

Challenges Facing Garment Exporters in Tirupur: An Exploratory Study

Urmila Purohit¹, Aparna Sharma²

¹Associate Professor and Head, Department of Commerce with International Business, Dr. N. G. P. Arts and Science College, Coimbatore

²Student, M. Com IB, Department of Commerce with International Business, Dr. N. G. P. Arts and Science College, Coimbatore.

Abstract: Known as the "Knitwear Capital of India", Tirupur is a key export destination for clothing and a big contributor to the nation's textile sector. However, Tirupur's garment exporters deal with a number of issues that affect their operational effectiveness and ability to compete globally. The main issues are examined in this paper, including rising rivalry from other textile - producing nations, labour shortages, strict international laws, fluctuating raw material prices, and currency changes. The export environment has also been made more complex by problems with sustainability, adherence to environmental regulations, and supply chain interruptions following the pandemic. By examining these issues, this research seeks to provide light on possible approaches that could improve the sustainability and resilience of Tirupur's apparel export sector. Policymakers, industry participants, and exporters will find the findings useful in developing practical solutions to these problems and guaranteeing the sector's continuous expansion.

Keywords: Garment exporters, Issues, Apparel exports

1. Introduction

One of the biggest and most vibrant industries in the world economy is the apparel sector. It has a key role in employment generation, industrial development, and international trade. The sector covers a wide range of procedures, such as choosing fabrics, cutting, stitching, finishing, and packing. The apparel industry serves both domestic and foreign markets with a wide network of manufacturers, suppliers, and exporters, meeting the always rising need for fashionable and useful apparel.

A labour - intensive sector of the global economy, garment manufacturing employs millions of people. Leading manufacturers and exporters of textiles and clothing include China, Bangladesh, India, Vietnam, and Turkey. Technological developments, changing consumer preferences, and rising demand for reasonably priced, high - quality clothing are some of the drivers propelling the industry's expansion. Exporting and producing clothing are still essential to international trade and economic growth. The sector is constantly changing due to technological breakthroughs, fluctuating consumer preferences, and a growing focus on sustainability. In order to be competitive, manufacturers and exporters need to adjust to these changes while maintaining efficiency, compliance, and innovation.

Objectives of the Study

- To analyze the problems faced by Tirupur garment exporters
- To study the factors affecting the Export of Garments from Tirupur
- To find out their level of satisfaction towards various aspects of export business

2. Review of Literature

A. Kalyani (2021), In addition to offering a wide range of items, the apparel industry as a whole is notoriously unstable, known to experience demand volatility, and beset by short

product life cycles. The study's primary goal is to determine the supply chain management issues that the Indian apparel industry faces, which will then be contrasted with those that the US and UK apparel industries experience. The methods used by the Indian apparel industry are contrasted with those of these sophisticated countries. It is anticipated that fresh knowledge gained from these comparative studies will assist Indian businesses in refining their supply chain management procedures.

S. Venkatachalam and Dr. P. Palanivelu (2010), who studied the marketing strategies of garment exporters in the Tirupur area, the business has grown phenomenally over the last three decades due to the constant increase in demand. The textile industry provides additional foreign exchange and job prospects. In the global market, Indian textile industries face fierce competition. Over the past three decades, the apparel business has experienced substantial growth among diverse industries. This could have been brought on by a rise in the demand for clothing, especially for Indian knitwear outside. The clothing sector was able to thrive as a result of increased demands from overseas consumers.

3. Research Methodology

Research Design: Descriptive study

Sampling technique: Simple Random Sampling

Area of the study: Tirupur district

Method of data collection: Primary data

Sample size: 64

Tools used for analysis: Simple percentage analysis, Correlation analysis and ANOVA.

4. Data Analysis and Interpretation

In this chapter, the analysis and interpretation of the study on sample size of 64 respondents and the data collected are classified and tabulated. Further the following statistical measures are employed in fulfilling the objectives of the study.

Statistical Tools Used for the Study

The statistical tools used for analysis are

- Simple Percentage analysis
- Correlation
- ANOVA

1) Simple Percentage Analysis**Table 1.1:** Showing the Simple Percentage of Experience in Export Business

S. No	Particulars	Percent
1	6 - 10 years	7.8%
2	11 - 15 years	20.3%
3	Above 15 years	71.9%
	Total	100%

Interpretation:

The data indicates that the majority of respondents (71.9%) have more than 15 years of experience, suggesting a highly experienced group. A smaller proportion (20.3%) falls within the 11 - 15 years category, representing mid - level experience. The least represented group is those with 6 - 10 years of experience (7.8%), indicating fewer individuals in this range. This distribution suggests that the dataset is

dominated by experienced individuals, with relatively fewer respondents in the early to mid - experience levels.

Table 1.2: Showing the Simple Percentage of Annual Turnover

S. No	Particulars	Percent
1	10 - 25 lakhs	3.1%
2	26 - 50 lakhs	40.6%
3	Above 50 lakhs	56.3%
	Total	100%

Interpretation:

The data indicates that the majority of businesses (56.3%) have an income above 50 lakhs, suggesting strong financial performance. A significant portion (40.6%) falls within the 26 - 50 lakhs range, representing moderately earning businesses. Only 3.1% of businesses have an income between 10 - 25 lakhs, indicating that lower - income businesses are relatively few. This distribution suggests that most businesses in the dataset operate at a higher revenue level, with a smaller percentage generating lower earnings.

2) Correlation Analysis**Table 2.1:** Showing the Significant Level between Variables using Correlation Analysis

Factors		seasonality of the export business	plan to focus on premium fashion wears	decline in international orders	quality of expectations of buyers	fall in international market price
seasonality of the export business	Pearson Correlation	1	.452	.391	-.002	.058
	Sig. (2 - tailed)		.000	.001	.988	.648
	N	64	64	64	64	64
plan to focus on premium fashion wears	Pearson Correlation	.452	1	-.012	.252	.009
	Sig. (2 - tailed)	.000		.927	.044	.942
	N	64	64	64	64	64
decline in international orders	Pearson Correlation	.391	-.012	1	-.032	.003
	Sig. (2 - tailed)	.001	.927		.802	.980
	N	64	64	64	64	64
quality of expectations of buyers	Pearson Correlation	-.002	.252	-.032	1	.281
	Sig. (2 - tailed)	.988	.044	.802		.025
	N	64	64	64	64	64
fall in international market price	Pearson Correlation	.058	.009	.003	.281	1
	Sig. (2 - tailed)	.648	.942	.980	.025	
	N	64	64	64	64	64

Interpretation:

Seasonality of the export business is significantly correlated with both the plan to focus on premium fashion wears ($r = .452$, $p = .000$) and the decline in international orders ($r = .391$, $p = .001$), indicating that seasonal variations impact both strategic focus and order volumes. The plan to focus on premium fashion wears is positively correlated with quality expectations of buyers ($r = .252$, $p = .044$), suggesting that a shift to premium fashion aligns with higher buyer expectations. Additionally, fall in international market price is significantly correlated with quality expectations of buyers ($r = .281$, $p = .025$), implying that market price fluctuations may influence quality demands.

3) ANOVA**Table Showing Significant Value Between Government Schemes and Financial Challenges****Hypotheses**

H0: There is no significant difference between government schemes and financial challenges faced by company.

H1: There is significant difference between government schemes and financial challenges faced by company.

delays in receiving government subsidies or export incentives	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	12.568	4	3.142	2.253	.074
Within Groups	82.292	59	1.395		
Total	94.859	63			

Interpretation:

It is found that there is no significant difference between government schemes and financial problems faced by company.

Table 3.2: Shows the Significant Level Between Experience in the Export Business and Satisfaction with Human Resources of the Firm

Hypotheses

H0: There is no significant difference between experience in the export business and satisfaction with human resources of the firm.

H1: There is significant difference between experience in the export business and satisfaction with human resources of the firm.

Availability of skilled labour	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.964	2	1.982	2.120	.129
Within Groups	57.021	61	.935		
Total	60.984	63			

Interpretation:

There is no significant difference between experience in the export business and satisfaction with human resources of the firm. So that null hypotheses is accepted while alternative hypotheses is rejected.

5. Findings

- Majority of respondents have more than 15 years of experience in the export business (71.9%)
- Majority of respondents are associated with exporting to European countries (29.7%)
- There is strongest positive correlation between increased freight charges and port congestion as port congestion significantly drives up freight costs.
- It is found that seasonal variations in the export business impact both the shift toward premium fashion wear and the decline in international orders as there is significant correlation between seasonality and strategic focus and order volume.
- There is significant correlation between competitor service quality and buyer loyalty as losing customers to competitors with superior service makes it harder to maintain buyer loyalty.
- There is no significant difference between experience in the export business with satisfaction of human resources of the firm.

6. Suggestion

According to findings, Garment exporters should conduct a thorough cost analysis to identify areas where expenses can be reduced. This might involve optimizing processes, negotiating better deals with suppliers or investing in technology that improve efficiency. Implement strict quality control measures at every stage of procurement and production. Use third party inspection services to verify product quality and quantity. Establish penalties for non-compliance and incentives for consistent quality delivery. Negotiating with banks for lower interest rates, exploring government-backed financing schemes, and seeking alternative funding sources like venture capital or trade credit can help manage high-interest rates on loans. To handle buyers requesting extended payment terms, exporters can

offer early payment discounts, use invoice factoring, or negotiate partial advance payments.

7. Conclusion

In conclusion, in order to guarantee sustainability and competitiveness in the global market, tackling the issues faced by clothing exporters necessitates a strategic and multidimensional approach. Exporters can reduce risks and streamline operations by fortifying their ties with suppliers, expanding their product offers, boosting customer support, and implementing effective financial management techniques. Long-term success requires leveraging technology, growing market reach, maintaining high standards of quality, and adapting to market shifts. Proactive actions, creativity, and perseverance will allow exporters to maintain profitability and maintain their competitiveness in a world market that is becoming more and more dynamic, despite the changing obstacles facing the apparel export sector.

References

- [1] Manoj, S., & Arumugam, P. (2019). Challenges and strategies of garment exporters in Tirupur: An empirical study. *Journal of Commerce and Management Thought*, 10 (2), 45 - 58.
- [2] Rajesh, R., & Ganesh, S. (2020). Issues and challenges faced by garment exporters in Tirupur: A case study approach. *International Journal of Research in Commerce, IT & Management*, 10 (5), 12 - 25.
- [3] Mathivanan, S., & Prakash, K. (2019). A study on operational challenges faced by small and medium garment exporters in Tirupur. *Asian Journal of Management Sciences and Education*, 8 (2), 34 - 47.
- [4] Thirupathi, R., & Vinoth, M. (2018). Challenges faced by garment exporters in Tirupur: A strategic analysis. *International Journal of Management and Commerce Innovations*, 6 (1), 56 - 67.

Books

- [5] Sustainability Challenges in the Garment Industry – Rosa Patricia Larios - Francia
- [6] Apparel and Textile Exports – Pradeep Joshi

Websites

- [7] <https://scholar.google.com/>
- [8] <https://onlinelibrary.wiley.com/>
- [9] <https://questjournals.org/>