

PressLines

Volume 21, Number 1 | Winter 2011

2011 Catalog Market Outlook

Catalogs took a beating the past few years on a number of fronts. Rising costs. Lower response rates. Digital competition. You name it.

But catalogs also proved their resiliency.

Nothing really works better. In spite of aggressive efforts to prove otherwise, nothing yet gets a buyer's undivided attention longer than a print catalog. In fact, when you take catalogs away, lots of popular newer media barely work at all. So while the recession and other market factors may have brought about the usual cocktail of fewer events and fewer pages, catalogs also managed to establish their importance in a multichannel environment.



Better Times Ahead

Besides, the slowly improving economy — evidenced by an upswing in mailings during the second half of 2010, indicates a better 2011. And according to a Winterberry presentation at the recent DMA Annual Conference, attention is shifting from cost control to **revenue expansion/customer acquisition** with the objective of driving bottom-line growth.

With that in mind, here's what you might expect in key areas during 2011.

■ Industry Growth Forecast.

All signs point upward. The 2011 Marketing Trends survey by Strong-Mail indicates that 93 percent of

businesses plan to increase (50 percent) or maintain (43 percent) their marketing budgets in 2011. Only 7 percent, down from 11 percent last year, plan to reduce their budgets.

Similarly, Winterberry sees a 1-4 percent increase in direct mail as marketers seek tested solutions for getting acquisition campaigns back "in market" quickly and effectively. As Winterberry's Jonathon Margulies said at the DMA, "What's old is new."

Adding to the probability of an improved market are government legislative actions. Many regard the broad based tax cuts as a stealth stimulus plan that puts money directly into the pockets of

consumers. Some economists believe that the tax package could add 0.5-1.0 percent additional GDP growth, which was previously estimated at about 2.5 percent.

■ **Paper Outlook.** A global paper market makes this an increasingly difficult forecast. Logic would say that the lower demand of the past few years would drive prices down. However, the fact that paper manufacturers have a strong resolve to reduce capacity in slow times, combined with the fact that other geographic regions of the world may have demand increases, sets the stage for potential price hikes and demand issues.

Most industry authorities think the first half of 2011 will be fairly safe. Coated paper in particular is soft as both magazine and catalog demand suffered. But again, both NewPage and Sappi recently

Ripon's Catalog Services

- Online print order processing & management
- List processing & data services
- Premedia
- Multi-platform print solutions
- Sustainable print
- Personalization
- Print customization
- QR and Microsoft codes
- Fulfillment & distribution
- Digital Editions

announced the closure of North American coated mills. Then late last year the government found China guilty of dumping paper in the U.S., which from a cataloger's perspective, removed a source of low-cost paper. Add in a recovering global economy, and there could be price increases as well as supply issues in the second half. Plan ahead with a reliable paper source like Ripon Printers.

■ Digital Media Trends.

Strong investment by direct marketers will continue. Mobile, the latest darling of the digital channels, is expected by Winterberry to increase in concert with consumer adoption, improved technology and enhanced expertise by both agencies and marketers. For catalogers, we see optimizing supplemental digital editions for mobile as being a priority in providing anytime, anywhere access to catalog content.

On the other hand, Winterberry sees consumers' adoption of social media slowing. In response, marketers will turn to social platforms as sources of data and consumer feedback.

■ **Postage Issues.** Postage is such a major cost factor that it garners a lot of attention even when things stay relatively the same, which is the case in 2011. The industry unquestionably dodged a bullet with the rejection of the exigent rate increase request. Catalogers will only experience a modest CPI-related increase in 2011 spelled out under Postal Reform.

Nonetheless, mailing logistic

services remain popular. The recent *Multichannel Merchant* outlook report for catalogs shows that 82.6 percent of catalogers currently use CoMailing and another 17.4 percent plan to test it in the next 12 months. Similarly, 72.5 percent currently use CoPalletization and 27.5 percent plan to test. Still another 66.7 percent of catalogers use other forms of mailing logistic services and another 33.3 percent expect to test in 2011. Clearly distribution will remain an area where every penny counts.

■ Predicting the Winners.

Regardless of your sector, the world is now multichannel, and that definitely includes print as one of the channels. The winners in 2011 and beyond will be those organizations that best master the new multi-channel environment. According to Winterberry, "Significant growth opportunities are emerging across the "digital direct" landscape, but the biggest beneficiaries will be those who identify and exploit meaningful differentiators, including data, technology, customer expertise and the intersection of all three."

Catalog Services Designed to Brighten Your 2011

Ripon provides integrated multichannel services that are both cost- and time-efficient. We are constantly refining and expanding our services to help you better execute your marketing strategies. To learn more about how our spectrum of services can help you, please contact your representative or send an email request to sales@riponprinters.com.

RIPON

Never Let Them See you Sweat!

I bet we all know at least one or two people who are always upbeat and you would never know that some bad things were going on in their lives. As the saying goes, we can all “choose our attitude.” For them, they choose to be happy.

I just finished reading an article from *Canvas* magazine called, “How to Serve Right/Learn Right,” and the main point of the article is that even one “bad exchange” with an employee who works with the public could have serious consequences for the company. The author, Brian Sullivan, makes the case that front-line employees’ attitudes are arguably more important than the company logo, a colorful brochure or the interactive website.

In a 2007 study, 80 percent of U.S. adults would never go back to a company after a negative experience. That’s a sobering statistic! Also, in this age of Facebook and Twitter, one bad experience can



Andy Lyke

quickly spread around the world.

A bad experience from a bad attitude is different than a negative experience resulting from an honest mistake. If handled properly, an honest mistake can turn out to be a positive experience for all if the company learns from the mistake and makes amends to the customer for the error. However, encountering an employee with a bad or apathetic attitude is much harder to overcome, especially

as most customers won’t let you know if there was a problem.

Going back the other way, someone who looks and sounds like he/she are genuinely happy to help you and serve you makes the whole customer experience that much better, even if there is a problem. I think we all like to associate with people who make us feel better.

A bad attitude can be costly business wise. A positive upbeat attitude can also be costly – for the competition! **RIPON**

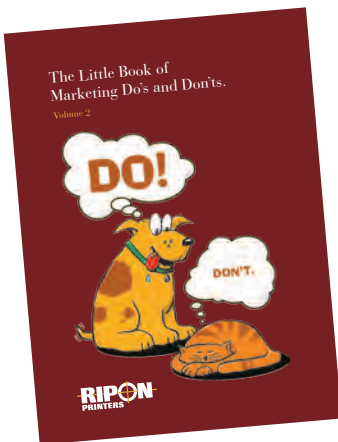
Foreign Shipments May Incur Late Charges

Standard overseas shipments aren’t always the fastest freight. And if a shipment gets refused and returned, even more time elapses. The time factors involved often lead to delayed invoices – requiring additional money after the fact.

There is not much we can do to speed up the invoicing process, which normally includes the freight, duties and tariffs.

By the time we are invoiced for a shipment, or a refused package returns, you probably have already received – and perhaps paid – the invoice for what you thought was your complete project. Please be aware if your job has some foreign shipments, additional charges most likely will be forthcoming.

Hot Off the Press — The Little Book of Marketing Do’s and Don’ts



The second edition of *The Little Book of Marketing Do’s and Don’ts* is now ready for distribution. Our most popular Tips book, it’s a full-color, illustrated collection of “Do’s and Don’ts” covering these six important topics:

- Video marketing
- Dimensional packages
- Envelopes
- Social media
- Webinars
- Postcards

We would love to mail you a complimentary copy in appreciation of your loyal readership of *PressLines* throughout the year. Just send an email request to sales@riponprinters.com. **RIPON**



Ripon Printers is a
Wisconsin Green Tier Participant

4 | **PressLines**

It's an Ad, Ad, Ad, Ad Word!



Nuggets from advertising's past.

Lawrence C. Lockley (Columbia University Graduate School of Business) said this in *Saturday Review* (July 16, 1960):

Not until people decide that they want to have meek spirits and contrite hearts will advertising stress plain living and high thinking. And when time comes, I suspect we'll advertise that we have the best spirit-humbler there is?

And David Ogilvy said it in *Confessions of an Advertising Man* (Antheneum, 1963):

It has taken more than a hundred scientists two years to find out how to make the product... I have been given 30 days to create its personality and plan its launching. If I do my job well, I shall contribute as much as the hundred scientists to the success of this product?
