



Executive Synopsis

The Future of Retail Advertising

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Retail accounts for more than one-fourth of the U.S. economy. Growth in retail sales is generally steady and predictable. It is dependent primarily on the overall economy and consumer income. After the recession in 2008-2009 and a dip in sales, retail recovered in 2010, along with the economy. Barring another severe recession, retail spending is expected to continue its steady pace.

Retail advertising is a major end-use segment for the printing industry. While retailers use a variety of media—differing by type of retailer—major print markets include catalogs, circulars (flyers and inserts), newspapers, magazines, and direct mail. Of the total 2013 retail advertising spending of \$80.5 billion, print accounts for about \$37.5 billion, not including in-store and out-of-home.

The most important retail sectors are automotive (nearly \$1 trillion in 2013), grocery, general merchandise and restaurants. Automotive is not only the largest sector, but also accounts for much of the growth since the end of the recession in 2010.

The retail industry is fiercely competitive. Retailers can only grow in a few ways—overall consumer spending, improving same store sales, opening new stores, taking share from competitors, and expanding product offerings. Store openings are important for advertising because they create the need for awareness, as well as in-store graphics.

As shoppers make more of their purchases online, U.S. retailers are facing a steep and persistent drop in store traffic. Shopper visits have fallen by more than five percent in almost every month for the past two years.

How and why consumers shop is changing. Many younger consumers, for example, are more interested in having access to what they need rather than possession of these things. "We are addicted to variety," claims one consultant, "but can't afford to own it. Consumers want to digitally experience goods, music, film, books. But they don't want the hassle of owning and taking care of things. It's a different type of consumption.

The consumer purchasing pathway is more fragmented than ever before. Digital's impact is greatest in the early stages of the purchasing pathway, when consumers are discovering

ABOUT THIS STUDY

Retail advertising is a major end-use segment for PRIMIR members. As a result, this study seeks to understand the changes in the market. The study updates and expands upon the foundation of the 2005 PRIMIR study *Future Direction and Trends in Retail Print Media Advertising* to include other non-print platforms, and it elaborates on other PRIMIR and NPES reports, particularly *Trends and Future of Direct Marketing (2010)* and *Defining & Understanding Communication Platform Trends (2012)*.

Major Retail Sectors Covered

- Auto dealers and auto parts
- Building materials and garden supplies
- Grocery and food stores
- Home furnishings
- Electronics and appliance stores
- Drug stores
- General merchandise: includes department, discount, warehouse stores and supercenters
- Clothing
- Hobby & sporting goods
- Non-store retailers
- Restaurants

To supplement general knowledge, in-depth interviews were conducted with more than 60 retailers, agencies, printers, suppliers and retail industry experts. Quantitative information came from a variety of sources. U.S. and Canadian government statistics for total and sector-level sales, number and size of establishments, and advertising expenditures were gathered. Aggregate data may not match that of other sources, this study includes restaurants and automobiles, excluding gas and fuel.

Using the information on advertising expenditures for companies in various sectors, approximate average spending levels were developed for each sector. Combining these calculations with insights from interviews, public sources and purchased data, advertising spending levels by category, by sector were estimated. Changes were forecast based on an analysis of advertising medium share for each sector.

Projected advertising spending is extremely sensitive to assumed growth by each sector. Thus, any projection of the overall relative importance of different advertising methods by the retail industry depends not only on changes in their use but the relative growth of retail sub-sectors.



brands and searching for product options. Consumers regularly switch back and forth between digital and physical channels, and they interact digitally both in and outside of stores.

Retailers are being driven to engage with customers differently due to technological innovations, and to create different experiences during that engagement. Since customers access multiple channels to complete a purchase, all channels must work seamlessly to support the brand and the experience. Retailers still are in the early stages of harnessing the Internet's potential. Online growth and penetration among retail sectors varies widely.

With the rise of online shopping, "multi-channel" marketing became the catch phrase as catalog companies began to reach customers through other means. Today, everyone wants to be an "omni-channel" marketer.

Summary of Advertising Trends by Retail Segment, U.S.

Segment	Segment	Advertising size	Major media spending	Key trends used
Automotive	Large	High	TV, newspapers digital	Digital now key, local tv still important
Electronics	Small	Low	Digital, circulars	Fewer major chains, general merchants and manufacturers taking share
Home goods & furniture	Small	Low	All	Some chains struggling. Strong local presence. Ripe for digital distribution.
Building & hardware	Large	High	Circulars, digital TV	Digital growing rapidly. Circular volume steady
Grocery	Medium-large	Medium	Circulars	Circular spending steady. Share shift to digital
Drug	Medium-small	Medium-small	Circulars	Circular spending steady. Share shift to digital.
Clothing	Medium-large	High	Catalogs, digital, TV, magazines	Digital share growing rapidly. Other major media holding up.
Sports & hobby	Small	Low-medium	All	Digital growing rapidly. Catalogs and TV decreasing.
Department stores	Small	Medium	All	Many struggling. Challenged by online, becoming "omni-channel." Relatively high advertising spending.
Discount & supercenter	Large	Medium	Circulars, TV, digital	Budgets low percent of sales. Circular share down but still important.
Non-store	Large	High	Digital, catalogs	Multi-channel. Growth in e-commerce leads to more digital advertising.
Restaurants	Large	High	TV, digital, in-store	Spending dominated by national chains. Local restaurants will continue to use local media.

Omni-channel describes the blurring of boundaries among channels with the rise of the connected consumer. This means choosing the channel that works best for that purchase at that time. It also can mean buying from the same retailer but from more than one channel, or even using different channels to make a single purchase. The consumer is in control.

Consumers expect a consistent, singular shopping and brand experience across all retail touch points, whether browsing a catalog, viewing on a laptop or mobile device, walking the aisles of a store, or talking to a customer service rep on the phone or via live chat. Seventy percent of retailers view a robust omni-channel strategy as very important/critical to their organization. At the same time, just 19% say they can consistently employ consumer data across multiple channels.

Although a sub-set of both e-commerce and omni-channel, the emergence of mobile commerce is a major driver of Internet sales. Increasingly, customers are using smartphones to compare prices in the store, receive offers and make purchases.

Similarly, social media are having an impact on retail. In addition to providing a tool for improving communication

between customer and retailers, social media provides retailers an opportunity for marketing and promotion.

Nevertheless, bricks and mortar are here to stay. The role of the store is critical to the constantly connected omni-channel consumer. When done right, omni-channel retailing complements traditional retailing, allowing businesses to extend their reach more efficiently with less costly square footage. The ability of the physical store to enable the shopper to see and touch the product remains important—so much so that many Internet-only retailers are opening their own brick-and-mortar stores.

Advertising trends of major sectors

The auto retail sector has been consolidating for a number of years, as major chains and multi-brand and dealer groups acquire smaller new vehicle dealers. With fewer dealerships, each is able to sell more vehicles and is more profitable. However there are fewer advertisers.

Most automotive advertising is done by manufacturers to establish the brand. Dealer advertising is critical to drive traffic to their locations. Historically, this has meant



newspapers, radio, and local television, along with direct mail. Although newspaper advertising dominated, by 2013 its share of dealer advertising had declined.

Virtually the entire shift in spending has gone to digital media. Dealers currently spend one-third of their advertising budget online, double that of 2007. By 2013, 80% of all new vehicle buyers had moved to the Internet as an efficient way to research and shop,

Even with the growth in digital advertising, traditional methods remain important. Online advertising works in concert with other traditional media. Auto buyers often are swayed by ads they see. Similarly, advertising in other media triggers online searches.

Auto dealers do a great deal of direct mail, accounting for 11% of their spending. Much of that are service reminders, which are increasingly done by email. Most direct mail for sales generation is static postcards or letters, with very basic personalization. Variable-data has been used sparingly and tends to be most successful with high-end vehicles, with a well-defined prospective customer base.

Catalogs and circulars, however, are more important for auto parts companies, as are newspapers. Aftermarket advertising in newspapers actually increased from 2010 to 2012. Catalogs, on the other hand, continue to become more digitized.

Specialty electronics retailers use a mix of media, including digital, television, radio, newspapers, direct mail, catalogs and circulars. With the continuing trend of online shopping in this sector, digital advertising is increasingly significant.

Nevertheless, print media remain strong, particularly circulars. For those that use them, circulars still are the primary advertising vehicle. For one major regional chain, circulars account for 70% of their budget.

Catalogs had been of some importance, but are being replaced by digital. They do remain important for many focused and specialty retailers, but catalogs will continue to decline.

The home goods and furniture sector uses a wide range of advertising strategies, including television, radio, newspaper, magazine, direct mail, catalogs and circulars, as well as emerging digital technologies. The advertising mix is not only company-dependent, but many companies alter their strategies dramatically from year to year.

Most of the growth in ad spending will go to digital and online media. A strong web presence provides a good complement to the store, especially for larger-sized products.

Use of print media is mixed. Newspapers are an important complement to television and radio. Newspapers will remain an important component of advertising strategy for the sector, though not as strong as television.

Magazines, on the other hand, are important for high-end brands and are used primarily for awareness and to establish and reinforce the brand image.

Direct mail also is popular, particularly in home furnishings and accessories. "Direct mail is one of our most important marketing tools," says one furniture retailer. For this company, mailings have increased by more than one-third from 2010 to 2013, although growth seems to have topped out.

Finally, circulars are an important component for many retailers in the category. "Flyers are going to be a very effective means of advertising for quite a while," says one retailer. Nevertheless, circulars are expected to decline in this sector. "They are not as frequent as they used to be," claims one printer.

Building materials, hardware and garden supplies exhibits strong growth after the recession downturn. Because the segment is dominated by major chains and branded groups, advertising strategies of these retailers determine spending patterns.

The most important advertising vehicles are circulars and television, followed by digital. Newspaper advertising and circulars are used primarily to highlight sale items and categories. Circulars often can be quite large—40 to 48 pages.

Catalogs are used occasionally, although the distribution is much more restricted than circulars. Television is used extensively for promoting sales events, as well as seasonal promotions.

One specialty electronics retail chain, which shifted to an online model, decreased catalog distribution from 38 million in 2009 to less than 10 million in 2013.

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Groceries continue to see print as an effective means to communicate. For many large grocers, it can represent 50% to 70% of their total advertising spending.

One executive claims 35% of the grocery chain's sales volume comes through circulars, up from 25% ten years ago.

Some drug store chains spend as much as 70% of their advertising budget on circulars.

These stores tend to be utilitarian. As a result, not much money is spent on in-store signage and displays. Most non-permanent, in-store signage supports the circular.

Most retailers in this sector are developing strategies to drive online sales, with a particular focus on leveraging their store bases. As a result, most of the growth in advertising spending will shift to digital media.

These retailers are working hard to use email promotions, which often feature different items and pricing than those featured in newspapers and circulars. "It is a relatively inexpensive way to advertise a new item to a specialized consumer base," says one retailer.

Of most interest, however, has been the use of mobile devices. Home and garden will account for 5% of all mobile advertising spending. Retailers recognize they have a lot of work to do, but are excited by the possibilities for both in-store specials and ordering.

Grocery has been impacted by mass consolidation, the advent of smaller specialty stores such as Whole Foods, added competition from discounters such as Wal-Mart and even online grocery approaches. All of these factors require retailers to drive sales. With profit margins extremely low, specials and pricing programs must be delivered to consumers with the most effective and efficient means possible. While there have been efforts to shift to online communication, groceries continue to see print as an effective means to communicate.

Grocers use all media, ranging from circulars and direct mail, publications, radio and television, as well as all types of digital. By far the most important is the circular, flyer or preprint. For many large grocers, it can represent 50% to 70% of their total advertising spending.

While many grocers are testing reduction or elimination of print for programs, none is considering eliminating the weekly circular. In fact, one chain actually has increased its use of circulars because of the competition from Wal-Mart.

Despite their importance, circulars are likely to decline in share of advertising spending. With the availability of electronic circulars through email and social media, many grocers are decreasing the number of copies they print and distribute. Or they may cut frequency of distribution, reduce the number of pages, go with smaller page sizes or downgrade paper quality.

In-store distribution of circulars remains an important tool. These circulars help consumers find the best deals in every department, highlight everyday pricing and specials. Circulars are too important to drop. One executive claims 35% of the grocery chain's sales volume comes through circulars, up from 25% ten years ago.

Direct mail is important for many grocery stores. Direct mail is a central component of most loyalty programs. One grocer mails 11 to 12 million personalized pieces every quarter. The redemption rate is more than 70% within six weeks of the mailing. However, the cost of direct mail remains a barrier and will lead to a decrease in share of advertising.

In-store signage is an important component for grocery stores. Half of grocery shoppers are influenced by in-store marketing tactics, particularly loyalty card discounts and in-store circulars. More than 25% say brand decisions are affected by signs and displays in the store.

Although digital spending will continue to grow, most food retailers see digital as a tool, rather than a print replacement. It is well suited for loyalty programs with personalized offers, while printed circulars are used for mass communication.

Grocers will continue to shift their digital budgets to mobile. Mobile is particularly effective in-store, rather than as a driver of store traffic. Brand owners are testing mobile as a way of connecting with the shopper closer to the point of purchase.

Drug stores represent a sector with increasing competition. As a result, it will remain highly promotional to drive store traffic. Circulars will be, by far, the most important vehicle. Some chains spend as much as 70% of their advertising budget on circulars. Circulars will remain a staple of the sector.

Drug stores also advertise in newspapers, but this medium will continue to be challenged.

Some major chains also have extensive personalized direct mail campaigns. One major chain mails personalized postcards to its top customers about once a month. The mailing highlights actual spending and the coupon or loyalty program savings. Included with the



piece is an unrestricted coupon. The company measures coupon redemption from the mailing and compares it to results from emailed coupons.

Although the use of print media has remained relatively constant and should continue to be steady, most major chains believe that circulars will decline in time. Accordingly, they are investing heavily in digital.

Drug stores are leaders in mobile, particularly for prescriptions. Walgreens, for example, has integrated mobile applications with their e-commerce platform to allow shoppers to refill prescriptions, receive text messages when refills are due, and other shopping features.

Clothing retailers have been among those investing most heavily in online sales tools, including both robust websites and mobile apps to provide easy customer experiences. Many apparel companies are using their stores as retail distribution centers, as online orders can be fulfilled from inventory located in the physical store.

Clothing retailers rely on all types of advertising, including rewards programs, direct mail and email, catalogs, online (and social media), newspapers and magazines, television and radio, outdoor and in-store. Each retailer will have a different mix depending on its target market and the kind of image it wants to project.

While relatively few clothing retailers use circulars, catalogs are a staple for many. Catalogs are important for the sales they generate and for branding and awareness. They are typically integrated with email campaigns and other types of direct mail. For many clothing retailers, the catalog channel is viewed much like the store; other advertising vehicles are seen as supporting the catalog.

Catalogs in this sector, however, are challenged by the move to digital spending. Many retailers have not seen any decrease in direct sales as they have cut back on catalog distribution.

Newspaper advertising remains relatively more important for clothing stores than for many other retailers. Local newspapers continue to be an important vehicle for local clothing stores, both for branding and to announce sales. A decline, however, is anticipated, mirroring the overall decline to newspaper advertising.

Magazines are influential for clothing stores. The retailer group that spends the most on magazine advertising is a clothing store. Magazines provide the opportunity to reach a targeted customer base.

In-store signage and display is a critical tool for most clothiers, promoting both seasonal and promotional items. While all clothing retailers use in-store signage and display, it is especially important for those targeting teenagers and young adults. In-store tactics have proven to have a large impact on young shoppers' decisions.

Mobile will be an increasingly important vehicle for clothing retailers. Clothing stores currently spend more than \$1 billion a year on mobile advertising. One 30-store retailer uses mobile to personalize product recommendations, connecting browsing to transactions.

Sporting goods and hobby stores expect e-commerce to account for almost one-fifth of sector sales by 2018. Both sporting goods and hobby stores continue to focus on improving their omni-channel platforms.

Retailers in this sector rely on a variety of advertising methods. Print is central for both, particularly circulars and catalogs, although sporting goods retailers tend to rely somewhat more on catalogs. This is expected to continue.

While circulars will remain the most effective method for those companies that currently use them, their role will inevitably diminish in favor of other methods. One chain recently tested eliminating printed circulars, switching to an online version supported by Facebook ads. They reported a 12% increase of in-store sales.

Catalogs and direct mail are important for many retailers in this sector. Increased costs and the impact of e-commerce are pushing many of these retailers to look carefully at the number, size and frequency of their catalog distribution.

In-store is particularly important for this segment, as both hobby and sporting goods stores offer classes and promotions to introduce new products and techniques to get customers in the store.

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Even with the shift to omni-channel, print media remains central to the advertising plans of department stores. Circulars remain a key component.

While money will continue to flow to digital, the circular will remain the primary tool for most discount chains.

Spending on digital media is growing. Social media is particularly important, as both crafters and sports enthusiasts share stories, tips, recommendations, and ideas. The growth in spending in these channels is partially coming out of the catalog and circular budgets.

Department stores use a variety of media, including magazines, direct mail, newspapers, circulars, television, radio, catalogs, and digital media. Their advertising spending is relatively high.

With the rise of omni-channel retailing, all major department stores have been tweaking, testing and adjusting their spending. As a result, most department stores have shifted budgets from traditional print media to digital media—a trend that is only going to continue as online and mobile take a larger share of sales.

Even with the shift to omni-channel, print media remains central to the advertising plans of department stores. Circulars remain a key component. Most department stores recognize their utility and effectiveness. Most of the shift of advertising spending comes as a result of budget growth, not cuts in print media.

Catalogs are the second most important print medium for this sector. They now are making a comeback. Retailers realized that the catalog “had a greater impact on sales than expected,” says one exec. More upscale stores who thought that Internet sales could replace a printed catalog have realized that print drives online commerce.

Direct mail often is used in support of catalog operations. Mailings are targeted to a specialized clientele.

While much of direct mail has been replaced by email, it remains an important tool for department stores. Most focus on existing customers, particularly those in a loyalty program or branded credit card holders. Some stores include coupons with monthly invoices.

Email, however, will continue to replace direct mail as it is less expensive, more regular, and more timely. While direct mail’s relative importance will decrease, it will remain important—especially for high-end stores.

Although declining, newspapers are still an important medium for this sector. They are particularly useful for sales, to provide coupons, and for major announcements (store openings or in-store events). ROP (run of press) is used for advertising on key days of the week. The cost to advertise in a major newspaper is continually being assessed. Large department stores will continue to use ROP in major markets, but will reduce ROP advertising in less important markets.

Smaller and free newspapers have become effective vehicles to advertise major sales events or to provide coupons. Coupons are carefully tracked, providing information on the effectiveness of advertising.

In-store advertising is important for many department stores. Rotating signage is used to highlight seasonal themes, sales, and promotions. Budgets and spending are typically small.

The biggest shift in advertising budgets has been, and will continue to be, to digital media. Although still in its infancy, most new investment is going to mobile. This sector views mobile as a central piece of its omni-channel strategy. Many stores have made it easier for customers to read product reviews and comparison shop while in the store.

Department stores also are looking at mobile to boost their print circular strategies. Some are leveraging mobile to enable customers to purchase items directly from print media via their tablets and smartphones. While all department stores will continue to invest heavily in digital advertising, the results have been mixed.

Discount department stores, warehouse and club stores, and supercenters use circulars extensively. For most discount stores, circulars consume the vast majority of print budgets. Discounters still find circulars to be very effective in driving store traffic. However, discounters are becoming more disciplined in their use of circulars. They are constantly testing; most do some versioning.

Digital is the only advertising medium that is growing, with much of the growth coming at television’s expense. This sector is investing heavily in digital platforms, particularly mobile. It is estimated that mobile advertising spending by discount stores is more than \$1.25 billion.



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Non-store retailers are expected to grow. However, this sector is not without its challenges. Digital commerce is becoming more complex, with rapid technology innovation, particularly in mobile. Furthermore, consumers increasingly expect a rich, interactive, and personalized digital commerce experience. Businesses have to be able to update and personalize continuously and dynamically to stay current with trends and buying patterns.

Many online-only retailers are experimenting with opening physical stores. This strategy is a good way to increase sales. It is estimated that half of e-commerce is captured by physical stores.

Advertising spending by this sector varies tremendously. Online retailers spend about 3% of sales on advertising, about 80% of which is digital. Those with catalogs, as well as online operations, can spend 5% to 10% of sales on advertising, with some as much as 20%.

The two major advertising vehicles for the non-store retailer are digital and catalogs. The ever-increasing costs of catalog production and distribution, combined with the promise of digital media, have directly led to a reduction in spending in this area. Nevertheless, that downward trend appears to have moderated, with some major catalog companies increasing their circulation. Even though the primary purpose of the catalog has changed from direct sales, to a means of driving traffic to the web store, catalogs are still central to this sector.

Integrating the catalog with digital media is a problem. Catalogers are looking for ways to interact with smartphones. For the most part, catalogers have been slow to adapt to mobile.

Non-store retailers are starting to publish their own magazines. Online retailer Net-A-Porter has started a new fashion magazine. The items featured can be purchased from the online retailer, the brand's websites, or other stores with the use of a mobile app or a telephone call.

Still, digital advertising of all types is the single most important driver of traffic for the non-store retailer. Analysts note that online traffic comes primarily from search. In fact, paid search is the most important driver of online traffic, taking up to three-quarters of the budgets of e-commerce companies. Affiliate programs, remarketing and retargeting, and behavioral targeting are all commonly used. While many non-store retailers use social media, it is not a particularly effective driver of either traffic or sales.

Restaurant advertising trends tend to be driven by chains and franchises. Industry advertising is both for branding and promotion. The quick service restaurants (QSRs) are driven by the frequency and quality of advertising and promotional programs. McDonald's, in fact, is the fourth largest advertiser in the U.S.

Restaurants use a full gamut of advertising tools, including television, radio, national and local newspapers, magazines, direct mail, out-of-home, and digital media. Increasingly, however, advertising is being allocated to national rather than local media. Television is by far the most important advertising vehicle.

Because of the heavy reliance on "limited time offers" and evolving menus, coupons are an important means of driving traffic. They generally are distributed through newspapers and direct mail. Coupons are increasingly being delivered through email and mobile devices.

Restaurants are more likely to use out-of-home advertising, including transit, bus shelters, and billboards. In-store also is especially important, particularly for limited-service restaurants (LSRs). As they do not offer table service, LSRs and QSRs post menus on their walls and display pictures of the food. The new requirements to post menu item calorie counts will lead to more in-store spending.

Restaurants have always relied on word-of-mouth. Social media is a big part of that, and many chains actively engage their customers on Facebook, Instagram, and other social sites.

Restaurants also have been leaders in mobile advertising. Many have been early adopters of mobile technology, from simple "check in" apps to reservations and couponing. Any growth in restaurant ad spending will be devoted to digital—especially mobile.

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At-a-glance

\$80.5 BILLION Total 2013 retail advertising spending

\$12 BILLION 2018 total spending on retail advertising circulars

90% 2014 percent of total coupons distributed via FSIs

\$1 BILLION Clothing store annual expenditures on mobile advertising

90% Purchase decisions influenced by circulars

15% Online retailers using direct mail

Implications

It is important for those in the print industry to understand the role advertising plays in retail and how budgets are set. While much retail advertising is about brand building and awareness, its key role is as a driver of traffic and sales. Budgets tend to be relatively constant percentages of sales. That means spending increases in good times and is cut when times get tough. Once overall budgets are set, any spending on print comes at the expense of something else.

Allocations can change based on need. If retailers open a new store, enter a new market or become more aggressive in discounting and promotions, the need will be for a shorter term response. Seasonal promotions and advertising are easier to predict in advance.

To most, “retail” implies circulars and catalogs. These two still play a central role in much of retail advertising. They drive traffic, especially for larger companies in specific sectors. Changes in format, page counts, and distribution, however, call for more flexible pressroom and finishing equipment, lighter or lower quality substrates and innovative input from printers.

As much as retailers may want to eliminate circulars and catalogs, they cannot because both short- and long-term sales will be negatively impacted. The reinstatement of catalogs by a number of major retailers and their use by “hip” e-commerce sites speaks to the power of print.

It is possible, however, that circulars will take the same path as film. The demise of film was long predicted, but sales held up well for years. Then sales suddenly declined. The end was wrenching for suppliers. It is not expected, however, that circulars will come to a similar end—at least for the remainder of this decade.

Other forms of print play a role. In-store is an opportunity. While it is a relatively small part of the retailers’ ad budget, it can be an important area for printers. In-store will be funded as long as there are physical locations.

Direct mail is more variable; however, predictions indicate that its overall share of retail spending will decrease. Loyalty programs remain a major opportunity for print. They are most successful as part of an omni-channel strategy, incorporating digital media, as well as print. Integrating customer communications and knowing which customers will respond best to direct mail will be an increasingly important component of the omni-channel marketer.

The printing industry can maintain a strong market in retail by proving how a print component can generate profitable sales by the most loyal customers.

Even though the focus is often on the largest companies, the size and role of independent retailers should not be minimized. Their sales are still three times larger than all e-commerce. The independent retailer can engage via social media more easily than large retailers. Since they are smaller, they need help in developing all types of marketing. This is an opportunity for printers and suppliers to become consultants to generate more print, as well as related communications.

It also is important for the print industry to maintain credibility by recognizing the role of digital advertising. Omni-channel may not always include print. Learn the new technologies—particularly the role of data and the emergence of mobile. Retail is the link between the manufacturer and the consumer. Develop ways in which print can play a role in this scenario.

The key is measuring results. Be proactively involved in testing and assessing the results of marketing programs. Don’t argue about the relevancy of print; rather focus on integrating it into the new marketing technologies. Print is tangible. Retailers sell tangible items. Print helps make that connection. ■

For more detailed information on “The Future of Retail Advertising,” contact PRIMIR at (703) 264-7200.



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