

Chapter Case Study

Ideal Products: the Leader in Greeting Cards **

Cards are the most common means of exchanging greetings, thank-yous and many other heart-rending felicitations. Despite the rapid speed of the Internet and increasing popularity of electronic cards, the traditional paper card has not yet lost its universal appeal. In Bangladesh, the use of greeting cards is enjoying a rapid and widespread growth, compared to the situation a decade ago when people hardly cared about cards. Now almost in every occasion birthdays, weddings, Eids, illness- people give cards to each other to express their feelings.

Ideal Products have reached the top of the greeting card business through hard work and perseverance. They have earned international recognition by exporting cards to England. Resadulk Haque Resad, General Manager of Ideal Products, spoke to The Business Bangladesh about his company and its future plans.

The company started its operation in 1980, at a time when there was a dearth of quality printing presses. In its early years, Ideal got its cards printed from other printing presses. Business growth was modest in the early years as the culture of sending greeting card was not very prevalent. The situation today is very different, with growing business at home and abroad.

Resad attributes Ideal's success partly to the efforts of its 150 strong workforce. "We are more likely a family, have intimate relation with each and every member of our company", says Resad.

Ideal had its own team of card designers to start with. The old designers are still with the company. Later it used designs from various other places. But we still have our old designers. The company uses imported paper, mainly from Indonesia. Printing machinery is of German origin. It has the latest computers for designing technology.

Resad confidently claims the top position for Ideal in the greeting card business, "the difference between us and the rest is unprecedented". If we are occupying 90% of the business, then the rest is occupying 10%". The company has its own show rooms and branches in almost every major city of our country, including Sylhet, Chittagong, Bogra and Narayanganj, with plans to implement show rooms in almost every nook and corner of Bangladesh.

Ideal used to export cards to England. Then two years ago, it opened its own branches in England. Currently it has three branches in London's Brick Lane. The UK business has been quite successful and is gaining in popularity. Expatriate Bangladeshis flock to Ideal branches to buy cards on occasions like Eid and Puja. "May be it is their maternal instinct which inspires them to buy cards from Bengali shops", says Resad. The shops also have English customer buying not only greeting cards but cards for festive occasions like Easter and Christmas. Ideal is thinking of opening a show room at New York this year, and in other cities within Europe. Although Resad is confident that his product can compete in the sub-continent market, the company prefers to concentrate on the European cities with substantial Bengali immigrant population for the time being, with no plans of opening show rooms in India or Pakistan. Ideal cards sell on average at a price ranging from two to fifteen taka. It also sells mini cards for one taka per piece. There are cards of twenty or twenty five takas as well. The price mainly depends on the size of the card.

According to Resad, new entrants to the business would find it difficult to compete with Ideal's quality of cards. "Our product is different from others because we use world class materials, high-tech machineries and premium quality papers for our

cards. And of course, the most important thing is our workers and employees spend tremendous effort on their work. That is why our products remain better than the rest", claims Resad.

Speaking about the difference between Ideal Products and the products of Hallmark and Archies, Resad says, "Their business strategy and style is different from our. Our cards are sold almost all over the country, but their cards are sold only in Dhaka city." In the end, he thinks Ideal's success is based on a superior product and the variety it can offer to its customers.

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Questions for Discussion:

1. What is the prospect of greeting card business in Bangladesh?
2. What are the critical factors affecting the growth of Ideal Products?
3. As a market leader, do you think Ideal Products has taken better strategies in the market arena? What else it can do for its continuous domination in the industry?

4. Which component among the marketing mix the Ideal Product is concentrating more?
5. What is the competitive advantage of the Ideal Products compared to its close competitors like Hallmarks and Archies? Should Ideal Products avoid, attack or by pass the close competitors like Hallmarks and Archies? Provide argument in favor of your answer.
6. Prepare a strategic group map for the greeting card industry either hypothetically or based on given information from the Ideal Product point of view.