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Double Play

by Melissa Campanelli

Net Profits: Could Sending a Paper Catalog to Customers boost your e-commerce business?

Whether your goal is to entice customers to shop at your Web site more often or to combat stagnating sales, you could try boosting business with a decidedly traditional strategy: the catalog.

It's not a new trend per se, but those e-tailers taking the plunge are seeing real results. The idea is to increase the number of touch points you have with your customers so you can ultimately build more sales. It's common knowledge, after all, that people who shop in multiple channels are more valuable than single-channel shoppers.

Research conducted earlier this year by comScore Networks, for the U.S. Postal Service (USPS), found that a business doubles its chances of making an online sale by mailing a catalog. Other findings from "The Multi-Channel Catalog Study" include:

- Catalog recipients account for 22 percent of traffic to a catalog company's Web site and 37 percent of its e-commerce dollars.
- Catalog recipients make 16 percent more visits to that company's Web site than those who do not receive a catalog.
- Catalog recipients view 22 percent more pages and spend 15 percent more time at the Web site than those who do not receive a catalog.
- On average, the total amount spent on a Web site by a catalog recipient is \$39, more than twice the \$18 spent by non-catalog consumers.

Catalogs also work well as a channel for e-tailers because they can easily leverage the Web site's marketing, creative, infrastructure and fulfillment systems and repurpose them for a catalog. "They can use the same call center that's listed on the [toll free] number for the Web site, for instance," says Dawn Brozeck, a senior analyst at Nielsen//NetRatings, a Web traffic analysis firm with headquarters in New York City.

Catalogs also reinforce an e-tailer's brand. Especially for growing businesses, they are a quick and easy way to add legitimacy to your company. An e-tailer with multichannel presence appears as "more established" to consumers.

Taking the Plunge

Gift Services Inc. dba Gift Tree (www.gifftree.com) is just one e-tailer that has made catalogs a key part of its marketing plan. Online since 1997, the Vancouver, Washington, online seller of gift baskets targeting the corporate market sent out its first catalog to 60,000 customers and prospects during last year's holiday season. According to Craig Bowen, 41, Gift Tree's CEO and co-founder (with Ester Diez, also 41), catalogs are a necessary marketing tool for e-tailers. Catalogs keep e-

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tailers “top of mind” with customers and ultimately encourage those customers to come back for more.

“Our customers typically have purchased with our competition, and the company they purchase with next is the company that’s in the right place at the right time,” says Bowen, whose company has sales of \$12 million last year. “It allows consumers to [shop for couches] at home, then [be] reminded about your company when they’re leaning against their kitchen counters-and then they place the order online.” Without a catalog, he warns, “They might forget about you altogether.”

GiftTree decided to create and design its catalog in-house. Employees took photographs of GiftTree’s products in the company’s own photo studio. The company hired a printer to print and manufacture the catalogs, and then mailed the catalogs through the USPS.

Since the catalog was launched in tandem with other fliers it printed-and since GiftTree used in-house employees for the work-Bowen could not provide an exact figure for how much the whole project cost. However, taking on this kind of project is “definitely not cheap,” Bowen says, adding that it can cost at least \$100,000 once you factor in the costs of hiring an agency to produce it, in addition to printing, mailing and perhaps buying or renting a prospect list.

But for those who can afford it, a Web site and a catalog make the perfect marriage, says Bowen, who adds that launching the catalog was a logical channel for GiftTree to explore. The company’s fulfillment system was already in place, ready to take orders. And GiftTree had already collected the names and addresses of customers to whom it could send catalogs.

Risk and Rewards

Considering all the work and expense inherent in such an endeavor, is launching a catalog really work it? “Definitely,” says Bowen. “We saw a lift in sales.” In fact, GiftTree is already planning to send out a second holiday catalog this November.

“There’s a reason people do catalogs,” Bowen explains. “They work. If you make a very beautiful catalog, and it’s got what [consumer] want in it when they see it, they are far more likely to order from you than if you didn’t send them something.”

In reality, not every e-tailer will have the funds required to launch a full-fledged catalog. An affordable option for business owners on a budget is to send out postcards or brochures as a way to keep in contact with customer. “It’s really just reminding your customers that they’re important,” Bowen says. “If you can’t print a beautiful catalog, maybe it’s a better idea to save your money and instead offer your customers dollar-off postcard.”

If you think you have what it takes to launch a paper-based catalog, start by printing a small number and sending them to targeted customers only. Once you get a good response, then you can expand your mailing to targeted prospects. It just might be a big success.

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