

Differentiate or Die

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JACK TROUT, A WELL-KNOWN BUSINESS AUTHOR, wrote a book titled "Differentiate or Die." In it, he discusses many of the ways companies either create or reposition products or themselves apart from the competition and accelerate sales and increase profits. There is a lesson here for our industry.

As witnessed, beginning in the 1990s, North America began to experience many serious economic ills as a result of too many suppliers and not enough customers willing to buy at traditional price levels. In addition to a generally weak economy, competition from the Far East created job losses and plenty of misery throughout the entire supply chain.

Technical textiles and engineered nonwoven fabrics are in relatively better shape than apparel and home furnishings. But even here, there are plenty of threats and competition is abundant. So, where is a company to go to increase sales and gain the profits?

For growth and success, companies need to consider being different, creating products that satisfy unmet needs and perhaps focus on niches. It's no longer

good enough just to copy competition or lower prices. The winners are those companies who have vision and anticipate customer needs.

The Marketing Trap

A common trap supplier's fall into is limiting talk to customers about their specific need. They fail time and again to investigate the "ultimate" customer or market going downstream throughout the entire chain. The leader knows the entire market well beyond their customer...sometimes two or even more customer levels downstream. In short, they view their market from an altitude of 10,000 feet. To be successful, a market leader has to assume customers do not necessarily understand market needs or possibilities, especially in light of a supplier's own unique manufacturing or development capabilities.

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In North America there are plenty of examples of textile and nonwoven companies not waiting for competition to outdate their products. Rather, these firms craft new ideas, not knock-offs, but true innovations. They look at

what the market needs and not solely what their customers currently purchase. Let me tell you about a few of the latest differentiated ideas, which recently have been created in North America.

One company had a vision that standard polyester needlefelt filtration media used in baghouse filters, one of the largest single applications for nonwoven fabrics, could be differentiated. This company fashioned a hydroentangled polyester alternative with improved fiber and pore size distribution, which yielded near microporous membrane performance. The hydroentangled filtration baghouse media is reported to show strong technical performance in field applications with longer life and performance advantages.

Separately, Asian protective apparel competition was taking market share from a North American nonwoven fabric producer. This company's response was to upgrade performance and create a differentiated product by adding an inexpensive microporous laminate film to the nonwoven fabric, which dramatically enhanced performance. This company now has begun to gain back market share.

In the area of woven technical textiles, one company has created yarn, knit, woven and nonwoven fabrics and fire-protection apparel for racecar drivers and firemen that provides a level of protection to the wearer that meaningfully exceeds all current standards. This company has now provided the market with a superior alternative to mainstream F/R fabric options.

A major worldwide compounder of fluorochemicals and fluoropolymers has developed new solutions for troubling finishing problems facing the textile industry. Specifically, this company is offering environmentally friendly fluorine-based finish materials that do not easily breakdown and provide a more durable water repellent finish. Said the company's technical director: "A modified approach to water and soil repellency, alternate fluoropolymer technologies now exist to replace traditional fluorochemical finishes."

Another example is the article on the Aeron chair featured on page 14.

As you see from these examples, innovative companies can and do gain market positions and set themselves apart in today's competitive environment. These North American companies went beyond their barrier with better ideas and staked a market position with non-commodity products in an ever-increasing commodity market. So can you! **T³**

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