Digital transformation in retail. A matter of expertise and quality

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Foreword

The digital transformation is currently at a permanent top speed. No organization can escape it, and this also applies to the world of retail. The gradual digital evolution of the retail sector gained momentum during the Covid-19 pandemic, when lockdowns and other restrictions hindered traditional shopping, leading to rapid solutions for problems that didn't exist before.

Nevertheless, it can be, to put it mildly, a challenge to integrate new technology into a market where traditional business practices are still valid. Because the process of digitalization, usually inherently connected with new technology, is not straightforward. And while the array of promising technology seems endless, budgets are not inexhaustible. Whether it's SaaS, e-commerce, predictive analytics, demand planning, or on-demand production; figuring out what works and what doesn't for your organization becomes increasingly important. This is equally true for the digitalization of marketing activities.

The state of affairs in retail in the Netherlands
To gain a clear understanding of where the Dutch retail sector stands at this moment, we have taken the initiative to conduct research on the thoughts and actions of Dutch retail companies regarding the digitalization of marketing activities. Additionally, under the influence of societal movements such as sustainability and environmental awareness, we have also investigated whether retail in the Netherlands is familiar with the use of digital promotional brochures.

Change is the law of life and those who look only to the past or present are certain to miss the future. John F. Kennedy

In this whitepaper, Linx IT Solutions presents the results of this research , giving an insight into sentiments and ambitions surrounding the digitalization of marketing activities in the retail sector. It can also be used to benchmark these results with your digital strategy. And finally, this whitepaper is also intended to stimulate your creativity; where do you see opportunities for taking next steps?

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Management Summary

Digitalization and automation accelerate manual work, enabling the collection and analysis of information faster and more accurately than humans can achieve, with unprecedented efficiency. It is no wonder that the digitalization of marketing activities is primarily viewed as a positive development – this being one of the conclusions of the survey conducted by Motivaction on behalf of Linx IT Solutions.

In the survey, a representative group of marketing managers and general directors in the retail sector was asked about their vision regarding the digitalization of marketing activities in general. This included inquiries about current media/channels being used, experienced benefits from digitalization, use of tools and real-time data, measuring effects and making use of external expertise .

Improving customer experiences
The fact that marketing decision-makers primarily see benefits in digitalization stems from the ability to respond more quickly to consumer needs, optimize marketing activities, adapt marketing materials more rapidly, and thereby enhance the customer experience. The ability to access and utilize real-time data is considered important for a majority of organizations.

Retailers are confronted with complex make or buy decisions for their digital marketing

On the other hand, time constraints, costs and changes in market dynamics are perceived as the greatest challenges for internally managing digital marketing activities. Therefore, organizations often seek external expertise. Nevertheless, throughout the entire study, it is evident that retail organizations, influenced by these significant challenges, often face difficult make-or-buy decisions for their digital marketing activities. Approximately half of the respondents have previously enlisted external expertise in digitalizing marketing activities, with experience and quality as the primary criteria in choosing a partner, followed by price.

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The most promising trends

Personalized marketing, Artificial Intelligence (AI) and social media integration are considered the most important and promising marketing trends. Although respondents say they do not know all details about AI, the majority does not perceive significant risks. Those who do express concerns primarily focus on issues related to privacy and the potential loss of control.

The role of the digital brochure in personalized retail

Subsequently, the survey also focused on the knowledge and application of digital brochures. This included questions about personal reasons for using or not using digital folders, brochures and catalogs, the type of technology employed for this purpose, and the role of digital folders, brochures and catalogs within the overall marketing strategy.

The survey data evidently show that the digital brochure is on the rise, with half of the organizations already embracing it. The use of printed and digital brochures often goes hand in hand; approximately three out of five organizations that use printed brochures also utilize digital ones.

The use of printed and digital brochures often goes hand in hand.

The ability to include always up-to-date offers and better respond to customer needs are the most commonly cited reasons for using digital brochures. A majority foresees that digitalization will lead to the use of digital brochures presenting a permanent and personalized offering.

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Unknown makes unloved

Low costs and the relatively short production time for digital brochures compared to printed versions are other important reasons for choosing the digital variant. Unfamiliarity with the possibilities hinders organizations; those who do not (yet) use digital brochures often indicate that they are held back by perceived limited design options and fear of additional production costs. While design freedom and lower total production costs are precisely the reasons for other organizations to use digital brochures.

Substantial demand for practical software for developing digital assets

The use of practical software to develop and manage digital media is a way to shift ignorance about costs and creative possibilities; therefore, there is substantial demand for this. Just as there is a need for software to personalize and manage digital brochures and other assets, for software for branded applications and advertising platforms, and to a limited extent, for publishing platforms of digital brochures.

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A lot of interest

All in all it can be said that digital transformation as a phenomenon is welcomed; the necessity to constantly improve customer experiences is acknowledged, but the way to achieve it still comes with perceived challenges. Not at least because transformation requires a cultural shift as much as it does technology. In Dutch retail , there is undoubtedly great enthusiasm to increasingly digitalize marketing activities, primarily for generating and analyzing data, but also for innovative forms of communication such as digital brochures.

Even AI, something that still raises numerous questions for many, is enthusiastically embraced. It makes one thing clear: unfamiliarity with the subject does not throw up thresholds, and denying the necessity of digitalization is not an option. The future is at the doorstep, and in that future, digital marketing is in the lead.
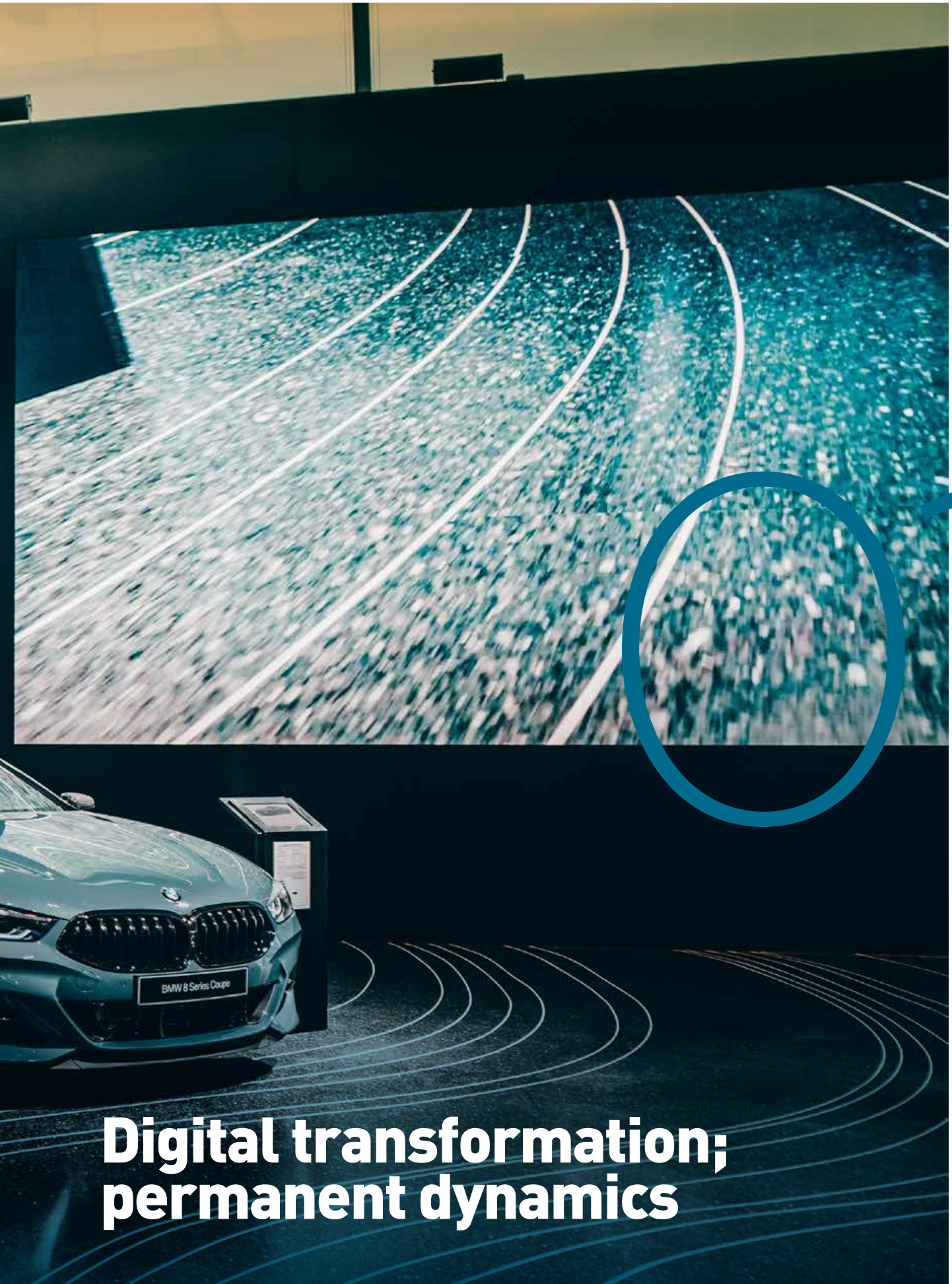
Digital transformation; permanent dynamics

Digital transformation is about the integration of digital technologies in organizations with the aim of generating growth and building a competitive advantage. This includes reducing costs and improving customer experience.

In an era where technology drives growth and competitiveness of companies and organizations, digital transformation is a necessity. It's not without reason that the most successful and valuable companies in the world largely operate based on digital platforms.

Digital transformation is not a new phenomenon for retail companies. To create value and stimulate growth, digitalizing processes and the way customers are approached is crucial.

Digital transformation is about combining the unique talents and creative capacity of people with digital technology.

But applying technology is not a target in itself. It's about formulating concrete objectives and, to achieve them, combining the unique talents and creative capacity of people with digital technology. Digital transformation is about developing and enhancing human capabilities, not about replacing people.

The most important aspect of digital transformation is changing our way of thinking
For this, a culture must be created that embraces change, experimenting and continuous improvement. Not in the least because the understanding of competition has fundamentally changed; the sustainable competitive advantage that was once taken for granted has, under the influence of digitalization, been replaced by often temporary, recurring advantages. Effective strategies anticipate this by relying less on predictable systems but increasingly opting for flexible and dynamic systems.

The integration of digital technology makes organizations more agile. Traditionally, decision-making was limited by the speed at which humans could process information and act on it. Digital technology accelerates the way information is perceived and processed into relevant data.

In other words, the perception and knowledge capacity of organizations are enhanced, thereby increasing the ability to take action. By enabling technology to identify patterns faster and more thoroughly, individuals have greater opportunities to leverage their unique skills, such as devising new creative solutions.

Where technology drives growth and competitiveness, digital transformation becomes a necessity.

You create the customer of tomorrow today

The space for human creativity and the way it is used is something progressive and forward-thinking organizations have in common. They make the conscious choice to constantly think about their customers of tomorrow and how they can meet their desires and demands in order to keep them on board. Just as the question is continually asked about where the organization should be in a year, what can be done today, and what technologies are necessary to provide customers with a better experience a year from now, digital transformation is an ongoing process; as soon as something is completed today, the immediate question is what else can be done. And who will do it?

Digitalization and marketing; a promising combination.

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According to American business consultant Peter Drucker, a company has only one purpose: obtaining customers. It should cherish two essential things: marketing and innovations that create value for customers.

Digital transformation in marketing is about innovations that contribute to optimizing digital channels to gain better and deeper insights into consumer behavior. Based on this understanding, it aims to continuously improve (individual) customer experience.

If online shopping has taught the retail world anything, it's that price and quality considerations are no longer the sole reasons for consumers to visit physical stores. The experience of the physical space and the overall customer experience must be distinctive. Therefore, retailers eagerly embrace the path of digital innovation. Consumers have become accustomed to the convenience of being just one click away from user reviews, price comparisons, and an almost endless array of options.

And so, traditional retail brings 'digital' into the store to meet the desires, demands and preferences of the consumer: a seamless (online) shopping experience and personalized marketing messages. At the same time, pure online retailers are making the opposite move and can be found in physical stores to provide their customers with tangible experiences that cannot be realized online.

In the purchase journey, the consumer determines the navigation themselves.

Both traditional retailers and online retailers strive for the same goal: creating a personal, consistent and integrated customer experience
Essential to realize is that customer experience, or the customer journey, is also a purchase journey in which consumers determines the navigation themselves; it is an individual choice which touchpoints are used to go from the point of inspiration to the moment of purchase.
In this purchase journey, digital media play a role in orientation, product and price comparison, as well as product information and availability. Therefore, the integration of digital resources in the marketing strategy should aim to 1) serve the consumer as concretely and personally as possible on their own mobile devices and 2) streamline this communication 100% consistently in stores and online shops.

Insight creates an advantage

The era of one-size-fits-all communication and promotions is long gone. Digitalization, facilitated by collected data, makes consumer behavior and preferences visible. This allows organizations to deploy targeted (personalized) and relevant marketing campaigns to enhance the customer experience and, in turn, increase customer purchase frequency.

Flexibility is crucial; responding quickly is one, tailoring service to the customer is two.

Flexibility is crucial in this regard; responding quickly to current events, trends and developments is one, customizing service to the customer based on that response is two. Delivering the right message at the right moment, both online and in the physical store, based on data, is a matter of deploying the right digital tools at the right time.

Microsegmentation makes marketing personal

This all sounds much easier than it often is, because it doesn't happen automatically. The challenges posed by digital transformation for retailers include dealing with change, budgetary issues and the complexity of digitalization that requires specific knowledge.

The integration of artificial intelligence (AI) into retail marketing is one of the most spectacular developments in digital transformation. AI opens the door to in-depth analysis and micro-segmentation, allowing customer experience to be improved not only based on purchase behavior, browser history and social media likes, but also by contextualizing communication and promotions in ways that are relevant in multiple ways. For example, "It's a beautiful day today, a perfect time to try our new 0% alcohol, 100% sensation, gluten-free vegan cocktail."

Before a retailer utilizes digital technology at this level, there is a journey to undertake, raising the question of whether this should be done in-house or if knowledge and expertise can be attained externally.

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Digitalization in retail; the current state of affairs

3.1   Navigation based on insights; the importance of (real-time) data.

Retail is one of the most competitive sectors in the economy; there is always pressure on margins, economic sentiment influences results and even the weather affects sales. Responding directly to circumstances is a must, perhaps even a matter of survival. In order to be successful, this response should be based on analysis and segmentation derived from unlocked (real-time) data.

However, it appears that the various ways in which retail organizations in the Netherlands handle data – and its analysis – are still little or not very innovative. While web analytics dashboards or Google Analytics are commonly used, the question remains: what is needed to be more innovative and effective in dealing with (real-time) data?

Being able to respond real-time has an impact
No one will doubt that timeliness is the most crucial factor in achieving an optimal customer experience. You can meet consumer needs faster and better; a generic and static offering that varies per day or per week is not sufficient in the eyes of the digitalized consumer.
When consumers want something, they want it here and now, on the best terms. Real-time response and providing a personalized user experience have a significant impact, for both large and small retailers.

A static offering is not enough for the digitalized consumer.

An understated reason why retailers in the Netherlands seem cautious about working with real-time data is that it requires a significant shift in thinking and actions. It's much more than just replacing tools or upgrading servers; it involves changing culture, adopting a different approach to data and information. This takes time and requires the right technology and specific knowledge to bring that technology together with marketing, where the integration of AI technology can play a crucial role. Above all, it requires skilled people who can oversee all of this.

However, the potential benefits are substantial. Data on shopping behavior can be invaluable, experiments with virtual showrooms, real-time engagement and interaction, perso- nalization in communication; all in service of the digital journey towards increased revenue and improved customer experience.

Game-changer

Taking it a step further is co-creation. The digital consumer feels strongly connected to their social network, shares experiences and allows others to benefit from their experience with products and services. These consumers can play a role in co-creating new propositions based on their feedback.

The digital consumer feels strongly connected to his social network.

For retailers, it is no longer sufficient to analyze transaction data every 24 hours. Regardless of the size of the organization, real-time data insights will be a game-changer for productivity and profit.

3.2   AI: who is ready?

Retail in the Netherlands sees AI as the most promising marketing trend. Not everyone can foresee the implications of AI for privacy and manageability, yet for many retailers, it is clear that the learning capability of AI creates opportunities in the form of analysis and micro-segmentation. The results of these can contribute to optimizing the customer experience at the level of communication, product development, and logistics. This is noteworthy since AI was a subject of limited discussion just a year ago.

AI creates opportunities in the field of analysis and micro-segmentation

Despite the enthusiasm for the phenomenon, not everyone understands what AI entails and what its implementation involves. In short, AI literally comes down to an artificial form of human intelligence. A distinctive quality of AI, however, is that its analytical ability is many times greater and it operates much faster.

Two forms of AI

Machine learning is aimed at enabling computers to mimic intelligent human behavior, allowing complex tasks to be performed in a way that resembles how humans solve problems. According to the principle of 'the more data, the better the program,' efforts are being made on applications such as product recommendations, optimization of social media use, innovations in healthcare, predictive analytics and image recognition.

Deep learning is a form of machine learning in which the functioning of the human brain is mimicked through the use of artificial neural networks. The characteristic is the immense computing power; deep learning AI has the ability to process vast amounts of data and learn from it. The most common applications include virtual assistants, translations, personalization of shopping experiences and chatbots.

Many possibilities, still little knowledge

AI provides retail organizations with the opportunity for in-depth analysis of data, enabling rapid and highly accurate insights into customer behavior, their own product assortment and pricing policies, as well as those of competitors and logistical planning. This knowledge can be immediately translated into predictive values and applied to the optimization of offers, promotions and marketing communication.

AI offers opportunities based on available data, the full added value of which we cannot entirely foresee at the moment. However, AI will also impose requirements on making data available so that other (external) systems can benefit from it and, for example, bring a proposition to the attention of a relevant target audience.

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Although the development is still in its infancy, AI is increasingly being incorporated into existing tools and it will play an increasingly prominent role in new tools. To remain competitive, integration is inevitable; digitalization and targeted data collection should be the focus for retail operations.

It can be noted that, in general, retail organizations still have (too) little in-house knowledge about AI, meaning they lack the right people to effectively use it. Finding these people will take time, given the challenging labor market. Precious time will be lost while knowledge and expertise need to be built to stay competitive. This can be addressed by bringing in this specialized knowledge through external partners.

The analytical capacity of AI is many times greater and works faster than the human brain.

Next step: metaverse?

The metaverse is an online 3D world where experience, commerce and personalization come together. It presents an opportunity for retail organizations to engage in an entirely new form of interaction, where digital technology literally elevates the customer experience to a higher level. While the future is uncertain, it is expected that future generations will become 'metaverse native,' making it the place where they shop, meet, work and relax.

For retail organizations, the metaverse is the space to create deeply personalized customer experiences and develop new propositions using live feeds, games and live events. The metaverse represents the next level of digital transformation of the 21st century, one where retailers cannot afford to lag behind, as is evident from the billions of investments made by companies such as Meta (the parent company of Facebook), Microsoft, NVIDIA and Epic Games in the virtual reality world. Examples include Nike's acquisition of RTFKT, a company entirely focused on product development in the metaverse.

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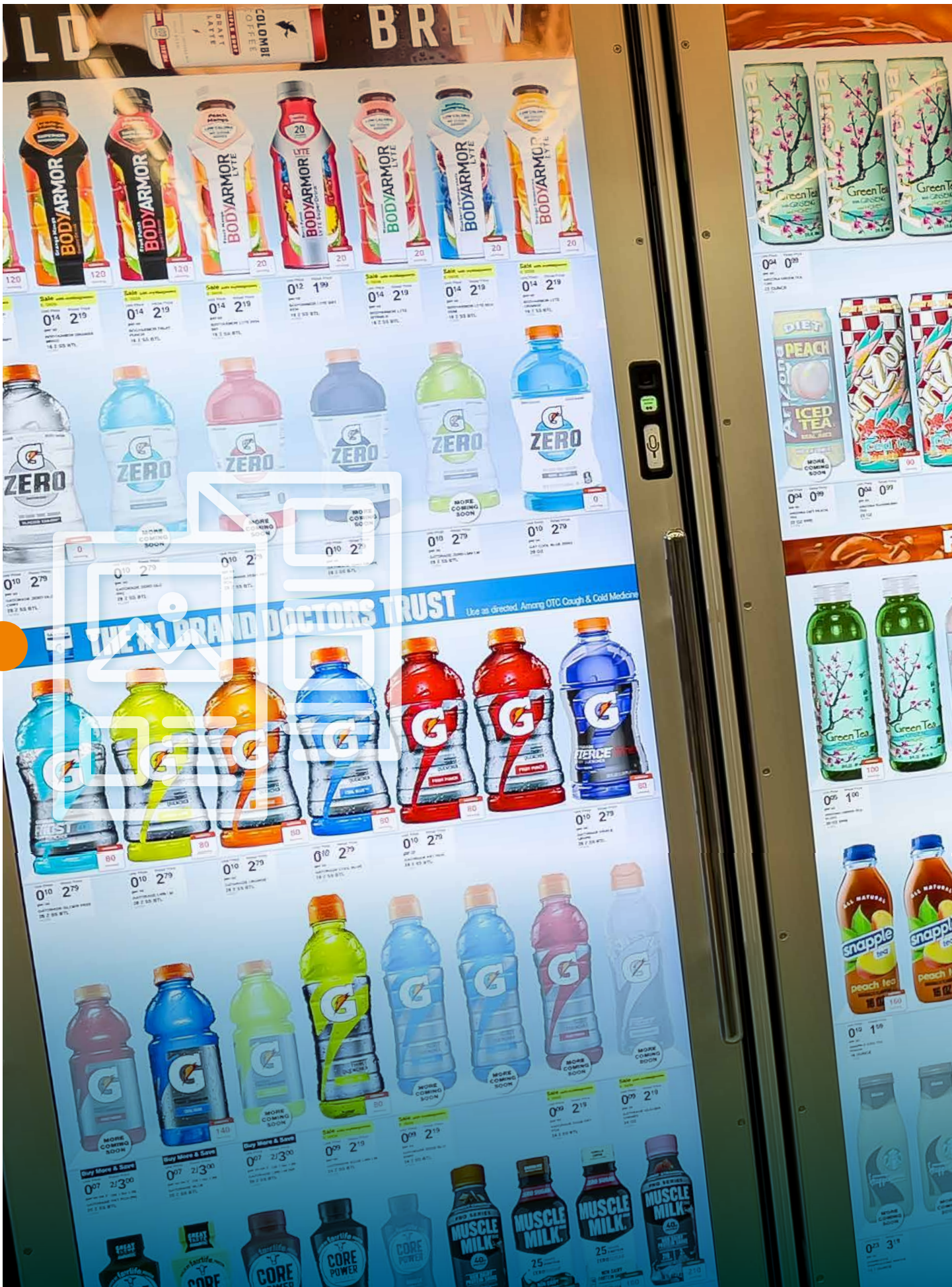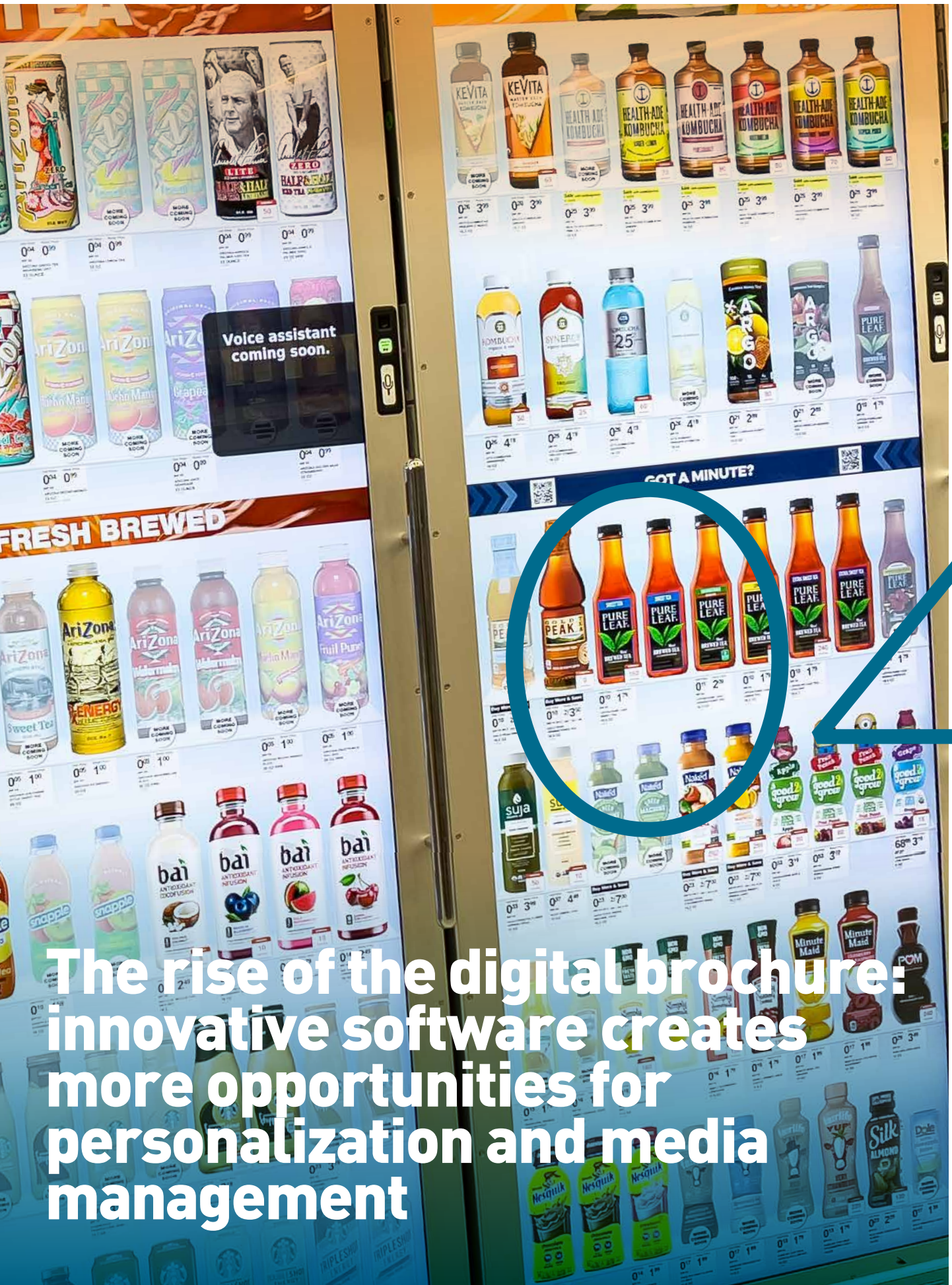
The rise of the digital brochure: innovative software creates more opportunities for personalization and media management

Retailers in all industries and markets share the same ambition: to make their brand name, propositions, products and services top of mind for consumers through all marketing activities. They operate in a sometimes crowded and dynamic environment where competition is fierce and changes seem to follow each other faster every day.

A strong marketing strategy is crucial for survival, and a well-thought-out content strategy is essential within that context. One that not only profiles the brand but also enhances the customer experience while driving sales. Of all the tools available to the retail marketeer for this purpose, we have seen a significant rise in recent years: the digital brochure.

Cost-effective and interactive
Influenced by continually advancing technology and progressing digitalization, the rise of digital brochures is not at all surprising. The digital brochure is a cost-effective, interactive marketing tool that surpasses the image-and-text level of printed brochures by integrating video, animation and other multimedia elements. Furthermore, digital brochures can be directly linked to online platforms, websites and social media pages, providing a multiplier effect in terms of reach. Additionally, digital brochures are accessible on any device with an internet connection. Perhaps the most crucial aspect is that they can be personalized based on data. However, not all retailers in the Netherlands have fully embraced digital brochures. The question is: why?

Personalizing brochures is based on customer history, preferences and data.

Where we stand in the Netherlands
In January 2018, the Municipality of Amsterdam became the first municipality in the Netherlands to introduce the JA/JA sticker. The implementation of this sticker has been a contentious issue for many retail marketeers as it poses a significant threat to revenue, given that around 10% of revenue comes from advertising flyers.

This development has put pressure on the use of advertising flyers, despite the understanding that a significant group of retail customers makes purchase decisions based on discounts communicated through flyers for budgetary reasons. In 2022, approximately five million flyer packages were still sent weekly to 60% of Dutch households. This considerable distribution takes a substantial portion of marketing budgets for a form of mass communication that is limited in its controllability and measurability.

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Benefits for retail and consumers

The use of digital brochures is indeed a development that offers advantages for both retail organizations and consumers. Firstly, there are significant cost savings for retail organizations as expenses for paper, printing, transportation and distribution are reduced. On the other hand, the implementation of digital advertising brochures, as part of an overall digitalization strategy, opens the door to more and better insights into marketing activities and target audiences. As a result, retailers can respond more quickly, even directly, to specific needs within different demographics, thereby increasing the effectiveness of using this medium.

The integration of digital advertising brochures implies more than just implementing technology.

And while there is still an ongoing process of digital adaptation, the digitalization of retail communication is a simple, convenient and organic solution for many consumers to address the issue of "mailbox pollution." Consumers can select their preferences, and what doesn't interest them can be excluded.

Optimally organize the use of digital brochures

Looking at the abundance of benefits that come with the use of digital advertising folders, every retail marketeer would make a little jump of joy. Just think about it:

- A dynamic platform; dynamic content significantly contributes to a much better customer experience and creates more engagement because this content can be adjusted based on user interactions. Digital advertising folders, in combination with AI, can offer the ability for direct engagement, such as adjusting content based on news updates or weather conditions (rainy days vs. a heatwave) and being able to adjust prices at any moment, remove out-of-stock items or display items in a customized order.

- Personalization; based on customer history, preferences and real-time data, customers can be served at any time in a way that meets their individual needs, while simultaneously gathering new insights into the customer.

- An intensified purchase journey; an interactive digital advertising folder guides customers through the content, allows them to navigate intuitively, and provides a mix of static and inter- active media, including videos, music, recipes and product/how-to guides. All of these elements make it easier for customers to make purchase decisions in that moment.

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- Omnichannel capabilities; the distribution of digital folders is possible through various digital channels, including QR codes in advertising, WhatsApp and social media. Customers have access to a constant source of information, benefits and purchase motivations 24/7. Moreover, the possibilities to test propositions, offers and different styles of design are virtually limitless.

How do you fulfill the ambition?

As mentioned earlier, not all of retail companies in the Netherlands have yet embraced this. While no-one will deny that all the features of the digital brochure work in favor of the retail marketeer, there is sometimes some reluctance among retail organizations regarding the use of or transition to digital folders, brochures or catalogs.

The core of this reluctance can be traced back to a fundamental aspect: how do you organize all of this? Digital transformation, including the integration of digital folders, implies much more than just implementing technology. Three factors play a crucial role: people, time, and expertise.

In digital transformation, the role of humans is crucial. Digitalization is, after all, a matter of thinking and working differently, and you need to be willing and able to do so. So, the question arises: how can you adept in all areas? Is it realistic to expect a talented category manager to have as much insight, knowledge and expertise in the (procurement) technical aspects of digitalizing the product offering as in the commercial aspects? And vice versa, can an IT specialists explore, understand and mobilize the market in the same way as their marketing colleagues? Exceptions aside, the integration of digital folders, brochures and catalogs into the marketing system requires seasoned specialists.

Competition is not standing still

Before these specialists are found, before the right technology is integrated into existing systems, and before there is a smoothly running operation, a considerable amount of time has passed. From the organization's perspective, it is not necessarily lost time, as in the end, a well-oiled machine is in place that performs its job excellently. However, from a commercial perspective, it is time lost: competition is not standing still, and during the time it took to build that well-oiled machine, competitors might have surpassed on various fronts.

To make up for that, it is crucial to bring the right people on board. But for how long? When is the investment associated with this worthwhile? What is required to keep their knowledge up-to-date? And how valid is the argument that existing employees know the organization from within and have delved into the market? Successful digitalizing not only requires the right people with the right knowledge, but also requires that they are in the right place at the right time.

In-house specialists or external expertise?

Within digital transformation, is the integration of digital folders a project that should be handled internally with in-company specialists, or is outsourcing to specialized parties the solution?

Make-or-buy: how justified is self-investment in knowledge and technology?

This decision requires a careful consideration of quality, effectiveness, manageability and costs. In other words, what is the most responsible investment to achieve an optimally functioning solution as quickly and smoothly as possible, in a way that generated data can serve as a source for developing multiple communication tools?

It goes without saying that these are not necessarily either/or situations; the goal is to find the ideal way of working to initiate a complex process and ensure it runs smoothly day in, day out.

At this point, Linx IT Solutions is happy to lend a helping hand; we have the knowledge and expertise to facilitate this process smoothly. Besides, we have the experience to determine to what extent our contribution is needed to achieve this within your organization.

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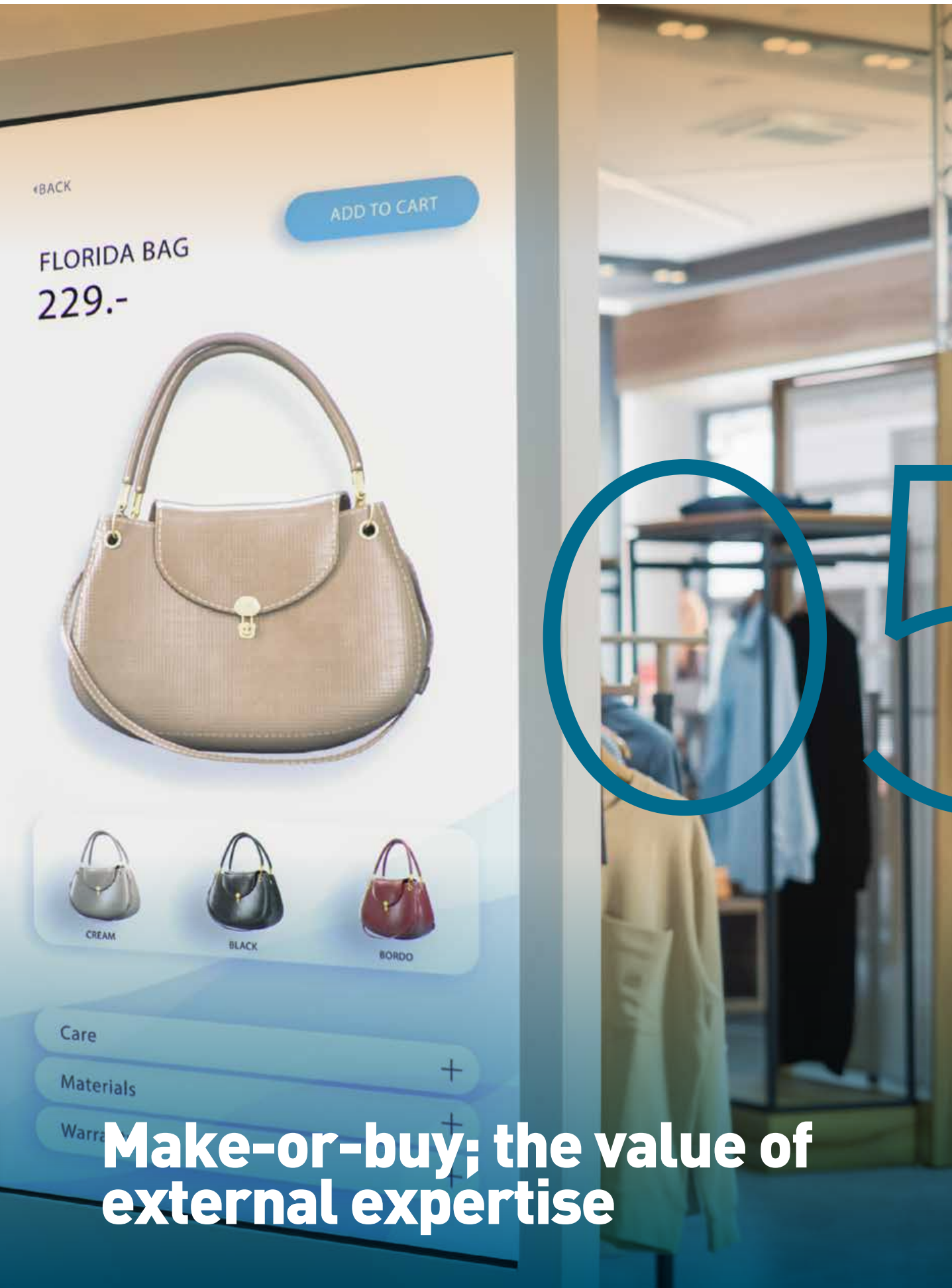
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Make-or-buy; the value of external expertise

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Roughly half of the retail organizations that participated in the study have at some point enlisted external expertise in digitalizing marketing activities. In addition to limited experience in making substantial digital innovations, time constraints, changes in market dynamics and the costs of internally managing digital marketing activities are the primary motivations for seeking external assistance. Experience and the quality of the intended knowledge partner are the most crucial criteria in choosing an external party, followed by price.

Very broad, specific knowledge in a highly specialized field

These two crucial criteria, experience and quality, which influence make-or-buy decisions in digitalization, are subject to several characteristics that define an external knowledge partner. Firstly, independence in ideas and actions can be identified as a great asset; there are no blind spots because the objectives are approached from a completely neutral perspective. Additionally, the external party guarantees broad, specific knowledge in a highly specialized field. This results in groundbreaking insights and strategies; besides, there is always capacity and costs are clear and transparent, without any overhead.

Half of the respondents have enlisted external expertise.

Make-or-buy: a decision that involves more than just knowledge and costs

The primary, shared responsibility that precedes a successful collaboration is defining the goals that need to be achieved. The way this should be done and what skills and expertise are necessary come afterward. It is almost self-evident that, prior to the make-or-buy decision, an orientation takes place. Having a detailed understanding of the implications of developing in-house versus insight into what a collaboration with an external partner means is essential.

The moment of joining or getting involved

At the moment when the make-or-buy decision for the deployment of digital marketing tools – including digital folders, brochures and catalogs – becomes an option for a retail organization, the role of Linx IT Solutions becomes relevant. Finding suitable answers to dilemmas such as whether to manage processes internally or externally, which technology partner understands the digitalization challenges that need to be faced and to what extent their investments are justified are reasons to engage with Linx IT Solutions. It will quickly become apparent whether the digital infrastructure and marketing propositions of Linx IT Solutions, along with the associated systematics, work to your advantage.

Experience and quality are the primary criteria for choosing an external partner.

A systematic approach, a way of thinking and doing

Linx IT Solutions operates with its own integrated marketing cloud platform that consolidates all functionalities. This one-stop-shop approach eliminates the need to use different systems for creating standalone productions; there is no need to transfer data from one system to another. This technology infrastructure is tailor-made and complemented with services that are adjusted or developed based on what can be done internally and what needs to be managed externally. Within the supply chain, agencies and other suppliers can be connected as process partners to the online marketing platform. This way of working provides a digital highway to online customized solutions for the development, production, management and operation of digital marketing assets.

Colophon

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✅ **Image bank (DAM)**
✅ **Data enrichment (PIM)**
✅ **Execution of Local Campaigns**
✅ **Execution of Central Campaigns**
✅ **Adaptation Central Campaigns**
  • Social Media Banner Production
  • Action Folder Production
  • Catalog Production
✅ **Management Information**

STORE

✅ **DIY**
  • Marketing Materials
  • POS-Materials
  • Formula Materials
  • Social Media Banners
✅ **Marketing Action Request**
✅ **Orders**
  • Promotional Materials
  • Formula Materials
  • Consumables

retailware

CONSUMERS

✅ **Flyer**
✅ **Promotional Leaflet**
✅ **Catalog**
✅ **Brochure**
✅ **Advertisement**
✅ **Social Media Post**
✅ **Web Content**

EXTERNAL SUPPLIERS

✅ **Retail Order Systems**
✅ **Brand Identity**
  • Components
  • Guidelines
  • Photos
  • Videos
✅ **Marketing Campaigns**
  • Photos
  • Videos
  • Documents
✅ **Product Photography**
  • Photos
  • Videos

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Linx IT Solutions: an experienced partner in retail digitalization

Linx IT Solutions is a specialist in digital transformation and data-driven publishing.
We develop, host and maintain web-based software applications for global brands, assisting them in optimizing marketing and e-commerce processes.

Retailware supports and facilitates the entire marketing workflow

To achieve this, we provide our Retailware online marketing platform to share marketing guide-lines and centrally developed materials. We also offer local stores the ability to quickly and easily produce their own materials online, using management tools for the production process and ordering tools for in-store and facility materials. A dedicated support team ensures smooth implementation of our latest technology in daily operation. In practice, this means that authorized users, without specialized knowledge, can easily create high-resolution artwork that complies with all brand guidelines. For example, a digital catalog in various file formats, optimized for online use and as artwork for print production.

Leading fashion brands worldwide use our services to optimize their marketing activities in fashion retail and e-commerce across all continents. For a Dutch supermarket chain and a nationally operating wholesaler, we facilitate the entire communication chain, ranging from in-store communication to POS materials and door-to-door flyers.

Linx IT Solutions;

- Works with cloud solutions that ensure the security of data.

- Provides adaptive modules that guarantee maximum flexibility and control.

- Requires minimal involvement from the organization's own IT departments.

- No investments in hardware and system training are needed.

- Offers tailored support for designs across multiple templates.

- Utilizes template-driven design in line with brand guidelines.

- Provides user management based on role-specific authorization.

- Simple user interfaces based on Human Driven Architecture.

Disclaimer

Linx IT Solutions B.V.
Pampuslaan 76-82
1382 JR Weesp
info@linx-itsolutions.com
www.linx-it.com

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1. NOS:https://nos.nl/artikel/2400839-ja-sticker-beleeft-opmars-er-is-27-miljoen-kilo-papier-bespaard
2. RetailTrends: https://retailtrends.nl/news/67010/ja-sticker-voor-folders-zegen-of-doodsteek

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Future online marketing needs

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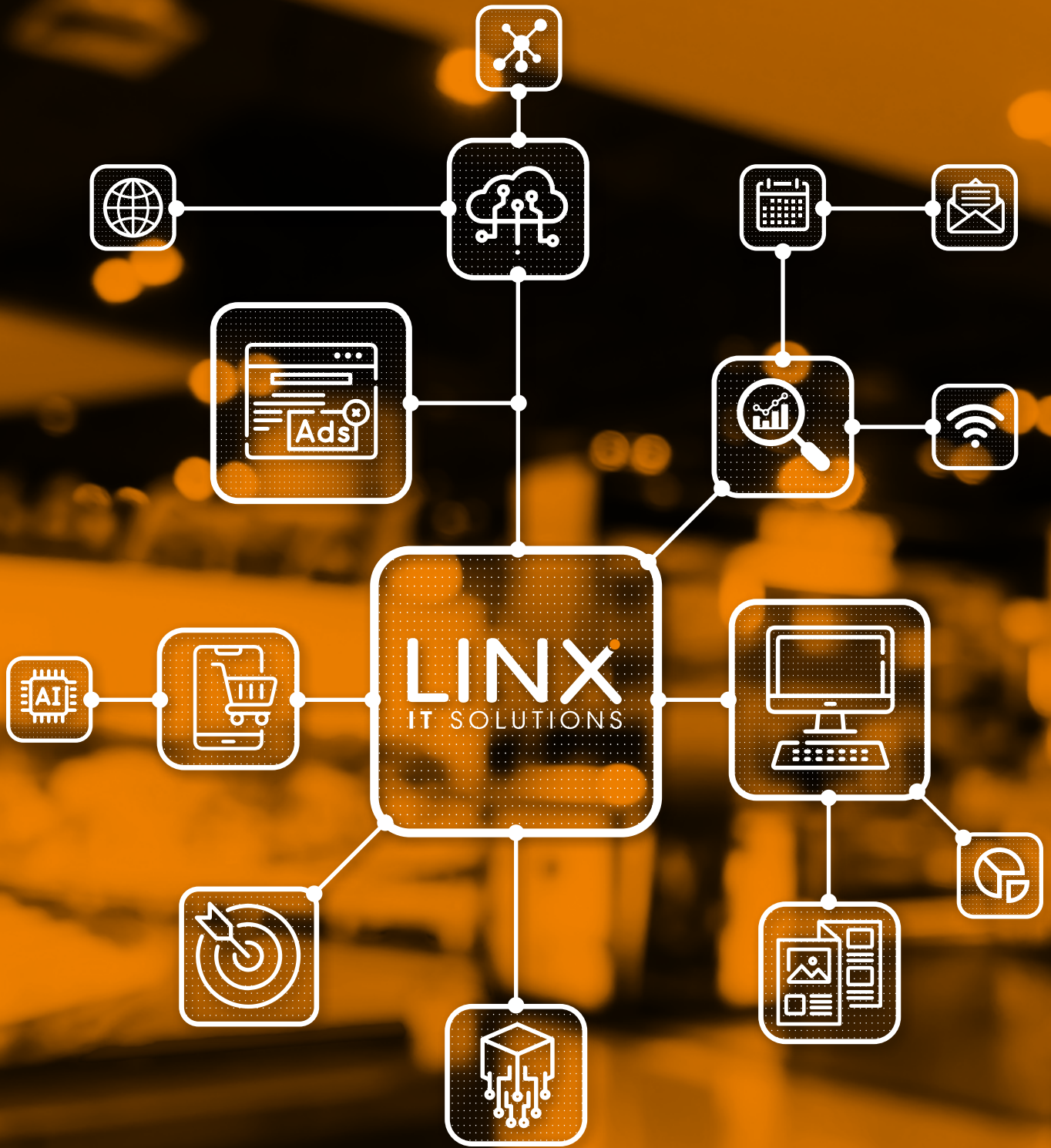
motivaction
insights and strategy

Background, method and design

On behalf of Linx IT Solutions B.V., Motivaction International B.V. did a survey on the online marketing needs among decision-makers in the field of marketing within large and medium-sized retail organizations.

The results are presented at an aggregated level. Where relevant and significant, differences between users and non-users of digital brochures are mentioned in the text.

Method:
Quantitative online research, n=100

Fieldwork period:
July 27th to August 28th, 2023

Completion Time:
Average completion time: 11 minutes

Target Audience:
Decision-makers in the field of marketing within large and medium-sized retail organizations.

Recruitment:
Through the Linx IT Solutions address database, the Motivaction StemPunt panel, and recruitment on LinkedIn.

Weighting:
The results are not weighted.

Conclusions

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The digitalization of marketing activities is mostly seen as a positive development.

- Marketing decision-makers within the retail sector primarily see benefits when it comes to the digitalization of marketing activities. Organizations can respond more quickly to consumer needs, optimize their marketing efforts, enhance the consumer experience and adapt their marketing materials more swiftly.
- Accessing and using real-time data is important for a majority of the organizations.

Expertise is also sought externally.

- Approximately half of the organizations have recruited external expertise at some point in digitalizing marketing activities.

- Experience and quality are the primary criteria when choosing an external partner, followed by price.

- Time constraints, changes in market dynamics and costs are the biggest challenges in internally managing digital marketing activities.

Personalized marketing, AI and social media integration are the key trends.

- These three developments are considered the most promising marketing trends.

- When it comes to AI, the majority does not see risks. Those who do perceive risks mainly have concerns about privacy and loss of control.

- One in five respondents cannot (yet) foresee the possible risks.

Conclusions

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Half of the organizations have already embraced digital brochures.

• Almost half of the organizations currently use digital brochures, which is roughly equal to the use of printed brochures.

• The use of printed and digital brochures often goes hand in hand. Approximately three out of five organizations that use one also use the other.

• Low costs, the ability to include more up-to-date offers and better responsiveness to customer needs are the most cited reasons for using digital brochures.

• Another significant advantage is the relatively short production time for digital materials compared to printed publications.

• Organizations that do not (yet) use digital brochures often indicate limited design possibilities and additional production costs as reasons for not doing so.

• However, a majority believes that digitalization will lead to digital brochures that always present current offers.

There is a demand for software that can be used to develop and manage digital content.

• There is limited demand for platforms for publishing digital brochures, but there is a demand for tools/software that can personalize and manage digital brochures (and other content).

• In addition to the need for software for digital brochures, there is also a demand for software for branded applications and advertising platforms.

01
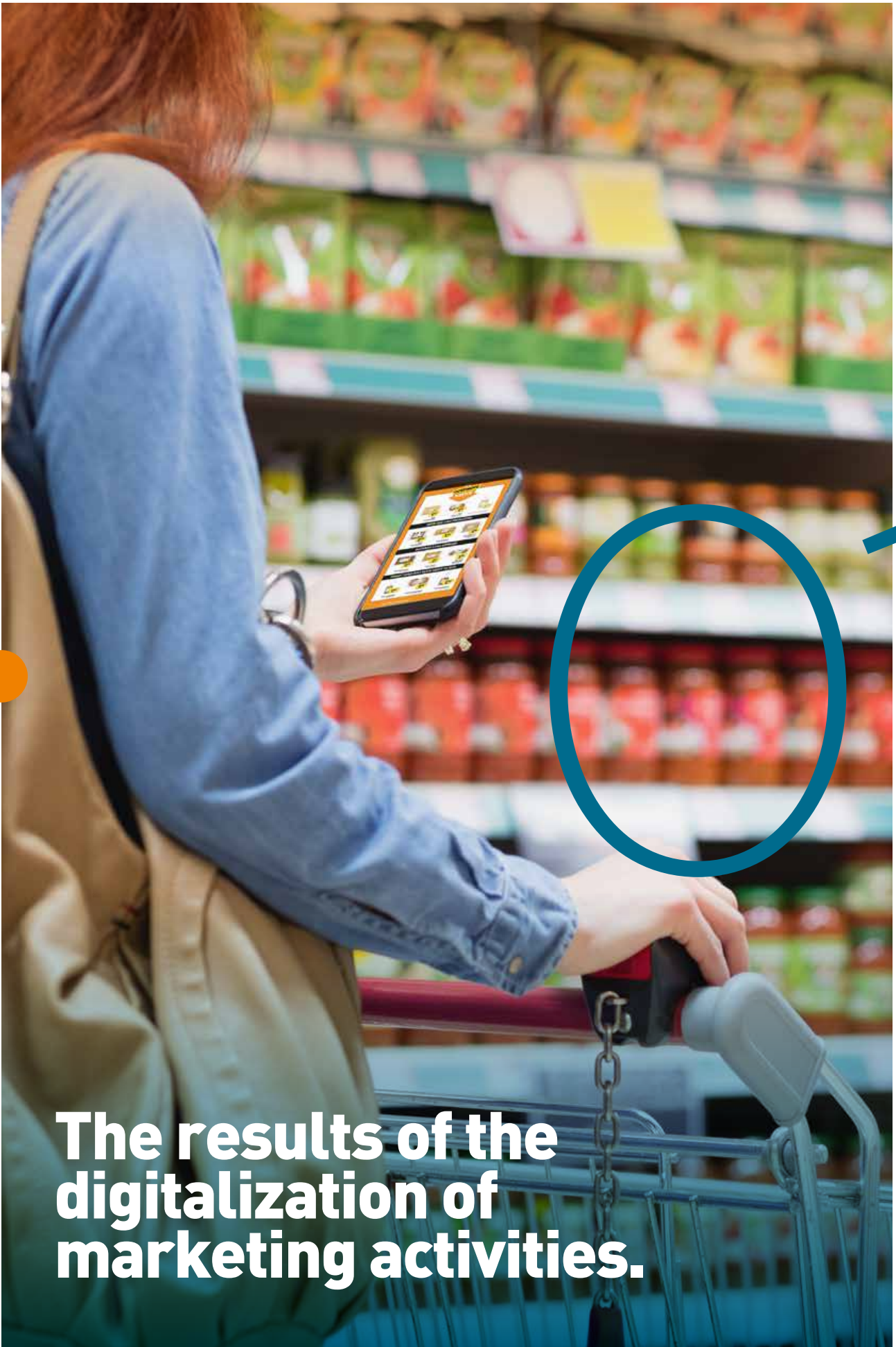
The results of the digitalization of marketing activities.

Social media are most commonly used to reach and engage consumers; printed brochures are used nearly as often as digital brochures.

- Of the organizations that use printed brochures, 63% also use digital brochures.
- Conversely, almost the same applies. Of the organizations that use digital brochures, 65% also use printed brochures.

WHICH (DIGITAL) CHANNELS IS YOUR ORGANIZATION CURRENTLY USING TO REACH AND ENGAGE CONSUMERS?
(BASE - ALL, N=100)

Channel	%
Social media	59%
Email marketing	49%
Printed flyers	48%
Digital flyers	46%
Search engine	39%
Own e-commerce platform	34%
Shelf cards	34%
Online banners	31%
Posters/window posters	31%
Digital brochures	29%
Digital magazines	27%
Printed catalogs	26%
Influencers	25%
Digital catalogs	24%
Billboards	21%
Personalized app	21%
Narrowcasting	18%
Other responses	3%

Radio, TV, affiliate

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The digitalization of marketing activities brings many advantages to organizations.

**TO WHAT EXTENT DO YOU AGREE WITH THE FOLLOWING STATEMENTS?
"THROUGH THE DIGITALIZATION OF OUR MARKETING ACTIVITIES...."**
(BASE - ALL, N=100)

Statement	Disagree	Neither agree nor disagree	Agree	Don't know/not applicable
...we can respond more quickly to the needs and preferences of consumers.	1%	17%	81%	1%
...we have optimized our marketing efforts.	1%	20%	76%	3%
...we have improved the consumer experience.	3%	17%	78%	2%
...we can adjust our marketing materials more quickly to changing market conditions.	4%	20%	75%	1%

■ Disagree   ■ Neither agree nor disagree   ■ Agree   ■ Don't know/not applicable

Google Analytics is the most widely used digital marketing tool.

**WHAT SPECIFIC DIGITAL MARKETING TOOLS AND/OR TECHNOLOGIES DOES YOUR
ORGANIZATION USE?** (BASE - ALL, N=100)

Tool	%
Google Analytics	47%
Trello	22%
PIM	19%
Mailchimp	18%
Sprout	18%
Hubspot	16%
Slack	15%
DAM	13%
Hootsuite	10%
Other answers	5%
No specific examples/ I don't know	10%

Microsoft

Klaviyo

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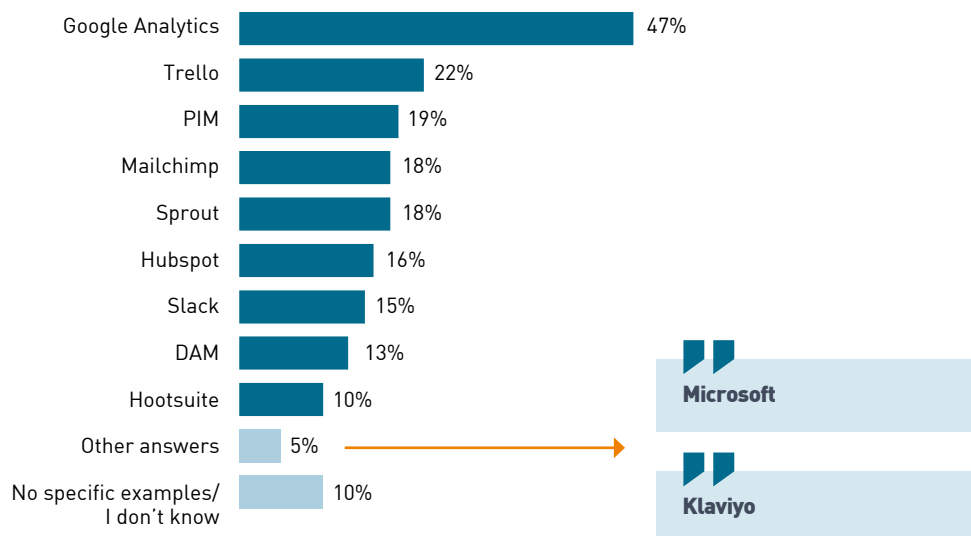
The effectiveness of digital marketing campaigns is often measured in multiple ways, typically through the analysis of website traffic and social media analytics.

HOW DOES YOUR ORGANIZATION MEASURE THE EFFECTIVENESS OF DIGITAL MARKETING CAMPAIGNS AND INITIATIVES?
(BASE - ALL, N=100)

Category	%
Analysis of website traffic	41%
Social media analytics	39%
Email marketing statistics	33%
Experiments	25%
Conversion tracking	23%
ROI calculation	23%
Attribution	20%
Media mix modeling	16%
We do not measure effectiveness	8%
Other answers	1%
I don't know	10%
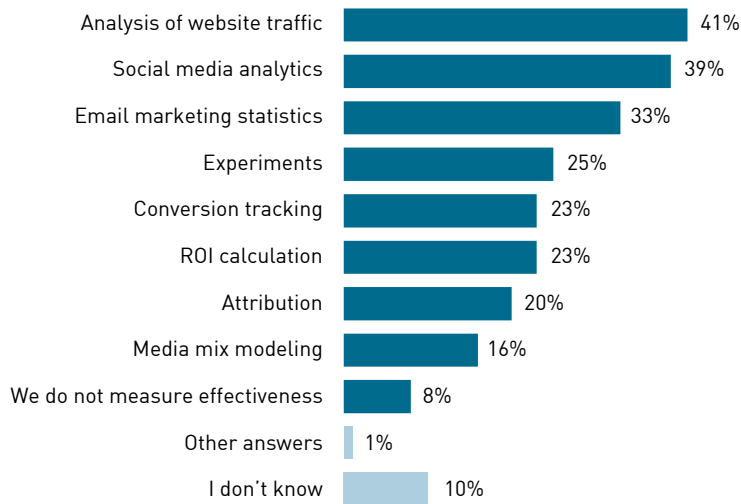
Real-time data is important on multiple fronts for approximately two out of three marketing decision-makers.

• Organizations that already use digital brochures more often recognize the value of real-time data than organizations that do not (yet) use them.

TO WHAT EXTENT ARE THE FOLLOWING MATTERS IMPORTANT TO YOU?
(BASE - ALL, N=100)

Statement	Zeer onbelangrijk	Unimportant	Niet onbelangrijk, niet belangrijk	Important	Very important	I don't know / No opinion
The insight into real-time data for the digitization of my marketing activities.		4%	20%	47%	25%	4%
The insight into real-time data to improve the effectiveness and relevance of digital marketing activities.		4%	28%	42%	23%	3%
The use of real-time data to quickly respond to changing customer needs within digital marketing activities.			24%	43%	27%	4%
The use of real-time data for personalizing digital marketing activities for a specific consumer.	3%	4%	25%	46%	17%	5%

Legend:
- Zeer onbelangrijk
- Niet onbelangrijk, niet belangrijk
- Very important
- Unimportant
- Important
- I don't know / No opinion

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You have indicated that accessing real-time data is (very) important to you. Could you elaborate on how real-time data can help you in your marketing activities?

YOU HAVE INDICATED THAT ACCESSING REAL-TIME DATA IS (VERY) IMPORTANT TO YOU. COULD YOU ELABORATE ON HOW REAL-TIME DATA CAN HELP YOU IN YOUR MARKETING ACTIVITIES?
(BASIC - CONSIDERS VIEWING REAL-TIME DATA (VERY) IMPORTANT, N=72)

With real-time data, we can better align our marketing and sales activities with customers.

Real-time data allows you to respond immediately to the needs of the customer.

Based on this, we personalize all campaigns in real-time.

Creating specific actions based on temporary customer needs.

To effectively respond to consumer needs.

For the optimization of traffic and conversion on our e-commerce platform.

Advertise more targeted.

As a result, we can make immediate adjustments to our marketing activities at any moment.

By using real-time data, you can quickly refine a marketing activity if necessary.

■ StemPoint ■ No StemPoint

About half of the organizations have enlisted external expertise in digitalizing marketing activities; experience and quality are the most important criteria when choosing an external party.

HAS YOUR ORGANIZATION EVER ENLISTED EXTERNAL EXPERTISE IN DIGITIZING AND/OR AUTOMATING MARKETING ACTIVITIES?
(BASIC - ALL, N=100)

49%	26%	11%	14%
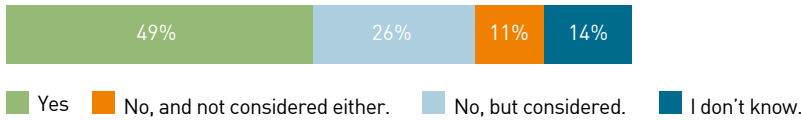
- ■ Yes
- ■ No, and not considered either.
- ■ No, but considered.
- ■ I don't know.

We have sufficient expertise in-house (n=6)

We do not want to share certain data externally (n=2)

We prefer to maintain control over this process ourselves (n=6)

Internal execution stimulates the knowledge development of our employees (n=2)

Not considered yet (n=2)
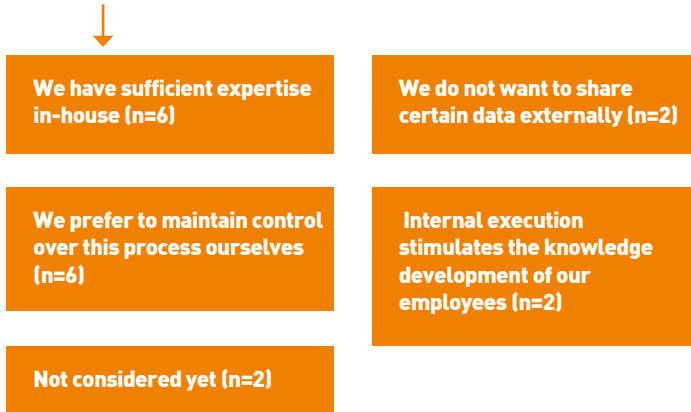
ON WHAT CRITERIA DO YOU ASSESS AN EXTERNAL PARTY BEFORE DECIDING TO COLLABORATE?
(BASIC - HAS EVER ENLISTED EXTERNAL EXPERTISE OR CONSIDERED IT, N=75)

Criterion	%
Experience	51%
Quality	48%
Price	44%
Technological capabilities	44%
Flexibility	39%
Industry knowledge	37%
References	36%
Service offerings/specializations	36%
Other answers	1%
I don't know	4%

Time constraints, changes in market dynamics and costs are the biggest challenges in internally ma- naging digital marketing activities.

WHAT OBSTACLES OR CHALLENGES DO YOU SEE IN INTERNALLY MANAGING AND FURTHER DEVELOPING DIGITAL MARKETING ACTIVITIES?
(BASIC - ALL, N=100)

It requires a lot of time from employees	34%
Constantly changing market dynamics	33%
Significant investments	30%
Technological complexity	27%
The organization lacks specific knowledge	25%
Limited perspectives	25%
Limited possibilities for further development	20%
It is difficult to gather all the internal knowledge around the table	19%
Other answers	3%
I don't know	5%

Time and therefore speed

Availability of personnel

Personalized marketing, the use of AI and social media integration are the most promising marketing trends.

- In particular, small and medium-sized enterprises (SMEs) see personalized marketing as a promising digital marketing trend (59%)

WHAT SPECIFIC DIGITAL MARKETING TRENDS DO YOU CURRENTLY SEE AS PROMISING FOR YOUR DIGITAL MARKETING ACTIVITIES?
(BASIC - ALL, N=100)

Personalized marketing	39%
The use of AI technology (such as ChatGPT, DALL-E)	38%
Social media integration	38%
Interactivity with the consumer (via Chatbot / WhatsApp contact)	33%
Advanced targeting techniques	28%
The use of AR technology	15%
Other answers	1%
I don't know	12%

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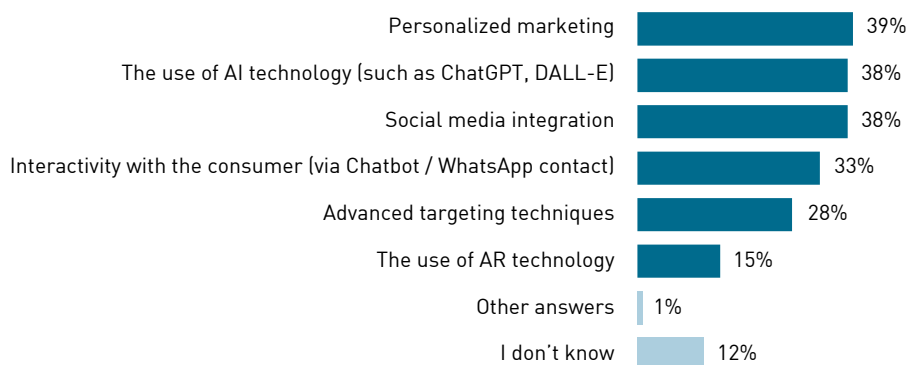
Roughly 7 out of 10 organizations see no risks associated with the use of AI for marketing activities.

DO YOU SEE RISKS IN USING AI FOR THE MARKETING ACTIVITIES OF YOUR ORGANIZATION?
IF YES, WHAT ARE THEY?
(BASIC - ALL, N=100)

69%	9%	22%

■ No, I don't see any risks   ■ Yes, specifically: ■ I don't know

Losing control

Non-transparency

Sensitive privacy data may be involved

Errors

Spyware
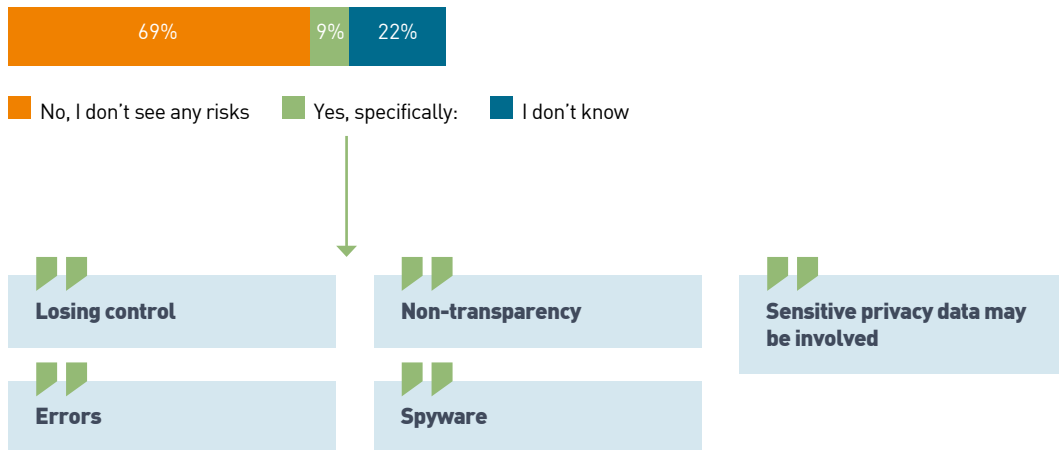
Results of digital folders, brochures, catalogs

The digital folder often plays a significant role within the data strategy; responding to current events is the most mentioned reason for the use of digital folders, after lower costs

WHAT ROLE DOES THE DIGITAL FOLDER PLAY WITHIN YOUR OVERALL DATA STRATEGY?
(BASIC - USES DIGITAL FOLDERS., N=46)

15%	52%	30%	2%

■ Determining role ■ Important role ■ Minor role ■ I do not know
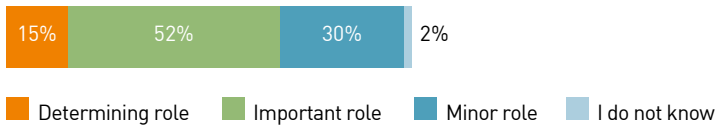
WHAT ARE THE MAIN REASONS FOR USING DIGITAL LEAFLETS, BROCHURES AND/OR CATALOGS?
(BASIC - ORGANIZATION USES DIGITAL FOLDERS/BROCHURES/CATALOGUES, N=46)

Lower costs	44%
Ability to include more current offers	39%
Better respond to customer needs	38%
Sustainability	36%
More brand awareness	34%
Lead generation	30%
Personalized offers for consumers	28%
Being able to dynamically organize the folder	27%
Higher conversion	22%
More insight into effectiveness	22%
More insight into specific offers in the brochure	22%
Shorter lead time compared to production	16%
Other answers	5%

→ **Range**

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Digital tools used in the creation of digital flyers, brochures and/or catalogs vary

Mailchimp	Own tool	Various
Adobe	Mental	WePublish
InDesign	Photoshop	App

■ StemPoint   ■ No StemPoint
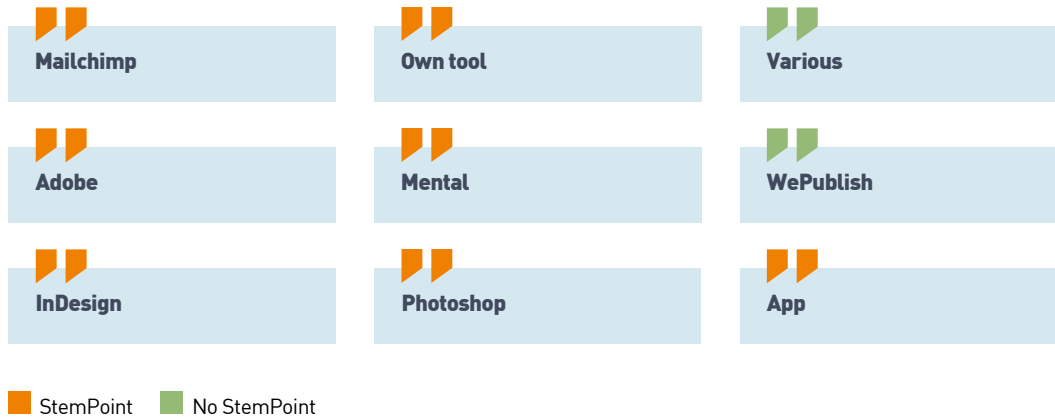
The main reasons for not using digital flyers are fewer design options and additional production costs

WHAT ARE THE MAIN REASONS FOR NOT USING DIGITAL FLYERS, BROCHURES, AND/OR CATALOGS?
(BASIS - ORGANIZATION DOES NOT USE DIGITAL FLYERS, BROCHURES, AND/OR CATALOGS, N=36)

Fewer design options regarding own identity	31%
Additional production costs	28%
High costs of acquiring the right expertise/technology in-house	25%
Less tangibility	22%
Target audience not strongly connected to digital channels	22%
Lower conversion	19%
Other responses	6%

Our current methods suffice

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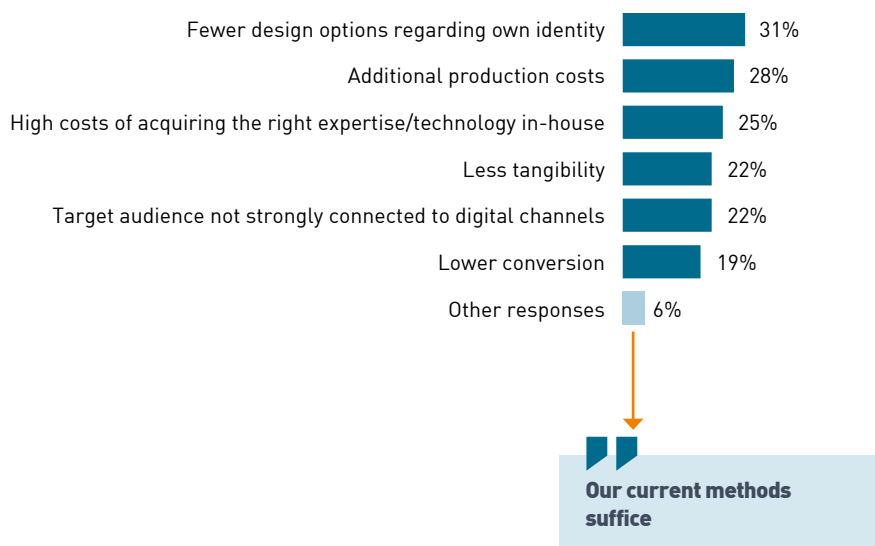
There are sufficient publication platforms, but there is a need for tools/software for digital expressions

IN HOW FAR DO YOU AGREE WITH THE FOLLOWING STATEMENTS?
(BASIC - ALL, N=100)

There is a need for tools/software that can personalize digital expressions according to the needs of the target audience — 8% | 31% | 61%

There is a need for tools/software that can manage the production process of digital expressions — 7% | 27% | 62% | 4%

There are already sufficient platforms available for publishing digital flyers — 4% | 26% | 59% | 11%

■ Disagree ■ Neither agree nor disagree ■ Agree ■ I do not know
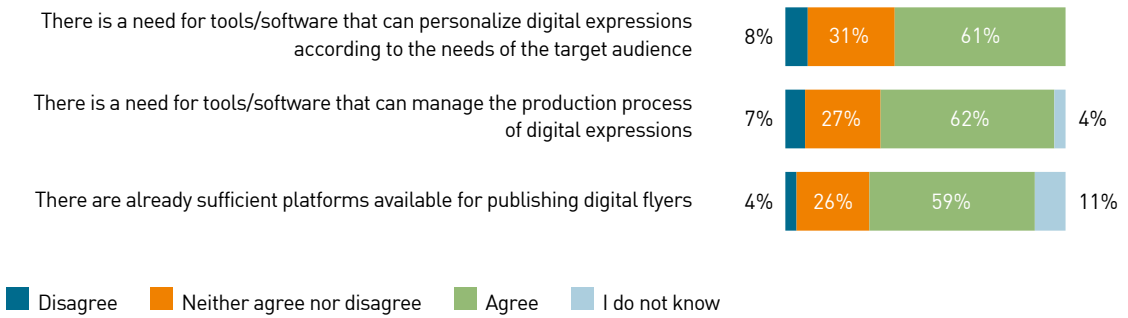
The majority of marketing decision-makers primarily sees the benefits of digital flyers; however, there is some variance in expected effectiveness

HOW MUCH DO YOU AGREE WITH THE FOLLOWING STATEMENTS?
(BASIC - ALL, N=100)

The production lead time for digital expressions can be significantly shorter than for printed materials — 3% | 23% | 69% | 5%

The digital flyer contributes to the collection of customer data and insights that can be used for other marketing activities — 6% | 24% | 66% | 4%

We perceive the production costs of printed materials as too high — 7% | 29% | 61% | 3%

Digital flyers are more effective than traditionally printed flyers — 17% | 32% | 49% | 2%

■ Disagree ■ Neither agree nor disagree ■ Agree ■ I do not know

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For almost half of the organizations, repetitive active flyer production is central within marketing

TO WHAT EXTENT DO YOU AGREE WITH THE FOLLOWING STATEMENTS?
(BASIC - ALL, N=100)

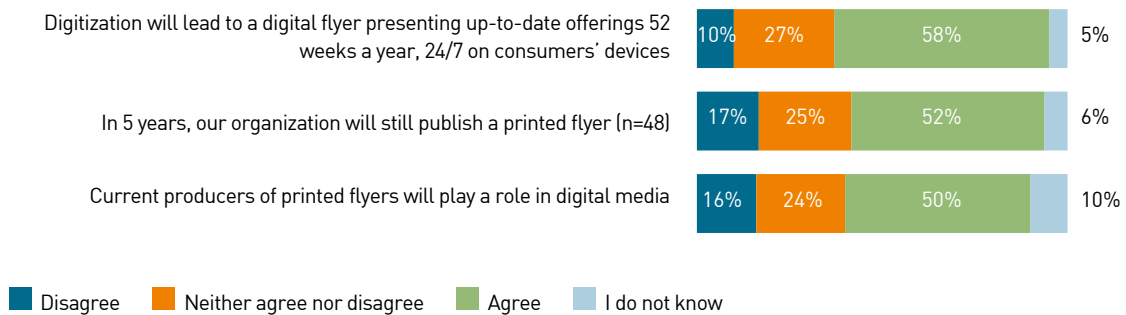| Statement	Disagree	Neither agree nor disagree	Agree	I do not know
System integration (PIM/DAM/ERP) for folder production contributes to shorter lead times and reduces the risk of errors	4%	25%	58%	13%
Within our marketing organization, repetitive active flyer production is central, not the offers	23%	25%	45%	7%
If folder production (digital and printed) can be highly automated, it is acceptable for it to somewhat compromise creative freedom	18%	36%	41%	5%

■ Disagree ■ Neither agree nor disagree ■ Agree ■ I do not know

Half of the organizations currently using printed flyers expect to continue doing so in 5 years; expectations for digital flyers are high
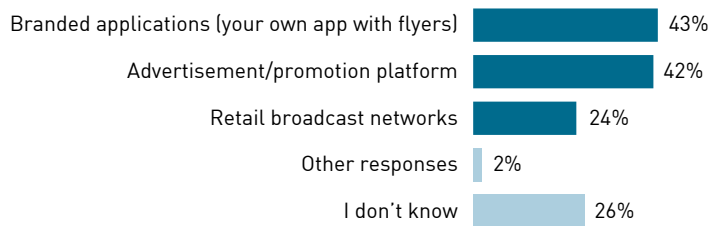
TO WHAT EXTENT DO YOU AGREE WITH THE FOLLOWING STATEMENTS?
(BASIC - ALL, N=100 / USES PRINTED FLYER, N=48)

Statement	Disagree	Neither agree nor disagree	Agree	I do not know
Digitization will lead to a digital flyer presenting up-to-date offerings 52 weeks a year, 24/7 on consumers' devices	10%	27%	58%	5%
In 5 years, our organization will still publish a printed flyer (n=48)	17%	25%	52%	6%
Current producers of printed flyers will play a role in digital media	16%	24%	50%	10%

■ Disagree ■ Neither agree nor disagree ■ Agree ■ I do not know

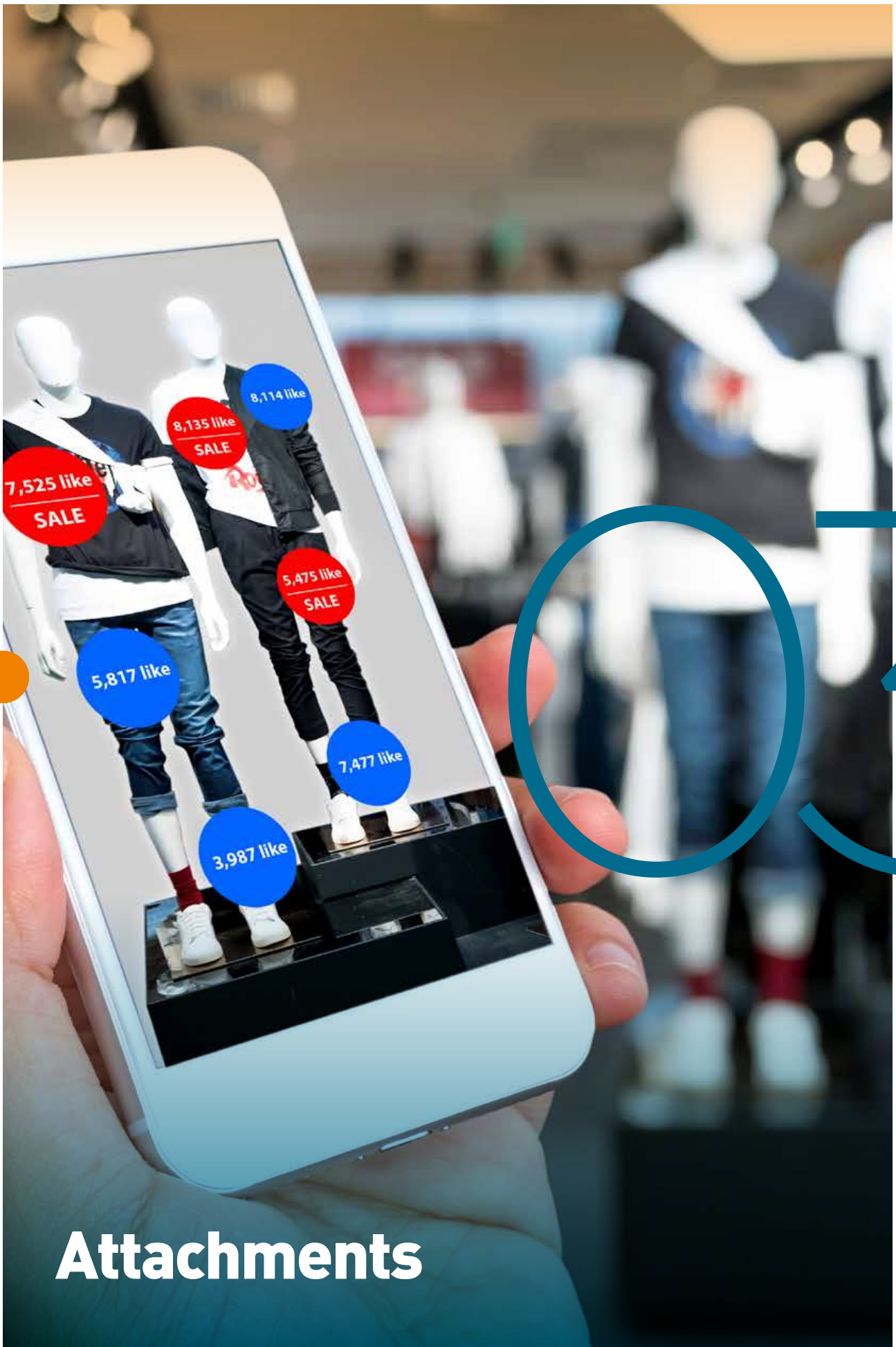LINX IT SOLUTIONS   motivaction insights and strategy

Software that allows the composition of offers is especially interesting for branded applications and advertising platforms

FOR WHICH OTHER MEDIA CHANNELS COULD SOFTWARE THAT ALLOWS OFFERS TO BE COMPOSED BE OF ADDED VALUE?
(BASIC - ALL, N=100)
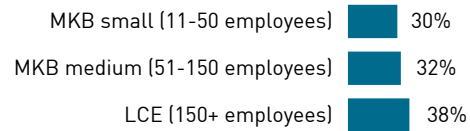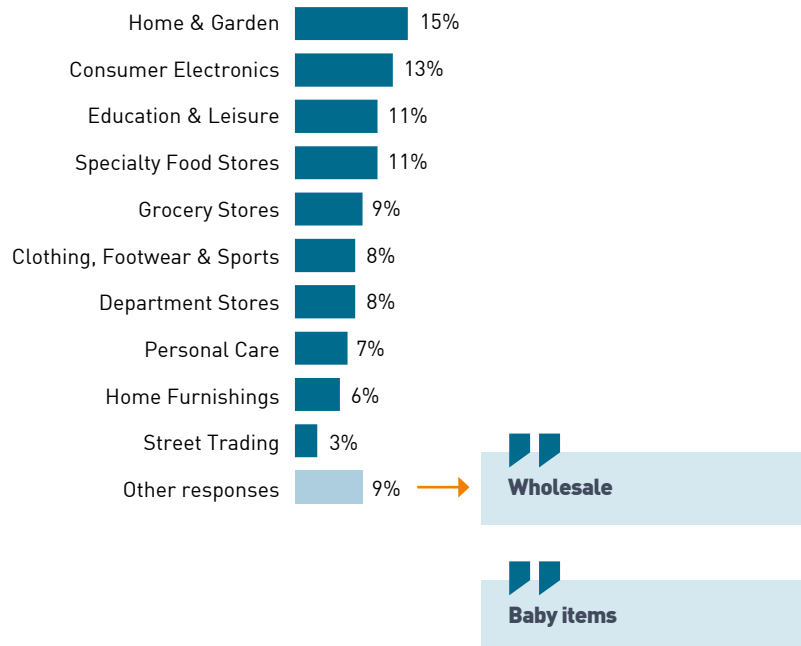
Channel	Percentage
Branded applications (your own app with flyers)	43%
Advertisement/promotion platform	42%
Retail broadcast networks	24%
Other responses	2%
I don't know	26%

Attachments

03

Background of respondents

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HOW MANY EMPLOYEES DOES YOUR ORGANIZATION HAVE?
(BASIC - ALL, N=100)

MKB small (11-50 employees)	30%
MKB medium (51-150 employees)	32%
LCE (150+ employees)	38%

TO WHICH RETAIL INDUSTRY DOES THE ORGANIZATION YOU WORK FOR BELONG?
(BASIC - ALL, N=100)

Home & Garden	15%
Consumer Electronics	13%
Education & Leisure	11%
Specialty Food Stores	11%
Grocery Stores	9%
Clothing, Footwear & Sports	8%
Department Stores	8%
Personal Care	7%
Home Furnishings	6%
Street Trading	3%
Other responses	9%

Wholesale

Baby items

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Research technical information, quantitative

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Fieldwork period

The fieldwork was conducted from July 27, 2023, to August 28, 2023.

Method of respondent selection

From the StemPunt panel by Motivaction. From an address database provided by
Linx IT Solutions. And through recruitment on LinkedIn.

Incentives

The respondents from the StemPunt panel by Motivaction received points for the StemPunt
loyalty program as a token of appreciation for participating in the survey. Linx IT Solutions, for
their provided respondents, donated □10 per respondent to the charity of UMC Utrecht and
Wilhelmina Children's Hospital, specifically for infusion monitors for prematurely born babies.

Weighing

The research data are not weighed.

Responsibility for online survey response

During the fieldwork period, invitation emails were sent to 4291 individuals. On the closing date of
the fieldwork (see Fieldwork period), the desired number of questionnaires was completed, and
access to the online questionnaire was closed.

Retention period for primary research files

Digitally available primary research files are kept for at least 12 months after the completion
of the study. The same applies to written primary files such as filled-out questionnaires.
An exception is made for audio and video recordings of respondents, which are kept for a
maximum of 6 months.

Other research technical information

Other research technical information and a copy of the questionnaire used in this study are
available upon request for the client.

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