



## How Can Chinese Fastener Suppliers Increase Their Competitiveness After EU's Antidumping Measure Against Chinese Iron & Steel Fasteners was Terminated?

by Behrooz Lotfian

### References:

- 1- Marketing warfare, Al Ries, Jack Trout
- 2- Focus, Al Ries
- 3- Positioning, Al Ries, Jack Trout

## Business environment has changed. Change your attitude.

### ———— 1-1 Customer driven age has finished. ————

Big companies introduced a new competitive advantage in the market when WWII was finished. It is a customer driven concept. Normally, the customer driven concept is introduced as:

- “Developing relationships with customers to determine their needs and then fulfilling these needs as best as you can.
- Understanding your customer’s position both with your company and with their own customers.
- Having reliable information that is effectively communicated to your customer.
- Having a source of personnel available to aid your customer as needed in your quality process and their quality process
- Informing your customer as your skills change or your processes change to make the most of your relationship.
- Asking probing questions and giving thorough answers.”

Nowadays, the competition among companies has become stronger and sensitive, on the other hand, most of these companies claim that they are customer driven companies. So it is not strange that the concept of customer driven has lost its power. It does not work more!

### ———— 1-2 Competition driven age has been started. ————

Prof. AL Ries and Jack Trout has elaborated this important subject in their famous book “Marketing Warfare”. They believe that marketing is war and that the marketing concept’s customer-oriented philosophy is inadequate. Rather, firms would do better by becoming competitor-oriented. To illustrate their point, Ries and Trout compare marketing to a football game. If a team simply identifies the goal line and moves the ball towards it without regard to the competing team, they most likely will be blocked in their effort. To win the game, the team must focus its efforts on outwitting, outflanking, or overpowering the other side. This is the case in football, war, and marketing, according to Marketing Warfare. Because of the importance of the competition faced by the firm, a good marketing plan should include an extensive section on competitors.

Dumping as a tool to capture the global market, but does not work more.

Chinese steel fastener manufacturers have chosen the lowest price strategy in the world market through the dumping method but it cannot be a solution for them because:

- 1- The other countries like the EU region have or once passed antidumping laws, making new challenges for Chinese suppliers.
- 2- Companies are alive with profit. Dumping means selling your product at a price less than your production cost and/or less than a common price in a market. In both items Chinese suppliers cannot work under this situation permanently even if the Chinese government supports Chinese producers.
- 3- If Chinese steel fastener suppliers want to go upmarket, they need a new brand so they have to import their high priced products from new countries like Taiwan and/or Hong Kong. Or else, high quality products with the “made in China” label does not work well.

## What Works?

The main strategy to success in the most competitive market is the positioning method. Because if a company wants to be successful today, it must touch base with reality. And the reality that really counts is what's already in the prospect's mind. The basic approach of positioning is not to create something new and different. But to manipulate what's already there in the mind. To retie the connections that already exist.

Positioning is an organised system for finding windows in the mind. The easy way to get into a person's mind is to be the first. What is true in business is true in nature, too. "Imprinting" is the term biologists use to describe the first encounter between a new born animal and its natural mother. For brand loyalty you get in the mind first and be careful not to give a reason to switch. People don't remember the 2nd.

Therefore, companies have two ways for focusing their scopes:

- 1- Make a new category, or
- 2- Narrow their goals to make a differentiation with their competitors.

Chinese companies have two successful experiences in the global market, Alibaba.com as the most valuable Chinese brand in the online retailer business field and Huawei in the touch mobile field. It is the clear way for fastener producers and traders in China. Take a look at the Chinese traders' advertisements, they sell all types of fasteners under their own brands. The names are not easily pronounceable in English, so the only way that Chinese fastener producers can get the global market is to position themselves as the cheapest in the fastener market.

## Last Word

Most new products are line extensions. Most new products fail. These are two immutable facts that management should keep in mind the next time someone recommends the umpteenth line extension of the product. Power lies with the specialist, not the generalist. When you are a focused company, you create a powerful, laser like ability to dominate a market. When a company becomes unfocused, it loses its power. A problematic company offers too many products and services for too many markets at too many different price levels. It loses its sense of direction. It doesn't know where it's going or why.

**NILLI®**  
BEST IN FASTENING

Since 1980  
Quality & Service

We Supply Best Quality-Competitive Prices

I.S.O 9001 Certified Products

LI-350 S-1 .27 cal DN .300 M6 & M8F

LI-350A S-1 .27 cal DN .300 M6 & M8F

LI-307 S5 .22 cal NK TB M6 & M8F

LI-450 S-1 .27 cal DN .300 M6-D12

LI-75 LI-2000 S5 .22 cal 1/4C & 6C E-200 E-300 1/4 & 3/8

HW-660 S52 .22 cal 1/4 S3/8 1/4 S12

HT-101 DN NK M4-S12

HT-103

**REDWOOD INDUSTRIAL CO., LTD.**  
BALLI P.O. BOX 76, NEW TAIPEI CITY, CODE 249, TAIWAN  
TEL: 886-2-86303601 FAX: 886-2-86303252  
E-mail: redwood@redwoodnilli.com  
http://www.redwoodnilli.com