

THE

# PHOENIX REPORT

IS THE DEALER CHANNEL RISING AGAIN?

## A New Research Study By Martin Wilde Associates and OPI

In early 2016, Martin Wilde Associates (MWA) – specialist researchers to the global office products market – and OPI published the third issue of their annual State Of The Industry Report, a survey of the opinions of key CEOs in the business products (BP) industry. When asked which supply channels had grown the most in 2015:

- 56% of US respondents claimed that the traditional business supplies dealer channel was one of the fastest-growing channels
- 38% of UK respondents claimed that it was one of the fastest-growing channels

And when asked which channels would gain the most share in 2016:

- 69% of US respondents claimed that the traditional dealer channel would be one of the fastest-growing channels
- 33% of UK respondents claimed that it would be one of the fastest-growing channels

While it is well known that the independent dealer channel has been under severe pressure in the US and UK since the early 1990s, it might seem that its traditional major competitors – the international resellers – are now no longer enjoying spectacular growth, while the emergence of online trading and the opening of the FM supplies market have provided new opportunities for the traditional dealer to change and flourish.

What, then, is the current state of the independent dealer base? Are dealers growing and profitable now? What is their product and sales channel focus? How are they buying, selling and stocking product? Is the dealer channel now something that vendors should reassess?

The Phoenix Report is designed to assist BP vendors, wholesalers, dealers and dealer groups in assessing the current and future health of the independent dealer channel so as to optimise their marketing strategies

The study will be published in the autumn/fall of 2016 and will comprise two separate reports – one on the US and one on the UK – each featuring the results of around 200 interviews with OP dealers, as well as six in-depth telephone interviews with major OP wholesalers and dealer groups in each country

All of the key questions on the following page – and more – are addressed in *The Phoenix Report*, a new research study by Martin Wilde Associates (MWA) and OPI of dealers in the US and UK.

- What is the current size of the business products dealer universe?
- What were dealers' total sales and average gross margins in 2015: how and why are these changing?
- What were dealers' sales by broad product category (stationery, paper, EOS, furniture, presentation/planning, breakroom, JanSan, other FM supplies, print, other) in 2015 and what will they be in 2016?
- Which new product and service categories are actively being developed by dealers currently?
- Which end-user markets are being served by dealers and how is the share of each market changing?
- What is dealers' current and future dependence on e-commerce, and how do they resource and run their e-commerce operations?
- Which were the key competitors faced by dealers in 2015 and who will be their major competitors in 2017?
- What impact is Amazon having on dealers' business currently and what actions are dealers taking to respond to Amazon?
- What sources are used by dealers overall and how will the share of each source change by 2017?

Each of these authoritative, unique reports is available for a special discounted price of only £1,650 (approximately \$2,475) per country (if order is placed before 15 June 2016).

Orders placed after 15 June 2016 will cost £1,900 per report (approximately \$2,850).

- What are the perceived strengths and weaknesses of the main wholesalers used by dealers?
- What are the perceived strengths and weaknesses of each dealer group?
- What share of dealers' sales were fulfilled by drop shipment in 2015 and how is this changing?
- To what extent are dealers looking to acquire in the next two years and what kind of businesses are they looking to acquire?
- Do dealers have a clearly defined exit strategy?

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