The JICMAIL Response Rate Tracker

Drawing together campaign-centric response data with consumer-centric reporting

PILOT STUDY RESULTS Q1 2023

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Introduction and Approach

Welcome to the JICMAIL Response Rate Tracker

JICMAIL has been measuring how consumers interact with and respond to mail through its award winning panel for over half a decade. As a trusted, independent industry body responsible for promoting best practice planning and measurement in the mail channel, it is incumbent upon JICMAIL to develop new data streams that enable planners and practitioners to validate JICMAIL's core mail metrics while informing their own performance benchmarks.

With this in mind, JICMAIL has embarked on a process of gathering mail campaign performance data directly from a handful of key industry players in order to generate a series of advertising mail response rate benchmarks.

The response rates measured employ a different methodology to JICMAIL's panel based approach. Rather than relying on consumers to self-report how they have responded to a mail campaign, the Response Rate Tracker relies on mail practitioners to provide anonymous campaign-level data whose response rates will have been measured using matchback, unique-tracking code, or test and control techniques on the whole.

Consumer reported response data and advertiser tracked response data will naturally produce different results. However, by uniquely providing both sources of data to the mail community, JICMAIL hopes to provide greater clarity and transparency in mail measurement. This in turn should enable practitioners to triangulate in on the truth when measuring and benchmarking campaign performance.

Positioned as a pilot study, this first release of Response Rate Tracker data is designed as a proof of concept from which the sample pool can grow and provide further granularity to the industry over time.

JICMAIL welcomes further contributions to the Response Rate Tracker dataset from organisations throughout 2023, with an update due to be published towards the end of the year. If you are interested in contributing, please contact ian@jicmail.org.uk

Ian Gibbs
Director of Data Leadership and Learning
JICMAIL

1,017
Campaigns measured

Campaign centric

JICMAIL Response Rate Tracker

Direct advertiser measured response rates

Measured through matchback, unique tracking code and test and control techniques

Used for benchmarking campaign performance and predicting campaign outcomes

Consumer centric

JICMAIL Panel Data

Self-reported consumer response rates

Measured through panellist completion of diary based app over 28 days

Used for pitching, planning and campaign measurement, along with competitor analysis

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Response Rate Tracker Contributors

JICMAIL would like to thank the six organisations who have contributed details of over 1,000 anonymised mail campaigns to the Response Rate Tracker pilot study. Agreed objectives with contributors were threefold:

01

Establish ad mail response rate benchmarks using campaign data, rather than self-reported consumer data.

02

Create a framework for multiple organisations to input in to a response rate tracker and derive benefit from it.

03

Launch a response oriented data project which becomes a vital trade comms and PR opportunity for the mail industry.

Contributor profile

The profile of the contributing organisations varies greatly, with submissions accepted from agencies, data vendors and analytics companies alike. It is worth noting that whether they operate on the sell-side or the buy-side of the channel, the volume, type and nature of mail response data collected from these organisations will differ considerably. As much as is possible, data submissions have been vetted for their quality and where appropriate, outliers which are stretching the benchmarks way beyond the expected norm, have been removed accordingly.

All data sets are naturally skewed by the make-up of their component parts. As such, the Response Rate Tracker pilot study is undeniably Direct Mail and Retail sector focused. The aim of this report is to galvanise interest from the rest of the industry in submitting data to upcoming updates to this response data set. It is hoped that a broader cross-section of industry sectors and mail types (specifically Door Drops and Business Mail) will improve the representivity of The Response Rate tracker over time.

The Data Collected

Contributors were asked to provide data reaching back to January 2021, in line with the following campaign criteria:

01	Anonymous advertiser details	Industry Sector	Product Level		
02	Mail details	Mail Type	B2B or B2C	Cold or Warm	Brand or Response
03	Campaign details	Start and End Date	Volumes	Burst / Repeat?	Budget
04	Response data	Response Metric Measured	Response Rate	CPA and AOV	ROI

How to use these benchmarks

The benchmarks contained within this report are designed to give planners and marketers a robust set of data from which to set campaign targets, evaluate performance and measure campaign KPIs against. The very nature of benchmarks is that they create homogenous campaign averages from what are doubtless unique and nuanced campaigns.

It is for this reason that these benchmarks must be regarded as a guide to setting targets, rather than a de facto concrete number to which all campaigns must adhere. These benchmarks are a starting point for target setting: a starting point from which final targets will be iterated up or down by marketers based on a myriad of unique campaign, market and consumer factors.

What the Response Rate Tracker does, is provide a robust and credible basis for this starting point.

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Response Rate Tracker Campaign Profile

The Response Rate Tracker pilot dataset is primarily a B2C Direct Mail dataset. Overtime JICMAIL will look to provide greater granularity on Door Drops, Business Mail (which is currently not included in the dataset) and Partially Addressed Mail by expanding the pool of contributors.
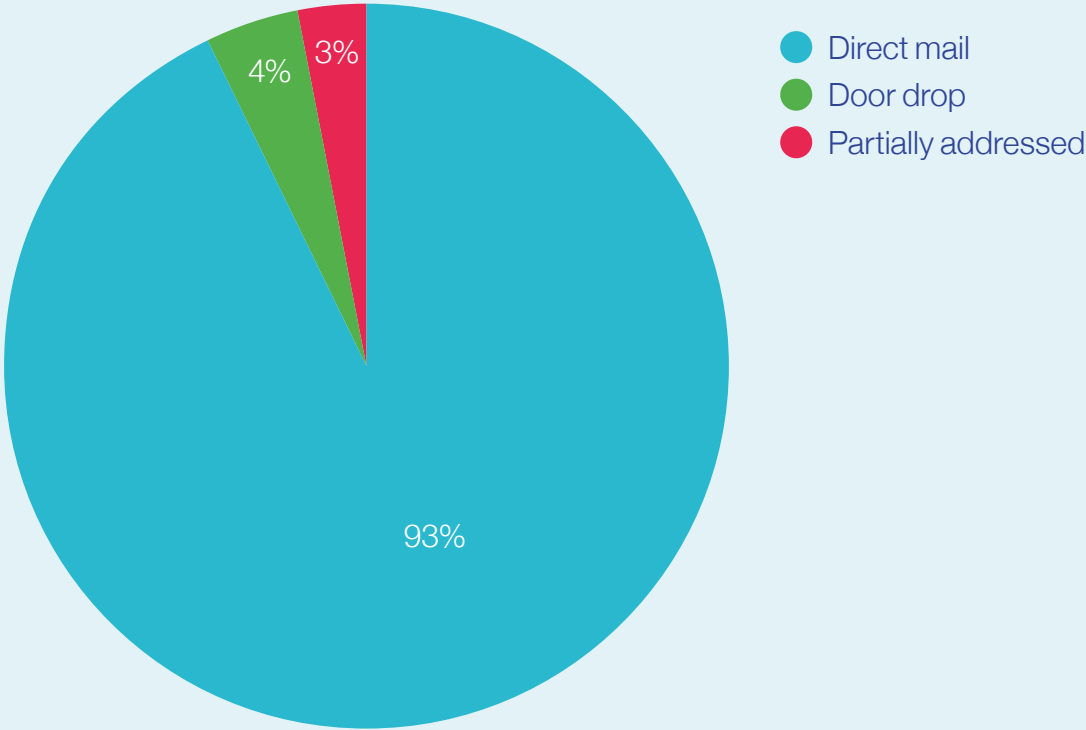
Within the Direct Mail data there is a healthy split of warm and cold mail, enabling us to break out consumer response to the very different strategies of using mail for either customer acquisition (cold) or retention (warm).
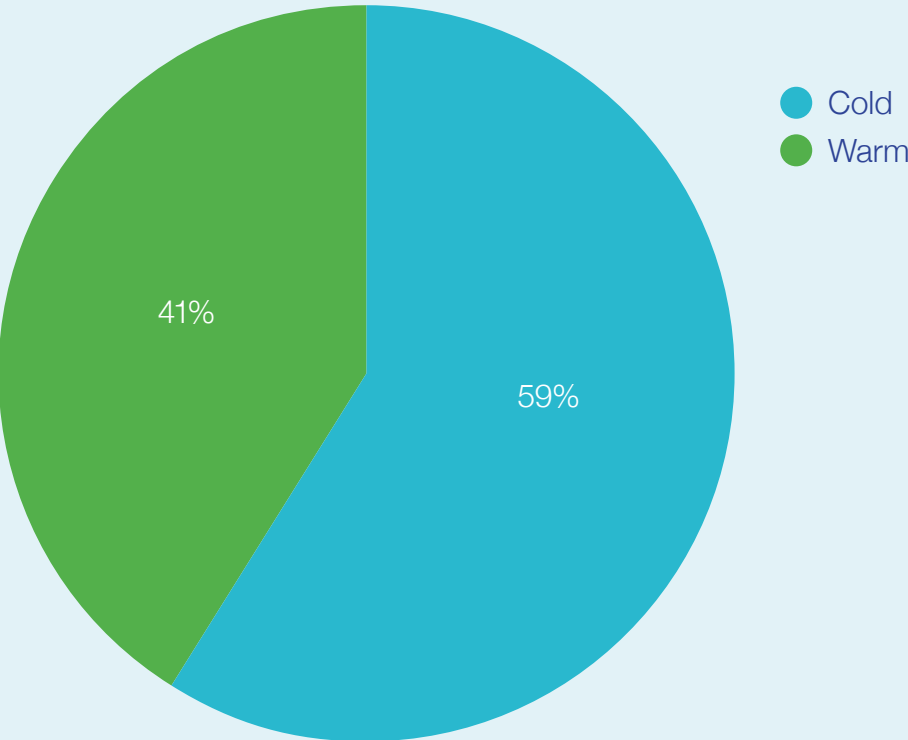
From a sector point of view, the pilot data set is dominated by Retail / Online retail campaigns, although sufficient sample is available to provide benchmarks against a handful of other categories, namely Financial and Insurance Services, Charity and Medical advertising. The ambition is to build up sector representivity over time.

Mail types covered

- Direct mail
- Door drop
- Partially addressed

93%
4%
3%

Industry Sector Distribution

Retail / Online Retail	83%
Financial and Insurance Services	5%
Gambling	4%
Charity	4%
Medical	2%
Other	1%

Warm vs Cold Direct Mail profile

- Cold
- Warm

41%
59%

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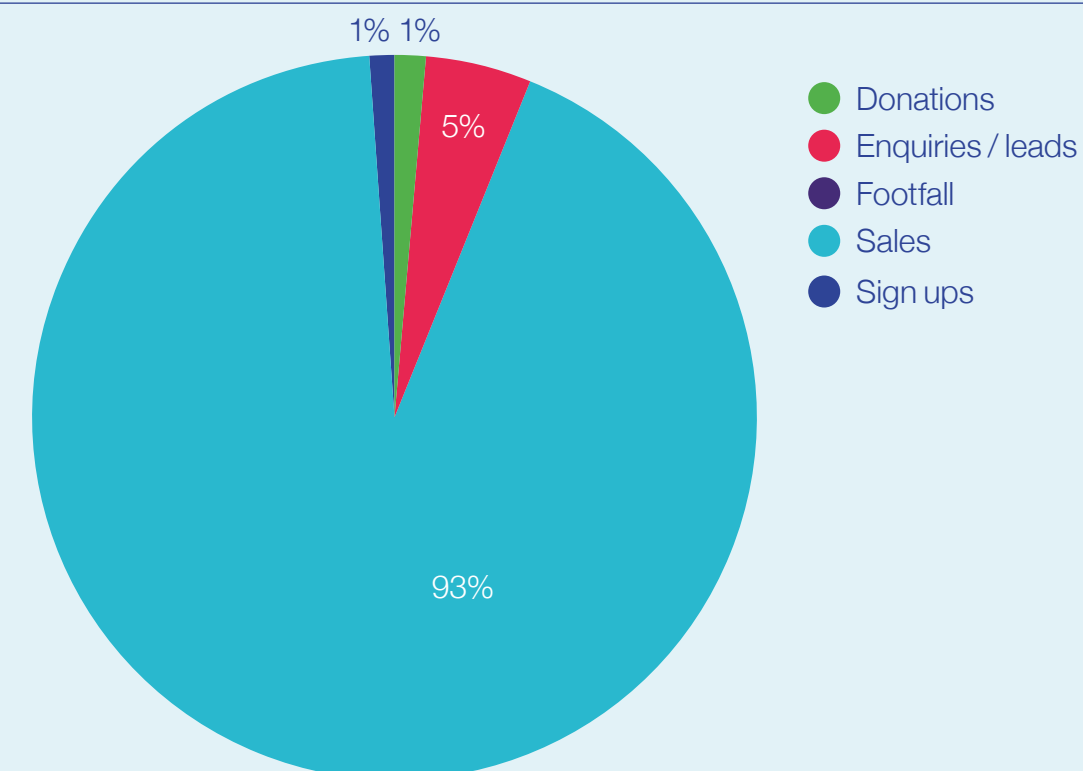# What Does 'Response Rate' Mean to the Mail Industry?

The term 'Response Rate' is a widely used effectiveness metric that has various meanings depending on the industry category of the advertiser and the objectives of the campaign in question.

With a dataset dominated by Retail / Online Retail advertisers, the Direct Mail campaigns measured are overwhelmingly measuring response in terms of direct sales generated. A smaller proportion are being measured using lead generation and donation request metrics.
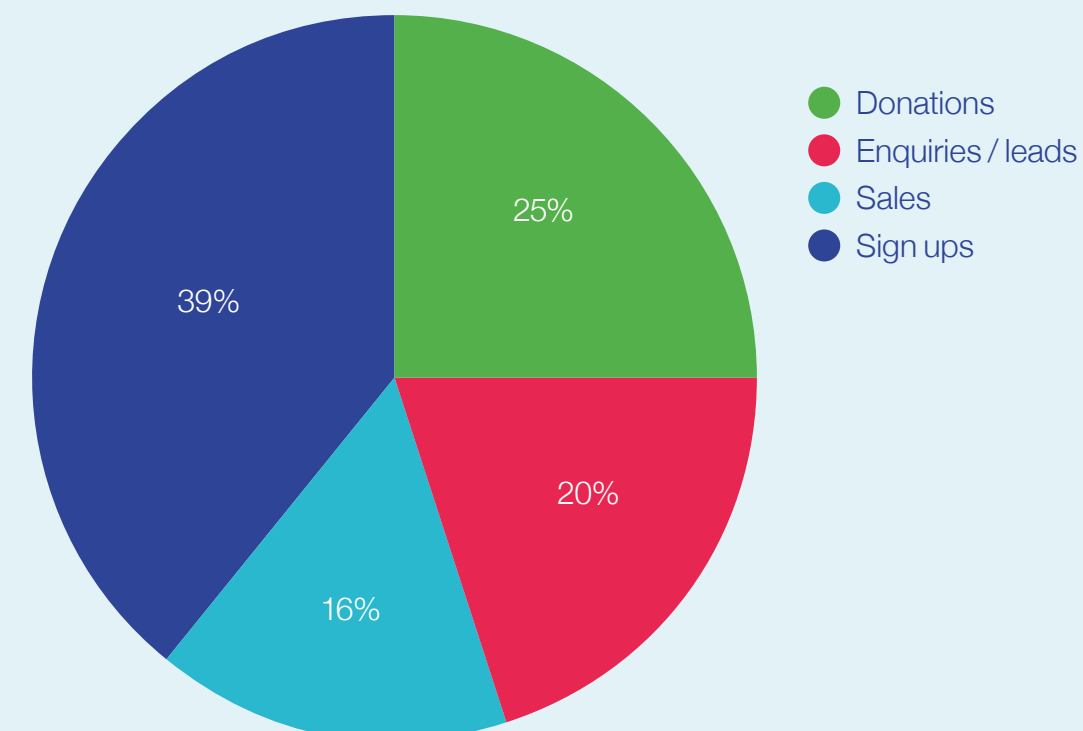
The Door Drop campaigns measured have a more varied set of metrics that are being captured. As an acquisition based channel, over a third of Door Drop campaigns are being used to drive sign-ups to advertised services, followed by donations, lead generation and sales uplift.

Due to the small sample sizes gathered for Door Drop campaigns, response rates have not been published in this pilot study report. As the Response Rate Tracker expands later in 2023, it is hoped that more Door Drop data can be gathered to enable the publication of key metrics for the channel.

Direct Mail response metrics measured

- Donations
- Enquiries / leads
- Footfall
- Sales
- Sign ups

1% 1%
5%
93%

Door drop response metrics measured

- Donations
- Enquiries / leads
- Sales
- Sign ups

25%
20%
16%
39%

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Response Rate Benchmarks by Mail Type

Response Rate Benchmarks by Mail Type

The average response rate for All Direct Mail (Warm and Cold combined) is 5.1%. As would be expected, the difference in whether existing customers or cold prospects are being targeted makes a huge difference to response, with 10.9% of warm mail typically driving a response and 1.0% of cold mail doing so.

The role of acquisition based marketing (cold) vs customer retention (warm) is hotly debated in the industry. In an era in which third party cookie targeting is on its way out, the value of first party data in targeting customers and driving outcomes takes on a role of increased significance – a significance borne out by higher response rates. At the same time, brands will reach a business growth ceiling by only ever targeting their existing customers. Acquisition based marketing is vital to expand the customer base therefore. As always, a blended approach to marketing objectives is a tried and tested course of action.

While it is not the role of JICMAIL to report on response rates from other channels, performance marketing practitioners will be well aware of the favourable comparisons these metrics generate when pitted against other media channels, particularly in the digital space.

10.9%
Warm Direct Mail response rate

1.0%
Cold Direct Mail response rate

5.1%
All Direct Mail response rate

	Industry Sector	No. of Campaigns
Warm Direct Mail	10.9%	389
Cold Direct Mail	1.0%	553
All Direct Mail (Warm and Cold) Average	5.1%	942

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Comparisons With Self-Reported JICMAIL Panel Response Rates

The creation of a set of campaign-centric benchmarks from the Response Rate Tracker enables a comparison point, with which to contextualise the self-reported response rates by consumers on the JICMAIL panel. While it would be expected that different measurement methodologies would naturally produce different benchmarks, the two approaches have produced remarkably similar results for Direct Mail.

While the Response Rate Tracker produces a 5.1% response rate for All Direct Mail, the JICMAIL panel is only marginally higher at 5.6%. A Warm Direct Mail proxy created on the JICMAIL panel using items which are classified as both Direct Mail and Business Mail (i.e. advertising mail being delivered to known customers) reveals a 9.5% response rate, which is only marginally lower than the 10.8% reported by the Response Rate Tracker.

A comparison with Cold Mail is not currently available through the JICMAIL panel, although the ability to break out Warm vs Cold will be made Q3 2022 at which point this comparison can be revisited.

All Direct Mail (Warm and Cold) Response Rates

JICMAIL Panel response rate	**5.6%**
Response Rate Tracker	**5.1%**

Warm Direct Mail Response Rates

JICMAIL Panel response rate*	**9.5%**
Response Rate Tracker	**10.9%**

Source: JICMAIL Item Data Q3 2023. Panel Response Rate = % of items which have prompted a direct purchase.

*Warm Direct Mail = proxy definition consisting of items which are classified as both Direct Mail and Business Mail

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Response Rate Benchmarks by Sector

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Direct Mail Sector Benchmarks

In the Cold DM space, Response Rates are fairly consistent by sector, with Retail and Charities generating a 1% plus response rate, and Financial Services and Medical campaigns recording a response rate slightly under 1%.

All Warm DM campaigns in the Response Rate Tracker fell into the Retail / Online Retail category, so further category breakdowns have not been possible for Warm Direct Mail in this regard.

1%+

Retail and Charities generated a 1% plus response rate

			Response Rate	No. of campaigns
Warm		Retail / online retail	10.9%	389
Cold		Charity	1.2%	14
Cold		Financial and insurance	0.7%	52
Cold		Medical	0.7%	18
Cold		Retail / online retail	1.0%	455

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ROI, CPA and AOV Benchmarks

ROI by Mail Type

As any good planning and campaign measurement practitioner knows, response rates only tell part of the story when it comes to assessing channel effectiveness. A low response rate for a high value product may well still result in very positive levels of Return on Investment (ROI) that in turn are used to justify future investment in the channel.

As would be expected for mail used for acquisition, Cold Mail reports a lower ROI than Warm Mail. The ROI figures reported however, compare favourably to those reported on by the likes of WARC in its Anatomy of Effectiveness whitepaper.

The scale of ROI expected when targeting known customers, operates on a level typically three times greater than Cold DM.

It should be noted that some high performing outliers from one particular category, generated some very high ROI benchmarks due to the unique nature of the product in question. For this reason, these outliers (representing roughly the top quartile of data) have been removed to provide a more representative ROI figure.

DEFINITION – ROI: Return on Investment is typically calculated as "Sales Generated minus Marketing Cost, divided by Marketing Cost." The level of cost saddled on to a campaign will often differ by practitioner however, and caution must be interpreted when viewing benchmark data which potentially combines different views on how ROI is calculated.

13.5
Warm Direct Mail ROI

4.4
Cold Direct Mail ROI

10.3
All Direct Mail ROI:

	ROI	No. of campaigns
Warm Direct Mail	13.5	304
Cold Direct Mail	4.4	163
All Direct Mail (Warm and Cold) average	10.3	467

AOV by Mail Type

The type of Average Order Value (AOV) generated by a piece of marketing activity is of course only in part dictated by the effectiveness of the campaign, and is largely influenced by the nature of the product or service itself – i.e. whether it is a high or low value / consideration product.

In other words, AOV is a very situational and brand specific metric.

It is for this reason, that unless a campaign is specifically tasked with improving AOV, this metric should be used to contextualise the other benchmarks available in this report, rather than used as a KPI against which performance should be determined.

DEFINITION – AOV: Average Order Value is a measure of the amount spent each time a customer responds to a given piece of marketing activity.

£146.00
Warm Direct Mail

£249.80
Cold Direct Mail AOV

£206.00
All Direct Mail AOV

	AOV	No. of campaigns
Warm Direct Mail	£146.00	389
Cold Direct Mail	£249.80	533
All Direct Mail (Warm and Cold) average	£206.00	922

CPA by Mail Type

The Cost per Acquisition (CPA) for talking to a known warm lead or existing customer is only a fraction of that of a colder contact.

While Warm Mail on average generates a CPA of £12.00, Cold Mail is typically much higher at £96.30.

All brands must go on the acquisition trail, however. It is the blend of cold and warm which will dictate overall marketing success, and the extent to which advertisers can stay in line with or outperform these benchmarks, will determine how effective they are in getting this blend right.

As with AOV, CPA's vary greatly by category and care must be taken when creating targets. Again, these benchmarks are designed as a starting point from which targets and KPIs should be set.

DEFINITION – **CPA:** Cost per Acquisition is a metric that defines how much it costs to convert a customer using a given piece of marketing activity.

£12.00
Warm Direct Mail CPA

£96.30
Cold Direct Mail CPA

£43.80
All Direct Mail CPA

	CPA	No. of campaigns
Warm Direct Mail	£12.00	389
Cold Direct Mail	£96.30	235
All Direct Mail (Warm and Cold) average	£43.30	624

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ROI, CPA and AOV Benchmarks by Sector

Direct Mail Sector Benchmarks

The importance of referring to sector level benchmarks, where possible, is highlighted in the significant variance in ROI, CPA and AOV scores noted between the five sectors with sufficient data to interrogate.

Again, with all Warm Direct Mail campaigns falling in to the retail / online retail category, it has not been possible to provide further benchmarks in this area.

			ROI	CPA	AOV
Warm		Retail / online retail	13.5	£12.00	£146.00
Cold		Charity	0.4	£104.90	£80.40
Cold		Financial and insurance services	2.7	£121.00	£275.70
Cold		Medical	3.8	£85.20	£1,167.90
Cold		Retail / online retail	5.0	£84.00	£172.40

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Summary

01 Measuring Mail Response

With over one thousand campaigns measured, The Response Rate Tracker pilot study has demonstrated a robust and credible way forward for measuring campaign-centric response rates. In the Direct Mail space, 'response' overwhelmingly refers to sales generated (93% of campaigns) – reflective of the retail-centric nature of the dataset.

02 Mail Response Benchmarks

There is considerable variance between Warm and Cold Mail as would be expected. Cold Direct Mail generates a 1% response on average, with Warm Direct Mail typically eleven times higher than this at 10.9%. Both approaches are fundamentally critical to driving business outcomes however. No business grows without acquiring new customers, and few businesses stay profitable by ignoring their existing customers.

03 Validating JICMAIL Panel Response Rates

For All Direct Mail (Warm and Cold), there is a strong alignment between the self-reported consumer centric panel data reported by JICMAIL and the campaign-centric data of the Response Rate Tracker – adding a weight of credibility to both measurement approaches and providing a useful validation of JICMAIL's long standing panel metrics. The JICMAIL panel records a 5.6% response rate (measured by claimed purchases) vs 5.1% from the Response Rate Tracker.

04 Mail ROI, AOV and CPA Benchmarks

ROI, AOV and CPA data provide further context to the response rates reported. The nature of the industry sector and scale of consumer consideration required in purchases will naturally influence these metrics as much the effectiveness of the campaigns itself. It is important to view these metrics by sector where possible therefore. ROI ranges from 4.4 for Cold Direct Mail to 13.5 for Warm Direct Mail.

05 Ongoing Study Recommendations

A number of additional variables were gathered with participant submissions that should add further texture to the results over time as sample sizes increase, namely: sub-sector / product granularity; campaign duration, B2B vs B2C (the pilot study was an entirely B2C dataset), volumes and budget. JICMAIL should look to expand the industry sectors reported on along with efforts to break out benchmarks for the Door Drop and Business Mail Channels.

06 Expanding the Participant Pool

JICMAIL welcomes submissions from further participants with a view to publishing an expanded set of benchmarks in the second half of 2023.

Please email JICMAIL's Director of Data Leadership and Learning Ian Gibbs at **ian@jicmail.org.uk** to register your interest.

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How these benchmarks should be used: a summary

01

These benchmarks are designed to provide a robust dataset from which campaign targets and KPIs can be set and performance evaluated.

02

These benchmarks are a starting point only – unique campaign, industry and audience factors must be taken in to account to adapt these benchmarks accordingly.

03

While response rates are effectively normalised across sectors, AOV and CPA metrics are much more sector specific and situational. They must be interpreted in this context.

04

ROI calculations often differ by practitioner and depend on what level of cost is included in the campaign. Again, interpret with caution.

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Warm Direct Mail Fast Facts for Retail Advertisers

10.9%
Warm Direct Mail Response Rate

13.5
Warm Direct Mail ROI

£12.00
Warm Direct Mail CPA

£146.00
Warm Direct Mail AOV

Cold Direct Mail Fast Facts for Retail Advertisers

1.0%
Cold Direct Mail Response Rate

5.0
Cold Direct Mail Response ROI

£84.00
Cold Direct Mail CPA

£172.40
Cold Direct Mail AOV

Glossary

Response Rate

The percentage of mail items that have resulted in the desired response (e.g. a sale or donation).

ROI

Return on Investment. Typically this is calculated as "Sales Generated minus Marketing Cost, divided by Marketing Cost." The level of cost saddled on to a campaign will often differ by practitioner however, and caution must be interpreted when viewing benchmark data which potentially combines different views on how ROI is calculated.

AOV

Average Order Value is a measure of the amount spent each time a customer responds to a given piece of marketing activity.

CPA

Cost per Acquisition is a metric that defines how much it costs to convert a customer using a given piece of marketing activity.

Warm Direct Mail

Mail containing a marketing message addressed to a specific known customer and/or someone who has given marketing permissions to be communicated with by a specific advertiser.

Cold Direct Mail

Mail containing a marketing message addressed to a specific individual, but one whom the advertiser does not necessarily have a prior relationship or engagement with. i.e. a type of mail used to acquire new customers.

Door Drops

Unaddressed mail (typically leaflets and flyers) that are targeted at households in a post code sector level and are used for new customer acquisition.

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About our contributors

An award-winning media agency, committed to working in a transparent, sustainable manner to help clients meet their acquisition goals, regardless of channel or medium.

Helping organisations maximise the value of their customers by joining the dots between data, people, policies, processes and systems.

Epsilon (part of Publicis Groupe) is a global leader in outcome-based marketing, helping brands draw a clear line between their marketing investment and real business outcomes. They launched the Abacus Alliance in 1998, introducing the cooperative database concept to the UK. Since then they have helped hundreds of retail brands and charities use the power of transactional data to improve their direct marketing effectiveness and return on investment.

An independent and impartial door drop agency, working with companies across the UK to target the distribution of unaddressed material in the most efficient and cost-effective way possible.

DBS Data helps organisations better understand their customers, ensure their data is accurate while delivering the best results on their direct marketing campaigns.

Combines expert analytical insight delivered by the Ginger Black analytical engine, with access to data co-operatives and publishers to allow for the best direct mail responses to your campaigns.

Thank You

For more information please contact:

Ian Gibbs,
JICMAIL Director of Data Leadership and Learning
ian@jicmail.org.uk