

Expected Responses for Marketing

When you're marketing it's handy to know the response rates you can 'expect' from a campaign. That way you can plan and budget accordingly. The key is to assess the numbers so that you can plan on making a profit on each campaign you run.

Depending on the costs of the campaign, the 'life time value' and the 'marginal net worth' of your typical customer your the 'profit' may be realized on the first sale, or on future sales depending on your business.

Marketing response rates can vary greatly do to any number of factors including:

- Whether your market wants or needs what you're promoting
- the medium you advertise in,
- the 'position' of the ad within the medium,
- the day and time the campaign comes out
- seasonality and other events that may improve or dampen response,
- the degree your market knows of and whether they buy from your business
- the level of competition in your market, and
- how well you write your marketing

Use these figures below as guidelines and with time develop your own 'benchmarks' for your business. In time you'll get the results that will tell you what mediums to use, what times are best and how to construct your marketing.

Unaddressed Flyer

	Don't Know Your Business	Know Your Business (2 times more favourable)	Current Customer (3 to 4 times more favourable)
Average Response	0.25%	.5%	.75 to 1%
Above Average	1%	2%	3 to 4%
Excellent Response	3%	6%	9 to 12%

If you personalise your marketing expect your response rates to double.

Direct Mail Flyer

	Don't Know Your Business	Know Your Business (2 times more favourable)	Current Customer (3 to 4 times more favourable)
Average Response	0.5%	1%	1.5 to 2%
Above Average	3%	6%	9 to 12%
Excellent Response	5%	10%	15 to 20%

The key to get out of these tables is that the more your market knows and trusts you - the more willing they are to respond to your marketing.

Therefore you've got to market and get your market to know you – the initial results may not be great – but that's because they don't know you. Thank as you increase your marketing and the market begins to know your business, the better your chances of them responding.

Thus define, target and execute low cost highly effective campaigns to get people knowing you – with consistent marketing people will start to like and trust you (because consistency in any form breeds trust) and with trust comes the sales.

Therefore regular marketing to bring in new customers and to your database pays off.

Online Marketing

Put an opt-in form on your website and offer a newsletter, free quote or free download and expect a 5% to 80% opt-in rate.

Landing Page Opt-in

	Don't Know Your Business	Know Your Business (2 times more favourable)	Current Customer (3 to 4 times more favourable)
Average Response	5%	10%	15 to 20%
Above Average	10%	20%	30 to 40%
Excellent Response	20%	40%	60 to 80%

Sample Opt-in form

Sample landing page Opt-in form

Sample Quote & Download Opt-in

Once again, the more the market knows you or how much they have been recommended to your site – the greater you can expect your response rate.

For Pay Per Click response rates, here's the expected CTR's (Click Through Rate).

PPC Advertising

	Click Through Rate
Fair	1%
Good	3%
Excellent	5%
Exceptional	7%
Incredible	10+%

Pay per click campaign managers will have their 'acceptable' CTR's at 2% to 2.5%. If it falls below that level they'll give it attention. Once it's above that level they'll let it run.

E-mail Marketing

Roughly follow the 'Direct Mail Flyer' response rates in the table above.

The more the customer knows you, the more potential they have to respond to your campaign.

[This article](#) suggests that e-mail response rates are from 5% to 35% - that's a big range. Just apply the direct mail guides above. I remember another article that says spam e-mail can expect a .3% response rate (blast e-mail campaigns to 'unknown' recipients).

The advantage with e-mail marketing is that its relative inexpensive compared to traditional 'off-line' marketing. So whilst your response rates may be similar to direct mail – you won't have the costs associated with printing and postage. Thus your potential for greater returns is high (see table below).

Direct Mail ROI Marketing Comparison [Source Source](#)

	Dollars Expected Back For Every \$1 Invested.
Catalogue Marketing	\$7.20
Non-Catalogue Marketing	\$15.21
e-mail	\$50

My basic principle is to market 'off-line' and 'on-line' to get people to your database and then use predominantly e-mail marketing once people are on your database to keep your costs low.

Of course if your market doesn't like or use e-mail – you'll need to send them off-line marketing campaigns. Direct personalised mail is the way to go when that's the case.

Other useful information about [direct marketing's best practices and benchmarks](#)