

A report on otobi

Business



This report has been prepared for Mr. Syed Munir Khasru, Instructor of Business Communication Course (C102). The report takes a look at the various operations of Otobi Limited, its present position in the furniture industry and its future prospects.

1. 1 Objectives The aim of the report is to:

- ? Understand the condition of Otobi Limited in the present furniture industry.
- ? Relate the position of Otobi to its financial success.

- ? Analyze the marketing strategies of the company. Analyze the effectiveness of the company's promotional techniques.
- ? Recommend some steps that can assist the company.
- ? Apply the concepts learnt in the business communication course

1. 2 Scope The group has chosen Otobi Limited as its choice of company.

The furniture industry in Bangladesh can be divided into branded and unbranded furniture. The report is confined to modern, lightweight, branded furniture, due to complications in surveying the operations of the unbranded furniture.

The complications are a result of mass production and selling of unbranded furniture in numerous stores and shops under different names. Also, this report does not include hard wooden furniture. While the group has tried to do a thorough analysis of the company, the report is mainly focused on the concepts learnt in class as well as some basic marketing concepts.

1.

3 Methodology In order to collect the data for the report, the group has used not only library research but also normative survey research to obtain both primary and secondary data.

Our business communication textbook, which the group used as a guideline for preparing its report, along with the reference books listed in the bibliography were used as the sources of secondary data. Many websites and brochures of all major furniture brands in Dhaka were also used to find out certain facts about the companies and furniture industries. For the primary data collection, our group interviewed Bipasha S. Hossain, Head of Business Development, Md.

Morshed Alam Bhuiyan, Officer, Design, Debobrato Shaha, Asst. Manager, Sales, and A. K. M. Asad, Asst.

Officer, Sales of Otobi Limited. The group also toured 3 showrooms and 3 dealers of OTOBI and 3 showrooms of the main competitors to gain first-hand experience of its operations and learn about the various services offered to their clients. In addition, a normative survey was conducted in order to find the level of effectiveness of the advertisements of OTOBI. 1. 4 Limitations The report is completely based on the information revealed by the representatives of the different furniture companies and on the validity and reliability of the secondary data.

However, the data used in this report does not stand on any official research prepared by any other third party professional market analysts.

Consequently, the scopes for manipulation of data by the companies can be taken into account and therefore the validity and reliability of the information cannot be guaranteed. 2. Overview of the industry: 2. 1 Background Household furniture includes chairs, tables, beds, cupboards,

wardrobes, dressing tables, kitchen cabinets, etc. Modern furniture in offices is predominantly of steel or metallic type.

Since the 1980s, these types of furniture have found their place in households, educational institutions, hospitals, hotels and restaurants as well as public places such as airports, railway stations and ports. The development of new furniture designs go on, although with one trend overlapping the other. One style does not stop abruptly when another begins and the designs and styles are often blended with one another in a process of continuous development. Today, instead of wood, materials like steel frame, specialized plastic sheets, and other wood substitutes are imported and used to manufacture furniture.

These furniture are stylish, light-weight and therefore, easy to carry and move.

Most of these materials are imported from Malaysia and bear high quality. Replacement of wood with wood substitutes is not only contributing in helping the government for the safety of the environment, but at the same time has made furniture affordable among the mass. While manufacturing a wardrobe from pure teak that costs around Tk. 30 000, a closet manufactured from modified wood would actually only cost you between Tk. 18 000 and Tk. 20 000.

All these illustrate that furniture making is emerging as a profitable industry in this country. In fact plastic-made furniture actually emerges in consistencies ranging from hard and inflexible to soft and rubbery. They are gradually replacing natural substances such as wood and are not only

lightweight but they are also easy to clean and capable of being rendered very strong. Plastic furniture started to be manufactured on a much wide scale in the 1980s and has gradually become very popular. They are remarkably durable.

In the furniture industry, the largest use of plastic is in the form of laminated sheets. The development of indigenous plastic furniture in Bangladesh has been in association with imports of readymade plastic commodities from Germany, Malaysia, India and some other countries. A good number of enterprises have been established in the country in the last two decades. The large ones are located mainly in Dhaka, Chittagong and Sylhet. On the other hand, steel or metallic furniture is made of an alloy or mixture of iron or metals.

It was after the 1980s, that steel or metallic furniture started to appear on a wide scale and within a few years it overwhelmed all other types of furniture, showing more efficiency in offices and work places. Some home furnishings, particularly utility items are also built of this material. Steel sheets are imported to Bangladesh mainly from Japan, Malaysia, China, and India, and locks from England, China and India. It exports steel made show pieces, dolls, medals, plantation cases, pictograms, portraits of plants and animals to Europe, Canada, United States and the Middle East.

Steel made furniture is relatively expensive, but is pleasing to the eye, it's long-lasting and subject to producing new designs.

Normally poor and low-income groups of people do not use steel made furniture. Yet, the demand for steel made furniture is increasing and its cost

gradually decreases with production in larger volumes. 2. 2 Trend in the last 3-5 years At one time, furniture meant household objects made from 100% pure wood. At one point people bought furniture with the thought of using them for at least 50 years.

Time has changed and so has people's perception of furniture. These days, an increasing number of families have developed the habit of purchasing new batches of household furnishings at five to ten year intervals. In this growing mobile culture, people demand light furniture, which they would be able to transport easily from one place to another. In addition, people want furniture at affordable prices so that they would be able to make new purchases at regular intervals. It has also been observed that people nowadays prefer modern designs to traditional ones.

Therefore, there has been a shift from heavy, conventional wooden furniture like teak to light, compact, and modern wood substitute furniture.

There has also been exploration on non-conventional wood like vinyl, MDF (medium density fiber), laminated board, plastic, wrought iron and so forth.

3. A brief Background of the company 3. 1 Company History OTOBI began its journey in 1975 as a small workshop in Topkhana road set up by Mr. Nitun Kundu. Bangladeshi people traditionally had been using wooden furniture, but due to the limitations of the country's forest resources, Mr.

Kundu anticipated the need for metal furniture in the country instead. He started OTOBI in 1984 as a commercial production where all kinds of metal furniture were manufactured. By 1988, OTOBI started to manufacture metal furniture from a factory at Mirpur and market products using a showroom at

Elephant road. Owing to the increasing demand of OTOBI metal furniture in the market, another factory was set up at Shyampur, Dhaka in November 1994. Since people preferred wooden furniture, OTOBI emphasized on furniture made from Laminated Board to give a similar feel.

OTOBI, because of its superior quality, gradually gained popularity all over the country. To keep up with the increasing demand for its products, OTOBI increased its production capacities, expanded its product line and product mix, and employed highly skilled industrial designers, engineers, and artisans. 3. 2 Products Provided In May 1999, OTOBI started producing furniture from laminated board. This particleboard has a wood like surface and can be designed to look exactly like wooden furniture. It has also introduced innovative knock down shelving and other types of storage systems allowing rearrangement of the space, when required.

OTOBI provides furnishings using a whole variety of materials from particleboard to metal, from wood to wrought iron and recently it has introduced plastic products. It has products ranging from office, household and hospital furniture to specialized furniture like kitchen cabinets, built in cabinets and workstations. OTOBI handles interior projects and has started selling imported home appliances as well. The foremost products offered by OTOBI are given below. The detailed categories of the following products are given in the appendix. Office Furniture | | Household Furniture | | Computer Furniture | | Hospital Furniture | | Decorative Items | | Kitchen Cabinets | | Special Built-in Cabinet | | Work Station | | Various Engineering Products | | Interior Project 3.

3 Services offered In addition to providing a wide range of high quality products, OTOBI provides additional value to its customers through its efficient services. They provide one-year warranty with all the furniture and after sales services. After the warranty period is over, OTOBI repairs any defect of the furniture in return for a service charge. In addition, OTOBI employs skilled sales persons who are very well aware of the furniture and the customers. This enables OTOBI to give quality service to its customers.

3. 4 Operation of the company

In Otobi the production of a piece of furniture begins from the Business Development sector. Research is conducted and then the Product Development team works on the new ideas and concepts from the research. Next, a sample piece is produced which goes to the Sales Department for price fixation. Once approval is gained, it goes back to the Production Department for mass production.

OTOBI employs around 2000 people including those highly qualified and talented at management. The Company manufactures a variety of furniture in their most competent factories at Mirpur and Shyampur (covering an area of over 300, 000 square feet).

They use the latest, machines and technologies to meet the functional need of the present day challenges. It has 8 showrooms and 108 dealers catering all over Bangladesh. OTOBI entered not only the domestic market but also the international market.

It began by exporting chairs to Ukraine in 1994. Currently it has its distribution centers in four cities in India. 3. 5 Showroom and Dealers The <https://assignbuster.com/a-report-on-otobi/>

showrooms are either owned or rented by Otobi itself. The products are sold to the dealers at a lower price than the selling price of the product so that the dealers gain some commission from the sale at the same MRP.

For Otobi, the company does not have to search for dealers.

Instead, the dealers have to be qualified. When a dealer is chosen by Otobi, many factors are taken into account. These include his or her business license, financial records, experience, recommendations, credit ratings, etc. There is a minimum target sale set by Otobi that the dealer has to accomplish every month. 4.

Competitors Over the years, local furniture companies as well as smaller individual furniture outlets along Panthapath and other locations in Dhaka have taken the initiative to import and locally manufacture ranges of office and household furniture.

The main competitors of Otobi are: Navana furniture NAVANA Furniture is the Brand Name of the furniture unit of Aftab Automobile Ltd. Founded in 2002. It has its own factory in Savar operating in a combined area of more than 12,000 square meter of factory and warehousing with its head office in Motijheel , Navana Furniture. It has display centers in all major cities and towns of Bangladesh and over 25 franchises.

Navana imports all the major raw materials used in its furniture, which include melamine-laminated chipboard, chair components, fittings, and other such components.

Navana can be considered the biggest competitor of OTOBI because it also has prominent corporate clients and poses a threat during tendering. Partex Furniture PARTEX Furniture manufactures a combination of timber, special particleboard and decorative plywood as a cost effective substitute of natural timber. Within a short span of time the company has been able to claim a sizable portion of the market. It offers office and school furniture and a wide diversity of products at reasonable prices affordable by different income groups.

Partex has showrooms in Dhaka-Elephant road and Farmgate, as well as in the districts of Khulna, Sylhet and Chittagong. It has 120 dealers all over the country including prominent cities like Dhaka Chittagong, Sylhet and Comilla. Studio 45 Studio 45 is a sister concern of Ban Thai Furniture, a joint venture company between Bangladesh, India and Thailand. Its furniture is mostly imported from Thailand or made from modern density fiber (MDF) imported from Thailand. It has showrooms in three locations in Dhaka-Panthopath, Gulshan and Rokeya Sarani.

Its head office is located in Gulshan. Studio 45 manufactures its products in four factories including two in Savar and one in Tejgaon. Since they produce most of their products from MDF, the prices of their products are higher than of those offered by OTOBI 5. Financial Aspects of OTOBI 5. 1 Price Categories In order to prevent black marketing and maintain consistency in pricing everywhere, OTOBI products have the same MRP in all its showrooms and dealers.

Some products offered by OTOBI and their corresponding prices are:

Products	Retail prices (T k)
Bedroom set	100, 500
Double shelf bed	

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670, 000 | | Children bed | 43, 000 | | Wardrobe | 18, 500 | | Book case | 5, 250 | | Reading Table | 6, 500 | | Coffee Table | 4, 350 | | Multipurpose shelf 15, 500 | | Sofa | 10, 000 | | Dinner wagon | 20, 350 | | Shower Column | 22, 500 | | Bath Tub | 8000 | | Glass Sink | 10, 300 | | Hospital Patient trolley | 6000 | | Food cart | 45, 500 |

5. 2 Breakdown of Pricing Structure | Fraction of the Selling Price | | Showroom | Dealers | | Production Cost | 65 % | 65 % | | Commission to Dealers | _ | 10 % | | Advertisement Expense | 13 % | 8 % | | Transportation Cost | 5 % | 10 % | | Profit | 17 % | 7 % |

The monthly sales, cost and net profit are calculated below: Sales from Showrooms = BDT 150, 000, 000 Sales from Dealers = BDT 120, 000, 000 Total Sales = BDT 270, 000, 000 Less: Total Cost = BDT 225, 000, 000 Net Profit = BDT 45, 000, 000

5. 3 Revenue Trends In the last 5-7 years, the revenue of Otobi furniture has increased remarkably.

One of the main reasons for this is the sudden rise of the corporate industry. Various new local and multinational companies have come to the scenario and the demand from corporate houses has risen accordingly.

Companies are very much concerned about decorating their offices with up-to-date and high quality furniture. Hence, OTOBI is able to get more prominent clients. There has been around 20-25 % growth in sales over the last 5 years as shown. [pic] 6 . Market Performance 6.

1 Target Market OTOBI focuses on the ‘ demand’ instead of the ‘ need’ of customers. That is why the main target group of OTOBI is people belonging to the high-income group, who would be willing to pay extra money for finer quality.

This includes big companies like Sqaure, Rahimafrooz, Unilever, WHO, Apollo Hospital, City Bank, and many others who buy products in bulk amounts almost every month. A detailed list of all the major customers is given in the appendix. To them, quality instead of the price is the major factor for purchase.

Likewise, customers of household products include the high-income group who would consider quality as the main determinant. However, if the middle class is considered, OTOBI loses customers of average-income group to competitors who provide products at a lower rate. The customers of OTOBI can be divided into two categories – corporate and household.

The business started its operations targeting the corporate houses only. Now, the corporate customers account for approximately 60% of their total sales. On the other hand, customers of household furniture account for the remaining 40%.

While dealing with both categories, it has to be borne in mind that OTOBI furniture are premium products having quality superior to its competitors. Hence, the values of the products outweigh their prices. The target market can be divided according to social class. OTOBI follows a differentiated marketing strategy since its target market includes the upper-middle and the upper class society. Their target market is based upon the following general profile of the customers: Age:

The customers for household furniture are generally over thirty five years of age.

Due to the high prices, it is usual that people who have been working for at least ten-to-twelve years can afford to buy OTOBI products. Sex: In case of corporate houses, it has been observed that most of the customers are male. On the other hand, both male and female usually come together to purchase home furnishings. Education: As mentioned earlier, due to the high prices of OTOBI products, they are not affordable by all income groups. Therefore, OTOBI products are purchased by people who are at least graduates. Social class: Majority of the customers of household products come from the upper working class.

Considering the showrooms, approximately 85-90% of the consumers come from the upper class while the remainder comes from the upper middle class. On the other hand, if countrywide dealers are considered, the upper class constitutes around 60% of the consumers and the upper middle class around 40%. Income group: Since OTOBI products are high-priced, the main target market includes the upper middle and the upper class. These include retired government employees, people working in the private sector, businessmen, politicians, etc. The SEC (Social Economic Class) is a measure of the social class dependent on variables like education and income. The details on the classification of SEC are given in the appendix.

According to the SEC its target market is basically SEC-A and SEC-B+. Geography: Most of OTOBI'S target customers are concentrated in Dhaka and Chittagong. This is why the company focused mainly in these two cities. Majority of the company's showrooms are located near areas like Panthapath, Gulshan, etc. where it can effectively serve its target customers.

The dealer outlets are also located in regions where significant number of target customer can be found. 6. 2 Market Size In the furniture industry, it cannot be assumed that one person buys one product. For example, the corporate clients buy products in bulk and one house cannot be really assumed to be one individual customer.

Due to this difficulty in calculating the total market size in terms of the number of customers, monetary sales are used as the indicator of total market size.

According to the sales of all the major branded furniture companies, the total market size is approximately 45 crore. 6. 3 Market Share In the monopolistic market of branded furniture, every company wants to have the greater share of the market. Otobi has been able to achieve the greatest share with a market share of about 60%; in other words, BDT 27 crore. The estimated market shares of the major furniture companies are shown in Figure 1.

6. 4 Marketing Strategy The marketing strategies of Otobi can be analyzed in terms of its four Ps-Product, Price, Place and Promotion.

Otobi does not believe in the selling concept, rather, the marketing concept has become their main motive. This section will discuss the marketing strategies of OTOBI.

* Product 'Product' is perhaps the most important of all the four Ps.

Unless a product or service is unable to provide a value to the customers, there will be no demand for it no matter how low the price or how convenient the location is. That is why OTOBI is always focusing on the customer's

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satisfaction. . The USP of OTOBI is its high quality. The founder, Mr Nitun Kundu was the pioneer in inventing new technologies for manufacturing the furniture in our country.

He had the abilities to come up with innovative designs as well as modern, cost-effective methods of executing the production. It has been seen that Otobi as the market leader introduces a range or design of a particular product and similar ones are then produced by the competitors. One such item is the ‘ peach n black’ combination of bed set which had a high proportion of sales when Otobi started selling it. Gradually, Navana and Partex also came up with the same combination. Thus, Otobi can be termed as the “ trendsetters”. Also in terms of quality, Otobi is the leader.

Their products have unique designs and are durable. Another important feature is the finishing part of the furniture items.

Otobi has the technology to give smooth finishing touches to all its commodities, which even now the competitors are unable to imitate. Hence Otobi products clearly stand apart. Otobi also offers appliances like refrigerators, air conditioners, and so on from an American company called Apollo. Other home decorative items like curtains or chandelier are also available in the showroom.

This urges the customer to buy these additional products from Otobi in decorating their homes. Along with all these, Otobi also offers after sales services like warranties. By this, it makes sure that the consumers are getting value for their money and is likely to increase consumer loyalty. Price

Price, as most people would agree, is the most sensitive aspect of the marketing strategy. An effective pricing strategy has to be well planned and it should reflect the utility that the product provides. Many people will be ready to sacrifice some features and facilities in return for a reduced price.

But the opposite is also true. There are people who will not mind paying a little extra for some added benefits, especially in the case of those people with higher level of income. Otobi, which produces high quality products, balances the quality and the price by following ' Premium Pricing Strategy'. Yet, OTOBI has able to maintain the highest market share, even with the highest prices in the market (studio 45????).

All the other competitors in the market provide similar types of products at lower prices, but their quality is difficult to match with those of OTOBI.

Otobi also offers discounts on their products. When a corporate client buys items in volumes, discounts are offered. The discount depends on the type of deal and relationship with the client. In addition, discounts and special offers are given during special occasions like trade fairs, Eid, and other festive occasions. During these times, an increase in the sale of home furnishings has been evident.

Place Place usually means where a product is available. Otobi has a total of 8 showrooms and 108 dealers all over the country.

Since it is spread out in so many areas, there are special geographical advantages. It can reach out to potential customers all over the country, thus increasing chances of sales compared to its competitors, who have not managed to reach out their service in the similar way. In order to provide its <https://assignbuster.com/a-report-on-otobi/>

product and services, Otobi uses two distribution channels as shown in figure 2: OTOBI's sales offices are actually located in different sites around Dhaka like Elephant road, Uttara, Gulshan, Shaewapara and Panthopath with its head office in Dilkusha commercial area. -Kolkata, Gouhati, Shilchar, and Tripura.

Orders are first placed on two of their factories by the showrooms and the dealers.

After the ordered furniture is being made, they are then transported to the respective showrooms and dealers by the company's transport vans. During promotional activities during special occasions or seasons, showrooms and dealers are sometimes unable to keep up with the heavy demand from the customers. Under such circumstances, orders are transported to the customers directly from the factories. Covered vans and rickshaw vans are used as the medium of transport.

The company takes the responsibility of shipment to the customers only when orders are made from the showrooms. Promotion Promotion is important for an organization to inform, influence, persuade, and retain the target market.

The promotional activities of Otobi are not intense, yet it is the market leader. There are two reasons for it. Firstly, the major clients of Otobi are the corporate houses for whom sales depends more on the business relationships. Secondly, Otobi has very high brand equity, which results in a high level of consumer brand awareness and loyalty.

The promotional activities of OTOBI include advertisements in billboards, newspapers, television, sales letters to corporate customers, and advertisement banners. All these promotional activities help increase the company's sales by approximately 40-50%. In case of Otobi, television commercial is not very prominent.

The main reason is the fact that their main clients are the corporate customers who, unlike household customers, do not require television commercials to be influenced. Otobi gives out television commercials only during special occasions like Eid when many families are likely to buy new furniture.

One such example is the ' jhoom boroshay dhoom offer' during (a; lsdfl; ad). These advertisements effectively increase the sales of home furnishings by 20 %. OTOBI has the practice of sending customized sales letter to their core clients, i. e. the corporate customers.

Every time OTOBI give out any special offers, discounts, or introduce new products or designs, they send such sales letters along with attractive leaflets and brochures of the products. Otobi has many billboards all over the country.

They are located mainly near the showrooms. It also gives out advertisements in newspapers, mainly The Daily Star and Prothom Alo. Majority of the people in the corporate world read these two newspapers. Other than these, they have banners displayed extensively (where?).

, which act as effective attention getters, when Otobi offers special discounts or new products However, Otobi is not ahead in matters of sponsoring. It
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does not sponsor any particular event or show. On the other hand, its competitor Partex sponsors many events and shows. This acts as a disadvantage because sponsoring is also a very good promotional tool. 7.

SWOT Analysis 7. 1 Strengths Brand image is very important to many consumers and over the years, OTOBI has developed a brand image in the furniture market, which has enabled it to have many prominent companies, such as Unilever, among its core customers. ? OTOBI has been acknowledged with several prestigious awards over the years. All these accomplishments helped the company prove its competence to the consumers. It has received: ? Enterprise of the year award in 2001 ? 1st prize for pavilion in 1990 and 1995 in National Industrial Fair ? 1st prize for pavilion in Dhaka International Trade Fair in 1996, 1998 and 2001 ? 2nd prize for pavilion in Dhaka International Trade Fair in 1997 and 2004 OTOBI has an upper hand when compared to the other branded companies, because it is still the pioneer of the furniture industry in three aspects – durability, technology, and elegance. That is why OTOBI has been able to retain a large proportion of the market – about 60%, leaving its competitors far behind.

? OTOBI has a core team of highly skilled artisans and an efficient management system. ? It utilizes a fully mechanized system, modern technology for manufacturing furniture of contemporary designs. The raw materials it uses are imported from Malaysia. The smooth finishing of products using recent manufacturing techniques and cost effective methods is unique for OTOBI. .

? OTOBI has been known for its originality and for innovating new product designs.

It has also introduced knock down shelving and other types of storage systems allowing rearrangement of the space, when required. This also provides carrying facilities to consumers. 7. 2 Weaknesses ? Since OTOBI was the pioneer of branded furniture industry, it had a market share of 100%. With the increase in the number of competitors, the market share has now reduced to 70 %.

Therefore, OTOBI was not able to handle the competitors effectively. ? One major weakness of OTOBI is that its products are highly priced. This makes its furniture unaffordable by the huge middle class society. Its target market constitutes of only upper class and upper middle class citizens. OTOBI has showrooms only confined to the districts of Dhaka and Chittagong.

This makes it difficult to serve the consumers in other parts of the country. (What about the dealers?) ? During promotional activities during special occasions or seasons, showrooms and dealers are most of the time unable to keep up with the heavy orders placed by the customers. This creates a lot of pressure within the company regarding management of inventory. ? The demand for OTOBI products is increasing. Due to limited production capacity 7. 3 Opportunities ? It can expand its international market to the SAARC nations starting with the neighboring countries like Nepal, Pakistan, and Sri Lanka.

OTOBI can increase its product mix and product line. E. g. Owing to the high demand for furniture made of wrought iron; OTOBI has recently started

producing such furniture. It can expand its market share in this sector with further increase in production.

((FUTURE PLANS) ? Since OTOBI had already started selling to foreign countries such as India and Ukraine, it can also consider expanding its market in India and entering the furniture market of other European nations. This can be profitable for the growth of OTOBI and at the same time, it can yield export revenues for the country. ? A vast percentage of OTOBI's customers constitute of multinational and local corporations.

Since these companies are already opening branches in different parts of the country, OTOBI can also meet the demand for its products in these regions by extending their outlets. E.

g. , it can open outlets in other divisional districts like Sylhet and Khulna and set up more outlets in Chittagong. ? With time, people are becoming more aware about the positive impact decoration and design in an office can have on the people working there. This increased consciousness and concern for decoration have aroused people's interest in stylish furniture of contemporary designs. 7. 4 Threats ?

The number of companies offering branded furniture is gradually increasing and this can threaten OTOBI's share of the market.

The political condition of the country can jeopardize the future growth of the company, as it is hinders the usual import and export transactions of the company as well as its operations. ? The low priced competitors have an upper hand over OTOBI because they can increase their market share by offering products affordable by the middle class society. In a developing <https://assignbuster.com/a-report-on-otobi/>

country like Bangladesh, middle class fills up a major part of the population than the upper middle and upper class combined. ? Foreign companies, especially Indian, joining the furniture market can threaten the company's current position in the market. ? The country's political situation can create a negative image about the company and cause serious problems in its transactions with foreign nations.

(REDUNDANT TO 2)

8. Findings and Analysis 8. Surveys and Results A survey was conducted to examine the current market position of OTOBI and its advertisement effect among the consumers. A sample of the survey has been provided in the appendix. The survey indicates that even though the customers of OTOBI complain about the high-price of the products they are still loyal to the company due to the fact that they tend to rate quality over price.

Another major finding was that the consumers feel that OTOBI should focus its attention more on the promotional activities specially emphasizing on the increase of Television Commercials. 9. Future Plans • Since OTOBI recently has been facing problems In recent years, many new companies have entered the furniture market offering products similar to those offered by OTOBI but at much lower prices. Since this can jeopardize OTOBI's present market share, the company is planning to increase its product mix and product line. The company is planning to introduce a wide range of new products including doors and windows. Owing to the booming demand for furniture made of Wrought Iron, OTOBI is also planning to increase its current production of such products 10.

Recommendations • In the era of internet, OTOBI can open its own website to assist its customers to know about the company, its products and services. A website can also promote online selling. This would make it easier for the consumers to place their orders.

In addition, OTOBI can send e-mails about their new products and offers to customers as a means of promotional activity. • . • For promotion of its products, OTOBI can sponsor different events.

This would help the company to expand its image to the outsiders. • To gain higher recognition among the mass, OTOBI can increase the number of commercials on television. The advertisements in billboards, different newspapers and magazines can also be increased. • Since price is one of the company's main weaknesses, OTOBI can counter this by opening a new brand like “ OTOBI ECONOMY”. This may be achieve by a trivial sacrifice in quality in order to decrease the price of the products.

This would enable the company to compete more effectively with its competitors and capture a larger share in the market.

On the other hand, the image of OTOBI may not be affected by it because it is a new brand with a different brand name. 11. Conclusion Today after thirty years of its establishment Otobi leads the modern furniture market unmatched buy any other company. Otobi has been the pioneer of light-weight furniture and proudly owns 60% of the entire market share. Not only is this company operating in our country but it also has its dealers in our neighboring country India.

The future prospect of OTOBI is very promising due to its extensive expansion plans. 12. Recap of Experience

While preparing this report we gained first-hand knowledge about the furniture industry and were confronted for the first time with the commercial world. We spent a lot of time and did extensive hard work to gather information. Besides we received special attention from the OTOBI employees.

Besides all these we learnt how to work under pressure and cooperate in a group. 13. Takeaways • OTOBI, which started small in 1975 in Topkhana road has made its way around the country ranging in furniture made from steel to plastic and laminated board -resembling wood. • What started because of the lack of natural resources (wood) ended up becoming eye catching decors for those having a decent salary or income rate.

This eventually led to bigger popularity and connections to wealthier customers. • Overpriced products however along with the increased number of companies offering branded furniture is eventually becoming a threat to OTOBI's share of the market.

• Still so, OTOBI manages to attract its audience through promised warranties, reasonable discounts for mass sold products and fabulous quality in their furniture. • And let's not forget, OTOBI will always be the leader of the furniture industry because of its durability, advanced technology and originality in elegance. ————— Manufacturer Customers Figure - 2
Dealers Manufacturer Customers Showrooms [pic] Figure - 1