CHAPTER I

INTRODUCTION, DESIGN AND EXECUTION OF THE STUDY
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1.1 INTRODUCTION

The garment merchandiser\(^1\) is the person who integrates the assessment of raw material, fabric production and formal apparel production. Despite the substantial growth, the apparel market is still in its budding phase. The continuous change of fashion and its trends, necessitated garment merchandisers in the level playing field.

Garment merchandisers analyse the demographic shifts, fashion trends and changes in competition according to the season prevailing. Depending upon the size of the order the garment merchandisers’ co-ordinate the sources of production, raw material, yarn, fabric, fabric conditions and quality control methods. A good sourcing includes working knowledge of manufacturing process, quality assurance procedures, garment costing, product level, government quota, import/export legislations, international cultural and business practices, international banking and legal procedures. In addition the garment merchandisers are excellent negotiators.

1.2 STATEMENT OF THE PROBLEM

The merchandisers manage today’s complex and rapidly changing fashion market place\(^2\). The merchandisers update themselves with subtle changes in their target market and are acutely sensitive to the marketing environment. The efficiency and solid apparel experience indulge in high analytical thinking and expressive creativity. In these circumstances, the researcher tries to probe solutions to achieve ample orders for the Indian Garment industries.

i. How far the efficiency of the garment merchandiser determines the huge orders for Tirupur Garment exporters?
ii. To what extent the competitiveness prevailing in the exports necessitates the implementation of marketing strategies of the garment merchandisers?

1.3 REVIEW OF LITERATURE

Dinesh Hinduja points out that the merchandiser is the communication link with the buyer and an exporter; merchandiser is the internal buyer for their factories for all purposes and contents. How well an enquiry or order is executed depends largely on how efficiently the merchandiser has worked within the system. As far as their factories go, specific areas of operation include skill and speedy handling of enquiries of samples; costing packages or enquiries received for which knowledge of fabric and accessories and their price quota costs and CM's (cut and make) of garment is a must; prompt follow-up for quality and for meeting buyer’s deadlines and follow-up for shipping details.

Saritha Hedge with her limited experience defines a merchandiser as a follow-up person who also has the ability to take decisions based on whatever information he has from various quarters to achieve the objective of supplying the product to the satisfaction of the buyer and the situation demands the knowledge of costing, designing, procurement and market. Each area of operations is as important as the other and something that may not seem important today if not followed or handled correctly could balloon into an issue tomorrow. A merchandiser also needs to adapt to different ways of working as customer needs are changing regularly and a good merchandiser must adapt to these changes.

Sonya opines that a merchandiser is one who performs and delivers quality more faster on the salary scales when compared to the others who are not very
aggressive. Although the social status has improved over the years, according to her, it depends on individuals, and how aggressively they want to take their job responsibility by stretching themselves.

Ashok Kunna$^6$ points out the effective co-ordination between merchandiser and quality control for timely deliveries. The merchandising department has three basic areas namely “sourcing” and “development sampling” and “production”. To discharge these duties efficiently, the merchandiser needs to inculcate certain skills in sourcing, develop an eye for new concepts, for product developments and create producers for timely deliveries.

Colombe Nicholes$^7$ observes that in the past, merchandising was very removed from dealing with buyer and merchandise managers in stress. Today, sales and merchandising review with store executives merchandise opportunities that can be added to store assortments. The report highlighted that Merchandising balances the styles in the line and is responsible for getting quick costs.

Bertrand Frank$^8$ has made a study about “Profits in Apparel, a new view” and states that profitability in the apparel industry long has been equated with efficiency, but today efficiency does not necessarily yield profits. It can, and sometimes does, bring huge losses, particularly when it is efficiently produced and if the garment cannot be marketed at the right price. The researcher also mentioned that speed is essential to complete the order.

Andrew Khan$^9$ in his article observes that development of the merchandising function acts as a bridge between design and sales. The merchandiser is now a top end executive and he needs to be a world player with global thinking, translating the needs
of the buyer etc., and the researcher also mentioned that getting the right style at the right time, is a sign of a good merchandiser.

Joan Vass\textsuperscript{10} President, Home Sports wear identifies that the Team effort for the product development, should meet the needs of the target market and stressed about continuing the market research in the target market installation to the skills of the merchandiser.

Nathan Pincus\textsuperscript{11} opines that the beginning of a new season starts with a gem of a theme. The life blood of any fashion business is having a unique approach to the line. In order to successfully incorporate unique textiles into the lines, merchandiser must understand the customer base and what appeals to the customer base.

Brickmanway\textsuperscript{12} in his article points out, they can work closely with the customers in order to review the lines, set up meetings with particular customer bases to get opinions. To work out with this they can prepare pre-production samples.

Lorraine Trocino\textsuperscript{13} in her report indicates that she has specialized positions of merchandisers include a strong blend of using various departments. The link between design, sales and production department, was an important concept in the report of a merchandising calendar.

Bannetteo\textsuperscript{14} in his paper lists all the events that must take place in order to develop the line and meet deliveries. The person who is responsible for an event must sign it off in the system when the event has been completed so that everyone can limit the status of the line.
Nath Balakrishnan\textsuperscript{15} observes that the Indian ready garment industry is fragmented into men’s readymade garments, women’s western wear market and the children’s garment segments. Leading players in the garment sector are consolidating and expanding their operations to command a large share of the market. About the industry characteristics the stated, world-over, the readymade garments industry is characterized by fragmentation. The industry sources estimate the men’s readymade garments market at around Rs.5,000 crore; the women’s western-wear market at Rs.150-200 crore; and that for children around Rs.450 crore.

Brands are classified as premium / super premium, mid-level and mass market, depending on the price point at which they are positioned. Typically, Louis Philippe, Van Huevsen, Zodiac and Arrow would be part of premium/super premium segment in the formed wear category. Peter England, Parex & Jan Frisco would be a notch lower, as they compete at lower price points.

Kamal Nath\textsuperscript{16} stated in the New Textile Policy 2000 that certain items were reserved from the SSI list. In March 2003, the SSI limit in the garment industry was set at Rs. 5 crore. If the investment in the unit exceeded 5 crore, then it was considered as SSI provided they exported 50% of the total production and export obligation of 50% of the new (or) additional production annually is achieved within a period of 3 years. 50% of this export obligation should not be to non-quota countries and Foreign Direct Investment (FDI) should be to the extent of 25%. The FDI cap was allowed to be exceeded in EPZ’s (Export Processing Zones) and SEZ (special economic zones) only. This enabled the large fabric oriented companies such as
Arvind Mills, Raymonds, Madura Coats enlarging their production to cover readymade items also.

Rayon Pith in his article has stated that since the 1980s the US & EU have been India’s principal apparel export markets. Indian apparel exports are poised to enter a new era of quota-free trade during post-2005. There are significant export opportunities to the Indian apparel industry. The author stated the extent to which India can exploit such opportunities will hinge on its ability to compete effectively with leading apparel exporters like China. India also needs to diversify its export basket in tune with the import demand in the US and other importing countries.

Voron Williams, in her study looked at the changing production process in Tirupur in response to changes in producer’s control over the market in an overall context of liberalization. What emerges is that with the expansion of export markets, the domestic production gearing for international market, labour relations are undergoing profound changes. The highly volatile international fashion garment industry is creating a production process, which is fragmented, and informalised. This is made possible through arrangements such as contracting in and out.

Shobana Anand opines that the road map to enhance the competitiveness of the textile and garment industry is one of the oldest factors in the country, but domestic policies have restricted its growth and competitiveness. The post 2005 opportunity is, however too large to afford any complacency and the country needs to effectively capitalize on this as it could also have direct implications in employment wealth creation. While the Indian textile and garment sector enjoy some strategic and
commercial advantages, there is a need to focus its energies on meeting the impending challenge. Both industry and policy-makers need to work together to achieve the desired results within the given time frame.

According to Nackle Ermed under the new tariffs, companies which adapt first to the challenges of the new market will be better placed to secure their market position. Highlighted possible shaped, drivers and disciplines of the new market are growing markets, vanishing market, reclining prices, path work of agreements, antidumping and countervailing duties, more customs checks, Ethical standards emerge. To overcome the challenges, comprehensive preparation is a must to manage risks as well as to secure additional markets. They develop an action plan, use business advocacy, reinforce sector associations, understand the competition, increase productivity, develop source, strategies, new products, markets and E- applications.

Panick Paul in his paper elaborated that the export oriented ready-made garment industry in India is quite young and it needs, lots of professional inputs. So the exporters of ready-made garments in India depended on bulk quantities. Thus the area of designing still under the control of the foreign buyers, who in turn depend on the designers in their countries. Creativity is fashion; it does not depend on the race, culture, nativity (or) languages. Fashion reflects the way the consumer reacts and it is influenced by economic, technological and other environmental factors in our lives. Fashion indicates particular style (or) trend of a garment for a period of time until it fades. In the post globalisation era the scope for designing will be more. The product
development is based on the faster needs of customers and their taste it can be found only with the help of designers.

Vitomine\textsuperscript{22} in his paper has stated that Integrated CAD software and digital printing technology allows full-scale garment patterns to be imported, flood-filled with prints then be accurately produced, in true color using laser jet printing technology. The shift from CMT-dedicated to roller printed, repeat-patterned fabrics and multi-lay cutting to CAD/CAM niche production presents designers with new possibilities for creating "non repeating designs and randomized structures for printed fabrics". The ability to design and sample designs using the same process could mean that the designers' role in industry may develop what to encompass the exploration of printing effects. This proposed use of CAD/CAM can be considered a continuation of the craft tradition".

DHL Mckinesy\textsuperscript{23} in his presentation forecasts that Apparel and Textile Trade will group. The value of the global textile and apparel industry is likely to go up to US$2486 billion by 2008. The report forecasts that India has the potential to increase its share from the current 4 per cent to 6.5 per cent value at US$ 16 billion by 2008. The report noted that by 2013 exports from India could grow 15 per cent to 18.7 per cent annually to over US$ 30 billion.

Maslee\textsuperscript{24} clearly emphasises that the EU has also experienced a clear change in the structure of its suppliers, which has perhaps been advantageous to down stream
industries as now. European textile and clothing chains and European customers who have also benefited from cheaper clothing products from India, were able to source their inputs (i.e., raw materials, and semi-finished products) without any limitations from the cheapest/best supplier in the world market, which has increased their own competitiveness.

John Chairmel\textsuperscript{25} in his article connotes that with the management structure that is pushing for excellence, professionalism is the engine for growth at intimate fashions, which is collaboration between MAS Holdings (Sri Lanka), Triumph (Hong Kong) & MAST Industries (US), Indian Companies should take a load from the way this privately owned company is functioning. Only if Indian companies scale up their operations they can aspire for a bigger share in the world market.

Baddumel\textsuperscript{26} in his paper states that today buyers prefer to work with exporters that have control over the complete supply chain not only to monitor quality and price, but also to ensure reduced load times, which is today one of the most important elements to ride the fashion market. Being fully integrated is an edge in a competitive environment that our buyers look at us as a one - stop shop.

Darleie U. Kenshy\textsuperscript{27} observed that the merchandiser needs to understand the nuances and value system in order to develop his arsenal of responses. A sense of steps designed to evolve the company's qualifying and order-winning advantage was explored in depth.
1.4 OBJECTIVES OF THE STUDY

The researcher has framed the following objectives to analyze the level of competitiveness among the Knitted Garment Export Units in Tirupur city.

i) To study the role of Garment Merchandisers in sourcing the export orders.

ii) To analyze the efficiency level of garment merchandisers in executing the export orders.

iii) To assess the strength, weakness, threat and opportunity of garment merchandisers.

iv) To identify the factors to be concentrated by the garment merchandisers to improve their functionality and

v) To offer suitable suggestions to the knitted garment merchandisers to sustain the competition.

1.5 PERIOD OF THE STUDY

The period of the study consists of 6 months i.e., from January 2007 to June 2007.

1.6 SCOPE OF THE STUDY

The huge export orders of Tirupur are achieved only through the ability and efficiency of garment merchandisers. But when it is spelt out in the market, the entire credit is taken over by the garment exporters. Without the sincere efforts of merchandisers and co-operation of labour, the dream of exports will never materialise
in Tirupur. But garment merchandiser is always hindered and made to resort to the back screens of exports. This research will identify the best potentialities of garment merchandiser in promoting garment exports and sourcing of orders for the next season.

1.7 METHODOLOGY

Having identified the unique nature of Garment Export Units with regard to the variables in the decision making process, the study focused on the direction and composition of the Garment merchandisers. The major production of Garment is done in Tirupur- the cotton city, hence these units have been analyzed with (small-scale, medium scale, large scale Units, in consonance with Registered and Non-Registered exporters).

The efficiency of the garment merchandisers lies in the ability to determine the fashion trends and execution of orders which called for a detailed research in the export city – Tirupur.

1.7.1 Sampling Method

The systematic random sampling technique was applied to collect the requisite data for the study. The sample respondents were scientifically selected by using Tipet’s table which reduces bias in the research. The respondents were grouped based on the homogeneity character as follows:

i) Nature of the concern; ii) Age of the concern; iii) Nature of exports; iv) Status of export concern ; v) Initial investment and vi) Turnover
The researcher has classified the above grouping with 5 per cent deviation on the whole sample.

1.7.2 Data Collection

The researcher has adopted a pilot study to gather the efficiency and competitiveness of garment merchandisers through, a pre-drafted interview schedule and discussion were made with the higher officials of knitted Export units in Tirupur city. For pilot study a sample of 25 knitted export units were selected, with small scale units - 5; medium scale units - 5; large scale units - 5; registered and non-registered exporters - 5; and buying house numbering 5 were made.

After collecting the relevant information from the respondents a well structured questionnaire has been framed by the researcher.

1.7.3 Tools and Techniques

Based on the pilot study, the researcher has selected 150 merchant exporters, 25 manufacturing exporters and 25 third party/buying house respondents. In total the researcher has conducted the study with 200 respondents. The following tools and techniques have been applied by the researcher to assess the competitiveness of Garment merchandiser in Garment Exports.

i) Cross Tabulation; ii) Kendal’s co-efficient of concordance; iii) Average score analysis; iv) Chi-square Test; v) Correlation analysis; vi) Factor Analysis and vii) Partial Least Square Method.
1.8 HYPOTHESES OF THE STUDY

To give a specific focus to the above objectives, the following hypotheses have been drawn to test the association between the variables.

i. There is no significant association between nature of the concern and the factors relating to order execution.

ii. There is no significant relationship between the gender and the factors dealing with buyer.

iii. There is no significant relationship between the buyer and the factor relating to market knowledge.

iv. There is no significant relationship between the working hours and the factors relating to planning and control.

v. There is no significant relationship between educational qualification and the factors relating to line development.

1.9 LIMITATIONS OF THE STUDY

i. The study undertaken by the researcher is restricted to the knitted garment Export Units in Tirupur city only.

ii. The researcher has tried to achieve hundred per cent perfection while collecting data from the respondents which vary up to five per cent; which can be reduced by enhancing more number of respondents.

iii. The responding exporters were reluctant in responding to the queries related to Government policies, trade reforms, and buyer decisions etc., which may affect the findings to a certain extent.
1.10 CHAPTER SCHEME

CHAPTER I  INTRODUCTION
The first chapter deals with introduction, statement of the problem, review of literature, objectives of the study, period of the study, scope of the study, methodology, limitations of the study and chapter scheme.

CHAPTER II  GARMENT MERCHANDISING AND TRAITS OF MERCHANDISER IN SOURCING EXPORT ORDERS
The second chapter is angled towards the role of garment merchandisers in efficient garment production.

CHAPTER III  KNITTED GARMENT MERCHANDISERS EFFICIENCY
The third chapter focuses on analyzing the efficiency level of garment merchandisers.

CHAPTER IV  SWOT ANALYSIS OF KNITTED GARMENT MERCHANDISERS
The fourth chapter concentrates on assessing the SWOT of garment merchandisers.

CHAPTER V  FACTORS TO BE CONCENTRATED BY KNITTED GARMENT MERCHANDISERS
The fifth chapter is devoted to identify the factors to be concentrated by garment merchandisers.

CHAPTER VI  FINDINGS, SUGGESTIONS AND CONCLUSION
The sixth chapter makes suitable suggestions to knitted garment merchandisers to sustain the competition.
REFERENCES


15. Nath Balakrishnan, "Fragmentation in Indian Garment Industry".


