

WhatTheyThink?

New Employment Report From Bernhart Associates

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Owatonna, MN -- There are some new hopeful signs this spring that the two year decline in direct marketing employment may soon be hitting bottom, according to the latest Bernhart Associates employment report.

"Overall, hiring levels are still falling but the worst of the job losses may be over," said Jerry Bernhart, Principal of Bernhart Associates Executive Search, LLC, a leading direct marketing recruiter. The widely followed employment report is in its eighth year and is distributed to thousands of agencies, service providers and direct marketing organizations.

According to the Bernhart report, 16% of the companies responding said they are planning to add to staff during the current second quarter, the lowest percentage since the survey began in 2001. "This is the eighth quarter in a row that hiring in direct marketing has been shrinking," said Bernhart.

On the plus side, Bernhart said the 4% drop in hiring plans was the smallest quarter-to-quarter decline for that indicator in a year, while planned layoffs showed an unexpected reversal. According to the Bernhart survey, 13% said they are planning to reduce headcount during the current second quarter, down from 21% reported last quarter.

Bernhart said the best news came in the hiring freeze category, with 30% of respondents reporting a hiring freeze, down sharply from 48% last quarter.

When asked when they plan to lift their hiring freezes, Bernhart say the majority were unable to give a date. Among those that did, Bernhart said most were another 6 to 9 months out.

"On the executive recruiting side, we're starting to receive more inquiries about available talent," said Bernhart. "For companies that are hiring, this is a rare window of opportunity to pick up top performers who may not be available when the economy gets back into growth mode."

Bernhart added that further segmenting of the survey reveals that the employment picture is brightest on the agency side, with 30% of participating agencies planning new hires this quarter. "Not only are agencies planning to do more hiring than their marketing and supplier counterparts, they're also expecting fewer layoffs," noted Bernhart.

When asked what specific positions will be in greatest demand this quarter, sales topped the list followed by analysts, web developers, account directors/managers and marketers.

Despite the abundance of direct marketing job seekers on the market, companies are having challenges filling some of their open positions. According to the survey,

61% of those responding said they were experiencing either a "somewhat difficult time" or a "very difficult time" filling available openings. The remainder said they were having little or no difficulty.

The latest survey also reveals some new insight into how direct marketers are sourcing their hires. When asked how they're finding new employees, 28% of the respondents said employee/vendor referrals was the largest source of candidates, followed by direct hires at 12% and internet job boards at 14%. Less than 3% said they are sourcing hires through job postings on company websites.

A record 265 companies responded to the random survey which was emailed the week of April 6.

According to the Direct Marketing Association, marketers - commercial and nonprofit - spent \$176.9 billion on direct marketing in 2008, which accounted for 52.1 percent of all ad expenditures in the United States. Measured against total US sales, these advertising expenditures generated approximately \$2.057 trillion in incremental sales. Last year, direct marketing accounted for approximately 10 percent of total US gross domestic product. Also, there are today 1.6 million direct marketing employees in the US. Their collective sales efforts directly support 9.3 million other jobs, accounting for a total of 10.9 million US jobs.

Results of past surveys can be found in the DMA's Statistical Fact Book and on the website of Bernhart Associates Executive Search, LLC.

Companies interested in participating in the Bernhart Associates Quarterly Direct Marketing Employment Report should send an email to survey@bernhart.com with "Opt-In" in the subject line.

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