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dma



Inserts Industry Report

2011



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1. Annual and quarterly inserts trends

2011 saw the inserts market bounce back with a vengeance. The whole market, as measured by the DMA Inserts Council, was up by 6% from 2010. Four out of the five inserts sectors which were measured experienced positive growth in 2011: Daily newspapers, Sunday newspapers, Saturday supplements and Magazines. However, Sunday supplements were adversely affected by the closure of the News of the World in July 2011 and saw a drop of 32% from Q3 2010 to Q3 2011 and a drop of 58% from Q4 2010 to Q4 2011. Assuming that the total figure for Sunday supplements in 2011 included figures for News of the World's Sunday supplement from 2010, we would have seen a 10% increase in the overall inserts market in 2011.

Media owners reported increased activity from core direct response clients, including traditional mail order catalogues. Retail remained the key to recovery with significant activity from the likes of Argos, John Lewis and Debenhams.

Another sector which remained buoyant was the media/broadband category. Clients such as Sky, Virgin Media and BT have understood that inserts offer the potential to harvest large volumes of response from umbrella brand campaigns and continued to invest heavily in the medium in 2011.

Financial services inserts tend to be for credit cards or loans. With financial institutions less inclined to lend, there has been a marked decline in such inserts. Similarly, charities continued to suffer from the general financial malaise.

The overall picture from the inserts market in 2011 was one which had a remarkable upturn in spite of continuing economic woes.

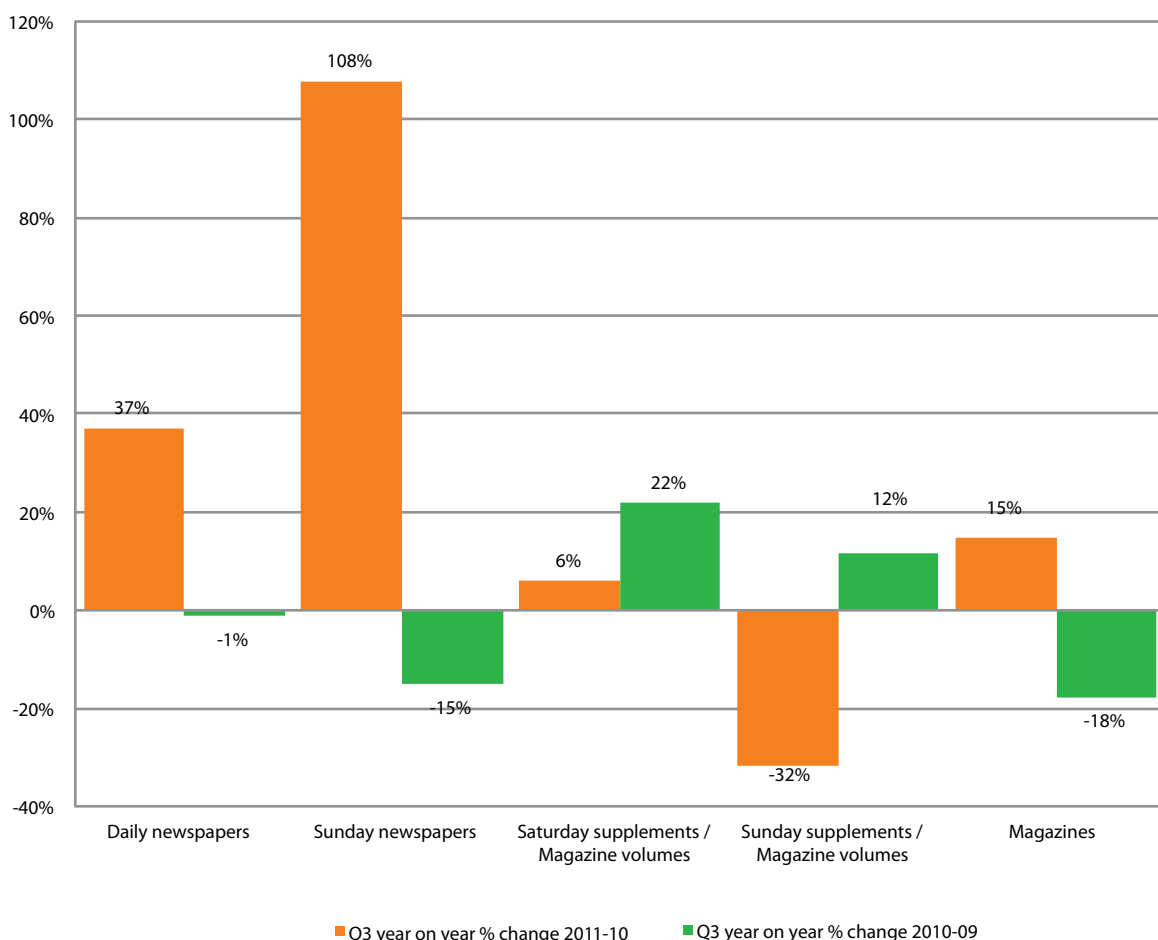
2. Tables and charts

2.1 Trends for Quarter 3 2011

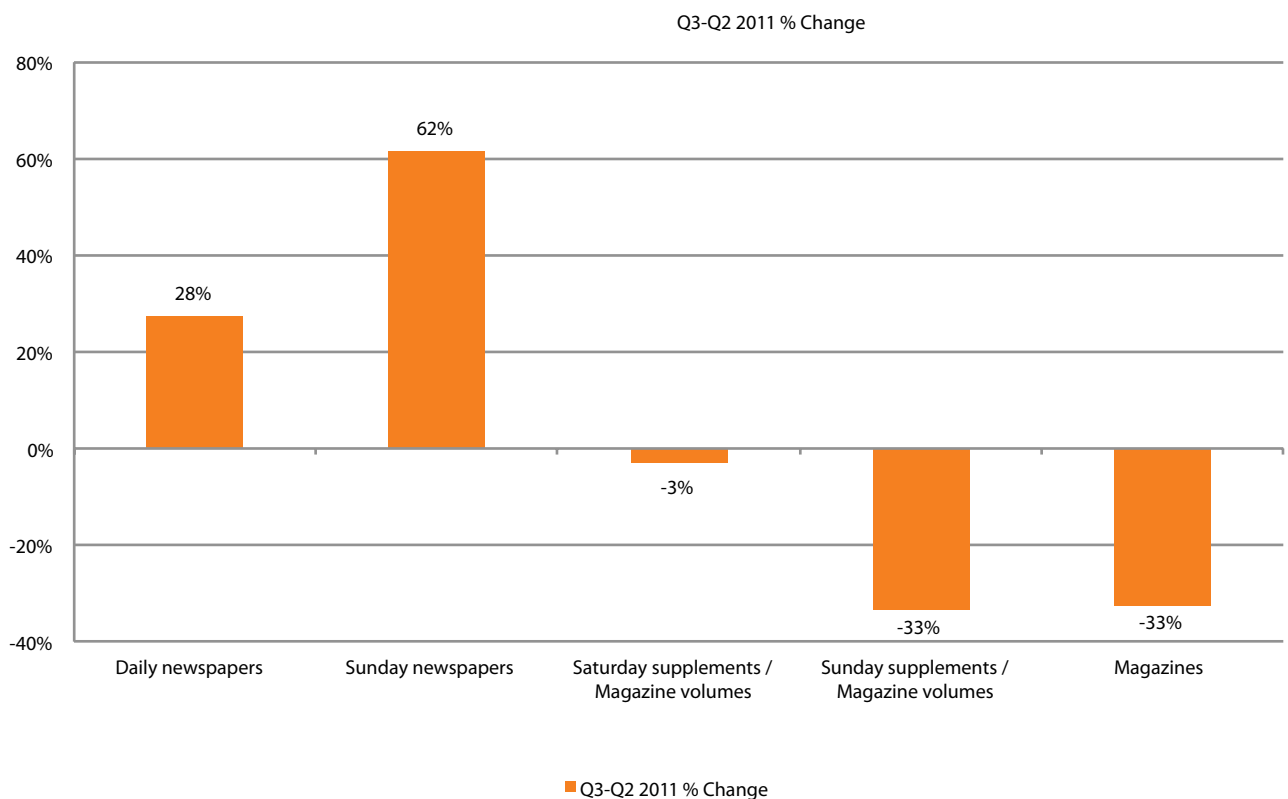
| DMA Inserts Monitor Q3 2011 Trends | Quarter 3 % Change | | | |
|---|--------------------|---------------|---------------|---------|
| | 2009 | 2010 | 2011 | 2011-10 |
| Publications | | | | |
| Daily newspapers | 147,893,000 | 146,340,000 | 200,363,147 | 37% |
| Sunday newspapers | 21,372,000 | 18,192,000 | 37,769,000 | 108% |
| Saturday supplements / Magazine volumes | 286,930,090 | 349,321,559 | 369,857,695 | 6% |
| Sunday supplements / Magazine volumes | 234,342,850 | 261,320,767 | 178,563,446 | -32% |
| Magazines | 409,193,345 | 336,862,688 | 386,574,355 | 15% |
| Totals: | 1,099,731,285 | 1,112,037,014 | 1,173,127,643 | 5% |

| Publications | Q3 year on year % change | |
|---|--------------------------|---------|
| | 2011-10 | 2010-09 |
| Daily newspapers | 37% | -1% |
| Sunday newspapers | 108% | -15% |
| Saturday supplements / Magazine volumes | 6% | 22% |
| Sunday supplements / Magazine volumes | -32% | 12% |
| Magazines | 15% | -18% |
| Total | 5% | 1% |

Q3 Inserts Monitor (% change 2011/10 & 2010/09)



| Publications | Q3 2011 | Q2 2011 | Q3-Q2 2011 % Change |
|---|---------------|---------------|---------------------|
| Daily newspapers | 200,363,147 | 157,068,000 | 28% |
| Sunday newspapers | 37,769,000 | 23,356,000 | 62% |
| Saturday supplements / Magazine volumes | 369,857,695 | 381,534,889 | -3% |
| Sunday supplements / Magazine volumes | 178,563,446 | 267,187,049 | -33% |
| Magazines | 386,574,355 | 573,272,592 | -33% |
| Total | 1,173,127,643 | 1,402,418,530 | -16% |

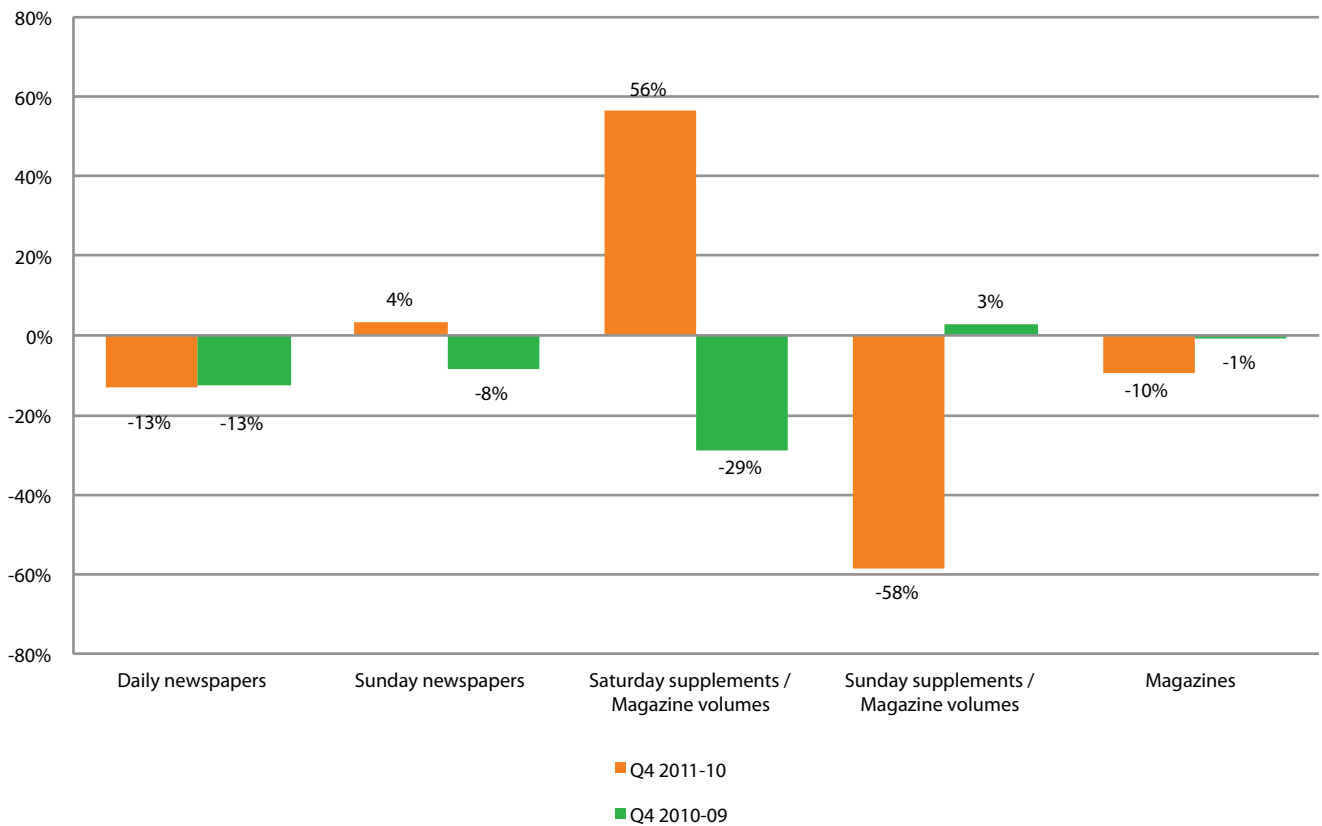


2.2 Trends for Quarter 4 2011

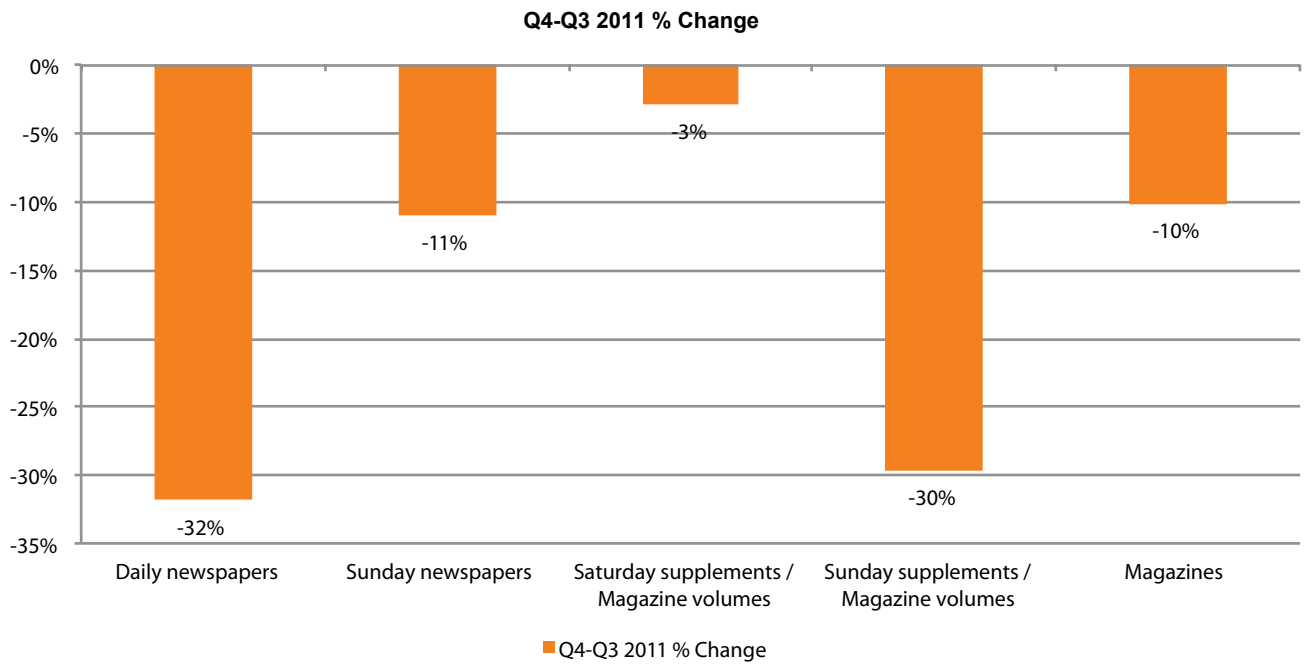
| DMA Inserts Monitor Q3 2011 Trends | Quarter 4 % Change | | | |
|---|--------------------|---------------|---------------|---------|
| | 2009 | 2010 | 2011 | 2011-10 |
| Publications | | | | |
| Daily newspapers | 180,293,000 | 157,350,759 | 136,541,250 | -13% |
| Sunday newspapers | 35,421,000 | 32,472,722 | 33,617,000 | 4% |
| Saturday supplements / Magazine volumes | 322,526,000 | 229,787,458 | 359,108,616 | 56% |
| Sunday supplements / Magazine volumes | 293,056,420 | 301,896,694 | 125,672,498 | -58% |
| Magazines | 386,540,871 | 384,121,472 | 347,548,657 | -10% |
| Totals: | 1,217,837,291 | 1,105,629,105 | 1,002,488,021 | -9% |

| Publications | Q4 year on year % change | |
|---|--------------------------|---------|
| | 2011-10 | 2010-09 |
| Daily newspapers | -13% | -13% |
| Sunday newspapers | 4% | -8% |
| Saturday supplements / Magazine volumes | 56% | -29% |
| Sunday supplements / Magazine volumes | -58% | 3% |
| Magazines | -10% | -1% |
| Total | -9% | -9% |

Q4 Inserts Monitor (% change 2011/10 & 2010/09)

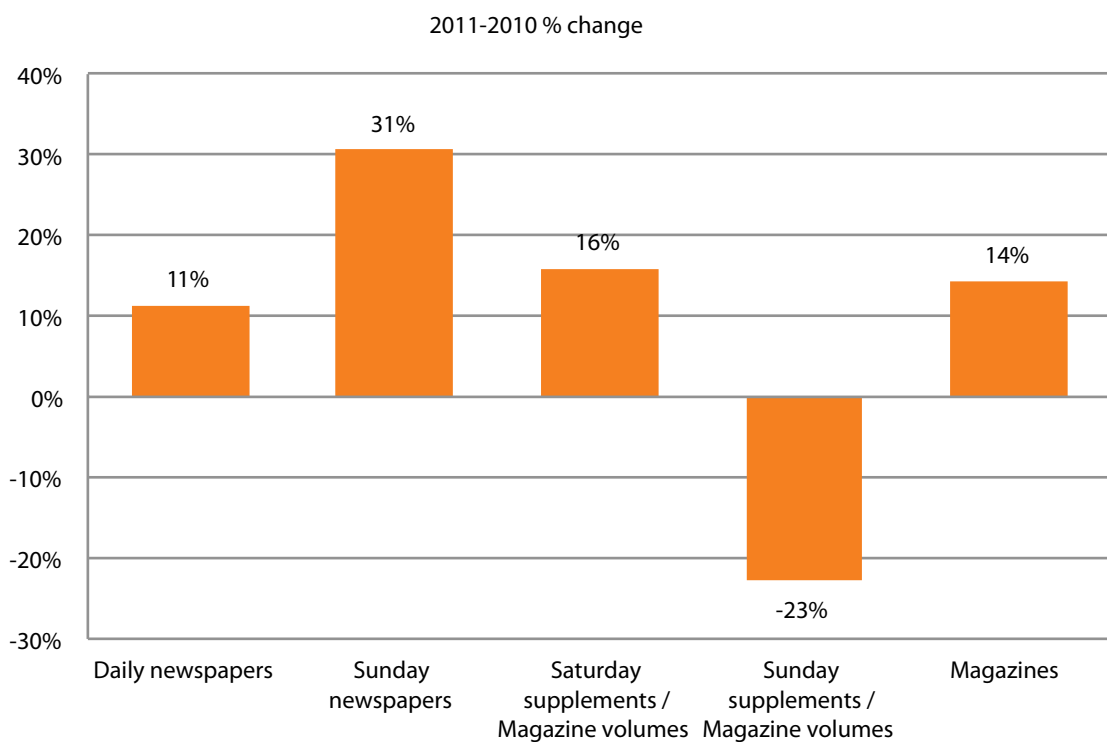


| Publications | Q4 2011 | Q3 2011 | Q4-Q3 2011 % Change |
|---|---------------|---------------|---------------------|
| Daily newspapers | 136,541,250 | 200,363,147 | -32% |
| Sunday newspapers | 33,617,000 | 37,769,000 | -11% |
| Saturday supplements / Magazine volumes | 359,108,616 | 369,857,695 | -3% |
| Sunday supplements / Magazine volumes | 125,672,498 | 178,563,446 | -30% |
| Magazines | 347,548,657 | 386,574,355 | -10% |
| Total | 1,002,488,021 | 1,173,127,643 | -15% |



2.3 Annual trends for 2011

| Publications | 2011 | 2010 | 2011-2010 |
|---|---------------|---------------|-----------|
| | Total | Total | % Change |
| Daily newspapers | 666,771,397 | 598,523,759 | 11% |
| Sunday newspapers | 121,432,000 | 92,992,722 | 31% |
| Saturday supplements / Magazine volumes | 1,528,384,236 | 1,318,094,067 | 16% |
| Sunday supplements / Magazine volumes | 873,573,978 | 1,130,564,073 | -23% |
| Magazines | 1,747,352,013 | 1,528,433,321 | 14% |
| Total | 4,937,513,624 | 4,668,607,942 | 6% |





Methodology

The data is collected and reported on a quarterly basis every year. Additionally an annual report is released at the end of the year. This report has charts and tables for Q3 2011, Q4 2011 and annual figures for 2011.

All the data collected is confidential and only aggregate figures are reported.

The data was collected between January-May 2012. The figures were for July-December 2012. The sample consists of companies involved in inserts marketing in the UK. However, the figures are not representative of the total industry as they represent only a proportion of the market.

The data was collected and analysed in-house by the DMA's internal research department. The commentary was contributed by members of the DMA Inserts Council and the DMA communications team.

The DMA Inserts Council provides information and support via research and industry figures. The council produces a quarterly inserts monitor that shows the total number of inserts that have been placed in a selection of markets (magazines, weekend papers etc).

About the DMA

The Direct Marketing Association (DMA) is Europe's largest professional body representing the direct marketing industry. With a large in-house team of specialists offering everything from free legal advice and government lobbying on direct marketing issues to research papers and best practice, it is always at the forefront of developments in the industry.

The DMA protects the direct marketing industry and consumers. It promotes the highest standards through self-regulation and lobbies against over-regulation. The DM Code of Practice sits at the heart of everything we do – and all members are required to adhere to it. It sets out the industry's standards of ethical conduct and best practice.

Our 16 DMA Councils cover the whole marketing spectrum – from the digital world of social media and mobile marketing to the 'real' world channels of door drops and inserts. The Councils are made up of DMA members and regularly produce best practice and how to guides for our members.

We also have a packed calendar of conferences, workshops and discussions on the latest topics and best practice, and 80% of them are free for members and their staff.

As the industry moves on so do we, which is why we've recently launched a number of new services for our members – a VAT helpline, a Social Media Helpdesk and an IP Protection Service.

Visit www.dma.org.uk regularly to keep up to date with all our services.





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