

Problems Faced by Small Knitwear Exporters in Tirupur, Tamil Nadu.

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Abstract: The article investigates the problems faced by small knitwear exporters in Tirupur (India). The Government has identified the garment export sector as a thrust area and is providing the support required to boost exports from this sector. Modernization is expected to help in product and market diversification as well as better price realization for various categories. This also saves time and enables quick delivery of products to customers. Dogged by problems, investing in brands is still not preferred by the majority of exporters in Tirupur. Therefore, some exporters are adopting the other route. They are trying to bring in value addition through outsourcing or by using the brands of their international collaborators. During the period of study it is found that the main problems such as, competitors, government rules and regulations, transportations, lack of finance, lack of labor, lack of economic stability of buyer's country, lack of space, unexpected rejection of goods and export orders and profit fluctuation has a greater influence in export performance. The problems that affect the performance of the exporters are identified by using the Henry's Garrett Ranking Technique.

[Yoganandan.G, Saravanan.R, SenthilKumar. V. **Problems Faced by Small Knitwear Exporters in Tirupur, Tamil Nadu.** *Life Sci J* 2013;10(7s):1145-1153]. (ISSN: 1097-8135). <http://www.lifesciencesite.com>. 182

Keywords: Tirupur garment industry; Textile Industry; Problems faced by exporters.

1. Background Note: Global Garment Industry

In the global textile market the major importers are USA, European Union and Canada. Asia has been the principal sourcing region for imports of textiles and clothing by both USA and European Union. As far as the position of individual countries in all these markets are concerned, the countries like China, Mexico, Turkey and India occupy the dominant positions (National Productivity Council Report, 2008). China was a leading exporter of both textiles and clothing, followed by Italy, the United States and Germany for textiles and Turkey, Italy and India for clothing. Contrary to the general belief that developing countries dominate the textiles and clothing trade, developed countries are also important exporters. Of the 30 top exporters in 2005, developed countries made up 16 for textiles and 11 for clothing (UNCTAD report, 2008).

Over the past 40 years, the textile and garment sector has been protected by most countries with not only high levels of tariffs (compared to other manufactures), but also bilateral agreements generally not in accordance with the fundamental GATT principle of non-discrimination. Trade was governed by the Multi- Fiber Arrangement (MFA), where developed countries negotiated bilateral agreements with individual trading partners in order

to restrict the quantity of exports of specific product categories by their trading partners (UNCTAD report, 2008). A compromise Agreement on Textiles and Clothing (ATC) was only reached in the Uruguay Round to abolish the MFA with a view to integrating this sector fully into the multilateral rules over a 10-year transitional period (1995-2005) through a sequenced phase-out of all quotas.

2. Indian Textile Sector

The textile sector is the second largest provider of employment (Ministry of textiles, Annual report, 2009-10) contributing to over 35 million people. Indian textile industry is unique compared to any other country having completely labor (intensive) dependent hand-woven sector and the capital intensive, sophisticated mill sector not only coexisting but also contributing to employment and economic activity. With a very low import-intensity of about 1.5% only, it is the largest net foreign exchange earner in India, earning almost 35% of foreign exchange in 2002 (Samar Verma, 2002) but only to decline during the next few years to 27% in 2010. This is the only industry that is self-sufficient and complete in cotton value chain- producing everything from fibres to the highest value added finished product of garments. The Indian textile sector comprises of the organized Cotton Fibre

Textiles Mill Industry, the Man-made Fibre / Filament Yarn Industry, the Wool and Woollen Textiles Industry, the Sericulture and Silk Textiles Industry, Handlooms, Handicrafts, the Jute and Jute Textiles Industry, and Textiles Exports.

The clothing sector is fragmented and predominantly in the small scale sector. It is estimated that there are over 13,000 apparel units (excluding tailoring units) in India, majority of which are in the SME sector. The clothing sector is concentrated primarily in 8 clusters, viz., Tirupur, Ludhiana, Bangalore, Delhi/Noida/Gurgaon, Mumbai, Kolkata, Jaipur and Indore. Tirupur, Ludhiana and Kolkata are major centres for knitwear, while Bangalore, Delhi/Noida/Gurgaon, Mumbai, Jaipur and Indore are major centres for woven clothing (EXIM Bank, 2008).

Exports of textiles and clothing products from India have increased steadily over the last few years, particularly after 2004 when textiles exports quota stood discontinued. India's Textiles & Clothing (T&C) exports registered a robust growth of 25% in 2005-06, recording a growth of US\$ 3.5 billion over 2004-05 in value terms thereby reaching a level of US\$ 17.52 billion and the growth continued in 2006-07 with T&C exports of US\$19.15 billion recording an increase of 9.28% over the previous year and reached US\$ 22.15 billion in 2007-08 denoting an increase of 15.7%; but declined by over 5% in 2008-09. Exports of Textiles & Clothing grew from US\$ 21.22 billion in 2008-09 to US\$ 22.41 billion in 2009-10 and have touched US\$ 26.82 billion in 2010-11. In the current financial year i.e. 2011-12, exports of textiles and clothing, as per latest available data covering April-October, 2011, has grown by 28.94% over the corresponding period of 2010-11. According to the Annual report 2011-12, Ministry of Textiles, Government of India, an export target of US\$ 65 billion and creation of 25 million additional jobs has been proposed with a CAGR of 15% during the 12th Five Year plan (2012-17). At current prices the Indian textiles industry is pegged at US\$ 55 billion, 64% of which services domestic demand. The textiles industry accounts for 14% of industrial production, which is 4% of GDP; employs 35 million people and accounts for nearly 12% share of the country's total exports basket. India's textile exports declined 5.9 percent year-on-year to USD 14.1 billion during the April-September 2012 because of slowdown in major markets like the US and EU (Yarns and Fibers exchange).

3. Garment Industry in Tirupur

Tirupur being one of the three clusters focusing on knitwear garments (the other two are Ludhiana and Kolkata) is largely focused on exporting. The major product that are exported from

Tirupur textile exporters are T-shirts. The T-shirts are mainly produced and exported to the low-end retail outlets in Europe and the United States. There are essentially three types of firms in the industry: Direct exporters, indirect exporters, and Job-workers. Direct exporters are the ones who receive orders from abroad. Once they have an order, they often pass on a fraction of the order to one or more indirect exporters. Indirect exporters are independent garment producers who are entirely responsible for their share of the order, delivering the finished product to the direct exporter prior to shipment.

Garment production is organized in a number of stages: The major stages are knitting, dyeing and stitching, while the minor stages include calendaring (shrinkage control), printing and curing. Most of these stages require some amount of fixed capital, making this industry quite different from stitched garment production which relies mainly on variable capital. The direct and indirect exporters will typically own the fixed capital (machinery, etc.) necessary for some stages of production, but not all of them. For the rest of the stages they will employ job-workers, who are specialized producers owning machinery for a single stage only.

Tirupur's success as an industrial cluster nevertheless owes a lot to the presence of these indirect exporters and job-workers. Job-work and the use of indirect exporters allows for decentralization in the production process and is one reason why there can be large variations in the capital intensity of production (measured by the ratio of the amount of capital that the company owns to its production) in the population of direct exporters. However, such decentralization has costs of its own. Quality appears to suffer and delays in shipments, particularly using the peak production season, are more frequent.

4. Material and Methods:

4.1. Review of the Literature

Sharad Mathur (2001) in his study points out that Tirupur has become one of the hubs in the areas of knitted products and fabrics. He stresses that in recent times, it has emerged as the knit capital of India for the export market. Arun Kumar (2002) observed that export performance of garment sector and analysis of yarn garments an export-oriented unit. In his study he found that the exports of readymade garments from India have shown a considerable increase. Balaji Saravanan (2002) focused that export performance of Indian garment sector analyzed the export performance of Indian garments. He concluded that the seasonal nature of demand for Indian garments has proved to be very cost effective mode of production. He also added that various policy changes are needed to enable this industry to expand further in a substantial fashion,

both by expanding the product base and by export to new destination.

Mylsamy (2002) conducted a study on the performance of knitwear export units in Tirupur. He focused that the investment pattern of the knitwear units and the production of knitwear units. His study revealed that the majority of the units have employed capital below 2500 thousands and capital was borrowed from banks and concentrating on the production of all knitwear items. Around 10 per cent and job orders of knitting, processing and calendaring are done on credit. Radha Krishnan (2003) analyzed that the exports performance of Indian garment industry between 1981-1982 and 1988-1989. He concluded that the total exports earning of the country improved from 8 percent in the early 1980's to 13 percent in 1987-1988. Between 1981 and 1988 to total value of garments export doubled but the unit price remained constant. Sakthivel (2003) studied that the export performance of Indian garment sector found out the problems of Indian garment sector. He found that the segment wise composition of Indian garments constitute major share followed by knitted garments and handlooms garments. The fabric wise composition of Indian garment exports shows that, mostly cotton items dominate the market while comparing the region wise composition of garments export. Muthusamy (2004) focused on modernization and expansion in existing knitting units, found that productivity increase due to modernization. The fixed cost per unit reduced to very much after expansion. The sales increased by 50 percent after expansion. The capacity of knitting machines increased to 1179 cases from 843 cases per year. The capacity of the sewing machines increased to 90,000 dozens from 60,000 dozens per year. He concluded from the financial analysis, that the project was profitable and payback period was very low. Knowledge of review of earlier studies conducted in this area will be useful to the investigation to analyze the problems pertaining to hosiery industry particularly in Tirupur.

K.Vivekanandan and R. Rajendra (2006) analyzed that the Perception of Export Barriers and Tirupur knitwear apparel exporters 'Many exporters do business in this environment that calls for a new marketing paradigm and provide a great opportunity to expand export business and simplify transactions (Stallings, 2003). Their overall perception of export barriers decreases significantly with their advancement in the business growth stages and not with their company's age. The difference in the perception on Product and Market rational barriers contributes to the difference in the overall perception levels'.

Singh and Kathuria (2006) in their research article highlighted in detail the problems faced by

Indian garment exporters in post quota regime especially, focusing on the problems of garment exporters located in Ludhiana and Delhi. The research report of TEXPROCIL (2007) found that factors like raw material, suitable production methods, labour wages, cost of electricity will ultimately contribute to reduction in cost of production and thereby enhance the competitive edge of hosiery and garment sector in international markets.

National Productivity Council Survey (2008) points out that countries like China, USA, India, Pakistan, Uzbekistan and Turkey have resource based advantages in cotton; China, India, Vietnam and Brazil have resource based advantages in silk; Australia, China, New Zealand and India have resource based advantages in wool; China, India, Indonesia, Taiwan, Turkey, USA, Korea and few CIS countries have resource based advantages in manmade fibers. In addition, China, India, Pakistan, USA and Indonesia have capacity based advantages in the textile spinning and weaving. China is cost competitive with regard to manufacture of textured yarn, knitted yarn fabric and woven textured fabric. Brazil is cost competitive with regard to manufacture of woven ring yarn. India is cost competitive with regard to manufacture of ring-yarn, O-E yarn and woven O-E yarn fabric, knitted ring yarn fabric and knitted O-E yarn fabric. According to Werner Management Consultants, USA, the hourly wage costs in textile industry is very high for many of the developed countries. Even in developing economies like Argentina, Brazil, Mexico, Turkey and Mauritius, the hourly wage is higher as compared to India, China, Pakistan, Bangladesh and Indonesia.

Sharma et al. (2009) in their analysis of performance of the Indian textile industry in quota free regime highlights the five core areas to concentrate. They are, research and development in textile machinery, modernization of units, improving quality and providing variety (bamboo fibre, soya protein fibre, milk fibre, etc), attracting FDI in textile machinery sector and adequate training to employees. Palanivelu P and Sureshkumar D (2009) in their study on the export performance of garment industry in Tirupur taluks of Coimbatore district of Tamilnadu, found that the Tirupur exports were able to maintain their superior export performance because of their focus on value addition, technology upgradation or modernization of machines and entire production process.

Mr. Tanange K. R. (2010) in his article pointed out that the export growth of the industry got affected by many factors but the impact of global recession is more severe. While cost of raw materials and inputs remain in competitive in comparison with

competing countries, the output and profitability of the industry have taken a nose dive in recent quarters.

Venkatachalam and Palanivelu (2010) focused his study on the marketing strategies adopted by garment exporters in Tirupur. The study also brought into limelight the problems faced by the garment industries and some remedial measure to overcome the critical problems. Linga Murugeshwari T (2011) in her study on 'Impact of Policy Shift on Total Factor Productivity in Indian Textile Industry' found that the Indian textile industry has showed total factor productivity (TFP) improvement and technological progress during pre-liberalization period, which reveals that competition has reduced the productivity performance and the technological progress of this industry.

Several studies were conducted on the performance of textiles sector, problems faced by the textiles exporters, impact of liberalization, impact of multi fiber agreement (MFA), export marketing strategies adopted by garment exporters and India's competitiveness in the global textile market by several researchers. Yet, no study has been done on the problems faced by the small knitwear exporters in Tirupur. There is a research gap and the researchers would like to address this research gap. Therefore, a study on the problems faced by small knitwear exporters is warranted.

4.2. Statement of the Problem

The global scenario that is emerging out of several recent and emerging developments is one that will foster international business. The export business has great potential of Indian Government in now and future also. The textile industry has carved for itself a unique place in the economy of the country. It accounts for more than 30 percent of the overall export of the country. Thus its share of contribution to the overall foreign exchange earnings by the country is considerable.

Apart from the problems generally faced by an exporter in international marketing, there are many other problems frequently affecting the foreign exchange earnings. In the fast changing global business scenario, to maintain the global market share, the Indian apparel export industry should on one hand consolidate their production facilities to handle large orders and improve their productivity and on the other hand establish online business functionality to reach new market and coordinate with and facilitate the existing and new buyers monitor the performance of exporters in real time. This requires a high level of commitment and financial investment by these exporters. Their attitude toward the impediments to export will be the critical deciding factor not only in their willingness to investment but also in success of the export

endeavors. The Psychological barriers are considered as the biggest impediment to their export activities. Their overall perception of export performance decreases significantly with their advancement in the business growth stages and not with their company's age. The difference in the perception on Product and Market rational barriers contributes to the difference in the overall perception levels.

The present research study has been designed with the aim of providing empirical evidence that suggests the manner in which the small knitwear exporters' problems are perceived in Tirupur and reveals characteristics and experience of the exporters.

4.3. Objectives of the Study

- To analyze the problems faced by the knitwear exporters in Tirupur district.
- To understand the factors that influences the business decisions of the small knitwear exporters in Tirupur District.
- To find out their level of satisfaction towards various aspects of export business.

4.4. Scope and Direction for Future Research

1. This study is an attempt to understand the factors determining and problems faced in knitwear export business. It mainly attempts to provide details about the role of facilitating agencies in assisting the knitwear exporters' performance and also the satisfaction level of exporters in Tirupur.

2. Many impediments have to be removed for Garment exporters to make an impact in the export market. The industry has to become competitive, and then irrespective of the preferential advantage for market access can still maintain its foothold in the same market.

3. A study on export performance of mid size and large size textile exporters in Tirupur district can also be done.

4. A research on textile exporter's performance in other districts can also be done and their performance can be compared against to one another.

Further, a research on export performance of other product and service exporters can also be undertaken. The current research is confined to small exporters in Tirupur. The result of this research was influenced by current EXIM policy of India and the current broader market environment. Therefore, a research in the same field can also be undertaken when there is a change in EXIM policy or global macro environment.

4.5. Research Methodology

According to J.W. Best (1999) "Research is considered to be formal, systematic, intensive process of carrying on the scientific method of analysis. It involves a more systematic structure of investigation

usually resulting in some of formal record of procedures and report of result or conclusions. The present research study has been designed with the aim of providing empirical evidence that highlights the problems faced by the small knitwear exporters and experience of the exporters.

The present study is based on both primary as well as secondary data. The Tirupur Exporters Association (TEA) is a body created by exporters for the purpose of self regulation and to give suggestions on various issues and policies related to Textile industry to the government of India. Currently there are 700 exporters registered with TEA. Out of the total 700 exporters, 220 exporters fall under the category of small exporters with turnover less than 1 million per annum. From the total population of 220 small exporters, 110 (50per cent) were selected as sample under simple random sampling method.

Questionnaire was the main tool for collecting the primary data. Considerable effort was made in questionnaire preparation. With the help of opinions and suggestions by the guide, the questionnaire was fine tuned. Pilot study was conducted with few sample respondents to assess whether questionnaire is understandable and needs any change. After making necessary changes the main study was conducted. The questionnaires were then, distributed to exporters to find out the factors that influence (problems) their export performance in knitwear export.

The data collected from the primary sources were arranged sequentially and tabulated in a systematic manner. Besides the primary data, and secondary data were also collected for the study. Books, leading journals, newspapers, magazines, text books related to study and the internet sources were referred for this purpose from the library to facilitate proper understanding of the study area chosen for the study. The simple statistical tools like Percentage, Mean Score, Two-way analysis and Chi-square analysis were used. Henry's Garrett Ranking Technique was also used to find out the major problems.

5. Data Analysis

The level of satisfaction perceived by the selected sample respondents in their knitwear exports is considered as a dependent variable. The Independent variables selected for the study are Age, Sex, Educational Qualification, Marital Status, Family size, Monthly Income, Number of Dependents, Nature of College, Designation, Teaching Experience, Location of work, Working time and Working overtime. An attempt was made to know the level of satisfaction with respect to knitwear exports. For this purpose, their opinion was studied and the details are furnished in the table 1.

Analysis-1: Level of Satisfaction with respect to Knitwear Exports

Table -1

Particulars	HS	S	N	DS	HDS
Profit	59 (53.6)	25 (22.7)	21 (19.1)	5 (4.5)	-
Government Policies, Procedures And EXIM Policy Regulations	35 (31.8)	38 (34.5)	20 (18.2)	17 (15.5)	-
Documentation Procedure	69 (62.7)	30 (27.3)	11 (10.0)	-	-
Tax Rate	62 (56.4)	32 (29.1)	11 (10.0)	5 (4.5)	-
Relationship With Buyers	10 (9.1)	27 (24.5)	54 (49.1)	11 (10.0)	8 (7.3)
Payment Level Of Buyers	35 (31.8)	31 (28.2)	18 (16.4)	15 (13.6)	11 (10.0)
Activities Of TEA	37 (33.6)	10 (9.1)	11 (10.0)	16 (14.5)	36 (32.7)
Transport Facility	50 (45.5)	24 (21.8)	11 (10.0)	21 (19.1)	4 (3.6)
Availability Of Labor	17 (15.5)	39 (35.5)	28 (25.5)	17 (15.5)	9 (8.2)
Availability Of Raw Materials	22 (20.0)	17 (15.5)	28 (25.5)	25 (22.7)	18 (16.4)
Raw Material Prices	38 (34.5)	17 (15.5)	13 (11.8)	19 (17.3)	23 (20.9)

Availability Of Electricity	30 (27.3)	15 (13.6)	23 (20.9)	20 (18.2)	22 (20.0)
Assistance In Settlement Of Trade Disputes	39 (35.5)	18 (16.4)	15 (13.6)	17 (15.5)	21 (19.1)
Bank Cooperation	56 (50.9)	14 (12.7)	13 (11.8)	12 (10.9)	15 (13.6)
Getting Payments	42 (38.2)	33 (30.0)	13 (11.8)	12 (10.9)	10 (9.1)

Notes:

HS: Highly Satisfied

S: Satisfied

N: Neutral

DS: Dissatisfied

HDS: Highly Dissatisfied

The table 1 shows that the percentage of exporters who are highly satisfied with Profit, Documentation procedure, Tax Rate, Payment level of buyers, Activities of TEA, Transport facility, Raw material prices, Availability of Electricity, Assistance in settlement of trade disputes, Bank cooperation and Getting payments are 53.6, 62.7, 56.4, 31.8, 33.6, 45.5, 34.5, 27.3, 35.5, 50.9 and 38.2 respectively. The percentage exporters who are satisfied towards Government policies, procedures and EXIM policy regulations and Availability of labor are 34.5 and 35.5 respectively. The percentage respondents who are neutral towards Relationship with buyers and Availability of Raw materials are 49.1 and 25.5. It is noted from the above analysis that majority 62.7 per cent of the respondents are highly satisfied towards documentation procedure for knitwear exports.

Analysis-2: Factors influencing the Export Business Decisions

Table -2

Factors	Total score (Garrett score)	Mean score	Rank
Government rules and promotional schemes	7314	66.5	I
Product (features/quality)	5665	51.5	III
International market price	5381	48.9	IV
Profit	6282	57.1	II
Demand	4522	41.1	VII
Assistances from facilitating agencies	4696	42.7	V
Assistances from the councils	4539	41.3	VI

It is clearly identified from the table 2 that majority of the exporters are influenced by (the factor) government rules and promotional schemes', which was ranked first with a Garrett score of 7314 points. It was followed by profit and product in the second and third place with Garrett scores of 6282 and 5665 points respectively. The fourth, fifth and sixth ranks were the factors international market price, assistances from facilitating agencies and assistances from the councils with the Garrett scores of 5381, 4696 and 4539 points respectively. The last rank goes to demand with a Garrett score of 4522 points. From the analysis, it was clear that majority of the knitwear exporters are influenced by government rules and promotional schemes and profit.

Analysis -3: Problems Faced In Export Business

An attempt was made to identify the problems in export business among the exporters. For this purpose the respondents were asked to rank the factors based on their problems. The study used the main problems such as competitors, Govt. rules and regulations, transportations, lack of finance, lack of labor, lack of economic stability of buyer's country, lack of space, unexpected rejection of goods and export orders and profit fluctuation. The problems are studied with the help of Henry Garrett Ranking Technique and the details are shown in the following table.

Table -3

Problems	Total score	Mean score	Rank
Competition	6778	61.62	I
Government rules and regulations	5296	48.15	VI

Transportation	5690	51.73	IV
Lack of finance	6180	56.18	III
Lack of labor	5468	49.71	V
Lack of economic stability of buyer's country	4529	41.17	VIII
Lack of space	4930	44.82	VII
Unexpected rejection of goods and export orders	4499	40.90	IX
Profit fluctuation	6295	57.23	II

It is surmised from the table 3 that the problem competition was ranked first with the Garrett score of 6778 points. In the second and third place were profit fluctuation and lack of finance with the total Garrett scores of 6295 and 6180 points respectively. The fourth, fifth and sixth ranks were placed to the problems such as transportation, lack of labor and government rules and regulations with the Garrett scores of 5690, 5468 and 5296 points respectively. On the other hand, the problems such as lack of space and lack of economic stability of buyer's country were ranked in the seventh and eighth positions with the Garrett scores of 4930 and 4529 points respectively. Lastly unexpected rejection of goods and export orders was ranked in the ninth position with Garrett score of 4499 points. From the analysis, it was inferred that majority of the respondents were influenced by competition and profit fluctuation.

Analysis-4: Chi-Square Analysis

Hypothesis

H0: There is no significant relationship between age, sex, education, marital status, family size, type of business (merchant or manufacturer exporter), experience of the exporter, generation of establishment (1st, 2nd and 3rd generation), nature of company (Sole proprietor, partnership, joint-stock company), number of countries-exported, type of garment exported (T-Shirts, Ladies wear, Banians & Underwear), Frequency of exports (per year) of exporters and their level of satisfaction with respect to knitwear exports.

H1: There is a significant relationship between age, sex, education, marital status, family size, type of business (merchant or manufacturer exporter), experience of the exporter, generation of establishment (1st, 2nd and 3rd generation), nature of company (Sole proprietor, partnership, joint-stock company), number of countries-exported, type of garment exported (T-Shirts, ladies wear, banians & underwear), frequency of exports (per year) of exporters and their level of satisfaction with respect to knitwear exports.

Table -4

Factors	Calculated χ^2 Value	Table Value	D.F	Remarks
Age	9.936	9.488	4	H0 is rejected
Sex	1.334	5.991	2	H0 is accepted
Education	12.110	9.488	4	H0 is rejected
Marital status	6.551	5.991	2	H0 is rejected
Family size	1.838	9.488	4	H0 is accepted
Type of business	10.771	5.991	2	H0 is rejected
Experience	10.650	9.488	4	H0 is rejected
Generation of establishment	13.174	9.488	4	H0 is rejected
Nature of company	12.067	9.488	4	H0 is rejected
Number of countries- exported	11.252	9.488	4	H0 is rejected
Type of garments exported	14.717	12.592	6	H0 is rejected
Frequency of exports per year	10.111	9.488	4	H0 is rejected

The table 4 shows that there is no significant relationship between sex, family size of exporters and their level of satisfaction with respect to knitwear exports.

There is a significant relationship between age, education, marital status, type of business (merchant or manufacturer exporter), experience of

the exporter, generation of establishment (1st, 2nd and 3rd generation), nature of company (Sole proprietor, partnership, joint-stock company), number of countries-exported, type of garment exported (T-Shirts, ladies wear, banians & underwear), frequency of exports (per year) of exporters and their level of satisfaction with respect to knitwear exports.

6. Result

The analysis highlights that majority of the knitwear exporters were influenced by factors like government rules and promotional schemes and profit while taking business related decisions. The study also brings into limelight that the exporters were faced with the problems like competition and "profit fluctuation" among these nine problems in their knitwear exports.

The study also brings into lime light that there is a significant relationship between age, education, marital status, type of business (merchant or manufacturer exporter), experience of the exporter, generation of establishment (1st, 2nd and 3rd generation), nature of company (Sole proprietor, partnership, joint-stock company), number of countries-exported, type of garment exported (T-Shirts, ladies wear, banians & underwear), frequency of exports (per year) of exporters and their level of satisfaction with respect to knitwear exports.

7. Discussion

The government shall come out with growth-stimulating policies towards textile exports since most of the exporters do not see any increase in their turnover and also feel that the government policies are one of the most influencing factors (see table 2) in their business decisions.

The professionally qualified people like engineering graduates may enter into export business as they have shown excellent export performance in the study area among the other garment manufacturers. Since there exists no difference between experience and level of satisfaction (table 1) in garment export business, the garment manufacturers should sustain in the same field and trade for long period of time in their export business to get established.

To survive and sustain in export business, an exporter should be aware of EXIM policy and other export measures. Hence, it is suggested that the exporters should take immediate steps in making themselves aware of such policies and measures. It is also suggested that the associations like CII, SIEMA, CODISSIA, IPMA and others should conduct conferences for creating such awareness among the exporters.

The export market is found to be having great potential than the domestic market. Hence, it is suggested that the garment manufacturers who concentrate the domestic market can also enter in to the export market. The 'market-oriented export pricing' strategy can be adopted for the international market by the garment manufacturers as the market potential varies from country-to-country. Government policies have played an important role in

accelerating the export of garments. The government has identified this sector as a thrust area and is providing the support required to boost exports from this sector. Modernization is expected to help in both product and market diversification as well as better price realization for various categories. This also saves time and enables quick delivery to customers. Dogged by problems, investing in brands are still not preferred activities for the majority of Tirupur exporters. Therefore, some exporters are adopting the other route. They are trying to bring in value addition through outsourcing or by using the brands of their international collaborators.

Within a span of less than a year, dynamic changes have taken place in international textiles scene. If all these changes are analyzed collectively, it points out to the need for a planned and concerted effort by the industry to fight the tough competition lurking ahead. As the world moves speedily towards quota-free markets and the country open up to foreign competition, the key success factors for makers in India would be providing efficient services which include responsiveness, consistency, flexibility, communication abilities and understanding the perspectives of foreign buyers. Exporters should now readjust, reorganize and reorient their manufacturing and marketing strategies to meet the impending challenges through well-designed innovative strategies. A constant watch-over on the developments in the competing countries, a thorough understanding of fashion, trends and consumer preferences in the importing countries will help the Tirupur garment export sector remain competitive in the global market.

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