

RETHINK CATALOGS

Bridge Marketing Channels



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BRIDGE THE GAP BETWEEN PHYSICAL AND DIGITAL MARKETING

Catalogs are enhancing digital marketing in a powerful, measurable way, bridging the gap between physical and digital advertising to:

- ★ Create impactful brand experiences.
- ★ Drive sales.
- ★ Increase the value of your customers.

In 2013, the volume of mailed catalogs rose to **11.9 billion in the United States.**¹

1. DMA 2014 Statistical Fact Book: The Definitive Source for Direct Marketing Benchmarks, Direct Marketing Association, April 2014.



(Slide 3: Value Prop)

Catalogs remain a foundational and powerful marketing channel. When paired with digital marketing strategies, they help create powerful and memorable customer experiences that can drive sales and increase the value of your consumers.

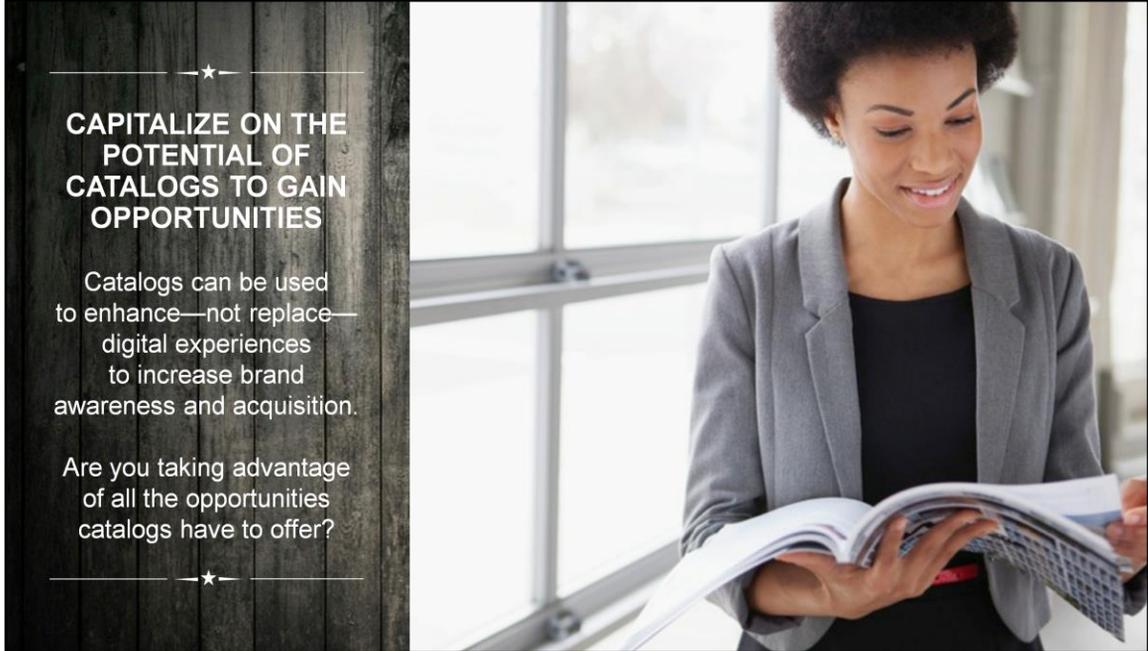
Marketers mailed 11.9 billion catalogs in 2013, according to the Direct Marketing Association, marking the first uptick in circulation in years.¹ Marketers are realizing that in an always-connected digital age, the integrated offline experience also matters. According to a Multichannel Merchant survey, 36.9% of respondents stated that they increased catalog circulation in 2014.²

[Footnotes]

1. *DMA 2014 Statistical Fact Book: The Definitive Source for Direct Marketing Benchmarks*, Direct Marketing Association, April 2014.
2. Daniela Forte, "Catalogs Settle Into a New Role," *MCM Outlook 2014: Catalog*, Multichannel Merchant, 2014.

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**CAPITALIZE ON THE
POTENTIAL OF
CATALOGS TO GAIN
OPPORTUNITIES**

Catalogs can be used to enhance—not replace—digital experiences to increase brand awareness and acquisition.

Are you taking advantage of all the opportunities catalogs have to offer?

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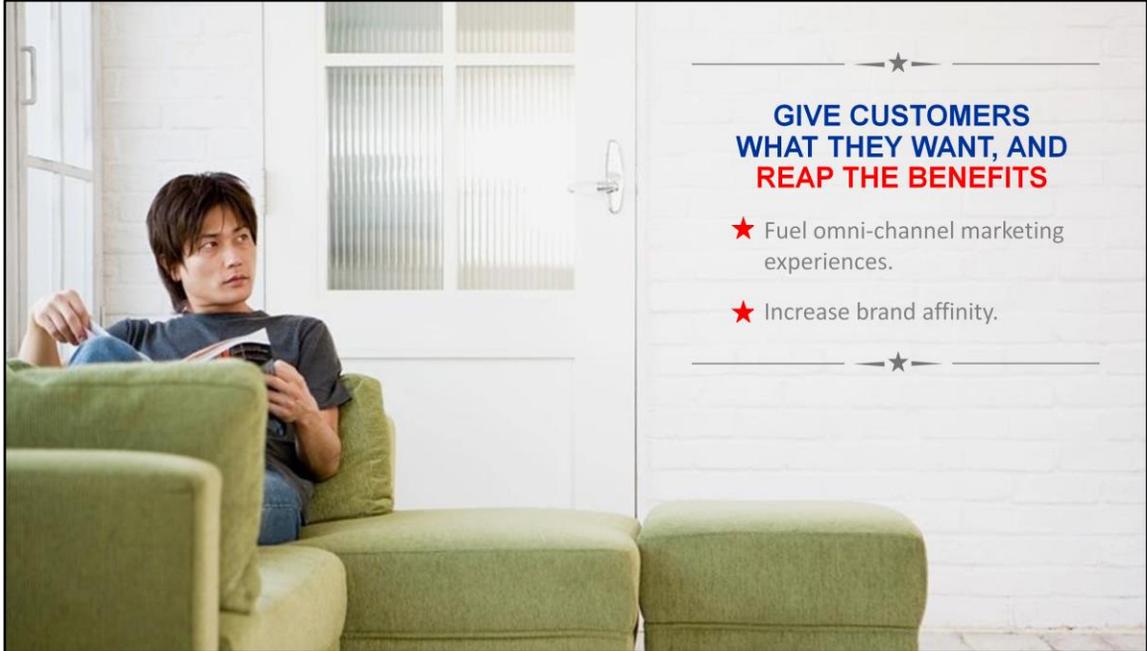
(Slide 4: Opportunity—When catalogs reach their full potential)

Here are some questions to consider:

1. Do you have an incredible depth of product that other channels can't fully showcase?
2. Do you want to cross-sell other products?
3. Do your media channels provide you with the real estate to share your unique story?
4. Do your customers shop for your products via multiple channels?

Catalogs can help your products be seen, your messages heard, and your customers engaged through unique shopping experiences.

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(Slide 5: Benefit: Fuel omni-channel marketing experiences and increase brand affinity)

Catalogs help **fuel omni-channel marketing experiences** that help drive consumers from catalogs to websites to retail stores. Research shows that shoppers who browse through catalogs are likely to spend more money with a retailer either online or offline.

When consumers feel an affinity with your brand, they want to make more purchases. Catalogs are an excellent tool for enhancing your brand and **increasing brand affinity** by leveraging customer data to help you feature unique and inspiring content in catalogs that appeals to consumers.

Shoppers who browse items in a catalog are likely to spend more money with a retailer regardless of whether the actual purchase takes place on or offline.¹

[Footnotes]

1. eMarketer, "Are Catalogs Back in Fashion?," October 10, 2014.

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(Slide 6: Benefit: Create relevant, highly targeted experiences and connect with consumers)

Taking advantage of your customer data from all of your marketing efforts can help you create more relevant, highly targeted experiences.

Big Data and a recency, frequency, monetary (RFM) analysis can help you capture quantitative data that tracks customers' recent purchases, purchase frequency, and purchase expenses. Leveraging this data can help marketers know when to touch a customer with a specific catalog or other direct marketing device.

Leveraging Big Data enables marketers to deliver functional and emotional connections between brand and consumer. These connections are essential for successful commerce. Consumers enjoy having a catalog that's tangible, portable, and can influence them to acknowledge the brand on other marketing channels. Catalogs can create life-long relationships between brand and consumer. Consumers trust catalogs to help them make the best choices and discover new items. The storytelling, vivid imagery, and clear, organized product arrangement of catalogs engage consumers by giving them an offline, one-on-one interaction page after page, and that's valuable.

In the event catalogs were no longer mailed to their homes, 11% of engaged consumers would be so upset they would stop doing business with those companies.¹

When catalogs can make valuable connections with targeted audiences, they prove their effectiveness.

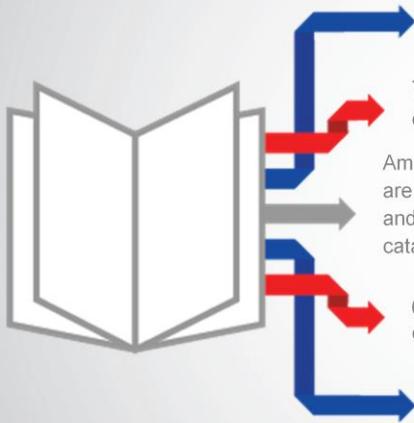
[Footnotes]

1. American Catalog Mailers Association, "Catalogs: The Consumers' Point of View,"

2012.

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STATISTICS SHOW CATALOGS BOOST ENGAGEMENT



According to a 2011 survey, consumers who received catalogs spend \$850 per year on catalog purchases.¹

77.7% of merchants surveyed intend to use catalogs to prospect new customers.²

Among those surveyed who receive catalogs by mail, about three catalogs are received per week. Two-thirds of these catalogs received are opened up and looked at, with half of respondents opening up and looking at all of the catalogs they receive.³

65% of distributors surveyed who produce a catalog for their customers found that catalogs are an effective channel.⁴

A survey found that the 2012 conversion rate for catalog and call center retailers was 5.1%, an increase from 4.7% in 2011.⁵

1. "Catalogs: The Consumers' Point of View," American Catalog Mailers Association, 2012.

4. Jonathan Bein and Jim Tenzillo, "Print Catalogs: Why They Are Alive and Well," Real Results Marketing, November 16, 2011.

2. Daniela Forte, "Catalogs Settle Into a New Role," *MCM Outlook 2014: Catalog, Multichannel Merchant*, 2014.

5. Kevin Woodward, "Catalogs book the highest conversion rate in the Top 500," *Internet Retailer*, April 29, 2013.

3. "Catalogs: The Consumers' Point of View," FGI Research, 2012.

(Slide 7: Benefit: Prove effectiveness)

Catalogs are a critical tool to help drive acquisition, engagement, and conversion.

Here are some of the statistics that show just how effective catalogs can be:

- According to the American Catalog Mailers Association, 90 million Americans buy from catalogs and spend an average of \$850 million annually.¹
- Catalogs are the number one tool for merchants to prospect new customers with 77.7% of merchants saying catalogs are the tool they will use for finding these new customers. Following catalogs, 68% of merchants will use Facebook, 66% will use email, 42.7% will use Twitter, and 40.8% will use Pinterest.²
- They create audiences. 2/3 of catalog recipients open and read catalogs.³
- Overall, 55% of marketers find catalogs to be effective, while only 7% of marketers see catalogs as ineffective.⁴
- The conversion rate of 5.1% for catalog and call center retailers is up from 4.7% in 2011.⁵

[Footnotes]

1. American Catalog Mailers Association, "Catalogs: The Consumers' Point of View," 2012.
2. Daniela Forte, "Catalogs Settle Into a New Role," *MCM Outlook 2014: Catalog, Multichannel Merchant*, 2014.
3. Kara Kennedy Davis and Dino Fire, "Catalogs: The Consumers' Point of View," FGI Research, 2012.

4. Jonathan Bein and Jim Tenzillo, "Print Catalogs: Why They Are Alive and Well," Real Results Marketing, 2011.
5. Kevin Woodward, "Catalogers Book the Highest Conversion Rate in the Top 500," Internet Retailer, April 29, 2013.

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ARE YOU READY TO...

- ★ Strengthen your brand identity?
- ★ Humanize your brand?
- ★ Promote specific groupings of products in an organized, approachable way?
- ★ Break through the clutter?
- ★ Get higher conversion rates, increased measurability, and improved ROI?
- ★ Bring out the best of each channel you've invested in?

(Slide 8: When to consider incorporating catalogs into your omni-channel strategy)

Are you wondering if your company is ready to incorporate catalogs into your omni-channel strategy? Here are some things to consider:

- Catalogs can be your foundation to enhance the identity and strength of a brand, promoting more awareness and customer loyalty.
- You can humanize your brand by sharing compelling information about a company's history, featuring images of its buildings, or providing background stories about their real-life models.
- Promote specific groupings of products in an organized, approachable way. Color-coded sections or showcasing products by theme can help you organize the way you display your products to appeal to consumers. Nearly half (46%) of those who receive catalogs find them useful.¹ This amplifies just how important product details and strong incentives are.
- Break through the clutter with an impactful, tangible, and tactile experience that

engages the senses. Readers can hold a catalog in their hands, mark it up, put it down, and pick it up again a day later. It can and often does stay in the house for weeks.² On average, two-thirds of catalogs received are opened up and looked at with half of respondents opening up and looking at all of the catalogs they receive.¹ Catalogs can add textures and materials to create a richer consumer experience.

- Provide higher conversion rates, increase measurability, and get a great return on your marketing investment. Catalog marketing allows for measurable results through tracking customers purchase behavior. Advanced software platforms allow for attribution to occur in real time, enabling immediate recognition of emerging trends. According to the Wall Street Journal, retailers rely on catalogs to drive bigger spend. Shoppers that browse items in a catalog are likely to spend more money and be more loyal to a retailer regardless of whether the actual purchase takes place online or offline.
- Deliver a true omni-channel marketing experience. By leveraging technology, catalogs can drive customers and prospects to additional platforms. Marketers can increase conversion rates by including mobile hooks like augmented reality (AR) into catalogs to give consumers an interactive, virtual experience. 57.3% of marketers use QR codes in catalogs, and more than half (54.8%) use QR codes to drive customers to an online product page.³

[Footnotes]

1. American Catalog Mailers Association, "Catalogs: The Consumers' Point of View," 2012.
2. Lois Geller, "Why are Printed Catalogs Still Around?," Forbes, October 16, 2012.
3. Daniela Forte, "Catalogs Settle Into a New Role," *MCM Outlook 2014: Catalog, Multichannel Merchant*, 2014.

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CASE STUDY: WILLIAMS-SONOMA

Williams-Sonoma is a leader in lifestyle home furnishings, finding success in the digital age with its catalog as the primary driver for sales.

- ★ 35 years using omni-channel marketing
- ★ Revenue: \$5 billion¹
- ★ 25% to 30% of orders come from mobile
- ★ 50% of all emails opened on smartphones



“We are finding nothing that can drive the revenue better per contact than a catalog can.”¹

—Pat Connolly,
chief strategy and business
development officer for
Williams-Sonoma

1. Daniela Forte, “How Williams Sonoma Finds Success in the Digital Age,” Multichannel Merchant, October 6, 2014.

Slide 9: Case Study - Leaders in Catalogs –Williams Sonoma

In 2000, the company began collecting web data and used catalog purchases to guide business decisions. For example, when a catalog-only, Williams-Sonoma product immediately sold out, it was reordered, restocked in stores, and a large picture was placed in the next mailed catalog.

One of the key ingredients for Williams-Sonoma’s success is capitalizing on data through using well-executed omni-channel marketing. When customers visit one of their websites, it has personalized content based on information about the customer. The customer can experience similar personalized content in their catalogs, too.¹

The data-driven marketing and direct-to-consumer operations from the catalog helped give the company a competitive advantage that helped them gain success in the ecommerce space.

The numbers tell the story:

- When creating a “more compelling story” in their catalogs by including

supplemental, related content like recipes, direct-to-consumer sales rose 12%, creating 42% of total revenue.²

- Today, the company is close to \$5 billion in revenue and is 50% direct-to-consumer.²

[Footnotes]

1. Daniela Forte, “How Williams-Sonoma Finds Success in Digital Age,” Multichannel Merchant, October 6, 2014.
2. Laura Alber, “The CEO of Williams-Sonoma on Blending Instinct with Analysis,” Harvard Business Review, 2014.

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SPECIAL-INTEREST CATALOGS HELP YOU REACH NICHE AUDIENCES



Catalogs can reach, target, and convert more customers.¹

1. Robin Mellery-Pratt, "Why Catalogues Survive in a Digital Age," Business of Fashion, April 30, 2015.

Slide 10: Niche catalogs (modular slide)

A niche catalog program can help you communicate key messages to reach and convert more customers.

Big Data can help you target audiences by segmenting customers by type and purchase behavior. Catalog production costs are offset when catalogs are only sent to targeted audiences that take particular interest in a store or product category.

For Neiman Marcus, catalogs bring their brand to life in a tactile way. Their catalog serves a niche market, and big data has helped them see that their catalog plays a role across all age demographics.¹

[Footnotes]

1. "Why Catalogues Survive in a Digital Age," Business of Fashion, April 30, 2015.

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Slide 12: Philanthropic catalogs (modular slide)

When contributors donate to philanthropic organizations, they like to know how and where their donation is used. Catalogs are a great channel for philanthropies to highlight past and present fundraising events, donor listings, and donation allocations, like scholarships or new buildings.

Philanthropic catalogs can also include a business reply mailer to motivate current, former, or prospective contributors to donate .

In Washington, D.C., the *Catalogue for Philanthropy: Greater Washington* generates more than \$3 million a year in total contributions. Since 2003, they've helped raise over \$28 million. Its catalog features about 75 nonprofits and is mailed to about 20,000 individuals in the Washington metropolitan area.¹

[Footnotes]

1. Catalogue for Philanthropy: Greater Washington, "About," 2014.

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INCORPORATE INNOVATIVE TRENDS FOR OPTIMAL RESULTS

- ★ Special edition
- ★ Custom
- ★ Smart stickers



Slide 13: Catalogs are incorporating innovative trends to engage audiences

Several innovative catalog trends can help you create even more unique connections with your audiences.

The special edition catalog is meant to stay in the home longer and bring the consumer a sense of relaxation when read. It focuses on a main subject—like a holiday season—and curates the catalog to elevate specific offerings through vivid imagery and higher quality that help inspire new ideas.

The custom catalog uses big data to distinctly tailor each catalog to each unique customer. Analytics help marketers crunch data to know what interests a consumer most. Then the catalog can show specific sections across several brands to stand out to the consumer's eyes.

Smart stickers are a third innovative trend that catalogs can incorporate to enhance the digital experience. When photographed, images are automatically digitally cataloged.

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Slide 14: CTA

The time is now to rethink catalogs.

Together, we can help you discover which types of catalogs can help you improve your omni-channel marketing, boost sales, increase acquisition and retention, and meet your business needs.

To learn more about which type of catalog will work best for your objectives, contact a USPS Sales Executive representative.

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Thank you.