COPA

STATE OF THE INDUSTRY

September 2014

Canadian Office Products Semi-Annual Report

Price: $999

CONFIDENTIAL

STATE OF THE INDUSTRY

CANADIAN OFFICE PRODUCTS SEMI-ANNUAL REPORT

CANADIAN OFFICE PRODUCTS | SEPTEMBER 2014 UPDATE

"Reports of my death have been greatly exaggerated." –Mark Twain

The office products industry, like many industries today, is continuously redefined by its products and services. It is an industry buffeted by economic cycles, technology, regional diversity and the latest business and consumer trends—An industry that, by its nature, inherits many of the challenges of other industries.

Over the past few years the popular media has predicted the death of the Office Products retail sector and by association the entire industry. Although sales are declining in some sectors, they remain stable in others and fluctuate due to many factors including geography. Because of these market forces, companies need to understand how to maximize returns through market knowledge and proper strategic planning.

This industry is changing. Many have begun to react and protect their business. Others will stay the course.

One thing is for sure, decisions made now should be based on all available facts. No business can afford to miss the mark during these early indicators of change.

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- Overview
  - The Canadian office products industry is a $10 billion business and growing.

- Sales
  - Total sales were flat in 2013 (down 0.07%)
  - Sales in major categories fluctuated from +4.8% to -3.7%
  - Product categories fluctuated +22.1% to -17.1%
- Products and Services
  - New products and services
    - Janitorial and sanitation – Commercially ranked number six, but ranked number 28 out of 31 sub-categories
    - Services ranked number three in Retail are way down at number 27 Commercially
    - Food languishing at number 25 Commercially and 27 of 31 sub-categories in Retail
- Commercial Sales
  - Commercial sales were up 1.4% while Retail sales were down -2.1% with similar wide swings in product categories.
  - Commercial office product sales are a distinct business sharing few product rankings with Retail.
- Regional Sales
  - Sales were up +1% in the West but down 2% in Ontario with significant swings in categories
- Volume, Price and Manufacturers
  - Paper and Associated Products
  - Writing Instruments
  - Janitorial and Sanitation
  - Adhesives, Tapes and Accessories
- Q2 2014 Update
- Learning / Conclusion
  - The economy may have had a greater impact on sales of traditional products than technology.
    - Inkjet and toner sales remain number one or number two in retail and commercial sales.
    - Toner is number one and fine white commodity paper is number two and growing. Over the last four years, commercial sales have grown most significantly in the West, which has enjoyed economic growth over past years.
- About COPA
  - Quarterly category and SKU data is available as one of the many benefits available to COPA members.