



Unit 6 Current Management and Marketing of T&C Industries in a Global Environment

Lecture 6 .2 Competition in a globalized environment

D 2.1 Training toolkit and e-book

May 2021- Matteo Paradisi (CIAPE)



Co-funded by the
Erasmus+ Programme
of the European Union

WINTEX project (Weaving innovation among academia and industry in the Tunisian textile sector; project reference number 610373-EPP-1-2019-1-ES-EPPKA2-CBHE-JP) **is co-funded by the Erasmus+ programme of the European Union.**



Lecture 6 .2 Competition in a globalized environment

14/06/2021



WINTEX project is co-funded by the Erasmus+ programme of the European Union. The European Commission support for the production of this publication does not constitute an endorsement of the contents which reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.



Lecture 6.2 Competition in a globalized environment

Contents

- Competitiveness and innovation
- Competition in the textile sector

Competitiveness and innovation

Recently due to the competition, which is getting more intense in the regional markets and in the global market as well, the concept of **competitiveness** has attracted special attention of scientists and economists. The concept of competitiveness is used in the political and scientific societies; that is why it gets a lot of meanings.

Competitiveness and innovation

Competitiveness is the ability to provide products and services as or more effectively and efficiently than the relevant competitors; (Freiling et al. 2007). Competitiveness usually refers to advantage obtained through superior productivity of goods and or services and therefore this definition conceptualized as the firm's ability to remain in markets under conditions of almost free competition (Sanchez, Ron 2004).

Competitiveness and innovation

Sustainable competitiveness is the set of institutions, policies, and factors that make a nation productive over the longer term while ensuring social and environmental sustainability. Key-point: sustainable competitiveness can be linked to a broader concept that focuses on aspects that go beyond mere economic outcomes to include other important elements that render societies sustainably prosperous by ensuring high-quality growth.

Competitiveness and innovation

Definition of innovation

According to official definition of OECD Oslo Manual, “An innovation is a new or improved product or process (or combination thereof) that differs significantly from the unit’s previous products or processes and that has been made available to potential users (product) or brought into use by the unit (process)”.

Competitiveness and innovation

Innovation is more than a new idea or an invention. An innovation requires implementation, either by being put into active use or by being made available for use by other parties, firms, individuals or organisations.

Innovation is a dynamic and pervasive activity that occurs in all sectors of an economy; it is not the sole prerogative of the Business enterprise sector. Other types of organisations, as well as individuals, frequently make changes to products or processes and produce, collect, and distribute new knowledge of relevance to innovation.

Competitiveness and innovation

The main characteristics of innovation:

Knowledge

*Novelty with
respect to
potential uses*

*Implementation
and actual use*

Value creation

Competitiveness and innovation

The main characteristics of innovation:

Knowledge

Innovations derive from knowledge-based activities that involve the practical application of existing or newly developed information and knowledge. Information consists of organised data and can be reproduced and transferred across organisations at low cost. Knowledge refers to an understanding of information and the ability to use information for different purposes. Knowledge is obtained through cognitive effort and consequently new knowledge is difficult to transfer because it requires learning on the part of the recipient.

Competitiveness and innovation

The main characteristics of innovation:

*Novelty with
respect to
potential uses*

Knowledge can be used to develop new ideas, models, methods or prototypes that can form the basis of innovations. These can be sourced externally or developed within an organisation. The novelty of an innovation is related to its potential uses, as determined by the characteristics of a product or process compared to alternatives, and by the previous experiences of its provider and intended users

Competitiveness and innovation

The main characteristics of innovation:

*Implementation
and actual use*

In order for a new idea, model, method or prototype to be considered an innovation, it needs to be implemented. Implementation requires organisations to make systematic efforts to ensure that the innovation is accessible to potential users, either for the organisation's own processes and procedures, or to external users for its products. The requirement for implementation is a defining characteristic of innovation that distinguishes it from inventions, prototypes, new ideas, etc.

Competitiveness and innovation

The main characteristics of innovation:

Value creation

Viewed as an economic activity, innovation requires resources that could be used for other purposes. The existence of opportunity costs implies the likely intention to pursue some form of value creation (or value preservation) by the actors responsible for an innovation activity. Value is therefore an implicit goal of innovation, but cannot be guaranteed on an ex ante basis because innovation outcomes are uncertain and heterogeneous.

Competitiveness and innovation

Innovation types by object:

There are two major types of innovation by object:

- ✓ innovations that change the firm's products (product innovations)
- ✓ innovations that change the firm's business processes (business process innovations).

Competitiveness and innovation

Product innovation

A product innovation is a new or improved good or service that differs significantly from the firm's previous goods or services and that has been introduced on the market. Product innovations must provide significant improvements to one or more characteristics or performance specifications. This includes the addition of new functions, or improvements to existing functions or user utility. Product innovations can involve two generic types of products: goods and services.

Competitiveness and innovation

Business process innovation

A business process innovation is a new or improved business process for one or more business functions that differs significantly from the firm's previous business processes and that has been brought into use in the firm. The term business process includes the core business function of producing goods and services and supporting functions such as distribution and logistics, marketing, sales and after-sales services; information and communication technology (ICT) services to the firm, administrative and management functions, engineering and related technical services to the firm, and product and business process development.

Competition in the textile sector

Globalisation in the textile sector

Over the last years textile industry has become a global phenomenon, and, due to its complex connections with many other areas including manufacturing, advertising, production of raw materials, transport and retail, has pushed companies to expand worldwide and to constantly seek new markets.

The system of production and consumption of textiles is highly globalised with millions of producers and billions of consumers spread across the world in highly linear value chains involving raw material extraction, production, transportation, consumption and after-use disposal.

Competition in the textile sector

Globalisation in the textile sector

Given the globalized nature of the industry, companies and retailers must transport their goods and raw materials across many countries. In addition, clothing collections change quickly: their lifecycle is short and their commercialization is characterized by strong seasonal peaks. In this sense, textile logistics are characterized by small stocks and short delivery times. These goods and raw materials are usually transported using a combination of land, sea, and air. Within this trade logistics context, strong multimodal interlinkages are key to ensure just in time delivery.

Competition in the textile sector

Moving to a circular production and consumption system for textiles

The European Commission has identified textiles, clothes and fabrics, as a priority product category that has significant potential for circularity (EC, 2019b). According to the main policy makers and players of the sector, the future of the textile lies in moving from a linear to a circular production, in order to be sustainable and in line with the future trends.

Competition in the textile sector

Moving to a circular production and consumption system for textiles

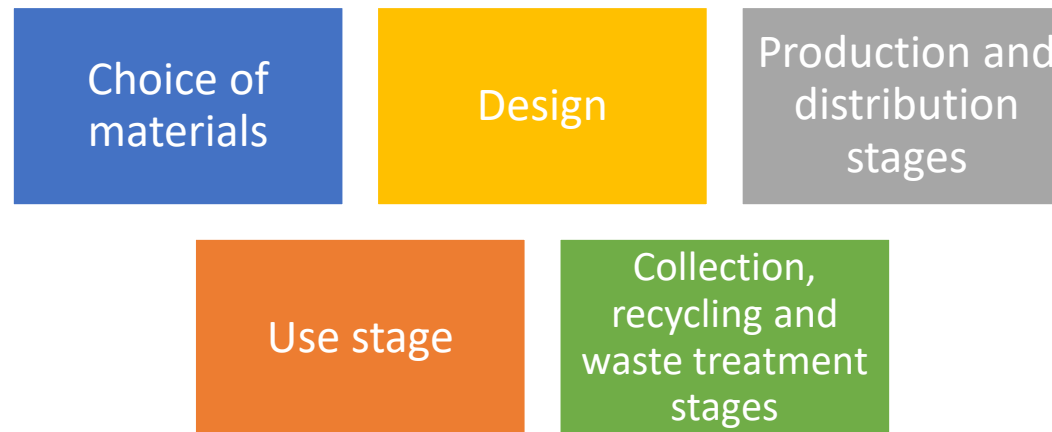
A shift towards a sustainable and circular textiles' system requires a profound systemic change rather than just small-scale initiatives and isolated success stories.

A circular system requires:

- ✓ innovative production methods
- ✓ new business models
- ✓ more sustainable behaviour
- ✓ supporting policy measures at all stages of the value chain

Competition in the textile sector

Key points for circular production



Competition in the textile sector

Choice of materials

Key points for circular production

For natural fibres, such as cotton, an improvement of agricultural practices is needed in order to reduce the pressures on land and water resources. Sustainable cotton production means a more efficient use of water and agrochemicals, a shift to the use of less toxic chemicals and the implementation of farming techniques that conserve soils, such as composting, crop rotation and reduced tillage.

For synthetic fibres environmental impacts are mostly related to energy-use and the use of fossil resources as feedstock for production. By using recycled fibres, energy use and resource use can be significantly lowered, providing both environmental and economic benefits.

Competition in the textile sector

Key points for circular production

Design

Very often in the design phase can be established the potential for circularity in later stages of the product's lifecycle. In general, product design should aim to facilitate:

- long use
- reparability and reuse
- efficient production processes

Competition in the textile sector

Key points for circular production

Design

The concept of longevity is essential in designing products. This concept can be summarised into three designs principles:

- ✓ design for durability
- ✓ design for longlasting style
- ✓ design for disassembly

One more way to increase the longevity of products is their personalisation. Adding a personal touch to clothes can push users to keep their clothes for longer time.

Competition in the textile sector

Key points for circular production

It should be:

Production and
distribution
stages

- resource efficient: reducing production waste and energy, material and needs water of the sector, while switching to healthy and renewable materials and energy at the same time, would reduce the environmental impact of the textile industry.
- avoiding overproduction. Overproduction makes enormous amounts of unused clothing articles ending up as waste. In order to avoid it, one solution is to move from push to pull sales models and support companies to deploy demand-driven production models.

Competition in the textile sector

Key points for circular production

Use stage

One more important step is reducing the volume of textiles purchased. In order to do that it is essential to encourage shared use, longer use and reuse of clothes. Of course this concept is linked to the quality of material and design: clothes need to be more durable, easy to maintain and repair. And it is linked as well to consumers behaviours. Very often consumers are not aware of the full environmental and social impacts of the textiles they buy, due to the complexity of global supply chains. They must be educated on the importance of their own role in reducing environmental and climate impacts in this chain.

Competition in the textile sector

Key points for circular production

Collection, recycling
and waste treatment
stages

Collecting, recycling and waste treatment represent the final step. The development of large-scale separate collection systems, combined with manual and automatic sorting processes, is a crucial step for improving textile recycling. Moreover it is important to implement waste collection awareness campaigns in order to educate consumers about the importance of separate waste textile collection. Nowadays many companies often try to motivate customers to return old clothes by offering reduction vouchers for new purchases or other types of discount.

Competition in the textile sector

Key points for circular production

Collection, recycling
and waste treatment
stages

A good idea is the introduction of the Extended producer responsibility (EPR) concept in the textile sector. It is a policy approach under which producers are given a significant responsibility – financial and/or physical – for the treatment or disposal of post-consumer products. Assigning such responsibility could in principle provide incentives to prevent wastes at the source, promote product design for the environment and support the achievement of public recycling and materials management goals (OECD).

The partners



Project Coordinator
UPC - Universitat Politècnica de Catalunya
Spain



CEDECS – TCBL – Consultancy for European
Development of Ecological and Social
entrepreneurship – Textile and Clothing Business
Labs
France



CRNS - Centre de Recherche en
Numérique de Sfax
Tunisia



ATCTex - Tunisian Association for
Textile Researchers
Tunisia



ISMMM - Higher Institute of
Fashion of Monastir
Tunisia



ISET - Higher Institute of
Technological Studies of Ksar Hellal
Tunisia



MFCPole - The Pôle de Compétitivité
Monastir-El Fejja
Tunisia



UNIWA - University of West
Attica
Greece



TUIASI – Gheorghe Asachi
University of Iași
Romania



USF - University of Sfax
Tunisia



CIAPE - Centro Italiano per
l'Apprendimento Permanente
Italy



AEI TEXTILS - Associació Agrupació
d'Empreses Innovadores Tèxtils
Spain



CRE.THI.DEV - Creative Thinking
Development
Greece

Get in touch

FOR MORE INFORMATION:

www.wintexproject.eu



[@wintexprojecteu](https://www.facebook.com/wintexprojecteu)

[Wintex Project](https://www.linkedin.com/company/wintex-project)



[@WintexProject](https://twitter.com/WintexProject)



Co-funded by the
Erasmus+ Programme
of the European Union

WINTEX project is co-funded by the Erasmus+ programme of the European Union. The European Commission support for the production of this publication does not constitute an endorsement of the contents which reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.



The background of the slide is a solid blue color with a subtle, repeating geometric pattern of interlocking triangles or diamonds, creating a textured effect.

THANK YOU FOR YOUR
ATTENTION