



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 (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]

