#01

INSIGHT SERIES

NAVIGATING THROUGH A PANDEMIC:
a guide to successful Catalogue, Magazine, Direct Mail and Letterbox Media.

TOP 5 BRAND TIPS TO NAVIGATE A PANDEMIC

Online shopping to online retailing, pandemic lockdowns, second wave uncertainty and recession periods stalling spending are difficult enough to navigate, add to that cyber scepticism and digital sameness, we live in a rare time that is filled with challenges. And as more pressure than ever is applied on retailers to perform, never more pressure has there been for marketers to get their media mix and brand equity right.

1. ONLINE RETAILING NEEDS PHYSICALITY – DON'T BE FORGOTTEN

Boston Consulting Group report online retailing is here to stay with one in three consumers stating they will continue online shopping. This places brands in a new position as they look to the cost of physical stores and how to manage a new approach to retail. 'Dark stores' for online shopping is a new reality and as retailers move into a new era of online shopping how will they maintain their physical brand presence? This is the role established media plays with online becoming the interface, print media makes a resurgence to create the 'real'.

Physical stores are expensive and as retailers become either part-time or pureplay e-commerce participants, they will need to ensure their marketing mix includes well-designed catalogues and print media solutions to allow their products to be more vivid, tactile and memorable.
The potential results from getting this right, according to a study completed by the Harvard Business Review, will deliver "increased customer involvement, loyalty and sales" all without the geographical constraints and expenses of large stores.

Well-designed catalogues and print media solutions allow their products to be more vivid, tactile and memorable

Harvard Business Review, 2020.

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2. RECESSION PROOFING YOUR BRAND – STABILITY MEANS CUSTOMERS KNOW WHERE TO FIND YOU

However, online retailing and physical branding is not all that is at stake, there is a threat of not preparing for the post-recession period and brands must be cautious to not miss the boat and stay too silent – they do this at their own peril.

Mark Ritson, marketing extraordinaire, recently warned brands sitting in 'freeze mode' is a 'big mistake' and believing a sudden ramp up will bring you to where you need to be as the COVID bubble bursts will not work. He further warned, brands who 'completely switch off' channels that worked for their brand pre-COVID will take a year to catch up versus others that have remained a stable presence.

> **Brands who 'completely switch off' channels that worked for their brand pre-COVID will take a year to catch up versus others that have remained stable presence**
>
> *Mark Ritson, 2020.*

We've seen this before from pre and post-GFC analysis of media investment. Within four weeks of the end of GFC, catalogue volumes increased by 8.64% and remained at those high levels for a decade. Roy Morgan analysis of all media over the past seven years, sees catalogues as the only channel to have achieved an increase in investment. This channel and the post-GFC investment has a purpose - to push the shoppers' attention back to the brands they had forgotten. This highlights brand presence is critical, particularly following the COVID-19 bubble we are all enduring, brands holding back to zero now will have to double their efforts to reclaim lost market-share, loyalty and relevance.

And it isn't only catalogues that saw a spike post-GFC, magazine investment also increased according to the Nielsen AQX January 2009 to December 2010 data reporting a YoY increase for Oct 10 vs. Oct 09 achieving a +36% and MoM Oct 09 was up 8.83% vs. Sept 09 MoM and Nov 09 was up 43.91% vs. Oct 09 MoM. Stability is key for brand recall, frequency and engagement, dropping your advertising investment now will move your brand to the end of the line. Now is all about owning, if not improving, your presence and market-share.

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3. DON'T BE VANILLA – HOW DIGITAL MAKES YOUR BRAND REDUNDANT

Line up competitive retailers Facebook pages and the only thing that distinguishes which brand we are engaging with is the logo in the top left corner. This may work for start-ups, however established brands are simply falling into brand blandness and losing identity – fast. It's because of this the major brands are pulling out – Twitter is 22% down in ad revenue and Unilever, Starbucks, Coca-Cola, Microsoft and more have formed an alliance to pull back from Facebook and Instagram because they are losing brand control politically and creatively.

Some retailers - grocery, office supplies, home furniture and more - are enjoying record sales within the COVID bubble, however are also at risk of brand erosion as they jump into digital channels that do little to maintain market-share. Peter Field, global advertising effectiveness guru, highlights short-termism originated in the digital age, however was accelerated by the financial crisis and furthered again during the current global pandemic.

Brands that invest solely in short-term sales activation will pay a critical price of 'irrelevance' once they go too far and consumers 'forget' or become 'uninspired' by the brand they once loved and engaged with loyally.

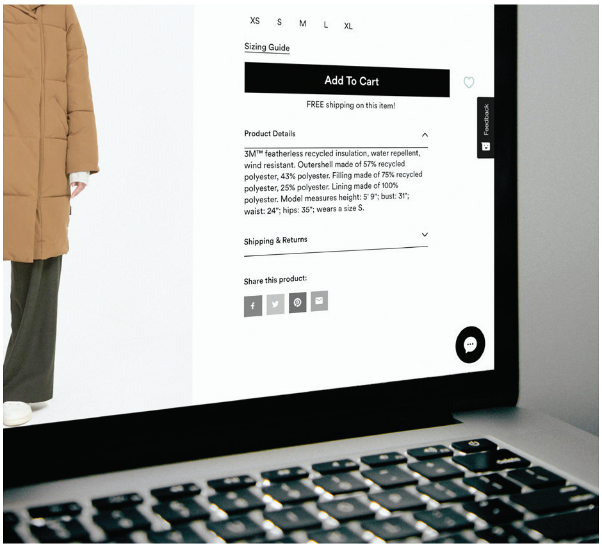
Peter Field, 2020.

To illustrate the dangers of short-termism, Field states brands that invest solely in short-term sales activation will pay a critical price of 'irrelevance' once they go too far and consumers 'forget' or become 'uninspired' by the brand they once loved and engaged with loyally. Long-termism must not be left behind and even more critical if digital replaces all other interactions, such as online retailing, physical media and creativity, become the retailer's holy grail delivering a tactility to strengthen and build brand presence.

4. BE RESPONSIBLE WITH DATA – CUSTOMERS WILL NEVER FORGIVE YOU

Big brother is an increasing irritation to the data hungry retailer. Those collecting customer data through loyalty programs, digital catalogues, online ordering or emails understand data analytics can be powerful, however, are Australian consumers ready for a 100% switch? Australians have been recently encouraged for the sake of their and their families' health to download the COVIDSafe app, however only 6.2 million have done so. With such a strong motivational driver, such as your personal health, not being enough to trigger action, how can brands expect their digital partnering with consumers to be a stronger call to action?

By comparison to the 6.2 million Australians signing up to COVIDSafe, the opportunity for marketers to communicate within the scam-free environment of the letterbox that reaches 24.4million Australians daily, seems a difficult position to quantify when ignoring these alarm bells. On top of that we're not always getting it right - Woolworths receiving a $1M fine for incorrect use of customer data, Google currently under investigation with the ACCC for similar misuse and ongoing investigations into email scams costing Australians $634million throughout 2019 - misuse and thereby mistrust is on the rise. Brands must err on the side of caution otherwise they run the risk of pushing consumers to a place where they are less than comfortable and lose brand equity in the process.



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5. WORK HARDER THAN EVER WITH MEDIA

Boston Consulting Group argues the dynamics of the retail industry, buffeted so violently by the COVID-19 pandemic, require retailers to be intelligently aggressive. In today's world, and the one to come as the virus ebbs, only parallel decisive actions will produce winning results. In other words, if a retailer is solely focused on stabilization now and plans to prepare for the rebound later, it will likely be too late.

Whatever your plans on store presence or digital logistics, keeping a clear strategy in play for your physical media presence to hold strong brand recall and equity is critical. Should any hiccups occur during your transition, your brand equity will be the insurance to carry you through. Catalogues, Magazines and the Letterbox are key to this strategy. Throughout the Australian lockdown magazine subscriptions increased, catalogues response rate and ROI remains stronger than ever and Letterbox reach surpasses any digital media engagement.

Bauer reported a surge of more than 60% in their subscription sales throughout May with The *Australian Women's Weekly* recording a subscription increase of 97% compared to the previous month, while *Woman's Day* grew by 81%, *Take5* by 87% and *Country Style* by 77%. Australia Post offered relaxations to offer support for Australians to receive content in their homes whilst in lockdown and this pushed publishers to work harder. Now is the time for brands to leverage these opportunities and work harder than ever to maintain and gain market-share, engage with your media agencies or better still, go direct, and develop a media partnership solution to deliver.

The Association of National Advertisers recently reported catalogue response rates increased by 170% between 2004 and 2018. And last year saw pureplay retailers – Amazon and eBay, most notably, develop their own physical catalogues to explore product range and drive sales windows. eBay distributed 2 million catalogues to targeted areas across Melbourne, Sydney and Brisbane to reach customers offline and Amazon launched its toy catalogue globally. Examples of a growing trend of pureplay retailers branching out into physical media, as they come to understand that consumers do not sit in a single channel environment.

Throughout May with *The Australian Women's Weekly* recording a subscription increase of 97% compared to the previous month, while *Woman's Day* grew by 81%, *Take5* by 87% and *Country Style* by 77%

Bauer Media Group, 2020.

Author: *Kellie Northwood is the Chief Executive Officer of The Real Media Collective, an industry association, representing the paper, print, mail, publishing and distribution sectors across Australia and New Zealand.*

A key aspect of The Real Media Collective charter is to represent established media channels with proven effectiveness metrics and currencies. This insight series addresses this charter directive with credible and verifiable research.

Sources

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KEY FACTS AND FIGURES

50%

50% of Millennials report they ignore digital advertisements, compared to only 15% who ignore direct mail.

(Retail Dive, 2017).

22%

Twitter advertising revenue down 22%.

(Mumbrella, 2020).

8.64%

Post-GFC catalogue volumes increased by 8.64% within four weeks.

(ACA, 2008-2018).

Well-designed catalogues and print media solutions allow their products to be more vivid, tactile and memorable.

(Harvard Business Review, 2020).

Brands who 'completely switch off' channels that worked for their brand pre-COVID will take a year to catch up versus others that have remained a stable presence.

(Mark Ritson, 2020).

1 in 3

Throughout May with *The Australian Women's Weekly* recording a subscription increase of 97% compared to the previous month, while *Woman's Day* grew by 81%, *Take5* by 87% and *Country Style* by 77%.

(Bauer Media Group, 2020).

20.1 million

Only 6.2 million Australians downloaded the COVIDSafe app, a low number when compared to the audience reach of letterbox at 24.1 million Australians accessible each day.

(TRMC, 2020).

76%

Online fashion retailer from the UK realised a return of $7.97 for every $1 spent on catalogue distribution on their first test of the channel and 76% of the transactions driven by the campaign were from new customers.

(ELMA, 2020).

1 in 3

One in three consumers will continue online shopping post-COVID-19.

(Boston Consulting Group, 2020).

170%

Catalogue response rates increased by 170% between 2004 and 2018.

(Association of National Advertisers, 2019).

1 in 3

Brands that invest solely in short-term sales activation will pay a critical price of 'irrelevance' once they go too far and consumers 'forget' or become 'uninspired' by the brand they once loved and engaged with loyally.

(Peter Field, 2020).