

Fastener Industry Review and Prospect

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Industrial Fastener Outlook

Global sales for industrial fasteners are expected to rise to \$82.9 billion in 2016 and grow at a CAGR of 6.12 percent through 2018. The recovery of the last recession in several countries and growth in durable goods determine global fastener sales. Among other industries, automotive manufacturing is expected to increase at a faster rate, inspired by sales-led output rebounds in a number of developed nations, which will boost associated fastener sales. Motor vehicle original equipment manufacturing is one of the largest markets for industrial fasteners, and this market will post the largest gains through 2016 in value terms. Besides, speeding up in production output and fixed investment spending will lead to increased demand for fasteners used in machinery. However, increasing competition from alternative joining technologies (e.g., adhesives) will detain fastener sales increases in some market segments.

The Asia-Pacific region is the fastest growing market led by China, Taiwan, and India. Increases in industrial fastener demand in the world's highly developed economies -- namely, the US, Western Europe, and Japan -- were much slower than in industrializing countries between 2006 and 2011, and sales gains in most developed nations will continue to be lower than average through 2016. Because the durable goods manufacturing sectors in these areas are mature, there will be fewer growth opportunities for fastener suppliers. However, recoveries in motor vehicle production and construction expenditures following a period of decline will result in faster fastener market advances going forward.



APAC, Fast and Furious!

The Asia-Pacific region (APAC) will register the fastest demand gains from 2011 to 2016, averaging 7.4 percent per year. With no doubt, the strong Chinese market drives this expansion and it will continue to advance at a rapid pace in spite of restraining from the 2006-2011 rate. Increasing demand in the Indian market, which is smaller than Chinese market, will complement these gains, as sales in this country will climb at the most rapid pace worldwide through 2016. Continuing progression in the durable goods, as mentioned earlier, manufacturing sectors in APAC nations, along with the ongoing need for new and enhanced components of infrastructure, will stimulate large gains in industrial fastener demand. Sales of fasteners in other countries in this region generally advance at a healthy pace.



Competitive Strategies in Fastener Industry

Despite strong growth, there is still excessive potential in this market. Fastener industry like other manufacturing industries is an extremely competitive industry with a significant effect on local, national and global economies. Manufacturing, in general, has a long history of challenges and competitions. Surviving and competing in this industry require new and modern chapters of strategies. The increase in the prices of industrial fasteners is one of the major challenges faced by manufacturers and vendors. A rise in prices of raw materials such as bronze, polycarbonate, cast iron, stainless steel, and alloys leads to an increase in the price of industrial fasteners. New strategies lead players in this industry to compete with their rivals while focusing on their competitive advantages. Winning business strategies are grounded in sustainable competitive advantage. There can be many types of competitive advantages that support manufacturers to compete for the future in this industry.

Similar yet Different

The development of industry-specific fasteners is one of the key trends evolving in the world-wide industrial fasteners. The strong rivalry between industrial fastener suppliers has led to the development of fasteners with new and more features and capabilities to deliver greater performance. Moreover, with the increase in technological developments, many suppliers are developing industry-specific fasteners for increased efficiency. For example,

fastener manufacturers are producing alloy fasteners as well as wrench-able nuts with better strength and corrosion resistance. Those fasteners have also temperature-resistance property which is vital for the aerospace and defence sectors. Another example of industry-specific fasteners are self-clinching and self-locking fasteners which are expected to increase the operational efficiency for plastic assemblies.

Superior Quality

As mentioned earlier, differentiation strategy has been widely used in different industries. The growth of the industrial fastener market is driven by several factors, of which the need to develop superior quality end-products is one of the most important. Superior quality delivered to customers does not just happen. Quality is the certain outcome when vendors set the strategic direction with a persistent effort to be the best in its field. The use of superior quality industrial fasteners with high precision enhances the strength of end-products and makes them reliable. It also helps reduce their maintenance costs but increases the cost of production.

Low Cost Installation

Searching for lower installed cost is one of the biggest trends driving the fastener industry today. Manufacturers are struggling to bring new types of fasteners with timesaving features in to the market. Eliminating pre-drilling and manufacturing integral washers are the examples of these types of low installation cost fasteners.

Customers and contractors apparently look for fasteners that help them save time and cost on their jobs. While it has gotten faster and easier to use fasteners in many types of construction, it has become increasingly more difficult in coastal areas of the country where building codes require using structural pilings. After the damage resulted from hurricanes many of these coastline communities have also increased the number of bolted connections required for pile construction.



For decades, bolts have been used for pile construction to ensure a structurally sound connection. While this works on paper, these types of bolted connections are not user friendly to install in the field. And the more difficult the connection is to make, the more likely it won't be done right. Many pile connections have stringers or beams on each side of the pile.

These conditions have created a great need for a better approach. Manufacturers should be able to engineer and introduce new products with new features to help customers complete their difficult tasks faster and safer with lower costs. Such as, fasteners of which their installation takes a matter of seconds, not minutes. This adds up to hours of saved labour costs, as well as making the job faster and safer for the installers who are working high off the ground.

Conclusion

The leading fastener manufacturers achieve additional profit margins by providing other than the basics of quality, delivery and technical support. Those market leaders use the technology and market capabilities of their teams to fulfil the product and service expectations by providing innovative fastening and assembly solutions.

In this highly competitive market the complete customer satisfaction is one of the key success factors. This is what all the key players in this market should seek to achieve. Having loyal customers is unachievable unless manufacturers have comprehensive understanding of their needs.

Sources

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