CHAPTER - V
CONCLUSION AND SUGGESTIONS

5.1 Conclusion

India earns about 11% of its total foreign exchange through textile and apparel exports. This industry contributes nearly 14% of the total industrial production of the country and is growing at 3 - 4% during the last decades. 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 garments 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. The most significant concept about branding is creating a positive mental image about the brand helping consumers organize their knowledge about the products in a way that influences their decision making.

Knitwear industry in Ludhiana is one of the biggest clusters of the knitwear units in Asia, yet lacks in its image building that promises consistent high-quality and convey the personality it deserves for the domestic and international markets. In the absence of a recognizable brand, consumers mostly make their selections entirely based on the liking of styles, fits and range of the price etc. The conventional insight is that traditional branding is facing stiff competition at the feet of innovative modern branding concepts. It is due to competitive advantages and constant changes in customers needs. Branding strategies followed by knitwear manufacturers at Ludhiana are based on the concept of making product superior, managing sales 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. First generation of
entrepreneurs of knitwear industry at Ludhiana has grown old and in many units second generation which is professionally equipped has taken over. These young, well-travelled and enthusiastic next generation entrepreneurs promise to face future challenge to uphold this age old industry. Now bold initiatives are necessary for Ludhiana knitwear industry if they want their brands not to be perceived as fast moving consumer goods and commodities. The price war which is taking place in the industry is due to the lack of superior brand image. Quota free post WTO scenario, this industry faced tough competition and found it ill prepared to meet the challenge of global trade.

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. Majority of the respondents of knitwear industry prefer to sell branded products and have their brands registered. Firms working under all categories of brand orientation earn average profits, which shows the maturity of the industry. The competence of this industry is known world over, testified by the fact major brands are outsourced from Ludhiana. It indicates that the firms have the technology & experience to match the world’s standards. Lead brand of all segments of firms is the major contributor to the turnover. Name of the brand is often linked to existence of strong competitive advantage in business and in turn commands premium valuation. All the categories of the firms under study showed high preference for brand name that sound like international brands. Choosing brand name, identifying nearest competitor brand and making effective plans to counter competition are the areas which can help the knitwear manufacturer to take competitive advantage. Outward brand oriented firms give maximum consideration to the factor that brand name should sound like international brand where as the firm with inward brand oriented orientation focus much on the factor that brand name should be easy to remember. Least consideration is given to have brand name linked to the family name by all respondents under study. Regular study and evaluation of brands is essential part of business strategy. Firms working on exclusively own brands are more particular about this as compared to
those working for other domestic or international brands. This attitude of industry, sometimes, puts it on back foot when it faces competition from well placed and well positioned brands.

As a strategy, branding cannot be disassociated from other components of marketing mix. The knitwear used by the consumer differs with the demographic profile of the consumer in general and gender in particular. Accordingly, the products and the brands are targeted for the specific gender – men’s wear, women’s wear and kid’s wear. There is tendency among all the manufacturers to produce and sell knitwear products on brand either owned by them or for other’s brand for whom they are working. The firms preferred to offer variety at competitive price to the females as they believe that women seek large number of different sets of garments instead of spending money on costly brands. There is also wide fluctuation in the prices of the products 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 exist for this market. Some firms use price as a variable for brand positioning. Promotion of brand and products is the integral part of marketing mix as it entails a safe and easy way to convey the reason to use the product, its price, benefits and durability. Firms across all categories uses different modes to reach out in the customers’ mind set for brand positioning. These modes are as print media advertisement, TV commercials, internet and social media network, article advertisement, hoardings, brand ambassador, pop advertisement, sponsoring events, customer relation management etc. depending up on the financial resources available with them. Analysis shows that across all the categories of firms, electronic media, comprising of radio and TV are the most preferred media for promoting the brands. Article advertisement, Hoardings, POP advertisement and showing ambience in show rooms have significant influence in deciding and choosing modes of advertisement to reach out target audience. After making the product, to ensure availability of it to the ultimate consumers is a challenging task. Firms, across all categories prefer shopping malls and exclusive showrooms for distribution. With the newer retailing formats emerging in the urban areas, large customers visit the shopping malls for the purchase of garments. The selection of mode of distribution largely depends up on stock
pressure, visibility merchandising and frequency of coverage by the firms. Brand recall is an important strategy for keeping customer influence favourable. It revolves around generating loyalty and personal communication around the customers. In the highly competitive market, the marketers are aware of the likelihood of customers switching over to other brand offerings. 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 perceptions of customers are translated into purchase intention. In competitive environment, where supply and choice far outweighs demand, brand positioning is the crux of the branding process. 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. Across all categories of firms, similarity of markets and products were the prime reasons for brand proximity, as against other determinants like similarity of design and price. Positioning a brand with reference to an attribute or rating a brand along an attributes, it must be interpreted as meaningful customers benefits. Major attributes like risk reducer, promise, bonds, pact, trust, loyalty, implicit understanding and performance, means of identification to simplify handling or tracing, means of endowing product with unique association, source of competitive advantage and source of financial returns are considered major brand attribute by respondents. To position a brand successfully, it is important to know about different types of customers and what motivates and encourages them to buy the product and be loyal. Although each customer is unique and should be treated as an individual, each of behavioral styles of the customer requires a different approach and selling strategy. Brand positioning is at the very core of brand building. A clear and concise brand positioning provides a single voice to tell brand’s story. Study reveals that majority of the firms convey personality type like magnanimous, enthusiastic, sophisticated,
aggressive introvert and sensitive through brands. Brand relevance drives market
dynamics, which generates opportunities for the brand and threats for the competition.
It creates barriers to competitors by supporting innovation at every level of the
organization Design, fittings and colours of the knitwear is the prime factor for
reinforcing the brands. Despite the best efforts shown by knitwear industry of
Ludhiana, it is yet to make its entry as preferred brand as shown in Brand Trust

Due to availability of factors of production to all the firms in an industry, these no
longer remain 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. Outward brand
oriented firms gives comparatively lower consideration to determinant of competitive
strength as these firms leaves this responsibility to their principal organization for
whom these are working. Firms here are technologically strong and competent enough
to face the entry of foreign brand and do not favour to have liaison with govt. to stop
the entry of foreign brand.

5.2 Suggestions

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

5.2.1 Suggestions for the Industry

For the benefit and success of branding strategies of Knitwear Industry, some
strategic decision have to be taken by the industrial units for restructuring and
redesigning their market strategies. Some suggestions listed below could increase the
probability of success:
(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. If in case firms offered brands in this category, they would face less competition.

(c) Firms working for overseas brands must have a tie up for a particular brand and should not work on first come first serve basis. It will create trustworthiness and will help to take competitive advantage in the international markets.

(d) Majority of the firms depend on lead brand. They must promote a support brand offering wide range of choice to the customers. Brand name should be capable enough to convey particular style, image and should like international brand. It should also indicate the parent company to the advantage of brand positioning of lead brand.

(e) Firms should take measures to safeguard their intellectual property and get all designs and styles registered. It will ensure regular flow of resources to the firms instead of being drained out.

(f) To counter competition in the market firm should regularly upgrade technological changes taking place, must use eco-friendly raw material. They should emphasize on developing brand as strong and competitive brand.

(g) Firms should entrust brand management job to professionals or to the designate manager specially appointed for regular evaluation and study of brand. Top management should focus on implementation of its recommendations.
There is a need to optimize social media channels like Facebook, blogs, YouTube, Twitter etc. because the public opinion and messaging regarding brand is like a wild horse and it needs to be tamed in order to get desired branding results. Optimization helps to send the right message across and filter the message that are not in line with brand image.

Knitwear manufacturers must adopt China model to train and employ women labour force. It will reduce labour shortage and will ensure stability.

Firms needs to develop cluster vision by improving market reach out particularly in export market through better networking.

Special care by manufacturers is needed to reduce dead inventory as even for small order, huge inventory of many types of yarn and fabric is maintained. Managing and tracking large number of stock keeping units is essential through appropriate mechanism.

Design, fitting and colour of knitwear are the major constituent to the turnover. In order to achieve this objective entrepreneur should ensure regular participation in national or international exhibitions or fashion shows for assessing latest trend by taking institutional support.

5.2.3 Suggestions for the Government

Knitwear industry in Ludhiana is a textile and hosiery hub in the country. It enjoys the status of mother industry of Punjab. In spite of being major revenue generator, this industry is unable to project itself as cost friendly as it is facing several problems like labour shortage, high cost of raw material and increase in bank interest rate. Therefore, government must create favourable regulatory framework which encourages the working of the industry to be more competitive. The suggestions to the government are submitted as under:

a) 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.

b) Industry is facing acute labour shortage which is making the products costly. It must create congenial environment for women to come out for employment and to ensure their safety as done in China. It will help to reduce labour shortage.

c) Unschedule power cuts and high cost of electricity result in high cost of production and rejections. Both central and state government should work jointly to overcome these problems.

d) Lack of skilled work force is important area identified for intervention by govt. It should open state of art training institute to train the existing and prospective work force in association with manufacturers.

e) Government should subsidies cost of material. It must ensure uninterrupted power supply and address competitiveness of industry by tackling firm level issue like inefficient energy usage by initiating power and energy audits in phased manner.

f) State government must prevail up on central government to decrease interest rate particularly for SMSE sector firms.

g) 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.

h) With focus on climate change due to environment pollution ETP plant for zero discharge are key requirement for dying units imposed by pollution control board. Most of the units are very small and don’t have land and funds to install zero-discharged ETP. So government must come forward by providing suitable land earmarked for plantation.

i) It must create favourable regulatory framework which encourages the strengthening of weak institutional linkages among existing industrial associations.

j) 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.

5.3 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.