



STATISTICAL FACT BOOK

THE ULTIMATE SOURCE FOR
DATA-DRIVEN MARKETING INSIGHT

40th edition

ABOUT THE DATA & MARKETING ASSOCIATION

Founded in 1917 and driving the data and marketing agenda for a full century, the Data & Marketing Association (“DMA”) champions deeper consumer engagement and business value through the innovative and responsible use of data-driven marketing. The Data & Marketing Association’s brand-leading membership is made up of over 1,400 organizations that are today’s innovative tech and data firms, marketers, agencies, service providers and media companies. By representing the entire marketing ecosystem—demand side and supply side—and engaging more than 100,000 industry professionals annually, the Data & Marketing Association is uniquely positioned to convene and guide the industry to bring win/win solutions to the market, and ensure that innovative and disruptive marketing technology and techniques can be quickly applied for ROI.

The Data & Marketing Association advances the data-driven marketing industry and serves its members through four principal pillars of leadership: advocating for marketers’ ability to responsibly gather and refine detailed data to identify and fulfill customer needs and interests; innovating to bring solutions forward to the data & marketing ecosystem’s most vexing challenges; educating today’s members of the data & marketing ecosystem to grow and lead marketing organizations in the ever-increasing omnichannel world; and connecting industry participants to stay current, learn best practices and gain access to emerging solutions through &THEN – the largest global event for data-driven marketing – and the Data & Marketing Association’s portfolio of other live events.

For more information, please visit theDMA.org.

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FOREWORD

DEAR DATA & MARKETING ASSOCIATION MEMBERS, INDUSTRY LEADERS AND EXECUTIVES, ANALYSTS, ECONOMISTS, AND MEMBERS OF THE MEDIA,

The Data & Marketing Association is composed of members who seek to maximize efficiency and convenience for their customers. We're centered on developing 1:1 customer relationships at scale by developing and using technology to transform data into actionable insight. The Data & Marketing Association sits at the center of data-driven marketing and advertising, and is the only marketing and advertising association that represents and has members from all sectors of the ecosystem.

Across this industry, the best companies are responsibly using data to determine what consumers want and need, and then employing data-informed design and storytelling to truthfully communicate how they can fulfill those wants and needs. The Data & Marketing Association's Statistical Fact Book assembles critical benchmarks from across the data and marketing ecosystem, giving marketers and their business partners a view of the ever-changing landscape. With the sheer amount of data from a near-infinite combination of media, devices, platforms, and channels, the assembled intelligence in this report will help marketers guide their investments over the coming year.

The Data & Marketing Association's 2018 Statistical Fact Book is part of a complete portfolio of business intelligence resources for the Data & Marketing Association members and the industry. Here are several other the Data & Marketing Association business insight resources and research that can advance your goals in 2018:

COMPETITIVE BENCHMARKING: The Data & Marketing Association's 2017 Response Rate Report is another important piece of research that allows marketers and their business partners to compare and contrast current initiatives or build a case for embarking on a new one. The ability to generate results is what determines if emerging technology is a flash in the pan or a new marketing mainstay. With the power of data to drive efficient targeting and placement, the importance of these numbers will only continue to grow, saving marketers money on their marketing spend.

TRACKING INDUSTRY INNOVATION: THE STATE OF DATA 2017, developed in partnership with the Winterberry Group and IAB, analyzes the investments of the nation's leading commercial data providers and measures how the data-driven marketing industry is growing and thriving. The research demonstrates that modern marketers are strategically investing in solutions to ensure their third-party data is not only ethical and secure but also effective and accurate.

INVESTING FOR GROWTH: The Data & Marketing Association's Business Review (DBR) takes a keen look at the concerns of data and marketing leaders. Regular interval pulse-taking is vital, as it can foretell critical growth segments developing within the marketing ecosystem. With unique topics, these twice-a-year reports provide top-level overviews as well as deep dives into the issues marketers are working to tackle within their businesses, such as cross-device identity, measurement, and attribution and the role of agencies in data-driven marketing.

Further expertise can be found at the Data & Marketing Association's nationwide events, which are developed, designed, and endorsed by the world's best brands. This year, the Data & Marketing Association will host events in Chicago, New Orleans, Atlanta, Las Vegas, and Washington, DC. I encourage you to join your fellow data-inspired marketers in advancing your business and marketing efforts.

Today, the responsible use of data and technology is foundational to all of marketing as organizations endeavor to enhance customer experiences by establishing 1:1 customer relationships based on truth, results, and trust — at scale. At the Data & Marketing Association, our membership is a broad and deep pool of data and marketing scientists and technologists, data-informed storytellers and designers, and data-driven marketing practitioners who perpetually challenge the status quo by seeking improvements and driving innovative marketing techniques, all in the interest of better serving the needs and interests of their customers. Join us as we help each other advance our individual careers, drive growth at our organizations, and improve the data-driven marketing ecosystem!



Thomas J. Benton

The Data & Marketing Association, CEO

INTRODUCTION

GETTING PERSONAL WITH DATA

DEAR DATA & MARKETING ASSOCIATION MEMBERS, INDUSTRY LEADERS AND EXECUTIVES, ANALYSTS, ECONOMISTS, AND MEMBERS OF THE MEDIA,

CREATING VALUE THROUGH PERSONALIZATION AND RELEVANCE is taking on increasing importance, despite increasing challenges. The challenge lies in the growing difficulty of identifying customers across multiplying devices within the household. Compounding this challenge is the inability to properly attribute responses to the marketing initiative that drove the customer to engage.

According to the Data & Marketing Association's Structured Innovation program, the average individual engages with three devices per day, and the average home has seven or more connected devices. These numbers are sure to increase as virtual reality headsets, gaming consoles, and addressable TV all provide opportunities for customers to engage and respond to marketing offers. However, only 7.1% of marketers are satisfied with their current attribution efforts, as reported in this year's edition of the Statistical Fact Book. This inability to properly measure is frustrating marketers and hampering the ability to accurately invest in martech and ad tech initiatives.

Despite the challenges and lack of accuracy, investment is up in technology, with the most recent Brinker map showing an increase of 39% to over 5,380 marketing technology companies. Investment is strong in data as well. A recent the Data & Marketing Association /IAB "State of Data" study shows **\$20 BILLION+ BEING INVESTED IN THIRD-PARTY AUDIENCE DATA AND DATA ACTIVATION SOLUTIONS, WITH MORE THAN HALF BEING DIRECTED TOWARD HYGIENE, HOSTING, AND ANALYTICS** — all of this to improve the understanding of the customer in order to deliver more personal and relevant messages in the hopes of providing increased value. Addressing these issues, the Data & Marketing Association has launched over 20 new educational programs in the last 18 months, including new certificates in data, omnichannel and digital marketing, and the customer journey. The Data & Marketing Association's newest certificate in leveraging data to drive ROI-producing customer insights is the result of a robust

collaboration with digital educators at Marist College, combined with the unique perspective on data that only the Data & Marketing Association can provide. This approach to marketing education is unique to the Data & Marketing Association and is a direct result of the breadth of companies and today's leading minds that make up the Data & Marketing Association membership – from Tech to Publishing to Agencies and Brands. No other marketing association supports such a diverse membership, and therefore no other association can deliver such a diverse and relevant perspective.

On the horizon for 2018 are **ARTIFICIAL INTELLIGENCE, BLOCKCHAIN, AND EXTENDED REALITY**, joining an expanded array of devices connected by the Internet of Things. With every device is an exponential expansion of data creating opportunities for greater connectivity and personalization for customers and brands alike. However, by mid-year 2018, marketers around the globe will face compliance with the General Data Protection Regulation (GDPR) and further growing regulation that may severely hamper the ability to elevate customer personalization.

The Statistical Fact Book, long known as the “Definitive Source of Marketing Benchmarks,” is designed to assist marketers as they navigate the challenges presented by massive upticks in the volume and velocity of data. The 2018 edition of the Statistical Fact Book contains close to 300 pages of over 350 charts, stats and figures of the latest marketing data, conveniently organized by channel. One early chart sourced from the Data & Marketing Association and Winterberry Group Business Report quantifies that over 62 percent of organizations have increased the priority of leveraging cross-device ID solutions. This increase in priority reaffirms the direction that the Data & Marketing Association has taken with Structured Innovation programs on identity and attribution as well as new education programs.

The Data & Marketing Association will continue to provide the resources marketers need to turn data into actionable insights and ultimately increase ROI by elevating customer value and retention.



Neil O'Keefe

The Data & Marketing Association, SVP, Marketing & Content

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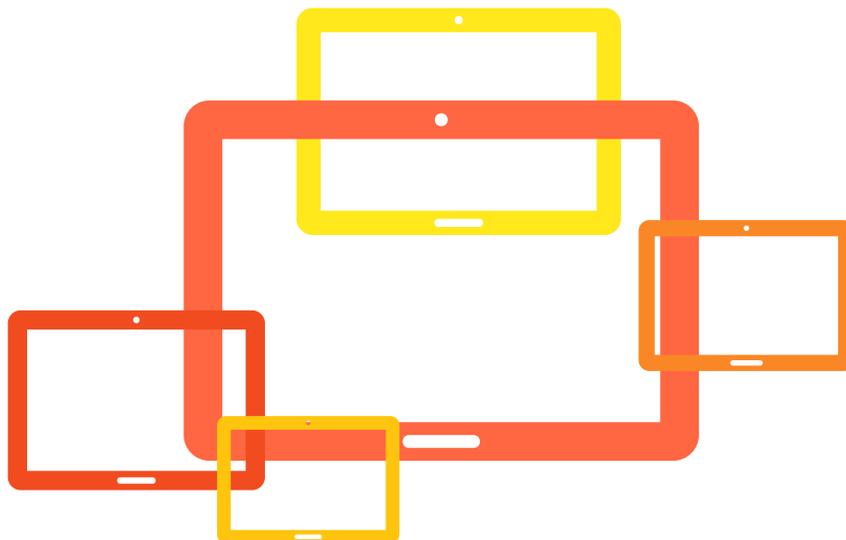
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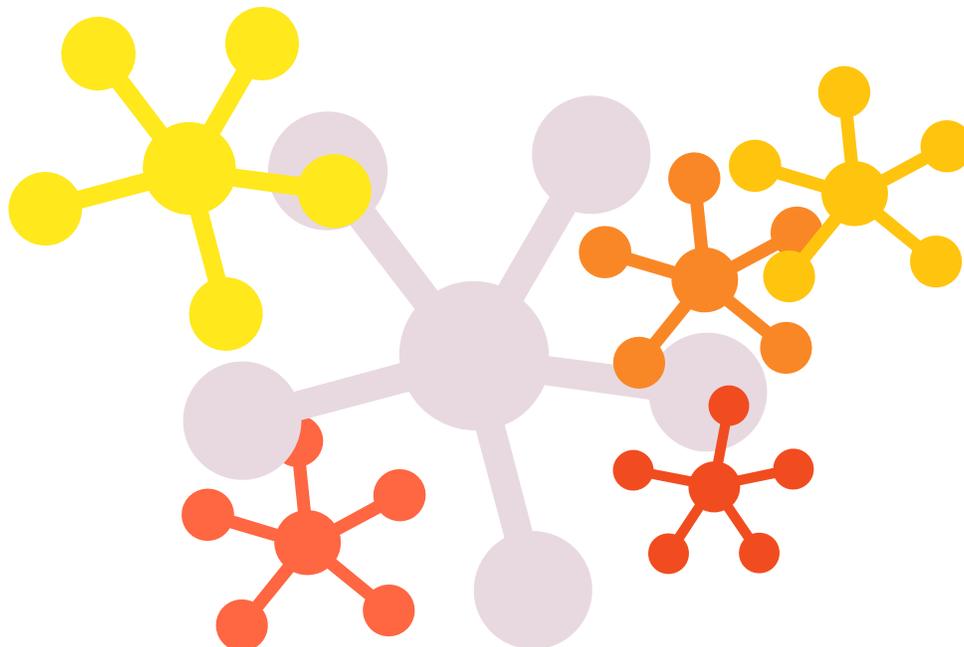


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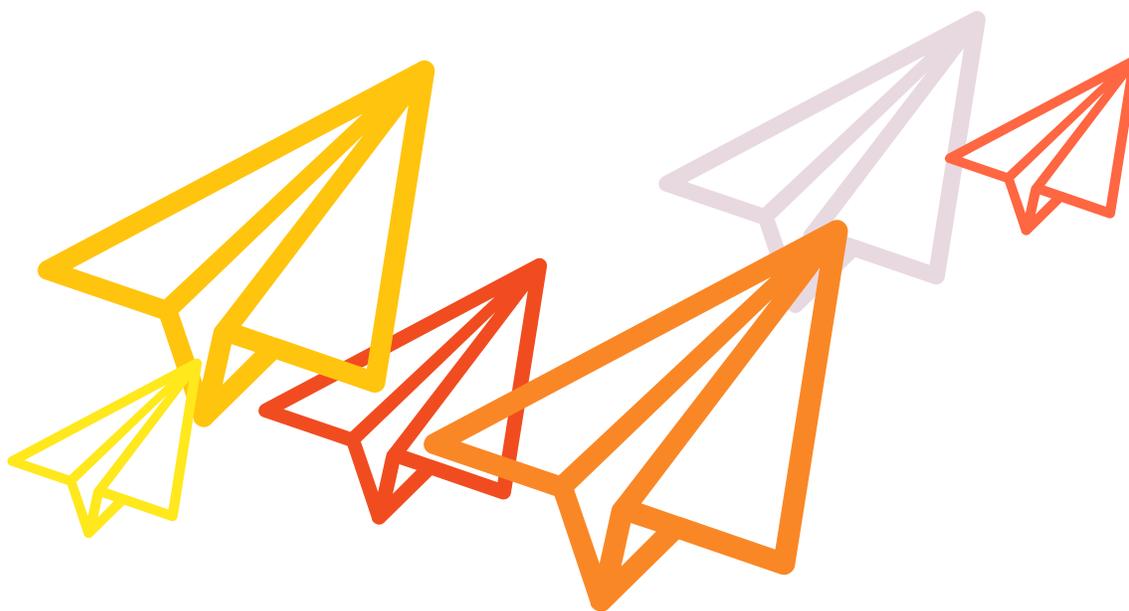
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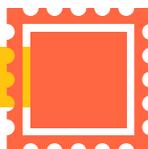


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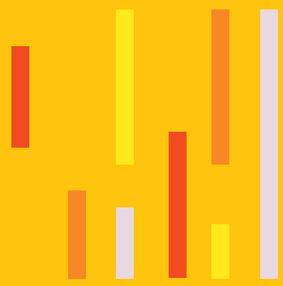


DMA

Statistical Fact Book

2018





CHAPTER 1

Marketing Overview





CHAPTER 1: Marketing Overview



DATA-DRIVEN MARKETING: What Happened in 2017 and What Can We Expect in the Year Ahead?

A turbulent year for politics in the United States, with a constant barrage of news — real and possibly fake — in the end proved somewhat inconsequential to the marketing and advertising industries. Spending on promotional media continued to rise throughout 2017, though the pace of growth remained modest — just 2.9 percent over 2016. In all, marketers and advertisers invested \$301.4 billion on efforts in 2017, up from the \$292.8 billion spent the year before.

Most notable about US advertising and marketing spending in 2017 was the split between digital and traditional or offline approaches. The shift from offline to digital efforts accelerated in 2017, with offline (particularly newspaper and magazine advertising spending) decreasing faster than previously expected, and investment in digital approaches, particularly display advertising, growing more than expected.

“The shift from offline to digital efforts accelerated in 2017...”

Measured media spending decreased by 3.1 percent from 2016, with newspaper advertising (\$12.2 billion in spending, down 10.9 percent from a year ago) and magazine advertising spending (\$12.7 billion and down 14.8 percent) taking the most substantial hits.

Direct mail spending also dropped in 2017, down 4.3 percent to \$42.8 billion since 2016, driven by a decrease of 5.6 billion pieces of mail over the course of the year.

Yet digital media investments grew at 16.6 percent over 2016 levels, with the largest shares being captured by display advertising (including across mobile and social formats) and search. Spending on display surpassed that of search for the first time, capturing \$41.3 billion in spending, up 18.7 percent since 2016. Search advertising captured \$36.5 billion, up 14.8 percent from a year ago.



Brand marketers continued to invest in data assets to drive their targeted and insight-driven approaches in 2017, with marketing data and data services capturing \$15.6 billion of outsourced spending, up 4.9 percent from a year earlier. Most of this growth was driven by increasing investment in digital data (\$4.34 billion, up 25.4 percent from 2016) and email data (\$1.52 billion, up 15.1 percent). Offline data spending, captured in CRM databases and primarily in support of direct mail programs, still accounted for \$8.13 billion in 2017, a 4.4 percent decline influenced heavily by the drop in direct mail acquisition volumes.

As 2018 begins, marketers, advertisers, and the service and solutions providers that support them can expect to see these trends continue: a rapid shift toward digital engagements and a growing prioritization of using data in support of these efforts. In addition, in 2018, trends practitioners should keep an eye on:

PERSONALIZATION AND THE CUSTOMER JOURNEY: A significant majority of marketers are prioritizing building personalized experiences for their customers and prospects; location, digital behavior, and other data points are increasingly available for use in insight and persona development. Marketing service providers will increasingly be asked for support in developing real-time, touch point-level customer journey maps and strategies to support these enhanced experiences.

IDENTITY AND RECOGNITION: With the proliferation of devices, identities, and profiles, marketers are eager to resolve for audience identity to serve the optimal message or content to an individual at any given time on any device. Spending on onboarding services and support for leveraging offline personas and identities in digital environments doubled in 2017, and use of these solutions will continue to grow. Marketers will require support in developing deeper audience insights, attributing engagement efforts, and leveraging ID graphs to enact these initiatives. Service providers will be required to help clean and authenticate audience data, and develop ID graphs for use in these applications.

NEW TECHNOLOGY: Marketing technology companies continued to proliferate in 2017, with Scott Brinker's latest count totaling 5,381 businesses, up 39 percent from a year before. The latest innovations that marketers are keen to take advantage of are artificial intelligence (AI), machine learning (ML), and blockchain technology. Overall, 80 percent of marketers think AI will revolutionize insight development, though taking advantage of new solutions will require skilled talent, which is scarce today. Blockchain technology will likely be leveraged first for payment authentication and fraud detection but will likely not be used broadly by marketers in 2018.

GDPR: The General Data Protection Regulation (GDPR) is set to go into effect in Europe in May 2018 and will substantially expand consumers' rights as to what information is collected about them and used by companies — and substantially regulate how companies collect, store, and use any information that can be used to identify individual customers or prospects. Companies based in Europe, as well as those that do business there, are likely to prioritize overhauls in their data collection and use processes, as well as revisit their service provider and partner contracts to ensure compliance prior to May, as a breach can result in both steep fines as well as a degradation in company reputation — and customer loyalty.



CONTINUED M&A: Deal frequency is likely to continue into 2018, with technology assets being highly coveted. Consolidation among marketing solutions and service providers is also likely to continue as businesses seek to accelerate growth and offer a broader capability set for clients.

With these trends and others driving efforts and focus, brands are expected to continue investing in marketing programs in 2018, with the pace of expected growth rising 4.8 percent to a total of \$316.0 billion. Digital media investments are likely to rise by 15.2 percent to \$101.0 billion, passing the notable \$100 billion mark (display advertising will continue to lead the way, capturing \$47.2 billion) and for the first time overtaking offline media spending (which is expected to be \$97.8 billion).

Authored by:

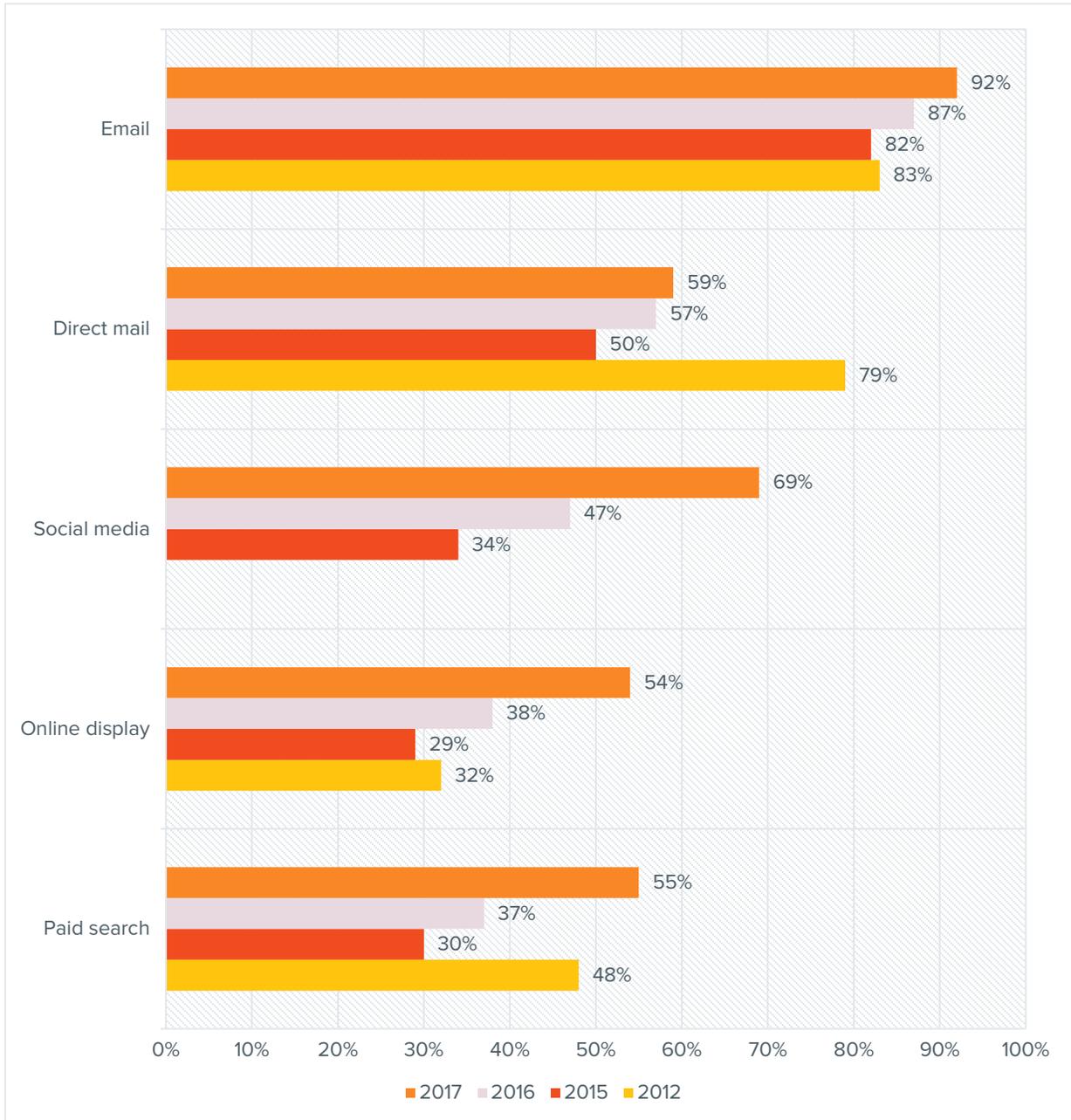
Bruce Biegel
Senior Managing Director
Winterberry Group

CHAPTER HIGHLIGHTS

- US spent \$124.3B on traditional media and \$177.7B on offline marketing in 2017
- Growing SEO presence a top priority for marketers in 2017-2018
- Marketers reserve the greatest allocation of their budgets (44%) to online marketing
- Video advertising saw the most growth of any channel 2015-2017 (204% growth B2B / 141% growth B2C)



MEDIUM USAGE IN CAMPAIGNS



Source: The Data & Marketing Association & Demand Metric, Response Rate Report, 2017.



2017 DIRECT RESPONSE ADVERTISING SALARIES

Crandall Associates, Inc., an executive recruiting firm, has determined the salaries by the following process: 1) Discussions with employers, from presidents to personnel officers, nationally, in companies varying in geographic areas, number of employees, and sales volume; 2) Personal interviews and discussions with professionals in Direct Marketing and Online Marketing at all salary levels, working from coast to coast; 3) Analysis of information collected as a result of discussions with potential candidates nationally, with adjustments made for the “fudge” factor. Copies of the full salary guide with 52 functions and regional salary variations are available for \$75 from Crandall Associates, Inc., 6 Litchfield Road, Suite 316, Port Washington, NY 11050, 516.767.6800.

<p>Account Executive — Advertising Agency</p> <p>The Account Executive is the point person for the clients to whom they are assigned.</p> <p>DUTIES: Assigned to specific clients, the Account Executive is responsible for advising the client, and the development and execution of programs designed by the agency, including digital marketing, direct mail, print, television, social, and mobile. Works with creative directors, art directors and copywriters, media experts, market researchers, and production and traffic professionals to ensure maintenance of media schedule within budgetary guidelines. Responsible for conveying the client’s wishes and the final acceptance of agency’s program.</p> <table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;"><u>Salary Range</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Low</td> <td style="text-align: right;">\$63,900</td> </tr> <tr> <td style="text-align: left;">Average</td> <td style="text-align: right;">\$75,900</td> </tr> <tr> <td style="text-align: left;">High</td> <td style="text-align: right;">\$84,300</td> </tr> </tbody> </table>	<u>Salary Range</u>		Low	\$63,900	Average	\$75,900	High	\$84,300	<p>General Manager — Advertising Agency</p> <p>The “last word” on the client accounts under his or her direction, this position has the final approval of all agency client projects. This person is the primary contact to senior level marketing professionals on the client side, and must meet with their expectations while ensuring the integrity of the agency’s beliefs.</p> <p>DUTIES: Oversees the development of internal and client business strategy, builds external relationships while maintaining internal ones. Develops expertise in a client’s product/service and industry, oversees account reviews and analysis, and participates in new business development and pitches. Provides input for annual and quarterly revenue forecasts, and negotiates contractual agreements between client and agency.</p> <table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;"><u>Salary Range</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Low</td> <td style="text-align: right;">\$147,000</td> </tr> <tr> <td style="text-align: left;">Average</td> <td style="text-align: right;">\$174,500</td> </tr> <tr> <td style="text-align: left;">High</td> <td style="text-align: right;">\$281,500</td> </tr> </tbody> </table>	<u>Salary Range</u>		Low	\$147,000	Average	\$174,500	High	\$281,500
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<p>Director Client Services — Advertising Agency</p> <p>Client Service Directors solve marketing problems for the agency’s clients, maintaining a friendly and profitable relationship, and manage a team of account professionals.</p> <p>DUTIES: Responsible for development of the staff, day-to-day supervision and monitoring of agency account executives, and for the strategic development and implementation of client programs within budgetary guidelines. Guides marketing, creative, media, and production activities, and participates in securing client approval of cost estimates. As a senior manager, participates in the acquisition of new clients as a member of the new business team. With a keen understanding of the realities of agency competition, ensures maximum cost-effectiveness for clients and relentlessly pursues the achievement of client goals.</p> <table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;"><u>Salary Range</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Low</td> <td style="text-align: right;">\$87,400</td> </tr> <tr> <td style="text-align: left;">Average</td> <td style="text-align: right;">\$106,200</td> </tr> <tr> <td style="text-align: left;">High</td> <td style="text-align: right;">\$131,100</td> </tr> </tbody> </table>	<u>Salary Range</u>		Low	\$87,400	Average	\$106,200	High	\$131,100	<p>Database Manager</p> <p>In corporations both large and small, there has been an increased importance placed on the database function. The database manager models and manipulates the data to create meaningful insights about the customers.</p> <p>DUTIES: Designs and/or enhances databases in alliance with the marketing department and research professionals, incorporating significant information including, but not limited to, customer psychographic and demographic attributes, purchasing patterns, and preferences. Develops models, including response, predictive, conversion, and zip, providing insight for marketing decisions to increase sales, market share, and profitability. Expert at segmentation and list enhancement techniques. Ability to use information to gain meaningful insight into customer purchase motivation.</p> <table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;"><u>Salary Range</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Low</td> <td style="text-align: right;">\$90,900</td> </tr> <tr> <td style="text-align: left;">Average</td> <td style="text-align: right;">\$99,800</td> </tr> <tr> <td style="text-align: left;">High</td> <td style="text-align: right;">\$117,000</td> </tr> </tbody> </table>	<u>Salary Range</u>		Low	\$90,900	Average	\$99,800	High	\$117,000
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Marketing Analytics Director

Always in demand, big data has transformed the way we analyze, capture, curate, search and share data, this role has moved from back office to front and center.

DUTIES: Responsible for evaluation, analysis, and implementation of research and statistical techniques to develop marketing insights, improve marketing plans, increase response rates, minimize credit risks, and decrease buyer attrition. Develops and initiates market segmentation programs utilizing demographic, psychographic, and usage data. Conducts front- and back-end analysis and product performance measures. Tracks competitor mailing and product programs. Prepares reports for departmental needs. Presents forecasts to management. May supervise a staff of manager(s) and analyst(s).

Salary Range

Low	\$133,100
Average	\$144,500
High	\$158,200

Director Marketing

Computers, seminars, toys, or dog food...all are the domain of Marketing Directors, selling to corporations or individual consumers. They are charged with turning merchandise or services into profits.

DUTIES: Full profit and loss and budgetary responsibility for the marketing of products and services to business and institutional customers, as well as consumers, through non-catalog media. Supervises internal creative department, or advertising agency, in development and execution of promotional material. Oversees marketing staff, research activities and production departments. Final decision on media selection often, but not always, limited to direct mail, e-marketing efforts, and space ads in trade and business-oriented publications. Determines positioning and pricing to increase market share and monitors competitors.

Salary Range

Low	\$109,000
Average	\$124,500
High	\$146,900

Media Planner/Analyst Multichannel

Long after the lights have dimmed in other offices, this professional evaluates the past and ponders the future to ensure that the next Direct Marketing, Digital, or Telesales program achieves its goals, within an established budget.

DUTIES: For the needs of the client, recommends the size and scope of a myriad of media options, including, but not restricted to, direct mail, space, TV, broadcast, co-op vehicles, package inserts, and, more recently, cable and Internet promotions. Maintains current status reports of promotion budget, plans media schedules, and proposes new test vehicles and formats. Meets with list brokers, space salespeople, and other media vendors. Analyzes front- and back-end results on a timely basis, determines seasonal trends, and maintains alertness for statistical inferences and variances in response rates.

Salary Range

Low	\$49,400
Average	\$56,000
High	\$63,800

Marketing Manager

Hitting a target that's always shifting, demographically and geographically, is the specialty and challenge of the Direct Marketing Manager. Lifestyle changes, aging populations, and dual-income families impact on all promotions.

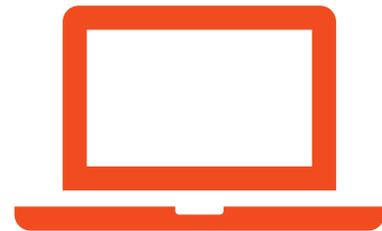
DUTIES: Responsible for the development of the budget. Determines the marketing position and pricing, directs creative department in production of a myriad of direct marketing promotional vehicles, including, but not limited to, direct mail, space advertisements, e-marketing efforts, freestanding inserts, bounce-backs, billing and package inserts, and even matchbook covers. Participates in the selection of product or services sold, credit and collection policies, list approval. Reviews results of front- and back-end analysis, sometimes presented by research department, and uses information to improve the profit picture.

Salary Range

Low	\$79,900
Average	\$87,600
High	\$102,500

Note: All salary information from Crandall Associates, Inc. is copyright-protected. This material may not be photocopied or otherwise reprinted in any other communication, unless permission is directly granted by Crandall Associates, Inc. 516.767.6800. www.crandallassociates.com

Source: Crandall Associates, Inc., 2017.



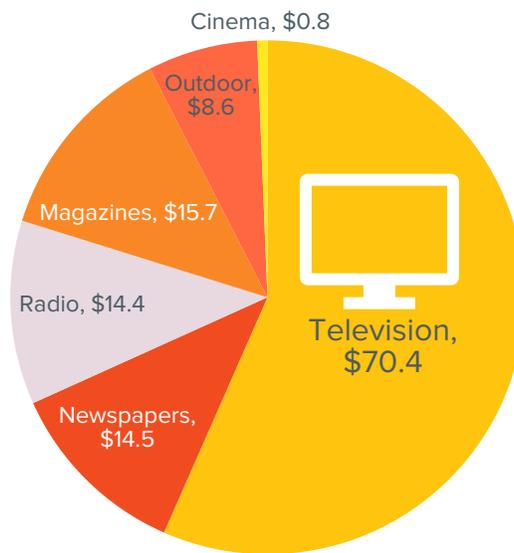
DIGITAL MARKETING SALARY GUIDE 2016/2017

Position Title	Metro Areas Pop. 20M to 2.5M			Metro Areas Pop. 2.5M to 250K			Metro Areas Pop. Below 250K		
	Minimum	Mean	Maximum	Minimum	Mean	Maximum	Minimum	Mean	Maximum
Manager of Digital Marketing	\$93,744	\$112,871	\$128,286	\$85,789	\$112,353	\$126,820	\$69,538	\$78,223	\$103,056
Director of Digital Marketing	\$131,384	\$148,274	\$164,937	\$123,414	\$141,626	\$149,129	\$112,378	\$124,537	\$136,157
Director of Ecommerce and Digital Marketing	\$133,636	\$153,458	\$171,295	\$129,936	\$143,104	\$166,553	N/A	N/A	N/A
Manager of Marketing Analytics	\$73,744	\$99,871	\$133,286	\$75,789	\$111,353	\$126,820	\$67,538	\$78,223	\$98,056
Director of Direct Marketing	\$126,384	\$148,374	\$160,937	\$122,534	\$141,046	\$150,738	\$104,378	\$122,440	\$133,225
Director of Ecommerce	\$129,636	\$153,458	\$177,295	\$114,936	\$137,104	\$158,553	\$110,782	\$126,620	\$132,937
Vice President of Ecommerce	\$161,337	\$198,628	\$252,073	\$149,890	\$177,286	\$228,736	\$153,873	\$168,295	\$189,281
Vice President of Marketing	\$178,803	\$213,546	\$252,488	\$170,974	\$201,283	\$222,893	N/A	N/A	N/A
Director of Marketing	\$132,908	\$149,464	\$165,286	\$119,322	\$144,038	\$157,689	N/A	N/A	N/A
Manager of SEM	\$87,558	\$112,673	\$139,337	\$82,453	\$106,785	\$123,346	\$66,442	\$74,143	\$96,338

Source: Bernhart Associates Digital Marketing Salary Guide - 2016/2017.



2017 US TRADITIONAL MEDIA SPEND: \$124.4B



Source: Winterberry Group, 2017.

2017 US OFFLINE MARKETING SPEND: \$177.7B

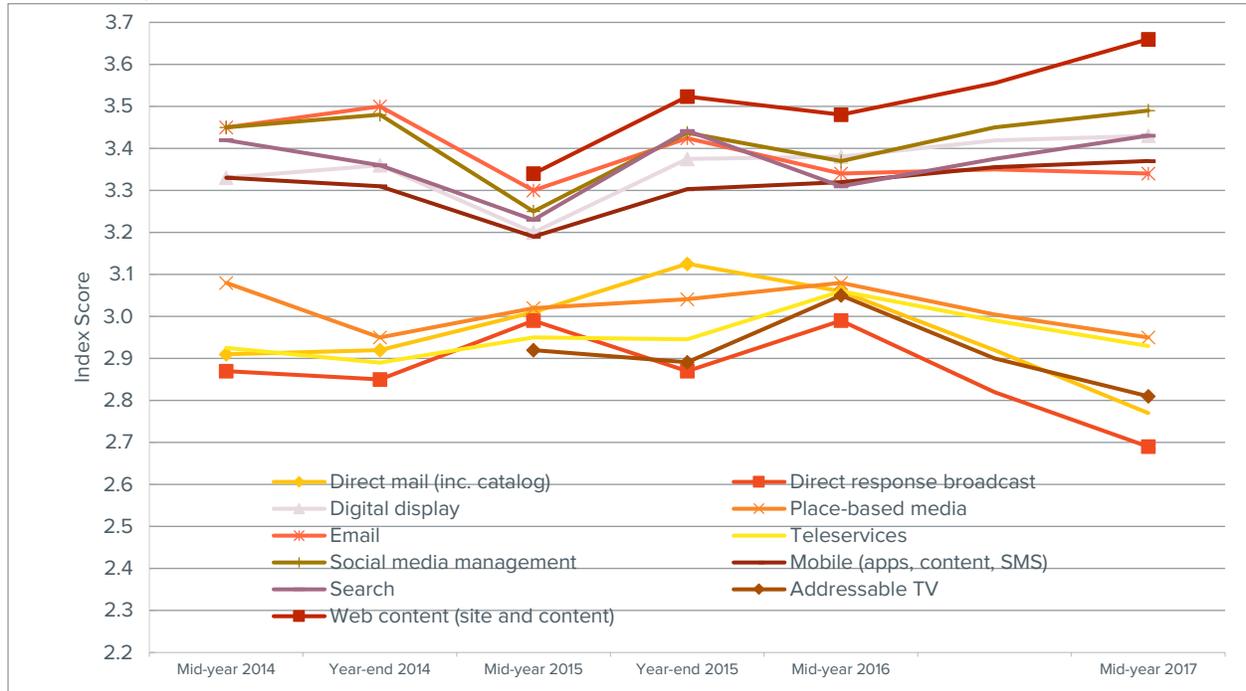


Source: Winterberry Group, 2017.



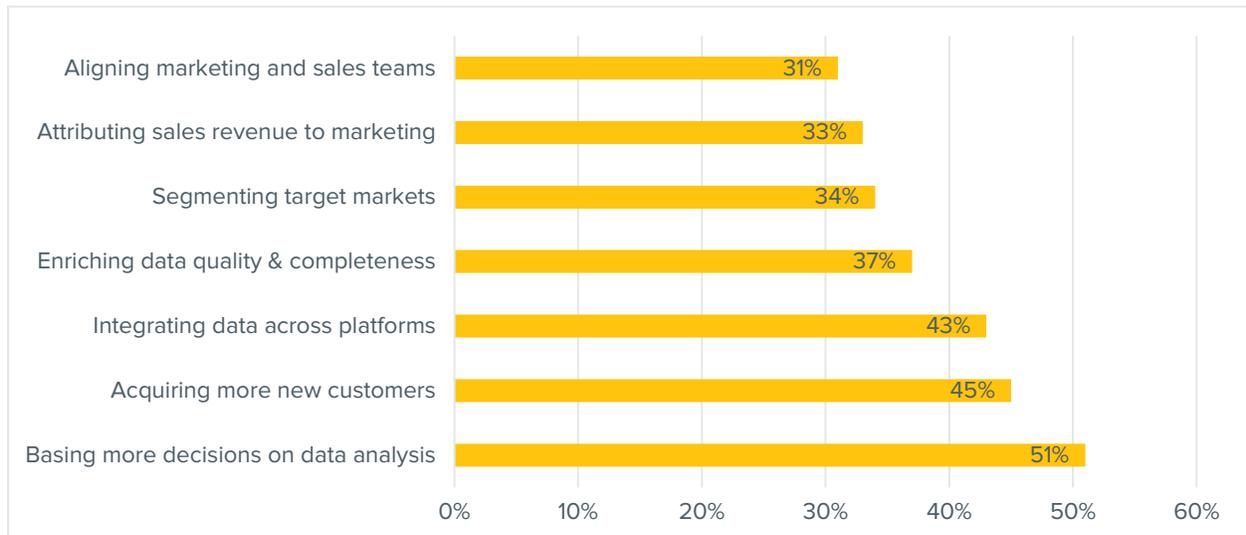
SPENDING ON VARIOUS DATA-DRIVEN MARKETING MEDIA CHANNELS

SCALE OF 1 TO 5, WHERE 1 INDICATES SPEND DECREASED SIGNIFICANTLY AND 5 INDICATES SPEND INCREASED SIGNIFICANTLY.



Source: Winterberry Group/The Data & Marketing Association Business Report, June 2017.

MOST IMPORTANT OBJECTIVES FOR DATA-DRIVEN MARKETING TO ACHIEVE



Source: Data-Driven Marketing Strategy Survey, Ascend2 and Research Partners, July 2017.

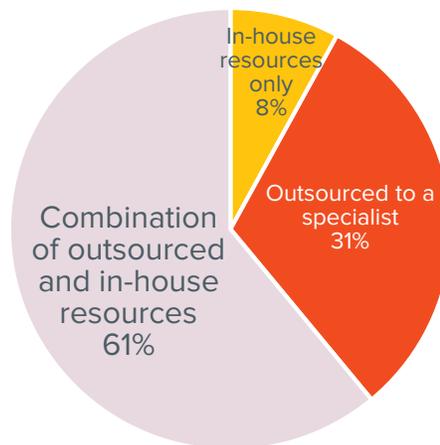


ANALYZING IMPORTANT OBJECTIVES VERSUS CRITICAL CHALLENGES



Source: Data-Driven Marketing Strategy Survey, Ascend2 and Research Partners, July 2017.

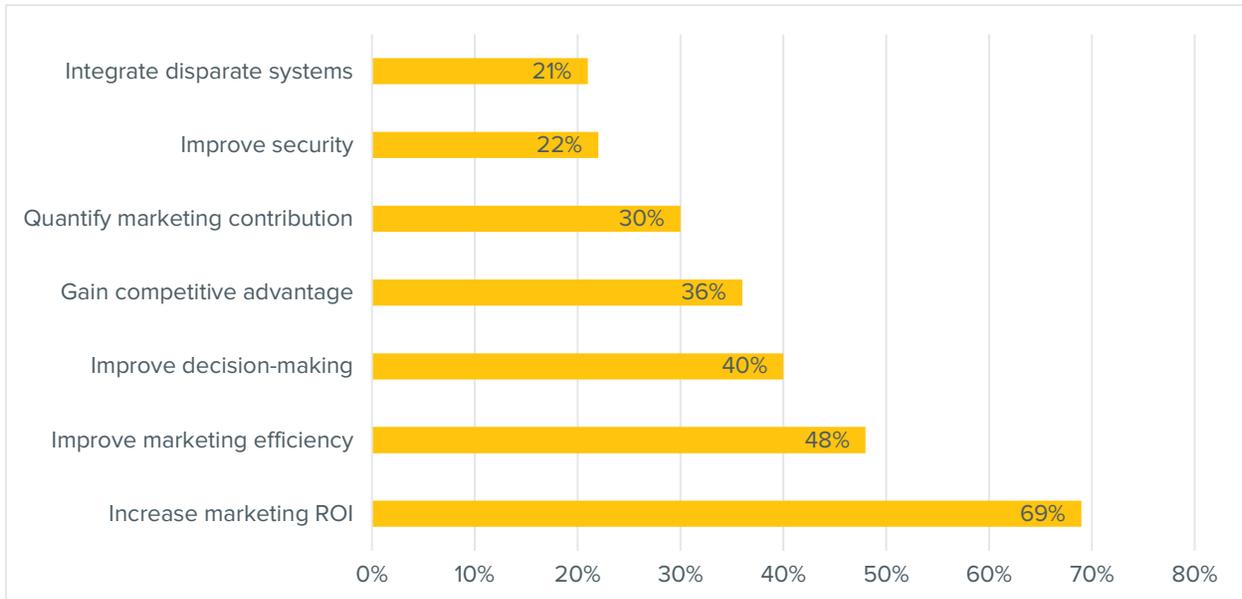
RESOURCES USED TO IMPLEMENT A DATA-DRIVEN MARKETING STRATEGY



Source: Data-Driven Marketing Strategy Survey, Ascend2 and Research Partners, July 2017.



MOST IMPORTANT OBJECTIVES FOR A MARKETING TECHNOLOGY STRATEGY TO ACHIEVE



Source: Ascend2 and Research Partners, Marketing Technology ROI Survey, October 2017.

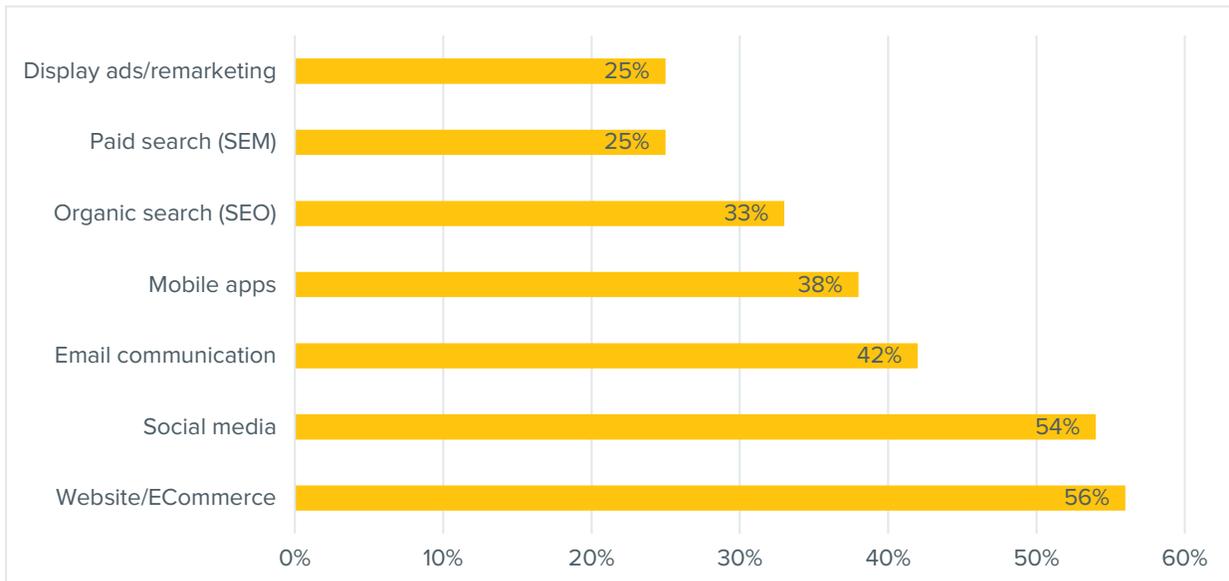
MOST CRITICAL CHALLENGES TO ACHIEVING DATA-DRIVEN MARKETING SUCCESS



Source: Data-Driven Marketing Strategy Survey, Ascend2 and Research Partners, July 2017.

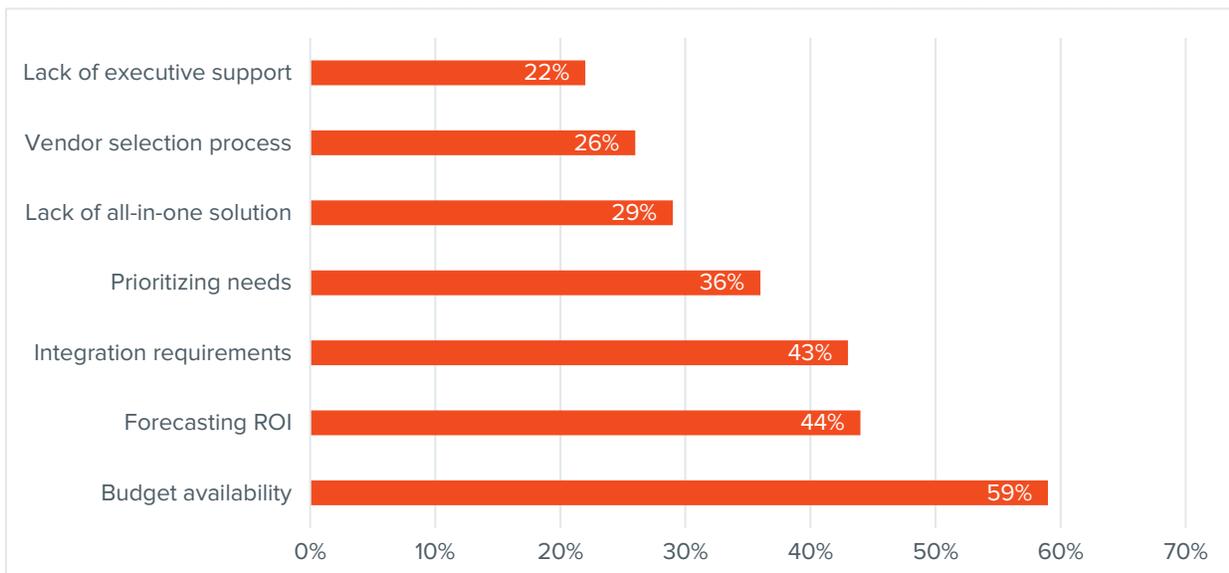


MOST EFFECTIVE DIGITAL CHANNELS USED FOR COLLECTING MARKETING DATA



Source: Marketing Technology ROI Survey, Ascend2 and Research Partners, October 2017.

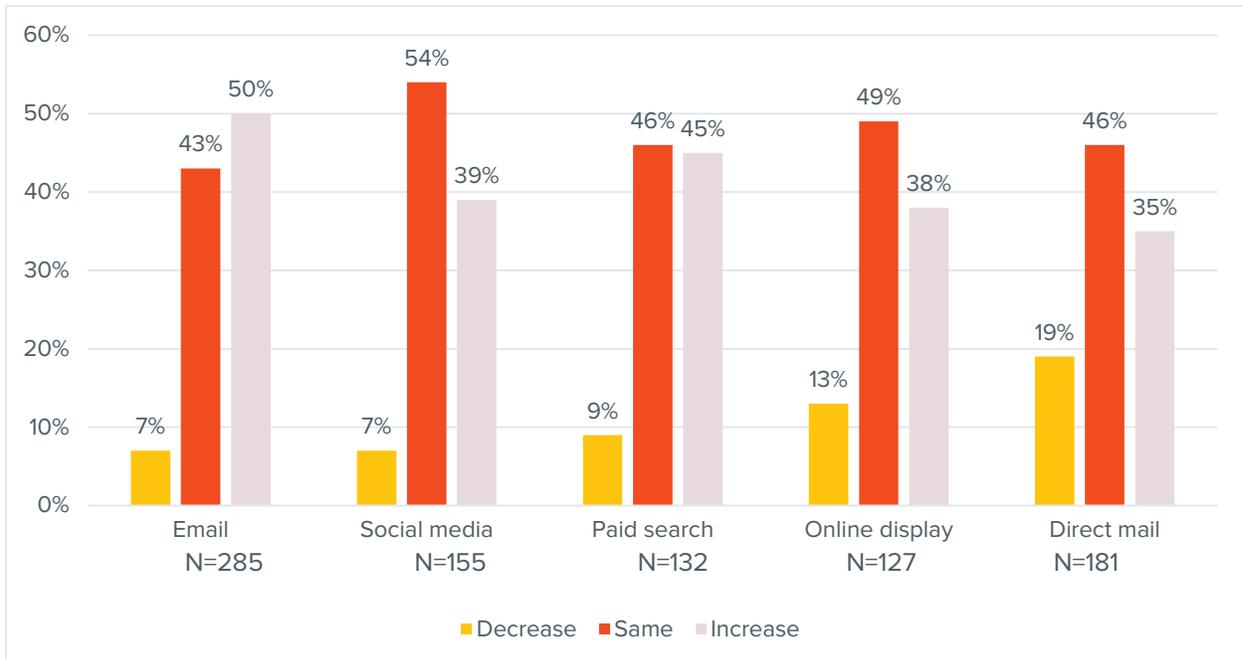
BIGGEST CHALLENGES TO ACQUIRING NEW MARKETING TECHNOLOGY



Source: Marketing Technology ROI Survey, Ascend2 and Research Partners, October 2017.

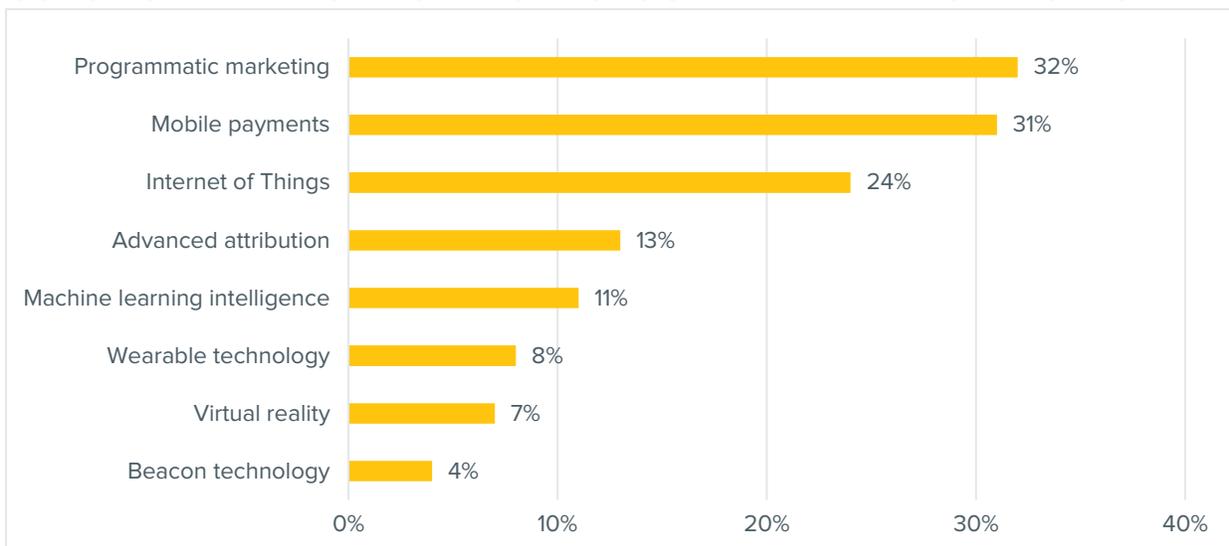


PROJECTED CHANGE IN MEDIA USAGE IN THE NEXT 12 MONTHS



Source: The Data & Marketing Association & Demand Metric, Response Rate Report, 2017.

USAGE OF LEADING-EDGE TECHNOLOGY IN MARKETING EFFORTS



Source: The Data & Marketing Association & Demand Metric, Response Rate Report, 2017.

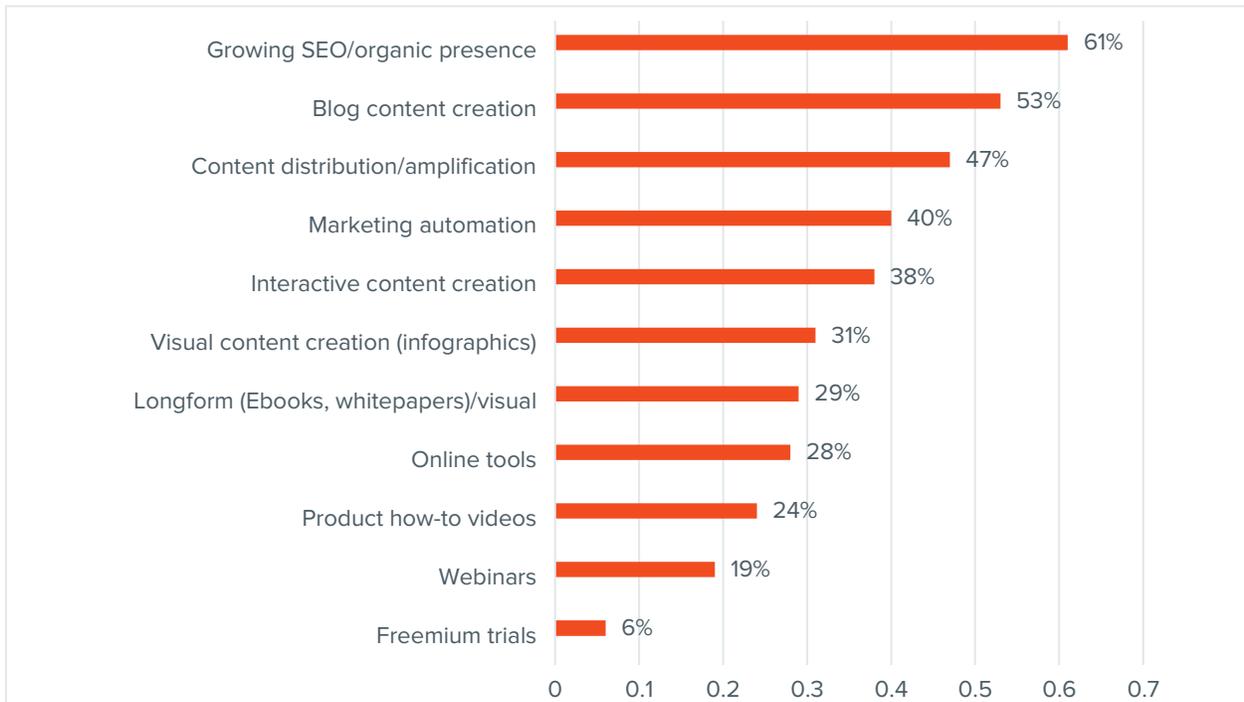


TOP MARKETING PRIORITIES OVER THE NEXT 12 MONTHS



Source: HubSpot, State of Inbound, 2017.

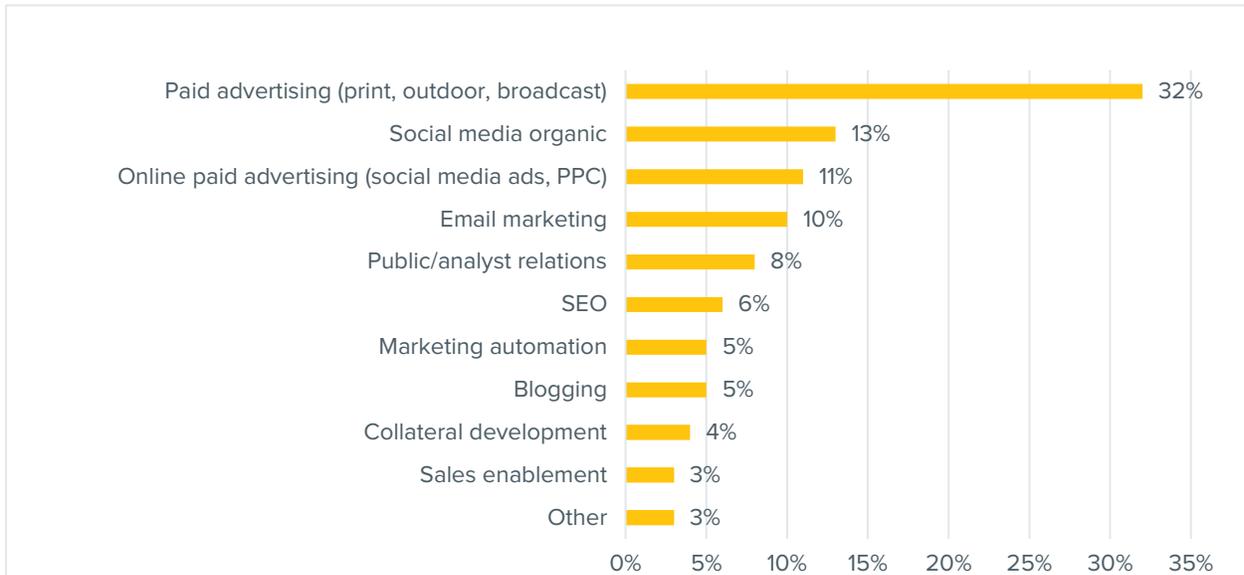
TOP INBOUND MARKETING PRIORITIES



Source: HubSpot, State of Inbound, 2017.

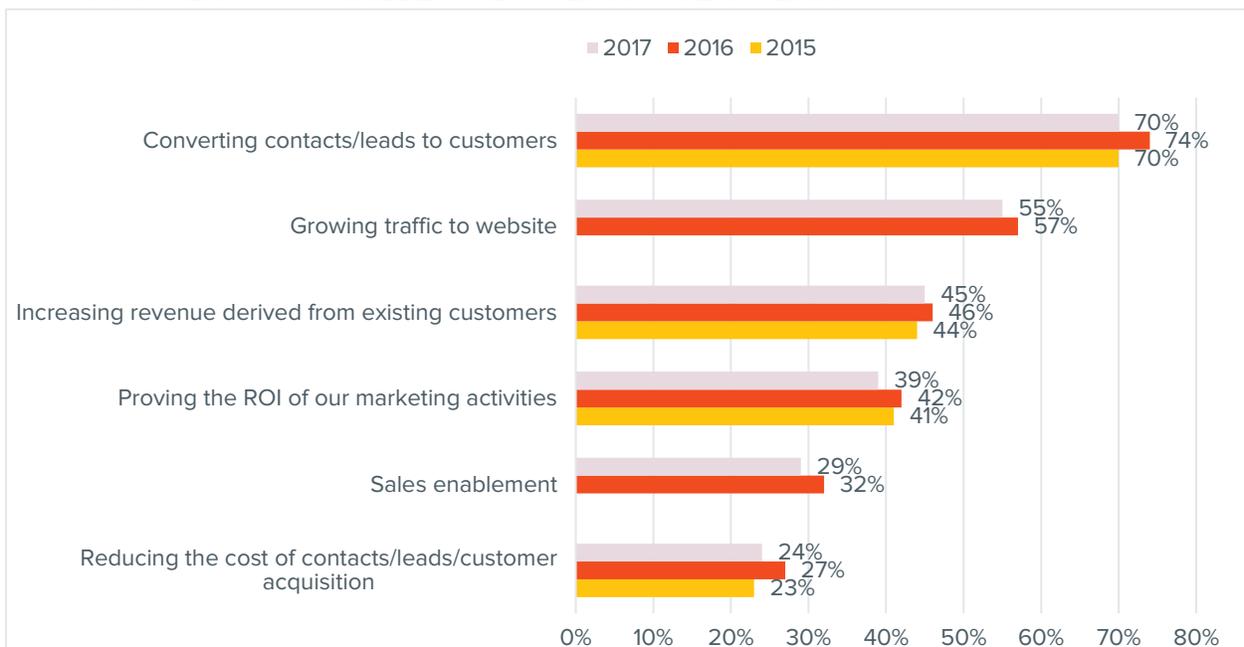


MOST OVERRATED MARKETING TACTIC



Source: HubSpot, State of Inbound, 2017.

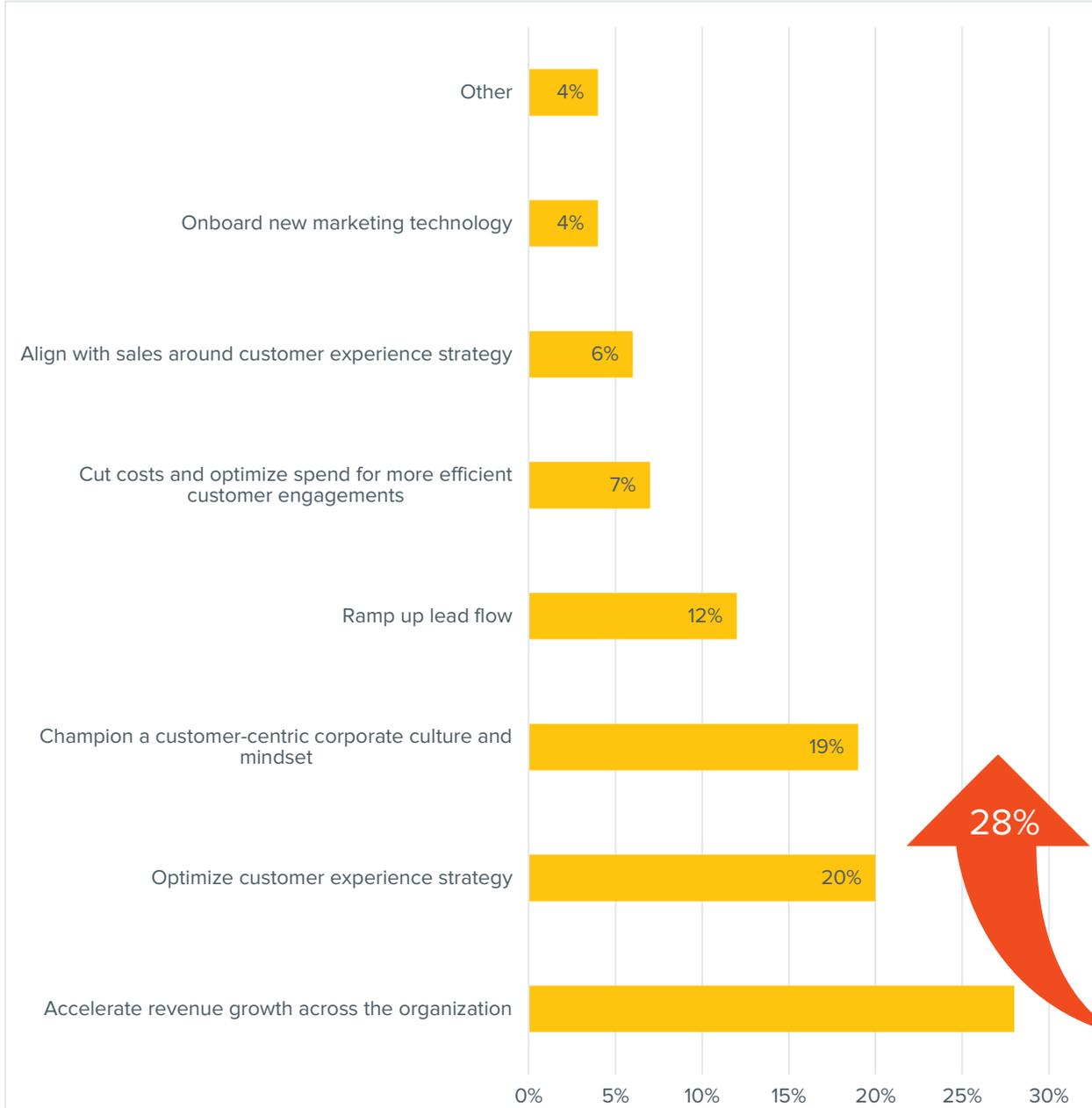
TOP MARKETING CHALLENGES YEAR OVER YEAR



Source: HubSpot, State of Inbound, 2017.



WHAT DO YOU BELIEVE IS MARKETING'S TOP MANDATE FOR THIS YEAR?



Source: CMO Council, CUSTOMER EXPERIENCE DYNAMICS: Defining the Requirements for a Strong CX Ecosystem, September 2017.



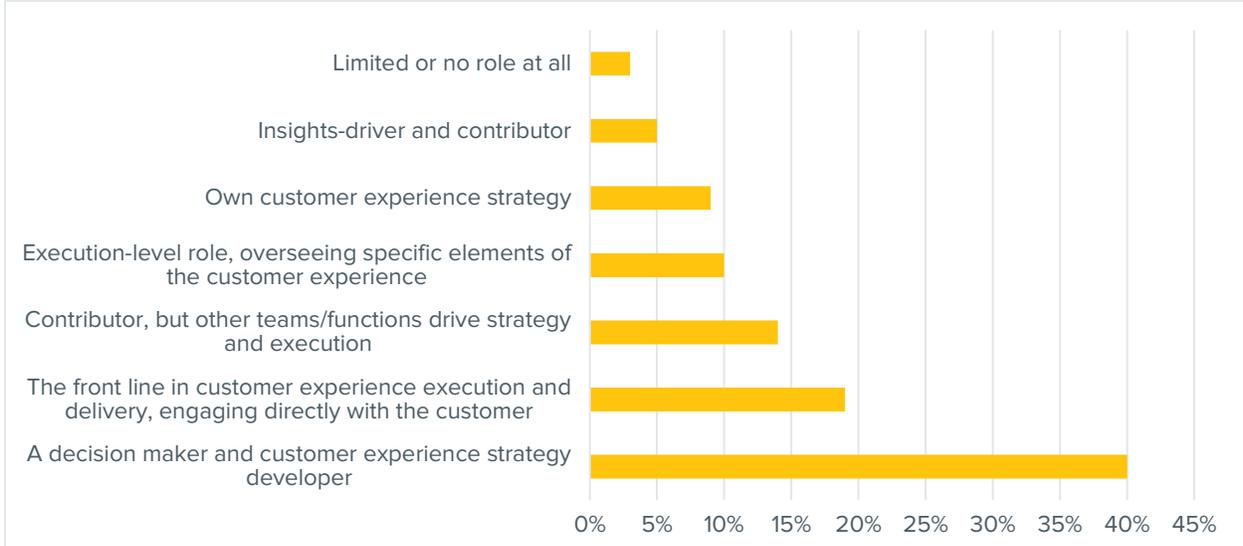
THE TOP PRESSURES FOR TELECO MARKETERS THAT ARE CONTRIBUTING MOST TO HOW THEY SERVE AND INTERACT WITH CUSTOMERS



Source: CMO Council Getting Serious About Omni-Channel Experience: Making Customer Value Creation the New Competitive Equation, August 2017.



HOW INVOLVED ARE YOU IN THE DELIVERY OF THE CUSTOMER EXPERIENCE?



Source: CMO Council CUSTOMER EXPERIENCE DYNAMICS: Defining the Requirements for a Strong CX Ecosystem, September 2017.

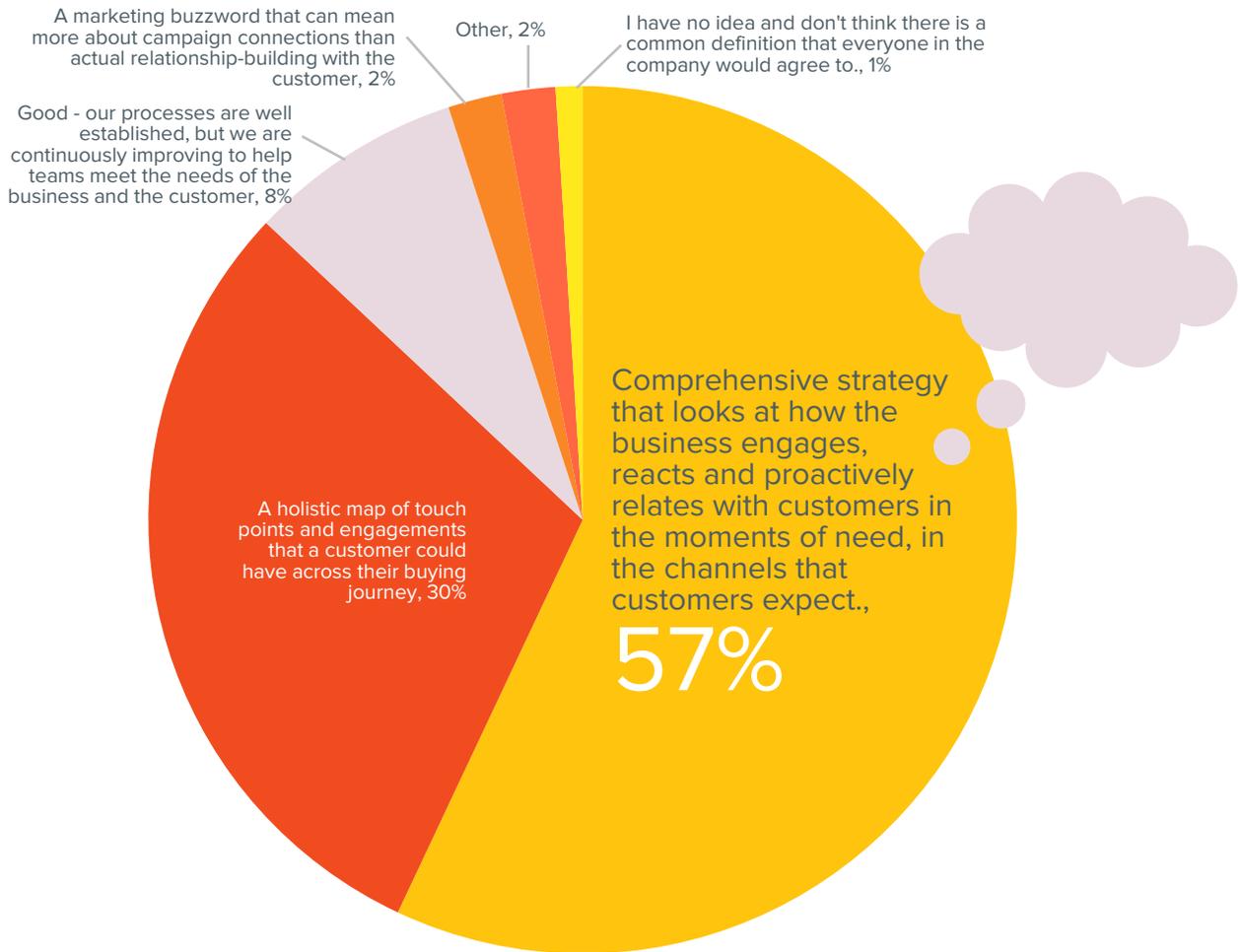
EXPENSES THAT ARE INCLUDED IN MARKETING BUDGETS



Source: The CMO Survey (CMOSurvey.org), Highlights and Insights, August 2017, Figure 3.4.



HOW WOULD YOU DEFINE “CUSTOMER EXPERIENCE”?



Source: CMO Council, CUSTOMER EXPERIENCE DYNAMICS: Defining the Requirements for a Strong CX Ecosystem, September 2017.



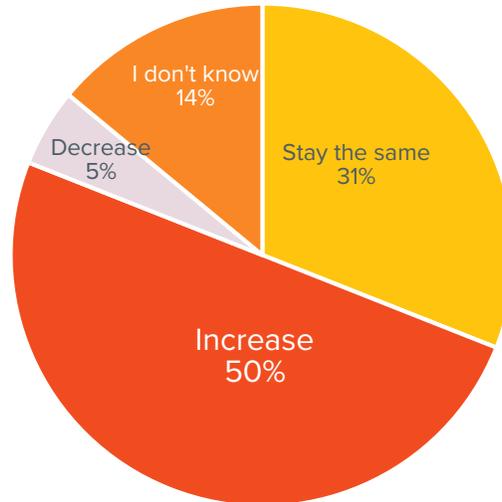
HOW WOULD YOU RATE YOUR ORGANIZATION'S ABILITY TO DELIVER GREAT CUSTOMER EXPERIENCES, REGARDLESS OF CHANNEL, ACROSS THE ENTIRE ORGANIZATION?



Source: CMO Council, CUSTOMER EXPERIENCE DYNAMICS: Defining the Requirements for a Strong CX Ecosystem, September 2017.

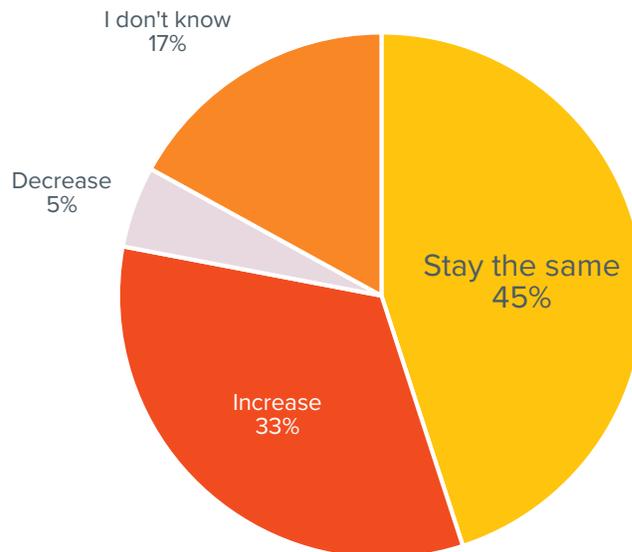


FOR 2017, WILL YOUR CUSTOMER ACQUISITION BUDGET INCREASE, DECREASE OR STAY THE SAME COMPARED TO 2016?



Source: NAPCO Research & Target Marketing, 2017 Marketing Budget Trends: THE MEDIA AND TECHNOLOGIES IN WHICH MARKETERS ARE INCREASING AND DECREASING THEIR INVESTMENTS, 2017.

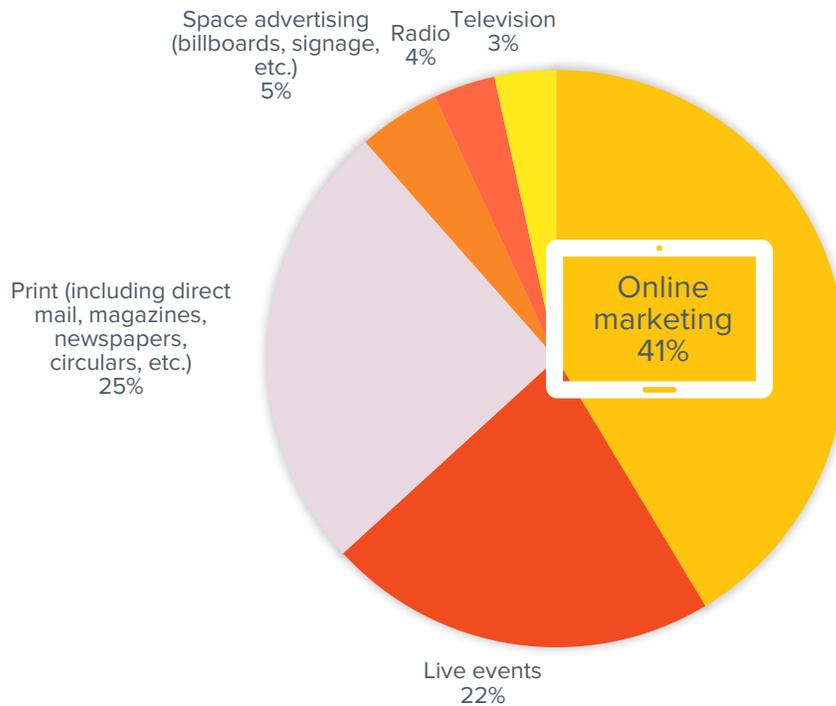
FOR 2017, WILL YOUR CUSTOMER RETENTION BUDGET INCREASE, DECREASE OR STAY THE SAME COMPARED TO 2016?



Source: NAPCO Research & Target Marketing, 2017 Marketing Budget Trends: THE MEDIA AND TECHNOLOGIES IN WHICH MARKETERS ARE INCREASING AND DECREASING THEIR INVESTMENTS, 2017.



IN BROAD TERMS, WHAT PERCENTAGE OF YOUR BUDGET DO YOU PLAN TO ALLOCATE TO THESE MEDIA CATEGORIES IN 2017?

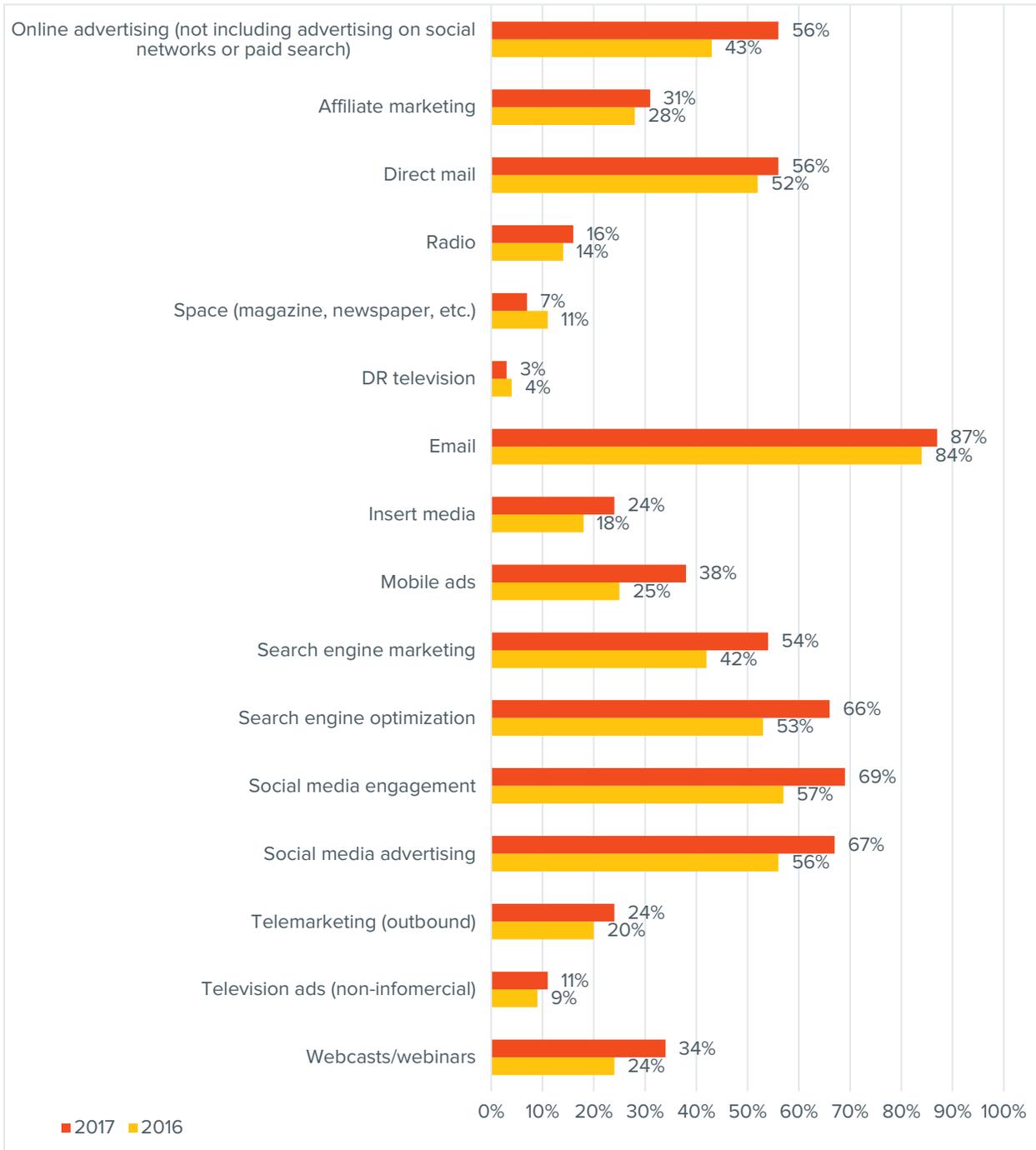


Source: NAPCO Research & Target Marketing, 2017 Marketing Budget Trends: THE MEDIA AND TECHNOLOGIES IN WHICH MARKETERS ARE INCREASING AND DECREASING THEIR INVESTMENTS, 2017.





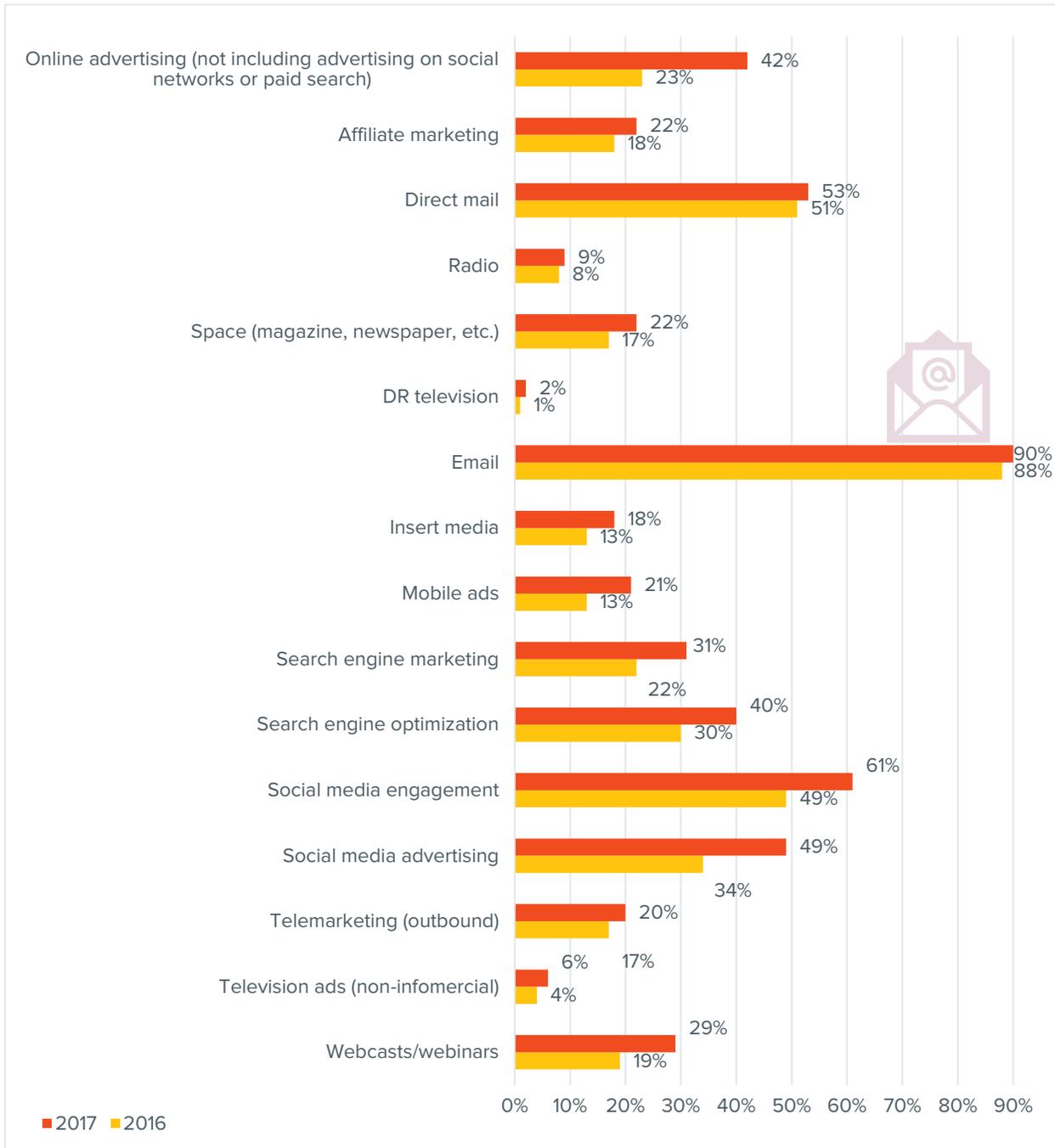
ACQUISITION DELIVERY METHODS



Source: NAPCO Research & Target Marketing, "2017 Marketing Budget Trends THE MEDIA AND TECHNOLOGIES IN WHICH MARKETERS ARE INCREASING AND DECREASING THEIR INVESTMENTS" 2017.



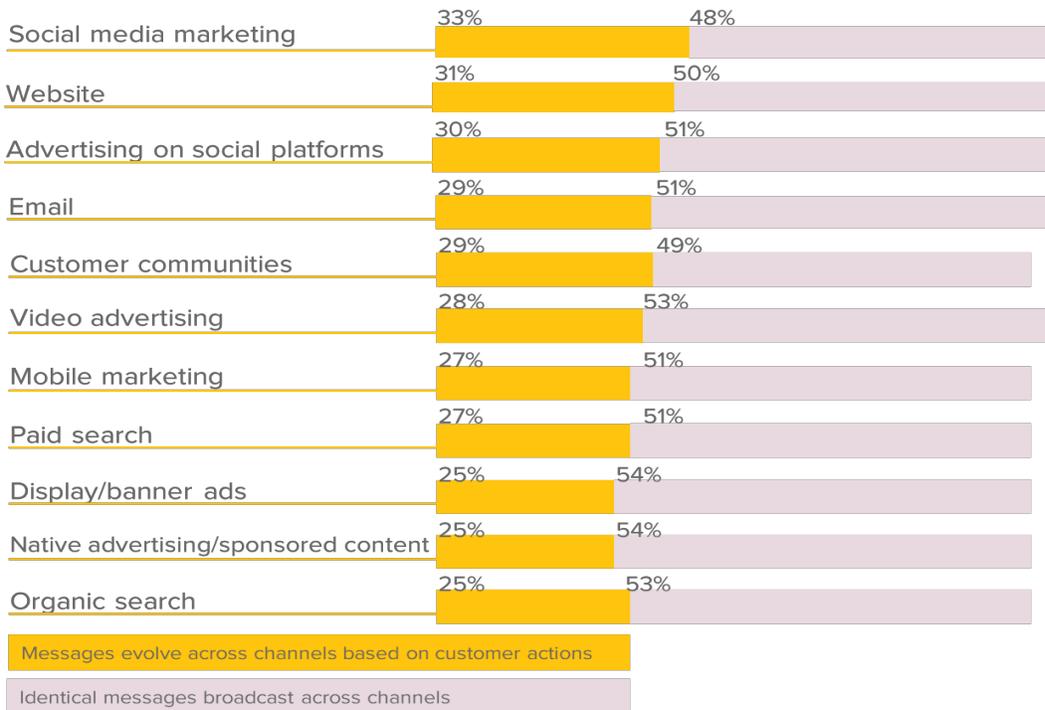
RETENTION DELIVERY METHODS



Source: NAPCO Research & Target Marketing, 2017 Marketing Budget Trends: THE MEDIA AND TECHNOLOGIES IN WHICH MARKETERS ARE INCREASING AND DECREASING THEIR INVESTMENTS, 2017.

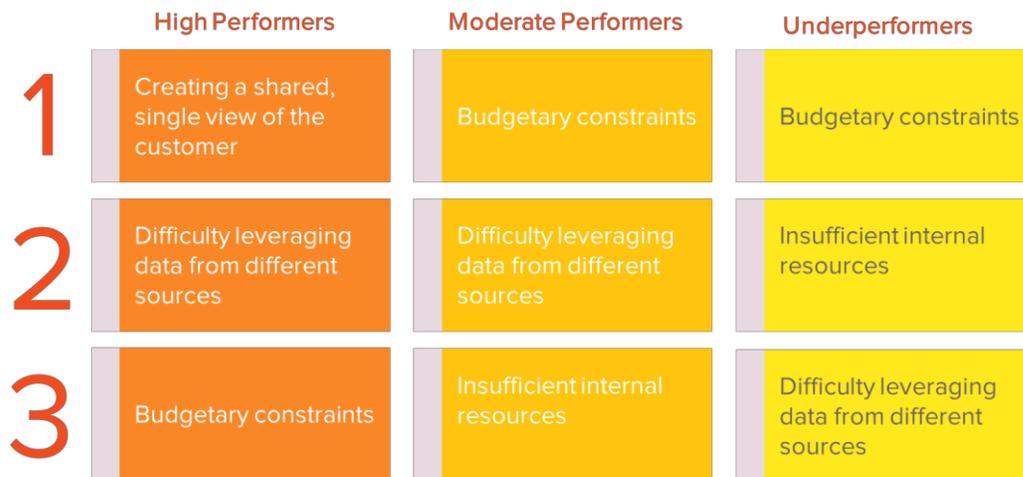


EXTENT TO WHICH MARKETERS COORDINATE MESSAGES IN THE FOLLOWING CHANNELS WITH OTHER CHANNELS



Source: Salesforce Annual State of Marketing Report, 2017

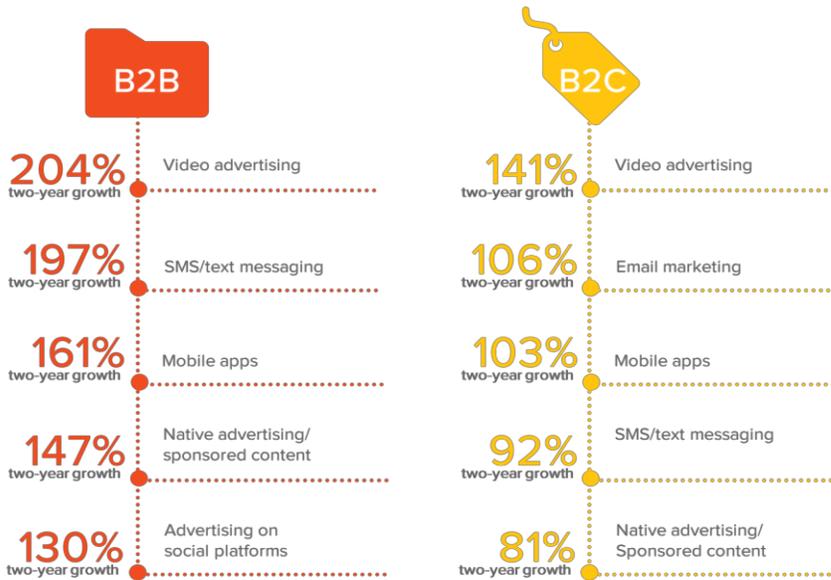
TOP CHALLENGES MARKETING LEADERS FACE IN CREATING A CONNECTED CUSTOMER EXPERIENCE – BY PERFORMANCE LEVEL



Source: Salesforce Annual State of Marketing Report, 2017



CHANNEL GROWTH 2015 – 2017

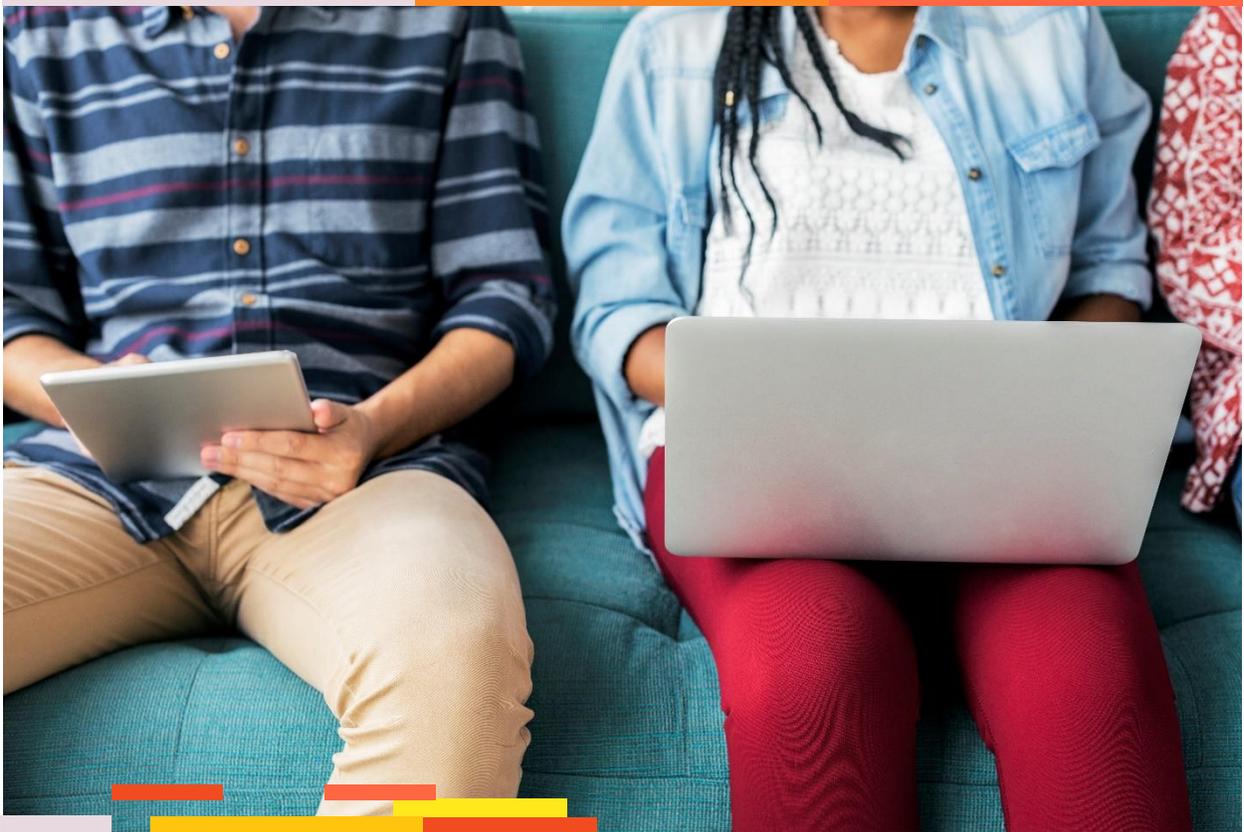


Source: Salesforce Annual State of Marketing Report, 2017

PERCENTAGE OF MARKETERS WHO AGREE OR STRONGLY AGREE THAT A CONNECTED CUSTOMER JOURNEY POSITIVELY IMPACTS THE FOLLOWING:



Source: Salesforce Annual State of Marketing Report, 2017

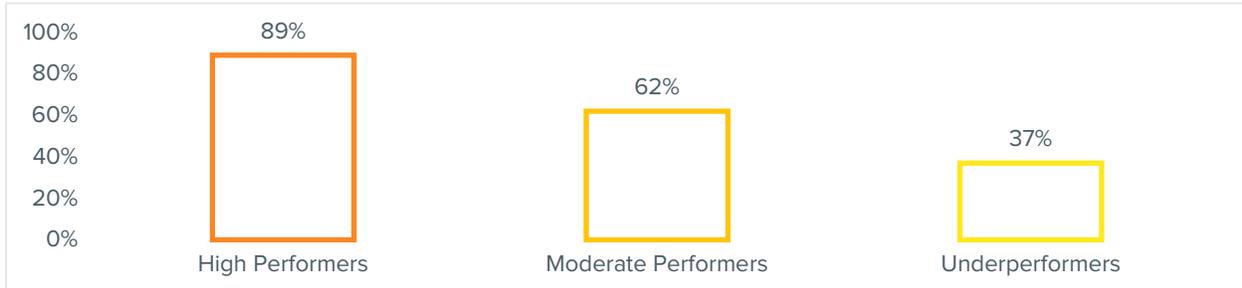


60% of B2B marketers say they've been more focused on improving audience segmentation and personas over the past 18 months

Source: Salesforce Annual State of Marketing Report, 2017

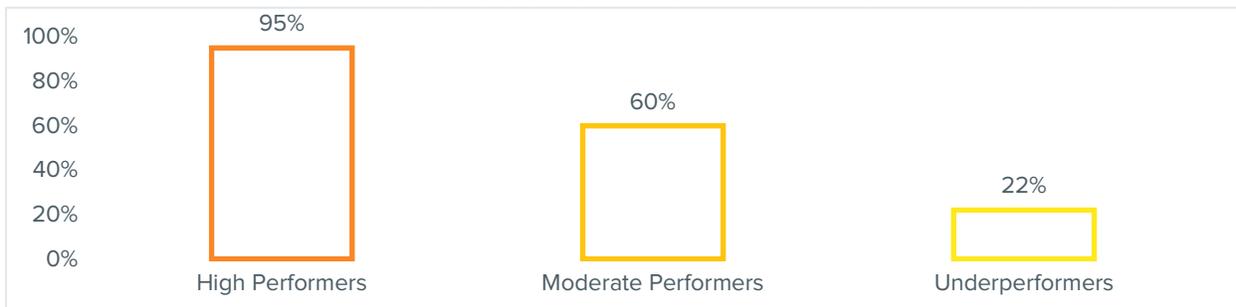


PERCENTAGE OF BUSINESSES ALIGNING MARKETING ROLES TO A CUSTOMER JOURNEY STRATEGY



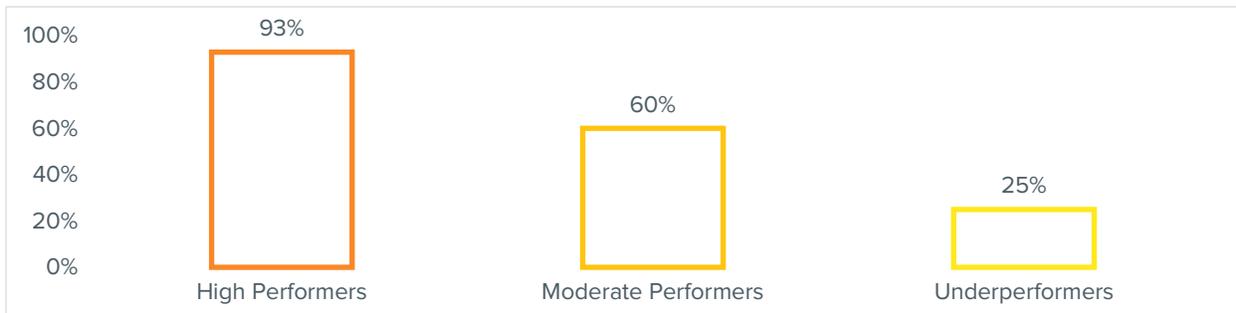
Source: Salesforce Annual State of Marketing Report, 2017

PERCENTAGE OF MARKETERS VERY – EXTREMELY SATISFIED WITH THEIR ABILITY TO ENGAGE CUSTOMERS ACROSS CHANNELS AT SCALE



Source: Salesforce Annual State of Marketing Report, 2017

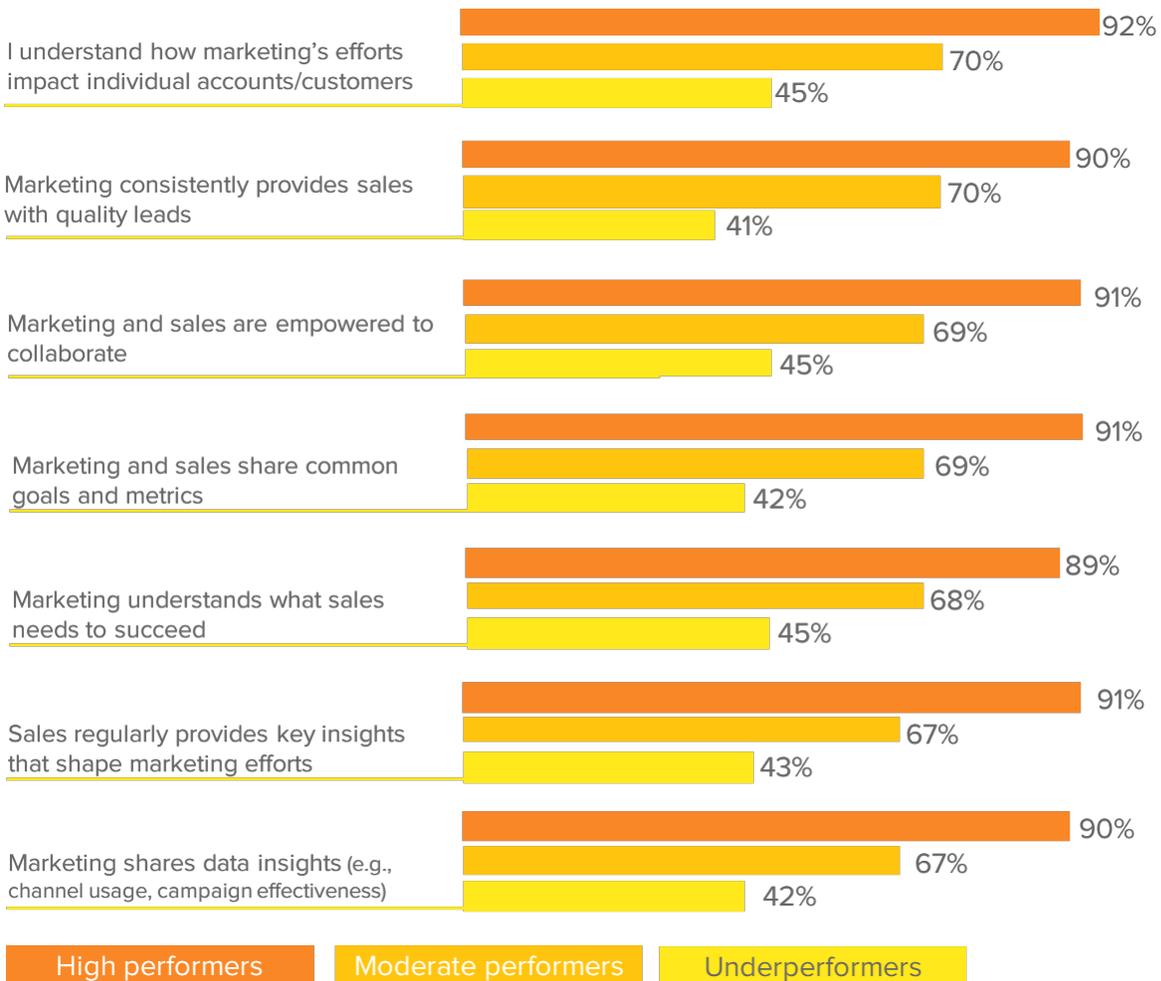
PERCENTAGE OF MARKETERS VERY – EXTREMELY SATISFIED WITH THEIR COLLABORATION WITH OTHER DEPARTMENTS



Source: Salesforce Annual State of Marketing Report, 2017



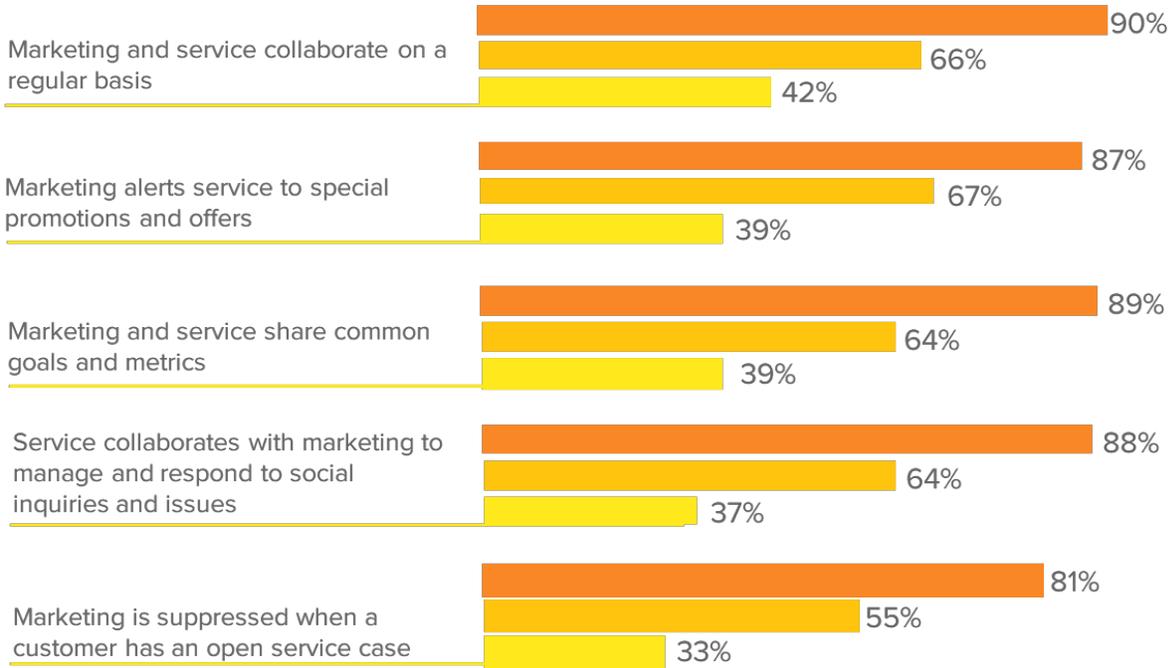
PERCENTAGE OF MARKETERS WHO AGREE OR STRONGLY AGREE WITH THE FOLLOWING STATEMENTS ABOUT THEIR RELATIONSHIP WITH SALES:



Source: Salesforce Annual State of Marketing Report, 2017



PERCENTAGE OF MARKETERS WHO AGREE OR STRONGLY AGREE WITH THE FOLLOWING STATEMENTS ABOUT THEIR RELATIONSHIP WITH SERVICE:

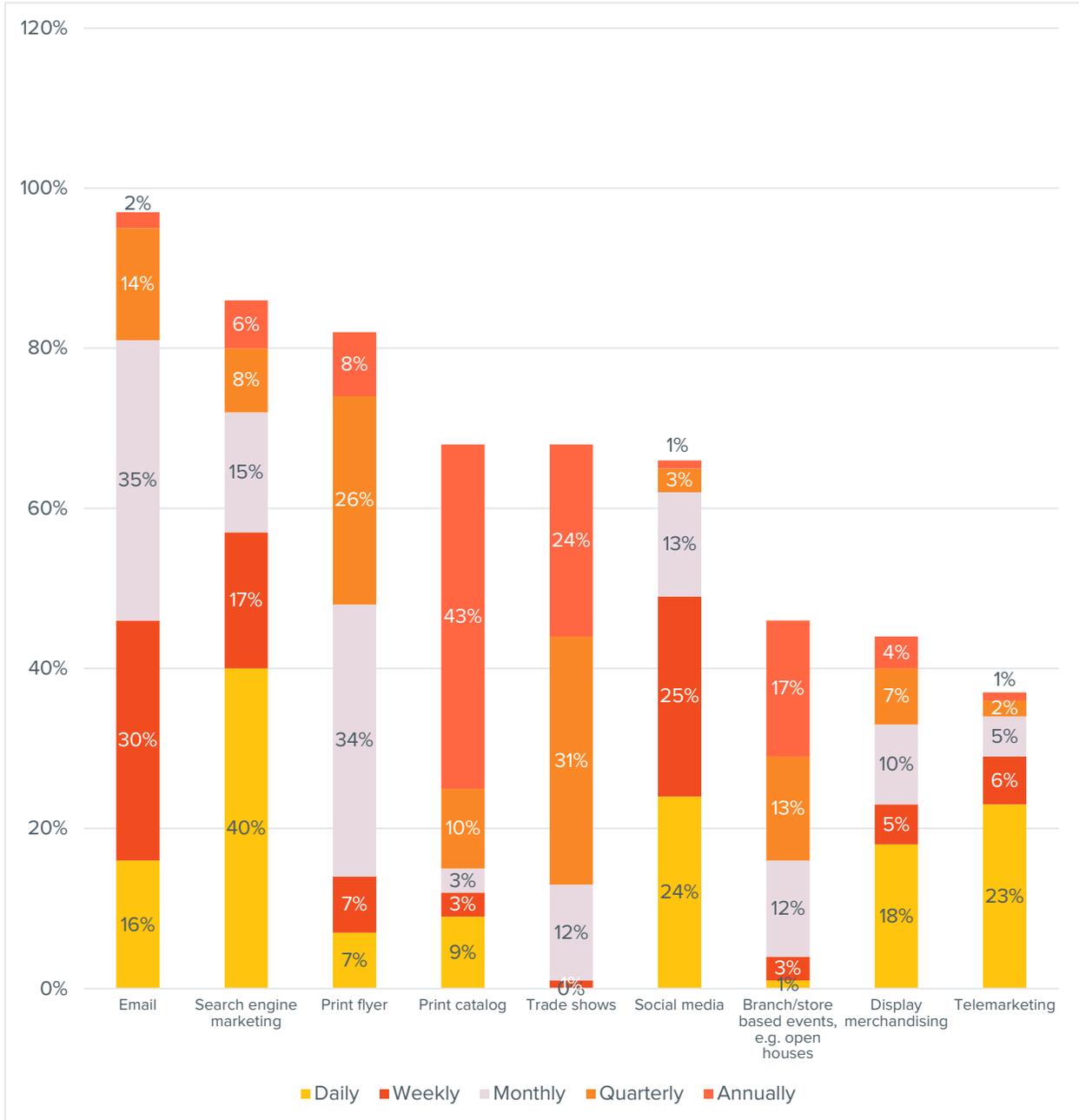


High performers
Moderate performers
Underperformers

Source: Salesforce Annual State of Marketing Report, 2017



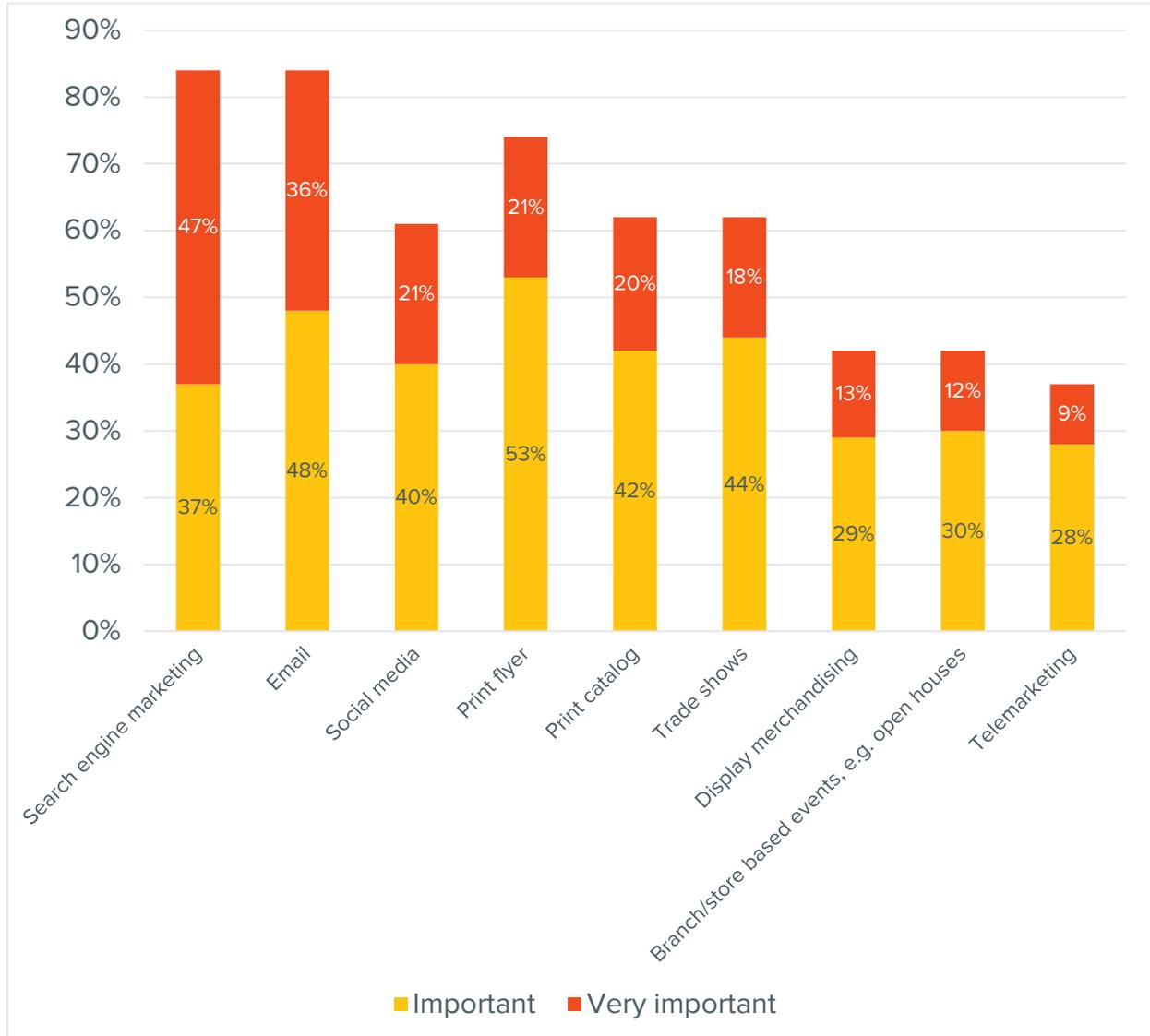
MARKETING VEHICLE FREQUENCY



Source: *The State of Distributor Marketing, MDM-Real Results Marketing, December 2017.*



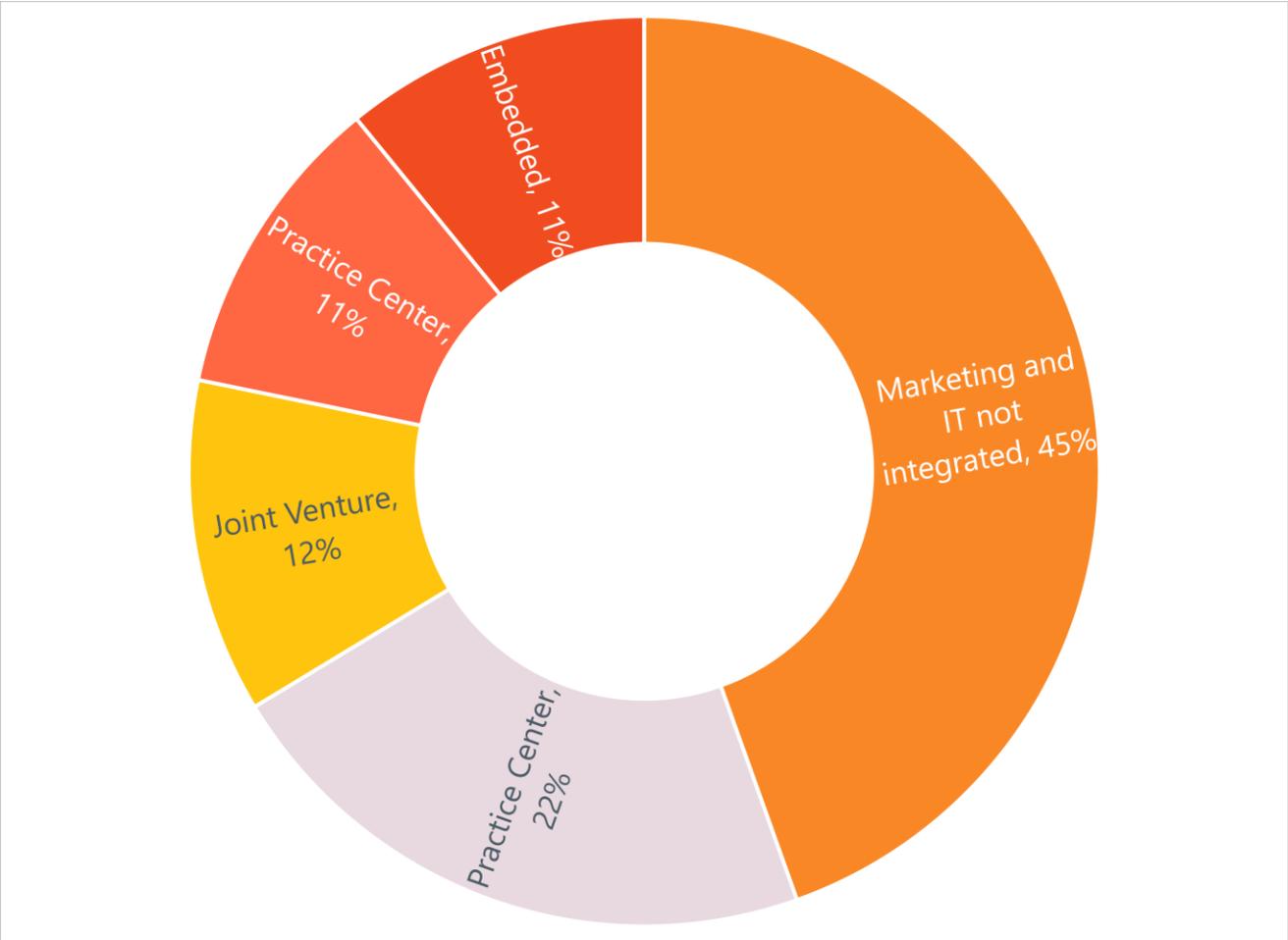
MARKETING VEHICLE IMPORTANCE



Source: The State of Distributor Marketing, MDM-Real Results Marketing, December 2017.



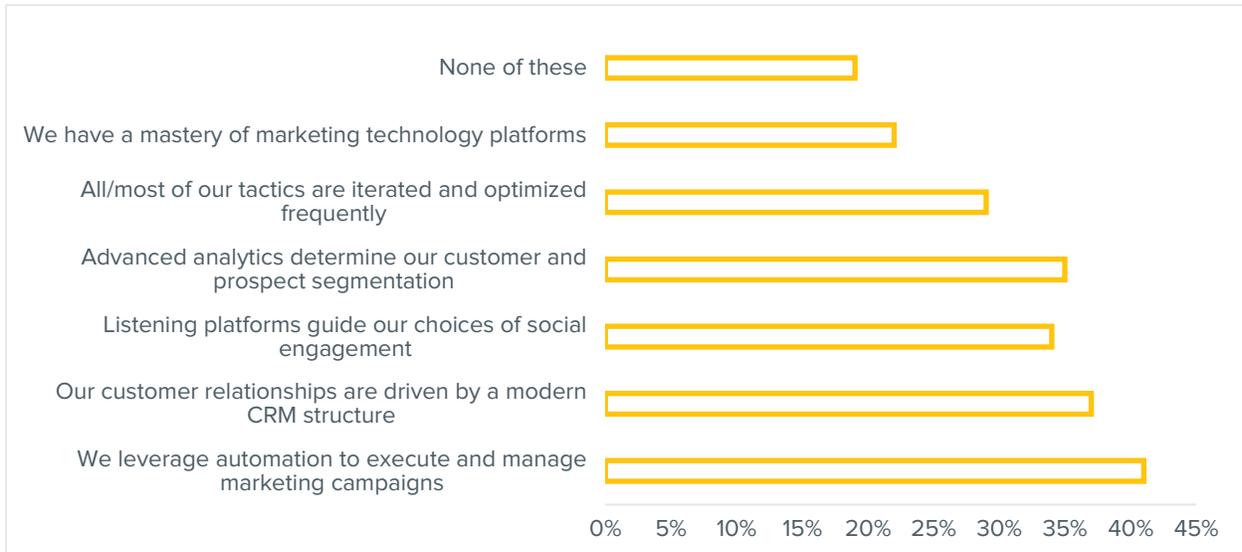
THE MARKETING/IT RELATIONSHIP AT COMPANIES IN THE STUDY



Source: Marketing Disruption: Technology to the Rescue. ANA, 2017.

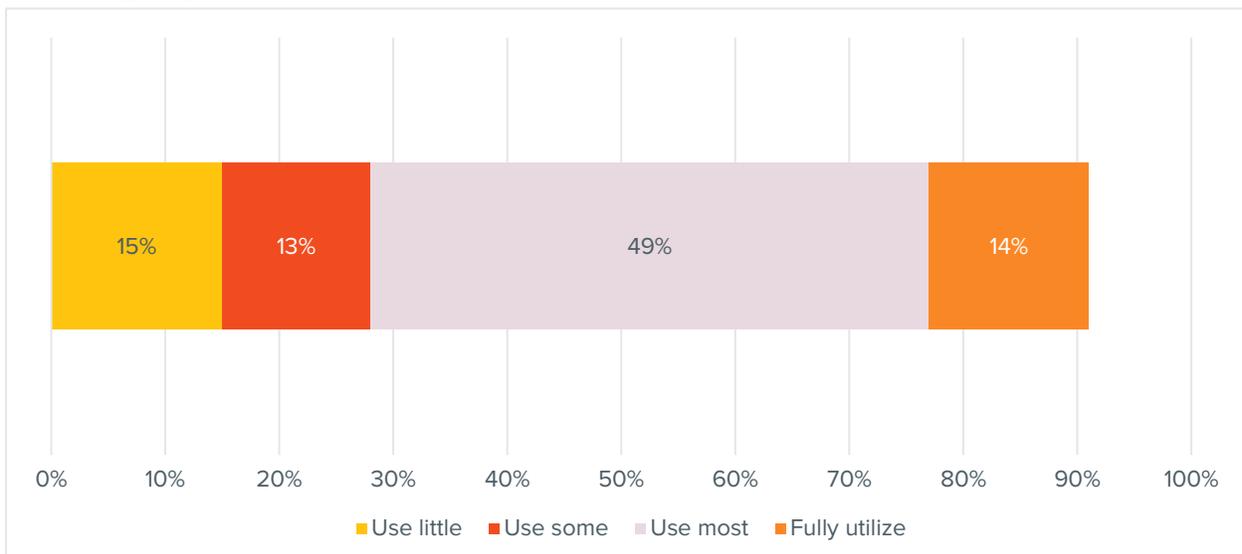


HOW DATA AND INSIGHTS ARE USED WITHIN THE ORGANIZATION

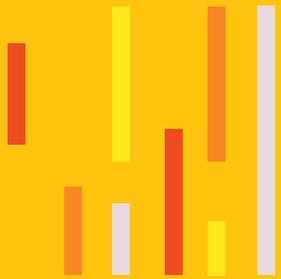


Source: Marketing Disruption: Technology to the Rescue. ANA, 2017.

USE OF DATA AND INSIGHTS FROM MARTECH TO INFORM MARKETING STRATEGIES



Source: Marketing Disruption: Technology to the Rescue. ANA, 2017.



CHAPTER 2

Data





CHAPTER 2: Data

“QUALITY” is the new data frontier

Some in the industry consider the current landscape as marketing’s new “golden age.” Nearly every decision — content creation, message, creative, channel, timing — is driven by data. And considering that we need to keep consumers at the heart of every marketing strategy and tactic, this data-driven approach shouldn’t come as a surprise. We’ve transitioned from using media to serve as a proxy for an audience to creating and delivering personalized messages that reach our target audience at the right time. In other words, data-driven marketing has allowed us to accomplish people-based marketing. So saying we’re in a new golden age isn’t too far from the truth.



“...data-driven marketing has allowed us to accomplish people-based marketing.”

As we execute on the people-based marketing approach, we need to maintain our healthy obsession with consumer interests, building on the holistic identity of our consumers so we better understand what they want and need. But as we all know, the challenge for many marketers is connecting a consumer’s offline identity with the hundreds of digital data points comprising a consumer’s online identity.

For most, the solution to the challenge has been data, and it’s a more-than-suitable answer — but it’s only half the answer. On the surface, data is an invaluable asset. It can give a brand extraordinary insight into the lifestyles and preferences of the target audience. But let’s be honest: Most brands have access to data. Data alone isn’t enough. We need to take it to the next level.

As we move further into 2018 and beyond, brands and agencies need to place more emphasis on the quality and accuracy of the data they receive. After all, quality data can be the difference between higher match rates and incorrect identity linkages. And without the ability to accurately identify consumers, marketers may become susceptible to wasted ad spend as well as irrelevant consumer communications. This can lead to a less-than-desirable consumer experience. Most brands would admit that the consumer experience takes priority over everything else.



Simply put, all data sources aren't created equal. While some invest heavily in the maintenance and cleansing of records, others lack the adequate resources to maintain quality data assets. Imagine being unable to connect John Doe at one email address to the same John Doe who was in your store a few days earlier. Whether the information is outdated or inaccurate doesn't matter — brands and agencies will miss an opportunity to understand the consumer as well as properly measure the effectiveness of their advertising campaigns. Let's also consider how many touch points the average consumer may have with a brand — email, television, direct mail, and mobile, to name just a few. A brand that can create a holistic customer view can tell a cohesive story across all channels. Quality data can help accomplish all this.

Fortunately, many in the industry have begun to implement this new way of thinking. We have the resources to cleanse and update data as well as the technology and media partnerships to truly maximize its potential. Not only can brands develop a complete consumer view, but also they have access to insights to improve their interactions with consumers. Quality data helps brands and agencies identify their target audiences, predict behavior, optimize content, and measure results — all key facets of success.

As an industry, we no longer can focus on the endless amount of available data. We need to concentrate on the quality and accuracy of the data we have access to. Data can still be every marketer's best friend as long as it's managed effectively and remains actionable. Just as consumer behavior continues to evolve, so will the rest of the landscape. Data will help brands and agencies continue to adapt and succeed.

Authored by:

Kevin Dean
President of Marketing Services
Experian

CHAPTER HIGHLIGHTS

-Spending on DDM held steady in 2017, while DDM generated revenue increased

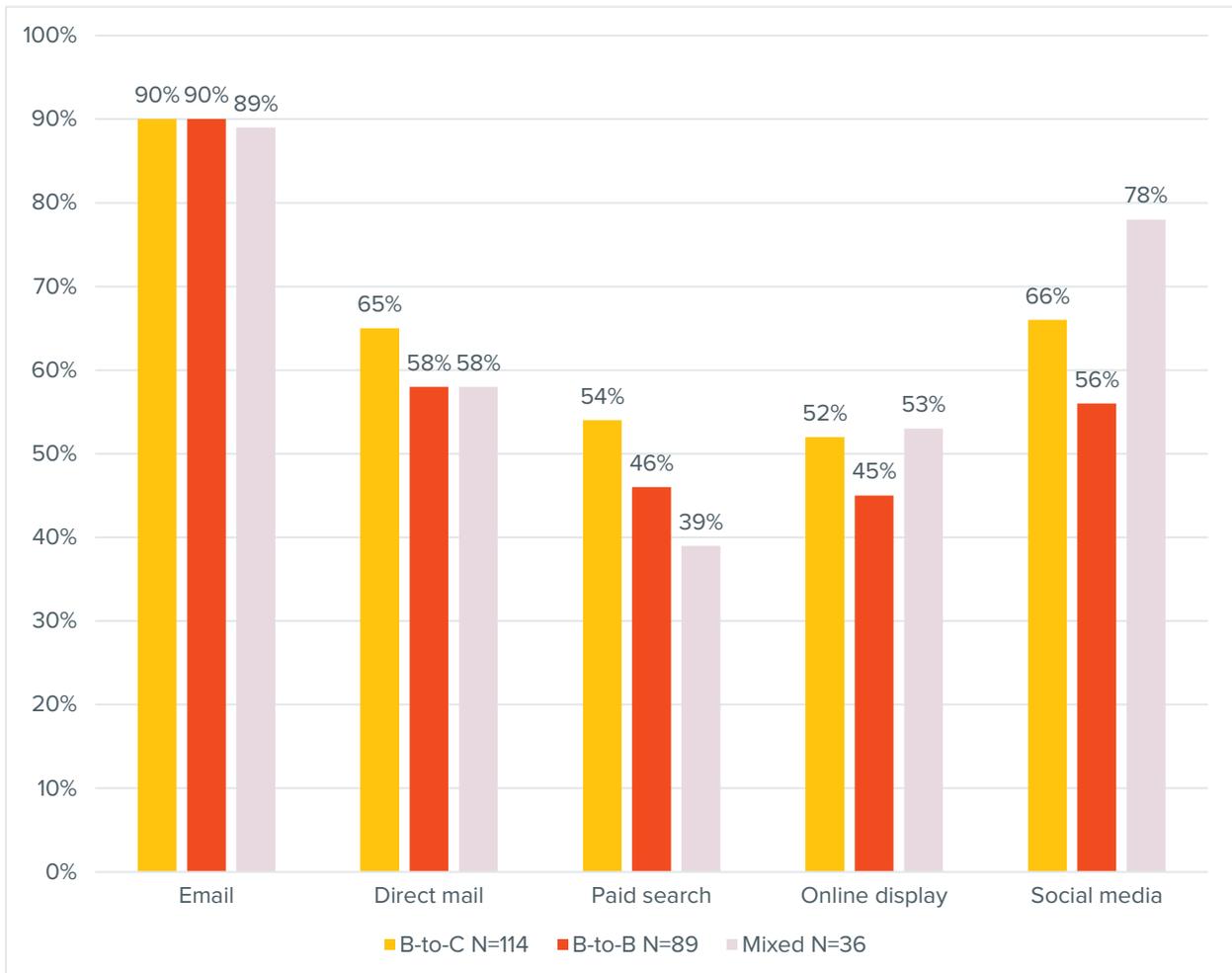
-DDMers increased investments most in content, applying data to improve experiences across touch points

-Only 7.1% of marketers are very satisfied with their organization's attribution efforts

-59% of marketers list social media as the most effective channel for collecting marketing data



MEDIUM SELECTION BY CAMPAIGN TYPE

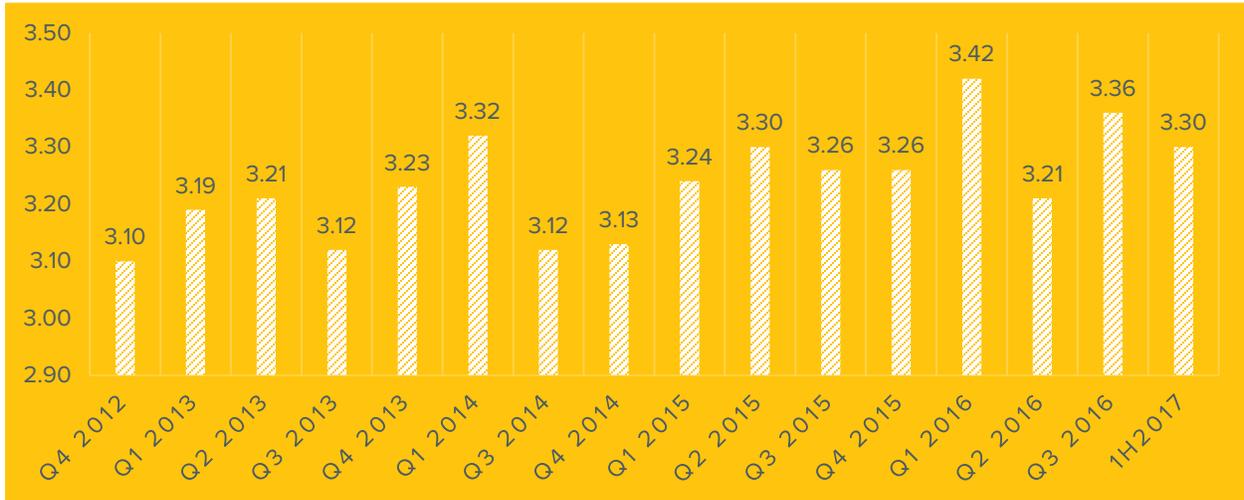


Source: *The Data & Marketing Association & Demand Metric, Response Rate Report, 2017.*



SPENDING ON DATA-DRIVEN MARKETING, COMPARED TO PREVIOUS QUARTER

SCALE OF 1 TO 5, WHERE 1 INDICATES SPENDING DECREASED SIGNIFICANTLY
AND 5 INDICATES SPENDING INCREASED SIGNIFICANTLY



Source: Winterberry Group/The Data & Marketing Association Business Report, June 2017.

REVENUE DERIVED FROM DATA-DRIVEN MARKETING, COMPARED TO PREVIOUS QUARTERS

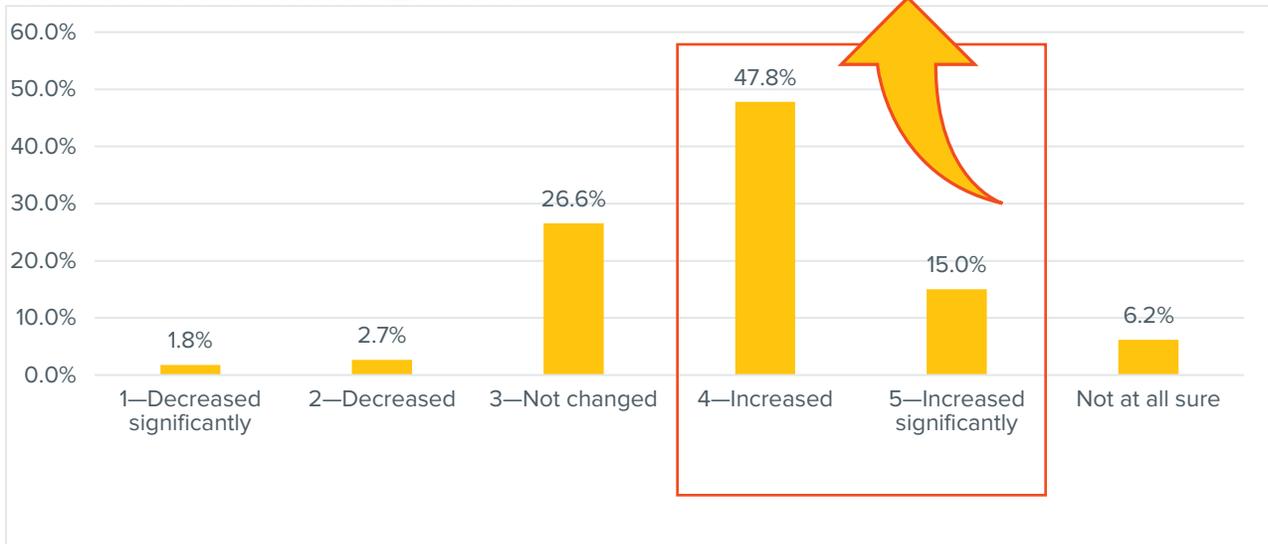
SCALE OF 1 TO 5, WHERE 1 INDICATES REVENUE DECREASED SIGNIFICANTLY
AND 5 INDICATES REVENUE INCREASED SIGNIFICANTLY



Source: Winterberry Group/The Data & Marketing Association Business Report, June 2017.

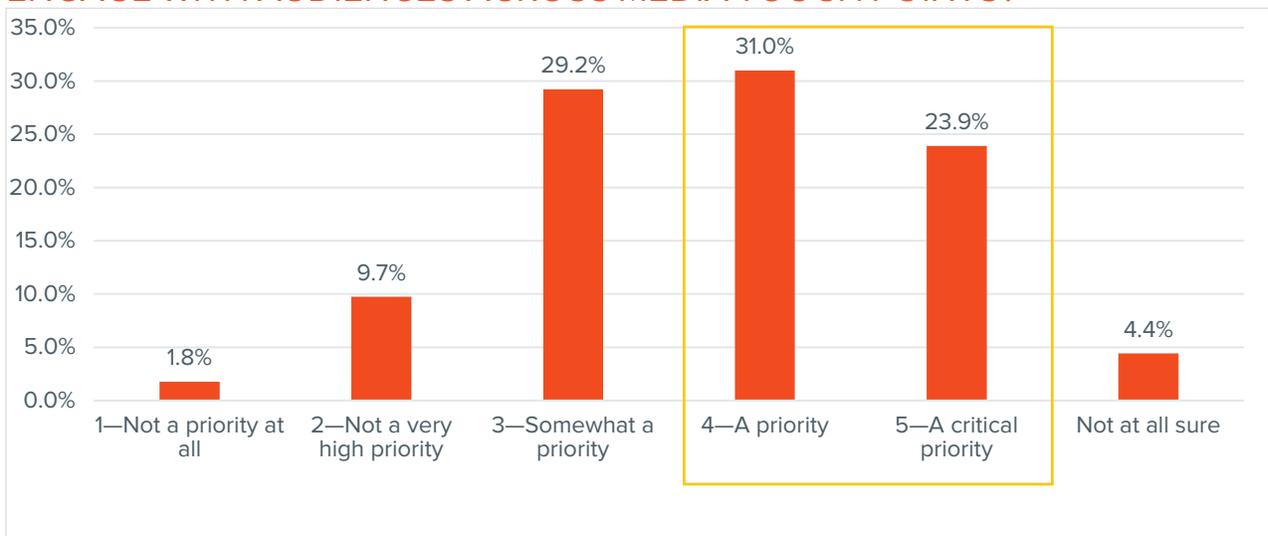


TO WHAT EXTENT HAS SOLVING FOR AND LEVERAGING CROSS-DEVICE ID SOLUTIONS BEEN DEEMED A PRIORITY WITHIN YOUR ORGANIZATION?



Source: Winterberry Group/The Data & Marketing Association Business Report, June 2017.

TO WHAT EXTENT IS YOUR ORGANIZATION (OR CLIENTS) LEVERAGING CROSS-DEVICE ID SOLUTIONS TO RECOGNIZE, UNDERSTAND AND ENGAGE WITH AUDIENCES ACROSS MEDIA TOUCH POINTS?



Source: Winterberry Group/The Data & Marketing Association Business Report, June 2017.

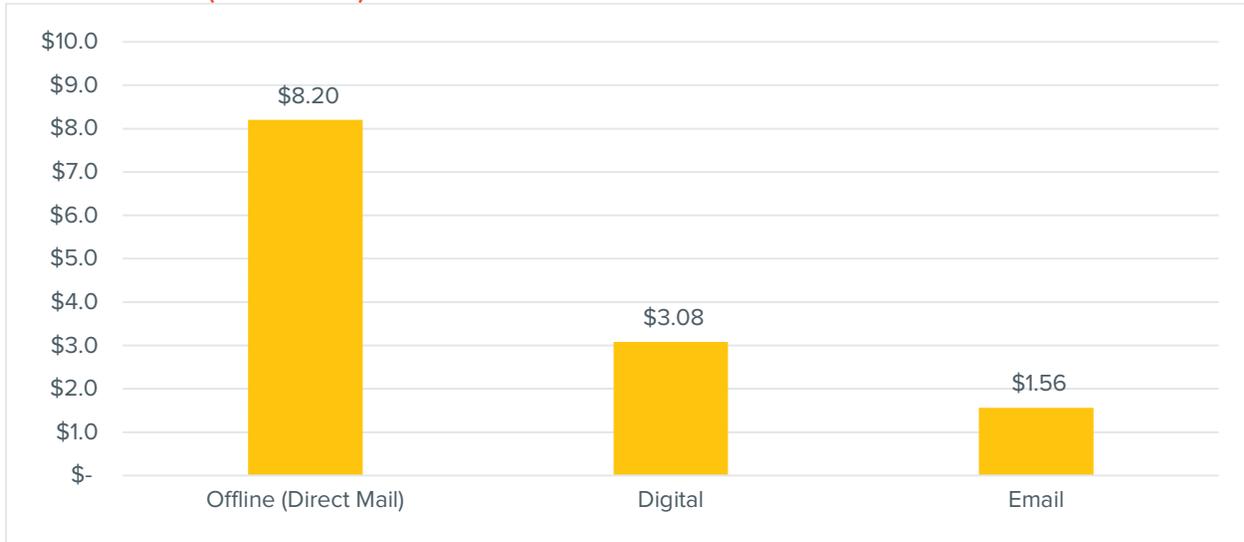


Only 7.1% of marketers are satisfied with their organization's attribution efforts.

Source: Winterberry Group/The Data & Marketing Association Business Report 1H2017.



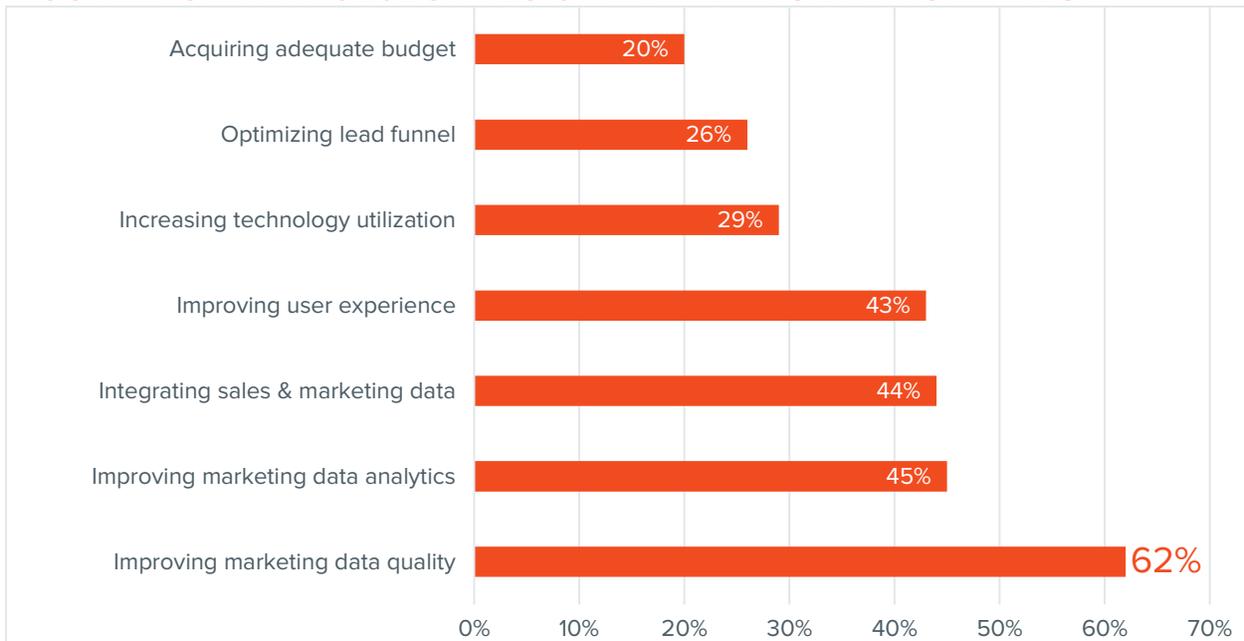
DATA SPEND IN SUPPORT OF DIRECT MAIL, DIGITAL AND EMAIL (\$12.8 BB)



Digital data includes: Cross-device display and related data management and analytics services and technologies.

Source: Winterberry Group, 2017.

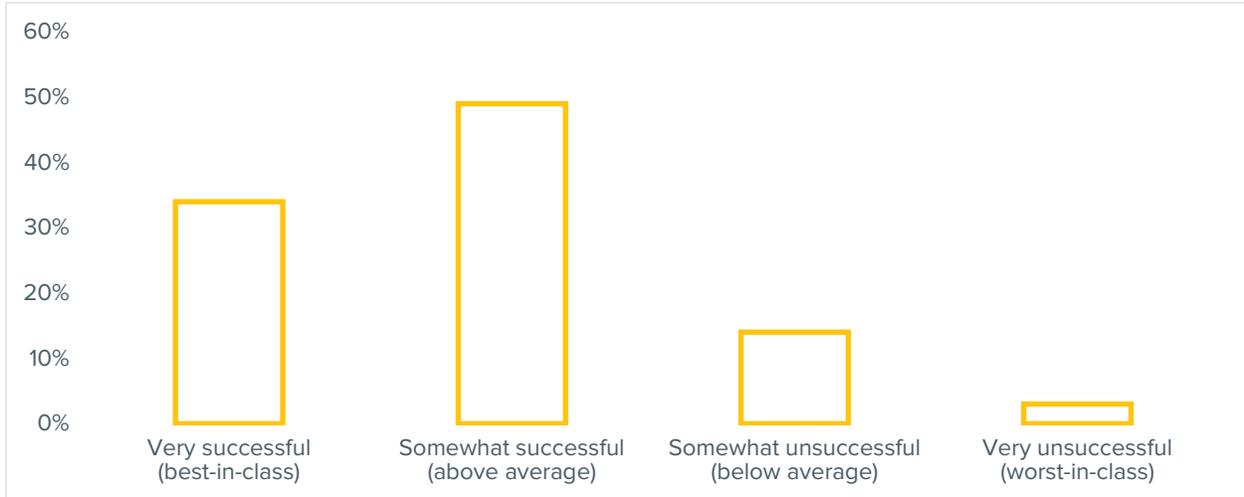
MOST IMPORTANT OBJECTIVES OF MARKETING DATA STRATEGY



Source: Marketing Data Quality Trends Survey, Ascend2 and Research Partners, January 2017.

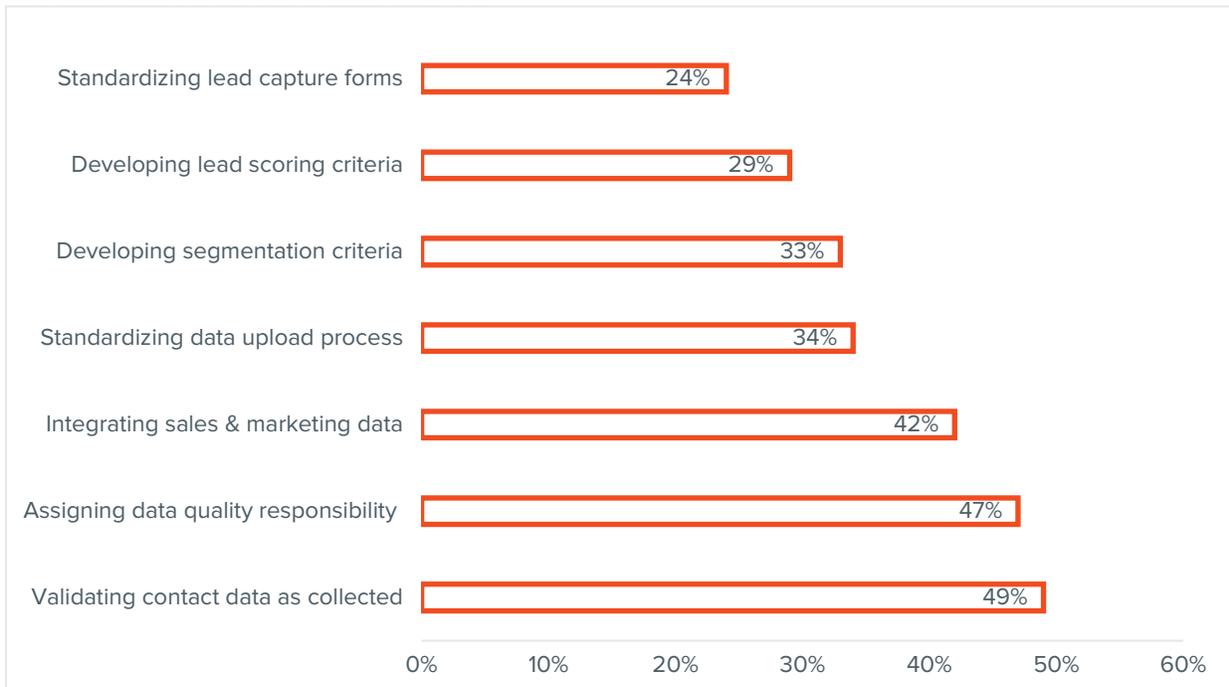


HOW SUCCESSFUL IS YOUR COMPANY'S MARKETING DATA STRATEGY AT ACHIEVING IMPORTANT OBJECTIVES?



Source: Ascend2 and Research Partners, Marketing Data Quality Trends Survey, January 2017.

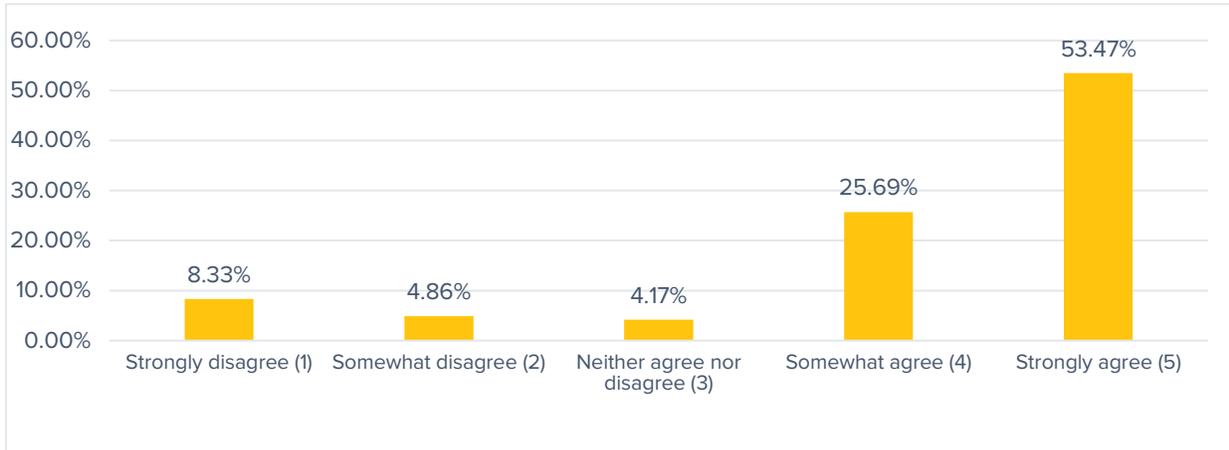
WHAT ARE THE MOST EFFECTIVE TACTICS USED TO IMPROVE MARKETING DATA QUALITY?



Source: Ascend2 and Research Partners, Marketing Data Quality Trends Survey, January 2017.

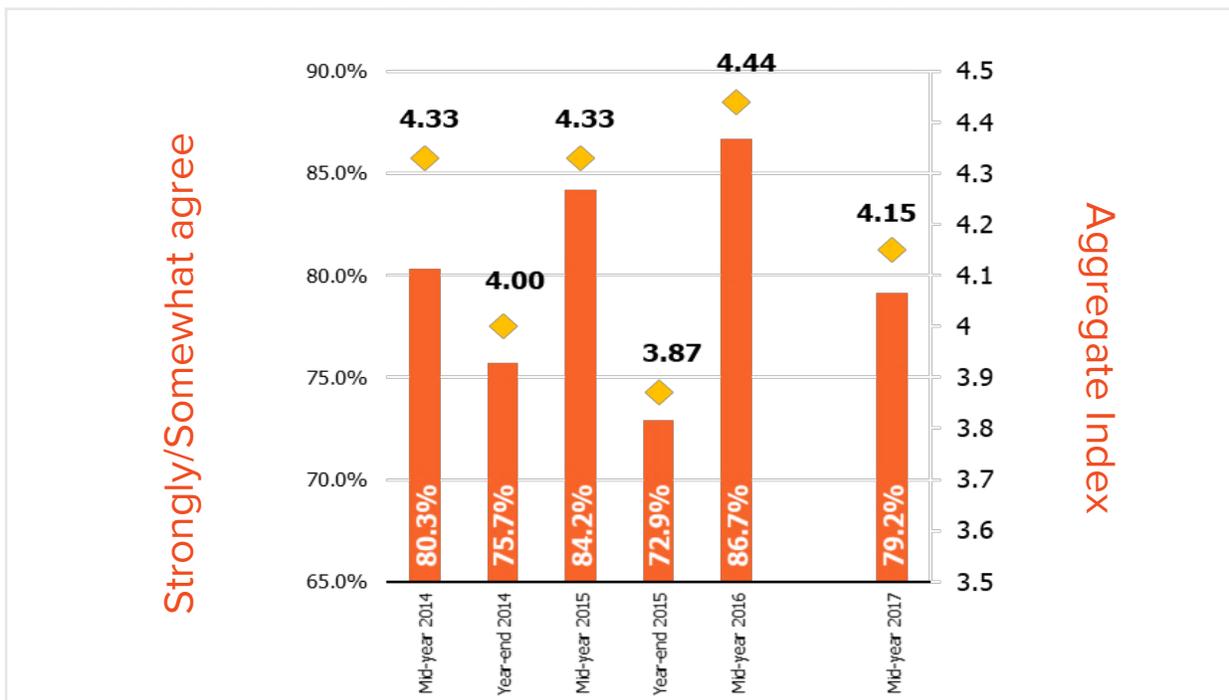


TO WHAT EXTENT DO YOU AGREE THAT THE PRACTICE OF DDM IS WELL POSITIONED TO GROW IN THE FUTURE?



Source: Winterberry Group/The Data & Marketing Association Business Report, 2017.

REVENUES GENERATED BY DATA-DRIVEN MARKETING GROW SUBSTANTIALLY DURING FIRST SIX MONTHS OF 2017

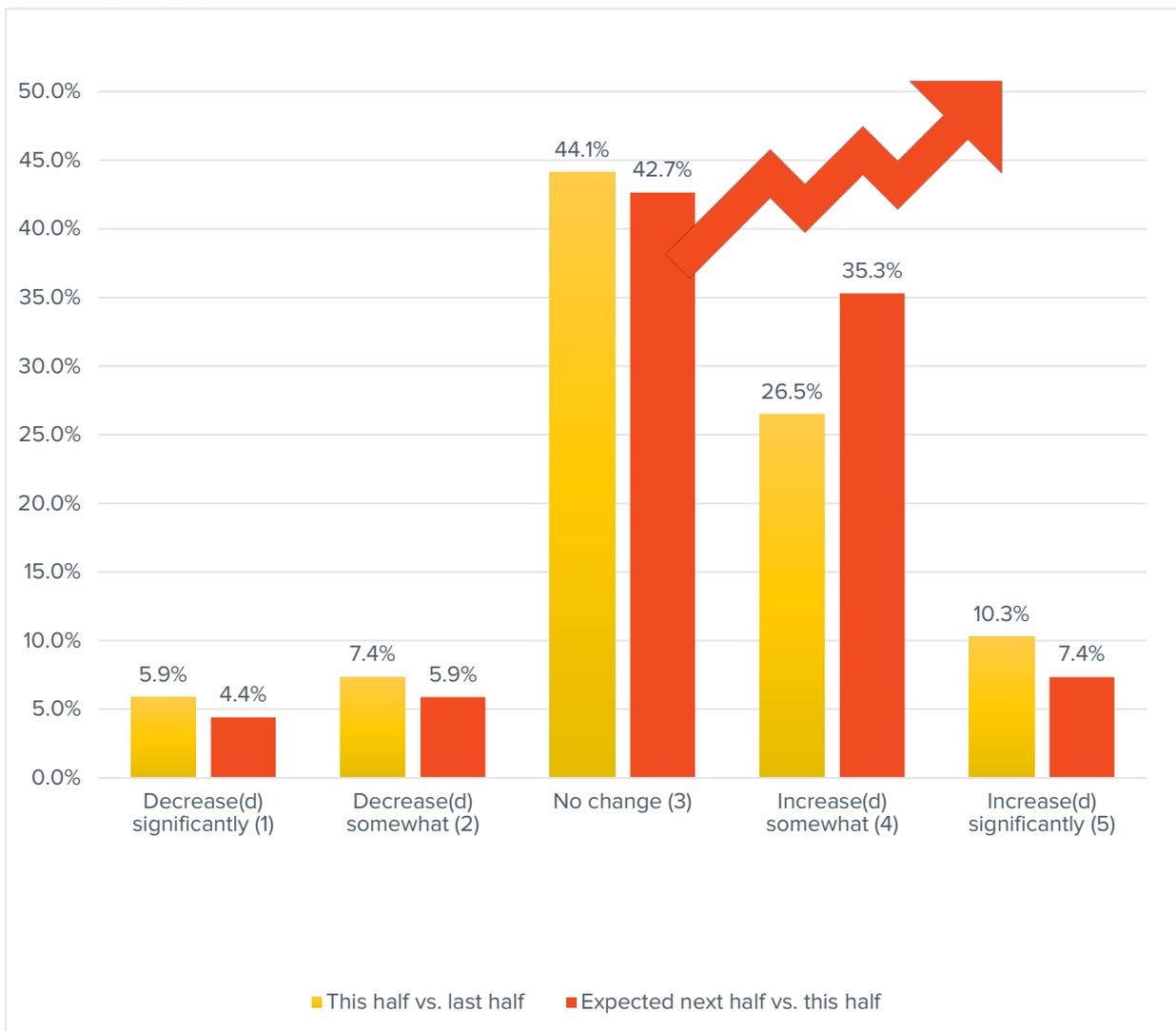


Note: Survey was not deployed at year-end 2016

Source: Winterberry Group/The Data & Marketing Association Business Report, 2017.



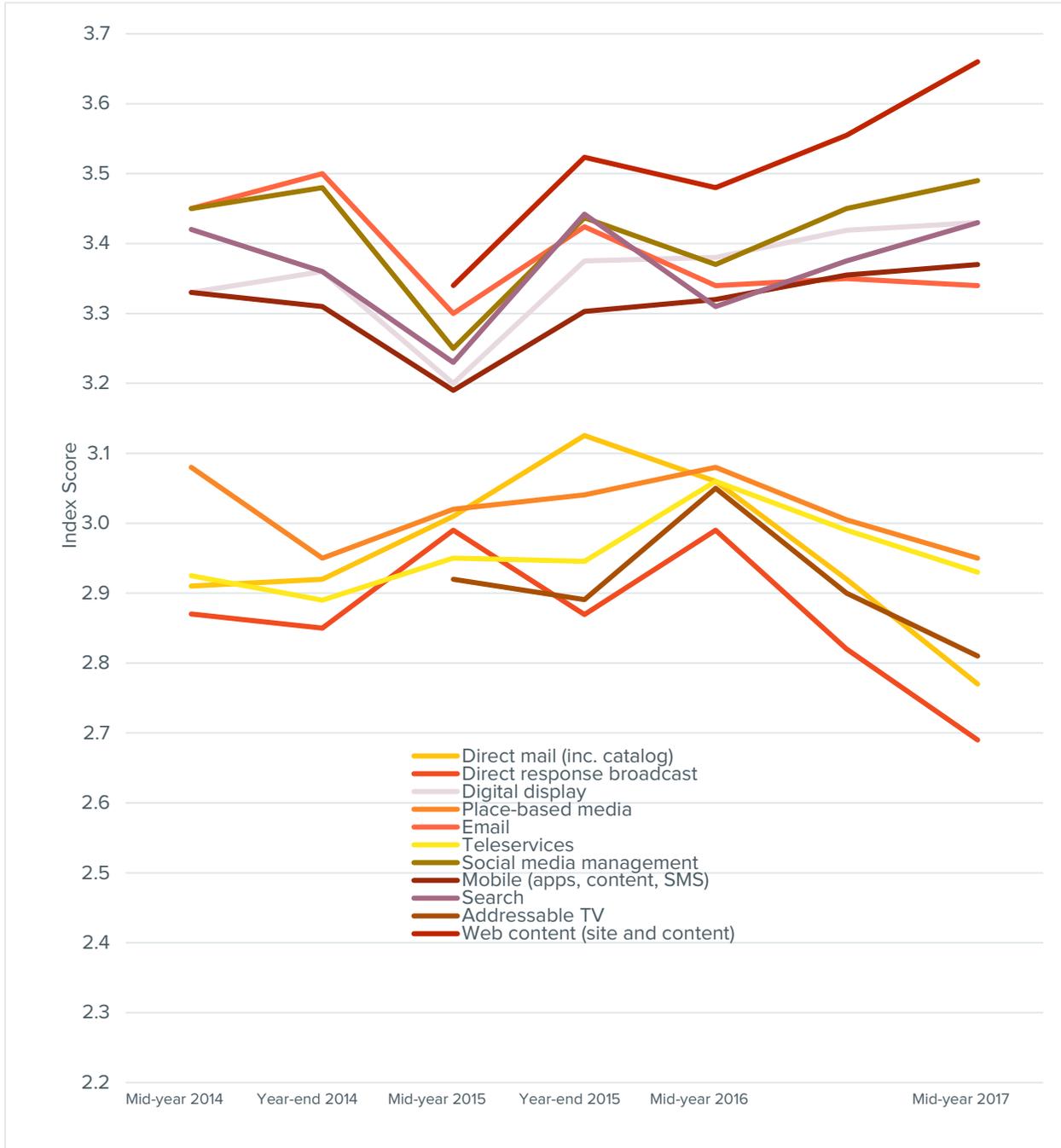
HOW HAS YOUR ORGANIZATION'S TOTAL SPENDING ON DDM CHANGED DURING THE FIRST HALF OF 2017, AS COMPARED TO THE PREVIOUS SIX-MONTH PERIOD? HOW DO YOU EXPECT YOUR ORGANIZATION'S TOTAL SPENDING ON DDM WILL LIKELY CHANGE DURING THE SECOND HALF OF 2017, AS COMPARED TO THE FIRST HALF OF THE YEAR?



Source: Winterberry Group/The Data & Marketing Association Business Report, 2017.



DDMERS INCREASED INVESTMENTS MOST IN CONTENT, APPLYING DATA TO IMPROVE EXPERIENCES AT ALL TOUCH POINTS

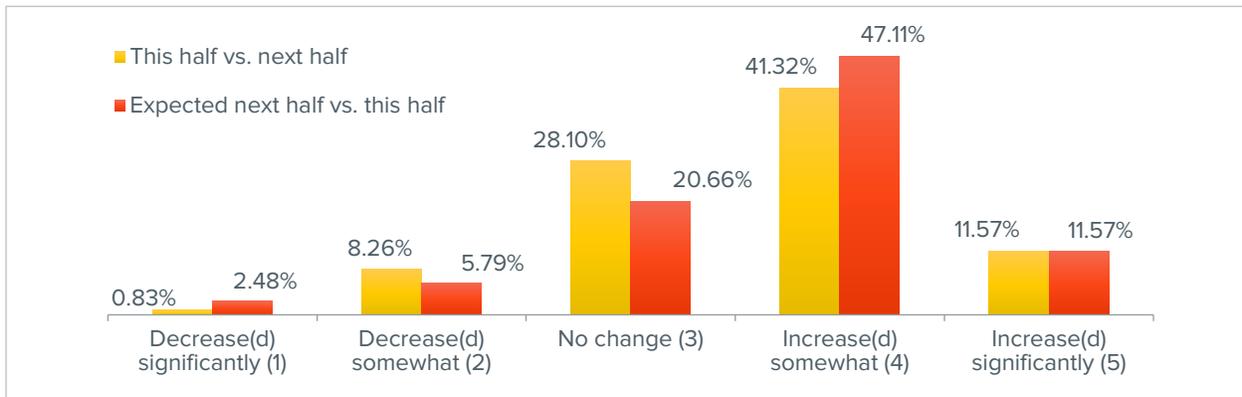


Note: Survey was not deployed at year-end 2016

Source: Winterberry Group/The Data & Marketing Association Business Report, 2017.



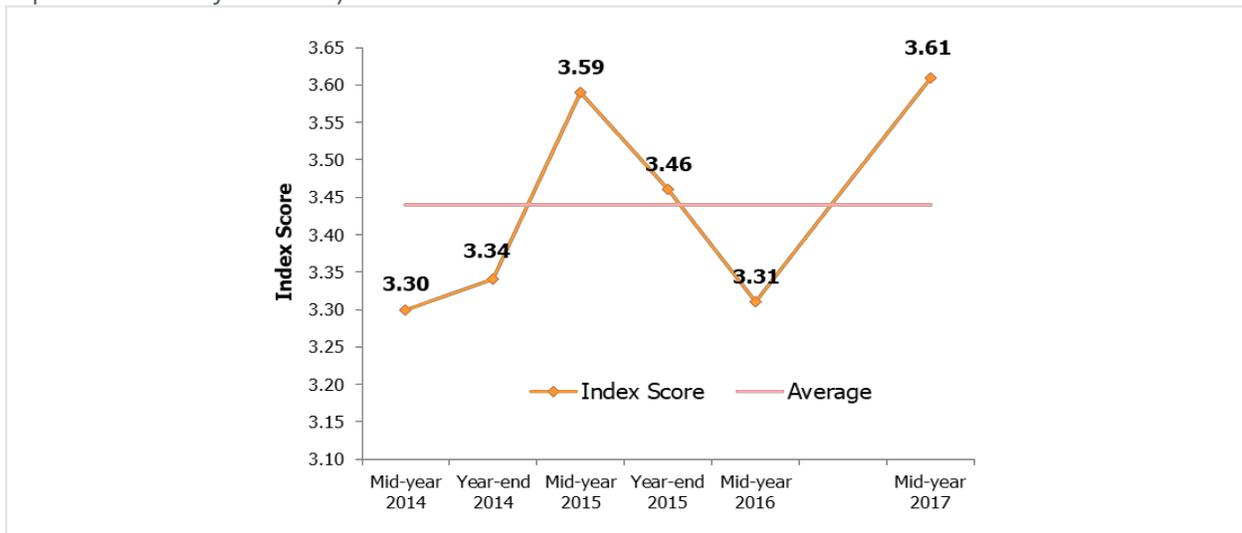
HOW HAS YOUR ORGANIZATION'S DDM-GENERATED REVENUE CHANGED DURING THE FIRST HALF OF 2017 (1H2017) AS COMPARED TO THE PREVIOUS SIX MONTHS? / HOW DO YOU EXPECT YOUR ORGANIZATION'S DDM-GENERATED REVENUE WILL LIKELY CHANGE DURING THE SECOND HALF OF 2017 (2H2017), AS COMPARED TO THE FIRST HALF OF THE YEAR?



Source: Winterberry Group/The Data & Marketing Association Business Report, 2017.

DDM-GENERATED REVENUE: GROWTH SURGES, HITTING HIGHEST EXPANSION RATE RECORDED

On an index basis (using a 1-to-5 scale, with 5 indicating that revenue increased “significantly” since the previous period), panelists pegged their revenue growth at 3.61, up from 3.31 a year ago and higher than any growth rate reported since 2012 (the most recent peak was 3.59, reported at mid-year 2015).

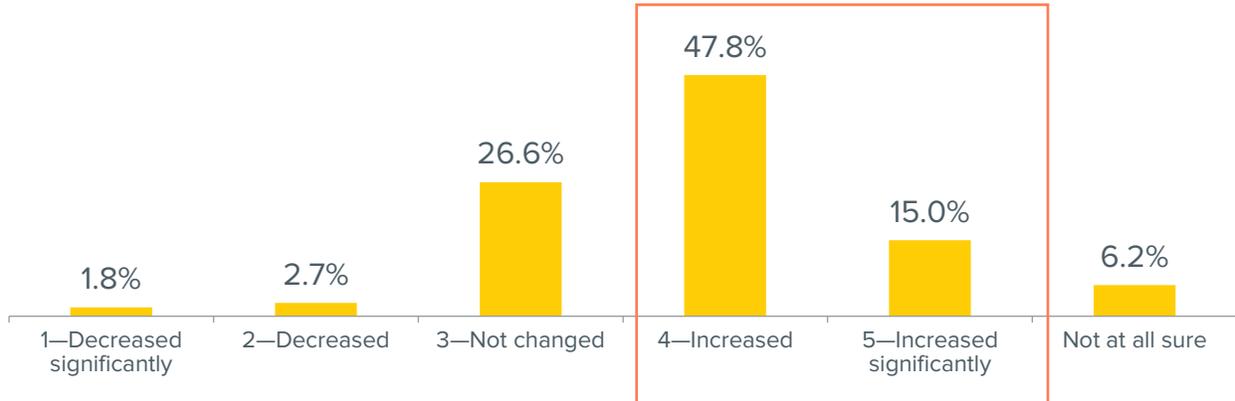


Note: Survey was not deployed at year-end 2016

Source: Winterberry Group/The Data & Marketing Association Business Report, 2017.

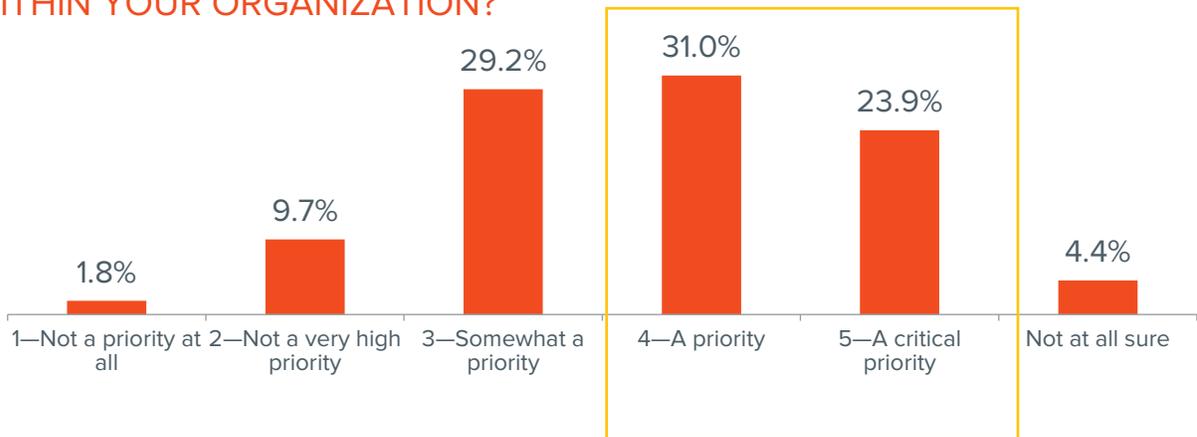


TO WHAT EXTENT HAS YOUR ORGANIZATION'S PRIORITIZATION OF MARKETING ATTRIBUTION CHANGED OVER THE PAST YEAR?



Source: Winterberry Group/The Data & Marketing Association Business Report, 2017.

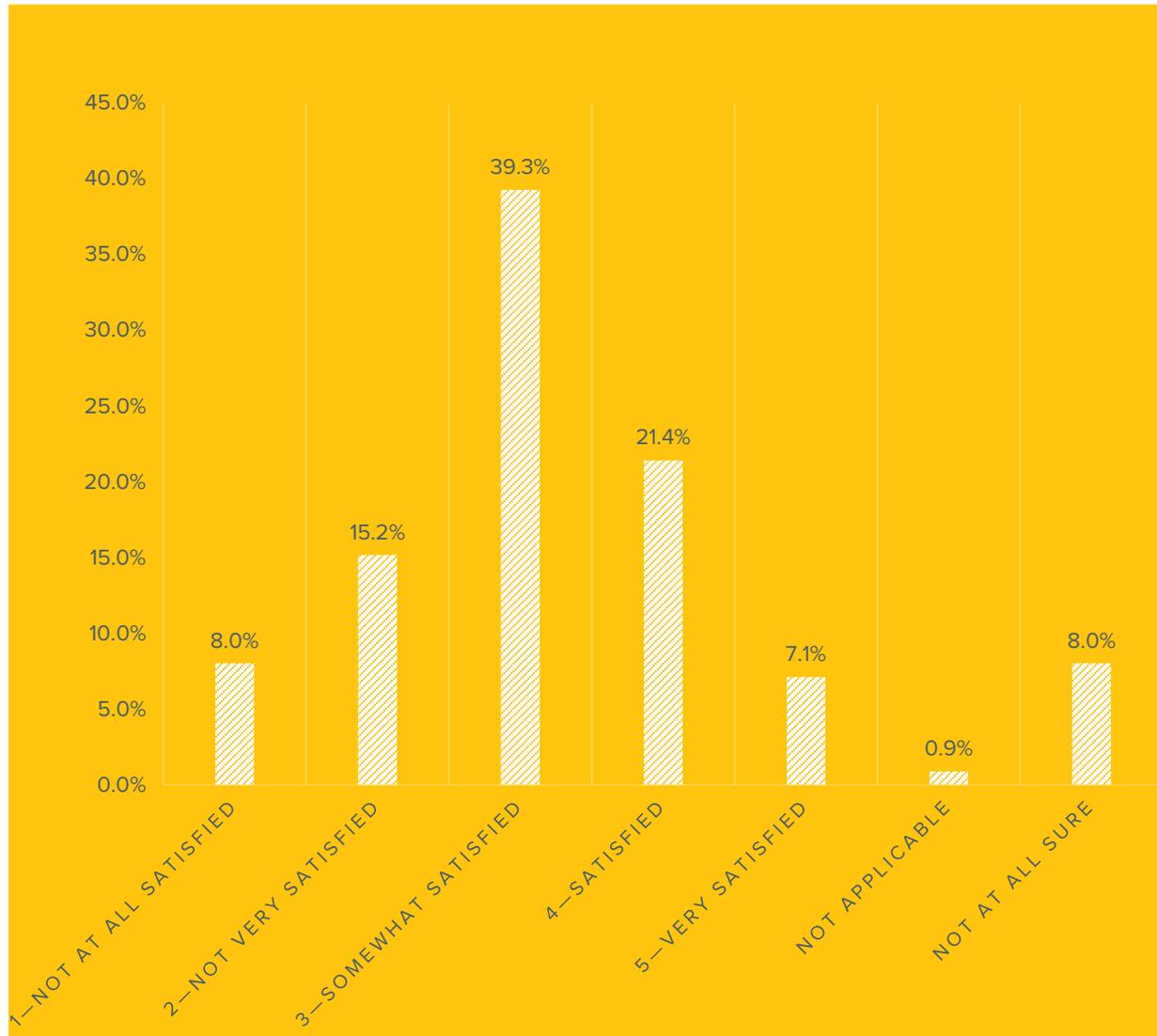
TO WHAT EXTENT DOES MARKETING ATTRIBUTION REPRESENT A CURRENT PRIORITY FOR NEW INVESTMENT AND/OR INITIATIVES WITHIN YOUR ORGANIZATION?



Source: Winterberry Group/The Data & Marketing Association Business Report, 2017.



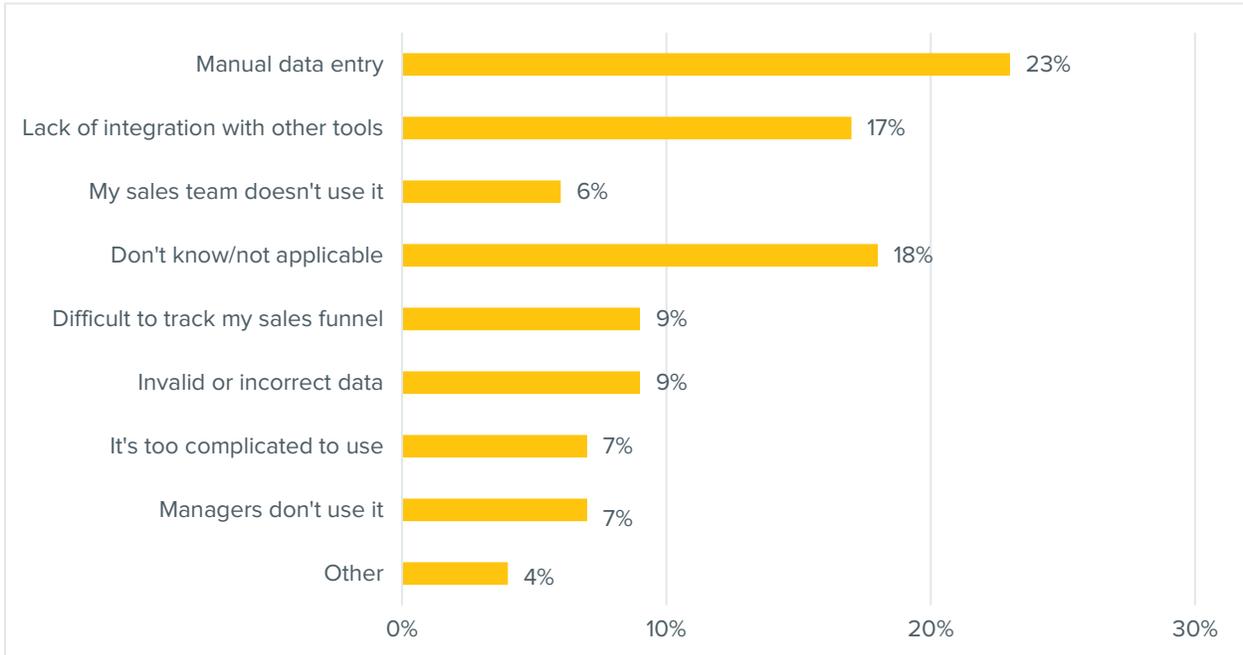
HOW SATISFIED ARE YOU WITH THE INSIGHTS DELIVERED BY YOUR ORGANIZATION'S CURRENT MARKETING ATTRIBUTION EFFORTS?



Source: Winterberry Group/The Data & Marketing Association Business Report, 2017.

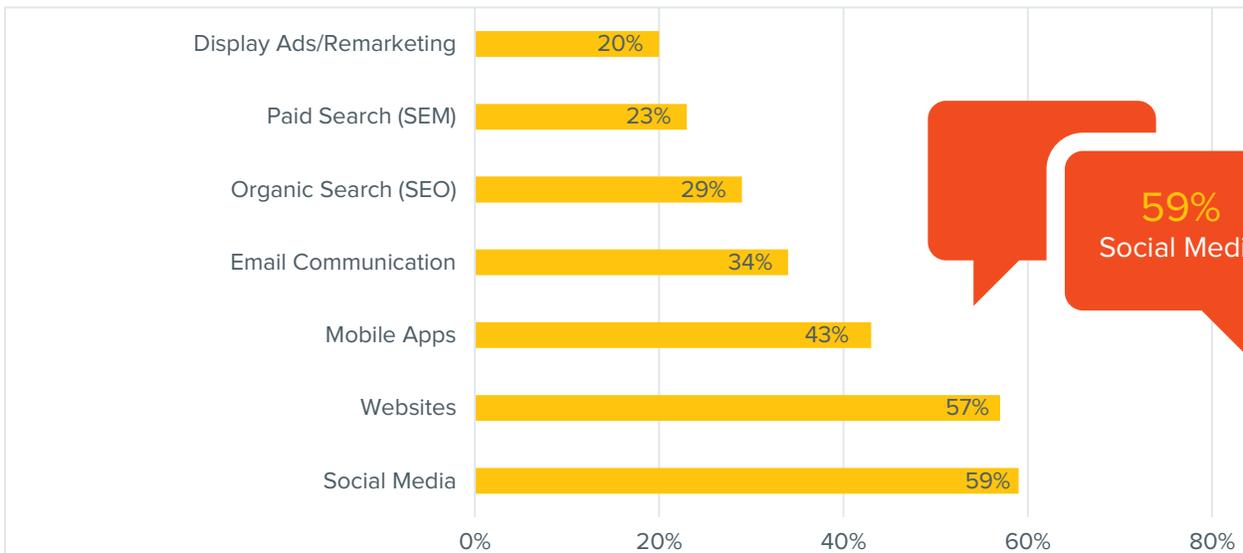


BIGGEST CHALLENGES IN USING EXISTING CRM



Source: HubSpot, State of Inbound, 2017.

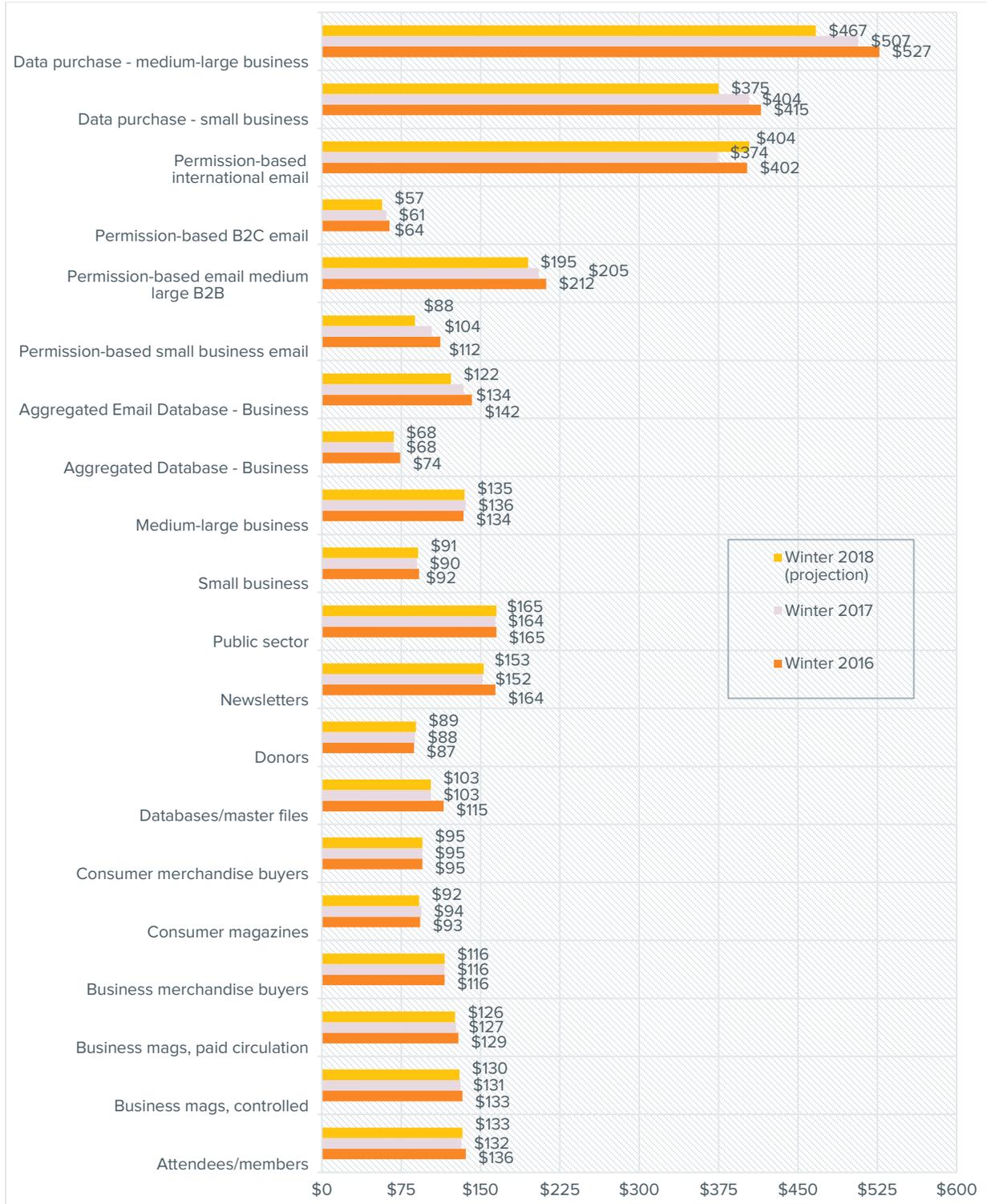
MOST EFFECTIVE CHANNELS FOR COLLECTING MARKETING DATA



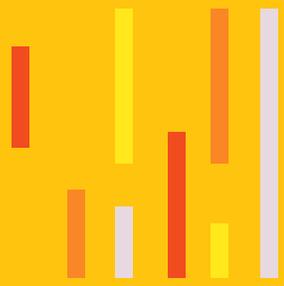
Source: Campaign Monitor and Ascend2, The Eye-Opening Truth About Data-Driven Marketing, 2017.



WORLDATA LIST PRICE INDEX – CPM



Source: Worldata Inc., 2017.



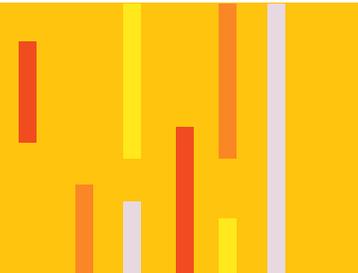
CHAPTER 3

Digital





CHAPTER 3: Digital



Digital Marketing Gets More COMPLEX and CRUCIAL... and CREATIVE in 2018

We're at the cusp of another evolutionary step in digital marketing. Marketers today have seemingly come to the realization that we view digital as a new world full of endless potential and promise. And yet, after making investments, we sometimes find the return is not necessarily an automatic 10x multiple on other channels just because we used "data-driven" thinking, or that the landscape is changing so quickly we simply cannot keep up with the rapid pace.

Connected devices promise to make those experiences happen with omnipresence, intimately connecting to people in their bedrooms, in their cars, on their persons, and in their pockets. Walled gardens like Facebook have hundreds of millions of customer IDs. Brands and agencies have customer databases full of deterministic IDs as well, which can be matched with qualitative panel data that give richer insights into personal behaviors, traits, affinities, and relationships than marketers have ever had before.

But in all this promise of digital as the data-driven "new world order," the basic marketing questions are the same: How do we use it? How do we help it to drive more personalized experiences? How do we know that our dollar delivered the right message to that actual person — and he saw it? How do we measure our return?

FASTER AND SMARTER

Digital marketing in its current form is really the product of about 10–15 years of evolution. In that short time frame, the last five years have been striking in terms of increased complexity. Things are getting more complex and doing so at a faster rate. With the new opportunities complexity brings come decreased levels of visibility, in some cases — and increased risk that investments in specific digital strategies carry more promise than results. We're all figuring it out in real time while it changes (in real time).



"We're all figuring it out in real time while it changes (in real time)."



That said, there's nowhere else better to spend our marketing budgets. Digital marketing remains the most powerful way a brand can market to an individual and do so in personalized ways. It's not uncommon for advertisers to realize ROAS increases of 20 percent or more when launching an effective people-based campaign through addressable media.

The rise of people-based marketing (PBM) and its increased sophistication over the next few years represents a meaningful sea change in the way investments will be made online. PBM is the ability to market to a known identity associated with individual traits and behaviors (rather than by proxy), and to do so at scale. This is the evolutionary step from cookie-based targeting, which has been (and remains) an acceptable level of fidelity for most digital marketing work until now. But it's still a proxy. With the ability to market to a known individual and customer ID, brands can know where and when to craft the right message, and do so personally and creatively.

CREATIVE INVESTMENT

And therein lies a key for 2018: As Marc Pritchard of P&G points out, it's still about creativity and innovation, perhaps more so than ever. PBM opens up a massive opportunity to more accurately target individuals. We then must create a more compelling, useful, and meaningful experience for those we target. This requires more creative investment and content strategy because it's all about the customer wanting what she wants when she wants it and avoiding interruptions along the way. She is in control to a much greater extent than ever before in this marketing game.



“...it's all about the consumer wanting what she wants when she wants it and avoiding interruptions along the way.”

Marketers today should think about how to make their inbound marketing campaigns enhance outbound marketing spend. The customer journey winding across device types and behaviors means an ever-expanding opportunity to be there, be useful, and be relevant for your customers. Digital marketers can do that by:

1. Leveraging large data sets of individual users to target them across platforms
2. Leveraging these data hubs to gain richer insights into audience affinities and behaviors, as well as related topics and interests, to inform evergreen content strategy and personalized experiences
3. Dynamically creating personalized content elements, combined with evergreen content, to drive visibility into highly correlated content themes
4. Tracking search behavior back in aggregate to the data hub and marrying it with deterministic IDs, creating an end-to-end linkage of search behavior and people



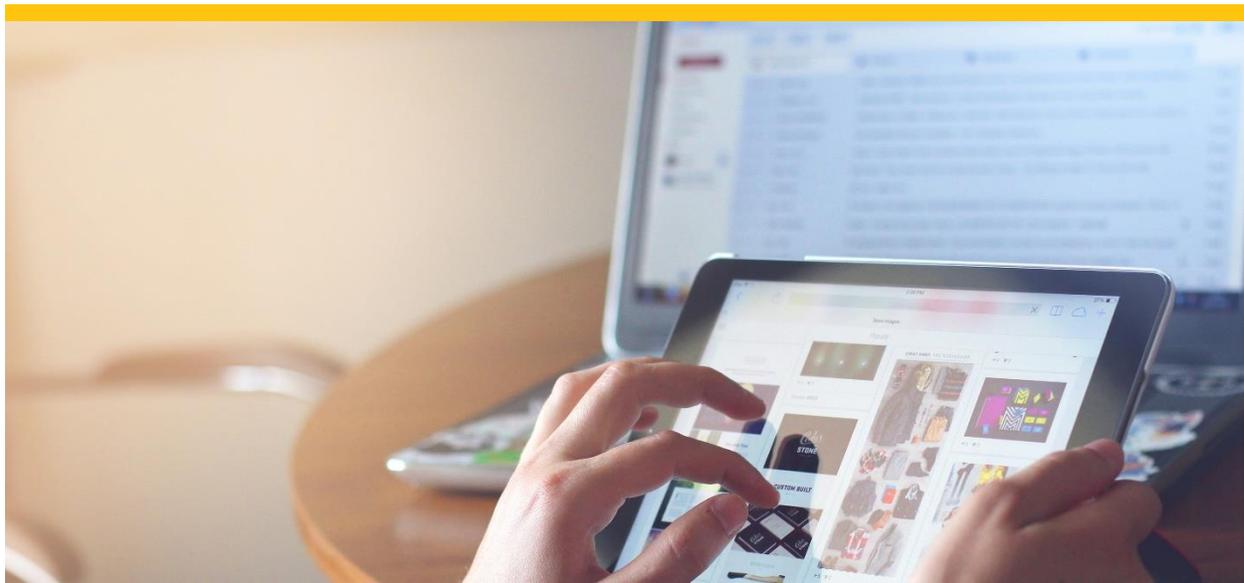
We're not far from being able to truly capitalize on the promise of addressable, people-based marketing. As we drive toward this vision, it's critical that marketers keep an eye on content strategy and its place at the center of the customer journey. That is a key to unlocking lifetime customer value and return on ad spend. And most importantly, it's vital to creating more valuable experiences for people who are increasingly connected and for whom their attention is a prized commodity.

Authored by:

Adam Audette
SVP, Global SEO Lead
Merkle Inc.

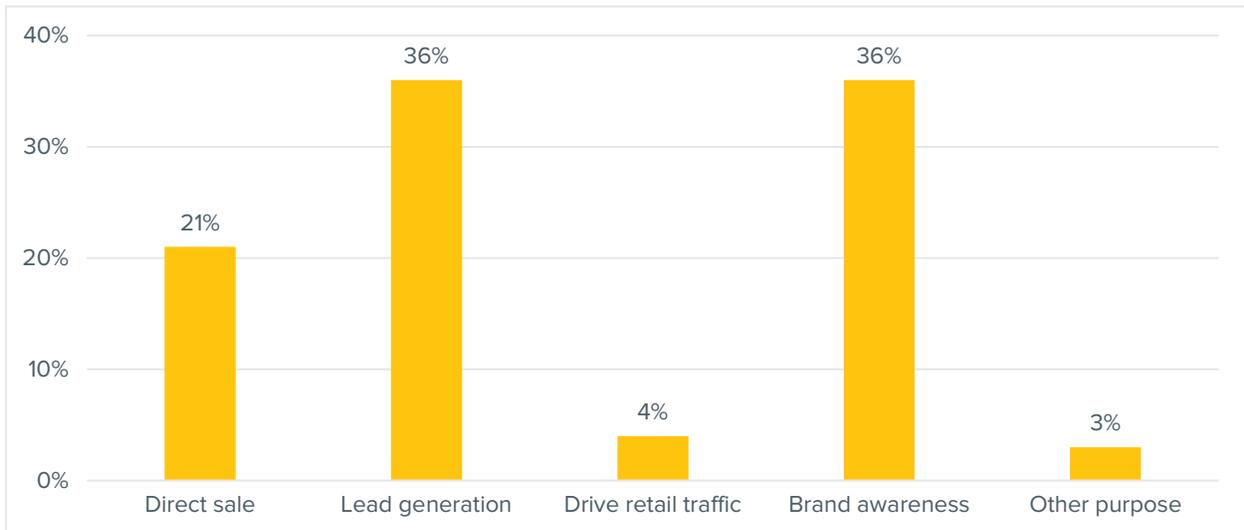
CHAPTER HIGHLIGHTS

- Digital ad spend projected to reach nearly 50% of all global media ad spend by 2021
- Display occupies the greatest allocation of digital spend in the US at \$38.3B
- 60% of households own an internet-connected TV
- 25% of marketers do not use an attribution model



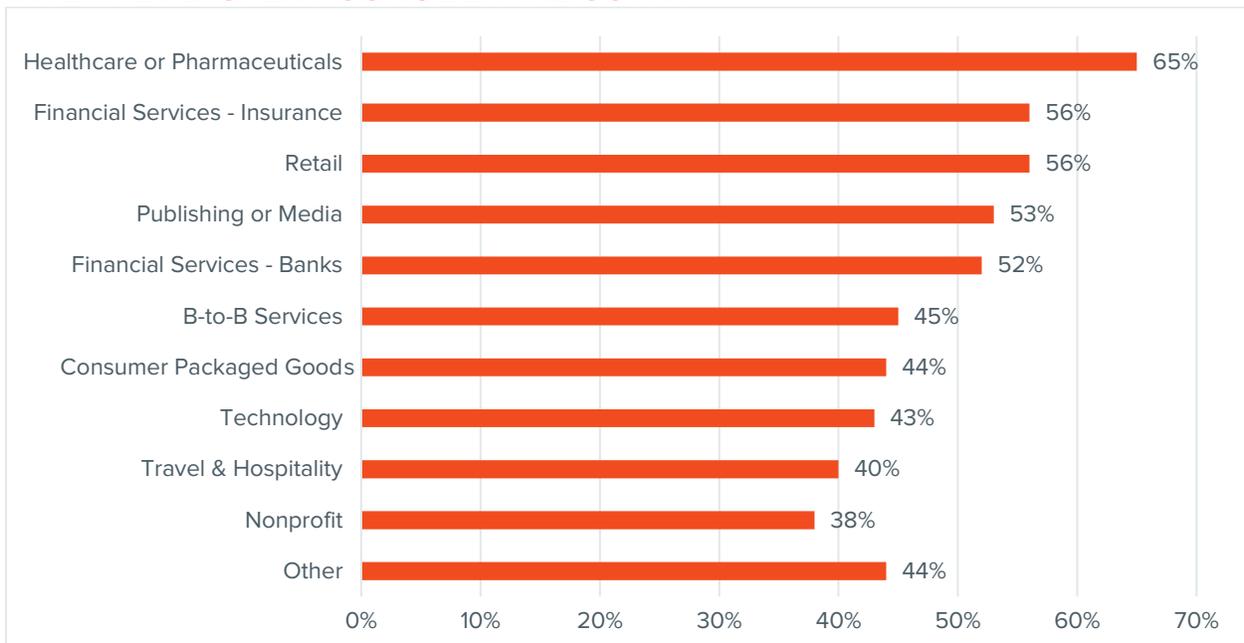


DISTRIBUTION OF RESPONDENTS BY PRIMARY DESIRED OUTCOME OF INTERNET DISPLAY AD CAMPAIGN



Source: The Data & Marketing Association & Demand Metric, Response Rate Report, 2017.

INTERNET DISPLAY USAGE BY INDUSTRY



Source: The Data & Marketing Association & Demand Metric, Response Rate Report, 2017.

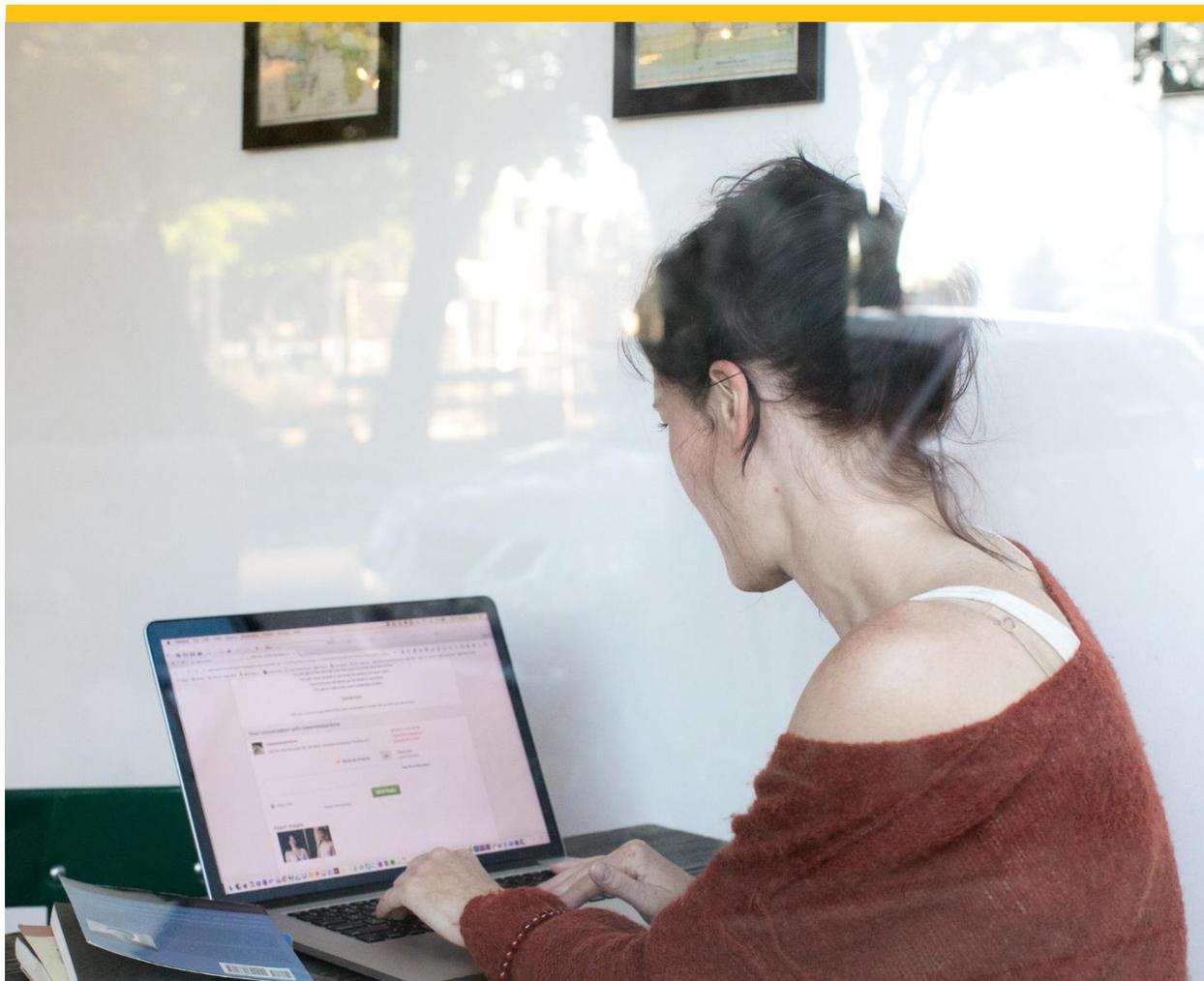


US ADULT DIGITAL COUPON USERS, 2016-2021

	2016	2017	2018	2019	2020	2021
U.S. digital coupon users	126,803,275.23	131,583,574.44	135,923,991.00	139,199,441.64	142,307,888.58	145,284,916.74
U.S. digital coupon user growth	5.84%	3.77%	3.30%	2.41%	2.23%	2.09%
U.S. digital coupon users (% of internet users)	59.50%	60.50%	61.50%	62.30%	63.10%	63.80%

Note: Internet users ages 18+ who redeemed a digital coupon/code via any device for online or offline shopping at least once during the calendar year; includes group-buying coupons.

Source: eMarketer, April 2017.





2017 DIGITAL MARKETING SALARIES

Crandall Associates, Inc., an executive recruiting firm, has determined the salaries by the following process: 1) Discussions with employers, from presidents to personnel officers, nationally, in companies varying in geographic areas, number of employees, and sales volume; 2) Personal interviews and discussions with professionals in Direct Marketing and Online Marketing at all salary levels, working from coast to coast; 3) Analysis of information collected as a result of discussions with potential candidates nationally, with adjustments made for the “fudge” factor. Copies of the full salary guide with 52 functions and regional salary variations are available for \$75 from Crandall Associates, Inc., 6 Litchfield Road, Suite 316, Port Washington, NY 11050, 516.767.6800.

<p>Manager Digital Marketing</p> <p><i>The online channels are drawing many new recruits to the field of direct marketing. The traditional direct marketing manager's sibling, the Manager Digital Marketing, has emerged as a very desirable position managing a source that is growing by leaps and bounds.</i></p> <p>DUTIES: Accesses and utilizes all relevant research and sales support tools in order to stay current in the online marketplace. Drives sales and customer retention through the website experience. Recommends product, content and marketing programs to support company marketing plans. Monitors and reports on the online sales and traffic results for the website. Builds infrastructures and processes for enabling and executing web contacts. Works closely with the marketing and IT teams to drive and execute various projects.</p> <table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;"><u>Salary Range</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Low</td> <td style="text-align: right;">\$72,800</td> </tr> <tr> <td style="text-align: left;">Average</td> <td style="text-align: right;">\$83,400</td> </tr> <tr> <td style="text-align: left;">High</td> <td style="text-align: right;">\$91,500</td> </tr> </tbody> </table>	<u>Salary Range</u>		Low	\$72,800	Average	\$83,400	High	\$91,500	<p>Vice President Digital Marketing</p> <p><i>The ability to respond quickly to trends in a rapidly changing environment is one that makes or breaks success in the interactive online world.</i></p> <p>DUTIES: Responsible for providing strategy and direction for all online marketing strategies, including social media, branding, and communications. Oversees and directs online marketing channels, including paid and organic search initiatives, email marketing, and media partnerships potentially including mobile, social, and video. Interacts with top-line management for both online and offline internal departments to drive continuous sales growth through the online channel. Oversees relationships with vendors, affiliates, and other companies that buy online leads. Manages and merchandises the company website, including user interface of the visual merchandising, product merchandising, site navigation and shopability, transaction processing, onsite promotion management, and site analytics.</p> <table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;"><u>Salary Range</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Low</td> <td style="text-align: right;">\$142,700</td> </tr> <tr> <td style="text-align: left;">Average</td> <td style="text-align: right;">\$163,800</td> </tr> <tr> <td style="text-align: left;">High</td> <td style="text-align: right;">\$190,300</td> </tr> </tbody> </table>	<u>Salary Range</u>		Low	\$142,700	Average	\$163,800	High	\$190,300
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<p>Website Manager</p> <p><i>The website is the storefront — or at least the corporate brochure — for the organization, and it takes a savvy professional to present it well. An effective Website Manager keeps them coming back again and again.</i></p> <p>DUTIES: Responsible for developing and executing marketing communications, focusing on building the company's website customer base. Responsible for growth of page impressions, unique users, web subscribers, and registered users against target. Studies the analysis of site traffic and user surveys to gain understanding of customer purchase patterns. Responsible for the overall “look and feel” of the website, and ensuring consistency with the company's brand image. Responsible for content updates, engagement, optimization, content, back linking, SEO, and website code health. Keeps abreast of web-related developments and evaluates new revenue opportunities.</p> <table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;"><u>Salary Range</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Low</td> <td style="text-align: right;">\$68,900</td> </tr> <tr> <td style="text-align: left;">Average</td> <td style="text-align: right;">\$79,500</td> </tr> <tr> <td style="text-align: left;">High</td> <td style="text-align: right;">\$91,300</td> </tr> </tbody> </table>	<u>Salary Range</u>		Low	\$68,900	Average	\$79,500	High	\$91,300	<p>Email Marketing Manager</p> <p><i>There is no more “direct” response in direct marketing than the email channel. Campaign results can be determined with unprecedented speed and adjusted accordingly. This person is responsible for all aspects of planning and execution, including calendar management, creative development, productions, and analytics.</i></p> <p>DUTIES: Drives and executes email marketing communications to create awareness and interest, resulting in customers returning to purchase new and additional products. Develops and executes regularly scheduled “push” campaigns and special promotions. Develops and oversees the executions of e-newsletters and other regularly scheduled emarketing campaigns. Must have an understanding of CAN-SPAM. Interfaces with analytics, testing, and CRM teams, and is responsible for email service provider selection and vendor evaluation.</p> <table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;"><u>Salary Range</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Low</td> <td style="text-align: right;">\$72,600</td> </tr> <tr> <td style="text-align: left;">Average</td> <td style="text-align: right;">\$75,700</td> </tr> <tr> <td style="text-align: left;">High</td> <td style="text-align: right;">\$89,400</td> </tr> </tbody> </table>	<u>Salary Range</u>		Low	\$72,600	Average	\$75,700	High	\$89,400
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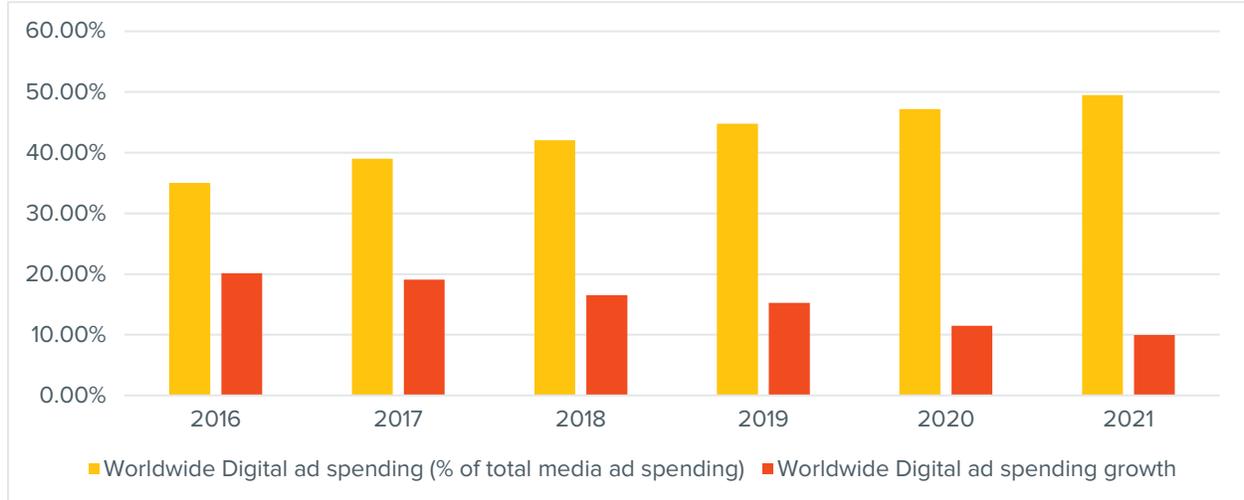
Note: All salary information from Crandall Associates, Inc. is copyright-protected. This material may not be photocopied or otherwise reprinted in any other communication, unless permission is directly granted by Crandall Associates, Inc. 516.767.6800. www.crandallassociates.com

Source: Crandall Associates, Inc., 2017.



DIGITAL AD SPENDING WORLDWIDE, 2016-2021

In Billions



*INCLUDES ADVERTISING THAT APPEARS ON DESKTOP AND LAPTOP COMPUTERS AS WELL AS MOBILE PHONES, TABLETS, AND OTHER INTERNET-CONNECTED DEVICES, AND INCLUDES ALL THE VARIOUS FORMATS OF ADVERTISING ON THOSE PLATFORMS; EXCLUDES SMS, MMS, AND P2P MESSAGING-BASED ADVERTISING.

Source: eMarketer, September 2017.

US DIGITAL AD SPENDING, 2016-2021

In Billions

	2016	2017	2018	2019	2020	2021
Digital ad spending (billions)	\$71,596,386,844.02	\$83,003,229,082.91	\$93,750,406,486.25	\$105,436,384,769.58	\$117,531,570,582.18	\$129,257,940,678.75
U.S. digital ad spending (% of total media ad spending)	36.71%	40.48%	43.62%	46.56%	48.94%	51.31%
U.S. digital ad spending growth	19.68%	15.93%	12.95%	12.46%	11.47%	9.98%

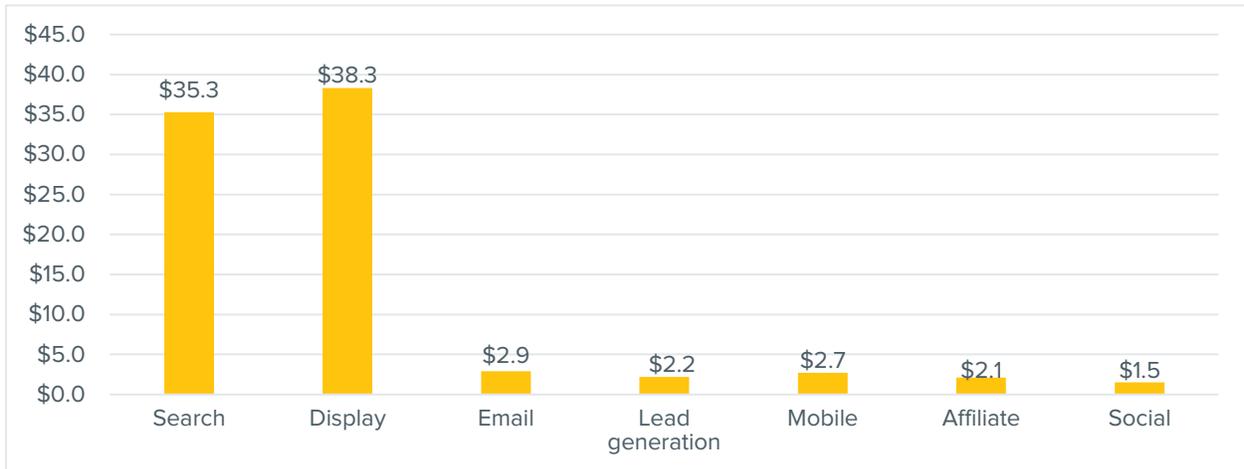
NOTE: INCLUDES ADVERTISING THAT APPEARS ON DESKTOP AND LAPTOP COMPUTERS AS WELL AS MOBILE PHONES, TABLETS, AND OTHER INTERNET-CONNECTED DEVICES ON ALL FORMATS MENTIONED; INCLUDES CLASSIFIEDS, DIRECTORIES, DISPLAY (BANNERS/STATIC DISPLAY, RICH MEDIA, SPONSORSHIPS, AND VIDEO, INCLUDING ADVERTISING THAT APPEARS BEFORE, DURING OR AFTER DIGITAL VIDEO CONTENT IN A VIDEO PLAYER), EMAIL, SEARCH (PAID LISTINGS, CONTEXTUAL TEXT LINKS, AND PAID INCLUSION), MOBILE MESSAGING (SMS, MMS, AND P2P MESSAGING), AND LEAD GENERATION (REFERRALS); DATA UP TO 2015 IS DERIVED FROM INTERACTIVE ADVERTISING BUREAU (IAB)/PRICEWATERHOUSECOOPERS (PWC) DATA.

Source: eMarketer, August 2017.



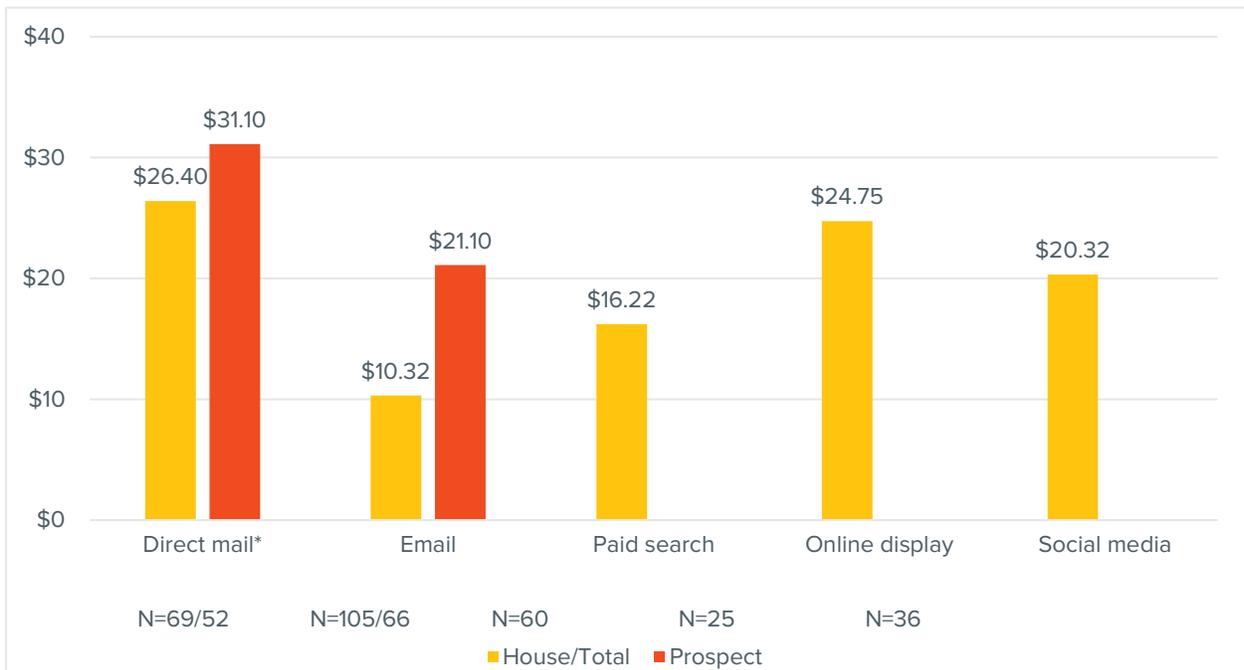
2017 US DIGITAL MEDIA SPENDING (\$85.0 BB)

In Billions



Source: Winterberry Group analysis of multiple sources, 2017.

COST PER ACQUISITION BY SELECTED MEDIA

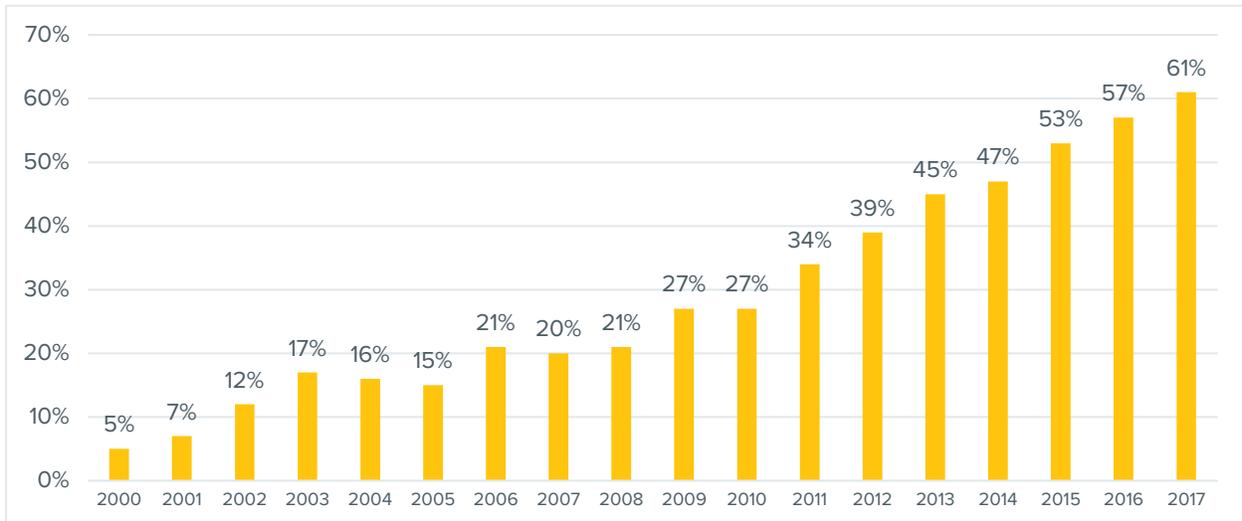


*Cost per response.

Source: The Data & Marketing Association & Demand Metric, Response Rate Report, 2017.

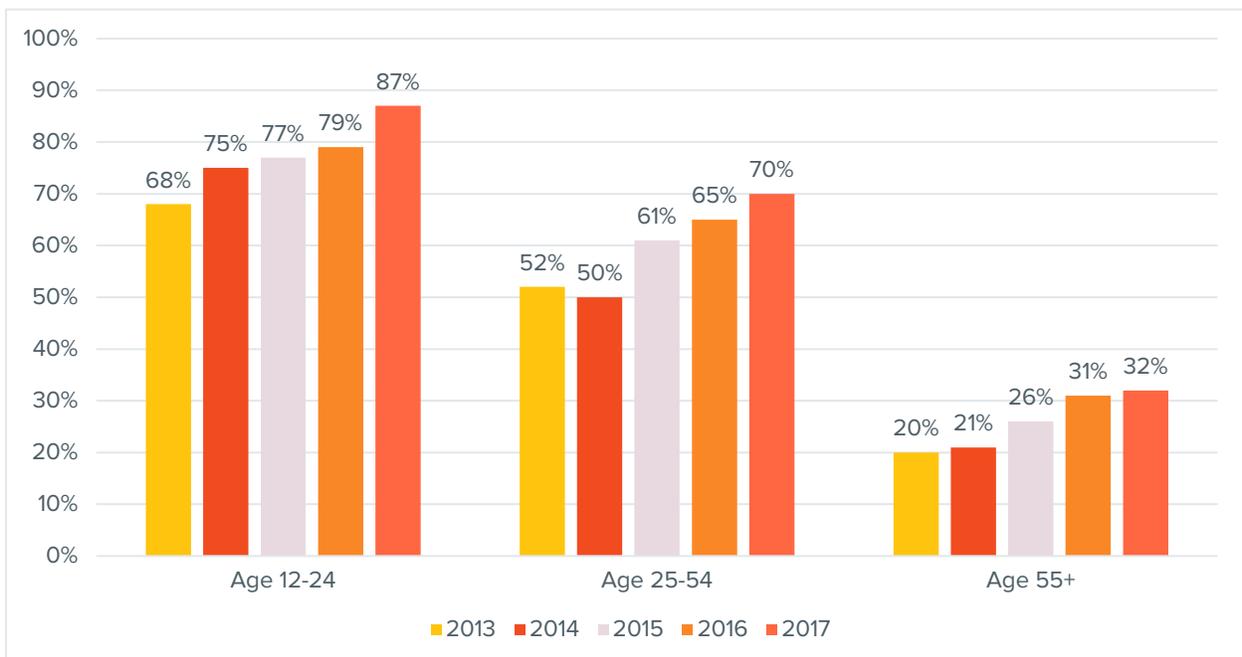


ONLINE RADIO LISTENING



Population: 12+
Source: Edison Research, *The Infinite Dial*, 2017.

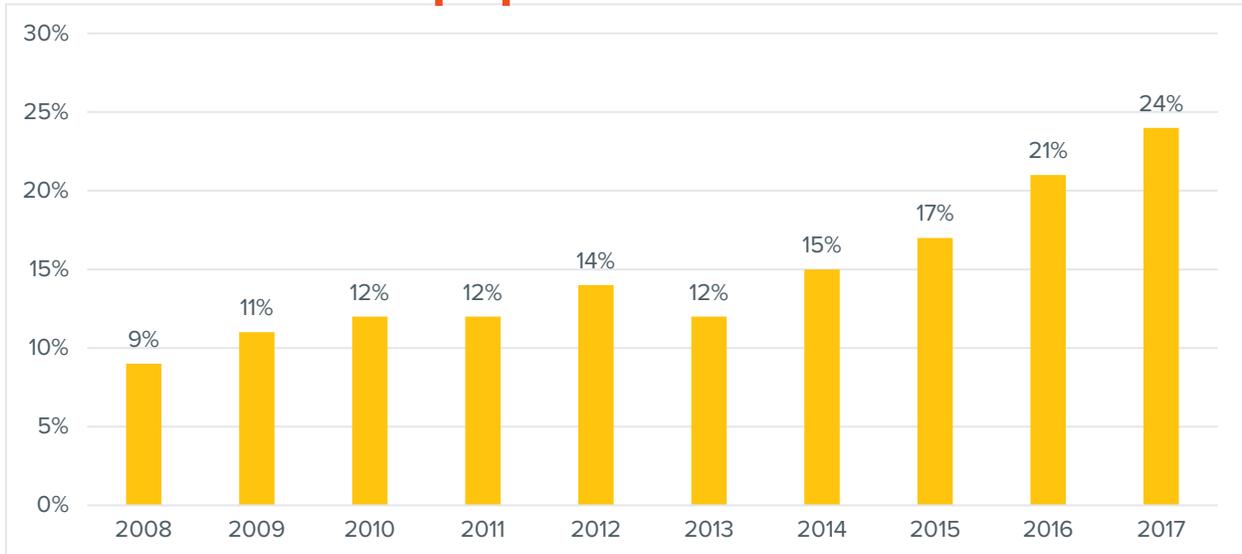
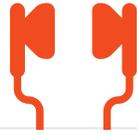
ONLINE RADIO LISTENING BY AGE



Source: Edison Research, *The Infinite Dial*, 2017.



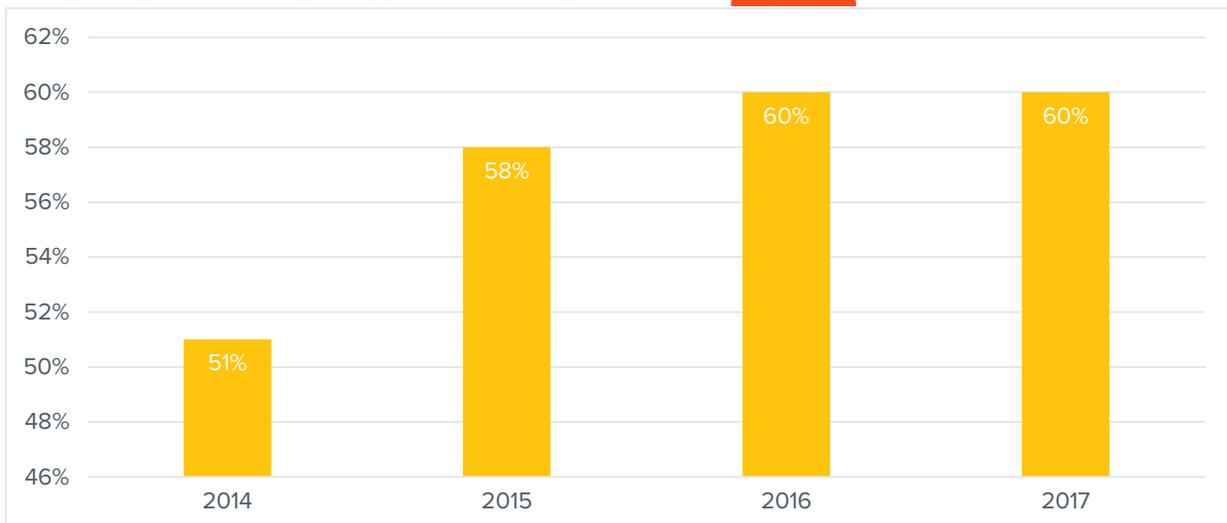
PODCAST LISTENING



Population: 12+

Source: Edison Research, *The Infinite Dial*, 2017.

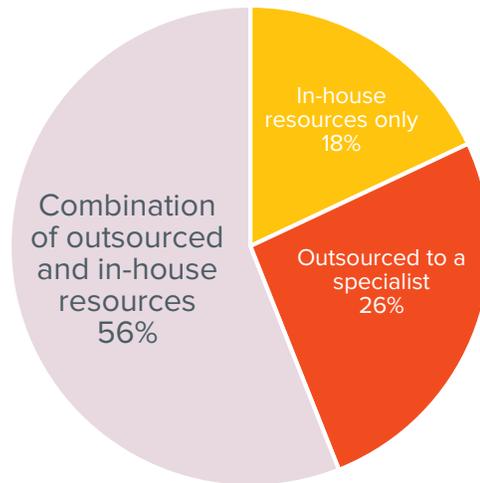
INTERNET-CONNECTED TV OWNERSHIP



Source: Edison Research, *The Infinite Dial*, 2017.

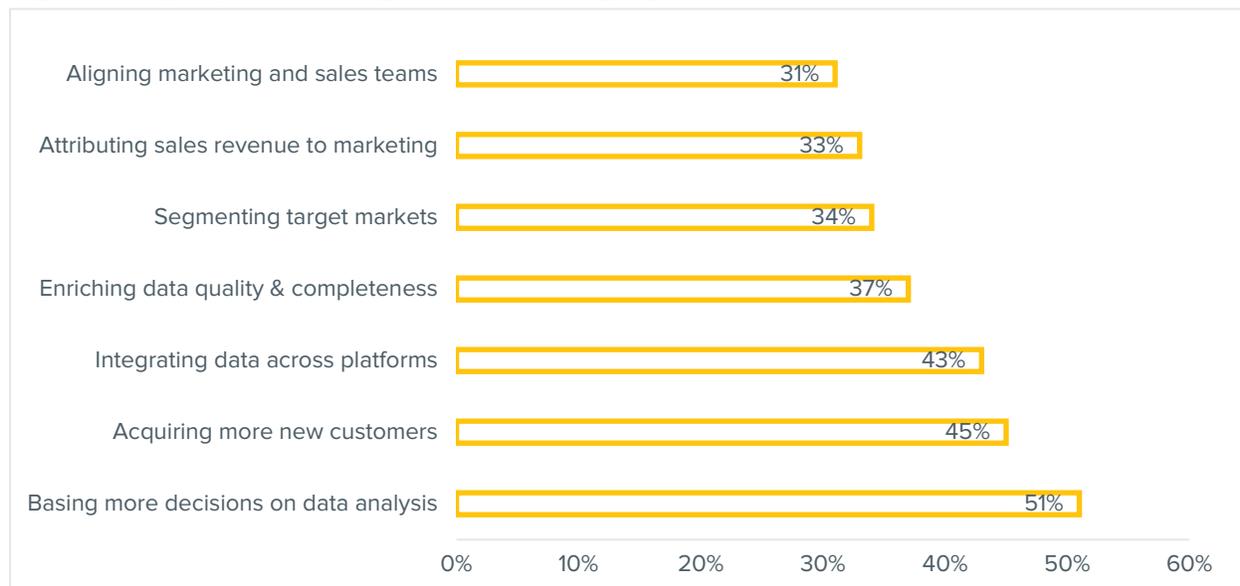


WHICH BEST DESCRIBES THE RESOURCES USED TO IMPROVE MARKETING DATA QUALITY?



Source: Marketing Data Quality Trends Survey, Ascend2 and Research Partners, January 2017.

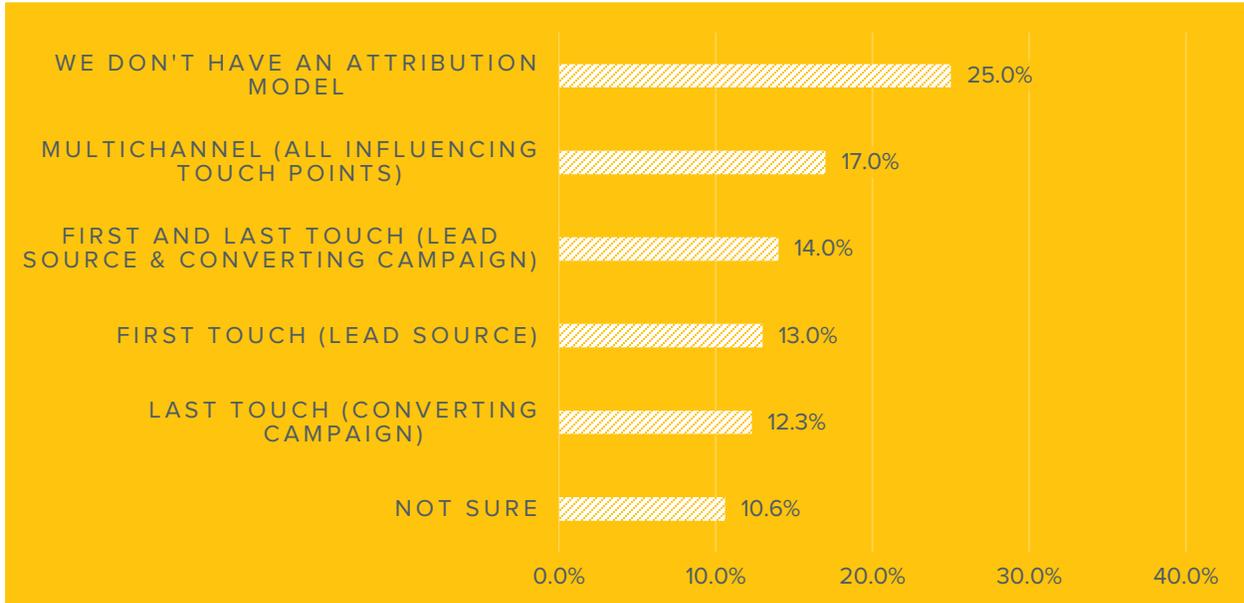
WHAT ARE THE MOST IMPORTANT OBJECTIVES FOR A MARKETING TECHNOLOGY STRATEGY TO ACHIEVE?



Source: Marketing Data Quality Trends Survey, Ascend2 and Research Partners, January 2017.

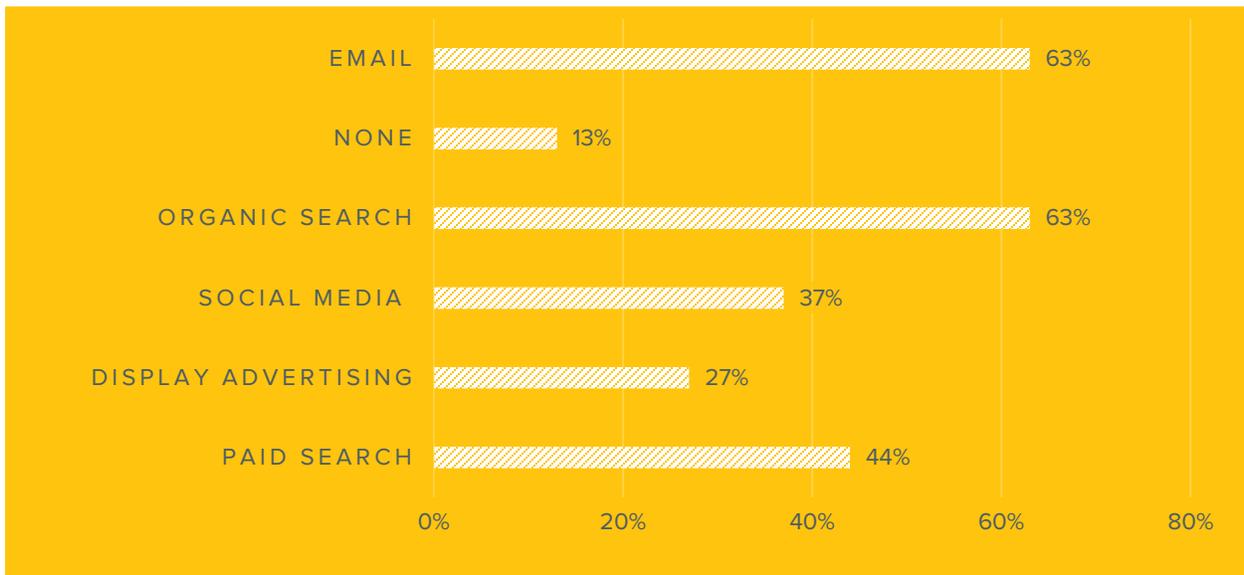


ATTRIBUTION MODELS USED TO MEASURE DIGITAL MARKETING ROI



Source: Wpromote, 2017 State of B2B Digital Marketing, 2017.

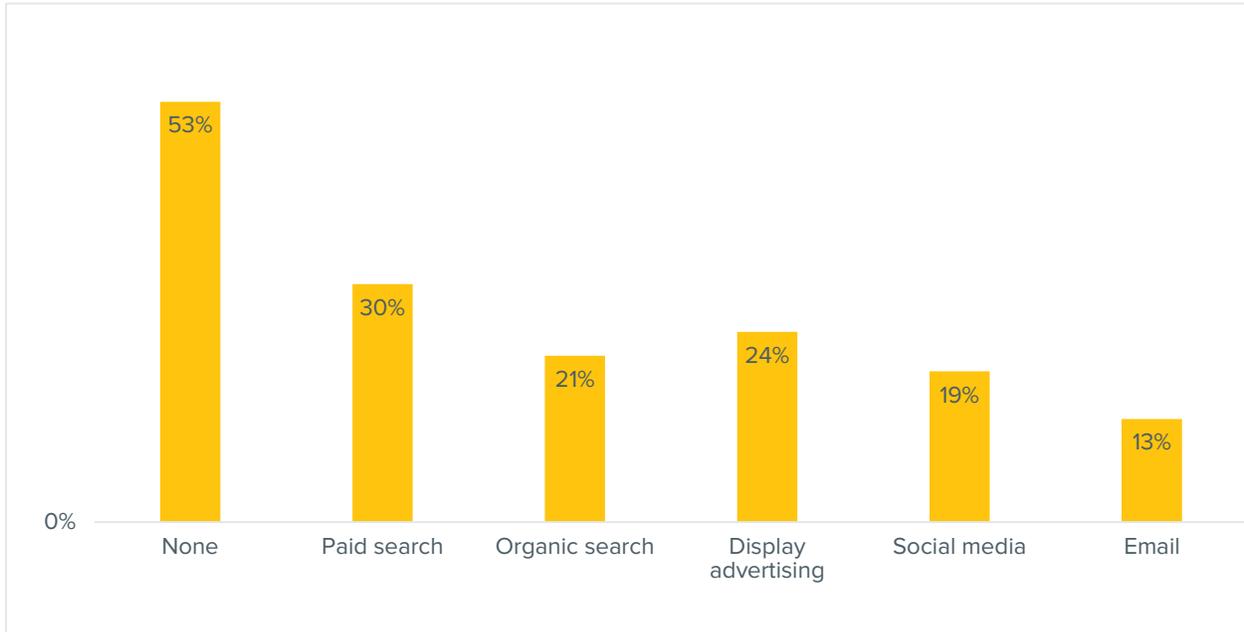
CHANNELS THAT DRIVE REVENUE



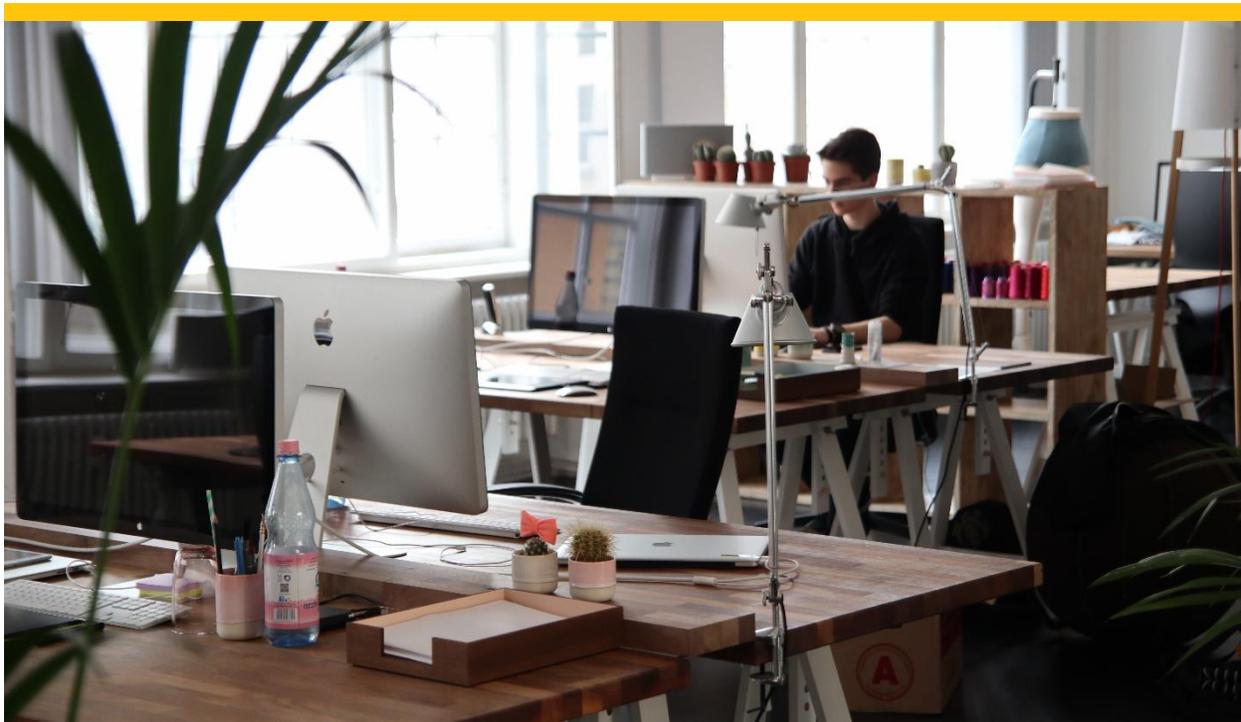
Source: Wpromote, 2017 State of B2B Digital Marketing, 2017.



CHANNELS THAT GET OUTSOURCED TO AN AGENCY

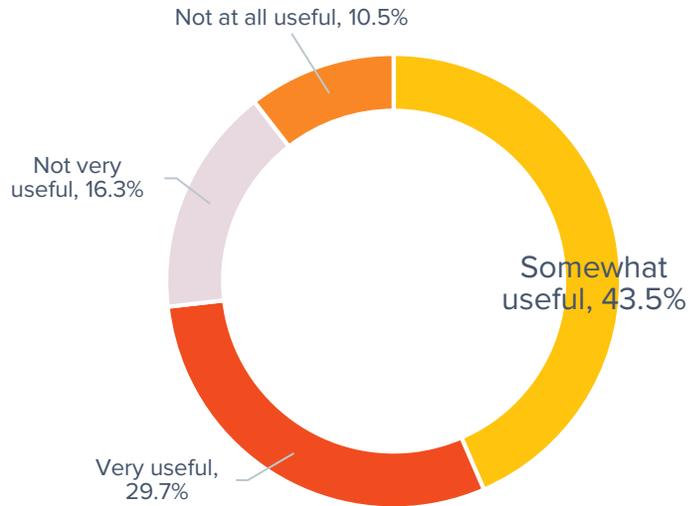


Source: Wpromote, 2017 State of B2B Digital Marketing, 2017.



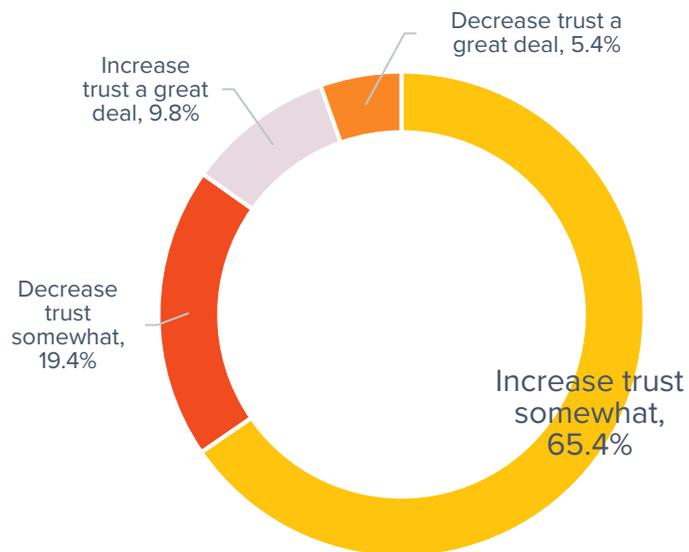


HOW USEFUL DO PEOPLE FIND THE ADCHOICES ICON ON DIGITAL ADS?



Source: Digital Advertising Alliance Survey of US Adults, May-June 2017

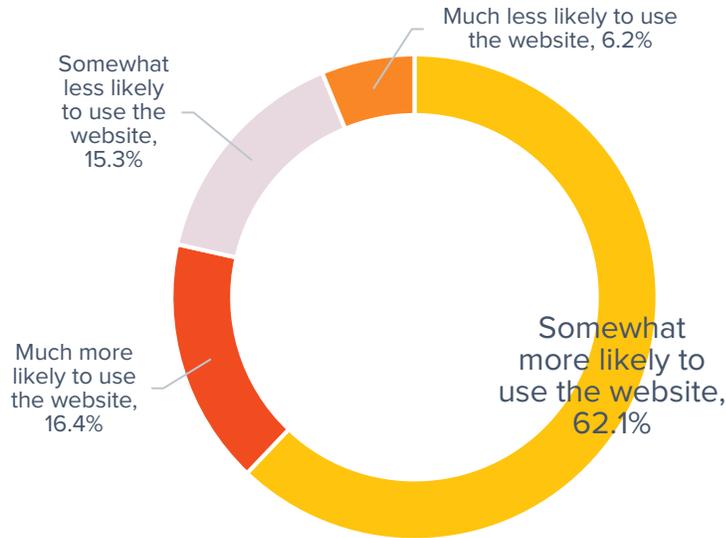
ADCHOICES ICON INCREASES OR DECREASES TRUST IN THE ADVERTISER



Source: Digital Advertising Alliance Survey of US Adults, May-June 2017

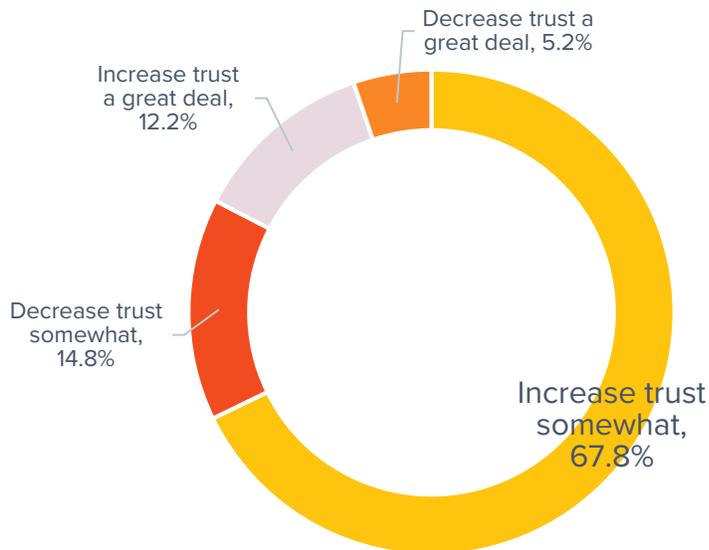


LIKELIHOOD SOMEONE WILL USE A WEBSITE DISPLAYING THE ADCHOICES ICON



Source: Digital Advertising Alliance Survey of US Adults, May-June 2017

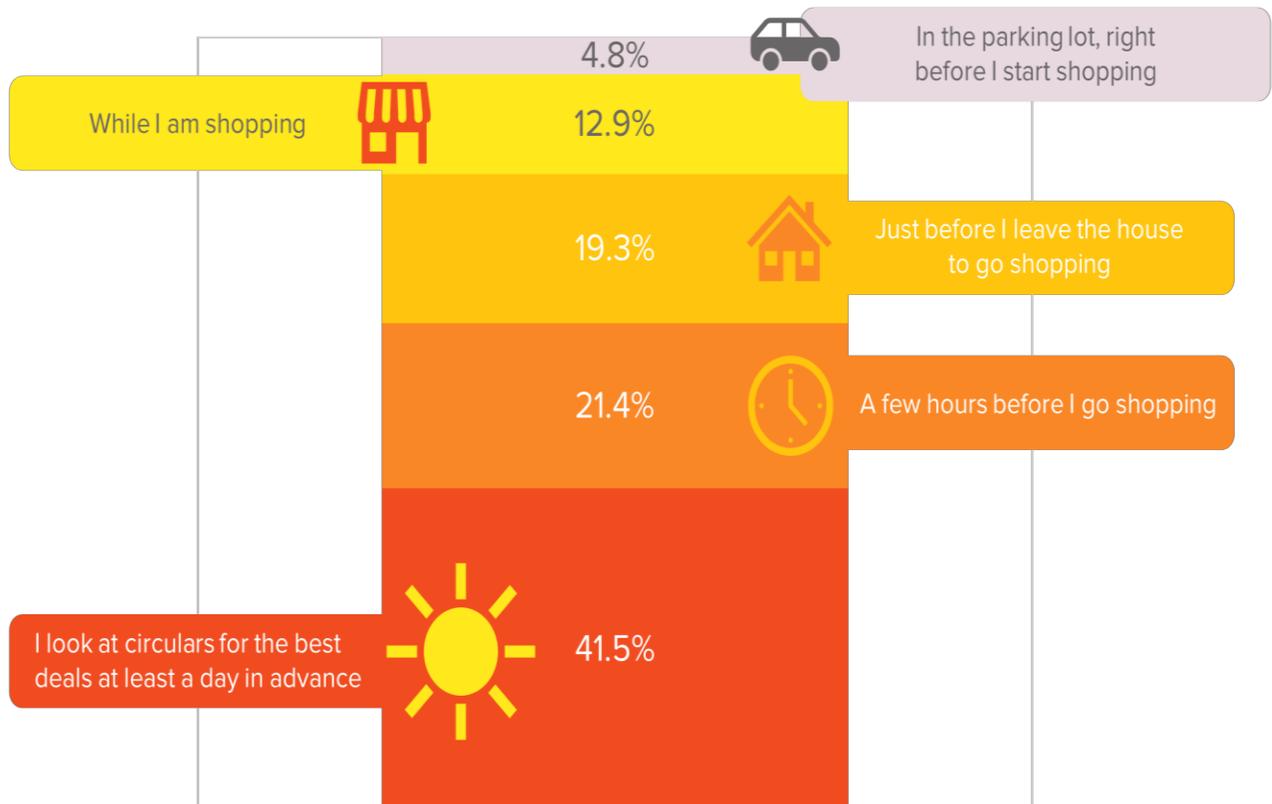
EFFECT OF THE USE OF ADCHOICE ICONS FOR EMERGING PLATFORMS ON CONSUMER TRUST



Source: Digital Advertising Alliance Survey of US Adults, May-June 2017



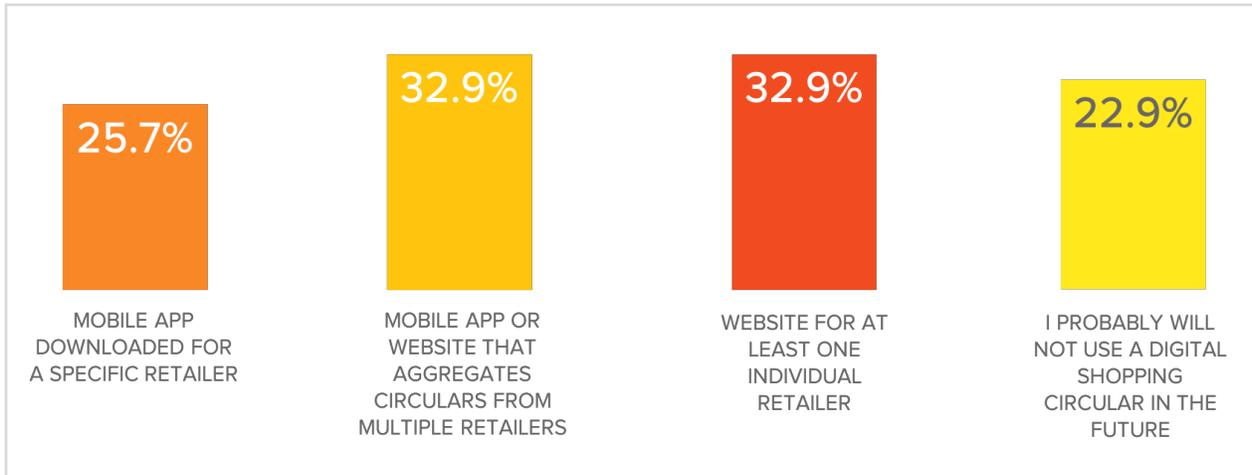
WHEN WOULD YOU BE MOST LIKELY TO OPEN A DIGITAL CIRCULAR?



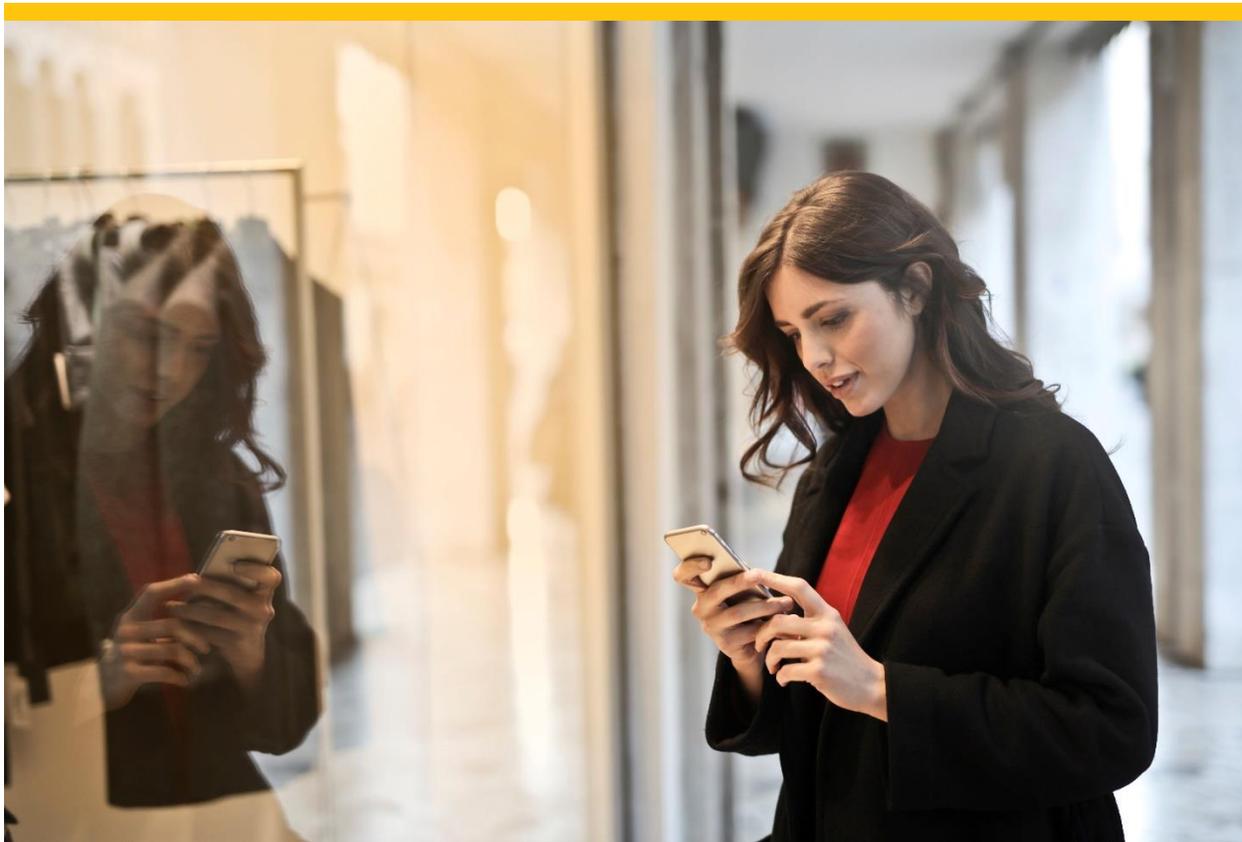
Source: Placed, *The New Mobile Circular*, 2017.



WHICH TYPE OF DIGITAL CIRCULAR WOULD YOU PREFER TO USE?

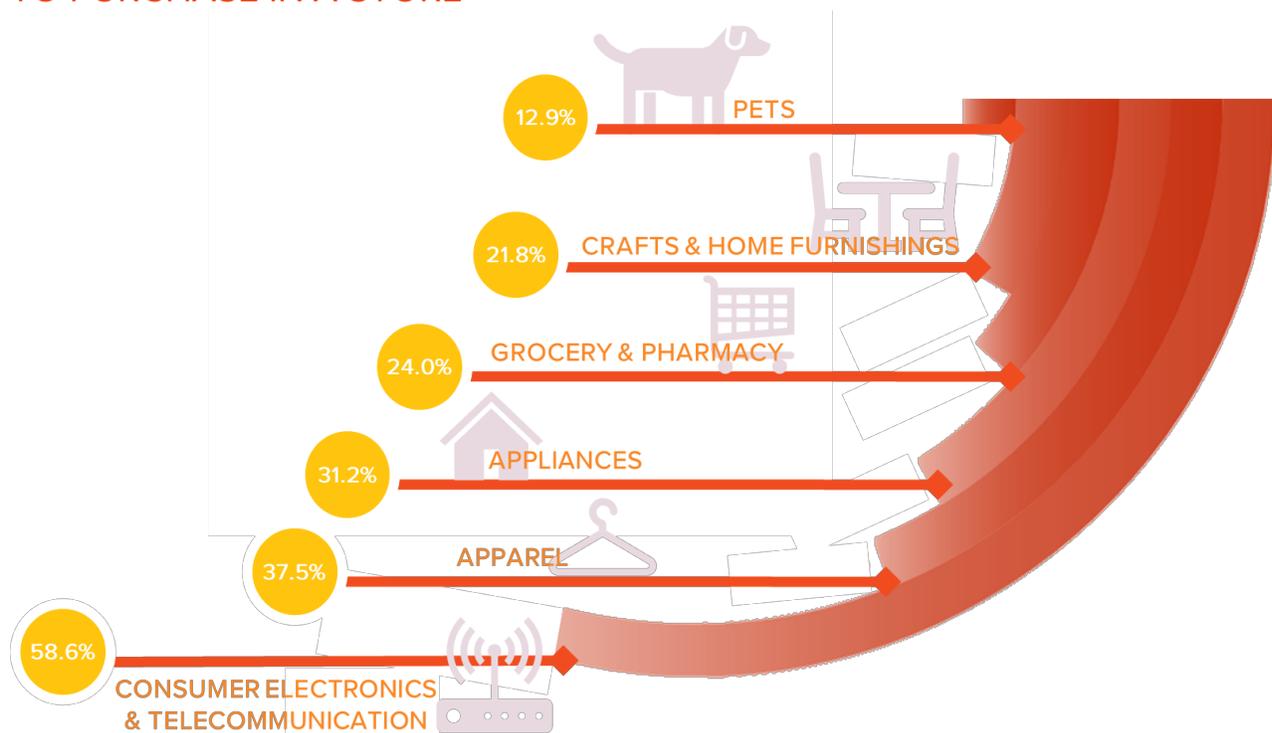


Source: Placed, *The New Mobile Circular*, 2017.





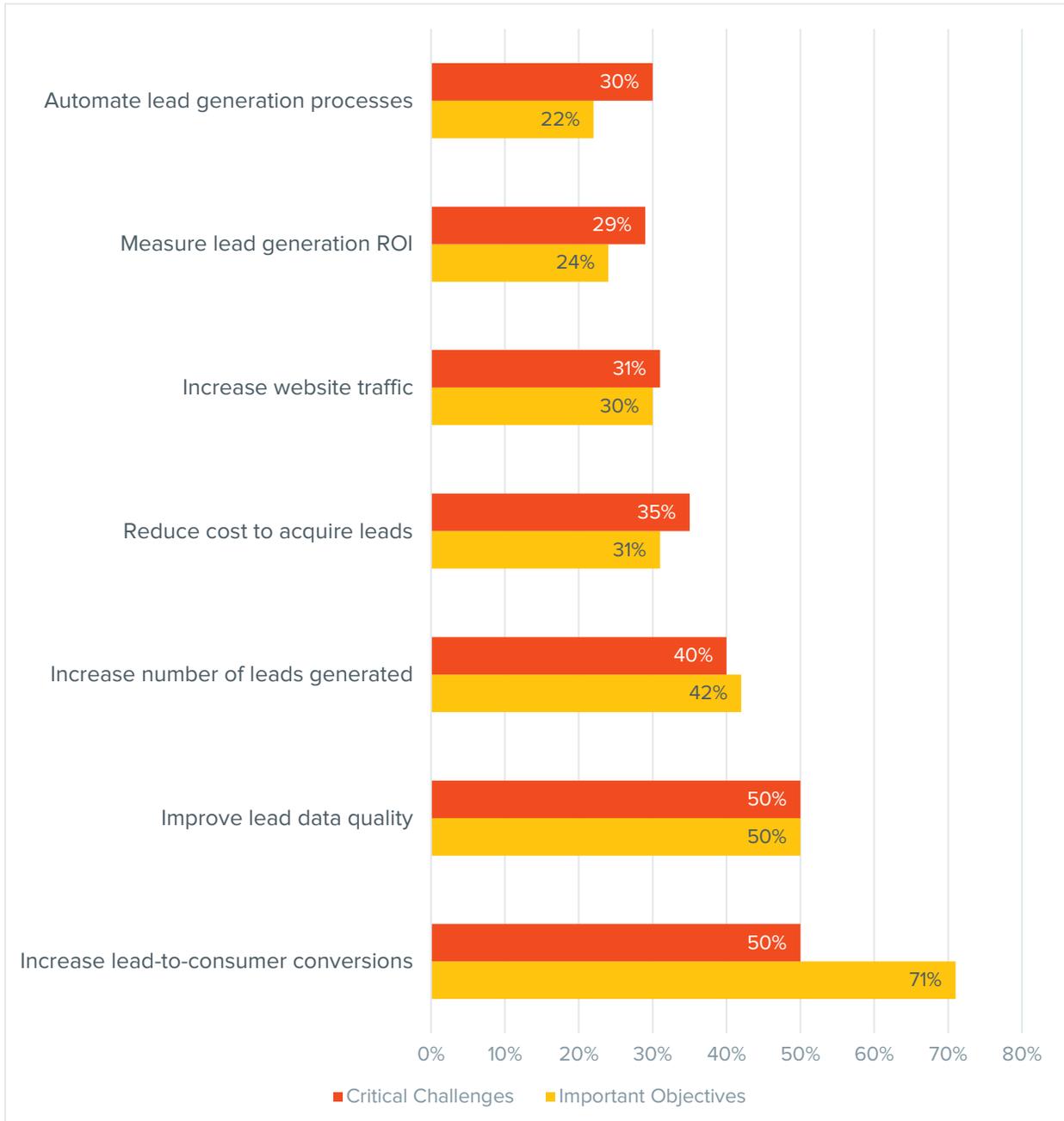
PRODUCTS MOST RESEARCHED ONLINE PRIOR TO PURCHASE IN A STORE



Source: Placed, The New Mobile Circular, 2017.



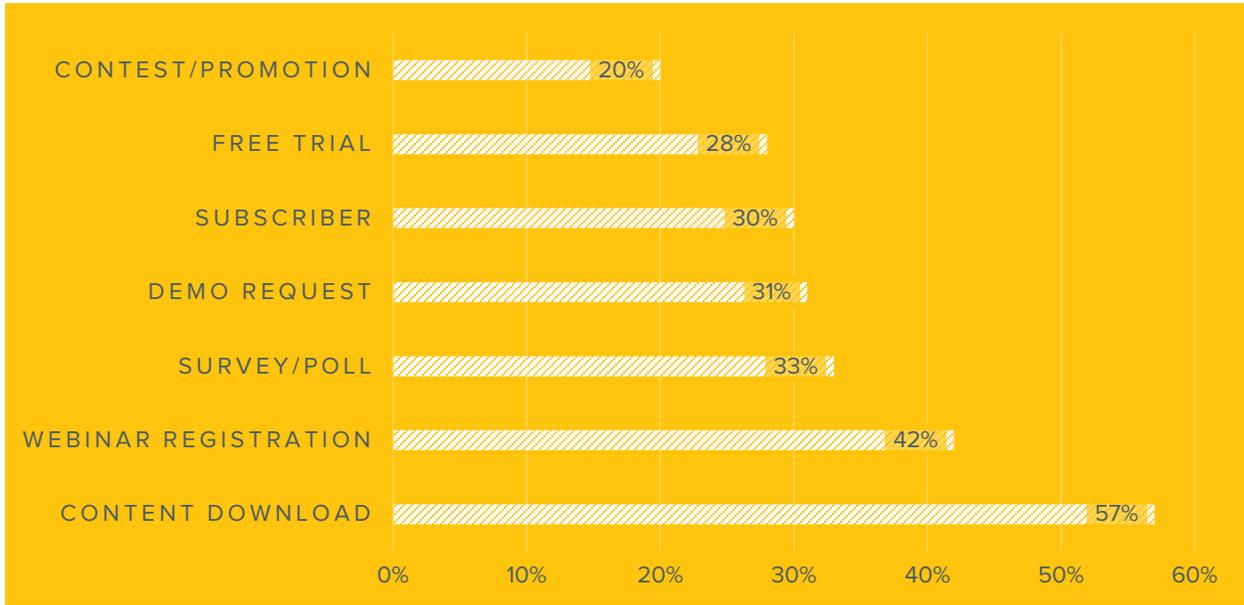
STRATEGIC COMPARISON OF OBJECTIVES AND CHALLENGES



Source: Ascend2/Research Partners, Lead Generation to Increase Conversions Survey, August 2017.

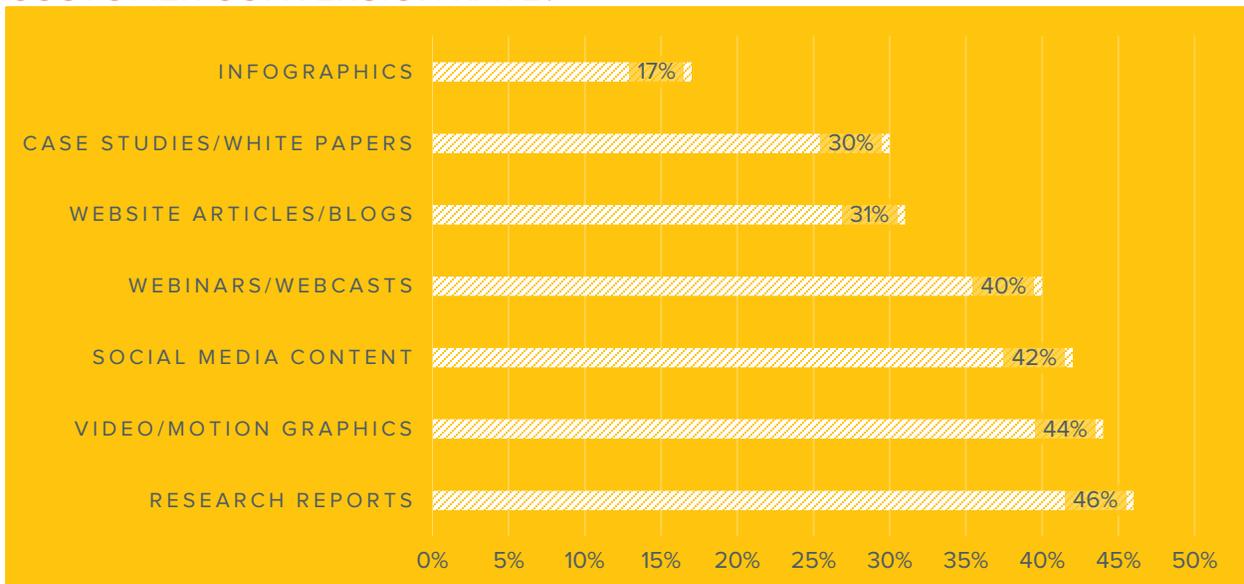


WHAT TYPES OF ONLINE FORMS GENERATE LEADS WITH THE HIGHEST CUSTOMER CONVERSION RATE?

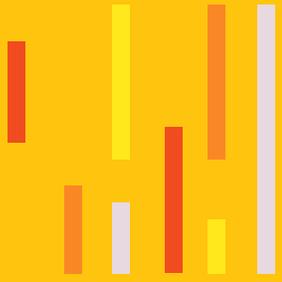


Source: Ascend2/Research Partners, Lead Generation to Increase Conversions Survey, August 2017.

WHAT TYPES OF CONTENT GENERATE LEADS WITH THE HIGHEST CUSTOMER CONVERSION RATE?



Source: Ascend2/Research Partners, Lead Generation to Increase Conversions Survey, August 2017.



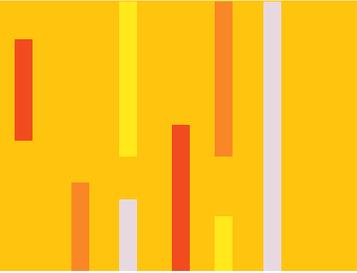
CHAPTER 4

Email





CHAPTER 4: Email



EMAIL MAY BE THE OLDEST DIGITAL KID ON THE BLOCK, BUT IT'S STILL KILLING IT AFTER 46 YEARS

Year after year, email marketing continues to be the best digital channel for return on investment. The Data & Marketing Association's (DMA) Response Rate Report indicates email marketing is still the most profitable, showing the lowest cost per acquisition across all media types at \$10.32. Largely due to email's high ROI, half of marketers are planning to increase their use of it.

Even executives are noticing the success of their email programs. According to a recent survey conducted jointly by Return Path and Ascend2, an overwhelming majority of C-level executives (91 percent) report that email marketing was important in achieving strategic objectives, including ROI and conversions. And perhaps more promising for the future, 85 percent of C-level executives think their email performance is improving, with 58 percent reporting significant improvement. Email marketers are seeing the most success with tactics such as personalization (44 percent) and social sharing (41 percent).

STILL RISKY, BUT GETTING SAFER

Phishing has always been a serious problem, but it's getting worse. Phishers have been using more sophisticated, targeted attacks in the form of business email compromise (BEC) scams, targeting not only executives but people deep within an organization, which saw an increase of 45 percent. The FBI reports that BEC scams have accounted for more than \$5.5 billion in losses worldwide. Everyone is at risk when it comes to email fraud. Even Facebook and Google, arguably two of the largest organizations that go to great lengths to combat phishing, were tricked into wiring over \$100 million via email.

“Phishing has always been a serious problem, but it's getting worse.”

But there are signs of hope. Armed with its data and algorithms, Google has made great strides in identifying suspicious emails. Thanks to machine learning, Google has a 99.9 percent accuracy rate when identifying spam and phishing messages.

Google is attacking phishing the same way it does everything — by applying its world-class machine learning expertise to the problem of recognizing suspicious email. An early phishing detection algorithm identifies email that has phishing characteristics. The suspicious email then is flagged and subjected to further analysis, including a Safe Browsing test that can delay delivery by up to four minutes.



Google’s algorithm learns new phishing and spam patterns as it is exposed to them and updates in real time. Google claims that 50–70 percent of the emails that pass through Gmail are spam and that its detection system achieves a 99.9 percent accuracy score. When combined with email authentication, this algorithm can and will make email safer in the future.

MORE FUN AND FRIENDLY

We’ll continue to see email evolve into a more fun and friendly channel. Email designs are seeing more creativity in fades, fonts, and animated GIFs. But it’s hard to miss the abundant use of emojis, too. While it may seem as though we’ve hit “peak emoji use,” it’s likely we’ll see even more of them in our inbox in the new year, as marketers test their effectiveness on their own audiences.

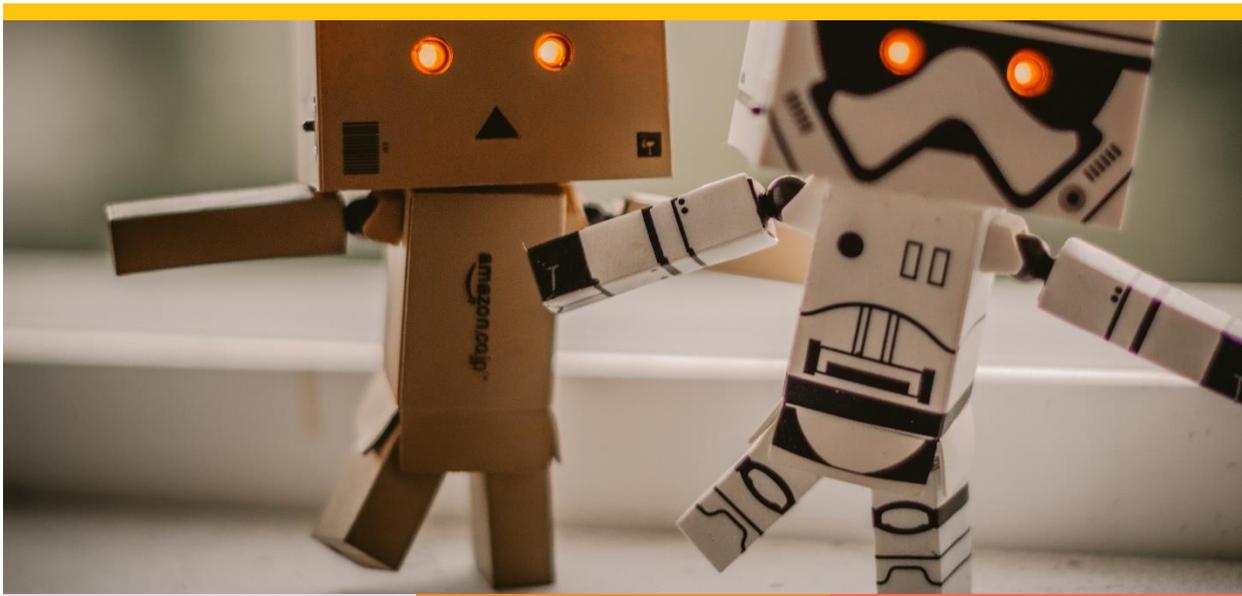
Mailbox providers are also making the inbox more user-friendly. Gmail has doubled down on engagement-based filtering, making the inbox more manageable but also giving email marketers headaches, as more emails land in the spam folder as a result. We’ve also seen a new list-unsubscribe standard introduced, and Microsoft and Yahoo, much like Gmail, are allowing users to separate important emails from all others.

GETTING SMARTER EVERY DAY

Email marketers will continue to see great performance and opportunities ahead of them — but only if they can adapt. Spam filters will continue to evolve, relying more and more on machine learning and individual user engagement. This will not only make it more difficult for marketers to reach the inbox but also transform the idea of deliverability into “send optimization,” where marketers will focus more on who they’re sending to and when versus focusing solely on inbox placement.

As the risks from email fraud continue to rise, email marketers will need to not only take a more active role in security to protect their brand but also protect their customers. This means adopting the latest anti-phishing measures and monitoring the email ecosystem for fraud.

Artificial intelligence (AI) may be in its early days, but it will help email marketers conquer the inbox. Not only will AI help curb email fraud, but also it will help marketers make highly complex decisions in a split second, from when to send an email to what content to include.





Email shows no signs of slowing down in 2018. It will continue to evolve, improve, and be smarter. We'll see more investments and resources devoted to email, making it a better, safer, and more effective channel for everyone.

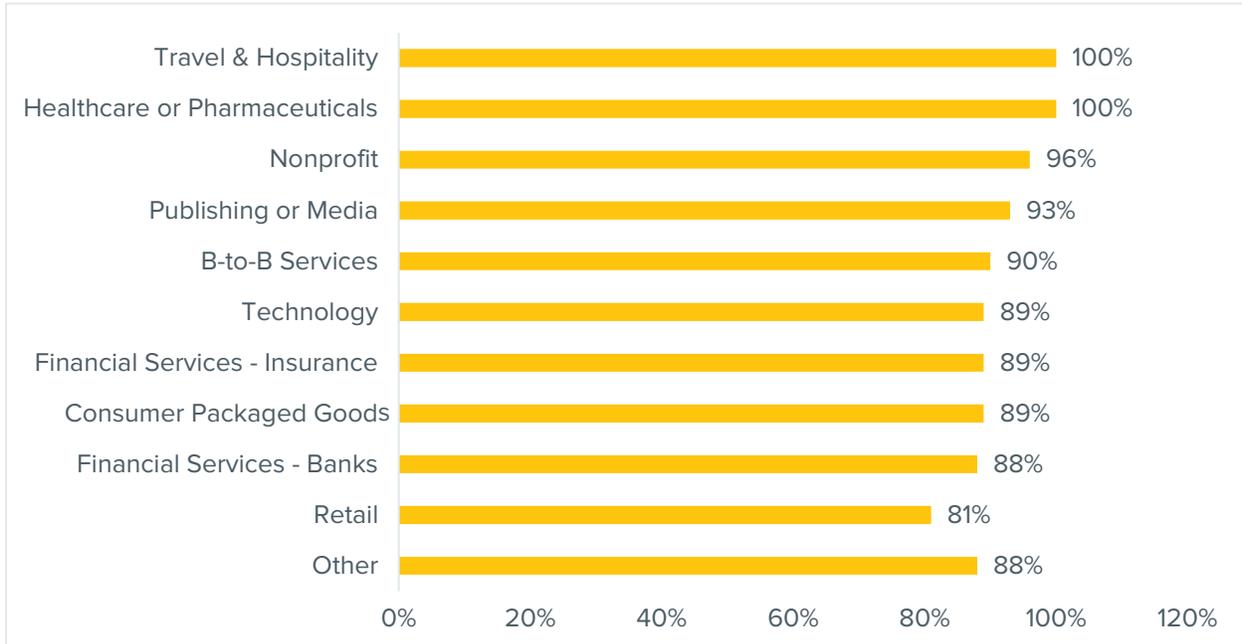
Authored by:

Matt Blumberg
Co-founder and CEO
Return Path, Inc.

CHAPTER HIGHLIGHTS

- Number of customers using mobile to open emails (47%) has now outpaced both PC and tablet
- Increasing lead-to-consumer conversions is the #1 objective and critical challenge facing today's email marketers
- Content downloads and research reports both generate the highest customer conversion rates vs other form and content types
- Open rates and conversion rates continue to rise for the 3rd straight year

COMMERCIAL EMAIL USAGE BY INDUSTRY



Source: The Data & Marketing Association & Demand Metric, Response Rate Report, 2017.





INCOME AND EDUCATION BY TYPE OF INTERNET ACCESS

TYPE OF INTERNET ACCESS	MEDIAN INCOME	% W/ COLLEGE DEGREE
BROADBAND	57,753	43%
DIAL-UP	33,428	25%
NONE	20,766	16%

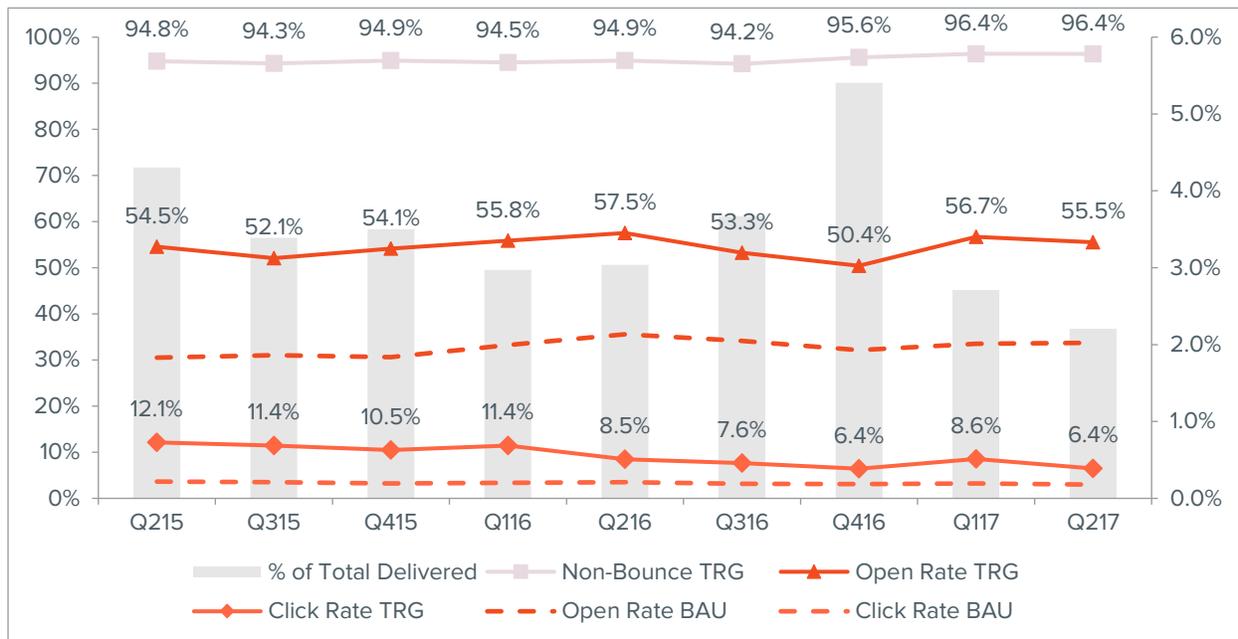
Source: USPS Household Diary Study, 2017.

TRANSACTIONS MAIL RECEIVED AND SENT BY INTERNET ACCESS (PIECES PER HOUSEHOLD PER WEEK)

TYPE OF INTERNET ACCESS	RECEIVED	SENT
BROADBAND	3.5	0.6
DIAL-UP	3.9	0.6
NONE	2.8	0.8
AVERAGE	3.4	0.6

Source: USPS Household Diary Study, 2017.

ACTIVITY RATES FOR TRIGGERED MESSAGES

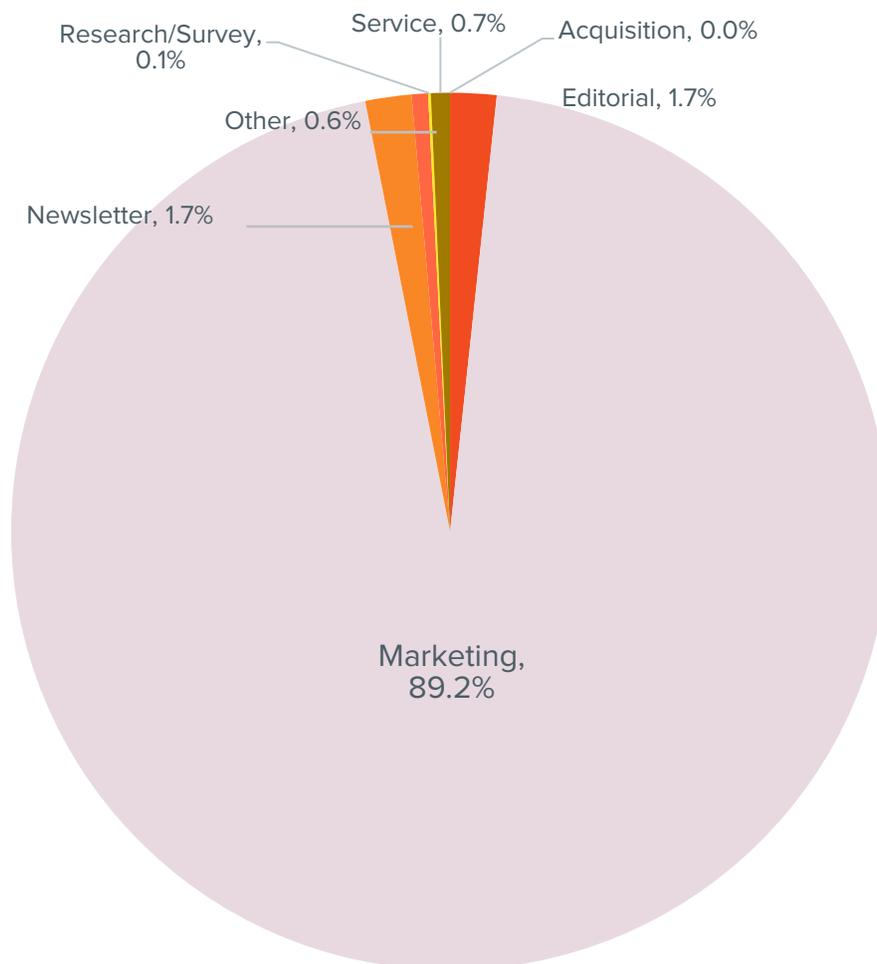


TRG = Triggered Message
BAU = Business as Usual

Source: Epsilon, Q2 2017 Email Trends and Benchmarks Study, August 2017.



TYPE OF DELIVERED EMAIL IN Q2 2016



Source: Epsilon, Q2 2017 Email Trends and Benchmarks Study, August 2017.



GLOBAL INBOX PLACEMENT

	Inbox Placement Rate	Spam Rate	Missing Rate
Q3 2016	78%	6%	15%
Q4 2016	82%	6%	12%
Q1 2017	81%	6%	13%
Q2 2017	79%	6%	16%
Total	80%	6%	14%

Source: Return Path, 2017 Deliverability Benchmark Report, 2017.

UNITED STATES INBOX PLACEMENT

	Inbox Placement Rate	Spam Rate	Missing Rate
Q3 2016	73%	8%	19%
Q4 2016	79%	8%	13%
Q1 2017	79%	8%	14%
Q2 2017	77%	7%	17%
Total	77%	8%	16%

Source: Return Path, 2017 Deliverability Benchmark Report, 2017.

CANADA INBOX PLACEMENT

	Inbox Placement Rate	Spam Rate	Missing Rate
Q3 2016	92%	2%	6%
Q4 2016	93%	2%	6%
Q1 2017	90%	3%	7%
Q2 2017	87%	3%	10%
Total	90%	2%	7%

Source: Return Path, 2017 Deliverability Benchmark Report, 2017.



BRAZIL INBOX PLACEMENT

	Inbox Placement Rate	Spam Rate	Missing Rate
Q3 2016	78%	8%	14%
Q4 2016	78%	13%	9%
Q1 2017	80%	10%	10%
Q2 2017	81%	8%	12%
Total	79%	10%	11%

Source: Return Path, 2017 Deliverability Benchmark Report, 2017.

FRANCE INBOX PLACEMENT

	Inbox Placement Rate	Spam Rate	Missing Rate
Q3 2016	84%	3%	13%
Q4 2016	84%	4%	12%
Q1 2017	83%	4%	14%
Q2 2017	80%	5%	15%
Total	82%	4%	14%

Source: Return Path, 2017 Deliverability Benchmark Report, 2017.

GERMANY INBOX PLACEMENT

	Inbox Placement Rate	Spam Rate	Missing Rate
Q3 2016	84%	5%	11%
Q4 2016	83%	6%	11%
Q1 2017	77%	9%	14%
Q2 2017	74%	11%	15%
Total	79%	8%	13%

Source: Return Path, 2017 Deliverability Benchmark Report, 2017.



SPAIN INBOX PLACEMENT

	Inbox Placement Rate	Spam Rate	Missing Rate
Q3 2016	80%	8%	12%
Q4 2016	81%	8%	11%
Q1 2017	83%	5%	12%
Q2 2017	83%	4%	13%
Total	82%	6%	12%

Source: Return Path, 2017 Deliverability Benchmark Report, 2017.

UNITED KINGDOM INBOX PLACEMENT

	Inbox Placement Rate	Spam Rate	Missing Rate
Q3 2016	85%	7%	8%
Q4 2016	83%	8%	8%
Q1 2017	85%	7%	8%
Q2 2017	84%	5%	11%
Total	84%	7%	9%

Source: Return Path, 2017 Deliverability Benchmark Report, 2017.

AUSTRALIA INBOX PLACEMENT

	Inbox Placement Rate	Spam Rate	Missing Rate
Q3 2016	89%	2%	9%
Q4 2016	90%	1%	9%
Q1 2017	92%	2%	7%
Q2 2017	90%	1%	9%
Total	90%	1%	9%

Source: Return Path, 2017 Deliverability Benchmark Report, 2017.



INBOX PLACEMENT BY INDUSTRY — CONSUMER NETWORK DATA

	Q3 2016	Q4 2016	Q1 2017	Q2 2017	12-Month Average	Previous 12 Months	YoY Change
Apparel	87%	86%	84%	84%	85%	93%	-8%
Automotive	64%	82%	78%	84%	77%	66%	11%
Banking & Finance	94%	94%	93%	94%	94%	92%	2%
Business & Marketing	80%	81%	83%	83%	82%	78%	4%
Computers & Electronics	88%	87%	84%	87%	86%	92%	-6%
Deals & Rewards	89%	87%	85%	83%	86%	88%	-2%
Distribution & Manufacturing	85%	93%	95%	96%	92%	85%	7%
Education/Non-Profit/Government	77%	78%	74%	74%	76%	82%	-6%
Food & Drug	88%	86%	84%	82%	85%	89%	-4%
Health & Beauty	87%	85%	81%	82%	83%	89%	-6%
Household & Home Improvement	89%	88%	88%	87%	88%	95%	-7%
Insurance	86%	90%	90%	90%	89%	76%	13%
Media & Entertainment	83%	83%	82%	80%	82%	86%	-4%
Social & Dating	75%	78%	78%	78%	77%	78%	-1%
Technology/Software/Internet	85%	87%	86%	84%	85%	75%	10%
Travel	92%	91%	89%	88%	90%	94%	-4%
All Industries	84%	86%	85%	85%	85%	87%	-2%

Source: Return Path, 2017 Deliverability Benchmark Report, 2017.



TOP THREE BENEFITS CITED BY MARKETERS OF COMBINING EMAIL WITH OTHER MARKETING CHANNELS



1 IMPROVED AWARENESS

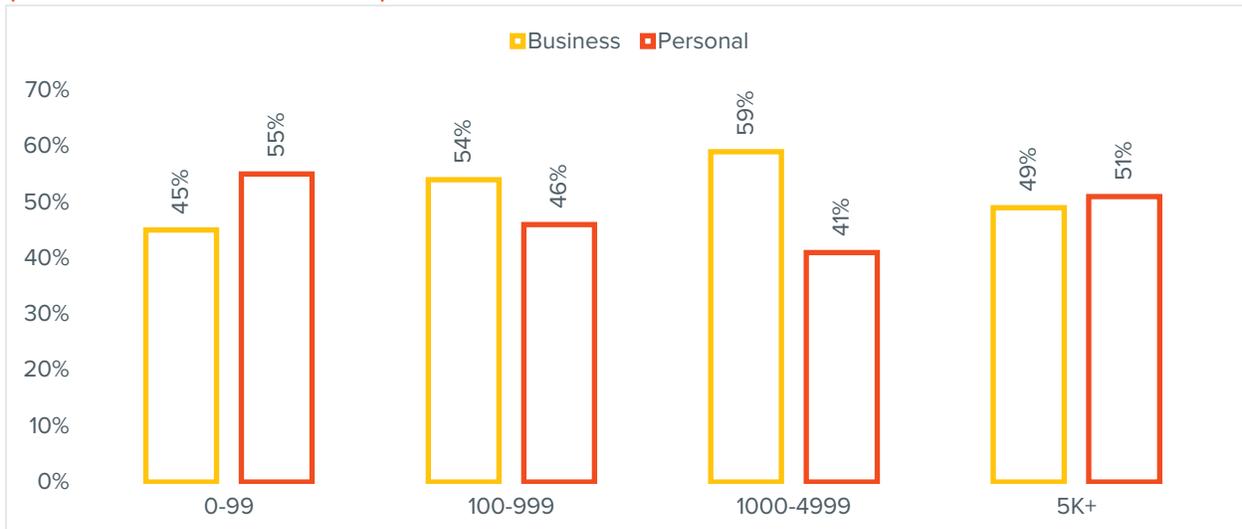
2 IMPROVED ENGAGEMENT

3 IMPROVED CUSTOMER ACQUISITION

Source: Salesforce Annual State of Marketing Report, 2017

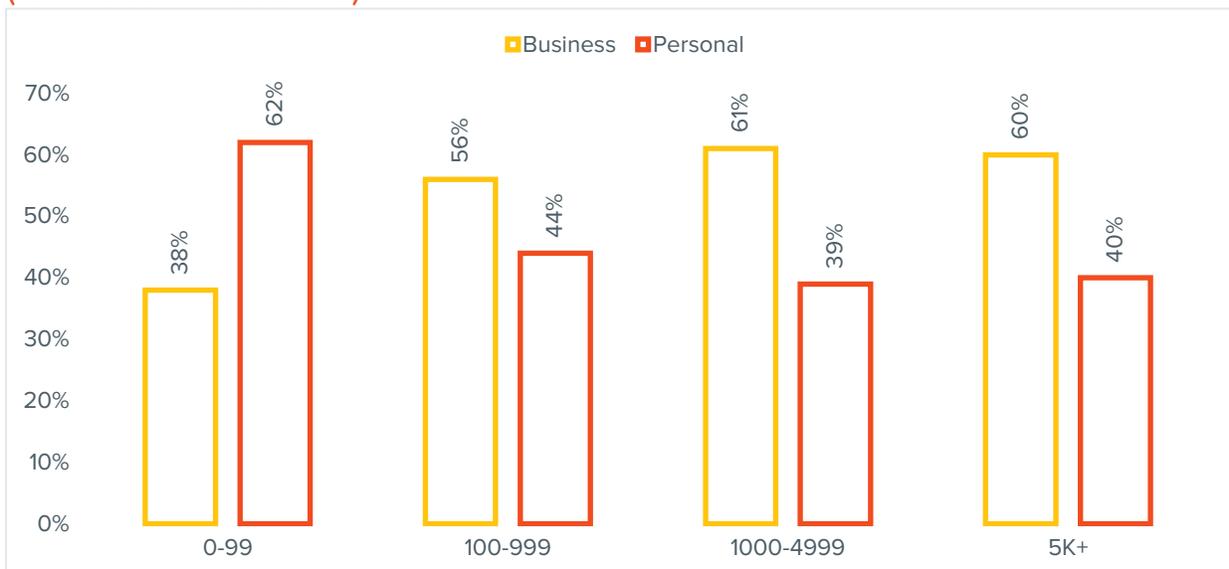


USE OF PERSONAL VS BUSINESS EMAIL WHEN COMPLETING LEAD FORM (C-LEVEL EXECUTIVES)



Source: MarketingSherpa and NetLine Corporation, B2B Lead Generation, 2017.

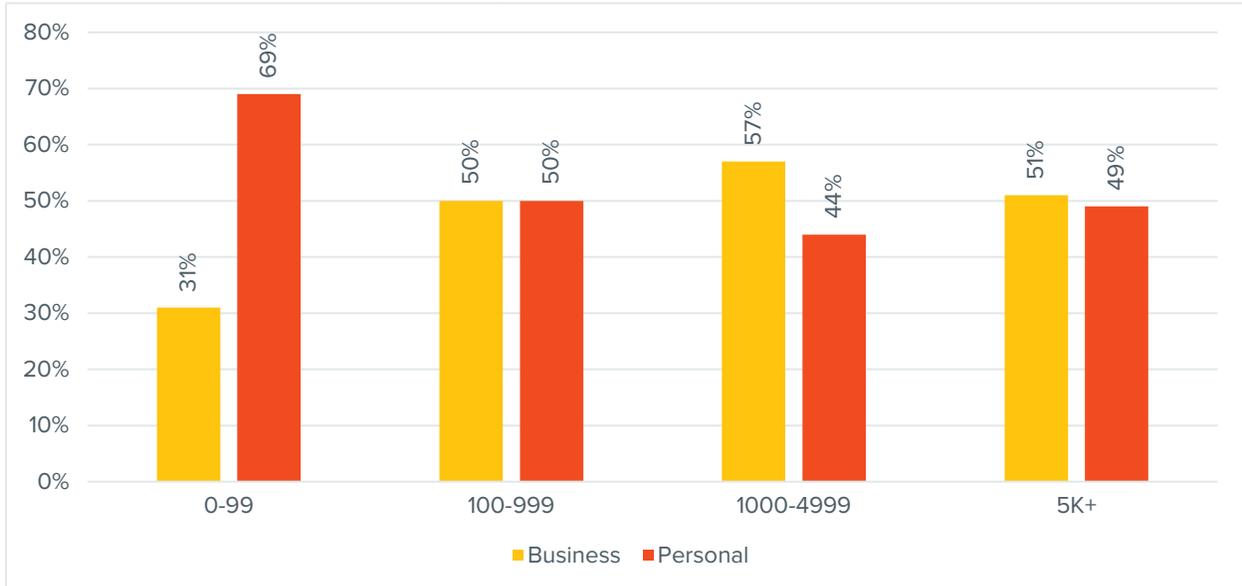
USE OF PERSONAL VS BUSINESS EMAIL WHEN COMPLETING LEAD FORM (SENIOR DIRECTORS)



Source: MarketingSherpa and NetLine Corporation, B2B Lead Generation, 2017.

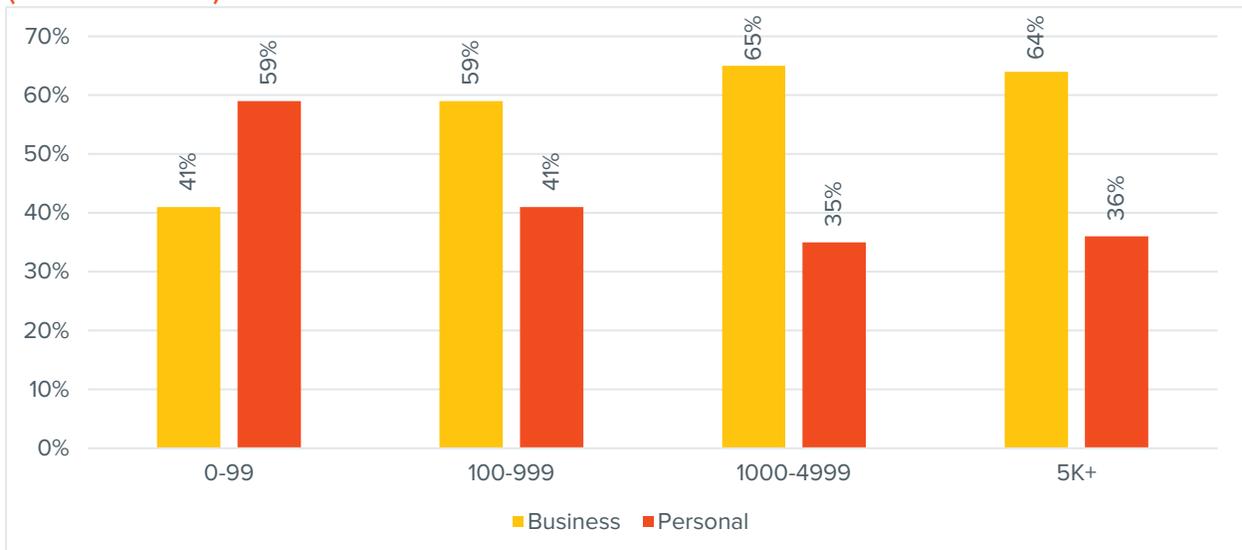


USE OF PERSONAL VS BUSINESS EMAIL WHEN COMPLETING LEAD FORM (INDIVIDUAL CONTRIBUTORS)



Source: MarketingSherpa and NetLine Corporation, B2B Lead Generation, 2017.

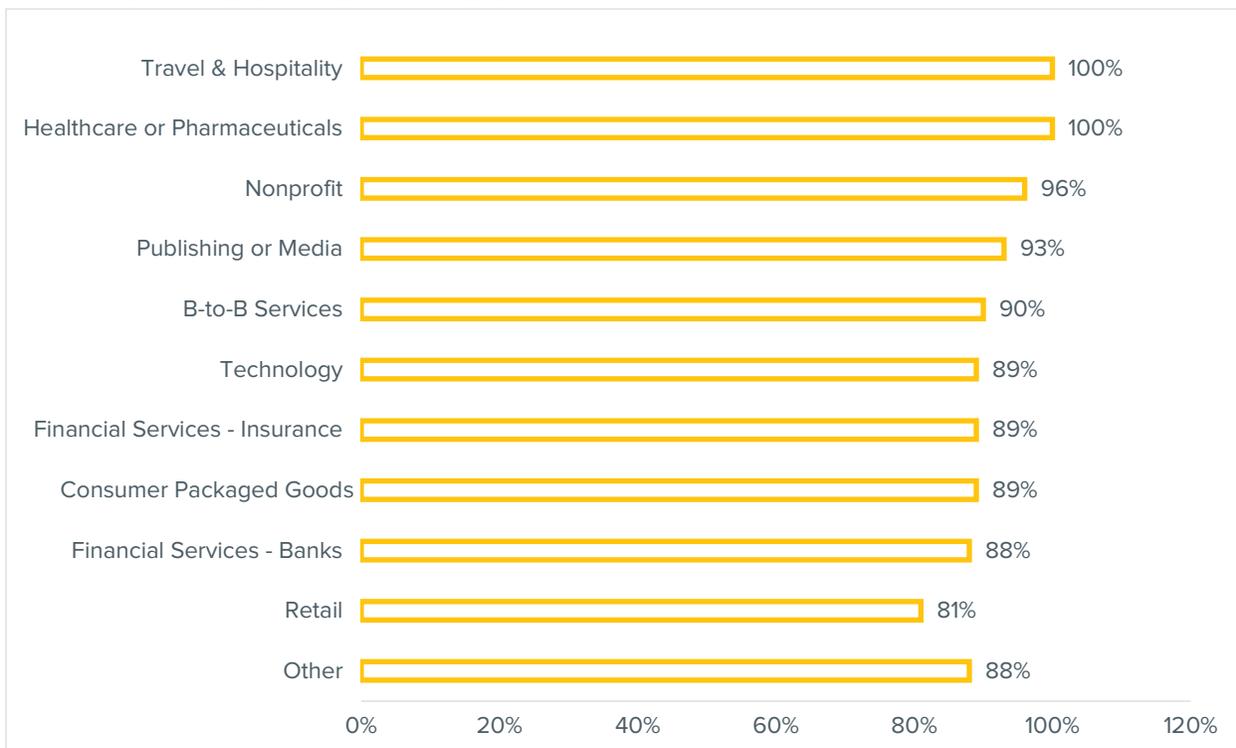
USE OF PERSONAL VS BUSINESS EMAIL WHEN COMPLETING LEAD FORM (MANAGERS)



Source: MarketingSherpa and NetLine Corporation, B2B Lead Generation, 2017.



COMMERCIAL EMAIL USAGE BY INDUSTRY

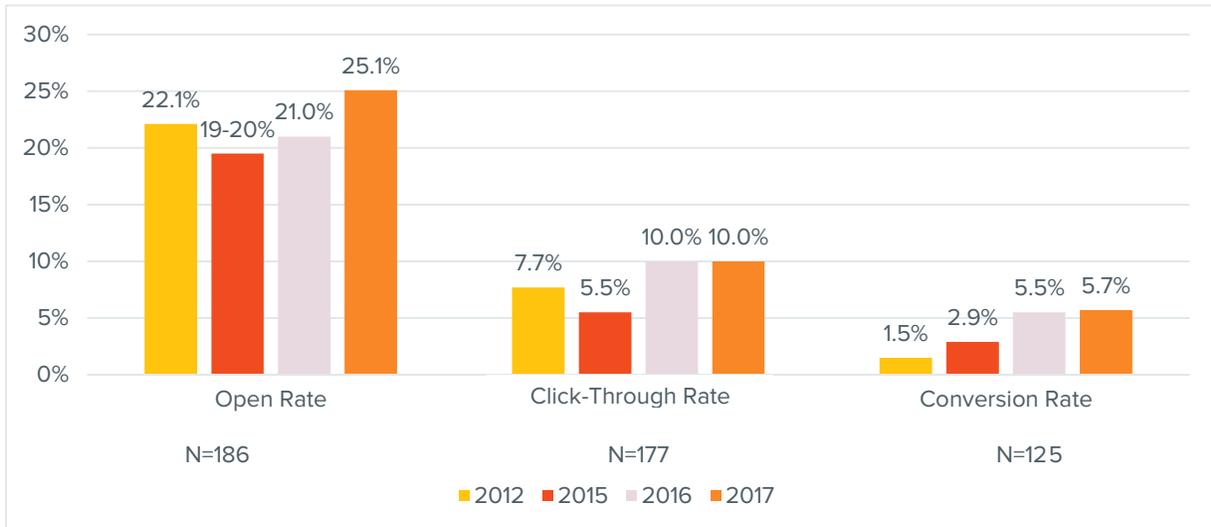


Source: The Data & Marketing Association & Demand Metric Response Rate Report, 2017.



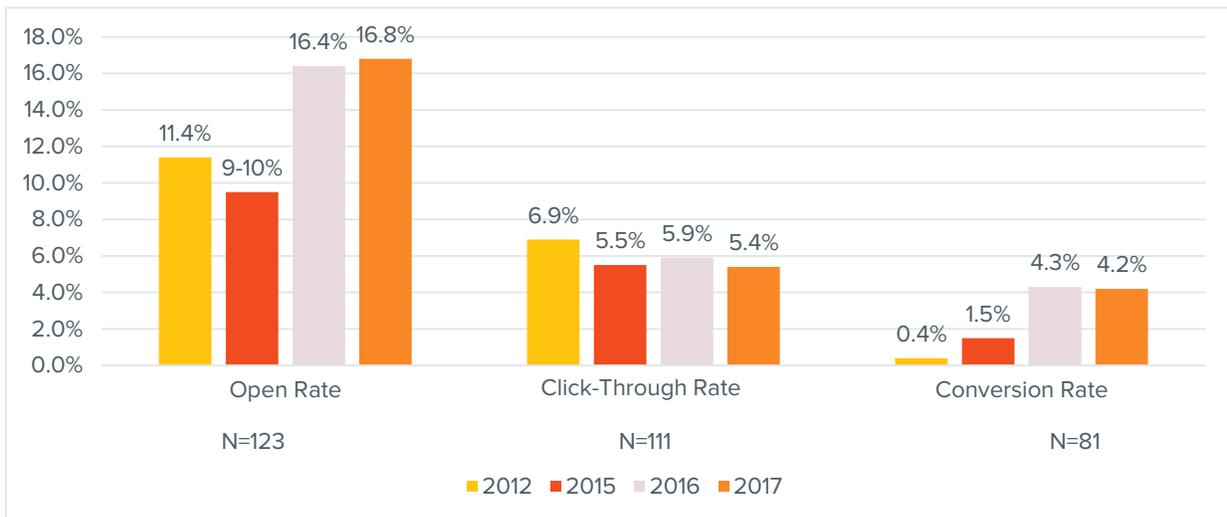


EMAIL RATES FOR HOUSE LISTS



2015 Open Rate data was plotted to the middle of the range.
 Source: The Data & Marketing Association & Demand Metric Response Rate Report, 2017.

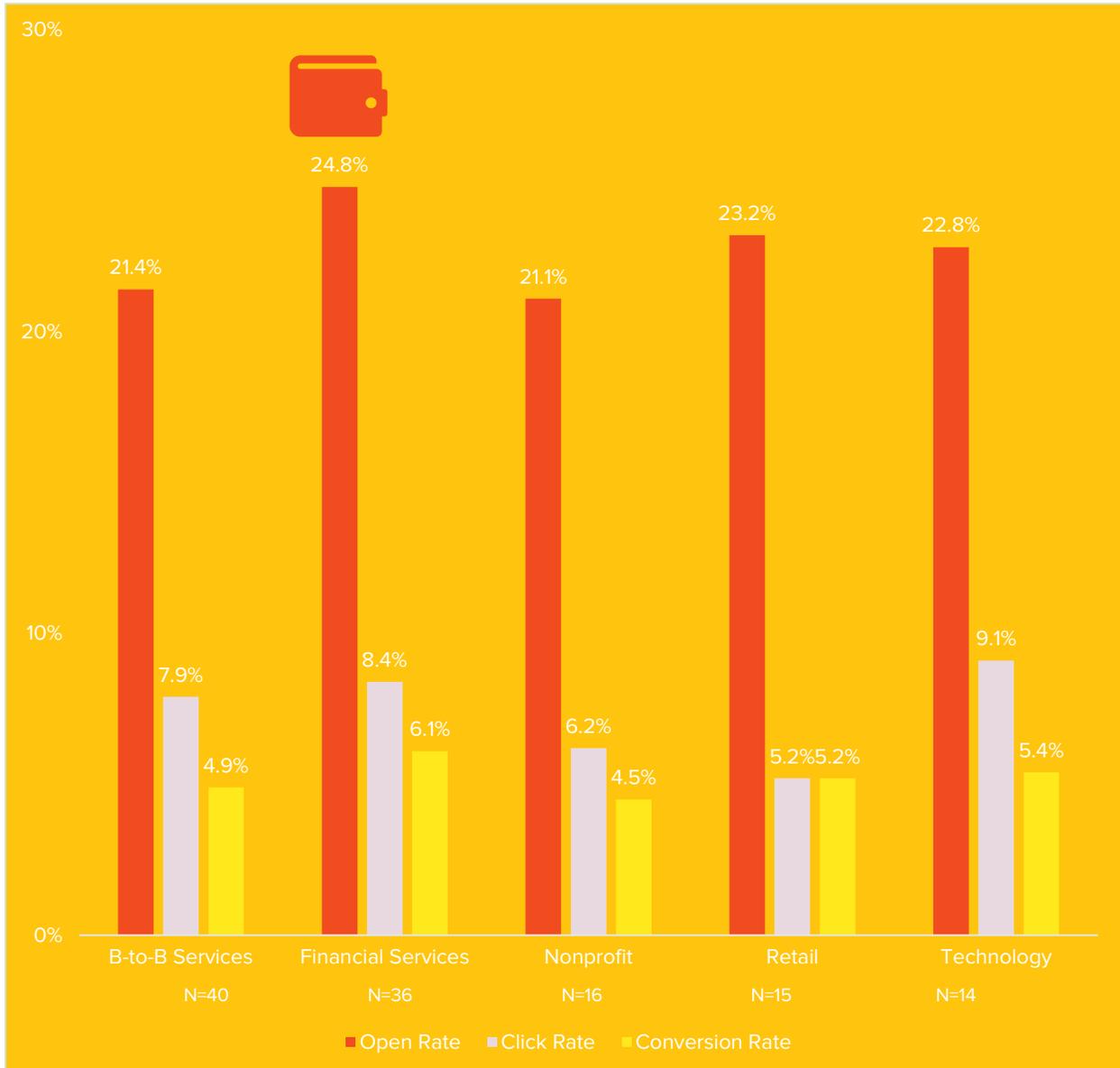
EMAIL RATES FOR PROSPECT LISTS



2015 data was plotted to the middle of the range.
 Source: The Data & Marketing Association & Demand Metric Response Rate Report, 2017.



OVERALL EMAIL RATES FOR SELECTED INDUSTRIES



Source: The Data & Marketing Association & Demand Metric Response Rate Report, 2017.



EMAIL METRICS OVERVIEW

Metric	House File	N	Prospect File	N
TOTAL				
Open rate	25.1%	186	16.8%	123
Click-through rate	10.0%	177	5.4%	111
Conversion rate	5.7%	125	4.2%	81
Acquisition cost	\$10-11	105	\$21-22	66
ROI	137%	94	117%	58
B-TO-C*				
Open rate	25.3%	56	18.2%	37
Click-through rate	8.7%	58	5.6%	35
Conversion rate	5.8%	38	4.4%	27
Acquisition cost	\$6-7	32	\$11-12	24
ROI*	96%	27	118%	17
B-TO-B				
Open rate	23.8%	46	18.6%	50
Click-through rate	8.9%	44	5.6%	30
Conversion rate	5.5%	28	5.3%	21
Acquisition cost*	\$7-8	21	\$17-18	16
ROI*	143%	16	107%	14
DIRECT SALE*				
Open rate	24.9%	60	16.2%	20
Click-through rate	10.0%	61	5.3%	24
Conversion rate	6.4%	52	4.9%	14
Acquisition cost	\$6-7	40	\$21-22	13
ROI	143%	36	152%	11
LEAD GENERATION				
Open rate	24.9%	56	16.8%	66
Click-through rate	10.0%	47	5.7%	60
Conversion rate	5.9%	37	5.0%	46
Acquisition cost	\$21-22	25	\$23-24	32
ROI	154%	23	98%	31

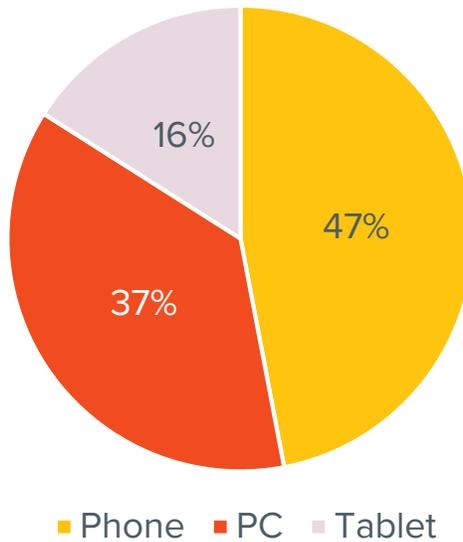
*Figures are based on small sample sizes and therefore should be used for informational purposes only.

Source: The Data & Marketing Association & Demand Metric Response Rate Report, 2017.



THE MOBILE CUSTOMER EXPERIENCE

In the last year, the number of customers using mobile devices to review and respond to email has outpaced both PC and tablet use. Based on Inbox Marketer analysis, customers using mobile smart phones represents the largest proportion of opens at 47% (up an incremental 7% over the previous year), followed by PC at 37% and tablet at 16%. Many marketers have reacted to the shift in consumer behavior by improving the mobile experiences for their customers.

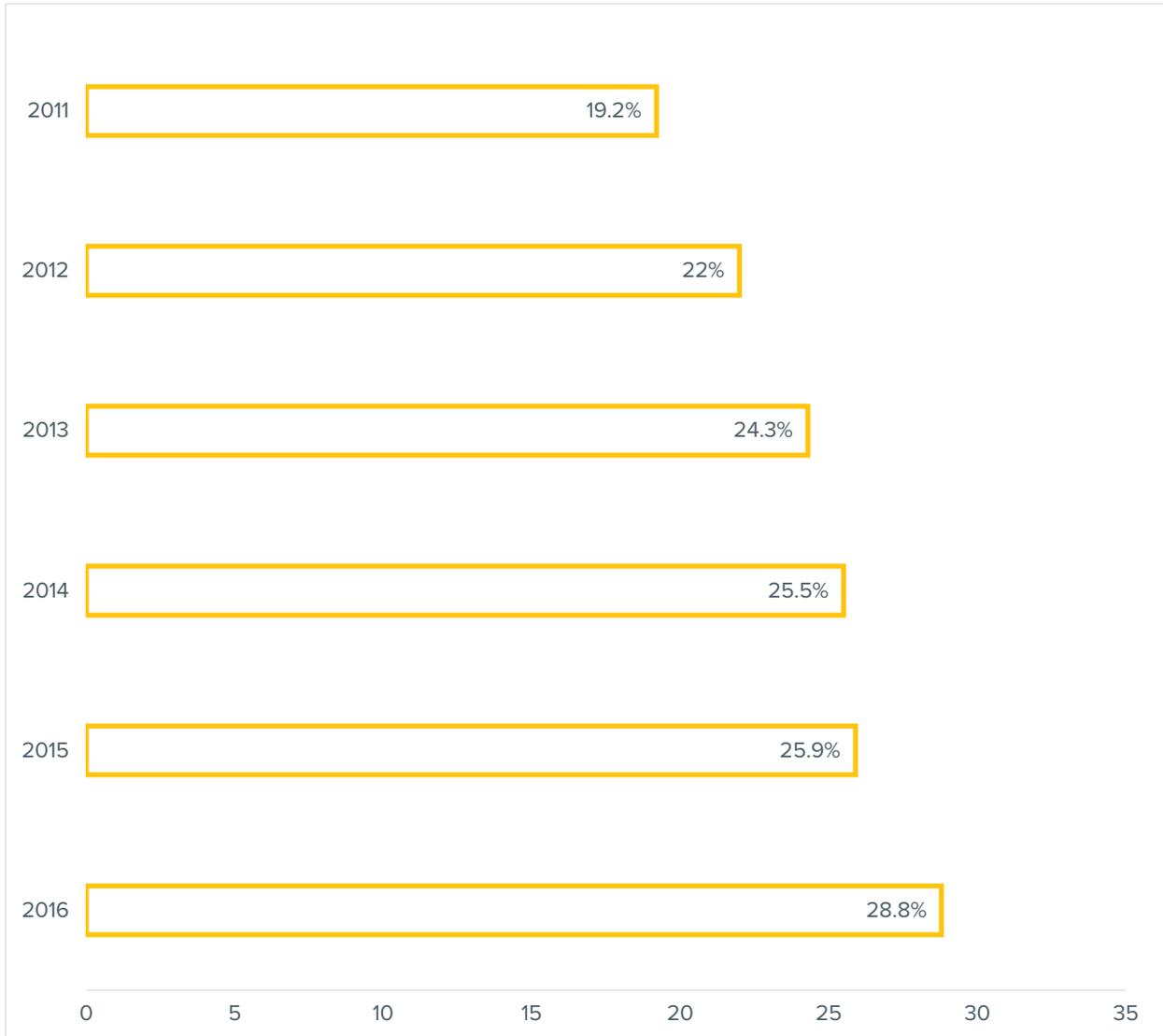


Source: *Inbox Marketer 2017 North American Email Benchmarks and Trends Report.*





OPEN RATES BY YEAR – NORTH AMERICA

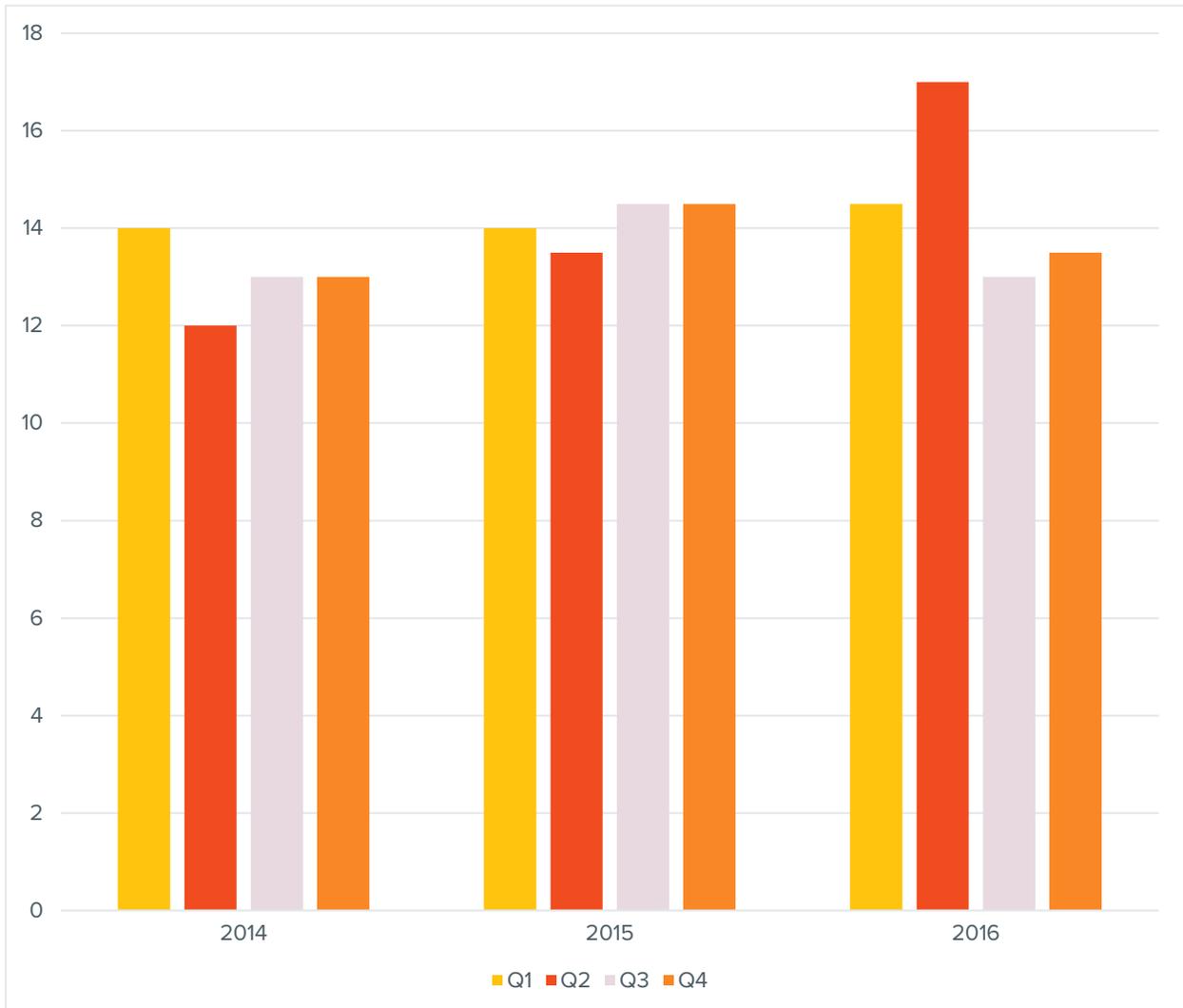


Note: The calculation for Open Rates = Confirmed Unique Opens / Sent messages – Bounces

Source: Inbox Marketer 2017 North American Email Benchmarks and Trends Report.



UNIQUE CLICK-THROUGH RATES BY YEAR AS A PERCENTAGE OF OPENS – NORTH AMERICA

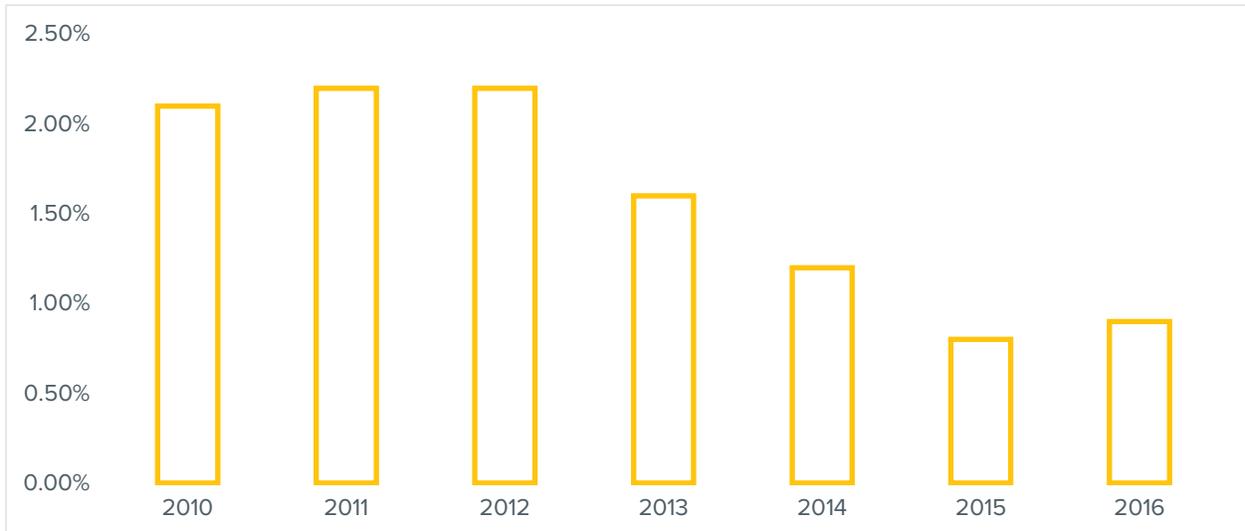


Note: The calculation for CTRO% = Unique clicks / Total opens

Source: Inbox Marketer 2017 North American Email Benchmarks and Trends Report.

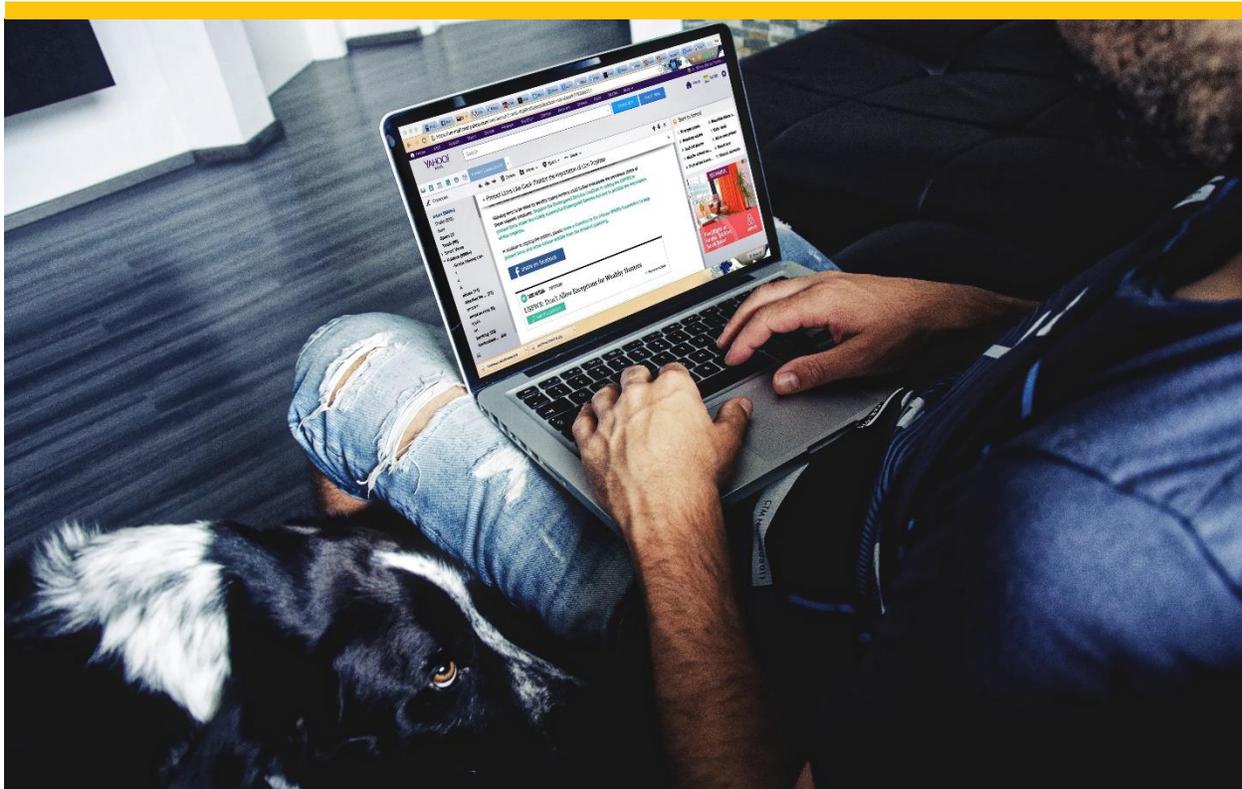


BOUNCE RATES BY YEAR – NORTH AMERICA



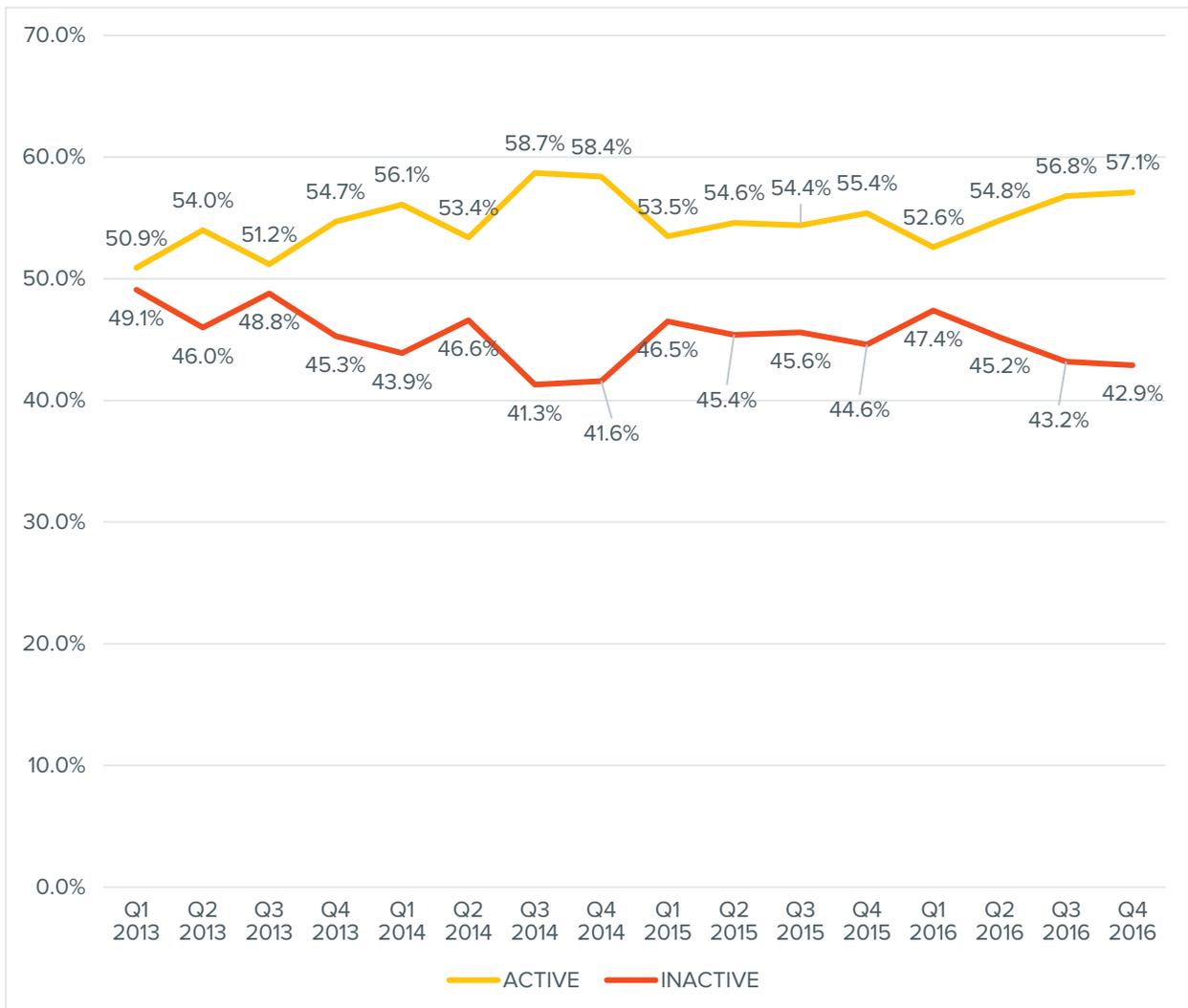
Note: The calculation for Bounce Rate = Bounce and/or Undelivered Emails / Emails sent

Source: Inbox Marketer 2017 North American Email Benchmarks and Trends Report.





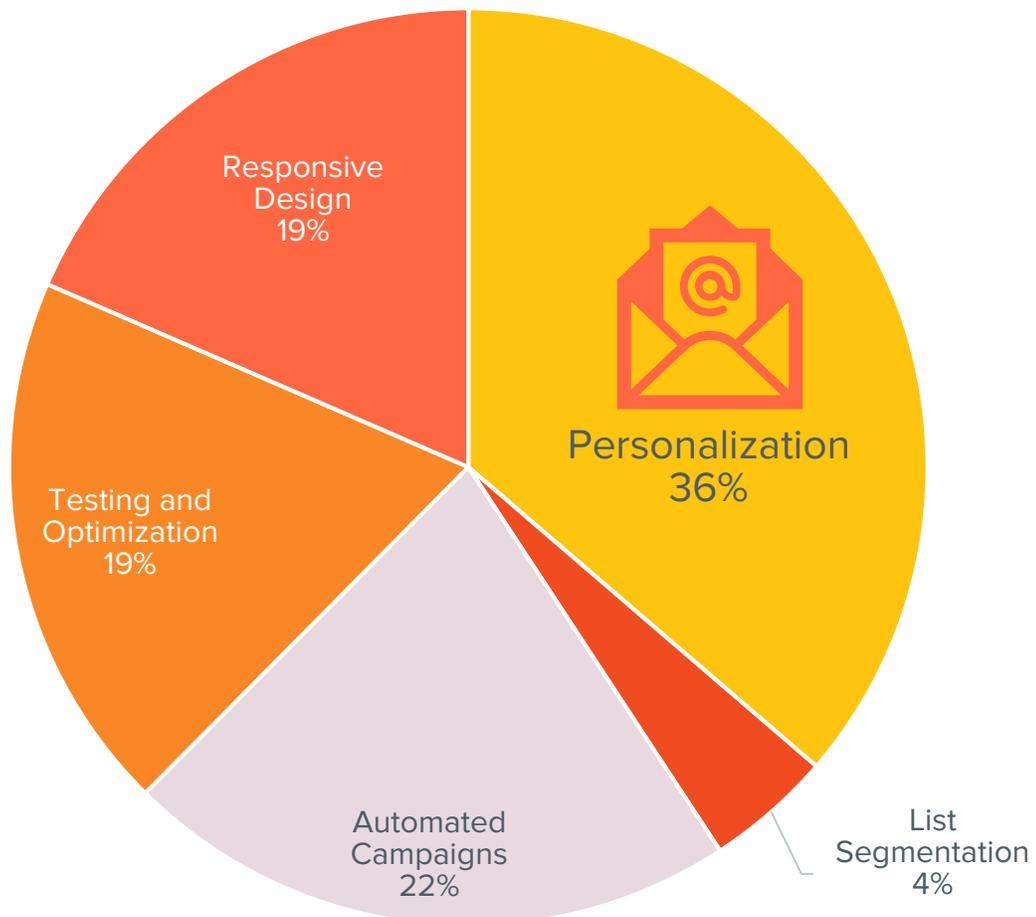
INACTIVE RATES BY QUARTER – NORTH AMERICA



Source: Inbox Marketer 2017 North American Email Benchmarks and Trends Report.



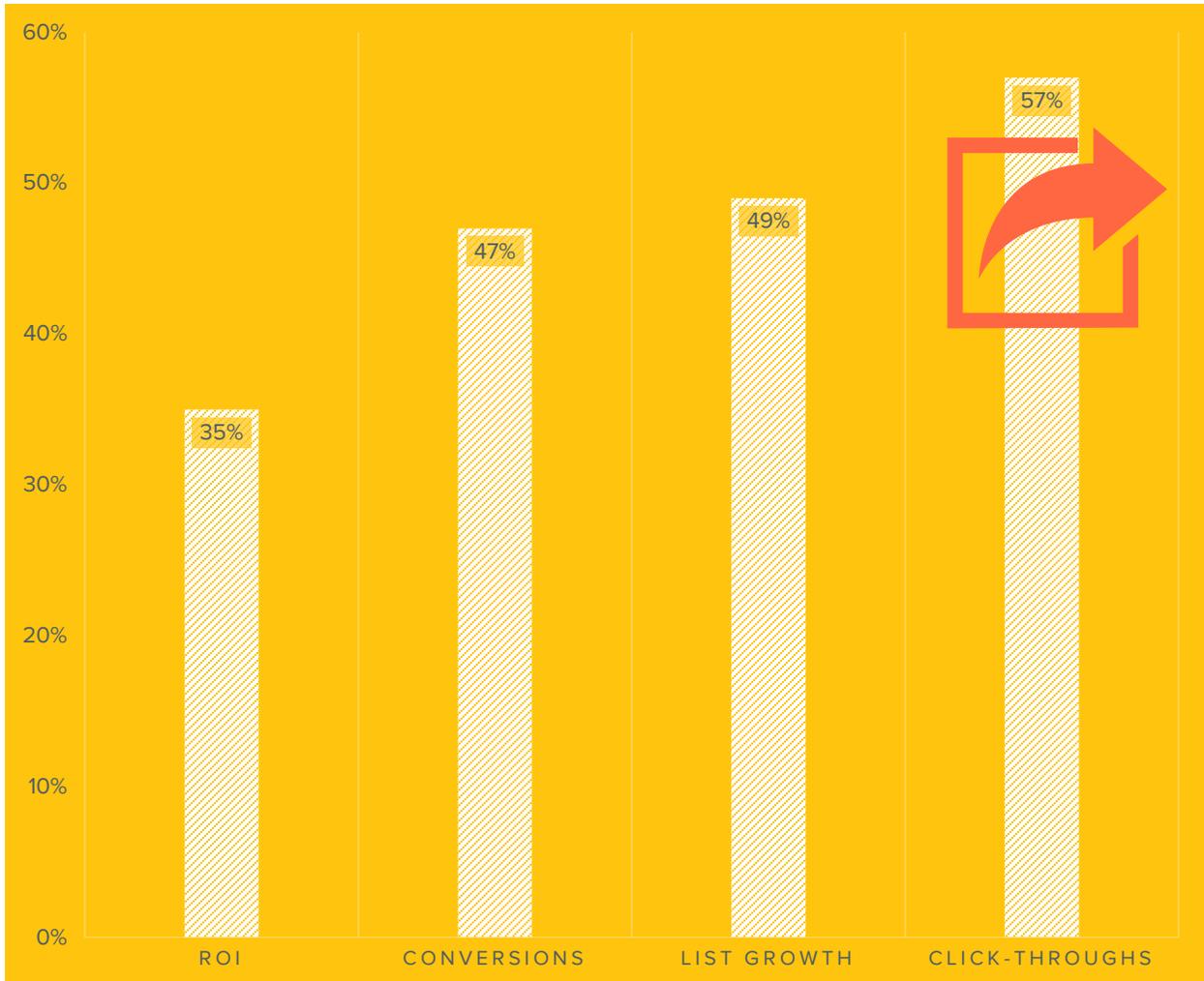
MOST EFFECTIVE EMAIL TACTICS



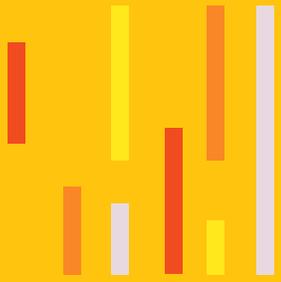
Source: Campaign Monitor and Ascend2, The State of Email Marketing Survey, 2017.



MOST USEFUL EMAIL PERFORMANCE METRICS

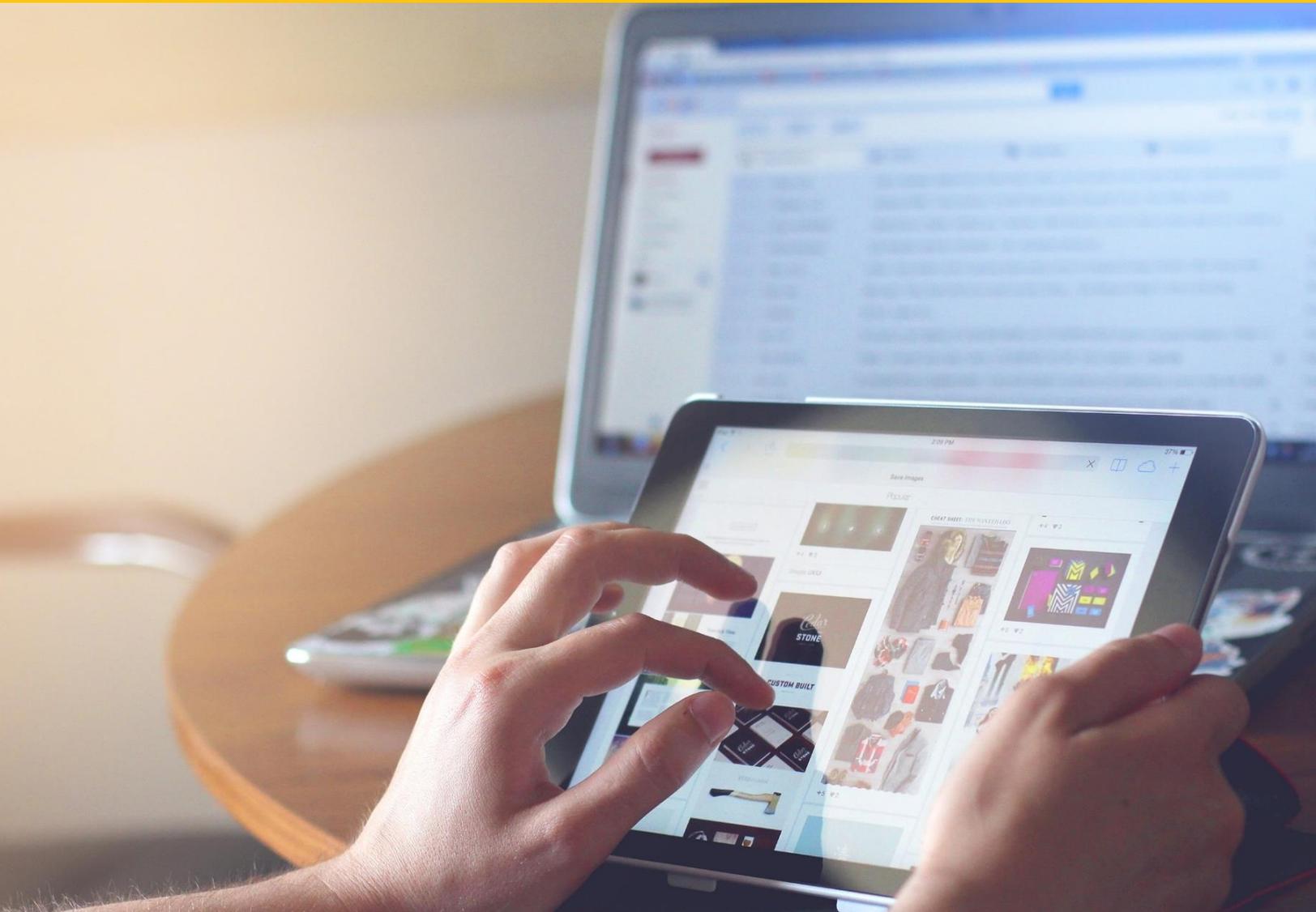


Source: Campaign Monitor and Ascend2, "The State of Email Marketing Survey," 2017.



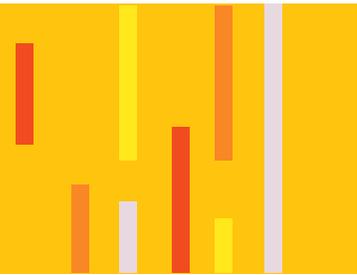
CHAPTER 5

Mobile





CHAPTER 5: Mobile



BOLD FUTURES: Five Trends Shaping Mobile Marketing in 2018

For mobile marketing, every year brings change.

Technology drives change. Consumers and their evolving expectations fuel transformation industrywide. Year to year, the very nature of publishing, advertising, and marketing evolves. Strategies grow, capabilities expand, and digital marketing's focus is more and more reliant upon the relationships and engagements that users experience on the screens of their mobile devices.

Within all this change, we find trends. As we navigate the shifts and turns of 2018, recognizing the following trends — and trends can be constants amid change as well, as some of these assuredly are — will help us build on the growth that's underway. In each instance, the concepts below point us boldly into the future that digital marketing is working to create.

CUSTOMER RELATIONSHIP MANAGEMENT WILL DOMINATE MOBILE STRATEGIES. Mobile is not only the future for today's consumer — it is the way they already live: 257 million of the 275 million who use the Internet access it via mobile devices, according to eMarketer. And this uptake is hardly confined to Western consumers. More people interact with the Internet via mobile in China than in the US, Brazil, and Indonesia combined. Across all this adoption, consumers expect highly personalized experiences on their devices and in all aspects of mobile — on owned apps, on their social feeds, in all other apps that they are using on a day-in and day-out basis. Digital marketers have a central task before them: to prioritize and make primary CRM in the mobile space. If our focus isn't there, we're not crafting the most important part of the consumer's journey and on-screen story.

THE COOKIE IS DEAD (OR AT LEAST DYING); mobile device IDs are the future. Cookies can't deliver the power and effectiveness of device IDs. Some hybrid scenarios will putter along, and some scale-hungry players will stick to old tech for a bit longer, but smart marketers are investing in customer data platforms that are mobile first, connecting CRM directly to the mobile device either through a brand's mobile app or household-based matching. Device IDs will become increasingly central to consumer-identity management and master-data management. DMPs and CDPs will all need a robust mobile device ID management and intelligence layer to best connect with consumers in today's context.



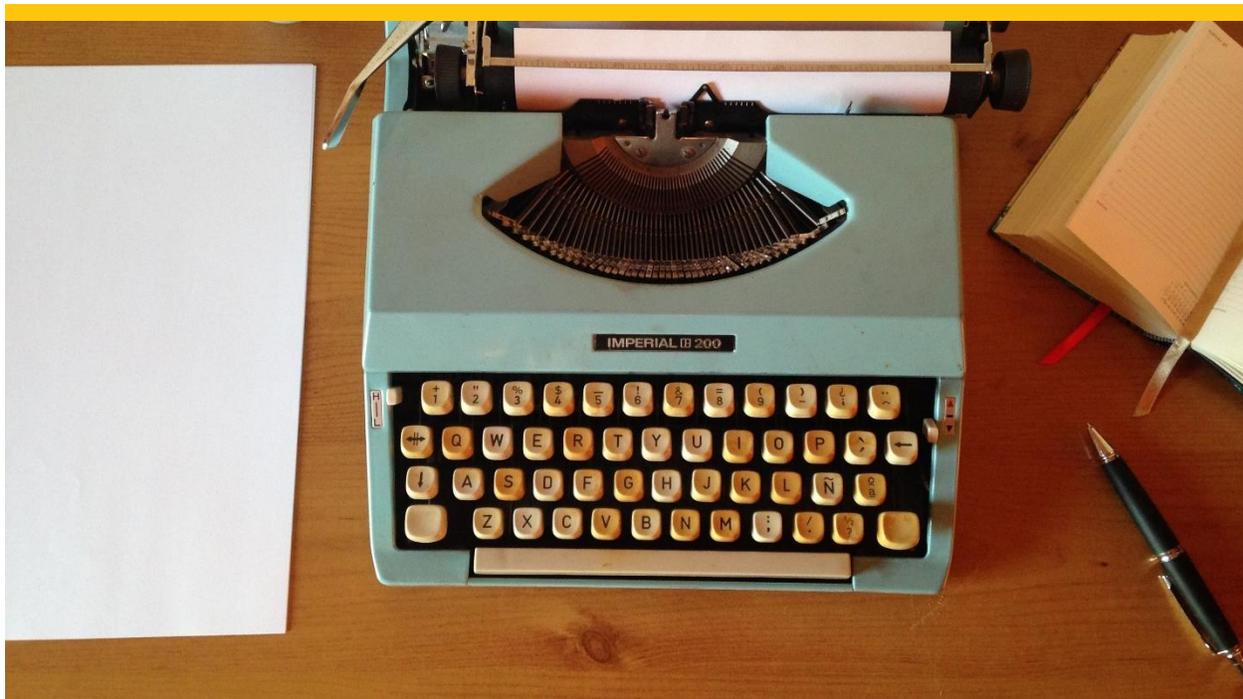
“Mobile device IDs are the future.”



IT IS (STILL) THE “AGE OF THE PLATFORM.” For digital marketers, mobile is about platforms that can enable different types of activation — platforms that can offer flexibility for data management, insights, audience development, targeting, in-store activation, paid media activation, and measurement. Platforms enable organizations to respond as consumers and technology evolve, and they ensure brands that their recent investments can be further leveraged (rather than discarded). Back in 2012, analysts announced the “Age of the Platform.” The same pronouncement stands true today: The UX for advertisers, publishers, and marketers is still the correct focus, and the right emphasis, in 2018.

MOBILE CREATIVE CONTINUES TO DEMAND THE SPOTLIGHT. From a creative standpoint, mobile experiences must hit the mark every single time. With so little real estate on the small screen, the future of creative for mobile is not about slapping an ad over content and treating the user’s screen like a launch pad. The future is about inventive design that partners with technology to augment user activities and draw consumers close. Marketing must intersect with the consumer instead of interrupting their underlying content; that’s a major difference, going forward, between positive and negative creative for mobile.

5G WILL CHANGE THE MOBILE WORLD. As MIT Technology Review puts it, the shift from 4G LTE to 5G will be like jumping from typewriters to word processors. Everything our industry predicts, when it comes to the Internet of Things and AR and VR, will be fundamentally accelerated by 5G’s vast interconnected world of sensors and digital experiences. 5G is the doorway we’ll walk through to live in the future — data rich and data capable in ways we haven’t experienced before. Our response must be all-encompassing, from the ways we collect, analyze, and report on campaigns to the ceilings we set for mobile creative in a faster, more dynamic, increasingly sensor-first space.





The overarching change that emerges from all these trends and evolutions? Digital marketing's narrative is shifting away from its historical focus on online-to-offline (O2O) journeys, and we are in the era of the mobile-to-offline (M2O) experience.

And all the factors we've just considered will change and prompt growth in our industry. Every brand, marketer, and publisher will need to pivot to meet these changes in 2018. The long-term story of marketing in the digital space will depend on them going forward.

Authored by:

Julie Bernard
Chief Marketing Officer
Verve

CHAPTER HIGHLIGHTS

- By 2020, US adult mobile coupon users is projected to reach 142M
- Mcommerce sales expected to exceed \$200B in 2018
- Millenials and Gen Z report using their mobile phones to listen to music more than any other activity
- B2B marketers estimate 21-40% of their web traffic comes from mobile



US ADULT MOBILE COUPON USERS, 2016-2021



	2016	2017	2018	2019	2020	2021
U.S. digital coupon users	126,803,275.23	131,583,574.44	135,923,991.00	139,199,441.64	142,307,888.58	145,284,916.74
U.S. digital coupon user growth	5.84%	3.77%	3.30%	2.41%	2.23%	2.09%
U.S. digital coupon users (% of internet users)	59.50%	60.50%	61.50%	62.30%	63.10%	63.80%

Note: Ages 18+; internet users who redeemed an online coupon/code for online or offline shopping at least once during the calendar year; includes group-buying coupons.

Source: eMarketer, April 2017.

US MCOMMERCE SALES, BY DEVICE, 2016-2021

	2016	2017	2018	2019	2020	2021
Tablet	\$46,540,827,460.47	\$51,811,950,879.37	\$57,262,181,414.22	\$62,807,732,861.18	\$67,778,424,792.17	\$72,002,020,134.88
% of Mcommerce Sales	41.11%	33.15%	27.73%	23.48%	20.11%	17.14%
Smartphone	\$65,231,693,192.97	\$102,936,961,474.99	\$147,625,276,111.93	\$202,940,849,249.26	\$267,383,849,575.63	\$346,276,177,780.30
% of Mcommerce Sales	57.62%	65.87%	71.49%	75.88%	79.35%	82.41%

US RETAIL MCOMMERCE SALES, 2016-2021

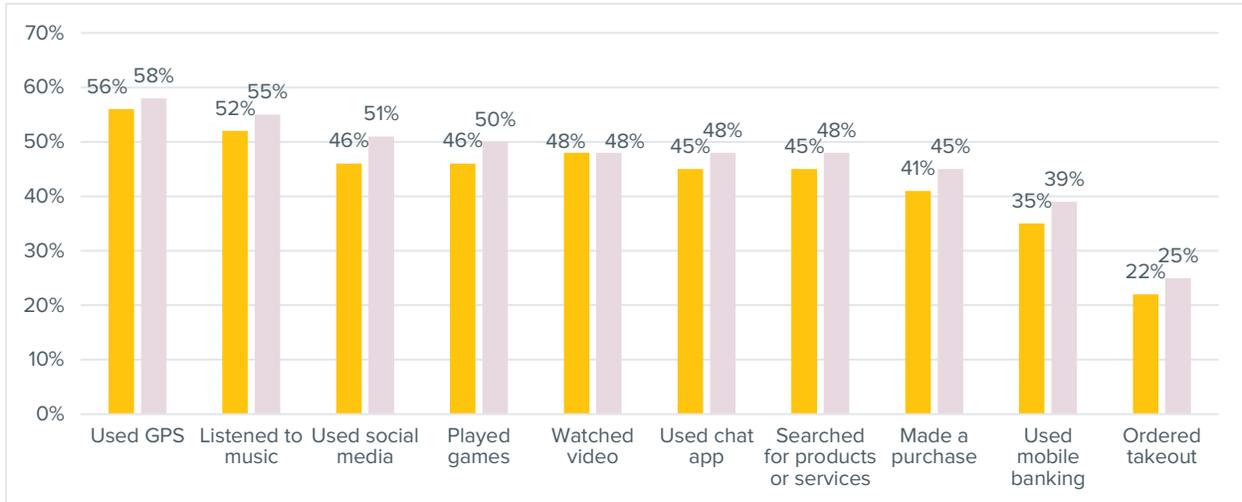
	2016	2017	2018	2019	2020	2021
U.S. retail Mcommerce sales	\$113,208,330,915.00	\$156,279,670,066.12	\$206,509,794,609.72	\$267,467,249,880.16	\$336,981,380,243.90	\$420,168,958,227.20
U.S. retail Mcommerce sales (% of total retail ecommerce sales)	28.95%	34.52%	39.59%	44.67%	49.24%	53.90%
U.S. retail Mcommerce sales (% of total retail sales)	2.33%	3.10%	3.96%	4.98%	6.09%	7.37%
U.S. retail Mcommerce sales growth	40.92%	38.05%	32.14%	29.52%	25.99%	24.69%

Note: The two charts above include products or services ordered using the internet via mobile devices, regardless of the method of payment or fulfillment; includes sales on tablets; excludes travel and event ticket sales.

Source: eMarketer, July 2017.

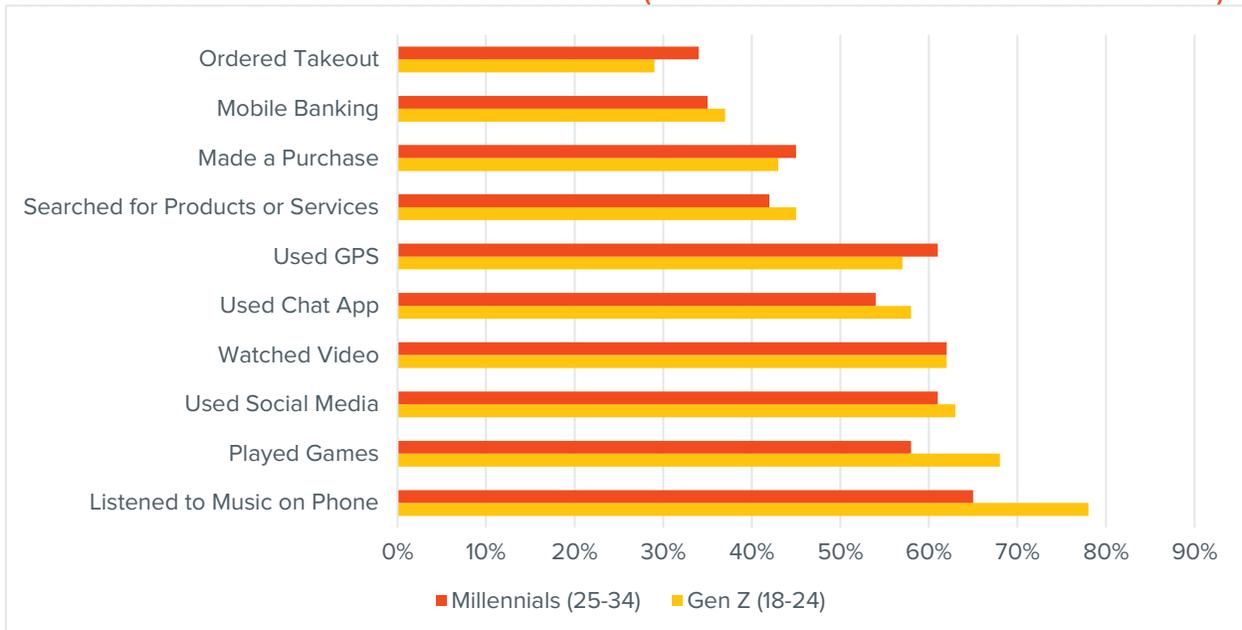


ACTIVITIES MOST PERFORMED ON A SMARTPHONE LAST WEEK



Source: Fluent, Marketing to the Heartland 2017 PART 2: MEDIA CONSUMPTION TREND, 2017.

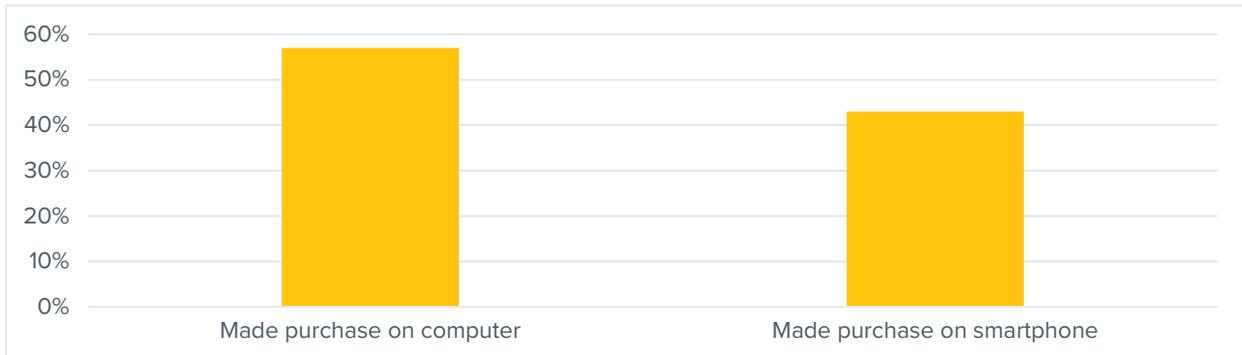
WHICH OF THE FOLLOWING ACTIONS HAVE YOU TAKEN ON YOUR SMARTPHONE IN THE PAST MONTH? (AMONG SMARTPHONE HOLDERS)



Source: Fluent, Marketing to Gen Z, September 2017.

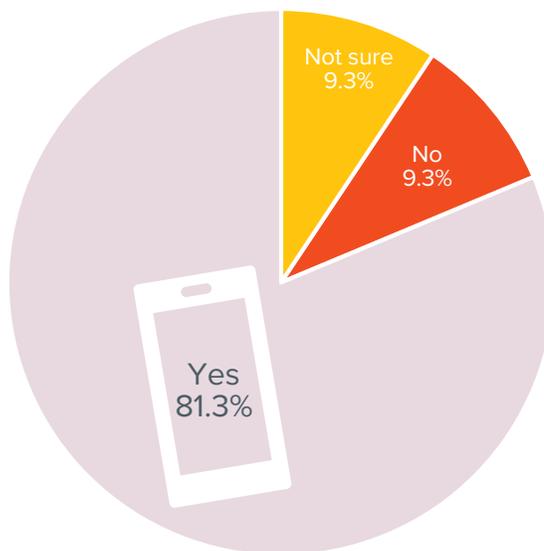


ONLINE PURCHASING BEHAVIORS



Source: Fluent, Marketing to the Heartland 2017 PART 3: HOW AND WHERE AMERICANS SHOP, April 2017.

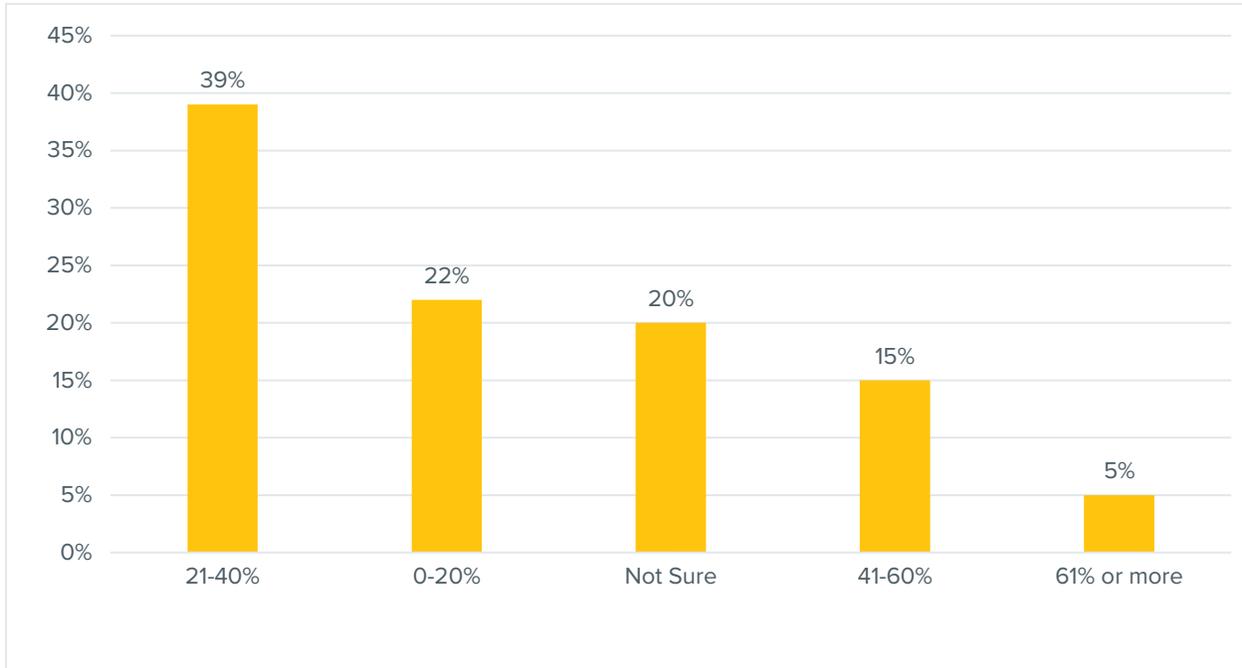
IS YOUR WEBSITE MOBILE-FRIENDLY?



Source: Wpromote, 2017 State of B2B Digital Marketing, 2017.



WHAT PERCENTAGE OF YOUR TRAFFIC COMES FROM MOBILE?

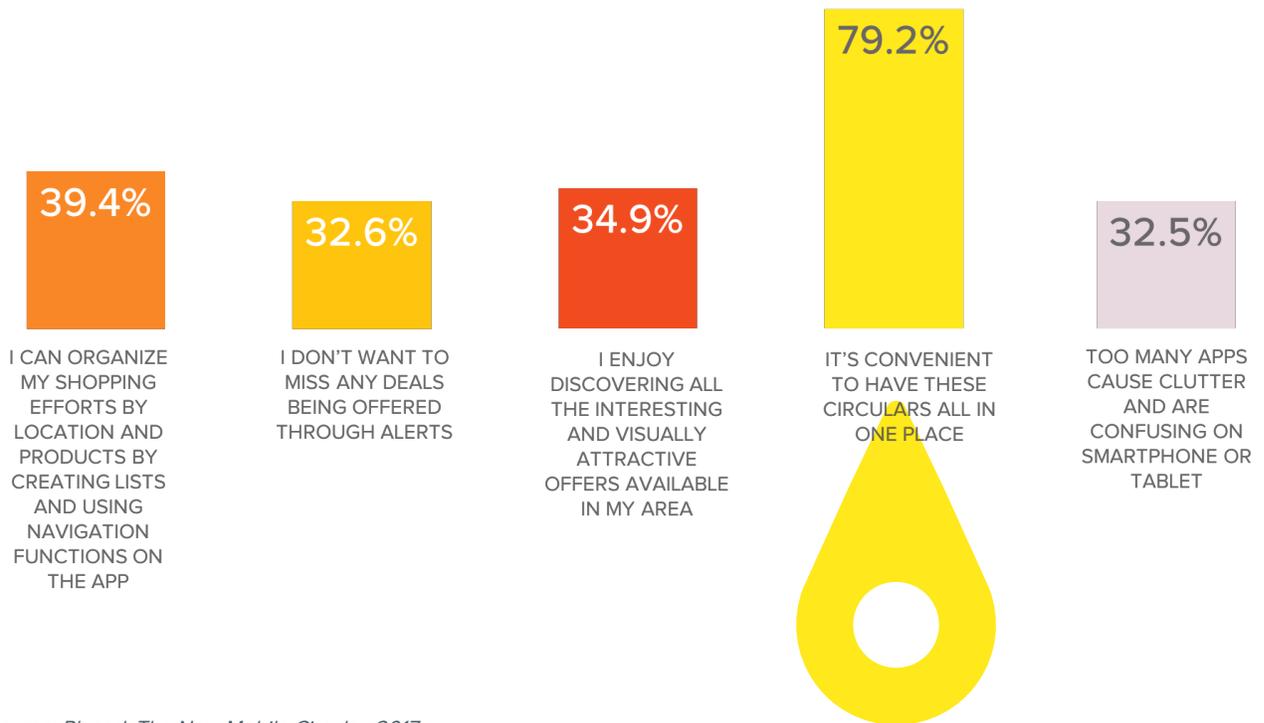


Source: Wpromote, 2017 State of B2B Digital Marketing, 2017.

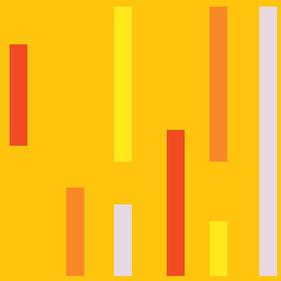




WHY WOULD YOU PREFER TO USE AN APP OR WEBSITE TO VIEW CIRCULARS?



Source: Placed, The New Mobile Circular, 2017.



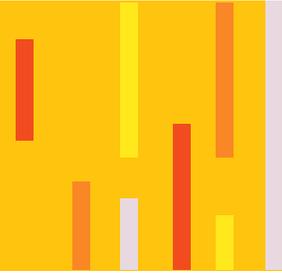
CHAPTER 6

Search





CHAPTER 6: Search



Search Continues to Evolve... While ATTENTION TO THE FUNDAMENTALS Remains Critical

Figuring out whether your search engine optimization/marketing efforts are paying dividends is not always easy to discern. There are basic metrics to consider, such as whether your revenue increased or qualified leads grew, or whether your efforts produced a profit. But in an attempt to make 2018 unquestionably successful, it's important to dig a bit deeper and examine some of the strengths and weaknesses of your current web presence.

Here are a few areas to take a closer look at (in no particular order):

ARE YOU IMPRESSED BY YOUR SITE AS A STANDALONE ENTITY AND ALSO IN COMPARISON WITH YOUR MOST IMPORTANT COMPETITORS? If your website hasn't gone through a refresh/redesign in the last year or two, it may be time. Make sure that when visitors arrive, they can efficiently locate what they are looking for and that the site is visually appealing. If that's not the case and your bounce rate is high, you are losing people before they have a chance to explore your offerings. Additionally, if you are keeping folks on the page for a sufficient amount of time and they aren't "converting," then that concern should be analyzed in depth as well.

BESIDES LOOKING AT THE PROFITABILITY OF YOUR PAID CAMPAIGNS IN TERMS OF DOLLARS SPENT VERSUS REVENUE ACHIEVED, RUN AN ADDITIONAL CALCULATION THAT ACCOUNTS FOR THE LONG-TERM VALUE OF A NEWLY ACQUIRED CUSTOMER. That data may shed an entirely new perspective on the effectiveness of your campaigns and may change the dynamic of what you're willing to invest up front to drive new customers. An effort that appears too costly at first glance may, in fact, be profitable in light of overall lifetime value of customers acquired and one that you can "double down" on.

SITE SPEED IS AN OLD TOPIC BUT AN INCREASINGLY IMPORTANT ONE IN TERMS OF RANKINGS (BOTH ORGANIC AND PAID). If Google considers your site too slow to load, then there's a strong likelihood that your average positions in the search results will diminish and your acquisition cost will be higher than it needs to be. Furthermore, if your site lags while loading, then your bounce rate is apt to be out of line as well.



DO YOU OWN YOUR BRANDED SEARCH? These keywords should be your “low-hanging fruit” conversions. Make sure that you aren’t being outbid or out-positioned on your branded key terms. There’s no excuse for your competitors to be able to steal away these conversions, often at a very low cost (per click). Additionally, make certain that you’re showing up at the top in the organic results as well. Continually monitor this over time.

MYSTERY SHOP YOURSELF. Solicit a friend or hire a company to kick the tires of your entire sales process to find weak links, dropped balls, etc. We find that companies are often not prepared for “old school” inquiries that come in via the telephone. Make sure the folks on your team are trained in how to handle an incoming telephone lead. Inbound calls are a precious commodity. Oftentimes, an easy improvement to your efforts is right there — if you are willing to look for it.

IS YOUR BLOG UP TO DATE WITH FREQUENT POSTS? We all know that creating fresh content is a sore spot for most companies. That doesn’t diminish its importance or the benefits that are gained from a search engine optimization perspective by consistently posting relevant information that your target audience will appreciate. Rule of thumb: If your audience is informed by your blog content, then your organic presence should rise over time.

2018 is going to be a great year for digital marketing. Firm up the fundamentals to ensure a highly successful outcome for your business.

Authored by:
Andrew Wetzler
President
MoreVisibility

CHAPTER HIGHLIGHTS

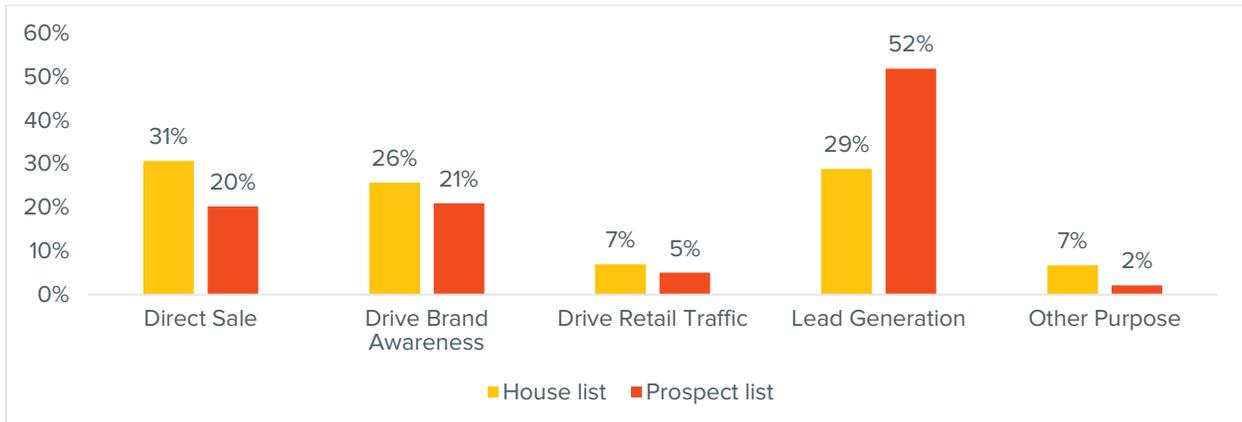
-Search is utilized most by the retail industry, with financial services a close second

-The majority (49%) of display, paid social and video spend is devoted to prospecting

-Google saw 19% of the programmatic display spend share in 2017

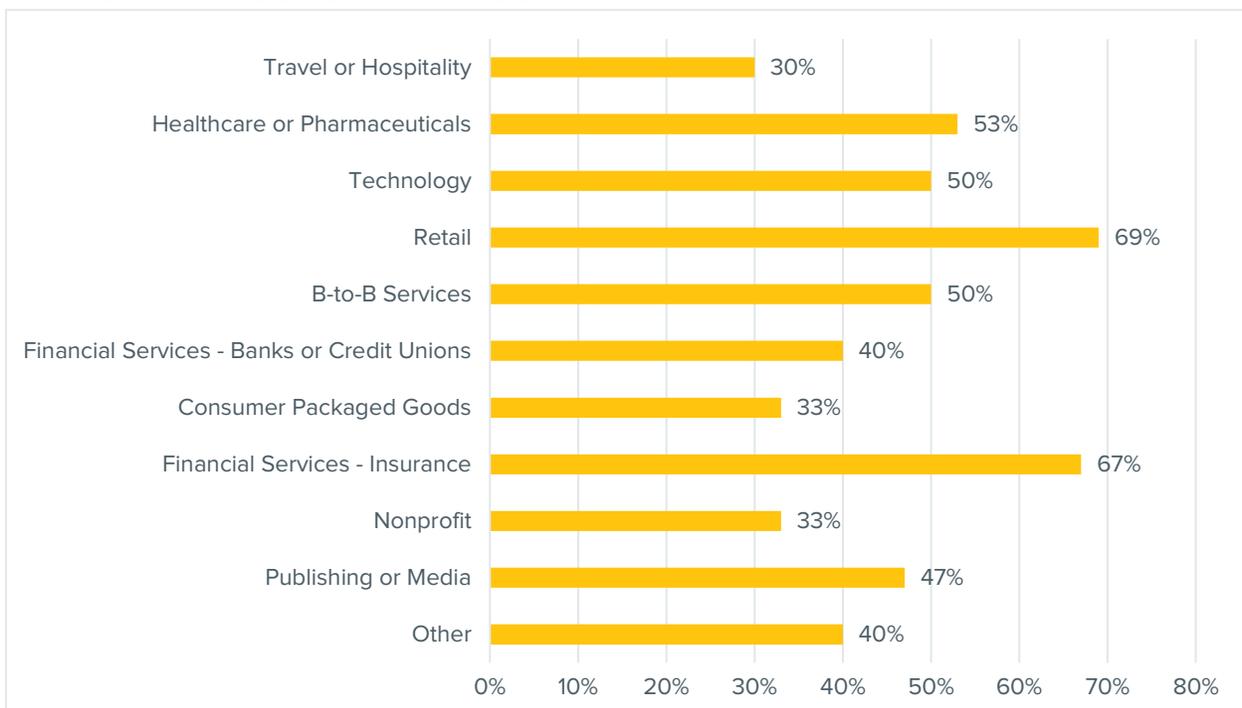


DISTRIBUTION OF RESPONDENTS BY PRIMARY DESIRED OUTCOME OF EMAIL CAMPAIGN



Source: The Data & Marketing Association & Demand Metric, Response Rate Report, 2017.

PAID SEARCH USAGE BY INDUSTRY



Source: The Data & Marketing Association & Demand Metric, Response Rate Report, 2017.



2017 SEARCH ENGINE MARKETING SALARIES

Crandall Associates, Inc., an executive recruiting firm, has determined the salaries by the following process: 1) Discussions with employers, from presidents to personnel officers, nationally, in companies varying in geographic areas, number of employees, and sales volume; 2) Personal interviews and discussions with professionals in Direct Marketing and Online Marketing at all salary levels, working from coast to coast; 3) Analysis of information collected as a result of discussions with potential candidates nationally, with adjustments made for the “fudge” factor. Copies of the full salary guide with 52 functions and regional salary variations are available for \$75 from Crandall Associates, Inc., 6 Litchfield Road, Suite 316, Port Washington, NY 11050, 516.767.6800.

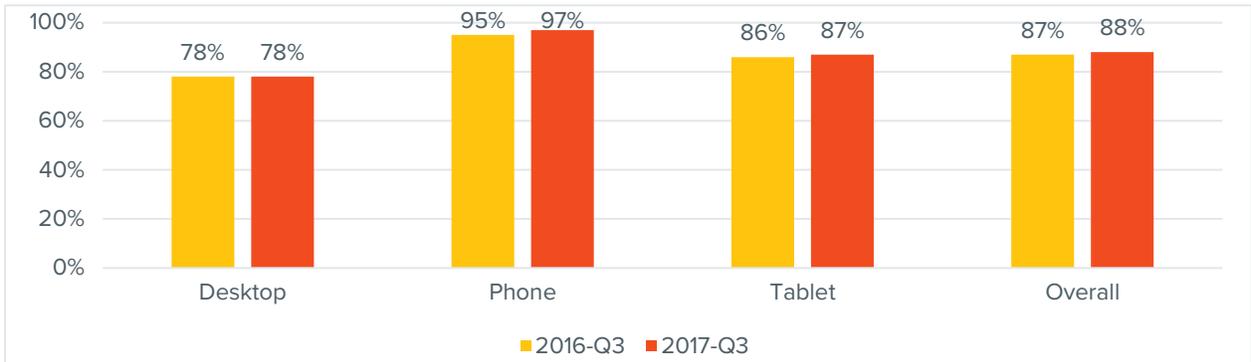
Search Engine Marketing Manager		Search Engine Optimization Manager	
<p><i>One of the best ways to generate website traffic is through Search Engine Marketing. The SEM Manager works with the marketing and technical teams to create and manage pay-per-click advertising strategies and keyword research to maximize click value and the overall customer experience.</i></p> <p>DUTIES: Responsible for PPC new keyword development and testing, and executing tactics that increase revenue, site traffic, conversion, and margins. Manages day-to-day search marketing activities across multiple search engines (Google, Yahoo!, MSN, Bing, etc.), including the campaign planning, implementation, budget management, and optimization of paid search campaigns. Responsible for bid optimization and monitors and analyzes campaigns to meet revenue and traffic goals. Develops testing plans and implements new strategies and researches, and manages affiliate and online advertising programs.</p>		<p><i>Top 10 positioning in search engines is the most effective form of online marketing. Mystery shrouds how to accomplish this. Enter the Search Engine Optimization Manager.</i></p> <p>DUTIES: With the vast majority of all new visitors to a website originating from major search engines, it is essential that every business implement a search engine optimization marketing campaign that allows customers to find them ahead of the competition. The Search Engine Optimization Manager develops and maintains keyword phrases that have a high amount of search traffic, conducts site analysis to ensure the site is user-friendly and optimized, reviews writing to maximize search engine ranking, and creates a program in which links are utilized. Thorough understanding of search engine algorithms to improve ranking by increasing quality content is important. Domain name selection, link building, and keyword research are of critical importance. It takes skill and time to ensure that the website is ranked above competitors while still achieving maximum return on investment.</p>	
<u>Salary Range</u>		<u>Salary Range</u>	
Low	\$75,100	Low	\$73,300
Average	\$80,500	Average	\$75,900
High	\$97,400	High	\$92,500

Note: All salary information from Crandall Associates, Inc. is copyright-protected. This material may not be photocopied or otherwise reprinted in any other communication, unless permission is directly granted by Crandall Associates, Inc. 516.767.6800. www.crandallassociates.com

Source: Crandall Associates, Inc., 2017.

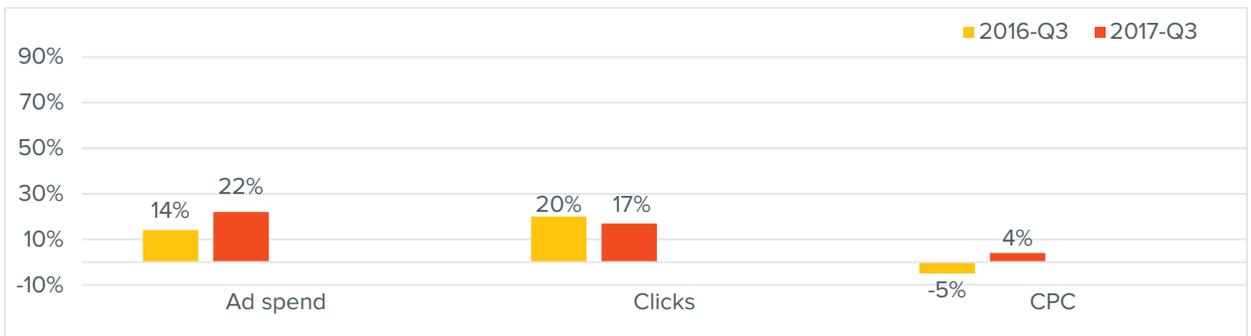


GOOGLE SHARE OF US PAID SEARCH CLICKS BY DEVICE



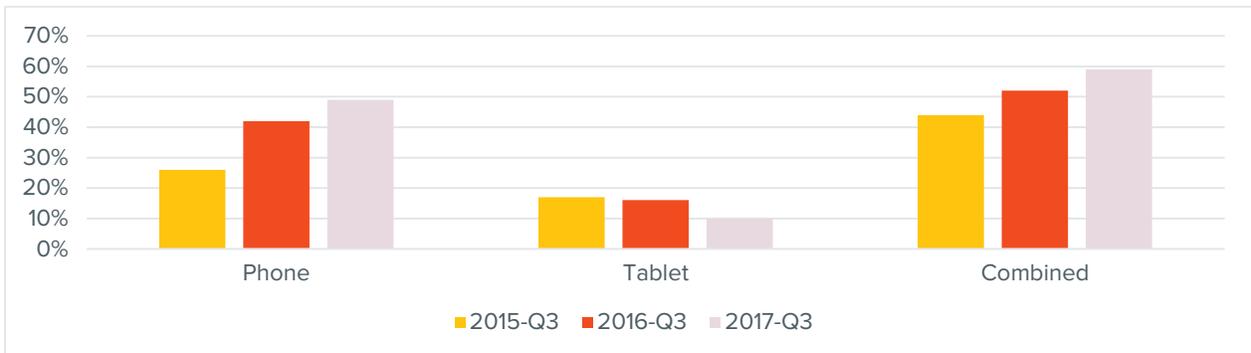
Source: Merkle, Q3 2017 Digital Marketing Report, 2017.

OVERALL US PAID SEARCH Y/Y GROWTH



Source: Merkle, Q3 2017 Digital Marketing Report, 2017.

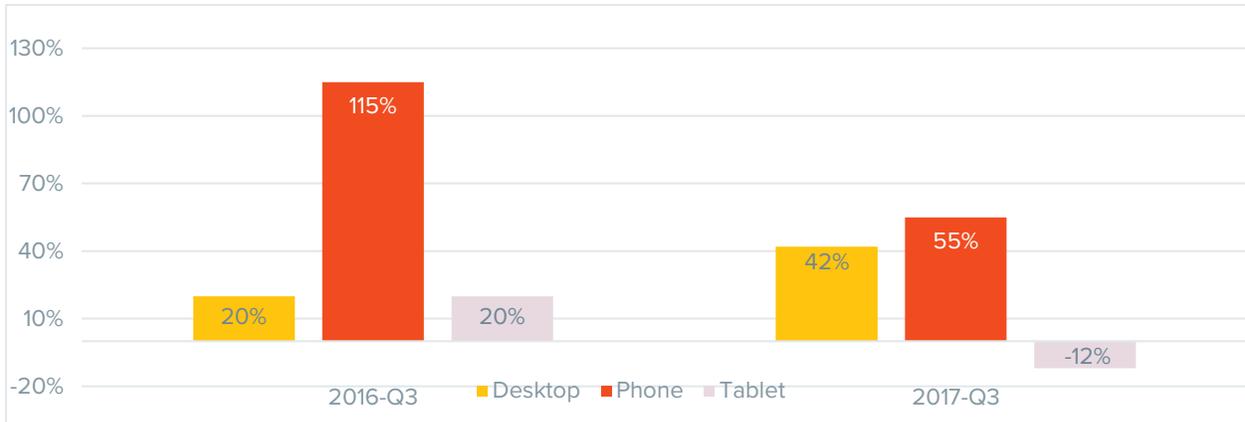
PHONE AND TABLET SHARE OF PAID SEARCH CLICKS



Source: Merkle, Q3 2017 Digital Marketing Report, 2017.

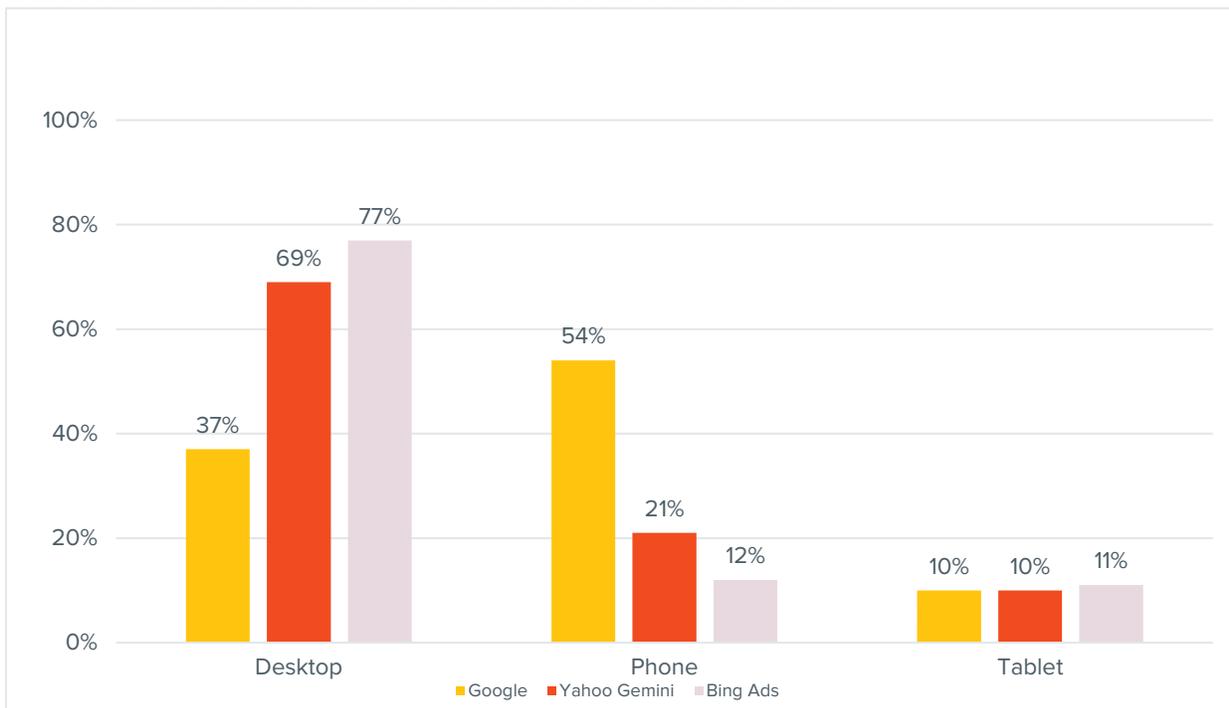


GOOGLE PLA GROWTH BY DEVICE TYPE



Source: Merkle, Q3 2017 Digital Marketing Report, 2017.

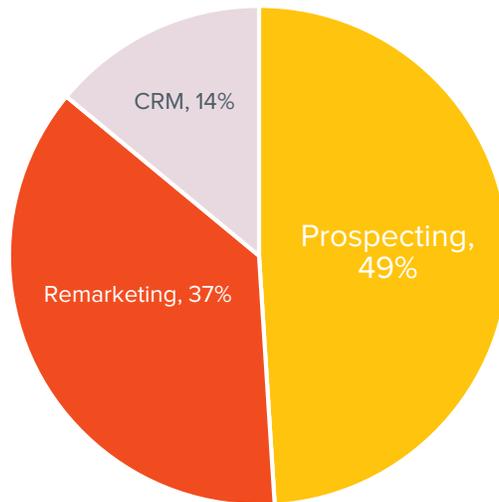
DEVICE CLICK SHARE BY SEARCH AD PLATFORM



Source: Merkle, Q3 2017 Digital Marketing Report, 2017.



DISPLAY, PAID SOCIAL, AND VIDEO SPEND SHARE BY STRATEGY Q3 2017

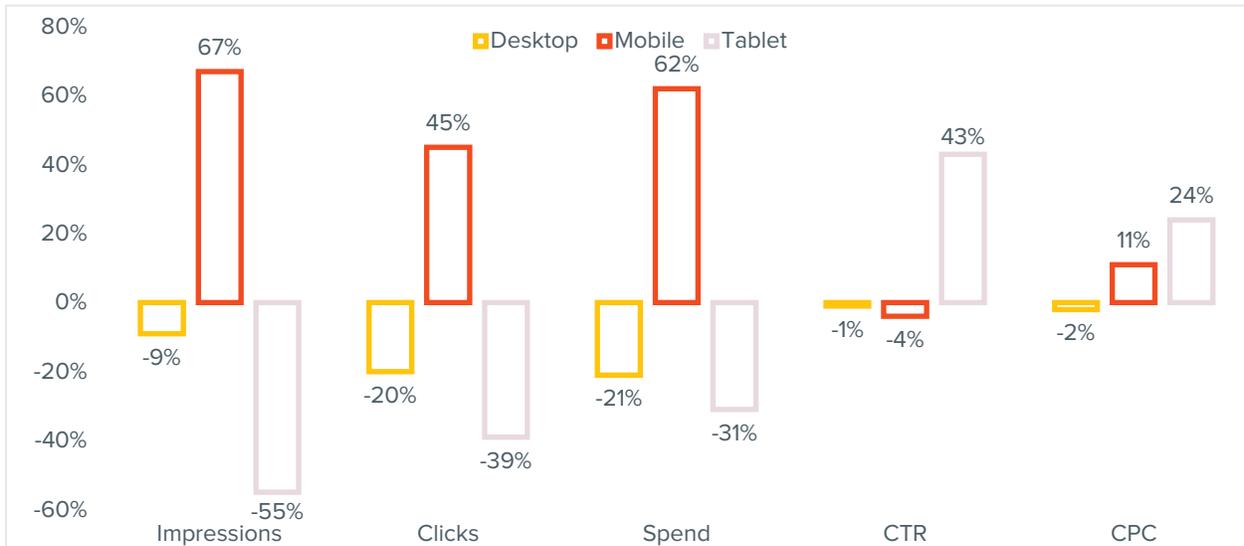


Source: Merkle, Q3 2017 Digital Marketing Report, 2017.



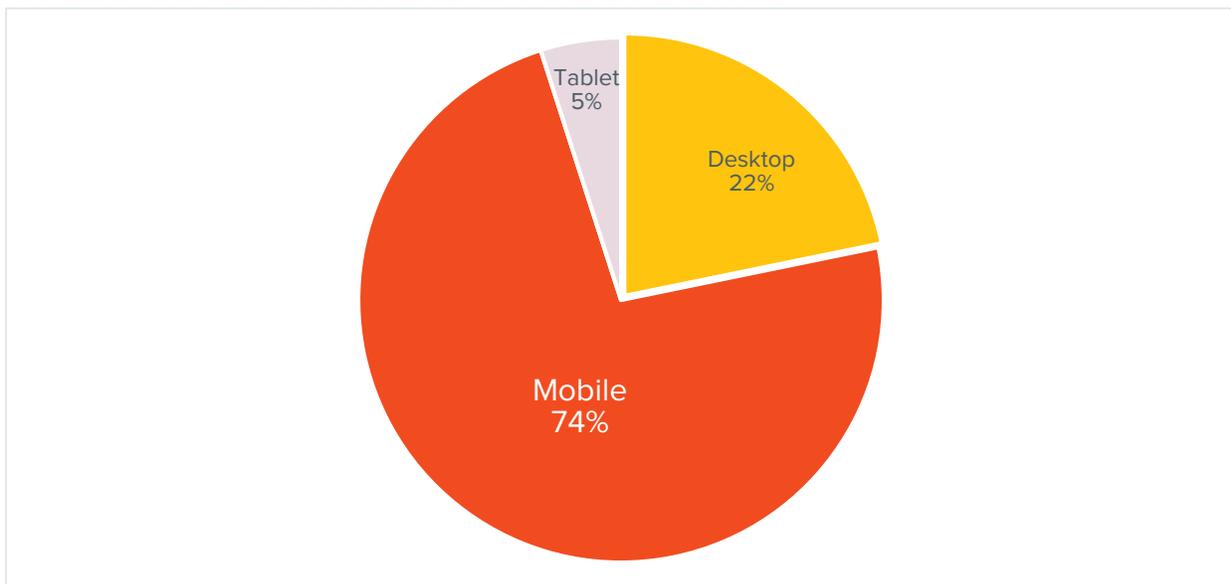


Q3 2017 YOY US PAID SEARCH METRICS BY DEVICE



Source: IgnitionOne, Q3 2017 Digital Marketing Report, 2017.

Q3 2017 US SEARCH SPEND SHARE BY DEVICE



Source: IgnitionOne, Q3 2017 Digital Marketing Report, 2017.

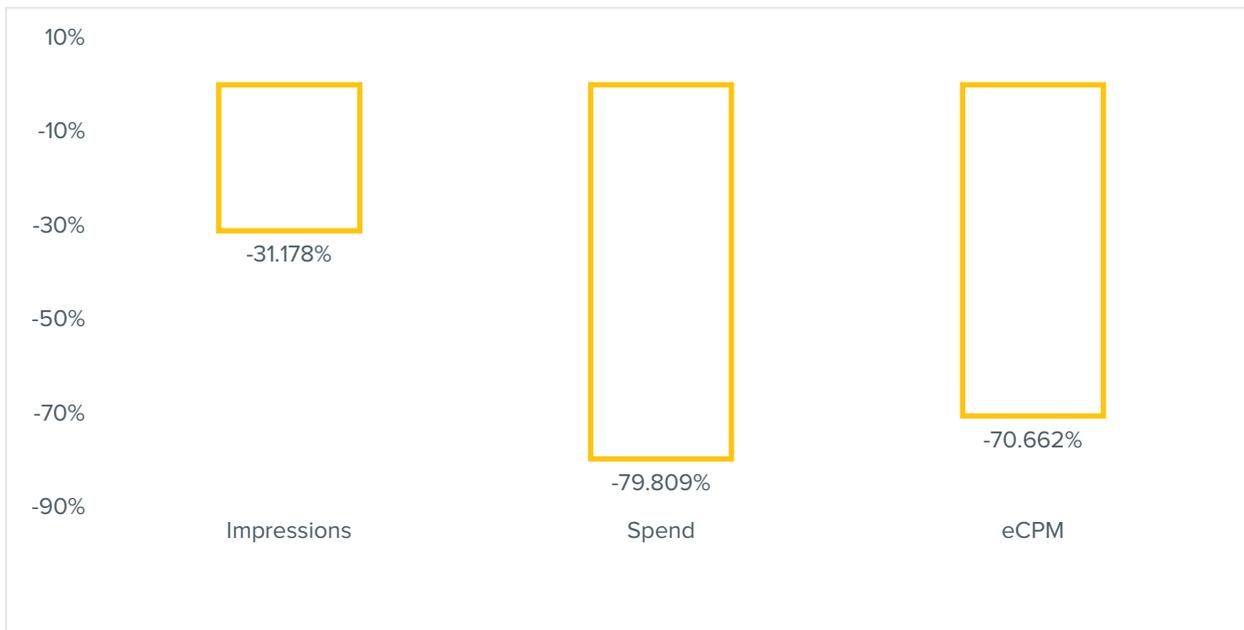


GOOGLE YOY SEARCH METRICS BY QUARTER

YOY	Q3 16	Q4 16	Q1 17	Q2 17	Q3 17
Impressions	-3%	9%	-29%	-14%	2%
Clicks	-10%	27%	11%	20%	13%
Spend	-4%	2%	-14%	21%	26%
CTR	-4%	19%	55%	40%	13%
CPC	8%	-21%	-21%	2%	11%

Source: IgnitionOne, Q3 2017 Digital Marketing Report, 2017.

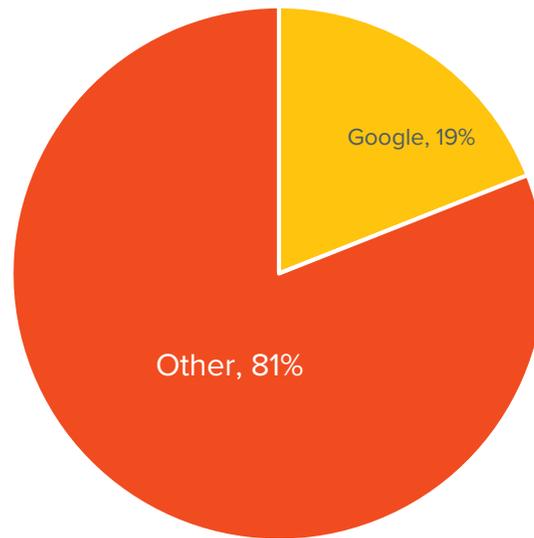
Q3 2017 YOY CHANGE IN PROGRAMMATIC DISPLAY METRICS FOR GOOGLE



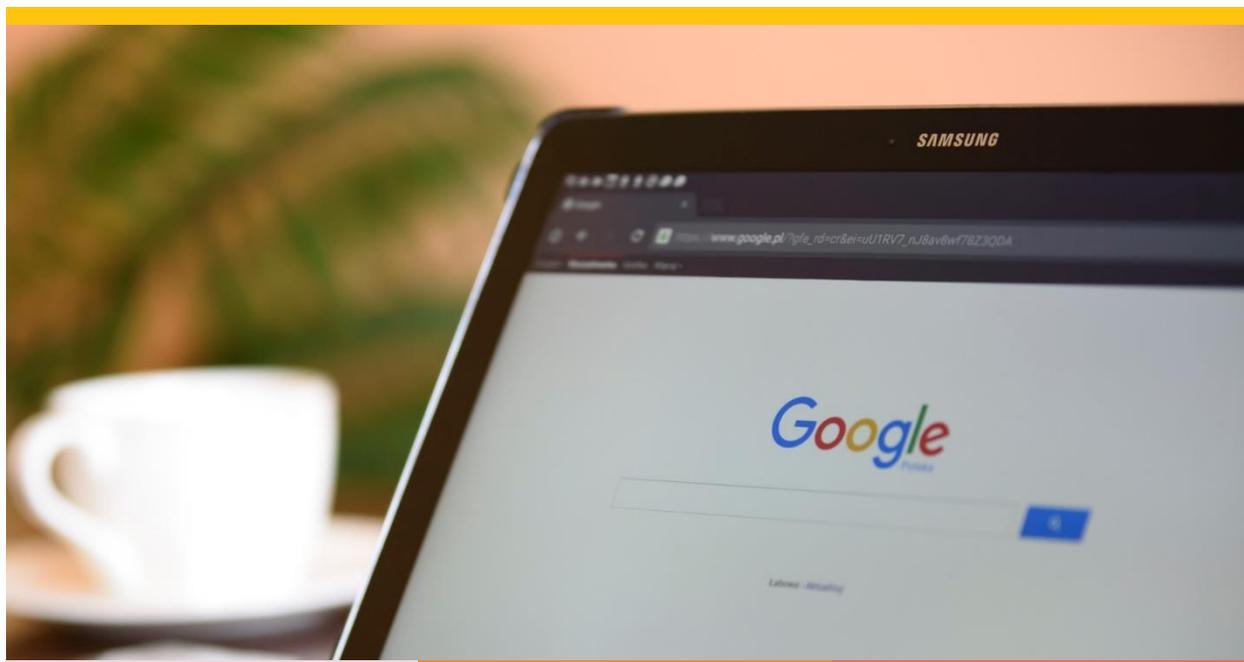
Source: IgnitionOne, Q3 2017 Digital Marketing Report, 2017.

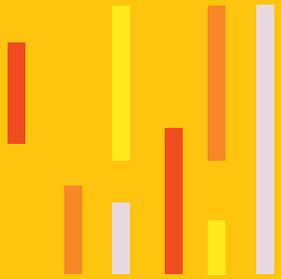


Q3 2017 SHARE OF PROGRAMMATIC DISPLAY SPEND BY PUBLISHER



Source: IgnitionOne, Q3 2017 Digital Marketing Report, 2017.





CHAPTER 7

Social Media





CHAPTER 7: Social Media



Social Media: CRM's NEXT FRONTIER

Of the world's 3.8 billion internet users, nearly 80 percent — more than 3 billion people — are active social media users. And of those 3 billion people, 2.8 billion access their social media accounts on a mobile device.

The sheer scale of social media's marketing potential, as well as its ability to reach people in the moment and at the point of purchase, is astonishing, though certainly not new to marketers.

Equally astonishing is the pace of change in the social mediaverse. New technologies perpetually drive new social utility and engagement, spinning off new datasets that brands and platforms use to reach more and more people, thus fueling the demand for even more new technologies. It's the digital equivalent of Jim Collins' renowned flywheel: Thousands and thousands of small results aligned in the same direction will eventually create self-sustaining momentum.

Yet despite this momentum — and social media's ever-increasing scale and sophistication — many brands continue to underutilize the real-time and responsive nature of social media as a CRM tool, opting to use it instead as a broadcast channel to push out one-way messages that are more akin to mass advertising than dynamic digital communications.

The brands that embrace optimizing the power of social interactions to get closer to their customers will have a strategic advantage in value creation. Consider three key trends for 2018 that underscore the value of social media to a brand's CRM strategy:

1. MESSENGER PLATFORMS DOMINATE

Private social networks and messaging apps clearly challenge the "broadcast" strategies that marketers have developed for public social networks like Facebook and Twitter. So why have private messaging apps like WhatsApp (with 55 billion messages sent per day), Snapchat (with 178 million daily users) and Instagram Direct (with 375 million monthly active users) become so popular?

"New technologies perpetually drive new social utility and engagement, spinning off new datasets that brands and platforms use to reach more and more people, thus fueling the demand for even more new technologies."



Beyond falling data prices, cheaper devices, and better messaging features lies a simple human truth: People actually want to communicate with each other, not just broadcast their private lives to the world. (OK, maybe not your Facebook friend who feels compelled to post a picture before every meal, but most everyone else.)

Brands need to follow suit. As noted in this report, the number of brands that spend on Snapchat — a paltry 6 percent — is dwarfed by that of those spending on Facebook and Twitter, at 82 percent and 86 percent, respectively (see “Social Media Channels That Are Part of a Digital Marketing Mix” below). Yet Gen Z consumers — a highly coveted marketing audience for many brands — are as likely to be on Snapchat as Facebook (see “Which of the Following Social Media Sites Have You Used in the Past Month?” below). This is a significant misalignment that will continue to grow until brands adjust their approach.

And what does that approach look like? Direct marketers already use data to expertly craft timely, personalized, and location-based content and offers in other digital channels. And where discoverability has been a problem in the past for messaging platforms — 80–90 percent of online fans communicate through “dark social media” — the platforms themselves are making it much easier to reach customers directly via private messaging. Facebook Messenger’s virtual assistant M can now suggest quick automated responses, GIFs, and movie tickets, all within a conversation. And the open rate for private messages? A cool 98 percent.

Brands are already seeing the value. During Fashion Week in New York City, Tommy Hilfiger found that consumers spent 3.5 times more through their Facebook Messenger bot, which enabled fashion purchases directly from the runway, than any other digital channel.

2. THE RISE OF THE CONTENT MACHINES

Artificial intelligence (AI) and bots are doing much more than enabling marketers to reach customers more effectively in messaging apps. Also on the rise is the role of AI in content creation.

Sustaining customer engagement in digital and social channels requires massive amounts of content. AI can be used to automatically discover and display user-generated social media content across a brand’s website. It can also help prioritize which content to promote and to whom with great efficiency and precision.

The use of bots for customer service in social channels is a well-established practice for many brands. But how about using bots to help acquire customers, taking them through product features and benefits before turning them over, as a qualified lead, to a live agent? The applications for AI-fueled customer experiences are practically limitless.

(A common misperception of AI is that it can actually dehumanize the social media experience. We see it quite differently — it’s a way of allowing brands to efficiently sort through the wrong people so they can build stronger relationships with more of the right people.)



“The applications for AI-fueled customer experiences are practically limitless.”



3. THE NEW UTILITY OF SOCIAL DATA

AI has made big data small again, and there is perhaps no other channel where this matters more than in social media. Marketers are increasingly using machine learning to make sense of huge amounts of unstructured data and to gain insights from social and voice-of-customer data. One of many current applications: using AI to mine social posts and recognize customers likely to churn far sooner than traditional CRM models would be able to identify them.

We also recommend to our clients that they think differently about how to measure the impact and ROI of investments in social media. With the rise of social selling — the expansion of Instagram Shoppable posts, for example — tracking attribution, a traditional CRM practice, is becoming much more feasible and relevant for social channels. In fact, RAPP’s 2017 Social Media Benchmark Guide, referenced below, ranks social media as having the second-highest direct-response ROI, behind only email and ahead of direct mail, search, and display.

As an agency that’s spent the past 50 years understanding and engaging individuals, we see tremendous potential in applying social media strategies and tactics as part of an end-to-end customer journey management strategy. In turn, this will drive disproportionate value for both brands and their consumers.

Authored by:

Anne Marie Neal
President
RAPP San Francisco

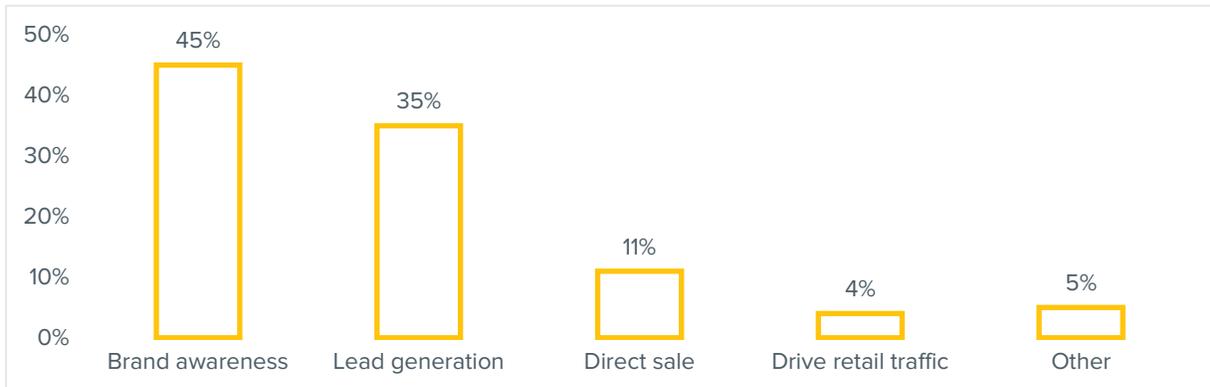
Ludo Gougat
SVP, Experience Strategy
RAPP San Francisco

CHAPTER HIGHLIGHTS

- Brand awareness is marketers’ #1 desired outcome of social media
- Social media spending predicted to raise from 9.8% (current) to 18.5% of marketing budgets in the next 5 years
- Social media advertising is utilized most by the travel/hospitality industry
- Facebook continues to dominate use share by >30% over its competitors
- LinkedIn & Instagram reported as the best lead gen platforms

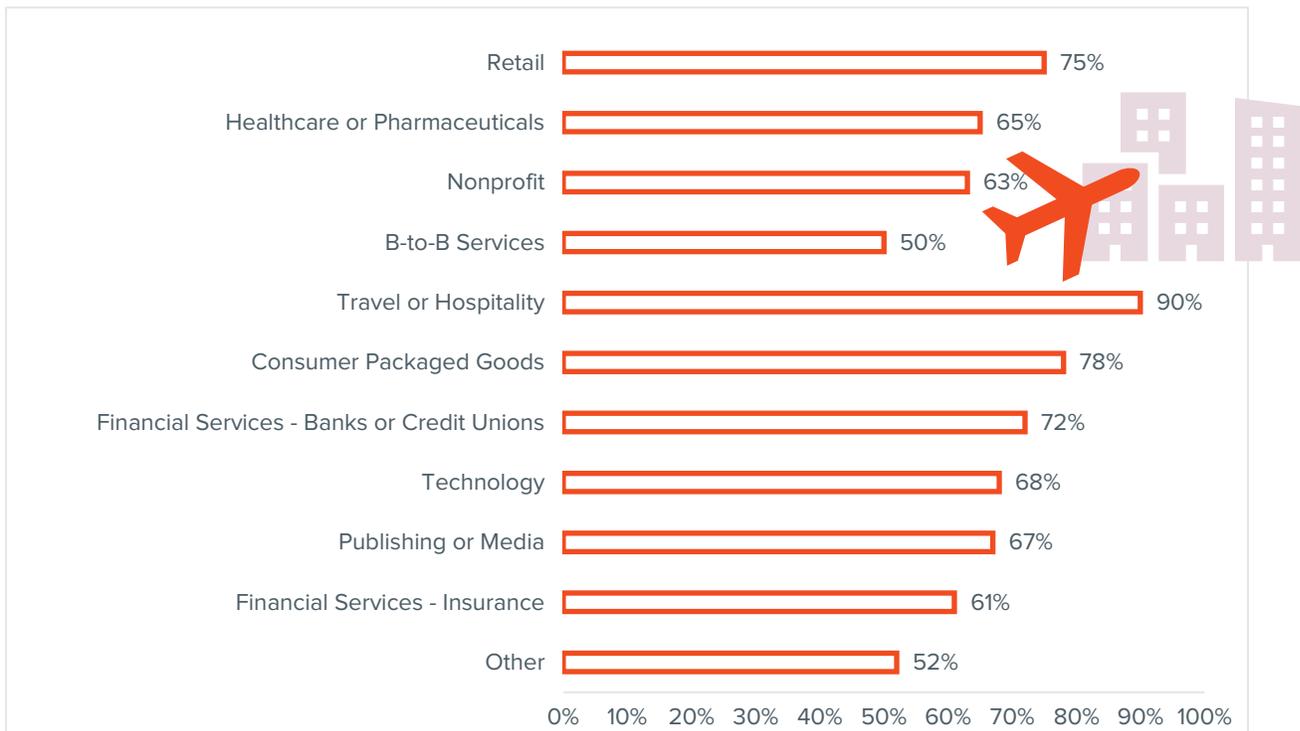


DESIRED OUTCOME OF SOCIAL MEDIA



Source: The Data & Marketing Association & Demand Metric, Response Rate Benchmark Study, 2017.

SOCIAL MEDIA ADVERTISING USAGE BY INDUSTRY



Source: The Data & Marketing Association & Demand Metric, Response Rate Benchmark Study, 2017.



SOCIAL MEDIA SALARIES

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<p>Social Media Director</p> <p><i>The position is responsible for creating strategy and implementing content on a variety of social platforms on behalf of a brand product or corporation. These days, there is often an internal battle for “ownership” of the Social Media Director. This position may reside in the Marketing, Ecommerce or PR departments.</i></p> <p>DUTIES: Include online advocacy, writing editorial, community outreach efforts, and promotions. Develops the tone and voice of social media extensions to grow and engage audience. Manages presence via social networking sites including Facebook, Pinterest, Twitter, Google+, YouTube, posting on blogs, and other sites. Engages in dialogue and answering questions on behalf of the community. Solid knowledge and understanding of SEM and SEO, and identifies ways to monetize social media initiatives. Identifies potential partner sites (brands, bloggers, etc.) and creates partnership marketing opportunities and is responsible for reputation management.</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;"><u>Salary Range</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">Low</td> <td style="text-align: right;">\$86,400</td> </tr> <tr> <td style="text-align: right;">Average</td> <td style="text-align: right;">\$98,500</td> </tr> <tr> <td style="text-align: right;">High</td> <td style="text-align: right;">\$121,100</td> </tr> </tbody> </table>	<u>Salary Range</u>		Low	\$86,400	Average	\$98,500	High	\$121,100	<p>Social Media Manager</p> <p>(Oriented towards welcoming, and maintaining the dialogue with the connections...more strategic position than Community Manager)</p> <p><i>This is a newer position that every company, large or small, needs to fill. In a smaller organization, a part-timer or outsourced agency may meet the need, but any organization that ignores social media (even a restaurant or dog walker, let alone a company of greater size) does so at their own peril.</i></p> <p>DUTIES: Implements social media strategy by coordinating with various departments to ensure that the organization is speaking in “one voice” through social channels. Encourages adoption of relevant social media techniques into the corporate culture, and into all of the company’s products and services. Works with the product development team to ensure the social media tools (e.g., Pinterest icon) are kept up to date. Becomes an advocate of the company in social media spaces, responding to questions and/or issues, and engaging in dialogues, as appropriate. Communicates insights gained from social media monitoring to management, to help them evolve their strategies in a relevant and timely fashion.</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;"><u>Salary Range</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">Low</td> <td style="text-align: right;">\$73,500</td> </tr> <tr> <td style="text-align: right;">Average</td> <td style="text-align: right;">\$77,000</td> </tr> <tr> <td style="text-align: right;">High</td> <td style="text-align: right;">\$88,600</td> </tr> </tbody> </table>	<u>Salary Range</u>		Low	\$73,500	Average	\$77,000	High	\$88,600
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<p>Community Manager</p> <p>(More oriented toward welcoming, and maintaining the dialogue with connections than the Social Media Manager.)</p> <p><i>A Community Manager is the face and voice of a company, managing communications in both directions.</i></p> <p>DUTIES: Responsible for creating content for social media channels, including customer relations, blog posts, articles and newsletters, public relations, and event planning. Willing to work around the clock to approve comments, keep the dialogue going, and put out fires when necessary. Create and maintains relationships with bloggers. Manages online feedback forums, responding to comments where appropriate, and adding value to the user experience. Empathetic; champions the voice of the community, brand evangelists. Must have knowledge of emerging tools and platforms and social media. Utilizes social media monitoring tools to monitor interaction, and reports on metrics.</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;"><u>Salary Range</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">Low</td> <td style="text-align: right;">\$47,600</td> </tr> <tr> <td style="text-align: right;">Average</td> <td style="text-align: right;">\$55,100</td> </tr> <tr> <td style="text-align: right;">High</td> <td style="text-align: right;">\$77,500</td> </tr> </tbody> </table>		<u>Salary Range</u>		Low	\$47,600	Average	\$55,100	High	\$77,500								
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Source: Crandall Associates, Inc., 2017.

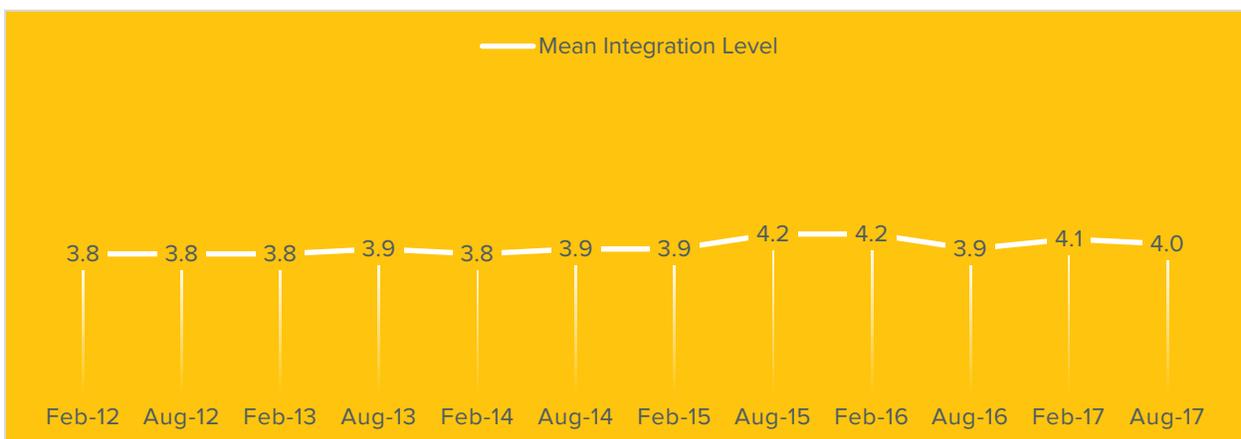


SOCIAL MEDIA SPENDING AS A PERCENTAGE OF MARKETING BUDGETS



Source: The CMO Survey (CMOsurvey.org), Highlights and Insights - August 2017, Figure 5.1.

HOW WELL SOCIAL MEDIA IS INTEGRATED WITH STRATEGY OVER TIME



Source: The CMO Survey (CMOsurvey.org), Highlights and Insights - August 2017, Figure 5.3.



CHANGES IN SOCIAL MEDIA SPENDING ACROSS SECTORS

	Overall	B2B Product	B2B Services	B2C Product	B2C Services
Current Social Media Spending	9.8%	6.8%	9.3%	16.3%	11.1%
Social Media Spending in the next 12 months	13.0%	9.2%	11.5%	22.8%	15.4%
Social Media Spending in the next 5 years	18.5%	13.7%	16.1%	31.9%	21.4%

Source: The CMO Survey (CMOSurvey.org), Highlights and Insights - August 2017, Figure 5.1.

SOCIAL NETWORK AD SPENDING, 2016-2019

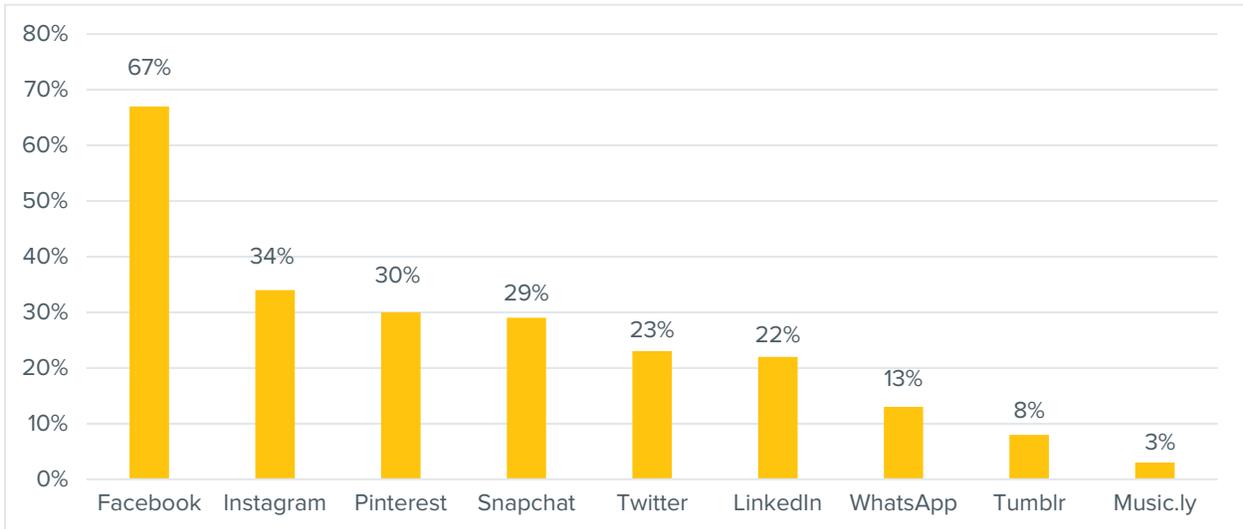
	2016	2017	2018	2019
<i>US Social Network Ad Spending</i>	\$15,764,302,591.86	\$21,137,002,297.12	\$26,007,137,644.75	\$31,025,948,758.98
<i>% of Total Digital Ad Spending</i>	22.02%	25.47%	27.74%	29.43%
<i>Ad Spending Growth</i>	45.09%	34.08%	23.04%	19.30%

Note: Includes paid advertising appearing within social networks, social network games, and social network applications; excludes spending by marketers that goes toward developing or maintaining a social network presence

Source: eMarketer, August 2017.

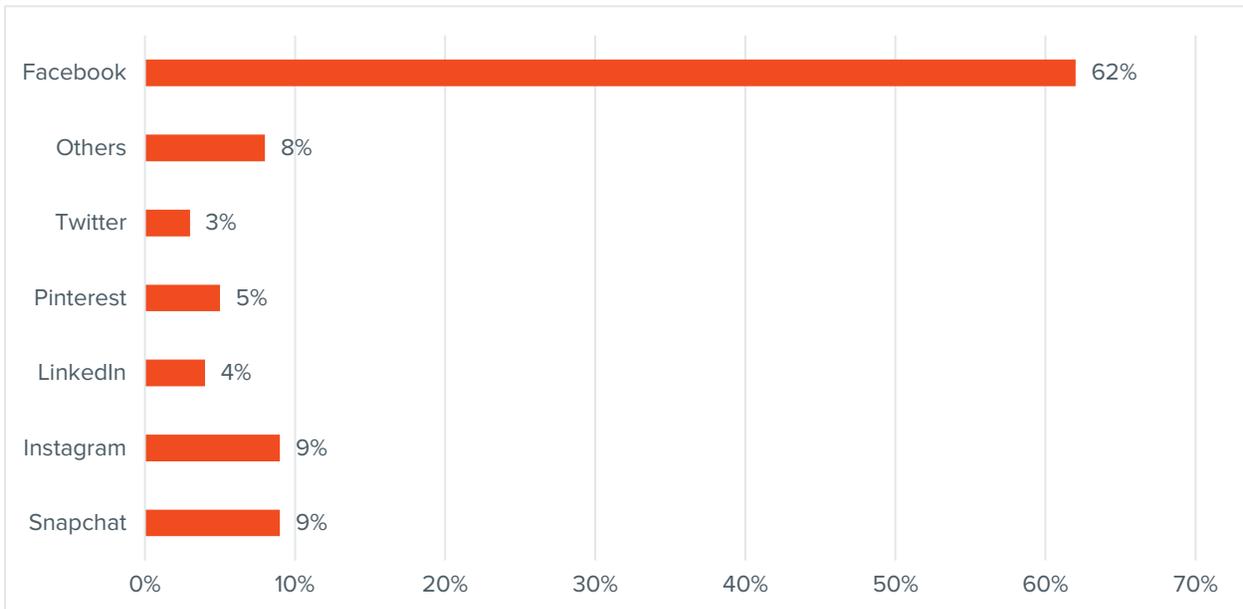


SOCIAL MEDIA BRAND USAGE



Source: Edison Research, *The Infinite Dial*, 2017.

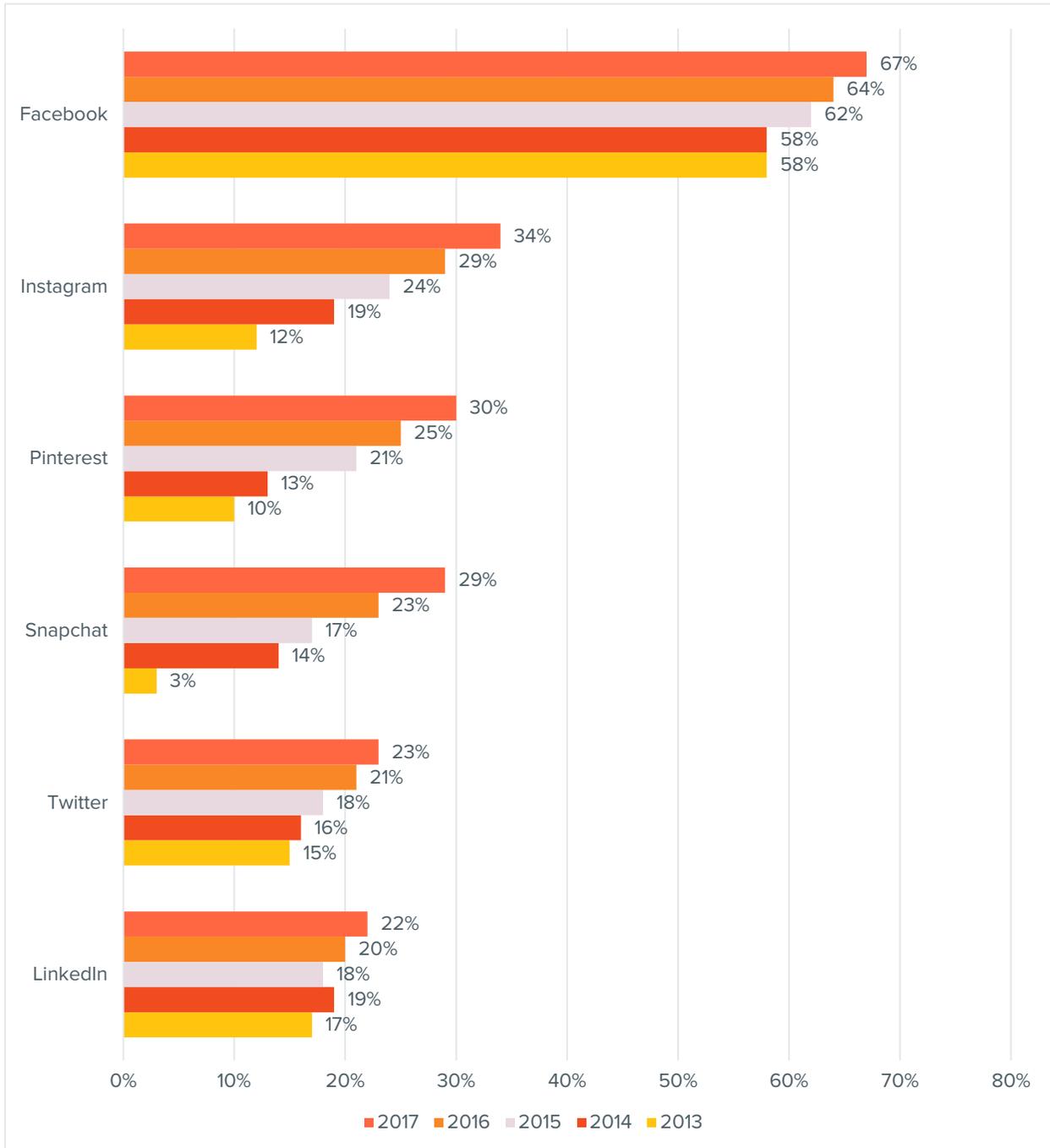
SOCIAL MEDIA BRAND USED MOST OFTEN



Source: Edison Research, *The Infinite Dial*, 2017.



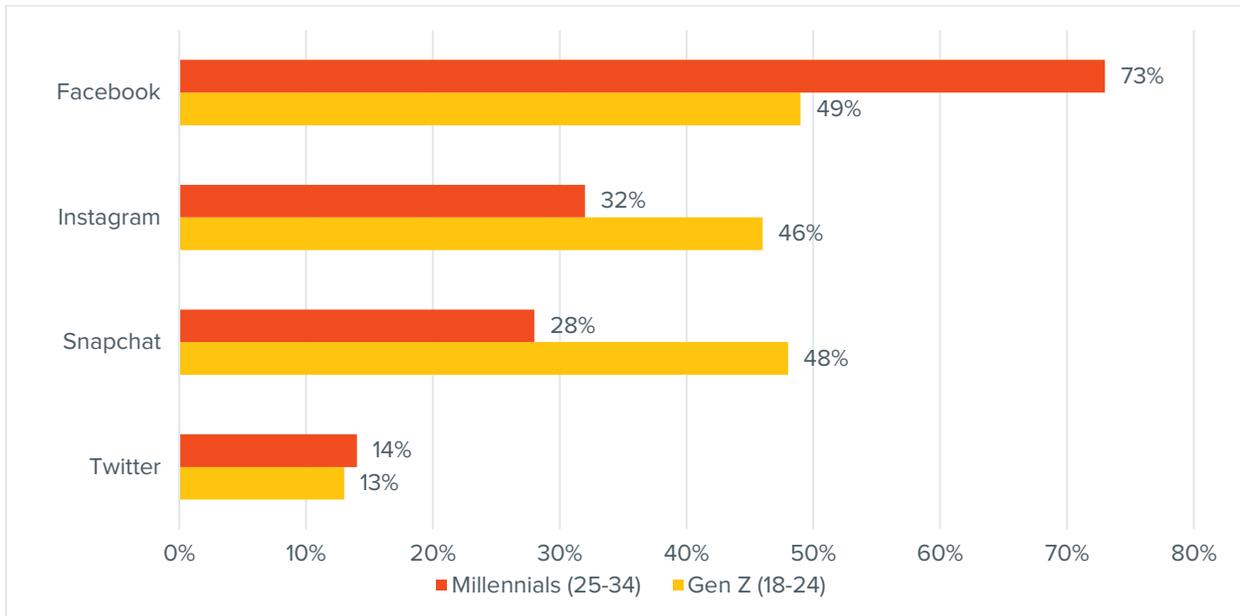
SOCIAL MEDIA USAGE BY BRAND



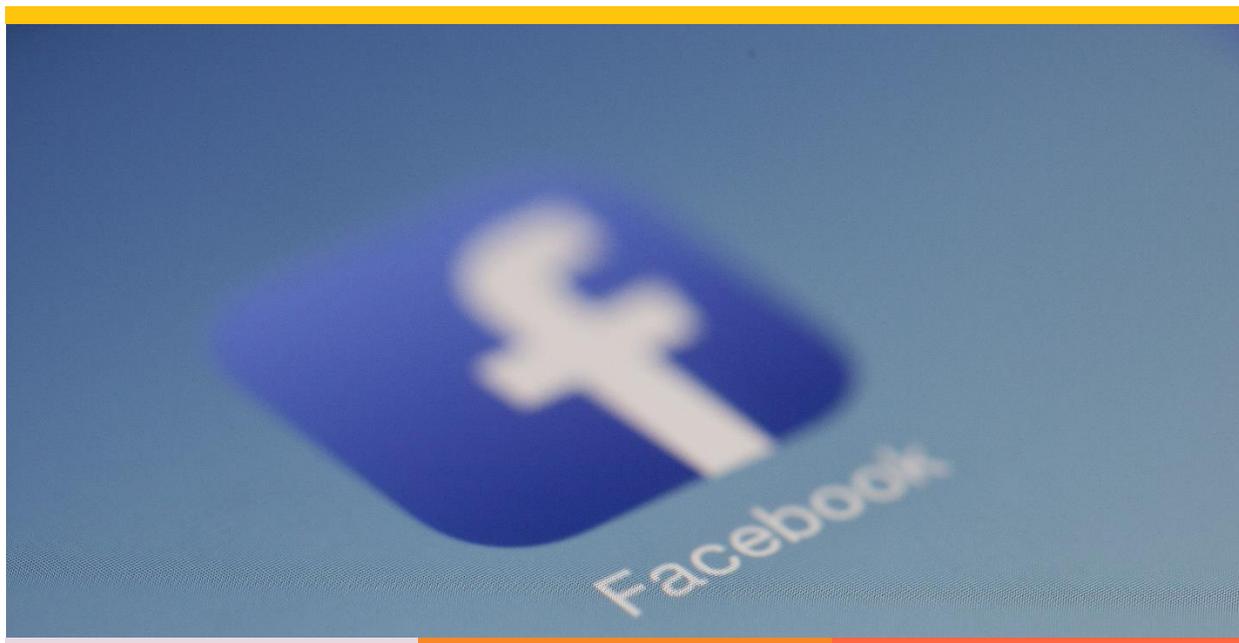
Source: Edison Research, *The Infinite Dial*, 2017.



WHICH OF THE FOLLOWING SOCIAL MEDIA SITES HAVE YOU USED IN THE PAST MONTH?

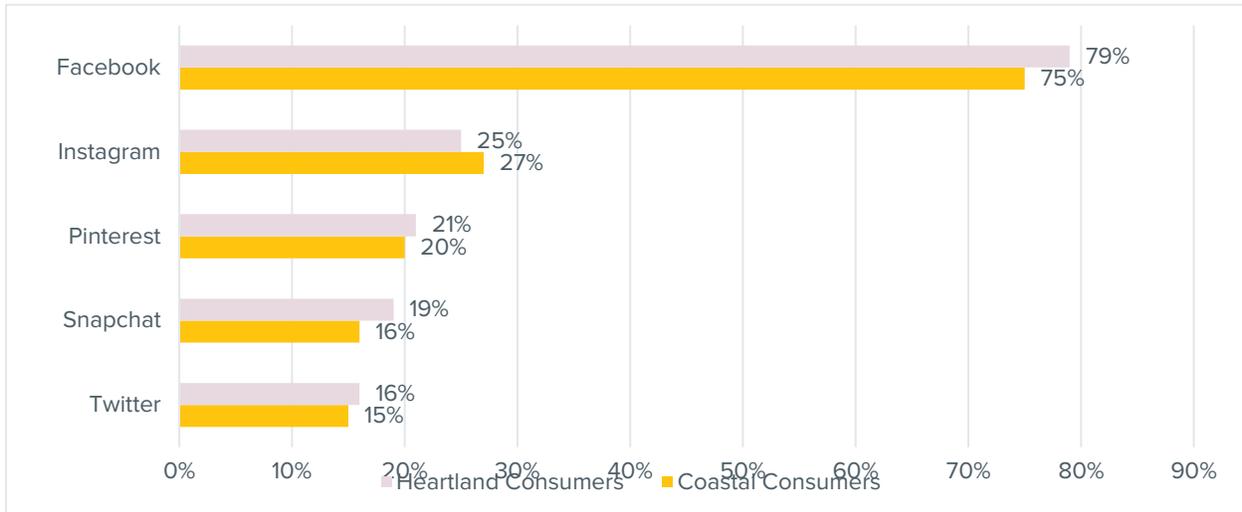


Source: Fluent, Marketing to Gen Z, September 2017.



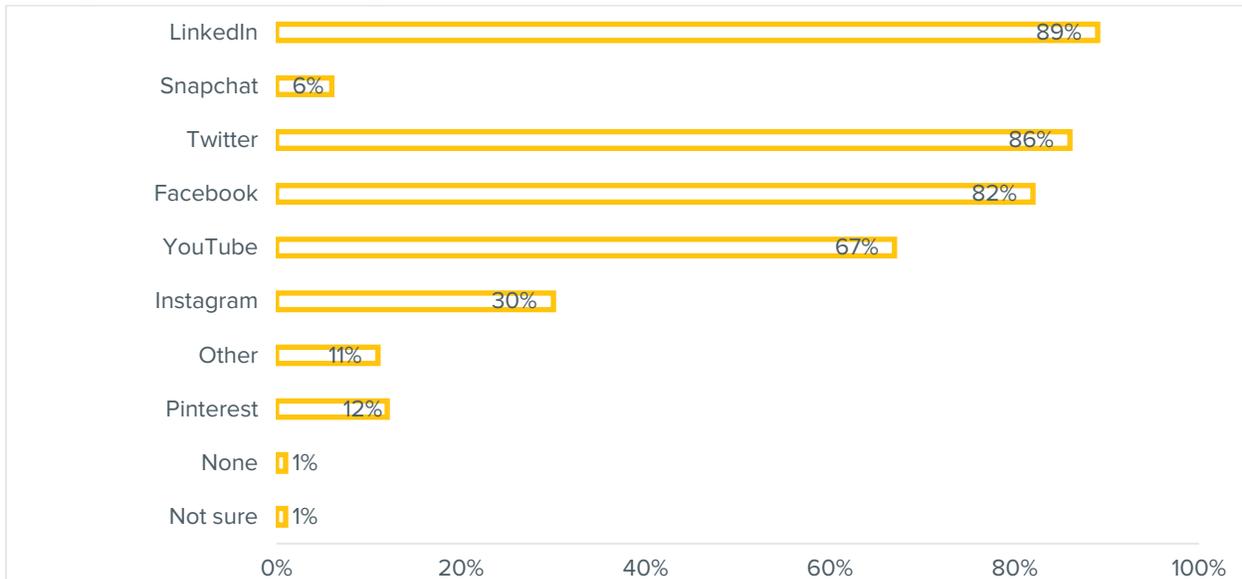


SOCIAL NETWORKS USED AT LEAST MONTHLY



Source: Fluent, Marketing to the Heartland 2017 PART 2: MEDIA CONSUMPTION TREND, 2017.

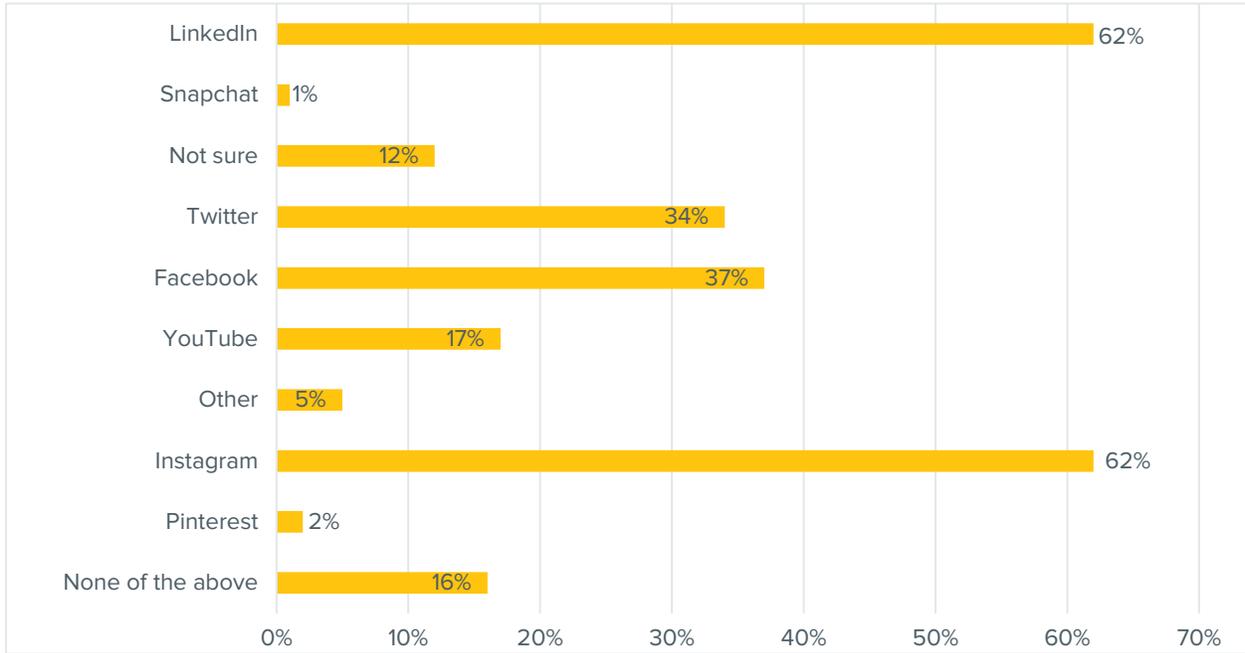
SOCIAL MEDIA CHANNELS THAT ARE PART OF A DIGITAL MARKETING MIX



Source: Wpromote, 2017 State of B2B Digital Marketing, 2017.



PERCENTAGE OF SOCIAL MEDIA CHANNELS THAT GENERATE LEADS

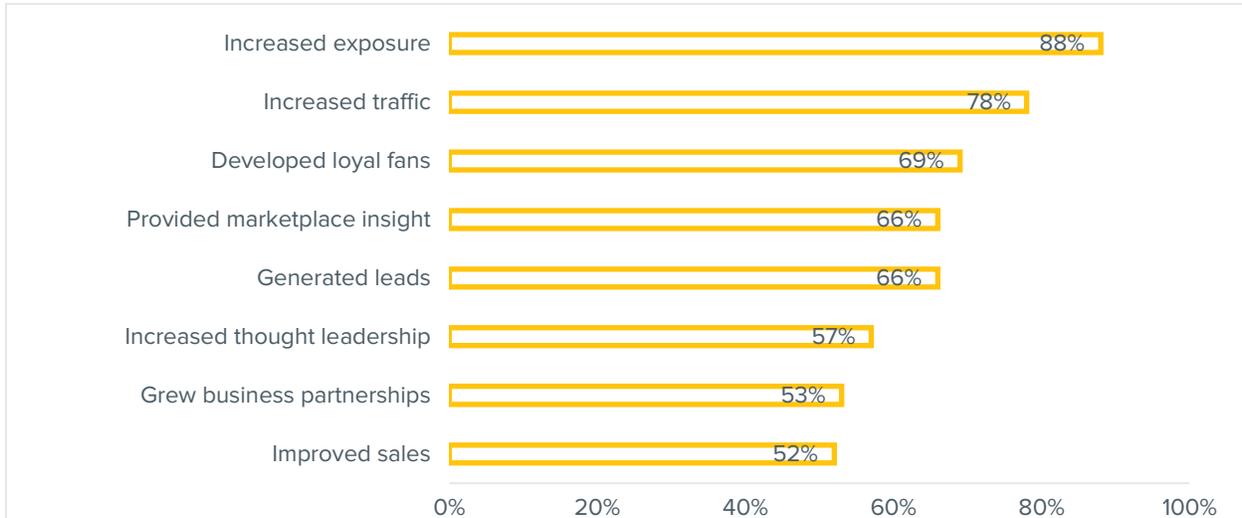


Source: Wpromote, 2017 State of B2B Digital Marketing, 2017.



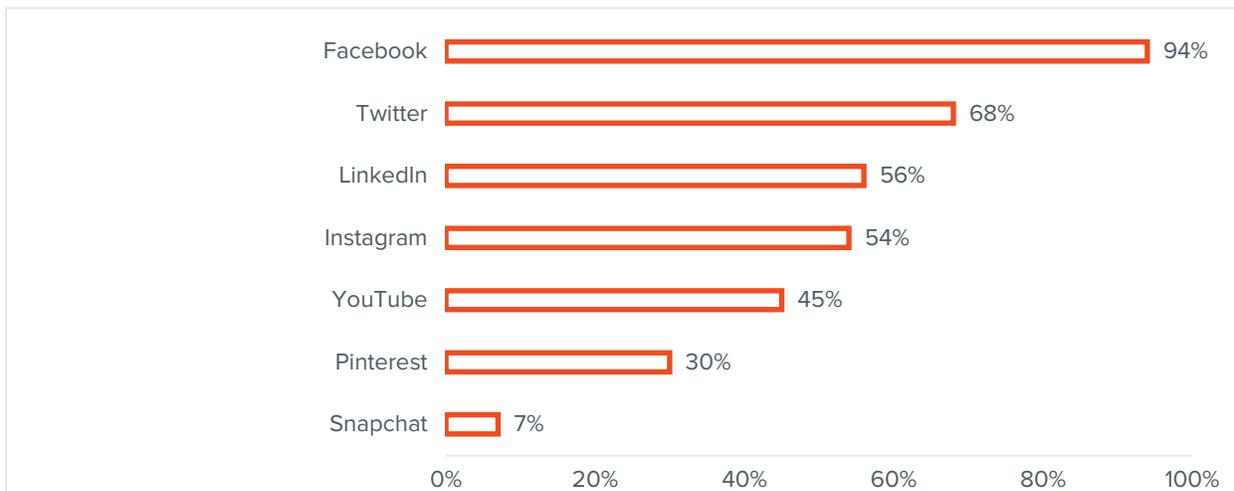


BENEFITS OF SOCIAL MEDIA MARKETING



Source: Social Media Examiner, 2017 Social Media Marketing Industry Report.

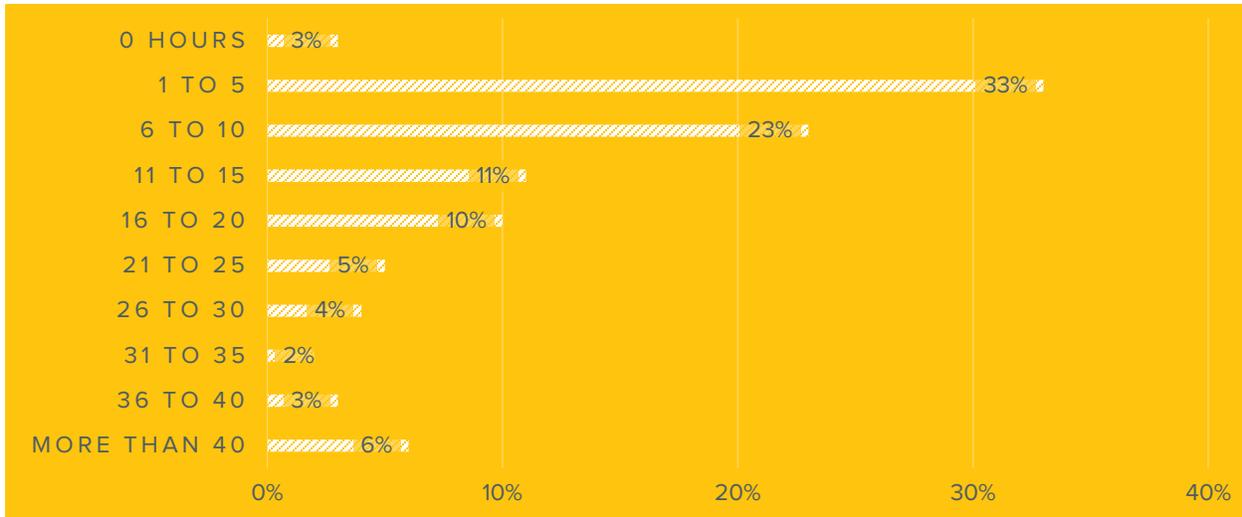
COMMONLY USED SOCIAL MEDIA PLATFORMS



Source: Social Media Examiner, 2017 Social Media Marketing Industry Report.

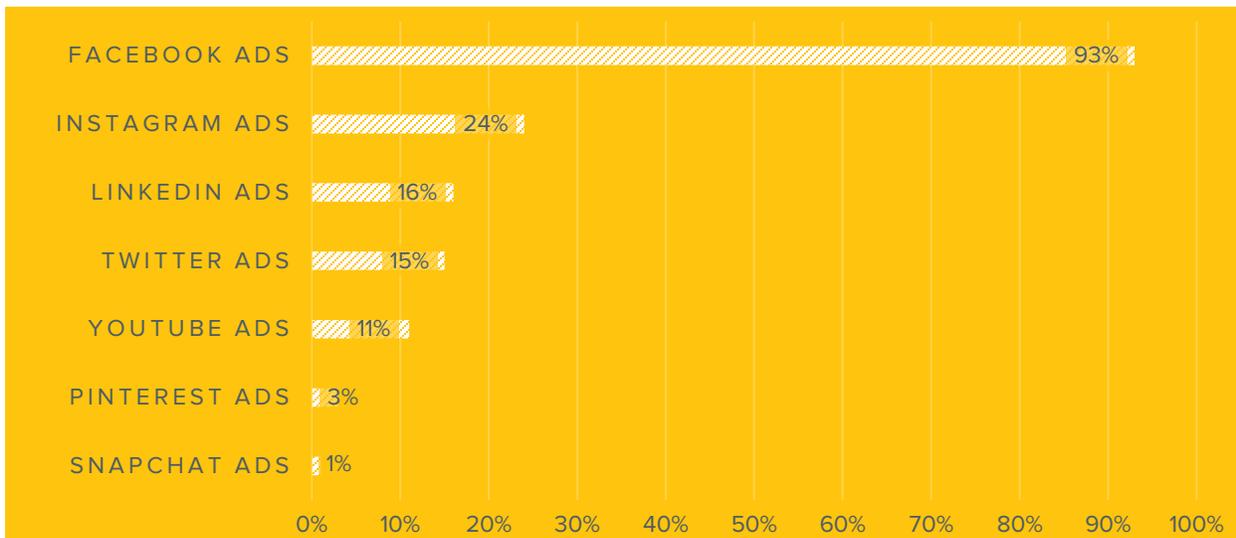


WEEKLY TIME COMMITMENT FOR SOCIAL MEDIA MARKETING



Source: Social Media Examiner, 2017 Social Media Marketing Industry Report.

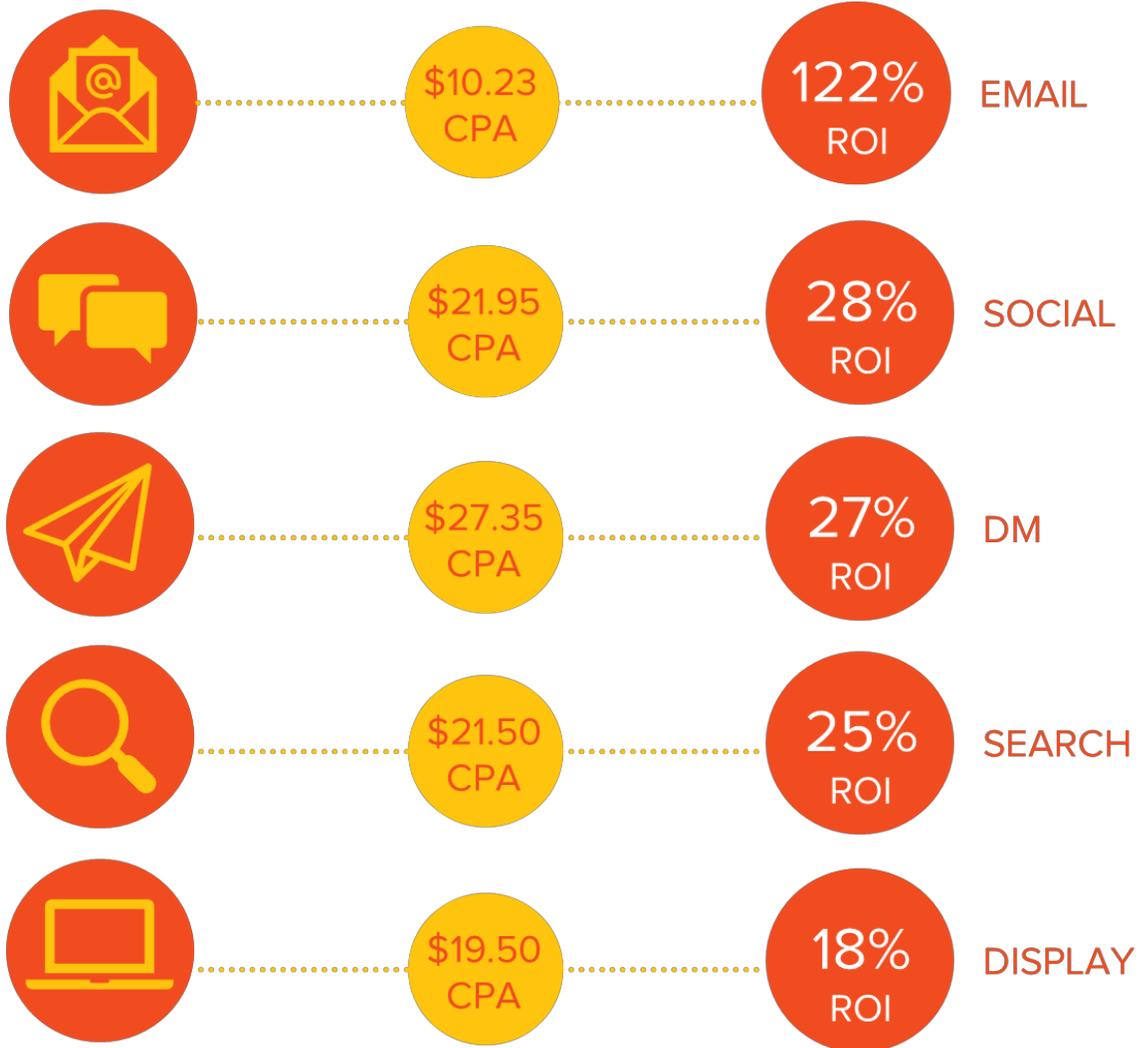
USAGE OF PAID SOCIAL MEDIA



Source: Social Media Examiner, 2017 Social Media Marketing Industry Report.



ROI BY CHANNEL (PER \$1 SPENT)



Source: RAPP Social Media Benchmark Guide, 2017



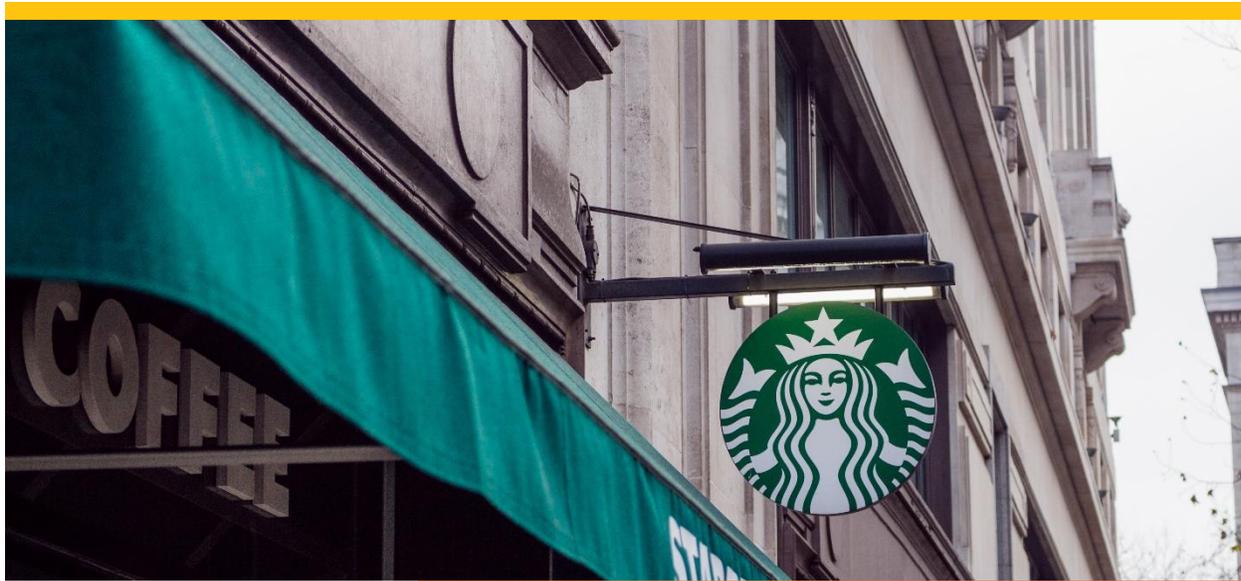
FORTUNE 500 CORPORATE TWITTER FOLLOWERS

Four hundred and thirty-eight companies (88%) in the 2017 F500 have active corporate Twitter accounts. Eight of the top ten corporations (Walmart, Exxon Mobil, McKesson, UnitedHealth Group, CVS Health, General Motors, AT&T, and Ford Motor) consistently post on their Twitter accounts. Berkshire Hathaway, ranked number two on the F500 list, as well as Apple, ranked number three, do not have corporate Twitter accounts.

The main measure of engagement on Twitter is the number of followers. Facebook, in only its fourth year on the F500 list, continues to dominate with 14 million followers, followed by Starbucks, Microsoft, Nike, Disney, Whole Foods Market, and Intel; the exact rank as in 2016. It is interesting to note that Nike has gained more followers in the past year than any other company in this category (500,000 followers at a 7.6% growth rate) but Disney has gained followers at the quickest rate (419,700 at an 8.4% growth rate).

Corporation	2017 Twitter Followers
Facebook	14,000,000
Starbucks	11,900,000
Microsoft	8,080,000
Nike	7,060,000
Disney	5,420,000
Whole Foods Market	4,860,000
Intel	4,700,000

Source: The 2017 Fortune 500 Go Visual and Increase Use of Instagram, Snapchat, and YouTube, University of Massachusetts Dartmouth, Center for Marketing Research, October 2017.





FORTUNE 500 CORPORATE TWITTER ACCOUNTS BY INDUSTRY

CORPORATE TWITTER ACCOUNTS BY INDUSTRY	TOTAL CORPORATIONS W/ TWITTER ACCOUNTS	PERCENT
Utilities: Gas and Electric 	22/22	100%
Commercial Banks	19/19	100%
Food Consumer Products	13/13	100%
Insurance: Life, Health (Stock)	12/12	100%
Pharmaceuticals	10/10	100%
Automotive Retailing Services	9/9	100%
Financial Data Services	9/9	100%
Semiconductors & other Electrical Components	9/9	100%

Source: The 2017 Fortune 500 Go Visual and Increase Use of Instagram, Snapchapt, and YouTube, University of Massachusetts Dartmouth, Center for Marketing Research, October 2017.



FORTUNE 500 CORPORATE FACEBOOK “LIKES”

The main measure of engagement on Facebook is the number of people who “like” the company. Facebook remains well ahead of the other companies with over 189 million “likes”. The next most liked company is McDonald’s with over 72 million. Disney, Netflix, Starbucks, Intel, and Walmart follow. It is interesting to note that Netflix jumped up two spots from the 6th “most liked” company on the 2016 F500 to the 4th in 2017, garnering a substantial 11,069,464 (29% growth) followers; versus the second fastest growing “liked” company of Facebook, whose followers increased 9% in the past year.

CORPORATION	2017 FACEBOOK “LIKES”
Facebook	189,352,413
McDonald’s	72,235,374
Disney	50,938,670
Netflix	37,977,423
Starbucks	36,942,107
Intel	35,658,353
Walmart	33,225,723



Source: The 2017 Fortune 500 Go Visual and Increase Use of Instagram, Snapchapt, and YouTube, University of Massachusetts Dartmouth, Center for Marketing Research, October 2017.



FORTUNE 500 CORPORATE FACEBOOK PAGES BY INDUSTRY

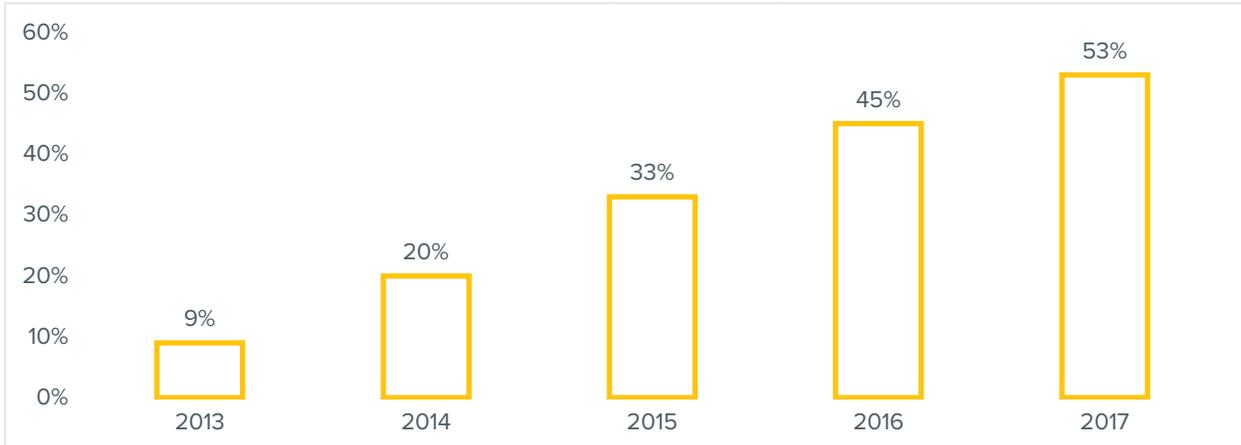
CORPORATE FACEBOOK PAGES BY INDUSTRY	NUMBER OF CORPORATIONS WITH FACEBOOK PAGES	PERCENT
Automotive Retailing Services	9/9	100%
Financial Data Services	9/9	100%
General Merchandisers	9/9	100%
Health Care: Insurance and Managed Care	8/8	100%
Specialty Retailers: Other	20/21	95%
Commercial Banks	18/19	95%
Utilities: Gas and Electric	19/22	86%

Source: The 2017 Fortune 500 Go Visual and Increase Use of Instagram, Snapchat, and YouTube, University of Massachusetts Dartmouth, Center for Marketing Research, October 2017.



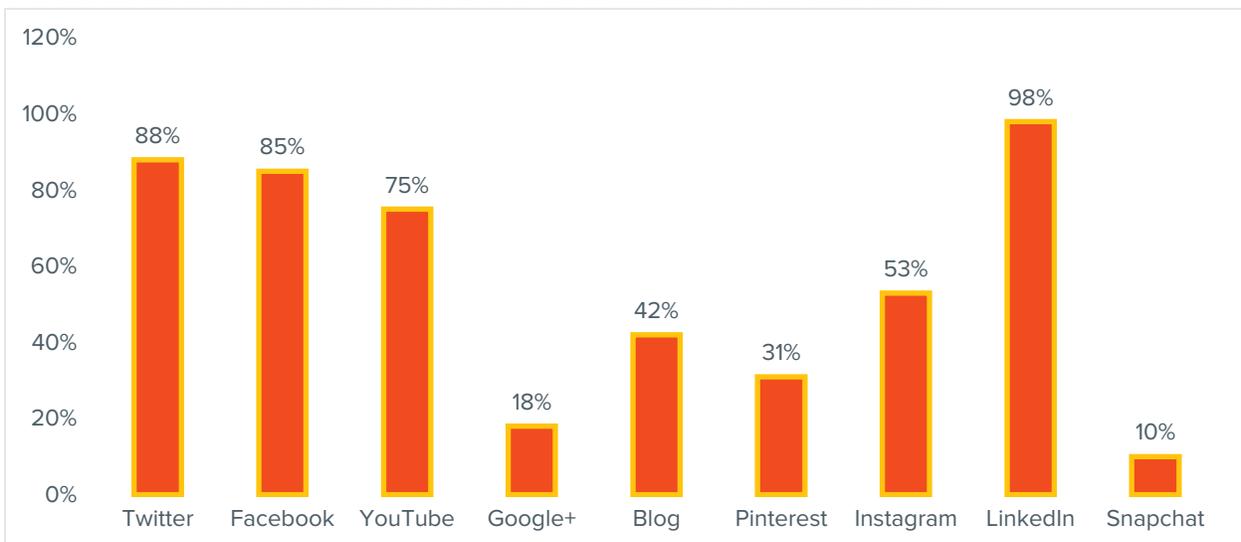


FORTUNE 500 INSTAGRAM USAGE (2013-2017)



Source: *The 2017 Fortune 500 Go Visual and Increase Use of Instagram, Snapchat, and YouTube*, University of Massachusetts Dartmouth, Center for Marketing Research, October 2017.

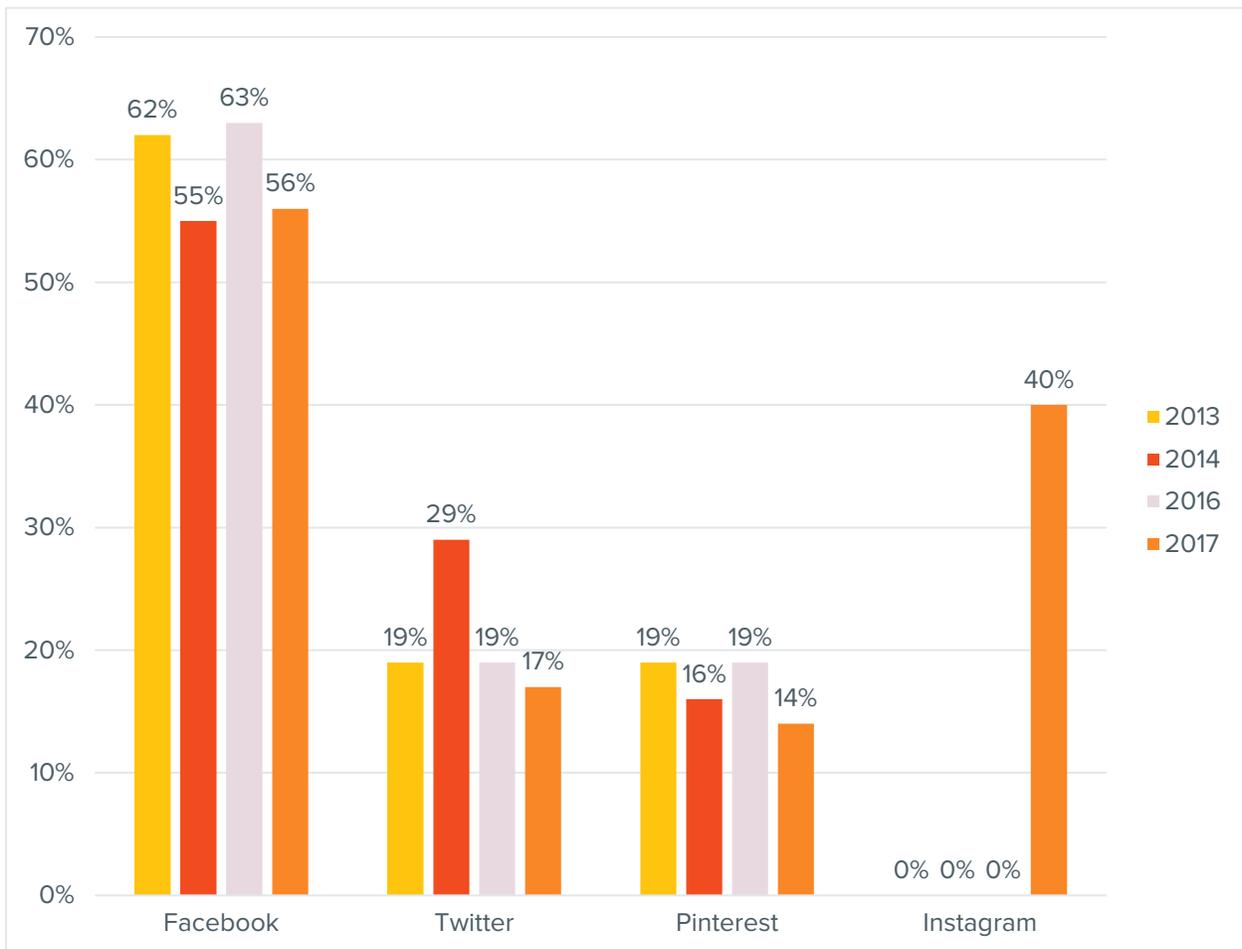
FORTUNE 500 CORPORATE SOCIAL MEDIA USAGE 2017



Source: *The 2017 Fortune 500 Go Visual and Increase Use of Instagram, Snapchat, and YouTube*, University of Massachusetts Dartmouth, Center for Marketing Research, October 2017.



PLATFORMS MILLENIALS USE TO FOLLOW COMPANIES/BRANDS



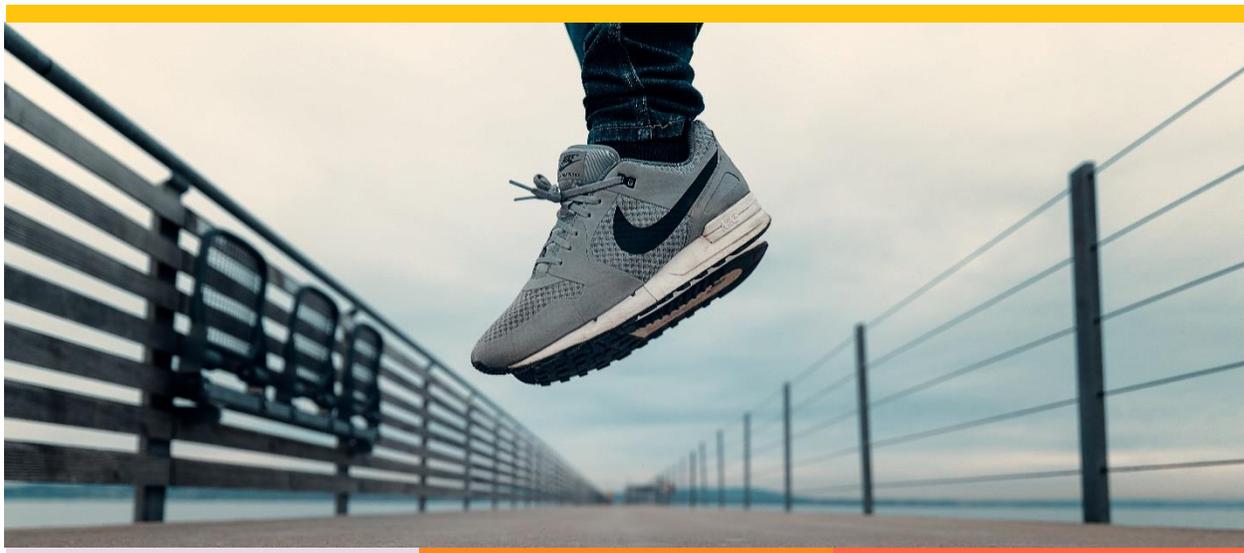
Source: *The 2017 Fortune 500 Go Visual and Increase Use of Instagram, Snapchat, and YouTube*, University of Massachusetts Dartmouth, Center for Marketing Research, October 2017.



TOP 5 COMPANIES/BRANDS LIKED ON FACEBOOK BY MILLENNIALS

2013	2014	2016	2017
Nike	Nike	Nike/Target	Nike
Apple	Apple	Sephora	Adidas
Target	Amazon	Disney	Apple
Starbucks	Target	Apple	Starbucks
Forever 21	Dunkin' Donuts/ Forever 21	BuzzFeed/ Victoria's Secret	Amazon

Source: Millennials and Social Commerce: Engagement Leads to Sales But Paid Social May Not, University of Massachusetts Dartmouth, Center for Marketing Research, June 2017.

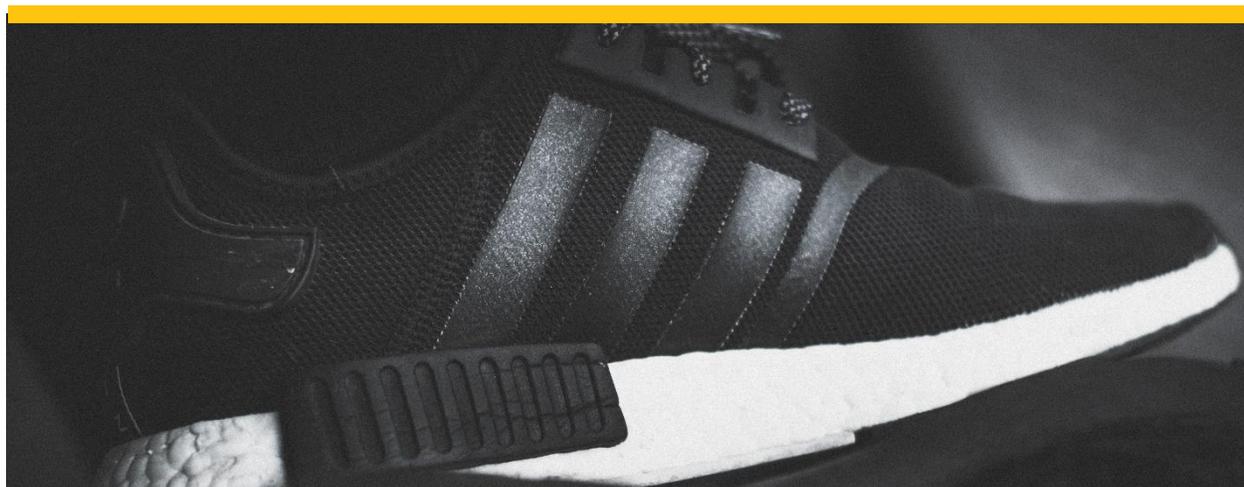




TOP 5 COMPANIES/BRANDS FOLLOWED ON TWITTER BY MILLENNIALS

2013	2014	2016	2017
Nike	Nike	Nike	Nike
ESPN	Victoria's Secret	Apple	Adidas
Starbucks	Dunkin' Donuts	Dunkin' Donuts	Starbucks
National Football League	Forever 21	BuzzFeed	GQ/ Southwest
National Hockey League	Starbucks/ Footlocker	Disney/Forever21/ Victoria's Secret	TMobile/ Under Armor

Source: Millennials and Social Commerce: Engagement Leads to Sales But Paid Social May Not, University of Massachusetts Dartmouth, Center for Marketing Research, June 2017.





MOTIVATION FOR LIKING, FOLLOWING OR PINNING

	FACEBOOK	TWITTER	PINTEREST
To support the brand I like	85%	80%	57%
To get a coupon or discount	63%	59%	33%
To receive regular updates from brands I like	77%	80%	N/A
To participate in contests	32%	53%	21%
To share my personal good experiences	24%	41%	41%
To share my interests/lifestyle with others	38%	49%	76%
To research brands when I was looking for specific products/services	56%	55%	81%
Seeing my friends already like/follow/have boards	41%	39%	52%
A brand advertisement on TV, online or in print led me to pin the brand	45%	41%	26%
Someone recommended that I like/follow/pin the brand	35%	43%	33%
Other	3%	8%	5%

Source: Millennials and Social Commerce: Engagement Leads to Sales But Paid Social May Not, University of Massachusetts Dartmouth, Center for Marketing Research, June 2017.



COMPARISON OF RECENT STUDIES ON PERCENTAGE OF MILLENIALS MAKING A PURCHASE AFTER LIKING/FOLLOWING/PINNING

SOURCE OF STUDY	FACEBOOK	TWITTER	PINTEREST
University of MA	40%	18%	22%
Business Insider	28%	22%	23%
Vision Critical	33%	22%	40%

Source: *Millennials and Social Commerce: Engagement Leads to Sales But Paid Social May Not*, University of Massachusetts Dartmouth, Center for Marketing Research, June 2017.

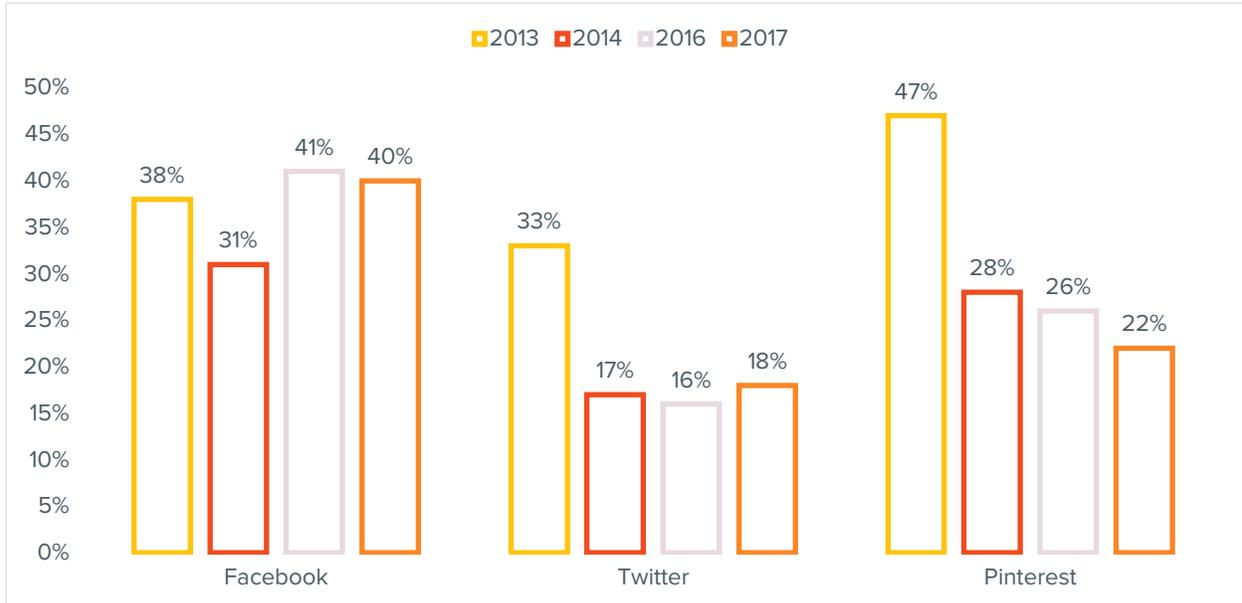
CORRELATIONS BETWEEN MILLENIALS MAKING A PURCHASE AFTER LIKING/FOLLOWING/PINNING

	PEARSON'S CORRELATION (2 TAIL)	SIGNIFICANCE
Facebook	.372	.000
Twitter	.581	.000
Pinterest	.490	.000

Source: *Millennials and Social Commerce: Engagement Leads to Sales But Paid Social May Not*, University of Massachusetts Dartmouth, Center for Marketing Research, June 2017.



PERCENTAGE OF MILLENNIALS WHO PURCHASE AFTER LIKING, FOLLOWING AND PINNING



Source: *Millennials and Social Commerce: Engagement Leads to Sales But Paid Social May Not*, University of Massachusetts Dartmouth, Center for Marketing Research, June 2017.



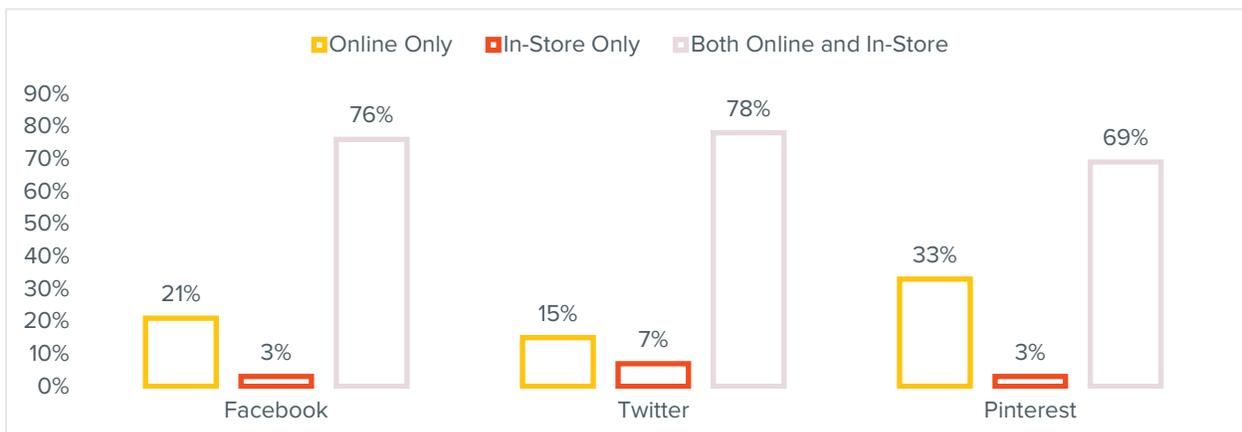


CATEGORY OF PURCHASES AFTER LIKING, FOLLOWING AND PINNING

	FACEBOOK	TWITTER	PINTEREST
Food and Drink	6%	7%	7%
Art, Design, DIY, Crafts, Photography	13%	7%	33%
Tech/Electronics	20%	41%	3%
Hair, Beauty, Apparel	50%	37%	43%
Gardening, Home Décor	0%	4%	7%
Other	1%	4%	3%

Source: Millennials and Social Commerce: Engagement Leads to Sales But Paid Social May Not, University of Massachusetts Dartmouth, Center for Marketing Research, June 2017.

WHERE PURCHASES ARE MADE AFTER VIEWING SOMETHING ON A SOCIAL MEDIA PLATFORM



Source: Millennials and Social Commerce: Engagement Leads to Sales But Paid Social May Not, University of Massachusetts Dartmouth, Center for Marketing Research, June 2017.



MILLENNIAL SPENDING BY PRICE CATEGORY & PLATFORM

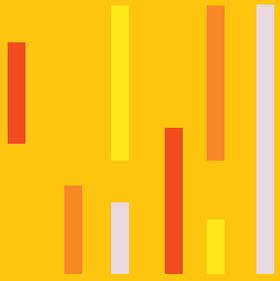
SPENDING CATEGORY	FACEBOOK	TWITTER	PINTEREST
Less than \$20	21%	15%	37%
\$20-\$49	40%	33%	27%
\$50-\$74	17%	33%	23%
\$75-\$100	8%	4%	3%
Over \$100	12%	15%	10%

Source: Millennials and Social Commerce: Engagement Leads to Sales But Paid Social May Not, University of Massachusetts Dartmouth, Center for Marketing Research, June 2017.

TOP 5 COMPANIES/BRANDS FOLLOWED ON INSTAGRAM BY MILLENNIALS IN 2017



Source: Millennials and Social Commerce: Engagement Leads to Sales But Paid Social May Not, University of Massachusetts Dartmouth, Center for Marketing Research, June 2017.



CHAPTER 8

Content Marketing





CHAPTER 8: Content Marketing



THE ART AND SCIENCE OF CONTENT MARKETING

Content: It's the online information that educates others about what we do, and it's what inspires them to act. It's white papers, blog posts, videos, podcasts, infographics, webinars, newsletters, and so much more.

But content marketing is really just another way of saying “storytelling.” Telling our truth is the art at the heart of content marketing, our way of presenting a message that draws people in.

Every day, in every industry and in every corner of the world, organizations are practicing this age-old art of storytelling for lots of different reasons — to sell products and services, to inform and serve customers, to manage relationships with partners, to serve citizens, to manage account information, and to review employee benefits.

Are consumers delighted with all this content? If it's done right, yes. Are they also overwhelmed? Also, yes. With all the information available in our always-on, omnichannel world, our content and our story need to stand out from the crowd if they're going to inspire and delight.

Fortunately, there's another side to content marketing that can help content creators break through the noise: The science of content marketing can help content creators put their best stories front and center.



“The science of content marketing can help content creators put their best stories front and center.”

MAKE RANDOM CONTENT MEANINGFUL

With so many people in your organization creating content that exists on multiple channels, how do you manage and control it all or even find it?



Data and content is everywhere, and there's a lot of it. It resides in many different places — databases, social media, internal and external repositories, sales reports. To be effective, you have to pull this disparate information together to create something meaningful.

Modern digital tools can integrate content in context and organize it in a way that makes storytelling easier. Organizations at the top of the digital engagement game know that integrating internal marketing platforms like email and content management is essential to a consistent brand image, and so is integration of all the organization's information repositories. These new tools make the creation and management of content seamless and re-creation of these assets on multiple channels a simple process.

Also consider this: We don't yet know what the next hot channel will be. Will it be through your refrigerator, your car, your wrist, or somewhere else? Channels will continue to evolve, and your brand will have to be there. Modern cloud or hybrid cloud platforms let content creators stay flexible, allow them to pull in relevant content from wherever it resides, and make it easier for them to move quickly and deliver messages with impact.

UNCOVER DATA PATTERNS WITH AI

These days, we all need to do more with less, and we can't make excuses for lack of resources, budget, bandwidth, or technical expertise. Our tools need to work harder but also be easy and straightforward enough so we can all use and understand them.

What if our tools could actually function as an extension of our expertise — if they could amplify our resources, help us see patterns that aren't obvious, and make recommendations, to give us the time to be at our creative best and gain new insights? Artificial intelligence (AI) is the tool and the science that we can use to augment our work.

No longer the stuff of science fiction, AI now exists as a cutting-edge content marketing tool. AI can help us discover and deliver what is most important to our customers. For example, does the proposed content set the right tone? Will your post on social media resonate? How do you know what format to show to whom — video, white paper, podcast? AI can help answer all those questions and more.



“AI can help us discover and deliver what is most important to our customers.”

MAKE IT PERSONAL

Your goal is to develop a strategy that increases lead generation, engagement, and brand awareness. Your customers just want to be heard and understood. How do you deliver?

Analytics is another predictive tool that uses AI. Personalization with AI provides deep insight into each customer's interests and past interactions so you can deliver highly personalized content, including marketing offers and product recommendations.



Personalization helps find the right content for the right person in the right channel. It can help marketing understand who is responding to what content and how to move them through the customer journey most effectively.

Content marketing is at its most effective when the art and science of the discipline is balanced. The science without the art won't be as engaging, and the art without the science won't be as efficient. Businesses need both to ensure that their stories resonate with the right decision-makers in their field.

Leading organizations know that with modern digital platforms using AI and deep personalization powered by analytics, marketers can deliver more meaningful experiences for their audiences and deepen their relationships with them, driving sales.

Making relevant digital content a priority in 2018 will help deliver your brand promise as well as better business results.

Authored by:

Kirsten Kelley
WW Product Marketing, Digital Experience
Watson Customer Engagement

CHAPTER HIGHLIGHTS

-48% of marketers plan to add YouTube as a content distribution channel in the next year

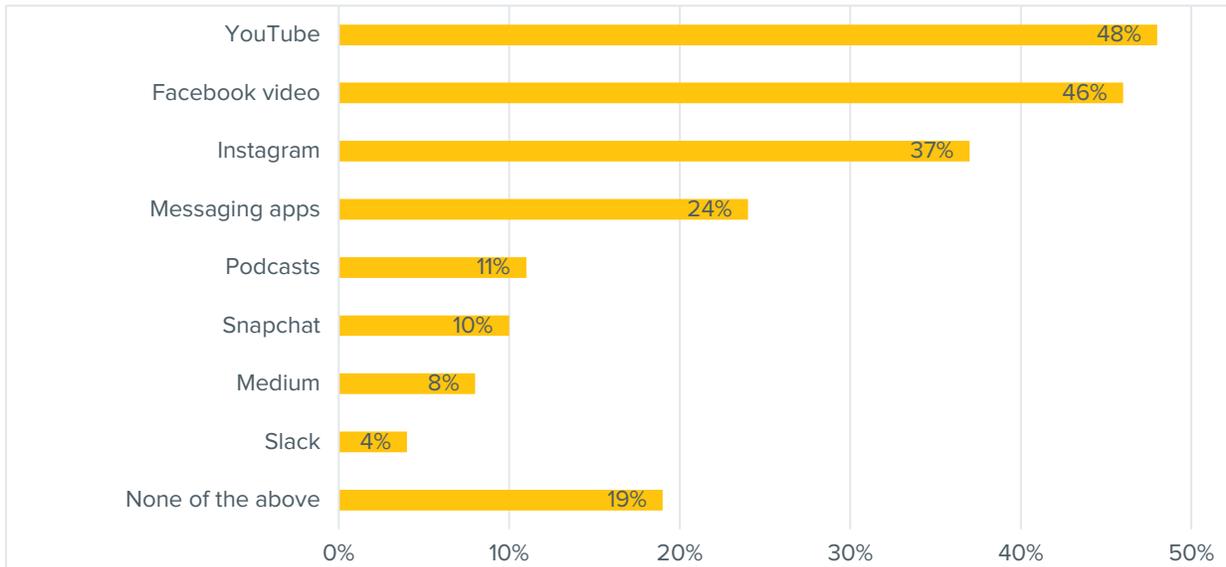
-38% of marketers will increase their content marketing spend over the next 12 months

-Video is the preferred method of content consumption for Gen Z

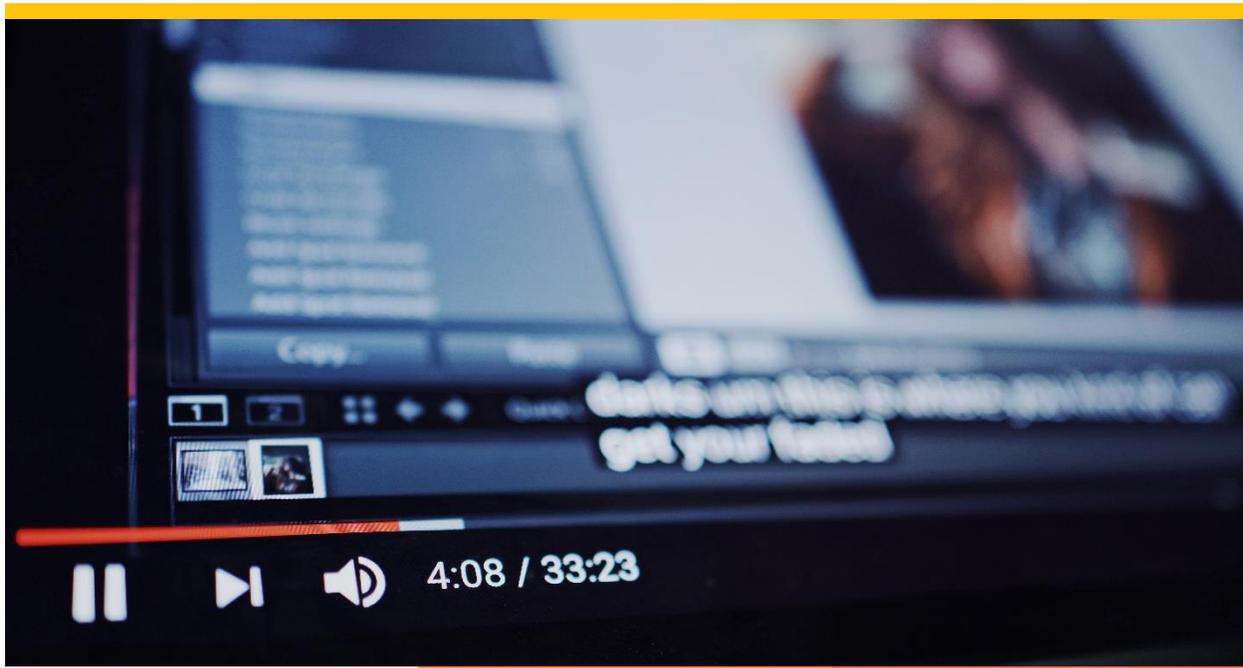
-Web traffic is the most-used metric for interactive content marketing



CONTENT DISTRIBUTION CHANNELS THAT WILL BE ADDED IN THE NEXT 12 MONTHS

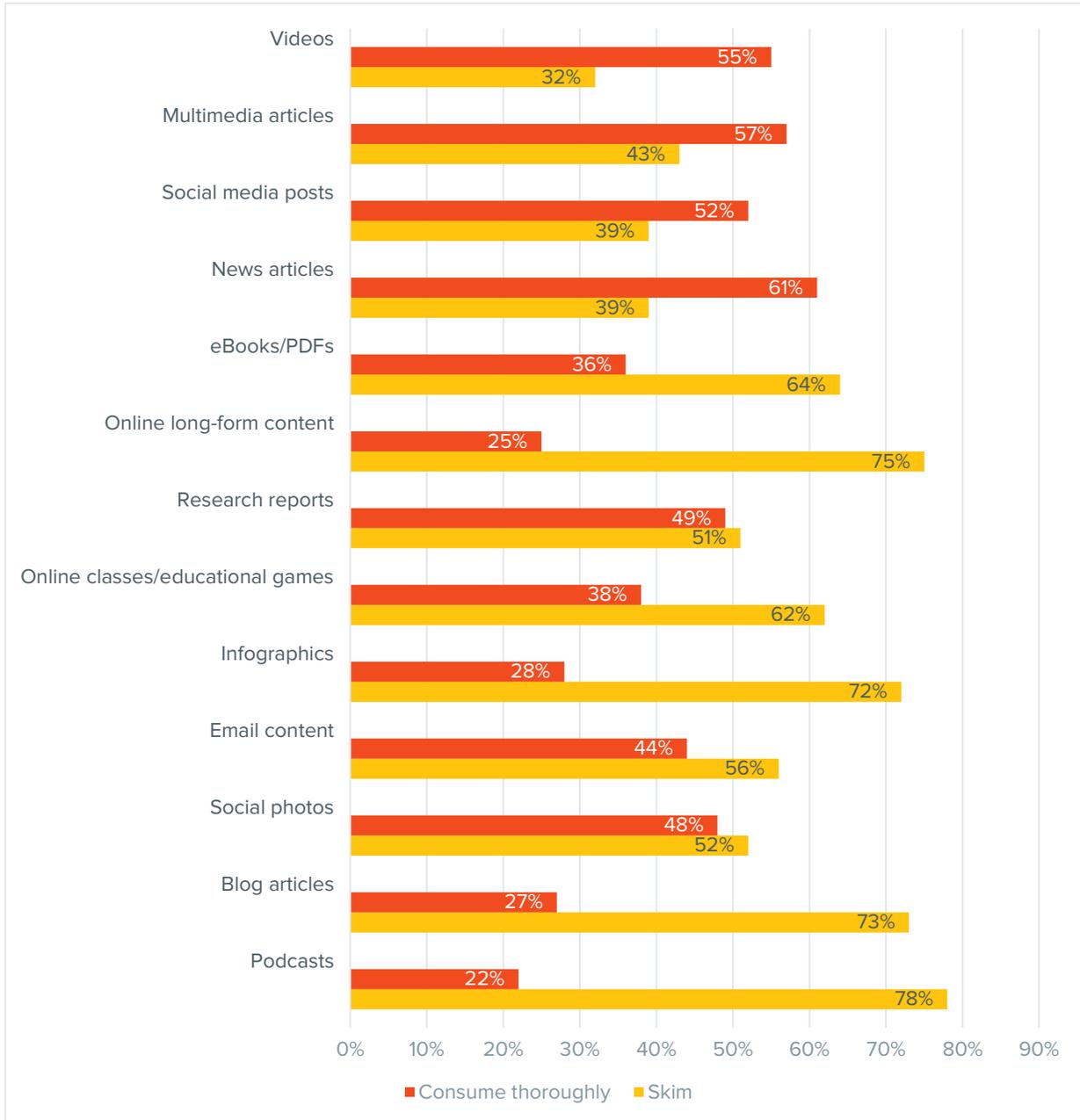


Source: HubSpot, State of Inbound, 2017.





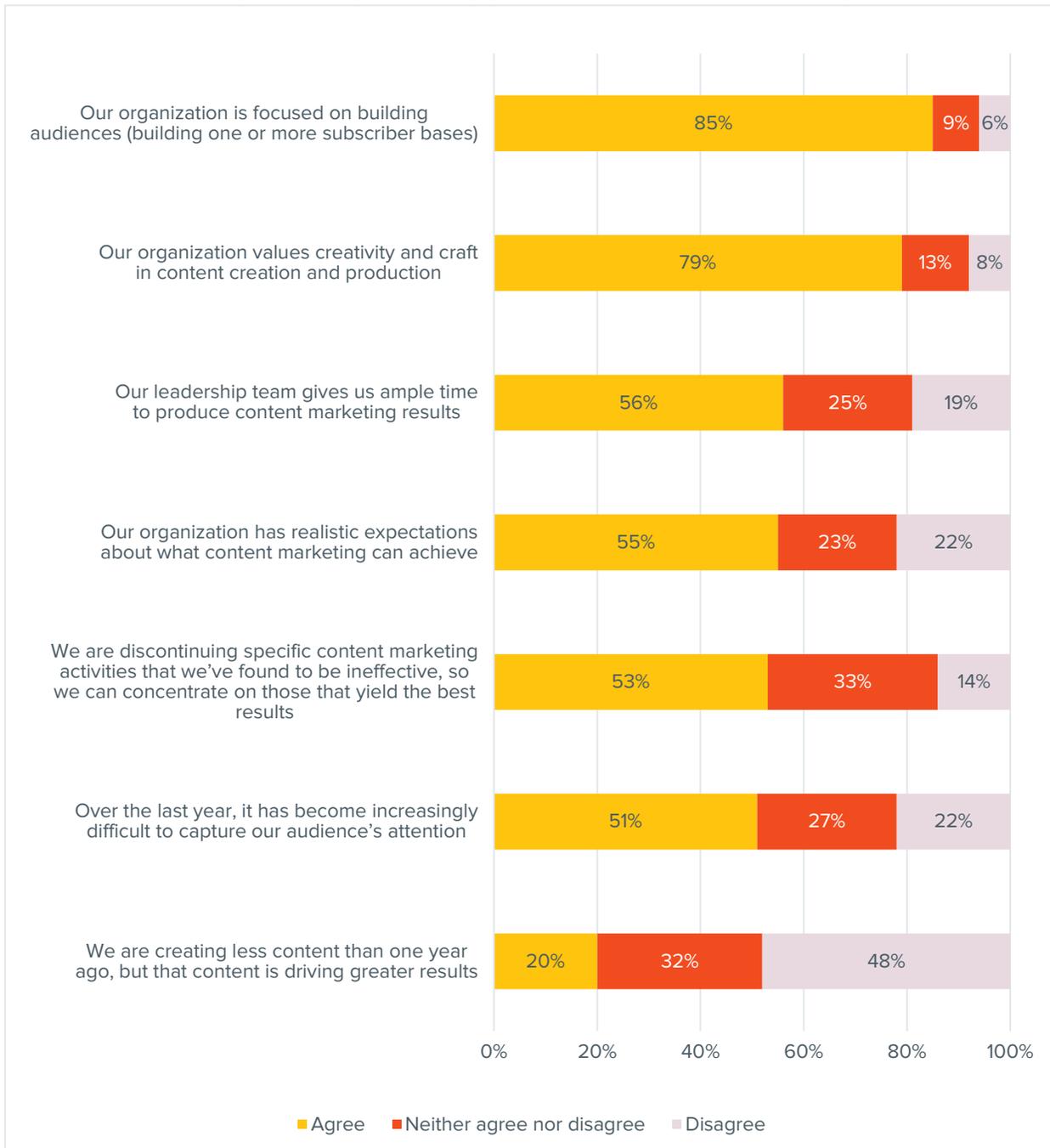
WHEN IT COMES TO CONTENT, WHAT DO YOU CLOSELY PAY ATTENTION TO AND WHAT ARE YOU LESS ATTENTIVE TO?



Source: HubSpot Content Trends Survey, Q3 2017.



B2C MARKETERS' OPINIONS ABOUT CONTENT MARKETING



Source: 2018 B2C Content Marketing Trends—North America: Content Marketing Institute/MarketingProfs.



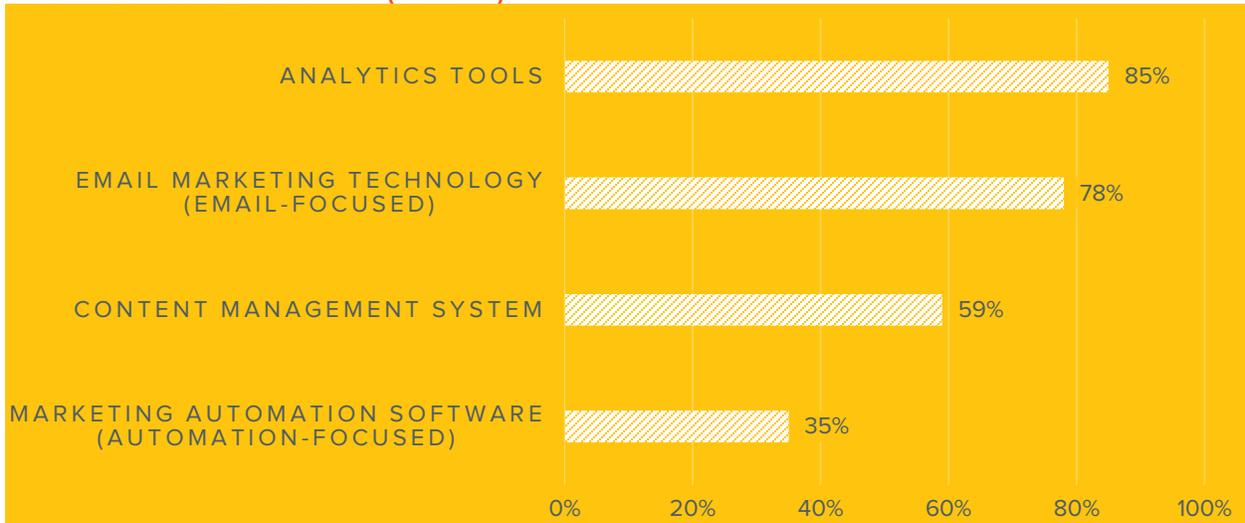
B2B MARKETERS' OPINIONS ABOUT CONTENT MARKETING



Source: 2018 B2B Content Marketing Trends—North America: Content Marketing Institute/MarketingProfs.

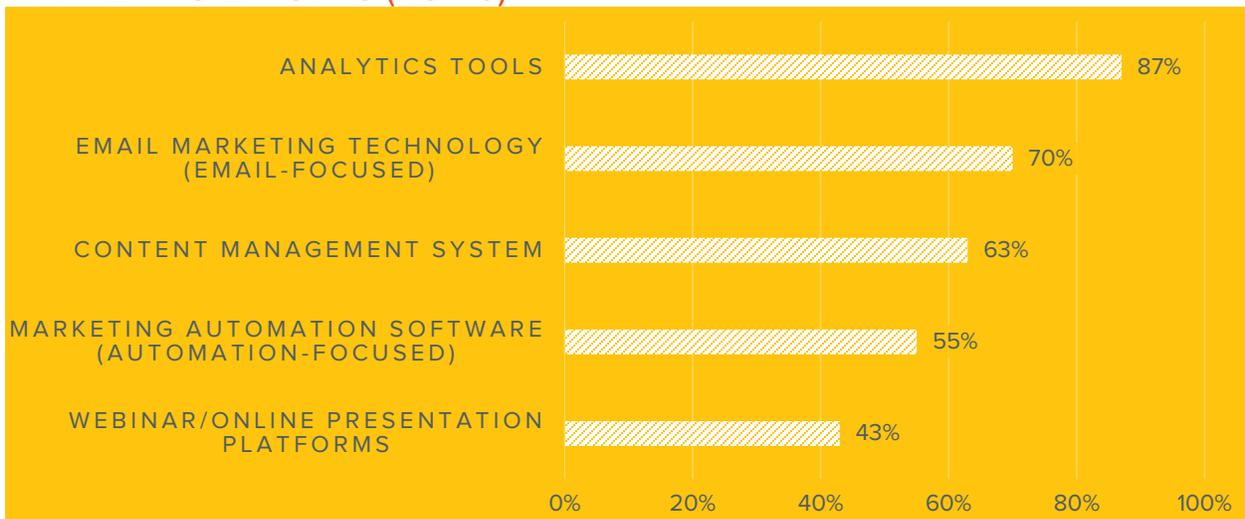


TECHNOLOGIES B2C MARKETERS USE TO MANAGE CONTENT MARKETING EFFORTS (TOP 4)



Source: 2018 B2C Content Marketing Trends—North America: Content Marketing Institute/MarketingProfs.

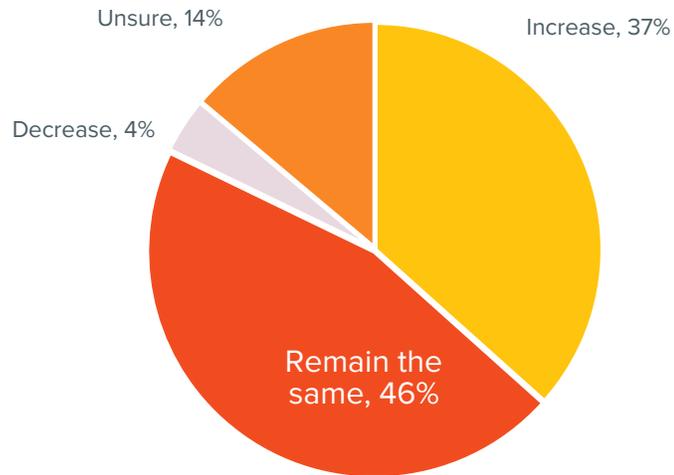
TECHNOLOGIES B2B MARKETERS USE TO MANAGE CONTENT MARKETING EFFORTS (TOP 5)



Source: 2018 B2B Content Marketing Trends—North America: Content Marketing Institute/MarketingProfs.

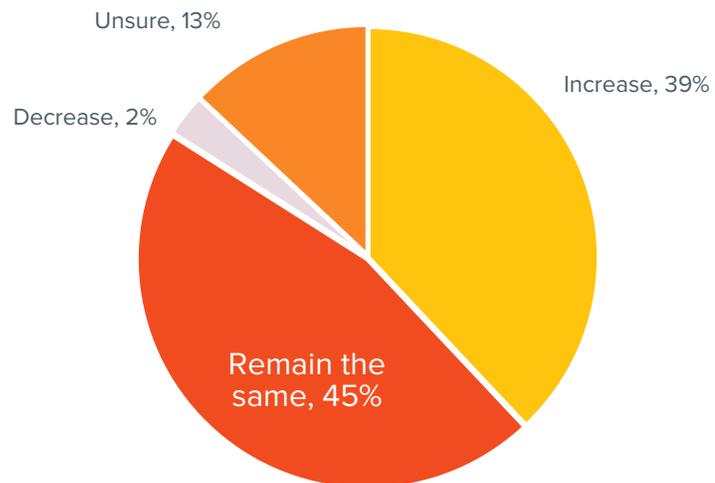


B2C CONTENT MARKETING SPENDING (OVER NEXT 12 MONTHS)



Source: 2018 B2C Content Marketing Trends—North America: Content Marketing Institute/MarketingProfs.

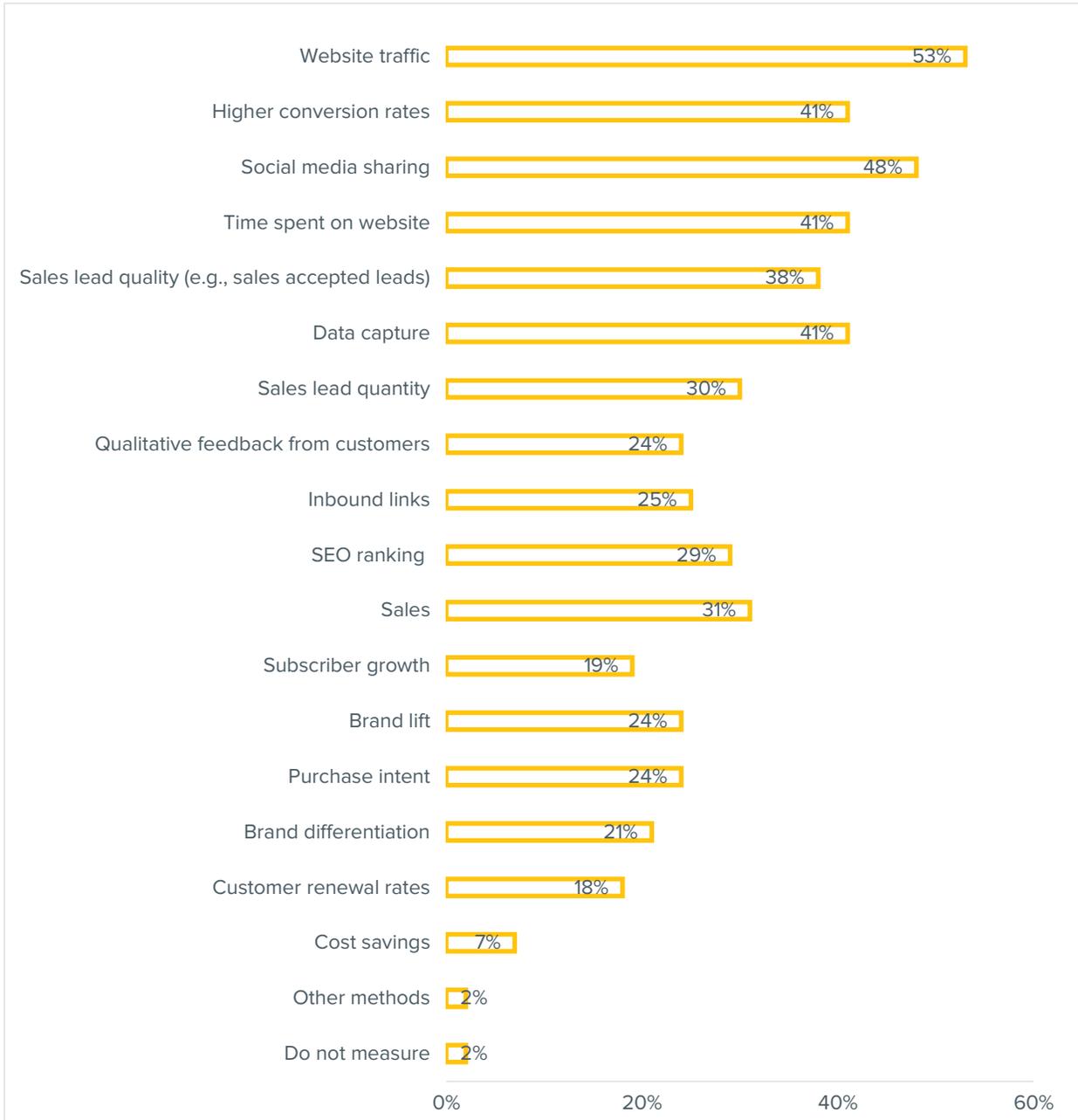
B2B CONTENT MARKETING SPENDING (OVER NEXT 12 MONTHS)



Source: 2018 B2B Content Marketing Trends—North America: Content Marketing Institute/MarketingProfs.



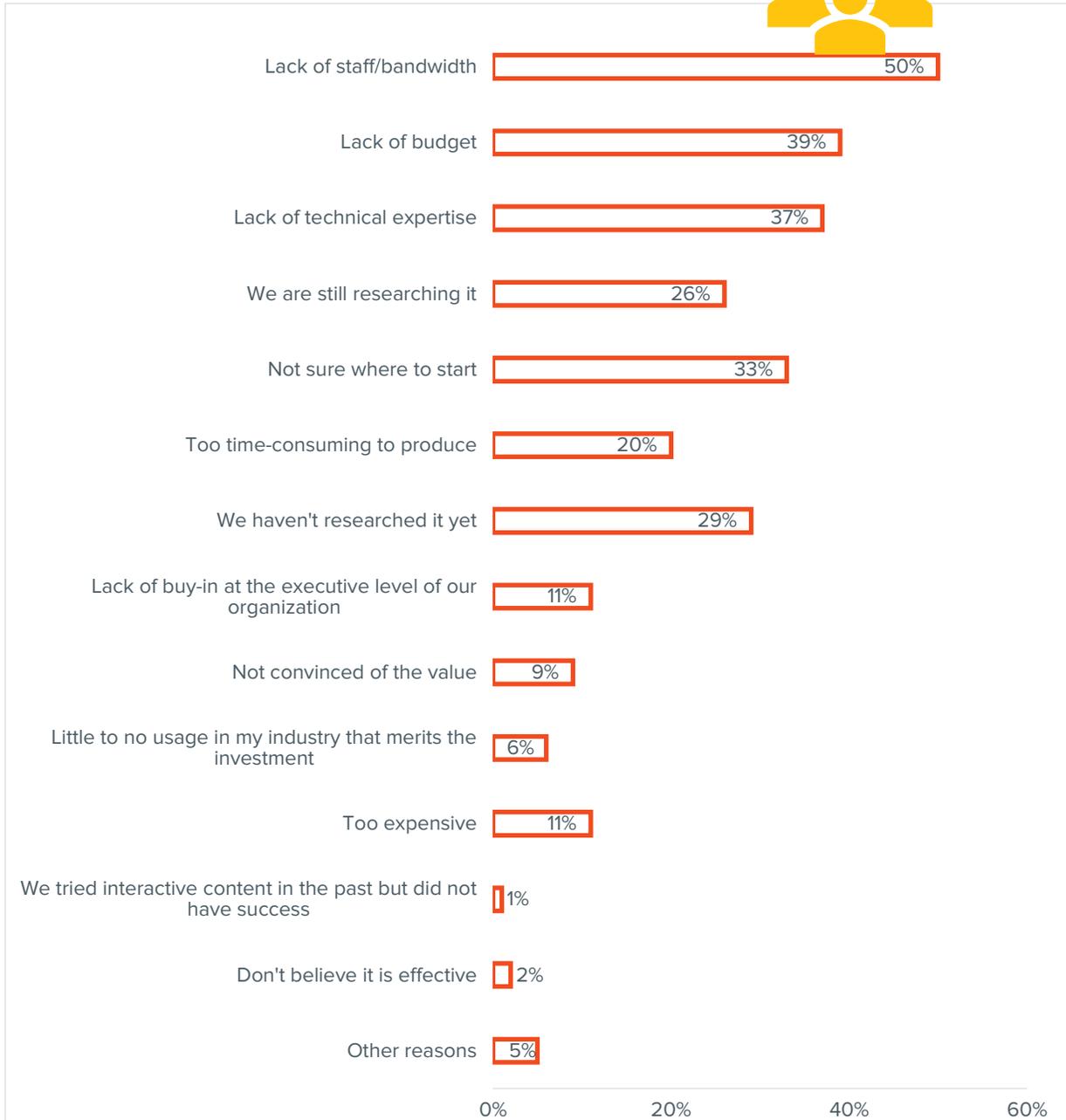
METHODS EMPLOYED TO MEASURE INTERACTIVE CONTENT WHEN USED FOR CONTENT MARKETING



Source: Ion Interactive & Content Marketing Institute, *THE SYMPHONY OF CONNECTED INTERACTIVE CONTENT MARKETING*, April 2017.



REASONS FOR NOT USING INTERACTIVE CONTENT



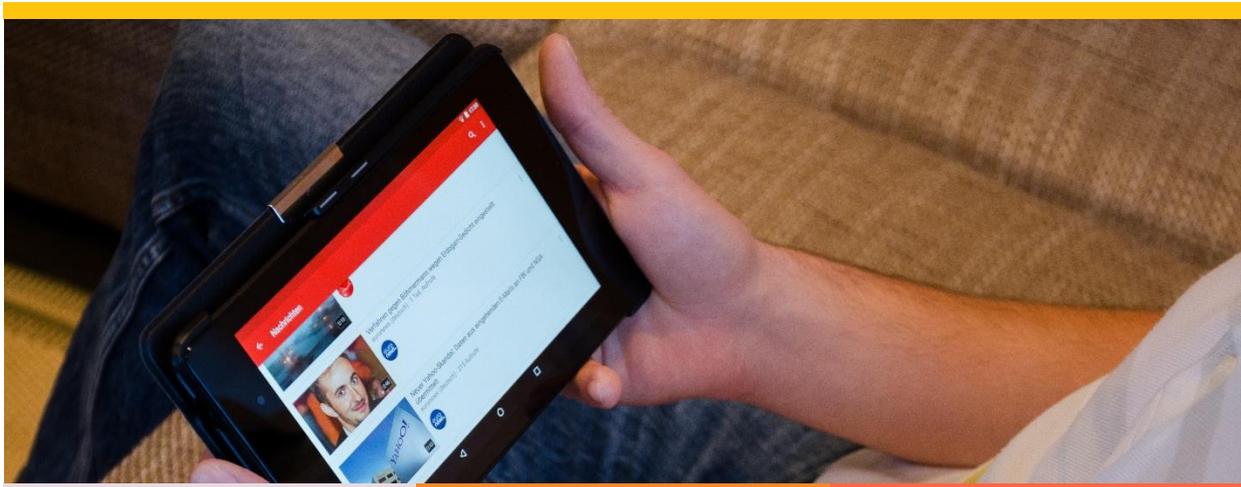
Source: Ion Interactive & Content Marketing Institute, *THE SYMPHONY OF CONNECTED INTERACTIVE CONTENT MARKETING*, April 2017.



STAGE IN THE BUYER'S JOURNEY WHERE EACH LISTED TYPE OF INTERACTIVE CONTENT IS MOST EFFECTIVE WHEN USED FOR CONTENT MARKETING

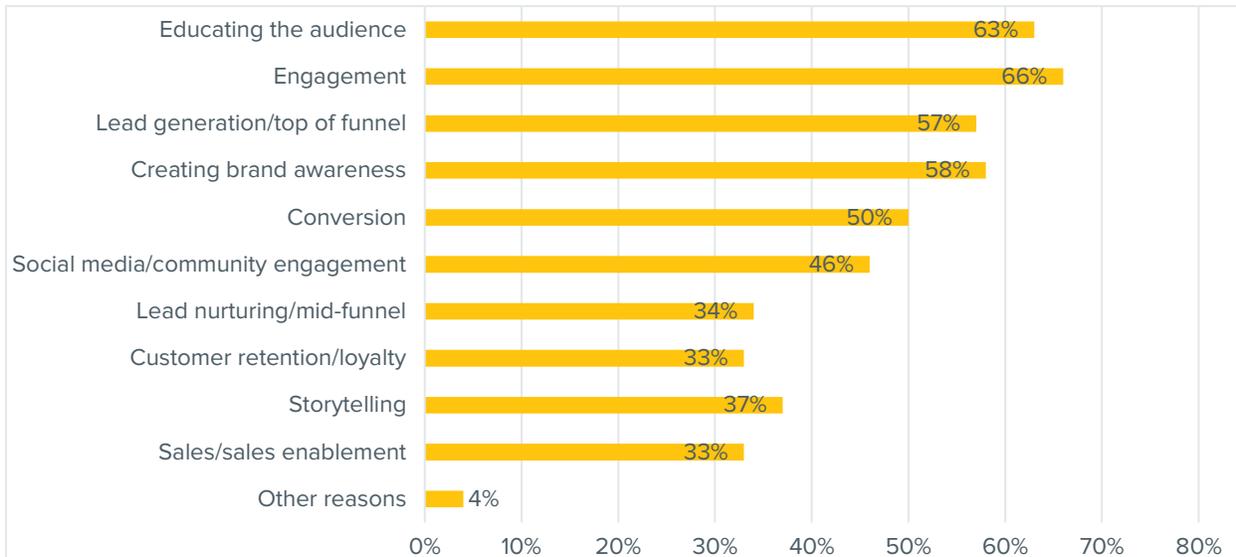
	Early Stage (Awareness/discovery)	Middle Stage (Consideration)	Late State (Decision)
Assessments	52%	35%	13%
Calculators	35%	35%	30%
Configurators	23%	44%	33%
Contests	74%	20%	6%
Games	77%	16%	7%
Interactive eBooks	39%	54%	6%
Interactive Infographics	59%	37%	4%
Interactive Lookbooks	40%	50%	10%
Interactive White Papers	35%	50%	15%
Quizzes	59%	33%	7%
Wizards	43%	24%	33%

Source: Ion Interactive & Content Marketing Institute, *THE SYMPHONY OF CONNECTED INTERACTIVE CONTENT MARKETING*, April 2017.



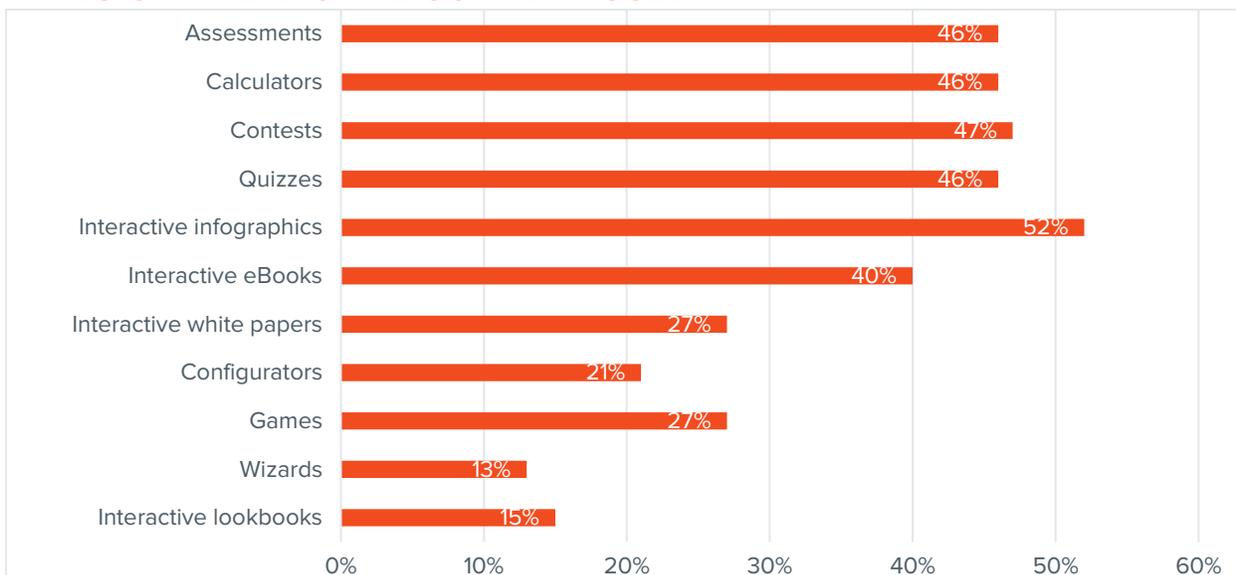


REASONS FOR INTERACTIVE CONTENT USE IN CONTENT MARKETING



Source: Ion Interactive & Content Marketing Institute, *THE SYMPHONY OF CONNECTED INTERACTIVE CONTENT MARKETING*, April 2017.

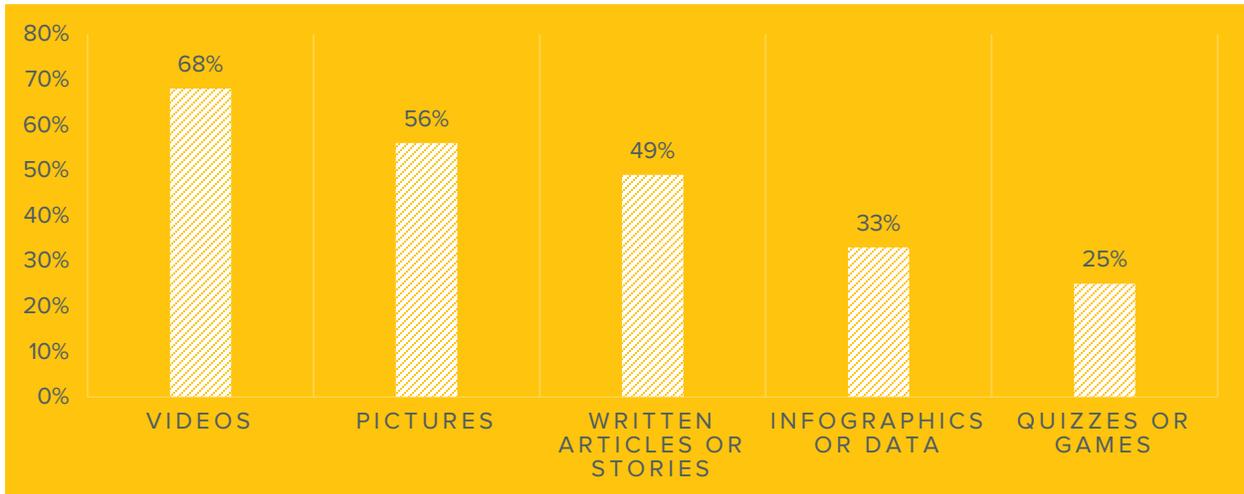
TYPES OF INTERACTIVE CONTENT USED



Source: Ion Interactive & Content Marketing Institute, *THE SYMPHONY OF CONNECTED INTERACTIVE CONTENT MARKETING*, April 2017.

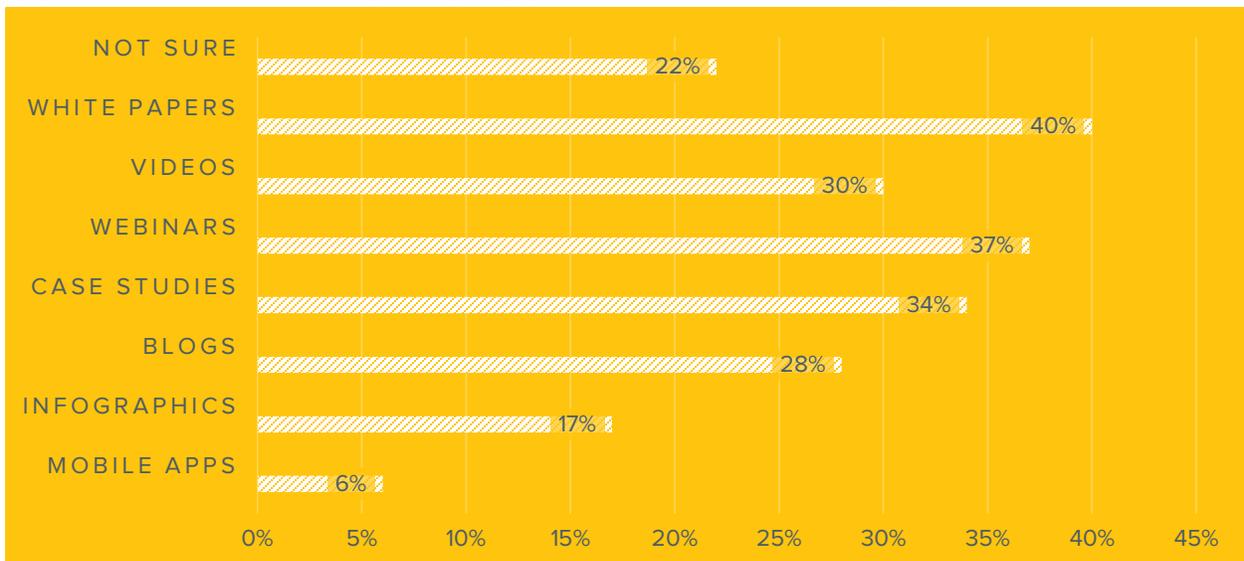


PREFERRED TYPES OF ONLINE CONTENT FOR GEN Z



Source: Cone Communications, 2017 Cone Gen Z CSR Study: How to Speak Z, 2017.

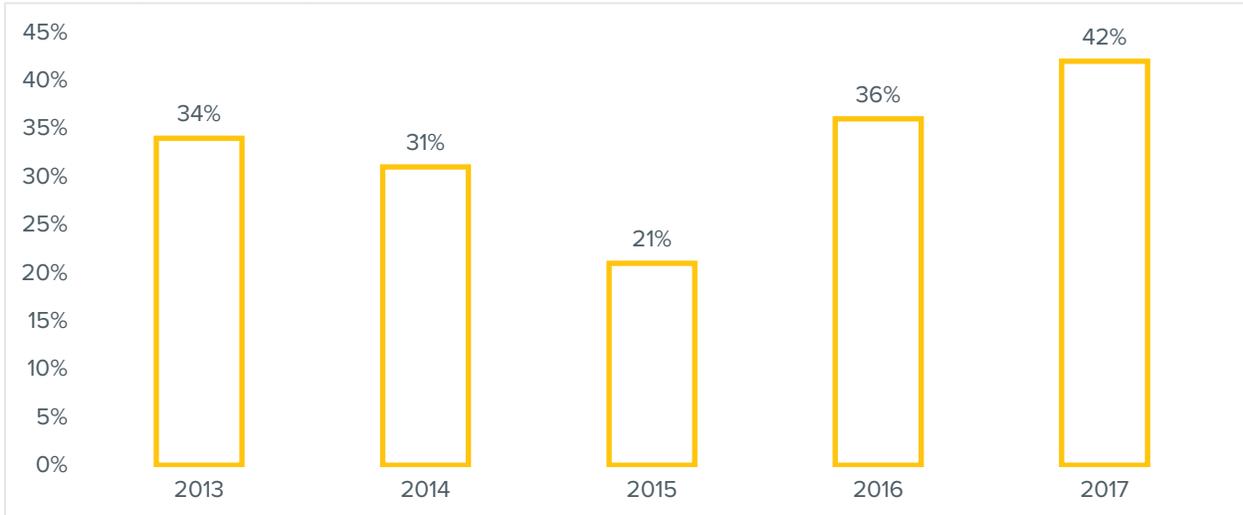
CONTENT MARKETING TACTICS THAT DRIVE REVENUE



Source: Wpromote, 2017 State of B2B Digital Marketing, 2017.

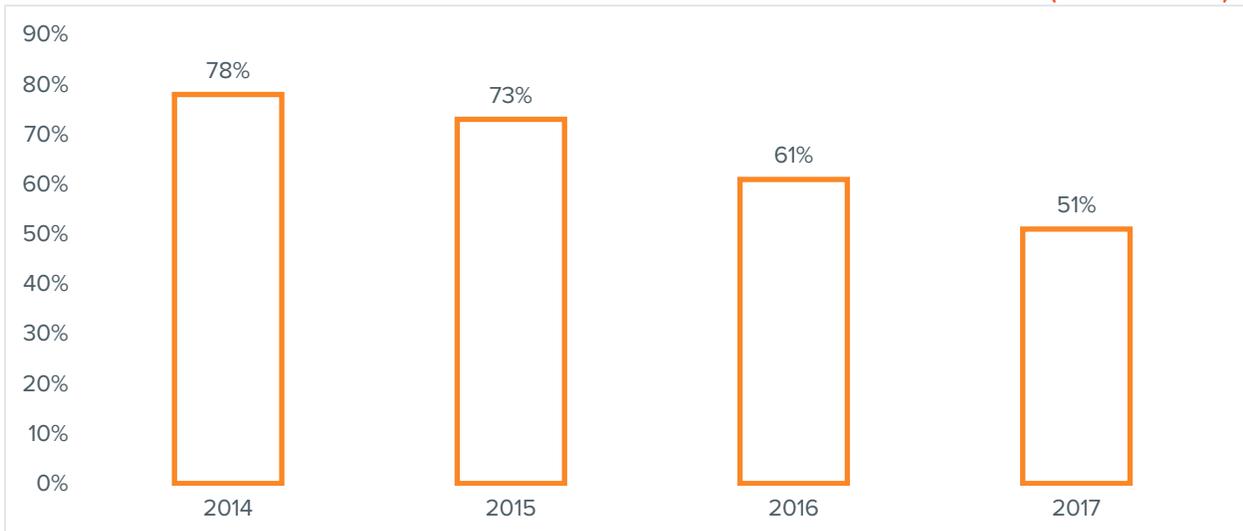


FORTUNE 500 CORPORATIONS WITH PUBLIC FACING CORPORATE BLOGS (2013-2017)



Source: *The 2017 Fortune 500 Go Visual and Increase Use of Instagram, Snapchat, and YouTube*, University of Massachusetts Dartmouth, Center for Marketing Research, October 2017.

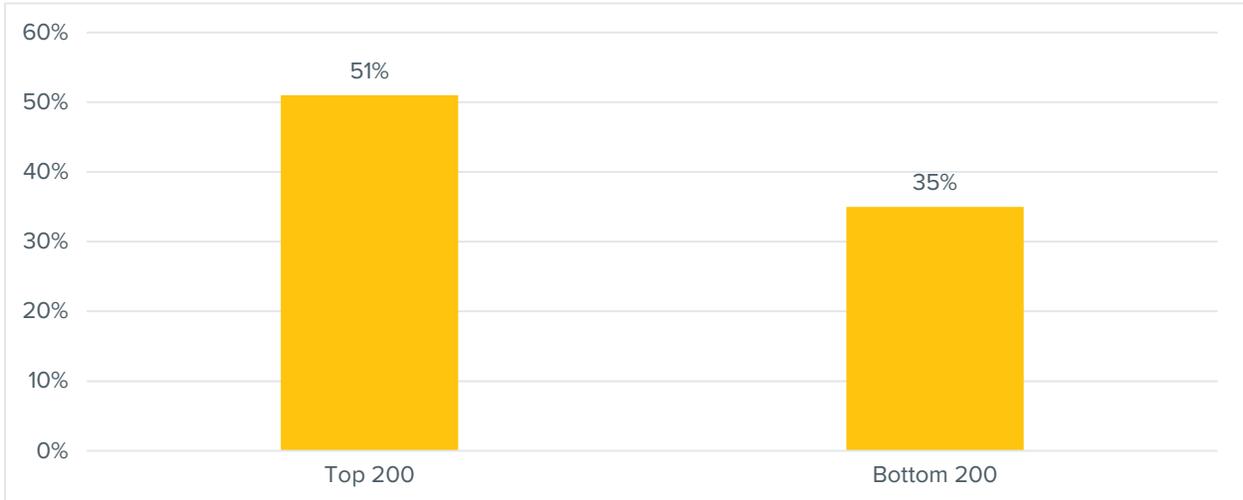
FORTUNE 500 PERCENT OF BLOGS THAT ALLOW COMMENTS (2014-2017)



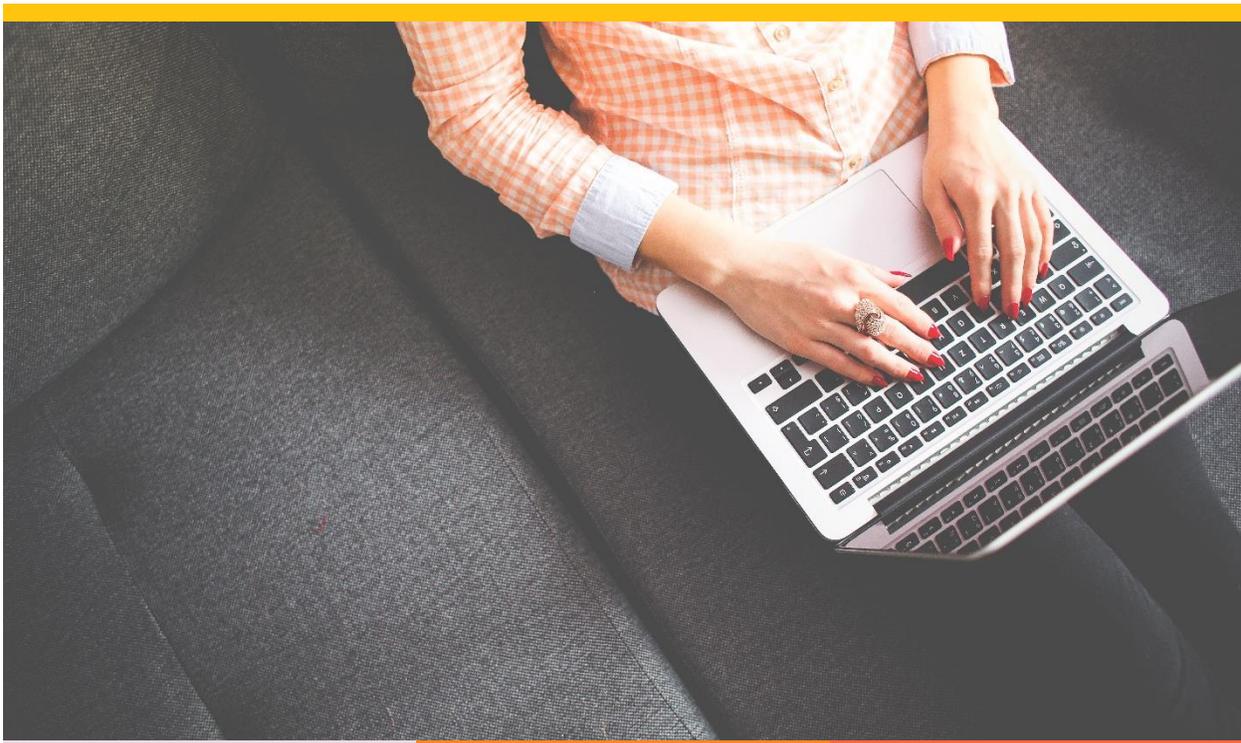
Source: *The 2017 Fortune 500 Go Visual and Increase Use of Instagram, Snapchat, and YouTube*, University of Massachusetts Dartmouth, Center for Marketing Research, October 2017.

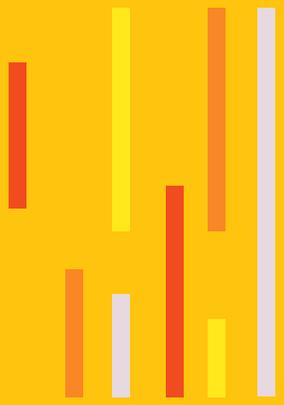


FORTUNE 500 CORPORATE BLOG USAGE BY RANK IN 2017



Source: *The 2017 Fortune 500 Go Visual and Increase Use of Instagram, Snapchat, and YouTube*, University of Massachusetts Dartmouth, Center for Marketing Research, October 2017.





CHAPTER 9

Emerging Technology & Innovation





CHAPTER 9:

Emerging Technology & Innovation



WE'VE COME A LONG WAY, BUT WE'VE GOT MAGIC TO DO

Last year, I started this introduction with the idea that marketers are poised to accomplish things “indistinguishable from magic.” And I want to return to that notion, but start at the beginning, 10+ years ago. Back then, digital had made a whole bunch of promises to people. It promised to be a real-time channel of live communication with consumers. It promised to be an incredibly rich and engaging interactive experience. It promised to be the most measurable, the most accountable marketing medium ever. And over the past 10 years, we have made steady progress toward fulfilling that promise.

When we started MediaMath in 2007, we saw something interesting happen. We saw these little ad exchanges that promised a lot of the same things that stock market exchanges promised, including liquidity and automation. And we looked at that and said, “With this, we can do some amazing things.” If we could stitch these all together into one software layer, add data and insights to make high-quality marketing decisions — what ad to buy, how much to pay for it, what to show people — and if we could bring in artificial intelligence (AI) and machine learning to bear to automate those high-quality marketing decisions in real time, in runtime, we could finally flip the script on marketing. It would stop being about spend, and it would start being about outcomes. And that would transform marketing.

And over the years, as we and our ecosystem partners have developed the technologies and techniques that power programmatic marketing, we are seeing glimpses of magic emerge. Today, a CMO can sit in an office, push a button, and change how a brand is displayed across billions of screens in real time. Today, what began with small budgets on small ad exchanges is now at the center of every CMO’s strategy. Today, marketers are exploring ways to deploy these disciplines across every screen, in a fully integrated and personalized way. It’s magic!



“Today, a CMO can sit in an office, push a button, and change how a brand is displayed across billions of screens in real time.”

And yet, we are far from finished. We have real work to do to fulfill the promise of the system we’ve all built and create marketing that people, publishers, and marketers love. Our mission at MediaMath is to continue that work and not rest until that vision is complete. And we want to enlist others in helping us do that. What does that mean?



EDUCATE PEOPLE ON HOW THIS STUFF WORKS

How do these technologies actually work? What does good look like? What are the real risks? It is the right time, as technology is transforming every aspect of life, every industry, every discipline, to answer these critical questions. MediaMath has the New Marketing Institute, our educational arm through which we've been trying to bring this content about modern, data-driven, quantitative, programmatic marketing to people. But we need to do more. We will work with organizations like the Data & Marketing Association, and global associations and their equivalents worldwide. We will commit to putting digital marketing into college curriculums earlier. I want people to start talking about advertising, start talking about the ad experience that you as human beings want and that you as human beings deserve. Let's create a shared and common vision of what marketing can be so we can build it together.

RETHINK HOW YOU USE THIS STUFF TO DRIVE BUSINESS

Additionally, it is crucial that we point this incredible machinery at the stuff that is important.

You can't look at click-through rates as a metric to validate whether your dollars are being spent in the right way. Better questions are: "Am I actually selling product?" or "What's my client impact?"

So your new keywords are attribution and outcomes. It's about literally connecting the inputs of marketing to the real-life metrics the rest of the business cares about. We've got to hold ourselves to that standard, and then it's about finding new applications for this technology.

USE THIS STUFF TO DO GOOD WORKS

Two years ago, we launched MediaMath.org. It's part of the one-one-one program, so 1 percent of company time, 1 percent of pro bono contribution of our product and our platform, and 1 percent contribution of the company's equity to fund good works. We are taking causes and nonprofits, and the things that we as a community care about, and making them world-class marketers in their own right, things like curing global hunger, thousands of surgeries to restore people's sight, and bringing entrepreneurship to underserved schools in underserved areas. This is the opportunity we have in this next generation of marketing. It's not just about us — it's about using technology and marketing best practice to make the world better so when we do our part, we can have marketing that is magic.



"It's not just about us — it's about using technology and marketing best practice to make the world better so when we do our part, we can have marketing that is magic."



We can enable innovative new companies to reach their customers at scale. We can transform massive organizations from building products to building what their consumers are asking for.

We finally have digital that pays off on its original promise: a real-time connection with human beings; a rich, engaging emotional experience; and the most measurable and accountable medium out there.

We can make marketing magic; we can make marketing that works. And I honestly and genuinely encourage people to become part of this conversation.

Authored by:

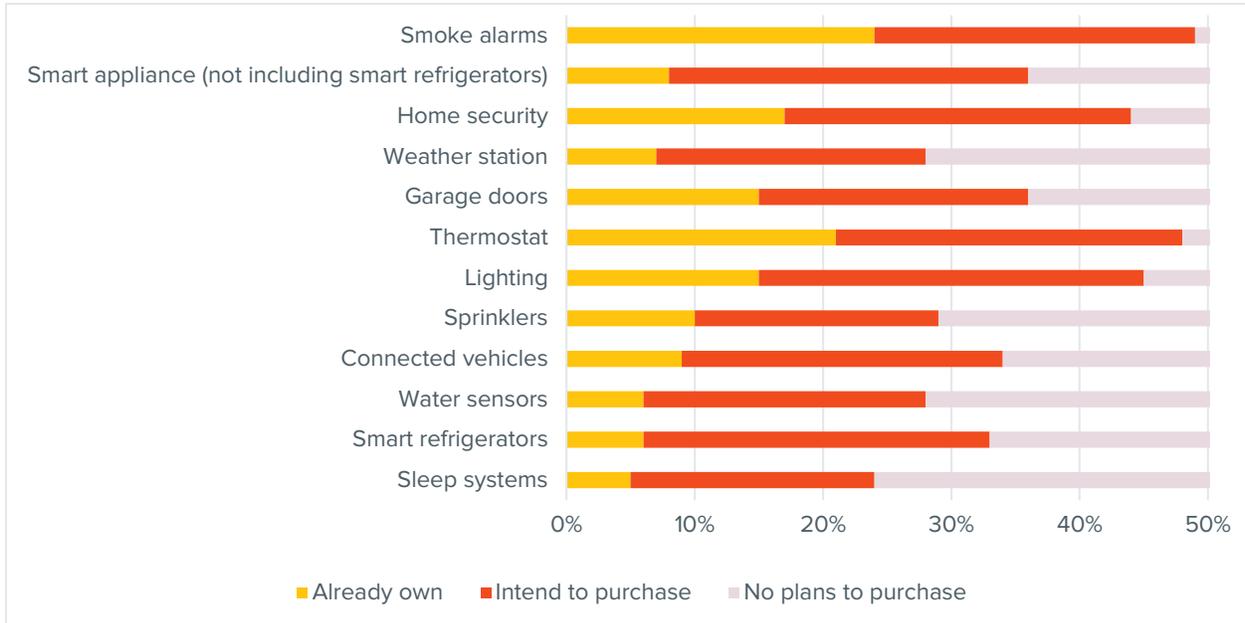
Joe Zawadzki
CEO
MediaMath

CHAPTER HIGHLIGHTS

- US programmatic digital display ad spending projected to reach \$46B by 2019
- 27% of US internet users used ad-blocking in 2017
- AI projected to have a 53% growth with marketing leaders YOY
- 62.6% of marketers want universal attribution standards developed by a trade association

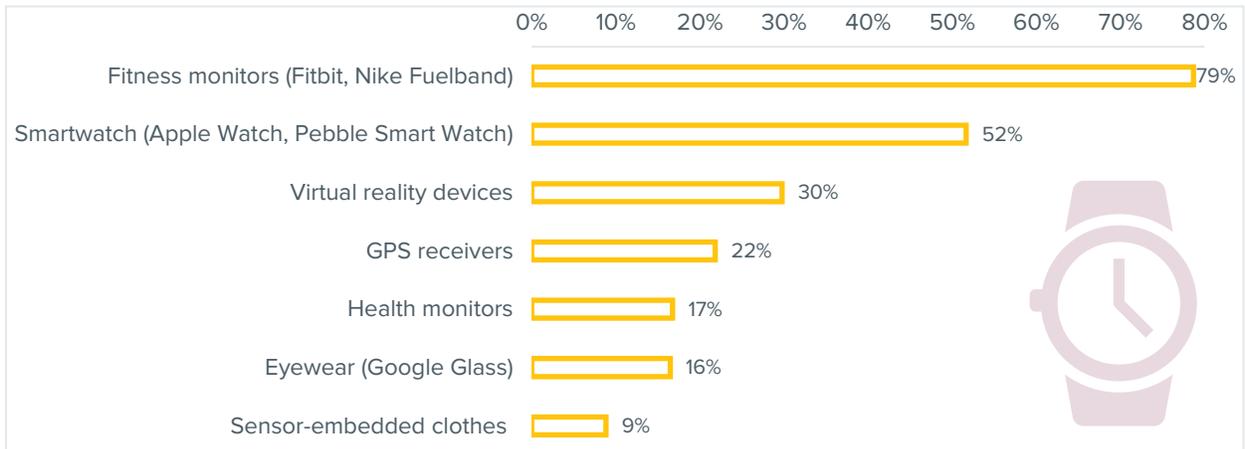


OWNERSHIP AND PURCHASE INTENT OF CONNECTED HOME DEVICES



Source: UPS Pulse of the Online Shopper Study, 2017.

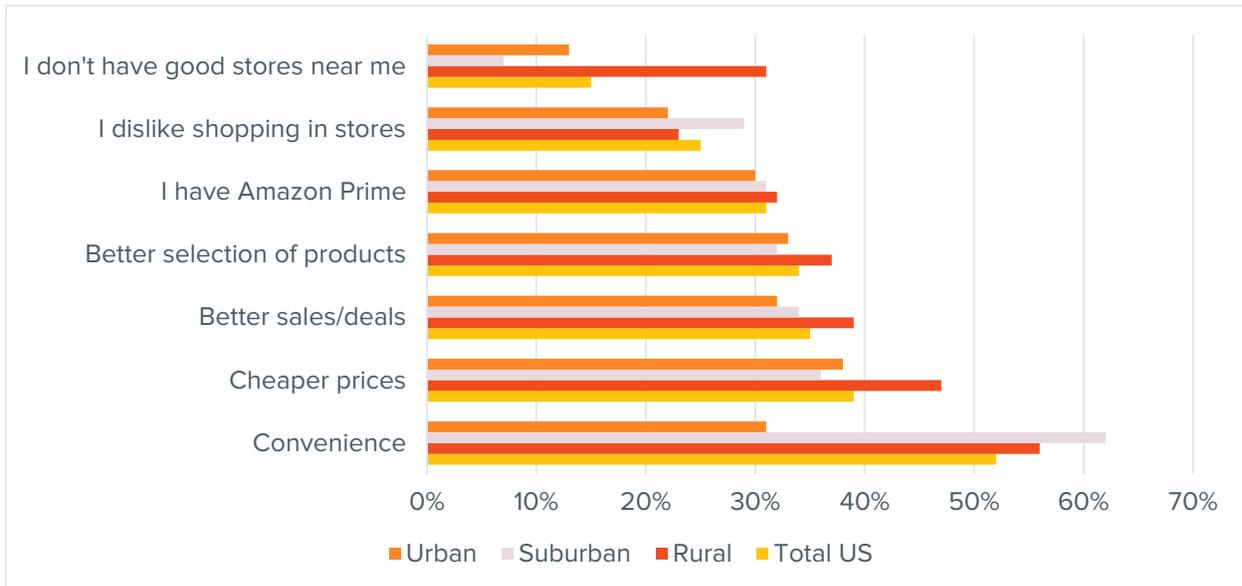
WEARABLE DEVICE OWNED AMONG WEARABLE DEVICE USERS



Source: UPS Pulse of the Online Shopper Study, 2017.

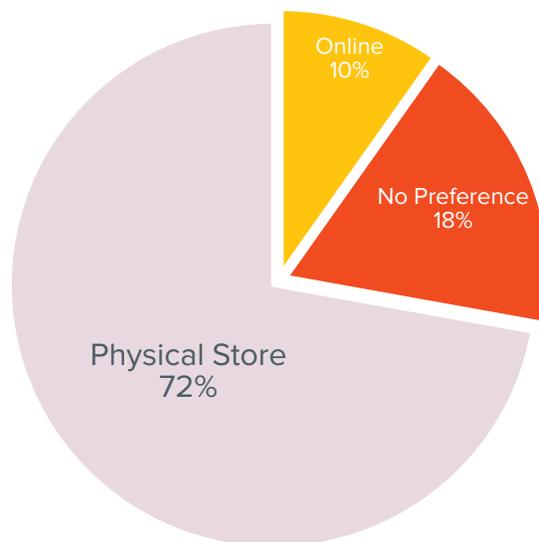


REASONS FOR PREFERRING ONLINE SHOPPING AMONG THOSE WHO PREFER ONLINE SHOPPING



Source: Fluent, Marketing to the Heartland 2017 PART 3: HOW AND WHERE AMERICANS SHOP, April 2017.

DO YOU PREFER SHOPPING ONLINE OR IN A PHYSICAL STORE?



Source: Fluent, Marketing to the Heartland 2017 PART 3: HOW AND WHERE AMERICANS SHOP, April 2017.



US PROGRAMMATIC DIGITAL DISPLAY AD SPENDING, 2016-2018

	2016	2017	2018	2019
US programmatic digital display ad spending (in billions)	\$25,476,403,598.77	\$32,559,327,528.00	\$39,463,642,080.06	\$45,935,095,629.78
Ad spending (% of total digital display ad spending)	73.00%	78.00%	81.50%	84.00%
Ad spending growth	45.61%	27.80%	21.21%	16.40%

Note: Digital display ads transacted via an API, including everything from publisher-erected APIs to more standardized RTB technology; includes native ads and ads on social networks like Facebook and Twitter; includes advertising that appears on desktop/laptop computers, mobile phones, tablets, and other internet-connected devices.

Source: eMarketer, April 2017.

US AD-BLOCKING USERS, 2016-2018

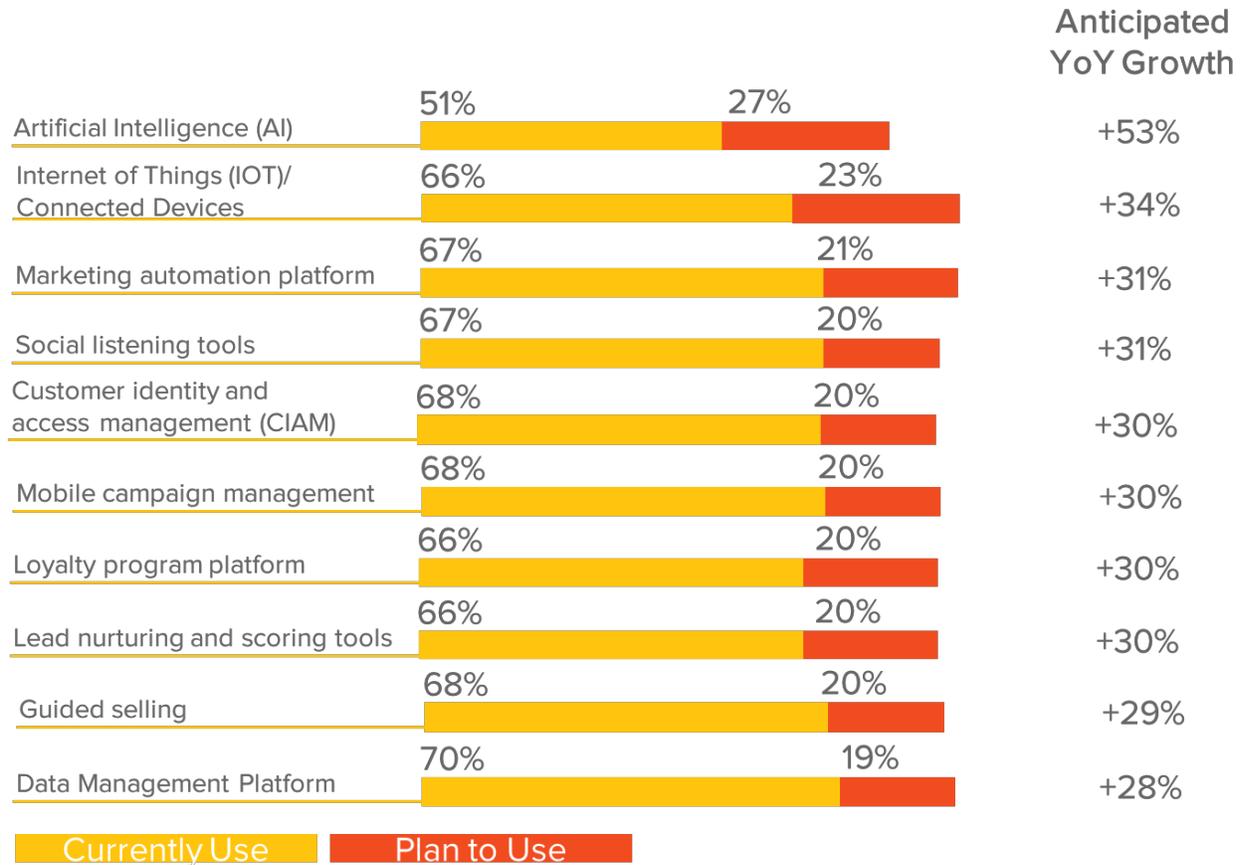
	2016	2017	2018
US ad-blocking users	64,638,273	75,106,752	83,540,092
US ad-blocking user growth	20.09%	16.20%	11.23%
US ad-blocking users (% of internet users)	24.18%	27.49%	30.05%
US ad-blocking users (% of population)	19.95%	22.99%	25.37%

Note: Internet users of any age who access the internet at least once per month via any device.

Source: eMarketer, January 2017.

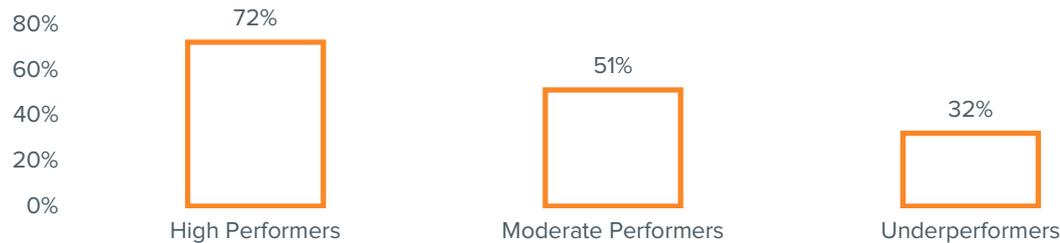


PERCENTAGE MARKETING LEADERS WHO USE OR PLAN TO USE THE FOLLOWING TOOLS OR TECHNOLOGY OVER THE NEXT 2 YEARS



Source: Salesforce Annual State of Marketing Report, 2017

PERCENTAGE OF MARKETERS CURRENTLY USING AI



Source: Salesforce Annual State of Marketing Report, 2017



AREAS WHERE MARKETERS EXPECT AI TO HAVE A SUBSTANTIAL IMPACT ON THEIR BUSINESS OVER THE NEXT 5 YEARS



Source: Salesforce Annual State of Marketing Report, 2017

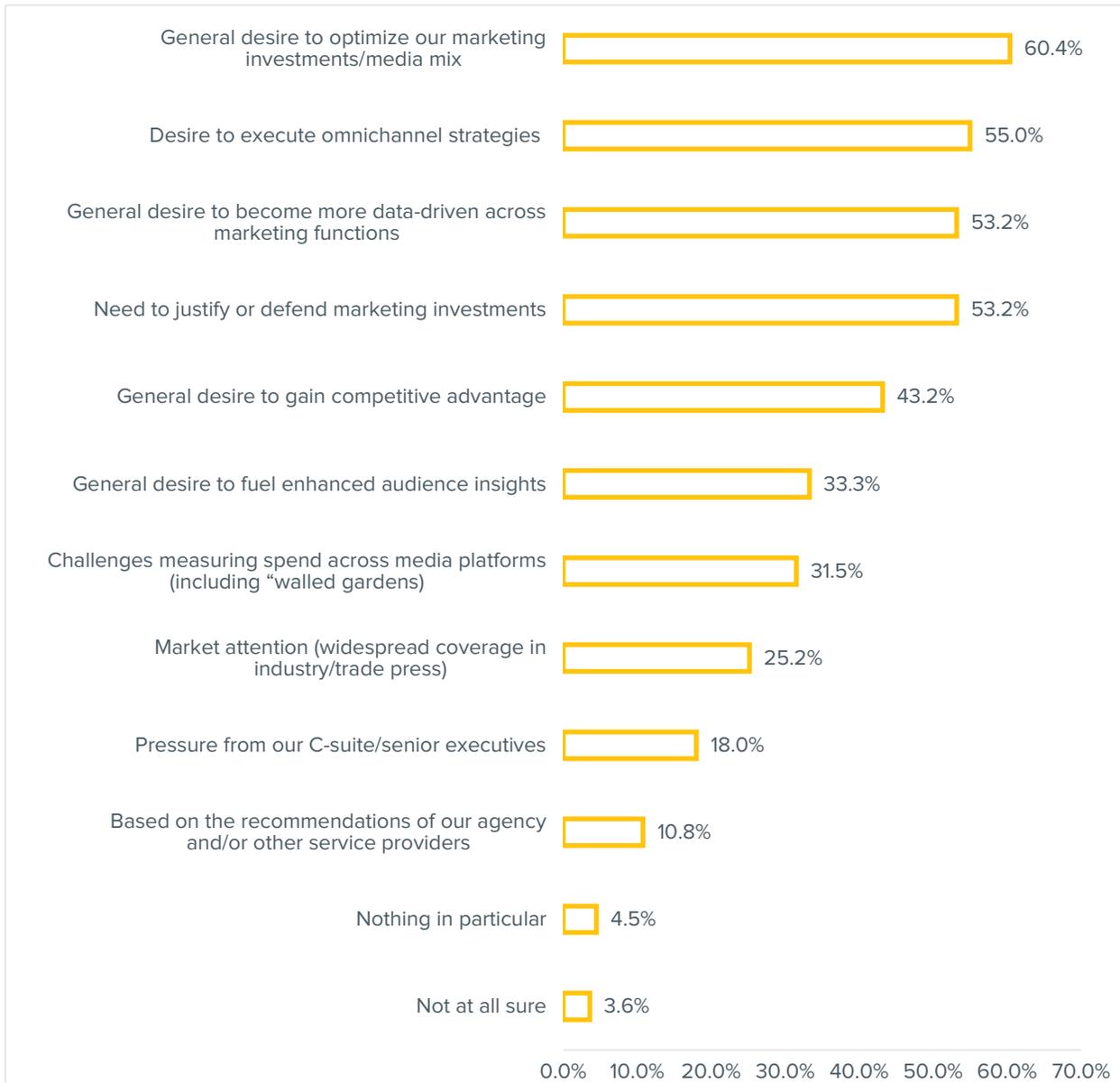


62.6% of marketers believe universal attribution standards (as established by a trade association or other industry group) would be helpful in supporting their organization's attribution efforts

Source: The Data & Marketing Association & Winterberry Group: Attribution and the Empowered Marketer, September 2017



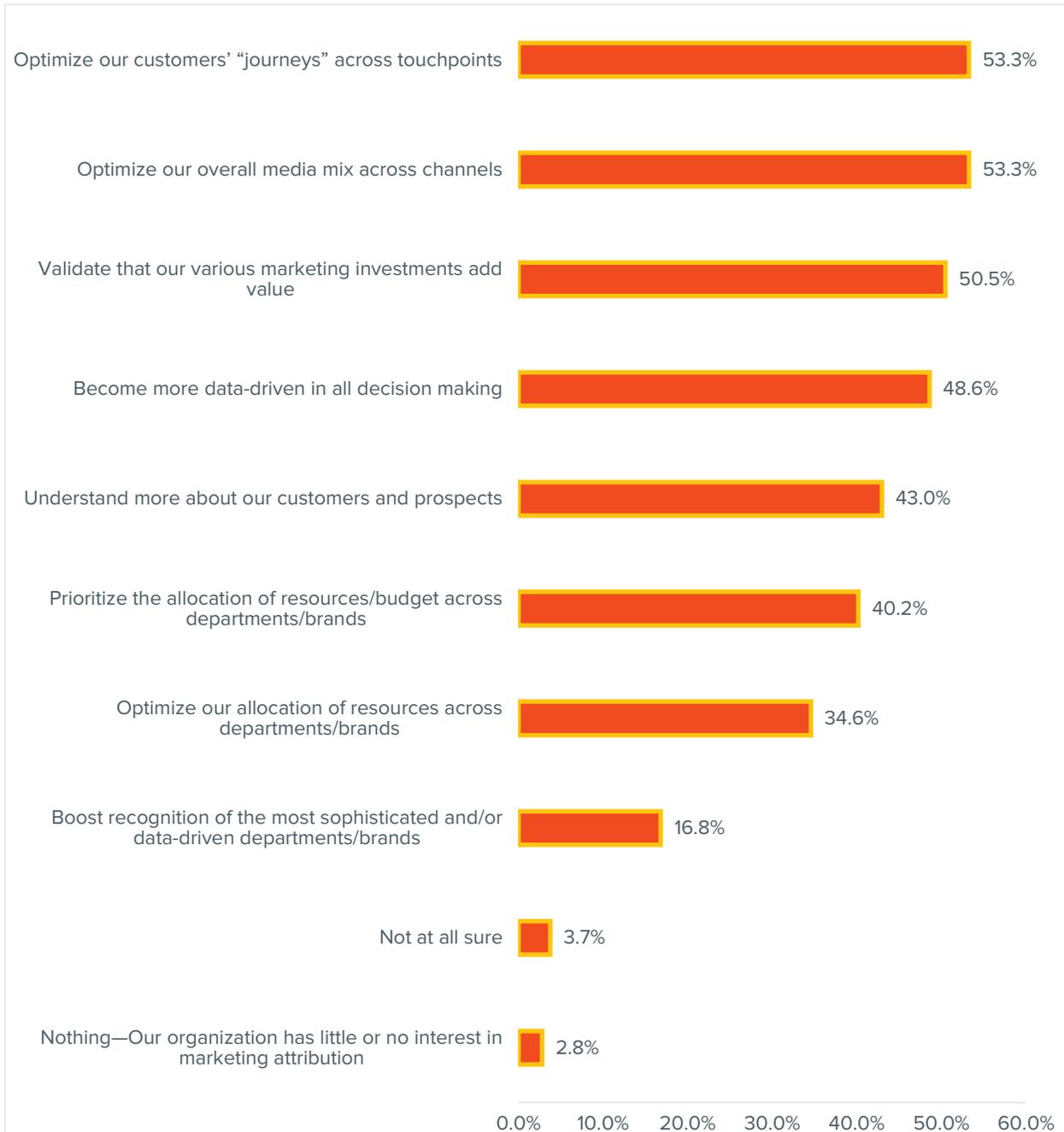
DRIVERS OF CURRENT PRIORITIZATION OF ATTRIBUTION



Source: The Data & Marketing Association & Winterberry Group: Attribution and the Empowered Marketer, September 2017



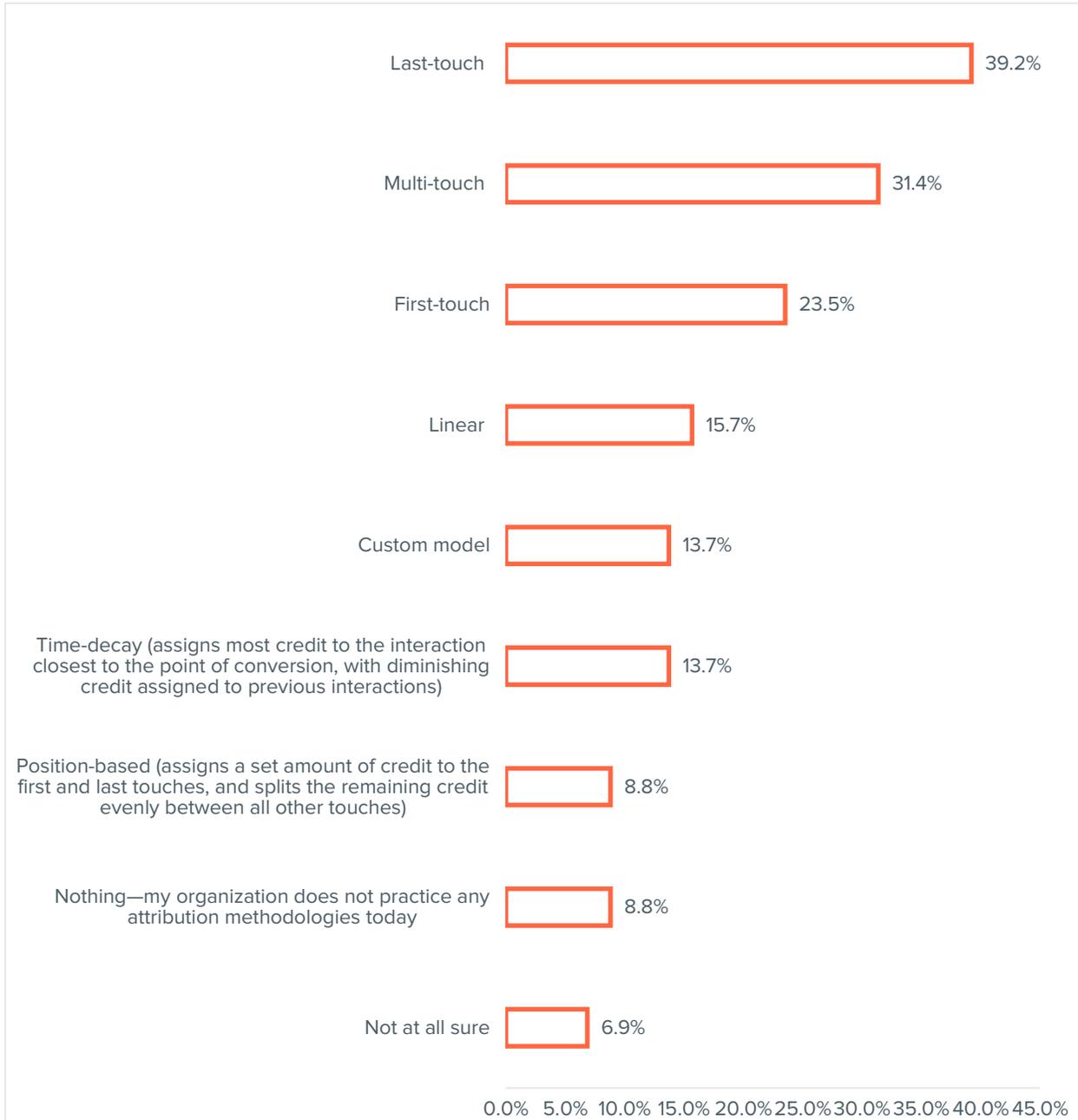
MOST IMPORTANT OBJECTIVES OF MARKETING ATTRIBUTION



Source: The Data & Marketing Association & Winterberry Group: Attribution and the Empowered Marketer, September 2017



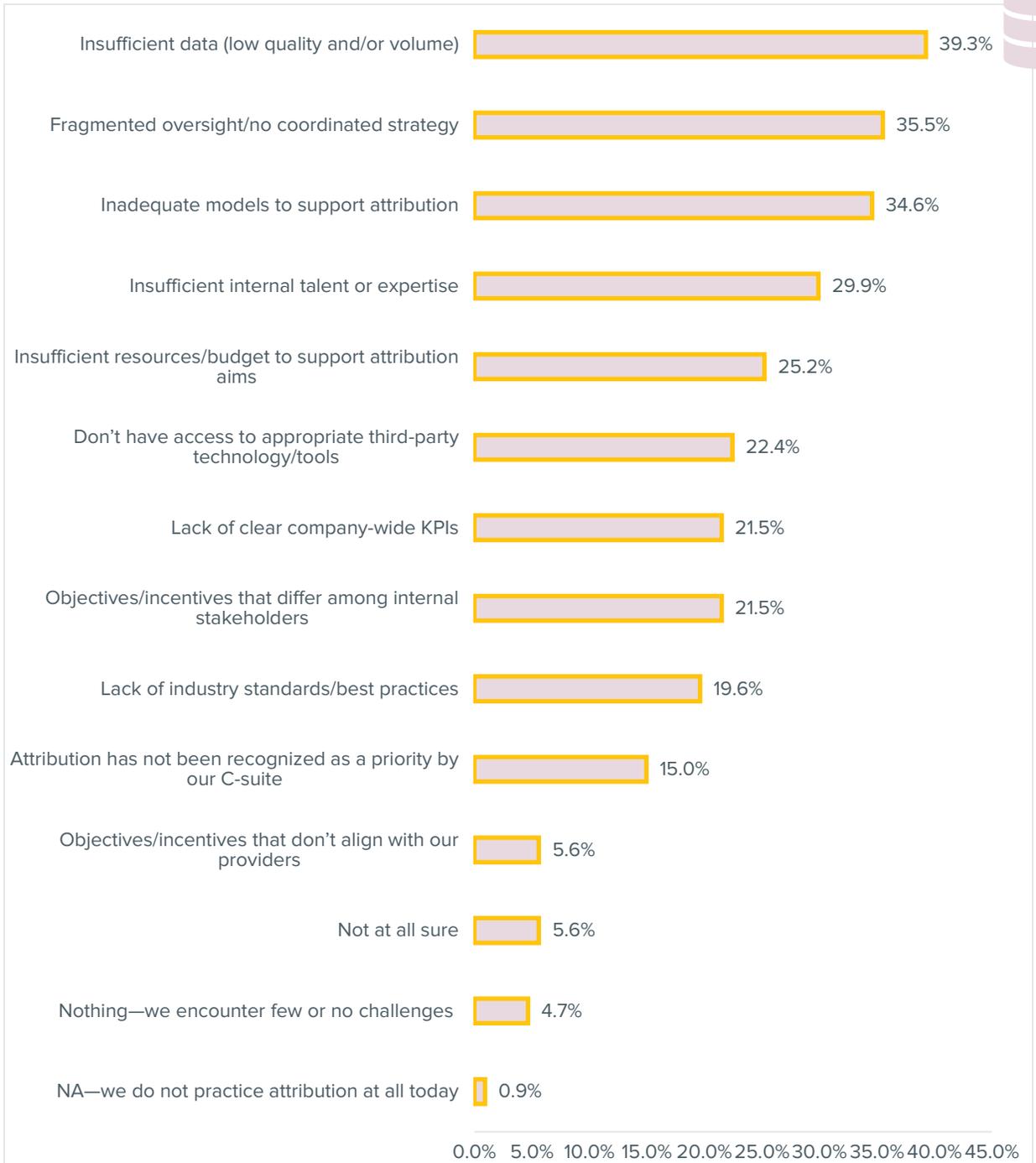
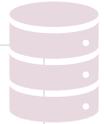
METHODOLOGIES BEING DEPLOYED IN SUPPORT OF ATTRIBUTION



Source: The Data & Marketing Association & Winterberry Group: Attribution and the Empowered Marketer, September 2017

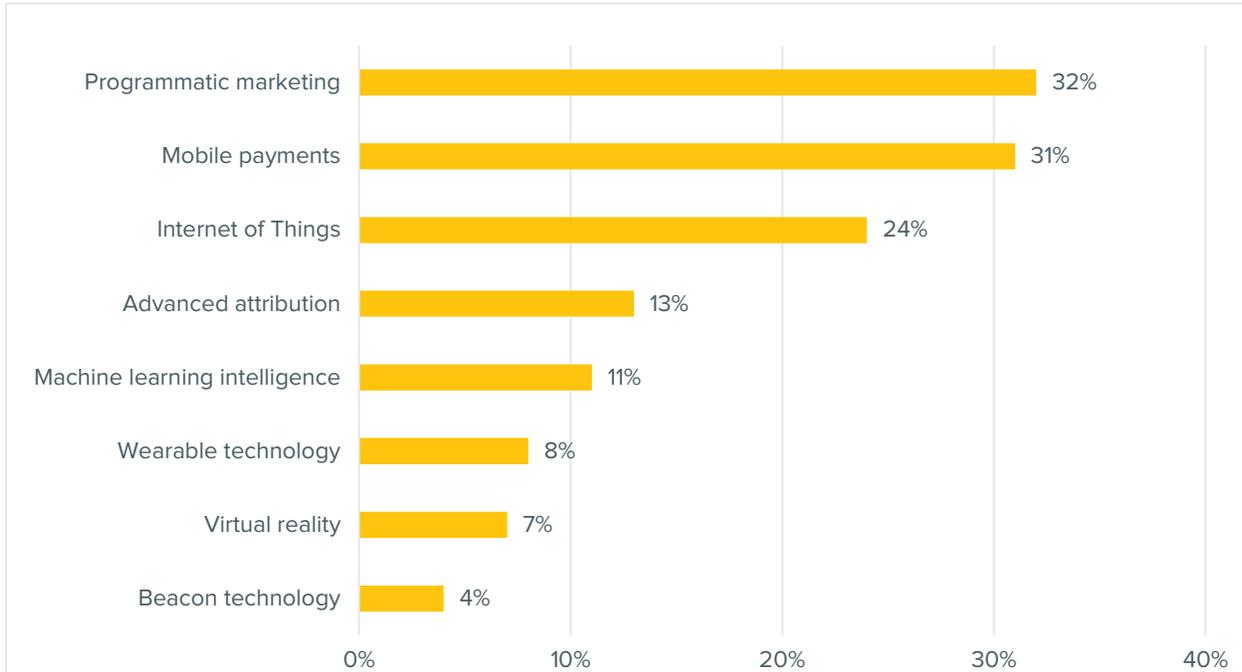


MOST SIGNIFICANT CHALLENGES TO ATTRIBUTION



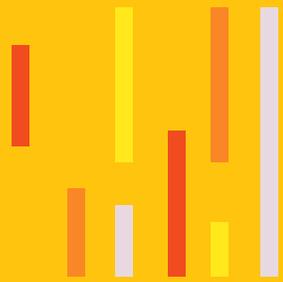
Source: The Data & Marketing Association & Winterberry Group: Attribution and the Empowered Marketer, September 2017

USAGE OF LEADING EDGE TECHNOLOGY IN MARKETING EFFORTS



Source: The Data & Marketing Association & Winterberry Group: Attribution and the Empowered Marketer, September 2017





CHAPTER 10

Retail





CHAPTER 10: Retail



TARGETED CUSTOMER EXPERIENCES: THE ART OF BUILDING MUTUALLY BENEFICIAL RELATIONSHIPS

Personalization is a trendy phrase to throw around in retail but not nearly as easily practiced effectively. The days of simply inserting the customer's name into your email subject line and getting results are over. What's next? Fully integrated and targeted customer experiences that treat customer information and data with respect.

Throughout the retail industry, a drive toward increased personalization and relevance is on the rise. Sources including McKinsey, Forrester and Accenture all forecast increased spending on personalization, with as many as 46% of marketers claiming that they will increase their budgets for it. Personalization is most successful when properly executed across an omnichannel strategy. Emarketer supports this hypothesis, with research showing that 68 % of marketers believe an omnichannel strategy has increased sales. The execution is key, as reported by Accenture, who claims that 41% of US customers stopped shopping from a company because of poor personalization, resulting in a lack of trust in the brand. The estimated revenue impact from this poor execution was in excess of \$750 billion in sales.



“Personalization is most successful when properly executed across an omnichannel strategy.”

In this year's Statistical Fact Book, 71% of marketers claim to be using data to improve personalization and predictive marketing. Not surprisingly, marketers cite personalization as the most effective tactic, according to Campaign Monitor and Ascend2. And optimizing customer experience strategy has been cited by marketers as the second-highest organizational priority, after revenue generation, according to CMO Council.



The opportunity to grow sales via increased personalization is improving as customers shift increasingly to digital engagements with traditional retailers. This holiday season showed an increase in retail sales of over 5%, and Adobe’s holiday report showed desktop and mobile (smartphone and tablet) driving over \$110 billion in sales. Quickly, mobile traffic has exceeded that of desktop (56% vs. 44%), while desktop remains the driver of conversions at 61% of all digital purchases.

At The Tile Shop, consumers are led through a personalized omnichannel journey from beginning to end with their Design Studio experience. Beginning with advertisements directing customers to create an account on The Tile Shop’s landing page and concluding with a custom-designed room, the Design Studio is a valuable asset that ties the digital and in-store experiences together seamlessly. Customers who come into the store for a Design Studio consultation get the benefit of years of employee design and product experience applied to their specific project, and leave with a unique digital rendering of their project that can then be shared or referenced by their installers. At the end of the day, Design Studio users spend almost three times more at The Tile Shop than other customers.

Why does an omnichannel personalization strategy work so well? Because customers receive something valuable and tangible by providing their personal information — namely, a targeted customer experience and design they can’t get anywhere else. It is a focus that places the importance of conversion above traffic. By spending more time building customer relationships, retailers can maximize the connections with their very best customers.





Success with using personalization as a retail marketing tactic lies in mutual benefits: the benefits to the consumer as well as the benefits to the retailer. If only the retailer gets the results they want, the customer will be quick to pull access to their information. Businesses need to think about what it is they really can offer their customers that is unique to their business. If it's not enough to make the trade for one's personal information worth it, it will not be successful. Retailers that use personal information and data unexpectedly or unethically will immediately lose a consumer's trust and business. The companies that maneuver this balance the best will come out on top as the winners, both of consumers' business and their respect.

Authored by:

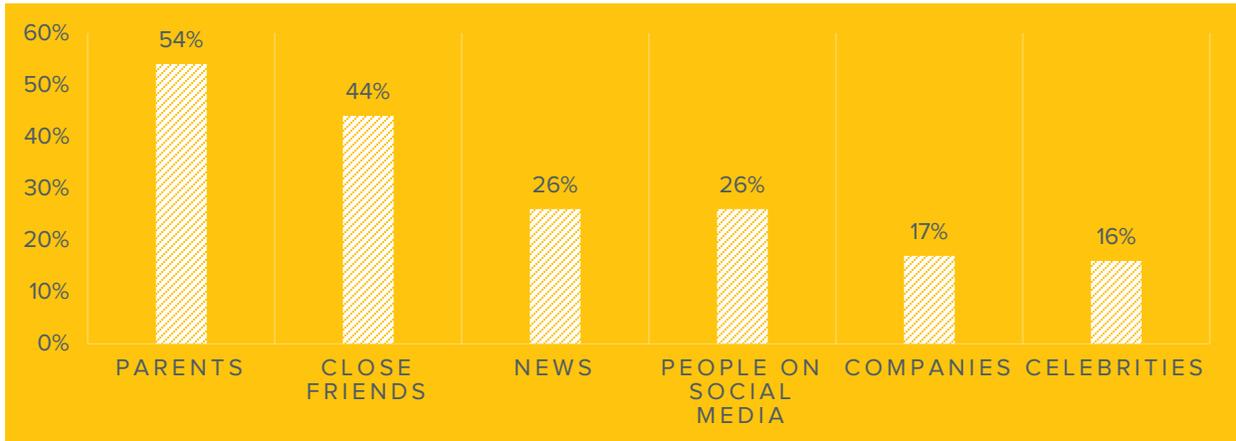
Mary Hennen
Vice President of Marketing and eCommerce
The Tile Shop

CHAPTER HIGHLIGHTS

- Top on ecommerce execs wish list? New payment options
- 84% of consumers say coupons influenced their store selection
- Shopping cart abandons dropped more than 6% in 2017
- Amazon's influence dips? Shoppers report checking prices at Amazon 5% less in 2017 than in 2016
- Shopper conversion is highest when via email/newsletter between the hours of 11:00PM-12:00AM



GEN Z'S PURCHASING DECISIONS ARE MOST LIKELY TO BE INFLUENCED BY...

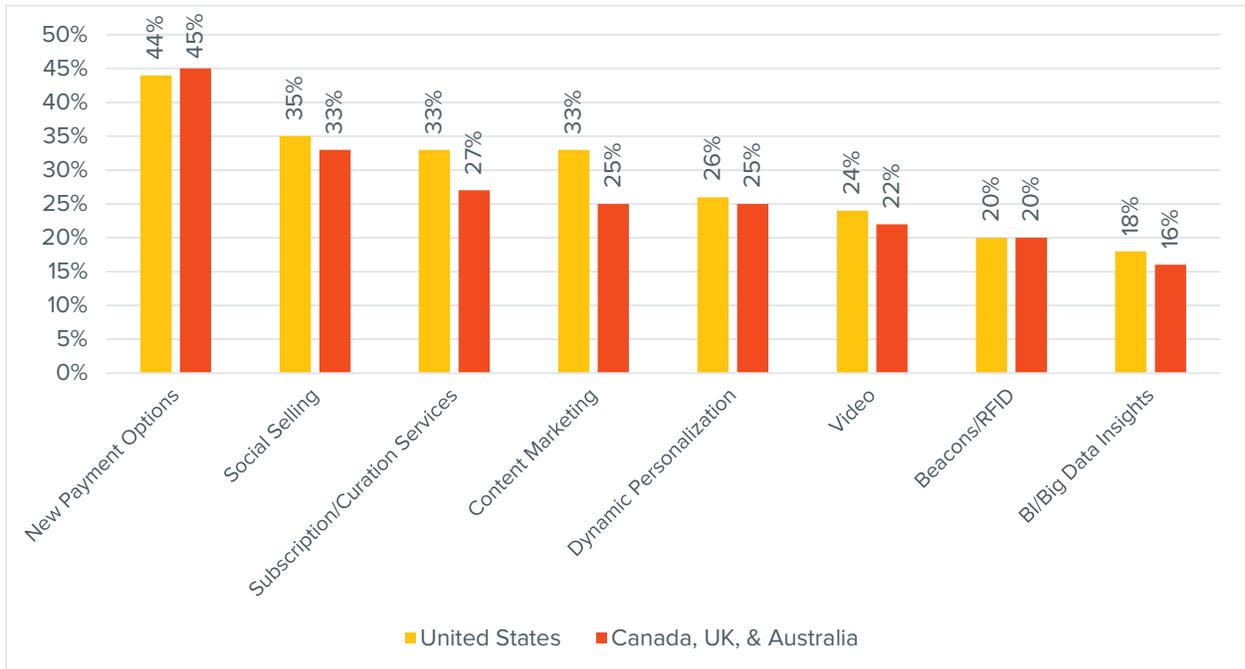


Source: Cone Communications, 2017 Cone Gen Z CSR Study: How to Speak Z, 2017.



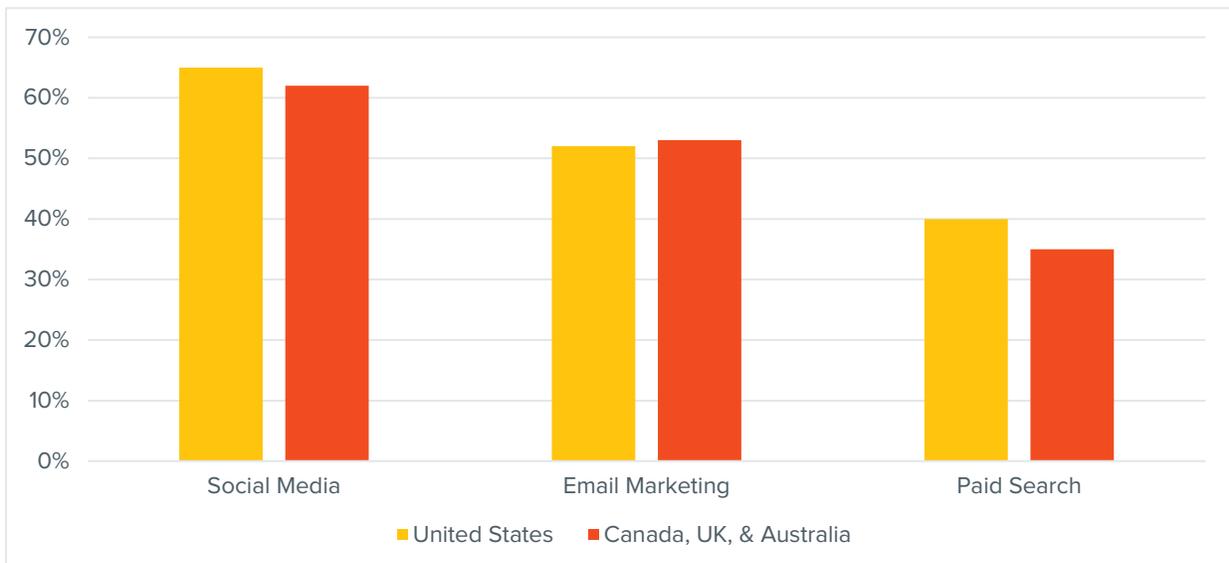


ECOMMERCE RETAILER INNOVATION WISH LIST



Source: ORACLE + Bronto, INSIDE THE MINDS OF ECOMMERCE EXECS, 2017.

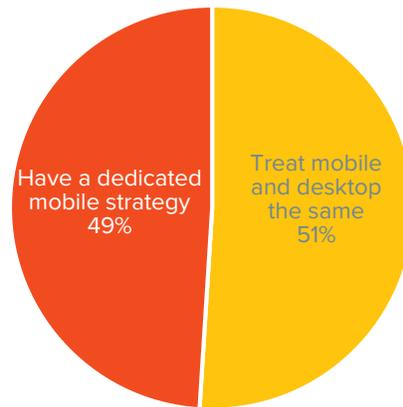
TOP THREE MARKETING CHANNELS THAT IMPACT SALES



Source: ORACLE + Bronto, INSIDE THE MINDS OF ECOMMERCE EXECS, 2017.

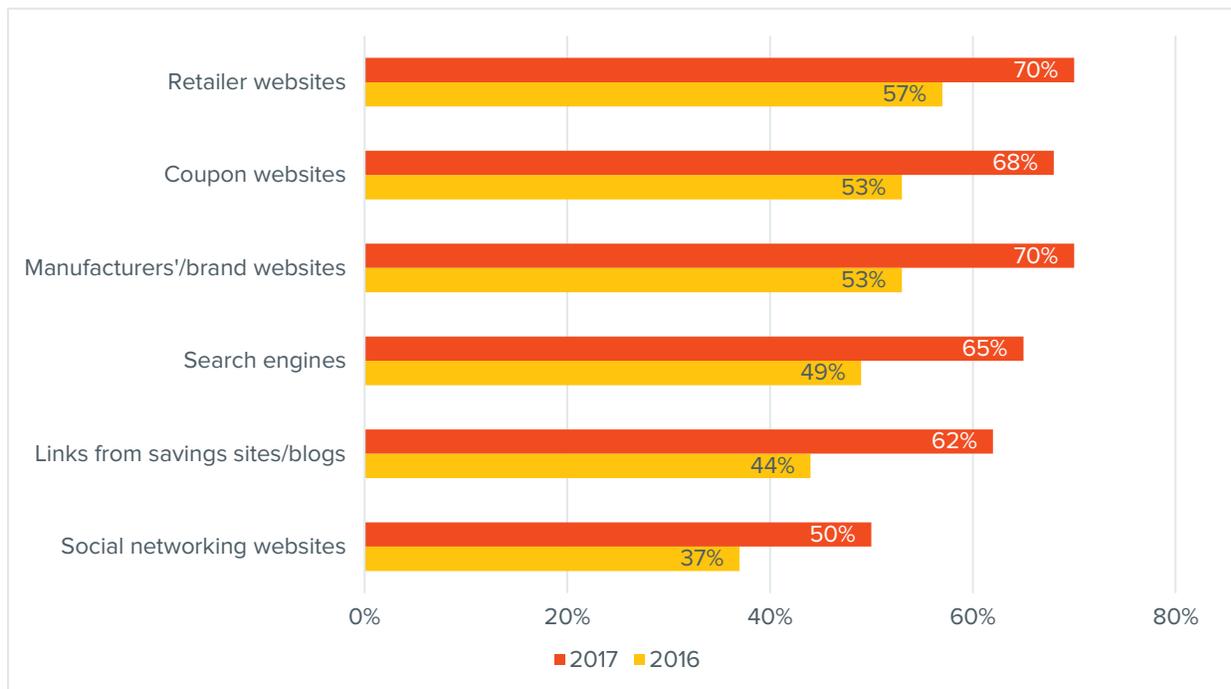


WHAT IS YOUR BRAND'S MOBILE STRATEGY?



Source: ORACLE + Bronto, INSIDE THE MINDS OF ECOMMERCE EXECES, 2017.

WEBSITES USED TO SEARCH FOR COUPONS



Source: Valassis, 2017 Coupon Intelligence Report, 2017.



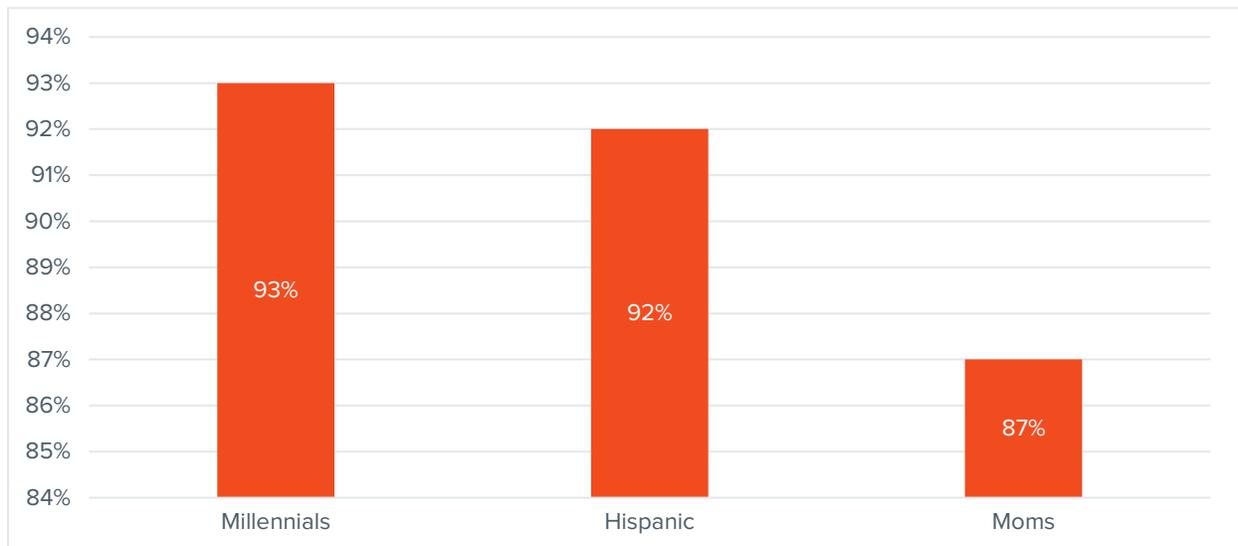
COUPON USAGE

	Total	Millennials	Gen X	Boomers
I use paper coupons, such as those I get from the newspaper coupon book, in the mail, in the store, or printed from my computer	86%	91%	87%	87%
I get in the mail	86%	89%	85%	85%
I get in a store	85%	89%	87%	82%
I get from a newspaper coupon book	82%	86%	81%	79%
I print from my computer	79%	84%	80%	76%
I use paperless discounts*	71%	89%	79%	54%

*Discounts I receive on my smartphone/mobile device and/or download onto my store ID/loyalty card

Source: Valassis, 2017 Coupon Intelligence Report, 2017.

USE OF MOBILE WHILE IN THE STORE TO LOOK FOR COUPONS AND DISCOUNTS



Source: Valassis, 2017 RedPlum® Purse String Survey, 2017.

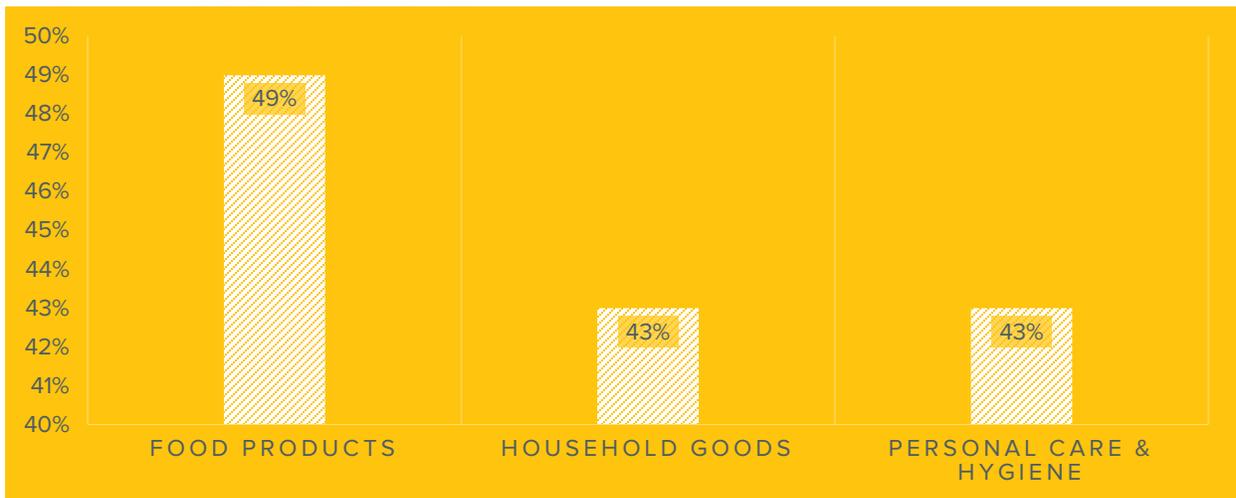


HOW CONSUMERS PICK STORES



Source: Valassis, 2017 Coupon Intelligence Report, 2017.

CONSUMERS WOULD SHOP CLOSE TO WORK MORE OFTEN IF THEY RECEIVED COUPONS FOR...*

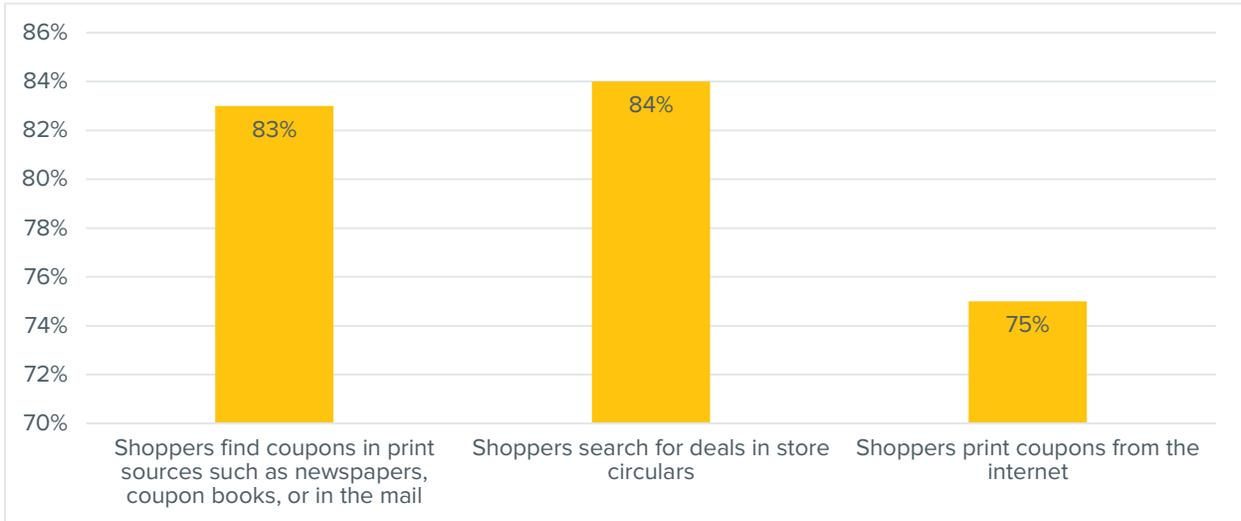


*Full-time or part-time employed and responding.

Source: Valassis, 2017 Coupon Intelligence Report, 2017.



BEFORE GOING TO THE STORE, CONSUMERS SEARCH FOR COUPONS

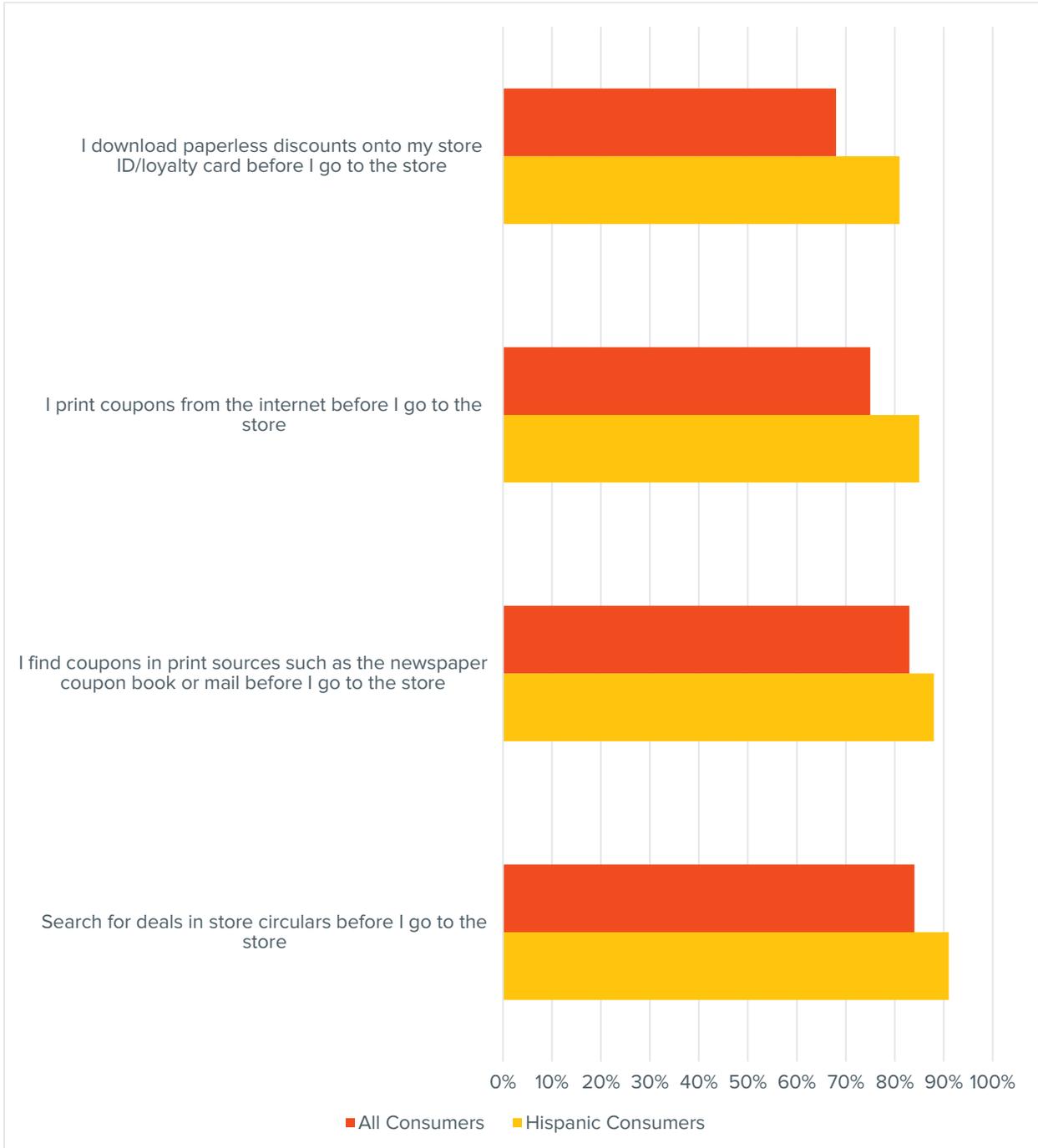


Source: Valassis, 2017 Coupon Intelligence Report, 2017.





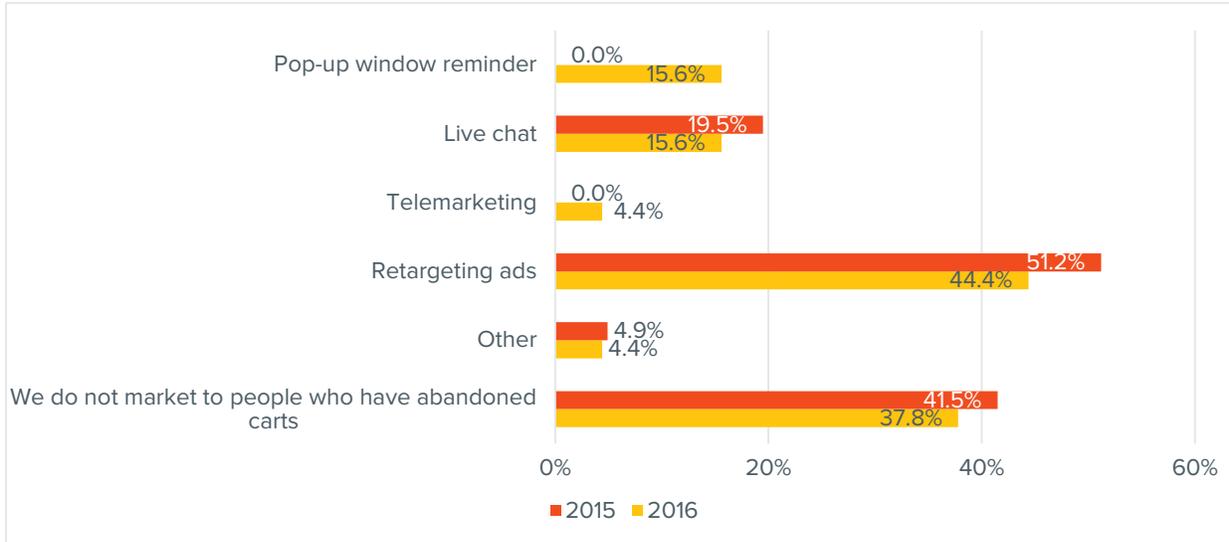
HISPANIC SHOPPERS PURPOSEFULLY PLAN WITH COUPONS



Source: Valassis, 2017 Coupon Intelligence Report, 2017.

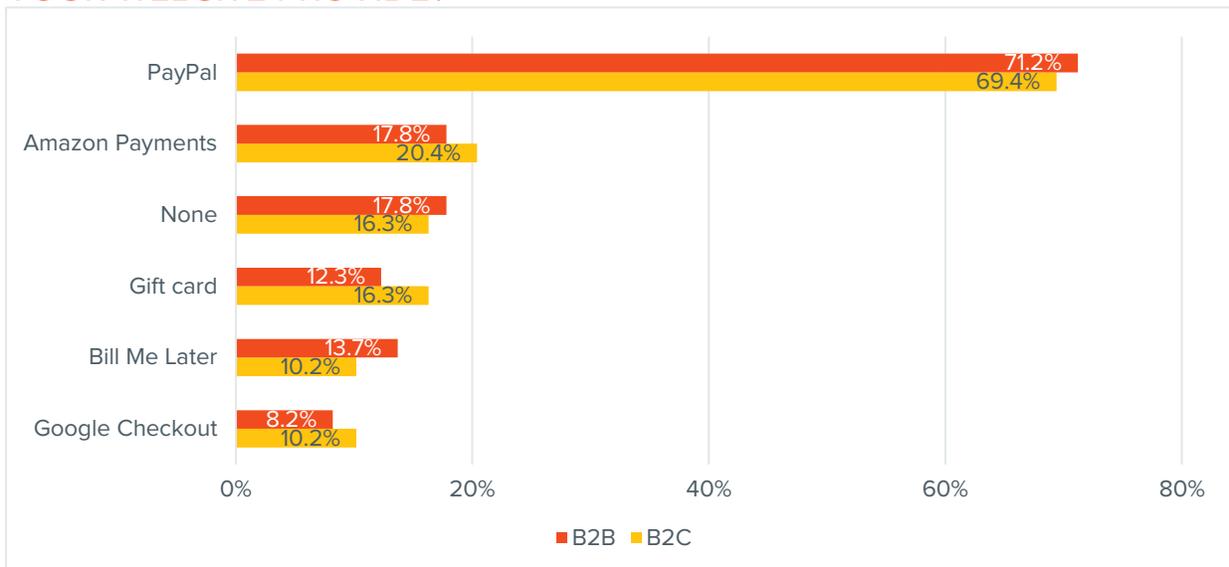


ASIDE FROM SHOPPING CART RECOVERY EMAILS, HOW ARE YOU MARKETING TO SHOPPING CART ABANDONERS?



Source: Multichannel Merchant, MCM Outlook: E-commerce, 2016.

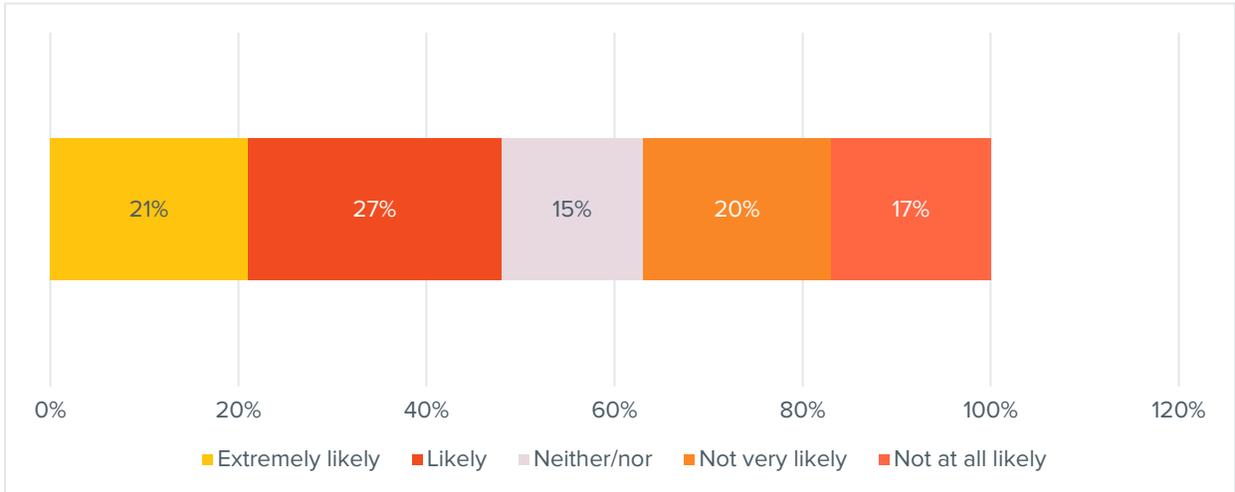
OTHER THAN CREDIT CARDS, WHAT TYPE OF PAYMENT OPTIONS DOES YOUR WEBSITE PROVIDE?



Source: Multichannel Merchant, MCM Outlook: E-commerce, 2016.

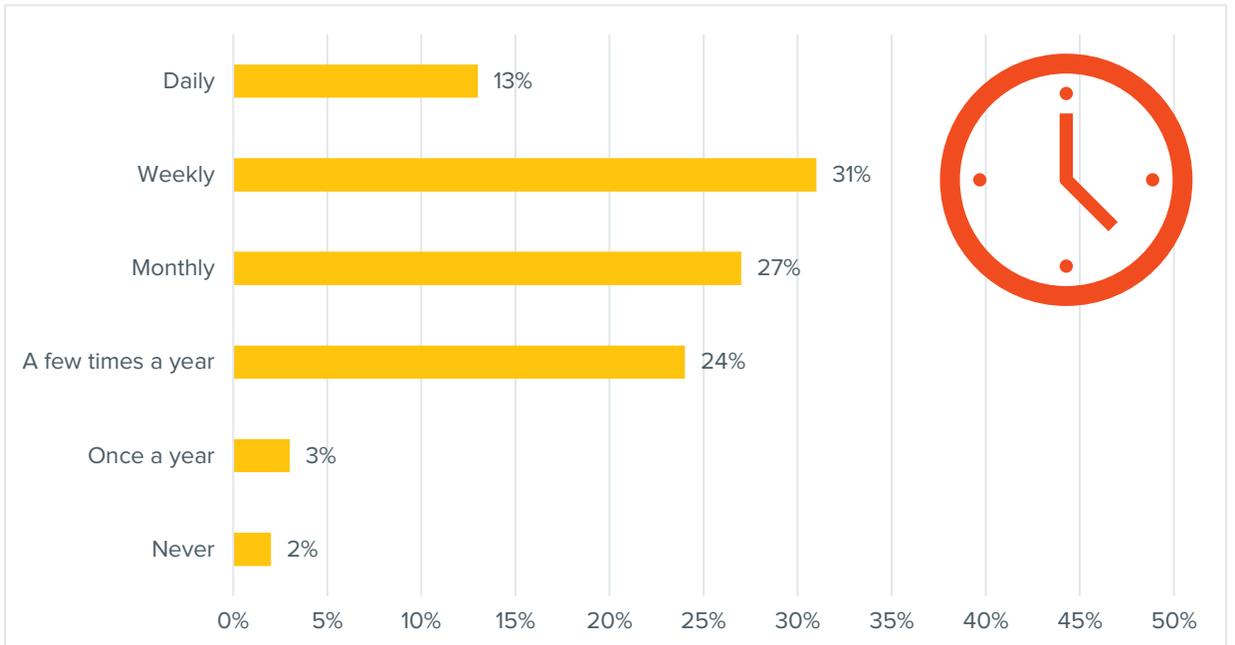


CONSUMER LIKELIHOOD TO PURCHASE GROCERIES ONLINE IN THE NEXT 12 MONTHS



Source: PwC Global Consumer Insights Survey, 2017.

IN-STORE BUYING BEHAVIORS



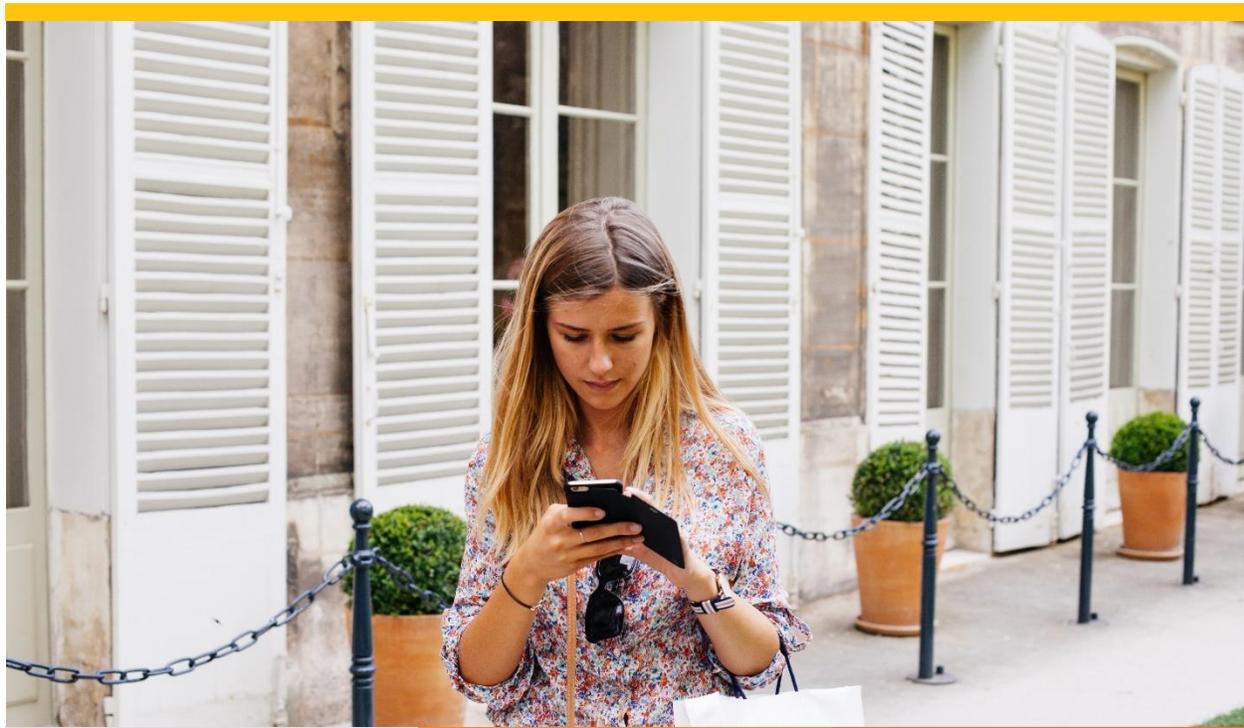
Source: PwC Global Consumer Insights Survey, 2017.



PAYMENT ACTIVITIES UNDERTAKEN USING MOBILE/SMARTPHONE/WEARABLE DEVICE WHEN SHOPPING

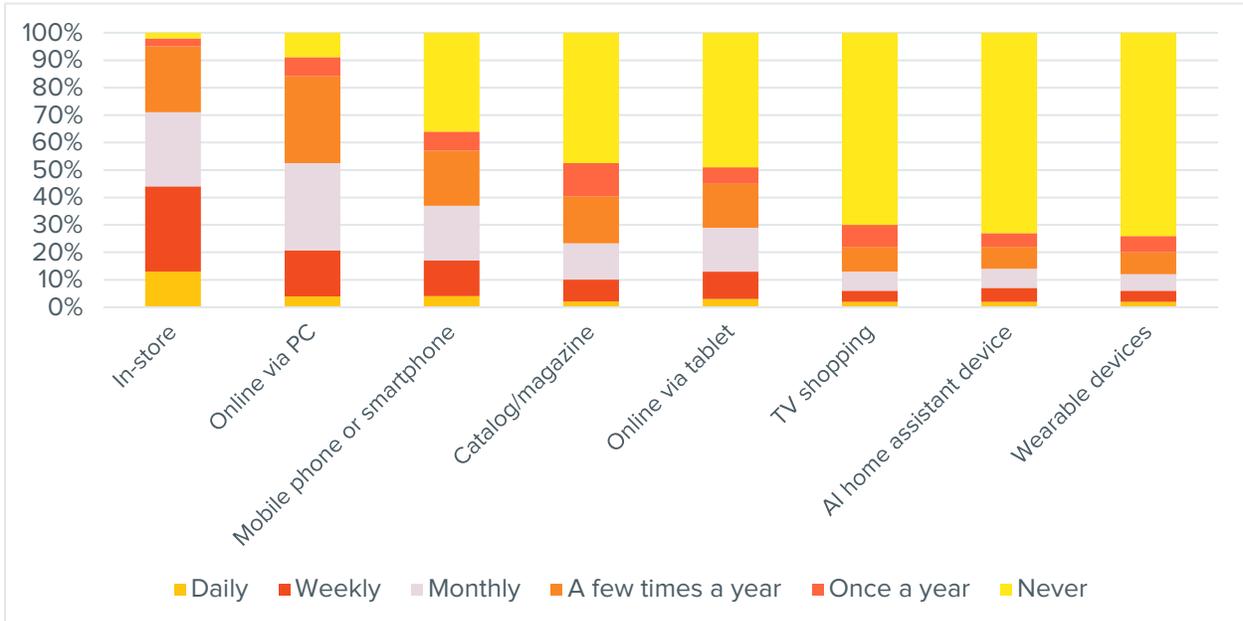


Source: PwC Global Consumer Insights Survey, 2017.



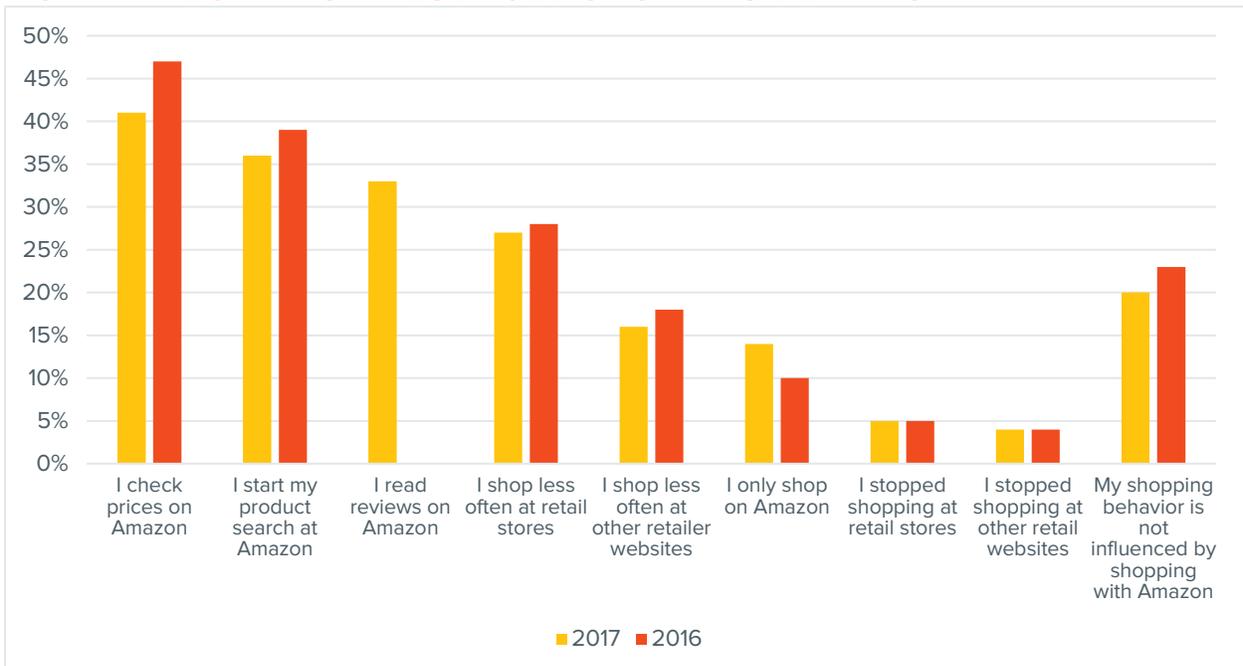


BUYING BEHAVIORS BETWEEN PC AND MOBILE



Source: PwC Global Consumer Insights Survey, 2017.

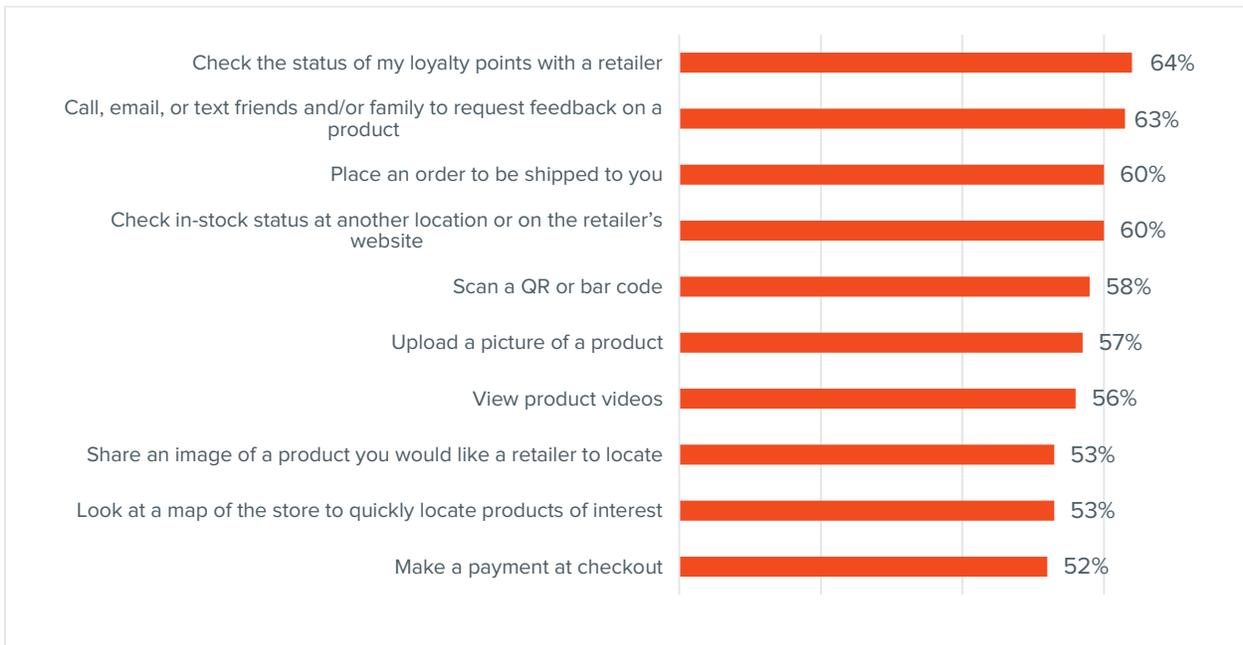
HOW AMAZON HAS INFLUENCED SHOPPING BEHAVIOR



Source: PwC Global Consumer Insights Survey, 2017.



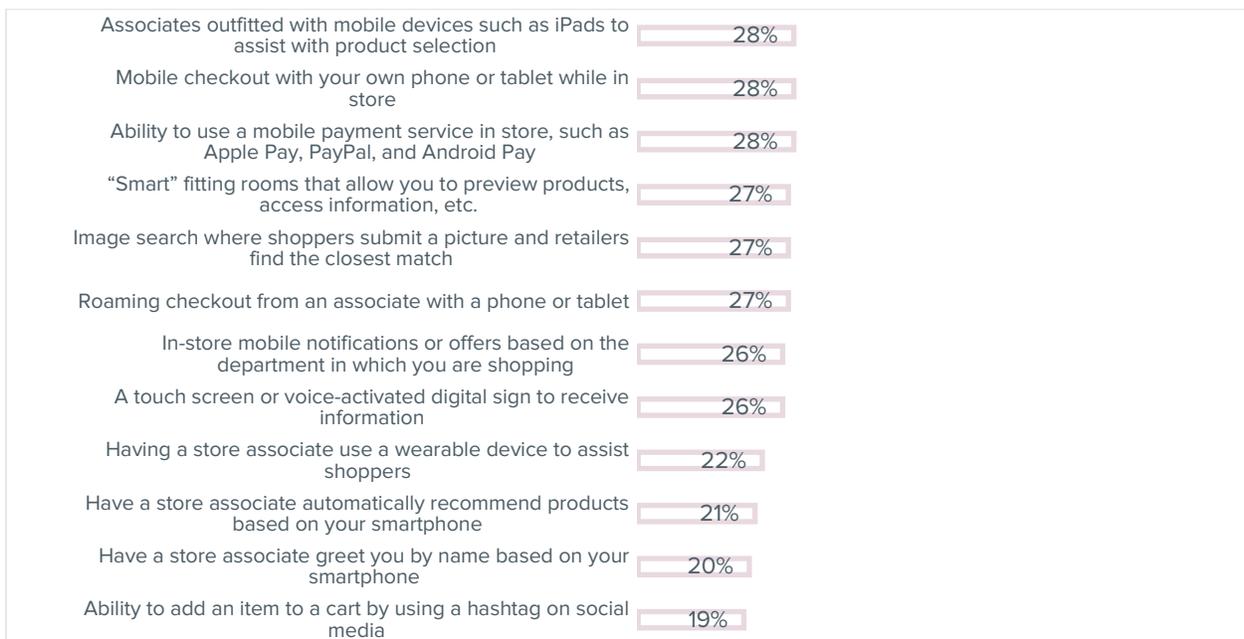
SMARTPHONE IN-STORE USAGE AMONG SMARTPHONE USERS



Source: UPS Pulse of the Online Shopper Study, 2017.



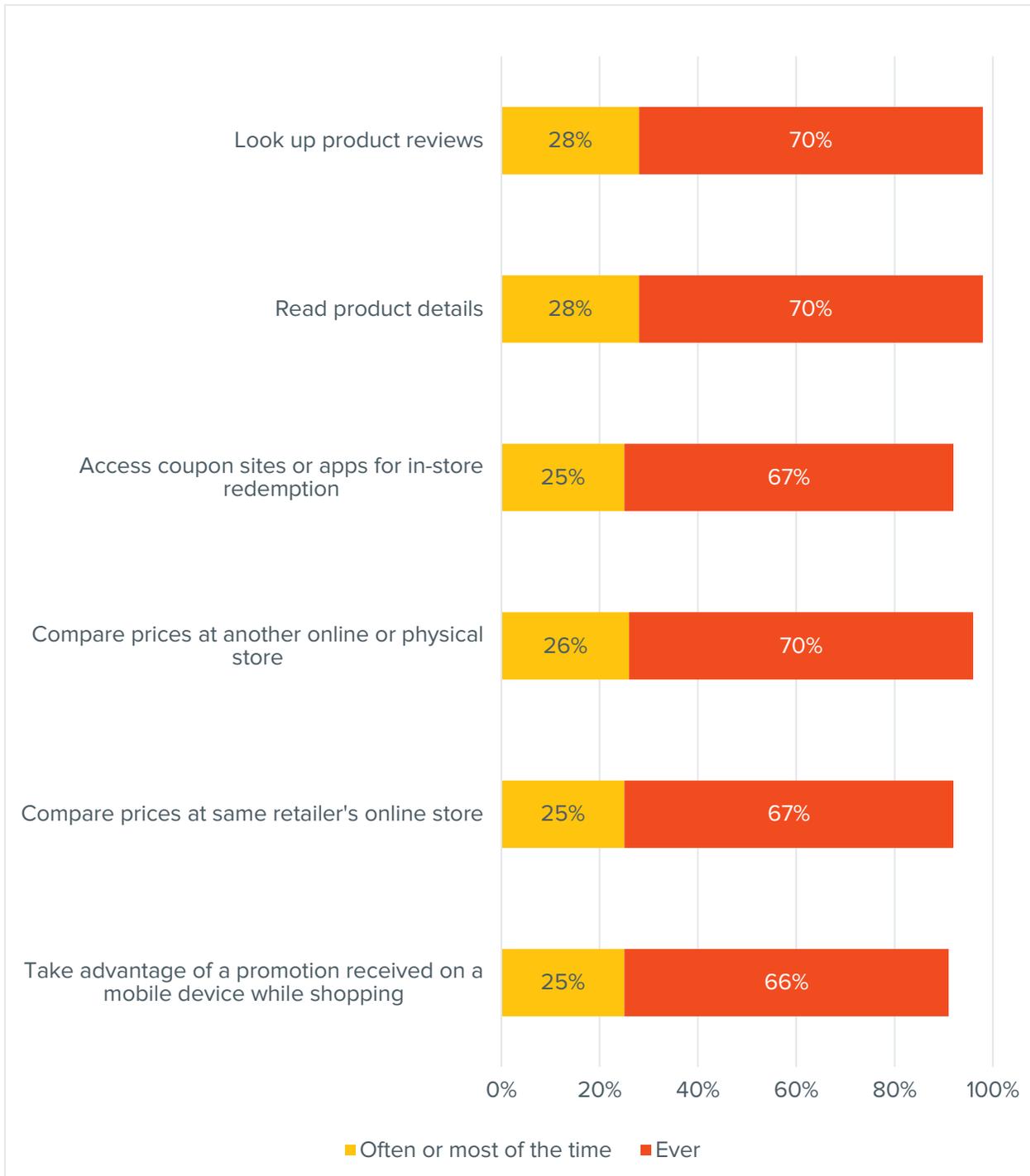
APPEAL OF NEW SHOPPING CONVENIENCES AND CAPABILITIES AMONG ONLINE SHOPPERS



Source: UPS Pulse of the Online Shopper Study, 2017.



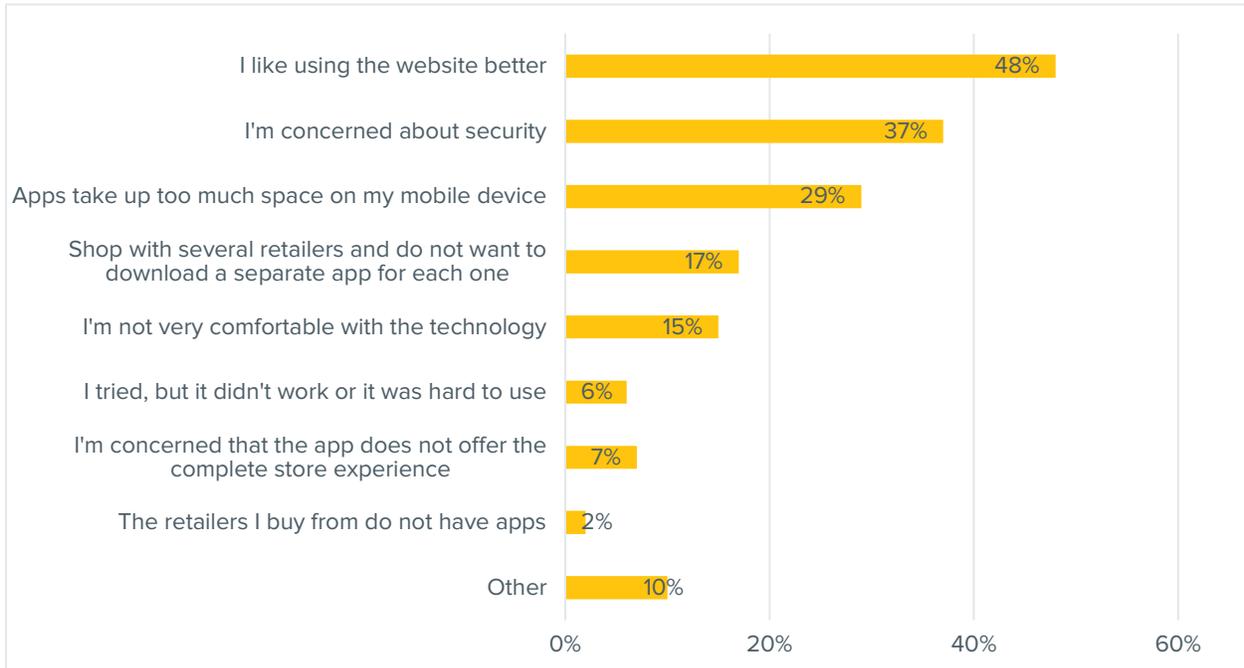
SMARTPHONE IN-STORE USAGE



Source: UPS Pulse of the Online Shopper Study, 2017.

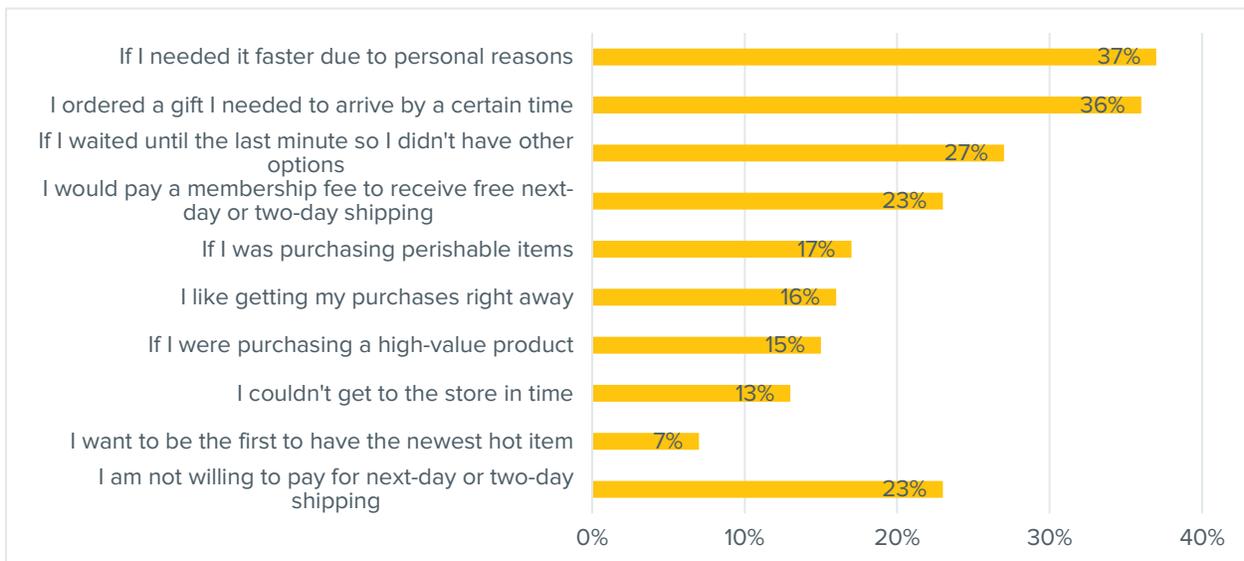


REASONS FOR NOT USING RETAILERS' APPS



Source: UPS Pulse of the Online Shopper Study, 2017.

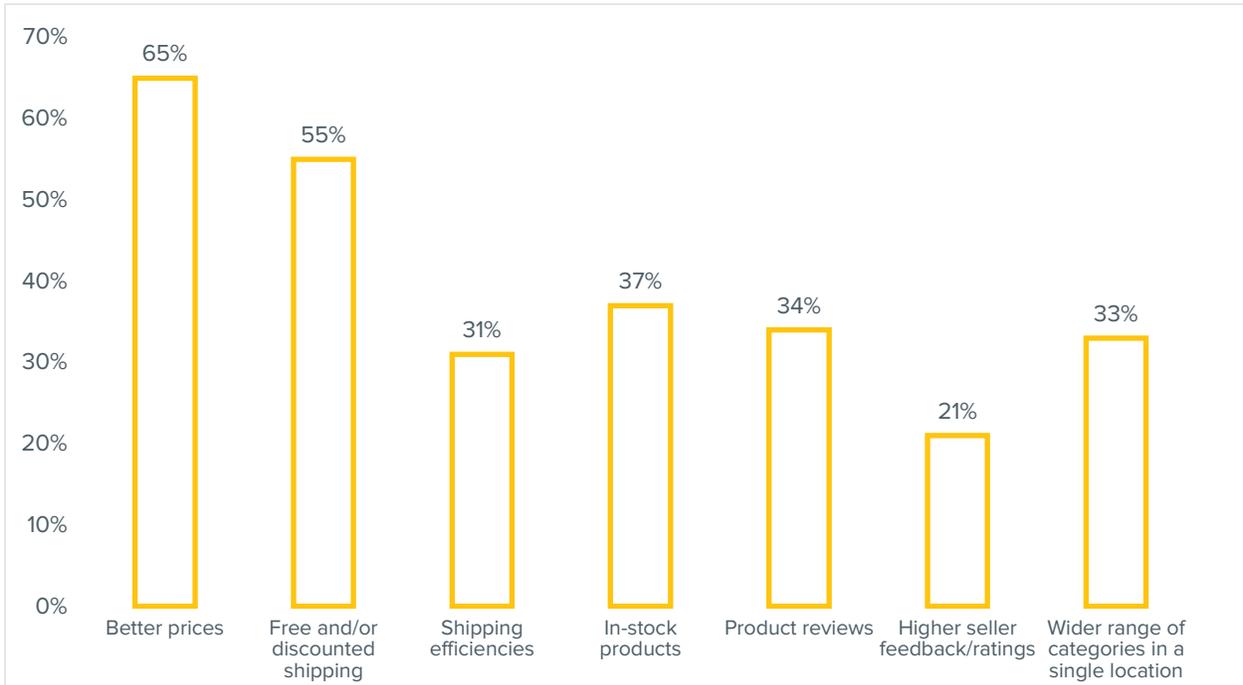
WHY SHOPPERS ARE WILLING TO PAY A PREMIUM FOR FASTER SHIPPING



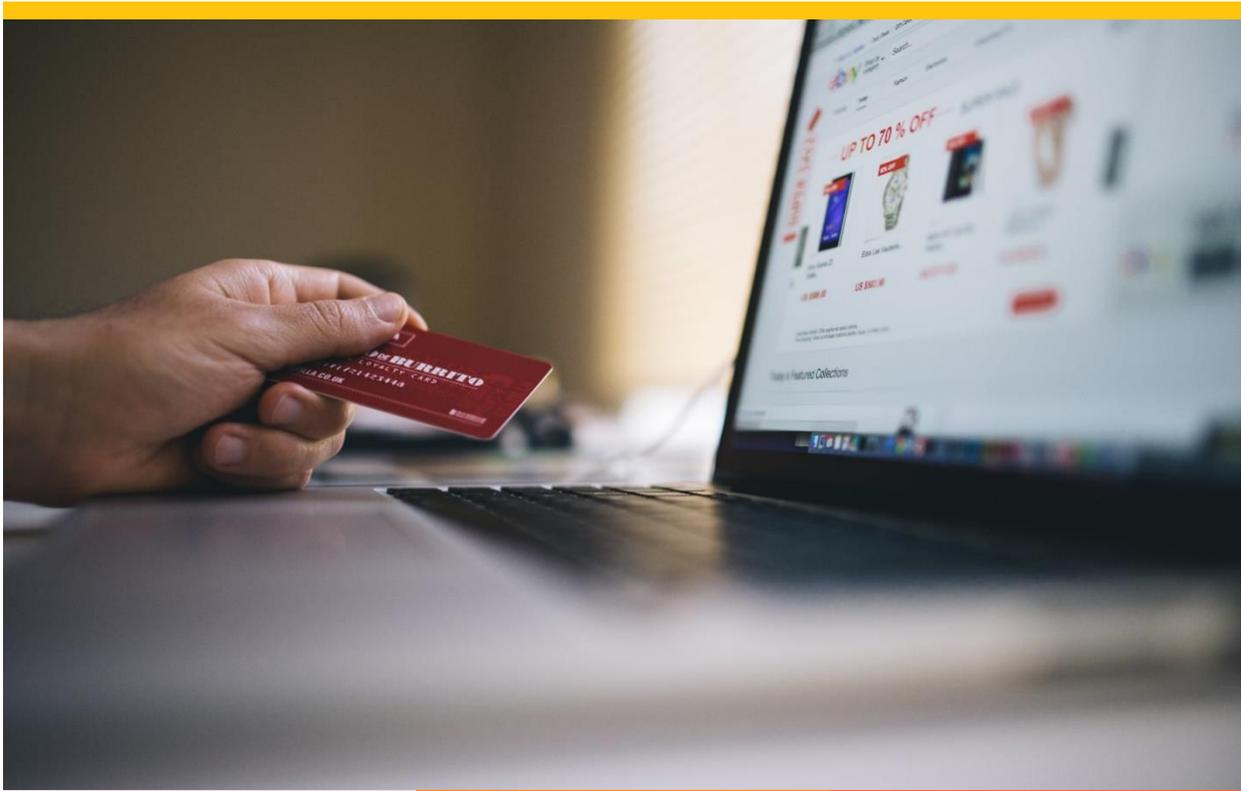
Source: UPS Pulse of the Online Shopper Study, 2017.



WHY SHOPPERS CHOOSE MARKETPLACES OVER OTHER RETAILERS

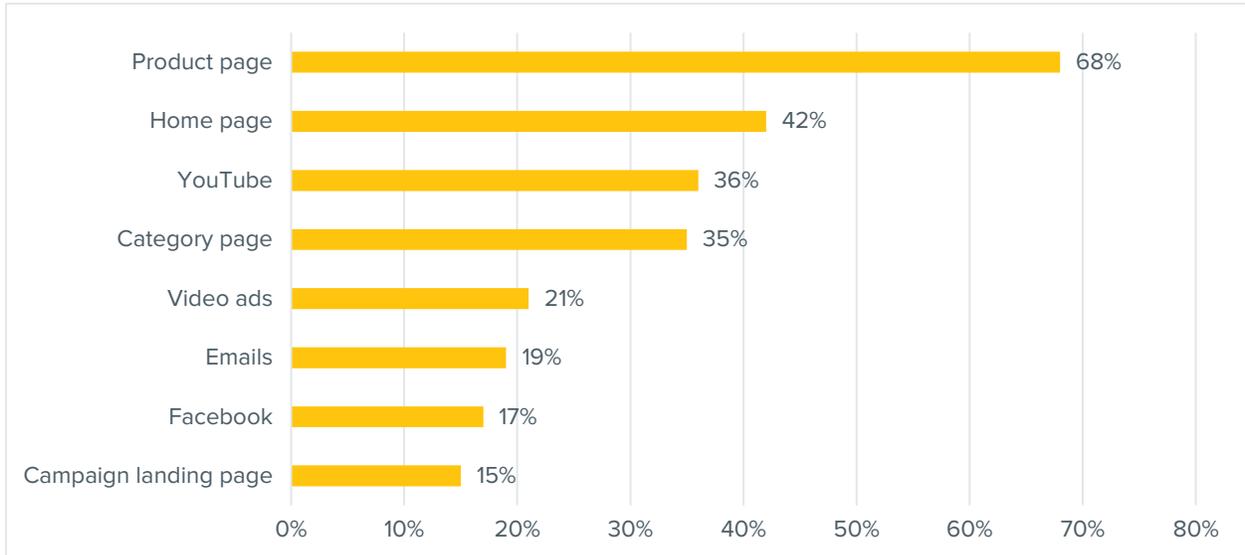


Source: UPS Pulse of the Online Shopper Study, 2017.



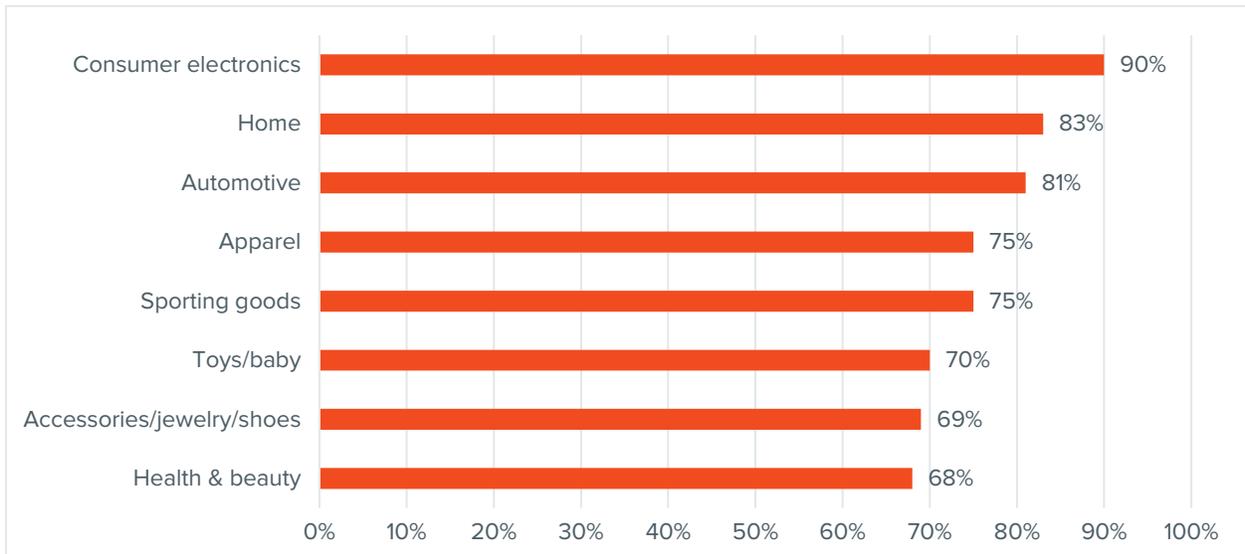


WHERE ONLINE SHOPPERS ARE MOST LIKELY TO WATCH A PRODUCT VIDEO



Source: Invodo and The e-tailing group, 2016 Omnichannel Outlook: Why Online Shoppers Want Video, May 2016.

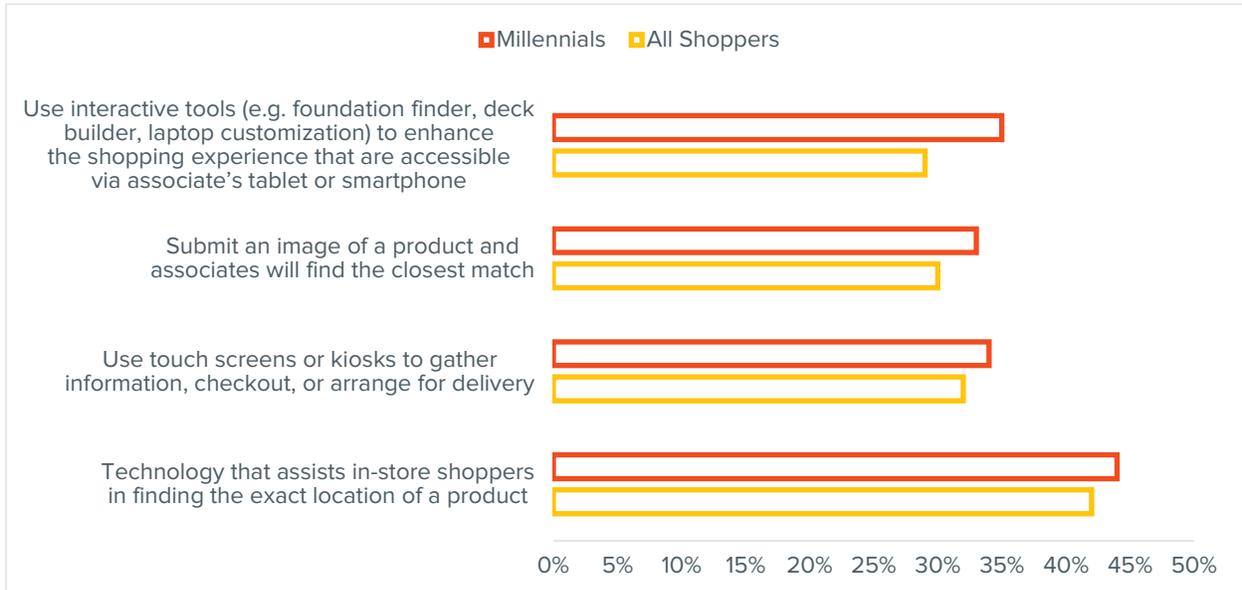
IMPORTANCE OF VIDEO BY PRODUCT CATEGORY



Source: Invodo and The e-tailing group, 2016 Omnichannel Outlook: Why Online Shoppers Want Video, May 2016.

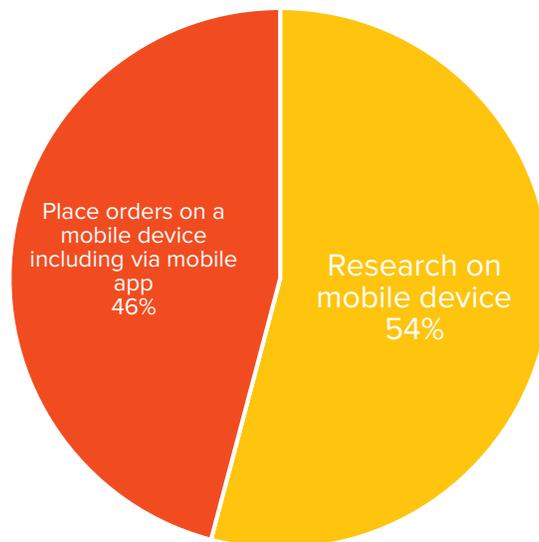


SHOPPERS EMBRACE TECHNOLOGY WHEN VISITING STORES



Source: Astound Commerce, Competing for Customers Astound Insights Shopper Viewpoints, 2017.

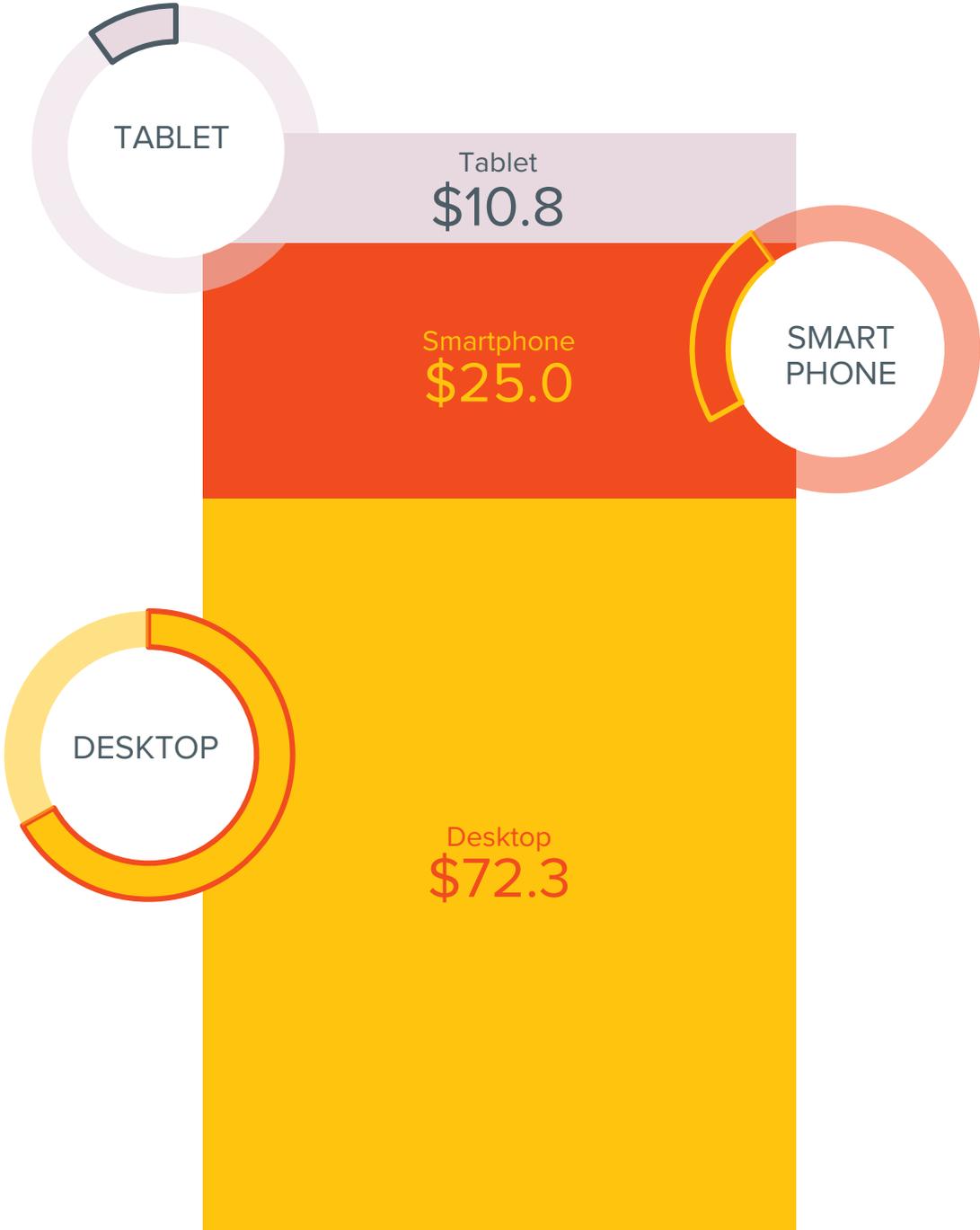
RESEARCHING AND PURCHASING ON A MOBILE DEVICE



Source: Astound Commerce, Competing for Customers Astound Insights Shopper Viewpoints, 2017.



SHARE OF REVENUE BY DEVICE (NOV 1 – DEC 31, 2018)

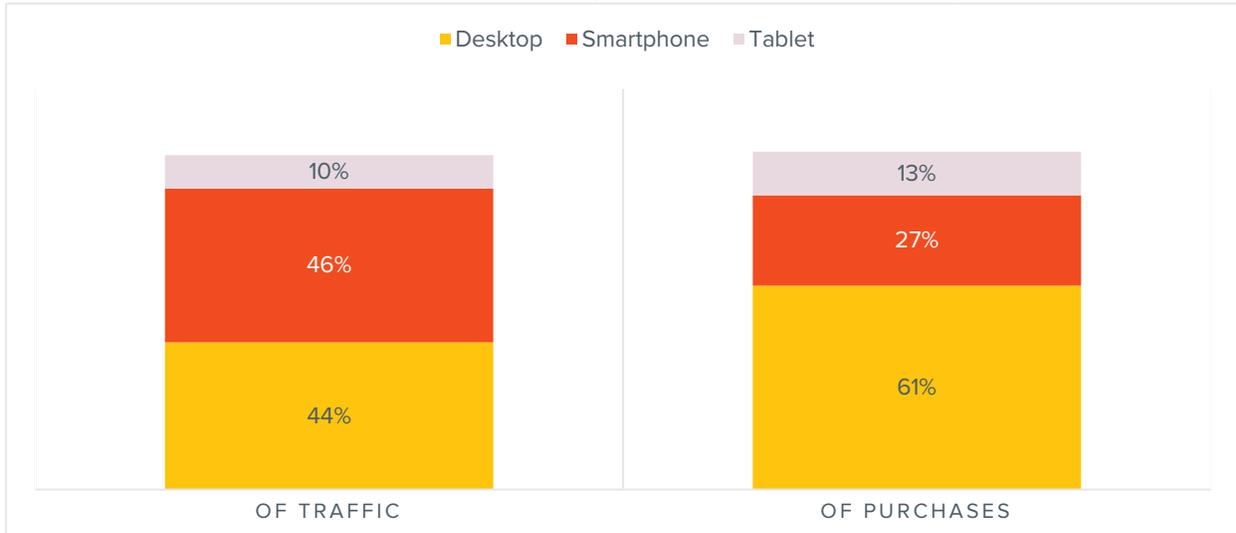


BILLIONS OF DOLLARS

Source: Adobe Digital Insights, 2017 Holiday Retail Report.

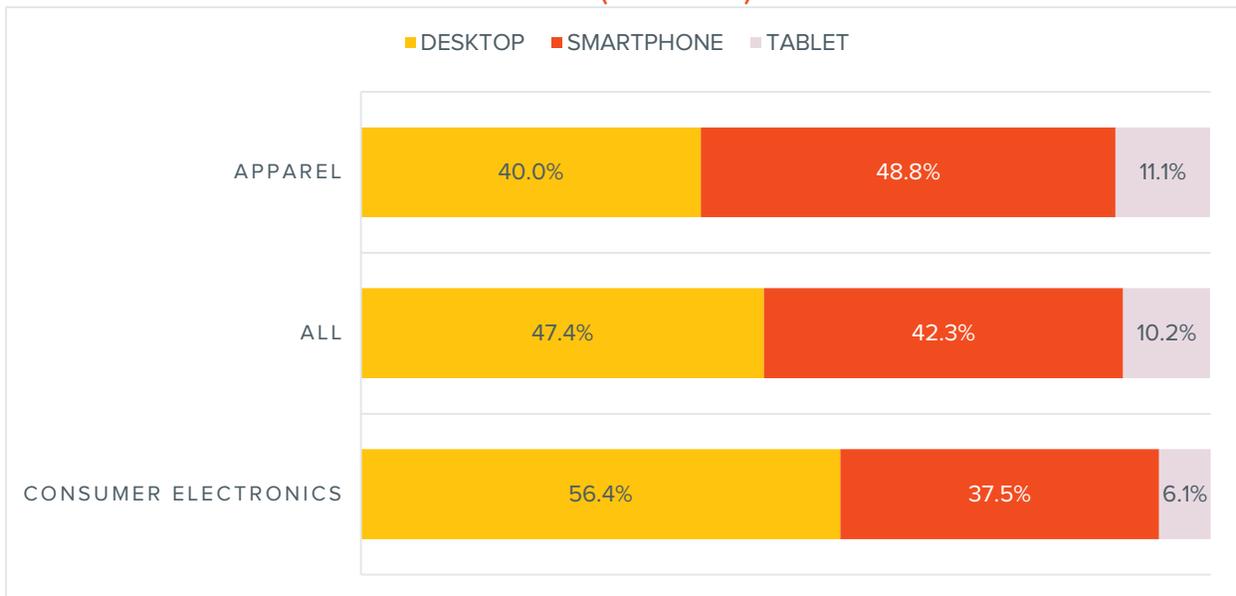


TRAFFIC VS. REVENUE BY DEVICE (NOV 1 – DEC 31, 2018)



Source: Adobe Digital Insights, 2017 Holiday Retail Report.

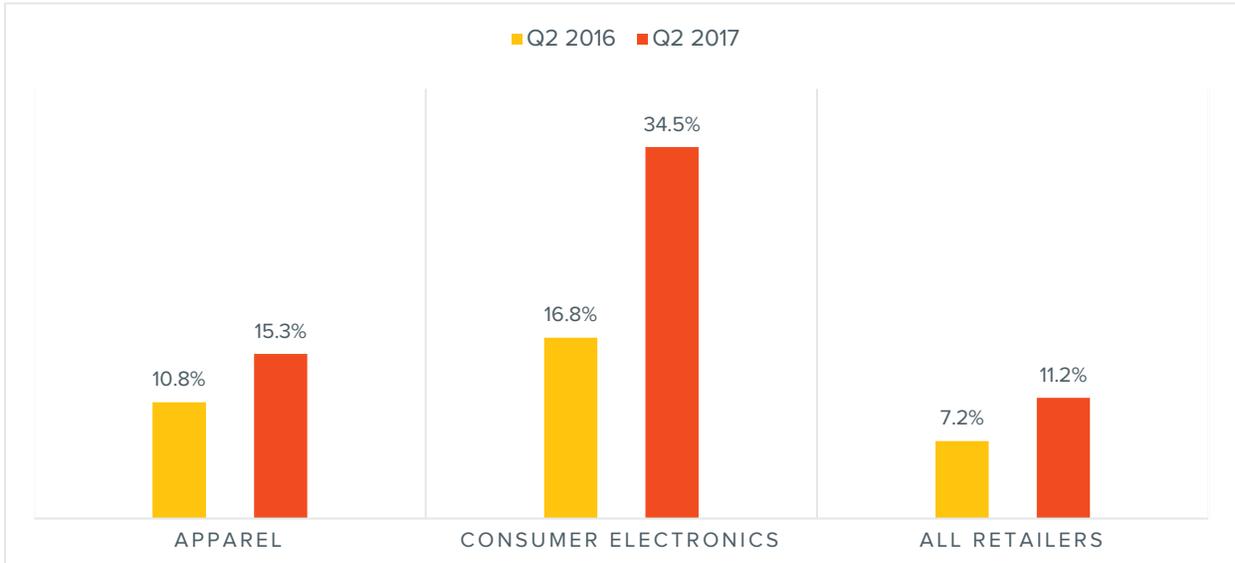
DEVICE VISIT SHARE BY SEGMENT (Q2 2017)



Source: Adobe, Retail Industry Report: Q2 2017.

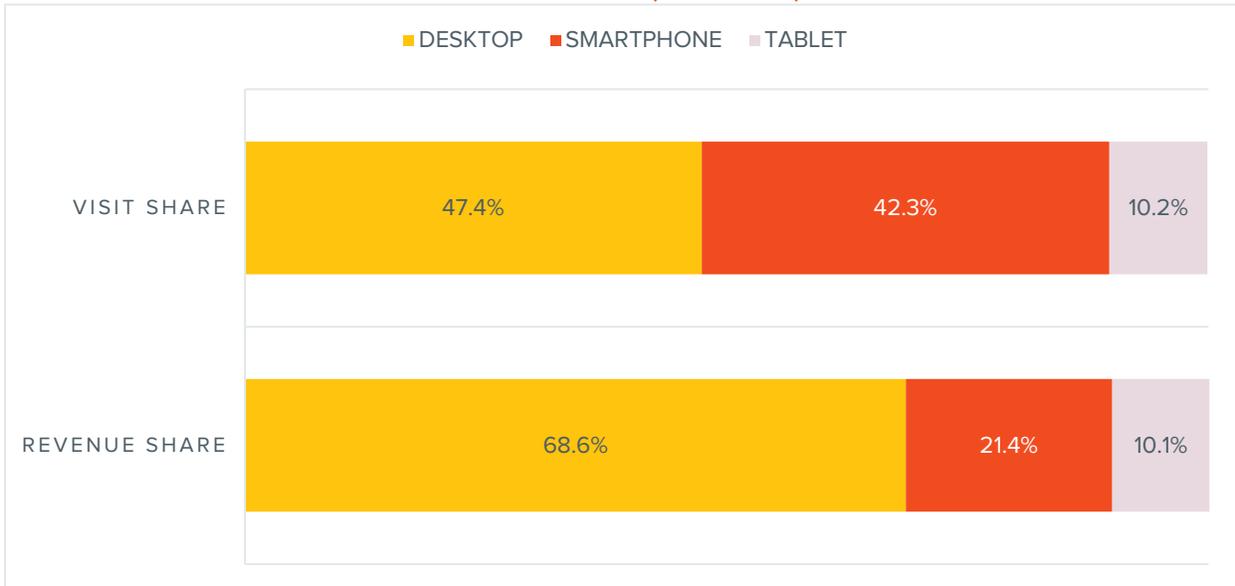


QUARTERLY VISITS GROWTH



Source: Adobe, Retail Industry Report: Q2 2017.

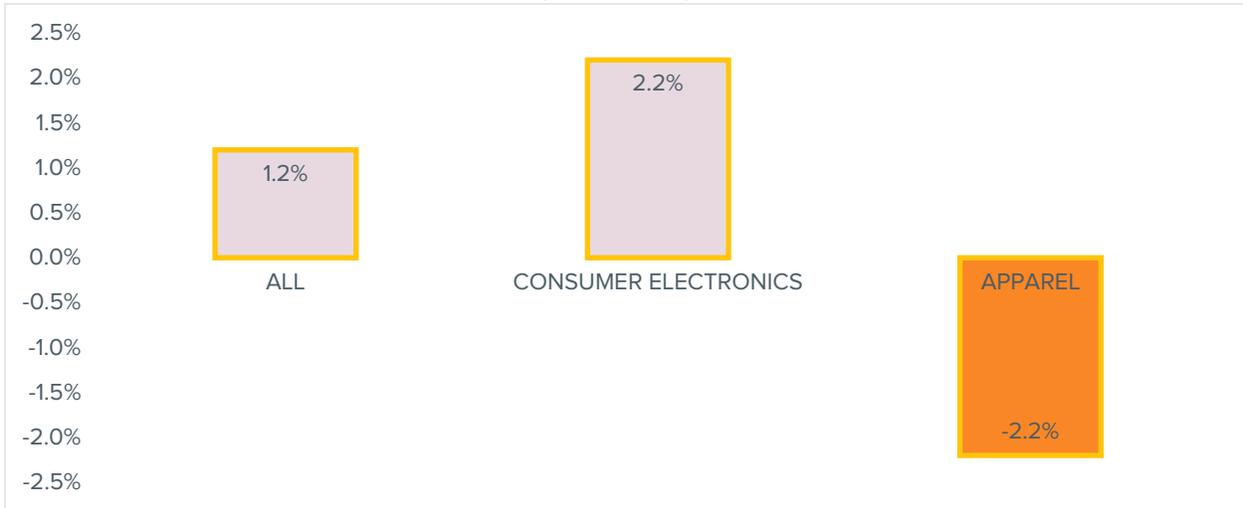
REVENUE VS VISIT SHARE BY DEVICE (Q2 2017)



Source: Adobe, Retail Industry Report: Q2 2017.

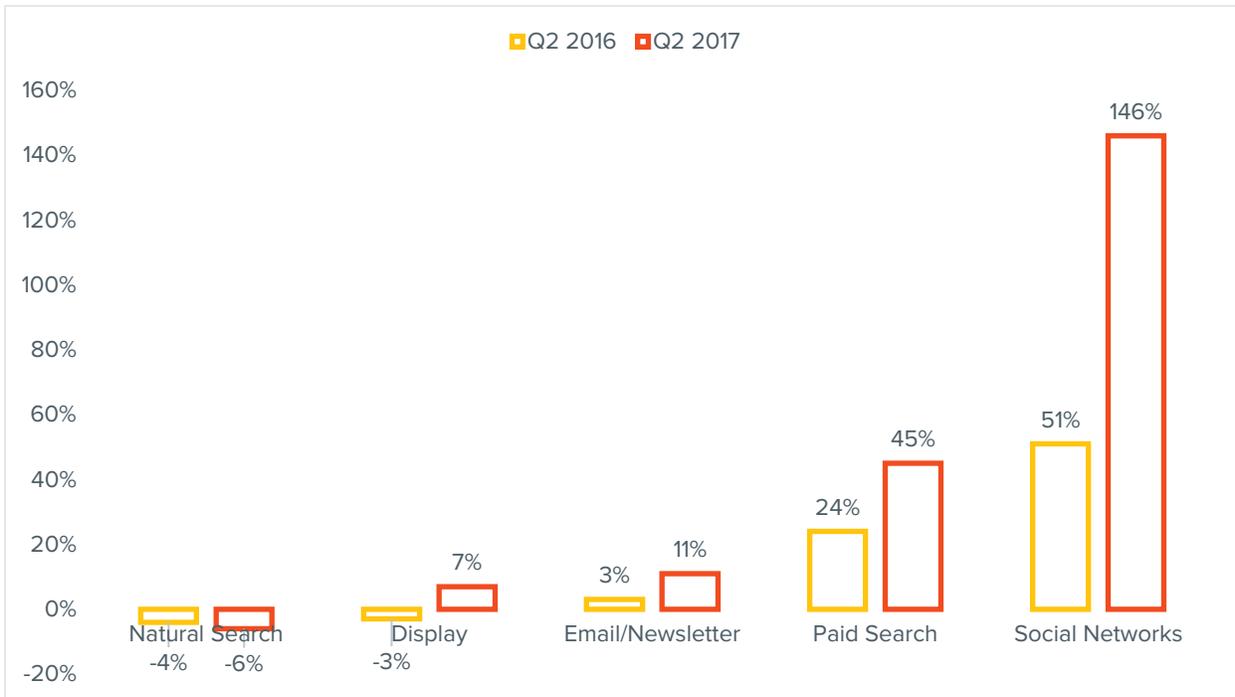


VISIT DURATION CHANGE YOY (Q2 2017)



Source: Adobe, Retail Industry Report: Q2 2017.

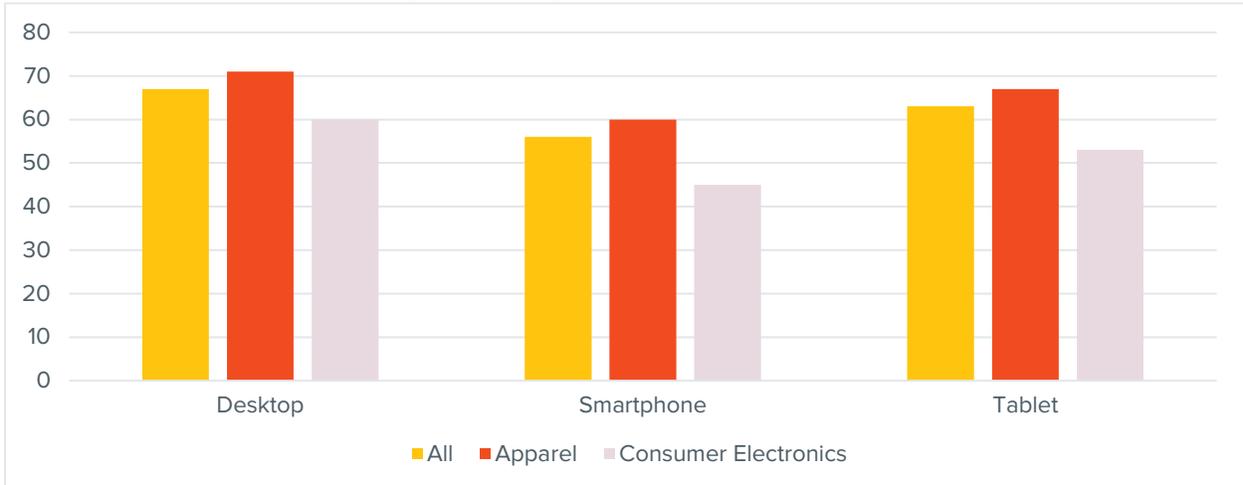
VISITS GROWTH BY MARKETING CHANNEL



Source: Adobe, Retail Industry Report: Q2 2017.

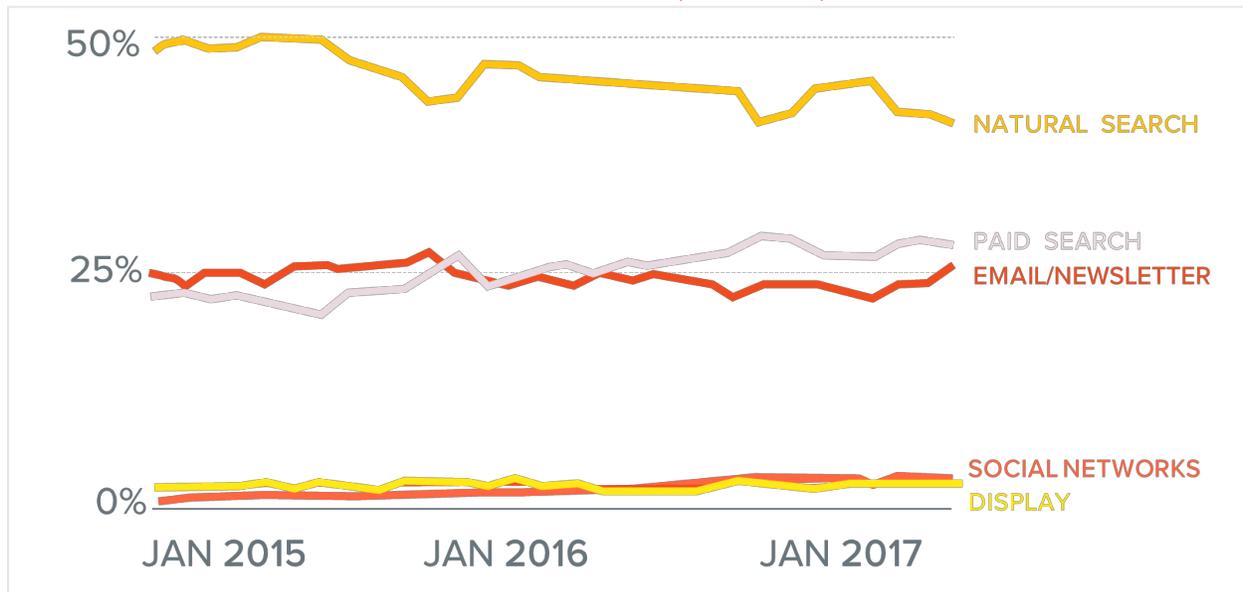


STICKINESS BY DEVICE (Q2 2017)



Source: Adobe, Retail Industry Report: Q2 2017.

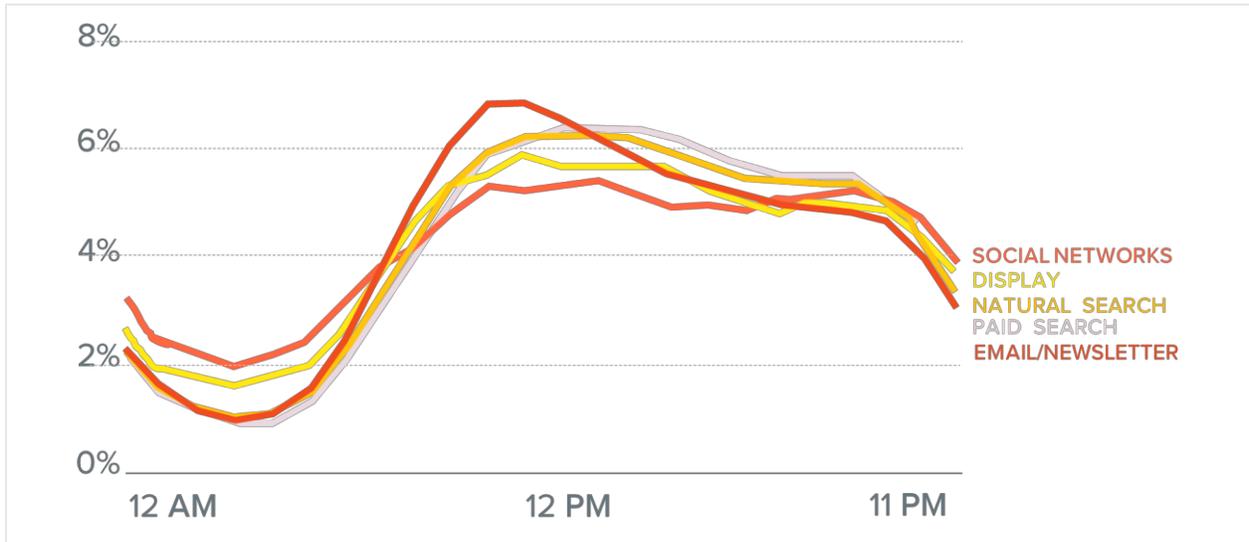
VISIT SHARE BY MARKETING CHANNEL (Q2 2017)



Source: Adobe, Retail Industry Report: Q2 2017.

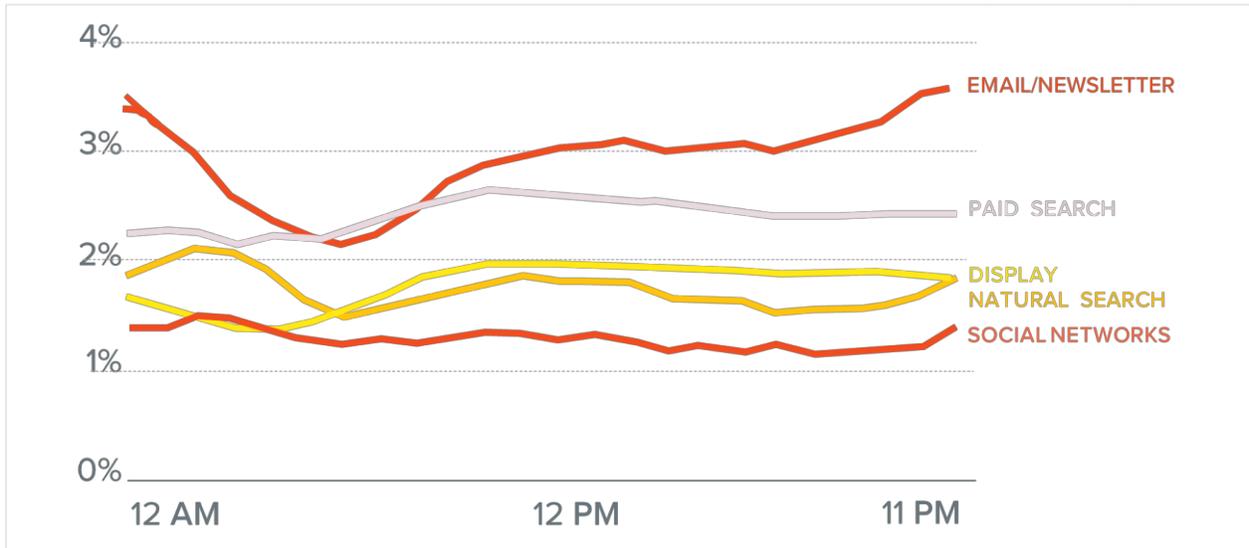


REVENUE SHARE BY HOUR BY MARKETING CHANNEL (Q2 2017)



Source: Adobe, Retail Industry Report: Q2 2017.

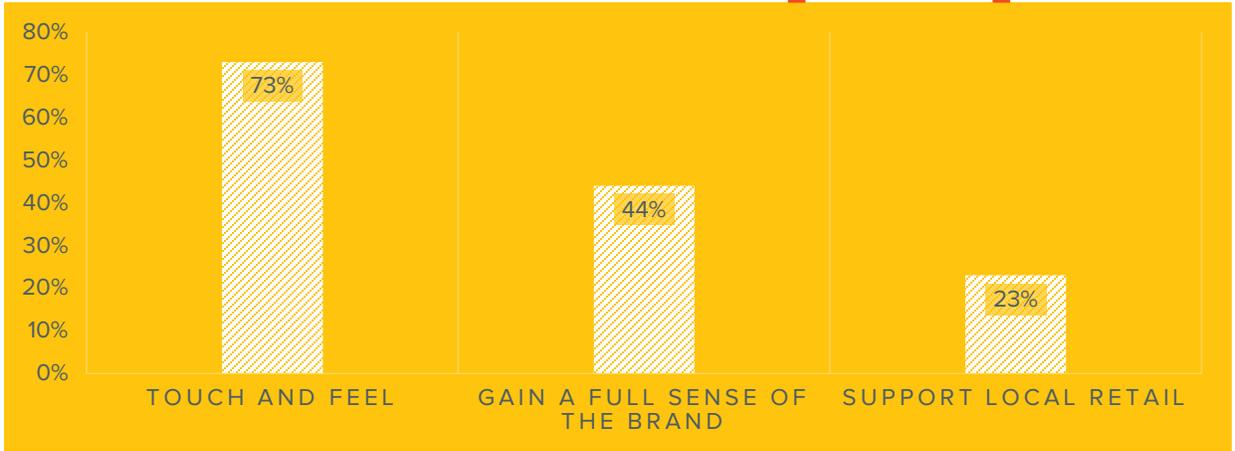
CONVERSION BY TIME OF DAY BY MARKETING CHANNEL (Q2 2017)



Source: Adobe, Retail Industry Report: Q2 2017.



CUSTOMERS' REASONS TO VISIT A STORE



Source: Astound Commerce, Competing for Customers Astound Insights Shopper Viewpoints, 2017.

CUSTOMERS' REASONS TO LEAVE A STORE

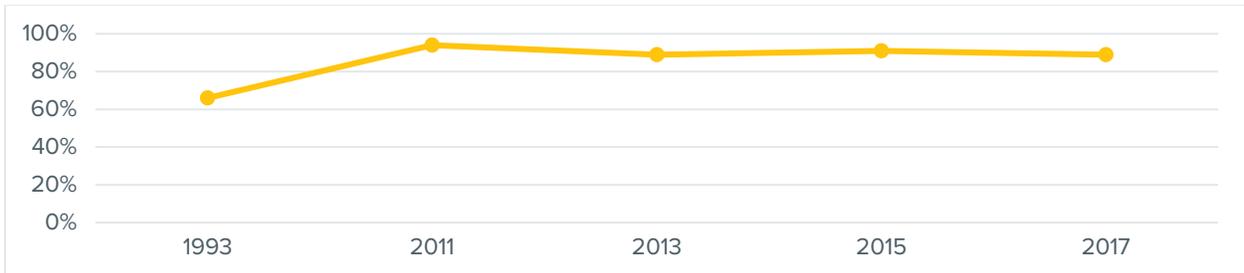


Source: Astound Commerce, Competing for Customers Astound Insights Shopper Viewpoints, 2017.



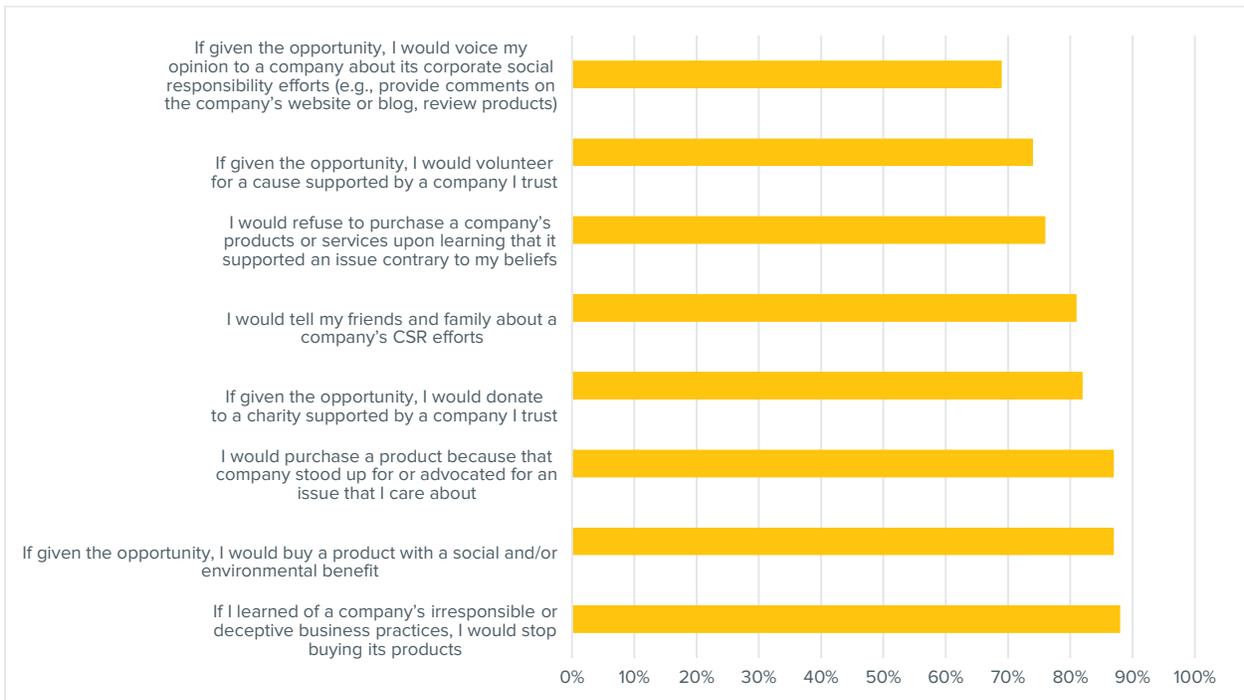
HOW CONSUMERS RELATE TO CORPORATE SOCIAL RESPONSIBILITY INDICATORS

CONSUMERS ARE LIKELY TO SWITCH BRANDS TO ONE THAT IS ASSOCIATED WITH A GOOD CAUSE, GIVEN SIMILAR PRICE AND QUALITY:
Very/somewhat likely (net)



Source: Cone Communications, 2017 CSR Study, 2017.

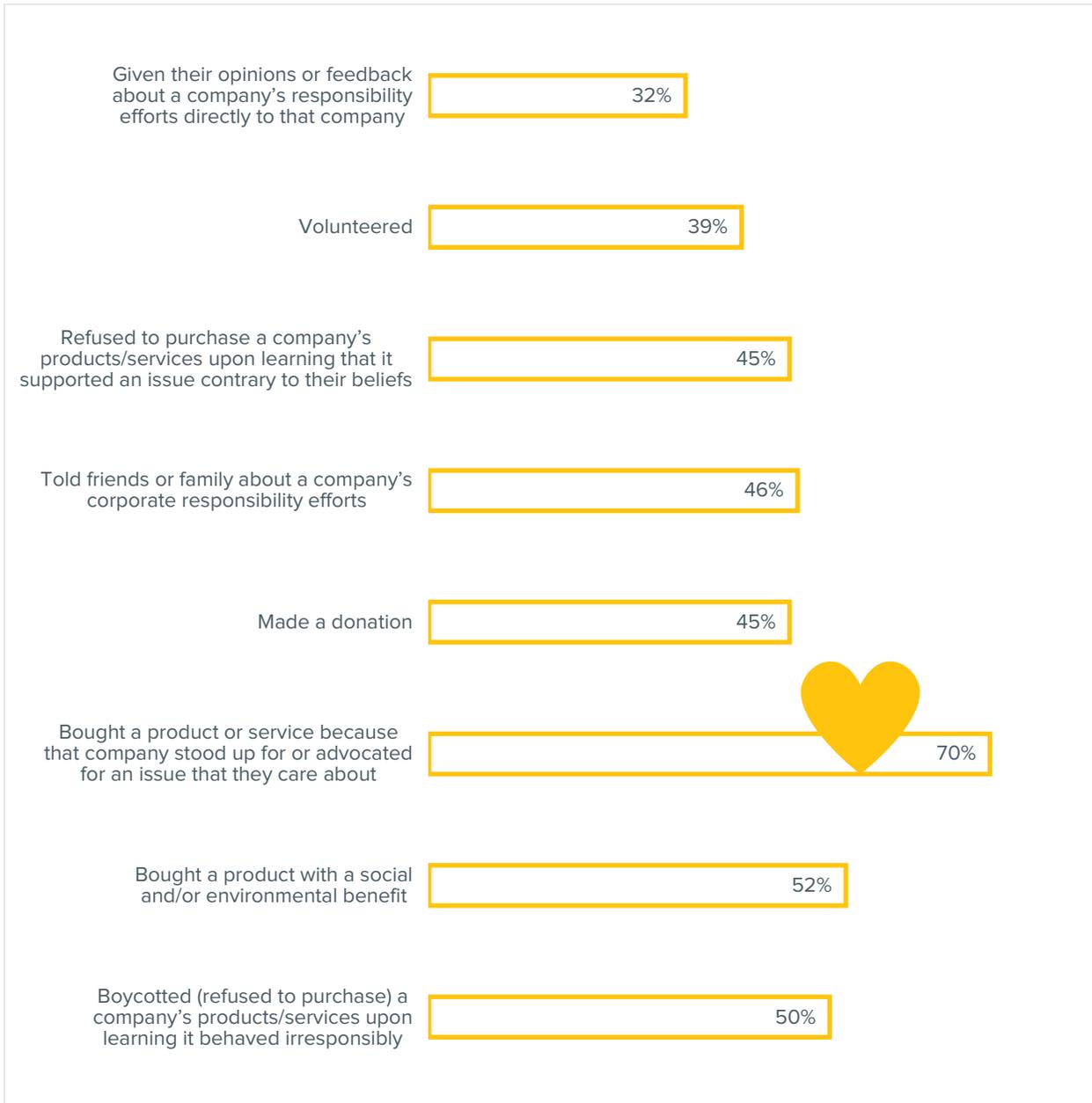
CONSUMERS WANT TO GET ENGAGED IN CORPORATE RESPONSIBILITY EFFORTS:
Strongly/somewhat agree (net)



Source: Cone Communications, 2017 CSR Study, 2017.



IN THE PAST 12 MONTHS, CONSUMERS INDICATE THEY HAVE:



Source: Cone Communications, 2017 CSR Study, 2017.

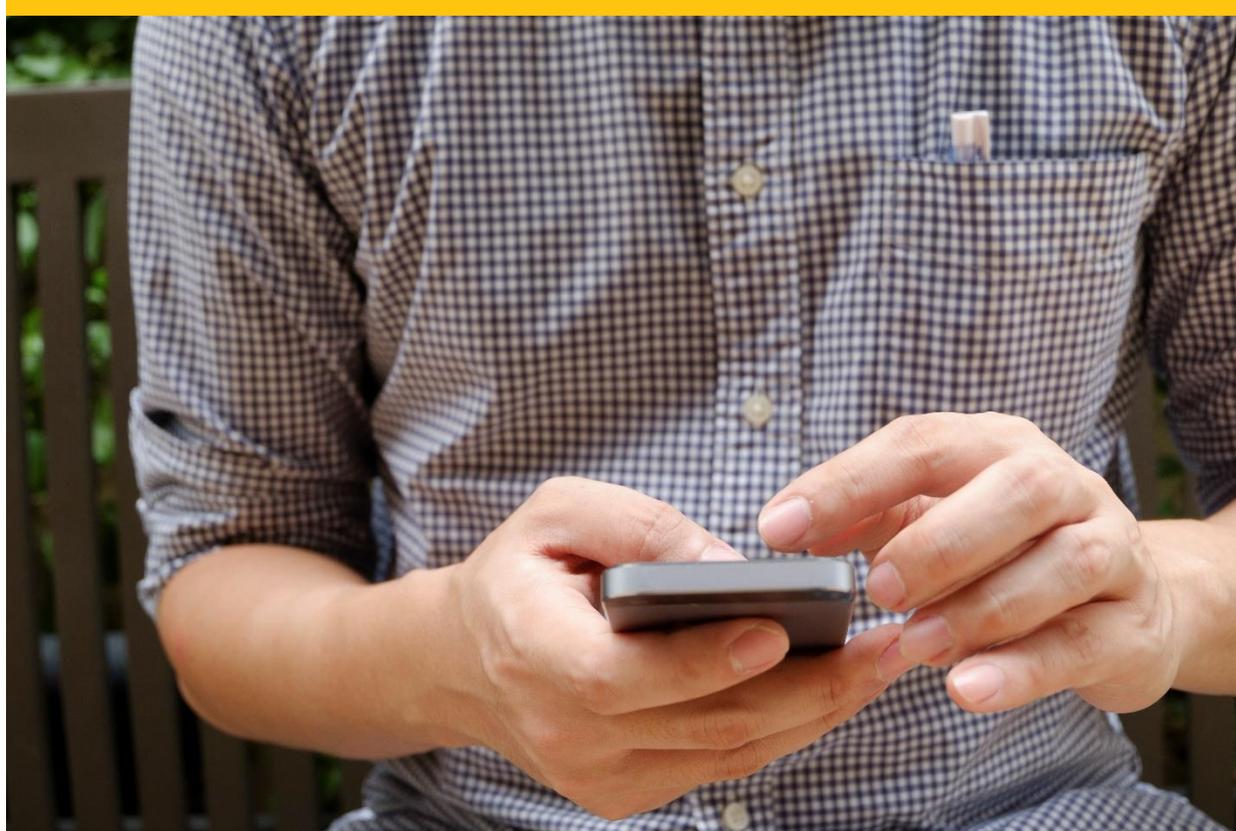


ESTIMATED QUARTERLY US RETAIL SALES: TOTAL AND E-COMMERCE*

Quarter (Adjusted Numbers)	Retail Sales (Millions of Dollars)		E-commerce as a Percent of Total
	Total	E-commerce	
3 rd quarter 2017 (p)	1,268,887	115,345	9.1
2 nd quarter 2017	1,254,819	111,369	8.9
1 st quarter 2017	1,250,055	106,383	8.5
4 th quarter 2016	1,236,638	101,606	8.2
3 rd quarter 2016(r)	1,217,100	99,875	8.2

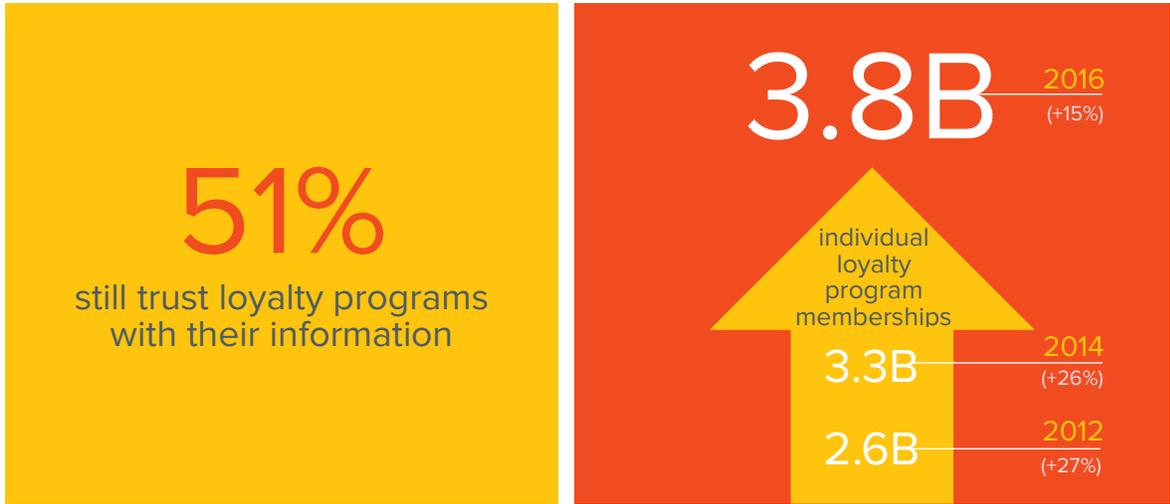
**E-commerce sales are sales of goods and services where an order is placed by the buyer or price and terms of sale are negotiated over an Internet, extranet, Electronic Data Interchange (EDI) network, electronic mail, or other online system. Payment may or may not be made online. (Estimates are adjusted for seasonal variation, but not for price changes. Total sales estimates are also adjusted for trading-day differences and moving holidays.)*

Source: US Department of Commerce, November 2017.





US LOYALTY PROGRAM STATISTICS



Source: COLLOQUY Loyalty Census 2017.



PERCENTAGE RETAILERS WITH A SMARTPHONE APP*



Source: 2017 Multichannel Merchant MCM 2017 Outlook: Ecommerce (www.multichannelmerchant.com)

PERCENTAGE SHOPPING CART ORDERS ARE ABANDONED



Source: 2017 Multichannel Merchant MCM 2017 Outlook: Ecommerce (www.multichannelmerchant.com)

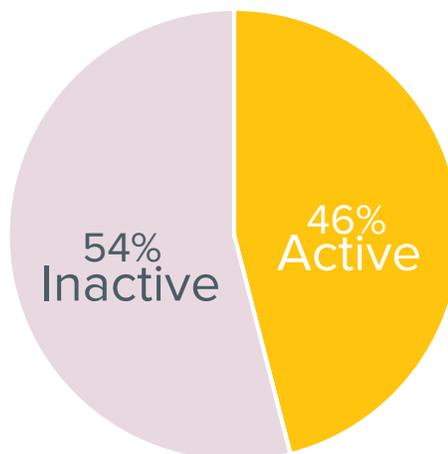


DO YOU SEND SHOPPING CART RECOVERY EMAILS



Source: 2017 Multichannel Merchant MCM 2017 Outlook: Ecommerce (www.multichannelmerchant.com)

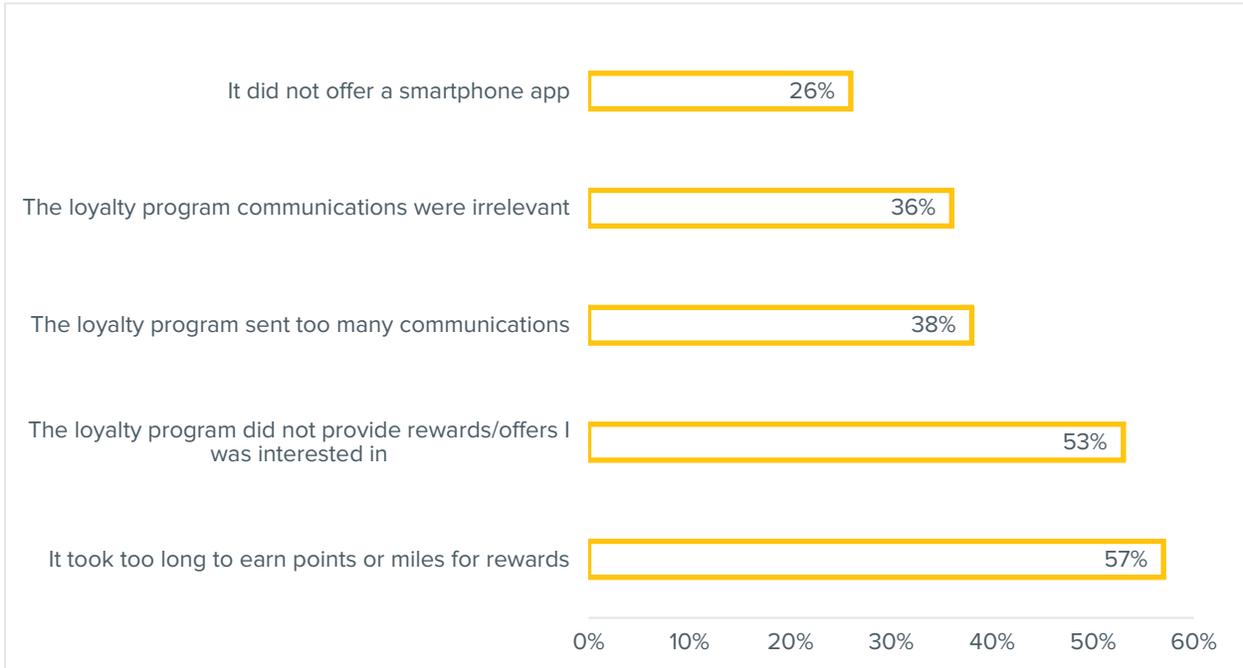
LOYALTY MEMBERSHIP STATUS IN THE US



Source: COLLOQUY Loyalty Census 2017.



REASONS CONSUMERS ABANDON LOYALTY PROGRAMS

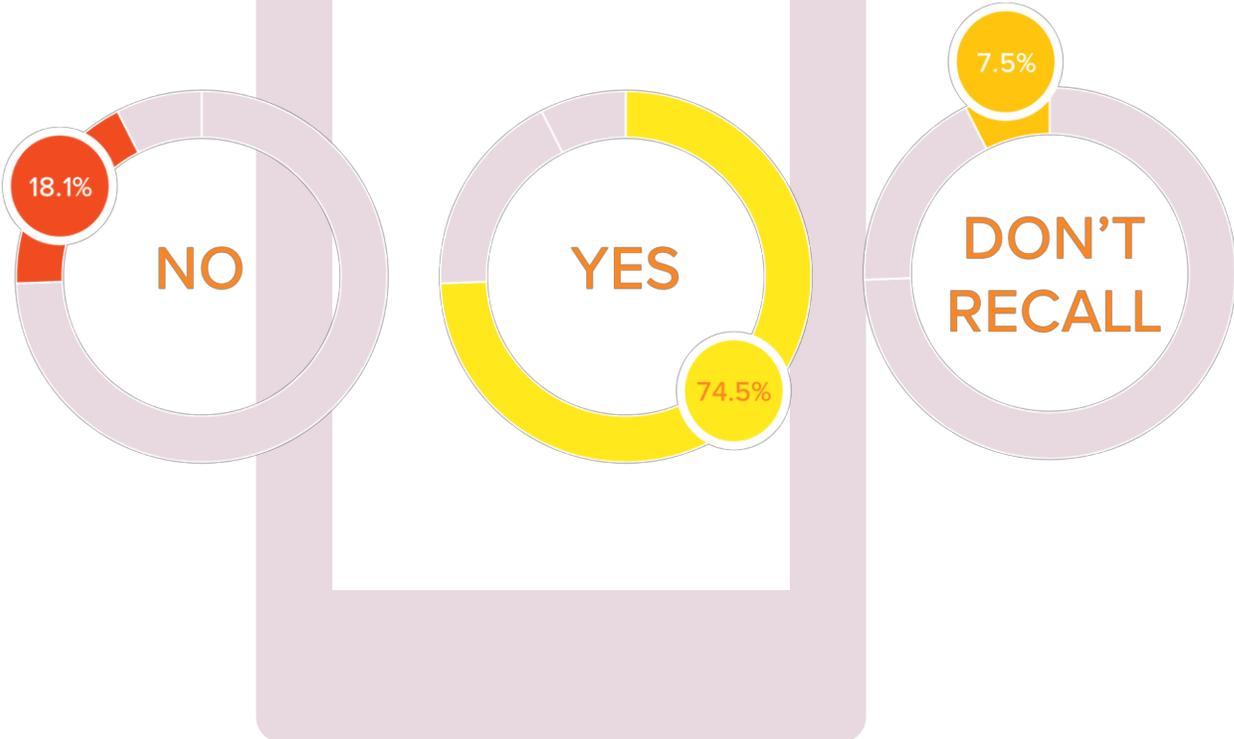


Source: COLLOQUY Loyalty Census 2017.





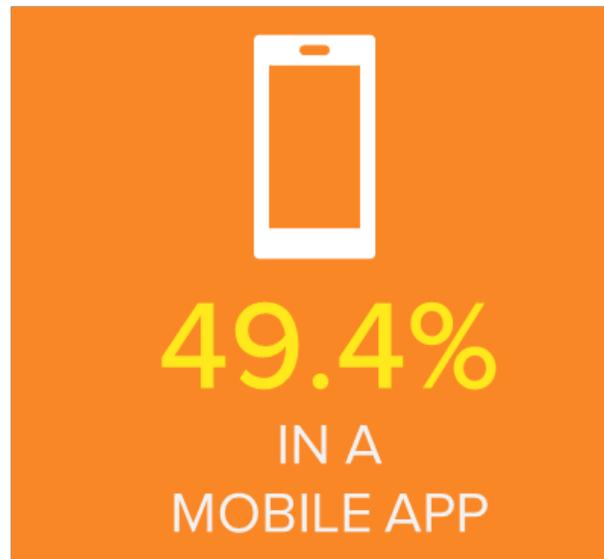
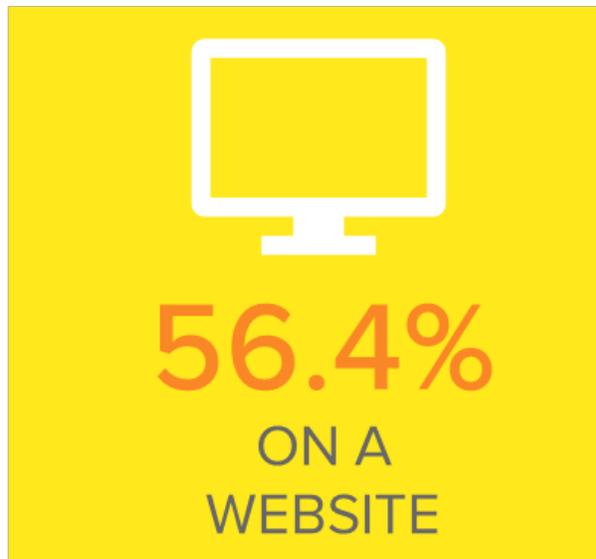
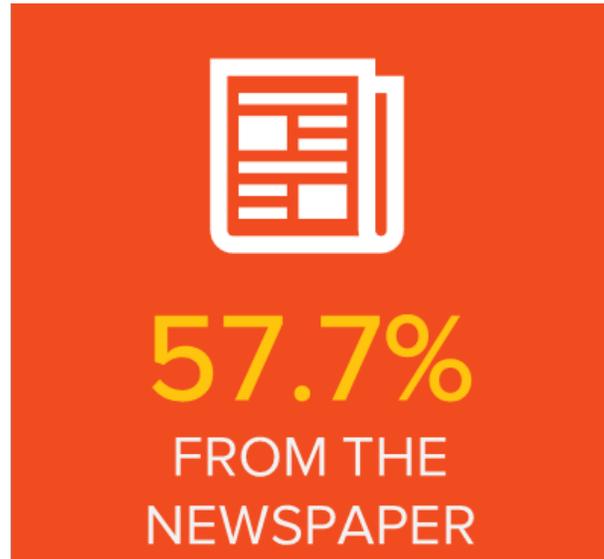
HAVE YOU LOOKED AT A CIRCULAR IN THE LAST 30 DAYS?



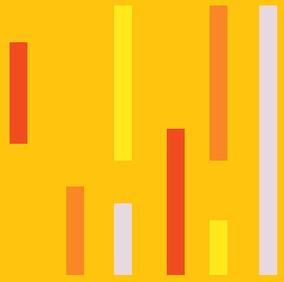
Source: Placed, *The New Mobile Circular*, 2017.



WHAT KIND OF CIRCULAR HAVE YOU USED IN THE LAST 30 DAYS?



Source: Placed, The New Mobile Circular, 2017.



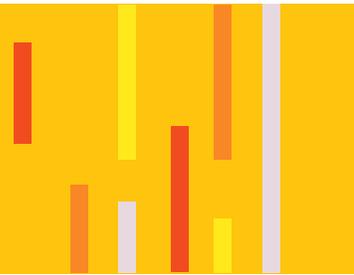
CHAPTER 11

Direct Mail & Catalog





CHAPTER 11: Direct Mail & Catalog



2018 PROMISES TO BE EXCEPTIONAL FOR THOSE INCLUDING PRINT INTO THEIR MARKETING MIX.

According to the stats, recipients of direct mail find it a compelling medium. With new print technologies and the ability to create segmentation strategies around the customer journey using real-time data, the ability to create efficient, results-producing advertising is at every marketer's fingertips. Let's take a look at two segments of this power medium.

DIRECT MAIL

For those of you who are already on the direct mail bandwagon – because you really should be in this day and age – here's what you should know about 2018: It's going to be irresistibly amazing!

Moreover, why shouldn't it be given all the traditional, innovative and emerging technologies combining to create stunning pieces for a lasting impression? Certainly, the research indicates that direct mail will continue its appeal as long as there is:

Proactive targeting of customers.

1:1 personalization.

A well-written visual piece utilizing the latest printing techniques.

A strong creative offer that conveys a call-to-action.

A coordinated strategy of cross channel marketing.

Yes, we all know it's a digital world out there but guess what – people still like to receive and respond to direct mail. According to statistics in this chapter, response rates for House files jumped 37% and Prospect files almost 3 times from just a few years ago. Even Millennials who have a strong relationship with technology love direct mail.

“Yes, we all know it's a digital world out there but guess what – people still like to receive and respond to direct mail.”



As noted in the USPS Mail Moments Review, 84 percent of Millennials take the time to look through their mail and 64 percent would rather scan for useful information in the mail than e-mail. In addition, this generation even believes paper mail is a more reliable and viable source of communication.

At least one neuroscience study (USPS and the Center for Neural Decision Making at Temple University's Fox School Business) says there is a reason why people respond differently to physical and digital pieces. It's because physical pieces trigger activity in a part of the brain that corresponds with value and desirability. As a result, people spend more time and have a stronger emotional response to physical pieces and they remember them better.

Not only is direct mail relevant, people trust it because it seems more 'real,' it's tactile, personal and it's private. So don't ignore this channel in the media mix and be sure to use technologies that will enhance the consumer interaction. Here are some innovative applications that should be considered for a direct mail piece to stand out from the cluttered communication landscape:

A decorative graphic consisting of several vertical bars of varying heights and colors (red, yellow, orange, and grey) positioned to the left of the quote.

“...there is a reason why people respond differently to physical and digital pieces. It's because physical pieces trigger activity in a part of the brain that corresponds with value and desirability.”

Texture and scent to enhance interactivity and provide a sensory experience.

Simulated virtual reality (VR) – anyone interested in a 360 tour?

Real world sensory augmented reality (AR) to shop and purchase from home.

QR codes which are increasingly sophisticated for trackability.

Near field communication (NFC) to enable electronic devices to communicate with each other.

It's all a road map for integration with other media channels to drive higher consumer response rates. However, like most industries, there are challenges on the road to irresistible mail. The first is data hygiene, because addresses need to be precise and personalization is key for brand credibility. The second is the ongoing need for a viable USPS, which at the start of this year is still awaiting postal reform legislation.

Overall, an exciting year is ahead for direct mail, and a future that will keep changing and providing great opportunities for marketers and brands to make consumer connections. With better targeting to specific consumer interests, the knowledge that people enjoy receiving and responding to appealing mail, along with just-in-time delivery, what's old is new again.



CATALOGS

This powerful, century-old tactic is still adding revenue to the bottom line, as proven by the numbers and the influx of new brands producing catalogs. According to the data in this chapter, 90.9% of merchants list catalogs as a primary marketing tool, with 44.4% of merchants reporting their circulation increased in the past year. And 42% of catalog recipients reported reading catalogs with another 25% glancing through or saving catalogs for later.

Yes, catalogs still work. And many cite it as an integral part of an omnichannel strategy driving purchasing behavior. However, the toolbox we once used to create successful programs doesn't necessarily have the same set of tools in it today. Consider the following:

1. **Brands continue to report the mailing catalogs as a way to drive web traffic, followed closely by customer retention and brand building (MCM OUTLOOK: Catalog).** Unfortunately, it appears many marketers still create a catalog as if it were a channel to purchase products. It's not. Catalogs drive customers to a point of purchase. Therefore, brands must focus their efforts on highly creative presentations, focusing on customer benefits and strong calls-to-action.
2. **Catalogs – and other media** – still face the ongoing challenge of attribution. However, data tools have evolved to allow detailed views of the overlap of print and online activities and will serve as a foundation for broad strategic opportunity. This will only allow for smarter, more efficient prospect mailings with potential in increased response rates.
3. **In a previously reported study, 41% of millennials and 53% of Gen Xers reported enjoying catalogs (Quad/Graphics Customer Focus® 2016 Research Study).** The younger generation appreciates this medium but messaging must support their expectations. Thankfully, new technology can offer insight into the customer journey, allowing for strategic segmentation and targeting. This will create more efficiencies and expanded opportunities in 2018.
4. **Amazon continues to be part of a catalog brand's daily conversation.** While some have worked the metrics in their favor, all agree that proprietary merchandise or positioning is more critical than ever before. A unique brand alone will not cut it.
5. **The US Postal Service has come to a crossroads in 2018 with both the release of its "Ten-Year Review" and recognized unsustainable financial losses.** The Postal Regulatory Commission has options for increases in postage rates on its agenda. The only question left is how much and how fast. Catalog mailers must optimize paper and design options to remain profitable.



6. **There is a noticeable increase in a new breed of catalogs.** They are mailed from wholesale brands who typically rely on bricks and mortar to sell their wares but have decided to take charge of the customer journey, selling direct to the consumer. The challenge these brands face is the tension between a “brand-first” creative approach versus selling products. Careful testing must occur to better understand what will work for their customers.

While catalogs continue to thrive in an ever-shifting marketplace, it’s clear that opportunity exists for those that are willing to embrace change. With the proliferation of data and technology, it is incumbent on catalogers to provide brand centric, benefit-oriented, targeted catalogs to their customers in order to continue success.

Authored by:

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CEO
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Debbie Roth
VP, Sales & Marketing
Japs-Olson Company

CHAPTER HIGHLIGHTS

-Response rates for house files grew 37% since 2015

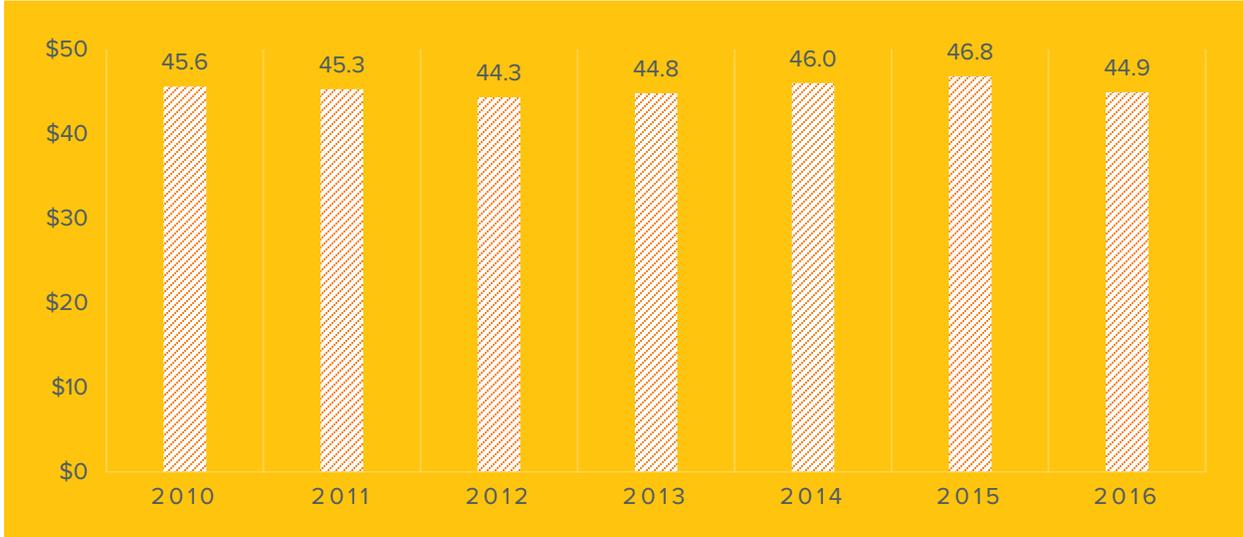
-44.4% of merchants increased catalog circulation in the last year

-Shoppers redeemed \$2.2B in coupons in the last year, down from a high of \$3.5B in 2011

-Direct mail total pieces down in 2017 but overall volume holds steady

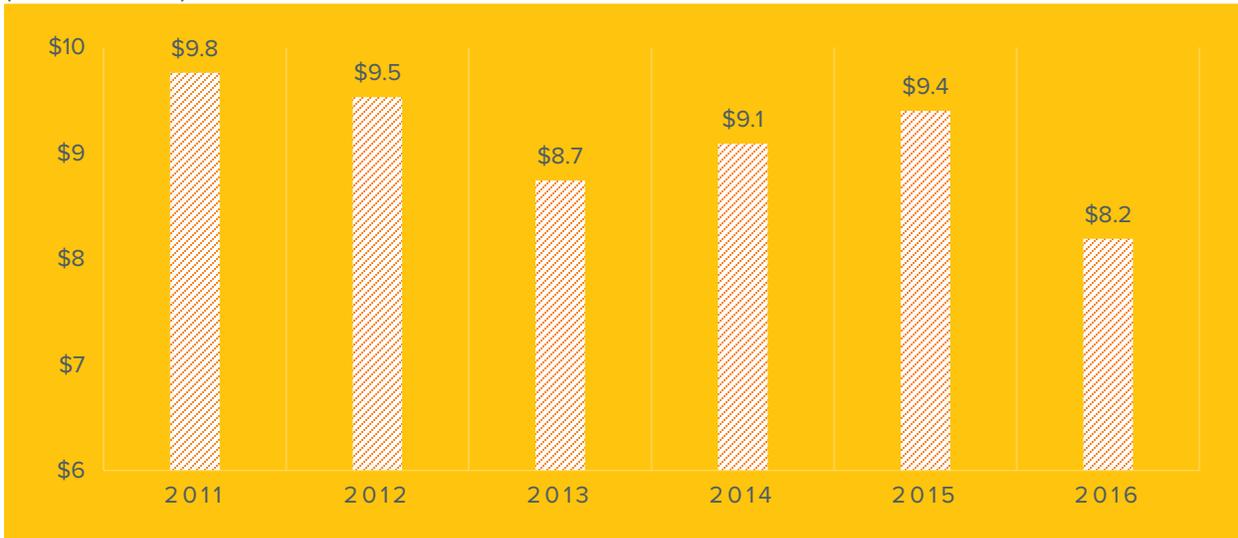


US DIRECT MAIL MARKETING SPEND (IN BILLIONS)



Source: Winterberry Group, 2017

TOTAL DATA SPEND FOR DIRECT MAIL (IN BILLIONS)



Source: Winterberry Group, 2017.



TOTAL NUMBER OF MAIL PIECES (ALL CLASSES) ATTRIBUTED TO DIRECT MAIL: 1990-2017

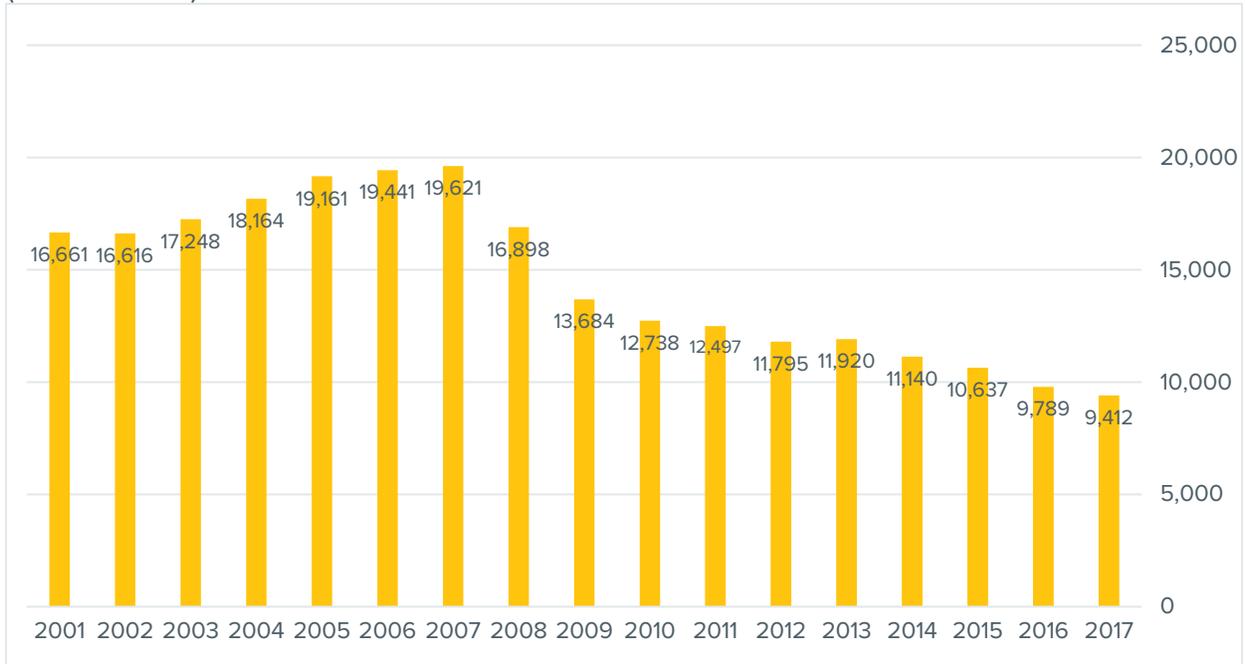
Year	Total # USPS Pieces	Total # Direct Mail Pieces	Percentage of Total Volume Attributed to Direct Mail
1990	166,300,000	66,340,332	39.9%
1991	165,850,000	66,404,601	40.0%
1992	166,443,391	66,577,261	40.0%
1993	171,219,994	69,715,897	40.7%
1994	177,062,220	73,382,560	41.4%
1995	180,733,705	75,194,773	41.6%
1996	182,680,802	75,831,380	41.5%
1997	190,888,060	81,329,049	42.6%
1998	197,943,197	87,163,478	44.0%
1999	201,576,282	89,637,850	44.4%
2000	207,882,151	93,816,885	45.1%
2001	207,462,563	93,709,170	45.2%
2002	202,821,854	91,479,395	45.1%
2003	202,184,664	94,248,011	46.6%
2004	206,105,744	99,105,938	48.1%
2005	211,742,711	104,258,020	49.2%
2006	213,137,703	105,672,117	49.6%
2007	210,603,097	113,057,605	53.8%
2008	201,128,003	108,151,636	53.8%
2009	175,363,436	91,093,787	51.9%
2010	169,154,120	91,699,510	54.2%
2011	166,460,877	92,429,764	55.5%
2012	159,858,854	86,659,650	54.2%
2013	155,280,499	87,298,707	56.2%
2014	152,135,884	86,450,581	57.0%
2015	150,197,938	85,996,674	57.0%
2016	149,462,320	86,613,346	57.9%
2017	144,387,065	83,872,144	58.1%

**The total number of direct mail volume is determined from the following percentage approximations agreed upon by the USPS and the Data & Marketing Association. Due to changes in USPS classifications and marketer practices, the Data & Marketing Association's methodology for calculating direct mail has changed. In the old calculation, before 2006, numbers are for 95% of Standard Mail (A), 7.5% of First-Class, 85% of Standard Mail (B) Bounded Print Matter, and 2% International. In the new calculation after 2007, numbers are 15% of First-Class, 95% of Standard Mail, 85% of BPM.*

Source: The Data & Marketing Association/USPS Revenue, Pieces and Weight by Classes of Mail and Special Services for Fiscal Years 1990–2017.

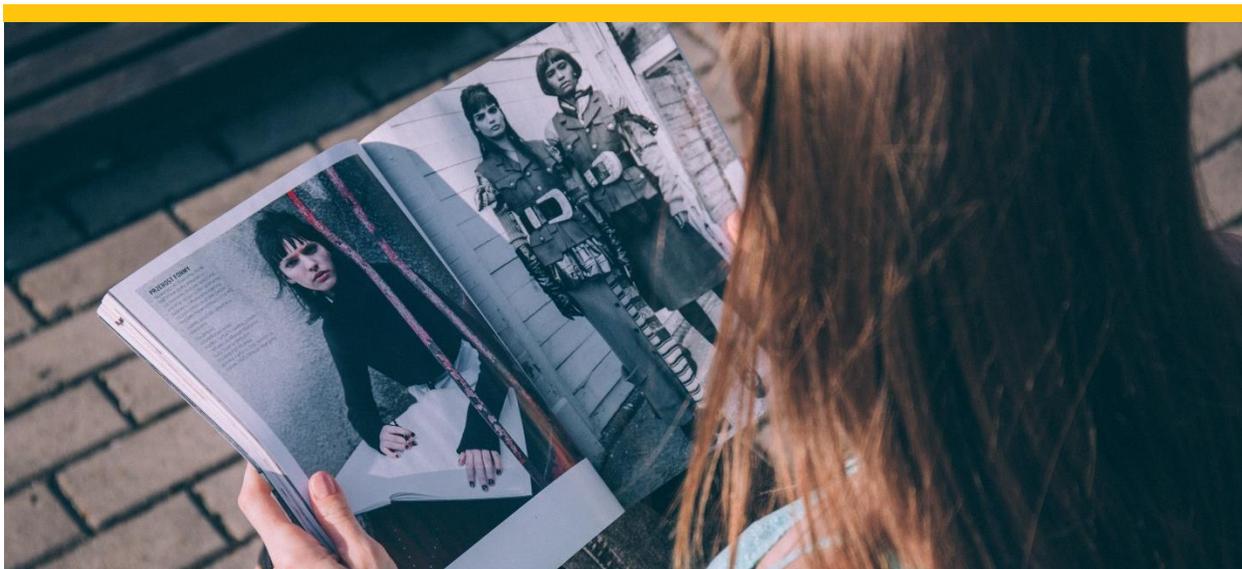


CATALOGS MAILED PER YEAR (2001-2017) (IN MILLIONS)



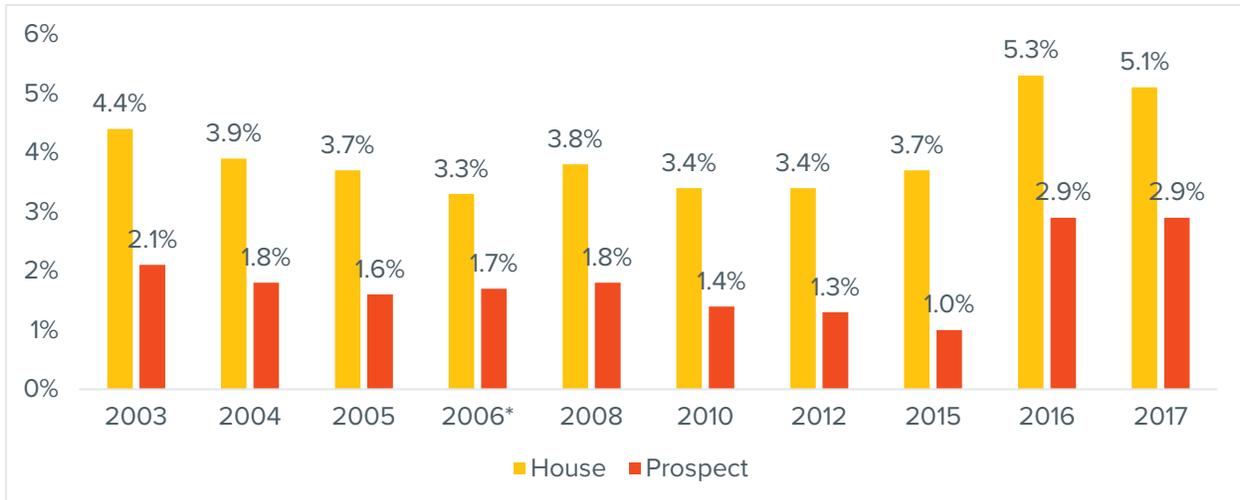
Note: These figures are extrapolated from the USPS Revenue, Pieces, and Weight report. Before 2007, 18% of all Standard Mail (A) is catalogs. 85% of all Board Printed Matter Mail is catalogs. In 2008, there was a change in service categories of mail. Now catalogs represent 90% of Standard Mail carrier route, 60% of Standard Mail flats, and 10% of Bounded Material flats.

Source: The Data & Marketing Association/USPS Revenue, Pieces, and Weight Report for Fiscal Year 2017.





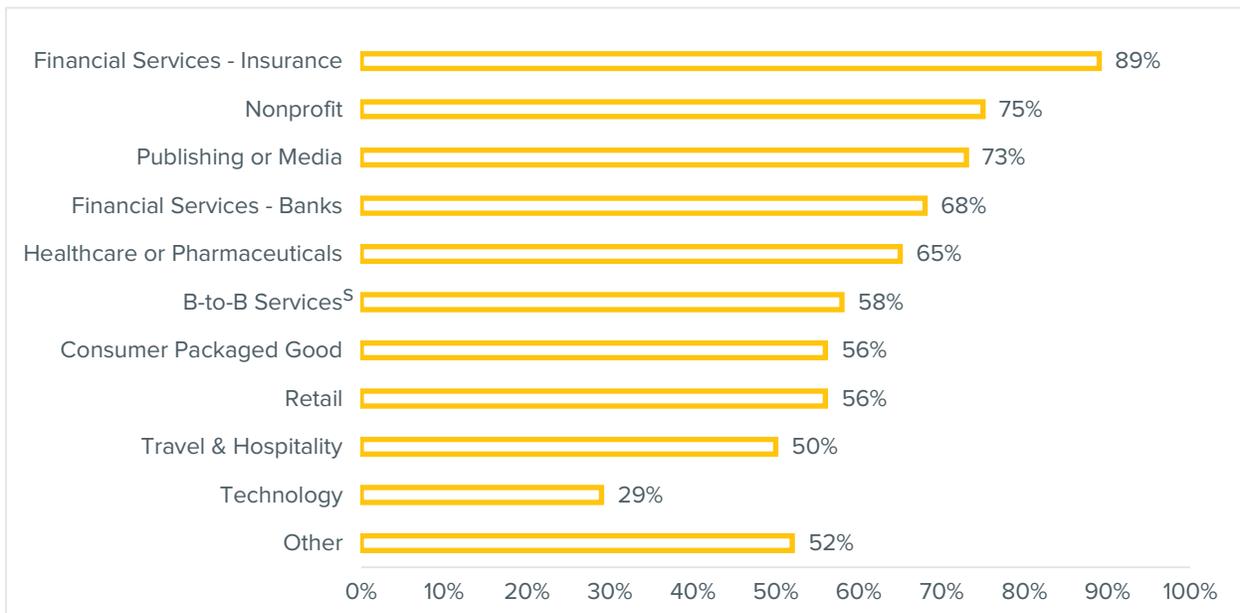
DIRECT MAIL RESPONSE RATES 2003-2017



*The Data & Marketing Association has produced Response Rate Reports since 2003. From 2003 to 2006, the data was collected annually. Thereafter, Data & Marketing collected data every other year. The chart above shows data from each report. For 2014, the median response rates are displayed, which, based on the distribution of 2014 data, the median is a better measure of central tendency than the average is.

Source: The Data & Marketing Association & Demand Metric, Response Rate Report, 2017.

DIRECT MAIL USAGE BY INDUSTRY RESPONDENTS



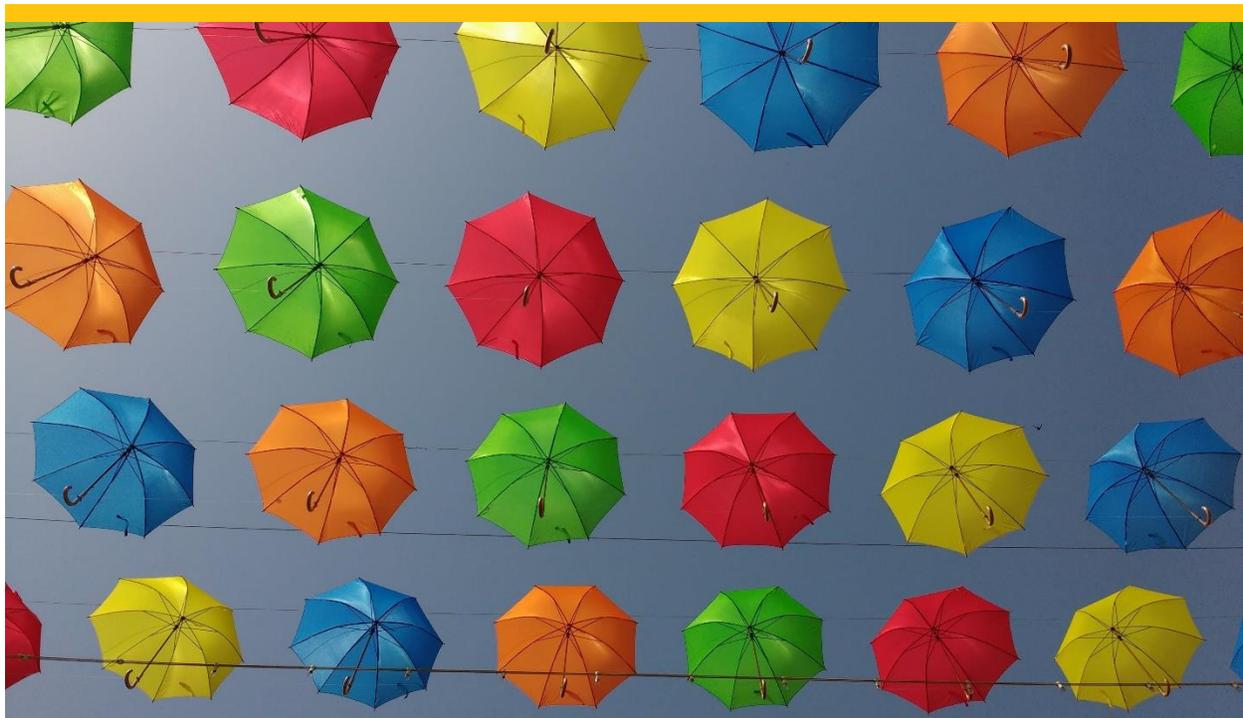
Source: The Data & Marketing Association & Demand Metric, Response Rate Report, 2017.

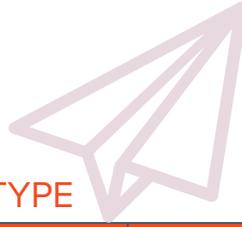


DIRECT MAIL VOLUME BY SECTORS

	2014	2015	2016	2017
Auto	n/a	n/a	2,007,581,508	1,544,210,175
Banking	1,211,240,607	1,169,318,734	1,510,761,819	1,382,965,419
Credit Cards	6,129,391,149	6,052,864,042	6,555,643,631	5,002,458,447
Insurance	6,813,149,848	6,927,995,424	6,682,533,973	5,806,985,641
Investment	399,558,344	348,948,686	338,104,584	208,680,316
Mortgage & Loans	2,775,646,941	3,902,658,875	4,416,621,258	4,870,041,311
Retail			1,454,554,117	1,141,845,402
Shipping	1,381,278,343	1,388,842,106	36,064,790	23,004,401
Telecoms	3,871,501,812	3,856,334,998	3,932,691,914	3,070,749,035
Travel/Leisure	510,882,301	554,147,043	524,338,258	405,483,351

Source: Mintel, January 2018.



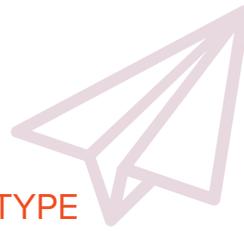


2016 DIRECT MAIL VOLUME BY TYPE

Mailing Type	Banking	Credit Cards	Insurance	Investment	Mortgage & Loans
Acquisition Mailing	1,070,877,379	4,602,918,661	5,630,183,914	79,305,313	3,802,125,692
Cross-Sell Mailing (Retention)	52,509,018	149,652,034	84,843,048	6,768,937	428,294,573
Follow-Up Mailing (Acquisition)	320,820	517,430	328,942,141	246,927	19,169,943
Follow-Up Mailing (Retention)			1,831,555		1,947,199
Informational Mailing	143,094,564	261,511,573	305,204,703	210,338,073	57,941,368
Loyalty Mailing	54,310,950	1,191,247,608	22,302,482	249,915	4,713,301
Renewal Mailing (Retention)			14,210,581		3,686,566
Statement Mailing	188,388,468	288,125,043	108,518,125	41,195,419	79,174,777
Upgrade Mailing (Retention)	989,035	58,842,132	98,587,817		
Win Back Mailing	271,585	2,829,150	87,909,607		19,567,839

Mailing Type	Retail	Shipping	Telecoms	Travel/Leisure
Acquisition Mailing	1,296,310,477	25,151,662	2,478,009,784	329,451,062
Cross-Sell Mailing (Retention)	40,722		614,724,682	
Follow-Up Mailing (Acquisition)			12,486,750	
Follow-Up Mailing (Retention)			1,581,363	
Informational Mailing		9,439,814	165,942,912	1,600,955
Loyalty Mailing	142,905,679		47,498,909	192,852,327
Renewal Mailing (Retention)	5,350,029		179,949	231,048
Statement Mailing	34,041	42,923	204,104,082	
Upgrade Mailing (Retention)			149,600,844	
Win Back Mailing	9,913,169	1,430,391	258,562,639	202,866

Source: Mintel, January 2018.



2017 DIRECT MAIL VOLUME BY TYPE

Mailing Type	Banking	Credit Cards	Insurance	Investment	Mortgage & Loans
Acquisition Mailing	867,672,286	1,078,529,861	3,488,453,184	4,786,269,034	30,145,149
Cross-Sell Mailing (Retention)	268,076,159	28,685,802	148,587,049	81,152,445	733,443
Follow-Up Mailing (Acquisition)	5,485,640	1,807,267	323,406	298,095,420	134,269
Follow-Up Mailing (Retention)				229,242	
Informational Mailing	26,366,328	108,731,078	196,503,684	368,871,862	150,947,390
Loyalty Mailing	345,355,119	42,253,616	940,359,525	18,996,962	1,314,656
Renewal Mailing (Retention)	94,842	82,828		15,306,863	
Statement Mailing	1,546,531	116,876,769	185,798,846	93,410,999	25,338,833
Upgrade Mailing (Retention)		5,905,362	40,624,167	76,112,612	66,576
Win Back Mailing	29,613,270	92,836	1,808,586	68,540,202	

Mailing Type	Retail	Shipping	Telecoms	Travel/Leisure
Acquisition Mailing	931,367,735	6,815,302	2,076,475,354	278,634,838
Cross-Sell Mailing (Retention)	31,047		400,582,775	
Follow-Up Mailing (Acquisition)	106,234		7,414,896	33,960
Follow-Up Mailing (Retention)			812,852	
Informational Mailing	94,796	15,789,644	84,009,688	3,304,730
Loyalty Mailing	181,078,149	156,307	27,243,183	123,118,003
Renewal Mailing (Retention)	22,053,627		87,839	131,090
Statement Mailing		35,586	147,661,263	
Upgrade Mailing (Retention)	85,076		94,042,305	
Win Back Mailing	7,028,738	207,562	232,418,880	260,730

Source: Mintel, January 2018.



EDUCATION OF HIGHER- AND LOWER-MAIL-VOLUME HOUSEHOLDS

Mail Received (Pieces per Household per Week)	EDUCATION				
	Households (Millions)	Less than High School	High School Graduate	Some College or Tech School	College Graduate
45 or more	4.8	8%	18%	15%	59%
36-44	6.1	5%	22%	25%	48%
30-35	9.6	9%	25%	18%	47%
24-29	15.2	6%	25%	22%	46%
18-23	22.7	11%	30%	21%	38%
12-17	26.8	8%	25%	24%	41%
Less than 12	40.5	14%	30%	23%	31%
Total	125.8	10%	27%	22%	39%

Note: Percentages may not total 100 percent due to heads of households who did not answer the educational attainment question. Percentages in this table are row percentages. Excludes households not receiving any mail delivery at their home address (using mailbox only).

Source: USPS Household Diary Study FY2016, February 2017. (Note USPS Household Diary Study FY2017 anticipated publication date is March 2018).

MAIL RECEIVED AND SENT BY HOUSEHOLDS (BILLIONS OF PIECES)

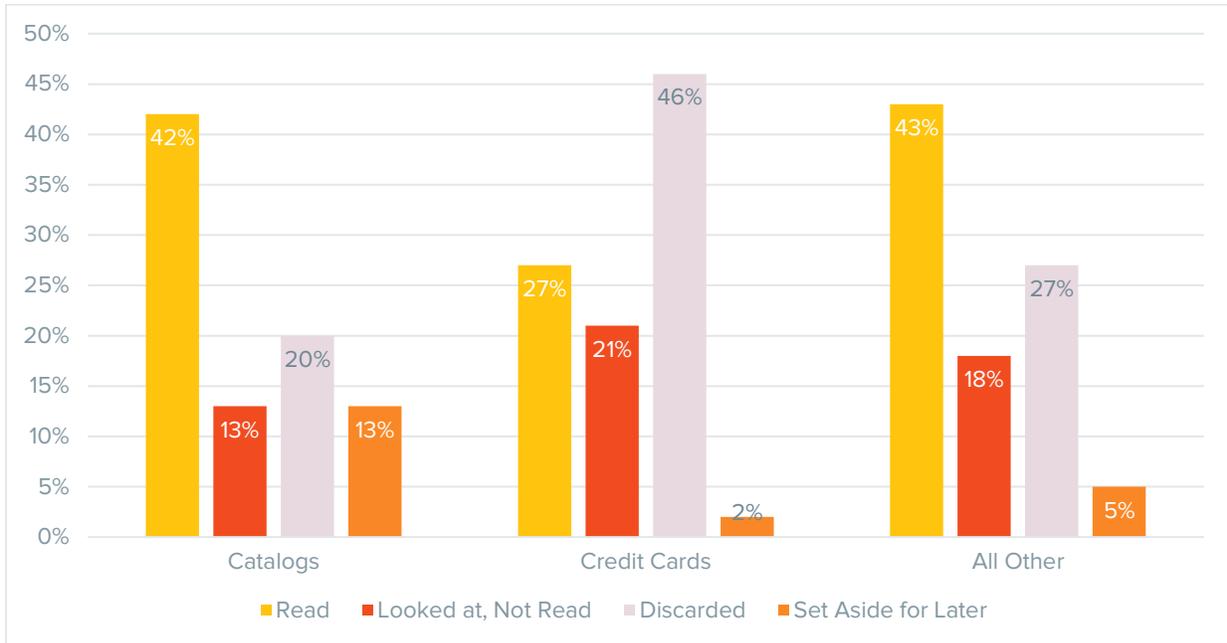
MAIL CLASSIFICATION	RECEIVED	SENT
FIRST-CLASS MAIL	40.9	9.0
STANDARD REGULAR MAIL	59.5	--
STANDARD NONPROFIT MAIL	11.3	--
PERIODICALS	5.1	--
PACKAGES & SHIPPING SERVICES*	4.4	0.5
TOTAL	121.2	9.6
TYPE	TOTAL	
HOUSEHOLD TO HOUSEHOLD	3.6	
TOTAL MAIL RECEIVED AND SENT BY HOUSEHOLDS	127.2	
FY 2016 RPW TOTAL	154.3	
NON-HOUSEHOLD TO NON-HOUSEHOLD (RESIDUAL)	27.1	

Note: Totals may not sum due to rounding. *Includes First-Class and Standard Mail packages.

Source: USPS Household Diary Study FY2016, February 2017. (Note USPS Household Diary Study FY2017 anticipated publication date is March 2018).



TREATMENT OF STANDARD MAIL BY TYPE



Note: Percentages do not include those who did not provide a response.

Source: Source: USPS Household Diary Study FY2016, February 2017. (Note USPS Household Diary Study FY2017 anticipated publication date is March 2018).





FIRST-CLASS MAIL RECEIVED BY TYPE (Pieces in Millions) Years 2000 - 2016 (Diary Data)



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Correspondence																	
Personal	7,211	7,456	7,154	6,457	6,561	5,870	6,079	5,610	5,646	5,225	4,855	4,301	4,266	3,895	3,603	3,194	3,160
Greeting Cards	4,052	4,472	4,456	3,816	4,014	3,586	3,935	3,571	3,652	3,368	3,278	3,083	3,069	2,767	2,562	2,185	2,243
Letter from Friend or Relative	1,769	1,839	1,629	1,467	1,385	1,227	1,138	1,116	1,046	956	837	701	693	652	592	613	513
Other Personal	1,391	1,145	1,070	1,174	1,161	1,057	1,006	923	948	901	740	517	505	477	449	396	404
Business/Government	8,519	9,261	9,691	9,239	9,222	9,526	8,732	9,477	8,905	8,075	7,784	8,098	8,382	7,925	8,176	8,231	8,592
Notice/Announcement/Business Invitation	4,336	5,052	5,546	6,608	6,901	6,640	5,969	6,340	5,693	4,493	4,297	4,403	4,748	4,518	4,905	5,036	5,017
Tax-Related (Docs, Information, Forms)	0	0	0	0	0	354	383	513	570	613	526	1,001	991	998	1,062	957	1,147
Other Bus/Gov	4,183	4,208	4,145	2,631	2,321	2,532	2,380	2,624	2,642	2,969	2,961	2,695	2,644	2,409	2,209	2,238	2,428
Social	2,581	2,570	2,664	2,692	2,336	2,387	2,274	2,579	2,380	2,066	1,905	1,384	1,355	1,350	1,161	4,090	1,064
Notice/Announcement/Business Invitation	1,674	1,753	2,084	2,446	2,049	1,866	1,793	2,232	1,674	1,382	1,351	752	773	723	645	605	525
Other Social	907	817	580	247	287	520	481	348	706	683	554	632	582	627	516	486	539
Total	18,311	19,287	19,509	18,389	18,119	17,783	17,085	17,666	16,931	15,365	14,544	13,783	14,003	13,171	12,939	12,515	12,816
Transactions																	
Bills	13,287	13,882	14,593	14,703	14,738	14,529	14,323	14,002	14,005	13,269	12,094	11,347	10,824	10,815	10,412	10,146	9,725
Financial Statements	6,117	7,598	6,874	6,429	6,452	6,594	6,920	7,133	6,560	6,666	5,689	4,655	4,744	4,285	4,514	4,142	3,949
Credit Card Statement/Bill	2,948	4,423	4,279	4,304	3,924	4,311	4,969	4,980	4,830	4,687	4,091	3,834	4,023	3,454	3,690	3,567	3,693
Request for Donation	947	875	797	729	634	636	708	733	754	617	660	755	687	652	609	570	496
Payment/Check/Credit	1,481	1,679	1,635	1,618	1,552	1,437	1,439	1,418	1,324	1,378	1,194	1,009	993	1,055	998	1,026	861
Insurance	0	0	0	0	0	148	175	51	33	311	359	2,498	2,308	2,326	2,468	2,212	2,230
Other	893	540	605	504	512	588	544	752	778	677	626	1,307	1,230	1,252	1,131	1,189	1,251
Total	25,673	28,999	28,763	28,287	27,813	28,244	29,078	29,068	28,283	27,605	24,713	25,404	24,809	23,838	23,823	22,852	22,206
Advertising	9,471	11,153	11,045	10,221	9,259	10,782	10,344	9,034	8,257	6,648	6,115	5,448	5,021	4,240	3,925	3,574	3,817
CD/DVD/Video Games*	N/A	640	806	937	942	1,040	543	466	374	300	213						
DK/RF**	3,350	1,073	1,192	1,972	2,080	1,974	2,915	2,449	2,971	2,569	3,748	2,598	2,828	2,426	1,768	1,602	1,886
Total First-Class Received	56,805	60,512	60,529	58,869	57,270	58,783	59,423	58,856	57,250	53,123	50,063	48,272	47,204	44,142	42,830	40,842	40,939

Note: Beginning in 2010, data was restated due to weighing by Home Ownership.

Note: Transaction and Correspondence definitions redefined to match calculation in HDS main report.

*CD/DVD/Video Games not collected as a separate category prior to 2007.

**Combination of Correspondence and Transactions (purpose is unknown.)

Source: USPS Household Diary Study FY2016, February 2017. (Note USPS Household Diary Study FY2017 anticipated publication date is March 2018).



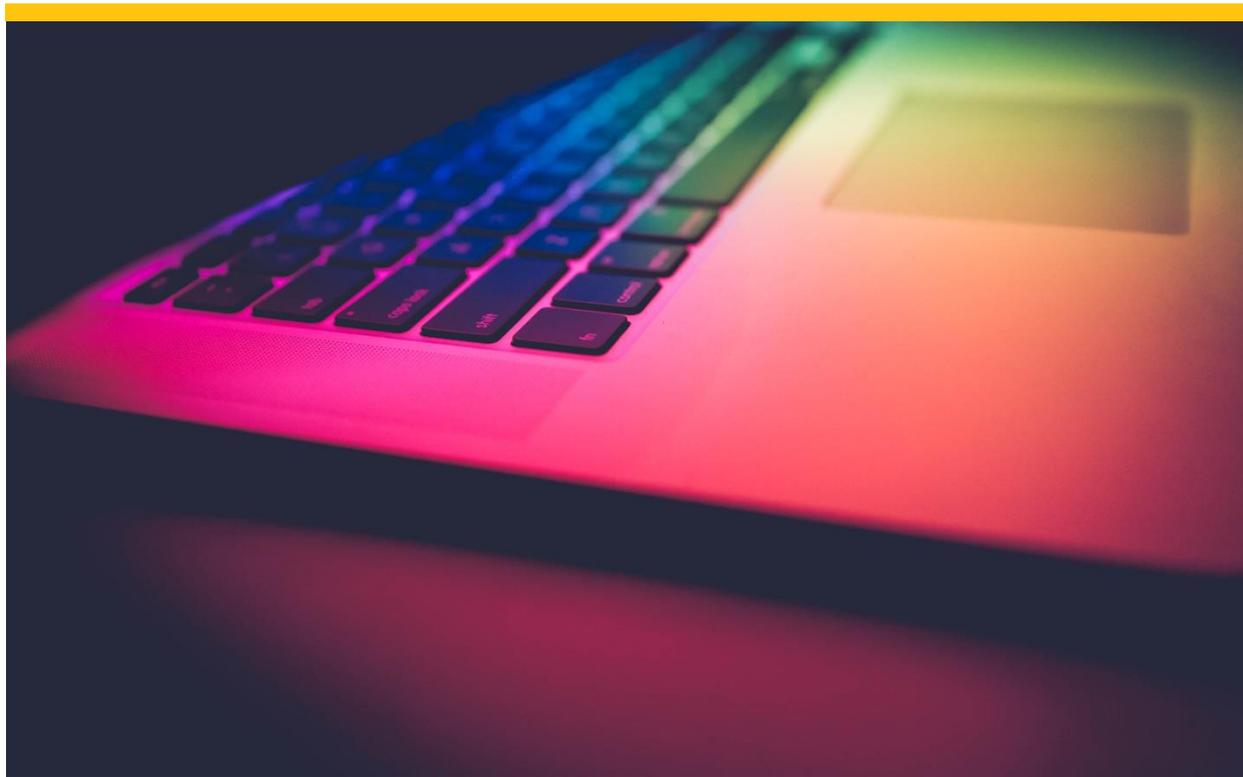
US ADVERTISING SPENDING GROWTH BY MEDIUM, 2014-2016 (PERCENT GROWTH FROM PRIOR YEAR)

Medium	2014	2015	2016
Direct Mail	4.8%	-1.1%	0.1%
TV	0.7%	0.8%	1.7%
Radio	-3.0%	-2.8%	0.0%
Newspapers	-11.6%	-12.2%	-12.5%
Magazines	-11.4%	-11.3%	-9.1%
Internet	16.1%	20.4%	19.2%
Other	19.1%	-23.8%	28.7%
TOTAL	3.4%	2.0%	6.6%

Note: Totals may not sum due to rounding.

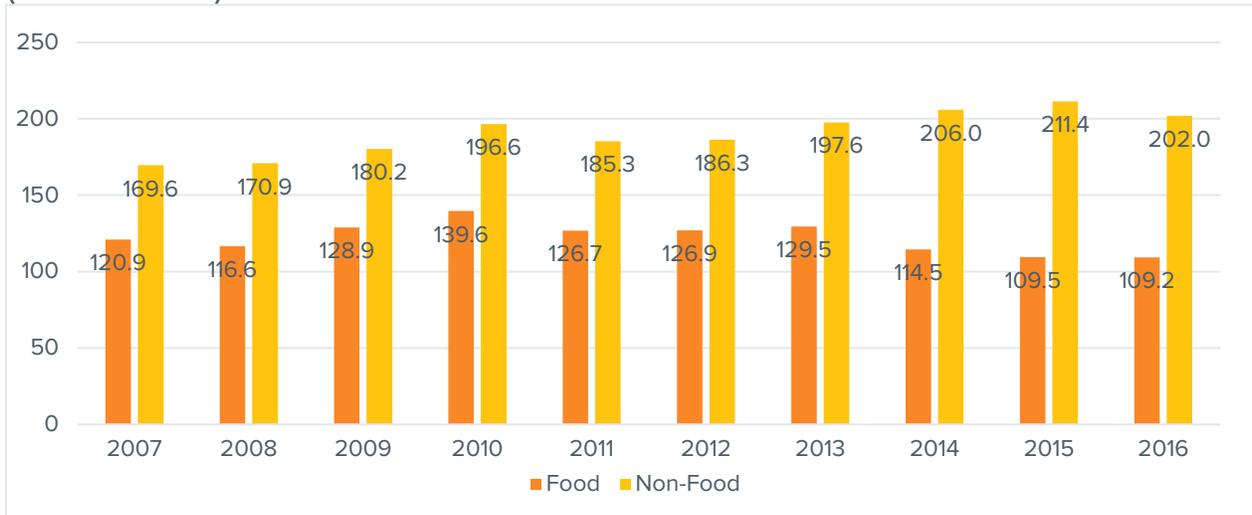
**Other fluctuations are due to political/Olympic advertising.*

Source: USPS Household Diary Study FY2016, February 2017. (Note USPS Household Diary Study FY2017 anticipated publication date is March 2018).



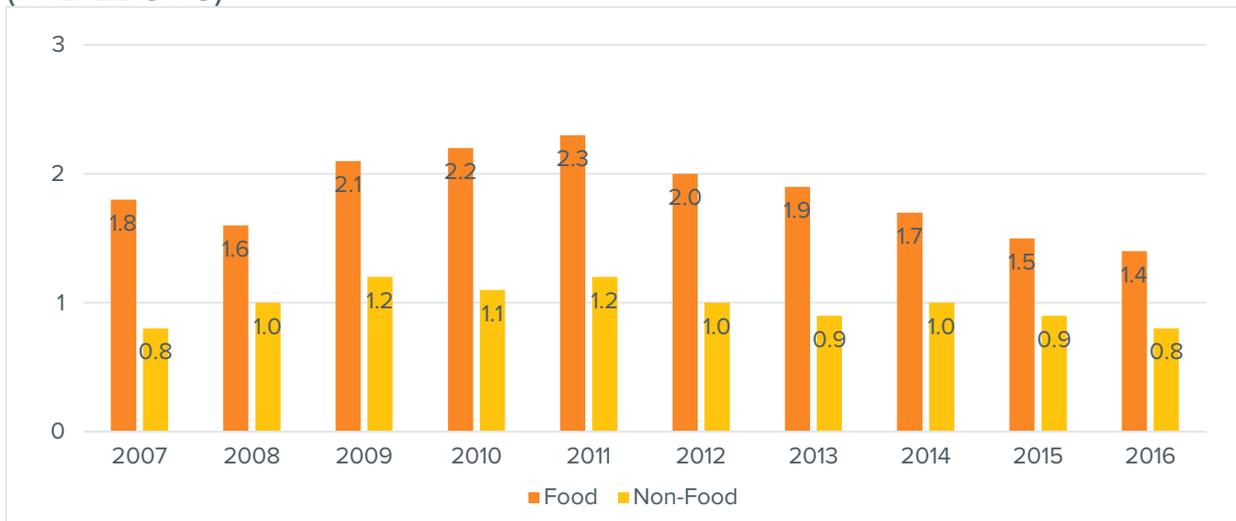


COUPONS DISTRIBUTED, FOOD VS. NON-FOOD (IN BILLIONS)



Source: Inmar, 2017 Coupons Trends.

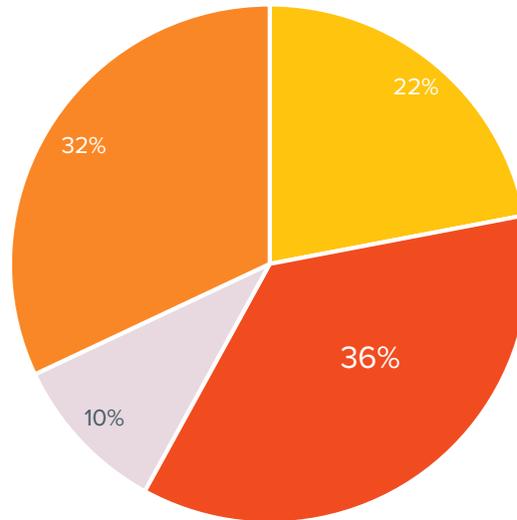
COUPONS REDEEMED, FOOD VS. NON-FOOD (IN BILLIONS)



Source: Inmar, 2017 Coupons Trends.



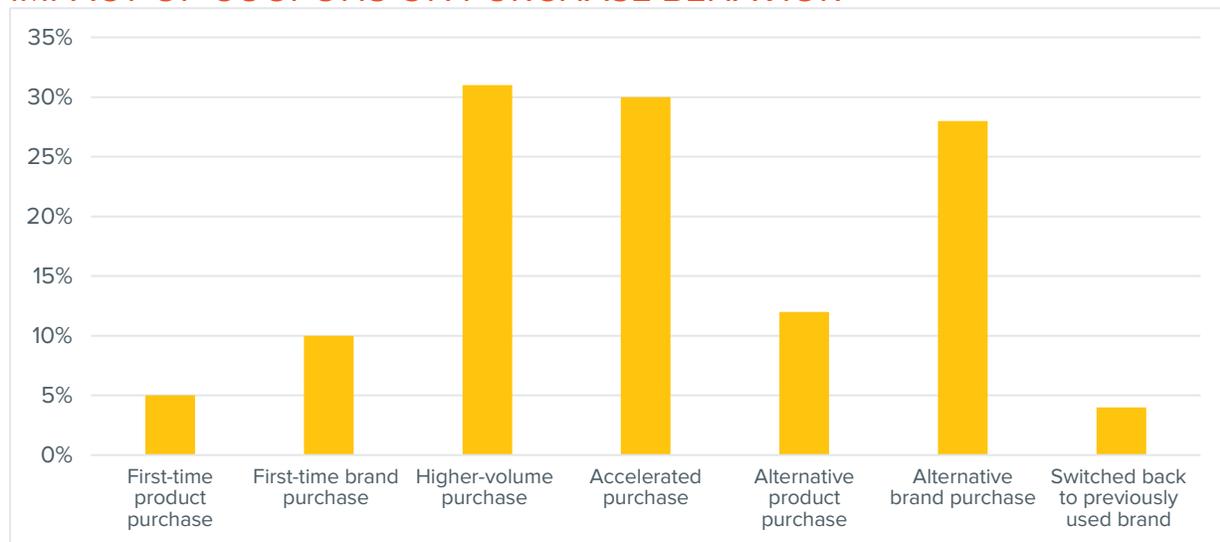
COUPON INFLUENCE ON PURCHASE BEHAVIOR



- Active Discovery - Purchased as planned
- Casual Discovery - Purchased as planned
- Active Discovery - Delayed purchase until coupon
- Casual Discovery - Coupon activated purchase

Source: Inmar, 2017 Coupons Trends.

IMPACT OF COUPONS ON PURCHASE BEHAVIOR



Source: Inmar, 2017 Coupons Trends.



2017 DIRECT RESPONSE CATALOG ADVERTISING SALARIES

Crandall Associates, Inc., an executive recruiting firm, has determined the salaries by the following process: 1) Discussions with employers, from presidents to personnel officers, nationally, in companies varying in geographic areas, number of employees and sales volume; 2) Personal interviews and discussions with professionals in Direct Marketing and Online Marketing at all salary levels, working from coast to coast; 3) Analysis of information collected as a result of discussions with potential candidates nationally, with adjustments made for the “fudge” factor. Copies of the full salary guide with 52 functions and regional salary variations are available for \$75 from Crandall Associates, Inc., 6 Litchfield Road, Suite 316, Port Washington, NY 11050, 516.767.6800.

<p>Art Director — Catalog</p> <p>The Art Director gives the catalog its direction and aura. Also acts as the conciliator between the merchandising and marketing experts.</p> <p>DUTIES: Responsible, under the leadership of the Creative Director, for the look and feel of a catalog. The Art Director constantly struggles with “square inch” formulas for space allocation made by marketing and merchandising executives. Designs with copy and, in the great majority of catalogs, photographic and/or graphic images to make presentations of a three-dimensional product within the limited confines of a printed page. Also responsible for revisions and additions to an existing format or other promotional offering and, in some cases, the company website. Experienced with paper, type, photography, illustrations, and printing.</p> <table border="0"> <thead> <tr> <th colspan="2"><u>Salary Range</u></th> </tr> </thead> <tbody> <tr> <td>Low</td> <td>\$50,100</td> </tr> <tr> <td>Average</td> <td>\$52,700</td> </tr> <tr> <td>High</td> <td>\$61,400</td> </tr> </tbody> </table>	<u>Salary Range</u>		Low	\$50,100	Average	\$52,700	High	\$61,400	<p>Copywriter — Catalog</p> <p>Whether the company has 100 products or 200, the creative team must write professionally for each one with a fresh and vibrant theme.</p> <p>DUTIES: Working within the most stringent confines of inches, catalog writers bring to life a valve or a suit or a book, without deviation from the specifications, the quality, essence, or contents of the product, often enhancing it with the benefits. Frequently working from a specifications sheet, writes for a printed page, often but not always accompanied by a photograph or illustration. Creates on paper (or online) an image for the consumer at home or a buyer in the office. Details particulars of the product or the service offered in the catalog or website, and answers questions before they are asked and, with skill, reduces returns.</p> <table border="0"> <thead> <tr> <th colspan="2"><u>Salary Range</u></th> </tr> </thead> <tbody> <tr> <td>Low</td> <td>\$55,300</td> </tr> <tr> <td>Average</td> <td>\$63,900</td> </tr> <tr> <td>High</td> <td>\$79,100</td> </tr> </tbody> </table>	<u>Salary Range</u>		Low	\$55,300	Average	\$63,900	High	\$79,100
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<p>Catalog Circulation Manager</p> <p>The Circulation Manager is responsible for developing short- and long-term circulation strategies to meet customer goals.</p> <p>DUTIES: With creative insight, develops and tests many media, including direct mail packages, e-marketing efforts, list rentals and exchanges, space ads, statement stuffers, bounce-backs, package and freestanding inserts, and alternative media programs to acquire new customers. Responsibility for cost and profitability of acquisition efforts. Develops greater analysis and utilization of internal database. Establishes inquiry programs to develop circulation. Maintains contact and negotiates with list brokerage firms and list managers. Knowledgeable in merge-purge, enhancement techniques, and segmentation.</p> <table border="0"> <thead> <tr> <th colspan="2"><u>Salary Range</u></th> </tr> </thead> <tbody> <tr> <td>Low</td> <td>\$80,800</td> </tr> <tr> <td>Average</td> <td>\$90,500</td> </tr> <tr> <td>High</td> <td>\$113,800</td> </tr> </tbody> </table>	<u>Salary Range</u>		Low	\$80,800	Average	\$90,500	High	\$113,800	<p>Catalog Marketing Manager</p> <p>Equivalent to a product manager in a consumer package goods environment, the Marketing Manager for a catalog is responsible for day-to-day marketing, creative, and operations of one catalog or often two or three.</p> <p>DUTIES: Carries profit and loss responsibilities for a high-volume catalog or a number of smaller ones, generally under the guidance of the catalog marketing director. Develops and executes budget. Determines the positioning, theme, pricing, marketing approach, creative thrust, and media selection. Supervises production by internal or external facilities to ensure mailing schedules. Reviews fulfillment procedures to maintain expeditious delivery of customer orders. Confers with research department and is conversant and knowledgeable in CRM analysis.</p> <table border="0"> <thead> <tr> <th colspan="2"><u>Salary Range</u></th> </tr> </thead> <tbody> <tr> <td>Low</td> <td>\$69,700</td> </tr> <tr> <td>Average</td> <td>\$76,100</td> </tr> <tr> <td>High</td> <td>\$89,900</td> </tr> </tbody> </table>	<u>Salary Range</u>		Low	\$69,700	Average	\$76,100	High	\$89,900
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Creative Director — Catalog

Responsible for representing all of the catalog products in their best light, usually with only a couple of inches in which to display and describe each product.

DUTIES: Within the limits of a page and budgetary considerations, directs copywriters, art directors, traffic department, and often production in the theming, design, and execution of layouts for catalogs. Uses photography and/or illustrations to reflect and achieve marketing objectives. Frequently acts in the same function for multiple catalogs targeted at diverse market segments. Responsible for order forms, direct mail packages, print advertisements, television, websites, cable, packaging, and ancillary creative materials, particularly if retail operations are involved, and liaising with the online marketing group.

Salary Range

Low	\$104,900
Average	\$112,500
High	\$144,900

Catalog Marketing Director

The professional responsible for preparing and executing corporate marketing plans, budgets, short- and long-term catalog strategy, and profit and loss responsibilities. Continually seeks new markets.

DUTIES: Supervises marketing managers and manages teams of creative, merchandising, list, production, research, customer service, and telesales professionals. Evaluates market share and monitors competition. Continually explores customer database to develop new products. Examines development of new markets. Explores alternative media for customer acquisition. Monitors sales of ancillary products to broaden catalog or launch new ones. Keeps abreast of legislative and postal regulations. Represents the corporation at industry functions.

Salary Range

Low	\$98,600
Average	\$117,100
High	\$127,500

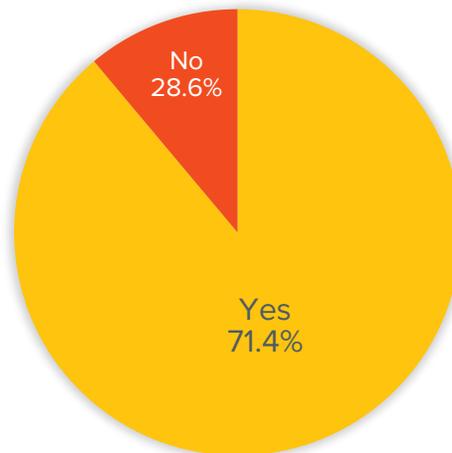
Note: All salary information from Crandall Associates, Inc. is copyright-protected. This material may not be photocopied or otherwise reprinted in any other communication, unless permission is directly granted by Crandall Associates, Inc. 516.767.6800. www.crandallassociates.com

Source: Crandall Associates, Inc., 2017.



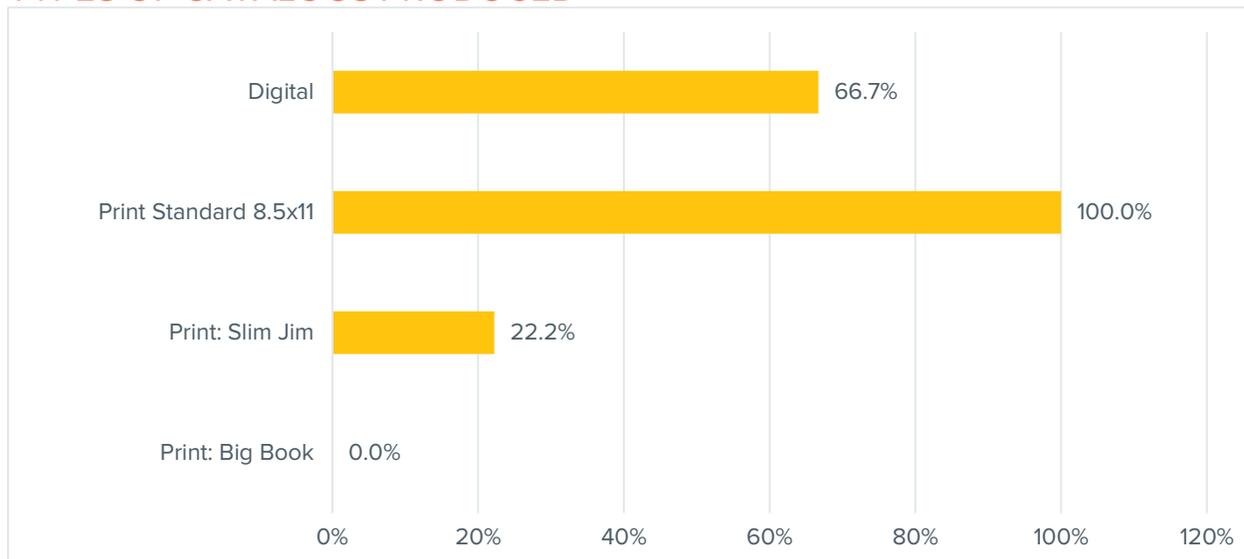


DO YOU HAVE A FORMAL PROGRAM TO TRACK YOUR CATALOG'S EFFECTIVENESS?



Source: 2017 Multichannel Merchant The State of Catalog Marketing in the Digital Era, 2017, www.multichannelmerchant.com.

TYPES OF CATALOGS PRODUCED

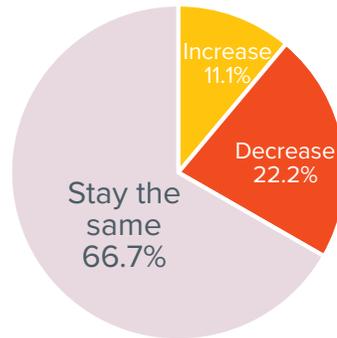


Source: 2017 Multichannel Merchant The State of Catalog Marketing in the Digital Era, 2017, www.multichannelmerchant.com.

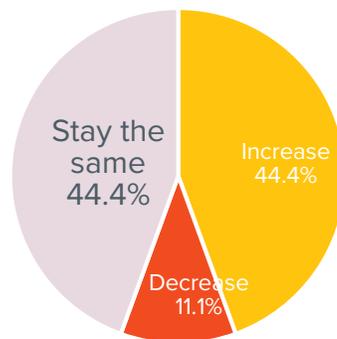


HOW DID YOUR CATALOG CREATIVE OR PRODUCTION CHANGE IN THE LAST YEAR?

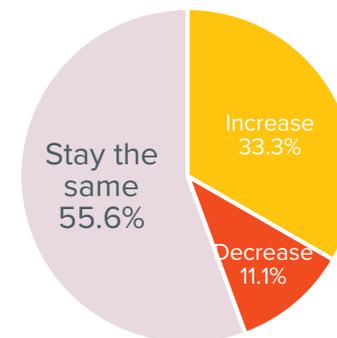
PAGE COUNTS



CIRCULATION



FREQUENCY

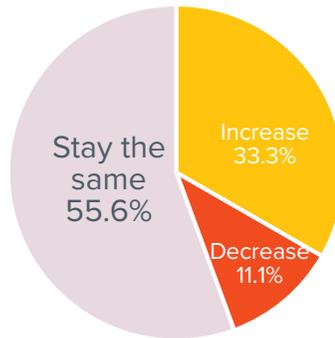


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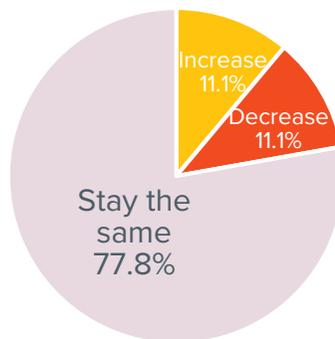


HOW DO YOU PLAN TO CHANGE YOUR CATALOG CREATIVE OR PRODUCTION IN THE COMING YEAR?

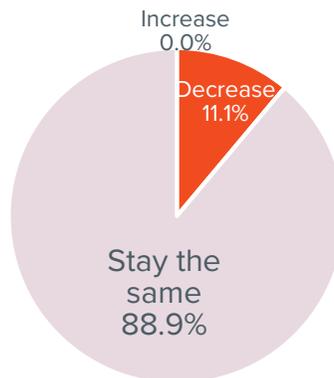
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CIRCULATION



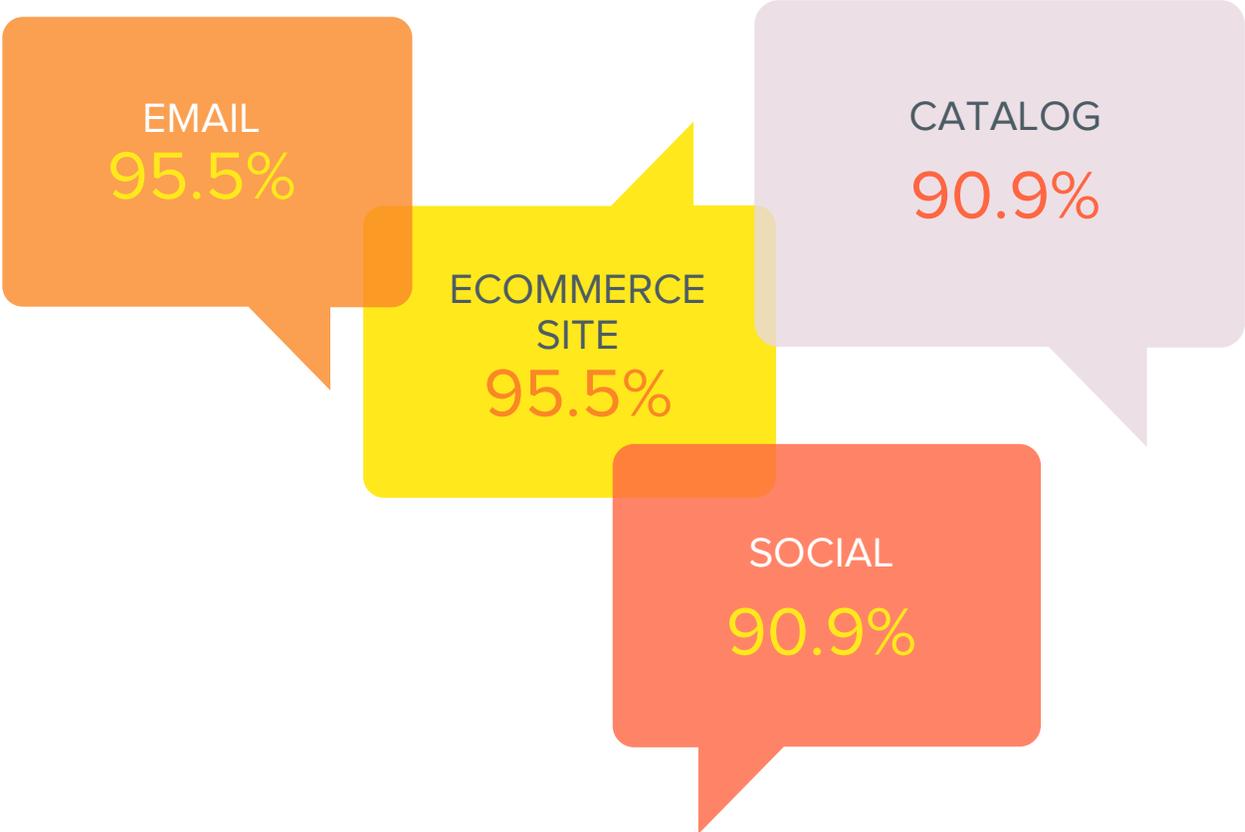
FREQUENCY



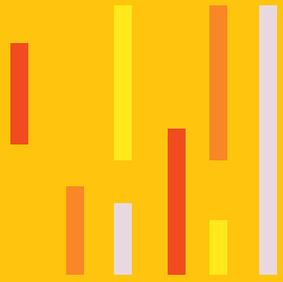
Source: 2017 Multichannel Merchant *The State of Catalog Marketing in the Digital Era*, 2017, www.multichannelmerchant.com.



HOW RETAILERS MARKET TO CUSTOMERS



Source: 2017 Multichannel Merchant The State of Catalog Marketing in the Digital Era, 2017, www.multichannelmerchant.com.



CHAPTER 12

Nonprofit





CHAPTER 12: Nonprofit



WHICH MATTERS MORE: VOLUME OR DEPTH?

The thread running through this year's DMA Statistical Fact Book is a decrease in the importance of volume and an increase in the value of relevance of our communications. To wit:

NONPROFIT MARKETERS ARE ON THE VOLUME HAMSTER WHEEL. The average nonprofit sent 15.4% more emails last year. The average nonprofit had a 15.5% decrease in (fundraising) click-through rate. In other words, sending more emails led to no change in the number of people engaging with our content. And this was common across sectors:

- Animal welfare groups sent **16.8%** more emails and had click-through rates decrease by **17.7%**
- Disaster organizations sent **18%** more emails and had click-through rates decrease by **20.7%**
- Human and social services sent **12.8%** more emails and had click-through rates decrease by **16.1%**
- Public broadcasting sent **27.6%** more emails and had click-through rates decrease by **18.3%**

It seems we have been running and running just to stay in the same place.

While this seems to show a correlation that as you send more emails, your engagement tends to fall, it does not necessarily prove that one causes the other. That said, it certainly shows that volume – whether communication volume or list size – alone will not save you. Rather, it is incumbent on us to make sure that each email you send is relevant to the person receiving it.



NONPROFIT MARKETERS STRUGGLE TO FIND THE VOICE OF THEIR AUDIENCE(S). Nonprofit content marketers say their top challenges are measuring the effectiveness of their content and producing content that engages. This is largely because much of the content nonprofits create is undifferentiated:

- Emails go out to the full list or to people who have opened an email in the last X months (no wonder click rates are down)
- Blog and social posts are sent into the ether to any and all who would read them
- Mail pieces are sent and phone calls made by an antiquated RFM (recency, frequency, and monetary value) calculus

Primary in all of these is to whom the nonprofit wants to send a communication.

Lost in all of these is who wants to receive the communication from the nonprofit and what they want to receive.

For example, if you are an animal welfare organization, you likely have cat people and dog people on your file. Cat people want to hear about cat things. They do not want to hear about dog things. And vice versa.

Yet when we create content and communications for a full file or based on RFM categories or acquisition channel or financial interaction type (e.g. one-off cash vs. sustainer), these nuances are completely lost and, in all likelihood, never unearthed or understood in the first place. But make no mistake, these motivational or ‘core to who they are’ segments exist on your file and in whatever acquisition waters you fish. And either we must write a single story for both cat and dog people, watering down the impact for each, or we put a cat story on blast, ignoring that it isn’t (as) relevant to half of those who receive it.

No wonder content marketers have trouble producing content that engages. They are forced either to create for a lowest common denominator, or produce irrelevant content for many. They aren’t allowed to think of targeted content for a specific donor identity.

And no wonder they find these results difficult to measure.

It is only when we know the different identities of our constituents – who they are and why they support us – that we can truly create communications that will engage them.



“It is only when we know the different identities of our constituents that we can truly engage them”.



And we can get more value out of engaged, committed donors. These data also show sustaining giving increasing more than repeat donations, and repeat donations more than first-time donations. While the slow in the growth rate of online new donation acquisition is potentially worrying, let's celebrate the fact that we are converting donors to more consistent and valuable forms of giving.

It is certainly true that not all people committed to your organization become sustaining donors. Equally true, most people who become sustaining donors are committed to your organization.

In the end, it's this commitment that we are looking to discover and build.

Volume of communications isn't as important as depth: making sure that each communication we make adds to our constituents' commitment to us. That only happens when each communication is personal to the donor's identity and relevant to their reason for supporting the organization.

Authored by:

Kevin Schulman
CEO, Founder & Managing Partner
DonorVoice

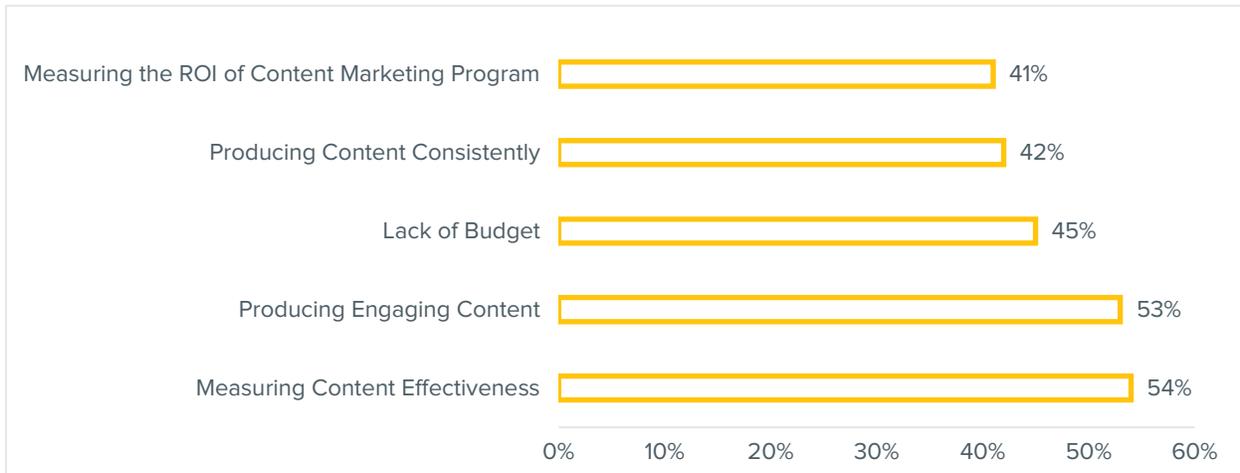


CHAPTER HIGHLIGHTS

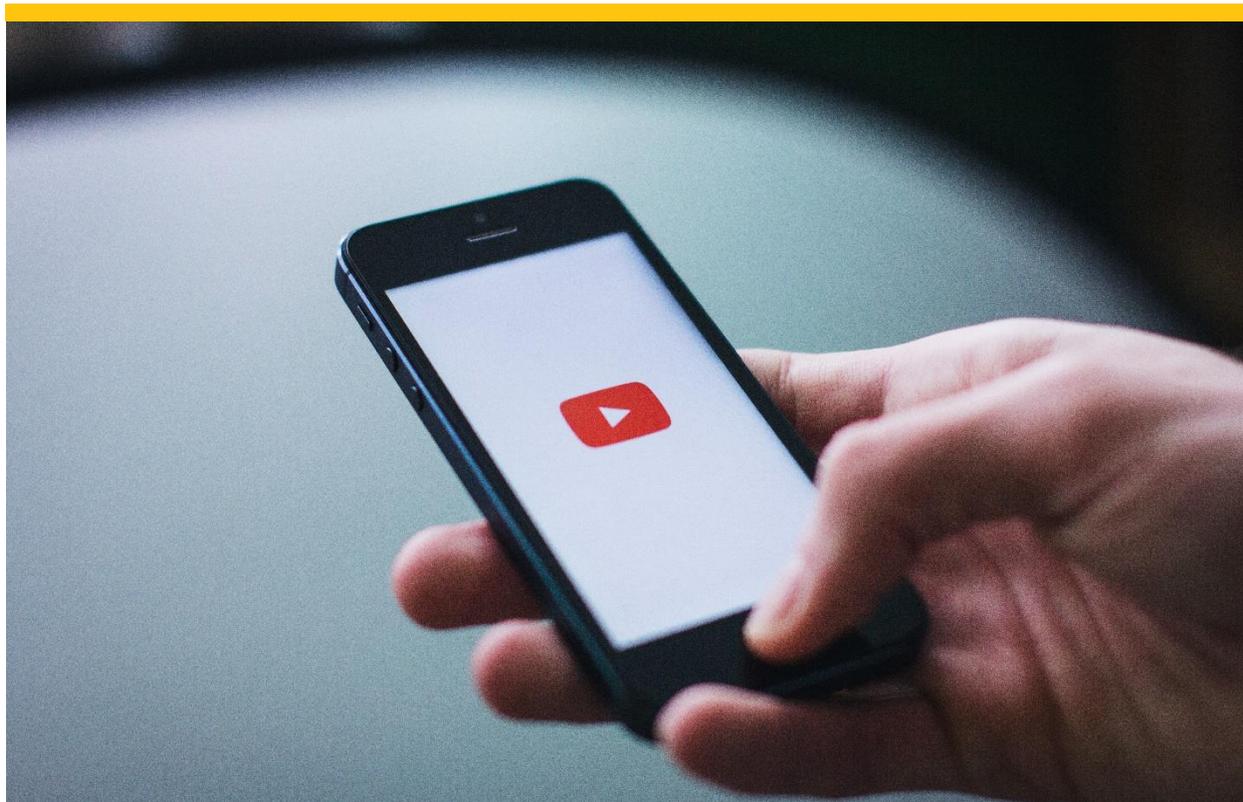
- Sustainer donations up 20% over the prior year
- Disaster relief & international the highest-grossing nonprofit vertical
- Food banks have the highest email engagement rates amongst nonprofits



TOP CHALLENGES FOR NONPROFIT CONTENT MARKETERS

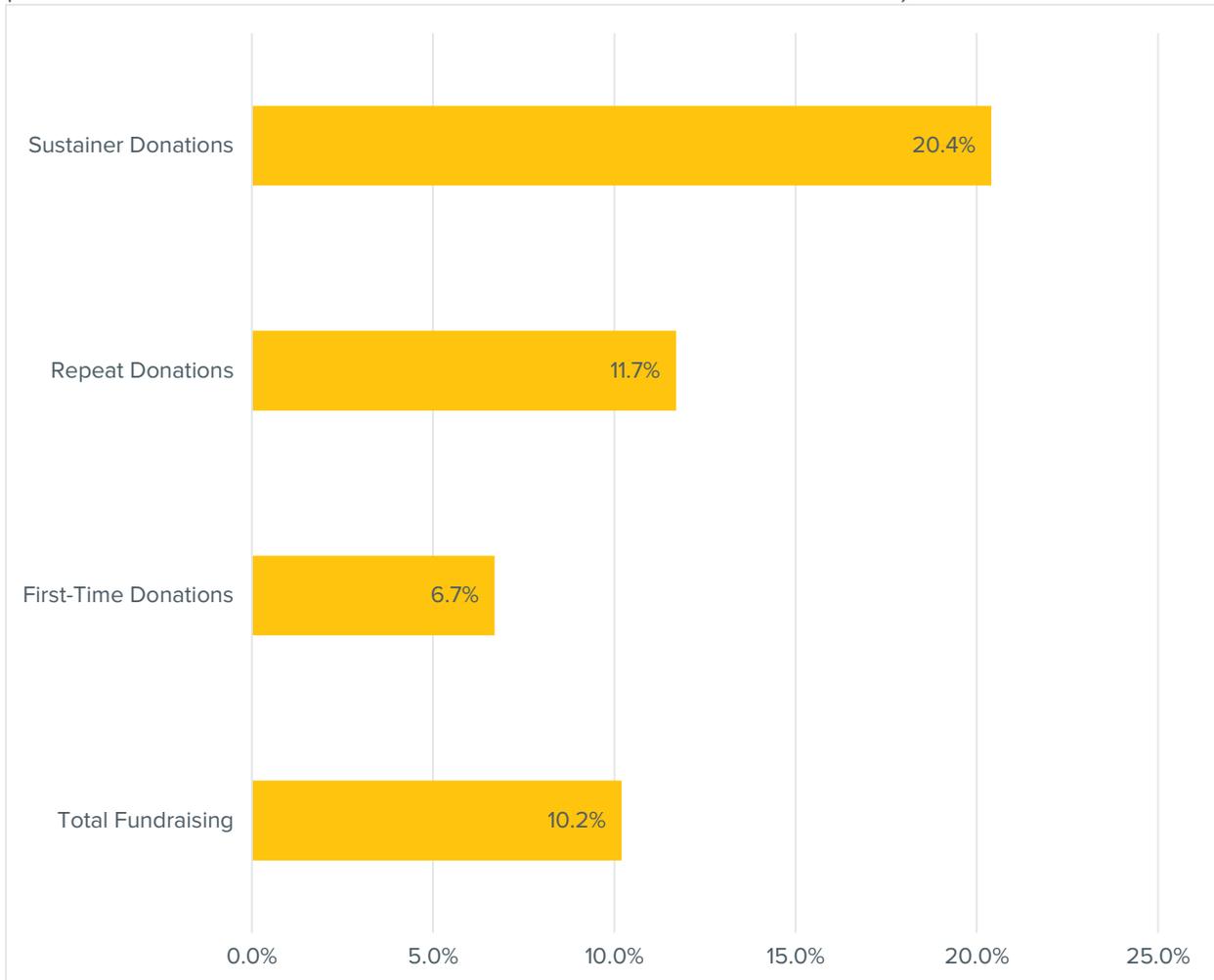


Source: 2016 Nonprofit Content Marketing Trends – North America: Content Marketing Institute/Blackbaud.





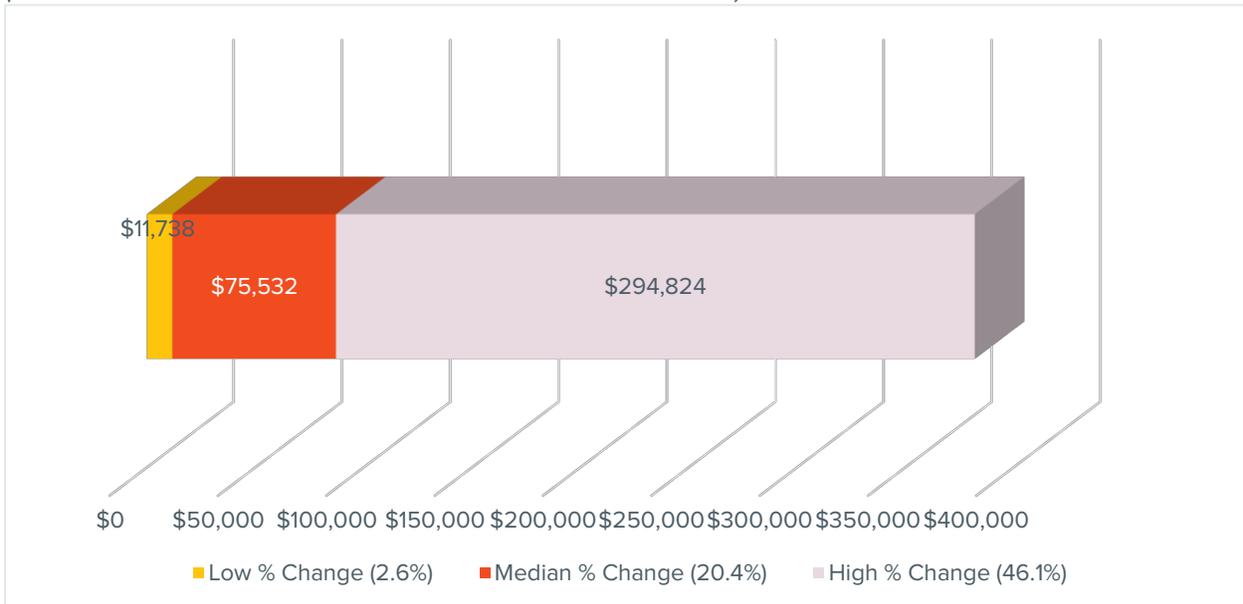
ONLINE FUNDRAISING REVENUE GROWTH BY TRANSACTION TYPE (TOTAL ONLINE TRANSACTION REVENUE YEAR-OVER-YEAR CHANGE)



Source: Blackbaud, 2017 Blackbaud Luminate Online Benchmark Report, 2017.



SUSTAINER REVENUE: YEAR-OVER-YEAR CHANGE (TOTAL RECURRING ONLINE REVENUE TRANSACTIONS)

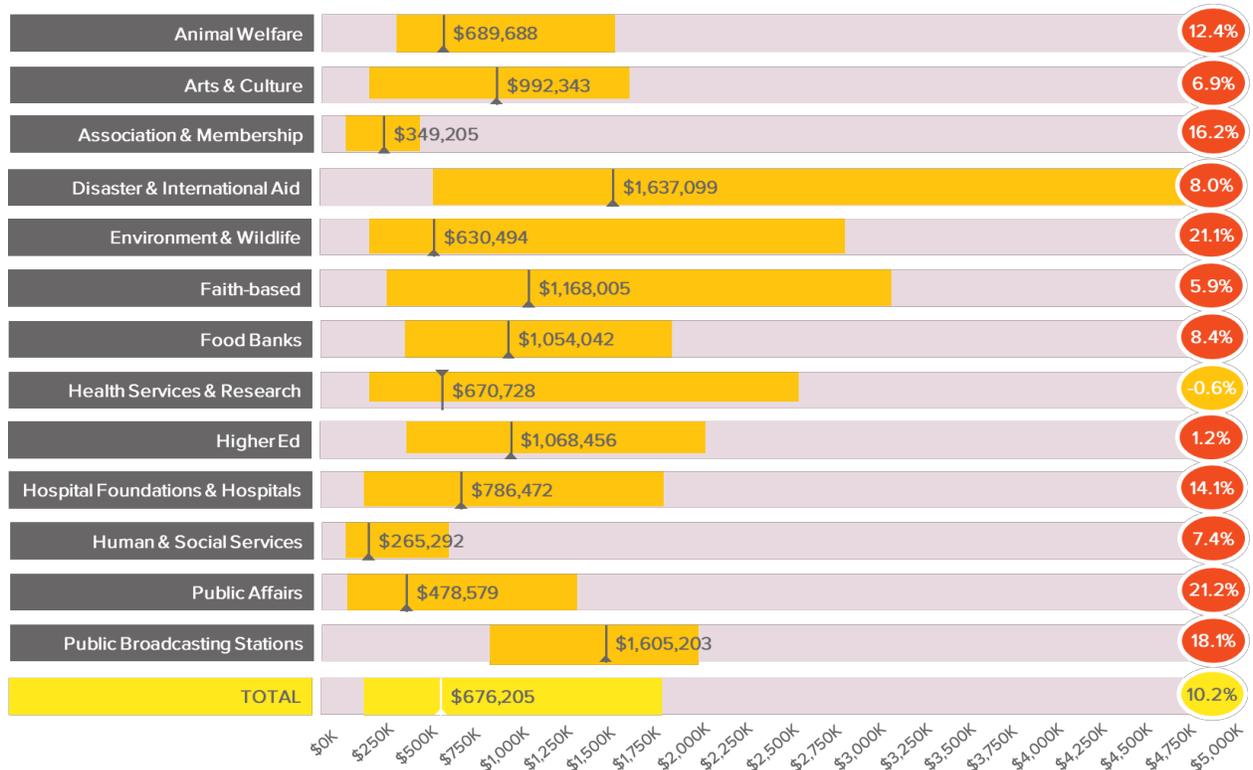


Source: Blackbaud, 2017 Blackbaud Luminate Online Benchmark Report, 2017.





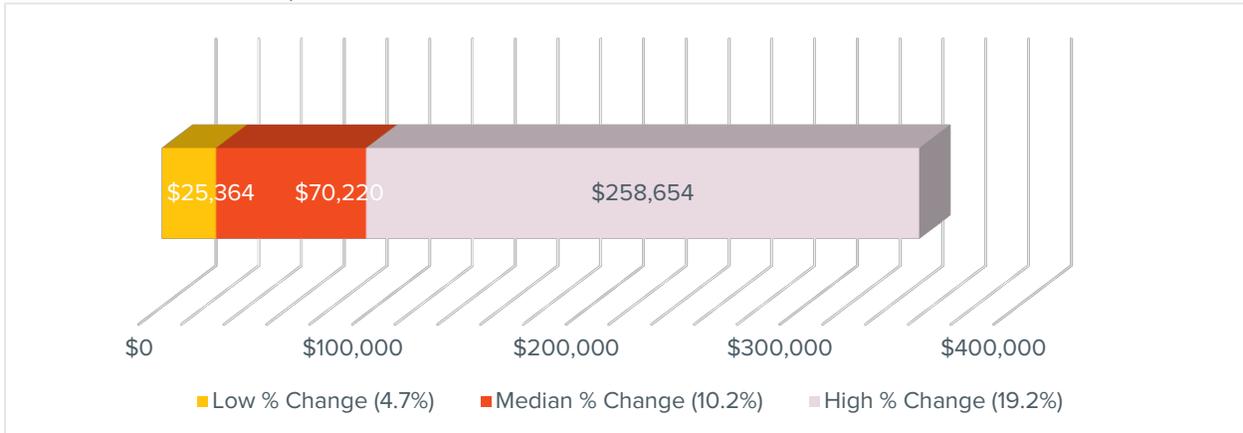
FUNDRAISING REVENUE BY VERTICAL (TOTAL ONLINE TRANSACTION REVENUE)



Source: Blackbaud, 2017 Blackbaud Luminate Online Benchmark Report, 2017.

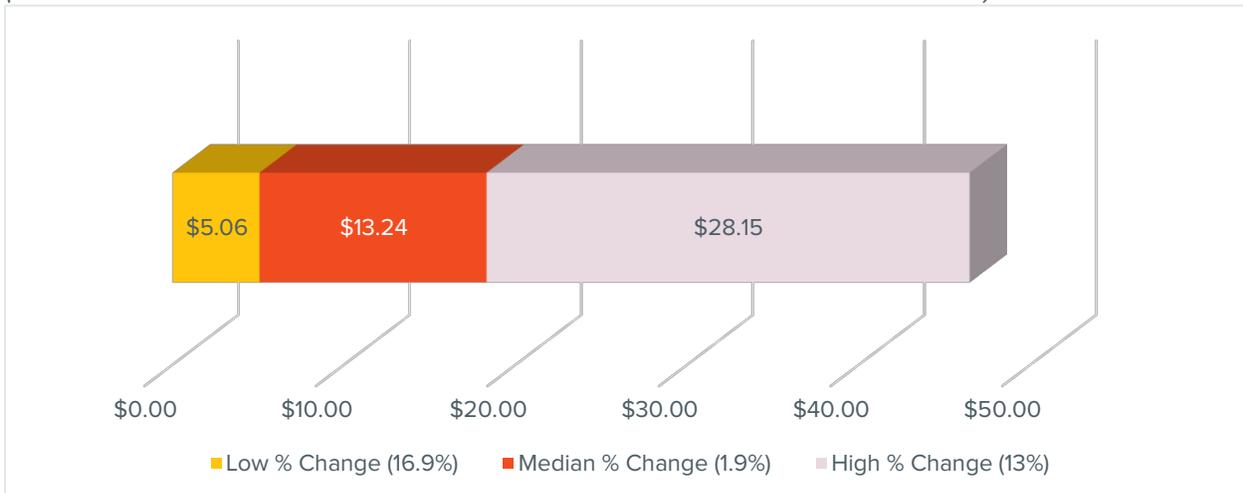


CONSTITUENTS WITH EMAIL ADDRESSES: YEAR-OVER-YEAR CHANGE (SIZE OF HOUSE FILE BASED ON NUMBER OF CONSTITUENTS WITH EMAIL ADDRESSES AS OF FISCAL YEAR-END)



Source: Blackbaud, 2017 Blackbaud Luminate Online Benchmark Report, 2017.

REVENUE PER USABLE EMAIL: YEAR-OVER-YEAR CHANGE (TOTAL ONLINE REVENUE/CONSTITUENTS WITH USABLE EMAIL ADDRESS)

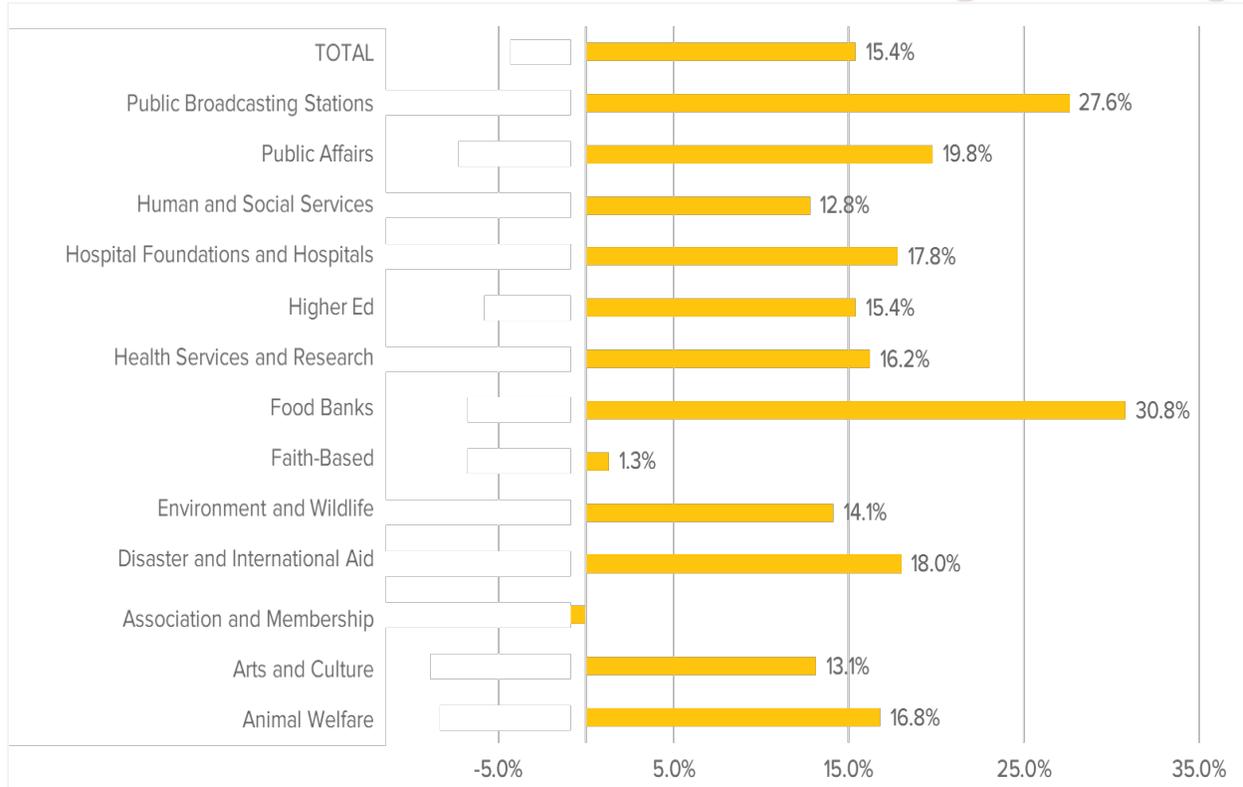


Source: Blackbaud, 2017 Blackbaud Luminate Online Benchmark Report, 2017.



TOTAL EMAILS SENT, MEDIAN PERCENT CHANGE BY VERTICAL

(Total Number of Emails Delivered to Recipients, Year-Over-Year Change, Median)



Source: Blackbaud, 2017 Blackbaud Luminate Online Benchmark Report, 2017.

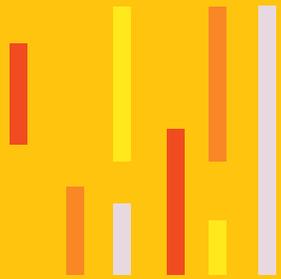


FUNDRAISING EMAIL ENGAGEMENT RATES BY VERTICAL

	Open Rate	Click Rate	Conversion Rate
Animal Welfare	13.0%	0.57%	0.04%
Arts and Culture	19.8%	0.63%	0.04%
Association and Membership	19.2%	0.49%	0.02%
Disaster and International Aid	11.8%	0.45%	0.04%
Environment and Wildlife	14.0%	0.47%	0.04%
Faith-Based	13.0%	0.60%	0.03%
Food Banks	14.5%	0.58%	0.08%
Health Services and Research	13.8%	0.49%	0.02%
Higher Ed	20.4%	0.56%	0.01%
Hospital Foundations and Hospitals	21.4%	0.63%	0.06%
Human and Social Services	14.9%	0.65%	0.04%
Public Affairs	14.2%	0.53%	0.03%
Public Broadcasting Stations	16.7%	0.58%	0.05%
TOTAL	14.8%	0.55%	0.04%

Source: Blackbaud, 2017 Blackbaud Luminate Online Benchmark Report, 2017.





CHAPTER 13

Postal Rates





POSTAL RATE CHANGES: STANDARD MAIL (A) (FORMERLY THIRD-CLASS)

Third-Class Minimum per Piece (by Presort Category Beginning 1996)

1996

Standard Mail (A)
Rate Comparison Chart

Minimum Volume Is
200 Pieces—
Effective 7/1/1996

1999

Standard Mail (A)
Rate Comparison Chart

Minimum Volume Is 200
Pieces—
Effective 1/10/1999

Letter Size	Before	After	Letter Size	Before	After
Regular			Regular		
Basic	22.6¢	25.6¢	Basic	25.6¢	23.5¢
3/5 Digit	18.8¢	20.9¢	3/5 Digit	20.9¢	20.7¢
Barcoded	20.4¢	18.3¢	Automated Basic Barcoded	18.3¢	18.3¢
Automated 3-Digit	17.5¢	17.5¢	Automated 3-Digit	17.5¢	17.6¢
Barcoded			Barcoded		
Automated 5-Digit	16.6¢	15.5¢	Automated 5-Digit	15.5¢	16.0¢
Barcoded			Barcoded		
Automated 5-Digit at SCF			Automated 5-Digit at SCF		
entry Barcoded letter	14.6¢	13.7¢	entry barcoded letter	13.7¢	13.9¢
Enhanced Carrier Route (new)			Enhanced Carrier Route (new)		
Basic	15.0¢	15.0¢	Basic	15.0¢	16.2¢
Automated Basic Carrier	--	14.6¢	Automated Basic Carrier	14.6¢	15.6¢
Route Barcoded letter			Route Barcoded letter		
High Density	--	14.2¢	High Density	14.2¢	13.9¢
Saturation	14.2¢	13.3¢	Saturation	13.3¢	13.0¢
Saturation at Delivery Unit	11.7¢	13.3¢	Saturation at Delivery Unit	11.0¢	10.4¢
Entry			Entry		
Flats Size	Before	After	Flats Size	Before	After
Regular			Regular		
Basic	22.6¢	30.6¢	Basic	30.6¢	30.4¢
3/5 Digit	21.4¢	22.5¢	3/5 Digit	22.5¢	24.0¢
Automated Basic	23.7¢	27.7¢	Automated Basic Barcoded	27.7¢	29.5¢
Barcoded			Automated 3/5 Digit	18.9¢	20.3¢
Automated 3/5 Digit	19.5¢	18.9¢	Barcoded		
Barcoded			Automated 3/5 Digit at SCF		
Automated 3/5 Digit at			entry Barcoded	17.1¢	18.2¢
SCF entry Barcoded	17.5¢	17.1¢	Enhanced Carrier Route (new)		
Enhanced Carrier Route (new)			Basic	15.5¢	16.2¢
Basic	16.2¢	15.5¢	High Density	14.7¢	15.1¢
High Density	15.7¢	14.7¢	Saturation	13.7¢	14.0¢
Saturation	14.5¢	13.7¢	Saturation at Delivery Unit	11.4¢	11.4¢
Saturation at Delivery Unit	12.0¢	11.4¢	Entry		
Entry					



POSTAL RATE CHANGES: STANDARD MAIL (A) — (CONT.)

2001

Standard Mail (A)
Rate Comparison Chart

Minimum Volume Is
200 Pieces—
Effective 1/7/2001

Letter Size	Before	After	Flats Size	Before	After
Regular			Regular		
Basic	23.5¢	25.0¢	Basic	30.4¢	31.9¢
3/5 Digit	20.7¢	23.0¢	3/5 Digit	24.0¢	26.3¢
Automated Basic Barcoded	18.3¢	19.7¢	Automated Basic Barcoded	29.5¢	27.5¢
Automated 3-Digit Barcoded	17.6¢	18.7¢	Automated 3/5 Digit Barcoded	20.3¢	23.6¢
Automated 5-Digit Barcoded	16.0¢	17.4¢	Automated 3/5 Digit at SCF entry Barcoded	18.2¢	21.2¢
Automated 5-Digit at SCF entry Barcoded letter	13.9¢	15.0¢	Enhanced Carrier Route (new)		
Enhanced Carrier Route (new)			Basic	16.2¢	17.6¢
Basic	16.2¢	17.6¢	High Density	15.1¢	15.4¢
Automated Basic Carrier Route barcoded letter	15.6¢	15.5¢	Saturation	14.0¢	14.7¢
High Density	13.9¢	15.1¢	Saturation at Delivery Unit Entry	11.4¢	N/A
Saturation	13.0¢	14.3¢			
Saturation at Delivery Unit Entry	10.4¢	N/A			



POSTAL RATE CHANGES: STANDARD MAIL (A) — (CONT.)

1996

Standard Mail (A)
Rate Comparison Chart
Minimum Volume Is
200 Pieces—
Effective 7/1/1996

2002

Standard Mail (A)
Rate Comparison Chart
Minimum Volume Is
200 Pieces—
Effective 6/30/2002

Letter Size	Before	After	Letter Size	Before	After
Regular			Regular		
Basic	25.0¢	25.3¢	Basic	25.3¢	26.8¢
3/5 Digit	23.0¢	23.3¢	3/5 Digit	23.3¢	24.8¢
Automated Basic Barcoded	19.7¢	20.0¢	Automated Basic Barcoded	20.0¢	21.2¢
Automated 3-Digit Barcoded	18.7¢	19.0¢	Automated 3-Digit Barcoded	19.0¢	20.3¢
Automated 5-Digit Barcoded	17.4¢	17.7¢	Automated 5-Digit Barcoded	17.7¢	19.0¢
Automated 5-Digit at SCF entry Barcoded letter	15.0¢	15.3¢	Automated 5-Digit at SCF entry Barcoded letter	15.3¢	16.4¢
Enhanced Carrier Route (new)			Enhanced Carrier Route (new)		
Basic	17.6¢	17.8¢	Basic	17.8¢	19.4¢
Automated Basic Carrier Route Barcoded letter	15.5¢	15.7¢	Automated Basic Carrier Route Barcoded letter	15.7¢	17.1¢
High Density	15.1¢	15.3¢	High Density	15.3¢	16.4¢
Saturation	14.3¢	14.5¢	Saturation	14.5¢	15.2¢
Saturation at Delivery Unit Entry	N/A	N/A			
Flats Size	Before	After	Flats Size	Before	After
Regular			Regular		
Basic	31.9¢	32.2¢	Basic	32.2¢	34.4¢
3/5 Digit	26.3¢	26.6¢	3/5 Digit	26.6¢	28.8¢
Automated Basic Barcoded	27.5¢	27.8¢	Automated Basic Barcoded	27.8¢	30.0¢
Automated 3/5 Digit Barcoded	23.6¢	23.9¢	Automated 3/5 Digit Barcoded	23.9¢	26.1¢
Automated 3/5 Digit at SCF entry Barcoded	21.2¢	21.5¢	Automated 3/5 Digit at SCF entry Barcoded	21.5¢	23.5¢
Enhanced Carrier Route (new)			Enhanced Carrier Route (new)		
Basic	17.6¢	17.8¢	Basic	17.8¢	19.4¢
High Density	15.4¢	15.6¢	High Density	15.6¢	16.9¢
Saturation	14.7¢	14.9¢	Saturation	14.9¢	16.0¢
Saturation at Delivery Unit Entry	N/A	N/A			



POSTAL RATE CHANGES: STANDARD MAIL (A) — (CONT.)

2006

Standard Mail (A)
Rate Comparison Chart
Minimum Volume Is
200 Pieces—
Effective 1/8/2006

2007

Standard Mail (A)
Rate Comparison Chart
Minimum Volume Is
200 Pieces—
Effective 5/14/2007

Letter Size	Before	After	Letter Size	Before	After
Regular			Regular		
Basic	26.8¢	28.2¢	Automated 5-Digit	20.0¢	12.7¢
3/5 Digit	24.8¢	26.1¢	Barcoded		
Automated Basic Barcoded	21.2¢	22.3¢	Automated 3-Digit	N/A	14.2¢
Automated 3-Digit Barcoded	20.3¢	21.4¢	Barcoded		
Automated 5-Digit Barcoded	19.0¢	20.0¢	Automation AADC	N/A	14.7¢
Automated 5-Digit at SCF			Automation Mixed AADC	N/A	16.1¢
entry Barcoded letter	16.4¢	N/A	Enhanced Carrier Route		
Enhanced Carrier Route (new)			Basic	20.4¢	15.7¢
Basic	19.4¢	20.4¢	High Density	17.3¢	11.7¢
Automated Basic Carrier	17.1¢	18.0¢	Saturation	16.0¢	10.8¢
Route Barcoded letter					
High Density	16.4¢	17.3¢			
Saturation	15.2¢	16.0¢			
Flats Size	Before	After	Flats Size	Before	After
Regular			Regular		
Basic	34.4¢	36.3¢	Nonautomation 5-Digit	36.3¢	36.3¢
3/5 Digit	28.8¢	30.4¢	Nonautomation 3-Digit	N/A	42.7¢
Automated Basic Barcoded	30.0¢	31.6¢	Nonautomation ADC	N/A	46.1¢
Automated 3/5 Digit	26.1¢	27.5¢	Nonautomation Mixed ADC	N/A	51.5¢
Barcoded			Automation 5-Digit	31.6¢	33.5¢
Enhanced Carrier Route (new)			Barcoded		
Basic	19.4¢	20.4¢	Automation 3-Digit	N/A	39.2¢
High Density	16.9¢	17.8¢	Barcoded		
Saturation	16.0¢	16.9¢	Automation ADC	N/A	42.4¢
			Automation Mixed ADC	N/A	47.7¢
			Enhanced Carrier Route		
			Basic	20.4¢	24.9¢
			High Density	17.8¢	20.5¢
			Saturation	16.9¢	18.7¢



POSTAL RATE CHANGES: STANDARD MAIL (A) — (CONT.)

2008

Standard Mail (A)
Rate Comparison Chart

Minimum Volume Is 200 Pieces—
Effective 5/12/2008

Letter Size		Before	After	Flats Size		Before	After
Regular				Regular			
Automated 5-Digit		12.7¢	12.7¢	Nonautomation 5-Digit		36.3¢	36.6¢
Barcoded				Nonautomation 3-Digit		42.7¢	45.1¢
Automated 3-Digit		14.2¢	14.3¢	Nonautomation ADC		46.1¢	48.3¢
Barcoded				Nonautomation Mixed		51.5¢	55.3¢
Automation AADC		14.7¢	14.6¢	ADC			
Automation Mixed AADC		16.1¢	15.9¢	Automated 5-Digit		33.5¢	33.9¢
Enhanced Carrier Route				Barcoded			
Basic		15.7¢	15.9¢	Automated 3-Digit		39.2¢	40.0¢
High Density		11.7¢	11.9¢	Barcoded			
Saturation		10.8¢	10.8¢	Automation ADC		42.4¢	43.6¢
				Automation Mixed ADC		47.7¢	48.9¢
				Enhanced Carrier Route			
				Basic		24.9¢	25.5¢
				High Density		20.5¢	21.0¢
				Saturation		18.7¢	19.1¢

2009

Standard Mail (A)
Rate Comparison Chart

Minimum Volume Is 200 Pieces—
Effective 11/29/2009

Letter Size		Before	After	Flats Size		Before	After
Regular				Regular			
Automated 5-Digit		12.7¢	23.3¢	Nonautomation 5-Digit		36.6¢	36.7¢
Barcoded				Nonautomation 3-Digit		45.1¢	46.4¢
Automated 3-Digit		14.3¢	25.1¢	Nonautomation ADC		48.3¢	50.9¢
Barcoded				Nonautomation Mixed		55.3¢	55.8¢
Automation AADC		14.6¢	25.3¢	ADC			
Automation Mixed AADC		15.9¢	27.0¢	Automated 5-Digit		33.9¢	34.6¢
Enhanced Carrier Route				Barcoded			
Basic		15.9¢	26.2¢	Automated 3-Digit		40.0¢	41.8¢
High Density		11.9¢	19.3¢	Barcoded			
Saturation		10.8¢	18.2¢	Automation ADC		43.6¢	48.6¢
				Automation Mixed ADC		48.9¢	49.6¢
				Enhanced Carrier Route			
				Basic		25.5¢	26.2¢
				High Density		21.0¢	21.9¢
				Saturation		19.1¢	19.4¢



POSTAL RATE CHANGES: STANDARD MAIL (A) — (CONT.)

2011

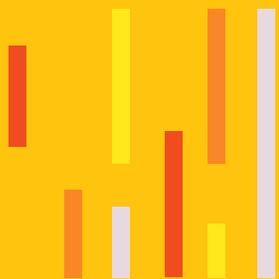
Standard Mail (A)
Rate Comparison Chart
Minimum Volume Is 200 Pieces—
Effective 4/17/2011

Letter Size	Before	After	Flats Size	Before	After
Regular			Regular		
Automated 5-Digit	12.7¢	23.7¢	Nonautomation 5-Digit	36.7¢	38.2¢
Barcoded					
Automated 3-Digit	14.3¢	25.5¢	Nonautomation 3-Digit	46.4¢	46.4¢
Barcoded					
Automation AADC	14.6¢	25.7¢	Nonautomation ADC	50.9¢	51.6¢
Automation Mixed AADC	15.9¢	27.3¢	Nonautomation Mixed ADC	55.8¢	54.9¢
Enhanced Carrier Route			Automated 5-Digit	34.6¢	34.7¢
			Barcoded		
Basic	15.9¢	26.5¢	Automated 3-Digit	41.8¢	42.6¢
			Barcoded		
High Density	11.9¢	19.5¢	Automation ADC	48.6¢	48.2¢
Saturation	10.8¢	18.2¢	Automation Mixed ADC	49.6¢	49.2¢
			Enhanced Carrier Route		
			Basic	26.2¢	26.5¢
			High Density	21.9¢	22.0¢
			Saturation	19.4¢	19.4¢

2012

Standard Mail (A)
Rate Comparison Chart
Minimum Volume Is 200 Pieces—
Effective 1/22/2012

Letter Size	Before	After	Flats Size	Before	After
Regular			Regular		
Automated 5-Digit	23.7¢	24.2¢	Nonautomation 5-Digit	38.2¢	38.8¢
Barcoded					
Automated 3-Digit	25.5¢	26.0¢	Nonautomation 3-Digit	46.4¢	47.0¢
Barcoded					
Automation AADC	25.7¢	26.2¢	Nonautomation ADC	51.6¢	52.8¢
Automation Mixed AADC	27.3¢	27.8¢	Nonautomation Mixed ADC	54.9¢	56.1¢
Enhanced Carrier Route			Automated 5-Digit	34.7¢	35.3¢
			Barcoded		
Basic	26.5¢	27.1¢	Automated 3-Digit	42.6¢	43.8¢
			Barcoded		
High Density	19.5¢	19.9¢	Automation ADC	48.2¢	49.4¢
Saturation	18.2¢	18.5¢	Automation Mixed ADC	49.2¢	50.4¢
			Enhanced Carrier Route		
			Basic	26.5¢	27.1¢
			High Density	22.0¢	22.4¢
			Saturation	19.4¢	19.7¢



First Class
Mail



POSTAL RATE CHANGES: FIRST-CLASS MAIL

1999

First-Class Mail Rate
Comparison Chart

Minimum Volume for
Presort and Automation
Rates Is 500 Pieces

Effective 1/10/1999

2001

First-Class Mail Rate
Comparison Chart

Minimum Volume for
Presort and Automation
Rates Is 500 Pieces

Effective 1/7/2001

Letters & Sealed Parcels (1 st oz.)			Letters & Sealed Parcels (1 st oz.)		
	Before	After		Before	After
Single-Piece	32.0¢	33.0¢	Single-Piece	33.0¢	34.0¢
Presort	29.5¢	30.5¢	Presort	30.5¢	32.0¢
Automation			Automation		
Basic	26.1¢	27.0¢	Basic	27.0¢	27.8¢
3-Digit Barcoded	25.4¢	26.1¢	3-Digit Barcoded	26.1¢	26.7¢
5-Digit Barcoded	23.8¢	24.3¢	5-Digit Barcoded	24.3¢	25.3¢
Carrier Route	23.0¢	23.8¢	Carrier Route	23.8¢	24.3¢
Flats (1 st oz.)			Flats (1 st oz.)		
	Before	After		Before	After
Single-Piece	32.0¢	33.0¢	Single-Piece	33.0¢	34.0¢
Presort	29.5¢	30.5¢	Presort	30.5¢	32.0¢
Automation			Automation		
Basic	29.0¢	30.0¢	Basic	30.0¢	31.0¢
3/5	27.0¢	27.0¢	3-Digit Barcoded	27.0¢	29.5¢
			5-Digit Barcoded	27.0¢	27.5¢
Postcards & Postal Cards			Postcards & Postal Cards		
	Before	After		Before	After
Single-Piece	20.0¢	20.0¢	Single-Piece	20.0¢	20.0¢
Presort	18.0¢	18.0¢	Presort	18.0¢	18.0¢
Automation			Automation		
Basic	16.6¢	16.6¢	Basic	16.6¢	16.4¢
3-Digit Barcoded	15.9¢	15.9¢	3-Digit Barcoded	15.9¢	15.8¢
5-Digit Barcoded	14.3¢	14.6¢	5-Digit Barcoded	14.6¢	15.1¢
Carrier Route	14.0¢	14.1¢	Carrier Route	14.1¢	14.0¢



POSTAL RATE CHANGES: FIRST-CLASS MAIL — (CONT.)

2008

First-Class Mail Rate Comparison Chart
 Minimum Volume for Presort and
 Automation Rates Is 500 Pieces
 Effective 5/12/2008

Letters & Sealed Parcels (1 st oz.)	Before	After	Postcards & Postal Cards	Before	After
Single-Piece	41.0¢	42.0¢	Single-Piece	26.0¢	27.0¢
Presort	37.3¢	39.4¢	Presort	24.1¢	24.2¢
Automation			Automation		
3-Digit Barcoded	33.4¢	34.6¢	3-Digit Barcoded	20.4¢	21.0¢
5-Digit Barcoded	31.2¢	32.4¢	5-Digit Barcoded	19.1¢	19.9¢
Flats (1st oz.)	Before	After			
Single-Piece	80.0¢	83.0¢			
Presort	69.9¢	72.7¢			
Automation					
3-Digit Barcoded	48.4¢	47.9¢			
5-Digit Barcoded	38.3¢	36.4¢			

2009

First-Class Mail Rate Comparison Chart
 Minimum Volume for Presort and
 Automation Rates Is 500 Pieces
 Effective 11/29/2009

Letters & Sealed Parcels (1 st oz.)	Before	After	Postcards & Postal Cards	Before	After
Single-Piece	42.0¢	44.0¢	Single-Piece	27.0¢	27.0¢
Presort	39.4¢		Presort	24.2¢	24.5¢
Automation			Automation		
3-Digit Barcoded	34.6¢	35.7¢	3-Digit Barcoded	21.0¢	21.8¢
5-Digit Barcoded	32.4¢	33.5¢	5-Digit Barcoded	19.9¢	20.5¢
Flats (1st oz.)	Before	After			
Single-Piece	83.0¢	88.0¢			
Presort	72.7¢	75.7¢			
Automation					
3-Digit Barcoded	47.9¢	54.2¢			
5-Digit Barcoded	36.4¢	38.0¢			



POSTAL RATE CHANGES: FIRST-CLASS MAIL — (CONT.)

2011

First-Class Mail Rate Comparison Chart

Minimum Volume for Presort and Automation Rates Is 500 Pieces

Effective 4/17/2011

Letters & Sealed Parcels (1 st oz.)	Before	After	Postcards & Postal Cards	Before	After
Single-Piece	44.0¢	44.0¢	Single-Piece	27.0¢	27.0¢
Presort			Presort	24.5¢	26.0¢
Automation			Automation		
3-Digit Barcoded	35.7¢	36.5¢	3-Digit Barcoded	21.0¢	22.2¢
5-Digit Barcoded	33.5¢	34.0¢	5-Digit Barcoded	20.5¢	20.8¢
Flats (1st oz.)	Before	After			
Single-Piece	83.0¢	88.0¢			
Presort	75.7¢	75.7¢			
Automation					
3-Digit Barcoded	54.2¢	54.7¢			
5-Digit Barcoded	38.0¢	37.3¢			

2012

First-Class Mail Rate Comparison Chart

Minimum Volume for Presort and Automation Rates Is 500 Pieces

Effective 1/22/2012

Letters & Sealed Parcels (1 st oz.)	Before	After	Postcards & Postal Cards	Before	After
Single-Piece	44.0¢	45.0¢	Single-Piece	27.0¢	32.0¢
Presort			Presort	26.0¢	28.0¢
Automation			Automation		
3-Digit Barcoded	36.5¢	37.4¢	3-Digit Barcoded	22.2¢	24.3¢
5-Digit Barcoded	34.0¢	35.0¢	5-Digit Barcoded	20.8¢	22.9¢
Flats (1st oz.)	Before	After			
Single-Piece	88.0¢	90.0¢			
Presort	75.7¢	76.2¢			
Automation					
3-Digit Barcoded	54.7¢	57.4¢			
5-Digit Barcoded	37.3¢	40.0¢			



POSTAL RATE CHANGES: FIRST-CLASS MAIL — (CONT.)

2013

First-Class Mail Rate Comparison Chart

Minimum Volume for Presort and Automation Rates Is 500 Pieces

Effective 1/27/2013

Letters & Sealed Parcels (1 st oz.)			Postcards & Postal Cards		
	Before	After		Before	After
Single-Piece	45.0¢	46.0¢	Single-Piece	32.0¢	33.0¢
Presort		43.3¢	Presort	28.0¢	28.1¢
Automation			Automation		
3-Digit Barcoded	37.4¢	38.4¢	3-Digit Barcoded	24.3¢	24.6¢
5-Digit Barcoded	35.0¢	36.0¢	5-Digit Barcoded	22.9¢	23.4¢
Flats (1 st oz.)					
	Before	After		Before	After
Single-Piece	90.0¢	92.0¢			
Presort	76.2¢	77.2¢			
Automation					
3-Digit Barcoded	57.4¢	59.4¢			
5-Digit Barcoded	40.0¢	40.6¢			

2014

First-Class Mail Rate Comparison Chart

Minimum Volume for Presort and Automation Rates Is 500 Pieces

Effective 1/26/2014

Letters & Sealed Parcels (1 st oz.)			Postcards & Postal Cards		
	Before	After		Before	After
Single-Piece	46.0¢	49.0¢	Single-Piece	33.0¢	34.0¢
Presort	43.3¢	46.0¢	Presort	28.1¢	29.3¢
Automation			Automation		
3-Digit Barcoded	38.4¢	40.6¢	3-Digit Barcoded	24.6¢	26.5¢
5-Digit Barcoded	36.0¢	38.1¢	5-Digit Barcoded	23.4¢	25.1¢
Flats (1 st oz.)					
	Before	After		Before	After
Single-Piece	92.0¢	98.0¢			
Presort	77.2¢	81.5¢			
Automation					
3-Digit Barcoded	59.4¢	63.4¢			
5-Digit Barcoded	40.6¢	45.1¢			



POSTAL RATE CHANGES: FIRST CLASS MAIL — (CONT.)

2015

First-Class Mail Rate Comparison Chart

Minimum Volume for Presort and Automation Rates Is 500 Pieces

Effective 5/31/2015

Letters & Sealed Parcels (1 st oz.)			Postcards & Postal Cards		
	Before	After		Before	After
Single-Piece	46.0¢	49.0¢	Single-Piece	34.0¢	35.0¢
Presort	43.3¢	47.1¢	Presort	28.1¢	29.5¢
Automation			Automation		
3-Digit Barcoded	38.4¢	41.6¢	3-Digit Barcoded	26.5¢	27.5¢
5-Digit Barcoded	36.0¢	39.1¢	5-Digit Barcoded	25.1¢	26.0¢
Flats (1 st oz.)					
	Before	After		Before	After
Single-Piece	92.0¢	98.0¢			
Presort	77.2¢	83.1¢			
Automation					
3-Digit Barcoded	59.4¢	66.2¢			
5-Digit Barcoded	40.6¢	47.0¢			

2016

First-Class Mail Rate Comparison Chart

Minimum Volume for Presort and Automation Rates Is 500 Pieces

Effective 4/10/2016

Letters & Sealed Parcels (1 st oz.)			Postcards & Postal Cards		
	Before	After		Before	After
Single-Piece	49.0¢	47.0¢	Single-Piece	35.0¢	34.0¢
Presort	47.1¢	45.2¢	Presort	29.5¢	28.3¢
Automation			Automation		
3-Digit Barcoded	41.6¢	39.9¢	3-Digit Barcoded	27.5¢	26.3¢
5-Digit Barcoded	39.1¢	37.6¢	5-Digit Barcoded	26.0¢	25.0¢
Flats (1 st oz.)					
	Before	After		Before	After
Single-Piece	98.0¢	94.0¢			
Presort	83.1¢	79.8¢			
Automation					
3-Digit Barcoded	66.2¢	63.0¢			
5-Digit Barcoded	47.0¢	43.8¢			



POSTAL RATE CHANGES: FIRST-CLASS MAIL — (CONT.)

2017

First-Class Mail Rate Comparison Chart

Minimum Volume for Presort and Automation Rates Is 500 Pieces

Effective 1/3/2017

Letters & Sealed Parcels (1 st oz.)	Before	After	Postcards and Postal Cards	Before	After
Single-Piece	47.0¢	46.0¢	Single-Piece	34.0¢	34.0¢
Presort	45.2¢	45.3¢	Presort	28.3¢	28.4¢
Automation			Automation		
3-Digit Barcoded	39.9¢	54.9¢	3-Digit Barcoded	26.3¢	N/A
5-Digit Barcoded	37.6¢	46.2¢	5-Digit Barcoded	25.0¢	25.3¢
Flats (1st oz.)					
Single-Piece	94.0¢	98.0¢			
Presort	79.8¢	79.8¢			
Automation					
3-Digit Barcoded	63.0¢	63.0¢			
5-Digit Barcoded	43.8¢	44.6¢			



POSTAL RATE CHANGES: FIRST-CLASS MAIL — (CONT.)

2018

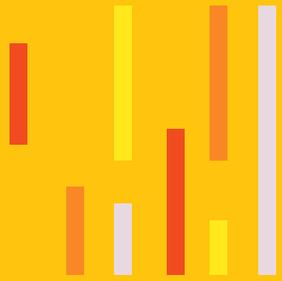
First-Class Mail Rate Comparison Chart

Minimum Volume for Presort and Automation Rates Is 500 Pieces

Effective 1/21/2018

Letters (1 st oz.)	Before	After	Postcards & Postal Cards	Before	After
Single-Piece (Metered)	46.0¢	47.0¢	Single-Piece	34.0¢	35.0¢
Presort (Up to 3.5 Ounces)	45.3¢	45.8¢	Presort	28.4¢	28.0¢
Automation (Up to 3.5 Ounces)			Automation		
3-Digit Barcoded	NA	NA	3-Digit Barcoded	NA	N/A
5-Digit Barcoded	37.3¢	37.8¢	5-Digit Barcoded	25.3¢	25.7¢
Flats (1 st oz.)					
Single-Piece	98.0¢	100.0¢			
Presort	79.8¢	79.9¢			
Automation					
3-Digit Barcoded	63.0¢	59.3¢			
5-Digit Barcoded	44.6¢	47.4¢			





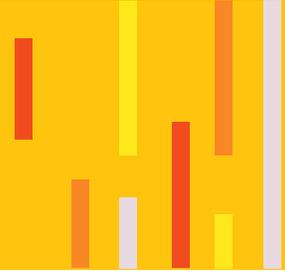
CHAPTER 14

Source Index





CHAPTER 14: Source Index



A BIG THANKS

We would like to thank the many individuals and organizations that have provided the research to make this book a comprehensive and indispensable resource for the direct, data-driven, and digital marketing field.

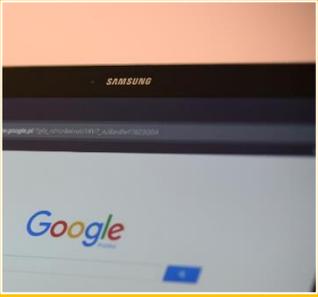
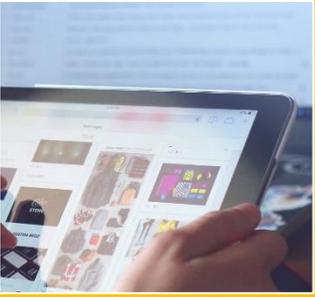




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