



Volume 3

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Welcome to the third of RP Direct Tips Newsletter. Our first one covered how to calculate **Marketing Contribution**. The second in our series covered the very powerful customer segmentation technique (**Recency, Frequency & Monetary**) or **RFM**.

Today I would like to talk about tracking response to your campaigns. Tracking response sounds simple, but I am always amazed at how difficult it is for new and experienced direct marketers to do it correctly. It is not unusual for us to consult with catalogers or direct marketers that have been in business for several years but still fail to track response on customer segments or prospect lists. Without any basic tracking techniques, how can anyone judge if a campaign is successful or not? Direct Marketing is all about acquiring new customers or retaining existing ones; it is about presenting an offer to a targeted audience and tracking response. The measurable part of direct marketing is why I fell in love with this business.

Tracking results for any mail piece or web activity starts with capturing customer numbers and key code or priority codes. Most seasoned catalogers use colored boxes on the back of their catalogs next to the name and address inkjet section to print the customer number and priority code.

Priority code is used to identify a specific prospect list or customer RFM segment. I recommend using smart codes whereby each digit in your code represents something about the mailing effort that can easily identify it. Example is month and year of campaign, number in a series of mailings, specific prospect list and selects within the list. Congratulations, once you have decided on a coding system, you have done the easy part.

The hard part comes in capturing codes in your database from phone in and web orders. Training your phone staff to ask for customer # and priority codes needs to be in your call script guidelines and constantly reinforced with your reps making sure they understand the importance of the codes and how they impact the future success of the business. Your web shopping cart needs to have a capture box for priority code and make sure to show a graphic of the colored boxes just as your catalog has on the back cover. Ideally, your web system is completely integrated to your ERP system and carries over all the same data.

Even with this level of detail and training, it has become more difficult to accurately measure campaign/list responses due to the Internet and customers not having their catalog when they order. There are outside services that perform order matchbacks which help you more accurately measure responses but there is no better alternative than using a method internally and constantly monitoring it.

Once again the beauty or magic in Direct Marketing is that it is measurable and therefore you can calculate your return on your investment and make future decisions based on the measurements. Consider outsourcing your database and circulation efforts and find the power of how direct marketing can improve your profits.

If you want a FREE evaluation of how RP Direct can help you, give me a call or click on the email link below.

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