Advo, Inc.—The Company

Advo, Inc. is the largest provider of direct mail advertising services in the United States. Advo processes and distributes printed advertising from its 25,000 clients to more than 112 million consumer households throughout the United States and Canada. Its clients are the manufacturers, retailers, and service companies whose products and services are used by the general public. They include supermarkets, drug stores, quick serve restaurants, home furnishing retailers, and discount and department stores.[1]

Advo's 2004 reported net income was $48.7 million on total revenue of $1.2 billion. Headquartered in Windsor, Connecticut, Advo currently has twenty-one mail processing facilities located throughout the United States. The company employs approximately 3,900 full- and part-time employees. It also hires outside temporary employees for certain production jobs and for assistance during busy seasons.[1]

Founded as a delivery company in 1929, Advo entered the direct mail industry as a solo mailer in 1946. Advo's shared mail program began in 1980, when it combined advertisements from different businesses and distributed them together.[1]

In 1985, Advo partnered with the National Center for Missing and Exploited Children and the United States Postal Service (USPS) to establish the America's Looking For Its Missing Children program. It is the most successful private-sector program of its kind. Its Have You Seen Me? cards, which show the names and faces of missing children, are viewed by more than 120 million people each week and have become the nation's most recognized piece of mail.[2]

Within the past decade, Advo has expanded its size through company acquisitions. One of its most significant acquisitions occurred in February 1998, when it purchased The Mailhouse, Inc., a franchise-based cooperative coupon mail company. It was renamed MailCoups, Inc., shortly after its acquisition. Headquartered in Taunton, Massachusetts, MailCoups, Inc., operates as a wholly owned subsidiary of Advo. Franchise

licenses are sold under the brand name SuperCoups. The franchises create coupons for local merchants and mail the coupons in a distinctive-looking envelope (http://www.supercoups.com). By the end of September 2004, there were 225 franchise units in twenty-three states.[1]

In November 2000, Advo acquired Mail Marketing Systems, Inc., a direct mail advertising company located in Maryland. It operates as a wholly owned subsidiary of Advo, and it provides mail coverage to approximately 4.5 million households.[1] Advo acquired the New Jersey Shoppers Guide in April 2001. The direct mail shopping guide has a weekly circulation of approximately 400,000 households in Southern New Jersey.[1] Advo's most recent acquisition occurred in June 2002, when it purchased FACC Corporation, a direct mail advertising firm based in Canada. Shortly after its acquisition, FACC Corporation was renamed Advo Canada. In 2004, Advo Canada was renamed First Avenue. The company, which operates as a wholly owned subsidiary of Advo, mails approximately 220 million pieces of advertising each year to targeted segments of Canada's twelve million households.[1]

Advo also has formed several newspaper alliances, which it uses to further expand the distribution of its clients' advertising material. Its alliances with Gannett Company, Inc., MediaNews Group, Inc., Knight-Ridder, Inc., Freedom Communications, The New York Times Company, St. Petersburg Times, E.W. Scripps Company, and The Tribune Company[1] enable Advo's advertising material to be distributed to the newspapers' subscribers.

Operations

Advo, Inc., is the largest commercial user of USPS standard mail. The printed advertising from its 25,000 clients is distributed to more than 112 million consumer households through the company's solo and shared mail services.[1]

Advo's solo mail service consists of addressing and processing individual client brochures and circulars for distribution through the USPS. The pieces can be processed using the mailing lists provided by Advo or