

# Email Response Projection

Your Company Name Here!

10/17/2008 16:45

email Development	
Total Emails to be Sent	110,000
<b>Email Fixed Costs</b>	
Agency Fees	\$5,000
Other (e.g. email platform set up fee)	\$2,000
<b>Fixed Costs</b>	\$7,000
Email Delivery Cost	\$0.005 \$550
<b>Total Development &amp; Delivery Cost</b>	<b>\$7,550</b>

Delivery Variables	
Email Delivery Rate	85%
Email Open Rate	15%
Email Click-Through Rate	15%
<b>Total Actual Readership</b> (email sent, opened, read & clicked to webpage)	<b>1.91%</b>

Gross Margin per Unit	
Average Unit Selling Price	\$215.00
Add: Handling Charge	\$7.95
<b>Total Revenue / Unit</b>	<b>\$222.95</b>
<b>Average Unit Cost of Goods Sold</b>	
Shipping & Handling Costs	
Order Processing / 800# Cost	
SPIFF to Telesales People	
Credit Card Charges	2.25% \$5.02
Cost of Returns / Bad Debt	\$1.00
Other	
<b>Total Cost / Unit</b>	<b>\$6.02</b>
<b>Gross Margin / Unit</b>	<b>\$216.93</b>

Aggregate Unit Selling Price & COGS Calculator					
Title	% Mix	ASP		COGS	
Product 1	25%	0.00	\$0.00	\$0.00	\$0.00
Product 2	25%	0.00	\$0.00	\$0.00	\$0.00
Product 3	25%	0.00	\$0.00	\$0.00	\$0.00
Product 4	25%	0.00	\$0.00	\$0.00	\$0.00
Product 5	0%	0.00	\$0.00	\$0.00	\$0.00
Product 6	0%	0.00	\$0.00	\$0.00	\$0.00
Product 7	0%	0.00	\$0.00	\$0.00	\$0.00
Product 8	0%	0.00	\$0.00	\$0.00	\$0.00
Product 9	0%	0.00	\$0.00	\$0.00	\$0.00
Product 10	0%	0.00	\$0.00	\$0.00	\$0.00
Product 11	0%	0.00	\$0.00	\$0.00	\$0.00
Product 12	0%	0.00	\$0.00	\$0.00	\$0.00
	100%	\$0.00	\$0.00	\$0.00	\$0.00

Lowest Projected Response Rate **2.00%**  
 Response Rate Increments **0.10%**

## Response Analysis

Projected Purchase Rates	2.00%	2.10%	2.20%	2.30%	2.40%	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%
Projected Product Unit Sales	42	44	46	48	50	53	55	57	59	61	63	65	67	69
Projected Revenue	\$9,381	\$9,850	\$10,319	\$10,788	\$11,257	\$11,726	\$12,195	\$12,664	\$13,133	\$13,602	\$14,071	\$14,540	\$15,009	\$15,478
Projected Costs	\$253	\$266	\$278	\$291	\$304	\$316	\$329	\$342	\$354	\$367	\$380	\$392	\$405	\$418
Projected Gross Profit on Product Sales	\$9,127	\$9,584	\$10,040	\$10,497	\$10,953	\$11,409	\$11,866	\$12,322	\$12,778	\$13,235	\$13,691	\$14,148	\$14,604	\$15,060
Total Investment in Direct Mail Promotion	\$7,550	\$7,550	\$7,550	\$7,550	\$7,550	\$7,550	\$7,550	\$7,550	\$7,550	\$7,550	\$7,550	\$7,550	\$7,550	\$7,550
<b>Projected Total Net Profit</b>	<b>\$1,577</b>	<b>\$2,034</b>	<b>\$2,490</b>	<b>\$2,946</b>	<b>\$3,403</b>	<b>\$3,859</b>	<b>\$4,316</b>	<b>\$4,772</b>	<b>\$5,228</b>	<b>\$5,685</b>	<b>\$6,141</b>	<b>\$6,597</b>	<b>\$7,054</b>	<b>\$7,510</b>

Financial Analysis	
Cost / Piece (email message)	\$0.00
R.O.I. on Mailing	20.9% 26.9% 33.0% 39.0% 45.1% 51.1% 57.2% 63.2% 69.2% 75.3% 81.3% 87.4% 93.4% 99.5%
Cost / Customer (Order)	\$179.45 \$170.90 \$163.13 \$156.04 \$149.54 \$143.56 \$138.03 \$132.92 \$128.18 \$123.76 \$119.63 \$115.77 \$112.15 \$108.75
Net Profit / Customer (Order)	\$37.49 \$46.03 \$53.80 \$60.89 \$67.40 \$73.38 \$78.90 \$84.01 \$88.76 \$93.18 \$97.30 \$101.16 \$104.78 \$108.18
<b>Break Even Analysis</b>	
Email Pieces needed to Break Even (at above Response Rate)	84,359 80,342 76,690 73,355 70,299 67,487 64,891 62,488 60,256 58,178 56,239 54,425 52,724 51,126
Product Unit Sales (if only Break Even # of Pieces are mailed)	35 Units