



## Is Direct Mail Dead for Motivated Sellers in 2020?

Hosted by: Joe McCall

Hey, what's up guys? Joe McCall here from the Real Estate Investing Mastery podcast. Just drinking my coffee. Ahhh, it's good. Got something interesting for you. Is direct mail dead for 2020? As I was reading my or drinking, as I was reading my newsletters and drinking my coffee, I came across, Hey Jonathan, hey Bruce! How are you doing?... This company that I use to do all my direct mail. It's called Graphic Connections. It's a company out of St Louis here. They sent me this newsletter in the direct mail, by the way. Right? And it says "10 direct mail marketing statistics that will surprise you". And I want to talk about this because it's good to be reminded of this.

So, the quick answer is, if you want to just hurry up, Joe, get to the point, direct mail is not dead. And it will not be dead as it gets harder and harder to do online ads... as it gets harder to do ringless voicemail and text messages... maybe even illegal... as it gets harder to do cold calling.

Well, guess what's going to happen? Direct mail is going to start working again in a bigger and better way. It's always been working. Sometimes it works better than others and sometimes doesn't, but I thought this was really, really fascinating and I'm just going to read some things to you.

By the way, did you know that the postal service still sent 77 billion pieces of marketing mail in 2018 alright? So, everybody thinks that marketing today is antiquated, it's fading fast. But you're wrong. Even in a digital age where mobile ad spending expects to reach \$247 billion by 2020, listen to this: direct mail industry response rates have been consistently on the rise over the past 10 years. Direct mail response rates—as an industry, as a whole—is increasing every year for the last 10 years.

Here's some 10 surprising statistics. Number one, I think we all know this too... direct mail is less annoying than the internet, right? When you're online, you get pop up ads, you get videos that start, you don't know how to stop them. You get, even in the middle of the videos, you've probably seen this on this video here, something happens where it just pops up in the middle. You get an ad, you have to wait till the ad's done, just skip the ad or whatever. So, 43% of people they surveyed said that direct mail is less annoying than the internet, which is cool, right?

Number two, people sort through their mail immediately, don't you do this? You know when you're, you get the mail in, you just don't let it sit on the table. You go through it and sooner than later. Now when you get an email, when you get a voicemail and you get a text message, do you read it immediately right away?



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Usually not. So, there's a good chance that you're getting your mail within a walking distance from your front door, right? Well, listen to this: According to the United States Postal Service, 77% of people sort their mail immediately upon getting it from the mailbox. No other media channel does that, right?

Number three, Americans love mail. The Direct Marketing Association reports that 56% of Americans consider it a real joy to receive mail. Now, I'd be curious to know in the comments what you think. Do you enjoy direct mail? You know, the more spam email I get, the more unwanted robo calls that I get.... you know, the text blasts that I get, like I like direct mail because I can go through it when I want.

Do you ever sign up for utility bill and they have, they give you the option to go paperless? I hate that, right? Because then it's going to get lost in my email and I'm going to forget about it. I always want them to send me a paper bill so I remembered to pay it or I remember that it needs to be paid or whatever. Right? So, you guys are all different, I'm sure. So, a lot of people enjoy getting mail and you think that millennials, the younger generation, doesn't like getting mail...? They actually do.

Number four statistic says millennials love getting mail too. According to Gallup, 95% of millennials say they love getting physical mail. 92% of them think it's easier to read print marketing than digital marketing. Did you hear that? 92% of millennials say that it's easier to read print marketing than digital marketing and millennials respond to direct mail faster than any other age group. Millennials respond to direct mail faster than any other age group, maybe because they're just not used to it, you know, and it's kind of new.

Number five, direct mail industry gets great response rates. Now when you consider email open rates, when it could be five to 10%, I mean that's not bad, but when you're talking about that's just open rates and people that actually respond. You're talking in the... Here it says, emails receive an average of 0.1% response rates. Paid search receives an average 0.6% response rate. Social media 0.4% direct response rate. Online display advertising, 0.2%.

What is mail? Well, it depends. We just did an owner... We do land, we do letters for land direct mail letters. I just had one right here. I should've shown it to you. We were getting nine and a half percent response rate on our direct mail for our land. Is that crazy or what? We just did some owner financing letters, like sending letters to properties that are free and clear, to buy them with owner financing and we're getting about a 2% response rate with that.

Now, the Direct Mail Association, they have a report here that says on average, 5.1% of U.S. households respond to direct mail and 4.4% respond to B2B mail, so business to business. 4.2% respond. That's almost three, four, five times higher than email, paid search, social media, online display advertising! Okay?



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Alright... number six reason why direct mail is still a good avenue for you is... the direct mail ROI is high. Okay? According to the DMA, the direct mail median household return on investment is 29%, okay? This company says here, we send millions of pieces of mail each year for the real estate investing industry. Yeah. Most of those letters are mine. I'm just kidding, they're not. This company does this newsletter and they send direct mail for investors all over the country. There was a period of time when we were literally sending a couple of hundred thousand postcards a month.

And so, he's saying here, we see ROI rates between a hundred to 500%. So, when \$10k, \$20,000, it's not uncommon you spend three grand on direct mail and you make, you know, you make \$10k, \$20k, \$30,000 on a deal. That's pretty phenomenal return on your ad spend. Right? So, while an online ad, while an online ad might be cheaper, your ROI tends to be higher on direct mail.

Okay, number seven, direct mail is still a \$44 billion industry. I mean, right now we're in the middle of the holidays. How many catalogs have you gotten from the same company in the last week? There's a company my wife likes to buy from called Sundance, and I swear every two days they send us a catalog that's a quarter of an inch to half an inch thick. Right? Why would they do that if it doesn't work? Cause it reminds my wife, Oh, I need to circle the things that I want my husband to get for me for Christmas, right?

Now, listen to this: for every \$167 that was spent on direct mail in the United States, products or services sold for an average of \$2,09. So, on average for businesses who do direct mail, for every \$167 they spend, they are getting services or selling products or services on average of about \$2,095. It's a 1300% return on investment. Okay?

Number eight, direct mail produces consistent results over time as opposed to the digital media. Digital media is always changing, rapidly changing. You've got to stay hot on top of it. You got to stay ahead of the curve. New strategies are born, they die, they quickly come back again, they die again. But direct mail has always worked and it always will work.

Alright, number nine, in case you're interested, direct mail increases donations for nonprofits. And we go to church, you know, we donate money to ministries and stuff like that. Something's going on when like Joyce Meyer's ministries, right? Every week she sends a letter, and I know one of the guys who works at their offices, they have a couple hundred employees. It's crazy. It's huge ministry, right? And they do a lot of really good things... So, don't go bashing TV preachers or anything like that.

But here's the thing, they're sending direct mail pieces to us almost every week that costs an average of a \$1.50 to \$2 for everything they send us. And it's not just a letter, you know, it's a letter with a return



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envelope. It's a package with a CD in it. It's all kinds of stuff. And you think, why on earth would they send so many different people these expensive pieces of mail that, you know, that are color like this, that are big, bulky items. It's not cheap, but you know what, the ROI is really good because they're always constantly in front of their potential donors and their donors, you know, and they just feel like... They're in a good mood, they get a letter from some ministry and then they donate some money. It works. Nonprofits that use targeted direct mail increased their donations by 40% on average. Bada boom, bada bang. Alright.

And then finally, number 10, direct mail catalogs get people to act. Over 60% of direct mail recipients visited a website. Over 60%. according to the USPS catalog, recipients bought 28% more than those that didn't receive the same catalog. Alright? So, while the world's going online, everybody's on their phone all the time, everybody, you know, maybe they're not even looking at, you know, their emails anymore. Nobody's answering their phones anymore. It's going to voicemail. They're texting, they're Facebook messaging.

You know, we're still doing marketing, we're still doing Facebook ads, we're still doing cold calling and texting and all of that. But guys, I'm telling you, direct mail still works, especially now as your competition is doing less and less of it. You should be paying more and more attention to direct mail. And I'm talking about, you know, not just sending it to anybody and everybody, but be sending it to specific targeted lists.

Here's the other really, really cool thing about direct mail that a lot of people forget. You can be hyper focused and targeted with direct mail that you can't be with online advertising or marketing, right? You can say, all right, show me... I want to pull a list of all of the three to four bedrooms in these specific zip codes where they, the owner has purchased it at least 20 years earlier, and it's an absentee owner from outside of the state, and maybe they're late on taxes or it's vacant or it has liens, pre-foreclosure... There's like a million different ways you can pull really good targeted lists for direct mail.

So, there's a couple of secrets though, if you're interested in doing direct mail, that you've got to remember to do. Number one, you gotta be consistent. You've gotta be consistently doing your marketing, okay, not give up, not quit. But you, if you're not committed to do your marketing, your direct mail, especially for at least six months, then don't even try. Stop right now. Save your money. Go do something else. You've got to be committed when you start doing your direct mail to mail that list for at least six months without slowing down.

Now how often? It depends on the list. You know, every one to two or three months, you need to be sending them a different piece of mail. Here's the thing, most of your deals from your third or fourth piece of mail, they come after the follow-up. They come after you followed up with them for three months. You



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know, after they call and they say, no, you still send them more direct mail. In fact, you send them even more than you might. They might be on a list where you were sending them every three months, but now that they call you and it becomes a lead, you're sending them mail every single three, four weeks, right? So, you've got to be consistent in it for the long haul.

Number two, you've got to make sure you're sending to a targeted list. Okay? Don't just send a blanket zip codes unless it's like super hyper focused and you want houses in that one or two zip codes. But like don't just do spray and pray. You gotta be laser focused and go an inch wide and a mile deep on your direct mail. Okay?

What else? Be creative with your direct mail. Don't use glossy photos. People don't care about pictures of your dog. They don't care about your glamour shots. Especially if you're a realtor. They don't care about the play on words that you do with your name. You know, just stop it; like, forget that. Send boring ugly postcards. Boring, ugly, yellow letters, handwritten yellow letters.

If you think all that doesn't look professional, that's fine. You hate money? Send professional letters... go ahead. But I'm telling you this: non-professional, unprofessional things work better. I'm talking even with spelling checks, I mean spelling errors, you know, that haven't been through a spell check. Handwrite, the envelope's crooked, the you know, the font on the postcard is old typewriter font. That's as simple as that, right? Make sure it's personalized. Make sure it doesn't look professional and you're talking in your everyday normal language.

You're not talking complicated. You know... what's the word I'm looking for? Like real estate investor-ese language. Does that make sense? I'm thinking about testing a postcard. I just wrote this down and I wish I could remember where it was, but something similar along the lines of, Hey, would you rather list your house or sell it? If you want to sell it, give me a call. I'll buy it. Just something simple like that. I mean, yeah, you're probably not going to get a huge response rate, but the few calls you will get, you will get leads or deals out of that.

Alright, so that's all I wanted to say. If you're interested in getting this newsletter, it's from a company called Graphic Connections. It's called the Frog Blog: 10 direct mail marketing statistics that will surprise you. I'm sure you can find it online, maybe Graphic Connections... let me tell you their website. Jeff Charlton's the president. Well, I think Jeff Charlton needs to take a class on having calls to action on his newsletters... Jeff, if you're watching this. I don't see anywhere where it says to reach him, okay. There's an online blog. Here it is. Go frog... No, no, no. Come on, Jeff. [gcfrog.com/frogblog](http://gcfrog.com/frogblog), whatever. Okay.



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That goes to maybe my third or fourth or fifth point when it comes to direct mail. One simple, plain glaring call to action and usually it should be a phone number, okay? You know, for direct mail, website's fine. The address and phone number and all that is fine, right? When you're doing direct mail for real estate investing, you've got to have one simple big phone number. Don't send them to a website, get them to a phone number, get them on the phone to dial and talk to them.

Now, you might want to do a 24-hour recorded voicemail that works really well, but don't give them three or four different places to go to, right? Just one simple thing. Say 24 hour recorded voicemail, call this number, nobody will answer. You'll get way more calls doing it that way. And then when they do call, you call every single one of them back, whether they left a voicemail, whether they hung up or not. Call them all back right away.

And when it comes to direct mail, remember this too. Money loves speed, right? Time kills all deals. If you're getting leads from your direct mail, you need to call those sellers back immediately. Immediately. Alright, so cool. You know, guys, I was going to tell you something. Hold on one second. Get my book REI secrets.com, REIsecrets.com. I talk about things like direct mail in here, I talk about consistency and the importance of, you know, making offers.

Here's an article or chapter I wrote called "My solution if you don't like negotiating". I'm sure if I looked into here enough, I would talk about... Here's something I just talked about right here. It's called "Go deep, not wide... 5 ideas for any market here."

Listen, get this book, REIsecrets.com. It's free, just pay shipping and handling. And it's all about daily nuggets of real estate investing wisdom to help you get more leads and close more deals. And I think you're going to find that this book will be a real valuable resource. Each chapter is about two pages long, two or three, and all you need to do is just, you know, read one chapter a day, get a little bit of inspiration, get some wisdom, and hit your day running with just renewed energy and excitement and passion about this real estate investing business... because it's so awesome.

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