-two evaluations were submitted and seventy-five were analyzed.

All questions were open-ended and each industry group was asked the same consistent set of questions. They included:

- What industry are you a part of? (real estate, bank, credit union, housing assistance/counseling, legal services, other)
- What could be the most useful unit to your clientele? Why do you feel this is the case?
- What do you think will be the least useful unit to your clientele? Why do you feel this is the case?
- Do you think this toolkit could assist clientele you work with? Why or why not?
- Would you use this toolkit with your clientele? Why or why not? If no, what could be more useful to you?
- What additional information would you want to see in a toolkit like this?
- What ways would you consider delivering this content to the clientele you work with?

All text data responses were analyzed using key phrases to assess the features and benefits of the toolkit. A special emphasis was used to identify specific wording, which assessed the language used and written tone provided by the professional. Although sample sizes were small, data were found to be consistent across participants within industry groups. This collection process was determined to be non-human subject research by the university institutional review board.

Results: Feedback from key stakeholders

Based on the data provided by the stakeholder sessions, key findings and marketing messages were developed for the following audiences.

Attorneys/Legal Representatives

Attorneys and legal representatives equally identified four units as most useful to their clientele: Assessing Your Financial Situation, Rebuilding Your Financial Situation and Credit History, Knowing Your Rights and Responsibilities, and Returning to Homeownership. Based on the findings, a marketing message was developed that explained how legal professionals could help families access the necessary financial and legal content available in the toolkit. The tone of the message was developed to reflect straight-forward thinking expressed in short sentences, with key phrases including “big picture” and “clients taking a good look at their situation.” All respondents revealed that the toolkit could help clientele.

Financial Representatives

Financial representatives focused on the units “Assessing Your Financial Situation” and “Rebuilding Your Financial Situation and Credit History” as applicable content. All respondents noted that the education was helpful for their clientele, but believed the information regarding family stress and emotional management was outside of their scope. Key words from evaluations included “comprehensive,” “versatile,” and “can be applied to many instances, not just foreclosure.” Therefore, marketing messages were developed to emphasize the toolkit as a useful reference for staff members to support their clientele with a wide range of financial circumstances.

Housing Counselors

Housing counselors revealed that “All Units” were most useful rather than providing a clear consensus on any single unit. Ninety-eight percent of respondents felt the toolkit could help their clientele. Many suggested inclusion of a list of community resources in future editions, and several requested creation of a helpline for those consumers with additional questions. Unsurprisingly, respondents stated their preferred delivery methods be during one-on-one

counseling or as a reference for staff. Key words and phrases to repeat within marketing messages included “a clear roadmap,” “reinforced education and action steps,” and “access to resources on their own time.” Based on the findings, the marketing message needed to address how the toolkit could be used within counseling sessions and respond to diverse clientele and financial needs.

Realtors

Not surprisingly, realtors identified the “Returning to Homeownership” unit as the most useful unit, with eighty-three percent believing the toolkit could help their respective clients. The tone of feedback was short and valued education before decision making, with the best delivery method as email. Key words included “useful for young couples” and “rebound[ing] from foreclosure,” which indicated unsurprisingly that the toolkit was most useful when it could be applied to those returning to homeownership. The marketing message needed to be to-the-point and easy to share through forwarded email distribution.

Based on the findings, preliminary email marketing has been completed to sixty three representatives from realtor and partner organizations within the state. Within the first month, website downloads increased 20%, which included an additional 200 hits to the direct page of the website where the resource is available. Additional marketing messages will be sent within the next year.

What difference did this make?

Crafting strategic marketing messages utilizes consumer insights to cater to the needs of specific audiences. Even within small sample sizes, using data from industry partners can help create audience categories to efficiently distribute information about programs and resources to meet the specific needs of diverse clients. Receiving feedback from industry partners can help to gauge receptivity to products, such as “it provides so many tools we currently don’t have,” “I haven’t seen a unit that couldn’t be helpful,” and “I already started thinking on which of my current clients to send which units.” By using this approach, struggling families with financial difficulties may be more apt to receive Extension resources from the key professionals that provide support.

References

Bennett, Pam. 2012. The aftermath of the Great Recession: Financially fragile families and how professionals can help.” *The Forum for Family and Consumer Issues* 17(1). On-line: <https://ncsu.edu/ffci/publications/2012/v17-n1-2012-spring/bennett.php>

Blomquist, Daren. 2012. 2012 Foreclosure Market Outlook for CMA. On-line: <http://www.realtytrac.com/content/news-and-opinion/slideshow-2012-foreclosure-market-outlook-7021>

NeighborWorks America. 2008. "ML162: Marketing Your Programs and Organizations." May 7-8, 2015. Kansas City, Missouri.

NeighborWorks America. 2013. Ninth NFMC Congressional Report. On-line: <http://www.neighborworks.org/Homes-Finances/Foreclosure/Foreclosure-Counseling-%28NFMC%29/Congressional-Reports>.

Wallace-Bechard, Camaya, Erica Tobe, Barbara D. Ames, and Amanda Guinot-Talbot. "Family Experience and Educational Needs of Home Foreclosure Counseling Clientele." *Family and Consumer Sciences Research Journal*, 45(2), 179-192. doi:10.1111/fcsr.12192