



Get an A+ this Back to School

Create a Back to School (BTS) destination in-store that excites children and offers parents value-for-money.

With a wide range, bright and interactive displays and a noticeable investment in the schools around you

Bumper Back to School

According to Nielsen, the BTS universe is worth almost R100m and is growing. To get a bigger piece of this pie then, retailers and suppliers need to plan in advance.

"Back to School is actually quite huge for us – there is no room for error. BTS promotions can contribute as much as 25% of turnover for that period," comments Morris Mangaba, BTS buyer at Spar South Rand.

Planning for Spar begins in June/July where the buyers sit down with the different suppliers and negotiate BTS pricing. At the end of August, a trade show is held where all the BTS lines are presented to Spar retailers who can then place their orders. Deliveries are made at the end of October/early November and then BTS goes into full swing straight after Christmas in-store.

Interestingly, schools have also caught on to this early bird system and are supplying stationery lists much earlier in the year. Linksfield Primary in Linksfield, Johannesburg, for example, gives parents

BY LAURA DURHAM

After the frenzy of the festive season dies down, your customers are left with much lighter pockets. But most of them still have a long list of stationery and accessories to buy to get their children ready for the new year. With schools starting a week earlier in 2012, it is important that retailers and suppliers are ready with a Back to School (BTS) destination in-store that excites children and offers parents value-for-money.

the lists in September to give them the opportunity to buy a little each month before the new year starts.

Pick n Pay follows a similar plan throughout the year. Negotiations with suppliers and viewing possible BTS ranges

begin in April and May. Pick n Pay then also hosts a trade show annually in September where all the local vendors participate and showcase their ranges. "It is of particular benefit to franchisee owners, corporate stores and corporate store managers who will experience these ranges first-hand," comments Peter Arnold, acting merchandise director at Pick n Pay.

Swapping books for toys

For Freedom Stationery, their BTS period starts in October with customer placing orders and as soon as Christmas is over, retailers begin their heavy BTS promotions. "They swap toys for books," says Anthony West, national sales and marketing manager at Freedom Stationery.

Schools are opening a week earlier in 2012 – 11 January – and this has serious implications for stores and suppliers in terms of earlier promotions and stock holding capabilities. "This is going to be a challenge to make sure that retailers hold enough stock to cater for this shorter and most probably busier period," he says. ▶

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Matthew Mangaba, merchandising manager at Game Polokwane says they will be putting up their BTS display in the middle of November to cater for the shorter BTS period and make the most of parents wanting to buy stationery as Christmas presents.

Rita Thom, secretary at Uelzen Primary in Kwa-Zulu Natal agrees, as a parent and an educator. "It has become the norm for children to get most of their 'fun' stationery – wax crayons, highlighters, Koki pens – as Christmas presents. People can't afford to do both anymore," she says.

But stores should also not pull down their BTS displays straight after schools open because some parents leave the stationery buying to that first week – and some school goers also prefer to wait to see what their friends have bought in terms of the latest fashion in book covers, lunch boxes and school bags.

"Based on Nielsen's marketing research, BIC has noticed that the buying pattern has shifted from January purchases into February due to varied school openings, as well as consumer disposable income being affected with the holiday season," says Millicent Quoilin, marketing manager for stationery at BIC South Africa.



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Price sensitive parents

Parents and teachers believe that pricing has increased substantially. "Pricing goes up considerably every year," notes Megan Finlayson, Grade 2 teacher at Grayston Prep, Johannesburg. "Glue was expensive when we were at school, but now it's ridiculous!" she adds.

But Mangaba says that prices have not changed dramatically since the same period last year "because at the end of the day, we have to be competitive and our suppliers understand this".



Have a small section of children's books in your stationery department to give parents more useful and educational Christmas gift options.



made from post-industrial recycled material and soy-based ink.

This year Pick n Pay will be offering a range of competitively priced stationery made from recycled material, including a four-pack of recycled newspaper pencils, a spiral notebook made from recycled material, retractable pens made from post-industrial recycled material and using soy-based ink, and a pack of four highlighters

"They want the volume and we want a deal on better pricing," he says.

Freedom Stationery targets customers that fall in the LSM 6-10 income group and says that there hasn't been much movement in the BTS requirements over the years. Although price sensitivity as a result of the recession is pushing parents to try no-name brand stationery.

Millicent Quoilin from BIC agrees: "We also see across the segments more non-branded SKUs entering the market over BTS which deflates the market as they are much cheaper than the branded products. Unfortunately with the downturn in the economy, consumers are inclined to purchase on price rather than quality."

"The stationery industry has become very much more competitive with many of our competition cutting costs to stay on top," says West.

BTS goes online

We are all aware of how technology is dominating our lives and how consumers go on to the web to research, compare prices and get an idea of who's buying

what and what's popular – before buying anything. The same is true for BTS with many parents pre-shopping online. In fact, parents are now choosing to buy online too to save them the hassle and time of going to a bricks-and-mortar store. Co-founder of www.myschoolstationery.co.za, Natalie Chettiar, says the idea for the BTS stationery website came from her frustration as a parent during the BTS period before schools open in January.

"As a parent I was having to go shopping and trying to decide on products I wasn't sure of... and I thought, there must be an easier way."

And so myschoolstationery.co.za was born and now in its second year, things are going well.

"We go to the schools, get their stationery lists and make up packs which parents can then buy them online without fuss," she explains. ►



Digital media is also becoming an important part of the retail offering, with stores doing very well from CDs and DVDs as impulse purchases.



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She says that schools are starting to embrace the concept because it also reduces the time and administration usually associated with other catalogue-type BTS services.

With the boom of sites like Groupon, Wicount and Zappon, social buying power has become a prerogative for many. Perhaps it is a good idea for retailers to partner with the schools in the community and make BTS deals with great prices. You'd be saving the parents the trouble, and getting volumes through your tills!

Makro, for example, has introduced a school rebate system whereby every six months participating schools get money back based on the value of purchases schools and their parents made at Makro. The schools use this rebate to buy computers, vehicles and equipment. "The project is very successful and now that other schools have seen the rewards, they are also coming on board," comments Chris Knight, Makro Vaal GM.

West has observed that stationery distributors benefit immensely by partnering with Section 20 schools, which receive allocations of textbooks and stationery from the government. Section 21 schools on the other hand, are allocated finances by the department and are responsible for ordering stationery and textbooks themselves. This allows distributors to benefit from these tenders but a very good portion of stationery still goes through the retail channel, he explains.

Get those gadgets

Megan Finlayson from Grayston Prep says that digital media is very important as a



Parents will appreciate a one-stop shop where they can find all the BTS requirements – from stationery to lunch boxes to school uniforms.

teaching aid. "We have interactive smart boards with touch and sound that I use to display worksheets and play educational games with the learners. In fact, white boards (the modern chalk board) are quite redundant now that we have the smart boards," she says.

In a recent article on biztechreport.com, it was reported that in more economically advanced Asian countries, schools are now integrating iPads and tablets into the classroom "as a comprehensive learning solution for their students, which will eventually replace traditional paper-based notepads," said the writer, Lynette Wu. South Africa might just get there one day, judging by Finlayson's learners. She says that even Grade R learners go for IT lessons and one of her Grade 2s recently brought in her iPod Touch for show and tell.

But while it may be making headway as school equipment, digital media is nowhere near becoming a prerequisite on the BTS list – not yet anyway.

"We have considered diversifying into digital media but it is very fiercely contested in terms of price. We can still survive on books and pencils," comments West. But digital media is also becoming an important part of the retail offering, "with people like Spar making a fortune from CDs and DVDs as impulse purchases," he says.

In South Africa smart phones have taken off dramatically and surveys show that 8 out of 10 South Africans will own a smart phone in three years. Using social networking sites for marketing purposes and consumer/brand interaction is where the industry is at at the moment.

BTS for everyone

Even though Christmas may be over, the giving spirit should not be. Ideas to continue the goodwill into the BTS period are to have a donation box at the checkout so that customers can drop off old (or new) stationery, school uniforms, lunchboxes and bags, which will then be given to a school in need. Retailers could boost this initiative by having posters in the BTS section to let customers know what the store is up to and encourage them to pop some extra pens and exercise books in their trolleys to leave in the donation box as they leave the store.

Mangaba says that Spar South Rand is involved with social initiatives throughout the year with all the stores, not least during the BTS period when they sponsor an underprivileged school with their entire stationery requirements.

Stationery suppliers are also getting involved. This year, BIC has partnered with READ Educational Trust and is looking at BTS in a different way. "The campaign 'Choose BIC and change a Future' focuses on the importance of education and the campaign will give our customers and consumers the opportunity to enhance the life of an underprivileged child," explains Quoilin. BIC will be donating one pen to a child in need with the purchase of selected packs identified by a sticker over the BTS period. The campaign will see BIC donating a minimum of one million pens over the BTS season to children in need, "thereby putting the power of the pen in their hands," she adds. 