

**SCOTTS OF STOW**  
**MAXIMISED**  
**CATALOGUE VALUE**  
**BY TESTING**  
**DIFFERENT MAIL**  
**DELIVERY FORMATS**



*From the heart of the Cotswolds... to the heart of your home*



**Royal Mail**

MarketReach

# BACKGROUND

To manage costs, Scotts of Stow – the quality homeware shop – had traditionally mailed their catalogues either unwrapped or poly wrapped if they were including a promotional insert. However there was a belief internally that sending the catalogue in an envelope would give it more gravitas: making it seem more ‘interesting’, ‘enticing’ or even more ‘important’. This, as a result, they hypothesized, might improve the open rate and increase the number of orders received.

# SOLUTION

In 2015 they ran a three-way test: their current format, a clear poly wrap (the control) vs two types of plain white unbranded envelopes: one with a window, one non-window.

At the outset, the test was focused on driving acquisition (warm prospects) and reactivation (lapsed customers) before rolling it out across the whole base.

Prospects were defined as customers from one of the other Scotts and Co brands who had yet to make a purchase from Scotts of Stow. Dormant/Lapsed customers were selected based on RFV (recency, frequency and value of spend) with the company testing their lapsed file as far back as customers who had last purchased 10 years ago.

A three-way test was run across all segments with the poly wrap cell acting as the control in each. Overall 1 million customers were included in the test: 308,000 prospects, 680,000 dormant lapsed with 12,000 current customers included. The volumes of each test cell were of equal size.

All packs were personalised with a specific offer code that enabled Scotts to track spend at an individual level over a 20 week period. Both the poly wrap and the non-windowed envelope had the addresses lasered on the outer; the windowed envelope had the address lasered on to the letter to show through the window. And, to avoid introducing any other variables into the test, the letter copy itself was kept generic and the three mailing formats were dropped simultaneously to mitigate against seasonality.

As expected, costs varied according to the different formats with poly wrap being the cheapest at £77.62 per thousand packs, followed by the windowed envelope at £109.63 per thousand and the plain envelope being at the most expensive £111.27 per thousand. These cost differentials were factored in the final analysis of overall effectiveness.



# RESULTS

Going against all expectations the poly wrapped catalogue comprehensively beat both enveloped versions thus disproving Scotts of Stow's original hypotheses.

Analysis of all three variables (response rate, average order value and cost) demonstrated that the poly wrapped catalogue outperformed the window envelope by 191% and the non-window envelope by 251%.

The response rates for the poly wrapped version were 32.5% higher than the window envelope and 40% higher than the non-window envelope. Showing that the poly wrapped catalogues were perceived by customers to be both 'interesting' and 'important' enough to drive opening and spend.

Furthermore, both envelope versions lost money with a contribution per thousand of minus £37 for the window envelope and minus £62 for the non-window vs the positive contribution of £41 per thousand for the poly wrap.

The one anomaly in the results was that the average order value was higher for the window envelope responders (£58.27) than the poly wrapped catalogue (£55.34) and the non-window envelope (£54.71). However this uplift in spend was not significant enough to offset the higher cost or balance the lower response rate.

“We were surprised by the results. We had always believed that a plain quality envelope would both create interest and imply a level of importance, and so outperform the standard poly wrapped pack. But we had never felt that we could justify the extra costs to mail in an envelope”.





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**Example**  
 1. Add items to your basket  
 2. Click on the 'View Basket' button  
 3. Click on the 'Checkout' button  
 4. Enter your details  
 5. Click on the 'Place Order' button  
 6. Your order will be confirmed and you will receive an email confirmation.

**ADD ITEMS**  
**VIEW BASKET**  
**CHECKOUT**  
**ENTER DETAILS**  
**PLACE ORDER**

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