

Building a Home Lending Operation

Buying a home is a complex and detailed process. A consumer has to gather and consider so many details and data points in order to make an informed decision, and it is hard to know if you're getting the best deal and if it's in your best long-term interests. The various options and suppliers involved in the process only tend to magnify the complexity and time needed. Even for a buyer who has been through the process previously, it is time consuming. For a beginner, it can be terrifying.

Some people may believe that the depth and complexity of a home purchase and financing may not lend itself to a web-based solution. Think so? That's not what Wells Fargo believes.

Even with economic challenges, the market for first-time homebuyers is strong. A survey completed by Wells Fargo in 2011 found that the most significant opportunities in the housing industry were for the millennial generation (born between the early 1980s and early 2000s). Even considering the large Baby Boomer generation (born between 1946 and 1964), the millennials consist of more than 77 million people. This new generation is eager and able to find information, especially online. This foundation of information builds confidence and knowledge. Although there were many different options to collect information about home ownership, Wells Fargo also believed the market lacked a "comprehensive, one-stop, self-directed resource" for home buyers. It was clear that a market existed for the new initiative, but how should it be fulfilled? Would you build a home without a plan? Drawings? No.

Websites, like any other software development, need to be planned, designed, and implemented with careful thought and research. For a variety of reasons, sometimes website development is not well planned. Wells Fargo instituted a methodical approach. From the beginning of this initiative, they defined the goals of the project and remained focused on the mission of the project. Their guiding metaphor for design was a "roadmap" to assist consumers in the process of gathering information and making choices toward their goal of obtaining a mortgage. Many consumers have a "full plate" of complicated economic and financial challenges. The key to success was to assemble a website to get essential information to consumers and add value to their online experience. Like the sales cycle, the home lending process has a similar cycle from researching, application, approval, and servicing. Again, the roadmap was important to the design process. In addition, Wells Fargo also compiled data on how consumers gained access to their current website as well as what they did (tools, functions) once they arrived. This information

provided the bank with insight on consumer preferences associated with an online experience.

Their goal was to "serve customers the way they wanted to be served." This goal would be defined in three strategies: (1) focus on consumers' financial needs, (2) deliver and provide educational value, and (3) humanize the online channel. Although the goal is important, specific tactics would be needed to clearly frame the building of the website. For example, while the website would "perform" based on a consumer's preferences, they could always decide to connect with a mortgage consultant at Wells Fargo to supplement the online experience. The online experience is crucial to deliver information and education in a timeframe and environment that the consumer chooses. However, when the process requires a personal touch, they can elect to have a consultant intervene, again, based on their choice.

Wells Fargo believed that careful thought to design conquers the complexity of the entire process. This mentality centers on the principles of simplicity and not overcomplicating initiatives. To embed these principles in the website, the design stage included several characteristics, including: (1) delivering information tailored to the customer's individual needs, (2) providing comprehensive, but consumable information, (3) protecting the consumer's anonymity during the process, (4) allowing consumers to speak with a representative when needed, (5) offering transparency to information and the process, and (6) providing easy access to information. These six characteristics help to clearly frame the process of building the website.

As Wells Fargo drilled deeper into the project, they began to define the essential elements of the proposed website. These elements included a learning center, glossary of terms, tools/tips, online application forms, checklists to guide the consumer through the process, and home ownership guides. These features were developed to satisfy the objectives of the website project as well as clearly define how those objectives would be accomplished in the new product.

The self-service nature of the website provides a flexible environment for consumers with various levels of financing knowledge, at purchasing stages, and with different preferences to be informed about Wells Fargo financing products and home buying in general. Business relationships, even in an area as complicated as home financing, can be developed through a self-service, online environment. Building those relationships through a free website product can build affinity and ultimately increase the customer base of a bank's mortgage portfolio.

Source: Slaughter, P. (2012). Playing Online. *Home Furnishings Business*, 7(9), 14-19.