



## **Financial Direct Mail: An Inside Look at 3 Common Direct Mail Campaigns**

- ✓ **Lead Generation Campaigns**
- ✓ **Seminar Campaigns**
- ✓ **Lead Survey Campaigns**

**The Guide applies to anyone selling  
financial products or services:**

- Annuities
- Social Security
- Accounting/CPA
- Tax Advice
- Financial Planning
- Retirement Planning
- Investments
- Wealth Management
- Mortgages
- Business Loans

Prepared by  
Bob McCarthy  
[www.McCarthyandKing.com](http://www.McCarthyandKing.com)  
508-473-8643

## **INTRODUCTION**

### **Generating sales leads for financial services professionals**

The marketplace is filled with your suspects – people who fit your target market demographic profile. Finding lists to reach those people is not difficult.

But suspects are not prospects.

Prospects are people who not only fit your demographic profile, but have also raised their hands to say they are interested in what you're selling.

That's what lead generation does for you.

### **We create lead generation programs using direct mail (and other channels if needed)**

Even with the growth of online marketing, direct mail continues to be a popular choice for generating financial sales leads.

It's not your only choice. We believe in exploring other options as well – and would be happy to work with you at any time.

But for now, we are going to focus on direct mail.

### **In this Guide ...**

In the pages that follow, we have provided an inside look at the direct mail process with specific details on three different types of direct mail campaigns – lead generation campaigns, seminar campaigns and lead survey campaigns.

While the process is essentially the same for all three campaign types, there are some key differences which we've outlined here. Here's a quick overview of the Guide ...

#### **Three Types of Financial Direct Mail Campaigns**

Step 1 – Identify and Acquire Your Mailing List

Step 2 – Choose Your Mailer Format

Step 3 – Develop Your Mailer

Step 4 – Prepare Your Response Channels

Step 5 – Print, Address & Mail

Step 6 – Choose Your Postage

Step 7 – Plan Your Response

Step 8 – Plan Your Fulfillment & Follow-Up

Step 9 – Plan Your Long-Term Rollout

## **Three Types of Financial Direct Mail Campaigns**

### **1-Lead Generation Campaigns**

Lead generation campaigns are designed to get a target audience to raise their hands and say they are interested in your products or service. We get people to raise their hands by offering information related to the product or service being sold.

The types of information offered may come in various forms, including:

- Information Request
- Appointment Request
- Consultation Request
- Review/Audit Request
- Quote/Estimate Request
- Lead Magnet Request

As you can imagine, each of the items above will deliver a different level of response. For example, an appointment request is an ideal lead because it puts you face to face with the prospect, but few prospects will be willing to make that commitment early on.

At the other end of the spectrum would be a lead magnet providing insight on a particular financial topic. This would produce more leads, but the value of those leads would be less.

We will work with you to help develop the right offer(s) for your campaign.

### **2-Seminar Campaigns**

Seminar campaigns are a variation of lead generation. The difference is the information will be provided through an in-person seminar. Very often, these seminars are presented at a local restaurant with the promise of a free meal.

Ideally, you want seminar attendees to come to your seminar because of their interest in your topic. But the reality is many are incentivized by the venue and the meal.

### **3-Lead Survey Campaigns**

Lead survey campaigns are another variation of lead generation. In this case, we ask prospects to answer questions in return for a small gift (such as a coffee card).

Those who respond are then approached with a follow up phone call to determine interest in further discussion. The information provided in each survey response is useful in starting those conversations.

# THE DIRECT MAIL PROCESS

## Step 1 – Identify and Acquire Your Mailing List

Your list is the single most important element in your direct mail campaign. Before you pick a list, decide who you want to reach. What are their demographics?

- Age
- Income
- Marital status
- Net worth
- Investible (liquid) assets
- Home ownership/value
- Geography/Zip Codes/Radius

In some cases, you may also want to factor in interests or behavioral characteristics.

Typical target audiences may include:

- Retirees
- Soon-to-be retirees
- Young professionals
- Households with high income/net worth/liquid assets

Geography can be established by zip code or radius from a location.

### Your House List

For the most part, direct mail campaigns use outside third-party mailing lists.

But don't overlook your own House List of current/past clients and prospects. These are people who already know you and presumably like you. Mailings to your House List will always out-perform mailings to an outside list. Look for opportunities to cross-sell to your House List.

When using an outside list, you may want to remove people who are on your House List before you mail. This is easy enough to do if you plan ahead.

## **Step 2 – Choose Your Mailer Format**

Mailers come in many formats. We recommend different mailer formats for different types of campaigns. Options are available.

### **Lead Generation**

We recommend:

- #10 window envelope
- 1-page letter
- Reply card – personalized

With this format, the reply card is personalized, then positioned to show through the window envelope. The letter, in this format, is generic. However, if you prefer to also have a personalized letter, that option is available at a higher cost.

### **Seminars**

We recommend:

- 6x9 full window envelope
- 1-page invitation – personalized

We don't offer a reply card option in this campaign because most responses come in by phone and to a less extent, a landing page. There are many variations available with this format including additional inserts. Of course, this will increase your costs.

### **Lead Surveys**

We recommend:

- #10 window envelope
- 1-page/2-side survey - personalized
- #9 business reply envelope

Most responses come in by mail, but we can also provide an online survey option.

### **What about postcards?**

You may be wondering why we haven't included postcards in our recommendations above. We use postcards all the time for different applications. But in our experience, letter/envelope formats produce higher response than postcards.

To be fair, postcards are cheaper to produce so they may be worth testing at some point.

## **Step 3 – Develop Your Mailer**

Within the context of the overall campaign, writing and designing your mailer may seem like a small item.

But don't be mistaken. Your message matters. What you say and how you say it could have a dramatic impact on your response rate.

The good news is that once you find a winning mailer, you can continue to mail it over and over again with consistent results.

In developing your message, remember to focus more on your readers' needs, goals and frustrations – and less on yourself and your company.

People need to know what your products or services will do for them.

Also, keep in mind most people will not actually read your message. They will scan it ... so make sure your letter is scannable and easy to understand.

And be very clear about your call to action.

## **Step 4 – Prepare Your Response Channels**

To increase your response, it is best to use multiple response channels. This may include:

- Reply mail (including business reply mail – postage paid)
- Phone (including 800 number)
- Fax
- Email
- Website/landing page

However, from a practical standpoint, which response channels you use will depend on the campaign type.

### **Lead Generation**

Lead generation should use as many response channels as possible. Give people more options and you're likely to see a higher response.

### **Seminars**

Most seminar attendees will register by phone through a 24-hour RSVP service. You can also offer a landing page for online registration, but the phone is likely to be the preferred choice.

### **Lead Surveys**

Lead survey responses will mostly come in by reply mail – preferably business reply mail (postage paid). If given the option, some will complete the survey online.

Business Reply – to set up a postage-paid Business Reply Mail account, you will need to visit your local post office. You'll pay a set-up fee to create your account, an annual permit fee and then you'll pay for each response you get. We can help you with the set-up.

## **Step 5 – Print, Address and Mail**

Production is a term used to describe the printing, addressing and mailing of your mailer.

The process includes:

- printing of all components of the mailer
- addressing/personalization of one or more components
- inserting and mailing process
- delivery to the post office

Production represents the largest part of your direct mail costs – and is heavily dependent on the quantity you are printing and mailing.

The creation, or development, of your mailer is a one-time fixed cost. But production costs are variable costs that vary with the quantity you are mailing.

In planning your campaign, consider your quantity very carefully.

If you planning a small mailing immediately, but plan to conduct additional mailings over time, it is often recommended that you print a larger quantity in advance, then mail the small quantities on a scheduled basis. This allows you to take advantage of large volume printing discounts but still mail in quantities that make sense for your business.

## **Step 6 – Choose Your Postage**

Postage is an essential element for any direct mail campaign. There is no negotiating with the post office. However, you may be able to reduce your costs with pre-sorting or pre-barcoding during the addressing process.

You have two choices in postage – First Class or Standard Class.

First Class will all but guarantee delivery in 1-5 days depending on how far it travels. Standard Class could take 2 weeks or more for delivery – again depending on travel distance.

We recommend Standard Class unless your offer is time-sensitive. For example, if you are promoting a seminar, you need your mailing to arrive in time for someone to register.

Postage costs change periodically. Current rates are as follows:

- First Class – 49 cents (with discounts, likely 39 cents or lower)
- Standard – 38 cents (with discounts, likely 28 cents or lower)

## **Step 7 – Plan Your Response**

You never know for sure what your response will be for any given campaign, but experience gives us some reasonable expectations.

Response rates are affected by many variables, but one major variable is the type of campaign and the offer.

### **Lead Generation**

Lead generation campaigns can range from ½ of 1% (.005) up to 3% (.03).

Campaigns that focus on high engagement such as appointments, on-site audits or reviews or quotes/estimates are likely to be at the lower end of this range.

Campaigns that focus on information requests or lead magnets are likely to produce higher responses.

### **Seminars**

For seminars, ½ of 1% (.005) is a good benchmark, but be prepared for slightly higher or lower. This will be affected by the venue, food offerings and the competition. If the market has been saturated by seminar mailings, you could see lower response rates.

When measuring your response, keep in mind that sometimes a single response will produce two attendees.

### **Lead Surveys**

We often see higher response rates with lead surveys – sometimes in the 2-3% (or even higher) range. The rationale is that people are willing to answer questions if you ask. They often don't see the survey as a lead generation strategy.

Once again, the incentive (free gift) is likely to impact your response rate.

-----

I need to emphasize the numbers above are not guaranteed. These are just expectations based on our experience with mailings sent to an outside list.

If at some point, you decide to mail to your House List, you could expect to see much higher response rates.

## **Step 8 – Plan Your Fulfillment & Follow-up**

After your responses come in, you should be ready to handle fulfillment and follow-up.

### **Fulfillment**

When prospects respond to your mailings, they are responding to something you offered.

You need to fulfill that promise as quickly as possible.

Fulfillment may include a brochure or lead magnet that you offered in your mailing. It may include a phone call confirming their attendance at your seminar. Or it may include sending out a gift card to everyone who responded.

### **Follow-up**

It's always important to remember that leads are just leads – and that only a percentage of the leads you generate will actually become sales. To improve your conversion of leads to sales, you need a follow up plan.

Follow up may include any of the following:

- Follow up phone call – this can be handled by you or a third-party service
- Follow up postcard – maybe a quarterly reminder just to keep you top of mind
- Follow up drip email series – set up once and let it run on auto-pilot
- Follow up retargeting – pay-per-click (online) ads placed in front everyone who visits your website or landing page over an extended period.

## **Step 9 – Plan Your Long-Term Rollout**

Starting a new campaign is difficult because you don't have a track record or any reliable data to set your expectations.

But over time, a consistent response rate will emerge.

Using this data, you will be able to plan your mailings with more accuracy and predictability.

We call this a rollout because it allows you to use our early results while you rollout to a larger quantity of new people.

## Take the Next Step

I hope this Guide has helped you understand the direct mail process as it applies to financial products and services.

I also hope it clarifies some of your options when it comes to different types of direct mail campaigns.

As you can tell, there's a lot to consider.

On the next page, I've provide a simple "Calculate Your Costs" chart that you may want to print and use in your planning.

When you're ready, I'd be happy to go over this with you – and provide some detailed pricing for specific campaigns.

To get started, please call me or send me an email – and I'll be in touch.

Thanks – Bob

Bob McCarthy

[bob@mccarthyandking.com](mailto:bob@mccarthyandking.com)

508-473-8643

# Calculate your Costs

## Campaign Type

Lead Generation

Seminars

Lead Surveys

**Development** (writing and design)

\$ \_\_\_\_\_

**Production** (list, print, address, mail services)

Qty: \_\_\_\_\_

\$ \_\_\_\_\_

**Postage** (first class vs. standard class)

Postage Class \_\_\_\_\_

Qty \_\_\_\_\_

\$ \_\_\_\_\_

## Set Up Options

Business Reply Account

\$ \_\_\_\_\_

24 Hour RSVP Phone

\$ \_\_\_\_\_

Call Tracking

\$ \_\_\_\_\_

Landing Page

\$ \_\_\_\_\_

Lead Magnet

\$ \_\_\_\_\_

## Lead Follow-Up Options

Telephone Calls

\$ \_\_\_\_\_

Reminder Postcards

\$ \_\_\_\_\_

Drip Email Series

\$ \_\_\_\_\_

Retargeting Ads

\$ \_\_\_\_\_

TOTAL

\$ \_\_\_\_\_