

ROI - THE RETURN YOU MADE ON THE INVESTMENT IN YOUR DIRECT MAIL CAMPAIGN:

Numbers you need to know:

Total Dollars Spent _____ \$

(includes design, printing, mailing, and postage cost).

Actual Responses _____

(how many people responded)

Sales _____ \$

(how much sales were generated)

Lifetime Sales _____ \$

(how much sales you expect to be generated over the lifetime of the people who responded)

Now plug it in:

Total Pieces Mailed: _____

Total Dollars Spent: _____ \$

Cost Per Piece: _____ \$

(Dollars Spent divided by Pieces Mailed. This is what it cost you to make the sale)

Actual Responses: _____

Response Rate: _____ %

(Pieces Mailed divided by Actual Responses)

Cost per Response: _____ \$

(Total Cost divided by Actual Responses)

Lifetime Sales: _____ \$

If the sales generated by one customer is higher than the Cost Per Response, then the mailing can be considered a success.

You should also look at the *potential (LIFETIME)* sales of one customer. For example, a single sale might be less than what it cost you to make that sale. But, if you get your customer to keep buying from you, then the Lifetime Sales will be higher than what it cost you to make the sale.

Now go take a nap and give your brain a rest from all this painful number crunching.