

## \$200 Cash Back Auto Refinance Campaign Analysis

### Auto Refinance \$200 Cash Back Promotion (12/31/07 – 12/27/08)

- \$200 Cash Back (offer has been in place since January 2006)

Since there is no distinct indicator for auto refinance loan applications, all of the used auto loan apps were considered for this analysis. Table # 1 shows the weekly average number of applications during the weeks we advertised and the ones we didn't for the whole year. As shown below, there was a slight increase in the volume of applications in the weeks we advertised.

**Table # 1**

	<b>Weekly Avg. # of Apps</b>	<b>Total App Amount</b>	<b>Avg App Amt</b>	<b># of Weeks</b>
<b>Adv Period</b>	43.52	\$22,153,552	\$17,554	29.00
<b>Non-Adv Period</b>	40.22	\$16,209,290	\$17,524	23.00
<b>Difference</b>	3.30	\$5,944,262	\$31	6.00
<b>% Difference</b>	<b>8.21%</b>	36.67%	0.18%	

Table # 2 shows the weekly average during the advertising period, but broken down by the day(s) we advertised. When the auto refi ad ran on Sunday and Thursday of the same week it proved to be the most effective, and running it solely on Sunday generated higher results versus Thursday only.

**Table # 2**

	<b>Weekly Avg. # of Apps</b>	<b>Total App Amount</b>	<b>Avg App Amt</b>	<b># of Weeks</b>
<b>S &amp; Th</b>	46.38	\$6,827,398	\$18,403	8.00
<b>S</b>	45.17	\$4,640,195	\$17,122	6.00
<b>Th</b>	41.33	\$10,685,959	\$17,235	15.00

From 1/07 – 1/31 we ran the ad every Thursday (4 wks) and from 2/04 to 2/28 (4 wks) we ran it on both Sunday and Thursdays, the weekly averages were 41.5 and 56.5 respectively, a 36.14% difference. It appears that focusing on one product over a period of three to four weeks, although risky, has a higher potential of generating greater results. Risky because of the opportunity lost from not advertising other products during that same time period.

However, from 5/05- 5/31 (4 wks) the auto refi was advertised in all four weeks, on two weeks the ad ran on both Sunday and Thursday, and the weekly average was 42.5 apps. So in addition to product focus, timing appears to be a factor that needs to be taken into account. From 3/10 – 3/29 (3 wks) we advertised only on one day in each week and the weekly average was 56.7 apps, almost equal to when we ran the ad on both days during a four-week period. I looked at '07 figures, and in the first half of the year, February and March were the highest producing months. Therefore, it is recommended that we advertise the auto refi promotion in February and March, and with a focus on that product. There is a caveat, due to the current economic crisis it is hard to make forecasts based on past years trends.

When the economic crisis became full blown in October, this had an adverse impact in the volume of applications, similar to what happened to the checking account opening volume. Table # 3 shows the volume of applications prior to October, and table # 4 during and after. There was a 12% decrease in the volume of applications when comparing both advertising periods (before and after October). In addition, there was almost no lift from the advertising during the fourth quarter. This is going to be a continuing challenge in 2009. Very few banks are advertising loans in the newspaper, which could be a reflection of the low demand for loans.

**Table # 3**

<b>Prior to 9/29</b>				
	<b>Weekly Avg. # of Apps</b>	<b>Total App Amount</b>	<b>Avg App Amt</b>	<b># of Weeks</b>
<b>Adv Period</b>	44.24	\$19,631,029	\$17,750	25.00
<b>Non-Adv Period</b>	41.57	\$10,169,541	\$17,473	14.00
<b>Difference</b>	2.67	\$9,461,488	\$276	11.00
<b>% Difference</b>	6.42%	93.04%	1.58%	

**Table # 4**

<b>On or After 9/29</b>				
	<b>Weekly Avg. # of Apps</b>	<b>Total App Amount</b>	<b>Avg App Amt</b>	<b># of Weeks</b>
<b>Adv Period</b>	39.00	\$2,522,523	\$16,170	4.00
<b>Non-Adv Period</b>	38.11	\$6,039,749	\$17,609	9.00
<b>Difference</b>	0.89	-\$3,517,226	-\$1,439	-5.00
<b>% Difference</b>	2.33%	-58.23%	-8.17%	