GOPD is a market research and technology company specializing in the office products industry. GOPD has been monitoring chain store pricing practices since 1999 and is the un-disputed leader in the field.

During the years of analysis, several trends appeared and continue today.

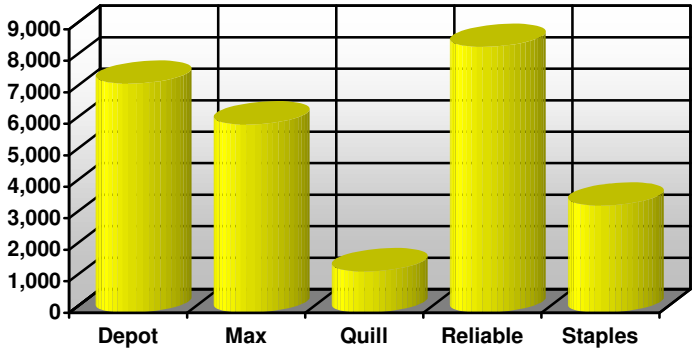
Low Price Leaders

Everyone has heard the advertising by the office supply chain stores. Guaranteed lowest prices, 110% low-price guarantee, and claims of 50% discounts. But what is the real story?

It is true that some items are deep discounted, but these are more than made up for when you look at the whole picture.

Below is a chart of the number of items the major chain stores have priced at a 10% discount or less.

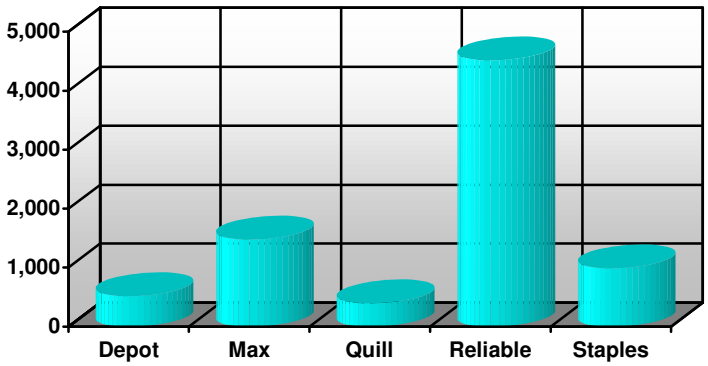
Items Priced At 10% Discount or Less:



While office supply chain stores like Office Depot claim huge discounts, the majority of their prices are not that low. Compare 40% of Office Depot's prices at 10% discount or less while only 6% are true loss leaders and you start to see how the pricing game is played.

The chain stores are experts at mixing the pricing to achieve the maximum amount of profit while attempting to fool the consumer with loss leaders.

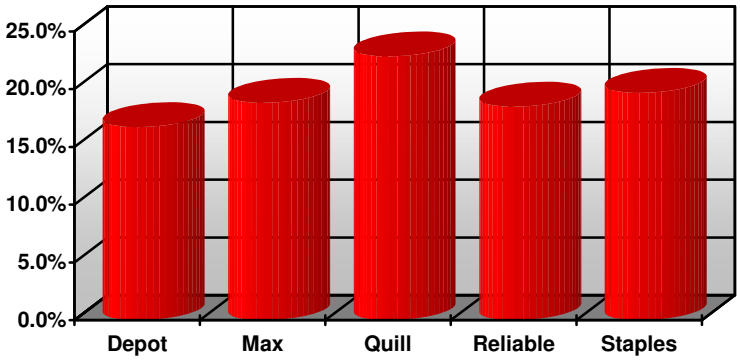
Items Priced at or Over List Price:



In addition to over 40% of Depot's prices being only 10% discount or less, it is quite common for the office supply chain stores to price items substantially higher than manufacturer suggested list price.

The only way to accurately evaluate the pricing for the office supply chain stores is to look at the complete picture. Compare all the items, loss leaders and regular supply items and the results are not what they advertise.

Average Discount Off List Price:



None of the top office supply chain stores average more than 25% discount off list price. Depot and Reliable struggle to average 15% discount off list.

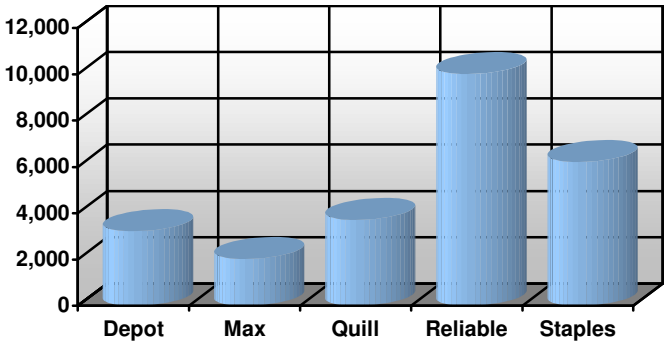
So what is the answer? Do the office supply chain stores truly have the lowest prices? Some items are cheap some are high. How do you know?

The truth is you can't know. As you will see, the chain stores are constantly changing prices to keep the low-price perception while reporting increasingly higher profits to Wall Street.

Constant Price Churning

The chain stores are constantly churning prices. Getting a good deal often depends on what day of the week you purchase the product.

Counts of Items With Price Changes:

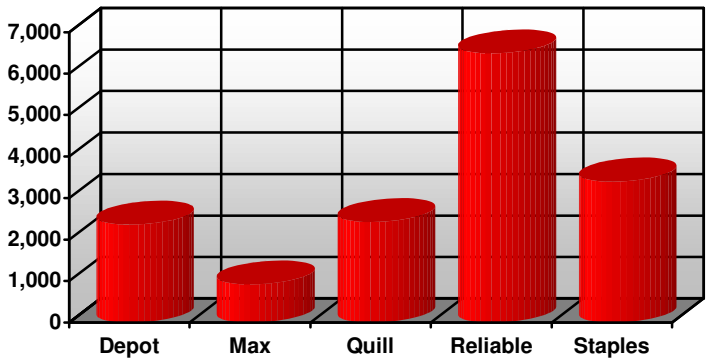


It is common for consumers to spend dozens of hours researching office supply pricing to find competitive sources. Unfortunately, even the most careful analysis is obsolete within as short as a week due to constant price changes by the major office supply chain stores.

Prices Going Up

In order to stay in favor with Wall Street, the office supply chain stores must constantly report more profits. Profits can only be increased by cutting costs or raising prices. Once costs are reduced, the only alternative is to raise prices.

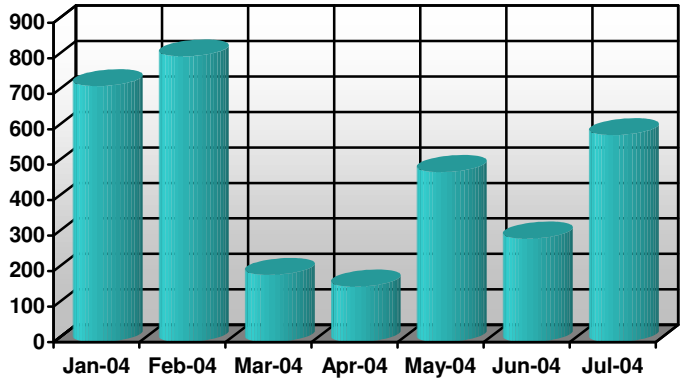
Counts Of Items With Price Increases:



These counts include those cases where the same item has changed price. It is not uncommon for the office supply chain stores to change the price on a single item, multiple times, within the same week.

To appreciate the magnitude that these constant price changes have on the typical consumer office supply budget, look at the following chart detailing the number of price changes by month for a single office supply chain store.

Counts of Depot Price Changes by Month:



There is no way the consumer can be assured of any pricing consistency with this constant change.

What Can You Do About This?

Not only do we monitor pricing practices for the office supply chain stores, we also monitor pricing practices from locally owned and operated independent office supply dealers.

Our research has shown, time and time again, that most local independent office supply companies are substantially lower in overall cost to the consumer.

Most independent office supply companies also offer "fixed" pricing that they honor for a length of time. This allows the consumer to accurately budget office supply expenses and not be surprised by budget overruns.

Decide for yourself, but know the facts.

This document was produced by GOPD, which is solely responsible for its content. www.gopd.com.

PLANO office supply