

4: describe shomei's advantage



Describe Shomeis Advantage Shomei was started by a young married couple from their home in Massachusetts. The company was established in 1980. The company has had a 14 per cent growth rate and is now considered the third largest greeting card company. The company holds a competitive advantage in some aspects. These are discussed in detail below. (Brain Mass)

Shomei has a competitive edge in the products that they produce since they use all natural objects such as, wildflowers, leaves, feathers and moss, for the design and decoration of the card. Also the paper that they glue these dried objects is imported from Japan. The paper is a washi, thick cottony paper. Thus their product is different from the others and they hold a differentiation advantage. Also, the cards are so different that even the internet companies can not replicate them.

Currently, Shomei can manufacture this paper themselves instead of importing it from Japan. Theirs is the only washi paper making plant in the country. The company has a leaning curve advantage because producing this paper is not easy and is costly. Also, the plant has enables the firm to produce more cards which allows cards to be available at more outlets.

With the plant the company has a resource advantage. No other card company has access to that paper until or unless the import it from Japan. This would be more expensive than the Shomei's locally manufactured washi paper.

The fact that the company had determined a niche and supplies to their need can also be considered a competitive advantage. Not all companies are doing this as they mass produce all their cards. The cards supplied by SHomei are available in more intimate settings such as Cappy Chino's,

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museum gift shops, art stores, Sunny Side Boutique etc.

Another advantage of Shomei is that they restock the shelf more quickly than their competitors. Thus they never run out of stock and whenever a person comes to buy a Shomei card he will always find one on the shelf. This may not be the case with the competitor cards that are available in the market.

Shomei also has a cost advantage as they do not keep very large stocks on hand and restock very quickly even if the quantity is small. This reduces their cost. The production of the paper is expensive which increases the cost of the card. The company provides a larger profit margin for the retailer which makes the retailer more willing to stock their cards. We all know that we have to pay for quality.

The company has a technological advantage as it was the first company to use the technology of the DIM (digital imaging management.) This helps in archiving and customizing the cards. Also, they have created their own system which enables them to make the process faster and more efficient. This also enables them to produce personalized cards for the customer and almost eliminates the cost of stock and inventory management.

All these advantages give the company a competitive edge in the market and help in selling its cards. The fact that the company is the third largest has helped establish it as a brand name, which makes it easier for the company to sell its cards even if the price is higher than the competitors.

Reference

Brain Mass. Competitive Advantage. Accessed on May 27, 2008 from

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