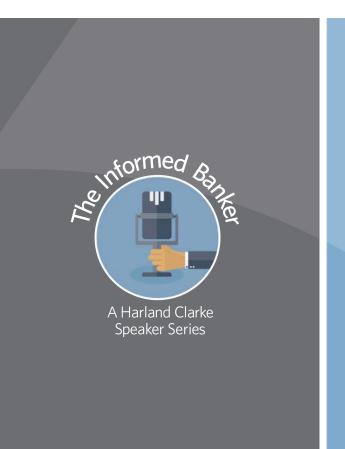




Have questions? Use the questions panel — we'll field them as we go and during the Q&A recap at the end of the call.



The Marketer's Guide to Justifying Your Existence Series

Part Three

October 2017

Presenters



Stephen NikitasSenior Strategy Director



Moderator
Christine Ahlgren
Community Banking Segment Marketing



Today, We'll Discuss ...

• Measuring lifetime value

Measuring ROMI

o Response Rates

Revenue



Must-Know Marketing Metrics: Lifetime Value

Simple Customer Lifetime Value Formula

Annual Profit per Customer

Number of years they remain a customer

The initial cost of customer acquisition

Lifetime Value



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%

Campaign Economics:	
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	Favorable



The Marketer's Guide: ROMI

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



Q&A

Type your question in the questions panel _____



Stephen Nikitas

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