



The Back To School period is big business, and new competitors are after your slice of the pie. Chris Allsop takes a look at the challenge ahead for dealers and the lay of the sales landscape.

SAVED BY THE BELL

While stationery is a year round necessity for schools, it's the focal point known as 'Back To School' (BTS) (generally accepted as July to September) when the office products sector really cleans up.

Mothers drift down aisles buying suitable, sensible supplies for a child's work; said child nags mother for overpriced (but obviously great value) multipurpose pen/boomerang/torch with a picture of Whippy Doodle the happy ink splodge emblazoned on the side. The BTS period provides the marketing departments of office product manufacturers an annual opportunity to go hog wild, and it can be astonishing what gimmicks and campaigns emerge to capture the imagination of the little terrors.

This year it's a job that, more than ever, needs to be spot-on in terms of youth appeal. Supermarkets and high street retail have encroached on the BTS period, and big name chains can be found trashing the price on several dozen key lines and putting a dent in the traditional dealers' BTS period profits.

"With these channels offering volume at low price – for example, 36 HB own label pencils for £1 as appeared in 2005, this period is becoming more competitive than ever," says marketing manager at Staedtler UK, Nich Lee. "Rather than

trying to compete directly on price (and taking all the value out of your business) the key is to differentiate."

Lee advises dealers to firstly offer range – the grocery channel isn't interested in offering any degree outside of an HB and this leaves a large area of opportunity around the periphery of their offering. Secondly, concentrate on brands which are not well represented, as the grocery channel tends to focus on a predominantly own label offering.

"You may miss out on some of the large volume core business," adds Lee, "but your cash margins can be stronger by not competing on price and getting the range right."

Is this year's range of products similar to 2005? Or are there openings for new products and technologies in the dealer salesperson's product arsenal? "It is true that technology will continue to have an impact on stationery sales," says Lee. "For example, interactive whiteboards offer tangible benefits over a traditional whiteboard and they must eventually erode this market. However, the trends are long term, and uptake is slowed by the large investment levels required. Continue to focus on the key best sellers and you will not go far wrong."

Flog the traditional school essentials then, but to the usual

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quarters? Yes indeed, seems to be the answer with Staedtler's Lee naming mothers first, children second, and Julie Lynch, marketing director for Collins, adding academics and students to the list of possible purchasers – a reminder that BTS isn't just for the 18 and under demographic.

The marketing departments have their marks, so what's been concocted to capture the sales? Helix is launching a range of Ministry of Sound licensed stationery following consumer research conducted last year. Products will feature a rubber badge detail with integral headphone valve for use with mobile and music technology – mobile phones, iPods and MP3 players.

"Two powerful and distinctive designs – 'Caution! Excessive Sound Levels' and 'No Dancing on this surface!' are strong, stylish and fun images taken directly from the Ministry of Sound club heartland", says a statement from the company. And while encouraging children to listen to iPods and mobiles via their school materials may cause facial ticks among teachers with difficult classes, the 'urban' and 'funky' appeal appears to be the driving force behind a number of big name manufacturers' campaigns.

Indeed, as Mitsubishi Pencil Company marketing manager, Clare Gibbard, points out, >>>

consumers, particularly students, are more design aware and technologically savvy than ever before.

"Back to School/College for consumers is not just about buying a cheap pack of pens anymore," says Gibbard. "A combination of the latest trends, innovative technology and extra value is required for the product offering during this period to stimulate demand and gain all important sales growth."

One supplier aware of this is Henkel, judiciously hopping on the World Cup bandwagon, as well as recruiting plasticine Oscar winners Wallace and Grommit to try and push promotional packs of their existing ranges into the wish list of every stationery hungry man, woman and beast in the land. Following last year's success, Staedtler will be running its 'Test the Best' promotion which bands key sellers together – for example, allowing mum to buy the HB pencils and get a Mars Plastic Eraser free.

"By selling key products for the period bundled together we offer mothers the greatest value against the essentials," says Lee.

Uni-Ball is targeting the 'tweens' demographic with its 'Scribble Squad' promotion; a gang of cartoon youths with their own website. Gibbard explains, "A new breed of eight to ten year olds that are increasingly looking for ways to bridge that gap between childhood and the teens years, has opened up a 'tweens' market ripe for the latest craze. Dealers need to ask themselves whether they can get involved in this trend and take advantage of the opportunities it represents. Uni-ball's 'Scribble Squad' is perfect for capturing this market and driving demand."

So it seems to maximise sales this year, get 'down with the kids' or simply make constant reference to football. Mothers will be nagged, but they will also be after quality and value. As Uni-ball's Gibbard points out, "the pen and ink market is being influenced by a consumer with higher expectations; a more discerning purchaser who is looking for that extra 'value'". Ensure you have the offers at hand to meet your target markets' needs, backed up by the diversity to combat the threat from high street retailers and the supermarkets. ■

BACK TO SCHOOL 2005

BTS last year was generally successful in volume terms compared to 2004, however with the ever increasing price wars; value has seen a significant decline. As more and more retailers increase their BTS ranges and promotions, the competition to be the lowest priced retailer during BTS has had a not so positive effect in terms of profit margins.

Three product categories; colouring pencils, mechanical pencils and crayons are the only writing instruments to show any signs of positive value growth over this period. When we examined September 2004 on 2003 we saw a massive 20.1% volume and 5.7% value growth, however comparing September 2005 to '04 we have now seen just how the price declines have affected the market overall with volume only up 2.5% while value is down 6.7%.

Of course looking at the other aspects affecting this trend is there a possibility that people saw the lower prices as a bargain last year whereas now they see them as normal? If consumers have been purchasing own label products solely on a price-based decision, will this continue next year or now that prices are almost as low as they can go will people start to trade back up to branded offerings they know?

Fountain pens suffered this last year; however BTS05 has seen the ARP increase for these as consumers tend towards a higher quality product. Could this be a sign of things to come for the other categories?

Source: GfK

