



Catalogs: The Consumers' Point of View

A Survey Conducted by FGI Research

Commissioned by American Catalog Mailers Association (ACMA)

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Background

In a nationwide telephone survey among a random sample of 817 consumers ages 18+ to understand consumers' opinions and behaviors on catalogs, the value of catalogs to consumers was quantified including their value to those that use them frequently. The research fielded in and around the 2011 Holiday Shopping period. This white paper provides a summary of the key findings as well as the results of predictive modeling of the survey data that catalogers and other mailing interests may find helpful.

Higher prices for most postal mailing and shipping services went into effect on January 22, 2012.ⁱ Increases such as these have a direct negative impact on the catalog industry, making it more expensive to get catalogs into the hands of consumers. The Postal Service claims that 81 percent of American households surveyed in 2010 reported that they either read or scanned advertising mail.ⁱⁱ

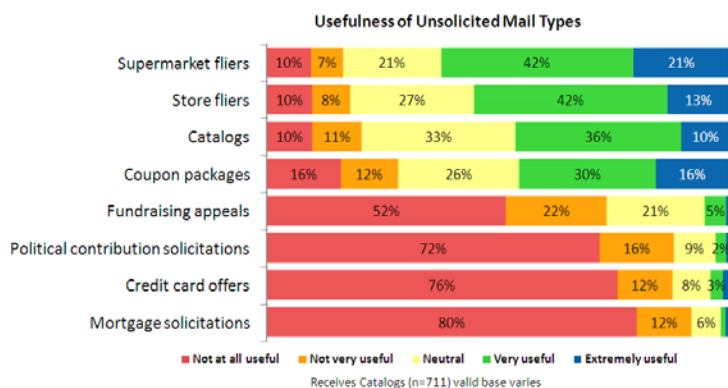
Key Findings

Consumers who receive and use catalogs consider them far more useful than many other types of unsolicited mail. Respondents who receive catalogs by mail, say they open and look at two-thirds of the three catalogs they receive (on average) per week. More than half do so as soon as they arrive in the mail. Virtually all consumers who receive catalogs have made a purchase from a company whose catalog they receive in the mail, with half doing so within the past month. The survey shows that consumers most commonly make these purchases by first reviewing their catalogs, then making purchases through the companies' websites. Respondents most often shop with companies whose catalogs they receive to get hard-to-find items not found in stores.

When it comes to unsolicited mail, catalogs are considered far more useful than many other types of mail including fundraising appeals, political contribution solicitations, credits card offers, and mortgage solicitations. Nearly half (46%) of those who receive catalogs find them useful, compared to only 5% or less for the aforementioned other specific types of mail. Other findings:

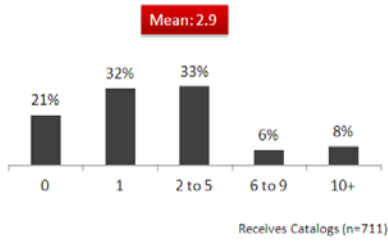
- ✓ Ages 55+ receive more catalogs on average than ages 18-54.
- ✓ HHI \$100K + receive more on average, however HHI <\$50K open up and look at a higher percentage of those received.
- ✓ Women open up and look at a higher percentage of catalogs received than men.
- ✓ Half of respondents most often shop from catalogs during the holiday period.
- ✓ When asked the reasons they shop catalogs, hard to find items was selected most frequently, followed by ease of shopping quality and greater assortment

Supporting Research

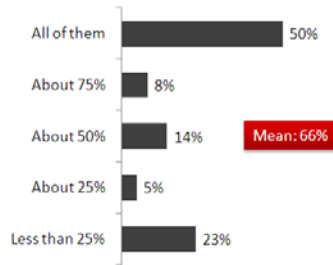


Catalogs are considered useful by 46% of those who receive them, comparable to supermarket and other retail flyers. This is vastly different than political contribution solicitations, credit card offers, and mortgage solicitations. These latter items are not found to be useful by nearly everyone who gets them.

Average Catalogs Received per Week

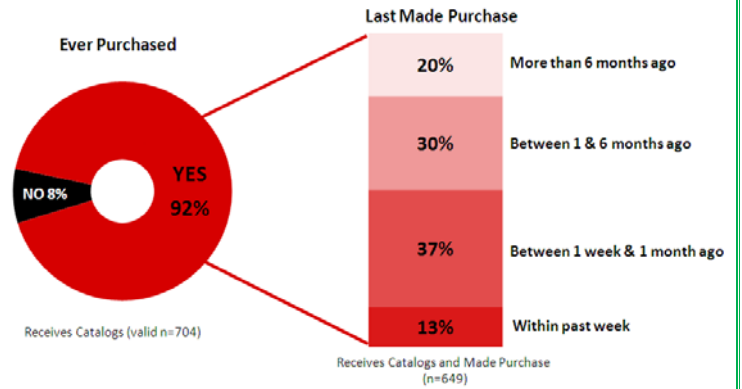


% of Catalogs Looked At

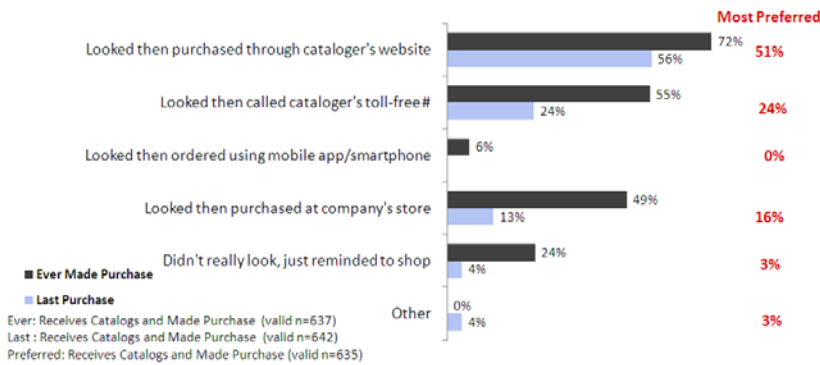


Among those who receive catalogs by mail, about three catalogs are received per week on average. Two-thirds of these catalogs received are opened up and looked at, with half of respondents opening up and looking at ALL of the catalogs they receive.

Nearly everyone who received catalogs has made a purchase from those catalogs. Half have done so within the past week or past month.

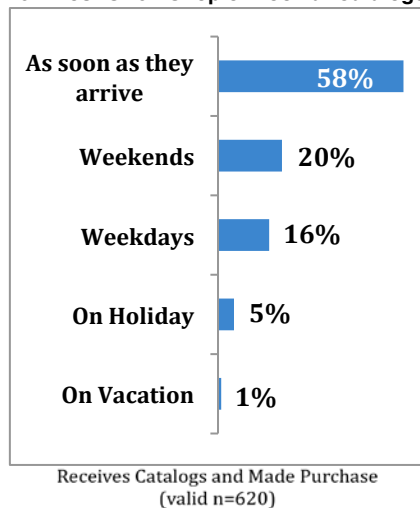


Purchase History and Preference



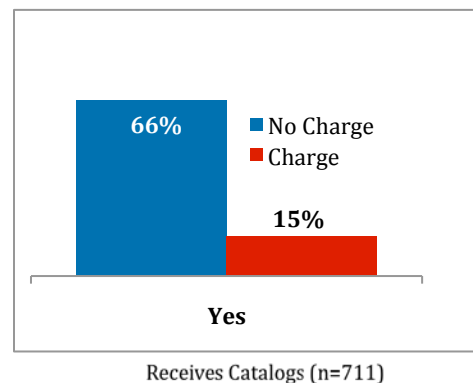
The most used and preferred method for purchases from a company whose catalog was received was to look at the catalog and then purchase through their website. This method is preferred twice as much as using the toll-free number.

When Most Often Shop or Look at Catalogs



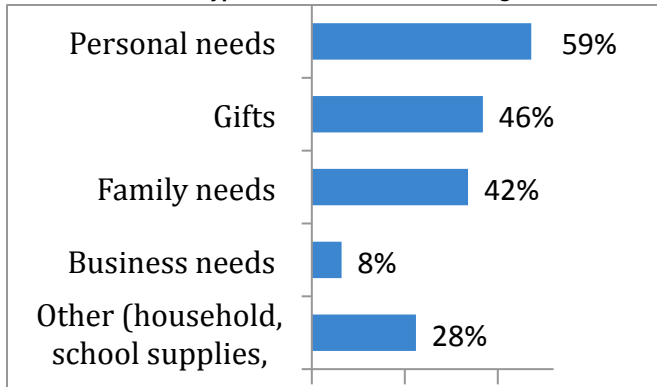
✓ More than half of respondents look at catalogs as soon as they arrive.

Would Request Catalogs



If catalogs became so expensive to produce and mail that they could only be received through a request to the merchant or through a service, two-thirds would request them. More than 1 in 7 consumers would actually pay to receive catalogs.

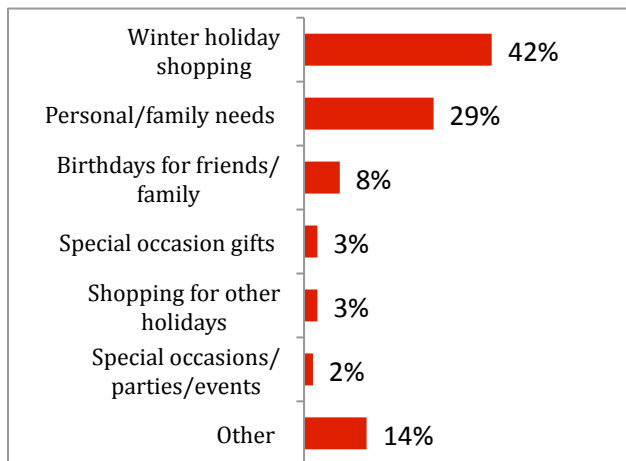
Item Types Purchased from Catalogs



Receives Catalogs and Made Purchase (valid n=644)

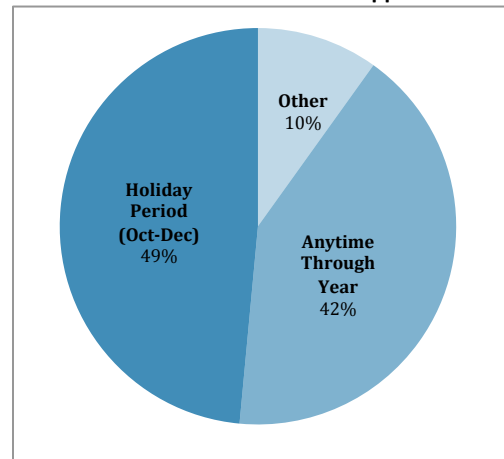
- ✓ Older Americans are more likely to shop year round and for personal needs, as are men of varying ages.
- ✓ More women than men shop during the holidays. This is also true for ages 35-54, compared to ages 55+, and those who have children in the household compared to those without children.

Occasions for Catalog Shopping



Receives Catalogs and Made Purchase (valid n=625)

Time of Year Most Often Shopped



Receives Catalogs and Made Purchase (valid n=638)

Predicting Consumer Behaviors

On average, consumers who receive catalogs spend \$850 per year on catalog purchases. The median annual spend is \$347 per year. This variation in statistics indicates that those who spend more than the median amount spend much more.

Conclusions

Catalogs certainly provide value to consumers; indeed, about 90% of consumers receive catalogs. Most find them valuable and read and use them. Catalogs provide an important shopping channel for certain types of consumers and during many times of the year.

About FGI Research

For 30 years, FGI has conducted custom research across a wide variety of industries. In addition to providing research solutions to major retailers and manufacturers, FGI's previous experience includes membership-based organizations such as AARP, NEA, NC Dental Society, the NC and American Bar Association, as well as the UNC University System and various departments within UNC-Chapel Hill. In addition, we have done work for Capstrat, a former sister company who lobbies on behalf of a number of major North Carolina clients. To learn more, please contact John Blunk, Director of Client Services at (919) 932-8847 or jblunk@fgiresearch.com. Learn much more about us at www.fgiresearch.com.

References

ⁱ http://about.usps.com/news/national-releases/2011/pr11_factsht_pricechng_1018.pdf

ⁱⁱ <http://www.nytimes.com/2011/12/04/sunday-review/the-junking-of-the-postal-service.html?pagewanted=2&r=3&ref=opinion>