THE COMPLETE GUIDE TO MEASURING THE SUCCESS OF DIRECT MAIL MARKETING

Everything you need for success in the modern marketing organization
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Introduction

Measure the effectiveness of your direct mail program

Are you measuring the success of your marketing campaigns? Specifically, can you tie your direct mail back to revenue? Does that question make you break out in a cold sweat?

If you’re not sure, or you haven’t put a measurement plan in place, this guide is for you. You’re not alone.

Marketers across the globe are working hard to show the impact that their programs have on bottom line numbers.

As a best practice, you should measure the effectiveness of your marketing investments. But rather than looking at the raw numbers of pieces sent, start asking about campaign value. Are you moving leads through the funnel? Are campaigns driving customers to shop and to purchase? These insights will enable you to measure your program’s impact on the bottom line.

In the direct mail world, volume-based metrics focus on the number of pieces you send. While these numbers are important, the figures don’t directly equate to success. Success varies in EVERY organization, and can range from influence on opportunities created to the impact on revenue. This guide will help you identify how to measure success within your organization.

Success varies in every organization, and can range from influence on opportunities created to the impact on revenue.
As a high level approach, we recommend:

**Measure what’s important.**
Find the success metric that works best for your organization, establish your benchmark and measure progress.

**Measure it consistently.**
Use consistent metrics to measure the success of one program versus another. If you measure one direct mail’s effect based on MQLs created and another’s based on web visits, you’ll have a difficult time comparing the success of each campaign.
Part I

Driving action with direct mail
Driving action with direct mail

If you’re not asking your audience to take action, you are missing a huge opportunity. Your direct mail should incorporate a call to action (CTA) that causes a lead or prospect to perform a specific task.

We recommend that every automated direct mail piece include some kind of CTA. Without it, you lose the ability to track campaign effectiveness. We also recommend that the CTA be strong, distinct, and easy to accomplish. Some examples include:

- Visit website to sign up for service
- Complete a form to receive additional information/resources
- Contact us for a free demo
- Call for more details

Keep in mind that you don’t want to use a CTA that is outside the scope of your existing prospect relationship. In the same way that you wouldn’t propose to someone on the first date, you don’t want to ask for a demo in your first contact. Nor would you ask to close the deal on the third.

Make sure you know your audience and ask for what’s appropriate when you ask them to take action.

Targeted calls-to-action convert 42% more visitors into leads than untargeted CTAs.*

*HubSpot study of 93,000 CTAs over a 12-month period
http://sproutsocial.com
Personalized calls to action

According to DMA’s 2015 Response Rate Report, a typical direct mail response rate is 3.4%, and that rate drops if you use a lesser-qualified prospect list. The good news? **There are ways of increasing your response rate dramatically.**

Using a personalized URL (PURL) is an effective way to improve your response rates. A PURL is to direct mail what a tailored suit is to a sport coat from Sears.

Basically, you create a unique link for each recipient—everyone gets their own web address, providing a much higher level of personalization. As an added bonus, you can add images and copy that relates to the person’s industry, title, or similar data point.

For example, you send a direct mail piece to Ken Smith, and point him to his individual link:

**pfl.com/KenSmith**

This web page would welcome Ken Smith with a personalized message. Any activity by Ken would link back to him AND the specific campaign.

No matter what page your customer visits, whether personalized or general, be sure to include some way to capture the visit. Forms work well for getting lead info, even things as basic as an email address.

Any additional contact details you can get will help you measure campaign success. Most marketing automation solutions will have built-in reporting capabilities that allow you to see how much traffic your PURLs get.
Progressive profiling

One way to build prospect information without pushing for too much information at once is through progressive profiling. Capture a couple of relevant pieces of information each time you engage with an individual, and soon you’ll have everything you need for all your marketing campaigns.

For a more detailed discussion of progressive profiling, take a look at our piece on Data Planning for Direct Mail.

Progressive profiling will boost lead generation and qualification significantly. It will allow you to have higher conversion rates, better visitor experiences and a happy sales team.
Part I: Driving action with direct mail

**Campaign-specific calls to action**

We recommend creating a URL that is campaign-specific as a second direct response option. For example, if you are promoting a new wine set giveaway, you might use a URL like [pfl.com/winepremiumgift](http://pfl.com/winepremiumgift). You can then track visits on that unique landing page. Any visits there, and any subsequent form submissions, would be counted as part of the campaign success.

This method has all the benefits of the personalized method, with the main difference of the link promoting the item rather than the person. It is also easier to set up, as PURLs require a little extra technical work. Again, your marketing automation solution will have built-in reporting capabilities that allow you to see what kind of traffic the campaign site is receiving.

![Direct Mail Wine Offer](image)

**Direct Mail Wine Offer**

<table>
<thead>
<tr>
<th>Members by Program Status:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered:</td>
</tr>
<tr>
<td>Direct Mail Queued:</td>
</tr>
<tr>
<td>Sent Direct Mail:</td>
</tr>
<tr>
<td>Received Direct Mail:</td>
</tr>
<tr>
<td>Responded:</td>
</tr>
</tbody>
</table>

Gain insight into the success of your call-to-action.
Phone calls

Remember the phone? Some people still use it. And there are third-party telephony solutions that allow you to provide unique campaign phone numbers for tracking. Using these solutions, you can add a trackable phone number to the CTA within your automated direct mail.

Whenever that phone number is called, the system recognizes that phone number and records the touch point back into your existing customer relationship management (CRM) system. While snazzy, this advanced capability goes beyond the scope of this overview, as it includes multiple third-party solutions talking to one another.

However, you may want to explore tracking incoming calls at the campaign level. If your marketing automation solution can see the call activity via your CRM, you can tie it to the individual program’s success. Most solutions offer out-of-the-box integrations to take advantage of that cross-communication.
Part II

Measuring lifecycle influence
Part II

Measuring lifecycle influence

“How is automated direct mail affecting our lead lifecycle?” is a straightforward question.

Obtaining these numbers, though, can feel like chasing the proverbial white whale. Setting up your direct mail campaign is easy with solutions like Tactile Marketing Automation™ (TMA™), but every organization has a different lifecycle process.

Many companies have challenges with funnel measurement in general. Since these metrics are tied directly to an organization’s internal processes, we recommend using the method that best aligns with your organization.

Process issues can affect lifecycle measurement
While these aren’t directly tied to automated direct mail, they can impact the way your organization measures overall marketing success.

**Process issue #1**
If sales reps don’t add contacts to opportunities in your CRM, the system has no visibility into the opportunity success.

**Process issue #2**
If your organization sends all leads to a stage like marketing qualified lead (MQL), creating an MQL measurement would inflate those statistics.

**Process issue #3**
If a rep doesn’t follow process and update a lead appropriately, the automated direct mail campaign may not receive success credit.

The following concepts will help guide you through some lifecycle decisions. We recommend customizing these to match how your organization measures funnel influence on other programs.
Part II: Measuring lifecycle influence

**Simple funnel measurements**

Need a place to start? Try measuring if the automated direct mail piece has any effect on your organization’s funnel.

Under this scenario you decide that after you run a campaign, any movement of the prospect down the funnel (into a more mature lifecycle stage) counts as a marketing influence. Simply stated—direct mail goes out, prospect moves forward, your marketing program receives credit.

The benefit of this model is your organization will have a single, high-level metric to compare automated direct mail pieces. The drawback is that the high-level view might not provide enough detail for you.

**Tracking**

If an automated direct mail piece is sent to a recipient and that recipient moves down the success path (MQL, etc.), that automated direct mail piece would receive credit for influencing lifecycle success.

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**Direct Mail Wine Offer**

<table>
<thead>
<tr>
<th>Members by Program Status:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered:</td>
<td>12,500</td>
</tr>
<tr>
<td>Direct Mail Queued:</td>
<td>2,500</td>
</tr>
<tr>
<td>Sent Direct Mail:</td>
<td>10,000</td>
</tr>
<tr>
<td>Received Direct Mail:</td>
<td>9,987</td>
</tr>
<tr>
<td>Responded:</td>
<td>245</td>
</tr>
</tbody>
</table>

**Lifecycle Influence:** 230

Get a high-level view on how direct mail is influencing your lifecycle.
Advanced funnel measurement

Looking at a more detailed level provides insights on how your automated direct mail is influencing your organization’s lead lifecycle. In this scenario, you would be able to tie a direct mail piece to a specific contact and their individual prospect/customer journey.

This kind of visibility is built on deeply integrated marketing automation and CRM systems, which may (or may not) exist in your organization today.

The benefit of this model is it provides you with the ability to easily measure how programs are impacting different stages of the funnel. The drawback of this approach is it heavily relies on an organization’s internal processes. We only recommend using the approach if your company has a well-defined funnel process in place.
Part II: Measuring lifecycle influence

**Tracking**
Track success based on leads reaching lifecycle milestones after receiving the automated direct mail. As a first step, decide what high level successes you want to track at the program level.

For example, the goal of some of your programs may be to drive MQLs for your lead development team. In other programs, you may also want to drive more opportunities so a sales qualified lead (SQL) is the priority measurement.

Instantly see how direct mail is impacting your funnel.
Part III

Approach to custom successes
Approach to custom successes

Sometimes, you may have a custom goal you want to measure. Don’t compare apples to oranges—in other words, don’t rely solely on standard measurements that you use across all your automated direct mail programs.

If you want to track when a specific registration occurred, we recommend tracking that success separately.

Example:

- **Standard measurement**
  - Across all automated direct mail programs
  - Responded vs Not Responded

- **Custom measurement**
  - Responded for wine gift
  - White Wine vs Red Wine
Part III: Approach to custom successes

How can you define these custom measurements?

Your marketing automation solution should provide numerous options, like adding certain requesters to a list or to an existing campaign in your CRM. While the results will not show up in high-level reports, you can always analyze the results via more granular reports. In the previous example, we recommend tracking Responded as the high-level success, and then adding White Wine Requesters to a specific list for custom tracking.
Renewal rates

After sending automated direct mail to customers with renewals in Q4, did your organization see any renewal rate change from last year?

Lifetime value

After sending automated direct mail gifts this year, do you see the customers in your control group spending more than they did last year?
Conclusion

The benefits are worth the effort
The benefits are worth the effort

Best practice organizations measure the effectiveness of all their marketing programs, including automated direct mail.

Boiling down all the options to the easiest to roll out and get started, we recommend implementing the following blend of success metrics:

**Direct Mail Measurements**
Ensure that every automated direct mail piece contains a CTA that drives the recipient to a website for further action. This will serve as your initial success metric. Use the personalized CTA or campaign-specific CTA.

**Lifecycle Success Metrics**
Track if that automated direct mail leads to a high-level lifecycle success. If your lifecycle model and processes are mature, use the advanced funnel measurement approach.

Conclusion

Take time to set up your measurement criteria appropriately and you’ll start to see stories emerging from your data.
Conclusion: The benefits are worth the effort

### Example of high-level lifecycle analysis

<table>
<thead>
<tr>
<th>Program</th>
<th>Channel</th>
<th>Total Members</th>
<th>Received Direct Mail</th>
<th>Registered</th>
<th>Lifecycle Influence</th>
<th>Success %</th>
</tr>
</thead>
<tbody>
<tr>
<td>DM MQL Drivers</td>
<td>Direct Mail</td>
<td>5,728</td>
<td>5,054</td>
<td>179</td>
<td>495</td>
<td>11.8%</td>
</tr>
<tr>
<td>DM TradeShow Gifts</td>
<td>Direct Mail</td>
<td>1,081</td>
<td>1,054</td>
<td>15</td>
<td>12</td>
<td>2.5%</td>
</tr>
<tr>
<td>DM Cooking KIt Giveaway</td>
<td>Direct Mail</td>
<td>3,803</td>
<td>3,500</td>
<td>128</td>
<td>175</td>
<td>8.0%</td>
</tr>
<tr>
<td>DM Holiday Gifts</td>
<td>Direct Mail</td>
<td>11,573</td>
<td>10,786</td>
<td>539</td>
<td>248</td>
<td>6.8%</td>
</tr>
<tr>
<td>DM Top Accounts</td>
<td>Direct Mail</td>
<td>586</td>
<td>500</td>
<td>54</td>
<td>32</td>
<td>14.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>22,771</strong></td>
<td><strong>20,894</strong></td>
<td><strong>915</strong></td>
<td><strong>962</strong></td>
<td><strong>8.2%</strong></td>
</tr>
</tbody>
</table>

*Success is based on registration and lifecycle stage over total membership.

### Example of full lifecycle analysis

<table>
<thead>
<tr>
<th>Program</th>
<th>Channel</th>
<th>Total Members</th>
<th>Received Direct Mail</th>
<th>Registered</th>
<th>MQL</th>
<th>SQL</th>
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<td>7.8%</td>
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<td><strong>915</strong></td>
<td><strong>962</strong></td>
<td><strong>230</strong></td>
<td><strong>22</strong></td>
<td><strong>10.6%</strong></td>
</tr>
</tbody>
</table>

*Success is based on registration and lifecycle stage over total membership.
Implementing this kind of data-driven strategy for your marketing campaigns is critical for modern marketers. You will have the ability to see direct impacts on lead lifecycle development as well as revenue generation.

You will be able to make real-time changes that influence campaign effectiveness, and tweak that over time so you get maximum ROI.
Conclusion: The benefits are worth the effort

Measuring for success may seem daunting, but the benefits are worth the effort. Take the time to set up your measurement criteria appropriately and you'll start to see stories emerging from your data.

Those stories will help you make better decisions about programs that work, and those that don’t. And your decisions will ultimately drive your bottom line in the right direction.
About PFL

PFL is a marketing technology company that provides sales enablement and marketing automation solutions, as well as printing, mailing, and fulfillment services. We directly connect B2B and B2C organizations to cutting-edge solutions that accelerate productivity and drive business forward.

Ready to give your marketing and sales a boost? Call us at 866.930.5088 or send an email to inquire@pfl.com.

www.PFL.com