

Altman Dedicated Direct

STRATEGY... TACTICS... **RESULTS**

Column: "**After the Phone Rings ...**"

Month: **July 2005**

Topic: **When Adding a Catalog to Your Marketing Mix Makes Sense**

You've acquired customers with DRTV infomercials or spots; it's now time to make additional sales to them. Developing and maintaining a catalog marketing program can be an excellent means of communicating with, and selling more to existing customers.

Catalogs have the distinction of being the one type of direct response marketing which is welcomed. Customers are happy to receive a catalog from their favorite brands, and will leaf through the pages to see what is new, and what solutions to current problems you may offer.

So when is it time to consider a catalog? First and foremost, the answer is when you have sufficient **MERCHANDISE**. Without sufficient products to sell, and a steady stream of new products to excite customers, catalogs are unlikely to be profitable in the long run.

How much merchandise is sufficient? The exact quantity will vary, but even with a 5-to-1 sales margin, at a minimum you need enough products to fill 16 pages on an ongoing basis. Although you may test a first catalog with fewer pages, once you are mailing catalogs on a regular basis there must be enough items for customers to keep finding more they want to buy. This is why a steady stream of new products is critical. Consumer catalogers introduce around 30% new merchandise each year. Selling consumable products with repeat purchasing (food, cosmetics and skin care, nutritional supplements, etc.) won't require quite as many new items. But whatever the exact percentage, don't expect to keep offering the same merchandise repeatedly to your customer base without significant sales deterioration.

To ensure you have a steady stream of new products that are desired by your customers, don't develop a catalog program unless you have a merchant on your team to find and procure new items for your customers to buy. Your merchant also communicates product features to your copywriter, and identifies the desired pagination – which products go on which page. Strong catalog pagination keeps customers engaged and maximizes sales on "hot spots" (high selling pages such as the covers).

Once you have sufficient merchandise and merchant expertise, consider your catalog marketing plan. To whom and how often will you mail? You need at least 25,000 customers for a mailing to make sense financially; if you have a much larger database, selecting the right customers to receive the catalog is key.

Back up your merchandising and marketing with good graphic design and copy. Catalog copy should focus on benefits. Great catalog designers know how to compel attention on the front cover and keep the customer turning pages. Also make sure your web site offers all your catalog merchandise. In a 2005 benchmark study, Catalog Age found 35.5% of catalog orders are placed on line.



853 Academy Street, Rural Hall, NC 27045-9329
Tel: (336) 969-9538 E-Mail: SAltman@AltmanDedicatedDirect.com
Fax: (336) 969-0187 Web: www.AltmanDedicatedDirect.com



Altman Dedicated Direct

STRATEGY... TACTICS... RESULTS

Which brings us to our final key step in deciding to launch a catalog – be prepared to maintain profitability with detailed analysis. Analyze results of each page and items on it so you know which items to keep and which pages need to be redesigned, analyze your web sales and match back the uncoded orders to those who received the catalog so you're not understating sales, analyze sales and profitability of each customer segment so you know who to mail to next time. And so on.

Securing profitability with catalog marketing isn't easy, but with the right resources you have a good chance at success. Having spent heavily to acquire customers, catalogs are often the best way to keep those customers buying again and again.

Have a question on any of this? Email me: Saltman@AltmanDedicatedDirect.com Next month we'll consider the use of co-marketing to expand your product line.

Shari Altman is President of Altman Dedicated Direct, a direct marketing consultancy specializing in continuity and auto-replenishment, retention and loyalty marketing. She can be reached at 336-969-9538, Saltman@AltmanDedicatedDirect.com or visit www.AltmanDedicatedDirect.com.



853 Academy Street, Rural Hall, NC 27045-9329
Tel: (336) 969-9538 E-Mail: Saltman@AltmanDedicatedDirect.com
Fax: (336) 969-0187 Web: www.AltmanDedicatedDirect.com

