



THE ULTIMATE GUIDE TO REAL ESTATE DIRECT MAIL



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INTRODUCTION

Whether you are new to real estate or have been investing for many years, there is one thing that's for sure; you've heard about **direct mail** and/or know of someone that is crushing it with this tried and true marketing technique.

In fact, every time we poll top real estate investors about their most effective marketing techniques for generating motivated sellers, **direct mail is always in their top three.** That's because this marketing method has been tested and consistently proven time and again to work extremely well in this industry.

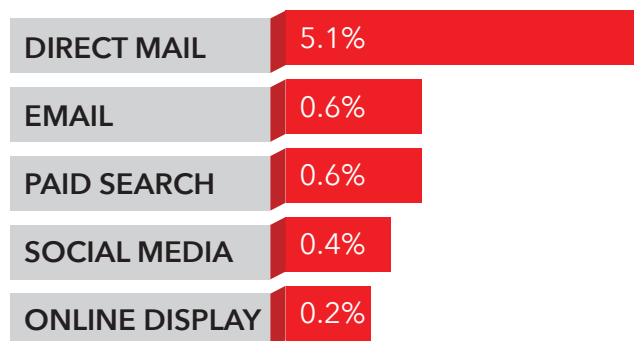
Now, you might be thinking, "Isn't direct mail a little old fashioned?" or "Why would I spend my money sending direct mail when I could use it online?" Great questions. Let's look at the numbers.

According to the **Direct Marketing Association** the average direct mail household response rate was around **5.1%** in 2016. That's the highest average response rate ever since the DMA started tracking it in 2003!

TO PUT THAT IN PERSPECTIVE,

you could expect to receive 10 CALLS from potentially motivated sellers for every 200 letters or postcards sent out.

Just for a quick comparison, here are the average response rates of popular marketing techniques at the time of writing this:



The beauty of that number is that's only the industry average!

With the right list, creative, and technique you can see response rates as high as 10-15%.

At a recent real estate investing event, we had one **Leadflow** user tell us that she was getting a 14% response rate on her Personally Penned letters to Pre-Foreclosure leads.



Targeted correctly, these homeowners are much more likely to respond, and are a higher quality lead, than any lead you will get from a bandit sign, for example.

Before we continue, there are a couple things to be aware of when it comes to direct mail.



1. DIRECT MAIL IS MORE ABOUT QUALITY THAN IT IS ABOUT QUANTITY

Direct mail isn't a channel that will flood your phone with calls all day, every day, but it is one that will help you land leads that have the most profit potential in your market.

As one of our **Leadflow** users that does 100+ deals a year put it,

"Direct mail isn't our largest producer of leads, but it is our largest producer of our most profitable deals."

That's because direct mail doesn't generate a huge list of leads, requiring a lot of your valuable time to weed out the properties that either don't fit your investing profile or are located in undesirable markets. You are getting highly targeted leads that are oftentimes motivated to sell and, depending on the market, aren't being bombarded with marketing from other investors.

2. DIRECT MAIL IS A MARATHON, NOT A SPRINT

The old adage in business is, the fortune is in the follow-up. For direct mail, the deal is in the later touches.

We'll talk more about this in the Step 3: Frequency section.

3. DIRECT MAIL SHOULDN'T BE YOUR ONLY LEAD GENERATION CHANNEL

The more touch points you have with a lead, the better. When marketing to real estate leads, you should follow up with them on multiple platforms. For example, Facebook is a great place to create another touchpoint with potential leads.

Not many people know that you can upload a list of people to Facebook, and they can create an audience that you can display very specific, targeted advertisements to.

To learn more about this technique, check out our new Facebook Master Course.

Now that we've talked about WHY Direct Mail is important in your business and what to expect, let's get into HOW to execute a successful direct mail campaign.



ANATOMY OF A SUCCESSFUL DIRECT MAIL CAMPAIGN:

When starting any direct mail campaign, there are several factors to consider in order for it to be a success.

- 1) The List
- 2) The Creative
- 3) The Frequency
- 4) The Postage
- 5) The Fulfillment
- 6) The Tracking & Analysis
- 7) The Call

We are going to discuss each of these topics below, starting with The List.

STEP 1: THE LIST

According to one of the grandfathers of direct marketing, Ed Mayer...

40% of the success of your (Direct Mail) campaign is in the data. - [Click To Tweet](#)

That's the list that you are marketing to. If you have great creative pieces, but are putting them in front of the wrong people, you're not going to get far with direct mail.

For that reason, selecting the right list source and filtering it correctly is absolutely critical to the success of your campaign.

So let's talk about some of the different list providers out there.

Counties

One way to start building your direct mail list is to head down to the county recorder's office and manually pull a list of leads to market to. There are several different types of lists that you can request through the county. The types of lists that are available to you depends entirely on your local market. The quickest way to find out which leads are available in your area is to make a phone call to your county recorder's office and ask.



The downside of this method is that it requires you to work directly with the county to pull the lists, making you dependent on someone else to pull the information that you need. The time cost, and dependency, are both things that you should consider when using this method. Another downside is that you will lose out on some of the filtering and targeting advantages that you would get from other list providers, which we'll talk more about below.

Title Companies

Another source for lead lists are your local title companies. If you have a local title company that you routinely work with, you can talk to your title agent about the lists that they may have available for you. The pro of using a title company is that, oftentimes, they may know what might work best and/or have some feedback or insight for you.

The con is, if you haven't used their service yet, they might be unwilling to help you or they may charge a fee to pull the information for you.

List Provider Companies

List Provider Companies are one of the most common ways to get lists of leads. There are several reputable ones that a quick Google search will uncover. They are a treasure trove of information, however, you have to know what you're looking for and may be forced to spend a lot of time filtering through lists to get to the information and leads that you're actually looking for.

The biggest con to most list companies is that you will end up buying the list first, then getting to see the results. So be aware that you may be paying for leads that might not be ideal for your business.

The other thing to consider is that you are paying per lead, which can get expensive as you send out more and more campaigns. Remember, consistency and repetition are key when it comes to any marketing method, so make sure your budget allows for multiple list purchases.



Leadflow Leadpipes

Leadflow's Leadpipes is a great place to get all of your lead data. With over 12 real estate specific lists to choose from, all included in your monthly plan, you have access to all of our nationwide lists and can pull an unlimited amount of leads to send direct mail to.

Another great thing about using **Leadpipes** is the robust filtering that you can do with your lists of leads.

You can use several fields of criteria to filter your lists and then cherry pick the ones that meet your ideal client profile. For example, you can come up with a list of absentee owners, in a 3 bedroom, 2 bath, single family home, with high equity, who have owned it for 15+ years.

Leadflow is also directly integrated with a top notch direct mail house that does over 1 billion sends per year.

EXPERT TIP:

Once you have the right list, there is one very important final step, which is processing your list through a National Change of Address (NCOA) Registry. NCOA registries take the list and bounce it off the USPS National Change of Address database and updates any old addresses with the new addresses of the mailing recipient. This decreases your Undeliverable/ Return To Sender number and saves you money on each send.

There is usually a minimum fee and a per record charge for this service, and can run anywhere between \$50-\$100 per list, depending on the provider and list size. When doing a direct mail campaign through **Leadflow**, this is automatically done for you at no extra cost before the mail piece goes out.



TYPES OF LISTS

There are many different types of lead lists that are available to real estate investors. Which ones to use depends on the **ideal client profile** that you are targeting and what's available in your market.

For this article we are going to focus on three popular types of lists that real estate investors target.

Absentee Owners

Absentee Owners are people or businesses that own a property, but do not live in it. The way they are identified is when the subject property has a tax mailing address that is different than the property address.

Absentee owners do not live in the property that they own for a variety of reasons, including they are landlords and are renting out the property, they inherited the property but don't live in it, or they simply own it and have it sitting vacant for some other reason.

Regardless of their situation, absentee owners are a great lead type due to the fact that they often have less attachment to the property since they don't live in it. They may also have more deferred maintenance due to the homeowner not living in the property.

The key with Absentee Owner lists is to find owners with high equity who have owned the property for a while.

Pre-Foreclosure

Pre-Foreclosure leads are properties that are in the beginning stages of the foreclosure process.

Generally these leads are found by pulling the Notice of Default, Lis Pendens, and Notice of Sale from the public records in your area.

The key to marketing to pre-foreclosure leads is marketing to them the right way at each stage of the pre-foreclosure process.

As soon as a homeowner receives the Notice Of Default, you want to get in front of them. You'll find two types of owners who receive a Notice of Default for the first time.

The first type is the action taker. This type of homeowner likes to take care of issues quickly, as soon as they arise. These people may call you within a week or two if you get a direct mail piece in front of them quickly. For this reason, you should be constantly building fresh Notice of Default lists and sending them a direct mail piece as soon as possible.

The second type is the "ostrich" or "head in the sand" homeowner. These people may find themselves in a place of denial, generally hiding from the issue until it gets worse. These people won't be motivated until later in the process, but it's still very important to get your information in front of them right away. These are the same people who, when they realize that they need help, will also recognize that you've been consistently sending them information on how you can assist them.



Once the property owner gets the notice that an Auction Date has been set, a new sense of urgency kicks in. This is when you are more likely to get responses from your direct mail efforts. This does not mean that you should only market to people with an auction date set. Remember, you want to be in front of the homeowner through the entire process. Your consistency will stand out to them.

EXPERT TIP:

A lot of our users have found increased response rates using Personally Penned Letters. These letters give a more personal touch to the direct mail letter and make it stand out from the more formal communication people in foreclosure are used to receiving.



Probate

Probate leads are properties that are in the probate process.

Not all probate leads are the same. Some companies provide raw lists of people pulled from the county that may or may not have property attached to them. According to investing expert, Than Merrill, from A&E's Flip This House, about 50-60% of probate records have properties attached to them. Some companies have teams that do the research and then provide the leads with property attached to them. Oftentimes, these lists come at a steep premium. Just be aware of the difference when buying probate lists.

These lists are great prospects to market to.

As is the case with inherited properties, oftentimes people that are in the probate process aren't prepared to have an extra property to maintain.

The key to marketing for properties in the probate process is to reach them at the right time and be aware of their situation. A lot of people think it's best to send marketing immediately after the property enters the probate process, however, there may still be too much emotional attachment to the property in this early 1-3 month stage. It's also important that you don't over saturate these people with marketing and that you show sensitivity to the situation they are in when speaking with them. Think monthly touches, not weekly.

EXPERT TIP:

Another probate lead strategy is to market to attorneys in your area who specialize in the probate process. You can find these lists through a lot of online attorney directories and can pull together a few in your area to contact. Automate the process and find a virtual assistant through a site like fiverr to do the legwork for you in building the list.

FINAL THOUGHTS ON THE LIST

There are many **other list types** available to real estate investors. As with any investing technique, it's important early on to make a decision to specialize in one or two lead types and master the processes behind them.

For example, if you are going to pursue pre-foreclosure leads, make sure you are well versed in the foreclosure process, and be prepared to move fast to help the homeowners out.

If you attempt to market to any and all lead types, you might find yourself overwhelmed with leads and having to figure out how to convert different lead types to deals.

Now that we've talked about The List, let's talk about The Creative pieces that you are going to send to them.



STEP 2: THE CREATIVE

Now that you have a list, the next step is selecting the creative you are going to send to them.

There are two parts to the creative:

- 1) The message
- 2) The format or type

As we talked about before, you will market and communicate to each lead type differently, based on their situation. The goals, wants, and needs of each lead type are very different so your messaging should reflect those differences.

The message to a cash buyer or investor will be very different than the message to a typical homebuyer. The message to a free and clear seller will be very different than the message to an upside down seller. Knowing your lead before you send them a marketing campaign will help with your approach and messaging, and will ultimately increase your conversion rates.

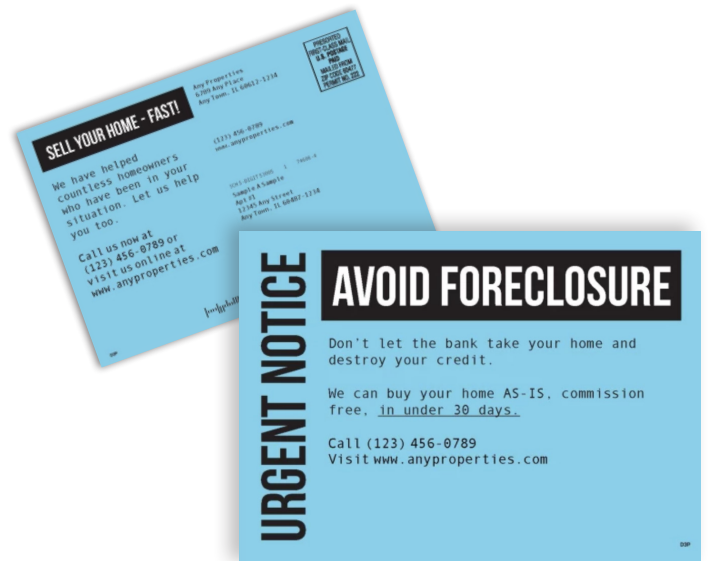
The second part of the creative is the format or type of direct mail you are going to send to the lead.

There are many different types of direct mail you can send to your target audience and your creativity is really the only limitation you have. For this

article we are going to talk about **three of the top types of direct mail** that real estate investors send.

POSTCARDS

Postcards are a simple and cheap way to get your message in front of your target audience. Done correctly, they stand out in the mail pile and can deliver a short and easy-to-follow Call To Action to your target audience. The key with postcards is to stand out.

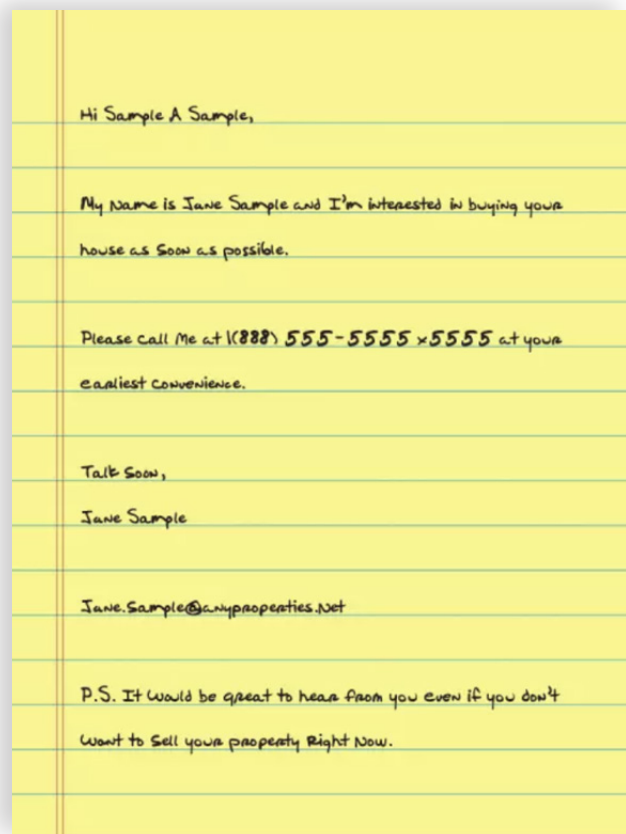


(Example **Leadflow** Pre-Foreclosure Postcard)

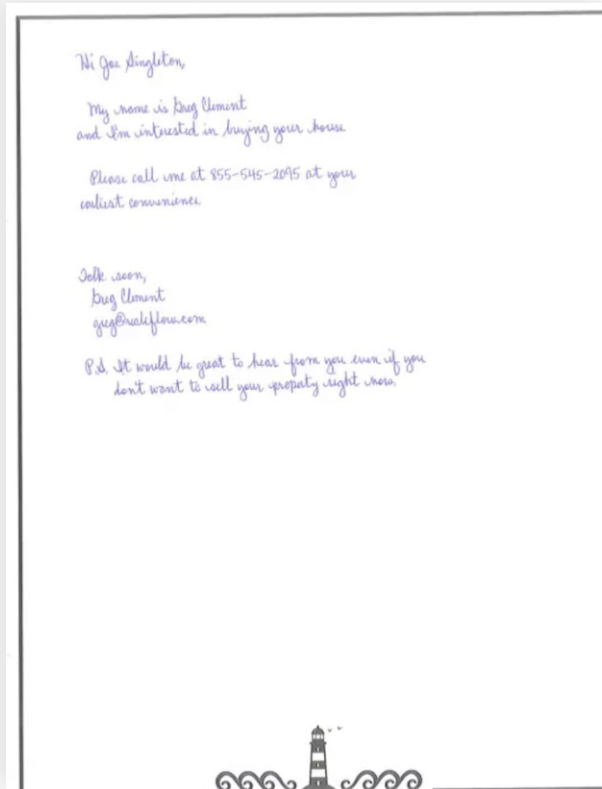


YELLOW LETTERS

Yellow letters are simple 8.5x11 or 5.5x8.5 letters on yellow lined paper that are handwritten, or appear to be handwritten. These letters not only stand out, but appear more personalized depending on the method used to print the letter.



(Example of a **Leadflow** Yellow Letter)



(Example of a **Leadflow** Personally Penned Letter)

HANDWRITTEN/PERSONALLY PENNED LETTERS

One of the most effective types of direct mail you can send is an actual handwritten letter.

While handwriting hundreds of letters AND envelopes seems like a time consuming task, this is something that can be completely automated through **Leadflow's Personally Penned Letter campaigns**.

Leadflow's direct mail fulfillment company has a warehouse full of robots that hand write letters with actual Bic-style pens. The end result is a letter that looks and feels as though you spent the time and effort to hand write a letter to your lead!

We've seen the response rates with personally penned letters as high as 14% on direct mail campaigns. That's nearly 3 TIMES the industry average response rate for 2016. To put that in perspective that could be up to 28 calls from a 200 letter campaign.

The main reason for its effectiveness is the handwritten envelope, which gets a higher open rate than the typical typed envelope. The handwritten letter inside adds a personal touch that sets you apart from others in your market.



Here is a response from one of Leadflow's users on his **Personally Penned Campaign**...



As you can see, there are a variety of different types of creative pieces that can be used in your campaigns.

Not a copywriter? Leadflow has hundreds of pre-written, pre-designed direct mail pieces inside its Direct Mail Engine. Give Leadflow a try today...

Now that we've talked about Creative, it's time to talk about The Frequency you send letters.

STEP 3: THE FREQUENCY

Frequency refers to how many touches you have with a lead; the number of letters sent, and how often you send them to your list.

Touches

As mentioned before, the effectiveness of direct mail is often directly associated with the number of touches, or the number of direct mail pieces you send to a lead. Oftentimes, the response rate increases at the later touch points.

It's more effective to send to a small list multiple times than it is to send to a large list one time.

So what is the magic number of touches?

Most experts agree that the largest increase in response rates happen between touches 4 and 6.

Is this an exact science? No, but it is based on our experience in sending hundreds of thousands of direct mail pieces for thousands of real estate investors over the years.

Intervals

The next thing to consider is how often you should send your campaigns. If you are going to send a multi-touch campaign, you can send it weekly,



bi-weekly, monthly or any interval of your choosing. This largely depends on the type of list you are sending to.

For a list like probates, due to their potentially sensitive situation, you might want to market to them monthly so as not to overwhelm them.

For absentee owners you could get away with bi-weekly or monthly.

For pre-foreclosures closer to their auction date, weekly or bi-weekly.

The big disadvantage to sending too frequently is your budget. The other potential disadvantage could be if the homeowner receives too many too fast, your marketing pieces may be more easily identified and potentially thrown away.

Now let's talk about The Postage.

Once a direct mail house sends out a batch of bulk mail to the United States Postal Service (USPS), it enters their queue and is processed on a "time available" basis, which can mean delays in when your mail actually goes out. Sometimes this delay can be a few days, other times the delay can be two to three weeks. It all depends on the time of year and how much bulk mail is being sent at that time.

This means if you are sending a letter to someone in an urgent situation, like foreclosure or the probate process, your letter could be delivered too late.

The other drawback with bulk mail is that it does not get forwarded or returned. So if the owner has moved, it won't be re-addressed and it won't be sent back to you. You'll never know if they've moved and you'll never know that they didn't receive your mail.

So you might be asking, "why would I ever use bulk mail?"

You would want to use bulk mail when you are putting your letter in front of leads like absentee owners, who don't have a lot of urgency in their situation.

First Class

First class mail is viewed as a priority over Standard Mail and, therefore, gets processed more quickly. How much faster? In general, first class mail is delivered within 2-3 days locally, and within 4-5 days nationally.

That's not the only advantage to first class mail. First class mail also receives a physical stamp on the envelope, giving it a more personal, less commercial appearance and, therefore, has a better chance of being opened by the homeowner.

EXPERT TIP:

Get returns? Use a skip trace service to process Return-To-Sender postcards and letters to mine them for potential leads. Just because it got returned doesn't mean they aren't still potentially a lead. It could just mean that they changed tax mailing addresses.



STEP 4: THE POSTAGE

Postage might seem pretty straight forward, but there are some things you need to know about the different types of postage choices that you will have with direct mail.

Standard/Bulk Mail

Standard or bulk rate mail is commercial first class mail that is usually given a lower postage rate per piece. This might sound like a great option because it helps you save money on postage, however, there are a couple of drawbacks to keep in mind.



STEP 5: THE FULFILLMENT

Now that you know all the components associated with sending a direct mail campaign, it's time to put it all together.

Do-It-Yourself (DIY)

A lot of real estate investors start out in the beginning doing direct mail themselves. This is a great way to save some money and get familiar with the process of how direct mail works.

To do it yourself requires you to buy the supplies, write or print the letters, stuff and seal the envelopes, stamp each one, and then drop them off at the post office.

This may sound doable, but the one thing that most new investors forget to calculate in their cost savings is their time investment in the process. As an entrepreneur, it's important to know what your time is worth and consider your "hourly wage."

The other drawback is that as your business grows and you start taking on more responsibilities, i.e. taking calls, closing deals, managing a rehab, reselling properties, etc., you'll lose the ability to continue this process. Automation and time savings are huge when you get to that point.

Direct Mail Houses

The other option is to go out and find a local direct mail house or an online one to handle all the printing, shipping, and processing of your direct mail campaigns.

This solves the problem of you being the middleman, spending valuable time working on sending campaigns.

The big thing to consider here is that you have to find the right provider that produces quality direct mail pieces at good prices. Removing yourself from the process gives you very limited insight as to the end product, how it looks, and when it is actually being sent.



Leadflow Direct Mail

Leadflow has a relationship with one of the country's largest direct mail houses that does over 1 billion sends a year. This direct mail house is integrated right into the **Leadflow** software.

This allows investors to leverage the large selection of real estate specific leads in Leadpipes, the hundreds of tested and proven direct mail pieces written by professionals, and the wide variety of creative types, like our personally penned letters, all from one system.



Campaigns can be sent in as little as 5 minutes or less by building a list in **Leadpipes**, clicking a button to be taken into the direct mail setup wizard, and following a few easy steps to get the campaign set up. Then Leadflow sends all of the information to our direct mail house who handles and executes the rest.

The best part is, if you are doing multiple touches, it's all pre-set and scheduled so you never have to set a calendar reminder or spend more of your valuable time creating it.

EXPERT TIP:

Have your own letter that has worked well for you or see a tweak you want to make to one of ours? You can set up Custom Letter templates inside of our direct mail engine for a one time fee. Once you set that up, it's stored in your account and you can use it as many times as you'd like.



STEP 6: TRACKING & ANALYSIS

As is true in all business, is true in direct mail; tracking ROI is king. Direct mail can be one of the more tricky ones to track out of the gate.

How to Track It

The best way to track the effectiveness of your direct mail campaigns is by using unique phone numbers and website url's. This way, any calls coming through that number or optins from that website are unique to your direct mail campaign.

To track the phone number, find an online service like **Google Voice, CallRail, Phone.com**, etc. that allows you to set up a phone number and forward it another existing phone number like your cell phone or office number. You want to find a service that then gives you a backend platform to see how many calls come in to that number.

To track the website you can set up a unique **squeeze page** inside of Leadflow with a URL specific to that campaign. For example, you could set up a URL like webuyhomesincleveland.com and then use that URL on the direct mail piece.

Once you've set those up, do NOT re-use the phone number or website URL on another campaign or marketing channel until a month or so after your last direct mail touch for a campaign has gone out. This could cause your tracking to be contaminated with calls and optins from other campaigns, throwing off your ROI.

To track your campaigns on a granular level, use a separate phone number and website on each touch so you can measure which step is most effective.

Expert Tip: If you want a more advanced and personalized tracking method you can set up Personalized URL's (PURL's) for your direct mail pieces. A PURL is created by adding a recipient's name or address to the end of a website url. It would look something like, yourwebsite.com/john-smith. These types of personalized urls can increase your response rates through your website. Talk to your webmaster to see if this is something that can be set up.

How to Analyze It

Once you've sent your campaign and tracked it, it's important to evaluate the success of the campaign along the way, and then about a month after your campaign is done to see how effective it was.

What you are looking for is the number of responses you got from the campaign and how many appointments and subsequent deals resulted from it.

A low number of responses could be the result of any number of factors, including ineffective targeting or creative pieces, or it could mean you are in a highly competitive market. Also keep in mind that earlier touches, i.e. touch 1 or 2, generally have lower response rates. Don't discount them until you've finished the full set of touches for the campaign.

A high number of responses, but a low number of appointments is a sign that you could have an ineffective follow-up. This could be the script you're using or your response time.

Once you've looked at the numbers, test some things out to the same list. Maybe try different copy or calls-to-action. Just make sure you don't try too many things at once or you may not be able to determine what made the difference in the response rate.



STEP 7: THE CALL

Now that you've sent out the direct mail campaign, it's critically important to have a good process in place for taking seller calls.

The best way to do this is to have a prepared **seller script** that you are well versed in delivering, starting with your elevator pitch, then taking them through a series of questions designed to get the right information in a conversational manner.

The other important thing with this call is to make sure that you answer them in a timely and personable manner. You should never discount the emotional courage it takes for someone to pick up the phone and share their story with you.

EXPERT TIP:

When someone calls, be prepared to be creative with the opportunity even if it doesn't end up seeming like a deal right out of the gate.

- If the homeowner has missed one payment and isn't ready to give up on the home yet, set a reminder to follow up in 2 to 3 months.
- If the person is an investor not interested in selling anything yet, set up a time to go meet with them and network.
- If the homeowner clearly wants a more retail price for the property, refer them to a Realtor you work with in the area.
- If the home is listed with a Realtor and they are exploring options, set a reminder to follow up when their listing contract ends.



CONCLUSION:

Direct mail done correctly can be one of the most effective ways to generate profitable deals. As you can see, there are several steps to follow to be successful, but as with anything, setting up a repeatable system to drive leads in your business is key.

Get out there and get a campaign going today. It may seem costly at first, but a couple hundred dollar investment in a direct mail campaign could net you tens of thousands in dollars in profit.





ABOUT THE AUTHOR

Greg Clement is the founder of **Leadflow**. Greg has been investing in residential real estate for 15 years and has coached and trained hundreds of real estate investors across the US.





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