



# Opportunities in the Emerging Fastener Markets

## Introduction

Most Taiwanese fastener producers export their products to the U.S. and European markets, which we call these markets traditional markets for Taiwanese suppliers. On the other hand, challenges suppliers face in these traditional markets are very serious and some of these challenges are:

- 1- Anti-dumping laws that Western governments make frequently
- 2- A saturated market because of the number of suppliers
- 3- Fierce competition among suppliers

Therefore, most of these suppliers are not satisfied with their income, margin and their growth in these markets, and therefore, they expand their product portfolios to solve their problems. They think that is the only way to growth, but in fact, it is not only a way of growth but it is also very dangerous for their brand names. Keeping the company's focus narrow is the growth way. But the question is, how should it solve the conflict between the narrow focus in a saturated market and growth. The answer is to entering the new markets, especially the markets that have become advanced.

## What is a Emerging Fastener Market?

According to the "Investopedia" website's definition, an emerging fastener market is:

A nation's economy that is progressing toward becoming advanced, as shown by some growth in local industries and fastener consumption and the existence of some forms of market exchanges. Emerging markets generally do not have the level of market efficiency and strict standards in accounting and securities regulations to be on par with advanced economies (such as the United States, Europe and Japan), but emerging markets will typically have a physical industrial and financial infrastructure including banks, factories that use fasteners and even fastener producers.

## The Emerging Market as an Untapped One

Fastener companies with geographic expansion and entry into the emerging markets can create an uncontested market space for their business, because this company that sells its products in a fastener emerging market did not make its money by competing within the confines of the existing industries and/or by stealing customers from other fastener suppliers.



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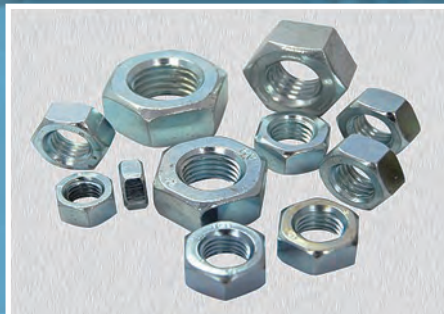
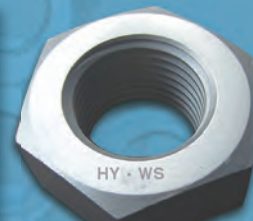
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Instead, it created an uncontested market space that made the competition irrelevant. It pulled in a whole new group of customers who have been never seen by fastener producers. Although the existence of a competitor helps grow a business and also keep the market hot, entering an emerging market and avoiding competition give producers time to improve their internal process and also give them a huge opportunity to influence the mind of their potential consumers easily. Then, when other competitors enter this market, they will never be forgotten by consumers, and therefore, they have an advantage in the competition. The statistics show that most business that is not in existence today—the unknown market space untainted by competition. In emerging markets, demand is created rather than fought over. There are ample opportunities for growth that is both profitable and rapid. In breaking through the boundary of traditional markets (USA and Europe), emerging markets made new demands and profitable markets from within the existing markets.

The most important feature of entering the emerging markets is that it rejects the fundamental tenet of conventional markets: that a trade-off exists between sales and cost. According to traditional markets (USA & Europe), companies can either create greater sales or at a higher cost or create reasonable sales at a lower cost. When it comes to entering the emerging markets, the evidence shows that successful companies pursue higher sales and low cost simultaneously, and therefore they collect more profit. It will happen because of less competition in an emerging market.

### **Last Word, the “Success” Way**

Fastener companies in Taiwan had tasted a measure of success in sales in the traditional markets and now they need growth. One of the rules of growth is rejection! And it is the most painful part of the selling growth. Leaving the traditional market and entering the emerging market is a big change and the hardest part to the owners of the fastener factories, but it also is the safest way to success in growth.

Entering the emerging markets is not a nightmare if you solve the customers’ problems in these regions and have a written strategy for entering these markets but not a routine strategy suggested in the marketing books. Fastener producers entering an emerging market should have a bottom-top strategy. This means:

- 1- The management should analyse which tactic currently in use produces the best results.**
- 2- That tactic is integrated into the company strategy by strengthening and building on its success.**
- 3- The management organizes the company to bring all available resources to exploit the strategy in the emerging markets.**

The essence of bottom-top marketing is to identify a specific marketing tactic which is already working successfully and to develop a long term strategy which puts the entire company’s resources behind exploiting that tactic to maximum. ▣

#### **References**

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