
CEO's Checklist:

***23 Proven Ways
to Increase Your
Catalog Sales
& Profits***



CEO's Checklist for Catalog Success:

23 Proven Ways to Increase Your Catalog Sales & Profits

Under the best of conditions, running a successful mail order catalog is no business for the faint-hearted or weak-willed. In today's environment, business success is more complex and intense than ever before: Internet competition...higher print costs...increased postage...fewer lists that work...shortage of skilled management personnel...and higher customer expectations, just to name a few.

The key to succeeding in spite of all these concerns? It's no secret, really. You do it with sound planning, smart marketing and the dedication to be the best at what you do. Knowing how to make the most of your company resources, and squeeze every available ounce of profit out of your each revenue dollar is an invaluable aid, too.

Here's a checklist of insightful moves you can make that'll have a direct — and substantial — effect on your company's sales and profitability:

Smart Move No. 1:

Define your company mission

It's impossible to attain your business goals if you don't understand clearly what they are. Don't let your management team and employees wander aimlessly.

As a team, take the time to zero in on your key objectives.

But, be forewarned: Defining what role you want to play in the lives of your customers isn't easy. That's the reason many companies never do it.

Smart Move No. 2:

Work within your "niche"

Your catalog business is different from every other one, whether you planned it that way or not. Learn (don't guess!) what customers want and expect from you, and give them all you can.

Don't be tempted to copy your competitor's tactical moves without careful analysis. If a tactic isn't consistent with your customers' view of who you are, it's a bad one.

Smart Move No. 3:

Develop a written marketing plan

Outline your strategies, summarize objectives and detail all your mailings over the next 12 months within the pages of a concise Marketing Plan.

This simple step will help you focus your marketing impact...stay within your cost budget...and present a consistent promotional image to your customers and prospects.





Smart Move No. 4:

Use an annual budget to keep costs in line

Company and departmental budgets are your most effective cost control tools. If you succeed in controlling costs without a basic budget plan in place, you're just lucky. And, with costs constantly rising, your luck may run out when you can least afford it.

Smart Move No. 5:

Put your operational plans in writing

In addition to your Marketing Plan, back up your budget with a written Operating Plan. This spells out how you plan to invest your funds and actions you intend to take to meet your performance goals. The key: Putting the plan in writing ensures that all managers know their fiscal responsibilities.

Smart Move No. 6:

Don't skip planning because "you don't have time"

There's no question about it. Creating comprehensive budgets, Marketing and Operating Plans takes time...and work. But, the result in saved time, money and mistakes is always worth the effort.

Don't let the fires you must put out every day — or resistance from your managers — tempt you to continue practicing "management by the seat of your pants."

Smart Move No. 7:

Forecast expected results of each mailing

Then, compare actual results to your projection. You'll be surprised at how accurate your forecasts (or those of your Marketing Manager) become after a few months of this productive practice.



Smart Move No. 8:

Share order count forecasts with managers

Your Order Processing and Fulfillment managers' ability to efficiently staff the telephones and packing lines depends on this critical information. Safe to say that, without it, your managers are likely to be either overstaffed (fat payroll)...or understaffed (lost orders and revenue).

Smart Move No. 9:

Develop "flash reports" to help you monitor current status

For example, daily order counts and sales volumes compared to budget and prior year levels are barometers of your business status.

Sudden, negative changes in the figures alert you to problem areas instantly. If you're only looking at financial statements or monthly reports, significant damage can be done before you even know there's a problem.

Smart Move No. 10:

Monitor competitors closely & often

What competitors do really does affect you and your customers. Assign a reliable associate to become regular customers of your top three or four competitors... and keep a log of what mailings are received and when.

Ask him or her to make presentations to management on competitor activities ever quarter or so.

Smart Move No. 11:

Project a unique catalog "personality"

Open your catalog to a random spread and lay it on your desktop. Now, do the same with catalogs from your three closest competitors. Could a customer pick out your catalog in a brief visual survey of these spreads? (You can, of course...but could they?)

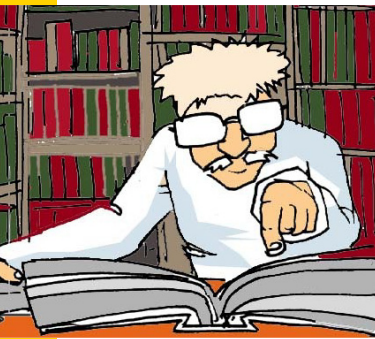
If so, great. Your book's "creative personality" is coming through. If not, better get to work on a new design that communicates your company's unique goals and visual appeal.

Smart Move No. 12:

Don't assume you know what customers want

Many CEOs assume they know who their customers are...why they buy...and how they use company products. Too often, these assumptions are logical, reassuring...and DEAD WRONG.

A better idea: Test your comfortable assumptions with the people who know the hard, fast facts — your customers.



Smart Move No. 13:

Conduct regular customer research

Probing the psyche of your customers once every three or four years is not enough. Perceptions shift quickly

based on changes constantly occurring within your company...some you're aware of, others you aren't.

Set up and execute a regular customer research program (at least once or twice a year). This way, you'll be in a position to see trends develop as they occur.

Smart Move No. 14:

Make sure your catalog answers virtually any prospect question

Most good creative people have learned that writing about and illustrating product benefits is more effective than focusing on features.

Many, however, still neglect to include mundane details like overall product dimensions...colors...material of manufacture...length of electrical cord...etc. These are key questions in every prospect's mind, and failing to answer them can cost you sales.

Smart Move No. 15:

Sell your intangible benefits, too

In prominent places throughout your catalog, be sure to sell your company "persona"...competitive advantages...unique mission...special customer services

(e.g., gift wrapping, quantity discount)...credit options...guarantee of satisfaction, etc.

When a prospect decides to buy a product from you, she's buying your company services and personality, too. These intangible customer benefits are effective in converting indecisive prospects into buyers.

Smart Move No. 16:

Measure product profitability, not just sales

If every item in your catalog carried exactly the same gross margin, and occupied exactly the same amount of page space, sales volume is all you'd need to track. This is never the case, of course.

Computers and Excel spreadsheets are the tools you need to create accurate square-inch profit analyses. Decide now to perform a square-inch profit analysis of each mailing. Otherwise, you'll be "flying blind" and probably wasting loads of marketing money.

Smart Move No. 17:

Resist the temptation to carry over unprofitable items

To make your catalog a "lean, mean selling machine" (who wants anything else?), you must make each product justify its presence in your next edition by producing a real profit.

If sales are strong, give the item more space. If performance is near breakeven, try showing the product in less space. If an item's a clear loser, dump it without emotion and make room for your next breakthrough product.

Smart Move No. 18:

Maximize sales with smart positioning

Your top selling products are best sellers because a lot of people want to buy them. Sell even more by positioning your best products in the "hot spots" of your catalog: Front & back covers, pages 2-8, on either side of the center-bound order form, and the inside back cover.

The high visibility of these catalog positions will make your hot products even hotter.

Smart Move No. 19:

Keep customers interested with new products

Customers who learn to expect new, interesting products in your catalog will open and scan new catalog editions as they arrive. If, however, they continually see the same lineup of products — with nothing new to whet their interest — they may decide not to spend even the brief time it takes for a cursory review of your latest mailing.

When this happens, you lose sales.

Smart Move No. 20:

Spell out company policies in detail

Make certain your catalog carries a complete summary of policies that affect your customers. Doing so reduces inhibitions and builds prospect confidence.

On the other hand, failing to share important policies (e.g., returns & adjustments, guarantees, open accounts, etc.) with prospects breeds uncertainty and unpleasant customer surprises, which, in turn, costs you orders.

Smart Move No. 21:

Test special offers continuously

It's amazing how so many catalogers put the entire sales burden on their merchandise. Special offers boost prospect & customer interest, and increase response by adding value to your product offerings.

The creative and production investment in successful tests is insignificant compared to the profit impact of a potential 10-20% boost in response.

Smart Move No. 22:

There's gold in your customer file

Under-mailing customer lists is the most costly mistake catalogers make. Like a good salesman who calls on customers regularly, frequent catalog mailings produce more orders by "being there" when the prospect perceives his need.



How many mailings is enough? For year-round marketers, 6-8 books per year is a good start. Fewer than that and you're leaving money on the table. And don't be concerned if a handful of customers complain you're sending too many catalogs. They're a vocal minority, and don't represent the feelings of most of your customers.

Smart Move No. 23:

Avoid over-prospecting

While under-mailing your customers is costly, mailing too many books to prospects is also a serious mistake. Customer mailings make money...prospect mailings cost money. While you need to add enough new customers each year to replace the ones you lose — plus a moderate growth factor — over-prospecting can rob you of bottom-line profits.

The best plan: Maximize cultivation of your customer file. Invest in prospecting only to meet your customer file growth objectives. Executed properly, this approach will give you the new customers you need...without draining your year-end profits.

