

The Top 50 Mailers

The first annual listing of the top mailers as measured by volume

Which firms send the most direct mail in the United States? That is the question *Target Marketing* attempts to answer in its first annual listing of mailers by volume. And while there were some surprises in the tabulations, many of the company names you will find in the *Target Marketing* Top 50 Mailers should be quite familiar—if not expected.

Before we get into the highlights of the listings, let's first discuss why the companies are sorted alphabetically rather than by volume. This is because the data used to create the list are not the actual volumes reported by the companies—something few companies release publicly—but rather an indexing based on three extensive data sources capable of predicting mail volumes. (For more details on the methodology, see page 32.) While this approach might put into question the inclusion of perhaps 10 percent of the list, it results in a grouping that provides a fairly

accurate representation of the direct marketing firms most dedicated to the direct mail channel—just without the precise ranking.

In addition, companies that predominantly mail catalogs were excluded from this list due to the vast differences in circulation planning and testing between this group of mailers and most other firms. Please note, however, that it was impossible to pull out companies who occasionally mail a catalog as part of their direct mail mix, e.g., Oreck Corp. and American Express.

In talking to quite a few of these companies to find out what makes direct mail such a powerful tool in their business plans, it became apparent that direct mail accounts for a hefty chunk of their acquisition activity—up to 90 percent for some. Their use of online media might be growing, but it has yet to have significant impact on their budget allocations for acquisition activities. And when you break down

the *Target Marketing* Top 50 Mailers by category, you get a good idea why this is so: The largest segment represented is publishers, at 36 percent; a close second is nonprofits, at 32 percent. Banks and insurance firms might have come in third by category, at 14 percent, but they tended to skew higher in the indexing—which was inevitable considering credit card solicitations hit a record 6 billion last year, according to marketing research firm Synovate.

Quite simply, these firms have a long-standing relationship with mail and its reliable performance. They have invested in best-of-breed systems and talent to hone their programs for maximum ROI. On the following pages, you will find the list, as well as the behind-the-scenes secrets, to several of these leading mailers' success in the mail. And for even more direct mail insights from the Top 50, visit *Target Marketing's* Web Exclusives section online at www.targetmarketingmag.com.

The full alphabetized list of this year's Top 50 Mailers (excludes catalogers)

Company	Sales/Revenue (in millions)	Industry	List Manager
AAA	N/A	Nonprofit	Does not rent
AARP	\$877.6	Nonprofit	Does not rent
Advance Magazine Group	N/A	Media	Millard Group
American Diabetes Association	\$207.7	Nonprofit	American List Counsel
American Express	\$24,267	Financial/ Media	Millard Group
American Heart Association	\$93	Nonprofit	Direct Media
American Red Cross	\$3,065	Nonprofit	The Carol Enters Co.
Amersterdam Printing	N/A	Business Services	Walter Karl
AOL	\$8,692	Technology	Does not rent
Bank of America	\$85,064	Financial	Does not rent
BMG Columbia House	N/A	Media	Specialists Marketing Services
Boardroom Inc.	\$75	Media	In-house
Capital One	\$12,085	Financial	Does not rent
Citigroup	\$120,318	Financial	Does not rent
Consumers Union	\$156.7	Nonprofit	Does not rent
Cystic Fibrosis Foundation	\$23.2	Nonprofit	RMI Direct Marketing
Disabled American Veterans	\$141.6	Nonprofit	Direct Media
Doubleday Entertainment	\$401.9	Media	American List Counsel
Dow Jones & Co.	\$1,769.7	Media	American List Counsel
GEICO Direct	\$8,915	Insurance	Does not rent
Gevalia Kaffe	N/A	Foods	Mal Dunn Associates
Grand Circle Travel	\$406.3	Travel	Does not rent
Hearst Corp.	\$4,000	Media	Direct Media

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BMG Columbia House

Owned by the direct division of media conglomerate Bertelsmann, the 2005 merger of music club BMG Music Services with DVD club Columbia House has created a powerful direct marketing operation. Between them, the clubs boast a housefile of more than 11 million names—a database that offers the club a golden future in the mail. Its success in the mail, says Selene Yuen, senior director of customer acquisition marketing, “boils

down to our ability to target.” This fine segmentation is driven by regression models, of which BMG Columbia House has built several to fit its different customer profiles. “Of all the work we’ve done in the past few years, that has had the most impact,” states Yuen. She adds, “Some say a modeler is a modeler, but a modeler within a company is different than an [outside contractor]. They really know the company, the customers and how the data is maintained.” For BMG Columbia House, this in-house data

expertise is a defining factor in doing OK in the mail versus generating strong results.

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Company	Sales/Revenue (in millions)	Industry	List Manager
Highlights for Children	\$100	Media	In-house
International Home Shopping	N/A	Merchandise	List Services Corp.
International Masters Publishers	\$40	Media	American List Counsel
JPMorgan Chase	\$79,902	Financial	Does not rent
Leukemia & Lymphoma Society	\$209.8	Nonprofit	Epsilon Data Management

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International Masters Publishers (IMP)

From recipe cards and project kits to DVD and CD series, the products of International Masters Publishers (IMP) are focused on providing nearly 1.2 million customers with an informative and entertaining experience. And historically, information-based products have sold well through direct mail. "Ninety percent of the marketing

dollars we spend is allocated to direct mail activity," says Aysenur Topdagi, IMP's vice president of marketing. The marketer's heavy allocation to direct mail efforts is based on its strategy of product sampling, whereby consumers receive a few recipe cards or a CD in a mailing as a free trial. "Another important factor to our success is

IMP's targeting and modeling efforts. As we continue to see the direct mail universe shrink, a sophisticated targeting approach becomes more and more critical for businesses like ours," Topdagi explains.



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National Geographic Society



Part nonprofit and part publisher, the National Geographic Society (NGS) is known for the stunning visual imagery in its magazines, books and videos. This brand legacy is carried through to its direct mail efforts, which have helped the organization develop a subscriber and buyer file of more than 4.6 million. An example of NGS' dedication to stellar creative and strategy is its composite

issue control. With cheaper test ideas just not pulling that well, the creative team took a chance in mailing a polybag effort that was more expensive, but also more representative of the product. That's breakthrough work.

And while, like all publishers, the Society is venturing out into the interactive landscape, "direct mail remains a dominant part of NGS' media mix," says Mary Donohoe, vice president of marketing services. She credits NGS' direct mail success to "the ability to target the promotions better than with other media," adding that, "The integration of direct mail and interactive will be key to NGS' future strategy and success." With a Web site that attracts more than 4.3 million unique visitors monthly and a TV channel that reaches 56 million households, the organization has many opportunities to surround its marketplace.

Methodology

To create this list of the Top 50 Mailers, *Target Marketing* editors partnered with the Analytical Resources division of full-service list firm American List Counsel (ALC). The following data was weighted and indexed to create a list:

- ◆ Who's Mailing What! Archive hits, comprised of mail patterns for more than 4,200 mailers over the course of 2005;
- ◆ ALC competitive analysis, based on publicly available list usage and number of hits; and
- ◆ ALC transactional history.

The list is not ranked by volume, given that the index is a prediction of volume mailed and not verified counts from the companies. Most direct marketing organizations do not report such data, nor can annual sales be relied upon as any indicator of volume mailed. Annual sales figures are included in the chart, however, to provide additional insight into the success of these leading users of direct mail in the United States.

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Company	Sales/Revenue (in millions)	Industry	List Manager
Mayo Clinic Publications	N/A	Media	RMI Direct Marketing
Memorial Sloan-Kettering Cancer Society	\$1,317.7	Nonprofit	Direct Media
Meredith Corp.	\$1,221.3	Media	American List Counsel
National Geographic Society	\$531.2	Media/Nonprofit	Direct Media
National Wildlife Federation	\$100.5	Nonprofit	Names in the News/Millard Group
The New York Times Co.	\$3,372.8	Media	American List Counsel
North American Membership Group	\$200	Media	Names & Addresses
Oreck Corp.	\$192.4	Merchandise	21st Century Marketing
Oxmoor House	N/A	Media	Millard Group
Paralyzed Veterans of America	\$95.7	Nonprofit	Lake Group Media
Primedia Inc.	\$990.6	Media	Specialists Marketing Services
Publishers Clearing House	\$475	Business Services	List Services Corp.
Readers Digest Association	\$2,386.2	Media	American List Counsel/The Catamount Group
Republican National Committee	\$213	Nonprofit	Does not rent
Rodale Inc.	\$500	Media	American List Counsel
Salvation Army	\$3,040	Nonprofit	Does not rent
Smile Train	N/A	Nonprofit	Names in the News
Southern Progress Corp.	\$625	Media	Belardi/Ostroy LLC
Time Inc.	\$5,565	Media	Millard Group
U.S. Fund for UNICEF	\$462.2	Nonprofit	D-J Associates
Verizon Communications	\$75,112	Technology	Does not rent
Washington Mutual Card Services	\$21,326	Financial	Does not rent

Revenue data sources: Hoover's, CharityNavigator, companies' own data



Boardroom Inc.

Launched in 1971 as a true kitchen table start-up, Martin Edelston's Boardroom Inc. has grown into a direct response firm with annual sales in excess of \$75 million—and direct mail has been the primary driver of this success. The publisher produces five print newsletters—including its flagship, *Bottom Line Personal*—and dozens of books that offer solutions for pursuing a healthy, wealthy and productive life. Executive Vice President Brian Kurtz attributes Boardroom's direct mail success to four factors: an entrepreneurial business structure; rigorous testing; a commitment to database marketing;

and a zeal for state-of-the-art creative. "We are slaves to history," Kurtz stresses, explaining how Boardroom tracks, analyzes, maintains and consults campaign results to continually push performance levels. "Good direct marketing is about developing a housefile and then mining the data so you can better predict what the customer wants," he notes. Part of this database marketing focus is concept testing, where Boardroom surveys its customers to determine potential for new products. "Paired with our historical information, this allows us to know how well a launch could do. We don't spend a lot of time on dogs," Kurtz states.

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Gevalia Kaffe

For Gevalia Kaffe, a division of Kraft Foods that sells epicurean coffees via a continuity model to about 5.87 million members, direct mail is one channel in a multichannel marketing plan that blends space, Internet, television and insert media advertising. But, Senior Brand Manager Chris Nanos emphasizes that direct mail is a significant part of this mix because it's the most targeted medium

available. Three factors contribute to Gevalia's success in this channel, he explains: a strong offer, that consists of a membership trial and a free coffeemaker; continual testing and optimization of strategies; and compelling creative that incorporates attitudinal information for a more powerful appeal to the target audience. Changes to its program in recent years center on the increasing sophistication of consumers, necessitating that Gevalia "move beyond the fundamentals and contemporize our packages," Nanos states. For example, the continuity firm uses shorter letters these days and does more brand building within all its channels. And it will continue to look for new formats, especially as postal rates climb and the pressure to cut costs out of direct mail intensifies. ||



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