



Metrics of the Ultimate Lead Generation Machine

Marketing Metrics that You Need to Embrace, Ingest and Amplify

As a follow up to the “List of Marketing Metrics Your CFO will Love” we offer these additional crucial metrics that must be central to your campaigns. These are the numbers that your VP of Marketing will be keenly interested in as often his/her job, and perhaps life, depends on delivering qualified sales leads to the VP of Sales. Get these numbers dialed in to create your “Ultimate Lead Generation Machine”.

Learn your numbers. Live your numbers. Eat and breathe your numbers.

Response Rate (direct mail)

- What is it? This measures the number of people that call or visit you directly as a result of the direct mail campaign.
- What is good? 1% is generally considered successful. We have seen some companies with only a 0.33% (1/3 of 1%) response rate and their campaign is still enormously profitable because their average revenue per client is so high. We have also seen some companies with spectacular 8% response rates but these are typically unique cases where the offer is incredibly relevant and compelling for the target audience. These 8% cases are the exception and not the rule.
- How should you plan? Recommend building 3 response rate models at 1%, 0.50% and 0.25% to see how the numbers look in each scenario prior to launching your campaign. If you are not profitable at a 0.50% response rate (perhaps because your average profit per client is relatively low), then we recommend hitting the brakes immediately.
- How do you improve? It always starts with the list. You need to be speaking to the right people and not speaking to those that will not buy. If your list is optimized, then your focus needs to go to your offer. Your offer is the “candy” that will get your prospect to pick up the phone and call you.

Response Rates (email)

Measuring response rates with email is trickier because there are more hoops to jump through to generate a response. First the email needs to be received, then opened,



then they must click thru to arrive at your website and then they must call or give you their contact info. For the record, we are only speaking about email campaigns where the recipient has “opted in” and volunteered to receive the emails. We do not endorse spam.

Open Rate

What is it? The number of people that open or view your email divided by the number sent.

What is good? A novice might think that most every email is opened so an open rate should be close to 100%. But this is far from true. We have found that open rates typically land in the 20-50% range where anything above 40% is considered very good. These low rates are typically driven by overly aggressive spam filtering and corporate firewalls that often stop the email before it even reaches the recipient’s Inbox.

How should you plan? If you are using an opt-in list and have a solid message and offer that is relevant to your target audience, it is reasonable to assume a 30% open rate for your campaign.

How do you improve? The tip to increasing open rates is to make the subject line more compelling. But be careful about using a strong offer in the subject line that might trigger the email as spam. For example, the word ‘free’, which is a magic word in the world of copywriting of traditional direct response letters, is certain death when it comes to spam filters, as the email will likely be crushed.

Click thru Rate

What is it? The click thru rate measures the number of people that read your email AND then click on a link to visit your website or landing page divided by the number sent. Current email technology makes it very easy for you to get a list of people that have actually clicked through, which is often a great list of leads to “coincidentally” call on.

What is good? We have found that a click thru rate of 2% of the total sent is considered ‘good’. A 1% click thru rate is generally considered to be acceptable, but not lighting the world on fire. We have



seen clients get click thru rates in the 4-6% range, but those are cases where the offer is very compelling, brilliantly matched to the target audience and typically from a large brand name company. These 4-6% click thru rates are the exception and not the rule.

How should you plan? Recommend assuming 2% as best, 1% as middle and 0.5% as worst case click thru scenarios for your campaign.

How do you improve? Make your Call to Action very prominent and near the top of the email and not buried at the bottom. Tell the recipient what you want them to do. Don't make the recipient hunt for your links. Tell them to "Click Here to find out more". Use graphical buttons with a call to action message to drive response.

Visitor to Inquiry Conversion

What is it? Measures the number of people that express interest in your product or service divided by the number of people that click through. The indicator of "expressing interest" is based on the number of people that sign up on your website in a lead generation form.

What is good? This ratio can be all over the map depending on the quality of your website, your value proposition, your offer and how difficult you make it to get people to sign up. We have seen this as low as below 1% and as high as 25%.

How do you plan? Recommend assuming 5% as best, 2% as middle and 1% as worst case conversion rates for your campaign. Ideally you are directing your click thru's to a special landing page (not your home page) where your offer is featured and where it is very easy and obvious for them to sign up by giving their name and address.

How do you improve? Make it easy for them to sign up. Put a strong offer and a sign up form right in front of your prospect. Make the landing page a very positive experience with content that they will be interested in and that is relevant to the link that they just clicked on.