

# WHAT TO EXPECT FROM YOUR DIRECT MAIL CAMPAIGN

## *Important Factors to Consider as You Get Started*

Here are some common questions and average response rates for direct mail to give you a better understanding of what results you may see from your campaign.

### WHAT IS A NORMAL UNDELIVERABLE RATE ON A BUSINESS LIST?

It depends on the industry, but 5-10% undeliverable names or disconnected numbers is not uncommon, especially in industries with high levels of business turnover. It is estimated that on average 171,000 new businesses open up every month in the United States.

### WHAT IS A NORMAL RETURN RATE ON A CONSUMER LIST?

On average, over 8 million people in the U.S. move to a new residence every year. And unlike businesses, consumers don't often make their new contact details known quite as promptly. It is not uncommon to have 10-12% undeliverable names or disconnected numbers in the consumer market.

### WILL I SEE RESULTS BY MARKETING TO THESE PROSPECTS IMMEDIATELY?

Accurate data is the foundation of your direct mail campaign. But the rest of your campaign's execution will determine its success. **Key considerations for a good response rate are:**

- ✔ How relevant is your mailer to your target audience? And how well does it convey that relevance (clear, attractive design etc)?
- ✔ How thorough is your pre-call research for phone campaigns? Is your telemarketing script professional and persuasive, with a clearly valuable offer?
- ✔ Are you utilizing multi-channel marketing in your marketing campaign?
- ✔ How targeted is your list — did you contact the right audience with a message that is relevant to their needs and desires?
- ✔ How valuable is the offer you're promoting? The first sale is the most difficult to achieve, so a compelling offer is typically needed to win a new customer.

### HOW MANY TIMES SHOULD I MARKET TO THESE PROSPECTS?

Most successful direct mail marketers have found that they need to make their sales pitch to a new prospect four times on average before they begin to see real results – especially if your company doesn't have an established brand. Consumers are flooded with information from all sides, and it can take a few “touches” to get on a prospect's radar and persuade them to dive in to your offer.

Time constraints on your offer will boost and accelerate response. People procrastinate, particularly on purchases. If your offer is really valuable to them, they won't want to miss it. An expiration date also takes some of the risk out of creating an irresistible offer. An expiration date will ensure that your prospects take action in a predictable time frame, while also protecting you from taking on more business than you and your staff can handle.

## HOW DO I DETERMINE IF MY CAMPAIGN WAS A SUCCESS?

There are multiple factors to assess when determining the success of a campaign:

1 Certain products or services simply lend themselves toward multiple touches. More complicated purchase decisions may require a few mailers or messages to set up a meeting ex: installing a new air conditioner. Meanwhile a generous food delivery coupon may only require a first-touch postcard to get a fast response.

2 It is essential to track how many new customers the campaign produced, multiplied by the lifetime value of your average customer.

For example, if your average customer spends \$1250 with you over the course of his or her lifetime, and you

acquire 20 new customers from your campaign, your campaign has generated \$25,000 worth of new business viewed from that perspective.

## WHAT IS THE AVERAGE REFERRAL RATE OF YOUR NEW CUSTOMERS?

If one out of every four of your customers refers a friend, associate or family member, on average, then your campaign actually brought in an extra five new customers, long term, for a total of 25 new customers.

As you continue your targeted mailings and begin converting customers at higher and higher rates, you will develop a clear idea for how much you can budget for each subsequent campaign. Some direct marketers re-invest half or even 100% of a campaign's net profits back into the next mailing. It all depends on how fast you would like to acquire new customers and grow your business – but choosing a defined percentage to re-invest is a proven way to make predictable progress.

**Lastly, don't forget that InfoUSA can design and deliver your direct mail campaigns for you. Until you get up to speed it can be helpful to have us deploy a campaign for you. We're more than happy to share our 40 years of direct marketing expertise with you!**

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