



BRIGHT DISPOSITION

BACK TO SCHOOL 2016 UK MARKET RESEARCH REPORT

STATIONERY, LUNCH BAGS & SCHOOL BAGS

This is a comprehensive qualitative market research report on the 2016 Back to School Stationery market in the UK retail sector.

PART ONE - THE RETAIL AND ECONOMIC CLIMATE looks at the current macro environment for the stationery industry and the assessment criteria for the report.

It also contains an executive summary by product category.

PART TWO - IN STORE RETAIL REVIEW looks at the Back to School campaigns of individual retailers covering product ranges, placement in store, pricing and promotions, visual merchandising, secondary space and marketing.

PART THREE - ONLINE AND DIGITAL examines the online Back to School offer and how retailers use digital marketing.

PART FOUR - TRENDS looks at marketing, product and design trends.

APPENDIX An appendix reviews retail pricing on 50 market leading products in August 2016.

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BRIGHT DISPOSITION

PART ONE

THE RETAIL & ECONOMIC CLIMATE

THE RETAIL AND ECONOMIC CLIMATE

Back to School 2016 - an introduction

Having worked in the stationery industry for over 15 years, September and the start of the academic year still feels more like the beginning of a new year to me than January and the calendar year does.

For consumers and children the summer break is a time for play, rest and holidays followed by the excitement and anticipation of going back to school and all the newness that brings. A new school year, a new teacher, potentially a new school or college and new friends. Then there are all the new things you can buy to go with it; new school uniform of course, new shoes, new stationery, a new school bag, a new lunch box, new headphones for the walk to school, a new tablet for all that homework, a new diary for mum, a new school run outfit for mum, washing powder, after school treats, breakfast treats, treats for the dog because he's going to be left alone more now during the day, wine (have you noticed how a wine promotion often follows Back to School?!), a stress relief colouring book....

For retailers, Back to School has now become a huge seasonal event, for some second only to Christmas. How they perform over the Back to School period will determine, whether they hit their sales targets for the year. What is evident through the research I have done this year is the halo affect that 'going back to school' has on other grocery products.

This report will focus on stationery, lunch bags and school bags, however I start with this introduction because as Back to School becomes a bigger event in the UK every year, competition for space will get even tougher particularly in grocers and variety retailers.

It is not always evident in store as space is more clearly defined but if we look at how retailers advertise Back to School online, through their websites and social presence, the stationery category is competing for space with other fast moving consumer goods categories over the summer; such as food, washing powder, baby products, student homewares, summer DIY, clothing, cleaning products. This also affects how retailers use their digital marketing budgets as we will review in *Part Three - Online and Digital*.

In store, the change was very slight this year with some retailers giving secondary FSDU seasonal space to washing powder, snacks, toys or haberdashery rather than stationery. Car park banners were also used to advertise baked beans and washing powder by some grocers.

Back to School was still the lead promotion in store in August in most retailers reviewed and as each retailer is reviewed in *Part Two - In store Retail Review* it will become evident as to how they have split their space.

With regard to the timing of the event some retailers launch early strategically, with WHSmith, M&S and Aldi being examples, to take advantage of early summer sales. Most retailers launched their ranges at the very end of July, with Tesco being one of the latest retailers to launch during the first week of August. The peak weeks of the promotion are the last week of August and the first week of September.

In the 2015 report I wrote about the changes in the UK retail landscape since the 2009 recession. Notably, I discussed the growth of discounters including Aldi, Lidl and pound shops, who have reinvented themselves to target the masses and a broader range of demographics. Other key trends are the growth of convenience stores and the growth of online retailing. According to the Office for National Statistics, spending online has increased this year by +16.7%, comparing July 2016 to July 2015. The amount spent online accounted for 14.2% of all retail spending in July 2016. Omnichannel retailing is here to stay and every year becomes a more important consideration in a Back to School campaign. It will be reviewed in more detail in *Part Three - Online and Digital*.

Before we get into the detail by retailer, let's review the current economic climate in the UK.