

Competitive Challenges faced by Vlisco, Netherlands in African Market

Hans Ouwendijk, CEO Vlisco, The Dutch Company produced traditionally crafted ‘Dutch Wax Print’ fabrics for West African markets faced disrupted markets, competition, and Chinese counterfeit. He was worried about future of the company due to these challenges. Hans decided to act in different way to counter these changes in the West African market.

Vlisco

Vlisco designed and manufactured distinctive fabrics loved by African women. It was founded in 1846 in the Dutch city Helmond, where its headquarters still located. The specially crafted fabrics – Wax Hollandaïs, Super-Wax and Java – continue to be made with time-honoured methods and materials in Helmond, the Netherlands. (Refer Annexure -1 for types of fabrics).

For over 170 years, Vlisco created more than 350,000 original textile designs. Many of these designs became cultural treasures, bestowed with special names and meanings by the merchants of Central and West Africa. New designs were produced each year alongside traditional classics to hearten the new generation of Vlisco enthusiasts. Vlisco’s highly expressive and creative customers transform the fabrics into fashionable looks, which were one of a kind.

Inspired by Africa, made with a technique derived from Indonesian Batik, designed in the Netherlands, Vlisco’s heritage and design signature is a multicultural melting pot of beauty and industrial craftsmanship. Vlisco’s products were a result of creative journeys and a unique production process. “Our heritage and craft, and our ambition to innovate, to surprise and inspire our expressive clientele, have made our products to what they are today.”

Vlisco had around 2500 employees, 700 of them in the Netherlands and 1800 in Africa, where it runs offices in Benin, Ivory Coast, the Democratic Republic of Congo, Ghana, Nigeria, and Togo. Vlisco consisted of four brands: Vlisco, Woodin, Uniway and GTP. They produce high-quality “Dutch Wax” fabrics for African markets, considered as a luxury product.

Dutch Wax

“Vlisco had quite steady business development in its history, but recently the African context was changing dramatically and fast,” said Betty van Breemaat, Consumer Insights and Brand Innovation Manager. “We are confronted with severe Chinese competition which has put Vlisco’s business under pressure. Technology has also been a market disruptor”, Betty explained. “Consumers are changing the way they shop, due to the rise of social media, formal retail and e-commerce.” Within the African youth boom, Vlisco recognized the necessity to transform from a traditional trade oriented business into a value adding business.

“The product is not ready-to-wear, it’s fabric. It’s a semi-finished product. The Fabrics are produced in the Netherlands and sold on West African markets, where customers bring them to their tailors to have their outfit made.” Niels Verhart, Digital Innovation Manager, explained.

New Team with in Vlisco

In 2010, Vlisco decided to build a team to address the challenges it faced in recent years. Betty van Breemaat was one of the first to join this newly established group, “a very small team – out of 2300 people working at Vlisco, we started with two persons.” In the beginning, the team seemed like a start-up inside Vlisco: “We were trying to find our way within the existing organization. It was a rough period: explaining our purpose and the situation Vlisco was in at that moment, but our consumer-centric approach did find its way in the company. Gradually, our team grew with experts on consumer research, digital marketing, social media and content marketing,” Betty explains.

The new team actively started reaching out to their colleagues, inviting them to participate in different workshops and letting them profit from the team’s expertise new ideas. The team’s core group was consistent, but for every project or project phase, they pulled different people out of other departments to merge them into the team and profit from their expertise. “We are breaking all these silos, get people enthusiastic about a problem and start working on it,” Niels says.

Mapping Consumer Journeys

New Team started to map out consumer journeys of African Consumers. “We did a lot, and I really mean a lot of ethnographic research,” Betty says. “Not only quantitative research, but also a lot of qualitative research. We spent a lot of time with our actual consumers, talking to them, understanding their problems and filming everything. Something that hadn’t been done before within Vlisco.”

Ethnographic Research

Vlisco’s new team observed and talked to their users intensively. (Refer Annexure – 2)

Based on this data, the team members developed thorough personas that covered their consumers’ fashion styles, needs and core values – from independent, ambitious businesswomen to global fashionistas or traditional mothers of five. “Our business was about transaction. Consumers bought our product and that’s where it stopped, as far as our part was concerned,” Betty explains.

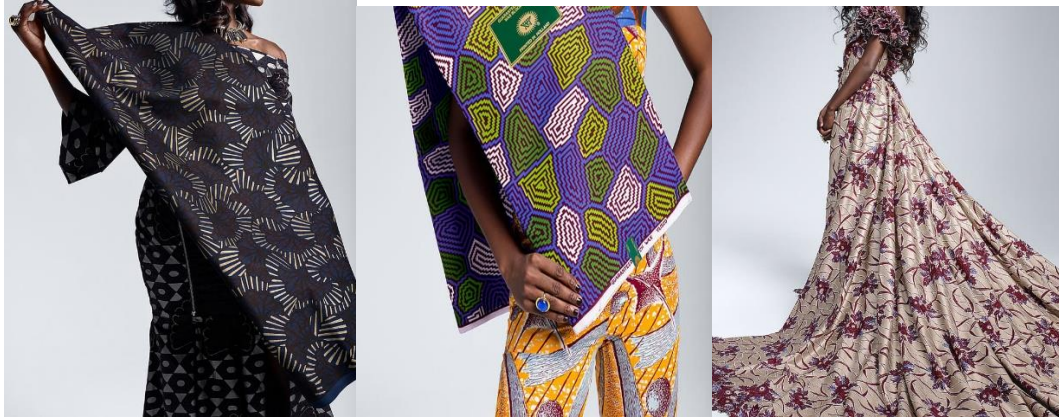
Arther Kurumba, Vlisco’s customer shared in one of the interview that she wanted to have customized clothing. “The process between buying the fabric and the end result of the garment is very frustrating and time-consuming“. Vlisco sold fabrics to consumers, who took them to their local tailors. “And then, one of the first difficulties in the journey is to explain what kind of style he or she wanted to make with this fabric,” Betty explained. The tailors struggled as well: “They don’t know how to convert the wishes into an actual garment. There are many frustrations and frictions in the after-purchase phase.

Case Study

Road Ahead

Will you help Hans Ouwendijk, CEO Vlisco in developing an action plan to achieve success and grow?

Annexure – 1: Products



Sky Wax

ALWAYS EMBELLISHED
DARK OVERDYE
100% PREMIUM QUALITY
COTTON

Wax Hollandais

MOST POPULAR FABRIC
LONG-LASTING COLOUR
100% PREMIUM QUALITY
COTTON

Wax Glitter Glam

SOFT TOUCH
EXTRA METALLICS
GLOSSY FINISH
100% PREMIUM QUALITY



Grand Super Wax

SOFT TOUCH
PERFECT DRAPE
GLOSSY FINISH
100% PREMIUM QUALITY

Annexure – 2: Ethnographic Research Activities

- 4 Countries: Gabon, Ghana, Nigeria & Democratic Republic of Congo

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- 56 x Shadow-shopping
 - 60 x Home Visits
 - 20 x Work Visits
 - 76 x Street interviews
 - ‘Week-in-the-life-of’ video reporting
 - 31 Creative focus groups, 257 participants
 - Viewing retail environments
 - 35 Tailor & Fashion Designer interviews

Annexure – 3 Insight & Problem

- the existing market for premium wax print declines due to low-priced competition and changing fashion behaviour
- there is an identity blur of wax print brands
- digitalization is changing the markets: development of formal retail and e-tail structure
- global fashion brands entering the market are capitalizing on Vlisco’s design signature
- most consumers experience frustrations with tailors: results do not match expectations and deadlines are often exceeded
- tailors see their profession as a way to make a living: they work hard and have to meet their clients’ demands while facing challenges such as power cuts and taking care of their children during work
- fashion designer do not spend most of their time doing what they love – sketch and create – but dealing with tailors to improve on the finishing
- consumer don’t buy premium priced fabrics because they are concerned that their valuable piece may get ruined by tailors
- a risk-free tailoring service would not only remove frictions in the consumer journey, but it would also stimulate the preference and purchase for Vlisco’s premium quality fabrics
- through the inclusion of stakeholders in the value proposition, local relevance can be built with multiple benefits, contributing to Vlisco’s business objectives of being sustainable and scalable

Source:

- (1) <https://www.vlisco.com/>
- (2) Archives of articles & presentations prepared by team - KgGuruji Academy