

When *Target Marketing* published last September our first Top 50 listing of direct mail users by estimated volume, we wondered what the file might look like a year later. Would media budgets and circulation plans have changed so greatly that they had a significant effect on who made the Top 50 in 2007? The numbers are in and the answer is “Yes!”

Twelve new mailers are on the list, and their arrival marks some even trades for certain sectors while others further solidified their dominance. The financial services sector held its own, coming in at 14 percent of the list for the second year; with GEICO being knocked off by Discover, however, the ranking is now without representation by an insurance firm. And even with the roll-up of three publishing firms into their parent companies to create a more robust playing field, the media category still commands the list. Publishing and media firms make up 38 percent of the Top 50, an increase of nearly 6 percent. Fundraising performed similarly, also up

2 points to account for 34 percent.

An additional change to the Top 50 is in how we ranked the list. Because most companies don't publicly disclose their annual mailing volumes, our list is an indexing based on three extensive data sources capable of predicting mail volumes. (*For more details on the methodology, see page 32.*) Thus, last year we sorted the list alphabetically so as not to be misleading with a volume ranking that is not based on actual, reported data. We did, however, pull in available revenue/sales data to give the list some context in terms of financial performance. At the urging of readers, we've used this data element as the sorting method for this year's list. And while the top money-makers do their share of mailing and then some, for other companies large customer universes of an older age group was more predictive of volume.

What the Top 50 has demonstrated in its second year is that this ranking does reflect the current state of direct mail. Those firms continuing to invest in sophisticated database marketing and rigorous testing are reaping the rewards in the mail.

The full list of 2007's Top 50 Mailers (excludes catalogers)

Company	Sales/Revenue (in millions)	Industry	List Manager(s)
Citigroup	\$146,558	Financial	Does not rent
Bank of America	\$117,017	Financial	Does not rent
JP Morgan Chase	\$99,845	Financial	Does not rent
✓ Sprint/Nextel	\$41,028	Telecommunications	Does not rent
American Express	\$27,136	Financial/Media	Millard Group
Washington Mutual	\$26,454	Financial	Does not rent
Capital One	\$15,191	Financial	Does not rent
Time Inc.	\$5,846	Media	Millard Group/ Belardi-Ostroy Inc.
✓ Pitney Bowes Co.	\$5,730	Business Services	MeritDirect
Salvation Army	\$5,300	Nonprofit	Does not rent
✓ Discover Card Services Inc.	\$5,000	Financial	Does not rent
Hearst Magazines	\$4,550	Media	Direct Media International
American Red Cross	\$3,919	Nonprofit	The Carol Enters List Co./ American List Counsel
The New York Times Company	\$3,289.9	Media	American List Counsel
BMG/Columbia House	\$2,400	Media	Specialists Marketing Services/American List Counsel
Reader's Digest Association	\$2,386.2*	Media	American List Counsel/ The Catamount Group
✓ Scholastic Inc.	\$2,283.8	Media	Specialists Marketing Services/ Millard Group/List Services Corp.
Dow Jones & Company	\$1,783.9	Media	American List Counsel
Meredith Corp.	\$1,600	Media	American List Counsel/ Millard Group

(continued on page 32)

Meredith Corp.

Since 1902, Meredith Corp., a Des Moines, Iowa-based publishing and broadcasting company, has focused on reader feedback when creating direct mail campaigns. This emphasis on keeping publication offerings and direct mail packages simple, based on reader surveys, has helped grow the company to include more than 15 home, family and personal development women's magazines; 200 special interest publications; and 14 TV stations.

With 2006 annual sales nearly \$1.6 billion, Vice President of Consumer Marketing David Ball attributes the company's success to a continued investment in direct marketing. "We feel our competitors have pulled back from direct marketing because of the costs, but [our] management continues to invest, understanding that long-term profits really come from direct marketing instead of relying on third parties for subscriptions," he says.

Ball adds that another key success factor is the use of regression and database analysis to find the best prospects.

When it comes to targeting the right customer, the company database contains more than 3,000 data elements, which Meredith breaks down using modeling to select names for mailing.

With 17 mailings a quarter for almost 30 different products, the company relies on subscriber research and a veteran creative team that "really understands our readers and our products," Ball says. "A thorough understanding of the market really makes a difference. Many people who work here have been here for well over 10 years, and that continuity allows you to develop a [really thorough] understanding of the reader."

—Kate DeBevois



(continued from page 31)

Company	Sales/Revenue (in millions)	Industry	List Manager(s)
Memorial Sloan-Kettering Cancer Society	\$1,623	Nonprofit	Direct Media International
Conde Nast Publications	\$1,400	Media	Millard Group/ 21st Century Marketing
✓ American Cancer Society	\$977.9	Nonprofit	ParadyszMatera
AARP	\$936	Nonprofit	Does not rent
National Geographic Society	\$531.2*	Media/Nonprofit	Direct Media International
Publishers Clearing House	\$530	Business Services	List Services Corp.

(continued on page 34)

Pitney Bowes

Few companies are as invested in mail as Pitney Bowes, which sells mailstream hardware, software, services and solutions to more than two million businesses through direct and dealer channels. The company's small-business division is a heavy user of direct mail to grow the business. "Direct mail provides a profitable customer who stays with us for a very long time. Other channels can acquire [similar customers], but direct mail has shown to sustain this performance over time," says Matt Julian, the division's director of marketing.



"It provides a controlled testing environment to read results with more reliability than in other channels."

Julian attributes success in this channel to aggressive testing; an innovative production agreement that provides the pricing efficiencies needed for constant testing of creative and format; and modeling, which he notes is challenging to do in the B-to-B environment because of data gaps, but is

worth the effort because it not only helps to grow the customer base but also the profit per customer. —Hallie Mummert

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— Lois K. Geller, President
Mason and Geller Direct

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(continued from page 32)

Company	Sales/Revenue (in millions)	Industry	List Manager(s)
✓ Alsac/St. Jude Hospital	N/A	Nonprofit	Does not rent
✓ The Economist Group	\$379.2	Media	Lake Group Media
U.S. Fund for Unicef	\$373.6	Nonprofit	Names in the News/D-J Associates
Leukemia & Lymphoma Society	\$241.4	Nonprofit	Epsilon Data Management
Cystic Fibrosis Foundation	\$226.4	Nonprofit	RMI Direct Marketing
Consumers Union	\$196.6	Nonprofit/Media	RMI Direct Marketing
Oreck Corp.	\$192.4*	Merchandise	21st Century Marketing
Disabled American Veterans	\$169.9	Nonprofit	Direct Media International
Rodale Inc.	\$139	Media	American List Counsel
National Wildlife Federation	\$114.9	Nonprofit	RMI Direct Marketing/Millard Group
✓ MBI Inc.	\$103.2	Merchandise	Does not rent
Highlights for Children	\$100*	Media	In-house
Paralyzed Veterans of America	\$93.7	Nonprofit	Lake Group Media
American Heart Association	\$93*	Nonprofit	Direct Media International
✓ Natural Resources Defense Council	\$82.1	Nonprofit	The Carol Enters List Co.
Boardroom Inc.	\$75*	Media	In-house
International Masters Publishers	\$40*	Media	American List Counsel

(continued on page 37)

Mayo Clinic Publications

Mayo Clinic, a household name for consumers researching health and wellness information, strives to maximize brand reputation with its more than 900,000 paid publication subscribers. According to James Hale, director of consumer marketing, high brand name recognition, high-quality products and "a team of professionals dedicated to creating successful marketing programs" helped the company achieve about \$30 million in product sales last year.

The company's two newsletters are *Mayo Clinic Health Letter*, which is aimed at a 60-plus age demographic, and *Mayo Clinic Women's Health Source*, which is focused on the mature female market. Mayo Clinic Health Solutions also publishes a line of nearly 20 consumer health books.

Hale says targeting the right segment is a matter of cross-



promoting and creating database models. The company's core targeting mechanisms are transactionally driven. Hale adds, "We supplement the transactional data with surveys that solicit the health interests of our customers so that we can serve them better

in the future." The publisher also conducts modeling to mine the housefile for reactivation opportunities.

The publisher prospects for new subscribers four times a year, mailing approximately 20 million acquisition and cross-sell promotions. Hale says, "We are highly disciplined marketers who test everything carefully before rolling out."

—Kate DeBevois

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 2006;

- ◆ ALC competitive analysis, based on publicly available list usage and number of hits; and

- ◆ ALC transactional history.

The list is not ranked by mail 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 on 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.

(continued from page 34)

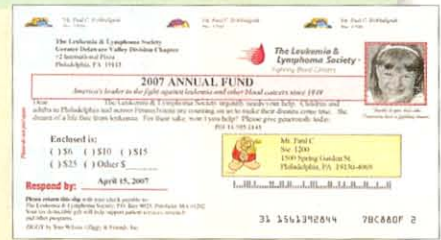
Company	Sales/Revenue (in millions)	Industry	List Manager(s)
AAA	\$39.5	Nonprofit	Does not rent
✓ Covenant House	\$34	Nonprofit	Direct Media International
Mayo Clinic Publications	\$30	Media	RMI Direct Marketing
✓ Frank Cawood & Associates	N/A	Media	Lake Group Media
Gevalia Kaffe	N/A	Foods	Mal Dunn Associates
✓ Guideposts	N/A	Nonprofit/Media	RMI Direct Marketing
International Home Shopping	N/A	Merchandise	List Services Corp.
Smile Train	N/A	Nonprofit	Names in the News

✓ New to the list in 2007; * Figures reported in 2006's The Top 50 Mailers
Sales/revenue data sources: Hoover's, CharityNavigator, companies' own data

The Leukemia & Lymphoma Society

On a mission to cure leukemia, lymphoma and myeloma, the Leukemia & Lymphoma Society (LLS) regularly conducts market research to target its audience as well as to develop and test all of its services. From fundraising programs to patient education and support initiatives, market research keeps the society in touch with its members' needs. At the core of its membership are people for whom struggling to survive is an everyday reality, and so the reader surveys in its direct mail reflect that urgency.

In addition, LLS works to leverage the large pool of consumers who take part in its Team in Training fundraising runs. Developing long-term relationships with these donors, maximizing the knowledge gleaned from research and continual testing helps LLS pull a \$20 average gift as well as attract new advocates. —Kate DeBevoise



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