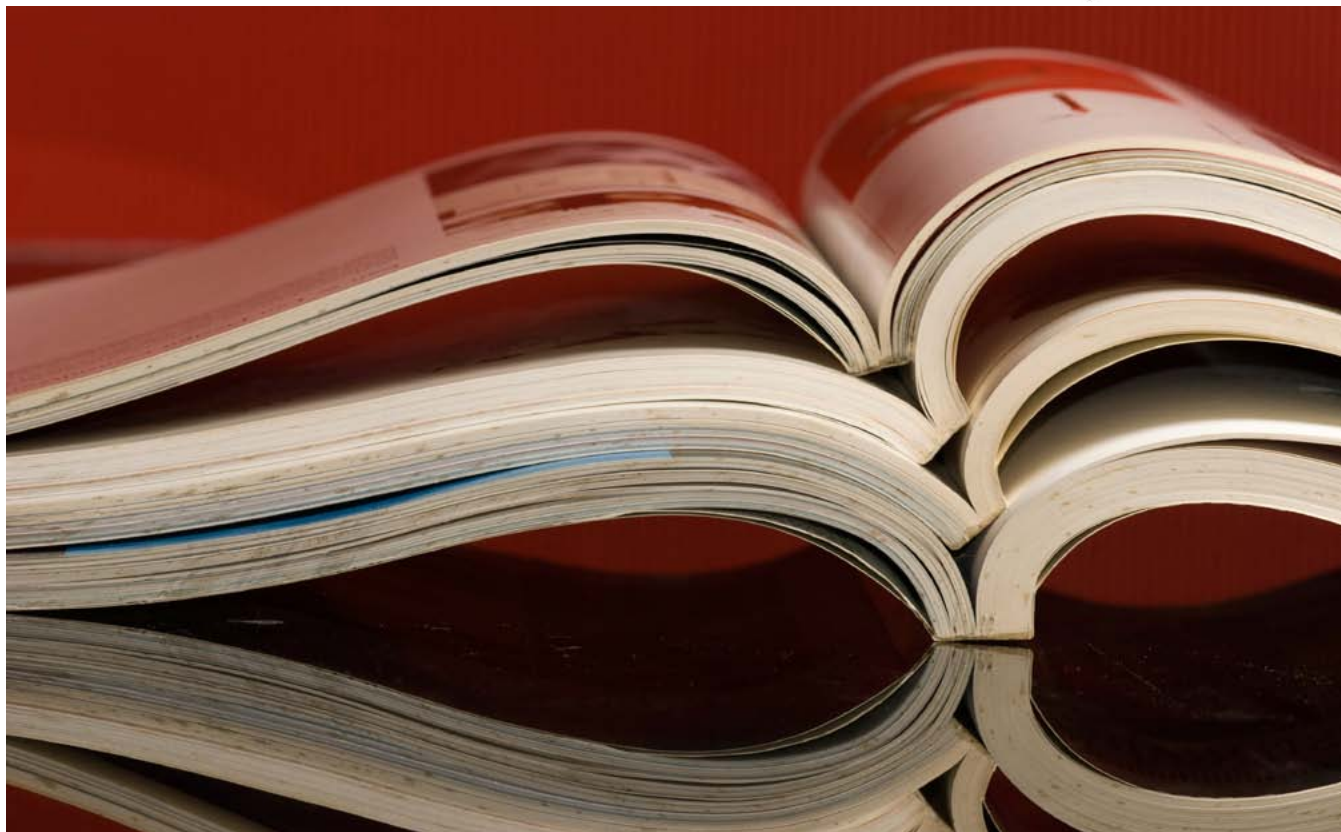




# MCM Outlook 2013: Catalogs

BY ERIN LYNCH



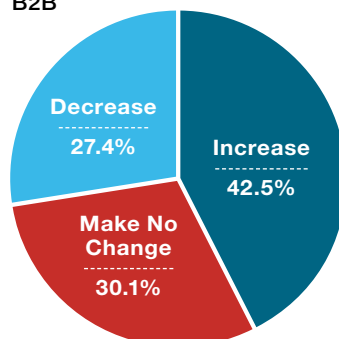
In discussions about 2013 e-commerce branding trends, the same buzzwords continually arise: social media, responsive design, smartphones and tablets, and emails. So while using a catalog might appear to be an outdated marketing tactic in the e-commerce world, it's not.

Catalogs still have staying power in the direct-to-customer sector, according to results from the MCM Outlook 2013 survey. In fact, more than half of the respondents said their companies market products directly to consumers and businesses through a print catalog.

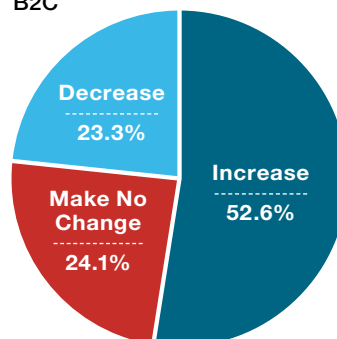
Additionally, catalogs were the fourth most-popular channel for respondents

## In what ways are you considering changing circulation within the next year?

B2B



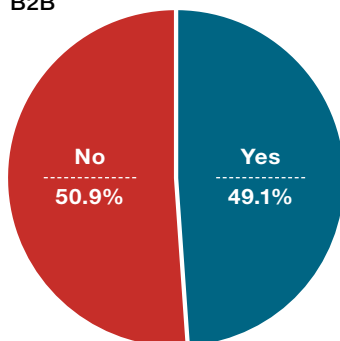
B2C



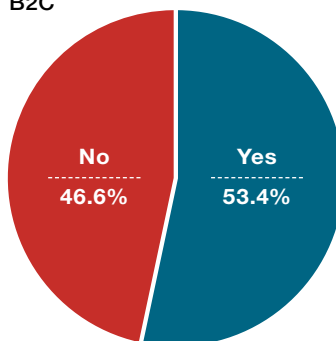


## Are you using QR Codes in your catalog?

B2B

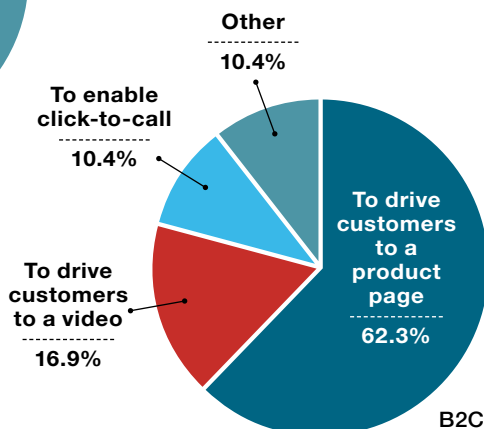
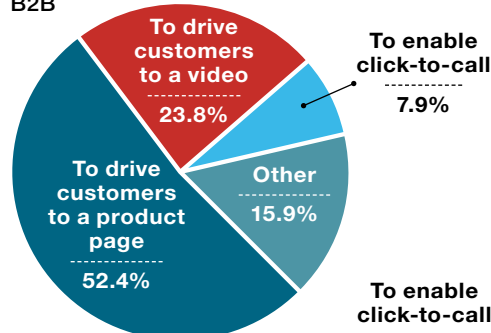


B2C



## Why are you using QR Codes in your catalog?

B2B



to market their companies (53.8%). More than 80% (80.7%) said they used email to market their companies. More than 80% (80.2%) said they use social media as a marketing tool, and 76.9%

use their ecommerce site to market their business.

Although the catalog did drop slightly in popularity compared to last year's report, when nearly 60% of respondents

cited the old-school tactic, it's still a heavily used tool in the ecommerce industry.

## Why use the catalog?

We said it last year in the MCM Outlook report, and it still holds true in 2013: Catalogs can do it all for both business-to-consumer and business-to-business retailers. When respondents were asked to rate, on a scale from one to 10, why they use the catalog (aside from selling merchandise), the number-one reason was as a branding tool (8.05). Coming in a close second was to drive web traffic (7.67); followed by prospecting tool (7.02), then driving store traffic (4.01); and coming in last was as a mobile driver (3.93).

Compared to the results in last year's MCM Outlook report, the number-one reason for using a catalog, besides selling products, was once again branding (8.01), followed by driving web traffic (7.70), as a prospecting tool (7.40), driving store traffic (3.97), and then to drive mobile traffic (3.40).

For B2B catalogers, according to the 2013 survey, branding was also the top driver, with a ranking of 8.33. This was followed by driving web traffic, (7.1); as a prospecting tool, (6.99); as a mobile driver, (3.25); and to drive store traffic, (3.38).

For the B2C community, branding (7.88) took the second spot, just behind web-traffic driver (7.96). Prospecting tool ranked third (6.94), followed by as a mobile driver (4.28), and then as a store-traffic driver (4.25).

## Prospecting

When it comes to prospecting, 2013 respondents are starting to prefer social media over catalogs. Although last year's results showed that a majority of respondents believed that catalogs would be their go-to tool in the next 12 months, with 71.7% planning to use them, mov-



ing into 2013 it appears that the Internet is now king.

When respondents were asked, "In addition to using your own house file, what methods of prospecting will you use during the next 12 months?" there was a tie for the top spot with Facebook and email each garnering nearly 72%. Catalogs followed closely behind with 66.4%.

While cooperative databases were once a popular prospecting tool for catalogs, the 2013 results show that a majority of respondents are no longer using them. When asked, "Which of the cooperative databases are you using?" 52.5% of respondents said none; 27.6% said Epsilon Abacus Co-Op; 17.9% said I-Behavior; 17.9% said Wiland Direct; 11.3% said Experian Z-24; 9.7% said MeritBase Direct; and 7.4% said American List Exchange (ALEXA).

## QR Codes

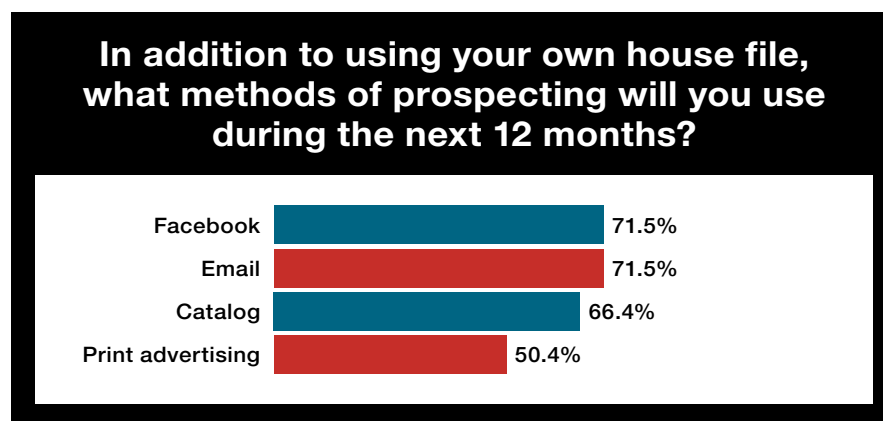
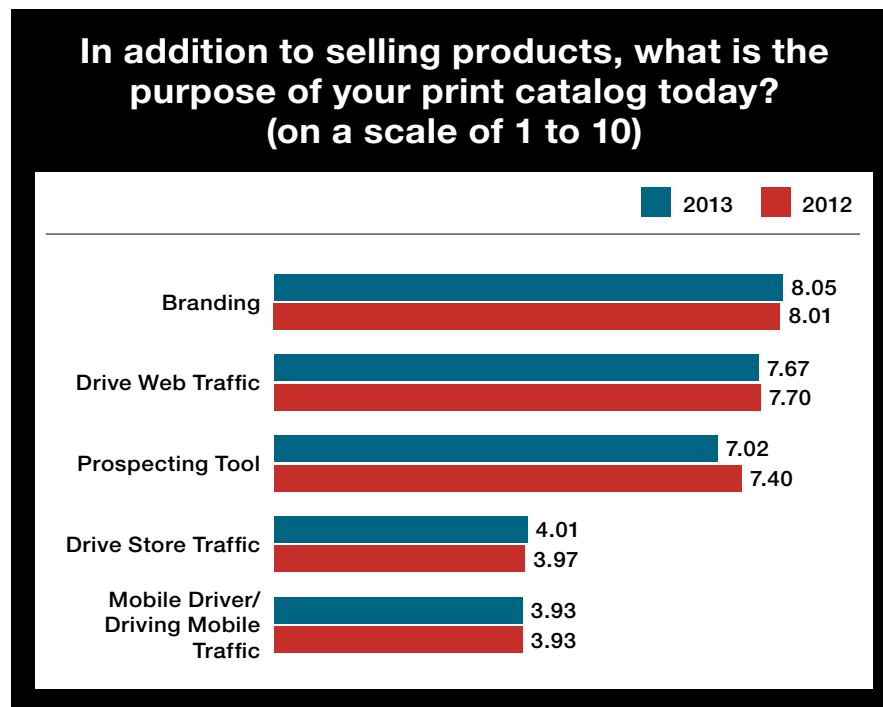
With shoppers becoming more and more reliant on their smartphones for showrooming, product review check-ups and QR codes, it's more and more important for retailers to have a mobile relationship with their products—and this holds true for the catalog industry. Fifty-two percent of those surveyed said they were currently using QR codes in their catalogs.

Of those using QR codes, nearly 56% said it was to drive customers to a product page; nearly 20% said it was to drive customers to a video; and 8.9% said it was to enable a click-to-call action.

One reason catalogers are interested in using QR codes could be that the U.S. Postal Service is offering special promotions to encourage direct mailers to use mobile technology, such as QR codes, on their mail pieces in 2013. In return, mailers will receive a 2% discount on postage.

## Cost-cutting measures in the catalog industry

With shipping and paper costs con-



tinuing to rise, retailers are looking to printed alternatives for catalogs, such as postcards and fliers, as ways to grab shoppers' attention while spending less money.

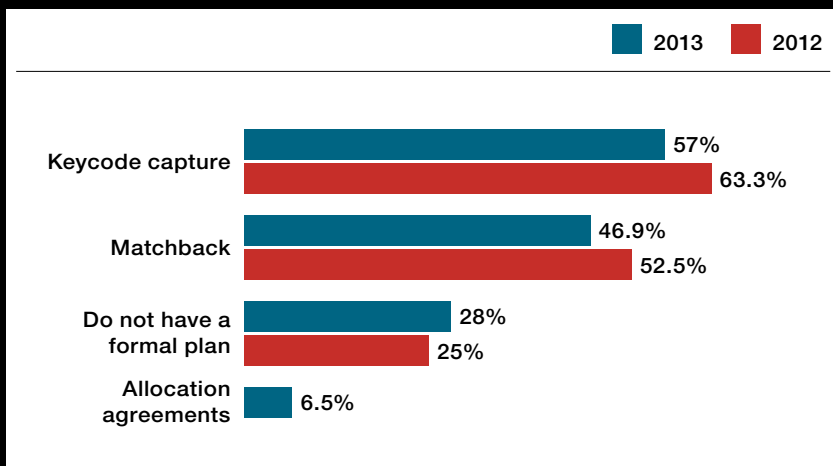
When asked, "What print formats (other than catalogs) have you used to cut costs in the past 12 months?" the number-one response was postcards, with 52.6%. This was followed by direct mail, with 50.7%; fliers, with nearly 45%; and solo mailers, with 30.3%. When re-

spondents to the 2012-13 survey were asked the same question, postcards were still the number-one choice—but with only 44% of respondents naming them.

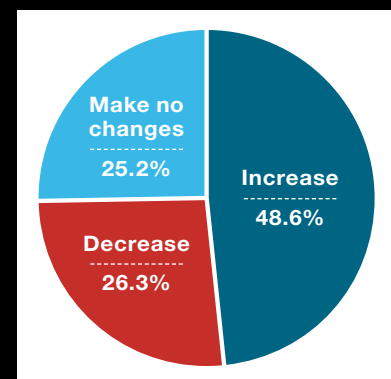
While the number of merchants using catalogs has dipped slightly, most retailers found that catalog production, in terms of paper stock and the number of pages, changed little in the past 12 months. According to the results, 44.6% said their page counts had stayed the same, 28.1% said they had increased,



### How are you capturing your catalogs effectiveness?



### Are you planning on changing your catalog circulation within the next 12 months?



and 26.2% said they had decreased. When respondents were asked if they had trimmed the size of their catalogs within the past 12 months, nearly 74% said it had stayed the same, 17.2% said it had decreased, and 5.2% said it had increased.

When it came to paper stock and catalog weight, 68.5% of retailers opted to make zero changes in the past 12 months. Although 3.7% said they had increased the weight, nearly 25% said they had decreased it.

As for circulation, 48.5% of respondents said they plan to increase circulation within the next 12 months; 26.3% are planning to decrease it, and 25.2% said they are making no changes. For those who plan to make circulation changes, according to the results:

- 26.4% will increase it by 1% to 10%
- 17.1% will increase it by 11% to 20%
- 7.8% will increase it by more than 20%
- 14.9% will decrease it by 1% to 10%
- 5.2% will decrease it by 11% to 20%
- 3.3% will decrease it by more than 20%

### The catalog is shipped, now what?

How do retailers tell if their marketing campaigns were successful? Some retailers might simply wait to see how much merchandise is purchased through their catalogs, but most decide through purchase analytics.

When retailers were asked how they track their catalogs' effectiveness, nearly 57% said keycode capture, while 46.9% said matchback programs. Nearly 28% of retailers said they did not have a for-

mal effectiveness program, and 6.5% cited allocation agreements.

These stats held relatively steady compared to last year, when 63.3% said keycode capture, 52.5% said matchback programs, and almost 25% said they did not have a tracking program. We did not ask about allocation agreements in last year's survey.

### Methodology

This report is based on the online MCM Outlook 2013 survey, which was fielded by Multichannel Merchant from Mar. 5 through Mar. 18, 2013, and drew 1,110 respondents. Of those respondents, 336 identified themselves as catalog marketers.

Catalogs are finding a new role as an ecommerce driver. Go to [bit.ly/mcm-catalogs](http://bit.ly/mcm-catalogs) to download Multichannel Merchant's executive summary on the catalog industry.