



IMPACT OF MARKETING STRATEGIES ON SALES OF TEXTILE INDUSTRIES IN INDIA

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ABSTRACT

The aim of present study is an attempt to study the impact of marketing strategies on sales of textile units of different capacities operating in India. The study is focused mainly on the industry possessing different profiles to develop effective and efficient marketing strategies for textile industry. The study found that there is a significant impact of marketing strategies on sales of textile industries in India.

KEYWORDS : Marketing Strategy, Textile Industry, Segmenting, Targeting and Positioning and Marketing Mix

Introduction:

Indian textile industries have been the single largest net foreign exchange earner among all the products in the country's export basket. The performance of Indian garments export shows that how an efficiently managed labour intensive sector can be transferred into a prolific foreign exchange earner. Exports of readymade garments have taken place with very little import content. Garments production is carried out largely with less modern technology and automation because it is reserved for small scale sector. The garments manufacturing and export activities in India are mainly located in Mumbai, Chennai, Tirupur, Bangalore, Ahmedabad, Jaipur, Ludhiana and NCR region (Delhi, Gurgaon, Noida). The bulk of Indian garments export goes to USA and EU (around 90%) and rest to Australia, Canada, Norway, middle east etc (CRISIL Research, Annual Review, 2009). The textile sector has centred on an extensive subcontracting system which made use of power looms fabrics and second hand machinery. Therefore the questions arise that where the Indian Textile Industry does Stand Now and how the players of Indian Textile industries are adopting the marketing strategies to compete among themselves and with the foreign players. How the players of Indian Textile industries are adopting the marketing strategies to compete among themselves and with the foreign players. What is the impact of marketing strategies on sales of textile industries in India?

Review of Literature

Saraswathi. V (2016) clothing has been one of the primary needs of mankind. It has been the second in the triumvirate of man's fundamental necessities. Today majority of the people have got used to purchase their clothing through a wide variety of retail textile showrooms as the retail outlets exist in every nook and corner of the country.

Adrian C. Ott (2015) has aimed to explore the impact of time on customer behavior and decision making. Companies have understood how customers value time in relation to their offerings and these companies have been more successful in today's economy and have often achieved competitive advantage through market segmentation.

According to the research study of **K.M. Chinnadorai (2014)**, Indian textile industry is one of the leading textile industries in the world. The needs of the people are increasing day-by-day. People are more interested to dress neatly and make them purchase more and more from the retail outlets.

Md. Khaled Amin & Adnan Hossain (2014) in their study 'Expanding Apparel and Textile Market through effective Marketing Strategies: A case study of Bangladesh' Apparel and Textile manufacturing industries' have been considered to be an important element in Bangladeshi economy. Considering the Marketing strategies widely used by composite apparel manufacturers in a form of direct marketing and relationship marketing. But, its potential has

not been incorporated in small and medium apparel companies in Bangladesh.

Research Methodology

The main objective of the study is to study the impact of marketing strategies of different textile industries on sales of textile industries in India. The formulated hypotheses are as follows.

H₀: There is no significant impact of marketing strategies on sales of textile industries in India.

To find out the above mentioned objectives the primary data were collected mainly from marketing managers from different textile units. A self structured close ended questionnaire was canvassed to the selected respondents in the study area to collect the data. The secondary data were collected from published National and International Journals, Working papers and Conference Proceedings, unpublished documents of Libraries, Dissertations.

- **Primary Data collection** was done through Specific self-designed Questionnaire based on the 5-Point Likert Scale to measure differences in marketing strategies among large, medium and small scale textile industries in M.P and also determined the impact of these strategies on sales volume.
- In the study, the researcher has included Marketing Managers of Textile Industries in India mainly from Indore, Maheshwar, Gwalior, Ujjain and Chanderi.
- The study has segment of Large, Medium and Small Scale Industries as the research area.
- An interview schedule was canvassed to the selected Marketing of selected industries in the study area to collect the data.
- Thereafter, the required data were analyzed and inferences/interpretations have been made.
- The data were collected from the field in between January and June 2015.
- Study Area\Textile Industries\ marketing managers: Indore, Maheshwar, Gwalior, Ujjain and Chanderi
- **Sampling\Size\Selection Criteria:**
- The sample size is 180
- We have surveyed 200 marketing managers.
- The sampling techniques adopted in this context are stratified sampling and judgement sampling and convenience sampling.
- It is a three tier sampling method.
- With the help of stratified sampling we have selected 5 Industrial Areas of Madhya Pradesh.
- Using judgement sampling, we have identified Large, Medium and Small textile Industries. With the help of convenience and purposive sampling, we have selected marketing managers.
- Scaling: We have used *two 5 point likert scales*.
- *Reliability and Validity* tests are also used to test the variables and

scaling. Cronbach's Alphas are in between 0.57 to 0.9, thus all scale are reliable.

- No Missing value Found. Thus all Variables are valid.
- We have used statistical tools such as Frequencies, percentage, mean, standard deviation, One Way ANOVA and Multiple regression analysis to examine the marketing strategies.

Major Findings

H₀₁: There is no significant impact of marketing strategies on sales of textile industries in India.

TABLE: 1 DESCRIPTIVE STATISTICS ON MARKETING STRATEGIES & SALES

	Mean	Std. Deviation	N
Sales	23.7278	6.06467	180
Product	20.3111	4.36503	180
Price	15.7167	2.92986	180
Promotion	37.5000	4.07952	180
Distribution	17.9056	2.35815	180
Branding	15.9500	2.80517	180
Positioning	17.9667	5.67155	180

Source: As Computed by the Researcher

TABLE: 2 MODEL SUMMARY ON MARKETING STRATEGIES & SALES

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.862 ^a	.743	.742	3.08265	.743	514.816	1	178	.000
2	.868 ^b	.754	.751	3.02678	.011	7.632	1	177	.006

- a. Predictors: (Constant), Product, price, Promotion, Distribution, Branding, Positioning
- b. Dependent Variable: Sales

Above table shows the correlations and it is evident from this table 2 that Pearson's correlation coefficient between marketing strategies and sales is 0.862 and 0.868 respectively which is significant since the significant value (p-value) 0.000, 0.006 is less than 0.05. Therefore, we may conclude that there is significant association between marketing strategies and sales. Furthermore, since the value of correlation coefficient r suggests a strong positive correlation, we can use a regression analysis to Model the relationship between the variables.

TABLE: 3 ANOVA ON MARKETING STRATEGIES & SALES

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4892.171	1	4892.171	514.816	.000 ^b
	Residual	1691.490	178	9.503		
	Total	6583.661	179			
2	Regression	4962.091	2	2481.045	270.815	.000 ^c
	Residual	1621.571	177	9.161		
	Total	6583.661	179			

a. Dependent Variable: Sales

From the ANOVA table it is clear that in both models, the value of F (The Goodness of Fit) is 514.816 at .000 and 270.815 at 0.000 is higher than the tabulated value which is significant at 5% level. Hence, it is concluded that there is a significant impact of marketing strategies on sales in textile industry.

TABLE: 4 COEFFICIENTS ON MARKETING STRATEGIES & SALES

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B	
		B	Std. Error				Lower Bound	Upper Bound
1	(Constant)	7.167	.765		9.366	.000	5.657	8.677
	POF6	.922	.041	.862	22.690	.000	.842	1.002
2	(Constant)	3.567	1.504		2.371	.019	.598	6.535
	POF6	.924	.040	.864	23.166	.000	.846	1.003
	BF5	.223	.081	.103	2.763	.006	.064	.382

Over all model summary shows the value of multiple correlation coefficient R=0.862 and .868, it is the linear correlation coefficient between observed and model predicted values of the dependent variable, Its large value indicates a strong relationship. R², the coefficient of determination is the squared value of the multiple correlation coefficients. Adjusted R²=0.743 & 0.754 and these values are significant which shows that overall strength of association is noteworthy. The coefficient of determination R² is 0.743 and .754; therefore, 74.3% & 75.4% of the variation in sales is explained by the marketing strategies (product, price, promotion, distribution, positioning and branding).

ANOVA is used to exhibit model's ability to explain any variation in the dependent variable. ANOVA table exhibits that the hypothesis that all model coefficients are 0 is rejected at 1% as well as 5% level of significance which means that the model coefficients differ significantly from zero. In other words we can say that there exists enough evidence to conclude that slope of population regression line is not zero and hence, marketing strategies are useful as predictor of sales in textile industry.

The normal probability plot is obtained to test the assumption about the normality of residuals and it appears that the residuals are approximately normally distributed. Thus the assumptions for regression analysis appear to be met.

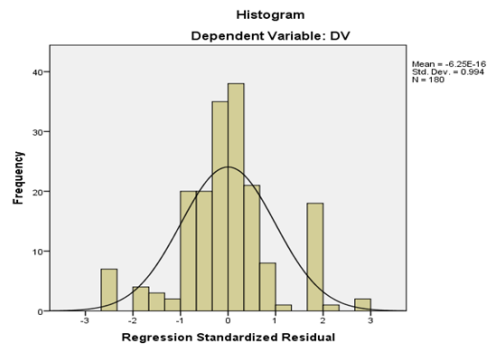


FIGURE 4.47: HISTOGRAM

As shown in the tables, there is a variation between the variables under study of the Models. So, there must be some relation between the variables under study that the researcher has tried to explain with the help of the regression equation. The co-efficient are given in Table 4:-

We got Two Models by step-wise regression method, which are best fitted from Table 4:

MODEL-1

This model explains about 74 per cent co-efficient of determination (R²) between marketing strategies and sales.

$$Y = 7.167 + .924 X_1$$

MODEL-2

This model explains about 81 per cent co-efficient of determination (R²) between marketing strategies and sales.

$$Y = 3.567 + .924 X_1 + .223 X_2$$

Conclusion

From the above discussion we may conclude that there is significant association between marketing strategies and sales. It is also concluded that there is a significant impact of marketing strategies on sales in textile industry. There is a significant difference in marketing strategies of various textile industries (Large, Medium & Small) in India in terms of Promotional Strategy. Promotional strategies are different in large, medium and small textile industries.

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