

# FEATURE

## Catalogues – junk mail or retailer’s best tool?

BY ZILLA EFRAT

*Catalogues remain a viable means of engaging customers, but retailers need to up the ante to capture the attention of increasingly savvy consumers.*

Research reconfirms the broad reach of catalogues, but many retailers need to up the ante in the use of these to appeal to ever more savvy and demanding consumers.

The latest data from Roy Morgan Research found that almost 10.5 million Australians read or looked at one or more catalogues during an average week in the year to June 2015.

Despite dipping in 2013, catalogue readership surpassed that of non-community newspapers at the end of last year. And the gap has continued to widen. According to Roy Morgan, today catalogues reach over 600,000 more readers in an average seven-day period than major newspapers, and around 4.3 million more than local/community newspapers.

Michele Levine, CEO of Roy Morgan Research, suggested that if the recent

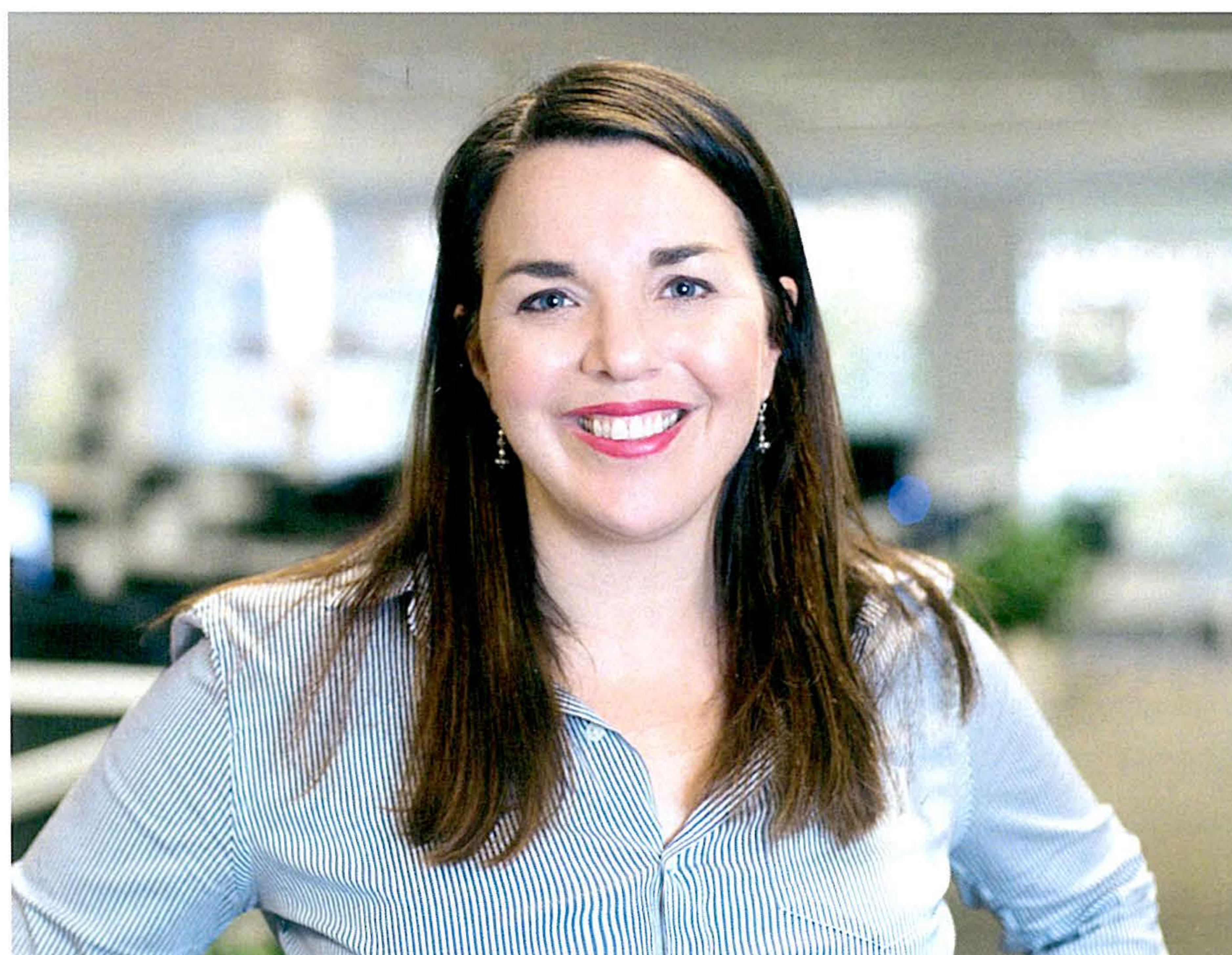
upward trend for catalogues continues, their weekly reach will creep up on the combined reach of all newspapers, including local and community papers. Levine noted that 54 per cent of Australians now read at least one catalogue a week.

Salmat chief marketing officer, Sarah Pike, added that letterbox media is now read, “by people young and old and in every life stage”.

“In fact, between 2013 and 2015, letterbox media has been the fastest growing media with Gen Z, while newspapers, magazines, commercial TV, radio, and even Facebook, have been losing traction with this generation,” Pike said. “Letterbox media also reaches 64 per cent of big spenders; 50 per cent of young singles; 64 per cent of young parents; and 65 per cent of online shoppers, to name a few.”

But why are printed catalogues proving so compelling for Generation Z – generally accepted to be those born since the mid-1990s – in particular?

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Clockwise from left: Sarah Pike, Salmat; Lee McClymont, Popai; and Norrelle Goldring, GfK Australia.





“Firstly, many Gen Zs are still living at home or renting,” Pike explained. “If they are living at home, it’s likely they are the ones that have to empty the mailbox. “Those that have just left home and are now renting are looking for great deals on, say, groceries, or smaller white goods, because they are just setting up home.”

She noted that research showed that just under 40 per cent of Gen Zs went on to buy a product within seven days of reading a catalogue.

A qualitative study conducted by Nielsen, for Salmat, last year pinpointed some of the reasons why people still read catalogues.

“Digital catalogues have a smaller readership. But this readership is younger and more purposeful.”

“We found that consumers like to feel that they are in control,” Pike stated. “There is so much push media today, but with a catalogue, they are in control of when they read it, what elements they read and how they access the content inside,” Pike told *Inside Retail Weekly*.

“We also found consumers use catalogues to relax and take a few moments of ‘me’ time. It’s just like magazine browsing, but it’s free and affordable. We also know that the information inside catalogues appeals to the consumer’s desire to be a clever shopper and to get the best deal. Around 25 per cent of readers often talk about the deals that they have read in catalogues. That’s great for advertisers.”

Lee McClymont, general manager, ANZ of marketing association body, POPAI, noted that much depended on the type of shopper.

“Some shoppers use catalogues to assist them in planning stock up shops and are scanning catalogues for price specials, which may determine which retailer they spend their money in for their stock up shop,” she said.

“Other shoppers are reading catalogues for recreation and inspiration. This type of behaviour is an underutilised opportunity for retailers.”

#### The role of digital catalogues

Of course, catalogues can be in digital or print form, and, according to Pike, digital catalogues are going from strength to strength. She pointed to recent research that revealed there were over two million people who read a digital catalogue every month. And as a result of this, seven out of 10 readers went on to purchase a product.

“Of those that did go on to purchase a product, 71 per cent of those purchases

were made physically instore and not online,” revealed Pike.

“So digital media and digital catalogues are doing a fantastic job in driving people into stores. When we talk to clients, we position letterbox media as both traditional and digital, because together they work beautifully.”

However, Norrelle Goldring, director, head shopper experience and retail performance, at GfK Australia, noted that print and digital were used differently.

“Paper catalogues skew to older readers and are often browsed as a pseudo leisure activity by this group quite regularly, irrespective of whether they are interested in buying,” Goldring said. “Because they are a smaller, but growing, area, digital catalogues have a smaller readership. But this readership is younger and more purposeful. People browsing digital catalogues are looking to buy.”

Goldring added that digital catalogue readers are more likely to take action, but that was because they were typically further along in their purchase journey.

More readers of paper catalogues are simply browsing with no end in mind, so the percentage of paper catalogue readers who take no action is higher.

She said the impact of catalogues could vary, not only by catalogue format (digital versus paper), but also by channel or category.

“Consumer electronics/durable goods catalogues may be more likely to have a purchase at the end of them because people are less likely to be simply browsing,” she said.

“Catalogues that offer ideas and inspiration, such as those by Ikea and Freedom, aren’t necessarily going to have a purchase at the end. Supermarket catalogues are different again. Some shoppers use them to determine where they will shop that week based on the cheapest basket of goods. Some use them for recipe ideas, and the Aldi catalogue drives traffic with its special buys. And then there’s a percentage of all shoppers that bin catalogues rather than read them.

“Different categories may skew to different stages of the journey: supermarket and DDS catalogues may have more browsing; furniture





and hardware may be more for thinking and researching; pharmacy catalogues are more about decide and buy. So it's horses for channel courses."

## Catalogues done right

With so much at stake, it's vital that retailers avoid repeating some common catalogue mistakes. One such mistake, according to McClymont, is producing a catalogue that looks incredibly boring. "Picture, price. Picture, price. And on and on," she deadpanned. "It's a missed opportunity to communicate information and enticement on levers other than price alone, such as inspiration and education – even in grocery or pharmacy, meal ideas, beauty ideas. Some retailers are starting to use catalogues this way, but it doesn't happen across the board."

“*There's a percentage of all shoppers that bin catalogues rather than read them.*”

"Shoppers are well-educated and savvy. And these days they expect more from communication. Pictures and prices don't cut it anymore. Shoppers also want inspiration and education – even in a catalogue. Because printed catalogues are now also competing against online for share of pre-store voice. It's time to up the ante."

Similarly, Goldring advised retailers to ensure they take into account the many reasons why shoppers browsed, read or used catalogues, and to then provide content that covered those reasons.

"[Retailers] should avoid making navigation of the pages hard by squashing too many products and price points onto a page, making it cluttered and the fonts too small, particularly for older paper catalogue readers, to read," she argued.

"They should also steer clear of not providing sufficient category heading navigation, or putting unrelated products on the same page. Basically, it's like a category in a store, and should be laid out similarly to physical store

categories, or by theme/occasion. It's no good putting the lettuce next to the confectionery, or the hair dryers next to the toasters on the page."

McClymont pointed to Aldi, Ikea and Freedom as retailers that did catalogues particularly well – but for different reasons.

"Aldi leverage its special buys as a retailer-specific drawcard," McClymont explained. "People are excited about what random item will appear on the special buys next – from robo-vacuums to jumping castles. It adds an element of surprise and fun to the grocery shop, which can be an otherwise dull experience compared to other retail channels."

"Ikea and Freedom really get the role catalogues can play in providing inspiration. I've seen two-year-old Ikea and Freedom catalogues lying around shoppers' homes when I've been on in-home research projects. People keep them like they keep *Vogue Living* or *Better Homes & Gardens*."

"That's something other retailers can learn from. The role of a catalogue in inspiration need not only be in home and lifestyle. Inspiration for evening meals has driven major television juggernauts in the past five years, but is yet to be fully leveraged as an opportunity in catalogues."

