

# Extra Credit: Office Supplies and Back- To-School Season Insights

Introduction: Perry James, President, U.S. Hardlines

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The NPD Group, Inc.

ECRM

September 2015

AUTOMOTIVE  
BEAUTY  
CONSUMER ELECTRONICS  
ENTERTAINMENT  
FASHION  
FOOD / FOODSERVICE  
HOME  
LUXURY  
MOBILE  
OFFICE SUPPLIES  
SPORTS AND LEISURE TRENDS  
TECHNOLOGY  
TOYS  
VIDEO GAMES

# Opening Remarks

Store Sales Account for Over 90% of Retail Sales During BTS

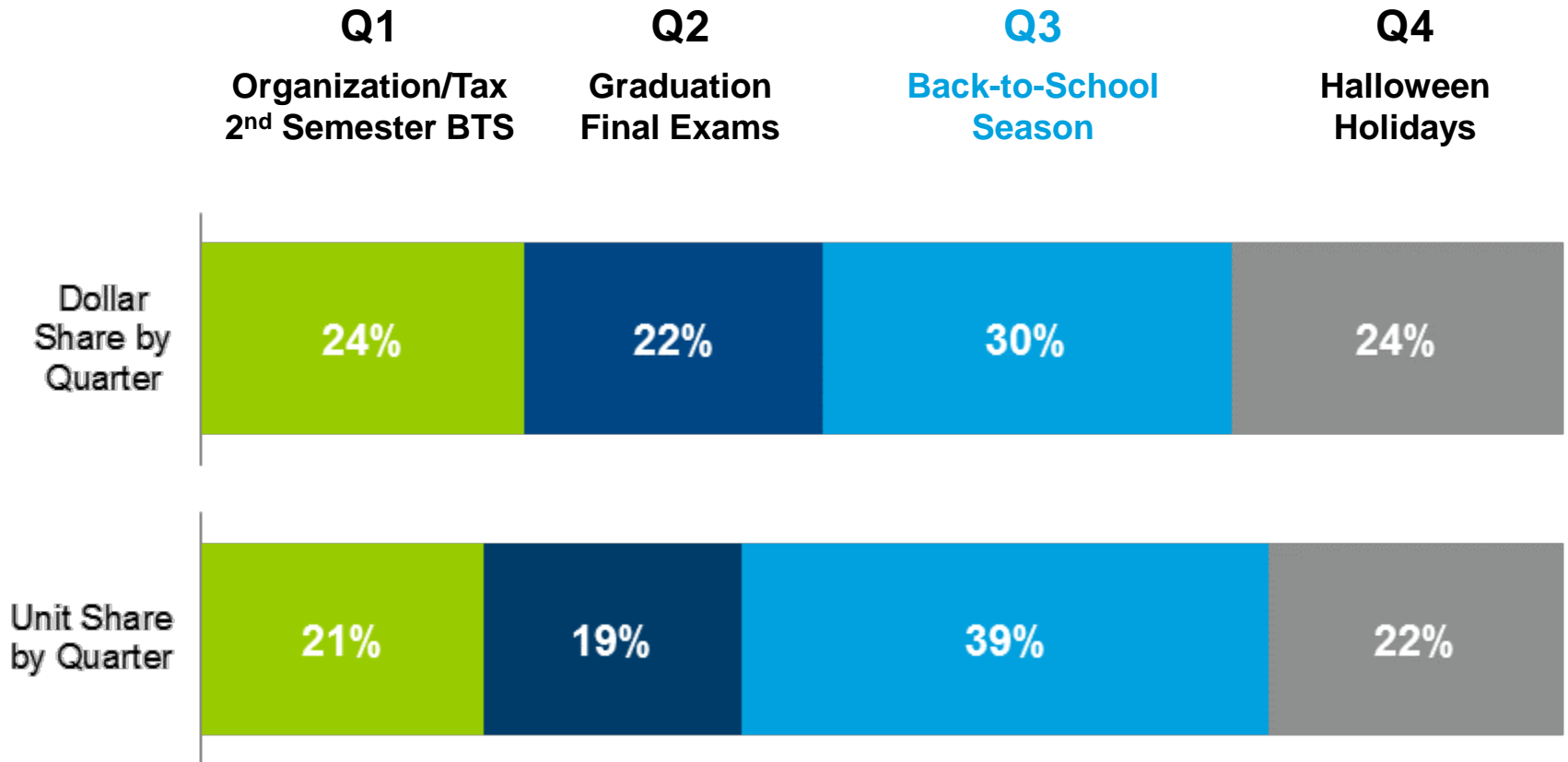
Halfway Through the Season +\$30 MM Shifted Online

Late Labor Day Led to Shifts in School Starts

Over 10 States Shifted Tax-Free Holiday Period in 2015

Presence of Technology in the Classroom Continues to Grow

# The Back-to-School Season accounts for 30% of the \$11.7 billion in yearly traditional supply sales.



Source: The NPD Group/Office Supplies Retail Point-of-Sale Weekly Tracking Service/excluding janitorial and breakroom

# Spending on traditional supplies accounts for 30% of total back-to-school spending.

Traditional  
Supplies

29%



Technology

59%



Personal  
Hygiene

3%



Backpacks  
Lunch Bags

9%

Source: The NPD Group Inc./Office Supplies Back-to-School Monitor/Dollar Share 2014

# Inside A Teacher's Classroom

## ■ Blended Use of Technology & Supplies in the Classroom:

- 1:1 Computing; Group Stations
- Interactive Whiteboards; Electronic Markers
- Document Cameras



## ■ Stocking the Classroom:

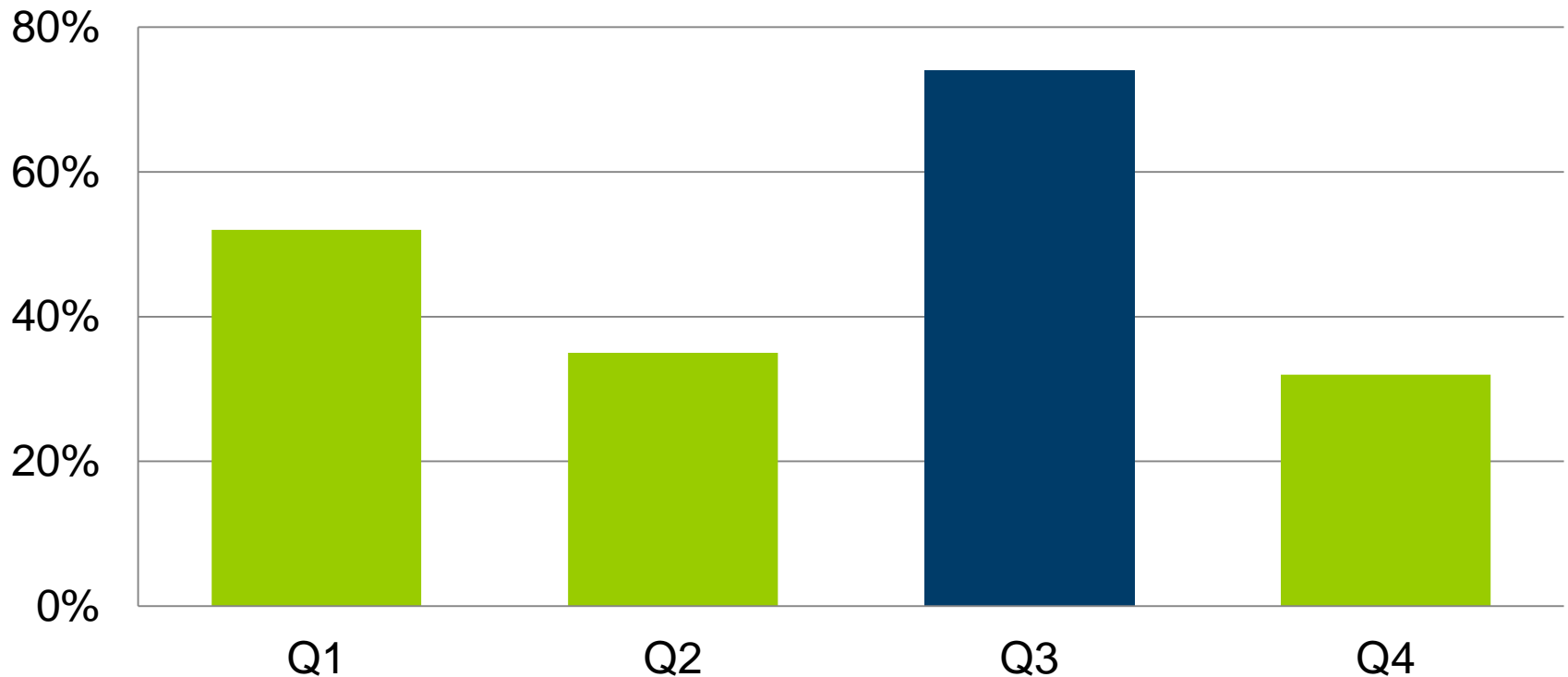
- +70% of provide a **school list**
- +40% distribute **wish lists**
- +30% offer school **supply packs**
- +90% use **personal income**



Source: The NPD Group Inc./Today's Teachers: School Supply Purchasing Dynamics & Behaviors

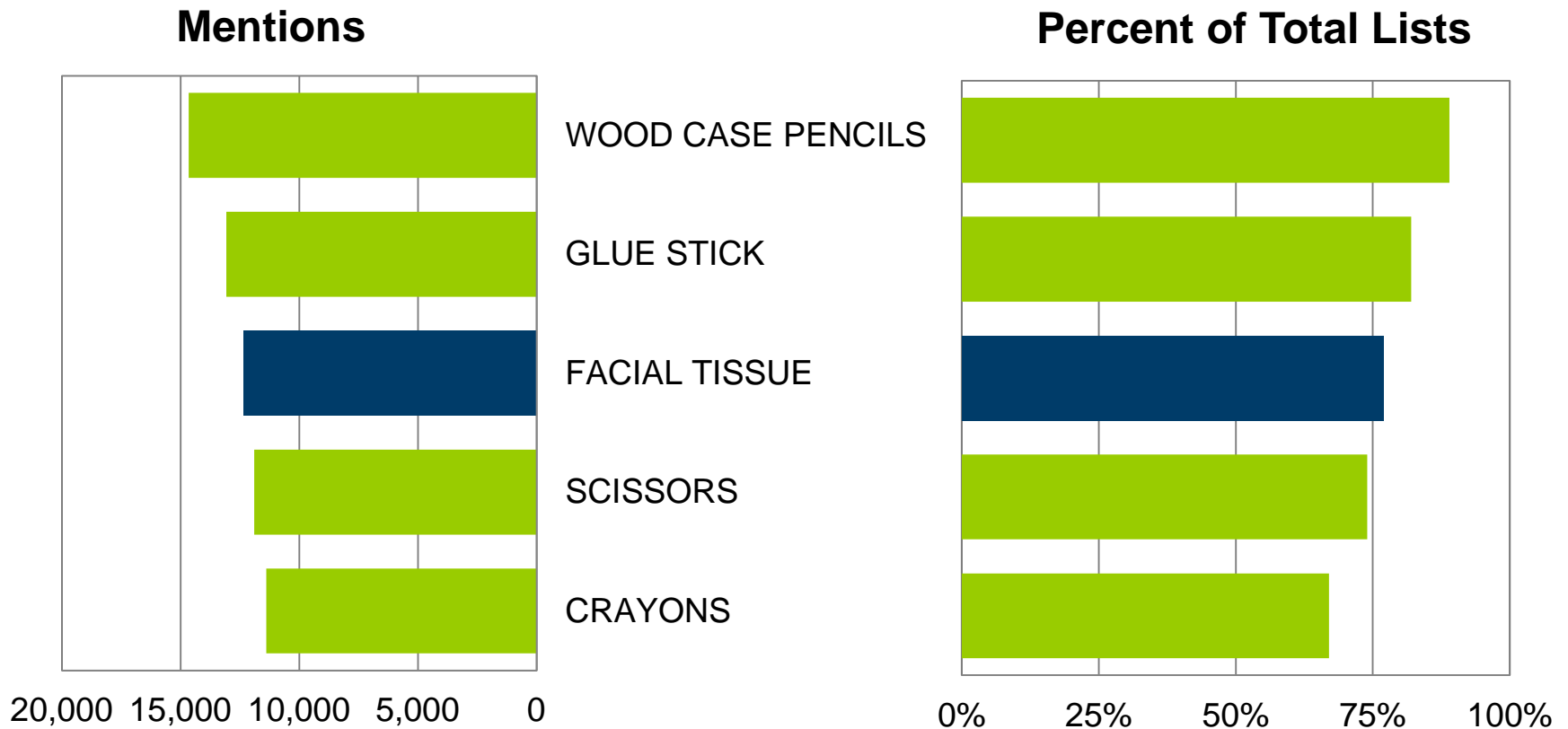
# Over 90% of teachers use personal funds to finance school supply purchasing; 74% of teachers purchase supplies in Q3.

Teacher Purchases by Quarter  
Current Year Purchasers



Source: The NPD Group Inc./Today's Teachers: School Supply Purchasing Dynamics & Behaviors

# Looking at the top 5 school list category mentions, facial tissues is the third most requested item by teachers.



Source: NPD School List Database 2015

# Facial tissue, hand sanitizer, disinfectant, sandwich bags, and hand wipes are at the top of teachers' school supply wish lists.

**% among K-12 School Supply Lists**



**Facial Tissue**



**Hand Sanitizer**



**Disinfectant**



**Sandwich Bags**



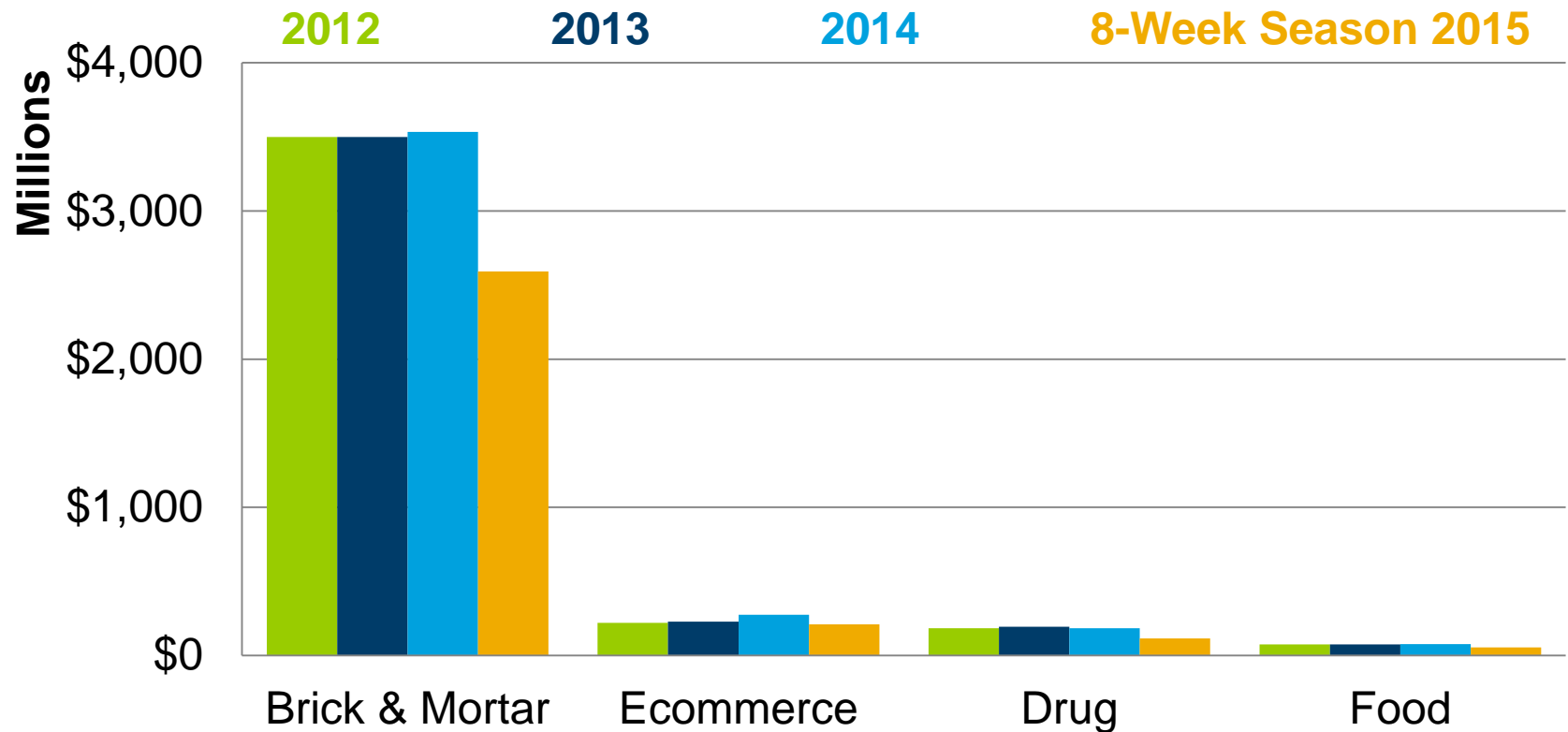
**Hand Wipes**

Source: The NPD Group Inc. / Back to School Supply Lists (2014)



# The Back-To-School shopper still primarily shops brick and mortar stores.

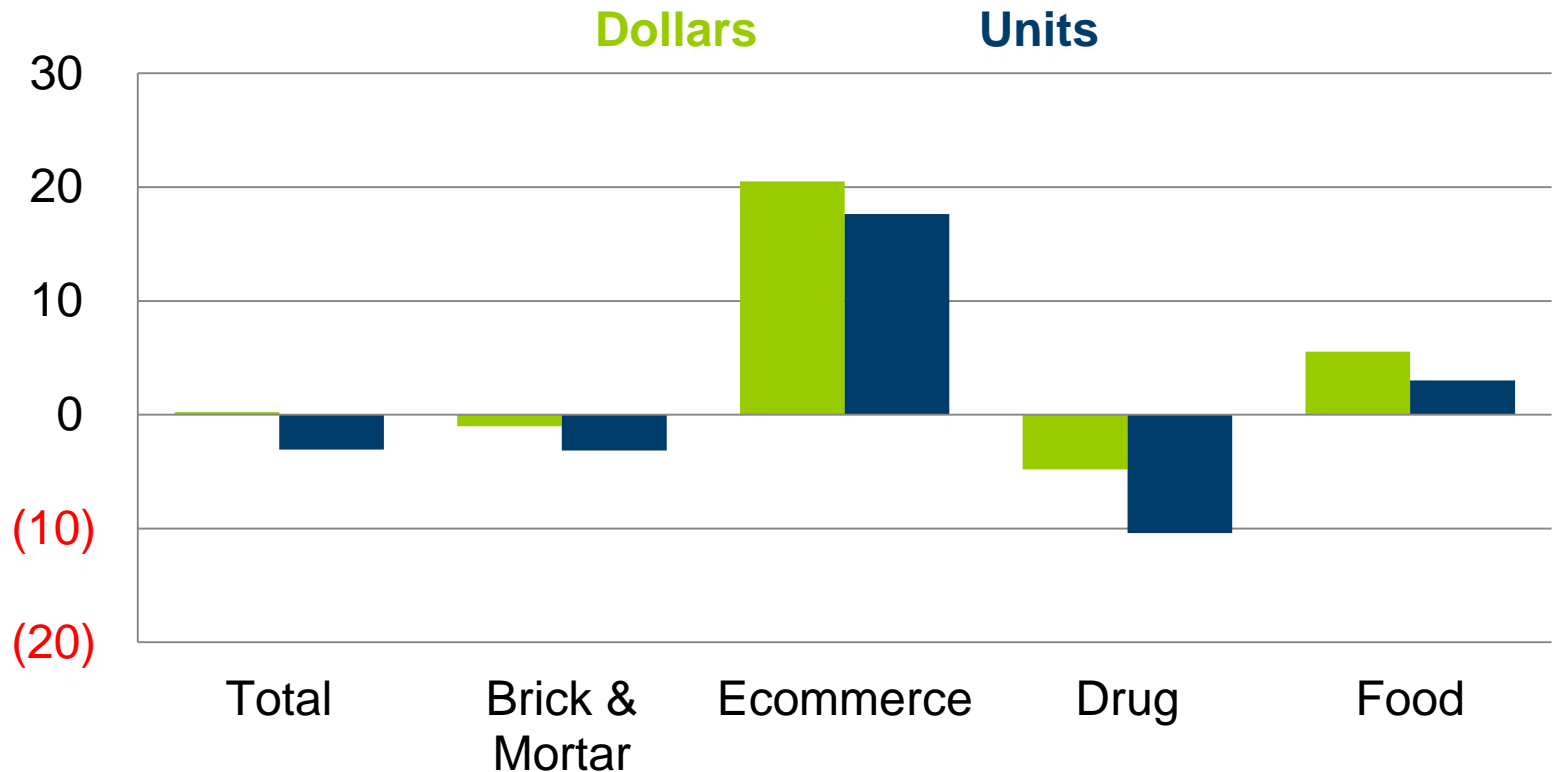
Third Quarter Spend by Channel  
2012 – 2015 Season-to-Date



The NPD Group/Office Supplies Retail Point-of-Sale Weekly Tracking Service/excluding janitorial and breakroom/ 8-weeks-ending Aug 29 2015

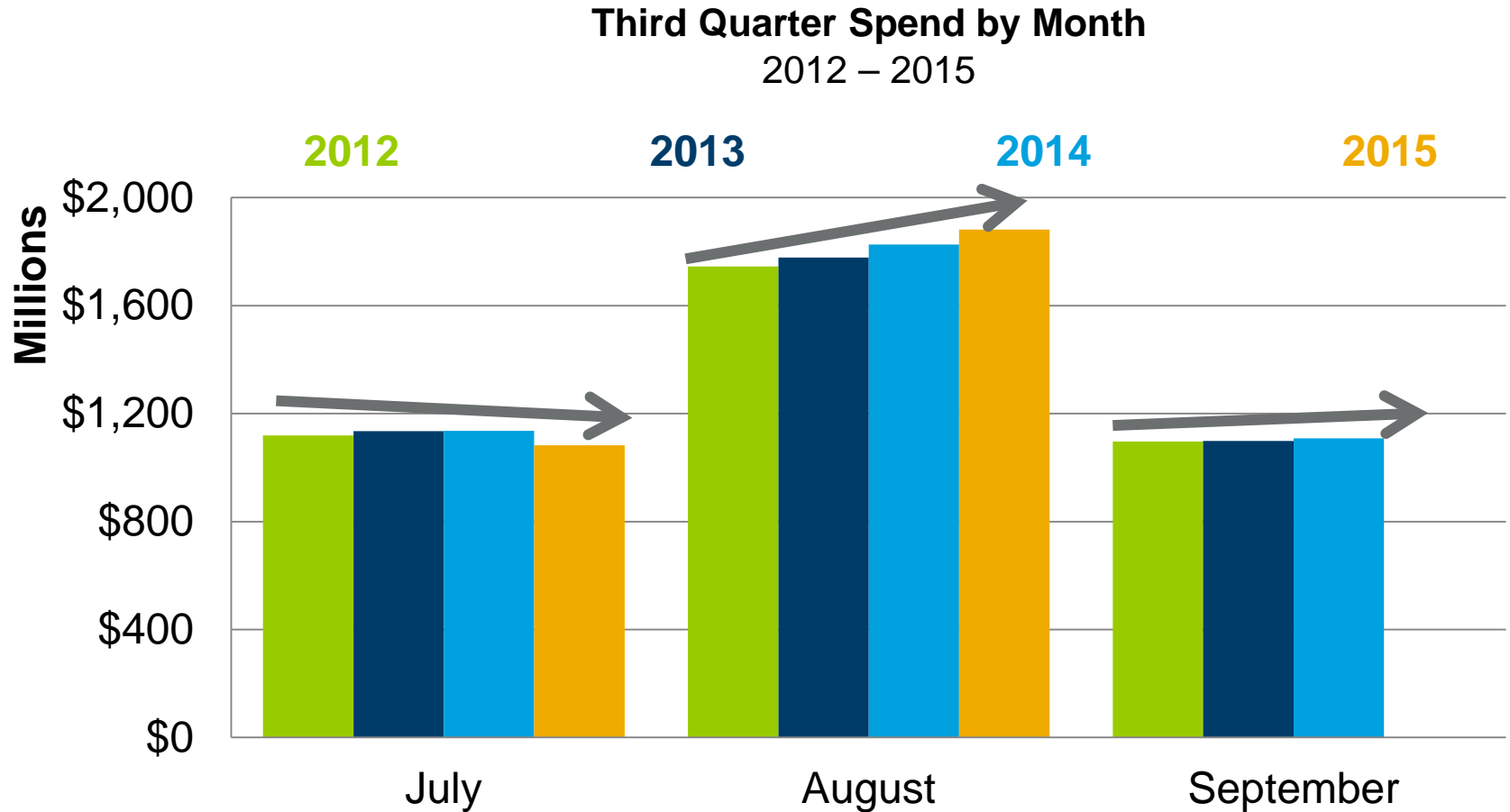
# By August 29 2015, retail sales were flat (+0.2%) – losses coming from B&M and drug stores vs. PY.

Dollar & Unit Percent Change vs. PY  
(8-Weeks Ending Aug 29 2015)



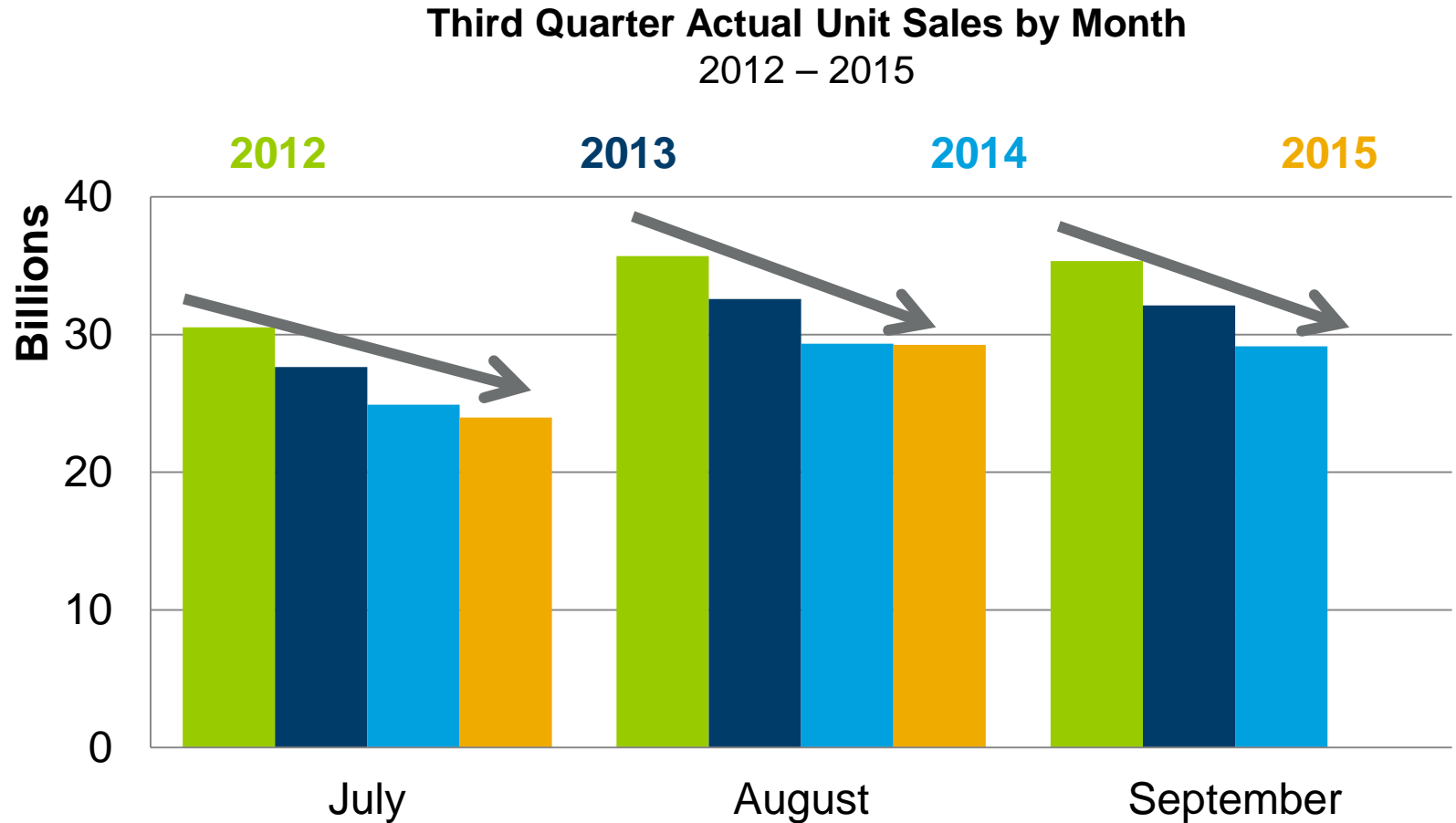
The NPD Group/Office Supplies Retail Point-of-Sale Weekly Tracking Service/excluding janitorial and breakroom/ 8-weeks-ending Aug 29 2015

# Consumers are spending less in July, more in August, and a Late Labor Day may impact this even more in 2015.



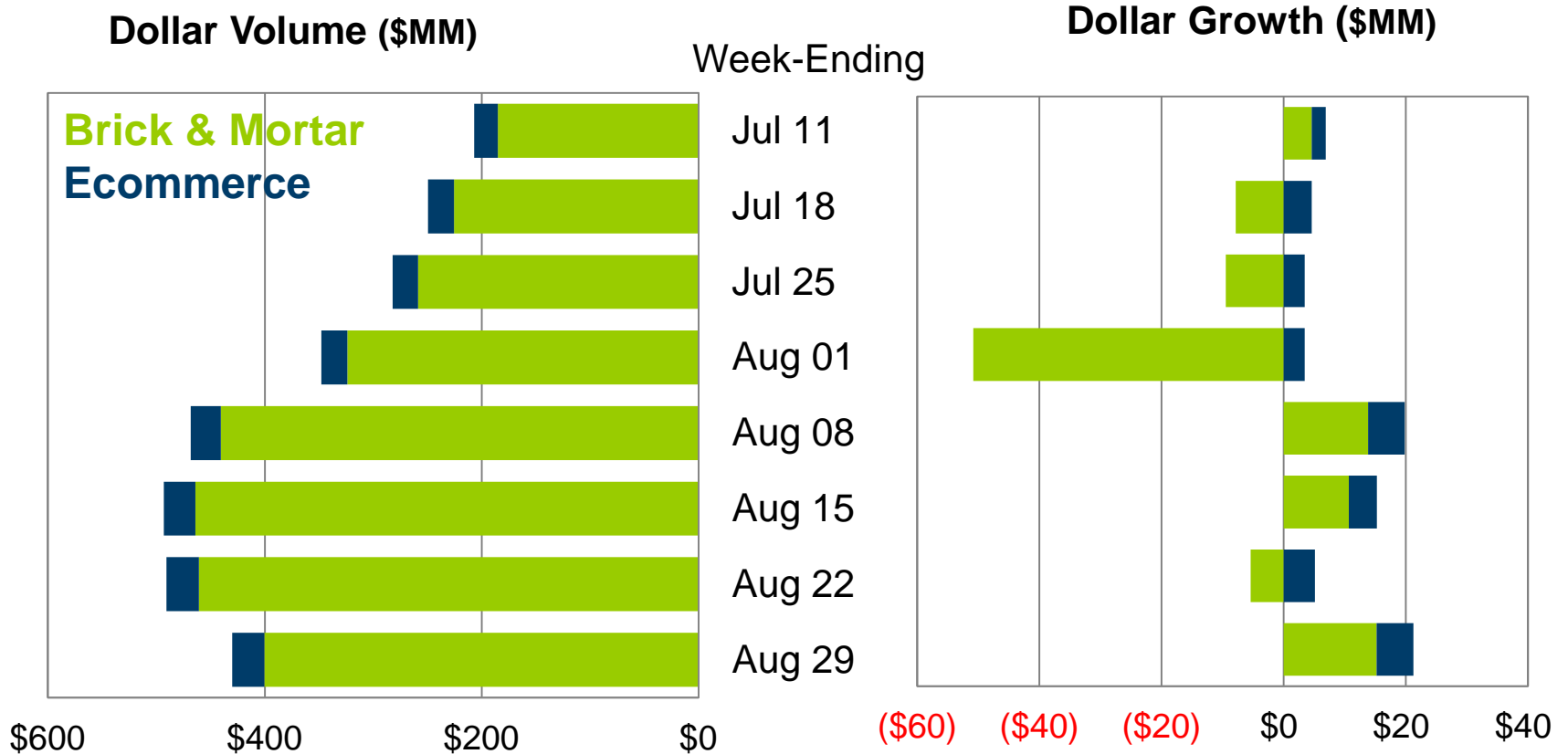
Source: The NPD Group, Inc./ Weekly Tracking Service/ Excluding Jan/San

# Actual Unit Sales Declined Each Month Since 2012; Units Held Steady in July and August.



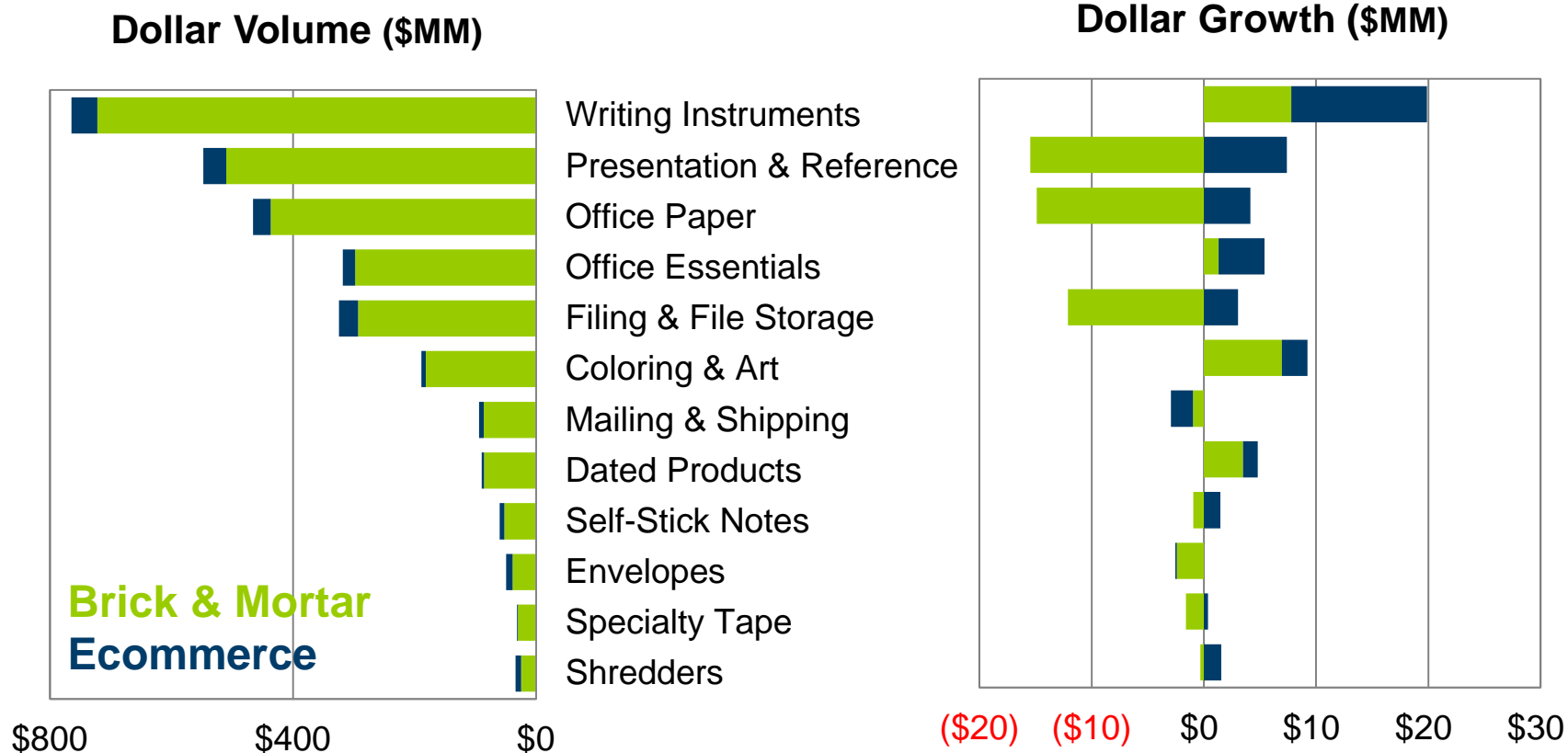
Source: The NPD Group, Inc./ Weekly Tracking Service/ Excluding Jan/San

# A shift in school starts and tax free holiday led to increases in consumer spending in August.



Source: The NPD Group/Office Supplies Retail Point-of-Sale Weekly Tracking Service/excluding janitorial and breakroom

# Filing, Presentation & Reference, and Office Paper Are Driving the Decline in Stores.



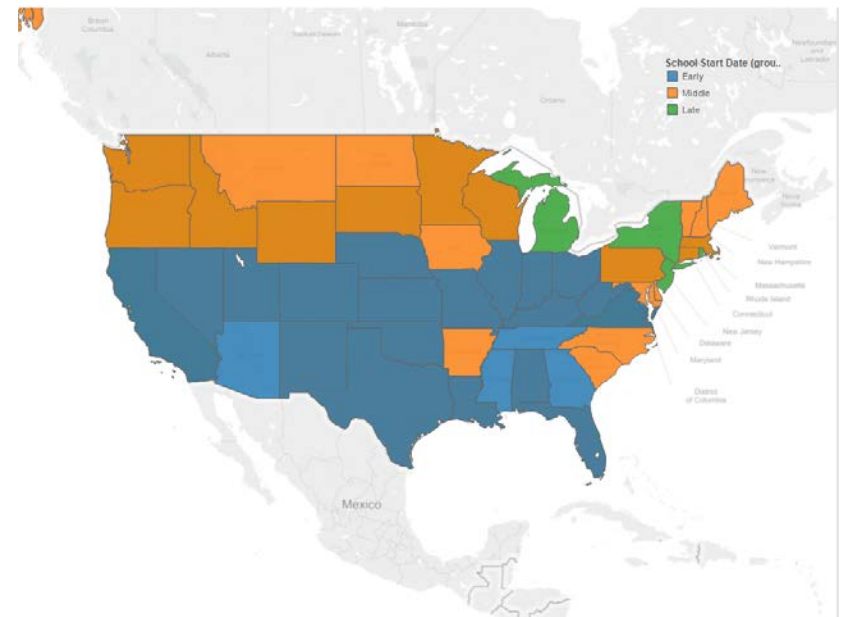
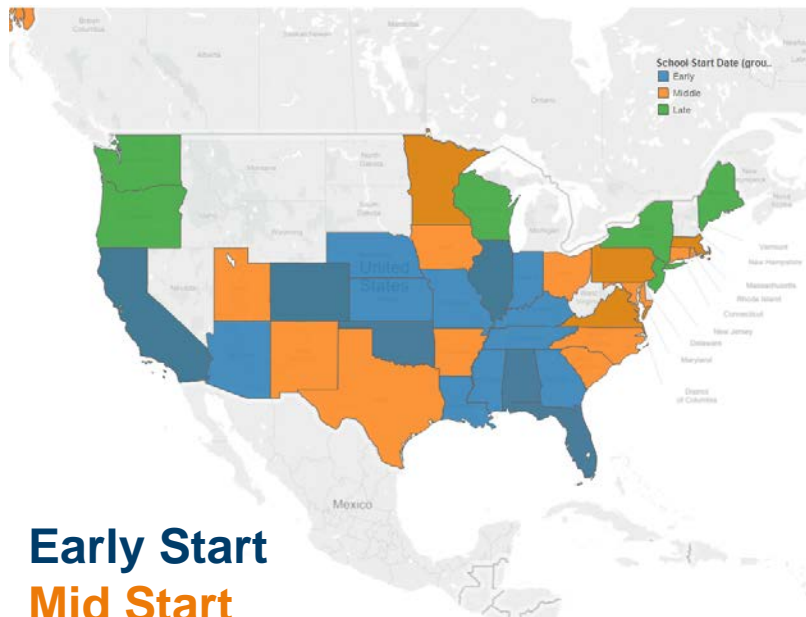
Source: The NPD Group/Office Supplies Retail Point-of-Sale Weekly Tracking Service/excluding janitorial and breakroom/ 8-weeks-ending Aug 29 2015

# School Start Influence On Local Purchasing

The national average school start week remained the same this year. However, an estimated 3% less schools started same week vs. 2014, with more schools moving start dates earlier to week-ending Aug 15 or later week-ending Sep 12.

2014

2015



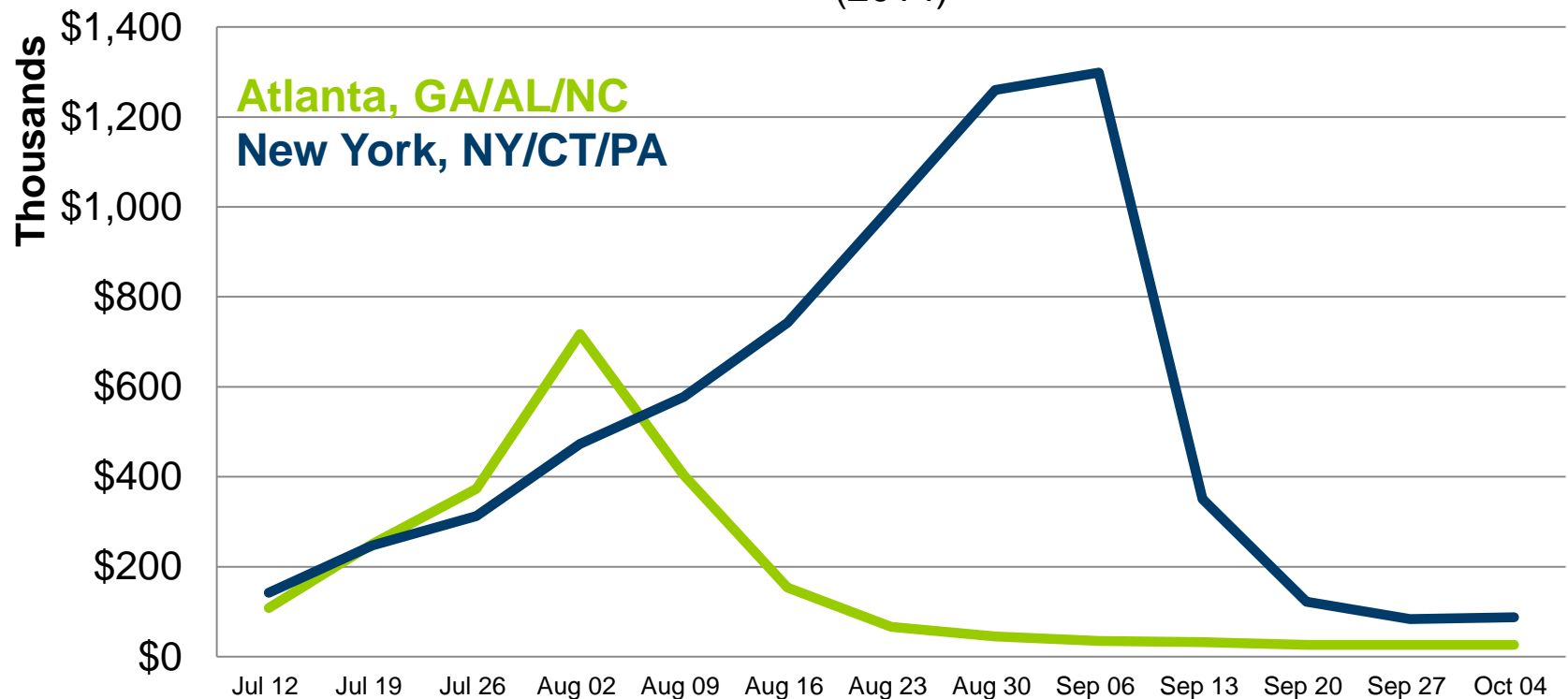
**Early Start**  
**Mid Start**  
**Late Start**

Source: Back-to-School Monitor/Total Season/School Start Date by School Level

Source: Back-to-School Lists 2014 and 2015

# Early and late school starts will influence when consumers are purchasing supplies.

Wood Case Pencil Sales by an Early & Late Start DMA  
(2014)



Source: The NPD Group/Office Supplies Store-Level Retail Point-of-Sale Weekly Tracking Service



# Closing Thoughts

Influences on BTS Traditional Supply Spend:

School Starts

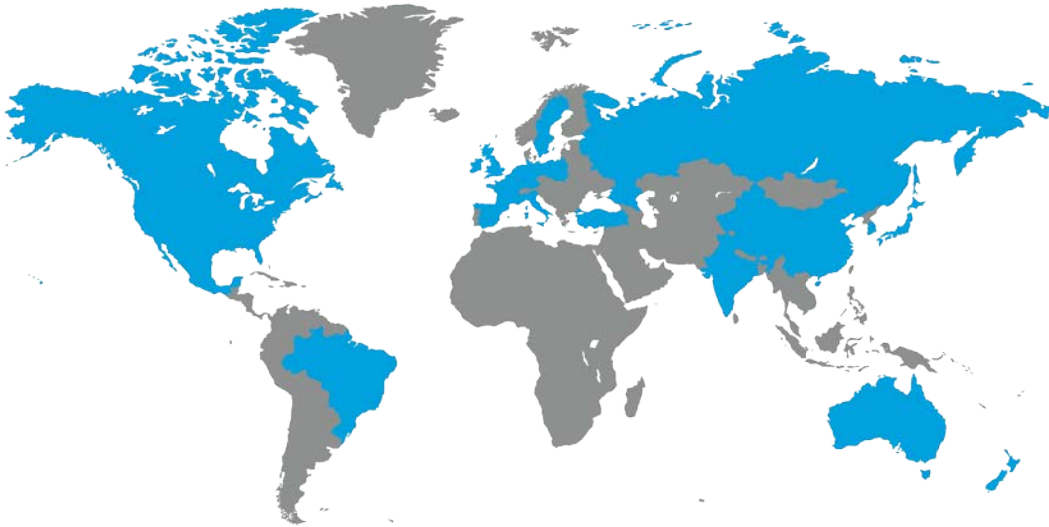
School Lists

Tax Free Holiday Period

Ecommerce

Technology

# Thank You



## Industries

Automotive  
Beauty  
Consumer Electronics  
Entertainment  
Fashion  
Food / Foodservice  
Home  
Luxury  
Mobile  
Office Supplies  
Sports and Leisure Trends  
Technology  
Toys  
Video Games

## Countries

Australia  
Belgium  
Brazil  
Canada  
China  
France  
Germany  
India  
Italy  
Japan  
Mexico  
Netherlands  
New Zealand  
Poland  
Russia  
South Korea  
Spain  
Sweden  
Turkey  
United Kingdom  
United States

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