



The Impact of Business Strategies on Readymade Garments Market at Thrissur District in Kerala

Mrs. K. Parimala Kanthi

Asst. Prof, PG & Research Department of Commerce, Sree Narayana Guru college, Coimbatore

Dr. M. Ashok Kumar

Prof & Head, Department of Management Studies & Research Karpagam University, Coimbatore

ABSTRACT

Textile industry holds a significant status in India. It provides one of the most fundamental necessities of the people. It is an industry, with basic requirement as raw material with huge value addition at every stage of processing. Readymade garment is really becoming booming business. Presently, the textile industry is undergoing re-orientation towards clothing segments of textile sector, which is commonly called as "technical textiles". India is becoming the most preferred destination for out sourcing readymade garments for the international market. Various garment export companies are coming up with cloths that are fashionable keeping international trend in mind and also with good quality many international brands also source readymade garments from Indian market. The objective of business strategies is to provide a foundation from which a tactical plans to be developed. The future potential of the readymade garment market lies in companies trying to change consumer perception and help them to make a transition from readymade cloths' to ready- to-wear clothing. In this scenario the researcher has made a maiden attempt to finding the impact of business strategies in readymade garments market in the select area with the sample respondents.

KEYWORDS: Business strategies, Readymade garments, Retailers, Consumers

INTRODUCTION

Readymade garment is a part of the textile industry and it accounts for about half of India's textile exports. Readymade garment is really becoming big business. Presently, Due to lifting of import restrictions of multi fiber arrangement (MFA) since first January 2005, under the WTO agreement on textiles and clothing, the market has become competitive, on closer look however, it sounds as an opportunity because better material will be possible with the traditional inputs so far available with the Indian market. India is becoming the most preferred destination for sourcing readymade garments for the international market. Free trade scenario has been created in the Indian market which has resulted cut throat competition among the manufacturers and exporters for various things like quality, raw material base, manpower, cost of inputs required for garment making. An opportunity as well as challenges plays a major role in the readymade garments business. In the present scenario, business strategy is an effective tool for capitalizing these opportunities. The researcher is of the point of view that the study would help the sellers in readymade garments to spot out the advantages and disadvantages of various promotional strategies.

METHODOLOGY

The basic objective behind the paper is to find out various business strategies and impact of promotional activities on the purchasing, consumers preference of a particular readymade shop for making purchases as well as brand consciousness among the customers. The study was based on primary data. The sampling area includes Thrissur District in Kerala comprising of Chalakudy, Irinjalakkuda and Kodakara. The respondents to the study are customers and retailers of readymade garments. The customers selected from different walks of life and retailers from different regions of the district. Convenient sampling was the method of the study. There is no association between gender and brand preference, awareness about various trends in readymade garments and attitude towards tailor made clothes, and there is no association between age of the respondents and influence of advertisements and attitude towards tailor made cloths were the hypothesis framed for the purpose of this paper.

READYMADE INDUSTRY – AN OVERVIEW

Cloths are an epitome of a culture. People in different parts of the world have their own styles of dressing which symbolize their culture and status. The last two centuries have seen an upsurge in the use of man-made textiles like polyester, Nylon, PP, Acrylic etc. in almost every part of the world. The role of the sector is poised for radical changes in the International trading environment. The 3Cs of Commitment, Co ordination and Co-operation need to be applied at all level by the industry to be able to maintain its presence in the global market. The Indian readymade Garment Industry needs to adopt faster. The readymade

garment industry has great potential in Kerala from the point of view of its potential for growth and generation of massive employment. The readymade garments sector in Kerala depends on suppliers of fabrics either from domestic or foreign sources. The organized units catering to export markets import sizeable portion of fabrics, depending on the customer's requirements as per each export order.

Review of Literature

Yen Hsu (2011), Lalit-M-Johri (2011), Kotis Indounas and George Avlonitis (2011), Ulrich Kriese, schop fhein (2009), Richard S Allen and Marilyn M.Helms (2008), Anu L(2008), Terence TSC and khaled soufani (2003), Reddy v.p.(2003), Lal.A.R (2002), P.J. Stanton, S Cummings, T.sewell (2001), Saraswathy Amma .K.P and Sudarsanan pillai. P (1998), Koshy (1997), KITCO (1995), Sheela Varghese (1990) and IIFT(1978)

STRENGTHS	Availability of highly productive workforce, especially women at competitive costs.
	Logistical advantage with respect to export markets
	Image as a competitive destination for the industry by virtue of the presence of some of the renowned readymade garment manufactures in the country.
	Availability of specialized industrial parks like the apparels park and EPIP
WEAKNESSES	Logistical disadvantage with respect to the domestic market in the country as also principal sources of raw material(fabrics)
	Inadequate availability of highly skilled professionals fashion designers, master cutters etc.
	Large scale employee turnover (especially women, after getting married) reported in organized garment units.
	Absence of well developed infrastructure/ facilities for skills development, training etc.
OPPORTUNITIES	Expanding domestic and international markets
	Avenues opening up in international markets in a post MFA regime
	Changes in the dressing pattern especially within Kerala, opening up larger markets for readymade garments
THREATS	Emergence of China as the major player in the textiles and garment business is likely to intensify competition in the international markets.
	Existence of well known brands pose competition to readymade garment units within the state targeting the domestic markets
	Dumping of cheaper garments from centers outside state, distorting local market conditions

FINDINGS

The findings of the study reveals that most of the customers of the study are from male population, 63 % of them come under Rural area, 53% prefer a particular readymade shop, 60 % of them prefer to purchasing readymade garments more during discount periods , 42 % of the customers says that quality is the major factor considered , 59 % of the customers prefer branded products , 45% of the customers says that they prefer branded products because of quality, 59 % of the customers enter the shop with a particular brand in mind , 52 % of them says that if favorite brand is not available they will buy alternatives, 73 % of the customers consider price of the readymade garments while choosing branded products , Majority of the customers rated readymade garments as good. 35 %of them rated the awareness about readymade garments as good, 51 %of them rated the services to customers as good.

Retailers perceptions most liked product aspect and preference of customers is competitive price, but the customers says that design and fashion are the main factors considered while purchasing of readymade garments. The retailers says that advertisement is the most important business strategy used by the shops nowadays, but only 60 % are satisfied in respect of the advertising strategies adopted by them. Only 42 %of the retailers satisfied with the present sales whereas 79% of the respondents are highly satisfied with readymade garments. Only32%of retailers has good opinion about tailor made clothes and, 68 % says that there is a transition from tailor made clothes to ready-to-wear clothes nowadays.

SUGGESTIONS

Though the quality of readymade garments is good , it has to be further improved still it requires the following. Improving the quality with the help of latest technology, improving quality, gifts and promotional media are to be used which should influence the customers more. Promotional strategies such as incorporating innovative design, decorative materials, a diversified product (casual wears, kids wears) has to be promoted more. Retailers adopt the strategy of standardizing the products (introducing standard size to body shapes- comfort, regular , straight and trim fits). Majority of the buyers are young hence, the product should be associated with the style and current taste, fashion of the customer which will attract the youths. Present day consumers are not only looking the price but package of the deliverables which too be concentrated. Promotional scheme such as discount, free offers with purchase is suggested to increase sales of branded products. Unique selling points are used by the retailers, which guarantee that the buyer gets high quality product at cheaper price.

CONCLUSION

Readymade garment is a part of the textile industry and it accounts for half of India's Textile exports. India is becoming the most preferred destination for sourcing readymade garments for International market. The primary risk of the textile industry stems from the competitive global environment that is likely to emerge in the post MFA regime. Free trade scenario has been created in the Indian market, which has resulted cut through competition among the manufacturers and exporters. Opportunities and challenges abound for the players in the

readymade garments business. The largest group of customers for the readymade garment segment includes the age group of 20-40 who are very brand conscious and gives priority to quality. The retailers need to equip themselves to meet with the challenges ahead, by technology and process up gradations, cost cutting and by turning out of more responsive to the movements in the market place. The readymade garment segment has become more lucrative and it is anticipated that the readymade garment segment will be the main segment in the years to come.

TABLE 1 CUSTOMER SURVEY

Items	Most preferred	Score (%)
Factors considered while purchasing of readymade garments	Fashion/ Design	66
Awareness about various trends in readymade garments	yes	67
Source of knowing latest trends in readymade garments	Advertisements	52
Preference of particular readymade shop for purchasing	Yes	53
Major factors lead to prefer a particular shop	Advertisements	54
Influence of advertisements in purchasing readymade garments	yes	57
Preference of purchase during discount periods	yes	60
Factors considered while purchasing readymade garments	Quality	42
Opinion about tailor made clothes	Poor	45
Preference towards branded products	Yes	59
Reasons for preferring branded products	Quality	45
Enter the shop with brand in mind	yes	59
Non availability of favorite brand	Buy alternatives	52
Considering the price while choosing branded products	yes	73
Rating on the basis of quality	Good	51
Rating on the basis of satisfaction	Highly	59
Rating on the basis of brand awareness	Good	35
Rating on the basis of Services to customers	Good	51

Source: Primary data

TABLE 2 RETAILER SURVEY

Items	Most preferred	Score (%)
Most liked product aspect of customers	Competitive Price	46
Reason for consumer preference	Competitive Price	42
Business strategies	Promotional media	40
Satisfaction level of sales	Moderately satisfied	52
Opinion on tailor made clothes	Average	60
Product diversification Strategy	yes	100
Product standardization Strategy	yes	100
Adequacy of advertising strategy	yes	60
Adequacy of business strategy	yes	64
Transition From tailor made clothes to ready-to-wear clothes	yes	68

Source: Primary data

REFERENCES

1. AEPC-Garment exporters guide 1996-1998, New Delhi.
2. Belch, George.E and Belch, Michael.A (2001) "Advertising and Promotion", Tata McGraw Hill Publishing Company Limited, New Delhi.
3. Cooper, Donald.S. and Schindler, Pamela.S (2002), "Business Research Methods", Tata Mc Graw Hill Publishing Company, New Delhi.
4. Kotler, Philip (2002), "Marketing Management", Prentice Hall of India, New Delhi.
5. Kothari C.R.(2004), "Research Methodology – Methods and Techniques", New Age International (P) Ltd, New Delhi.
6. Naveen Daiso, "Brand Management Perspectives and Practice", edited by ICAFI, 2002.
7. National Council for Applied Economic research 2009, New Delhi.
8. Tull, David.S and Hawkins, Del. I (2003), "Marketing Research – Measurement and Methods", Prentice Hall of India, New Delhi.