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Marketing of Apparels in India : Retailers Perspective

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ABSTRACT

The apparel retail industry is forecasted to grow at a rate of 7.8 percent per year, reaching a value of $39.4 billion by 2013, an increase of 76.7 percent since 2006. The apparel retailing requires much skill to assess the consumers breeds and ability to sell the products to the consumers in the market. It requires appropriate marketing strategies and policies. The retailers those who are sound in the implementation of appropriate marketing strategies and policies may perform better than others. The present study, includes the concepts of marketing of apparels such as marketing strategies and practices in apparel market, problems, challenges and opportunities in apparel retailing and retailers performance. The retailers are classified into three important categories small, medium and large. A random sample of 320 apparel retailers from each district head quarters of Tamil Nadu were selected purposively. The response rate on the questionnaire was only 67.81 per cent. Hence the included retailers for the present study came to 217. The present study concludes that the marketers in apparel market are moderate in their implementation of marketing strategies and practices whereas it is very poor among the small retailers. Even though, the problems are highly perceived by the retailers, there is a higher opportunity for apparel retailing in the study area.

Keywords : Apparel market, Retailers, Marketing Strategies

MARKETING OF APPARELS IN INDIA : RETAILERS PERSPECTIVE

The organized sector in India still has a long way to go because the unorganized retail still continues to dominate the retail market. But the organized retailing is growing at a fast pace. The organized retail market is presently 5 percent of the total retail, that is around Rs 67,310 crores and is expected to compound at 27 percent per annum, aggregating to Rs 1,75,103 crores (7.44 percent of the total retail) in 2010 - 11. The contribution of organized and unorganized retail outlets in clothing textile is 16.39 and 83.61 per cent respectively. The attritional shift of the Indian consumer interms of 'choice preference', 'value for money' and the emergence of organized retail formats have transformed the face of retailing in India. Increase in disposable income of the Indian middle class, growth in private consumer spending, growing working women population, adoption of nuclear family culture, baby boomer effect, growth in urban population, plastic money becoming a greater pie of credit, internet driving awareness and online purchases, increasing technology are the demand side drivers in the apparel retail market in India. In 2006, relaxed versions of FDI policies were introduced in the retail sector, allowing 51 percent ownership in retail trade of single brand retailing and 100 percent ownership for wholesale trade of cash and carry products (DOC, 2006). Accordingly, it is estimated that the Indian retail industry will grow at a rate of 13 percent per year, from $322 billion in 2006-2007 to $590 billion in 2011-2012 (DOC, 2009). The apparel retail industry is forecasted to grow at a rate of 7.8 percent per year, reaching a value of $39.4 billion by 2013, an increase of 76.7 percent since 2006 (Datamonitor, 2009).

Indian retailers

The apparel retailing requires much skill to assess the consumers breeds and ability to sell the products to the consumers in the market. It requires appropriate marketing strategies and policies. The retailers those who are sound in the implementation of appropriate marketing strategies and policies may perform better than others. The problems faced by the retailers are limiting their scope in doing apparel retailing. If the marketers properly assess the opportunities and challenges in their trade, they can design some programmes to tap their opportunities and also solve the challenges in it. In the present study, the included concepts in the marketing of apparels are marketing strategies and practices in apparel market, problems, challenges and opportunities in apparel retailing and retailers performance. Hence, the present chapter focuses on the various aspects related to apparel marketing as per the view of the retailers. The retailers are classified into three important categories small, medium and large. The mean, standard deviation of the annual sales turnover of the sampled retailers are Rs.37.63 lakhs, Rs.11.28 lakhs and 29.99 per cent. The retailers are classified on the basis of their annual sales initially.

Objective of the Study

The confined objective of the study is to analyse the Marketing Strategies adopted by indian apparel retailers to capture the opportunities and overcome the challenges prevailing in the apparel industry.

Conceptual Frame Work of the Study

The marketing strategies is highly essential for the marketers in any industry. In order to fulfill the objectives of this study, the marketing strategies adopted by the retailers are examined with the help of eight dimensions namely customers care, pricing, research, advertising, product differentiation, quality improvement, packaging and distribution. The related variables in each dimension of marketing strategies are drawn from review of previous studies.

Marketing Strategies of Apparel

Marketing strategy is a method by which a firm attempts to reach its target markets (Anonymons, 2006). It focuses on delivering greater value to customers and the firm at a lower cost (Anonymons, 2006). The implemented marketing strategies is measured with the help of implemented marketing functions namely customer service (Brink and Berndk, 2004); Price variation and Product Promotion (Cant and Brink, 1999); Research; Advertising; Product differentiation (Valerie and McColl, 2005); Quality improvements (Arnauld et al., 2002); Packaging (Climore, 1999); and distribution (Shim et al., 2004). In the present study, the included variables under different dimension of marketing strategies are drawn from

review of previous studies. The marketers are asked to rate these variables at five point scale according to the order of implementation.

TABLE 1
Variables in Marketing Strategies

Sl. No.	Variables	Sl. No.	Variables
I	Customer Care	V	Product Differentiation
1.	Business hours	1.	Modification of product
2.	Backup service	2.	Differentiation from competitors
3.	Punctual fulfillment of promises	3.	Flexibility
4.	Customers orientation among employees	VI	Quality Improvements
5.	Availability of product to the targeted customers	1.	Wide range of products
II	Pricing	2.	Superiority in quality
1.	Stable pricing	3.	Quality with competitive prices
2.	Few price discounts	VII	Packaging
3.	Promotional pricing	1.	Attractive packaging
III	Research	2.	Suitable packaging for transport
1.	Dissemination and adoption of new ideas	3.	Easy to remove
2.	News technologies	VIII	Distribution
3.	New products	1.	Number of retail outlets
IV	Advertising	2.	Products utility
1.	Publicity	3.	Convenient location
2.	Public relations		
3.	Sales promotion		

The respondents are asked to rate the above said variables a five point scale according to the order of importance given.

Sampling Procedure
The purposive sampling procedure has been adopted to identify the sampled retailers included in the present study. In total, 10 from each apparel retailers were selected purposively from district head quarters of Tamilnadu. The sampled retailers came to 320 retailers. The questionnaire were sent by post to the sampled retailers. The response rate on the questionnaire was only 67.81 per cent. Hence the included retailers for the present study came to 217.

Research Model

Fig 1.1

Analysis and findings
One-way Analysis of Variance
The one way analysis of variance, i.e. ANOVA had been applied in the present study. This analysis is applied when the variables are in internal scale. In order to find out the significant difference among the group of samples regarding, a particular variable, the 'F' statistics had been computed through the ANOVA.

$$\text{F statistics} = \frac{\text{Variance between groups}}{\text{Variance within groups}}$$

It was compared with the table value of 'F'.

Reliability Test
The variables related to each dimension in marketing strategies vary from 5 to 3 variables. It is imperative to examine the reliability and validity of variables in different dimensions of marketing strategies before summarising the score of the variables in each dimension. The Confirmatory Factor Analysis (CFA) has been applied for it. The overall reliability have been tested with the help of cronbach alpha. The minimum threshold of Cronbach alpha is 0.50 (Nunnally, 1978).

TABLE 2
Retailers' View on Variables in Marketing Strategies

Sl. No.	Variables	Mean score among			'F' statistics
		Small	Medium	Large	
I.	Customer Care				
1.	Business hours	2.8417	3.2188	3.6869	3.2776*
2.	Back up service	2.6609	3.0891	3.5442	3.1174*
3.	Punctual fulfillment of promises	2.7338	3.1342	3.5089	3.4547*
4.	Customer orientation among employees	2.6084	3.0466	3.6034	3.3916*
5.	Availability of product to the targeted customers	2.3377	3.1774	3.5991	3.4045*
II.	Pricing				
1.	Stable pricing	2.6693	3.1144	3.8145	3.6676*
2.	Few price discounts	3.1085	3.0886	3.7066	2.3889
3.	Promotional pricing	2.8664	3.2584	3.7641	3.2345*
III.	Research				
1.	Dissemination and adoption of new ideas	2.4173	2.7145	3.6566	3.4541*
2.	New technologies	2.5088	3.0246	3.7173	3.5917*
3.	New products	2.6644	3.2217	3.8082	3.6606*
IV.	Advertising				
1.	Publicity	3.0017	3.3884	3.8991	2.9197
2.	Public relations	3.1144	3.2669	3.7554	2.4504
3.	Sales promotion	2.6567	3.1145	3.6566	3.3886*

*Significant at five per cent level.

TABLE 3
Retailers' View on Variables in Marketing Strategies

Sl. No.	Variables	Mean score among			'F' statistics
		Small	Medium	Large	
I.	Product differentiation				
1.	Modification of product	2.6604	2.9917	3.8229	3.4446*
2.	Differentiation from competitions	2.4541	3.1176	3.9691	3.8084*
3.	Flexibility	3.2666	3.3884	3.2774	0.8667
II.	Quality Improvements				
1.	Wide range of products	2.3441	2.9965	3.6569	3.8417*
2.	Superiority in quality	2.6086	3.1173	3.7338	3.3089*
3.	Quality in competitive prices	2.9194	3.2884	3.8664	2.8434
III.	Packaging				
1.	Attractive packaging	2.8845	3.4546	3.8084	3.1493*
2.	Suitable packaging for transport	2.6608	3.1788	3.7336	3.2089*
3.	Easy to variance	3.0886	3.4033	3.8182	2.6673
IV.	Distribution				
1.	Number of retail outlets	2.1144	2.9697	3.6566	3.7554*
2.	Product utility	2.4546	3.0884	3.7341	3.3083*
3.	Convenient location	2.7341	3.2146	3.8865	3.1143*

*Significant at five per cent level.

The Table 2 shows the mean scores of the variables in four marketing strategies and its respective 'F' statistics. Regarding the view on the variables in customer care, the significant difference among the three group of retailers have been

identified in the case of all five variables since the respective 'F' statistics are significant at five per cent level. Regarding the variables in pricing, the significant difference among the three group of retailers have been noticed in stable pricing and promotional pricing since their respective 'F' statistics are significant at five per cent level. In the case of advertising, it is identified in sales promotion only.

From the retailers view on implementation of variables in Table 3, product differentiation, the significant difference among the three group of retailers have been identified in the case of modification of product and differentiation from competitors since their respective 'F' statistics are significant at five per cent level. The significant difference among the three group of retailers have been noticed in the case of wide range of products and superiority in quality since their respective 'F' statistics are significant at five per cent level. In the case of view on variables in packaging, the significant difference among the three group of retailers have been noticed in case of attractive packaging and suitable packaging for transport. Regarding the view on the implementation of variables in distribution, the significant difference among the three group of retailers have been identified in all three variables since their respective 'F' statistics are significant at five per cent level.

TABLE 4 Reliability and Validity of Variables in Marketing Strategies

Marketing strategies	Number of variables	Range of standardized factor loading	Range of 't' statistics	Composite reliability	Cronbach alpha	Average Variance extracted (in per cent)
Customer care	5	0.9246-0.6844	4.6116*-2.4568*	0.7911	0.8234	60.39
Pricing	3	0.9011-0.6333	4.3304*-2.1141*	0.7704	0.7944	58.02
Research	3	0.8446-0.6502	3.2667*-2.3082*	0.6889	0.7011	52.08
Advertising	3	0.8717-0.6917	3.6033*-2.6589*	0.7233	0.7542	54.42
Product differentiation	3	0.8902-0.7104	4.0117*-2.8341*	0.7711	0.7903	57.14
Quality improvements	3	0.8666-0.7447	3.5824*-2.9646*	0.7629	0.7841	56.06
Packaging	3	0.9024-0.6946	4.3991*-2.7033*	0.7402	0.7583	55.19
Distribution	3	0.8546-0.7042	3.3998*-2.7941*	0.7089	0.7221	53.14

*Significant at five per cent level.

Retailers View on Implementation of Marketing Strategies in Apparel Market

The one way analysis of variance have been executed to examine the significant difference among the three group of retailers regarding their view on implementation of marketing strategies. The results are shown in Table 5.

TABLE 5
Retailers View on implementation of Marketing Strategies

Sl. No.	Marketing strategies	Mean scores among			'F' statistics
		Small	Medium	Large	
1.	Customer care	2.6365	3.1332	3.5885	3.1886*
2.	Pricing	2.8814	3.1538	3.7617	2.9088
3.	Research	2.5302	3.0536	3.7274	3.2884*
4.	Advertising	2.9243	3.2566	3.7704	2.8676*
5.	Product differentiation	2.7937	3.1659	3.6898	3.0044*
6.	Quality improvements	2.9563	3.1341	3.7524	2.8117
7.	Packaging	2.8779	3.3456	3.7867	3.2556*
8.	Distribution	2.4344	3.0909	3.7591	4.1782*

*Significant at five per cent level.

Discussion

The important retailers in the present study are large retailers who have a high annual sales turn over. The dominant years of experience among the retailers are more than 20 years and 16 to 20 years. The most important product range among the small and medium retailers is only women's' wear and only men's' wear whereas among the large retailers, it is all product range. The important nature of products covered by the retailers is both branded and unbranded product which is common in small and medium retailers. There is a significant difference among the three group of retailers regarding their view on all five variables in customer care. The highly viewed variable in pricing among the small, medium and large retailers is few price discounts, promotional pricing and stable pricing respectively. The significant difference among the three group of retailers have been found in only two variables out of three variables in it. The significant difference among the three groups of retailers has been noticed in their view on modification of product and differentiation from competitors. Among the large retailers, it is packaging. The significant difference among the three group of retailers have been identified in the implementation of customer care, research, product differentiation, packaging and distribution. The significantly associating important profile variables with the level of implementation of marketing strategies among the retailers are their years of experience and product range owned.

Conclusion and Implication

The present study concludes that the marketers in apparel market are moderate in their implementation of marketing strategies and practices whereas it is very poor among the small retailers. Even though, the problems are highly perceived by the retailers, there is a higher opportunity for apparel retailing in the study area. The performance of the large retailers is better than the small retailers. It is advised to train the small and medium retailers to enrich their level of implementation of marketing strategies and practices with the help of their retailers association. The study conclude that there is better scope for apparel retailing in India if the retailers are enriching their implementation of marketing strategies providing service quality up to the expectation of their consumers.

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