



Direct Mail

(US Market Data)

Size

The Direct Mail industry was \$51.35 billion in 2004¹ and is projected to be approximately \$55 billion in 2006.²

Effectiveness

Among the various advertising media in 2005, direct mail was the top choice of advertisers followed by newspapers, TV, and radio.³

On tangible ROI measurements⁴

Direct mail is still growing rapidly despite the shift toward newer forms of direct response marketing on the Web and is projected to rise at a compound average annual growth rate of 8.5 percent through 2010. This growth rate is slightly better than the 8.0 percent overall rate of growth projected for the total marketing services sector and is an indication that direct mail is still vital and is actually growing in demand as marketers seek methods that deliver a demonstrable return on investment.

On response rates

Direct marketers reported the following response rates by direct advertising medium⁵:

Response Rates by Medium	Percentage
Telephone	8.55%
Direct response TV	8.14
Coupons	4.29
Co-op/shared mail	3.94
Dimensional mail	3.67
Catalog	3.67
Banner ads/Internet	3.52
Direct mail	2.77
Email	2.48
Postcards	2.19
Package inserts	1.74
Radio	1.25
Search engine	1.07
Magazine blow-ins	0.63
Newspaper space ads	0.50
Statement stuffers	0.21

On sales

In a study of advertising impact on weekly sales of a pizza franchiser, the best combination of media in driving sales is direct mail plus national TV advertising—it doubles the impact of using any one medium alone.⁶

Engagement

- 38% of households surveyed found direct mail pieces interesting.
- 85% of mail is either read or visually scanned by customers.⁷
- 67% of respondents like getting mail about new products from companies they do business with.⁸

Cross Media Power

Internet users had favorable attitudes towards billboards and direct mail advertising.⁹

Unique Attributes

- Dimensional mail provides unlimited creative options.
- Tactile
- Push medium with ability to precisely target customers

References

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- ⁶ Stafford, M. R. & Lippold, E. M. & Sherron, C. T. (2003, June). The Contribution of Direct Mail Advertising to Average Weekly Unit sales. Journal of Advertising Research, 173-179
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- ⁹ Tsao, J.C., Stanley, S.D. (2004). Displacement and Reinforcement Effects of the Internet and Other Media as Sources of Advertising Information. Journal of Advertising Research, 126-142