



AMERICAN CATALOG  
MAILERS ASSOCIATION

## Catalog Industry Fact Sheet

**Industry Economic Value:** \$270 billion (2006 estimate), includes catalog and online sales including upstream and downstream economic activity, approximately 2% *total* US GDP

**Number of catalog companies in USA:** 20,000

**Industry Employment:** 3,000,000 (2006 estimate)

**Number of catalogs mailed annually:** 20,000,000,000 (2006 estimate)

**Profitability:** generally averages 5% of sales (high volume but low margin business much like retail)

**Reliance on US Mail:** Heavy mutual dependency; catalogs contribute nearly 10% of USPS volume

**Postage Percentage of Sales:** postage is the single largest cost item for most catalogers

Business to Consumer (B2C): range 12% - 32% (average 17%)

Business to Business (B2B): range 4% - 12% (average 7%)

**Growth Trend:** Up (until most recently). Growth drivers include demographic trends, compression of time, rising fuel costs

**Effect of Rate Hike:** R2006-1 rate increase (effective 2007) ranged 15% to 40% for small and medium firms and has fundamentally changed the economics of cataloging in resulting in contraction, bankruptcy, reduced mail volume and dislocation.

**Effect of Internet:** Positive; most catalogers have substantial web presence and gather 20% to 50% of their orders from the internet. Internet and mail considered complimentary marketing channels as catalogs in the mail drive web traffic and is "primary." Each has advantages and is mutually reinforcing.

**Percentage of Americans who Purchase from Catalogs:** 50%

**Characteristics of Catalog Business Model:** Highly quantitative, long planning cycles, tight integration of multiple marketing channels, many supplier relationships contributing functional expertise

**Unique Advantages of Cataloging:** Available 24/7/365, highly portable, shared ride to home, warehouse-direct-to-end-user model is ecologically favorable,

**Social Benefits:** greater choices for people who live in rural areas, shut-ins, infirm or handicapped; products for special interests and unusual needs (size, interest, etc) not otherwise available, source of detailed information about products and lifestyles, employment

**Commercial Benefits:** Entrepreneurial wealth creation (catalogers, suppliers, manufacturers, inventors, importers and distributors); diversified product availability in an otherwise contracting retail market; outlet for innovation and emerging products

**Environmental Benefits:** lower carbon footprint than other forms of consumption shared delivery for direct merchants as well as fewer wasted trips when shopping hybrid catalog-retailers

**Products Sold via Catalogs:** apparel, cooking supplies and food, décor and home supplies, footwear, gifts, pet products, plants and seeds, safety equipment, toys

**Catalog Purchases by Generation:** [chart]

