



A Study on the Strategies to Be Adopted By Garment Exporters to Manage Business Crisis in Tirupur

KEYWORDS

Inflation, Fiber, Fabric

Dr.S.Saravanan**S.Mohanraj****K.Bagyalakshmi**HOD-B.Com (IT), Dr.N.G.P Arts and
Science College, Coimbatore-48HOD-International Business,
Dr.N.G.P Arts and Science College,
Coimbatore-48Assistant professor, Department
of International Business, Dr. N.
G. P Arts and Science College,
Coimbatore-48**ABSTRACT**

Garments sector is the most important and one of the largest manufacturing sector in the country and also it played a major role in exporting the products. But now the economic conditions of our country, the Garments industries were highly affected. Not only economic conditions, various problems are there which may affect the growth of the Garments sector. Few of the problems are Manual handling, Inflation, Government Regulations, Lack of innovation, Lack of Government support, Heavy Taxes and Duties, Often increasing yarn price, petrol and diesel prices, and electricity charges, Suddenly Closing of dyeing units, Often irregular electricity supply, high cost of latest technology machines, Labour Turnovers, Much procedure for getting Credit Facilities.

INTRODUCTION

The Garment industry occupies an important place in the Economy of the country because of its contribution to the industrial output, employment generation and foreign exchange earnings. The garment industry encompasses a range of industrial units, which use a wide variety of natural and synthetic fibers to produce fabrics. The garment industry can be broadly classified into two categories, the organized mill sector and the unorganized mill sector. Considering the significance and growth in this sector and contribution of Garments sector in national economy, initiative and efforts are being made to take urgent and adequate steps to attract investment and encourage wide spread development.

OBJECTIVES OF THE STUDY

- ✓ To Analyse the strategies adopted by Tirupur Garment Exporters to increase Exports
- ✓ To Analyse the Problems faced by Tirupur Garment Exporters in Implementing the Strategies.
- ✓ To Identify the Problems faced by Tirupur Garment manufacturers on closing Dyeing units.
- ✓ To study the factors affecting the Export of Garments from Tirupur.

METHODOLOGY OF THE STUDY**Area of Study**

The research study was conducted in Tirupur city.

Period of Study

The research was conducted during November 2013 to March 2014.

Nature and Source Of Data

This study is based on questionnaire method; primary data has been collected from various proprietors doing business in Tirupur city. The first draft of the questionnaire was prepared bearing in mind of research problem and objectives of the study. Secondary data was collected from journals, magazines and websites.

Method of Data Collection

The data has been used which is collected through questionnaire and reports and internet. The researcher has used both primary as well as secondary data. The research was

conducted only in Tirupur.

Primary Data

The primary data have been collected through a structured questionnaire. The questionnaires were distributed to 100 garment exporters situated in Tirupur.

Secondary Data

Secondary data have been collected from various sources namely outside from journals, magazines, other research works and also from other authenticated websites.

Sample Size

Sample size is the number of items to be selected from the universe to constitute a sample. The sample size is 100 in number.

Statistical Tools Used For the Study

The following statistical tools have been used to analyze the primary data. Simple percentage Analysis, Chi-Square, Factor Analysis, Weighted Average Mean, Ranking Method.

REVIEW OF LITERATURE

Vern Simpson (2001) in his study on "India's Garments and Apparel Industry: Growth Potential and Trade and Investment Opportunities" revealed that the study examines India's Garments and apparel industry in terms of its structural anomalies and other key factors inhibiting the growth of the industry, competitive strengths and weaknesses of the industry, government programs designed to help improve the competitiveness of the industry and so on.

Md.Golam Mostafa (2006) in his study on "Challenges, Opportunities and Threats of Garments Sector: A look into the Dacca Dyeing and Manufacturing Company Limited" States that Garments sector is the most important one and the largest Manufacturing sector in the country. The Study focuses the present situation of the country's warrants a new vision to accelerate and sustain growth, alleviate poverty, take advantage of new opportunities, threats, and meet challenges of the future and how to play its rightful role in a competitive global market.

Venu Varukolu (2007) in his study on "Technology Adoption of Indian Garment Manufacturing Firms" insisted that Technology adoption has emerged as an important determinant of competitiveness in recent global trade. Specifically, this study focuses on the effect of firm size, export orientation, top management's commitment, cost of capital, technical skills, and competitive advantage. The results revealed that firm size positively influences and export orientation negatively influences the technology adoption level of a firm. The effect of competitive advantage was moderately significant.

R.N. Joshi and S.P. Singh(2009) in their studies on "Measuring production Efficiency of Readymade Garment Firms" highlights that the garment industry, performance of a firm is generally measured by using conventional ratios such as number of garments per machine and per operator but it is not effective.. In this context, Data Envelopment Analysis (DEA) is an appropriate technique as it considers multiple inputs and outputs to measure the production efficiency of a firm.

Viswaprakash.V, Sentamilselvan.K (2012) in their studies on "Globalization & Trade in Garments Industry" insisted that the Globalization means the increased movement across those boundaries of goods and services, via trade and investment, and often of people, via immigration. Control on production, licensing restrictions along with high protective walls had fostered monopolistic trends within Garments industries, made it import intensive and inward looking.

**DATA ANALYSIS AND INTREPRETATION
SIMPLE PERCENTAGE**

**TABLE-1
TABLE SHOWING THE CHALLENGE IN SUSTAINING THE FABRIC QUALITY**

Particulars	No of Respondents	Percentage%
Weaving	16	16%
Dyeing	24	24%
Processing	24	24%
Finishing of garment	36	36%
Total	100	100%

Source: Primary data

Inference:

From the above table it is clear that 36%per cent of the respondents feels Finishing of Garment is the challenge in sustaining the fabric quality 24% per cent have opinioned Dyeing and Processing and 16% per cent have opinioned Weaving.

**TABLE-2
TABLE SHOWING THE COST OF PACKING AND DESIGNING PRODUCTS FOR EXPORTS**

Particulars	No of Respondents	Percentage%
Very High	8	8%
High	36	36%
Neutral	32	32%
Low	16	16%
Very Low	8	8%
Total	100	100%

Source: Primary data

Inference:

The above table shows the cost of packing and designing products for exports. Out of 100 samples taken for study, 36% of the respondents feels that cost is High, and 8% of the respondents feels that cost is Very low.

**TABLE-3
TABLE SHOWING THE REASONS FOR DELAY IN EXECUTING EXPORT ORDERS**

Particulars	No of Respondents	Percentage%
Delay in production process	32	32%
Ingressive	4	4%
Lazy attitude of middlemen involved	24	24%
Delay from shipping agencies	24	24%
Problems at customs clearance	16	16%
Total	100	100%

Source: Primary data

Inference:

The above table shows that the reasons for delay in executing the orders of in the concern. 32% of the respondents feels Delay in production process is the major reason for delay in executing Export Orders, 16% of the respondents feels problems at Customs clearance is the reason for delay in executing Export Orders.

CHI-SQUARE ANALYSIS

**TABLE-4
TABLE SHOWING THE YEAR OF EXPERIENCE AND REASON FOR DELAY IN EXECUTING EXPORT ORDERS**

Year Of Experience/ Reasons for delay in executing the orders	Delay in production process.	Ingres- sive	Lazy atti- tude of middle- men in- volved	Delay from ship- ping agen- cies	Problems at cus- toms clear- ance	Total
< 5 years	0	0	4	4	0	8
5-10	8	4	4	0	4	20
11-15	12	0	16	12	8	48
Above 15 years	12	0	4	4	4	24
Total	32	4	28	20	16	100

Hypothesis (H₀): There is no significant relationship between the year of experience and reason for delay in executing export orders.

Hypothesis (H₁): There is significant relationship between the year of experience and reason for delay in executing export orders.

Inference:

The calculated value is greater than table value Hypothesis is rejected. Hence it is concluded that there is significant relationship between the year of experience and reason for delay in executing export orders.

**TABLE-5
TABLE SHOWING THE EXPORT DESTINATION AND CHALLENGES PERTAINING TO EACH MARKET**

Major exporting / challenges	Competition	Cultural difference	Import controls	All the above	Total
Asian countries	4	8	4	8	24
Middle east countries	4	0	4	8	16
USA	4	0	4	4	12
European countries	12	8	4	12	36
Others	0	4	4	4	12
Total	24	20	20	36	100

Hypothesis (H₀): There is no significant relationship between the Export Destination and Challenges pertaining to each market.

Hypothesis (H₁): There is significant relationship between the Export Destination and Challenges pertaining to each market.

Inference:

The calculated value is greater than the table value. Hypothesis is rejected. Hence it is concluded that there is significant relationship between the export destination and challenges pertaining to each market showing the level of satisfaction on the assistance provided by various institutions to garment exporters.

WEIGHTED AVERAGE RANKING

**TABLE-6
TABLE SHOWING THE WEIGHTED AVERAGE RANKING FOR THE STRATEGIES TO ACHIEVE SUCCESS IN GARMENT EXPORTS**

Strategies	Total	Mean score	Rank
Maintenance of fabric quality	100	5.40	1
	540		
Product variations	100	4.68	4
	468		
Managing the lead time	100	4.40	5
	440		
Development of Indian designs and fabrics	100	4.74	3
	474		

Branding	100	4.08	7
	408		
Increasing skill and technical expertise	100	3.56	8
	356		
Timely Deliveries	100	4.36	6
	436		
Providing different varieties	100	4.92	2
	492		

Inference

From the above table it is inferred that by using weighted average mean it finds that Strategies feel as more important to achieve success in garment exports and Rank I stated as Maintenance of fabric quality, Rank II states providing different varieties from exporters.

**Table-7
TABLE SHOWS THE REASONS FOR CRISIS IN GARMENT EXPORTS**

Rank	6	5	4	3	2	1	Total	Mean score	Rank
Factor	I	II	III	IV	V	VI			
Labour problems	20	24	16	16	20	4	100	3.96	2
	120	120	64	48	40	4	396		
Capital requirement	16	12	16	16	16	24	100	3.24	4
	96	60	64	48	32	24	324		
Quality of expectations of buyers	16	16	16	12	12	28	100	3.28	3
	96	80	64	36	24	28	328		
Dyeing issues in Tirupur	28	24	12	16	8	12	100	4.12	1
	168	120	48	48	16	12	412		
Availability of cheap resources in other countries	12	8	12	20	28	20	100	2.96	6
	72	40	48	60	56	20	296		
Electricity Problems	8	16	24	16	16	12	100	3.16	5
	48	80	96	48	32	12	316		

Inference

From the above table it is inferred that by using weighted average mean it finds that the Reasons for Crisis in garment exports and Rank I stated as Dyeing issues in tirupur, Rank II states Labour problems from exporters.

FINDINGS

- Most of the respondents have optioned that the cost of design and package products for exports is very high.
- The Maximum number of respondents (68%) has

adopted promotional strategies to get orders.

- Majority of respondents (36%) feels that Garment Size control & Appearance as reasons for Rejection by the buyer.
- Most of respondents feels that Common Effluent Treatment Plant(CETP) is the remedy for the water pollution through dyeing units
- The Maximum number (44%) of the respondents feels that Exporting directly is the best approach to be successful in exporting business.

SUGGESTIONS

- ✓ Government should concentrate further more on Research and Development And should provided Technology Up gradation Fund to make their product a good quality and innovative in order to compete the Global Trade.
- ✓ Dyeing problem is the major problem which may hinder the growth of economy for the past few years, so the Government as well as companies situated in tirupur has to take some measures to avoid these kinds of problems. The Measures Have taken by the Government should be strictly followed by the Companies. And should avoid the chances of happening the pollution as much as possible. Government can also sup-

port companies to take the measures regarding dyeing problems.

- ✓ Government Should stop the export of cotton to other countries up to a certain limit in order to avoid the problem of increasing yarn prices.
- ✓ Companies should give proper training for their employees and improve the quality of their work. In order to retain them the companies should concentrate more on their health benefits.

CONCLUSION

Finally proprietor facing severe problems and they try to overcome from this as much as they can in order to improve their business status and also increase the economic position and overcome the various losses incurred due to these problems. At the same time it is also failed to reap the full benefits of a cluster model due to absence of professionalism and snail pace government systems.

There is an urgent need of thinking about the industry leaders and policy makers in order to enable them to come up with a well thought out comprehensive strategy and an action plan for their sustainable growth and profitable operations.

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