




Presentation materials and video replay will be provided within one week.

Have questions? Use the questions panel –  we'll field them as we go and during the Q&A recap at the end of the call.



A Harland Clarke  
Speaker Series

# The Marketer's Guide to Justifying Your Existence Series

## Part Three

October 2017

# Presenters



**Stephen Nikitas**  
Senior Strategy Director



*Moderator*  
**Christine Ahlgren**  
Community Banking Segment Marketing

# Today, We'll Discuss ...

- Measuring lifetime value
- Measuring ROMI
  - Response Rates
  - Revenue

## Simple Customer Lifetime Value Formula



# The Marketer's Guide: ROMI

The checking acquisition campaign generated favorable economics, with a net estimated contribution of \$217,737 after all direct mail and incentive expenses

- Translates to an ROMI of 368%

<b>Campaign Economics :</b>	
Total Balances Acquired	\$12,330,444
Current Net Interest Margin %	2.85%
Gross Margin In	\$351,418
Estimated Year 1 Attrition Rate	21.21%
Estimated Year 1 Gross Margin	\$276,882
Less All-In Campaign Costs	(\$32,564.80)
Less Estimated Checking Incentive Costs	(\$26,580)
Net Estimated Contribution	\$217,737
ROMI%	368%
Campaign Economics	<b>Favorable</b>

# The Marketer's Guide: ROMI

Criterion	Drop 1	Drop 2	Drop 3	Drop 4	Drop 5	Drop 6	Drop 7
<b>Checking Response Rate</b>	.36%	.25%	.27%	.29%	.41%	.39%	.36%
<b>HH Response Rate</b>	1.37%	1.11%	1.27%	1.26%	1.68%	1.15%	1.59%
<b>Acct. Response Rate</b>	2.44%	1.93%	2.25%	2.18%	2.90%	2.70%	2.68%
<b>Total Balances Acquired</b>	\$11,877,966	\$8,697,679	\$9,966,197	\$16,691,137	\$10,243,803	\$16,025,838	\$12,330,444
<b>Current NIM</b>	2.84%	2.84%	2.84%	2.85%	2.85%	2.85%	2.85%
<b>Gross Margin</b>	\$337,334	\$247,014	\$283,040	\$475,697	\$291,948	\$456,736	\$351,418
<b>Estimated Year 1 Attrition</b>	21.2%	21.2%	21.2%	21.2%	21.2%	21.2%	21.2%
<b>Estimated Year 1 Gross Margin</b>	\$265,819	\$194,647	\$223,036	\$374,850	\$230,055	\$359,908	\$276,882
<b>All-In Campaign Costs</b>	\$54,499	\$32,465	\$32,535	\$50,722	\$24,602	\$40,634	\$32,565
<b>Campaign Incentive Costs</b>	-	\$33,877	\$27,600	\$24,300	\$25,300	\$31,570	\$26,580
<b>NET Estimated Contribution</b>	\$211,320	\$128,305	\$162,901	\$299,828	\$180,154	\$287,704	\$217,737
<b>ROMI %</b>	388%	193%	271%	400%	361%	398%	368%
<b>Campaign Economics</b>	Favorable	Favorable	Favorable	Favorable	Favorable	Favorable	Favorable

# Q&A

Type your question in the questions panel 

**Stephen Nikitas**  
Senior Strategy Director

[www.harlandclarke.com/webcasts](http://www.harlandclarke.com/webcasts)



[harlandclarke.com/LinkedIn](http://harlandclarke.com/LinkedIn)



[harlandclarke.com/Twitter](http://harlandclarke.com/Twitter)

Presentation materials and video replay will be provided within one week.

Visit [harlandclarke.com/webcasts](http://harlandclarke.com/webcasts) for this and previous events.