

Why retail catalogs survive, even thrive, in Internet Age(USA today)

Online spending may be increasing, but the venerable catalog is doing anything but fading away. In fact, it is still an important part of business for retailers. "It's basically a marketing tool," said retail analyst Eric Beder, a managing director at Brean Murray, Carret & Co. "The beauty of a catalog is that you don't have to go online to see it, so you can use it anywhere."

More than 12.5 billion catalogs were mailed out to homes in the U.S. last year, according to the Direct Marketing Association, the largest global association for the marketing community. And there are still those who use the catalog for what it was originally intended for: More than 89.6 million Americans bought an item from a catalog last year.

These days, it is more than just a means to allow customers to order merchandise from the privacy of their homes. Retailers are relying on it to draw in business and spread their brand's name.

J.Crew, which began as a mail-order business, now has over 300 stores across the U.S. and Canada but it still mails out 40 million catalogs per year. Because of the marketing punch they pack, J.Crew CEO Mickey Drexler, goes over every issue with a *fine-tooth comb* before it's published.

"I'm looking at the color; I'm looking at the clarity of a picture, the newness, the creativity," Drexler said. Roughly 30% of J.Crew's revenue comes from online and catalog sales — the two are tightly intertwined. "Most of our business goes from catalog to online," Drexler said. "I'm always looking at the turn-on item or category or outfit that will drive them to want to shop at J.Crew instead of the millions of choices out there."

A couple of years ago, some retailers decided to cut back on publishing catalogs in order to save money. That move proved to be a hard lesson in the power of the catalog, said Ken Ebeling, senior vice president of membership at the Direct Marketing Association. "Sales plummeted," he said. "They realized if they don't keep their catalogs out there, their e-commerce will decline."

In fact, some businesses that have never published catalogs before have decided now they want in. Apparel retailer *Express* has always done direct mail, but about a year and a half ago decided to publish catalogs. It not only shows up in mailboxes, but on different channels such as Facebook as well.

"Our 20-something customer makes little delineation between channels. She or he enjoys viewing our catalogue online, in her mailbox or on the phone, so we make sure our fashion is always available no matter where our customers want to view it," *Express* CMO Lisa Gavales said. "*That said*, we haven't seen any virtual viewing work as well as a good, old-fashioned paper catalog."

New York and Co., another fashion retailer, refers to its new catalog as a "fashion book." Titled "The City," it not only highlights the company's products, it also includes nuggets of information about New York. The first edition was published in March of this year, and the second edition came out in May.

"Our assortments are right, our brand is right. We wanted to get out there and express our brand in a way that we never really have before," *New York and Company* spokesperson Suzanne Rosenberg said. "We've had a good reaction, both online and in stores."

Beder believes companies can become more focused within the catalogs and can tailor them for specific events or a certain *customer base*. "I think that the trend is going to continue," he said. "*If anything*, we've seen more people add catalogs than drop them."(617)