

Increasing Shelf Space for Canadian Cards Can Double Greeting Card Sales!



Boredom keeps greeting card sales to little more than half of their potential.

Regardless of the effect email and cell phones have on everyday communications, for special occasions and heartfelt notes people still prefer greeting cards. That said, they are less than enthused about what's on offer. If you ask card shoppers—about 85% of whom are women—you'll hear that they see the same cards everywhere and they want more variety. Locals and travelers alike also want to buy more Canadian cards but they just can't find any. This is no surprise in a market that only has about 8% Canadian content.

Although good art or humour may in part transcend the land and culture of their origin they are also, nonetheless, vital to the affirmation of the distinct nature of that land and culture. So, whether people are sharing their deepest feelings or dropping a line about their holidays, they should be able to get a card unique to Canada without searching for hours.

Decades of control by a foreign duopoly has resulted in a stagnant market.

It wasn't always so. Our industry did well until it was crippled by paper rationing during World War II. The big US card companies—after their country joined the war midway through—protected their paper supplies with deals to support war bonds. This enabled them to dominate the US market and, after the war, buy up our struggling firms.

Hallmark Cards/InterArt and American Greetings (Carlton Cards) now have over 10,000 retail chain outlets under exclusive contract and they own about 500 of our 700 card shops. With Hallmark's recent, aggressive use of InterArt to sell into the niche and mid-size markets painstakingly developed by smaller firms there's less space for us than ever.

Globally, Hallmark and AG control 75% of the market. This makes greeting cards, by far, the world's most consolidated creative industry. The next biggest card firm has around 1%. This situation has existed for so long that very few people remember or imagine otherwise. But for the UK example we might simply accept it as normal, and unalterable.

Diversity and competition are essential to maintaining a strong card market.

The United Kingdom, despite higher prices, has almost twice our per capita sales—42 cards per year versus our 23; enough to support eight times as many cards shops per capita as here in Canada. By purchasing from a wide range of publishers they keep their card market as creative, vibrant and competitive as the music and book markets. In such a strong, competitive field, Hallmark and AG earn about a third of the shelf space. This is a stark and telling contrast to the shelf space they control by contract in the other English markets: Canada, 75%, Australia, 75% and the US, 83%.

The future of our market is in the hands of informed, proactive store buyers.

There are no Canadian content rules to turn this market around, as we've done with music over the last three decades. From the smallest gift shop to the biggest chain stores, buyers making more room for good Canadian cards is the key.

At the big stores, buyers are accustomed to using one supplier and, understandably, they aren't eager to break up the card section. Only Hallmark and AG can supply such programs—and pay so much—but, small Canadian firms have two things they don't have: good Canadian cards and good blank cards. HC & AG don't make Canadian cards and their blank cards are so bad they're never shown in stores with less than 80 lineal feet. This lack provides an opening at contract time to negotiate some space for local cards: a couple of spinners; a four foot section; 10% of the card run...

At mid-size stores, there are more options. (InterArt—'Sunrise' before Hallmark bought it—was a great alternative but the artists have fled and the line's filling with Hallmark cards.) Several good suppliers compete with InterArt and Carlton at this level. Choosing any of them will broaden the selection in the marketplace and so help to strengthen it. However, few of these suppliers carry any Canadian cards—some are based outside the country, others buy cards being dumped here by US and UK firms—so it's still important that contracts include some space for Canadian cards.

At small stores, there is the most flexibility and many are already valued supporters of small Canadian companies. That said, a few big InterArt spinners moving in can make the difference between success and failure for these firms so keeping some space available for good local cards is crucial to our industry as we work to reinvigorate the market.

This is not a quick fix, but with more Canadian cards, the market will flourish.

There are over 300 hundred Canadian publishers, making some of the best cards you'll ever see. These are the people who, given half a chance, have the passion to rebuild this market. At this point the best of them are so lean and determined that even a limited space to compete fairly in will put them over the top. With more resources, these companies will grow. They'll develop new card lines and pick up other great lines currently being poorly distributed. As they bring a wider and better selection of cards to the market, buying patterns will begin to change. Sales will improve.

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