

COST PER LEAD ANALYSIS - DIRECT MAIL

		POTENTIAL RESPONSE RATES									
		1/4%	1/2%	3/4%	1%	1.5%	2%	2.5%	3%	4%	5%
TOTAL COST PER PIECE MAILED		0.0025	0.005	0.0075	0.01	0.015	0.02	0.025	0.03	0.04	0.05
\$0.50	\$200.00	\$100.00	\$66.67	\$50.00	\$33.33	\$25.00	\$20.00	\$16.67	\$12.50	\$10.00	
\$0.60	\$240.00	\$120.00	\$80.00	\$60.00	\$40.00	\$30.00	\$24.00	\$20.00	\$15.00	\$12.00	
\$0.70	\$280.00	\$140.00	\$93.33	\$70.00	\$46.67	\$35.00	\$28.00	\$23.33	\$17.50	\$14.00	
\$0.80	\$320.00	\$160.00	\$106.67	\$80.00	\$53.33	\$40.00	\$32.00	\$26.67	\$20.00	\$16.00	
\$0.90	\$360.00	\$180.00	\$120.00	\$90.00	\$60.00	\$45.00	\$36.00	\$30.00	\$22.50	\$18.00	
\$1.00	\$400.00	\$200.00	\$133.33	\$100.00	\$66.67	\$50.00	\$40.00	\$33.33	\$25.00	\$20.00	
\$1.25	\$500.00	\$250.00	\$166.67	\$125.00	\$83.33	\$62.50	\$50.00	\$41.67	\$31.25	\$25.00	
\$1.50	\$600.00	\$300.00	\$200.00	\$150.00	\$100.00	\$75.00	\$60.00	\$50.00	\$37.50	\$30.00	
\$2.00	\$800.00	\$400.00	\$266.67	\$200.00	\$133.33	\$100.00	\$80.00	\$66.67	\$50.00	\$40.00	
\$3.00	\$1,200.00	\$600.00	\$400.00	\$300.00	\$200.00	\$150.00	\$120.00	\$100.00	\$75.00	\$60.00	
\$4.00	\$1,600.00	\$800.00	\$533.33	\$400.00	\$266.67	\$200.00	\$160.00	\$133.33	\$100.00	\$80.00	
\$5.00	\$2,000.00	\$1,000.00	\$666.67	\$500.00	\$333.33	\$250.00	\$200.00	\$166.67	\$125.00	\$100.00	

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About this chart

1. This "cost per LEAD" chart shows you what it will cost you to generate a single LEAD based on the cost of your direct mail piece and your response rate.
2. Your "cost per piece mailed" should include all variable costs such as the mailing list, printing, addressing, mailing services and postage. You may also want to include creative costs, but often those costs can be applied across multiple campaigns.
3. Most mailings will cost between 60 cents and \$1.00. Under certain conditions, you can get it down to around 50 cents. Higher unit costs are more likely with larger formats and/or smaller quantities.
4. Response rates for most lead generation campaigns are 1-3%. Response rates for order generation campaigns (direct one-step selling) typically fall below 1%. Response rates above 2% are rare, but possible.
5. If you are using this for lead generation, remember this is just the first step in your calculation because only a certain percentage of your leads will become customers. For example, if you convert 25% of your leads into sales, you would need to multiply your "cost per response" by 4.