

Promotion Source Analysis Worksheet- Discipleship Journal

File name: DJSA698.XLS

(Depletion method, fully loaded)

Promotion Name: Package E, control outer/lift note, w/Kersten ins (w/Kersten Royalty)

Other details: June '98 Direct Mail Campaign

Mail drop date: 6/1/98

Date of this promotion analysis: 3/15/99

Assumptions:

Total pieces mailed:	10,000	
Expected gross response % :	4.90	Note: When making changes
Expected net response % :	1.96	to the assumptions press
Number of issues served before		F9 in order to recalcu-
suspending as bad debt:	1	late the worksheet.
Subscription price:	\$20.97	
Avg. subs per order:	1	
% Credit orders:	99	
Conversion % :	41.76	
Renewal % :	70.37	
Conversion subscription price:	\$21.97	

Costs (all in \$ per M):

Avg. list rental:	\$109.73	(Use net rental cost after deducting free lists)
Printing:	\$117.66	(Base on control quantity of 200M for package analysis)
Postage out:	\$98.50	(Base on actual for list analysis)
Merge/purge:	\$5.66	
Label addressing/lettershop:	\$39.35	
Sort, tie, bind:	\$0.00	
Folding:	\$0.00	
Bursting:	\$0.00	
Presort:	\$0.00	
Misc.:	\$0.00	Premium
Return postage:	\$0.350	(Note: Cost per piece, not in \$/M)
Graphics:	\$0	(Note: Total cost, not in \$/M.)
Advertising/Other:	\$0	(Note: Total cost, not in \$/M.)
Other:	\$0	(Note: Total cost, not in \$/M.)

Income:	# Copies	Cost	Bad Debt	Income	Note: These figures based on subscrip- tion year, not F/Y
Gross income:	1,470			\$5,138	
Bad debt:			\$1,028		

Expenses:					
Total promotion expenses:		\$3,880			

Promotion Grand Totals:	1,470	\$3,880	\$1,028	\$5,138	
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Net new subs:	196
Promotion cost per sub:	\$19.80

Promotion net profit/loss:	\$230
Promotion CPM:	\$388

Other assumptions & costs:

Billing cost per effort:	\$0.410	(materials, lettershop, postage)
Avg. number bills per sub:	2.20	
Billing & renewal BRM postage:	\$0.35	
Fulfillment cost per copy:	\$0.150	
Production cost (printing, postage):	\$0.90	(materials, lettershop, postage)
Renewal cost per effort:	\$0.250	(materials, lettershop, postage)
Avg. # renewal efforts per sub:	2.76	
Annual inflation rate:	0.03	
List rental income per sub:	\$1.54	
Advertising income per sub:	\$4.01	

Net profit/loss:	(\$731)	(at year 1)
Total profit/loss per sub:	(\$3.73)	(at year 1)
Cumulative net profit/loss:	\$821	(in year 1-2)
Cummulative P/L per sub:	\$2.96	(in year 1-2)
Net subs:	82	(at year 2)
Cumulative net profit/loss:	\$1,953	(in year 1-3)
Cummulative P/L per sub:	\$5.82	(in year 1-3)
Net subs:	58	(at year 3)
Cumulative net profit/loss:	\$2,750	(in year 1-4)
Net subs:	41	(at year 4)
Cumulative net profit/loss:	\$3,311	(in year 1-5)
Net subs:	29	(at year 5)
Final cummulative P/L per sub:	\$8.19	
Net return on investment:	85%	