

# Archies case

Business



Therefore it can be said that Archies does not only deal with Emotions of people but also tries to intact them into a strong bonding of relationships. Thus Archies is clubbed into three key verticals - Emotions, Relations and Expressions. (Mital, 2009) At the initial stage Archies was moving ahead with the prescriptive strategy by catering its customers with cards, gifts and posters, which was a big hit. To make itself immune from the threat posted from the external environment such as competition and more over the increasing demand of innovative products it moved towards Emergent strategy.

Later in 1989, Archies tied-up hands with HelpAge, for global networking which was again an emergent strategy taken to widen its tentacles.

(Mital, 2009) Question 2: Does Archies have an advantage over other greeting manufacturers? What kind of advantage and is it helpful in pursuit of their business? How? Answer: Yes, Archies do had an advantage over other greeting manufactures. Various advantages experienced by the company are highlighted underneath: \* First Mover Advantage: Archies being the first greeting cards making firm had a great advantage in the form of revenue and positioning itself in the minds of the customer.

As after launching Archies Gallery in the heart of Delhi University campus, helped them to meet the break even in the first year itself. \* People's Company: having tie-ups with various corporate such as Sony corp, Shell Gas, ICICI, Honda Motors etc helped in unveiling the collection and to grow the corporate network. \* Concept of Occasional Cards: this concept gained momentum as it was erstwhile not so popular in India.

Archies started focusing on making new occasions, which helped people to find reasons to greet each other.

Valentine's Day, Friendships day, Father's day, Holi and many more such occasional cards contributed 30% revenue of the total sales. \* Cards in Regional language was the another innovative idea helped in gaining advantage \* Collaboration: \* Licensing agreement with American Greetings inc. which helped them to source the designs of American greetings and sell them as Paper Rose. With this tie-up Archies was also benefited with the access to the other product line under American Greetings umbrella such as Gibson, Hanson Graphics, Expression gifts and Carlton cards. Collaboration with Simon Elvin, UK based greeting card player helped in adding more designs and variety to its portfolio.

\* Virtual Store: Archiesonline. com was the India's first site and world's first e-greeting site to go paid. This was created to reach the end customers directly. (Mital, 2009) Question 3: What business is Vintage in? Has there been a change in their strategy over years? Please discuss. Answer: Vintage Cards and Creations was established in 1983 by Rajesh Vaishnav and Anil Kapur.

Erstwhile Vintage stepped forward into a business of providing Greeting Cards but later with the changing trends started adding various range of products in its portfolio.

Yes, there has been a change in their strategy with the changing time.

Vintage signed an agreement with Hallmark cards, one of the world's largest greeting cards company in order to exercise the exclusive right to use

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copyrights in the manufacture, distribution and sale of products. Vintage entered into an agreement with Walt Disney to increase the designs of its products. Mattel Inc.

U. S.

A was the great help to Vintage for providing “ Barbie” brand in India. (Mital, 2009) Question 4: Where have vintage gone wrong? Answer: Blunders which Vintage faced are listed below: \* Having a piled up Inventory unutilized for cards manufacturing since 2001 of more than 18 months, which increased expenses of storing and maintaining \* Lack of product innovation and variety \* Steep decline in operating profits from the year 1999 which was because of increasing network of franchise stores, without studying the market requirement and customers need. \* Turning off the Pune plant and shifting to Goa was again a big problem.

Vintage was moving ahead on the same path as designed by Archies but Vintage being late in the race was not successful in gaining the popularity in the market. It is well said that “ Follow the Leader” strategy in the market doesn’t always work. One should always try to revitalize their brand and product with new and innovative ideas which was lacking with the case of Vintage. (Mital, 2009) Question 5: What can they do to put their business on track again? Answer: Vintage to resume itself in the Indian market should restructure its strategy to fight against its biggest competitor.

It should come up with the USP in its product range.

Vintage is the company which is not known to many so therefore they should make their presence in the market by not offering the same in the market as Archies but it should come up with customized greeting cards, gifts, t-shirts etc. the requirements of the customers can be collected online or else in physical stores. This will attract customers because nowadays everybody wants something new and innovative. Reference Mital, A. (2009) ' Archies vs.

Vintage - Are We in the Business of Greetings', Cases in Strategic Management, Tata McGraw-Hill, pp. 12-22.