

B2B Technology

and the **FUTURE**
OF WORK



COVID-19's impact has altered the way we work, the way we learn, and the way we shop.

As in retail, the commercial office supplies and B2B tech channels have suffered the aftershocks. With school and office closings hitting the U.S. in March, commercial office supplies and the B2B technology channel took the hardest hits in April and May, respectively, as lockdowns became more widespread and consumers purchased supplies from retailers. Commercial office supplies and B2B tech sales began to show improvement in May and June. Their declines have softened each month since then, as businesses, offices, and schools prepared to reopen. August saw more recovery versus previous months; sales were down -26% compared to August 2019 in commercial office supplies and -2% for the same period in B2B technology. While things are beginning to turn around, innovation will be key to recovery.

Here, Leen Nsouli, our office supplies analyst, and Mike Crosby, our B2B technology analyst, share their unique perspectives on what's ahead.



Leen Nsouli,
Executive Director, Industry Analyst,
Office Supplies, Home Improvement
@LeenNsouli



Mike Crosby,
Industry Analyst, B2B Technology
@NPDMike

Today's remote working culture is giving rise to new office concepts. What will this mean for the B2B market?

Leen Nsouli: Some companies are not turning back from working remotely and have decided to let their employees work from home indefinitely, including Twitter, Zillow, and Square. As the home office becomes permanent for many professionals, there is an opportunity for commercial players to determine how to bring home the best parts of the office. For example, many work-from-home employees originally purchased supplies from the retail channel as they transitioned into their home environment. Companies will need to figure out how to make the corporate supply closet virtual and accessible to a work-from-home workforce.

The remote working culture that took hold over the last few months is giving rise to other new office concepts, which the B2B market will need to meld into its way of thinking about the business model moving forward. One such concept is the idea of companies creating small hubs or satellite offices, to align more with where their employees may live in the future and rely less on one large main corporate hub.

What categories are leading the channel's rebound in B2B tech and commercial office supplies?

Mike Crosby: While it has been a challenging few months, products and services that make working or learning from home easier have been strong performers. With so much being done online, security software has been a bright spot for the channel — businesses are working to protect sensitive information, both their own and their employees'. In hardware, we have seen growth during key moments, such as back-to-school season growth for Chromebooks and tablets. That said, printers and consumables are taking hits as consumers purchase through retailers rather than the B2B channel, and also because the increase in working from home has expedited the migration from print to digital workflows, causing additional declines in print consumption.

Leen Nsouli: In office supplies, mailing and shipping was the only category group to post growth. This was related to sales of boxes for moving/relocation and shipping packages. Some virtual-learning and back-to-school categories also posted growth, including colored pencil sets, crayons, and pouches and cases.

What is the biggest challenge ahead?

Mike Crosby: In many cases, businesses no longer will order and ship supplies to one place, leaving the B2B channel to determine the best way to reach workers at home. Additionally, suppliers, partners, and distributors are working through who owns shipping costs. These shifts will demand supply-chain innovation.

Leen Nsouli: Resellers have had to learn to adapt quickly, building direct-to-consumer channels and investing in digital marketing and search engine optimization in order to reach consumers at home. But much more can be done. Are there new and creative digital channel concepts and partnerships that make sense for a remote work culture? For example, what if expense apps also had a shopping feature where available funds to shop were connected to or directly reported to a corporate budget?

¹Source: The NPD Group/Monthly Commercial Tracking Service, excluding Janitorial & Breakroom

²Source: The NPD Group/U.S. B2B Distributor Track* and Reseller Tracking Service

GET MORE INSIGHTS LIKE THIS.

Contact your NPD account representative, call 866-444-1411, or email contactnpd@npd.com.