This is it. For your last session, I’m going to cover some testing, tracking and reporting methods used to prove and improve direct mail campaigns. Your goal should always be a positive ROI (total revenue / total spend).

If you are going to test, test only one variable. This means test only headline, image or offer. Testing more than one variable will skew results and you won’t know what moved the needle.

**Test Options**

**Test More Than One Format**
You can split your list and conduct A/B testing with different formats. Try mailing postcards to half of your list and letters to the other half.

**Test More Than One Creative**
Creativity is subjective. What might resonate with one person might fall flat with another. Test headlines, body copy, and images to see which one performs best, but remember to only test one variable at a time.

**Tracking**

**PURL or Unique Phone Number**
PURL stands for Personalized URL which is a new web address used to test direct response. This way, you can prove that 100 percent of your leads came from that campaign.

Another unique tracking method is a dedicated phone line. Set up a specific number that goes on the piece and tracks all incoming activity.

**Codes**
Collect the data that comes in with codes setup to track offer redemption and traffic. Print codes directly on the piece or lead them online or in store where they can only access or redeem the offer. Codes can be numeric, alphabetical, or you can use barcodes, QR codes, or SMS (text messaging). Codes should be set up in accordance with your point of sale or computer system, if you have one.
Was It Good For You?

To track the profitability of the campaign, you need to include all associated costs, including list rental or purchase, data purging and processing, mailing and sorting, postage, printing, design and any cost with the setup of the code or tracking device. If you sell direct to consumer, subtract product fulfilment cost to get an accurate number.

Direct Mail Response Rate and ROI
One of the benefits of direct mail marketing is that the value is easily measured using your projected response rate (number of prospects who will take action) and ROI (return on investment). Typical response rates for a direct mail campaign range from about one percent to five percent. This rate varies by industry and the quality and relevance of the mailing list, as well as whether it's a warm (has had previous interactions) or cold (no previous contact) list. By estimating your response rate, you can determine the size of the mailing needed to achieve your desired ROI or sales goals.

Let's look at a mailing campaign example:

<table>
<thead>
<tr>
<th>Total Mailing Quantity</th>
<th>5000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of printing and mailing</td>
<td>$3250</td>
</tr>
<tr>
<td>5000 5 x 7 postcards, 1st Class Presorted mail and a mailing list</td>
<td></td>
</tr>
<tr>
<td>Estimated response rate</td>
<td>2%</td>
</tr>
<tr>
<td>Number of Responses (2% x 5000)</td>
<td>100</td>
</tr>
<tr>
<td>Number of Sales (25% x 100)</td>
<td>25</td>
</tr>
<tr>
<td>Average gross margin per sale</td>
<td>$175</td>
</tr>
<tr>
<td>Total revenue from mailing (25 x $175)</td>
<td>$4375</td>
</tr>
<tr>
<td>ROI - Return on Investment ($4375 - $3250)/$3250</td>
<td>35%</td>
</tr>
</tbody>
</table>
At first glance, 100 responses out of 5000 postcards might not seem worthwhile. But if the responses resulted in sales worth $4375 and an ROI of 35 percent after subtracting the cost of the direct mail campaign, then the marketers behind this campaign should be pleased.

Well-timed and proper evaluation of direct mail, with or without variables, is a must. A campaign without tracking is mailed in the dark. You lose the ability to quantify if direct mail can work for your business. Careful and strategic tracking and reporting provides critical knowledge, which can be used to optimize and improve direct mail in the future.

Remember, one time isn’t enough. **Set a frequency of at least four sends.** Work with a highly profiled list, write killer copy, design with precision, mail with confidence and always put tracking and reporting in place. Do these things, and you can mail like a master.

**Frequency >4**
Additional Resources

- ROI Calculator
- Case Study
Always test only one variable. This means only the headline, image or offer. Testing more than one variable will skew results and you won’t know what moved the needle.

You can split your list and conduct A/B testing with different formats. Mail postcards to half of your list and letters to the other half. Include the same content, but in two different formats.

Creativity is subjective. What might resonate with one person might fall flat with another. Test singular elements, so headline 1 vs. headline 2.

PURL stands for “Personalized URL.” These can easily be created as a variation of your own address to capture direct response from the piece. Another unique tracking method is a dedicated phone line.

Codes can be numeric, alphabetical, or you can use QR codes or SMS (text messaging).

To track the profitability of the campaign include all the associated costs.

Typical response rates for a direct mail campaign range from about one percent to five percent.

A campaign without tracking is mailed in the dark.

Careful and strategic tracking and reporting provides critical knowledge, which can be used to optimize and improve direct mail in the future.

Remember, once isn’t enough. Set a frequency of at least four sends. Work with a highly profiled list, write killer copy, design with laser-like accuracy, mail with confidence and always put tracking and reporting in place. Do these things, and you can mail like a master.