RUMOR HAS IT

UNCOVERED BELIEFS ABOUT THE CATALOG INDUSTRY



Introduction

There has been a lot of controversy in the past few years about the state of the catalog industry. In a recent article published last month (<u>Direct Marketing Catalogs Are Out of Control</u>), marketer Michael_Fernandez pleads a case against the catalog industry. He beseeches his reader to "forget recycling catalogs" and just "quit printing them in the first place. "

Fernandez is not the only marketer out there speaking out against catalogs. Others have pleaded their case against the industry stating that it has no business here in the digital age of technology.

Here are four beliefs that most commonly become associated with this argument against the mail order industry.

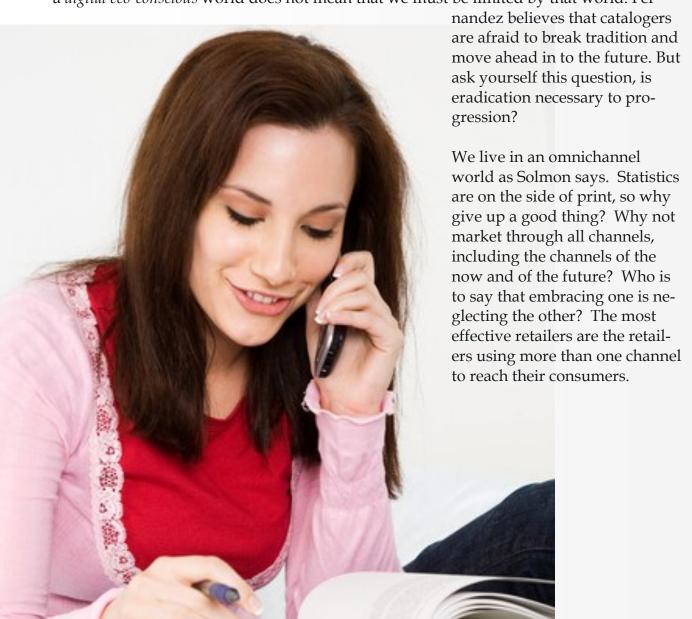


The belief that we can't do both:

In his article, Fernandez's positions that "What works today may not work tomorrow." "The writing is on the wall," he writes. "Print catalogs are an expensive, inflexible, unimaginative and antiquated way of communicating to -- not with -- customers."

Contrary to Fernandez's cry of absurdity, another article put out by Kurt Solmon (<u>Is the Catalog Dead? Not in the Omnichannel World</u>) explains that "Some 58% of online shoppers say they browse catalogs for ideas, and 31% have a retailer's catalog with them when they make a purchase online."

At least Fernandez had one thing right: the writing *is* on the wall. Just because we live in a *digital eco-conscious* world does not mean that we must be limited by that world. Fer-



The belief that Younger Generations Are Not Affected By Print



There is a common belief associated with young people and print. That is, print is not an operative way to market to younger generations. Henry Blodget, cofounder, CEO and Editor-In-Chief of Business Inside, published an article called If Newspapers And Magazines Think Life Is Tough Now, They Won't Want To See What Happens Next.... In this article Blodget contests that "the idea of printing information on a dead tree and then trucking it to houses and newsstands seems ludicrous, old-fashioned, inconvenient, and wasteful" to our newer generations.

This brings us again back to Fernandez who like-mindedly believes that print is not able to give our younger generations the relationships they require in order to effectively interact with a brand. Contrary to belief, however, click2mail.com published a blog title Beyond the Smartphone Direct Mail Marketing to Young People. In the blog, they explore what is effective in print among young people.

According to the entry, "Statistics from the Direct Marketing Association show that young people will respond to direct mail marketing, but that messages are more likely to grab their attention if they're personalized and relevant. To achieve success in this area, you'll need to invest the time in figuring out who your prospects are, and then take the time to develop customized messages for them." Technologies such as personal URLs, QR Codes, and Augmented Reality have made reaching out to young generations through print more effective.





The fact that producing a high quality catalog comes with a high price tag cannot be denied. Catalogs are expensive to manufacture and mail and that's not even counting the costs of procurement of relevant mail lists or consumer information. The question at hand is, why spend so much money when you can bring your marketing online for a fraction of the cost?

In April of 2014 Business developer David Williams published an article on LinkedIn where he asked this very question (see article). In his article he writes: "According to recent research, online shoppers that received a catalogue in the mail bought twice as often, spending on average 163 percent more than those who did not get a cat-



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alogue. These findings confirm that the old-school marketing format has really turned into an advertisement that drives incremental visits to the website or attracts consumers to the store next time they pop into the mall. "

If you are making more money than you are investing then your resources are not wasted. Catalogs are proven to have superior ROI over e-marketing of any kind. Now that's saying something! Consider another article put out my DMNews. Writer Allison Schiff reveals that: "Depending on how one crunches the numbers, direct mail has a response rate of up to 10 to 30 times that of email — and even higher when compared to online display" (see DIGITALEY PRESS
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This is a big one. The controversy that surrounds the topic is plentiful and there is plenty of room for interpretation and perspective. While there is no denying that paper has impact on the environment, there are some definite benefits to it as well. Here are just four of many ways print can benefit the environment:

- 1. We understand how paper works and how to recycle it. This is more than can be said for its digital counterparts. In truth, we don't really know how electronic waste is going to effect the environment.
- 2. Catalogs are proven to have eliminated the carbon footprints of shoppers. When a consumer receives a catalog, they are more likely to order from home, either online or over the phone. According to the DMA Recycle Please page, "110 million shopping trips were saved and the number of miles driven dropped by almost 2 billion. This saved 35,000 tons of carbon dioxide emissions and reduced gas consumption by 75 million gallons."
- 3. The paper industry has made us more conscious of deforestation. Laws, regulations, and organizations have created guidelines to ensure that deforestation will never again be a problem in this country. In fact if you look at the Times of Forest Land area, you will see a rapid rise in forest land between the year 1900 and now. Read more.
- 4. Last, catalogs and direct mail in general have the power of spreading knowledge. Charities, nonprofits, and human rights activists send out catalogs all the time to create awareness and make the earth a better safer place to live.

For more information on this topic, check out our white paper <u>A Look at Print and Digital</u> Waste.



Conclusion:

For Fernandez and others who share the belief that catalogs are *out of control*, perhaps it's time they reconsider their position. Imagine for a moment a world where retailers stopped their direct mail campaigning. This would have a direct effect on the USPS. The postal system would begin to flounder and as a result from a decrease in profits would likely result in overpriced transportation less flexibility, shorter working hours, less workers, and ultimately less mail order deliveries for retailers in general. The resources that we as catalogers put into the USPS keeps them open, keeps prices down so that our merchandise can likewise be delivered. Basically we are funding as well as marketing. Here's another thought: there would be a major decrease in jobs including paper mills, ink manufacturers, printers, machine and equipment suppliers, and postal service workers. There would be a decrease in small businesses emerging because many of them rely on catalogs to initially get the word out to possible consumers that might not *stumble* across their websites otherwise. We would have many more people out of work.

Our economy is like a tightly interwoven piece of fabric. If one string is pulled out, the entire piece will unravel. Although, it is important to move into the future and to embrace the digital age as well as protect our environment and be mindful of our carbon footprints, we must also remember our traditions, and our history. If it hadn't been for catalogs or for those traditions that we are so quick to eradicate, the country would not be what it is today.

For more about the history of catalogs check out our blog <u>Five Pivotal Moments In</u> <u>Catalog History</u>

