CHAPTER V
FINDINGS, SUGGESTIONS AND CONCLUSIONS

The findings of the study are presented below:

5.1 Status of the Garment Industry

From the secondary data, it is clear that the garment industry is in a stagnate position. The data show that in the years 2001 the total export value was Rs.3528 crores which had an upward trend in the later stages till 2007. During 2007-08 there was a slight fall in the total export value, which increased in 2009 and later. From 2009 an upward trend was seen till 2011. In the present year the export value had no change compared to the export value of Rs.12500 in the year 2011. So it is clear that the present trend may lead to a decline position due to government policies, fluctuation in the accessories, internal competitors, power issues, etc.

5.2 Demographic

The findings show that 38.5 percent of the industries were functioning for more than 20 years and 28.2 percent of the industries were functioning between 16-20 years. The study also found that 31.5 percent of the industry had below 5 export orders per year and 34.3 percent of the industry had between 6-10 export orders per year. The study revealed that 66.7 percent of the industries had 2 partners and 55.9 percent of the industry owners were qualified up to SSLC/HSC. Less than half (46.5 percent) of the industries had 5001-7000 Sq.ft of business space and majority (67.6 percent) of the industries were producing two products.

From the findings it is clear that 40.3 percent of the respondents had invested 3-4 lakhs in the initial stage of their business and 32.4 percent of the respondents availed 41-50% government loan for starting their business. Majority of the respondents 97.7 percent availed loan from banks for starting their business and 45.1 percent of the industries had turnover between 26-50% in the current year and 40.4 percent of the industries had below 25% turnover in the current year.
5.3 Internal Problems

The findings show that 44.6 percent of the industry had high level of management issues, 44.6 percent of the industries had high level of marketing problems, 31.5 percent of the industries had moderate level of financial problems, 35.2 percent of the industries had very high level of human resource problems, 39.4 percent of the industries had moderate level of production problems, 39.4 percent of the industries had moderate level of quality problems, and 48.4 percent of the industries had high level of technical adaption problems. The findings show that 39.9 percent of the industries had moderate level of internal problems.

It is clear from the above findings that a moderate level of internal problems prevails among the selected industries. Still, it is found that a high level of management issues, marketing problems, human resource problems and technical adaptation problems exists in the industry. Any industry runs on the wheels of management and its leadership. If there is a problem in management, it is reflected in various aspects like marketing, production, finance, etc. Human resources are the grassroots of an industry. Low salary, higher working hours, lack of safety and welfare facilities, preference of the occupation, etc lead to scarcity of human resources in these industries.

5.4 External Problems

The findings reveal that 47.4 percent of the industries had high level of vendor problems, 36.2 percent of the industries had moderate level of environmental problems and 35.7 percent of the industries had moderate level of export documentations. The findings show that 32.4 percent of the industries had moderate level of external problems. From the findings it is clear that moderate level of external problems prevails in the industries. Still, these industries suffer high level of vendor problems. The fluctuations in export garment accessories like yarn price, processing price, etc lead to increase in cost of production.

4.5 Relationship between demographic and internal and external problems

The coefficient of correlation value shows that there is no significant relationship between years of operation and management issues. Years of running does not influence the management problems. The coefficient of correlation value shows that there is a
significant relationship between years of operation and marketing issues. It is interpreted that higher the number of business years higher is the marketing problems. From this it is understood that even the experienced and well established industries also suffer from marketing problems because of the new competitors and market fluctuations. The coefficient of correlation value shows that there is no significant relationship between years of operation and financial issues. Years of running does not influence the financial problems. The coefficient of correlation value shows that there is no significant relationship between years of operation and human resource issues. The coefficient of correlation value shows that there is no significant relationship between years of operation and production problems. The coefficient of correlation value shows that there is no significant relationship between years of operation and quality problems.

The coefficient of correlation value shows that there is no significant relationship between years of operation and technical adaption problems. The coefficient of correlation value shows that there is no significant relationship between years of operation and vendor problems. The coefficient of correlation value shows that there is a significant relationship between years of operation and business environmental problems. It is interpreted that higher the years of operation, higher is the business environmental problems. The coefficient of correlation value shows that there is a significant relationship between years of operation and export documentation problems. It is interpreted that higher the years of operation, higher is the export documentation problems in the industry. The coefficient of correlation value shows that there is no significant relationship between years of operation and internal problems. The coefficient of correlation value shows that there is a significant relationship between years of operation and external problems. It is interpreted that higher the number of years, higher is the external problems.

From the above findings it is clear that experienced and well established industries suffer more due to environmental problems and export documentation problems. It may be because of their traditional methods of process in production and lack of investment in new technologies.
The coefficient of correlation value shows that there is no significant relationship between export orders per year and financial problems of the industry. The coefficient of correlation value shows that there is no significant relationship between export orders per year and human resource problems of the industry. The coefficient of correlation value shows that there is no significant relationship between export orders per year and level of production problems of the industry. The coefficient of correlation value shows that there is no significant relationship between export orders per year and level of quality problems of the industry. The coefficient of correlation value shows that there is no significant relationship between export orders per year and level of export documentation problems of the industry. The coefficient of correlation value shows that there is no significant relationship between export orders per year and level of internal problems of the industry at 0.05 level.

The coefficient of correlation value shows that there is no significant relationship between number of partners and management issues in the industries at 0.05 level. The coefficient of correlation value shows that there is no significant relationship between number of partners and financial problems in the industries at 0.05 level. The coefficient of correlation value shows that there is no significant relationship between number of partners and internal problems in the industries at 0.05 level. The ANOVA value shows that there is a significant difference in the level of management issues with respect to the education level of the owners at 0.05 level. It is clear that educated owners are able to perform and manage better compared to less qualified owners. The ANOVA value shows that there is a significant difference in the level of internal issues with respect to the education level of the owners at 0.05 level. From this it is clear that educated owners are able to manage their internal problems better compared to less qualified owners. It may be because of their awareness and knowledge of various issues of the industry. The ANOVA value shows that there is no significant difference in the level of external issues with respect to the education level of the owners at 0.05 level. The coefficient of correlation value shows that there is no significant relationship between number of products produced and level of management issues in the industry at 0.05 level.
The coefficient of correlation value shows that there is no significant relationship between number of products produced and level of marketing problems in the industry at 0.05 level. The coefficient of correlation value shows that there is no significant relationship between number of products produced and level of financial problems in the industry at 0.05 level. The coefficient of correlation value shows that there is no significant relationship between number of products produced and level of human resource problems in the industry at 0.05 level. The coefficient of correlation value shows that there is no significant relationship between number of products produced and level of production problems in the industry at 0.05 level. The coefficient of correlation value shows that there is no significant relationship between number of products produced and level of quality problems in the industry at 0.05 level. It is natural that higher the mass production, the probability of low quality product may be higher. The coefficient of correlation value shows that there is no significant relationship between number of products produced and level of technical adaptation problems in the industry at 0.05 level. The coefficient of correlation value shows that there is no significant relationship between number of products produced and level of business environmental problems in the industry at 0.05 level. The coefficient of correlation value shows that there is no significant relationship between number of products produced and level of export documentation problems in the industry at 0.05 level. The coefficient of correlation value shows that there is no significant relationship between number of products produced and level of internal problems in the industry at 0.05 level.

The coefficient of correlation value shows that there is no significant relationship between number of products produced and level of external problems in the industry at 0.05 level. The coefficient of correlation value shows that there is a significant relationship between level of management issues and level of internal problems at 0.05 level. It is clear that management issues influence the overall internal problems of the industry. It is because management is the key for performing all the activities in the industry. The coefficient of correlation value shows that there is no significant relationship between level of management issues and level of external problems at 0.05 level. The coefficient of correlation value shows that there is a significant relationship between marketing problems and quality problems at 0.05 level. It is natural that low quality products cannot be sold in the market. When quality is compromised, then the
problem of marketing exists. The coefficient of correlation value shows that there is a significant relationship between marketing problems and technical adaptation problems at 0.05 level. Technology has become the sole for quality production. Industries suffer to adopt the new technologies because of various reasons, which leads to poor quality of production and affects the marketing of the product. Even though industries upgrade the technologies in their production, there is a lack of skilled human resource to adopt the technology. This issue leads to low quality products and problems of marketing. The coefficient of correlation value shows that there is a significant relationship between level of financial problems and level of human resource problems. The coefficient of correlation value shows that there is a significant relationship between level of financial problems and level of production problems. The coefficient of correlation value shows that there is a significant relationship between level of financial problems and level of quality problems. Lack of adequate investment in purchase of accessories of garments leads to poor quality of products.

The coefficient of correlation value shows that there is a significant relationship between level of financial problems and level of internal problems. The coefficient of correlation value shows that there is no significant relationship between level of financial problems and level of external problems at 0.05 level. The coefficient of correlation value shows that there is a significant relationship between level of human resource problems and level of production problems. The coefficient of correlation value shows that there is a significant relationship between level of human resource problems and level of quality problems. The coefficient of correlation value shows that there is a significant relationship between level of human resource problems and level of technical adaptation problems. The coefficient of correlation value shows that there is a significant relationship between level of internal problems and level of external problems in the industry.

4.6 Factors influencing the export marketing problems

The results of the mean ranking of the Friedman’s test show that of the total six factors of marketing problems, poor sourcing of export orders is the foremost factor which influences the marketing problems, followed by lack of knowledge of foreign markets. Lack of locating foreign opportunities is found to be the lowest factor which
influences marketing problems compared to other factors. Export orders are the main source of export marketing. When these sources are not adequate, the problems of marketing exist.

The results of mean ranking of the Friedman’s test show that of the total six factors of financial problems, inadequate working capital is the foremost factor which influences the financial problems followed by poor pay back capacity. Delayed payment by buyers is found to be the lowest factor which influences financial problems compared to other factors. Capital is the backbone of the industry. Inadequate capital will lead to poor functioning of the industry.

The results of the mean ranking of the Friedman’s test show that of the total six factors of human resource problems, poor wages, working hours, working conditions, etc. are the foremost factors which influence the human resource problems, followed by lack of experienced employees. Inadequate skilled workers are found to be the lowest factor which influences human resource problems compared to other factors. Wage is the predominant factor for an employee. An employee comes for job only for the purpose of getting wag. When wage and others related factors like working condition, working hours etc are not satisfactory, they will lead to human resource problems.

The results of the mean ranking of the Friedman’s test show that of the total six factors of production problems, poor maintenance of machineries is the foremost factor which influence the production problems, followed by compromise on quality raw materials. Lack of up gradation of machinery is found to be the lowest factor which influences production problems compared to other factors. Maintenance of machineries leads to quality products and higher production. When maintenance is not proper, various production problems will arise.

The results of the mean ranking of the Friedman’s test show that of the total six factors of quality problems, lack of quality of materials and accessories is the foremost factor which influences the quality problems followed by inadequate knowledge about quality. Lack of awareness on losses is found to be the lowest factor which influences quality problems compared to other factors. Quality products are the product of quality
raw materials. When the quality of the raw materials is poor, it leads to poor quality of the products.

The results of the mean ranking of the Friedman’s test shows that of the total six factors of technical adaptation problems, lack of awareness on products standards, customers, etc is the foremost factor which influences the technical adaptation problems followed by poor up-gradation towards customers’ requirements. Lack of awareness regarding the technologies and lack of awareness on product standards among the employer and employees influence the technical adaptation problems.

The results of the mean ranking of the Friedman’s test show that of the total six factors of vendor problems, improper vendor support services is the foremost factor which influences the vendor problems followed by improper supply of materials. Fluctuating prices of raw materials is found to be the lowest factor which influences vendor problems compared to other factors.

The results of the mean ranking of the Friedman’s test show that of the total six factors of business environment problems, presence of unhealthy competition is the foremost factor which influences the business environment problems followed by problems due to natural calamities.

The results of the mean ranking of the Friedman’s test show that of the total six factors of export documentation problems, changes in the international trade agreements and policies is the foremost factor which influences the export documentation problems followed by legal and regularity issues. Export policies are found to be the lowest factor which influences export documentation problems compared to other factors.

The results of the mean ranking of the Friedman’s test show that of the total ten factors which were taken for the study, finance problems is the foremost factor which influences the problems in the industry, followed by management issues, export documentation problems, production problems, business environment problems, marketing problems and quality problems. Technical adaptation problems are found to be the least factor which influences export documentation problems compared to other
factors. Finance is the life blood of any business. Financial stability plays an important role in the performance of the industry which influences various other factors like marketing, production, quality, etc. Next to finance the second main factor which leads to the problems in the garment industry is management. Efficient and capable management can handle and manage the problems prevailing in the industry, failing which leads to damage of the business.

4.7 Summary

The findings show that 39.9 percent of the industries had moderate level of internal problems. The findings show that 32.4 percent of the industries had moderate level of external problems. The demographic variables namely years of operation, education level of the owners, and number of products produced influence the internal and external export marketing problems. From the above findings it is clear that experienced and well established industries suffer more due to environmental problems and export documentation problems. It may be because of their traditional methods of process in production and lack of investment in new technologies. The findings show that technical adaptation problems and quality problems are the most influencing internal factors which produced greater variance in the overall export marketing problems. The findings also show that vendor problem and environmental problems are the most influencing external factors which produced greater variance in the overall export marketing problems.
4.8 SUGGESTIONS

- The present situation alarms that in the short run there will be a negative impact on employment, which may not be very serious. Large scale firms and at least some of the medium scale firms will have to be strong enough to face the competitive environment. So suitable measures have to be taken by these industries to overcome these problems.

- Garments industry competes with other countries protected by quotas, government incentives, competitive labour costs and Free Trade Zones. However, nowadays competitiveness is not defined as something emanating from abundant natural resources, cheap labour, continuous currency depreciation or government incentives. It has to be achieved by increasing value addition (and profits) through efficient and effective management. These include (a) identifying and serving specialized markets, (b) adding unique features to products, (c) adding value and service dimensions to export products and (d) developing complex products which cannot be easily replicated.

- Industries can build competitive advantage through superior economic and business strategies. They should emulate the strategies which are adopted by other competitors. Venturing into new markets outside the traditional markets should be coupled with measures to reduce costs of production, increase productivity, specialize and be product focused, to train and develop manpower skills, enhance investments and adopt new and efficient technology. The Government must improve infrastructure facilities and ensure minimum disruptions in the working environment to support the industry.

- There is a need to develop infrastructure to provide training facilities as well as a change in attitudes to match the new challenges in the industry as they are essential to provide sufficient manpower as well as to improve quality and productivity. As a long term strategy, human resources development should be go hand in hand with educational reforms. Universities, technical colleges and other
government and non-government organizations such as Industrial Services Centre and Textiles Training and Services Centre are now offering training facilities to develop various skills relating to the textiles and garments industry. More investments should be diverted to develop designer capabilities and the marketing and management skills of entrepreneurs.

- Working condition and effects on the environment have been brought in to limelight. Some large companies have already taken steps to obtain certificates of conformity in accepted standards in labour, health and safety and the environment. Eco-labelling, ISO 9000, ISO 14,000 *etc.* should be taken as advantages for building up marketing strategies in future competitive markets.

- The garment industry is expected to have a greater shift towards casual and comfortable clothes. The newest generation of children, ‘eco boomers’ are the force behind the success of the children’s ware industry. The industries can specialize in these products with their existing experience and skills to meet the future demand in those countries.

- Furthermore, cultivation of more innovative ideologies among public institutions, minimisation of political intervention in labour issues, transparency in economic policies, maintenance of consistency in macro economic framework, better co-ordination among public sector institutions and development of a continuous dialogue between the government and the private sector would be the responsibilities of the government to ensure an environment conducive to the growth of the industry to grow in a more competitive market in the future.
4.9 CONCLUSION

Garment Production is termed as a manufacture and processing of knitwear products or merchandise, including its design, treatment at various stages, and financial services contributed by bankers. Various economic laws, price data, and available resources are among the factors in production that must be considered by both private and governmental producers. Tirupur and Chennai in Tamil Nadu is the bastion of garment export oriented industries, of which the former is the prominent one. SAVE organisation has been committed to the empowerment of garment workers in Tirupur and had a discontentment in the irregularities existing in the garment production mobility, and in this concern felt the necessities of analysing the mobility of garment production in the garment industries in Tamil Nadu, and thus this research has been propelled.

Tirupur, the well-known textile hub of India, has more than 5,000 garment manufacturing and job work units in the district. Tirupur is the biggest centre for exports of knitwear in India and seen as one of the most dynamic garment clusters in the “developing” world. Nearly 6 lakhs people of Tirupur are dependent for livelihood on garment manufacturing and related industries. The industry suffers from various problems like raw material availability, pricing, subsidiary and ancillary industries like processing units, labour, taxation and other law-enforcing agencies. Apart from this it also suffers from various internal and external problems. Thus, this study is an attempt to explore the internal and external problems faced by the industry in export garments marketing and its prospects.

The present study concludes that a moderate level of internal and external problems is prevailing in the Tirupur based export industry. It also concludes that demographic factors do influence the level of internal and external problems like management problems, marketing problems, financial problems, quality problems, human resource problems, export documentation problems, etc. From the findings of the study, it is also concluded that various factors influence the level of internal problems and external problems. Overall the study concludes that financial problems are the foremost influencing factor which is followed by the management problems and other related problems.
4.10 SCOPE FOR FURTHER RESEARCH

It is recommended that further research in this area includes:

1. More extensive investigation into the internal problems and external problems separately can be focused.
2. Comparative studies may be carried out including different industries garments, textiles, etc.
3. Comparative studies may be carried out among small, medium and large scale garment industries.