

The Real Estate Agent's Marketing Manual

How to Find Great Customers that Pay Full Commission and Don't Complain the Entire Time!

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Preface: How Direct Response Marketing can Help You. An Introduction to Direct Mail

Read This Booklet If You Want To:

- Stop Making Cold Calls To Unreceptive Customers!
- Stop Working Like an Animal Just To Pay Your Bills!
- Stop Worrying If You'll Be Able To Sell Enough This Month to Pay Your Bills!

By: Ben Curry

Frankly, what I will explain in this booklet could be the most important information you have ever read. Are you ready to increase your sales without working more and more hours?

When I first found out about direct response marketing I was working as a real estate agent. Direct response marketing turned my real estate business around. I went from chasing uninterested customers down to having them call me. I put together a letter to send to expired listings. These are people that had their home listed with another real estate agent but it didn't sell. This letter became the foundation of my real estate business.

What I'm going to show you will change your entire idea of marketing.

You will learn how to get customers to buy automatically. They will do business with you on your terms, and pay a fair price. No more cut rate customers. Sound good? Grab a nice hot cup of coffee, find somewhere comfortable to sit down, and listen to what I have to tell you.

It all comes down to leverage. I'm not one of those people that is going to promise you a life of riches while sitting on the beach. But if you want to sell more product (or whatever it is you are selling), what I'm going to show you in this booklet will open an entire new world of opportunity. Let me show you what I mean.

You know the drill. If you want to increase your sales without working harder, then you need to have something work for you. The first thing that pops into most people's mind is to hire on some more salespeople. But, when you hire a salesperson you have to pay them a salary. And most of the time they don't make any sales and so you have to get rid of them. And who wants to manage salespeople? Not fun, right?

Managing Salespeople Can Feel Like Trying To Train Chimpanzees How To Sell Over the Phone!

Not only are you frustrated, but the chimp thinks you're an idiot! Not a good situation to have chimps laughing at you, eh? I don't want to manage chimpanzees. There is a way that you can leverage yourself and make more sales. How? Let me ask you this?

How to leverage yourself. What if you could just record one awesome sales presentation and then just play it to each new customer. And I'm talking about your best presentation ever. You are confident, you say all the right things, the prospect loves it, and you make a sale. Feels great just thinking about it, right? But, what if there was an easier way to do it.

The solution is to write a letter that basically is your sales presentation. How do we do that? That is exactly what this booklet is about. I am going to show you how to leverage your self so that you can sell without having to be there every single time.

Regardless of what you're trying to sell, you really can't sell it without "talking" with your prospective buyer. And in attempting to sell anything by mail, the sales letter you send out is when and how you talk to your prospect.

All winning sales letters "talk" to the prospect by creating an image in the mind of the reader. They "set the scene" by appealing to a desire or need; and then that flow smoothly into the "visionary" part of the sales pitch by describing in detail how wonderful life will be and, how "good" the prospect is going to feel after he's purchased your product. This is the "body or guts" of a sales letter.

Overall, a winning sales letter follows a time-tested and proven formula: 1) Get the prospect's attention 2) Get them interested in what you can do for them 3) Make them desire the benefits of your product so badly their mouth begins to water 4) Demand action from them tell him to send for whatever it is you're selling without delay any procrastination on his part might cause him to lose out. This is called the "AIDA" formula and it works.

Sales letters that pull in the most sales are almost always two pages with 1 1/2 spaces between lines. For really big ticket items, they'll run at least four pages- on an 11 by 17 inch sheet of paper folded in half. If your sales letter is only two pages in length, there's nothing wrong with running it on the front and back of one sheet of 8 1/2 x 11 paper. However, your sales letter should always be letterhead paper- your letterhead printed, and including your logo and business motto if you have one.

Regardless of the length of your sales letter, it should do one thing, and that's sell, and sell hard! If you intend to close the sale, you've got to do it with your sales letter. You should never be "wishy-washy" with your sales letter and expect to close the sale with a color brochure or circular. You do the actual selling and the closing of that sale with your sales letter- any brochure or circular you send along with it will just reinforce what you say in the sales letter.

There's been a great deal of discussion in the past few years regarding just how long a sales letter should be. A lot of people are asking: Will people really take the time to read a long sales letter. The answer is a simple and time-tested yes indeed! Surveys and tests over the years emphatically proven that longer sales letter pull even better than the shorter ones, so don't worry about the length of your sales letter- just make sure that it sells your product for you!

The "inside secret" is to make your sales letter so interesting, and "visionary" with the benefits you're offering to the reader, and he can't resist reading it all the way through. You break up the "work" of reading by using short, punchy sentences, underlining important points you're trying to make, with the use of subhead lines, indentations and even the use of a second color.

Relative to the brochure or circulars you may want to include with your sales letter reinforce the sale (providing the materials you're enclosing are the best quality), they will generally reinforce the sale for you. But, if they are of poor quality, look cheap and don't complement anything, it will definitely classify you as an independent home-worker if you hand-stamp your name/address on these brochures or advertising circulars.

Whenever possible, and so long as you have really good brochures to send out, have your printer run them thru their press and print your name/address, even your telephone number and company logo on them before you send them out.

Chapter 1: How to Write a Profitable, Effective Sales Letter.

If you want to sell your products without having to make cold calls and chase down uninterested customers, then this chapter will show you how to put together an effective letter to find customers. Let me explain.

To start, a sales letter has to be interesting to a prospective customer. You can't bore people into buying from you. Readers want several things. They want to see how you can help them. They want to feel comfortable with you and know that what you offer will work for them.

In order for your letter to be interesting to read and an effective sales tool, there are several important parts.

Let's go thru them together:

1. **Headline.** A headline is the ad for your ad (or salesletter). 5 times as many people read the headline as read the actual letter or advertisement. You must make your headline compelling, and interesting enough for the prospect to want to read more. See the example letter on the next page: *How To Avoid the 10 Mistakes Most Framing Contractors Make.*
2. **Subheadline:** See the example on the next page: *In this letter I will detail the most common mistakes that most framing contractors make and how you can avoid having them in your house.*
3. **Your Opening Sentence.** *It's true.* This causes the prospect who is building their house to believe that most framing contractors actually do make some mistakes when building a house. The goal of your first sentence is to get the prospect to read the next sentence. Then the next one. And on thru the entire letter. Therefore the first sentence must be interesting and lead the prospect right into the second sentence.
4. **Your Offer.** This is where you tell the prospect what you are offering. They can offer a free report that tells about the 10 basic mistakes that most gutter installations make. Or they can get a quote from your on framing their home.

Below I have four items shown in my letter as examples (Your Offer, Explain What Happens when they contact you, Your Compelling Reason to Act Now, and Your Call to Action) laid out as the end of my framing sub-contractor letter. After the example, I go thru the other items and discuss them. See the examples below:

Would you like a quote from me for the landscaping on your home?

I can show you exactly what I do when I landscape a home and most importantly how I avoid the common mistakes that most landscapers make. Sure, I am a little more expensive than all the other landscape contractors out there. But, you and I both know, you get what you pay for. I will look at your yard and house and draft you a landscape plan that works for you and your yard. I will tell you when I would be available to do the work. At our appointment, you can ask any general landscaping and lawn maintenance questions you may have, and I will tell you any specific recommendations I can make to you for your yard.

Here is What Will Happen When You Contact Me

First, I will set up an appointment to meet with you and show you my portfolio of yards that I have landscaped. I will show you what options are available, what plants I recommend, and see which plants you like. I want to know what is important to you. For example, why do you prefer smaller plants that will grow into their ideal size or do you want your landscaping to look perfect right away?

If there any areas in the yard that you might want me to be aware of buried wires and such, you can show me when I meet with you? When you tell me, I will mark it on my plan and make a note of the exact location. Then when we are installing the landscaping, I will make sure we don't damage it.

Second, I will give you a quote for the price of the job. Also, I will show you what the cost of our financing program is if you choose to use that.

Third, I will ask when you want me to start and make sure your will fit into my schedule. If you have any questions on scheduling the job I can go over those with you.

After going over the landscaping plan with you, I will give you an extra copy so you can keep it for yourself to show to your family and friends.

Here is Why You Should Call Me Now

Remember earlier how I mentioned that landscapers sometimes get busy. I am often already lined up for a month or two ahead of time. If you are landscaping your yard and need a good landscaper to do the work, then I can help you. I will give you a quote and expected completion time for the job.

Remember, if you put down this letter down, you are not going to call me later. After a few days go by, you will forget about calling me and may end up with a sub-par landscaper doing the work on your home. So call me right now at 386-555-1212 to set up an appointment.

There are several ways to contact me to start the process for your landscaping. You can call me at 386-555-1212. If I am not available, please leave me a message with your name and a daytime number to call you at. This is my cell phone and I don't always answer it during the day. Especially, if I am in the ditches planting a tree. If you want to see sample pictures of jobs I have done and request an appointment, go to my website at lakecitylandscaper.com. There are sample pictures or many houses I have landscaped and a place to fill out your contact info to request an appointment. If you want to, you can e-mail me at calvin@lakecitylandscaper.com.

- 5 . Explain what happens when they contact you.** Have you ever been to a party and not really known what to do or how to dress. Uncomfortable right? Prospects will feel the same way. They want to know exactly what to do. Then, you explain to them how everything works and what they can expect.

(In our Gold System we have a letter that you can give to the homeowner that gets rid of a lot of the problems associated with doing homeowner work. This letter explains how the entire process works and how the homeowner is supposed to work with you. You can order this at www.contractorsalesystem.com)

- 6 . Your Compelling Reason to Act Now.** A call to action tells the prospect why they should act now before putting the letter down and going on with their lives. The reason you include this in a letter is because you want to have the prospect call you before they forget. If they put your letter down the likelihood of them picking it back up again is low. That's why you want them to call you now before they forget. I have included a compelling reason to act now below:

7. **Your Call to Action.** What do you want them to do? Call your 800 number and order your product. Go to your website and order your product. Call you for a quote on contracting work. Come into your store from the hours of 9AM to 5 PM. Request your brochure that has pictures of your jobs? You tell the prospect exactly what you want them to do. If you give people good directions, most of the time they will follow them.
8. **P.S.** I don't even know what P.S. means (I'm sure I could look it up.) For you and me however it is a very important selling tool. You see, the second most read part of a letter after the headline is the P.S. See when we get a letter from an unknown person the first thing we do is read the headline. Then we might read the actual letter. But, if not, we at least check and see who the letter is from. And right below the sender's signature is the P.S. And we all usually read it to see what it is.

Here is an example P.S.:

Sincerely,

Ben Curry

P.S. You didn't think I would forget a powerful testimonial did you? Check out the next page!

9. **Font.** The font of the letter is very important. Here's why. A letter that is hard to read won't get read by as many prospects. If an older person with bad eyes picks up your letter and they can't read it, they will probably just throw it away. There are two kinds of fonts: serif and sans-serif. A serif font has little lines on the top and bottom of the letters that make it easier for the eye to see what the letter is. I have a large serif font L below for an example. Notice the little lines that come off of the straight l? Those little lines make it easier for the eye to see what the letter is. Times New Roman and Courier are good Serif Fonts.

L

In legibility tests, serif type font produced greater comprehension than a san-serif font and by a 5 to 1 margin. Sans-serif fonts do not have the lines on the top or bottom. Sans-serif fonts are useful for headlines.

10. **The Breakup of the letter.** A broken up letter looks easier to read. Here are several items you can do to break up a letter:
- Numbered Items and Bullet Points. Use them just like I have here.
 - Bold Paragraph Headings. Notice above and below that I have bold paragraph headings. I have done this wherever there is a unique thing I am talking about in each paragraph that I can summarize as the paragraph heading.
 - Make a space between the paragraphs. This makes the letter look less imposing.
 - Very important point should be by themselves not within a paragraph. I usually make them 4 font sizes bigger, center them, and bold them. An example in the letter below is: If they are framing a house...

Chapter 2: Other Items that Will Dramatically Boost the Income You Make from Your Sales Letters

There are many other items that will increase the effectiveness and response to your mailing.

Item #1. The importance of a good quality mailing list. In order for a direct mail campaign to succeed, three elements must be in place. First, you must have a good quality list of prospects that you are mailing to. Second, you have to get them to open your letter. Third you have to get them to read your letter and buy whatever it is you are selling.

All three of these items are important. If you have a good letter, the envelope stands out and gets opened, but you are sending a letter about luxury goods to a person on welfare you can't expect to get a huge response. You can't expect success without any of these items. A good direct mail campaign is simply a list of great, qualified prospects that are sent a compelling letter (in an envelope they actually open, more on that in the next chapter) with an offer that they find attractive enough to buy.

Here is how to put together a good quality mailing list. Let's say that we are selling gutter installation to existing homeowners. Gutter is almost a luxury product in that it is nice to have, but isn't absolutely necessary. Contractors don't install it on homes because it doesn't cause the house to sell for more, but costs the contractor more money. Basically I am trying to say that the higher the income of the homeowner, the more likely they are to buy gutter from you.

So, who would be the right person to mail a letter about gutter to? We could pull a list of homeowners (for info on that, read *How to Find The Leads to Market To* which is attached) that have already lived in there home for a year. I would also select the more expensive homes. We actually have a sample gutter letter attached on the Sample Letters CD.

Item #2. Testimonials & References. Prospective customers may be sold on using you, but want some assurance that you will do a good job. They don't want to be stuck when a contractor takes \$1,500 for half upfront on a job and disappears. Testimonials & References are useful for helping you convince them that you are the real deal. If someone else that they know says you are the best, they will feel comfortable using you. Makes sense, right?

Let me put in my two cents about testimonials here. Don't use lame, look like they were made up, untraceable references. For example:

Ben Curry was the best realtor I ever had. Not only was Ben the best, but he sold my home when we were transferred to Omaha. I will recommend Ben Curry to any person that I know that is ever selling a home.
T. Jones, Omaha Nebraska

Obviously, this testimonial is made up. But if you are an average consumer and you see something like that what do you think? "This guy made this fake testimonial up and he expects me to believe it is real. Ya right, I ain't getting taken by the scam artist." It just looks to easy to make up.

**If you are going to use a testimonial, at least make it look believable.
And look like it is real!**

Here is a better testimonial. Nivaldo e-mailed this to me. I don't have the original e-mail or I would just print it out. I would bring the e-mail with me to show the seller at a listing presentation. I would also attach this at the end of my expired letter. If I had this signed with his real signature, address, and phone number this would be an outstanding testimonial.

Ben has earned our business. He helped us find our first two properties here in the Alachua County last year. When it was time to sell we decided to list all three of our properties with Ben because he did such a great job helping when we were buying. Ben helped us price our properties and is part of a team that will help expose our properties to right buyers.

Since we listed all three properties have been showing consistently and we expect he will represent and sell these properties as we discussed. We do not expect any surprises because Ben is a professional and he is upfront with the details and information as to how the process will work. Also, he has made sure to properly provide instructions to other agents showing our property.

In short we believe that we could have sold without his help, but would not have had the exposure and services he provides us and thus, we expect to sell for same or more money even after his commission is paid but expect Ben to sell it faster.

It is a pleasure to work with Ben. I have recommended him to my friends and they share the sentiments described above and we will continue to recommend Ben Curry as a true professional.

Sincerely,

**Nivaldo Masson
17605 NW 278th Ave
Alachua FL 32615
352-555-1212**

Item #3. Technical Details. This is where you tell the prospect how you do a better job. By using technical details, you can tell them to the customer and they will see that you know what you are talking about. For example, about a year ago, I was fixing up a rehab house I had bought. We had hired an inexperienced painter (it was someone my sister had recommended), and the paint was peeling off of the drywall on the house. So finally, we called Lowell Schneider at Central Paint. Lowell is very experienced with paint and quickly showed us that because we did not have the air conditioning turned on, the moisture on the walls was not allowing the paint to stick to the wall.

As an example, let's say that we need to sand down a smooth recently lacquered interior door before painting. We might put in our letter a line like this: "It can be tough to get paint to stick to brand new interior doors. The smooth finish leaves little area for the paint to grab. Just like a rock climber can't climb a smooth wall, paint can't hold on a smooth door or wall. In order to avoid this, we will always sand down the door with a some what rough sandpaper so it leaves a slightly rougher area for the paint to grab. Please note that we will not sand the door to where it will have a rough coat. We will probably use a 120 grit sandpaper one time on it.

Note: The above is made up. I know how to sell stuff and have painted a room once, but I am not a skilled painter.

Item #4. Features versus Benefits. Whether we talk to someone in a sales presentation or mail them a sales letter, we have to remember to sell benefits not features. A feature is something that a product does. For example, a car that will accelerate 0-60 in 4 seconds and has a top speed of 170 miles per hour. Those are the features. The benefit is that the owner of this car will be able to beat 99% of the cars they race at a stoplight.

Or, if you are selling this car to a guy going thru a mid-life crisis, you tell him that the car will make him feel young again. My Dad just turned 50 last year, and the speed of the car noted above would definitely not be a benefit. I'd have to figure out another way to get him to buy that car.

What I'm saying is that you have to tell the prospect what the benefit to him will be for your product. If they only care about the speed of the car, they won't care about how the car will fit 10 people and is so practical.

Let me use another example from the real estate business. I always told the sellers that I had listed that I would call them once a week. I could just simply tell them that, or I could say; "I will call you every week on Wednesday Afternoon. When I call you I will tell you exactly what is happening with your home and what the buyers that look at it are thinking. If you have any questions, I can answer them when I call."

Notice the difference between I call once a week, and you will be informed on the buyers and can ask any questions you may have.

That wraps it up for this chapter. In the next chapter I will show you what will increase the response to your mailings by about 30-40%. I will talk about the importance of having an envelope the prospect will open and how to do that.

Chapter 3: Unread Letters Don't Sell Anything. How to get your prospects to open and read your letter.

Just like people that don't take your calls never buy, the same is true for people that never read your letter. People sort their mail over the trash can. As soon as they perceive you to be another unwanted messenger, bye, bye into the trash can you go. I own a rental house and wasn't receiving my mail there. The tenants saved my mail for a year and gave it to me in a box.

My Experience with a Year's Worth of Direct Mail. This was my closest experience to seeing what all the mail you get looks like at one time. There were people trying to get me a new mortgage (probably 60-70% of the letters), letters about all sorts of home related products I could buy, a letter about a local restaurant I should try, letters from charities trying to get me to give them money, and other letters to numerous to mention. If we are going to send direct mail we have a lot of competition. How do we get our letter to stand out from all the other letters our prospects are receiving and get opened?

This Booklet Will Show You How to Compete and Beat the Other Letters. If you ever go to the supermarket and look at all the junk magazines (tabloids) they sell there, then you understand the competition. Every other week it seems like Brad Pitt and Angelina Jolie have either split up or reconciled. Crazy eh? The people that work for these magazines are some of the highest paid people in the magazine business. Why? Because enough people shell out \$5 for one. When we take a serious look at these magazines, we will see how hard they work to make sure they write interesting articles that get people to read them.

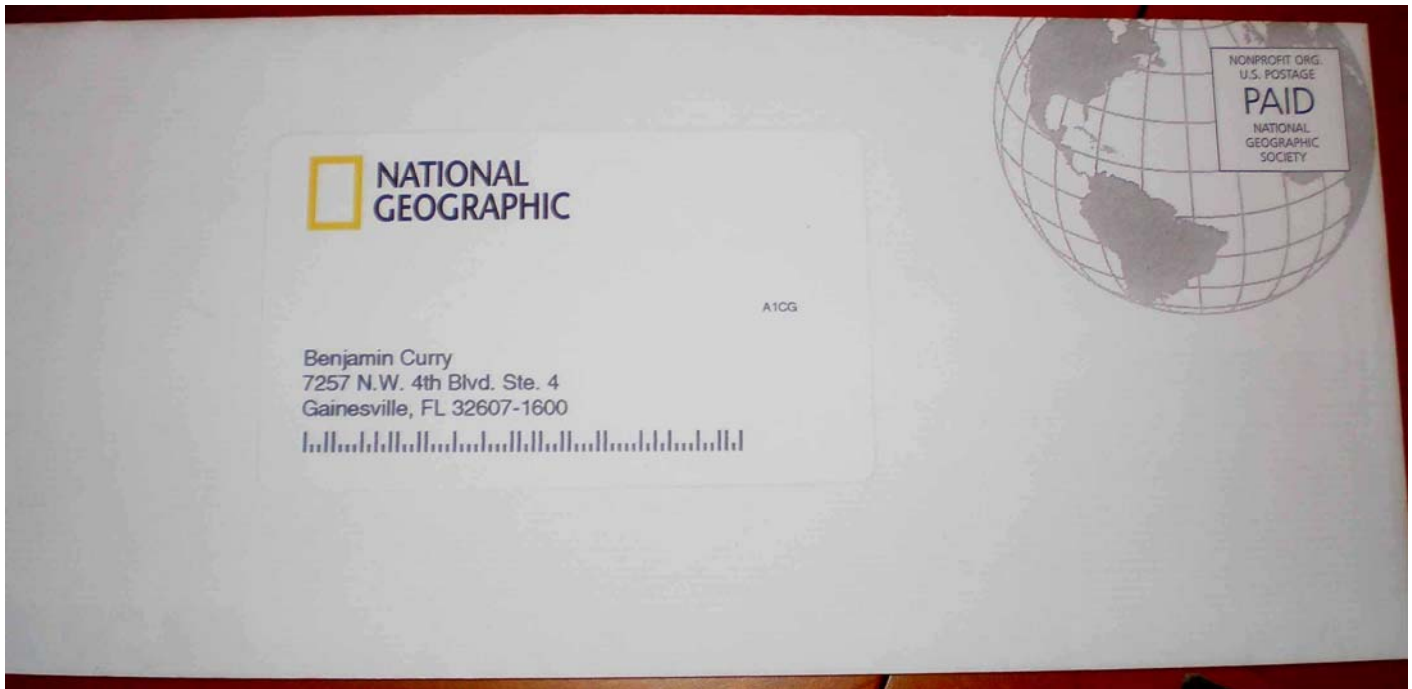
Or take Reader's Digest for example. This is the perfect dentist office lobby magazine. Once I pick one up, I immediately have 3 articles I want to read. When the person tells me it's my turn to get my teeth drilled into, it's no wonder I want to stay there and read that magazine.

Best Selling Magazines work very hard to get people to read them. If we expect our direct mail to work, we must do the same thing. The first step is to even get someone to open our envelope. There are several ways we can do that. Let me show you the first one.

You and your prospect are a lot alike when it comes to reading mail. You both go through it over the garbage can and throw out anything that looks like junk without opening it. The mail that you will open is stuff that you are expecting, bills, and letters that you don't know what they are. The key is to somehow fit into one of those categories. Here is how we can do that and get our prospect to open our letter.

What Not To Do. When we go through your mail, the first thing we look at is who it is from. So we look at the return address. If the return address is a company that we know about and we feel they are trying to sell us something, we will probably throw the envelope out.

For An Example on What Not To Do,
Look at the Envelope on the Next Page.



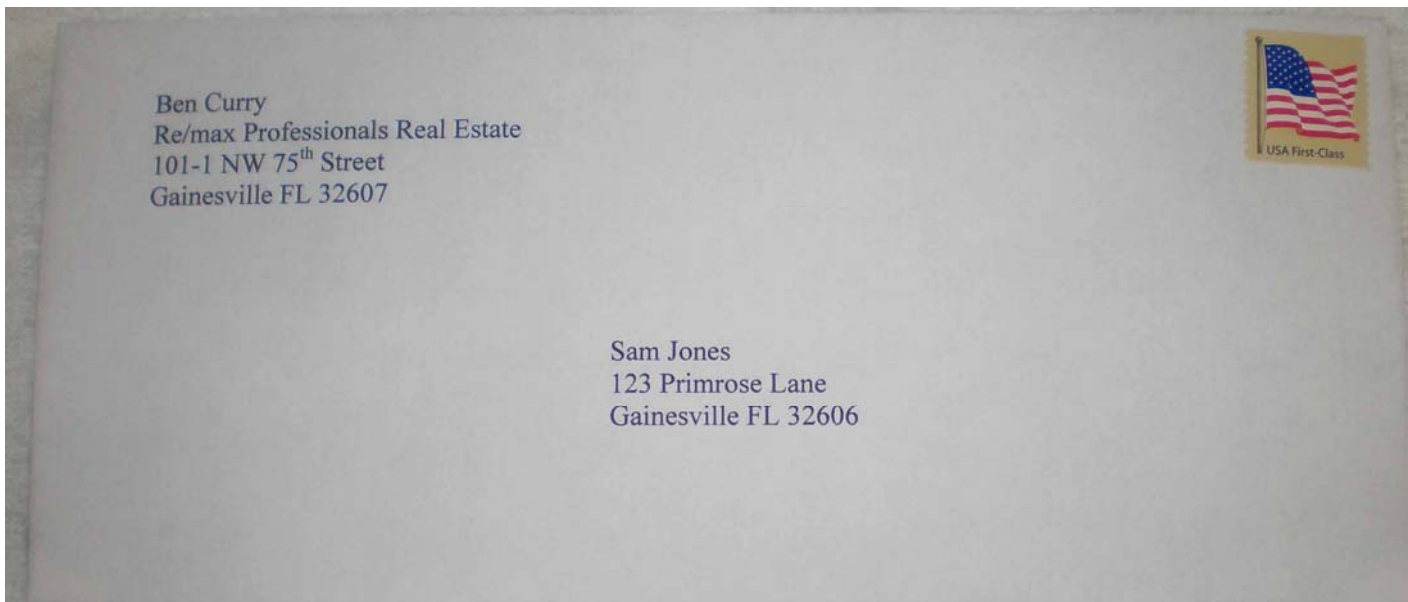
Let's look at this letter from a prospect's perspective. I am the prospect so I'll tell you what I think. I'm not particularly interested in reading National Geographic. I already read a lot of books, I subscribe to 5-6 different magazines, and I don't have a lot of extra time. Therefore I am very selective with what I read. I think that is the biggest general draw to people. Honestly though I think that the people that read National Geographic are a niche audience.

Their subscribers are smart people, probably scientists, architects, and the like. I would think that their readers in general would be generally affluent and well educated. People that want to further their education and know more about the world would read or subscribe to this magazine.

Let me tell you the specific items that will turn the prospect off right away. These items will tell them Quick as a Jiffy;
"This is a Sales Message, Are You Ready To Be Subjected to Another Sales Pitch?" See Below:

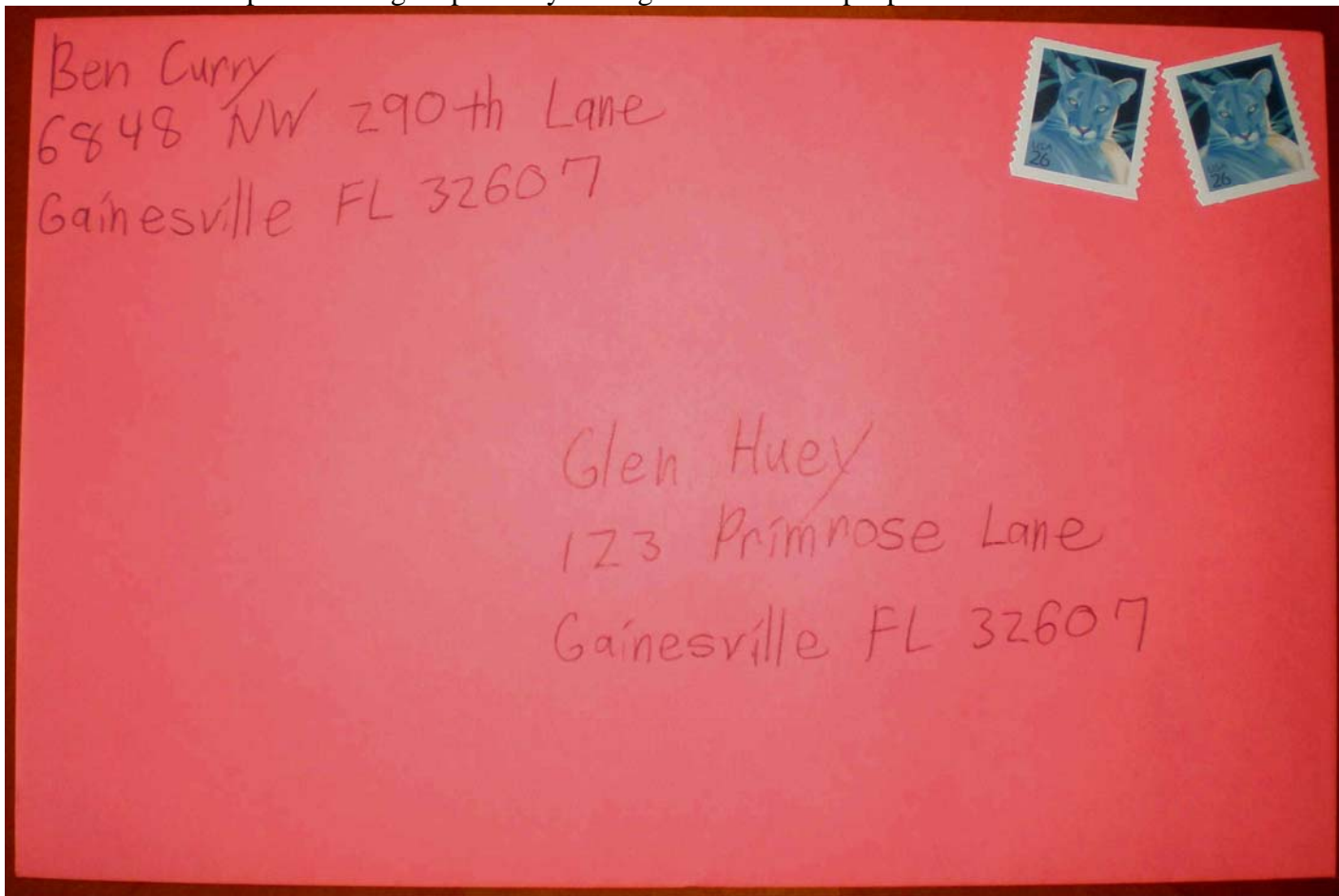
- Company Name & Logo around the stamp. I think to myself; "Wow, another magazine that wants me to subscribe sent me a letter. Boya, this is my lucky day!"
- No Stamp. This makes the letter stand out much more as a corporate looking mailing.

Here is another example of what not to do. See the next page:



Here is the really bad thing about this envelope. It has a business return address. Also, the 101-1 stands for a Suite Number. A lot of businesses are in a suite and most consumers know this. Most people who have 20 letters to go through and don't want to be subjected to an unwanted sales pitch will throw this away without opening it.

Below is the envelope that will get opened by the highest number of people.



Notice the difference between this and the National Geographic Envelope?

- **Colored Envelope.** This is very helpful because it causes your envelope to stand out in the middle of the 20 other envelopes your prospect is holding.

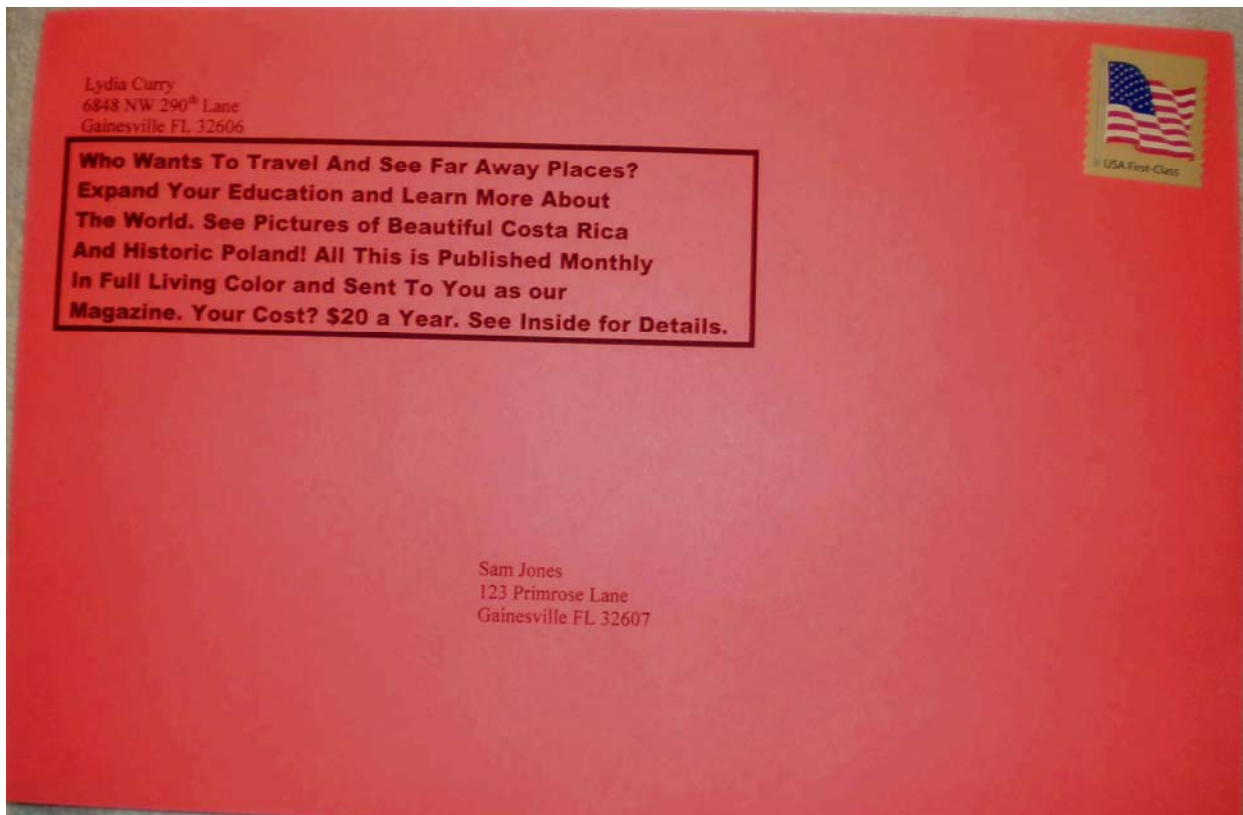
- **No Company Name.** This letter could be from a friendly neighbor, or a person that is just mailing you about a personal matter.
- **Live Stamps.** A lot of people love to throw envelopes thru a stamp machine. This is great for efficiency, but if you have the time it's worth stamping them with what I call a "live" stamp. No, I didn't come up with the term. A "live" stamp is a real stamp that is put on by hand.
- **Two Stamps instead of just One.** This will always boost response if you have the time to do it.
- **Handwritten address.** This really boosts the response, but is often not worth the time invested.
- **Street Address for a Return Address.** You always want it to look like this envelope has been sent from a person versus a business. Here is a trick I learned that works very well. For example, if your corporate return address is:

9400 NW 36th Place
Suite B
Gainesville, FL 32607

Instead of using that return address which is obviously a business, use this return address instead:

9401 NW 36th Place, Apt. B
Gainesville FL 32607

Notice the difference that just one word makes? Here are several other things we can do to increase the effectiveness (and thereby sales profits) of our mailing. We can use a bigger envelope, or we can write a sales message on the outside of the envelope. **The letter shown in the picture below is the preferred letter for busy business people.**



Here is why this envelope works awesomely.

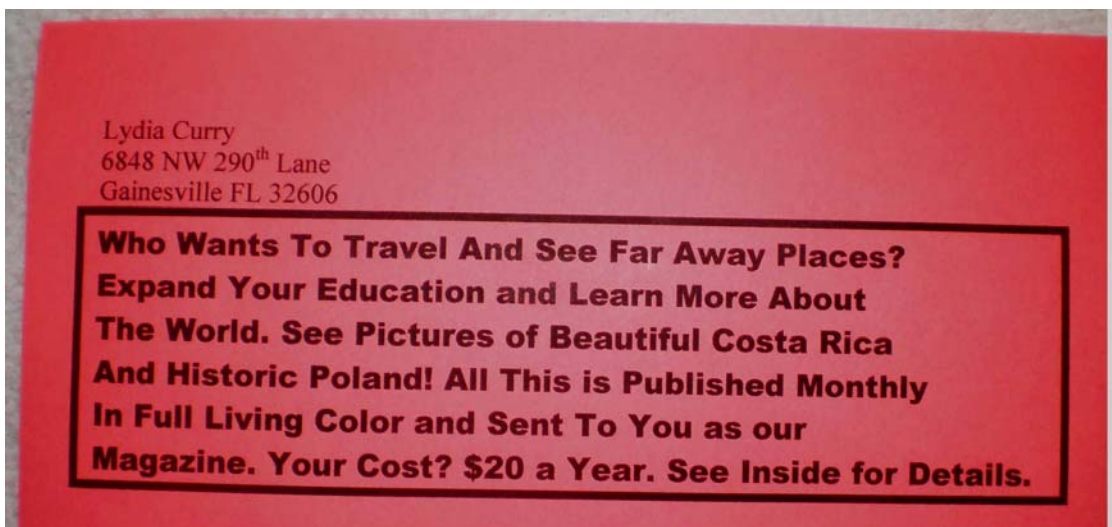
- **6 X 9 Size Envelope.** This letter works very well for the billboard effect I have put on it. A 6 X 9 Envelope has a lot more room to put your Billboard Headline.

- **Return Address is Lydia Curry.** This is my wife, but it is not a name that immediately pops into their brain as someone they know. This makes the letter fit into the people we don't know category. Note that this only matters if they know who I am. It wouldn't matter if I am mailing a "Cold" list.
- **Billboard Effect with the Headline: *Who Wants To Travel and See Far Away Places? Expand Your Education and Learn More About the World. See Pictures of Beautiful Costa Rica and Historic Poland. All This is Published Monthly in Full Living Color and Sent To You as our Magazine. Your Cost? \$20 a Year. See Inside for Details.*** If this person is interested in learning more about the world and those two place sound interesting to them, then they would open this letter. I would only send this letter "Cold" to a list of people that I knew fit the profile of my readership.
- **Here's the Best Part.** You could commercially print this letter and use whatever kind of postage you want. Forget about handwriting addresses and hand applying stamps. You can send this letter with a machine doing all the work for you.

Here are a couple of things to note about mailing:

- Notice I didn't push the Billboard too far up towards the Top Right or too far down towards the recipients address. There are several reasons for this. The post office will stamp over your headline if it is above 1.6 inches below the top of the envelope. Also, if the headline is below 4 inches from the top the address machine can't pick up the address.

Here is a zoomed up look at the Billboard Headline and Return Address.



Here's what makes these letters increase your response. When you open your mail, what is your goal? You just want to sort out the bills, and throw the junk mail away. **This makes it tough to get our letters read.** Look at the picture on the next page.

Which letter catches your attention out of all these letters? Which one is going to be the most likely to be opened? The Red Envelope not only sticks out, but it looks like it was sent from a real person and isn't just another business solicitation.

Here's how we figure out the profits of using direct mail. In order to put together a mailing, you have a lot of costs. The biggest cost is the stamp. Right now, a first class stamp is 41 cents. If you use bulk mail, you have to mail at least 200-500 pieces at a time and your rate will be reduced to 20-25 cents. Then, you have the cost of the paper. If you send 5 pieces of paper and they cost you a cent apiece. That brings you up to 46 cents. Now, we have the envelope. If you buy envelopes 500 at a time, they run about a cent apiece as well. So the cost of the mailing without labor is almost 50 cents. It will be 50 cents if you go with bulk mail after you factor in the cost of the labor for printing it.

With the high costs, why do people even send out direct mail? Well, let's run some numbers. Let's say we are selling a product that will bring us in \$200 in profit for each one we sell. If we mail 100 letters at a cost of 50 cents apiece, the mailing will run us \$50 without factoring in the labor. We make one sale for a \$200 profit which gives us a net profit of \$150 after paying for the mailing.

But, let's say that we use the 6 X 9 envelopes at a cost of \$15 per 100. So the cost of the mailing increases by \$15, but we make one additional sale because more of our envelopes are opened. Now, our net profit comes out to \$335 (\$200 times 2 equals \$400. \$400 minus \$65 cost of mailing equals \$335). **So we make an additional \$185 in profit due to the increased response from our colored envelopes.**



Chapter 4: How to Put Together a Profitable Direct Mail Campaign

Here is where I am going to show you the numbers of a direct mail campaign. Let's say that we are going to market for new landscaping installation to existing homeowners. I would search for homes 1 year and older and in a more upper class neighborhood. '

Here is how much our mailing will cost. Let's say that we mail 200 homeowners a four page new landscape installation letter that we write. Look at the costs below.

Quantity	Item	Cost per Item	Total
200	First Class Stamps	\$0.41	\$82
200	Astrobright Envelopes	\$0.13	\$26
600	Pieces of Paper	\$0.03	\$18
800	Printing Costs	\$0.06	\$48
		Total	\$174

Obviously, this mailing will cost us \$174 plus the cost of our time to put it together. But, let's say we get a 1.5% response rate (the average response rate for direct mail is 1-2%, even for credit card companies.) So we have three potential jobs and we get two of them.

What is the total profit from the two jobs?

Let's say that the first house we install a irrigation system and we charge \$3,500 for a four zone irrigation system. Our material and labor cost us \$1,900. So, we end up with a profit of \$1,600 for the job. The other job is a little smaller and our profit is \$600 for a day's worth of work. The total profit from the two jobs is \$2,200. When we subtract the cost of the mailing (\$174), we have a net profit of \$2,026.

Basically, you spend a little bit more money on sales, but you make up for it on the quality of the customer you are working with. When you have more than enough work (rather than not enough) you can charge more because you aren't desperate for every dollar you can make.