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## **DRTV BECOMING INTEGRAL COMPONENT OF THE MULTICHANNEL MARKETPLACE**

*Electronic Retailing Association research reveals traditional advertisers  
increasingly embrace direct-to-consumer strategy*

**August 9, 2007** — According to a recent white paper sponsored by the Electronic Retailing Association (ERA), entitled *The Evolving Role of Direct Response Television in Multichannel Marketing Execution*, direct response television (DRTV) continues to grow as a marketing medium. This growth is attributable to both DRTV marketers—who are accelerating their adoption of interactive technologies as a component of multichannel execution strategies—and traditional advertisers, who have begun utilizing the direct response model to enhance customer relationships, drive incremental sales and ensure marketing accountability.

“DRTV is uniquely positioned to expand its impact on the marketing industry now and in the coming years,” says Bruce Biegel, Senior Managing Director of Winterberry Group, a strategic consulting firm which conducted the study on behalf of the ERA.

Winterberry Group interviewed and surveyed nearly 100 senior industry executives throughout North America to discover the reasons behind DRTV’s increased traction. The panel for this study included representatives from “legacy” DRTV marketers (those that have traditionally used the channel as a primary promotional tool), as well as product distributors, full-service DRTV agencies, integrated marketing service providers (those “MSPs” that offer DRTV in addition to other services, such as direct mail), media buying agencies, production companies and a variety of specialty service providers.

The report identifies five leading trends that are actively reshaping the DRTV industry, most notably the entrance of brand marketers into the DRTV space, the growing use of DRTV to develop and nurture customer relationships rather than merely sell individual products, and the increasing use of DRTV to drive Web and retail traffic.

“Today, DRTV is seen as a component of a broader, expansive effort, as opposed to a standalone sales channel,” says Biegel.

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Winterberry Group also revealed four trends on the horizon that are expected to impact the future of the DRTV industry. These trends include:

- DRTV marketers will accelerate their adoption of emerging interactive channels as marketing models and metrics are refined
- The focus of call center activity will shift away from inbound order receipt to outbound customer relationship management (CRM)
- DRTV agencies will develop sophisticated marketing solutions to help marketers optimize strategies around Web 2.0
- DRTV marketers will explore forays into branded entertainment and product placement.

Sieglinde Friedman, Vice President of Board and Strategy for ERA, elaborated on the success of DRTV despite seismic shifts in the media landscape, commenting that “the recent decline in television advertising has yet to significantly wound DRTV because the industry grasps the rules of the new consumer-controlled environment and has quickly moved to adopt multichannel strategies.”

ERA, the leading industry association representing direct response marketing companies and major retailers that use electronic media to sell goods and services to consumers, has emerged as a knowledge center for the direct response industry, for both professionals and consumers alike.

*The Evolving Role of Direct Response Television in Multichannel Marketing Execution* is available via the ERA's Web Site.

As a member benefit, ERA members will receive a complimentary copy of the white paper by mail. Non-members may purchase the study for \$500. If you would like to become a member of the ERA and receive your free copy of the white paper, please visit [www.retailing.org](http://www.retailing.org).

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*About Winterberry Group*

Winterberry Group is a unique research and strategic consulting firm that helps marketing industry companies increase profits and build shareholder value. Affiliated with Petsky Prunier LLC—a leading investment bank providing merger and acquisition advisory services to companies in the same industry—Winterberry Group offers its clients strategic perspective that is unparalleled in the marketing sector, while PPLLC maintains exceptional relationships with industry executives and business owners. This combination of market intelligence, research and strategic operating experience (as well as the ongoing dialogue among buyers and sellers of marketing services businesses) provides an educated outside perspective we bring to each engagement.

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Over the past four years, Winterberry Group has successfully completed more than 80 engagements for a broad range of marketers, service providers and technology developers, as well as the private capital firms that invest in these businesses. WG's clients include Alterian plc., arvato (the marketing services division of Bertelsmann AG), BDS Marketing, Capital One Financial Corp., The Carlyle Group, Hewlett-Packard Co., ICOM Information & Communications, IWCO Direct, MetroGroup Marketing Services, Modern Postcard, Roark Capital Group, Transcontinental, Inc., V12 Group, Xerox and Yahoo!.

For more information on Winterberry Group, visit [www.winterberrygroup.com](http://www.winterberrygroup.com).