

## Evaluating Direct Marketing Results

Responses to direct marketing campaign may include direct sales, appointments with salespeople, and opportunities for future sales.

This activity outlines a variety of responses for an email campaign for an auto insurance company. If you were the manager for the campaign, how satisfied would you be with the following results?

### **About the Campaign**

'Got You Covered' insurance company sent out 1,000 emails to their customer and prospect base. The total cost of the campaign was \$5,000, as it included a free gift giveaway. Only 1,000 emails were sent in order to test the marketing campaign first, before rolling it out in larger numbers.

A summary of the results is as follows:

<ul style="list-style-type: none"><li>• 20 people indicated that they would like to talk to customer service rep over the phone<ul style="list-style-type: none"><li>▪ And 10 of these people later bought an insurance policy</li></ul></li></ul>
<ul style="list-style-type: none"><li>• 20 people indicated that they were not interested at this time, but confirmed in their reply that they would still like to receive future promotional offers</li></ul>
<ul style="list-style-type: none"><li>• 10 people indicated that they wanted to get the more details on the insurance offer<ul style="list-style-type: none"><li>▪ After some follow-up, 5 of these people took out the insurance</li></ul></li></ul>
<ul style="list-style-type: none"><li>• 5 other people indicated that they would like some information on <u>other</u> insurance products</li></ul>

Important Note: To help you evaluate the results, the company makes \$200 profit on each policy sold and the average person remains a customer for five years.)

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### **Student Discussion Questions**

1. Outline the mix of responses that the firm received from its email direct marketing campaign.
2. Which of the responses received would be the most valuable to the firm? Why?
3. What was the sales conversion rate of the campaign?
4. If you were the campaign's manager, how satisfied would you be with these results? Would you repeat the campaign?