

Database Marketing Survey Summer 2006

*A survey of industry professionals
regarding the maintenance and usage of customer data.*

Fully sponsored and conducted by Drake Direct, 225 East 46th Street, Penthouse D, New York, NY 10017
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Summer 2006 Database Marketing Survey

By Drake Direct

Background

Drake Direct, a database marketing consulting firm, in an effort to gauge satisfaction of direct marketing industry members on the usage of customer information, conducted a follow-up survey during the summer of 2006 to their originally published 1999 Database Marketing Survey.

The survey was mailed to 2,000 DM News subscribers who fell into one of five business categories:

- Catalogue (Consumer/Retail Outlet)
- Financial Direct Marketer
- Non-Financial Direct Marketer
- Package Goods Direct Marketer
- Publisher/Subscription Marketer

Before mailing the surveys, companies were closely examined to ensure they were in fact properly classified. Consulting firms and vendors were eliminated from consideration.

The survey was comprised of 15 questions, some with multiple parts. A copy of the introductory letter and double-sided survey can be seen in Exhibits 1 and 2. To solicit response, a small credit card sized calculator was enclosed in the mailer along with an opportunity to receive a prize of an iPod Nano™. A copy of the prize ticket enclosed with the survey can be seen in Exhibit 3.

Of the 2,000 surveys mailed, 49 were returned as undeliverable. Of the 132 people who responded, 116 qualified for analysis. Sixteen respondents were eliminated based on responses to questions which indicated they have no involvement at all with their company's database or they were consultants or vendors who serviced direct marketers.

Profile of Respondents and Their Companies

Respondents were asked a number of questions regarding their careers and companies they work for.

First, they were asked for the number of years they have been employed in the direct marketing industry during their career lifetime (Question #1f). Based on the 116 qualified responses, the average time in the industry among respondents was calculated as 13.30 years. This average is significantly higher¹ than the average number of years listed in the 1999 survey of 11.43 years.

Respondents were also asked to list the department they work in, their main responsibility and job title (Question #s 1b, 1c and 1d). A summarization of the results for all 116 qualified responses in comparison with the 1999 survey data can be found in the table below. Based on a chi-square test, there does appear to be a slight shift in job functions between respondents to the 1999 survey and the 2006 survey. In particular, significantly fewer of the respondents were in marketing this year versus 1999.

Job Function	1999 Percent	2006 Percent
Marketing	38.90%	30.17%
Marketing Services	9.70%	14.66%
Production/Operations/Fulfillment/Customer Service	6.90%	9.48%
Database Maintenance	2.80%	1.72%
Advertising	0.03%	0.00%
Copy/Creative	2.10%	5.17%
Other	8.30%	5.17%
Executive	28.50%	33.62%

114 of the 116 qualified respondents revealed the number of employees working for their company, including consultants and contractors (Question #1a). The results as compared to the 1999 survey are shown in the following table. Based on a Chi-square test there is no significant difference in distributions between 1999 and 2006.

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Estimated Number of Employees	1999 Percent	2006 Percent
Less than 25	14.00%	14.91%
25 – 99	9.60%	14.91%
100 – 499	25.70%	26.32%
500 - 2,499	25.00%	22.81%
2,500+	25.70%	21.05%

Based on Question #1g, all 116 qualified respondents revealed the size of their company's database (number of customer records). The results as compared to the 1999 survey are shown in the following table. Based on a Chi-square test, there does appear to be a significant difference in database sizes of respondents this year versus 1999. In particular, in 2006 there were significantly more respondents with databases in the 100,000 – 999,999 range than in 1999, while in 1999 there were significantly more respondents with databases containing between 1,000,000 – 9,999,999 records.

Estimated Number of Database Records	1999 Percent	2006 Percent
Less than 25,000	10.40%	15.52%
25,000 - 99,999	13.30%	9.48%
100,000 - 999,999	22.20%	37.93%
1,000,000 - 9,999,999	35.60%	20.69%
10,000,000 - 49,999,999	12.60%	7.76%
50,000,000 +	5.90%	8.62%

All qualified respondents categorized their company by industry as shown in the following table (Question #14). Because new categories were added in 2006, no statistical comparison could be made between the two time periods.

Business Category	1999 Percent	2006 Percent
Publishing (Magazines, Books, Music, etc.)	33.30%	37.72%
Mail Order Retailer (<i>New category for 2006</i>)	0.00%	27.19%
Non-Financial Direct Marketer (<i>Category eliminated in 2006</i>)	42.40%	0.00%
Business to Business	4.90%	15.79%
Financial/Insurance	13.90%	12.28%
Auto Sales (<i>New category for 2006</i>)	0.00%	1.75%
Fund Raising	0.70%	1.75%
Health Care	2.80%	0.88%
Education (<i>New category for 2006</i>)	0.00%	0.88%
Non-regulated division of Utility Company	2.10%	0.88%
Other	0.00%	0.88%

Based on question #13, 114 of the 116 qualified respondents revealed the various forms of media used for promotions of their company's products and services. They were allowed to select all media forms that were applicable. Because respondents were allowed to select more than one category and because new categories were added in 2006, no statistical comparison could be made between the two time periods.

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Of major interest for 2006 is that almost 90% of companies surveyed conduct business via their web site or e-commerce.

Media	1999 Percent	2006 Percent
Web Site	77.10%	88.60%
E-Mail (<i>New category for 2006</i>)	0.00%	78.07%
Direct Mail Packages	76.40%	75.44%
Magazine Space Ads	62.50%	61.40%
Outbound Telemarketing	53.50%	48.25%
Package/Mail Insert Programs	41.70%	48.25%
Direct Mail Catalogues	47.90%	42.98%
Free Standing Inserts	31.30%	35.09%
Co-Op mailers	18.80%	31.58%
Television/Cable/Radio Advertising	29.20%	30.70%
Card Deck Programs	24.30%	19.30%
Other	0.00%	1.75%
Tradeshows (<i>Not a previous category</i>)	0.00%	0.88%

Database Utilization Highlights

- ❑ Approximately 55% of companies surveyed utilize the customer database for purposes of lifetime and name value analysis and customer tracking and trending (Question #6d). This figure is up versus the 1999 figure of 49% but was not found to be significant mostly due to small sample sizes.
- ❑ Another shift in the right direction is that significantly more companies in 2006 report having the necessary tools to perform such customer value and trending analyses by over 10 percentage points – 54% versus 42% (Question #6e).
- ❑ In 2006, approximately 40% of companies surveyed agreed that it is easy or very easy to access the customer information on their customer database for the purposes of analysis (Question #5a). This figure is up versus the 1999 figure of 33% but was not found to be significant.
- ❑ The 1999 survey showed that a surprising 72% of companies surveyed indicated they do not have the necessary resources needed for performing analysis techniques such as response modeling or segmentation. Fortunately, the 2006 results (Question #5d) show that this figure is significantly down by 10 percentage points to only 62% of companies surveyed. A good sign.
- ❑ Approximately 45% of companies surveyed in 2006 agreed that they create frozen files – a sample representing the customer’s characteristics at time of promotion – for analysis purposes (Question #5c). This figure is up versus the 1999 figure of 36% but was not found to be significant.
- ❑ The 2006 survey revealed that only 41% of companies determine appropriate sample sizes and conduct hypothesis tests to determine significance when conducting and analyzing marketing tests (Question #5e). Obviously we have a long way to go regarding good testing practices!
- ❑ The percentage of companies in 2006 that perform a post analysis after each and every marketing campaign stands at 62% which is down from the 1999 level of 67% (Question #6b). Why this figure would be down certainly requires further investigation and is not a good trend. This means that more than one third of direct marketers are not dissecting a campaign to determine what worked and what did not work. Could the decline here be due to a more thinly spread workforce today versus 1999?
- ❑ Interestingly, however, is the fact that significantly more companies have the necessary tools to perform post analyses today versus 1999 -- 58% versus 48% (Question #6c). Therefore, this leads us to the conclusion that the reason fewer are performing such analyses, as indicated by Questions #6b, must be due to workload issues.

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- Another bad sign found in this survey is that only 33% of companies surveyed in 2006 reported that when they adopt a new promotion strategy, the old strategy is back tested or re-tested at least once to ensure the correct decision was made. This is an alarmingly low percentage. *(Please note this was a new question and no comparison to 1999 could be made.)*

The complete list of answers to these questions regarding database utilization can be found in Exhibit 4.

Database Type and Maintenance Highlights

- Significantly more companies in 2006 compared to 1999 are collecting their own demographic data directly from customers – 44% versus 35% (Question #7a)
- Although not significant, more companies in 2006 compared to 1999 are also purchasing more demographics from outside vendors – 55% versus 52% (Question #7b).
- Of all the companies surveyed in 2006, a surprisingly high 59% integrate online and offline data into one marketing database (Question #8b). A great sign! Unfortunately, we do not know the percentage for 1999.
- Seventy-three percent of respondents in 2006 clearly indicated that their companies verify the addresses on the customer file or database through e.g. NCOA processing more than once per year (Question #8d). *(Please note that because this question was changed slightly since 1999, no comparison could be made.)*
- The number of companies without a disaster recovery plan since 1999 has gone down significantly from 21% to 5% (Question #8g). A positive trend indicating that more companies have developed some sort of back-up plan for database contingencies.

The complete list of answers to these and other questions regarding database maintenance practices can be found in Exhibit 4.

Industry and Company View Highlights

- Only 41% of respondents in 2006 feel their company is aligned with the direct marketing industry through its affiliation with the Direct Marketing Association and other direct marketing associations (Question #10). This is down slightly from 1999 which stands at 44% but is not significant.
- When respondents to the 2006 survey were asked to rate their satisfaction with the direct marketing industry regarding their career and career opportunities on a scale of 1 to 10, 1 being “Extremely Unhappy” and 10 being “Extremely Happy,” the calculated average was 6.4, the exact same average calculated from the results of the 1999 study (Question #11).
- When asked to select the three descriptive phrases from a list of 18 that best describe how they view the direct marketing industry in general (Question #15a), the top 2 ranking responses were “Constantly evolving and improving,” and “Marketing decisions are driven by testing results.” This was followed by “Intensely competitive” and “Maximizes the use of customer information,” the same top 4 as were ranked in the 1999 survey.
- When asked to select the three descriptive phrases from a list of 14 that best describe how they view their company in relation to the direct marketing industry (Question #15b), the top 2 ranking phrases were “Constantly evolving and improving,” and “Does not leverage customer information to its fullest.” These are followed by “Marketing decisions are driven by testing results,” and “Does not leverage technology to its fullest.” These findings are not statistically different from those of the 1999 survey.

The complete list of answers to these questions regarding industry and company views can be found in Exhibit 4.

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Summary of Survey Findings

- In general, database marketing companies are embracing technology and tools more to assist them in performing marketing critical analyses such as names value, tracking, etc.
- However, not as many companies as one would think or expect are performing needed post analyses prior each marketing campaign or practicing proper testing methods.
- More and more companies seem to understand the importance of scrubbing the file and utilizing demographic overlays to increase the efficiency of their marketing efforts.
- Satisfaction with the direct marketing community and their jobs overall appear to have not changed since 1999.

¹ Statistical significance was determined using the 90% Confidence Level for all calculations.

DRAKE DIRECT

Database Marketing Specialists

May 1, 2006

Dear Direct Marketing Professional,

Five years ago Drake Direct conducted a survey of direct response marketing professionals throughout the country which was published in the **2001 DMA Statistical Fact Book**. The objective of the study was to gauge satisfaction of industry members on the usage of customer information. Drake Direct is once again conducting this survey.



This is your opportunity to share your perspective relating to industry trends on the usage of such data. Be heard along with other direct response marketing professionals as we will be gathering and sharing our findings with the industry.



The enclosed pocket size calculator is our way of thanking you in advance for assisting us in our research efforts. Please continue reading this letter to find out how you can **win a FREE iPod nano** featuring 1GB of storage for music and podcasts.

Drake Direct is an independent database marketing consulting firm and a member of the DMA. All answers to this survey will be held in the strictest of confidence. As in our prior surveys, responses will be combined with those of other professionals and viewed only in aggregate.

To show our appreciation for completing the enclosed survey, you will be eligible to participate in a drawing for the all new iPod nano. *To enter, simply fill out the enclosed drawing ticket and return it with your completed survey in the postage paid envelope provided. Hurry, the deadline for the drawing is June 2, 2006.*

Thank you in advance for taking part in this important industry survey. As I am sure you understand, your opinion is very important to us and the direct marketing community. We hope you enjoy your free pocket calculator.

Sincerely,

A handwritten signature in black ink that reads 'Elena P. Clarizio'.

Elena P. Clarizio
Market Research Analyst

Survey of Direct Response Marketers

Please read the enclosed letter before completing this survey. This questionnaire is anonymous and all answers will be held in the strictest of confidence. Responses will be combined with those of other professionals and viewed only in aggregate. We thank you for taking part in this important industry survey.

Return this survey to: Drake Direct
 225 East 46th Street, Suite PH-D
 New York, NY 10017
 Attn: Survey Department

When marking your answers, please use a blue or black ink pen. Make solid marks that fit in response boxes.

RIGHT WAY → WRONG WAY →

1. Please supply the following background information.

- 1a. Estimate of the total number of worldwide employees working for your company (including contractors & consultants): _____
- 1b. The name of the department in which you work: _____
- 1c. Describe your main responsibility: _____
- 1d. Your job title (Manager, VP, etc.): _____
- 1e. Number of years employed at this company: _____
- 1f. Number of years that you have been in the direct response marketing industry during your career: _____
- 1g. Estimate the total number of customer records on your database: _____

2. Please specify your age. (Please mark only one answer.)

- ₁ 18-24 ₂ 25-34 ₃ 35-44 ₄ 45-54 ₅ 55-64 ₆ 65 and over

3. Please provide your highest level of education received. (Please mark only one answer.)

- ₁ High school ₂ Some college ₃ Associate's degree ₄ Bachelor's degree ₅ Some graduate work ₆ Graduate degree

4. In which ways does your company currently utilizes customer information contained on its customer file/database. (Check all that apply.)

- ₁ Fulfillment ₂ Customer Profiling ₃ Market Research ₄ Promotions ₅ Lifetime Value Analyses
₆ Retention Efforts ₇ Acquisition Efforts ₈ Segmentation ₉ Telemarketing ₁₀ Regression Response Modeling
₁₁ Financials ₁₂ Customer Service ₁₃ Database Maintenance ₁₄ List Rental ₁₅ Customer Trending
₁₆ Other: _____

5. Please answer the following statements regarding various quantitative aspects of direct response marketing. (Please mark only one answer per statement, unless otherwise specified.)

- a. How would you rate the ease of accessing customer information on your company's customer file/database for analysis purposes?
₁ Very difficult ₂ Difficult ₃ Neither difficult nor easy ₄ Easy ₅ Very easy ₆ Don't know
- b. How would you rate the ease of using raw data stored on your company's customer file/database to derive and create new data fields for analysis purposes?
₁ Very difficult ₂ Difficult ₃ Neither difficult nor easy ₄ Easy ₅ Very easy ₆ Don't know
- c. Does your company create and use frozen samples (a sample representing the customers characteristics at time of promotion) from your customer file/database for analysis purposes?
₁ Yes ₂ No ₃ Don't know
- d. Assess the following statement: My company has adequate resources (software, hardware, staff, etc.) for performing quantitative analysis techniques such as response modeling and segmentation.
₁ Strongly disagree ₂ Disagree ₃ Neither agree nor disagree ₄ Agree ₅ Strongly agree ₆ Don't know / Not applicable
- e. Assess the following statement: When conducting and analyzing marketing tests, my company always determines appropriate sample sizes and conducts hypothesis tests to determine significance.
₁ Strongly disagree ₂ Disagree ₃ Neither agree nor disagree ₄ Agree ₅ Strongly agree ₆ Don't know

6. Please answer the following statements regarding various marketing aspects of direct response marketing. (Please mark only one answer per statement, unless otherwise specified.)

- a. Assess the following statement: My company always tests any change to our promotional strategy (price, format, copy) before implementing the change in a large marketing campaigns.
₁ Strongly disagree ₂ Disagree ₃ Neither agree nor disagree ₄ Agree ₅ Strongly agree ₆ Don't know
- b. Assess the following statement: My company always performs post analyses (an in-depth analysis of a marketing campaign's results) after each and every marketing campaign.
₁ Strongly disagree ₂ Disagree ₃ Neither agree nor disagree ₄ Agree ₅ Strongly agree ₆ Don't know
- c. Assess the following statement: My company has the necessary software/tools for performing the post analyses of our marketing campaigns.
₁ Strongly disagree ₂ Disagree ₃ Neither agree nor disagree ₄ Agree ₅ Strongly agree ₆ Don't know / Not applicable
- d. Assess the following statement: My company regularly produces reports in order to monitor customer segment counts, customer trends, erosion of our customer base, name value and other key strategic measures.
₁ Strongly disagree ₂ Disagree ₃ Neither agree nor disagree ₄ Agree ₅ Strongly agree ₆ Don't know
- e. Assess the following statement: My company has the necessary software/tools for creating reports similar to those listed in question 6d above.
₁ Strongly disagree ₂ Disagree ₃ Neither agree nor disagree ₄ Agree ₅ Strongly agree ₆ Don't know / Not applicable
- f. Assess the following statement: When adopting any new promotional strategy, my company always back tests (re-tests) the old promotional strategy at least one time to confirm a correct decision was made.
₁ Strongly disagree ₂ Disagree ₃ Neither agree nor disagree ₄ Agree ₅ Strongly agree ₆ Don't know

SURVEY CONTINUED ON OTHER SIDE.

7. Please answer the following statements regarding demographic/lifestyle customer information. (Please mark only one answer per statement, unless otherwise specified.)
- a. Does your company collect its own demographic/lifestyle information directly from your customers (e.g., age, income, marital status, hobbies, etc.)?
₁ Yes ₂ No ₃ Don't know
- b. Does your company purchase demographic/lifestyle information from outside vendors?
₁ Yes ₂ No ₃ Don't know

8. Please answer the following statements regarding database maintenance. (Please mark only one answer per statement, unless otherwise specified.)
- a. Is all or part of your company's customer file/database maintained by a third party / outside vendor?
₁ Yes ₂ No ₃ Don't know
- b. Does your company integrate online and offline data into a single marketing database?
₁ Yes ₂ No ₃ Not applicable ₄ Don't know
- c. Taking into account that there may exist different update schedules by data source, how frequently is your company's customer data updated? (Check all that apply.)
₁ Real time ₂ Daily ₃ Bi-weekly ₄ Weekly ₅ Monthly ₆ Other _____ ₇ Don't know
- d. How often does your company verify the addresses on your customer file/database (e.g., NCOA processing)?
₁ Quarterly ₂ Semi-annually ₃ Annually ₄ Other: _____ ₅ Don't know
- e. Does your company regularly purge old information and/or old customers off of your customer file/database?
₁ Yes ₂ No ₃ Don't know
- f. If "yes" to question 8e above, what specifically does your company regularly purge off of your customer file/database? (Check all that apply.)
₁ Old inactive customers ₂ Deceased customers ₃ Old product purchase information ₄ Other: _____
- g. Does your company have a disaster recovery / back-up plan for your customer file/database?
₁ Yes ₂ No ₃ Don't know

9. Assess the following statement: My company has a clear CRM strategy in place to enhance the customer experience and maximize customer value. (Please mark only one answer.)
₁ Strongly disagree ₂ Disagree ₃ Neither agree nor disagree ₄ Agree ₅ Strongly agree ₆ Don't know

10. Please assess the following statement: My company is strongly aligned with the direct marketing industry through its affiliation with other direct marketers and direct marketing associations. (Please mark only one answer.)
₁ Strongly disagree ₂ Disagree ₃ Neither agree nor disagree ₄ Agree ₅ Strongly agree ₆ Don't know

11. How satisfied are you with the direct marketing industry regarding your career and career opportunities on a scale of 1 to 10? (Please mark only one.) (Extremely unhappy) ₁ 1 ₂ 2 ₃ 3 ₄ 4 ₅ 5 ₆ 6 ₇ 7 ₈ 8 ₉ 9 ₁₀ 10 (Extremely happy)

12. Does your company outsource any of the following activities either partially or fully? (Check all that apply.)
₁ Lettershop ₂ Market Research ₃ Promotional Art/Copy ₄ Outbound Telemarketing ₅ Response Modeling
₆ Help Desk ₇ Customer Service ₈ Fulfillment Operations ₉ Customer Segmentation ₁₀ Customer Profiling
₁₁ Other: _____

13. Indicate which media your company uses for promotion of its products and services. (Check all that apply.)
₁ Direct Mail Packages ₂ Co-op Mailers ₃ Outbound Telemarketing ₄ Direct Mail Catalogues ₅ Package/Mail Insert Programs
₆ Magazine Space Ads ₇ Web Site ₈ Television/Cable Advertising ₉ Card Deck Programs ₁₀ Free Standing Inserts
₁₁ E-Mail ₁₂ Other: _____

14. Which category best describes your company? (Please mark only one answer.)
₁ Mail Order Retailer ₂ Financial/Insurance ₃ Health Care ₄ Fund Raising ₅ Publishing (Magazines, Books, Music, etc.)
₆ Business to Business ₇ Other: _____

15. Below are two sets of descriptive phrases. Please select the three descriptive phrases for each set that best describes (a) how you view the direct marketing industry in general and (b) how you view your company in comparison to the direct marketing industry.

- a. Please select the three descriptive phrases that best describes how you view the direct marketing industry in general. (Select only three phrases.)
- | | |
|--|---|
| <input type="checkbox"/> ₁ On the cutting edge. | <input type="checkbox"/> ₂ Employs sophisticated techniques. |
| <input type="checkbox"/> ₃ The future of consumer retail. | <input type="checkbox"/> ₄ Lacking industry wide standards. |
| <input type="checkbox"/> ₅ Marketing decisions are driven by testing results. | <input type="checkbox"/> ₆ Inadequate methods to target customer acquisitions. |
| <input type="checkbox"/> ₇ Does not leverage customer information to its fullest. | <input type="checkbox"/> ₈ Maximizes the use of customer information. |
| <input type="checkbox"/> ₉ Intensely competitive. | <input type="checkbox"/> ₉ Infringes on consumer privacy. |
| <input type="checkbox"/> ₁₀ Technology driven. | <input type="checkbox"/> ₁₀ Lacks technical expertise. |
| <input type="checkbox"/> ₁₁ Lacks regard for technology specialists. | <input type="checkbox"/> ₁₁ Does not leverage technology to its fullest. |
| <input type="checkbox"/> ₁₂ Good career opportunities for creative people. | <input type="checkbox"/> ₁₂ Good career opportunities for technical people. |
| <input type="checkbox"/> ₁₃ A formulaic industry. | <input type="checkbox"/> ₁₃ Constantly evolving and improving. |
- b. Please select the three descriptive phrases that best describes how you view your company in relation to the direct marketing industry. (Select only three phrases.)
- | | |
|--|---|
| <input type="checkbox"/> ₁ On the cutting edge. | <input type="checkbox"/> ₂ Employs sophisticated techniques. |
| <input type="checkbox"/> ₃ Marketing decisions are driven by testing results. | <input type="checkbox"/> ₄ Inadequate methods to target customer acquisitions. |
| <input type="checkbox"/> ₅ Does not leverage customer information to its fullest. | <input type="checkbox"/> ₆ Maximizes the use of customer information. |
| <input type="checkbox"/> ₇ Technology driven. | <input type="checkbox"/> ₇ Lacks technical expertise. |
| <input type="checkbox"/> ₈ Lacks regard for technology specialists. | <input type="checkbox"/> ₈ Does not leverage technology to its fullest. |
| <input type="checkbox"/> ₉ Good career opportunities for creative people. | <input type="checkbox"/> ₉ Good career opportunities for technical people. |
| <input type="checkbox"/> ₁₀ Formulaic marketing practices. | <input type="checkbox"/> ₁₀ Constantly evolving and improving. |

Exhibit 3 – Prize Ticket Enclosure

**YOU HAVE A 1 IN 200
CHANCE OF WINNING
A NEW IPOD NANO**

*Simply fill out and return this entry ticket along with your completed survey by
June 2, 2006 to be eligible to win a brand new iPod Nano!*



Name: _____
Address: _____
City: _____
State/Zip: _____
Email: _____

Exhibit 4 – Detail Survey Results

Q-1a) Estimate of the total number of worldwide employees working for your company (including contractors & consultants)	1999 Response Count	2006 Response Count	1999 Percent	2006 Percent
Less than 25	19	17	14.00%	14.91%
25 - 99	13	17	9.60%	14.91%
100 - 499	35	30	25.70%	26.32%
500 - 2,499	34	26	25.00%	22.81%
2,500+	35	24	25.70%	21.05%
Total	136	114	100.00%	100.00%

Q-1b,c and d combined) The name of the department in which you work, describe your main responsibility and your job title*	1999 Response Count	2006 Response Count	1999 Percent	2006 Percent
Marketing	56	35	38.89%	30.17%
Marketing Services	14	17	9.72%	14.66%
Production/Operations/Fulfillment/Customer Service	10	11	6.94%	9.48%
Database Maintenance	4	2	2.78%	1.72%
Advertising	4	0	2.78%	0.00%
Copy/Creative	3	6	2.08%	5.17%
Other	12	6	8.33%	5.17%
Executive	41	39	28.47%	33.62%
Total	144	116	100.00%	100.00%

Q-1e) Number of years employed at this company		
1999 Average Years		8.57
2006 Average Years		10.16

Q-1f) Number of years that you have been in the direct response industry during your career:		
1999 Average Years		11.43
2006 Average Years		13.30

Q-1g) Estimate the total number of customer records on your database:	1999 Response Count	2006 Response Count	1999 Percent	2006 Percent
Less than 25,000	14	18	10.40%	15.52%
25,000 - 99,999	18	11	13.30%	9.48%
100,000 - 999,999	30	44	22.20%	37.93%
1,000,000 - 9,999,999	48	24	35.60%	20.69%
10,000,000 - 49,999,999	17	9	12.60%	7.76%
50,000,000 +	8	10	5.90%	8.62%
Total	135	116	100.00%	100.00%

Q-4) In which ways does your company currently utilize customer information contained on its customer file/database (Check all that apply)	1999 Response Count	2006 Response Count	1999 Percent	2006 Percent
Promotions	118	88	81.94%	75.86%
Retention Efforts	95	82	65.97%	70.69%
Fulfillment	111	76	77.08%	65.52%
Customer Service	100	75	69.44%	64.66%
Acquisition Efforts	87	71	60.42%	61.21%
Segmentation	89	67	61.81%	57.76%
Customer Profiling	96	64	66.67%	55.17%
Database Maintenance	94	64	65.28%	55.17%
Market Research	85	62	59.03%	53.45%
Telemarketing	80	62	55.56%	53.45%
List Rental	73	59	50.69%	50.86%
Lifetime Value Analyses	53	43	36.81%	37.07%
Financials	46	41	31.94%	35.34%
Customer Trending	39	37	27.08%	31.90%
Regression Response Modeling	46	36	31.94%	31.03%
Ad-selling	0	1	0.00%	0.86%
New Store Development	0	1	0.00%	0.86%

Q-5a) How would you rate the ease of accessing customer information on your company's customer file/database for analysis purposes?	1999 Response Count	2006 Response Count	1999 Percent	2006 Percent	1999 Percent of Known	2006 Percent of Known
Very Difficult	8	3	5.56%	2.59%	5.71%	2.70%
Difficult	46	24	31.94%	20.69%	32.86%	21.62%
Neither difficult nor easy	38	38	26.39%	32.76%	27.14%	34.23%
Easy	33	31	22.92%	26.72%	23.57%	27.93%
Very Easy	15	15	10.42%	12.93%	10.71%	13.51%
Don't Know	4	5	2.78%	4.31%		
Total	144	116	100.00%	100.00%		

Q-5b) How would you rate the ease of using raw data stored on your company's customer file/database to derive and create new data fields for analysis purposes?	1999 Response Count	2006 Response Count	1999 Percent	2006 Percent	1999 Percent of Known	2006 Percent of Known
Very Difficult	15	11	10.42%	9.48%	11.19%	10.58%
Difficult	61	35	42.36%	30.17%	45.52%	33.65%
Neither difficult nor easy	23	29	15.97%	25.00%	17.16%	27.88%
Easy	27	21	18.75%	18.10%	20.15%	20.19%
Very Easy	8	8	5.56%	6.90%	5.97%	7.69%
Don't Know	10	12	6.94%	10.34%		
Total	144	116	100.00%	100.00%		

Q-5c) Does your company create and use frozen samples (a sample representing the customer's characteristics at time of promotion) from your customer file/database for analysis purposes?	1999 Response Count	2006 Response Count	1999 Percent	2006 Percent	1999 Percent of Known	2006 Percent of Known
Yes	43	42	29.86%	36.21%	36.13%	45.65%
No	76	50	52.78%	43.10%	63.87%	54.35%
Don't Know	25	24	17.36%	20.69%		
Total	144	116	100.00%	100.00%		

Q-5d Assess the following statement: My company has adequate resources (software, hardware, staff, etc) for performing quantitative analysis techniques such as response modeling and segmentation	1999 Response Count	2006 Response Count	1999 Percent	2006 Percent	1999 Percent of Known	2006 Percent of Known
Strongly disagree	28	11	19.44%	9.48%	20.00%	9.91%
Disagree	50	38	34.72%	32.76%	35.71%	34.23%
Neither agree nor disagree	22	18	15.28%	15.52%	15.71%	16.22%
Agree	31	30	21.53%	25.86%	22.14%	27.03%
Strongly Agree	9	14	6.25%	12.07%	6.43%	12.61%
Don't Know	4	5	2.78%	4.31%		
Total	144	116	100.00%	100.00%		

Q-5e) Assess the following statement: When conducting and analyzing marketing tests, my company always determines appropriate sample sizes and conducts hypothesis tests to determine significance	2006 Response Count	2006 Percent	2006 Percent of Known
Strongly disagree	9	7.83%	8.18%
Disagree	33	28.70%	30.00%
Neither agree nor disagree	23	20.00%	20.91%
Agree	34	29.57%	30.91%
Strongly Agree	11	9.57%	10.00%
Don't Know	5	4.35%	
Total	115	100.00%	

Q-6a) Assess the following statement: My company always tests any change to our promotional strategy (price, format, copy) before implementing the change in a large marketing campaign	1999 Response Count	2006 Response Count	1999 Percent	2006 Percent	1999 Percent of Known	2006 Percent of Known
Strongly disagree	20	14	13.89%	12.07%	13.99%	12.28%
Disagree	42	32	29.17%	27.59%	29.37%	28.07%
Neither agree nor disagree	10	11	6.94%	9.48%	6.99%	9.65%
Agree	42	37	29.17%	31.90%	29.37%	32.46%
Strongly Agree	29	20	20.14%	17.24%	20.28%	17.54%
Don't Know	1	2	0.69%	1.72%		
Total	144	116	100.00%	100.00%		

Q-6b) Assess the following statement: My company always performs post analyses (an in-depth analysis of a marketing campaign's results) after each and every marketing campaign	1999 Response Count	2006 Response Count	1999 Percent	2006 Percent	1999 Percent of Known	2006 Percent of Known
Strongly disagree	8	10	5.56%	8.62%	5.56%	8.77%
Disagree	22	18	15.28%	15.52%	15.28%	15.79%
Neither agree nor disagree	17	13	11.81%	11.21%	11.81%	11.40%
Agree	66	45	45.83%	38.79%	45.83%	39.47%
Strongly Agree	31	28	21.53%	24.14%	21.53%	24.56%
Don't Know	0	2	0.00%	1.72%		
Total	144	116	100.00%	100.00%		

Q-6c) Assess the following statement: My company has the necessary software/tools for performing the post analyses of our marketing campaigns	1999 Response Count	2006 Response Count	1999 Percent	2006 Percent	1999 Percent of Known	2006 Percent of Known
Strongly disagree	7	8	4.86%	6.90%	4.93%	7.14%
Disagree	37	19	25.69%	16.38%	26.06%	16.96%
Neither agree nor disagree	29	18	20.14%	15.52%	20.42%	16.07%
Agree	55	52	38.19%	44.83%	38.73%	46.43%
Strongly Agree	14	15	9.72%	12.93%	9.86%	13.39%
Don't Know/Not Applicable	2	4	1.39%	3.45%		
Total	144	116	100.00%	100.00%		

Q-6d) Assess the following statement: My company regularly produces reports in order to monitor customer segment counts, customer trends, erosion of our customer base, name value and other key strategic measures	1999 Response Count	2006 Response Count	1999 Percent	2006 Percent	1999 Percent of Known	2006 Percent of Known
Strongly disagree	14	11	9.72%	9.48%	9.93%	9.57%
Disagree	36	23	25.00%	19.83%	25.53%	20.00%
Neither agree nor disagree	20	17	13.89%	14.66%	14.18%	14.78%
Agree	48	47	33.33%	40.52%	34.04%	40.87%
Strongly Agree	23	17	15.97%	14.66%	16.31%	14.78%
Don't Know	3	1	2.08%	0.86%		
Total	144	116	100.00%	100.00%		

Q-6e) Assess the following statement: My company has the necessary software/tools for creating reports similar to those listed in question 6d above	1999 Response Count	2006 Response Count	1999 Percent	2006 Percent	1999 Percent of Known	2006 Percent of Known
Strongly disagree	13	9	9.03%	7.76%	9.49%	8.04%
Disagree	46	24	31.94%	20.69%	33.58%	21.43%
Neither agree nor disagree	18	16	12.50%	13.79%	13.14%	14.29%
Agree	46	54	31.94%	46.55%	33.58%	48.21%
Strongly Agree	14	9	9.72%	7.76%	10.22%	8.04%
Don't Know/Not Applicable	7	4	4.86%	3.45%		
Total	144	116	100.00%	100.00%		

Q-6f) Assess the following statement: When adopting any new promotional strategy, my company always back tests (re-tests) the old promotional strategy at least one time to confirm a correct decision was made	2006 Response Count	2006 Percent	2006 Percent of Known
Strongly disagree	16	13.79%	13.91%
Disagree	40	34.48%	34.78%
Neither agree nor disagree	21	18.10%	18.26%
Agree	30	25.86%	26.09%
Strongly Agree	8	6.90%	6.96%
Don't Know	1	0.86%	
Total	116	100.00%	

Q-7a) Does your company collect its own demographic/lifestyle information directly from your customers (e.g., age, income, marital status, hobbies, etc)?	1999 Response Count	2006 Response Count	1999 Percent	2006 Percent	1999 Percent of Known	2006 Percent of Known
Yes	48	50	33.33%	43.86%	34.53%	44.25%
No	91	63	63.19%	55.26%	65.47%	55.75%
Don't Know	5	1	3.47%	0.88%		
Total	144	114	100.00%	100.00%		

Q-7b) Does your company purchase demographic/lifestyle information from outside vendors?	1999 Response Count	2006 Response Count	1999 Percent	2006 Percent	1999 Percent of Known	2006 Percent of Known
Yes	71	61	49.31%	53.51%	52.21%	55.96%
No	65	48	45.14%	42.11%	47.79%	44.04%
Don't Know	8	5	5.56%	4.39%		
Total	144	114	100.00%	100.00%		

Q-8a) Is all or part of your company's customer file/database maintained by a third party/outside vendor?	1999 Response Count	2006 Response Count	1999 Percent	2006 Percent	1999 Percent of Known	2006 Percent of Known
Yes	58	32	40.28%	28.07%	42.03%	28.32%
No	80	81	55.56%	71.05%	57.97%	71.68%
Don't Know	6	1	4.17%	0.88%		
Total	144	114	100.00%	100.00%		

Q-8b) Does your company integrate online and offline data into a single marketing database?	2006 Response Count	2006 Percent	2006 Percent of Known
Yes	58	51.33%	59.18%
No	31	27.43%	31.63%
Not Applicable	9	7.96%	9.18%
Don't Know	15	13.27%	
Total	113	100.00%	

Q-8c) Taking into account that there may exist different update schedules by data source, how frequently is your company's customer data updated? (Check all that apply)	2006 Response Count	2006 Percent	2006 Percent of Known
Real Time	23	20.18%	21.70%
Daily	38	33.33%	35.85%
Bi-weekly	1	0.88%	0.94%
Weekly	23	20.18%	21.70%
Monthly	21	18.42%	19.81%
Quarterly*	2	1.75%	1.89%
Semi-Annually*	2	1.75%	1.89%
Yearly*	2	1.75%	1.89%
Other	1	0.88%	0.94%
Don't Know	8	7.02%	

Q-8d) How often does your company verify the addresses on your customer file/database (e.g., NCOA processing)?	1999 Response Count	2006 Response Count	1999 Percent	2006 Percent	1999 Percent of Known	2006 Percent of Known
Daily	0	1	0.00%	0.88%	0.00%	1.05%
Monthly	13	8	9.03%	7.02%	11.61%	8.42%
6 times a year	0	1	0.00%	0.88%	0.00%	1.05%
Quarterly	36	33	25.00%	28.95%	32.14%	34.74%
Semi-annually	32	18	22.22%	15.79%	28.57%	18.95%
Annually	28	20	19.44%	17.54%	25.00%	21.05%
Never	3	3	2.08%	2.63%	2.68%	3.16%
Other	0	11	0.00%	9.65%	0.00%	11.58%
Don't Know	32	19	22.22%	16.67%		
Total	144	114	100.00%	100.00%		

Q-8e) Does your company regularly purge old information and/or old customers off your customer file/database?	1999 Response Count	2006 Response Count	1999 Percent	2006 Percent	1999 Percent of Known	2006 Percent of Known
Yes	87	51	60.42%	44.74%	68.50%	52.04%
No	40	47	27.78%	41.23%	31.50%	47.96%
Don't Know	17	16	11.81%	14.04%		
Total	144	114	100.00%	100.00%		

Q-8g) Does your company have a disaster recovery/backup plan for your customer file/database?	1999 Response Count	2006 Response Count	1999 Percent	2006 Percent	1999 Percent of Known	2006 Percent of Known
Yes	81	88	56.25%	78.57%	79.41%	94.62%
No	21	5	14.58%	4.46%	20.59%	5.38%
Don't Know	42	19	29.17%	16.96%		
Total	144	112	100.00%	100.00%		

*New Question

Q-9) Assess the following statement: My company has a clear CRM strategy in place to enhance the customer experience and maximize customer value (Please mark only one answer)	2006 Response Count	2006 Percent	2006 Percent of Known
Strongly disagree	11	9.73%	9.91%
Disagree	27	23.89%	24.32%
Neither agree nor disagree	33	29.20%	29.73%
Agree	36	31.86%	32.43%
Strongly Agree	4	3.54%	3.60%
Don't Know	2	1.77%	
Total	113	100.00%	

Q-10) Please assess the following statement: My company is strongly aligned with the direct marketing industry through its affiliation with other direct marketers and direct marketing associations (Please mark only one answer)	1999 Response Count	2006 Response Count	1999 Percent	2006 Percent	1999 Percent of Known	2006 Percent of Known
Strongly disagree	10	6	6.94%	5.31%	7.19%	5.41%
Disagree	37	26	25.69%	23.01%	26.62%	23.42%
Neither agree nor disagree	31	33	21.53%	29.20%	22.30%	29.73%
Agree	47	38	32.64%	33.63%	33.81%	34.23%
Strongly Agree	14	8	9.72%	7.08%	10.07%	7.21%
Don't Know	5	2	3.47%	1.77%		
Total	144	113	100.00%	100.00%		

Q-11) How satisfied are you with the direct marketing industry regarding your career and career opportunities on a scale of 1 (extremely unhappy) to 10 (extremely happy)? (Please mark only one)	
1999 Average Score	6.37
2006 Average Score	6.38

Q-12) Does your company outsource any of the following activities either partially or fully? (Check all that apply)	1999 Response Count	2006 Response Count	1999 Percent	2006 Percent
Lettershop	113	59	78.47%	51.75%
Promotional Art/Copy	84	48	58.33%	42.11%
Market Research	64	43	44.44%	37.72%
Outbound Telemarketing	52	41	36.11%	35.96%
Fulfillment Operations	61	40	42.36%	35.09%
Response Modeling	34	27	23.61%	23.68%
Customer Profiling	0	26	0.00%	22.81%
Customer Service	17	23	11.81%	20.18%
Customer Segmentation	0	16	0.00%	14.04%
Office Systems	7	0	4.86%	0.00%
Help Desk	0	15	0.00%	13.16%
Never*	0	2	0.00%	1.75%
Inbound Telemarketing	0	1	0.00%	0.88%
List Merge/Purge	0	1	0.00%	0.88%
Don't Know	0	1	0.00%	0.88%

Q-13) Indicate which media your company uses for promotion of its products and services (Check all that apply)	1999 Response Count	2006 Response Count	1999 Percent	2006 Percent
Web Site	111	101	77.10%	88.60%
E-Mail	0	89	0.00%	78.07%
Direct Mail Packages	110	86	76.40%	75.44%
Magazine Space Ads	90	70	62.50%	61.40%
Outbound Telemarketing	77	55	53.50%	48.25%
Package/Mail Insert Programs	60	55	41.70%	48.25%
Direct Mail Catalogues	69	49	47.90%	42.98%
Free Standing Inserts	45	40	31.30%	35.09%
Co-Op mailers	27	36	18.80%	31.58%
Television/Cable/Radio Advertising	42	35	29.20%	30.70%
Card Deck Programs	35	22	24.30%	19.30%
Other	0	2	0.00%	1.75%
Tradeshows	0	1	0.00%	0.88%

Q-14) Which category best describes your company? (Please mark only one answer)	1999 Response Count	2006 Response Count	1999 Percent	2006 Percent
Publishing (Magazines, Books, Music, etc.)	48	43	33.30%	37.72%
Mail Order Retailer	0	31	0.00%	27.19%
Non-Financial Direct Marketer	61	0	42.40%	0.00%
Business to Business	7	18	4.90%	15.79%
Financial/Insurance	20	14	13.90%	12.28%
Auto Sales	0	2	0.00%	1.75%
Fund Raising	1	2	0.70%	1.75%
Health Care	4	1	2.80%	0.88%
Education	0	1	0.00%	0.88%
Non-regulated division of Utility Company	3	1	2.10%	0.88%
Other	0	1	0.00%	0.88%
Total	144	114	100.00%	100.00%

Q-15a) Please select the three descriptive phrases that best describe how you view the direct marketing industry in general (Select only three phrases)	1999 Response Count	2006 Response Count	1999 Percent	2006 Percent
Constantly evolving and improving	68	59	47.22%	51.75%
Marketing decisions are driven by testing results	59	48	40.97%	42.11%
Intensely competitive	54	30	37.50%	26.32%
Maximizes the use of customer information	26	23	18.06%	20.18%
Employs sophisticated techniques	29	21	20.14%	18.42%
The future of consumer retail	34	20	23.61%	17.54%
Technology driven	22	19	15.28%	16.67%
A formulaic industry	17	19	11.81%	16.67%
Lacking industry wide standards	18	18	12.50%	15.79%
Does not leverage customer information to its fullest	15	14	10.42%	12.28%
Good career opportunities for creative people	24	11	16.67%	9.65%
Infringes on consumer privacy	18	10	12.50%	8.77%
Lacks technical expertise	2	10	1.39%	8.77%
Does not leverage technology to its fullest	8	8	5.56%	7.02%
On the cutting edge	11	7	7.64%	6.14%
Good career opportunities for technical people	12	7	8.33%	6.14%
Inadequate methods to target customer acquisitions	9	6	6.25%	5.26%
Lacks regard for technology specialists	2	2	1.39%	1.75%

Q-15b) Please select the three descriptive phrases that best describes how you view your company in relation to the direct marketing industry (select only three phrases)	1999 Response Count	2006 Response Count	1999 Percent	2006 Percent
Constantly evolving and improving	65	58	45.14%	50.88%
Does not leverage customer information to its fullest	74	52	51.39%	45.61%
Marketing decisions are driven by testing results	61	39	42.36%	34.21%
Does not leverage technology to its fullest	49	34	34.03%	29.82%
Inadequate methods to target customer acquisitions	41	29	28.47%	25.44%
Lacks technical expertise	25	25	17.36%	21.93%
Maximizes the use of customer information	20	17	13.89%	14.91%
Formulaic marketing practices	15	17	10.42%	14.91%
Employs sophisticated techniques	12	16	8.33%	14.04%
Good career opportunities for creative people	21	14	14.58%	12.28%
Technology driven	13	9	9.03%	7.89%
On the cutting edge	12	7	8.33%	6.14%
Lacks regard for technology specialists	8	7	5.56%	6.14%
Good career opportunities for technical people	11	4	7.64%	3.51%