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The Advertising Brochure Remains a Key Tool in the Marketing Mix

The announcement by the German retailer OBI in mid-July that it would do away with advertising brochures altogether in the future triggered a medium-sized earthquake in the advertising industry, but also in the print industry. Two weeks later, REWE Group, Germany's largest food retailer, announced that it would be doing away completely with advertising brochures by mid-2023. Is the advertising brochure a form of advertising that has fallen out of date, or will it still have a place in the media mix in the future? If it becomes more target group-specific and individualized, it certainly will!

More than 28 billion advertising brochures land in the mailboxes of German households every year – and not without success. „Many families read them at the breakfast table on Saturdays. They are actively consumed – and that's what makes them so valuable for retailers. That's quite different from being bombarded with TV commercials, radio spots or online banners and having to endure that more or less unwillingly,“ says Jens-Peter Gödde from the Cologne Institute for [Retail Research \(IFH\)](#).

The two companies OBI and REWE want to rely more on digital channels in the future. REWE says it has so far had around 25 million flyers distributed to German households every week. In a first step, the circulation will be reduced by 4 million copies. From mid-2023, no more leaflets will then be distributed. REWE CEO Lionel Souque emphasized in an interview with the „Frankfurter Allgemeine Zeitung“ that by doing without leaflets, the company is massively reducing its carbon footprint. The changeover saves more than 73,000 tons of paper, 70,000 tons of CO₂, 1.1 million tons of water and 380 million kilowatt hours of electricity per year.

Instead of using brochures, the Group wants to rely more on digital channels and advertisements in classic media. As a first step, REWE intends to reduce the circulation of its brochures by four million units from the beginning of August. For REWE and OBI, the focus is on environmental concerns as well as arguments for the phase-out.

Internet: 3rd place in global electricity consumption

That sounds good at first – but even purely digital communication leaves a CO2 footprint that is not so small. The entire Internet infrastructure alone consumes vast amounts of electricity. If you were to look at the Internet globally and consider it as a country, it currently ranks third in electricity consumption, right after the U.S. and China, and is sixth in emissions, with 800 million tons of CO2. With 3.7 percent of global greenhouse gas emissions, the Internet has now long since left air travel (2 percent) behind.

Another point is the recycling rate, which is just 40 percent for electronic waste. By comparison, graphic papers are recycled at almost 80 percent. Closing the gap in production also requires virgin fiber, most of which comes from sawmill waste and thinning wood. Of course, the REWE Management Board is right that a lot of water is used in paper production. However, 80 percent of it is used in a closed cycle and recycled at the end of the production chain.

The printing industry – a sustainable branch of industry

Based on these figures, it is more than questionable whether the switch from print to digital really benefits the environment. As the use of digital channels increases, the carbon footprint of companies tends to get bigger rather than smaller. In the past, this would have been called window dressing, but today it's called greenwashing. The impression is that companies are completely ignoring how much CO2 emissions are caused by purely digital communication.

In the view of the German [Bundesverband Druck Medien](#), the printing industry is one of the most sustainable sectors in Germany. Digital communication, on the other hand, with its significantly higher demand for energy and non-renewable raw materials, is not even remotely more environmentally friendly than print.

Indispensable in the media mix

In addition, the success of advertising brochures in retail is often doubted by individual players. Moreover, it is difficult to reach young target groups. According to a representative survey by IFH Media Analytics, 90 percent of people in Germany read printed brochures at least occasionally – a good three quarters of all respondents even read them every week. However, according to industry expert Gödde, doing without advertising brochures is an even greater challenge for grocery retailers and discounters in particular than it is for DIY stores.

„There are a lot of people who use it to plan their weekly shopping and decide where to shop this time,“ assures Gödde. In view of rising food prices and the efforts of many consumers to keep their money together and take advantage of special offers, the brochures are likely to become even more important at present, he believes.

At the top of the popularity scale

In 2019, Austrian Post conducted an interesting [survey among end customers](#) to find out which advertising channels are used before making a purchase and which are the most likeable. The chart shows selected results for the food retail (LEH) category. According to the study, flyers or small catalogs are used most frequently and are also perceived as most likeable – and by a large margin.

Digital channels score significantly lower, especially on the likability scale. Young people use

flyers less, but this is not a new finding. As soon as they move into their first own apartment, the flyer gains in importance. Incidentally, the reach of flyer users in food retail has declined just 2 percentage points from 2003 to 2019.

Other companies continue to rely on print

That's why other players in food retail are reacting much more cautiously. ALDI Süd assured in a press statement, „especially in the current period, many customers specifically expect leaflet delivery to inform them where they can buy the cheapest food in the best quality.“ For Lidl, too, the household leaflet is a key tool in the marketing mix, allowing it to inform customers in defined areas specifically about upcoming offers and new products.

ALDI and Lidl naturally also use all digital channels, but do not yet see them as a 100 percent replacement for the classic print brochure. The highly fragmented digital market is not yet able to handle the reach and high advertising pressure of the large number of advertised articles.

Combining print and digital

The advertising brochure is still an essential touchpoint in the much-vaunted customer journey. If you abandon one channel, you run the risk of losing an important impulse generator that can lead to a purchase. A complete exit from traditional brochure advertising, especially in highly competitive industries, can be counterproductive.

In the course of the digital transformation, a cross-media approach to customers is also becoming possible. In this way, the existing advantages of the brochure, such as reach, inspiration, and credibility, can even be strengthened. ALDI Süd, for example, is cooperating here with the augmented reality specialist [Snoopstar](#), which adds interactive features to the classic ALDI brochures via AR tags.

The advantages of print and digital can also be combined in multichannel campaigns: direct customer targeting through individual and tailored content that precisely takes into account the respective customer profile. Thanks to advances in digital printing, web-to-print and automated production workflows, real-time marketing is no longer limited to online tools such as pop-up ads, banners and mails. Anything that can be personalized online can also be personalized in print.

So it's not a matter of playing the channels off against each other, but of linking them in a meaningful way. This makes the whole more than the sum of its parts – and the ancient Greeks already knew that!

Yours,
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