



SHREDDERS COME OF AGE

As the shredder market matures, there continues to be excellent sales opportunities, including good potential for the upgrade of existing machines.

BY MARTYN BILLING

Shredder sales have boomed in recent years, driven by highly publicised increases in identity theft and corporate cloning. The figures continue to rise with the government recently reporting that identity theft now costs the UK £1.7bn, a huge increase of over 30% since only 2002!

The market for shredders can be considered to be maturing, not because the recent sales growth is slowing but because end users are now replacing existing shredding machines, often making a more informed purchase the second time around.

This is a process that can be assisted by dealers. Indeed, the major shredder manufacturers are contributing by introducing more stylish machines with features geared to higher performance and convenience of use, while >>

simultaneously catering more for electronic media that also needs to be shredded.

Any market that has the benefit of a high news profile, supporting regulation/legislation and a purchase that is of benefit to personal security and well being has a high opportunity for sales growth. Shredders have all three!

Although the use of small personal shredders in the home has rocketed, this application does not represent such a serious opportunity for the typical commercial dealer. Low-end shredders are widely available in many retail outlets and typically sell for under £20, including VAT. Unless they are a good quality, ideally crosscut, shredder they are only suitable for light use and non-confidential information. Everybody and especially those working from home should be encouraged to invest in a more substantial, higher specification machine.

The main opportunity lies in sales to companies and other organisations, especially the public sector. Because the Data Protection Act places an obligation on all of these businesses to manage, control and dispose of personal information effectively, all appropriate documentation needs to be shredded.

Although every office should have a shredder, those that handle a higher volume of confidential personal information have a

“With all the talk of Identify Fraud in the press and with the launch of National Identity Fraud Prevention Week and Chip & PIN becoming enforced in February, shredders have really proven to be a popular purchase in 2005. This has been highlighted by a growth of 27% in volume terms from December 04 to December 05, making shredders the new ‘tie and socks’ option for Christmas.”

**MICHELLE MCGOVERN,
GFK RETAIL & TECHNOLOGY ACCOUNT DIRECTOR**

particularly high propensity to purchase. Examples include: professions such as accountants and solicitors, health including doctor's and dentist's practices, recruitment agencies, financial institutions from banks and building societies to independent financial advisers, local authorities and hotels. Indeed any business which gathers information on private individuals.

While every business needs a shredder, the types of machine they require are very different. Their requirements can even differ from department to department. For example, because personnel information should be confidential, even within the business, managers and employees here should possibly have a shredder beside their desk. Senior directors too, because they will be handling information that other employees should not see. Meanwhile, larger machines can be sited on a departmental basis and in other areas.

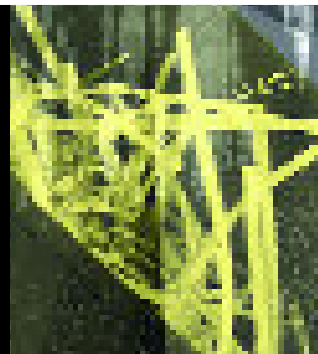
Every shredder enquiry, even every shredder order received by a dealer, should be treated as an

As end users become increasingly concerned about data security issues, they are looking for multimedia shredders which can safely destroy, not only sensitive documents, but other sensitive materials such as CD-ROMs, credit cards and floppy disks.

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opportunity to discuss a customer's shredding policy. Similarly, when talking to a customer, existing or potential, ask whether they have the right shredders installed in the right places throughout the company or organisation.

There is now a significant opportunity to upgrade existing machines. Customers will now be aware of the limitation of existing products: speed, the number of sheets that can be shredded at once, bin capacity etc and so will see the benefits of equipment more suited to their needs.



The benefits of upgrading are also apparent from the much more stylish designs for the latest shredders. The previous, square box-shapes have been replaced with curved, flowing lines. The shape of some models has also been adapted to fit into slimmer spaces and new colour schemes are reflecting those of personal computers, peripherals and other office equipment.

New features have also been added to many machines in recent times to improve operator convenience and safety. Viewing windows that allow the user to see how full the collection bin is, separate facilities for the shredding of CD's, DVD's etc and improved safety guards, even sensor operated systems. These all provide reasons for customers to upgrade from their existing machines and opportunities for you to sell newer models.

So, as shredders come of age, there are still significant sales opportunities. Indeed, as end users become better educated as to the high risk of identity theft and corporate cloning plus perhaps the limitation of their existing shredders, those opportunities could be said to be increasing, particularly for the sale of higher specification commercial machines.

Most of the leading manufacturers offer comprehensive sales support. This can include not only product literature but also specific training and assistance for you and your customers with selecting the right machine. Some even offer guides to the disposal of documents and the selection of the right shredder plus assisted demonstration services.

If you are not getting your share of shredder sales, shape up, they are coming of age! ■

“As shredders are very much our main product line, we are focused on assisting dealers with developing sales in this area. To this end, we offer a whole range of tools and training which is available free of charge.”

CRAIG BOULTER, HSM SALES DIRECTOR FOR THE OFFICE TECHNOLOGY DIVISION