





IN THE MOOD TO PERUSE

IN THE AGE OF E-COMMERCE, RATHER THAN SUCCUMBING TO EXTINCTION OR BEING SHOULDERED INTO A MURKY CORNER OF THE MARKETING WORLD, CATALOGS HAVE THRIVED. HERE'S HOW THE MARKETING MEDIUM HAS KEPT ITS MOJO, EVOLVING FROM SHOPPING UTILITY TO LIFESTYLE INSPIRATION.

BY MOLLY SOAT | STAFF WRITER

[✉ msoat@ama.org](mailto:msoat@ama.org)

IN THE POST-DEPRESSION-ERA UNITED STATES,

Sears Roebuck & Co.'s famed "big book"—which sold everything from sewing machines to sporting goods—was a fixture of middle-class consumption. In the 1980s, kids dog-eared the pages of Toys "R" Us and FAO Schwartz catalogs when filling out their Christmas lists, while their parents did the same with catalogs from The Sharper Image and Neiman Marcus.

Fast-forward to the dawn of the digital age, when websites began attracting shoppers in the mood to peruse, serving up product information alongside impulse-buy-ready purchase technology. That competition could have ensured that catalogs would be relegated to doorstep status. Instead, they've been re-strategized and reinvented, and for some brands, they even play an enhanced role in the marketing arsenal.

Some retailers evolved their catalogs beyond simple product shots and SKUs years ago. Now many other companies are following suit, leveraging the content marketing power of catalogs to offer customers ideas and inspiration extending well beyond a brand's product portfolio. Catalogs now aren't just direct mailers. They're magazines, often personalized to the recipients' purchasing habits, their pages filled with artistically styled photography and expertly penned information.

"If you get a catalog in the mail that's so beautiful, you're going to save it and put it on your coffee table. That's a

big brand win," says Tereasa Surratt, creative director at the Chicago office of New York-based ad agency Ogilvy & Mather, freelance stylist, and co-founder of Camp Wandawega, an Elkhorn, Wis.-based retreat that often stages catalog shoots for Land of Nod, Land's End and Trek Bikes, among many other brands.

As printed content gives way to digital publishing, and as direct mailers work hard to keep their promotional vehicles out of the recycling bin, catalogs are alive and well.

TRACKING THE METAMORPHOSIS

Catalogs hit their stride in the 1980s and 1990s, when catalogs were a commonly accepted and regularly used retailing channel. In 2006, catalog distribution was at its peak, with about 20 billion catalogs mailed each year, according to the New York-based Direct Marketing Association (DMA). But just one year later, distribution fell sharply thanks to the continued proliferation of e-commerce plus a budget-busting postage increase.

In 2013, only 12 billion catalogs were mailed to shoppers—down 40% from the industry's high seven years prior.

In 2007, shape-based postage pricing was introduced in the U.S. for the first time and shipping rates increased significantly, resulting in a 14% hike in the cost to ship a catalog, according to *Total Retail* magazine.

“The postage increase led to a significant contraction of the catalog industry,” says Paul Miller, vice president and deputy director of the Providence, R.I.-based American Catalog Mailers Association (ACMA). “There was also the perfect storm of the recession, causing problems galore for everyone everywhere, which was a double whammy with catalog postage going through the roof. It led to companies that were rooted in catalog marketing looking more aggressively than ever for alternatives, digital and otherwise.”

For companies that had to make cuts, catalogs naturally were on the chopping block, but while the industry's decline in catalog production is noteworthy, what's more significant is the fact that so many companies have stuck with the old-school marketing method. Throughout the past decade, brands from Anthropologie and Patagonia to Ethan Allen and Ikea have continued investing in and evolving their catalogs. Just look at Restoration Hardware, which felled more than a few trees when it sent a 13-book package of catalogs, or “sourcebooks,” touting its various product lines to middle- and upper-class consumers who'd expressed a penchant for home design and for the company's brand.

Companies like Restoration Hardware obviously are trying to leverage catalogs to cut through the clutter and ideally generate some buzz, but when it comes down to it, catalogs simply remain an effective purchase influencer. According to the DMA, each year 90 million Americans make purchases after getting a catalog. Consumers who receive catalogs spend an average of \$850 annually on catalog-driven purchases, the ACMA has found, and 72% of catalog mailers use catalogs as a prospecting tool to attract new customers. The link between catalogs and sales is the reason why catalogs are adapting, not dying.



IMAGE COURTESY OF CAMP WANDAWEGA.

Camp Wandawega in Elkhorn, Wis., is not only a vacation destination, but also a frequent host to rustic-chic catalog shoots. Land's End used the camp's treehouse (above) in its holiday 2013 catalog and in-store signage.

INSPIRED LIVING—AND BUYING

Catalogs continue to serve an important role in many companies' sales processes, but, typically, catalogs no longer are direct sales channels unto themselves. They're often stepping-stones toward further brand engagement, key pieces of content marketing that can boost brand awareness and affinity, and prompt consumers to seek out a brand's offerings when they're shopping in stores or online.

In May 2015, Danbury, Conn.-based furnishings company Ethan Allen Interiors Inc. released a catalog-turned-coffee table book called *Muses*, which is being sent to interior designers and loyal Ethan Allen customers. “From the beginning of the *Muses* project, the objective was to capture the DNA of our brand, to say, “This is the kind of classic style and quality and inspired interior design that Ethan Allen stands for,” says Farooq Kathwari, chairman, president and

CEO of Ethan Allen. “The world is changing. Today you don’t need thick catalogs of detailed product information because you can put that online, which is the right place for it because people are doing their window shopping on websites now. What they can’t get on a website is that experience of holding a book in their hands that will inspire them.”

Ethan Allen’s new-age “catalog” includes 324 pages of product shots staged to resemble a home design book, bound with a thick paper cover touting the sourcebook’s title. One page depicts an Ethan Allen couch with a narrative description of the company’s upholstery tailoring process. Another page is a collage of close-up shots of pink champagne, diamond earrings, sparkly stilettos and the Washington Monument—inspirational colors and textures for the book’s section called “inspired by poetry.” Other themed sections are “inspired by” dance, drama, history, music and spirit, among others.

Each section features a mix of Ethan Allen furniture set in well-appointed spaces, and close-ups of textiles, plants, ropes and ice cream, all designed to inspire interior designers and customers to build rooms around Ethan Allen furnishings. Typical catalog information, such as product dimensions and pricing, is nowhere to be found. The company’s website is teased on about every 10th page, in small captions that prompt readers to explore the company’s online tools. (“Start something beautiful! Create idea boards and more at EthanAllen.com/MyProjects.”)

“People need information to make a decision, but they need inspiration to get them started,” Kathwari says. “What we’re doing is putting each where they need it most: We’re putting the inspiration in their hands, and we’re putting the utility online.”

Ethan Allen tasked its internal creative team with creating the sourcebook, spending more to produce and distribute this printed piece than on previous catalogs, but Kathwari says that it was worth it. “One of our great advantages is that we are vertically integrated, which means we manage most aspects of our business ourselves. In the case of *Muses*, this means that our own creative people developed it, our own photographers shot it and our own production people oversaw the printing. *Muses*, of course, was more of an investment in terms of time and money than a catalog would be, but because of our structure, we were able to control those costs. Was the investment worth it? Absolutely. It was created to inspire our clients and prospects, but the effect it has had on our own people, especially our designers in our design centers, has made the effort worthwhile.”

Moreover, companies in the home design space have to get especially creative with their catalogs to stand out from the competition. “There are some very well done catalogs out there,” Kathwari says. “[But] *Muses* is not a catalog. It’s a book designed to give people great design ideas and a sense of our DNA as a brand. ... Whether we’re

creating a book, direct mail, a print ad or an e-mail, we try to give people something that interests them. Whether it’s advertising or editorial, people read what interests them.”

TAKING CATALOG PROMOTIONS BEYOND THE PAGE

The now-iconic catalog from Leiden, Netherlands-based home furnishings company Ikea Group has been produced and mailed internationally for 65 years. Earlier iterations included more traditional product shots and SKUs, but in recent years, the Ikea catalog has evolved into a fusion of offline promotion and online purchasing technology.

In 2010, Ikea released a catalog app that allows customers to play around with room designs and color schemes, using augmented reality to envision how an Ikea product would look in their own space, and to share products and design ideas on social media. “Consumers like to hear the backstories about products, how they were developed and about the history of them. Now, with the catalog app, we’re able to tell more of those backstories,” says Rich D’Amico, deputy marketing director of Ikea U.S.

Starting in 2012, Ikea began experimenting with more mobile integrations, such as digital fliers and mobile-optimized consumer e-mails. The company incorporated QR codes in February 2012, allowing customers to access assembly videos or to easily sign up for the next catalog mailing.

The Ikea catalog now features just 40% of the products that are offered in-store and online, plus more photos featuring Ikea products in real-life settings, some complete with “Ikea-hacked” furnishings—products from Ikea that have been altered by the customers with paint, new furniture legs or other creative modifications. “We learned that users felt like it helped them overcome a big style challenge: How does this product fit in my home or with what I already have?” says Marty Marston, Ikea U.S.’s product public relations manager. “All of our users wanted more. Last year, we have tripled the number of products that can be placed with the help of augmented reality in our catalog app, for example. ... Ikea [also] started to produce CGI [computer-generated images] for selected pictures in the catalog a few years ago. The new digital technology permitted the production staff to work more quickly. For example, they could design and build one model kitchen, and change out the look and color of the door fronts to represent multiple variations by using CGI. At first, some customers may have been skeptical, but as with many things, over time, they came to realize that one couldn’t discern between a ‘real’ room setting and one that was created using the new technology.”

“The catalog has been a really important tool in terms of bringing the brand closer to consumers, and letting consumers see the breadth and depth of the ideas and inspiration in the catalog,” D’Amico says. “We continue



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to evolve, grow and develop the catalog content, but basic objectives are still the same: to bring the brand to the consumer, to demonstrate our competence, to let them know that we understand how they live at home and to show that we have good solutions for them.”

According to Marston, Ikea’s once-yearly catalog has become a hot commodity. “After all of these years of producing the catalog, it’s fascinating to see how people still want the paper copy, how they keep them and use them for inspiration. People ask me for advance copies like it’s the new J.K. Rowling book. It’s remarkable.”

E-COMMERCE GETS HIP TO PRINT

Catalogs have proven so effective in driving online sales in the past few years that Internet-first companies have joined the ranks of lifestyle-inspired catalog producers, the ACMA’s Miller says. “In the past couple of years, a number of Internet pure plays have begun mailing catalogs because they came to the realization that the kind of customers who purchase either online, or through their smartphones or other digital means are nowhere near as loyal as customers who shop out of a catalog or walk into their favorite store all the time. And customers tend to either price-shop, or shop for a very



specific item when they look online, whereas when you get a catalog in the mail, it's a reminder of things you need, things you want, brands you like, and it prompts a sale."

New York-based men's apparel e-retailer Bonobos first produced a print catalog in 2013 and has since seen a big payoff, says Craig Elbert, the company's vice president of marketing. "We're very much a test-and-learn culture, and in this case, specifically, we were doing a shoot in Palm Springs and the challenge was that we felt like, through our e-mails and our home page, there wasn't enough use of the photos to justify what we were doing out there. We wanted to be able

to let those photos shine," he says. "We decided to use that opportunity to do a test of sending a small quantity of catalogs to existing customers and also to potential customers. We were really excited and impressed by the results."

Twenty percent of the brand's first-time customers buying on the site received a catalog, and those customers spend 1.5 times as much as customers who didn't receive a catalog, Elbert says. Bonobos focuses on whole-outfit shots in its catalogs because customers will buy a top and pants that have been styled together, he says.

According to Elbert, Bonobos catalogs also are now the main source of new customers. "The valuable thing is the attention mindset that someone has when they're sitting down and flipping through a catalog," he says. "Online, there are a lot of distractions on a page, and you have just a few seconds to catch someone's attention and then get them to your site and get them shopping. What's nice is you're able to tell more of a brand story than we were able to do online. We were able to show the lifestyle, some of our great photographic assets, and at the same time, we were able to see quantifiable results. Online, there's more of a tradeoff between having something that's driving long-term brand value versus something that's driving short-term conversion rates."

The Bonobos catalogs are styled like travelogues, with pages filled with scenic photography and fictional travel anecdotes. "There's room for content marketing," Elbert says. "For each of our catalogs these days, we have some portion of information on the location we traveled to. We intersperse a number of travel tips and some great photo assets of the local culture and people that aren't necessarily focused on our product but more focused on the location and tips for places to go. We find that customers like that little bit of extra character when they're flipping through it, so it's not fully a sales piece, but it's an inspirational piece."

The investment in catalog production and distribution is significant, Elbert says, but the ROI makes it worth Bonobos' while. "[Catalogs have] done really well for us economically. The average order value is about 75% higher than someone who comes to us off of a website straightaway. You're getting a quality customer. We're exposing customers to more of the product line and at the end of the day, the math works out that the investment is one of our better investments."

The medium has shown, for Bonobos and other retailers, to be an effective way to reach customers without fighting for eyeballs on an ad-cluttered Web page, he says. "When we think about how we market to customers, we think about how challenging it can be to get the customer's attention these days. The catalog is an attention arbitrage for us. We think about where our customers are being inundated and where there are opportunities. A lot of our customers are the generation where they're not receiving a ton of catalogs, so there's an opportunity to get their attention there, while



"CONSUMERS DEMAND MORE CONTENT" THAN OLD-SCHOOL CATALOG DESCRIPTIONS PROVIDE, SURRATT SAYS.

they're being inundated online. The content is really the currency when you're looking to get someone's attention. If you've got good content and you're able to grab that attention, then you can be smart about finding opportunities."

A PERSONALIZED BRAND EXPERIENCE

Being smart includes targeting catalog efforts as carefully as possible, Elbert says. "The challenge is that you are dealing with a physical asset and paper costs money. The printing and the postage costs money. It's not a cheap endeavor," he says. "It's also one where you have to plan in advance. If a digital ad is not working, you can turn off that ad the same afternoon and stop spending money on it, whereas with a print catalog, I need to book that paper months in advance, oftentimes before we've done any of the shooting or seen the assets, so you're committed to a large expense. Once it's out there, if it's doing well, great. If it's not doing well, there's nothing you can really do. You have to plan ahead and you have to be smart on your investments, and, generally, your reaction time is a little bit slower."

Enter providers like Irving, Texas-based Epsilon Data Management, which serve up and manage consumer data that helps catalog producers refine their strategies and get more bang for their marketing bucks. Companies are able to send specific catalogs based on a consumer's past purchase behaviors, targeting consumers who only buy products from the brand that are on sale by sending thinner, promotion-oriented catalogs, while mailing full catalogs to consumers who've spent more on full-priced goods, for example. And while catalog producers have been buying and trading mailing lists of potential customers for years, current technology has made this practice nearly seamless.

"With more and more access to data—not just transactional data, but data on channel preferences and shopping habits—all of that now can be used to get more relevant and personalized to a consumer," says Stacey Hawes, executive vice president of data solutions at Epsilon, where she runs product strategy teams for all data products, including the Abacus Alliance cooperative database, which

stores customers' data and allows companies to share data to shore up their own mailing lists. "One-to-one marketing is the holy grail, but [marketers] used to have more of a batch-and-blast mentality: All customers would get the same cover on a catalog, for example. But there's a lot of new technology that can do variable printing and print on demand to help companies send me a different image on the catalog than someone else, where one [customer] is buying for work and one is buying for home."

CONTENT IS KING

Delivering such personalized information to consumers' doorsteps is key in this era of content marketing, especially if brand information is creatively packaged. "Right now, it's about storytelling," Ogilvy's Surratt says. Her Camp Wandawega, which she and her husband opened on an idyllic patch of Wisconsin land as a location for summer-camp-like vacations for adults, has served as the setting for catalogs from brands that want to create narratives around their products, to showcase them among vintage camp gear and a sun-dappled lakefront—to give consumers an aspirational view of how the products might beautify their own lives. Land's End built a five-level bunk bed out of raw tree trunks on the camp's tallest hill for its holiday 2013 catalog shoot. Models for a Camp Wandawega-inspired children's clothing line for American lifestyle brand Gant are seen on the catalog's pages cavorting through the camp's treehouse and playing baseball in the open field.

"Consumers demand more content" than old-school catalog descriptions provide, Surratt says. "They ask themselves: 'How does this [product] fit into my life? Who is it I want to be, and what life do I want to live?' At the end of the day, consumers need to be inspired. Catalogs today are not there to sell product, they're there to inspire you—to inspire the way you live, the way you entertain, the way you raise your kids. They inspire you to be a better version of yourself. It's about human insight. We want to care more about our products than just the brand name stamped on them, and the best brands know that." **m**