

The writing's on the wall

Insights, trends and into the future with Stationery, Back to School and Office Supplies

After a period of upheaval, work and school life is still settling into the new normal. The good news is that despite a downturn during the Covid-19 pandemic, revised market reports are expecting strong growth throughout the category and at a global level.

Market research agrees that the sector will continue to grow. According to research company Market Watch, the Global Stationery market is anticipated to rise at a considerable rate between 2022 and 2027. This is corroborated by data from Researchandmarkets.com, which says the global office stationery and supplies market is expected to reach US\$172.2 billion (almost R3 trillion) by 2027. Their analysis suggests growth at a compound annual growth rate (CAGR) of 1.5% over the period 2020-2027.

Africa is one of the regions expecting good growth. As demand grows in these areas, manufacturers and suppliers are opening channels for increased retail prospects. In developing countries such as South Africa, there is also still a high call for traditional office and stationery supplies, such as paper products, writing instruments, school and home stationery, and arts and crafts supplies.



Image courtesy of Olya Kobruseva, Pexels

for a 27.2% share of the global office stationery and supplies market. It's a relatively small increase, but positive, given the current challenges.

Remote working and multiple workspaces spur growth in stationery and office supplies

Stationery and office supplies are seeing unexpected new opportunities thanks to a new way of working, with shared resources and multiple work zones at the fore of these changes. Working from home has resulted in an increased demand for printers, laptops, standalone desks, headphones, monitors, chairs, keyboards, and device mounting equipment. Home-based and hybrid work situations require stationery and office supplies, which in many instances means stationery items are doubled up.

How IT and technology are impacting the stationery and office supplies category

The growth in IT – computers, printers, toners, and affiliated supplies – is a driving factor in office supplies growth. Computer and printer supplies were analysed as part of a Researchandmarkets.com report, which states the category is “projected



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to grow at a 2.2% CAGR to reach US\$49.7 billion by the end of the analysis period.” This is about R830 billion globally. News Bites, a website sponsored by The Hong Kong Trade Development Council (HKTDC), believes the effect of technology on stationery and office supplies cannot be understated.

In an article on the latest trends in this category, they explain, “The widespread use of computers, smartphones and tablets has increased sales of IT-related products. Developments in technology have also affected the traditional stationery business. Computerised electronic devices enable paperless work and provide digital methods for documenting and storing information. The rise of electronic communication forms such as e-mail has also reduced demand for traditional stationery products. Responding to this trend, manufacturers have begun looking to market traditional stationery as gifts or luxury items, offering unique designs with stylish alternatives.”

Online sales make a surprising impact on traditional tools

Both brick and mortar stores and retailers in the online space are reaping the rewards of online shopping. Consumers, delighting in access to a huge variety of stationery, tools, and supplies, are indulging in some intriguing purchasing habits. From the highest-quality writing implements, including fountain pens and calligraphy sets, notebooks and journals that mirror the consumer’s personality, to niche arts and craft tools and

supplies, and extravagant gifts – online shopping is going from strength to strength. For small to mid-size offices and home set-ups, online ordering and delivery is a big plus. Additionally, bulk purchases can attract some savings – although many stores are having to put limits on certain paper products as prices soar and supply remains strained and uncertain.

**Stationery gurus
Freedom Stationery**

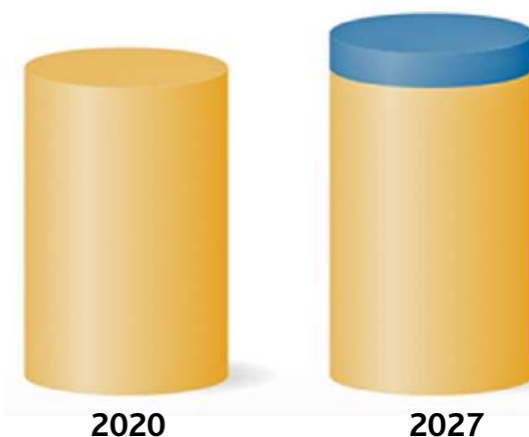
Local and proudly South African company Freedom Stationery is the largest producer of stationery and scholastic supplies in Southern Africa.



Image courtesy of Anton Sukhinov, Unsplash

Global market for office stationery & supplies

Market forecast to grow at CAGR of 1.5%
U\$D 155 Billion U\$D 172.2 Billion



Researchandmarkets.com

With first-world production facilities and capacity they provide a wide range of school, household, and office stationery to the South African market. National sales manager Mervin Govindan explains the current A4 copy paper situation. “The international pulp shortage is not new,” he says. “Globally, mills were complaining about the pulp shortage as early as August 2021. We source our paper locally, from Mondi, but the floods this year wreaked havoc at the country’s two largest mills. With production grinding to a halt, local producers were forced to source alternative pulp and raw materials from international suppliers. Due to the shortage, this was a costly exercise, and in addition to that the freight costs are just ridiculously high right now.”

As local pipeline issues began to settle, local suppliers recognised an opportunity to increase their costs – not enough to price them above international competitors, but enough to have



an impact on local producers. Added to this is the fact that production levels must rise slowly and steadily to reduce the chance of breakdowns, and it adds up that local supply of A4 copy paper is still compromised. Companies like Freedom Stationery are receiving stock on allocation, which results in retailers having to pass these restrictions on to consumers.

The Papery

The Papery is a locally based Western Cape business that supplies innovative, quality stationery. With a diverse offering that includes unusual products such as sealing wax sets and Faber-Castell's Pitt Artist Pens, an array of beautiful journals, writing tools, art and craft supplies, the patented MOM and WOW diaries, and an online stationery box subscription, this online store caters to a niche and dedicated market and also provides school and work stationery supplies through its online shop.

Owner Alison Deary has a passion for creative, beautiful, and interesting stationery. In 2011 she developed the MOM diary out of her own need to keep track of her daily planning, along with that of all four of her children. Since then, the MOM diary expanded to include the WOW diary for non-parents who also lead full, busy lives they need to keep track of, and every year the popularity of these diaries grows.

She says, "The MOM diary was started in 2011, followed very closely by the WOW diary. Back then, there were no pretty diaries available, just stock standard bottle green, navy, black and maroon with nothing special inside. By 2018 The Papery was incorporated to include a lot more products than the original diaries." This level of experience and time has given Deary a unique perspective on the category.

The Papery, like everyone else, has been affected by soaring paper costs. "We have had about five increases in the last few months," explains Deary. "We've tried hard to keep our end product prices from increasing too much. At least the increases are worldwide, which means those importing their products are also affected by the price increases, so we are still on an even playing field." It helps that The Papery customers fall into the 7-10 LSM, allowing them to indulge in more discretionary spending. Deary believes that the longevity of stationery is personal. "We were told years ago that everyone would eventually go online, especially the younger generation. And we are seeing that is just not true. People still love to put pen to paper. There is something very therapeutic about it – keeps us present and connected to ourselves."

Stationery gifting – the prettier and more extravagant the better – is also a very big part of the market, particularly for younger consumers.

For Deary, Covid-19 had an unexpectedly positive effect on business. She understands that her customers are driven by seeing stationery that they cannot resist. She adds, "There is possibly also an element of loyalty as consumers have committed to buying local



The Papery offers customers a curated selection of top-quality stationery.



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products since Covid-19 turned the world upside down. And talking about Covid-19, that was a huge growth point for us. Journaling is a form of therapy and a great tool for self-improvement. So many people have been left feeling totally down and out since Covid hit, and many people have been searching for deeper meaning in their lives. That seems to be a huge driver for us.”

When it comes to improving sales and attracting customers, Deary believes that innovation is vital. She says, “Products that solve a problem are a good place to start! Like the MOM and WOW diaries that provide an organisational hub for women who work and wear many other hats, all our products are designed by tapping into our own personal experiences and needs. And then we finish them off by making the covers beautiful, people love that!”

Deary believes it is important for retailers to look further than the bare necessities, or even back to school and home office-based supplies.

She says, “If big retailers want to keep their customers happy, they need to look at what people want. They could start by supporting local manufacturers (like us). A brick-and-mortar shop does not charge a delivery fee like we do, so they can add quite a bit to the wholesale price offered. Marketing and branding are also very important. We market our brands really well. A walk-in client is more likely to want to purchase a brand that they are familiar with.”



One of the biggest new trends identified by Paperworld China is a growing interest in quality domestic brands that use traditional styles and modern designs, known as Guochao.

Office supplies market trends: sustainability and green stationery

Market research and consulting company IMARC says, “The growing efforts of various companies to offer sustainable and recycled-based office supplies are positively influencing the market. Apart from this, the wide availability of office supplies through online and offline distribution channels is impelling the market growth.

Additionally, key market players are extensively investing in advertisement campaigns to generate brand awareness and increase their overall sales.

In line with this, they are enhancing their service capabilities through mergers and acquisitions (M&A) to secure office supplies contracts from large buyers.”

Private label and own-brand supplies

In their Global Office Supplies Market Outlook report, EMR (Expert Market Research) explains the rising popularity of own-brand stationery. “Large suppliers, such as Staples and Office Depot, have great trust in their self-branded products, due to higher margins, resulting in more profit than other branded products. For example, Staples had 30% revenue in the past few years from these types of branded products and escalated the frequency of the launch of similar products in the market.

Online ordering is providing further impetus to market growth, as customers prefer to buy online due to time and energy efficiency. Companies such as Staples have transferred its investments in the online portal category to make online ordering more convenient for its customers. Amazon Business and eBay have also entered the market due to already existing products on the virtual store that fit into the office supplies category. Suppliers are increasing their service capabilities through the inclusion of non-core office supplies, such as janitorial supplies, technical equipment, and break room supplies.”

Stationery trends to watch for 2022 and beyond

Paperworld China is a trade fair for stationery, office supplies, hobby, and arts and crafts supplies in Asia. It showcases the latest trends and innovations from a large number of top-tier Chinese brands. China has a rapidly increasing market in this category, mainly driven by younger consumers. One of the biggest new trends identified by Paperworld China is a growing interest in quality domestic brands that use traditional styles and modern designs, known as Guochao. Research shows that, "Among consumers who purchase stylish Chinese brands, over 90% were female and half of them were from the post-1995 generation. The research also shows that 60% of this demographic were from third-tier cities and above."

NewsBites also identifies several trends to watch for. Most notable was technology-driven multi-functional tools, such as the combination of smart pen technology, digital ink, cloud storage, and artificial intelligence (AI) that enables handwriting and drawings on paper to be converted into text and image formats on screens.

Green stationery made from recycled paper, biodegradable pens, and stationery certified by the Forest Stewardship Council (FSC) are all seeing increased demand. Personalised stationery is a popular gift and is becoming quite fashionable – particularly with the popularity of Regency and period shows such as Bridgerton and Persuasion. The market is also seeing increased interest in

Image: Paperworld China



top-quality writing tools. This is due to calligraphy becoming a popular art form again thanks to social media, while the quality and craftsmanship of high-end writing instruments is still used to celebrate certain occasions in business and other formal settings. These tools also lend a certain prestige to those who use them.

Alison Deary from The Papery identifies several current and upcoming trends. "Consumers are looking for new cover designs and material finishes that match world standards. Stationery has become like a fashion accessory. Bullet journaling and artsy journaling is already very popular and is a growing market. Today, where we seem to be so much busier than in previous generations, planning has become an entire industry on its own.

This is creating a market for planners and diaries as well as other products that are used with them."

Back to school: The biggest promotion in the calendar?

Back to school promotions may be the second biggest promotion in the retail calendar, but they are certainly giving promotion periods like

Easter and Christmas a serious run for their money. Freedom Stationery's National Sales Manager Mervin Govindan says, "Over the last five years, back to school has been the second largest or, for certain retailers, the largest promotion on the promotional calendar."

He goes on to say, "Back to School will be even larger for us this year. We are adaptable and tenacious. We know that we have to incentivise our customers to protect our volume and market share. This year we have some exciting promotions coming up."

Govindan adds, "Consumers have gone through something of a forced mutation as, irrespective of their financial standing, being prepared for school has become an acknowledged reality. It's a priority,

from LSM 1 to 9 – everyone knows they must get through it; they have to make that financial commitment. What we are also seeing is a more staggered approach become the norm over the last five years. The promotional window is much larger, and deals go on for almost two months from mid-Dec to the first week of February. Government, Model C, and private schools are all dealing with different requirements and timelines in terms of scholastic products, but all these consumers are shopping through a list they need to complete by a certain date. We must accommodate everyone, so the promotions go on for longer.”

The team at Freedom Stationery is well aware of the current climate. Many are parents themselves, experiencing the same challenges of hyperinflation and the global recession that consumers are facing. Govindan explains that Freedom Stationery’s mission statement of providing quality, affordable scholastic items means that despite changing conditions and the economic climate, they are moving with the market. Govindan believes the peak of South Africa’s hyperinflation is still coming. In response, the company is ‘playing the long game’ and adjusting their margin expectations to absorb as much of this as possible and avoid passing it on to consumers.

For South African consumers, price is a major concern. Govindan explains that their opening price point strategy with the Marlin range is to provide good-quality items at up to half the price of better known international brands. Instant gratification and instant rewards garnered from loyalty



Among consumers who purchase stylish Chinese brands, over 90% were female and half of them were from the post-1995 generation.

Images:
Paperworld
China



programmes have been fantastically effective over the last few years, regardless of LSM, says Govindan. This helps direct their marketing efforts and they ensure they engage with their customers on a level they feel comfortable with, including social and messaging platforms.

Their national footprint includes leading independents, and their range of scholastic and home office supplies position Freedom Stationers as ‘a good choice’. As a locally based manufacturer, they have also collaborated with Grade R and Grade 1 teachers to ensure their products meet educational and developmental demands.

Govindan says, “Our educational charts are very popular. For a while the interest in these died down

as having everything ‘online’ became trendy, but we have seen time and again that certain traditional methods of interaction within the educational space are sometimes more effective. One way or another, for certain core products, the traditional will always come back into favour, and our retailers and customers depend on the availability of those products.” **SR**

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