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**DIRECT MAIL SPENDING SURGES 7.5% IN 2006;  
POSITIONED FOR 6.8% AVERAGE ANNUAL GROWTH THROUGH 2009**

*ROI-Conscious Marketing, Multichannel Integration and Consumer Preferences  
Continue to Fuel Direct Mail Growth, Says Study from Leading Strategic Consulting Firm*

NEW YORK, December 14, 2006—Despite rising postal rates, higher raw materials costs and the advent of numerous alternative channels, marketers continue to seek out the return on investment benefits of direct mail—spending \$60.6 billion on the channel in 2006—according to a white paper released today by Winterberry Group, a leading strategic consulting firm serving the marketing industry.

The white paper, entitled *Vertical Market Trends in Direct Mail and the Impact on Production Service Providers 2006*, is the New York-based consulting firm's third annual study of the direct mail production sector. Based upon feedback provided through hundreds of interviews with executives from throughout the direct mail industry, it explores macro trends affecting mailers and service providers, as well as unique developments specific to one or more vertical markets.

Despite murky economic conditions and the rise of several competitive “below-the-line” marketing channels, Winterberry Group forecasts continued growth in direct mail through the 2009 timeframe. The report concludes: “The looming postal rate increase, the price of consumables and the reallocation of marketing budgets to interactive channels constitute major challenges for marketers and providers alike. However, as the multichannel mentality continues to gain ground among ROI-focused marketers, we expect solid, if not robust, growth in direct mail spending to carry production providers through 2007.”

The white paper further outlines three macro trends and five vertical market trends which should play significant roles in shaping the direction of direct mail use in 2007. The macro trends include:

- Complex, high-volume multichannel campaigns become the industry standard, driven by enhanced marketing database segmentation tools and widespread CRM adoption
- Forthcoming postal rate increase, combined with new delivery point validation regulations, drive the need for advanced data hygiene and postal optimization services

## **Direct Mail Spending Up 7.5% in 2006; Positioned for 6.8% Average Growth Through '09 According to New Winterberry Group White Paper**

- Strategy and creative service providers move to integrate analytics and consumer targeting services with their existing portfolios, in order to counteract the threat of service commoditization in the agency space.

“As marketers continue to re-examine their media mix allocation, direct mail has remained a critical and reliable means of driving consumer interest and action, both leading to strong ROI performance,” said Bruce Biegel, Winterberry Group’s senior managing director. “Though continued focus on the Internet and the postal increase will raise the competitive bar in the coming year, we expect that strategically-prepared production companies can benefit from the emerging emphasis on customer segmentation and data-driven growth opportunities within the direct mail space.”

*Vertical Market Trends in Direct Mail and the Impact on Production Service Providers* is available for complimentary download via the Research page of Winterberry Group’s Web site, <http://www.winterberrygroup.com/research.html>.

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### *About Winterberry Group*

Winterberry Group is a unique strategic consulting firm that helps marketing industry companies build profits and propel shareholder value. Services include comprehensive strategic consulting—through its flagship *Opportunity Mapping* process—plus business planning & assessment, market intelligence & sector research and tactical execution support. The firm’s global stable of clients includes service providers, marketers and strategic investors in every segment of the direct marketing, marketing services and marketing technology industries. Over the last four years, the firm has successfully provided advanced strategic counsel to over 40 of these firms, including Alterian plc, American Capital Strategies, Ltd., Anderson Direct, arvato AG, Baudville, Capital One Financial Corp., The Carlyle Group, Citigroup Venture Capital Partners, Cox Target Media, Hewlett-Packard Co., ICOM Information & Communications, Inc., KRG Capital, MediMedia USA, MetroGroup Marketing Services, *Openfirst*, Transcontinental Direct and Yahoo!.

Winterberry Group’s impact is further enhanced through its affiliation with Petsky Prunier LLC, a leading investment bank providing merger-and-acquisition advisory services to companies in the direct marketing, marketing services & technology, advertising & promotion and information industries. Working in close collaboration, the two firms offer a unique dual perspective on corporate growth grounded in market knowledge, value assessment and strategic insight.

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