



**Office Products in Australia, 2010-2012**  
A Market Report

*products*

**Penfold** Research



*Report Outline*

## Office Products in Australia, 2010 - 2012



**This new report provides an in-depth analysis of the \$12 billion office products market in Australia.**

It is based on a survey program of almost 1,200 interviews:

- 630 with businesses,
- 435 with households,
- 101 with office product dealers,
- 22 trade interviews.

Office product operators have been buffeted by weak demand and restrained consumer purchasing behaviour over the last two years. This weakness is now abating and the outlook is for improving growth that will be held back only by a hangover in consumer confidence. As the recovery progresses, the biggest – and not so apparent - challenge will be adapting to the structural changes as office activities increasingly revolve around digital /electronic processes. There are excellent opportunities for operators able to ride the recovery wave and tap consumers evolving product and service needs.

### Report features

- A survey program of 1,100+ interviews, covering consumers and industry operators.
- Subscription includes two reports; the main '2010-2012' report, plus a 'market update' report released in 2011.
- Report focuses particularly on the consumer – providing insights and trends analysis.
- Market sizes and brand measurement for over 60 products.
- Expanded product range – including more 'non-core' (emerging) categories.
- Measurement/tracking of trends - such as the movement to green products, online purchasing, private label, managed print services and single source purchasing.
- Introduction of 'Net Promoter' measurements/scores for dealers and suppliers.
- In depth competitor analysis (strengths/weaknesses) of major dealers and suppliers.
- Report structure and layout designed for ease of use.
- An ongoing enquiry/advisory service over the two year subscription period.

***Potential subscribers may request a viewing/presentation of the report by contacting us as below.***

### Penfold Research Contacts

Andrew Penfold – [andrew@penfoldresearch.com.au](mailto:andrew@penfoldresearch.com.au)  
ABN: 72 121 643 874  
2/26 The Crescent, Vaucluse, NSW, 2030,  
Australia  
T. (02) 9337 5129  
F. (02) 8246 6306  
[www.penfoldresearch.com.au](http://www.penfoldresearch.com.au)

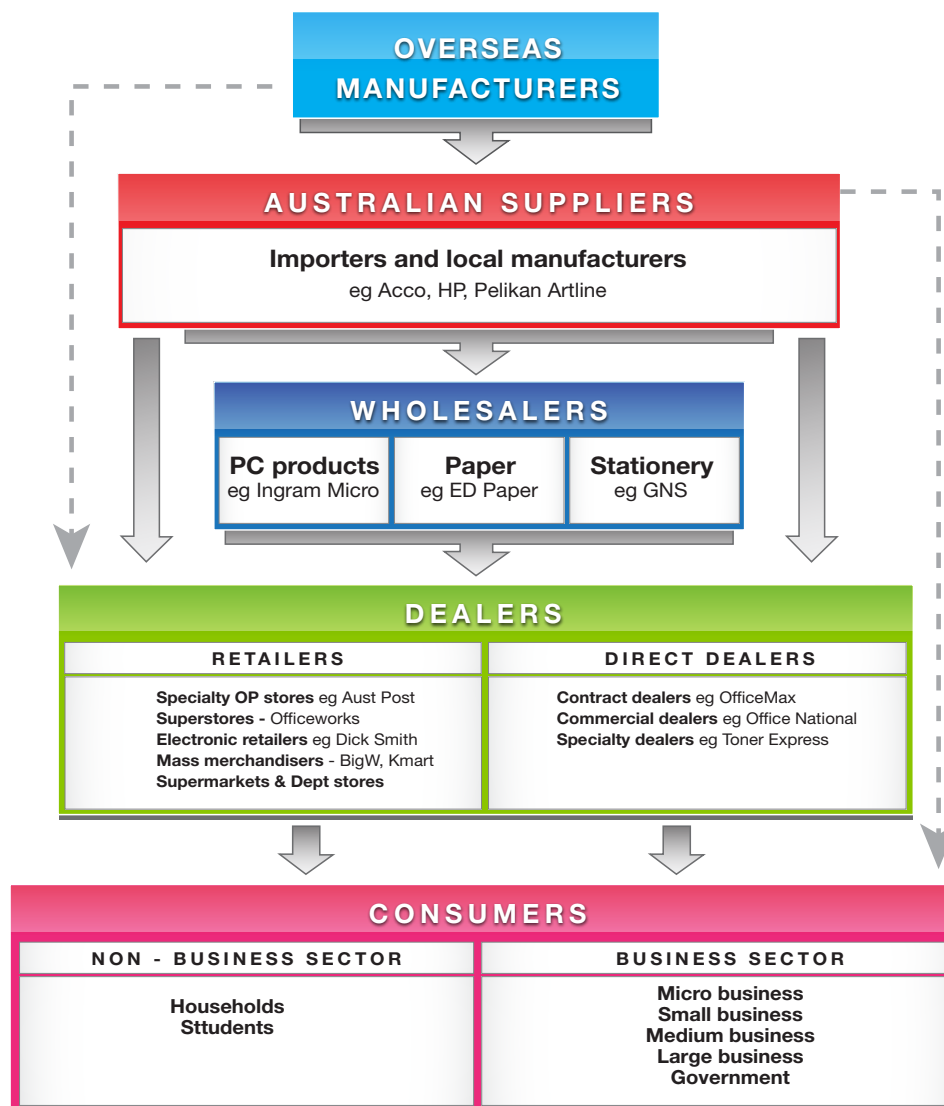


# Overview

## Subscribers will be able to use this report to;

- **Identify where growth opportunities lie.** Which areas of the market will grow fastest and which segments, categories or channels are you under-represented in?
- **Measure brand shares** – and understand the strengths/weaknesses of individual brands.
- **Benchmark performance against your competitors.** Confirm competitors (and your own) market positioning as well as strengths and weaknesses via customer ratings.
- **Adjust your 'offer' to appeal to business consumers needs.** Consumer research findings will facilitate decisions on marketing/promotions, ranging, product development, pricing and distribution.
- **Assist with your internal planning and budgeting.** Use our forecasts and projections to help formulate your plans for the next budgetary period.

## Office Products Market



# Office Products in Australia, 2010 - 2012

	page
<b>1</b>	<b>CHAPTER 1 - Introduction..... 1</b>
1.1	Outline of report..... 1
1.1.1	About this report ..... 2
1.2	Office products market definition ..... 3
1.2.1	List of products and categories covered ..... 4
1.3	Research methodology..... 6
1.3.1	Sample profile – businesses survey..... 7
1.3.2	Sample profile – households survey ..... 8
1.3.3	Sample profile – dealers survey ..... 9
<b>2</b>	<b>CHAPTER 2 – Executive Summary..... 11</b>
2.1	Key Points..... 11
2.2	Market overview..... 12
2.2.1	Market structure..... 12
2.2.2	Market size and growth..... 13
2.2.3	Key areas of growth ..... 13
2.2.4	Market drivers ..... 14
2.2.5	Market trends..... 14
2.3	Consumers – overview, segment sizes and growth ..... 15
2.3.1	Segment attractiveness ..... 16
2.3.2	Seasonality of demand ..... 16
2.3.3	Best industry sectors ..... 17
2.3.4	Generational change – a significant impact..... 18
2.3.5	Methods of purchasing ..... 18
2.4	Products – overview ..... 19
2.4.1	Fastest growing products ..... 20
2.4.2	Product trends ..... 21
2.4.3	Brands..... 21
2.5	Dealers – overview and market shares..... 22
2.5.1	Best category growth opportunities – for dealers..... 23
2.5.2	Net Promoter Scores – for dealers..... 23
2.5.3	Dealer ratings – according to consumers ..... 24
2.5.4	The reason customers use their dealer..... 25
2.5.5	Awareness and usage of major dealers ..... 25
2.6	Suppliers..... 26
2.6.1	Supplier ratings..... 27
2.6.2	Characteristics required for future success ..... 27
2.7	Market outlook..... 28
<b>3</b>	<b>CHAPTER 3 – Market Overview..... 31</b>
3.1	Key Points..... 31
3.2	Market structure..... 32
3.3	State of the market ..... 34
3.3.1	Market conditions index (past, present and future) ..... 34
3.3.2	Impact of the GFC ..... 36
3.4	Market growth..... 38
3.4.1	Survey data – growth according to OP dealers ..... 39



# Table of Contents

	page
3.5	Market size.....41
3.5.1	Market size - 2000-2010.....41
3.5.2	Market size – by product category, at manufacturer and consumer values .42
3.5.3	Market size – by product category, at consumer prices.....44
3.5.4	Market size – by consumer segment .....46
3.5.5	Market size – by dealer type .....48
3.5.6	Market size – by state .....49
3.6	Dealer market shares .....50
3.7	Key market drivers.....52
3.8	Market trends.....54
3.9	Key areas of market growth.....57
<b>4</b>	<b>CHAPTER 4 - Consumers .....59</b>
4.1	Key Points.....59
4.2	Segment summary – sizes and growth.....60
4.2.1	Best and worst segment growth – according to dealers .....62
4.3	Segment summary – key characteristics.....63
4.4	Segment structure – graphic overview .....65
4.5	Segment attractiveness .....66
4.6	Business and labour statistics .....68
4.6.1	Employment sectors and office products.....68
4.6.2	Employment and office products market growth – what correlation? .....69
4.6.3	Employment and growth - by industry sector.....70
4.6.4	State employment.....72
4.6.5	Office workers.....73
4.6.7	Number and growth of businesses .....75
4.6.8	ABS business count figures 2004-2007 .....76
4.7	Impact of the ageing workforce & generational change.....78
4.7.1	Dynamics of our ageing population on the workforce .....78
4.7.2	Effect of generational change on the OP market – our interpretation .....79
4.7.3	Profile of Generations .....81
4.8	Consumer behaviour summary.....83
4.8.1	Role of the decision maker - businesses.....83
4.8.2	Is the business purchaser also the decision maker? .....84
4.8.3	Role of decision maker - households .....85
4.8.4	Is the household purchaser also the decision maker? .....86
4.8.5	Purchase delegation in businesses.....87
4.8.6	Number of dealers used.....88
4.8.7	Frequency of purchasing .....90
4.8.8	How consumers purchase (online, visit store, phone, fax) .....91
4.8.9	Changes in major purchasing methods .....92
4.8.10	All purchasing methods used .....95
4.8.11	Use of paper catalogues when ordering online .....96
4.8.12	Reason consumers use their major dealer .....97
4.8.13	Key factors in choosing who to buy from - businesses.....99
4.8.14	Key factors in choosing who to buy from - households .....100
4.8.15	Dealer switching (loyalty) .....101
4.8.16	Reason consumers switch dealers .....102
4.8.17	Purchasing restrictions amongst businesses .....103
4.8.18	Attractiveness of promotions.....104



# Office Products in Australia, 2010 - 2012

	page
4.8.19	Green purchasing.....105
4.8.20	Seasonality of demand .....106
4.9	Consumer segment profiles.....108
4.9.1	Micro business segment profile .....108
4.9.2	Small business segment profile .....112
4.9.3	Medium business segment profile .....116
4.9.4	Large business segment profile .....120
4.9.5	Government segment profile .....124
4.9.6	Households (excluding students) segment profile.....131
4.9.7	Number of households (ABS).....135
4.9.8	Household use of information technology (from ABS 8146.0).....136
4.9.9	Student segment profile.....139
4.9.10	Student expenditure by sub-segment (primary, secondary and tertiary)....143
4.9.11	Sub-segment overview – primary/secondary/tertiary students .....144
4.9.12	Number of students – by type, state and year.....146
<b>5</b>	<b>CHAPTER 5 - Products ..... 149</b>
5.1	Key Points.....149
5.2	Introduction.....150
5.2.1	What product information is included?.....150
5.2.2	List of categories and products covered .....151
5.2.3	Product estimate notes.....152
5.2.4	Brand share notes.....153
5.3	Product overview .....154
5.3.1	Market size by product category .....155
5.3.2	Market size, by category 2007, 2008, 2009.....157
5.3.3	Market size by broad sector .....158
5.3.4	Fastest growing products .....160
5.3.5	Most popular products .....162
5.3.6	Category growth rates – according to dealers.....163
5.3.7	Product trends .....164
5.4	Brands .....166
5.4.1	Brand awareness (top brand) – according to consumers.....166
5.4.2	Brand awareness (top three brands) – according to consumers.....168
5.4.3	Most important brand – according to dealers .....171
5.4.4	Most important brands (top three) – according to dealers .....173
5.5	Private label products.....175
5.5.1	Key private label products .....176
5.5.2	Private label growth .....177
5.5.3	Private label market share.....179
5.6	Green products.....180
5.6.1	Level of demand for green products.....181
5.6.2	Green purchase rates – according to consumers.....182
5.6.3	Most appealing green attributes (recycled, carbon neutral etc) .....183
5.6.4	Key green / environmental areas of focus – according to businesses .....184
5.6.5	Most popular green products .....186
5.6.6	Green products in highest demand – according to dealers.....188
5.6.7	Green purchase policies amongst businesses .....189
5.7	Number of products (SKU's) sold .....190
5.8	Direct importing by dealers.....191



# Table of Contents

	page
5.9	Writing instruments.....192
5.9.1	Import statistics .....194
5.9.2	Ballpoint Pens .....196
5.9.3	Felt Tip Writing Pens .....198
5.9.4	Permanent Marker Pens .....200
5.9.5	Whiteboard Marker Pens .....202
5.9.6	Highlighters .....204
5.9.7	Mechanical Pencils .....206
5.9.8	Pencils.....208
5.10	Paper .....210
5.10.1	Category observations.....211
5.10.2	Office paper volumes – by major dealers .....212
5.10.3	Copy / Printer Paper .....214
5.10.4	Recycled Copy / Printer Paper .....216
5.10.5	Coloured Paper.....218
5.10.6	Photographic Paper.....220
5.10.7	Other Specialty Paper .....222
5.11	Pads and Books .....224
5.11.1	Import statistics .....225
5.11.2	Adhesive Notes.....226
5.11.3	Note Pads .....228
5.11.4	Note Books .....230
5.11.5	Diaries / Personal Organisers.....232
5.12	Labels and Envelopes.....234
5.12.1	Import statistics .....235
5.12.2	Mailing Labels .....236
5.12.3	CD / DVD Labels .....238
5.12.4	Binder Labels .....240
5.12.5	Non Printable Labels.....242
5.12.6	Other Specialty Labels.....244
5.12.7	Self Print Business Cards .....246
5.12.8	Envelopes.....248
5.13	Computer Consumables.....250
5.13.1	Category observations.....251
5.13.2	Inkjet Cartridges.....252
5.13.3	Special Analysis – Inkjet Cartridges.....254
5.13.4	Toner / Laser Cartridges .....259
5.13.5	Special Analysis – Toner / Laser Cartridges.....261
5.13.6	Blank CDs / DVDs.....266
5.14	Computer Accessories .....269
5.14.1	USB Memory Sticks / Drives .....270
5.14.2	External Hard Drives (for backup etc).....272
5.14.3	Headsets, Microphones, Webcams .....274
5.14.4	Keyboards.....276
5.14.5	CD / DVD Storage Cases / Stands / Wallets.....278
5.15	Filing Products.....281
5.15.1	Binders.....282
5.15.2	Manilla Folders.....284
5.15.3	Document Wallets .....286
5.15.4	Dividers & Indexes .....288
5.15.5	Repositionable Adhesive Tabs & Flags .....290
5.15.6	Archive Boxes .....292
5.15.7	Suspension Files.....294



## Office Products in Australia, 2010 - 2012

	page
5.15.8	Lateral Files .....296
5.15.9	Lateral Filing Cabinets .....298
5.16	Presentation Products .....301
5.16.1	Labelling Tapes .....302
5.16.2	Whiteboards / Corkboards.....304
5.16.3	Display Books .....306
5.16.4	Laminating Pouches .....308
5.17	General Office Supplies .....311
5.17.1	Import statistics .....312
5.17.2	Adhesive Office Tape .....314
5.17.3	Packaging Tape.....316
5.17.4	Glue Sticks, Tapes & Rollers .....318
5.17.5	Correction Tapes, Rollers, Fluids .....320
5.17.6	Desk Accessories.....322
5.17.7	Staplers / Punches.....324
5.18	Office Beverages .....327
5.18.1	Coffee - Instant .....328
5.18.2	Coffee - Ground .....330
5.18.3	Tea Bags - Standard .....332
5.18.4	Tea Bags – Specialty (eg green, herbal).....334
5.19	Business Machines.....336
5.19.1	Category observations.....337
5.19.2	Import statistics .....338
5.19.3	Role of purchaser.....342
5.19.4	Inkjet Printers .....344
5.19.5	Black & White Laser Printers .....347
5.19.6	Colour Laser Printers .....350
5.19.7	Digital Copiers / Printers .....353
5.19.8	Data Projectors .....355
5.19.9	Laminating Machines .....358
5.19.10	Labelling Machines .....360
5.19.11	Binding Machines .....362
5.19.12	Shredders.....364
5.19.13	Guillotines / Paper Trimmers.....366
5.20	Other product categories.....368
5.20.1	Purchaser roles for “other” office categories.....370
5.20.2	Office Furniture .....372
5.20.3	Kitchen Supplies .....376
5.20.4	Cleaning & Janitorial .....380
5.20.5	Printing Services .....384
5.20.6	Promotional Products .....394
5.20.7	Work Wear.....398
5.20.8	Industrial Supplies.....404



# Table of Contents

	page
<b>6</b>	<b>CHAPTER 6 – Office Product Dealers..... 409</b>
6.1	Key Points..... 409
6.2	Overview ..... 410
6.3	Market shares of major dealers ..... 411
6.4	Channel shares ..... 415
6.5	Best category growth opportunities – for dealers ..... 417
6.6	Biggest challenge facing dealers ..... 419
6.7	Net promoter scores of major dealers ..... 421
6.8	Dealer performance ratings (strength / weakness analysis) ..... 424
6.8.1	Ratings of dealers - by businesses ..... 424
6.8.2	Strength / weakness analysis (from business survey) ..... 426
6.8.3	Rating of dealers - by households ..... 443
6.8.4	Strength / weakness analysis (from household survey) ..... 445
6.9	Key choice factors used in selecting dealers ..... 457
6.9.1	Choice factors used by business purchasers ..... 457
6.9.2	Choice factors used by household purchasers ..... 459
6.10	Dealer usage ..... 461
6.10.1	Major dealer used ..... 461
6.10.2	All dealers used ..... 463
6.10.3	Reason main dealer used ..... 465
6.10.4	Awareness level and usage of key dealers ..... 468
6.11	Dealer sales and margins ..... 470
6.11.1	Sales growth ..... 470
6.11.2	Gross margins ..... 471
6.12	Marketing issues ..... 473
6.12.1	Most effective method of sales generation ..... 473
6.12.2	Main purchasing method used – by dealers ..... 474
<b>7</b>	<b>CHAPTER 7 - Office Product Suppliers ..... 475</b>
7.1	Key Points ..... 475
7.2	Overview ..... 476
7.3	Major suppliers sales and product categories ..... 478
7.4	Characteristics required for future success ..... 480
7.5	Net promoter scores – major suppliers ..... 481
7.6	Major suppliers performance ratings ..... 484
7.6.1	Ratings of suppliers by OP dealers ..... 484
7.6.2	Strength / weakness analysis (from dealers survey) ..... 486
7.7	Key choice factors used in selecting suppliers ..... 493
7.8	Supplier usage – by dealers ..... 495
7.8.1	Major supplier used ..... 495
7.8.2	Top three suppliers used ..... 497
<b>8</b>	<b>CHAPTER 8 - Outlook to 2012 ..... 499</b>
8.1	Key Points ..... 499
8.2	State of the market ..... 500
8.3	Economic outlook ..... 501
8.4	Office product forecast to 2012 ..... 503
8.4.1	Forecast by product category ..... 504
8.4.2	Forecast by consumer segment ..... 506



# Office Products in Australia, 2010 - 2012

## Research methodology

This report is based on four separate programs of interviews.

An extensive program of desk research also utilised a range of other information sources, such as ABS statistics, import data, database lists, media articles and company announcements.

### 1. Business survey (n=630)

We surveyed business purchasers of office products, using a structured set of questions. Sample quotas were set specifying the breakdown of the sample, to replicate the overall business population. See the sample profile below.

Business purchasers survey - respondent profile*								
Business Size/Type	Total	NSW	ACT	VIC	TAS	QLD	SA/NT	WA
Micro (1-4 workers)	255	86	3	63	5	47	23	28
Small (5-19)	146	51	2	35	4	30	12	12
Medium (20-99)	127	38	3	32	2	26	13	13
Large (100+)	102	31	1	27	3	24	0	10
Government	66	20	1	17	1	14	7	6
Total	630	212	9	157	14	127	48	63

### 2. Household survey (n=435)

We surveyed household purchasers of office products, using a structured set of questions. Sample quotas were set specifying the breakdown of the sample, to replicate the overall household population. See the sample profile below.

Household purchasers survey - respondent profile*								
Household Types	Total	NSW	ACT	VIC	TAS	QLD	SA/NT	WA
Family								
Couple with children	150	49	1	37	7	29	12	15
Couple - no children	110	37	4	26	2	18	10	13
Single parent family	55	18	1	14	1	12	5	4
Lone person	104	34	3	24	2	21	9	11
Other (Group etc)	16	6	0	4	0	3	2	1
Total	435	144	9	105	12	83	38	44

### 3. Dealer survey (n=101)

We interviewed office product dealers using a structured set of questions. Sample quotas were set specifying the breakdown of the sample to ensure a cross section of representative respondents. See the sample profile below.

Office product dealers survey - respondent profile*								
Dealer Types	Total	NSW	ACT	VIC	TAS	QLD	SA/NT	WA
Retailers								
Newsagents	8	4	0	2	0	1	1	0
Specialist OP retailers	42	15	0	10	0	9	5	3
Computer/electronic retailers	12	1	0	4	0	5	2	0
Direct Dealers								
Commercial/contract dealers	39	14	2	9	0	7	4	3
Total	101	34	2	25	0	22	12	6

### 4. Face to face consultant interviews with market operators

We personally interviewed 22 industry operators - ranging from office product dealers, wholesalers and suppliers. They have provided another layer of knowledge, complimentary to the survey data.

\* A full sample profile is available upon request.



## About us

### About us

Penfold Research is a business focused specifically on providing research and advisory services to operators in the office products industry.

Our difference is that we are a specialist researcher who understands the office products industry.

Companies that purchase our reports are some of the largest and most successful in the industry, covering a wide range of categories and sectors. They include overseas manufacturers, local manufacturers, importers, direct dealers, retailers as well as consulting firms and financial institutions.

Penfold Research is headed by Andrew Penfold.



**Andrew Penfold**

**Andrew** set up Penfold Research in 2007 following 8 years working in a major B2B research and forecasting house. Prior to this he worked for an OP retailer in marketing management. He combines the experience of working operationally in the industry with 10 years of research. He is the author of the “Office Products” market report series, dating back to 1999, which has become a widely used reference tool across the industry.

Andrew has also completed a variety of private consulting and research projects in Australia, Asia and the Middle East.

He is a full member of the Australian Market and Social Research Society (AMSRS) and has an undergraduate and Masters Degree, both in Commerce from UNSW.



Office Products in Australia  
2010-2012 - A market report\*



ABN 72 121 643 874

Purchase Order Form

Name \_\_\_\_\_

Position \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Post Code \_\_\_\_\_

Phone \_\_\_\_\_

Email \_\_\_\_\_

Subscription Price\*      \$17,000 + GST

You will be provided with two hard copies of the report as well as an electronic copy of the Executive Summary (in PowerPoint). An executive presentation is also available upon request.

We will invoice you, once the order is received.

\*Subscription also includes '**Office Products Market Update Report, 2011.**' This will be a concise overview report, outlining the latest conditions, trends, growth rates etc.

*Condition of use: The report contains proprietary information including copyright material and trademarks, the rights to which must be respected. You may use copyright material for your personal or internal use within your business. Otherwise, and except as permitted by law, no copying, reproduction, publication, modification or commercial exploitation of the report is permitted without the written consent of Penfold Research.*

Signature \_\_\_\_\_

Date \_\_\_\_\_

**Please fax or email to:**

Andrew Penfold  
Penfold Research Pty Ltd  
Facsimile: (02) 8246 6306  
Email:      andrew@penfoldresearch.com.au

**or post to:**

Andrew Penfold  
Penfold Research Pty Ltd  
2/26 The Crescent,  
Vaucluse, NSW, 2030  
Telephone: (02) 9337 5129  
Mobile:      0419 980 971