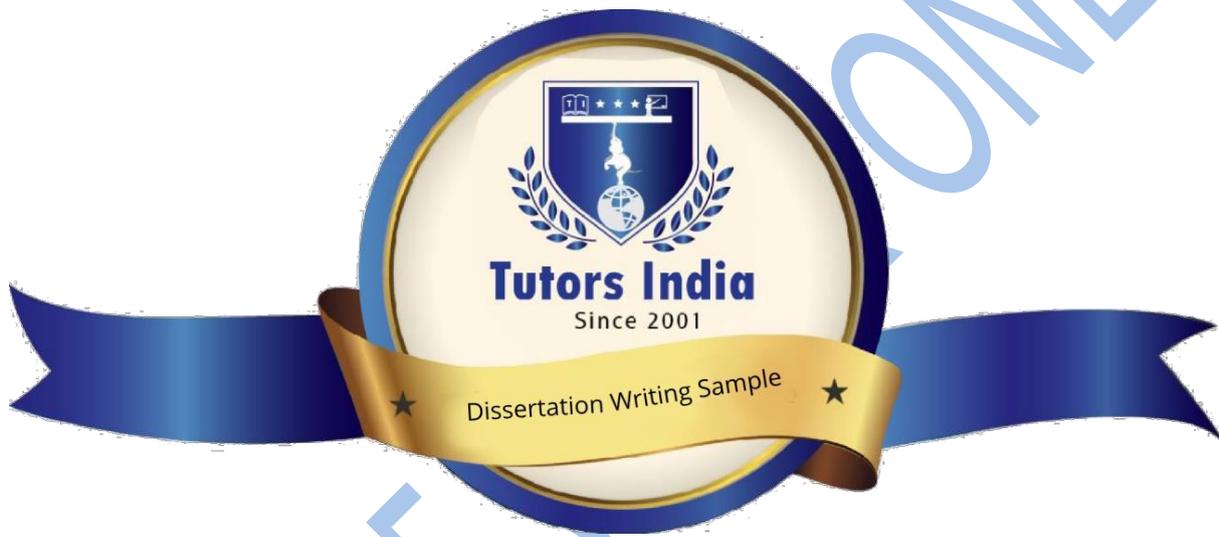




# "Home Textile Industry"



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## CHAPTER I: INTRODUCTION

### 1.1 Business overview

ST Export World is active from 2009, its head office placed in New Delhi, India. The philosophy followed by ST Export World, from the establishment was to present a novelty product at a reasonable price. The field of textile industry, our passion for yarn has made the company a fashion arbiter. ST Export World has produced numerous trendy products with various blends and latest designs. Ultra- modern R & D Department is a major department in our company wherein our in-house designers present a new product by initially creating samples on processing looms and modernized machines. These samples are dyed and processed in our R & D lab on sample dyeing and finishing machines. Changing global customer demands for textiles and new designs leads our company to great opportunities and has focused its desire on select main products. Such a focus has provided the company to play a significant role in the global textile sector. Our manufacturing sector is completely advanced by cent percent captive power, world class skills for our manufacturing, product development and marketing teams, enabling us to satisfy our customers' feedback in terms of quality, in-time delivery, environmental and social concerns. The intensions of ST Export World are to attain customer satisfaction and delight, superior quality of performance, concern of the environment, passionate about excellence and to provide safety work place. The commitment of the ST Export World is to meet customer requirement and increasing customer satisfaction through continuous improvement of products and services.

ST Export World also manufactures value added products such as Organic Cotton, Ultra Yarns (Contamination controlled), Gassed Mercerised, Super Fine Yarns. With a laser-sharp focus on excellence, continuous customer-driven innovation, original strategies and a series of technology collaborations, the company has established themselves globally as the prime producer of premium quality yarns.

### 1.2 Business vision and mission

**Vision:** To produce materials challenge to international standards by customer satisfaction, international quality and modern technology.

**Mission:** To manufacture world-class products of excellent quality that gives our customers a competitive advantage through superior products and value, so we can make every customer smile.

- To encourage people's ownership, empowerment and working under team structure.
- To attain first level of efficiency, integrity and honesty

### 1.3 Business problem

Globalization has advanced technology which intended at improving production potential. However, these are interrelated with numerous issues in the textile industries. Some of these issues are poor economic situations in export markets and poor infrastructural facilities which result the textile industries largely depend on foreign enterprises. The textile industries is experienced with numerous problems among which are the limitation of poor legal right to guarantee property right and safety, poor governance, corruption, political instability and limited permit to investible funds due to underdeveloped long-term capital market that fulfills industrial project's requirement. Other problems related with the sector are the value of acquiring and establishing the technology, employee-training, constant power cut which textile industries sector has to supplement with plant and machines (Gatawa *et al.*, 2013).

Globalization has made an economy with knowledge-intensive (Teagarden & Schotter, 2013), creating organizations' search for foreign business chances necessary in order to globalize the business (Brenes, 2000). However, the speed of internationalization is not same across markets (Buckley & Ghauri, 2004; Jormanainen & Koveshnikov, 2012). As development has chosen in developing markets and slowed down in advanced economies, organizations have had to review their business plans (Ramamurti, 2012). As part of their development strategy, numerous organizations result global and develop themselves more and more internationally in the era of globalization (Paul & Gupta, 2014).

The domestic home textile market size is estimated at about US\$ 3.5 billion in 2009-10. Out of the total production, bed linen dominates all other segments. In India the share of the unorganized sector is about 70% and organized is approx 30% by value. Within the organized segment, there exists a niche market for good quality household furnishing. The un- organized sector is declining fast. The market has been



growing at around 9 to 10% per year in the past 4 years. Majority of large scale manufacturers who were essentially in to export trade are endowed with advanced integrated production line spread over a large area to facilitate large production capacities. The production facilities include in-house designers, yarn processing, weaving, bleaching, dyeing and sewing units. These conform to European quality standards and environmental protection norms. The large manufacturing companies have latest and most modern machines for weaving, spinning, dyeing etc. This has not only helped large players like Bombay dyeing to increase their production but also the quality of the product. The daily production fabric at its 5 manufacturing facilities of exceeds 300,000 meters per day. Other major player in towel category, Abhishek Industries uses latest technology machines sourced from Japan, Switzerland, Germany, Belgium, and Italy in its 300 acre plant for home textiles. Portico, New York, which has tied up with Creative Group India, is producing about 180,000 bed sheets, sheet sets, pillow cases etc. per month in its various production facilities (Italian Trade Commission, 2009).

Starting a new business is an achievement for the majority of entrepreneurs, but managing one is the biggest challenge. There are many well-known challenges that face every new business in the UAE whether they are small or medium. These include issues such as poor financial resources, lack of skill full workers, winning competitive advantage and so on. However, there are some challenges that are distinctive and unforeseen to entrepreneurs. Failure is a part of success, indeed, there are so many entrepreneurs who have failed, realized their mistakes and had succeeded again. However, failure is often comes with a pain and entrepreneurs feels that they have wasted their time and investment. In business there will be always challenges around. However, with planning a head and follow up the execution most of the challenges can be overcome.

Yaseen (2014) SMEs need to incorporate strategic implementation to attempt to achieve in global markets. India's imports from United Arab Emirates have been growing at a very fast rate during the new millennium. The fast growing Indian economy has resulted in increased demand for its energy needs which UAE is in a position to meet. The process of industrial development initiated in the UAE has enlarged the scope for increased demand for industrial inputs which India can meet in various fields of manufacturing and services in the UAE. In order to overcome the problems faced by textile industries to internationalize its

business, the current study aims to present a business plan for home textile industry to expand the business in UAE (Fayolle *et al.*, 2017).

## 1.4 Aims and Objectives

The present research aims at the development of a business plan for ST export world to expand in the UAE. In this regard the following objectives are considered.

- To review the market for textile industry in the UAE
- To create a business plan for expanding textile industry in UAE for ST export world.

## 1.5 Scope and significance of the business plan

The motive of a business Plan is to find out, describe and examine a business opportunity, examining its technical, economic and financial viability. Furthermore, it will serve as a business card for introducing the business to others including public bodies, banks, investors, institutions, when it comes time to search cooperation or financial aid of any kind. Firstly, along with intensions and timelines, it is essential to understand level of present business. To give an example, some are in business to survive, some to fund a certain condition, some to have something to conduct. However, whatever the reason, it is imperative to set appropriate goals to attain it. Secondly, a business plan can support you to collect and combine all your plans and research into single document to support you decide whether this will be financially feasible and help forecast any potential risks or issues that you may face.

The world in which businesses operate has become increasingly uncertain, so some of the assumptions upon which a business plan is based are likely to have become invalid before the plan has even been circulated. Irrespective of how uncertain the future may be, those being asked to finance or approve a project will almost always wish to see some form of business plan. They will want reassurance that the managers have thought through how their market may evolve and how their strategies and tactics could alter, depending on the future environment they encounter. Finally, it permits you to present a marketing plan to internationalize the business and set out your aims and objectives, including sales and financial goal, hence one can follow the business' progress.

However, presenting a business plan for textile industry will also support for other sector to implement a successful business extension. The market review plan for expanding textile industry in UAE will help to find out the opportunities and challenges present in the UAE textile sector (Madrid, 2017).

## **CHAPTER II: LITERATURE REVIEW**

Overview of the business plan was presented in the first chapter. The present literature review chapter presents literature on marketing plan for internationalization. .

The aim of this review is to collect and consolidate knowledge from related literature in an attempt to create a general framework of successful international strategy of marketers and to introduce to what extent existing models that have been introduced include these theories in explaining the firm's international marketing strategy development process (Tang, 2011).

### **2.1 Concepts and definitions**

#### **2.1.1 Marketing plan**

Generally marketing plan is defined as a written document representing the ideas for the marketing programs and allocations over the planning period of business unit (Lehman & Winer, 2002). Marketing plan documentation provides planning ideas to indicate that failed and succeeded experience is not lost. Hence, commonly marketing plan refers previous activities and learning with the new strategy and guidelines for future business planning. Marketing plan connects and emphasize essential information between fields including finance, manufacturing, sales and marketing within a company. Implementing the plan successfully requires the bridge between different areas which is very important. Furthermore, marketing plan sets turning point and significant dates with shared responsibilities in various fields for the company. Documented plan presents flow and aids new employees to understand the current environment and goals. Significantly, marketing plan is commonly written at the level of business unit. This indicates that the plan is mostly profit oriented; hence it is commonly written for every brand separately (Lehman & Winer, 2002). The plan is an abstract for the companies to reach the marketing goals within planned period of time. It contains calculated decisions and recommendations for the marketing functions and allocation of

financial initiative (Kotler & Keller, 2012). Planning period can differ in time for different products (Lehman & Winer, 2002).

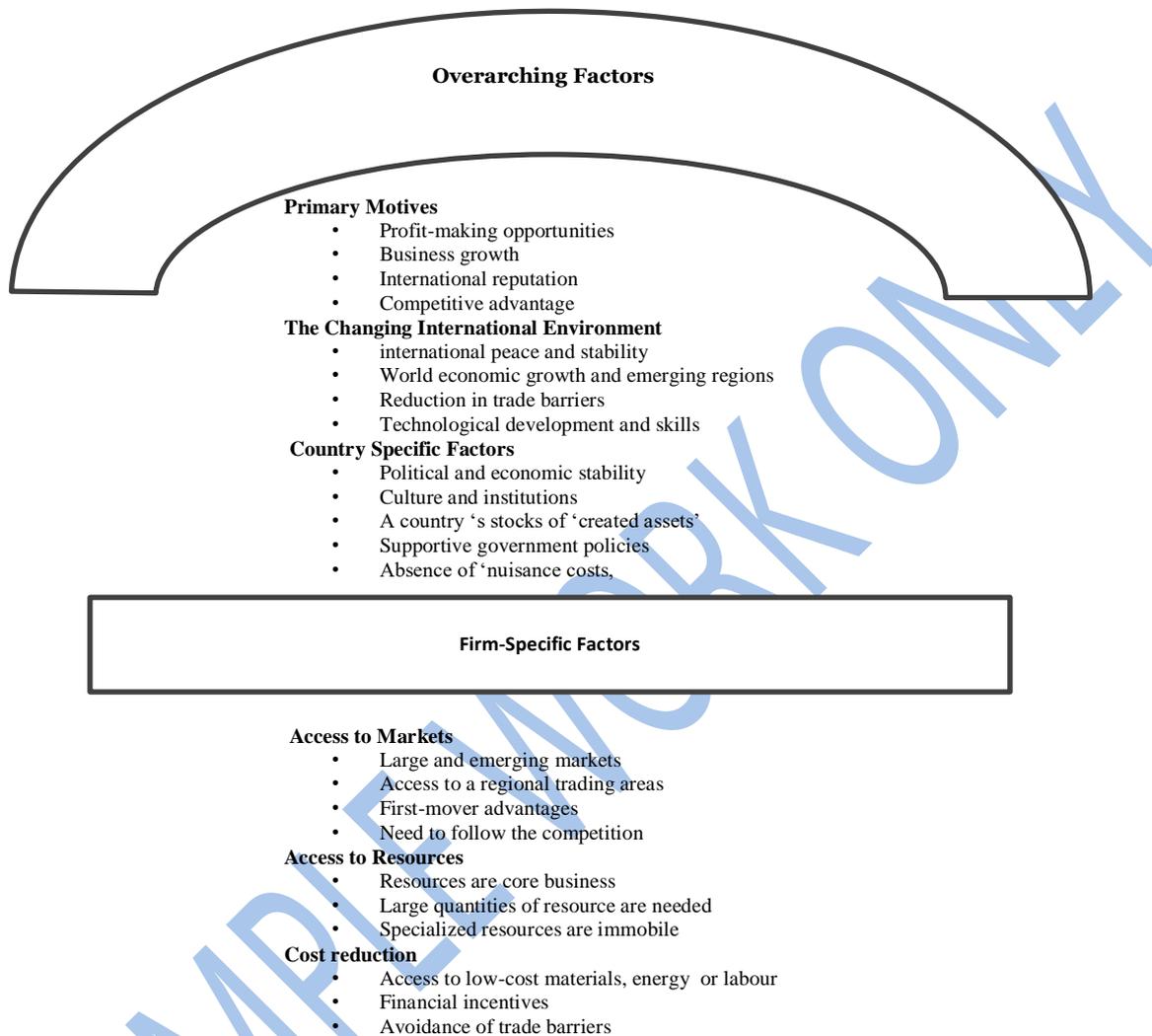
### **2.1.2 Internationalization**

Currently global definition for internationalization is not available, though Welch and Luostarinen (1988) define internationalization as the process of increasing involvement in international markets. According to Reid (1983) it is a measure of the recognized difference between foreign markets and the home market position along cultural, political, economic, and market-strategic aspects. These definitions of internationalization are applied in the present study (Nieminen, 2011).

### **2.2 Internationalization of business**

Internationalization of business is for a different of reasons and numerous literatures available in international business. The key factors that affect the business decision makers practically are discussed in the present section. A broad overview of the topic can be provided by these factors. These are its main reasons for advancing international. A number of particular factors, such as access to markets and resources and the requirement to reduce costs will also affect this decision.

Figure 1: Factors Affecting the Decision to Go International



Source: adapted from Harrison *et al.* (2000)

A central aspect of any business plan is the marketing strategy. To develop a marketing strategy (see Chart 11.1), the market and potential customers must be analysed. Marketing differs from selling in as much as marketing has a customer rather than product focus (see Chart 11.2). This means that customer needs should be analysed with a view to segmenting the market on this basis. From this flows the targeting of particular segments with a segment-specific marketing mix. This positions products in the market, based on an understanding of buyer needs, attitudes and behaviour. The market analysis and strategy are an important part of the marketing plan within the business plan. The marketing plan includes qualitative aspects

Strategic planning is often associated with larger businesses, but start-up businesses and existing small businesses seeking funding must have some form of strategic plan that underpins the business plan. In small businesses, such as a builder or retailer, the owner or owner-manager generally carries out strategic planning (Friend & Zehle, 2004) .

## 2.3 Market analysis

A market analysis can be a quantitative and qualitative assessment of a market. It analyses into the size of the market both in value and in volume and the different customer segments and buying types, the competition, and the economic environment in the view of barriers to access and regulation.

### 2.3.1 Porter's Analysis of Five Forces

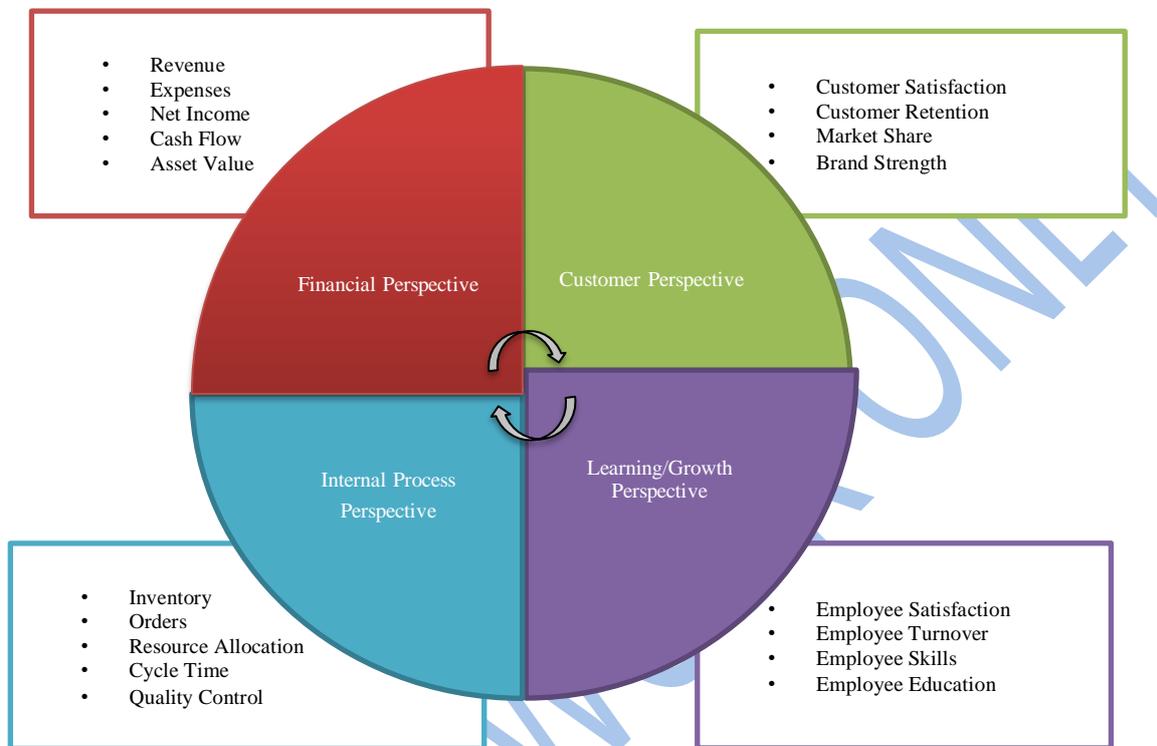
Overview of a particular industry can be obtained by this method. There are five forces given to understand environmental forces that affect an ability of company to compete in a present market. The main competitive factors are described through this analysis as for their strength and importance.

- i. New entrants
- ii. Suppliers
- iii. Buyers
- iv. Substitute Products
- v. Competing firms

### 2.3.2 Balanced Scorecard

In 1992, Kaplan and Norton modeled this tool which is the most inclusive regarding main performance indicators and long-term orientation completely. For success amongst market competition, its four sectors financial, customers, internal processes and learning and growth explain a capability of company. One must go through the four sectors in views as targets, measures, objectives, and initiatives in order to get clear idea of the strategy and vision of a company. In this regard the study concentrates on the financial and customer areas, however internal processes and development are also of high interest. The proposed marketing strategy must specifically observe with all four fields.

**Figure3: Balanced Scorecard**



This tool is one of the four fields which are rather of modest application in the case of this work and are placed in it more or less for the complexity of marketing tools description. Today business performance almost could not present and develop without being aided by IT tools and means. The application of Balance Scorecard is also greatly created this method simpler. The importance of CRM software enables BS analysis, significantly in the customer and financial sectors, however contributes also to learning how internal business processes work. However this analysis is much more complicated.

## 2.4 Customer analysis

Customer analysis is key portion of marketing strategy. Customers of an organization are very precisely understood by the organizations. This type of investigation helps to identify the most profitable target customer group or groups. In this section tools and ideas for customer analysis are described.

## 2.4.1 Market Segmentation

People are seeking for various types of solutions to fulfill their wants and needs. According to demographic, geographic, psychographic and behavioral characteristics can define segments. There are other routes and subdivisions for various segments however above denoted able to be largely applied (Kotler & Keller, 2012).

Kotler (2003) presented the different segments related on consumer market. The four main segmentation variables for consumer markets are as follows:

## 2.4.2 Marketing Mix

Marketing mix is interpreting the strategy to attempts by price, promotion and distribution selection. Marketing mix should aid decisions made concerning positioning of the brand. Strategy and marketing mix forwards continuously to other hands, so possibly all the decisions on advertising and pricing have to appropriate the strategy. Company has to select right distribution channels to attain chosen target customers and also the price has to be set to meet the quality of a product or a service (Hooley *et al.*, 2008). Marketing mix is classified into four P's: price, place, product, and promotion. All these variables are changeable tools influencing the demand of a product. Four P's is calculated 22 tool intending to be potential outline to lead target customer's mind to make them believe in desired values set by the company for its product.

## 2.5 Strategic planning

Strategic planning is a method to consider increasing doubts of current market area. It composes of sensibly examining the external condition and the internal possibilities and strengths of company. A company must setup a record of objectives and a strategy to attain those objectives based on this internal and external investigation. Strategic planning can also offer significant internal character at a company through creating alignment (Mingmo, 2013).

### 2.5.1 SWOT analysis

Pahl and Richter (2009) defines the SWOT analysis as an advantageous tool for decision-making and gaining the knowledge of dependencies between a company and its condition (Pahl & Richter, 2009, p.27).

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It offers a complete understanding of the case company's internal environment, and it clearly describes the competitive condition (Ying, 2013).

Johnson *et al.* (2008) describes that a SWOT analysis is an advantageous tool to create strategic options and evaluates the future course of action of a company. The SWOT analysis is a technique which is introduced by Humphrey (2005). It is a glassy planning tool that can find out serious problem areas for a company. **The purpose of involving SWOT analysis in this business plan is serving a record of strength, weaknesses, opportunities, and threats of business. The next level of analyzing the external and internal conditions, the company is able to decide which competitive strategies should be applied to attain its competitive intension.**

The marketing managers must understand possible opportunities and threats over the long term and indicate them, relize the strengths and weaknesses of the competitors to be able to get a sustainable competitive benefits. O – Opportunities (market niche, weaker competition, growing market) T – Threats (competitive product, new strategy of competition, slowing down market) (Pachpande, 2013).

**Figure 2: SWOT analysis**



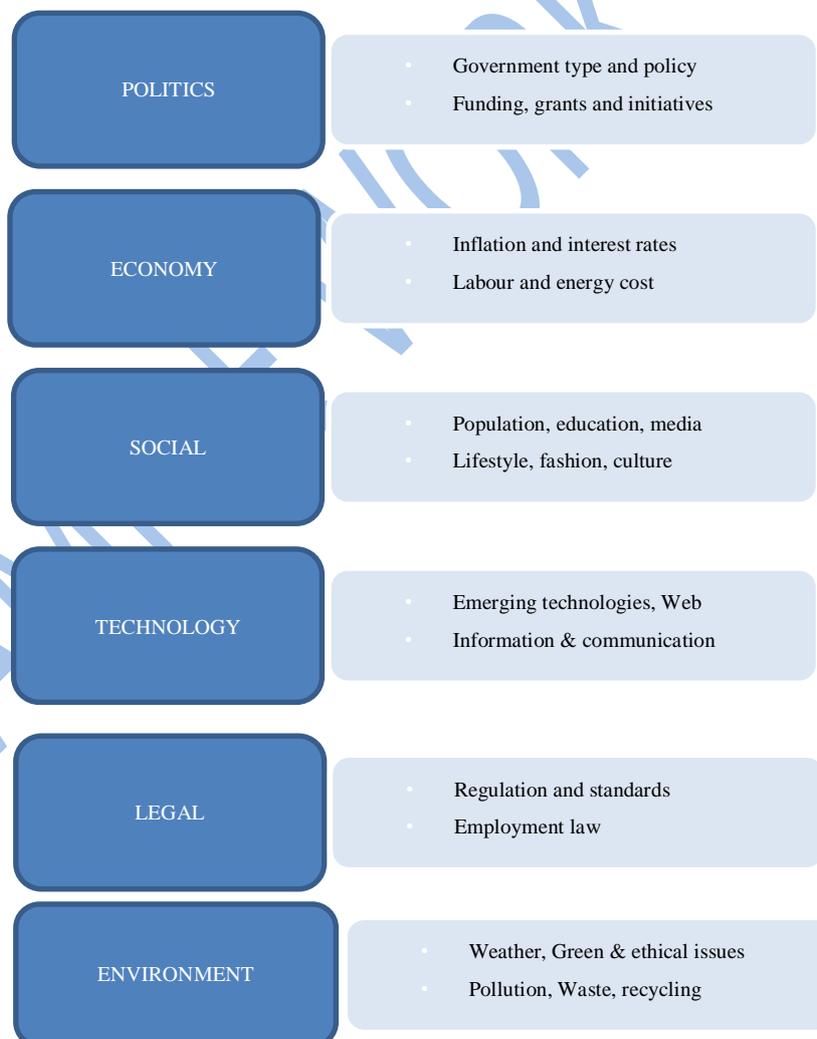
## 2.5.2 Macro Environment analysis

The macro environment would offer a demonstration of the drivers in the market that none of the players have any domination over in the next 2-3 years (Kotze, 2007).

For international companies PEST analysis is specifically advantageous, because they perform in different markets. Companies create their own models of analysis, which can be related on the common analytical tool for a common analysis of the international environment known as PEST.

PEST analysis represents P as Political, legal and regulatory environment, E as Economic environment, S as Social and cultural environment and T as Technological environment.

**Figure 3: PEST analysis**



## 2.6 Summary

Business plan related concepts and definitions were provided. Subsequently, importance of market analysis and tools to implement a best analysis are given. SWOT analysis, five forces analysis and Balanced Score Card presented with information on fields which the new strategy should impact, whether through overcome weaknesses or potential threats, or increasing the strengths and areas to the highest competitive advantage. Marketing Mix Tools started with internal calculations on the potential of recently employed marketing activities concerning all four items in marketing mix – price, product, place and promotion. According to this manner business plan prepared the area for the new proposal of a marketing strategy. Objectives posed in the first chapter of the business plan follow our aim to increase profit.

Quality of services can be attained through implementation of CRM, as theoretical knowledge confirms. Strategy of CRM software use and overall CRM method is largely important because it has a beneficial function. The most important strategies are however included in Positioning under strategic planning section. It is indicated that the decrease in the number of product lines, value related pricing together with good value strategy and implementation of keeping pricing and invoicing records in order to maintain fair approach to customers. Finally, to create a detailed business plan is therefore main aim aided by the introduction of new activities which however will be more connected with the company's chief activity – creating, selling and arranging pensile facades.

## CHAPTER III: MARKET REVIEW

### 3.1 Textile industry in India

In India, textile industry is one of the largest divisions and also acts as the major contributor in Indian economy occupied one-fifth position in industrial production. This sector creates more opportunity over 15 million people and further support to manufacturing goods and provide more captivating products such as yarn, home furnishings, fabric, home textiles, rather excellence goods throughout the world. In India, the textile industry comes under the home furnishing industry. Bedspreads, carpets, curtains, furnishing fabrics, durries, placemats, table covers, kitchen accessories, linen, made-ups , rugs, cushion covers, bath linen, and further home embellish equipment's are the amazing products offering by home furnishings exporters and Indian home furnishings manufacturers. Cushion covers, kitchen linen, bed spreads, bath linen, curtains, floor coverings etc. creating ultra-fashionable in the international markets and this was also manufactured by home furnishers of India.

Next to China, Indian textile industry occupied the second largest position in the world. The textiles category of India is more antiquated industries in Indian economy precede more decades. Currently, textile sector contributes enormous products in India's exports about 15 per cent of total exports. This industry is one of the largest organizations and it is also labour intensive. This industry has two wide segments, one is unorganized and another is organized segment. Handicrafts, sericulture, and handlooms come under first category and were administered on a small scale via traditional methods and tools. Spinning, garments, and apparel comes under second category was administered by contemporary procedure and machinery such as economies of scale.

The textile industries of India have recently evaluated at around US\$ 120 billion is assumed to reach US\$ 230 billion by 2020. This industry bestowing around 4 per cent to Gross Domestic Product (GDP) of India and 14 per cent to all over Industrial production (IIP).

The textile industry exploits directly over 51 million people and indirectly over 68 million people. During the time of 2015-2016, India's overall textile exports gained at US\$ 40 billion.



Locally made lifestyle and retail products in Indian exports randomly increased in a Compound Annual Growth Rate (CAGR) of 10 per cent from 2013 to 2016 especially home décor products, textiles and bedding bath as stated by Damco. The Indian government targets textile and garment sector export at US\$ 45 billion for 2017-18.

The upcoming views towards Indian textile industry should be encouraging, stimulated by both strong domestic consumption along with demand of export. Consumerism and expendable incomes on the rise, the retail sector have gained a fast development over the years because of various players in international areas such as Guess and Next, Marks & Spencer, into the market of India. The market of apparel in India is assumed to well-furnished at a Compound Annual Growth Rate (CAGR) of 11.8 per cent expected to reach US\$ 180 billion by 2025.

In India, the cotton textile industry expects the standard growth in FY2017-18 due to the support of standard input prices, steady domestic demand and healthy capacity utilization as per the Indian ratings and research (India Brand Equity Foundation, 2017).

Foreign collaboration and investment in textile industry of India has significantly increased in current years. The higher is attributable partly to the de restriction of foreign direct investment (FDI) and partly to the fact that demand of domestic market for textiles in India is buoyant and large. It was recognized that this sector has more export potential. **FDI creating more acceleration and satisfactory in textile sector over the years, foreign companies acquired the Indian companies especially countries like USA and Europe, these countries were declined in competitiveness and suffered in a financial problems.** Organizations of India are more attracted in specific concern among foreign countries as whose quality in trading were more familiar in home markets as those brands can be produced more inexpensive in Indian plants.

Asian Countries are only source for the home textile industries in India. Asian countries like India have their own competitive edge over the other countries chiefly a European and the USA in terms of price and quality. Exports of India more than three fourth are from Asian countries. Europe expectation, the total imports of home textiles are about US\$ 3.87 million in 2007- 08. Home textile imports in that year is about 13%.The table linen, total bed, kitchen, bath ship in from Europe was US\$ 0.79 million, which comprises about 20% of all the home textiles.

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Clothing products and Exports of textiles from India standardized steadily over the past few decades especially after 2004, after discontinuation of textiles exports quota. Among world India was top three suppliers of home textiles and made-ups. A key component of the overall market for the home textiles manufactured and exports from India. 15% of all textile and clothing exports from India carried out by home textiles and made-ups. Recent data constitutes India exported nearly US \$ 1.83 billion of home textiles and made-ups in 2007-08. The ministry of commerce provides only data for April to December of 2008-09. In that period an Indian textile export was US \$ 1.375 billion. Peering at the 2006-07 export data, 2007-08 recorded a growth of around 7% in dollar terms.

Indian home textiles consider as organized market in the western countries specially USA and European countries are table linen, towels and bed linen. Other home textiles that also participate in textile exports are drapery kitchen linen and cushion covers. On the authority of export data, HS Code 6302 is the main component of exports. Next to these cotton floor coverings, carpets and miscellaneous furnishing items like wall hangings etc. and also form valuable/ substantial share. In home furnishing section bed linen is the single largest exported textile commodity. Western Europe and USA have high demands for cotton bed linens. As per the estimates, almost 3% of global trade share for Indian bed spread. This comes under Indian handloom industry. India is exporting made-ups and home textiles to more than 160 countries across world. EU and USA are the largest purchaser of Indian home textiles and made-ups. 75% of the total home textiles exported from India. In the sector of handloom, it comprises floor coverings, hand-made carpets this figure is close to 90% (Italian Trade Commission, 2009).

### **3.2 Internationalization of textile business- UAE**

The Textile industry tenanted in an significant place in the economy of UAE and especially in Dubai, because of its offering to employment generation, the industrial output and foreign exchange earnings. In Dubai, the largest employment provider in the industrial sector is the textile industry.

Textile manufacturers in UAE in common and Dubai in specific should enhance their competitiveness in market due to engage in the international market. For that, they must to adopt a cost reduced strategy due to be competitive by reducing the price, enhance their quality, and rely on creation and innovation which depends on novel technology (Abdelgalil & Bakheet, 2006).

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The textile industry in UAE is not only the largest trading sector country after oil, however it is further one of the largest providers in employment in the industrial sector, as per the UAE trade and economic expert.

According to a UAE economic and trade expert, home-grown garment brands were gaining greater popularity in the local market and abroad, revealed by Abu Ghazaleh also he stressed that more aggressive marketing programs were needed to promote the country as a high quality clothes producer and incentivize key players in the industry.

An export of garments is further reputed in the UAE on the basis of bulk import of textile articles and textile from India and China. Both these markets covers a chief part of the textile imports and textile as long as the manufacturing cost is much lower in these countries due to the availability of lower input costs and cheaper labor.

The textile industry in UAE is presumably to show a motivating growth in textile trade as a chief driver. This sector anticipate better profitability in textiles import and textile articles and later re-exporting them (WAM, 2017).

The United Arab Emirates (UAE) that held a share of 5.7 per cent in total exports in India at the time of 1999–2001 higher than doubled its share to approximately 13 percent and had pass the U.S. as the biggest export market in India at the time of international recession period of 2009-11. Eventually, it decreased to the rank of second at the back of US in 2012-13 (Francis, 2015).

Readymade garments export to UAE from India is a lucrative trade proposition due to its increase in per capita income, economic growth and constant technological growth. The UAE government motivates the growth of the economy that main aims at making strong its bilateral relationship with its allies. The world's biggest man made harbor was located in UAE, rather than lots of magnanimous and more effective ports which scattered across the emirates (Gonsalves, 2008).

In UAE, garments of readymade imported from various countries like Bangladesh, China, Pakistan, Sri Lanka, Korea and most of the competitors in India import at high competitive prices. This is cut throat

competition for the exporters in India who related to specific products of garments which are exported from such countries to the UAE, at probably low prices.

### 3.3 Barrier to entry in UAE

It is common thing as it difficult to begin a business in an growing sector with the appearing competitors in the existing market (Sorenson, 2000). There are various barriers in begin business in automotive sector which is competitive and had numerous competitors.

However, in UAE, set up new business is easier than North Africa (MENA) and Middle East. As per the data from World Bank's Ease of Doing Business in 2016, UAE occupied 31<sup>st</sup> position.

With various free zones, no taxes, a strategic location, good infrastructure and responsibilities low import ahead UAE scores at top than their neighborhood countries like Saudi Arabia (82), Bahrain (65) and Qatar (68). For example, the startup companies only takes eight days and six procedures to open a firm in the UAE, in comparison with 8.2 procedures and 18.8 days in Mena, and 8.3 and 4.7 worldwide. Further the report explained that how UAE has reformed contract enforcement with commercial disputes resolved in 495 days when compared to average days of 538 in huge income generated economies like OECD.

Though, begin a business here has its some barriers. GN Focus queried those who have begun companies in the past few years about their high issues (Sen, 2017).

In the initial stages entrepreneurs faced a lot of problems but possible to face starting an entrepreneurship venture, the problems include finding relevant information , recruiting skilled workers, securing initial capital, maintaining quality, lack of proper infrastructure, getting credit from suppliers, obtaining permission from relevant authorities, trade license, lack of reliable suppliers, production hiccups, getting credit from the suppliers, maintaining quality, competitive action of rivals and other related problems. The problems are categorized as three major problems faced by UAE entrepreneurs include securing initial capital, recruiting skilled workers, and competitive action of rivals , recruiting skilled workers is expected as UAE is heavily dependent on expatriate which are sometimes difficult to obtain. Entrepreneurship at a nascent state in UAE, the source were funded by the banks, However, banks supporting the new

entrepreneurial ventures risk averse are less, thereby to secure initial funding making difficult for entrepreneurs. UAE's economy is heavily dependent on the outside world so the competitive pressure were increases on most businesses in UAE leading to increase in competition for UAE entrepreneurs. Pertained to obtaining trade licenses were not considered a problem and gathering new and abrupt information to initiate their ventures. Speak positively about the support extended by the UAE government to its entrepreneurs. This shows that that institutional condition in Dubai is good and suitable for entrepreneurs (Gupta *et al.*, 2002). The issues have not been felt to be as troublesome as that of the three issues mentioned above. Such findings revealed that the role which is to be played by the financial and government institutions in making an stimulus to entrepreneurial development. A Aside from this the ability set of the existing manpower should be enhanced by appropriately customised training programmes in various specialized and non-specialized regions as needed by the entrepreneurial endeavors.

### 3.4 Target market and customer segment

One of the biggest problem was the concern were in challenge with when it deserve to serve a market is that the purchaser wants were often too diverse and moderately the requirements to serve is must hopeful segments. The result of the concern is compelled to split the market into a number of subsets of homogeneous customers as like same needs and wants called market. as well as to get a better picture of its competitors distinguishing between direct competitors (who are more dangerous as they target the same customer types with probably similar value propositions) and those who operate in unrelated segments (Kotler, 2003, p. 278-279).this idea permitted the concern to deliberate the new value propositions which was betterment for the peculiar needs of the multiple groups of purchaser use marketing channels which was adapted to reach and persuade them also create a good review among the competitors differentiate between direct competitors (who all are targeting the same sort of customer and creating more threatens with probably similar value propositions) and those will create operate in unallied segments (Kotler, 2003, p. 278-279).

The segments of market defined as "groups of customers that have similarities in characteristics or needs that are likely to exhibit similar purchase behavior" (Smith 1956) or merely as "a group of customers who share a similar set of wants" (Kotler, 2003, p. 279).

The market segment is therefore modeled as a market entity specialization. This is because receive all of its methodology and relationship: a DESCRIPTION, a NAME, a BOUNDARY and ATTRACTIVENESS. People can be more attractive by growth, profitability, size, potential and risk but criteria which were confined specifically can refine this rating. The intelligibility (adequately reached and served by using specific marketing channels), actionability (formulation of attracting and serving customers in the segment leads to effective marketing) ) and differentiability (the segment respond having various and adversely new products from others) (Kotler, 2003, p. 286).

This approach proposes the advancement of customer-centric business models concentrating on each single client at once by recognizing its own needs and fulfilling them with custom fitted offerings. The conviction is that this leads to more prominent fulfillment, loyalty and lastly better returns. This approach rests on four standards: 1) the firm should see every client's novel inclinations and needs well, 2) the firm might distinguish the most important clients and concentrate on them with specific care, 3) the firm should exploit each contact with a customer to take in more about his needs and incentive to the firm, 4) the firm might propose offerings customized to every client's preferences. This can make an upper hand since once a client has contributed time and vitality to indicate his needs to a merchant, he should do likewise to get an equal item from another, along these lines raising his exchanging costs. Fortunately, while this approach was unreasonably expensive before, communication advances in data, and production technologies innovations made it practical to convey customized products to the mass market at a mass delivered value, an approach known as mass customization (Davis, 1987).

Positioning support the organisations to build the perception and image towards them among customers mind (Chow & Chan, 2008). After targeting and segmenting the last step of audience is positioning wherever the concern themselves position in the customers mind and based of this appreciation. Purchaser has their own idea to buying products from peculiar concern. If the firm provides or gives a home delivery system for service of vehicles, likewise offering more advertising coupons and Image of concern will be very unique and better while advertising

Considering the customer characteristics, behavior of customer were strongly affected by the social, cultural, personal and psychological characteristics of the buyer (Kotler, 2003, p. 182-199)

## CHAPTER IV- COMPETITOR ANALYSIS

### 4.1 Competitors

Recently, because of the state of a lot of assets and cheap work force in this industry, textile industry in China has been delegated as the world's biggest as far as yield. It is anticipated that in the coming years, textile industry in China will remain the most grounded among all as it claims the ideal business chain and large domestic market. China in apparel and textile is thought to be the most grounded rival as far as the size, profundity and spread. India has an entire supply chain beginning from an immense raw material supply to good quality end product. China delivered different sorts of weaving, since silk is the most flexible kind of crude fiber utilized as a part of the creation of woven fabrics. On the opposite side, India had a wide range of cotton textile systems.

The composed part, containing a couple of huge and medium scale players has developed as a different element in recent days. The accompanying players from amid the current ones might be figured as driving ones regarding brand value, market reach and turnover like Abhishek Industries Ltd, Alok Industries Ltd, Shital Fibers Ltd, Orient Craft, Welspun Ltd, S Kumars Nationwide Limited, Bombay Dyeing Ltd, Gujarat Fertilizers and Chemicals Ltd, Kurlon Ltd and SPC Industries Ltd. There has been a pattern of solidifying the market positioning by the different players. Brand improvement and promotion; vertical incorporation of production chain, obtaining of foreign brands are the few courses by which players are developing their position in market. Exports have been a customary market for the players in the branded home textile market yet there has been a surge in the domestic demand for the quality products. So the quantity of medium players will undoubtedly increase in the circumstances to come.(Ace Global, 2009)

### 4.2 SWOT analysis

To know about exact positions or intentions of the competitors, SWOT analysis is a common strategy that most companies use. SWOT can be expanded as Strength, Weakness, Opportunities and Threats. After this analysis is taken place, the company would have a clear view on how to occupy their identity within customers. This usually describes about various external and internal factors carefully underlying the unfavorable and favorable condition of the business (Feng, 2009).

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#### 4.2.1 Strength

India already has sufficient bases on raw materials especially based on natural fibers such as cotton crop. Hence they stand as a backbone in handling with production and the handling of all types of fibers. Also entrepreneurial skills and cheaper labor cost makes way for Strong development on Indian apparel and textile industry.

In Middle East, UAE is already considered as a place for business centers. Dubai is now acting as a gateway for international commodity markets with a well facilitated logistics and infrastructural needs. Dubai has already developed its position to feed consumers and for the availability on adding value chain trade on cotton trade. This has attracted main participants across the globe such as Pakistan, China, Indian and Bangladesh. Among these, India has its international mark in the areas of yarn and fabrics (Sanghvi & Shah, 2013).

#### 4.2.2. Weakness

Since India is specialized in cotton, composite products or dissimilar products such as synthetics are generally costly. Industrial apparel industries which require stuffs like swimsuit, sky-wear is relatively not immediately available. Also if the industry has poor practices on these segments, then the labor cost will resultantly increase. There are many barriers which are identified when developing a new segment which are lack of standardization, lack of synergies between government and organization, lack of quality control, practical markets and minimized efficiencies (Ukessays, 2015).

#### 4.2.3 Opportunities

Based on the study conducted by Directorate General of Commercial Intelligence and Statistics (DGCI&S), next to UK and USA, UAE stands as the third largest exporter in textile industries. UAE is termed to have their largest market occupying 7.5% of India's total textile exports and about 10% on garments (YarnsandFibers News Bureau, 2014).

UAE is an important country in exporting India's readymade garments having Dubai as trade center. Exporting is the initial idea that was originated when it is found that it acts as a source for strength and growth of textile industry. The manufacturers in Dubai are mostly depended on raw materials where only 9.5 % of them were obtained from local markets and rest 90.5% is imported to their country (Sanghvi & Shah, 2013).

Nowadays, Information technology (IT) plays an important role in apparel manufacturing. The need for accuracy in data exchange is a necessity since it makes communication more transparent, easy and reduces false or duplicated information. IT also improves standards on infrastructure and basic regulations. It is also found that Buyers mostly prefers India over china in apparel industry.

Nearly, no threat from Pakistan and China as India is way ahead with respect to the development of technology and design

“The main reason for growth in home textile segment is that many customers prefer to look forward in fashion and something with styles their state” stated by Jitesh Goradia who is the owner of manufacturing industry based on curtains and upholstery in Mumbai. He also added that they are exploring their markets to Australia, Europe, Middle East and Asia since they already have positive outcome from US. The company has reported that the use of innovative applications has been paid off since there is an excellent response from the segment, digital printing. He further added that the total volume on product per style is collectively increasing and there is a possibility in an increase in demand based on fashion styling in future. Dimora is expected to double its growth on financial terms (in year 2015-16), by calculating both export and import market (Deepti, 2015).

#### 4.2.4 Threats

The EU & US Governments prevent products from nations who adopt environment damaging manufacturing practices and dyes that create pollution. As a result, firms make a pressure on buyers to restrict their sourcing from growing countries. Higher cost of energy and labour related industries, hence

labour availability is a serious concern. If the cost of labor increasing, later it is the issue for the exporters as their margin is around 10%-15%. Regional trade blocks acts as the essential role in the international trade with member countries enjoying tariffs as lower. Export prospects of India, not being an individual from regional trade block, might be antagonistically risked (Italian Trade Commission, 2009).

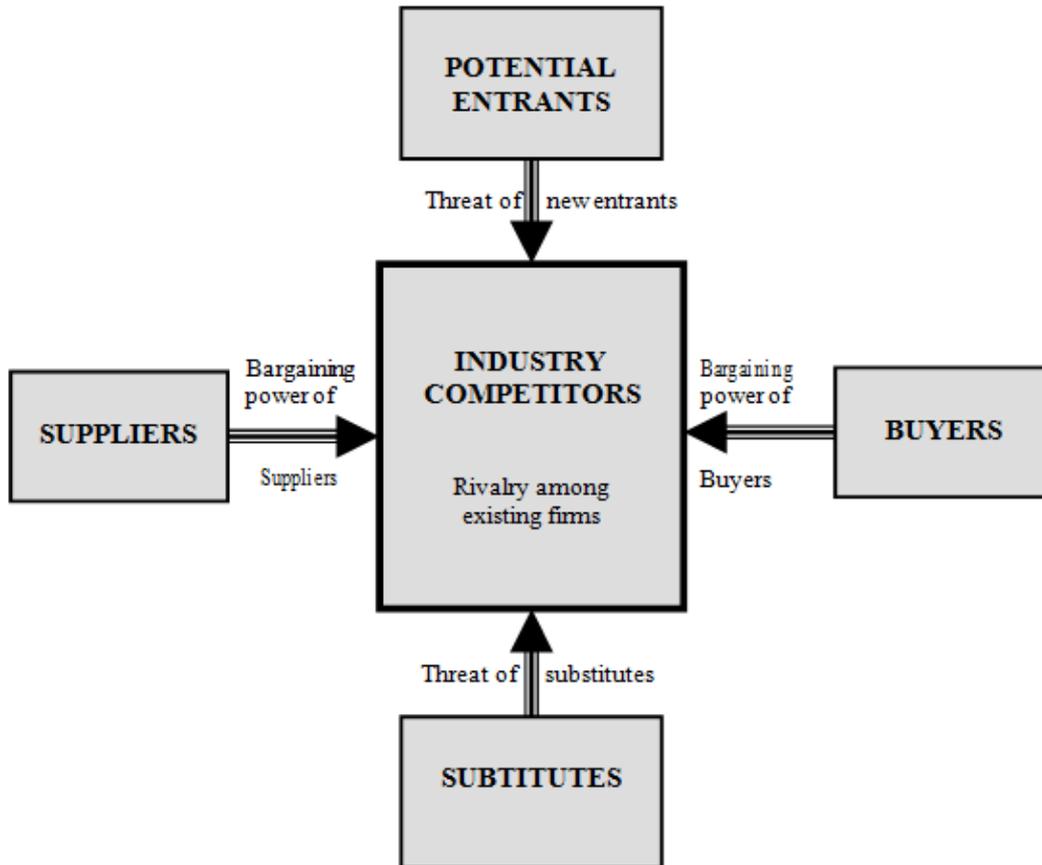
One of the greatest challenges for this industry at the present time is diminishing volumes which have influenced the growth rate over the couple of years. On this, Jitender Agarwal, Owner of Jaydurga Décor Pvt Ltd revealed that, "The accessibility of extensive variety of products has isolated the demand and subsequently volumes per style have gone down, yet without a doubt the business is developing on both fronts i.e both exports and domestic." The organization thinks of around 10-12 accumulations consistently and noticed that the development is evitable in Indian market additionally as everyone watches out to have a one of a unique showcase at home or office and don't falter to spend on the same (Deepti, 2015).

### 4.3 Porter's five force model

Michael Porter (1980) has developed a standard model for enhancing the implementation of strategy. This model is also known as five force framework which was dominantly used since 1980's. Teece has stated that Porter's model has its source from two other frameworks one from the Structure Conduct Performance (SCP) which is a framework for industrial organization and other one is from the economics of Mason and Bain (Teece, 1984).

The Porter's five forces framework has various levels of forces that will lead to the overall profitability of an industry. The five forces are "Bargaining Power of Buyers", "Threats of new Entrants", "Threat of Substitution", "Rivalry among existing firms" and "Bargaining Power of suppliers".

**Figure 4 Porter's Five Forces of Competitive Framework**



### 4.3.1 Threat of New Entrants

This is related to the decisions made by new competitors entering an industry. Their primary targets will also be the need to gaining market share and to increase their profits eventually it will lead to the share of total revenue within their industry. Hence, existing companies see this as a threat to their profit margin in being decreased. However, the seriousness of this threat is totally depended on their barriers and reaction of existing firms/organizations. Porter (1980) has pointed that when new entrants have higher level of barriers then it will have a lower amount of threats from them. Some of the major factors for barriers are capital requirements, economies of scale, product differentiation, access to distribution channels, switching cost, cost depended on sizes and current government policies.

The growth of an Indian Textile Industry is extremely depended on their personal experience and their connection of associates. When a new entrant in this industry takes its step forward, it is recommended that the organization should already have customer base for their new establishment, else there will be a difficulty in attracting customers. When a new entrant has less experience and identity in textile manufacturing, those will act as a disadvantage in building relationship with customer than already established competitors.

To some extent, a governmental policy has its influence on the development of any industrial environment. Taking subsidies for example, when a company is launched new entrants will have its assistance on its production based on their region. In India, many textile companies will be most likely to increase their profit than its neighbors.

#### **4.3.2 Bargaining power of customers**

In this industry, it is possible that there can be competition with identical products in terms of prices. Hence a producer must make sure that the products are well-differentiated in order to overcome bargaining power of customers. Usually, Indian Textile Industry will be based on short-term basis on agreements and it hardly went ahead of six months. Differentiation is a necessity within Indian Textile Industries, since in this case there is no need of open agreements made from customers to manufacturers. With differentiation, suppliers classify their products by reducing or raising prices based on the quality of services and goods.

#### **4.3.3 Bargaining Power of Buyers**

There are some tactics made by powerful suppliers who make best of profitability even when the original price of the product is distorted. Presently, Indian Textile Industry is slowly increasing its potential with supply and production considering last few decades.

It is normally concluded that if there is a large availability of suppliers in a particular industry, it will often be linked that there is a weak bargaining power from supplier's end. It also means that there is a lack of product differentiation and lack of switching costs within the region. Some producers will already have changed their strategy in their process if there were evidently seen. Such result will also lead to the outcome of pushing the prices to and forth between manufacturers and suppliers if the bargaining power is weakened. Over manufacturers, Indian Suppliers have many benefits in enhancing their bargaining position since they have well-integrated value chain capacity.

#### **4.3.4 Threat of substitute products**

This is a potential of the substitute of a service or a product ceiling its price based on the returns of the industry which has profit. These substitute products will however appear to be different than original ones but it can provide the same features of the source. When it comes to Textile Industry, there are many factors which differentiate a substituted product since the industry had many different types of clothing and materials. Sometimes, it is also differentiated based on current fashion, trend and styles with each product. Even though, apparel sector may have different substitutes there is a possibility that it will be classified into a separate section for its uniqueness.

#### **4.3.5 Competitive rivalry within the industry**

It is an important factor that most direct competitors is the main determinants of competitive state in marking their total profit. If there is a higher degree of threat within the industry then the profit that can be gained will decrease. Textile industry is an emerging sector where lots of companies are interested in investing on production of apparel. If there is a higher growth rate in exportation of apparels then the threat if rivalry within manufacturers is low. Some segmented products may have its demand high having negative outcome with rest of segments but manufacturers may enjoy different growth rates. An Indian textile manufacturer may come up with a strategy by lowering their initial prices on products when they are moved to foreign country. Rivalry Company would consider

spreading their customer base in order to maintain the profit up. Hence, it can be said that the intentions of the competitors will be the source of strategy to raise their developments

## CHAPTER V- Customer analysis

### 5.1 Target Customer Segment profiling

A customer's group a business enterprise has chosen to point its efforts in marketing with a specific end goal to snatch that segment is target market (Boone & Kurtz, 2010). It is exceptionally significant for the business to recognize its target customer segment due to carry out significant decisions. The market of home textile furnishings can be sectioned into premium, medium, low-end, super premium and economy fragments in light of the target consumers and their nature of purchasing power.

### 5.2 Purchase intention

**Socialites:** Socialites have a place with the high society. They prefer shopping in specialty stores, go to clubs on ends of the week, and spend decent money on extravagance products. They are continually searching for something other than what's expected. They are the darlings of elite foundations. They go for exclusive products and high esteem. Socialites are likewise exceptionally conscious in brand and would go just for the best known in the market.

**The Conservatives:** The Conservatives have a place with the middle class. The moderate portion is the impression of the genuine Indian culture. They are conventional in their viewpoint, mindful in their approach towards buying; invest more energy with family than in celebrating and give more concentration on savings than spending. Moderate in decision making, they look for a great deal of data before carry our any buy. They search for functionality and durability however in the meantime is likewise image conscious. They further prefer high esteem customer products, but frequently need to agree to the more affordable one. These propensities that in turn influence their habits of purchasing where they are attempting to go for the upper and middle level valued products.

**The Working Women:** Another segment called working women which has seen a gigantic development in the 1990s. This portion has opened the floodgates for the retailers in India. The women in

India have become out of their long-standing picture of being homemakers. Women who are in working have their own particular personality in choice to buy the items that interest to them.

The Rich: India has more than 1 million rich family units (income getting more than Euro 8,000 for every annum). These individuals are upwardly versatile. Some of them in this class are Double Income No Kids (DINK) family units. They spend more on relaxation and activities of amusement than on future looking ventures.

The competition in Intersectoral portion can further be a major threat in this sector with players from exterior of Home Textiles and Decoration area edging with value propositions that touch the wallets and the mind-sets of customers. Having a lower discretionary cash flow implies numerous buyers will delay, or even replacement buying and abandon. Purchasing will be selective and deliberate, which implies just that there will be less opportunities in sales. Numerous products are in danger of being rejected by customers as being pointless ('Who needs or needs this?'). Such critical behavior of buying may put an unexpected end to a considerable measure of present success stories.

The buyers put significant accentuation on quality of the product. Price is another essential thought attracting consumers to a specific product or shop or brand. Pre and post services in sales, store ambience and parking facilities or mall are the other central point that captivates the customers in local areas. In the choice of product selection, the buyers don't give programmed priority to local brands over foreign or national brands. Incentive for cash has turned into the over-riding consideration. Texture, fabric and color followed by legitimate fits and measuring measure more significance to the local buyers instead of easy obtainability of local brands by virtue of proximity. Local apparel consumers in every area are guided through Gift Vouchers, Features or advertisements in magazines, celebrity endorsements, event sponsorships, Window POS Displays, roadside hoardings, discount offers, fresh entries, advertisements on electronic media or TV.

## CHAPTER VI- HUMAN RESOURCE

People of human resource are significant department for making appropriate workforce to all companies or organization (Gordon, 2017).

### 6.1 Recruitment

Textile industries promote the fashion designing, product pattern and style work, therefore the human resources strategy of organization must concentrate on employing appropriate skilled candidate for their various departments include sales and marketing and production function departments. Work force in this sector is vital to the efficiency, execution and bottom line of your organization. In the event that you work internationally, enroll talented applicants in local whose the compensation in overall will probably be a few times lower than deployed personnel with comparable expertise levels from the home office (Gordon, 2017).

### 6.2 Training and development

HR staff needs to create training programs to train the workers to adjust to new innovation which enhances operations in production in this developing garment market. Commonly, such instructional training enables representatives to improve their career development and got update about new items for managing competitiveness. You further will require delicate abilities training courses on sales and marketing as a vital endeavor in strategic management for expanded volume in sales. HR ought to have a qualification system for new and existing workers to decide their individual needs of training. For best outcomes, make the training programs in abroad subsidiaries and home based on your company's key objectives and goals (Gordon, 2017).

### 6.3 Remuneration

The strategy of human resources should be to create a policy for compensation and salary to motivate new skilled candidate to join firm and to motivate the existing employee to stay.. Perform intermittent surveys of compensation levels to make sure workers are compensated aggressively.

Fuse a system of incentive in light of performance of employees, for example, moment rewards for the sales team once they get contracts or give rewards at year-end for achieving execution targets. Decide pay for abroad subsidiaries in view of regulation of company and the flow in the competitive labour market(Gordon, 2017).

## CHAPTER VII- FINANCIAL PLAN

The method of setting objective, assessing assets and resources, framing strategy to meet the financial assessment and goals of further financial requirement is known as Financial planning. Financial planning involves many elements such as asset allocation risk management and investment. Other typical elements include retirement estate planning and Tax.

### Key Point Indicator (KPI)

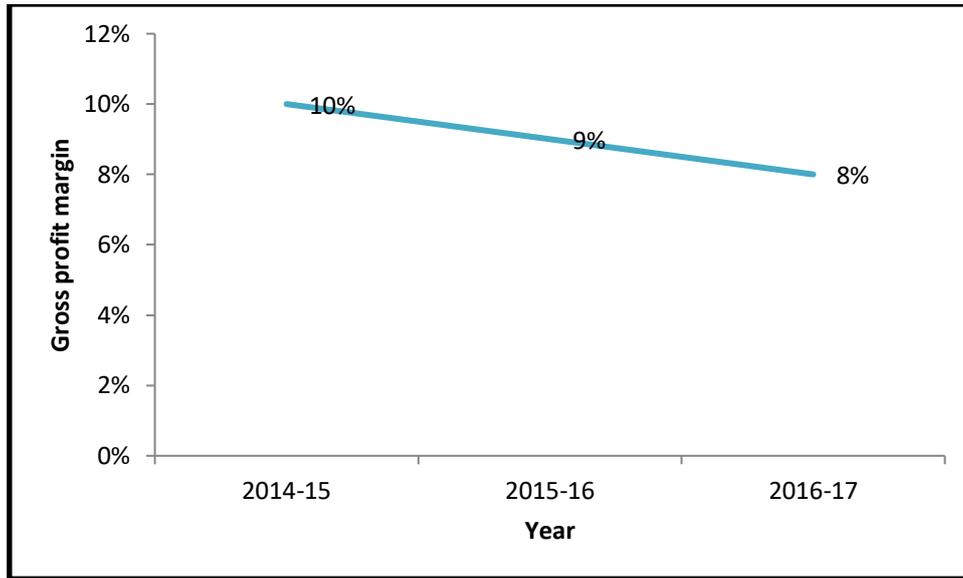
#### Gross Profit Margin

The formula for Gross Profit Margin is

$$\text{Gross Profit Margin} = \frac{\text{Gross income}}{\text{Net revenue}}$$

**Table 1 : Gross profit margin for three years (2014-15 to 2016-17)**

	2014-15	2015-16	2016-17
<b>Gross profit margin</b>	<b>10%</b>	<b>9%</b>	<b>8%</b>
Gross income	5539395	4682604	4643671
Net Sales	57676373	55204425	55796686



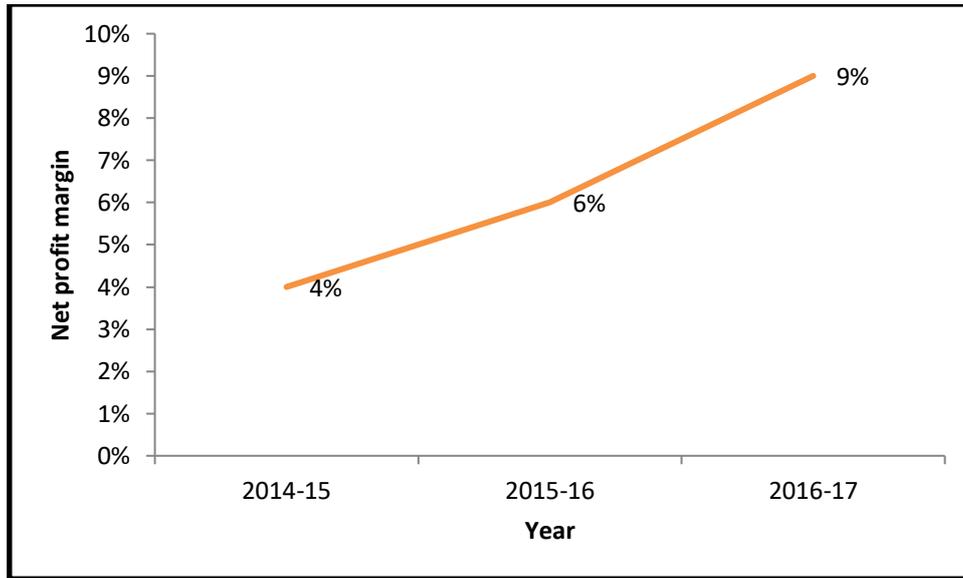
### Net Profit Margin

The formula for Net Profit Margin is

$$\text{Net Profit Margin} = \frac{\text{Net income}}{\text{Net revenue}}$$

**Table 2 : Net profit margin for three years (2014-15 to 2016-17)**

	2014-15	2015-16	2016-17
<b>Net profit margin</b>	<b>4%</b>	<b>6%</b>	<b>9%</b>
Net income	197920.87	269133.47	450975.35
Net revenue	5670555.55	4682604.00	4803807.00



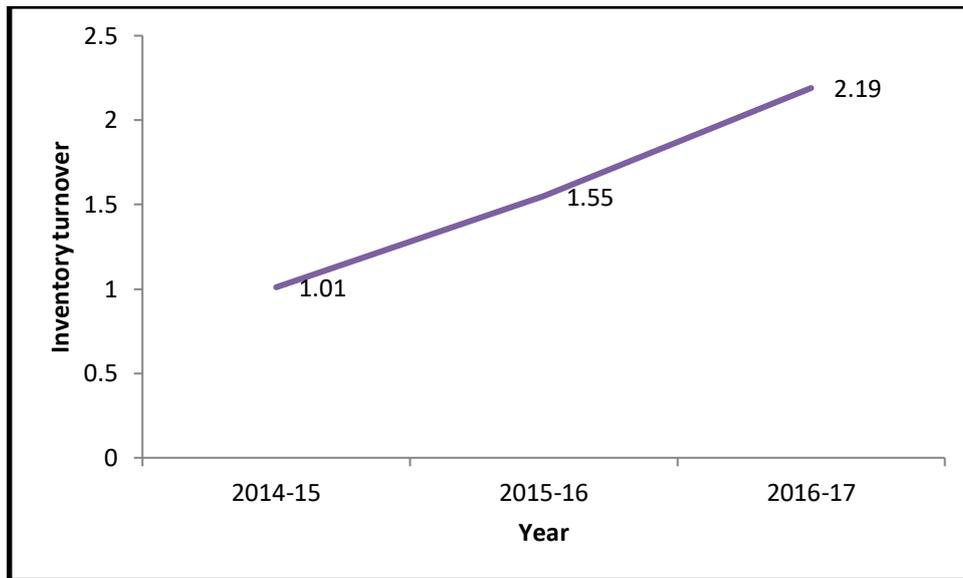
### Inventory turnover

The formula for Inventory turnover is

$$\text{Inventory turnover} = \frac{\text{Cost of goods sold}}{\text{Average inventory}}$$

**Table 3 : Inventory turnover for three years (2014-15 to 2016-17)**

	2014-15	2015-16	2016-17
<b>Inventory turnover</b>	<b>1.01</b>	<b>1.55</b>	<b>2.19</b>
Average Inventory	16104616.5	9778995.5	9725293
Cost of Goods Sold	16272692	15134414	21303354



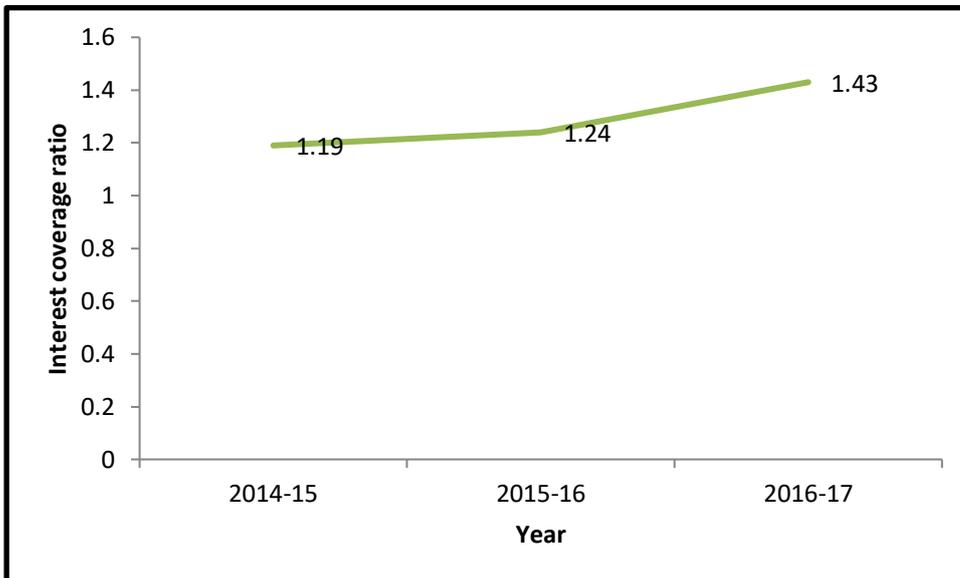
### Interest coverage ratio

The formula for Interest coverage ratio is

$$\text{Interest coverage} = \frac{\text{Earnings before interest and taxes}}{\text{Interest payments}}$$

**Table 4 : Interest coverage ratio for three years (2014-15 to 2016-17)**

	2014-15	2015-16	2016-17
<b>Interest coverage ratio</b>	<b>1.19</b>	<b>1.24</b>	<b>1.43</b>
Interest expenses	1055502.91	1109080.00	1039688
EBIT	1253423.78	1378213.47	1490663.35



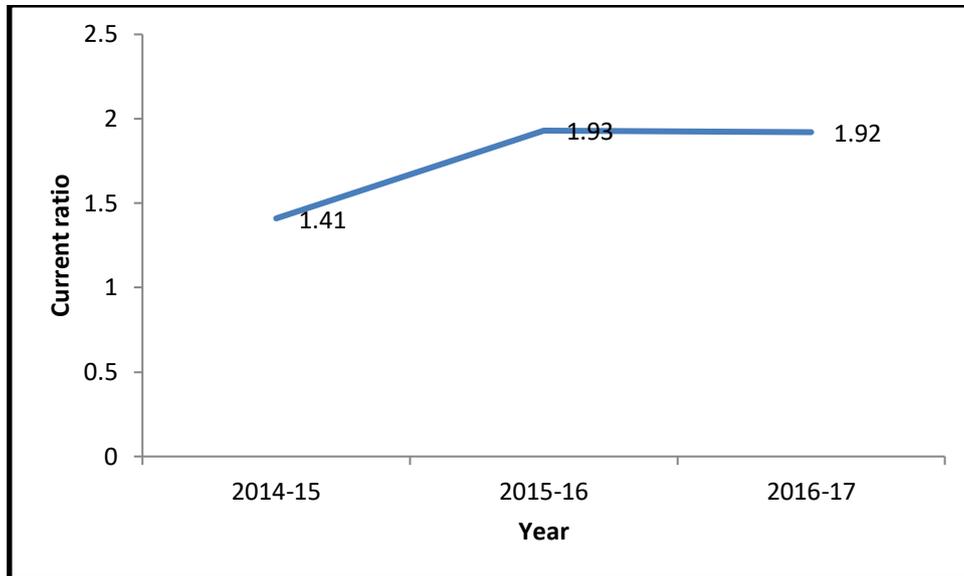
### Current ratio

The formula for Interest coverage ratio is

$$\text{Current ratio} = \frac{\text{Current assets}}{\text{Current liabilities}}$$

**Table 5 : Current ratio for three years (2014-15 to 2016-17)**

	2014-15	2015-16	2016-17
<b>Current ratio</b>	<b>1.41</b>	<b>1.93</b>	<b>1.92</b>
Current Asset	22065713.92	21991561.29	21058729.27
Current Liabilities	15654621.4	11394433	10979293



SAMPLE WORK

## CHAPTER VIII- RISK ANALYSIS

Risk can be defined as the possibility of happening of an either uncertain event or certain event owing to the action thereby losing or gaining something that is being considered valuable (Colovic, 2014).

Risk is a condition that involves exposure to adverse outcomes irrespective of our thinking of receiving positive outcomes. When dealing with business, the risk involved will be like failing to meet desired financial objectives of a company like attaining maximum profits. The external factors like environment helps in the growth of the company as it directly poses either a threat or provide opportunity that can ultimately enhance company development or the threat may endanger development of a company and thus weakening the real existence of the company. Hence it is wise to conduct risk analysis for a company (Colovic, 2014).

### 8.1 Monetary Risk

To be an expat in UAE, an individual needs to be an owner of a company or business in the UAE with sponsors from reputed person or organization. Otherwise an individual should hold an employment agreement with a company for working in the UAE. Accordingly the individual must obtain the required type of visa like a work permit visa or a residence visa to be an expat in the UAE. A citizen of some countries can come to the UAE by obtaining a short visit visa after arriving in the UAE. It is the employer's commitment to the employees to proceed with the process of obtaining visa. The employer has to follow certain procedure to obtain visa for its employees. The public relations officer or the Government relations officer sends the essential documents to the Immigration/Labour offices to begin the application for the residence visa. Once the Residence visa application got approved by the Immigration office then the employee should undergo a medical test. If the employee's medical test result shows that he is hale, the residence visa can be easily acquired. Then the Ministry Of Labour ("MOL") will issue the labour card for the employees with their identity and mentioning their place of work. The respective Free Zones Authorities (FZA) will sponsor for the employees working for a particular free zone category and not by their employers.

It is mentioned that the authorised holder of a Residence visa are allowed to sponsor for their dependents subject to some limitations (Pwc, 2017).

## 8.2 Legal

There exists a huge alternative method that allows businesses from other countries to establish and carry out in the UAE: (1) with the help of the native UAE representative who acts on behalf of non-native business person; or by directly becoming the owner of the business in the UAE. To find the most suitable method that allows the foreign business to successfully carry out their operations in the UAE will depend on certain factors. Factors like the type of products or services being offered in the market and the selection of the suitable customer base. The following suggestions gives a summary of the main alternative methods to be chosen that helps foreign businesses to effectively conduct their business in the UAE (Cave, 2004).

It should be noted that some important research need to be done before applying for business license validation. Firstly, we need to identify the nature of the activities involved in the actual business model demanded by the companies act legally. The fees charged for legal registration will depend up on the type of business being carried out. In some business, certain standards should be met while choosing the location of the business and the total area should be well enough to carry out the business operations.

There are various legal procedures applicable to particular type of business ownership and type of activities involved in the business example like Private Limited Company, Sole Proprietorship, Limited Liability Company etc. For each of these categories of company separate rules and regulations and legal procedures will be applicable. Once the company activity as well as legal ownership is decided, a unique company name should be chosen which will reflect its proposed activity and type of legal ownership selected and should be different from other company names. Once the company name is initially approved, the authorised person can file a form with the respective Government official for further legal approval of a company. The Government official will legally approve the business of the company when the type of business activity is clearly defined. Some categories of business activity necessitate only getting approval from Department of Economic Development (DED). Thus the authorised person of the company can submit

their company legal documents to DED and pay the required fees for granting the business license (Basics, 2017).

### **8.3 People**

A broad geographical area where 350 millions of people residing are facing increasing danger and turbulence because of the civil war happening in Yemen, Libya, Iraq and Syria and non-stopping fight between Palestinians and Israelis. Making worse this war situation, the growth of ISIS terrorist groups explode relocation crisis that forces millions of expatriates to be evacuated and the oil prices fall due to strict financial policies and political non-favouring situations are happening in every regions.

Adding to that, many Middle East and North Africa region (MENA) faces inescapable problems of corruption, payment settlement solutions, and physical security hazard and currency risks. Companies have to face these governmental obstacles and some ambiguous, continuously changing supervisory rules and tax demerits. As a result, company who wish to make their presence in this MENA region must conduct risk analysis for their business before establishing their business in MENA region. Although not all MENA region faces this same uncertain situation (Banham, 2016).

### **8.4 Competition**

Due to the prevalence of supporting commercial and financial situations that exists in the UAE, the textile manufacturing countries of South East Asia such as India, China and Thailand faces tough competition among themselves to establish their Textile manufacturing business in the UAE (Ken research, 2013).

The textile and clothing manufacturers employ certain methods to remain competitive in the worldwide textile and clothing industry. Some clothing manufacturer due to this competition offers lower labour cost while others focus on providing special designs and new models. Some others faces this competition by reducing the cost of the raw materials and increasing their quality of clothing. The Free Trade Agreements (FTAs) and closely available market for successful marketing of their textile products are also considered important factors to win over the competitiveness of textile and clothing Manufacturers. The

textile manufacturers coming under FTA are allowed to import goods from each other at free of cost, thus the final sale price of goods will decrease.

Like the nearly available market where we can easily access the goods on delivery time, it also helps to build cultural similarity and cope up with the varying market trends. The manufacturers in Dubai textile industry finds that an FTAs with EU, US, Australia, and India, will have positive impact on their business while they find that an FTAs with Malaysia, China, and Pakistan will have negative impact on their businesses since these countries are textile and clothing producers and considered as key competitors in the global textile market.

## CHAPTER IX- EXECUTION OF PLAN

The careful planning is very important for the execution of proposed business plan mentioned in risk analysis part of plan. Performing something means putting in place the policy or strategy and deciding the matter in advance as stated by (McCarthy, 2012). Conducting various analyses of the company in marketing, competition, customer behaviour, the next step is preparation of risk analysis of the company and observation of changes or result thereof. Marketing mix, raw materials and timings are some important factors of the analysis.

### 9.1 Marketing mix

According to (Kotler et al., 2002) (Kotler et al., 2002), the skills used by the company to popularise its brand in the market is called Marketing mix. It helps the company to increase the desire to buy their goods in the market. If the marketing mix of the company is handled correctly it will give the desired success result to the company. The company can easily achieve its business plan. The important 'P's in marketing are price, packing, people, product, promotion, place and physical evidence which are co-related to each other.

#### 9.1.1. Price

The above various 'p's are giving value additions to the product. The other factors like cost of production, target segments, location, demand and supply position and the consumer's willingness to pay are the

important factors of marketing. Pricing of the product is the important tool for increasing sales of the product (Kotler et al., 2006). ST exporters are providing quality goods with reasonable prices.

### 9.1.2 Product

The goods provided to the customers should give minimum level of satisfaction to them. Otherwise the marketing mix will not be effective (Kotler & Pfoertsch, 2006; Kotler & Armstrong, 2006) ST export World has manufactured various popular products, with different combination and latest designs. Value added products such as Organic cotton, Ultra Yarns (Contamination controlled), Gassed Mercerised, Super Fine Yarns were also manufactured by ST Export World. The company manufacturing process focused on absolute excellence, innovations as expected from customers. It has made collaborations with many technology experts and kept themselves as global business establishments manufacturing premium quality yarns.

### 9.1.3 Place

UAE is one of the important business centre for World's trade and business. Every business house who wants to have good reputation in the international trade must have a branch office or representative office in UAE. UAE government is providing easier access to business people who want to set up their business in UAE. Government made it easy for companies to establish business in Middle East and North Africa (MENA). According to World Bank Report of 2016, MENA ranks 31 in the survey of "Ease of Doing Business" in the World. Hence ST Export World can expand their business easily in UAE and it is very beneficial to them also.

### 9.1.4 Promotion

According to Kotler et al. (2005), advertising, reports of press, incentives, commissions, word of mouth, direct marketing, prizes and competitions are the promotional activities for familiarising the products to the customers.

### **9.1.5 Physical Evidence**

As per Bhasin (2016), the customers are buying the products based on physical perception and that induces the customers in selection of products.

### **9.1.6 People**

The success depends on the trained employees who are engaged in the business and having direct contacts with the customers (Entrepreneur, 2017).

### **9.1.7 Process**

According to Ramachandran et al. (2010), the prevailing systems in the business organization directly affect the carryout of business plans.

SAMPLE WORK ONLY

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