




**How can I help you?**

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Got Metrics? Choose Your Best Option

Are you measuring the success of your marketing campaigns? No matter how beautiful the design or snappy the copy, what is most important is that it gets results. But what does success even look like? "Success" can be defined in many ways. Let's look at five of the most common ways to determine whether your efforts are working.

1. Response rates: One of the top-line ways to measure success is response rate. How many people took some kind of action — made a phone call, clicked a link, or went to your website? If your marketing goal is brand awareness, the response rate is useful.

2. Conversion rate: Not every phone call, mail piece open, or click-through results in a sale. If you want to measure the effectiveness of your message, conversion rate (the percentage of people who took the desired action) is a more useful measure of success.

3. Dollars per sale: Once someone decides to buy, how much do they spend? This metric can make or break your return on investment. For example, if it costs you \$10 to acquire each customer and your average order size is \$10, it doesn't matter if you get a 28% response rate. You still aren't making money.

4. Customer retention: Profitability doesn't come in a single sale for many companies. It comes in paid subscriptions, repeat sales, or other forms of recurring revenue. Athletic clubs and automotive clubs are good examples. Here, "success" is dependent on your ability to retain the customers you've gained.

5. ROI: All of the above metrics are important, but your overall profitability is determined by considering your total costs, including database management, design, print, and mailing. If your campaign costs you \$50,000 and brings in \$75,000, your ROI is 50%. If your campaign brought in \$110,000 but cost you \$100,000, you brought in more money, but the ROI was only 10%.

Which form of measurement is right for you? It depends on what you are trying to accomplish. Are you trying to boost brand awareness? Increase basket sizes? Ensure customer retention? Once you clearly define your goals, you can align those goals with the right measurement tools to get the insight you need.