

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-<br>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 |  |
|-------------------------|-------|---------|---------|---------|--|

|                         |         |
|-------------------------|---------|
| 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  |                                  |

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|                                |          |               |
|--------------------------------|----------|---------------|
| 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%      |               |