

## Direct-Mail Spending Up

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**Direct-mail spending is up**, despite increased postage rates. U.S. marketers increased their direct-mail spend by 5% last year, to \$58.4 billion, reports marketing consultancy **Winterberry Group**, in its fourth annual white paper on vertical trends in direct mail. This figure represents more than 30% of total direct-response ad spending in the U.S. The investment accounts for all commercial communications sent through the mail and includes the preparation, print/bind production and postage for postcards, catalogs and letters.

The Winterberry report supported Direct Group's decision to purchase the U.S.'s first Océ JetStream 2200 inkjet press, says Don McKenzie, CEO of the \$100-million firm. Its New Jersey facility is one of the country's largest high-volume direct mail producers. Set for April start-up, the new high-speed printer will provide full color with variable data

The rate of direct-mail spending growth was down 2.5% over 2006, according to the study, largely attributed to last May's postage rate hike. Still, Winterberry says direct mail growth continues to outpace most non-digital media and is expected to grow 5% annually through 2011 (see chart breakdown below), to \$72.3 billion. Macro trends include "the strategic application of direct mail has shifted away from a 'direct order' focus and toward one predominately aimed at generating prospective leads and driving traffic to other transaction channels."

The transpromo print opportunity is mentioned, as marketers seek "cost-efficient statement production solutions that go 'beyond billing,' but service provider experience and knowledge of required capabilities is lacking and difficult to develop." And a segment called direct marketing fulfillment "is emerging as its own distinct execution discipline, requiring unique technologies ...." This area encompasses custom document development, print on demand and printed collateral programs.

Projected Direct Mail Compound Annual Growth Rates By Vertical Market (2007-2011)

Financial Services: Insurance 6.9%  
Healthcare/Pharmaceuticals 6.4%  
Retail: Traditional 5.8%  
Technology 4.9%  
Telecommunications 4.7%  
Retail: Multichannel/Catalog 4.6%  
Business to Business 4.5%  
Automotive 3.8%  
Not-for-Profit 3.8%  
Hospitality 3.2%  
Publishing 2.9%  
Financial Services:  
Banking and Credit Card 2.8%

*Source: WG analysis of data from the Direct Marketing Association*