STATISTICAL FACT BOOK

2001

23rd edition

THE DMA
Direct Marketing Association
1120 Avenue of the Americas
New York, NY 10036-6700
212.768.7277

The Direct Marketing Association, Inc. (The DMA) is the leading and largest trade association for businesses interested in interactive and database marketing, with more than 4,600 member companies from the United States and 53 other nations. Founded in 1917, its members include direct marketers from every business segment as well as the non-profit and electronic marketing sectors. Included are catalogers, Internet retailers and service providers, financial services providers, book and magazine publishers, book and music clubs, retail stores, industrial manufacturers and a host of other vertical segments including the service industries that support them. According to a DMA-commissioned study conducted by The WEFA Group, direct and interactive marketing sales in the United States exceeded $1.7 trillion in 2000, including $110.6 billion in catalog sales and $24.2 billion in sales generated by the Internet. The DMA Web site address is *www.the-dma.org* (no period).

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PREFACE

The Direct Marketing Association's *2001 Statistical Fact Book* offers a quantified view of the "state-of-the-industry" for virtually all aspects of direct marketing. Users of direct marketing today are experiencing an explosion of information. The tremendous impact of new technologies is opening up a whole new world of markets and media for direct marketers of any specialty. The Library & Resource Center, the information arm of The DMA, strives to broaden awareness and understanding of direct marketing, and to increase the effectiveness and efficiency of its techniques. The *Fact Book* is designed to provide statistical support to help marketers achieve this goal.

The Library & Resource Center is uniquely positioned to develop, acquire, and compile direct marketing data that details the status and direction of the direct response industry. The book is divided according to broad areas of direct marketing that the staff has identified using their extensive working knowledge of the industry:

- Direct Response Advertising
- Market Applications
- Media - including Interactive Media
- Lists/Databases
- Practical Management Information
- International Direct Marketing
- The Economic Impact of Direct & Interactive Marketing

The purpose of the *2001 Statistical Fact Book* is to provide direct marketers easy access to authoritative data that will be helpful in making informed marketing decisions and media choices, in supporting proposed business and marketing strategies, and in making the most cost-effective expenditure decisions. The near-500 charts that comprise this year's edition:

- Highlight important media and market growth and usage trends by specific media and markets
- Pinpoint consumer and business attitudes and buying habits concerning direct marketing
- Quantify and compare marketers' outlooks and expectations on key issues
- Provide valuable expenditure, production, and operating cost figures
- Identify direct marketers' attitudes, concerns, and policies regarding specific environmental issues

The *2001 Statistical Fact Book* is designed not only to provide the latest direct marketing statistics, but also to indicate how the numbers were derived. Most primary research studies used and their sources are listed by title, sample and respondent size and by type of methodology used. Other sources are recognized by citations within individual sections. In addition, indexes are included for easy access to specific data and sources.

ACKNOWLEDGEMENTS

Acknowledgment is very much deserved by the many individuals and organizations that provided the information and research data that make this book a comprehensive and important resource. On an individual basis, each research study, compilation, and projection in this book deserves merit. Collectively, they offer a valuable picture of the scope and direction of the direct marketing field.

Richard Spector of the DMA's Research Department played a key roles updating WEFA information, in making sure these materials were processed in an orderly fashion. In addition, Allison and Anthony Giacchetto also logged many hours helping to desktop publish and proofread the charts that comprise this edition. This massive compilation could not be completed every year without their continued and valued support.

Ann Zeller
Vice President
Information and Special Projects

Anna Chernis
Publications Research Coordinator

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Chapter Highlights

- The salary range for an advertising agency account executive with 1 to 3 years' experience in 2000 was $34,900 -$43,500; for a copywriter with the same experience, the range was $43,500 - $52,000.
- Brann Worldwide is the number one Direct Response Advertising Agency based on 1999 direct response agency ranking by billings.
- In the past decade, direct mail's percentage of all advertising spending has grown 1.6%.
- At least 55% of respondents to Direct magazine's annual reader survey said their company's spending on Direct Marketing would go up in 2001.
- Internet/online advertising grew from $26.7 million in 1996 to $8.2 billion in 2000.
- Toll-free numbers (29%) and Internet addresses (24%) are the most often used direct response mechanisms.
- Television reigned as the medium of choice for companies wanting to reach Hispanic consumers.

TOTAL POPULATION ORDERING SPECIFIC ITEMS BY MAIL OR BY PHONE OR ON INTERNET IN THE LAST 12 MONTHS

Mediamark conducts an ongoing, comprehensive study of the adult population of the United States. This study, conducted continuously since 1979, surveys the demographics, product usage, and media exposure of all persons aged 18 and over in the contiguous 48 states.

The completed Mediamark sample consists of over 25,000 respondents. Each year the sample is completely redrawn, with 13,000 new respondents entering the survey every six months. 2,400 new clusters are selected yearly from a continuously updated master list.

The product usage and buying behavior data was gathered through self-administered questionnaires and personal interviews. The results were then projected to reflect the entire U.S. population, estimated to be 199,438,000 in Spring 2000 and 197,462,000 in Spring 1999.

	By Mail, Phone or Internet		By Mail		By Phone		By Internet	
	(000)	Vert %	(000)	Vert %	(000)	Vert %	(000)	Vert%
Automotive parts and supplies	5719	2.87	2604	1.31	3400	1.70	965	0.48
Baby accessories	3370	1.69	1699	0.85	1605	0.80	696	0.35
Box spring/mattress	678	0.34	310	0.16	333	0.17	65	0.03
Cameras/camera equipment	2440	1.22	1013	0.51	791	0.40	834	0.42
Cheese	1321	0.66	821	0.41	483	0.24	100	0.05
China/Crystal	3931	1.97	1721	0.86	2230	1.12	664	0.33
Clothing	34207	17.15	17825	8.94	20785	10.42	4483	2.25
Coffee & Tea	3796	1.90	2077	1.04	1139	0.57	792	0.40
Collector's items (coins, stamps, figurines, etc.)	7661	3.84	4777	2.40	2098	1.05	1696	0.85
Compact discs	14340	7.19	9943	4.99	2247	1.13	4329	2.17
Computers	5081	2.55	1013	0.51	2836	1.42	1680	0.84
Computer peripherals	5708	2.86	1168	0.59	1672	0.84	3707	1.86
Computer Software	10989	5.51	3047	1.53	3196	1.60	6396	3.21
Cookware/kitchen accessories	5567	2.79	2883	1.45	2183	1.09	950	0.48
Cosmetics/toiletries	5043	2.53	2336	1.17	2408	1.21	663	0.33
Film/film processing	4045	2.03	3388	1.70	411	0.21	358	0.18
Financial/banking accounts	4401	2.21	1216	0.61	2076	1.04	1761	0.88
Flowers	14456	7.25	2593	1.30	10828	5.43	1931	0.97
Fruit	2386	1.20	908	0.46	1206	0.60	415	0.21
Hobby or craft supplies	5576	2.80	2945	1.48	2475	1.24	950	0.48
Home furnishings	7338	3.68	3240	1.62	4225	2.12	802	0.40
Home study course	2231	1.12	934	0.47	715	0.36	682	0.34
Housewares	7772	3.90	4049	2.03	3840	1.93	1015	0.51
Hunting, fishing, camping equipment	4387	2.20	1716	0.86	2654	1.33	478	0.24

(CONTINUED)

TOTAL POPULATION ORDERING SPECIFIC ITEMS BY MAIL OR BY PHONE OR ON INTERNET IN THE LAST 12 MONTHS

(CONTINUED FROM PREVIOUS PAGE)

	By Mail, Phone or Internet		By Mail		By Phone		By Internet	
	(000)	Vert %	(000)	Vert %	(000)	Vert %	(000)	Vert%
Jewelry/watches	5183	2.60	2346	1.18	2659	1.33	667	0.33
Pet products/supplies	3199	1.60	1371	0.69	1504	0.75	674	0.34
Records/tapes/cassettes	9474	4.75	6333	3.18	2748	1.38	1995	1.00
Religious records/tapes	3600	1.81	2258	1.13	1137	0.57	613	0.31
Sewing or needlework supplies	2023	1.01	1407	0.71	767	0.38	85	0.04
Shoes	9327	4.68	4288	2.15	5128	2.57	828	0.42
Seeds/plants/garden supplies	6887	3.45	5085	2.55	1999	1.00	649	0.33
Small appliances	3024	1.52	1080	0.54	1470	0.74	624	0.31
Sports equipment	3695	1.85	1162	0.58	2049	1.03	980	0.49
Sports apparel/memorabilia	2407	1.21	827	0.41	1267	0.64	682	0.34
Stereo equipment	1682	0.84	772	0.39	696	0.35	320	0.16
Toys	9732	4.88	4361	2.19	3827	1.92	2929	1.47
Videos	8782	4.40	4958	2.49	2591	1.30	2082	1.04
Workshop tools	2953	1.48	1410	0.71	1518	0.76	370	0.19
Vitamins	7660	3.84	3822	1.92	3329	1.67	1080	0.54
Other health/medical supplies	6774	3.40	3496	1.75	3062	1.54	931	0.47
Any Item	79799	40.01	50385	25.26	46167	23.15	21634	10.85

Source: MediaMark, 2001.

TOTAL POPULATION ORDERING BY MAIL, PHONE, OR INTERNET: SPRING 2000 VS. 1999

Q. Have you personally ordered any of the following items through the mail or by phone or on the Internet in the last 12 months?

	Spring 2000 Total U.S. (000)	Spring 2000 Total U.S. Buyers (000)	% Any Product	Spring 1999 Total U.S. (000)	Spring 1999 Total U.S. Buyers (000)	% Any Product	% Change from 1999 to 2000 Total Buyers	Total Change in Buyers 1999-2000 (000)
All	199438	79799	40.01	197462	77481	39.24	3.0%	2318
Men	95691	34136	35.67	94827	33604	35.44	1.6%	532
Women	103747	45663	44.01	102635	43877	42.75	4.1%	1786
age 18-24	25691	7939	30.9	24807	7343	29.6	8.1%	596
age 25-34	39066	14999	38.39	40154	16046	39.96	-6.5%	-1047
age 35-44	44791	20604	46	44393	18936	42.65	8.8%	1668
age 45-54	34774	16066	46.2	33700	15754	46.75	2.0%	312
age 55-64	22711	9847	43.36	22149	9258	41.8	6.4%	589
age 65+	32404	10344	31.92	32260	10144	31.44	2.0%	200
Graduated College	45492	23581	51.84	43875	22081	50.33	6.8%	1500
Attended College	52878	22844	43.2	52173	22578	43.27	1.2%	266
Graduated High School	66360	23260	35.05	66168	24211	36.59	-3.9%	-951
Did Not Graduate High School	35260	8292	23.52	35715	7584	21.23	9.3%	708
Professional	20825	12324	59.18	20185	10706	53.04	15.1%	1618
Manager/Administrative	19692	10922	55.47	18969	9993	52.68	9.3%	929
Technical/Clerical/Sales	37625	16798	44.65	37167	16137	43.42	4.1%	661
Precisions/Craft/Repair	14305	4842	33.85	14333	5045	35.2	-4.0%	-203
Other Employed	37989	11746	30.92	38303	13008	33.96	-9.7%	-1262
Single (Never Married)	47284	16131	34.11	45990	14828	32.24	8.8%	1303
Respondent's Marital Status: Married	114055	50799	44.54	113487	50095	44.14	1.4%	704
Divorced/Separated/Widowed	38099	12869	33.78	37985	12558	33.06	2.5%	311
Northeast-Census	39250	16578	42.24	39284	16345	41.61	1.4%	233
Midwest	46071	19377	42.06	46039	19584	42.54	-1.1%	-207
South	70545	26432	37.47	69564	24694	35.5	7.0%	1738
West	43573	17412	39.96	42574	16859	39.6	3.3%	553
Household Income: $0 - $4,999	2758	689	24.98	3010	494	16.41	39.5%	195
Household Income: $5,000 - $9,999	11534	2243	19.44	12005	2235	18.62	0.4%	8
Household Income: $10,000 - $14,999	12034	3034	25.21	12699	3179	25.03	-4.6%	-145
Household Income: $15,000 - $19,999	12373	3133	25.32	13053	3073	23.54	2.0%	60
Household Income: $20,000 - $24,999	12672	3679	29.03	13191	3876	29.38	-5.1%	-197
Household Income: $25,000 - $29,999	12654	3774	29.82	12944	4601	35.55	-18.0%	-827
Household Income: $30,000 - $34,999	12319	4222	34.27	12590	4586	36.43	-7.9%	-364
Household Income: $35,000 - $39,999	11735	4499	38.33	12034	4690	38.97	-4.1%	-191
Household Income: $40,000 - $44,999	11312	4322	38.21	11733	4403	37.53	-1.8%	-81
Household Income: $45,000 - $49,999	10505	4202	40	10275	4154	40.43	1.2%	48
Household Income: $50,000 - $59,999	19004	8674	45.64	19107	9122	47.74	-4.9%	-448
Household Income: $60,000 - $74,999	22279	10773	48.36	21782	10113	46.43	6.5%	660
Household Income: $75,000 - $99,999	22601	11901	52.66	20790	11102	53.4	7.2%	799
Household Income: $100,000 - $149,999	17473	9582	54.84	15821	8370	52.91	14.5%	1212
Household Income: $150,000+ [plus]	8186	5075	62	6428	3483	54.19	45.7%	1592
1 Person living in Household	26674	8513	31.91	26110	8344	31.96	2.0%	169
2 People	68888	29358	42.62	65584	26779	40.83	9.6%	2579
3 or 4 People	73614	30847	41.9	76784	31546	41.08	-2.2%	-699
5 or More People	30262	11081	36.62	28983	10813	37.31	2.5%	268
No Children in Household	115510	46284	40.07	113933	43781	38.43	5.7%	2503
Children under 2 years old	15224	5707	37.49	15009	5239	34.91	8.9%	468
Presence Of Children Aged 2-5	29840	11283	37.81	29723	11997	40.36	-6.0%	-714
Presence Of Children Aged 6-11	40268	16371	40.66	39967	16290	40.76	0.5%	81
Presence Of Children Aged 12-17	39005	15891	40.74	38435	15335	39.9	3.6%	556
Own Or Rent Home: Own	139215	60921	43.76	139891	60215	43.04	1.2%	706
Rent	58799	18376	31.25	55337	16585	29.97	10.8%	1791

Source: MediaMark, 2001.

1999–2000 U.S. AD EXPENDITURES

Ad expenditures on the Internet continue to increase — up almost 53% in 2000 over 1999. Total ad expenditures in 2000 rose to $243.68 billion, a record 2.45% of GDP.

	1999 ($ MILLIONS)	2000 ($ MILLIONS)	% Change
NATIONAL			
NEWSPAPERS	6,358	7,229	+13.7
MAGAZINES	11,433	12,370	+8.2
NETWORK TV (Four Networks)	13,961	15,888	+13.8
SPOT TV	10,500	12,264	+16.8
CABLE TV	9,405	10,947	+16.4
SYNDICATED TV	2,870	3,108	+8.3
NETWORK RADIO	684	780	+14.0
SPOT RADIO	3,275	3,668	+12.0
YELLOW PAGES	1,986	2,093	+5.4
INTERNET	2,832	4,333	+53.0
BUSINESS PAPERS	4,274	4,915	+15.0
OUT OF HOME	1,910	2,068	+8.3
DIRECT MAIL	41,403	44,591	+7.7
MISCELLANEOUS	21,279	23,844	+12.0
TOTAL NATIONAL ADVERTISING	**132,170**	**148,098**	**+12.0**
LOCAL			
NEWSPAPERS	40,290	41,821	+3.8
LOCAL TV	12,680	13,542	+6.8
CABLE TV	3,165	3,482	+10.0
LOCAL RADIO	13,256	14,847	+12.0
BILLBOARDS	2,870	3,108	+8.3
YELLOW PAGES	10,666	11,135	+4.4
MISCELLANEOUS	7,211	7,647	+6.0
TOTAL LOCAL ADVERTISING	**90,138**	**95,582**	**+6.0**
TOTAL ALL ADVERTISING	**222,308**	**243,680**	**+9.6**

Note: Expenditures include all commissions and expenses in the advertising budget.

Source: Robert J. Coen, Universal McCann, 2001.

AVERAGE SALARY BY MARKETING SPECIALTY

From February 1 through February 15, 2001 nearly 1,200 marketing professionals worldwide responded to the 2001 Marketing Professionals Salary Survey.

	Staff	Manager/ Supervisor	Director	EVP, VP, Sr. VP	Average
General Marketing	$35,740	$54,620	$80,190	$121,510	$72,020
Product Management	47,200	66,620	98,060	124,330	80,560
Sales Support	31,680	50,280	78,690	85,670	51,540
Internet	42,490	56,680	85,680	104,390	66,030
Marketing Communications	35,420	54,910	80,060	137,500	61,050
Direct Marketing	48,330	59,110	83,570	124,290	71,390
Market Research	34,610	57,500	81,000	95,000	52,710
Creative	44,000	58,790	73,690	120,000	62,170
Media Buyers	41,580	44,670	72,770	108,300	59,270
Public Relations	37,720	53,860	76,890	81,000	53,190

Source: WebSurveyor Corporation, 2001.

2001 DIRECT RESPONSE ADVERTISING SALARIES

Crandall Associates, Inc., an executive recruiting firm, has determined the salaries by the following process: 1) Discussions with employers, from presidents to personnel officers, nationally, in companies varying in geographic areas, number of employees, and sales volume; 2) Personal interviews and discussions with professionals in Direct Marketing and Telemarketing at all salary levels, working from coast to coast; 3) Analysis of information collected as a result of discussions with potential candidates nationally, with adjustments made for the "fudge" factor. Copies of the full salary guide with 52 functions and regional salary variations are available for $45 from Crandall Associates, Inc., 114 East 32nd St., Suite 1215, New York, NY 10016, (212)213-1700.

Account Exec — Advertising Agency

The ambassador of an advertising agency in its relationship with a client, the Account Executive serves a triple role as the liaison officer, consummate marketing advisor and eyes and ears of the agency's management team.

DUTIES: Assigned to specific clients, the Account Executive is responsible for advising the client, implementing the marketing efforts of the client and the development and execution of programs designed by the agency, including direct mail, space ads, television, and in some agencies, catalogs. Works with creative directors, art directors and copywriters, media experts, market researchers and production and traffic professionals to insure maintenance of media schedule within budgetary guidelines. Responsible for reflecting client thoughts and the final acceptance of agency's program.

Years	Salary Range
1-3	$34,900.........$43,500
4-7	$40,600.........$50,100
7+	$48,700.........$60,500
Highest Reported Salary	$70,000

Copywriter — Corporate

If the company has 100 products, or 200, the creative team must write professionally for each one with a fresh and vibrant theme. If the corporation has only one product, think of the ingenuity required to develop another winning concept.

DUTIES: Studies the product or products, often with marketing representatives or product developers, or with the product in hand, conceptualizes theme to develop one, two, four and occasionally 16-page, or more, letters to inspire the immediate purchase of products in almost any price range by the power of words, often in conjunction with graphics, in a direct mail package. Besides direct mail packages, produces response advertisements for magazines and radio, television and cable commercials, package inserts, statement and billing stuffers and other promotional and collateral response material.

Years	Salary Range
1-3	$43,500.........$52,000
4-7	$50,600.........$60,800
7+	$59,200.........$71,300
Highest Reported Salary	$135,000

Account Supervisor — Advertising Agency

Account supervisors rely on long days and their depth of knowledge for solving marketing problems for the agency's clients, maintaining a friendly and profitable relationship, and the supervision of Account Executives.

DUTIES: Responsible for development of the staff, day-to-day supervision and monitoring of agency account executives, and the strategic development and implementation of client programs. Guides marketing, creative, media and production activities and participates in securing client approval of cost estimates. As a senior manager, participates in the acquisition of new clients as a member of the new business team. With a keen understanding of the realities of agency competition, insures maximum cost-effectiveness for clients and relentlessly pursues the achievement of client goals.

Years	Salary Range
1-3	$57,300.........$65,900
4-7	$63,800.........$75,300
7+	$73,700.........$90,400
Highest Reported Salary	$110,000

Copywriter — Advertising Agency

Some are experts in insurance, some in continuity programs, others in banking or consumer products. Others, when they finish one type of assignment, apply their skills to another. First, they study their product and their audience.

DUTIES: With an unapproachable love and feel for their native tongue, and an insatiable curiosity for a consumer's hidden and expressed needs, agency Copywriters learn more than they'll ever need to know about their client, their products and their competition through personal investigation, discussions with client marketers and/or account executives, and studies presented by market research. Only then will Copywriters begin conceptualizing, writing, rewriting and refining their approach and work for maximum readership and sales, confident that it couldn't be done better by anyone else.

Years	Salary Range
1-3	$45,800.........$53,400
4-7	$50,300.........$61,300
7+	$58,400.........$67,200
Highest Reported Salary	$95,000

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Source: Crandall Associates, 2001.

2001 DIRECT RESPONSE ADVERTISING SALARIES
(CONTINUED)

Market Research Director

Always in demand, even in the ancient epoch of the slide rule, the market research professional has risen in eminence with the development of the computer and analytical tools and now plays a leading role in all phases of Direct Marketing.

DUTIES: Responsible for evaluation, analysis and implementation of research and statistical techniques to develop marketing insights and improve marketing plans, increase response rates, minimize credit risks and decrease buyer attrition. Develops and initiates market segmentation programs utilizing demographic, psychographic and usage data. Conducts front and back end analysis and product performance measures. Tracks competitor mailing and product programs. Prepares reports for departmental needs. Presents forecasts to management. May supervise staff of manager(s) and analyst(s).

Years	Salary Range
1-3	$65,100.........$70,700
4-7	$68,600.........$75,600
7+	$74,100.........$85,200
Highest Reported Salary	$120,000

Marketing Manager Business Products/Services

All businesses are consumers, but the reverse is not always true. Because there are fewer businesses, business marketers face great challenges in the marketplace, including, for one, continually finding new buyers for their products.

DUTIES: Responsible for the maximum penetration of a universe limited by the scope of the product, develops promotional direct marketing materials for the generation of profits. Supervises all testing and the creation of creative output ranging from, but not exclusive of, direct mail, card decks, bouncebacks, statement stuffers, billing inserts and response space advertising, generally in trade and business publications. Analyzes promotions and digests reports from research staff. Supervises assistants, decides on internal lists and external list recommendations. Maintains mailing schedules.

Years	Salary Range
1-3	$49,800.........$57,600
4-7	$56,300.........$65,400
7+	$63,500.........$72,200
Highest Reported Salary	$125,000

Media Planner/Analyst

Long after the lights have dimmed in other offices, this professional evaluates the past and ponders the future to ensure that the next Direct Marketing or Telesales program achieves its goals, within an established budget.

DUTIES: For the needs of the client, recommends the size and scope of a myriad of media options, including, but not restricted to, direct mail, space, TV, broadcast, coop vehicles, package inserts and, more recently, cable and Internet promotions. Maintains current status reports of promotion budget, plans media schedules and proposes new test vehicles and formats. Meets with list brokers, space salespeople and other media vendors. Analyzes front and back-end results on a timely basis, determines seasonal trends, and maintains an alertness for statistical inferences and variances in response rates.

Years	Salary Range
1-3	$35,100.........$40,800
4-7	$37,500.........$46,300
7+	$43,700.........$51,900
Highest Reported Salary	$65,000

Marketing Manager Consumer Products/Services

Hitting a target that's always shifting, demographically and geographically, is the specialty and challenge of the Consumer Direct Marketer. Lifestyle changes, aging populations and dual income families impact on all promotions.

DUTIES: Responsible for the development of the budget. Determines the marketing position and pricing, directs creative department in production of a myriad of direct marketing promotional vehicles, including but not limited to direct mail, space advertisements, freestanding inserts, bouncebacks, billing and package inserts and even matchbook covers. Participates in the selection of product or services sold, credit and collection policies, list approval. Reviews results of front and back end analysis, sometimes presented by research department and uses information to improve profit picture.

Years	Salary Range
1-3	$51,900.........$59,300
4-7	$58,400.........$69,200
7+	$68,500.........$79,700
Highest Reported Salary	$150,000

Please note: All salary information from Crandall Associates is absolutely copyright protected. This material may not be photocopied or otherwise reprinted in any other communication, unless permission is directly granted by Crandall Associates, Inc. (212) 213-1700.

Source: Crandall Associates, 2001.

MEDIA UNIT* COST INDEXES: 1994–2000

(1982–84 = 100)

This table covers the changes that a given medium has undergone in unit cost, CPM, and circulation in relation to the period 1982-1984. These are the base years for most U.S. Government data.

	1994	1995	1996	1997	1998	1999	2000 (est.)
NEWSPAPERS	170	176	182	188	197	204	212
MAGAZINES	175	180	190	198	210	218	228
NETWORK TV	148	155	161	166	174	179	197
CABLE TV	303	345	414	480	538	624	698
SPOT TV	160	164	173	176	184	186	201
NETWORK RADIO	135	141	151	158	172	184	196
SPOT RADIO	145	151	160	176	194	209	224
OUTDOOR	148	157	166	182	197	209	225
DIRECT MAIL	155	170	174	175	176	179	184
COMPOSITE	**162**	**170**	**177**	**183**	**191**	**197**	**200**

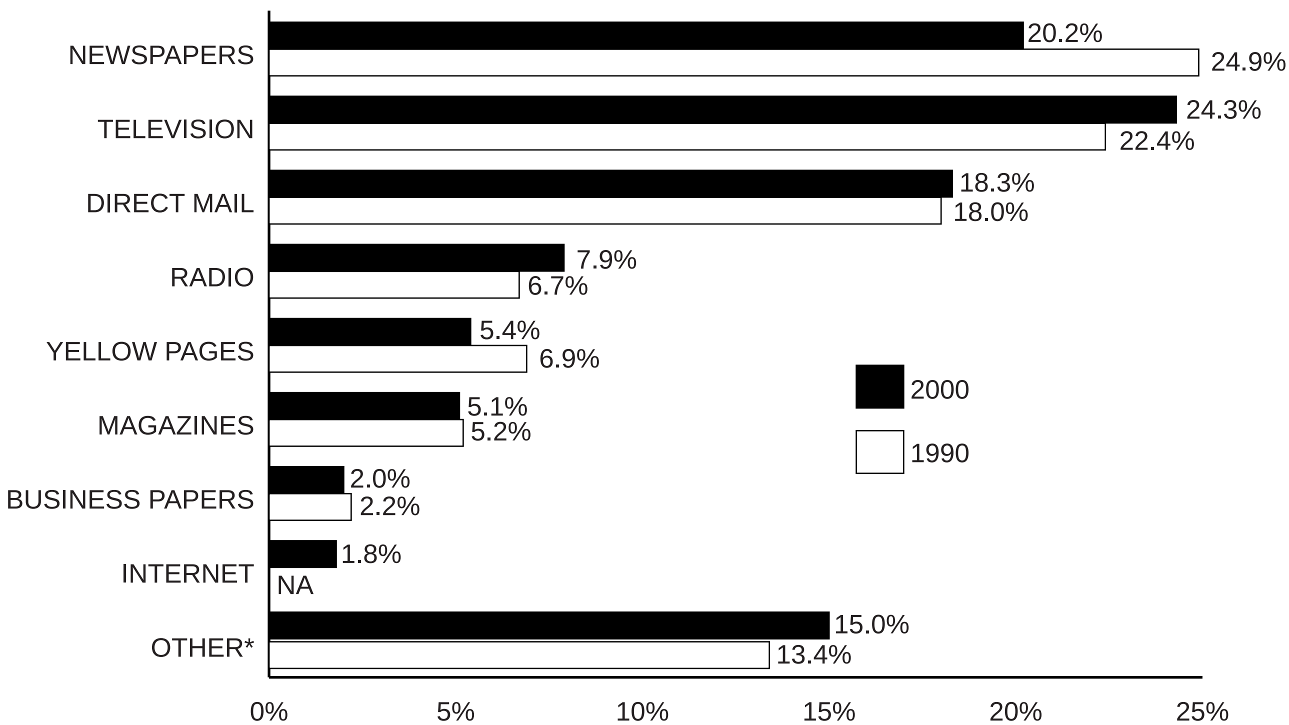
* A unit in the various media listed includes a single black-and-white page for newspapers, a four-color ad for magazines, 30-second spots for network, cable, and spot TV, one-minute spots for network and spot radio, a 100 showing in outdoor (100 GRPs, which is the reach and frequency of x-amount of boards per day), and 25,000 pieces of direct mail.

An example of how to use this data: The newspaper medium shows an index of 197 for 1998. This means that In 1998, a typical schedule in this medium costs 97% more than it did in the 1982-1984 years.

Source: Robert J. Coen, Universal McCann, 2000.

PERCENTAGE OF ALL ADVERTISING SPENDING GOING TO EACH MEDIA: 2000 VS. 1990

Since 1990, direct mail's percentage of all advertising spending has grown 1.6%.

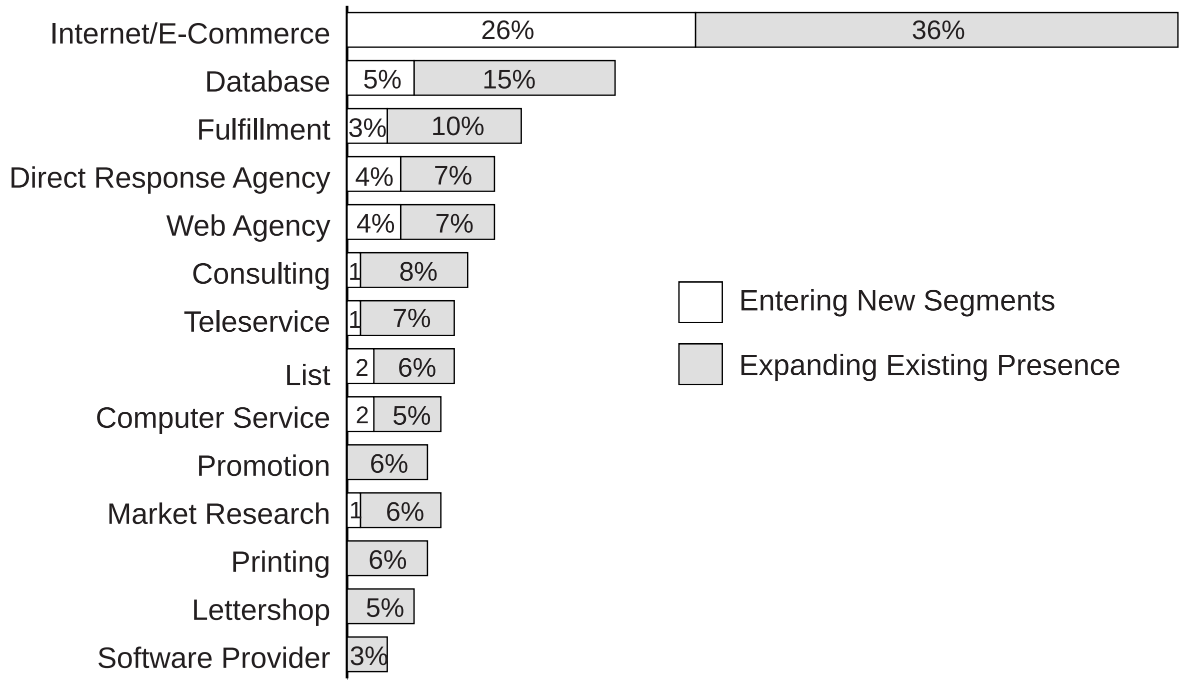


* Includes out-of-home and miscellaneous media.

Source: Robert J. Coen, Universal McCann, 2001.

BUSINESS EXPANSION PLANS BY SEGMENT

The information below is taken from Direct Marketing Services Industry Mergers & Acquisitions Outlook — a survey of CEOs and Senior Executives. Sixty-five percent of survey respondents expect to expand their existing areas of operation or enter new business segments in 1999.



Source: Winterberry Group LLC, 1999.

DIRECT MARKETING SERVICES INDUSTRY 15 LARGEST TRANSACTIONS

JANUARY 1998 - JULY 1999

The biggest transaction was the June 1999 merger of DoubleClick and Abacus Direct, a deal that carried a value of $1.0 billion.

	Date	Acquired Company	Segment	Buyer	Value $MM
1	Jun 99	Abacus Direct	Database	DoubleClick	1,000
2	Apr 98	Metromail	Database	Great Universal Stores	910
3	Mar 98	AT&T American Transtech	Teleservice	Convergys Corporation	625
4	Sep 98	May & Speh	Computer Service	Acxiom Corporation	625
5	Sep 98	CKS Group	Web Agency	USWeb Corporation	540
6	Dec 98	Bronner Slosberg Humphrey	DM Agency	Hellman & Friedman	220
7	Jun 99	Donnelley Marketing	Database	InfoUSA	200
8	Jun 99	Intl. Data & Response	Teleservice	Telespectrum Worldwide	192
9	Apr 99	KnowledgeBase Marketing	Database	Young & Rubicam	175
10	Jul 98	ATC Communications	Teleservice	IQI Marketing Solutions	166
11	May 98	ITI Marketing Services	Teleservice	APAC TeleServices	149
12	Mar 98	Arnold Communications	DM Agency	Snyder Communications	120
13	Feb 98	SG2	Database	Experian Corporation	115
14	Aug 98	Clinical Communications	Specialty Agency	Snyder Communications	108
15	Jul 99	Grizzard Communications	DM Agency	Marketing Services Group	100

Source: Winterberry Group LLC, 1999.

ESTIMATED ANNUAL U.S. ADVERTISING EXPENDITURES 1991-2000

(MILLIONS OF DOLLARS)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
NEWSPAPERS										
Total	30,409	30,737	32,025	34,356	36,317	38,402	41,670	44,292	46,648	49,040
National	3,685	3,602	3,620	3,906	3,996	4,400	5,016	5,402	6,358	7,229
Local	26,724	27,135	28,405	30,450	32,321	34,002	36,654	38,890	40,290	41,821
MAGAZINES										
Total*	6,524	7,000	7,357	7,916	8,580	9,010	9,821	10,518	11,433	12,370
TELEVISION										
Total	28,189	30,450	31,698	35,435	37,828	42,484	44,519	47,474	52,581	59,231
Four Networks	9,533	10,249	10,209	10,942	11,600	13,081	13,020	13,736	13,961	15,888
Cable Networks	2,024	2,227	2,586	3,052	3,535	4,472	5,454	5,827	9,405	10,947
Syndication TV **	1,253	1,370	1,576	1,734	2,016	2,218	2,438	2,609	2,870	3,108
Spot (Nat'l)	7,110	7,551	7,800	8,993	9,119	9,803	9,999	10,659	10,500	12,264
Spot (Local)	7,565	8,079	8,435	9,464	9,985	10,944	11,436	12,169	12,680	13,542
Cable (Non-Network)	704	974	1,092	1,250	1,573	1,966	2,172	2,474	3,165	3,482
RADIO										
Total	8,476	8,654	9,457	10,529	11,338	12,269	13,491	15,073	17,215	19,295
Network	490	424	458	463	480	523	560	622	684	780
Spot (Nat'l)	1,575	1,505	1,657	1,902	1,959	2,135	2,455	2,823	3,275	3,668
Spot (Local)	6,411	6,725	7,342	8,164	8,899	9,611	10,476	11,628	13,256	14,847
YELLOW PAGES										
Total	9,182	9,320	9,517	9,825	10,236	10,849	11,423	11,990	12,652	13,228
National	1,162	1,188	1,230	1,314	1,410	1,555	1,711	1,870	1,986	2,093
Local	8,020	8,132	8,287	8,511	8,826	9,294	9,712	10,120	10,666	11,135
DIRECT MAIL	24,460	25,391	27,266	29,638	32,866	34,509	36,890	39,620	41,403	44,591
BUSINESS PAPERS	2,882	3,090	3,260	3,358	3,559	3,808	4,109	4,232	4,274	4,915
OUT-OF-HOME* **										
Total	--	--	--	--	--	--	--	--	4,780	5,176
National	--	--	--	--	--	--	--	--	1,910	2,068
Local	--	--	--	--	--	--	--	--	2,870	3,108
INTERNET	--	--	--	--	--	--	600	1,050	2,832	4,333
MISCELLANEOUS										
Total	16,271	16,977	17,870	19,456	20,943	22,560	23,940	25,769	28,490	31,491
National	11,720	12,272	12,928	14,122	15,256	16,486	17,640	19,153	21,279	23,844
Local	4,336	4,474	4,699	5,072	5,404	5,777	6,187	6,616	7,211	7,647
TOTAL										
National	73,270	76,710	80,795	88,250	95,360	103,040	110,232	118,966	132,170	148,098
Local	54,200	55,940	58,745	63,430	67,570	72,190	77,297	82,628	90,138	95,582
GRAND TOTAL	**127,470**	**132,650**	**139,540**	**151,680**	**162,930**	**175,230**	**187,529**	**201,594**	**222,308**	**243,680**

* Farm publications are included in magazines (total).

** Includes Pax, UPN, and WB

*** Out-of-home media includes billboards, transit and other out-of-home signage.

Source: Robert J. Coen, Universal McCann, 2001.

ESTIMATED ANNUAL U.S. ADVERTISING EXPENDITURES 1982–1990
(MILLIONS OF DOLLARS)

	1982	1983	1984	1985	1986	1987	1988	1989	1990
NEWSPAPERS									
Total	17,694	20,582	23,522	25,170	26,990	29,412	31,197	32,368	32,281
National	2,452	2,734	3,081	3,352	3,376	3,494	3,586	3,704	3,867
Local	15,242	17,848	20,441	21,818	23,614	25,918	27,611	28,664	28,414
MAGAZINES									
Total	3,710	4,233	4,932	5,155	5,317	5,607	6,072	6,716	6,803
FARM PUBLICATIONS	148	163	181	186	192	196	196	212	215
TELEVISION									
Total	14,713	16,879	20,043	21,287	23,199	24,262	26,131	27,459	29,073
Three Networks	6,144	6,955	8,318	8,060	8,342	8,500	9,172	9,110	9,863
Cable Networks	242	376	612	793	903	1,015	1,258	1,598	1,860
Syndication (Nat'l) *	150	300	420	520	600	762	901	1,288	1,109
Spot (Nat'l)	4,364	4,827	5,488	6,004	6,570	6,846	7,147	7,354	7,788
Spot (Local)	3,765	4,345	5,084	5,714	6,514	6,833	7,270	7,612	7,856
Cable (Non-Network)	48	76	121	196	270	306	383	497	597
RADIO									
Total	4,670	5,210	5,817	6,490	6,949	7,206	7,798	8,323	8,726
Network	255	296	320	365	423	413	425	476	482
Spot (Nat'l)	923	1,038	1,197	1,335	1,348	1,330	1,418	1,547	1,635
Spot (Local)	3,492	3,876	4,300	4,790	5,178	5,463	5,955	6,300	6,609
YELLOW PAGES									
Total	3,800	4,400	4,900	5,800	6,500	7,300	7,781	8,330	8,926
National	433	489	580	695	759	830	944	1,011	1,132
Local	3,367	3,911	4,320	5,105	5,741	6,470	6,837	7,319	7,794
DIRECT MAIL	10,319	11,795	13,800	15,500	17,145	19,111	21,115	21,945	23,370
BUSINESS PAPERS	1,876	1,990	2,270	2,375	2,382	2,458	2,610	2,763	2,875
OUTDOOR									
Total	721	794	872	945	985	1,025	1,064	1,111	1,084
National	465	512	562	610	600	615	628	653	640
Local	256	282	310	335	385	410	436	458	444
MISCELLANEOUS									
Total	9,019	9,954	11,673	11,992	12,711	13,693	14,786	15,543	16,327
National	6,399	6,952	8,129	8,560	9,133	9,743	10,568	11,118	11,741
Local	2,620	3,002	3,544	3,432	3,578	3,950	4,218	4,425	4,496
TOTAL									
National	37,880	42,660	49,890	53,510	57,090	60,920	66,040	69,495	73,380
Local	28,790	33,340	38,120	41,390	45,280	49,350	52,710	55,275	56,210
GRAND TOTAL	**66,670**	**76,000**	**88,010**	**94,900**	**102,370**	**110,270**	**118,750**	**124,770**	**129,590**

* Prior to 1989, Fox was included in Syndication.

Source: Robert J. Coen, Universal McCann, 2001.

ESTIMATED ANNUAL U.S. ADVERTISING EXPENDITURES 1973–1981 (MILLIONS OF DOLLARS)

	1973	1974	1975	1976	1977	1978	1979	1980	1981
NEWSPAPERS									
Total	7,481	7,842	8,234	9,618	10,751	12,214	13,863	14,794	16,528
National	1,049	1,105	1,109	1,342	1,472	1,541	1,770	1,963	2,259
Local	6,432	6,737	7,125	8,276	9,279	10,673	12,093	12,831	14,269
MAGAZINES	1,448	1,504	1,465	1,789	2,162	2,597	2,932	3,149	3,533
FARM PUBLICATIONS	65	72	74	86	90	104	120	130	146
TELEVISION									
Total	4,460	4,854	5,263	6,721	7,612	8,955	10,154	11,488	12,889
Network	1,968	2,145	2,306	2,857	3,460	3,975	4,599	5,130	5,540
Spot	1,377	1,497	1,623	2,154	2,204	2,607	2,873	3,269	3,746
Local	1,115	1,212	1,334	1,710	1,948	2,373	2,682	2,967	3,368
RADIO									
Total	1,723	1,837	1,980	2,330	2,634	3,052	3,310	3,702	4,230
Network	68	69	83	105	137	147	161	183	230
Spot	400	405	436	518	546	620	665	779	879
Local	1,255	1,363	1,461	1,707	1,951	2,285	2,484	2,740	3,121
DIRECT MAIL	3,698	4,054	4,124	4,786	5,164	5,987	6,653	7,596	8,944
BUSINESS PAPERS	865	900	919	1,035	1,221	1,400	1,575	1,674	1,841
OUTDOOR									
Total	308	309	335	383	418	466	540	578	650
National	200	203	220	252	290	307	355	364	419
Local	108	106	115	131	128	159	185	214	231
MISCELLANEOUS									
Total	4,932	5,248	5,506	6,552	7,388	8,555	9,633	7,559	8,399
National	2,562	2,746	2,841	3,431	3,849	4,435	4,992	5,163	5,804
Local	2,370	2,502	2,665	3,121	3,539	4,120	4,641	2,396	2,595
TOTAL									
National	13,700	14,700	15,200	18,355	20,595	23,720	26,695	29,840	33,930
Local	11,280	11,920	12,700	14,945	16,845	19,610	22,085	23,730	26,530
GRAND TOTAL	**24,980**	**26,620**	**27,900**	**33,300**	**37,440**	**43,330**	**48,780**	**53,730**	**60,460**

Source: Robert J. Coen, Universal McCann, 2001.

ESTIMATED ANNUAL U.S. ADVERTISING EXPENDITURES 1964–1972 (MILLIONS OF DOLLARS)

	1964	1965	1966	1967	1968	1969	1970	1971	1972
NEWSPAPERS									
Total	4,120	4,426	4,865	4,910	5,232	5,714	5,704	6,167	6,938
National	773	784	887	846	889	943	891	972	1,062
Local	3,347	3,642	3,978	4,064	4,343	4,771	4,813	5,195	5,876
MAGAZINES	1,074	1,161	1,254	1,245	1,283	1,344	1,292	1,370	1,440
FARM PUBLICATIONS	66	71	70	68	68	64	62	57	59
TELEVISION									
Total	2,289	2,515	2,823	2,909	3,231	3,585	3,596	3,534	4,091
Network	1,132	1,237	1,393	1,455	1,523	1,678	1,658	1,593	1,804
Spot	806	892	988	988	1,131	1,253	1,234	1,145	1,318
Local9	351	386	442	466	577	654	704	796	969
RADIO									
Total	846	917	1,010	1,048	1,190	1,264	1,308	1,445	1,612
Network	59	60	63	64	63	59	56	63	74
Spot	256	275	308	314	360	368	371	395	402
Local	531	582	639	670	767	837	881	987	1,136
DIRECT MAIL	2,184	2,324	2,461	2,488	2,612	2,670	2,766	3,067	3,420
BUSINESS PAPERS	623	671	712	707	714	752	740	720	781
OUTDOOR									
Total	175	180	178	191	208	213	234	261	292
National	117	120	118	126	137	138	154	172	192
Local	58	60	60	65	71	75	80	89	100
MISCELLANEOUS									
Total	2,773	2,985	3,257	3,304	3,552	3,814	3,848	4,079	4,577
National	1,630	1,745	1,896	1,909	2,020	2,131	2,126	2,201	2,428
Local	1,143	1,240	1,361	1,395	1,532	1,683	1,722	1,878	2,149
TOTAL									
National	8,720	9,340	10,150	10,210	10,800	11,400	11,350	11,755	12,980
Local	5,430	5,910	6,480	6,660	7,290	8,020	8,200	8,945	10,230
GRAND TOTAL	**14,150**	**15,250**	**16,630**	**16,870**	**18,090**	**19,420**	**19,550**	**20,700**	**23,210**

Source: Robert J. Coen, Universal McCann, 2001.

ESTIMATED ANNUAL U.S. ADVERTISING EXPENDITURES 1955–1963 (MILLIONS OF DOLLARS)

	1955	1956	1957	1958	1959	1960	1961	1962	1963
NEWSPAPERS									
Total	3,077	3,223	3,268	3,176	3,526	3,681	3,601	3,659	3,780
National	712	754	768	724	773	778	744	722	702
Local	2,365	2,469	2,500	2,452	2,753	2,903	2,857l	2,937	3,078
MAGAZINES	691	758	777	734	832	909	895	942	1,002
FARM PUBLICATIONS	72	73	71	67	71	66	62	65	66
TELEVISION									
Total	1,035	1,225	1,286	1,387	1,529	1,627	1,691	1,897	2,032
Network	550	643	690	742	776	820	887	976	1,025
Spot	260	329	352	397	486	527	548	629	698
Local	225	253	244	248	267	280	256	292	30
RADIO									
Total	545	567	618	620	656	693	683	736	789
Network	84	60	63	58	44	43	43	46	56
Spot	134	161	187	190	206	222	220	233	243
Local	327	346	368	372	406	428	420	457	490
DIRECT MAIL	1,299	1,419	1,471	1,589	1,688	1,830	1,850	1,933	2,078
BUSINESS PAPERS	446	496	568	525	569	609	578	597	615
OUTDOOR									
Total	192	201	199	192	193	203	180	171	171
National	130	136	134	130	130	137	122	115	115
Local	62	65	65	62	63	66	58	56	56
MISCELLANEOUS									
Total	1,793	1,948	2,012	2,020	2,206	2,342	2,320	2,430	2,567
National	1,002	1,111	1,169	1,184	1,280	1,364	1,366	1,437	1,520
Local	791	837	843	836	926	978	954	993	1,047
TOTAL									
National	5,380	5,940	6,250	6,340	6,855	7,305	7,315	7,695	8,120
Local	3,770	3,970	4,020	3,970	4,415	4,655	4,545	4,735	4,980
GRAND TOTAL	**9,150**	**9,910**	**10,270**	**10,310**	**11,270**	**11,960**	**11,860**	**12,430**	**13,100**

Source: Robert J. Coen, Universal McCann, 2001.

ESTIMATED ANNUAL U.S. ADVERTISING EXPENDITURES 1946–1954 (MILLIONS OF DOLLARS)

	1946	1947	1948	1949	1950	1951	1952	1953	1954
NEWSPAPERS									
Total	1,155	1,471	1,745	1,911	2,070	2,251	2,464	2,632	2,685
National	238	323	379	463	518	529	537	606	607
Local	917	1,148	1,366	1,448	1,552	1,722	1,927	2,026	2,078
MAGAZINES	405	464	477	458	478	535	575	627	629
FARM PUBLICATIONS	36	49	56	55	58	64	70	71	71
TELEVISION									
Total	--	--	--	58	171	332	454	606	809
Network	--	--	--	30	85	181	256	320	422
Spot	--	--	--	9	31	70	94	145	207
Local	--	--	--	19	55	81	104	141	180
RADIO									
Total	455	506	562	571	605	606	624	611	559
Network	200	201	211	203	196	180	162	141	114
Spot	98	106	121	123	136	138	141	146	135
Local	157	199	230	245	273	288	321	324	310
DIRECT MAIL	334	579	689	756	803	924	1,024	1,099	1,202
BUSINESS PAPERS	211	233	251	248	251	292	365	395	408
OUTDOOR									
Total	86	121	132	131	142	149	162	176	187
National	60	79	89	88	96	101	109	119	126
Local	26	42	43	43	46	48	53	57	61
MISCELLANEOUS									
Total	658	837	958	1,022	1,122	1,267	1,402	1,523	1,600
National	368	466	522	557	608	696	767	846	899
Local	290	371	436	465	514	571	635	677	701
TOTAL									
National	1,950	2,500	2,795	2,990	3,260	3,710	4,100	4,515	4,820
Local	1,390	1,760	2,075	2,220	2,440	2,710	3,040	3,225	3,330
GRAND TOTAL	**3,340**	**4,260**	**4,870**	**5,210**	**5,700**	**6,420**	**7,140**	**7,740**	**8,150**

Source: Robert J. Coen, Universal McCann, 2001.

THE DMA
Direct Marketing Association

DIRECT RESPONSE ADVERTISING AGENCY RANKING BY BILLINGS: 1998 VS. 1999

These rankings were compiled from figures provided by 93 direct response advertising agencies. These agencies responded to requests made in 2000 for full year 1999 and 1998 U.S. and international direct response revenue and billings. This chart displays billings from standard direct response agency services (plus revenue from internal production capabilities). (Chart 1 of 4.)

	TOTAL BILLINGS (IN MILLIONS)		U.S. BILLINGS (IN MILLIONS)		INTERNATIONAL BILLINGS (IN MILLIONS)	
	1998	1999	1998	1999	1998	1999
1. Brann Worldwide (2)	2679.6+	3200.3	1781.6	2156.1	898.0	1044.2
2. DraftWorldwide, Inc.	2196.0+	2691.4	1337.5	1550.3	858.5	1141.1
3. The Sales Machine Euro RSCG* (3)	NA	2451.3	NA	842.5	NA	1608.8
4. OgilvyOne worldwide	1625.5	2125.8	591.6	799.1	1033.9	1326.7
5. Impiric (4)	1962.9+	2079.6	803.7	811.7	1159.2	1267.9
6. Rapp Collins Worldwide (1) (5)	1887.6+	1958.7	912.5	987.4	975.1	971.3
7. Digitas* (6)	813.7+	1247.3	813.7	1247.3	NA	NA
8. Carlson Marketing Group (1)	864.5	963.4	593.3	613.5	271.2	349.9
9. Grey Direct Marketing Group, Inc.	764.6	905.1	367.9	429.5	396.7	475.6
10. McCann Relationship Marketing Worldwide	667.2	814.2	287.0	374.0	380.2	440.2
11. FCB Direct Worldwide	600.3	811.2	434.1	576.9	166.2	234.3
12. Harte-Hanks/DiMark	603.2	633.5	603.2	633.5	NA	NA
13. CommonHealth	426.1	482.5	208.5	236.9	217.6	245.6
14. ThompsonConnect Worldwide (7)	110.4	462.7	110.4	132.2	NA	330.5
15. Targetbase Marketing (1)	376.5	445.1	354.4	413.6	22.1	31.5
16. Campbell-Ewald	284.1+	343.4	284.1	343.4	NA	NA
17. ChoicePoint Direct, Inc. (1) (8)	241.1	259.1	241.1	259.1	NA	NA
18. Grizzard Communications Group (1)	199.3	238.3	194.0	232.3	5.3	6.0
19. Lowe Lintas Direct (9)	253.5+	233.5	253.5	233.5	NA	NA
20. Brierley & Partners (1)	194.9	229.6	190.5	222.8	4.4	6.8
21. GSP Marketing Services*	199.3	199.4	199.3	199.4	NA	NA
22. DMW Worldwide (1) (10)	159.3	186.7	159.3	186.7	NA	NA
23. A. Eicoff & Company	142.7+	173.4	142.7	173.4	NA	NA
24. InterOne Marketing Group, Inc. (1) (11)	99.5+	157.4	74.4	128.2	25.1	29.2
25. Doner Direct	115.2	154.6	115.2	154.6	NA	NA
26. CMI/Aspen Direct (1) (12)	85.7	115.7	85.7	115.7	NA	NA
27. RTCdirect (1)	87.5	101.8	87.5	101.8	NA	NA
28. TargetCom, Inc.*	65.7+	101.2	65.7	101.2	NA	NA
29. PreVision Marketing, Inc.	82.7+	100.0	82.7	100.0	NA	NA
30. Wickersham Hunt Schwantner	78.4+	94.7	78.4	94.7	NA	NA
31. Russ Reid Company	91.7+	89.3	91.7	89.3	NA	NA
32. hawthorne direct inc	44.4	81.2	44.4	81.2	NA	NA
33. The Convergeney	92.9	78.1	92.9	78.1	NA	NA
34. Clarion/DialogueWorks	60.9	77.1	60.9	77.1	NA	NA
35. Earle Palmer Brown Direct	65.0+	74.0	65.0	74.0	NA	NA
36. Beyond DDB* (1)	70.8	73.6	70.8	73.6	NA	NA
37. Communications Plus, Inc.	62.4	63.7	62.4	63.7	NA	NA
38. Publicis Dialog	60.7	58.3	60.7	58.3	NA	NA
39. Martin Direct (1)	48.2	56.2	48.2	56.2	NA	NA

DIRECT RESPONSE ADVERTISING AGENCY RANKING BY BILLINGS: 1998 VS. 1999
(CONTINUED)

	TOTAL BILLINGS (IN MILLIONS)		U.S. BILLINGS (IN MILLIONS)		INTERNATIONAL BILLINGS (IN MILLIONS)	
	1998	1999	1998	1999	1998	1999
40. MC Direct (1)	38.5	44.3	38.5	44.3	NA	NA
41. Roska Direct*	30.6	42.2	30.6	42.2	NA	NA
42. Townsend Agency*	37.3	42.1	37.3	42.1	NA	NA
43. TaCito Direct Marketing	36.7	42.0	36.7	42.0	NA	NA
44. Cramer-Krasselt Direct*	40.0	41.1	40.0	41.1	NA	NA
45. Catalyst Direct, Inc.	48.9	40.9	48.9	40.9	NA	NA
46. Arnold Direct	32.2+	38.7	32.2	38.7	NA	NA
47. Kern Direct Marketing, Inc.	19.2	36.9	19.2	36.9	NA	NA
48. Direct Resources International	34.7+	36.0	34.7	36.0	NA	NA
49. Quest Business Agency	31.2	34.1	31.2	34.1	NA	NA
50. Thompson & Price DM	33.5	32.7	33.5	32.7	NA	NA
51. Lortz Direct Marketing, Inc.*	25.8	30.4	25.8	30.4	NA	NA
52. Creative Direct Response International	17.8+	28.5	17.8	28.5	NA	NA
53. Kuhn and Wittenborn Advertising	26.3	27.5	26.3	27.5	NA	NA
54. Ovation Marketing, Inc.	21.9	27.5	21.9	27.5	NA	NA
55. Jacobs & Clevenger, Inc.	26.3+	26.0	26.3	26.0	NA	NA
56. Meridian Advertising	21.6	24.0	21.6	24.0	NA	NA
57. Directech/eMerge	18.3	23.9	18.3	23.9	NA	NA
58. Bennett Kuhn Varner, Inc.*	24.0	22.6	24.0	22.6	NA	NA
59. Roberts Communications, Inc.	19.5	20.8	19.5	20.8	NA	NA
60. Orsatti & Partners	9.1	20.0	9.1	20.0	NA	NA
61. LKH&S, Inc.	10.2	19.8	10.2	19.8	NA	NA
62. Bullseye Database Marketing, Inc.* (1)	19.2	19.5	19.2	19.5	NA	NA
63. Archer/Malmo Direct* (1)	14.8+	19.1	14.8	19.1	NA	NA
64. Geis & Partners Werbeagentur GMBH (Germany)*	18.9	18.4	NA	NA	18.9	18.4
65. ETO-Basalt (France) (1)	NA	17.4	NA	NA	NA	17.4
66. Gerald Siegel & Associates, Inc.* (1) (13)	11.8	15.8	11.8	15.8	NA	NA
67. Manus Direct (1)	13.1	15.2	13.1	15.2	NA	NA
68. Georges & Murray Direct	9.7	14.7	9.7	14.7	NA	NA
69. CM Direct*	10.1	14.4	10.1	14.4	NA	NA
70. The Weinstein Organization, Inc.	14.2	14.3	14.2	14.3	NA	NA
71. Clienting Group (Argentina) (1)	15.0	14.2	NA	NA	15.0	14.2
72. Rosen/Brown Direct	9.5	14.2	9.5	14.2	NA	NA
73. Sanna Mattson MacLeod, Inc.	13.2	13.8	13.2	13.8	NA	NA
74. PriceWeber	13.7	13.8	13.7	13.8	NA	NA
75. hunt.DDBdirect	37.9	12.5	37.9	12.5	NA	NA
76. Evergreen Advertising & Marketing, Inc.	14.9	10.4	14.9	10.4	NA	NA
77. Wyse Direct	8.4	9.4	8.4	9.4	NA	NA

DIRECT RESPONSE ADVERTISING AGENCY RANKING BY BILLINGS: 1998 VS. 1999
(CONTINUED)

	TOTAL BILLINGS (IN MILLIONS)		U.S. BILLINGS (IN MILLIONS)		INTERNATIONAL BILLINGS (IN MILLIONS)	
	1998	1999	1998	1999	1998	1999
78. Liggett-Stashower Direct	8.8	9.2	8.8	9.2	NA	NA
79. NKH&W, Inc.	8.8	8.2	8.8	8.2	NA	NA
80. Johnson Direct LLC	NA	7.3	NA	7.3	NA	NA
81. Probe Communications International, Inc.	3.7	6.1	3.7	6.1	NA	NA
82. Beasley Direct Marketing, Inc.*	3.5	6.0	3.5	6.0	NA	NA
83. Connect Direct*	4.4	5.1	4.4	5.1	NA	NA
84. Rumba Direct (1)	3.6	4.5	3.6	4.5	NA	NA
85. Advantage Plus Marketing Group, Inc. (1)	5.3	4.5	5.3	4.5	NA	NA
86. Broadus & Associates, Inc.	5.1	3.3	5.1	3.3	NA	NA
87. Right Coast Marketing	1.8	3.1	1.8	3.1	NA	NA
88. Corcillo Direct, Inc.	2.5	3.1	2.5	3.1	NA	NA
89. Maverick Marketing Group, Inc.	2.0	3.0	2.0	3.0	NA	NA
90. DK Group, Inc.	1.3	1.2	1.3	1.2	NA	NA
91. Arena Direct Marketing, LDA (Portugal) (1)	0.4	0.8	NA	NA	0.4	0.8
92. LH Advertising Agency*	0.1	0.1	0.1	0.1	NA	NA
93. CP Comunicacion (Spain)	0.03	0.05	NA	NA	0.03	0.05

Footnotes:

+ Agencies submitted adjusted figures for 1998.

* Information was confirmed by an outside auditing firm.

(1) Billings include revenue from internal production capabilities such as printing, database operations, lettershop functions and/or telemarketing.

(2) Brann Worldwide includes figures from Brann Worldwide and Bounty SCA Worldwide.

(3) The Sales Machine Euro RSCG includes figures from The Sales Machine Euro RSCG, Devon Direct Marketing and Advertising Inc., Cohn and Wells Inc., and MHI Partners.

(4) Formerly Wunderman Cato Johnson.

(5) Rapp Collins Worldwide 1998 figures have been restated to reflect the acquisition of Critical Mass in 1999.

(6) Formerly Bronner Slosberg Humphrey, LLC.

(7) In 1998 ThompsonConnect Worldwide used a multiplier of 8.58 rather than 6.67.

(8) Formerly Customer Development Corporation.

(9) Merger between Ammirati Puris Lintas Direct and Lowe Partners.

(10) Includes internal production for '99 only.

(11) Formerly Ross Roy Communications.

(12) CMI/Aspen Direct 1999 data includes figures from Hanig and Company.

(13) Includes internal production for '99 only.

Source: DMA Research Department, May 2000.

DIRECT RESPONSE ADVERTISING AGENCY RANKING BY REVENUE: 1998 VS. 1999

These rankings were compiled from figures provided by 93 direct response advertising agencies. These agencies responded to requests made in 2000 for full year 1999 and 1998 U.S. and international direct response revenue and billings. This chart displays billings from standard direct response agency services (plus revenue from internal production capabilities). (Chart 2 of 4.)

	TOTAL REVENUE (IN MILLIONS)		U.S. REVENUE (IN MILLIONS)		INTERNATIONAL REVENUE (IN MILLIONS)	
	1998	1999	1998	1999	1998	1999
1. Brann Worldwide (2)	401.7+	479.7	267.1	323.2	134.6	156.5
2. The Sales Machine Euro RSCG* (3)	NA	367.5	NA	126.3	NA	241.2
3. OgilvyOne worldwide	243.7	318.7	88.7	119.8	155.0	198.9
4. DraftWorldwide, Inc.	253.9+	314.7	180.6	208.9	73.3	105.8
5. Rapp Collins Worldwide (1) (4)	300.4+	312.0	154.2	166.4	146.2	145.6
6. Impiric (5)	294.3+	311.8	120.5	121.7	173.8	190.1
7. Digitas* (6)	122.0+	187.0	122.0	187.0	NA	NA
8. Carlson Marketing Group (1)	166.6	184.8	114.6	118.2	52.0	66.6
9. Grey Direct Marketing Group, Inc.	114.7	135.7	55.2	64.4	59.5	71.3
10. McCann Relationship Marketing Worldwide	100.0	122.0	43.0	56.0	57.0	66.0
11. FCB Direct Worldwide	90.0	121.6	65.1	86.5	24.9	35.1
12. Harte-Hanks/DiMark	90.4	95.0	90.4	95.0	NA	NA
13. Grizzard Communications Group (1)	71.1	85.1	70.3	84.2	0.8	0.9
14. Targetbase Marketing (1)	65.4	76.5	62.1	71.8	3.3	4.7
15. CommonHealth	63.9	72.3	31.3	35.5	32.6	36.8
16. ThompsonConnect Worldwide (7)	12.9	69.4	12.9	19.8	NA	49.6
17. DMW Worldwide (1) (8)	23.9	59.6	23.9	59.6	NA	NA
18. Campbell-Ewald	42.6+	51.5	42.6	51.5	NA	NA
19. InterOne Marketing Group, Inc. (1) (9)	35.5+	48.9	31.7	44.5	3.8	4.4
20. ChoicePoint Direct, Inc. (1) (10)	37.1	39.8	37.1	39.8	NA	NA
21. Lowe Lintas Direct (11)	38.0+	35.0	38.0	35.0	NA	NA
22. Brierley & Partners (1)	30.7	36.0	30.0	35.0	0.7	1.0
23. GSP Marketing Services*	29.9	29.9	29.9	29.9	NA	NA
24. MC Direct (1)	23.2	28.5	23.2	28.5	NA	NA
25. A. Eicoff & Company	21.4+	26.0	21.4	26.0	NA	NA
26. Doner Direct	17.3	23.2	17.3	23.2	NA	NA
27. CMI/Aspen Direct (1) (12)	13.9	18.7	13.9	18.7	NA	NA
28. RTCdirect (1)	13.5	15.5	13.5	15.5	NA	NA
29. TargetCom, Inc.*	9.8+	15.2	9.8	15.2	NA	NA
30. PreVision Marketing, Inc.	12.4+	14.9	12.4	14.9	NA	NA
31. Wickersham Hunt Schwantner	11.8+	14.2	11.8	14.2	NA	NA
32. Russ Reid Company	13.7+	13.4	13.7	13.4	NA	NA
33. hawthorne direct inc	6.7	12.2	6.7	12.2	NA	NA
34. The Convergency	13.9	11.7	13.9	11.7	NA	NA
35. Clarion/DialogueWorks	9.1	11.6	9.1	11.6	NA	NA
36. Earle Palmer Brown Direct	9.7+	11.1	9.7	11.1	NA	NA
37. Beyond DDB* (1)	10.7	11.1	10.7	11.1	NA	NA

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DIRECT RESPONSE ADVERTISING AGENCY RANKING BY REVENUE: 1998 VS. 1999
(CONTINUED)

	TOTAL REVENUE (IN MILLIONS)		U.S. REVENUE (IN MILLIONS)		INTERNATIONAL REVENUE (IN MILLIONS)	
	1998	1999	1998	1999	1998	1999
38. Martin Direct (1)	8.9	11.0	8.9	11.0	NA	NA
39. Communications Plus, Inc.	9.4	9.5	9.4	9.5	NA	NA
40. Publicis Dialog	9.1	8.7	9.1	8.7	NA	NA
41. Clienting Group (Argentina) (1)	8.6	7.7	NA	NA	8.6	7.7
42. Townsend Agency*	5.6	6.3	5.6	6.3	NA	NA
43. Roska Direct*	4.6	6.3	4.6	6.3	NA	NA
44. TaCito Direct Marketing	5.5	6.3	5.5	6.3	NA	NA
45. Cramer-Krasselt Direct*	6.0	6.2	6.0	6.2	NA	NA
46. Catalyst Direct, Inc.	7.3	6.1	7.3	6.1	NA	NA
47. Arnold Direct	4.8+	5.8	4.8	5.8	NA	NA
48. Kern Direct Marketing, Inc.	2.9	5.5	2.9	5.5	NA	NA
49. Direct Resources International	5.2+	5.4	5.2	5.4	NA	NA
50. Quest Business Agency	4.7	5.1	4.7	5.1	NA	NA
51. Thompson & Price DM	5.0	4.9	5.0	4.9	NA	NA
52. Lortz Direct Marketing, Inc.*	3.9	4.6	3.9	4.6	NA	NA
53. Bullseye Database Marketing, Inc.* (1)	4.6	4.5	4.6	4.5	NA	NA
54. Creative Direct Response International	2.7+	4.3	2.7	4.3	NA	NA
55. ETO-Basalt (France) (1)	NA	4.2	NA	NA	NA	4.2
56. Manus Direct (1)	3.5	4.2	3.5	4.2	NA	NA
57. Kuhn and Wittenborn Advertising	3.9	4.1	3.9	4.1	NA	NA
58. Ovation Marketing, Inc.	3.3	4.1	3.3	4.1	NA	NA
59. Jacobs & Clevenger, Inc.	3.9+	3.9	3.9	3.9	NA	NA
60. Meridian Advertising	3.2	3.6	3.2	3.6	NA	NA
61. Directech/eMerge	2.7	3.6	2.7	3.6	NA	NA
62. Bennett Kuhn Varner, Inc.*	3.6	3.4	3.6	3.4	NA	NA
63. Roberts Communications, Inc.	2.9	3.1	2.9	3.1	NA	NA
64. Archer/Malmo Direct* (1)	2.4+	3.1	2.4	3.1	NA	NA
65. Orsatti & Partners	1.4	3.0	1.4	3.0	NA	NA
66. LKH&S, Inc.	1.5	3.0	1.5	3.0	NA	NA
67. Geis & Partners Werbeagentur GMBH (Germany)*	2.8	2.9	NA	NA	2.8	2.9
68. Gerald Siegel & Associates, Inc.* (1) (13)	1.8	2.4	1.8	2.4	NA	NA
69. CM Direct*	1.5	2.2	1.5	2.2	NA	NA
70. Georges & Murray Direct	1.5	2.2	1.5	2.2	NA	NA
71. The Weinstein Organization, Inc.	2.1	2.1	2.1	2.1	NA	NA
72. Rosen/Brown Direct	1.4	2.1	1.4	2.1	NA	NA
73. Sanna Mattson MacLeod, Inc.	2.0	2.1	2.0	2.1	NA	NA
74. PriceWeber	2.1	2.1	2.1	2.1	NA	NA
75. hunt.DDBdirect	5.7	1.9	5.7	1.9	NA	NA

DIRECT RESPONSE ADVERTISING AGENCY RANKING BY REVENUE: 1998 VS. 1999
(CONTINUED)

	TOTAL REVENUE (IN MILLIONS)		U.S. REVENUE (IN MILLIONS)		INTERNATIONAL REVENUE (IN MILLIONS)	
	1998	1999	1998	1999	1998	1999
76. Evergreen Advertising & Marketing, Inc.	2.2	1.6	2.2	1.6	NA	NA
77. Wyse Direct	1.3	1.4	1.3	1.4	NA	NA
78. Liggett-Stashower Direct	1.3	1.4	1.3	1.4	NA	NA
79. NKH&W, Inc.	1.3	1.2	1.3	1.2	NA	NA
80. Johnson Direct LLC	NA	1.1	NA	1.1	NA	NA
81. 81. Advantage Plus Marketing Group, Inc. (1)	1.2	1.0	1.2	1.0	NA	NA
82. Probe Communications International, Inc.	0.6	0.9	0.6	0.9	NA	NA
83. Beasley Direct Marketing, Inc.*	0.5	0.9	0.5	0.9	NA	NA
84. Connect Direct*	0.7	0.8	0.7	0.8	NA	NA
85. Rumba Direct (1)	0.8	0.8	0.8	0.8	NA	NA
86. Broadus & Associates, Inc.	0.8	0.5	0.8	0.5	NA	NA
87. Right Coast Marketing	0.3	0.5	0.3	0.5	NA	NA
88. Corcillo Direct, Inc.	0.4	0.5	0.4	0.5	NA	NA
89. Arena Direct Marketing, LDA (Portugal) (1)	0.3	0.5	NA	NA	0.3	0.5
90. Maverick Marketing Group, Inc.	0.3	0.5	0.3	0.5	NA	NA
91. DK Group, Inc.	0.2	0.2	0.2	0.2	NA	NA
92. LH Advertising Agency*	0.02	0.02	0.02	0.02	NA	NA
93. CP Comunicacion (Spain)	0.005	0.008	NA	NA	0.005	0.008

Footnotes:

+ Agencies submitted adjusted figures for 1998.

* Information was confirmed by an outside auditing firm.

(1) Billings include revenue from internal production capabilities such as printing, database operations, lettershop functions and/or telemarketing.

(2) Brann Worldwide includes figures from Brann Worldwide and Bounty SCA Worldwide.

(3) The Sales Machine Euro RSCG includes figures from The Sales Machine Euro RSCG, Devon Direct Marketing and Advertising Inc., Cohn and Wells Inc., and MHI Partners.

(4) Rapp Collins Worldwide 1998 figures have been restated to reflect the acquisition of Critical Mass in 1999.

(5) Formerly Wunderman Cato Johnson.

(6) Formerly Bronner Slosberg Humphrey, LLC.

(7) In 1998 ThompsonConnect Worldwide used a multiplier of 8.58 rather than 6.67.

(8) Includes internal production for '99 only.

(9) Formerly Ross Roy Communications.

(10) Formerly Customer Development Corporation.

(11) Merger between Ammirati Puris Lintas Direct and Lowe Partners.

(12) CMI/Aspen Direct 1999 data includes figures from Hanig and Company.

(13) Includes internal production for '99 only.

Source: DMA Research Department, May 2000.

DIRECT RESPONSE ADVERTISING AGENCY RANKING: 1998 VS. 1999

RANKING BASED ON AGENCIES REPORTING FEES AND COMMISSIONS ON A CAPITALIZED BASIS PLUS REVENUE FROM INTERNAL PRODUCTION CAPABILITIES

These rankings were compiled from figures provided by 93 direct response advertising agencies. These agencies responded to requests made in 2000 for full year 1999 and 1998 U.S. and international direct response revenue and billings. This chart displays billings from agencies that have in-house production capabilities such as database and lettershop operations, printing, and/or telephone marketing. (Chart 3 of 4.)

	TOTAL BILLINGS (IN MILLIONS)		U.S. BILLINGS (IN MILLIONS)		INTERNATIONAL BILLINGS (IN MILLIONS)	
	1998	**1999**	**1998**	**1999**	**1998**	**1999**
1. Rapp Collins Worldwide (1)	1887.6+	1958.7	912.5	987.4	975.1	971.3
2. Carlson Marketing Group	864.5	963.4	593.3	613.5	271.2	349.9
3. Targetbase Marketing	376.5	445.1	354.4	413.6	22.1	31.5
4. ChoicePoint Direct, Inc. (2)	241.1	259.1	241.1	259.1	NA	NA
5. Grizzard Communications Group	199.3	238.3	194.0	232.3	5.3	6.0
6. Brierley & Partners	194.9	229.6	190.5	222.8	4.4	6.8
7. DMW Worldwide (3)	159.3	186.7	159.3	186.7	NA	NA
8. InterOne Marketing Group, Inc. (4)	99.5+	157.4	74.4	128.2	25.1	29.2
9. CMI/Aspen Direct (5)	85.7	115.7	85.7	115.7	NA	NA
10. RTCdirect	87.5	101.8	87.5	101.8	NA	NA
11. Beyond DDB*	70.8	73.6	70.8	73.6	NA	NA
12. Martin Direct	48.2	56.2	48.2	56.2	NA	NA
13. MC Direct	38.5	44.3	38.5	44.3	NA	NA
14. Bullseye Database Marketing, Inc.*	19.2	19.5	19.2	19.5	NA	NA
15. Archer/Malmo Direct*	14.8+	19.1	14.8	19.1	NA	NA
16. ETO-Basalt (France)	NA	17.4	NA	NA	NA	17.4
17. Gerald Siegel & Associates, Inc.* (6)	11.8	15.8	11.8	15.8	NA	NA
18. Manus Direct	13.1	15.2	13.1	15.2	NA	NA
19. Clienting Group (Argentina)	15.0	14.2	NA	NA	15.0	14.2
20. Rumba Direct	3.6	4.5	3.6	4.5	NA	NA
21. Advantage Plus Marketing Group, Inc.	5.3	4.5	5.3	4.5	NA	NA
22. Arena Direct Marketing, LDA (Portugal)	0.4	0.8	NA	NA	0.4	0.8

Footnotes:

+ Agencies submitted adjusted figures for 1997.

* Information was confirmed by an outside auditing firm.

(1) Rapp Collins Worldwide 1998 figures have been restated to reflect the acquisition of Critical Mass in 1999.
(2) Formerly Customer Development Corporation.
(3) Includes internal production for '99 only.
(4) Formerly Ross Roy Communications.
(5) CMI/Aspen Direct 1999 data includes figures from Hanig and Company.
(6) Includes internal production for '99 only.

Source: DMA Research Department, May 2000.

DIRECT RESPONSE ADVERTISING AGENCY RANKING: 1999

RANKING BY AGENCIES REPORTING U.S. INTEGRATED COMMUNICATIONS

These rankings were compiled from figures provided by 93 direct response advertising agencies. These agencies responded to requests made in 2000 for full year 1999 and 1998 U.S. and international direct response revenue and billings. This chart displays billings from agencies reporting integrated communications to include direct response, sales promotion, public relations, general awareness advertising, etc. (Chart 4 of 4.)

	TOTAL U.S. 1999 BILLINGS (IN MILLIONS)	DISCIPLINE				
		DIRECT RESPONSE	SALES PROMOTION	PUBLIC RELATIONS	GENERAL AWARENESS ADVERTISING	OTHER
1. Carlson Marketing Group (1)	2001.2	613.5	1387.7	-	-	-
2. Campbell-Ewald	1658.6	343.4	94.4	-	1220.8	-
3. impiric (2)	1410.6	811.7	221.4	-	-	377.5
4. InterOne Marketing Group, Inc. (1) (3)	571.1	128.2	158.9	-	-	284.0
5. Cramer-Krasselt Direct*	418.3	41.1	18.7	60.5	298.0	-
6. Beyond DDB* (1)	350.6	73.6	129.0	28.0	30.0	90.0
7. Clarion/DialogueWorks	280.9	77.1	119.5	-	68.6	15.7
8. Meridian Advertising	184.0	24.0	6.1	-	152.4	1.5
9. CMI/Aspen Direct (1) (4)	142.1	115.7	16.7	0.9	8.8	-
10. Publicis Dialog	130.0	58.3	13.6	35.7	16.4	6.0
11. Russ Reid Company	101.7	89.3	-	12.4	-	-
12. PriceWeber	63.0	13.8	24.6	1.9	2.2	20.5
13. NKH&W, Inc.	56.2	8.2	4.6	3.0	38.7	1.7
14. Roberts Communications, Inc.	53.0	20.8	20.7	4.5	7.0	-
15. Archer/Malmo Direct* (1)	52.0	19.1	3.3	4.9	24.7	-
16. Thompson & Price DM	43.6	32.7	10.0	0.9	-	-
17. Direct Resources International	41.0	36.0	-	-	5.0	-
18. Kuhn and Wittenborn Advertising	35.3	27.5	0.7	1.8	5.3	-
19. Quest Business Agency	34.2	34.1	-	-	0.05	-
20. ETO-Basalt (France) (1)	17.8	17.4	0.4	-	-	-
21. Broadus & Associates, Inc.	13.7	3.3	-	1.1	9.3	-
22. Johnson Direct LLC	7.5	7.3	0.1	0.1	0.03	-
23. Rumba Direct (1)	4.8	4.5	0.05	0.1	0.1	-
24. DK Group, Inc.	4.8	1.2	0.6	-	3.0	-
25. Advantage Plus Marketing Group, Inc. (1)	4.5	4.5	0.03	-	-	-

Footnotes:

* Information was confirmed by an outside auditing firm.

(1) Figures include revenue from internal production capabilities such as printing, database operations, lettershop functions, and/or telephone marketing.
(2) Formerly Wunderman Cato Johnson.
(3) Formerly Ross Roy Communications.
(4) CMI/Aspen Direct 1999 data includes figures from Hanig and Company.

Source: DMA Research Department, May 2000.

TOP 10 U.S. DIRECT MARKETING AGENCIES

U.S. revenue growth, according to the 14th annual Advertising Age 2000 Marketing Services Report, is up 19.8%, to $5.35 billion from 1999 for the 200 agencies reporting, with direct marketing rising 20.5% to more than $2.79 billion.

Rank			U.S. Direct Marketing Revenue		Total Agency U.S. Revenue	
'00	'99	Agency	2000	% Change	2000	% Change
1	3	Digitas	$288.2	54.1%	$288.2	54.1%
2	1	Draft Worldwide [IPG]	$285.1	27.6%	$285.1	27.6%
3	2	Impiric/Wunderman [WPP]	$197.0	0.8%	$197.0	0.8%
4	4	Rapp Collins Worldwide [Omnicom]	$177.9	6.9%	$177.9	6.9%
5	5	OgilvyOne Worldwide [WPP]	$173.5	44.8%	$173.5	44.8%
6	6	Brann Worldwide [Havas]	$130.6	10.6%	$130.6	10.6%
7	8	Aspen Marketing Group	$120.4	52.6%	$256.2	67.2%
8	7	Harte-Hanks Direct	$97.2	2.2%	$97.2	2.2%
9	9	Carlson Marketing Group	$81.7	5.3%	$309.8	14.1%
10	11	Grey Direct Marketing Group [Grey Global]	$80.0	23.1%	$80.0	23.1%

Notes: Dollars are in millions. Specialty revenue is from U.S. operations only. Agency parent is shown in brackets.

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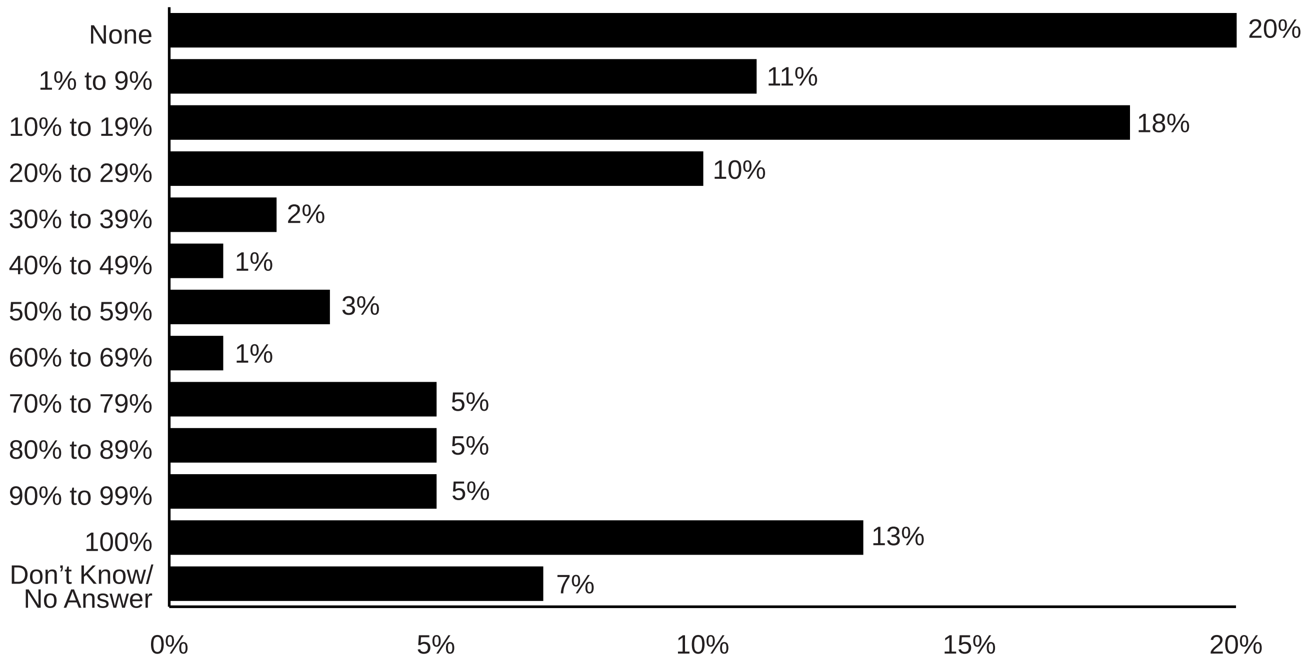
DIRECT MAGAZINE SURVEY

Methodology: This survey was conducted for *Direct* by the market research division of Intertec, *Direct*'s parent company. It was mailed to 1,200 *Direct* subscribers chosen on an nth-name basis. Results are based on surveys returned by 131 qualified participants.

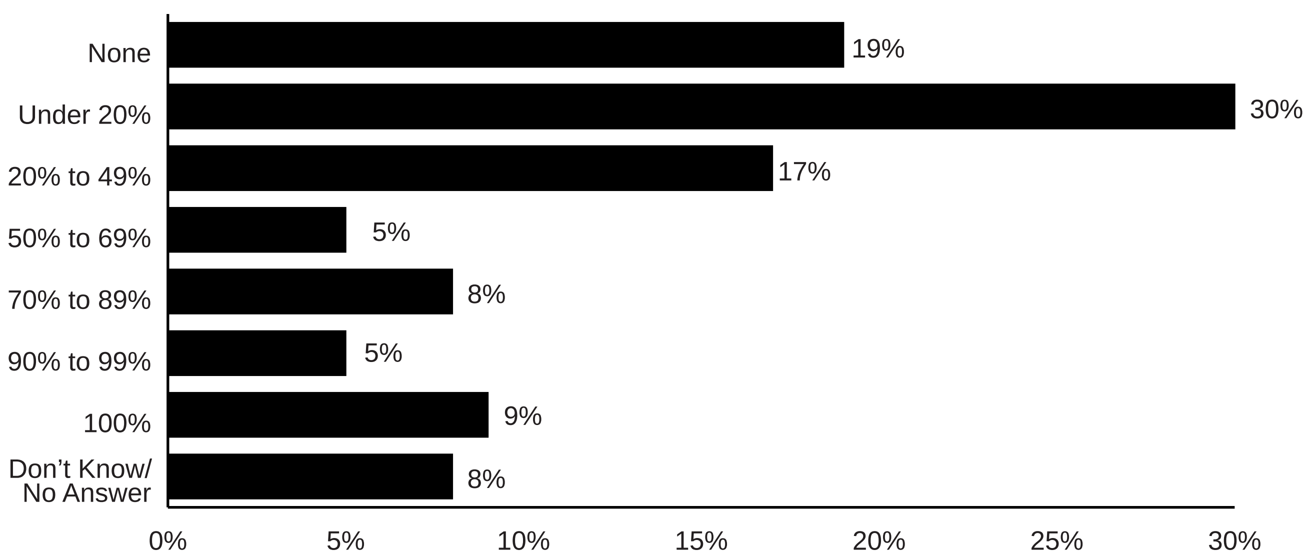
PERCENTAGE OF REVENUE DERIVED FROM DIRECT MARKETING



Source: Primedia Intertec, copyright 2000.

PERCENTAGE OF MARKETING BUDGET SPENT ON DIRECT MARKETING

At least 55% of respondents said their company's spending on direct marketing would go up in 2001.



Source: Primedia Intertec, copyright 2000.

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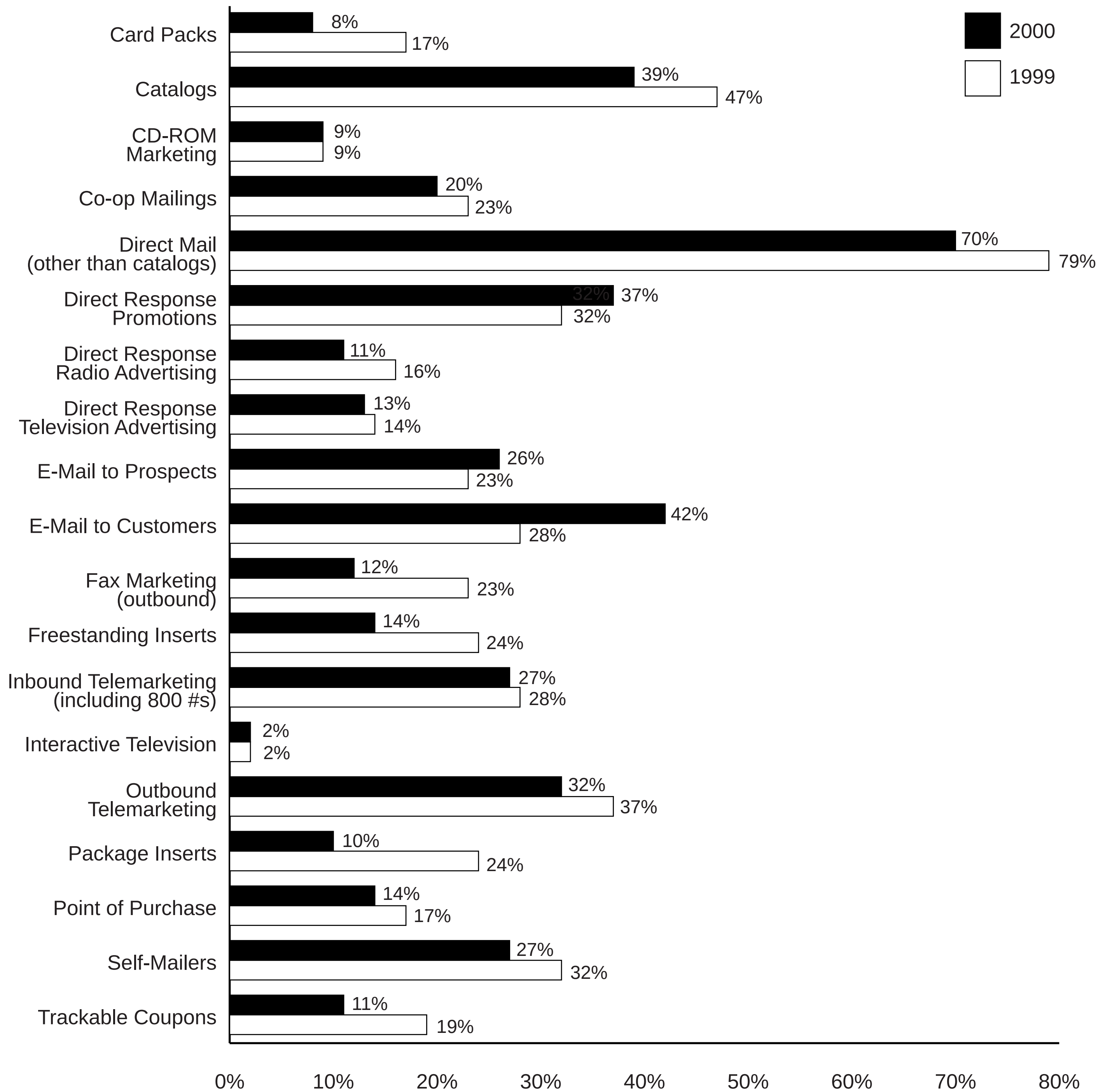
DIRECT MARKETING METHODS USED BY MARKETERS

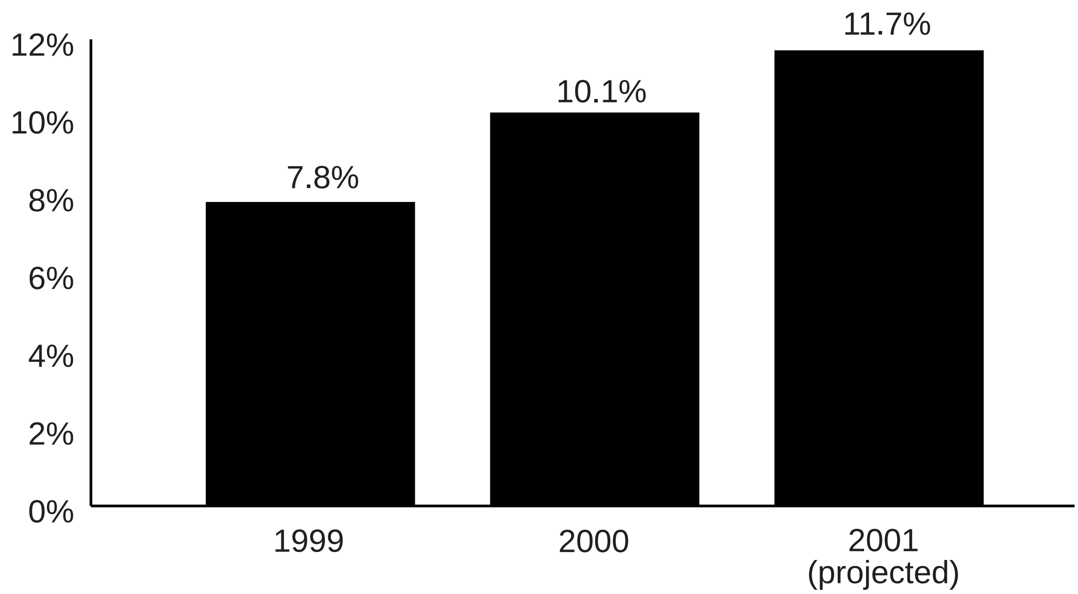
Direct mail (other than catalogs) is still the number one direct marketing method used by marketers.



Source: Primedia Intertec, copyright 2000.

AVERAGE RESPONSE RATES FROM HOUSE LIST

The respondents project that average response rates from house lists will increase by 1.6%.



Source: Primedia Intertec, copyright 2000.

GROWTH OF SPECIALTY MEDIA ADVERTISING SPENDING, 1995–2004

Veronis, Suhler & Associates consider direct mail a part of specialty media. Advertising spending in all specialty media totaled $119.2 billion in 1999, up 6.0 percent over 1998.

Year	Direct Mail	Sponsorships	Consumer Promotion	Bus-to-Bus Promotion	Total
1995	10.9	10.6	4.1	7.9	7.8
1996	5.0	15.4	-0.1	5.5	4.0
1997	6.9	9.4	3.3	22.6	10.2
1998	7.4	13.9	3.9	7.5	6.8
1999	5.0	12.9	6.4	7.4	6.6
2000	7.0	14.3	4.8	7.8	7.1
2001	6.6	12.3	5.2	7.7	6.9
2002	6.1	11.2	4.9	6.7	6.3
2003	5.7	9.9	4.1	5.9	5.7
2004	5.2	8.7	4.2	5.3	5.2
Compound Annual Growth					
1994–1999	7.0	12.4	3.5	10.0	7.1
1999–2004	6.1	11.3	4.6	6.7	6.2

Source: Veronis, Suhler, The Publishing@Media Group, Universal McCann, Promo Magazine, IEG Sponsorship Report, Point-of-Purchase and Advertising Institute, Promotional Products Associations, NCH Nuworld Marketing Limited, July 2000.

DMA MEMBERS IN THE FORTUNE 500 LARGEST U.S. CORPORATIONS

The following is a list of the first 100 companies in the Fortune 500 that are DMA members, meaning that they use direct marketing techniques as part of their media mix.

RANK	FORTUNE 500 RANK 2000	FORTUNE 500 RANK 1999	COMPANY NAME	REVENUES † $ MILLIONS	REVENUES † % CHANGE FROM 1999
1	1	3	Exxon	210,392.00	28.4
2	3	1	General Motors	184,632.00	4.6
3	7	18	Enron	100,789.00	151.3
4	8	6	IBM	88,396.00	1.0
5	9	8	AT&T	65,981.00	5.8
6	10	33	Verizon Communications	64,707.00	95.1
7	11	9	Philip Morris	63,276.00	2.5
8	12	31	J.P. Morgan Chase	60,065.00	78.2
9	13	11	Bank Of America Corp.	57,747.00	12.4
10	14	12	SBC Communications	51,476.00	4.0
11	15	10	Boeing	51,321.00	(11.5)
12	19	13	Hewlett-Packard	48,782.00	0.0
13	21	15	State Farm Insurance Cos.	47,863.10	7.2
14	22	17	American International Group	45,972.00	13.1
15	25	29	Merrill Lynch	44,872.00	28.7
16	26	26	Fannie Mae	44,088.90	19.3
17	27	20	Compaq Computer	42,383.00	10.0
18	29	16	Sears Roebuck	40,937.00	(0.3)
19	33	19	TIAA-CREF	38,063.50	(3.4)
20	34	37	Motorola	37,580.00	21.5
21	35	38	McKesson HBOC	37,100.50	22.1
22	36	27	Kmart	37,028.00	3.1
23	37	32	Target	36,903.00	9.5
24	43	36	J.C. Penney	32,965.00	1.4
25	53	107	Pfizer	29,574.00	82.5
26	55	114	Reliant Energy	29,339.00	91.7
27	59	47	Allstate	29,134.00	8.1
28	61	61	International Paper	28,180.00	14.7
29	62	68	Wells Fargo & Co.	27,568.00	26.5
30	63	--	Aetna	26,818.90	n/a
31	66	58	BellSouth	26,151.00	3.7
32	67	66	Walt Disney	25,402.00	8.5
33	69	52	Lockheed Martin	25,329.00	(0.8)
34	74	71	American Express	23,675.00	11.3
35	81	80	FleetBoston Financial	22,608.00	13.0
36	87	70	New York Life Insurance	21,450.40	(1.1)
37	88	78	Bristol-Myers Squibb	21,331.00	5.5
38	96	79	Sara Lee	20,414.00	2.0
39	107	146	Cisco Systems	18,928.00	55.7
40	109	87	Xerox	18,632.00	(3.1)
41	112	104	Fedex	18,256.90	8.8
42	113	167	Pharmacia	18,150.00	79.2
43	116	113	Northwestern Mutual	16,973.80	10.9
44	121	111	Liberty Mutual Insurance Group	16,438.00	6.1
45	123	116	Delta Air Lines	15,888.00	8.0
46	124	127	Washington Mutual	15,766.60	16.2
47	125	150	Sun Microsystems	15,721.00	34.1
48	127	128	Nationwide Insurance Enterprise	14,762.10	8.9
49	129	130	Hartford Financial Services	14,703.00	8.7
50	130	142	Rite Aid	14,681.40	14.9

DMA MEMBERS IN THE FORTUNE 500 LARGEST U.S. CORPORATIONS
(CONTINUED)

RANK	FORTUNE 500 RANK 2000	FORTUNE 500 RANK 1999	COMPANY NAME	REVENUES † $ MILLIONS	REVENUES † % CHANGE FROM 1999
51	142	138	Kimberly-Clark	13,982.00	7.5
52	147	152	GAP	13,673.50	17.5
53	155	160	Circuit City Stores	12,614.40	16.8
54	156	169	Best Buy	12,494.00	24.0
55	159	151	Anheuser-Busch	12,261.00	4.8
56	161	179	Household International	11,960.90	25.9
57	163	180	Texas Instruments	11,875.00	25.4
58	171	158	Tenet Healthcare	11,414.00	4.9
59	173	173	Mass.Mutual Life Ins.	11,274.80	14.6
60	174	162	American General	11,063.00	3.6
61	176	170	Eli Lilly	10,862.20	8.6
62	178	192	Staples	10,673.70	19.4
63	179	168	Humana	10,514.00	4.0
64	181	164	Whirlpool	10,325.00	(1.8)
65	182	224	Bear Stearns	10,276.60	30.4
66	186	200	Marriott International	10,017.00	14.6
67	190	212	U.S.Bankcorp	9,965.50	18.1
68	195	196	TJX (TJ Maxx)	9,579.00	8.9
69	198	184	Unumprovident	9,446.90	2.2
70	200	231	Computer Sciences	9,307.70	22.3
71	214	194	Guardian Life Ins.Co.Of America	8,967.60	1.2
72	215	232	Principal Financial	8,884.90	16.0
73	221	234	Suntrust Banks	8,619.00	13.1
74	233	280	Comcast	8,218.60	32.4
75	235	155	R.J.Reynolds Tobacco	8,167.00	(28.3)
76	240	265	MBNA	7,868.90	21.6
77	260	343	Charles Schwab	7,139.50	51.5
78	261	--	Northwestern	7,132.00	137.4
79	262	259	Safeco	7,118.40	6.0
80	264	266	FPL Group	7,082.00	10.0
81	265	276	Alltel	7,067.00	12.1
82	266	274	FirstEnergy	7,029.00	11.2
83	271	337	America Online	6,886.00	44.1
84	272	236	Unisys	6,885.00	(8.7)
85	277	286	Progressive	6,771.00	10.6
86	278	279	General Mills	6,700.20	7.3
87	299	288	Mellon Financial Corp.	5,979.00	(0.1)
88	300	295	ServiceMaster	5,970.60	4.7
89	303	394	Providian Financial	5,948.20	47.4
90	305	360	Northeast Utilities	5,901.20	32.0
91	307	291	R.R.Donnelley & Sons	5,764.30	(2.3)
92	311	466	Nextel Communications	5,714.00	71.8
93	323	320	Nordstrom	5,528.50	7.9
94	324	324	Air Products & Chemicals	5,495.50	9.0
95	327	405	Capital One Financial	5,424.30	36.8
96	329	294	3Com	5,391.50	(6.6)
97	342	--	Keyspan	5,121.50	73.3
98	350	355	W.W. Grainger	4,977.00	9.8
99	355	484	Park Place Entertainment	4,896.00	54.2
100	361	366	American Family Ins. Group	4,771.40	8.4

† Represents total revenues for corporation; not necessarily mail order only.

Source: DMA/Fortune Magazine, Copyright 2001 Time Inc. All rights reserved.

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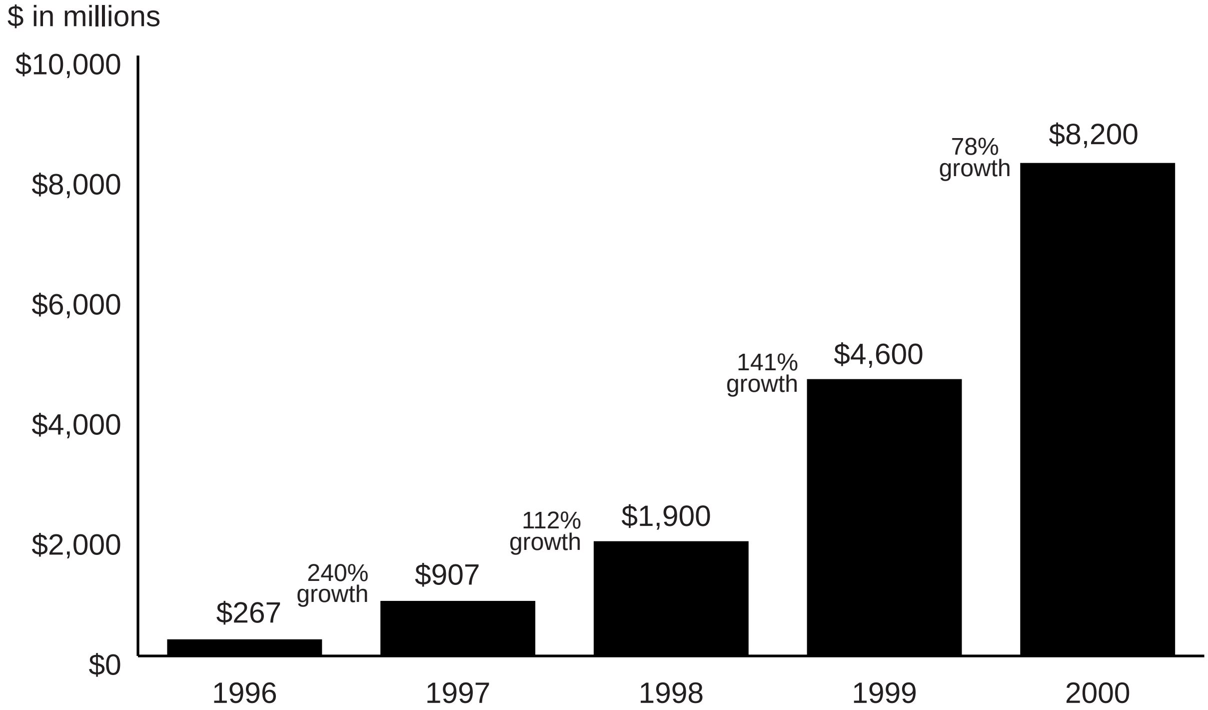
ANNUAL INTERNET ADVERTISING REVENUE

Internet/online advertising grew from $26.7 million in 1996 to $8.2 billion in 2000.



Source: TM@ Internet Advertising Bureau. Used with permission of IAB 2001.

U.S. HISPANIC ADVERTISING EXPENDITURES*

BY MEDIUM, 1995-2000

Television reigned as the medium of choice for companies wanting to reach Hispanic consumers. It went up from $700 million in 1999 to $800 million in 2000.

	1995	1996	1997	1998	1999	2000
Network/National TV	$292.1	$380.3	$452.6	$666.5	$700.0	$800.8
Local TV	225.0	260.0	327.0	330.2	391.0	450.6
National Radio	73.7	75.5	90.0	120.0	138.0	156.7
Local Radio	247.5	246.5	285.0	320.0	370.0	401.0
Print**	186.5	193.2	201.9	217.1	229.8	507.4
Outdoor/Transit	37.2	42.8	51.4	56.5	61.6	67.1
Total	**$1,062.0**	**$1,198.3**	**$1,407.9**	**$1,710.3**	**$1,890.4**	**$2,383.6**

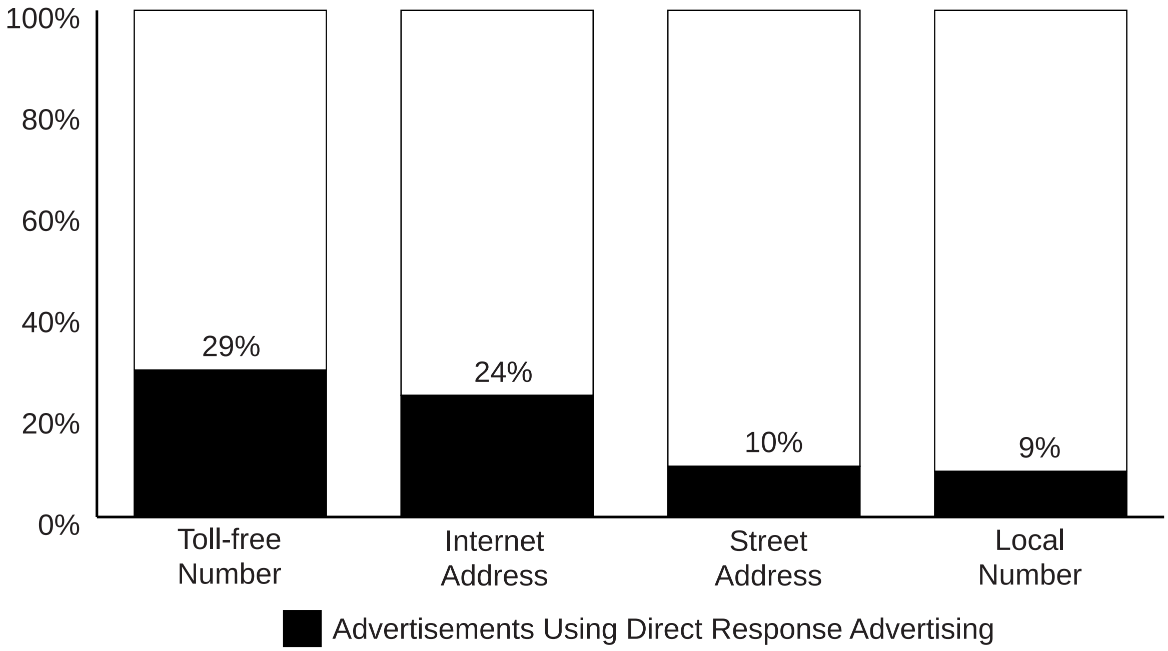
* in millions

** Print includes newspapers, magazines.

Source: Hispanic Business, 2000.

DIRECT RESPONSE MECHANISMS IN RADIO ADVERTISING

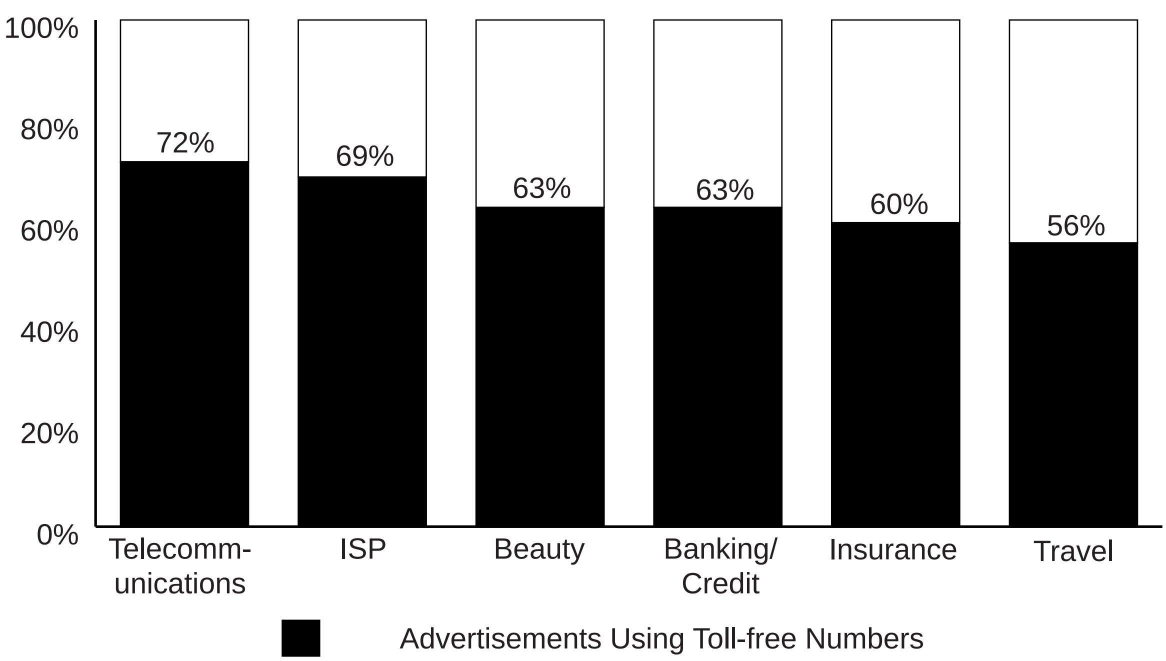
Toll-free numbers (29%) and Internet addresses (24%) are the most often used direct response mechanisms. The only other significant devices are street addresses (10%) and local phone numbers (9%). E-mail addresses are found in less than 1% of ads.



Source: Response Marketing Group, 2000.

MOST FREQUENT USERS OF TOLL-FREE NUMBERS IN RADIO ADVERTISING

Seventy-two percent of telecommunications advertisements use toll-free numbers, as do 69% of Internet service providers, 63% of both beauty and banking/credit, 60% of insurance, and 56% of travel advertisements.



Source: Response Marketing Group, 2000.

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Direct Mail

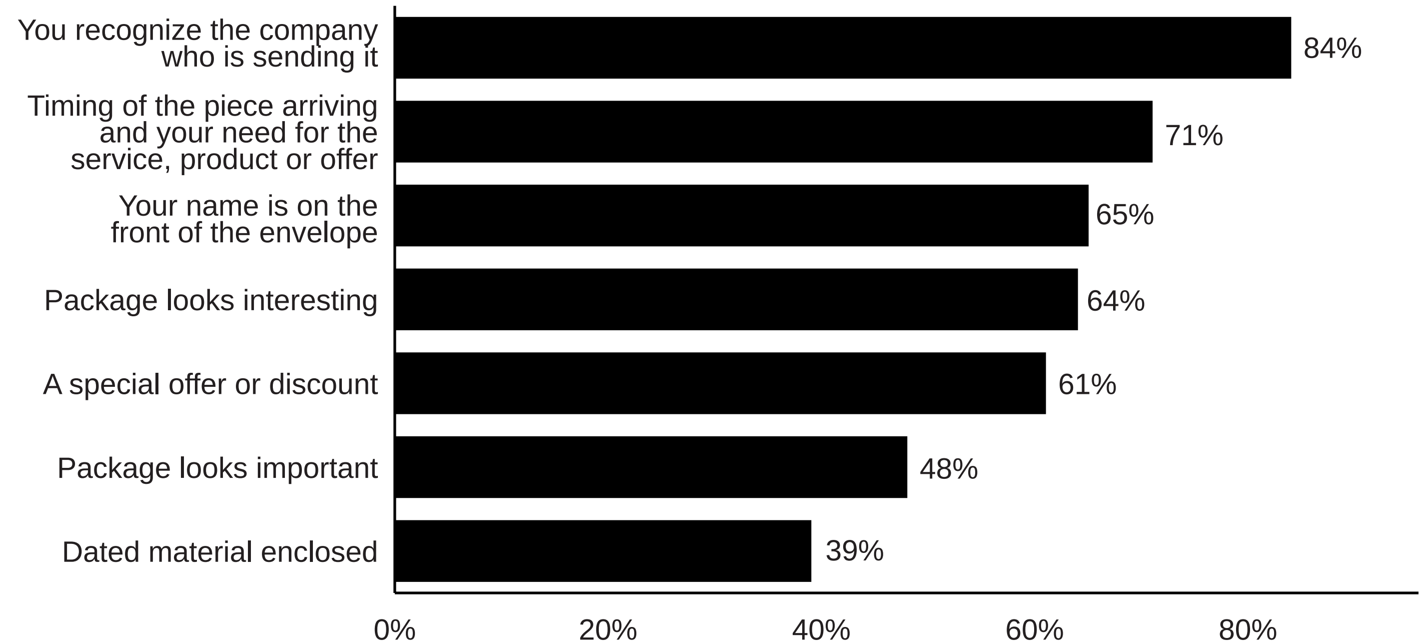
Buying Habits
Costs
Trends

CHAPTER HIGHLIGHTS

- More than 50% of households claim they want to receive more or don't mind getting some advertising mail.
- 84% of respondents open direct mail because they recognize the company who is sending it.
- Adults aged 22–34 are most likely to respond to direct mail pieces.
- In 1999, mail pieces containing advertising or a request for a donation received a higher response than in 1998 if they were catalogs not in an envelope.
- Previous customers of an organization are much more likely to respond to direct mail offers.
- Direct mail pieces from the government sector are most likely to be read, followed by merchants (supermarkets, department stores, etc.) or social, charitable, or political organizations.
- The average consumer receives 20.01 pieces of mail per week.
- Most people still prefer to send confidential documents by regular mail than e-mail (88% versus 11%).
- October is the most popular month for consumer products/services mailings, followed by November.
- More than 60% of high income and high education households have personal computers; others seem to be much more comfortable with hardcopy mail.

WHY CONSUMERS OPEN DIRECT MAIL

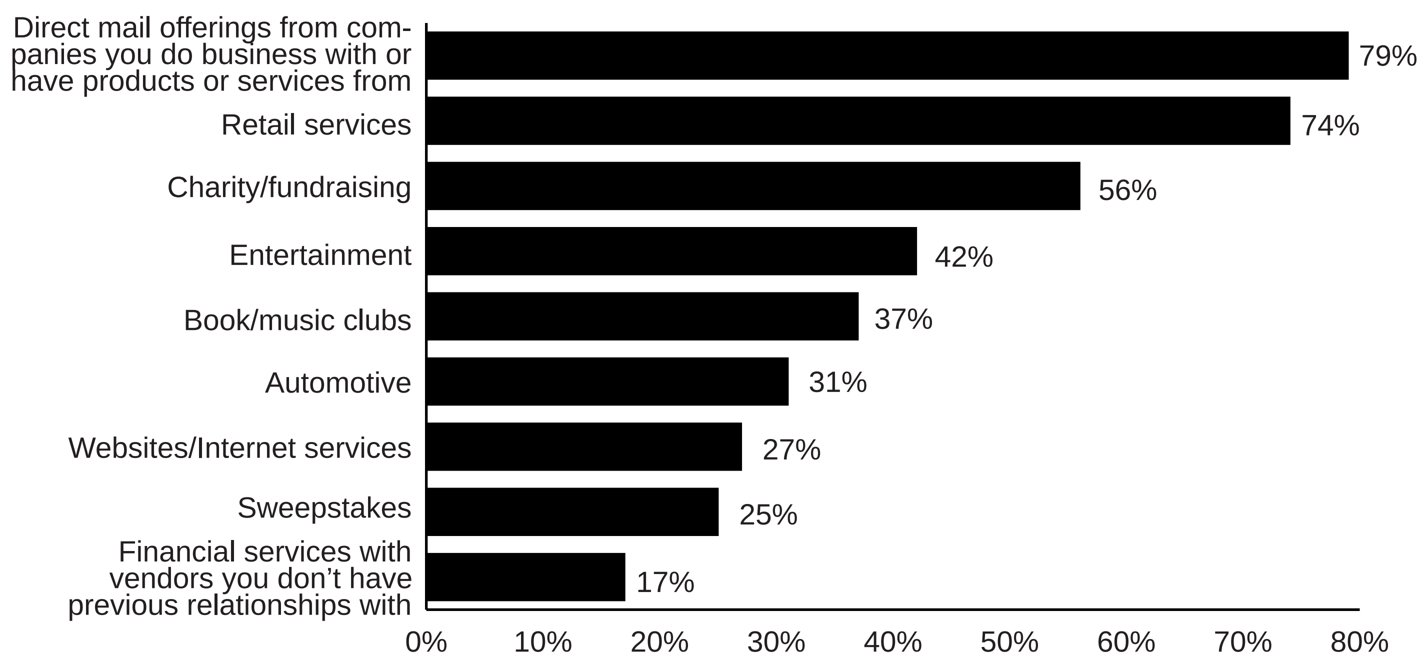
Webcraft's Customer Focus survey is based on telephone interviews of 1,000 adults ages 18+. 84% of respondents open direct mail because they recognize the company who is sending it.



Source: "Customer Focus 2001: Direct Mail Research," Webcraft L.L.C., the Direct Marketing Service of Vertis, 2000.

POPULAR TYPES OF DIRECT MAIL

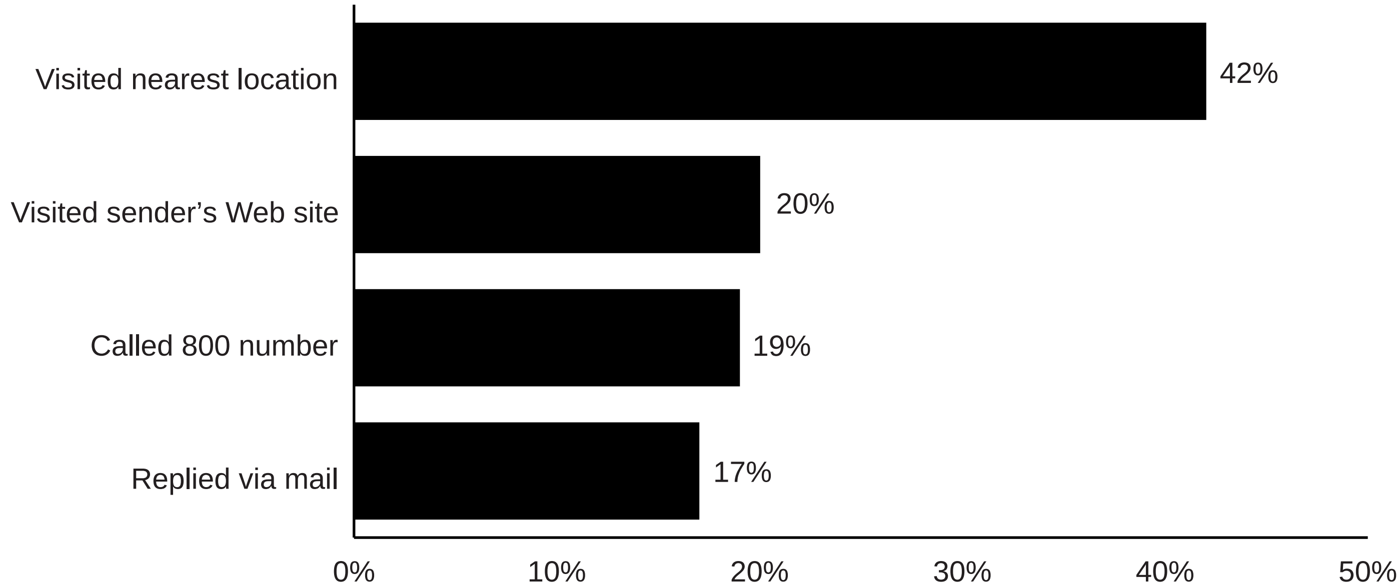
79% of respondents said that the most popular types of direct mail were offerings from companies they do business with or have products or services from.



Source: "Customer Focus 2001: Direct Mail Research," Webcraft L.L.C., the Direct Marketing Service of Vertis, 2000.

HOW CONSUMERS RESPOND TO DIRECT MAIL

The most popular way of responding to a direct mail piece is to visit the sender's nearest location (42%), with visiting their Web site a distant second (20%).



Source: "Customer Focus 2001: Direct Mail Research," Webcraft L.L.C., the Direct Marketing Service of Vertis, 2000.

HOUSEHOLD ELECTRONIC MAIL CAPABILITY BY HOUSEHOLD INCOME

ENTRY INTERVIEW

Household ownership of the equipment necessary for electronic mail is increasing. More than 60% of high income and high education households have personal computers; others seem to be much more comfortable with hardcopy mail.

POSTAL YEARS 1987, 1998 AND 1999

	Under $7K			$7K–$9.9K			$10K–$14.9K			$15K–$19.9K		
Capability	**1987**	**1998**	**1999**	**1987**	**1998**	**1999**	**1987**	**1998**	**1999**	**1987**	**1998**	**1999**
Have personal computer	N/A	12.3	19.1	N/A	14.4	7.2	N/A	15.1	13.8	N/A	15.8	10.8
Have modem	N/A	6.9	10.4	N/A	6.4	2.0	N/A	11.4	10.5	N/A	6.7	6.7
Have fax machine or board	N/A	5.0	4.4	N/A	1.9	0.5	N/A	2.7	1.1	N/A	2.8	1.5

	$20K-$24.9K			$25K–$29.9K			$30K–$34.9K			$35K–$49.9K		
Capability	**1987**	**1998**	**1999**	**1987**	**1998**	**1999**	**1987**	**1998**	**1999**	**1987**	**1998**	**1999**
Have personal computer	N/A	16.0	15.3	N/A	23.4	31.9	N/A	32.2	33.2	N/A	38.3	45.3
Have modem	N/A	7.6	9.2	N/A	13.3	23.5	N/A	19.2	24.1	N/A	26.3	36.4
Have fax machine or board	N/A	4.6	3.3	N/A	9.4	10.4	N/A	8.8	8.9	N/A	11.8	15.8

	$50K–$64.9K			$65K–$79.9K			$80K–$99.9K			$100K–Over		
Capability	**1987**	**1998**	**1999**	**1987**	**1998**	**1999**	**1987**	**1998**	**1999**	**1987**	**1998**	**1999**
Have personal computer	N/A	57.9	61.8	N/A	66.5	79.9	N/A	79.4	78.9	N/A	86.3	87.9
Have modem	N/A	42.9	47.8	N/A	53.1	62.8	N/A	63.7	72.3	N/A	77.2	81.4
Have fax machine or board	N/A	24.7	22.4	N/A	32.5	33.6	N/A	42.9	36.8	N/A	50.4	49.1

Source: USPS Household Diary Study, 2000.

NUMBER OF MAIL ORDER PURCHASES*

WITHIN THE LAST YEAR BY EDUCATION OF HOUSEHOLD HEAD (PERCENTAGE OF HOUSEHOLDS) POSTAL YEARS 1987, 1998, AND 1999

The USPS Household Diary Study is a multi-year market research study of mail originating and destinating in households. This study now provides a continuous comprehensive description of the household portion of the mailstream. Data are collected on a Postal Year basis.

The Household Diary Study surveys 5,300 households a year, each of which is given an entry interview and then asked to keep a week-long record of every mail piece received or sent by the household. Information collected includes mail class and subclass, identity (by sector and industry) of mail senders and recipients, content, household attitude towards mail, and household demographics.

Postal Years 1987, 1998, and 1999

	< 8th Grade			Some High School			High School			Some College		
Number of Purchases	**1987**	**1998**	**1999**	**1987**	**1998**	**1999**	**1987**	**1998**	**1999**	**1987**	**1998**	**1999**
0	65.5	70.0	72.0	53.9	64.4	60.1	41.7	54.9	57.6	38.0	43.6	48.0
1-2	14.8	16.0	14.5	16.8	13.9	18.9	22.5	16.9	13.8	20.7	13.9	16.0
3-5	10.7	4.4	4.8	17.2	9.3	12.0	19.0	11.2	12.6	22.0	21.2	16.9
6-10	4.7	5.3	5.4	6.1	4.2	5.0	9.1	9.2	7.6	11.1	11.2	8.7
11-15	2.9	2.1	0.2	2.4	2.2	1.1	4.1	3.6	4.3	2.7	4.3	4.3
16-30	0.5	0.9	1.5	1.1	0.7	2.6	2.4	1.3	1.6	2.8	2.5	2.4
30+	0.2	0.0	0.1	0.5	0.7	0.0	0.6	1.0	0.4	0.5	1.1	0.5
Don’t Know/No Answer	0.7	1.3	1.5	2.1	4.5	0.3	0.8	1.8	2.1	2.1	2.3	3.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

	Technical School			College			Post Graduate			Total		
Number of Purchases	**1987**	**1998**	**1999**	**1987**	**1998**	**1999**	**1987**	**1998**	**1999**	**1987**	**1998**	**1999**
0	37.2	42.4	38.1	38.0	41.8	40.9	27.0	26.9	31.9	42.2	48.6	50.2
1-2	16.3	15.0	17.9	18.5	17.2	16.2	19.5	12.9	20.4	19.6	15.7	15.9
3-5	20.2	20.8	14.6	21.8	14.9	17.6	22.7	22.1	17.2	19.5	14.8	14.5
6-10	12.8	10.5	16.6	11.9	13.7	10.4	16.4	16.9	10.5	10.0	10.6	8.7
11-15	6.2	4.0	1.0	4.1	5.2	5.3	7.2	10.2	7.3	3.9	4.5	4.2
16-30	3.7	3.9	8.4	2.6	3.5	4.1	5.2	7.0	6.9	2.5	2.5	3.1
30+	2.6	1.3	1.0	0.9	1.0	1.5	1.1	1.5	3.1	0.7	1.0	0.8
Don’t Know/No Answer	1.2	2.2	2.3	2.1	2.6	3.9	1.3	2.5	2.8	1.4	2.4	2.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

* From Entry Interview

Source: USPS Household Diary Study, 2000.

TOTAL POPULATION ORDERING BY MAIL (BY DEMOGRAPHIC CATEGORY)

Mediamark conducts an ongoing, comprehensive study of the adult population of the United States. This study, conducted continuously since 1979, surveys the demographics, product usage, and media exposure of all persons aged 18 and over in the contiguous 48 states.

The completed Mediamark sample consists of over 25,000 respondents. Each year the sample is completely redrawn, with 13,000 new respondents entering the survey every six months. 2,400 new clusters are selected yearly from a continuously updated master list.

The product usage and buying behavior data was gathered through self-administered questionnaires and personal interviews. The results were then projected to reflect the entire U.S. population, estimated to be 199,438,000 in Spring 2000 and 197,462,000 in Spring 1999.

	Spring 2000 Total U.S. (000)	Spring 2000 Total U.S. Buyers (000)	% Any Product	Spring 1999 Total U.S. (000)	Spring 1999 Total U.S. Buyers (000)	% Any Product	Total Change in Buyers 1999-2000 (000)	% Change from 1999 to 2000 Total Buyers
All	199438	50385	25.26	197462	53295	26.99	-2910	-5.5%
Men	95691	20453	21.37	94827	23034	24.29	-2581	-11.2%
Women	103747	29932	28.85	102635	30261	29.48	-329	-1.1%
age 18-24	25691	4864	18.93	24807	5487	22.12	-623	-11.4%
age 25-34	39066	9092	23.27	40154	11183	27.85	-2091	-18.7%
age 35-44	44791	12719	28.4	44393	12242	27.58	477	3.9%
age 45-54	34774	9842	28.3	33700	10252	30.42	-410	-4.0%
age 55-64	22711	6204	27.32	22149	6225	28.11	-21	-0.3%
age 65+	32404	7663	23.65	32260	7908	24.51	-245	-3.1%
Graduated College	45492	13819	30.38	43875	14042	32	-223	-1.6%
Attended College	52878	14352	27.14	52173	15316	29.36	-964	-6.3%
Graduated High School	66360	15465	23.3	66168	17279	26.11	-1814	-10.5%
Did Not Graduate High School	35260	6196	17.57	35715	6220	17.42	-24	-0.4%
Professional	20825	6845	32.87	20185	6740	33.39	105	1.6%
Manager/Administrative	19692	6734	34.2	18969	6171	32.53	563	9.1%
Technical/Clerical/Sales	37625	10394	27.62	37167	10886	29.29	-492	-4.5%
Precisions/Craft/Repair	14305	2915	20.38	14333	3420	23.86	-505	-14.8%
Other Employed	37989	7738	20.37	38303	9506	24.82	-1768	-18.6%
Single (Never Married)	47284	10118	21.4	45990	10438	22.7	-320	-3.1%
Respondent's Marital Status: Married	114055	31218	27.37	113487	33431	29.46	-2213	-6.6%
Divorced/Separated/Widowed	38099	9049	23.75	37985	9426	24.82	-377	-4.0%
Northeast-Census	39250	10219	26.04	39284	10680	27.19	-461	-4.3%
Midwest	46071	12777	27.73	46039	12816	27.84	-39	-0.3%
South	70545	16716	23.7	69564	17921	25.76	-1205	-6.7%
West	43573	10673	24.49	42574	11878	27.9	-1205	-10.1%
Household Income: $0 - $4,999	2758	504	18.28	3010	450	14.94	54	12.0%
Household Income: $5,000 - $9,999	11534	1954	16.95	12005	1754	14.61	200	11.4%
Household Income: $10,000 - $14,999	12034	2384	19.81	12699	2686	21.15	-302	-11.2%
Household Income: $15,000 - $19,999	12373	2542	20.54	13053	2512	19.24	30	1.2%
Household Income: $20,000 - $24,999	12672	2709	21.38	13191	3139	23.79	-430	-13.7%
Household Income: $25,000 - $29,999	12654	2804	22.16	12944	3461	26.74	-657	-19.0%
Household Income: $30,000 - $34,999	12319	2806	22.78	12590	3537	28.09	-731	-20.7%
Household Income: $35,000 - $39,999	11735	2815	23.99	12034	3415	28.38	-600	-17.6%
Household Income: $40,000 - $44,999	11312	2968	26.24	11733	3186	27.15	-218	-6.8%
Household Income: $45,000 - $49,999	10505	2830	26.94	10275	2792	27.18	38	1.4%
Household Income: $50,000 - $59,999	19004	5166	27.18	19107	5791	30.31	-625	-10.8%
Household Income: $60,000 - $74,999	22279	6285	28.21	21782	6351	29.16	-66	-1.0%
Household Income: $75,000 - $99,999	22601	6681	29.56	20790	7013	33.73	-332	-4.7%
Household Income: $100,000 -$149,999	17473	5238	29.98	15821	5167	32.66	71	1.4%
Household Income: $150,000+ [plus]	8186	2699	32.98	6428	2043	31.79	656	32.1%

(CONTINUED)

TOTAL POPULATION ORDERING BY MAIL (CONTINUED FROM PREVIOUS PAGE)

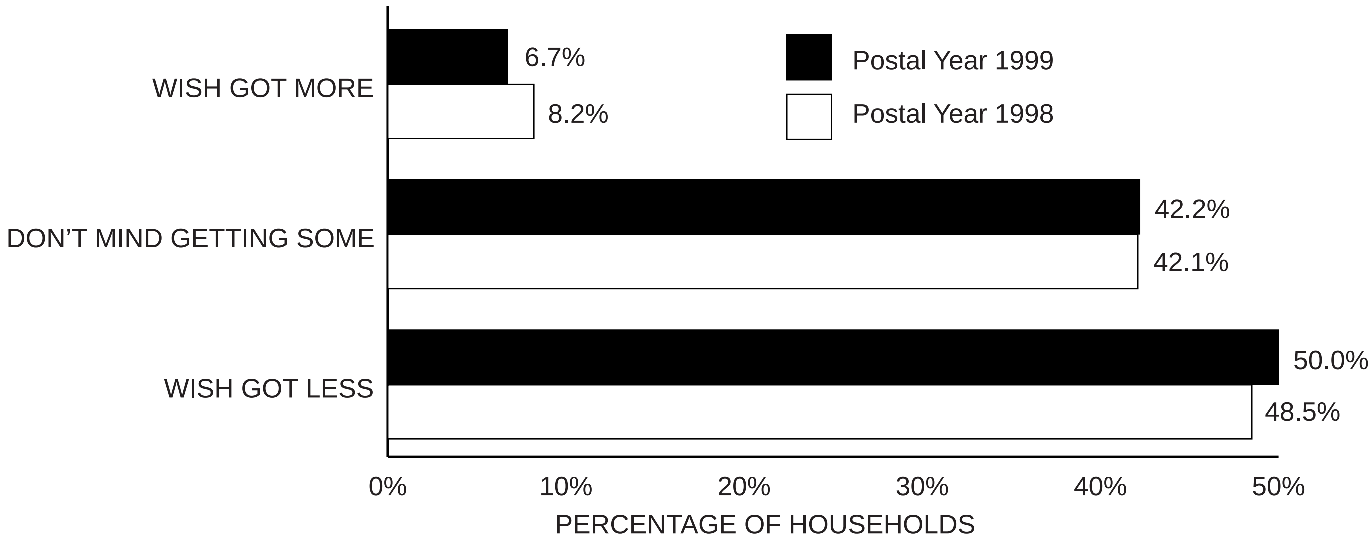
	Spring 2000 Total U.S. (000)	Spring 2000 Total U.S. Buyers (000)	% Any Product	Spring 1999 Total U.S. (000)	Spring 1999 Total U.S. Buyers (000)	% Any Product	Total Change in Buyers 1999-2000 (000)	% Change from 1999 to 2000 Total Buyers
1 Person living in Household	26674	6168	23.12	26110	6292	24.1	-124	-2.0%
2 People	68888	18138	26.33	65584	18090	27.58	48	0.3%
3 or 4 People	73614	19403	26.36	76784	21298	27.74	-1895	-8.9%
5 or More People	30262	6676	22.06	28983	7615	26.27	-939	-12.3%
No Children in Household	115510	29446	25.49	113933	30007	26.34	-561	-1.9%
Children under 2 years old	15224	3496	22.97	15009	3716	24.76	-220	-5.9%
Presence Of Children Aged 2-5	29840	7053	23.64	29723	8178	27.51	-1125	-13.8%
Presence Of Children Aged 6-11	40268	10272	25.51	39967	11036	27.61	-764	-6.9%
Presence Of Children Aged 12-17	39005	9851	25.25	38435	10602	27.58	-751	-7.1%
Own Or Rent Home: Own	139215	37493	26.93	139891	40643	29.05	-3150	-7.8%
Rent	58799	12518	21.29	55337	12231	22.1	287	2.3%

Source: MediaMark.

ATTITUDE TOWARD ADVERTISING MAIL

PERCENTAGE OF PIECES FOUND USEFUL OR INTERESTING

Although households claim, in general, that they would like to receive less advertising mail, 48.9% indicated that they want even more or don't mind getting some.



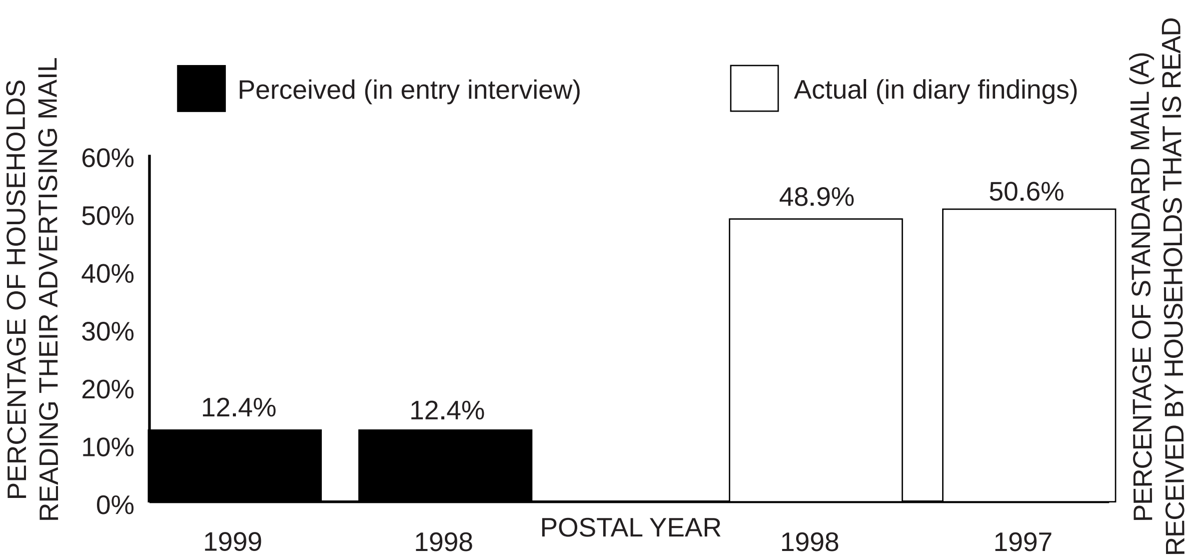
Note: Chart does not total 100% because "Don't Know", "No Answer," and "Received No Advertising" responses are not shown.

Source: USPS Household Diary Study, 2000.

TREATMENT OF ADVERTISING MAIL

PERCENTAGE OF PIECES READ COMPLETELY

Most household heads say, in general, that they wish they got less advertising mail, but when asked about specific pieces they receive, they find a substantial majority of these pieces useful or interesting. The graph below shows that, while only 12.4% of surveyed households indicate they read their advertising mail, in reality 48.9% of all advertising mail is read.

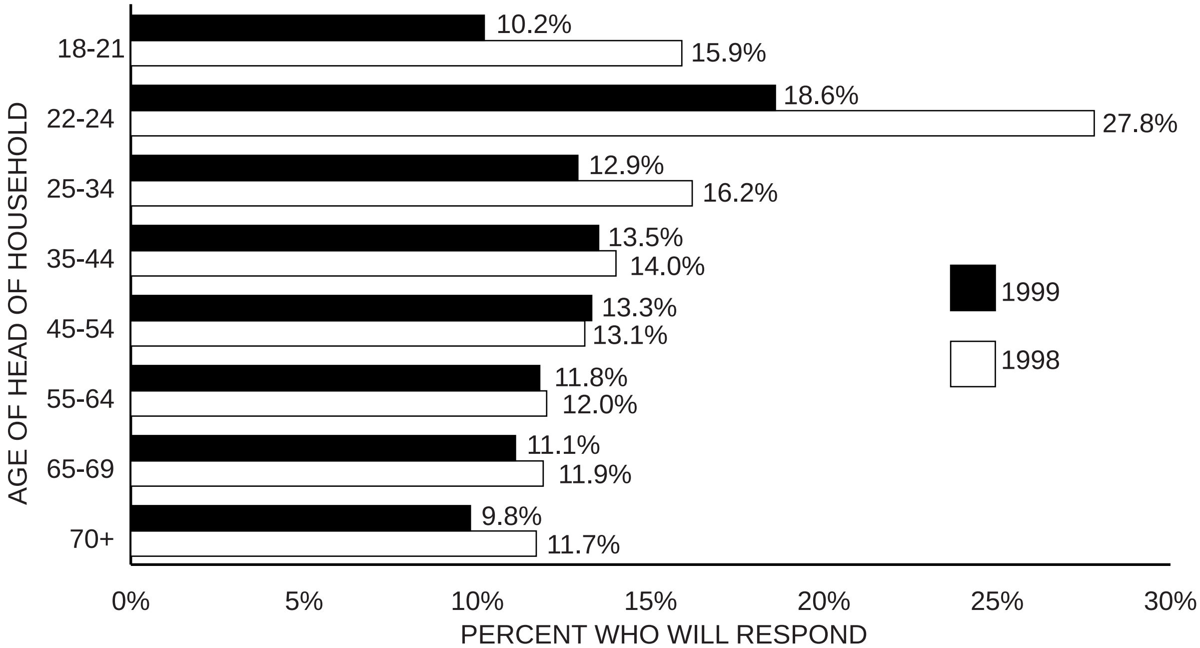


Source: USPS Household Diary Study, 2000.

RESPONSE TO STANDARD MAIL (A) PIECE** BY AGE OF HEAD OF HOUSEHOLD

(INDICATING WILL RESPOND) POSTAL YEARS 1998 AND 1999

"Will Respond" rates were highest for 1999 for people between 22 and 24 years of age and tends to show a decrease with age.



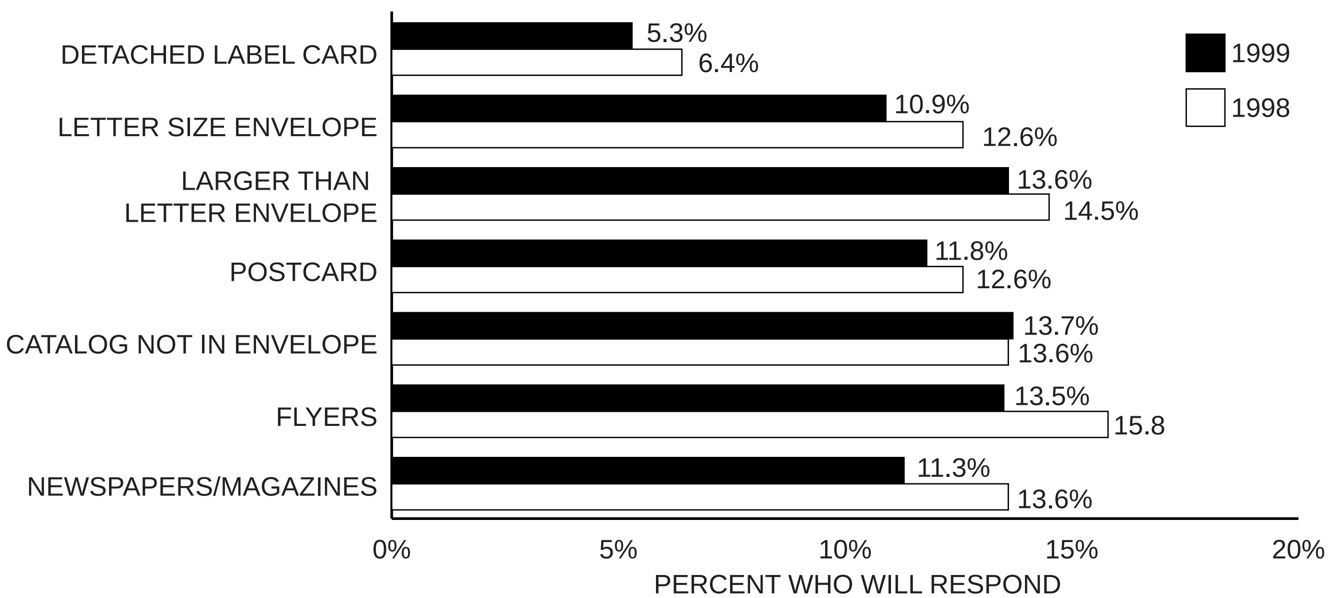
* Fluctuations may be due to small sample sizes.
** Of pieces containing an advertisement or request for funds.

Source: USPS Household Diary Study, 2000.

STANDARD MAIL (A) RESPONSE TO ADVERTISING BY SHAPE

PERCENT INDICATING WOULD RESPOND (IF MAIL PIECE CONTAINED ADVERTISING OR REQUEST FOR DONATION)

In 1999, mail pieces containing advertising or a request for donation received a higher response than in 1998 if they were in a catalog not in envelope.

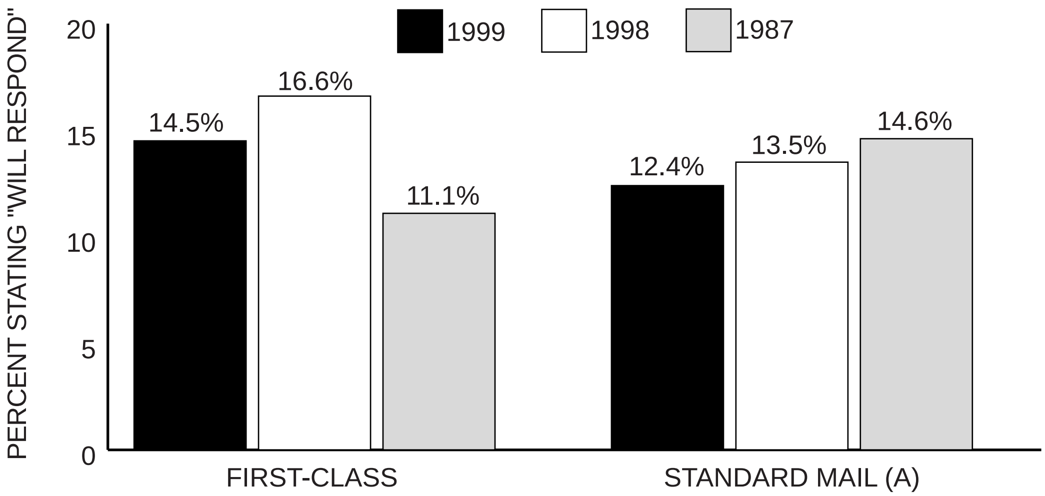


Source: USPS Household Diary Study, 2000.

RESPONSE TO MAIL ORDER SOLICITATIONS: FIRST-CLASS VS. STANDARD MAIL (A)

PERCENTAGE "WILL RESPOND" TO ADVERTISING PIECES

First-class mail has a slight edge over Standard Mail (A) when it comes to customer response.

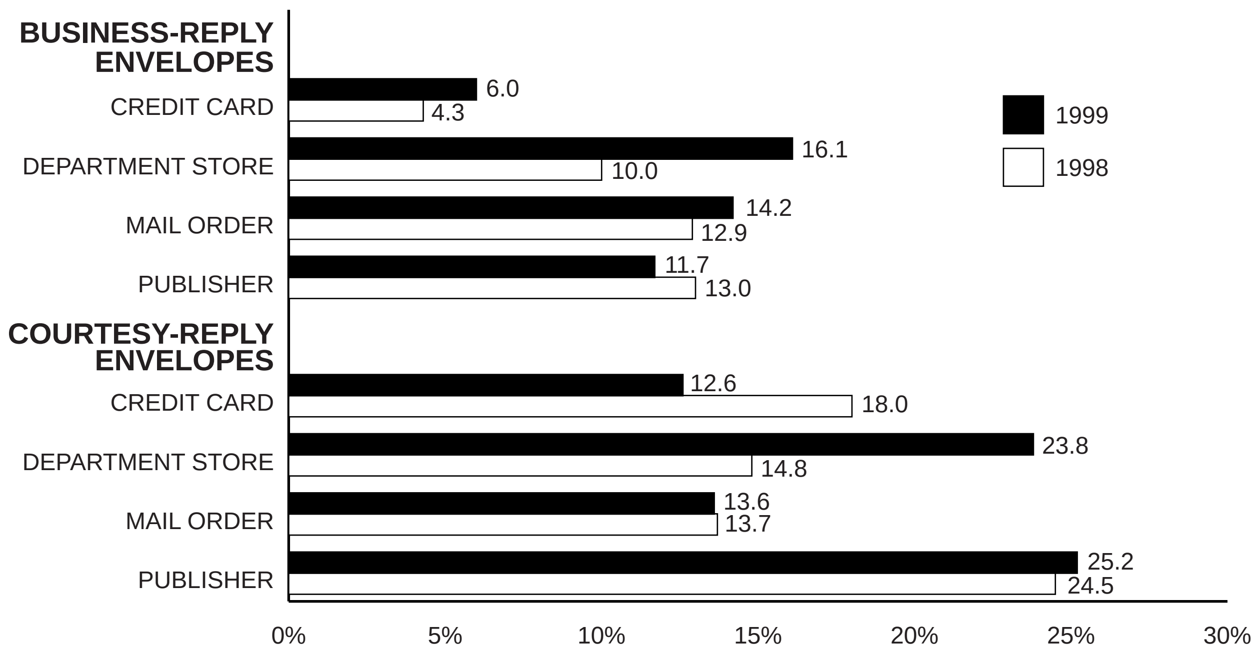


Source: USPS Household Diary Study, 2000.

INTENDED RESPONSE FOR MAIL ORDER SOLICITATIONS FROM MAJOR INDUSTRIES BY ENCLOSURE OF REPLY ENVELOPES/CARDS

POSTAL YEARS 1998 AND 1999

Surprisingly, this study indicates that more people actually respond when a courtesy-reply, rather than a business-reply, envelope is provided.

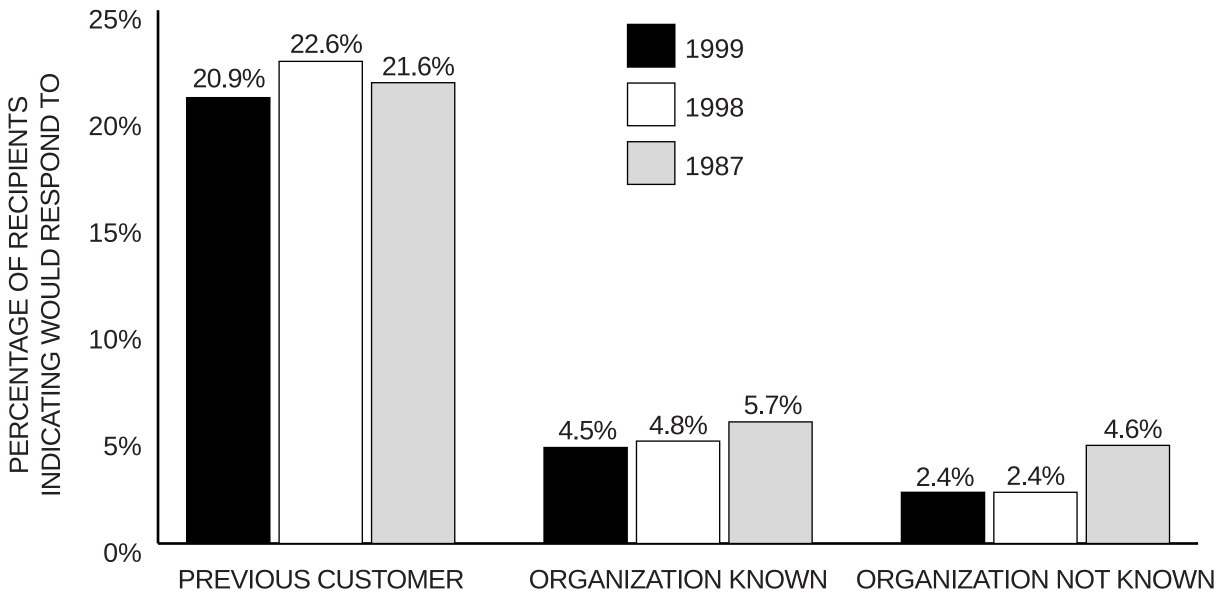


Source: USPS Household Diary Study, 2000.

STANDARD MAIL (A) RESPONSE TO ADVERTISING BY FAMILIARITY WITH ORGANIZATION

(WOULD RESPOND TO ADVERTISING IF PIECES CONTAINED AN ADVERTISEMENT OR REQUEST FOR DONATION AND WAS FROM ONE ORGANIZATION ONLY)

In 1999, as in previous years, those surveyed were more likely to respond to the indicated advertising if they were previous customers.

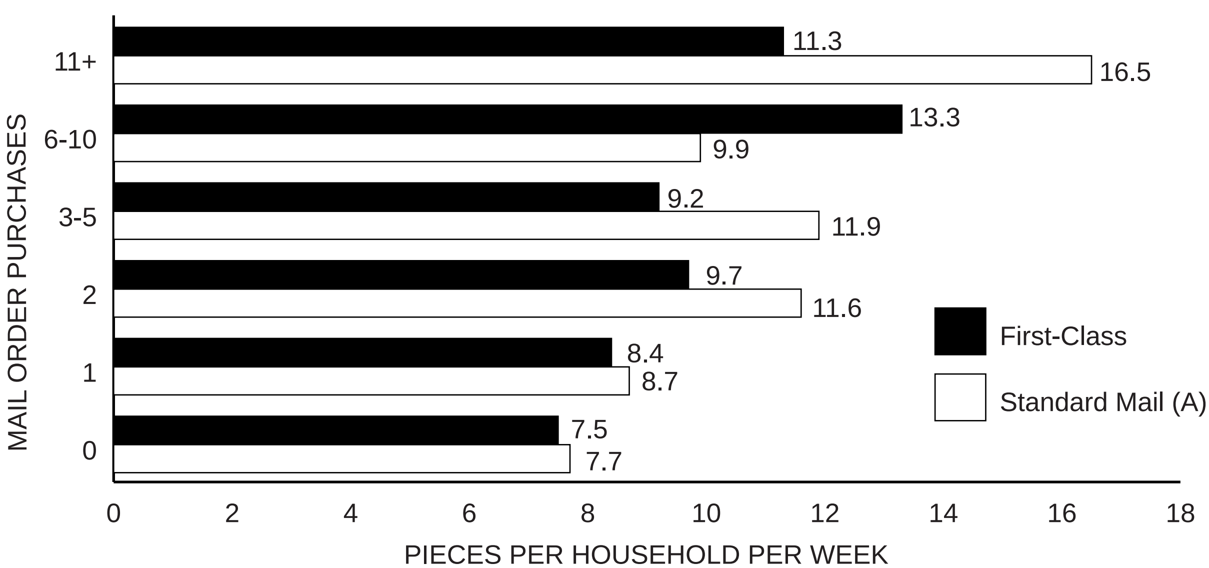


Source: USPS Household Diary Study, 2000.

RECEIPT OF FIRST- CLASS MAIL AND TOTAL STANDARD MAIL (A) BY NUMBER OF MAIL ORDER PURCHASES MADE IN THE PAST YEAR

POSTAL YEAR 1999

Standard Mail (A) comprises a greater share of the mail received than first-class, most noticeably in households in which 11 or more mail order purchases are made.



Source: USPS Household Diary Study, 2000.

STANDARD MAIL (A) REACTION BY INDUSTRY

AS PERCENTAGE OF MAIL RECEIVED BY HOUSEHOLDS

In many cases, a greater proportion of those surveyed in 1999 would consider responding to the mail they received via Standard Mail (A).

	Percent Pieces Read Immediately		Percent Pieces Found Useful		Percent Pieces Will Respond To[1]	
	1998	**1999**	**1998**	**1999**	**1998**	**1999**
FINANCIAL						
Credit Card	41.7	40.7	24.5	22.3	7.0	7.1
Bank	40.2	42.5	25.8	25.9	7.8	8.5
Securities Broker	53.0	54.6	52.0	53.6	13.2	11.2
MoneyMarket[2]	46.9	38.0	57.7	40.0	14.3	20.7
Insurance	45.7	40.0	34.3	26.2	8.0	7.3
Real Estate/Mortgage	30.2	32.4	12.0	12.9	2.0	3.4
TOTAL FINANCIAL	**41.9**	**41.1**	**28.2**	**25.5**	**7.2**	**7.3**
MERCHANTS						
Supermarkets	62.2	55.8	58.2	53.4	34.9	30.0
Department Store	59.4	58.7	51.2	52.6	19.5	16.9
Mail Order Company	46.6	50.0	38.5	41.4	13.0	13.4
Specialty Store	48.9	50.7	42.9	44.5	16.2	16.2
Publisher	50.8	47.5	33.4	34.3	17.0	14.3
Land Promotion[2]	52.2	36.5	20.0	22.6	9.3	3.7
Restaurant	56.8	63.0	41.5	47.3	24.6	28.1
Consumer Packaged Goods	62.1	57.9	54.2	46.1	24.6	19.0
Auto Dealer	50.3	51.6	32.0	37.0	12.0	14.8
Mall[2]	57.9	35.2	37.8	39.3	7.3	20.6
TOTAL MERCHANTS	**50.5**	**51.5**	**40.5**	**42.6**	**16.1**	**15.4**
SERVICES						
Telephone	42.4	42.6	24.8	23.7	6.6	4.5
Other Utilities[2]	62.3	55.3	44.6	43.2	16.2	6.6
Medical	54.3	50.9	40.2	35.1	14.2	14.7
Other Professional[2]	50.1	53.7	44.6	32.4	17.3	5.6
Leisure Service	52.2	53.6	36.1	35.6	1.0	11.0
Cable TV	47.3	46.7	26.7	27.1	4.6	6.3
Computer	40.3	39.6	44.1	28.3	11.0	7.1
TOTAL SERVICES	**47.9**	**46.8**	**33.2**	**29.8**	**10.0**	**8.2**
GOVERNMENT						
State & Local Govt.	51.9	49.1	43.3	40.9	20.0	19.5
SOCIAL, CHARITABLE OR POLITICAL						
Union/Professional[2]	65.8	68.4	61.1	58.1	7.0	19.1
Church	67.1	58.5	42.8	52.0	13.4	11.8
Educational	46.3	53.0	41.0	37.9	14.2	9.4
Charities	42.8	57.8	28.6	38.8	14.2	20.6
Political	36.7	48.4	26.4	34.9	14.1	32.3
AARP[2]	33.7	37.0	43.4	19.6	4.2	4.4
TOTAL SOCIAL, CHARITABLE, OR POLITICAL	**48.1**	**52.7**	**40.1**	**39.5**	**13.2**	**13.5**

1 Of pieces containing an advertisement or a request for funds.

2 Fluctuations may be due to small sample sizes.

Source: USPS Household Diary Study, 2000.

THE DMA Direct Marketing Association

CONSUMER TREATMENT OF STANDARD MAIL (A) BY SELECTED INDUSTRY

AS PERCENTAGE OF MAIL RECEIVED BY HOUSEHOLDS, POSTAL YEARS 1998 AND 1999

Respondents were most likely to read, find useful, and respond to Standard Mail (A) from the government sector.

	Read Immediately (Percent of Pieces)		Found Useful (Percent of Pieces)		Will Respond* (Percent of Pieces)	
Industry	**1998**	**1999**	**1998**	**1999**	**1998**	**1999**
Financial	41.9	41.1	28.2	25.5	7.2	7.3
Merchants	50.5	51.5	40.5	42.6	16.1	15.4
Services	47.9	46.8	33.2	29.8	10.0	8.2
Non-Federal Government	51.9	49.1	43.3	40.9	20.0	19.5
Social, Charitable, or Political	48.1	52.7	40.1	39.5	13.2	13.5

* of pieces identified by respondents as containing an advertisement or request for funds.

Source: USPS Household Diary Study, 2000.

TREATMENT OF STANDARD MAIL (A) PIECE BY SHAPE

AS PERCENTAGE OF MAIL PIECES RECEIVED BY HOUSEHOLDS

Postcards and catalogs were more likely to be read in 1999 vs. 1998. Detached label cards and newspapers/magazines were less likely to be read.

	Letter-size Envelope		Larger than Letter Envelope		Detached Label Card		Postcard		Catalog Not in an Envelope		Flyers		Newspapers/ Magazines	
	1998	**1999**	**1998**	**1999**	**1998**	**1999**	**1998**	**1999**	**1998**	**1999**	**1998**	**1999**	**1998**	**1999**
Read	39.4	39.5	41.0	39.9	24.2	21.1	37.7	41.2	34.2	37.6	36.7	36.7	34.3	33.3
Read by more than one member of household*	9.4	8.5	9.2	8.3	6.8	6.6	10.9	9.8	12.7	12.6	11.6	10.8	15.8	15.7
Looked at, but not read	20.8	20.9	19.6	20.8	24.5	25.7	21.1	20.5	18.7	18.8	20.0	20.2	15.5	15.4
Discarded	9.9	18.9	18.1	18.1	29.1	24.2	20.3	15.8	13.2	11.7	17.3	15.8	14.0	10.0
Set aside	2.4	2.0	3.5	2.6	1.8	1.6	1.1	1.4	11.3	10.3	3.0	2.9	6.7	6.4
Don't know/no response	8.2	10.1	8.7	10.3	13.7	20.7	9.0	11.4	9.9	9.0	11.4	13.7	13.8	19.1
Total mail rec'd by households	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: USPS Household Diary Study, 2000.

RESPONSE TO STANDARD MAIL (A) ADVERTISING BY EDUCATION OF HEAD OF HOUSEHOLD

POSTAL YEARS 1987, 1998, AND 1999

Consumers with a mid-level education seem more receptive to advertising mail.

	Read Immediately (Percent of Pieces)			Found Useful (Percent of Pieces)			Will Respond* (Percent of Pieces)		
Education of Household Head	**1987**	**1998**	**1999**	**1987**	**1998**	**1999**	**1987**	**1998**	**1999**
8th Grade	43.7	52.0	40.9	35.5	37.8	26.4	14.6	15.7	7.0
Some High School	46.4	45.8	51.8	40.5	33.6	36.7	13.4	11.5	12.2
High School	44.4	51.8	49.9	40.0	37.6	36.8	15.1	13.8	12.0
Some College	41.6	49.4	47.0	41.1	35.6	35.6	15.6	14.1	12.7
Professional or Technical School	41.2	46.9	48.5	40.0	33.3	39.1	15.7	14.3	16.1
College Graduate	37.7	46.0	48.8	40.5	37.4	38.1	13.4	13.4	13.1
Post-Graduate	37.3	39.7	38.9	40.6	35.0	32.2	14.1	12.8	11.5

* Of pieces identified by respondents as containing an advertisement or request for funds.

Source: USPS Household Diary Study, 2000.

RESPONSE TO STANDARD MAIL (A) PIECE BY INCOME

POSTAL YEARS 1987, 1998 AND 1999

In most cases, a greater proportion of those surveyed indicated that they read Standard Mail (A) pieces immediately in 1999 compared to 1998.

READ IMMEDIATELY*

	Percent			Pieces Per Household Per Week		
Income	**1987**	**1998**	**1999**	**1987**	**1998**	**1999**
Less than $7K	43.0	43.9	40.6	1.6	2.3	1.6
$7K-$9.9K	41.0	48.5	47.8	2.1	1.9	2.1
$10K-$14.9K	45.0	56.8	50.0	2.6	3.3	2.6
$15K-$19.9K	45.0	52.8	51.9	2.9	3.4	2.8
$20K-$24.9K	42.5	48.3	57.6	2.8	3.3	3.1
$25K-$29.9K	44.2	52.8	51.0	3.5	3.8	3.2
$30K-$34.9K	41.4	49.5	50.5	3.6	3.6	3.3
$35K-$49.9K	41.4	50.6	49.9	3.9	4.6	4.1
$50K-$64.9K	41.1	49.5	47.3	4.4	4.9	4.6
$65K-$79.9K	40.4	46.4	46.1	6.1	5.4	5.2
$80K-$99.9K	31.4	41.6	47.1	4.4	6.0	5.8
$100K+	34.5	40.7	38.2	5.3	6.8	5.7

FOUND USEFUL

	Percent			Pieces Per Household Per Week		
Income	**1987**	**1998**	**1999**	**1987**	**1998**	**1999**
Less than $7K	36.0	44.0	34.3	1.4	2.3	1.3
$7K-$9.9K	37.1	33.4	35.6	1.9	1.3	1.5
$10K-$14.9K	39.6	30.4	38.4	2.3	1.8	2.0
$15K-$19.9K	41.9	38.4	31.9	2.7	2.5	1.7
$20K-$24.9K	42.8	31.6	39.0	2.8	2.1	2.1
$25K-$29.9K	40.4	35.5	34.9	3.2	2.6	2.2
$30K-$34.9K	40.4	36.8	35.3	3.5	2.7	2.4
$35K-$49.9K	41.9	38.8	37.3	4.0	3.5	3.1
$50K-$64.9K	42.2	37.0	36.4	4.6	3.7	3.6
$65K-$79.9K	40.5	37.2	34.7	6.1	4.3	3.9
$80K-$99.9K	34.7	33.5	36.9	4.9	4.8	4.5
$100K+	32.0	32.7	31.1	4.9	5.5	4.6

WILL RESPOND TO

	Percent			Pieces Per Household Per Week		
Income	**1987**	**1998**	**1999**	**1987**	**1998**	**1999**
Less than $7K	17.5	8.9	14.4	0.5	0.4	0.5
$7K-$9.9K	12.6	15.7	9.0	0.5	0.6	0.3
$10K-$14.9K	17.7	13.4	11.2	0.8	0.7	0.5
$15K-$19.9K	15.3	15.6	12.2	0.8	0.9	0.6
$20K-$24.9K	15.6	13.4	12.8	0.9	0.8	0.6
$25K-$29.9K	14.8	15.8	10.9	1.0	1.0	0.6
$30K-$34.9K	14.8	16.5	12.9	1.1	1.1	0.8
$35K-$49.9K	14.8	14.7	13.7	1.1	1.3	1.0
$50K-$64.9K	14.8	13.8	13.3	1.3	1.3	1.2
$65K-$79.9K	11.1	13.9	11.5	1.4	1.5	1.2
$80K-$99.9K	10.9	11.9	17.1	1.3	1.5	1.9
$100K+	10.1	11.4	9.7	1.3	1.7	1.3

* Of pieces identified by respondents as containing an advertisement or request for funds.

Source: USPS Household Diary Study, 2000.

NUMBER OF MAIL ORDER PURCHASES* WITHIN THE LAST YEAR BY INCOME

POSTAL YEARS 1987, 1998 AND 1999 (PERCENTAGE OF HOUSEHOLDS)

Consumers with higher level incomes purchase more often by mail.

	Under $7K			$7K–$9.9K			$10K–$14.9K			$15K–$19.9K		
Number of Purchases	1987	1998	1999	1987	1998	1999	1987	1998	1999	1987	1998	1999
0	64.7	51.2	56.2	55.7	70.7	70.1	48.4	60.6	67.4	43.0	55.8	63.0
1-2	16.5	19.6	17.7	18.0	13.2	16.1	15.9	20.7	12.4	22.3	11.7	12.0
3-5	11.4	9.4	19.2	18.9	9.9	6.2	20.4	9.5	11.7	21.2	15.7	10.8
6-10	3.3	4.6	4.2	5.1	4.7	3.1	7.4	4.5	6.3	9.4	9.6	5.4
11-15	1.6	3.6	0.0	1.6	0.4	3.5	4.4	2.5	1.0	2.5	3.9	6.3
16-30	1.8	0.0	1.0	0.5	0.2	0.8	1.2	1.2	0.4	0.9	2.1	1.1
31+	0.2	0.0	0.0	0.3	0.0	0.0	0.5	0.5	0.3	0.3	0.3	0.1
Don’t Know/No Answer	0.5	11.5	1.6	0.0	1.0	0.3	1.8	0.4	0.6	0.5	0.8	1.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

	$20K-$24.9K			$25K–$29.9K			$30K–$34.9K			$35K–$49.9K		
Number of Purchases	1987	1998	1999	1987	1998	1999	1987	1998	1999	1987	1998	1999
0	41.8	56.2	55.2	39.0	49.0	53.0	34.4	49.1	47.1	28.7	45.3	45.8
1-2	21.3	16.6	19.3	19.4	18.2	21.5	21.9	17.2	18.3	22.5	18.1	17.3
3-5	20.6	12.5	14.6	21.9	18.0	11.7	19.2	15.5	15.9	25.4	16.4	16.9
6-10	8.0	7.4	4.6	11.6	9.9	6.5	13.8	10.3	11.1	11.7	9.8	10.4
11-15	2.4	1.8	2.7	4.1	2.1	1.9	4.6	3.7	3.9	5.3	6.6	3.7
16-30	2.9	3.2	0.7	3.1	1.8	2.1	3.9	1.1	1.8	3.5	2.2	4.3
31+	0.5	0.8	0.7	0.6	0.0	0.4	0.7	1.0	0.4	0.8	0.8	0.1
Don’t Know/No Answer	2.5	1.5	2.1	0.3	1.0	2.8	1.5	2.1	1.4	1.9	0.9	1.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

	$50K–$64.9K			$65K–Over			Total		
Number of Purchases	1987	1998	1999	1987	1998	1999	1987	1998	1999
0	29.4	39.5	40.5	33.5	30.6	36.6	42.2	48.6	50.2
1-2	19.7	14.6	15.7	11.6	13.7	15.1	19.6	15.7	15.9
3-5	19.6	20.8	18.8	21.3	18.9	16.9	19.5	14.8	14.5
6-10	13.4	14.2	10.5	18.8	17.7	12.1	10.0	10.6	8.7
11-15	8.8	5.8	4.2	7.9	8.1	6.2	3.9	4.5	4.2
16-30	4.8	1.4	3.3	5.0	5.7	6.5	2.5	2.5	3.1
31+	3.3	0.8	1.2	0.3	2.2	2.4	0.7	1.0	0.8
Don’t Know/No Answer	1.1	2.9	5.4	1.5	3.1	4.2	1.4	2.4	2.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

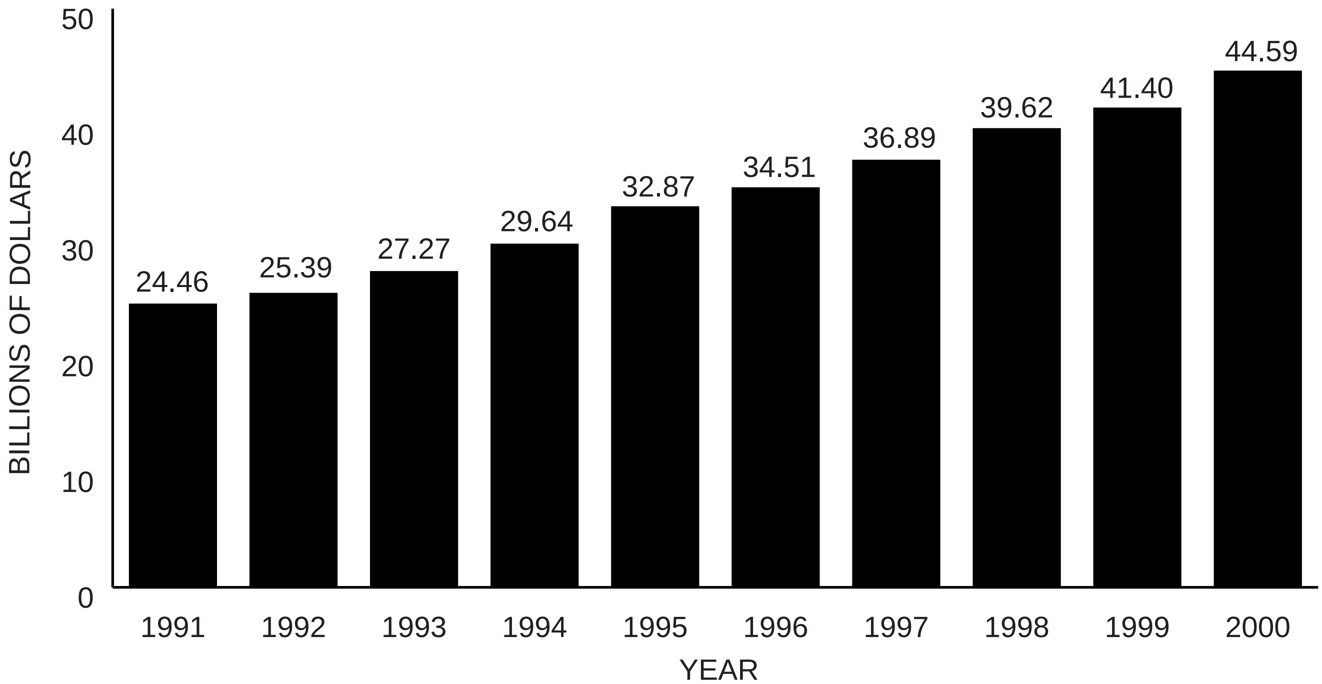
* = From Entry Interview

Source: USPS Household Diary Study, 2001.

ADVERTISING EXPENDITURES ON DIRECT MAIL

1991–2000 (IN BILLIONS OF DOLLARS)

Advertising expenditures on direct mail increased approximately 7.7% from 1999 to 2000.



Source: Robert J. Coen, Universal McCann, 2001.

SHELL ALPERT'S DIRECT MAIL

BALLPARK-BUDGET COSTIMATOR™

The sole purpose of these Costimator Tables is to aid direct marketers in the *initial* stages of planning cost-effective direct mail campaigns. Because of production-cost variables (labor, materials, overhead, workload, markup, etc.), Costimator prices may be as much as 15% to 25% higher or lower than actual supplier quotations. Usually, however, mailers who seek competitive bids from different vendors — and who allow enough turnaround time for economical production — will be able to meet (or likely beat) these Costimator prices.

In some cases, dramatic cost reductions can be achieved by purchasing odd-lot, remnant, or surplus paper stocks (paper often accounts for 40% to 60% of printing costs) — or by scheduling out-of season production runs (hungry suppliers may be more interested in recovering overhead expense than making a profit). Mail marketers are well-advised to obtain quotes not only from vendors, but also from printing brokers and production-oriented agencies. (They frequently know where the real "bargain" deals are hiding and waiting to be exploited.)

Costimator prices *do not include* creative costs (copy, design, photography, etc.) or the expense of out-putting camera-ready art. Likewise, the cost of proofing and special prepress work should also be added.

Source: Shell R. Alpert, CMC, Alpert O'Neil Tigre & Co., 2001.

LITHO LETTERS (NOT PERSONALIZED)

COST PER THOUSAND

					Cost per Thousand			
Finished Size	Item	Leaves/Pages	Stock	Colors/Sides	10M	50M	100M	300M
8-1/2" X 11"	Letter*	1/1	60# Offset	1/1	$48.74	$23.50	$19.88	$15.24
8-1/2" X 11"	Letter*	1/1	24# Rag Bond	1/1	58.69	28.51	24.34	18.69
8-1/2" X 11"	Letter*	1/1	60# Offset	2/1	61.15	24.61	20.78	15.80
8-1/2" X 11"	Letter*	1/1	24# Rag Bond	2/1	75.43	30.37	25.57	19.47
8-1/2" X 11"	Letter*	1/2	60# Offset	1/2	57.84	27.01	23.27	18.20
8-1/2" X 11"	Letter*	1/2	24# Rag Bond	1/2	69.10	33.05	28.38	22.96
8-1/2" X 11"	Letter*	1/2	60# Offset	2/2	98.26	28.87	27.88	19.16
8-1/2" X 11"	Letter*	1/2	24# Rag Bond	2/2	115.92	35.23	30.09	24.19
8-1/2" X 11"**	Letter*	2/4	60# Offset	1/2	94.36	41.97	38.75	33.80
8-1/2" X 11"**	Letter*	2/4	24# Rag Bond	1/2	113.30	47.72	48.35	41.43
8-1/2" X 11"**	Letter*	2/4	60# Offset	2/2	121.12	42.85	39.61	34.37
8-1/2" X 11"**	Letter*	2/4	24# Rag Bond	2/2	142.32	52.22	56.58	48.48

*Folded twice to fit #10 envelope.

**11" x 17" folded once to 8-1/2" x 11"

Source: Shell Alpert, CMC, Alpert O'Neil Tigre & Co., 2001.

LASER LETTERS (WORD PROCESSED)

COST PER THOUSAND

Sheetfed					Cost per Thousand	
Finished Size	Item	Leaves/Pages	Stock	Colors/Sides	50M	100M
8-1/2" X 11"	Letter	1/1	60# Offset	1/1	$80.28	$77.72
8-1/2" X 11"	Letter	1/1	24# Rag Bond	1/1	97.93	95.09
8-1/2" X 11"	Letter	1/1	60# Offset	2/1	81.69	79.35
8-1/2" x 11"*	Letter	1/1	24# Rag Bond	2/1	100.14	96.75
8-1/2" X 11"*	Letter	2/2	60# Offset	1/2	141.68	137.74
8-1/2" X 11"*	Letter	2/2	24# Rag Bond	1/2	168.96	166.04
8-1/2" X 11"*	Letter	2/2	60# Offset	2/2	141.86	138.86
8-1/2" X 11"	Letter	2/2	24# Rag Bond	2/2	180.00	173.22
Tractor Fed‡ Finished Size						
8-1/2" X 11"*	Letter	1/1	60# Offset	1/1	$60.44	$50.03
8-1/2" X 11"*	Letter	1/1	24# Rag Bond	1/1	78.06	72.96
8-1/2" X 11"*	Letter	1/1	60# Offset	2/1	64.77	53.91
8-1/2" X 11"*	Letter	1/1	24# Rag Bond	2/1	82.50	74.63
8-1/2" X 11"*	Letter	1/2	60# Offset	1/2	63.61	54.77
8-1/2" X 11"*	Letter	1/2	24# Rag Bond	1/2	87.48	78.37
8-1/2" X 11"*	Letter	1/2	60# Offset	2/2	76.00	60.36
8-1/2" X 11"*	Letter	1/2	24# Rag Bond	2/2	88.27	83.78

† Sheetfed laser process, very clean and sharp, close to word-processing quality.

* Folded to fit #10 envelope.

‡ Usually somewhat less definition than sheetfed process; requires continuous forms.

Prices for all laser letters include litho-printed letterheads/signatures in 1 or 2 colors. Possible charges for data conversion, reformatting tapes/discs, special programming, embedded variables, etc., are not included.

Source: Shell Alpert, CMC, Alpert O'Neil Tigre & Co., 2001.

OUTER (OR CARRIER) ENVELOPES

STOCK 24# WHITE WOVE

No.	Size	Style	Color	Window	Cost per Thousand 10M	50M	100M
6-3/4	3-5/8" x 6-1/2"	Diagonal Seam	1	none	$34.53	$18.54	$17.13
6-3/4	3-5/8" x 6-1/2"	Diagonal Seam	1	cello	42.26	23.50	21.17
6-3/4	3-5/8" x 6-1/2"	Diagonal Seam	1	open	40.64	21.80	19.43
6-3/4	3-5/8" x 6-1/2"	Diagonal Seam	2	cello	45.44	24.24	21.81
6-3/4	3-5/8" x 6-1/2"	Diagonal Seam	2	open	43.99	22.56	20.17
6-3/4	3-5/8" x 6-1/2"	Diagonal Seam	2	none	37.38	19.17	18.00
9	3-7/8" x 8-7/8"	Diagonal Seam	1	none	35.12	19.77	18.40
9	3-7/8" x 8-7/8"	Diagonal Seam	1	cello	43.08	24.89	23.52
9	3-7/8" x 8-7/8"	Diagonal Seam	1	open	41.31	23.27	21.64
9	3-7/8" x 8-7/8"	Diagonal Seam	2	cello	46.13	23.58	24.11
9	3-7/8" x 8-7/8"	Diagonal Seam	2	open	44.46	23.80	22.28
9	3-7/8" x 8-7/8"	Diagonal Seam	2	none	37.78	20.18	18.93
10	4-1/8" x 9-1/2"	Diagonal Seam	1	none	38.58	20.21	19.24
10	4-1/8" x 9-1/2"	Diagonal Seam	1	cello	46.82	25.63	24.32
10	4-1/8" x 9-1/2"	Diagonal Seam	1	open	45.39	23.76	22.64
10	4-1/8" x 9-1/2"	Diagonal Seam	2	cello	50.34	26.32	24.97
10	4-1/8" x 9-1/2"	Diagonal Seam	2	open	48.38	24.53	23.09
10	4-1/8" x 9-1/2"	Diagonal Seam	2	none	41.22	20.76	19.63
—	6" x 9"	Booklet, open side	1	none	83.90	60.61	59.58
—	6" x 9"	Booklet, open side	1	cello	100.55	73.19	72.00
—	6" x 9"	Booklet, open side	1	open	98.70	71.31	70.09
—	6" x 9"	Booklet, open side	2	cello	104.10	74.16	72.82
—	6" x 9"	Booklet, open side	2	open	102.33	72.32	70.71
—	6" x 9"	Booklet, open side	2	none	89.96	61.46	60.09

Note: Closed-face (no window) envelopes are often available from stock.

Source: Shell Alpert, CMC, Alpert O'Neil Tigre & Co., 2001.

REPLY ENVELOPES

STYLE = DIAGONAL SEAM
STOCK = 24# WHITE WOVE

				Cost Per Thousand		
No.	Size	Item	Color	10M	50M	100M
6-3/4	3-5/8" x 6-1/2"	BRE	1	$39.27	$21.20	$18.56
6-3/4	3-5/8" x 6-1/2"	BRE	2	42.48	21.63	19.17
7-3/4	3-7/8" x 8-7/8"	BRE	1	40.15	21.44	18.97
7-3/4	3-7/8" x 8-7/8"	BRE	2	43.20	22.08	19.52
10	4-1/8" x 9-1/2"	BRE	1	43.80	23.05	21.71
10	4-1/8" x 9-1/2"	BRE	2	47.06	23.72	22.34

Source: Shell Alpert, CMC, Alpert O'Neil Tigre & Co., 2001.

REPLY CARDS/ORDER FORMS

				Cost Per Thousand		
Finished Size	Item	Stock	Colors/Sides	10M	50M	100M
5-1 /2" x 3-1/2"	BRC	7 pt. Hi-Bulk	1/2	$33.70	$15.81	$14.12
5-1/2" x 3-1/2"	BRC	7 pt. Hi-Bulk	2/2	51.56	20.91	19.17
8-1/2" x 5-1/2"	BRC	7 pt. Hi-Bulk	1/2	53.06	27.07	23.97
8-1/2" x 5-1/2"	BRC	7 pt. Hi-Bulk	2/2	69.50	34.37	31.53
5-1/2" x 3-1/2"	Order Form	60# Offset	1/2	31.34	14.60	12.75
5-1/2" x 3-1/2"	Order Form	60# Offset	2/2	48.80	19.42	16.95
8-1/2" x 5-1/2"	Order Form	60# Offset	1/2	50.24	25.16	21.90
8-1/2" x 5-1/2"	Order Form	60# Offset	2/2	84.39	32.03	28.70

Source: Shell Alpert, CMC, Alpert O'Neil Tigre & Co., 2001.

SELF-MAILING FORMATS

					Cost Per Thousand		
Finished Size	Item	Leaves/Panels	Stock	Colors/Sides	10M	50M	100M
3-1/2" x 6"	Double Card	2/4	65# Cover	1/2	$73.26	$29.94	$26.39
3-1/2" x 6"	Double Card	2/4	65# Cover	2/2	92.82	32.92	28.14
3-2/3" x 8-1/2"*	Self-Mailer	3/6	65# Cover	1/2	83.18	40.86	33.89
3-2/3" x 8-1/2"*	Self-Mailer	3/6	65# Cover	2/2	139.77	43.56	35.97
5-1/2" x 8-1/2"†	Self-Mailer	2/4	65# Cover	1/2	83.18	40.86	33.89
5-1/2" x 8-1/2"†	Self-Mailer	2/4	65# Cover	2/2	139.77	43.56	35.97
8-1/2" x 11"‡	Self-Mailer	2/4	65# Cover	1/2	125.58	57.40	57.17
8-1/2" x 11"‡	Self-Mailer	2/4	65# Cover	2/2	170.91	65.63	59.17
8-1/2" x 11"‡	Self-Mailer	2/4	65# Cover	4/2	257.04	85.77	75.70

* 8-1/2" x 11" folded twice.
† 8-1/2" x 11" folded once.
‡ 11" x 17" folded once.

Source: Shell Alpert, CMC, Alpert O'Neil Tigre & Co., 2001.

BROCHURES, FOLDERS, ETC.

Finished Size	Item	Leaves/Panels	Stock	Colors/Sides	Cost per Thousand 10M	50M	100M	300M
3-1/2" x 6"	Folder	2/4	60# Coated	1/2	$53.44	$41.90	$36.59	--
3-1/2" x 6"	Folder	2/4	60# Coated	2/2	93.90	52.57	42.75	--
5-1/2" x 8-1/2"	Brochure	2/4	60# Offset	1/2	56.39	28.84	24.45	--
5-1/2" x 8-1/2"	Brochure	2/4	60# Offset	2/2	96.13	30.27	25.68	--
5-1/2" x 8-1/2"	Brochure	2/4	60# Offset	4/2	139.80	52.41	36.36	--
8-1/2" x 11"	Brochure	2/4	60# Offset	1/2	92.61	42.43	38.79	36.43
8-1/2" x 11"	Brochure	2/4	60# Offset	2/2	116.95	43.12	40.93	37.01
8-1/2" x 11"	Brochure	2/4	60# Offset	4/2	142.75	56.49	57.26	42.63
8-1/2" x 11"	Broadside	*0/8	60# Coated	2/2	217.31	131.80	118.15	101.04
8-1/2" x 11"	Broadside	*0/8	60# Coated	4/2	313.93	160.58	131.43	105.65
8-1/2" x 11"	Broadside	*0/8	80# Coated	2/2	241.50	149.32	131.20	113.32
8-1/2" x 11"	Broadside	*0/8	80# Coated	4/2	337.91	180.10	146.33	117.44

* 22" x 17" folded twice to form 8-1/2" x 11" panels; same as 8-page booklet, but not trimmed & stitched.

Source: Shell Alpert, CMC, Alpert O'Neil Tigre & Co., 2001.

BIND-IN REPLY FORMATS
(2 PAGES & ENVELOPE)

Flat Size	Finished Size	Item	Stock	Cost per Thousand 10M	50M	100M
8-1/2" x 13"	8-1/2" x 6-1/2"	Bind-in Env./Ord. Form	50# Offset	$73.34	$30.47	$23.27
8-1/2" x 17"	8-1/2" x 8-1/2"	Bind-in Env./Ord. Form	50# Offset	75.71	54.93	40.41

Note: Press-finished bind-ins (such as above) are available in numerous sizes and styles, with one or two made-up envelopes and two-page or multi-page order forms and promo panels; can be printed and bound, in line, with booklets or catalogs on web presses, or stitched-in during separate bindery operation.

Source: Shell Alpert, CMC, Alpert O'Neil Tigre & Co., 2001.

LETTERSHOP OPERATIONS

	Cost per Thousand 20–25M	More than 25M
Inserted in #10 Envelopes*		
One Item	$30.92	$26.15
Two Items	30.92	26.15
Three Items	30.92	26.15
Four Items	35.66	29.13
Five Items	35.68	29.13
Six Items	35.68	29.13
Inserted in 6" X 9" Envelopes*		
One Item	33.30	30.33
Two Items	33.30	30.33
Three Items	33.30	30.33
Four Items	42.80	34.48
Five Items	42.80	34.48
Six Items	42.80	34.48
Postal Metering @ $2/M		
Machine Stamp Affixing @ $5/M		

* Includes insertion of prefolded elements, labeling, sealing, tieing, bagging, and mailing via regular third-class bulk rate.

Source: Shell Alpert, CMC, Alpert O'Neil Tigre & Co., 2001.

MISCELLANEOUS DIRECT MAIL ITEMS

COST RANGES

Direct Mail Items	Cost Range
Keypunching Names/Addresses (from hard copy) to Produce Computer Mailing List	$120/M–$160/M
Above with Verification	$200/M–$290/M
Type-and-Scan Names/Addresses to Produce Computer Mailing List	$ 42/M–$ 79/M
Print and Affix Peel-Off Cards, Thin Gauge	$ 55/M-–$l00/M
Emboss Type or Logo, Blind	$ 10/M–$ 22/M
Emboss Type or Logo, Foil	$ 15/M–$ 32/M
Embossing Dies, Small	$ 210–$475 ea.
Special Envelope Window Dies	$ 235–$500 ea.
Special "Lined" Cheshire Labels	$ 5.3/M–$7.5/M
Piggyback (Peel-Off Labels)	$ 6.3/M–$8.5/M
Serial Numbering	$ .75/M-–$1.0/M

Source: Shell Alpert, CMC, Alpert O'Neil Tigre & Co., 2001.

DIRECT MAIL—SAMPLE WORKING BUDGET

Great North American Widget Corporation, Consumer Solo-Mailing Campaign Two-for-One Widget Offer
(Approx. Net Quantity, 100,000 [100M]; Scheduled Drop Date, 7/28/00)
Working Budget* Prepared by Frank N. Stine, Mar. 15, 2000

A. CREATIVE		
1. Preliminary copy/headlines/layout/dummies	$ 750	
2. Copy, including revises	6,000	
3. Computer Layouts (headlines & text in place; illustrations)	3,000	
4. Contingency	500	
Total	$ 10,250	(9.02%)
B. ART & PREPARATION		
1. Photography	$ 1,800	
2. Model Fees	1,000	
3. Photo Direction	750	
4. Line Illustrations (each)	400	
5. Color Separations (not always required)	700	
6. Prepress	3,500	
7. Contingency	2,000	
Total	$ 10,150	(8.93%)
C. PRINTING PRODUCTION		
1. 4-pg. litho let., 8-1/2" x 11" 2 colors (105M @ $40.00/M)	$ 4,200	
2. 16-pg. booklet, 5-1/2" x 8-1/2" 2 colors (105M @ $125.57/M)	13,185	
3. Reply card, 3-1/2" x 5-1/2" 2 colors (105M @ $10.71/M)	1,125	
4. BRE, #7-3/4" one color (105M @ $19.38/M)	2,035	
5. Outer envelope, 6" x 9" 2 color, cello window (105M @ $69.10/M)	7,255	
6. Contingency	1,530	
Total	$29,330	(25.82%)
D. MAILING LISTS		
1. Mail order respondents (tape) 70M @ $102.50/M	$ 7,175	
2. Active magazine subs (tape) 45M @ $66.56/M	2,995	
3. Contingency	1,200	
Total	$11,370	(10.01%)
E. COMPUTER PROCESSING		
1. Reformatting, data conversion, etc .	$ 480	
2. Merge/Purge (115M @ $11.52/M)	1,325	
3. Code and run 4-up labels (100M @ $4.45/M)	445	
4. Reports & directory printout	225	
5. Contingency	580	
Total	$ 3,055	(2.69%)
F. LETTERSHOP PRODUCTION		
1. Insert, label, sort, mail, etc. (100M @ $36.95)	$ 3,695	
2. Affix bulk-rate stamps (100M @ $6.30/M)	630	
3. Audit & pull samples (100M @ $2.25/M)	225	
4. Contingency	395	
Total	$ 4,945	(4.35%)
G. ALLOCATED FEES		
1. Ad Agency	$ 8,250	
2. Consultant	3,200	
3. Contingency	1,050	
Total	$ 12,500	(11.00%)
H. POSTAGE		
1 . Automation (Presorted & Barcoded)/Basic @ 285/M	$32,000	(28.17%)
Budgeted Grand Total	**$113,600**	**(100.00%)**

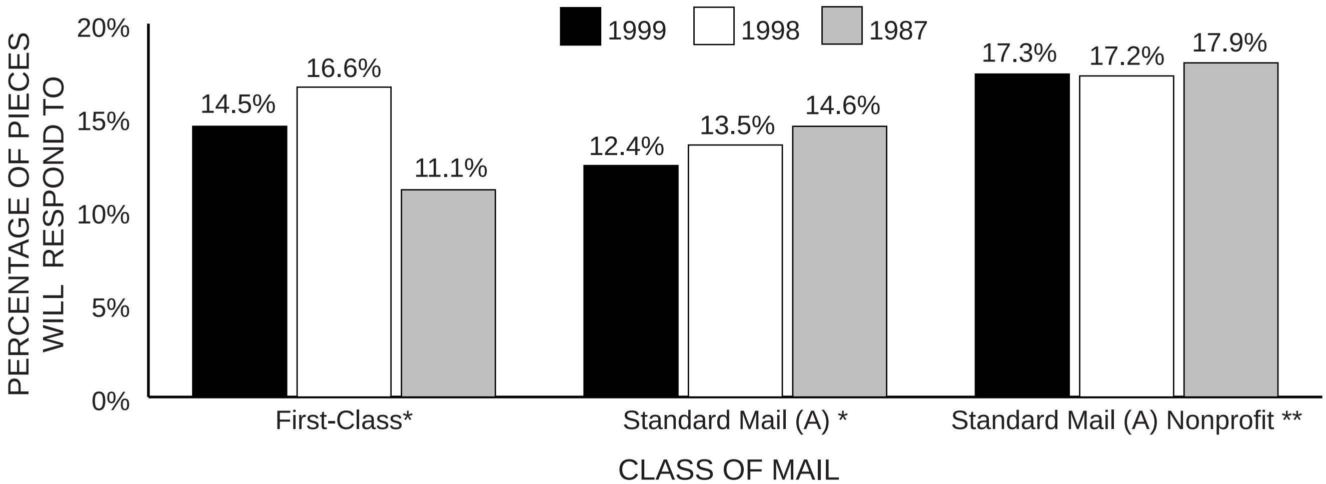
*Rounded to the nearest $50

Source: Shell Alpert, CMC, Alpert O'Neil Tigre & Co., 2001.

ADVERTISING GENERATING RESPONSE

BY MAIL CLASS, POSTAL YEARS 1987, 1998, AND 1999

Standard Mail (A) nonprofit mail pulls a better response than first-class.



*Includes both advertising only and advertising stuffer enclosed mail.

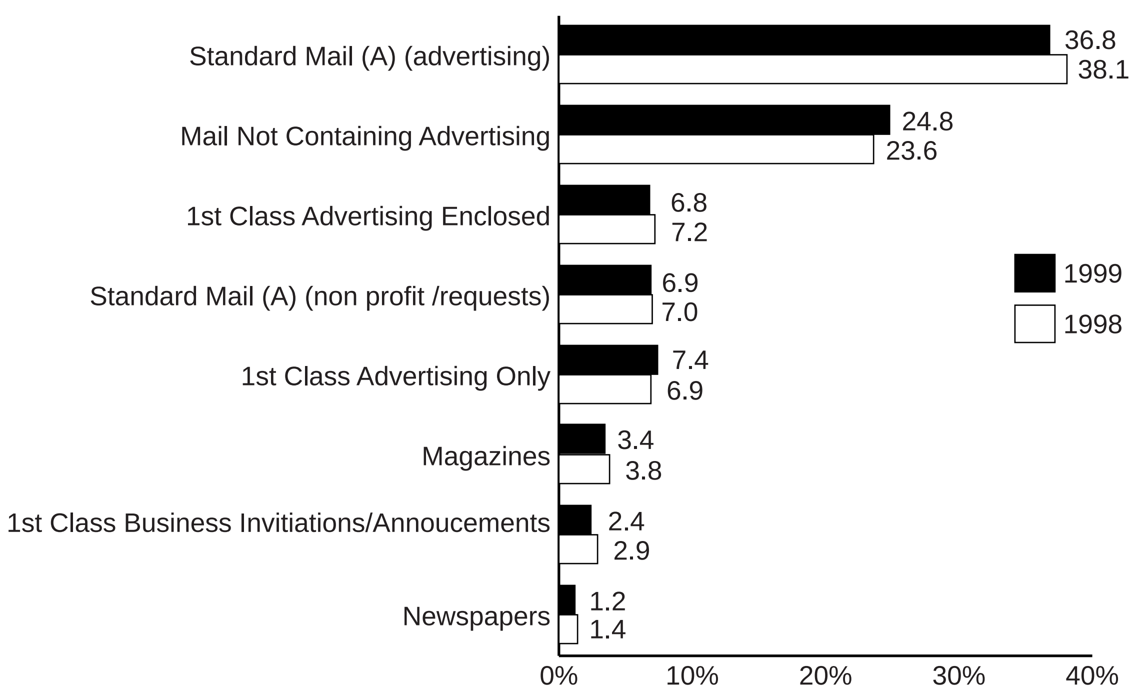
**Standard Mail (A) and nonprofit Standard Mail (A) include requests for donations.

Source: USPS Household Diary Study, 2000.

MAIL CONTAINING ADVERTISING RECEIVED BY HOUSEHOLDS

PERCENT OF TOTAL MAIL RECEIVED, POSTAL YEARS 1999 AND 1998

Of mail received by households containing advertising, Standard Mail (A) comprises the greatest share.

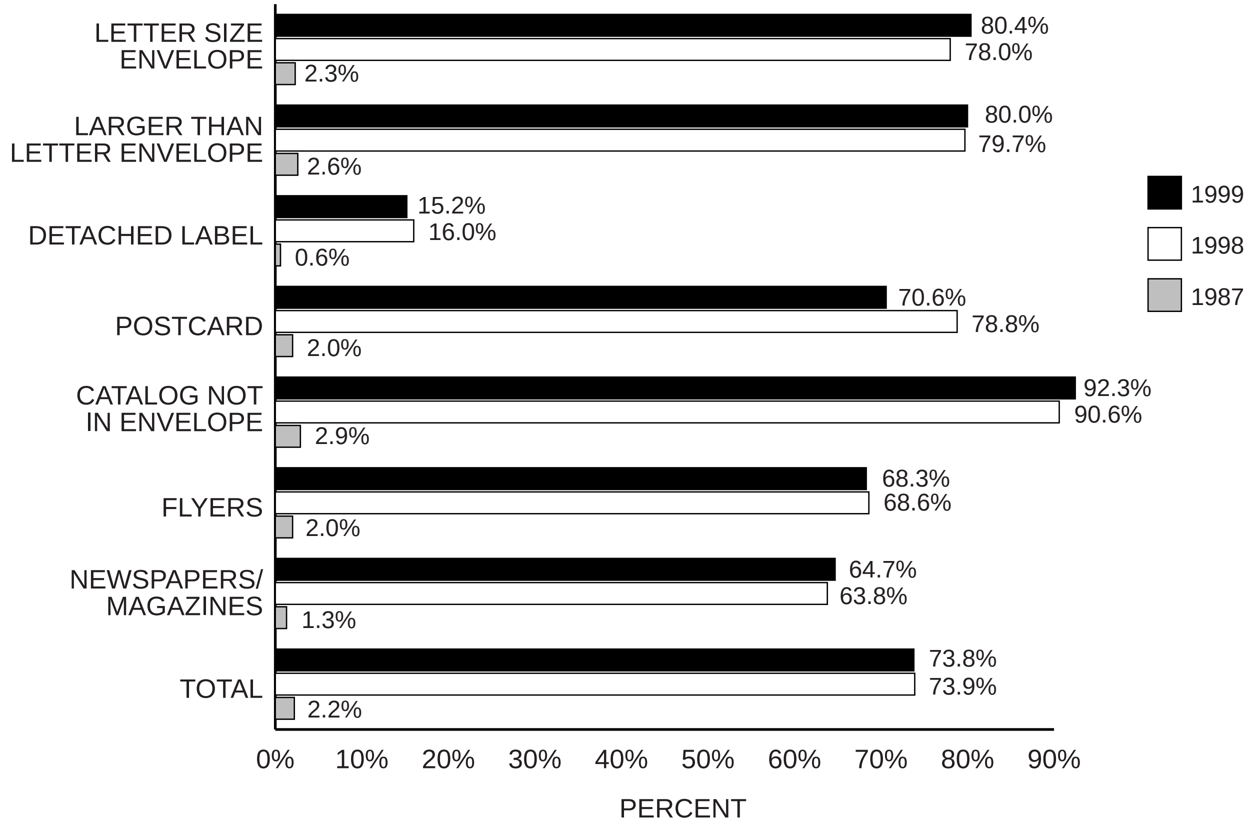


Source: USPS Household Diary Study, 2000.

USAGE OF ZIP+4 ON STANDARD MAIL (A) BY SHAPE OF MAIL PIECE

POSTAL YEARS 1987, 1998, AND 1999 (PERCENTAGE OF MAIL RECEIVED BY HOUSEHOLDS)

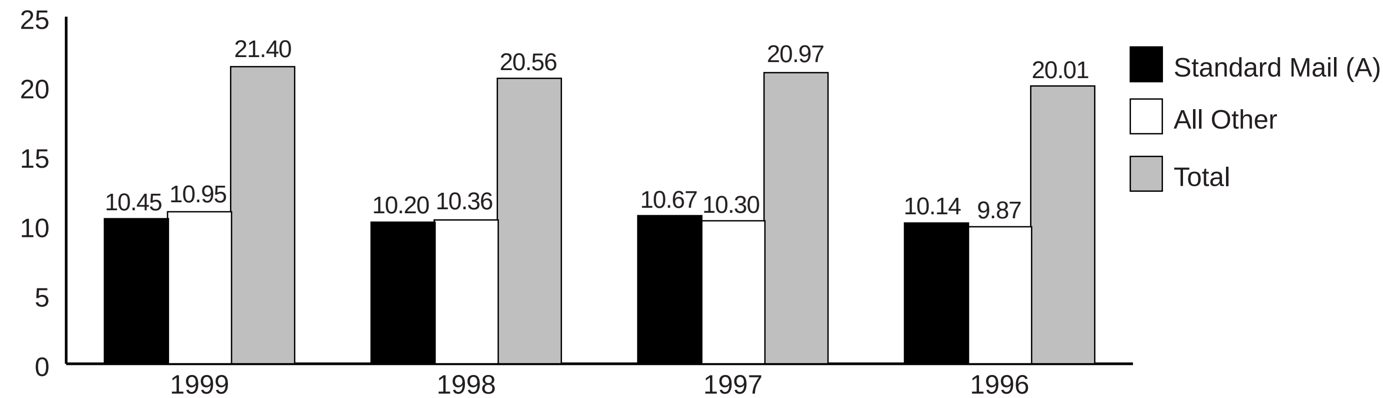
Usage of ZIP+4 has increased dramatically since 1987.



Source: USPS Household Diary Study, 2000.

AVERAGE NUMBER OF MAIL PIECES RECEIVED PER WEEK

The average number of mail pieces the average consumer receives each week decreased by 1.39 pieces from 1996 to 1999.



Source: USPS Household Diary Study, 2000.

STANDARD MAIL (A) BY SHAPE

POSTAL YEARS 1987, 1998, AND 1999

Letter-size envelopes are the most common form of Standard Mail (A), followed by flyers/circulars.

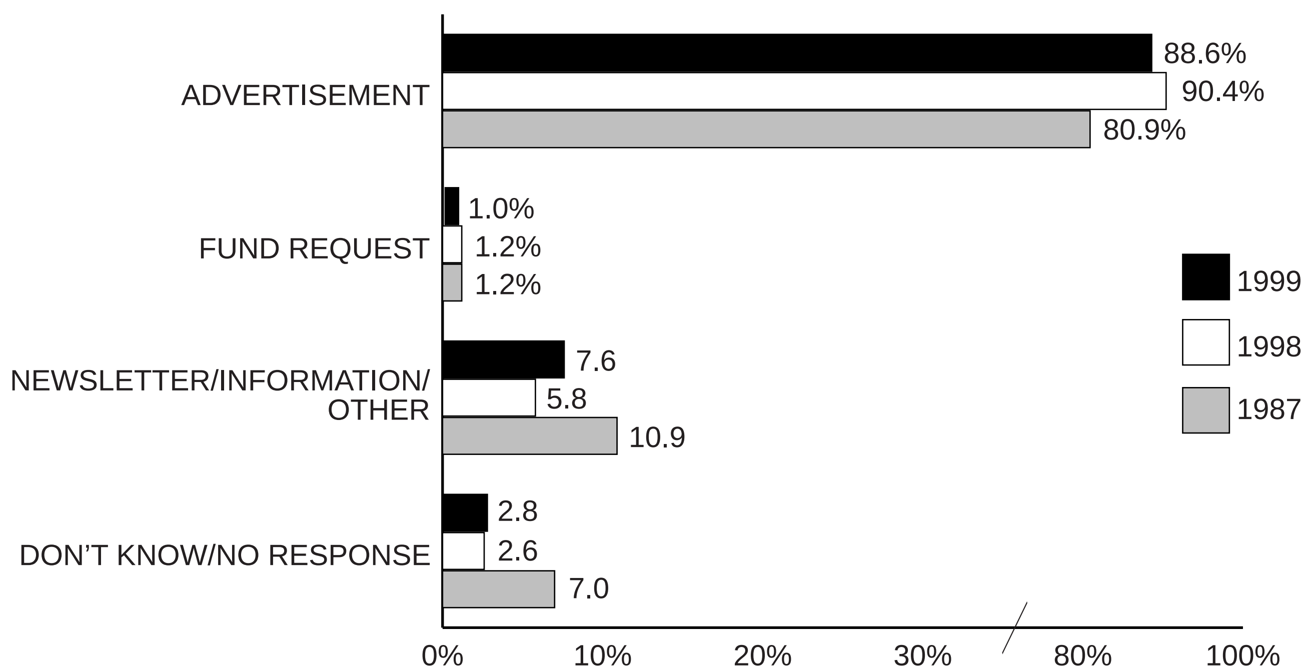
	PIECES PER HOUSEHOLD PER WEEK		
SHAPE	**1987**	**1998**	**1999**
Letter Size Envelope	1.83	2.20	1.91
Larger Envelope	1.26	1.44	1.43
TOTAL ENVELOPE	**3.09**	**3.65**	**3.34**
Detached Label Card	0.61	0.60	0.58
Postcard	0.20	0.42	0.41
Catalog (Not in Envelope)	1.50	1.69	1.53
Flyers/Circulars	2.12	1.92	1.87
Magazines/Newsletters	0.18	0.44	0.45
Other/Don't Know/No Answer	0.10	0.14	0.15
TOTAL PIECES RECEIVED PER HOUSEHOLD	**7.78**	**8.85**	**8.31**

Source: USPS Household Diary Study, 2000.

STANDARD MAIL (A) CONTENT OF MAIL PIECE

(PERCENTAGE OF STANDARD MAIL (A) RECEIVED BY HOUSEHOLDS)
POSTAL YEARS 1987, 1998 AND 1999

The greatest proportion of Standard Mail (A) received contained an advertisement (88.6%), increasing 7.7% from 1987.



Source: USPS Household Diary Study, 2000.

TOTAL DOMESTIC MAIL ORIGINATING IN HOUSEHOLDS AND NONHOUSEHOLDS

POSTAL YEARS 1987, 1998, AND 1999

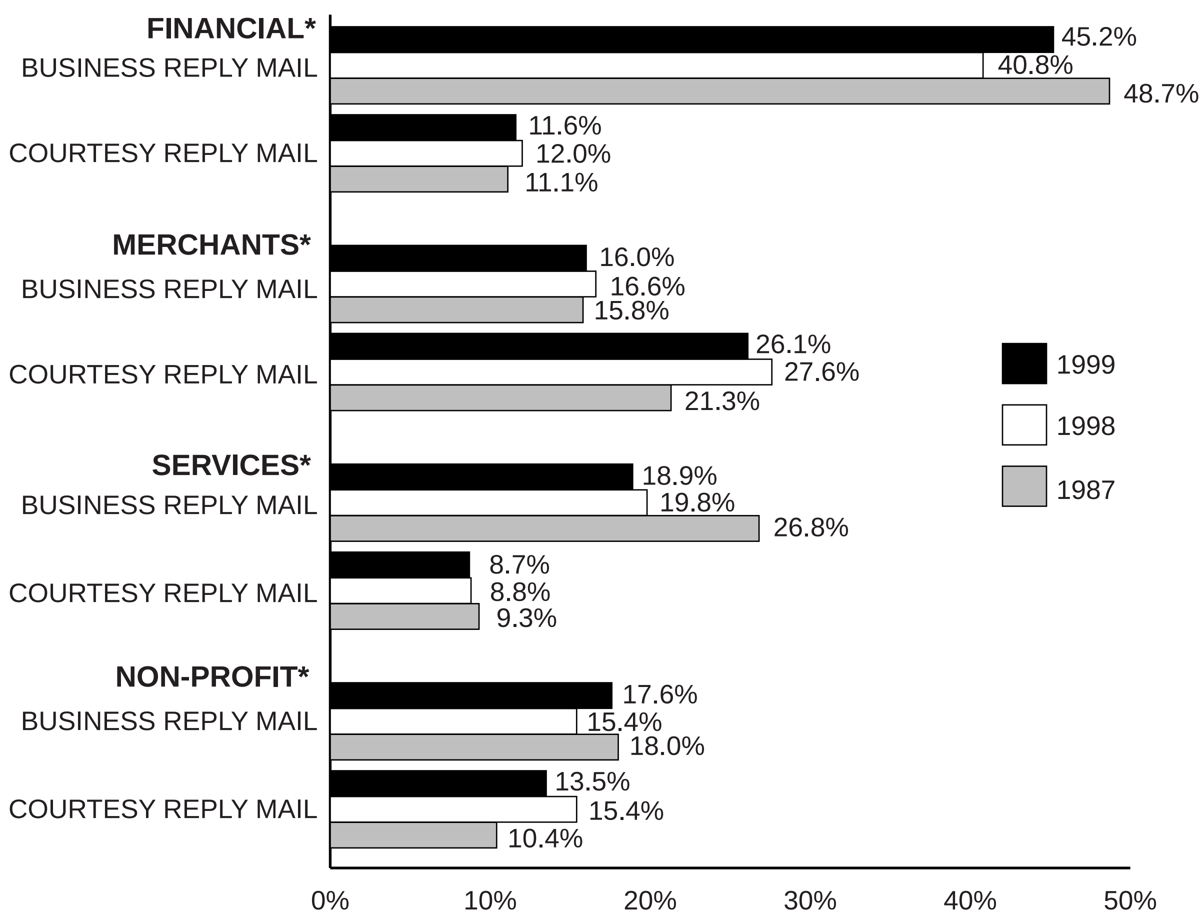
Mail sent by nonhousehold to household comprised the greatest proportion of domestic mail.

	Percentage Of Total Domestic Mail			Pieces Per Household Per Week		
	1987	**1998**	**1999**	**1987**	**1998**	**1999**
Household to Household	4.8	3.1	2.9	1.6	1.1	1.1
Household to Nonhousehold	6.4	4.5	4.0	2.1	1.7	1.5
Nonhousehold to Household	55.5	52.8	50.0	18.5	19.4	18.6
Federal Government to Household	1.1	0.6	0.5	0.4	0.2	0.2
Unknown Incoming	0.3	0.4	0.4	0.1	0.2	0.2
Unknown Outgoing	1.0	0.0	0.0	0.3	0.0	0.0
Total Household Mail	**69.1**	**61.5**	**57.9**	**23.0**	**22.6**	**21.5**
Nonhousehold to Nonhousehold	30.9	38.5	42.1	–	–	–
Total	**100.0**	**100.0**	**100.0**	–	–	–

Source: USPS Household Diary Study, 2000.

STANDARD MAIL (A) USERS OF BUSINESS REPLY MAIL (BRM) BY INDUSTRY

The use of business reply envelopes is especially prevalent within the financial segment.



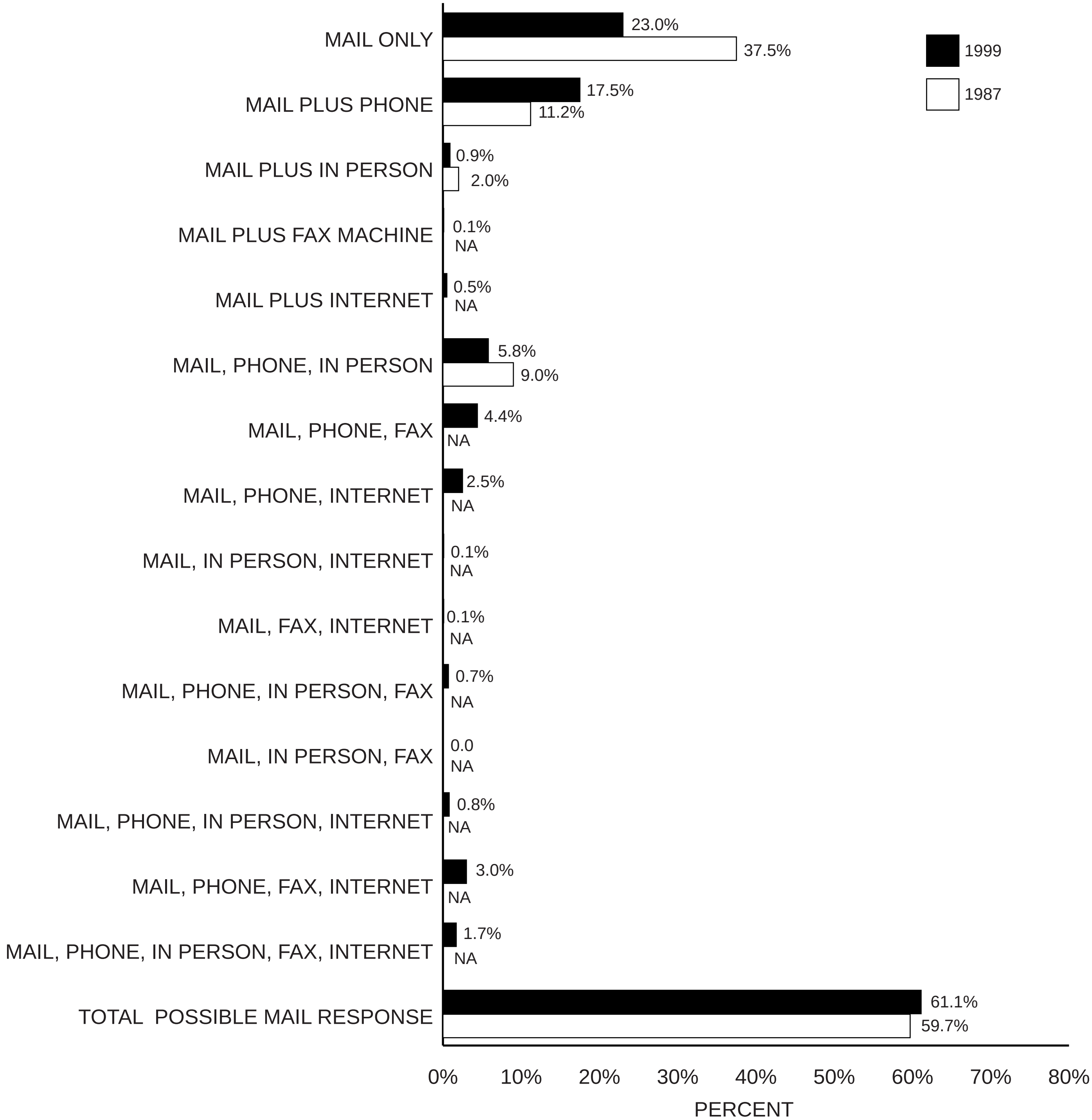
* Financial includes credit cards, banks, securities, money markets, etc. Merchants includes supermarkets, department stores, publishers, mail order firms, etc. Services includes telephone, other utilities, medical and other professions, cable TV, etc. Non-profit includes social, charitable and political solicitations.

Source: USPS Household Diary Study, 2000.

AVAILABLE RESPONSE MEDIA FOR STANDARD MAIL (A) OFFERS

POSTAL YEARS 1987 AND 1999 (PERCENTAGE OF PIECES)

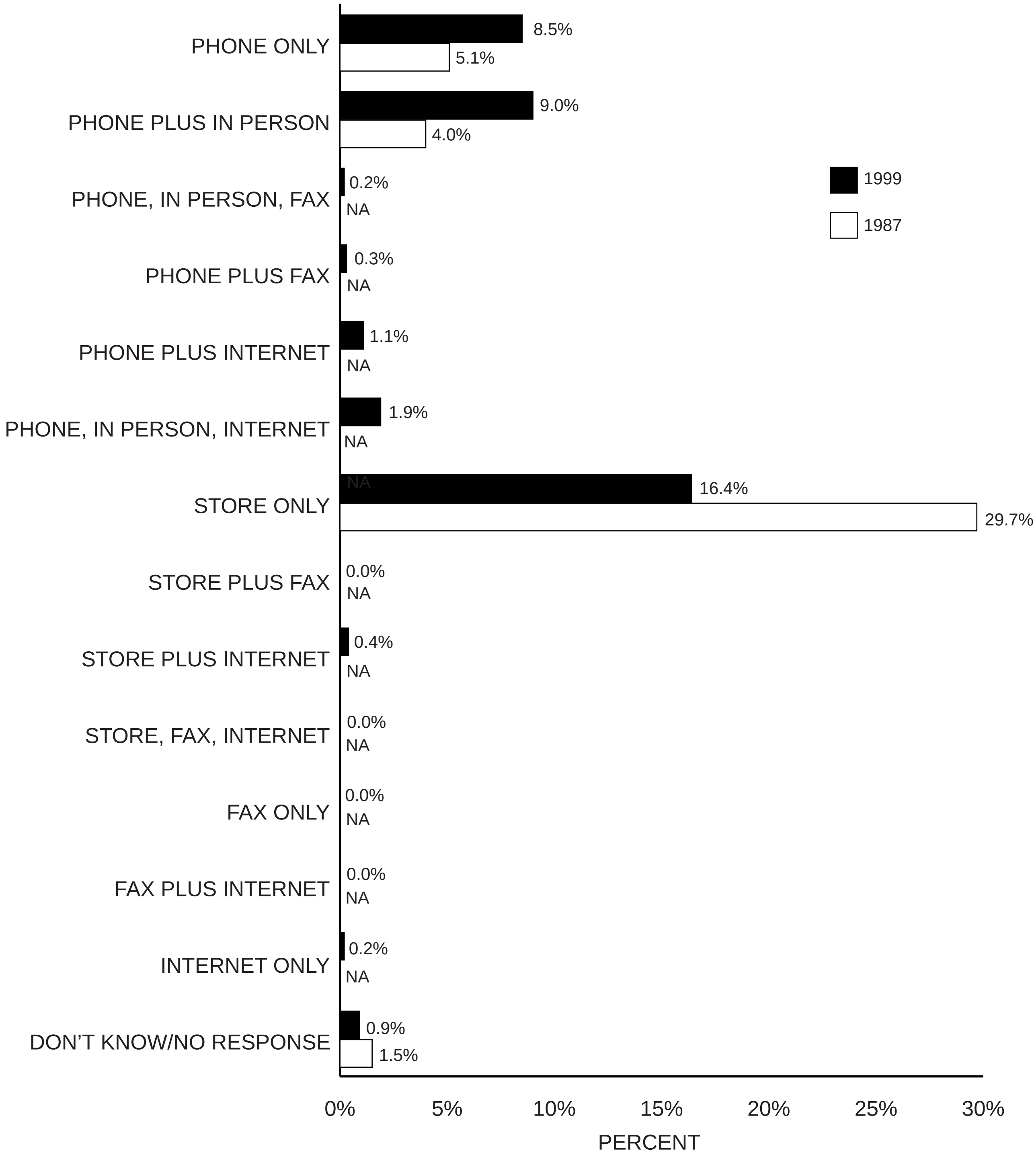
Mail is used as a response device in the majority of offers.



(CONTINUED)

AVAILABLE RESPONSE MEDIA FOR STANDARD MAIL (A) OFFERS

(CONTINUED FROM PAGE 57)



Source: USPS Household Diary Study, 2000.

RESPONSE TO STANDARD MAIL (A) PIECE BY AGE OF HEAD OF HOUSEHOLD

POSTAL YEARS 1999, 1998, AND 1987

Older respondents (aged 65 and above) and young people (aged 22-24) seemed to be more responsive to their Standard Mail (A) in 1999 vs. 1987.

	Read Immediately			Set Aside			Found Useful		
Age of Head	**1987**	**1998**	**1999**	**1987**	**1998**	**1999**	**1987**	**1998**	**1999**
18-21†	46.9%	43.5%	32.4%	10.3%	1.2%	5.1%	53.5%	23.3%	23.0%
22-24	35.6	54.1	53.1	6.9	1.7	4.6	35.7	38.5	42.8
25-34	40.4	48.4	47.5	8.4	3.7	3.8	42.7	37.6	37.5
35-44	39.9	45.3	46.9	7.8	5.8	4.0	40.8	35.9	35.1
45-54	39.6	45.1	46.1	7.8	5.6	4.9	38.8	36.1	37.0
55-64	45.0	47.4	47.1	9.2	4.9	3.3	41.2	36.4	35.1
65-69	42.5	50.6	51.4	7.4	3.5	3.1	38.1	38.2	37.9
70+	43.8	51.8	46.8	7.3	2.2	5.4	37.6	35.1	34.1

Source: USPS Household Diary Study, 2000.

USAGE OF ZIP CODE ON STANDARD MAIL (A) BY SHAPE OF MAIL PIECE

POSTAL YEARS 1998 AND 1997 (PERCENTAGE OF MAIL RECEIVED BY HOUSEHOLDS)

The usage of ZIP+4 continues to rise across all mail piece types.

	Letter-Size Envelope		Larger than Letter Envelope		Detached Label Card		Postcard		Catalog Not in Envelope		Flyers		Newspapers/ Magazines		Total	
	1998	**1999**	**1998**	**1999**	**1998**	**1999**	**1998**	**1999**	**1998**	**1999**	**1998**	**1999**	**1998**	**1999**	**1998**	**1999**
5 Digits	18.5	15.5	16.9	17.2	80.8	79.9	20.0	27.0	8.8	7.0	26.3	26.6	23.6	20.9	22.5	22.0
ZIP+4	78.0	80.4	79.7	80.0	16.0	15.2	78.8	70.6	90.6	92.3	68.6	68.3	63.8	64.7	73.9	73.8
ZIP Not Included	0.4	0.5	0.2	0.2	3.0	4.8	1.1	2.3	0.4	0.5	4.9	4.9	12.2	13.9	2.1	2.5
Don't Know/No Response	3.1	3.5	3.3	2.6	0.2	0.1	0.1	0.1	0.2	0.3	0.2	0.2	0.3	0.5	1.5	1.6
Total Mail Received by Households	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: USPS Household Diary Study, 2000.

STANDARD MAIL (A) INTENDED RESPONSE MEDIA TO PIECES FROM THE MAIL ORDER INDUSTRY

POSTAL YEARS 1987, 1998, AND 1999 (PERCENTAGE OF PIECES)

The use of the telephone as a response medium continues to grow, leaping from 13.3% in 1987 to 36.2 in 1999.

Industry	**1987**	**1998**	**1999**
Mail	82.4	58.4	52.1
Phone	13.3	33.5	36.2
In Person	2.9	2.6	2.5
Other	0.2	0.9	1.5
Don't Know/No Answer	1.2	4.6	7.7
TOTAL	**100.0**	**100.0**	**100.0**

Source: USPS Household Diary Study, 2000.

STANDARD MAIL (A) ADDRESSEE BY INDUSTRY - MERCHANTS

POSTAL YEARS 1987, 1998, AND 1999

(PERCENTAGE OF PIECES ADDRESSED TO HOUSEHOLD MEMBERS OR OCCUPANT/RESIDENT)

Restaurants are least likely to address mail to specific household members, followed by supermarkets.

	Percentage of Pieces Addressed to Specific Household Members			Percentage of Pieces Addressed to Occupant/Resident		
	1987	1998	1999	1987	1998	1999
Merchants						
Supermarkets	11.1%	33.3%	26.6%	87.7%	66.1%	73.3%
Department Store	68.3	74.7	73.3	30.9	24.8	26.0
Mail Order Company	95.8	95.9	96.5	3.3	3.2	2.7
Specialty Store	56.4	68.3	62.8	43.0	31.3	36.6
Publisher	72.0	80.8	75.8	25.8	17.0	22.2
Land Promotion Company *	92.0	94.5	96.4	8.0	5.5	3.6
Restaurant	21.3	24.4	23.1	77.6	75.6	74.5
Consumer Packaged Goods	86.1	91.5	92.3	13.5	7.2	6.9
Auto Dealers	88.7	92.2	94.9	8.6	7.8	4.2
Service Stations *	56.4	96.3	87.5	43.6	12.6	12.5
Mall *	19.3	62.0	34.4	80.7	38.0	65.6
Other Merchants	19.4	87.4	78.1	83.3	12.6	21.9
Total Merchants	**72.1**	**82.7**	**80.4**	**26.7**	**16.3**	**18.6**

*Fluctuations may be due to small sample size.

Source: USPS Household Diary Study, 2000.

STANDARD MAIL (A) ADDRESSEE BY INDUSTRY - FINANCIAL

POSTAL YEARS 1987, 1998, AND 1999

(PERCENTAGE OF PIECES ADDRESSED TO HOUSEHOLD MEMBERS OR OCCUPANT/RESIDENT)

The financial industry apparently values the concept of addressing mail to specific household members.

	Percentage of Pieces Addressed to Specific Household Members			Percentage of Pieces Addressed to Occupant/Resident		
	1987	1998	1999	1987	1998	1999
Financial						
Credit Card	97.1%	96.2%	95.9%	2.0%	1.7%	1.4%
Bank	89.8	92.6	91.4	8.7	5.4	6.0
Securities Broker	96.8	98.8	97.6	2.9	0.6	1.1
Money Market *	93.7	99.3	98.2	0.0	0.7	1.8
Insurance Company	93.2	92.2	89.6	5.5	5.1	8.5
Real Estate/Mortgage	72.8	81.9	80.6	26.7	16.4	17.6
Total Financial	**92.1**	**92.9**	**92.1**	**6.8**	**5.1**	**5.7**

*Fluctuations may be due to small sample size.

Source: USPS Household Diary Study, 2000.

STANDARD MAIL (A) ADDRESSEE BY INDUSTRY - SERVICES

POSTAL YEARS 1987, 1998, AND 1999

(PERCENTAGE OF PIECES ADDRESSED TO HOUSEHOLD MEMBERS OR OCCUPANT/RESIDENT)

"Other utilities" companies lead the way in addressing mail to specific household members.

	Percentage of Pieces Addressed to Specific Household Members			Percentage of Pieces Addressed to Occupant/Resident		
	1987	1998	1999	1987	1998	1999
Services						
Telephone	94.6%	67.9%	70.7%	4.7%	30.3%	28.4%
Other Utilities *	90.4	78.7	94.7	2.4	18.0	4.5
Medical	77.2	92.3	81.5	22.7	6.4	17.1
Other Professional *	91.0	96.2	92.7	6.5	3.8	6.5
Leisure Service	85.2	83.7	86.1	14.5	14.5	13.2
Cable TV	80.1	62.2	64.9	19.9	37.8	35.1
Computer	98.3	90.9	87.2	1.1	5.9	10.9
Craftsman *	41.9	66.9	74.1	57.2	32.9	24.5
Total Services	**81.5**	**78.6**	**80.1**	**17.5**	**19.7**	**18.8**

*Fluctuations may be due to small sample size.

Source: USPS Household Diary Study, 2000.

STANDARD MAIL (A) ADDRESSEE BY INDUSTRY - FUNDRAISING

POSTAL YEARS 1987, 1998, AND 1999

(PERCENTAGE OF PIECES ADDRESSED TO HOUSEHOLD MEMBERS OR OCCUPANT/RESIDENT)

Not surprisingly, a majority of the mail originating with social/charitable/political/nonprofit organizations are addressed to specific household members.

	Percentage of Pieces Addressed to Specific Household Members			Percentage of Pieces Addressed to Occupant/Resident		
	1987	1998	1999	1987	1998	1999
Social/Charitable/Political/Nonprofit						
Organization *	89.6%	99.0%	96.8%	10.4%	1.0%	3.0%
Church *	79.4	84.0	80.8	15.9	13.5	19.2
Educational	87.9	86.9	84.8	11.4	13.1	15.1
Charities *	98.1	81.9	94.4	1.9	13.7	5.1
Political Campaign	87.3	92.9	92.0	12.1	6.5	8.0
AARP *	100.0	90.6	95.0	0.0	0.0	5.0
Total Social/Charitable/Political/ Nonprofit	**88.3**	**89.8**	**88.2**	**10.7**	**8.7**	**11.6**

*Fluctuations may be due to small sample size.

Source: USPS Household Diary Study, 2000.

WHICH METHOD OF COMMUNICATION IS TRUSTED TO BE MORE SECURE

(BY AGE OF RESPONDENT)

Reading their hardcopy mail is something that 42% of Americans look forward to "a lot", compared to reading e-mail (29%), according to ICR Research Group for Pitney Bowes.

	18-34	35-44	45-54	55-64	65-plus
Regular mail	79%	96%	91%	80%	100%
E-Mail	20%	4%	7%	17%	0%

Source: Pitney Bowes.

AMERICANS SAVE MAIL FOR SENTIMENTAL REASONS

Most people prefer to send confidential documents by regular mail rather than e-mail (88% versus 11%).

	% Saving
Photograph	85%
Birthday Card	77%
Letter from relative	76%
Love letter	66%
Holiday card	62%
Postcard	61%
Wedding invitation	59%
Magazine clipping	57%
Letter of congratulations	54%
Graduation announcement	54%
Letter of condolence	50%
Stamp	28%
Digital photo	22%
E-mail letter	17%
E-mail from relative	15%
Electronic greeting card	10%

Source: Pitney Bowes.

PEAK MAILING MONTHS

The Nineteenth Annual List Usage Survey was conducted on behalf of the DMA List/Database Council in April 1999. The objective of this annual survey is to identify major issues facing the industry as well as to track trends. The survey was mailed to 2,141 DMA voting members who mail to both consumers and businesses in marketing their products and services. A 13% response rate was achieved.

PRODUCTS/SERVICES - CONSUMER

October and November remain the top two months to mail consumer products/services offers.

	1999	1998
October	48%	46%
November	41	37
April	28	19
March	28	20
September	27	30
January	27	23
February	24	19
August	20	17
December	17	17
May	17	18
June	14	12
July	13	12

PUBLICATIONS/BOOKS - CONSUMER

December and June are the top two spots for consumer publications/books.

	1999	1998
December	52%	33%
June	44	33
January	30	44
May	30	11
August	22	26
September	22	33
April	17	11
February	17	26
July	17	19
November	17	11
October	13	26
March	13	11

FINANCIAL SERVICES/INSURANCE - CONSUMER

January remains in first place for consumer financial services/insurance offers.

	1999	1998
January	60%	50%
September	57	30
February	53	30
March	43	27
October	43	43
May	40	7
April	37	20
August	20	3
June	17	3
November	17	37
July	13	7
December	7	10

Source: The DMA 1999 List & Database Council Annual List Usage Survey.

PEAK MAILING MONTHS

NON-PROFIT/FUND RAISING - CONSUMER

November, December and September are the top mailing months for fund raising mail.

	1999	1998
November	55%	64%
December	36	32
September	36	27
January	32	27
October	32	32
February	27	14
August	23	14
March	18	14
April	18	5
July	14	5
May	14	5
June	14	NA

CONTINUITY CLUBS - CONSUMER

January and December are the top two months for consumer club/continuity mail.

	1999	1998
January	57%	67%
December	43	33
July	29	33
June	29	33
November	29	33
September	29	67
April	14	33
August	14	NA
February	14	33
March	14	33
May	14	NA
October	NA	33

EDUCATIONAL PRODUCTS/SERVICES - CONSUMER

August and February are the top two months for consumer educational products/services mail.

	1999	1998
August	46%	33%
February	36	67
November	36	17
December	27	17
January	27	50
March	27	NA
May	27	33
October	27	17
September	27	33
April	18	33
June	9	NA
July	NA	17

Source: The DMA 1999 List & Database Council Annual List Usage Survey.

THE DMA Direct Marketing Association

HOLIDAY SHOPPING PATTERNS

METHODS OF HOME SHOPPING THAT CONSUMERS USE

This table presents findings of a telephone survey conducted among a national probability sample of 1,023 adults comprising 508 men and 515 women 18 years of age and older. The most popular method for purchasing holiday gifts via home shopping is by mail order or catalogs (42% of consumers).

Methods	Total	%	Male	%	Female	%
Unweighted Total	1,023		508		515	
Weighted Total	1,000		480		520	
Any (Net)	529	53%	228	48%	300	58%
By Mail Order or Catalogs	417	42%	161	33%	256	49%
On the Internet	188	19%	109	23%	79	15%
Using Home Shopping Channels on TV	94	9%	34	7%	61	12%
Don't Know/None of These	471	47%	251	52%	200	42%

Source: The Direct Marketing Association, September 2000.

TYPES OF GIFTS CONSUMERS USUALLY GIVE FOR THE HOLIDAYS

This table presents the findings of a telephone survey conducted among a national probability sample of 1,008 adults comprising 504 men and 504 women 18 years of age and older. Apparel (64%) is the most popular gift for the holidays.

Types of gifts	Total	%	Male	%	Female	%
Unweighted Total	1,008		504		504	
Weighted Total	1,000		480		520	
Any (Net)	942	94%	443	92%	499	96%
Apparel	645	64%	303	63%	342	66%
Toys/Games	625	62%	290	60%	335	64%
Books/Music/Video	616	62%	279	58%	337	65%
Electronics	470	47%	228	48%	242	46%
Home Decor	358	36%	144	30%	214	41%
Food	262	26%	93	19%	169	32%
Pets	49	5%	23	5%	27	5%
Other	79	8%	37	8%	42	8%
Don't Know/None of These	58	6%	37	8%	21	4%

Source: The Direct Marketing Association, November 2000.

PRODUCTS CONSUMERS PURCHASE FOR USE AROUND THE HOLIDAY SEASON

This table presents the findings of a telephone survey conducted among a national probability sample of 1,006 adults comprising 504 men and 502 women 18 years of age and older. Except gifts, the most popular product consumers purchase around the holiday season is food/candy (78%).

Products	Total	%	Male	%	Female	%
Unweighted Total	1,006		504		502	
Weighted Total	1,000		480		520	
Gifts	842	84%	383	80%	458	88%
Food/Candy	779	78%	344	72%	435	84%
Cards	692	69%	294	61%	399	77%
Decorations	652	65%	270	56%	382	73%
Apparel	587	59%	252	53%	335	64%
Other	12	1%	6	1%	6	1%
Don’t Know/None of These	31	3%	22	5%	9	2%

Source: The Direct Marketing Association, November 2000.

HOLIDAY SHOPPING DEADLINES

This table presents the findings of a telephone survey conducted among a national probability sample of 1,007 adults comprising 504 men and 503 women 18 years of age and older. 29% of consumers finish holiday shopping the week before the holiday.

Holiday	Total	%	Male	%	Female	%
Unweighted Total	1,007		504		503	
Weighted Total	1,000		480		520	
Before Thanksgiving	147	15%	52	11%	95	18%
2 Weeks Before Holiday	272	27%	119	25%	153	29%
The Week Before the Holidays	293	29%	143	30%	150	29%
The Day Before the Holidays	215	21%	116	24%	99	19%
Don’t Holiday Shop	56	6%	42	9%	14	3%
Don’t Know/None of These	17	2%	8	2%	9	2%

Source: The Direct Marketing Association, September 2000.

Catalog

Costs

Trends

CHAPTER HIGHLIGHTS

- 69% of consumers buy from catalogs.
- 50% of respondents purchase any kind of apparel from catalogs and the Internet
- As expected, the fourth quarter of the year is the most important for consumer and hybrid catalogs in terms of net sales, with the first quarter being the weakest.
- Margin and category performance were the top two types of analyses conducted by catalogers in 1999.
- Back orders are filled within three weeks by 75% of respondents.
- In the 65+ age group, the percentage of those who shop by catalog is more than twice the percentage of 65+ non-catalog buyers.
- Catalogs with online sales between 11-100% have the highest response rate -- 5.5%.

COMPARATIVE ANNUAL OPERATING COSTS FOR CATALOG FULFILLMENT CENTERS

Operating costs for catalog fulfillment are most efficient in the Sioux Falls metro area and most costly in the Minneapolis metro area.

	Chicago Metro Area	Dallas Metro Area	Denver Metro Area	Atlanta Metro Area	Cincinnati Metro Area
Transportation Costs ($1,000)					
Inbound Shipping	$5,981	$6,738	$6,107	$7,183	$6,398
Outbound Shipping	$5,280	$5,764	$5,845	$6,149	$5,842
Total Transportation Costs ($1,000)	**$11,261**	**$12,502**	**$11,952**	**$13,332**	**$12,240**
Nonexempt Labor					
Weighted Average Hourly Earnings	$13.21	$11.57	$13.40	$13.07	$15.33
Annual Base Payroll Costs ($1,000)	$3,773	$3,304	$3,827	$3,733	$4,378
Fringe Benefits ($1,000)	$1,283	$1,123	$1,301	$1,269	$1,489
Total Annual Labor Costs ($1,000)	**$5,056**	**$4,427**	**$5,128**	**$5,002**	**$5,867**
Electric Power Costs ($1,000)	**$344**	**$274**	**$246**	**$308**	**$286**
Occupancy Costs ($1,000)					
Amortization	$3,783	$3,001	$2,445	$2,534	$2,646
Property Tax Costs	$1,293	$624	$420	$419	$492
Heating and Air Conditioning	$835	$377	$554	$468	$560
Total Occupancy Costs ($1,000)	$5,911	$4,002	$3,419	$3,421	$3,698
Total Annual Geographically Variable Operating Costs ($1,000)	**$22,572**	**$21,205**	**$20,745**	**$22,063**	**$22,091**

	Memphis Metro Area	Milwaukee Metro Area	Minneapolis Metro Area	Sioux Falls Metro Area	Toronto Metro Area
Transportation Costs ($1,000)					
Inbound Shipping	$6,361	$6,225	$6,824	$6,331	$6,659
Outbound Shipping	$5,375	$5,564	$6,199	$5,769	$6,360
Total Transportation Costs ($1,000)	**$11,736**	**$11,789**	**$13,023**	**$12,100**	**$13,019**
Nonexempt Labor					
Weighted Average Hourly Earnings	$12.60	$14.54	$14.94	$10.53	$12.57
Annual Base Payroll Costs ($1,000)	$3,590	$4,153	$4,267	$3,007	$3,590
Fringe Benefits ($1,000)	$1,224	$1,412	$1,450	$1,022	$790
Total Annual Labor Costs ($1,000)	**$4,823**	**$5,565**	**$5,717**	**$4,029**	**$4,380**
Electric Power Costs ($1,000)	**$276**	**$239**	**$245**	**$232**	**$239**
Occupancy Costs ($1,000)					
Amortization	$2,511	$2,670	$2,966	$2,391	$3,405
Property Tax Costs	$475	$581	$1,047	$468	$970
Heating and Air Conditioning	$432	$944	$736	$677	$584
Total Occupancy Costs ($1,000)	$3,418	$4,195	$4,749	$3,536	$4,950
Total Annual Geographically Variable Operating Costs ($1,000)	**$20,253**	**$21,788**	**$23,734**	**$19,897**	**$22,597**

NOTE: Includes all major geographically variable operating costs for a representative 150-worker catalog distribution center occupying 450,000 square feet and serving a North American market.

Source: The Boyd Company, Inc., *A Comparative Cost Analysis for North American Distribution Warehousing Operations, 2001*.

MEASURING THE COST OF ACQUIRING A CUSTOMER

1-STEP DIRECT SALE (LIST RENTAL)

The following table is a sample of how to measure the cost of acquiring a customer.

	Variable Costs	Example A Calculation	Example B Calculation	Example C Calculation
Total Mailings		1,000,000	1,000,000	1,000,000
Response Rate		2.00%	1.00%	2.00%
Total Responses - New Buyers		20,000	10,000	20,000
Average Order Value		$50	$50	$100
Gross Sales		$1,000,000	$500,000	$2,000,000
* Margin Before Advertising	35%	$350,000	$175,000	$700,000
Advertising Cost Including List Rental	$0.60	$600,000	$600,000	$600,000
Profit Contribution (Loss)		($250,000)	($425,000)	$100,000
Cost Per Name - Profit (Loss)		($12.50)	($42.50)	$5.00

* Sales less cost of goods and fulfillment

Source: Schmid & Assoc, 2001.

MEASURING THE COST OF ACQUIRING A CUSTOMER

1-STEP DIRECT SALE (SPACE AD)

The following table is a sample of how to measure the cost of acquiring a customer.

	Variable Costs	Example A Calculation	Example B Calculation	Example C Calculation
Total Circulation		1,000,000	1,000,000	1,000,000
Response Rate		0.10%	0.05%	0.05%
Total Responses - New Buyers		1,000	500	500
Average Order Value		$19.95	$19.95	$39.95
Gross Sales		$19,950	$9,975	$19,975
* Margin Before Advertising	35%	$6,983	$3,491	$6,991
Advertising Cost - Space Ad, per 1,000	$10.00	$10,000	$10,000	$10,000
Profit Contribution (Loss)		($3,018)	($6,509)	($3,009)
Cost Per Name - Profit (Loss)		($3.02)	($13.02)	($6.02)

* Sales less cost of goods and fulfillment

Source: Schmid & Assoc, 2001.

MEASURING THE COST OF ACQUIRING A CUSTOMER

The following table is a sample of how to measure the cost of acquiring a customer.

STEP 1: CATALOG INQUIRIES

	Variable Costs	Example A Calculation	Example B Calculation	Example C Calculation
Total Circulation		1,000,000	1,000,000	1,000,000
Response Rate		0.05%	0.50%	1.00%
Total Responses - Catalog Inquiries		500	5,000	10,000
Average Order Value		$0	$0	$0
Gross Sales		$0	$0	$0
Advertising Cost - Space Ad, Per 1,000	$10.00	$10,000	$10,000	$10,000
Profit Contribution (Loss)		($10,000)	($10,000)	($10,000)
Cost Per Name - Profit (Loss)		($20.00)	($2.00)	($1.00)

STEP 2: CATALOG MAILING TO INQUIRIES

	Variable Costs	Example A Calculation	Example B Calculation	Example C Calculation
Mailing to Catalog Inquiries		500	5,000	10,000
Response Rate		1.50%	5.00%	7.50%
Total Responses - Catalog Orders		8	250	750
Average Order Value		$75	$75	$75
Gross Sales		$563	$18,750	$56,250
* Margin Before Advertising	50%	$281	$9,375	$28,125
Advertising Cost - Catalog in Mail	$0.50	$250	$2,500	$5,000
Advertising Cost - Step 1		$10,000	$10,000	$10,000
Profit Contribution (Loss)		($9,969)	($3,125)	$13,125
Cost Per Name - Profit (Loss)		($1,329.17)	($12.50)	$17.50
Total Cost: Step 1 and Step 2 - Profit (Loss)		**($1,349.17)**	**($14.50)**	**$16.50**

* Sales less cost of goods and fulfillment

Source: Schmid & Assoc, 2001.

INDUSTRY AVERAGES

The following are industry averages for a two-line order catalog call center.

Call abandonment rate	2% or less
Orders taken per hour	8 - 10
Initial inventory fill rate	85%
Cost/order (inhouse)	$7 - $10
Cost/order (outsourced)	$12 - $14

Source: F. Curtis Barry & Company, 2000.

DISTRIBUTION COST PER TWO-LINE ORDER

Front-end costs

$3.00-$5.00 per order

(includes direct and indirect labor; occupancy; phone, mail, and customer service communication costs)

Back-end costs

Average fulfillment costs per order based on warehouse size

(includes direct and indirect labor; occupancy; and shipping materials; but does not include outbound shipping costs or an offset with shipping and handling income)

Overall Average	$4.84
Under 150,000 sq. ft.	$4.97
Over 150,000 sq. ft.	$4.65

Average fulfillment cost per order based on order volume

Overall Average	$4.84
Under 150,000 sq. ft.	$5.43
Over 150,000 sq. ft.	$3.22

Average fulfillment cost per order based on level of automation

Average cost per order - conventional	$5.17
Direct labor cost per order - conventional	$2.28
Average cost per order - automated*	$4.50
Direct labor cost per order - automated*	$2.01

* Such as tilt tray sortation, carousels, extensive conveyance, etc.

Source: F. Curtis Barry & Company, 2000.

2001 DIRECT RESPONSE CATALOG ADVERTISING SALARIES

Crandall Associates, Inc., an executive recruiting firm, has determined the salaries by the following process: 1) Discussions with employers, from presidents to personnel officers, nationally, in companies varying in geographic areas, number of employees, and sales volume; 2) Personal interviews and discussions with professionals in Direct Marketing and Telemarketing at all salary levels, working from coast to coast; 3) Analysis of information collected as a result of discussions with potential candidates nationally, with adjustments made for the “fudge” factor. Copies of the full salary guide with 52 functions and regional salary variations are available for $45 from Crandall Associates, Inc., 114 East 32nd St., Suite 1215, New York, NY 10016, (212)213-1700.

Art Director — Catalog

Generally under the intense pressure of time, the Art Director gives the catalog its direction and aura. Also, acts as the conciliator between the Merchandising and Marketing experts, a function that’s never written on job specs.

DUTIES: Responsible, under the leadership of the Creative Director, for the look and feel of a catalog, the Art Director constantly struggles with “square inch” formulas for space allocation made by marketing and merchandising executives. Designs with copy and, in the great majority of catalogs, photographic and/or graphic images, to make presentation of a three-dimensional product within the limited confines of a printed page. Also responsible for revisions and additions to an existing format or other intermediate promotional offerings. Experienced with paper, type, photography, illustrations, and printing.

Years	Salary Range
1-3	$38,900.........$47,100
4-7	$45,400.........$58,500
7+	$56,500.........$67,100
Highest Reported Salary	$100,000

Copywriter — Catalog

When consumers read what the catalog copywriter wrote, they feel you have found a solution, or captured a dream, as well as touched a product or smelled a fragrance. Copywriters know the power of words to create sales.

DUTIES: Working within the most stringent confines of inches, catalog writers bring to life a valve, or a suit, or a book, without deviation from the specifications, the quality, essence or contents of the product, often enhancing it with the benefits. Frequently working from a specifications sheet, writes for a printed page, often but not always accompanied with a photograph or illustration. Creates on paper an image for the consumer at home or a buyer in the office. Details particulars of the product or the service offered in the catalog, and answers questions before they are asked, and with skill, reduces returns.

Years	Salary Range
1-3	$36,800.........$43,800
4-7	$42,700.........$51,500
7+	$50,900.........$61,100
Highest Reported Salary	$82,000

Catalog Marketing Manager — Consumer

Working in a universe shifting in taste and lifestyle, the Consumer Catalog Manager is challenged daily to explore new marketing techniques and products. It’s a fortuitous day when challenges don’t come hourly.

DUTIES: With profit and loss responsibilities, develops short and long range marketing plans and goals, projecting sales, growth and profit objectives. Determines pricing, directs creative output, supervises media and list decisions, oversees telesales department, determines market research requirements and maintains mailing schedules with production department. Vigilant for new products at trade shows and maintains contact with customer service for ideas in improving or adding to product line. Monitors market share and competitive and noncompetitive “books.”

Years	Salary Range
1-3	$54,700.........$60,800
4-7	$59,100.........$70,500
7+	$68,900.........$80,500
Highest Reported Salary	$101,000

Catalog Marketing Manager — Business-to-Business

Equivalent to a product manager in a consumer package goods environment, the Marketing Manager for a catalog is responsible for day-to-day marketing, creative and operations of one catalog. Or often, two, or three.

DUTIES: Carries profit and loss responsibilities for a high volume catalog or a number of smaller ones, generally under the guidance of the catalog marketing director. Develops and executes budget. Decides the positioning, theme, pricing, marketing approach, creative thrust and media selection. Supervises production by internal or external facilities to ensure mailing schedules. Reviews fulfillment procedures to maintain expeditious delivery of customer orders. Confers with research department and is conversant and knowledgeable in recency-frequency-monetary analysis and its descendants.

Years	Salary Range
1-3	$49,600.........$58,700
4-7	$56,300.........$67,100
7+	$62,500.........$73,800
Highest Reported Salary	$90,000

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Source: Crandall Associates, 2001.

2001 DIRECT RESPONSE CATALOG ADVERTISING SALARIES

(CONTINUED FROM PAGE 73)

Creative Director — Catalog

When dozens of products, in many instances hundreds, must be presented appealingly on a printed page to entice orders, you have an insight to the Herculean task facing the Creative Director of a catalog.

DUTIES: Within the limits of a page and budgetary considerations, directs copywriters, art directors, traffic department and, often, production in the theming, design and execution of layouts for catalogs. Uses photography and/or illustrations, to reflect and achieve marketing objectives. Frequently acts in the same function for multiple catalogs targeted at diverse market segments. Responsible for order forms, direct mail packages, space advertisements, television, websites, cable, packaging, corporate house organs and ancillary creative materials, particularly if retail operations are involved.

Years	Salary Range
1-3	$57,700.........$71,400
4-7	$67,200.........$78,000
7+	$77,800.........$96,500
Highest Reported Salary	$142,000

Catalog Circulation Manager

No business has a better understanding of the importance of acquiring new subscribers, and retaining the old, and their lifetime value, than does Direct Marketing. In this universe, the Circulation Manager rules.

DUTIES: With creative insight, develops and tests many media, including direct mail packages, list rentals and exchanges, space ads, statement stuffers, bouncebacks, package and free standing inserts, card decks and co-op programs to acquire new customers. Responsibility for cost and profitability of acquisition efforts. Develops greater analysis and utilization of internal database. Establishes inquiry programs to develop circulation. Maintains contact and negotiates with list brokerage firms and list managers. Knowledgeable in merge-purge, enhancement techniques and segmentation.

Years	Salary Range
1-3	$49,100.........$58,200
4-7	$55,300.........$70,400
7+	$69,200.........$85,600
Highest Reported Salary	$110,000

Catalog Marketing Director — Business-to-Business

Profit and loss responsibility for catalog sales to businesses, governments and institutions, generally in a market niche or segment, with a range of proprietary and distributory items. Continually seeks new markets.

DUTIES: Formulates budget and develops long and short term strategic marketing plans and policy. Supervises marketing managers and manages teams of creative, merchandising, list, production, research, customer service and telesales professionals. Evaluates market share and monitors competition. Continually explores customer database to develop new products. Examines development of new markets by entry into markets defined by Standard Industrial Codes. Explores alternative media for customer acquisition. Monitors sales of ancillary products to broaden catalog or launch new ones.

Years	Salary Range
1-3	$72,600.........$85,400
4-7	$82,900.........$95,200
7+	$92,400.........$110,300
Highest Reported Salary	$165,000

Catalog Marketing Director — Consumer

This is the Direct Marketing executive charged with the profit and loss responsibilities for the company's sale of products and/or services by catalog to consumers at home. Enjoys dividing existing catalogs and conquering a new audience.

DUTIES: Prepares and executes corporate marketing plans, budgets and short and long term strategies and pricing policy. Evaluates, tests and retests new and old media. Assesses, develops and tests new products to expand market share and/or introduce new catalogs or programs. Supervises department heads and responsible for creative, merchandising, marketing, market research, lists and telesales, and reviews operations and fulfillment activities. Represents the corporation at industry functions. Keeps abreast of legislative and postal regulations as they affect catalogs or telesales.

Years	Salary Range
1-3	$75,200.........$86,300
4-7	$85,000.........$102,200
7+	$96,200.......$135,800
Highest Reported Salary	$210,000

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Source: Crandall Associates, 2001.

DMA STATE OF THE CATALOG/INTERACTIVE INDUSTRY REPORT 2000

Survey Background and Methodology

Background
2000 represented the ninth year the comprehensive mail survey was conducted. Prior to 1998, the study was conducted by W.A. Dean & Associates, Inc.

In February and March, mailings were made to 1,714 catalog executives from the following sources:

- The DMA list of voting members from both consumer and business-to-business catalog companies;
- A list of DMA prospects consisting of top level marketing executives in catalog companies;
- A rented list of catalog executives from Oxbridge Publishing.

Two full mailings were made to the above sources, the third to DMA voting members only. And the fourth partial mailing in May went to members of The DMA Catalog Council.

The research report is based on feedback from the 107 catalog executives in firms with net sales of $1 million or more who completed and returned their survey to The DMA.

Methodology
The direct marketing arena industry has metamorphasized into two major groups: either Catalogers who are embracing Internet characteristics at varying levels, or Internet companies who have embodied different elements of catalog infrastructure. Depending on the extent to which companies embody either catalog or Internet approaches to business, they can fall within varying levels of this Catalog or Internet continuum. Companies are categorized into four different groups that reflect different stages of a company's development in integrating infrastructure and strategies that are either catalog or Internet driven. These groups have been categorized as the following:

- Classic catalogers - 90% of total sales are catalog sales; 10% of sales from Internet
- dot.coms - more than 10% total sales from Internet; low catalog circulation
- Retail catalogers - developed catalogs and websites as a means of extending their sales channels; high web budget and low catalog circulation
- Janus companies - represent synergy between catalogs and the Internet; high catalog circulation and lower web budget

NET SALES BY QUARTER — 1999

As expected, the fourth quarter of the year is the most important for Consumer and Hybrid (Consumer and B-to-B) catalogs in terms of net sales, with the first quarter being the weakest. Business-to-Business catalog sales are fairly consistent throughout the year.

Medians Reported	All Respondents	Consumer	Hybrid	B-to-B
January - March	21%	20%	23%	23%
April - June	23%	21%	25%	26%
July - September	23%	22%	21%	27%
October - December	33%	37%	31%	23%

Source: The DMA State of the Catalog/Interactive Industry Report, 2000.

1999 COMMON SIZE INCOME STATEMENTS

AS A PERCENT OF NET SALES FOR FY 1999 BY BUSINESS TYPE

Median figures for income and expense line items are expressed as a percentage of net sales.

	All Respondents	Consumer	Hybrid	B-to-B
Gross Sales	103.3	106.2	102.0	102.8
(Less Returns & Allowances)	(3.9)	(6.2)	(2.5)	(3.0)
Net Sales	100.0	100.0	100.0	100.0
Cost of Goods Sold	47.0	43.5	49.7	56.8
Gross Margin	53.4	56.5	52.0	44.4
Marketing Expenses				
Marketing staff salaries/wages (incl. taxes/benefits)	1.2	1.1	1.3	2.8
Catalog (including printing/paper, creative, merge/purge)	10.5	11.3	10.3	5.9
Postage (catalog & related mailings only)	7.8	9.1	5.0	3.1
List rental	1.0	1.1	0.4	0.5
Alternative media (space ads, card decks, solos, broadcast)	0.6	0.5	0.8	0.7
All other marketing expenses	0.6	0.6	1.3	0.5
Total Marketing Expenses	**21.1**	**27.1**	**19.9**	**14.0**
Interactive Expenses				
Website design/updating/hosting fees/ maintenance/other	0.5	0.6	0.5	0.5
Operating Expenses				
Operations staff salaries/wages (including taxes/ benefits)	2.0	1.7	1.1	9.4
Warehouse labor expenses	2.5	2.5	3.1	1.3
Customer service/telemarketing/order entry labor expenses	3.6	3.3	3.7	3.9
Shipping & packing materials	0.7	0.8	1.1	0.5
Outbound freight expenses	7.9	7.8	10.2	3.3
(Gross shipping & handling revenues)	(10.0)	(10.0)	(10.0)	(5.4)
All other operations expenses	2.1	2.1	2.4	5.2
Total Operating Expenses	**15.9**	**15.9**	**20.6**	**15.7**
General & Administrative Expenses				
Merchandising salaries (including taxes/benefits)	1.0	1.1	1.3	0.6
G&A staff salaries/wages (including taxes/benefits)	3.1	2.1	3.3	4.3
Credit card fees	2.0	2.0	2.0	0.6
All occupancy expenses (rent/mortgage/property taxes/utilities/property insurance)	1.5	1.1	2.0	2.5
All depreciation expense	0.8	0.8	0.9	1.3
All interest expenses	0.5	0.8	0.2	0.1
All other G&A expenses	2.6	2.5	2.2	4.0
Total G&A Expenses	**11.5**	**11.4**	**11.0**	**12.3**
Total Expenses	**54.1**	**60.0**	**48.9**	**44.2**
Operating Income (Loss)	10.0	11.1	8.8	10.8
Net List Rental Income	0.5	0.6	0.5	---
Income (Loss) - EBIT	11.1	12.1	9.9	10.2

Source: The DMA State of the Catalog/Interactive Industry Report, 2000.

1998 COMMON SIZE INCOME STATEMENTS

AS A PERCENT OF NET SALES FOR FY 1998 BY BUSINESS TYPE

Median figures for income and expense line items are expressed as a percentage of net sales.

	All Respondents	Consumer	Hybrid	B-to-B
Gross Sales	103.3	106.8	102.0	102.3
(Less Returns & Allowances)	(3.6)	(6.8)	(2.0)	(2.9)
Net Sales	100.0	100.0	100.0	100.0
Cost of Goods Sold	47.2	44.0	49.7	57.0
Gross Margin	53.6	56.1	51.0	47.0
Marketing Expenses				
Marketing staff salaries/wages (incl. taxes/benefits)	1.2	1.0	1.2	2.2
Catalog (including printing/paper, creative, merge/purge)	11.4	13.3	9.3	5.5
Postage (catalog & related mailings only)	8.0	10.0	4.2	3.0
List rental	0.8	1.2	0.2	0.5
Alternative media (space ads, card decks, solos, broadcast)	0.5	0.3	0.7	0.7
All other marketing expenses	0.7	0.4	1.2	0.7
Total Marketing Expenses	**22.2**	**27.0**	**19.8**	**12.9**
Interactive Expenses				
Website design/updating/hosting fees/ maintenance/other	0.2	0.1	0.3	0.1
Operating Expenses				
Operations staff salaries/wages (including taxes/ benefits)	2.1	1.4	1.3	9.6
Warehouse labor expenses	2.3	2.3	3.2	0.9
Customer service/telemarketing/order entry labor expenses	3.9	3.1	4.0	4.6
Shipping & packing materials	0.7	0.7	1.1	0.6
Outbound freight expenses	7.6	7.4	9.1	1.9
(Gross shipping & handling revenues)	(9.8)	(9.8)	(10.0)	(5.4)
All other operations expenses	1.8	1.3	2.4	3.3
Total Operating Expenses	**15.9**	**15.7**	**19.2**	**14.9**
General & Administrative Expenses				
Merchandising salaries (including taxes/benefits)	1.0	1.1	1.3	0.3
G&A staff salaries/wages (including taxes/benefits)	3.0	2.8	3.5	4.0
Credit card fees	1.9	2.0	1.9	0.6
All occupancy expenses (rent/mortgage/property taxes/utilities/property insurance)	1.6	1.5	1.8	2.9
All depreciation expense	0.9	0.8	1.0	1.2
All interest expenses	0.7	0.8	0.6	0.2
All other G&A expenses	2.6	2.1	2.2	4.4
Total G&A Expenses	**11.1**	**10.8**	**11.9**	**11.1**
Total Expenses	**50.4**	**59.0**	**47.8**	**38.0**
Operating Income (Loss)	9.3	9.2	8.5	10.2
Net List Rental Income	0.5	0.6	0.3	0.2
Income (Loss) - EBIT	9.3	9.2	8.8	9.8

Source: The DMA State of the Catalog/Interactive Industry Report, 2000.

PERCENT OF SALES FROM PAPER CATALOG VERSUS WEB SITE

Respondents in all segments anticipate that over the next 4 years, they will see a gradual decline in sales from paper catalogs (from 88% in 2000 to 70% in 2004) with a corresponding increase in sales from their web sites (13% in 2000 to 30% in 2004).

Means Reported	All Respondents	Consumer	Hybrid	B-to-B	Online Sales as % of Total Sales 0-10%	11-100%
% of sales coming from paper catalog						
in year 2000	88%	86%	89%	90%	91%	66%
in year 2002	79%	76%	81%	83%	84%	55%
in year 2004	70%	71%	76%	74%	75%	47%
% of sales coming from web site						
in year 2000	13%	14%	11%	10%	9%	34%
in year 2002	21%	24%	20%	17%	16%	45%
in year 2004	30%	35%	27%	25%	25%	53%

Source: The DMA State of the Catalog/Interactive Industry Report, 2000.

PEAK FULFILLMENT MONTHS

The peak months for fulfillment for all respondents are November (54%) and December (51%).

Services	All Respondents	Consumer*	Hybrid	B-to-B*
January	24%	22%	31%	21%
February	17%	20%	19%	5%
March	32%	24%	44%	32%
April	22%	16%	31%	21%
May	25%	20%	36%	21%
June	17%	8%	19%	37%
July	14%	8%	14%	27%
August	15%	8%	14%	32%
September	29%	24%	28%	42%
October	32%	32%	33%	32%
November	54%	68%	53%	26%
December	51%	58%	53%	32%
Do not have peak months	8%	6%	6%	16%

Source: The DMA State of the Catalog/Interactive Industry Report 2000.

CATALOG TESTING

For four consecutive years, Creative remained the top test conducted among Consumer and Hybrid catalogs. This year, 64% of the Consumer catalogs responding conducted Creative testing in 1999 compared to 62% last year.

					Online Sales as % of Total Sales	
Means Reported	All Respondents	Consumer	Hybrid	B-to-B	0-10%	11-100%
Creative (cover, copy, etc.)	59%	64%	50%	63%	63%	56%
Incentives to Increase Response	51%	54%	47%	53%	51%	38%
New Product Categories	39%	38%	44%	32%	37%	56%
Sale Book/Sale Items	34%	38%	36%	16%	40%	19%
Number of Pages	28%	32%	19%	26%	29%	13%
Pricing	31%	28%	31%	37%	25%	31%
Free Shipping & Handling	34%	38%	31%	32%	34%	44%
Use of Solo Direct Mail Piece	23%	8%	31%	55%	21%	25%
Paper (weights or grades)	21%	24%	14%	26%	22%	19%
Coupons	16%	12%	19%	21%	--	--
"Last Chance" Notification	16%	24%	11%	--	--	--
Date Mailed	27%	30%	31%	11%	29%	6%

Source: The DMA State of the Catalog/Interactive Industry Report, 2000.

MERCHANDISE ANALYSES CONDUCTED IN 1999

Margin and category performance were the top two types of analyses conducted by catalogers in 1999. Category performance was mentioned by 83% of respondents and margin by 81%.

	All Respondents	Consumer	Hybrid	B-to-B
Category Performance	83%	92%	72%	78%
Margin	81%	85%	72%	84%
SKU Performance	78%	83%	75%	72%
Square Inch	68%	75%	78%	28%
Returns	59%	67%	47%	61%
Price Point	56%	69%	47%	39%
Competitive	53%	52%	53%	50%
Vendor Performance	46%	50%	39%	44%
Seasonality	36%	52%	25%	17%
Repeat Product	34%	48%	22%	17%
Product Specifications Testing	22%	27%	14%	22%
Other	5%	6%	--	11%

Source: The DMA State of the Catalog/Interactive Industry Report, 2000.

OVERALL ORDERS PLACED ON BACK ORDER

37% of respondents do not track orders that go on back order. Of those who do, 7.7% of Consumers catalogs' gross sales go on back order, compared to 14.3% of Hybrids and 5.7% of Business-to-Business catalogs.

Orders Going on Back Order	All Respondents	Consumer*	Hybrid*	B-to-B*
Mean % of Gross Sales	9.6%	7.7%	14.3%	5.7%
Mean % of Gross Unit Sales	8.7%	6.7%	13.6%	6.0%
Did Not Track	34.0%	32.0%	36.0%	32.0%

Source: The DMA State of the Catalog/Interactive Industry Report, 2000.

HOW LONG IT TAKES TO FILL BACK ORDERS

Back orders are filled within three weeks by 75% of respondents, with 48% doing so within two weeks. Catalogs that have less than 10% online sales fill back orders quicker than ones with more than 10%.

					Online Sales as % of Total Sales	
Means Reported	All Respondents	Consumer	Hybrid	B-to-B	0-10%	11-100%
Under One Week	13%	10%	14%	21%	16%	19%
One to Two Weeks	35%	26%	42%	42%	34%	31%
Two to Three Weeks	27%	36%	22%	16%	22%	31%
More than Three Weeks	11%	16%	6%	5%	13%	6%
Did Not Track	8%	6%	14%	5%	10%	6%
Don't Know	6%	6%	3%	11%	--	--

Source: The DMA State of the Catalog/Interactive Industry Report, 2000.

PERCENTAGE OF ORDERS DROP-SHIPPED

An average 7.4% of all respondents drop-shipped their catalogs in 1999.

	All Respondents	Consumer	Hybrid	B-to-B
Median % Drop-Shipped	3.0%	3.0%	1.5%	5.0%
Mean % Drop-Shipped	7.4%	6.3%	3.6%	18.0%

Source: The DMA State of the Catalog/Interactive Industry Report, 2000.

CIRCULATION STATISTICS FOR FLAGSHIP CATALOG – BY BUSINESS TYPE

Among respondents' flagship title, a median of 2.6 million catalogs were circulated in 1999. Catalogs with online sales between 11 and 100% have the highest response rate -- 5.5%.

Means Reported	All Respondents	Consumer	Hybrid	B-to-B	Online Sales as % of Total Sales 0-10%	Online Sales as % of Total Sales 11-100%
Median Annual Circulation	2,600,000	7,450,000	1,325,000	600,000	*	*
Median Number of Mailings per Year	10	12	7	12	13	12
Median Number of Pages per Catalog	60	60	56	80	115	51
Median Number of Products per Catalog	350	300	738	200	*	*
Median Products Per Page	5.7	5.2	10.0	5.6	5.7	7.0
Median Order Size	$100.00	$82.00	$95.00	$324.00	*	*
Median Number of Items per Order	2.8	2.5	3.2	3.0	3.3	3.3
Median Net Sales per Catalog	$2.40	$2.08	$3.87	$5.75	$3.52	$5.19
Median Number of Orders per Year	102,500	208,000	62,500	15,457	*	*
Median Number of Pages Circulated in 1998	182,400,000	349,600,000	83,000,000	120,000,000	*	*
Total Response Rate	3.2%	2.7%	5.0%	2.8%	2.8%	5.5%
Sales Per Thousand Pages Circulated	$40.96	$33.70	$63.77	$76.93	$35.00	$68.73
Percentage of Catalogs Represented by Flagship	100%	90%	100%	100%	80%	93%

Note: The circulation information provided is based on those catalogs who mail more than 2 times per year.

* Not comparable with catalogs - by business type.

Source: The DMA State of the Catalog/Interactive Industry Report, 2000.

WHERE NEW MERCHANDISE IDEAS COME FROM

Approximately 70% of all new merchandising ideas come from internal product development, trade shows, and vendor presentations.

Means Reported	All Respondents	Consumer	Hybrid	B-to-B
Internal Product Development	27%	27%	29%	22%
Trade Shows	25%	33%	20%	17%
Vendor Presentations in Office	19%	19%	21%	15%
Your Customers	11%	5%	14%	23%
Competitors	12%	10%	10%	18%
Other	7%	7%	6%	6%

Source: The DMA State of the Catalog/Interactive Industry Report, 2000.

METHODS OF LIQUIDATING OVERSTOCK

Catalogers use a variety of methods to liquidate their overstock. The top five methods used among all respondents are returns to vendors, sale pages within catalogs, sale catalogs, outlet stores, and on the web with the full catalog -- they account for 60% of strategies used.

Means Reported	All Respondents	Consumer	Hybrid	B-to-B
Returned to Vendor	16%	8%	22%	23%
Outlet Stores	12%	18%	8%	3%
Sale Catalog	12%	16%	9%	7%
Sale Pages within Catalogs	10%	11%	8%	11%
On Web Site With Full Catalog	10%	9%	9%	12%
Warehouse Sales	8%	5%	15%	2%
Telemarketing Upselling	6%	4%	5%	15%
Package Inserts	6%	5%	8%	3%
On Web Site as the Only Product Offer	3%	4%	3%	2%
Sell to Jobber	3%	5%	1%	3%
Premium/Give-Away	2%	1%	2%	5%
Other	13%	14%	11%	14%

Source: The DMA State of the Catalog/Interactive Industry Report, 2000.

CARRIERS USED BY CATALOGS TO HANDLE SHIPMENTS

UPS Standard Ground is the most popular method to handle shipments among catalogers.

					Online Sales as % of Total Sales	
Means Reported	All Respondents	Consumer	Hybrid	B-to-B	0-10%	11-100%
UPS Standard Ground	48%	33%	58%	66%	44%	57%
USPS - Priority Mail	18%	28%	13%	5%	20%	26%
USPS - Parcel Post	14%	21%	11%	2%	16%	--
UPS Expedited	6%	4%	9%	5%	6%	12%
Federal Express - Two-Day	3%	4%	3%	1%	2%	3%
USPS - Third Class Mail	2%	5%	1%	--	2%	--
Federal Express Overnight	2%	2%	2%	2%	2%	2%
Other	7%	5%	4%	20%	8%	1%

Source: The DMA State of the Catalog/Interactive Industry Report, 2000.

GOAL WHEN SETTING SHIPPING AND HANDLING CHARGES

The majority of respondents set shipping and handling charges to cover some portion of their expenses.

					Online Sales as % of Total Sales	
Means Reported	All Respondents	Consumer	Hybrid	B-to-B	0-10%	11-100%
Cover Outbound Freight Only	22%	18%	33%	16%	22%	31%
Cover Freight and Materials	28%	36%	17%	32%	26%	19%
Cover Freight, Materials, and Direct Warehouse Labor	43%	42%	39%	53%	46%	44%
Don't Know	7%	4%	11%	--	--	--

Source: The DMA State of the Catalog/Interactive Industry Report, 2000.

METHOD OF CHARGING FOR SHIPPING AND HANDLING

More than two thirds of respondents (67%) use order value as the basis for their shipping and handling charges.

					Online Sales as % of Total Sales	
Means Reported	**All Respondents**	**Consumer**	**Hybrid**	**B-to-B**	**0-10%**	**11-100%**
By Order Value	67%	84%	58%	42%	69%	75%
By Weight	11%	--	14%	32%	9%	13%
By Item	9%	8%	11%	11%	12%	6%
Flat Fee	8%	6%	8%	16%	10%	--
Don't Know/No Answer	4%	2%	8%	--	--	--

Source: The DMA State of the Catalog/Interactive Industry Report, 2000.

MEDIAN NUMBER OF DAYS TO SHIP AN ORDER

Across the board, the median number of days to ship an order during peak season is two days, and only one during non-peak time.

Segment	Peak	Non-Peak
All Respondents	2.0	1.0
Consumer	2.0	1.0
Hybrid	2.0	1.0
Business-to-Business	1.0	1.0
$1 - 5MM	2.0	1.0
$5 - 20MM	2.0	1.0
$20 - 50MM	1.0	1.0
>$50MM	2.0	1.0

Source: The DMA State of the Catalog/Interactive Industry Report, 2000.

NUMBER OF INVENTORY TURNS

On average, companies turn their inventory over around six times each year. 38% of companies whose online sales make up more than 10% of total sales turn inventory more than 10 times annually.

					Online Sales as % of Total Sales	
Means Reported	**All Respondents**	**Consumer**	**Hybrid**	**B-to-B**	**0-10%**	**11-100%**
Annual Turns by Bus. Type						
Less than 3	9%	12%	8%	5%	10%	6%
3 to 4	25%	28%	22%	26%	25%	25%
5 to 6	19%	16%	22%	16%	22%	6%
7 to 8	8%	6%	8%	11%	6%	--
9 to 10	8%	6%	11%	--	7%	13%
More than 10	15%	16%	17%	11%	15%	38%
Don't Know/No Answer	17%	16%	11%	32%	--	--
Mean	6.4	6.1	6.8	6.0	--	--
Median	5.7	5.2	6.2	5.2	--	--
Annual Turns by Size						
Less than 3	14%	15%	5%	--	--	--
3 to 4	16%	30%	20%	40%	--	--
5 to 6	16%	19%	20%	22%	--	--
7 to 8	5%	7%	20%	--	--	--
9 to 10	11%	4%	10%	4%	--	--
More than 10	22%	11%	20%	4%	--	--
Don't Know/No Answer	16%	15%	5%	30%	--	--
Mean	6.9	5.5	7.3	5.4	--	--
Median	6.4	4.8	7.2	4.7	--	--

Source: The DMA State of the Catalog/Interactive Industry Report, 2000.

SOURCES OF NEW CUSTOMER NAMES

Across the board the single largest source of new customers added to respondents' files remains catalog lists. On average, 42% of the new customers added to Consumer catalogs' housefiles came from catalog lists, compared to 26% on the Business-to-Business side, and 24% of Hybrids.

Means Reported	All Respondents	Consumer	Hybrid	B-to-B
Catalog Lists	34%	42%	24%	26%
Cooperative Databases	10%	14%	10%	1%
Space Ads/Magazine Mail Order Sections	13%	11%	17%	11%
Customer Referrals	8%	4%	14%	10%
Compiled Lists	8%	3%	8%	21%
Internet	8%	8%	9%	8%
Subscription Lists	8%	8%	8%	9%
Field Leads (B-to-B)	2%	--	4%	6%
Donor Lists	*	*	*	1%
Other	9%	11%	8%	9%

* Less than 1%.

Source: The DMA State of the Catalog/Interactive Industry Report, 2000.

SOURCE OF OUTSIDE LISTS

The number one source of names for Consumer catalogs is the rental and exchange of other catalog lists, with 56% of the lists mailed by Consumer catalogs coming from other catalog lists.

Means Reported	All Respondents	Consumer	Hybrid	B-to-B
Catalog Lists	43%	56%	23%	34%
Compiled Lists	17%	4%	41%	25%
Donor Lists	1%	--	2%	1%
Subscription Lists	14%	8%	19%	20%
Cooperative Databases (Abacus, Z-24, etc.)	16%	21%	6%	17%
Other	8%	11%	9%	5%

Source: The DMA State of the Catalog/Interactive Industry Report, 2000.

COOPERATIVE DATABASE -- USAGE AND FUTURE PLANS

Close to one-quarter (24%) consumer and one-third (36%) business-to-business catalogs anticipate they will use cooperative databases in the next year.

	All Respondents	Consumer	Hybrid	B-to-B
Don't Currently Use Co-op Database	55%	42%	64%	74%
Plan to in next 12 Months				
Yes	20%	24%	9%	36%
No	68%	62%	87%	43%
Don't Know	12%	14%	4%	21%

	$1 - 5 MM	$5 - 20 MM	$20 - 50 MM	>$50 MM
Don't Currently Use Co-op Database	70%	48%	35%	57%
Plan to in next 12 Months				
Yes	23%	23%	14%	15%
No	69%	69%	43%	77%
Don't Know	8%	8%	43%	8%

Source: The DMA State of the Catalog/Interactive Industry Report, 2000.

THE DMA Direct Marketing Association

INVOLVEMENT IN MARKET RESEARCH

More than half of the Consumer (54%) and 32% of Business-to-Business catalogs are actively involved in marketing research on current customers or prospects.

Involvement in Market Research	All Respondents	Consumer	Hybrid	B-to-B
Currently Involved	44%	54%	36%	32%
No, But Plan to in 2000	28%	28%	31%	26%
No Plans for Market Research in Future	28%	18%	33%	42%

Source: The DMA State of the Catalog/Interactive Industry Report, 2000.

HOW MARKET RESEARCH IS CONDUCTED

Two-thirds or more catalogers use phone and mail surveys when conducting market research.

	All Respondents	Consumer	Hybrid	B-to-B
Telephone Surveys	57%	63%	31%	83%
Direct Mail Surveys	62%	52%	77%	67%
Focus Groups	47%	56%	8%	83%
Online Surveys	45%	48%	39%	33%
Other	13%	11%	15%	17%

Source: The DMA State of the Catalog/Interactive Industry Report, 2000.

COMPARISON BUDGET FOR MARKET RESEARCH 1999 VS. 2000

Of respondents whose companies are engaged in marketing research, most indicated their budget allocation for research in 2000 is the same (55%) or increased (30%) compared to 1999.

	All Respondents	Consumer	Hybrid	B-to-B
Increased	30%	19%	39%	50%
Median Increase*	11%	20%	10%	12%
Decreased	6%	11%	--	--
Median Decrease*	15%	15%	--	--
The Same for Both Years	55%	59%	54%	50%
Don’t Know/No Answer	9%	11%	7%	--

* Note: Small cell size.

Source: The DMA State of the Catalog/Interactive Industry Report, 2000.

LIFETIME VALUE OF CATALOG CUSTOMERS

Only 34% of all respondents indicated that they calculate the Lifetime Value of their customers.

By Business Type	All Respondents	Consumer	Hybrid	B-to-B
Calculate LTV	34%	41%	26%	26%
Median $ Value per Customer	$123	$54	$463	$700
Average Life Span (years)	3.0	3.0	4.0	4.0
Method of Calculating LTV:				
Annual Payback Analysis (1-2 Years)	49%	60%	33%	50%
Projection of Lifetime Estimate (5-10 Years Out)	40%	30%	56%	50%
Both Payback and Projection Estimate	6%	5%	11%	--
Other	6%	5%	--	--

By Size of Firm	$1 - 5 MM	$5 - 20 MM	$20 - 50 MM	>$50 MM
Calculate LTV	29%	26%	21%	61%
Median $ Value per Customer	$450	$140	$70	$83
Average Life Span (years)	3.5	3.5	3.0	3.0
Method of Calculating LTV:				
Annual Payback Analysis (1-2 Years)	50%	43%	50%	50%
Projection of Lifetime Estimate (5-10 Years Out)	50%	57%	25%	29%
Both Payback and Projection Estimate	--	--	25%	7%
Other	--	--	--	14%

Note: LTV statistics based on small sample size.

Source: The DMA State of the Catalog/Interactive Industry Report, 2000.

SEGMENTATION TACTICS FOR HOUSE FILE MAILINGS

Among all market segments responding, the top three segmentation tactics used are the traditional direct marketing: Recency, Frequency and Monetary (RFM) techniques, used by more than 50% of the respondents.

Segmentation Tactics	All Respondents	Consumer	Hybrid	B-to-B
Recency	83%	84%	86%	74%
Monetary	68%	80%	64%	47%
Frequency	65%	78%	67%	32%
Merchandise Type	49%	48%	47%	53%
Customized Predictive Model	30%	52%	8%	11%
Co-operative Database	19%	28%	14%	--
Other	7%	4%	14%	--
Don't Know/No Answer	5%	4%	3%	11%

Source: The DMA State of the Catalog/Interactive Industry Report, 2000.

TWELVE MONTH BUYER FILE IN 1999 VS. 1998

There has been a significant increase in the use of buyer files among all respondent companies from 1998 to 1999 (58% to 65%)..

Change	All Respondents	Consumer	Hybrid	B-to-B
Increased	65%	66%	69%	53%
Median Increase	10%	15%	10%	10%
Decreased	22%	22%	17%	32%
Median Decrease	10%	9%	10%	10%
No Change	11%	8%	14%	16%

Source: The DMA State of the Catalog/Interactive Industry Report, 2000.

CUSTOMER CALL STATISTICS

The median number of calls for all respondents this year was 177,500, a significant decrease from last year.

By Business Type	All Respondents	Consumer	Hybrid	B-to-B
Median # Calls in 1999	177,500	534,000	63,000	37,500
Median % Calls Abandoned	2.0%	2.5%	3.0%	2.0%
Average % Calls Blocked	1.9%	1.1%	3.6%	1.1%
Average Speed of Answering (in seconds)	20	22	22	11

By Business Size	$1 - 5MM	$5 - 20MM	$20 - 50MM	>$50MM
Median # Calls in 1999	25,000	120,000	377,000	3,700,000
Median % Calls Abandoned	2.0%	3.0%	2.0%	2.0%
Average % Calls Blocked	0.7%	0.3%	5.3%	1.8%
Average Speed of Answering (in seconds)	15	22	22	24

Source: The DMA State of the Catalog/Interactive Industry Report, 2000.

USE OF OUTBOUND TELEMARKETING PROGRAM

Respondents noted that they most commonly use outbound telemarketing to reactivate accounts and demonstrate customer care.

	All Respondents
Have Outbound Program	34%
How Program is Used	
Reactivate Accounts	53%
Customer Care	53%
Clean Up Mailing List	50%
Upsell	36%
Qualify Leads	31%
Generate Leads	25%
Cold Calls	19%
Other	22%

Note: Small sample size

Source: The DMA State of the Catalog/Interactive Industry Report, 2000.

USE OF TOLL-FREE NUMBERS

The top two services for which respondents in all segments offer toll-free numbers are sales (92%) and customer service (88%).

Segment	Sales	Customer Service	Fax Orders	Technical Assistance	Fax on Demand	Don't Know
All Respondents	92%	88%	51%	34%	7%	7%
Consumer	88%	88%	42%	14%	8%	10%
Hybrid	94%	83%	58%	39%	3%	3%
Business-to-Business	95%	95%	63%	74%	11%	5%
$1 - 5MM	95%	87%	35%	32%	--	5%
$5 - 20MM	85%	82%	52%	30%	--	11%
$20 - 50MM	100%	95%	55%	50%	10%	--
>$50MM	87%	91%	74%	26%	22%	9%

Source: The DMA State of the Catalog/Interactive Industry Report, 2000.

INTERNATIONAL MARKETS REACHED IN 1999

Canada continues to be the top international market in which U.S. catalog companies do business. Seventy-seven percent did business in Canada in 1999, followed by Australia/New Zealand (47%), England (43%), and Japan (43%).

International Market	Marketed to in 1999	Median $ Sales Attributed	Plan to Market to in 2000
Canada	77%	$150,000	27%
Australia/New Zealand	47%	$72,500	8%
England	43%	$60,000	30%
Japan	43%	$44,000	11%
Mexico	43%	$23,000	11%
South America	38%	$39,500	7%
Germany	32%	$46,000	16%
France	30%	$25,000	9%
Other Asian	28%	$136,000	6%
Other European	23%	$187,500	8%
Other	19%	$215,000	3%

Source: The DMA State of the Catalog/Interactive Industry Report, 2000.

MERGER/ACQUISITION ACTIVITY FOR CATALOG BUSINESS

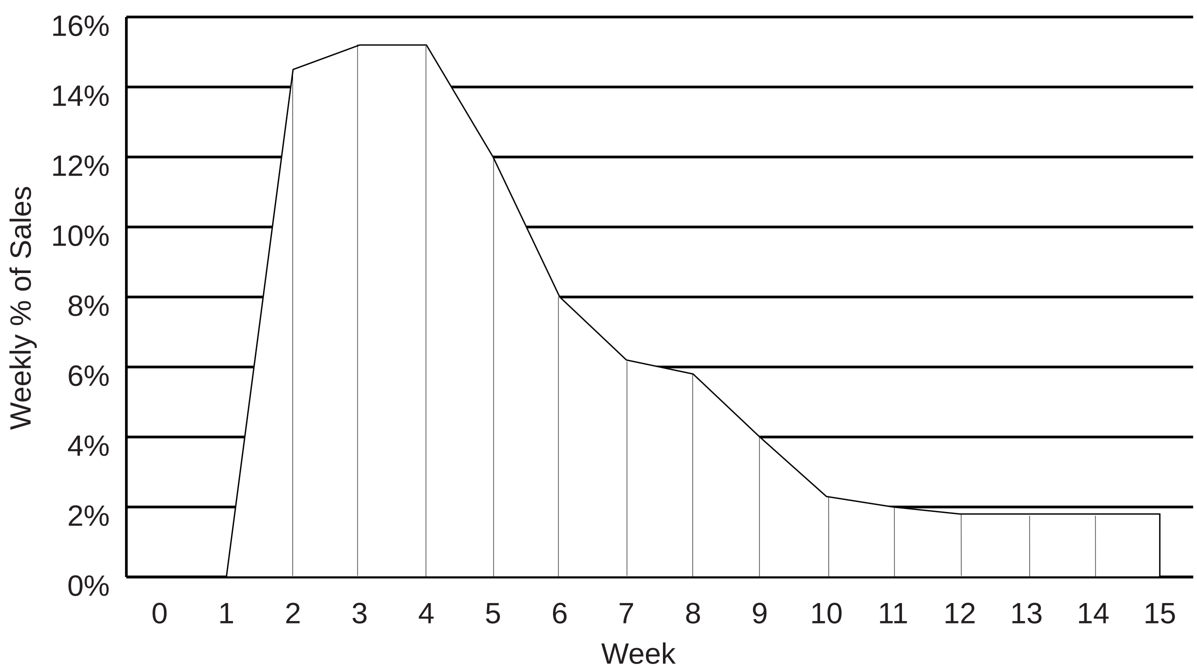
Like 1998, 1999 was an active year for mergers and acquisitions. Forty percent of all respondents indicated they were approached to be acquired in 1999, and 13% from dot-com players.

Segment	Sought Buyer in 1999	Will Seek a Buyer in 2000	Was Approached to be Acquired in 1999	Was Approached to be Acquired 1n 1999 by Dot-Com	Will Acquire Another Catalog in 2000
All Respondents	10%	13%	40%	13%	14%
Consumer	10%	10%	33%	15%	12%
Hybrid	9%	13%	42%	12%	15%
B-to-B	11%	16%	53%	11%	16%
$1-5MM	14%	22%	40%	14%	6%
$5-20MM	4%	8%	48%	8%	19%
$20-50MM	10%	11%	40%	15%	20%
>50MM	9%	5%	29%	14%	14%

Source: The DMA State of the Catalog/Interactive Industry Report, 2000.

TYPICAL CATALOG RESPONSE CURVE

Developing response curves, which indicate the percent of sales for each week of the catalog response period, can be an effective way to gauge how much inventory is required for any given product. Often, the first week's response can give a reliable indication of final sales, especially for hot-selling items that will need to be reordered immediately.



Source: Fenvessy Consulting.

THE CATALOG AGE 100—ANNUAL RANKING OF THE TOP 100 U.S. CATALOGERS

METHODOLOGY: The Catalog Age 100 is compiled by the staff of *Catalog Age* magazine through the use of public records, data card analysis, and input from financial analysts and sources within the catalog industry.

To ensure the accuracy of all statistics, *Catalog Age* contacted senior executives at each company. Many catalogers couldn't or wouldn't confirm a calendar year sales total; others did not return calls or couldn't be reached. In those cases, or when companies would only provide approximate sales, an asterisk denotes that the figure is an estimate.

All figures are for calendar years 1999 and 1998. Several companies report their results on a fiscal year that is different from the calendar year. When fiscal year varied from calendar year by more than one month, *Catalog Age* backed out the financial data to obtain calendar-year sales. In some instances, the Catalog Age figures for 1998 differ from those reported last year due to updated financial information.

Wherever possible, sales are net of shipping and handling charges, sales taxes, and other extraordinary fees such as personalization. Because of accounting differences, some figures may include the extra revenue. Many companies that make money on shipping and handling record the fees as sales rather than as a reduction in expenses.

Many computer and industrial supplies mailers, including Dell Computer, JLK Direct Distribution, and Micron Electronics, use direct response or telemarketing channels to augment or complement their catalogs. The Catalog Age 100 sales figures include all direct response channels for those marketers because the catalog remains their main sales vehicle. Similarly, sales generated through electronic media are included for both consumer and business-to-business marketers.

For parent companies, such as Office Depot and CompUSA, the sales figures listed are for their catalog divisions only. Likewise, for cataloger/retailers such as Williams-Sonoma, sales figures are only for the company's catalog divisions, unless otherwise indicated.

Rank/Company	1999 Sales ($millions)	1998 Sales ($millions)	Market Segment	Notes
1. Dell Computer Corp. Round Rock, TX 512-338-4400	$25,265.00	$18,243.00	computers	increased employee head count nearly 50%
2. International Business Machines Corp. White Plains, NY 914-642-6209	$7,500.0*	$5,500.0*	computers	direct sales only
3. J.C. Penney Co. Plano, TX 972-431-1000	$3,933.00	$3,929.00	general merchandise	catalog only
4. Office Depot Delray Beach, FL 561-438-4800	$3,200.00	$2,900.00	office supplies	includes Viking Office Products catalog
5. CDW Computer Centers Vernon Hills, IL 847-465-6000	$2,561.20	$1,733.50	computers	Web sales of $125 million
6. Micro Warehouse Norwalk, CT 203-899-4000	$2,442.0*	$2,200.00	computers	sold to private investor group in December '99
7. Henry Schein Melville, NY 516-843-5500	$2,285.70	$1,921.70	dental, medical & veterinary supplies	on a "right-sizing" plan to save up to $6 million
8. Staples Westborough, MA 508-370-8500	$2,000.00	$1,251.00	office supplies	includes Quill catalog
9. Federated Department Stores New York, NY 212-494-1602	$1,866.00	$1,834.7*	apparel and home goods	includes Fingerhut, Macy's By Mail, Bloomingdale's By Mail
10. Systemax Port Washington, NY 516-625-1555	$1,754.50	$1,435.70	computers and industrial equipment	$83 million in unassisted Web sales
11. Spiegel Downers Grove, IL 630-986-8800	$1,521.30	$1,310.40	general merchandise	on two-year profitability rebound
12. Insight Enterprises Tempe, AZ 602-902-1001	$1,518.40	$1,002.80	computers	Web sales climb to 10.6% of total revenue
13. VWR Scientific Products West Chester, PA 610-431-1700	$1,460.00	$1,350.00	laboratory supplies	bought by German firm Merck KGAA in July 1999
14. Brylane New York 212-613-9500	$1,410.00	$1,328.40	apparel and home goods	long-time president Peter Canzone retired in July 2000
15. Lands' End Dodgeville, WI 608-935-9341	$1,319.80	$1,371.40	apparel and home goods	blames circulation cut for 3.8% sales dip

THE CATALOG AGE 100—ANNUAL RANKING OF THE TOP 100 U.S. CATALOGERS
(CONTINUED)

Rank/Company	1999 Sales ($millions)	1998 Sales ($millions)	Market Segment	Notes
16. Micron Electronics Nampa, ID 208-893-3434	$1,240.00	$1,300.0*	computers	focusing on small-business and government sales
17. L.L. Bean Freeport, ME 207-865-4761	$1,061.00	$1,030.00	outdoor gear, apparel, and home goods	sales nearly flat for past three years
18. PC Connection Merrimack, NH 603-423-2000	$1,056.70	$732.40	computers	40% compounded annual growth since 1995
19. W.W. Grainger Lincolnshire, IL 847-793-9030	$900.0*	$700.0*	industrial supplies	includes Lab Safety Supply
20. Darby Group Cos. Westbury, NY 516-683-1800	$815.0*	$815.0*	dental, medical, and veterinary supplies	
21. Andrew Corp. Orland Park, IL 708-349-3300	$806.70	$840.30	communications equipment	gunning for sales rebound in 2000
22. Intimate Brands Columbus, OH 614-415-8000	$799.00	$759.00	women's apparel	Victoria's Secret catalog only
23. Creative Computers Torrance, CA 310-354-5600	$732.00	$690.20	computers	approximately $139 million in web sales
24. MSC Industrial Direct Co. Melville, NY 516-812-2000	$678.80	$608.90	industrial, maintenance, and repair supplies	backing Internet portal start-up IndustrialAmerica
25. Newark Electronics Chicago 773-784-5100	$588.00	$521.70	industrial electronics	expanded product mix, circulation in 1999
26. Aramark Corp. Philadelphia 215-238-3000	$550.0*	$420.0*	uniforms and public safety equipment	includes Gall's and WearGuard
27. Hanover Direct Weehawken, NJ 201-863-7300	$549.80	$546.10	apparel and home goods	catalog unit nets $10.4 million
28. Blair Corp. Warren, PA 814-723-3600	$522.20	$506.80	apparel	seeking younger customers via spin-offs
29. School Specialty Appleton, WI 920-734-2756	$521.70	$487.00	b-to-b school supplies	bought Sportime, SmartStuff, and Holsinger in '99
30. Williams-Sonoma San Francisco 415-421-7900	$514.90	$383.60	home decor and kitchenware	includes Pottery Barn, Hold Everything & Chambers
31. JLK Direct Distribution Latrobe, PA 724-539-5000	$504.20	$501.80	metalcutting supplies	hurt by weakness in oil and gas industries
32. Cabela's Sidney, NE 308-254-5505	$500.0*	$500.0*	outdoor sporting goods	launching women's/kids' book this fall
33. Multiple Zones International Renton, WA 425-430-3000	$487.40	$501.40	computers	cut circulation 33%, sold several int'l. subsidiaries
34. New England Business Service (NEBS) Groton, MA 978-448-6111	$481.40	$438.50	office and warehouse supplies	launched payroll processing service in March '99
35. Boise Cascade Office Products Corp. Itasca, IL 630-73-5000	$470.00*	$430.00*	office furniture and supplies	includes The Reliable Corp. catalogs
35. Cornerstone Brands Boston 617-720-2002	$470.0*	$320.0*	home goods and apparel	opened Cincinnati distribution center in August '99
37. Black Box Corp. Lawrence, PA 724-746-5500	$435.50	$311.00	computer networking equipment	on multiyear acquisition binge
38. McMaster-Carr Supply Co. Elmhurst, IL 630-833-0300	$415.0*	$305.80	industrial electronics	

THE CATALOG AGE 100—ANNUAL RANKING OF THE TOP 100 U.S. CATALOGERS (CONTINUED)

Rank/Company	1999 Sales ($millions)	1998 Sales ($millions)	Market Segment	Notes
39. Northern Tool & Equipment Burnsville, MN 612-894-9510	$411.60	$313.00	industrial and consumer tools	
40. ABC Distributing North Miami, FL 305-944-6900	$400.0*	$367.0*	general merchandise	
40. Digi-Key Corp. Thief River Falls, MN 218-681-6674	$400.00	$320.00	electronics components	
42. Foster & Gallagher Peoria, IL 309-693-8600	$370.00	$480.00	gardening, gifts, and children's products	sold Popcorn Factory in July '99
43. Neiman Marcus Group Chestnut Hill, MA 617-232-0760	$344.50	$285.0*	apparel and home decor	includes Horchow and Chef's Catalog
44. The Swiss Colony Monroe, WI 608-328-8400	$330.0*	$250.0*	food and gifts	expanded its counter-seasonal spring business
45. Bass Pro Shops Springfield, MO 417-873-5000	$325.0*	$300.0*	outdoor sporting goods	Web push
45. Oriental Trading Co. Omaha, NE 402-596-1200	$325.0*	$275.0*	gifts and novelties	
47. Coldwater Creek Sandpoint, ID 208-263-2266	$323.20	$320.20	apparel and gifts	sold Milepost Four; launched Natural Elements
48. Bear Creek Corp. Medford, OR 541-864-2121	$309.0*	$275.0*	food, gifts, and gardening	includes Harry and David
49. Broder Bros. Plymouth, MI 734-454-4800	$300.0*	$250.0*	wholesale apparel	
49. Mattel El Segundo, CA 310-252-2000	$300.0*	$300.0*	toys and collectibles	includes Pleasant Co./American Girls
51. Home Depot Fullerton, CA 714-449-5699	$286.0*	$225.0*	building and maintenance supplies	catalog sales only; total sales rise to $38.4 billion
52. ATD-American Co. Wyncote, PA 215-695-4400	$279.0*	$305.0*	institutional supplies	mails catalogs to five sectors
53. J. Crew Group New York 212-209-2529	$278.60	$346.7*	apparel	sold Clifford & Wills to Spiegel in December '99
54. K+K America Milwaukee 414-443-1700	$275.00	$250.00	industrial supplies	includes C&H Distributors & Conney Safety Products
55. Barnett Jacksonville, FL 904-384-6530	$269.40	$211.60	plumbing and electrical supplies	increase in new products
56. Lillian Vernon Corp. Rye, NY 914-925-1300	$255.20	$264.10	gifts and home goods	cut circulation 12.1% in '99
57. Omaha Steaks Omaha, NE 402-331-1010	$254.00	$225.00	food gifts	extensive e-mail marketing campaigns
58. J.C. Whitney Chicago 312-431-6000	$251.60	$233.0*	auto supplies	
59. The J. Jill Group Hingham, MA 781- 740-2718	$250.30	$218.70	women's apparel	folded Nicole Summers; on a retail push
60. PetSmart Phoenix, AZ 623-580-6100	$250.0*	$250.0*	pet supplies	focusing on improving profits
61. Taylor Corp. North Mankato, MN 507-625-2828	$250.0*	$230.0*	stationery and specialty	Current and Paper Direct catalogs only

THE CATALOG AGE 100—ANNUAL RANKING OF THE TOP 100 U.S. CATALOGERS (CONTINUED)

Rank/Company	1999 Sales ($millions)	1998 Sales ($millions)	Market Segment	Notes
62. Programmer's Paradise Shrewsbury, NJ 732-389-8950	$244.10	$234.40	b-to-b software	focusing on European expansion
63. Ross-Simons Cranston, RI 401-463-3100	$225.50	$205.40	jewelry and gifts	spun off jewelry-only catalog
64. Wilmar Industries Moorestown, NJ 609-439-1222	$225.00	$192.60	maintenance and repair	bought J.A. Sexauer in Dec. '99
65. Delia's New York 212-807-9060	$210.00	$158.40	teen apparel and	gear includes TSI Soccer and Storybook Heirlooms titles
65. Nordstrom Seattle 206-628-2111	$210.00	$205.00	apparel	catalog spin-offs pay off
67. Sara Lee Corp. Winston-Salem, NC 336-519-8360	$208.0*	$200.0*	hosiery, luggage, & food	spinning off Coach division
68. Walt Disney Co. Burbank, CA 818-560-1000	$206.00	$249.00	gifts and children's products	Web sales rise, catalog sales plunge
69. Acusport Belle Fontaine, OH 937-593-7010	$200.00	$160.00	hunting supplies	includes Go Sportsmen's Supply catalogs
69. Angelica Corp. St. Louis 314-889-1314	$200.0*	$180.70	uniforms	excludes laundry services division
69. Dayton Hudson Corp. Minneapolis 612-370-6948	$200.00	$205.0*	gifts and apparel	folding four Rivertown Trading catalogs
69. Global Motorsport Group Morgan Hill, CA 408-778-0500	$200.0*	$175.0*	motorcycle parts	
69. J.L. Hammett Co. Braintree, MA 781-848-1000	$200.00	$190.00	b-to-b educational supplies	
69 Nasco International Fort Atkinson, WI 920-565-2446	$200.00	$163.50	farm and educational supplies	
69. Venator Group New York 212-553-2000	$200.00	$170.0*	athletic shoes and gifts	put San Francisco Music Box Co. on the block
76. The Talbots Hingham, MA 781-749-7600	$191.00	$169.20	apparel	launched Website in November '99
77. Crutchfield Corp. Charlottesville, VA 804-817-1000	$181.00	$120.00	consumer electronics	Web accounts for 25% of sales
78. Tessco Technologies Hunt Valley, MD 410-229-1000	$180.90	$152.10	wireless commun. supplies	Web development is top priority
79. NBTY Bohemia, NY 516-244-2010	$174.00	$186.00	vitamins	profits rose to $43 million in '99
79. Norm Thompson Portland, OR 503-614-4446	$174.00	$140.00	general merchandise	focusing on tying business goals to the environment
81. Brady Corp. Milwaukee 414-358-6600	$163.10	$154.70	safety and facility identification products	includes Seton and Signal catalogs
82. The Sportsman's Guide South St. Paul, MN 651-451-3030	$162.50	$142.90	outdoor sporting goods and apparel	launched outdoor hobbyists Website guide in June 2000
83. Saks Birmingham, IL 205-940-4000	$161.1*	$148.8*	apparel and home decor	includes Bullock & Jones menswear catalog
84. Hammacher Schlemmer Chicago 312-664-8170	$160.0*	$150.0*	gadgets and gifts	

THE CATALOG AGE 100—ANNUAL RANKING OF THE TOP 100 U.S. CATALOGERS
(CONTINUED)

Rank/Company	1999 Sales ($millions)	1998 Sales ($millions)	Market Segment	Notes
85. Knight's Ltd. St. Louis 314-993-1516	$153.80	$131.10	women's apparel and home decor	launched Soft Surroundings catalog in July '99
86. U.S. Sales Corp. Northridge, CA 818-891-3392	$150.00	$112.50	general merchandise	
87. Detection Systems Orlando, FL 716-223-4060	$142.40	$135.80	security equipment	
88. Newport Corp. Irvine, CA 949-863-3144	$141.90	$134.40	manufacturing & engineering components	
89. Golfsmith International Austin, TX 512-837-8810	$140.00	$125.00	golf equipment	catalog sales only; total sales of $276.0 million
89. Harriet Carter Gifts Montgomeryville, PA 215-361-5100	$140.0*	$125.0*	gifts and housewares	
91. Miles Kimball Oshkosh, WI 920-231-4804	$132.00	$127.00	gifts and home decor	includes Exposures
92. Tiffany & Co. New York 212-755-8000	$130.90	$116.10	jewelry and gifts	includes b-to-b corporate sales
93. The Mosher Cos. Milwaukee, WI 414-276-8511	$127.00	$126.00	office furniture	owns National Business Furniture, five other catalogs
94. Adam & Eve/PHE Hillsborough, NC 919-644-8100	$125.0*	$120.0*	adult entertainment	
95. Executive Greetings New Hartford, CT 860-379-9911	$119.0*	$100.0*	business greeting cards	bought Sa-So Co., safety catalog, Nov. '99
96. Moore Medical Corp. New Britain, CT 860-826-3600	$118.50	$120.80	medical supplies	new order processing system stalled sales in '99
96. The Paragon Holdings Westerly, RI 401-596-3000	$115.00	$105.00	general merchandise	bought Popcorn Factory from Foster & Gallagher
98. The Mark Group Boca Raton, FL 561-241-1700	$109.00	$104.00	apparel and gifts	Mark, Fore & Strike, Boston Proper, Charles Keath catalogs
99. Bankers Systems St. Cloud, MN 800-397-2341	$108.10	$101.00	financial services	bought by Wolters Kluwer, Amsterdam in August '99
100. Potpourri Collection Medfield, MA 508-359-7702	$101.0*	$42.00	crafts and gifts	bought Catalog Ventures titles in October '99

Source: Intertec Publishing - A PRIMEDIA Company, 2000.

PRODUCTS CONSUMERS HAVE PURCHASED FROM CATALOGS

This table presents the findings of a telephone survey conducted among a national probability sample of 1,034 adults comprising 521 men and 513 women 18 years of age and older. Almost 50% of consumers purchase apparel products through catalogs.

Products	Total	%	Male	%	Female	%
Unweighted Total	1,034		521		513	
Weighted Total	1,000		480		520	
Any (Net)	693	69%	312	65%	381	73%
Apparel	478	48%	189	39%	290	56%
Books/Music/Video	445	45%	202	42%	243	47%
Gifts	387	39%	168	35%	220	42%
Toys/Games	285	28%	125	26%	159	31%
Home Decor/Furnishings	257	26%	100	21%	156	30%
Electronics	249	25%	155	32%	94	18%
Sporting Goods	232	23%	148	31%	84	16%
Gardening Supplies	151	15%	67	14%	84	16%
Flowers	130	13%	50	10%	80	15%
Food	101	10%	45	9%	56	11%

Source: The Direct Marketing Association, March 2001.

CONSUMER CATALOG BUYING HOUSEHOLDS

(12 MONTHS ENDING MAY 31, 2000)

Women's Apparel, Shoes & Accessories; Home; and Women's & Men's Combined Apparel are the top three categories for percent of household dollars spent.

PERCENT OF HOUSEHOLD DOLLARS SPENT

Services	18-25	26-35	36-45	46-55	56-65	66-75	75-100	18-100
Auto Parts & Accessories*	5.3%	2.7%	2.0%	2.0%	1.1%	0.5%	0.4%	1.7%
Books, Music & Video	0.9	0.6	0.7	0.8	0.8	0.7	0.5	0.7
Children's Merchandise	3.7	10.6	9.0	3.3	2.8	2.0	0.9	5.2
Crafts & Hobbies	0.8	1.1	1.3	1.5	1.8	2.0	1.8	1.5
Electronics, Tools & Gadgets	3.7	5.4	6.3	5.8	5.3	4.3	2.9	5.4
Gardening	1.3	2.5	3.1	3.3	3.7	3.4	2.8	3.2
Gifts	9.0	8.8	8.7	9.4	10.3	10.1	9.3	9.4
Health & Beauty	2.3	2.3	2.6	3.2	4.9	8.6	11.8	4.3
Home	11.4	20.1	18.3	15.6	14.9	12.7	10.9	16.1
Men's Apparel	2.1	2.7	2.8	3.7	5.3	8.1	8.4	4.4
Specialty Foods & Beverages	0.8	1.4	1.7	1.9	2.2	2.7	4.2	2.1
Sports & Outdoors	8.4	8.5	9.8	8.8	8.5	7.0	3.1	8.4
Stationery	0.3	0.4	0.4	0.4	0.4	0.4	0.3	0.4
Women's & Men's Combined Apparel	14.8	16.4	19.0	23.8	27.3	31.5	37.8	23.9
Women's Apparel, Shoes & Accessories	35.3	16.5	14.4	16.5	10.8	4.8	4.8	13.3
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Abacus, A division of DoubleClick Inc., Broomfield, Colorado, 2000.

CONSUMER CATALOG BUYING HOUSEHOLDS

(12 MONTHS ENDING MAY 31, 2000, VS. MAY 31, 1999)

Households age 18 to 25 show the greatest increase (13.8%) in transactions per household from 1999 to 2000.

	Transactions per Household		
Age	**2000**	**1999**	**% Changes**
18 to 25	2.2	2.1	3.8%
26 to 35	3.0	2.9	3.1%
36 to 45	3.4	3.4	0.5%
46 to 55	3.7	3.7	-0.4%
56 to 65	3.9	3.9	0.2%
66 to 75	4.0	4.2	-4.2%
75 to 100	3.8	4.0	-4.8%

Source: Abacus, A division of DoubleClick Inc., Broomfield, Colorado, 2000.

CONSUMER CATALOG BUYING HOUSEHOLDS
(12 MONTHS ENDING MAY 31, 2000, VS. MAY 31, 1999)

Households age 56 to 65 had the largest increase in dollars per transaction (2.5%).

	Dollars per Transaction		
Age	**2000**	**1999**	**% Changes**
18 to 25	$93	$101	-7.5%
26 to 35	$104	$103	0.9%
36 to 45	$111	$108	2.2%
46 to 55	$112	$110	1.6%
56 to 65	$104	$102	2.5%
66 to 75	$85	$85	-0.2%
75 to 100	$69	$71	-2.2%

Source: Abacus, A division of DoubleClick Inc., Broomfield, Colorado, 2000.

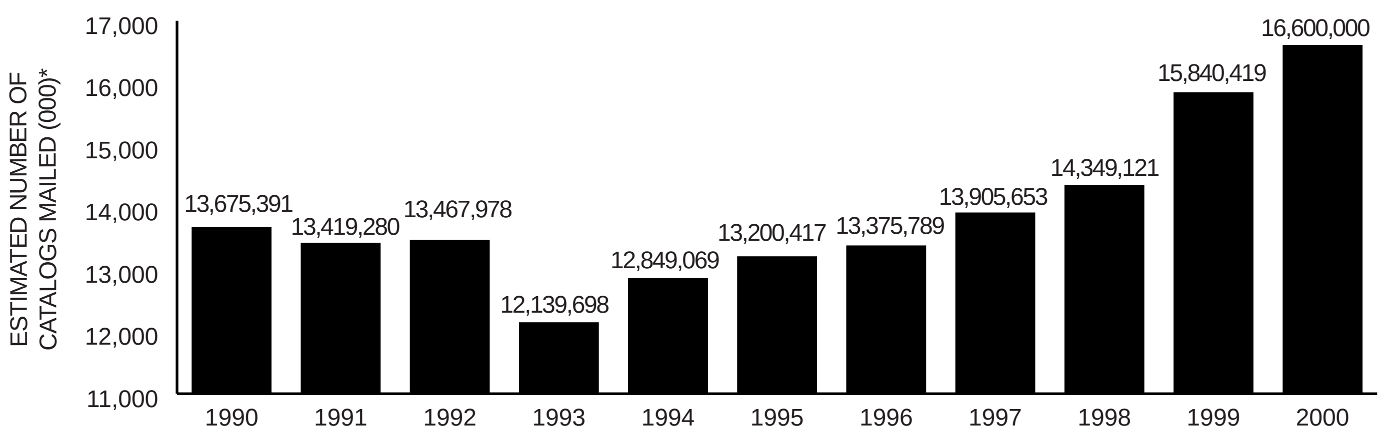
CONSUMER CATALOG BUYING HOUSEHOLDS
(12 MONTHS ENDING MAY 31, 2000, VS. MAY 31, 1999)

Households age 36 to 35 had the largest increase in dollars per household (4.0%).

	Dollars per Household		
Age	**2000**	**1999**	**% Changes**
18 to 25	$206	$215	-4.0%
26 to 35	$311	$298	4.0%
36 to 45	$373	$364	2.7%
46 to 55	$415	$410	1.2%
56 to 65	$412	$401	2.8%
66 to 75	$338	$354	-4.4%
75 to 100	$264	$284	-6.9%

Source: Abacus, A division of DoubleClick Inc., Broomfield, Colorado, 2000.

CATALOGS MAILED PER YEAR: 1990–2000 (in thousands)



* These figures are extrapolated from the USPS Revenue, Pieces and Weight by Classes of Mail Report based on the following assumptions that have been agreed upon by both the USPS and DMA and further substantiated by the findings of the USPS Household Diary Study:

• 18% of all Standard Mail (A) is catalogs (including non-profit mail).

NOTE: Prior to 1993, the percentage used to calculate the number of catalogs comprising third-class mail was 21 %.

• 85% of all Standard Mail (B) bound printed matter is catalogs

Source: DMA/USPS Revenue, Pieces and Weight by Classes of Mail Report for Fiscal Year 2000.

APPAREL STATISTICS

CATALOG APPAREL SALES GROWTH OUTPACING NONCATALOG APPAREL SALES GROWTH

According to statistics gleaned from NPD's American Shoppers Panel (consisting of 16,000 households nationwide), in the latter half of the 1990s, catalog apparel sales growth was consistently much higher than noncatalog apparel sales growth.

	Catalog	Noncatalog
1995-96	+9.8%	+5.5%
1996-97	+13.1%	+4.2%
1997-98	+7.4%	+4.4%
1998-99	+15.8%	+2.4%

Source: NPD American Shoppers Panel/Catalog Age, 2000.

CATALOGS' APPAREL MARKET SHARE CONTINUES TO EDGE UP

Catalog sales as a percentage of total apparel dollar sales grew from 7.5% in 1995 to 9.4% in 1999.

	Catalog	Noncatalog
1995	7.5%	92.6%
1996	7.8%	92.2%
1997	8.4%	91.6%
1998	8.7%	91.3%
Jan.-Sep. 1999	9.4%	90.6%

Source: NPD American Shoppers Panel/Catalog Age, 2000.

CATALOG SHOPPERS ARE OLDER

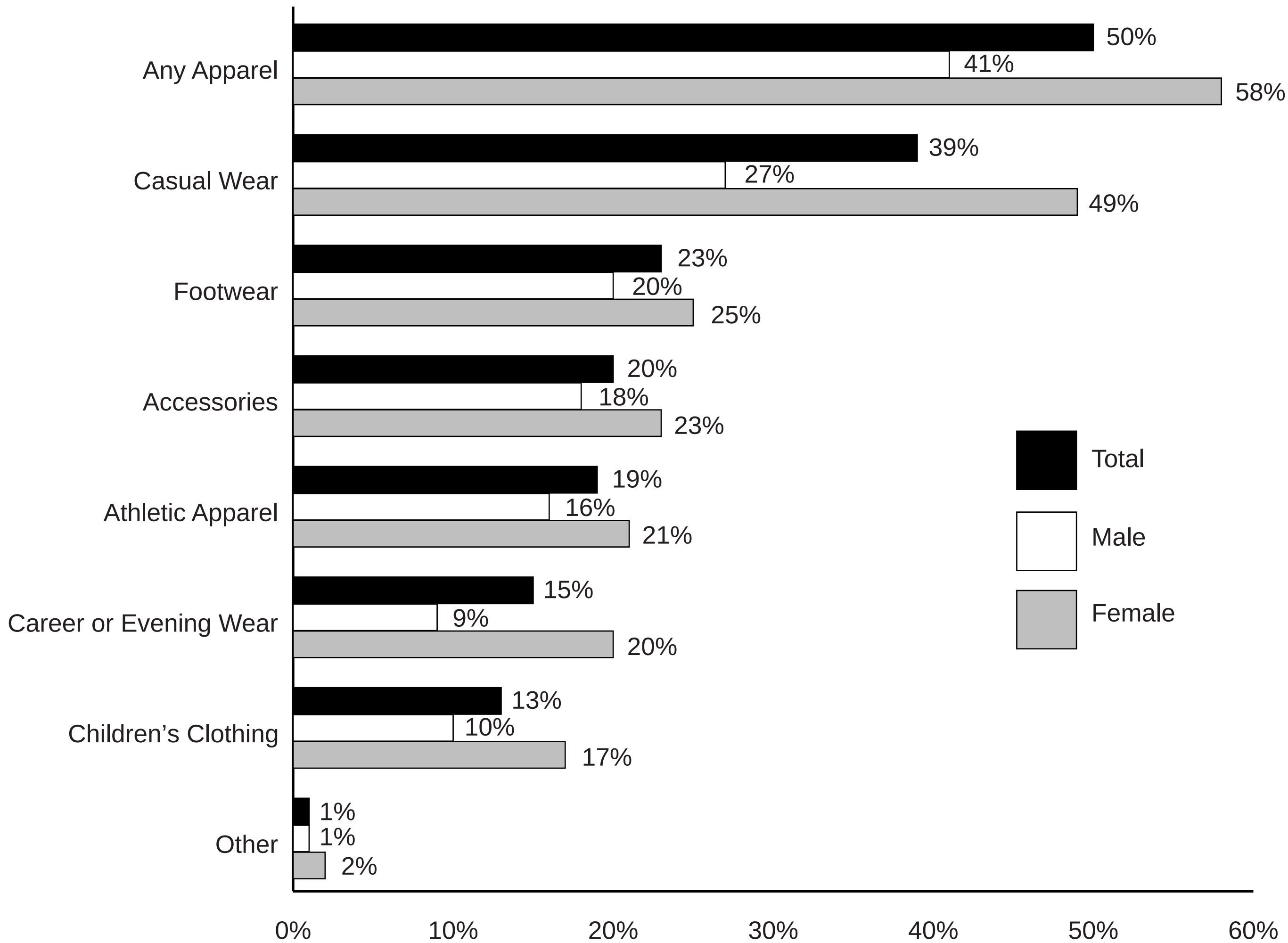
In the 65+ age group, the percentage of those who shop by catalog is more than twice the percentage of 65+ noncatalog buyers.

Age Group	Catalog	Noncatalog
Under 24	3.7%	7.3%
25-34	12.6%	22.6%
35-44	22.0%	28.9%
45-54	22.8%	20.2%
55-64	16.6%	10.3%
65+	22.4%	10.6%

Source: NPD American Shoppers Panel/Catalog Age, 2000.

APPAREL PURCHASE THROUGH CATALOGS AND INTERNET

This table presents the findings of a telephone survey conducted among a national probability sample of 1027 adults comprising 510 men and 517 women 18 years of age or older. The table shows that 50 % of respondents purchase any kind of apparel through Catalogs and Internet.



Source: The Direct Marketing Association, 2001.

Telephone

Costs

Trends

CHAPTER HIGHLIGHTS

- The average salary in 2000 for a corporate telesales director/outbound was $86,000 for consumer and $89,200 for business-to-business. For a regional telemarketing director at a service agency, the average salary in 2000 was $90,800.
- Washington/Fairfax County, DC/VA is the most expensive geographic location in the U.S. for operating a call center, while Sioux Falls, SD is one of the least costly.
- It costs close to $837,000 per year to operate an eight-person business-to-business call center.
- Inbound teleservice expenditures are projected to grow by an average annual rate of more than 18% through 2004 -- a far faster rate than outbound teleservices.

GEOGRAPHICALLY-VARIABLE CENTER OPERATING COST RANKINGS

This report, prepared by the Boyd Company, location consultants, features a factor-by-factor comparative operating cost analysis of a series of U.S. call center locations. Annual operating costs are scaled to a representative 800-number customer service center employing 150 hourly workers, occupying 30,000 sq. ft. of office space, and having a monthly call volume of 15 million minutes.

Location	Total Annual Operating Cost
Washington/Fairfax County, DC/VA	$9,375,482
Santa Clara County, CA	9,259,925
Los Angeles/Long Beach, CA	9,155,879
Fairfield County, CA	8,993,261
Boston, MA	8,898,925
Chicago, IL	8,704,103
Princeton, NJ	8,700,700
Phoenix, AZ	8,622,863
Denver, CO	8,613,283
Minneapolis/St. Paul, MN	8,555,118
Hartford, CT	8,544,505
Dallas, TX	8,490,308
Wilmington, DE	8,442,896
St. Louis, MO	8,395,568
San Diego, CA	8,380,066
Buffalo, NY	8,337,431
Rochester, MN	8,318,911
Salt Lake City, UT	8,286,765
Lehigh Valley, PA	8,219,446
Providence, RI	8,212,689
Palm Beach County, FL	8,178,743
Harrisburg, PA	8,162,400
Provo, UT	8,159,352
Tampa/St. Petersburg, FL	8,128,555
Orlando, FL	8,086,741
Miami, FL	8,083,099
Broward County, FL	8,076,451
Jacksonville, FL	8,069,132
Tucson, AZ	8,031,872
St. Cloud, MN	8,021,175
Omaha, NE	8,009,879
Kansas City, MO	8,008,786
Boise, ID	7,963,313
Scranton/Wilkes Barre/Hazleton, PA	7,961,968
Ft. Myers, FL	7,821,997
Duluth, MN	7,799,006
Dayton Beach, FL	7,745,814
Pensacola, FL	7,738,133
Destin/Ft. Walton Beach, FL	7,702,780
Sioux Falls, SD	7,535,622

Source: The Boyd Company, Inc., A Comparative Cost Analysis for Technical Operations, 2000.

2001 TELESALES SALARIES

TeleManagement Searchsm, a national executive search firm, has determined the salaries by the following process: 1) Discussions with employers, from presidents to personnel officers throughout the country, in companies varying in geographic areas, number of employees, and sales volume; 2) Personal interviews and discussions with professionals in Call Centers, Customer Service, and Telemarketing at all managerial levels working from coast to coast; 3) Analysis of information collected as a result of search assignments received nationally, enabling for confirmation of salary levels that have proven to be effective in recruiting candidates. Copies of the full salary guide are available for $35 from TeleManagement Searchsm, 114 East 32nd Street, Suite 938, New York, NY 10016, (212) 684-3500.

Telesales Director — Outbound (Corporate)

Responsible for directing the sales activities of the telesales division toward meeting established goals, including:

- Determining target markets and developing corresponding sales strategies and pricing strategies
- Directing the design, execution, tracking and reporting of all marketing programs and campaigns including database management, lead generation and qualification programs
- Equipment selection, facility planning, systems design and cost control
- Developing and implementing quality improvement and process reengineering programs to achieve greater efficiencies and profitability
- Defining, establishing and refining performance metrics used to measure and reward success
- Analyzing sales statistics daily, weekly, monthly and annually.

	Low	Average	High
Consumer	$72,100	$86,000	$92,200
Business-to-Business	$74,500	$89,200	$97,300

Telesales Supervisor — Outbound (Corporate)

Supervisory responsibility for a group of TSRs within the Telesales unit, including:

- Recruiting, evaluating and motivating TSRs
- Developing and implementing TSR training programs
- Scheduling TSR staff
- Administering payroll
- Preparing progress and productivity reports
- Developing and implementing motivational programs.

	Low	Average	High
Consumer	$28,700	$32,100	$36,700
Business-to-Business	$30,600	$34,800	$40,300

Customer Service Manager (Corporate)

Management of the Customer Service Department, including:

- Hiring and training the staff in phone techniques, product knowledge and customer service policy
- Setting goals and objectives for the unit
- Implementing new service programs and resolving service problems
- Reporting to upper management on customer satisfaction
- Monitoring and analyzing inquiry and complaint trends
- Informing senior management of customer issues impacting company policy
- Coordinating the customer service efforts with the order processing and shipping/fulfillment areas.

	Low	Average	High
Consumer	$54,600	$61,100	$70,800
Business-to-Business	$56,300	$63,700	$72,100

Telesales Manager — Inbound (Corporate)

Management responsibility for the inbound function of the corporation, including:

- Selecting, training, assigning and maximizing the performance of the call center staff
- Creating training and recognition programs to increase productivity, enhance morale and foster accountability
- Implementing and monitoring the order entry system
- Developing policies pertaining to fulfillment of orders placed by phone and notification of back-ordered merchandise and cancellations
- Monitoring price quotation activity.

	Low	Average	High
Consumer	$52,600	$64,100	$72,300
Business-to-Business	$50,100	$60,400	$65,700

(Continued)

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2001 TELESALES SALARIES

(CONTINUED FROM PAGE 104)

Customer Service Director (Corporate)

Responsible for directing the customer service activities of the corporation toward meeting established goals, including:

- Directing the customer service division to meet customer satisfaction goals
- Developing staffing plans and forecasts
- Monitoring and analyzing work flow and implementing strategies to improve service quality and cost efficiency
- Creating a customer friendly enthusiastic work force through empowerment and fostering team work
- Designing and implementing monitoring programs to increase performance standards and consistency
- Directing the hiring, training, and staffing of the customer service division.

	Low	Average	High
Consumer	$74,300	$88,400	$100,900
Business-to-Business	$71,900	$84,300	$95,700

Client Services Director (Service Agency)

Overall responsibility for all contact with clients of the service agency after an account has been sold, including:

- Hiring, training, developing and directing the client services staff
- Acting as the principal agency contact for major accounts
- Visiting clients at their corporate locations and guiding clients during on site visits through the operations facilities
- Monitoring clients' programs and directing them toward established productivity goals
- Designing tracking systems for data collection and results reporting
- Planning and developing individualized calling programs for accounts.

Low	Average	High
$75,700	$85,100	$91,400

Regional Director (Service Agency)

Responsible for the operations and administration of multiple Call Centers, including:

- Directing center managers and support staff
- Setting internal production goals to meet or exceed client goals and contractual requirements
- Analyzing billing and program performance to determine center profitability
- Formulating and controlling budgeting and pricing
- Sales forecasting and analysis
- Facility design
- Telecommunications equipment selection.

Low	Average	High
$79,200	$90,800	$96,400

Telesales Training Manager (Service Agency)

Responsibility for interviewing, hiring, indoctrination and the initial and ongoing training of the representatives, including:

- Researching and creating Call Center training materials including handouts and self-paced training modules
- Defining training needs for new and experienced staff that will upgrade productivity to meet revenue and service targets
- Delivering platform training for new and experienced staff in group training sessions
- Assigning personnel to programs through assessment of strengths
- Establishing call standards and implementing tracking programs to maintain call quality.
- Conducting monitoring sessions and giving individual feedback to increase performance

Low	Average	High
$56,400	$62,800	$70,900

Source: 16th Annual Call Center, Telesales & Customer Service National Salary Guide, TeleManagement Search sm, 2001.

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OUTBOUND BUSINESS-TO-BUSINESS SALES OPERATION ANNUAL COSTS

(EXAMPLE)

The following is a break out of costs for operating a B-to-B telemarketing center.

8 Representatives @ 230 days and 1,610 hours per rep.

STAFF

(1) Manager/Supervisor @ $45,000 base plus commissions, incentives, and 30% tax and fringe.

(8) Representatives @ $28,000 base plus commissions, incentives, and 30% tax and fringe.

(1) Admin/Asst. @ $22,000 base plus 30% tax and fringe.

Commissions: at 100% of target

- Manager/Supervisor	$15,000
- Reps	$17,000 each

Incentives:

- Manager/Supervisor	$5,000
- Reps	$2,000 each

TELEPHONE

Network @ .08/minute of connect time for 24.5 connect minutes per hour.

Equipment: $13,000 (from capital expense statement).

AUTOMATION

H/W: $11,333 (from capital expense statement)

S/W: $22,000 (from capital expense statement)

RENT

$22,800 (from capital expense statement)

WORKSTATIONS & OTHER FURNISHINGS & OFFICE EQUIPMENT (from capital expense statement)

Workstations:	$4,650
Furnishings:	1,300
Office equipment:	4,375

MAIL, CATALOG, FAXES

Sent as a direct result of phone activity, estimated @ 3.00 per rep phone hour.

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OUTBOUND BUSINESS-TO-BUSINESS SALES OPERATION ANNUAL COSTS

(CONTINUED FROM PAGE 106)

	ANNUAL	REP HOUR	REP DAY
8 reps @ 230 days each	1,840		
8 reps @ 1,610 hours each	12,880		
STAFF			
Manager/Supervisor (1)	$ 45,000	$ 3.49	
Representatives (8)	224,000	17.39	
Administrative Assistant (1)	22,000	1.71	
Commissions	151,000	11.72	
Incentives	21,000	1.63	
Tax & Fringe 30%	154,330	11.98	
SUB-TOTAL	$ 617,330	$ 47.92	$ 335..50
TELEPHONE			
Network @ .08 min.	25,245	1.96	
Equipment	13,000	1.01	
SUB-TOTAL	$ 38,245	$ 2.97	$ 20.79
AUTOMATION			
H/W:	11,333	.88	
S/W:	22,000	1.71	
SUB-TOTAL	$ 33,333	$ 2.59	$ 18.12
RENT & OTHER	33,125	2.57	18.00
MAIL, CATALOG & FAXES	38,640	3.00	21.00
TOTAL DIRECT EXPENSES	$ 760,673	$ 59.06	$ 413.41
Plus			
CORP. GENERAL & ADMINISTRATION (10%)	76,067	5.91	41.34
GRAND TOTAL	**$836,740**	**$64.96**	**$454.75**

Source: Oetting & Company, Inc., 2001.

OUTBOUND CONSUMER SALES OPERATION ANNUAL COSTS

(EXAMPLE)

The following is a break out of costs for operating a consumer telemarketing center.

BASIS

Call Schedule:

M - Th:	3 four-hour shifts (9 to 9)
Fri:	2 four-hour shifts (9 to 5)
Sat:	2 four-hour shifts (9 to 5)
TOTAL:	**64 Hours of Operations**

STAFF

For adequate use of a dialer the need is estimated for at least 14 reps per shift. The staffing basis includes a 20% non-phone factor: absences (10%), breaks (6%), and coaching (4%).

Rep staffing calculation costs:

- 16 shifts x 4 hours = 64 shift-hours
- 64 shift-hours x 14 workstation-hours/shift = 896 workstation-hours/week
- 896 hours ÷ 20 workstation-hours/rep/week = 45 reps
- 45 reps x 1.20 non-phone factor = 54 PT reps needed

Reps Base @ $9.00/hour

Management and clerical staffing and schedules:

(1) FT Manager:	M-F	10:30 - 7:30	@ $40K
(1) FT Supervisor:	M-F	8:00 - 5:00	@ $25K
(1) FT Supervisor:	M - Th & Sat	12:30 - 9:30	@ $25K
(2) FT Clerks:	M - F & Tu - Sat		@ $16K

Commissions:

Manager	$6,000 Annual
Supervisor	$8,000 Each, annual
Reps	Average $3.00/hour, each

Tax and Fringes:

FT @ 30%

PT @ 10%

TELEPHONE

(17 reps [for peaks] and 5 other stations)

Network @ .08/minute of connect time for average day, evening/weekend (dialer) connect per rep hour of 43 min.

Blended system of 17 stations (small installation) @ $16,000 per station depreciated over 5 years plus maintenance of 15% of total cost per year: $54,400 plus $40,800 annual.

AUTOMATION

H/W - 22 stations @ $2,500 each over 3 years plus annual maintenance of 10%: $18,333 plus $5,500.

S/W - 22 stations @ $2,000 each over 3 years plus annual maintenance of 15%: $14,666 plus $6,600.

RENT

17 reps stations @ 120 sq. ft. each = 2,040 sq. ft.

2,040 x $15.00/sq. ft. (includes LHI): $30,600

WORKSTATIONS, FURNISHINGS & OFFICE EQUIPMENT

22 workstations @ $2,200 average each over 8 years plus annual maintenance of 5% of total: $6,050 plus $2,420.

Furnishings: $12,500 over 8 years plus annual maintenance of 5% of total: $1,500 + $600.

Office Equipment: $12,500 plus annual maintenance of 10% of total over 4 years: $3,125 plus $1,250.

Mail sent as follow-up to calls estimated at $1.50 per rep phone hour.

OUTBOUND CONSUMER SALES OPERATION ANNUAL COSTS

(CONTINUED FROM PAGE 108)

	Annual	Rep Hour
Annual Rep Workstation Hours @ 896 per Week		46,592
STAFF		
(1) Manager	$40,000	
(2) Supervisors	50,000	
(2) Clerks	32,000	
Commissions	22,000	
Tax and Fringe (30%)	43,200	
SUB-TOTAL	187,200	4.02
54 PT reps @ 1,000 hours/year each less 105 absences @ $9.00/hour	437,400	9.39
Commissions: $3.00/workstation hour	139,776	3.00
Tax (10%)	57,718	1.24
SUB-TOTAL	634,894	13.63
STAFF TOTALS:	822,094	17.65
TELEPHONE		
Network	160,276	3.44
Equipment	95,200	2.04
	255,476	5.48
AUTOMATION		
H/W & Maintenance	23,833	.51
S/W & Maintenance	21,266	.46
	45,099	.97
Furniture & Equipment	14,945	.32
Mail/Follow-up to calls	69,888	1.50
TOTAL DIRECT EXPENSE	$1,207,502	$25.92
Plus		
CORPORATE G & A (10%)	120,750	2.59
TOTAL	**$1,328,252**	**28.51**

Source: Oetting & Company, Inc., 2001.

INTERNATIONAL CALL CENTER PERFORMANCE METRICS

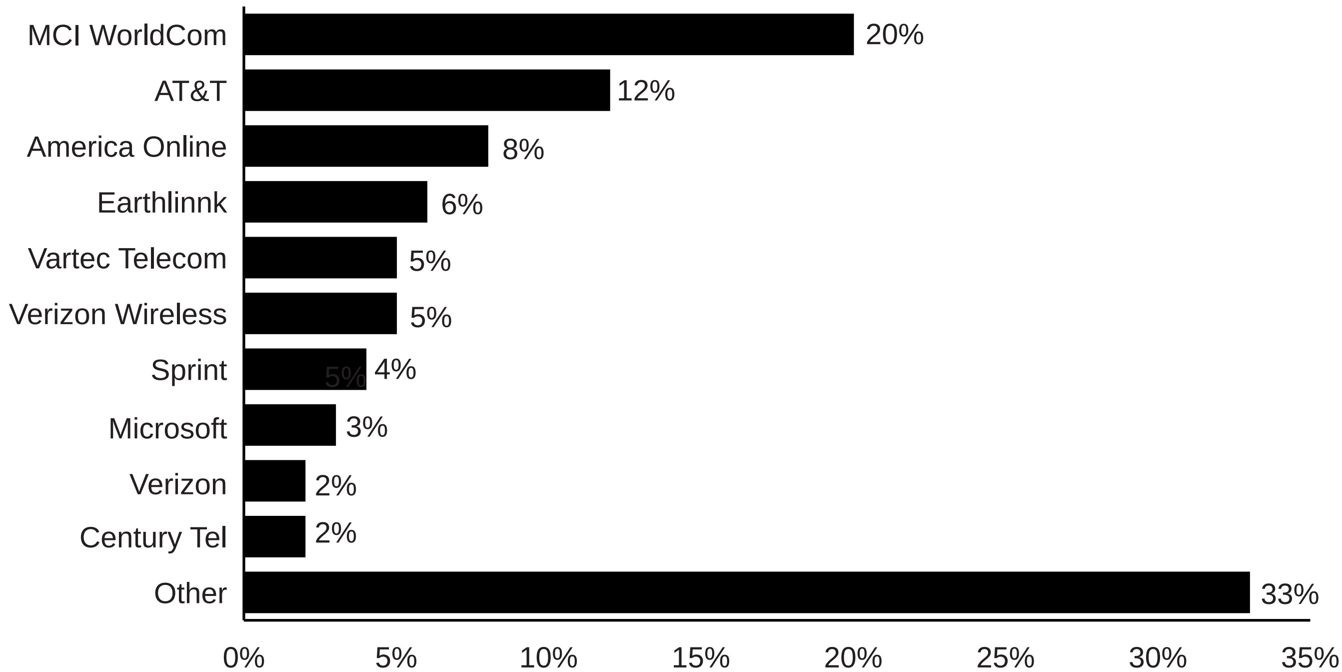
This table shows call center performance metrics by country with the first column ordered by the lowest cost per call to the highest cost per call, all converted to US dollars by adjusting for different currencies and their exchange rates. The countries are remarkably different on almost every metric; indicating a wide variance in management styles, labor rates, work ethic, unionization and agents' skills. As the database grows with international participants, a similar table will be generated showing similar metrics compared to the call center performance index.

	Cost Per Call	Annual Turnover	Caller Satisfaction Index	Cost to Bring on a New Agent	Initial Agent Training Time	Data Entry Errors Per 1,000 Contacts
Ireland	$1.39	12%	20%	$2,970	80	60
Belgium	$1.93	55%	48%	$2,488	150	50
Germany	$3.49	13%	44%	$5,742	48	22
Canada	$7.19	18%	51%	$5,069	126	27
Netherlands	$10.00	32%	54%	$6,901	112	24
United States	$10.19	24%	51%	$6,133	148	26
United Kingdom	$11.78	14%	34%	$4,688	156	18

Source: Purdue University and Benchmark Portal, Inc., 2001.

TELECOMMUNICATIONS DIRECT MAIL 2000

In telecommunication industry the most direct mail is done by MCI WorldCom.



Source: Comperemedia, 2001.

ESTIMATED TELEPHONE-RELIANT iDM PRODUCT AND SERVICE SALES 2000 (dollars in billions)

The telephone plays a significant role in direct marketing -- involved in approximately 73% of iDM (Internet Direct Marketing) product and service sales -- either through the solicitation of a sale, lead and traffic generation or customer order taking. Direct sales made through the telephone alone account for 29.3% of total iDM revenues.

Medium	Total Sales by Medium	Estimated % of Sales Involving the Telephone	Sales Involving the Telephone	% of Total iDM Sales
Catalog	$99.8	90%	$89.8	4.5%
Direct Mail	$520.7	60%	$312.4	15.6%
Outbound Telemarketing	$585.9	100%	$585.9	29.3%
Newspaper	$234.1	80%	$187.3	9.4%
Magazine	$87.5	80%	$70.0	3.5%
Television	$115.5	90%	$104.0	5.2%
Radio	$45.0	80%	$36.0	1.8%
E-Commerce	$225.0	10%	$22.5	1.1%
Other	$83.3	50%	$41.7	2.1%
Total	**$1,996.9**		**$1,449.6**	**72.7%**

Source: Direct Marketing Association, U.S. Department of Commerce, Winterberry Group analysis, 2001.

TOTAL TELESERVICE EXPENDITURES B-TO-B VS. B-TO-C, 1999-2004 (dollars in billions)

Total teleservice expenditures are projected to grow by an average annual rate of 13% through 2004, reaching $240.5 billion.

	B-to-B		B-to-C		Total
Year	**Expenditures**	**%**	**Expenditures**	**%**	**Expenditures**
1999	$64.0	51.5%	$60.2	48.5%	$124.2
2000	$74.5	50.4%	$73.2	49.6%	$147.7
2001	$84.0	50.0%	$84.0	50.0%	$168.0
2002	$95.1	49.6%	$96.6	50.4%	$191.7
2003	$106.2	49.6%	$108.0	50.4%	$214.3
2004	$118.7	49.3%	$121.9	50.7%	$240.5
CAGR 2000-2004	**12.4%**		**13.6%**		**13.0%**

Source: Winterberry Group, New York, 2001.

TOTAL TELESERVICE EXPENDITURES OUTBOUND VS. INBOUND, 1999-2004 (dollars in billions)

Inbound teleservice expenditures are projected to grow by an average annual rate of more than 18% through 2004 -- a far faster rate than outbound teleservices.

	Outbound		Inbound		Total
Year	**Expenditures**	**%**	**Expenditures**	**%**	**Expenditures**
1999	$66.8	53.8%	$57.3	46.2%	$124.1
2000	$71.0	48.1%	$76.7	51.9%	$147.7
2001	$75.6	45.0%	$92.4	55.0%	$168.0
2002	$80.5	42.0%	$111.2	58.0%	$191.7
2003	$85.7	40.0%	$128.6	60.0%	$214.3
2004	$91.4	38.0%	$149.1	62.0%	$240.5
CAGR 2000-2004	**6.5%**		**18.1%**		**13.0%**

Source: Winterberry Group, New York, 2001.

Print/Promotion

Consumer Attitudes

Trends

CHAPTER HIGHLIGHTS

- Free-standing inserts are consistently the largest vehicle for coupon distribution, representing 82.4% of the total in 2000.
- In 2000, a total of 4.5 billion coupons were redeemed, down 4.3% since 1999.
- Overall, grocery coupon distribution in 2000 totaled 166.2 billion coupons, a decrease of 3.1% from 1999.
- The average redemption rate for direct mail coupons in 2000 was 3.0 percent.
- Although 70% of consumers feel that inserts are an annoyance and 64% would prefer not to receive them, 47% believe that they are useful and 43% share them with family members.

TYPES OF BILL INSERTS THAT CONSUMERS VALUE

Consumers place the most value on the types of inserts they read most often, including discounts or coupons for local businesses, such as a car wash, retail store or restaurant; and information about new products or changes to current products.

Highly Valued Bill Inserts	Total (%)	Read Inserts (%)	Don't Read Inserts (%)	Redeem Inserts (%)	Don't Redeem Inserts (%)
Discounts or coupons for local business or services	44	55	27	68	43
Information about new products/ services/changes	26	35	12	44	25
Information about company changes	25	35	10	43	25
Discounts or coupons for national businesses or services	22	30	8	42	18
Newsletter or company update	17	25	5	30	18
Free offers	14	19	6	26	13
Contest or entry form	11	15	4	22	8

Source: CTAM, November 2000 Pulse.

CONSUMERS' REACTIONS TO STATEMENT STUFFERS

Although 70% of consumers feel that inserts are an annoyance and 64% would prefer not to receive them, 47% believe they are useful and 43% share them with family members.

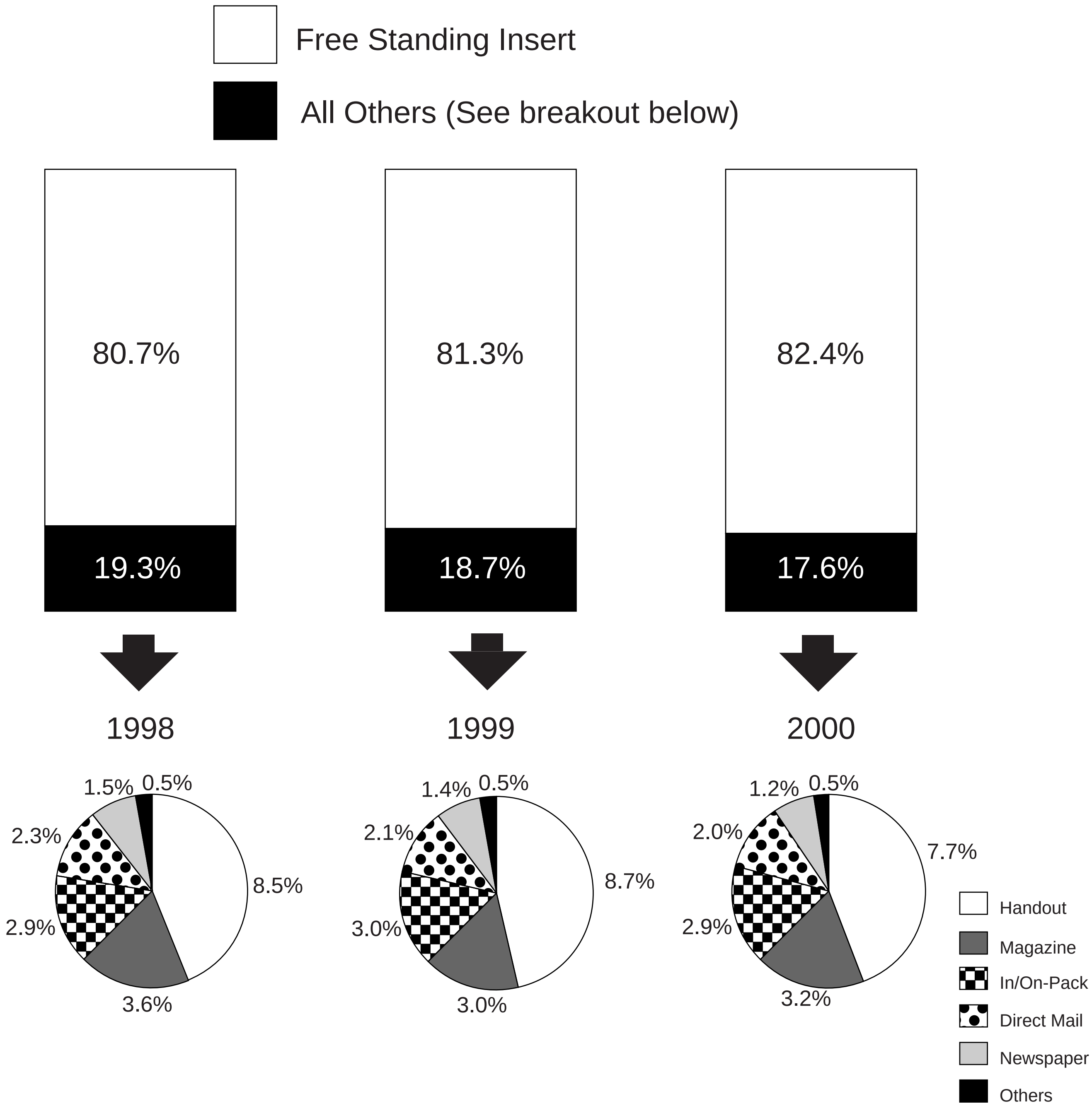
Consumer Reaction	Total (%)	Read Inserts (%)	Don't Read Inserts (%)
Inserts are an annoyance	70	65	78
Prefer not to receive any inserts	64	55	79
Prefers inserts from company sending bill	57	68	40
Inserts are for useful products	47	59	28
Share inserts with family members	43	56	22
Like receiving inserts	37	50	16

Source: CTAM, November 2000 Pulse.

PERCENT OF COUPON DISTRIBUTION BY MEDIA

ALL PRODUCTS

Free-standing inserts consistently maintained the largest distribution through 2000.



Source: NCH NuWorld Marketing Limited, 2001.

THE DMA Direct Marketing Association

TOP 10 PRODUCT CATEGORIES WITH HIGHEST GROWTH OF COUPONS DISTRIBUTED

The category with the strongest growth in coupon distribution for 2000 was disposable diapers.

	2000 Rank	1999 Rank
Disposable Diapers	1	NA
Paper Products	2	9
Pet Treats	3	14
Cheese	4	NA
Snacks	5	20
Household Cleaners	6	1
Condiments, Gravies & Sauces	7	3
Vitamins	8	NA
Toothpaste	9	12
Canned Vegetables	10	NA

Source: NCH NuWorld Marketing Limited, 2001.

ELECTRONIC REDEMPTION RATE TRENDS BY CATEGORY

Redemption rates for Electronic Checkout coupons in all categories except Beverages and Household increased in 2000.

	1998		1999		2000	
Category	Electronic Checkout Coupons	Electronic Shelf Coupons	Electronic Checkout Coupons	Electronic Shelf Coupons	Electronic Checkout Coupons	Electronic Shelf Coupons
Beverages	6.6%	9.5%	10.35%	9.59%	6.87%	13.72%
Dry Grocery	7.1	11.6	7.68	11.44	7.10	9.79
Frozen	6.3	10.1	6.10	NA	6.80	10.58
Health Care	12.1	NA	6.41	3.39	4.69	4.20
Household	8.9	8.5	7.77	9.35	6.99	12.03
Packaged Deli	6.4	NA	7.72	NA	12.75	NA
Personal Care	22.9	9.6	8.68	NA	5.40	2.51
Refrigerated	6.3	10.8	7.16	15.07	5.81	18.10

Source: Trends 2001 “A Promotional Planning Guide.”

COUPON REDEMPTION RATES BY MEDIA: 1999 AND 2000

Bounceback, direct mail, electronic shelf, in-ad, in-pack cross ruff, instant redeemable, magazine on-page, magazine pop-up, military shelf pad, and shelf pad coupons all increased their share of redemption in 2000.

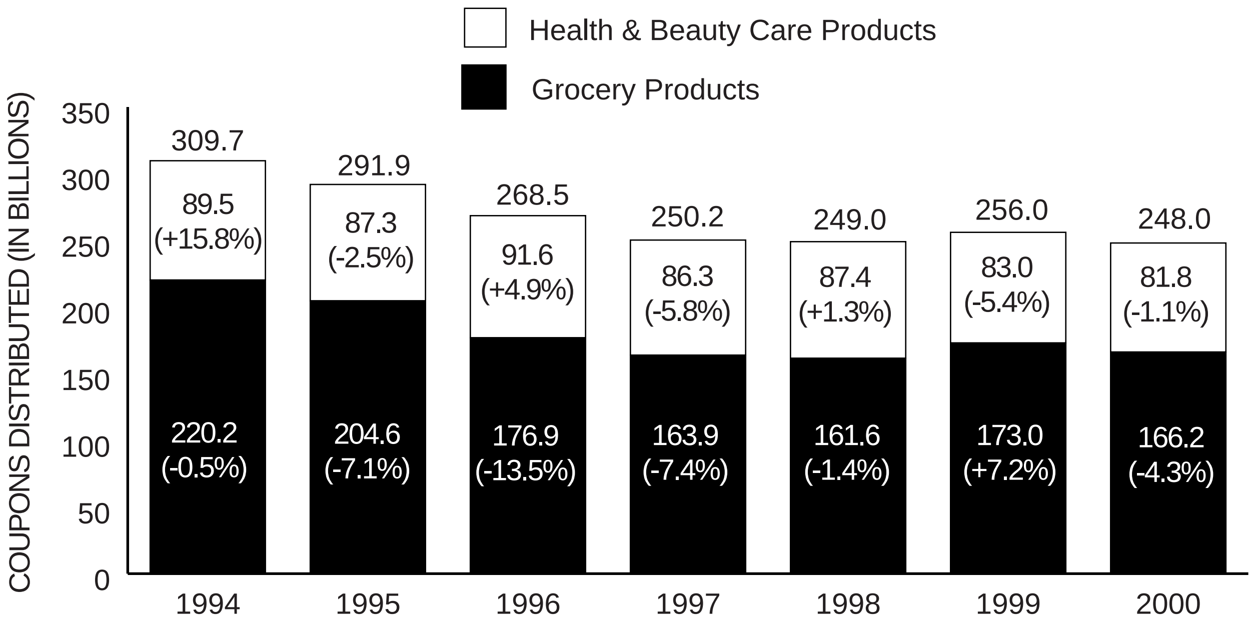
Media	1999	2000
Bounceback	14.34%	13.68%
Consumer Response	39.76	17.05
Direct Home Delivery	10.58	2.75
Direct Mail	1.88	2.95
Direct Mail Co-op	1.09	0.75
Electronic Checkout	8.37	6.87
Electronic Discount	n/a	5.65
Electronic Frequent Shopper	n/a	8.21
Electronic Shelf	9.30	10.80
Free-Standing Insert	1.11	0.98
Handout	3.82	3.31
Handout Co-op	1.53	1.31
Handout In-store with Sample	1.06	3.85
Handout Off-store Location	1.68	2.59
Handout Off-store Location with Sample	2.38	2.57
In-ad	0.72	0.63
In-pack	5.92	3.93
In-pack Cross Ruff	2.77	2.46
Instand Redeemable	33.73	21.02
Instant Redeemable with Cross Ruff	14.14	5.56
Internet	36.11	4.15
Magazine on-page	0.51	0.66
Military Handout	16.44	3.87
Military Magazine	4.06	2.94
Military Shelf Pad	28.80	23.94
Newspaper Co-op	n/a	0.47
Newspaper Run-of-press	1.37	0.52
On-pack	5.32	2.40
On-pack Cross Ruff	4.55	2.73
Shelf Box	11.76	11.57
Shelf Pad	6.31	8.65
Targeted Frequent Shopper	2.84	5.47

Source: CMS, “Trends 2001: A Promotional Planning Guide.”

TRENDS IN COUPON DISTRIBUTION

BILLIONS OF COUPONS

Overall, grocery coupon distribution in 2000 totaled 248.0 billion coupons, a decrease of 3.1 percent from 1999.

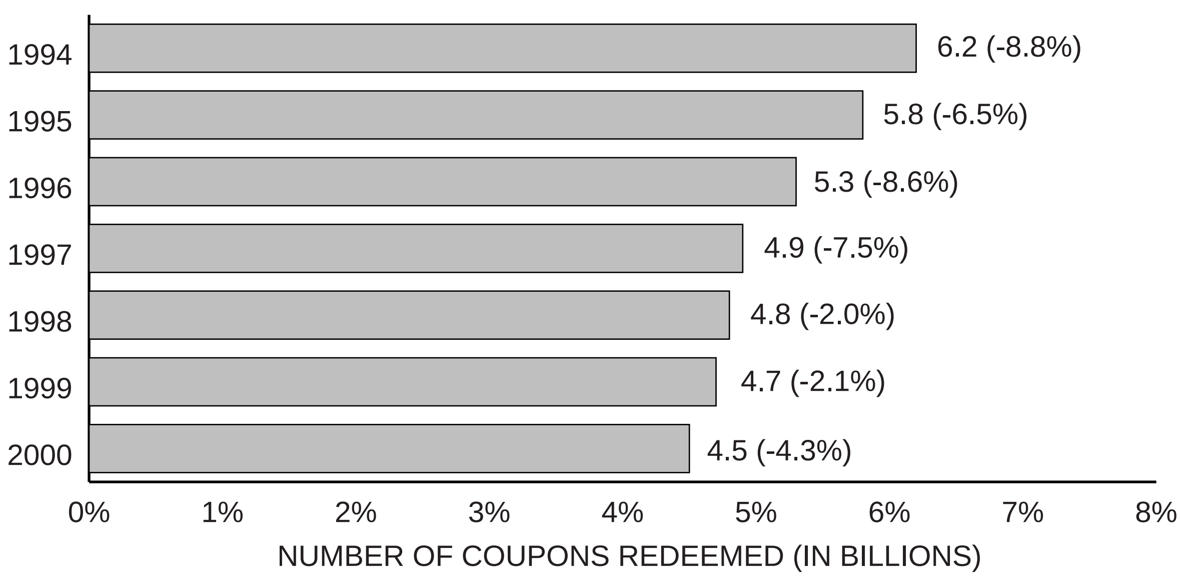


Source: NCH NuWorld Marketing Limited, 2001.

TRENDS IN COUPON REDEMPTION

BILLIONS OF COUPONS

Total redemption of manufacturer coupons continued its decline in 2000, dropping 4.3 percent to 4.5 billion.



Source: NCH NuWorld Marketing Limited, 2001.

Television/ Home Shopping

Consumer Attitudes
Buying Habits
Costs
Trends

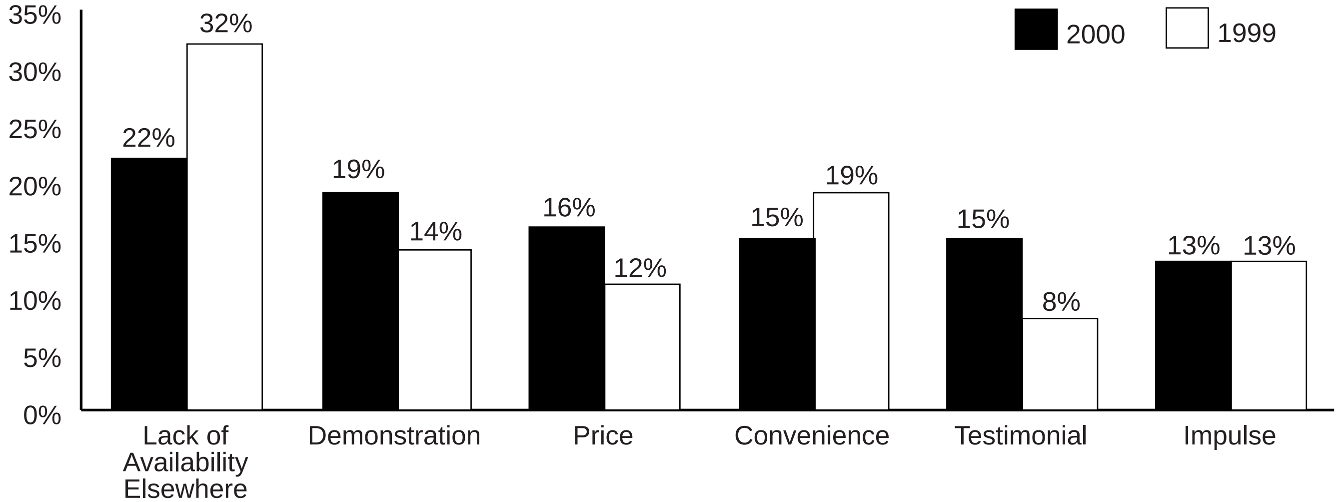
Chapter Highlights

- Lack of availability elsewhere remains the prime motivating factor for consumers purchasing from television.
- The average price to produce an infomercial ranges from $124,750 for a low-end production to $801,293 for a high-end production.
- Electronic Products were the most popular products sold through direct response television.
- In 2000, 44% of direct response television buyers made between two and four purchases, while 20% made seven or more purchases.
- Total cable programming distribution was 79% of all television homes in 1999.

THE DMA Direct Marketing Association

WHY CONSUMERS BUY FROM TELEVISION

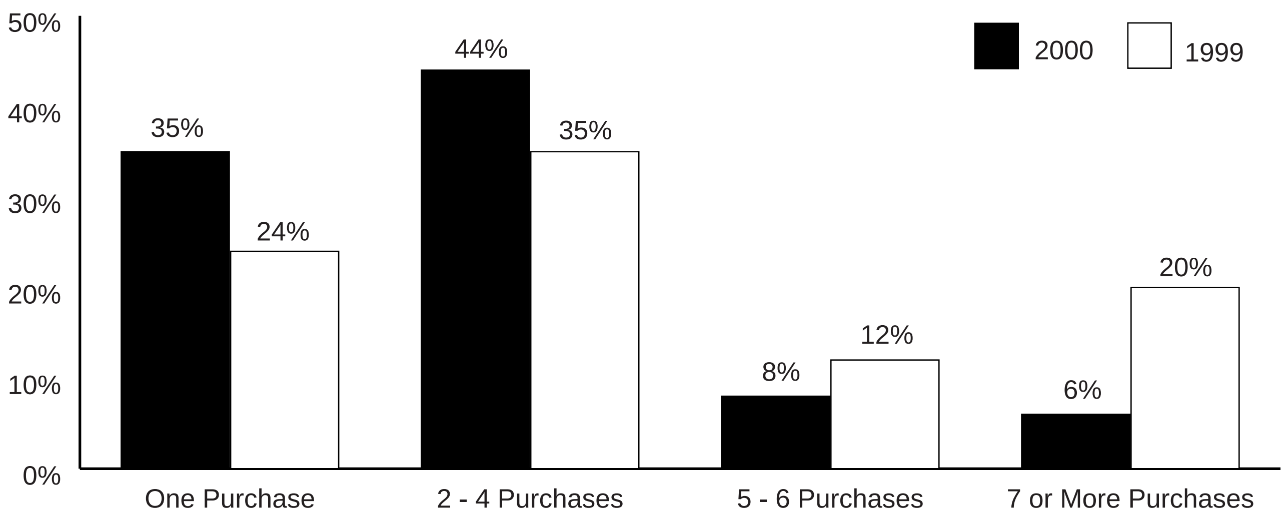
Lack of availability elsewhere remained the leading reason why consumers purchased through a television toll-free number in 2000, followed by demonstration.



Source: Response Magazine, 2000.

FREQUENCY OF PURCHASES OVER PAST YEAR

In 2000, 44% of direct response television buyers made between two and four and purchases, while 35% made one purchase.



Source: Response Magazine, 2000.

TV SHOPPERS' PAYMENT METHODS

The majority of people (96 percent) prefer to pay with a credit card.

Overall	2000	1999
Credit Card	96%	90%
Phone	2%	8%
COD/Invoice	2%	2%

Source: Response Magazine, 2000.

HOW TV SHOPPERS SHOP THE INTERNET

DRTV buyers are not only Internet users, but also Internet buyers. Electronics is the most popular category among DRTV buyers shopping the Internet.

	2000	1999
Electronics	20%	15%
Diet/Health/Weight	10	9
Kitchen/Cookware	8	3
Self-improvement/Education	8	12
Exercise	7	6
Collectibles and Hobbies	6	9
Music	5	12
Automotive	4	3
Videos	4	6
Beauty/Cosmetics	2	3
Magazine Subscriptions	2	3
Financial Services	1	9
Jewelry	0	3

Source: Response Magazine, 2000.

INFOMERCIAL PRODUCTION COST WORKSHEET

The following cost breakdown is for two hypothetical 30-minute infomercials. Low end refers to a budget production shot on video where costs are kept at a bare minimum. High end refers to a much more extravagant infomercial. This figure does not represent the most expensive infomercials ever made; some corporate high-end productions have cost more than $1 million to produce. Markup refers to the percentage a producer charges to cover overhead and to make a profit. Dollar figures are averages.

Expense*	Low End '99	High End '99	Low End '00	High End '00
Feasibility Study	NA	$9,250	NA	$10,000
Script Consultation/Concept	NA	5,500	NA	5,750
Script	$5,500	30,000	$6,100	35,000
Music/Audio	3,000	15,000	3,500	20,000
Crew/Equipment	22,500	65,000	25,000	73,000
Location/Studio	6,000	187,000	7,500	215,000
Art Direction/Stylist	3,000	55,000	4,200	60,000
Props	2,000	10,000	2,500	20,000
Editing	25,000	60,000	28,000	70,000
Catering	2,500	6,000	2,500	6,500
Director	5,000	26,000	7,500	30,000
Voiceover	3,000	5,000	3,500	6,300
Animation/Graphics	5,000	25,000	5,000	27,000
Audience	4,000	13,000	4,500	15,000
Markup (25% to 35%)	21,625	179,287	24,950	207,743
Total*	**$108,125**	**$691,537**	**$124,750**	**$801,293**

* Because talent costs vary widely, they are not included here, but should be calculated in addition to the totals listed.

Source: Response Magazine, 2001.

SHORT-FORM DRTV PRODUCTION COSTS

The following cost breakdown is for two hypothetical short-form DRTV productions. Low end refers to a budget production shot using video where costs are kept at an absolute minimum. High end is a more extravagant production using film and graphics. Dollar figures are averages. Markup refers to the percentage a producer charges to cover overhead and to make a profit.

Expense*	Low End '99	High End '99	Low End '00	High End '00
Script Consultation/Concept	$500	$1,000	$1,500	$2,000
Script	500	6,000	1,200	6,000
Music/Audio	500	3,000	1,000	3,000
Crew/Equipment	5,000	20,000	5,000	20,000
Location/Studio	1,000	5,000	1,000	10,000
Art Direction/Stylist	500	5,000	1,000	5,000
Props	100	2,500	500	5,000
Editing	4,000	15,000	4,000	25,000
Catering	100	200	300	1,000
Director	1,500	5,000	1,500	7,500
Voice Over	500	2,500	500	2,500
Animation/Graphics	1,000	5,000	1,000	15,000
Markup (25% to 30%)	3,420	15,795	4,163	22,950
Total*	**$18,620**	**$85,995**	**$22,663**	**$124,950**

* Because talent costs vary widely, they are not included here, but should be calculated in addition to the totals listed.

Source: ResponseTV Magazine, June 2000.

NATIONAL GROWTH IN CABLE SUBSCRIBERS AND HOUSEHOLD PENETRATION 1988-2000

Cable programming penetration reached over 79% in 1999.

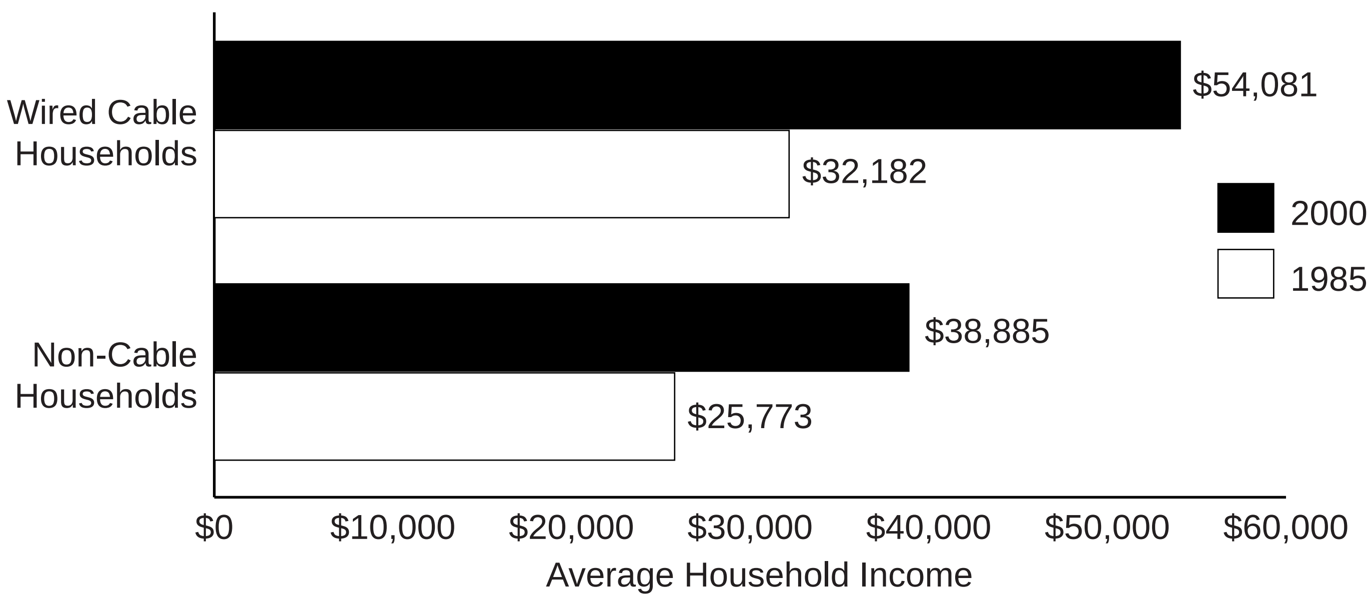
Year (Oct.-Sep.)	Total TV Homes (000)	Cable HH Penetration (%)	Cable Subscribers (000)	Homes Passed (000)
1999/00*	100,917	79.6	80,335	97,600
1998/99	99,508	78.5	78,069	96,600
1997/98	98,117	77.3	75,821	95,600
1996/97	97,083	69.6	67,572	94,600
1995/96	95,992	68.1	65,398	93,700
1994/95	95,442	66.8	63,793	92,700
1993/94	94,300	65.9	62,132	91,600
1992/93	93,192	65.7	61,244	90,600
1991/92	92,183	64.8	59,776	89,400
1990/91	93,017	62.9	58,542	87,900
1989/90	92,183	60.6	55,895	86,000
1988/89	90,542	57.5	52,089	80,300

* Beginning with 1997/98, cable penetration and subscribership figures reflect the total of all cable programming delivery systems. Wired cable penetration is 79.2 million TV homes.

Source: Cablevision Advertising Bureau, 2001 Cable TV Facts.

WIRED CABLE HOMES GROW MORE AFFLUENT OVER TIME

From 1985 to 2000, the average cable household income rose 68% from $32,182 to $54,081. Over the same time span, the average non-cable household income rose 51%. Today, the income gap between cable and non-cable households is $15,196. That represents a 137% increase over the $6,409 gap which existed in 1985.



Source: Cablevision Advertising Bureau, 2001 Cable TV Facts.

THE DMA Direct Marketing Association

TOP 30 INFOMERCIALS ON NATIONAL CABLE FOR 2000

BASED SOLELY ON FREQUENCY OF PROGRAMS AIRED ON NETWORKS MONITORED

The Health & Fitness category is the most frequently aired type of infomercial, taking five spots among the first ten.

Rank	Show Title	Marketing Company	Category
1	Carleton Sheets	Professional Education	Business & Finance
2	Proactiv	Guthy-Renker Corporation	Beauty
3	Tae-Bo	Integrity Global Marketing	Health & Fitness
4	Ronco Showtime	Ronco, Inc.	Kitchen
5	Chitosol	DMI / Global Marketing	Health & Fitness
6	Total Gym	American Telecast	Health & Fitness
7	Attacking Anxiety	Midwest Center	Education & Self Help
8	Sharper Image	The Sharper Image	Household
9	ABslide	Sylmark	Health & Fitness
10	Torso Tiger	Thane International, Inc.	Health & Fitness
11	Torso Track	American Telecast	Health & Fitness
12	Pest Offense	Reliant Interactive Media Corp.	Household
13	FoodSaver Compact	Tilia, Inc.	Kitchen
14	Ab-Doer	Thane International, Inc.	Health & Fitness
15	Making Money	New Strategies	Business & Finance
16	Nad’s	Aussie Nad’s U.S. Corp.	Beauty
17	Psychic Solution	Pyschic Readers Network, Inc.	Entertainment, Travel & Leisure
18	Restore 4	Restore 4, Incorporated	Household
19	NRA	National Rifle Association	Brand / Image Aware, Lead Gen.
20	Slim Down Express	Everything4Less	Health & Fitness
21	Video Computer Store	Direct2U Network	Computers & Electronics
22	Internet Tool Box	ThemeWare, Inc.	Computers & Electronics
23	ThermoSlim	Universal Nutrition Corp.	Health & Fitness
24	Move, Groove and Lose	Good Times Merch.	Health & Fitness
25	Bowflex	Bowflex / Direct Focus, Inc.	Health & Fitness
26	Lean Routine	Ownit, Inc.	Health & Fitness
27	Enforma System	Enforma Natural Products, Inc.	Health & Fitness
28	LIFE	LIFE Outreach Int’l.	Not for Profit
29	Video Professor	VPI Marketing	Computers & Electronics
30	Principal Secret	Guthy-Renker Corp.	Beauty

Source: Infomercial Monitoring Service, Inc. 810 Parkway Boulevard, Satellite 2, Broomall, Pennsylvania, 19008. Phone: 610-328-6902. Fax: 610-328-6791. Email: catanese@imslv.com. IMS is a research and publishing company that tracks both long- and short-form DRTV. Its database and video library services companies in all aspects of the industry. IMS also provides weekly and monthly reports of DRTV rankings, verification, evaluations, and consulting.

TOP TEN INFOMERCIALS OF 2000

These rankings cover the period January 1, 2000 to December 31, 2000. They are based upon a formula which looks at frequency of airing, longevity, and media budgets.

RANK	NAME OF SHOW	PRODUCT	DISTRIBUTOR
1	Showtime Rotisserie	Electric rotisserie	Ronco
2	Carleton Sheets	Real estate money-making system	Professional Education Institute
3	Proactiv	Acne treatment	Guthy-Renker
4	Bowflex	Home gym	Bowflex
5	Chitosol	Weight-loss supplements	DMI Global Marketing Solutions
6	Move Groove and Lose	Weight-loss program	GT Direct
7	Total Gym	Home gym	American Telecast
8	Tae-Bo	Exercise videos	Integrity Global Marketing
9	Torso Track	Exerciser	Torso Track
10	Foodsaver	Vacuum sealer	Tilia

Source: Jordan Whitney, Inc., 2000.

DEMOGRAPHICS OF THE AVERAGE DRTV SHOPPER

Females make up 84% of DRTV buyers for last three years.

	2000	1999	1998	1997
Female Purchaser	84%	84%	84%	85%
Caucasian	76	80	84	77
Married	68	83	77	57
Parent of one or two children	46	42	48	38
Employed in various occupations, most often as a professional	33	37	57	41
Homeowner	73	72	87	68
Income of $26-35,000	13	15	5	13
Income of $36-55,000	27	27	10	19
Income of $56-75,000	15	13	13	11
Income of $76-99,000	9	7	20	6
Income of $100,000+	18	14	29	11

Source: Response Magazine, 2000.

Interactive Media

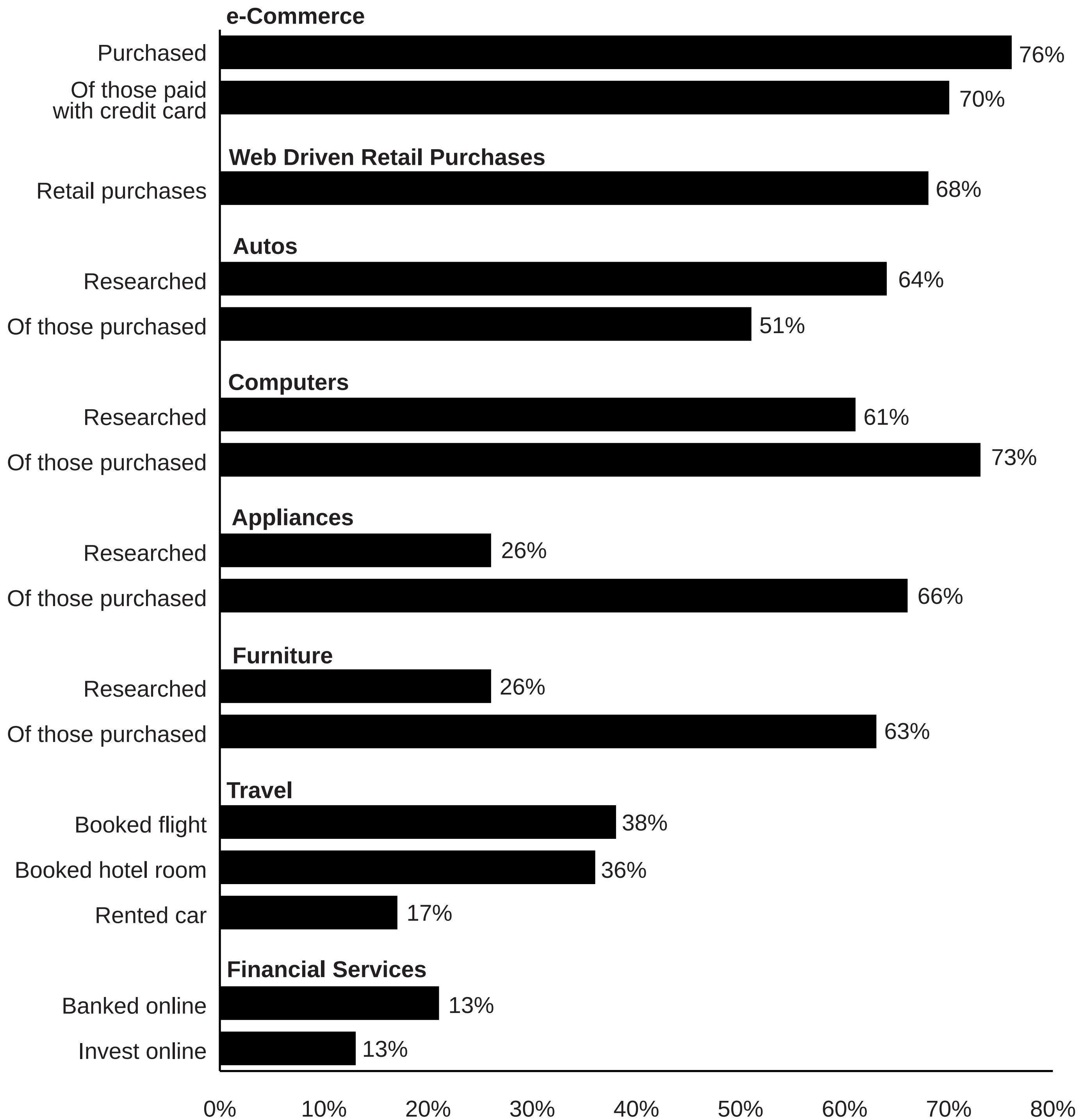
Buying Habits
Costs
Trends

CHAPTER HIGHLIGHTS

- By the year 2003, consumers will spend a projected $61 per year in online/Internet access services — almost 45% more than what was spent in 1999.
- E-mail advertising will grow from 7% of online advertising dollars in 2000 to over 14% in 2003.
- Users with more education are more likely to purchase online.
- The top benefits derived from the use of electronic media are greater visibility (76%) and new business opportunities (54%).
- Eighty-seven percent of DMA member respondents indicate interactive media will increase their revenue over the next three years.
- Internet Marketing specialists responding to the survey averaged $66,030 annually.
- The 35-54 age group is still the most frequent target of web site marketers.
- In 2000, 79% purchased a product online.
- Catalogers estimate the average response rate to their catalogs at around 8%.

COMMERCIAL ONLINE ACTIVITIES

In 2000, 76% purchased an online product.



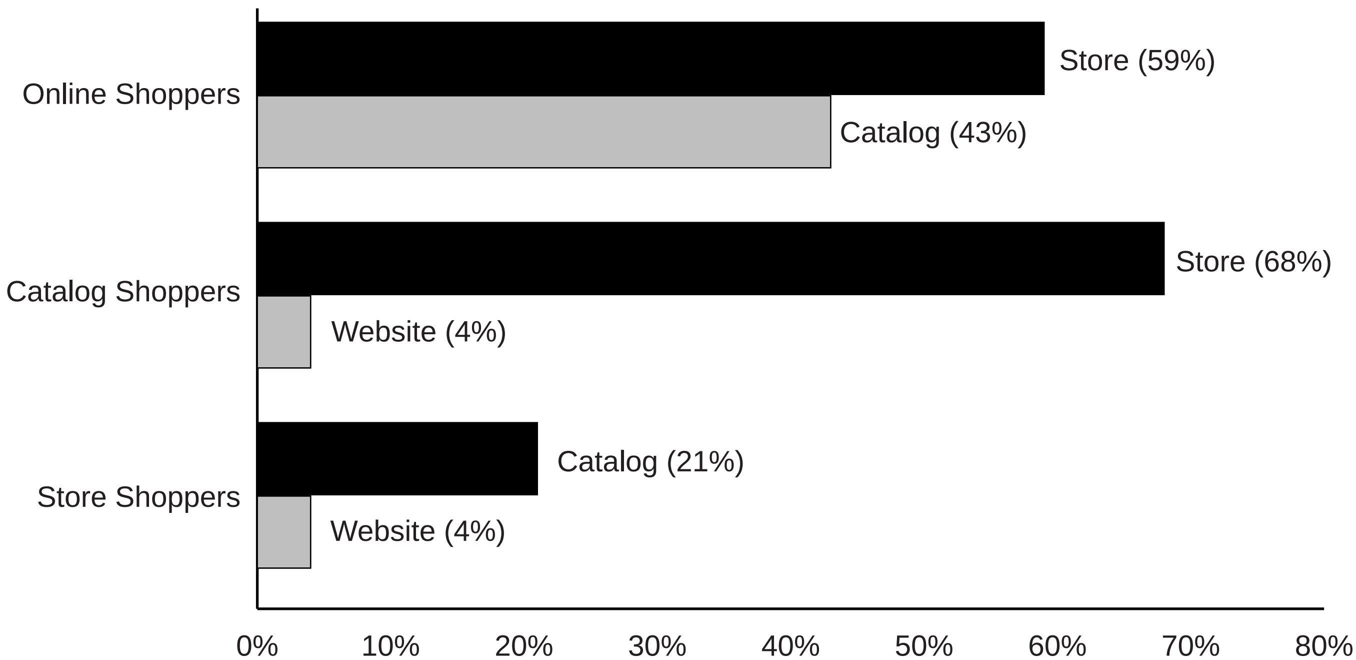
Source: Netsmart America.com, 2000.

CHANNEL SURFING: MEASURING MULTI-CHANNEL SHOPPING

Methodology:
- 17 participating retailers (1999 sales, $150+B)
  - 6 department stores, 5 apparel/footwear/accessory specialty stores, 6 “other” specialty stores
  - various stages of online channel development
- 1,768 in-store exit surveys with store customers
- 12,768 online POS surveys (3,235 fulfillment surveys)
- 502 telephone surveys with catalog customers
- 30 one-to-one executive interviews

PERCENTAGE OF CUSTOMERS PURCHASING FROM MORE THAN ONE CHANNEL

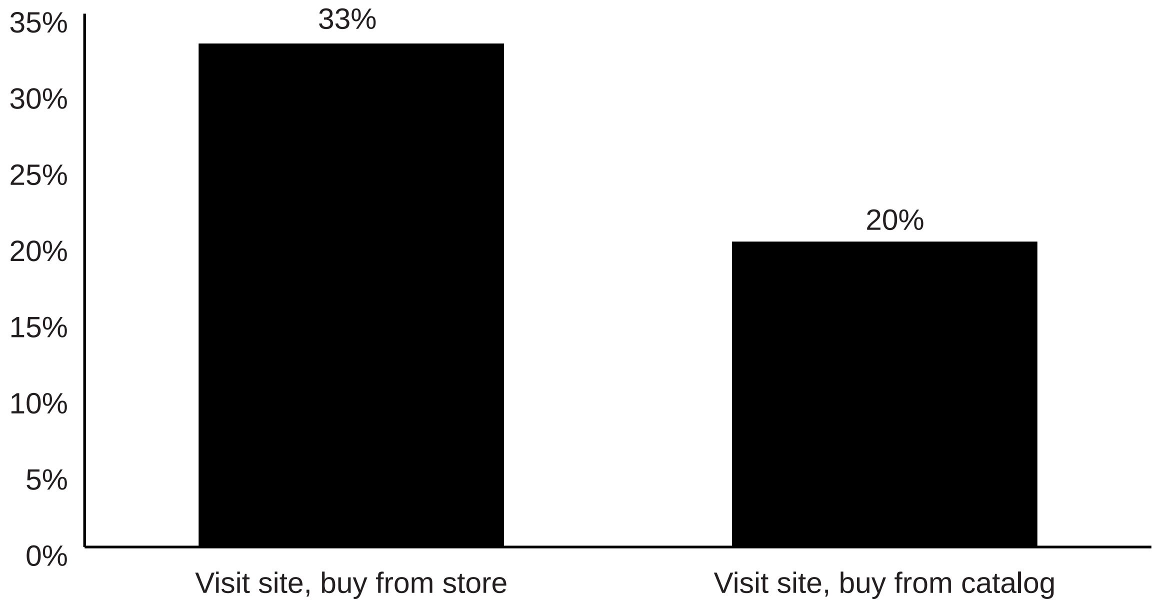
Just 4% of major retailers’ offline shoppers buy from the online outlets, while 59% of their Web shoppers patronize their real-world stores.



Source: “Channel Surfing: Measuring Multi-Channel Shopping,” J.C. Williams Group Limited, Shop.org and BizRate.com.

MOST VALUABLE CUSTOMERS

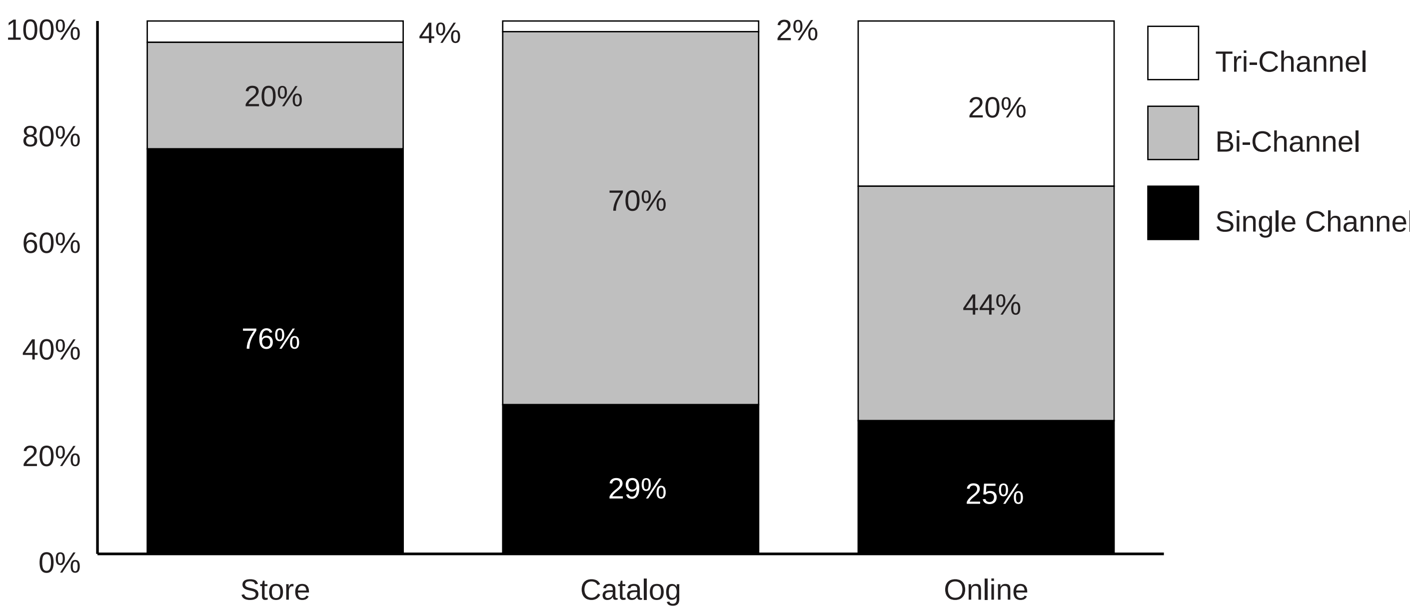
Store shoppers who also visit the retailer's website spend 24% more per store visit and have an 8% higher frequency of store shopping. Catalog shoppers who visit the retailer's website spend 8% more per order and order 11% more frequently from the catalog.



Source: "Channel Surfing: Measuring Multi-Channel Shopping," J.C. Williams Group Limited, Shop.org and BizRate.com.

MULTI-CHANNEL SHOPPING PENETRATION

This chart shows the % of shopper groups cross-shopping channels of individual retailers (only includes responses where retailer operated all three channels).



Source: "Channel Surfing: Measuring Multi-Channel Shopping," J.C. Williams Group Limited, Shop.org and BizRate.com.

PRODUCTS CONSUMERS HAVE PURCHASED ONLINE

This table presents the findings of a telephone survey conducted among a national probability sample of 1,009 adults comprising 504 men and 505 women 18 years of age and older. The most popular products that consumers have purchased online are books, music, and video.

Products	Total	%	Male	%	Female	%
Unweighted Total	1,009		504		505	
Weighted Total	1,000		480		520	
Any (Net)	381	38%	200	42%	181	35%
Books/Music/Video	243	24%	119	25%	124	24%
Tickets, Such as Airline, Entertainment, etc.	193	19%	100	21%	94	18%
Computer Hardware and Software	163	16%	98	20%	65	12%
Apparel	146	15%	72	15%	74	14%
Toys or Games	115	12%	58	12%	57	11%
Other Electronics	87	9%	55	11%	32	6%
Home Decor	74	7%	38	8%	36	7%
Flowers	72	7%	30	6%	42	8%
Food	43	4%	16	3%	27	5%
Pet Supplies	30	3%	13	3%	18	3%
Other	17	2%	13	3%	4	1%

Source: The Direct Marketing Association, March 2001.

2001 INTERNET MARKETING SALARIES

Crandall Associates, Inc., an executive recruiting firm, has determined the salaries by the following process: 1) Discussions with employers, from presidents to personnel officers, nationally, in companies varying in geographic areas, number of employees, and sales volume; 2) Personal interviews and discussions with professionals in Direct Marketing and Telemarketing at all salary levels, working from coast to coast; 3) Analysis of information collected as a result of discussions with potential candidates nationally, with adjustments made for the "fudge" factor. Copies of the full salary guide with 52 functions and regional salary variations are available for $45 from Crandall Associates, Inc., 114 East 32nd St., Suite 1215, New York, NY 10016, (212)213-1700.

Manager — Internet Marketing

With the future of the direct marketing industry headed toward this exciting new channel, this professional exists in a world that is growing by leaps and bounds. Historical projections are impossible in this constantly changing arena.

DUTIES: Responsible for the content and effectiveness of targeted and relevant communications to customers. Develops and executes the strategic e-business marketing plan. Manages all aspects of the advertising, marketing, promotional activities and content for the on-line business. Knowledge of Permission Marketing strategies. May include electronic events, e-mail promotions partnerships and key-words buys. Manages co-marketing programs, partnerships and affiliations that add value to existing customers, acquire new customers and build community. Establishes and documents systems, policies, and procedures.

Years	Salary Range
1-3	$53,600.........$69,400
4-7	$70,300.........$93,100
7+	$87,300.......$110,000
Highest Reported Salary	$125,000

Note: Information is absolutely copyright protected by Crandall Associates

Source: Crandall Associates, 2001.

INTERNET MARKETING SALARIES

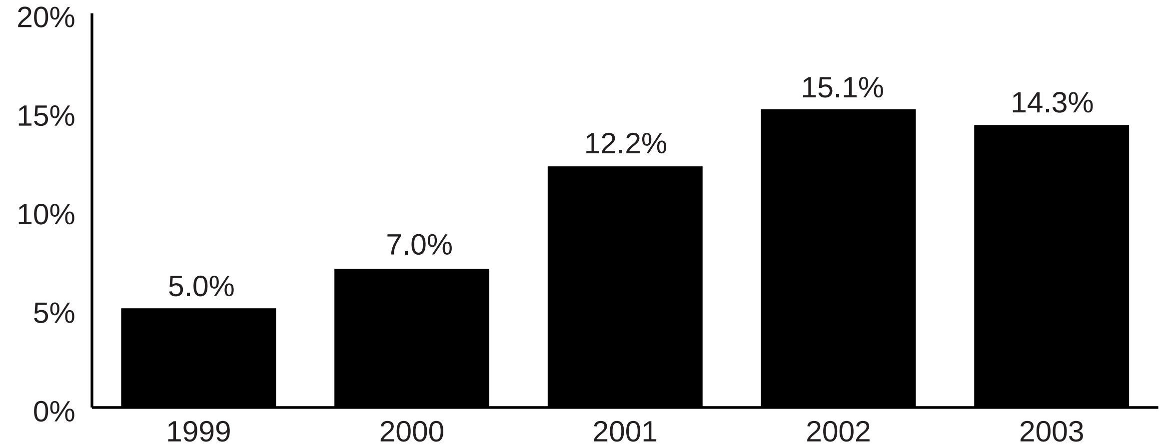
From February 1 through February 15, 2001 nearly 1,200 marketing professionals worldwide responded to the 2001 Marketing Professionals Salary Survey. Internet marketing specialists responding to the survey averaged $66,030 annually, with annual bonuses ranging from $4,000 to $15,000.

	North East	Mid Atlantic	South East	Midwest	West Coast	Canada	Europe	Other
Staff								
Salary	48,430	N/A	32,500	48,290	40,000	48,300	32,200	25,500
Bonus	3,000	N/A	0	3,330	0	2,000	0	0
Manager/Supervisor								
Salary	61,150	65,080	45,670	52,310	59,570	66,670	42,250	35,400
Bonus	5,070	3,290	2,500	4,800	6,710	0	2,000	4,000
Director								
Salary	101,920	79,890	57,330	81,710	105,820	N/A	62,600	58,670
Bonus	15,900	15,500	0	9,400	15,130	N/A	16,000	1,000
EVP, VP, Sr. VP								
Salary	150,000	92,500	60,000	75,000	118,130	54,000	N/A	N/A
Bonus	44,500	10,330	5,000	100,000	18,000	3,000	N/A	N/A

Source: WebSurveyor Corporation, 2001.

E-MAIL ADVERTISING SPENDING IN THE U.S.: 1999-2003 (AS A % OF TOTAL E-ADVERTISING SPENDING)

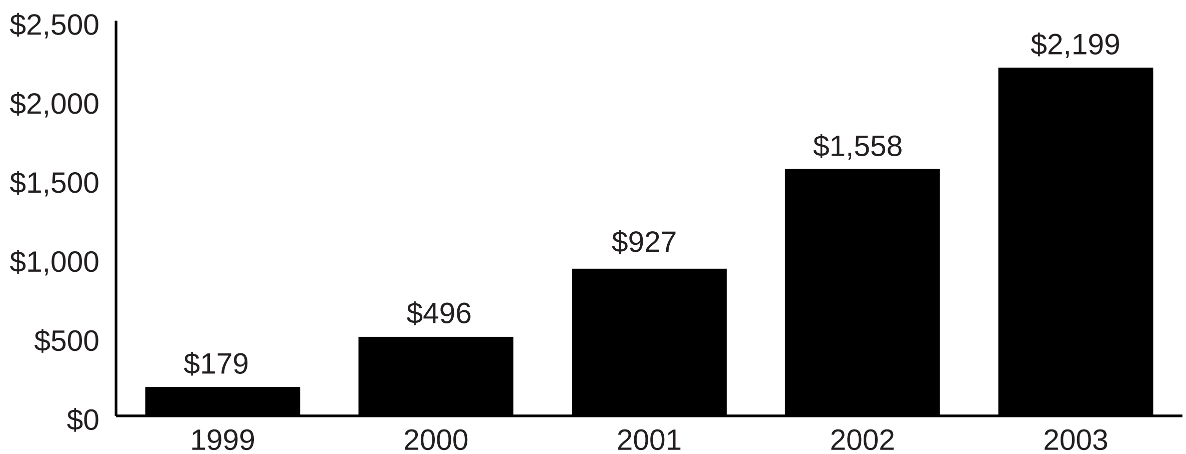
E-mail advertising will grow from 7% of online advertising dollars in 2000 to over 14% in 2003.



Source: eMarketer, 2001.

E-MAIL ADVERTISING SPENDING IN THE U.S.: 1999-2003 (IN MILLIONS)

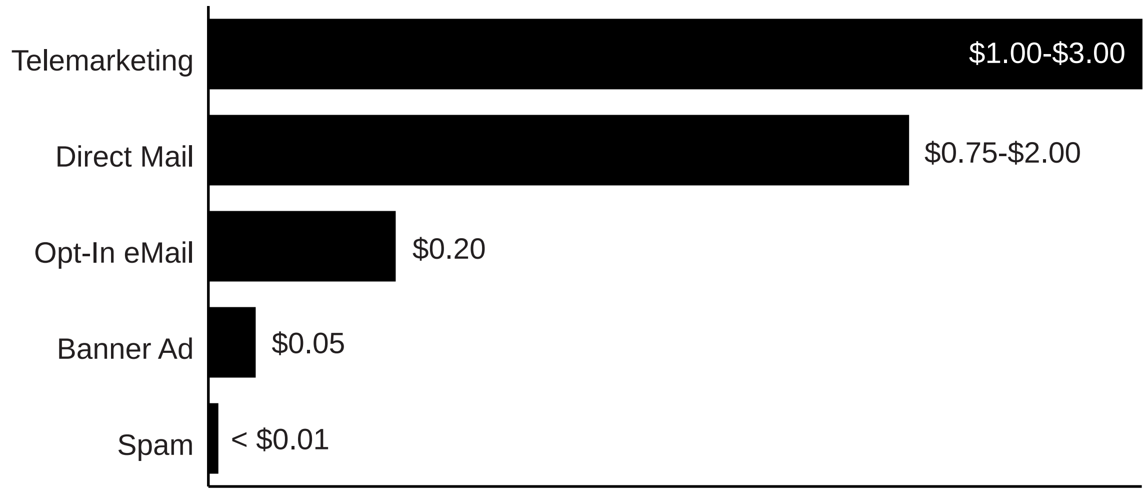
U.S. companies spent $496 million on e-mail advertising - or customer acquisition services - in 2000 and this will increase to $2.2 billion by 2003.



Source: eMarketer, 2001.

OFFLINE & ONLINE DIRECT MARKETING COSTS: AVERAGE COST PER MESSAGE, 2000

E-mail to opt-in lists is more cost-effective than direct mail and telemarketing.



Source: eMarketer, 2001.

E-MAIL MARKETING SPENDING IN THE US: 1999-2003 (IN MILLIONS)

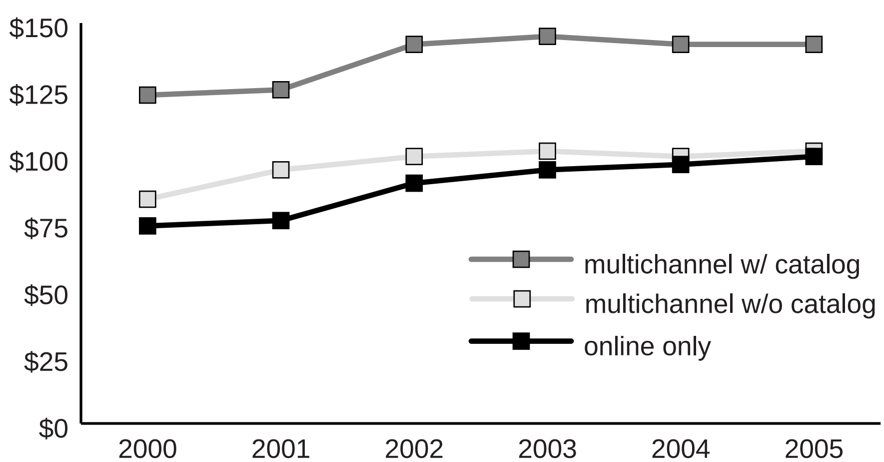
Total e-mail marketing spending in the U.S. in 2000 was just over $1 billion, including $496 million spent on e-mail ads. By year-end 2003, U.S. businesses (and other organizations) will spend almost $4.6 billion, including $2.2 billion on e-mail advertising expenditures.

	1999	2000	2001	2002	2003
eMail advertising	$179	$496	$927	$1,558	$2,199
Other e-mail marketing/products/services	$242	$589	$1,148	$1,707	$2,359
Total e-mail marketing spending	$422	$1,084	$2,074	$3,265	$4,558

Source: eMarketer, 2001.

U.S. AVERAGE ONLINE CUSTOMER ACQUISITION COSTS BY CHANNEL STRATEGY, 2000 - 2005

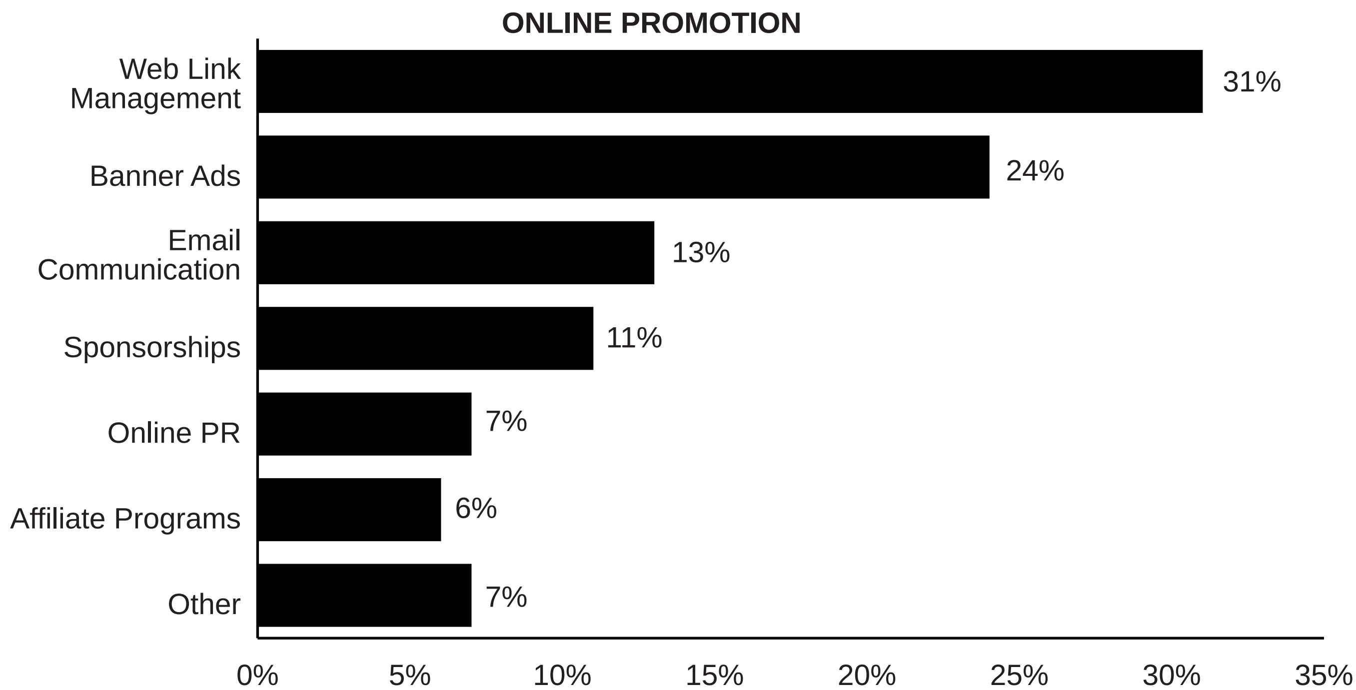
Overall, average online customer acquisition costs (CACs) will rise from $95 in 2000 to $122 in 2003, then level off to just under $120 in 2004 and 2005.

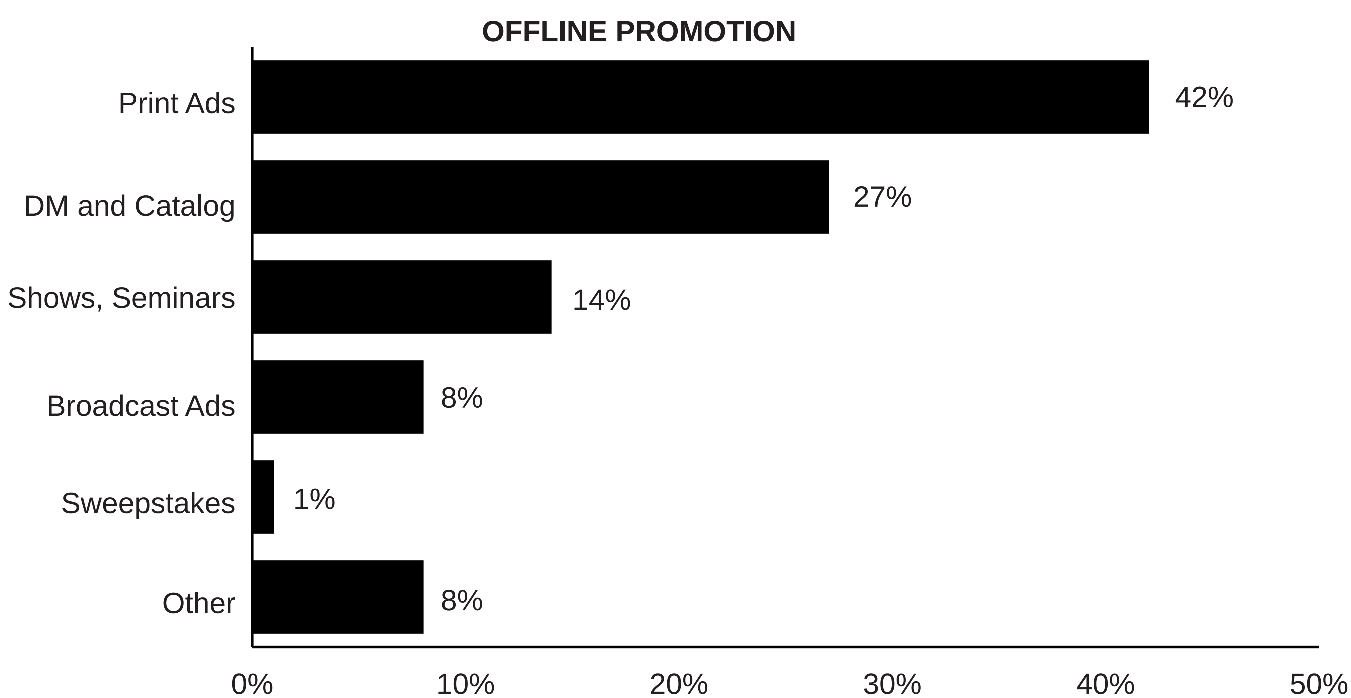


Source: IDC, February 2001.

HOW WEB SITE PROMOTIONAL BUDGETS ARE ALLOCATED

Among the online methods of promotion used, the largest portion of an online promotional budget typically goes for Web link and reference management (32%). This is not surprising since search engines and banner ads are the primary site-promotions method for Direct Marketers.





Source: "The Direct Marketing Industry Online: Perspectives on 2001" Copyright 2001, ActivMedia Research LLC, Millard Group, Inc., All Rights Reserved; Sponsored by Direct Marketing Association.

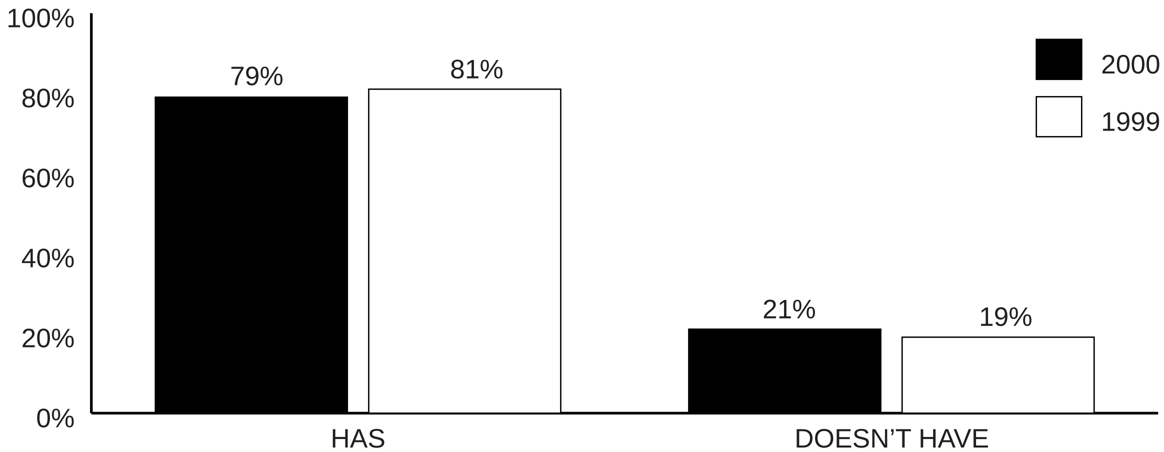
THE DMA Direct Marketing Association

DIRECT MAGAZINE ANNUAL WEB USE SURVEY

Methodology: This Web use survey was conducted for *Direct* magazine by the market research division of Intertec, *Direct*'s parent company. The survey was mailed to 1,200 *Direct* subscribers chosen on an "nth"-name basis. Results are based on 131 qualified participants.

PERCENT OF COMPANIES WITH WEB SITE

Eight-one percent of respondents have a Web site, up from 72% last year.



Source: Primedia Intertec, copyright 2000.

PROFITABILITY OF WEB SITE LEADS/SALES VS. OTHER MEDIA

Only about 23% of all respondents indicated that their Web leads are more profitable than those generated through other channels.

BUSINESS-TO-BUSINESS	**2000**	**1999**
More profitable	26%	8%
Less profitable	5%	16%
Equal	26%	20%
Too early to tell	11%	32%
Don't know	32%	24%

MIXED-FOCUS	**2000**	**1999**
More profitable	18%	15%
Less profitable	8%	6%
Equal	18%	24%
Too early to tell	16%	39%
Don't know	40%	15%

CONSUMER	**2000**	**1999**
More profitable	29%	14%
Less profitable	7%	14%
Equal	21%	29%
Too early to tell	21%	29%
Don't know	21%	14%

ALL COMPANIES	**2000**	**1999**
More profitable	23%	12%
Less profitable	6%	11%
Equal	19%	23%
Too early to tell	15%	36%
Don't know	38%	19%

Source: Primedia Intertec, copyright 2000.

ANNUAL BUDGET FOR INTERACTIVE OPERATIONS

Less than a quarter of all respondents indicate that they spend less than $25,000 annually for interactive operations.

By Business Type	All Respondents	Consumer*	Hybrid	B-to-B*
Less than $25,000	24%	18%	22%	39%
$25,000 - $50,000	21%	13%	34%	17%
$50,000 - $100,000	19%	13%	22%	28%
$100,000 - $200,000	12%	16%	16%	--
$200,000 - $500,000	12%	22%	6%	--
Over $500,000	8%	18%	--	--
Don’t Know	4%	--	--	17%

By Business Size	$1-5MM	$5-20MM	$20-50MM	>$50MM
Less than $25,000	38%	25%	17%	5%
$25,000 - $50,000	38%	13%	22%	--
$50,000 - $100,000	15%	25%	28%	9%
$100,000 - $200,000	3%	29%	22%	--
$200,000 - $500,000	3%	4%	6%	43%
Over $500,000	--	4%	--	33%
Don’t Know	3%	--	6%	--

* Small cell sizes

Source: The DMA State of the Catalog/Interactive Industry Report 2000.

ONLINE SERVICES OFFERED IN 1999

For the third year the number one service offered online is catalog requests, with 87% of all respondents offering this in 1998 vs. 92% in 1997, and 90% in 1996 (though still not offered by all catalogers with an Internet presence).

Services	All Respondents	Consumer*	Hybrid	B-to-B*
Catalog requests	92%	96%	88%	89%
Online transactions	80%	100%	69%	57%
Provide product information	74%	76%	69%	78%
Answer questions/complaints	72%	76%	69%	68%
Special promotion	60%	67%	66%	33%
Order confirmation	57%	73%	47%	33%
Hot links to other sites	38%	31%	47%	44%
Back-order notification	25%	36%	22%	6%
Order status updates	23%	31%	16%	17%
Provide store finder	18%	27%	9%	6%
Public/investor relations	9%	11%	3%	11%
Real time customer service	5%	7%	6%	--
Generate retail coupon	5%	7%	3%	--
Sent reminders (birthdays, etc.)	5%	9%	3%	--

* Small cell sizes

Source: The DMA State of the Catalog/Interactive Industry Report 2000.

SERVICES OFFERED BY CATALOGS ACCEPTING PAYMENTS ONLINE

Among respondents accepting payments online, 90% offer a secure order environment, up from 83% in 1998, and 76% in 1997.

Services	All Respondents	Consumer	Hybrid	B-to-B*
Yes, Accepted Payments Online	80%	100%	75%	44%
Secure order environment	90%	96%	83%	75%
Shopping cart	89%	93%	83%	75%
E-mail offers to customers	54%	62%	50%	13%
E-mail offers to prospects	26%	36%	13%	13%
Upsell	18%	22%	8%	25%
Personal shopper	5%	7%	--	13%
Other	5%	7%	4%	--

* Small cell sizes

Source: The DMA State of the Catalog/Interactive Industry Report 2000.

FY ‘99 AND FY ‘90 BUSINESS GENERATED VIA INTERACTIVE MEDIA

The amount of business generated through all interactive media remains small, especially when viewed as a percent of total catalog net sales.

Medians	All Respondents	Consumer*	Hybrid	B-to-B*
FY ‘99 Business Generated				
Interactive net sales	$348,500	$559,000	$425,000	$94,500
% Total catalog net sales	4%	5%	4%	1%
FY ‘00 Business Projection				
Interactive net sales	$772,000	$1,224,000	$860,000	$200,000
% Total catalog net sales	9%	10%	8%	4%

* Small cell sizes

Source: The DMA State of the Catalog/Interactive Industry Report 2000.

WEB SITE RESPONSE RATE PER MONTH

Catalogers estimate the average response rate to their catalogs at around 8%.

By Business Type	All Respondents	Consumer*	Hybrid	B-to-B*
Mean	8%	9%	8%	3%
Median	5%	4%	6%	2%
Don't Track	55%	38%	75%	61%

By Business Size	$1-5MM	$5-20MM	$20-50MM	>$50MM
Mean	2%	10%	13%	8%
Median	2%	6%	13%	5%
Don't Track	71%	67%	56%	14%

Source: The DMA State of the Catalog/Interactive Industry Report 2000.

E-MAIL RESPONSE TIME

81% of consumer catalogs can respond to a customer's online request in one day.

Services	All Respondents	Consumer*	Hybrid	B-to-B*
Instantaneously, while customer is online	3%	4%	3%	--
While a customer in online, but not instantaneously	1%	2%	--	--
Less than one day	47%	49%	47%	50%
One day	36%	31%	44%	28%
Two days	7%	9%	--	17%
Three days	2%	4%	--	--
Four to seven days	1%	--	3%	--
More than one week	1%	--	3%	--
Don't Know	1%	--	--	6%

* Small cell sizes

Source: The DMA State of the Catalog/Interactive Industry Report 2000.

RETAIL SALES COMPARED TO CATALOG & INTERACTIVE SALES

In 1995 Catalog & Interactive represented only 2.7 % of retail sales, in 2005 it will reach 7.3 %.

(Billions of dollars)*

	1995	1996	1997	1998	1999	2000	2001
Total Retail	$2,364,120	$2,496,503	$2,612,931	$2,745,714	$2,995,795	$3,231,166	$3,289,040
Total Catalog	$64,166	$69,535	$76,849	$85,350	$96,835	$110,237	$119,522
Total Interactive	$173	$749	$2,183	$6,155	$13,804	$23,990	$40,140
Total Catalog/ Interactive	$64,339	$70,284	$79,032	$91,505	$110,639	$134,227	$159,662
% Share of Retail = Catalog/Interactive	**2.72%**	**2.82%**	**3.02%**	**3.33%**	**3.69%**	**4.15%**	**4.85%**

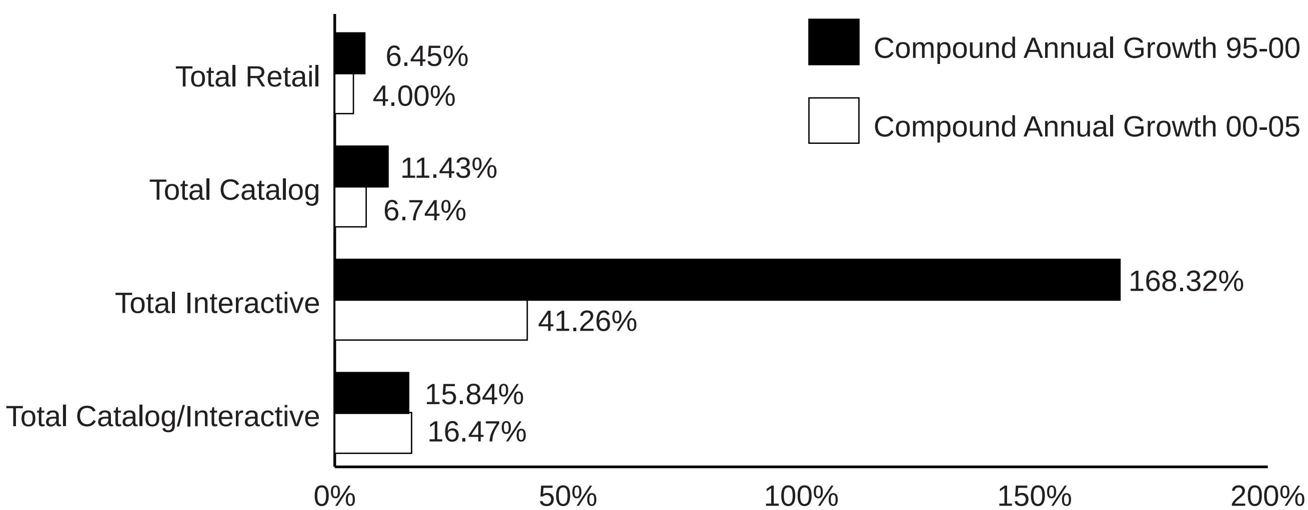
	2002	2003	2004	2005	Compound Annual Growth ‘95-’00	Compound Annual Growth ‘00-05
Total Retail (cont.)	$3,432,402	$3,630,558	$3,791,991	$3,931,837	6.45%	4.00%
Total Catalog (cont.)	$127,839	$136,521	$144,589	$152,721	11.43%	6.74%
Total Interactive (cont.)	$62,208	$84,647	$109,550	$134,944	168.32%	41.26%
Total Catalog/ Interactive (cont.)	$190,047	$221,168	$254,139	$287,665	15.84%	16.47%
% Share of Retail = Catalog/Interactive (cont.)	5.54%	6.09%	6.70%	7.32%		

* These numbers have not been inflation-adjusted - they represent current (nominal) dollars.

Source: The DMA Report: *Economic Impact - U.S. Direct & Interactive Marketing Today, 2001.*

GROWTH OF CATALOGS AND INTERACTIVE VERSUS RETAIL

Catalog and Interactive continue to grow at a much faster pace than retail.



Source: *The DMA State of the Catalog Industry Reports, 2000.*

CONSUMER ONLINE RETAIL SPENDING

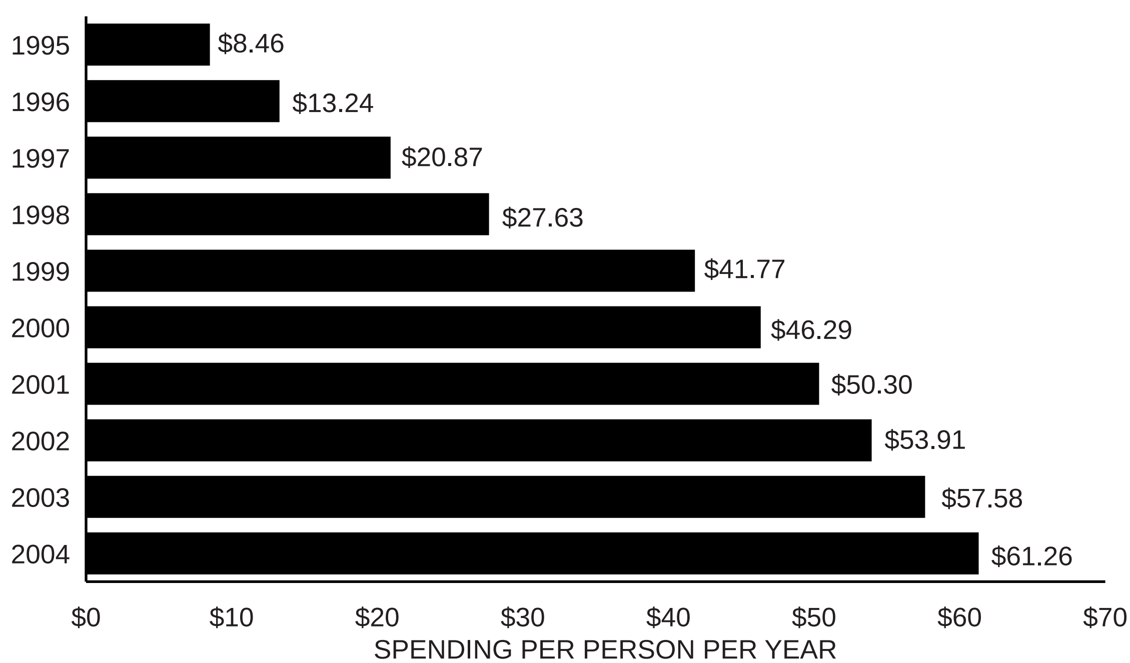
Average annual spending per Internet household is projected to increase in year 2004 to $1,350.

Year	Internet Households (Millions)	Number of Internet Households Shopping Online (Millions)	Percent of Internet Households Shopping Online	Average Annual Spending Per Internet Household	Spending by Households on Online Shopping ($ Billions)
1997	23.0	2.0	8.7%	$600	$1.2
1998	28.6	8.5	29.8	1,000	8.5
1999	40.5	13.2	32.6	1,095	14.5
2000	46.4	21.5	46.3	1,150	24.7
2001	51.9	29.3	56.5	1,200	35.2
2002	57.0	36.3	63.7	1,250	45.4
2003	62.1	42.8	68.9	1,300	55.6
2004	67.1	48.8	72.7	1,350	65.9

Source: Veronis Suhler, The Publishing & Media Group, Forrester Research, Cahner's In-Stat Group.

ONLINE/INTERNET ACCESS SERVICES SPENDING PER PERSON PER YEAR

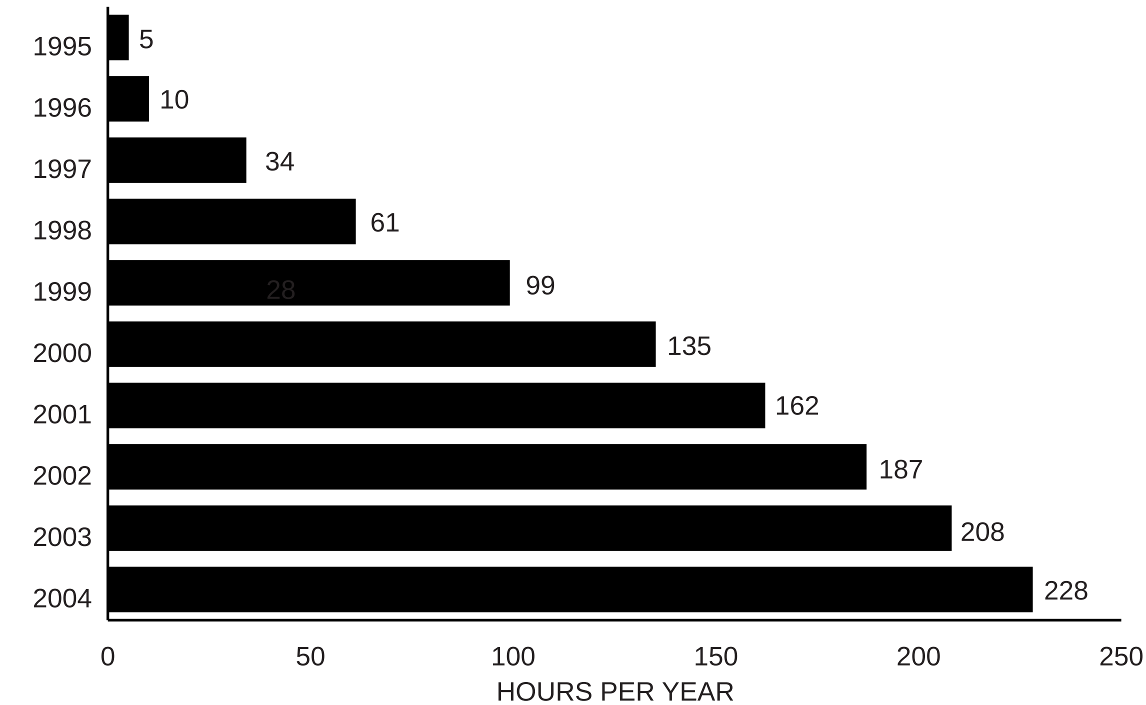
By the year 2004, it is estimated that the average U.S. adult will spend $61 per year on online/Internet access services, almost 45% more than what was spent in 1999.



Source: Veronis, Suhler Communications Industry Forecast, 2000.

HOURS PER PERSON PER YEAR USING CONSUMER ONLINE/INTERNET ACCESS SERVICES

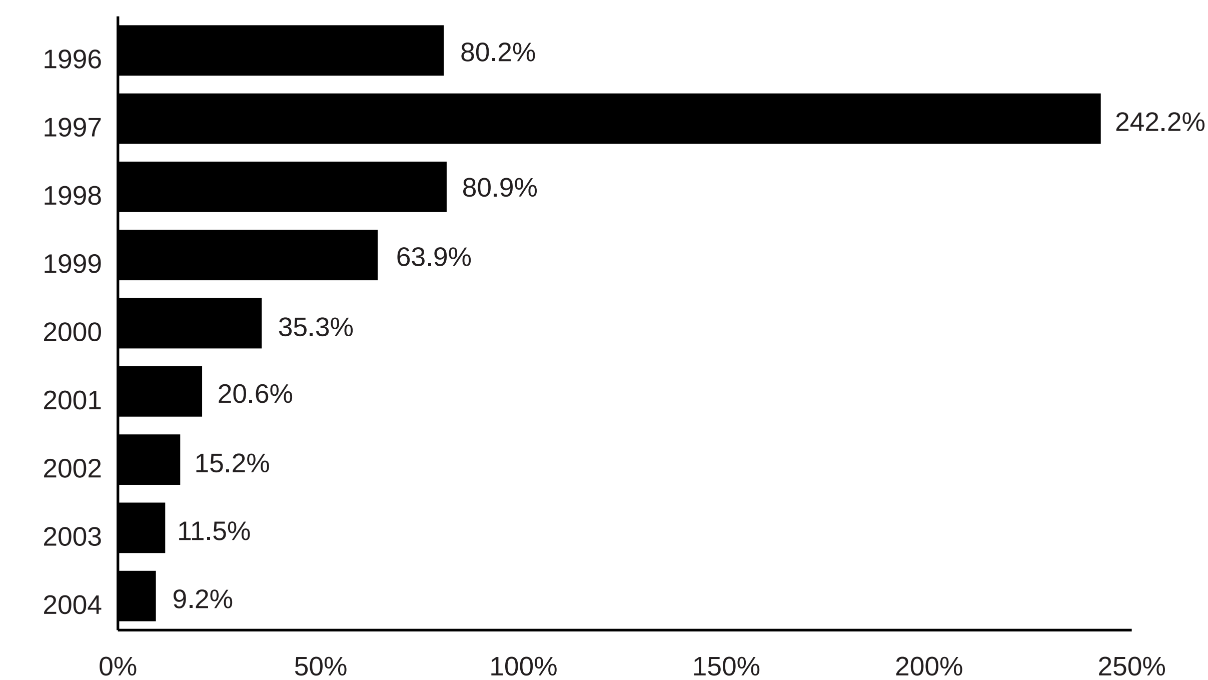
By the year 2004, it is estimated that the average U.S. adult will spend 228 hours per year online, 129 more than in 1999.



Source: Veronis, Suhler Communications Industry Forecast, 2000.

CHANGES IN HOURS PER PERSON PER YEAR USING CONSUMER ONLINE/ INTERNET ACCESS SERVICES

The desire to get on the Internet for e-mail, for the purchase of merchandise, or for information and entertainment purposes is changing over the years..



Source: Veronis, Suhler Communications Industry Forecast, 2000.

THE DMA'S STATE OF THE INTERACTIVE eCOMMERCE MARKETING INDUSTRY REPORT

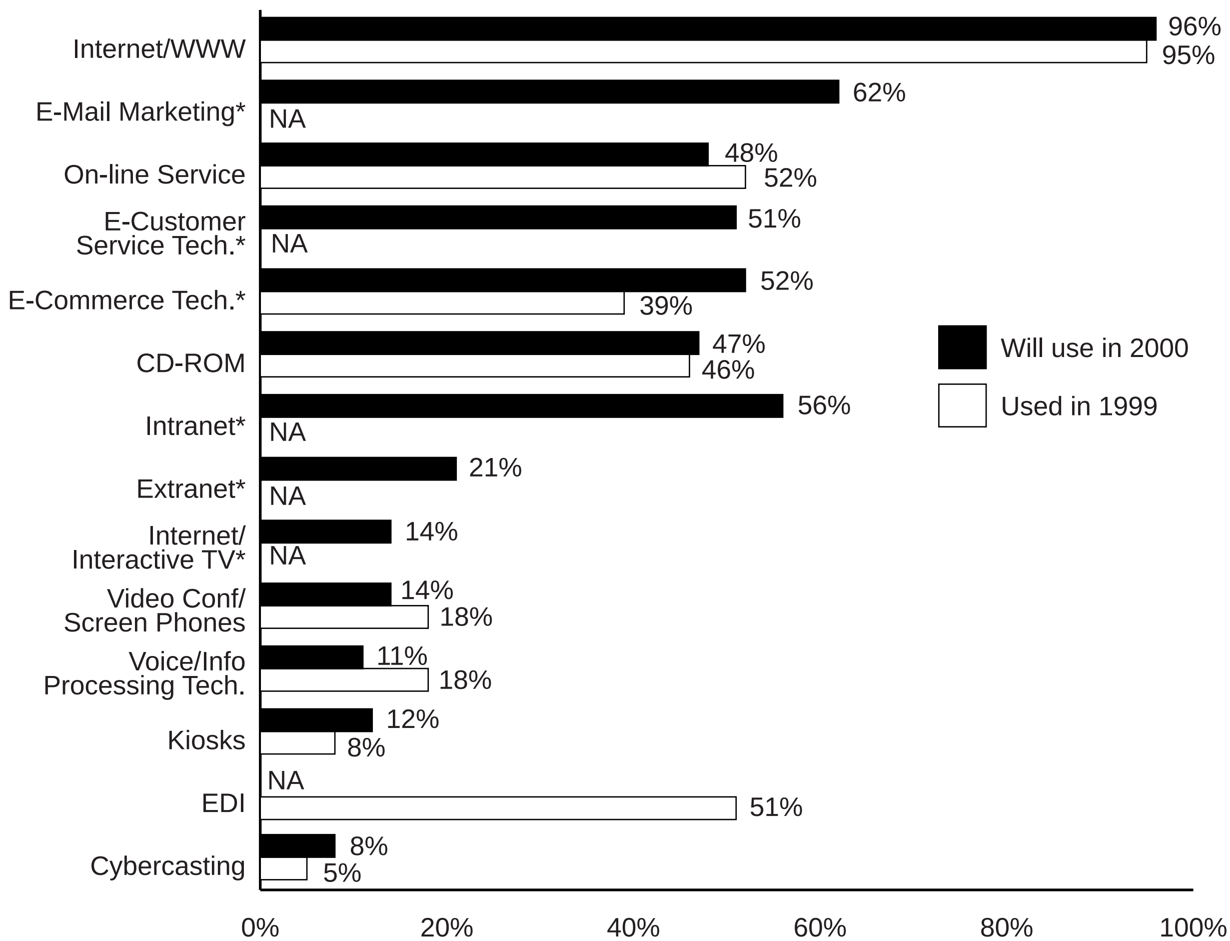
METHODOLOGY:

- Mail survey sent to 7,012 company executives from the following sources:
  - The DMA list of domestic U.S. voting members from both consumer and business-to-business companies (including suppliers) (3,652);
  - A list of members from the Association for Interactive Media (AIM) (451);
  - A rented list of subscribers to IMarketing News -- representing non-members (2,903)
- Based on feedback from 393 individuals (272 DMA/AIM members and 121 non-members)
- Conducted in January, 2000.

NEW MEDIA TECHNOLOGY USE FOR MARKETING/SALES APPLICATIONS

PERCENT INDICATING

Ninety-five percent of respondents reported using the Internet for sales or marketing applications in 1999, with 96% planning to do so in 2000.



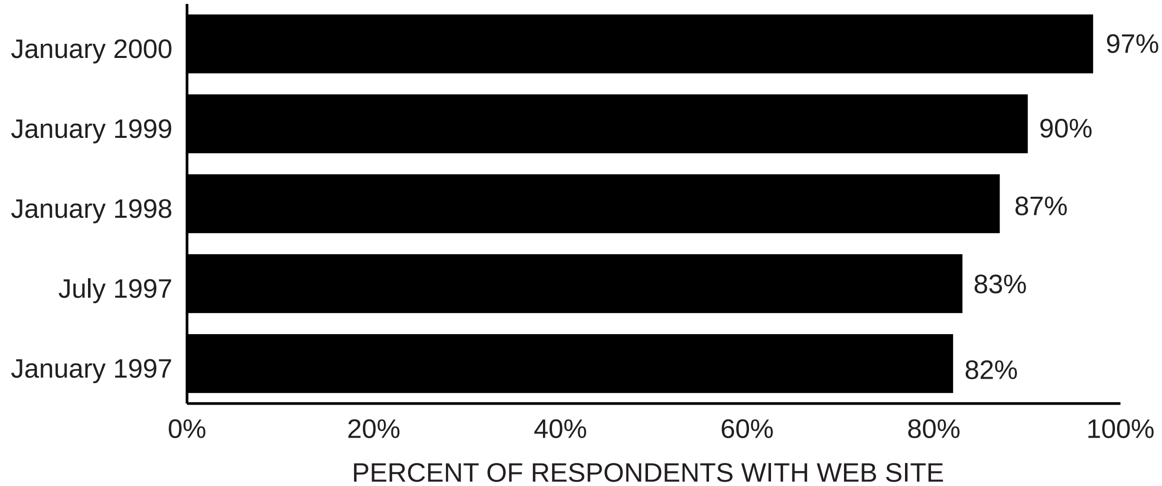
* Did not ask in last year's survey

Source: The DMA's State of the Interactive eCommerce Marketing Industry, 2000.

THE DMA Direct Marketing Association

COMPANIES WITH A WEB SITE

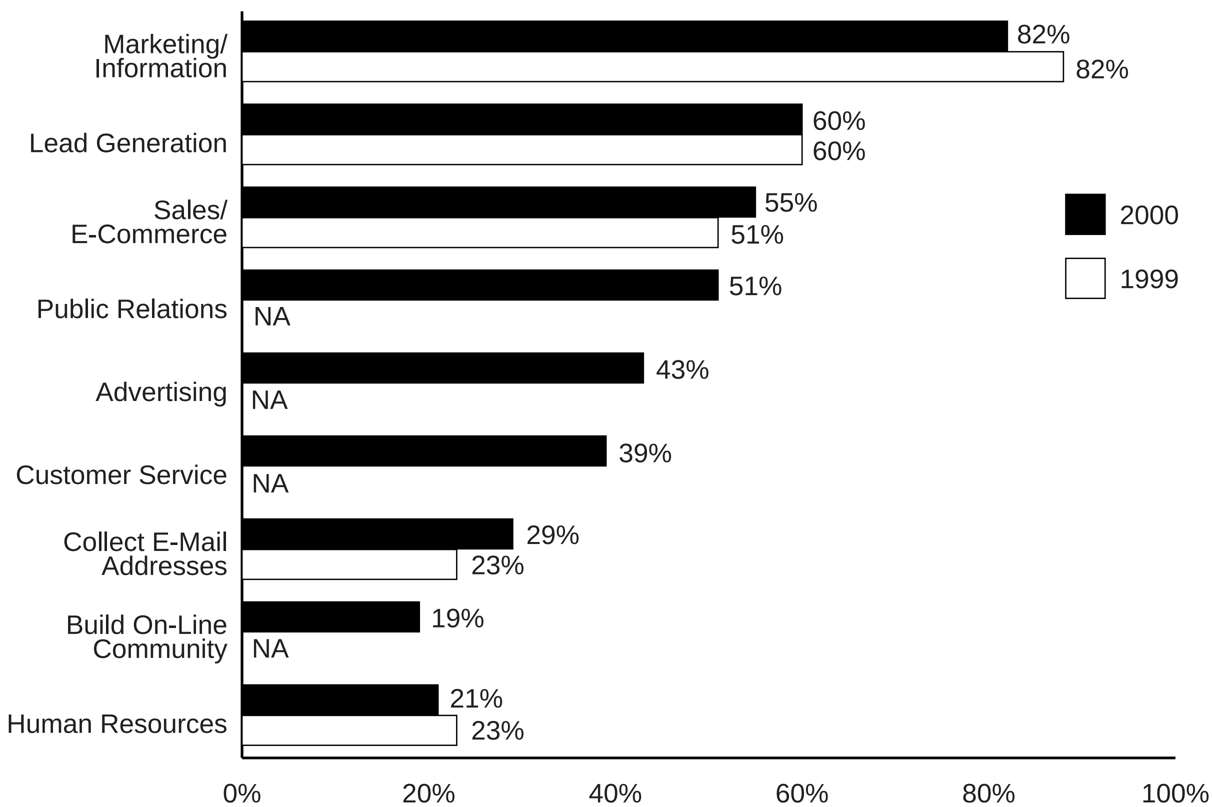
The proportion of member respondents with a Web site continues to increase, from 90% in 1999 to 97% in 2000. Eighty-nine percent of non-members have a Web site.



Source: The DMA's State of the Interactive eCommerce Marketing Industry, 2000.

PRIMARY PURPOSE OF WEB SITES

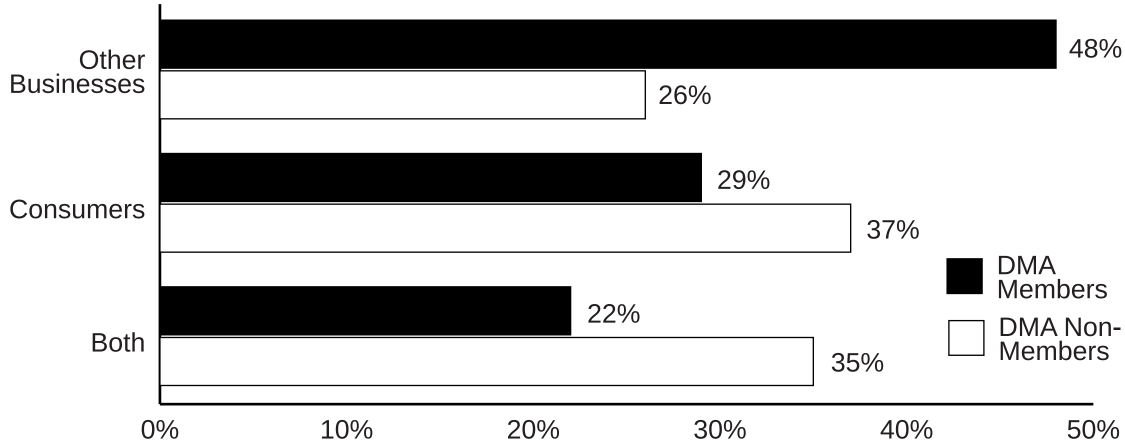
The primary purposes for Web sites are marketing and lead generation, although more than half of respondents indicated they are using their sites for sales.



Source: The DMA's State of the Interactive eCommerce Marketing Industry, 2000.

AUDIENCE WEB SITE TARGETS

Nearly half (48%) of DMA member respondents target their Web site towards other businesses (business professions), 29% towards consumers, and 22% towards both. Non-members more often target their site towards consumers (37%), and both businesses and consumers (35%).

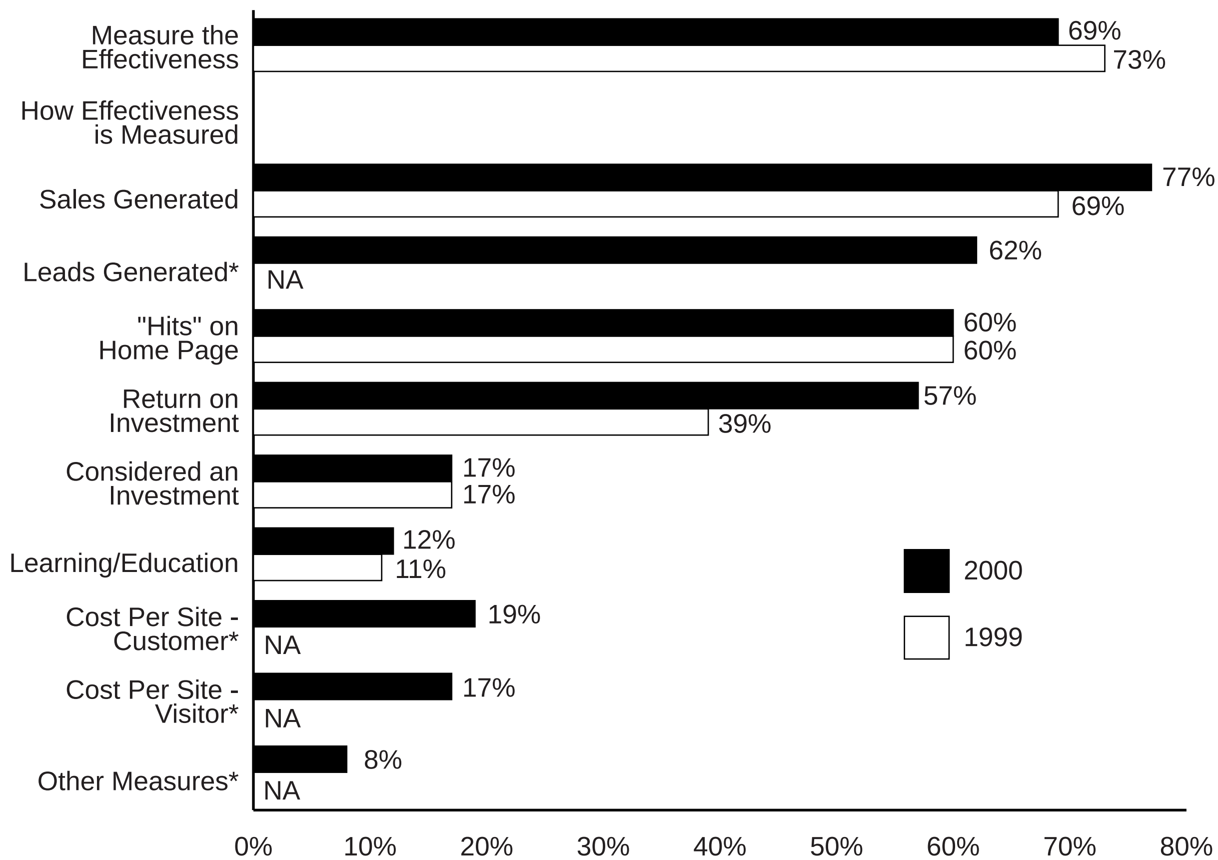


Source: The DMA's State of the Interactive eCommerce Marketing Industry, 2000.

WHETHER COMPANIES ATTEMPT TO MEASURE THE EFFECTIVENESS OF NEW MEDIA, AND HOW

PERCENT INDICATING

Most direct marketers judge the success of their new media ventures by actual sales generated and "hits" on their home page.



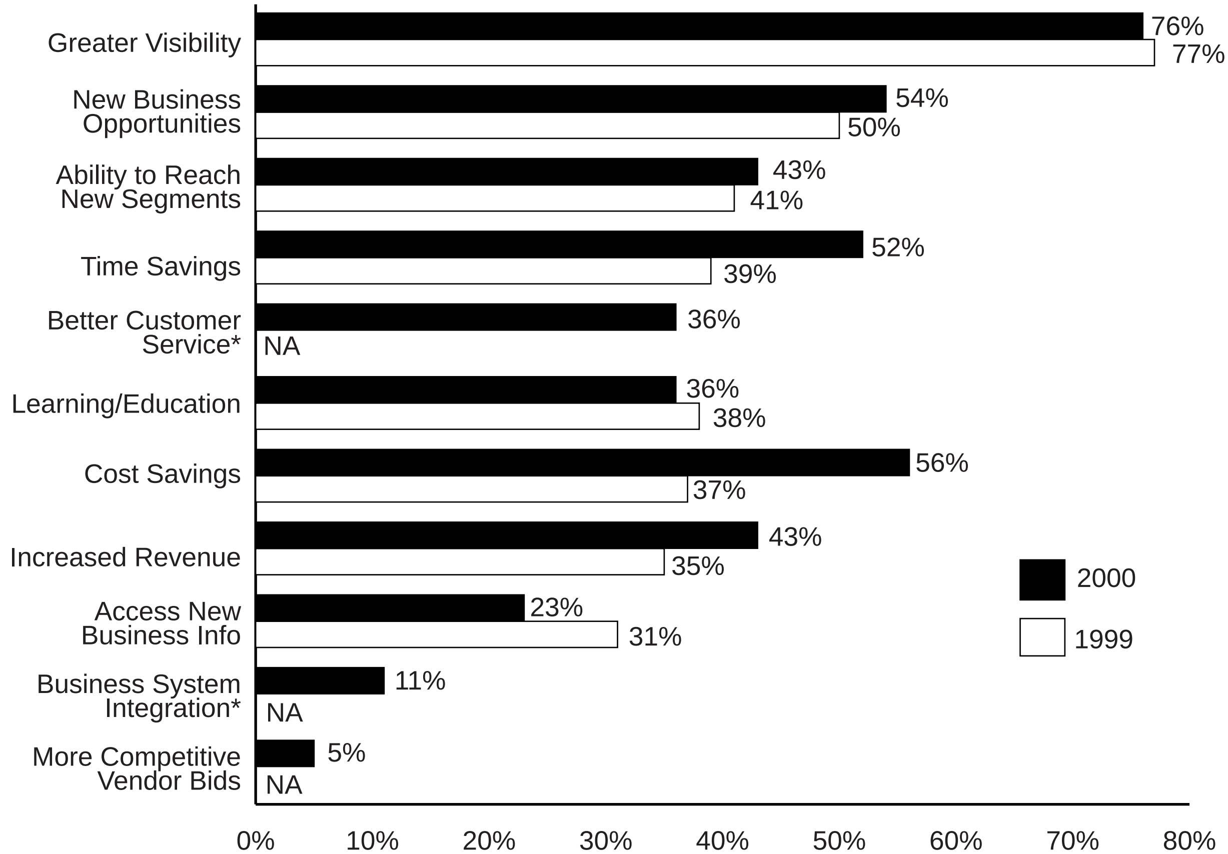
* Did not ask in last year's survey

Source: The DMA's State of the Interactive eCommerce Marketing Industry, 2000.

BENEFITS DERIVED FROM USE OF INTERACTIVE MEDIA

PERCENT INDICATING

The top two benefits derived from the use of interactive media are greater visibility (76%) and new business opportunities (54%).



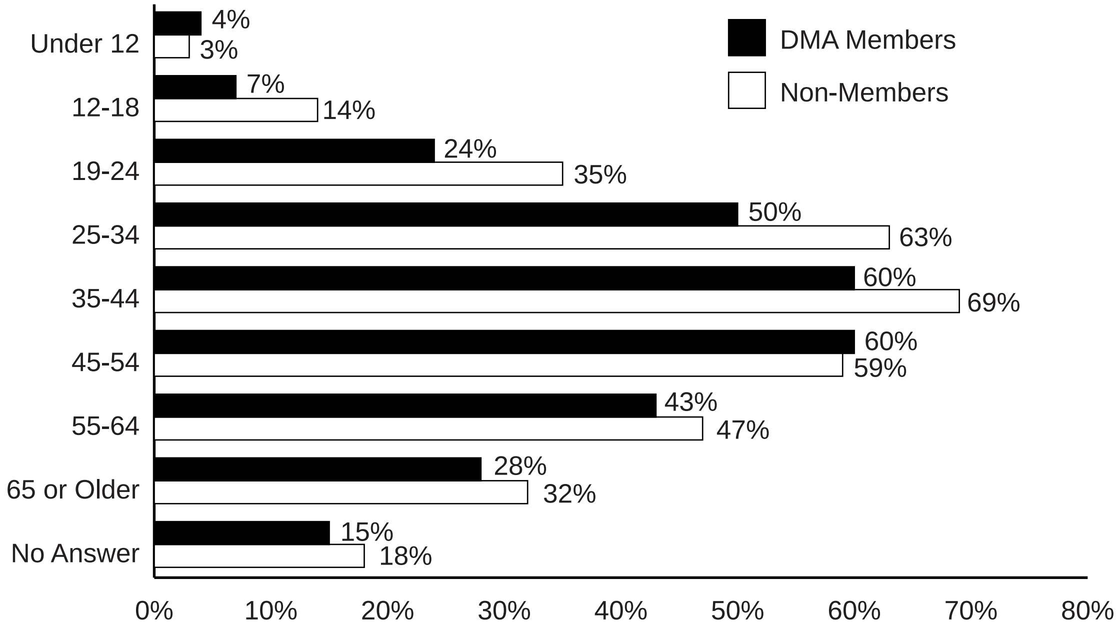
* Did not ask in last year's survey

Source: The DMA's State of the Interactive eCommerce Marketing Industry, 2000.

AGE RANGES OF CONSUMERS TARGETED

PERCENT INDICATING

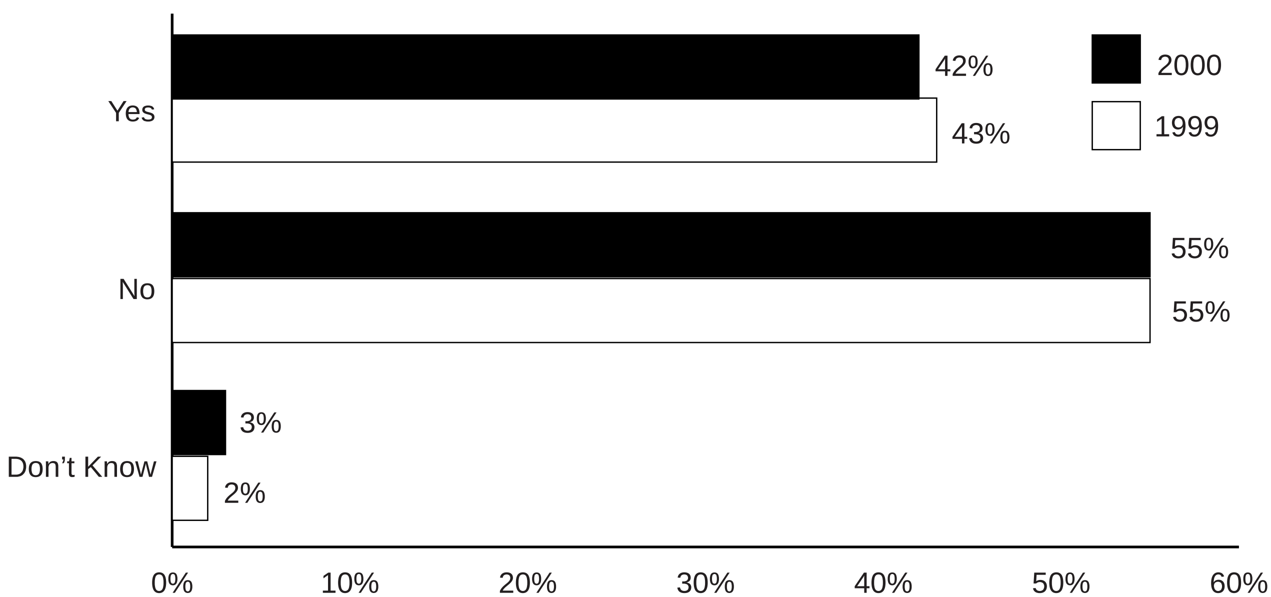
The 35-54 age group is most frequently targeted by Web site marketers.



Source: The DMA's State of the Interactive eCommerce Marketing Industry, 2000.

WHETHER TRANSACTIONS CAN BE CONDUCTED AT WEB SITE, AND PROFITABILITY OF THESE TRANSACTIONS

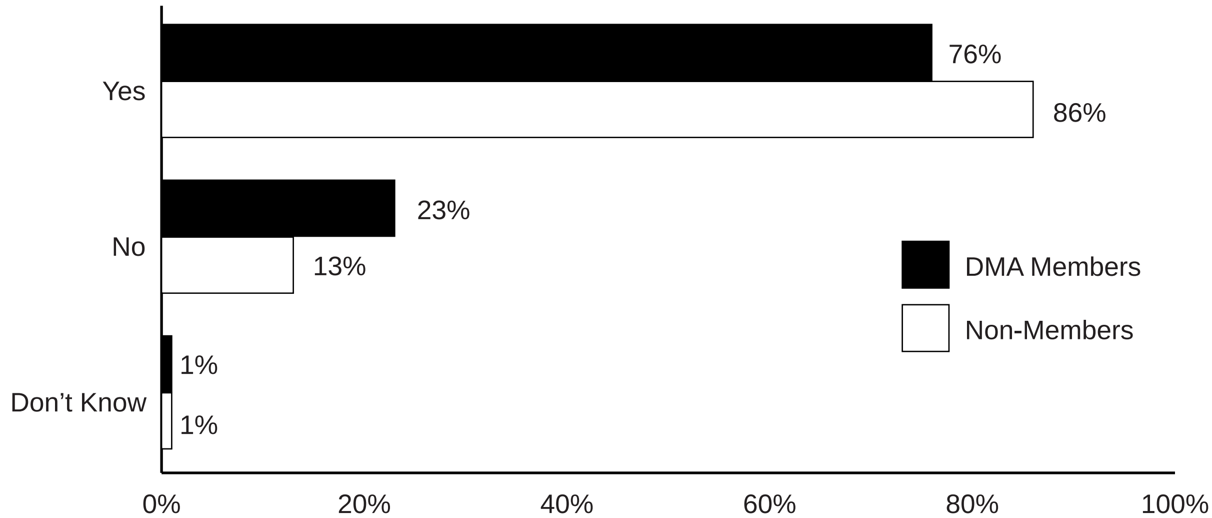
Almost half of respondents indicate they are making a profit from their online transactions.



Source: The DMA's State of the Interactive eCommerce Marketing Industry, 2000.

WHETHER RESPONDENTS HAVE AN IN-HOUSE E-MAIL LIST

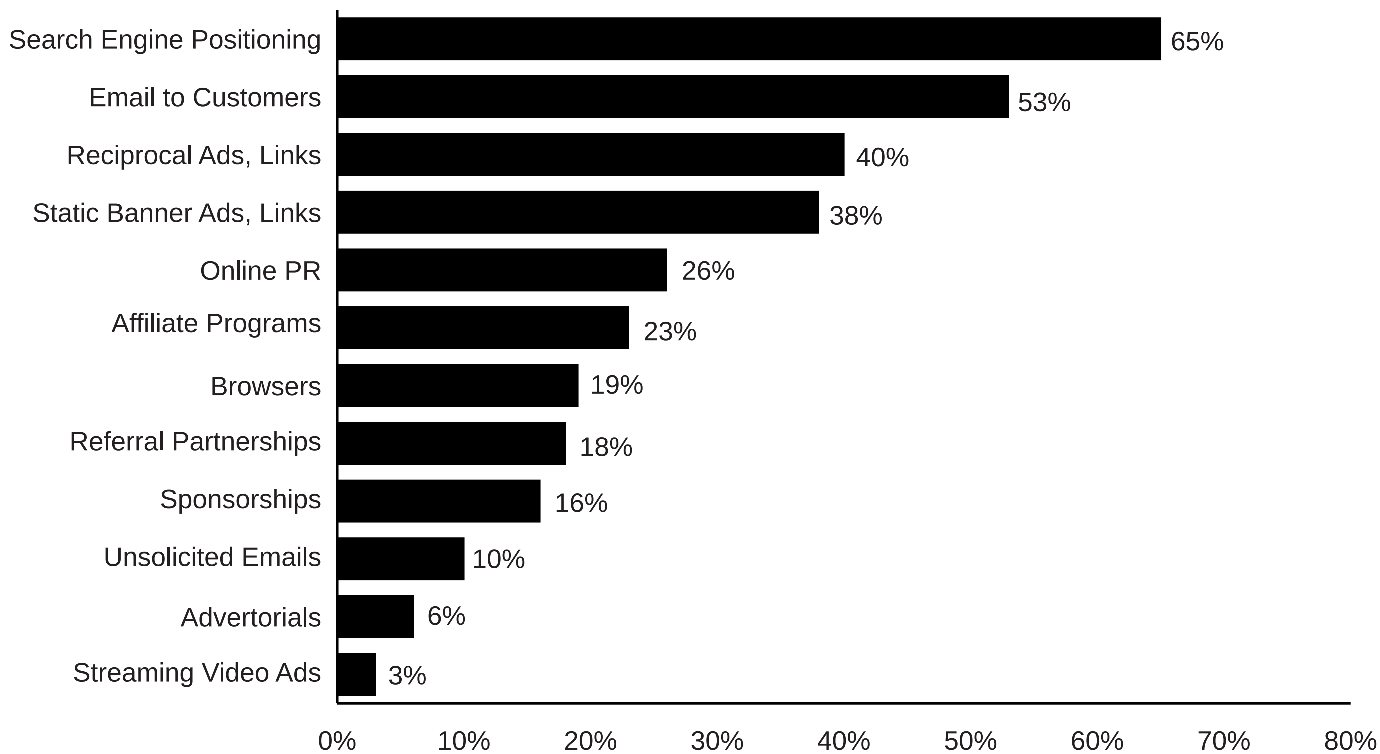
The majority of DMA member (76%) and non-member (86%) respondents have an in-house e-mail list.



Source: The DMA's State of the Interactive eCommerce Marketing Industry, 2000.

ONLINE PROMOTION METHODS CURRENTLY USED TO DRIVE TRAFFIC TO WEB SITE

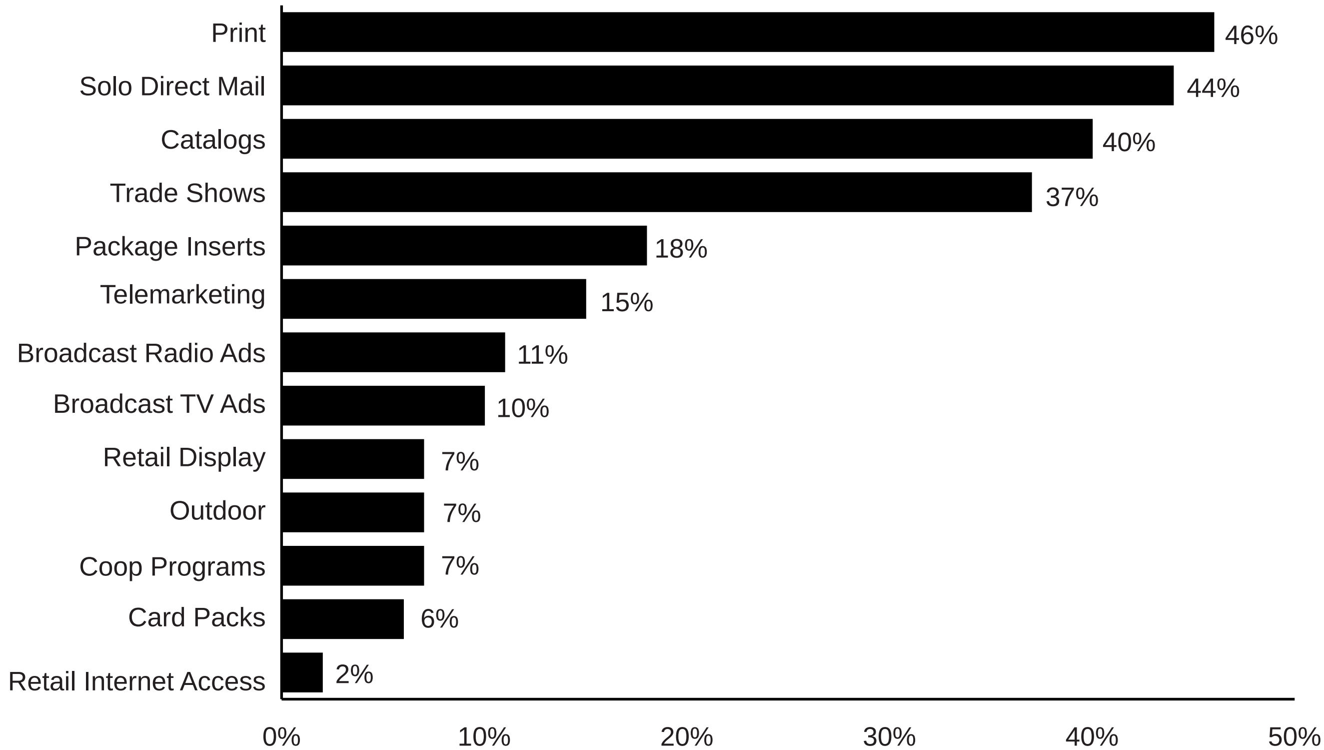
Member respondents use search engine positioning (65%), e-mail to customers (53%), reciprocal ads/links (40%), and static banner ads (38%) to drive traffic to their Web site.



Source: The DMA's State of the Interactive eCommerce Marketing Industry, 2000.

TRADITIONAL/ALTERNATE RESPONSE METHODS CURRENTLY USED TO DRIVE TRAFFIC TO WEB SITE

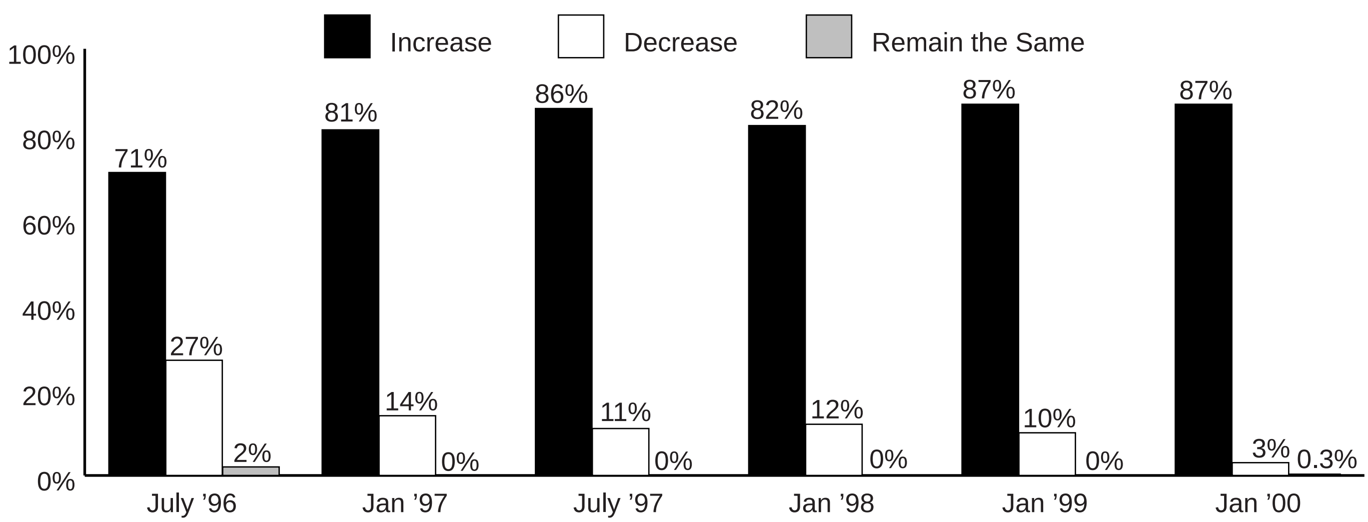
The top traditional/alternative response methods DMA member respondents use to drive Web site traffic are print (46%), solo direct mail (44%), catalogs (40%), and trade shows (37%).



Source: The DMA's State of the Interactive eCommerce Marketing Industry, 2000.

EXPECTED IMPACT INTERACTIVE MEDIA WILL HAVE ON REVENUE IN THE NEXT THREE YEARS

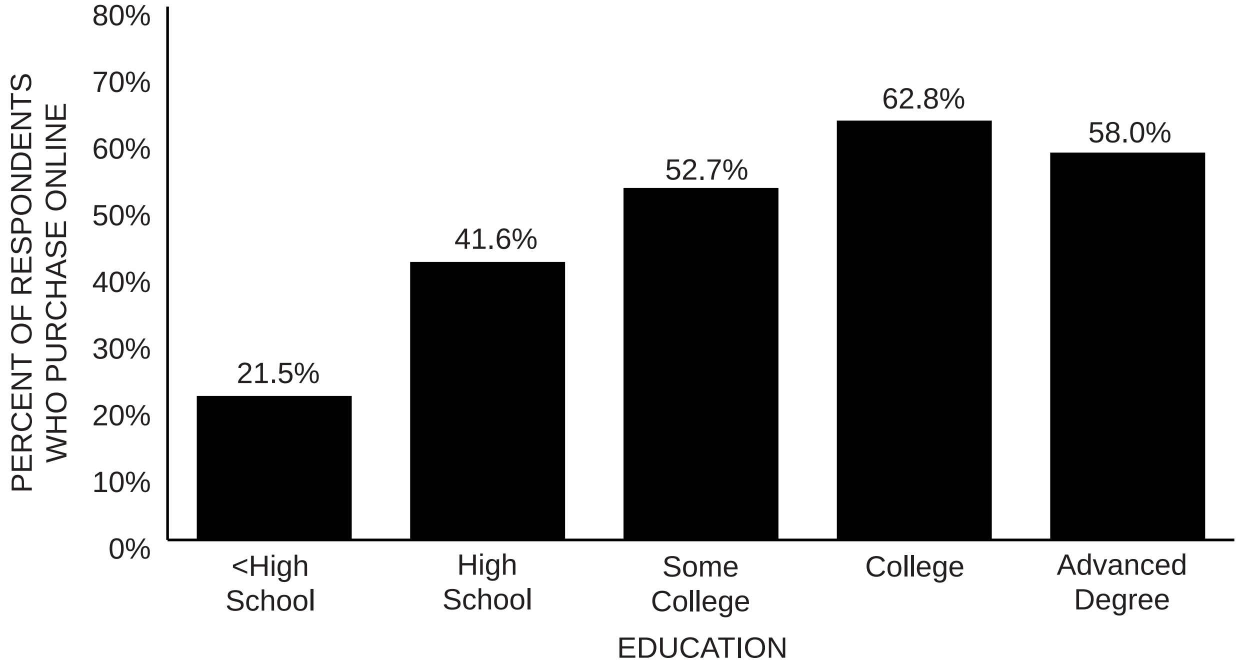
Matching last year's results, 87% of DMA member respondents indicate interactive media will increase their revenue of the next three years. Eighty-six percent of non-members indicate an increase.



Source: The DMA's State of the Interactive eCommerce Marketing Industry, 2000.

CONSUMERS WHO PURCHASE ONLINE BY EDUCATION

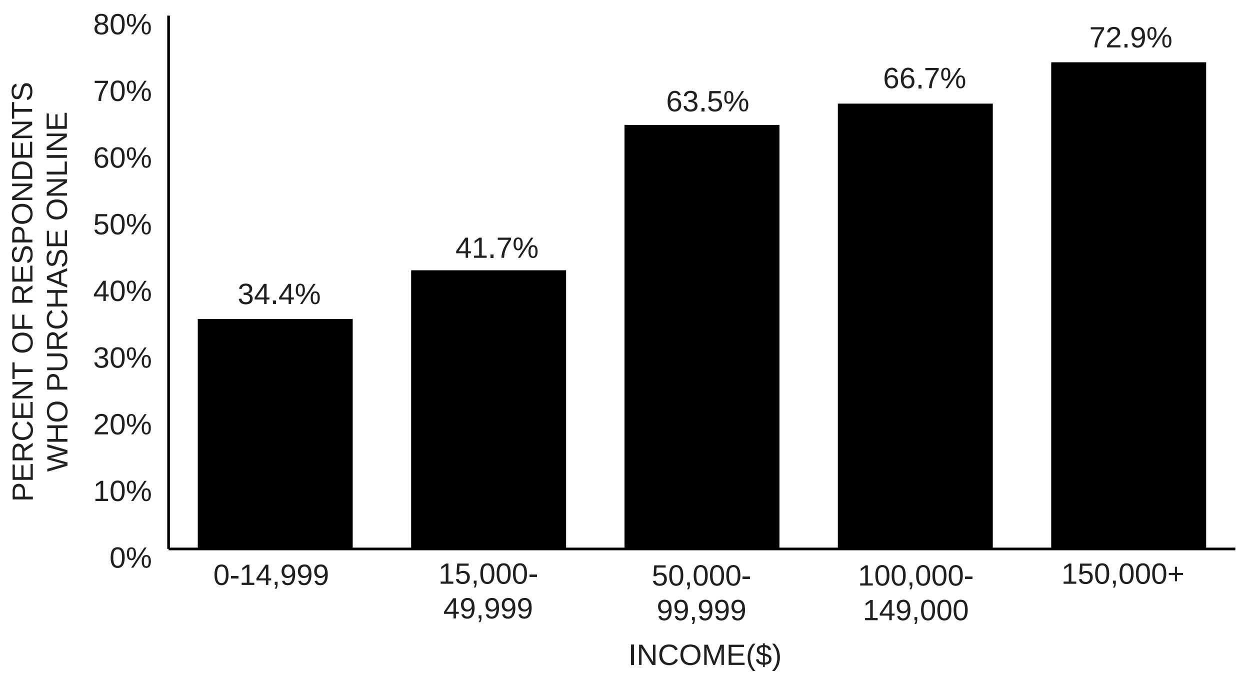
Users with more education are more likely to purchase online.



Source: The UCLA Internet Report: "Surveying the Digital Future." UCLA Center for Communication Policy.

CONSUMERS WHO PURCHASE ONLINE BY INCOME

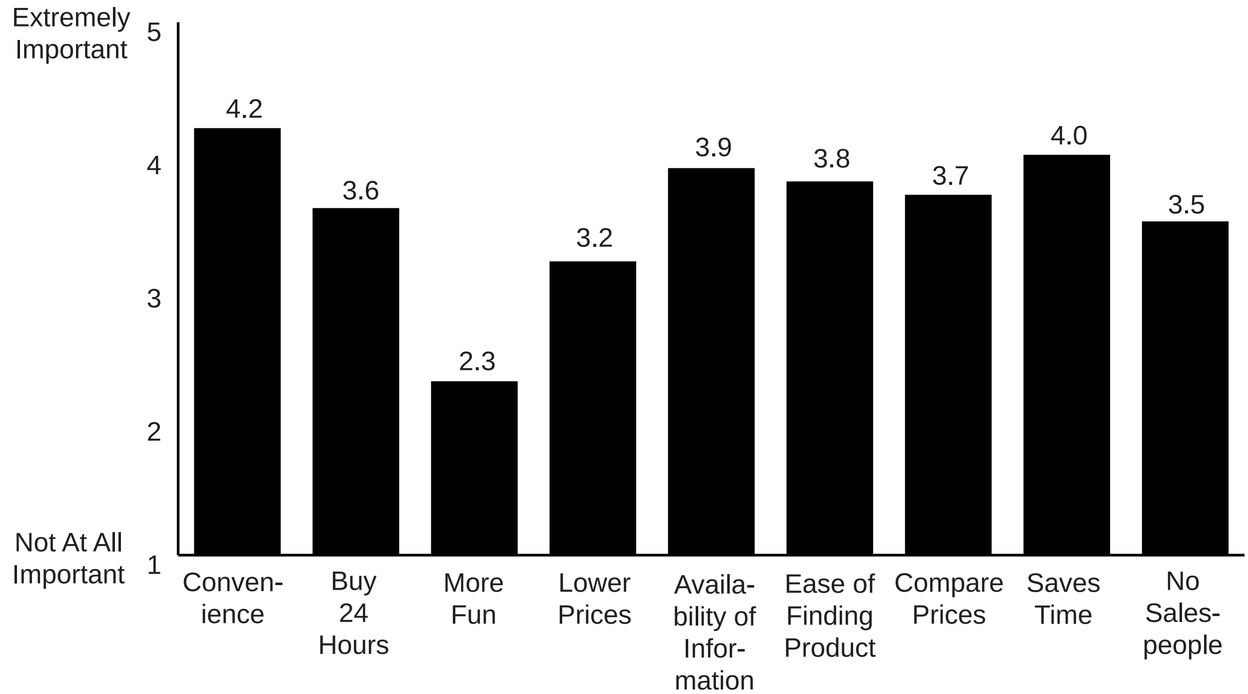
Users with higher incomes are more likely to purchase online.



Source: The UCLA Internet Report: "Surveying the Digital Future." UCLA Center for Communication Policy.

WHY PEOPLE SHOP ON THE INTERNET

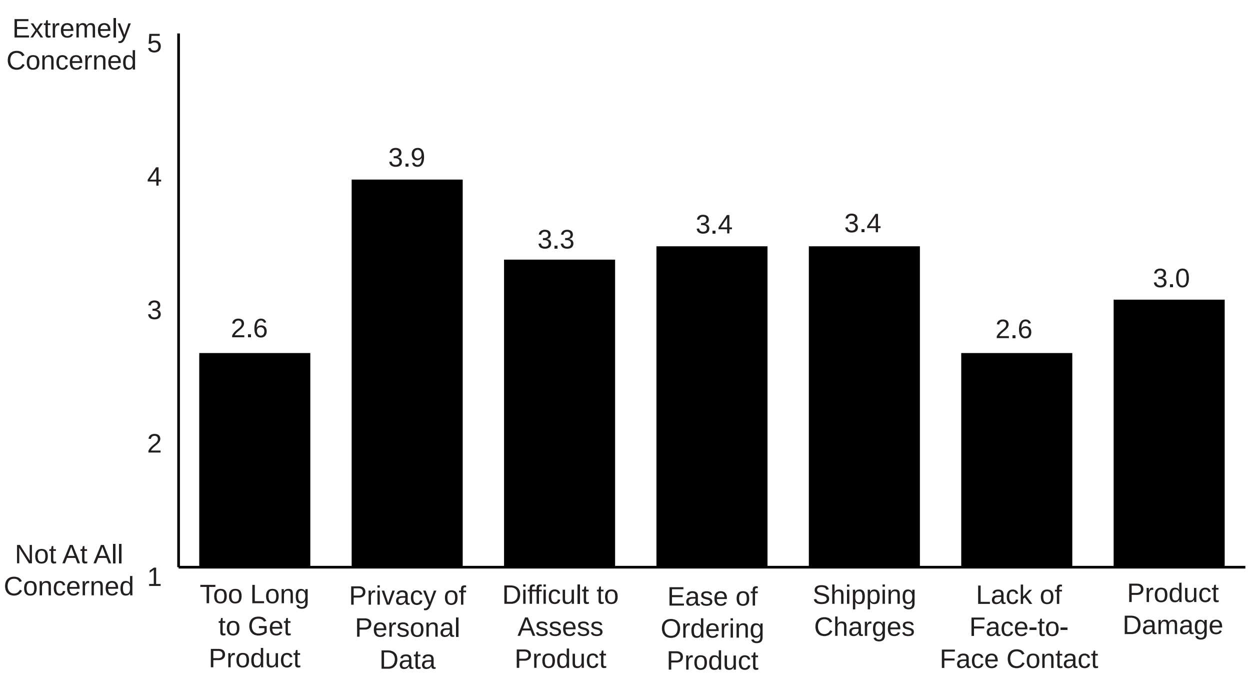
Respondents say that what they like most about online shopping is convenience; next is "saving time," followed by "availability of information about goods and services.



Source: The UCLA Internet Report: "Surveying the Digital Future." UCLA Center for Communication Policy.

WHY PEOPLE DO NOT SHOP ONLINE

Internet purchasers do have concerns that may discourage them from shopping online, with privacy of personal data topping the list.



Source: The UCLA Internet Report: "Surveying the Digital Future." UCLA Center for Communication Policy.

THE 2000 i.merchant 40

ANNUAL RANKING OF THE TOP 40 ONLINE MARKETERS (BY ONLINE SALES)

The i.merchant 40 was compiled through public records, industry research sources, and the companies themselves. For companies that provided only approximate details regarding their online sales or none at all, the estimated figure is denoted with an asterisk.

Rank	Company	Address/Telephone	Market segment	1999 Total Sales	1999 Online Sales
1	IBM	White Plains, NY 914-642-6209	computers	$87.55 billion	$14.80 billion
2	Intel	Santa Clara, CA 408-765-8080	computer components	$29.39 billion	$13.00 billion
3	Dell Computer	Round Rock, TX 512-338-4400	computers	$25.27 billion	$11.19 billion
4	Cisco Systems	San Jose, CA (a) 408-526-4000	networking equipment	$12.15 billion	$10.57 billion
5	Ingram Micro	Santa Ana, CA 714-566-1000	technical components	$28.07 billion	$5.60 billion*
6	Microsoft	Redmond, WA (b) 425-882-8080	software	$19.75 billion	$5.50 billion*
7	Gateway	San Diego 858-799-3401	computers	$8.65 billion	$2.16 billion*
8	Sun Microsystems	Palo Alto, CA 650-960-1300	computers & components	$13.12 billion	$2.00 billion*
9	Tech Data	Clearwater, FL 727-539-7429	computers & components	$16.99 billion	$1.90 billion*
10	Compaq Computer	Houston 281-370-0670	computers	$38.53 billion	$1.85 billion*
11	Amazon.com	Seattle 206-622-2335	general merchandise	$1.64 billion	$1.64 billion
12	Avnet	Phoenix 480-643-2000	industrial components	$9.20 billion	$1.38 billion
13	Arrow Electronics	Melville, NY (b) 516-391-1300	computers & components	$9.31 billion	$1.10 billion
14	Micron Electronics	Nampa, ID (c) 208-893-3434	computers	$1.44 billion	$1.00 billion
15	Buy.com	Aliso Viejo, CA 949-425-5200	general merchandise	$596.8 million	$596.8 million
16	Egghead.com	Menlo Park, CA 509-922-7031	computers	$514.8 million	$503.2 million
17	Hewlett-Packard	Palo Alto, CA (d) 650-857-1501	computers	$42.37 billion	$500.0 million*
18	Office Depot	Delray Beach, FL 561-438-4800	office supplies	$10.26 billion	$349.7 million
19	Micro Warehouse	Norwalk, CT 203-899-4000	computers	$2.44 billion*	$279.8 million *
20	eBay	San Jose, CA 408-558-7400	general merchandise auctions	$224.7 million	$224.7 million

(CONTINUED)

THE 2000 i.merchant 40

(CONTINUED FROM PREVIOUS PAGE)

Rank	Company	Address/Telephone	Market segment	1999 Total Sales	1999 Online Sales
21	uBid	Elk Grove Village, IL 773-272-5000	general merchandise auctions	$204.9 million	$204.9 million
22	Barnesandnoble.com	New York 212-633-3300	books, music, gifts	$202.6 million	$202.6 million
23	W.W. Grainger	Lincolnshire, IL 847-793-9030	industrial supplies	$4.53 billion	$200.0 million*
24	Cyberian Outpost	Kent, CT (e) 860-927-8350	computers	$188.6 million	$188.6 million
25	Value America	Charlottesville, VA 804-817-7700	general merchandise	$182.6 million	$182.6 million
26	Apple Computers	Cupertino, CA (d) 408-996-1010	computers	$6.10 billion	$170.0 million*
26	Federated Department Stores	New York 212-494-1602	general merchandise	$17.72 billion	$170.0 million*
28	CDnow	Fort Washington, PA 215-619-9900	music & videos	$147.2 million	$147.2 million
29	Creative Computers	Torrence, CA 800-863-3282	computers	$732.0 million	$139.0 million*
30	Insight Enterprises	Tempe, AZ 602-902-1001	computers	$1.52 billion	$138.3 million
31	Lands' End	Dodgeville, WI 608-935-9341	apparel	$1.32 billion	$138.0 million
32	CDW Computer Centers	Vernon Hills, IL 847-465-6000	computers	$2.56 billion	$125.0 million
33	PC Connection	Merrimack, NH 603-423-2000	computers	$1.06 billion	$116.1 million
34	J.C. Penney	Plano, TX 972-431-1000	general merchandise	$32.51 billion	$102.0 million
35	Staples	Westborough, MA 508-370-8500	office supplies	$8.94 billion	$94.3 million
36	Multiple Zones International	Renton, WA 425-430-3000	computers	$487.4 million	$90.2 million
37	L.L. Bean	Freeport, ME 207-865-4761	outdoor gear & apparel	$1.03 billion*	$90.0 million*
38	Systemax	Port Washington, NY, 516-625-1555	computers & industrial supplies	$1.75 billion	$83.0 million*
39	Spiegel	Downers Grove, IL 630-986-8800	general merchandise	$3.21 billion	$79.0 million
40	Getty Images	Seattle 206-695-3400	photo images	$247.8 million	$67.9 million

(a) = year ended July 31, 1999; (b) = year ended June 30, 1999; (c) = year ended Sept. 2, 1999; (d) = year ended Oct. 31, 1999; (e) = year ended Feb. 28, 2000

Source: Intertec Publishing - Catalog Age / i.merchant 2000.

U.S. ELECTRONIC SHOPPING AND MAIL-ORDER HOUSES SALES[1] BY MERCHANDISE LINE - TOTAL AND E-COMMERCE: 1999

(SALES ARE IN MILLIONS OF DOLLARS)

Books and magazines is the most popular product that is bought through e-commerce- 45.2 %.

Merchandise Lines	Value of Sales Total	Value of Sales E-Commerce	E-Commerce as Percent of Total Sales	Percent Distribution of E-Commerce Sales	Percent Distribution of Total Sales
Total	**93,149**	**11,733**	**12.6**	**100.0**	**100.0**
Books and magazines	3,611	1,631	45.2	13.9	3.9
Clothing and clothing accessories (inc. footwear)	12,362	757	6.0	6.5	13.3
Computer hardware	25,098	4,336	17.3	37.0	26.9
Computer software	2,484	760	30.6	6.5	2.7
Drugs, health aids, beauty aids	10,362	258	2.5	2.2	11.1
Electronics and appliances	2,258	399	17.7	3.4	2.4
Food, beer and wine	1,540	230	14.9	2.0	1.7
Furniture and home furnishings	5,494	240	4.4	2.0	5.9
Music and videos	4,490	809	18.0	6.9	4.8
Office equipment and supplies	7,502	600	8.0	5.1	8.1
Toys, hobby goods, and games	2,052	391	19.1	3.3	2.2
Other merchandise[2]	14,723	966	6.6	8.2	15.8
Nonmerchandise receipts[3]	1,173	356	30.3	3.0	1.3

(S) Data do not meet publication standards because of high sampling variability or poor response quality. Unpublished estimates derived from this table by subtraction should be used with caution and not be attributed to the U.S. Census Bureau. For more information on methodology visit *www.census.gov/estats*.

[1] This industry comprises businesses primarily engaged in retailing all types of merchandise through catalogs, television, and the Internet. Data are preliminary and, therefore, subject to revision.

[2] Includes other merchandise such as jewelry, sporting goods, collectibles, souvenirs, auto parts and accessories, hardware, and lawn and garden equipment and supplies

[3] Includes nonmerchandise receipts such as auction commissions, shipping and handling, customer training, customer support, and online advertising.

Source: U.S. Census Bureau, 1999 Annual Retail Trade Survey.

ESTIMATED QUARTERLY U.S. RETAIL SALES: TOTAL AND E-COMMERCE

E-commerce sales in the first quarter of 2001 accounted for 0.9 percent of total sales compared to 1.0 percent in the fourth quarter of 2000.

Merchandise Lines	Retail Sales Total	Retail Sales E-Commerce[1]	E-Commerce as Percent of Total Sales	Quarter-to-Quarter Percent Change E-Commerce Sales	Quarter-to-Quarter Percent Change Total Sales
4th Quarter 1999	821,351	5,198	0.63	8.5	(NA)
1st Quarter 2000	747,934	5,240	0.70	-8.9	0.8
2nd Quarter 2000	815,677	5,526	0.68	9.1	5.5
3rd Quarter 2000	812,158	6,393	0.79	-0.4	15.7
4th Quarter 2000 [r]	856,158	8,672	1.01	5.4	35.6
1st Quarter 2001 [p]	765,227	6,994	0.91	-10.6	-19.3

NA Not available. [r] Revised. [p] Preliminary

[1] E-commerce sales are sales of goods and services over the Internet, an extranet, Electronic Data Interchange (EDI), or other online system. Payment may or may not be made online.

Source: U.S. Department of Commerce News, May 2001.

KEY CHARACTERISTICS OF CONSUMER AND BUSINESS WEB SITES

The most effective promotion method for b-to-b web sites is offline (38%).

	Business Segment	
	B-to-C	**B-to-B**
	(194)	(192)
Site currently generates revenues from online activities	81%	54%
Web site profitable now from Internet-generated revenues	43%	29%
Avg. % purchasers that are former offline customers	18%	30%
Avg. % purchasers that are new first-time buyers	54%	48%
Avg. % purchasers that are repeat buyers	22%	32%
Avg. # purchases/year/customer	6	8
Avg. # online transactions/month at site	3,564	217
Avg. % changes in business since Internet	43%	25%
Avg. % business attributable to Internet presence	30%	23%
Generates online sales directly from Web site	54%	31%
Most effective site promotion method	E-mail -- 41%	Offline -- 38%
Use Web site sales promotions	72%	49%
Use advertising and promotion strategies	82%	78%
Have a paid promotional budget	35%	24%
Broad product selection is successful	78%	68%
Immediate delivery is successful	81%	69%
Telephone service & support is successful	84%	87%
Showing product availability on-screen is successful	69%	84%
Providing customer access to history is successful	61%	67%
Collect consumer information	89%	79%
Customer information retained	42%	37%
Customer convenience options implemented	61%	68%
Avg. # web pages/all sites	1,423	1,037
Use personalization strategies	58%	62%
Accept credit cards online	72%	54%
Invoice customers for later payment	4%	29%
Avg. operations, maintenance, development budget	$29,000	$59,000
Update Web site content daily	24%	10%

Source: "The Direct Marketing Industry Online: Perspectives on 2001" Copyright 2001, ActivMedia Research LLC, Millard Group, Inc., All Rights Reserved; Sponsored by Direct Marketing Association.

Lists/Databases

Costs
Trends

CHAPTER HIGHLIGHTS

- There are two new list categories to reflect changes in today's New Economy -- Permission-Based E-mail B-to-B and B-to-C.
- USPS rate increases is the most important issue facing the list industry (88%), according to respondents to The DMA's List Usage Survey, followed by list integrity/hygiene (86%).
- Mailers are relying primarily on NCOA (61%) and using internal house-file databasing (60%) to improve up-front response and back-end performance.
- Requiring a sample mail piece before renting a list (87%), using an external list manager (81%), and allowing names to enter cooperative databases (58%) were the top list rental practices utilized in 1998.
- The salary range for list managers with 1 to 3 years' experience in 2000 was $40,500 - $50,700.
- The top three reasons mailers gave for increasing their mailing frequency were strategy change (50%), company growth/expansion (50%), and new product lines (42%).
- Almost an equal amount of mailers make their lists available for rental and/or exchange as do not (45% each).
- 41% of companies have their customer file/database maintained by an outside vendor.

THE DMA
Direct Marketing Association

WORLDATA LIST PRICE INDEX—APRIL 1999 VS. VS. APRIL 2000 VS. APRIL 2001 (AVERAGE PRICE PER THOUSAND (PPM))

There are two new categories to reflect the changes in today's New Economy markets. These new categories are Permission Based E-Mail B-to-B and Permission Based E-mail B-to-C.

Category	April '99 Average Price	April '00 Average Price	April '01 Average Price
ATTENDEES/MEMBERS	$109	$102	$111
BOOK, RECORD AND TAPE BUYERS	104	105	108
BUS. MAGS./CONTROLLED CIRC.	126	124	129
BUS. MAGS./PAID CIRC.	134	137	139
BUS. MERCH. BUYERS	105	110	108
CONSUMER BOOK BUYERS	90	91	91
CONSUMER MAGAZINE SUBSCRIBERS	100	100	101
CONSUMER MERCH. BUYERS	94	93	93
DATABASES/MASTERFILES	114	112	115
DONORS	74	74	75
NEWSLETTERS	161	156	153
PERMISSION-BASED E-MAIL B-TO-B	251	259	268
PERMISSION-BASED E-MAIL B-TO-C	193	204	153

Source: Worldata, Inc., 2001.

2001 LIST/DATABASE SALARIES

Crandall Associates, Inc., an executive recruiting firm, has determined the salaries by the following process: 1) Discussions with employers, from presidents to personnel officers, nationally, in companies varying in geographic areas, number of employees, and sales volume; 2) Personal interviews and discussions with professionals in Direct Marketing and Telemarketing at all salary levels, working from coast to coast; 3) Analysis of information collected as a result of discussions with potential candidates nationally, with adjustments made for the "fudge" factor. Copies of the full salary guide with 52 functions and regional salary variations are available for $45 from Crandall Associates, Inc., 114 East 32nd St., Suite 1215, New York, NY 10016, (212)213-1700.

Database Analyst

At the right hand of the Database Manager, the Database Analyst knows the inner workings of the database like no other. The ability to manipulate raw data so that diverse audiences can use it is a special skill.

DUTIES: Responsible for interpreting information and reporting results. Compiling and analyzing metrics on customer file; responsible for queries to the operational system, data cleansing/ hygiene, integration and data quality assurance. Recommends lists for internal decisions, pricing, positioning and marketing. Evaluates and reports on data source, analysis of data, requests sample data, executes list hygiene plan, merge-purge literacy. Reports and recommends test strategies. Knowledge of SAS or related programs. Responsible for database integrity issues, including NCOA, LACS, Telematch updates.

Years	Salary Range
1-3	$45,700.........$60,200
4-7	$58,900.........$75,500
7+	$72,300.. .....$87,300
Highest Reported Salary	$100,000

Database Director

Without the talents of this person the database would be but a mountain of unrelated facts. It takes a professional with a special talent to make the information tell its story.

DUTIES: Oversees the development and implementation of database marketing operation solutions that support marketing and customer relationship management campaigns. Establishes corporate data strategy and strategic focus including written policies and procedures for database marketing. Oversees segmentation and targeting, including list strategy and media plan recommendations, matrix design and cell population, list purchases and merge-purge management and developing technical specifications. Evaluates data vendors or internal staff capability for database enhancement, modeling, profiling, integrated database creation/ management and data warehousing.

Years	Salary Range
1-3	$98,700...... . $119,300
4-7	$115,000.........$139,700
7+	$135,300.........$155,500
Highest Reported Salary	$175,000

List Manager — Corporate

Most professionals state that a direct mail promotion is comprised of three elements: creative, product and list. For the list professional, the list comes first, second and third, and then come creative and product, or product, then creative.

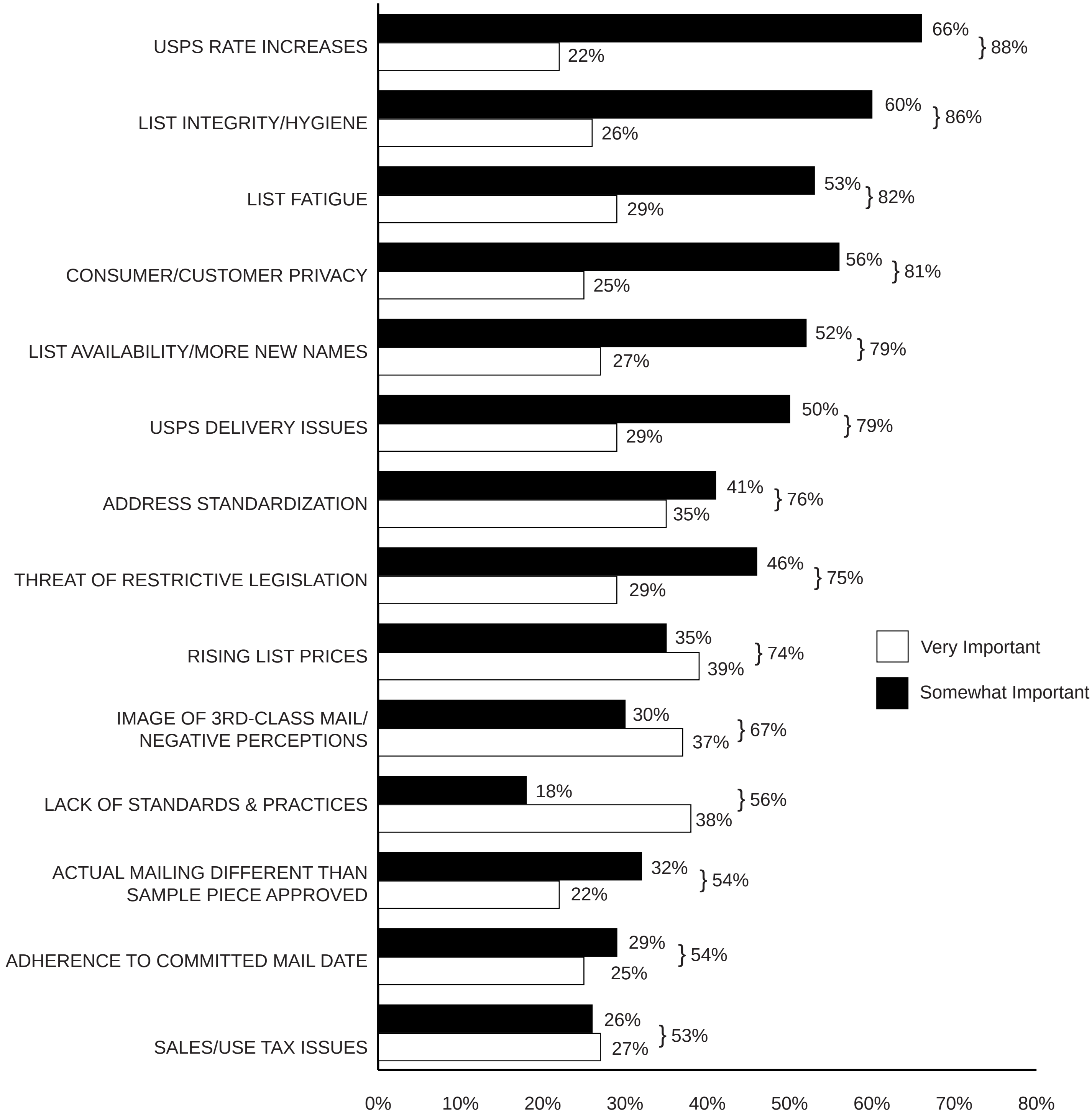
DUTIES: Recommends lists for internal marketing decisions. Responsible for pricing, positioning, marketing the rental of the house file to other firms. Liaison with clients and brokerage community to increase rentals of house lists. Direct execution of list promotions by direct mail, space and personal visitations. Schedules, selects and staffs trade shows. In some companies, also responsible for the list acquisition function, both response and/or compiled. Analyzes list performance, establishes merge-purge standards. Works with computer department, service bureau and lettershops.

Years	Salary Range
1-3	$40,500.........$50,700
4-7	$48,100.........$57,300
7+	$55,700.........$64,300
Highest Reported Salary	$92,000

Source: Crandall Associates, 2001. * Information is absolutely copyright protected by Crandall Associates

IMPORTANT ISSUES FACING LIST INDUSTRY IN 1998

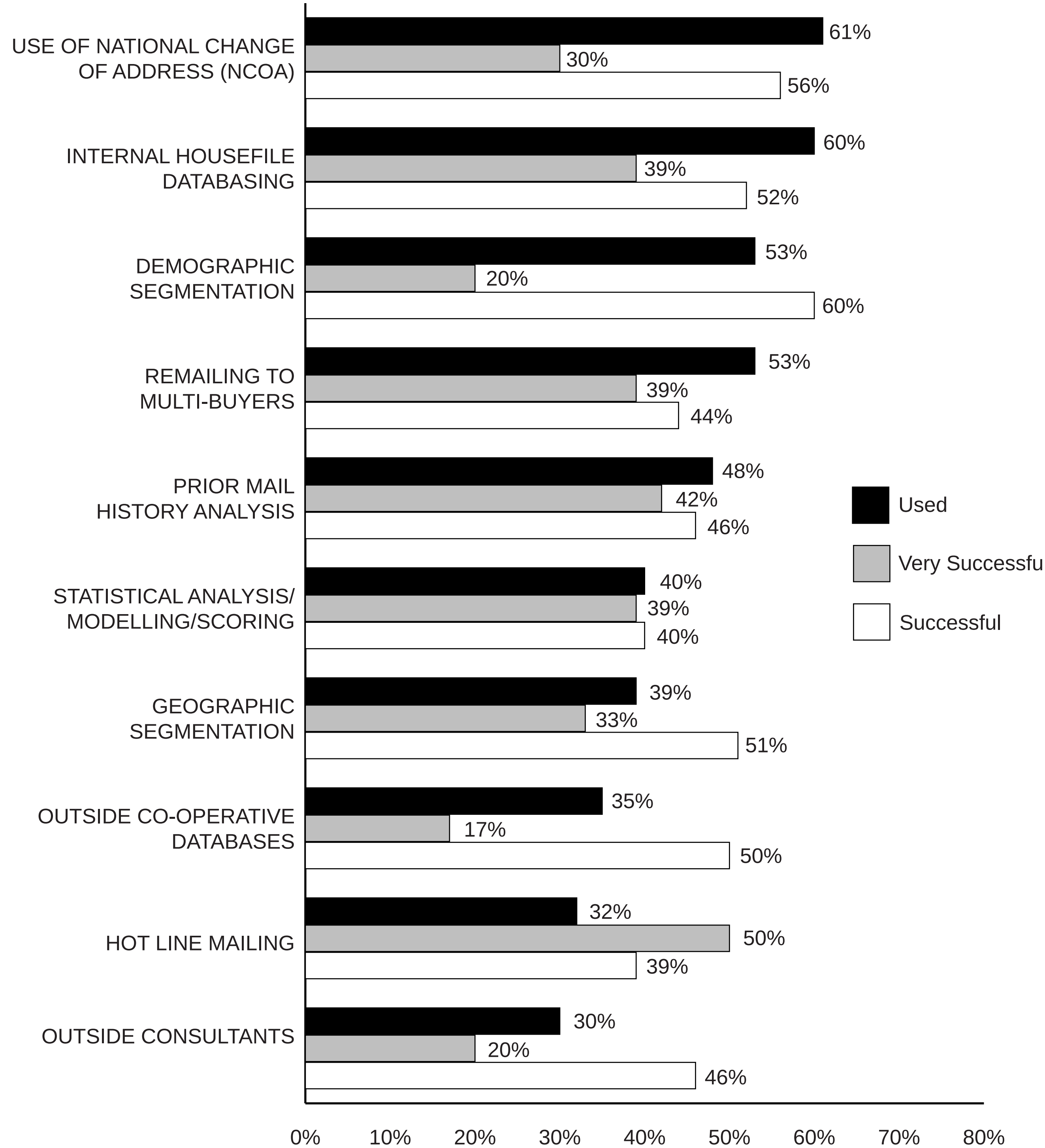
Top issues cited as "very/somewhat important" were those pertaining to the postal service, namely USPS rate increases and USPS delivery issues. List integrity/hygiene also remained a vital issue in 1998.



Source: The DMA List/Database Council/Research Department: 19th Annual List Usage Survey, 1999.

TOP TEN LIST TECHNIQUES USED TO IMPROVE UP-FRONT RESPONSE AND BACK-END PERFORMANCE

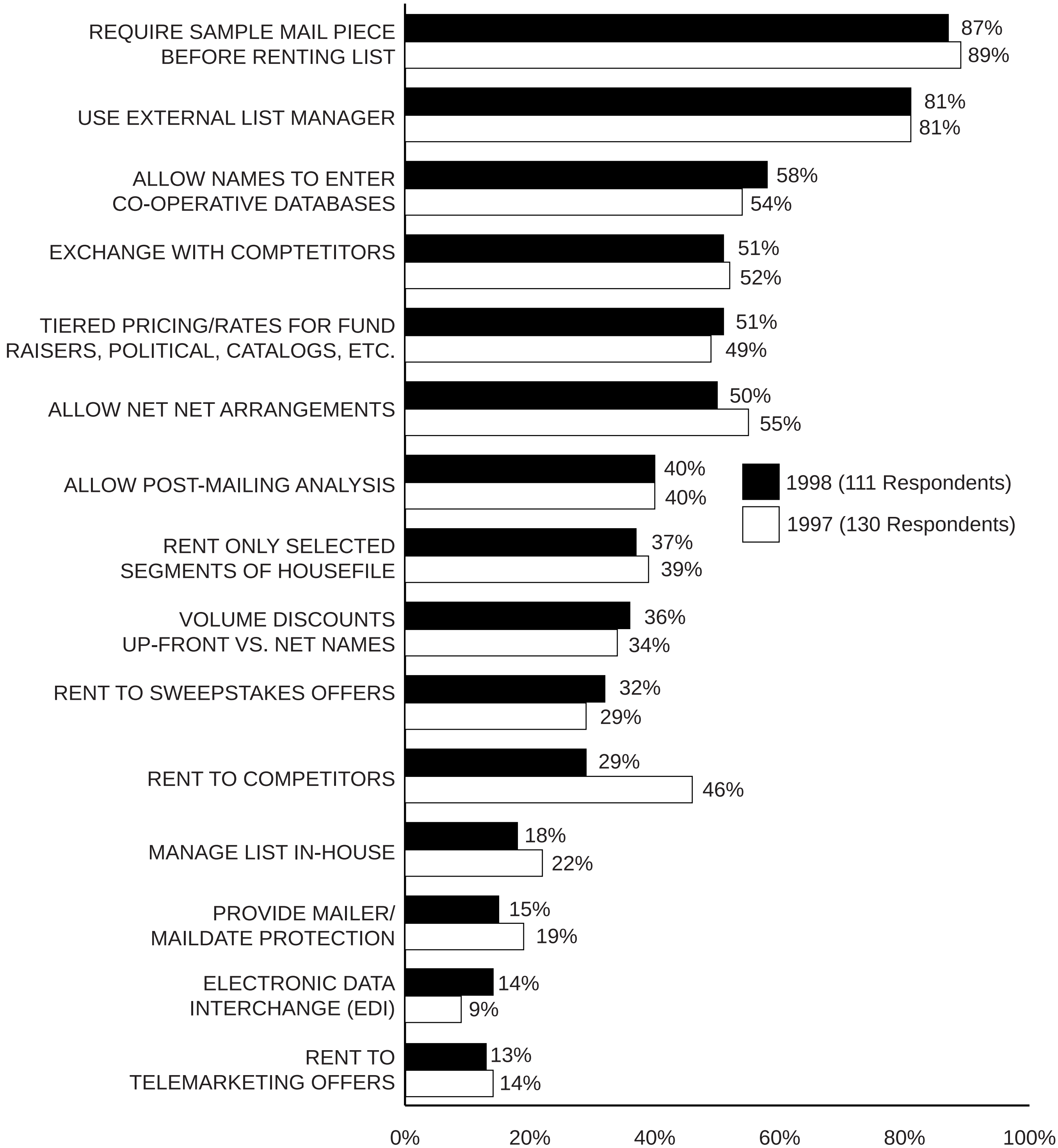
Respondents are relying primarily on using NCOA and internal housefile databasing to improve up-front response and back-end performance.



Source: The DMA List/Database Council/Research Department: 19th Annual List Usage Survey, 1999.

TRENDS IN LIST RENTAL PRACTICES UTILIZED: 1998 VS. 1997

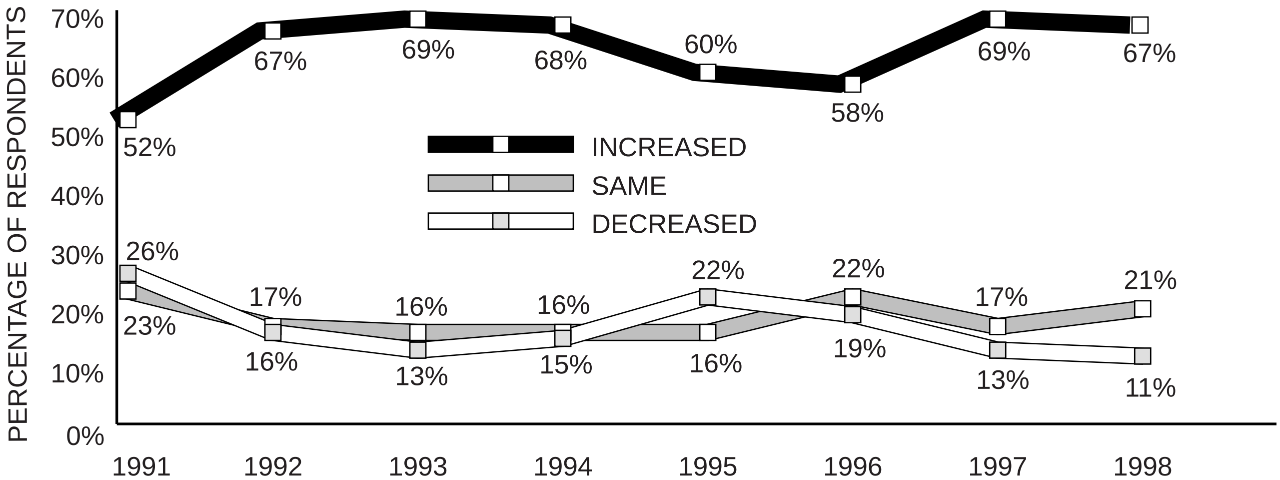
Requiring a sample mail piece before renting a list, using an external list manager, and allowing names to enter co-operative databases remain the top list practices used.



Source: The DMA List/Database Council/Research Department: 18th & 19th Annual List Usage Survey, 1998, 1999.

TRENDS IN OVERALL MAILING QUANTITIES: 1991-1998

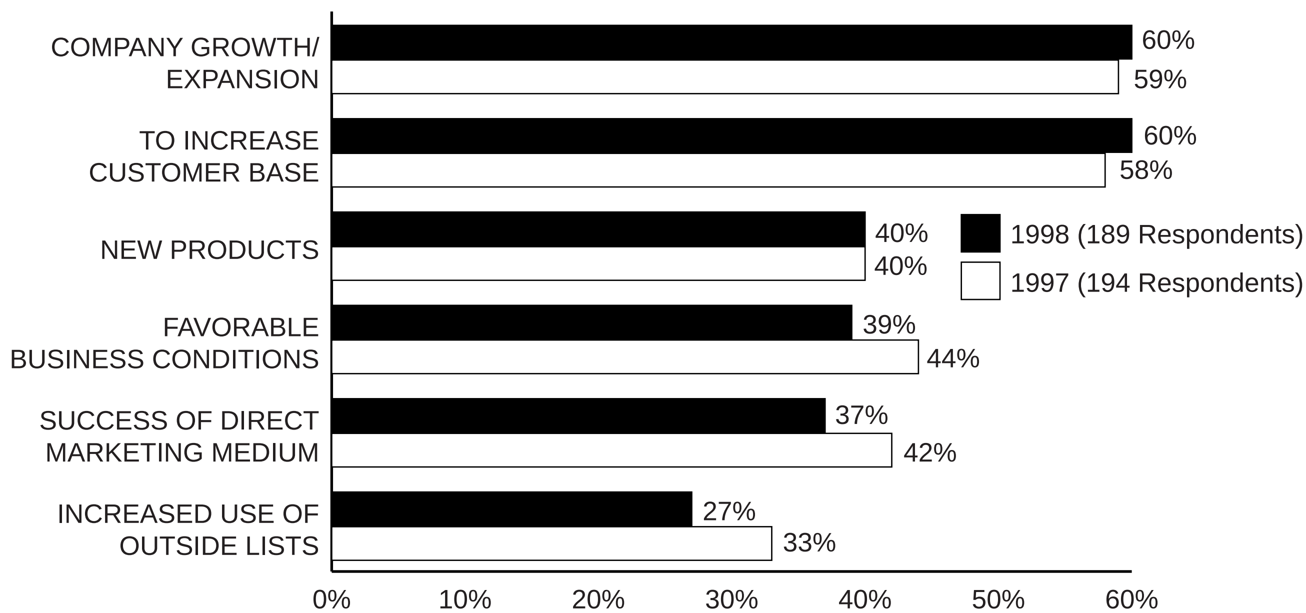
The most recent study revealed that 67% of the respondents indicated their mailing quantity increased in 1998 vs. 1997.



Source: The DMA Annual List Usage Surveys, 1992-1999.

TOP SIX REASONS FOR MAILING QUANTITIES INCREASING: 1998 VS. 1997

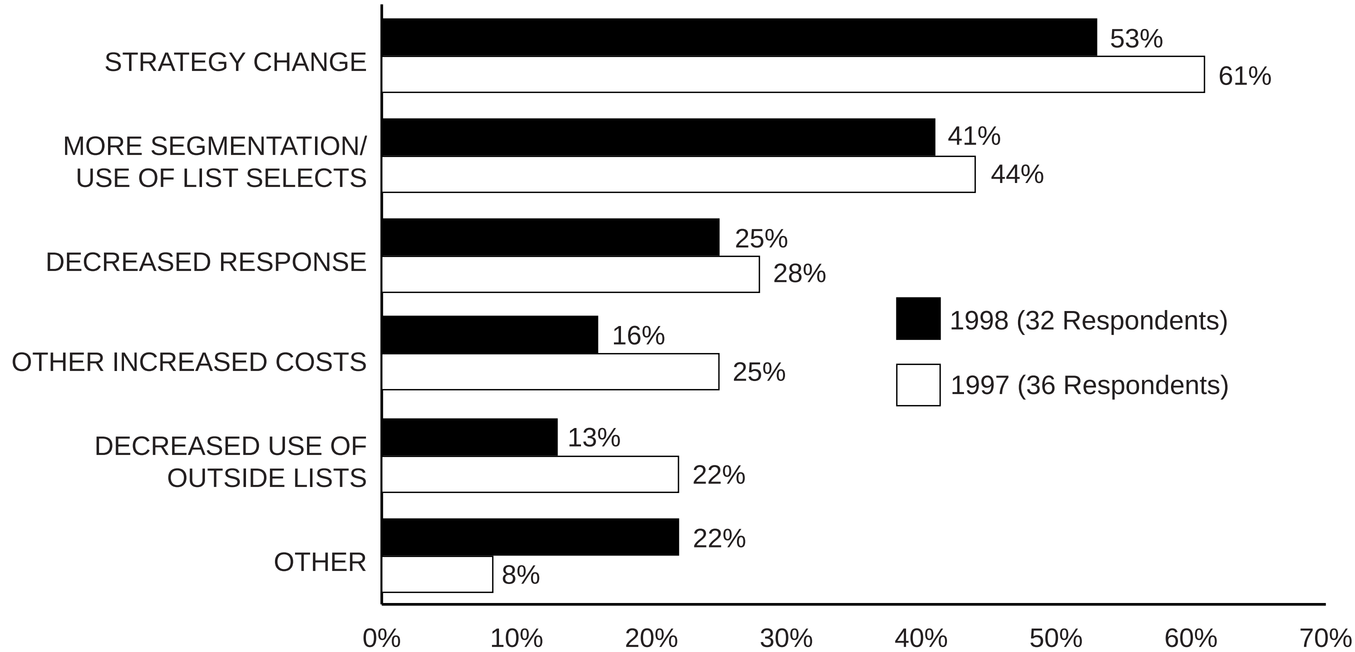
According to respondents, mailing quantities increased primarily because of a desire to increase company growth/expansion and to increase customer base.



Source: The DMA List/Database Council/Research Department: 18th & 19th Annual List Usage Survey, 1998, 1999.

TOP SIX REASONS FOR MAILING QUANTITIES DECREASING: 1998 VS. 1997

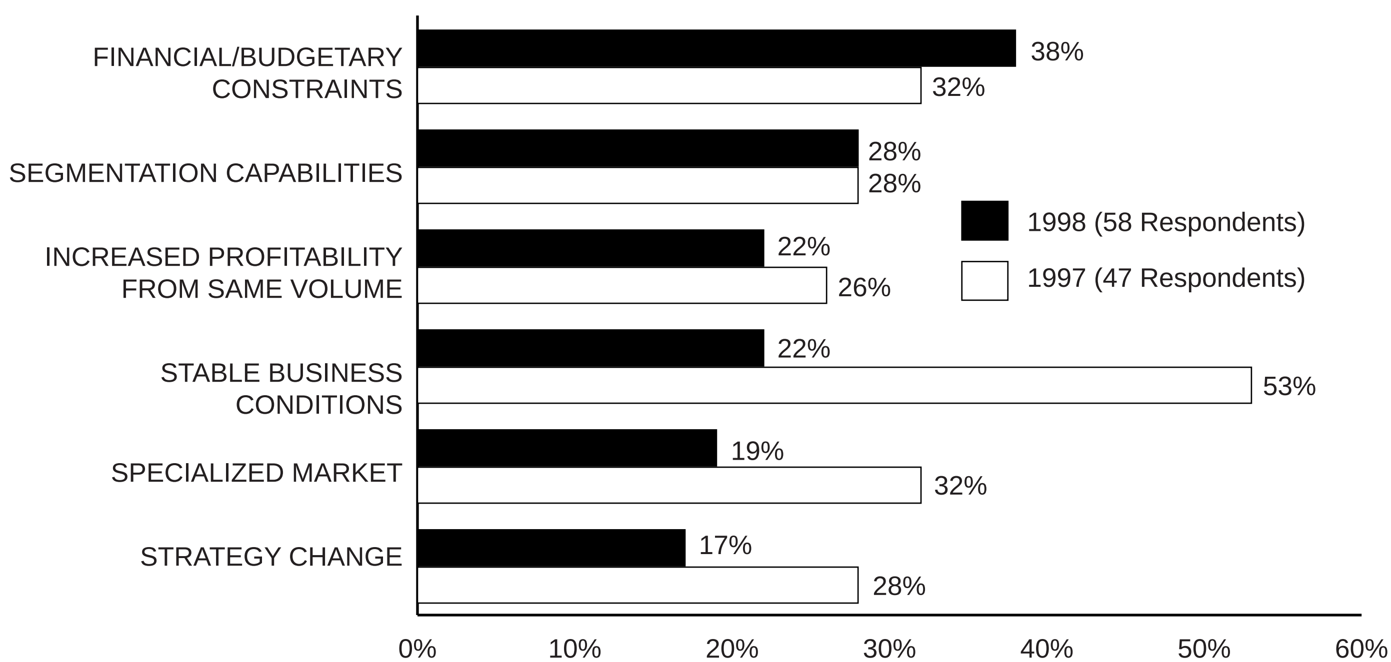
Mailers seem to be mailing less mainly because of strategy change and more segmentation/use of list selects.



Source: The DMA List/Database Council/Research Department: 18th & 19th Annual List Usage Survey, 1998, 1999.

TOP SIX REASONS FOR MAILING QUANTITIES STAYING STABLE: 1998 VS. 1997

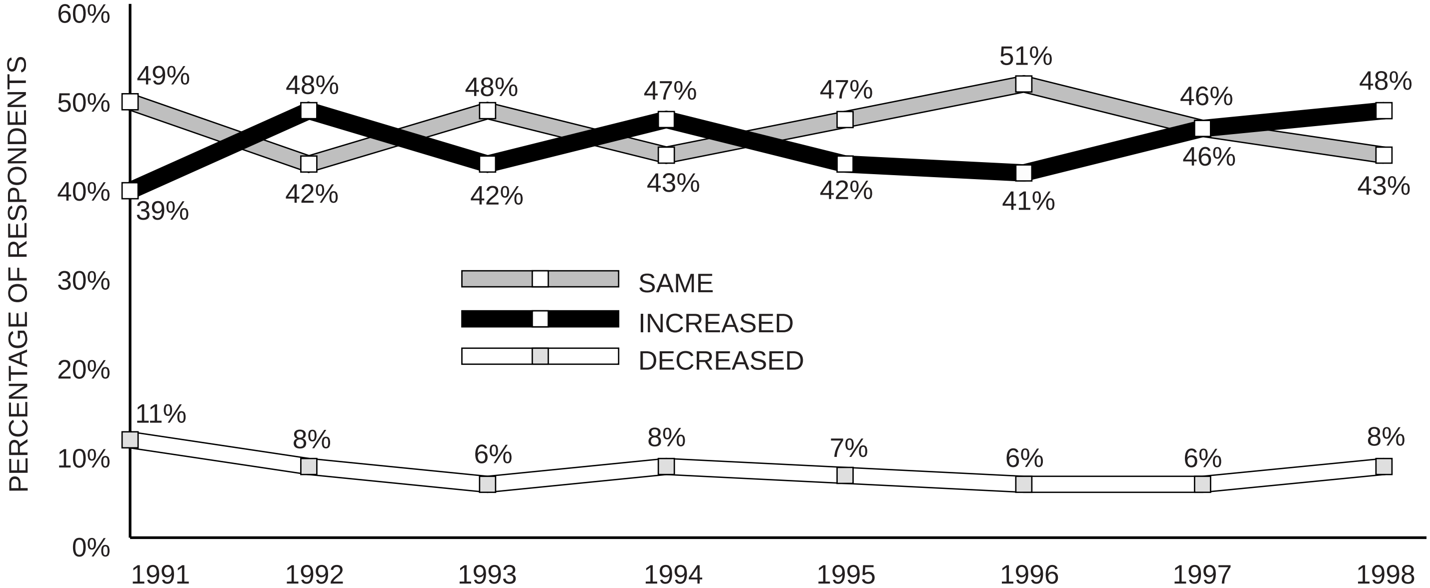
Financial/budgetary constraints and segmentation capabilities were cited as the top reasons for mailing quantities remaining the same.



Source: The DMA List/Database Council/Research Department: 18th & 19th Annual List Usage Survey, 1998, 1999.

MAILING FREQUENCY: 1991-1998

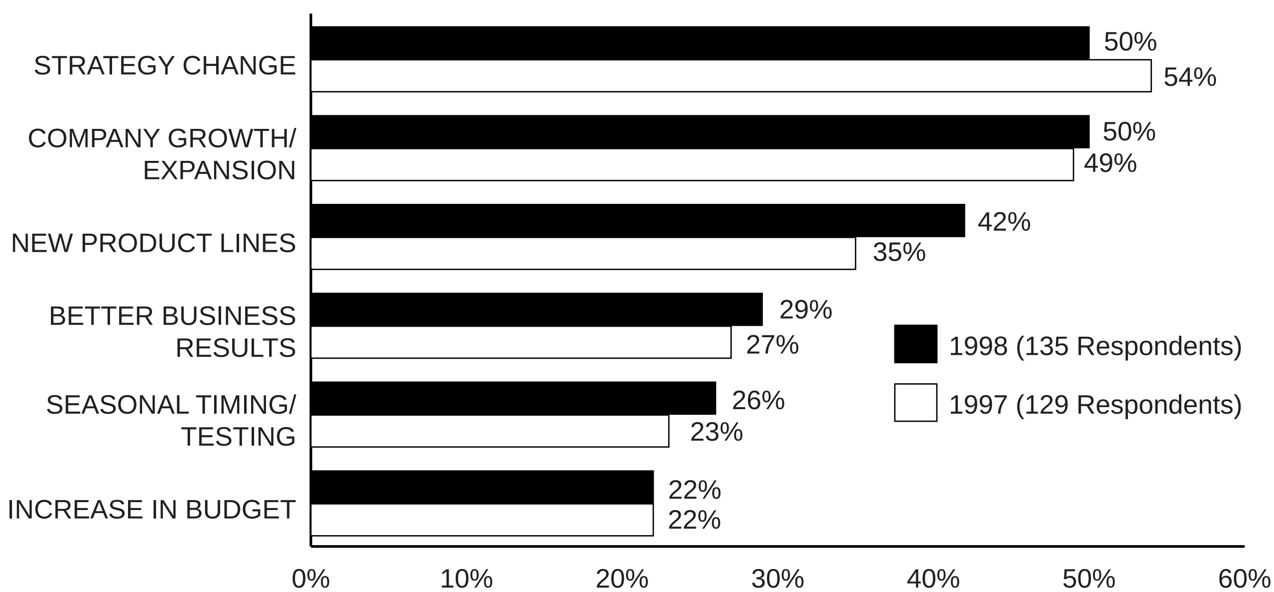
In comparing 1998 to 1997, nearly half of the respondents (48%) indicated that their mailing frequency increased.



Source: The DMA Annual List Usage Surveys, 1992-1999.

TOP SIX REASONS FOR INCREASES IN MAILING FREQUENCY: 1998 VS. 1997

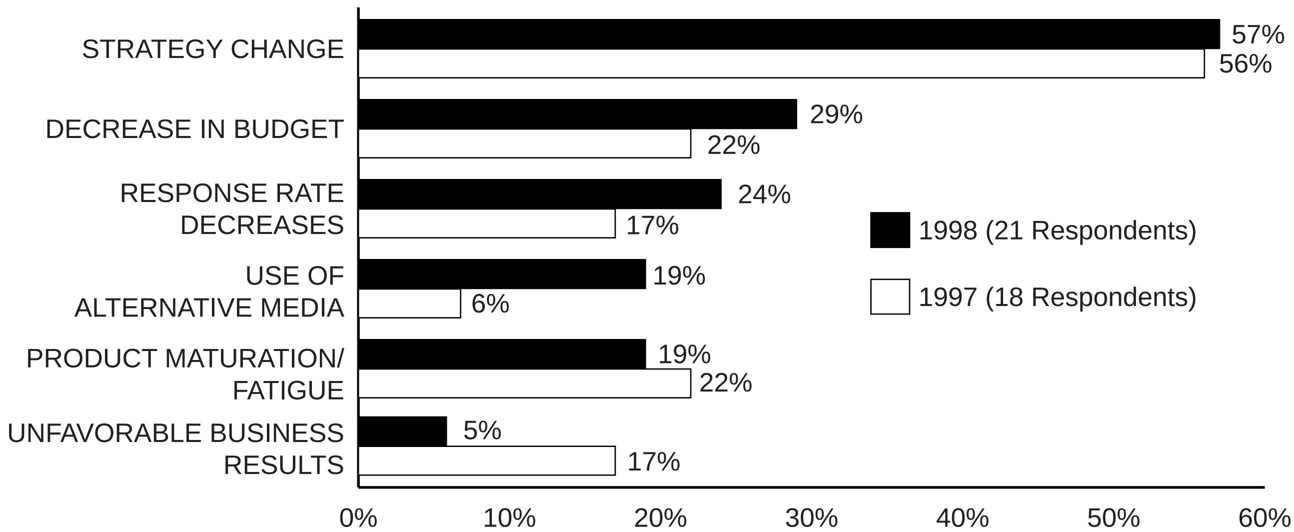
Strategy change and company growth/expansion are the top reasons cited for increases in mailing frequency.



Source: The DMA List/Database Council/Research Department: 18th & 19th Annual List Usage Survey, 1998, 1999.

TOP SIX REASONS FOR DECREASES IN MAILING FREQUENCY: 1998 VS. 1997

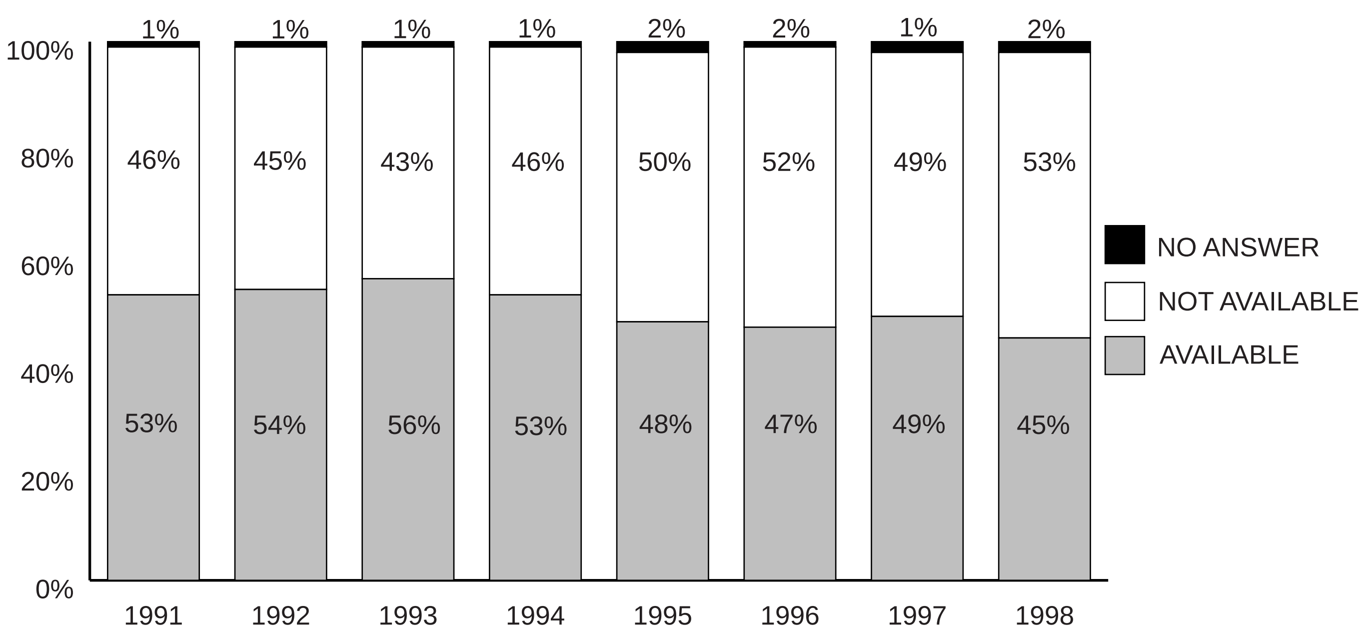
Strategy change is still the top reason cited for decreases in mailing frequency, while decrease in budget remained in second place.



Source: The DMA List/Database Council/Research Department: 18th & 19th Annual List Usage Survey, 1998, 1999.

LISTS AVAILABLE FOR RENTAL/EXCHANGE: 1991-1998

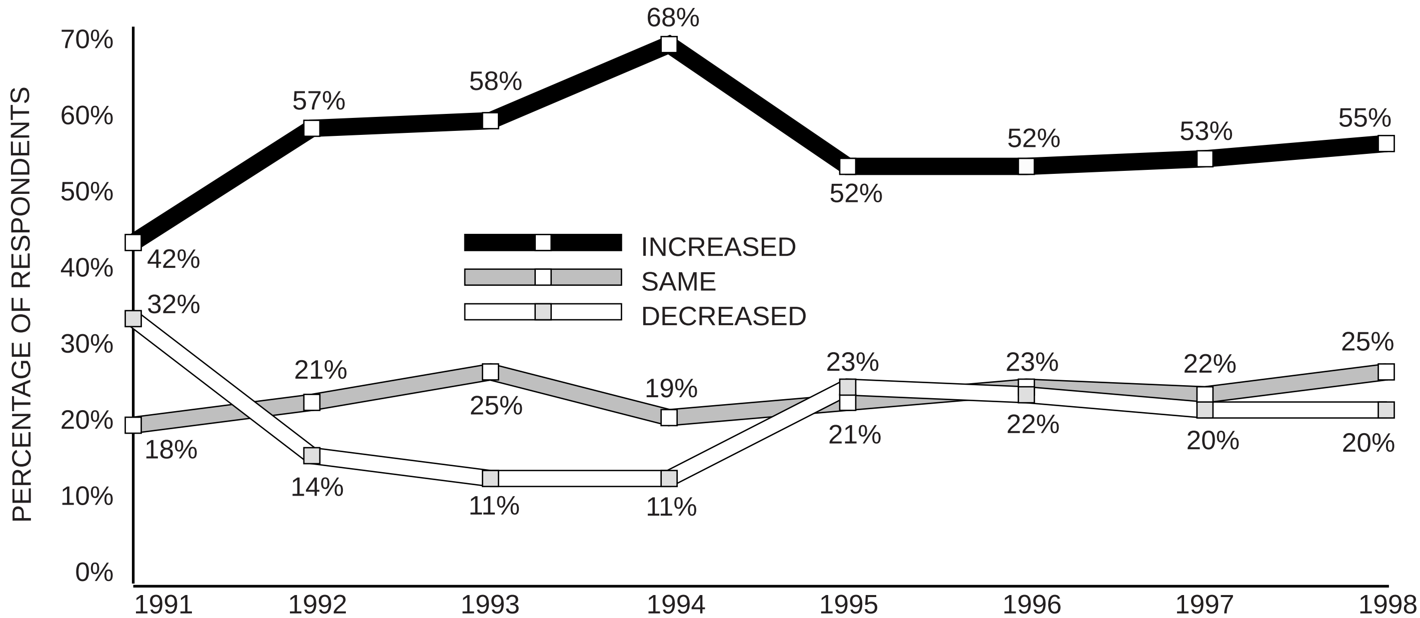
Nearly half (45%) of the respondents make their customer files available for rental/exchange.



Source: The DMA Annual List Usage Surveys, 1992-1999.

TRENDS IN LIST RENTAL INCOME: 1991-1998

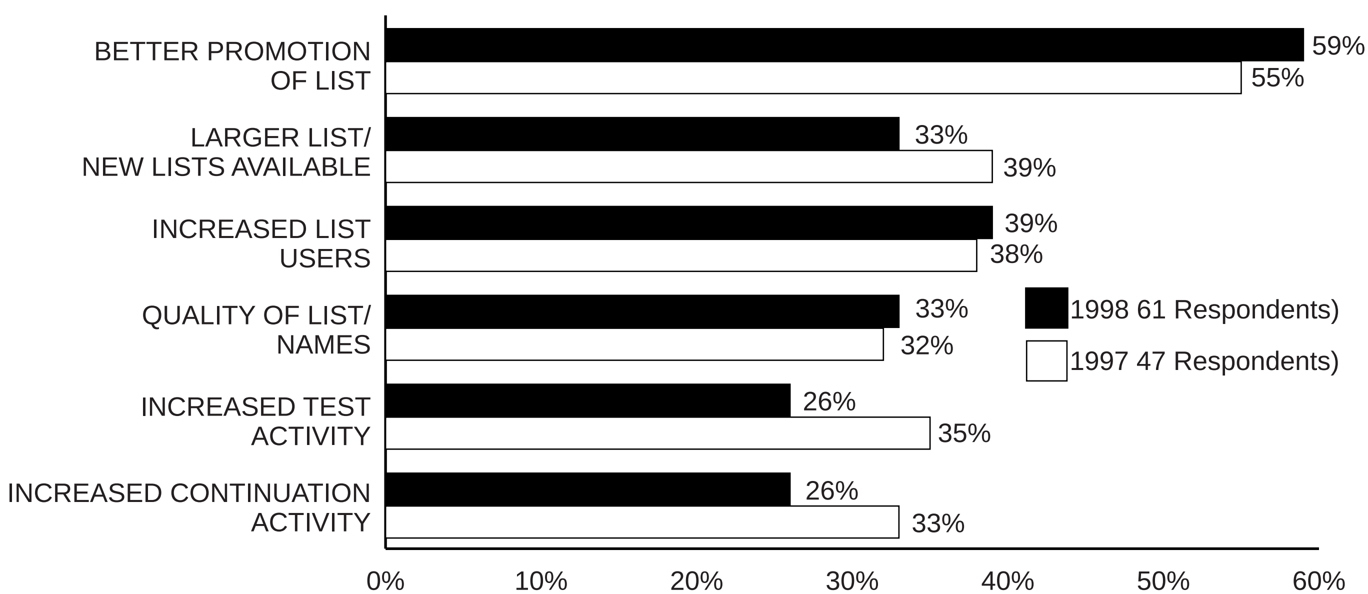
More than one-half (55%) of the respondents noted an increase in list rental income for 1998.



Source: The DMA Annual List Usage Surveys, 1992-1999.

TOP SIX REASONS FOR INCREASED LIST RENTAL INCOME: 1998 VS. 1997

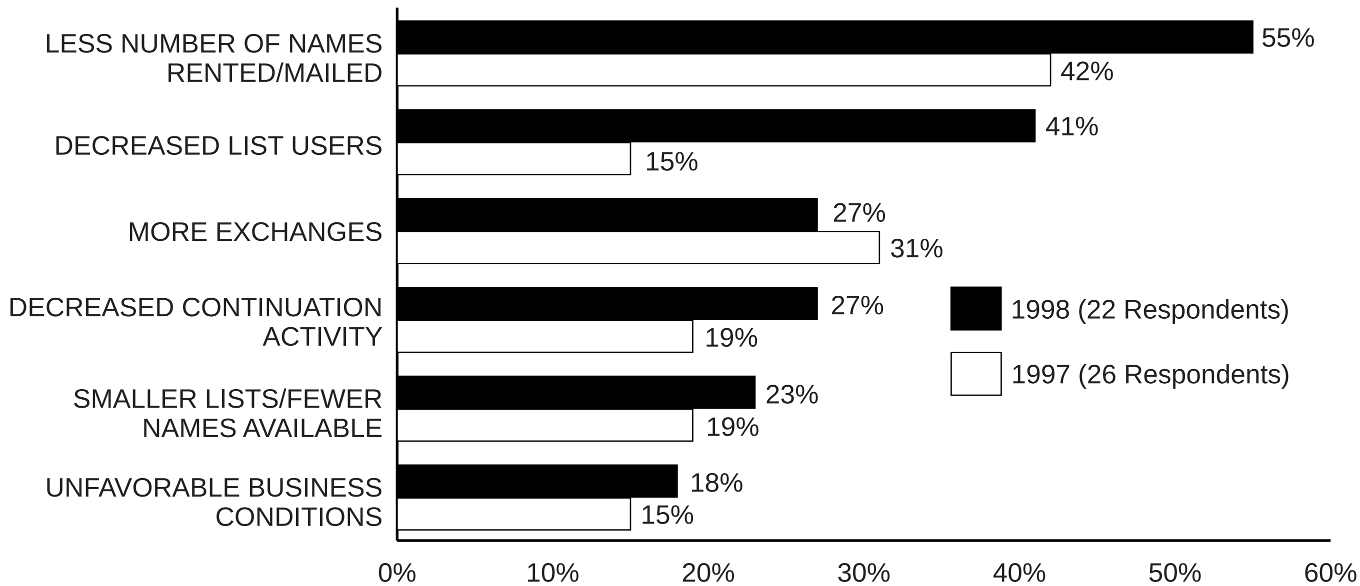
Better promotion of list and larger list/new lists available remained top reasons in 1998.



Source: The DMA List/Database Council/Research Department: 18th & 19th Annual List Usage Survey, 1998, 1999.

TOP SIX REASONS FOR DECREASED LIST RENTAL INCOME: 1998 VS. 1997

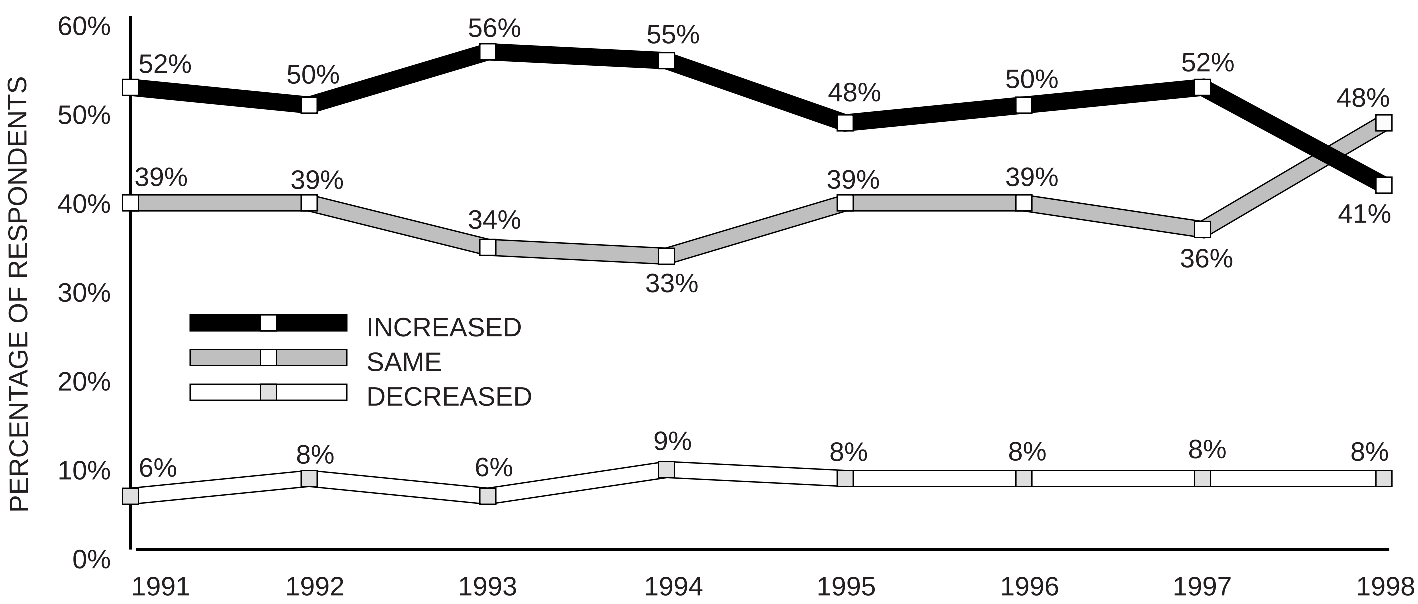
Less total number of names rented/mailed and decreased list users are the top reasons for decreased list rental income.



Source: The DMA List/Database Council/Research Department: 18th & 19th Annual List Usage Survey, 1998, 1999.

TRENDS IN HOUSEFILE USAGE: 1991-1998

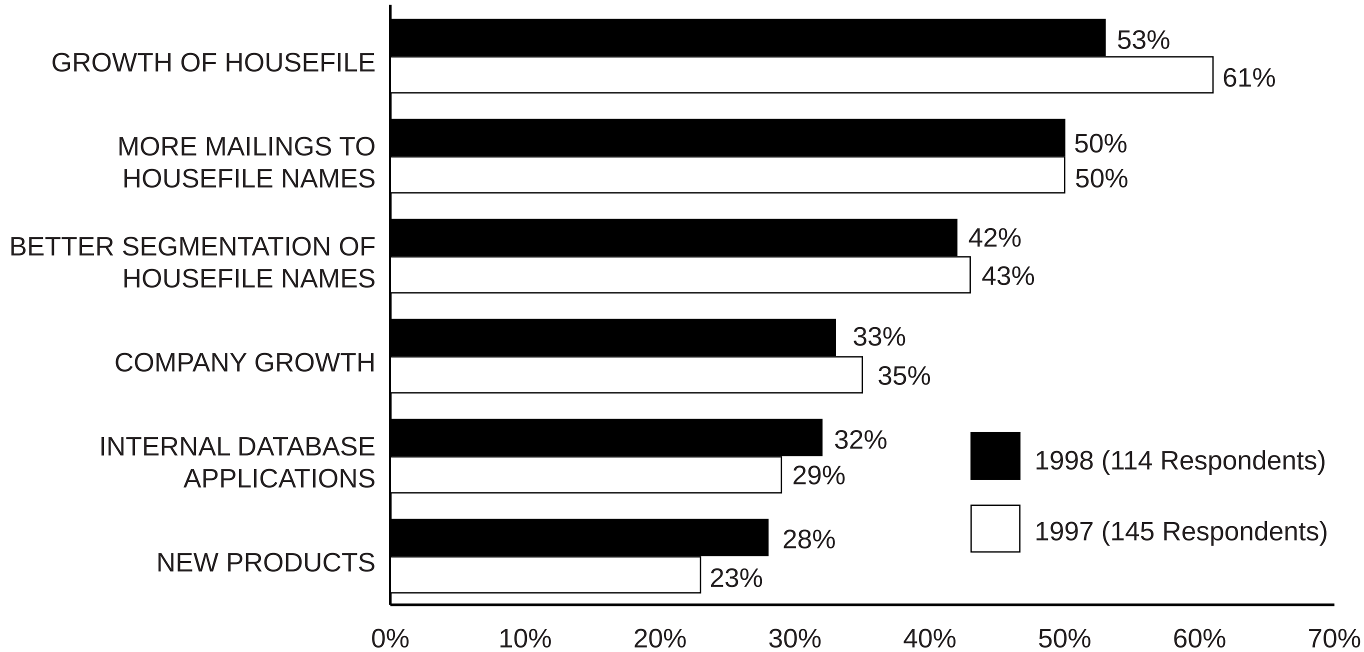
There has been a rise in 1998 in stable usage of housefile names.



Source: The DMA Annual List Usage Surveys, 1992-1999.

TOP SIX REASONS FOR INCREASED HOUSEFILE USAGE: 1998 VS. 1997

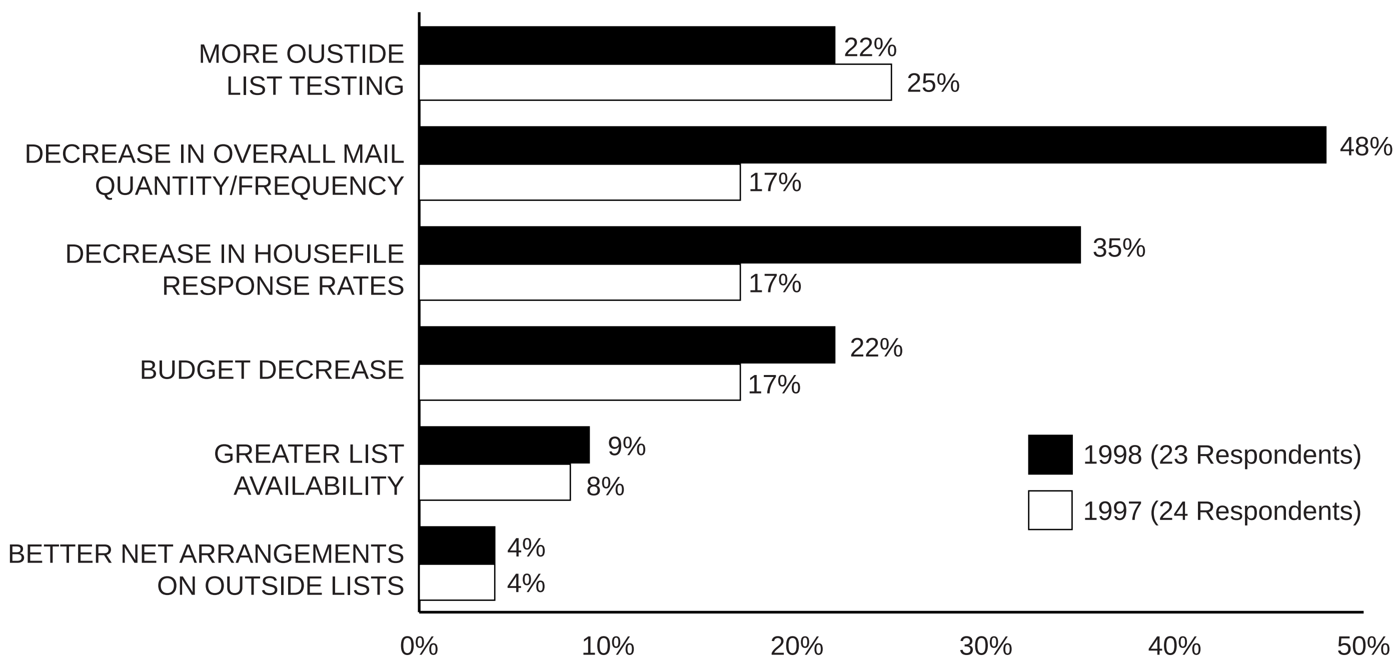
Growth of housefile and more mailings to housefile names are the top reasons for increased housefile usage.



Source: The DMA List/Database Council/Research Department: 18th & 19th Annual List Usage Survey, 1998, 1999.

TOP SIX REASONS FOR DECREASED HOUSEFILE USAGE: 1998 VS. 1997

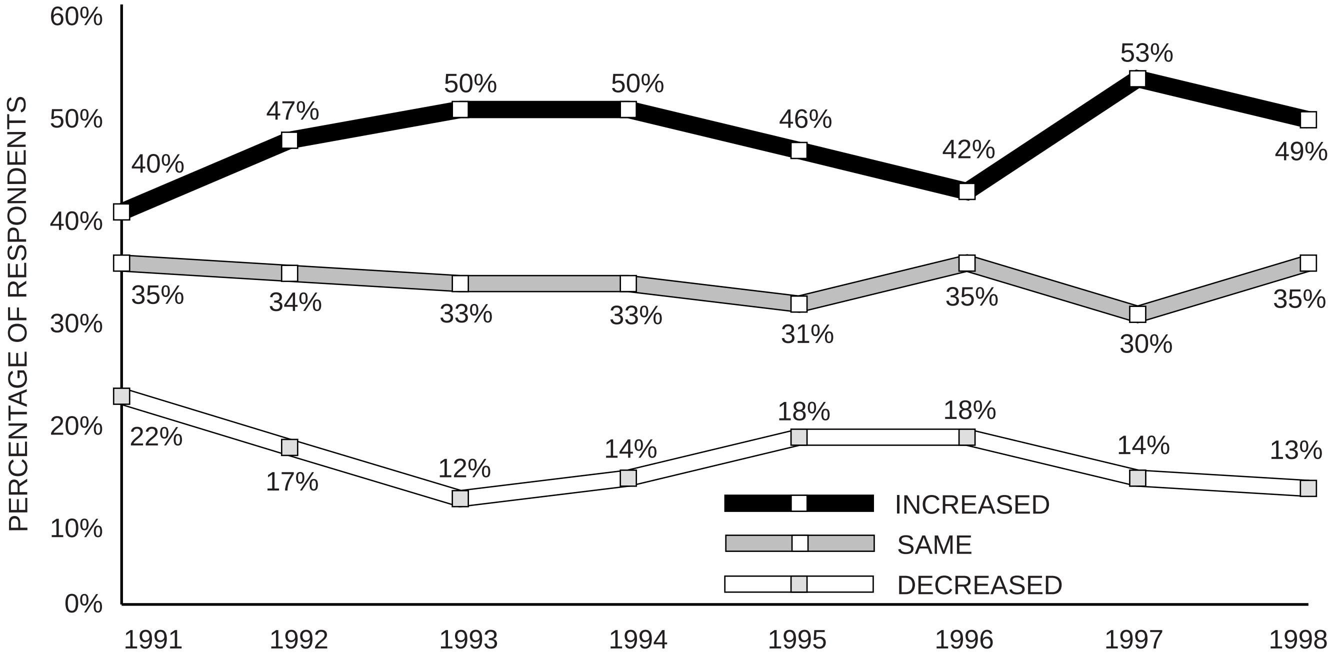
Decreases in overall mail quantity/frequency and decrease in housefile response rates are the top reasons for decreased housefile usage.



Source: The DMA List/Database Council/Research Department: 18th & 19th Annual List Usage Survey, 1998, 1999.

TRENDS IN OUTSIDE NAME USAGE: 1991-1998

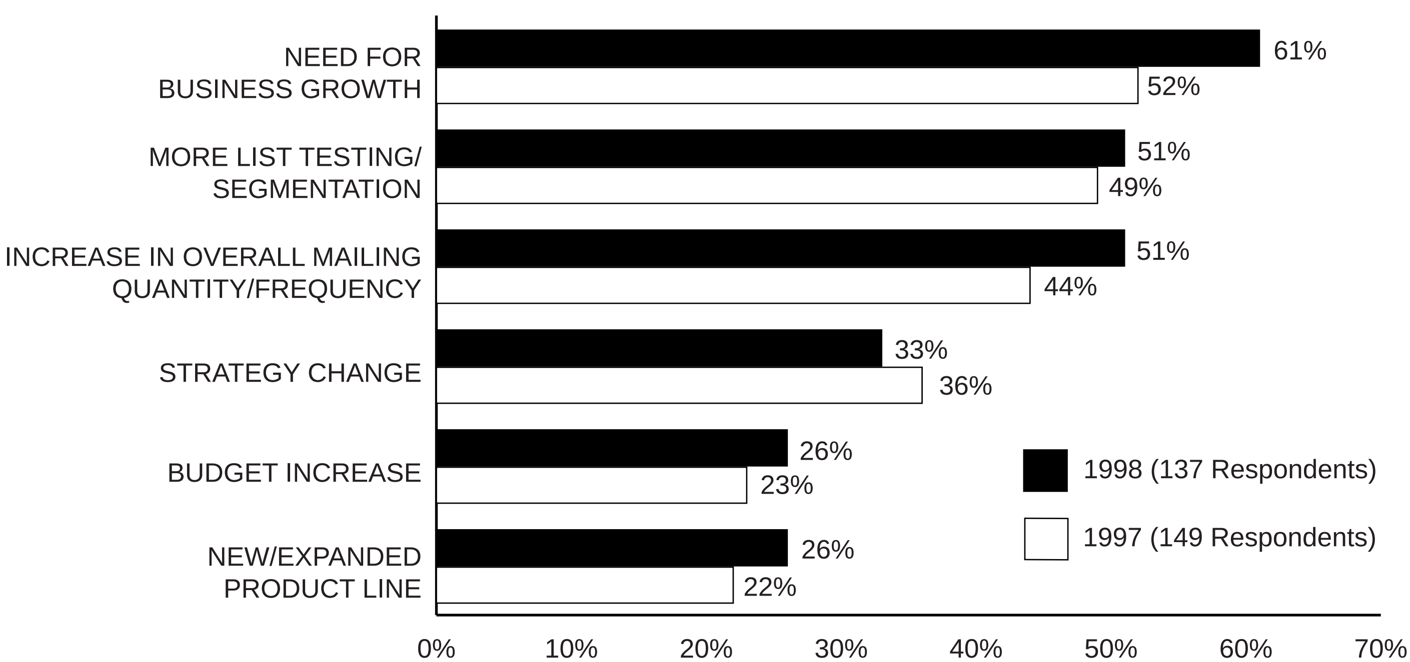
There was a slight decrease in usage of outside names in 1998.



Source: The DMA Annual List Usage Surveys, 1992-1999.

TOP SIX REASONS FOR INCREASES IN OUTSIDE NAME USAGE: 1998 VS. 1997

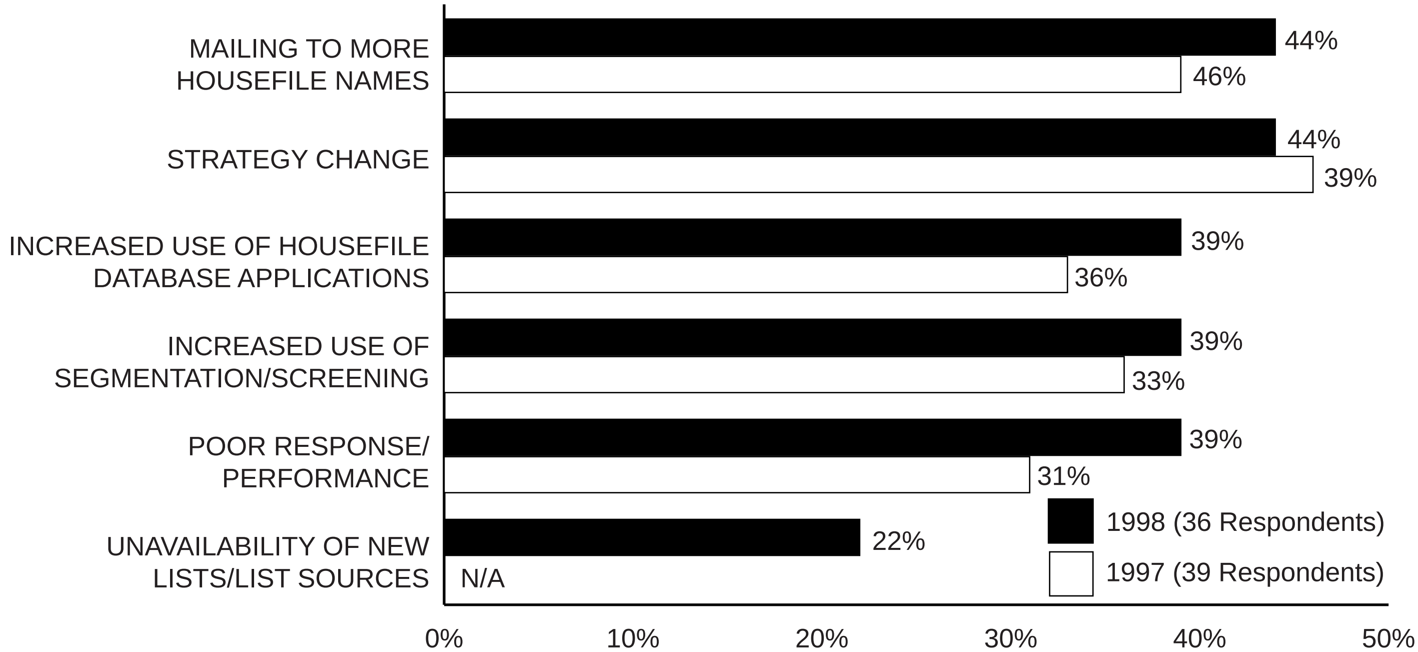
Need for business growth and more list testing/segmentation were the top reasons for increased outside name usage.



Source: The DMA List/Database Council/Research Department: 18th & 19th Annual List Usage Survey, 1998, 1999.

TOP SIX REASONS FOR DECREASES IN OUTSIDE NAME USAGE: 1998 VS. 1997

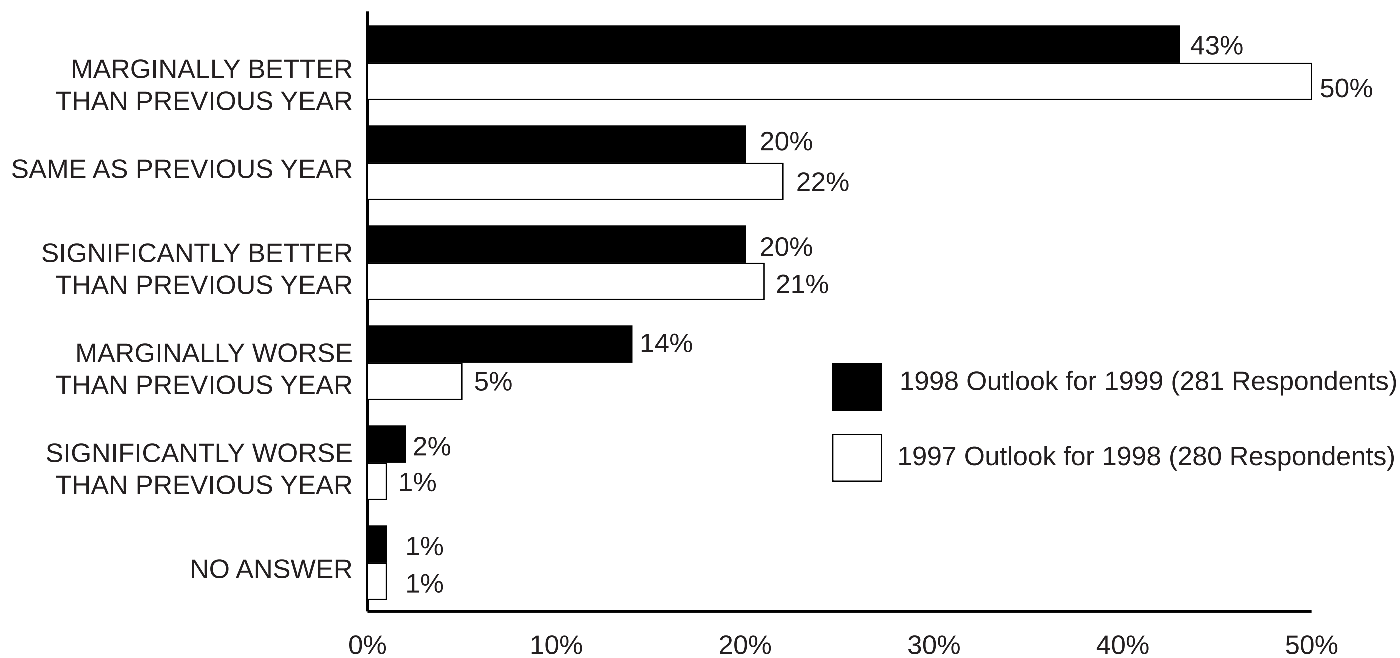
Mailing more to housefile names was the main reason for decreasing outside name usage in 1998.



Source: The DMA List/Database Council/Research Department: 18th & 19th Annual List Usage Survey, 1998, 1999.

MARKET OUTLOOK FROM A LIST USER'S PERSPECTIVE

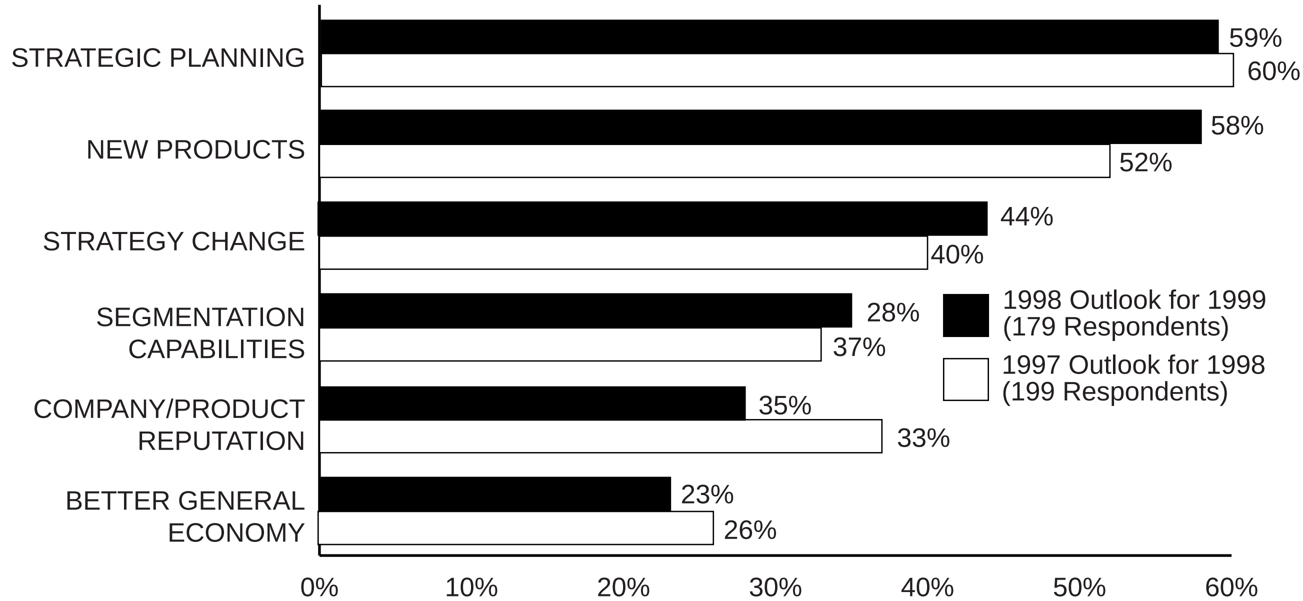
Respondents anticipating a "marginally better" year remained stable at 50% in 1997.



Source: The DMA List/Database Council/Research Department: 18th & 19th Annual List Usage Survey, 1998, 1999.

TOP SIX REASONS FOR MAILING LIST USERS PREDICTING BETTER BUSINESS CONDITIONS

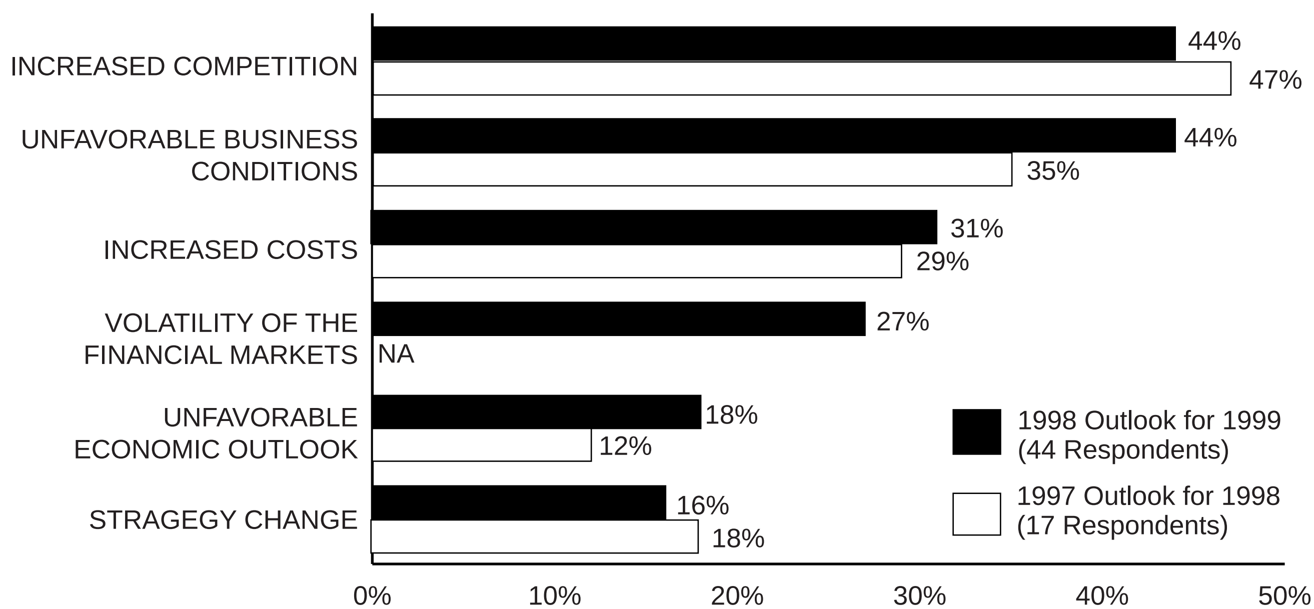
Once again, respondents noted strategic planning and new products as the top two reasons for predicting better business conditions.



Source: The DMA List/Database Council/Research Department: 18th & 19th Annual List Usage Survey, 1998, 1999.

TOP SIX REASONS FOR MAILING LIST USERS PREDICTING WORSE BUSINESS CONDITIONS

As in 1997, respondents noted increased competition and unfavorable industry conditions as the top two reasons for list users predicting worse business conditions.



Source: The DMA List/Database Council/Research Department: 18th & 19th Annual List Usage Survey, 1998, 1999.

SUMMER 1999 DATABASE MARKETING SURVEY

Background: The survey was mailed to 2,000 DM News subscribers who fell into one of five business categories: Catalogue (Consumer/Retail Outlet); Financial Direct Marketer; Non-Financial Direct Marketer; Package Goods Direct Marketer; and Publisher/Subscription Marketer

Before mailing the surveys, companies were closely examined to ensure they were in fact properly classified. Consulting firms and vendors were eliminated from consideration.

Of the 150 people who responded, 144 qualified for analysis.

MEDIA USAGE FOR PROMOTION OF PRODUCTS AND SERVICES

Web Site (77.1%) and Direct Mail Packages (76.4%) are the two most used forms of media for promotions of company products and services.

Media	Percent
Web Site	77.1%
Direct Mail Packages	76.4%
Magazine/Newspaper Space Ads	62.5%
Outbound Telemarketing	53.5%
Direct Mail Catalogues	47.9%
Package/Mail Insert Programs	41.7%
Free Standing Inserts	31.3%
Television/Cable/Radio Ads	29.2%
Card Deck Programs	24.3%
Co-op Mailers	18.8%

Source: Drake Business Services, 1999.

DOES YOUR COMPANY CREATE AND USE FROZEN SAMPLES?

Only one-third of companies surveyed agreed that they create frozen samples -- a sample representing the customer's characteristics at time of promotion -- for analysis.

	Percent
Yes	29.86%
No	52.78%
Don't Know	17.36%

Source: Drake Business Services, 1999.

PERFORMING POST ANALYSES AFTER MAILING CAMPAIGNS

Rate the following statement: My company always performs post analyses (an in-depth analysis of a mailing campaign) after each and every mailing campaign (check only one).
Only about 65% of the companies surveyed agreed that they perform post analyses of mailing campaigns.

	Percent
Strongly Disagree	5.56%
Disagree	15.28%
Neither Agree Nor Disagree	11.81%
Agree	45.83%
Strongly Agree	21.53%
Don't Know	0.00%

Source: Drake Business Services, 1999.

MONITORING CUSTOMER SEGMENT COUNTS, CUSTOMER TRENDS, EROSION OF CUSTOMER BASE, NAME VALUE AND OTHER KEY STRATEGIC MEASURES

Rate the following statement: My company regularly produces reports in order to monitor customer segment counts, customer trends, erosion of our customer base, name value and other key strategic measures (check only one).

Only one-half of the companies surveyed agreed that they utilize the customer database for purposes of lifetime value analysis, customer tracking and trending.

	Percent
Strongly Disagree	9.72%
Disagree	25.00%
Neither Agree Nor Disagree	13.89%
Agree	33.33%
Strongly Agree	15.97%
Don't Know	2.08%

Source: Drake Business Services, 1999.

IS ALL OR PART OF YOUR COMPANY'S CUSTOMER FILE/DATABASE MAINTAINED BY AN OUTSIDE VENDOR?

41% of the companies surveyed have their customer file/database maintained by an outside vendor.

	Percent
Yes	40.28%
No	55.56%
Don't Know	4.17%

Source: Drake Business Services, 1999.

HOW OFTEN DOES YOUR COMPANY VERIFY THE ADDRESSES ON YOUR CUSTOMER FILES/DATABASE (e.g. NCOA PROCESSING)?

Only 75% of the companies surveyed verify the addresses on their customer file/database more than once a year.

	Percent
Monthly	9.03%
Quarterly	25.00%
Semi-Annually	22.22%
Annually	19.44%
Never	2.08%
Don't Know	22.22%

Source: Drake Business Services, 1999.

Markets

Consumer Demographics
Business-To-Business
Financial Services
Circulation/Books
Non-Profit
International
Customer Service

Consumer Demographics

Trends

Chapter Highlights

- The total U.S. population in 1999 was 272,691,000; 133,277,000 males and 139,414,000 females.
- The average annual expenditures for a U.S. adult in 1998 were $35,535.
- The District of Columbia and Connecticut led the country in disposable income in both 1990 and 1999.
- In 1998, those households earning $75,000 and over represented the highest percentage of the population (20.1%).
- In 1850, the median age of the U.S. population was 18.9 years. In 2000, that number is expected to be 35.8; in 2050, 38.1.
- Adults aged 65+ represented 11.3% of the U.S. population in 1980; by the year 2000, that percentage is expected to rise to 12.7%.
- In 1980, 65.5% of the U.S. population aged 18 or over was married. By 1999, that number decreased to 59.5%.
- The median family income for all races was $44,568 in 1997 versus $30,970 in 1987.

AVERAGE ANNUAL EXPENDITURES BY AGE: 1998

The average annual expenditures for a U.S. adult in 1998 were $35,535.

		AGE					
Expense	**Total Population**	**Under 25**	**25-34**	**35-44**	**45-54**	**55-64**	**65+**
Average Annual Expenditures	**$35,535**	**$19,436**	**$34,779**	**$42,154**	**$45,475**	**$37,329**	**$24,721**
Food	4,810	3,075	4,577	5,753	5,999	4,900	3,456
Alcoholic Beverages	309	311	372	328	346	314	194
Housing	11,713	6,151	12,015	14,181	14,154	11,979	8,388
Shelter	6,680	3,795	7,232	8,400	8,095	6,316	4,271
Utilities, fuels, and public services	2,405	1,145	2,221	2,688	2,893	2,602	2,171
Household operations	546	196	679	727	498	433	464
Housekeeping supplies	482	188	366	549	547	755	393
Household furnishings, equipment	1,601	826	1,517	1,817	2,121	1,873	1,089
Apparel and Services	1,674	1,134	1,781	2,193	2,199	1,498	820
Transportation	6,616	4,149	6,728	7,873	8,509	7,101	4,025
Vehicle purchases	2,964	2,084	3,090	3,703	3,730	3,075	1,593
Gasoline and motor oil	1,017	654	1,016	1,203	1,308	1,077	645
Other vehicle expenses	2,206	1,176	2,253	2,572	2,928	2,372	1,382
Public transportation	429	235	369	394	543	577	405
Health care	1,903	445	1,185	1,688	2,186	2,158	2,936
Personal insurance and pensions	3,381	1,040	3,662	4,415	5,297	3,740	888
Other Expenditures*	5,130	3,131	4,459	5,722	6,784	5,639	4,013
Personal Taxes	**3,264**	**866**	**3,352**	**4,132**	**5,448**	**3,404**	**1,118**

* Other includes entertainment, personal care products and services, reading, education, tobacco products and smoking supplies, miscellaneous, and cash contributions.

Source: U.S. Bureau of the Census, Statistical Abstract of the U.S., 2000.

TOTAL POPULATION, BY SEX, RACE, AND AGE: 1999 (IN THOUSANDS)

The total U.S. population in 1999 was 272,691,000: 133,277,000 males and 139,414,000 females.

Age	Total	Male	Female	White	Black	Other*
Total	272,691	133,277	139,414	224,611	34,862	13,217
Under 5 years old	18,942	9,683	9,259	15,043	2,796	1,104
5-9 years old	19,947	10,208	9,739	15,706	3,146	1,094
10-14 years old	19,548	10,012	9,537	15,389	3,087	1,073
15-19 years old	19,748	10,151	9,597	15,648	3,044	1,057
20-24 years old	18,026	9,183	8,843	14,367	2,697	962
25-29 years old	18,209	9,055	9,154	14,505	2,611	1,093
30-34 years old	19,727	9,771	9,956	15,927	2,675	1,125
35-39 years old	22,545	11,216	11,329	18,504	2,902	1,139
40-44 years old	22,268	11,039	11,229	18,443	2,751	1,075
45-49 years old	19,356	9,501	9,856	16,206	2,240	910
50-54 years old	16,446	7,998	8,448	14,044	1,689	714
55-59 years old	12,875	6,183	6,693	11,077	1,289	509
60-64 years old	10,514	4,968	5,546	9,056	1,056	402
65-74 years old	18,218	8,199	10,020	15,959	1,678	580
75-84 years old	12,146	4,871	7,275	10,966	889	292
85 years old and over	4,175	1,241	2,936	3,773	312	88

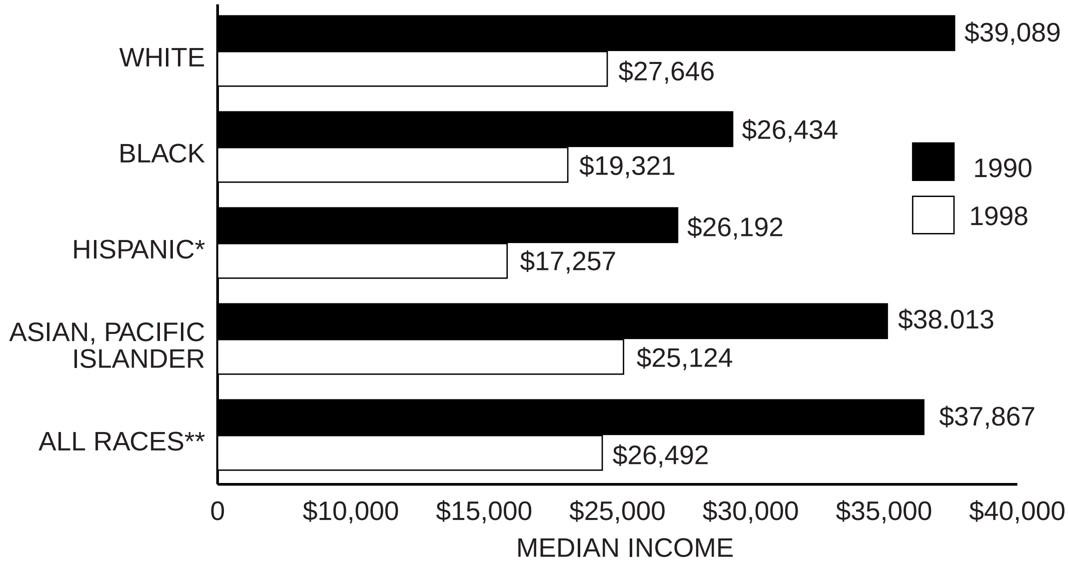
*Other: Includes American Indian, Eskimo, Aleut, Asian, Pacific Islander.

Source: U.S. Bureau of the Census, Statistical Abstract of the U.S., 2000.

MEDIAN INCOME BY RACE: 1998

IN CURRENT DOLLARS

The median income for all races in 1998 was $26,492 for males and $14,430 for females.



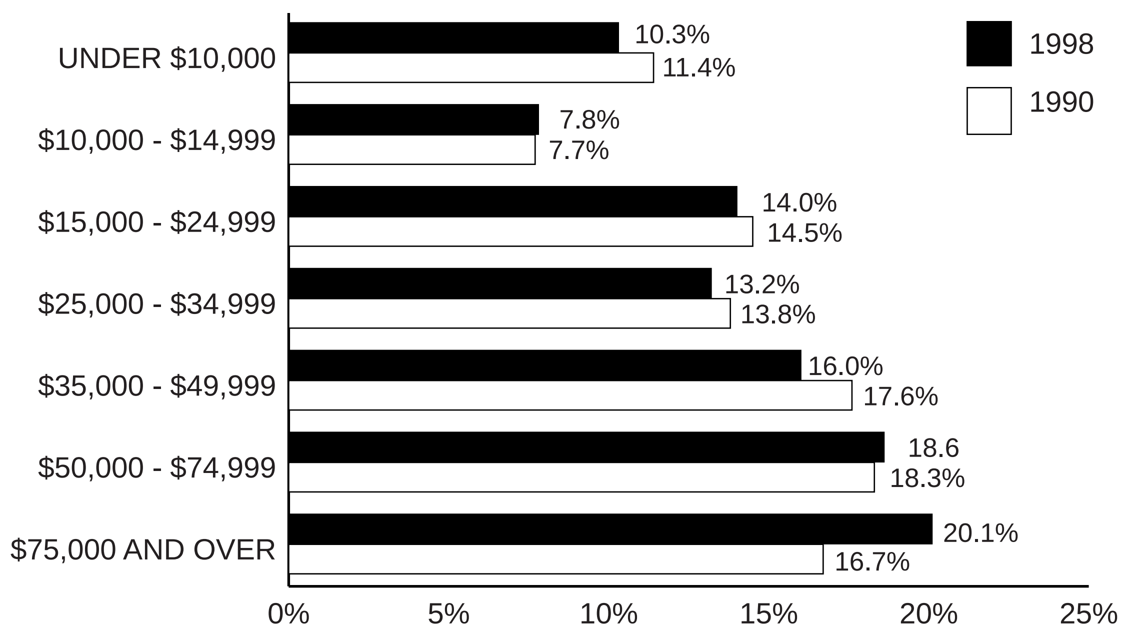
* Persons of Hispanic origin may be of any race.

** Includes other races not shown separately.

Source: U.S. Bureau of the Census, Statistical Abstract of the U.S., 2000.

DISTRIBUTION OF HOUSEHOLDS BY INCOME LEVEL: 1998 VS. 1990

In 1998, households earning $75,000 and over represented the highest percentage of the population (20.1%).



Source: U.S. Bureau of the Census, Statistical Abstract of the U.S., 2000.

DISPOSABLE PERSONAL INCOME PER CAPITA BY STATE, 1990 VS. 1999

IN CURRENT DOLLARS

The District of Columbia and Connecticut lead the country in disposable income in both 1990 and 1999.

State	Disposable Income Per Capita 1990	Disposable Income Per Capita 1999	State	Disposable Income Per Capita 1990	Disposable Income Per Capita 1999
United States	**$17,146**	**$24,297**	Missouri	$15,611	$22,469
Alabama	14,097	20,068	Montana	13,785	19,590
Alaska	19,937	24,978	Nebraska	16,071	23,805
Arizona	15,247	21,855	Nevada	18,112	26,205
Arkansas	12,988	19,412	New Hampshire	18,450	26,732
California	19,027	25,100	New Jersey	21,503	30,251
Colorado	17,251	26,801	New Mexico	13,396	19,396
Connecticut	23,279	31,797	New York	19,899	28,072
Delaware	18,612	25,714	North Carolina	15,257	22,424
District of Columbia	22,921	31,457	North Dakota	14,320	20,842
Florida	17,731	24,201	Ohio	16,442	23,018
Georgia	15,537	23,225	Oklahoma	14,264	19,800
Hawaii	19,428	24,305	Oregon	16,003	22,964
Idaho	14,071	20,419	Pennsylvania	17,433	24,498
Illinois	18,042	26,519	Rhode Island	17,795	25,686
Indiana	15,398	22,223	South Carolina	14,199	20,491
Iowa	15,295	22,252	South Dakota	14,846	22,443
Kansas	16,009	22,880	Tennessee	15,193	22,626
Kentucky	13,623	19,930	Texas	15,600	23,223
Louisiana	13,681	20,016	Utah	13,219	20,013
Maine	15,414	21,530	Vermont	15,838	22,308
Maryland	19,712	26,686	Virginia	17,899	25,010
Massachusetts	19,915	29,589	Washington	17,761	26,203
Michigan	16,589	23,684	West Virginia	12,997	18,377
Minnesota	17,328	26,003	Wisconsin	15,817	23,213
Mississippi	11,927	18,241	Wyoming	16,077	22,244

Source: U.S. Bureau of the Census, Statistical Abstract of the U.S., 2000.

PERSONAL INCOME PER CAPITA BY LARGE METROPOLITAN AREA: 1996 VS. 1998

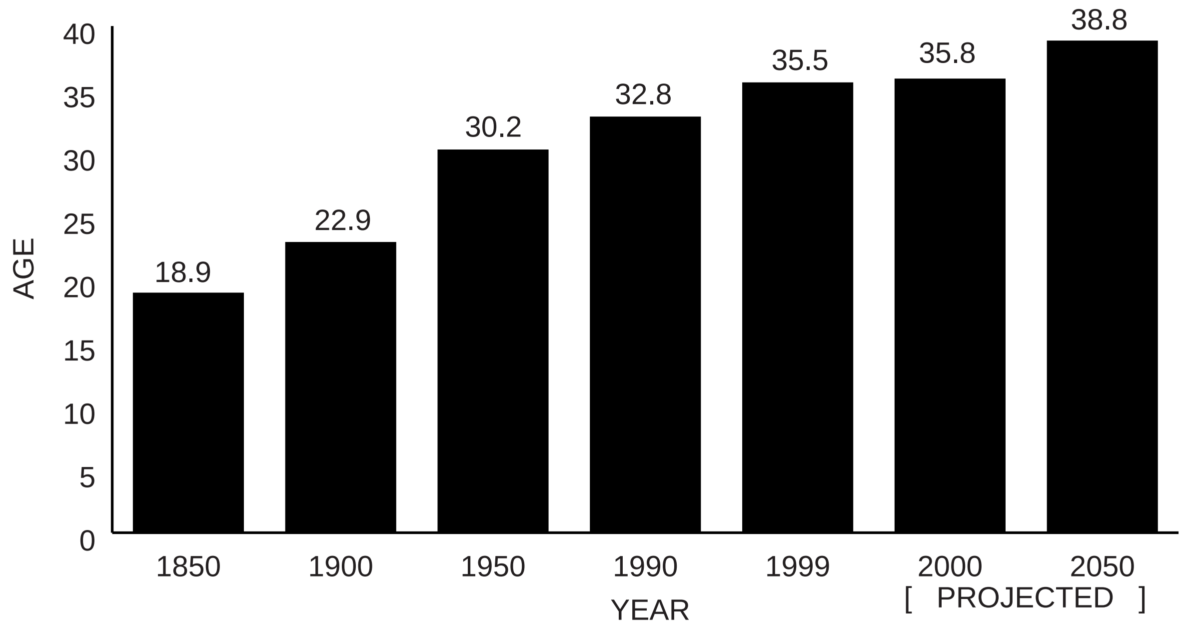
The personal income per capita in large metropolitan areas is consistently above the U.S. average, with a few exceptions.

	Personal Income Per Capita	
Metropolitan Area (Ranked by 1997 Population)	**1996**	**1998**
United States	**$24,651**	**$27,203**
New York-No. New Jersey-Long Island, NY-NJ-CT-PA	33,119	36,582
Los Angeles-Riverside-Orange County, CA	24,566	26,778
Chicago-Gary-Kenosha, IL-IN-WI	29,201	32,389
Washington-Baltimore, DC-MD-VA-WV	30,564	33,602
San Francisco-Oakland-San Jose, CA	33,161	37,414
Philadelphia-Wilmington-Atlantic City, PA-NJ-DE-MD	28,014	31,119
Boston-Worcester-Lawrence-Lowell-Brockton, MA-NH	30,096	34,127
Detroit-Ann Arbor-Flint, MI	26,863	29,775
Dallas-Fort Worth, TX	27,089	30,541
Houston-Galveston-Brazoria, TX	26,551	30,026
Atlanta, GA	27,803	30,788
Miami-Fort Lauderdale, FL	24,209	25,826
Seattle-Tacoma-Bremerton, WA	28,241	32,762
Cleveland-Akron, OH	25,954	28,694
Phoenix-Mesa, AZ	23,593	26,686
Minneapolis-St. Paul, MN-WI	29,836	33,561
San Diego, CA	24,836	27,657
St. Louis, MO-IL	26,406	29,089
Pittsburgh, PA	25,422	28,149
Denver-Boulder-Greeley, CO	29,116	33,485
Tampa-St. Petersburg-Clearwater, FL	24,408	27,224
Portland-Salem, OR-WA	25,848	28,453
Cincinnati-Hamilton, OH-KY-IN	25,132	27,975
Kansas City, MO-KS	25,946	28,473
Sacramento-Yolo, CA	24,487	27,102
Milwaukee-Racine, WI	26,936	30,258

Source: U.S. Bureau of the Census, Statistical Abstract of the U.S., 2000.

MEDIAN AGE OF THE U.S. POPULATION

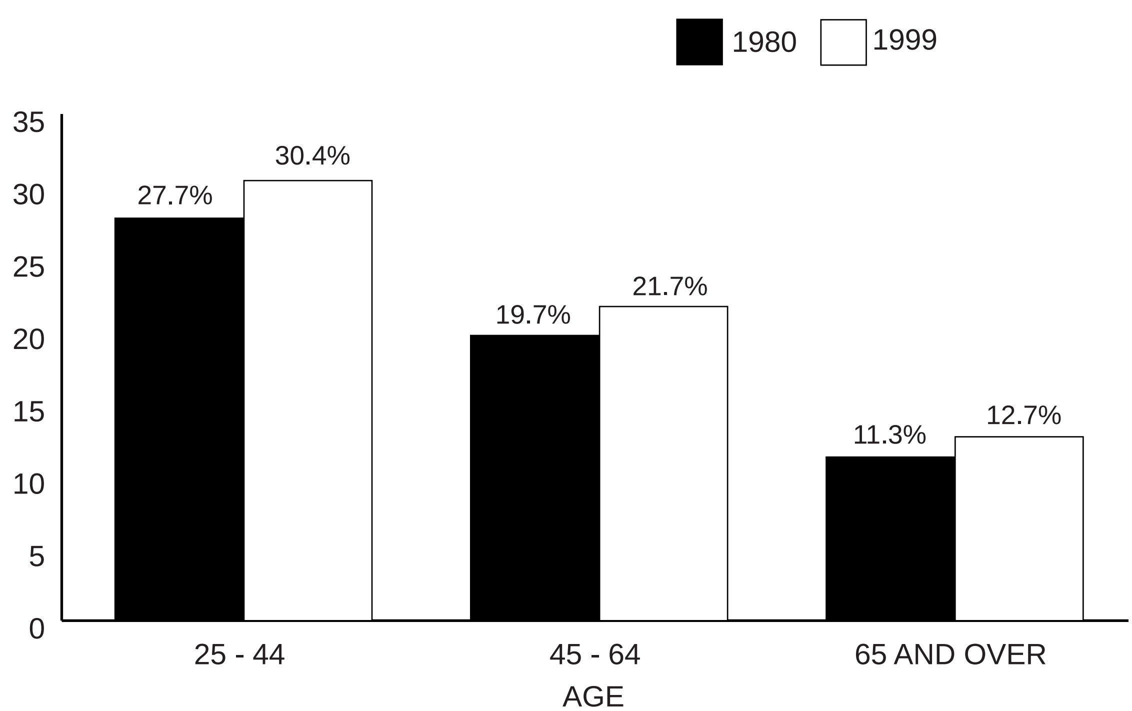
In 1850, the median age of the U.S. population was 18.9 years. In the year 2000, that number is expected to be 35.8; in 2050, 38.8.



Source: U.S. Bureau of the Census, Statistical Abstract of the U.S., 2000.

AGE GROUP AS A PERCENTAGE OF TOTAL POPULATION

Adults aged 25-44 represented 27.8% of the population in 1980, while in 1999 they represented 30.4%.



Source: U.S. Bureau of the Census, Statistical Abstract of the U.S., 2000.

POPULATION BY REGION

The South is the most populated region of the country (96.5 million people), followed by the Midwest (63.2 million people).

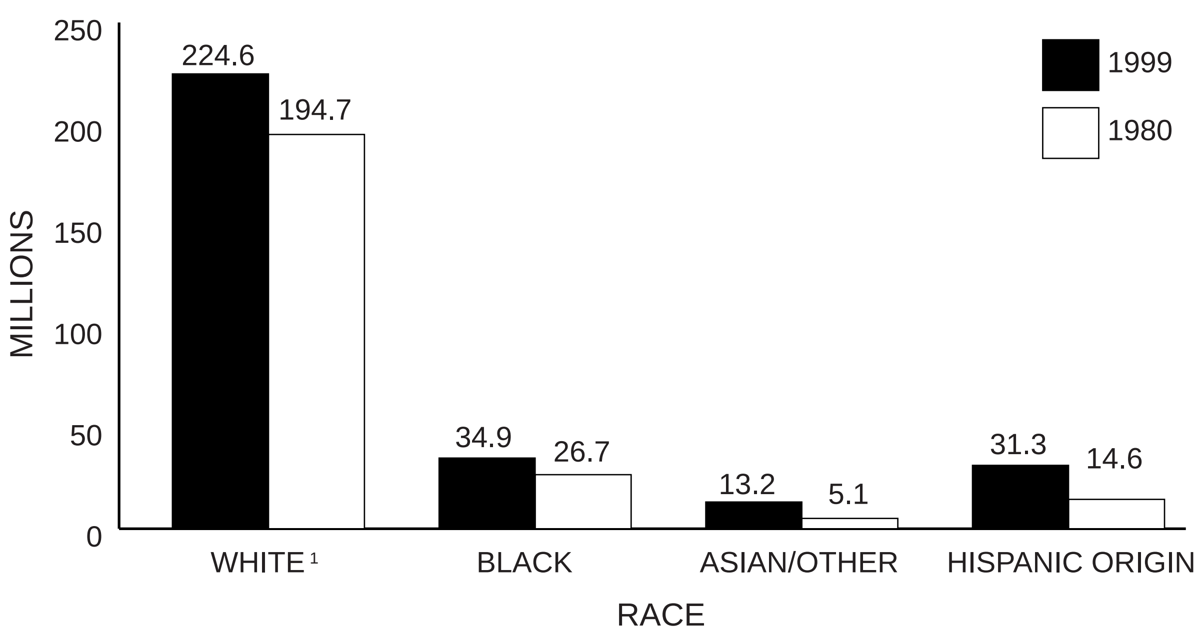
	Population (in millions)				
Region	**1970**	**1980**	**1990**	**1995**	**1999**
Northeast	49.1	49.1	50.8	51.4	51.8
Midwest	56.6	58.9	59.7	61.8	63.2
South	62.8	75.4	85.5	91.8	96.5
West	34.8	43.2	52.8	57.7	61.1
Total	**203.3**	**226.5**	**248.8**	**262.8**	**272.7**

Source: U.S. Bureau of the Census, Statistical Abstract of the U.S., 2000.

POPULATION BY RACE

IN MILLIONS

From 1980 to 1999, the population of Whites grew 15.3%; of Blacks, 30.7%; of Asians/Other, 158.8%; and of Hispanics, 114.4%.



1 Not of Hispanic origin

* Other includes American Indian, Eskimo, Aleut.

** Persons of Hispanic origin may be of any race.

Source: U.S. Bureau of the Census, Statistical Abstract of the U.S., 2000.

PERSONS 65 YEARS AND OLDER: 1980, 1990, 1999, AND 2000

In 1999, adults between the ages of 65 and 74 represented 6.7% of the population, while those 75+ represented 6.0%.

Age	1980	1990	1999	2000 (Projection)
65 years and older (population in millions)	25.6	31.1	34.5	34.8
65 years and older (% of the population)	11.3%	12.5%	12.6%	12.7%
Between 65 and 74 (% of the population)	6.9%	7.3%	6.7%	6.6%
75 and older (% of the population)	4.4%	5.2%	6.0%	6.0%

Source: U.S. Bureau of the Census, Statistical Abstract of the U.S., 2000.

MARITAL STATUS OF THE POPULATION, BY SEX: 1980, 1990, 1995, AND 1999

IN MILLIONS, EXCEPT PERCENT

PERSONS 18 YEARS AND OLDER

The number of marriages ending in divorce increased 95 percent from 1980 to 1999, and now comprise nearly 10 percent of the total.

	TOTAL				MALE				FEMALE			
	1980	1990	1995	1999	1980	1990	1995	1999	1980	1990	1995	1999
Total	**159.5**	**181.8**	**191.6**	**199.7**	**75.7**	**86.9**	**92.0**	**95.9**	**83.8**	**95.0**	**99.6**	**103.9**
Never Married	32.3	40.4	43.9	47.6	18.0	22.4	24.6	25.8	14.3	17.9	19.3	21.9
Married	104.6	112.6	116.7	118.9	51.8	55.8	57.7	59.0	52.8	56.7	58.9	59.9
Widowed	12.7	13.8	13.4	13.5	2.0	2.3	2.3	2.5	10.8	11.5	11.1	10.9
Divorced	9.9	15.1	17.6	19.7	3.9	6.3	7.4	8.5	6.0	8.8	10.3	11.1
Percent of total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Never Married	20.3	22.2	22.9	23.9	23.8	25.8	26.8	26.9	17.1	18.9	19.4	21.0
Married	65.5	61.9	60.9	59.5	68.4	64.3	62.7	61.5	63.0	59.7	59.2	57.7
Widowed	8.0	7.6	7.0	6.7	2.6	2.7	2.5	2.7	12.8	12.1	11.1	10.5
Divorced	6.2	8.3	9.2	9.9	5.2	7.2	8.0	8.9	7.1	9.3	10.3	10.7

Source: U.S. Bureau of the Census, Statistical Abstract of the U.S., 2000.

Business-to-Business

Trends

CHAPTER HIGHLIGHTS

- The percentage of respondents rating their customer business as "excellent" rose to 46% in 1999, from 29% in 1998, a 58% increase.
- In 1999, the average order size from business-to-business customer lists was $333; for prospect lists it was $265.
- Overall business-to-business direct marketing expenditure growth is expected to be 8.2% per year from 2000 to 2005, down from 8.5% per year from 1995 to 2000.
- Telemarketing is the lead category of all business-to-business direct marketing media expenditures with 44.6% of total business-to-business direct marketing expenditures.
- Business-to-business sales growth is expected to increase 11.9% per year in the five year period from 2000 to 2005.
- Business-to-business jobs represent 44.3% of all direct marketing jobs. Moreover, job growth in business-to-business direct marketing by far outpaces growth in total U.S. jobs.
- 11% of small businesses (roughly 1.1 million) were using e-mail marketing in 2000.

HOW BUSINESS MARKETING BUDGETS ARE ALLOCATED

Cahners Research surveyed, by telephone, a random selection of 405 advertisers and prospects from Cahners publications to determine how they allocate their marketing budgets. Respondents represent the diversity of markets and job functions covered by Cahners publications in the following industries: electronics, building and construction, manufacturing, food & lodging, communications, printing, automotive, and book publishing.

The survey included the question "What percentage of your company's total 1998 marketing budget to support direct sales was spent in each of the following areas: specialized business magazine advertising, trade shows, promotion/market support, dealer/distributor materials, telemarketing and telecommunications, direct mail, general magazine advertising, publicity/public relations, market research, directories and the Internet/electronic media.

In the survey, direct marketing — comprised of direct mail, the Internet/electronic media, and telemarketing/telecommunications — represented 22% of business marketers' budgets in 1998. The Internet/electronic media continues to increase in usage.

Allocated for:	1999	1996	1993	1991	1989	1988	1987
Specialized Business Publication Advertising	23%	27%	22%	23%	23%	22%	21%
Trade Shows	18%	22%	18%	18%	18%	16%	16%
Direct Mail	10%	10%	11%	12%	12%	9%	8%
Promotion/Market Support	9%	7%	10%	9%	10%	12%	12%
Dealer/Distributor Materials	5%	6%	13%	11%	9%	9%	9%
General Magazine Advertising	6%	6%	2%	5%	6%	7%	8%
Internet/Electronic Media	9%	6%	N/A	N/A	N/A	N/A	N/A
Directories	5%	4%	6%	5%	5%	3%	4%
Telemarketing/Telecommunications	3%	4%	6%	7%	6%	9%	9%
Publicity/Public Relations	7%	5%	5%	5%	7%	7%	7%
Market Research	4%	3%	5%	4%	4%	5%	5%
Other	1%	*	2%	1%	2%	1%	1%

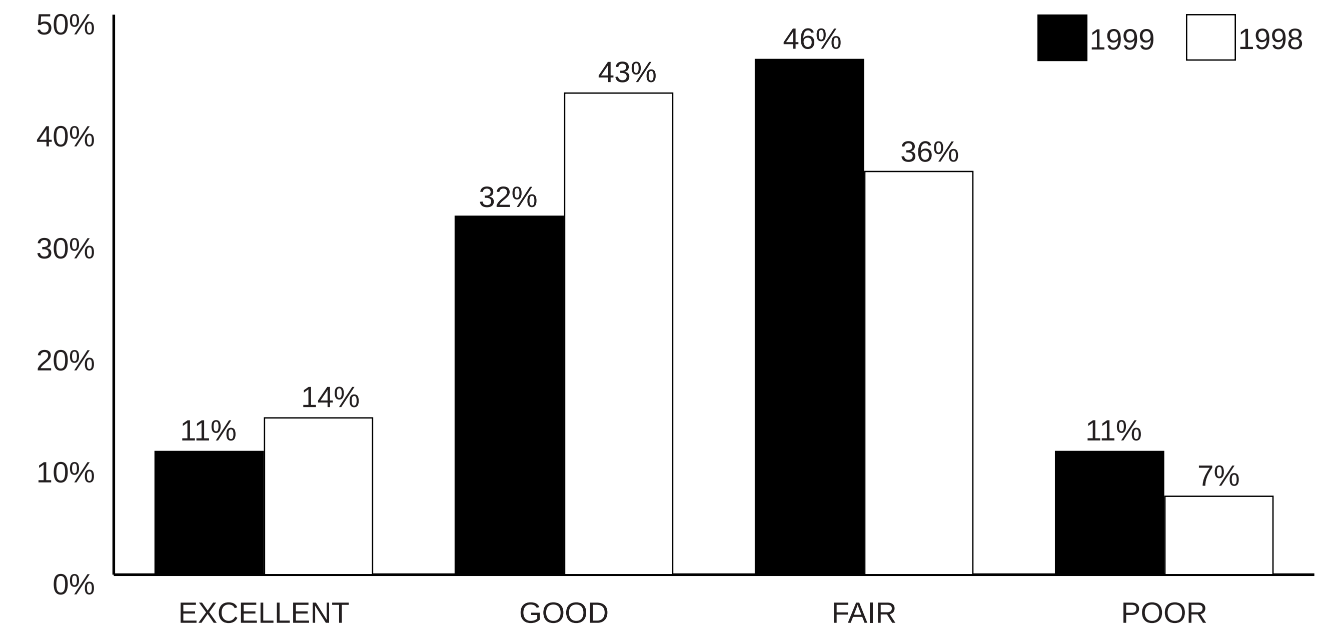
* Less than 0.5%.

Source: Cahners Advertising Research Report, No. 510.1E, 1999.
Cahners Business Information.

OUTLOOK FOR BUSINESS-TO-BUSINESS PROSPECT BUSINESS

Acxiom/Direct Media, Inc. conducts an annual survey on business conditions from its business-to-business client base. Participants find the results of this survey an important benchmark against which to measure their own company's recent performance. The results here are from questionnaires received from 67 companies at the DMI Annual Business Mailers Co-op Conference in mid-1999.

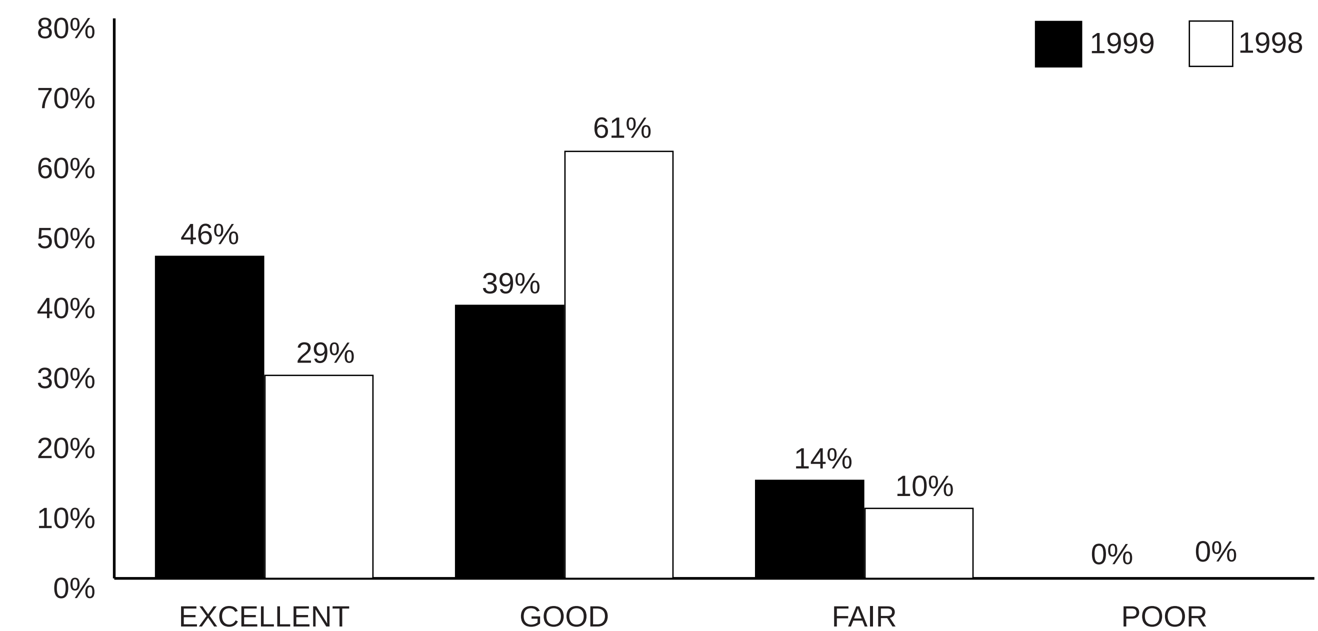
Only 32% of respondents rated their prospect business as "good" in 1999.



Source: Acxiom/Direct Media, Inc., 1999.

OUTLOOK FOR BUSINESS-TO-BUSINESS CUSTOMER BUSINESS

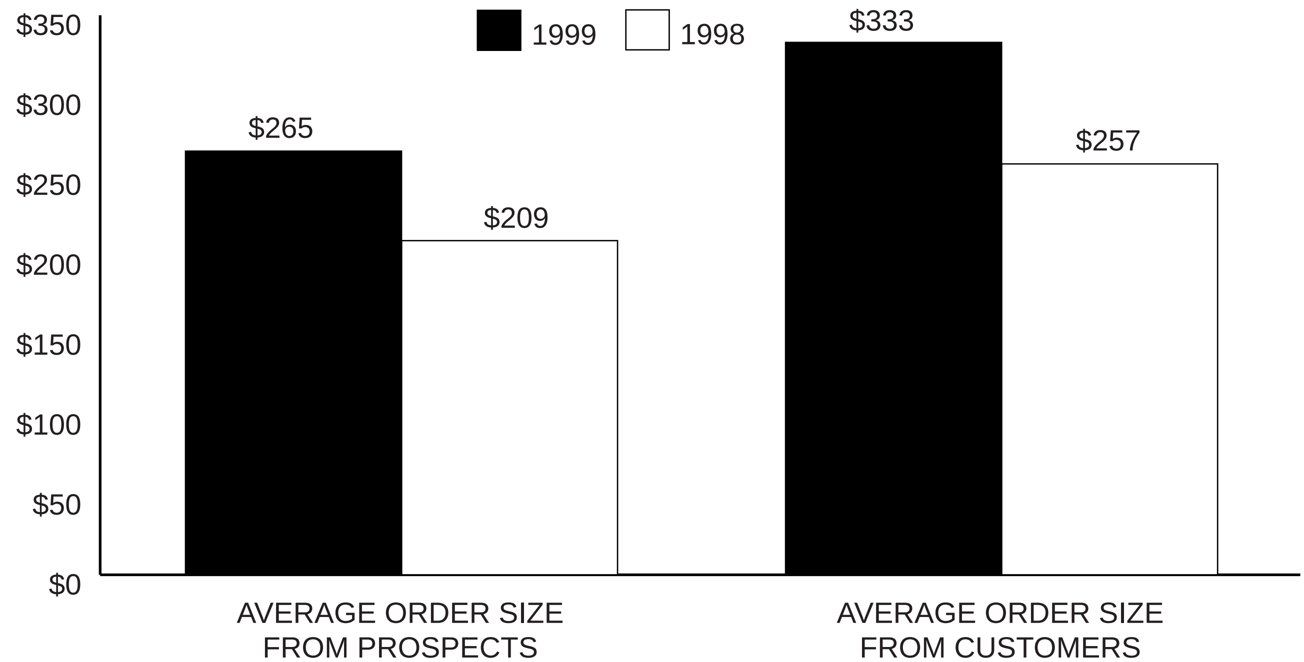
The percentage of respondents rating their customer business "excellent" rose to 46% in 1999, from 29% in 1998, a 58% increase.



Source: Acxiom/Direct Media, Inc., 1999.

AVERAGE ORDER SIZE FOR BUSINESS-TO-BUSINESS MARKETERS

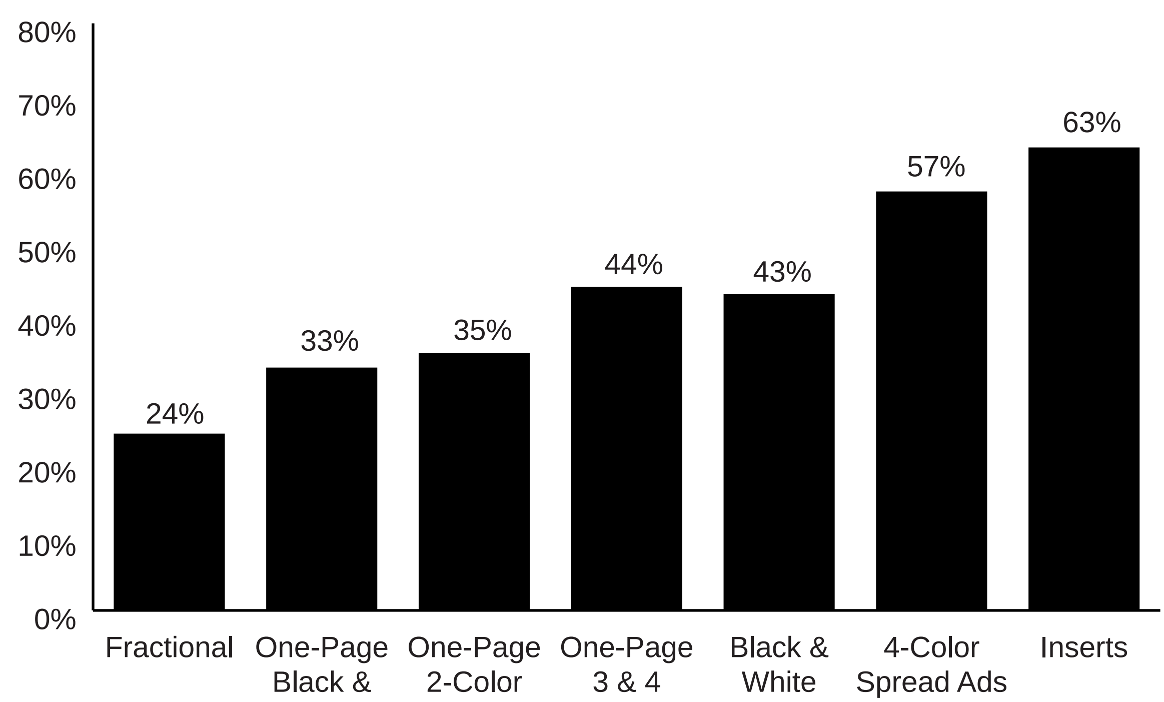
The average order size from both customers and prospects increased in 1999.



Source: Acxiom/Direct Media, Inc., 1999.

HOW IS ADVERTISING READERSHIP INFLUENCED BY AD SIZE AND COLOR?

Advertisers can expect higher readership scores from larger ads using color. These findings are very similar to an earlier analysis conducted from 1972 to 1999.



Source: Cahners Advertising Research Report No. 105.1B, 1999.
Cahners Business Information.

BUSINESS-TO-BUSINESS DIRECT MARKETING ADVERTISING EXPENDITURES BY MEDIUM AND MARKET

(BILLIONS OF DOLLARS)*

Advertising expenditures for business-to-business direct marketing are forecast to grow by 8.2 percent annually from 2000 - 2005.

						Compound Annual Growth	
	1995	1999	2000	2001	2005	'95-'00	'00-05
Direct Mail	$12.1	$15.8	$17.1	$18.5	$25.0	7.2%	7.9%
Telemarketing	$31.2	$42.8	$46.9	$50.4	$66.8	8.5%	7.3%
Television	$6.7	$9.6	$10.6	$11.5	$15.6	9.6%	8.0%
Radio	$2.3	$3.6	$4.1	$4.5	$6.4	12.3%	9.3%
Newspaper	$5.0	$6.8	$7.3	$7.9	$10.7	7.9%	7.9%
Magazine	$3.6	$4.8	$5.3	$5.7	$7.5	8.0%	7.2%
Other	$4.6	$6.5	$7.3	$8.3	$13.8	9.7%	13.6%
Total	$65.6	$89.9	$98.6	$106.9	$145.9	8.5%	8.2%

*These numbers have not been inflation adjusted — they represent current (nominal) dollars.

Note: Due to rounding, totals may not exactly equal the sum of each column.

Source: The DMA Report: Economic Impact — U.S. Direct Marketing Today, 2000.

VALUE OF BUSINESS-TO-BUSINESS DIRECT MARKETING DRIVEN SALES BY MEDIUM AND MARKET

(BILLIONS OF DOLLARS)*

Business-to-business sales growth is expected to increase 11.9 percent per year in the five year period from 2000 - 2005. Sales from b-to-b television direct response will grow annually by 10.1 percent over the next five years.

						Compound Annual Growth	
	1995	1999	2000	2001	2005	'95-'00	'00-05
Direct Mail	$121.5	$182.3	$201.9	$225.0	$335.3	10.7%	10.7%
Telemarketing	$200.2	$317.6	$354.7	$392.2	$566.3	12.1%	9.8%
Television	$26.4	$42.3	$47.7	$53.0	$77.1	12.6%	10.1%
Radio	$10.9	$19.1	$22.1	$24.9	$37.9	15.2%	11.4%
Newspaper	$50.7	$77.6	$85.3	$94.7	$137.3	11.0%	10.0%
Magazine	$25.8	$39.6	$43.8	$48.4	$68.6	11.2%	9.4%
Other	$16.7	$28.9	$37.2	$49.5	$118.5	17.4%	26.1%
Total	$452.2	$707.5	$792.8	$887.7	$1,340.9	11.9%	11.1%

*These numbers have not been inflation adjusted — they represent current (nominal) dollars.

Note: Due to rounding, totals may not exactly equal the sum of each column.

Source: The DMA Report: Economic Impact — U.S. Direct Marketing Today, 2000.

BUSINESS-TO-BUSINESS DM ADVERTISING EXPENDITURES BY MEDIUM AND "INTENDED PURPOSE" OF THE OFFER

(BILLIONS OF DOLLARS)*

Direct marketing expenditures for business-to-business, at $98.6 billion, will account for 51.5 percent of total 2000 direct marketing expenditures. Business-to-business advertising expenditures grew by 8.5 percent per year from 1995-2000 and are forecast to grow at a similar 8.2 percent annually from 2000-2005 - to $145.9 billion. The area of greatest b-to-b dm ad spending is for lead generation and, in particular, telephone marketing lead generation.

	1995	1999	2000	2001	2005	Compound Annual Growth '95-'00	Compound Annual Growth '00-05
Direct Mail	**$12.1**	**$15.8**	**$17.1**	**$18.5**	**$25.0**	**7.2%**	**7.9%**
Direct Order	4.6	5.6	6.0	6.5	8.6	5.5	7.5
Lead Generation	6.6	8.9	9.8	10.6	14.6	8.2	8.3
Traffic Generation	0.9	1.2	1.3	1.4	1.9	7.6	7.9
Telephone Marketing	**31.2**	**42.8**	**46.9**	**50.4**	**66.8**	**8.5**	**7.3**
Direct Order	10.1	13.1	14.2	15.2	19.7	7.1	6.8
Lead Generation	19.7	27.8	30.5	32.9	44.0	9.1	7.6
Traffic Generation	1.4	1.9	2.2	2.3	3.1	9.5	7.1
Newspaper	**5.0**	**6.8**	**7.3**	**7.9**	**10.7**	**7.9**	**7.9**
Direct Order	1.6	2.1	2.3	2.4	3.3	7.5	7.5
Lead Generation	2.7	3.7	4.0	4.3	5.9	8.2	8.1
Traffic Generation	0.7	1.0	1.1	1.1	1.5	9.5	6.4
Magazine	**3.6**	**4.8**	**5.3**	**5.7**	**7.5**	**8.0**	**7.2**
Direct Order	1.0	1.3	1.4	1.5	2.0	7.0	7.4
Lead Generation	2.3	3.1	3.4	3.7	4.9	8.1	7.6
Traffic Generation	0.3	0.4	0.4	0.5	0.6	5.9	8.4
Television	**6.7**	**9.6**	**10.6**	**11.5**	**15.6**	**9.6**	**8.0**
Direct Order	1.4	1.9	2.1	2.3	3.2	8.4	8.8
Lead Generation	4.8	7.0	7.8	8.5	11.4	10.2	7.9
Traffic Generation	0.4	0.6	0.7	0.8	1.0	11.8	7.4
Radio	**2.3**	**3.6**	**4.1**	**4.5**	**6.4**	**12.3**	**9.3**
Direct Order	0.5	0.7	0.8	0.9	1.3	9.9	10.2
Lead Generation	1.7	2.7	3.0	3.3	4.7	12.0	9.4
Traffic Generation	0.2	0.2	0.3	0.3	0.4	8.4	5.9
Other	**4.6**	**6.5**	**7.3**	**8.3**	**13.8**	**9.7**	**13.6**
Direct Order	1.7	2.3	2.6	2.9	4.9	8.9	13.5
Lead Generation	2.5	3.6	4.1	4.6	7.7	10.4	13.4
Traffic Generation	0.4	0.6	0.7	0.7	1.2	11.8	11.4
Total	**65.6**	**89.9**	**98.6**	**106.9**	**145.9**	**8.5**	**8.2**
Direct Order	20.8	27.0	29.4	31.7	42.9	7.2	7.9
Lead Generation	40.3	56.9	62.6	68.0	93.2	9.2	8.3
Traffic Generation	4.4	6.0	6.6	7.2	9.8	8.4	8.2

*These numbers have not been inflation adjusted — they represent current (nominal) dollars.

Note: Due to rounding, totals may not exactly equal the sum of each column.

Source: The DMA Report: Economic Impact — U.S. Direct Marketing Today, 2000.

BUSINESS-TO-BUSINESS U.S. DM DRIVEN SALES BY MEDIUM AND "INTENDED PURPOSE" OF THE OFFER

(BILLIONS OF DOLLARS)*

Business-to-business direct marketing sales are expected to be $792.8 billion in 2000 - an increase of 12.1percent over 1999 b-to-b sales. B-to-b sales grew by 11.9 percent annually during the five-year period from 1995-2000. They are forecast to grow, on an annual basis, by 11.1 percent per year between 2000 and 2005 - to $1.3 trillion. Comparatively, total U.S. business-to-business sales grew by 5.7 percent per year from 1995-2000 and are expected to slightly increase by a rate of 5.8 percent annually from 2000-2005. Lead generation revenues represent more than 65 percent of all b-to-b direct marketing sales.

						Compound Annual Growth	
	1995	1999	2000	2001	2005	’95-’00	’00-05
Direct Mail	**$121.5**	**$182.3**	**$201.9**	**$225.0**	**$335.3**	**10.7%**	**10.7%**
Direct Order	41.1	57.6	63.1	69.8	102.8	9.0	10.3
Lead Generation	71.0	111.5	124.3	139.4	209.8	11.9	11.0
Traffic Generation	8.9	13.1	14.5	16.0	22.7	10.3	9.4
Telephone Marketing	**200.2**	**317.6**	**354.7**	**392.2**	**566.3**	**12.1**	**9.8**
Direct Order	58.8	88.7	98.3	107.9	154.9	10.8	9.5
Lead Generation	132.0	215.1	241.3	267.6	387.3	12.8	9.9
Traffic Generation	9.6	13.8	15.2	16.4	22.5	9.6	8.2
Newspaper	**50.7**	**77.6**	**85.3**	**94.7**	**137.3**	**11.0**	**10.0**
Direct Order	14.1	20.0	21.8	23.9	34.4	9.1	9.6
Lead Generation	29.1	46.4	51.3	57.2	83.2	12.0	10.2
Traffic Generation	7.4	11.1	12.3	13.5	18.9	10.7	9.0
Magazine	**25.8**	**39.6**	**43.8**	**48.4**	**68.6**	**11.2**	**9.4**
Direct Order	7.0	9.6	10.4	11.3	15.6	8.2	8.4
Lead Generation	17.2	27.2	30.2	33.4	47.2	11.9	9.3
Traffic Generation	2.1	3.0	3.2	3.5	4.7	8.8	8.0
Television	**26.4**	**42.3**	**47.7**	**53.0**	**77.1**	**12.6**	**10.1**
Direct Order	5.4	8.0	8.9	9.8	14.1	10.5	9.6
Lead Generation	18.9	30.8	34.8	38.7	56.1	13.0	10.0
Traffic Generation	2.3	3.6	4.1	4.5	6.1	12.3	8.3
Radio	**10.9**	**19.1**	**22.1**	**24.9**	**37.9**	**15.2**	**11.4**
Direct Order	2.2	3.7	4.2	4.8	7.2	13.8	11.4
Lead Generation	7.8	13.7	15.8	17.8	27.0	15.2	11.3
Traffic Generation	1.0	1.8	2.0	2.3	3.2	14.9	9.9
Other	**16.7**	**28.9**	**37.2**	**49.5**	**118.5**	**17.4**	**26.1**
Direct Order	5.6	9.1	11.7	15.4	37.0	15.9	25.9
Lead Generation	9.2	16.6	21.5	28.7	69.2	18.5	26.3
Traffic Generation	1.9	3.2	4.0	5.3	11.7	16.1	23.9
Total	**452.2**	**707.5**	**792.8**	**887.7**	**1340.9**	**11.9**	**11.1**
Direct Order	134.1	196.8	218.4	243.0	366.1	10.2	10.9
Lead Generation	285.3	461.3	519.1	582.8	879.9	12.7	11.1
Traffic Generation	33.3	49.5	55.3	61.4	90.0	10.7	10.2

*These numbers have not been inflation adjusted — they represent current (nominal) dollars.

Note: Due to rounding, totals may not exactly equal the sum of each column.

Source: The DMA Report: Economic Impact — U.S. Direct Marketing Today, 2000.

THE DMA Direct Marketing Association

VALUE OF U.S. BUSINESS-TO-BUSINESS DM DRIVEN SALES COMPARED TO TOTAL U.S. SALES

(BILLIONS OF DOLLARS)*

Business-to-business sales grew by 11.9 percent annually during the five-year period from 1995-2000. They are forecast to grow on an annual basis, by 11.1 percent per year between 2000 and 2005 - to $1.3 trillion. Comparatively, total U.S. business-to-business sales grew by 5.7 percent per year from 1995-2000 and are expected to increase at a rate of 5.8 percent annually from 2000-2005.

						Compound Annual Growth	
	1995	**1999**	**2000**	**2001**	**2005**	**'95-'00**	**'00-05**
Business-to-Business DM Sales	**$452.2**	**$707.5**	**$792.8**	**$887.7**	**$1340.9**	**11.9%**	**11.1%**
Direct Order	134.1	196.8	218.4	243.0	366.1	10.2	10.9
Lead Generation	285.3	461.3	519.1	582.8	879.9	12.7	11.1
Traffic Generation	33.3	49.5	55.3	61.4	90.0	10.7	10.2
Total U.S. Business-to-Business Sales	**$10,499.9**	**$13,063.9**	**$13,834.6**	**$14,549.2**	**$18,339.3**	**5.7%**	**5.8%**
DM Business-to-Business Sales Percent of Total Sales	**4.3%**	**5.4%**	**5.7%**	**6.1%**	**7.3%**		

*These numbers have not been inflation adjusted — they represent current (nominal) dollars.

Note: Due to rounding, totals may not exactly equal the sum of each column.

Source: The DMA Report: Economic Impact — U.S. Direct Marketing Today, 2000.

BUSINESS-TO-BUSINESS MARKET: LARGEST INDUSTRIES BY DM ADVERTISING EXPENDITURES

(BILLIONS OF DOLLARS)*

The Business Services industry (SIC 73) leads in b-to-b advertising spending with $11.3 billion projected in 2000. This industry, which includes advertising, mailing, computer programming, and other computer related services, etc. is forecast to remain as the top ranked industry in business-to-business spending through 2005 with a growth rate projected at 5.7 percent per year. The Communications industry (SIC 48), with ad spending projected at $8.0 billion for 2000 is ranked second in b-to-b direct marketing expenditures. This industry, which includes telephone, electronic mail, facsimile, radio, television, and cable communications will grow by 6.9 percent annually from 2000-2005. These top ten business-to-business industries are projected to spend a total of $61.0 billion in 2000 - 61.9 percent of total business-to-business ad spending.

						Compound Annual Growth	
	1995	1999	2000**	2001	2005	'95-'00	'00-05
Business Services (SIC 73)	$6.833	$10.350	**$11.321**	$12.059	$14.925	10.6%	5.7%
Communications (SIC 48)	5.716	7.502	**8.026**	8.639	11.180	7.0	6.9
Wholesale Trade (SIC 50, 51)	4.667	7.011	**7.992**	8.867	13.221	11.4	10.6
Transport Svcs., (ex Airlines) (SIC's 40-42, 46-47)	4.366	5.446	**5.825**	6.153	7.576	5.9	5.4
Printing and Publishing (SIC 27)	4.433	5.260	**5.590**	5.865	6.976	4.7	4.5
Electrical Mach. and Equip. (SIC 36)	2.980	4.299	**5.318**	6.628	13.073	12.3	19.7
Insurance Carriers/Agents (SIC's 63, 64)	2.993	4.309	**4.731**	5.229	7.726	9.6	10.3
Professional Services (SIC's 81, 87, 89)	2.330	3.931	**4.463**	4.954	7.346	13.9	10.5
Chemicals/Allied Products (SIC 28)	3.186	3.821	**4.133**	4.377	5.565	5.3	6.1
Industrial Mach. and Equip. (SIC 35)	2.091	3.153	**3.624**	4.161	6.988	11.6	14.0

*These numbers have not been inflation adjusted — they represent current (nominal) dollars.

** Rankings are based on 2000 statistics.

Source: The DMA Report: Economic Impact — U.S. Direct Marketing Today, 2000.

BUSINESS-TO-BUSINESS MARKET: LARGEST INDUSTRIES BY DM SALES VOLUME

(BILLIONS OF DOLLARS)*

2000 business-to-business direct marketing sales for the top ranked Business Services industry (SIC 73) are estimated at $151.0 billion - 139.2 percent higher than the second seeded Insurance Carrier and Agents (SIC 63 & 64) for which sales are expected to reach $63.1 billion. Both of these industries are expected to experience double digit annual growth rates over the next five years, with Business Services projected to grow by 11.7 percent per year and the Insurance Carrier and Agents industry estimated to grow 12.6 percent per year. B-to-b sales in the top ten direct marketing industries is $476.1 billion - 60.1 percent of total direct marketing b-to-b sales.

						Compound Annual Growth	
	1995	1999	2000**	2001	2005	’95-’00	’00-05
Business Services (SIC 73)	$62.891	$129.585	$151.032	$172.958	$262.591	19.2%	11.7%
Insurance Carriers/Agents (SIC's 63, 64)	31.275	55.853	63.146	71.665	114.336	15.1	12.6
Real Estate (SIC 65)	27.995	45.197	50.659	57.603	87.280	12.6	11.5
Wholesale Trade (SIC's 50, 51)	23.742	32.554	35.366	38.185	50.916	8.3	7.6
Professional Services (SIC's 81, 87, 89)	16.762	27.845	31.467	35.399	52.718	13.4	10.9
Chemicals/Allied Products (SIC 28)	22.983	28.115	30.205	32.454	45.435	5.6	8.5
Printing and Publishing (SIC 27)	22.096	28.154	30.113	32.236	41.195	6.4	6.5
Industrial Mach. and Equip. (SIC 35)	17.474	26.662	29.570	33.322	55.517	11.1	13.4
Electrical Mach. and Equip. (SIC 36)	13.465	22.610	27.907	35.813	89.339	15.7	26.2
Security/ Commodity Brokers (SIC 62)	9.047	22.709	26.672	31.235	51.882	24.1	14.2

*These numbers have not been inflation adjusted — they represent current (nominal) dollars.

** Rankings are based on 2000 statistics.

Source: The DMA Report: Economic Impact — U.S. Direct Marketing Today, 2000.

BUSINESS-TO-BUSINESS DIRECT MARKETING EMPLOYMENT BY MEDIUM AND MARKET

(THOUSANDS OF WORKERS)*

Overall U.S. employment is forecast to grow by 1.3 percent annually from 2000 - 2005. By contrast, business-to-business direct marketing employment growth is projected to grow by 5.6 percent over that same time period.

						Compound Annual Growth	
	1995	**1999**	**2000**	**2001**	**2005**	**'95-'00**	**'00-05**
Direct Mail	1,117.0	1,419.1	1,506.1	1,605.1	1,950.8	6.2%	5.3%
Telephone Marketing	2,312.2	3,066.0	3,282.3	3,461.3	4,074.0	7.3%	4.4%
Newspaper	431.4	558.7	586.9	622.7	743.2	6.3%	4.8%
Magazine	244.9	319.8	340.1	359.3	415.5	6.8%	4.1%
Television	284.9	389.1	421.7	447.5	532.0	8.2%	4.8%
Radio	113.8	166.9	184.9	199.5	249.1	10.2%	6.1%
Other	223.3	310.7	366.2	447.5	821.3	10.4%	17.5%
Total	**4,727.5**	**6,230.3**	**6,688.2**	**7,142.9**	**8,785.9**	**7.2%**	**5.6%**

Note: Due to rounding, totals may not exactly equal the sum of each column.

Source: The DMA Report: Economic Impact — U.S. Direct Marketing Today, 2000.

SMALL BUSINESS E-MAIL MARKETING ADOPTION

The Kelsey Group estimates that 11 percent of small businesses (roughly 1.1 million) were using e-mail marketing.

(in millions)	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**
Number using	1.1	1.6	2.4	3.7	4.2	4.6
Spending levels	$211	$398	$727	$1,319	$1,784	$2,238

Source: The Kelsey Group, 2001.

B-TO-B eCOMMERCE BY REGION, 2000-2004 (in billions)

The relatively conservative estimates for the growth of B-to-B e-commerce released by eMarketer in December of 1999 are being revised slightly upward in 2001. This is primarily due to the shift in e-commerce leadership that has moved from the dot-coms to traditional brick and mortar firms.

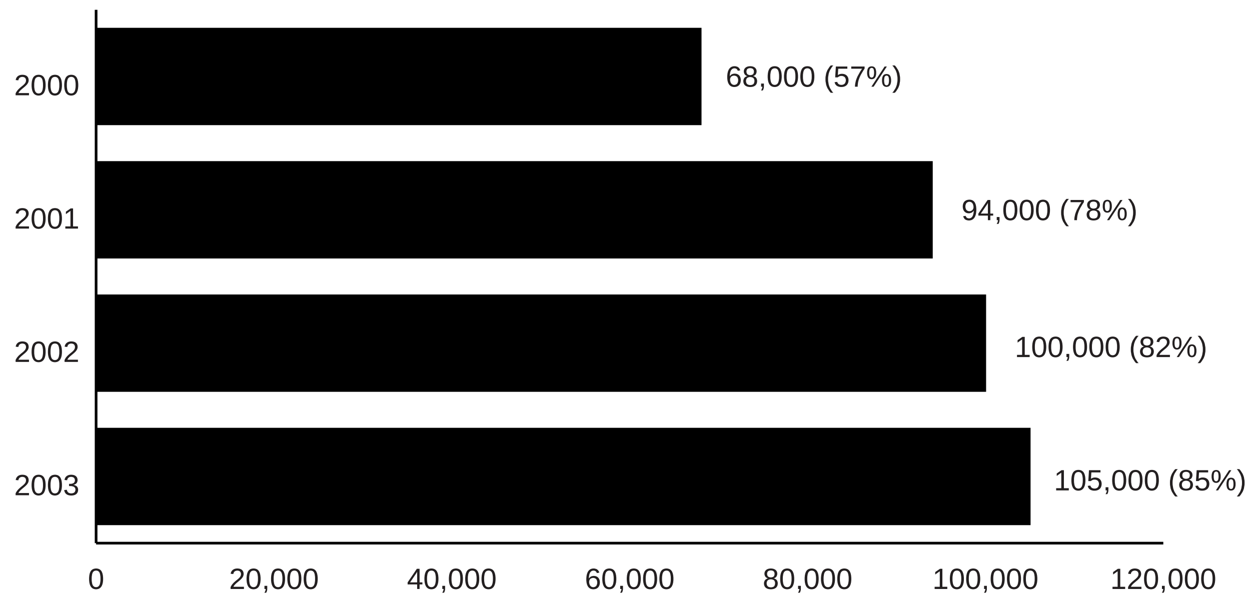
	2000	**2001**	**2002**	**2003**	**2004**	**As a % of Worldwide B-to-B eCommerce 2004**
North America	$159.2	$316.8	$563.9	$964.3	$1,600.8	57.7%
Asia/Pacific Rim	$36.2	$68.6	$121.2	$199.3	$300.6	10.8%
Europe	$26.2	$52.4	$132.7	$334.1	$797.3	28.7%
Latin America	$2.9	$7.9	$17.4	$33.6	$58.4	2.1%
Africa/Middle East	$1.7	$3.2	$5.9	$10.6	$17.7	0.6%
Total	**$226.2**	**$448.9**	**$841.1**	**$1,541.9**	**$2,774.8**	**100.0%**

Source: The eMarketer, 2001.

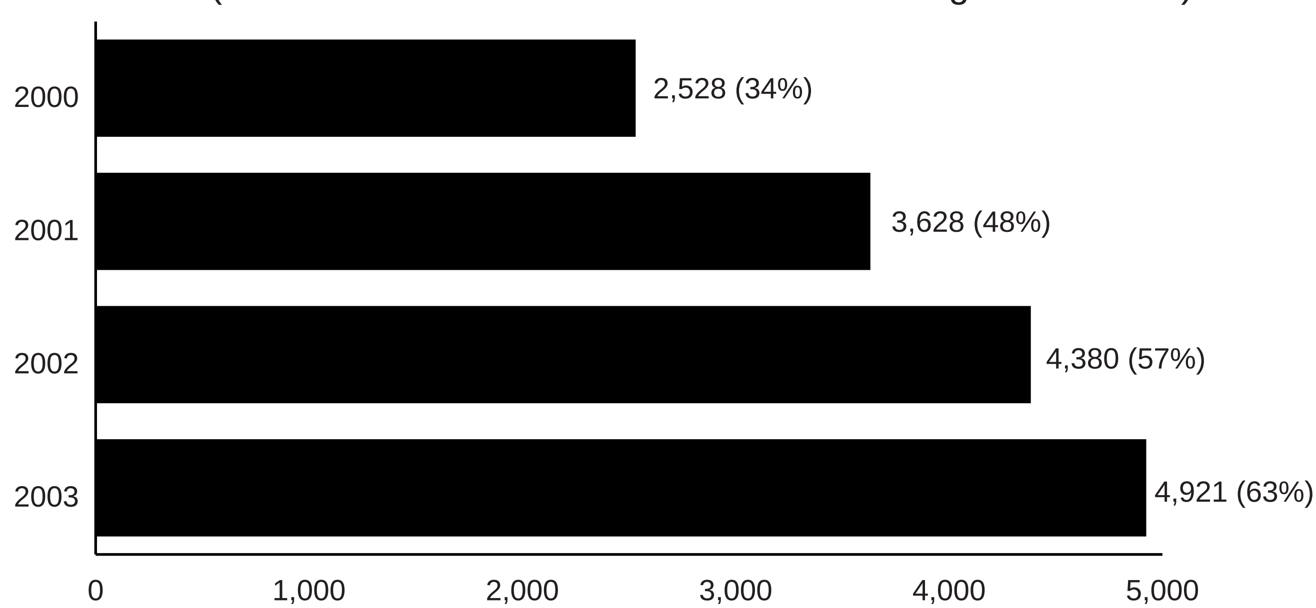
BUSINESSES WITH ACTIVE, PURPOSEFUL WEBSITES

While eMarketers more conservative definition places the percent of medium and large firms at 57% in 2000, the Yankee Group estimated that 62% of medium and large companies had a website in 1999. Deloitte and Touche put this number at 44%.

Number of US Medium/Large-Sized Businesses with Active, Purposeful Websites, 2000-2003 (as a % of total medium/large-sized firms)



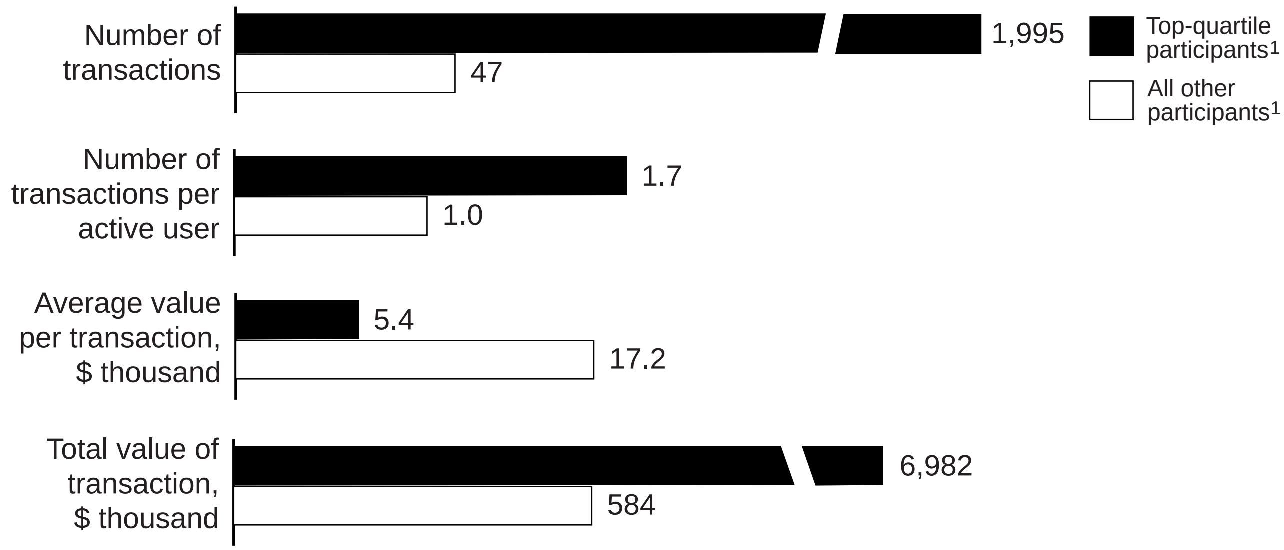
Number of US Small Businesses with Active, Purposeful Websites, 2000-2003 (in thousands and as a % of total medium/large-sized firms)



Source: The eMarketer, 2001.

CUSTOMER PENETRATION PERFORMANCE

Even the top-quartile B2Bs do not execute numerous transactions per customer. (The average number of transactions -- even for the top quartile -- is less than two per month.)

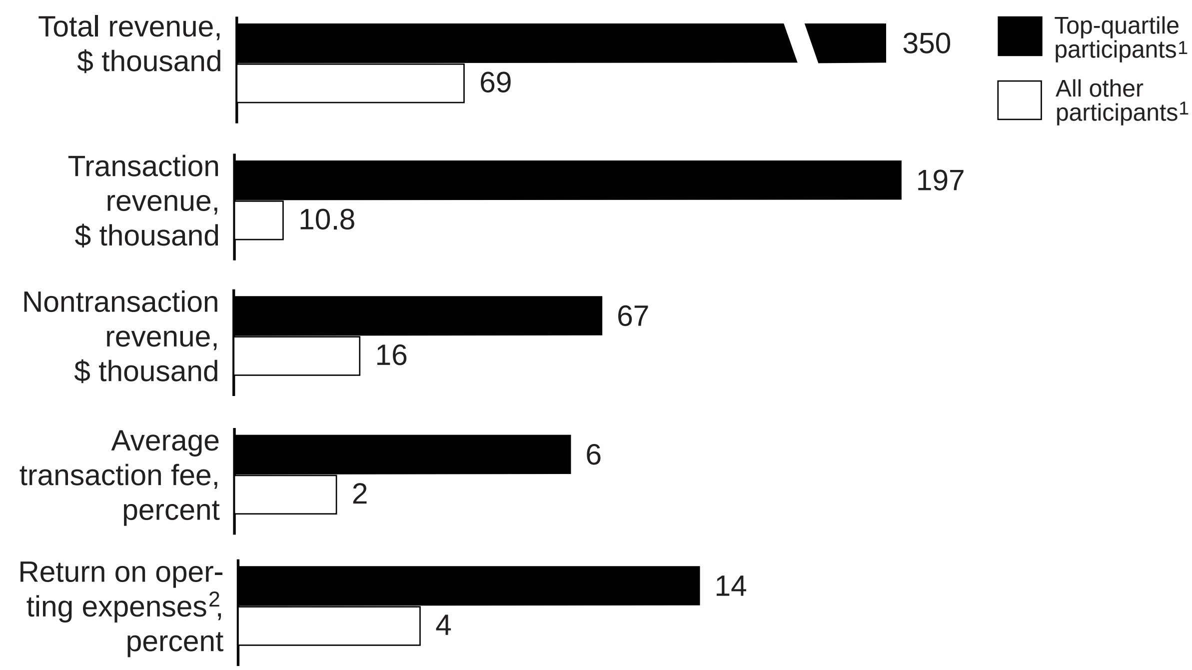


1 Data reflect median performance of 60 independent B2B platforms in the United States and Europe for the month of September 2000.

Source: These exhibits are taken from Bertil Chappuis, Ron Lemmens, Haim Mendelson, and Denise Villars " A performance Index For B2B Marketplaces", The McKinsey Quarterly, Special Report and can be found on the publication's Web site, www.mckinseyquarterly.com. Used by permission.

CUSTOMER MONETIZATION PERFORMANCE

The best performers have higher returns in operating expenditures and are more successful in getting larger transaction revenues.



1 Data reflect median performance of 60 independent B2B platforms in the United States and Europe for the month of September 2000.

2 Total revenue divided by operations cost.

Source: These exhibits are taken from Bertil Chappuis, Ron Lemmens, Haim Mendelson, and Denise Villars " A performance Index For B2B Marketplaces", The McKinsey Quarterly, Special Report and can be found on the publication's Web site, www.mckinseyquarterly.com. Used by permission.

Financial Services

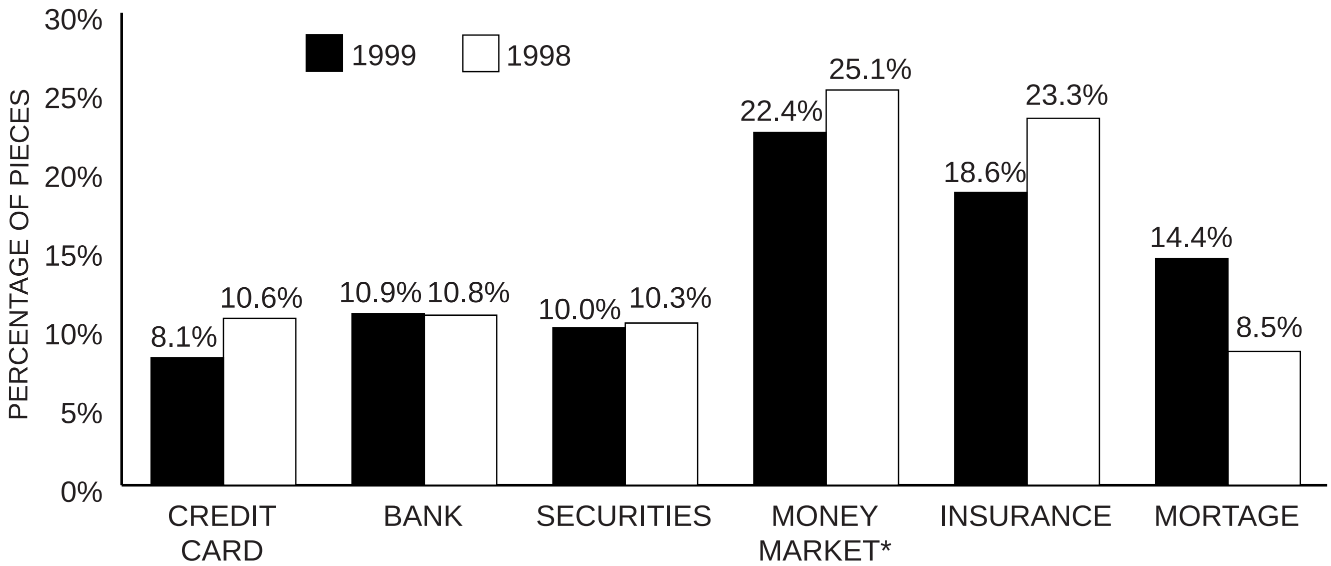
Trends

CHAPTER HIGHLIGHTS

- Financial services campaigns sent by first-class mail generally experience better results than those sent by Standard Mail (A).
- Response to Standard Mail (A) is highest among solicitations for money market and securities.
- Adults who have the most credit cards tend to receive the most Standard Mail (A).
- In 1999, overall credit card charge volume was up 12.5%, with Visa and MasterCard taking the top two positions.
- Telephone and direct mail account for over two-thirds of $29.8 billion in Financial/Insurance ad expenditures.
- Citibank and Discover are two favorite cards for Internet shopping.
- Total credit card acquisition mail volume for full year 2000 was 3.54 billion pieces and response was 0.6%.

RESPONSE TO FIRST-CLASS ADVERTISING BY FINANCIAL SERVICES SEGMENT

Financial services campaigns sent by first-class mail generally experience better results than those sent by Standard (A) Mail.

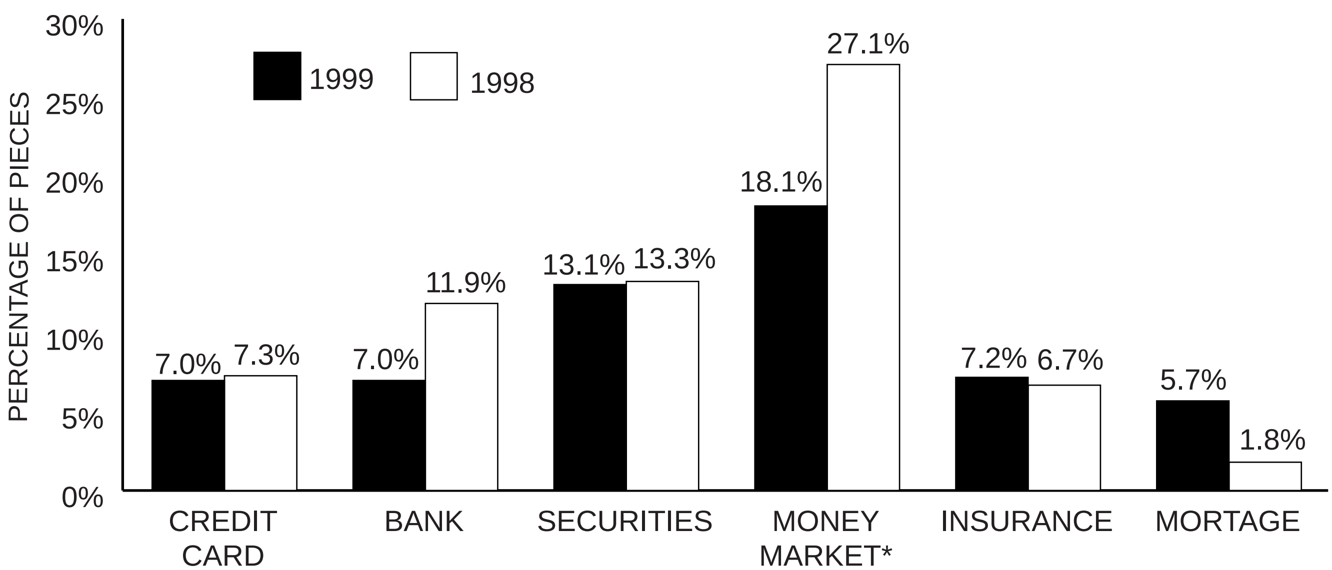


*Fluctuations may be due to small sample sizes.

Source: USPS Household Diary Study, 2000.

RESPONSE TO STANDARD MAIL(A) ENVELOPES AND CARDS BY FINANCIAL SERVICES SEGMENT

Response to Standard Mail (A) is highest among solicitations for money markets and securities.



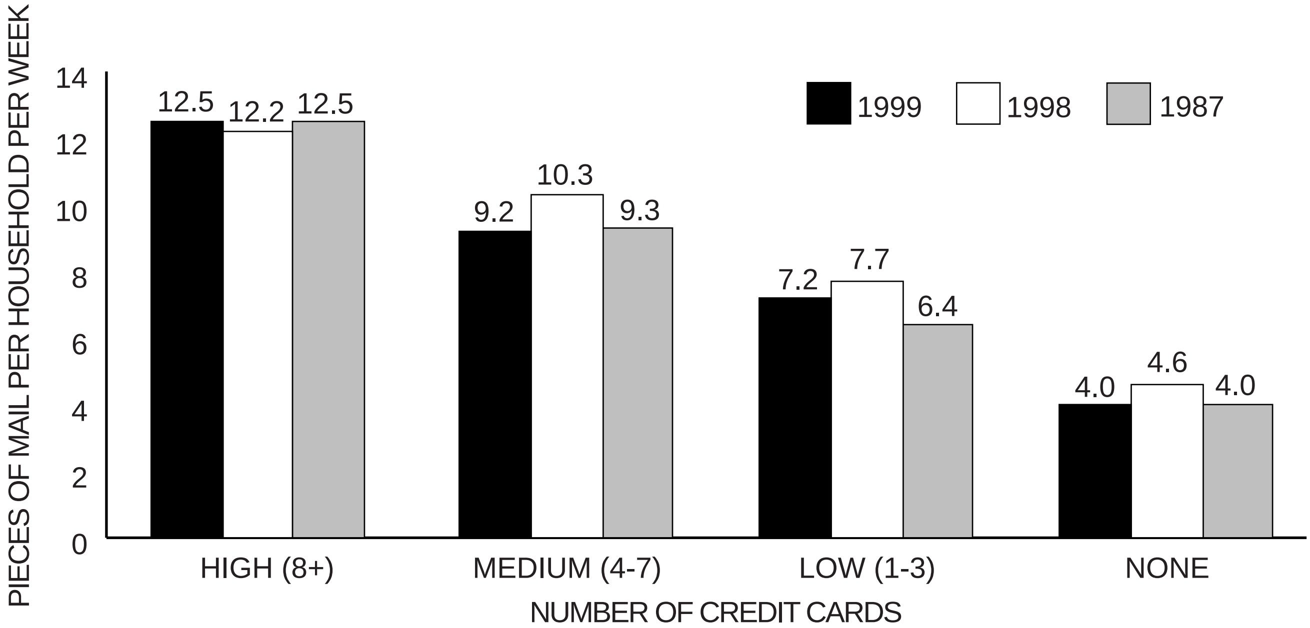
*Fluctuations may be due to small sample sizes.

Source: USPS Household Diary Study, 2000.

STANDARD MAIL (A) RECEIPT BY NUMBER OF CREDIT CARDS

POSTAL YEARS 1987, 1998, AND 1999

Adults who have the most credit cards tend to receive the most Standard Mail (A).

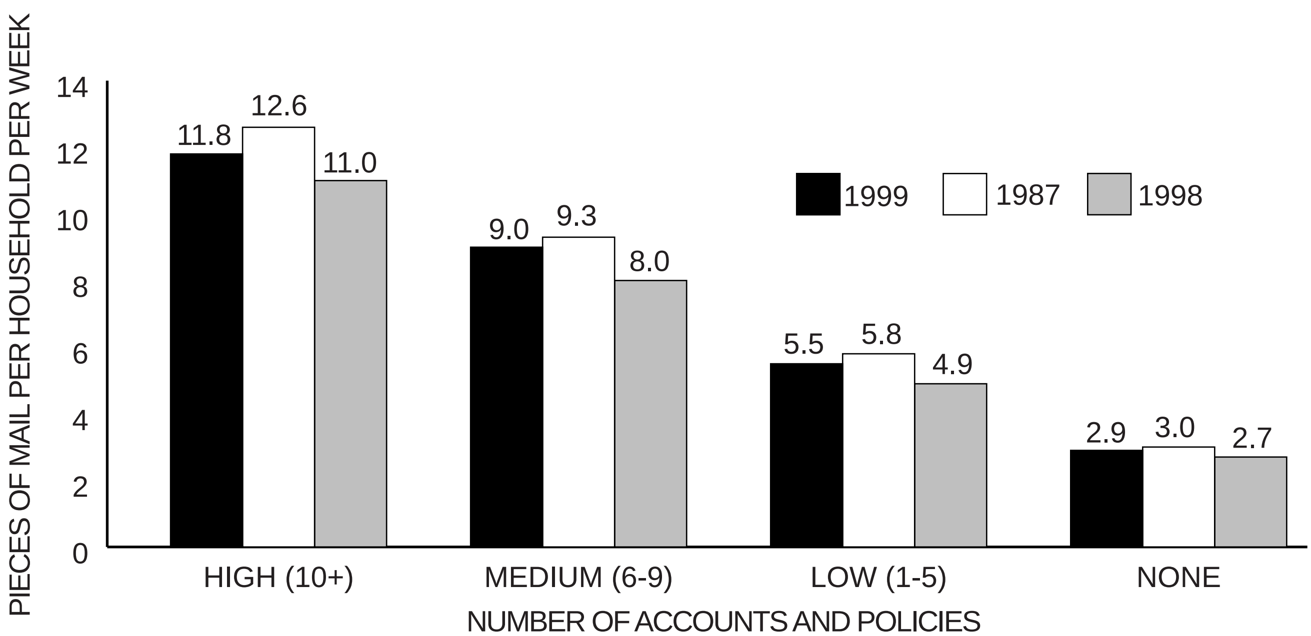


Source: USPS Household Diary Study, 2000.

STANDARD MAIL (A) RECEIPT BY NUMBER OF FINANCIAL ACCOUNTS AND INSURANCE POLICIES

POSTAL YEARS 1987, 1998, AND 1999

Adults who have the most financial accounts and insurance policies tend to receive the most Standard Mail (A).

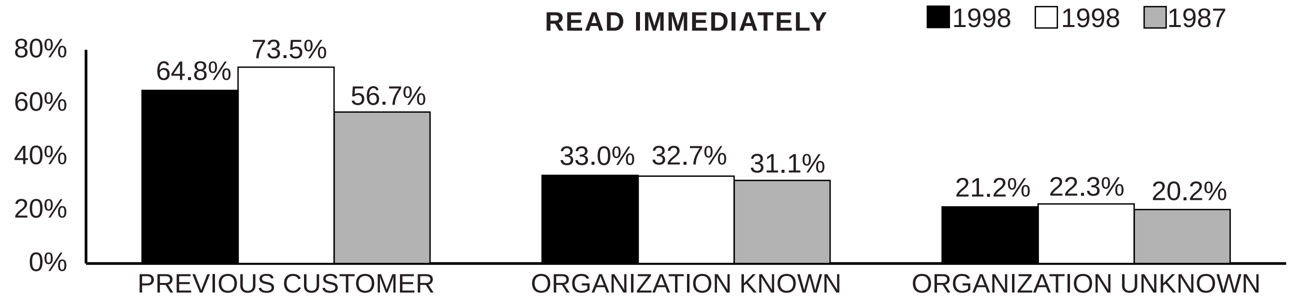


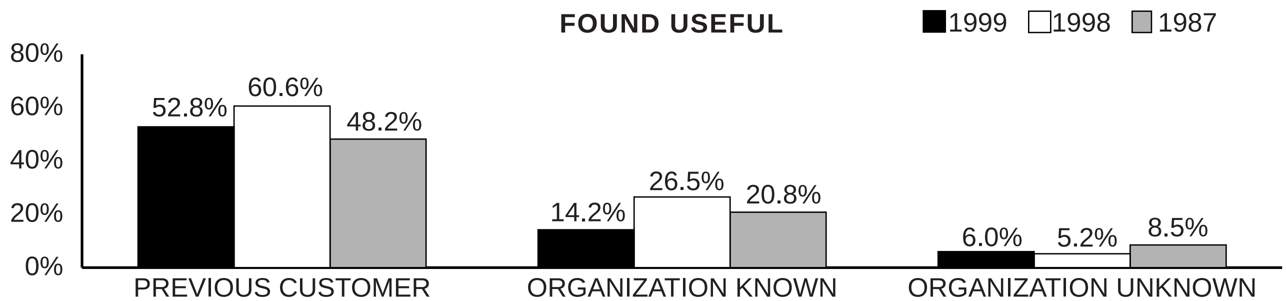
Source: USPS Household Diary Study, 2000.

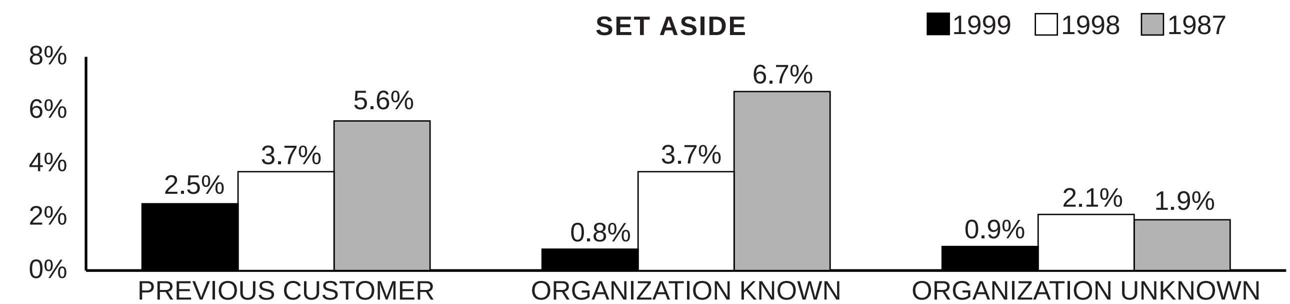
STANDARD MAIL (A) PIECES FROM INSURANCE COMPANIES

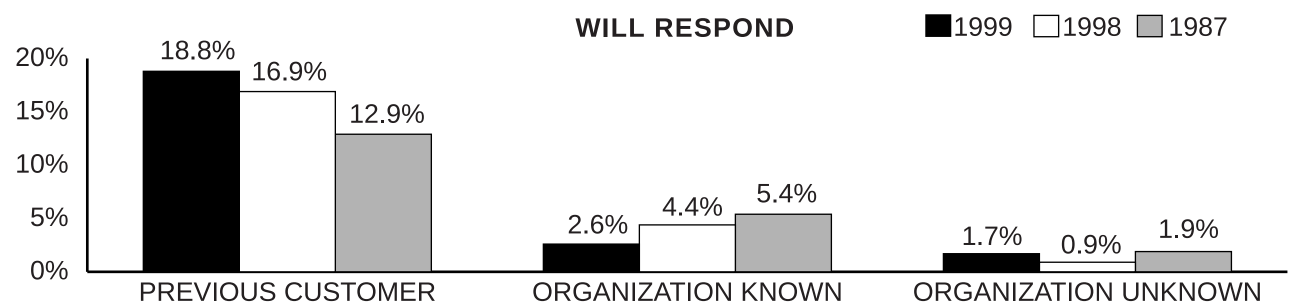
RESPONSE TO MAIL PIECE BY FAMILIARITY WITH ORGANIZATION (PERCENTAGE OF PIECES)
POSTAL YEARS 1987, 1998, AND 1999

Standard Mail (A) pieces from insurance companies have the highest response rates among previous customers.









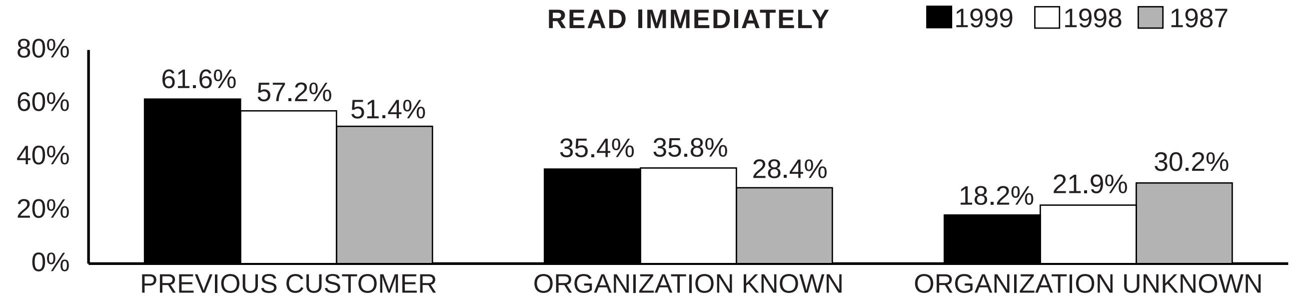
NOTE: Percentages do not add up to 100% due to multiple responses from multiple questions. The "read immediately" percentages for 1998 and 1997 include an additional code which was added to the questionnaire for Fiscal Year 1992. This accounts for the increase in percentage in this category.

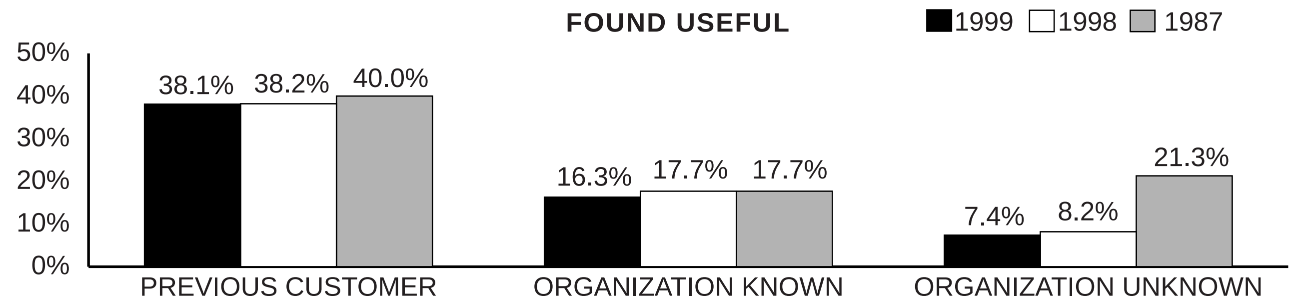
Source: USPS Household Diary Study, 2000.

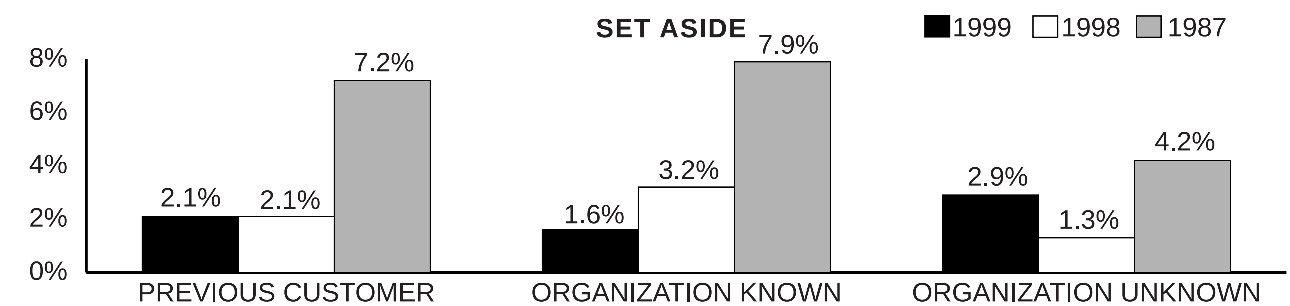
STANDARD MAIL (A) PIECES FROM CREDIT CARD INDUSTRY

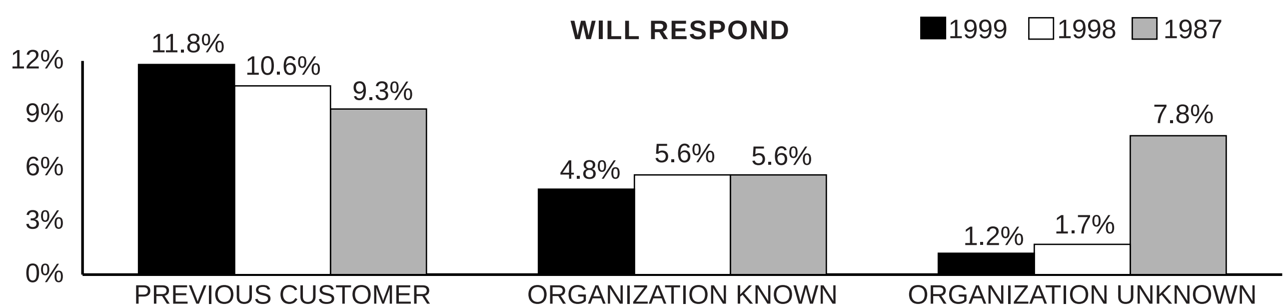
RESPONSE TO MAIL PIECE BY FAMILIARITY WITH ORGANIZATION (PERCENTAGE OF PIECES)
POSTAL YEARS 1987, 1998, AND 1999

Standard Mail (A) pieces from insurance companies have the highest response rates among previous customers.









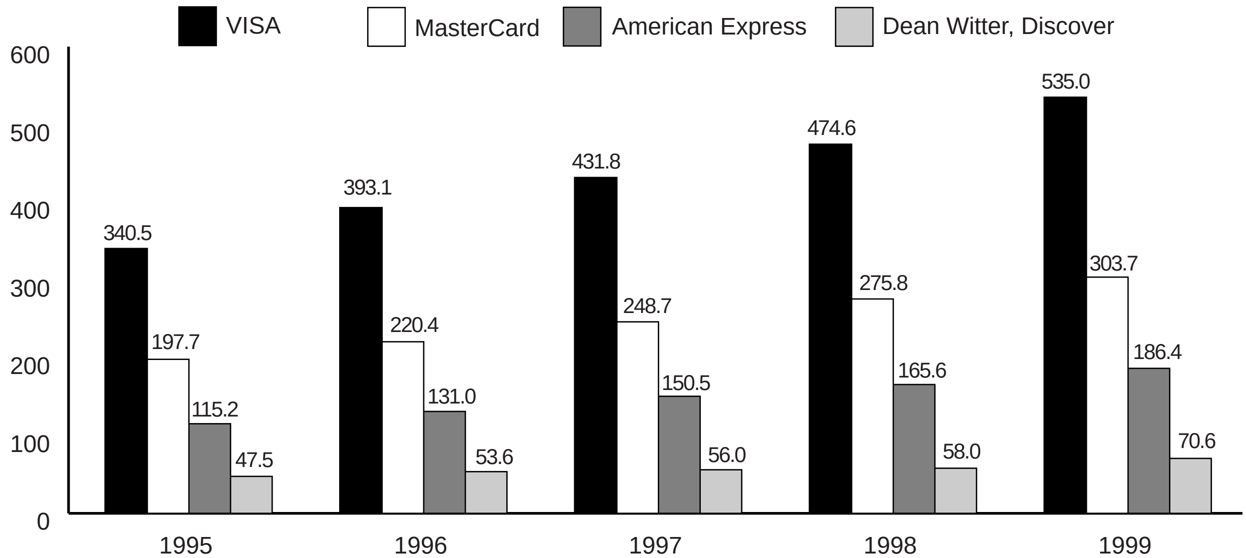
NOTE: Percentages do not add up to 100% due to multiple responses from multiple questions. The "read immediately" percentages for 1998 and 1997 include an additional code which was added to the questionnaire for Fiscal Year 1992. This accounts for the increase in percentage in this category.

Source: USPS Household Diary Study, 2000.

U.S. CREDIT CARD CHARGE VOLUME

IN BILLIONS

In 1999, overall credit card charge volume was up 12.5%, with VISA and MasterCard taking the top two positions.

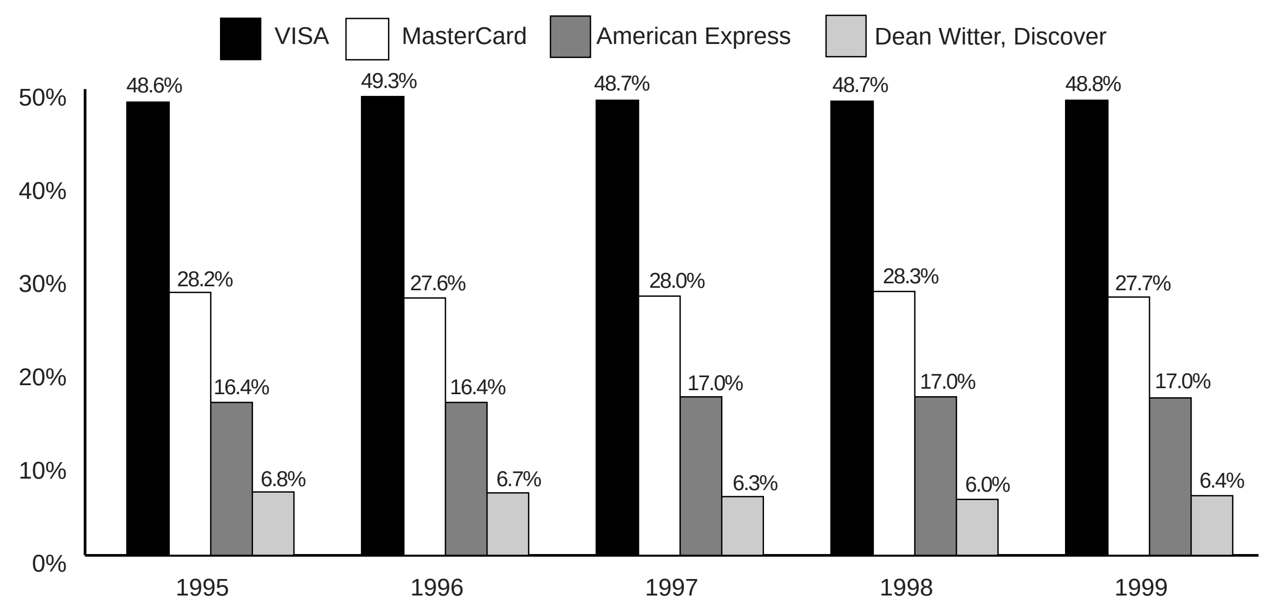


Source: 2001 Edition, Card Industry Directory, Thomson Financial Media.

U.S. CREDIT CARD MARKET SHARE

IN PERCENT

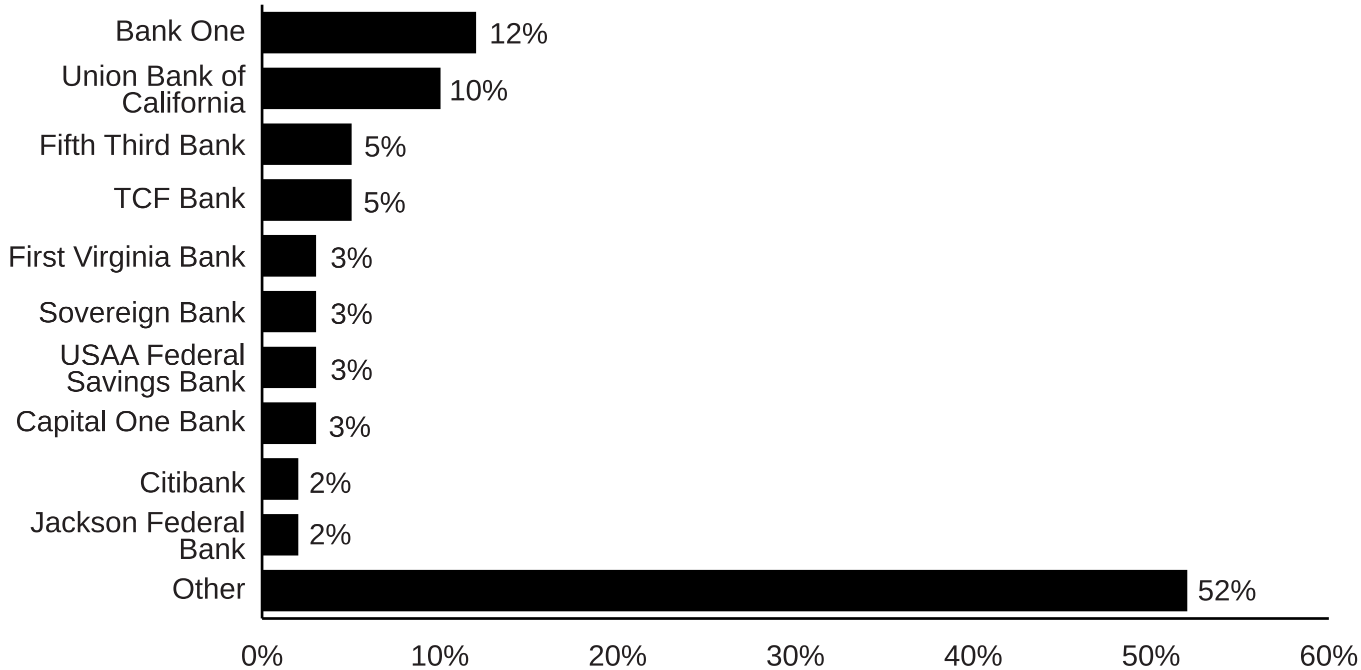
In 1999, VISA and MasterCard accounted for 76.5% of the U.S. market share.



Source: 2001 Edition, Card Industry Directory, Thomson Financial Media.

BANKING DIRECT MAIL 2000

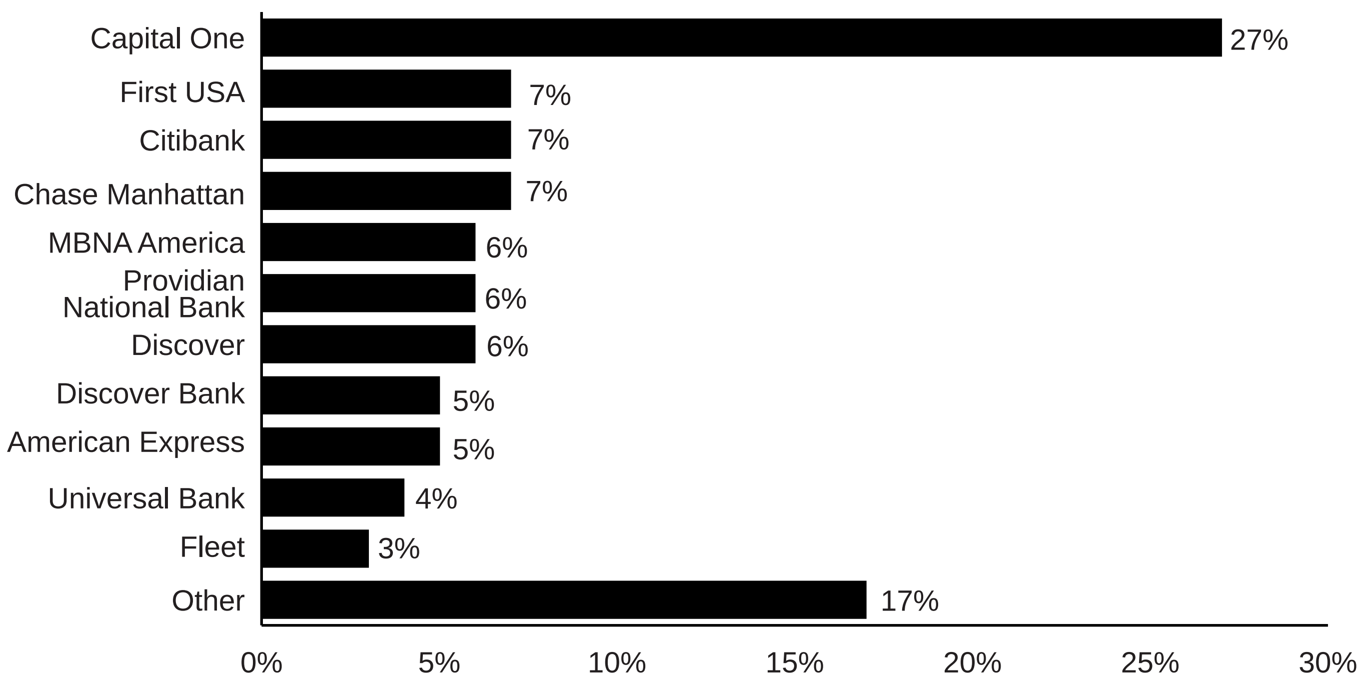
Bank One contains 12 % of direct mail done in banking industry.



Source: Comperemedia, 2001.

CREDIT CARD DIRECT MAIL 2000

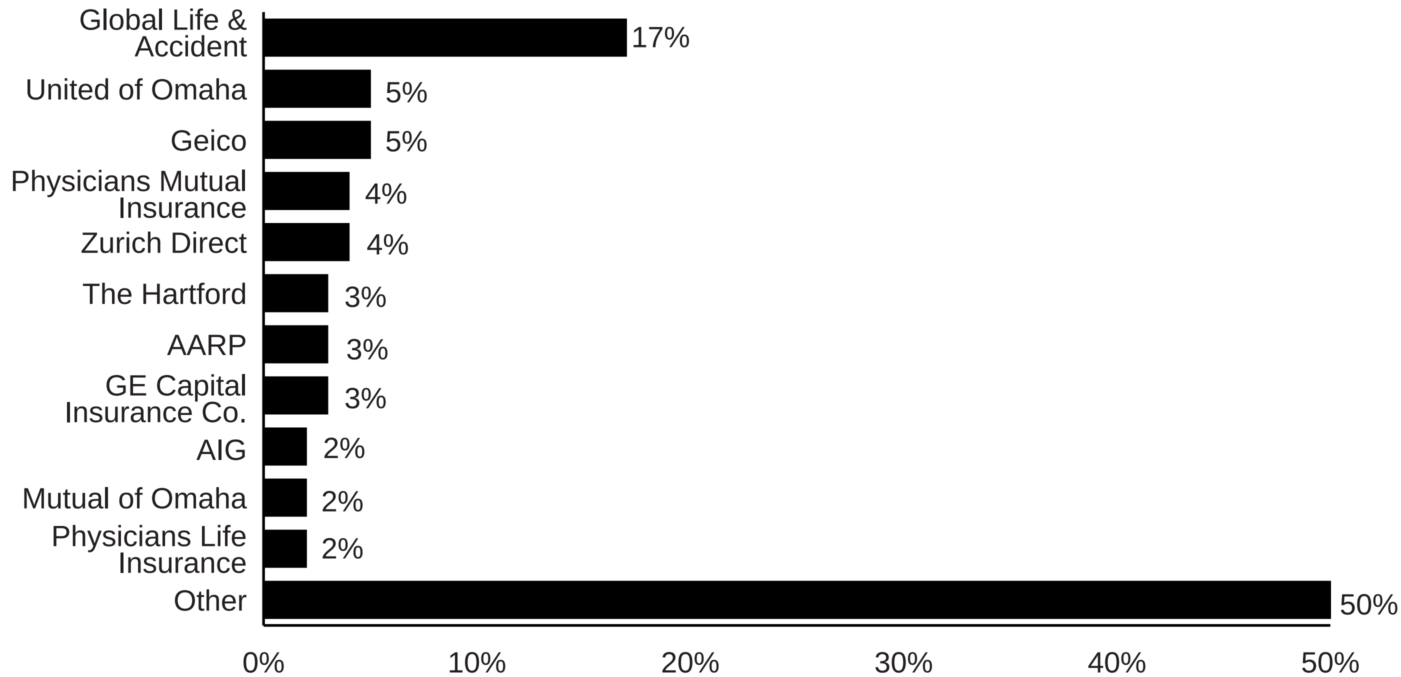
27% of all direct mail in credit card industry is done by Capital One.



Source: Comperemedia, 2001.

INSURANCE DIRECT MAIL 2000

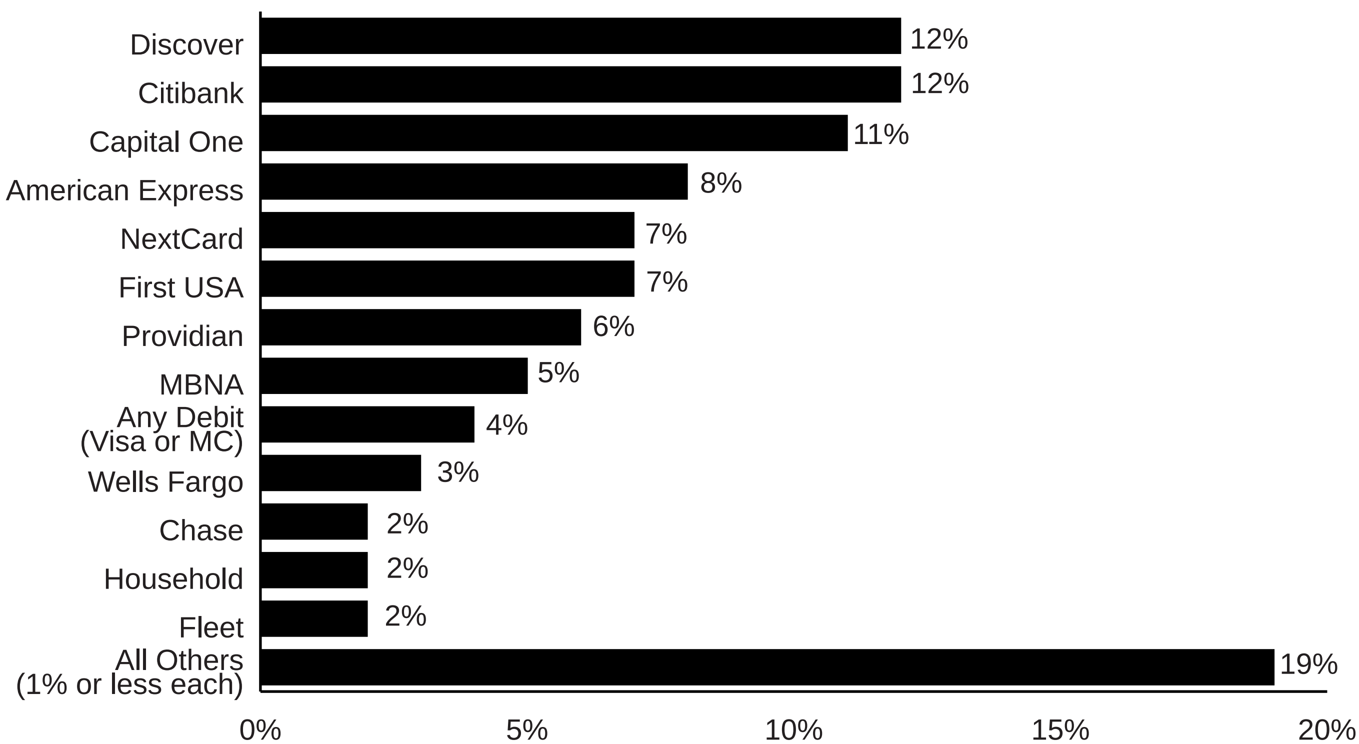
The most direct mail in insurance industry is done by Globe Life & Accident - 17 %.



Source: Comperemedia, 2001.

FAVORITE INTERNET PAYMENT CARDS

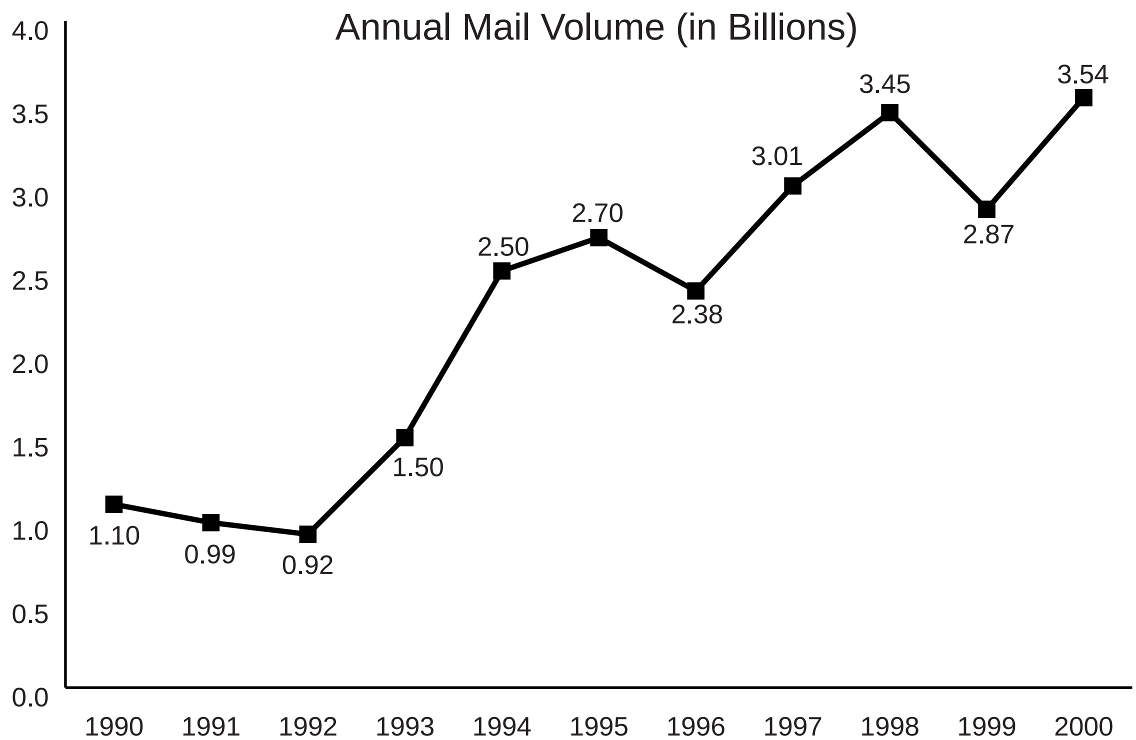
Citibank and Discover are two favorite cards for internet shopping.

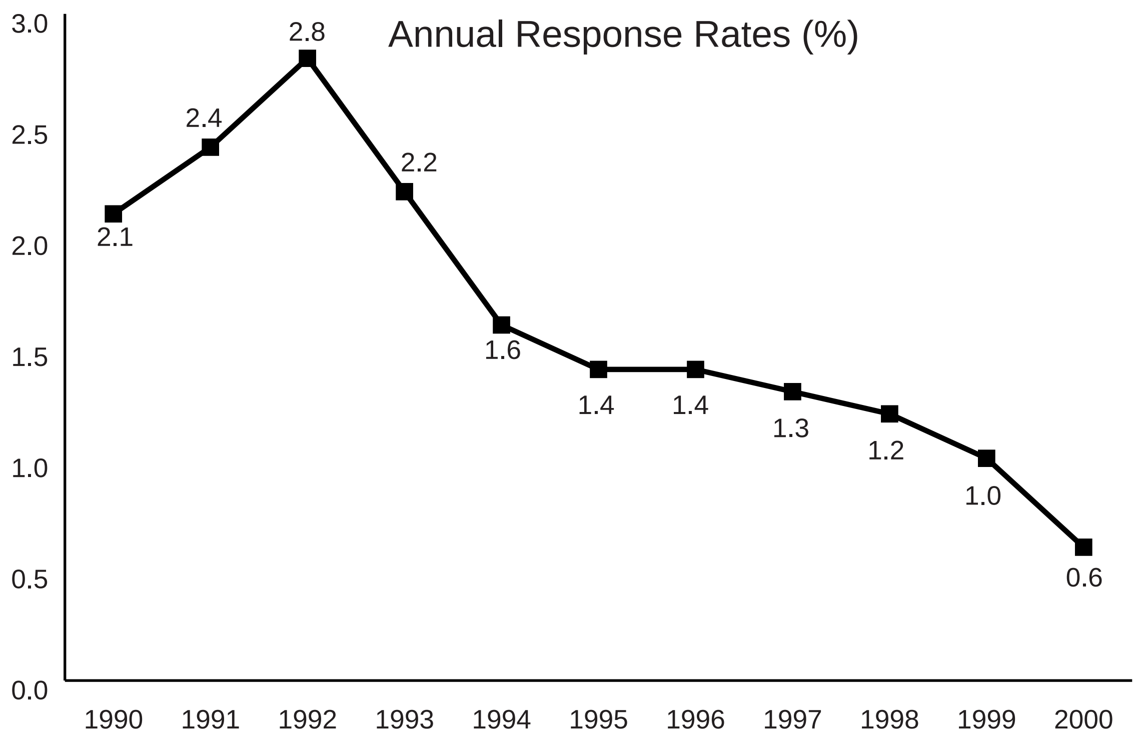


Source: Brittain Associates, Inc., Credit Cards on the Internet Report 2001.

U.S. CREDIT CARD ACQUISITION MAILINGS

Total credit card acquisition mail volume for full year 2000 was 3.54 billion pieces and response was 0.6%.





Source: Mail Monitor, a service of BAI Global, Inc., 2001

DIRECT MARKETING FINANCIAL SERVICES AND INSURANCE AD EXPENDITURES BY MEDIA (IN $ MILLIONS)

A lower growth rate by industry is most significant among Security/Commodity Brokers where ad budgets grew 16.5 percent over the last five years but are expected to increase growth by only 3.8 percent annually until 2005.

Media	Industry	1995	2000	2005	Compound Annual Growth '95-'00	Compound Annual Growth '00-05
All Media	Depository Institutions	$5,140	$7,430	$9,819	7.65%	5.73%
All Media	Nondepository Institutions	$1,490	$2,404	$2,577	10.04%	1.40%
All Media	Security & Commodity Brokers	$2,773	$5,946	$7,183	16.48%	3.85%
All Media	Insurance Carriers & Agents	$5,422	$7,746	$11,299	7.39%	7.84%
All Media	Real Estate	$4,166	$6,285	$8,892	8.57%	7.19%
All Media	**Total Financial**	**$18,991**	**$29,811**	**$39,770**	**9.44%**	**5.93%**
Magazine	Depository Institutions	$206	$308	$394	8.38%	5.05%
Magazine	Nondepository Institutions	$25	$43	$45	11.46%	0.91%
Magazine	Security & Commodity Brokers	$154	$341	$402	17.23%	3.35%
Magazine	Insurance Carriers & Agents	$81	$124	$179	8.89%	7.62%
Magazine	Real Estate	$131	$208	$287	9.69%	6.65%
Magazine	**Total Financial**	**$597**	**$1,024**	**$1,307**	**11.39%**	**5.00%**
Direct Mail	Depository Institutions	$1,072	$1,451	$1,916	6.24%	5.72%
Direct Mail	Nondepository Institutions	$865	$1,355	$1,465	9.39%	1.57%
Direct Mail	Security & Commodity Brokers	$522	$1,049	$1,277	14.98%	4.01%
Direct Mail	Insurance Carriers & Agents	$1,309	$1,811	$2,707	6.71%	8.37%
Direct Mail	Real Estate	$112	$160	$229	7.39%	7.43%
Direct Mail	**Total Financial**	**$3,880**	**$5,826**	**$7,594**	**8.47%**	**5.44%**
Newspaper	Depository Institutions	$727	$1,042	$1,384	7.46%	5.84%
Newspaper	Nondepository Institutions	$52	$87	$95	10.84%	1.77%
Newspaper	Security & Commodity Brokers	$155	$330	$403	16.32%	4.08%
Newspaper	Insurance Carriers & Agents	$143	$209	$314	7.89%	8.48%
Newspaper	Real Estate	$769	$1,168	$1,678	8.72%	7.52%
Newspaper	**Total Financial**	**$1,846**	**$2,836**	**$3,874**	**8.97%**	**6.44%**
Other	Depository Institutions	$315	$485	$802	9.01%	10.58%
Other	Nondepository Institutions	$23	$41	$55	12.26%	6.05%
Other	Security & Commodity Brokers	$142	$325	$496	18.01%	8.82%
Other	Insurance Carriers & Agents	$196	$309	$577	9.53%	13.30%
Other	Real Estate	$319	$521	$933	10.31%	12.36%
Other	**Total Financial**	**$995**	**$1,681**	**$2,863**	**11.06%**	**11.24%**
Radio	Depository Institutions	$208	$353	$476	11.16%	6.16%
Radio	Nondepository Institutions	$26	$49	$51	13.51%	0.80%
Radio	Security & Commodity Brokers	$125	$323	$431	20.91%	5.94%
Radio	Insurance Carriers & Agents	$75	$136	$219	12.64%	10.00%
Radio	Real Estate	$70	$133	$209	13.70%	9.46%
Radio	**Total Financial**	**$504**	**$994**	**$1,386**	**14.55%**	**6.87%**
Telephone	Depository Institutions	$1,822	$2,518	$3,138	6.68%	4.50%
Telephone	Nondepository Institutions	$393	$630	$643	9.90%	0.41%
Telephone	Security & Commodity Brokers	$1,258	$2,582	$2,964	15.47%	2.80%
Telephone	Insurance Carriers & Agents	$3,396	$4,796	$6,758	7.15%	7.10%
Telephone	Real Estate	$2,578	$3,778	$5,098	7.94%	6.18%
Telephone	**Total Financial**	**$9,447**	**$14,304**	**$18,601**	**8.65%**	**5.39%**
Television	Depository Institutions	$790	$1,274	$1,710	10.03%	6.06%
Television	Nondepository Institutions	$105	$199	$223	13.64%	2.30%
Television	Security & Commodity Brokers	$417	$995	$1,210	19.00%	3.99%
Television	Insurance Carriers & Agents	$221	$361	$544	10.31%	8.55%
Television	Real Estate	$187	$318	$458	11.20%	7.57%
Television	**Total Financial**	**$1,720**	**$3,147**	**$4,145**	**12.84%**	**5.66%**

Source: The DMA Report - Economic Impact - U.S. Direct Marketing Today, 2000-2001.

DIRECT MARKETING FINANCIAL SERVICES AND INSURANCE SALES REVENUE BY MEDIA (IN $ MILLIONS)

Security & Commodity Brokers has the highest growth rate in the next five years at 14.28%, but it is lower then in last five years.

Media	Industry	1995	2000	2005	Compound Annual Growth '95-'00	Compound Annual Growth '00-05
All Media	Depository Institutions	$35,325	$50,295	$66,279	7.32%	5.67%
All Media	Nondepository Institutions	$5,072	$9,414	$12,102	13.17%	5.15%
All Media	Security & Commodity Brokers	$18,250	$56,736	$110,575	25.46%	14.28%
All Media	Insurance Carriers & Agents	$58,704	$105,869	$169,350	12.52%	9.85%
All Media	Real Estate	$71,205	$107,868	$158,689	8.66%	8.03%
All Media	**Total Financial**	**$188,556**	**$330,182**	**$516,995**	**11.86%**	**9.38%**
Magazine	Depository Institutions	$1,313	$1,968	$2,527	8.43%	5.13%
Magazine	Nondepository Institutions	$232	$449	$557	14.12%	4.41%
Magazine	Security & Commodity Brokers	$1,298	$4,253	$7,978	26.79%	13.41%
Magazine	Insurance Carriers & Agents	$1,353	$2,600	$4,025	13.96%	9.13%
Magazine	Real Estate	$2,877	$4,551	$6,407	9.61%	7.08%
Magazine	**Total Financial**	**$7,073**	**$13,821**	**$21,494**	**14.34%**	**9.23%**
Direct Mail	Depository Institutions	$10,771	$14,789	$19,574	6.55%	5.77%
Direct Mail	Nondepository Institutions	$1,325	$2,357	$3,016	12.21%	5.05%
Direct Mail	Security & Commodity Brokers	$4,973	$14,833	$28,528	24.43%	13.97%
Direct Mail	Insurance Carriers & Agents	$23,455	$41,260	$65,897	11.96%	9.82%
Direct Mail	Real Estate	$12,862	$18,776	$27,184	7.86%	7.68%
Direct Mail	**Total Financial**	**$53,386**	**$92,015**	**$144,199**	**11.50%**	**9.40%**
Newspaper	Depository Institutions	$6,083	$8,773	$11,585	7.60%	5.72%
Newspaper	Nondepository Institutions	$668	$1,240	$1,580	13.17%	4.97%
Newspaper	Security & Commodity Brokers	$2,054	$6,506	$12,507	25.93%	13.96%
Newspaper	Insurance Carriers & Agents	$3,693	$6,822	$10,856	13.06%	9.74%
Newspaper	Real Estate	$19,280	$29,453	$42,566	8.84%	7.64%
Newspaper	**Total Financial**	**$31,778**	**$52,794**	**$79,094**	**10.69%**	**8.42%**
Other	Depository Institutions	$829	$1,275	$2,021	8.99%	9.65%
Other	Nondepository Institutions	$96	$191	$292	14.75%	8.86%
Other	Security & Commodity Brokers	$542	$1,824	$4,228	27.47%	18.31%
Other	Insurance Carriers & Agents	$1,240	$2,447	$4,679	14.56%	13.84%
Other	Real Estate	$2,657	$4,316	$7,507	10.19%	11.71%
Other	**Total Financial**	**$5,364**	**$10,053**	**$18,727**	**13.39%**	**13.25%**
Radio	Depository Institutions	$739	$1,260	$1,701	11.26%	6.19%
Radio	Nondepository Institutions	$153	$326	$403	16.33%	4.33%
Radio	Security & Commodity Brokers	$725	$2,742	$5,804	30.48%	16.18%
Radio	Insurance Carriers & Agents	$698	$1,593	$2,731	17.94%	11.38%
Radio	Real Estate	$928	$1,752	$2,774	13.55%	9.63%
Radio	**Total Financial**	**$3,243**	**$7,673**	**$13,413**	**18.80%**	**11.82%**
Telephone	Depository Institutions	$12,981	$18,147	$22,849	6.93%	4.72%
Telephone	Nondepository Institutions	$2,039	$3,702	$4,481	12.67%	3.89%
Telephone	Security & Commodity Brokers	$6,646	$20,454	$37,580	25.21%	12.94%
Telephone	Insurance Carriers & Agents	$26,379	$47,596	$72,164	12.53%	8.68%
Telephone	Real Estate	$30,244	$44,928	$61,960	8.24%	6.64%
Telephone	**Total Financial**	**$78,289**	**$134,827**	**$199,034**	**11.48%**	**8.10%**
Television	Depository Institutions	$2,610	$4,083	$5,474	9.36%	6.04%
Television	Nondepository Institutions	$559	$1,148	$1,505	15.48%	5.56%
Television	Security & Commodity Brokers	$2,012	$6,124	$11,876	24.93%	14.16%
Television	Insurance Carriers & Agents	$1,885	$3,550	$5,705	13.50%	9.95%
Television	Real Estate	$2,357	$4,093	$5,989	11.67%	7.91%
Television	**Total Financial**	**$9,423**	**$18,998**	**$30,549**	**15.05%**	**9.97%**

Source: The DMA Report - Economic Impact - U.S. Direct Marketing Today, 2000-2001.

Circulation

Costs

Trends

CHAPTER HIGHLIGHTS

- The salary range for a Circulation Manager at a trade magazine with 1 to 3 years' experience is $46,200 to $50,600.
- The average subscription price decreased in 1999, to $24.41.
- Insert card response was better for 36% of circulators in 1999, and worse for 31%.
- The use of telemarketing in the magazine marketplace increased in 1999.
- Total CPM for direct mail control packages increased in 1999, to $478.
- More than half of circulators reported that creative needs are handled in-house.
- Only 7.0% of renewals are mailed first-class, while 50.0% use Standard Mail (A).
- Book sales from book clubs have increased 58% since 1991.
- Only 16% of respondents use a basic (full price) offer in their direct mail.

2001 CIRCULATION SALARIES

Crandall Associates, Inc., an executive recruiting firm, has determined the salaries by the following process: 1) Discussions with employers, from presidents to personnel officers, nationally, in companies varying in geographic areas, number of employees, and sales volume; 2) Personal interviews and discussions with professionals in Direct Marketing and Telemarketing at all salary levels, working from coast to coast; 3) Analysis of information collected as a result of discussions with potential candidates nationally, with adjustments made for the “fudge” factor. Copies of the full salary guide with 52 functions and regional salary variations are available for $45 from Crandall Associates, Inc., 114 East 32nd St., Suite 1215, New York, NY 10016, (212)213-1700.

Circulation Director — Consumer Magazine

The marketing function in any organization represents one of life’s supreme challenges, but when a company’s every move is highlighted in the trade, and sometimes in the public press, the job takes on new dimensions. Enter the Circulation Director.

DUTIES: Part of a 3-legged executive stool with the editor and advertising manager, the circulation director builds the base on which the publication thrives or flounders. A marketing professional with profit and loss responsibilities, determines circulation budget and long and short term strategy, and usually serves as an advisor and consultant to the editor and publisher. Responsible for the identification of the target audience, circulation acquisition, marketing policy and pricing adjustments, creative strategy and implementation, renewals, newsstand sales, fulfillment and audits, in most cases ABC.

Years	Salary Range
1-3	$75,100.........$82,900
4-7	$80,200.........$89,600
7+	$86,800.......$102,100
Highest Reported Salary	$160,000

Circulation Manager — Consumer Promotion

The amazing fecundity of the human mind is evident in the activities of the Circulation Promotion Manager, diligently seeking to make substantive inroads to build circulation through the use of every promotional vehicle.

DUTIES: Involved in acquisition and retention programs, and works with the circulation director and/or manager; plans and executes promotions, utilizing all media, including direct mail, insert cards, gift subscriptions, take-ones, blow-in and bind-in cards, newsstand, television and space advertising. Tests and analyzes promotions. Deals with vendors to develop premiums. Frequently involved in list promotions to develop additional rental activity. Works with creative department and list specialists, computer service bureau, lettershops and production departments to insure scheduled mailings.

Years	Salary Range
1-3	$45,000.........$52,400
4-7	$49,200.........$54,300
7+	$50,200.........$61,100
Highest Reported Salary	$70,000

Circulation Manager — Trade Magazine

Squeezing blood from a stone is an easy task compared to the challenges handed to the Circulation Manager of trade magazines competing for the advertising dollar. And, of course, they are confined by audit regulations to a limited audience.

DUTIES: Yearly budget preparation and planning and execution of circulation acquisition programs, including creative, list selection, print orders and production and lettershop activities to ensure scheduled mailings. Front and back-end analysis of promotions. Knowledge of audit regulations, generally BPA. Qualification and reverification of paid and/or non-paid subscribers, preparation of audit materials for publisher’s statement, and the monitoring of telesales. Supervision of customer service and development of research information for editorial and advertising departments.

Years	Salary Range
1-3	$46,200.........$50,600
4-7	$49,600.........$59,600
7+	$57,800.........$66,300
Highest Reported Salary	$72,000

Circulation Manager — Newsletter

Each day the newsletter Circulation Manager goes home saying, “Well, at least we don’t have to worry about advertisers.” But that’s small solace when you worry daily about renewals and new subscribers.

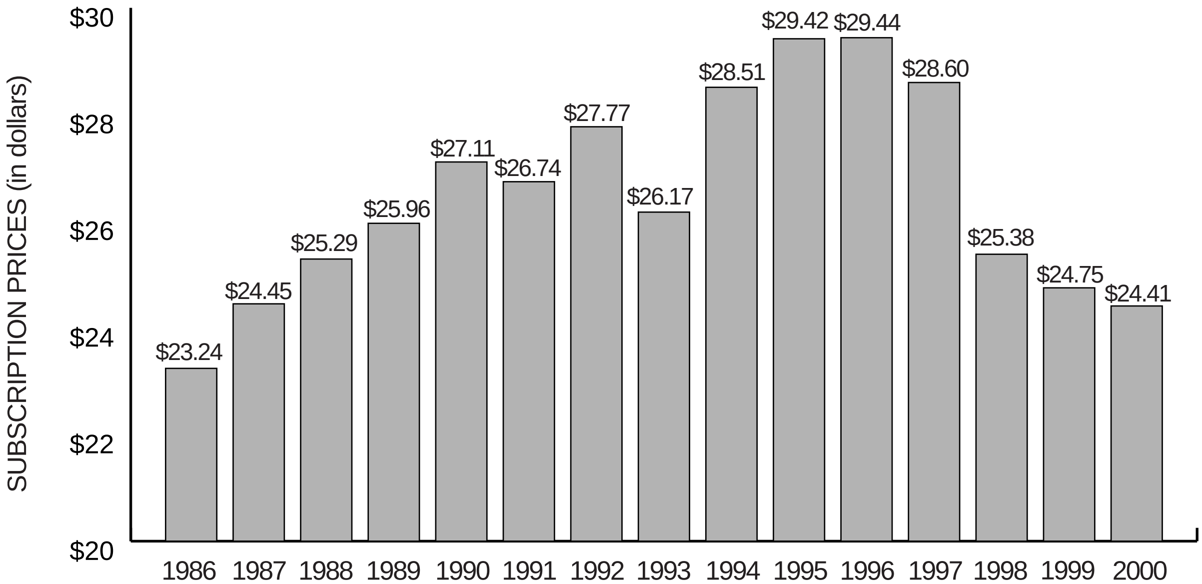
DUTIES: Full profit and loss responsibilities for a single, or multiple newsletters, generally highly specialized. Directs artists and copywriters, staff and/or free-lancers in the development of new packages for reader acquisition and renewal and billing series. Supervises production and lettershop activities to ensure mailing schedules and fulfillment procedures. Heavily involved in the search for affinity lists, compiled or response, for expansion of markets. Proficient in the analysis of promotion results, pricing of publication(s) and postal regulations. Supervises the telesales activities.

Years	Salary Range
1-3	$46,100.........$51,900
4-7	$45,100.........$54,300
7+	$51,500.........$59,800
Highest Reported Salary	$62,000

Source: Crandall Associates, 2001. * Information is absolutely copyright protected by Crandall Associates

SUBSCRIPTION PRICE TRENDS

Subscription prices continue to drop, having decreased 34 cents on average in 2000 from previous years.



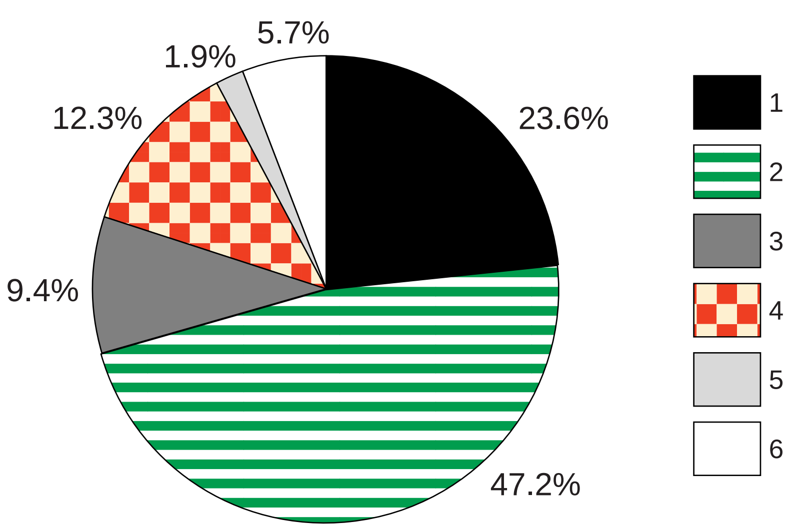
Source: Magazine Publishers of America, 2001.

METHODOLOGY — CIRCTRACK

On March 7, 2000, a total of 728 circulation executives at ABC-member consumer magazines were mailed an eight-page questionnaire. The sample was compiled from ABC consumer magazine paid circulation members, and BPA consumer magazine members with a minimum of 50% paid circulation. A total of 138 completed questionnaires (18.95%) were received.

NUMBER OF DIRECT MAIL CAMPAIGNS CONDUCTED — 1999

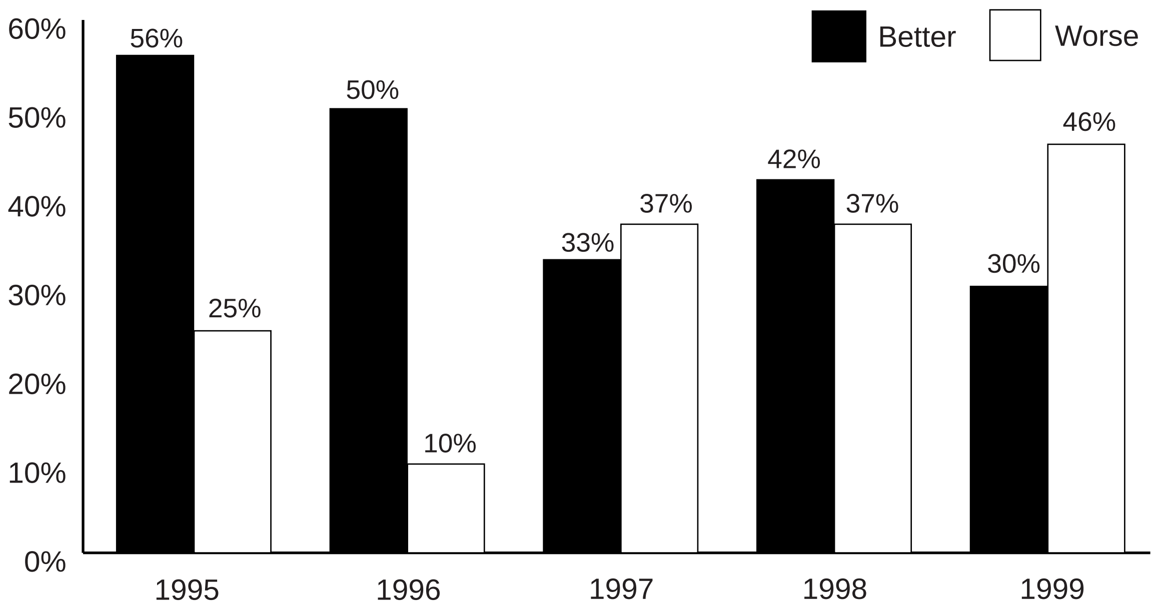
The average number of direct mail campaigns conducted in 1999 was 2.4, with almost 30% of respondents conducting three or more campaigns per year.



Source: Capell/Erdos & Morgan CircTrack 2000.

OVERALL RESPONSE TO YEAR-END MAILING VS. THAT OF PRIOR YEAR

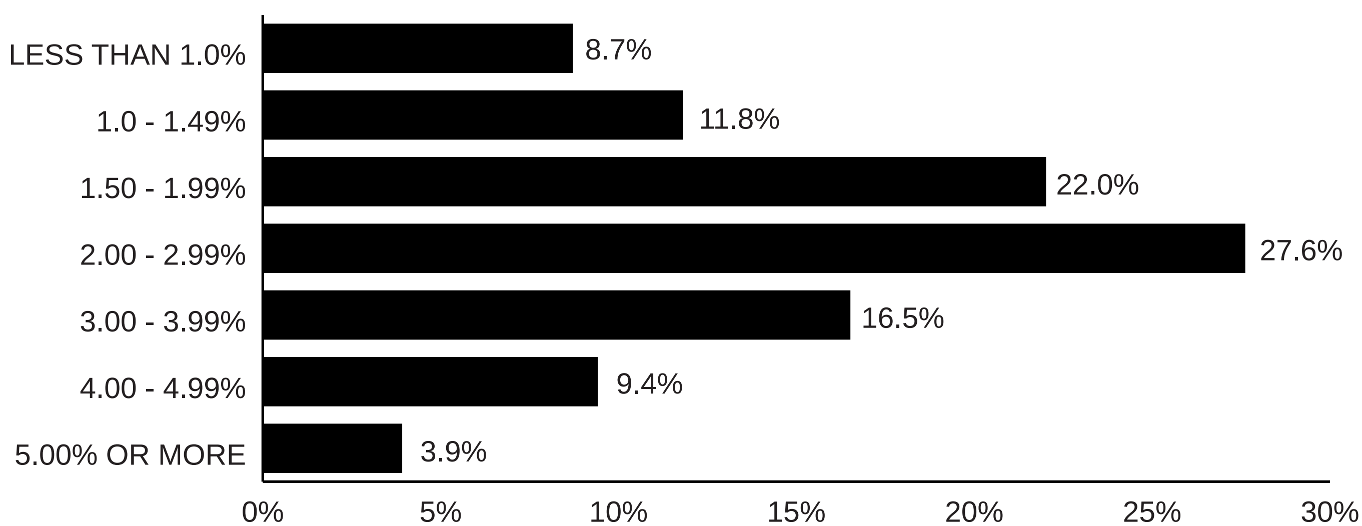
Overall response to year-end 1999 direct mail was mixed (30% reporting better than prior year-end mail and 46% reporting worse results).



Source: Capell/Erdos & Morgan CircTrack, 2000.

OVERALL GROSS PERCENT RETURN ON DIRECT MAIL — 1999

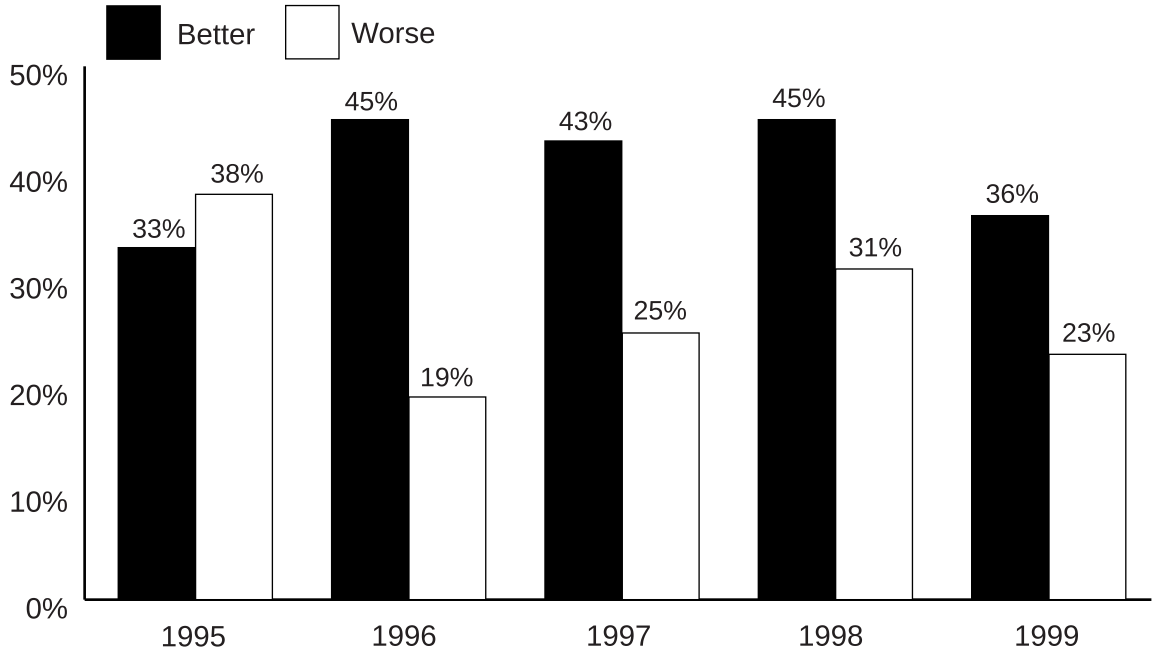
The average gross percent return for direct mail in 1999 was 2.52%, but 43% of respondents reporting under a 2% gross response (down significantly from 1997's average gross response rate of 4.4%).



Source: Capell/Erdos & Morgan CircTrack, Spring 2000.

INSERT CARD PERFORMANCE COMPARED TO PRIOR YEAR

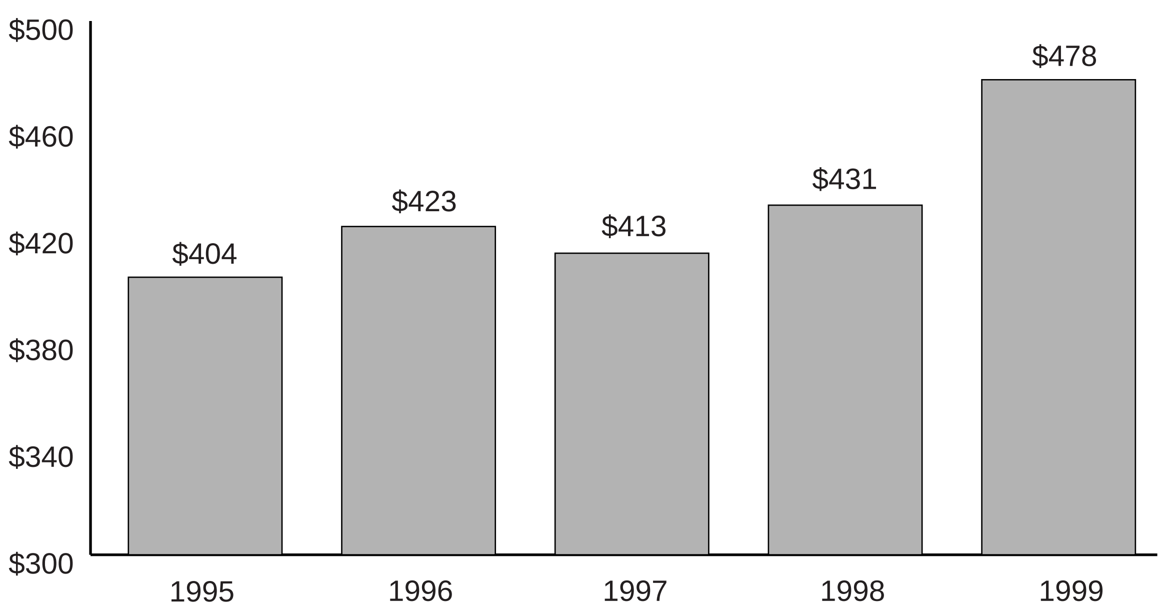
Thirty-six percent of respondents reported better insert card performance in 1999 — compared to 1998.



Source: Capell/Erdos & Morgan CircTrack 2000.

TOTAL CPM FOR DM CONTROL PACKAGE

The average in-the-mail cost per thousand for a direct mail control package was $478 in 1999, up 16% since 1997.



Source: Capell/Erdos & Morgan CircTrack 2000.

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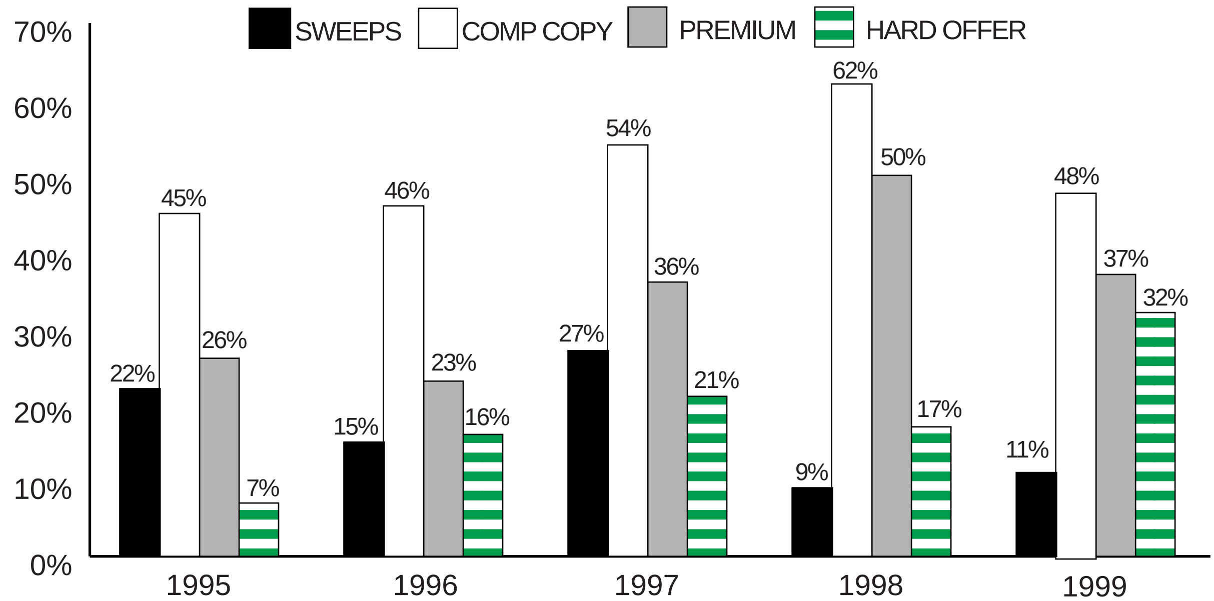
DIRECT MAIL CONTROL OFFER USED IN CONSUMER MAGAZINE MARKETPLACE

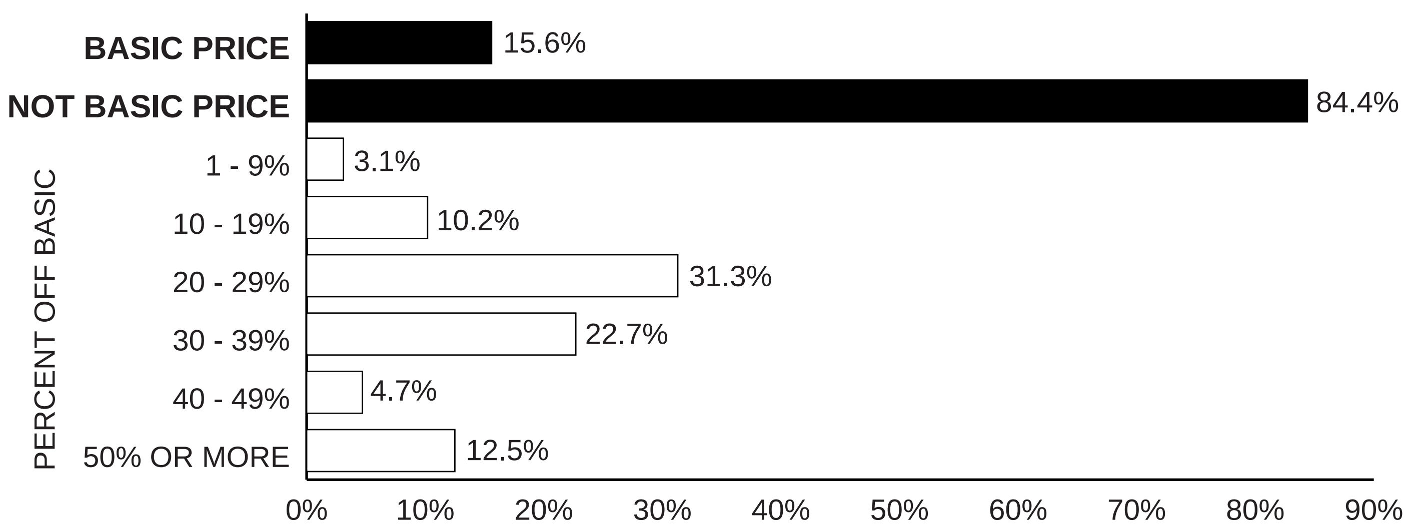
The use of sweepstakes, complimentary copy, premiums, hard offer as control offer decreased.



Source: Capell/Erdos & Morgan CircTrack 2000.

CURRENT DIRECT MAIL OFFER PRICE

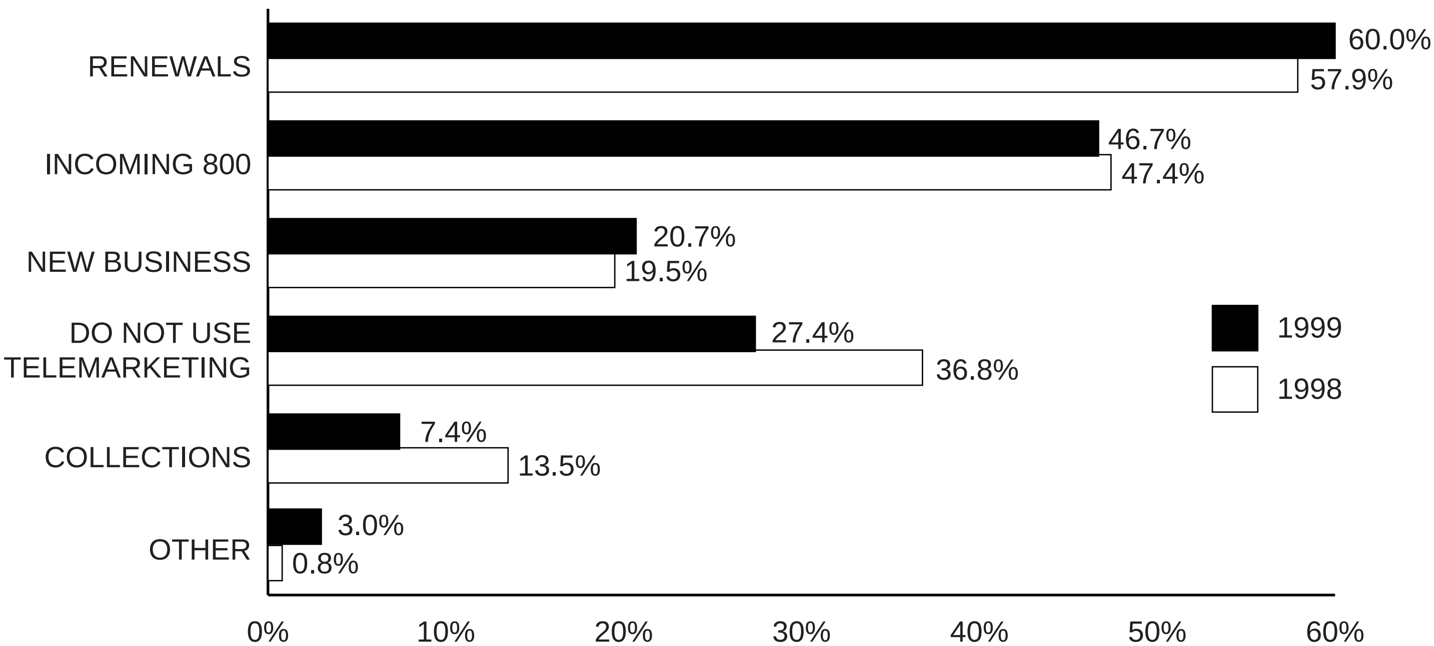
Only 16% of respondents use a basic (full price) offer in their direct mail. Of the 84% of respondents who discount off their basic price, the average discount is 30%.



Source: Capell/Erdos & Morgan CircTrack 2000.

USE OF TELEMARKETING

The use of telemarketing in the magazine marketplace increased in 1999.

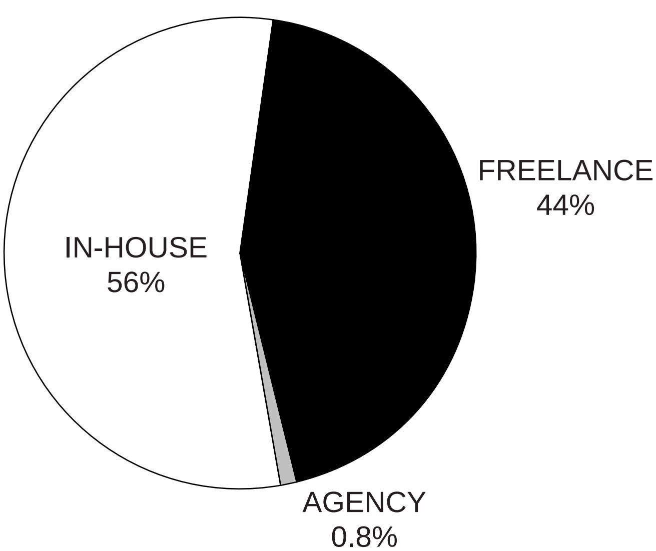


Note: Table does not add up to 100% due to multiplicity of response.

Source: Capell/Erdos & Morgan CircTrack 2000.

WRITER FOR CIRCULATION CREATIVE NEEDS

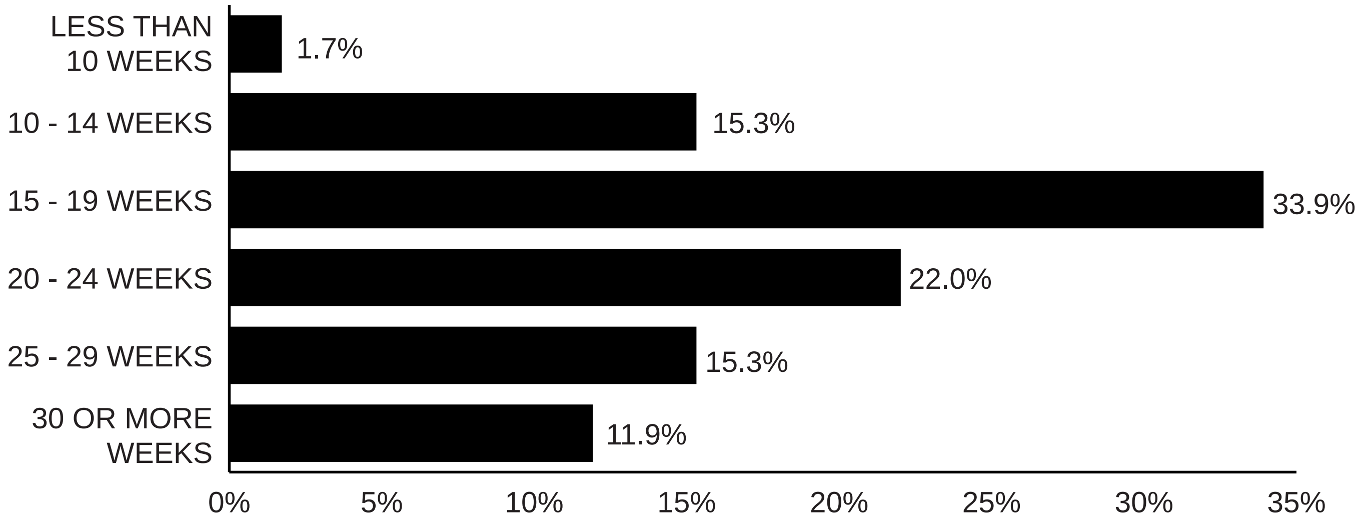
More than half of circulators reported that creative needs are handled in-house.



Source: Capell/Erdos & Morgan CircTrack 2000.

NUMBER OF WEEKS BEFORE EXPIRATION TO MAIL FIRST RENEWAL EFFORT

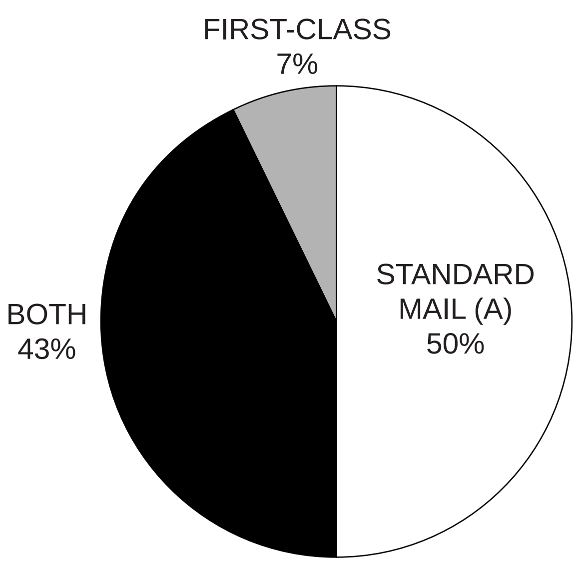
Nearly 50% of respondents mail their first renewal effort more than 20 weeks out from the expiration date.



Source: Capell/Erdos & Morgan CircTrack 2000.

POSTAGE USED FOR RENEWAL EFFORTS

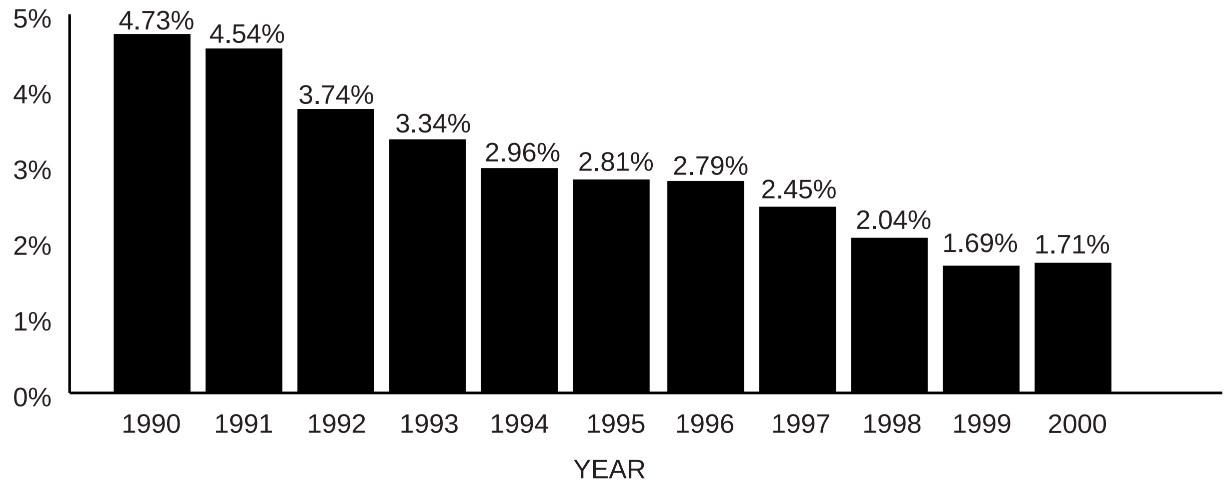
Only 7% of renewals are mailed first-class, while 50% of renewals are sent via Standard Mail (A).



Source: Capell/Erdos & Morgan CircTrack 2000.

MAIL ORDER SALES AS PERCENTAGE OF TOTAL BOOK INDUSTRY SALES: 1990–2000

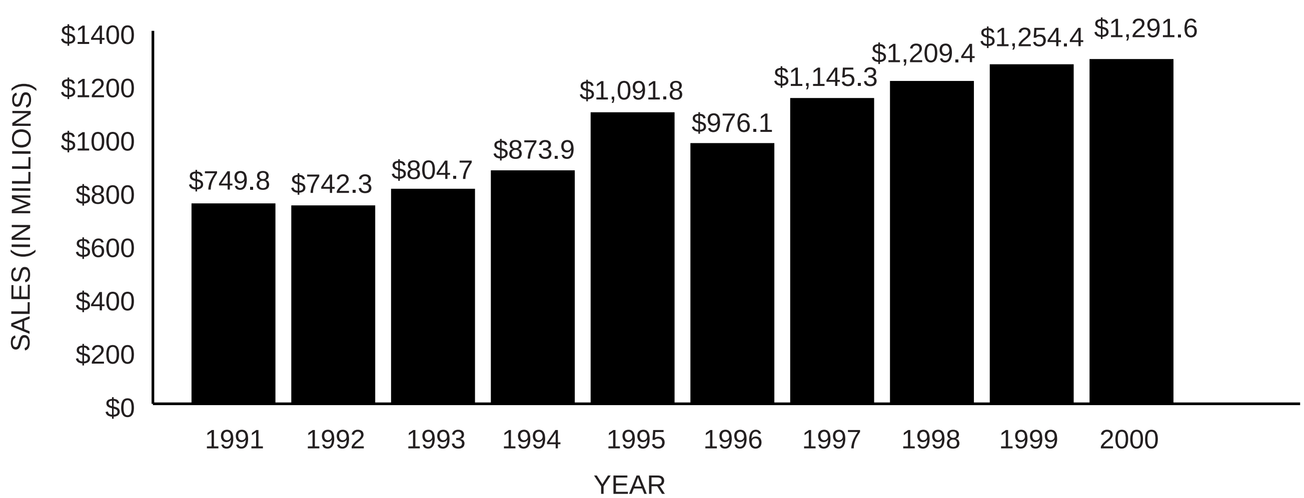
As a percentage of total book industry sales, mail order sales have decreased 63.8% from 1990 to 2000.



Source: Association of American Publishers, 2001.

ESTIMATED BOOK PUBLISHING INDUSTRY SALES VIA BOOK CLUBS

Book sales from book clubs have increased 58% since 1991.



Source: Association of American Publishers, 2001.

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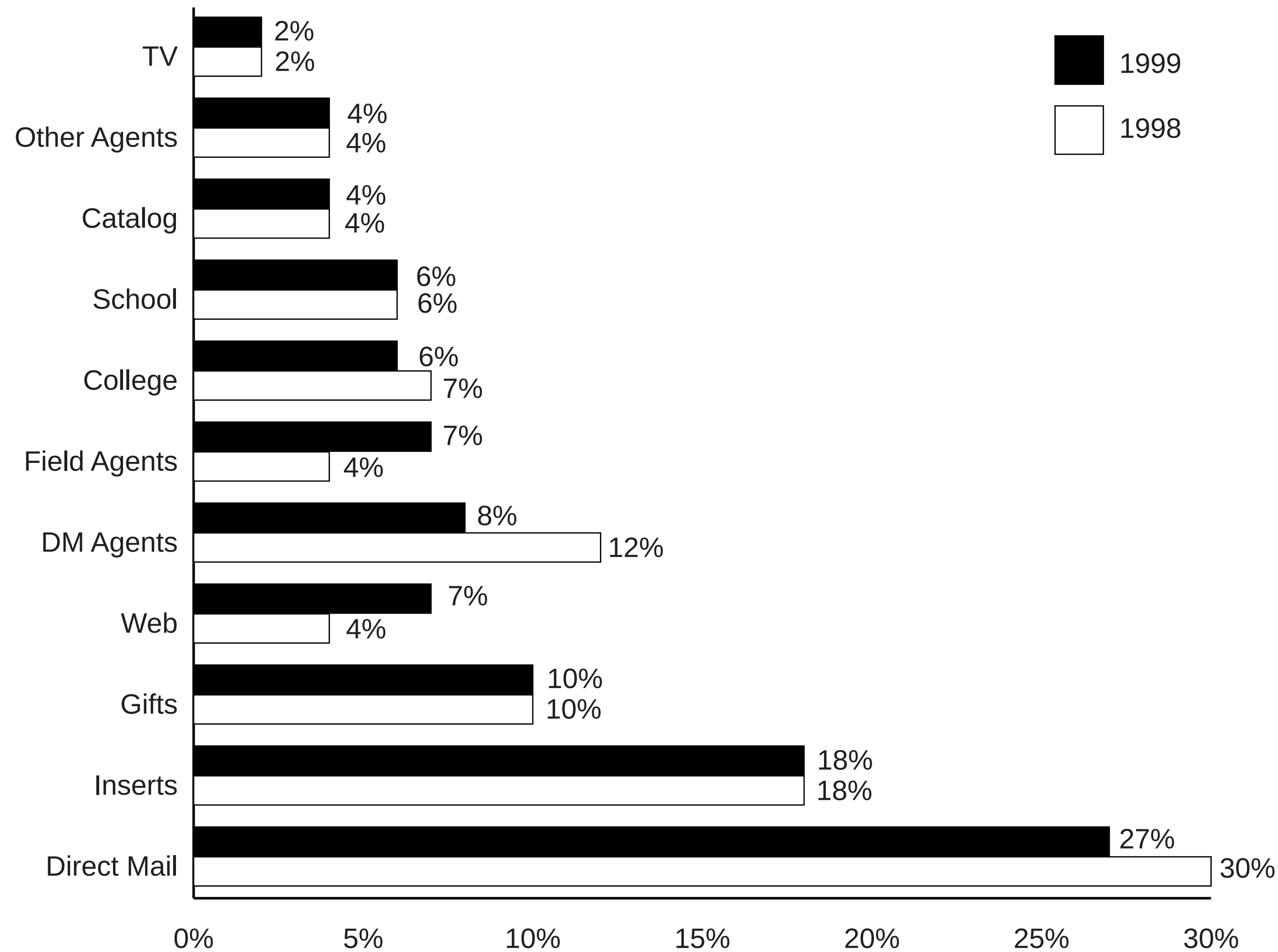
NEW BUSINESS SALES BY SOURCE

Respondents indicated that their reliance on direct mail declined in 1999, compared to 1998.



Source: Capell/Erdos & Morgan CircTrack 2000.

Non-Profit

Trends

Chapter Highlights

- Letter-size non-profit mail is the most read of all sizes.
- Non-profit newspapers/magazines are the most useful for readers (56.7%), followed by flyers (49.1%).
- In 1999 the portion of respondents immediately reading mail rose most significantly in the AARP category (36.7% to 62.4%).
- Over 31% of non-profit mail received by households is letter-sized.
- More than 50% of people who donate to charity do it by mail.
- In 2000, total giving reached an estimated $203.45 billion.
- Direct mail (59%) is still a very successful fund raising technique.

NON-PROFIT STANDARD MAIL (A) TREATMENT OF MAIL PIECE BY SHAPE

POSTAL YEARS 1987, 1998 AND 1999
AS PERCENTAGE OF MAIL RECEIVED BY HOUSEHOLDS

Not surprisingly, the results show that the types of mail read by multiple members of a household are newspapers and magazines, and flyers.

	Letter Size Envelope			Larger Than Letter Size Envelope			Postcard			Catalog Not in Envelope			Flyers			Newspapers/ Magazines		
	1987	1998	1999	1987	1998	1999	1987	1998	1999	1987	1998	1999	1987	1998	1999	1987	1998	1999
Read By Member of Household	48.9	44.8	46.7	49.1	40.7	46.8	61.1	43.6	42.6	43.2	32.6	31.9	54.2	41.0	43.3	38.5	43.7	41.6
Read By More Than One Member of Household*	N/A	9.9	9.8	N/A	9.9	9.8	N/A	9.2	8.6	N/A	11.2	4.9	N/A	14.3	11.5	N/A	14.7	15.6
Looked At	22.8	18.1	19.8	23.1	23.0	21.3	12.7	22.2	21.1	24.9	25.2	28.8	21.1	16.6	17.1	11.1	13.0	14.0
Discarded	11.2	14.0	11.9	9.6	14.1	12.5	13.2	15.3	9.3	10.9	16.6	15.8	11.2	12.3	15.1	5.9	8.8	10.7
Set Aside	6.6	3.4	2.4	9.0	3.8	3.3	2.1	1.3	0.7	14.4	7.9	11.8	6.8	7.0	3.5	13.4	7.5	6.3
Don't Know/No Answer	10.5	9.7	9.4	9.3	8.5	6.3	10.9	8.4	17.8	6.5	6.6	6.8	6.7	8.8	9.5	31.2	12.2	11.8

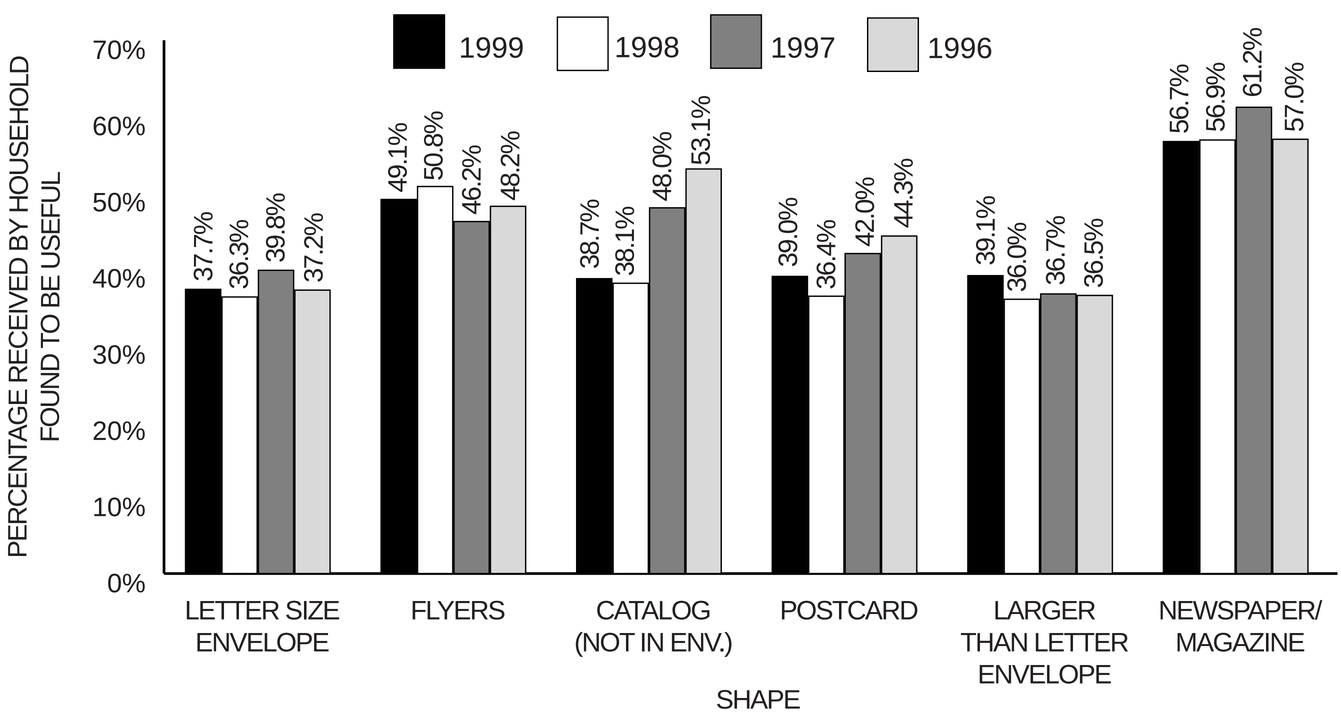
* This code was not presented in household diaries prior to 1992.

Source: USPS Household Diary Study, 2000.

NON-PROFIT STANDARD MAIL (A): USEFULNESS OF MAIL PIECE BY SHAPE

POSTAL YEARS 1996-1999
AS PERCENTAGE OF MAIL RECEIVED BY HOUSEHOLDS

Newspapers/magazines were judged to be the most useful by respondents.



Source: USPS Household Diary Study, 2000.

NON-PROFIT STANDARD MAIL (A) REACTION BY INDUSTRY

POSTAL YEARS 1996-1999

AS PERCENTAGE OF MAIL RECEIVED BY HOUSEHOLDS

In 1999, the proportion of respondents immediately reading mail rose most significantly in the AARP category.

	Percent Read Immediately				Percent Set Aside				Percent Found Useful			
	1999	1998	1997	1996	1999	1998	1997	1996	1999	1998	1997	1996
Medical	52.2	52.6	53.0	52.1	1.9	3.1	2.8	4.1	42.6	37.5	43.4	44.5
Union/Professional	64.9	52.5	59.5	62.4	4.7	9.9	6.8	6.5	54.6	49.8	56.9	60.1
Church	64.6	63.2	63.2	67.1	5.0	5.8	4.4	4.1	57.1	57.3	58.2	55.7
Veterans	58.8	57.6	55.7	64.2	2.0	3.1	2.5	4.2	38.0	33.5	33.8	41.6
Educational	48.8	55.7	51.7	55.5	4.2	4.7	8.2	4.8	44.1	48.5	48.7	49.6
Charities	57.9	48.3	53.1	51.5	2.1	3.2	3.4	4.0	34.7	25.8	33.2	29.6
Political	45.7	52.8	51.6	57.7	4.5	6.2	3.0	1.0	34.9	41.7	36.9	34.0
AARP*	62.4	36.7	46.9	58.9	2.8	14.2	4.2	0.0	50.5	32.1	45.5	40.9
Museum*	49.2	57.0	62.7	59.5	7.6	14.6	10.6	1.9	46.5	62.3	57.7	50.0
Non-Profit Publications	53.2	55.7	54.6	52.3	1.9	2.4	4.7	4.6	41.5	43.7	44.1	40.4
Total Mail Received by Households	**55.6**	**54.2**	**54.8**	**55.7**	**3.4**	**4.7**	**4.7**	**4.0**	**42.2**	**41.4**	**43.7**	**42.3**

* Fluctuations may be due to small sample sizes.

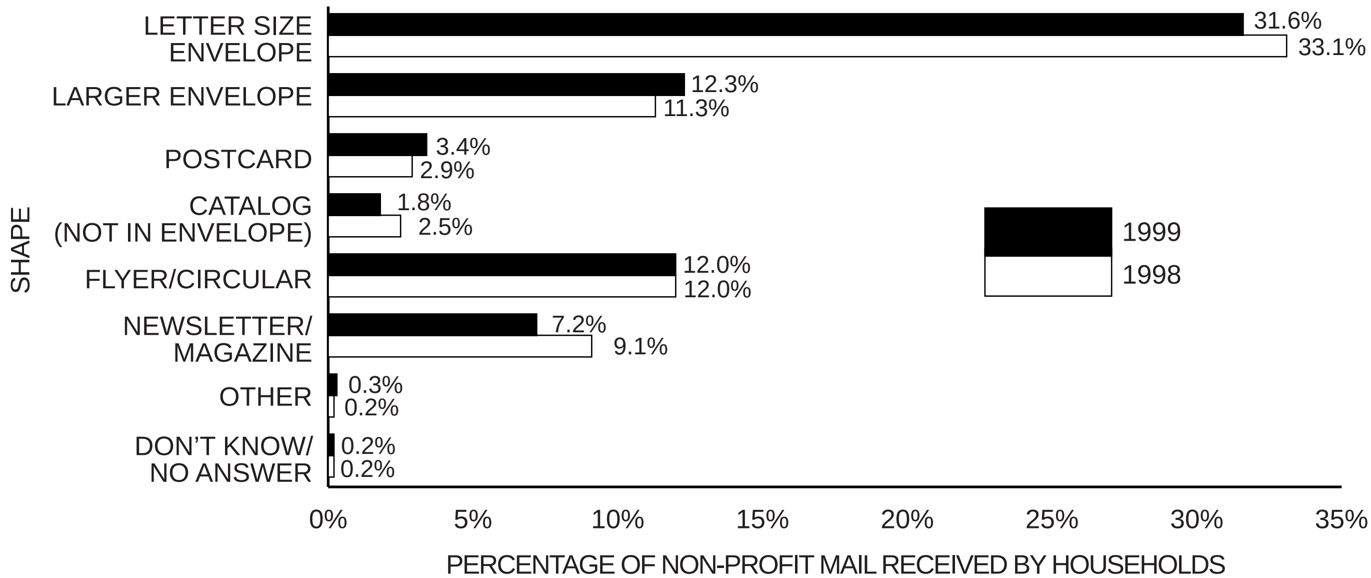
Source: USPS Household Diary Study, 2000.

NON-PROFIT STANDARD MAIL (A) RECEIVED BY HOUSEHOLDS BY SHAPE

POSTAL YEAR 1999 VS. 1998

AS PERCENTAGE OF NON-PROFIT MAIL RECEIVED

Over 31% of respondents note the Standard Mail (A) non-profit they receive is via a letter-size envelope.



Source: USPS Household Diary Study, 2000.

NON-PROFIT STANDARD MAIL (A) CONTENT BY INDUSTRY

POSTAL YEARS 1987, 1998, AND 1999

AS PERCENTAGE OF MAIL RECEIVED BY HOUSEHOLDS

In 1999, consumers received more non-profit mail from almost every category than they did in 1987.

	Advertising			Fund Request			Other			Don't Know/No Answer		
	1987	**1998**	**1999**	**1987**	**1998**	**1999**	**1987**	**1998**	**1999**	**1987**	**1998**	**1999**
Medical	27.5	39.2	36.0	18.0	21.3	18.2	43.0	36.7	39.7	11.4	2.8	6.0
Union/Professional	28.5	35.0	29.1	21.3	25.7	32.4	40.8	34.0	30.8	9.4	5.3	7.8
Church	14.7	20.7	20.0	30.5	39.6	37.9	44.8	31.7	37.7	10.0	8.0	4.4
Veterans	18.4	15.6	12.8	42.7	62.1	64.5	31.4	17.7	17.2	7.6	4.5	5.5
Educational	35.6	48.3	49.1	14.7	12.7	14.9	41.6	34.4	33.2	8.0	4.6	2.9
Charities	7.7	8.7	7.4	79.3	84.0	87.0	6.8	4.6	4.5	6.2	2.6	1.1
Political	4.3	6.7	7.7	28.1	51.6	25.7	56.2	38.0	64.2	11.4	3.7	2.4
AARP*	65.8	63.6	56.4	7.6	5.9	6.2	13.9	19.1	25.0	12.7	11.4	12.4
Museum*	60.5	59.1	51.2	16.9	17.8	17.7	15.7	16.7	21.2	6.9	6.3	9.9
Non-Profit Publication	62.4	82.5	77.0	3.7	9.0	7.0	19.0	5.5	11.3	14.9	3.0	4.7
Total Mail Received By Households	**26.3**	**31.8**	**28.3**	**34.0**	**43.1**	**43.8**	**29.4**	**19.9**	**22.9**	**10.3**	**5.2**	**5.0**

* Fluctuations may be due to small sample sizes.

Source: USPS Household Diary Study, 2000.

NON-PROFIT STANDARD MAIL (A) USAGE BY INDUSTRY

POSTAL YEARS 1987, 1998, AND 1999

Total Standard Mail (A) usage has increased most notably in the other social/charitable/political/non-profit category.

	Total Non-Profit			Total Non-Carrier Route Non-Profit			Total Carrier Route Non-Profit		
Percentage of:	**1987**	**1998**	**1999**	**1987**	**1998**	**1999**	**1987**	**1998**	**1999**
Medical	2.2	3.8	3.1	1.7	1.9	1.9	3.8	11.2	7.8
Union/Professional	5.3	3.2	3.6	5.8	3.2	3.6	3.5	2.9	4.1
Church	15.6	10.8	11.0	17.8	11.2	11.7	7.6	9.0	8.3
Veterans	2.8	3.7	2.7	2.7	3.5	2.5	2.9	4.1	3.4
Educational	12.9	10.1	8.7	12.9	8.3	7.0	12.8	17.5	15.2
Charities	16.2	14.3	12.1	17.3	14.9	13.2	11.8	12.0	8.0
Political	2.3	1.9	3.3	2.0	1.6	2.5	3.8	3.1	6.4
AARP	1.6	0.7	0.8	1.6	0.7	0.8	1.6	0.6	0.5
Museum	0.6	0.7	0.6	0.5	0.6	0.5	0.6	1.0	0.9
Non-Profit Publication	7.0	6.5	5.0	6.9	5.6	4.8	7.5	10.4	6.2
Other Social/Charitable/Political/Non-Profit	12.0	15.2	17.5	12.2	14.9	18.3	11.5	15.9	14.1
Not From One Organization	1.3	0.5	0.4	1.2	0.3	0.3	2.0	1.2	0.7
Total Mail Received by Households	**79.6**	**71.2**	**68.7**	**82.4**	**66.8**	**66.9**	**69.3**	**88.9**	**75.5**

Source: USPS Household Diary Study, 2000.

NON-PROFIT STANDARD MAIL (A) INDUSTRY BY SHAPE

POSTAL YEARS 1987, 1998, AND 1999

AS PERCENTAGE OF PIECES

A large portion of mail from charities consisted of letter and larger-than-letter size envelopes -- 92% in 1999.

	Letter Size Envelope			Larger Than Letter Size Envelope			Postcard			Catalog Not in Envelope			Flyers			Newspapers/ Magazines		
	1987	**1998**	**1999**	**1987**	**1998**	**1999**	**1987**	**1998**	**1999**	**1987**	**1998**	**1999**	**1987**	**1998**	**1999**	**1987**	**1998**	**1999**
Medical	29.1	25.0	24.9	10.0	8.7	12.3	7.4	6.8	7.1	10.0	3.4	1.9	35.2	27.5	28.4	4.9	28.6	24.5
Union/Professional	37.9	35.6	36.0	12.1	11.8	17.7	3.2	3.0	3.4	4.8	3.0	4.4	33.6	26.6	24.8	6.5	19.2	12.5
Church	43.4	47.4	42.8	8.6	9.3	10.4	2.3	3.2	6.1	3.0	1.3	1.0	35.9	21.7	21.3	5.6	16.8	18.2
Veterans	48.9	52.0	42.9	11.3	26.3	34.0	6.5	9.6	11.8	6.7	0.2	0.5	18.1	3.8	3.0	5.6	7.9	7.2
Educational	27.3	21.3	22.6	9.0	6.0	9.1	1.8	4.7	6.8	12.2	7.3	6.2	44.8	35.4	35.1	3.9	24.6	19.5
Charities	80.1	71.0	69.9	9.3	18.1	22.1	1.5	2.5	2.9	1.2	0.8	0.4	6.9	5.0	2.9	0.5	2.2	2.6
Political	28.9	44.1	27.7	13.6	18.3	12.6	3.0	9.9	6.2	0.6	0.0	1.1	52.6	22.9	47.3	0.7	4.9	4.5
AARP	79.3	47.2	34.9	11.0	33.5	47.2	4.2	0.0	3.1	0.9	0.0	0.0	2.7	4.0	5.4	2.0	15.2	7.3
Museum	49.0	30.1	31.9	14.9	17.5	22.1	5.9	9.0	6.2	19.7	13.3	16.2	8.9	20.7	15.9	0.5	9.4	7.7
Non-Profit Publication	30.6	46.8	40.7	28.6	28.0	30.5	1.9	2.8	2.7	5.1	3.9	3.7	11.4	7.7	8.5	19.7	9.9	12.8

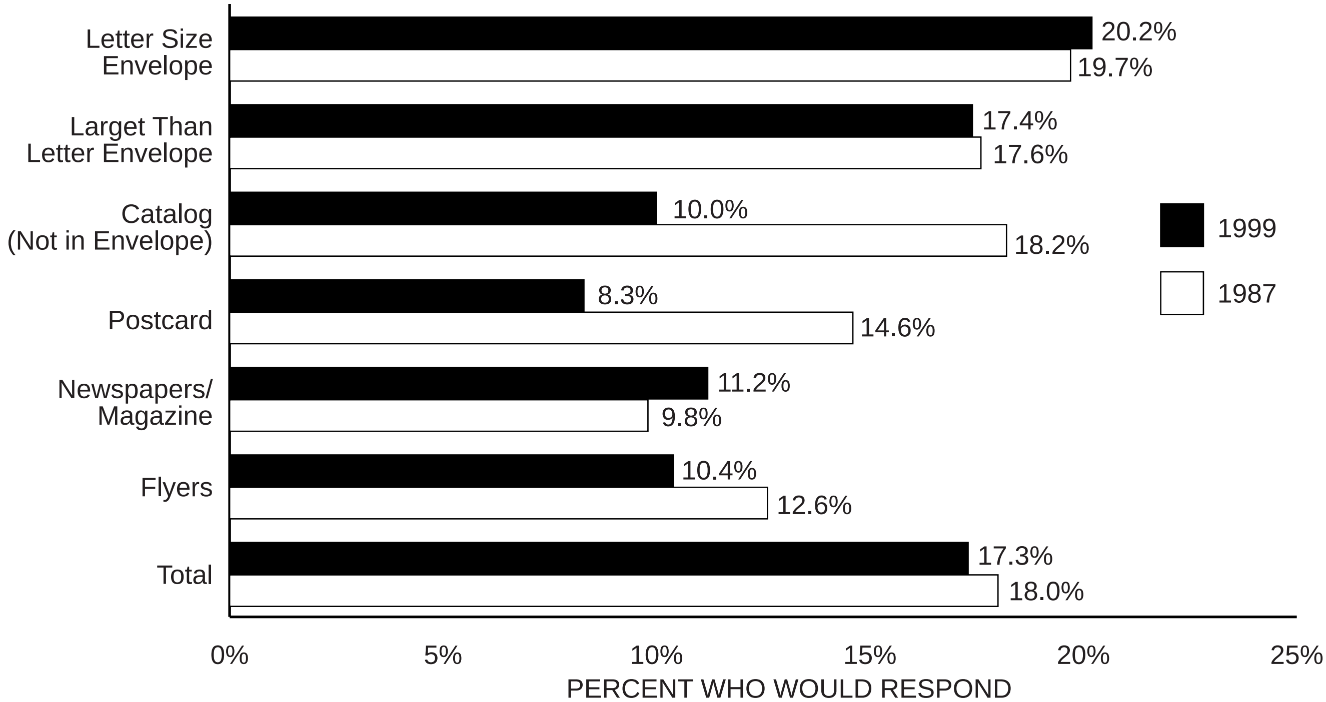
Source: USPS Household Diary Study, 2000.

NON-PROFIT STANDARD MAIL (A) RESPONSE TO ADVERTISING BY SHAPE

POSTAL YEARS 1987 AND 1999

(IF MAIL PIECE CONTAINED ADVERTISING OR REQUEST FOR DONATION)

Non-profit Standard Mail (A) letter size envelopes were most likely to inspire a response in 1999, followed closely by larger than letter envelopes.

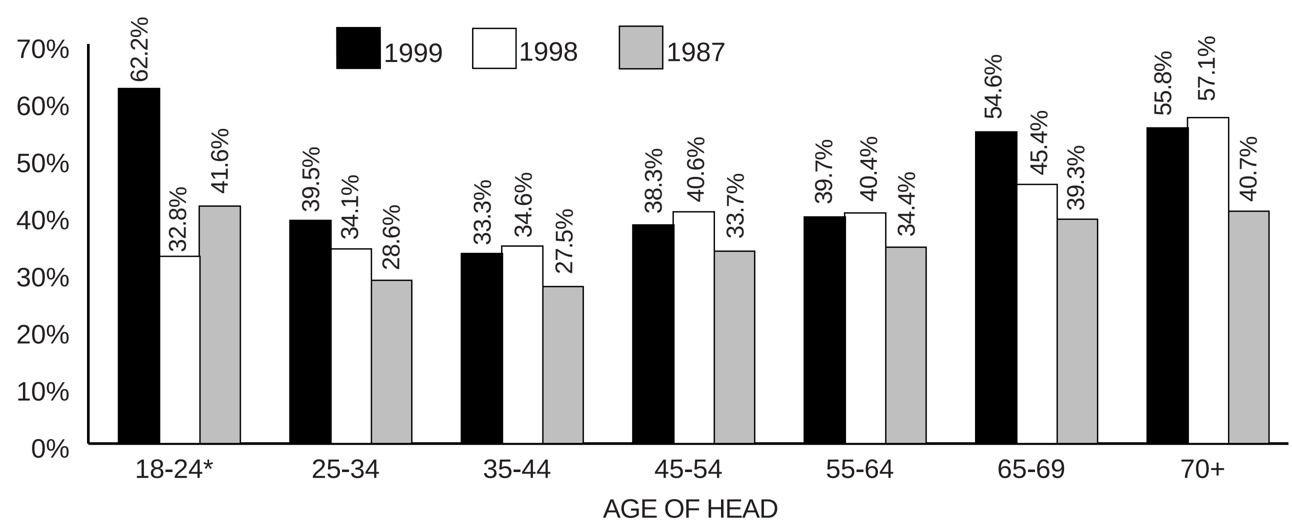


Source: USPS Household Diary Study, 2000.

PERCENT OF NON-PROFIT STANDARD MAIL (A) CONTAINING A REQUEST FOR DONATIONS BY AGE OF HOUSEHOLD HEAD

POSTAL YEARS 1987, 1998, AND 1999

In 1999, mail sent to households with heads 18-24 years old and up contained more requests for donations than other age groups.



* Fluctuations may be due to small sample sizes.

Source: USPS Household Diary Study, 2000.

WAYS IN WHICH PEOPLE DONATE TO CHARITY

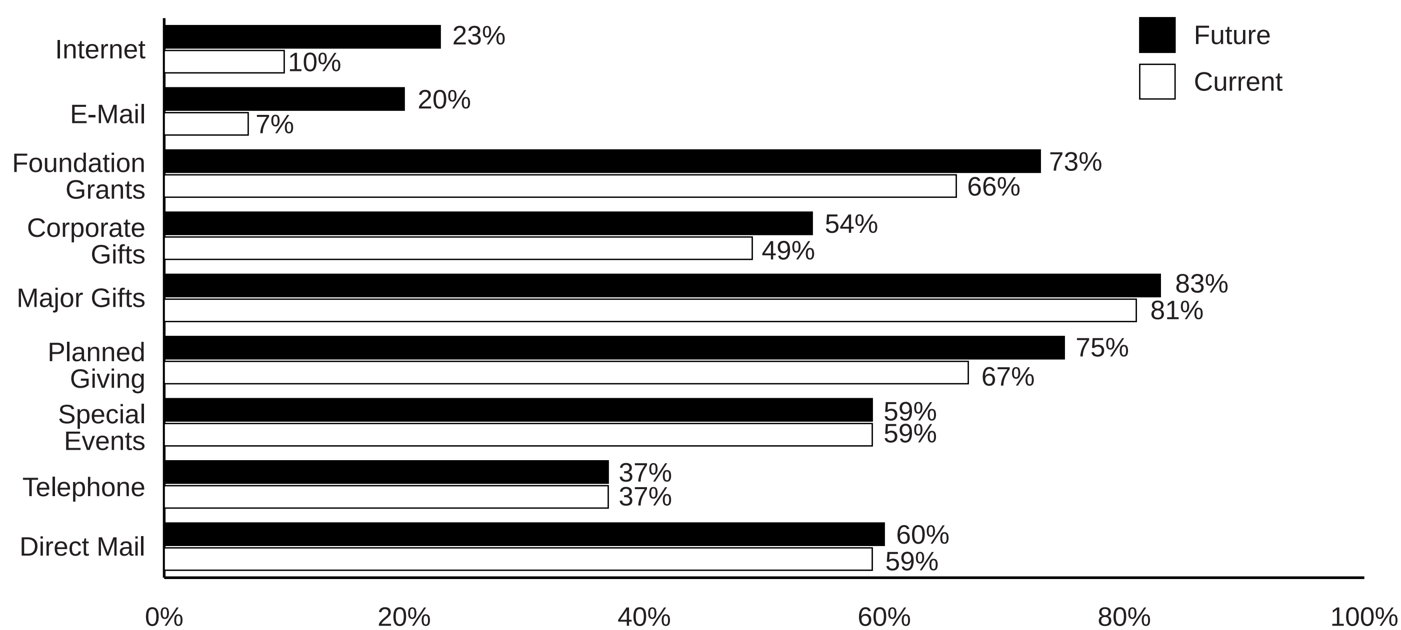
This table presents findings of a telephone survey conducted among a national probability sample of 1,010 adults comprising 505 men and 505 women 18 years of age and older. More than 50% of people donate to charity by mail.

Ways	Total	%	Male	%	Female	%
Unweighted Total	1,010		505		505	
Weighted Total	1,000		480		520	
Any (Net)	593	59%	261	54%	332	64%
Mail	508	51%	224	47%	284	55%
Phone	177	18%	68	14%	109	21%
Internet	19	2%	15	3%	4	1%
Do Not Donate to Charity	180	18%	105	22%	75	14%
Don't Know/None of These	227	23%	114	24%	113	22%

Source: The Direct Marketing Association, September 2000.

PERCENT OF RESPONDENTS WHO RATED FUND RAISING TECHNIQUES AS SUCCESSFUL OR SOMEWHAT SUCCESSFUL - DECEMBER 2000

Direct mail (59%) is still a very successful fund raising technique.

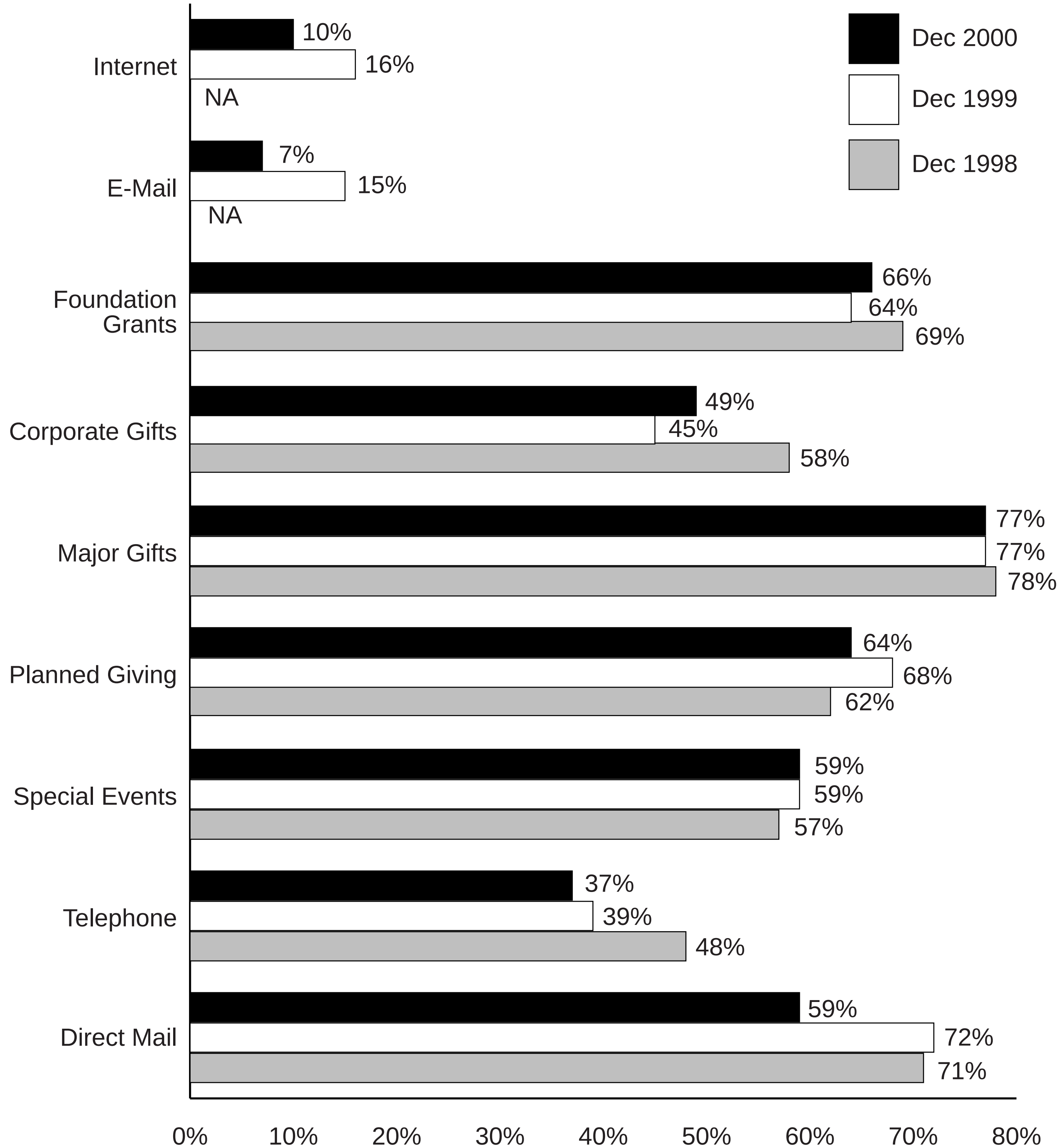


Source: The Center on Philanthropy at Indiana University, 2000.

THE DMA Direct Marketing Association

COMPARISON OF REPORTED SUCCESS OF TECHNIQUES: DECEMBER 1998 TO DECEMBER 2000

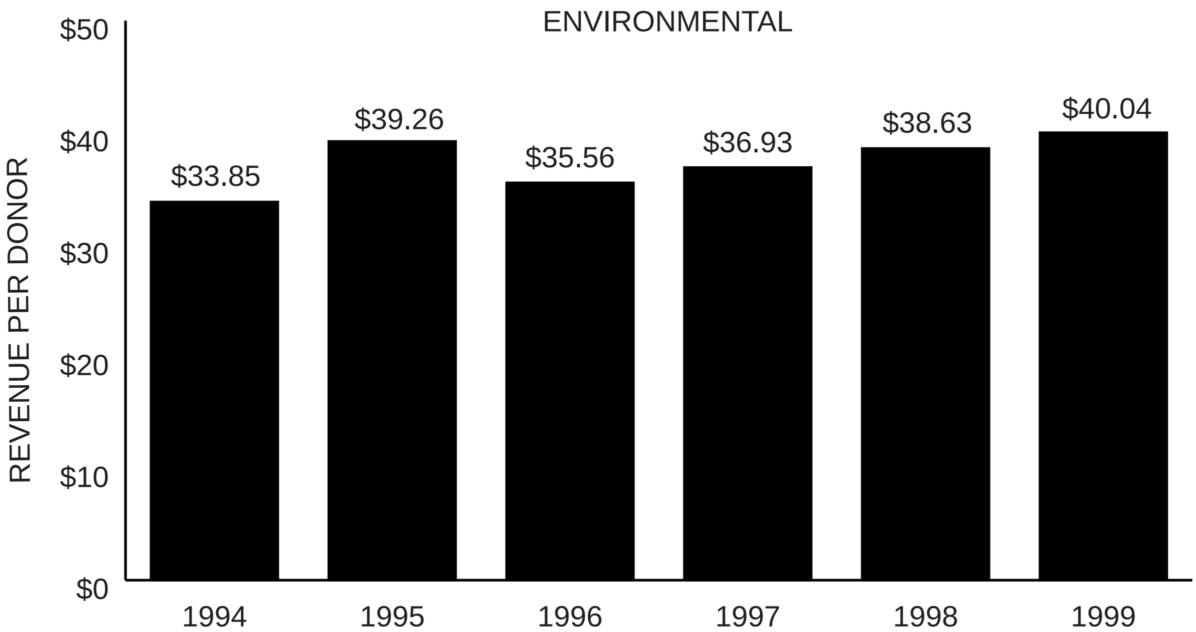
Usage of direct mail as a fund raising technique is still used by 60% of fundraisers.

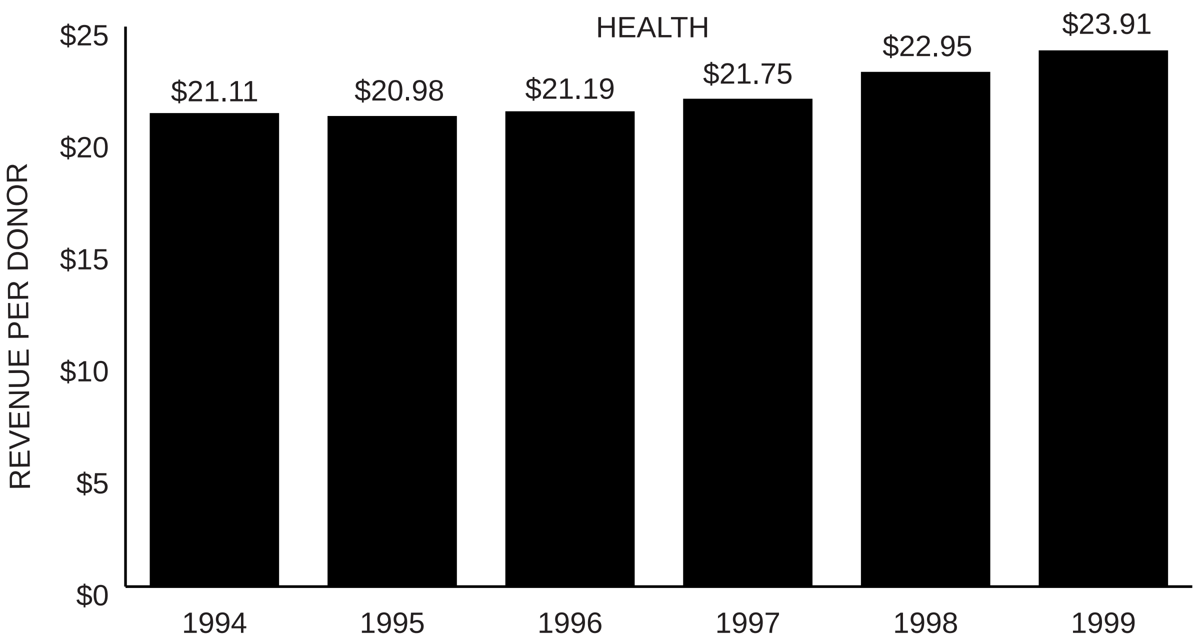


Source: The Center on Philanthropy at Indiana University, 2000.

REVENUE PER DONOR BY FISCAL YEAR

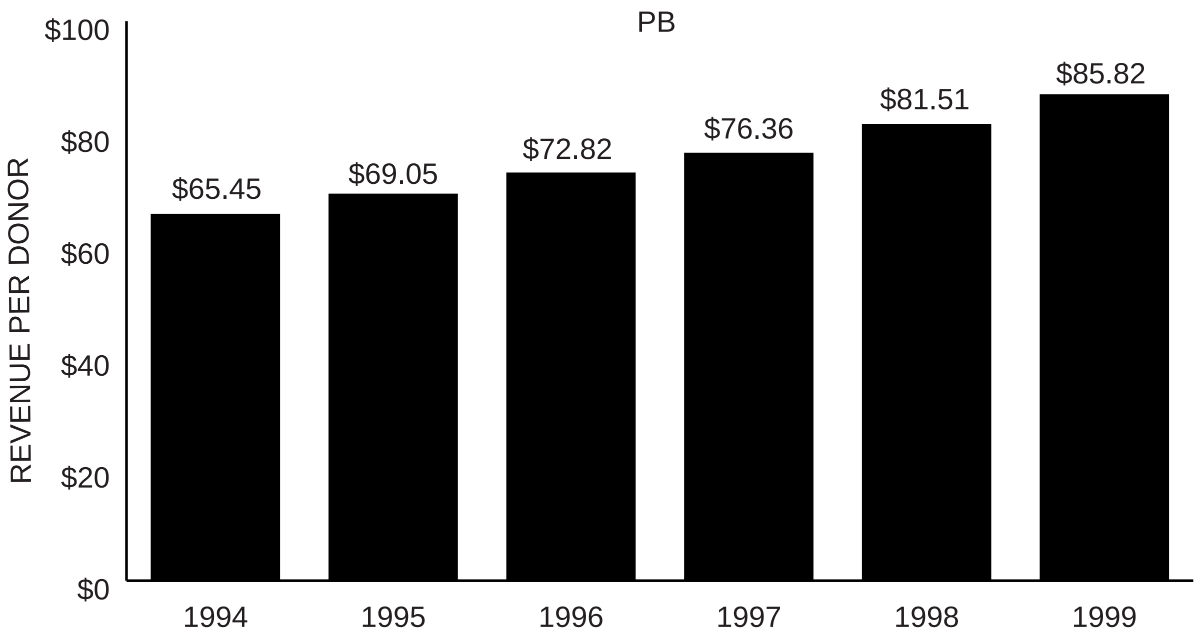
For all industries, the revenue per donor increased from 1998 to 1999.

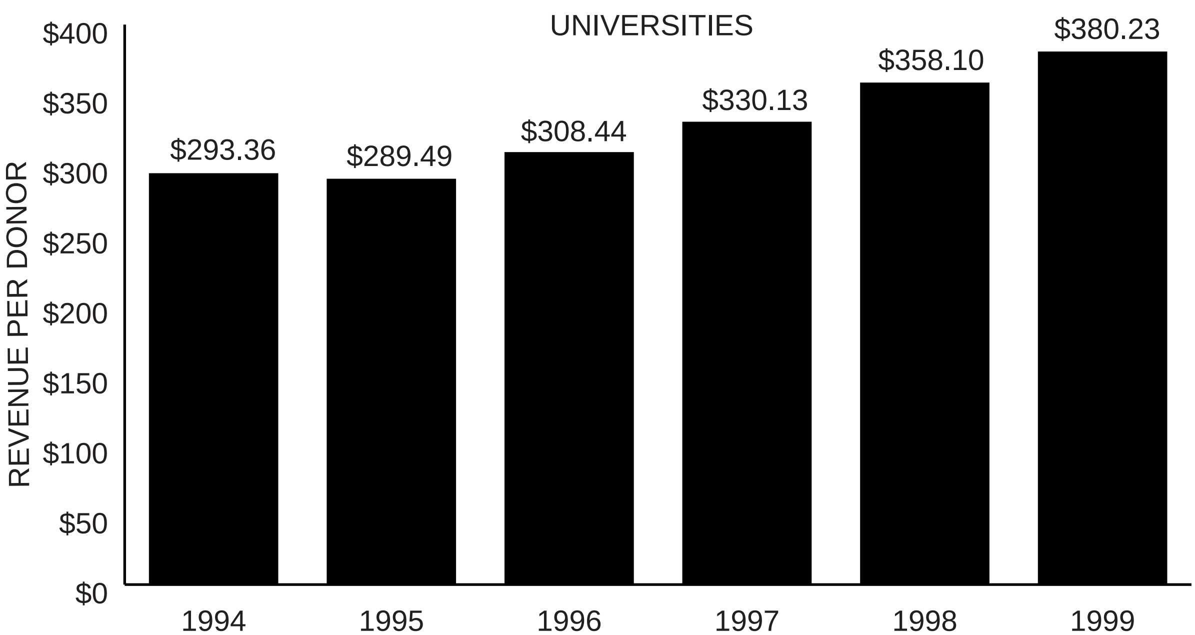




Source: 2000 Target Analysis Group, Inc.

REVENUE PER DONOR BY FISCAL YEAR (CONTINUED FROM PREVIOUS PAGE)

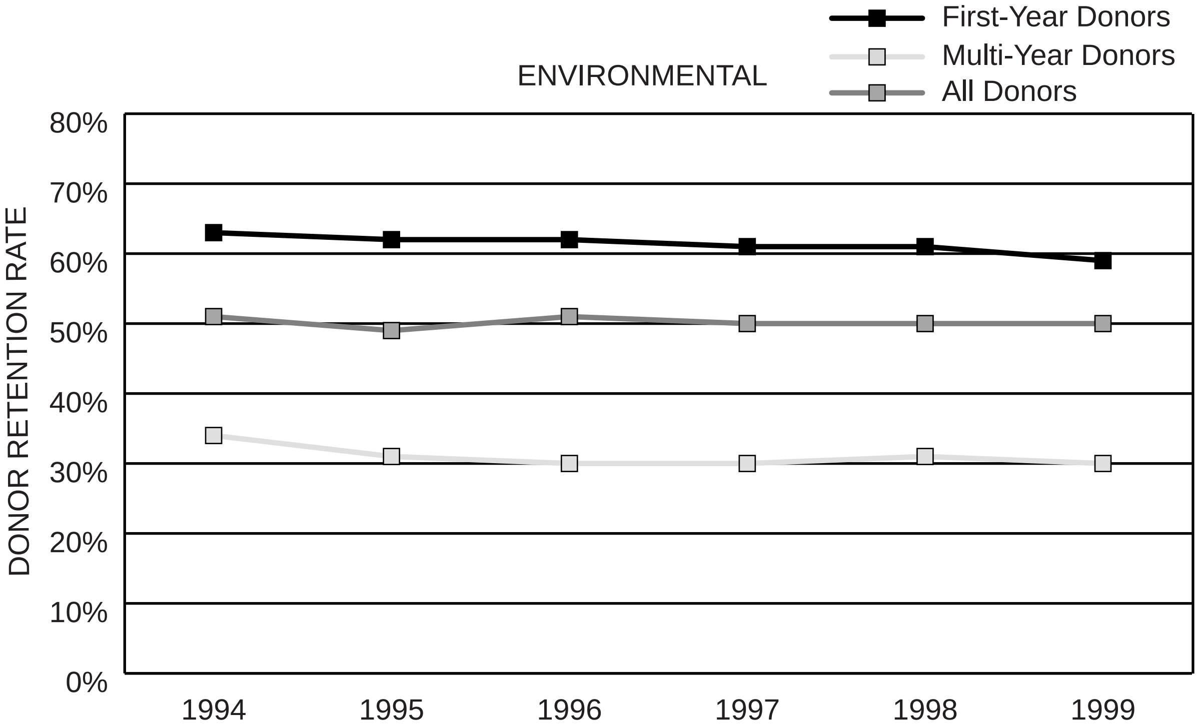


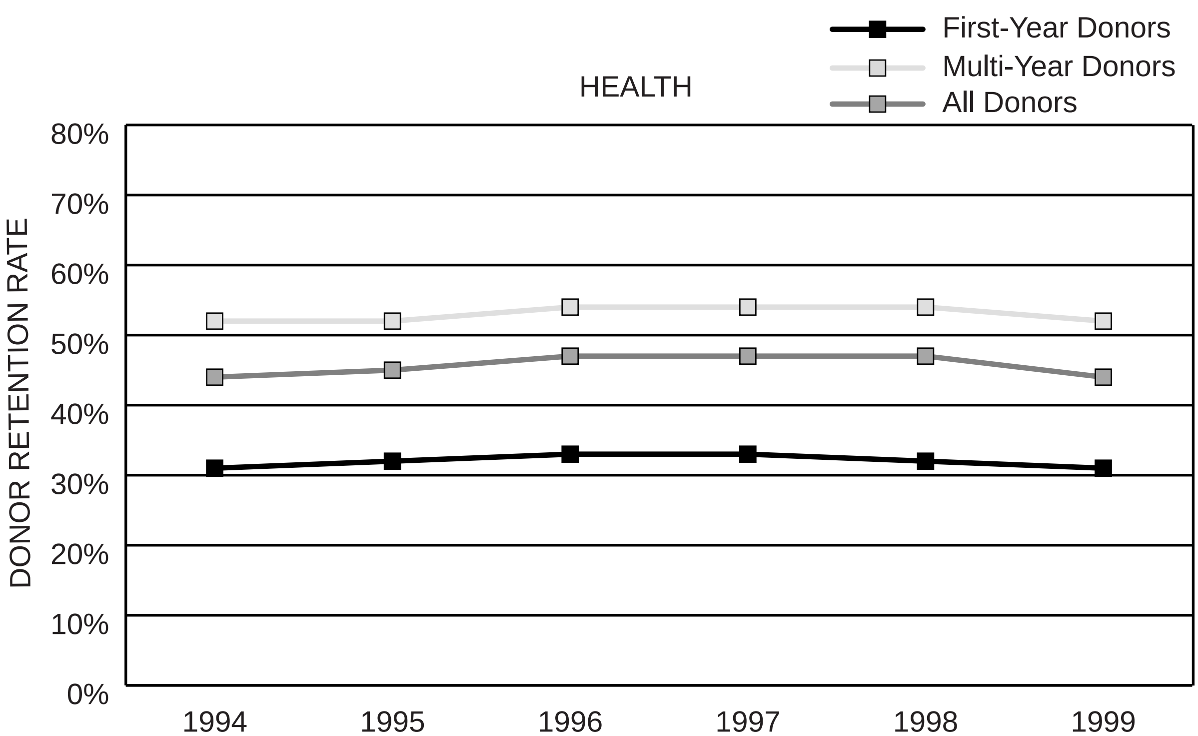


Source: 2000 Target Analysis Group, Inc.

DONOR RETENTION RATE FOR FIRST-YEAR AND MULTI-YEAR DONORS BY FISCAL YEAR

The donor retention rates for Multi-Year Donors are higher than for First Year-donors.





Source: 2000 Target Analysis Group, Inc.

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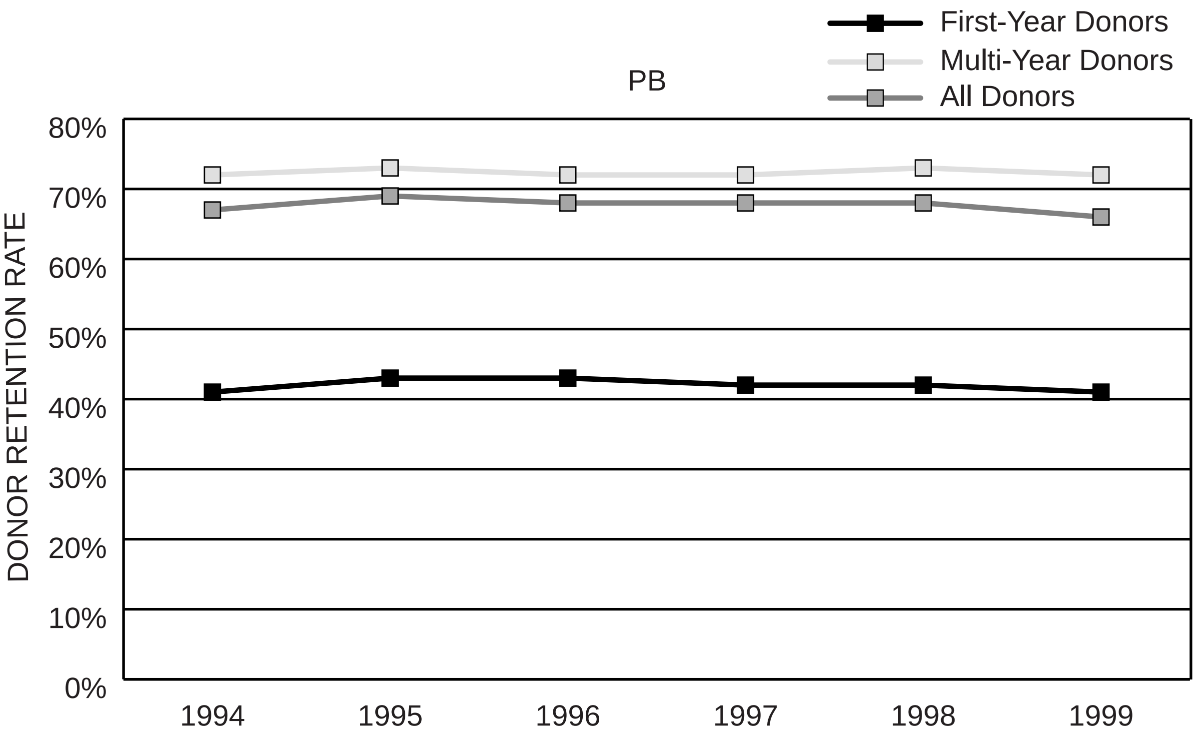
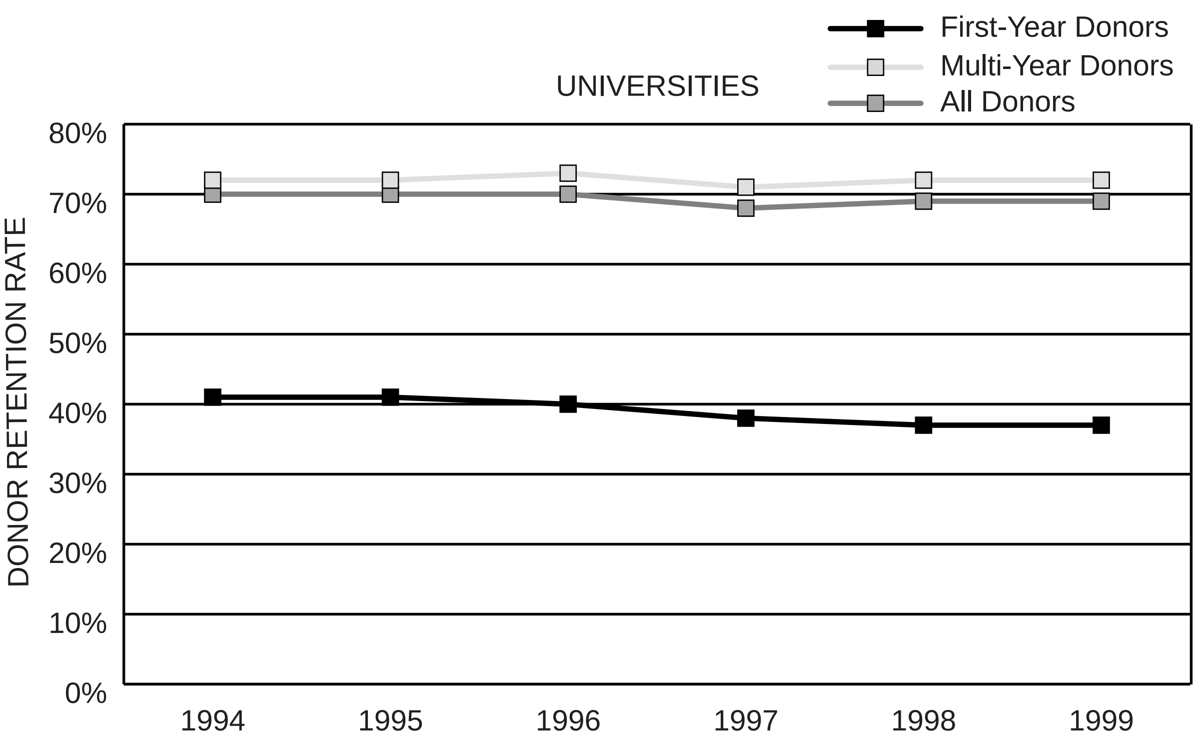
DONOR RETENTION RATE FOR FIRST-YEAR AND MULTI-YEAR DONORS BY FISCAL YEAR (CONTINUED FROM PREVIOUS PAGE)

The donor retention rates for Multi-Year Donors are higher than for First Year-donors.





Source: 2000 Target Analysis Group, Inc.

NON-PROFIT DIRECT MARKETING EXPENDITURES AND REVENUE BY INDUSTRY

EDUCATIONAL SERVICES — SIC 82

Over the next five years, the compound annual growth rate in non-profit educational services sales revenue and expenditures is predicted to be greatest in radio, at 10.46 percent per year and 9.00 percent per year, respectively.

Media		Market	1995	2000	2005	Compound Annual Growth '95-'00	Compound Annual Growth '00-05
All Media	**Sales Revenue**	**Total**	**$14,114**	**$22,671**	**$35,359**	**9.94%**	**9.30%**
Magazine	**Sales Revenue**	**Total**	**$1,695**	**$2,785**	**$4,253**	**10.44%**	**8.84%**
Direct Mail	**Sales Revenue**	**Total**	**$1,907**	**$2,897**	**$4,551**	**8.72%**	**9.45%**
Newspaper	**Sales Revenue**	**Total**	**$2,112**	**$3,355**	**$5,261**	**9.70%**	**9.41%**
Other	**Sales Revenue**	**Total**	**$537**	**$905**	**$1,708**	**11.00%**	**13.54%**
Radio	**Sales Revenue**	**Total**	**$856**	**$1,617**	**$2,659**	**13.57%**	**10.46%**
Telephone	**Sales Revenue**	**Total**	**$5,871**	**$9,057**	**$13,550**	**9.06%**	**8.39%**
Television	**Sales Revenue**	**Total**	**$1,136**	**$2,055**	**$3,262**	**12.59%**	**9.68%**
All Media	Sales Revenue	Consumer	$13,471	$21,458	$33,187	9.76%	9.11%
Magazine	Sales Revenue	Consumer	$1,620	$2,639	$3,489	12.25%	8.61%
Direct Mail	Sales Revenue	Consumer	$1,838	$2,774	$4,317	8.58%	9.25%
Newspaper	Sales Revenue	Consumer	$2,038	$3,216	$4,997	9.55%	9.21%
Other	Sales Revenue	Consumer	$511	$855	$1,771	10.84%	15.68%
Radio	Sales Revenue	Consumer	$812	$1,519	$2,469	13.34%	10.20%
Telephone	Sales Revenue	Consumer	$5,559	$8,495	$12,512	8.85%	8.14%
Television	Sales Revenue	Consumer	$1,092	$1,960	$3,082	12.41%	9.48%
All Media	Sales Revenue	B-to-B	$643	$1,225	$2,347	13.76%	13.89%
Magazine	Sales Revenue	B-to-B	$75	$145	$263	14.09%	12.65%
Direct Mail	Sales Revenue	B-to-B	$68	$124	$234	12.77%	13.54%
Newspaper	Sales Revenue	B-to-B	$74	$139	$264	13.44%	13.69%
Other	Sales Revenue	B-to-B	$25	$62	$227	19.92%	29.64%
Radio	Sales Revenue	B-to-B	$44	$98	$190	17.37%	14.16%
Telephone	Sales Revenue	B-to-B	$311	$562	$989	12.56%	11.97%
Television	Sales Revenue	B-to-B	$45	$95	$180	16.12%	13.63%
All Media	**Ad Expend.**	**Total**	**$2,470**	**$4,228**	**$6,170**	**11.35%**	**7.85%**
Magazine	**Ad Expend.**	**Total**	**$249**	**$439**	**$625**	**12.01%**	**7.32%**
Direct Mail	**Ad Expend.**	**Total**	**$181**	**$289**	**$425**	**9.81%**	**8.02%**
Newspaper	**Ad Expend.**	**Total**	**$191**	**$323**	**$477**	**11.08%**	**8.11%**
Other	**Ad Expend.**	**Total**	**$164**	**$299**	**$550**	**12.76%**	**12.96%**
Radio	**Ad Expend.**	**Total**	**$172**	**$351**	**$540**	**15.33%**	**9.00%**
Telephone	**Ad Expend.**	**Total**	**$1,265**	**$2,062**	**$2,862**	**10.27%**	**6.78%**
Television	**Ad Expend.**	**Total**	**$247**	**$465**	**$690**	**13.49%**	**8.21%**
All Media	Ad Expend.	Consumer	$2,352	$3,992	$5,764	11.16%	7.62%
Magazine	Ad Expend.	Consumer	$238	$416	$586	11.82%	7.09%
Direct Mail	Ad Expend.	Consumer	$175	$277	$404	9.62%	7.84%
Newspaper	Ad Expend.	Consumer	$184	$310	$453	11.00%	7.88%
Other	Ad Expend.	Consumer	$157	$282	$514	12.43%	12.76%
Radio	Ad Expend.	Consumer	$163	$330	$502	15.15%	8.75%
Telephone	Ad Expend.	Consumer	$1,198	$1,934	$2,653	10.05%	6.53%
Television	Ad Expend.	Consumer	$237	$444	$652	13.38%	7.99%
All Media	Ad Expend.	B-to-B	$118	$236	$406	14.87%	11.46%
Magazine	Ad Expend.	B-to-B	$11	$23	$39	15.90%	11.14%
Direct Mail	Ad Expend.	B-to-B	$7	$12	$22	11.38%	12.89%
Newspaper	Ad Expend.	B-to-B	$7	$13	$24	13.18%	13.05%
Other	Ad Expend.	B-to-B	$8	$17	$36	16.27%	16.19%
Radio	Ad Expend.	B-to-B	$9	$21	$39	18.47%	13.18%
Telephone	Ad Expend.	B-to-B	$67	$128	$209	13.82%	10.30%
Television	Ad Expend.	B-to-B	$10	$22	$38	17.08%	11.55%

Source: The DMA Report - Economic Impact - U.S. Direct Marketing Today, 2000-2001.

THE DMA
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NON-PROFIT DIRECT MARKETING EXPENDITURES AND REVENUE BY INDUSTRY

SOCIAL SERVICES — SIC 83

Over the next five years, the compound annual growth rate in non-profit social services sales revenue and expenditures is predicted to be greatest in radio, at 12.08 percent per year and 12.13 percent per year, respectively.

Media		Market	1995	2000	2005	Compound Annual Growth '95-'00	Compound Annual Growth '00-05
All Media	**Sales Revenue**	**Total**	**$17,983**	**$32,196**	**$52,483**	**12.35%**	**10.27%**
Magazine	**Sales Revenue**	**Total**	**$480**	**$890**	**$1,390**	**13.14%**	**9.33%**
Direct Mail	**Sales Revenue**	**Total**	**$7,115**	**$12,121**	**$19,499**	**11.24%**	**9.98%**
Newspaper	**Sales Revenue**	**Total**	**$733**	**$1,310**	**$2,103**	**12.31%**	**9.93%**
Other	**Sales Revenue**	**Total**	**$771**	**$1,468**	**$2,833**	**13.75%**	**14.05%**
Radio	**Sales Revenue**	**Total**	**$271**	**$605**	**$1,070**	**17.42%**	**12.08%**
Telephone	**Sales Revenue**	**Total**	**$7,985**	**$14,538**	**$23,436**	**12.73%**	**10.02%**
Television	**Sales Revenue**	**Total**	**$627**	**$1,263**	**$2,047**	**15.03%**	**10.14%**
All Media	Sales Revenue	Consumer	$17,562	$31,280	$50,853	12.24%	10.21%
Magazine	Sales Revenue	Consumer	$469	$865	$1,342	13.02%	9.18%
Direct Mail	Sales Revenue	Consumer	$6,982	$11,843	$18,945	11.15%	9.85%
Newspaper	Sales Revenue	Consumer	$720	$1,281	$2,044	12.21%	9.80%
Other	Sales Revenue	Consumer	$752	$1,424	$3,028	13.62%	16.29%
Radio	Sales Revenue	Consumer	$264	$585	$1,027	17.25%	11.91%
Telephone	Sales Revenue	Consumer	$7,761	$14,050	$22,482	12.60%	9.86%
Television	Sales Revenue	Consumer	$615	$1,232	$1,984	14.91%	10.00%
All Media	Sales Revenue	B-to-B	$422	$926	$1,929	17.02%	15.81%
Magazine	Sales Revenue	B-to-B	$11	$25	$48	17.84%	13.94%
Direct Mail	Sales Revenue	B-to-B	$134	$277	$554	15.63%	14.87%
Newspaper	Sales Revenue	B-to-B	$13	$29	$58	17.41%	14.87%
Other	Sales Revenue	B-to-B	$19	$54	$210	23.23%	31.21%
Radio	Sales Revenue	B-to-B	$7	$20	$43	23.36%	16.54%
Telephone	Sales Revenue	B-to-B	$224	$488	$954	16.85%	14.35%
Television	Sales Revenue	B-to-B	$13	$31	$63	18.98%	15.24%
All Media	**Ad Expend.**	**Total**	**$1,711**	**$3,014**	**$4,976**	**11.99%**	**10.55%**
Magazine	**Ad Expend.**	**Total**	**$19**	**$35**	**$55**	**13.00%**	**9.46%**
Direct Mail	**Ad Expend.**	**Total**	**$859**	**$1,436**	**$2,320**	**10.82%**	**10.07%**
Newspaper	**Ad Expend.**	**Total**	**$15**	**$27**	**$44**	**12.47%**	**10.26%**
Other	**Ad Expend.**	**Total**	**$91**	**$173**	**$350**	**13.71%**	**15.13%**
Radio	**Ad Expend.**	**Total**	**$20**	**$44**	**$78**	**17.08%**	**12.13%**
Telephone	**Ad Expend.**	**Total**	**$656**	**$1,199**	**$1,967**	**12.82%**	**10.41%**
Television	**Ad Expend.**	**Total**	**$50**	**$99**	**$161**	**14.64%**	**10.21%**
All Media	Ad Expend.	Consumer	$1,672	$2,930	$4,806	11.87%	10.40%
Magazine	Ad Expend.	Consumer	$19	$34	$53	12.34%	9.28%
Direct Mail	Ad Expend.	Consumer	$843	$1,403	$2,254	10.73%	9.95%
Newspaper	Ad Expend.	Consumer	$15	$27	$43	12.47%	9.75%
Other	Ad Expend.	Consumer	$89	$168	$337	13.55%	14.94%
Radio	Ad Expend.	Consumer	$19	$42	$75	17.19%	12.30%
Telephone	Ad Expend.	Consumer	$638	$1,159	$1,887	12.68%	10.24%
Television	Ad Expend.	Consumer	$49	$97	$157	14.63%	10.11%
All Media	Ad Expend.	B-to-B	$39	$84	$170	16.59%	15.14%
Magazine	Ad Expend.	B-to-B	$0	$1	$2	N/A	14.87%
Direct Mail	Ad Expend.	B-to-B	$16	$33	$66	15.58%	14.87%
Newspaper	Ad Expend.	B-to-B	$0	$1	$1	N/A	0.00%
Other	Ad Expend.	B-to-B	$2	$5	$13	20.11%	21.06%
Radio	Ad Expend.	B-to-B	$1	$1	$3	0.00%	24.57%
Telephone	Ad Expend.	B-to-B	$18	$40	$80	17.32%	14.87%
Television	Ad Expend.	B-to-B	$1	$2	$5	14.87%	20.11%

Source: The DMA Report - Economic Impact - U.S. Direct Marketing Today, 2000-2001.

NON-PROFIT DIRECT MARKETING EXPENDITURES AND REVENUE BY INDUSTRY

MUSEUMS & GALLERIES — SIC 84

Over the next five years, the compound annual growth rate in non-profit social services sales revenue is predicted to be greatest in radio, at 11.06 percent per year. For ad expenditures, growth is projected greatest in newspaper and television, both at 10.76 percent per year.

						Compound Annual Growth	
Media		**Market**	**1995**	**2000**	**2005**	**'95-'00**	**'00-05**
All Media	**Sales Revenue**	**Total**	**$1,164**	**$1,995**	**$3,090**	**11.38%**	**9.14%**
Magazine	**Sales Revenue**	**Total**	**$92**	**$163**	**$242**	**12.12%**	**8.22%**
Direct Mail	**Sales Revenue**	**Total**	**$372**	**$606**	**$929**	**10.25%**	**8.92%**
Newspaper	**Sales Revenue**	**Total**	**$218**	**$372**	**$569**	**11.28%**	**8.87%**
Other	**Sales Revenue**	**Total**	**$28**	**$51**	**$94**	**12.74%**	**13.01%**
Radio	**Sales Revenue**	**Total**	**$14**	**$29**	**$49**	**15.68%**	**11.06%**
Telephone	**Sales Revenue**	**Total**	**$408**	**$710**	**$1,091**	**11.72%**	**8.97%**
Television	**Sales Revenue**	**Total**	**$33**	**$63**	**$96**	**13.81%**	**8.79%**
All Media	Sales Revenue	Consumer	$1,044	$1,722	$2,523	10.53%	7.94%
Magazine	Sales Revenue	Consumer	$82	$140	$197	11.29%	7.07%
Direct Mail	Sales Revenue	Consumer	$339	$536	$783	9.60%	7.87%
Newspaper	Sales Revenue	Consumer	$199	$330	$481	10.65%	7.83%
Other	Sales Revenue	Consumer	$25	$44	$84	11.97%	13.81%
Radio	Sales Revenue	Consumer	$12	$24	$39	14.87%	10.20%
Telephone	Sales Revenue	Consumer	$356	$594	$859	10.78%	7.66%
Television	Sales Revenue	Consumer	$30	$55	$80	12.89%	7.78%
All Media	Sales Revenue	B-to-B	$121	$274	$575	17.76%	15.98%
Magazine	Sales Revenue	B-to-B	$10	$23	$45	18.13%	14.37%
Direct Mail	Sales Revenue	B-to-B	$33	$71	$146	16.56%	15.51%
Newspaper	Sales Revenue	B-to-B	$19	$42	$87	17.19%	15.68%
Other	Sales Revenue	B-to-B	$3	$9	$37	24.57%	32.68%
Radio	Sales Revenue	B-to-B	$2	$5	$10	20.11%	14.87%
Telephone	Sales Revenue	B-to-B	$52	$116	$233	17.41%	14.97%
Television	Sales Revenue	B-to-B	$3	$8	$16	21.67%	14.87%
All Media	**Ad Expend.**	**Total**	**$66**	**$114**	**$182**	**11.55%**	**9.81%**
Magazine	**Ad Expend.**	**Total**	**$3**	**$6**	**$9**	**14.87%**	**8.45%**
Direct Mail	**Ad Expend.**	**Total**	**$30**	**$48**	**$76**	**9.86%**	**9.63%**
Newspaper	**Ad Expend.**	**Total**	**$5**	**$9**	**$15**	**12.47%**	**10.76%**
Other	**Ad Expend.**	**Total**	**$2**	**$4**	**$8**	**14.87%**	**14.87%**
Radio	**Ad Expend.**	**Total**	**$1**	**$2**	**$3**	**14.87%**	**8.45%**
Telephone	**Ad Expend.**	**Total**	**$23**	**$41**	**$66**	**12.26%**	**9.99%**
Television	**Ad Expend.**	**Total**	**$2**	**$3**	**$5**	**8.45%**	**10.76%**
All Media	Ad Expend.	Consumer	$59	$98	$149	10.68%	8.74%
Magazine	Ad Expend.	Consumer	$3	$5	$8	10.76%	9.86%
Direct Mail	Ad Expend.	Consumer	$27	$42	$64	9.24%	8.79%
Newspaper	Ad Expend.	Consumer	$5	$8	$13	9.86%	10.20%
Other	Ad Expend.	Consumer	$2	$3	$6	8.45%	14.87%
Radio	Ad Expend.	Consumer	$1	$1	$2	0.00%	14.87%
Telephone	Ad Expend.	Consumer	$20	$35	$52	11.84%	8.24%
Television	Ad Expend.	Consumer	$2	$3	$5	8.45%	10.76%
All Media	Ad Expend.	B-to-B	$7	$16	$33	17.98%	15.58%
Magazine	Ad Expend.	B-to-B	$0	$1	$2	N/A	14.87%
Direct Mail	Ad Expend.	B-to-B	$3	$6	$12	14.87%	14.87%
Newspaper	Ad Expend.	B-to-B	$0	$1	$2	N/A	14.87%
Other	Ad Expend.	B-to-B	$0	$1	$2	N/A	14.87%
Radio	Ad Expend.	B-to-B	$0	$0	$1	N/A	N/A
Telephone	Ad Expend.	B-to-B	$3	$7	$14	18.47%	14.87%
Television	Ad Expend.	B-to-B	$0	$0	$1	N/A	N/A

Source: The DMA Report - Economic Impact - U.S. Direct Marketing Today, 2000-2001.

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NON-PROFIT DIRECT MARKETING EXPENDITURES AND REVENUE BY INDUSTRY

MEMBERSHIP ORGANIZATIONS — SIC 86

Over the next five years, the compound annual growth rate in non-profit educational services sales revenue and expenditures is predicted to be greatest in radio, at 9.18 percent per year and 10.63 percent per year, respectively.

Media		Market	1995	2000	2005	Compound Annual Growth '95-'00	'00-05
All Media	**Sales Revenue**	**Total**	**$36,417**	**$57,387**	**$82,953**	**9.52%**	**7.65%**
Magazine	**Sales Revenue**	**Total**	**$2,046**	**$3,328**	**$4,571**	**10.22%**	**6.55%**
Direct Mail	**Sales Revenue**	**Total**	**$13,225**	**$19,816**	**$28,108**	**8.42%**	**7.24%**
Newspaper	**Sales Revenue**	**Total**	**$2,905**	**$4,558**	**$6,443**	**9.43%**	**7.17%**
Other	**Sales Revenue**	**Total**	**$1,335**	**$2,229**	**$3,784**	**10.80%**	**11.17%**
Radio	**Sales Revenue**	**Total**	**$562**	**$1,097**	**$1,702**	**14.31%**	**9.18%**
Telephone	**Sales Revenue**	**Total**	**$15,043**	**$24,091**	**$34,241**	**9.88%**	**7.28%**
Television	**Sales Revenue**	**Total**	**$1,300**	**$2,267**	**$3,224**	**11.76%**	**7.30%**
All Media	Sales Revenue	Consumer	$29,626	$45,666	$64,697	9.04%	7.22%
Magazine	Sales Revenue	Consumer	$1,661	$2,645	$3,584	9.75%	6.26%
Direct Mail	Sales Revenue	Consumer	$11,155	$16,395	$22,924	8.01%	6.93%
Newspaper	Sales Revenue	Consumer	$2,461	$3,791	$5,281	9.03%	6.85%
Other	Sales Revenue	Consumer	$1,070	$1,748	$3,245	10.31%	13.17%
Radio	Sales Revenue	Consumer	$442	$842	$1,289	13.76%	8.89%
Telephone	Sales Revenue	Consumer	$11,757	$18,396	$25,782	9.37%	6.98%
Television	Sales Revenue	Consumer	$1,080	$1,847	$2,592	11.33%	7.01%
All Media	Sales Revenue	B-to-B	$6,791	$11,833	$18,575	11.75%	9.44%
Magazine	Sales Revenue	B-to-B	$385	$682	$987	12.12%	7.67%
Direct Mail	Sales Revenue	B-to-B	$2,070	$3,421	$5,184	10.57%	8.67%
Newspaper	Sales Revenue	B-to-B	$444	$767	$1,162	11.55%	8.66%
Other	Sales Revenue	B-to-B	$265	$593	$1,737	17.48%	23.98%
Radio	Sales Revenue	B-to-B	$120	$255	$413	16.27%	10.12%
Telephone	Sales Revenue	B-to-B	$3,286	$5,695	$8,460	11.63%	8.24%
Television	Sales Revenue	B-to-B	$220	$419	$632	13.75%	8.57%
All Media	**Ad Expend.**	**Total**	**$2,044**	**$3,282**	**$5,026**	**9.93%**	**8.90%**
Magazine	**Ad Expend.**	**Total**	**$88**	**$147**	**$212**	**10.81%**	**7.60%**
Direct Mail	**Ad Expend.**	**Total**	**$1,013**	**$1,538**	**$2,299**	**8.71%**	**8.37%**
Newspaper	**Ad Expend.**	**Total**	**$71**	**$114**	**$171**	**9.93%**	**8.45%**
Other	**Ad Expend.**	**Total**	**$139**	**$241**	**$451**	**11.64%**	**13.35%**
Radio	**Ad Expend.**	**Total**	**$36**	**$73**	**$121**	**15.19%**	**10.63%**
Telephone	**Ad Expend.**	**Total**	**$604**	**$1,003**	**$1,521**	**10.68%**	**8.68%**
Television	**Ad Expend.**	**Total**	**$93**	**$166**	**$250**	**12.29%**	**8.53%**
All Media	Ad Expend.	Consumer	$1,675	$2,631	$3,969	9.45%	8.57%
Magazine	Ad Expend.	Consumer	$71	$117	$166	10.51%	7.25%
Direct Mail	Ad Expend.	Consumer	$855	$1,273	$1,875	8.29%	8.05%
Newspaper	Ad Expend.	Consumer	$60	$95	$141	9.63%	8.22%
Other	Ad Expend.	Consumer	$112	$189	$349	11.03%	13.05%
Radio	Ad Expend.	Consumer	$28	$56	$92	14.87%	10.44%
Telephone	Ad Expend.	Consumer	$472	$766	$1,145	10.17%	8.37%
Television	Ad Expend.	Consumer	$77	$135	$201	11.88%	8.29%
All Media	Ad Expend.	B-to-B	$369	$652	$1,057	12.06%	10.15%
Magazine	Ad Expend.	B-to-B	$16	$30	$46	13.40%	8.92%
Direct Mail	Ad Expend.	B-to-B	$159	$266	$424	10.84%	9.77%
Newspaper	Ad Expend.	B-to-B	$11	$19	$31	11.55%	10.29%
Other	Ad Expend.	B-to-B	$28	$52	$102	13.18%	14.42%
Radio	Ad Expend.	B-to-B	$8	$17	$29	16.27%	11.27%
Telephone	Ad Expend.	B-to-B	$132	$237	$376	12.42%	9.67%
Television	Ad Expend.	B-to-B	$16	$31	$49	14.14%	9.59%

Source: The DMA Report - Economic Impact - U.S. Direct Marketing Today, 2000-2001.

NON-PROFIT DIRECT MARKETING JOBS BY INDUSTRY

EDUCATIONAL SERVICES — SIC 82

There were close to 432,000 people employed in direct marketing educational services in 2000, mostly in the telephone sector (215,044).

Media		1995	2000	2005	Compound Annual Growth '95-'00	'00-05
All Media	Ad Empl.	38961	54812	65004	7.07%	3.47%
All Media	Seller Empl.	281507	377515	469099	6.04%	4.44%
All Media	Total	320468	432327	534103	6.17%	4.32%
Direct Mail	Ad Empl.	2083	2759	3315	5.78%	3.74%
Direct Mail	Seller Empl.	38100	48671	60905	5.02%	4.59%
Direct Mail	Total	40183	51430	64220	5.06%	4.54%
Magazine	Ad Empl.	3247	4745	5515	7.88%	3.05%
Magazine	Seller Empl.	33849	46508	56581	6.56%	4.00%
Magazine	Total	37096	51253	62096	6.68%	3.91%
Newspaper	Ad Empl.	2477	3478	4196	7.02%	3.82%
Newspaper	Seller Empl.	42295	56260	70277	5.87%	4.55%
Newspaper	Total	44772	59738	74473	5.94%	4.51%
Other	Ad Empl.	2829	4269	6422	8.58%	8.51%
Other	Seller Empl.	10714	15125	22735	7.14%	8.49%
Other	Total	13543	19394	29157	7.45%	8.50%
Radio	Ad Empl.	1883	3190	4006	11.12%	4.66%
Radio	Seller Empl.	17084	26933	35279	9.53%	5.55%
Radio	Total	18967	30123	39285	9.69%	5.45%
Telephone	Ad Empl.	23761	32167	36461	6.25%	2.54%
Telephone	Seller Empl.	116131	149845	178583	5.23%	3.57%
Telephone	Total	139892	182012	215044	5.41%	3.39%
Television	Ad Empl.	2681	4204	5089	9.41%	3.89%
Television	Seller Empl.	23333	34174	43209	7.93%	4.80%
Television	Total	26014	38378	48298	8.09%	4.71%

Source: The DMA Report - Economic Impact - U.S. Direct Marketing Today, 2000-2001.

THE DMA Direct Marketing Association

NON-PROFIT DIRECT MARKETING JOBS BY INDUSTRY

SOCIAL SERVICES — SIC 83

In 2000, there were more than 607,000 people employed in direct marketing social services. That number is expected to climb over 5.5 percent per year to reach more than 795,800 by 2005.

Media		1995	2000	2005	Compound Annual Growth '95-'00	'00-05
All Media	Ad Empl.	24585	36253	49371	8.08%	6.37%
All Media	Seller Empl.	388008	571048	746452	8.04%	5.50%
All Media	Total	412593	607301	795823	8.04%	5.56%
Direct Mail	Ad Empl.	9722	13480	17902	6.75%	5.84%
Direct Mail	Seller Empl.	153042	214810	277089	7.02%	5.22%
Direct Mail	Total	162764	228290	294991	7.00%	5.26%
Magazine	Ad Empl.	244	373	480	8.86%	5.17%
Magazine	Seller Empl.	10405	15835	19835	8.76%	4.61%
Magazine	Total	10649	16208	20315	8.76%	4.62%
Newspaper	Ad Empl.	197	289	386	7.97%	5.96%
Newspaper	Seller Empl.	15963	23418	30137	7.97%	5.17%
Newspaper	Total	16160	23707	30523	7.97%	5.18%
Other	Ad Empl.	1541	2433	4046	9.56%	10.71%
Other	Seller Empl.	16714	26134	40446	9.35%	9.13%
Other	Total	18255	28567	44492	9.37%	9.27%
Radio	Ad Empl.	211	391	574	13.13%	7.98%
Radio	Seller Empl.	5868	10736	15218	12.84%	7.23%
Radio	Total	6079	11127	15792	12.85%	7.25%
Telephone	Ad Empl.	12132	18404	24804	8.69%	6.15%
Telephone	Seller Empl.	171805	256972	332148	8.39%	5.27%
Telephone	Total	183937	275376	356952	8.41%	5.33%
Television	Ad Empl.	538	882	1179	10.39%	5.98%
Television	Seller Empl.	14209	23142	30066	10.25%	5.37%
Television	Total	14747	24024	31245	10.25%	5.40%

Source: The DMA Report - Economic Impact - U.S. Direct Marketing Today, 2000-2001.

NON-PROFIT DIRECT MARKETING JOBS BY INDUSTRY

MUSEUMS & GALLERIES — SIC 84

In 2000, there were more than 37,000 people employed in the direct marketing of museums and galleries - the majority in direct mail and telemarketing.

Media		1995	2000	2005	Compound Annual Growth '95-'00	'00-05
All Media	Ad Empl.	942	1387	1839	8.05%	5.80%
All Media	Seller Empl.	25138	36127	45206	7.52%	4.59%
All Media	Total	26080	37514	47045	7.54%	4.63%
Direct Mail	Ad Empl.	334	463	603	6.75%	5.43%
Direct Mail	Seller Empl.	7993	10957	13569	6.51%	4.37%
Direct Mail	Total	8327	11420	14172	6.52%	4.41%
Magazine	Ad Empl.	43	66	83	8.95%	4.69%
Magazine	Seller Empl.	1991	2953	3545	8.20%	3.72%
Magazine	Total	2034	3019	3628	8.22%	3.74%
Newspaper	Ad Empl.	70	103	134	8.03%	5.40%
Newspaper	Seller Empl.	4745	6791	8383	7.43%	4.30%
Newspaper	Total	4815	6894	8517	7.44%	4.32%
Other	Ad Empl.	36	58	94	10.01%	10.14%
Other	Seller Empl.	613	933	1384	8.76%	8.21%
Other	Total	649	991	1478	8.83%	8.32%
Radio	Ad Empl.	8	14	20	11.84%	7.39%
Radio	Seller Empl.	296	527	714	12.23%	6.26%
Radio	Total	304	541	734	12.22%	6.29%
Telephone	Ad Empl.	431	653	863	8.66%	5.74%
Telephone	Seller Empl.	8781	12827	15917	7.87%	4.41%
Telephone	Total	9212	13480	16780	7.91%	4.48%
Television	Ad Empl.	19	31	41	10.29%	5.75%
Television	Seller Empl.	719	1140	1417	9.66%	4.45%
Television	Total	738	1171	1458	9.67%	4.48%

Source: The DMA Report - Economic Impact - U.S. Direct Marketing Today, 2000-2001.

NON-PROFIT DIRECT MARKETING JOBS BY INDUSTRY

MEMBERSHIP ORGANIZATIONS — SIC 86

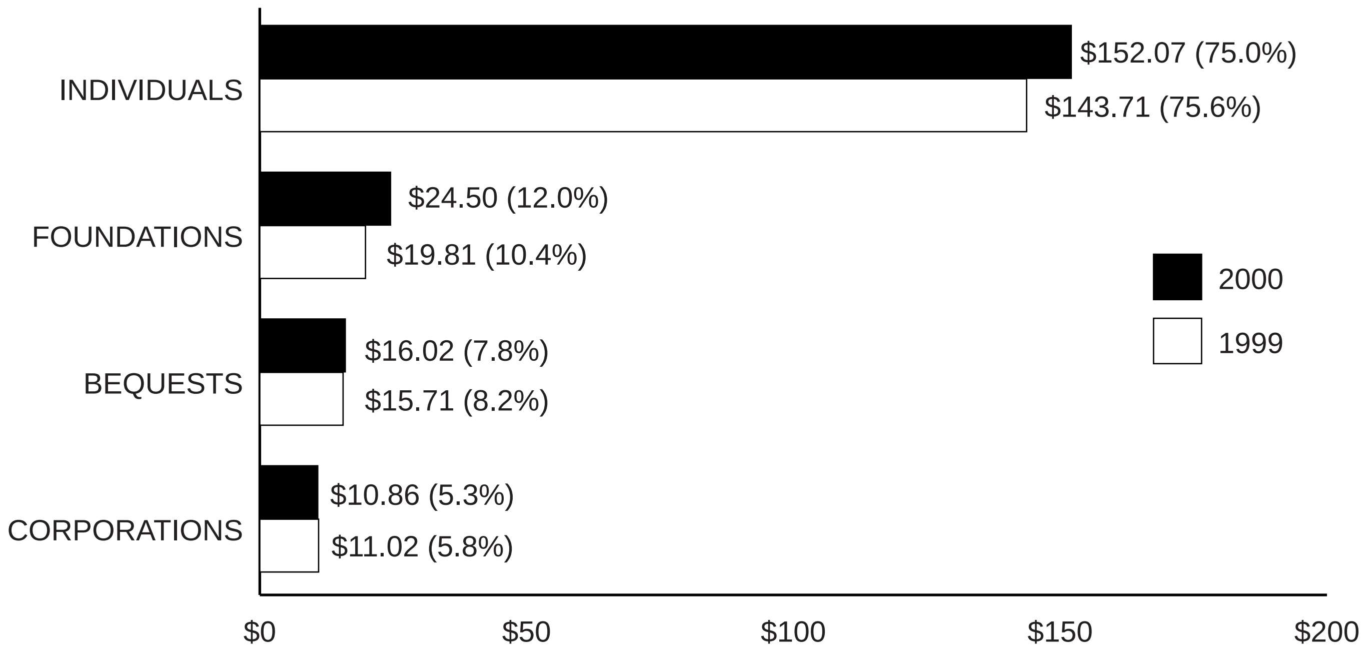
In 2000, there were more than 1,088,000 people employed in the direct marketing of membership organizations. That number is expected to increase 4.1 percent per year to reach over 1.3 million by 2005.

					Compound Annual Growth	
Media		**1995**	**2000**	**2005**	**'95-'00**	**'00-05**
All Media	Ad Empl.	28104	38931	51795	6.73%	5.88%
All Media	Seller Empl.	794387	1049237	1279608	5.72%	4.05%
All Media	Total	822491	1088168	1331403	5.76%	4.12%
Direct Mail	Ad Empl.	11344	14748	19063	5.39%	5.27%
Direct Mail	Seller Empl.	288947	363607	435155	4.70%	3.66%
Direct Mail	Total	300291	378355	454218	4.73%	3.72%
Magazine	Ad Empl.	1112	1594	1994	7.47%	4.58%
Magazine	Seller Empl.	44617	60752	70411	6.37%	2.99%
Magazine	Total	45729	62346	72405	6.40%	3.04%
Newspaper	Ad Empl.	897	1235	1604	6.60%	5.37%
Newspaper	Seller Empl.	63560	83517	99594	5.61%	3.58%
Newspaper	Total	64457	84752	101198	5.63%	3.61%
Other	Ad Empl.	2339	3463	5605	8.16%	10.11%
Other	Seller Empl.	29102	40716	58305	6.95%	7.45%
Other	Total	31441	44179	63910	7.04%	7.66%
Radio	Ad Empl.	385	668	954	11.65%	7.39%
Radio	Seller Empl.	12236	19996	26167	10.32%	5.53%
Radio	Total	12621	20664	27121	10.36%	5.59%
Telephone	Ad Empl.	11048	15715	20615	7.30%	5.58%
Telephone	Seller Empl.	326524	437860	525083	6.04%	3.70%
Telephone	Total	337572	453575	545698	6.09%	3.77%
Television	Ad Empl.	981	1507	1960	8.97%	5.40%
Television	Seller Empl.	29400	42790	51351	7.80%	3.71%
Television	Total	30381	44297	53311	7.83%	3.77%
Television	Ad Empl.	538	882	1179	10.39%	5.98%
Television	Seller Empl.	14209	23142	30066	10.25%	5.37%
Television	Total	14747	24024	31245	10.25%	5.40%

Source: The DMA Report - Economic Impact - U.S. Direct Marketing Today, 2000-2001.

SOURCES OF CONTRIBUTIONS

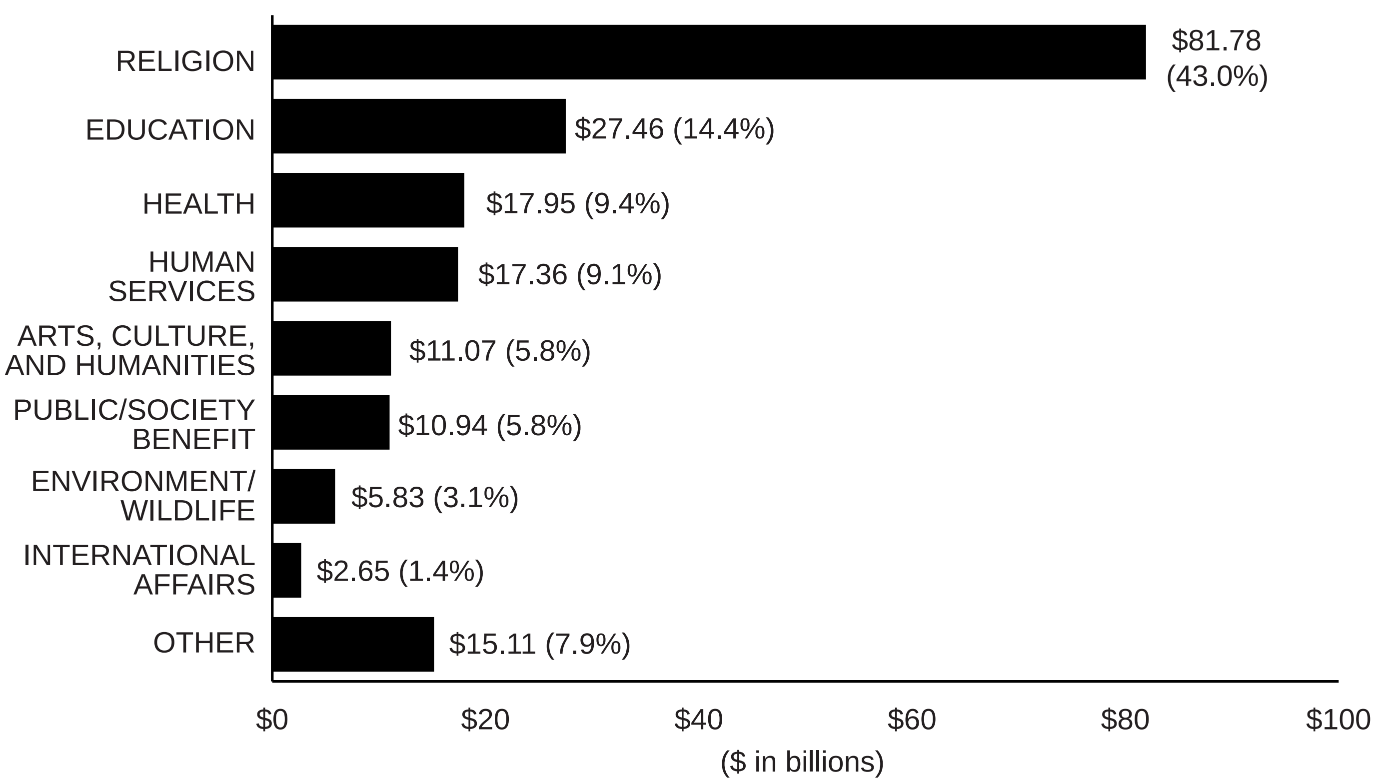
In 2000, total giving reached $203.45 billion.



Source: AAFRC Trust for Philanthropy, Giving USA 2000/2001

CONTRIBUTIONS RECEIVED BY TYPE OF RECIPIENT ORGANIZATION

In 1999, religious congregations and denominations are estimated to have received 43% of total contributions.



Source: AAFRC Trust for Philanthropy, Giving USA 2000.

International

Trends

CHAPTER HIGHLIGHTS

- Japan and Germany have the highest advertising expenditures in the Consumer Market among non-U.S. countries.
- Germans spend some US $300 per year on mail order, followed by the United States at US $200.
- Total response rate for all direct mail in the United Kingdom is 11 percent.

THE DMA Direct Marketing Association

DIRECT MAIL VOLUMES - 1990 - 2000 (MILLION ITEMS) - UNITED KINGDOM

4,664 million items were mailed in 2000. These were split between 75% (3,516 million) consumer mailings and 25% (1,148 million) business mailings.

	Consumer	Business	Total
1990	1544	728	2272
1991	1435	687	2122
1992	1658	588	2246
1993	1772	664	2436
1994	2015	715	2730
1995	2198	707	2905
1996	2436	737	3173
1997	2700	887	3588
1998	3123	891	4014
1999	3283	1062	4345
2000	3516	1148	4664

Source: Direct Mail Information Service (DMIS), 2001.

RESPONSE RATES TO DIRECT MAIL IN UNITED KINGDOM

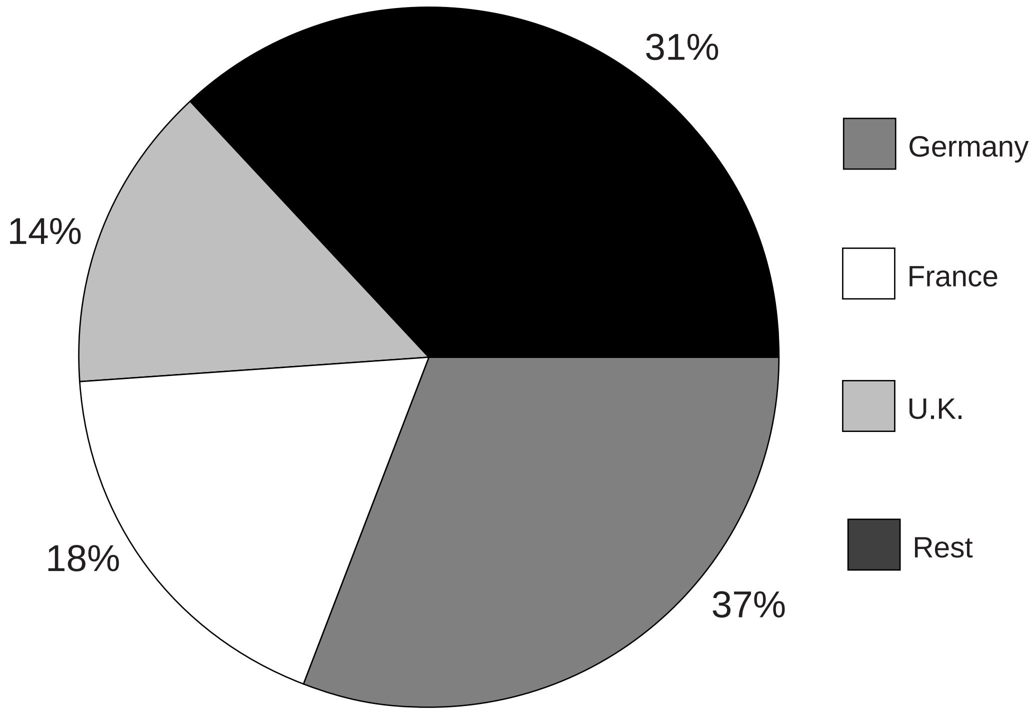
Total Response Rate for all direct mail is 11%.

	Total Response Rate	Excluding Campaigns Over 50%	Excluding Campaigns Over 30%
All Direct Mail (consumer and Business)	9.6%	7.9%	6.5%
Base (number of campaigns)	1,053	1,015	970
All Consumer Direct Mail	10.0%	8.3%	6.8%
Base (number of campaigns)	1,053	1,015	970
All Business Direct Mail	9.1%	7.4%	6.2%
Base (number of campaigns)	806	718	750
Door to Door	7.8%	6.1%	2.8%
Base (number of campaigns)	212	205	187

Source: Direct Mail Information Service (DMIS), 2001.

DIRECT MARKETING SPENDING PATTERNS

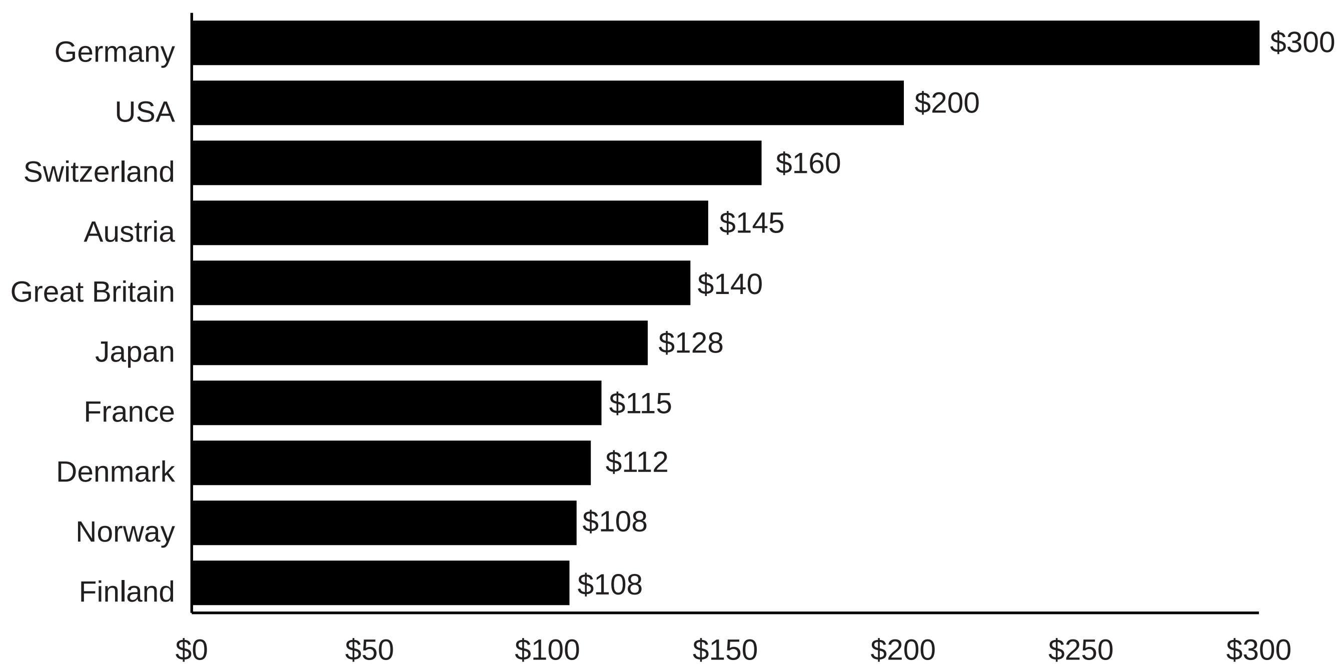
37% of European population spent direct marketing dollars in Germany.



Source:Deutsche Post Global Mail, 2000.

MAIL ORDER SPENDING PER CAPITA IN US $ (PER YEAR)

Germans spend some US $ 300 per year on mail order, followed by United States at US $ 200.



Source:Deutsche Post Global Mail, 2000.

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INTERNATIONAL DIRECT MARKETING EXPENDITURES IN ALL MARKETS

(RANKED BY LEVEL OF 2001 FORECAST; IN MILLIONS OF DOLLARS)

Germany has the highest growth in advertising expenditures in all markets among non-U.S. countries.

	1995	2000	2001	2005	Compound Annual Growth '95-'00	'00-05
1 Japan	$107,851	$67,278	$69,985	$87,090	-9.01%	5.30%
2 Germany	$29,381	$22,733	$25,591	$36,886	-5.00%	10.16%
3 United Kingdom	$12,847	$16,530	$17,671	$24,312	5.17%	8.02%
4 France	$16,331	$13,969	$15,711	$21,614	-3.08%	9.12%
5 Italy	$11,942	$11,611	$13,098	$18,951	-0.56%	10.29%
6 Canada	$5,590	$6,422	$6,791	$8,846	2.81%	6.61%
7 Netherlands	$5,716	$4,808	$5,517	$8,003	-3.40%	10.73%
8 Switzerland	$6,487	$4,801	$5,098	$5,898	-5.84%	4.20%
9 Taiwan	$3,327	$4,310	$5,081	$10,554	5.31%	19.62%
10 Spain	$4,628	$4,065	$4,563	$6,703	-2.56%	10.52%
11 Australia	$3,636	$4,045	$4,507	$6,406	2.15%	9.63%
12 South Korea	$3,318	$3,618	$4,271	$7,634	1.75%	16.11%
13 Belgium	$4,447	$3,588	$4,044	$5,895	-4.20%	10.44%
14 Sweden	$3,100	$3,132	$3,574	$5,347	0.21%	11.29%
15 Hong Kong	$2,632	$2,694	$2,939	$5,386	0.47%	14.86%
16 Austria	$2,904	$2,408	$2,706	$3,840	-3.68%	9.78%
17 Norway	$1,880	$2,389	$2,599	$3,274	4.91%	6.51%
18 Finland	$1,832	$1,797	$2,088	$3,242	-0.39%	12.53%
19 Denmark	$2,015	$1,799	$2,026	$2,942	-2.24%	10.34%
20 Ireland	$882	$1,408	$1,744	$3,309	9.81%	18.64%
21 Mexico	$385	$1,473	$1,716	$3,238	30.78%	17.06%
22 Argentina	$1,139	$1,073	$1,139	$1,479	-1.19%	6.63%
23 Brazil	$693	$810	$926	$1,475	3.17%	12.74%
24 Portugal	$477	$474	$545	$858	-0.13%	12.60%
25 Greece	$360	$435	$506	$797	3.86%	12.87%
26 New Zealand	$582	$493	$493	$661	-3.26%	6.04%
27 Malaysia	$359	$341	$388	$725	-1.02%	16.28%
28 South Africa	$270	$334	$372	$489	4.35%	7.92%
29 Thailand	$186	$137	$149	$229	-5.93%	10.82%
30 Philippines	$34	$45	$52	$95	5.77%	16.12%

Source: The DMA Report: Economic Impact — U.S. Direct Marketing Today, 2000.

INTERNATIONAL DIRECT MARKETING EXPENDITURES IN THE CONSUMER MARKET

(RANKED BY LEVEL OF 2001 FORECAST; IN MILLIONS OF DOLLARS)

Japan and Germany have the highest advertising expenditures in the Consumer Market among non-U.S. countries.

	1995	2000	2001	2005	Compound Annual Growth '95-'00	Compound Annual Growth '00-05
1 Japan	$47,660	$31,307	$32,257	$38,053	-8.06%	3.98%
2 Germany	$13,898	$10,841	$12,093	$16,859	-4.85%	9.23%
3 United Kingdom	$6,320	$8,262	$8,727	$11,512	5.51%	6.86%
4 Italy	$5,742	$5,499	$6,111	$8,420	-0.86%	8.89%
5 France	$6,856	$5,359	$5,930	$7,852	-4.81%	7.94%
6 Canada	$2,945	$3,395	$3,571	$4,571	2.88%	6.13%
7 Netherlands	$2,468	$2,079	$2,364	$3,306	-3.37%	9.72%
8 Spain	$2,361	$2,030	$2,251	$3,152	-2.98%	9.20%
9 Australia	$1,777	$1,944	$2,140	$2,938	1.81%	8.61%
10 Switzerland	$2,691	$1,969	$2,055	$2,268	-6.06%	2.87%
11 Taiwan	$1,259	$1,693	$1,962	$3,835	6.10%	17.77%
12 Belgium	$2,043	$1,625	$1,806	$2,506	-4.48%	9.05%
13 South Korea	$1,248	$1,419	$1,642	$2,754	2.60%	14.18%
14 Hong Kong	$1,363	$1,414	$1,512	$2,651	0.74%	13.39%
15 Sweden	$1,276	$1,226	$1,379	$1,975	-0.80%	10.01%
16 Austria	$1,322	$1,026	$1,131	$1,516	-4.94%	8.12%
17 Norway	$838	$1,014	$1,080	$1,325	3.89%	5.50%
18 Mexico	$245	$906	$1,050	$1,898	29.89%	15.94%
19 Denmark	$925	$795	$878	$1,210	-2.98%	8.76%
20 Finland	$694	$642	$729	$1,048	-1.55%	10.30%
21 Argentina	$723	$676	$710	$886	-1.34%	5.56%
22 Ireland	$314	$480	$583	$1,028	8.86%	16.45%
23 Brazil	$383	$464	$524	$803	3.91%	11.59%
24 Greece	$227	$263	$305	$478	2.99%	12.69%
25 Portugal	$221	$212	$240	$363	-0.83%	11.36%
26 New Zealand	$251	$207	$203	$259	-3.78%	4.58%
27 South Africa	$145	$179	$197	$254	4.30%	7.25%
28 Malaysia	$102	$91	$102	$180	-2.26%	14.62%
29 Thailand	$85	$63	$68	$99	-5.81%	9.46%
30 Philippines	$18	$24	$28	$49	5.92%	15.34%

Source: The DMA Report: Economic Impact — U.S. Direct Marketing Today, 2000.

INTERNATIONAL DIRECT MARKETING EXPENDITURES IN THE B-TO-B MARKET

(RANKED BY LEVEL OF 2001 FORECAST; IN MILLIONS OF DOLLARS)

Japan has the highest advertising expenditures among non-U.S. countries in b-to-b market.

	1995	2000	2001	2005	Compound Annual Growth '95-'00	Compound Annual Growth '00-05
1 Japan	$60,191	$35,971	$37,728	$49,037	-9.78%	6.39%
2 Germany	$15,483	$11,892	$13,499	$20,027	-5.14%	10.99%
3 France	$9,474	$8,610	$9,781	$13,762	-1.89%	9.83%
4 United Kingdom	$6,527	$8,269	$8,944	$12,800	4.85%	9.13%
5 Italy	$6,200	$6,112	$6,987	$10,531	-0.29%	11.50%
6 Canada	$2,645	$3,027	$3,220	$4,275	2.73%	7.15%
7 Netherlands	$3,248	$2,729	$3,153	$4,696	-3.42%	11.47%
8 Taiwan	$2,068	$2,617	$3,120	$6,719	4.82%	20.75%
9 Switzerland	$3,796	$2,832	$3,043	$3,631	-5.69%	5.10%
10 South Korea	$2,070	$2,200	$2,629	$4,880	1.23%	17.27%
11 Australia	$1,858	$2,101	$2,367	$3,468	2.49%	10.54%
12 Spain	$2,268	$2,035	$2,312	$3,550	-2.14%	11.77%
13 Belgium	$2,404	$1,963	$2,238	$3,389	-3.97%	11.54%
14 Sweden	$1,824	$1,907	$2,196	$3,372	0.89%	12.07%
15 Austria	$1,582	$1,382	$1,575	$2,323	-2.67%	10.95%
16 Norway	$1,042	$1,376	$1,520	$1,949	5.72%	7.21%
17 Hong Kong	$1,269	$1,280	$1,426	$2,735	0.17%	16.40%
18 Finland	$1,138	$1,155	$1,359	$2,194	0.30%	13.69%
19 Ireland	$567	$928	$1,161	$2,281	10.36%	19.71%
20 Denmark	$1,090	$1,004	$1,148	$1,732	-1.63%	11.52%
21 Mexico	$140	$567	$665	$1,340	32.28%	18.77%
22 Argentina	$416	$397	$429	$593	-0.93%	8.36%
23 Brazil	$309	$346	$401	$672	2.29%	14.20%
24 Portugal	$256	$262	$304	$495	0.46%	13.57%
25 New Zealand	$332	$286	$290	$401	-2.94%	6.99%
26 Malaysia	$257	$250	$286	$545	-0.55%	16.87%6
27 Greece	$133	$172	$201	$319	5.28%	13.15%
28 South Africa	$124	$155	$175	$235	4.56%	8.68%
29 Thailand	$102	$74	$81	$129	-6.22%	11.76%
30 Philippines	$16	$21	$25	$47	5.59%	17.48%

Source: The DMA Report: Economic Impact — U.S. Direct Marketing Today, 2000.

INTERNATIONAL DIRECT MARKETING REVENUE IN ALL MARKETS

(RANKED BY LEVEL OF 2001 FORECAST; IN MILLIONS OF DOLLARS)

Japan and Germany have the highest Direct Marketing Revenue in all markets among non-U.S. countries.

	1995	2000	2001	2005	Compound Annual Growth '95-'00	Compound Annual Growth '00-05
1 Japan	$900,924	$525,676	$561,817	$758,426	-10.21%	7.61%
2 Germany	$133,592	$102,348	$114,883	$188,152	-5.19%	12.95%
3 France	$93,793	$98,941	$113,444	$184,149	1.07%	13.23%
4 United Kingdom	$66,477	$97,015	$102,782	$155,542	7.85%	9.90%
5 Italy	$48,852	$50,505	$59,326	$104,372	0.67%	15.62%
6 Switzerland	$51,668	$39,328	$41,884	$52,681	-5.31%	6.02%
7 Canada	$29,097	$35,087	$37,614	$53,885	3.81%	8.96%
8 Netherlands	$24,639	$25,708	$29,850	$49,958	0.85%	14.21%
9 Taiwan	$16,202	$22,508	$28,173	$71,047	6.80%	25.85%
10 Australia	$19,537	$22,755	$26,643	$44,194	3.10%	14.20%
11 Belgium	$21,365	$16,876	$19,444	$31,529	-4.61%	13.32%
12 Sweden	$13,224	$14,747	$17,062	$28,518	2.20%	14.10%
13 Norway	$8,681	$14,579	$16,044	$20,488	10.93%	7.04%
14 South Korea	$11,300	$12,787	$16,014	$36,760	2.50%	23.52%
15 Austria	$14,971	$13,952	$15,747	$25,631	-1.40%	12.93%
16 Spain	$12,123	$13,422	$15,517	$26,776	2.06%	14.81%
17 Denmark	$10,761	$10,555	$12,027	$19,925	-0.39%	13.55%
18 Hong Kong	$12,235	$10,509	$12,016	$29,178	-3.00%	22.66%
19 Ireland	$3,518	$8,088	$10,081	$22,334	18.12%	22.53%
20 Finland	$7,053	$8,293	$9,865	$17,935	3.29%	16.68%
21 Mexico	$437	$2,973	$3,712	$8,819	46.74%	24.29%
22 Argentina	$3,080	$3,019	$3,314	$5,118	-0.40%	11.13%
23 Portugal	$1,893	$2,261	$2,582	$4,615	3.62%	15.34%
24 New Zealand	$2,607	$2,220	$2,393	$3,794	-3.16%	11.31%
25 Brazil	$1,099	$1,561	$1,845	$3,524	7.27%	17.69%
26 Greece	$802	$1,033	$1,273	$2,359	5.19%	17.96%
27 Malaysia	$586	$626	$746	$1,716	1.33%	22.35%
28 South Africa	$185	$259	$302	$449	6.96%	11.63%
29 Thailand	$369	$257	$291	$540	-6.98%	16.01%
30 Philippines	$30	$50	$61	$143	10.76%	23.39%

Source: The DMA Report: Economic Impact — U.S. Direct Marketing Today, 2000.

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INTERNATIONAL DIRECT MARKETING REVENUE IN THE CONSUMER MARKET

(RANKED BY LEVEL OF 2001 FORECAST; IN MILLIONS OF DOLLARS)

Japan and Germany have the highest Direct Marketing revenue in the Consumer Market among non-U.S. countries.

						Compound Annual Growth	
		1995	2000	2001	2005	'95-'00	'00-05
1	Japan	$462,160	$275,585	$290,937	$367,820	-9.82%	5.94%
2	Germany	$71,740	$53,969	$59,745	$92,935	-5.53%	11.48%
3	United Kingdom	$37,185	$53,507	$55,815	$79,597	7.55%	8.27%
4	France	$43,377	$38,600	$43,094	$64,866	-2.31%	10.94%
5	Italy	$26,450	$26,503	$30,641	$50,978	0.04%	13.98%
6	Canada	$16,747	$19,850	$21,046	$29,047	3.46%	7.91%
7	Switzerland	$24,597	$17,952	$18,767	$22,298	-6.10%	4.43%
8	Netherlands	$11,976	$12,154	$13,959	$22,383	0.30%	12.99%
9	Australia	$10,757	$11,954	$13,772	$21,685	2.13%	12.65%
10	Taiwan	$7,346	$10,426	$12,841	$30,513	7.25%	23.96%
11	Belgium	$11,121	$8,694	$9,907	$15,334	-4.80%	12.02%
12	Spain	$6,924	$7,400	$8,431	$13,671	1.34%	13.06%
13	Norway	$4,485	$7,009	$7,529	$9,215	9.34%	5.63%
14	Austria	$7,795	$6,691	$7,396	$11,205	-3.01%	10.86%
15	Sweden	$6,237	$6,382	$7,238	$11,280	0.46%	12.07%
16	South Korea	$4,965	$5,761	$7,074	$15,108	3.02%	21.27%
17	Hong Kong	$7,231	$6,168	$6,912	$16,003	-3.13%	21.01%
18	Denmark	$5,618	$5,240	$5,855	$9,138	-1.38%	11.76%
19	Ireland	$1,514	$3,297	$4,039	$8,310	16.84%	20.31%
20	Finland	$3,123	$3,388	$3,938	$6,588	1.64%	14.23%
21	Mexico	$297	$1,980	$2,457	$5,523	46.14%	22.77%
22	Argentina	$2,092	$1,992	$2,159	$3,184	-0.97%	9.83%
23	Portugal	$1,022	$1,172	$1,319	$2,246	2.78%	13.89%
24	Brazil	$656	$941	$1,098	$1,988	7.48%	16.14%
25	New Zealand	$1,257	$1,013	$1,064	$1,578	-4.22%	9.27%
26	Greece	$560	$682	$835	$1,480	4.02%	16.76%
27	Malaysia	$205	$205	$240	$515	0.00%	20.23%
28	South Africa	$115	$158	$182	$260	6.56%	10.47%
29	Thailand	$193	$136	$153	$272	-6.76%	14.87%
30	Philippines	$18	$30	$37	$81	10.76%	21.98%

Source: The DMA Report: Economic Impact — U.S. Direct Marketing Today, 2000.

INTERNATIONAL DIRECT MARKETING REVENUE IN THE B-TO-B MARKET

(RANKED BY LEVEL OF 2001 FORECAST; IN MILLIONS OF DOLLARS)

Japan and France have the highest Direct Marketing revenue among non-U.S. countries in b-to-b market.

						Compound Annual Growth	
		1995	2000	2001	2005	'95-'00	'00-05
1	Japan	$438,764	$250,091	$270,879	$390,606	-10.63%	9.33%
2	France	$50,416	$60,341	$70,350	$119,283	3.66%	14.60%
3	Germany	$61,853	$48,379	$55,138	$95,217	-4.80%	14.50%
4	United Kingdom	$29,292	$43,508	$46,968	$75,945	8.23%	11.79%
5	Italy	$22,401	$24,002	$28,685	$53,393	1.39%	17.34%
6	Switzerland	$27,071	$21,376	$23,117	$30,383	-4.61%	7.29%
7	Canada	$12,350	$15,237	$16,569	$24,838	4.29%	10.27%
8	Netherlands	$12,663	$13,554	$15,891	$27,575	1.37%	15.26%
9	Taiwan	$8,856	$12,082	$15,332	$40,535	6.41%	27.39%
10	Australia	$8,780	$10,801	$12,871	$22,508	4.23%	15.82%
11	Sweden	$6,987	$8,365	$9,824	$17,238	3.67%	15.56%
12	Belgium	$10,243	$8,182	$9,537	$16,195	-4.39%	14.63%
13	South Korea	$6,335	$7,026	$8,940	$21,651	2.09%	25.24%
14	Norway	$4,195	$7,570	$8,515	$11,273	12.53%	8.29%
15	Austria	$7,175	$7,261	$8,352	$14,425	0.24%	14.72%
16	Spain	$5,199	$6,022	$7,086	$13,105	2.98%	16.83%
17	Denmark	$5,143	$5,315	$6,172	$10,787	0.66%	15.21%
18	Ireland	$2,003	$4,792	$6,041	$14,024	19.06%	23.96%
19	Finland	$3,929	$4,905	$5,926	$11,348	4.54%	18.26%
20	Hong Kong	$5,004	$4,341	$5,104	$13,174	-2.80%	24.86%
21	New Zealand	$1,350	$1,207	$1,330	$2,216	-2.21%	12.92%
22	Portugal	$870	$1,089	$1,263	$2,369	4.59%	16.82%
23	Mexico	$140	$993	$1,255	$3,296	47.97%	27.12%
24	Argentina	$988	$1,028	$1,155	$1,934	0.80%	13.47%
25	Brazil	$443	$620	$747	$1,536	6.95%	19.89%
26	Malaysia	$380	$421	$506	$1,201	2.07%	23.33%
27	Greece	$242	$351	$437	$879	7.72%	20.15%
28	Thailand	$176	$121	$138	$269	-7.22%	17.33%
29	South Africa	$70	$101	$120	$190	7.61%	13.47%
30	Philippines	$11	$20	$25	$61	12.70%	24.99%

Source: The DMA Report: Economic Impact — U.S. Direct Marketing Today, 2000.

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Customer Service/ Customer Relationship Management

Trends

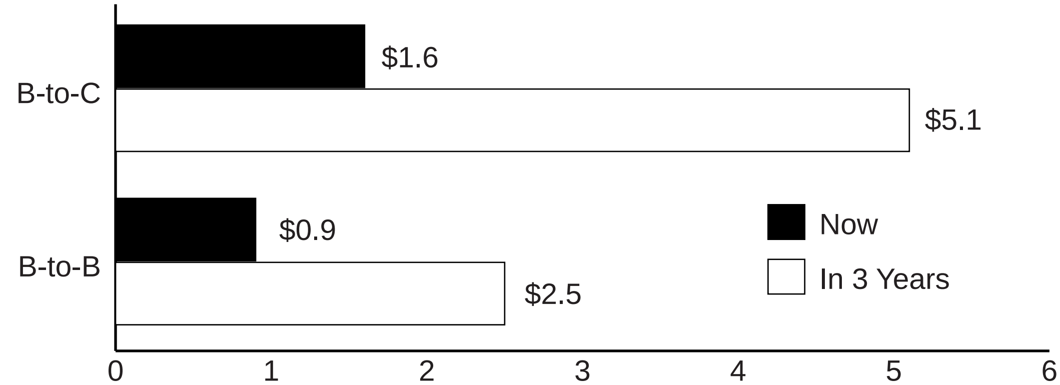
CHAPTER HIGHLIGHTS

- 51% of customer-centric companies and 39% of product-centric companies consider “increased customer knowledge” to be the number one benefit of CRM.
- 72% of companies currently involved in a CRM project will take up to a year to be fully operational.
- The average number of minutes of a typical CRS phone call went down from 4.84 in 1998 to 4.21 in 2000.

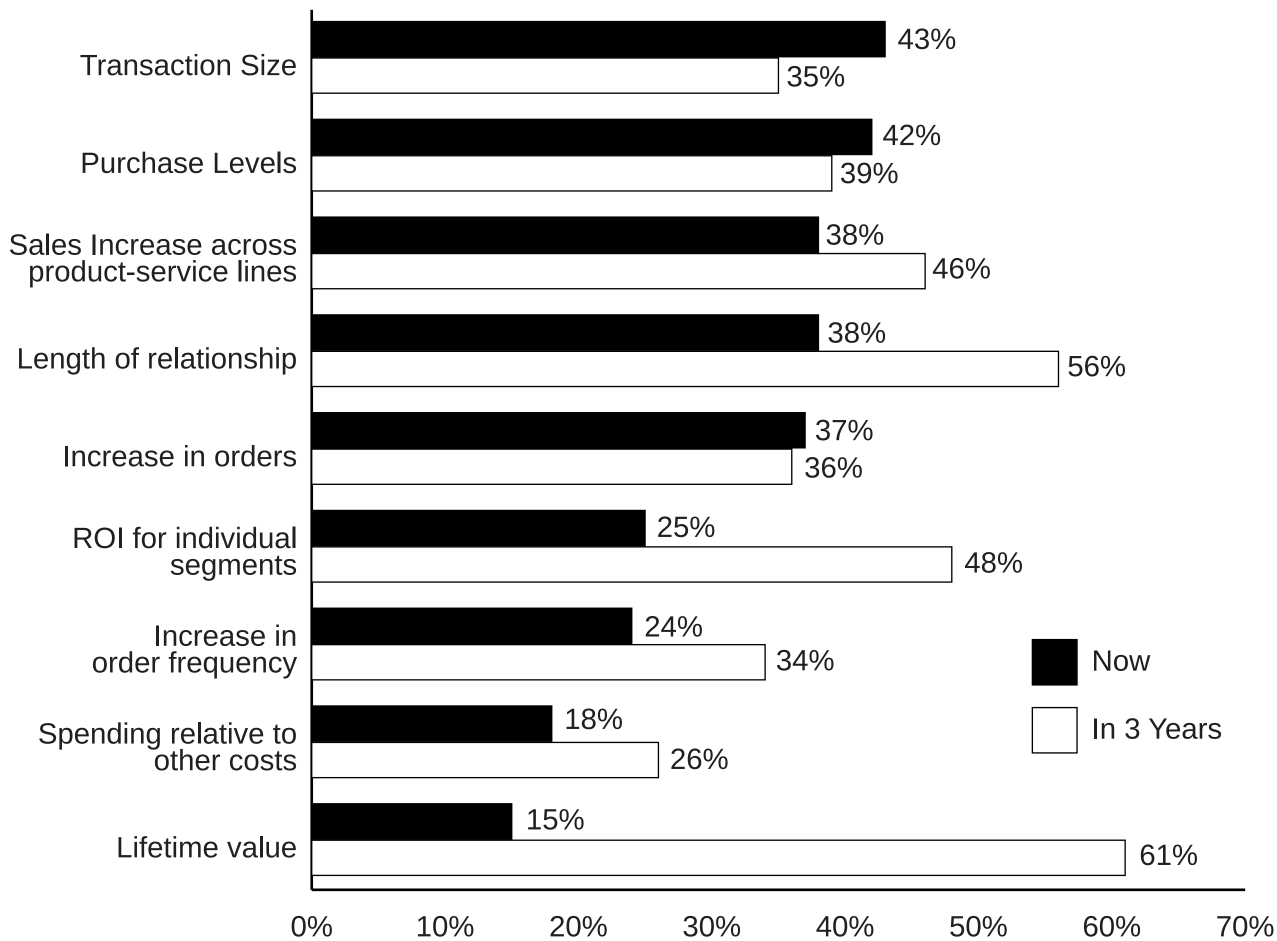
CRM CENSUS 2000

The CRM Census was conducted by Peppers and Rodgers Group. Then 6,000 respondents revealed an enormous amount about where they are now, where they think they are going, and why.

CRM INVESTMENTS: B-TO-C VS. B-TO-B
(IN MILLIONS)



CUSTOMER PROFITABILITY



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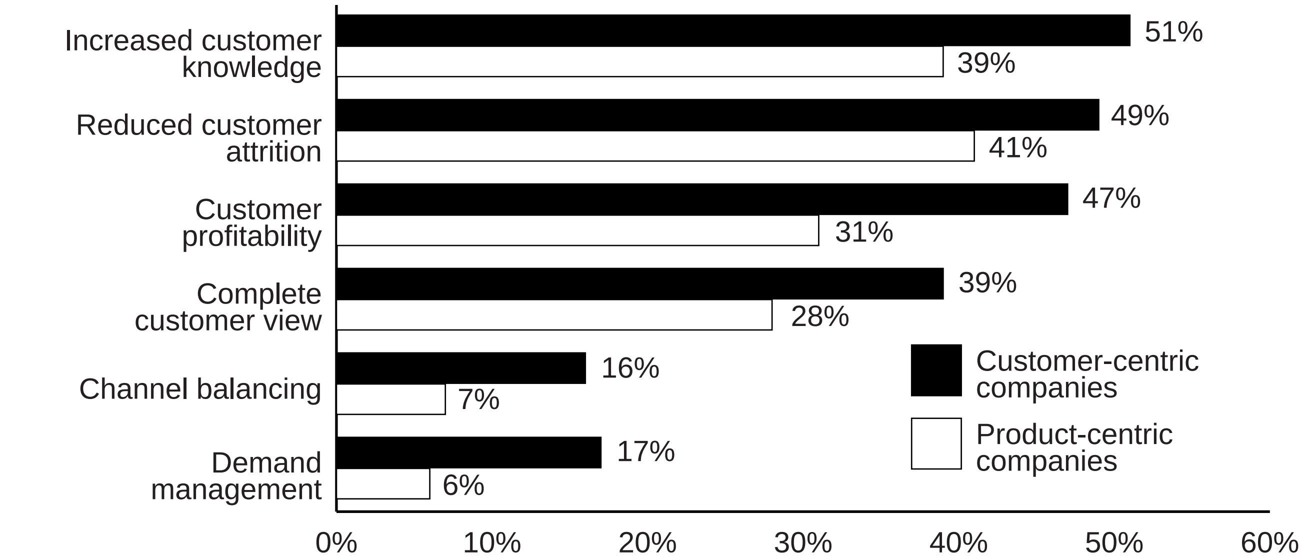
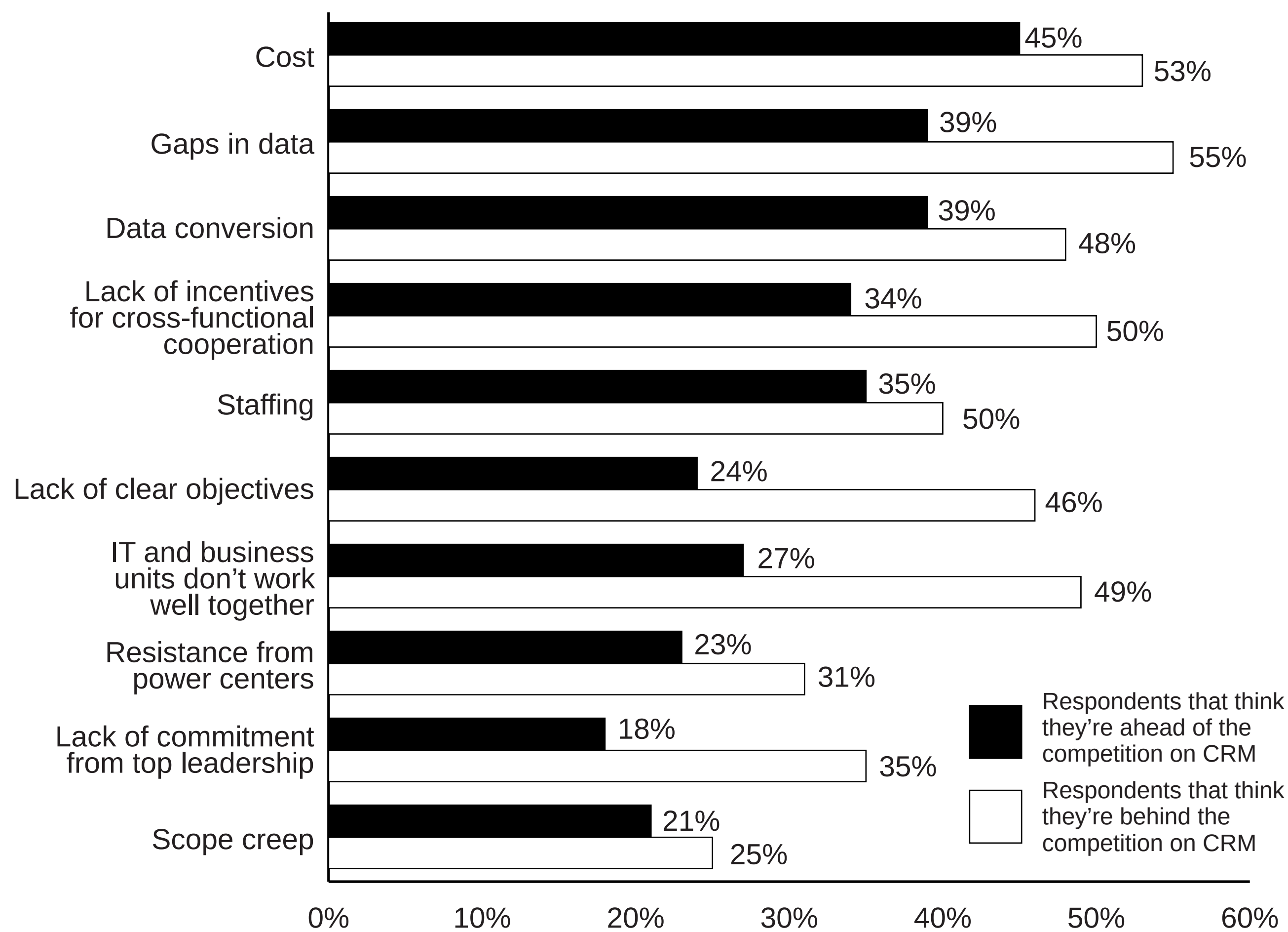
CRM CENSUS 2000 (CONTINUED FROM PREVIOUS PAGE)

BENEFITS OF CRM



BARRIERS TO CRM



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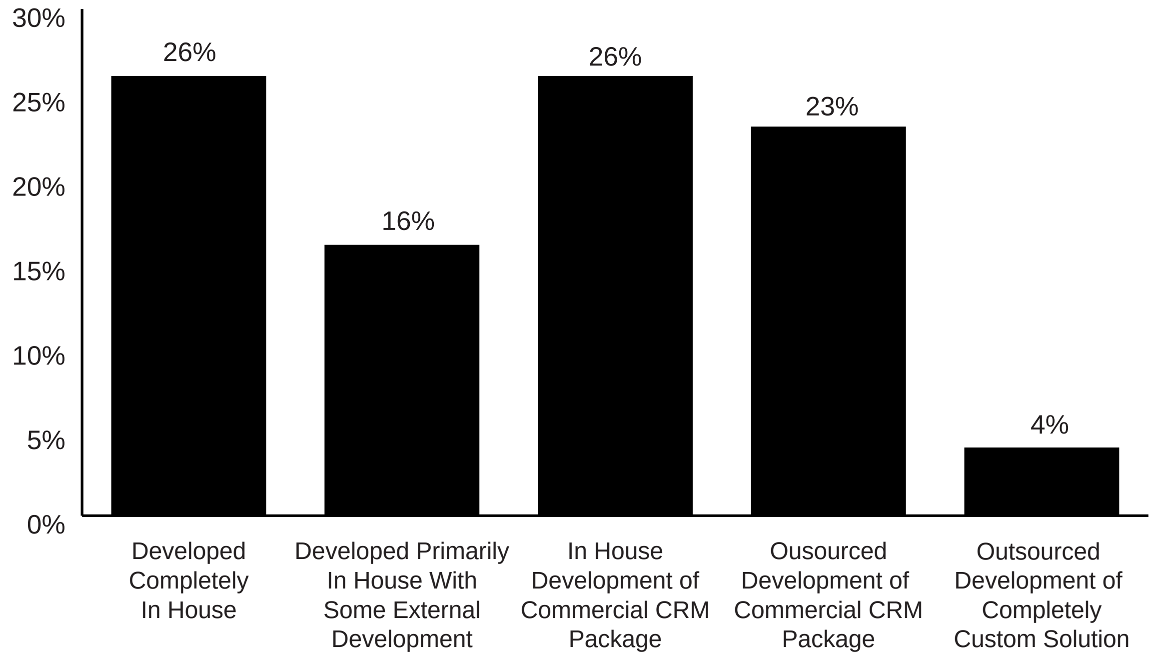
COMPANIES CURRENTLY IMPLEMENTING CRM -- THE MOST POPULAR DEVELOPMENT STRATEGIES

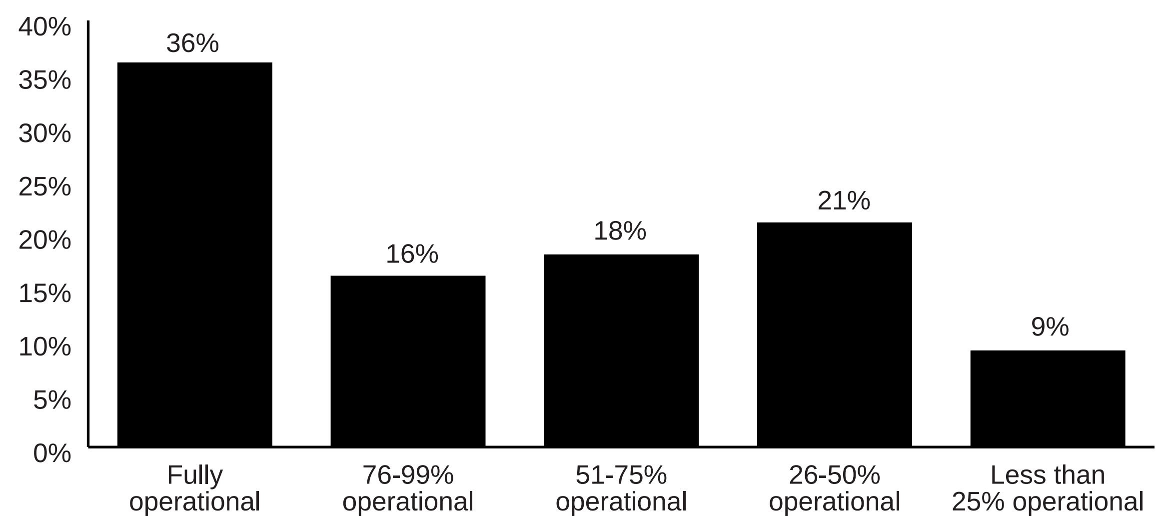
This survey, conducted by e-mail and the Web in November 2000, was administered by Harte-Hanks, a company that performs high-tech business intelligence research and implements CRM solutions. A total of 448 corporations participated in the survey, selected among 4,400 U.S. business sites identified by the Harte-Hanks market research team as "CRM probable."



Source: Harte-Hanks, "CRM Implementation Survey," November 2000.

COMPANIES CURRENTLY IMPLEMENTING CRM -- CURRENT STATUS OF IMPLEMENTATION

The estimated time period to implement a CRM solution appears to revolve around one year's time. According to the study, 72% of the companies currently involved in a CRM project will take up to a year to be fully operational.



Source: Harte-Hanks, "CRM Implementation Survey," November 2000.

WHO ACCESSES THE CRM SOLUTION?

This chart is based on a telephone survey, conducted in May 2001 by the market intelligence team of Harte-Hanks, of nearly 300 North American companies implementing CRM. The survey found that 70 percent of respondents provide sales persons access to customer data as part of their CRM solutions.

	Sites with CRM in Place or Those Building CRM Now (247 responses)
Inside Sales	70%
Customer Service/Tech Support	67%
Outside/Field Sales	59%
Marketing Communications	51%
Accounting/Finance	41%
Product Marketing	41%
Call Center	40%
Fulfillment	28%
Market Research	27%
Human Resources	17%
Channel Partners or Suppliers	15%

Source: Harte-Hanks, "CRM Implementation Survey," May 2001.

CRM CONTENT

The Harte-Hanks research cited that the top four items included in this shared view are: client product purchase history with the company (71 percent); client revenue/sales history (69 percent); technical service/support history (64 percent); and external contact data culled from outside commercially available sources (54 percent).

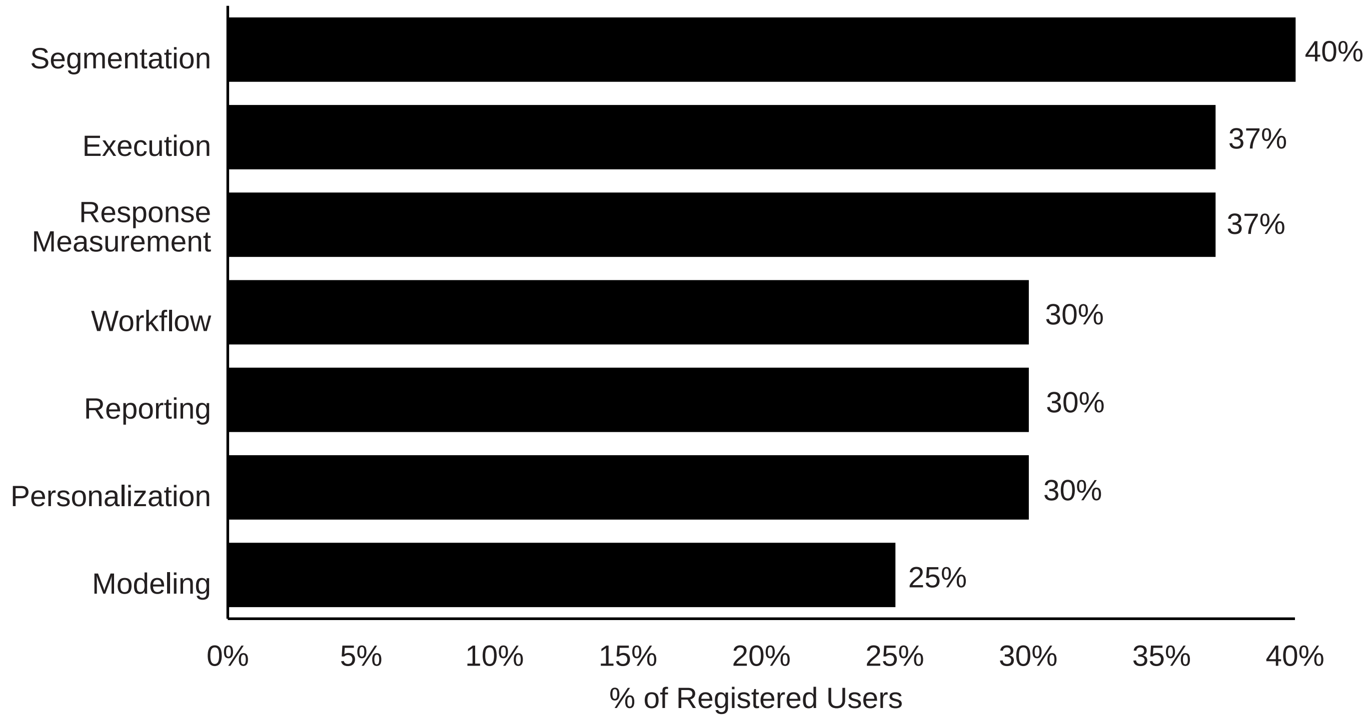
CRM Content (281 responses)	Percent Sites
Client product purchase history with your company	71%
Client revenue/sales history with your company	69%
Technical service/customer support history with your company	64%
Contact information from external sources such as Corp Tech, Harte-Hanks, One-Source or list brokers	54%
Technology installed at client or prospect locations from internal records or external data providers such as Harte-Hanks or iMarket	33%
External financial information on clients/prospects such as current stock price, company financials, etc.	31%
Information from you suppliers	30%
Information from your channel partners	29%

Source: Harte-Hanks, "CRM Implementation Survey," May 2001.

THE DMA Direct Marketing Association

MOST IMPORTANT FUNCTIONAL CRITERIA IN SELECTING A CAMPAIGN MANAGEMENT TOOL

40% of registered users rated segmentation as the most important functionality in selecting a campaign management tool.



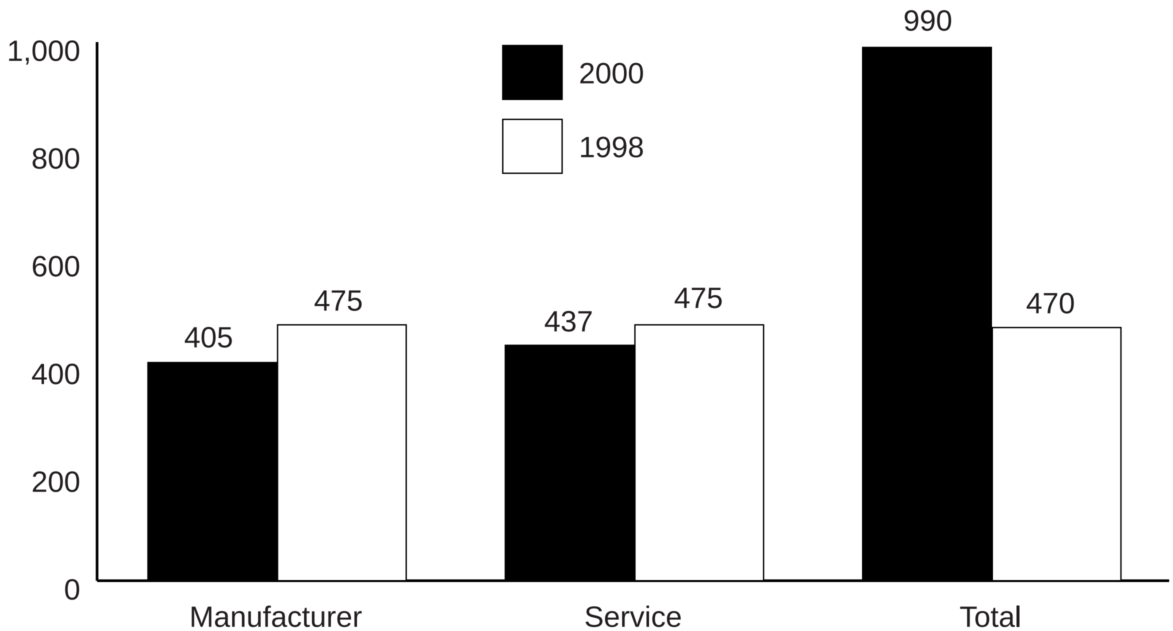
Source: Quaero, 2001.

2000 ICSA BENCHMARKING STUDY

Survey Background: In June 2000, the 10 page *2000 ICSA Benchmarking Survey* was mailed to 1,350 ICSA members and non-members who did not have e-mail addresses. In addition, a solicitation greeting along with the ICSA Web link for the survey as electronically sent to 1,700 members and non-members.

AVERAGE NUMBER OF CALLS HANDLED PER WEEK - 2000 VS. 1998

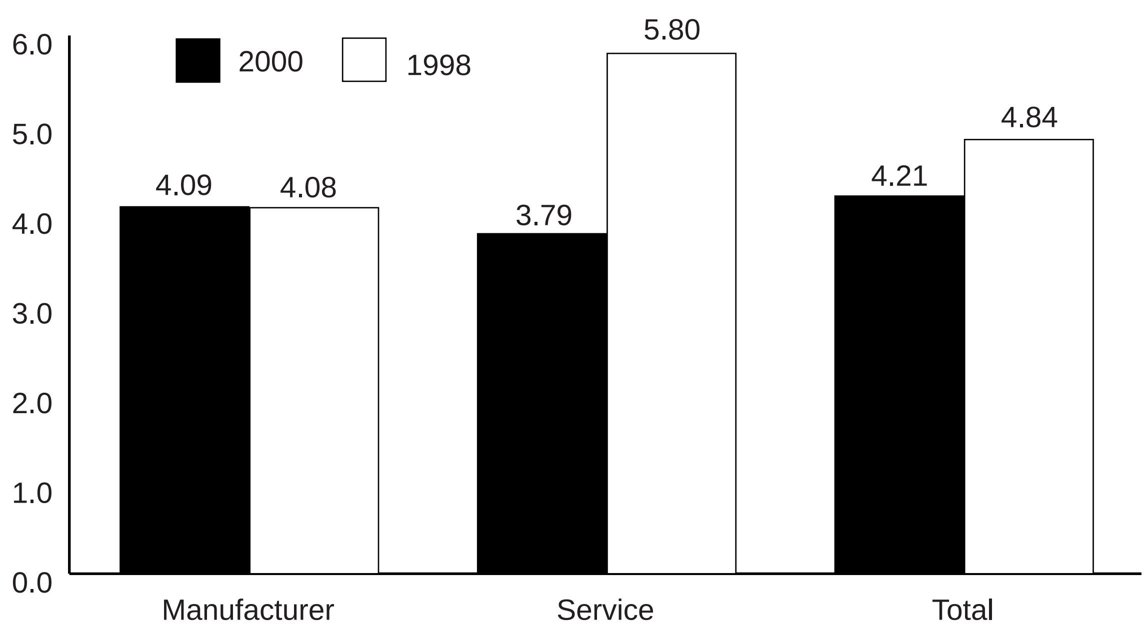
The average number of calls that CSR handle per week almost doubled, from 470 in 1998 to 990 in 2000.



Source: ICSA Copyright@2000.

AVERAGE NUMBER OF MINUTES OF A TYPICAL CRS CALL - 2000 VS. 1998

The average number of minutes of a typical CRS phone call went down from 4.84 in 1998 to 4.21 in 2000.



Source: ICSA Copyright@2000.

AVERAGE NUMBER OF INQUIRIES RECEIVED VIA E-MAIL PER DAY - 2000

More than 50% of respondents do not count inquiries received via e-mail.

	Total	Manufacturer	Service
Less than 10	13%	16%	10%
10 - 50	18%	22%	11%
51 - 500	9%	10%	10%
Over 500	1%	0%	2%
No Answer	59%	53%	67%

Note: This question first appeared in the 2000 study.

Source: ICSA Copyright@2000.

USPS Information

Trends

CHAPTER HIGHLIGHTS

- In 2000, the volume of standard (A)* mail was 90.06 billion pieces, up 5.1 percent from 1999.
- In 2000, the growth rate of domestic mail volume was 3.1 percent.
- The volume of mail that falls into the automation presort category rose again in 2000 — 13.8 percent at the regular rate and 12.6 percent at the nonprofit rate.
- In 2000, standard mail (A) represented 24.4 percent of total mail revenue.
- In 2000, standard mail (A) represented 41.5 percent of the total weight of all mail.
- Standard mail (A) represented 45.1 percent of all mail sent in 2000.
- The total number of pieces of mail attributed to direct mail in 2000 was 93.8 billion.
- U.S. Postal Service mail showed the largest decrease in volume in 2000 — down 5.1 percent.

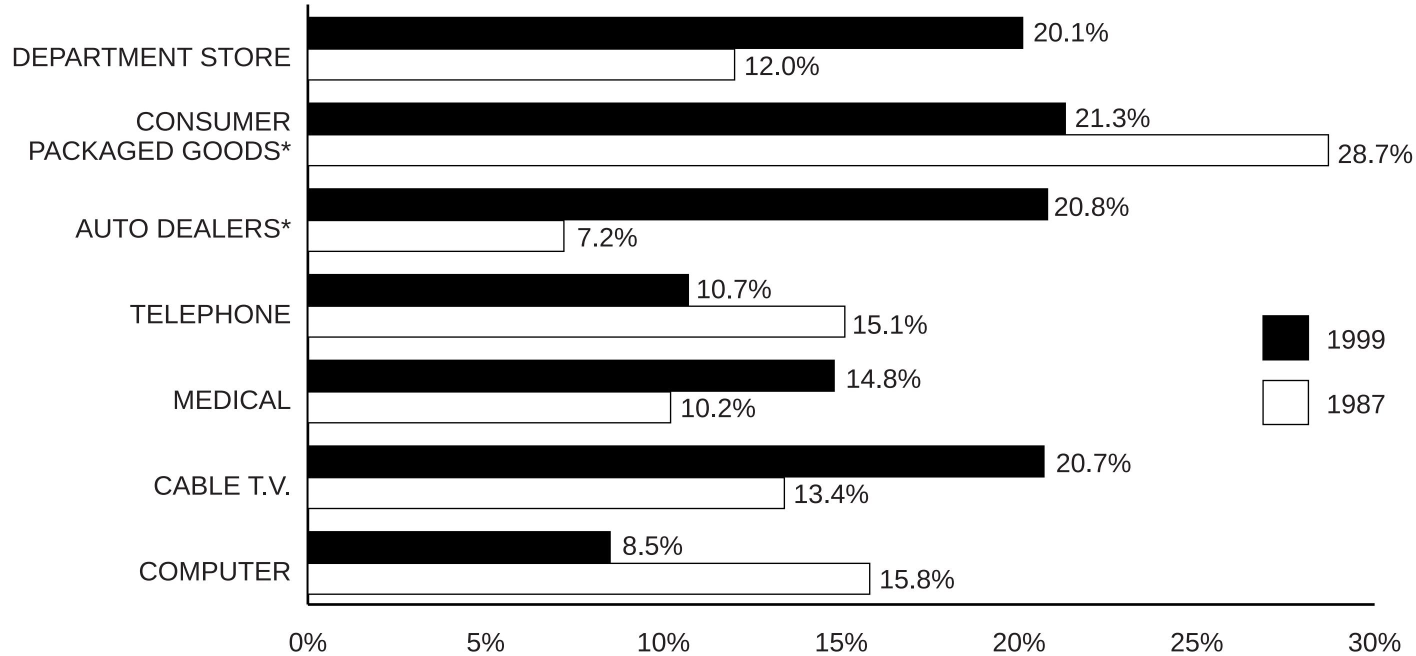
** Important note for this chapter: Effective July 1, 1996, business mail was reclassified into three categories: first-class mail, periodicals (previously second-class mail), and standard mail (previously third- and fourth-class mail).*

THE DMA
Direct Marketing Association

RESPONSE RATES TO STANDARD MAIL (A) ADVERTISING SOLICITATIONS

PERCENTAGE OF PIECES

More than 20% of consumers respond to Standard Mail (A) solicitations from consumer packaged goods.

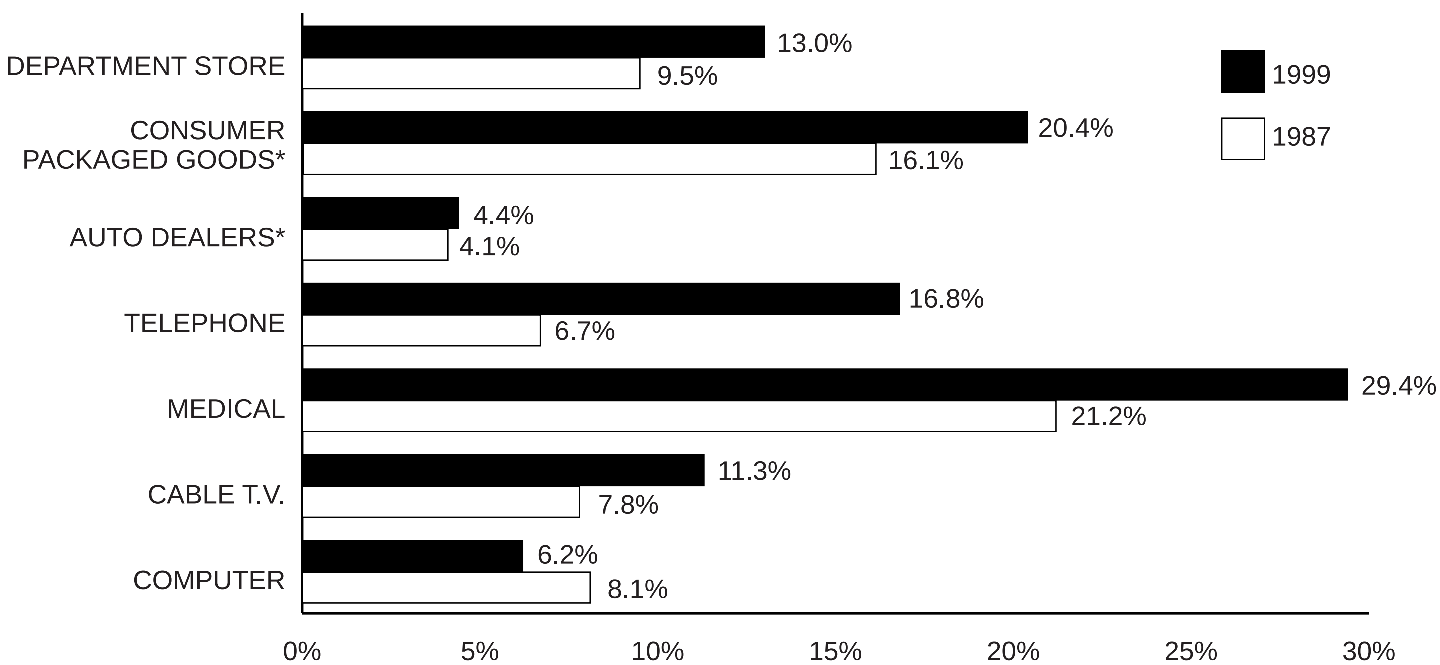


* Fluctuations may be due to small sample sizes.
Source: USPS: Household Diary Study, 2000.

RESPONSE RATES TO FIRST-CLASS ADVERTISING SOLICITATIONS

PERCENTAGE OF PIECES

29.4% of consumers respond to first-class solicitations from the medical field.



* Fluctuations may be due to small sample sizes.
Source: USPS: Household Diary Study, 2000.

PACKAGES SENT BY USPS

(PERCENTAGE OF PACKAGES BY CLASS)

More than 60% of all packages were sent via first-class and priority mail in 1999, versus only 39% in 1987.

Mail Classification	1987	1998	1999
First-Class and Priority	39.0%	42.6%	63.9%
Express	0.0%	2.1%	2.8%
Standard Mail (A) Bulk Rate	16.5%	12.8%	16.7%
Special Standard	3.5%	2.1%	1.3%
Parcel Post	13.5%	12.8%	2.8%
International	6.0%	4.3%	5.5%
Other	0.0%	0.0%	0.0%
Don’t Know	3.4%	2.1%	0.8%
Total	**81.7%**	**78.7%**	**93.8%**

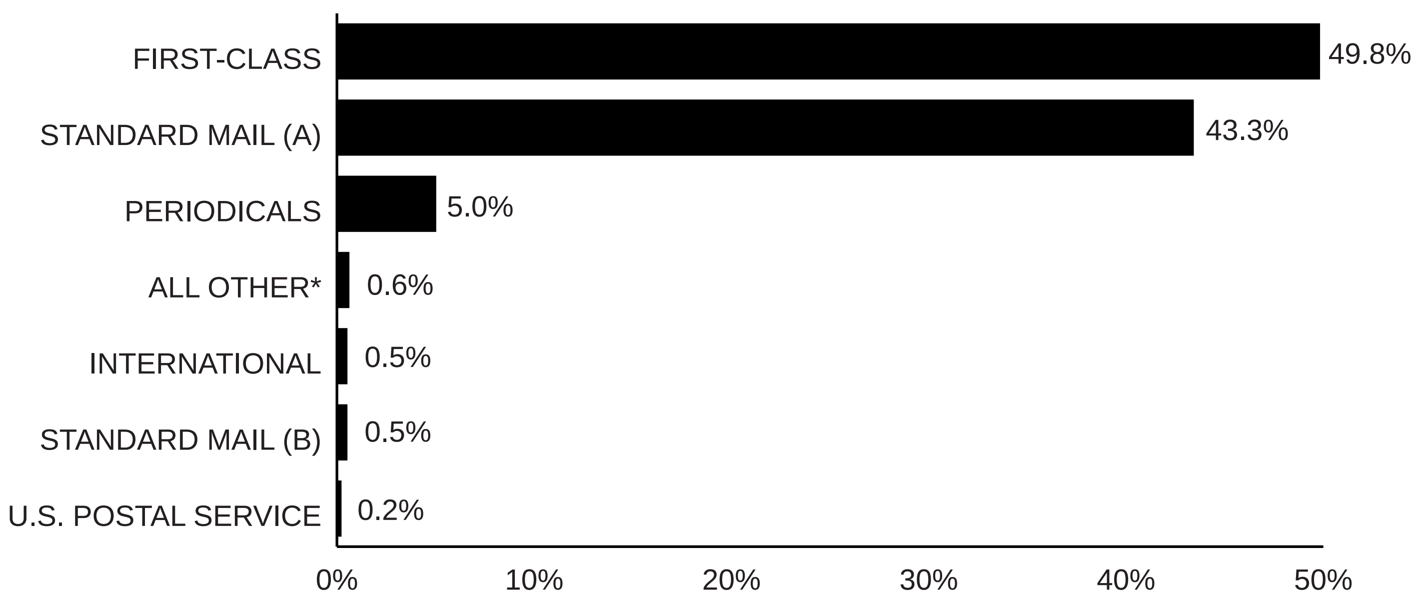
Source: USPS Household Diary Study, 2000.

COMPOSITION OF MAIL

FISCAL YEAR 2000

(PERCENTAGE OF TOTAL VOLUME BY CLASS)

First-class mail represents almost half of total mail volume, while standard mail (A) makes up over 40%.



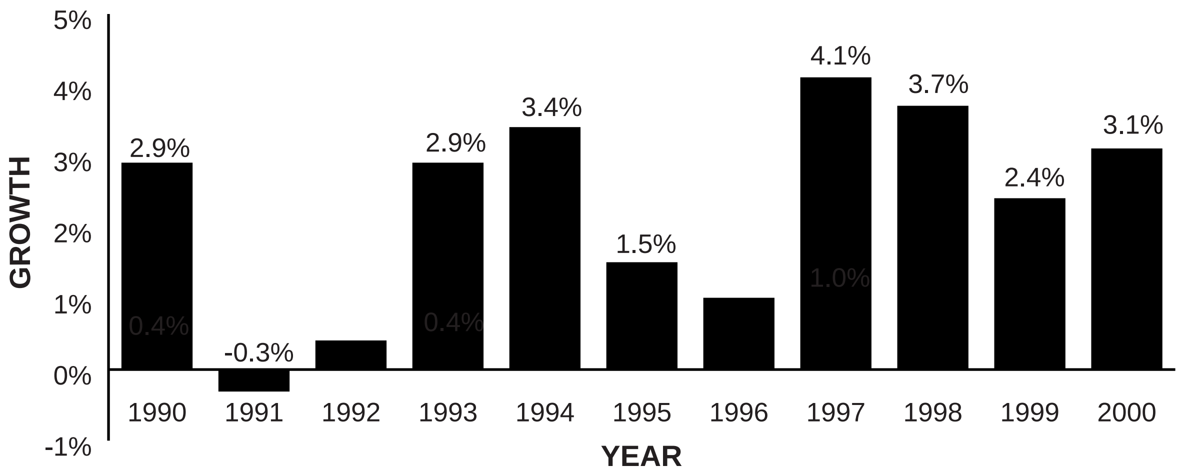
* Other includes priority mail, express mail, mailgrams, and free mail for the blind and handicapped.

Source: USPS: Revenue, Pieces and Weight by Classes of Mail and Special Services, 2000.

THE DMA Direct Marketing Association

TOTAL DOMESTIC MAIL VOLUME GROWTH RATE: 1990–2000

Domestic mail growth increased to 3.1% in 2000.

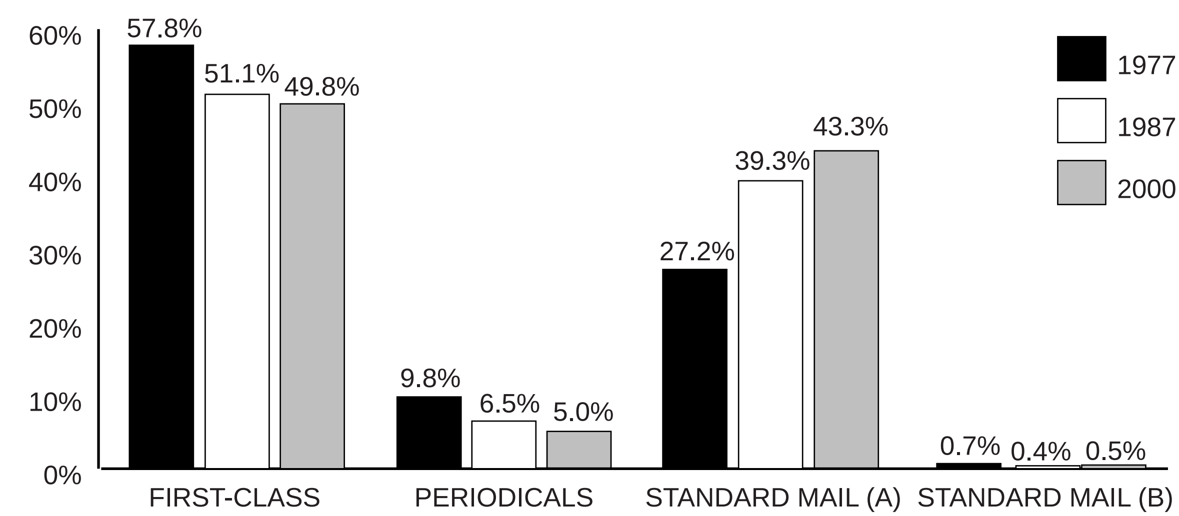


Source: USPS: Revenue, Pieces and Weight by Classes of Mail and Special Services, 2000.

MAIL VOLUME BY CLASS: 1977, 1987, 2000

PERCENTAGE OF TOTAL MAIL DELIVERED*

Over the years, periodical mail volume percentage has consistently declined.



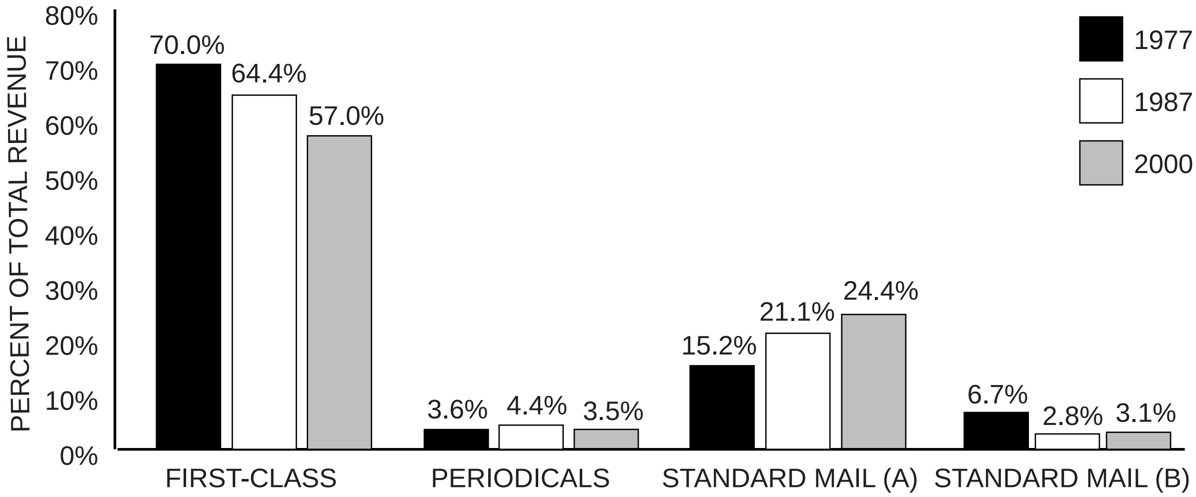
* Percentages do not total 100% because priority mail, express mail, mailgram, international, and free mail for the blind and handicapped mail figures, which are included in total mail volume figures, are not shown.

Source: USPS: Revenue, Pieces and Weight by Classes of Mail and Special Services, 2000.

DOMESTIC MAIL REVENUE BY CLASS:* 1977, 1987, 2000

PERCENTAGE OF TOTAL MAIL REVENUE

Over the years, first-class mail revenue has been shrinking.

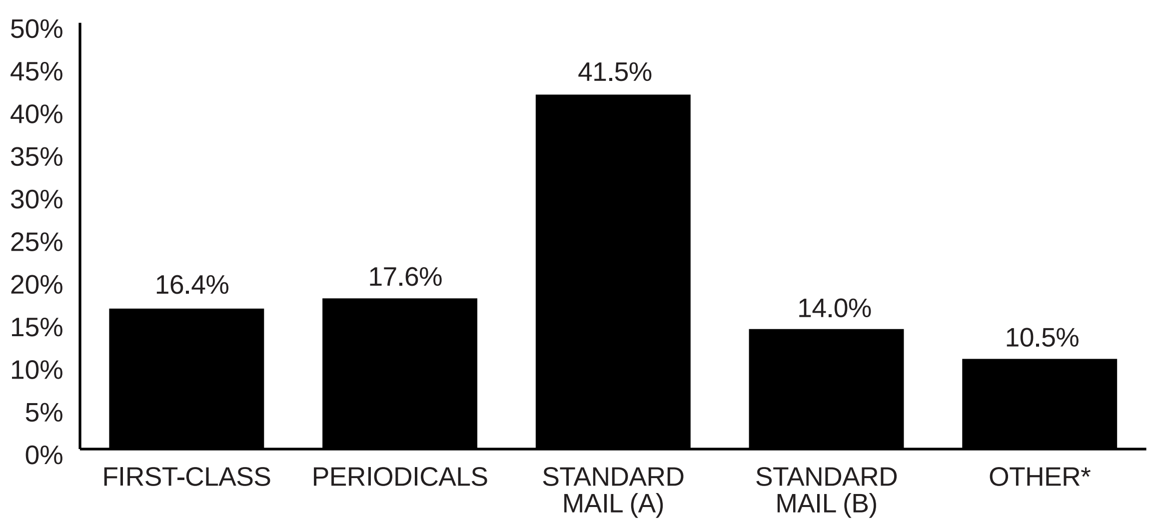


* Percents do not add up to 100% because priority mail, express mail, mailgram, and international mail figures, which are included in total mail revenue figures, are not shown.

Source: USPS: Revenue, Pieces and Weight by Classes of Mail and Special Services, 2000.

PERCENT WEIGHT OF MAIL BY CLASS: 2000

Standard Mail (A) comprises more than two-fifths of the total weight of all mail.



* Other includes priority mail, express mail, international mail, U.S. postal service mail, and free mail for the blind and handicapped.

Source: USPS: Revenue, Pieces and Weight by Classes of Mail and Special Services, 2000.

NUMBER OF THIRD-CLASS MAIL PIECES ATTRIBUTED TO DIRECT MAIL 1977-1983

(POSTAL FISCAL YEAR = OCT 1– SEPT 30)
(IN THOUSANDS)

	Third-Class Single D. Mail = 95%	Third-Class Bulk D. Mail = 95%	Third-Class Non-Profit D. Mail = 95%	Catalog D. Mail = 100%	Total USPS 3rd Class Pieces	Total 3rd Class D. Mail Pieces
Total 1977	612,518	17,138,794	6,825,799	84,998	24,662,109	23,433,253
Total DM	581,892	16,281,854	6,484,509	84,998		
Total 1978	539,724	18,684,430	7,020,146	85,431	26,329,731	25,017,517
Total DM	512,738	17,750,209	6,669,139	85,431		

Mail 100%	Third-Class Single Class Pieces	Third-Class Bulk-Regular Pieces	Third-Class Bulk Carrier Presort D. Mail = 95%	Third-Class Non-Profit D. Mail = 95%	Catalog* D. Mail = 95%	Total USPS 3rd D. Mail = 95%	Total 3rd Class Direc D. Mail =
Total 1979 26,703,855	444,871	15,509,303	4,492,980	7,552,602	104,087	28,103,843	
Total DM	422,627	14,733,838	4,268,331	7,174,972	104,087		
Total 1980 28,676,815	410,959	14,583,864	6,999,788	8,068,948	116,434	30,179,993	
Total DM	390,411	13,854,671	6,649,799	7,665,500	116,434		

Mail 95%	Third-Class Single Class Pieces	Third-Class Bulk-Regular Pieces	Third-Class Bulk Carrier Presort D. Mail = 95%	Third-Class 5-Digit Presort D. Mail = 95%	Third-Class Non-Profit D. Mail = 95%	Total USPS 3rd D. Mail = 95%	Total 3rd Class Direc D. Mail =
Total 1981	335,168	11,636,430	10,541,579	2,527,621	8,566,607	33,607,405	31,927,034
Total DM	318,410	11,054,608	10,014,500	2,401,239	8,138,277		
Total 1982	203,350	8,791,167	13,742,551	4,918,628	9,063,627	36,719,323	34,888,358
Total DM	198,183	8,351,609	13,055,423	4,672,697	8,610,446		
Total 1983	167,990	8,812,930	16,698,070	5,674,653	9,381,076	40,734,719	38,697,984
Total DM	159,591	8,372,284	15,863,167	5,390,920	8,912,022		

* In 1981, the USPS discontinued reporting the catalog figure as a separate category. Since then this figure has been included partially in third and fourth class bound-printed matter figures.

Source: The DMA/USPS Revenue, Pieces and Weight by Classes of Mail and Special Services for fiscal years 1977-1983.

NUMBER OF NON-THIRD-CLASS MAIL PIECES ATTRIBUTED TO DIRECT MAIL 1977-1983

(POSTAL FISCAL YEAR = OCT 1 – SEPT 30)
(IN THOUSANDS)

	First Class D. Mail = 20%	Priority Mail D. Mail = 5%	Mailgrams D. Mail = 15%	Int'l Mail D. Mail = 5%	Total # USPS Non-3rd Class Pieces	Total # Non-3rd Class D. Mail Pieces
Total 1977	58,827,034	199,487	28,562	684,899	59,739,982	10,813,910
Total DM	10,765,407	9,974	4,284	34,245		

	First Class D. Mail = 20%	Priority Mail D. Mail = 5%	Mailgrams D. Mail = 15%	Int'l Mail D. Mail = 5%	Total # USPS Non-3rd Class Pieces	Total # Non-3rd Class D. Mail Pieces
Total 1978	54,557,218	213,329	32,504	718,935	55,521,986	5,507,211
Total DM	5,455,722	10,666	4,876	35,947		
Total 1979	58,215,317	231,835	37,989	755,674	59,240,815	5,886,606
Total DM	5,831,532	11,592	5,698	37,784		
Total 1980	58,993,087	252,864	39,452	733,832	60,019,235	5,954,562
Total DM	5,899,309	12,643	5,918	36,692		

	First Class D. Mail = 10%	Fourth Class Bound Printed Matter D. Mail = 85%	Int'l Mail D. Mail = 5%	Total # USPS Non-3rd Class Pieces	Total # Non-3rd Class D. Mail Pieces
Total 1981	61,410,172	118,675	885,509	62,414,356	6,280,232
Total DM	6,141,017	94,940	44,275		

	First Class D. Mail = 7.5%	Fourth Class Bound Printed Matter D. Mail = 85%	Int'l Mail D. Mail = 2%	Total # USPS Non-3rd Class Pieces	Total # Non-3rd Class D. Mail Pieces
Total 1982	62,200,212	156,154	927,541	63,283,907	4,808,490
Total DM	4,665,016	124,923	18,551		
Total 1983	64,246,880	168,128	904,821	65,319,829	4,979,520
Total DM	4,818,516	142,908	18,096		

NOTE: Priority Mail and Mailgram figures are not reported after 1980 because the volume of DM pieces is not a substantial portion.

Source: The DMA/USPS Revenue, Pieces and Weight by Classes of Mail and Special Services for fiscal years 1977-1983.

TOTAL NUMBER OF MAIL PIECES (ALL CLASSES) ATTRIBUTED TO DIRECT MAIL 1977-2000

(POSTAL FISCAL YEAR = OCT 1 – SEPT 30)
(IN THOUSANDS)

The percentage of total mail volume attributed to direct mail has grown since 1977.

	Total # USPS Pieces	Total # Direct Mail Volume Pieces*	Percentage of Total Mail Volume Attributed to Direct Mail
Total 1977	92,257,000	34,247,163	37.1%
Total 1978	96,913,000	30,524,728	31.5%
Total 1979	99,827,000	32,590,461	32.6%
Total 1980	106,311,000	34,631,377	32.6%
Total 1981	110,130,000	38,207,266	34.7%
Total 1982	114,049,000	39,696,848	34.8%
Total 1983	119,381,000	43,677,504	36.6%
Total 1984	131,545,000	51,151,864	38.9%
Total 1985	140,098,000	55,567,258	40.0%
Total 1986	146,409,000	58,238,290	39.8%
Total 1987	153,931,000	62,694,702	40.7%
Total 1988	160,491,000	65,595,648	40.9%
Total 1989	161,603,000	58,454,416	36.2%
Total 1990	166,300,000	66,340,332	39.9%
Total 1991	165,850,000	66,404,601	40.0%
Total 1992	166,443,391	66,577,261	40.0%
Total 1993	171,219,994	69,715,897	40.7%
Total 1994	177,062,220	73,382,560	41.4%
Total 1995	180,733,705	75,194,773	41.6%
Total 1996	182,680,802	75,831,380	41.5%
Total 1997	190,888,060	81,329,049	42.6%
Total 1998	197,943,197	87,163,478	44.0%
Total 1999	201,576,282	89,637,850	44.4%
Total 2000	207,882,151	93,816,885	45.1%

* Note: The total number of direct mail volume pieces are determined from the following percentage approximations agreed upon by the USPS and The DMA: 95% of standard mail (A), 7.5% of first class, 85% of standard mail (B) bound printed matter, and 2% of international mail is direct mail.

Source: The DMA/USPS Revenue, Pieces and Weight by Classes of Mail and Special Services for fiscal years 1977-2000.

NUMBER OF THIRD-CLASS PIECES ATTRIBUTED TO DIRECT MAIL 1984-1995

(POSTAL FISCAL YEAR = OCT 1 – SEPT 30)
(IN THOUSANDS)

	Third-Class Single D. Mail = 95%	Third-Class Bulk-Basic D. Mail = 95%	Third-Class Bulk Carrier Presort D. Mail = 95%	Third-Class 5-Digit Presort D. Mail = 95%	Third-Class Non-Profit D. Mail = 95%	Total USPS Third-Class Pieces	Total Third-Class D. Mail Pieces
Total 1984	173,316	9,559,199	21,391,900	6,747,731	10,371,568	48,248,714	
Total DM	169,400	9,081,239	20,322,305	6,410,344	9,852,990		45,836,278
Total 1985	168,355	10,428,865	23,407,236	7,189,668	10,976,133	51,170,257	
Total DM	159,937	9,907,422	22,236,874	6,830,185	10,427,326		49,561,744
Total 1986	155,158	11,629,416	24,173,638	8,203,177	10,887,557	55,048,946	
Total DM	147,400	11,047,945	22,964,956	7,793,018	10,343,179		52,296,498
Total 1987	158,462	12,505,514	26,743,646	9,304,063	11,021,513	59,733,198	
Total DM	150,539	11,880,258	25,406,454	8,838,860	10,470,437		56,746,548
Total 1988	210,890	12,049,160	29,209,430	10,530,842	11,249,499	63,249,821	
Total DM	200,346	11,446,702	27,748,959	10,004,300	9,562,074		58,662,381
Total 1989	191,157	9,658,898	28,707,528	12,365,993	11,857,442	62,779,118	
Total DM	181,599	9,174,146	27,272,152	11,747,693	10,078,826		58,454,416
Total 1990	188,303	10,138,678	27,585,672	13,784,198	12,028,259	63,725,110	
Total DM	178,887	9,631,744	26,206,388	13,094,988	10,224,020		59,336,027
Total 1991	207,759	8,218,508	27,300,368	14,747,855*	11,955,506	62,429,896	
Total DM	197,371	7,807,582	25,935,254	14,010,462	11,357,730		59,308,399
Total 1992	193,772	7,165,014	26,137,994	17,051,126*	11,999,282	62,547,188	
Total DM	184,083	6,806,763	24,831,094	16,198,570	11,399,318		59,419,828
Total 1993	188,038	5,673,448	27,803,942	20,152,067*	11,957,685	65,773,180	
Total DM	176,736	5,389,776	26,413,745	19,144,464	11,359,801		62,484,522
Total 1994	179,034	5,956,540	29,811,177	21,557,625	11,895,726	69,400,101	
Total DM	170,082	5,658,713	28,320,618	20,479,743	11,300,939		65,930,095
Total 1995	141,543	5,893,560	29,725,668	23,085,629	12,265,675	71,112,094	
Total DM	134,465	5,598,882	28,239,404	21,912,348	11,652,391		67,537,490

* This category was changed to include 3- and 5-digit mail in 1991.

Source: The DMA/USPS Revenue, Pieces and Weight by Classes of Mail and Special Services for fiscal years 1984-1995.

VOLUME OF STANDARD MAIL (A) CLASS 2000 VS. 1999

(POSTAL FISCAL YEARS: OCT 1-SEPT 30; IN THOUSANDS)

The volume of mail that falls into the automation presort category rose again in 2000 — 13.8 percent at the regular rate and 12.6 percent at the nonprofit rate.

	2000	1999	% Change 1999–2000
Single Piece Rate	0	42,037	(100.0)
Regular Rate			
Nonautomation Presort	5,854,529	6,330,857	(7.5)
Automation Presort	37,176,324	32,665,408	13.8
Enhanced Carrier Route	32,775,999	32,755,982	(0.1)
Nonprofit Rate			
Nonautomation Presort	2,934,396	3,496,158	(16.1)
Automation Presort	8,391,262	7,453,438	12.6
Nonprofit Enhanced Carrier Route	2,924,638	2,917,830	0.2
Total Standard Mail (A)	90,057,147	85,661,710	5.1

Source: USPS: Revenue, Pieces and Weight by Classes of Mail and Special Services, 2000.

NUMBER OF NON-THIRD-CLASS PIECES ATTRIBUTED TO DIRECT MAIL: 1984-1995

(POSTAL FISCAL YEAR = OCT 1-SEPT. 30)
(IN THOUSANDS)

	First Class D. Mail = 7.5%	Fourth Class Bound Printed Matter D. Mail = 85%	Int'l Mail D. Mail = 2%	Total # USPS Non-3rd Class Pieces	Total # Non-3rd Class D. Mail Pieces
Total 1984	68,428,570	194,760	894,840	69,518,170	
Total DM	5,132,143	165,546	17,897		5,315,586
Total 1985	72,440,277	212,829	829,404	73,482,510	
Total DM	5,808,021	180,905	16,588		6,005,514
Total 1986	76,186,648	249,221	797,727	77,233,596	
Total DM	5,713,999	211,838	15,955		5,941,792
Total 1987	78,869,309	255,537	777,816	79,902,662	
Total DM	5,915,198	217,206	15,556		6,147,960
Total 1988	84,749,464	308,861	726,226	85,784,551	
Total DM	6,356,210	262,532	14,525		6,633,267
Total 1989	85,855,457	312,264	723,855	86,891,576	
Total DM	6,439,159	265,424	14,477		6,719,060
Total 1990	89,269,649	344,844	798,265	90,412,758	
Total DM	6,695,223	293,117	15,965		7,004,305
Total 1991	90,284,596	363,532	792,802	91,440,930	
Total DM	6,771,344	309,002	15,856		7,096,202
Total 1992	90,781,037	391,847	789,253	91,962,137	
Total DM	6,808,578	333,070	15,785		7,157,433
Total 1993	92,169,448	353,560	907,022	93,430,030	
Total DM	6,912,709	300,526	18,140		7,231,375
Total 1994	94,376,106	420,060	860,373	95,656,539	
Total: DM	7,078,208	357,051	17,207		7,452,466
Total 1995	96,295,900	470,672	801,091	97,567,663	
Total DM	7,222,193	400,071	16,021		7,638,285

Source: The DMA/USPS Revenue, Pieces and Weight by Classes of Mail and Special Services for fiscal years 1984-1995.

NUMBER OF NON-STANDARD MAIL (A) PIECES ATTRIBUTED TO DIRECT MAIL: 1998-2000

	First Class D. Mail = 7.5%	Std. Mail (B) Bound Printed Matter D. Mail = 85%	Int'l Mail D. Mail = 2%	Total # USPS Non-Std (A) Class Pieces	Total # Non-Std. (A) Class D.Mail Pieces
Total 1998	101,172,828	488,134	943,968	102,604,930	
Total DM	7,587,962	414,913	18,879		8,021,75
Total 1999	101,936,455	495,662	963,425	103,395,530	
Total DM	7,645,238	421,312	19,269		8,085,819
Total 2000	103,525,713	560,218	1,099,478	117,825,596	
Total DM	7,764,421	476,185	21,990		8,262,596

Source: The DMA/USPS Revenue, Pieces and Weight by Classes of Mail and Special Services for fiscal years 1998-2000.

MAJOR USERS OF STANDARD MAIL (A)

PERCENTAGE OF TOTAL STANDARD MAIL (A)

Mail order companies are the largest users of Standard Mail (A).

INDUSTRY	1987	1998	1999
Mail Order	12.0	15.4	13.5
Publisher	10.1	8.3	7.0
Department Store	11.1	6.2	5.8
Detached Label	5.8	4.6	4.3
Specialty Stores	6.8	5.1	4.8
More Than One Organization	4.2	2.6	2.5
Insurance Companies	2.8	2.8	2.9
Credit Card Companies	2.2	3.6	4.2
Leisure Services	1.2	2.2	1.8
Bank	1.8	3.0	2.0
Other	15.7	14.5	13.5
TOTAL STANDARD MAIL (A) SENT TO HOUSEHOLDS	**73.7**	**68.3**	**62.3**

Source: USPS Household Diary Study, 2000.

PACKAGES RECEIVED — CONTENT* BY CARRIER

POSTAL YEARS 1987,1998 AND 1999

The Postal Service delivered 93.7% of records, tapes or CDs, while UPS's largest shares of deliveries was in the catalog order category -- 17.7 percent.

	Percent of Total			Percent Sent Via Postal Service			Percent Sent Via UPS		
Content*	1987	1998	1999	1987	1998	1999	1987	1998	1999
Book	15.9	14.1	8.7	89.6	91.6	89.6	10.0	1.1	10.0
Record, Tape or CD	6.7	7.4	7.6	87.3	99.6	93.7	8.0	0.4	5.7
Item From Friend or Relative	16.7	11.4	12.2	69.0	86.1	78.9	23.2	11.6	16.7
Order From Catalog	19.1	16.8	20.2	47.1	77.8	74.3	56.9	20.2	17.7
Order From Store†	5.1	3.0	2.9	43.5	20.2	70.6	55.0	70.8	14.1
Other Mail Order	11.5	13.9	18.5	67.5	83.5	89.8	30.4	9.1	9.1

* Packages can contain more than one type of content.

† Fluctuations may be due to small sample sizes.

Source: USPS Household Diary Study, 2000.

BRIEF HISTORY OF SELECTED POSTAL RATES 1960-1995

THIRD-CLASS BULK (BEFORE PRESORT PROGRAM INITIATED)

Year	Effective Date*	Regular Bulk Min. Per Piece	Effective Date	Non Profit Min. Per Piece
	1/1/59	2¢	1/1/59	1¢
1960	7/1/60	2.5¢	7/11/60	1.25¢
1961		2.5¢		1.25¢
1962		2.5¢		1.25¢
1963	1/7/63	2.625¢		1.25¢
1964	1/1/64	2.75¢		1.25¢
1965	1/1/65	2.875¢		1.25¢
1966		2.875¢		1.25¢
1967		2.875¢		1.25¢
1968	1/7/68	3.6¢	1/7/68	1.4¢
1969	7/1/69	3.8/4.0¢*	7/11/69	1.6¢
1970		3.8/4.0¢*		1.6¢
1971	5/16/71	4.04/4.2¢*	5/16/71	1.7¢
1972	3/12/72	5.0¢		
	7/6/72	4.85/5.0¢*		1.7¢
1973		4.8/5.0¢*		1.7¢
1974	3/2/74	6.1/6.3¢*	7/6/74	1.8¢
1975	12/31/75	7.7/7.9¢*		1.8¢
1976	7/6/76	7.7/7.9¢*	7/6/76	1.9¢
	7/18/76	7.5/7.7¢*	7/18/76	2.0¢
1977		7.5/7.7¢*	7/6/77	2.1¢
1978	5/29/78	8.4¢	5/29/78	2.4¢
			7/6/78	2.7¢
1979			7/6/79	3.1¢

* 1st 250M pieces per year at initial figure

THIRD-CLASS MIN PER PIECE (BY PRESORT CATEGORY BEGINNING 1979)

Year	Bulk Rate Regular Effective Date	Carrier Route	Five Digit	All Other
1979		6.7¢	n/a	8.4¢
1981	3/22/81	6.4¢	8.8¢	10.4¢
1981	11/01/81	7.9¢	9.3¢	10.9¢
1983	5/22/83	7.4¢	9.3¢	11.0¢
1985	2/17/85	8.3¢	10.1¢	12.5¢
1988	4/03/88	10.1¢	13.2¢	16.7¢
1991	2/03/91		(See postal rates on page 247)	
1995	1/11/95		(See postal rates on page 247)	
	NON-PROFIT			
1980	7/06/80	3.2¢	n/a	3.5¢
1981	7/06/81	1.9¢	2.9¢	3.8¢
1982	1/10/82	4.0¢	5.0¢	5.9¢
1982	7/24/82	3.0¢	4.0¢	4.9¢
1983	1/09/83	3.3¢	4.3¢	5.2¢
1985	2/17/85	3.4¢	4.9¢	6.0¢
1986	1/01/86	4.8¢	6.3¢	7.4¢
1986	3/09/86	5.7¢	7.2¢	8.7¢
1986	4/20/86	5.5¢	7.1¢	8.5¢
1988	4/03/88	5.3¢	7.6¢	8.4¢
1991	2/03/91		(See postal rates on page 247)	
1995	1/11/95		(See postal rates on page 247)	

4TH CLASS PARCEL POST LOCAL (ZONES 1, 2, 3)

Year	Effective Date	Per Piece	Per LB. (1–5)	Year	Effective Date	Per LB. (Up to 2 LBS.)
1960	2/11/60	20¢	+2¢	1970	11/14/70	60¢
1963	4/11/64	25¢	+2¢	1974	3/2/74	61¢
1965	1/15/67	25¢	+2¢	1975	9/14/75	67¢
1966		25¢	+2¢+10¢ to nearest 5 or 10¢		12/31/75	77¢
1968	10/19/68	45¢	+2¢- to nearest 5¢	1978	5/29/78	$1.15
				1981	3/22/81	$1.38
				1985	2/17/85	$1.41
				1988	4/3/88	$1.43
				1991	2/3/91	$1.74

1st-Class 1st oz.			3rd-Class Single Piece 1st 2 ozs.		
Year	Effective Date	Per Piece	Year	Effective Date	Per Piece
1960	8/1/58	4¢	1960	8/1/58	3¢
1963	1/7/63	5¢	1963	1/7/63	4¢
1968	1/7/68	6¢	1968	1/7/68	6¢
1971	5/16/71	8¢	1971	5/16/71	8¢
1974	3/2/74	10¢	1974	3/2/74	10¢
1975	12/31/75	13¢	1975	12/31/75	13¢
			1976	7/18/76	14¢
1978	5/29/78	15¢	1978	5/29/78	20¢
1981	3/22/81	18¢	1981	3/22/81	18¢
1981	11/1/81	20¢	1981	11/1/81	20¢
1985	2/17/85	22¢	1985	2/17/85	22¢
1988	4/3/88	25¢	1988	4/3/88	25¢
1991	2/3/91	29¢	1991	2/3/91	29¢

Source: Compiled by The Direct Marketing Association, Inc. 1995.

POSTAL RATE CHANGES: 1991 AND 1995

First-Class	Rate (Cents) effective 2/3/91	Rate (Cents) effective 1/1/95
Letters, Flats, Small Parcels		
First ounce		
Unpresorted	29.0	32.0
3/5-Digit Presort	24.8	27.4
Carrier Route Presort	23.0	25.4
Additional Ounces	23.0	23.0
Cards		
Basic Rate	19.0	20.0
3 5-Digit Presort	17.0	17.9
Carrier Route Presort	15.2	16.0
ZIP+4 Letters		
First ounce		
Unpresorted	27.6	30.5
3 5-Digit Presort	24.2	26.7
3-Digit Presort/Prebarcoded	23.9	26.4
5-Digit Presort/Prebarcoded	23.3	25.8
ZIP+4 Cards		
Unpresorted	18.0	18.9
Unpresorted/Prebarcoded	17.7	18.6
3/5-Digit Presort	16.4	17.3
3-Digit Presort/Prebarcoded	16.1	17.0
5-Digit Presort/Prebarcoded	15.5	16.3
Business Reply Fees		
Advance Deposit		
Basic Rate	9.0	10.0
Prebarcoded	2.0	2.0
Express Mail (1/2 lb.)	–	$9.9

Third-Class	Rate (Cents) effective 2/3/91		Rate (Cents) effective 1/1/95	
Regular Bulk	**Letters**	**Flats**	**Letters**	**Flats**
Minimum Piece Rate				
Required Presort				
Basic	19.8	23.3	22.6	26.6
ZIP+4	18.9	N/A	21.6	N/A
Prebarcoded	17.9	N/A	20.4	N/A
Prebarcoded (flats/basic)	N/A	20.8	N/A	23.7
3/5-Digit Presort	16.5	18.7	18.8	21.40
3/5-Digit ZIP+4	16.1	N/A	18.3	N/A
3/5-Digit Prebarcoded (flats)	N/A	21.6	N/A	19.5
3-Digit Prebarcoded	15.4	N/A	17.4	N/A
5-Digit Prebarcoded	14.6	N/A	16.60	N/A
Carrier Route Presort	13.1	14.2	15.0	16.2
125 Piece Walk Sequence	N/A	13.7	N/A	15.7
Saturation	12.4	12.7	14.2	14.5
Pound Rate	N/A	60.0	N/A	68.7
Plus Per Piece:				
Required Presort	N/A	10.9	N/A	12.4
3/5-Digit Presort	N/A	6.3	N/A	7.2
Carrier Route	N/A	1.8	N/A	2.0
125 Piece Walk Sequence	N/A	1.3	N/A	1.5
Saturation	N/A	0.3	N/A	0.3

Source: The Direct Marketing Association, 1995.

Third-Class	Rate (Cents) effective 2/3/91		Rate (Cents) effective 1/1/95	
Non-Profit Bulk	**Letters**	**Flats**	**Letters**	**Flats**
Minimum Piece Rate				
Required Presort				
Basic	11.6	16.4	12.0	17.0
ZIP+4	10.9	N/A	11.3	N/A
Prebarcoded	9.9	13.9	10.2	14.4
3/5-Digit Presort				
3/5-Digit Presort	10.3	15.0	10.7	15.6
3/5-Digit ZIP+4	9.9	N/A	10.3	N/A
3-Digit Prebarcoded	9.3	13.3	9.7	13.8
5-Digit Prebarcoded	8.6	13.3	8.9	13.8
Carrier Route Presort				
Carrier Route	7.9	11.9	8.2	12.3
Walk Sequence (125 pc)	N/A	11.7	N/A	12.1
Saturation	7.6	11.2	7.9	11.6
Pound Rate	pc	lb	pc	lb
Required Presort	7.1	44.6	7.3	46.5
3 5-Digit Presort	5.7	44.6	5.9	46.5
Carrier Route	2.6	44.6	2.6	46.5
Walk Sequence (125 pc)	2.4	44.6	2.4	46.5
Saturation	1.9	44.6	1.9	46.5
Prebarcoded	4.6	44.6	4.7	46.5
3-Digit Prebarcoded	4.0	44.6	4.7	46.5
5-Digit Prebarcoded	4.0	44.6	4.1	46.5

Third Class Drop Ship Discounts (Regular and Non-Profit):
Piece Rate Mail (Per Piece)
BMC: 1.2 cents; SCF: 1.7 cents; Delivery Office: 2.2 cents
Pound Rate Mail (Per Pound)
BMC: 5.8 cents; SCF: 8.1 cents; Delivery Office: 10.4 cents

PRC Recommended Break Point: 3.3067 ounces.
Non-Profit: 3.3314 ounces.

Definition of a Letter:
"Letter" size pieces are between 5 and 11-1/2 Inches in length, 3-1/2 and 6-1/8 inches in height, and 0.007 and 1/4 inches in thickness. Also, when their length is divided by their height, the resulting ratio must range from 1.3 to 2.5. Third-class pieces not meeting any of these requirements are designated as non-letters, or flats.

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POSTAL RATES (EFFECTIVE 1/10/99)

FIRST-CLASS MAIL RATE COMPARISON CHART MINIMUM VOLUME FOR PRESORT AND AUTOMATION RATES IS 500 PIECES

Letters and Sealed Parcels (First ounce)	Before	After
Single-Piece	32.0¢	33.0¢
Presort	29.5	30.5
Automation		
Basic	26.1	27.0
3-Digit Barcoded	25.4	26.1
5-Digit Barcoded	23.8	24.3
Carrier Route	23.0	23.8

Flats (First Ounce)	Before	After
Single-Piece	32.0	33.0
Presort	29.5	30.5
Automaton		
Basic	29.0	30.0
3/5	27.0	27.0

Postcards and Postal Cards	Before	After
Single-Piece	20.0	20.0
Presort	18.0	18.0
Automation		
Basic	16.6	16.6
3-Digit Barcoded	15.9	15.9
5-Digit Barcoded	14.3	14.6
Carrier Route	14.0	14.1

STANDARD MAIL (A) RATE COMPARISON CHART MINIMUM VOLUME IS 200 PIECES

Letter Size	Before	After
Regular		
Basic	25.6¢	23.5¢
3/5 Digit	20.9	20.7
Automated Basic (barcoded)	18.3	18.3
Automated 3-Digit (barcoded)	17.5	17.6
Automated 5-Digit (barcoded)	15.5	16.0
Automated 5-Digit at SCF entry (barcoded letter)	13.7	13.9
Enhanced Carrier Route (new)		
Basic	15.0	16.2
Automated Basic Carrier Route (barcoded letter))	14.6	15.6
High Density	14.2	13.9
Saturation	13.3	13.0
Saturation at Delivery Unit Entry	11.0	10.4

Flats Size	Before	After
Regular		
Basic	30.6	30.4
3/5 Digit	22.5	24.0
Automated Basic (barcoded)	27.7	29.5
Automated 3/5 Digit (barcoded)	18.9	20.3
Automated 3/5 Digit at SCF entry (barcoded)	17.1	18.2
Enhanced Carrier Route (new)		
Basic	15.5	16.2
High Density	14.7	15.1
Saturation	13.7	14.0
Saturation at Delivery Unit Entry	11.4	11.4

PERIODICALS MAIL RATE COMPARISON CHART

Letters After Classification Reform	Before	After
Basic Nonautomation	24.0¢	29.4¢
Basic Automation Letter	19.4	23.2
3-Digit Nonautomation	20.2	25.3
5-Digit Nonautomation	n/a	19.7
3-Digit Automation	17.3	20.6
5-Digit Automation	20.2	16.2
Carrier Route (Nonautomation)	11.9	12.2
High Density	11.1	10.3
Saturation	9.5	8.5

Before Classification Reform	After Classification Reform	Flats (Piece rates) Before	After
Level A ZIP+4 Barcoded Flats	Automation Flat	20.9	24.8
Level B3 ZIP+4 Barcoded Flats	3-Digit Automation Flat	17.5	21.4
Level B5 ZIP+4 Barcoded Flats	5-Digit Automation Flat	17.5	16.8

Source: USPS, 1999.

POSTAL RATES (EFFECTIVE 1/7/01)

FIRST-CLASS MAIL RATE COMPARISON CHART MINIMUM VOLUME FOR PRESORT AND AUTOMATION RATES IS 500 PIECES

Letters and Sealed Parcels (First ounce)	Before	After
Single-Piece	33.0¢	34.0¢
Presort	30.5	32.0
Automation		
Basic	27.0	27.8
3-Digit Barcoded	26.1	26.7
5-Digit Barcoded	24.3	25.3
Carrier Route	23.8	24.3

Flats (First Ounce)	Before	After
Single-Piece	33.0	34.0
Presort	30.5	32.0
Automaton		
Basic	30.0	31.0
3-Digit Barcoded	27.0	29.5
5-Digit Barcoded	27.0	27.5

Postcards and Postal Cards	Before	After
Single-Piece	20.0	20.0
Presort	18.0	18.0
Automation		
Basic	16.6	16.4
3-Digit Barcoded	15.9	15.8
5-Digit Barcoded	14.6	15.1
Carrier Route	14.1	14.0

STANDARD MAIL (A) RATE COMPARISON CHART MINIMUM VOLUME IS 200 PIECES

Letter Size	Before	After
Regular		
Basic	23.5¢	25.0¢
3/5 Digit	20.7	23.0
Automated Basic (barcoded)	18.3	19.7
Automated 3-Digit (barcoded)	17.6	18.7
Automated 5-Digit (barcoded)	16.0	17.4
Automated 5-Digit at SCF entry (barcoded letter)	13.9	15.0
Enhanced Carrier Route (new)		
Basic	16.2	17.6
Automated Basic Carrier Route (barcoded letter))	15.6	15.5
High Density	13.9	15.1
Saturation	13.0	14.3
Saturation at Delivery Unit Entry	10.4	N/A

Flats Size	Before	After
Regular		
Basic	30.4	31.9
3/5 Digit	24.0	26.3
Automated Basic (barcoded)	29.5	27.5
Automated 3/5 Digit (barcoded)	20.3	23.6
Automated 3/5 Digit at SCF entry (barcoded)	18.2	21.2
Enhanced Carrier Route (new)		
Basic	16.2	17.6
High Density	15.1	15.4
Saturation	14.0	14.7
Saturation at Delivery Unit Entry	11.4	N/A

PERIODICALS MAIL RATE COMPARISON CHART

Letters	Before	After
Basic Nonautomation	29.4¢	32.5¢
Basic Automation Letter	23.2	26.0
3-Digit Nonautomation	25.3	27.6
5-Digit Nonautomation	19.7	21.4
3-Digit Automation	20.6	22.5
5-Digit Automation	16.2	17.4
Carrier Route (Nonautomation)	12.2	13.6
High Density	10.3	11.1
Saturation	8.5	9.3

Flats (Piece rates)	Before	After
Automation Flat	24.8	28.4
3-Digit Automation Flat	21.4	24.2
5-Digit Automation Flat	16.8	19.0

Source: USPS, 2001.

POSTAL RATES (EFFECTIVE 7/1/01)

FIRST-CLASS MAIL RATE COMPARISON CHART MINIMUM VOLUME FOR PRESORT AND AUTOMATION RATES IS 500 PIECES

Letters and Sealed Parcels (First ounce)	Before	After
Single-Piece	34.0¢	34.0¢
Presort	32.0	32.2
Automation		
Basic	27.8	28.0
3-Digit Barcoded	26.7	26.9
5-Digit Barcoded	25.3	25.5
Carrier Route	24.3	24.5

Flats (First Ounce)	Before	After
Single-Piece	34.0	33.0
Presort	32.0	32.2
Automaton		
Basic	31.0	31.2
3-Digit Barcoded	29.5	29.7
5-Digit Barcoded	27.5	27.7

Postcards and Postal Cards	Before	After
Single-Piece	20.0	20.0
Presort	18.0	18.0
Automation		
Basic	16.6	16.4
3-Digit Barcoded	15.9	15.8
5-Digit Barcoded	14.6	15.1
Carrier Route	14.1	14.0

STANDARD MAIL (A) RATE COMPARISON CHART MINIMUM VOLUME IS 200 PIECES

Letter Size	Before	After
Regular		
Basic	25.0¢	25.3¢
3/5 Digit	23.0	23.3
Automated Basic (barcoded)	19.7	20.0
Automated 3-Digit (barcoded)	18.7	19.0
Automated 5-Digit (barcoded)	17.4	17.7
Automated 5-Digit at SCF entry (barcoded letter)	15.0	15.3
Enhanced Carrier Route (new)		
Basic	17.6	17.8
Automated Basic Carrier Route (barcoded letter))	15.5	15.7
High Density	15.1	15.3
Saturation	14.3	14.5
Saturation at Delivery Unit Entry	N/A	N/A

Flats Size	Before	After
Regular		
Basic	31.9	32.2
3/5 Digit	26.3	26.6
Automated Basic (barcoded)	27.5	27.8
Automated 3/5 Digit (barcoded)	23.6	23.9
Automated 3/5 Digit at SCF entry (barcoded)	21.2	21.5
Enhanced Carrier Route (new)		
Basic	17.6	17.8
High Density	15.4	15.6
Saturation	14.7	14.9
Saturation at Delivery Unit Entry	N/A	N/A

PERIODICALS MAIL RATE COMPARISON CHART

Letters	Before	After
Basic Nonautomation	32.5¢	33.3¢
Basic Automation Letter	26.0	26.6
3-Digit Nonautomation	27.6	28.3
5-Digit Nonautomation	21.4	21.9
3-Digit Automation	22.5	23.1
5-Digit Automation	17.4	17.8
Carrier Route (Nonautomation)	13.6	13.9
High Density	11.1	11.3
Saturation	9.3	9.5

Flats (Piece rates)	Before	After
Automation Flat	28.4	29.1
3-Digit Automation Flat	24.2	24.8
5-Digit Automation Flat	19.0	19.4

Source: USPS, 2001.

Economic Impact:

U.S. Direct & Interactive Marketing Today

Key Findings

CHAPTER HIGHLIGHTS

- The DMA and the econometric forecasting consulting firm The WEFA Group conduct an annual econometric study on the size and scope of direct marketing in the United States — of direct mail, catalogs, telephone marketing, direct response print, interactive media, and other media. Complete results are published in the annual publication *Economic Impact: U.S. Direct & Interactive Marketing Today*.

- The use of direct marketing is widely integrated throughout all advertising media — direct mail, catalogs, telephone marketing, newspaper, magazine, television, radio, interactive, and other media.

- The new data presented in the 2000 report indicates that direct marketers will continue to enjoy a long stretch of prosperity and growth. From 2000 - 2005, direct marketing is forecast to become an increasingly efficient advertising media with sales projected to grow steadily, compared with continuted *slower* growth in both ad spending and employment.

- Overall media spending for direct marketing initiatives reached $191.6 billion in 2000 — up 8.5 percent over 1999's expenditures. Direct marketing advertising expenditures now represent 56.5 percent of total U.S. advertising expenditures, which are projected to be $339.3 billion in 2000.

- Direct marketing employment grew by an annual rate of 5.6 percent from 1995 - 2000. For the next five years, annual growth in direct marketing employment is forecasted to grow by 4.7 percent per year. Total growth in U.S. employment from 1995 - 2000 was 2.1 percent per year, and is forecasted to grow by only 1.3 percent annually from 2000 - 2005.

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- Direct marketing expenditure growth began to fall behind sales growth from 1995 - 2000. Sales growth in the next five years is projected to increase annually by 9.6 percent.

- Growth in overall catalog expenditures, sales, and employment, while still ahead of total U.S. growth in those areas, is forecast to become somewhat more conservative going into and during the early years of the millenium. Although catalog sales growth patterns are not forecast to continue to increase as dramatically as overall direct marketing growth rates, a similar trend toward growing margins between sales, advertising, and employment is evident.

- Internet marketing is the newest channel in direct marketing. In 2000, $2.8 billion is estimated in expenditures for interactive marketing. That number is expected to grow by 38.0 percent annually to reach $13.8 billion in 2005. Interactive sales, estimated at 24.2 billion in 2000, are expected to grow by 41.3 percent per year to reach $136.4 billion by 2005. In 2000, it is estimated that more than 164,000 workers were employed in interactive marketing. Interactive marketing employment is estimated to grow by 34.8 percent annually to reach 730,000 workers in 2005.

Please Note: *The DMA's 2000 statistics are based on updated economic projections and forecasts. `Therefore, the data on the following pages supersede any previous Statistical Fact Book information.*

DM ADVERTISING EXPENDITURES BY MEDIUM AND MARKET

(BILLIONS OF DOLLARS)*

Overall media spending for direct marketing initiatives will reach $191.6 billion in 2000 - up 8.5% over 1999's expenditures. Direct marketing expenditures for business-to-business, at $98.6 billion, will account for 51.5 percent of total 2000 direct marketing expenditures. Outbound telephone marketing expenditures, by a wide margin, represent the largest category of direct marketing media spending - followed by direct mail and direct response television. The "other" category, which includes interactive, is projected to have a higher growth rate from 2000-2005, compared to the remaining media (i.e., direct mail, telephone marketing, etc.).

						Compound Annual Growth	
	1995	1999	2000	2001	2005	95-00	00-00
Direct Mail	**$32.9**	**$41.4**	**$44.6**	**$47.4**	**$60.7**	**6.3%**	**6.4%**
Consumer	20.8	25.6	27.4	28.9	35.7	5.7	5.4
Business-to-Business	12.1	15.8	17.1	18.5	25.0	7.2	7.9
Telephone Marketing	**50.2**	**67.5**	**73.2**	**78.0**	**100.6**	**7.8**	**6.6**
Consumer	19.0	24.7	26.4	27.6	33.8	6.8	5.1
Business-to-Business	31.2	42.8	46.9	50.4	66.8	8.5	7.3
Newspaper	**13.1**	**17.3**	**18.4**	**19.6**	**25.0**	**7.0**	**6.3**
Consumer	8.1	10.5	11.1	11.7	14.3	6.5	5.2
Business-to-Business	5.0	6.8	7.3	7.9	10.7	7.9	7.9
Magazine	**6.7**	**9.0**	**9.8**	**10.5**	**13.3**	**7.9**	**6.3**
Consumer	3.2	4.2	4.5	4.8	5.8	7.1	5.2
Business-to-Business	3.6	4.8	5.3	5.7	7.5	8.0	7.2
Television	**14.0**	**20.0**	**21.9**	**23.5**	**30.6**	**9.4**	**6.9**
Consumer	7.3	10.4	11.3	12.0	15.0	9.1	5.8
Business-to-Business	6.7	9.6	10.6	11.5	15.6	9.6	8.0
Radio	**4.4**	**6.9**	**7.7**	**8.5**	**11.6**	**11.8**	**8.5**
Consumer	2.1	3.3	3.6	3.9	5.2	11.4	7.6
Business-to-Business	2.3	3.6	4.1	4.5	6.4	12.3	9.3
Other	**10.5**	**14.5**	**16.0**	**17.8**	**27.7**	**8.8**	**11.6**
Consumer	5.9	8.0	8.7	9.5	14.0	8.1	10.0
Business-to-Business	4.6	6.5	7.3	8.3	13.8	9.7	13.6
Total	**131.8**	**176.6**	**191.6**	**205.2**	**269.7**	**7.8**	**7.1**
Consumer	66.3	86.8	93.0	98.3	123.9	7.0	5.9
Business-to-Business	65.6	89.9	98.6	106.9	145.9	8.5	8.2

*These numbers have not been inflation adjusted — they represent current (nominal) dollars.

Note: Due to rounding, totals may not exactly equal the sum of each column.

Source: The DMA Report: *Economic Impact - U.S. Direct & Interactive Marketing Today, 2000.*

DM ADVERTISING EXPENDITURES BY MEDIUM AND "INTENDED PURPOSE" OF THE OFFER

(BILLIONS OF DOLLARS)*

Direct marketing advertising expenditures for generating sales leads represent 57 percent of total 2000 direct marketing expenditures - $108.9 out of a total $191.6 billion - followed by direct order (31.3 percent/$59.9 billion), and traffic building (11.9 percent/$22.8 billion). It is interesting to note that "other" which includes interactive information, is projected to have a higher growth rate from 2000-2005, compared to the remaining media (i.e., direct mail, telephone marketing, etc.).

						Compound Annual Growth	
	1995	1999	2000	2001	2005	95-00	00-00
Direct Mail	**$32.9**	**$41.4**	**$44.6**	**$47.4**	**$60.7**	**6.3%**	**6.4%**
Direct Order	13.3	16.1	17.2	18.1	22.5	5.3	5.5
Lead Generation	14.6	19.2	20.8	22.3	29.8	7.3	7.5
Traffic Generation	5.0	6.1	6.6	6.9	8.5	5.7	5.2
Telephone Marketing	**50.2**	**67.5**	**73.2**	**78.0**	**100.6**	**7.8**	**6.6**
Direct Order	17.1	21.9	23.5	24.8	31.1	6.6	5.8
Lead Generation	29.7	41.2	45.0	48.1	63.4	8.7	7.1
Traffic Generation	3.4	4.4	4.7	5.0	6.2	6.7	5.7
Newspaper	**13.1**	**17.3**	**18.4**	**19.6**	**25.0**	**7.0**	**6.3**
Direct Order	3.6	4.7	5.1	5.4	7.0	7.2	6.5
Lead Generation	6.4	8.6	9.1	9.7	12.5	7.3	6.6
Traffic Generation	3.1	4.0	4.3	4.5	5.5	6.8	5.0
Magazine	**6.7**	**9.0**	**9.8**	**10.5**	**13.3**	**7.9**	**6.3**
Direct Order	1.8	2.4	2.6	2.7	3.5	7.6	6.1
Lead Generation	4.1	5.7	6.2	6.6	8.5	8.6	6.5
Traffic Generation	0.7	1.0	1.0	1.1	1.4	7.4	7.0
Television	**14.0**	**20.0**	**21.9**	**23.5**	**30.6**	**9.4**	**6.9**
Direct Order	2.8	3.9	4.3	4.6	6.1	9.0	7.2
Lead Generation	9.4	13.7	15.0	16.1	21.2	9.8	7.2
Traffic Generation	1.7	2.4	2.6	2.7	3.4	8.9	5.5
Radio	**4.4**	**6.9**	**7.7**	**8.5**	**11.6**	**11.8**	**8.5**
Direct Order	0.9	1.4	1.6	1.7	2.4	12.2	8.4
Lead Generation	3.0	4.6	5.2	5.7	7.9	11.6	8.7
Traffic Generation	0.6	0.8	0.9	1.0	1.3	8.4	7.6
Other	**10.5**	**14.5**	**16.0**	**17.8**	**27.7**	**8.8**	**11.6**
Direct Order	3.8	5.2	5.7	6.3	9.8	8.4	11.4
Lead Generation	4.9	6.9	7.7	8.6	13.8	9.5	12.4
Traffic Generation	1.8	2.5	2.7	2.9	4.1	8.4	8.7
Total	**131.8**	**176.6**	**191.6**	**205.2**	**269.7**	**7.8**	**7.1**
Direct Order	43.4	55.6	59.9	63.8	82.4	6.7	6.6
Lead Generation	72.0	99.9	108.9	117.3	157.0	8.6	7.6
Traffic Generation	16.4	21.1	22.8	24.1	30.3	6.8	5.9

*These numbers have not been inflation adjusted — they represent current (nominal) dollars.

Note: Due to rounding, totals may not exactly equal the sum of each column.

Source: The DMA Report: *Economic Impact - U.S. Direct & Interactive Marketing Today, 2000.*

THE DMA Direct Marketing Association

DM MEDIA EXPENDITURES COMPARED TO TOTAL U.S. ADVERTISING EXPENDITURES

(BILLIONS OF DOLLARS, PERCENT SHARE)*

Overall media spending for direct marketing initiatives will reach $191.6 billion in 2000 - up 8.5 percent over 1999's expenditures. Direct marketing advertising expenditures now represent 56.5 percent of total U.S. advertising expenditures, which are projected to be $339.3 billion in 2000.

	DM Advertising Expenditures	Total Advertising Expenditures	DM Percent of Total
1995			
Direct Mail	$32.9	$32.9	100.0%
Telephone Marketing	50.2	80.9	62.0
Newspaper	13.1	36.3	36.0
Magazine	6.7	12.4	54.2
Television	14.0	37.8	37.0
Radio	4.4	11.3	39.0
Other	10.5	21.9	47.9
Total	**$131.8**	**$233.6**	**56.4%**
2000			
Direct Mail	$44.6	$44.6	100.0%
Telephone Marketing	73.2	121.3	60.4
Newspaper	18.4	49.4	37.3
Magazine	9.8	17.3	56.6
Television	21.9	55.3	39.6
Radio	7.7	19.4	39.9
Other	16.0	32.0	50.1
Total	**$191.6**	**$339.3**	**56.5%**

*These numbers have not been inflation adjusted — they represent current (nominal) dollars.

Note: Due to rounding, totals may not exactly equal the sum of each column.

Source: The DMA Report: *Economic Impact - U.S. Direct & Interactive Marketing Today, 2000.*

VALUE OF U.S. DM DRIVEN SALES COMPARED TO TOTAL U.S. SALES

(BILLIONS OF DOLLARS)*

Direct marketing sales growth, in both consumer and business-to-business markets, outpaces total U.S. sales growth - consistently increasing its percent share of total U.S. sales. Consumer direct marketing sales increased by 9.1 percent annually from 1995-2000 and are expected to continue growing at a slightly lower 8.3 percent) rate per year from 2000-2005 - to $1.4 trillion. This compares to total U.S. consumer sales growth of 6.5 percent from 1995-2000 and projected growth of 4.7 percent per year over the next five years. Business-to-business sales grew by 11.9 percent annually during the five-year period from 1995-2000. They are forecast to grow on an annual basis, by 11.1 percent per year between 2000 and 2005 - to $1.3 trillion. Comparatively, total U.S. business-to-business sales grew by 5.7 percent per year from 1995-2000 and are expected to increase at a rate of 5.8 percent annually from 2000-2005.

						Compound Annual Growth	
	1995	1999	2000	2001	2005	'95-'00	'00-05
Consumer DM Sales	**$605.5**	**$858.8**	**$937.7**	**$1019.2**	**$1396.8**	**9.1%**	**8.3%**
Direct Order	201.2	281.3	306.6	332.4	450.8	8.8	8.0
Lead Generation	288.9	415.8	452.8	492.9	685.6	9.4	8.7
Traffic Generation	114.9	161.6	178.3	194.4	265.0	9.2	8.2
Total U.S. Consumer Sales	**$5,254.6**	**$6,668.7**	**$7,195.7**	**$7,554.4**	**$9,040.6**	**6.5%**	**4.7%**
DM Consumer Sales Percent of Total Sales	**11.5%**	**12.9%**	**13.0%**	**13.5%**	**15.4%**		
Business-to-Business							
DM Sales	$452.2	$707.5	$792.8	$887.7	$1340.9	11.9%	11.1%
Direct Order	134.1	196.8	218.4	243.0	366.1	10.2	10.9
Lead Generation	285.3	461.3	519.1	582.8	879.9	12.7	11.1
Traffic Generation	33.3	49.5	55.3	61.4	90.0	10.7	10.2
Total U.S. Business-to-Business Sales	**$10,499.9**	**$13,063.9**	**$13,834.6**	**$14,549.2**	**$18,339.3**	**5.7%**	**5.8%**
DM Business-to-Business Sales Percent of Total Sales	**4.3%**	**5.4%**	**5.7%**	**6.1%**	**7.3%**		

*These numbers have not been inflation adjusted — they represent current (nominal) dollars.

Note: Due to rounding, totals may not exactly equal the sum of each column.

Source: The DMA Report: *Economic Impact - U.S. Direct & Interactive Marketing Today, 2000.*

VALUE OF U.S. DM DRIVEN SALES BY MEDIUM AND MARKET

(BILLIONS OF DOLLARS)*

U.S. Sales revenue attributable to direct marketing is estimated to reach close to $1.7 trillion in 2000. The results of outbound telephone marketing represent the largest category of direct marketing sales - followed by direct mail. Newspaper space advertising is third. Revenue growth from 2000-2005 is forecast at 9.6 percent per year. This compares positively to total U.S. sales growth, which is forecast at 5.4 percent annually through 2005. As with ad expenditures, the "other" media category is projected to have the greatest growth rate from 2000-2005. This is especially noticeable within the b-to-b market.

						Compound Annual Growth	
	1995	1999	2000	2001	2005	'95-'00	'00-05
Direct Mail	**$338.2**	**$482.1**	**$528.5**	**$580.3**	**$820.1**	**9.3%**	**9.2%**
Consumer	216.8	299.9	326.6	355.2	484.8	8.5	8.2
Business-to-Business	121.5	182.3	201.9	225.0	335.3	10.7	10.7
Telephone Marketing	**367.2**	**553.6**	**611.7**	**668.8**	**939.5**	**10.7**	**9.0**
Consumer	167.0	236.0	256.9	276.6	373.3	9.0	7.8
Business-to-Business	200.2	317.6	354.7	392.2	566.3	12.1	9.8
Newspaper	**150.7**	**219.6**	**239.0**	**261.0**	**356.8**	**9.7**	**8.3**
Consumer	100.0	142.0	153.7	166.3	219.6	9.0	7.4
Business-to-Business	50.7	77.6	85.3	94.7	137.3	11.0	10.0
Magazine	**56.5**	**83.4**	**91.3**	**99.8**	**135.3**	**10.1**	**8.2**
Consumer	30.7	43.8	47.5	51.4	66.8	9.1	7.1
Business-to-Business	25.8	39.6	43.8	48.4	68.6	11.2	9.4
Television	**68.5**	**105.4**	**117.6**	**128.9**	**178.9**	**11.4**	**8.8**
Consumer	42.1	63.0	69.8	75.9	101.8	10.6	7.8
Business-to-Business	26.4	42.3	47.7	53.0	77.1	12.6	10.1
Radio	**26.0**	**44.0**	**50.4**	**56.4**	**83.0**	**14.2**	**10.5**
Consumer	15.1	24.8	28.3	31.5	45.2	13.4	9.8
Business-to-Business	10.9	19.1	22.1	24.9	37.9	15.2	11.4
Other	**50.6**	**78.2**	**92.0**	**111.7**	**224.0**	**12.7**	**19.5**
Consumer	33.9	49.3	54.8	62.3	105.5	10.1	14.0
Business-to-Business	16.7	28.9	37.2	49.5	118.5	17.4	26.1
Total	**1,057.7**	**1,566.3**	**1,730.4**	**1,906.9**	**2,737.7**	**10.3**	**9.6**
Consumer	605.5	858.8	937.7	1,019.2	1,396.8	9.1	8.3
Business-to-Business	452.2	707.5	792.8	887.7	1,340.9	11.9	11.1

*These numbers have not been inflation adjusted — they represent current (nominal) dollars.

Note: Due to rounding, totals may not exactly equal the sum of each column.

Source: The DMA Report: *Economic Impact - U.S. Direct & Interactive Marketing Today, 2000.*

VALUE OF U.S. DM DRIVEN SALES BY MEDIUM AND "INTENDED PURPOSE" OF THE OFFER

(BILLIONS OF DOLLARS)*

56.1 percent of total direct marketing sales ($971.9 billion) resulted from ads initially intended to generate a lead. Ads that were intended to result in direct orders produced 30.3 percent of total dm sales ($525.0 billion), and ads to generate store traffic resulted in 13.5 percent of total dm sales ($233.5 billion). In 2000, telephone marketing lead generation yielded the most revenue (at $379.2 billion).

						Compound Annual Growth	
	1995	1999	2000	2001	2005	'95-'00	'00-05
Direct Mail	**$338.2**	**$482.1**	**$528.5**	**$580.3**	**$820.1**	**9.3%**	**9.2%**
Direct Order	128.4	176.4	192.5	210.0	290.7	8.4	8.6
Lead Generation	162.2	239.6	263.3	290.7	420.1	10.2	9.8
Traffic Generation	47.6	66.1	72.7	79.5	109.2	8.8	8.5
Telephone Marketing	**367.2**	**553.6**	**611.7**	**668.8**	**939.5**	**10.7**	**9.0**
Direct Order	117.1	170.6	187.1	203.1	280.1	9.8	8.4
Lead Generation	220.5	341.7	379.2	416.8	594.5	11.5	9.4
Traffic Generation	29.6	41.3	45.4	49.0	65.0	8.9	7.4
Newspaper	**150.7**	**219.6**	**239.0**	**261.0**	**356.8**	**9.7**	**8.3**
Direct Order	37.0	52.1	56.3	61.2	83.6	8.8	8.2
Lead Generation	78.0	116.0	126.2	138.2	190.4	10.1	8.6
Traffic Generation	35.7	51.5	56.5	61.5	82.7	9.6	7.9
Magazine	**56.5**	**83.4**	**91.3**	**99.8**	**135.3**	**10.1**	**8.2**
Direct Order	15.3	21.5	23.3	25.3	33.6	8.8	7.6
Lead Generation	34.9	53.2	58.5	64.3	88.6	10.9	8.7
Traffic Generation	6.4	8.7	9.4	10.2	13.1	8.0	6.9
Television	**68.5**	**105.4**	**117.6**	**128.9**	**178.9**	**11.4**	**8.8**
Direct Order	14.3	21.4	23.8	26.0	35.9	10.7	8.6
Lead Generation	41.6	65.3	72.9	80.3	113.2	11.9	9.2
Traffic Generation	12.6	18.6	20.8	22.6	29.7	10.5	7.4
Radio	**26.0**	**44.0**	**50.4**	**56.4**	**83.0**	**14.2**	**10.5**
Direct Order	5.5	9.2	10.6	11.8	17.7	14.0	10.8
Lead Generation	15.4	26.3	30.1	33.7	50.0	14.3	10.7
Traffic Generation	5.1	8.4	9.7	10.8	15.3	13.7	9.5
Other	**50.6**	**78.2**	**92.0**	**111.7**	**224.0**	**12.7**	**19.5**
Direct Order	17.8	26.8	31.4	37.9	75.1	12.0	19.1
Lead Generation	21.6	34.9	41.7	51.7	108.6	14.1	21.1
Traffi**c Generation**	**11.2**	**16.5**	**18.9**	**22.2**	**40.0**	**11.0**	**16.2**
Total	**1,057.7**	**1,566.3**	**1,730.4**	**1,906.9**	**2,737.7**	**10.3**	**9.6**
Direct Order	335.3	478.0	525.0	575.4	816.8	9.4	9.2
Lead Generation	574.2	877.1	971.9	1,075.7	1,565.5	11.1	10.0
Traffic Generation	148.2	211.1	233.5	255.8	355.1	9.5	8.7

*These numbers have not been inflation adjusted — they represent current (nominal) dollars.

Note: Due to rounding, totals may not exactly equal the sum of each column.

Source: The DMA Report: *Economic Impact - U.S. Direct & Interactive Marketing Today, 2000.*

THE DMA
Direct Marketing Association

CONSUMER MARKET: LARGEST INDUSTRIES BY DM SALES VOLUME

(BILLIONS OF DOLLARS)*

The retail, finance, and services industries dominate the top ranked industries in consumer direct marketing sales. Food and Kindred Products is the sole manufacturing industry represented. The 2000 top five direct marketing industries, by sales volume remain unchanged from last year. However, Insurance Carriers/Agents (SICs 63, 64) replaces Food/Kindred Products (SIC 20), which moves down to 8th place this year), Depository Institutions (SIC 60) replaces Health Services (SIC 80), which moves down to 9th place this year). Entertainment (SICs 78,79) replaces Personal/Repair Services for 10th place. The top ten consumer industries are projected to achieve $530.39 billion in sales in 2000 - 56.5 percent of all consumer direct marketing sales.

						Compound Annual Growth	
	1995	**1999**	**2000**	**2001**	**2005**	**‘95-’00**	**‘00-05**
Non-store Retailers (SIC 59)	$81.284	$121.647	**$136.264**	$149.839	$207.861	10.9%	8.8%
Real Estate (SIC 65)	43.211	54.806	**57.697**	60.580	71.770	6.0	4.5
General Mdse. Stores (SIC 53)	35.846	49.519	**54.603**	60.112	84.884	8.8	9.2
Auto Dealers/ Serv. Stations (SIC 55)	32.630	47.548	**53.492**	57.255	73.452	10.4	6.5
Membership Organizations (SIC 86)	29.626	42.081	**45.666**	49.346	64.697	9.0	7.2
Insurance Carriers/Agents (SIC's 63, 64)	27.428	40.920	**43.071**	44.894	55.174	9.4	5.1
Depository Institutions (SIC 60)	24.619	34.479	**36.991**	39.892	49.737	8.5	6.1
Food/Kindred Products (SIC 20)	31.063	35.570	**36.568**	38.698	47.629	3.3	5.4
Health Services (SIC 80)	24.726	31.402	**34.383**	39.020	73.246	6.8	16.3
Entertainment (SIC's 78, 79)	18.096	28.771	**31.655**	34.941	51.482	11.8	10.2

*These numbers have not been inflation adjusted — they represent current (nominal) dollars.

Note: Due to rounding, totals may not exactly equal the sum of each column.

Source: The DMA Report: *Economic Impact - U.S. Direct & Interactive Marketing Today, 2000.*

THE DMA Direct Marketing Association

TOTAL DIRECT MARKETING EMPLOYMENT

(THOUSANDS OF WORKERS)

Employment growth rates in direct marketing increased by a compound annual growth rate of 5.6 percent per year from 1995-2000 and are forecast to grow by 4.7 percent per year from 2000-2005 - to 18.6 million employees. By comparison, total U.S. employment grew by 2.1 percent from 1995-2000 and is forecast to grow by only 1.3 percent per year from 2000-2005. Employment growth rates are expected to be higher for business-to-business direct marketing than in consumer direct marketing from 2000-2005 - with b-to-b forecast to grow by 5.6 percent annually, compared to consumer direct marketing employment growth targeted at 3.9 percent per year. In 1995, direct marketing jobs represented 9.4 percent of total U.S. employment. It is forecast that by the year 2005 direct marketing jobs will grow to become 13 percent of all U.S. employment.

						Compound Annual Growth	
	1995	1999	2000	2001	2005	‘95-’00	‘00-05
DM Consumer Market	**6,497**	**7,763**	**8,059**	**8,445**	**9,772**	**4.4%**	**3.9%**
DR Advertiser	945	1,061	1,089	1,112	1,203	2.9	2.0
DR Seller	5,552	6,702	6,970	7,333	8,569	4.7	4.2
DM Business-to-Business	**4,727**	**6,230**	**6,689**	**7,143**	**8,786**	**7.2**	**5.6**
DR Advertiser	1,019	1,206	1,269	1,316	1,502	4.5	3.4
DR Seller	3,708	5,024	5,420	5,827	7,284	7.9	6.1
Total DM Employment	**11,224**	**13,993**	**14,748**	**15,588**	**18,558**	**5.6**	**4.7**
Total U.S. Employment	**120,001**	**130,839**	**133,269**	**135,403**	**142,345**	**2.1**	**1.3**
DM Percent of Total U.S. Employment	**9.4%**	**10.7%**	**11.1%**	**11.5%**	**13.0%**		

Note: Due to rounding, totals may not exactly equal the sum of each column.

Employment Definitions:

DR Seller: Jobs accruing to industries that utilize direct marketing media to stimulate demand for their products and services.

DR Advertising (Support Services): Jobs (in-house and out-sourced) dedicated to developing and implementing direct response advertising activities to stimulate demand for products and services in each industry.

Source: The DMA Report: *Economic Impact - U.S. Direct & Interactive Marketing Today, 2000.*

DM EMPLOYMENT BY MEDIUM AND MARKET

(THOUSANDS OF WORKERS)

Telephone marketing is the leader of the direct marketing labor force in 2000 by employing 5.7 million workers or 38.9 percent of all direct marketing employees. Direct mail follows with 4.1 million workers in 2000 - 27.6 percent of all dm workers. The following are 2000 employment totals for the other media: Newspaper (1.7 million); television (1.1 million); other media (923 thousand); magazine (737 thousand); and radio (457 thousand). Other media projects the greatest growth rate from 2000-2005, especially within the b-to-b segment.

						Compound Annual Growth	
	1995	1999	2000	2001	2005	'95-'00	'00-05
Direct Mail	**3,291.9**	**3,918.2**	**4,082.8**	**4,307.3**	**5,055.1**	**4.4%**	**4.4%**
Consumer	2,174.8	2,499.1	2,576.7	2,702.3	3,104.3	3.4	3.8
Business-to-Business	1,117.0	1,419.1	1,506.1	1,605.1	1,950.8	6.2	5.3
Telephone Marketing	**4,279.0**	**5,427.9**	**5,735.2**	**5,998.1**	**6,911.5**	**6.0**	**3.8**
Consumer	1,966.7	2,361.9	2,452.9	2,536.7	2,837.6	4.5	3.0
Business-to-Business	2,312.2	3,066.0	3,282.3	3,461.3	4,074.0	7.3	4.4
Newspaper	**1,331.5**	**1,638.6**	**1,695.0**	**1,784.0**	**2,059.7**	**4.9**	**4.0**
Consumer	900.1	1,080.0	1,108.1	1,161.3	1,316.5	4.2	3.5
Business-to-Business	431.4	558.7	586.9	622.7	743.2	6.3	4.8
Magazine	**564.8**	**702.8**	**736.8**	**771.4**	**865.7**	**5.5**	**3.3**
Consumer	319.9	383.1	396.7	412.1	450.2	4.4	2.6
Business-to-Business	244.9	319.8	340.1	359.3	415.5	6.8	4.1
Television	**804.3**	**1,046.6**	**1,116.2**	**1,176.5**	**1,361.5**	**6.8**	**4.1**
Consumer	519.4	657.5	694.5	729.0	829.5	6.0	3.6
Business-to-Business	284.9	389.1	421.7	447.5	532.0	8.2	4.8
Radio	**295.6**	**417.6**	**457.2**	**492.0**	**606.1**	**9.1**	**5.8**
Consumer	181.8	250.7	272.4	292.5	357.1	8.4	5.6
Business-to-Business	113.8	166.9	184.9	199.5	249.1	10.2	6.1
Other	**657.6**	**841.0**	**923.9**	**1,058.4**	**1,697.8**	**7.0**	**12.9**
Consumer	434.3	530.3	557.7	610.8	876.5	5.1	9.5
Business-to-Business	223.3	310.7	366.2	447.5	821.3	10.4	17.5
Total	**11,224.6**	**13,992.8**	**14,747.1**	**15,587.7**	**18,557.5**	**5.6**	**4.7**
Consumer	6,497.1	7,762.5	8,058.9	8,444.8	9,771.6	4.4	3.9
Business-to-Business	4,727.5	6,230.3	6,688.2	7,142.9	8,785.9	7.2	5.6

*These numbers have not been inflation adjusted — they represent current (nominal) dollars.

Note: Due to rounding, totals may not exactly equal the sum of each column.

Source: The DMA Report: *Economic Impact - U.S. Direct & Interactive Marketing Today, 2000.*

DM SELLER EMPLOYMENT BY MEDIUM AND MARKET

(THOUSANDS OF WORKERS)

Direct marketing seller employment growth is expected to nearly double among "other" medium from 2000-2005, compared to the previous five years. There is a slight growth increase for consumer direct mail, and a decrease for b-to-b direct mail. The remaining forms of media show a decrease.

						Compound Annual Growth	
	1995	1999	2000	2001	2005	'95-'00	'00-05
Direct Mail	**2,913.7**	**3,508.0**	**3,662.5**	**3,875.4**	**4,582.4**	**4.7%**	**4.6%**
Consumer	1,936.5	2,247.9	2,321.5	2,441.9	2,826.6	3.7	4.0
Business-to-Business	977.2	1,260.2	1,341.0	1,433.5	1,755.8	6.5	5.5
Telephone Marketing	**3,334.6**	**4,335.5**	**4,597.1**	**4,835.4**	**5,648.7**	**6.6**	**4.2**
Consumer	1,611.0	1,963.2	2,043.7	2,124.3	2,408.8	4.9	3.3
Business-to-Business	1,723.7	2,372.3	2,553.4	2,711.1	3,240.0	8.2	4.9
Newspaper	**1,162.1**	**1,443.9**	**1,496.1**	**1,579.0**	**1,834.0**	**5.2**	**4.2**
Consumer	796.0	962.3	989.2	1,039.9	1,186.8	4.4	3.7
Business-to-Business	366.2	481.7	506.9	539.2	647.2	6.7	5.0
Magazine	**476.1**	**601.3**	**631.6**	**663.4**	**750.9**	**5.8**	**3.5**
Consumer	278.1	335.9	348.3	362.8	399.1	4.6	2.8
Business-to-Business	198.0	265.4	283.2	300.6	351.8	7.4	4.4
Television	**650.8**	**858.8**	**918.0**	**972.3**	**1,137.3**	**7.1**	**4.4**
Consumer	439.0	560.2	592.9	625.0	718.0	6.2	3.9
Business-to-Business	211.8	298.6	325.1	347.3	419.2	8.9	5.2
Radio	**246.9**	**352.8**	**386.9**	**418.1**	**520.4**	**9.4**	**6.1**
Consumer	158.7	220.2	239.6	258.2	318.2	8.6	5.8
Business-to-Business	88.2	132.6	147.3	159.9	202.2	10.8	6.5
Other	**476.3**	**625.7**	**697.7**	**816.8**	**1,378.9**	**7.9**	**14.6**
Consumer	333.0	412.3	435.2	481.2	711.1	5.5	10.3
Business-to-Business	143.3	213.3	262.6	335.6	667.8	12.9	20.5
Total	**9,260.7**	**11,726.1**	**12,389.9**	**13,160.5**	**15,852.6**	**6.0**	**5.1**
Consumer	5,552.3	6,702.0	6,970.4	7,333.2	8,568.6	4.7	4.2
Business-to-Business	3,708.4	5,024.2	5,419.5	5,827.2	7,284.0	7.9	6.1

*These numbers have not been inflation adjusted — they represent current (nominal) dollars.

Note: Due to rounding, totals may not exactly equal the sum of each column.

Source: The DMA Report: *Economic Impact - U.S. Direct & Interactive Marketing Today, 2000.*

CATALOG AD SPENDING, SALES AND EMPLOYMENT

Growth in overall catalog expenditures, sales, and employment, while still ahead of total U.S. growth in those areas, is forecast to become somewhat more conservative going into and during the early years of the millennium. Although catalog sales' growth patterns are not forecast to continue to increase as dramatically as overall direct marketing growth rates, a similar trend toward growing margins between sales and advertising and employment is evident.

U.S. Catalog Advertising Expenditures by Market

*(Billions of Dollars)**

											Compound Annual Growth	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	'95-'00	'00-05
Total	**$8,970**	**$9,395**	**$10,233**	**$11,335**	**$12,241**	**$13,785**	**$14,765**	**$15,560**	**$16,364**	**$17,088**	**$17,847**	**8.97%**	**5.30%**
Consumer	$5,974	$6,155	$6,737	$7,423	$7,999	$9,005	$9,646	$10,154	$10,663	$11,119	$11,596	8.55%	5.19%
Business	$2,995	$3,240	$3,496	$3,912	$4,242	$4,780	$5,119	$5,406	$5,701	$5,969	$6,251	9.80%	5.51%

Value of U.S. Catalog Sales by Market

*(Billions of Dollars)**

											Compound Annual Growth	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	'95-'00	'00-05
Total	**$64,166**	**$69,535**	**$76,849**	**$85,350**	**$96,835**	**$110,237**	**$119,522**	**$127,839**	**$136,521**	**$144,589**	**$152,721**	**11.43%**	**6.74%**
Consumer	$39,674	$42,825	$47,154	$52,292	$59,352	$67,517	$73,052	$77,954	$83,037	$87,733	$92,436	11.22%	6.48%
Business	$24,492	$26,710	$29,695	$33,058	$37,483	$42,720	$46,470	$49,885	$53,484	$56,856	$60,285	11.77%	7.13%

U.S. Catalog Employment by Market

(Thousands of Jobs)

											Compound Annual Growth	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	'95-'00	'00-05
Total	**389,050**	**402,541**	**422,107**	**439,854**	**454,863**	**476,554**	**491,303**	**502,959**	**515,156**	**526,490**	**537,244**	**4.14%**	**2.43%**
Consumer	240,108	247,471	258,117	268,084	276,532	289,131	298,067	304,871	312,048	318,706	325,079	3.79%	2.37%
Business	148,942	155,070	163,990	171,770	178,331	187,423	193,236	198,088	203,108	207,784	212,165	4.70%	2.51%

* These numbers have not been inflation-adjusted - they represent current (nominal) dollars.

Source: The DMA Report: *Economic Impact - U.S. Direct & Interactive Marketing Today, 2001*.

CATALOG REVENUE BY SIC INDUSTRIES

(BUSINESS-TO-BUSINESS MARKETS)

Industrial Machinery and Equipment (SIC 35) and Wholesale Trade (SICs 50-51) companies rank within the top two, with sales of $8.2 billion and $6.1 billion, respectively. Most growth rates over the next five years are projected to be lower, with Transportation Equipment (SIC 37) and Chemicals/Allied Products (SIC 28) being the exceptions.

		(Billions of dollars)					Compound Annual Growth	
SIC	**Market**	**1995**	**1999**	**2000**	**2001**	**2005**	**'95-'00**	**'00-05**
AGR	**Agriculture**	$0.00	$0.00	$0.00	$0.00	$0.00		
MIN	**Mining**	$0.00	$0.00	$0.00	$0.00	$0.00		
CON	**Construction**	$0.00	$0.00	$0.00	$0.00	$0.00		
20-39 Manufacturing								
20	Food & Kindred Products	$784.30	$919.18	$1,011.43	$1,112.03	$1,439.70	5.22%	7.32%
21	Tobacco Products	$200.28	$227.92	$12.40	$13.01	$14.45	-42.67%	3.11%
22	Textile Mill Products	$76.41	$83.48	$87.60	$90.77	$103.64	2.77%	3.42%
23	Apparel & Other Textiles	$267.25	$306.26	$335.60	$370.03	$498.70	4.66%	8.24%
24	Lumber & Wood Products	$15.00	$15.45	$16.37	$17.57	$22.29	1.76%	6.37%
25	Furniture & Fixtures	$133.21	$161.96	$170.71	$180.49	$209.48	5.09%	4.18%
26	Paper & Allied Products	$60.06	$67.53	$75.25	$80.80	$101.21	4.61%	6.11%
27	Printing & Publishing	$2,499.26	$3,505.60	$3,930.38	$4,263.00	$5,389.86	9.48%	6.52%
28	Chemicals & Allied Products	$930.99	$1,107.19	$1,233.36	$1,332.84	$1,827.00	5.79%	8.18%
29	Petroleum & Coal	$32.71	$25.75	$39.01	$36.48	$45.05	3.59%	2.92%
30	Rubber & Plastic Products	$108.63	$127.90	$139.26	$145.20	$167.03	5.09%	3.70%
31	Leather & Leather Products	$0.38	$0.55	$0.67	$0.77	$1.20	12.01%	12.36%
32	Stone, Clay & Glass	$6.12	$7.67	$8.55	$9.39	$12.34	6.92%	7.61%
33	Primary Metals	$23.97	$26.87	$30.59	$33.05	$41.54	5.00%	6.31%
34	Fabricated Metals	$21.49	$25.74	$27.96	$30.04	$37.64	5.40%	6.13%
35	Industrial Machinery & Equipment	$3,434.98	$6,954.74	$8,173.43	$9,071.37	$10,703.41	18.93%	5.54%
36	Electrical Machinery & Equipment	$538.57	$862.75	$1,105.49	$1,400.53	$2,785.41	15.47%	20.30%
37	Transportation Equipment	$369.73	$479.70	$498.03	$520.42	$716.22	6.14%	7.54%
38	Instruments & Related Products	$313.64	$373.89	$414.19	$457.23	$611.35	5.72%	8.10%
39	Miscellaneous Manufacturing	$4.78	$6.35	$7.08	$7.67	$10.85	8.17%	8.91%
40-49 Transportation Utilities								
45	Airlines	$259.86	$357.11	$413.70	$447.59	$602.70	9.75%	7.82%
TRNX45	Transportation, excluding Airlines	$708.50	$1,170.49	$1,360.03	$1,509.97	$1,953.91	13.93%	7.52%
48	Communications	$0.00	$0.00	$0.00	$0.00	$0.00		
49	Electric & Gas Utilities	$0.00	$0.00	$0.00	$0.00	$0.00		

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CATALOG REVENUE BY SIC INDUSTRIES
(BUSINESS-TO-BUSINESS MARKETS -- CONTINUED FROM PREVIOUS PAGE)

							Compound Annual Growth	
SIC	**Market**	**1995**	**1999**	**2000**	**2001**	**2005**	**'95-'00**	**'00-05**
50-51	**Wholesale Trade**	$3,103.46	$5,182.97	$6,070.86	$6,745.19	$8,588.27	14.36%	7.18%
52-59 Retail Trade								
52	Building Materials & Garden Supplies	$102.14	$145.95	$171.36	$189.83	$275.42	10.90%	9.96%
53	General Merchandise Stores	$531.60	$701.63	$784.99	$847.19	$1,108.81	8.11%	7.15%
54	Food Stores	$240.88	$295.45	$321.06	$340.89	$406.10	5.91%	4.81%
55	Auto Dealers & Service Stations	$1,758.21	$2,231.35	$2,545.28	$2,682.39	$3,711.02	7.68%	7.83%
56	Apparel Stores	$65.03	$81.56	$89.96	$95.17	$105.81	6.71%	3.30%
57	Household Appliance Stores	$212.48	$268.84	$307.73	$339.06	$453.58	7.69%	8.07%
58	Restaurants	$38.52	$52.30	$59.46	$65.12	$88.68	9.07%	8.32%
59	Non-Store Retailers	$2,177.17	$3,324.92	$3,868.65	$4,258.96	$5,596.36	12.18%	7.66%
60-65 Finance								
60	Depository Institutions	$155.61	$210.26	$236.65	$264.21	$385.87	8.75%	10.27%
61	Nondepository Institutions	$36.19	$48.90	$55.04	$61.44	$89.74	8.75%	10.27%
62&67	Security & Commodity Brokers	$745.17	$1,243.30	$1,413.16	$1,620.64	$2,620.53	13.65%	13.15%
63&64	Insurance Carriers & Agents	$55.37	$74.81	$84.20	$94.01	$137.30	8.74%	10.27%
65	Real Estate	$305.55	$389.02	$431.33	$466.18	$623.51	7.14%	7.65%
70-89 Services								
70	Hotels	$120.44	$198.98	$231.20	$256.69	$332.16	13.93%	7.52%
72,75&76	Personal & Repair Services	$0.00	$0.00	$0.00	$0.00	$0.00		
73	Business Services	$1,498.57	$2,936.46	$3,489.93	$3,908.14	$4,822.44	18.42%	6.68%
78&79	Entertainment	$101.07	$133.81	$151.68	$169.67	$250.00	8.46%	10.51%
80	Health Services	$0.00	$0.00	$0.00	$0.00	$0.00		
82	Educational Services	$14.54	$19.84	$22.54	$25.10	$36.01	9.16%	9.82%
83	Social Services	$4.87	$7.42	$8.72	$10.06	$15.98	12.36%	12.88%
84	Museums & Galleries	$10.41	$15.99	$18.85	$21.77	$34.96	12.61%	13.15%
86	Membership Organizations	$201.19	$255.70	$283.20	$304.98	$394.53	7.08%	6.86%
81.87&89	Other Services	$719.16	$973.10	$1,099.51	$1,205.79	$1,672.40	8.86%	8.75%
43,90-97 USPS & Government								
GGE	Government & Government Enterprises	$1,503.76	$1,876.37	$2,019.87	$2,106.73	$2,357.46	6.08%	3.14%
	Total	**$24,491.51**	**$37,483.01**	**$42,856.32**	**$47,209.46**	**$61,401.92**	**11.84%**	**7.46%**

Source: The DMA Report: *Economic Impact - U.S. Direct & Interactive Marketing Today, 2000.*

THE DMA Direct Marketing Association

CATALOG REVENUE BY SIC INDUSTRIES

(CONSUMER MARKETS)

With sales projected at $15.8 billion for Miscellaneous Retailers (SIC 59), and $12.0 billion for General Merchandise Stores (SIC 53), these two businesses comprise 41% of total consumer catalog sales. Most top ten industries project a lower growth rate over the next five years, with the exception of General Merchandise Stores (SIC 53).

		(Billions of dollars)					Compound Annual Growth	
SIC	Market	1995	1999	2000	2001	2005	'95-'00	'00-05
AGR	**Agriculture**	$0.00	$0.00	$0.00	$0.00	$0.00		
MIN	**Mining**	$0.00	$0.00	$0.00	$0.00	$0.00		
CON	**Construction**	$0.00	$0.00	$0.00	$0.00	$0.00		
20-39 Manufacturing								
20	Food & Kindred Products	$704.00	$953.35	$1,092.26	$1,203.67	$1,486.56	9.18%	6.36%
21	Tobacco Products	$536.33	$686.23	$7.52	$7.85	$8.16	-57.41%	1.65%
22	Textile Mill Products	$19.59	$24.64	$26.76	$27.74	$30.15	6.44%	2.41%
23	Apparel & Other Textiles	$1,982.23	$2,454.97	$2,698.34	$2,868.14	$3,155.03	6.36%	3.18%
24	Lumber & Wood Products	$0.27	$0.32	$0.35	$0.37	$0.46	5.33%	5.62%
25	Furniture & Fixtures	$114.99	$145.06	$154.97	$160.21	$161.20	6.15%	0.79%
26	Paper & Allied Products	$7.42	$9.13	$10.39	$11.03	$12.58	6.97%	3.90%
27	Printing & Publishing	$416.56	$519.91	$580.04	$605.06	$644.82	6.85%	2.14%
28	Chemicals & Allied Products	$158.73	$204.80	$232.10	$246.16	$296.23	7.90%	5.00%
29	Petroleum & Coal	$9.08	$7.61	$11.70	$10.75	$11.78	5.20%	0.14%
30	Rubber & Plastic Products	$12.07	$14.95	$16.46	$16.79	$16.80	6.40%	0.41%
31	Leather & Leather Products	$4.66	$5.67	$6.42	$6.76	$6.76	6.62%	1.04%
32	Stone, Clay & Glass	$0.59	$0.85	$0.99	$1.09	$1.41	10.91%	7.33%
33	Primary Metals	$0.02	$0.03	$0.03	$0.03	$0.04	8.45%	5.92%
34	Fabricated Metals	$1.37	$1.80	$2.00	$2.12	$2.44	7.86%	4.06%
35	Industrial Machinery & Equipment	$162.00	$421.61	$523.35	$610.65	$744.94	26.43%	7.32%
36	Electrical Machinery & Equipment	$131.09	$226.81	$295.17	$366.35	$634.64	17.63%	16.54%
37	Transportation Equipment	$420.55	$646.01	$714.49	$765.96	$1,105.18	11.18%	9.12%
38	Instruments & Related Products	$39.79	$48.23	$53.70	$57.58	$65.00	6.18%	3.89%
39	Miscellaneous Manufacturing	$5.98	$9.21	$10.71	$11.70	$16.28	12.36%	8.74%
40-49 Transportation Utilities								
45	Airlines	$112.43	$165.71	$195.96	$210.97	$259.85	11.75%	5.81%
TRNX45	Transportation, excluding Airlines	$35.15	$53.13	$57.21	$58.98	$60.33	10.23%	1.07%
48	Communications	$0.00	$0.00	$0.00	$0.00	$0.00		
49	Electric & Gas Utilities	$0.00	$0.00	$0.00	$0.00	$0.00		

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THE DMA Direct Marketing Association

CATALOG REVENUE BY SIC INDUSTRIES
(CONSUMER MARKETS -- CONTINUED FROM PREVIOUS PAGE)

							Compound Annual Growth	
SIC	**Market**	**1995**	**1999**	**2000**	**2001**	**2005**	**'95-'00**	**'00-05**
50-51	**Wholesale Trade**	$43.76	$57.46	$66.18	$71.16	$85.77	8.63%	5.32%
52-59 Retail Trade								
52	Building Materials & Garden Supplies	$1,458.80	$2,061.28	$2,373.86	$2,619.17	$3,527.53	10.23%	8.24%
53	General Merchandise Stores	$7,618.48	$10,357.68	$12,003.93	$13,468.93	$19,230.73	9.52%	9.88%
54	Food Stores	$2,028.35	$2,701.96	$2,960.98	$3,166.26	$3,697.22	7.86%	4.54%
55	Auto Dealers & Service Stations	$3,370.87	$4,721.05	$5,357.12	$5,690.97	$7,553.33	9.71%	7.11%
56	Apparel Stores	$5,032.98	$7,198.50	$8,335.94	$9,317.71	$12,697.13	10.62%	8.78%
57	Household Appliance Stores	$4,500.92	$9,104.31	$10,647.39	$11,162.16	$11,174.35	18.79%	0.97%
58	Restaurants	$324.97	$487.91	$575.59	$629.72	$810.00	12.11%	7.07%
59	Non-Store Retailers	$8,731.54	$13,521.93	$15,804.72	$17,618.32	$22,521.72	12.60%	7.34%
60-65 Finance								
60	Depository Institutions	$27.27	$41.30	$47.95	$53.38	$73.32	11.95%	8.86%
61	Nondepository Institutions	$13.63	$20.65	$23.97	$26.69	$36.66	11.95%	8.87%
62&67	Security & Commodity Brokers	$221.38	$421.20	$495.99	$567.98	$863.16	17.51%	11.72%
63&64	Insurance Carriers & Agents	$0.00	$0.00	$0.00	$0.00	$0.00		
65	Real Estate	$220.48	$321.29	$369.68	$399.64	$506.59	10.89%	6.50%
70-89 Services								
70	Hotels	$17.58	$26.57	$28.60	$29.49	$30.16	10.22%	1.07%
72,75&76	Personal & Repair Services	$0.00	$0.00	$0.00	$0.00	$0.00		
73	Business Services	$35.64	$92.75	$115.14	$134.34	$163.89	26.43%	7.32%
78&79	Entertainment	$117.24	$158.92	$181.90	$198.16	$249.02	9.18%	6.48%
80	Health Services	$0.00	$0.00	$0.00	$0.00	$0.00		
82	Educational Services	$233.24	$365.41	$429.08	$475.48	$634.99	12.97%	8.15%
83	Social Services	$78.80	$109.85	$125.40	$134.49	$160.12	9.74%	5.01%
84	Museums & Galleries	$128.55	$178.71	$203.87	$218.31	$258.89	9.66%	4.89%
86	Membership Organizations	$320.36	$398.95	$443.07	$461.37	$494.10	6.70%	2.20%
81,87&89	Other Services	$46.14	$69.17	$80.25	$87.30	$111.07	11.71%	6.72%
43,90-97 USPS & Government								
GGE	Government & Government Enterprises	$228.58	$335.10	$376.18	$394.51	$426.74	10.48%	2.55%
	Total	**$39,674.46**	**$59,351.98**	**$67,737.71**	**$74,175.50**	**$94,027.13**	**11.29%**	**6.78%**

Source: The DMA Report: *Economic Impact - U.S. Direct & Interactive Marketing Today, 2000.*

THE DMA Direct Marketing Association

CATALOG REVENUE BY SIC INDUSTRIES

(ALL MARKETS)

Non-Store Retailers (SIC 59) and General Merchandise Stores (SIC 53) companies rank within the top two, with sales $ 19.7 billion, and $ 12.8 billion, respectively.

		(Billions of dollars)					Compound Annual Growth	
SIC	**Market**	**1995**	**1999**	**2000**	**2001**	**2005**	**'95-'00**	**'00-05**
AGR	**Agriculture**	$0.00	$0.00	$0.00	$0.00	$0.00		
MIN	**Mining**	$0.00	$0.00	$0.00	$0.00	$0.00		
CON	**Construction**	$0.00	$0.00	$0.00	$0.00	$0.00		
20-39 Manufacturing								
20	Food & Kindred Products	$1,488.30	$1,872.53	$2,103.69	$2,315.70	$2,926.26	7.17%	6.82%
21	Tobacco Products	$736.61	$914.15	$19.92	$20.86	$22.61	-51.43%	2.57%
22	Textile Mill Products	$96.00	$108.12	$114.36	$118.51	$133.79	3.56%	3.19%
23	Apparel & Other Textiles	$2,249.48	$2,761.23	$3,033.94	$3,238.17	$3,653.73	6.17%	3.79%
24	Lumber & Wood Products	$15.27	$15.77	$16.72	$17.94	$22.75	1.83%	6.35%
25	Furniture & Fixtures	$248.20	$307.02	$325.68	$340.70	$370.68	5.58%	2.62%
26	Paper & Allied Products	$67.48	$76.66	$85.64	$91.83	$113.79	4.88%	5.85%
27	Printing & Publishing	$2,915.82	$4,025.51	$4,510.42	$4,868.06	$6,034.68	9.12%	6.00%
28	Chemicals & Allied Products	$1,089.72	$1,311.99	$1,465.46	$1,579.00	$2,123.23	6.10%	7.70%
29	Petroleum & Coal	$41.79	$33.36	$50.71	$47.23	$56.83	3.95%	2.30%
30	Rubber & Plastic Products	$120.70	$142.85	$155.72	$161.99	$183.83	5.23%	3.37%
31	Leather & Leather Products	$5.04	$6.22	$7.09	$7.53	$7.96	7.06%	2.34%
32	Stone, Clay & Glass	$6.71	$8.52	$9.54	$10.48	$13.75	7.29%	7.58%
33	Primary Metals	$23.99	$26.90	$30.62	$33.08	$41.58	5.00%	6.31%
34	Fabricated Metals	$22.86	$27.54	$29.96	$32.16	$40.08	5.56%	5.99%
35	Industrial Machinery & Equipment	$3,596.98	$7,376.35	$8,696.78	$9,682.02	$11,448.35	19.31%	5.65%
36	Electrical Machinery & Equipment	$669.66	$1,089.56	$1,400.66	$1,766.88	$3,420.05	15.90%	19.55%
37	Transportation Equipment	$790.28	$1,125.71	$1,212.52	$1,286.38	$1,821.40	8.94%	8.48%
38	Instruments & Related Products	$353.43	$422.12	$467.89	$514.81	$676.35	5.77%	7.65%
39	Miscellaneous Manufacturing	$10.76	$15.56	$17.79	$19.37	$27.13	10.58%	8.81%
40-49 Transportation Utilities								
45	Airlines	$372.29	$522.82	$609.66	$658.56	$862.55	10.37%	7.19%
TRNX45	Transportation, excluding Airlines	$743.65	$1,223.62	$1,417.24	$1,568.95	$2,014.24	13.77%	7.28%
48	Communications	$0.00	$0.00	$0.00	$0.00	$0.00		
49	Electric & Gas Utilities	$0.00	$0.00	$0.00	$0.00	$0.00		

(CONTINUED ON NEXT PAGE)

CATALOG REVENUE BY SIC INDUSTRIES
(ALL MARKETS -- CONTINUED FROM PREVIOUS PAGE)

							Compound Annual Growth	
		1995	1999	2000	2001	2005	'95-'00	'00-05
50-51	**Wholesale Trade**	$3,147.22	$5,240.43	$6,137.04	$6,816.35	$8,674.04	14.29%	7.16%
52-59 Retail Trade								
52	Building Materials & Garden Supplies	$1,560.94	$2,207.23	$2,545.22	$2,809.00	$3,802.95	10.27%	8.36%
53	General Merchandise Stores	$8,150.08	$11,059.31	$12,788.92	$14,316.12	$20,339.54	9.43%	9.72%
54	Food Stores	$2,269.23	$2,997.41	$3,282.04	$3,507.15	$4,103.32	7.66%	4.57%
55	Auto Dealers & Service Stations	$5,129.08	$6,952.40	$7,902.40	$8,373.36	$11,264.35	9.03%	7.35%
56	Apparel Stores	$5,098.01	$7,280.06	$8,425.90	$9,412.88	$12,802.94	10.57%	8.73%
57	Household Appliance Stores	$4,713.40	$9,373.15	$10,955.12	$11,501.22	$11,627.93	18.37%	1.20%
58	Restaurants	$363.49	$540.21	$635.05	$694.84	$898.68	11.81%	7.19%
59	Non-Store Retailers	$10,908.71	$16,846.85	$19,673.37	$21,877.28	$28,118.08	12.52%	7.40%
60-65 Finance								
60	Depository Institutions	$182.88	$251.56	$284.60	$317.59	$459.19	9.25%	10.04%
61	Nondepository Institutions	$49.82	$69.55	$79.01	$88.13	$126.40	9.66%	9.85%
62&67	Security & Commodity Brokers	$966.55	$1,664.50	$1,909.15	$2,188.62	$3,483.69	14.58%	12.78%
63&64	Insurance Carriers & Agents	$55.37	$74.81	$84.20	$94.01	$137.30	8.74%	10.27%
65	Real Estate	$526.03	$710.31	$801.01	$865.82	$1,130.10	8.77%	7.13%
70-89 Services								
70	Hotels	$138.02	$225.55	$259.80	$286.18	$362.32	13.49%	6.88%
72,75&76	Personal & Repair Services	$0.00	$0.00	$0.00	$0.00	$0.00		
73	Business Services	$1,534.21	$3,029.21	$3,605.07	$4,042.48	$4,986.33	18.63%	6.70%
78&79	Entertainment	$218.31	$292.73	$333.58	$367.83	$499.02	8.85%	8.39%
80	Health Services	$0.00	$0.00	$0.00	$0.00	$0.00		
82	Educational Services	$247.78	$385.25	$451.62	$500.58	$671.00	12.76%	8.24%
83	Social Services	$83.67	$117.27	$134.12	$144.55	$176.10	9.90%	5.60%
84	Museums & Galleries	$138.96	$194.70	$222.72	$240.08	$293.85	9.89%	5.70%
86	Membership Organizations	$521.55	$654.65	$726.27	$766.35	$888.63	6.85%	4.12%
81,87&89	Other Services	$765.30	$1,042.27	$1,179.76	$1,293.09	$1,783.47	9.04%	8.62%
43,90-97 USPS & Government								
GGE	Government & Government Enterprises	$1,732.34	$2,211.47	$2,396.05	$2,501.24	$2,784.20	6.70%	3.05%
	Total	**$64,165.97**	**$96,834.99**	**$110,594.03**	**$121,384.96**	**$155,429.05**	**11.50%**	**7.04%**

Source: The DMA Report: *Economic Impact - U.S. Direct & Interactive Marketing Today, 2000.*

INTERACTIVE AD SPENDING, SALES AND EMPLOYMENT

Internet marketing is the newest channel in direct marketing. While still in its frontier stages, online direct marketing sales are expected to reach more that $136 billion in 2005.

Going forward for the next five years, growth rates are forecast in the double digits - from almost 30 - 40+ percent in all areas of expenditures, revenue, and employment. Interactive marketing is the only direct marketing channel where employment growth rates are even close to revenue growth. In all other media, employment growth rates are just a fraction compared to revenue growth.

U.S. Interactive Advertising Expenditures by Market

*(Billions of Dollars)**

												Compound Annual Growth	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	'95-'00	'00-05
Total	**$35**	**$125**	**$308**	**$779**	**$1,624**	**$2,742**	**$4,417**	**$6,657**	**$8,811**	**$11,180**	**$13,556**	**139.91%**	**37.66%**
Business	$23	$81	$196	$493	$1,035	$1,716	$2,756	$4,141	$5,463	$6,909	$8,323	136.88%	37.13%
Consumer	$11	$43	$111	$286	$589	$1,026	$1,661	$2,516	$3,348	$4,271	$5,233	145.55%	38.53%

Value of U.S. Interactive Sales by Market

*(Billions of Dollars)**

												Compound Annual Growth	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	'95-'00	'00-05
Total	**$173**	**$749**	**$2,183**	**$6,155**	**$13,804**	**$23,990**	**$40,140**	**$62,208**	**$84,647**	**$109,550**	**$134,944**	**168.32%**	**41.26%**
Business	$122	$511	$1,450	$4,038	$8,959	$15,425	$25,601	$39,390	$53,387	$68,830	$84,488	163.42%	40.51%
Consumer	$51	$238	$734	$2,117	$4,845	$8,564	$14,539	$22,818	$31,260	$40,720	$50,455	178.75%	42.57%

U.S. Interactive Employment by Market

(Thousands of Jobs)

												Compound Annual Growth	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	'95-'00	'00-05
Total	**1,556**	**6,400**	**17,804**	**47,760**	**102,663**	**169,355**	**268,995**	**399,330**	**522,668**	**653,961**	**795,107**	**44.82%**	**36.25%**
Business	1,106	4,365	11,691	30,821	65,393	106,382	167,327	246,189	319,681	397,862	485,564	43.50%	35.48%
Consumer	450	2,035	6,113	16,938	37,271	62,973	101,668	153,141	202,987	256,099	309,542	47.03%	37.50%

* These numbers have not been inflation-adjusted - they represent current (nominal) dollars.

Source: The DMA Report: *Economic Impact - U.S. Direct & Interactive Marketing Today, 2001.*

CONSUMER INTERACTIVE MEDIA DIRECT RESPONSE SALES RANKED BY 2000 SALES

(BILLIONS OF DOLLARS)*

Depository Institutions (banks) (SIC 60) leads in 2000 interactive sales ($1,105.9 million). The Real Estate industry (SIC 65) ranks second in 2000 sales ($638.1 million) and third in interactive expenditures. Communications (SIC 48) ranks a close third in 2000 sales ($637.4 million). The highest growth industries are Security/Commodity Brokers (SIC 62, 67) and Health Services (SIC 80) - both with five year growth rates of 55+ percent annually. These growth rates, however, are a lower compared with a previous five year projection from 1998-2003, which were 80+ percent annually for these categories.

	1995	1999	2000	2001	2005	Compound Annual Growth '95-'00	'00-05
Depository Institutions (SIC 60)	$3.4	$569.6	**$1,105.9**	$2,047.0	$9,170.3	218.8%	52.7%
Real Estate (SIC 65)	3.8	372.1	**638.1**	1,040.0	2,806.3	178.0	34.5
Communications (SIC 48)	4.3	374.7	**637.4**	1,041.4	2,882.0	171.8	35.2
Transportation Equip. (SIC 37)	2.6	306.4	**579.8**	1,024.2	3,782.5	195.4	45.5
Industrial Mach. and Equip. (SIC 35)	7.0	309.9	**476.8**	708.3	1,502.2	132.7	25.8
Insurance Carriers/Agents (SIC's 63, 64)	1.9	225.7	**403.2**	680.3	1,977.7	193.3	37.4
Health Services (SIC 80)	1.1	188.4	**370.5**	698.6	3,328.3	220.0	55.1
Auto Dealers/Serv. Stations (SIC 55)	2.0	204.8	**350.5**	571.2	1,666.1	179.7	36.6
Other Retailers (SIC 59)	1.4	188.1	**347.5**	625.3	2,458.1	200.6	47.9
Business Services (SIC 73)	4.8	221.6	**343.8**	521.2	1,197.6	134.5	28.4
Security/Commodity Brokers (SIC's 62, 67)	0.9	159.8	**320.2**	615.5	3,148.5	226.5	58.0
Educational Services (SIC 82)	1.4	140.2	**239.7**	389.4	1,060.0	179.3	34.6
Entertainment (SIC's 78, 79)	1.0	125.6	**228.8**	389.1	1,328.9	197.0	42.2
Restaurants (SIC 58)	0.9	117.6	**215.0**	375.9	1,323.2	197.7	43.8
Personal/Repair Services (SIC's 72, 75-76)	0.9	96.6	**175.0**	301.1	1,158.1	188.9	45.9
Electrical Mach. and Equip. (SIC 36)	2.8	110.4	**170.2**	252.2	529.7	126.9	25.5
Airlines (SIC 45)	0.7	92.4	**167.6**	291.3	1,028.5	197.4	43.8
Transport Svcs, (ex. Airlines) (SIC's 40-42, 46-47)	0.6	88.3	**166.4**	307.1	1,297.1	203.8	50.8
General Merchandise Stores (SIC 53)	0.7	82.7	**147.8**	256.9	916.7	189.6	44.1
Chemicals/Allied Products (SIC 28)	0.5	71.7	**130.0**	227.3	777.4	201.8	43.0

*These numbers have not been inflation adjusted — they represent current (nominal) dollars.

Note: Due to rounding, totals may not exactly equal the sum of each column.

Source: The DMA Report: *Economic Impact - U.S. Direct & Interactive Marketing Today, 2000.*

THE DMA Direct Marketing Association

BUSINESS-TO-BUSINESS INTERACTIVE MEDIA DIRECT RESPONSE SALES RANKED BY 2000 SALES

(BILLIONS OF DOLLARS)*

Communications (SIC 48) led all other industries in 2000 interactive sales ($2,271.6 million). Sales for this industry are forecast to annually grow by 40.7 percent through 2005. Financial services (SICs 60-65) are key revenue growth industries, although the growth projections of over 70 percent for these categories from 1998-2003 have dropped to approximately to the mid 50 percent range from 2000-2005.

						Compound Annual Growth	
	1995	1999	2000	2001	2005	'95-'00	'00-05
Communications (SIC 48)	$12.9	$1,281.0	**$2,271.6**	$3,839.5	$12,521.5	181.3%	40.7%
Business Services (SIC 73)	26.2	1,202.3	**1,886.8**	2,855.1	6,675.8	135.3	28.8
Industrial Mach. and Equip. (SIC 35)	23.9	1,030.2	**1,583.0**	2,318.5	4,878.1	131.3	25.2
Instruments/Related Prods. (SIC 38)	4.3	463.5	**856.7**	1,487.1	5,303.4	187.9	44.0
Electrical Mach. and Equip. (SIC 36)	11.8	507.7	**798.2**	1,203.7	2,788.7	132.5	28.4
Airlines (SIC 45)	3.0	414.9	**775.6**	1,370.9	5,327.3	204.2	47.0
Nondepository Institutions (SIC 61)	2.7	376.6	**715.9**	1,269.3	5,039.2	206.0	47.7
Real Estate (SIC 65)	3.1	375.0	**697.3**	1,239.2	4,651.8	195.7	46.2
Insurance Carriers/Agents (SIC's 63, 64)	1.8	281.3	**555.9**	1,036.8	4,839.8	214.0	54.2
Printing and Publishing (SIC 27)	8.4	359.7	**554.5**	823.1	1,812.4	131.0	26.7
Professional Services (SIC's 81, 87, 89)	5.2	298.9	**492.2**	773.4	2,128.1	148.1	34.0
Depository Institutions (SIC 60)	1.6	239.5	**453.6**	812.7	3,343.2	207.6	49.1
Wholesale Trade (SIC's 50, 51)	1.9	230.1	**421.3**	729.5	2,575.0	194.7	43.6
Security/Commodity Brokers (SIC's 62, 67)	1.1	183.9	**364.7**	684.0	3,310.9	220.3	55.5
Chemicals/Allied Products (SIC 28)	1.5	190.5	**350.0**	618.9	2,217.4	198.4	44.7
Auto Dealers/Serv. Stations (SIC 55)	1.6	163.8	**283.0**	459.1	1,353.9	182.1	36.8
Transport Svcs, (ex. Airlines) (SIC's 40-42, 46-47)	0.9	132.9	**252.2**	457.7	1,878.6	206.7	49.4
Construction (SIC's 15-17)	1.0	127.5	**235.6**	414.4	1,519.2	199.9	45.2
Entertainment (SIC's 78, 79)	1.0	124.2	**228.3**	394.2	1,367.4	197.5	43.1
Transportation Equip. (SIC 37)	1.0	117.1	**217.5**	382.7	1,440.1	195.9	46.0

*These numbers have not been inflation adjusted — they represent current (nominal) dollars.

Note: Due to rounding, totals may not exactly equal the sum of each column.

Source: The DMA Report: *Economic Impact - U.S. Direct & Interactive Marketing Today, 2000.*

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(917) 368-2101
www.iab.net/reports

International Customer Service
Association
401 N. Michigan Avenue
Chicago, IL 60611
1-800-360-4272
www.icsa.com

J.C. Williams Group
350 West Hubbard Street,
Suite 240
Chicago, IL 60610
(312) 673-1254
www.jcwg.com

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Shawnee Mission, KS 66207
(913) 236-2411
www.jschmid.com

Jordan Whitney, Inc.
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(714) 832-2432
www.jwgreensheet.com

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(609) 921-7200
www.kelseygroup.com

Magazine Publishers of America (MPA)
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(212) 872-3700
www.magazine.org

MediaMark Research Inc.
650 Avenue of the Americas
New York, NY 10011
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www.mediamark.com

McKinsey & Company
55 E 52nd Street, 30th Fl
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www.nuworld.com

Oetting & Company
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(212) 580-5470
www.oetting.com

Pitney Bowes Inc.
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(203) 356-5000
www.pb.com

Quaero, LLC
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Charlotte, NC 28217
(704) 414- 0200
www.quaero.com/services/answers/reports

Response TV Magazine
Advanstar Communications
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Suite 600
Santa Ana, CA 92707
(800) 854-3112
www.responsemag.com

Response Marketing Group
200 Church Street
Burlington, VT 05401
(802) 865-6010
www.800response.com

Target Analysis Group
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Cambridge, MA 02778
(617) 876-2275
www.targetanalysis.com/dmapres.htm

TeleManagement Search
114 East 32nd Street
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www.tmrecruiters.com

Thomson Financial Media
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(312) 913-1334
www.tfn.com

UCLA Center for Communication Policy
Box 951586, Los Angeles CA 90095
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www.ucla.edu

U.S. Department of Commerce
U.S. Bureau of the Census
Washington, DC 20233
(301) 457-4100
www.census.gov/statab/www

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