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## **CHANGES AND CHALLENGES FACED BY READYMADE GARMENT BUSINESS IN THE DIGITAL ERA**

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### **Abstract**

Readymade garment industry is also playing a key role in fashion world as well as in countries economy. A tailor made business transform into industry how, when and what kind of strategies required which highlighted in this paper. Change is the natural law, but personalization over globalization in marketing readymade garment business can open a new challenges.

Retail services are generally still produced and consumed at the same location (requiring a face-to-face interaction), despite increasing volumes of online sales. Analytical research based upon primary data which collected from manufacturer, wholesalers, retailers, and customer in Pune city through various questionnaires.

This paper also made an attempt to highlight, how to convert upcoming challenges into opportunities in readymade garment business. How and what kind of Administrative and Marketing challenges force to change Readymade garment business into an industry in online shopping era.

### **Keywords**

Readymade Garment Business, Administrative, Marketing, Online Shopping

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## **1. Introduction**

The history of textile is as old as that of human civilization. The excavation of Swiss lake inhabitants was shown use of fiber which was made by wool & flax fabric. In 400 AD culture of silk introduces in India while spinning of cotton to 3000BC.

In 18<sup>th</sup> and 19<sup>th</sup> centuries invention of various synthetic fibers with discovery of machines, local skill and textile art was outcome of revolution in Textile industry.

A textile is a cloth, which is either woven by hand or machine. "Textile" has traditionally meant. "a woven fabric". The term comes from the Latin word 'Lexer', meaning to 'icaie'. Fibers are used to weave clothes and these are the raw materials of all fabrics. Some fibers occur in nature as fine strands that can be twisted into yarns. These natural fibers come from plants, animals, and minerals. For most of history, people had only natural fibers to use in making cloth. But modern science has learned how to produce fibers by chemical and technical means.

Today, these manufactured fibers account for more than two-thirds of the fibers processed by U.S. textile mills. Plants provide more textile fibers than do animals or minerals. Cotton fibers produce soft, absorbent fabrics that are widely used for clothing, sheets, and towels. Fibers of the flax plant are made into linen. The strength and beauty of linen have made it a popular fabric for fine tablecloths, napkins, and handkerchiefs.

The main animal fiber used for textiles is wool. Another animal fiber, for example silk, produces one of the most luxurious fabrics. Sheep supply most of the wool, but members of the camel family and some goats also furnish wool. Wool provides warm, comfortable fabrics for dresses, suits, and sweaters. Silk comes from cocoons spun by silkworms. Workers unwind the cocoons to obtain long, natural filaments. Fabrics made from silk fibers have great luster and softness and can be dyed with brilliant colors. Silk is especially popular for saris, scarfs and neckties. Most manufactured fibers are made from wood pulp, cotton linters, or petrochemicals. Petrochemicals are chemicals made from crude oil and natural gas.

The chief fibers manufactured from petrochemicals include nylon, polyester, acrylic, and olefin. Nylon has exceptional strength, wears well, and is easy to launder. Such products as conveyor belts and fire hoses are also made of nylon.

Indian textile enjoys a rich heritage and the origin of textiles in India traces back to the Indus Valley Civilization where people used homespun cotton for weaving their clothes. Rig Veda, the earliest of the Veda contains the literary information about textiles and it refers to weaving. Ramayana and Mahabharata, the eminent Indian epics depict the existence of wide

variety of fabrics in ancient India. These epics refer both to rich and stylized garment worn by the aristocrats and ordinary simple clothes worn by the common people. The contemporary Indian textile not only reflects the splendid past but also cater to the requirements of the modern times (India crafts.com2008).

Readymade garment are the largest export segment and it is the 6<sup>th</sup> largest apparel exporter in globe. EU has remained the top region for India's RMG exports; India's exports to EU were US\$ 6413.9mn. 2017-18, this has increased from US\$6094.5mn. 2016-17. EU's share in India's RMG exports is 38.4% in 2017-18.

## **2. Review of Literature**

**Vision India 2020, Sramana Mitra,** Vision India 2020 is a visionary romp through a possible new future for India. This book helped me to understand the entrepreneurship actually means and what opportunities can make a business to a better business firm. These books also enlighten me about visionary entrepreneurship impotency in ready-made garment business.

**Export Success and Industrial Linkages: The Case of Readymade Garments in South Asia, Shahrukh Rafi Khan,** To understand the Neo-classical economic trade theory which suggests that countries on an aggregate level specialize in products that are consistent with their particular advantages and this book suggests that the predictions of the theory are broadly borne out.

**Doing Business in 21st-Century India: How to Profit Today in Tomorrow's Most Exciting Market, Gunjan Bagla,** Actually this book helped me for overall thinking about business in mix of different culture and customs.

## **3. Aims and Objective**

- The aim of the study is to identify the emerging challenges that could affect the sustainability in marketing of readymade garment business.
- To understand the various upcoming administrative challenges need to face by Manufacturer, wholesaler and retailers in readymade garment business.
- To identify various personalization factors over globalization in marketing in readymade garment business.

#### 4. Research Gap

As a researcher going through various Journals, articles, website and reference books as well as various research work in fashion industries, there was no significant research was done in future challenges will be faced by Readymade garment business in Pune city. Pune city is called “Oxford of West in education but it also has tremendous demand for garment business which created an interest in researcher for undertake the study on this topic.

Sources of data for this study (paper) basically based upon 15 years of research experience and Ph.D, M.Phil as well as entrepreneurs experience.

#### 5. Research Methodology

In this research survey method was implemented so as to understand various facts related to Manufacturers, Distributors, Retailers and Customers with respect to Readymade Garment Industry in Pune.

**Table 1: Research Design**

<b>Classification Criteria</b>	<b>Research Design</b>
<b>5.1 Primary Data Collection</b> (Sources of the Data)	<ul style="list-style-type: none"><li>• Questionnaire</li><li>• Personal interview</li><li>• Survey method and visits</li><li>• Personal visit and observation</li></ul>
<b>5.2 Secondary Data Collection</b> (Sources of the Data)	<ul style="list-style-type: none"><li>• Internet, yellow page</li><li>• Annual Report of the Ministry of Textiles.</li><li>• CMAI journals and documents</li><li>• Various books, journals, articles from various library (list given in Bibliography)</li></ul>
<b>5.3 Sampling Method</b>	<ul style="list-style-type: none"><li>• Simple Random Sampling</li><li>• Stratified random sampling</li></ul>
<b>5.4 Data Analysis</b>	<ul style="list-style-type: none"><li>• Calculation of average</li><li>• Frequency Distribution</li><li>• Percentage Distribution</li><li>• Tabulation and cross tabulation</li></ul>

<b>5.5 Sample Size</b>	<ul style="list-style-type: none"><li>• The proposed research will use 40% sampling of Manufacturers, Wholesalers Retailers each for making a detail study. Researcher also collected 100 customer responses.</li></ul>
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## 6. Challenges Faced by Manufacturers

**6.1 Workers Problems:** All Manufacturers preferred skilled and efficient workers for increasing their production but the basic problem was finding skilled workers who would sustain with the production house for longer time. It was observed that skilled workers are in demand so they shift their jobs often for better wages. Most of the manufacturers preferred Graduate and experienced staff for their administrative work however some preferred doing this job on their own. It was observed that 38 manufacturers face a problem of employees due to lack of experienced workers. 23 manufacturers had problem of employees due to lack of good designers and pattern makers. 21 manufacturers said that it was difficult to get employees who had proper machine skills. 17 manufacturers said that there was a problem of availability of professionally qualified workers. There was only one manufacturer who said there were other problems.

**6.2 Raw Material Price Change:** Most of the manufacturer faced problem due to change in the price of raw material which is direct cost, its effect directly to the product prices. Price change also effect in the profit margin for the new product which create cut throat competition.

**6.3 Woman Workers:** Due to more woman employee work as the machine operators the manufacturers faced various issue like marriage, child, house problem etc. which effect the production line also. In payment gender equalities do not exist.

**6.4 Research and Development:** market research is the only research factors where manufacturers are more interested they are less interested in product research. Designing part mostly influenced by media, very few prefer to create their own design.

**6.5 Decision Making:** Due to the one person (owners) decision most of the time its prove unprofessional and unethical also but as we know” boss is always right”.

**6.6 Administrative Problem:** maximum numbers of manufacturers are proprietors which directly effect in the business and administrative issues are given less important due to the

structure of the business and outdated knowledge. 38.70% of the manufacturers were observed to have a very small administrative office of less than 5 employees.

**6.7 Inventory Management:** out dated stock maintaining and selling those goods a slow goods maximum numbers of manufacturers practically faced problem.

**6.8 Commission to Distributors:** as most of the manufacturers never give preference for brand establishment the distributors charge high commission on the products, which also create problem in the product cost.

## **7. Challenges Faced by Distributor and Wholesalers**

**7.1 Staff Problems:** In case of distributors problem related to the efficient trained staff getting is also a problem. Due to maintaining low cost and secrecy of the business distributors prefer less staff or doing by own.

**7.2 Delivery Problem:** supply from company on time is another issues which also create problem, manufacturers mostly take order as per session and then after a certain date they send goods to the distributors if goods reached late to distributors then they face problem to sale to retailers.

**7.3 Space Problem:** due to insufficient space most of the distributors prefer to take delivery goods from company in break system which create problem in supply chain. Due to high cost and the growing city; insufficient space was a major problem faced by distributors (27.08%) to store and display the readymade garments.

**7.4 Expert Services:** Most of the distributors do not prefer to hire any expert for the improvement of services. Owners are the one who give decision which shows the unprofessional in this ready-made garment business.

**7.5 Inventory System:** Distributors also faced problem all those slow moving goods in the stock.

**7.6 Credit Period of Sales:** Distributors face maximum problem in the collection from credit sales. In ready-made garment business distributors are the one who face major problem for the credit period of sales.

**7.7 Mall Culture:** The mall culture has played a significant role by which many distributor /wholesaler are facing difficulty with respect to increased competition in price and increase in barging power of customers (found with one distributor/wholesaler). Here only one

distributor/wholesaler had a view that the customer's behavior had changed and the expenses of the store had increased.

## **8. Challenges faced by Retailers**

**8.1 Sales Staff:** Retailers also faced problem for getting good trained sales staff. Inner garment retailer also faced problem to get staff for sale the products. Lack of training to sales staff also create problem.

**8.2 Location:** Selecting a location for the shop was a major problem observed because of several problems like high prices and availability of space. However most preferred selecting locations near market to start their shop. Few retailers preferred operating from their own place or located near college.

**8.3 Mall Effect in Business:** Most of the retailers pointed out that there is significant effect of Malls on their business which eventually affects the number of customers. Looking at the effect of sales because of mall had various reasons. It was noted that there was 81.46% effect on sales.

**8.4 Purchase of Stock of Goods:** Most of the retailers had to visit the company, wholesalers and manufacturers personally few retailers had to visit fairs and exhibitions to purchase the garments and other visit conferences to update with the latest trends in the market. Exceptionally some retailers prefer to travel to cities like Mumbai and Surat to make the purchase. Amongst the retailers about 62.92 % preferred to sell women's wear followed by 39.32% of retailers selling men's wear.

**8.5 Inventory System:** Most of the retailer also face problem in maintaining out dated stock.

Due to this they give order accordingly which create problem in sales.

**8.6 Traditional Outlay of Shop:** Customer not only prefers the goods at right price but also prefer ambiances of the shop. Display of the shop also plays an important role but due to unprofessional attitude create problem to attract customers.

**8.7 Promotional Activities:** Retailers fully depends upon distributors and manufacturers for their products promotional activities which create problem in marketing.

**8.8 E- Business:** Online business is also creating new challenges for traditional business models.

## **9. Challenges Faced by Customers**

**9.1 Male Customer's Problem:** Quality of garments and satisfaction of customers was a major area of concern; most Male customers were satisfied with the garments available in Pune

city. However there were few customers who were not satisfied. The other problems/limitations faced by customers were inflated prices, poor service, and behavior with customers and poor collection. Here most of them said that the prices in Malls were inflated as compared to retailers and wholesalers. Poor collection was a area of concern with most. Some also commented that the quality of material used for garments is expensive and so the prices are inflated. Some preferred malls considering availability of all garments under one roof.

**9.2 Female Customer Problems:** Quality of garments and satisfaction was a major area of concern; most customers were satisfied with the garments available in Pune city. The other problems/limitations faced by customers were inflated prices, poor service, and behavior with customers and poor collection. Here most of them said that the prices in Malls were inflated as compared to retailers and wholesalers. Poor collection was a area of concern with most. Some also commented that the quality of material used for garments is expensive and so the prices are inflated. Some preferred malls considering availability of all garments under one roof. Some customers preferred shops with good design garments and were thus not satisfied. Some also pointed out that retailers in Pune should improve on the choice of garments that they have to offer. The major problem observed was that when one fashion is in trend the same design is seen in most shops which cause shopping frustration and boredom. Thus female shoppers prefer innovation and simple and improved designs with more varieties whenever possible. Some also pointed out that garments in Pune are expensive and has no balance to cater the poor customers as compared to the rich class.

## **10. Conclusions**

Changes and challenges is the two side of the same coin which required. In the era of digitalization readymade garment business is getting total transformation especially in retail sectors. Manufacturers were started to have different policy for the based upon structure of the business not based upon traditional factors like product, price etc. This research paper has given broad idea about the entire process from manufacturing to retailing as well as the response of customers in the entire process.

### **10.1 Scope of Future Research**

It can be said that in future the readymade garment industry has a wide scope for improvement as well as expansion at various fronts taking into consideration the changing needs

and demands of the society. With changing trends and modernization there is scope for further development taking into consideration the new policies implemented by the government as well as the infrastructure developments in private and public sectors. This research also made an attempt to indicate the readymade garment market and its administration in Pune need an organization where all readymade garment issues can be solved and improved.

### **10.2 Research Limitation**

This research is based upon various questions analysis from Manufacturer, Wholesaler, Retailers and few customers from Only Pune city. Through Personal interviews to various Manufacturers, Wholesalers and Retailers also considered randomly based upon their availabilities in Pune city only. Due to constrain of the funds areas in Pune city also not considered as base. Product categorizations base also ignored as per areas in the Pune city.

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## **Directory**

CMAI, Pune Western Region Directories for Maharashtra (List of manufacturer in Pune city)