

# FREEDOM FINANCIAL MARKETING CAMPAIGN ANALYSIS

# What does it do?

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- The largest debt settlement services provider in the country, negotiates with creditors to reduce the amount of unsecured debt like credit cards, medical bills, personal loans, private student loans
- A typical new client has more than \$25,000 in unsecured debt across eight credit accounts when they enroll with Freedom
- The amount of unsecured debt ranges from \$7,500 to more than \$100,000, with some clients having 20 or more credit accounts
- Once enrolled, clients stop making payments to your creditors. Instead, they open a separate savings account, which they will own and control, and deposit monthly payments into this account
- Most customers receive their first settlement within six months after enrolling, but it can take longer depending on how much you save each month

# Agenda


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- Key Goal
- Assumptions for the analysis
- Before & After Campaign - Client count and total deposits
- Decision made between settled accounts and Churn rate
- New accounts & settled accounts analysis
- Region wise granularity
- Settlement Formula
- Membership Fee
- Success Metrics
  - Return on Investment (ROI)
  - Customer Acquisition Cost (CAC)
- Recommendation – Future improvement
- What if the campaign was held in month-6?
- Additional data

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## KEY GOAL

To Examine the success of the marketing campaign which took over for a period of one month conducted by Freedom Financial to promote the value proposition of how the debt relief program helps people achieve financial freedom.



# Data provided

Client Table	Deposit Table	Calender Table
Client_id - 46347	Client_id	Gregorian_date
Client_geographical_area – 4 regions	Deposit_type	Month_name
Client_residence_status	Deposit_amount	
Client_age	Deposit_cadence	
	Deposit_date – 5 months	

# Assumptions for this analysis

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## 1. Cost

- 5 million spread equally across four different regions (Midwest, Northeast, South, West)

## 2. Revenue

- Charge for settlement – 20% of the settled amount
- The subscription fee (monthly) – 10\$

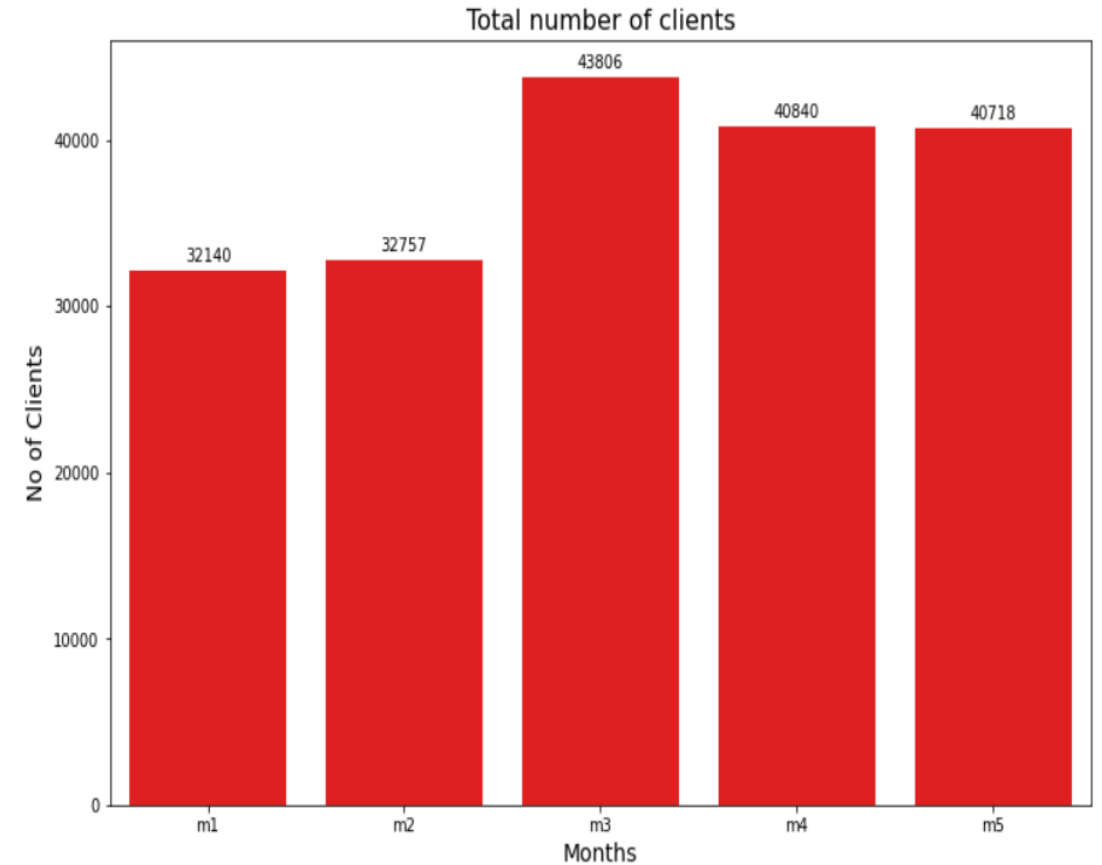
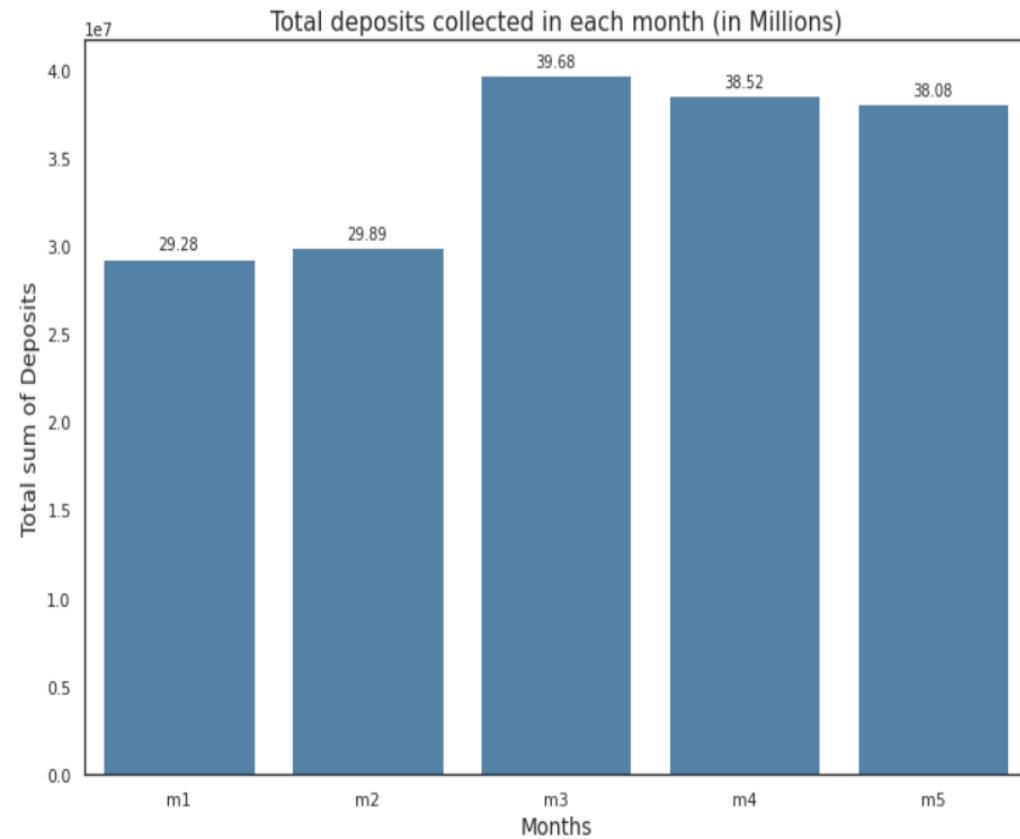
## 3. Scheduled Deposits

The deposits that are scheduled for each client for each month

## 4. Settled Account

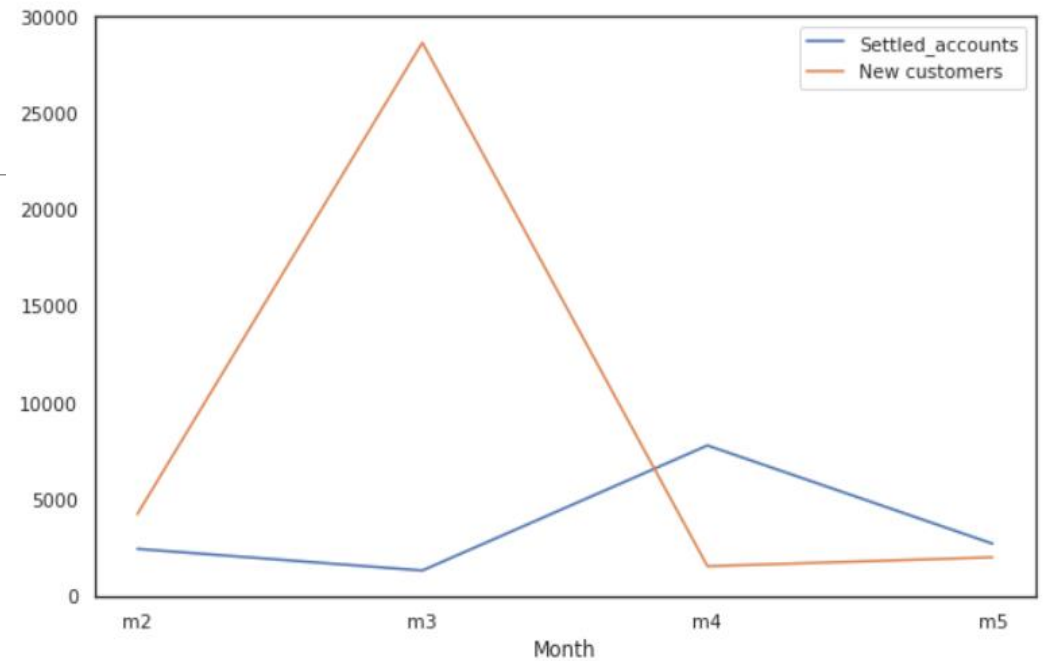
Client\_id not present in the subsequent month

## 5. Offline campaign



Client count and the sum of total deposits – month on month analysis

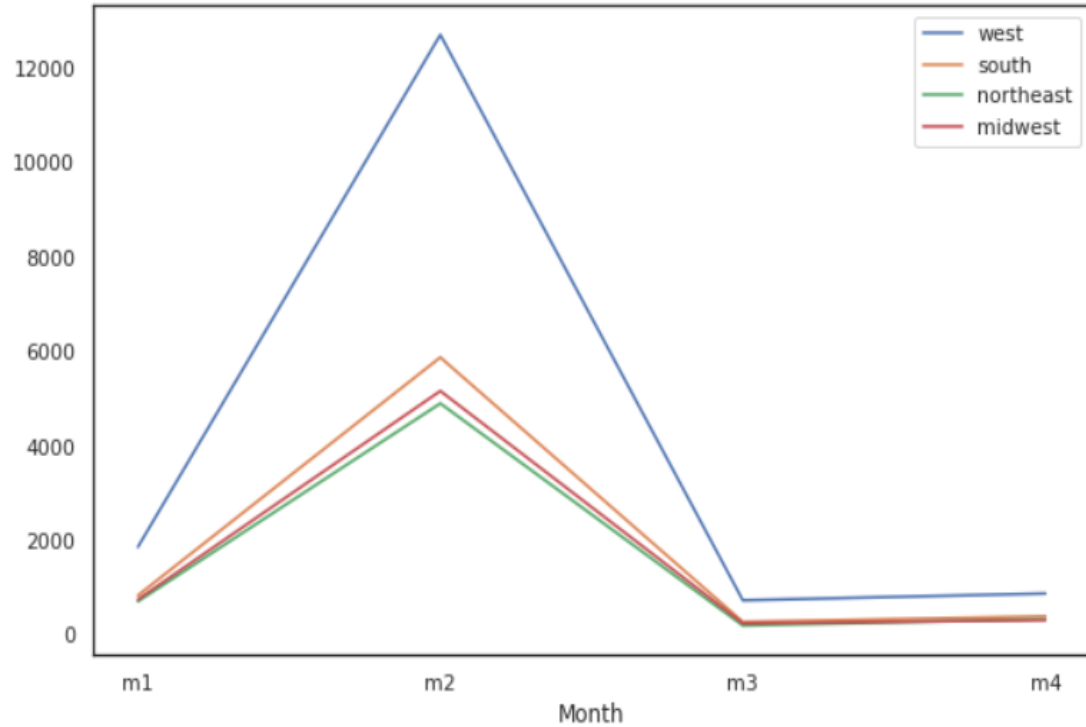
	Month	Settled_accounts	New customers
0	m2	2376	4174
1	m3	1251	28667
2	m4	7746	1474
3	m5	2643	1938



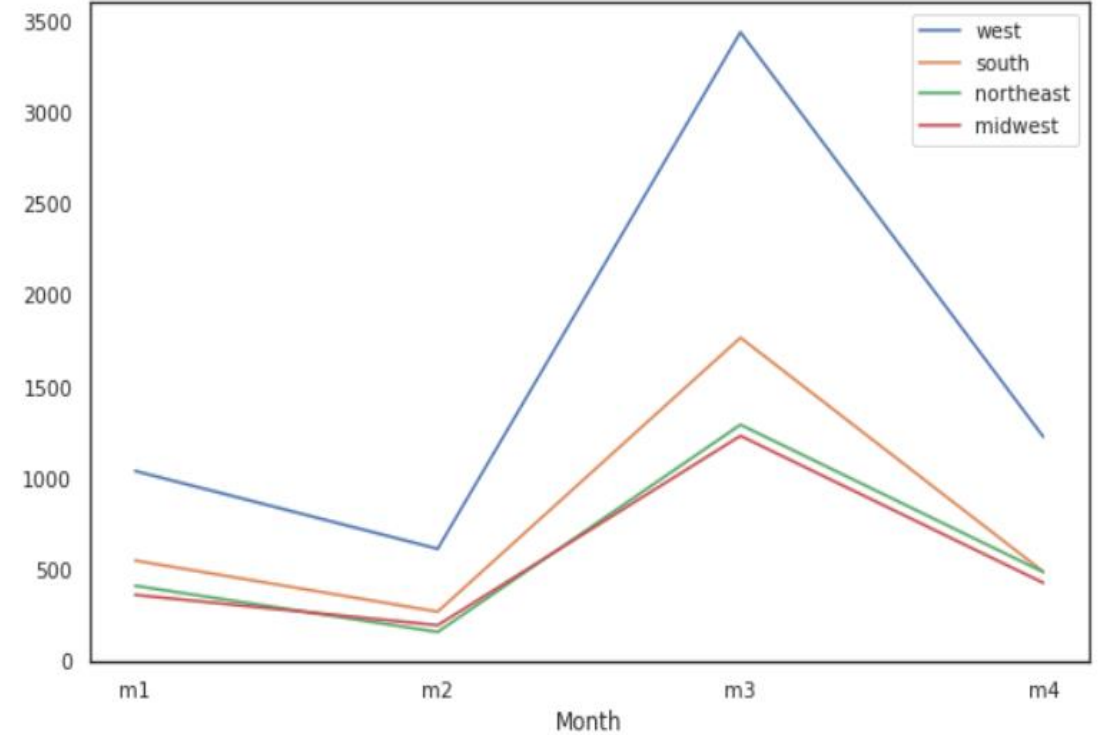
# New accounts & settled accounts analysis



# Region level Granularity

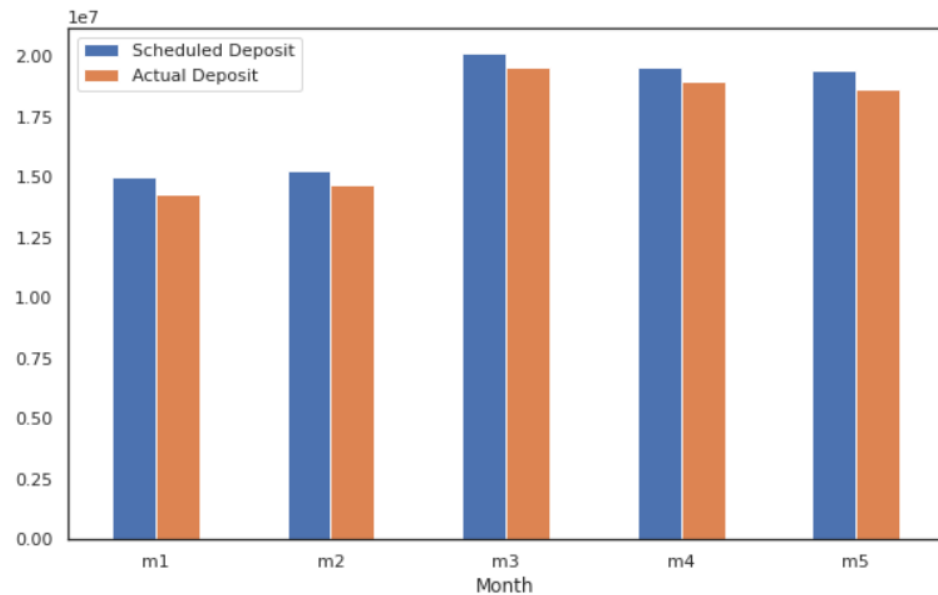


New Clients



Settled Accounts

	deposit_type	m2	m3	m4	m5
0	Actual Deposit	342638.85	342638.85	1412341.23	522543.51
1	Scheduled Deposit	198214.00	198214.00	1458050.74	426549.95



	Month	Settled_accounts	New customers
0	m2	2376	4174
1	m3	1251	28667
2	m4	7746	1474
3	m5	2643	1938

Settled accounts Vs  
Churn rate (Assumption 4)

# Settlement Formula

1. Settles 60% of outstanding debt
2. Collects 20% of closed agreement

Total charges collected after the Campaign – **\$644,961**

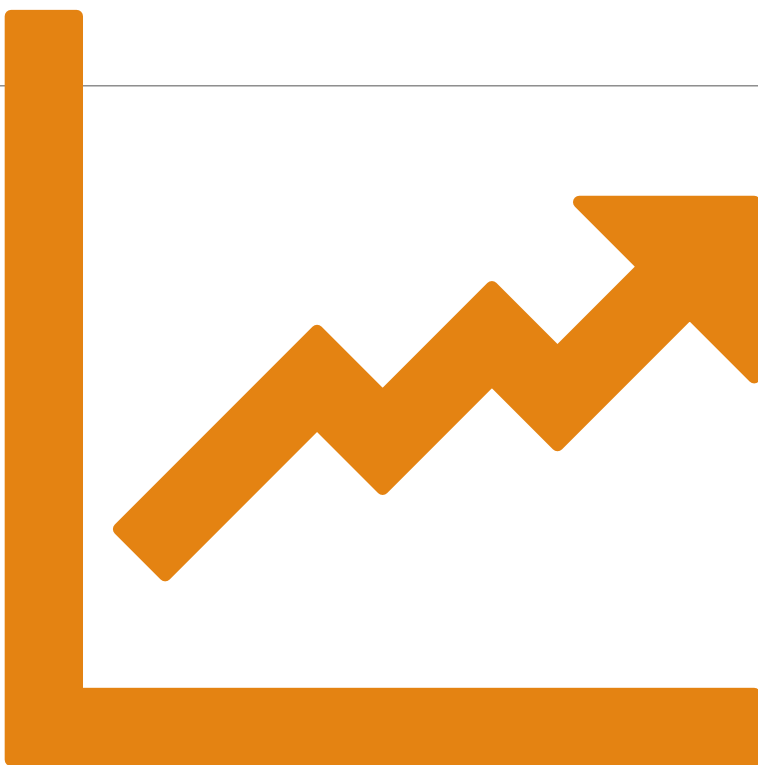
Month	Deposit Collected From settled accounts	Charges for settled
M2	342,638	114,212
M3	342,638	114,212
M4	1,412,341	<u>470,780</u>
M5	522,543	174,181

# Membership Fee

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1. Assumed 10\$ per month for each client
2. There is also a possibility that a client's account can be settled in a single month
3. How is it calculated?
  - Have filtered new clients enrolled during the month3, month4, month5
  - Calculated term of each client

Additional Membership Fee collected during this campaign period: **\$328,650**



# Success Metrics

# Return on Investment (ROI)

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1. Cost – 5,000,000
2. Revenue
  - Membership fee – 328,650
  - Settlement charges – 350,000(m4), 50,000(m5) [assumption made from the available data]
3. Revenue from these 3 months: **\$728,650** (No sales cycle given here)

**Return on investment will be at the end of the 18<sup>th</sup> month**

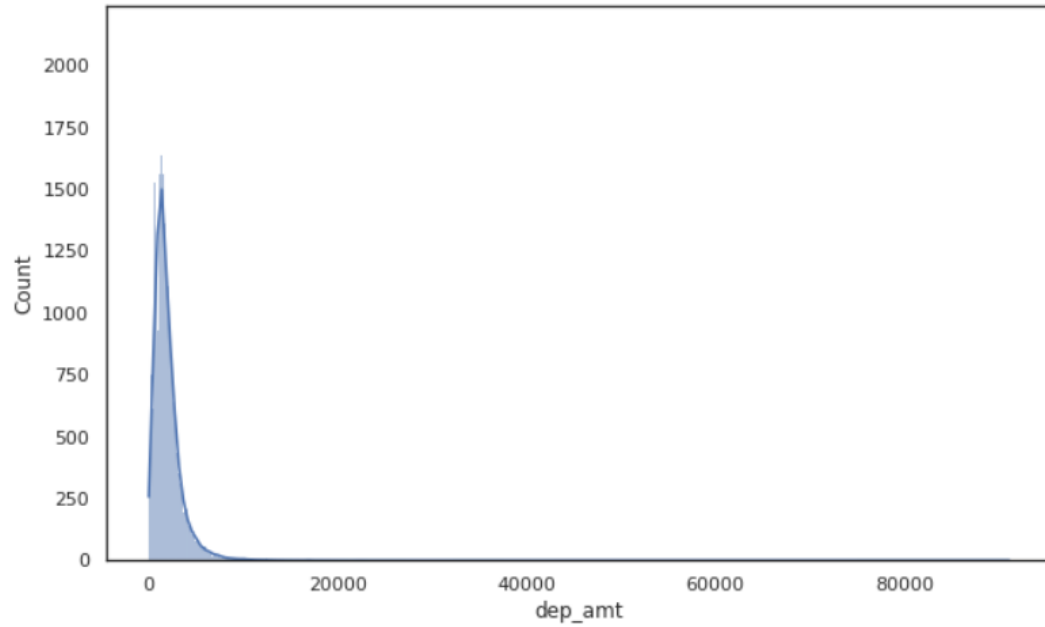
# Customer Acquisition Cost

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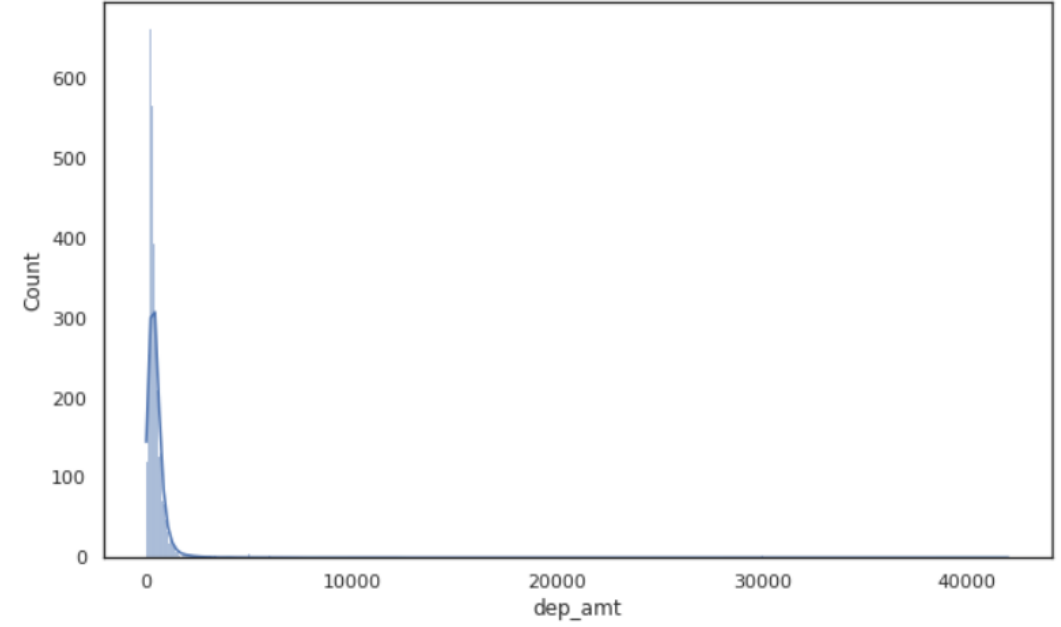
Total amount spent: **5,000,000**

Since the ROI is in the 18<sup>th</sup> month, Approx. number of customers we will get by the end of 18<sup>th</sup> month: **57669** ( $m3 = 28668$ ,  $(m4+m5)/2 = (1474+1938)/2$ )

**Customer Acquisition Cost: \$86.70**



Distribution of deposit collected



Distribution of settled deposits

# Deposit collection analysis

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# Recommendation – Future improvement

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1. AB testing should be performed (if not)
2. Targeted Marketing – based on the debt level
3. Channel Marketing – offline/online
4. Cross-sell products for existing customers
5. Instead of spending equally on all days of the marketing,
  - Spend on the first and the last week
  - Spend – region-wise (west is performing good already, so plan proportion of spending more in other regions)
  - Average debt settlement amount – 500 USD – so more offers for clients coming in for higher amount negotiations

# What if the campaign was held in month-6?

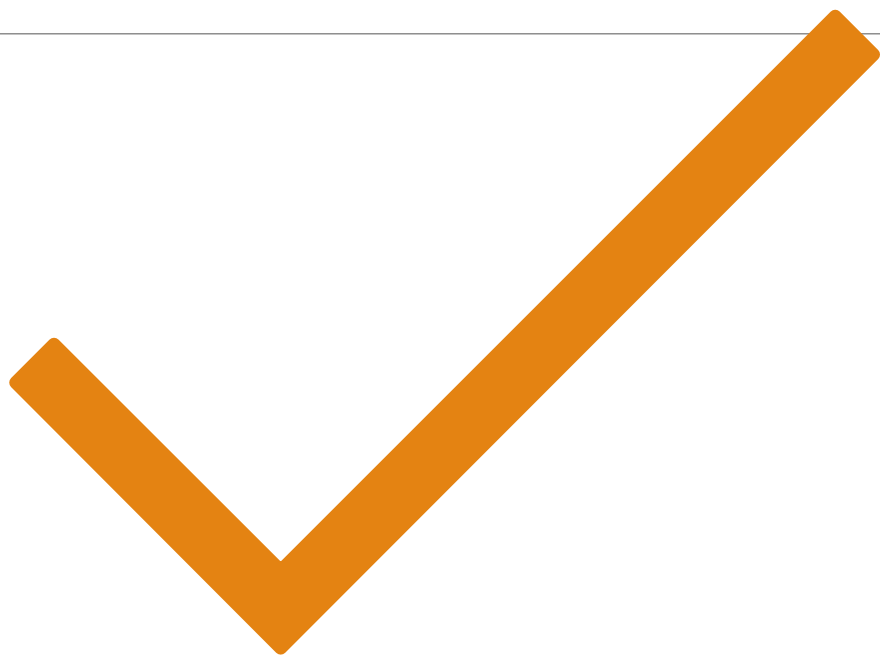
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1. We would have had more data to plan the campaign more efficiently (Assuming month 1 to be January)
2. More targeted approaches could have been made
  - Concentration in a specific region
  - Special offers in the settlement charges for a certain level of debt

# Additional data

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1. Total settled debt amount for the particular client\_id and average time frame for this settlement – example ( client\_id, closed\_deal\_amount, deposit\_start\_date, deposit\_end\_date )
2. Details of the account we were not able to finish the agreements
3. Competitor details – how many competitors, how many shares they have -> competitive advantage
4. Do we invest the deposits received from the customers elsewhere?
  - ROI
  - Customer Acquisition Cost



Thank  
you