

MAIL

Are catalogs still relevant in a digital world?

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Luxury brands are shifting their engagement strategies to focus

more heavily on digital communication, leaving some to wonder about the role of traditional marketing vehicles such as catalogs in the modern media ecosystem.

Digital marketing presents the opportunity to eschew print and distribution costs that make catalogs a vastly more expensive marketing tool. However, several experts insist that catalogs have and will continue to maintain their central place in prestige brands sales strategies.

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“The reason catalogs haven’t been eclipsed is because people like nothing better than seeing and holding a beautiful book and enjoying the luxury of quality production,” said

Greg Furman, founder and chairman of the Luxury Marketing Council, New York. “The best catalogs are really close to art, with world-class photographers and models, and brands invest a tremendous amount of time in the aesthetics of presenting merchandise and representing the brand.

“They use them not only as a selling tool, but also as an advertising tool to show the visual voice of the brand,” he said. “That’s why they are so important.

“I don’t think the Web will ever replace the catalog.

Taking stock of catalogs

Catalogs have costs that digital communications do not, such as those associated with printing and distribution. Rising postage costs in particular can cost marketers millions of dollars.

However, the benefits of catalogs outweigh the costs, according to several industry experts.

First, the luxury industry is one where emotion plays a major role in buying decisions and the Holy Grail for a brand is forging a personal connection with a consumer to create a lifelong bond.

No other marketing channel except in-store itself can convey the values of a brand as effectively as catalogs, according to Mr. Furman.

The combination of professional photography and vividly designed product spreads on high-quality paper stock, sometimes even bound into hardcover volumes, can make something of a luxury product out of a catalog in its own right.





Exterior and interior shots of Jaeger-LeCoultre's 2010/2011 Edition catalog

Some luxury brands have even managed to turn catalogs into an art form, according to Mr. Furman.

For example, Bergdorf Goodman's catalogs incorporate editorial content that observes burgeoning fashion trends as a way of generating purchase ideas for consumers.

The department store even generates advertising revenue from its print mailings.



Editorial content from Bergdorf Goodman's Resort 2010 catalog

Likewise, Bergdorf's parent company Neiman Marcus Group drives substantial revenue through its annual Christmas Book. This year the retailer sold \$7.5 million worth of Chevrolet Camaros from its holiday catalog in one day ([see story](#)).

Active engagement

Catalogs serve another important purpose, according to James L. Padgitt, president of [Direct Marketing Insights](#), Phoenix.

Directly mailing a catalog to consumers serves as a more active form of engagement than relying on consumers visiting a brand's Web site. While marketers can drive traffic using tactics such as email messaging and banner ads, Web site visitation depends in large part on a consumer opting to go there.

On the other hand, luxury brands can send out catalogs to a targeted pool of consumers who already have some form of relationship with the company and the means to purchase items, stimulating demand more effectively.

Additionally, there are opportunity costs associated with choosing a digital medium over direct mail that luxury brands need to take into consideration, according to Neil O'Keefe, vice president of multichannel segments at the Direct Marketing Association, New York.

One such cost is lower response rates. Channels such as email, while significantly cheaper than mailing catalogs, will drive far fewer consumers to actually take some action and respond to the marketing message.

Many marketers who use catalogs still see up to 50 percent of sales generated via catalogs, either directly or through online sales.

"Nobody has been able to develop as effective a model for acquisition using email or behavioral banner ads that drive new customers the way a printed piece would," Mr. O'Keefe said. "I think most significant is the ability to convey the feel of the brand and the lifestyle image that a brand – particularly a luxury brand – wants to convey.

"I think that is a challenge via email, phone and Web sites," he said.





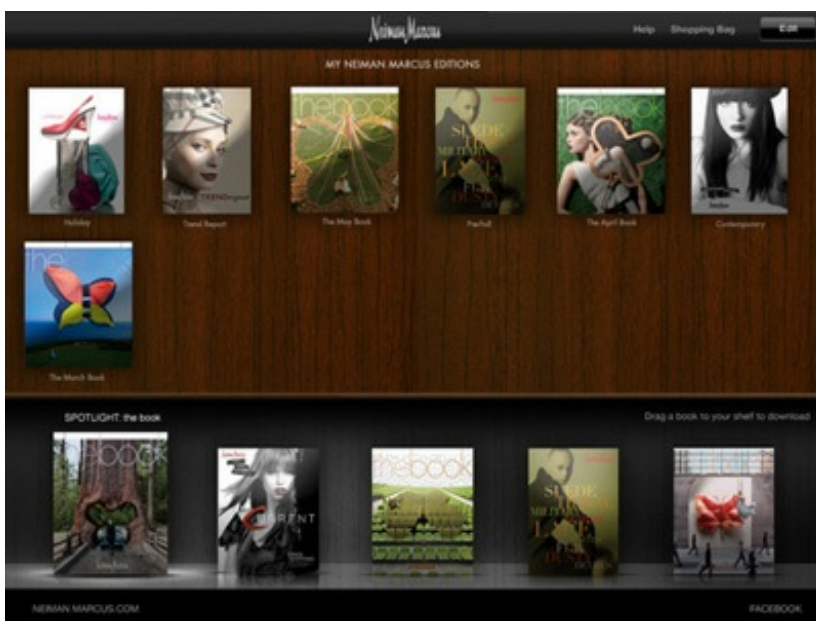
Exterior and interior shots of Breguet's 2009/2010 collection catalog

Digital complements print

Some brands have transitioned their direct mail strategy into the digital age by placing their catalogs on their Web sites.

Brands such as Bergdorf Goodman, Jaeger-LeCoultre and Ralph Lauren have transitioned materials used for their print catalogs online, either by directly uploading those materials as is, or by integrating the imagery and items into their ecommerce platform.

Meanwhile, Neiman Marcus took the concept a step further by offering all of its catalogs through an application for the iPad. Consumers are even able to directly buy items through the application ([see story](#)).



Neiman Marcus Editions iPad application

Meanwhile, Mr. O'Keefe suggested that catalogs could add utility to its catalog offerings

by integrating technology such as 2D bar codes.

“The real estate in a store and a catalog is expensive, in terms of how much information you can put there” Mr. O’Keefe said. “Putting that bridge to the Web site allows you to much more cost effectively provide information to consumers to make a purchase.”

Meanwhile, Luxury Marketing Council’s Mr. Furman suggested that luxury brands could get more bang for their buck by using databases to more effectively segment consumers and target more precisely to send catalogs to those consumers most likely to buy.

Additionally, upscale retailers can coordinate seasonal offerings from their catalogs with special deals on their ecommerce platforms, a savvy alternative to straight discounting.

Choice is essential

No matter what technology luxury brands might adopt to add a more modern touch to their catalog strategies, it would be foolish to ditch the print and direct mail component of such initiatives, according to Mr. O’Keef.

Choice is essential in the modern marketing ecosystem, and luxury brands need to offer consumers product information via the channels they prefer. Many still prefer catalogs.

Furthermore, such marketing materials convey the sense of luxury better than any other.

“I would say that the printed piece should still be an integral piece of strategy, particularly for luxury brands,” Mr. O’Keef said. “That integrated, consistent shopping experience allows the consumer to really get the truest sense of the brand and have the best brand experience possible.

“For a luxury brand, that lifestyle experience, the essence of the brand, is very important to convey,” he said. “Nothing conveys it as well as the printed page.”

Final Take

Neiman Marcus shows the work that goes into creating its 2008 Christmas Book catalog

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