BRANDING STRATEGIES OF KNITWEARS: 
A STUDY OF SELECTED UNITS.

Introduction

The Knitwear industry all over the world is at the threshold of far-reaching institutional changes. India earns about 11 per cent of its total foreign exchange through textile exports and 45 per cent of total textile export comes through the share of knitted garments. The knitting units located in Ludhiana cluster accounts 95% of woolen needs of the country. The Knitwear industry all over the world is at the threshold of far-reaching institutional changes. The removal of quantitative restrictions has brought about important implications. It has thrown open both the opportunities and threats, especially for the low-income economies seeking to industrialize through promotion of the garment sector. Neighbouring countries are posing severe competition to Indian apparel export business by supplying at low prices. Productivity in the Indian Companies is at about 50% of global Standards where as in Bangladesh it is 70-80%. Foreign direct investment (FDI) inflows in textiles (including dyed, printed) from April 2000 to November 2012 stood at Rs 5,656.42 crores (US$1.04 billion). Industry faces challenge due to poor branding, weak institutional linkages, small budgetary support for IT and weak international market intelligence. Knitwear Industry in Ludhiana is characterized by diversities in the terms of size, nature of products, technology and the type of management. Starting as unorganized vendor for global firms, the knitwear units are developing alternatives marketing strategies as well including the use of trademarks and brand of their products. Firms working under all categories of brand orientation earn average profit, which shows the maturity of the industry. The competence of this industry is known world over and the proof is that major brands are outsourced from Ludhiana. Due to globalization, market today is not the same as it used to be a few years ago and the business environment has also changed. The buyer today has many more options available in terms of quality, variety and source of the product. There is a common feeling among the cluster that a shared vision is missing in the cluster. Selling their products through agents deprives the manufacturers-cum-exporters of gaining crucial market intelligence of the changing international demand patterns. Awareness about issues like copyrights,
patents, trademarks, designs, patents, geographical indications is very low in the Knitwear cluster. Some interesting and positive developments have taken place in Ludhiana Knitwear industry in the last decade that has changed the scenario. The presence and activities of some of the support organizations, such as Knitwear Facility, Knitwear Club, UNIDO, SBI project Uptech has started making impact on the functioning of the cluster during the mid-eighties and onward. Men and women garment market has experienced an exponential growth of 14% in the past five years. While branding techniques for Knitwear advertising still adhere to some of the old methods such as, Fashion Shows and primarily Print (Brochure and catalogue printing), the modernization in today’s society requires other methods as well. Methods such as Internet Marketing, in-store Branding, Blogs, Social Media, Internet Search, Personal e-Branding and other methods are becoming more desirable.

**Literature Review**

A review of literature shows the magnitude of branding industry and its vital importance to growth of market competitiveness. Extant literature highlights the magnitude of branding industry and its growth of market competitiveness. These studies have been focused on branding strategies being practised by domestic and foreign brands. It shows that Knitwear/Textile consumer behaviour in market is also influenced by various promotional schemes as the customers give more weightage to economic consideration which could be useful in brand building. The brand must be in a position to deliver what is useful and important to the customer. The concept of innovation which should come through in-depth understanding of the product and consumer perception also play a pivotal role in building brand association among the customers. It is due to the fact that a brand expresses company’s core value and belief. Studies have suggested that brand name effect, segment difference, and product difference plays a pivotal role in determining the price structure which ultimately promotes brand loyalty among the consumers. It also contributes to increase the recall value of the brand. Brand positioning strategy which is based upon brand’s consistent performance helps to maintain strong position in the customer’s mind, maintaining it to gain the competitive advantages in the domestic and international market. Going through the review based on linking brand with other component of marketing mix, it is clear that success of
brand is determined by watching closely as to how the image of selling organization and product meet the expectation of the consumer. Brand should create a world that strikes consumer imagination that inspires, promotes and stimulates consumer to interpret the world that surrounds them. It should be witty, catchy, elegant and must be legally free to be used. The use of celebrity image as brand ambassador, is also contributing to enhance the brand value of the product. Brand value also depends on various other factors such as global consistency, global expansion, sustainable business mode and leadership’s wisdom and passion. Customer relation management promotes marketing of brand focusing organization’s customer-centric approach. Studies recommended that manager planning group or the trade associations must develop strategic awareness, capability and planning skill of the members. It is an organizational tool whose application depends on attending to strategic organization context in which it is used. Brand must include vision, culture and image of the organization. Branding also helps in brand extension depending on key factors such as opportunity, recognition, business model development, and success harvesting and supplier acquisition leading to capital acquisition. Branding has a significant relation to shareholders’ wealth promoting financial performance of the organization, clustering of small and medium enterprises to form a variety of products.

**Objectives of the Research**

The primary objective of the study is to identify the areas which would help the knitwear industry of Ludhiana to be competitive in domestic as well as in international market so that it could take its due market share. Specifically, the objectives of the study are stated as under:

(a) Knitwear Industry in Ludhiana is characterized by diversities in terms of size, nature of products, technology and the type of management. Starting as unorganized vendor for global firms, the knitwear units are developing alternatives marketing strategies as well including the use of trademarks and brand of their products. The first object of the study is to study the branding strategies being followed by the knitwear manufacturers of Ludhiana.
As a strategy, branding cannot be disassociated from other components of marketing mix. The second objective of the study probes into the linkages of branding with other components of marketing mix.

The potential for branding strategies would largely depend upon how the perceptions of customers would translate into purchase intention. The third objective of the study is to find out the brand positioning of the domestic and foreign brands of knitwear manufactured in Ludhiana.

The factors of production are no longer the source of competitive advantage as are available to all the firms in an industry. Properly developed and positioned brands can be a good source of the competitive advantage. The study analyses the contribution of brands towards competitive advantage.

**Research Methodology**

Keeping in view the objectives of study, exploratory research designs have been used for the study. The research methodology can be segregated into five stages.

- a) Collection of secondary data
- b) Developing the questionnaire
- c) Universe of the study
- d) Sample of the study and primary data collection.
- e) Sample profile
- f) Statistical techniques for data analysis.

In order to collect primary data for the study, a comprehensive questionnaire on various aspects of brand management, branding practices and strategies and other objects of study was developed by identifying variables from the literature reviewed. The questionnaire consisted of three sections. The first section had six questions relating to firm profile of the respondent. The responses to these questions were taken at nominal scale. The second section contained questions regarding branding practices & strategies of knitwear brand marketed by the respondent, classification of brand on the basis of price, selling branded or unbranded knitwear, brands for which the job work is done, contributions of lead brand toward sale, registration of brand name or logo and considerations of
choosing brand name etc. were included. They were further asked the questions regarding competitor brand, reasons for competition and plan to counter such competition. The third section contained the questions relating to brand management i.e. who manages and evaluates brand, modes of promoting brand, how knitwear products are made available to customers, what image of the product is conveyed through brand, ideal profile of the customers and their personality type, possibility of measuring the effect of branding in financial terms, brand recall and brand attribute. These items were measured on five point likert scale so that the respondent could make better discrimination with either “strongly agree” or “strongly disagree”. Ninety one statements were finalized after the pilot survey relating to different variables identified for the study was done on 11 knitwear units in Ludhiana. After pilot survey, minor changes in the structure of sentences, and the rectification of typographic errors were made. The universe of the study is the Knitwear manufacturers located in Ludhiana knitwear cluster. The preliminary study on the basis of secondary data found that the knitwear units in Ludhiana can be divided into four categories: 1. Firms working on own brand (domestic and international market), 2. Firms working on own brand and for other domestic brand (domestic market), 3. Firms working on own brand and for other international brand (domestic and international market) and 4. Firms exclusively working for international brand (international market). List containing address and location of the firms was obtained from the Knitwear Club, Ludhiana. It is the oldest recognized industry association of the knitwear units located in Ludhiana knitwear cluster having 700 direct members. The questionnaire was distributed to 120 firms based in Ludhiana. In all 115 responses were received, out of which 15 were found to be incomplete and hence rejected. Therefore, 100 responses (83.33%) were found to be usable, which have been considered for this study. The respondents were chosen on the basis of convenience sampling, who were ready to participate in the survey.

Analysis of the Data Collected

The preliminary analysis of the data was done with the help of cross tabulation and computation of basic statistics, such as frequency, percentages, means, standard deviation etc. The association between the brand orientation firms’ attributes and marketing strategies has been measured with help of Chi-square. To find out the
effect of market based brand orientation on various branding strategies being pursued by the firms, One-Way ANOVA has been applied. Factor analysis has been used to study the significance of personality type of the customer of the companies under study while buying Knitwear product in the market and to know about their perceptions related to the role of these traits in framing branding strategies by the firms under study.

Findings & Conclusions

India earns about 11% of its total foreign exchange through textile and apparel export. This industry contributes nearly 14% of the total industrial production of the country and is growing at 3-4% during the last decades. The removal of quantitative restrictions has brought about important implications. It has thrown open both the opportunities and threats especially for the low income economies seeking to industrialize through promotion of garment sector. Market and customers are constantly changing. Branding has become a key focus area in business development strategy of an organization trying to combat global competition. Ludhiana knitwear industry is one of the biggest cluster of the knitwear units in Asia, yet lacks in its image building that promises consistent high-quality and conveys the personality it deserves for domestic as well as international market. In the absence of recognizable brand consumers mostly make their selections entirely based on the liking of styles, fits and range of the price etc. Branding strategies which are followed by knitwear manufacturers at Ludhiana is based on the concept of making product superior, managing sale and distribution channels, promoting product through point of sale branding, branding focused on B2B, logo design, making good looking catalogues etc. Basically branding strategy has revolved around researching consumer attitudes and identifying his unmet needs. This industry now faces a challenge to maintain and sustain the development for next generation entrepreneurs who are well-travelled and enthusiastic entrepreneur promises to face future challenge to uphold this age old industry. Now bold endeavor is necessary for Ludhiana knitwear industry if they want their brands not to be perceived as fast moving consumer goods and commodities. Name of the brand is often linked to existence of strong competitive advantage in business and in turn command premium valuation. Choosing brand
name, identifying nearest competitor brand and making effective plan to counter competition are the area which can help the knitwear manufacturer to take competitive advantage. As a strategy, branding cannot be disassociated from other components of marketing mix. Analysis entails that knitwear used by the consumer differs with the demographic profile of the consumer in general and gender in particular. There is also wide fluctuation in the prices of the product offered by the knitwear industry due to the difference in the input. There is a huge vacuum of brand for price wise low end category of knitwear market as no established brand exists for this market. Some firms use price as a variable for brand positioning. Firms across all categories use different modes to reach out in the customers’ mind set for brand positioning. Firms, across all categories prefer shopping malls and exclusive showrooms for distribution. With the newer retailing formats emerging in the urban areas, a large number of customers visit the shopping malls for the purchase of garments. The selection of mode of distribution largely depends upon stock pressure, visibility merchandising and frequency of coverage by the firms. Brand recall is a significant strategy for keeping customer influence favourable. In the highly competitive market, the marketers are aware of the likelihood of customers switching over to other brand offering. Various perceptions of the marketers towards brand recall reveal that they consider word of mouth publicity as an important determinant of brand recall. In India, social reference has lot of influence on purchase behaviour and marketers use it an important ingredient of their marketing communication strategy. By virtue of repeated purchase, brands develop a position in the minds of the customers and they feel reassurance while purchasing a brand. The potential for branding strategies largely depends upon how the perception of customers is translated into purchase intention. Often a crowding of brands in the perceptual space yields a clutter, leaving no room for brand differentiation, eroding the possible advantages of branding. In order to avoid a brand from being generic, it must maintain a notable distance from the nearest competitor. Due to availability of factors of production to all the firms in an industry, these are no longer remaining as the source of competitive advantage. Properly developed and positioned brands can be a good source of the competitive advantage. These advantages accrued to a firm from multiple sources, such as exclusive access to resources, differentiation, low
cost advantage, innovation, using better technology, investing in new product and design etc. Ludhiana knitwear industry is mature enough to have advantage from branding but study shows that only a few firms enjoy exclusive advantage in terms of technology, raw material, innovation.

**Suggestions**

Emanating from the research work some suggestions to various stakeholders of branding strategies are submitted as under:

a) Firms should focus on brand promotion and its positioning in general rather than promoting the knitwear product based on gender focused segmentation. The probability of success is more if brand itself is supported by covering the needs of all type of the customers.

b) Industry should float brand for price wise low end category which is highly price conscious. No trusted brand exists for this market segment. A large segment of the population lives at substance level and they also aspire to wear branded products.

c) Majority of the firms depend on lead brand. They must promote a support brand offering wide range of choice to the customers. It should also indicate the parent company to the advantage of brand poisoning of lead brand.

d) Firms should get all design and style registered. It will ensure regular flow of resources to the firms instead of being drained out.

e) Majority of the firms have manual processing which result in low production and huge wastage making product costly. These units are unable to install high tech machinery due to inadequacy of finances. Government should either grant subsidy or should provide concessional loan to the deserving units.

f) Government is inviting large textile companies and big brands to set up their production units in Punjab by offering lucrative benefits. It should extend same facilities to local knitwear manufacturers as well.
g) There is a dire necessity for Ludhiana Knitwear companies to form consortium with close associates and likeminded units for joint marketing strategy and promotion of their products under one common brand. The brand should amplify the image of Ludhiana as suppliers of quality, eco-green and fair deal Knitwear products. Government must create congenial environment by working with all institutional support organization of the industry to promote brand Ludhiana.

**Further Research**

Branding strategies of knitwear is such a wide area of research that no single study is sufficient to consider its different aspect. Branding is a mix of several constructs, which can be categorized as operational, causal and consequential. Among the operational constructs, the branding practices, brand management, brand building etc. could be studied. The causal effects would entail the factors that constitute a brand and help in developing it. The consequential constructs would encompass the implications of brands on customers and firms. This would entail study related to brand recall, its effect on buying intentions, etc. The other stakeholder influenced by the branding is the firm, and the consequential effects such as sales contribution, brand equity, etc. could be studied. The present study is restricted to knitwear manufacturers based in Ludhiana only, a further study can also be conducted for other knitwear centre of the country, the area which has been left out of the scope of present study. An extended geographical coverage, particularly outside the country shall help in identifying the inadequacies and sources of gaining competitive advantage for the knitwear manufacturers in Ludhiana. There is ample scope for extending the study to other stakeholders as well. The customers’ perceptions on branding and its influence on buying intentions can be another aspect to study. A study entailing multiple stakeholders, viz manufacturers, customers, etc. could help in identifying the gaps in perceptions and help in devising effective branding strategies. A comparative study of the branding practices of overseas manufacturers could also be done.