

TheCopywritersCoach.com

How To Set Your Copywriting Rates: Part 2

By veteran copywriter and
copywriter's coach, Chris Marlow

In the first installment of the article series, "How to Set Your Rates," you learned how to determine what your hourly rate should be.

In this installment, you'll learn about primary industries that use copywriters, and how they differ in their pay conventions.

And in the final installment of "How to Set Your Rates," I'll share with you the various ways you can structure your pay.

Who uses copywriters?

Naturally, any industry that uses direct mail or the Internet to gather leads or make sales is an industry that uses copywriters. Some of the strongest industries for copywriters are:

- Financial
- Technology
- Health
- Information Products
- Associations
- Non-profits
- Collectibles
- Home Study Education
- General Merchandise
- Insurance
- Publishing
- Catalogs
- Advertising Agencies
- Direct Marketing Agencies

This list is not exhaustive. But it is a good representation of the richest categories for copywriters. For instance, in my own portfolio I have samples from gas and electric utilities, car manufacturers, and home builders.

But they're the exception rather than the rule. I have found software to be a particularly rich source of copywriting income, although admittedly, they are not

the best sector for copywriters right now, due to the dot com bust and the poor economy.

A survey I did in mid-September which included 10 copywriters and 2 graphic designers — all respected industry veterans — revealed an interesting insight.

It seems that the copywriters who focus on business-to-business clients (who are largely lead-generating clients rather than mail order), are feeling severe effects of the poor economy. Business is slow, and clients are bargaining for lower copywriting prices.

On the other hand, those who focus on consumer mailings that are order generating rather than lead generating, have felt none of the pain of the recession. From a copywriter's standpoint, then, it might pay to prospect in the B2C arena for the time being.

This is by no means a statistical or scientific study, but as a long time copywriter, I know that the secret to creating winning mailings is to get close to your audience. Sometimes it only takes a few calls to get a handle on reality, and I've many times created winning mailings on fewer "research" calls than this.

Industry pay conventions

The world of copywriting is split between business-to-business (B2B), and business-to-consumer (B2C).

In B2B, probably about two-thirds to three-fourths of the marketers are seeking leads. Their product is too expensive or complicated to try for a sale in the first "touch." So they produce lead-generating mailings, and these packages require much less copy, and less time to produce, than mail order packages do.

(It's important to note that B2B audiences are usually much smaller than B2C audiences, and as you'll see later, this can greatly impact a copywriter's fee.)

Although the pay is less than what a mail order package would bring, the package can be created much faster, and a copywriter can make a very comfortable living just writing lead-gen packages.

Strong categories for B2B include technology and insurance. Many software programs can cost thousands and even millions of dollars. Obviously, all a mail piece can do is get someone to "raise their hand." Likewise, insurance is such a personal and individualized service that most prospects must be "closed" by a live, caring human being.

In the B2C category are many industries you've seen in your own mailbox: merchandise (catalogs), magazines (publishing), financial (credit cards), non-profit (charities, political), and more.

In general, these categories pay more for copywriting because the writer must make the sale on the “first touch.” And because he must do so, more work is involved for the copywriter. The copy is longer, and the writer is (or should be) more involved with list selection and offer development.

What this means is that if you have a client who is asking you to get her actual paid orders by mail, then you should charge more than you would for a client that wants a lead-generating package.

How much more? Well, considering that every job is priced based on many variables — the client’s budget, your need, the time it will take — it’s probably safe to say that you would *at a minimum* double the fee you would charge for a lead generating mailer.

To get a sense for range, a realistic fee for writing a lead generating package might be \$1,000 to \$3,000 for the “junior” copywriter. But the fee jumps up to between \$2,500 and \$6,000 for a mail order package. And if you’re very experienced, the fee can go much higher, into the \$8,000+ range.

Although there are a lot of industries that rely on mail order, not all have deep pockets. Associations, seminar companies, and (for the most part) non-profits fit this category.

Those who do spend very large sums of money on copywriters include publishing, information products, alternative health, and financial products. These are industries that create “copywriter superstars” — writers who get rich by working for B2C companies that mail in the millions.

And this brings up an earlier point: If you want to make a lot of money in the copywriting business, it pays to become proficient in long copy so you can service the B2C companies that do large quantities of mail order.

Not all, but some large B2C mailers appreciate that a talented and knowledgeable copywriter can make them lots of money. These companies view the copywriter less as a copywriter and more as a salesman. In these industries you can negotiate a flat fee PLUS a commission or bonus on the back end. This could translate to a \$10,000 fee for writing a promotion, plus \$20,000 if it mails to 1 million consumers.

To wrap up, I would be remiss not to mention the advertising/marketing industry. The benefits of working for an agency include the potential for a steady stream of work, and the opportunity to fill your portfolio with lots of different kinds of clients.

The downside is that an account executive is wedged between you and the client, so you get your information second-hand, and you earn less because the agency needs to “mark you up.”

All in all, there are lots of ways you can go as a copywriter. To determine where you'll be happiest, you can consider whether you're more suited to short form copy (which fits B2B and lead-generating categories), or long form (mail order). More copywriters gravitate to short form for the quick pay, and also because long form is tough and not everyone can do it effectively.

Either way, copywriting can bring you a fabulous income. The trick is to figure out where you want to be. My personal experience is that it's a good idea to work in both B2B and B2C, if you can. It's a lot like diversifying your financial portfolio. As freelancers, we can "pad our security" by working in more than one category, and more than one pay convention.

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