

INDUSTRY OUTLOOK

+ Catalogues continue to drive sales and build customer loyalty

2015 is all about 'Fat Content.'

A prediction from the ACA is that in 2015 'fat content' will become a feature. What's 'fat content'? Content that is information rich. For example food retailers like Aldi, Coles and Woolworths are incorporating recipes and healthy eating tips around their products. Liquor giant Dan Murphy is adding value by including features like whiskey guides, and stories on particular grape varietals. Fat Content is informative, but also helps to sell the product. Fat Content is information people can use. "Marketers are competing for consumer time. Content rich material will deliver greater engagement and loyalty from customers. This trend is reflected in catalogues being re-invented - Style Books, Magalogues and Product Guides delivered retailers great success last year and will continue in 2015," says Ms Northwood.

4.3% INCREASE In December figures exceeded those for the same period in FY11, which was the peak year over the past five years with 8.2 billion catalogues. Catalogue production rose from 682 million (Dec 2011) to 711 million in December 2014, an increase of around 4.3%.

Retail Index Spikes as Catalogue Production Increases.

"The more we examine catalogue volumes against the retail index we can see there is an alignment – the more catalogues in the market, the higher the retail index figures," says Kellie Northwood, Executive Director, ACA. "It has been an interesting trend and is something the ACA is mapping over the next year. We're halfway through the financial year and have some seasonal retail peaks - Mother's Day, Easter, Toy Sales and Mid-year – which indicate the industry is in for a good year."

A growth area of catalogue production is coming from online retailers says Ms. Northwood. "Retailers, whether virtual or physical, are selling to a common audience with common product segments. Regardless of where your storefront is - online or in George Street - using the strongest media channels to promote your products and services is marketing 101. Retail marketers are well aware of the power of catalogues and online retailers are tapping into it. Successful online retailers - Hardtofind, Iconic, EZIBuy and others are all producing catalogues to drive customers to their websites".

Global online retailers such as Airbnb are turning to print to communicate with audiences. "The physical presence is effective in demonstrating a company has credibility, stability and therefore reliability to consumers," furthers Ms. Northwood.

Another trend is more targeted, personalised catalogues that are direct mailed to customers. "Tailored catalogues offering targeted bonuses

and incentives to loyal customers is trending strongly. MYERone, Country Road, Priceline among others are tapping into offering rewards that are fulfilling to their loyal customer bases with success."

"Global retailers are really working their catalogues," adds Ms. Northwood citing Ikea's Book Book as a prime example. And as reported in the New York Times in January, J.C. Penney in the US is re-instituting its home goods catalogue in March, after shelving it five years ago. "J. C. Penney is making a big statement," said Bruce Cohen, a retail private equity strategist at Kurt Salmon, a consulting firm. "It's a pronouncement in favor of what all retailers are recognizing — that there are moments when people want to slow down, and there's still an important place for the catalogue".

Toy giant Mattel is another global brand that recognises the power of the catalogue. Last year the company spent more on catalogues than in the past decade, through its American Girl subsidiary.

The interest in catalogues is reflected across retail segments, with many focusing on themes and content, creating brand stories rather than just featuring hero products and sale items. "Retailers are using catalogues to promote and raise brand awareness and create a sense of community around the brand. That's a shift from social media, which was seen for a while as the only media channel which could tap into communities. I tend to feel social media is for friends not brands and marketers are certainly responding to that," Ms. Northwood concludes.

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