

# MARKETING AS EXEMPLIFIED BY THE MERCHANDISING OF LYOCELL

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## 1. SUMMARY

Marketing is described by the author as the logical maturation of sales skills. He draws a parallel between technical processes that enhance the core product and marketing, which techniques complement the scope of conventional sales abilities. The expectation of benefits to all participants in the making, the selling, the retailing and the wearing of textile products made with Lenzing Lyocell, the „ultimate cellulosic fibre“, is seen as pivotal in product innovation.

The introduction to, and the positioning of Lenzing Lyocell on all levels of the textile chain, as early as viable pilot plant output allowed utilisation both overseas and in Europe, is described as a noteworthy step towards the fibre producer's close involvement at all times in all sectors of textile manufacturing.

It follows that the merchandising of Lenzing Lyocell capitalised on this close integration in the textile chain. Small surprise that centrestage both in the merchandising strategy applied and in field activities was given to the fabric, as is woven and knitted, finished, made-up and distributed with great professionalism by all partners in all international markets served by Lenzing Lyocell.

A short summary is included on the marketing tools that are available, and emphasis is placed on the Company's receptiveness to clients' needs for customised advertising.

"Marketing" cannot by any stretch of the imagination be called a fundamentally new idea. Both name and ideology sprang on the world some decades ago. Those of us who were born before the fifties have quite understandably been reared in the belief that this new technique was going to be indispensable in making a product saleable.

Of course, it can help to do this and lots of other things very well indeed. Basically, however, and after a long career in international marketing, I have come to understand "Marketing" as the process of maturation of good salesmanship. Whichever way we look at marketing, irrespective of its description, it always embodies the principles and the talents of salesmanship as practised throughout the ages.

It is widely accepted that utilising proven achievements and sensibly applying sublimation (not in a chemical sense!) will often result in an altogether more viable concept than enforcing radical change. As is demonstrated in, for example, art it is rarely the revolutionary who will enjoy lasting esteem but the evolutionary.

## 2. LECTURE

Thus "Marketing" is the art of giving added substance to the business of selling and buying while simultaneously reaching far back into product research and far ahead into consumer likes and dislikes. It is, not surprisingly, the logical evolution of the act of selling.

Likewise, it could be argued that in the past a good salesman was an equally good marketing man though neither he nor his clients would have known the term "Marketing" then.

The good salesman excelled at selling himself and his ware. As an accomplished salesman he pursued his goals with dexterity. His clients' views were always important to him.

He untiringly solicited their custom. He applied himself to the full scale of customer and market opportunities as capably as his modern counterpart in "Marketing".

One way to explain the nature of "Marketing" in the textile industry, and particularly so in the fibre sector, is to look back at events similar to to-day's: then it was the introduction of Lycra, the last truly new fibre; now it is a new fibre Generation, born and raised shortly before the turn of the century: Lyocell.

In the seventies, Du Pont ran seminars called "Proposal Selling".

Selling what?

You heard correctly: Not a product - but a proposal.

The straightforward sales approach was turned into a rather complicated scenario of proposing a proposal. A successful sale was assumed whenever the proposal led to a counter proposal that was an affirmation of a need that could subsequently be filled by effecting a sale.

Though new and workable, it is nevertheless debatable whether this novel practice resulted in a higher sales performance compared with that achieved by the old-fashioned way. But it had all the trimmings of an innovative method, and it contained the germ for holistic assessments and actions.

As there are many textile technicians present today, I may be forgiven for saying - simplifyingly perhaps - that in essence "Proposal Selling" could very well be likened to a technical process which was then in the course of being developed - core spinning of Lycra. Or, worded differently and especially with a view to the nature of this talk: "Proposal Selling" represented both cause and effect of encapsulation and enhancement while retaining the essential function.

With the introduction of "Marketing", the relatively down-to-earth process of orthodox selling became embedded in a mass of company-specific requirements that fell broadly into the following familiar formula:

The RIGHT product, at the RIGHT time, at the RIGHT price, for the RIGHT customer, for the RIGHT end-use.

As we have seen, the novelty of "Marketing" was not dissimilar to a mantle covering a central function. While the workings of this inner function were anchored in traditional practices, the vibes from practising the novel "Marketing" techniques in the early 1960's certainly were nothing short of the revolutionary.

Henceforth, "Marketing" was to make an ever increasing contribution to a Company's obtaining and maintaining a sustainable competitive advantage.

Theodore Levitt, a marketing expert, found what I believe is the most appropriate meaning of "Marketing":

"People don't buy products, they buy the expectation of benefits."

This applies to anything that is being bought, be it raw material or finished product, services, time or expertise.

Viewed from a textile angle, Levitt's analyses may also serve as a blueprint for the progressive positioning of a new fibre from one manufacturing step to the next. Fibre at source is - in most textile applications - quite incapable of fulfilling a controlled function in its own right unless transformed by successive processes. At the beginning of such a process, the fibre material is but a single component or: to use the above phraseology - a core that requires embedding as well as the beautifying into the sum total of a finished product. Only in its assembled form does the fibre material add up to a viable end-product.

Clearly, all operational stations from fibre spinning to garment acquisition are inherently capable of producing and passing on added benefit.

Not surprisingly, this long chain of transformation was bound to be a key consideration in all marketing deliberations centering on the Lenzing Lyocell venture. This was reflected in the tailor-made marketing strategy which proved to be fundamental to the successful introduction of Lenzing Lyocell:

As a "good salesman", and we may assume the host company to be just that (or else we would not now be here), the Lenzing company has responded well to the challenges of often turbulent markets.

Throughout the 50 years of its existence, the company has had to prudently select and assess areas of external and internal needs to achieve commercial and financial success. It has succeeded in manufacturing a widely acknowledged and competitive product range.

Traditionally, its principal points of market reference were the spinners and the fabric manufacturers.

With the prospect of Lenzing Lyocell entering the international textile landscape, an entrepreneurial decision was taken by the Lenzing Lyocell Management to address the entire textile chain. By the very nature of this transformation from a conventional framework of business into a strategy of innovative market operations, the "good salesman" had transcended into a "good marketing man."

Lenzing Lyocell recognised at an early stage that a concentrated approach of progressive distillation was required.

The appropriateness of this market access would ensure optimum input and application of know-how originating at all levels of what in cellulosic fibres is essentially a very longwinded road from "forest to fashion".

In responding so enterprisingly to the "expectation of benefit" referred to earlier, a major objective was successfully accom-

plished. "Benefit", of course, also means good return on time, effort, money and loyalty invested at all levels from spinner to consumer.

With the advent of the start-up of the new Lyocell plant, Lenzing Lyocell made a point of manifesting a declared interest in getting involved at all manufacturing levels of the textile chain, principally or marginally, as necessities and market research would demand.

A concise and practical marketing strategy was implemented, ranging from product development (conjunctively with customers) to the availability of a well-organised labelling service.

Corporate and product advertising was commenced and well received. The information provided was factual, attractively presented on environmentally friendly paper and exceptionally well supported and complemented by the "Lenzing Reports".

Now that the industrial production of Lenzing Lyocell - the ultimate cellulosic fibre - is imminent, a more emotional and end-use targeted advertising campaign will be launched in the major trade media in key markets.

Of pivotal importance is the Lenzing Lyocell technical service which operates in close proximity to the various sales departments, and separately geared to development- and troubleshooting assignments.

Sales personnel have already been in action for some time in near and far-flung areas, and product managers have recently and strategically been placed in priority markets.

In the foreground of the company's merchandising strategy stood the need to intelligently move Lenzing Lyocell along the textile chain. Customers normally have a choice and Lenzing Lyocell, being second on the scene, was going to require a tailor-made market approach.

Clearly, there appeared to be little sense in the company's simulating what was generally acknowledged to be an excellent advertising campaign by our competitor. Besides, there were very real restrictions imposed on us by the constricted availability of fibre from only a small pilot plant at Lenzing. Widespread trace publicity at this point in time would almost certainly result in a flood of requests that the company could not handle adequately.

A different vehicle was needed to convincingly carry the new product into the awareness and onto the machines of manufacturers.

That the market was ready for the new product became clear quickly. That the market favoured a second supplier, was equally certain.

What, then, could be more appropriate than letting the new product demonstrate its potential and distinction in practical application? What better advertising could there be but a commercially viable flow of industrially produced merchandise incorporating Lenzing Lyocell?

Thus was born the idea of giving centrestage to the fabric.

Merchandising leverage was now required to pull and push within the framework of an operationally adequate coverage of interlinking partners in the entire textile chain.

The substance of all merchandising is the fabric. All revolves around it:

What does the consumer associate himself with in the first place?

The fabric.

The buyer is compulsively drawn to it by virtue of its colours and textures and, quite irresistibly, reaches out to touch the material.

We encounter here a phenomena which need not be artificially created in marketing alchemy. Once the fabric is materially present, a logical sequence of events, familiar to us all, takes place which has been described, rather aptly, by the description "from sheep to shop".

By adopting the policy of fabric promotion, Lenzing Lyocell quickly made respectable inroads into the textile chain.

The benefits from the introduction of a new fibre were evenly spread and so was what risk there always is, too. If the fibre, the yarn, the fabric, the dyeing/finishing and the garmentmaking add up to a product of appeal and sales potential, it can be safely assumed that the idea of merchandising, focussing primarily on the fabric, has indeed succeeded.

Efforts were concentrated on accommodating the operational fabric merchandising into various support activities:

Technical service worked flat out to create conditions conducive to a high standard of processing at all levels of manufacturing. Great emphasis was placed on creating optimum dyeing and finishing conditions and parameters. The assistance and interest given by the industry were invaluable.

Sales/Marketing personnel were in a constant rota calling on key manufacturers, initially preparing the scenario for the first fabrics made with Lenzing Lyocell from the pilot plant, and subsequently stepping up activities concurrent with the momentum created by the imminent coming on stream of the brand new Lenzing Lyocell plant. Again, current and prospective customers showed more than cursory interest and it is much to their credit that fabrics made with Lenzing Lyocell have now successfully entered on the scene - looking and feeling magnificent.

Merchandising channels in key countries and across-the-border links were opened up, including contacts to garment manufacturers and retailers. Transparency of the flow of merchandise up and down, and across, the international textile chain gradually came into focus. Principal key players in their respective end-use areas were invited to put Lenzing Lyocell to practical use. Spinners, weavers - and increasingly knitters - as well as dyers and finishers were programmatically assisted and

accompanied in their progress in utilising Lenzing Lyocell. It is thanks to their expertise, and also due to the input of know-how from so many specialised sources, that products made with Lenzing Lyocell already have a distinct personality of their own.

On the eve of the coming on stream of the Lenzing Lyocell plant, all merchandising stops are out and activities in many market- and end-use areas are now in full swing and will obviously expand as regular supplies of Lyocell begin to make an impact on the market.

We are confident that our partners on all manufacturing levels will be eager to participate in this exciting phase in the life cycle of a new generation of fibres. Their interest and inclination to impart advice and information will greatly assist us in creating the right marketing-mix and marketing tools.

It is our understanding that merchandising with the emphasis on fabrics that have been produced on industrial equipment, and can be reproduced on such equipment, and have the support of companies who are in the business to sell and make a profit, is the most efficient marketing tool, under the prevailing circumstances, for Lenzing Lyocell.

As a direct result of our merchandising activities, we accumulate and prioritize more market intelligence which will serve to shape our future policies and will allow us to make pragmatic decisions. The target is clear: optimum utilisation of Lenzing Lyocell at all time.

It goes without saying that as we widen our basis we shall selectively look into further product advertising, ideally co-operation with our partners in the textile chain.

We recognise that it is expected of us to make products with Lenzing Lyocell known in retail. We shall engage in dialogue with all partners in the trade and will aim to prove to each and all to be helpful in the actions we take.

In summarising, I would like to reassert that maximum efforts will be made to equip Lenzing Lyocell and products made from it with all technological excellence that can be expected from a good parentage throughout the textile chain. In merchandising such products, the creative input from all at Lenzing Lyocell is vital, and assured.

Today "Marketing" is truly all-encompassing. Understanding its workings as well as its yields requires from us, and at the same time encourages us, to be "good salesmen" in the old fashioned sense as well as in the context of modern "marketing".

Selling after all is sharing: efforts, knowledge, success and pride.