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DRILLING DOWN

## Recession Takes Toll on Direct Mail Ads

By ALEX MINDLIN

Responding to the financial crisis, American companies sharply reduced their spending on direct-mail marketing last year, according to the Winterberry Group, a marketing consultancy. Winterberry said this was the first such decline in more than 60 years of record-keeping. The company arrived at the figures by surveying 305 companies in the direct-mail industry.

The cuts represented at least nine billion pieces of mail, according to Winterberry's analysis of Postal Service reports. Not surprisingly, credit card and mortgage service solicitations dropped the most sharply, falling 21.8 percent and 38.8 percent in volume respectively, according to Mintel Comperemedia, a direct-mail tracking firm.

Winterberry said the cuts were caused primarily by the financial crisis, but also by rising postal, paper and labor costs, which have pushed marketers toward online solicitations. Winterberry said 45 percent of the marketers in its survey were switching to cheaper paper and raw materials to cut costs. ALEX MINDLIN