

Campaign Summary Blended E-Mail ROI

Promotion: Back to school bonanza

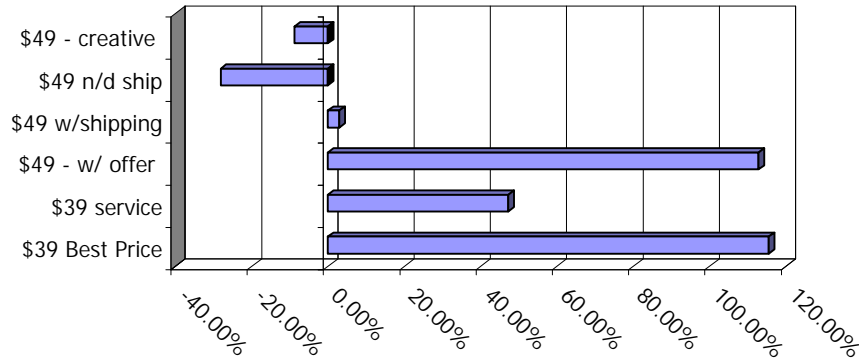
Date: 9/1/01

	\$39 Best Price	\$39 service	\$49 - w/ offer	\$49 w/shipping	\$49 n/d ship	\$49 - creative
Number of E-Mails sent	100,000	100,000	100,000	100,000	100,000	100,000
Number of orders received	1,200	900	878	678	644	567
Rate of response (pull)	1.200%	0.900%	0.878%	0.678%	0.644%	0.567%
Selling price	\$39.00	\$39.00	\$49.00	\$49.00	\$49.00	\$49.00
Other charges (postage & handling, etc.)	6.00	6.00	6.00			6.00
Adjusted price of product	\$45.00	\$45.00	\$55.00	\$49.00	\$49.00	\$55.00
Variable costs:						
Cost of product (per unit)	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
List rental (per 1,000)	222.00	222.00	222.00	222.00	222.00	222.00
Handling and order processing cost (per unit)	1.00	1.00	1.00	1.00	1.00	1.00
Packaging Expense (per unit)	0.75	0.75	0.75	0.75	0.75	0.75
Shipping costs (or digital delivery charges - per unit)	3.00	3.00	3.00	3.00	7.00	3.00
Fixed costs (for entire campaign):						
Creative costs	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Other fixed costs	450	450	450	450	450	450
Total fixed costs	\$5,450	\$5,450	\$5,450	\$5,450	\$5,450	\$5,450
Variable cost per unit of filling order	\$7.75	\$7.75	\$7.75	\$7.75	\$11.75	\$7.75
Contribution margin per order	\$37.25	\$37.25	\$47.25	\$41.25	\$37.25	\$47.25
Number of orders to break-even	146.31	146.31	115.34	132.12	146.31	115.34
Number of click-throughs acquired	1,212	1,230	1,345	3,432	1,278	1,423
Value of click-through acquired	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
E-mail addresses/leads acquired	600	556	112	890	450	543
Value of an address/lead	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50
Revenue	\$54,000	\$40,500	\$48,290	\$33,222	\$31,556	\$31,185
Contribution margin	\$44,700	\$33,525	\$41,486	\$27,968	\$23,989	\$26,791
Estimated Value of Acquisitions	\$3,312	\$3,176	\$1,737	\$6,547	\$2,853	\$3,324
Net Income	\$17,050	\$5,875	\$13,836	\$318	(\$3,661)	(\$859)
ROI of Mailing	115.59%	47.28%	112.90%	2.97%	-28.12%	-8.73%
Blended ROI	138.05%	72.85%	127.08%	64.13%	-6.21%	25.03%

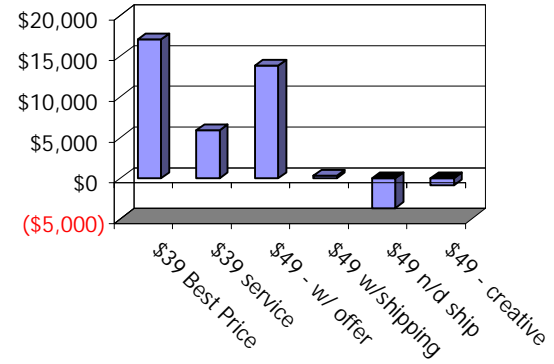
Descriptions of the Offers

- \$39 Best Price
- \$39 service
- \$49 - w/ offer
- \$49 w/shipping
- \$49 n/d ship
- \$49 - creative

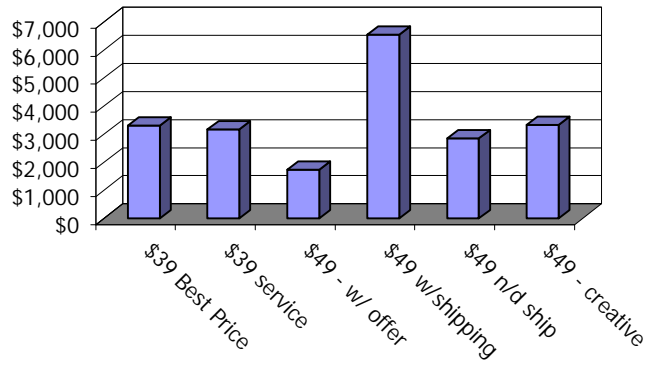
ROI of Mailing



Net Income



Estimated Value of Acquisitions



Blended ROI

