



# CASE STUDY: Loan Company Advances Lending by 1,055%

## THE CHALLENGE

This short-term loan company with 500 locations in 7 states came to Money Mailer to plan their first ever direct mail campaign. Until this point, they had relied on television for all of their advertising and now they wanted to see if direct marketing could work for them

## THE BOTTOM LINE

The client's objective was to see how many more loans they could open by running a direct mail test campaign for 155 stores. For the campaign to be considered successful, they wanted to not only cover the cost of the campaign, but also have a healthy return on investment.

## OUR APPROACH

To meet these objectives, Money Mailer worked closely with the client, meeting with their marketing department to develop a strategy. As part of that strategy, Money Mailer's analytics team studied the client's current customer database to create a demographic profile. This profile was then used as a guide to target households that matched the demographics of the client's current customer.

9,730 new loans were generated

The second part of the campaign targeted:

- Retention – Customers who opened a loan within the last three months
- Win-back – Customers who had not opened a loan for three to twelve months

## OUR SOLUTION

The customer profile allowed Money Mailer to determine which PRIZM clusters would be most likely to have potential new customers. Households that met this criteria received a one-to-one direct mail piece with an offer of a free \$50 gas card if they opened a new loan of \$500 or more. Households that had opened a loan in the past received the same offer.



The two components of the campaign drove new traffic to the stores and brought back previous customers.

## THE REAL BOTTOM LINE

The one-to-one campaign yielded a 1,055% return on investment. For every \$1 the client spent on this campaign, they received \$10.55 in revenue.

The New Customer Acquisition portion of the campaign yielded 3,066 new customers. Combined with returning customers, the client was able to generate 9,730 new loans.

By looking at the response rates for each of the individual PRIZM clusters used in the campaign, Money Mailer can further refine the targeting for future campaigns to maximize results.

A 1,055% ROI was achieved