

Calculating the ROI on a mail campaign - September 12/11

So you want to know if it will be profitable to do a direct mail marketing campaign? Well you will definitely want to keep a couple of things in mind. Is your mailer filled with information, or does your mailer ask the recipient to do something? If your mailer asks the recipient to do something then you are off to a better start than if it is strictly information based.

There are five questions you need to ask:

- 1) How many pieces will I send out?
- 2) How much will it cost me?
- 3) What is my expected response rate?
- 4) What is my closing rate, once I speak to my prospects?
- 5) What is my average profit per sale?

Let's say you are a Realtor and you decide to send out 40,000 pieces. Printing and mailing costs you \$8600.00 and you expect a 1% response rate. Let's assume that of the 400 people that respond, you close 3% (12 new clients). If your average list/buy nets you \$9,000.00 you can expect an ROI of just over 1100% with a profit of \$108,000.00 in your pocket.

If you are interested to know if it is cost effective to do a direct mail marketing campaign for your business, give us a call at 604.220.4266 for a no risk assessment.



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