

# A STUDY ON THE CHALLENGES FACED BY APPAREL EXPORTERS IN TIRUPPUR

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**ABSTRACT** - The apparel industry in Tiruppur, India, plays a crucial role in global trade, yet it faces numerous challenges that impact the competitiveness and sustainability of apparel exporters. This study aims to comprehensively examine these challenges, and the role of the Apparel Export Promotion Council (AEPC), and to offer strategic suggestions for improvement. Through mixed-methods research, including literature review and data analysis, key challenges such as market dynamics, financial management, competitive pressures, and technological adoption are identified. This research was based on descriptive research methodology. We have applied Simple Random Sampling technique to select the sample for the study. Totally 118 sample respondents were selected and it was analysed using simple percentage analysis, factor analysis and chi-square was used to analyse the collected data. This research contributes to academic understanding and provides actionable insights for fostering sustainable growth in Tiruppur's apparel export sector.

**Keywords:** Export competitiveness, Economic growth, Market analysis, Tiruppur Apparel industry, Apparel Export Promotion Council.

## 1.1. INTRODUCTION

The apparel sector in Tiruppur, India, represents the nation's power in international trade, serving as a vital hub for apparel exports worldwide renowned for its quality products and competitive pricing, Tiruppur has formed a segment for itself in the international marketplace. However, within this success are intense challenges that threaten exporters' growth prospects. Navigating through volatile market dynamics, regulatory details, technological interruption and infrastructural constraints, exporters often face multifaceted obstacles that require thorough examination and consideration. Understanding AEPC's initiatives becomes important in evaluating its impact on reducing these challenges and fostering export competitiveness. By fostering a deeper understanding of the challenges at hand and utilizing the collective efforts of industry players and policymakers, we aspire to catalyze positive change and drive Tiruppur towards sustainable growth and global competitiveness in apparel exports.

## 1.2. OBJECTIVE

- To analyze the challenges faced by apparel exporters within Tiruppur.
- To study the role of AEPC and its impact on garment exporters.
- To offer Suggestions based on the study.

## 1.3. RESEARCH METHODOLOGY

Research is comprehensive strategy for carrying out an official inquiry. The science is concerned with methods and principles for investigation and study. A research technique is a method for gathering the required data from a variety of primary and secondary sources.

**Research design** - Descriptive Research

**Area of the study** - Tiruppur

**Sampling technique** - Simple Random Sampling method.

**Data collection** - Primary and secondary data

**Sample size** - 118

**Statistical tools used for the study**- Simple Percentage analysis, chi-square and Factor analysis

## 1.5. REVIEW OF LITERATURE

**1. Jayakumar. A and Maragatham. V (2023),** "This Paper focuses on Marketing Practices Adopted by Knitwear Exporters: – Pilot study with reference to Tiruppur City. The centre of India's knitwear industry, Tiruppur, employed approximately 300,000 people directly and accounted for 44.29 percent of the country's knitwear export market. The most significant factor in every business was quality. The study's main objectives were to emphasise the significance of the quality inspection system in the Tiruppur garment

industry, The analytical research design of this study had been executed. To collect the data, the convenience sampling technique was employed. For this study, 200 inspection reports from 20 factories in the Tirupur clothes industry were used as a sample. Findings of the study revealed that knitting, dying, and packing quality had a significant impact on the measurement quality parameter.

**2. Kalpana C., & KV, L. (2019)**, draw conclusions about the difficulties exporters have utilizing ECGC schemes and offer suggestions for improving the schemes' usability. A structured questionnaire is used to gather primary data, and existing literature is analyzed to collect secondary data. The study design is an analytical one. The purpose of the literature review was to comprehend the many challenges that textile exporters in Tamil Nadu's Tiruppur region faced when attempting to utilize the ECGC Policies.

**3. Dr. G. Yoganandan (2015)** discuss how the global recession affected Tirupur's garment business. A stratified proportionate random sample technique was employed as the study tool for data analysis. The goal is to ascertain the short- and long-term plans of Tirupur's garment exporters and comprehend the assistance that these players require from a range of sources.

**4. Dr. Saravanan (2013)** provides an outline of the difficulties faced by Tirupur garment exporters, the significance of the Indian garment sector to the nation's economy, the fierce competition the Indian textile the effect of the European Union's economic downturn on Tirupur's export supply, the expectations placed on the Free Trade Agreement (FTA) between India and the EU to increase exports, and the study's use of both primary and secondary data.

**1.6. DATA ANALYSIS AND INTERPRETATION**

**Table 1: Business profile of the respondents**

S.No	Particulars	No of Respondents	Percentage
<b>Nature of Organisation</b>			
1	Sole Proprietor	89	75.4
2	Partnership	29	24.6
<b>Category of Export</b>			
1	Manufacturer Exporter	86	72.9
2	Merchant Exporter	32	27.1
<b>Primary Export Destination</b>			
1	North America	18	15.3
2	Europe	48	40.7
3	Asia	50	42.7
4	Others	2	1.7
<b>Number of Branches</b>			
1	Single location	33	28.0
2	2-5 Branches	52	44.1
3	6-10 Branches	19	16.1
4	More than 10 Branches	14	11.9
<b>Type of Business Organisation</b>			
1	Small scale	14	11.9
2	Medium scale	102	86.4
3	Large scale	2	1.7
<b>No of Employees</b>			

1	Below 100	15	12.7
2	100-500	41	34.7
3	501-1000	34	28.8
4	Above 1000	28	23.7
<b>Years of experience in apparel exports</b>			
1	Less than 5 years	13	11.0
2	5-10 years	30	25.4
3	11-15 years	43	36.4
4	More than 15 years	32	27.1
<b>Annual Revenue</b>			
1	Less than 10L	12	10.2
2	10L-25L	33	28.0
3	25-50L	39	33.1
4	Above 50L	34	28.8
	Total	118	100

**INTERPRETATION**

From the above table 74.5% of the respondents are Sole proprietor, 72.9% of exporters are manufacturing exporters, 44.1% of respondents have about 2-5 branches and are medium scale organisation of 86.4%, 34.7% of the organisation have 100-500 employees and 36.4% of the respondents have experience of 11-15 years.

**Table 2: Apparel exporters**

<b>Primary Focus Of Apparel Export</b>			
S.No	Particulars	No Of Respondents	Percentage
1	Knitwear	60	50.8
2	Woven	17	14.4
3	Both	41	34.7
<b>Raw Materials Imported From</b>			
1	Local suppliers in Tiruppur	47	39.8
2	National suppliers within India	40	33.9
3	International suppliers	5	4.2
4	Combination of local & International suppliers	26	22.0
<b>Annual Production Capacity</b>			
1	Below 20L units	9	7.6
2	20-30L units	28	23.7
3	31-40L units	43	36.4
4	Above 40L units	38	32.4
<b>The Future Threat To Apparel Industries</b>			
1	Dyeing factory problem	5	4.2
2	Environmental pollution problem	20	16.9
3	Increase in yarn price	42	35.6
4	Labour shortage	51	43.2
<b>Years Of Member In Tea</b>			
1	Less than 3 years	17	14.4
2	3-5 years	16	13.6
3	5-10 years	32	27.1
4	Above 10 years	53	44.9
<b>Season For Receiving Higher Volume Of Textile Orders</b>			
1	Summer	25	21.2
2	Winter	51	43.2
3	No significant variation	42	35.6
	Total	118	100

**INTERPRETATION**

From the above table 50.8% of the respondents are Knitwear exporters, 39.8% of the respondents import raw

materials from local suppliers in Tiruppur,36.4% of respondents have annual production capacity of 31-40L units,43.2% of the respondents selected labour shortage as

the future threat to apparel industries,44.9% of the organisation have been a member of TEA and 43.2% of exporters receive order during winter season.

**Table 3: Challenges faced by the Apparel exporters in Tiruppur**

	Component					Group Name
	1	2	3	4	5	
Building and maintaining strong relationship with international buyers is challenging.(P21)	.675					Key challenges and initiative <b>(54.740)</b>
Satisfied with overall performance of AEPC.(P23)	.628					
Integrating eco-friendly practices is essential for addressing environmental concerns and meeting global standards.(P19)	.597					
Collaborative efforts among Tiruppur's apparel exporters can lead to effective solutions for common challenges.(P14)	.745					
Fluctuation in currency exchange rates impact the pricing strategies of Apparel exporters in Tiruppur.(P6)	.556					
TEA's initiatives in infrastructure development align with the needs of exporters, contributing to overall efficiency of sectors.(P2)	.553					
Adhering to quality standards to meet global market expectations is a considerable challenge for Tiruppur apparel export industry.(P11)		.608				Navigating challenges <b>(58.946)</b>
Attracting and retaining skilled Labour is an ongoing challenge faced by apparel exporters in Tiruppur.(P5)		.588				
Examining the relationship between AEPC & exporters aids in understanding the dynamics of industry government collaboration.(P22)		.562				
Ensuring sustainable practices in the production process is a pressing concern for apparel exporters in Tiruppur.(P9)		.524				
Satisfied towards overall performance of TEA.(P24)			.813			TEA <b>(61.631)</b>
Strengthening relationships with international buyers is crucial for sustained success in Tiruppur's apparel export industry.(P18)			.578			
Satisfied towards export promotion policies initiated by Government of India.(P25)			.598			
Implementing digital technologies in production processes can enhance the competitiveness of Tiruppur's apparel exporters.(P16)			.659			
Training programs on international trade practices can help Tiruppur's apparel exporters overcome challenges.(P15)			.684			
Exporting apparel from Tiruppur is important for the economic growth of the region.(P12)				.620		Factors shaping Tiruppur Apparel export landscape <b>(70.439)</b>
Global economic conditions impact Apparel export business.(P1)				.602		
Global competition have pressure on Tiruppur to stay competitive in pricing(P20)				.541		
Diversifying export markets is essential for mitigating risks associated with dependency on a single region or country.(P17)				.717		
Market volatility poses a genuine threat that Tiruppur apparel exporters.(P3)				.612		
Navigating complex international trade regulations is a considerable challenge faced by Tiruppur's apparel export industry.(P8)				.635		
Government schemes and trade barriers are acknowledged hurdles faced by Apparel exporters.(P4)					.652	Governmental challenges <b>(73.277)</b>
Government support plays a significant role in addressing the challenges of apparel exporters in Tiruppur.(P13)					.604	
Coping with the impact of global economic uncertainties is a major challenge(P10)					.596	
TEA actively promoting market access and providing vital information for exporters in the region.(P7)					.654	
KMO					.675	
Chi-Square					.091	

- The variable P2, P6, P14, P19, P21 and P23 constitutes factor I and it accounts

**INTERPRETATION**

for 54.740 percent of the total variance.

- The variable P2, P5, P9, P11 and P22 constitutes factor II and it accounts for 58.946

percent of the total variance.

- The variable P15,P16,P18,P24,P25 constitutes factor III and it accounts for 61.631 percent of the total variance.
- The variable P1,P8,P3, P12,P17 and P20 constitutes factor IV and it accounts for 70.439 percent of the total variance.
- The variable P4 ,P7,P10and P13 constitutes factor IV and it accounts for 73.277

percent of the total variance.

## FINDINGS OF THE STUDY

### SIMPLE PERCENTAGE ANALYSIS

- Majority of the respondents are sole proprietor (75.4%).
- Most of the respondents are Manufacturer Exporter (72.9%).
- More number of the respondents are exporting to Asia (42.7%).
- More number of the respondents have 2-5 Branches (44.1%).
- Majority of the respondents are Medium scale operators (86.4%).
- More number of the respondents have 100-500 employees (34.7%).
- More number of the respondents have 11-15 years of experience (36.4%).
- Most of the respondents have 25-50L Annual revenue (33.1%).
- More number of the respondents focuses on knitwears (50.8%).
- Majority of the respondents import raw materials from the Local suppliers in Tirupur(39.8%).
- Most of the respondents have Annual Production capacity of 31-40L units (36.4%).
- More number of the respondents for Labour shortage as future threat (43.2%).
- Most of the respondents have been a member more than 10 years in TEA(44.9%).
- More number of the respondents receive order during winter (43.2%).

### FACTOR ANALYSIS

Totally 25 statements has been collected as the challenges for apparel exporters in Tiruppur. And it is grouped into 5 categories such as Key challenges and initiatives, Navigating challenges, TEA, Factors shaping Tiruppur Apparel export landscape, Governmental challenges.

## 1.6. CHI-SQUARE

### HYPOTHESIS:

**Ho:** There is no association between years of experience and annual revenue.

**H1:** There is a association between years of experience and annual revenue.

**Table 4: Association Between Years of Experience and Annual Revenue**

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
<b>Pearson Chi-Square</b>	126.495 <sup>a</sup>	9	.001
<b>Likelihood Ratio</b>	98.487	9	.001
<b>N of Valid Cases</b>	118		

### INTERPRETATION:

From the above table it was understood that the significant value 0.001 is less than the p value, So we reject null hypothesis. Hence. there is no association between years of experience and annual revenue.

### HYPOTHESIS:

**Ho:** There is no association between lead time and primary focus of export.

**H1:** There is a association between lead time and primary focus of export.

**Table 5: Association Between Lead Time And Primary Focus Of Export**

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
<b>Pearson Chi-Square</b>	2.111 <sup>a</sup>	4	.715
<b>Likelihood Ratio</b>	2.578	4	.631
<b>N of Valid Cases</b>	118		

### INTERPRETATION:

From the above table it was understood that significant value 0.715 is more than the p value. So we accept null hypothesis. Hence, there is association between lead time and primary focus of export.

## FINDINGS

- It suggests that Years of experience will not determine the annual revenue of the organisation.
- The Lead time will determine the primary focus of export in the organisation.

## 1.7. SUGGESTIONS

- Encourage apparel exporters to diversify their export markets beyond traditional regions such as

Europe, by providing market intelligence, trade missions, and networking opportunities in emerging markets.

- Expand the scope and reach of export promotion initiatives offered by organizations like AEPC, TEA, and government agencies to provide financial assistance, market access, and trade facilitation services to apparel exporters.
- In technology the Tiruppur district is less developed as it is lacking in high level machinery which has been used in other countries.

## 1.9. CONCLUSION

From this study I conclude that the main challenges of apparel exporters are lack of labour issues, increase in yarn price, High manufacturing cost, Transportation problem and increase in competitors. The role of AEPC emerges as in addressing these challenges, acting as a crucial intermediary between exporters and governmental bodies, providing essential support services. Hence, I conclude that there is a chance of development in Tiruppur district in the fields of apparel exports, if proper solution has been provided by the industrial association and government to solve existing problem by making exports at faster rate to boom export market.

Overall, by addressing the challenges identified in this study and leveraging the support mechanisms provided by AEPC, apparel exporters in Tiruppur can overcome challenges, capitalize on emerging opportunities, the apparel export sector in Tiruppur can continue to be a driving force for economic development and prosperity in the region.

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