



RESPONSE RATE REPORT 2023

Performance and Cost Metrics
Across Direct Media

ANA.NET

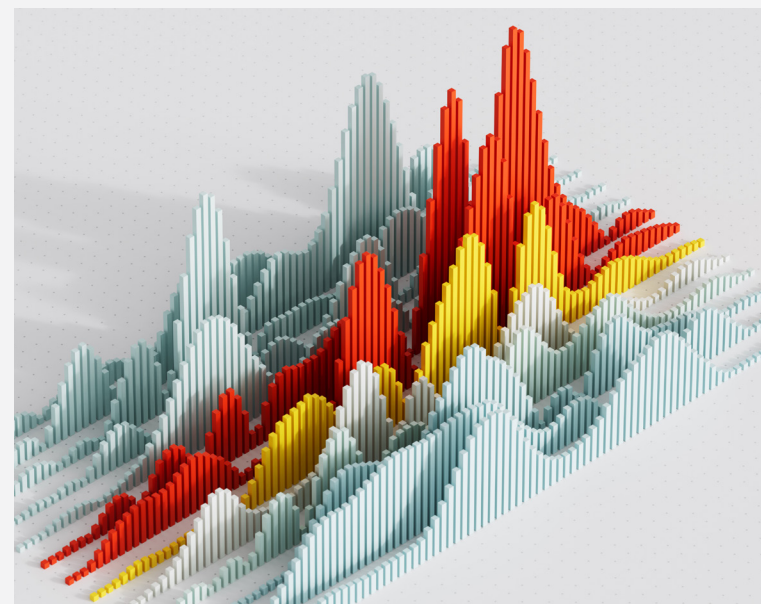
Introduction

Connected TV, machine learning, generative AI and ChatGPT. Never has the marketing industry undergone such a tremendous change in such a short period of time. New platforms, regulations, and technologies make a marketer's job more complex while also offering an enormous opportunity to drive long-term growth. With all these new advancements and shiny objects crowding the headlines, it is important to remember that tried-and-true direct marketing approaches and media channels still deliver effective results.

The direct marketing industry is projected to top \$30 billion in 2024 and increase by another billion in 2025. The industry has experienced steady growth as marketers from financial services, travel and leisure, retail, automotive, and more seek to create one-to-one relationships with both new and existing customers. Many ANA members have dedicated customer acquisition and

retention teams to leverage direct marketing strategies and channels to drive the overall customer experience and fuel both short- and long-term growth.

And it's not just the B2C side of the business. Direct marketing strategies have long been deployed in B2B and have served as a major fundraising platform for nonprofits. The Response Rate Report was created in partnership with Demand Metric in 2021 to provide the industry with various performance benchmarks with which they could evaluate and plan their direct marketing efforts and their mix of direct marketing media. The 2021 and 2022 Reports have been among the most downloaded reports at the ANA, with CMOs, data and analytics managers, media directors, and agency personnel all using the report for insights and guidance to optimize direct marketing investments and ROIs overall.



In this year's report we learned that a significant majority of direct marketers are either using generative AI in their direct efforts now or are planning to incorporate it over the next year. Just how these new technologies will help transform the direct marketing industry remains to be seen. One thing is certain: direct marketing continues to be an important channel for brands to connect with customers and deliver results.



Introduction: Data Excellence and Privacy Practice

Organizations are increasingly becoming data led. Studies have shown that companies which have developed a comprehensive data strategy and analytics capability grow at a rate higher than companies which have not. It is essential to develop a deeper understanding of how to implement data excellence, with consumer privacy always at the forefront, to drive sustainable growth for the long term.

The ANA Data Excellence and Privacy Practice helps members build their personal and organizational acumen and capabilities to become a data-inspired marketing force. The Practice helps all members increase their knowledge by providing tools and resources as well as in-person and virtual forums.

Members can highlight case studies, exchange information and experiences, and hear from industry experts who provide the approaches and techniques that help marketers in their data journey. From leadership initiatives, conferences, and hands-on training to case studies, webinars, and face-to-face networking opportunities, the ANA's Data Excellence and Privacy Practice educates and provides resources to navigate changes and harness opportunities spurred by data in the marketing ecosystem.

The 2023 ANA Response Rate Report is an example of how the ANA takes on the role of industry thought leader, providing the tools and benchmarking studies its members need to plan and optimize their marketing mix while forecasting and powering marketing impact.

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Executive Summary

Report Objectives

The primary objective of the response rate research and this report is to share benchmark data for media performance with the data-driven marketing community. Where possible, the data from this research study is presented in individual segments so that marketers can compare their performance against similar business types.

Understanding the impact of artificial intelligence on direct marketing is essential for marketers. AI-related questions were introduced in this year's report for the first time, signaling the recognition of AI's influence on data-driven marketing strategies and campaigns.

Report Layout

Following this Executive Summary, Chapter 1 shares an overview of key survey findings. Chapters 2 through 7 provide campaign-level details and for each media type, where possible, followed by a chapter that discusses the survey methodology. The Appendices contain the survey data, a glossary of terms, and the survey questions.

Methodology, Media, and Metrics

This report is based on self-reported data collected using an online survey that was deployed from July through November 2023. The survey was promoted to ANA members and members of the Demand Metric community. During this period, 250 responses were qualified and complete enough for inclusion in the analysis. Respondents were asked about 2023 campaign metrics.

The media types covered in this report include email, direct mail, paid search, digital display advertising, social media advertising, and SMS. Data about comparative mobile performance was collected as part of each media section.

Study participants received an incentive for completing the survey as described in the Methodology Chapter of this report. N-values that indicate the number of respondents to each question appear below each chart in this report.

Report Challenges

When taking this survey, one challenge for respondents appeared to be having access to the data the survey calls for. Where this was the case, results will denote “small base” or “directional only” to alert readers.

This challenge is perhaps best summarized by a new question added to this year's survey for each media type:

The responses you will provide in this section are based upon:

- Actual metrics
- Best estimates
- A combination of metrics and estimates

The ideal response option to this question is “Actual metrics,” but those choosing this response ranged from 5 percent to 50 percent, with an average of 21 percent.

ROI data by media type proved the hardest to collect due to the low number of responses to ROI questions. The rigorous method to eliminate outliers in the data also contributed to a low number of usable responses. For these reasons, the report data should not be considered benchmark data, but used for informational purposes only.

CHAPTER 1: OVERALL FINDINGS

Campaign Insights

- Just over one-third (35 percent) of study participants measure performance at the campaign level only.
- A great majority of study participants (82 percent) use multiple media types in their campaigns, with email and social media advertising tied as the top two.
- The primary purpose of 61 percent of campaigns is to generate revenue, followed by 18 percent to raise brand awareness, and 13 percent to communicate with current customers.
- The average ROI on study participant campaigns was 35 percent.
- The average CPA for study participant campaigns was \$143.74.
- The most frequently tracked B2B campaign metric is content engagement, monitored by 56 percent of study participants.
- The most frequently tracked B2C campaign metric is conversion rate, monitored by 72 percent of study participants.
- Over one-third (36 percent) of study participants are using Generative AI to facilitate their campaigns.

Comparing Media

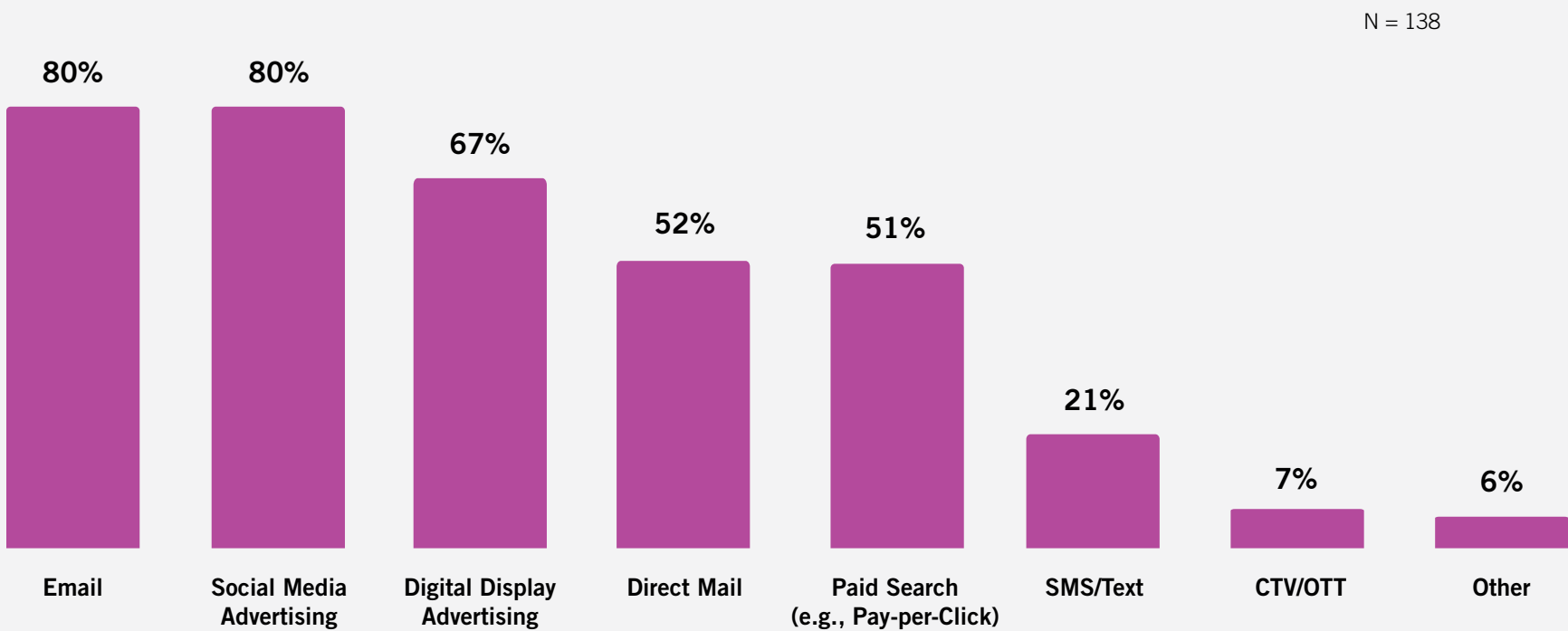
- Email and social media advertising are tied for the most frequently used medium in direct marketing campaigns, in use by 80 percent of study participants.
- Generative AI and QR codes were the top tactics or technologies study participants wish to see in future ANA studies.
- Almost two-thirds (63 percent) of study participants plan to increase their usage of SMS over the next 12 months, the only medium more than half the participants plan to increase usage of.
- One-fourth of study participants report planning to decrease their use of direct mail in the next 12 months.
- The highest ROI was 161 percent for direct mail sent to house lists.
- The lowest CPA was \$12.69 for email sent to house lists.
- The highest conversion rate was 18 percent for branded search campaigns.

Multi-Channel Orientation

Most study participants (82 percent) leverage multiple media types in their campaigns.

CHART 1

Medium Usage in Campaigns



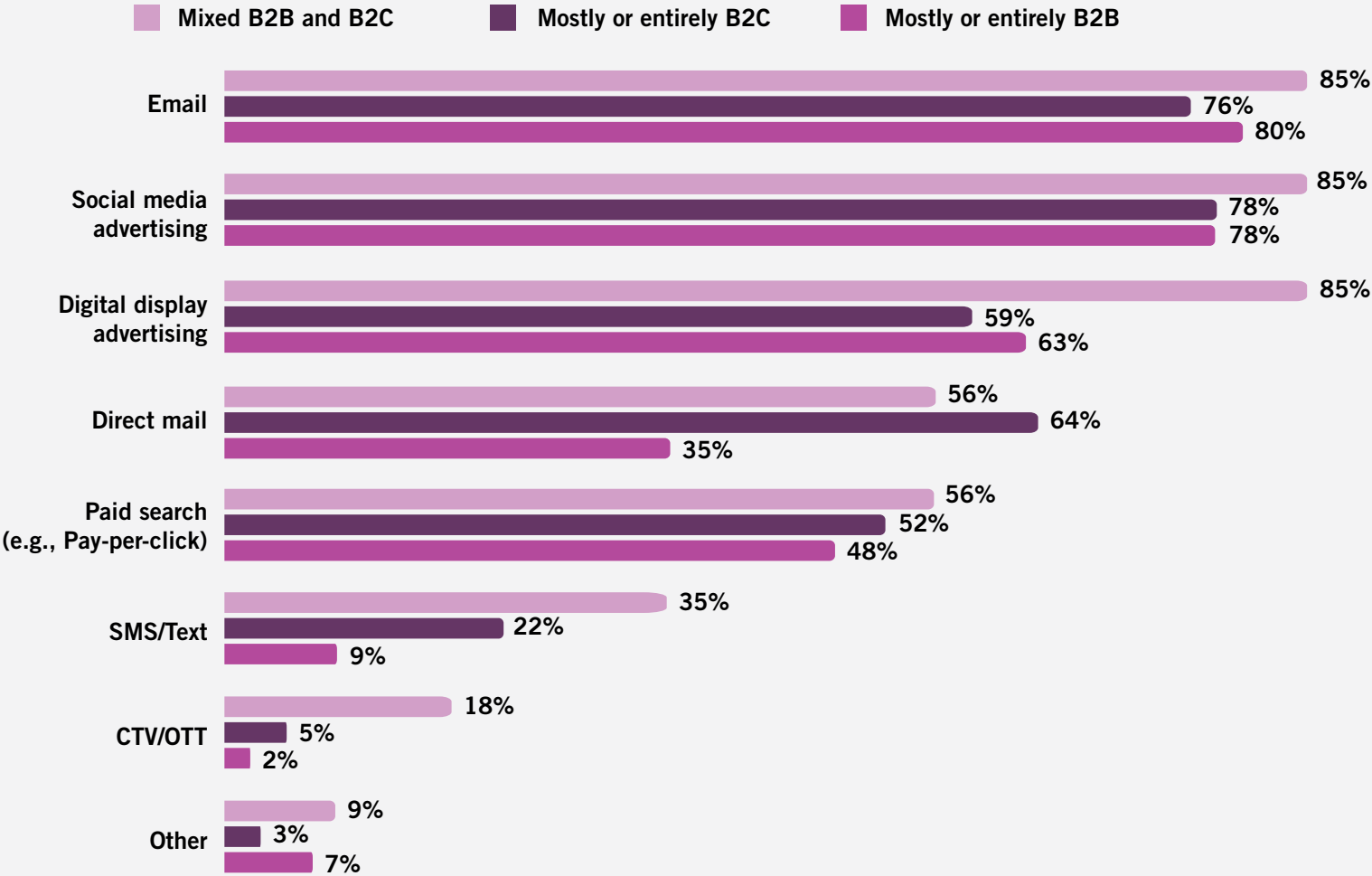
Which of the following media types do you typically include in your campaigns that use multiple media types?
Please select all that apply.

Insight: Social media advertising now challenges email for the most-used campaign medium. Social media advertising usage has seen a 26-point increase from the 54 percent usage in the previous study, and email an eight-point increase. All media have seen an increase from the previous study, with digital advertising almost doubling usage from 35 percent to 67 percent. Only SMS/text showed virtually no increase. CTV/OTT appears in the study for the first time this year, so no comparison data is available.

CHART 2

Medium Usage in Campaigns by Campaign Type

N = Mixed (34), B2C (58), B2B (46)

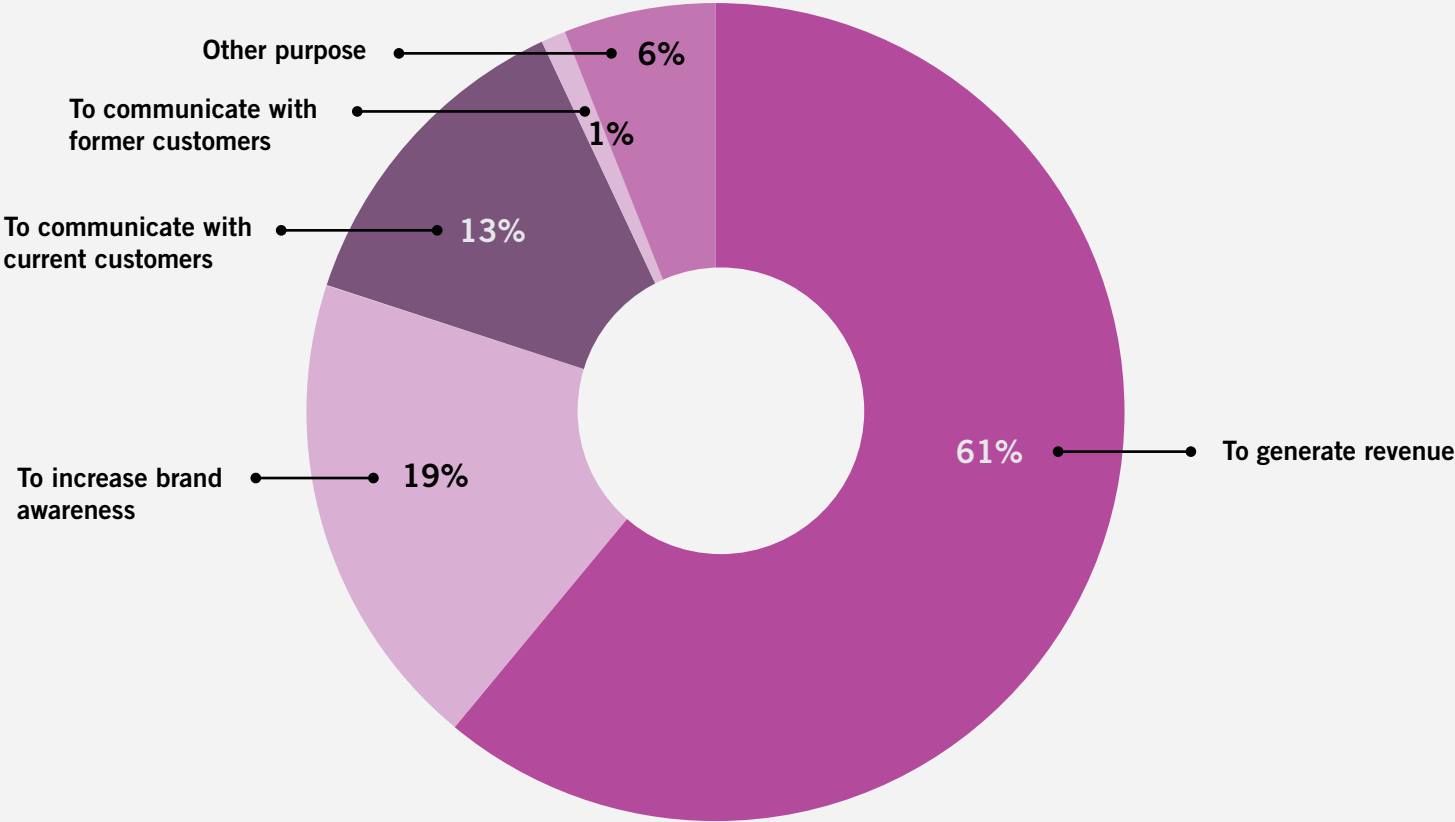


Insight: In this study, B2B campaigns rely most heavily on email, followed closely by social media advertising. B2C campaigns rely most on social media advertising followed closely by email. Split or mixed campaigns (B2B/B2C) rely equally on digital display advertising, email, and social media advertising, with direct mail and paid search a distant second.

CHART 3

Primary Campaign Purpose

N = 168



What is the primary purpose of the campaigns that you execute?

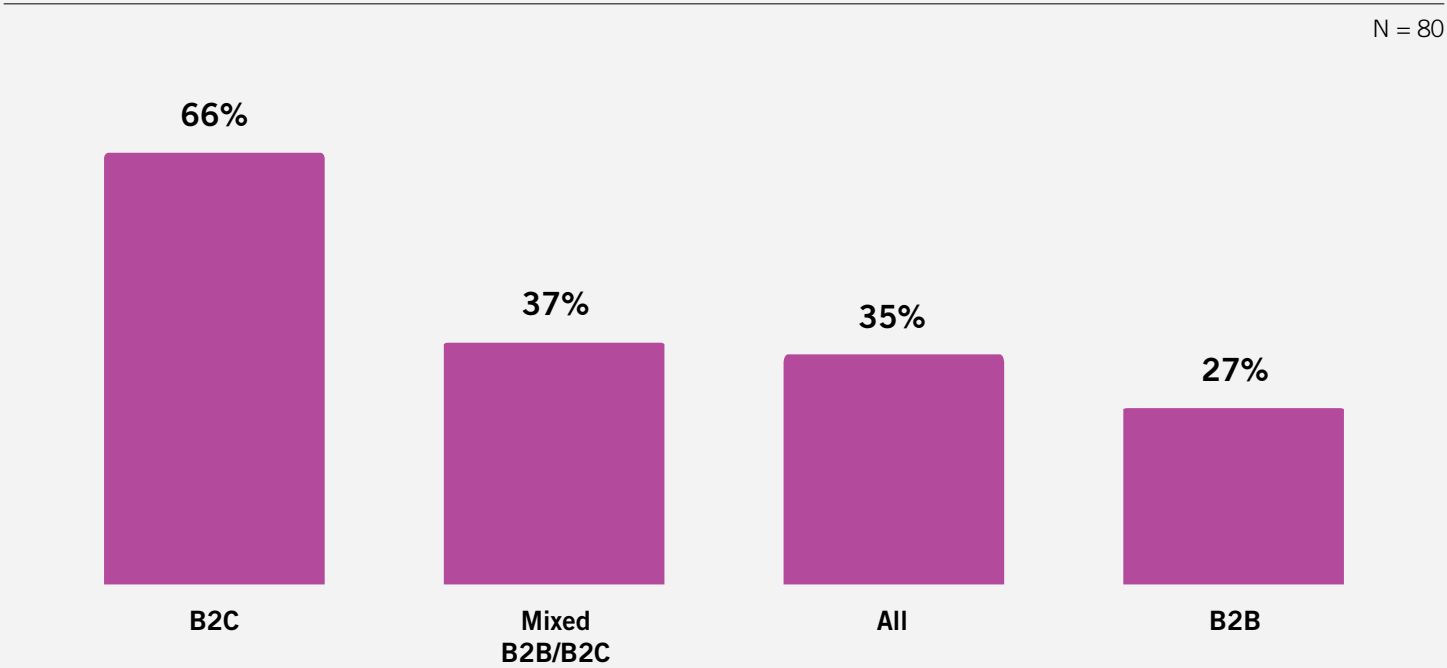


Insight: Generating revenue is clearly the primary campaign purpose for most respondents, which remains relatively constant for B2B, B2C, and mixed campaign types.

CHART 4

Campaign ROI

N = 80



What is the average Return on Investment (ROI) for your campaigns?

Insight: After accounting for outliers in the data, the ROI for respondent campaigns ranged from 1 to 175 percent, with an average of 35 percent. B2C campaigns reported the highest ROI (66 percent) while B2B campaigns reported the lowest (27 percent).

CHART 5

Campaign Cost per Acquisition

N = 90



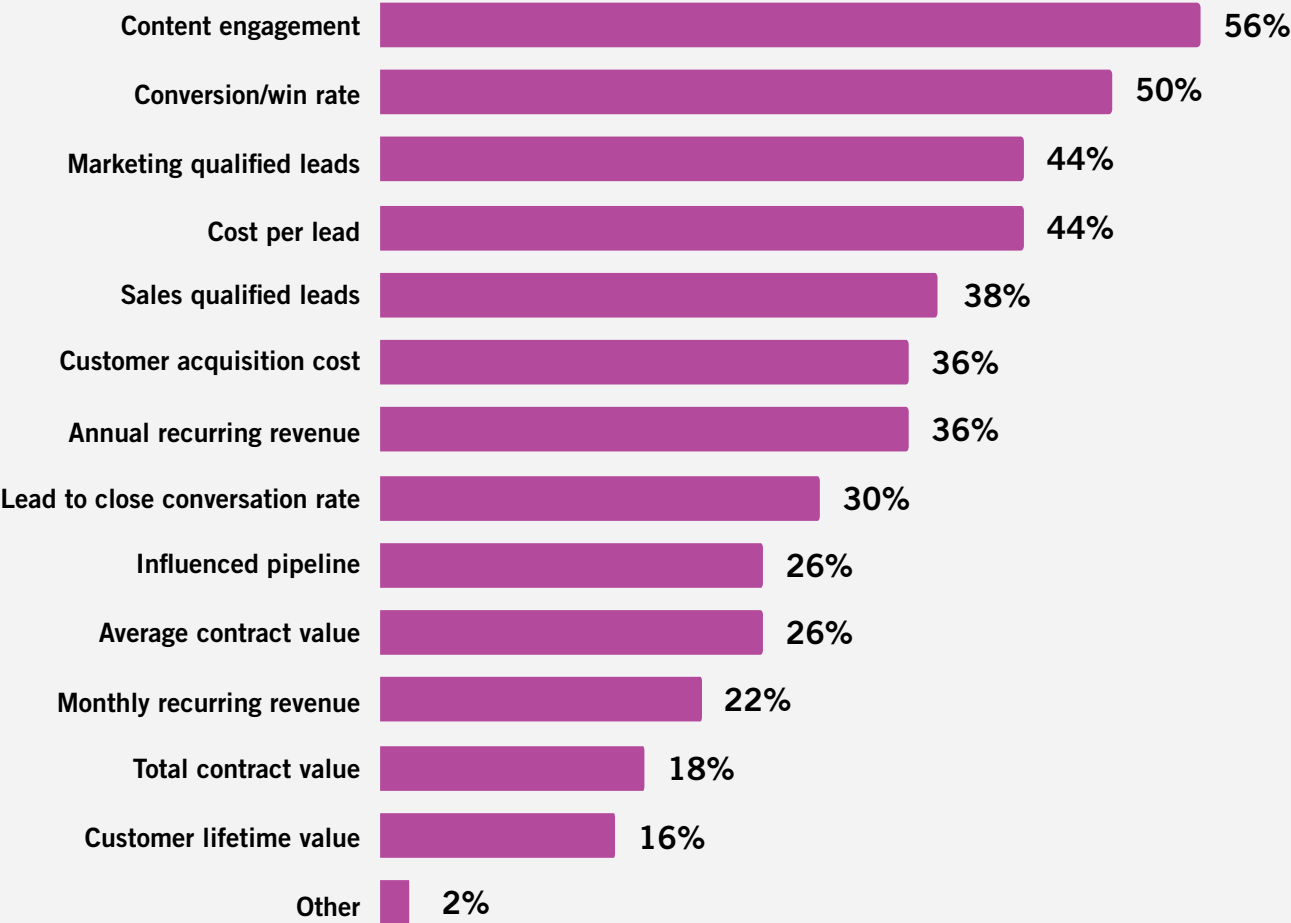
What is the average Cost per Acquisition (CPA) for your campaigns?

Insight: After accounting for outliers in the data, the Cost per Acquisition for respondent campaigns ranged from \$1 to \$800, with an average of \$143.74. B2B campaigns reported the highest CPA (\$341.90) while mixed B2B/B2C campaigns reported the lowest (\$74.48).

CHART 6

B2B Campaign Metrics

N = 50



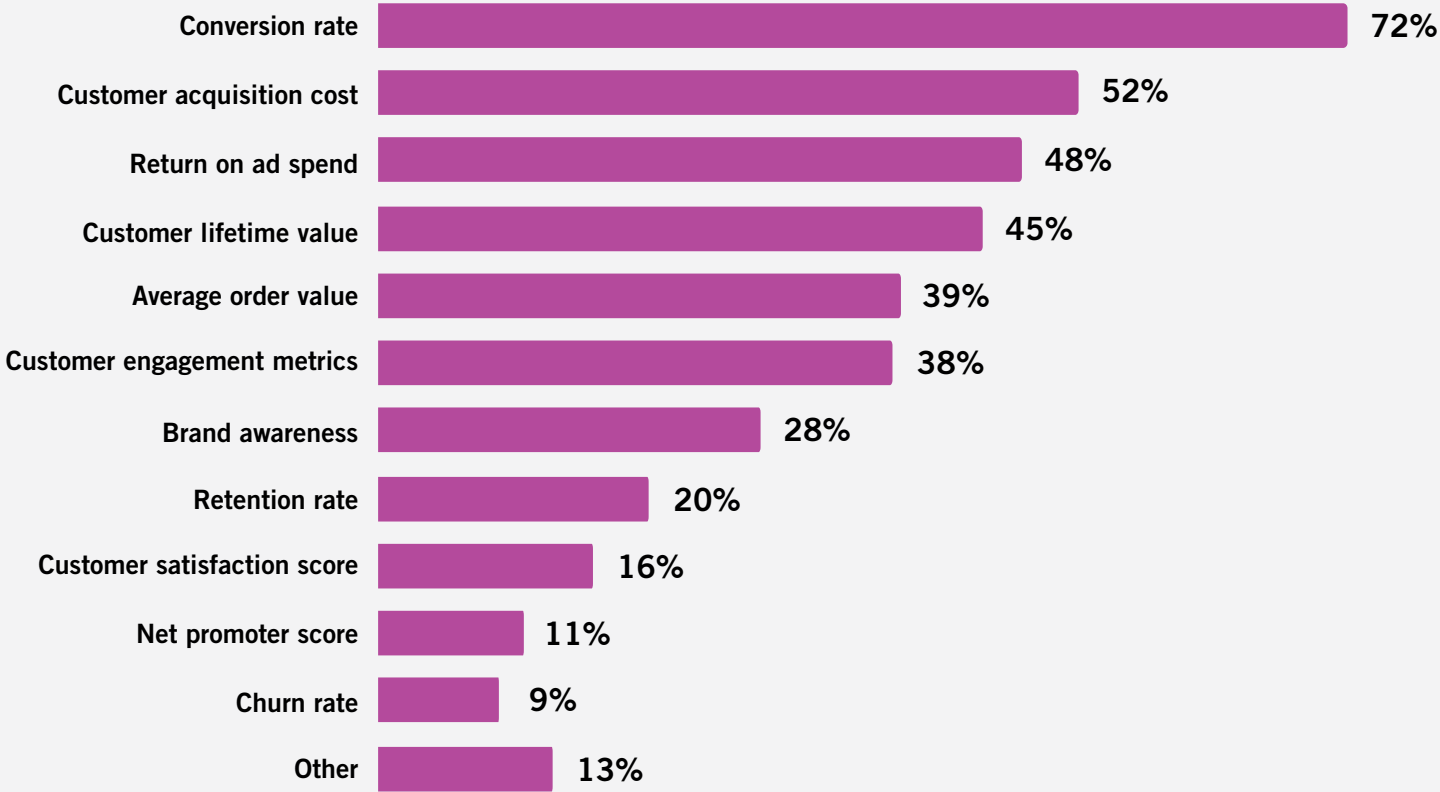
Which of the following B2B campaign metrics do you track?

Insight: Content engagement was the campaign metric most tracked (56 percent) for B2B campaigns. The only other B2B campaign metric tracked by at least 50 percent of respondents was conversion/win rate.

CHART 7

B2C Campaign Metrics

N = 64

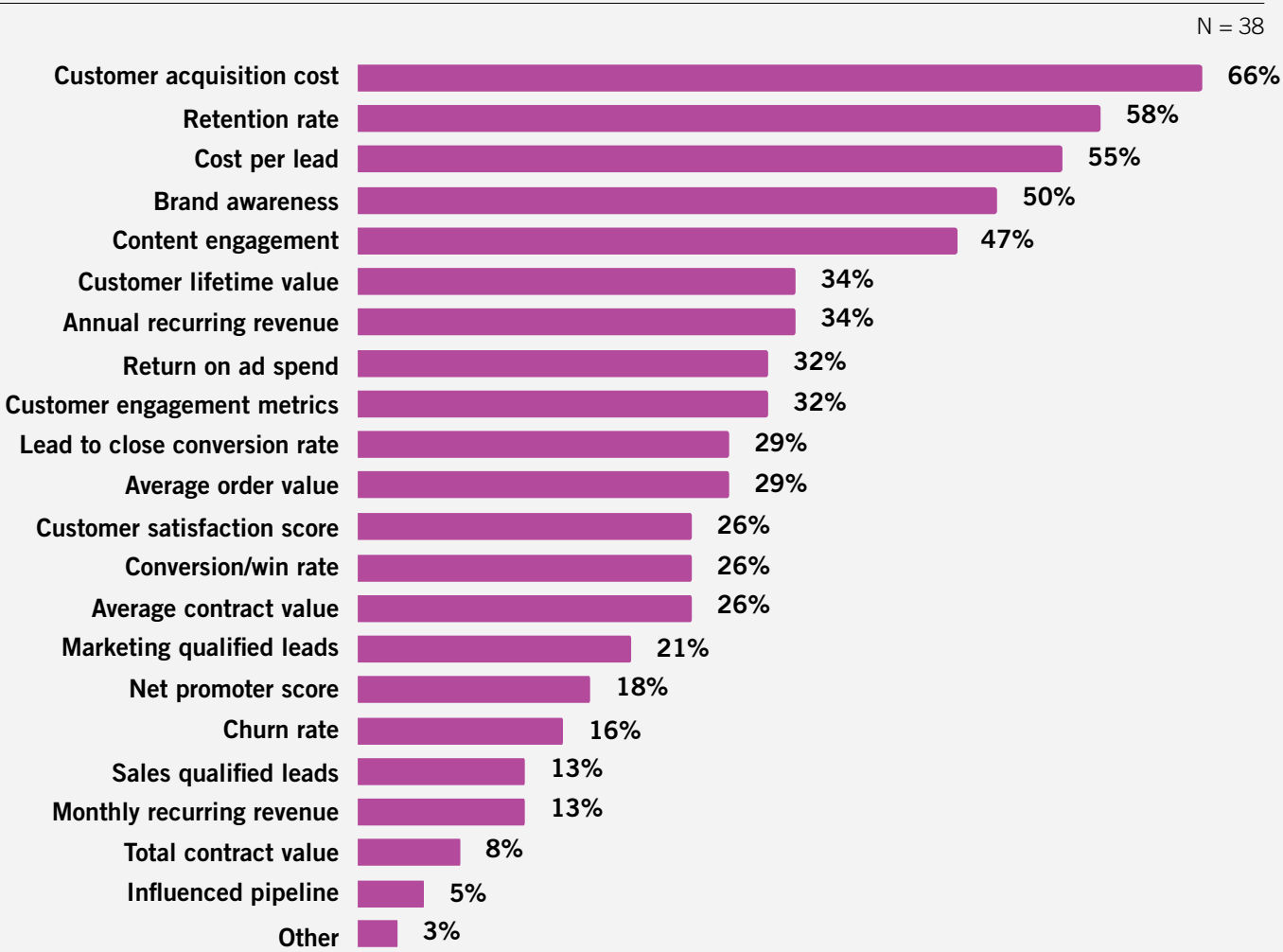


Which of the following B2C campaign metrics do you track?

Insight: Conversion rate was the campaign metric most tracked (72 percent) for B2C campaigns. The only other B2C campaign metric tracked by at least 50 percent of respondents was customer acquisition cost (52 percent).

CHART 8

Mixed B2B/B2C Campaign Metrics



Which of the following campaign metrics do you track?

Insight: Customer acquisition cost was the campaign metric most tracked (66 percent) for mixed B2B/B2C campaigns. Three other metrics were also tracked by at least half of the respondents who ran mixed campaigns: retention rate (58 percent), cost per lead (55 percent), and brand awareness (50 percent).

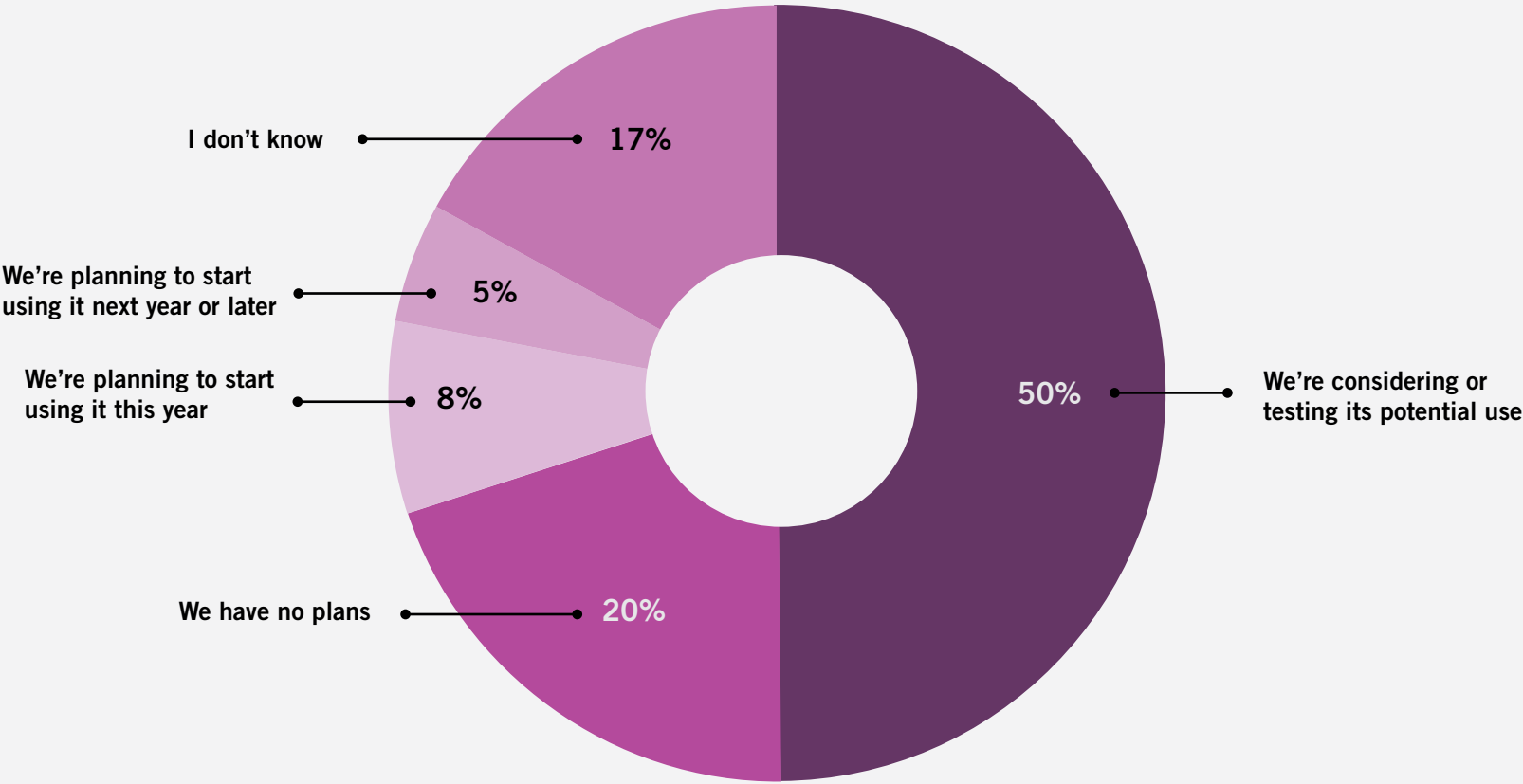
Leading-Edge Technology Usage

This study asked participants which tactics they would like to see in future ANA studies, providing a snapshot of the technologies that members are considering or would like to obtain insights and benchmark data on.

CHART 9

Generative AI Usage

N = 95



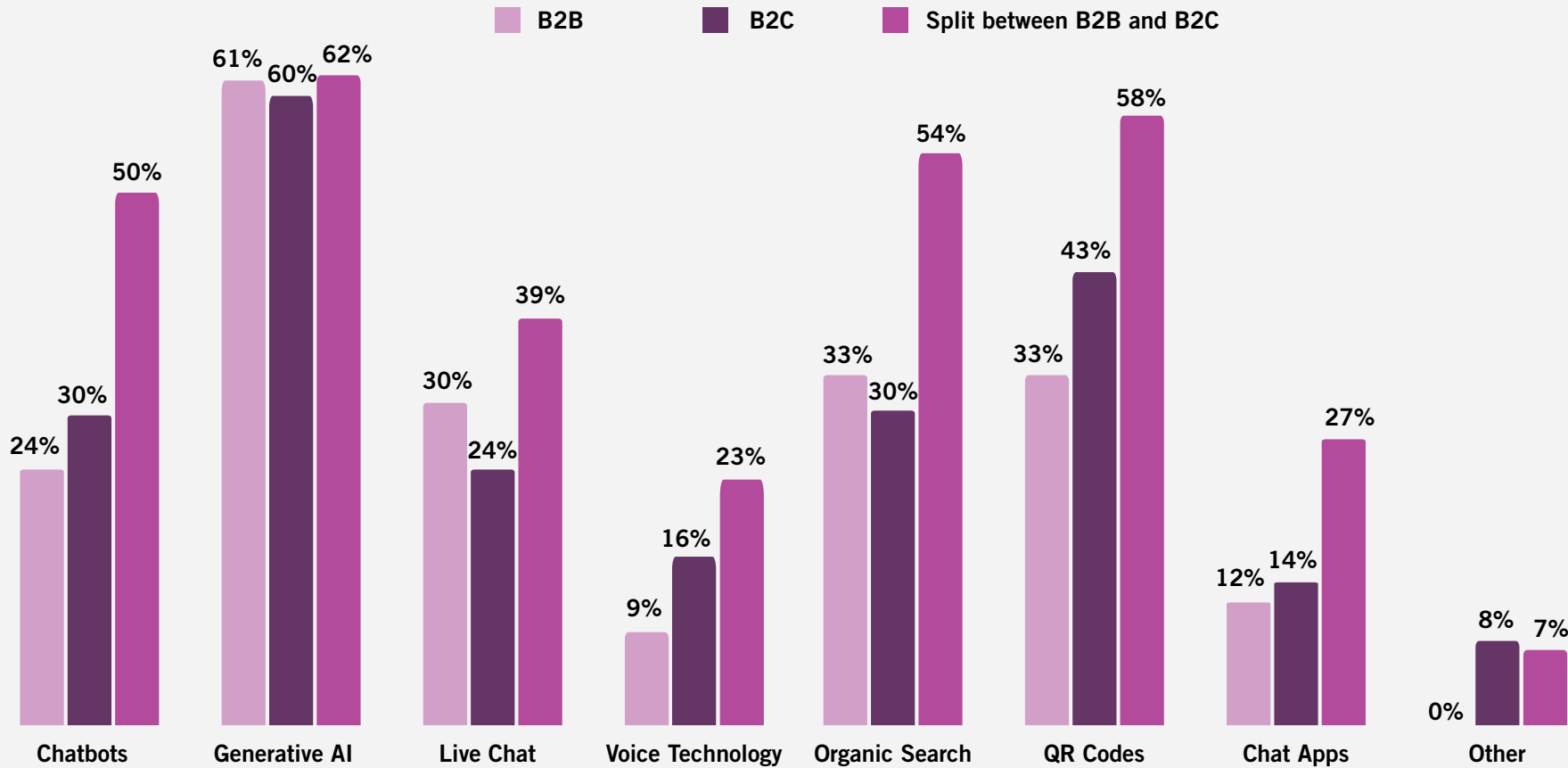
Do you currently use Generative AI (such as ChatGPT) to facilitate your campaigns?

Insight: Over one-third (36 percent) of respondents report using Generative AI, such as ChatGPT, to facilitate their campaigns. Chart 9 shows the plans the remaining 64 percent have relative to generative AI usage.

CHART 10

Tactics or Technologies in Future ANA Studies

N = 96



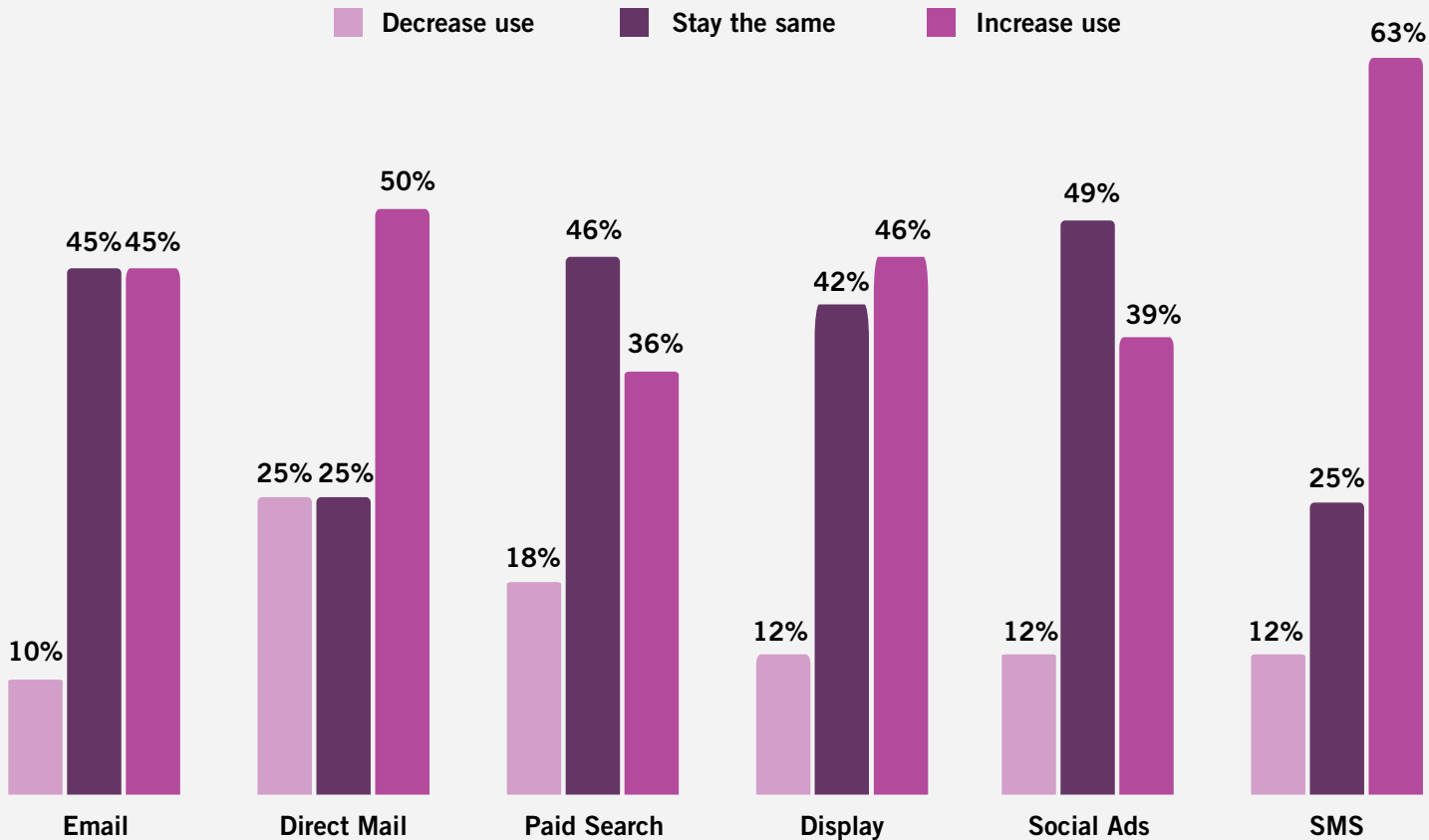
Which of the following tactics or technologies would you like to see in future ANA studies? Select all that apply.

Insight: Generative AI took the top spot among respondents for all business types. Interest in QR codes, last year's top choice, is second this year (with an average of 44 percent), with organic search in third place (with an average of 38 percent).

CHART 11

Projected Change in Media Usage in the Next 12 Months

N = 207



How will your use of the media types covered in this study change in the upcoming 12 months?

Insight: SMS/Text is projected to have the greatest increase in usage over the next 12 months. Direct mail usage is polarized, showing the second largest projected increase as well as the largest projected decrease. Respondents project email to have the smallest decrease in usage. Almost half (49 percent) of respondents using social ads plan to hold usage steady.

TABLE 1

ROI of Campaigns by Medium

Medium	Type	Average ROI
Direct mail	House lists	161%
Email	House lists	44%
Social media advertising		21%
Paid search	Branded keywords	38%
SMS		20%
Digital display advertising		23%

Insight: The highest ROI for all media in this year’s study was 161 percent for direct mail sent to house lists. Email to house lists ranked second (44 percent), paid search using branded keywords ranked third (38 percent), with digital display, social media advertising, and SMS falling fourth, fifth, and sixth respectively.

CHAPTER 2: EMAIL

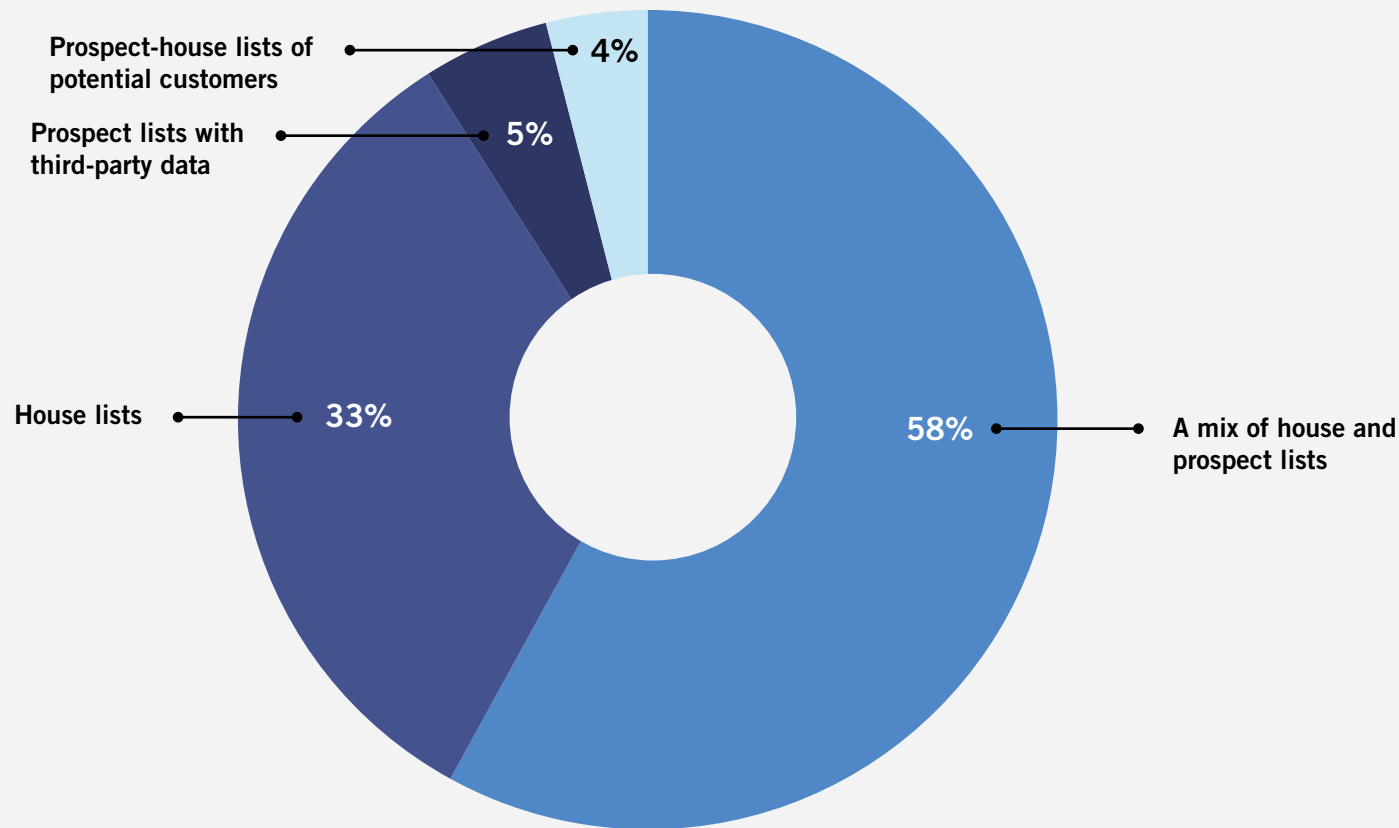
Highlights

- Campaigns using a mix of house and prospect lists was most prevalent (58 percent), followed by house lists (33 percent).
- Click-Through Rate (CTR) is the email marketing metric most in use by respondents (69 percent), followed closely by open rate (68 percent).
- The average CTR for house lists was 23 percent and for prospect lists was 13 percent.
- The average email open rate for house lists was 36 percent and for prospect lists was 27 percent.
- The average ROI of email marketing to house lists is 44 percent and to prospect lists is 23 percent.

CHART 12

Types of Lists Used in Email Campaigns

N = 76



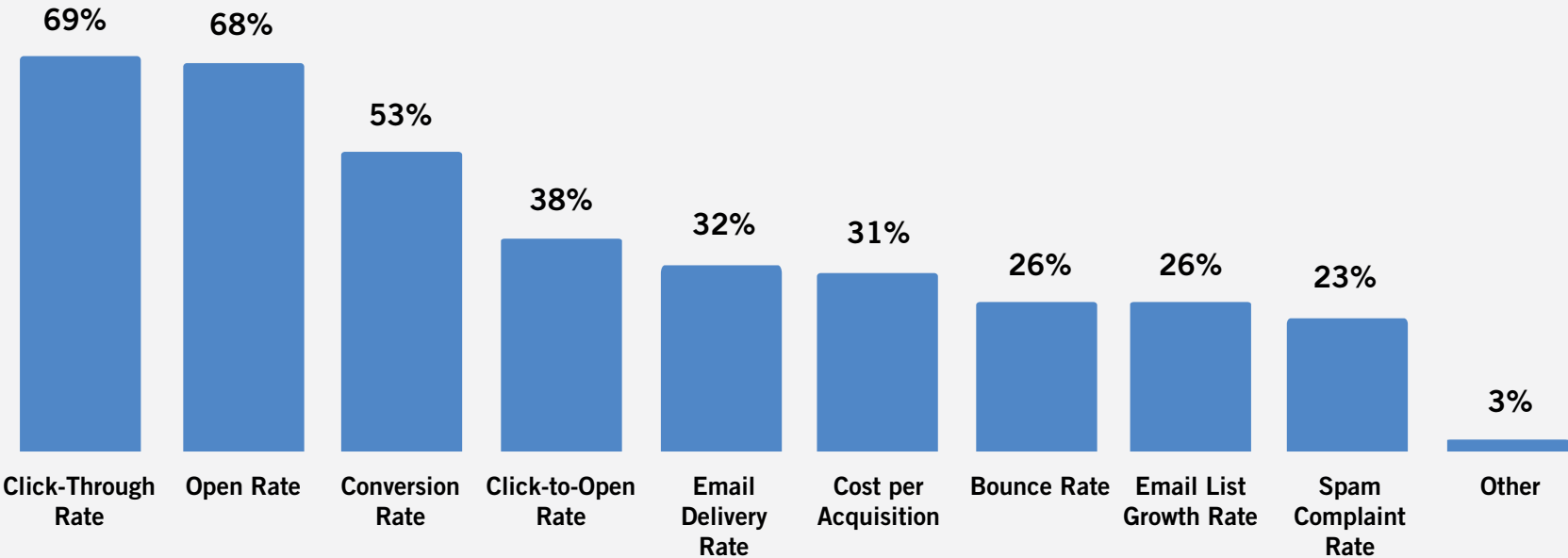
What kinds of lists do you primarily use for your email campaigns?

Insight: Respondents clearly favor house lists over prospect lists. This report section will show a possible reason why: House lists perform better in key metrics such as open and conversion rate.

CHART 13

Email Marketing Metrics

N = 74



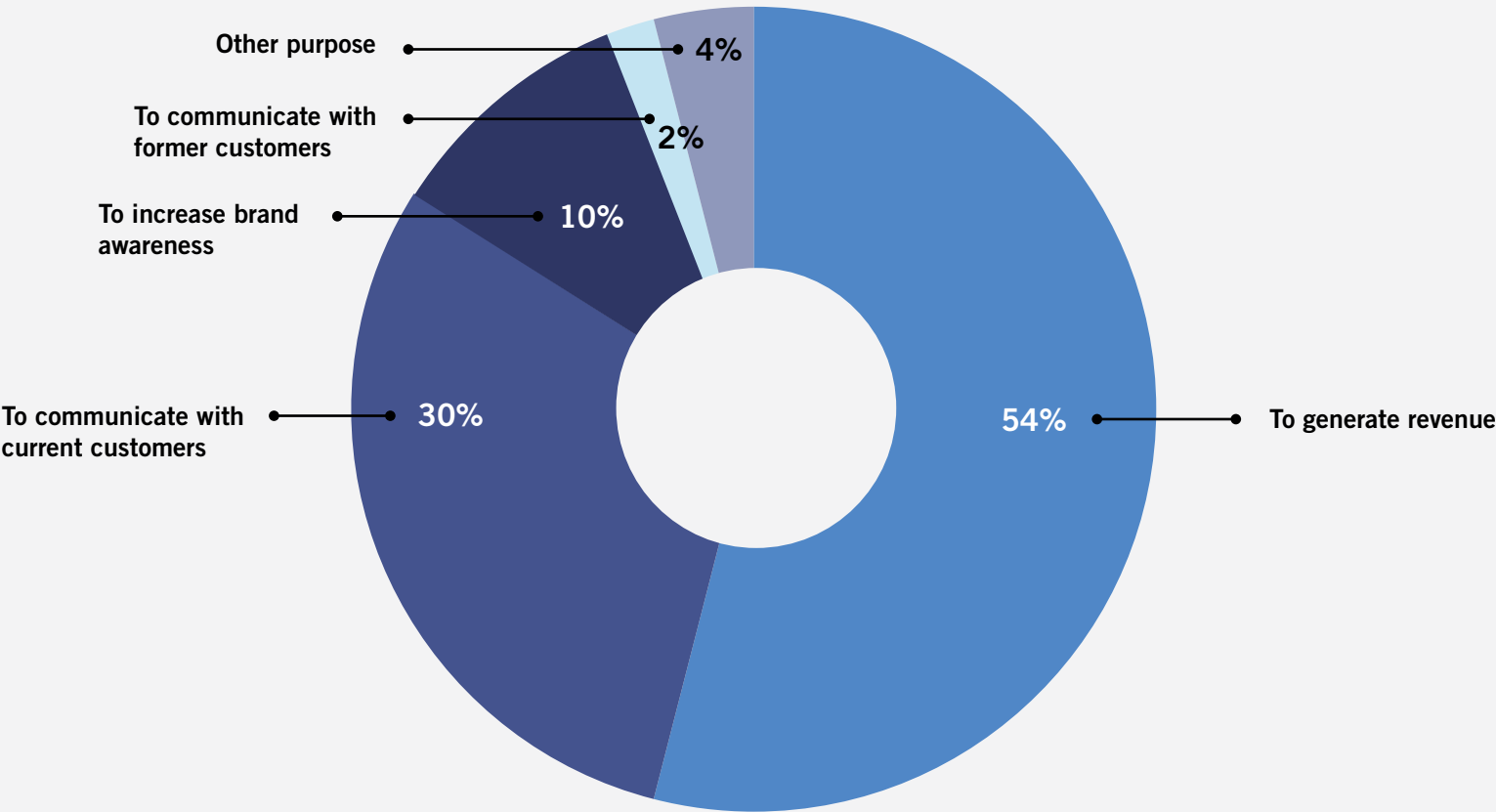
Which email marketing metrics do you rely on most heavily?

Insight: No single email marketing metric provides adequate data to measure effectiveness. This study shows almost equal reliance on Open and Click-Through rates, followed by Conversion.

CHART 14

Primary Purpose of Email to House Lists

N = 67



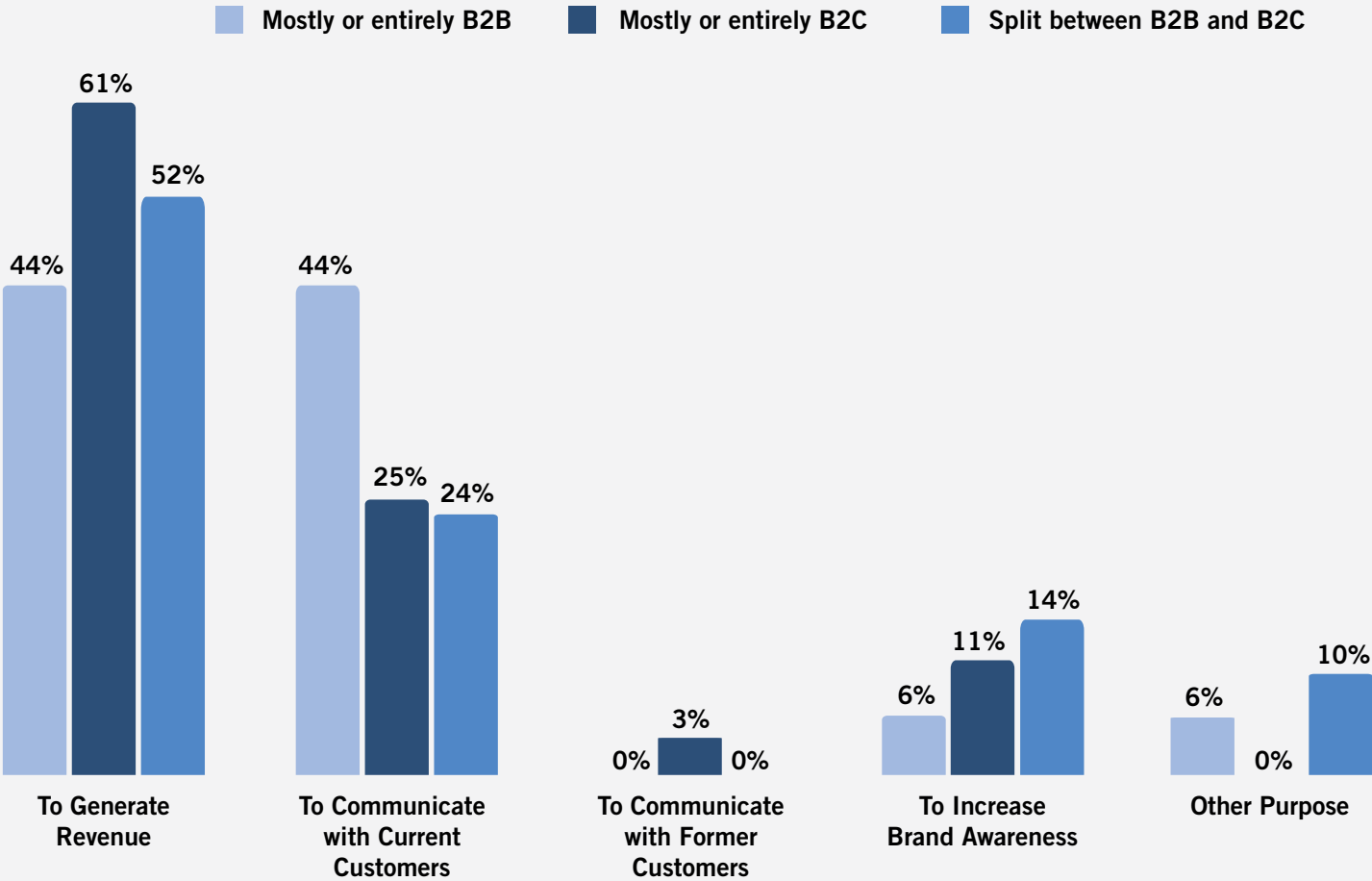
What is the primary purpose of your email campaigns to house lists?

Insight: Respondents, by a sizeable margin, have revenue generation as a highest priority for their email campaigns.

CHART 15

Primary Purpose of Email to House Lists by Business Type

N = B2B (18*), B2C (28), Split B2B/B2C (21*)
*Small base



What is the primary purpose of your email campaigns to house lists?

Insight: B2B and split B2B/B2B marketers ranked highest in using email with house lists to generate revenue. Split B2B/B2C marketers ranked highest in using email with house lists to communicate with current customers.

TABLE 2

Email Metrics Overview (House Lists)

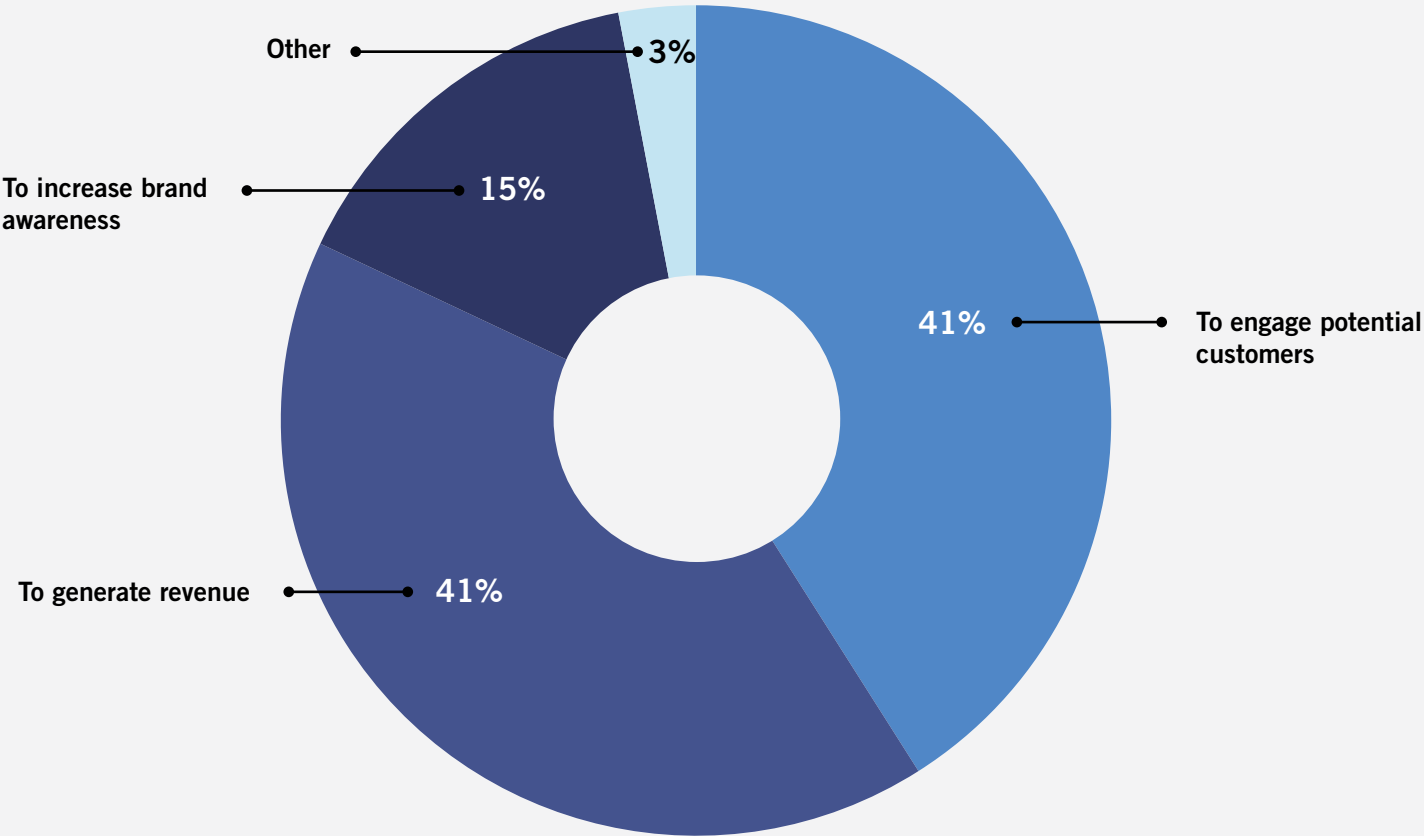
2023 Email Metrics Overview		
Metric	House File	N
Open Rate	36%	43
Click-Through Rate	23%	43
Click to Open Rate	28%	42
Conversion	16%	38
Cost per Acquisition	\$12.69	27
ROI	44%	32

Insight: The average open rate reported by respondents is 36 percent, improving from 32 percent in the previous study. ROI increased to 44 percent in the current study, up from 31 percent previously. Finally, Cost per Acquisition dropped almost by half, from \$21.86 in 2021 to \$12.69 this year. Collecting this data remains a challenge because just 17 percent of respondents to the email questions were able to provide actual metrics. The remaining responses came from those who provided best estimates or a blend of estimates and actual data.

CHART 16

Primary Purpose of Email to Prospect Lists

N = 34

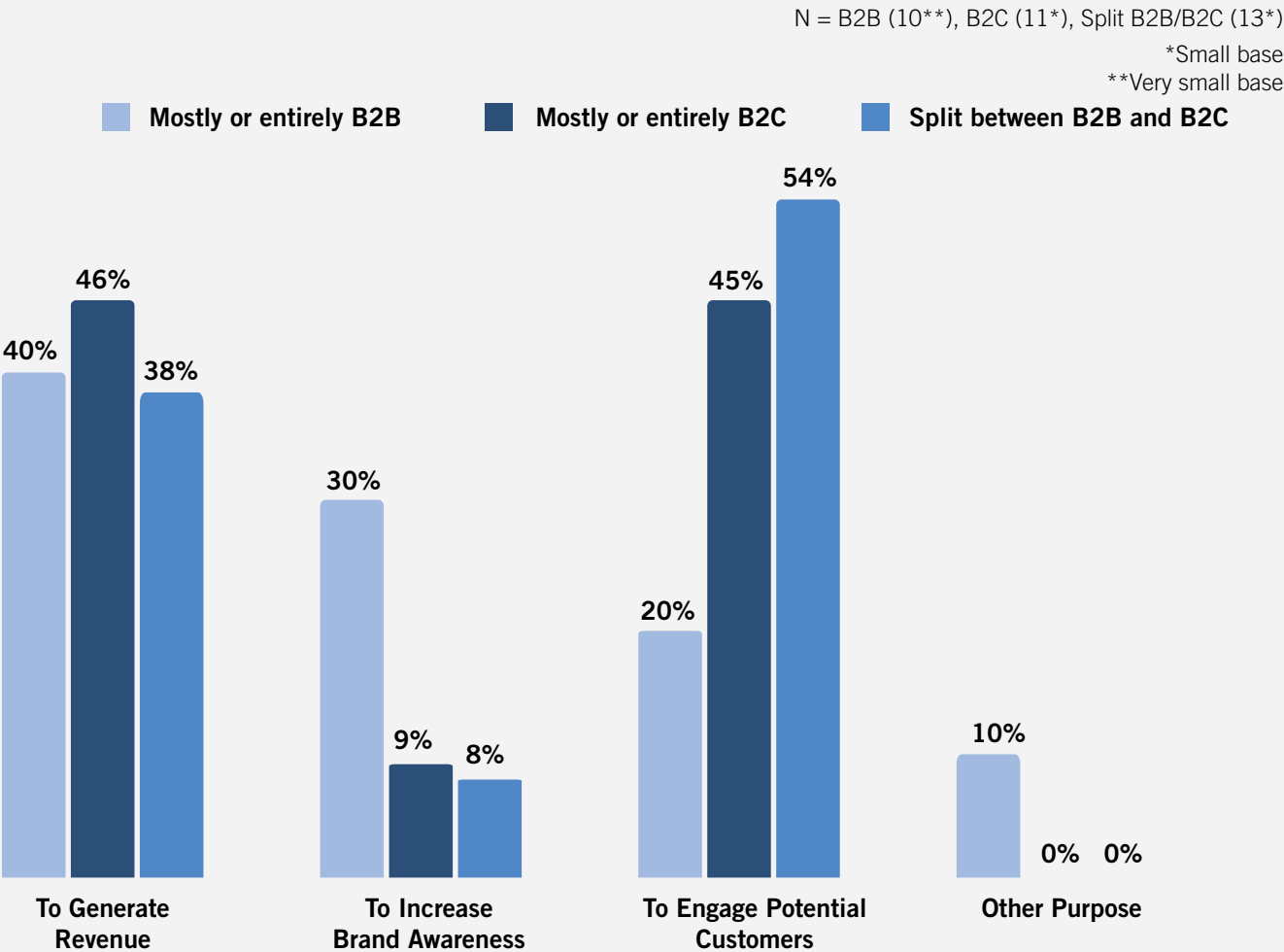


What is the primary purpose of your email campaigns to prospect lists?

■ **Insight:** When sending email to prospect lists, there is equal priority on engagement and revenue generation.

CHART 17

Primary Purpose of Email to Prospect Lists by Business Type



What is the primary purpose of your email campaigns to prospect lists?

Insight: Revenue generation is the primary purpose for B2B campaigns to prospect lists, as it is for B2C with engaging potential customers a very close second. Split B2B/B2C marketers report the highest usage of email to prospect lists for engaging potential customers.

TABLE 3

Email Metrics Overview (Prospect Lists)

2023 Email Metrics Overview		
Metric	Prospect File	N
Open Rate	27%	28
Click-Through Rate	13%	25*
Click to Open Rate	19%	27
Conversion rate	9%	24*
Cost per Acquisition	\$38.39	23*
ROI	23%	23*

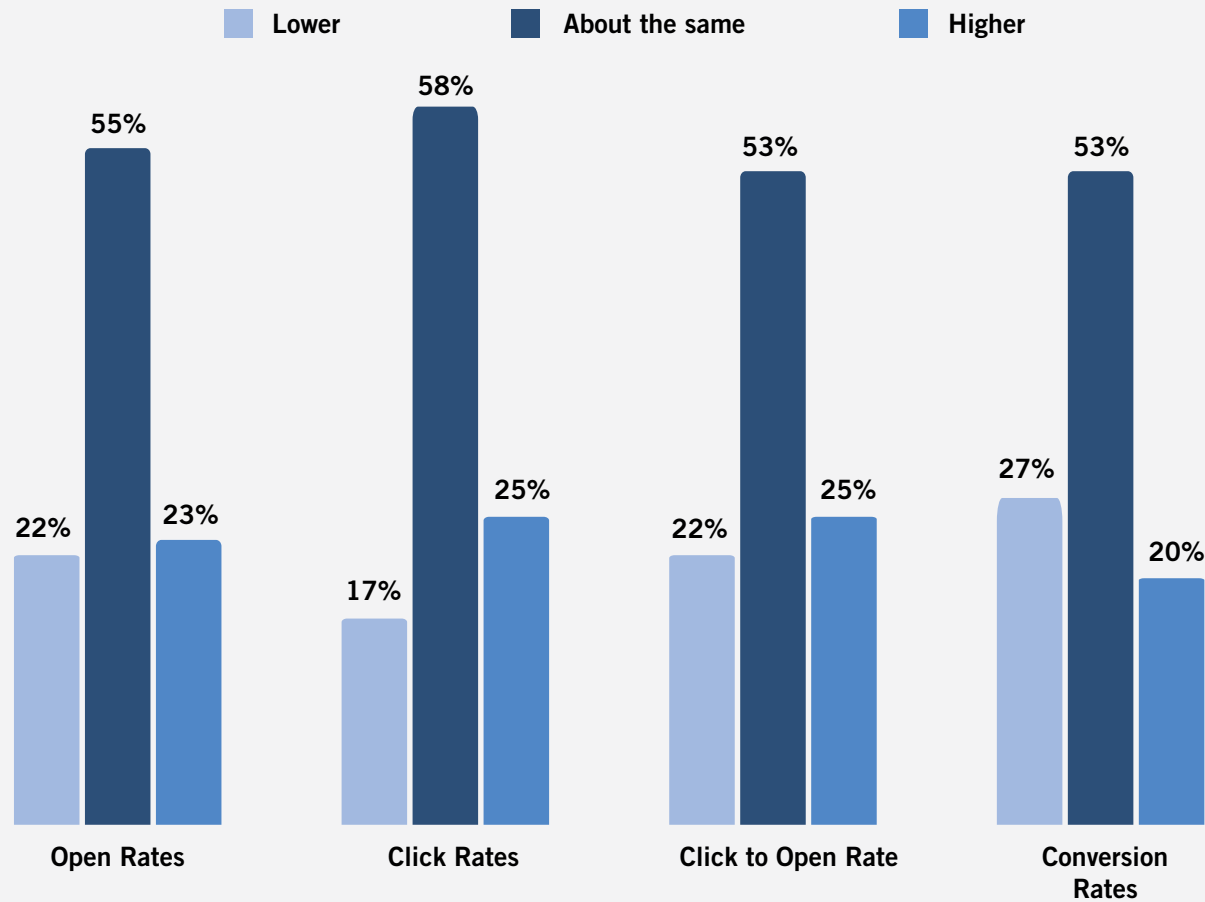
*Small base

Insight: Compared to 2021, open rates and acquisition costs remain relatively unchanged in the current study year. ROI for email sent to prospect lists has fallen from 32 percent in 2021 to 23 percent in 2023. As was the case with email to house lists, collecting this data remains a challenge because just 17 percent of respondents to the email questions were able to provide actual metrics. The remaining responses came from those who provided best estimates or a blend of estimates and actual data.

CHART 18

Rate Comparison: Mobile vs. Desktop Email

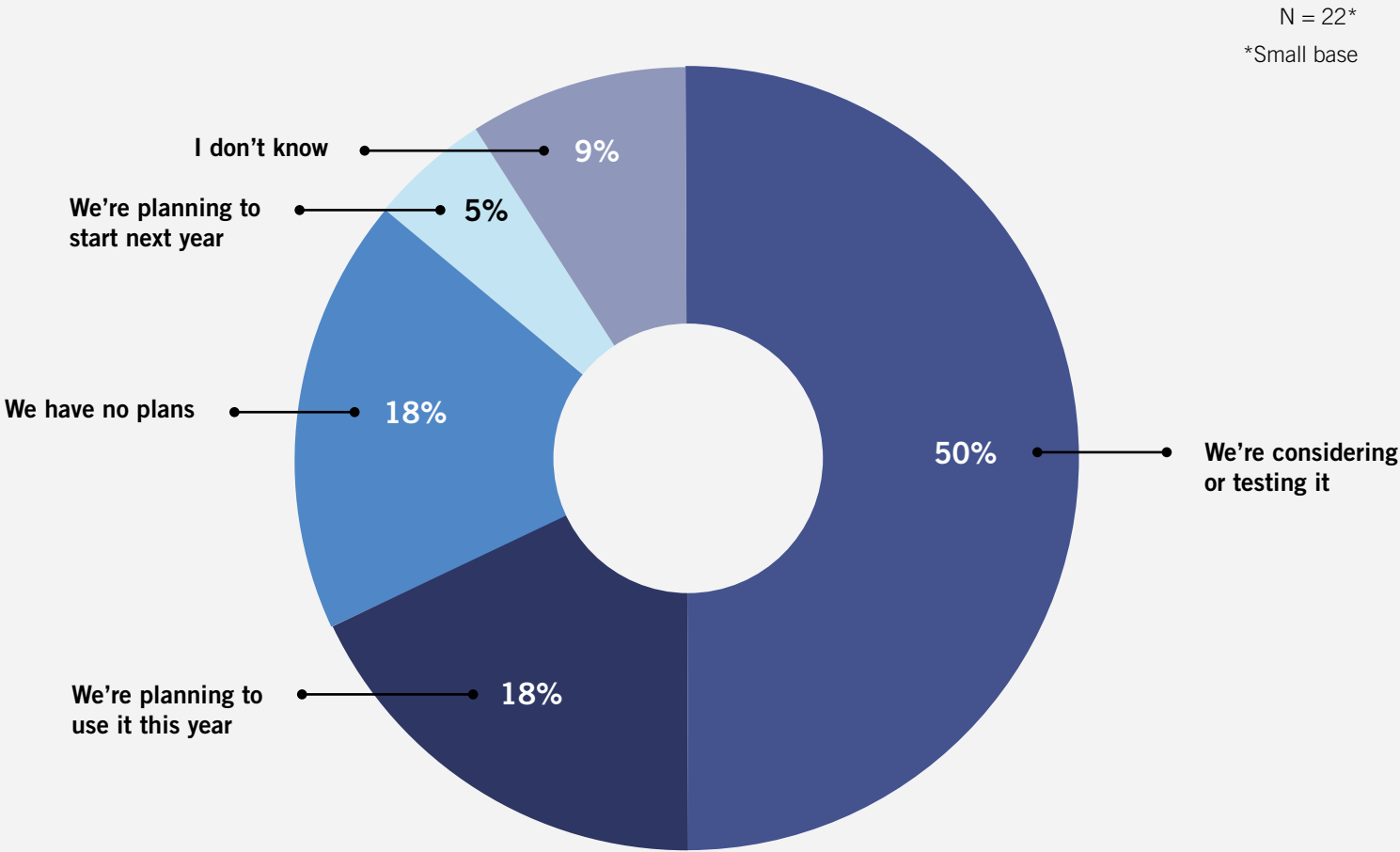
N = 40



Insight: Comparing mobile to desktop email performance, the rates for key metrics are the same or higher on mobile devices, with Click rates leading the way at 83 percent, Open rates and Click to Open rates tied at 78 percent, and Conversion rates at 73 percent.

CHART 19

Plans for Using Generative AI in Email Campaigns



What are your plans for using Generative AI (such as ChatGPT) to facilitate email marketing?

Insight: Over one-third (38 percent) of respondents report they are already using Generative AI to facilitate their use of email. Chart 19 shows the plans the remaining 62 percent have relative to generative AI usage. Only 18 percent report no plans to use it. Seventy-three percent of those not yet using Generative AI for email are in some planning stage to do so.

CHAPTER 3: SOCIAL MEDIA

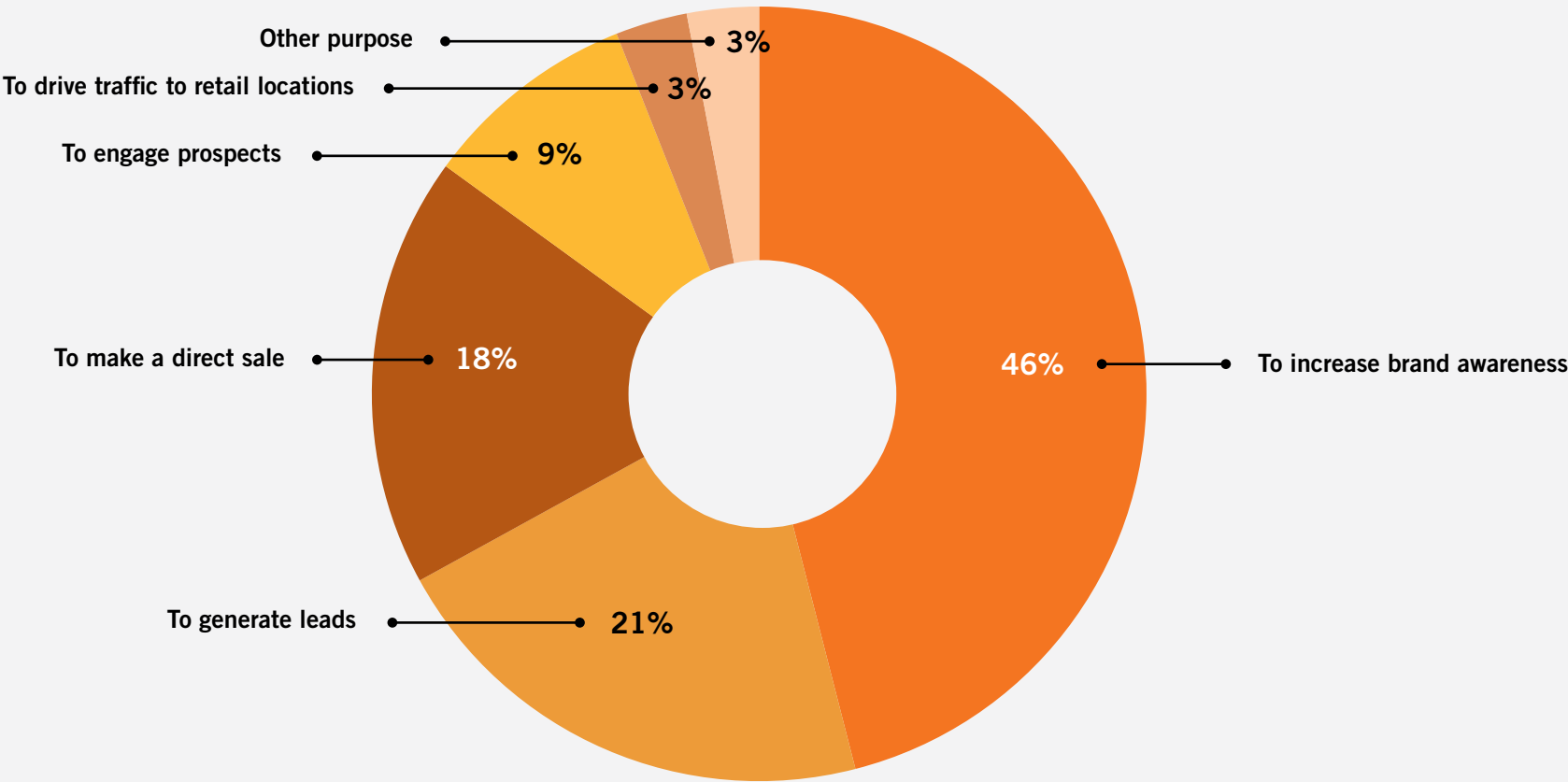
Highlights

- The most common purpose of social media advertising campaigns was to increase brand awareness (46 percent). This purpose was highest and ranked first for B2B marketers (67 percent) and B2C marketers (50 percent). It ranked second for mixed B2B/B2C marketers (33 percent).
- Mixed B2B/B2C marketers ranked lead generation (47 percent) as the primary purpose of their social media advertising campaigns.
- Adoption of programmatic ads on social media platforms reached 46 percent, a substantial increase from the previous study's 33 percent.
- On average, marketers who leverage social media advertising achieved an ROI of 28 percent in 2023, virtually unchanged from the previous study.
- Comparing mobile to desktop, CTR, CPC, and conversion rates all declined slightly from the previous study.

CHART 20

Primary Purpose of Social Ads

N = 33



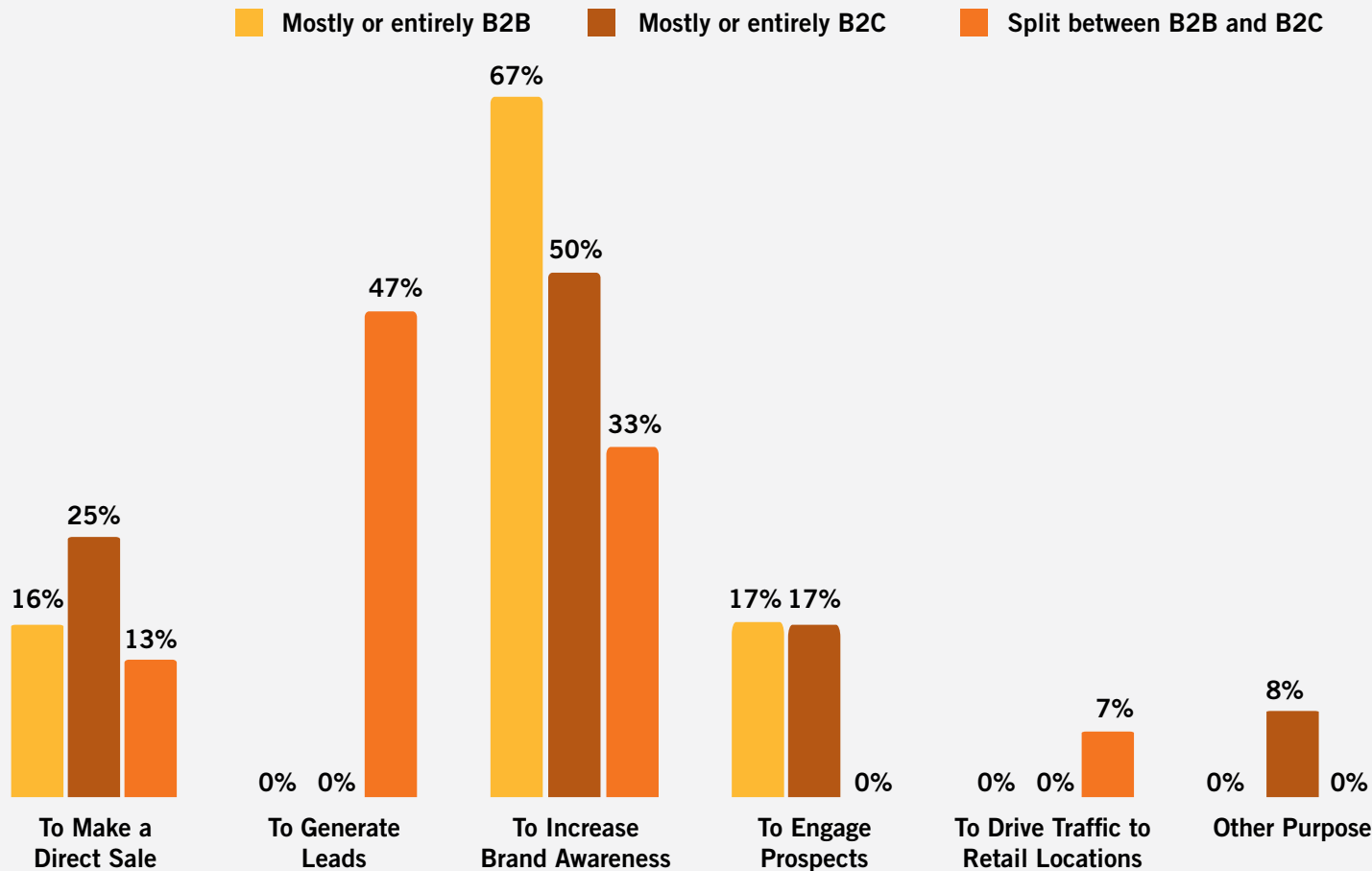
What is the primary purpose of your social media advertising campaigns?

Insight: The highest ranked purpose of social media ads is to increase brand awareness, affirming the conventional wisdom that social ads are well-suited to brand building.

CHART 21

Primary Purpose of Social Ads by Campaign Type

N = B2B (6**), B2C (12*), Split B2B/B2C (15*)
*Small base
**Very small base



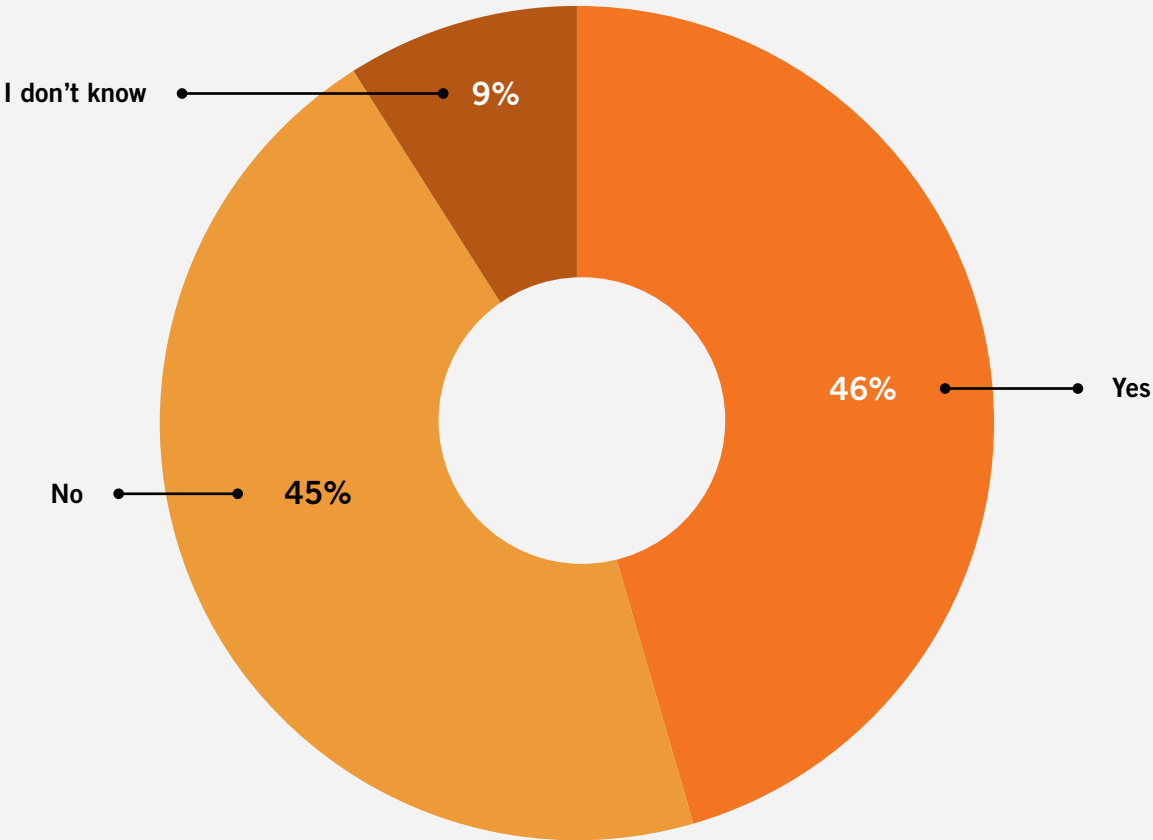
What is the primary purpose of your social media advertising campaigns?

Insight: Increasing brand awareness is a key purpose for all campaign types. Only for mixed B2B/B2C did lead generation register as a purpose, ranking first for this campaign type. Making a direct sale ranked second or third for all campaign types.

CHART 22

Social Media Ads: Programmatic Adoption

N = 53



Do you leverage programmatic media to place ads on social media platforms?

Insight: In this study, 46 percent of respondents report using programmatic ads on social media platforms, compared to 33 percent in the previous study.

TABLE 4

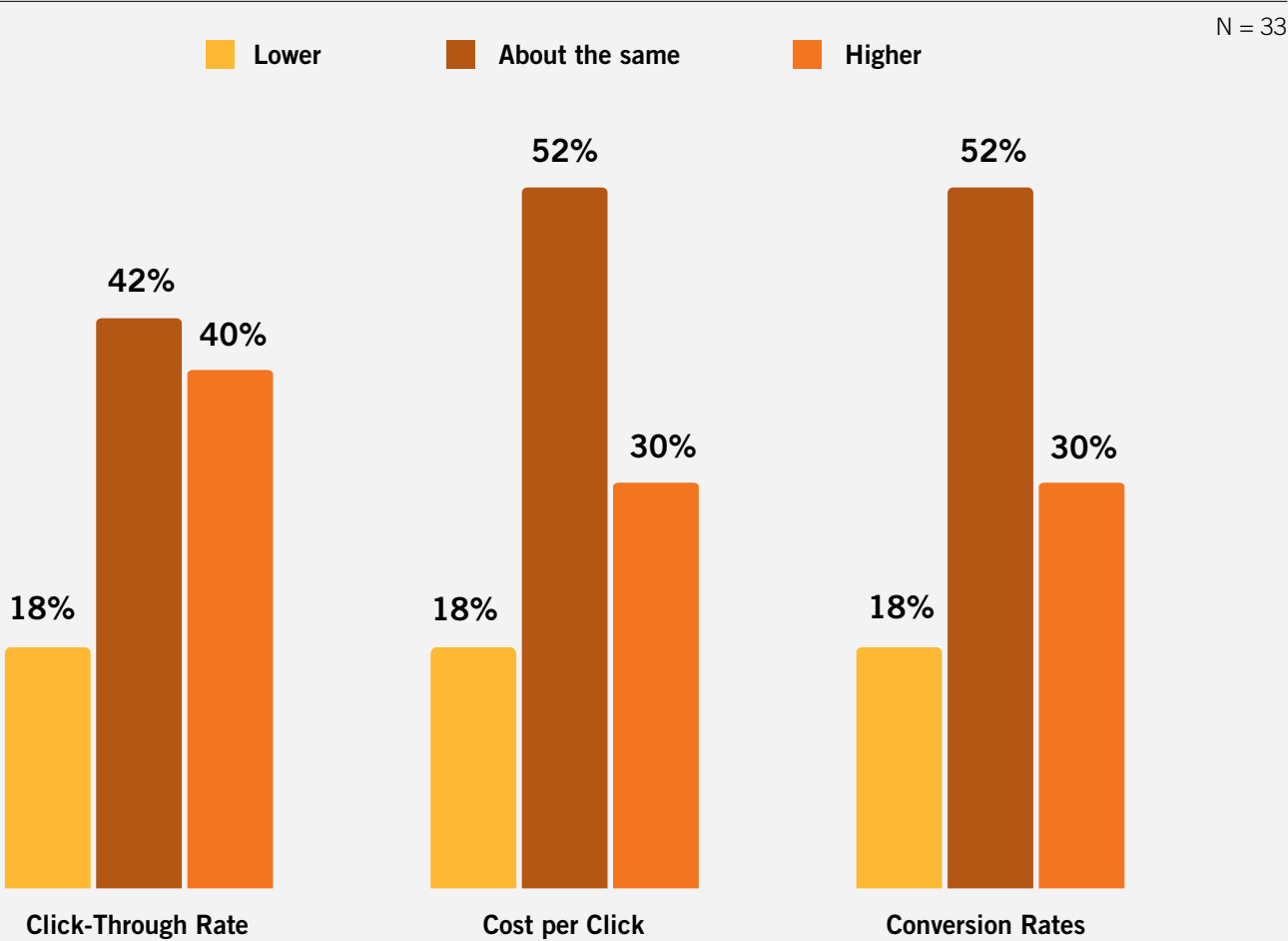
Social Media Advertising Metrics Overview

2023 Social Media Advertising Metrics Overview	
Metric	2023
Click-Through Rate	21%
Cost per Click	\$9.45
Conversion Rate	11%
Cost per Acquisition	\$18.38
ROI	28%

Insight: CPA dropped to \$18.38 in the current study, compared to \$26.76 in the previous one. ROI held steady by comparison.

CHART 23

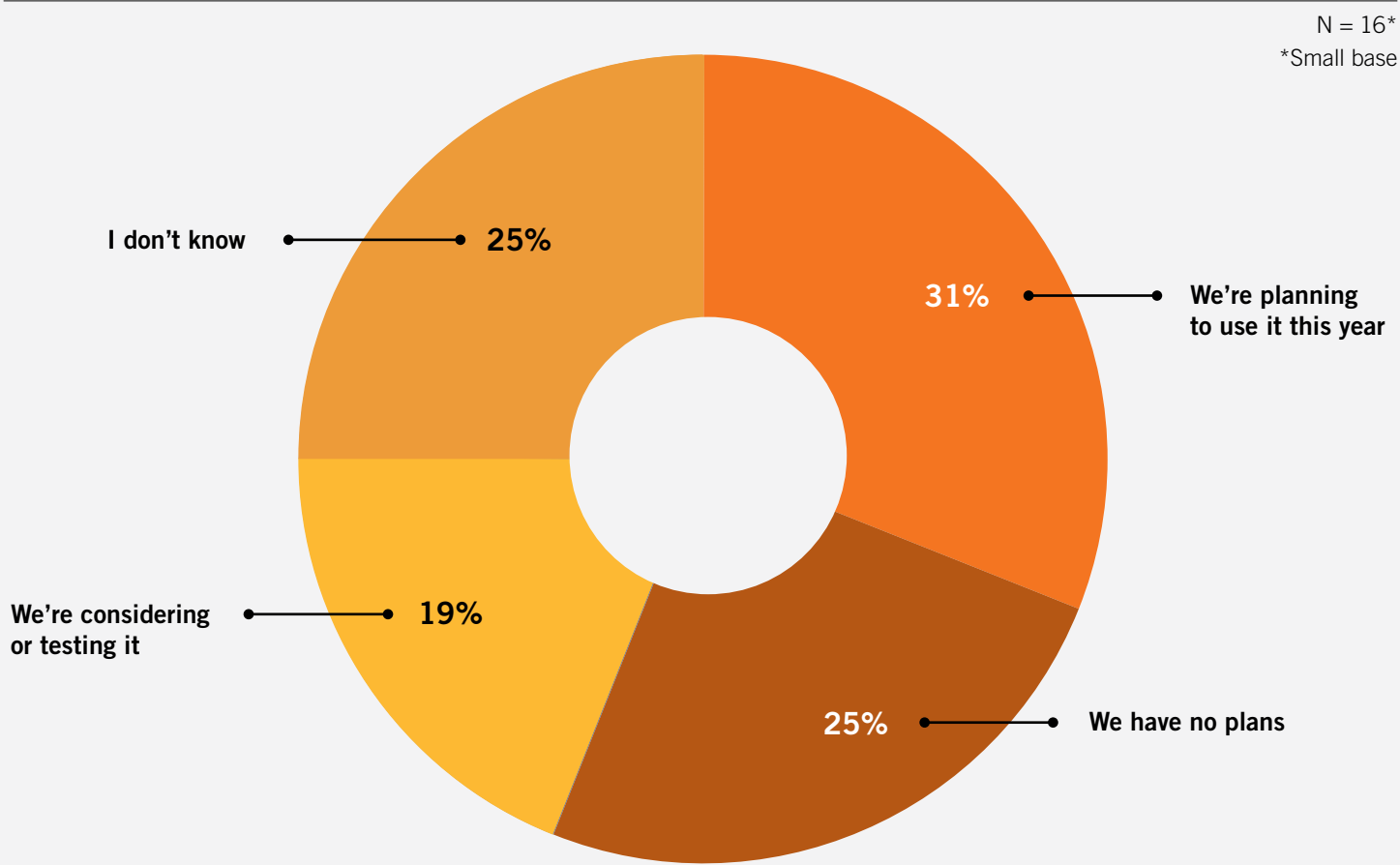
Social Media Comparison: Mobile vs. Desktop



Insight: The percentage of respondents reporting that Mobile Click, Cost per Click, and Conversion rates are higher on mobile than desktops declined across the board. CPC saw the most significant dip in those stating mobile rates are higher between past and current study years: from 45 percent previously to 30 percent now. Likewise, CTR dropped from 49 to 40 percent, and conversion rate from 42 to 30 percent.

CHART 24

Plans for Using Generative AI in Social Media Campaigns



What are your future plans for using Generative AI (such as ChatGPT) to facilitate your social media advertising efforts?

Insight: Over one-third (36 percent) of respondents report they are already using Generative AI to facilitate their use of social media advertising. Chart 24 shows the plans the remaining 64 percent have relative to generative AI usage. 25 percent report no plans to use it. 50 percent of those not yet using generative AI in their social media advertising campaigns are in some planning stage to do so.

CHAPTER 4: PAID SEARCH

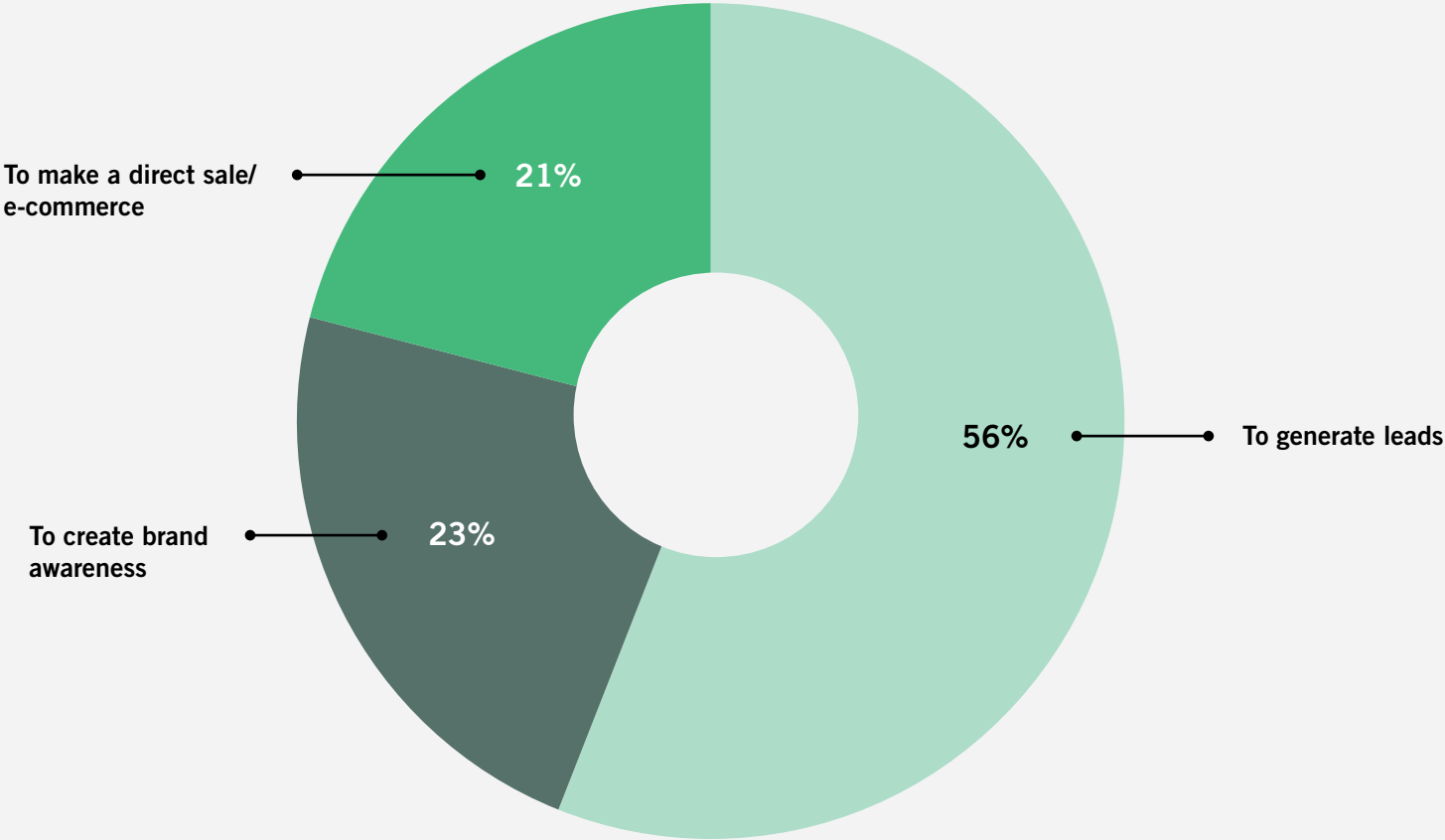
Highlights

- Just over half of respondents (51 percent; Chart 1) report using paid search for marketing campaigns, an increase from 38 percent from the previous study.
- Over half (56 percent) of respondents report lead generation is the primary purpose of paid search campaigns.
- Paid search performance data is collected for branded and generic keywords, and 71 percent of respondents report they use a mix of both in their paid search campaigns, an increase from 63 percent in the previous study.
- Over one-third (38 percent) of respondents report the use of a third-party paid search management tool to manage their paid search campaigns, a decrease from the 44 percent who did so in the previous study.
- On average, marketers who use branded keywords in their paid search campaigns achieved an ROI of 38 percent in 2023, and those who use generic keywords reported an average ROI of 30 percent.
- Comparing the performance of paid search on mobile devices, 82 percent of respondents report that mobile click rates are the same or higher than desktop, and 82 percent also report that mobile conversion rates are higher.

CHART 25

Primary Purpose of Paid Search

N = 34



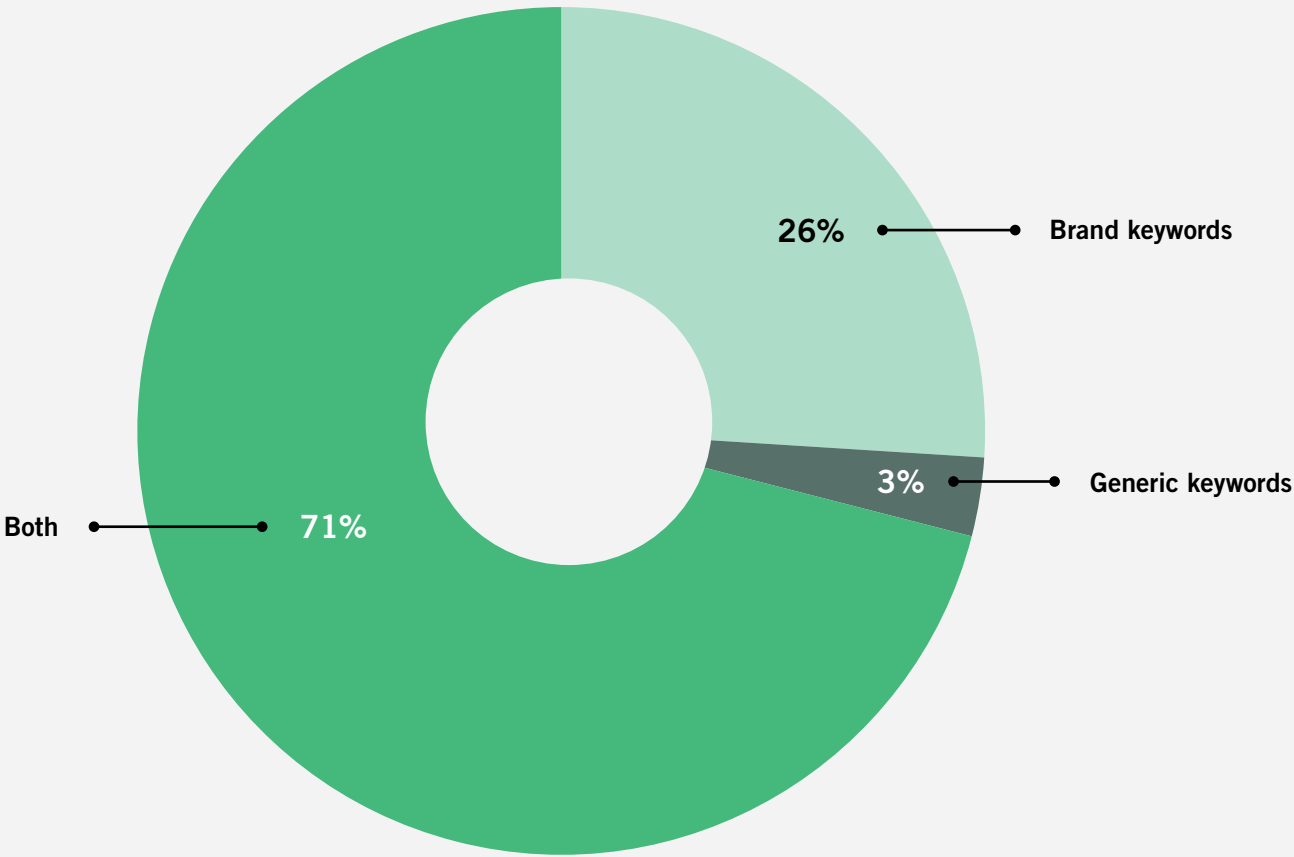
What is the primary purpose of your paid search campaigns?

Insight: Lead generation garners over twice the reported purpose of paid search campaigns over brand awareness and sales.

CHART 26

Paid Search Keyword Types

N = 34



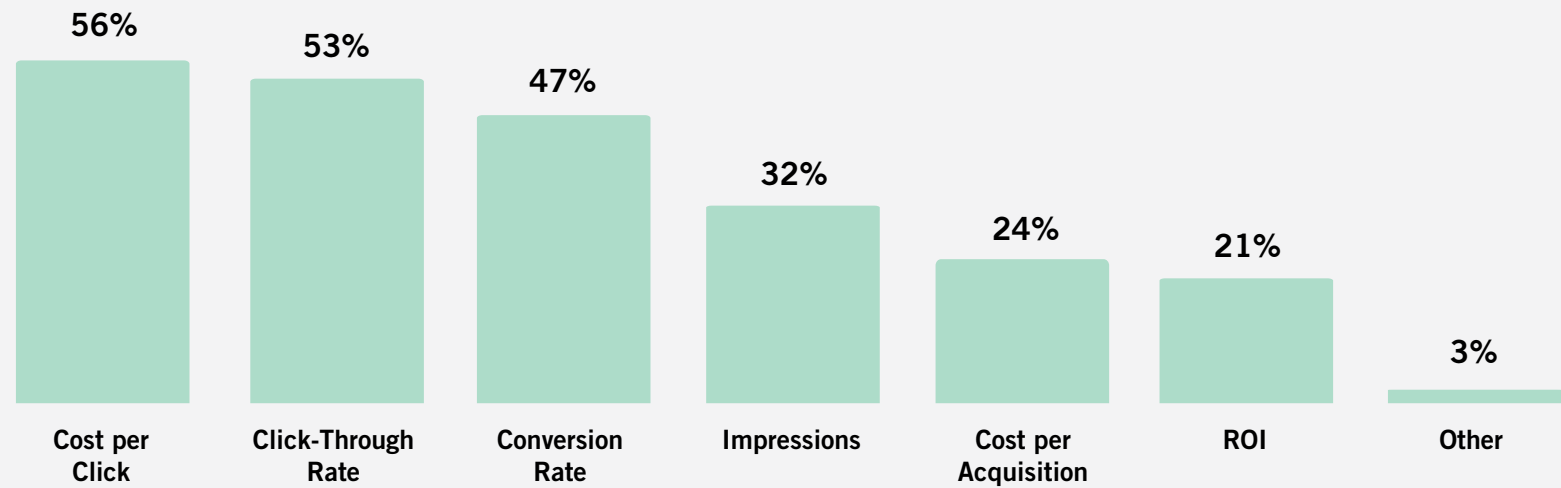
Which of the following types of keywords do your paid search campaigns include?

Insight: Keyword type selection for paid search campaigns isn't mutually exclusive, but blends brand and generic keywords for most study participants.

CHART 27

Paid Search Metrics

N = 34



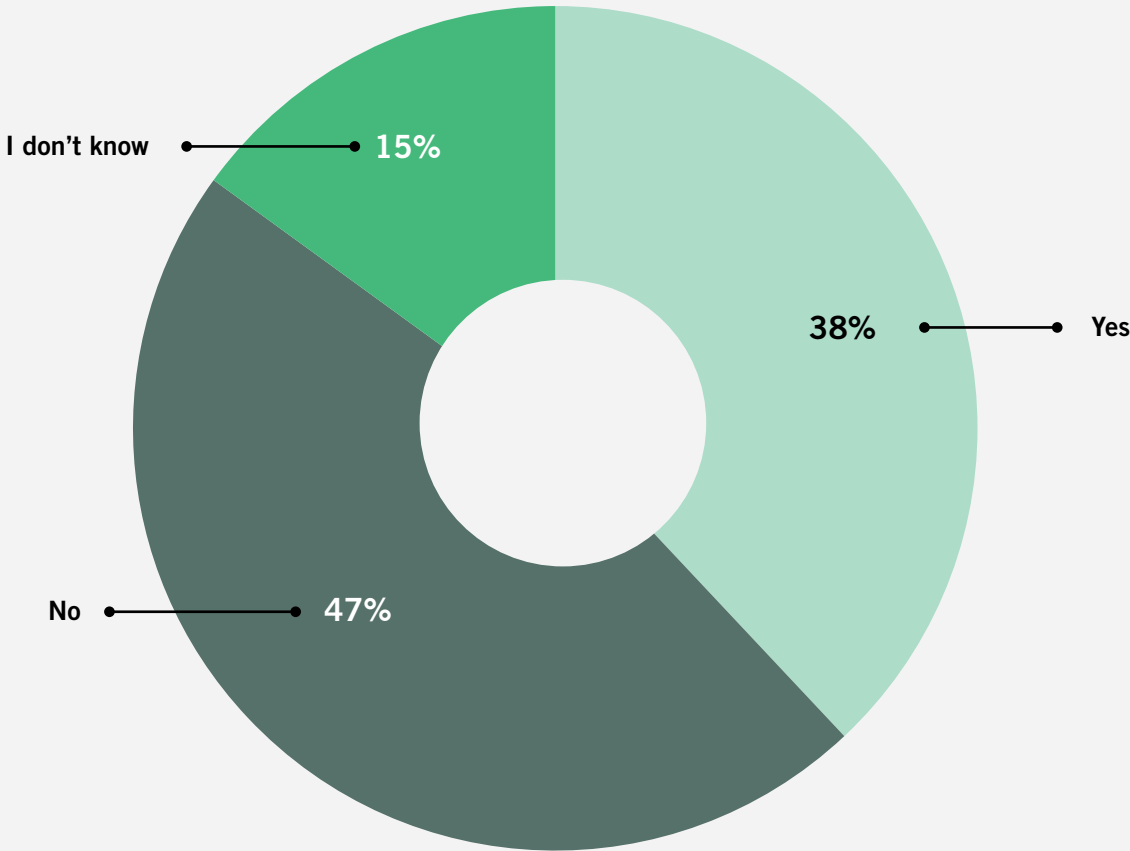
Which paid search metrics do you rely on most heavily?

Insight: Cost per click, click-through rate, and conversion rate are the top three metrics for paid search. B2C paid search campaigns prioritize conversions over CPC and CTR. B2B paid search campaigns prioritize CTR, while mixed B2B/B2C campaigns prioritize CPC.

CHART 28

Paid Search Management Tool Usage

N = 34



Do you use a third-party paid search management tool to manage your campaigns? (i.e., You don't run your campaigns directly from Google Ads or Microsoft Advertising)

Insight: Usage of a third-party paid search management tool to augment Google Ads or Microsoft Advertising has fallen slightly to 38 percent from 44 percent in the previous study.

TABLE 5

Paid Search Metrics Overview

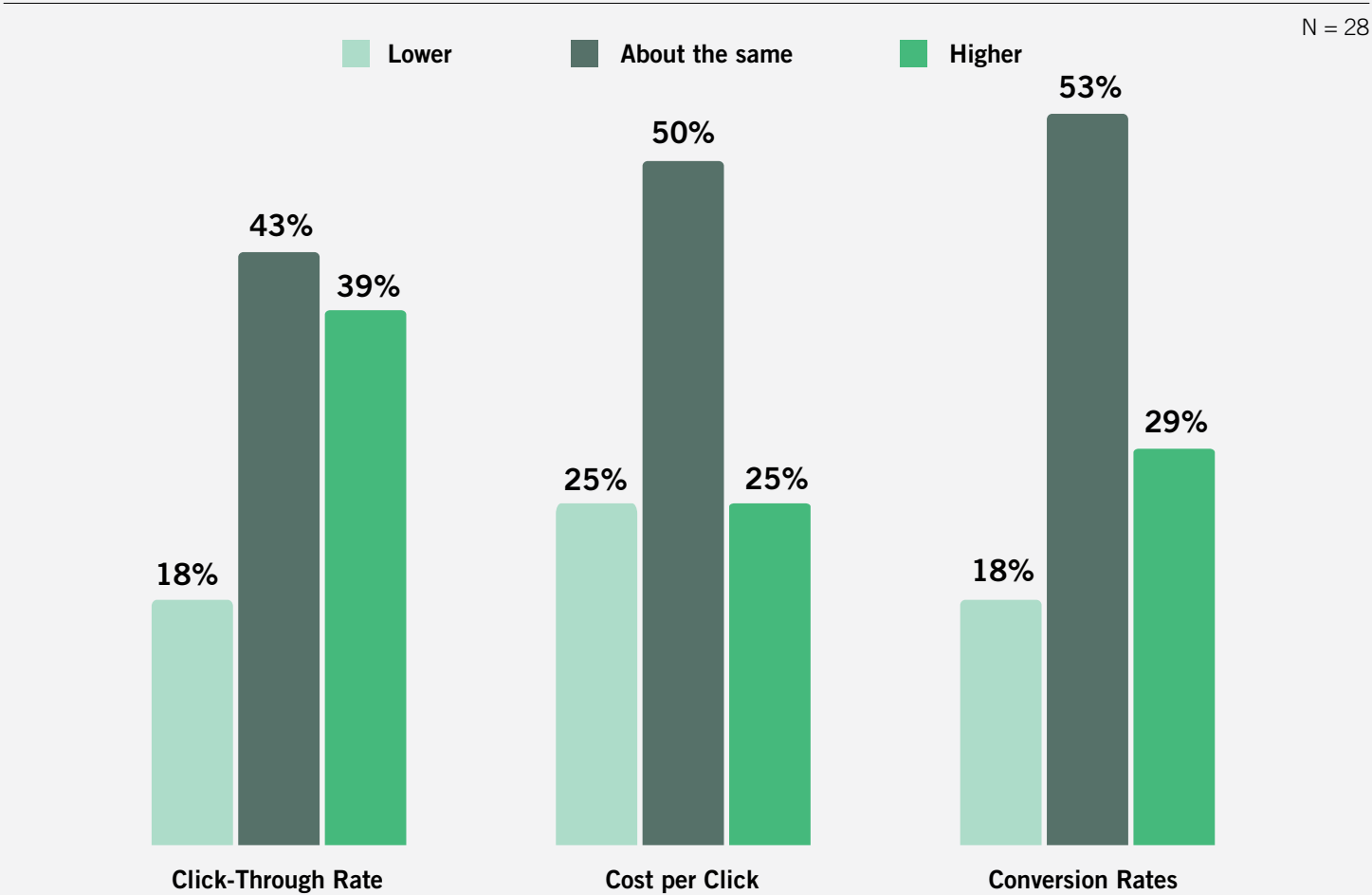
2023	Branded Keywords					Generic Keywords				
	CTR	CPC	Conv.	CPA	ROI	CTR	CPC	Conv.	CPA	ROI
Metric	21.4%	\$5.99	17.7%	\$16.57	38.3%	9.2%	\$8.48	5.8%	\$39.47	30.3%
N	29	24*	29	24*	25*	18*	19*	16*	19*	19*

*Small base

Insight: CPA for branded keywords in the current study, \$16.57, is less than half of the previous study’s CPA of \$36.64. Conversely, CPA for generic keywords more than doubled this year to \$39.47 from the previous \$17.21. Paid search campaigns using branded keywords outperformed generic in every category.

CHART 29

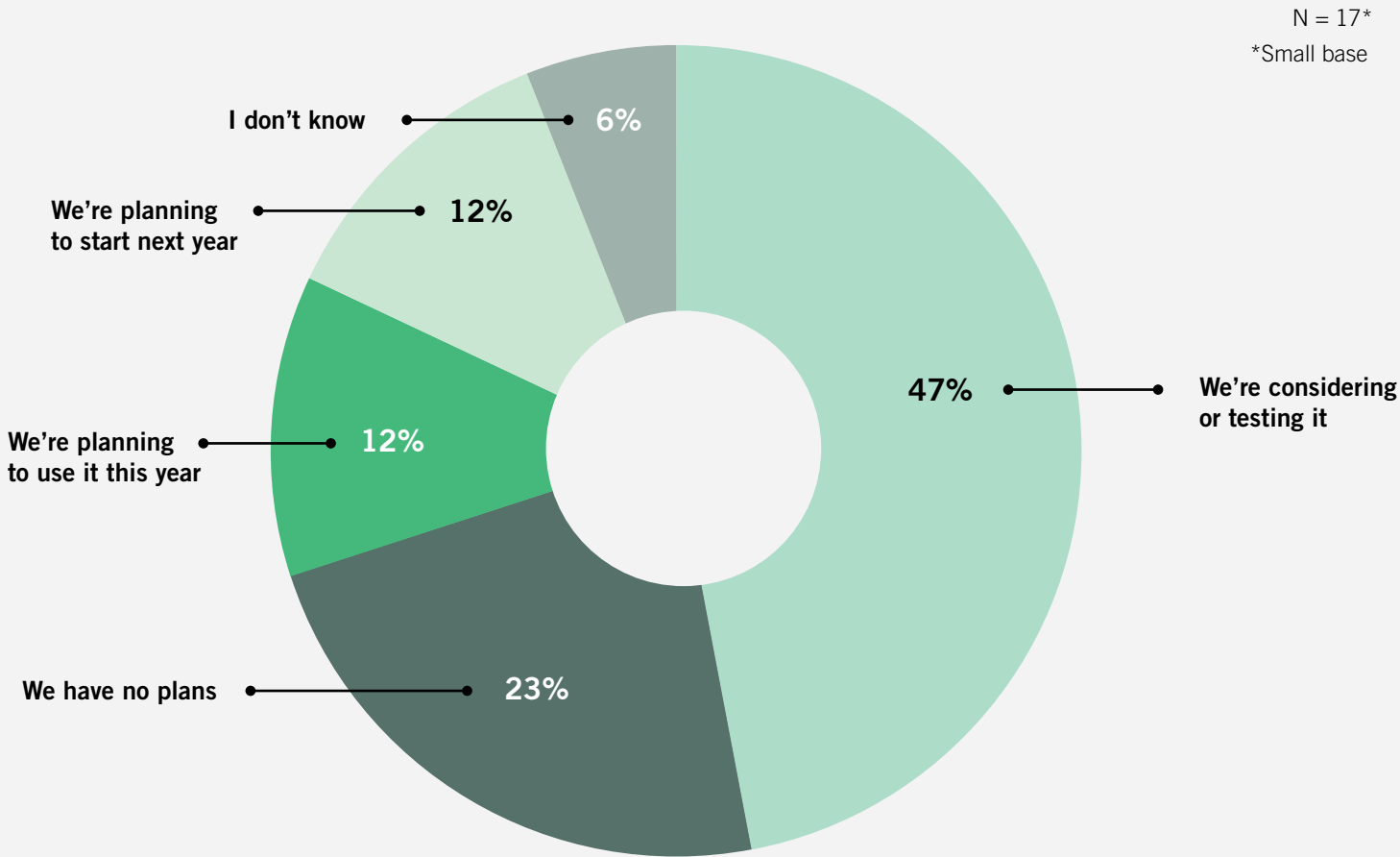
Paid Search Comparison: Mobile vs. Desktop



Insight: The mobile to desktop comparison for paid search is very similar to the previous year’s study results with one exception: CPC. Half of the previous respondents reported higher cost per click for mobile. That figure has dropped to 25 percent in the current study year.

CHART 30

Plans for Using Generative AI in Paid Search Campaigns



What are your future plans for using Generative AI (such as ChatGPT) to facilitate your paid search marketing efforts?

Insight: Over one-fourth (29 percent) of respondents report they are already using Generative AI to facilitate their use of paid search. Chart 30 shows the plans the remaining 71 percent have relative to generative AI usage. 23 percent report no plans to use it. 71 percent of those not yet using generative AI in their paid search campaigns are in some planning stage to do so.

CHAPTER 5: DIGITAL DISPLAY ADS

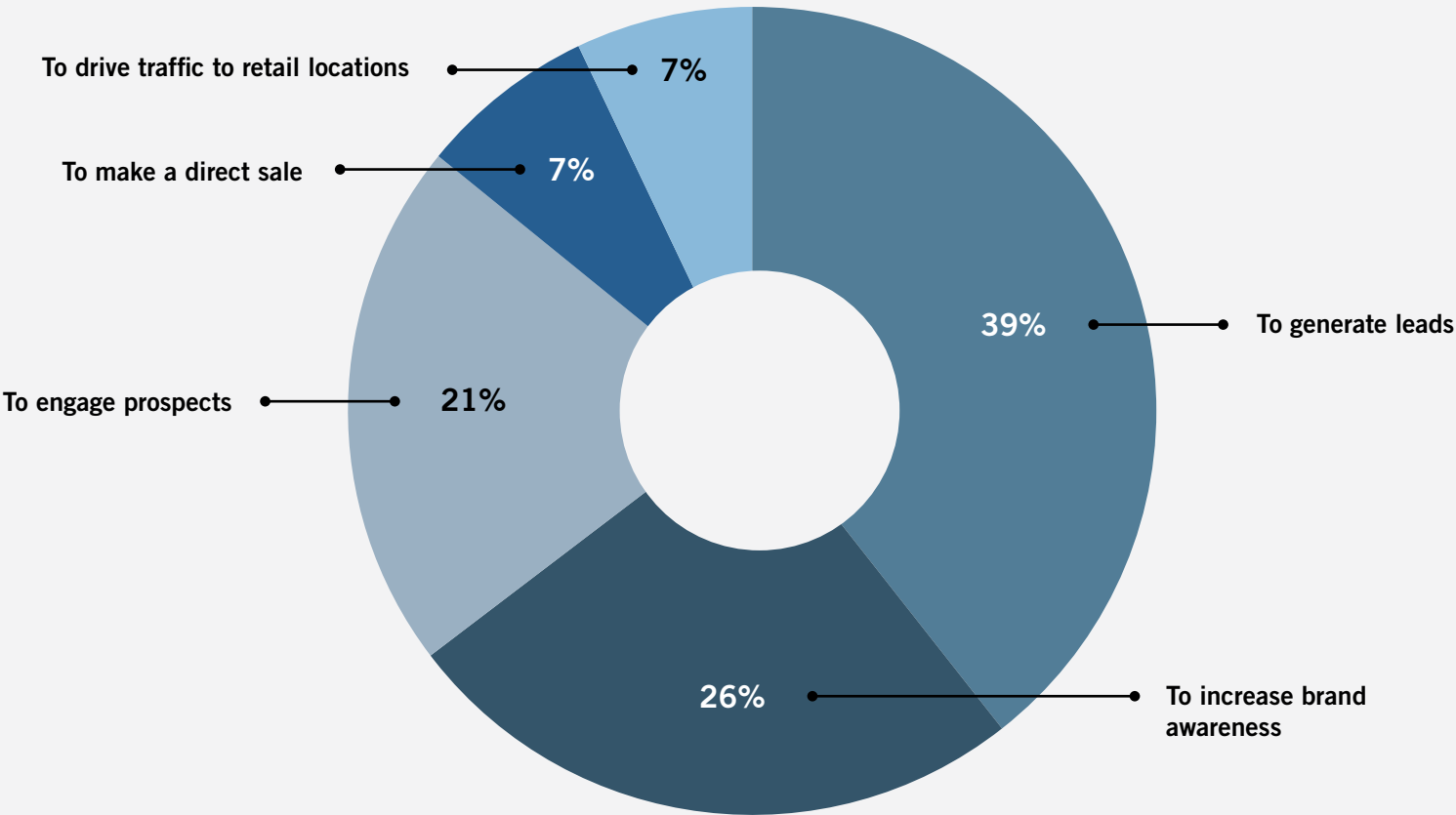
Highlights

- The primary campaign purpose of digital advertising is generating leads (39%), over brand awareness (25%) and making a direct sale (21%).
- Each campaign type has a different primary purpose. For B2B, it's increasing brand awareness. For B2C, it's to make a direct sale. For mixed B2B/B2C campaigns, it's to generate leads. These primary purposes have all changed from the previous study.
- The use of retargeting or remarketing with digital display advertising rose slightly, from 55 percent in the previous study to 58 percent in the current one. Over three-fourths (79 percent) of those who use retargeting report higher click-through rates from using them.
- Less than half (46 percent) of respondents use programmatic advertising. Of those who do, only 27 percent report getting higher click-through rates from programmatic buying.
- The average mix of digital advertising formats in this study was 62 percent display and 38 percent video.
- Respondents report their digital display campaigns achieve an average ROI of 23 percent.
- Comparing the performance of digital display advertising on mobile devices, 71 percent of respondents report that mobile click rates are the same or higher than desktop, while 83 percent report that mobile conversion rates are the same or higher.

CHART 31

Primary Purpose of Digital Display

N = 28

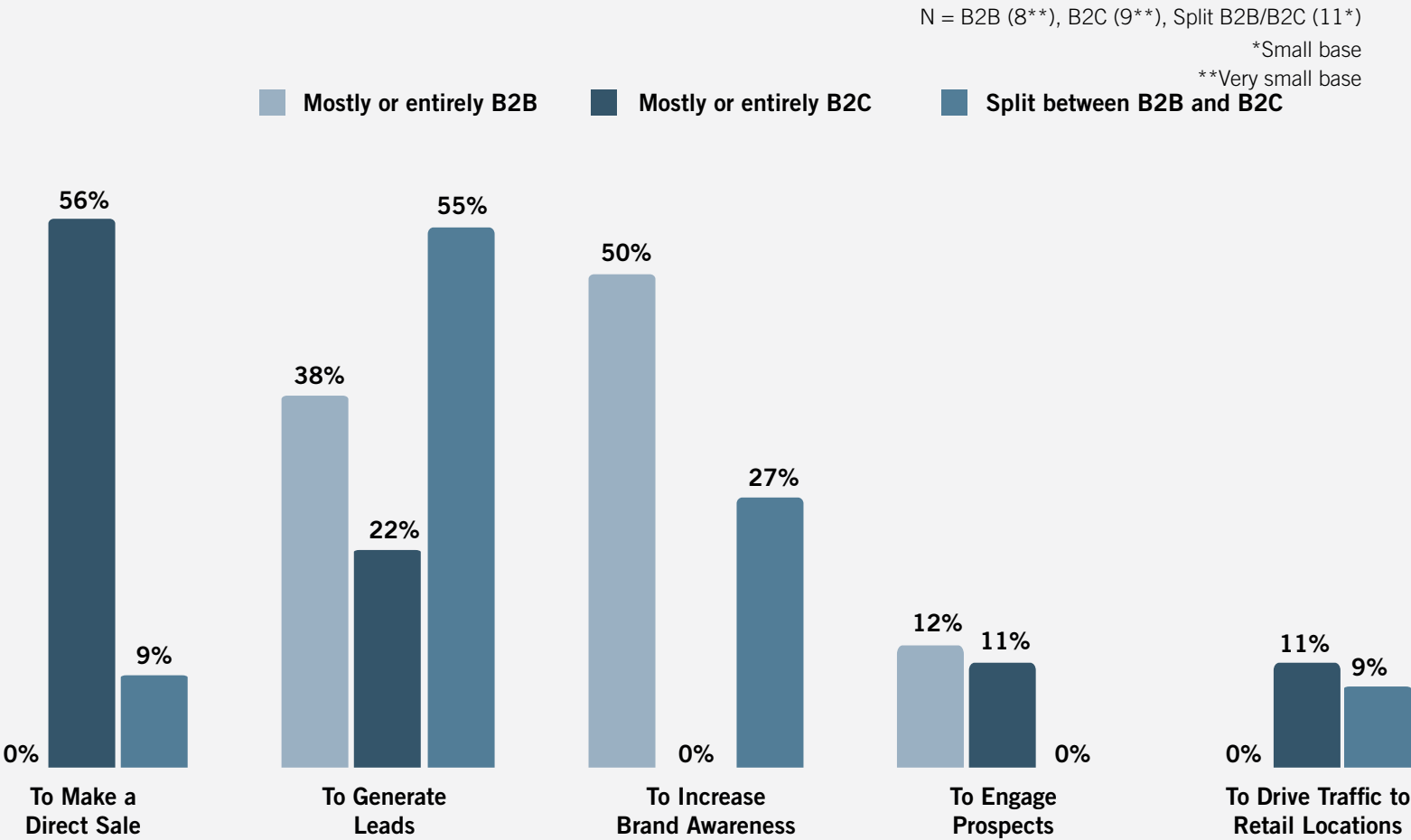


What is the primary purpose of your digital display advertising campaigns?

Insight: The primary purpose of digital display advertising campaigns is generating leads, posting an 11-point increase from the 28 percent who did so in previous study.

CHART 32

Primary Purpose of Digital Display by Campaign Type



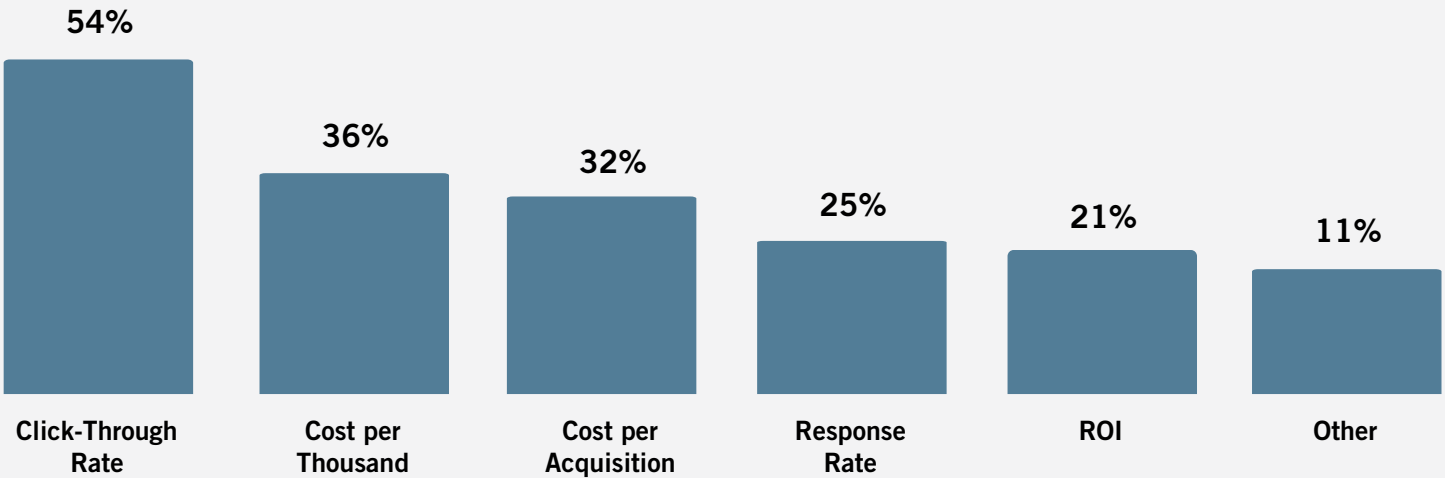
What is the primary purpose of your digital display advertising campaigns?

Insight: Each campaign type has a different primary purpose. None are higher than making a direct sale in B2C campaigns and generating leads for mixed B2B/B2C campaigns.

CHART 33

Display Advertising Metrics

N = 28



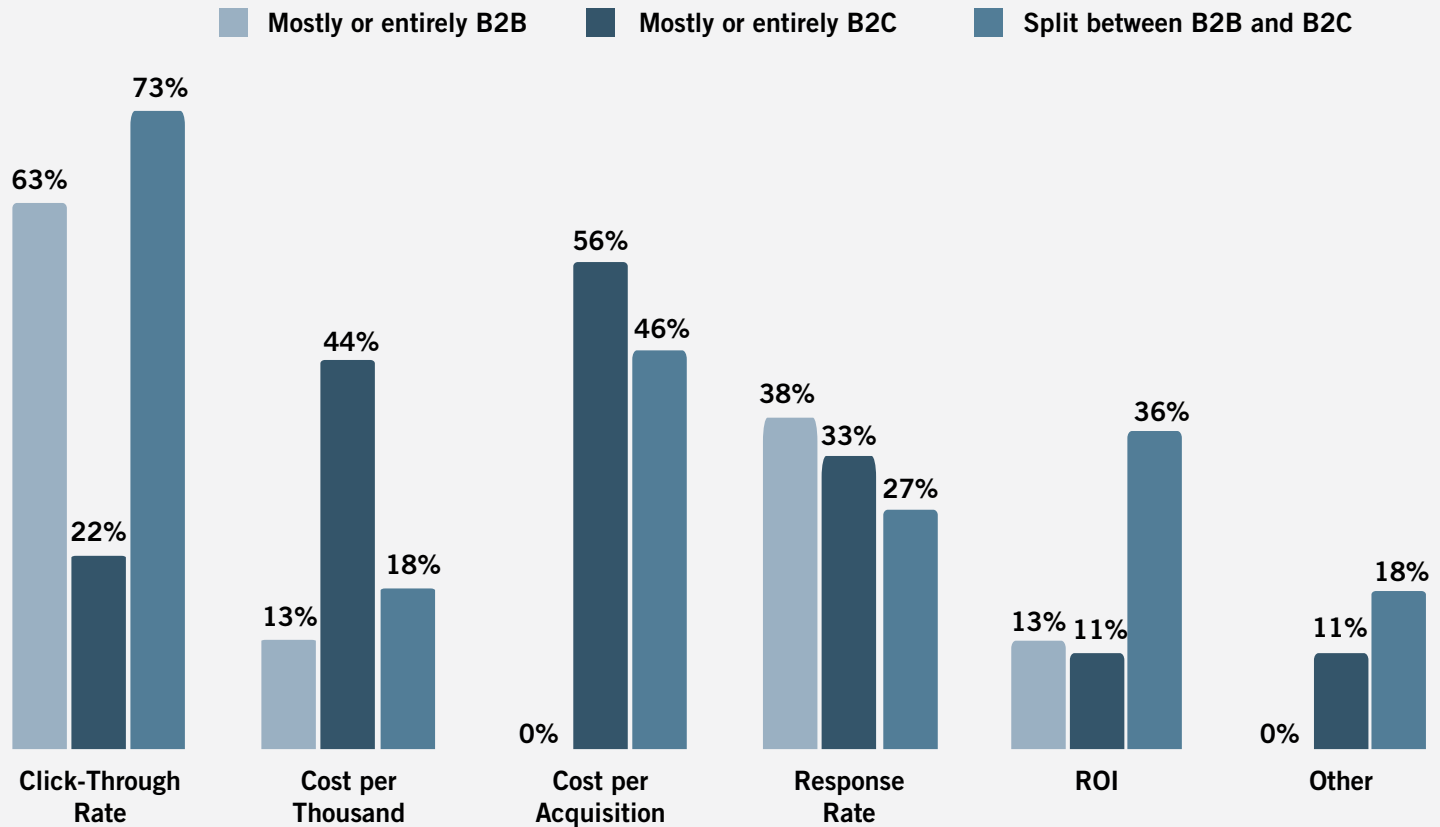
Which display advertising metrics do you rely on most heavily?

Insight: Click-Through Rate (CTR), by a wide margin, is the most tracked display advertising metric, in use by just over half the study participants.

CHART 34

Display Advertising Metrics

N = B2B (8**), B2C (9**), Mixed (11*)
*Small base
**Very small base

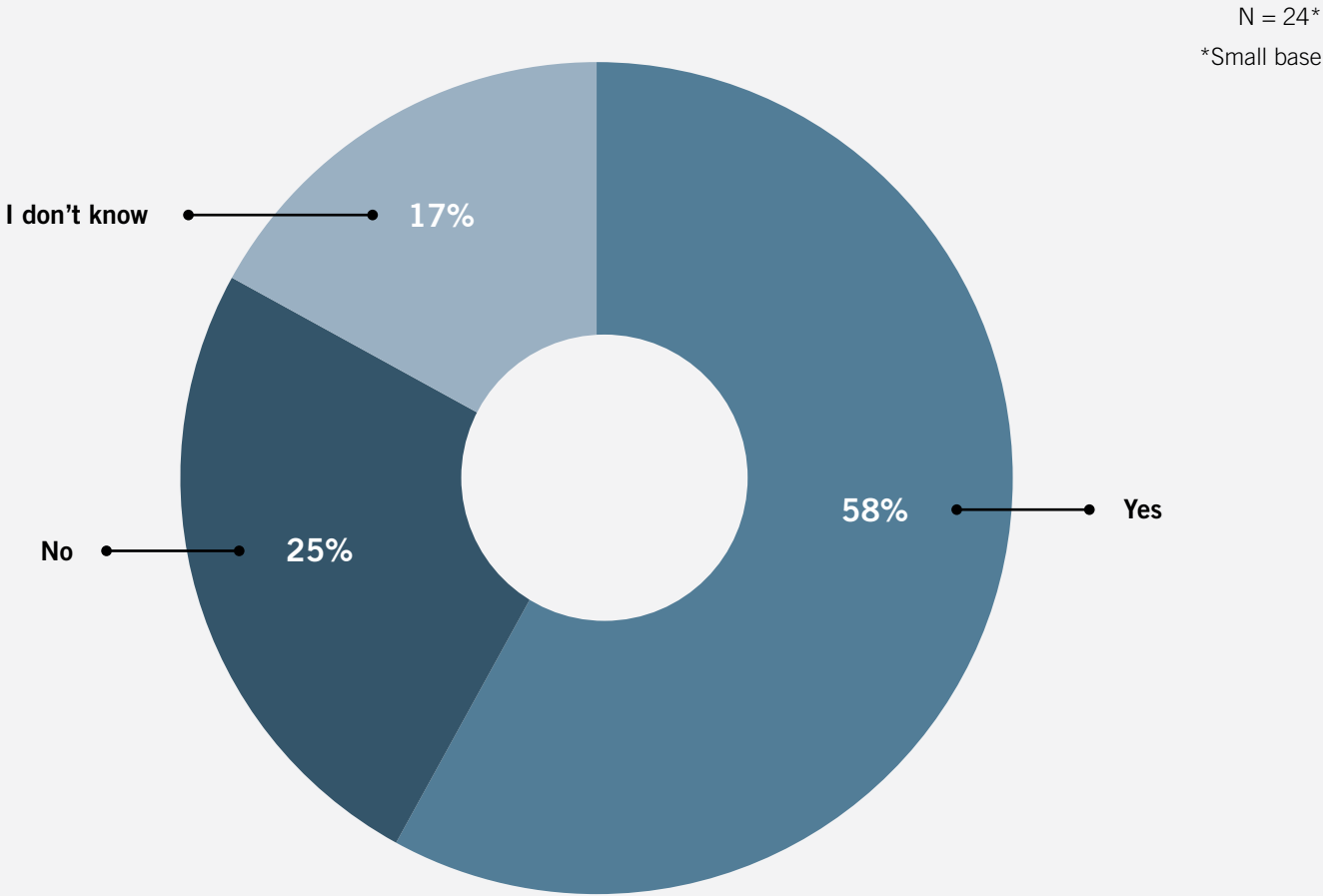


Which display advertising metrics do you rely on most heavily?

Insight: Click-Through Rate is the most used metric in B2B and mixed B2B/B2C campaigns. In B2C campaigns, however, cost per acquisition (CPA) is the most-used metric.

CHART 35

Retargeting or Remarketing Usage

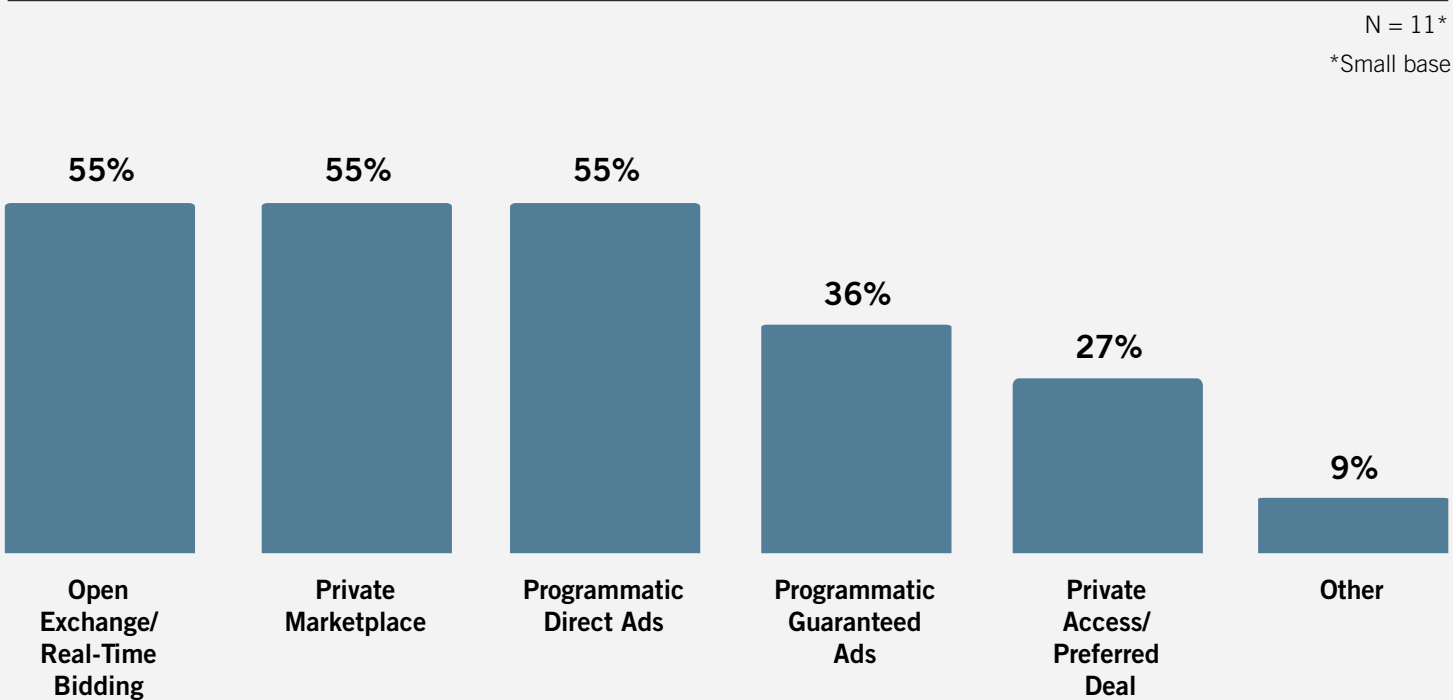


Do you use remarketing or retargeting with any of your digital display advertising?

Insight: The use of retargeting or remarketing has increased slightly from 55 percent in the previous study to 58 percent in the current one. Mixed B2B/B2C campaigns are most likely to leverage retargeting, at 64 percent, compared to 60 percent for B2B and 50 percent for B2C.

CHART 36

Programmatic Display Advertising Usage by Type



Which types of programmatic advertising do you use? Select all that apply.

Insight: About half the respondents to this question report using programmatic display advertising. Three types of programmatic advertising saw equal use: open exchange/real-time bidding, private marketplace, and programmatic direct ads.

TABLE 6

Digital Display Metrics Overview

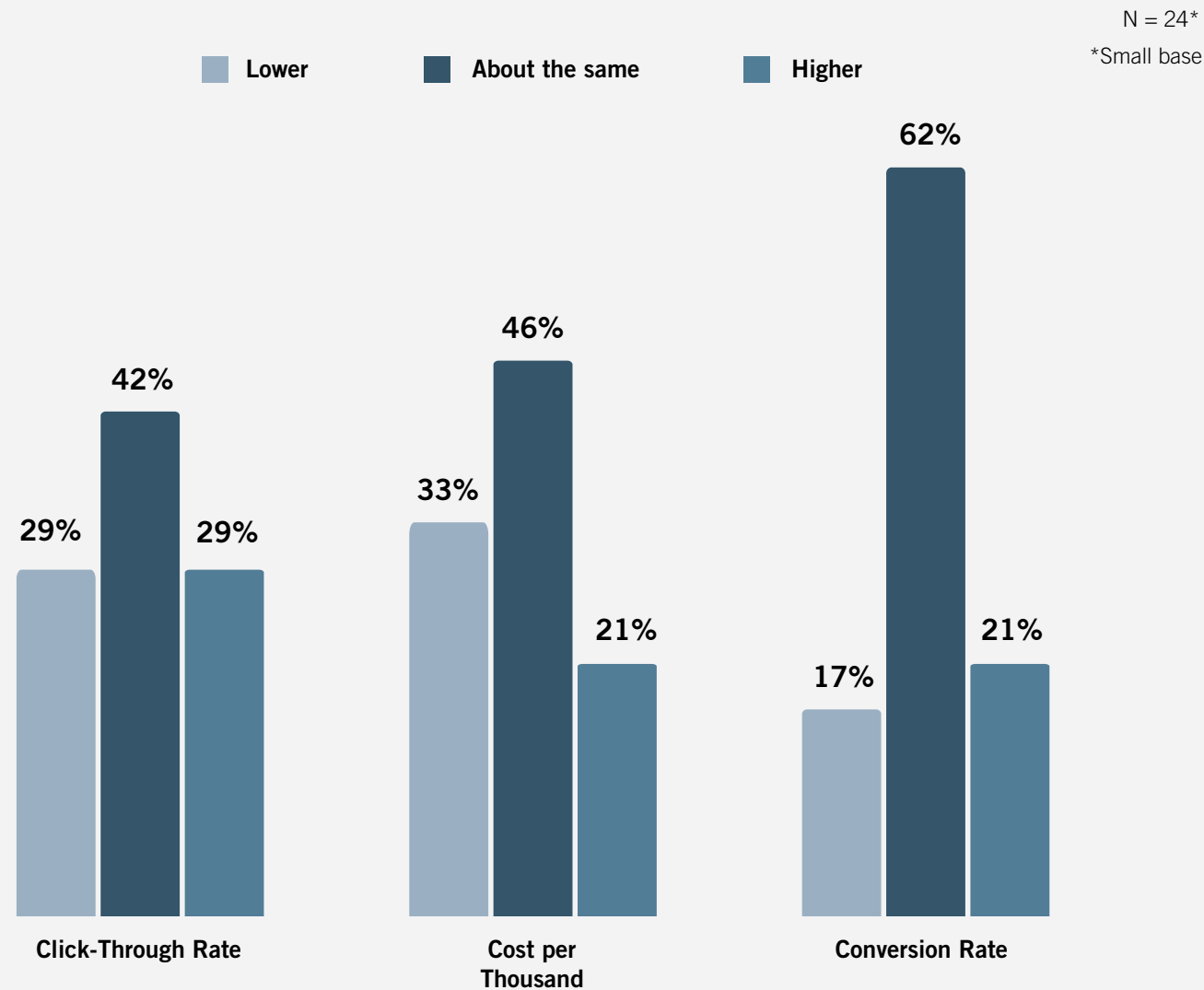
2023 Display Metrics		
Metric	2023	N
Click-Through Rate	79%	23*
Cost per Thousand	\$66.47	20*
Conversion	11%	22*
Cost per Acquisition	\$60.35	21*
ROI	23%	21*

*Small base

 Insight: ROI improved from 15 percent in the previous study to 23 percent currently. Cost per Acquisition also showed a slight decrease of \$2.81 from the previous study.

CHART 37

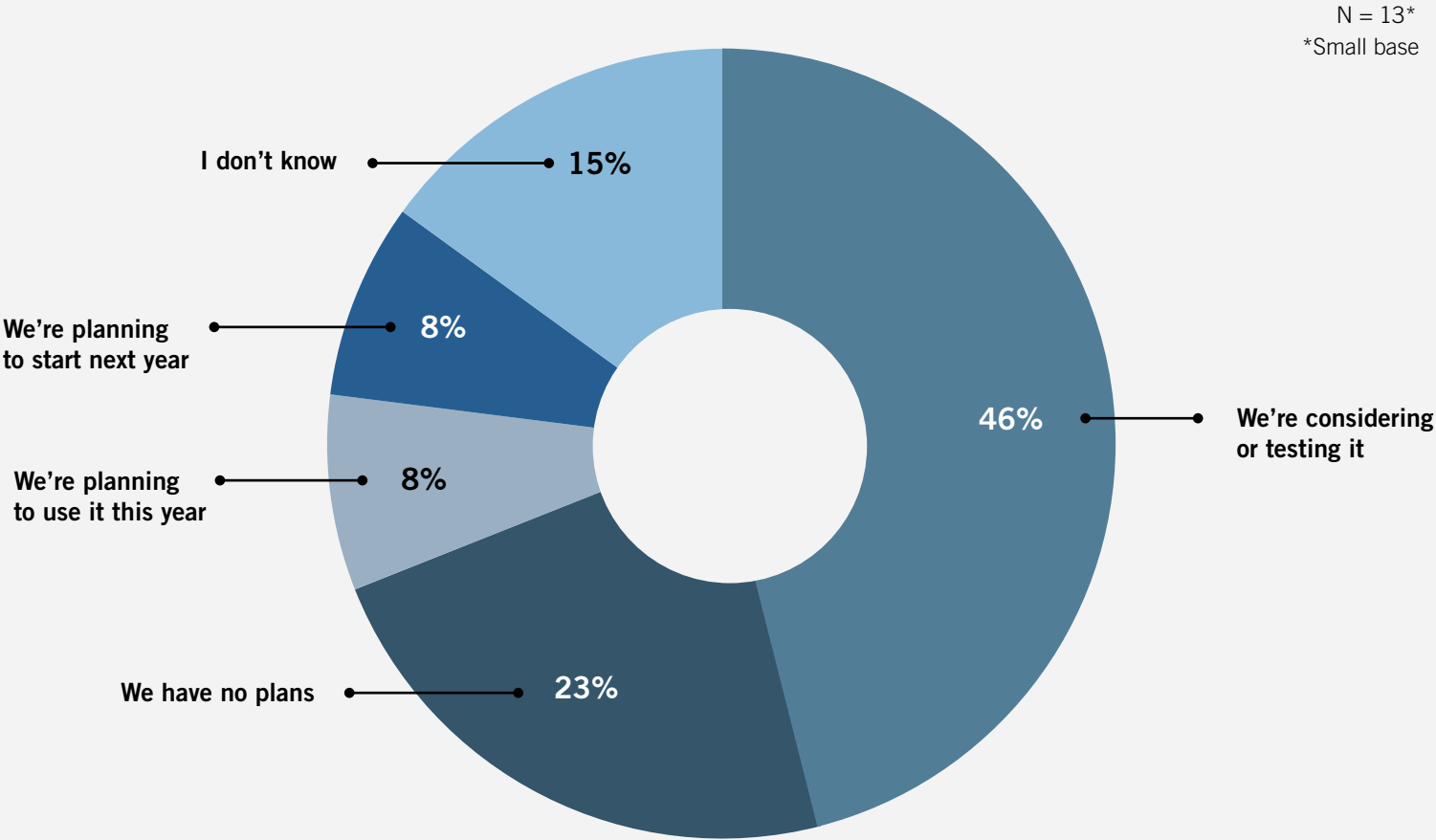
Mobile vs. Desktop Digital Display Ads



Insight: In the previous study year, 36 percent of respondents reported a higher Click-Through rate on mobile. This year, only 29 percent report they are higher. However, half of last year’s respondents reported higher CPM on mobile than desktop, compared to just 21 percent in the current study.

CHART 38

Plans for Using Generative AI in Digital Display Advertising Campaigns



What are your future plans for using Generative AI (such as ChatGPT) to facilitate your digital advertising efforts?

Insight: Nearly half (42 percent) of respondents report they are already using Generative AI to facilitate their use of digital display advertising. Chart 38 shows the plans the remaining 58 percent have relative to generative AI usage. 23 percent report no plans to use it. 62 percent of those not yet using generative AI in their digital display ad campaigns are in some planning stage to do so.

CHAPTER 6: DIRECT MAIL

Highlight

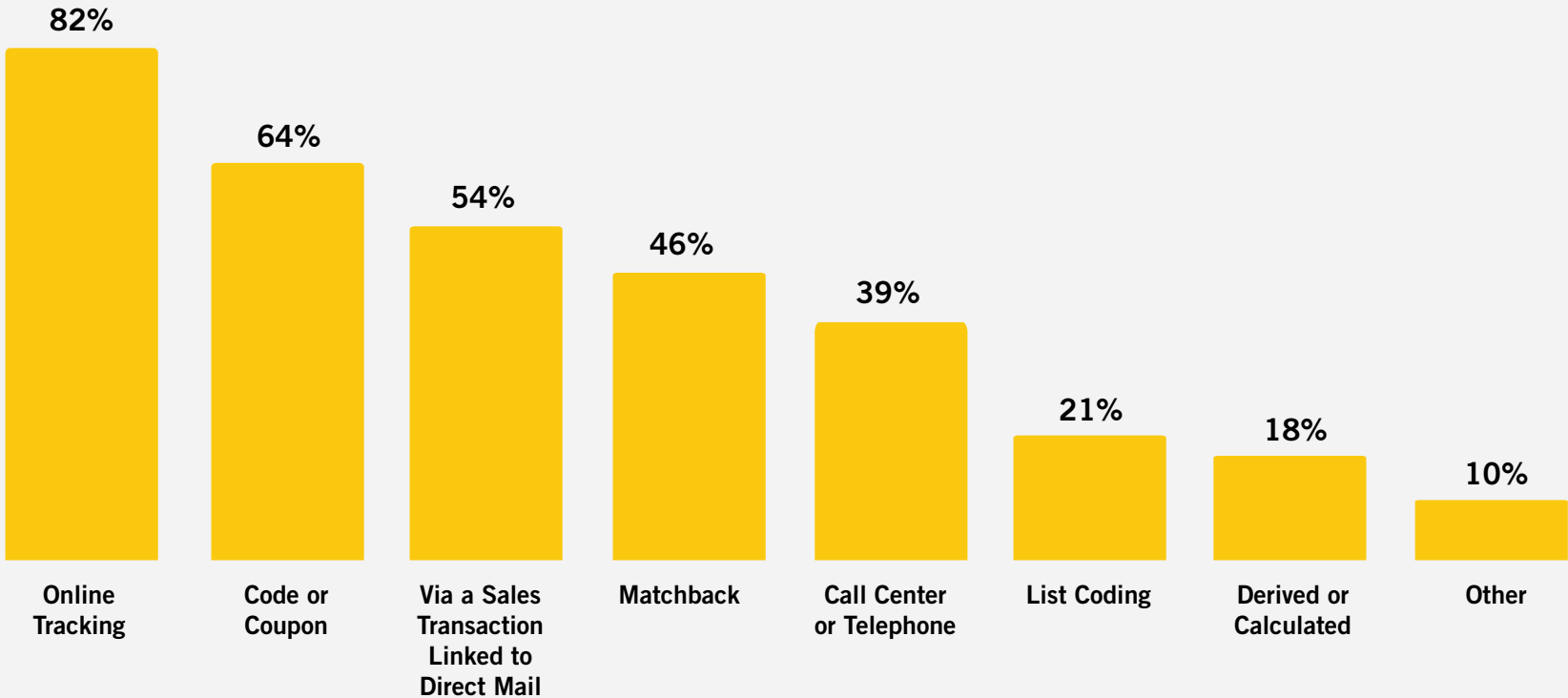
Note: Due to the very small number of responses by campaign type (e.g., B2B, B2C) as well as list and format type (e.g., dimensional mail sent to prospect lists), there was insufficient data to report on response rates and other metrics at this level of granularity. Instead, this report will share direct mail metrics only by list type.

- Of those who track direct mail response rates, 82 percent are using online tracking that leverages QR codes, specific URLs, or another online tracking mechanism. This tracking method increased from 67 percent in the previous study.
- The top purpose of direct mail for respondents is to make a direct sale.
- More than half (56 percent) of respondents use mixed house and prospect lists for their campaigns.
- The most popular direct mail format sent to house lists is postcard (76 percent). For prospect lists, the most popular format (67 percent) is a letter-sized envelope.
- Direct mail sent to house lists produced the top ROI of all media in the study at 161 percent. By comparison, the ROI of direct mail sent to prospect lists was 34 percent.

CHART 39

Direct Mail Response Rate Tracking Methods

N = 39



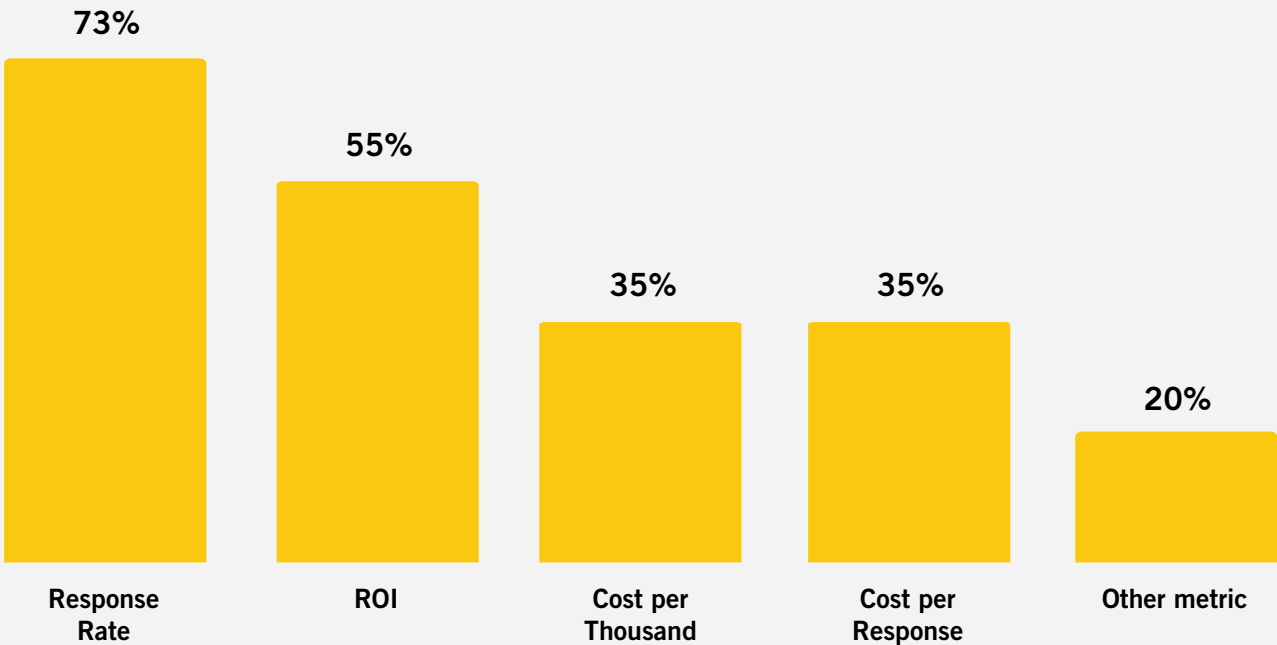
Which methods do you use to track response rates for your direct mail efforts? Please select all that apply.

Insight: For respondents who use direct mail, online tracking using QR codes or Personalized URLs is the most popular tracking method, in use by 82 percent of respondents. This figure is a significant increase from the 67 percent who reported using this method in the previous study.

CHART 40

Direct Mail Metrics

N = 40



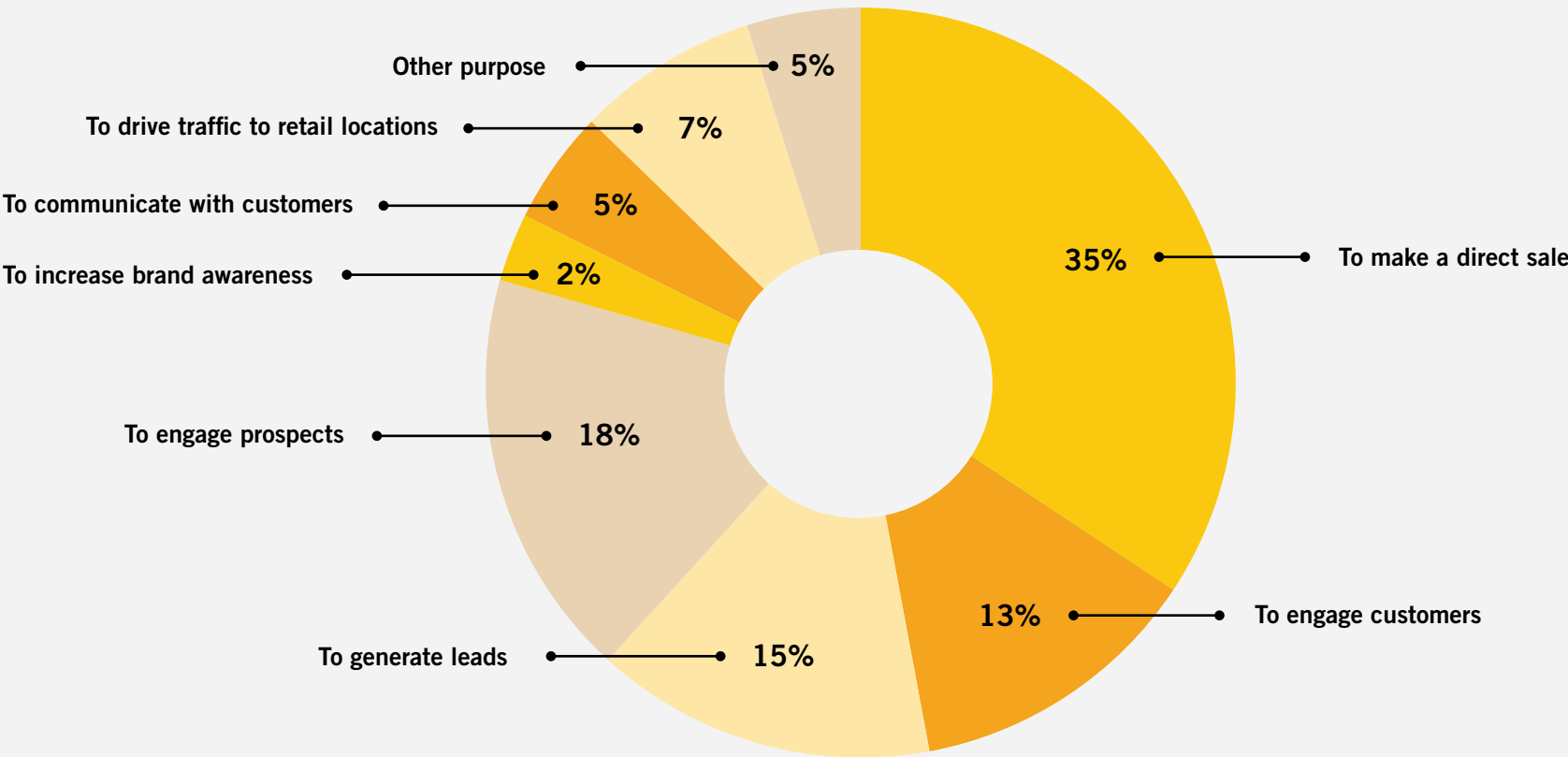
Which direct mail metrics do you rely on most heavily? Please select all that apply.

■ **Insight: Response rate is clearly the most sought-after direct mail metric, with ROI a distant second.**

CHART 41

Primary Purpose of Direct Mail

N = 42



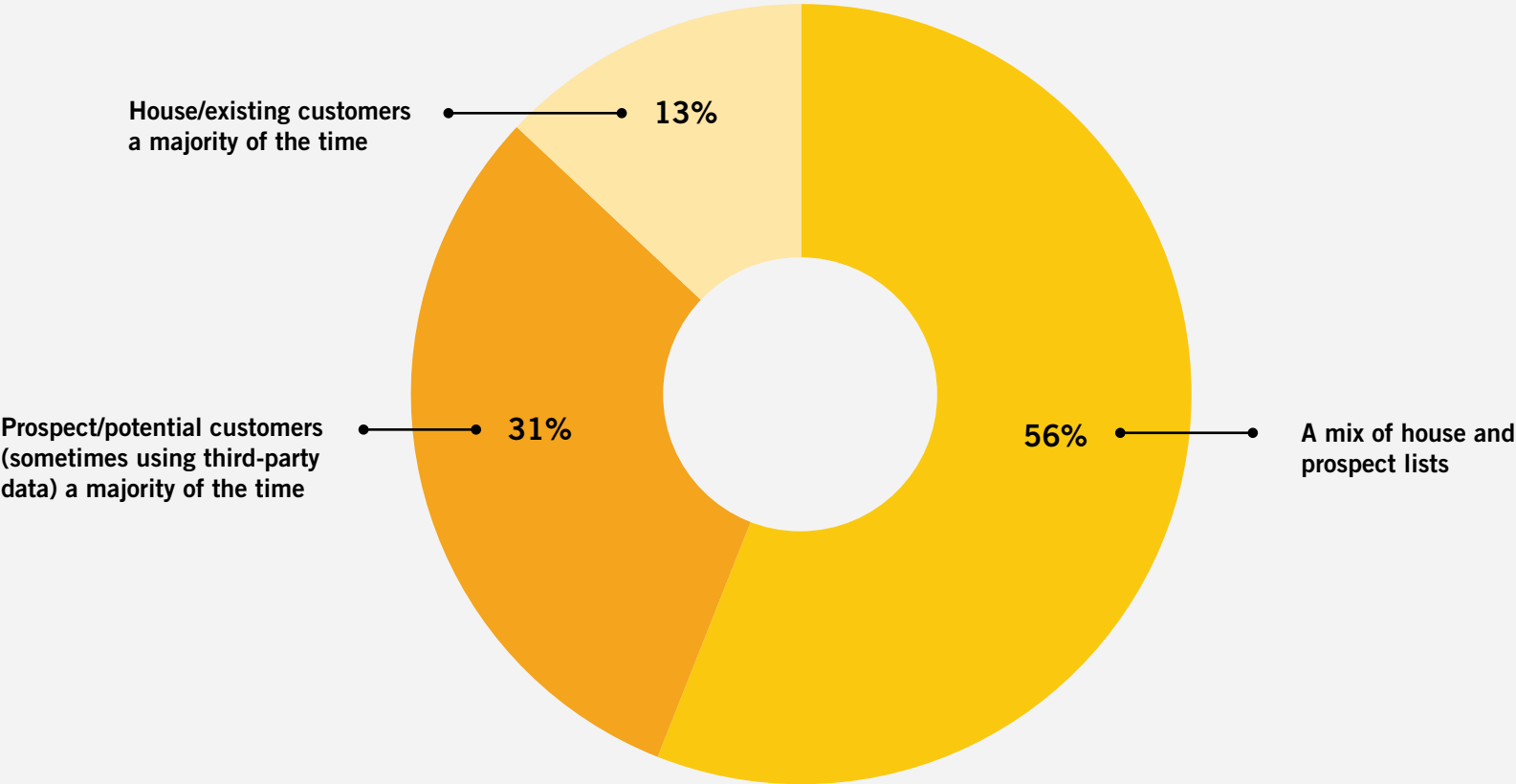
What is the primary purpose of your direct mail campaigns?

Insight: Making a direct sale leads all purposes of direct mail campaigns, almost double the second-ranked purpose, to engage prospects.

CHART 42

Direct Mail List Types in Use

N = 39

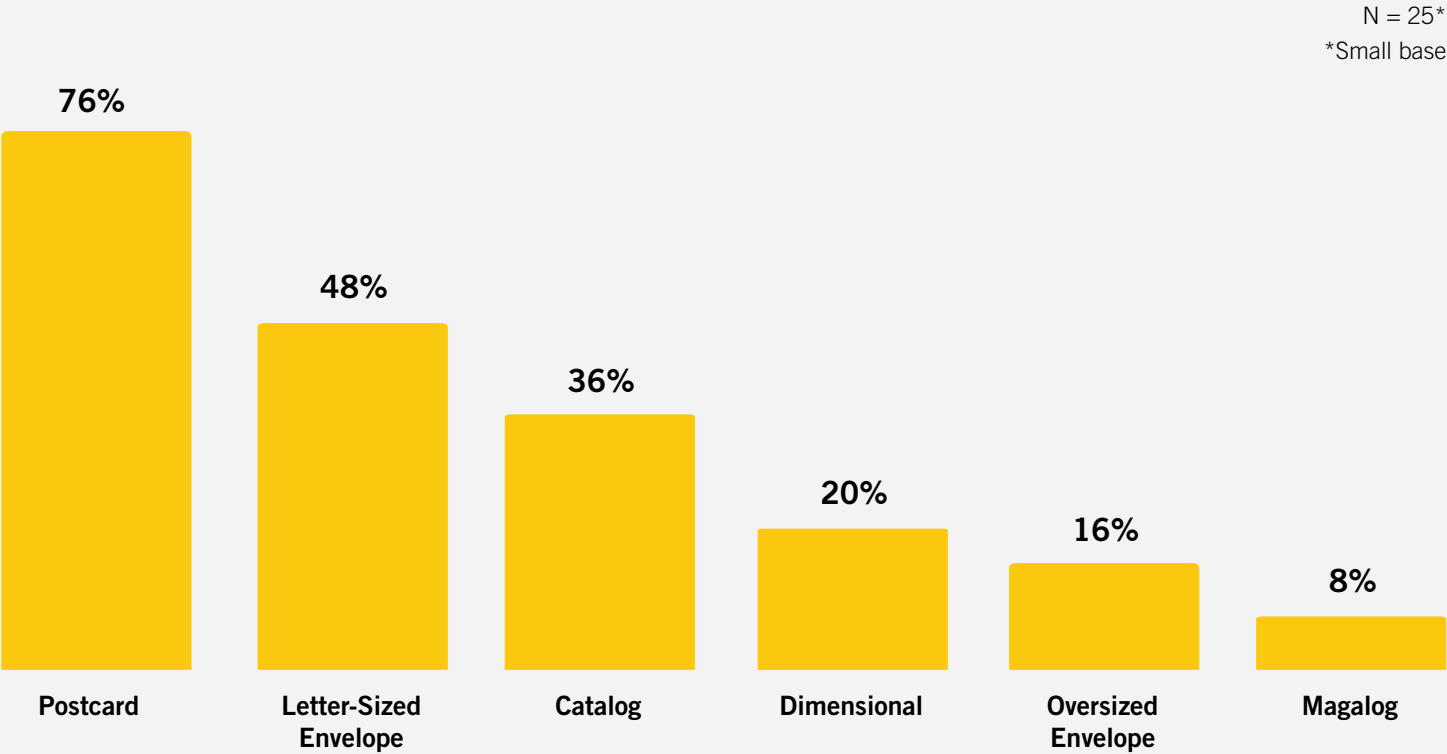


What kinds of mailing lists do you primarily use for your direct mail campaigns?

Insight: Use of house lists for direct mail campaigns is down by almost half from the previous study, where usage was reported by 23 percent of study participants. Direct mail to house lists is the highest ROI medium in this study.

CHART 43

Direct Mail Formats to House Lists



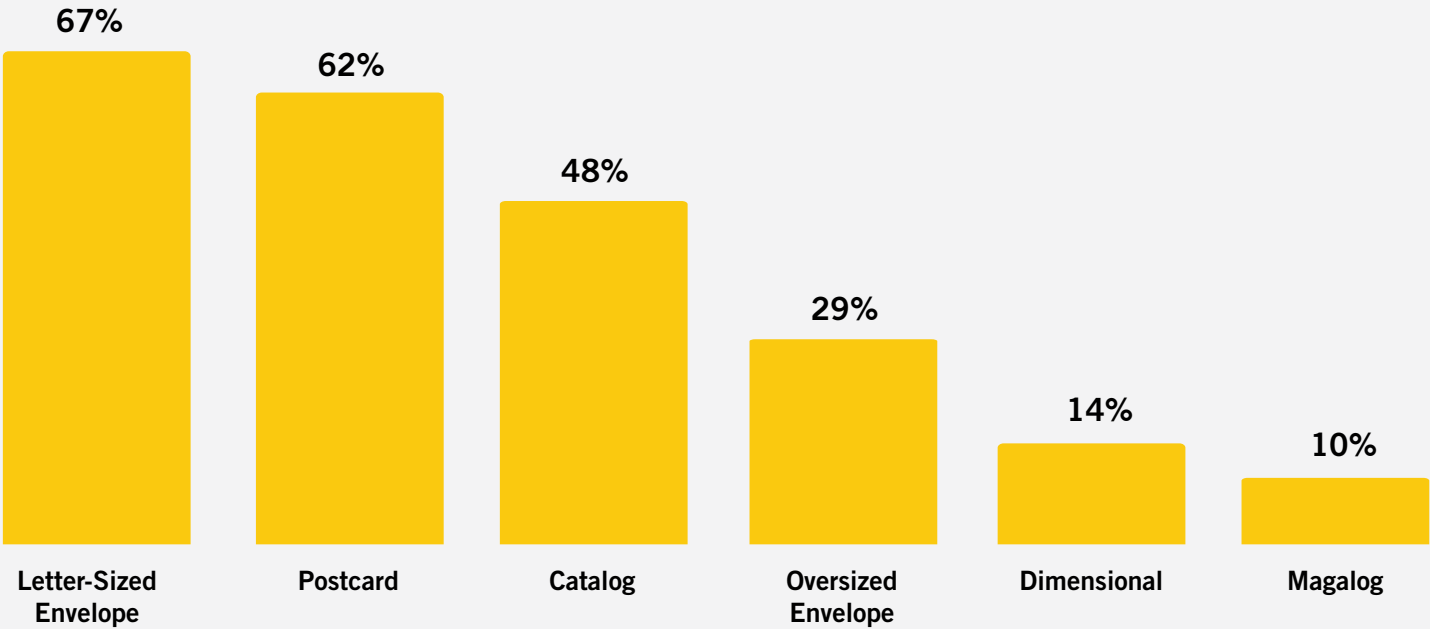
Which type of direct mail formats do you send to house lists? Please select all that apply.

Insight: Postcard use with house lists leapt from 59 percent in the previous study to 76 percent in the current one. Catalogs sent to house lists more than doubled from the previous study. Note: a magalog is a promotional publication that is a hybrid of a magazine and catalog.

CHART 44

Direct Mail Formats to Prospect Lists

N = 21 *
*Small base



Which type of direct mail formats do you send to prospect lists? Please select all that apply.

Insight: Few significant differences from the past to current study year on formats sent to prospect lists: postcard went from 64 to 62 percent; letter-sized went from 61 to 67 percent;, oversized went from 18 to 29 percent; and dimensional dropped from 18 to 14 percent. The most notable exception: catalogs. As with catalog sends to house lists, sends to prospect lists almost doubled from 25 percent previously to 48 percent in the current study.

TABLE 7

Direct Mail Metrics Overview

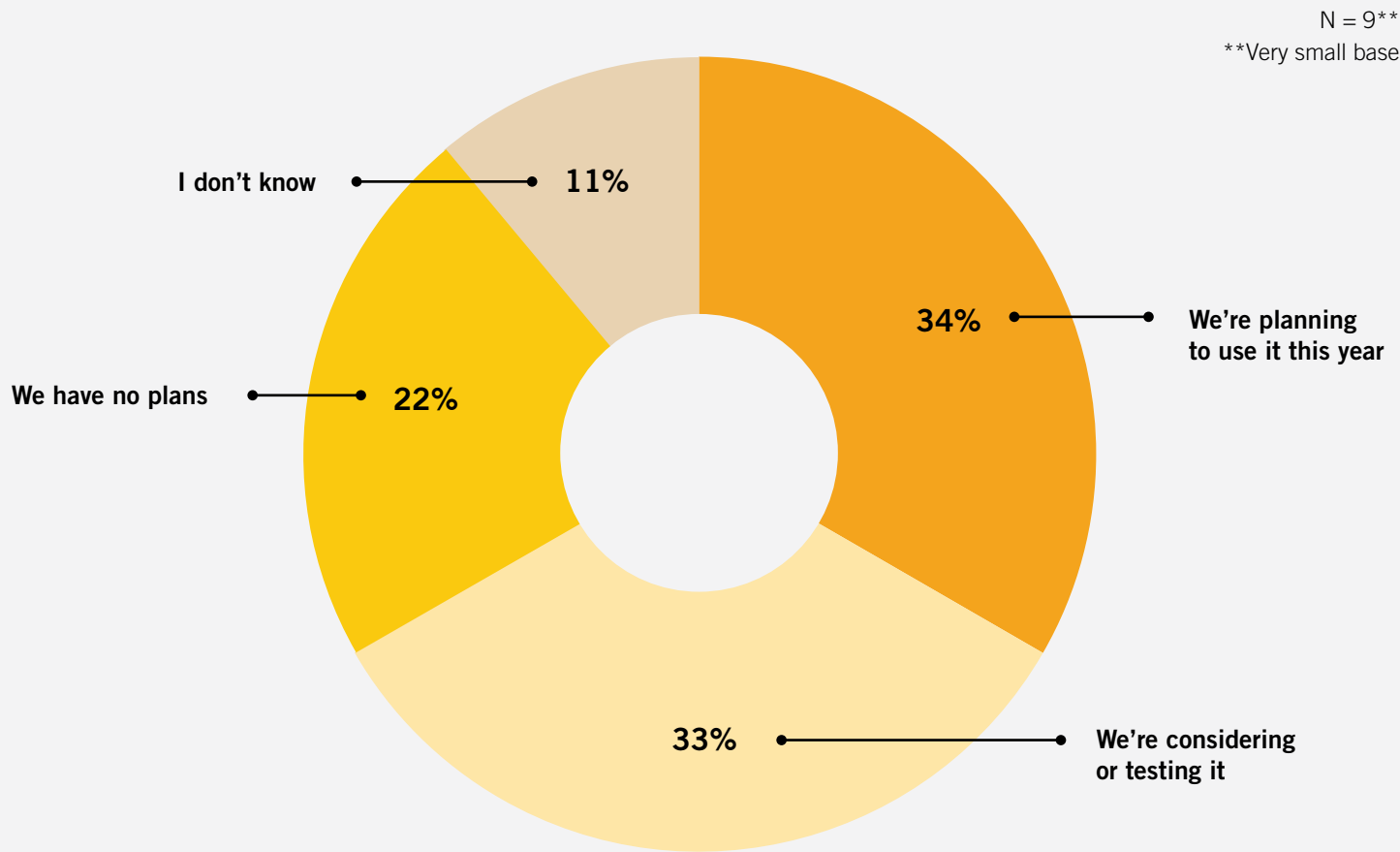
2023 Direct Mail Metrics Overview								
Metric	House File				Prospect File			
	CPM	Resp.	Conv.	ROI	CPM	Response Rate	Conv.	ROI
All formats	\$201.86	15.6%	\$24.48	160.9%	\$210.57	10.8%	\$97.74	33.7%
N	31	26	26	27	26	25*	25*	22*

*Small base

Insight: Unlike past studies where direct mail ROI was broken out by format, the sample size for each format was too small for that analysis. Here, the data represents the aggregate ROI for all formats.

CHART 45

Plans for Using Generative AI in Direct Mail Campaigns



What are your future plans for using Generative AI (such as ChatGPT) to write copy or other facilitate your direct mail efforts?

Insight: Forty percent of respondents report they are already using Generative AI to facilitate their use of direct mail campaigns, the third highest adoption of AI among the media in this study. Chart 45 shows the plans the remaining 60 percent have relative to generative AI usage. 22 percent report no plans to use it. 67 percent of those not yet using generative AI in their direct mail campaigns are in some planning stage to do so.

CHAPTER 7: SMS

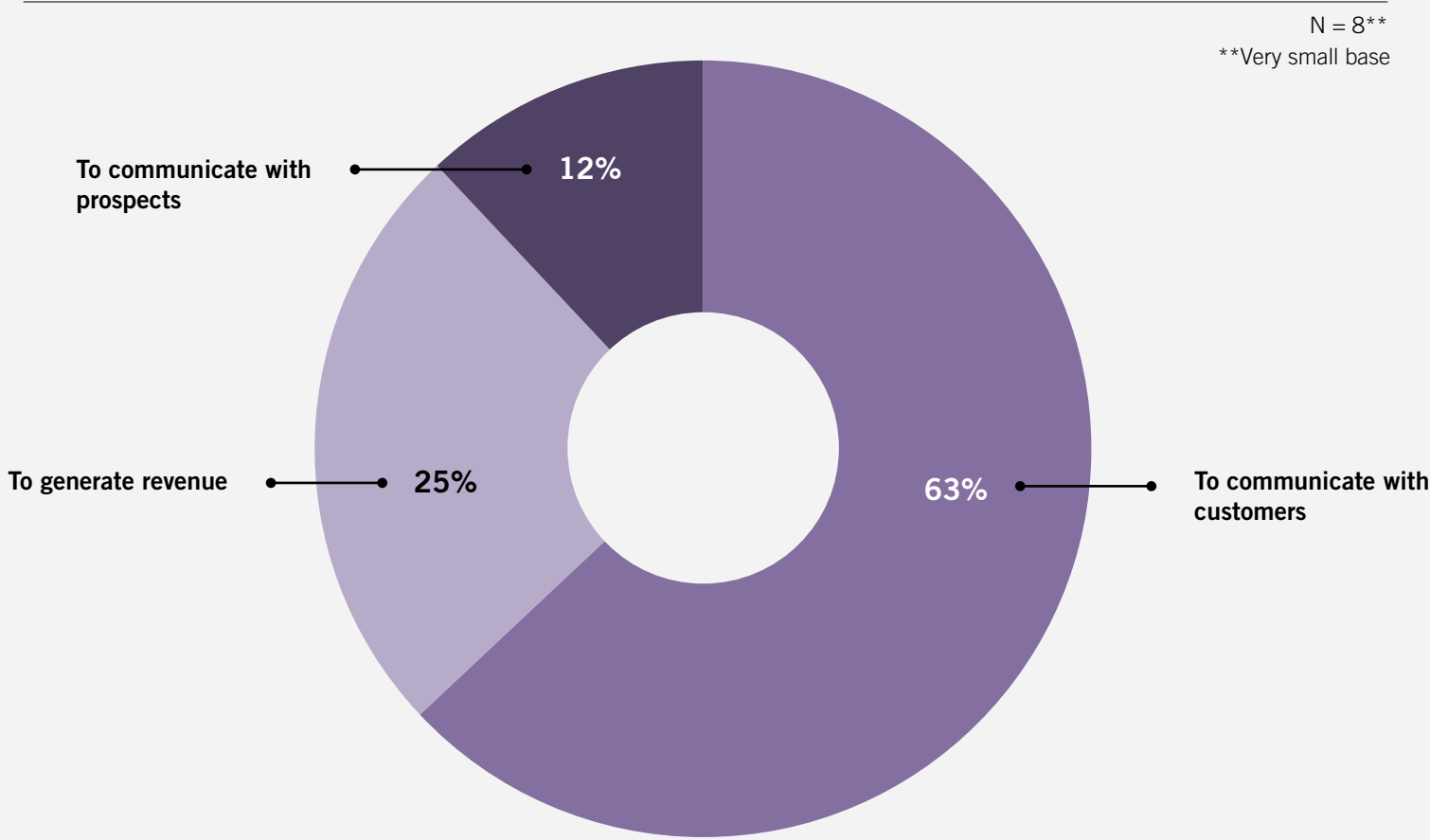
Highlight

Note: The results shared in this section of the report are based on a very small sample size. Findings should be used for informational purposes only.

- The most common purpose of SMS campaigns (63 percent of respondents) is to communicate with customers, more than tripling from the previous study.
- On average, marketers who use SMS achieved an ROI of 20 percent in 2023, slightly higher than the 16 percent from the previous study.

CHART 46

Primary Purpose of SMS



What is the primary purpose of your SMS campaigns?

Insight: Using SMS for general customer communications has become the primary purpose of this medium in the current study, although this conclusion is the result of a very small base of responses.

TABLE 8

SMS Metrics Overview

2023 SMS Metrics Overview		
Metric	2023	N
Click-Through Rate	33.2%	7**
Cost per Click	\$26.13	6**
Conversion	15.1%	7**
ROI	19.8%	6**

**Very small base

Insight: ROI has ticked up slightly in the current study, to 19.8 percent compared to the previous study’s 16.2 percent. Cost per Click experienced a quintupling in the current study from the previous one, but the small sample size is largely to blame for this variation.

CHAPTER 8: METHODOLOGY

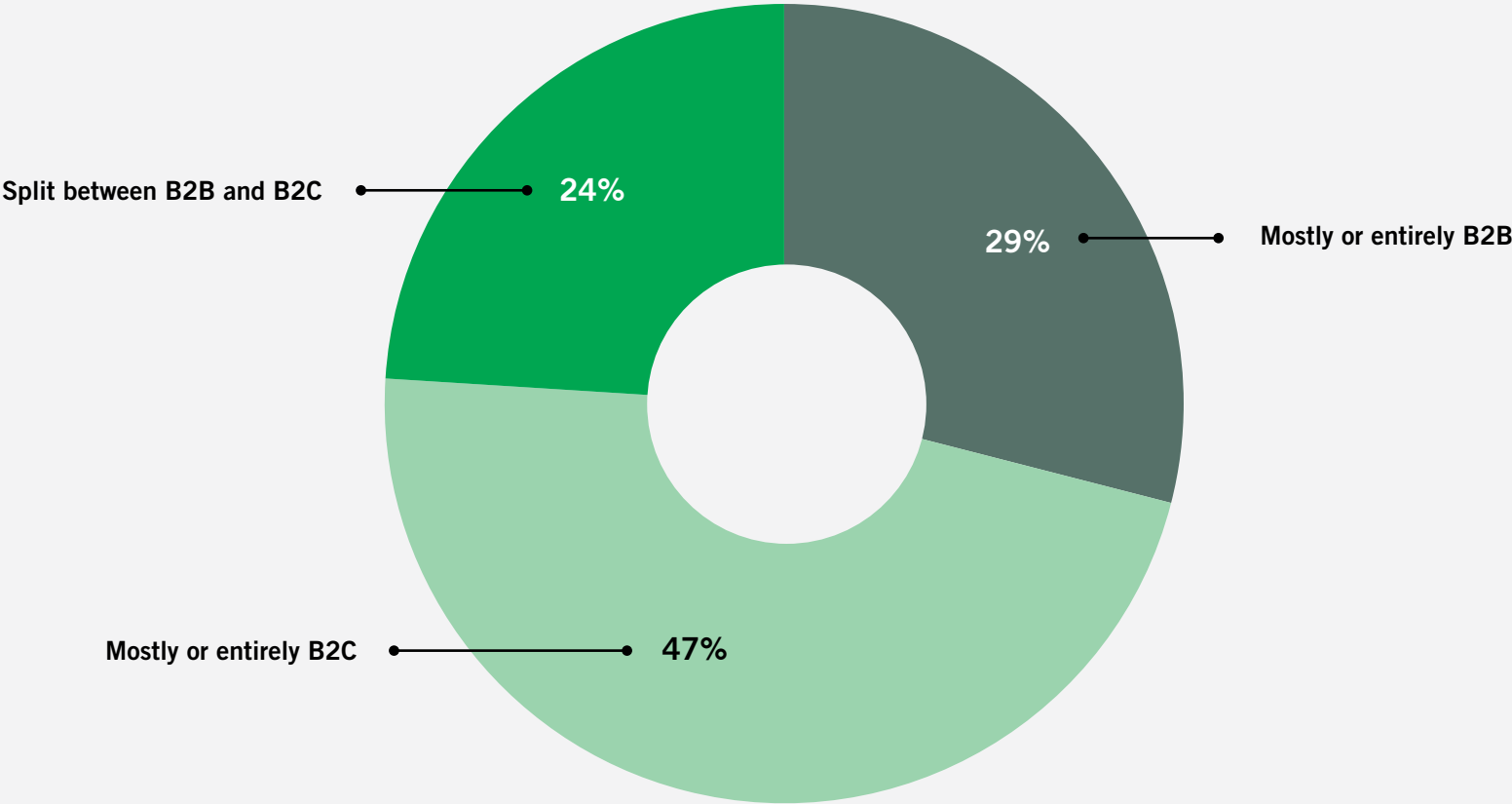
Survey Sample Overview

- B2C campaigns were the most frequent type (47 percent), followed by B2B campaigns (29 percent) and mixed B2B/B2C campaigns (24 percent).
- Marketers comprised 51 percent of the respondents, followed by agencies (17 percent), suppliers of marketing services (18 percent), and others (14 percent).
- The largest industry segment in the survey was Consumer Products and Services (16 percent), followed by B2B Products and Services (15 percent) and Technology and Communications (11 percent).
- Almost half of respondents (48 percent) came from small companies with annual revenues of \$10 million or less, 38 percent from medium-sized companies (between \$11 and \$500 million in annual revenue), and 14 percent from large companies (over \$500 million in annual revenue).
- 73 percent of respondents reported revenue growth at their organizations in the most recently completed fiscal year.

CHART 47

Distribution of Respondents by Campaign Type

N = 254

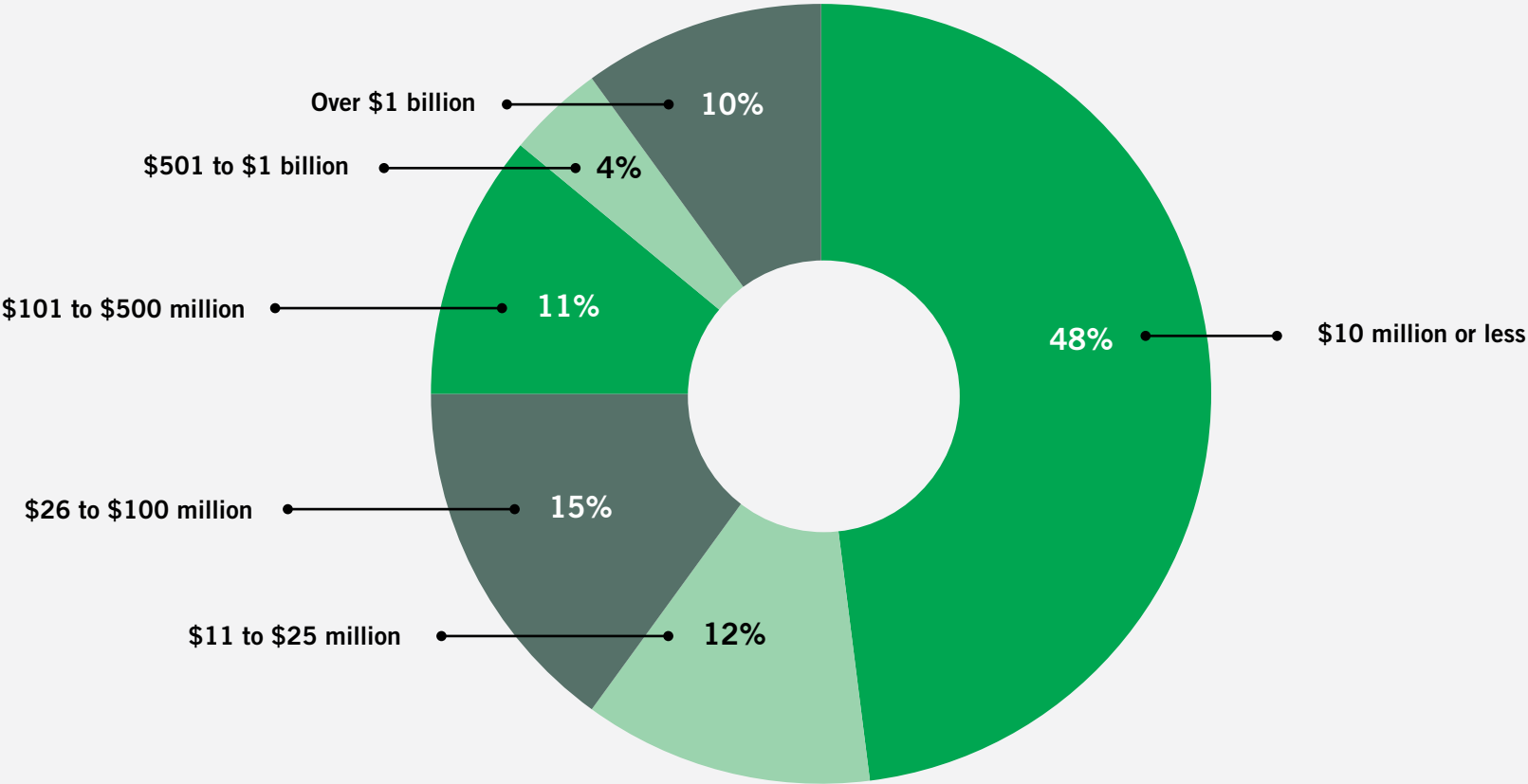


What type of campaigns do you most frequently run?

CHART 48

Distribution of Respondents by Annual Revenue

N = 255

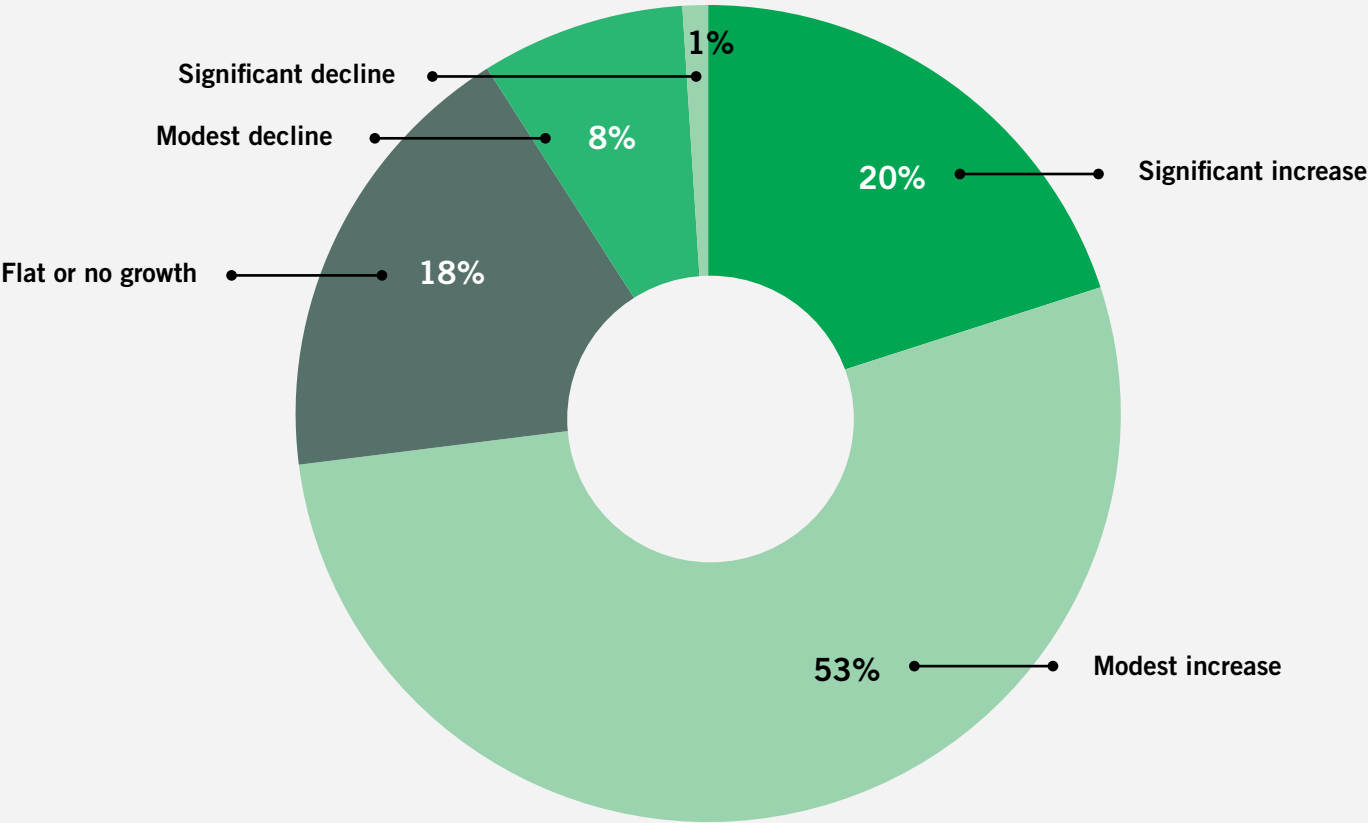


What is your company's approximate annual revenue?

CHART 49

Distribution of Respondents by Revenue Growth

N = 255

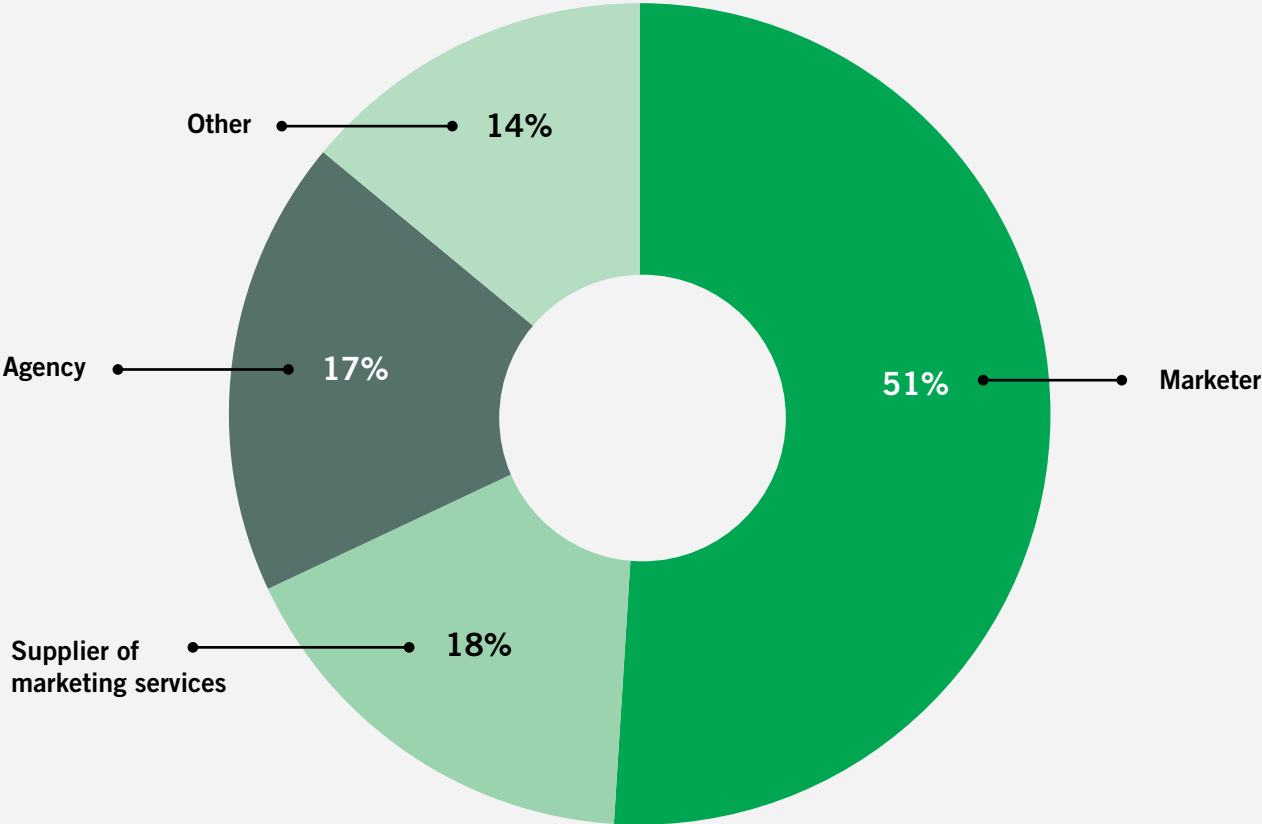


What statement best describes the revenue growth at your company during the most recently completed fiscal year?

CHART 50

Distribution of Respondents by Role

N = 255

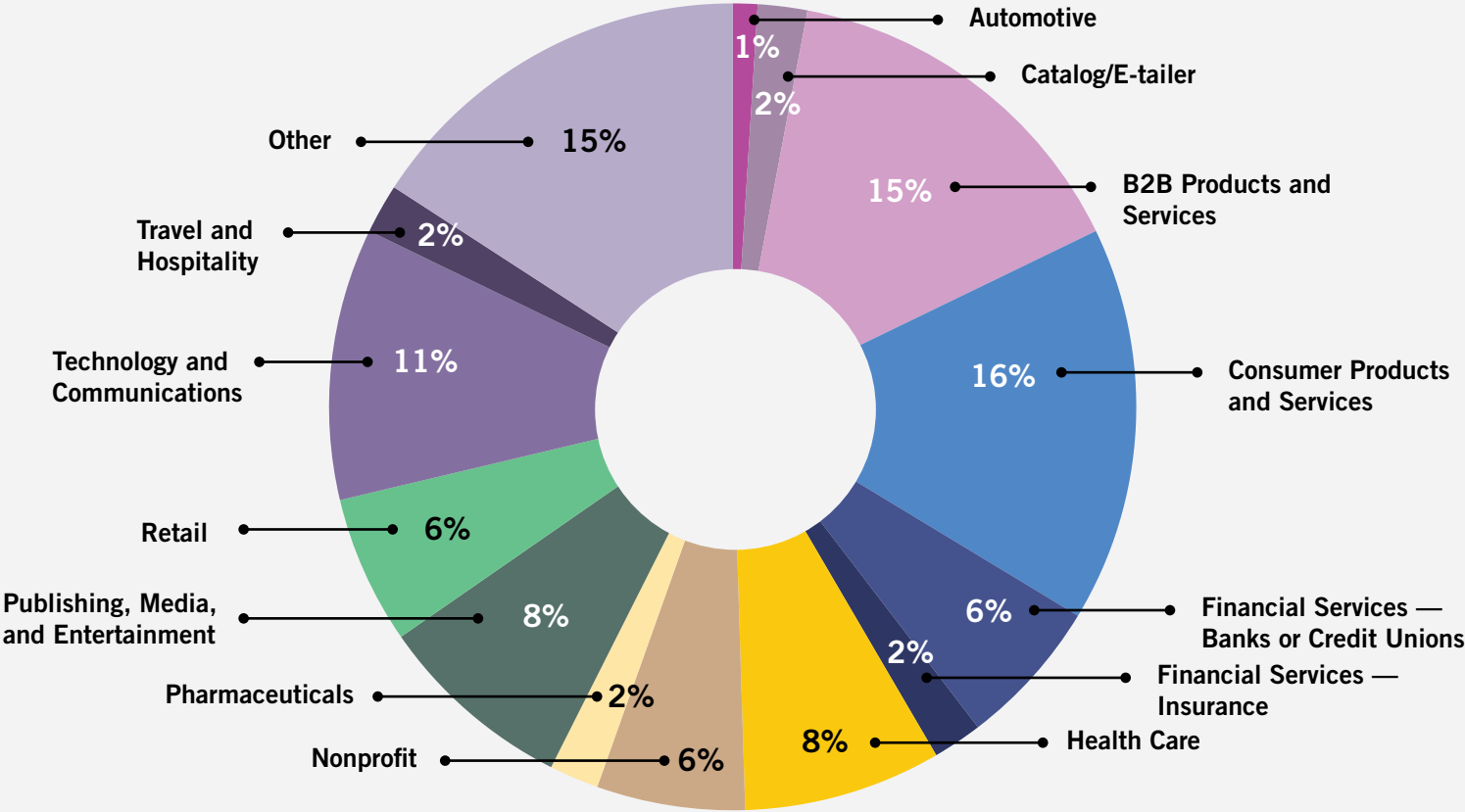


Which of the following best describes your role?

CHART 51

Distribution of Respondents by Industry

N = 255

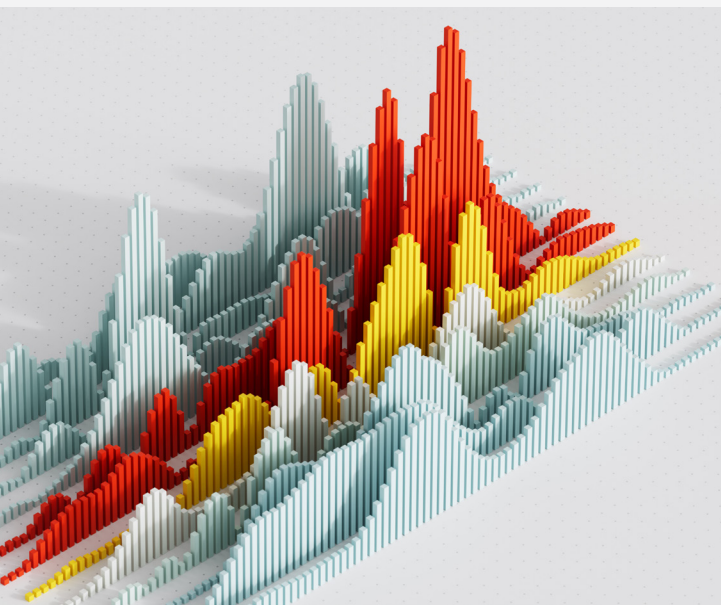


Which industry best describes you? If you are an agency, please indicate which industry your best client is in.

Methodology of the Survey

This section provides background on the ANA's Response Rate Report 2023, including information on the survey methodology and other details necessary to understand and properly interpret the data this report contains.

The online survey was first fielded in July 2023 and collected data through early November 2023. A total of 413 responses were collected: 92 complete



and 321 partial. The survey was promoted to ANA members, previous respondents, and members of the Demand Metric community.

As an incentive to participate, all survey participants were offered a top-line summary of the survey results.

To minimize the problem of survey fatigue due to survey length or complexity, logic was used to display to respondents the question sets that correspond to the media types they indicated using at the beginning of the survey.

Some questions regarding segments within the media types had low response rates and small sample sizes, limiting the ability to segment the data. Report sections based on a low sample size include a disclaimer.

Marketers and suppliers who responded to the survey were asked to provide representative campaign information, while agencies were asked to provide representative information from client campaigns.

Significance and Distribution of Survey Data

Generating a large sample was a priority in fielding the Response Rate survey, as larger samples reduce concerns about sampling error and statistical significance. However, given the great number of organizations that practice direct marketing, a truly representative sample would be cost-prohibitive to obtain. As with any research result, the representativeness of these results depends on the similarity of the sample to environments in which this survey data is used for comparison or guidance. For this reason, the reader is encouraged to study the sample characteristics as a prelude to using these results.

When data has a normal distribution, the mean (average) is a good measure of central tendency, and when data has a perfectly normal distribution, the mean and the median are the same. In this study, some skew of the data was present, or in other words, not normally distributed. For this reason, all data and charts in this report should be used for informational purposes only.

About the Association of National Advertisers (ANA)

The mission of the ANA (Association of National Advertisers) is to drive growth for marketing professionals, brands and businesses, the industry, and humanity. The ANA serves the marketing needs of 20,000 brands by leveraging the 12-point ANA Growth Agenda, which the Global CMO Growth Council has endorsed. The ANA's membership includes U.S. and international companies, including client-side marketers, nonprofits, fundraisers, and marketing solutions providers (data science and technology companies, ad agencies, publishers, media companies, suppliers, and vendors). The ANA creates Marketing Growth Champions by serving, educating, and advocating for over 50,000 industry members who invest more than \$400 billion annually in marketing and advertising.

ANA Growth Agenda

The **ANA Growth Agenda** is engineered to lead the industry in creating a stronger, more sustainable economic future for all brands and the people they serve. The ANA CMO Growth Council has identified four global growth priorities and a 12-point industry growth agenda.



About Ask Research Service

The Ask Research Service is an ANA member benefit that provides best-in-class market intelligence. The service leverages both U.S. and global data to address member-specific business questions across a multitude of topics, industries and marketing disciplines.

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