

Leitz IQ Autofeed Office Shredder Range

DBA Design Effectiveness Awards
Entry 2022
For Publication

document shredders
to make them more
stylish & desirable



Executive Summary

Document Shredders are an essential tool for personal and company data security. However, they are also generally unattractive, cumbersome, large, noisy, and take time to feed documents into. **ACCO** wanted to change those perceptions by launching a brand new range of high-end Auto Shredders under its' premium European brand, Leitz.

The market for large shredders (60L+) has declined by 45% over the past four years. **ACCO** had experienced 'REDACTED CONFIDENTIAL DATA' declines of their auto-shredders sales within this market under their other brands. Since launching the newly designed Leitz auto-feed range, the brand went from no share in the auto-shredder market to a 16% share of the overall market and this contributed greatly to the growth in sales across **ACCO** of 55%.

Since launching the Leitz Auto IQ Range in January 2021 it has achieved:

- Strong sales 'REDACTED CONFIDENTIAL DATA' in the first 10 months from a starting position of zero
- Gained Market Share. Number 1 position in the largest European market (DE Market)
- Reduced Production Costs. A 20% reduction on previous ranges within **ACCO**
- Higher Price Point and Margins 'REDACTED CONFIDENTIAL DATA'
- Regional Market Growth. Grew market share in regions where brand sales were previously low

ACCO's Brands' Vice President of Business Machines Product Marketing summed it up:

"Simple, yet highly effective product design across all the machines has enabled highly cost effective and consistent manufacture, facilitating unparalleled speed to market and success."



Background

ACCO owns multiple office brands and is a market and industry leader. Among these brands is the firmly established brand Rexel and their premium European brand Leitz.

The company wanted to release a new range of large office auto-shredders under both brands at the same time. Rexel has a long history and is market leader in this field, but for Leitz this project represented a launch into a new market sector for the brand.

The focus of this case study is the Leitz Auto Feed Range.



Overview of the market

The shredder market is divided into two distinct segments. Large office (>60L) and small office/ personal shredders (<60L).

The overall market for large shredders (60L+) has been declining over the last 4 years. The Covid pandemic hit the large office equipment market hard with a decline of 45% due to the reduction of people working in offices. This impact can be seen in the below graph (Figure 2), which shows the figures from 3 of Europe's largest markets of UK, Germany and France large office shredder sales taken from the Growth from Knowledge [1] (GfK 2018-2021) published data.

As the market leaders in auto-shredders (a sub-sect of the large office shredders), **ACCO** has seen 'REDACTED CONFIDENTIAL DATA' decline in the auto-feed category prior to the release of the new range. The shredder market is not a passive marketplace, with new competitors entering the market each year. **ACCO** must work hard to ensure they are producing and providing stock that is as good or better than the competitors to maintain the distributors they have already won over.

Retaining distributors is hard in a competitive market, and winning new ones is a true achievement.

As **ACCO** had two distinct brands of auto-shredders, Leitz and Rexel, industrial design was the key differentiator between the two brands. The newly designed Leitz range was launched into a competitive and declining market which has suffered a turbulent 18 months, with no prior established market share, at a higher RRP price to **ACCO's** other brand Rexel.

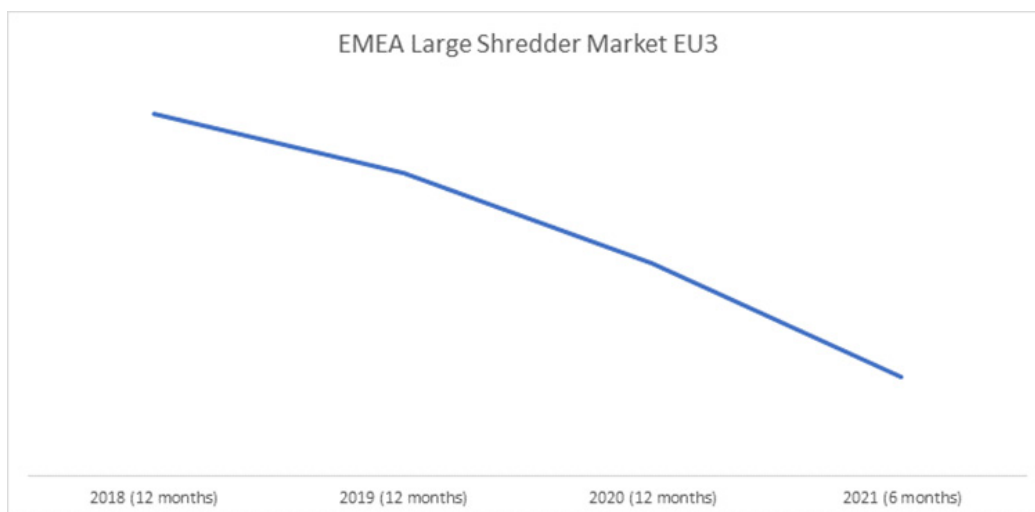


Figure 2- EU3 of 60L+ Shredder sales pre and post Covid lockdown 'REDACTED CONFIDENTIAL DATA'

Brief

Leitz had never previously released a range of Auto-shredders. **ACCO** had used auto-shredding technology in other brands that they owned, so there was an opportunity to re-purpose this technology.

However, the brands needed to be clearly different, creative and innovative design that created a more premium look and feel was used to showcase the premium position of the Leitz brand. This could then sit alongside the functionally and mechanically improved Rexel range without being in direct competition.

Shredders are largely sold in a catalogue format, both digitally and in print. The design needed to convey the brand identity, display a differentiated design from **ACCO's** existing manual shredders and look visually both striking and different from its' competitors all at the same time.

The design brief also required:

- 8 different shredder models at different price points from 4 unique product designs
- A consistent brand identity across model sizes
- Improved overall performance and reliability
- Stand out from the competition aesthetically
- Suitability for the premium market

Objectives

- Launch Leitz into the auto-shredder market for the first time, with a high end, premium design
- Create increased value by creating a premium range to sit above **ACCO's** other brands
- Generate 8-10% of the auto-feed shredder volume across the market from the new Leitz brand
- Increase market share of auto-shredding for the Leitz brand
- Increase product lines with distributors

Design Solution

The project was a collaboration between **ACCO** and **Oxford Product Design**. Having previously worked together on other products, **Oxford Product Design** was familiar with the Leitz brand and its core values.

Oxford Product Design was responsible for the industrial design, styling & brand embodiment and usability of the range, while ensuring all components and mouldings would be manufacturable.

Utilising a platform design approach for the internal cutting heads of the shredders was an early business decision. Shredding standards dictate how fine paper must be cut to meet security levels – P4 and P5 were the standards for each model in this range.

The auto-feed shredders for Leitz and Rexel were designed synchronously, and an early design decision taken was to imitate the platform design and use common moulded components wherever possible to provide economies of scale for part manufacturing prices and reduce investment in tooling costs.

This was achieved by using common side and rear mouldings, bin mouldings and bin window mouldings between Rexel and Leitz for each model size.

Figure 3 below highlights the shared components in colour while the white and black coloured components highlight the unique components.



Design Solution Cont.

Additionally, for the two smallest models, the 100 and 150 (shown in Figure 4), the design decision was made to use the same head mouldings for both to save on the costs of tooling. This meant that for the 150 model, only additional bin and side and rear mouldings were required and these components were re-used on the Rexel counterpart model.

Between the Leitz and Rexel Auto-feed ranges, there were 54 unique injection moulding tools and 27 shared tools for the external casework.

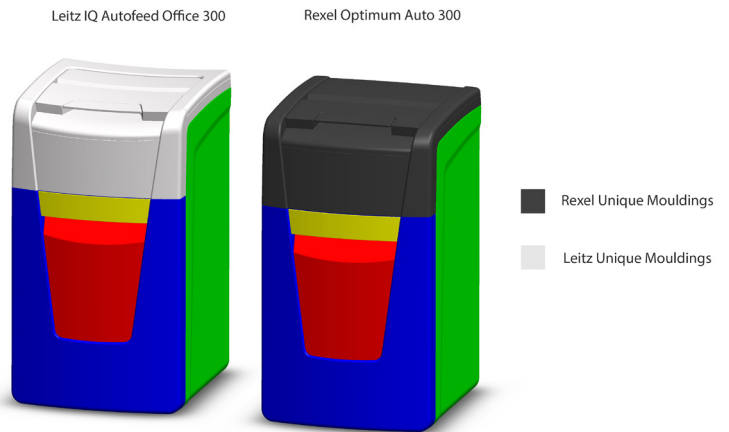


Figure 3- Shows the moulding commonality between Leitz and Rexel brands. 300 model only shown for example.

Because of the physical sizes of these Shredders, the tooling costs are significant for such large components, and so a saving of 27 injection mould tools (approximately 50% of the unique tooling) and the reduced piece part cost of the shared components represents a significant financial saving.



Figure 4- The Leitz IQ Autofeed range with specification, each model comes with 2 different cut sizes.

Leitz made 8 models in total in the range created out of 4 different sized designs (as shown above in Figure 3). There are an additional 8 counterparts for Rexel of the same capacities and P4 and P5 options. Shared components also allowed for easier quality control. Less tools needed verifying, less parts needed fit and function testing and less finishes needed defining.

Due to the pandemic, travel to the manufacturing site during the year of development was prohibited. The reduced part count greatly helped the quality control and speed to market.

It was important that the styling of the common moulded components would work with both brands. This was achieved by having a single bold 'Front V' shape which flows from the shredder bins into the heads.

Design Solution Cont.

The decision behind this 'Front V' was twofold; the V shape has a slimming effect and makes the eye assume a tapering to the product, it also provides an opportunity for a high level of colour contrast in the design to stand out in a small catalogue image format. As an added advantage it also provides a functional advantage as it allows the head mouldings to be made in line of draw with minimal side actions, saving on costs and tooling complexity.

The Leitz Auto-feed range was designed to have a strong aesthetic synergy with other Leitz products while still appearing distinctive from manual feed machines. In the dominant online sales environment, the designs had to be bold and striking to stand out in a catalogue.

The Leitz brand focuses on a more premium offering than its competitors. Therefore, the IQ Auto-feed was given a more premium aesthetic in a number of ways;

- Unique 'Leitz' concave flowing top surfaces removes visual weight and provides a soft, appealing aesthetic
- High quality CMF (Colour Material Finish), including contrasting metallic finishes with the darker silver in the central panels to provide a visually slimming effect
- Use of white over the more traditional and omnipresent black in this market sector
- Capacitive touch icons on the control panel brings the products inline with modern user expectations and is uncommon in the shredder market
- Pull out bin – provides a cleaner emptying process over the traditional lift off head
- Simple, clear and intuitive interface and operation, including large handle for easy bin emptying and simple iconography on the user interface

The benefits to both brands (Rexel and Leitz) due to design decisions were:

- Design costs reduced by designing the two brands in tandem
- Saved tooling costs
- Economies of scale in production
- Saved time in manufacturing and testing due to shared tooling and components
- Improved reliability

This premium positioning of Leitz allowed a higher price to be charged over the competition which combined with the lower production costs from the component commonality lead to greatly increased value for **ACCO**.



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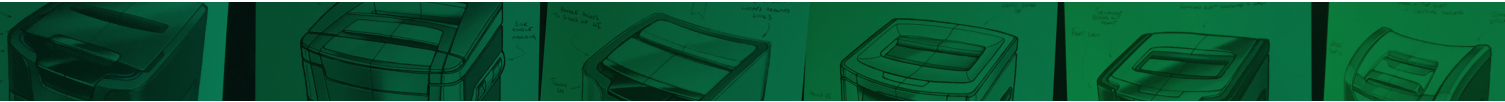
Kowloon

Design Solution Cont.

Oxford Product Design, ACCO and the chosen manufacturing partner in the Far East worked together to maintain the industrial design intent through to production, ensuring the most efficient route to production within the tight timescales of the project.



In the first 10 months after launch, Leitz IQ Auto-Shredders have made a 'REDACTED CONFIDENTIAL DATA' from a zero starting point in the sector. 'REDACTED CONFIDENTIAL DATA'. This is a huge success for ACCO, especially as the products were launched into a market which was heavily impacted by a drop in sales due to Covid and the lack of people working in offices during 2020/21.



In 2020 Leitz had no share in the EMEA (Europe, Middle East & Africa) auto-feed shredding market. After launching the new range in 2021 it had climbed to a 16% share. Below is a graph (Figure 5) showing the overall market figures in blue from GfK vs the sales figures from ACCO in orange (GfK data is published 6 monthly). [1] The original target of 8-10% was doubled with Leitz taking a 16% share in May (Figure 6).

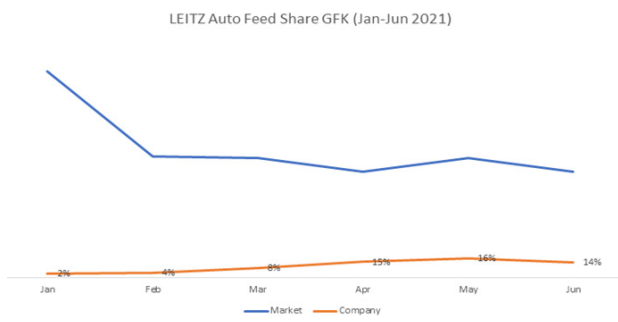


Figure 5- Leitz AutoFeed Market Share - GfK data [1] is released 6 monthly so Q3&4 data not available until Jan 22. 'REDACTED CONFIDENTIAL DATA'

Leitz is sold in direct competition to Rexel, with the same channels. This shows that the increased sales in Leitz is taking share from Rexel, proving people are willing to pay more for the better looking design as the machine is identical internally.

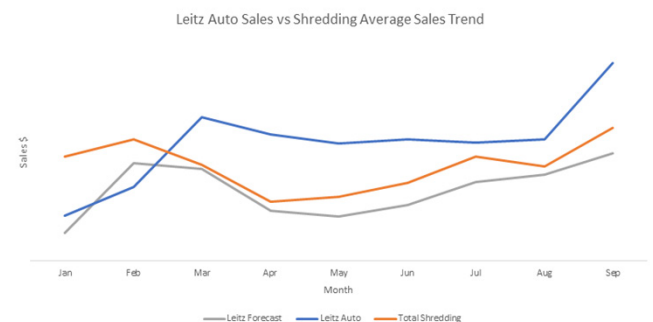


Figure 6 - Auto Shredder Sales Vs Forecasted Auto Shredder Sales Vs Leitz Manual Shredders. 'REDACTED CONFIDENTIAL DATA'



Results

To put the success into perspective, **ACCO's** other brand, Rexel has been well established in the auto-shredding market for over 25 years and has a 48% share. Leitz has now achieved 1/3 of this share in less than a year with a near identical product differing only in design and brand while being sold for a premium over the Rexel offering. From this we can extrapolate that the Design has had a significant impact on the positive consumer and distributor response to the Leitz IQ auto-feed range, and that the consumer is willing to pay more for the more premium aesthetic.

The products were released in January 2021 but due to the impact of Covid, stock

shortages and container shortages, full stocking and distribution wasn't achieved until March. The graph above (**Figure 5**) shows the impact this had on the product launch with a slow start in January to March.

Total shredder sales in the Leitz brand have increased by 55% (GfK data) [1] since the launch of the IQ auto-feed range. The graph above (**Figure 6**) shows **ACCO's** forecasted expectations (grey) for the range based on its 25+ years' experience in this market vs the actual sales of Auto IQ (blue) vs the category trend for all shredders (orange). Category trend is calculated by averaging shredder sales over 3 years to capture seasonal fluctuations.

This graph clearly shows that the actual sales figures are exceeding the expectations of the business in all months except February, when stocking was an issue.

It also shows that Auto-shredders have been out selling the market average for all shredders each since they became widely available. This is particularly exceptional since Auto-shredders have always struggled to penetrate the market historically taking only 15% of the overall market share of shredder sales (GfK data).

Although **ACCO** changed its manufacturing supplier for these machines, the economies of scale by utilising common tooling and common components between brands will have contributed significantly to the reduced prices, averaging 20% lower than previous Rexel range, and so increasing margins too. The design also saved 1/3 of the initial investment by utilising 27 shared tools.

Shared tooling and components saved on manufacturing and verification time meaning product made it to market in just over a year even with Covid delays.

The new premium design meant the Leitz models could be sold with a larger margin.

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Results Cont.

New distribution was gained in the following outlets:

Amazon, 'REDACTED CONFIDENTIAL DATA'

Lyreco (P5 micro cut models listed for the first time)

'REDACTED CONFIDENTIAL DATA'

Otto Printus (new listings alongside the existing manual shredder offering)

'REDACTED CONFIDENTIAL DATA'

Distributors will not look for alternatives within a product category if they feel the new product is as good or better than competition. Competitor products in this market have very comparable specification, as the cut type is set by industry standards, so distributor's purchasing decisions are generally based therefore on cost, look and brand.



Leitz is a new brand in the Auto-shredding market (and still relatively new (3 years only) to the manual shredding market) and costs more than competitor products. The distributor's orders, therefore demonstrates that the design is

integral to the new listings. There is evidence to suggest the Leitz IQ Auto Shredder launch has also increased brand awareness in regional markets where traditionally Leitz did not perform as well as desired.

Leitz as a brand has been experiencing a slow incline but has shown a noticeable peak when the new IQ range was released and widely available.

'REDACTED CONFIDENTIAL DATA'

Changes in stakeholder behaviour

Initially the concept of introducing the Leitz Auto-feed range into this declining market sector was met with resistance. **ACCO** had already decided to refresh the Rexel brand which had not been updated since 2011, and Leitz would be launched in direct competition to it.

The success of the auto-shredder range means that **ACCO's** business team is now planning to grow the business by the development of future machines using the same styling and design language. **Oxford Product Design** has already undertaken the design of 2 further shredder ranges progressing **ACCO's** offering in the wider shredder market place. Two of the premium entry level home shredders, utilising the same design philosophy and brand language have been recognised. One of which was the Leitz Protect Range, this product has won a 2021 Red Dot Award. Leitz IQ home office was awarded "Best for style conscious" consumers by the Independent [2].



Results Cont.

Perception / Returns

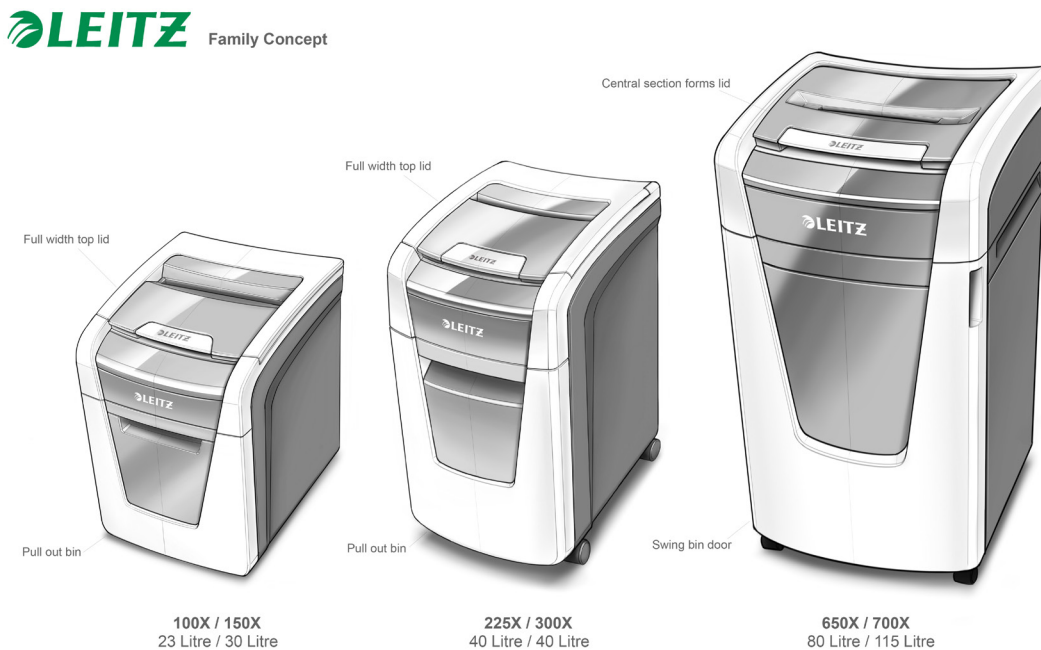
Returns rates halved since launching this product line in the same period 'REDACTED CONFIDENTIAL DATA'. These returns were due to functional issues and were sent back from the Distributors. 'REDACTED CONFIDENTIAL DATA' This demonstrates that the improvements in the design and engineering of the new product range have also been successful at improving functionality.

Influencing / mitigating factors

In conjunction with the new designs, **ACCO** also sought a new supplier to manufacture the machines. This change of supplier was significant as all new motors and internal components were used, meaning the design needed to be built from the ground up. The new supplier was able to offer more advantageous costs for the internal components over the pre-existing supplier, contributing to the overall reduction in manufacturing costs. However the % of tooling saved from the effective design would have been true regardless which toolroom was used and the economies of scale from running the same parts will have impacted the costings.

Media/ Press/ Advertising/ Marketing

There was no specific media dedicated to the launch – just a promotional offer for customers on all Leitz shredders (not just the auto-feed). These promotions take the form of a 'value add' promotion whereby a consumer can buy a shredder and receive a free gift, or potentially claim a nominal cashback sum. It cannot be proved by **ACCO** that this kind of promotion has any tangible effect on sales, as key competitors implement the same promotions at the same times to counter any effect. The promotions function to level the playing field across brands and competitors in a competitive market.



[1] External data supplied by Growth from Knowledge via subscription (supplied June 2021)

[2] Tamara Hinson (published 15th October 2021) "9 best paper shredders for quick document disposal at home" for the Independent (last accessed 1st October 2021)