



AMERICAN CATALOG
MAILERS ASSOCIATION

Catalog Industry Fact Sheet

Number of catalog titles in USA: 9,284¹ (2013 estimate; down from over 16,000 in 2006)

Number of catalogs mailed annually: 13.3 billion² (2011 estimate; down from 20 billion in 2006)

Profitability: 2-8% of sales (high volume but low margin business much like retail)

Reliance on US Mail: high but declining due to adverse postal policy; 15.8% of Standard Mail pieces in 2011 were catalogs³

Catalogs Used as a Prospecting Tool: 71.7% of catalogers use catalogs as prospecting tools⁴; prospecting volume is declining due to economics of mail use since 2007

Co-mailed Catalogs: 77.8% of catalogs use co-mailing⁵; has been rapidly growing each year since 2007

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

Business to Consumer (B2C): range 12% - 32% (average 18%)

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

Growth Trend: Print catalog mailings peaked in 2006 then fell 31% from 2006 to 2011⁶ despite favorable demographics (see chart) that should be fuelling catalog industry growth for the next 20 years

Effect of Rate Hike: R2006-1 rate increase (effective 2007) ranged 15% to 40% for small and medium catalog firms, fundamentally changing the economics of cataloging resulting in contraction or discontinuance of catalogs, greater use of substitutes to mail, bankruptcy, and dislocation

Effect of Internet: Positive; most catalogers have substantial web presence and gather 20% to 80% of their orders from the Internet. Internet and mail considered complimentary marketing channels as mailed catalogs drive web traffic and is "primary." Each has advantages and is mutually reinforcing

Catalog Participation: 50% of all Americans make purchases based on catalogs they receive⁷

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, excellent browsing vehicle, accurate color and texture rendering, demands consumer attention on arrival in home/office, catalogs are a focused, curated shopping experience

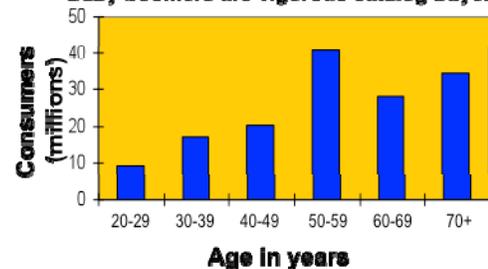
Social Benefits: Greater choices for people who live in rural areas, shut-ins, infirm or handicapped; unique products for special interests and unusual needs (size, interest, etc) or not otherwise available, source of detailed information about products and lifestyles, employment and environmental gains

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

Catalog Purchases by Generation:

Baby boomers are vigorous catalog buyers



¹ Well placed industry source requesting anonymity

² RISI

³ USPS Household Diary Survey

⁴ Multichannel Merchant Outlook Survey on Catalogs, 2012

⁵ Multichannel Merchant catalog survey, 2012

⁶ RISI estimate

⁷ Direct Marketing Association estimate