



THERE'S ALWAYS A SILVER LINING

How Veristone Capital cracked the consumer-direct marketing code to compete with “the big boys”



WHO WILL FIND THIS REPORT HELPFUL:

- Marketing executives and business owners
- Service providers in competitive markets
- Firms with underperforming inbound marketing campaigns
- Companies launching a new product or service

MEET VERISTONE CAPITAL

From its humble beginning in early 2011 as a three-person office, Veristone Capital has grown to employ over 30 private money lending professionals serving the needs of nearly 1,000 borrowers every year. Frustrated with underperforming pay-per-click (PPC) marketing to the tune of \$68,000/year, Veristone called Protocol. This is the story of how Veristone Capital leveraged Protocol's Hard Money Marketing Solution to develop an investor direct digital marketing strategy thereby opening the doors to fund tens of millions of dollars of loans outside of its current investor network.

PROBLEM

The PPC landscape in the private money lending space is unbelievably competitive and costs per click of \$40 or more are not unheard of. In that climate, it's extremely difficult for a smaller, independent firm to compete with semi-national lenders, (i.e., Lending Home and Connected Investors) that have seemingly unlimited resources and marketing budgets.

Veristone was spending more than \$5,000 per month on PPC marketing efforts with an outside digital marketing company.

Sensing that the ROI for their online marketing dollars wasn't all they'd hoped, the team at Veristone ran some numbers. They learned that, at best, their online ad campaign was funding one extra deal per month; put another way, their cost per fund was estimated to be around \$4,000. Frustrated with these findings, the company fired their third-party ad agency and considered managing their PPC campaign themselves, or writing off digital marketing altogether as a viable marketing channel.

Thankfully, they found Protocol before that happened.

SOLUTION

Protocol started by immediately shutting down Veristone's AdWords campaign and flawed digital strategy. The next step was to develop a customized version of Protocol's Hard Money Marketing Solution that was true to Veristone's brand and suite of loan products. Finally, we worked with Veristone's compliance department to ensure proper disclosure of relevant licensing information and legalese.



WEB DESIGN FOCUSED ON LOCAL, SEO, AND UX

By redesigning Veristone's primary website as well as creating seven loan product-specific landing pages to promote services in their city, Protocol put Veristone on the map—literally. All eight websites were also optimized for SEO and UX to ensure they were easy to find and easy to use. Complementary print materials designed by Protocol's graphic artists support and extended the online branding.



CONVERSION-FOCUSED MARKETING

Protocol's results-driven approach and years of successful consumer-direct mar

keting in the conventional mortgage and private money lending space provide the foundation for successful partnerships with companies like Veristone. Beyond just stunning design and conversion optimization, our data gives us deep insights into investor psychology, resulting in performance metrics that simply cannot be matched. This means: more leads for less money and, ultimately, more funded loans.



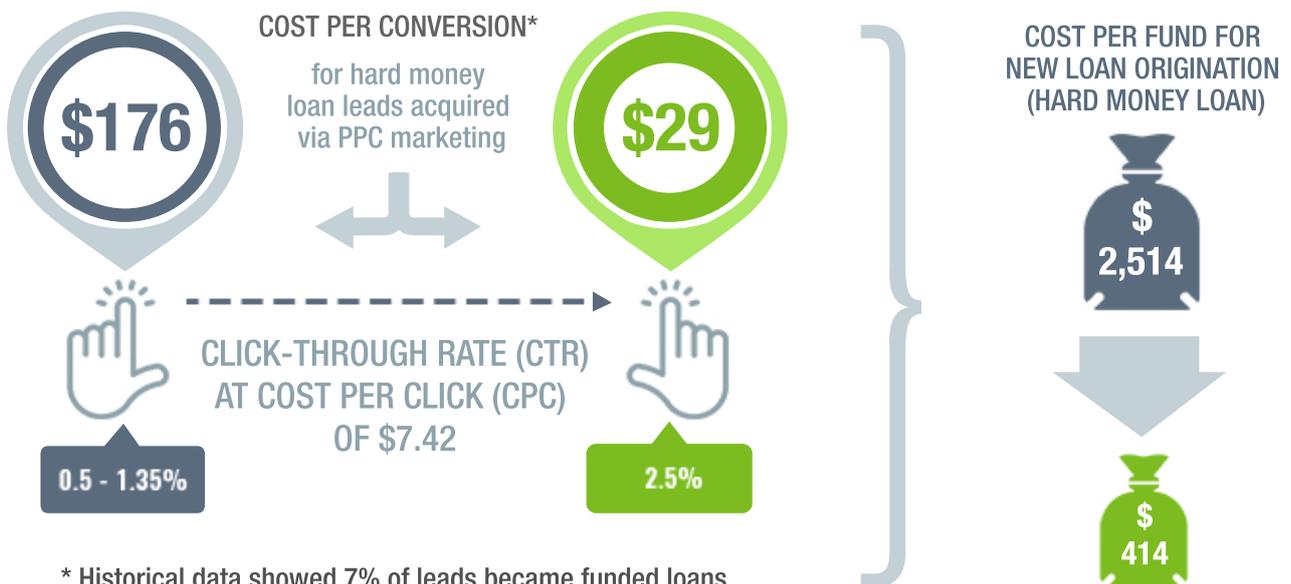
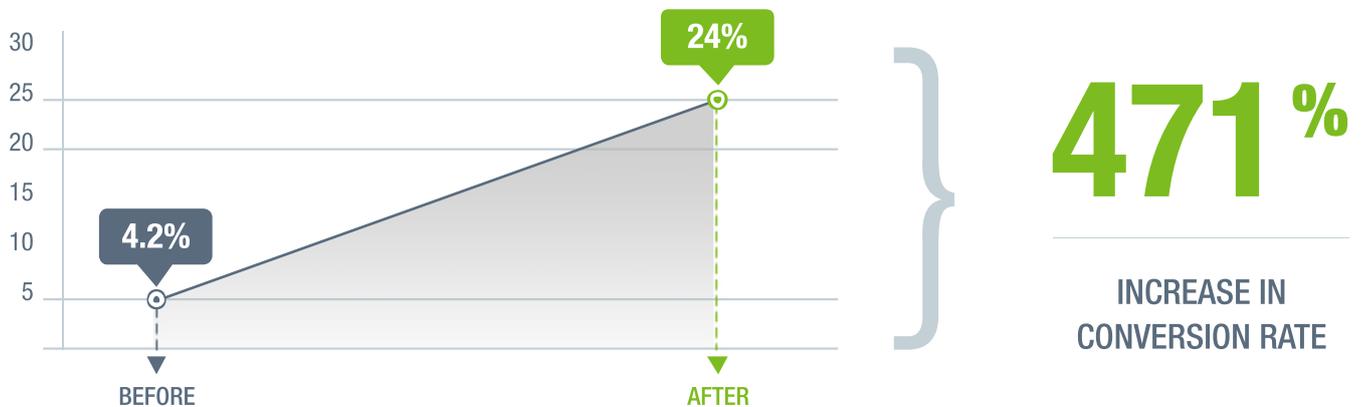
SEARCH AND SOCIAL MEDIA MARKETING

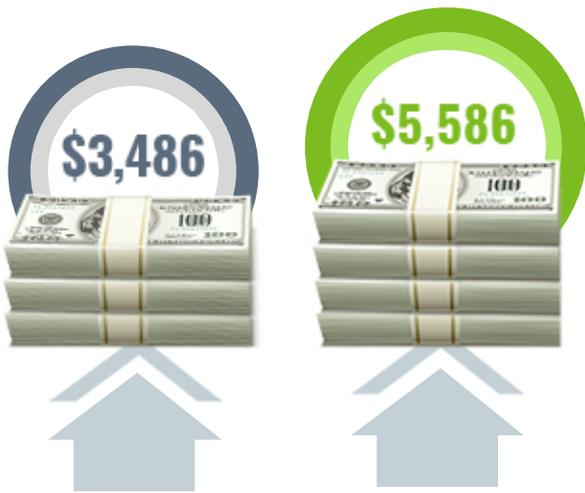
We are pros when it comes to helping private money lenders leverage the most popular advertising platforms like Google, Facebook, and Bing. Our campaigns put Veristone in front of investors who have an immediate need for capital.

RESULT

“Within two hours of launching Protocol's Hard Money Marketing Solution,” says Justin Andrews, the Director of Marketing at Veristone, “we generated a loan product lead. That was a far cry from spending \$5,000 each month with almost nothing to show for it. We were thrilled with how Protocol helped grow our business.” That early success wasn't just a flash in the pan; in Q1 of 2017 Veristone funded over \$8MM in new loans from leads generated by Protocol in the Denver, CO DMA.

CONVERSION RATE FOR HARD MONEY LOAN LEADS ACQUIRED THROUGH PAY-PER-CLICK MARKETING





PROFIT NET OF PAY-PER-CLICK (PPC) EXPENSE* FOR FUNDED HARD MONEY LOAN

* The \$2,514 cost per fund for new loan origination was not a viable long-term growth strategy given an average \$6,000 gross margin on new funds before advertising expenses. After reducing the cost per fund to \$414, Veristone now stands to net an average of \$5,586 on each new funded loan.

BUT...COULD VERISTONE GET THE SAME RESULTS FOR THE OTHER LOAN PROGRAMS IN THEIR PORTFOLIO OF ALTERNATIVE FINANCING SOLUTIONS?

YES!

ALL SIX LOAN PRODUCT AREAS REALIZED CLICK-THROUGH RATES OF AT LEAST 2% AND CONVERSION RATES OF AT LEAST 20%.



Bridge Loans



Hard Money Loans



Foreclosure Loans



Construction Loans



Fix-and-Flip Loans



Auction Loans



PRE PROTOCOL PPC MARKETING

| Hard Money Loan | Click-through Rate | Cost Per Click | Conversion Rate | Cost Per Conversion | Cost Per Fund (Hard Money Loan) | Profit Net of PPC Expense |
|-----------------|--------------------|----------------|-----------------|---------------------|---------------------------------|---------------------------|
| LOAN PRODUCT | 0.25 - 1.25% | \$7.42 | 4.2% | \$176 | \$2,514 | \$3,486 |

POST PROTOCOL PPC MARKETING

| Hard Money Loan | Click-through Rate | Cost Per Click | Conversion Rate | Cost Per Conversion | Cost per Fund (Hard Money Loan) | Profit Net of PPC Expense |
|-----------------|--------------------|----------------|-----------------|---------------------|---------------------------------|---------------------------|
| LOAN PRODUCT | 2.25% | \$7.42 | 24% | \$29 | \$414 | \$5,586 |



“ In the first quarter of 2017, Protocol helped us begin offering our loan products in the Denver, Colorado area. Within this designated market area, Protocol worked exclusively with us and helped us fund more loans that we thought possible—especially in such a short amount of time. By the end of Q1, we had funded more than eight million dollars in loans, netting over \$240,000 in origination fees alone. We spent a little over \$22,000 with Protocol and realized an ROI, before our operating expenses, of over 900%. Needless to say, we are sticking with Protocol. ”

Justin Andrews
Director of Marketing at Veristone





LET US SUPER CHARGE YOUR ONLINE MARKETING

ABOUT US

Protocol takes the guesswork out of marketing your company online. We work with all sorts of people everyday to handle the ins and outs of digital marketing. By combining search and social media marketing with custom websites that utilize the latest in tracking technologies, Protocol clients experience big results for their digital marketing dollars.