

FEATURE

BACK TO THE FUTURE



With the Back to School period outlined on the horizon, we take a look at how it went last year and preview some of the trends and products that'll be making a big splash this time around.

According to research house, GfK, last year's Back to School sales period was exceptionally strong with total office sales increasing by +20.7% (VLY July–Sept) in volume and +12.0% in value.

To break it down into more details, Desk and Filing Accessories (which encompasses writing instruments, paper/envelopes and filing/storage, and accounts for 95% of all unit sales but just 47% by value) led the charge (+21.4% in volume, +10.1% value), closely followed by Office Machines (+19.3% in volume, +20.3% value), while Presentation Materials (+5.5% in volume, +1.7% value) and Computer Supplies (+7.2% in volume, +10.2% value) lagged well behind.

Emma Lawley, category marketing manager for BIC, narrows the results down further to her own company's area of expertise. "Back to School continues to grow," she says. "The overall market for BTS saw a 31% increase in volume in the writing instruments category and 4% value growth. Most products areas are growing. Although the majority of sales are through retail channels, the B2B channel does see an increase during September as consumers stock up for going back to school and college."

BEAT THE BIG GUYS

However, that increase has been eaten into of late by the approach of the mass merchandisers, a presence which GfK reports last year led to a downward pressure on prices and margins. It's a problem that, if anything, will only get worse. So what are the manufacturers recommending when it comes to positive action for their dealers?

"With increasing pressure from the high street multiple chains and supermarkets, dealers and retailers need to work harder than ever to ensure a fair share of the available sales revenue through the key Back to School promotional period," says Staedtler UK's marketing manager, Nich lee. "Range selection is crucial to capitalising on the opportunity. Supermarkets and high street multiples will focus on the bulk sales of the basics –

cheap own label ballpoints, HB pencils in bulk etc. This will appeal to many, but there will also be a large volume of the more discerning shoppers who will find it difficult to meet even their basic needs through supermarkets."

Lee continues that dealers need to cover these basic needs first but with competitively priced branded product... 'the workhorse' ballpoint pens, blacklead pencils, an eraser, a sharpener, a ruler, and so on are products that will be found in every pencil case on the first day of term.

"Dealers need to cover these basic needs first but with competitively priced branded product"

"Ensure you cover the periphery of the ranges not offered by supermarkets – this is where stronger margins can be made. Add value to the basics to get away from direct price comparisons – use the flexibility that being small offers to differentiate yourselves from the formulaic big boys," says Lee. "For example, offer a mix and match pencil case tailored to the lists from the local schools. And eye-catching display and window communication will ensure consumers know where to come. Back to School is tougher than ever, but there are opportunities for the proactive dealer."

And, as Uni-ball's marketing manager, Clare Gibbard points out, "service is also a key differentiator as dealers are able to offer expert advice on the stationery ranges they stock at point of purchase utilizing product training and merchandising support from manufacturers".

PRODUCT TRENDS

Predicted product trends this year are a varied lot from our panel of experts. Lee says that the

industry will certainly see the continuation of trends established over the last couple of years, with 'Mum' searching out the proven safe and reliable everyday items rather than transient fashion products. "Conscious of true 'value for money', Mum will look at products that will last the rigours of the classroom and these are traditionally offered by brands. With the expense of kitting out Back to School, mum will focus on core products, looking to meet all the basic needs first," he concludes.

Gibbard predicts the introduction of more fashion products in both the retail and commercial arena, something she says plays on consumers treating stationery items as accessories rather than being purely functional items. "Uni-ball will be introducing a new range of funky colour barrels in the Signo 207 range which write in black and a limited edition fashion flower barrel Fusion pen later this summer."

Lawley primarily agrees with Gibbard's viewpoint on style and accessories, in that consumers are always looking for new and innovative products that will differentiate them from the friends. She says that eye catching packaging and new designs will help products stand out on the shelf and attract attention.

ON SHOW

Staedtler this year will focus on a comprehensive range of its strongest school products – using its strength in the education sector to pick those products used in classrooms throughout the UK. Combined with smart packaging and eye-catching in-store display, Lee says that the range is designed to maximise the potential of this key selling period.

"As well as products sold individually, we will also feature a selection of blistercard sets made up of winning combinations of classic school products from our range, offering represent exceptional value for money as 'one stop' pencil case fillers," explains Lee. "New for 2007 are a selection of innovative 'added value' products to >>>

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help drive value sales. These include two products from our triplus range – the mobile office set with a calculator incorporated into the pack and a selection of our best selling triplus fineliners in an artist roll pencil case.”

Uni-ball is also getting involved in offering comprehensive selection packs, to help dealers maximise their Back to School offer without ‘maxing out’ the number of SKUs they stock,

“If dealers are looking to reduce the number of SKUs listed for Back to School, they may be looking to take on selection packs which provide a one-stop shop,” explains Gibbard. “The Uni-ball ten piece multi-pack is just that. The pack contains everything that school and college students need all in a stylish neat and convenient box.”

However, Gibbard believes that most important to dealers in this year’s Back to School offering will be the presence of new, innovative products. One example of which will be the new Jetstream Sport, which the company claims sets, “a new

standard in ink technology with quick drying ink and a smooth, light and sporty feel”.

Bic is also launching a new product in the form of the EasyClic. According to a company statement, unlike ordinary fountain pens, the cartridge on the EasyClic is accessible on the side of the pen.

“The industry will certainly see the continuation of trends established over the last couple of years”

“A lot of children use fountain pens at school but find that ordinary fountain pens can be messy and unreliable,” says Lawley. “Following extensive research, we took children’s comments on board, to make sure that we provided a fountain pen that they would want to use over and over again. The design of the packaging has been created to

appeal to our fun and lively target audience, so will be the ideal writing partner for children going back to school, allowing retailers to take advantage of this successful trading period.”

Also on the shelves will be Robert Horne Business Papers. Business papers director, Mike Thomas reports that his company will be partnering up on specific offers involving good quality branded products such as HP.

“This means that we can sell the benefits of the brand which adds value to the customer proposition,” he adds.

THE CONCLUSION

Back to School hasn’t just become an opportunity for a supermarket ambush, far from it. But to maximise value and sales, dealers need to understand exactly where the weaknesses in the supermarkets strategies lie, and exploit them, which means supplying super service, intelligent range selection, and accurately targeting your marketing material. ■

