

# How Our Choices Influence The Future

**Kevin Hillstrom**  
**President, MineThatData**

# 1995: Catalogs On Top Of The World



Kevin Hillstrom, President, MineThatData  
<http://blog.minethatdata.com>  
[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)

# E-Commerce At Eddie Bauer: 1996

**1996: Eddie Bauer**

**Billion Dollar Business**

**Thriving Stores**

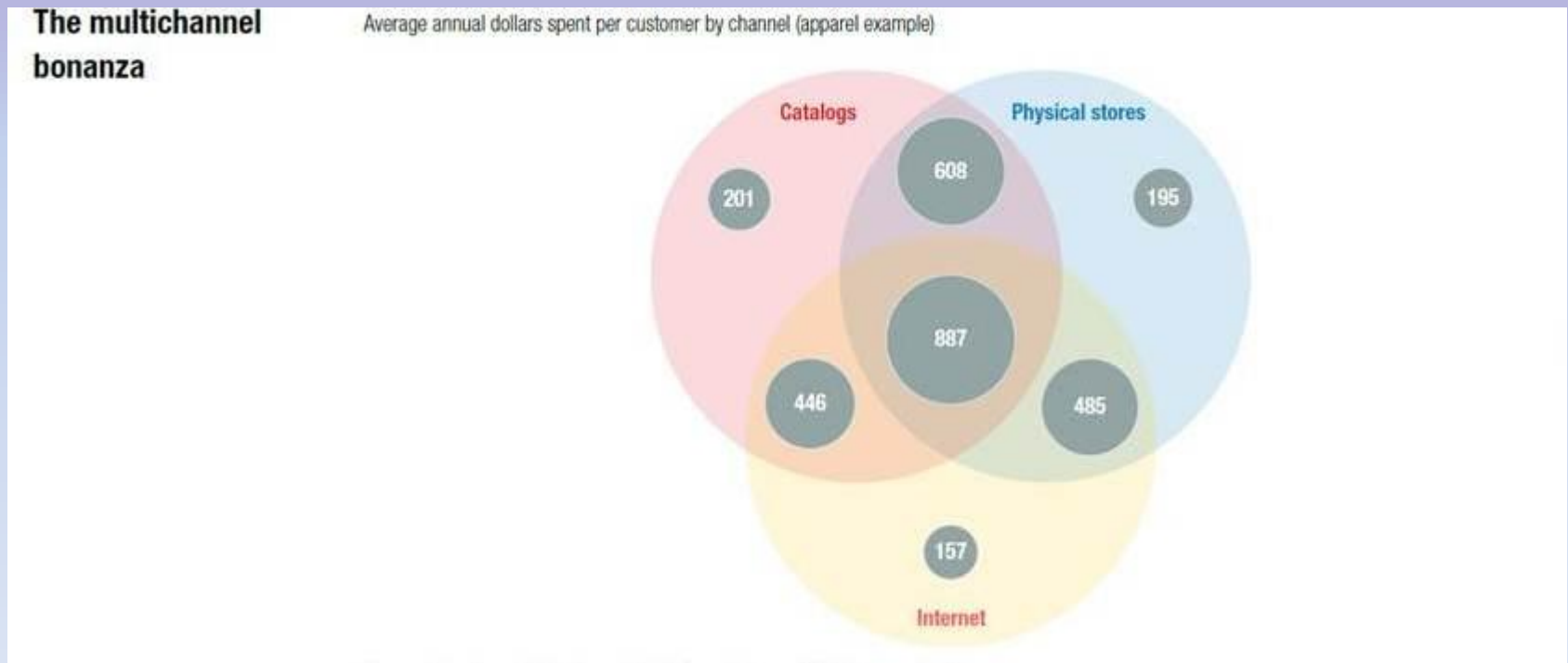
**Thriving Catalog**

**\$1,000,000 Annual E-Commerce Volume**

**Derision from Marketing Leadership ... “*Did you get six or seven orders today? Six? You missed forecast by 14%, let’s try to do better.*”**

# 2001: The Worst Advice We Ever Got

**We chose to believe that customers who bought from multiple channels spent more. We chose wrong. If the thesis were true, then all of our businesses would have grown exponentially. The query failed us, because the query was highly biased.**



Kevin Hillstrom, President, MineThatData

<http://blog.minethatdata.com>

[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)

# The Query Format Guarantees The Outcome

**Customers who buy from two merchandise categories are more valuable than customers who buy from one category.**

**Customers who buy using two payment types are more valuable than customers who buy using one payment type.**

**Customers who buy during two seasons are more valuable than customers buying from just one season.**

**Customers who buy from two stores are more valuable than customers buying from just one store.**

**Customers who buy from multiple price point ranges are more valuable than customers buying from one price point range.**

Kevin Hillstrom, President, MineThatData

<http://blog.minethatdata.com>

[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)

# Then We Botched Our Matchback Logic

The multi-channel query led catalogers and vendors to create matchbacks ... matchbacks grossly overstated catalog effectiveness.

Mail / Holdout Test Results				
	<u>Mail</u>	<u>Phone</u>	<u>Online</u>	<u>Total</u>
Mailed Segment	\$0.25	\$1.50	\$1.50	\$3.25
Holdout Segment	\$0.00	\$0.30	\$0.75	\$1.05
Lift	\$0.25	\$1.20	\$0.75	\$2.20
Matchback Demand per Book =			\$3.25	
True Lift / Demand per Book =			\$2.20	
Overstatement Factor			47.7%	

# Overstated Demand = Overmailing Customers

Matchbacks tell us that \$2.50 per book or \$2.00 per book works!!  
Reality (mail/holdouts) show us we are actually losing profit. The lost profit opportunity means we cannot invest for growth elsewhere.

Mailing Decisions				
	Matchback Results		Mail/Holdout Results	
Demand	\$2.50	\$2.00	\$1.69	\$1.35
Net Sales	\$2.18	\$1.74	\$1.47	\$1.18
Gross Margin	\$1.31	\$1.04	\$0.88	\$0.71
Less Ad Cost	\$0.75	\$0.75	\$0.75	\$0.75
Less Ship Exp.	\$0.22	\$0.17	\$0.15	\$0.12
Variable Profit	\$0.34	\$0.12	(\$0.01)	(\$0.16)

Kevin Hillstrom, President, MineThatData

<http://blog.minethatdata.com>

[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)

# **2000 – 2005 = Short-Term Choices, Long-Term ?**

**We chose multichannel tactics over earned business growth.**

**We chose co-ops over list organizations.**

**We chose to use the website as an order form and not as a demand generation channel.**

**We chose to listen to vendors, researchers, trade journalists, and consultants, when we should have listened to our customers and our merchandise assortment.**

**We chose to market to our core customer base when we should have chosen to grow via customer acquisition.**



# **2005 – 2010: Outsiders Flee Catalogers**

**Catalog Age Becomes Multichannel Merchant.**

**Walter Karl, Edith Roman, Rubin Response, Millard, Mokrynski-Direct, American Church Lists, Jami, Direct Media all folded into infoGroup / InfoUSA – the utter collapse of an industry – and the beginning of a dramatic brain drain in the catalog industry.**

**The final Catalog Conference was held in New Orleans in 2009.**

**Co-Ops dominate prospecting efforts for catalogers, at a time when online marketers learned how to use online marketing to acquire customers. The reliance on co-ops results in an acceleration of a customer demographic feedback loop, a feedback loop that greatly spills over into customer merchandise preferences.**

Kevin Hillstrom, President, MineThatData

<http://blog.minethatdata.com>

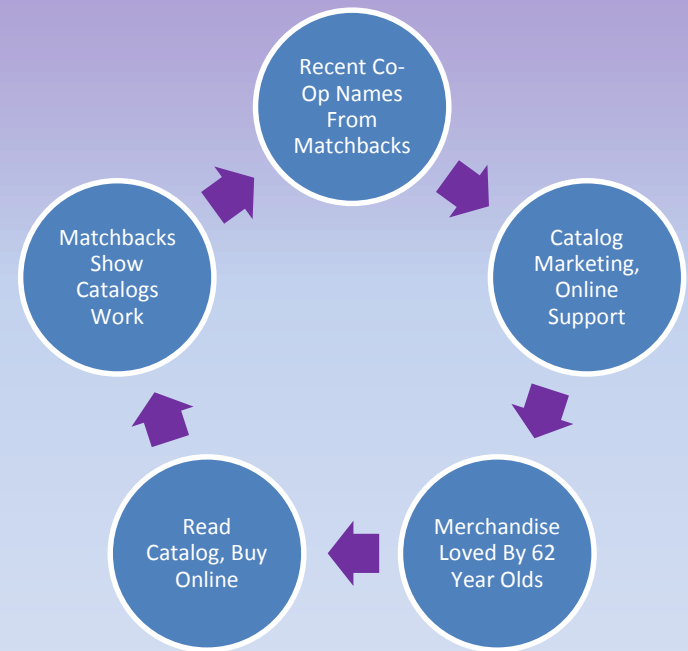
[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)

# 2005 - 2010: The Feedback Loop Accelerates

**Our choices locked us into a feedback loop.**

**Our lust for inexpensive co-op names led to young modelers with no “boots-on-the-ground” catalog experience determining who our future customers would be.**

**Our matchbacks caused us to over-invest in circulation. Circulation was dictated by co-ops. Co-ops over-select 55+ customers.**

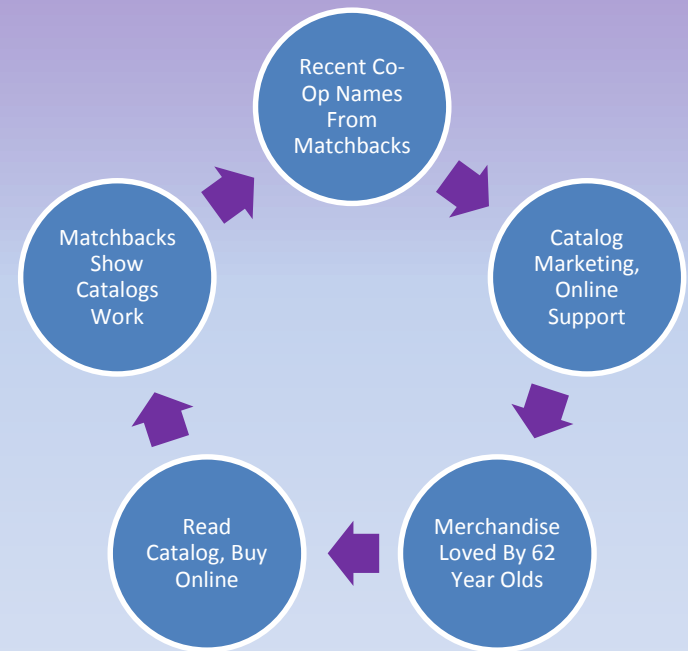


# 2010 – 2015: Stuck In The Feedback Loop

**Catalogers are now locked-in to the feedback loop.**

**The “best practices” and “pro tips” that promised success in 2005 led to major problems in 2015. We chose a path – now we have to deal with the consequences.**

**Countless “multi-channel” and current day “omnichannel” businesses failed after adhering to industry-leading advice.**



# The Experts Are Wrong ... Often ... Me Included!

## Compare 2006 to 2014

# Coldwater Creek – A 2006 Success Story

*“Coldwater Creek is an example of company that has benefited greatly from going public. The women’s apparel retailer blossomed from \$116 million in sales in 1996 to \$1.1 billion in 2006. Interestingly enough, much of Coldwater Creek’s growth can be attributed to the capital it raised through its IPO and its decision to move to become a multichannel merchant. Coldwater was able to transform itself from the once solely catalog based merchant into a much more quickly growing multichannel merchant with storefront locations and a successful online store. The company experienced a 33% increase in internet net sales in fiscal 2006. With internet sales steadily increasing and catalog sales decreasing over the past five years, Coldwater Creek has launched several successful marketing campaigns to bolster internet sales. Coldwater’s user friendly, attractive, and constantly updated website has allowed for the company to continue its growth via the internet. Coldwater Creek’s transformation demonstrates one company’s successful IPO and willingness to adjust to an evolving market, moving beyond a traditional direct mail cataloger to embrace the power of e-commerce.”*

<http://www.tullyandholland.com/t-h-publications-page/items/changing-times-for-direct-marketers.html>

Kevin Hillstrom, President, MineThatData

<http://blog.minethatdata.com>

[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)

# Coldwater Creek – 2014 = Bankrupt

*“Coldwater Creek’s bankruptcy is not a harbinger of anything, nor is it a one-off. There are more reasons for a specialty retailer to fail than there are to succeed: **inability to keep up with the fast-changing fashion scene**, poor locations, weather, **a lousy website** and, of course, **very stiff competition**. Coldwater Creek is just another victim of what was once a successful business model that management didn’t move fast enough to change. That story will repeat itself several more times in the months and years ahead.”*

<http://247wallst.com/retail/2014/04/12/coldwater-creek-bankruptcy-is-not-a-canary-in-the-coal-mine/>

**Turns out that the experts were not right about Coldwater Creek. The very dynamics that seemed to guarantee success sunk the business.**

# If Multichannel Worked, Then ..... ???

**Orchard Brands**  
**Blockbuster**  
**Oriental Trading Company**  
**Coldwater Creek**  
**Love Culture**  
**Bombay Co.**  
**The Sharper Image**  
**Red Envelope**  
**Harry and David**  
**Burpee Holding Co.**  
**Foster & Gallagher**  
**Borders**  
**Circuit City**

**Loehmann's**  
**Linens' n Things**  
**Mervyns**  
**Alco Stores**  
**G.I. Joes**  
**Ashley Stewart**  
**Brookstone**  
**Dots LLC**  
**Gottschalks**  
**Deb Shops**  
**Silver Jeans**  
**Betsey Johnson**  
**Filene's Basement**

**Multichannel Failed Many, Many Companies,  
Not Delivering Riches.**

**What Is The Modern Day Answer To This  
Problem? Omnichannel!!**

**Then more businesses fail ... SkyMall, Delia's,  
Piperlime.**



# **Why Doesn't This Stuff Work?**

## **We Misunderstand The Interaction Between Merchandise And Demographics.**

# A Quote From A Former Co-Op Executive

***“We are essentially recycling the same 10,000,000 customers who purchase from catalogers 0-3 every three months. These customers are generally age 55 and older, and they prefer to purchase over the telephone or via online catalog matchback. That’s what we do.”***

# A Quote From A Catalog Executive

***“I run a nine figure business. That’s a big business. I asked my primary co-op to calculate the percentage of names they gave me that purchased from my product category in the past year. It was 45%. How is that possible? And when I queried my co-op about the low percentage, they told me they were finding names that had affinity to my product line. Some affinity. I spend more than a million dollars with them, and lose \$.”***

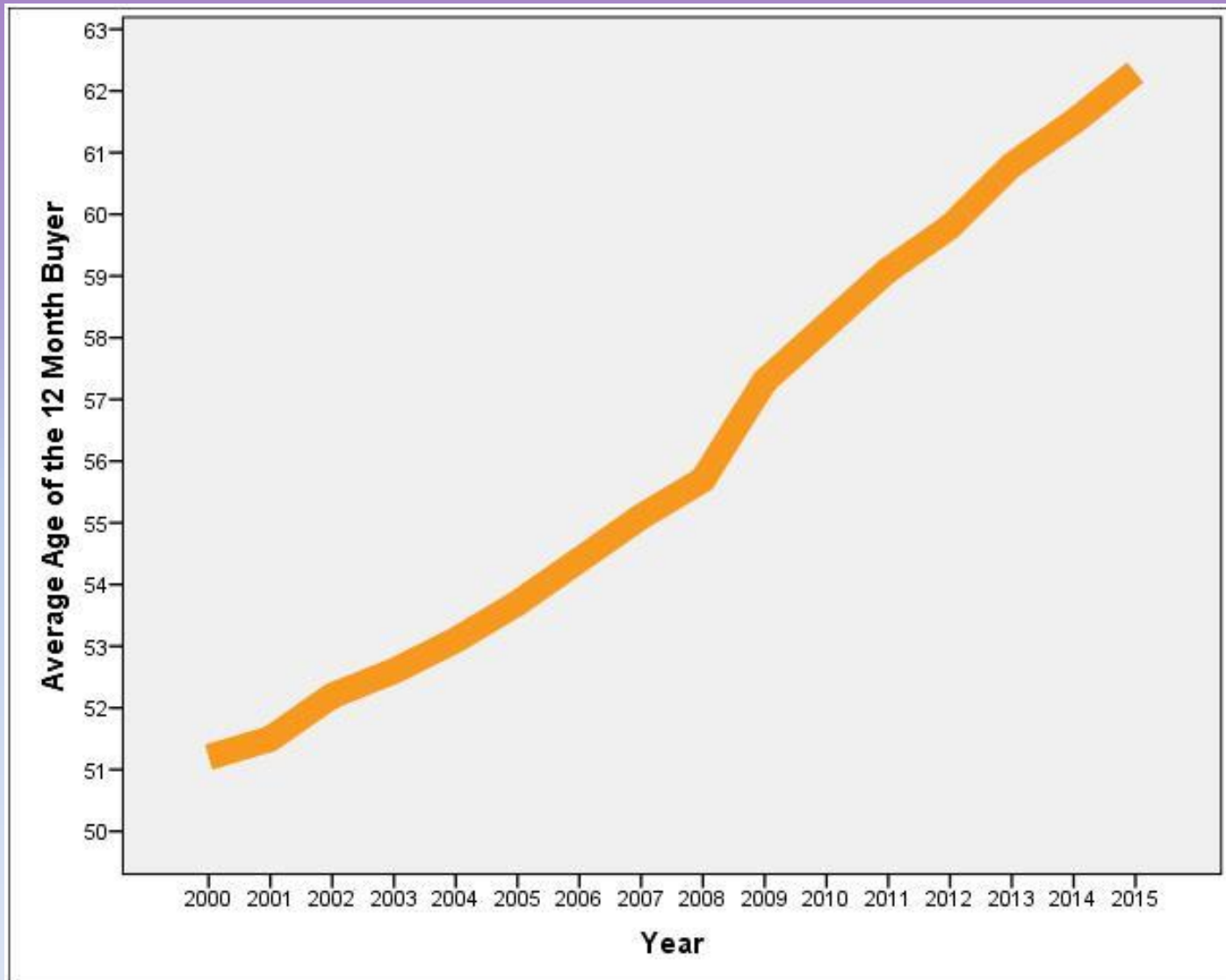
Kevin Hillstrom, President, MineThatData

<http://blog.minethatdata.com>

[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)

# We Chose Print, We Chose Co-Ops, We Chose Multichannel. What Did We Get?

# We Earned An Aging Customer Base



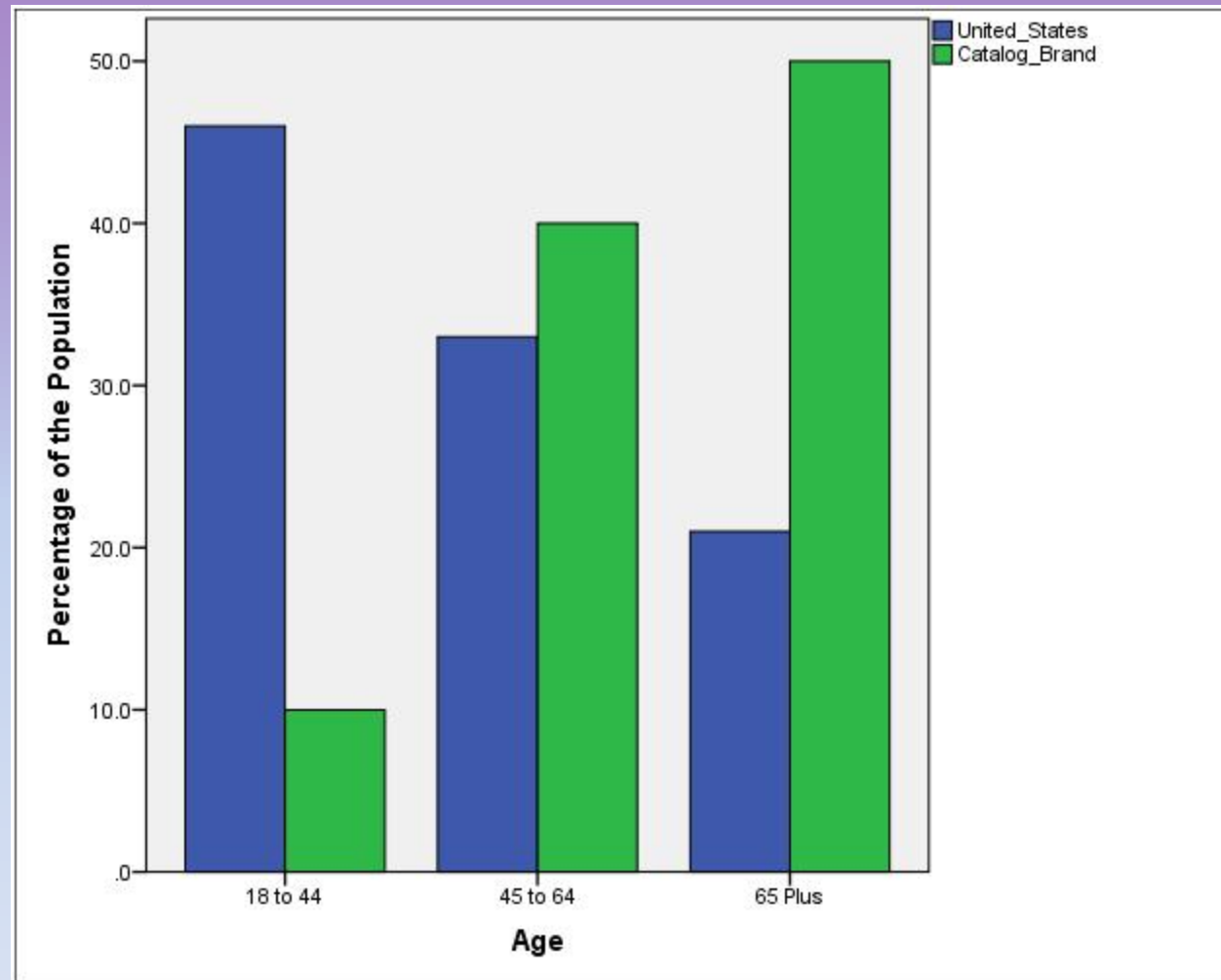
Kevin Hillstrom, President, MineThatData  
<http://blog.minethatdata.com>  
[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)

# Print-Based Customers Are Disconnected

**Today, half of the United States population is under the age of 45.**

**In my projects, it is rare to find a print-based business with more than 10% of the customer base under the age of 45.**

**Think strategically about what this means.**



# Judy Stayed With Us: She Is “Multichannel”

**Judy:**

**Current Age = 62 Years Old.**

**Classic Baby Boomer, Raised On Catalogs.**

**Loves to thumb through the catalog, then is equally likely to shop via phone, or online.**

**75% of her demand is print driven.**

**She is among the 10,000,000 customers the co-ops send to us.**



Kevin Hillstrom, President, MineThatData

<http://blog.minethatdata.com>

[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)

# We Ignored Jennifer, She Chose Amazon

**Jennifer:**

**Current Age = 46 Years Old.**

**Gen-X / Amazon shopper.**

**Presented her persona at Spring NEMOA 2012, heard numerous audible groans from the audience (*i.e. the audience did not like this shopper*).**

**40%-ish of demand is print driven, measured via mail/holdout tests. Jennifer makes attribution vendors \$\$\$\$\$\$.**



Kevin Hillstrom, President, MineThatData

<http://blog.minethatdata.com>

[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)

# **A Typical “Jennifer” Marketing Life Cycle**

**Awareness via Social Media.**

**Social Media leads to Paid Search, SEO.**

**Paid Search, SEO leads to Affiliates, Discount Seeking, and a Purchase via Desktop / Laptop.**

**Purchase yields and E-Mail Address.**

**E-Mail Address leads to Site Visits. Site Visits generated via Tablets.**

**Tablets lead to Mobile / Apps, Mobile / Apps are where Loyalty is finally realized.**



# We Ignored Jasmine. She Ignores Us

**Jasmine:**

**Current Age = 30 Years Old.**

**Millennial / Mobile / Social shopper.**

**< 5% of catalog customer file,  
usually < 1%. Customer has no  
interest in catalog merchandise  
designed for Mom/Dad.**

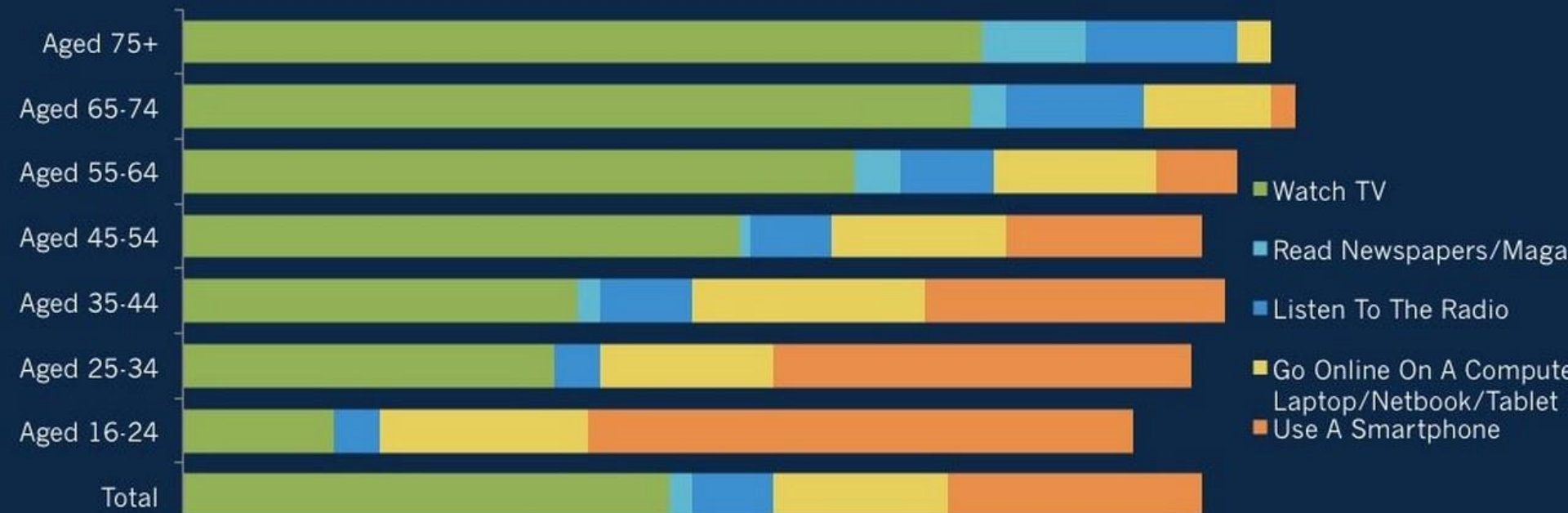
**20% to 25% of demand is catalog  
driven, when measured via mail /  
holdout tests.**



# Business Insider: Mobile ...

is a generational shift

## Digital Is Reaching The New Generation Top Five Media Mentions Among all Adults, 2013



Kevin Hillstrom, President, MineThatData

<http://blog.minethatdata.com>

[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)

# Demographics Impact How We Present Merchandise, And Demographics Impact The Merchandise We Choose To Sell.

# An Example? Here's Footsmart



**FootSmart**  
EXPERT RELIEF FOR FEET, LEGS, KNEES & BACK

Home | Catalog Request | Online Catalog | Email Sign-Up | 1 (800) 707-9926 | My Account | Account Sign-In

Shopping Cart (0 items)

Enter keyword or item #

Women's Shoes | Men's Shoes | Slippers | Foot Health | Lower Body Health | Socks | Hosiery | Shop by Brand **SALE** **THE RUNNING SHOP**

**Free Shipping on Orders \$59+** Enter Code in Shopping Cart: ShipNow3 [Details >](#)

**Shoes**  
Women's Shoes  
Women's Boots  
Men's Shoes  
Occupational Shoes  
Slippers  
Shoe Aids / Accessories

**Socks & Hosiery**  
Women's Socks  
Women's Hosiery  
Men's Socks

**Foot Health**  
Foot Supports / Insoles  
Heel Pain / Plantar Fasciitis  
Bunions / Toes  
Corns / Calluses  
Foot Odor / Hygiene  
Sensitive Feet / Diabetes  
Skin Care / Nail Care

**Lower Body Health**  
Ankle / Knee / Leg

**Make your feet merry**  
Cozy Crocs with Croslite™ technology  
[Shop Now >](#)

**Shoe Finder**  
More than 3,500 styles  
☒ Women's ☐ Men's  
Category   
Size   
Width   
Brand   
[Go >](#)

**Shop by Ailment**  
[Find Your Ailment](#)

**We have your widths covered:**

**N** Narrow > **M** Medium > **W** Wide > **WW** Wide Wide > **XXW** Extra Extra Wide >

**softspots**  
PillowTop™ memory foam footbeds to cushion your steps.

**Hello, bunion relief!**  
Find expertly-selected products to help with pain caused by bunions.



# Compare FootSmart to Zappos


The screenshot shows the Zappos.com homepage with a purple header. At the top, a banner reads "Order before 1pm PST for FREE 2 Business Day Shipping on all orders!" with a "LEARN MORE" link. Below this is a navigation bar with "24/7 Customer Service (800) 927-7671", "Help", "Live Help", "Log In or Register", "My Account", and "My Favorites". The main header features the Zappos logo, a search bar with "Shoes, Clothing, Bags, etc." and a "SEARCH" button, a "Holiday Gift Guide" banner, a "FAST & FREE SHIPPING" badge, and a "MY CART" button. A secondary navigation bar lists categories: SHOES, CLOTHING, BAGS & HANDBAGS, AT HOME, BEAUTY, ACCESSORIES, SHOP BY..., WOMEN'S, MEN'S, KIDS', and ALL DEPARTMENTS. Below this is an "ALPHABETICAL BRAND INDEX" with a list of letters from A to Z. The main content area is divided into three columns. The left column has links for "SHOP WOMEN'S" (Clothing, Shoes, Boots, Sneakers & Athletic Shoes, Dresses), "SHOP MEN'S" (Clothing, Shoes, Boots, Sneakers & Athletic Shoes, Jeans), "SHOP KIDS'" (Girls' Clothing, Boys' Clothing, Girls' Shoes, Boys' Shoes), and "SHOP GIFT CARDS". The middle column features a large Patagonia advertisement with the text "Discover jackets designed to keep you warm." and a "SHOP NOW" button. The right column has a Columbia advertisement with a "SHOP NOW" button, a UGG advertisement with a "SHOP NOW" button, and a blue box for a contest: "ENTER FOR A CHANCE TO WIN A FREE PAIR OF SHOES". At the bottom, a blue banner reads "ZAPPOS.COM GIFT CARDS: THE PERFECT GIFT FOR EVERYONE ON YOUR LIST!" with a "SEND ONE TODAY" button.

Kevin Hillstrom, President, MineThatData  
<http://blog.minethatdata.com>  
[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)

# Compare FootSmart to Shoemint

**SHOEMINT** | JEWELMINT | STYLEMINT | 888-483-8093 | FREE SHIPPING & RETURNS | KEVIN H

MY SHOWROOM | WHAT'S NEW | SHOES | BEST SELLERS | BRANDS | MINTSIDER | SALE | Q



**WELCOME TO YOUR SHOWROOM**

Discover effortless style and exclusive designs


**FREE SHIPPING. FREE RETURNS. EVERY DAY.**

**THE MINT FIT GUARANTEE**


Designer quality  
Premium materials  
Easy risk-free returns  
Incredible value

**YOUR TOP RECOMMENDATIONS**


**YOUR TOP MATCH**




**SOL SANA KROSS SANDAL**  
\$84.95  
More Colors Available



**SOL SANA KROSS SANDAL**  
\$84.95  
More Colors Available



**SOL SANA AVALON SANDAL**  
\$89.95  
More Colors Available



**SOL SANA AVALON SANDAL**  
\$89.95  
More Colors Available

Kevin Hillstrom, President, MineThatData  
<http://blog.minethatdata.com>  
[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)

# Merchandise / Creative / Demographics

## Key FootSmart Themes:

- Foot Health, Body Health, Ailments, Bunion Relief.
- Free Shipping on Orders > \$59.

## Key Zappos Themes:

- Fashion, Brands, Gender/Kids
- Free Two Day Business Shipping, All Orders, Free Returns.

## Key Shoemint Theme:

- Personalization – It's About You.

**Pretend you are age 25-45. Which message resonates?**

**Demographics, Messaging, Merchandise all interact, don't they?**

Kevin Hillstrom, President, MineThatData

<http://blog.minethatdata.com>

[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)



# Geography Increasingly Dictates The Audience

**Urban = Retail, Fast Broadband, 4G, Mobile/Apps Drive Business.**

**Suburban = Omnichannel + Amazon. Search. Affiliates.**

**Rural = Print, DSL. Co-Op Sourced Names.**



Kevin Hillstrom, President, MineThatData

<http://blog.minethatdata.com>

[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)



# Demographic Cohorts Dictate Channels

Nine year ago, 38% of survey respondents thought it would be hard to give up the internet. Last year, that percentage was 53%.

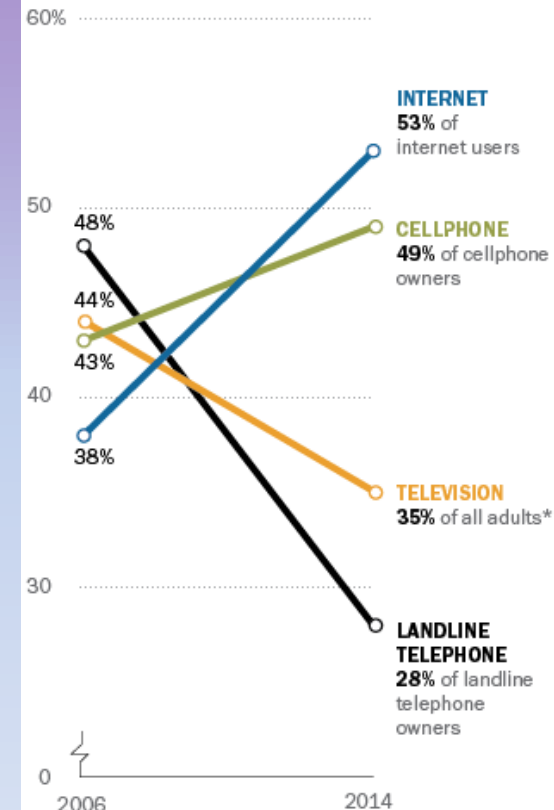
Conversely – nine years ago, 44% of survey respondents thought it would be hard to give up television. Today, that percentage is 35%. And land-line phone dropped from 48% to 28%.

What does this have to do with catalogs? The numbers are driven by demographic cohorts ... the impact of Jasmine on society shifts the direction of the numbers in the chart. These numbers are also impacting catalog growth in 2015.

Kevin Hillstrom, President, MineThatData  
<http://blog.minethatdata.com>  
[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)

## Americans More Attached to Internet, Cellphones

*Percent who say ... would be very hard to give up*



\*Only 12% of those ages 18-29 say television would be very hard to give up.

PEW RESEARCH CENTER

# Meanwhile ... Amazon

**On pace to hit one trillion dollars (\$1,000,000,000,000) in annual sales in the next 5-10 years. Current annual net sales are the same as the sum of 1,000 catalogers with annual sales of \$100,000,000. Let that one sink in!**

**Amazon did not use catalogs.**

**Amazon did not leverage retail.**



**Amazon focused on merchandise assortment, price, customer service, devices.**

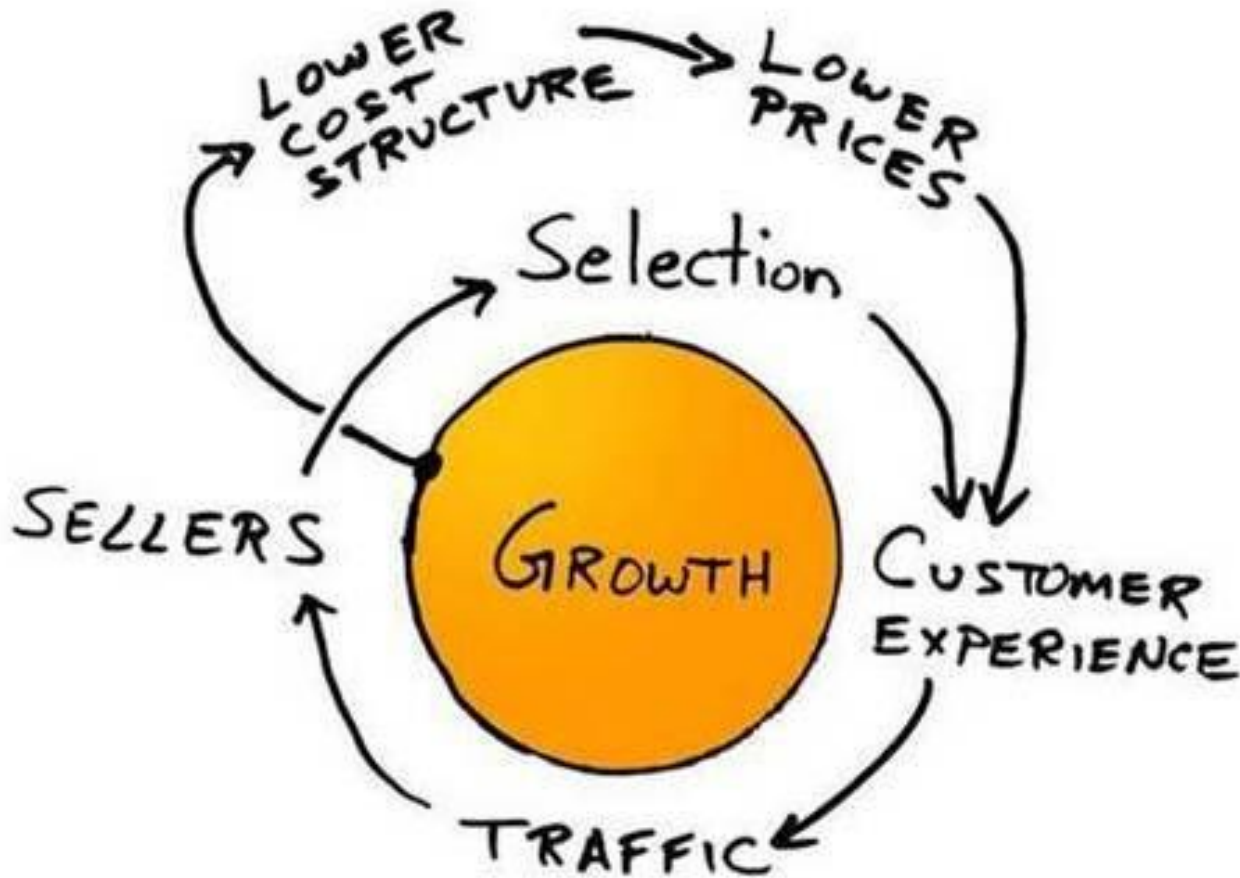
**Worst of all – we use all of our omnichannel advertising tactics – and those tactics drive traffic to Amazon. We pay, they profit every day.**

Kevin Hillstrom, President, MineThatData

<http://blog.minethatdata.com>

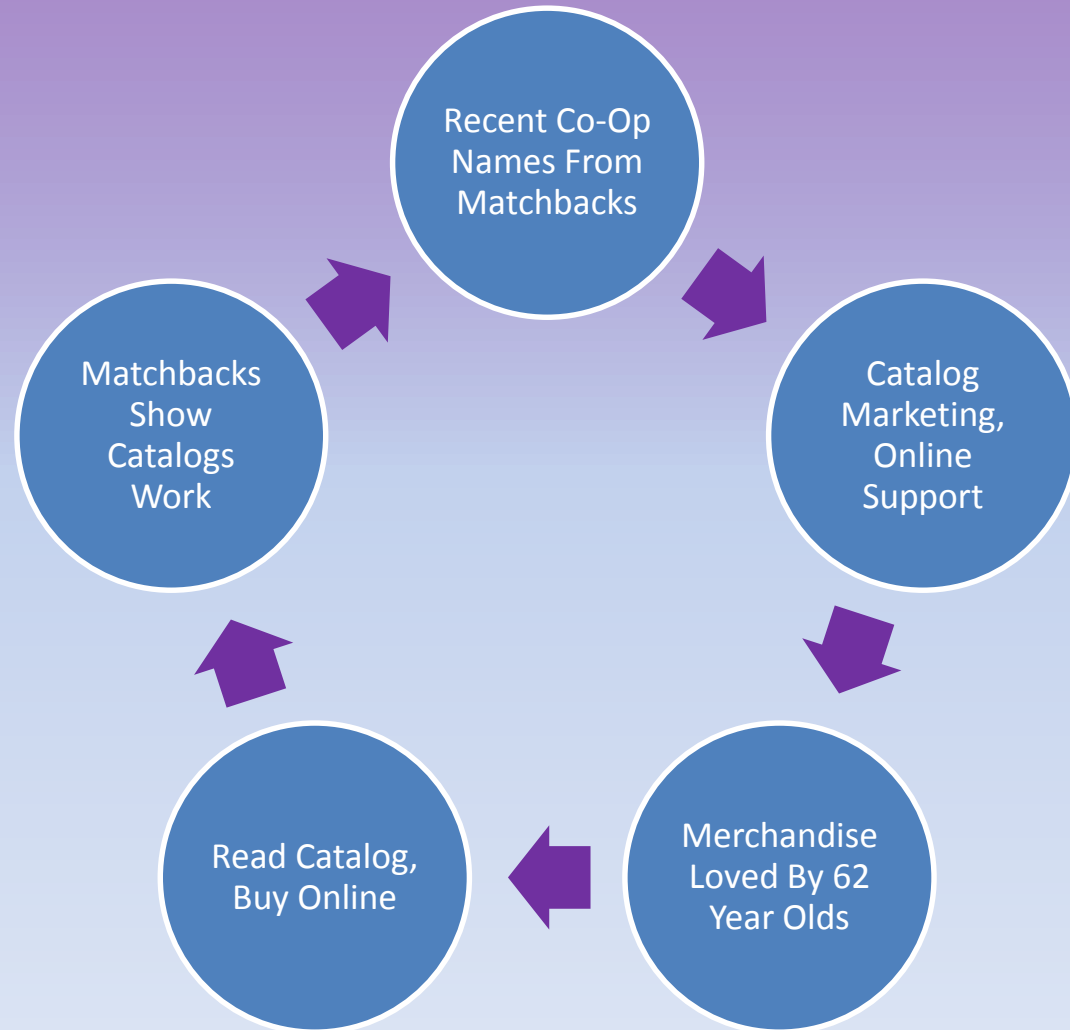
[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)

# An Actual Graph From Amazon



(Source: Amazon)

# A Graph From A Print-Centric Business



# Mobile / Social / Scale / Ops Excellence

**The current generation of online businesses continue to cut off the customer acquisition opportunities of traditional catalogers (and increasingly, many retailers).**



# Question From A USPS Employee

***“Jasmine has been trained to love Facebook, Twitter, Verizon, Apple, Amazon, Samsung, and Google.***

***Judy was trained to love the USPS, Postcards, and Catalogs.***

***How do we, as classic direct marketers, train Jasmine to love postcards, catalogs, and print? How do we train Jasmine to love what we’ve loved for decades?”***

# Demographic Cliff Hurts Customer Acquisition

Catalogers are really, really struggling to find new+reactivated customers under the age of 45 ... ½ the population ... 10% of the file.

From 2012 – 2014, Retailers became cut off from new+reactivated buyers, too. And e-commerce growth is slowing. This is the challenge of 2015, folks.

Customer File Trajectory - Same Reactivation / Newbie Trends						
	End of	End of	End of	End of	End of	End of
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
12 Month Buyers, Start of Year	106,583	110,454	109,050	104,916	100,229	95,488
Repurchase Rate	38.3%	38.8%	38.5%	38.5%	38.5%	38.5%
Active Buyers	40,821	42,856	41,984	40,393	38,588	36,763
Reactivated Buyers	32,695	30,733	28,889	27,156	25,527	23,995
New Buyers	36,938	35,460	34,042	32,680	31,373	30,118
12 Month Buyers, End of Year	110,454	109,050	104,916	100,229	95,488	90,876

Kevin Hillstrom, President, MineThatData

<http://blog.minethatdata.com>

[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)

# Plugging The Holes = Tepid Or No Growth

Demographic cutoffs make it hard to change trends. Even if we plug the holes, our customer files will, at best, level off.

Our multi-channel / omnichannel focus cut us off from a younger demographic ... we are now paying the price.

Customer File Trajectory - Stop The Losses						
	End of	End of	End of	End of	End of	End of
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
12 Month Buyers, Start of Year	106,583	110,454	109,050	104,916	103,324	102,711
Repurchase Rate	38.3%	38.8%	38.5%	38.5%	38.5%	38.5%
Active Buyers	40,821	42,856	41,984	40,393	39,780	39,544
Reactivated Buyers	32,695	30,733	28,889	28,889	28,889	28,889
New Buyers	36,938	35,460	34,042	34,042	34,042	34,042
12 Month Buyers, End of Year	110,454	109,050	104,916	103,324	102,711	102,475

Kevin Hillstrom, President, MineThatData

<http://blog.minethatdata.com>

[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)

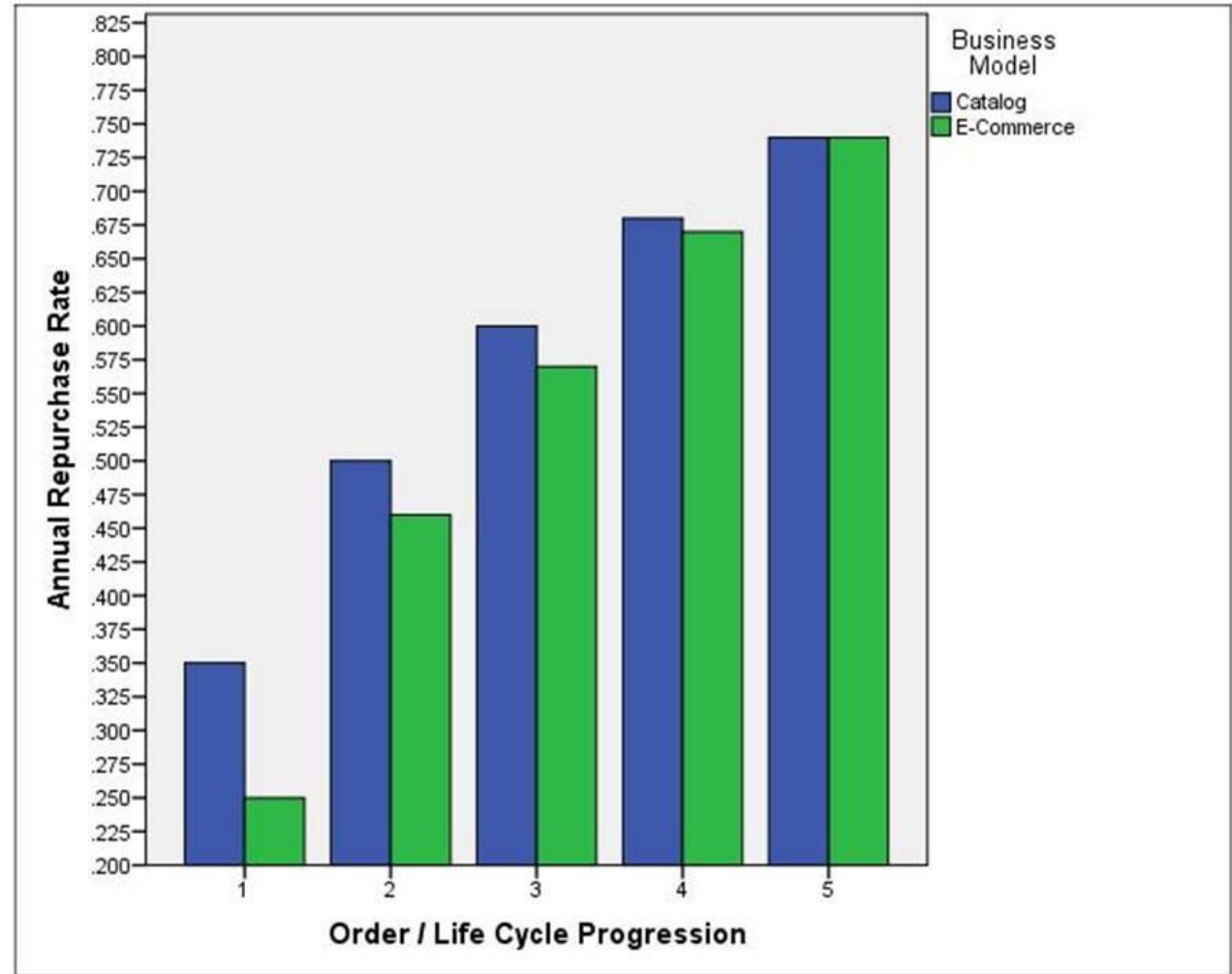


# E-Commerce Is Starting To Hit A Wall, Too

**eBay lays off more than 2,000 employees amid slowing growth.**

**The source of new customers for e-commerce businesses is beginning to dry up.**

**E-commerce rebuy rates are poor.**



Kevin Hillstrom, President, MineThatData

<http://blog.minethatdata.com>

[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)

# Choices In E-Commerce: Conversion

Remember how catalogers made choices, and those choices resulted in an older customer now disconnected from the mainstream of commerce?

E-Commerce businesses spent 15 years making “conversion choices”. These choices are also detrimental to e-commerce.

A lust for “optimizing conversion” results in all sorts of crazy tactics that do not increase annual purchase frequency or annual repurchase rates.

Example: *I analyzed an e-commerce brand where good customers visited the website 120 times per year.* Why demand a conversion today?

# Choices In Retail: Three Challenges

**In my projects, retail comps are experiencing tepid growth, for three reasons.**

**Reason #1 = Merchandising problems post-Great-Recession (significant). Can easily be fixed.**

**Reason #2 = Movement of retail customers from in-store buying to online buying (very minor). Will not be fixed, sum of \$ is constant.**

**Reason #3 = Not enough new+reactivated customers setting foot in stores (significant). We've trained prospects to not visit stores/malls, and as a consequence, we've cut ourselves off from 10% - 50% of the new prospects available to us.**

# **Our Merchandising Choices Are Killing Us**

**We all know the importance of a healthy customer file. Similarly, it is very, very important to have a healthy merchandise assortment.**

**After the Great Recession, too many of us created self-inflicted wounds by cutting back on the number of new items, starving the customer file of good merchandise.**

## **Common Issue:**

- 2010 = \$9.4 million from new items, \$15.4 million from existing.**
- 2011 = \$8.7 million from new items, \$16.6 million from existing.**
- 2012 = \$8.5 million from new items, \$15.9 million from existing.**
- 2013 = \$7.7 million from new items, \$16.3 million from existing.**
- 2014 = \$6.9 million from new items, \$16.6 million from existing.**

# Choices In Retail: Clicks > Bricks

**We spent 15 years teaching retail shoppers TO NOT VISIT RETAIL STORES – asking them to instead sit at home and click. It's working! Run the query yourself. This is one of the factors that is causing retail comp store sales to struggle – why drive to a store when you can sit and click? Omnichannel!!**

## Share Of Sales Via In-Store Retail

Five Year Trend		
	<u>2010</u>	<u>2015</u>
0 to 5 Miles From a Store	94.8%	94.8%
6 to 10 Miles From a Store	91.6%	85.9%
11 to 25 Miles From a Store	88.3%	82.4%
26 to 50 Miles From a Store	72.7%	64.3%
51 to 99 Miles From a Store	49.3%	38.7%
100+ Miles From a Store	15.9%	11.4%

Kevin Hillstrom, President, MineThatData

<http://blog.minethatdata.com>

[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)

# Choices In Retail: Clicks Hurt In-Store Newbies

With 10% to 50% traffic declines in-stores, we're losing out on new + reactivated customers, costing us sales. Secondly, sales are shifting out of Spring-Fall, and are shifting into December (at 30% off).

New + Reactivated In-Store Buyers							
	<u>14 vs. 13</u>	<u>13 vs. 12</u>	<u>12 vs. 11</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
January	-2.6%	2.0%	3.0%	5,975	6,134	6,014	5,839
February	-6.9%	-3.5%	-1.0%	2,273	2,442	2,530	2,556
March	-6.2%	-4.7%	-2.0%	2,679	2,856	2,997	3,058
April	-6.2%	-5.3%	-1.5%	2,810	2,995	3,163	3,211
May	-11.7%	-6.1%	-2.7%	2,695	3,052	3,250	3,340
June	-14.1%	-7.5%	-1.8%	2,401	2,795	3,022	3,077
July	-16.6%	-8.3%	-0.7%	1,772	2,125	2,318	2,334
August	-14.2%	-8.7%	-1.6%	1,754	2,045	2,240	2,276
September	-14.1%	-11.1%	-0.8%	2,221	2,586	2,909	2,932
October	-15.3%	-11.5%	-2.6%	3,475	4,102	4,635	4,759
November	-14.1%	-2.7%	0.4%	8,021	9,338	9,597	9,559
December	11.7%	6.8%	7.3%	11,593	10,379	9,718	9,057
Totals	-6.3%	-2.9%	0.8%	47,670	50,849	52,392	51,998

Kevin Hillstrom, President, MineThatData

<http://blog.minethatdata.com>

[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)

# Macy's: America's Omnichannel Store

**What does “omnichannel” buy the recognized omnichannel leader?**

**Generally flat retail comps.**

**E-commerce growth.**

**The closing of 14 stores in 2015, stores that generate \$130,000,000 in annual net sales. If omnichannel worked, why would stores be closing.**

**READ THE ANNUAL REPORTS AND QUARTERLY REPORTS OF LEADING RETAILERS ... THEY ARE TELLING US THAT OMNICHANNEL TACTICS LEAD TO UNDERPERFORMING STORES THAT WILL BE CLOSED. My estimates suggest that 30% of retail locations will close in the near future.**

# Abercrombie & Fitch

**Omnichannel strategy = 40% of sales will be online in a few years.**

**Merchandise alignment did not appeal to young customers, cutting Jacy out, leaving company with Jasmine.**

**Online sales gains + merchandising problems + demographics challenges = 300+ store closures.**

**This is what omnichannel delivers ... and catalogers know this ... we cut off younger demographics, we ignore merchandise productivity, we move sales online, we close low-performing retail stores.**

**MERCHANDISE + DEMOGRAPHIC ALIGNMENT MATTERS!!!**



# Retail's Omnichannel Future

The lower 30% of the store portfolio are generally weakening, in the face of the online channel. In the next 5-10 years, these locations will close, lowering retail net sales, increasing company profit.

Omnichannel Evolution: A Market With Two Stores			
	<u>2010</u>	<u>2015</u>	<u>2020</u>
Store #1	\$1,500,000	\$1,875,000	\$2,394,000
Store #2	\$1,200,000	\$960,000	\$0
Total Retail	\$2,700,000	\$2,835,000	\$2,394,000
Total E-Commerce	\$2,000,000	\$3,000,000	\$3,394,000
Total Net Sales	\$4,700,000	\$5,835,000	\$5,788,000
Earnings Before Taxes	\$835,000	\$1,137,750	\$1,435,400

Kevin Hillstrom, President, MineThatData

<http://blog.minethatdata.com>

[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)

# Digital Hates Offline Inefficiency

**40% to 50% of all catalog pages mailed in 2007 are not mailed in 2015. This didn't happen because of "the economy". This happened because e-commerce rendered those pages inefficient.**

**My forecast – 30% of all major retail mall-based store locations will close over the next ten years, as in-store sales are digitized.**

**There will be retail winners – especially those businesses that cater to younger customers.**

**Otherwise ... RETAIL 2015 = CATALOGING 2005.**

# Choices Have Led To Challenges

**Catalogers chose co-ops, print-to-website customer engagement, leading to older customers, leading to an evolution of merchandise catering to an older customer, leading to a feedback loop.**

**E-Commerce businesses chose “optimized conversion”, requiring discounts to close sales TODAY, largely ignoring long-term customer relationships that actually exist, unmeasured.**

**Retailers trained customers to click instead of getting in a car to drive to a store. Customers listened. Now mall traffic is down, driving comps down, with the likely result a full digitization of the business and the closing of 30% non-prime, below-average retail locations. The best retail locations are likely to grow.**

# However, The World Is Not Coming To An End

# Opportunity Exists For All Of Us

# Every Business Model Can Be Successful

# Time To Get Busy!

# Who Is Looking Out For Your Interests?



# Free Data Feeds Do Not Benefit Catalogers

*Mr. Rose: “Do you feel bad that Bing was such a failure?”*

*Mr. Ballmer: “Bing was not a failure. Bing was a major success. Don’t you understand? Without Bing, Microsoft does not have an Artificial Intelligence program! Data from Bing feeds our AI infrastructure.”*

**Your business partners (Adobe / IBM / Google / Microsoft / Abacus – Epsilon / Datalogix – Oracle) use your data, YOUR DATA, which you freely give to them (web analytics via Adobe / IBM / Google). Then, they monetize the freely offered information, and finally, they sell the data back to you.**

**IBM shows repeated commercials on television, talking about how use of their data analysis tools result in untold riches for your business.**

**And yet, IBM has suffered through three years of sales declines, and a decade of flat sales.**

**If IBM's Big Data solutions and analytical offerings were so darn powerful, then wouldn't those same tools/solutions enable IBM to find hidden nuggets of information that allowed IBM to grow at an unfettered rate?**

**You will be asked to contribute your data to an omnichannel world. Do not expect anything of value in return.**

# Listen Carefully – Is The Message Fair / True?

From a conference organizer: *“Kevin, I realize we reached out to you to speak at our conference. I realize we asked you to volunteer your time. And we appreciate that you put in the time to create a presentation. But our sponsors have informed us that they need to deliver a sufficient return on investment, or they will not partner with us going forward. Our sponsors have asked us to grant them access to the attendees via the speaking sessions. Therefore, we will be giving our speaking assignments to our sponsors, because without them, we wouldn’t exist. But thank you for being willing to partner with us.”*

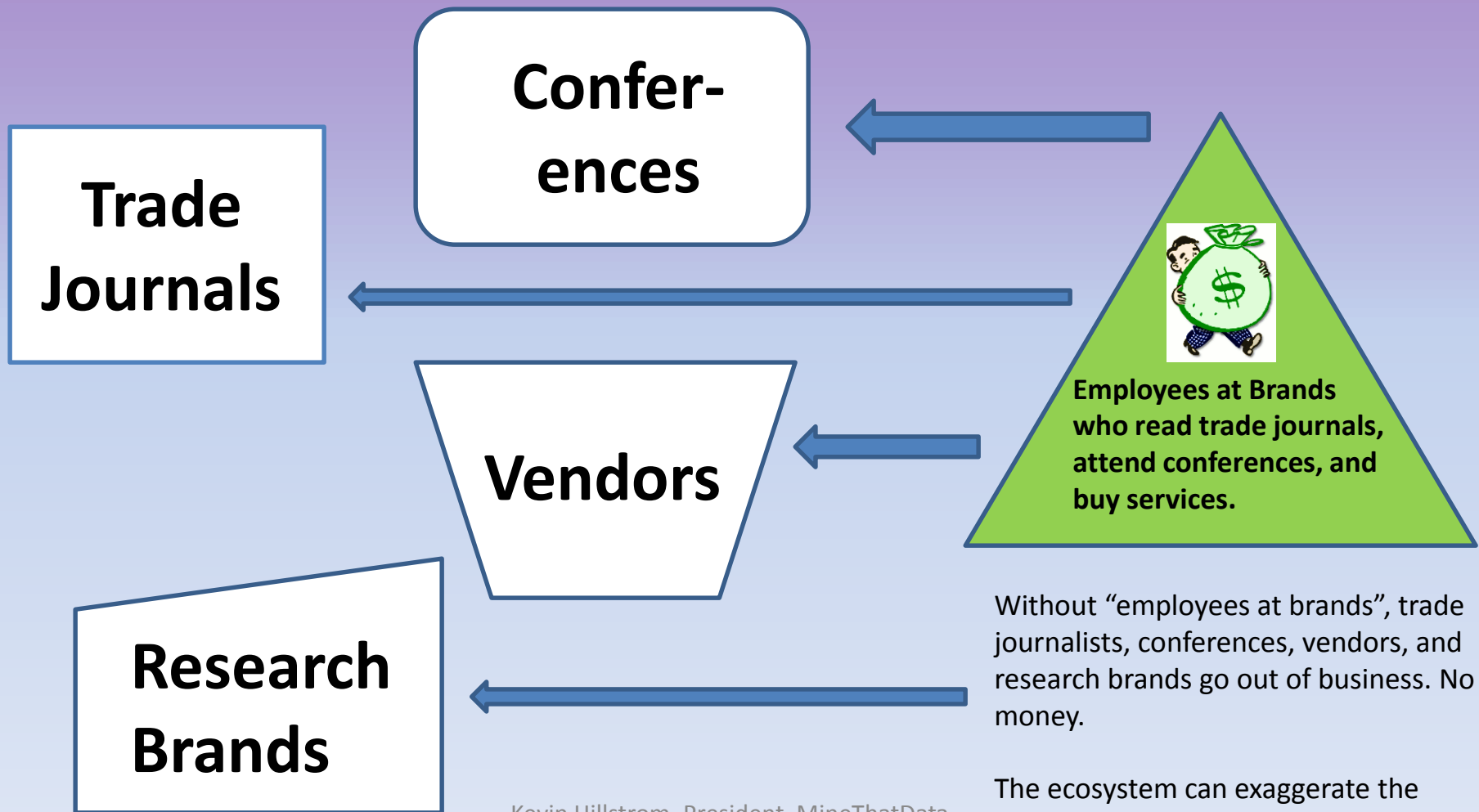
From a conference organizer: **1/3 of revenue comes from sponsors, 1/3 of revenue comes from vendors attending the conference, 1/3 of revenue comes from “brands” attending the conference. “We don’t exist without sponsors / vendors”.**

Kevin Hillstrom, President, MineThatData

<http://blog.minethatdata.com>

[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)

# The Messaging Ecosystem: “Brands” Fund The Whole Ecosystem – Ecosystem Needs Eyeballs



Without “employees at brands”, trade journalists, conferences, vendors, and research brands go out of business. No money.

The ecosystem can exaggerate the message to generate eyeballs, \$.

**Every Business Model & Every Customer  
Demographic Can Work Profitably.**

**Your Business Is Not “Dead” If You Don’t Do  
What Vendors, Trade Journalists, Researchers,  
And Consultants Tell You To Do!**

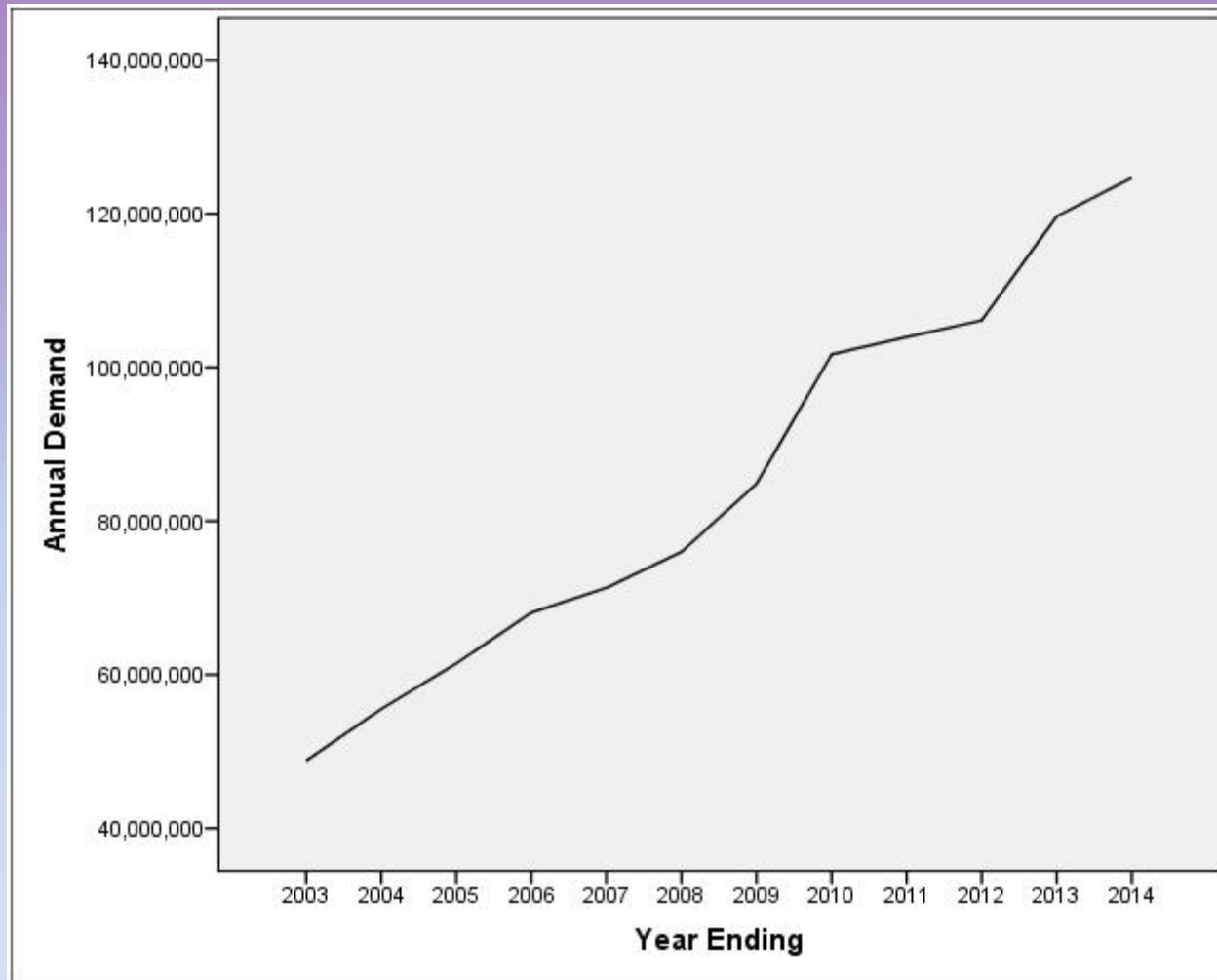
**Find Companies And Individuals You Can Trust**

**Up Next**

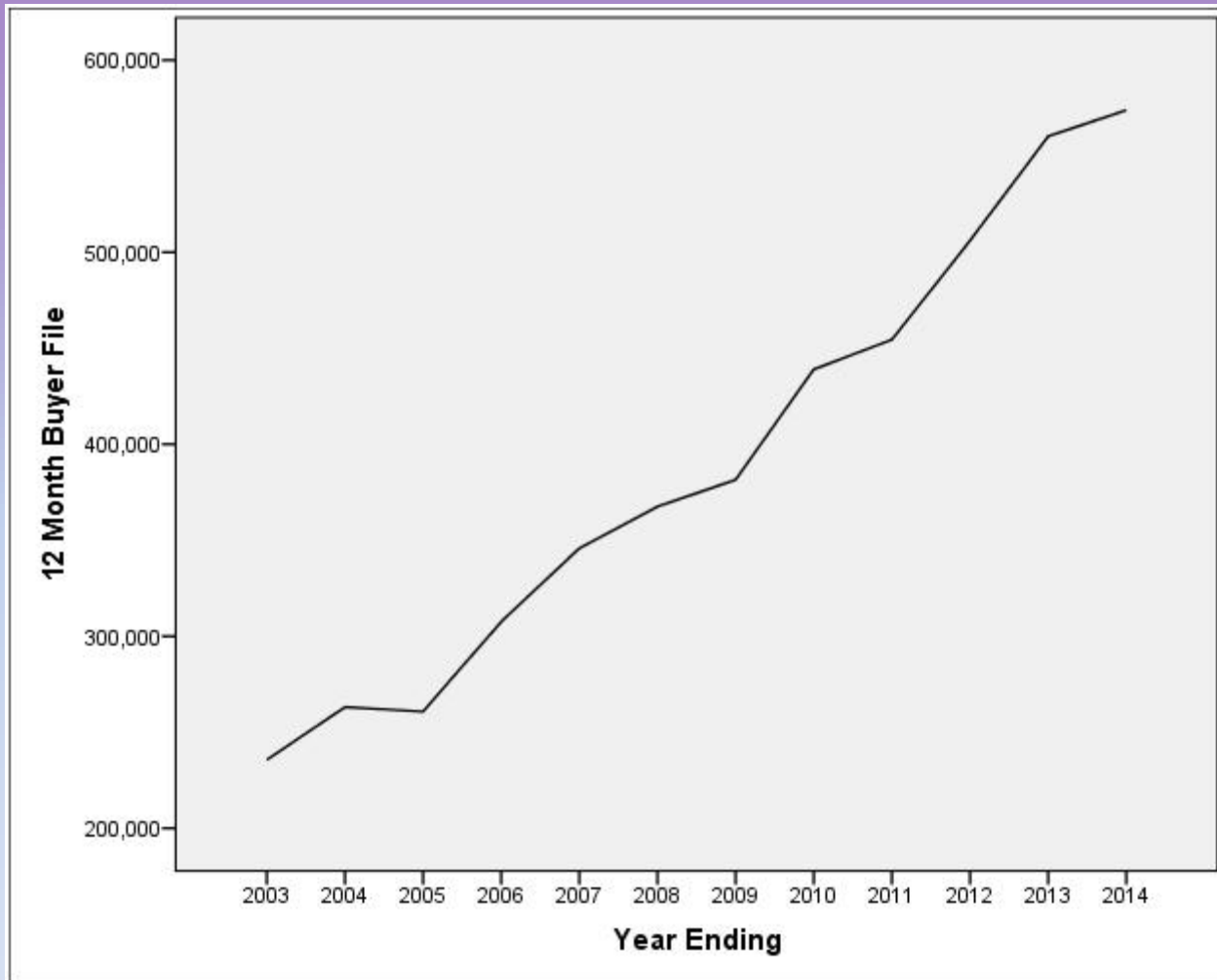
**Customer Metrics From A Successful  
Catalog Business**

**This Business Markets Through More Than 20  
Marketing Channels. It Found The Secret To  
Their Success!**

# A Successful Cataloger: Annual Demand

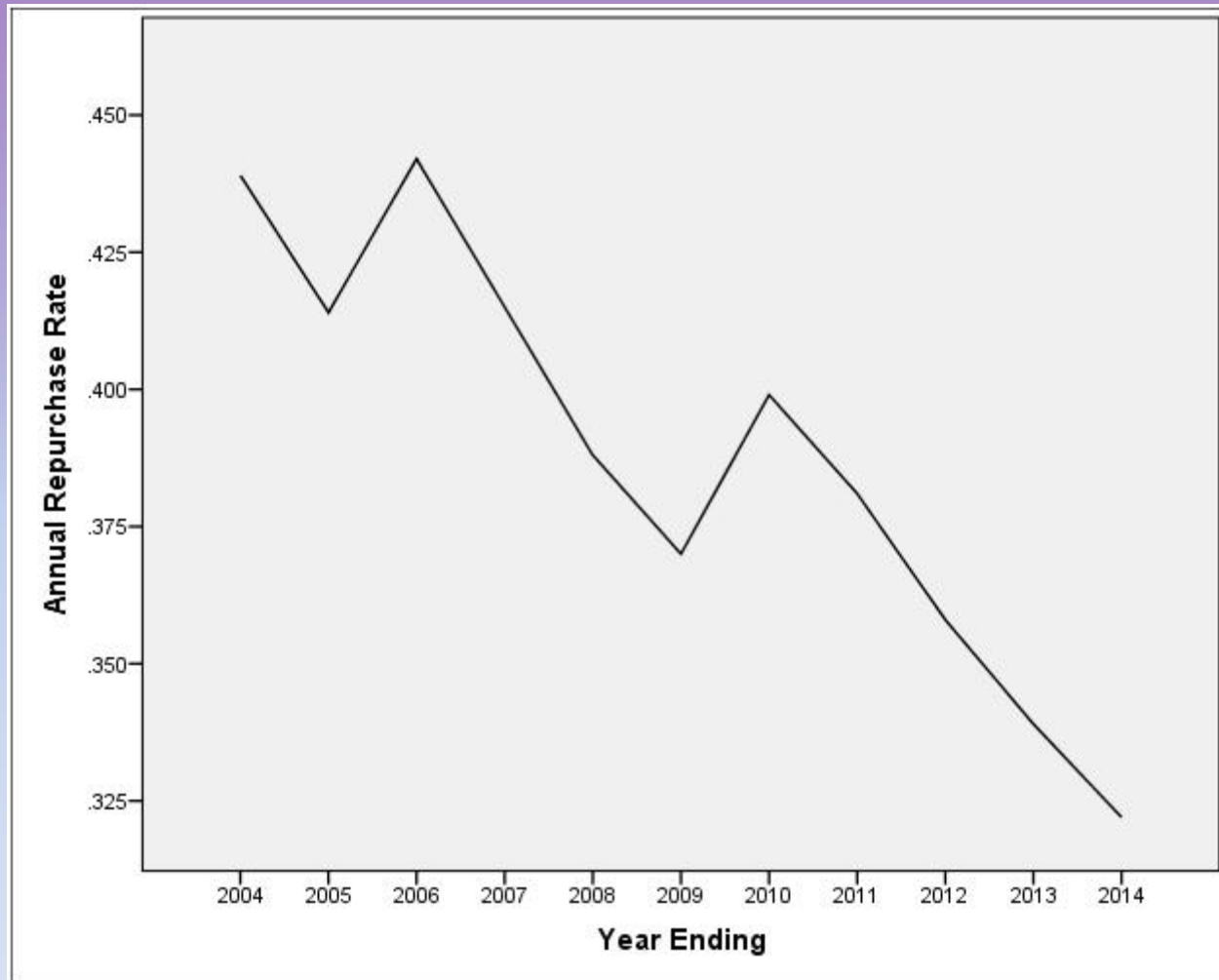


# A Successful Cataloger: Annual Buyers

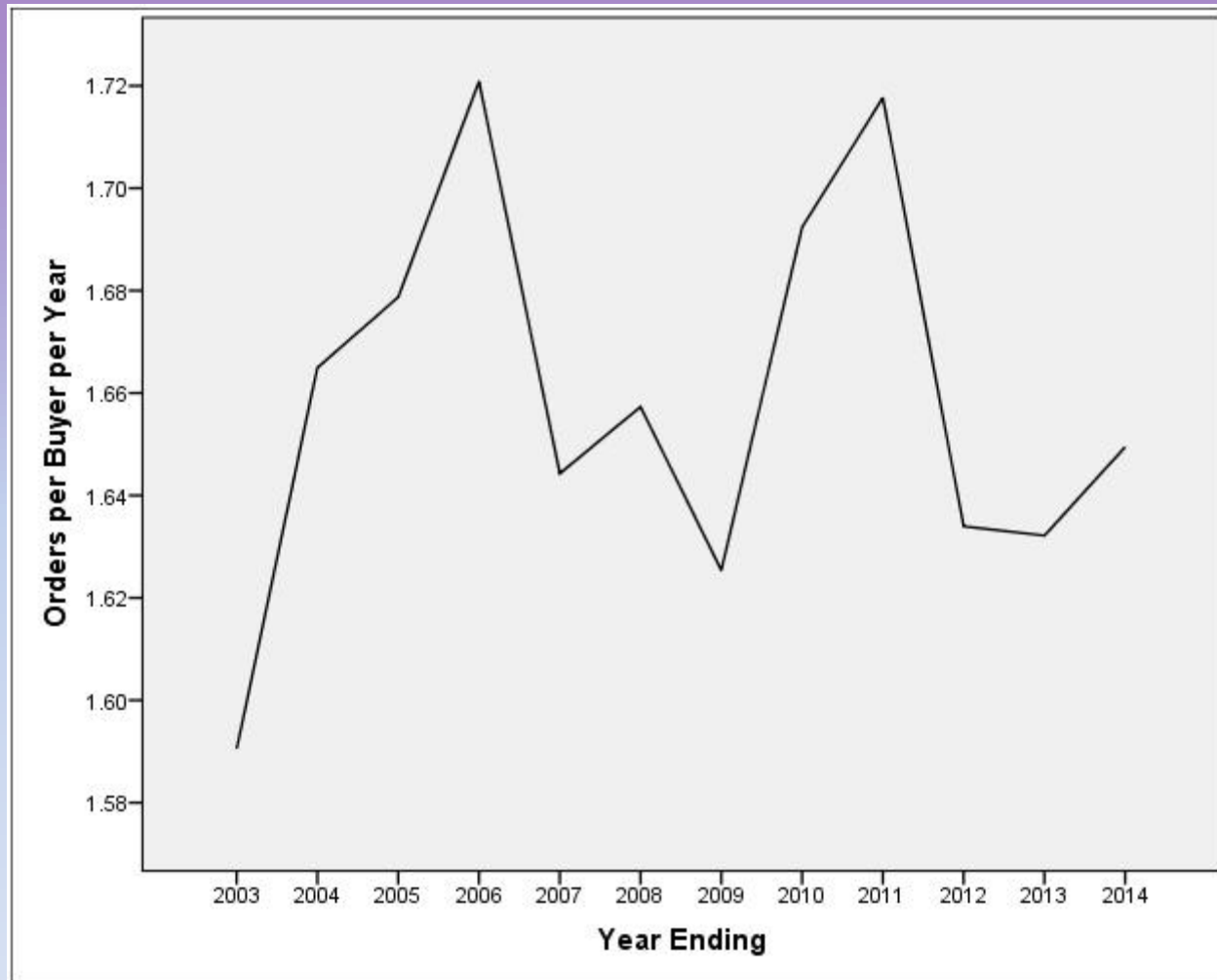




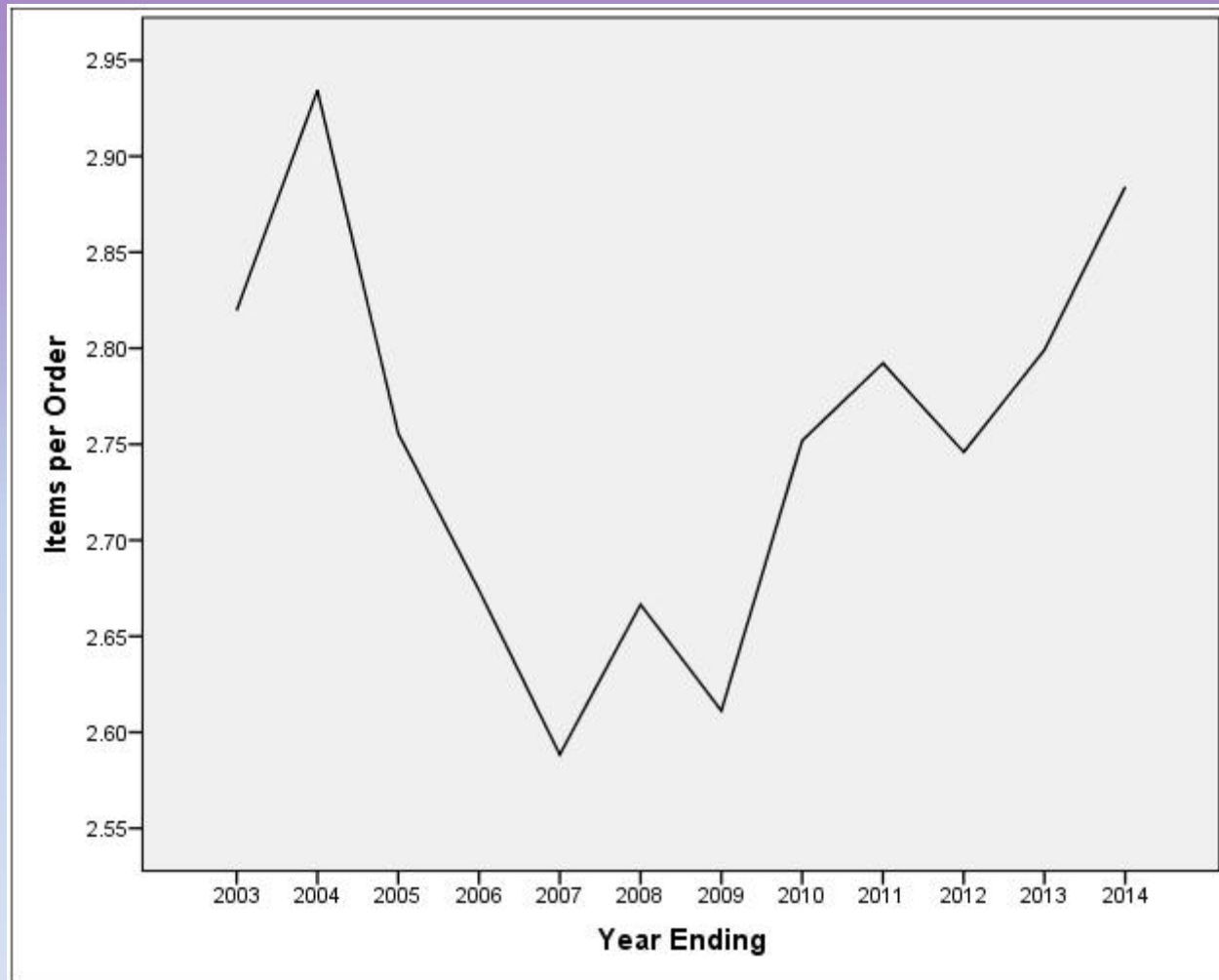
# A Successful Cataloger: Annual Rebuy Rate



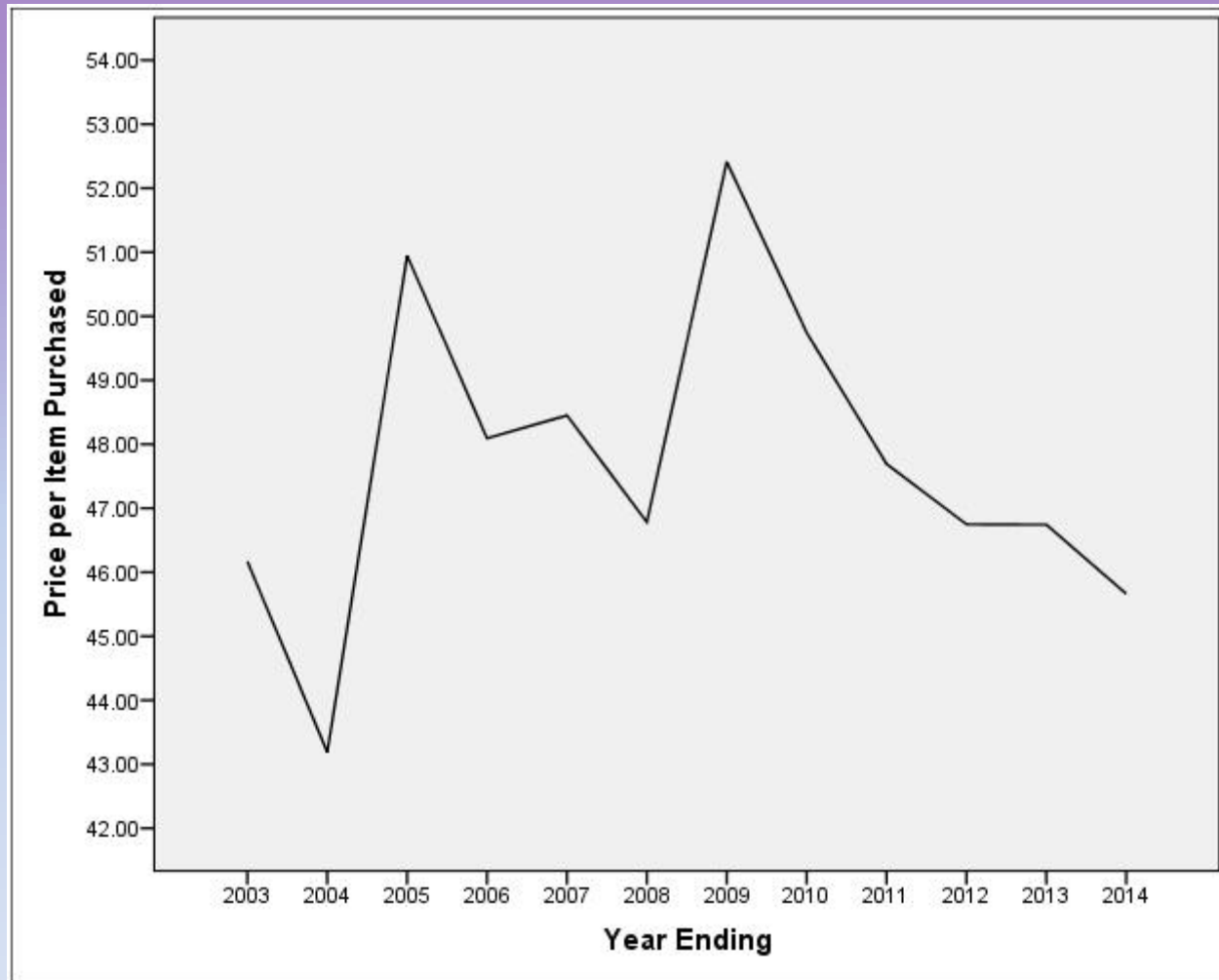
# A Successful Cataloger: Orders per Buyer



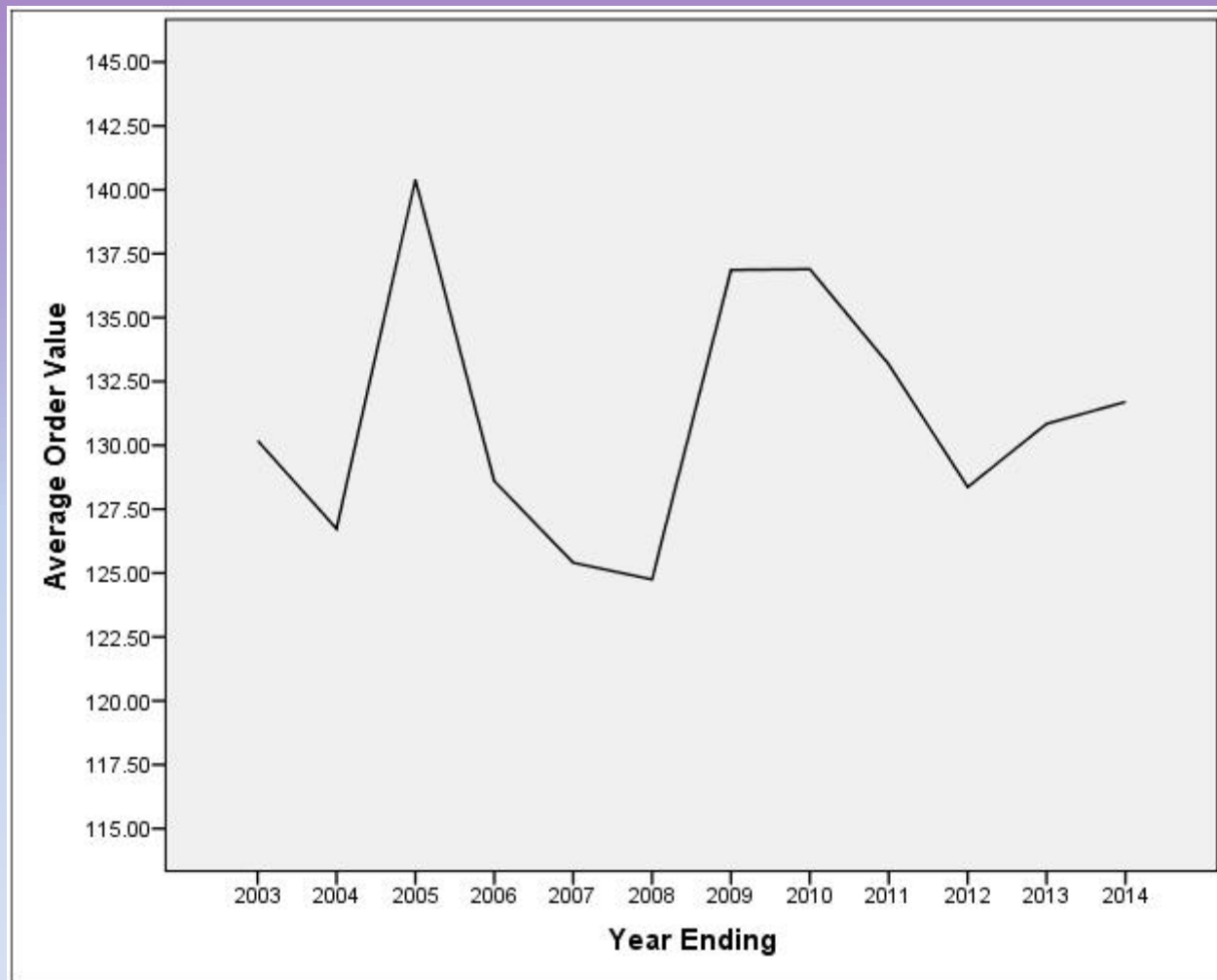
# A Successful Cataloger: Items per Order



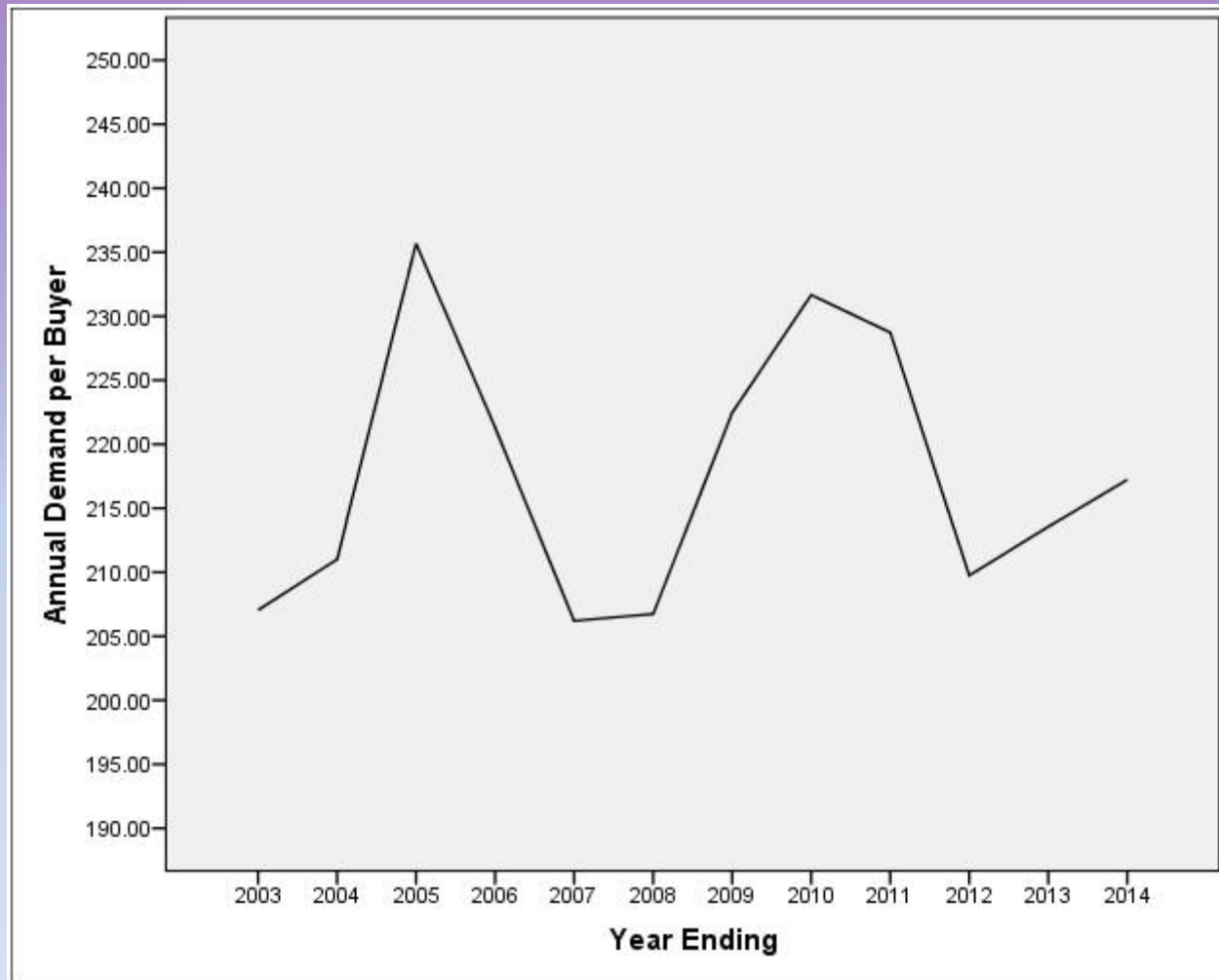
# A Successful Cataloger: Price / Item Purchased



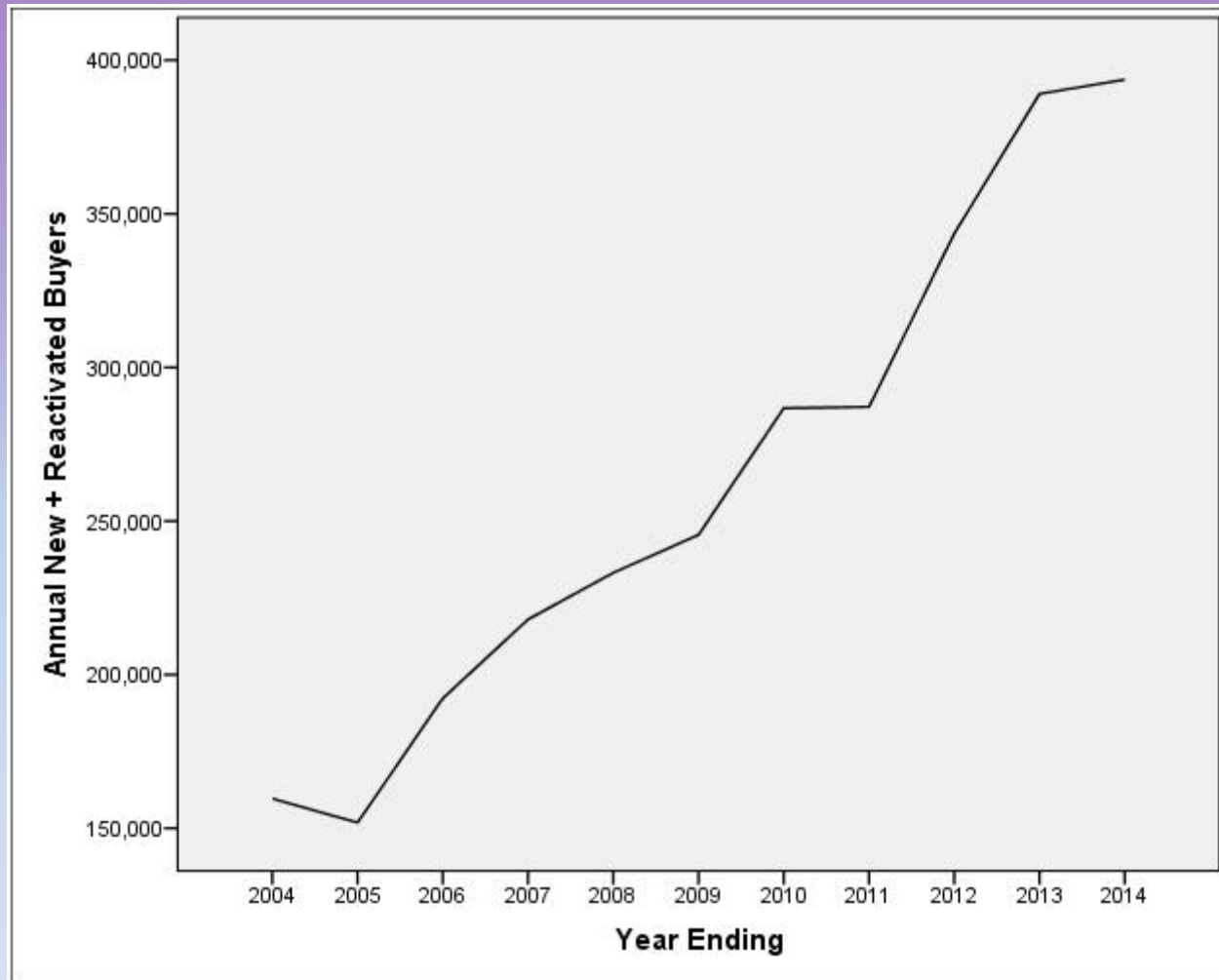
# A Successful Cataloger: Average Order Value



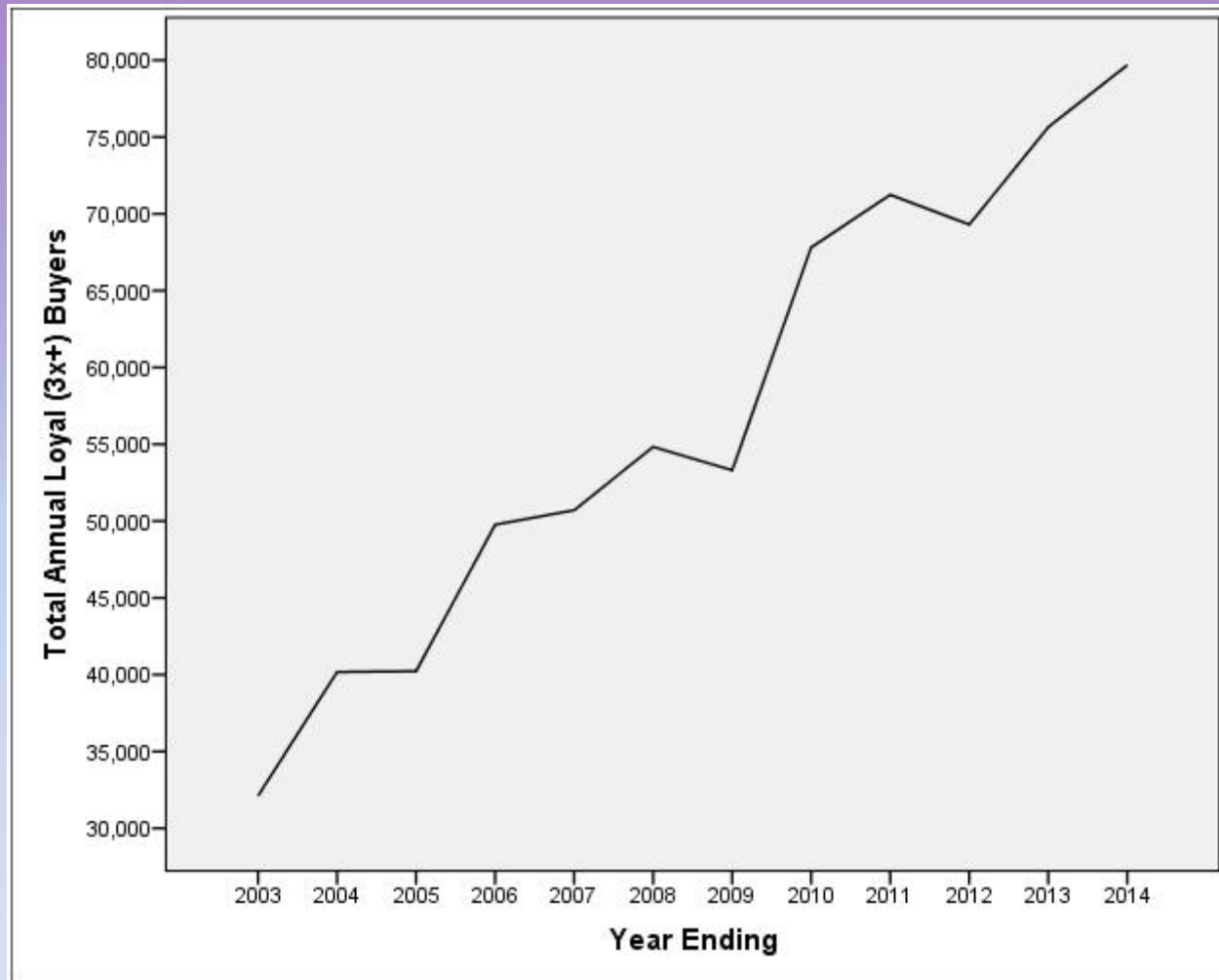
# A Successful Cataloger: Annual \$ per Buyer



# A Successful Cataloger: New + Reactivated #s

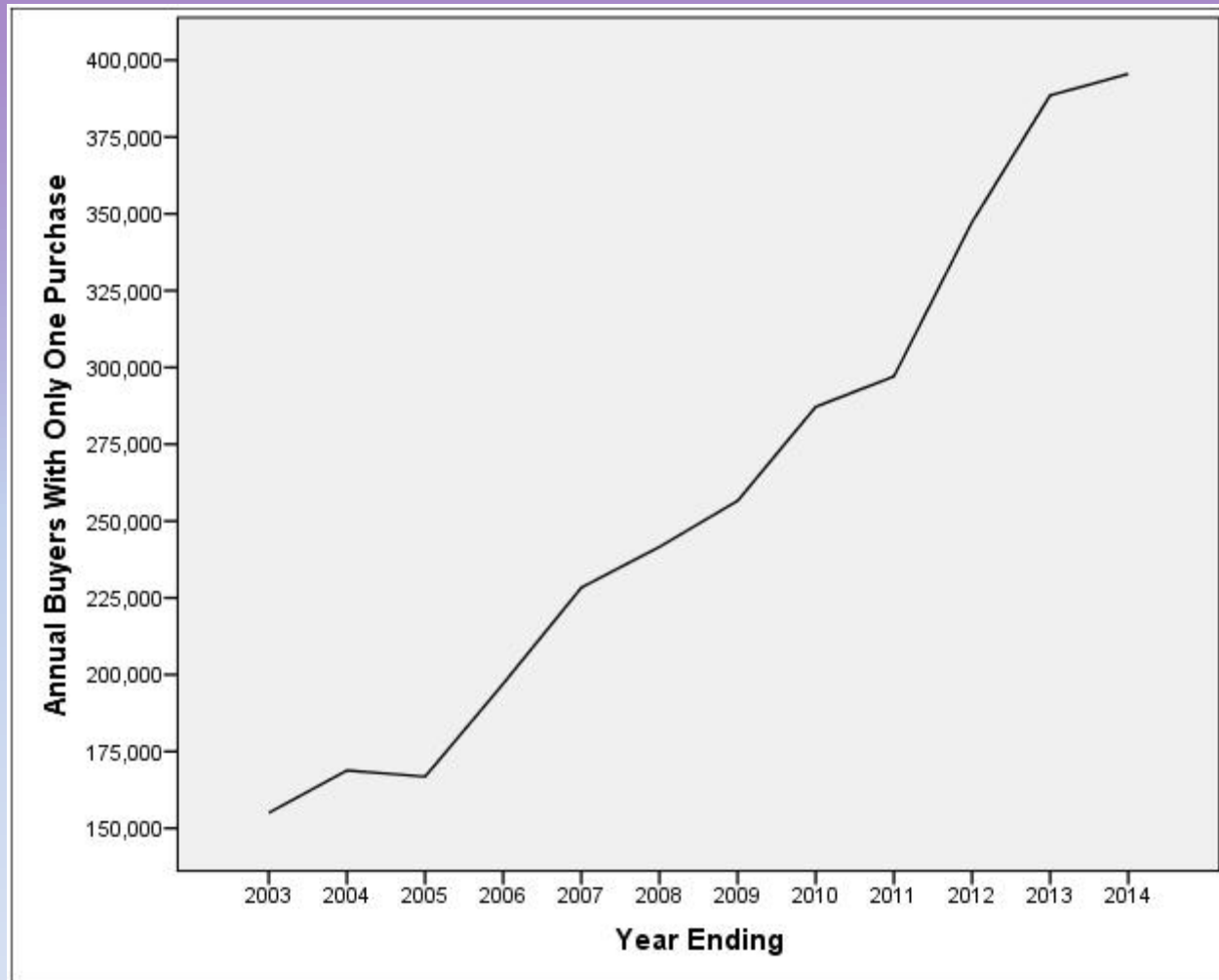


# A Successful Cataloger: New + Reactivated #s





# A Successful Cataloger: New + Reactivated #s



# A Successful Catalog Business

**Secret = Customer Acquisition**

**Churns 1x Online Buyers**

**Retails Loyal Catalog Buyers**

**Overcomes Declining Rebuy Rates**

**This Business Made A Choice**

Kevin Hillstrom, President, MineThatData

<http://blog.minethatdata.com>

[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)

# The Time Is Coming ... Make A Choice

**All business models can succeed ... all customer demographic cohorts can generate profit.**

**But we cannot be all things to all customers. Soon (maybe today), it will be time to make a choice.**

Nostalgia, Need



Convenience



Friendship, Fashion



# Catalog Future: Follow Judy?

**The current catalog shopper (age 55 – 85) is moving into and through retirement.**

**What are the products needed by this generation? What is the creative message that resonates with a person entering or moving through retirement?**

Nostalgia, Need



Convenience



Friendship, Fashion



Kevin Hillstrom, President, MineThatData

<http://blog.minethatdata.com>

[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)

# E-Commerce Future: Ruthless Competition

**E-Commerce is splitting real commerce into two halves.**

**First Half = Commodity Items Shipped Quickly And Conveniently.**

**Second Half = Unique Items That Are Hard To Find.**

Nostalgia, Need



Convenience



Friendship, Fashion



Kevin Hillstrom, President, MineThatData

<http://blog.minethatdata.com>

[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)

# Commodity / Convenience And Retail

**A physical store must provide superior entertainment and/or other emotional benefits and/or unique merchandise, in order “have a purpose”. Without a purpose, lower-than-average performing retail locations are under severe financial pressure, and will be closed as the world is digitized.**

Nostalgia, Need



Convenience



Friendship, Fashion



Kevin Hillstrom, President, MineThatData

<http://blog.minethatdata.com>

[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)

# Mobile Is Not For Everybody

**If your customer is Judy, mobile is close to irrelevant.**

**If your customer is Jennifer, mobile is not “native” – it’s a piece of the puzzle.**

**If your customer is Jasmine, it’s “mobile first”, all day, every day.**

Nostalgia, Need



Convenience



Friendship, Fashion



Kevin Hillstrom, President, MineThatData

<http://blog.minethatdata.com>

[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)

# Mobile: The Assortment Challenge

**Each marketing channel poses challenges.**

**In my projects, the distribution of items sold is dependent upon the amount of real estate and “searchability” available to merchandise.**

**Catalogs: Moderate Head, Short Tail.**

**Online: Big Head, Long Tail.**

**Mobile: Huge Head, Short Tail.**

**In-House Data, Purchased Data, Algorithms will need to create a personalized assortment that ensures that all merchandise is featured to all customers. Think Amazon ... no two home pages are alike.**

Kevin Hillstrom, President, MineThatData

<http://blog.minethatdata.com>

[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)



# Data, Data, Data

**Data is not as necessary to market to Judy. You need to satisfy her needs, quite possibly via nostalgia.**

**Data / Social / Mobile are not channels with Jasmine. They “are” the business / experience. The style of marketing needed to partner with Jasmine is unique, different, and rapidly evolving. Think Uber.**

Nostalgia, Need



Convenience



Friendship, Fashion



Kevin Hillstrom, President, MineThatData

<http://blog.minethatdata.com>

[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)

# Data + Demographics + Merchandise + Story

**We can combine customer data with demographic customer preferences, the merchandise that a specific demographic cohort cares about. Then, we bundle the message within a story. If we do that, and we do it well, we experience success.**

Nostalgia, Need



Convenience



Friendship, Fashion



Kevin Hillstrom, President, MineThatData

<http://blog.minethatdata.com>

[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)

# What Story Do You Communicate?

**We hear pointless tactics, repeated.**

**“The optimal time to tweet for enhanced engagement.”**

**“How to pin your way to Pinterest profitability.”**

**“Instant success via content on Instagram.”**

**“The eight pillars of content marketing performance.”**

**“Snapchat stories – the best way to grow your brand.”**

**The tactics are simply symptoms of something bigger & more important.**

Kevin Hillstrom, President, MineThatData

<http://blog.minethatdata.com>

[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)

# What Story Do You Communicate?

**We do not succeed by marketing through channels.**

**Rather, channels are avenues where we choose to communicate our story to customers and prospects.**

**Judy – has been trained to respond to stories told via television, catalogs, newspapers, billboards, magazines, classic retail.**

**Jennifer – has been trained to adore Amazon. Her stories are told online.**

**Jasmine – word of mouth stories via mobile & social, a world Judy simply struggles to understand.**

# What Story Do You Communicate?

**Any business model can succeed.**

**We simply have to align our story with the channels that our customers frequent. We don't have to be in all channels (omnichannel).**

**Most important – and lost in the mindshift from business to channels – is the need to tell the customer a story.**

**Do we even remember how to tell the customer a story?**

**Let's look at several companies. What story are they communicating?**

# What Is Their Story?

sign in my account stores customer service

FREE SHIPPING with \$99 purchase.  FREE RETURNS U.S. only, exclusions

 Search or enter web ID  my bag (0) 

HOME BED & BATH WOMEN MEN JUNIORS KIDS BEAUTY SHOES HANDBAGS & ACCESSORIES JEWELRY WATCHES BRANDS

 gift guide wish list deals & promotions gift cards wedding registry

WANT IT NOW?  NEW! buy online pick up in-store [FIND OUT MORE](#)

## 2-DAY HOLIDAY SALE

### EXTRA 15% OFF

EXTRA 10% OFF  
home & select depts. excludes Specials.  
PROMO CODE: [SAVE](#) [exclusions & details](#)

OR

### \$10 OFF

YOUR PURCHASE  
OF \$25 OR MORE  
excludes Specials, furniture & mattresses.  
PROMO CODE: [SAVE25](#) [exclusions & details](#)

[WOMEN](#) [MEN](#) [SHOES](#) [JEWELRY](#) [DINING](#) [FOR THE HOME](#)  
[JUNIORS](#) [KIDS](#) [HANDBAGS](#) [PLUS SIZES](#) [KITCHEN](#) [BED & BATH](#)

**EXTRA 25% OFF CLEARANCE: TOTAL SAVINGS OF 40-80%**



# What Is Their Story?

888-450-7715 • MY ACCOUNT • CUSTOMER SERVICE • EMAIL SIGN UP • VIEW CART • CHECKOUT

**Magellan's**   
YOUR TRUSTED SOURCE FOR TRAVEL SOLUTIONS AND GEAR

search by keyword or item # 

No Items In Cart...

Travel Clothing | In Flight Comfort | Bags, Wallets & Luggage | Packing Aids | Portable Electronics | Health & Hygiene | Gifts | Outlet Sale

## Travel Clothing for Every Destination



SHOP TRAVEL CLOTHING ►

Style, security & organization 

Protection from Identity 

Combat DVT 

Relaxation at any altitude 

# What Is Their Story?

The screenshot displays the WinterSilks website homepage. At the top, a navigation bar includes logos for Orchard, Appleseed's, The Tog Shop, WinterSilks, Norm Thompson, Sahalie, and The Outlet. A link 'Click Here to shop all 14 of our stores' is also present. To the right are links for 'Shopping Bag' (with a 0 item count) and 'Checkout'. Below the navigation bar, the WinterSilks logo is prominently displayed. To its right, a cardholder reward banner states 'Cardholders get rewards & save all year. APPLY TODAY >'. Further right, a 'Now Shopping' section with a US flag and links for 'Customer Service | Order Status | Wish List | My Account | Sign In' is visible. A search bar with the placeholder 'What are you looking for today?' and a 'Search' button is located below these links. A secondary navigation bar lists categories: 'New Arrivals', 'Women', 'Men', 'Silk Long Underwear', 'Sleepwear', 'Outerwear', 'Gifts', 'Sale', and 'Clearance'. To the right of this bar is a 'Font Size' selector with 'A A A' options. The main content area features three large promotional banners. The first banner on the left, with a teal background, reads 'ALL ORDERS SHIP for just \$4.99'. The middle banner, with an orange background, advertises 'EXTRA 25% OFF ALL CLEARANCE STYLES FOR UP TO 80% OFF' with a 'SHOP CLEARANCE >' button. The third banner, with a light pink background, offers '20% off SWEATERS' (excluding clearance) with a 'SHOP ALL SWEATERS >' button. Below these banners, a large image of a smiling woman in a blue jacket is shown. To her left, a list of features for the jacket is provided: '• Drawcord keeps drafts away.', '• Zip pockets.', and '• Hip-covering length.' A red circular badge over the image indicates a price reduction from '\$54.50' to 'NOW \$42.99'. To the right of the woman, a graphic with a torn-edge effect contains the text '{ Keep Cozy } SALE' and '20% OFF all Microfleece'.



# What Is Their Story?

The screenshot shows the Plow & Hearth website with a winter theme. At the top, a banner reads "ANNUAL WINTER SALE 20% OFF the season's best selections!". Navigation links include "Sign In/Register", "Order Status", "Gift Registry", "Help", and "Your Cart 0 ITEMS". The Plow & Hearth logo is prominently displayed, along with the text "Since 1980" and a phone number "800-494-7544". A search bar is located on the right. Below the navigation bar, a red banner lists categories: "Hearth", "Indoor Living", "Outdoor Living", "Yard & Garden", "Footwear & Apparel", "Shop by Room", "New & Exclusives", and "SALE". A large yellow pop-up window in the center of the page contains a contest announcement: "enter for a chance to win a \$500 Plow & Hearth shopping spree!". The text continues: "No purchase necessary! Just enter your email address, now through March 31, 2015. View Details>". Below this text is a form with an "Email Address" input field and an "Enter Now!" button. In the background, a large red circular graphic says "SAVE 20% on American Made Furniture SHOP". At the bottom, there are two more promotional banners: "Holiday Clearance SAVE 60% SHOP" and "SAVE 20% on Best Selling".

ANNUAL WINTER SALE 20% OFF the season's best selections!

Sign In/Register | Order Status | Gift Registry | Help | Your Cart 0 ITEMS

**Plow & Hearth** Since 1980 Call us in Madison, VA 800-494-7544 Search Type here to search

Hearth | Indoor Living | Outdoor Living | Yard & Garden | Footwear & Apparel | Shop by Room | New & Exclusives | SALE

annual winter

enter for a chance to win a **\$500** Plow & Hearth shopping spree!

No purchase necessary! Just enter your email address, now through March 31, 2015. [View Details>](#)

Email Address  Enter Now!

SAVE 20% on American Made Furniture SHOP

Holiday Clearance SAVE 60% SHOP

SAVE 20% on Best Selling

# What Is Their Story?

**CRUTCHFIELD**  
Seriously into audio since 1974™

Search products...



1.800.555.7088  
5 advisors available

**Contact Us**  
Chat, Email, Support

**My Account**  
Rewards program



[Car Audio, Video & GPS](#)

[Home Audio](#)

[Pro Audio](#)

[Headphones & Wireless Audio](#)

[TVs & Video](#)

[Cameras](#)

[Specials](#)



**Rock out with Alpine**

Buy one sub or speaker set,  
**get a second for half price**

**BUY ONE GET ONE HALF OFF**

**BASS LINE**



### Last-minute play!

Get your new TV by game time - **order by 1/23**



**Free Polk sub**  
with qualifying  
purchase of \$499  
and up

**Free 3-Day Shipping** to Washington [See details](#)

# What Is Their Story?

Home | FREE CATALOG | Online Catalog | WishList | Gift Cards | Library | Stores | Blog | Welcome | [Create Account](#) | [Login](#) | [View Cart](#): 0 Items, \$0.00 | [Checkout](#)

**DOVER SADDLERY**   **Ask our experts 800-406-8204**   
MONEY BACK ANY TIME, ANY REASON - 100% Satisfaction Guaranteed [Call, email, or chat online](#)

[Riding Apparel & Clothing](#) [Riding Boots and Chaps](#) [Horse Tack](#) [Horse Blankets](#) [Horse Care](#) [Stable Supplies](#) [Gifts](#) [On Sale](#) [CLOSEOUTS](#)

[Breeches](#) [Helmets, Hats & Vests](#) [Gloves](#) [Show Clothing](#) [Polos & Casual Clothing](#) [Outerwear](#) [Socks & Support](#) [Spurs & Accessories](#)

**WINTER BLOWOUT SALE** ❄️ **SAVE UP TO 65% WHILE SUPPLIES LAST** [SHOP THE SALE NOW](#)

[Catalog Quick Order](#)  Enter catalog item number (i.e. AB-1234)

**WINTER BLOWOUT SALE** ❄️ **ENDS SOON!**

**SHOP IN STORES, BY PHONE OR**  
[CLICK TO SHOP THE SALE ONLINE NOW!](#)

**SAVE UP TO 65%**

Limited quantities, while supplies last. Sale ends 1/31/15.

**CHARLES OWEN**  
ESTABLISHED 1911

**SELECT HELMETS 20% OFF\***

[SHOP NOW](#)

\* Restrictions apply. See Helmet Notice, Warning and Disclaimer. Expires 1/31/15 at 11:59PM ET. © Bob Langrish



**New at Dover**

Mountain Horse® Forest Highlander



Wahl® Deluxe Essential Grooming Kit



Cavallo Trek Boot



Mountain Horse® Supreme High Rider Field Boot





# What Is Their Story?



**Littleton**  
Coin Company®

America's Favorite Coin Source  
TRUSTED SINCE 1945

1-800-645-3122 Customer Service Log In Register

0 Items | \$0.00  
(Earns 0 Profit Shares) View Cart

Home Shop All Gifts What's New Clubs Learn Blog SALE

Search keyword or item # **Go**

Gold & Silver | Dollars | Half Dollars | Quarters | Other U.S. Coins | Mint & Proof Sets | Supplies | Paper Money | Ancient | World

Our 45-Day Money Back Guarantee makes ordering risk free!

**Just Released!**



## 2015 Silver American Eagle

99.93% Silver -  
not available from  
the U.S. Mint!

**BUY NOW**  
\$29.95

### Golden Dollars

Honor America's Presidents



**Shop All Presidential Dollars**

### United States Dollars

Save on this Modern Dollar Collection -  
plus get FREE GIFTS!

**50% Off!**



**Send No Money Now**

### FREE Catalogs!



**Request Your Copy Now**

# What Is Their Story?

800-323-6793 • MY ACCOUNT • EMAIL SIGN UP • FREE SHIPPING BOUTIQUE • RESOURCE CENTER • VIDEO LIBRARY • VIEW CART • CHECKOUT

**CUDDLEDOWN®**  
Devoted to your luxurious comfort and style

— once-a-year —  
**COMFORTER SALE**  
Save on Comforters & Mattress Pads

search by keyword or item # 

No Items In Cart...

SHEETS & BEDDING • BLANKETS & BED COVERS • COMFORTERS • PILLOWS • FEATHERBEDS • MATTRESS PADS & PROTECTORS • SLEEPWEAR & APPAREL • BATH • HOME & PET • **CLEARANCE**

— once-a-year —  
**COMFORTER SALE**

★★★★★  
*"A+ quality and comfort!  
I will never buy a comforter  
from anywhere else ever!  
They are the best."  
—Customer, Rhode Island*

Shop Comforter Sale



Made in  
**USA** BY  
CUDDLEDOWN



# What Is Their Story?





# What Is Their Story?

DAKIN FARM  
WHAT VERMONT TASTES LIKE™

Search

GO

Sign In

0

Maple Syrup

Gift Samplers

Bacon & Sausage

Breakfast

Ham

Ribs & BBQ

Poultry

Cheese

Entrees

Pantry

Top Rated

Most Popular

Shop By Price

Sale



Free Gift Offer

[Click for Details >](#)



Mouthwatering Flavor

[Shop all Bacon >](#)



Vermont's Finest!

[Shop All Syrup >](#)

# What Is Their Story?

Danforth  
handcrafted in vermont

ACCOUNT INFO

LOGIN

CUSTOMER SERVICE

EMAIL SIGNUP

0 ITEMS \$0.00 VIEW CART

Search Our Site



CALL TOLL FREE

800-222-3142

JEWELRY

FOR THE HOME

BABY

ACCESSORIES

HOLIDAYS

GIFT IDEAS

Handcrafted excellence  
that fits every budget!

▶ SHOP KEYRINGS



Shop Our  
FEATURED  
CATEGORIES



Kevin Hillstrom, President, MineThatData  
<http://blog.minethatdata.com>  
[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)



# What Is Their Story?

**EASIER LIVING**  
CAREGIVING SIMPLIFIED

Questions? 855-493-9856 | Email Us Text Size:

Product Finder

» LOG IN » NEW ACCOUNT » VIEW CART  
» CHECKOUT Items: 0  
Cart Total: \$0.00

Shop By Resources

Home Health Conditions All Products Body Part Brands About Us Blog Easier Shipping

**HEAT UP to COOL DOWN the ACHES OF WINTER!**

SHOP NOW >>

Caregiver Wellness  
Home Health  
News  
Prepare for Care  
Favorites

enter email address  
**Sign Up Now** for Exclusive Email Offers  
privacy assured >>

RECENT ARTICLES  
• Insomnia may be linked to future

**Your One-Stop-Shop for Home Healthcare Products!**

SHAPE UP FOR THE NEW YEAR!  
SAY GOODBYE TO THE ACHES OF WINTER!  
SHOP RONWEAR PORT-ABLE CLOTHING  
MASSAGE AND REFRESH EYE PILLOW  
NO BUTTONING NECESSARY  
THE HIP SURGERY SURVIVAL KIT!

# What Is Their Story?

The screenshot shows the Gardener's Supply Company website. At the top, there's a navigation bar with links for Customer Service, Order Status, Sign In | Register, and a search bar. Below this is a banner for "OUR ORDER-TODAY SHIP-TODAY PROMISE" with a "DETAILS" link. A secondary navigation bar includes "WINTER SALE", "GARDENING", "OUTDOOR LIVING", "INDOOR LIVING", "NEW & EXCLUSIVE", "OUTLET", and "LEARN & SHARE".

The main content area features three promotional tiles:

- Tabletop Gardens:** A large tile showing three colorful planters (blue, red, and white) filled with flowers. Text reads: "Green up your home with TABLETOP GARDENS". Below the image, it says "Viva Self-Watering Tea Cup Planter \$29.95" with a "Buy Now" button.
- New Plant Stands:** A tile showing a black metal plant stand with several pots. Text reads: "NEW Plant Stands". Below the image, it says "New plant stands and terraces that are both decorative and functional." with a "Shop Now" button.
- Winter Sale:** A red tile with a snowflake icon. Text reads: "Winter Sale! SAVE UP TO 80%". Below this, it says "Save on Over 200 Products" with a right-pointing arrow.
- Free Planner:** A tile showing a "FREE Kitchen Garden PLANNER" and a wooden planter box. Text reads: "Our FREE Kitchen Garden PLANNER Just Got Better!". Below the image, it says "LEARN MORE" with a right-pointing arrow.
- No-Fail Seed Starting:** A tile showing a person's hands holding a seedling. Text reads: "NO-FAIL SEED STARTING, EVERY TIME!". Below the image, it says "Shop Seed Starting" with a right-pointing arrow.



# What Is Their Story?

Request a Catalog | Quick Order | E-mail Signup | 1-877-564-6697

My Account | Wish List | Login

**Johnny's**  
*Selected Seeds*  
An employee-owned company

What are you looking for?

**SAME DAY SHIPPING**  **CART (0)**

**VEGETABLES** **FRUITS** **FLOWERS** **HERBS** **FARM SEED** **TOOLS & SUPPLIES** **ORGANIC SEED** **SALE** **LEARN**

Seed-Starting Sale! **FREE SHIPPING On Orders Over \$200!\*** [E-mail Signup](#)

Home

Home • Welcome to Johnny's Selected Seeds | Winslow, Maine 04901 | 1-877-564-6697

Shop By  
**SALE!**  
Organic (OG)  
Heirloom  
New for 2015!  
Pelleted Seeds  
Internet Only  
Bred By Johnny's  
Johnny's Exclusives

Growing Center  
Grower's Library  
Videos  
Interactive Tools  
Seed Calculator  
Hardiness Zones  
More...

About Johnny's  
Ownership  
Maps & Directions  
Careers

**NEW! for 2015**

**Over 200 NEW Products**


**New Vegetables, Flowers, Herbs, & More »**

**NEW Vegetable Varieties »**  
Our newest introductions from near & far, selected for your growing success.

**NEW Flower Varieties »**  
Top-performing new flower varieties with the finest features.

**email SIGN UP**  
growing tips  
and expert advice  
new products  
[Click Here »](#)

**Johnny's Commercial Sales Team**  
• Vested in Your Success  
• More Round Crops



# What Is Their Story?

The screenshot shows the Lake Champlain Chocolates website. The header includes the company logo (a deer), navigation links (My Account, Welcome, Log In), a phone number (1-800-465-5909), a search bar, and a shopping cart icon showing 0 items. A main navigation bar lists product categories: Seasonal, Truffles, Assortments, Caramels, Fruit & Nuts, Bars & Hot Chocolate, Gift Ideas, Business Gifting, and Wedding & Party. The main content area features a large Valentine's Day promotion: "Take 10% off any purchase!" with a deadline of January 27th. Below this are three smaller promotional tiles: "Valentine Gifts", "Fanatical about chocolate? Join the Club!", and "Hot Chocolate Sale!". Each tile includes a "Shop Now" button.

My Account Welcome Log In 1-800-465-5909 search chocolates go

Lake Champlain CHOCOLATES® fresh all natural chocolates from Vermont SHOPPING CART (0) CHECKOUT

Seasonal Truffles Assortments Caramels, Fruit & Nuts Bars & Hot Chocolate Gift Ideas Business Gifting Wedding & Party

Take 10% off any purchase!

Shop now for your sweetheart, ship when convenient, and SAVE... Hurry, offer ends Jan. 27!

Shop Valentine Gifts ▶

Valentine Gifts Shop Now ▶

Fanatical about chocolate? Join the Club! Shop Now ▶

Hot Chocolate Sale! Shop Now ▶



# What Is Their Story?




SIMPLE PRODUCTS for a SIMPLER LIFE

Call Now to Order  
**800-438-5346**  
» Need Help? «  
Click Here to Chat with Us!



Welcome!  
» Sign In  
» Email Sign Up

 My Cart

Health/Beauty	Garden	Home Goods	<b>Kitchen</b>	Lights	USA Made	Water
Books	Eco-Friendly	Emergency Supplies	Food	Outdoors	Stoves	Tools/Farm
Home	Web Specials	Exclusives	New Products	Free Catalog		

SEARCH: What are you searching for? 



**Over 50 items up to 75% off.**  
In-stock items only. Buy now: when the sale's this good, supplies are limited. New items being added - check back often!

**SHOP NOW ▶**

» CLICK HERE TO  
**SIGN UP FOR OUR EMAILS!**

**REQUEST OUR LATEST CATALOG!**  
» Click here for details



**Product Categories**


- » Appliances
- » Books
- » Eco-Friendly
- » Garden

**CLEARANCE**

**CRUMB CAKE COOKIES**

WAS \$5.99  
**\$3.97**

**SHOP NOW ▶**



**BARGAIN OF THE WEEK**

**FIFTEEN PUZZLE**

WAS \$10.95  
**\$5.47**

**SHOP NOW ▶**

Supplies limited!



**NEW ITEM**

**BUTTERCUP BUTTER MAKER**

**\$15.99**

**SHOP NOW ▶**



# What Is Their Story?

The Teachers' Lounge Blog     

Sign In | Wish List | Customer Service | Quick Order | (800) 366-1920

 0 Items

**Really Good Stuff**  
Fun & creative teaching tools for today's classroom®

Search

ELA SCIENCE  
SOCIAL STUDIES MATH [Shop By Subject](#)

Organizers & Storage Teacher Supplies Bulletin Boards & Posters Games & Activities Books & Media Teacher Management Tools Celebrations & Themes Shop by Subject Shop by Standards Outlet

Standards Match Personalized Picks Top Rated What's New Web Exclusives Mix And Match Savings eGift Certificates

**Common Core Aligned And Connected Valentine's Day Activities**  
[Shop Valentine's Day >](#)

**Celebrate 100<sup>th</sup> Day!**  
[Shop Now >](#)

**Organization & Storage Solution Headquarters**

 Boxes, Bins & Tubs

 Give Me Five

 Plastic Baskets


 Carts


**You'll Love Shopping With Us!**

- ✓ **Really EZ Pay™**  
Take 3 Payments To Pay
- ✓ **100% Satisfaction Guarantee**
- ✓ **BuySAFE Protection**  
3-in-1 Guarantee With Any Purchase
- ✓ **Sales, Bids and P.O.s**
- ✓ **Get Email Savings >**

# What Is Their Story?

**Ross + SIMONS**  
Fabulous Jewelry. Great Prices. Since 1952.


Live Chat 800-835-0919 Ship to 

Sign In Your Account Customer Care  0 items in bag [CHECKOUT](#)


Jewelry Diamonds Engagement Gemstones Pearls Bracelets Earrings Necklaces Rings Estate Clearance

Item# or keyword [search](#) [Valentine's Day Gifts](#) [Today's Daily Deal](#) [Store Locator](#) [Watches](#) [Gifts](#) [Collectibles](#) [Home & Tabletop](#)

[shop JEWELRY](#)

 **70% OFF & MORE!**  
[great values](#)

**Daily Deal!**  
[BIG look](#)

 [shop CATALOGS](#)

**SITEWIDE SAVINGS**  
**25% off**  
code **SAVE25** • thru JAN 25  
[SHOP JEWELRY](#)

**THE Valentine's Day GIFT GUIDE**  
[SHOP NOW](#)

[Shop Featured Items](#)

**SHOP JEWELRY** \* details

**Diamonds**  
[SHOP NOW](#)

**Gemstones**  
[SHOP NOW](#)

**Pearls**  
[SHOP NOW](#)

**Gold**  
[SHOP NOW](#)

**Silver**  
[SHOP NOW](#)

**Fine Jewelry Boutiques, Diamonds, Pearls, Gold, and Silver Jewelry**

**Estate**  
[SHOP NOW](#)

**Designer Jewelry**  
[SHOP NOW](#)

**New Arrivals**  
[SHOP NOW](#)

**Trending Styles**  
[SHOP NOW](#)

**Closeouts**  
[SHOP NOW](#)



# What Is Their Story?

**\$4.99 Free Standard Shipping** Only on Orders \$50+ [See Details](#)

**SWANSON**  
Health Products  
swansonvitamins.com

America's #1 Rated  
Catalog/Internet Merchant  
Based on Customer Satisfaction†

For Help or to Order  
**1-800-824-4491**  
Call or [Chat](#)

en Español SECURED BY ENTRUST

[Sign In](#) or [Register](#) **Cart**

Food and Beverage Beauty CoQ10 Herbs Joint Immune Digestive EFAs Heart Sports Nutrition Diet

[Home](#) [Free Catalog](#) [New Products](#) [Deal of the Day](#) [Web Specials](#) [Buy 1 Get 1 Free](#) [Brands](#) [Overstock](#)

Search  All  Item #/Keyword    Enter Your Email

# DOUBLE YOUR SAVINGS

Save Up to **70%** with Buy-1-Get-1 Deals!

**SHOP THIS WEEK'S BOGOS**

**Ready to Lose?**

**Month of Healthy Savings**

**SHOP WEIGHT LOSS**

**Order from Catalog**

Item #  Qty

Item #  Qty

Item #  Qty

[Add More Items](#)

**Shop Clearance**

Save Up to 80% Off with

**Web Specials**

Buy Top Products at Secret

**New Products**

Breakthrough Formulas,



# What Is Their Story?

Customer Service | Email Sign Up | Request a Catalog

1-800-547-7849 | Live Help

Sign In / Create Account



**The Vermont  
COUNTRY STORE®**  
Purveyors Of The Practical and Hard-To-Find



SHOPPING BAG 0

Checkout

MADE IN THE USA SLEEPWEAR KIDS BED & BATH GIFTS VISIT US

Enter Keyword, product name or Item# here



WOMEN'S

MEN'S

HOME

HEALTH & BEAUTY

FOOD & CANDY

ORTON SPECIALTIES

CLEARANCE



**WINTER  
CLEARANCE**

**SAVE UP TO 65%**  
**Over 250 Markdowns!**

**SAVE NOW**

# What Is Their Story?

The screenshot shows the homepage of the Wind & Weather website. At the top, there is a navigation bar with links for SIGN IN, ORDER STATUS, WISH LIST, LIVE CHAT, EMAIL SIGN UP, and a shopping cart icon showing 0 items. The main header features the Wind & Weather logo, a circular seal with a portrait and the text "WIND & WEATHER SATISFACTION GUARANTEED", and the tagline "At Home With Nature Since 1976". Below the header is a search bar and a row of category links: Weather Instruments, For the Home, Garden Art, Yard & Patio, Favorites, Gift Guide, and Sale. A secondary row of links includes HOLIDAY CLEARANCE, WIND SPINNERS, OUTDOOR GLASS ART, BEST SELLERS, SPRING PREVIEW, and VALENTINE'S GIFTS. The main content area is dominated by a large blue banner with the text "Who wants \$500 to spend at Wind & Weather?" and a subtext "No purchase necessary - just enter your email address for a chance to win, now through March 31, 2015." Below this text is a "View Details" link and a form with an "Enter address" input field and an "enter now!" button. The banner is flanked by images of colorful glass art. Below the banner are two smaller promotional tiles: "seaside whimsy shop beach" with a beach scene and "New Markdowns" with a red background.

WIND & WEATHER  
SATISFACTION GUARANTEED

Wind & Weather  
At Home With Nature Since 1976

SIGN IN | ORDER STATUS | WISH LIST | LIVE CHAT | EMAIL SIGN UP | CART [0]

SEARCH

Weather Instruments | For the Home | Garden Art | Yard & Patio | Favorites | Gift Guide | Sale

HOLIDAY CLEARANCE • WIND SPINNERS • OUTDOOR GLASS ART • BEST SELLERS • SPRING PREVIEW • VALENTINE'S GIFTS

Who wants **\$500**  
to spend at Wind & Weather?  
No purchase necessary - just enter your email address for a  
chance to win, now through March 31, 2015.  
[View Details](#)

seaside  
whimsy  
shop beach

New Markdowns  
shop clearance

# What Is Their Story?

The screenshot shows the H&M website homepage. At the top, there is a navigation bar with links for LOG IN, MY H&M, UNITED STATES | USD, SHOPPING BAG, and CHECKOUT. Below this is a secondary navigation bar with the H&M logo, STORE LOCATOR, CUSTOMER SERVICE, ORDER FROM CATALOG, SIGN UP FOR EMAILS, and a search bar. The main navigation bar includes links for LADIES, MEN, KIDS, HOME, SALE, and H&M LIFE. The central banner features a woman in a peach-colored long-sleeved top and black pants, and a man in a light blue button-down shirt and dark pants. To their right, the text reads: "THIS WEEKEND ONLY! DEALS FROM \$5". Below this, it says "Up to 60% off select styles online & in-store. Valid until 1/19/2015." and provides buttons for "SHOP LADIES", "SHOP MEN", "SHOP KIDS", and "SHOP HOME". At the bottom of the banner, there is fine print: "Offer valid on select items from 1/15/2015 12:01am EST to 1/19/2015 11:59pm EST at hm.com or while supplies last. No adjustments on prior purchases. In-store prices and products may vary and may differ from online." Below the banner, there are three smaller promotional tiles. The first tile on the left shows a woman's face and the text "MUST-HAVES LONG-SLEEVED \$24.95". The middle tile shows a woman's face. The right tile shows a close-up of a textured surface and the text "VOTE FOR YOUR".

LOG IN MY H&M UNITED STATES | USD SHOPPING BAG CHECKOUT

H&M

STORE LOCATOR CUSTOMER SERVICE ORDER FROM CATALOG SIGN UP FOR EMAILS

LADIES MEN KIDS HOME SALE H&M LIFE

Search products Q

THIS WEEKEND ONLY!  
**DEALS FROM \$5**

Up to 60% off select styles online & in-store.  
Valid until 1/19/2015.

SHOP LADIES SHOP MEN SHOP KIDS SHOP HOME


Offer valid on select items from 1/15/2015 12:01am EST to 1/19/2015 11:59pm EST at hm.com or while supplies last. No adjustments on prior purchases. In-store prices and products may vary and may differ from online.

MUST-HAVES LONG-SLEEVED \$24.95

VOTE FOR YOUR

# What Is Their Story?

100's OF NEW STYLES ADDED! **EXTRA 50% OFF CLEARANCE**  
ONLINE ONLY. USE CODE [EXTRA50](#) [DETAILS](#) [GIRLS](#) [GUYS](#)

**AERO** LIVE LOVE DREAM **p.s. KIDS** [email sign up](#) [my account](#) [ship to: !\[\]\(4222901cb0b23d3b20e48e0aa550c263\_img.jpg\)](#) [MY BAG](#) 


**AERO**

[GIRLS](#) [GUYS](#) [ROOM](#) [CLEARANCE](#) [BRANDS](#) [FACTORY](#) [#AERONOW](#)

**50% OFF CLEARANCE**  
100's OF NEW STYLES ADDED!  
**EXTRA**

[SHOP GIRLS >](#) [SHOP GUYS >](#)

USE CODE [EXTRA50](#) ONLINE ONLY. [DETAILS](#)





# What Is Their Story?



# What Is Their Story?

Welcome to L.L.Bean ( [log in](#) or [create an account](#) )

SHIPPED *for* FREE | GUARANTEED TO LAST™

Email Updates Customer Service 800-441-5713

## L.L.Bean

Enter item # or keyword

SEARCH



Shopping Bag

Wish List

MEN'S WOMEN'S KIDS' FOOTWEAR OUTDOOR GEAR HUNTING & FISHING LUGGAGE HOME SALE

Earn \$10 Coupons with the L.L.Bean® Visa® Card

What's New Outerwear Gift Shop Gift Cards Outdoor Adventures Blog L.L.Bean Visa

L.L. BEAN  
SIGNATURE

## The Season's Best Sweaters

NEW COLORS, NEW STYLES

▶ NEW COTTON BASKETWEAVE SWEATER

▶ WOMEN'S SWEATERS

FREE SHIPPING NO MINIMUM ORDER. NO END DATE.

WINTER SALE



# What Is Their Story?

overstock™

FREE SHIPPING\* // AWARD-WINNING CUSTOMER SERVICE

Search Overstock™

Join Now Earn Rewards Sign In My Account

Shopping Worldstock Farmers Market Pet Adoptions O.info Cars Insurance

Email Lists Registry Gift Cards Flash Deals English

FOR THE HOME FURNITURE BED & BATH WOMEN MEN JEWELRY WATCHES HEALTH & BEAUTY ELECTRONICS WORLDSTOCK MORE GIFTS SALE

## Valentine's Gift Guide

2.14 Valentine's Day Is February 14th.

**GIFT FINDER**  
PINPOINT THE PERFECT GIFT

Don't know what to give?  
Choose the perfect gift in four easy steps!

**Occasion**

**Age**

**Gender**

**Price**

Start Now

SHOP GIFTS UNDER \$50

SHOP GIFTS UNDER \$100

SHOP ROMANTIC GIFTS

Waiting for inw-1172.inw-rtb1.rfihub.com...



# What Is Their Story?

The screenshot shows the Gap website's homepage. At the top, a navigation bar includes logos for GAP, OLD NAVY, BANANA REPUBLIC, PIPERLIME, and ATHLETA. It also features promotional text for 'FREE SHIPPING' and 'FREE RETURNS' on all orders over \$50. A user account section on the right offers links for 'Sign in', 'Wish List', 'Orders and returns', and a 'Checkout' button. Below the navigation bar, a yellow banner announces a '40% OFF YOUR PURCHASE' sale, valid online only and ending on 1/19. The main header area contains a search bar and links to 'FIND A STORE', 'CREDIT CARD', and 'GIFTCARD'. The primary promotional banner is dark blue with a red diagonal stripe and a red circle containing the word 'SALE'. It prominently displays 'winter sale now up to 75% off' and includes a 'SHOP SALE' button. To the left of this banner is a vertical menu with links to 'Women', 'GapFit', 'Maternity', 'Men', 'Girls', 'Boys', 'Toddler', 'Baby', and 'Gap Factory'. Below the main banner is a large advertisement featuring a woman in a light green sweater and blue jeans, wearing a yellow scarf. The ad text reads '10 pieces seven days' and 'New year, new wardrobe essentials.', with a 'SHOP THEM ALL' button at the bottom.

GAP

OLD NAVY

BANANA REPUBLIC

PIPERLIME

ATHLETA

FREE SHIPPING  
ON ALL ORDERS OVER \$50.

FREE RETURNS  
ON ALL ORDERS.

Your account | Sign in  
Wish List | Orders and returns

0 items in your bag

Checkout

40% OFF YOUR PURCHASE (includes sale!) USE DEALS ONLINE ONLY. ENDS 1/19. DETAILS ▶

FIND A STORE / CREDIT CARD / GIFTCARD

Search

**GAP**

**SALE**

winter sale  
**now up to 75% off**

Prices as marked online may vary in stores.  
Excludes Gap Factory.

SHOP SALE ▶

Women  
GapFit  
Maternity  
Men  
Girls  
Boys  
Toddler  
Baby  
Gap Factory

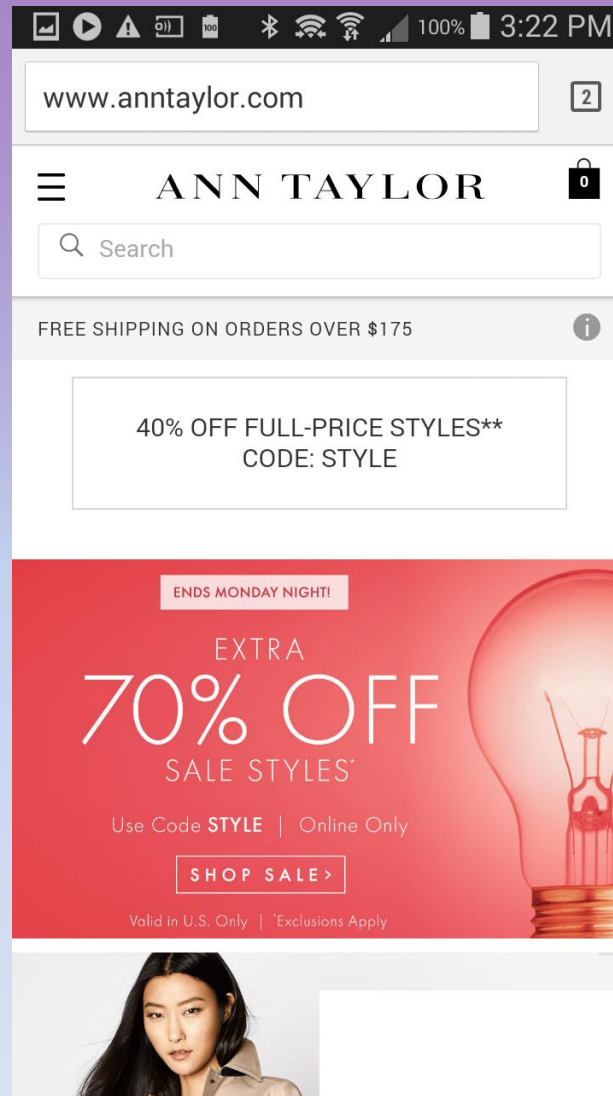
**10** pieces  
**seven days**

New year, new wardrobe essentials.

SHOP THEM ALL ▶

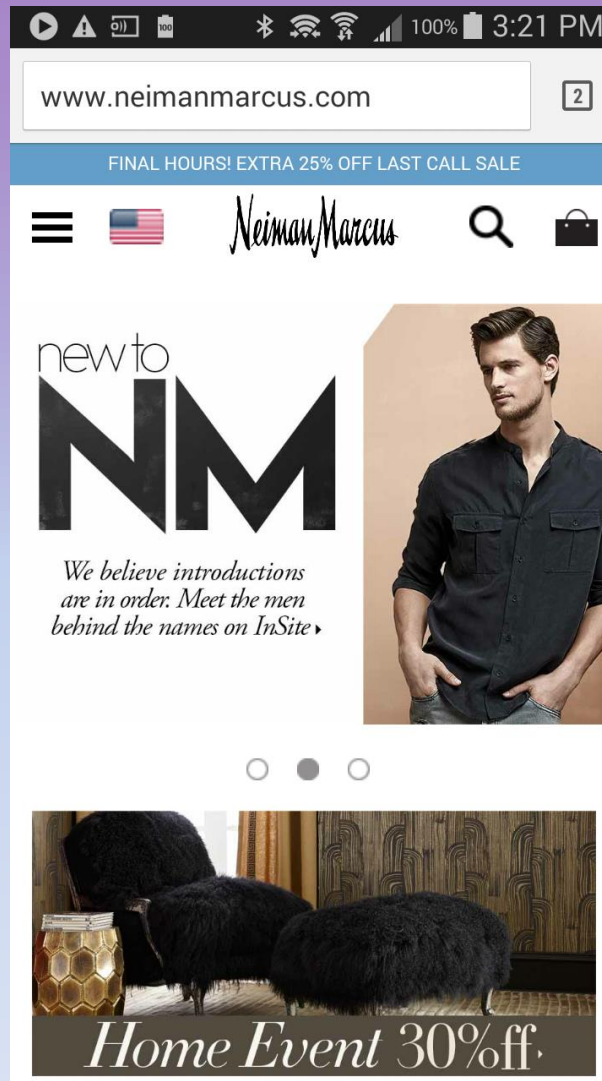


# How Do We Tell A Mobile Story?

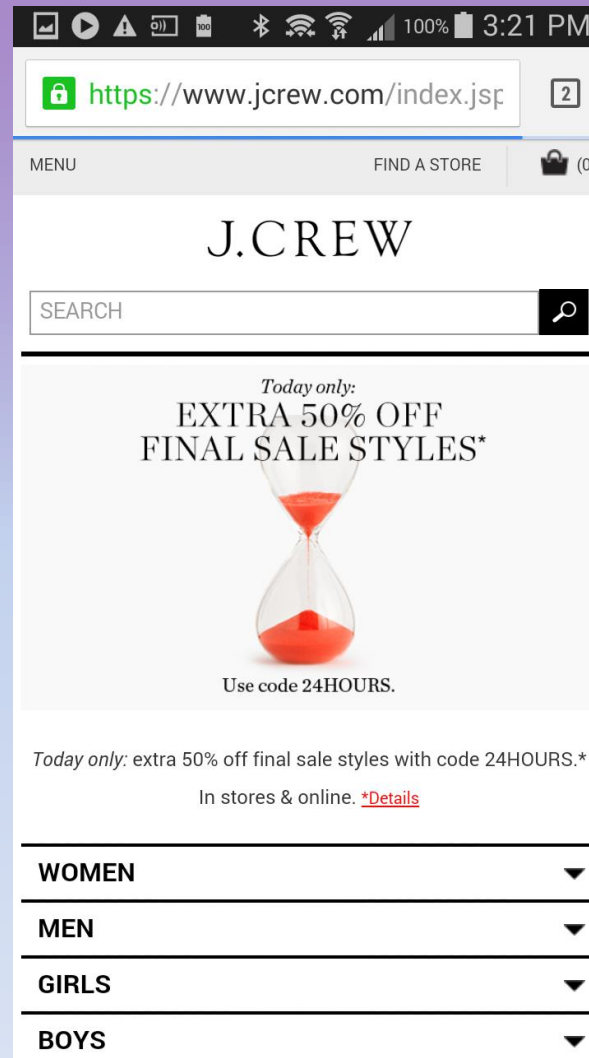


Kevin Hillstrom, President, MineThatData  
<http://blog.minethatdata.com>  
[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)

# How Do We Tell A Mobile Story?



# How Do We Tell A Mobile Story?



Kevin Hillstrom, President, MineThatData  
<http://blog.minethatdata.com>  
[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)

# How Do We Tell A Mobile Story?



# What's Coming: Catalogers

**The demographic cliff cannot be overcome. It's over.**

**Catalogers could continue to cater to a 55-74 year old customer, giving her what she needs. There is plenty of profit to be had by taking care of the aging Baby Boomer customer.**

**A slow reduction in pages, over time, because digital hates inefficiency.**

**20-35 contacts a year for those age 55-74. 1-3 contacts a year for everybody else.**

**Stop competing against Amazon!**

# What's Coming: Retailers

**Retail 2015 = Catalog 2005.**

**Mainstream retailers are being cut-off, demographically, by Jasmine's generation, much in the same way catalogers were cut-off, demographically, from Jennifer.**

**Digital hates inefficiency. As retailers digitize the business, sales online will increase, sales at poor-performing retail stores will decrease, and 30% of the bottom of the retail portfolio will be closed.**

**Merchandising strategy and story are much more important than selling in all channels (ask Apple).**

# What's Coming: E-Commerce Brands

**This is a dangerous time to be in e-commerce.**

**On the surface, business has never been better. But in my projects, new customer acquisition is slowing quickly. We're nearing "peak growth".**

**E-commerce has long been a "sales capture" vehicle. Once we past "peak growth", e-commerce folks will need to learn how to sell. This will be a challenging transition.**

**Most e-commerce experts see mobile/social as an extension of e-commerce. I disagree (my opinion only). Mobile/Social is Jasmine, e-commerce is Jennifer. Big generational differences, folks ... = big risks.**

**“Yes, We Already Know All Of This. Now How About You Help Catalogers Find A Path Out Of The Forest? Give Us Specific Tactics, Now.”**



## Specific Advice:

My projects indicate that growth comes from three areas.

50% = Merchandising Brilliance & New Item Brilliance (fuels customer loyalty & acquisition)

30% = New Customer Acquisition Brilliance.

20% = A Compelling Brand Story.

**Specific Advice:** The catalog customer is Judy. Embrace Judy. Give Judy exactly what she wants.

**Specific Advice:** If your core customer is Jennifer, then you are not a cataloger. You are a direct merchant selling to Jennifer via a website and catalogs. This is an important distinction. Classic catalog strategy is no longer relevant when marketing to Jennifer. It is ok to churn through Jennifer, just find more of her!

**Specific Advice:** Execute mail/holdout tests, learn your organic percentage, tell your attribution / matchback vendor to incorporate your organic percentage into your reports.

Payoff: \$1,000,000 to \$2,000,000 profit per \$100,000,000 business.

**Specific Advice:** Mail / Holdout tests strongly suggest that phone-centric 0-12 month Judy customers should receive 15 – 35 mailings per year. Those same tests suggest that online-centric 0-12 month Jennifer customers should receive 3 – 9 mailings per year. *There is no longer a “mailing middle ground”, it’s gone.*

**Specific Advice:** Execute mail/holdout tests in email marketing. What happens when you do not email Jennifer? The best catalogers know exactly how to mix email contacts and catalog contacts to Judy and Jennifer. Often, page count reductions are offset by smarter email strategies.

**Specific Advice:** If your customer is a younger Judy and/or Jennifer, then have 5-10 versions of email campaigns ... merchandise centric of course.

**Payoff = 20% increase in email productivity.**



**Specific Advice:** Increase “winning new items” by 20% this year, next year, and the year after. Too few new items are the #1 weakness for my clients, hands down.

**Payoff:** 5% to 10% increase in net sales, compounded, per year.

**Specific Advice:** Increase carryover of winning products, and have specific criteria for how long to carry over winning items.

**Payoff:** 5% to 10% increase in net sales, compounded, per year.

**Specific Advice:** Partner with your co-ops ... demand that they tell you what your customers are doing elsewhere in the Big Data ecosystem. Many of your co-ops know this already, they pass your data into the Mobile / Social ecosystem. Get a return on your investment, and gain some knowledge.

**Specific Advice:** Immediately increase customer acquisition circulation by 20%.

**Payoff:** 10% increase in new customers, a likely net of \$0 profit increase this year, a likely increase in sales/profit next year. Grow!!!

**Specific Advice:** Do not be afraid to acquire customers via non-traditional methods ... and then limit how many times you mail these customers, moving forward.



**Specific Advice:** If you must go down the free shipping path, then you must fund those free shipping dollars (Jennifer) by reducing catalog contacts. Free shipping mavens are usually in Jennifer's cohort, and they are buying because of deals, not because of catalogs.

**Specific Advice:** The impact of free shipping decreases over time, so try to have a hurdle in order to generate enough profit to offset the cost of shipping (and if the customer is Jennifer ... again ... mail less often).



**Specific Advice:** Be very careful about moving business into December. This is a huge trend right now, and a negative trend. December buyers have lower lifetime value than do buyers in other months, and are less likely to pay full price. (Bad \* Bad) = Really Bad.

**Specific Advice:** Given the choice between mailing a 128 page catalog one time per month, or mailing a 64 page catalog two times per month, always choose the 64 page catalog two times per month.

**Payoff = 10% Sales Increase, Annually.**

**Specific Advice:** Merchandise the first twenty pages of your catalog with proven winners, with the exception of the very best customers, who crave new merchandise – paginate / version / target differently to them.

**Specific Advice:** Stop demanding that your customer purchase from you NOW. In most of my projects, best customers (younger Judy, Jennifer) visit the website every 4-7 days. Why give away margin dollars when the customer will visit anyway, a total of 50 – 100 times per year? Why? WHY??

**Specific Advice:** Measure the items that catalog recipients purchase. What percentage of items are in the catalog? If the percentage is 95%, then increased page counts matter. If the percentage is 75%, then you can scale way back on pages, save \$\$, and your customer will still buy online. FYI, Jennifer will buy online anyway.

**Specific Advice:** New creative / pagination performs 30% to 40% better than remail catalogs. Hire more people, talented people, and create exciting content. In 2015, catalogs are content ... for Judy. Give Judy great content.

**Specific Advice:** Share every aspect of your catalog business with a non-competitive partner. There is no reason why PC Connection and Orvis, or Crutchfield and Plow & Hearth should not share every detail of their strategy / measurement with each other. Learn. Grow!



**Specific Advice:** We spent fifteen years teaching customers to click instead of drive to a store. Customers listened. Create exciting reasons for customers to drive to a store – it's becoming a mission-critical imperative.

**Specific Advice:** Traditional Direct Marketers essentially give younger employees a 20 year apprenticeship. Those days are over. Give younger employees responsibility, now, especially in online/mobile tactics you know very little about.

**Specific Advice:** In pure e-commerce businesses, new customers, cannibalized from catalogs & retail brands, are slowly drying up. The next frontier e-commerce experts must master is the conversion of a first-time buyer to a second purchase. Evaluate your business. Independent of catalogs/emails, what tools do you have to convert a 1x e-commerce buyer to 2x status?

# Questions?

**Kevin Hillstrom**

**President, MineThatData**

**[kevinh@minethatdata.com](mailto:kevinh@minethatdata.com)**

**<http://blog.minethatdata.com>**

**206-853-8278**

**@minethatdata**