

# Marketing Best Practices

For Short Term Lending.



# Who is Lending Science DM?



LSDM is a leader in scientifically driven, marketing & risk management solutions for the financial industry. We help lenders acquire new customers, optimize marketing and risk metrics, and maximize profitability across the lending lifecycle.

# Who is Lending Science DM?

## Highly Optimized, Multi-sourced Data:

- Credit & Non-Credit Data Sources
- 23 databases with over 3600 attributes for online & offline use.

## Data Science, Analytics and Modeling:

- Extensive experience in all facets of analytics.
- Thousands of financial services models including response, revenue, risk, fraud, and more

## Risk Management:

- Custom segmentation and models for optimized performance
- Tri-bureau normalized attribute processing and licensing
- Real-time and offline decision processing
- Policy consulting across the credit lifecycle

## Turnkey Direct Mail Marketing:

- Design and fulfill over 1000 turnkey campaigns annually
- Scientific audience sourcing, analysis and selection, creative, fulfillment and oversight, reporting and optimization.

## Digital Marketing:

- **REACH™** allows businesses to load or identify customer or prospect audiences online and track them for over 70,000 behavioral triggers. This enables them to identify and advertise to known “in market” prospects that have shown a high level of buying intent.
- **CONNECT™** enables businesses to market to individuals that have engaged with their company by connecting digital footprints and identities back to personally identifiable information for online and offline marketing.



# PREScreen DIRECT MAIL

# Prescreen Needs.

Are you  
doing these  
well?

- Data, Data, Data – multiple bureaus
- Analytics and Optimization – 30+ models for average portfolio
- Creative Strategy – champion challenger
- Flawless Execution – missing deadlines cost
- Risk and Marketing Strategy Alignment
- Underwriting and Operations specific to Prescreen
- Accurate and Timely Reporting
- Products, States, and Response Channels – in store, online, call

# Current Pre-screen Campaign Benchmarks

Portfolio Type	Avg. Loan Amount	Campaign Response Rate	Monthly Quantity Mailed	Cost/Funded Loan
Short Term Installment	\$824	1.05%	2,000,000	\$152
Short Term Installment	\$1,287	0.98%	932,000	\$222
Sub Prime Installment Loans	\$5,302	1.20%	400,000	\$332
Prime Installment Loans	\$13,234	0.90%	3,800,000	\$310

**RESULTS VARY BASED ON PRODUCT, OFFERING, SALES PROCESSES, ETC.**

# Consumer Lending Case Study

## Situation/Product

- ✓ Tribal Lender
- ✓ Buying only Online Leads
- ✓ On-line leads hard to scale
- ✓ No risk, DM, or analytics expertise
- ✓ Limited Team
- ✓ Rapid Growth Goals
- ✓ Funding Waiting to be Used
- ✓ Target Metrics:
  - \$150-250 CPFL
  - 15-20% FPD

## Approach

- ✓ LSDM provided Risk & Marketing Team
- ✓ Developed Client Marketing Infrastructure
  - Agency Turnkey Model
  - Hired and managed team
  - Marketing, Reporting, Analytics, Risk, and IT Strategy and Support

## Results

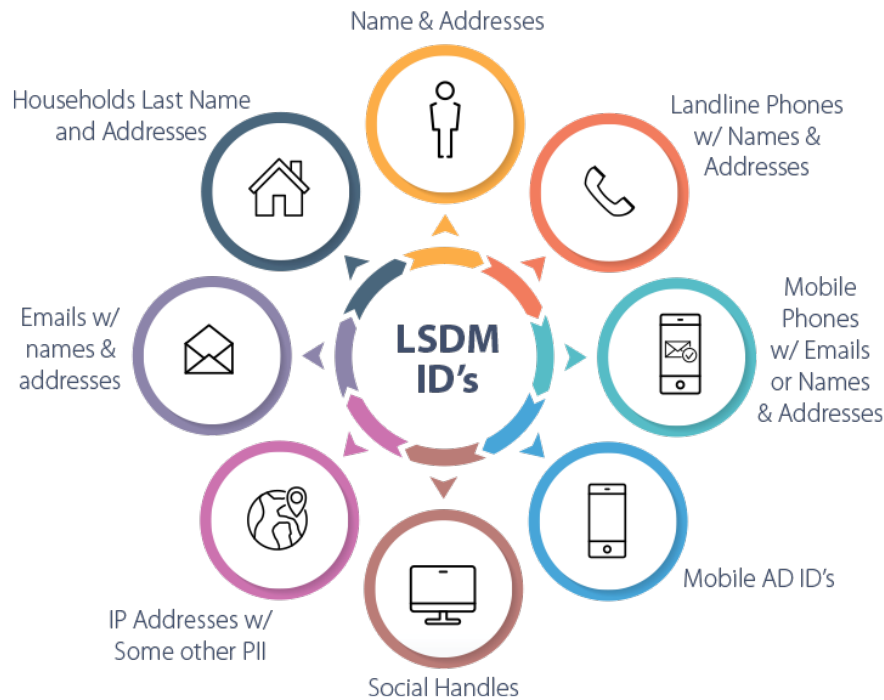
- ✓ Tripled Portfolio Size (Top 10 Lender)
- ✓ Exceeded Target Metrics at Large Scale Volume
- ✓ Created on-going Scalable & Sustainable infrastructure and roadmaps



# CONNECT – A New Look at Remarketing



# CONNECT™



- CONNECT™ is designed to build intent based audiences to market your products and services too.
- CONNECT™ can unmask & reach consumers who have previously engaged with your company, whether you know it or not.
- CONNECT™ identifies “actual shoppers” , immediately leading you to those who are most likely to use and/or buy your product.
- It uniquely blends on-line intelligence with data science, technology, and omnichannel fulfillment to create winning “turnkey” marketing solutions for business.
- **We use multiple linkages for each offline and digital identity component** (postal, email, device IDs, social media handles, IP addresses etc.) and pair that information deterministically with unique adults on our National Consumer Database.
- Highly efficient and effective re-marketing.

## Control Mechanisms to Measure Lift of CONNECT

# We're Already Doing Remarketing and Don't Need CONNECT, Right? *WRONG!*

- 50% Control Group of Approx 45,000 People Were Held Out of CONNECT Marketing Universe and Studied.
- 50% Control Group of Came into Funnel Through other Marketing Efforts by Business Anyway
- The 50% that Came in was Accelerated by Two Weeks
- That's a Quarter's Worth of Lead Monetization Per Year for a Minimal Expense!

# Case Study

## Client Overview

- ✓ Leader in debt-relief
- ✓ Has helped thousands of clients resolve large C.C debt

## Client Challenge

- ✓ Not enough information to confidently re-market via one or more channels

## Solution

- ✓ LSDM leveraged our CONNECT™ solution
- ✓ Appended verified mail, email, and personal information
- ✓ Used LSDM's turnkey omni-channel marketing campaigns to re-market these hot leads including data, creative design, personalized messaging, omni-channel deployment, response tracking & attribution, reporting, follow up analytics and campaign optimization.

## Results

- ✓ Identified 65% of the client's anonymous consumers
- ✓ CONNECT™ response rates have been consistently over 5%, as high as 365 basis points (14X lift)
- ✓ Conversion rates were consistent with acquisition marketing
- ✓ Cost per acquisition lowered to 30%

# Digital Marketing – REACH™



# Database Marketing in the Digital World

- Can be Done with Email, Display and Social Platforms
- Allows for Front End Audience Selection
- Vast Repository of Online Databases Available for Audience Sourcing Through Data Management Platforms (DMPs.)
- >58,000 Databases with over 300,000 Attributes Available for Selection and Modeling. More Robust than Offline Databases
- Social and Display Platforms Allow for Limited Behavioral Tracking

## Challenges

- Many Display and Social Advertising Similar to Mail, Marketing to Audience(s) Because they Fit Criteria vs. Behavioral Based Targeting
- Which Platforms are your Audiences Spending Their Time On?
- Campaign Tracking and Attribution – How Do You Quantify the Campaigns?
- Can Be Expensive to Test if Not Done Properly
- Marketing Waste from Advertising to Larger Audiences Vs. Defined In-Market Candidates - Similar to DM

# REACH™

## Brings Direct Target Marketing "On-Line"



- REACH can put the right offer, in front of the right audience at *exactly the right time*.
- REACH™ allows marketers to target and monitor highly specialized audiences for over 70,000 online behavioral triggers and search terms, **in real time**.
- With REACH™, you only to advertise to known “in market” prospects in ways that you never thought possible. **This radically eliminates marketing waste.**
- REACH allows for upfront data studies to identify audiences and behaviors that influence their pre-purchasing decisions as it relates to your product.
- Supercharged by LSDM’s best practices, data science, dynamic marketing services and the world’s largest digital exchange, you have the ability to market across over 15,000,000 sites to consumers that have shown interest --- minimizing waste and lowering cost per acquisition.

# Case Study

## Client Overview

- ✓ leader in the debt-relief industry helping thousands of clients resolve large credit card bills and other unsecured debts – all without upfront fees or the need for personal bankruptcy.

## Client Challenge

- ✓ To explore finding New On-line “In-Market” Audiences cost effectively.

## LSDM Turnkey Solution

- ✓ Target audience – Custom analysis and development
- ✓ Direct display - Set up Display Strategies including Facebook, Direct Display and Multiple Display for both Modeled and Triggered Universes
- ✓ Creative - Created & Refined Digital display creatives
- ✓ Execution - Provided end-end Execution & Oversight, and Setup/executed Monthly Match Back Attribution & Reporting
- ✓ Analysis & Optimization of Display Strategies, Channels and Creatives.

## Results

- ✓ 3+ times more Consumers Became Leads
- ✓ 18 times more Consumers Became ENROLLED Customers
- ✓ Less than \$30 Cost Per Lead and \$450 Cost Per Enrolled (Continuing to trend down)
- ✓ Direct Display outperformed Facebook Display by \$150 Cost Per Enrolled
- ✓ Month 3 CPL was less than < 30% of Month 2 CPL
- ✓ 12 Month Roll Out Strategy Based on Success of Pilot Program



# THANK YOU!

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