

Challenges facing fashion industry in ghana

[Design](#), [Fashion](#)



CHAPTER ONE BACKGROUND TO THE STUDY The environment in which the fashion industry operates the world over has become turbulent, unpredictable and therefore, difficult to exert managerial control. Cultures around the world are constantly influencing each other; hence, the world's cultures are changing fashion constantly. Also, social, economic, political and legal factors keep changing than before. Competition in the fashion industry is so rife such that the survival of fashion organizations cannot be guaranteed (Stuart, 1995).

During the last decade, the developments of new technologies all over the world and growing globalization of countries economies have produced the fastest changes ever. The fashion industry in Ghana, especially, the clothing sub sector (which is the focus of this study) has not been without the effect of economic, political, social, cultural and legal pressures brought to bear on all organizations. In recent years, protectionism has given way to globalization. With that change, Ghanaian clothing sector of the fashion industry has had to compete with imports from low wage countries.

Retailers, unencumbered by protectionism, have also seized on the opportunity, often choosing to go directly to offshore manufacturers. As retailers become larger and more globally connected, they continue to build global brands marketed around the world. In doing so, they eliminate many Ghanaian clothing companies from their supply chain. The result has been major market share declines and job losses in the industry. Aug The Ghanaian clothing sector of the fashion industry faces many challenges. he rise of low-cost goods from Asia, a slowdown in consumer spending, difficulty in accessing capital, lack of innovation from entrepreneurs, relatively high <https://assignbuster.com/challenges-facing-fashion-industry-in-ghana/>

prices of products due to high unit cost, poor distribution channels and inability to promote local brands. It is without doubt that low-cost Chinese imports have increasingly dominated the local fashion scene. As a result some local manufacturers, in an attempt to remain competitive, have subcontracted their production processes offshore. The issue of access to capital for the industry is not new.

For years, industry players have indicated that they feel there is a lack of support for their industry from the banking community. Under these circumstances, it is not a surprise that many companies cannot secure financing. as a result of banking formula-based lending practices, financing remains a challenge to many well-run clothing companies and small businesses in general. Brand DEVELOPMENT HAS BEEN A MJOR ISSUE IN THE clothing sub sector in the fashion industry in Ghana. Many Designers have not been able to design unique Ghanaian designs that would bear their own brand name in order to project their business.

However, a few creative ones have had their product design copied wrongly and produced cheaply from China, thereby destroying the brands they have developed. These and other factors have created serious marketing challenges for the clothing sub sector of the fashion industry in Ghana. This study would go into detail to look at the nature of the marketing challenges facing the industry in Ghana. STATEMENT OF THE PROBLEM There are growing signs Ghanaian garment and fashion industry is approaching a serious crossroad.

Increasing numbers of mainland Chinese manufacturers are taking Ghana's role of mass-producing quality fashion items at reasonable cost. Industry players, also have difficulty securing financing from other lenders. For example, asset based lenders often require substantial premium interest rates. Other larger non-traditional lending institutions and professionals that can assist prefer working with larger companies where greater fees and returns can be earned. The traditional financing problems will likely become further exacerbated as companies implement new models that do not generate assets that can be collateralized.

The problems enumerated above, as well as western cultures, globalization have created internal marketing challenges for the clothing industry in the area of promotion, pricing and distribution of products. The study seeks to unravel the challenges and make recommendations to solve the problems.

OBJECTIVES OF THE STUDY The objectives of the study were: 1. To investigate how foreign cultures have influenced the Ghanaian brands in the clothing industry. 2. To assess the challenges associated with clothing design (product development) 3. To investigate the challenges industry players face in their pricing of products . To assess how they promote their products.

RELEVANCE OF THE STUDY It is hoped that the study would benefit clothing sub sector of the fashion industry in Ghana. Also, it will serve as a pedestal upon which future researches in the area would be based.

CHAPTER TWO
LITERATURE REVIEW Eusebio (2007) carried out a research on the topic " Internal key factors in export performance: A comparative analysis in the Italian and Spanish textile-clothing sector" The purpose of this paper is to

analyze the key factors in the international performance of textile manufacturing companies.

The study provided a comparative study of the main factors that have affected the export performance of the Spanish and Italian clothing sub sector of the fashion businesses. A wide range of factors has been studied, such as size, dispersion of sales and export experience. In order to compare Spanish and Italian cases, the empirical study used a standardized questionnaire for collecting data. The cases analyzed were respective geographical zones with a great tradition in textile-clothing industry in their country, Catalanian (in the Spanish case) and Lombardian business (in the Italian case).

It was found that international experience was the main factor in the export performance for both cases but the investment in R&D and the export experience have been the keys for explaining the major export performance of the Italian businesses. The paper explained why the Lombardian textile-clothing companies exported more, in relation to total sales, than the Catalan companies in the same sector. . Research limitations - The sample was formed basically for small textile-clothing businesses (with less than five employees).

Eusebio (2007) STUDIED Top of Form Management perception and marketing strategy in export performance: A comparative analysis in Italian and Spanish textile-clothing sector The purpose of the study was to focus on the key factors in the international performance of textile manufacturing companies. In order to compare Spanish and Italian cases, the empirical

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study used a standardized questionnaire for collecting data. The cases analysed were respectively geographical zones with a great tradition in textile-clothing industry in their country, Catalanian (in the Spanish case) and Lombardian business (in the Italian case).

Research limitations/implications - The sample was basically from small textile-clothing business (with less than 500 employees). It was found that international experience was the main factor in the export performance for both cases but investments in R&D and export experience have been the keys for explaining the major export performance of the Italian businesses. The study was of value in that it provides a comparative study of the main factors that have affected the export performance of the Spanish and Italian businesses.

A wide range of factors has been studied, including characteristics of the business, such as size, dispersion of sales and export experience. Freeman (2007) carried out a survey on the topic " Fashion marketing to women in Kazakhstan" The purpose study was to explore consumer behavior regarding women's decisions concerning fashion in the emerging marketing of Kazakhstan. Literature review formed the basis of the questions asked to several focus groups and in-depth interviews of 48 Kazakhs representing the average age of Kazakhstan.

The approach of the paper was exploratory as there was not a lot of research concerning the Kazakhstani marketplace. The work revealed that Kazakhstani women were becoming aware of their rights to choose clothing and location of purchase. They expected to be treated with respect. The

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women were value conscious, thinking brand names enhanced the value of clothing and will shop sales regardless of the actual discount. Kazakhstani women were extremely fashion conscious and looked to the media current fashions. They were wary of anything coming out of China.

There were five market segments into which these women can be divided. Practical implications – Kazakhstan is opening as a marketplace. In order to understand how to market in Kazakhstan, firms must understand what is wanted and this paper begins this exploration. This market is unexplored both academically and by many clothing manufacturers. This market is opening and thus information concerning the marketplace is necessary. Chong (2007) carried out a survey on the topic “ Central and Eastern European countries and North Africa: The emerging clothing supplying countries to the EU”.

The purpose of this study was to examine the delocalization trend of the EU's clothing production to Central and Eastern European Countries (CEECs) and North Africa, focusing on the geographical shift of outsourced clothing production pattern within the two developing regions. In total, 14 CEECs and North African countries were selected and classified into 1st-tier and 2nd-tier regions according to their GDP/capita values. Clothing trade statistics were obtained from the Eurostat database, and the clothing trade pattern was examined during 1995 to 2004.

Trade Specialization Coefficient (TSC) was employed to measure the international competitiveness of clothing exports of the selected CEECs and North African countries. Results concluded that the EU's clothing production

had significantly delocalized to the proximate CEECs and North African regions, with further geographical shift to less-developing 2nd-tier clothing supplying countries in recent years. The TSC analysis reflected that the competitiveness of clothing industry in 2nd-tiers had outperformed the 1st-tier economies, indicating Western European firms had shifted their sourcing practices to those lower-waged countries.

Koksal (2007) studied on the topic "references regarding children's clothing in Turkey" The aim of this study was to determine the factors affecting the consumer preferences and behavior in the children's clothing market in Turkey, a country where the majority of the population is under 18 years old. Whilst the study investigated the purchasing preferences and behaviour of parents, such as shopping frequency and period, type of retailer and the effect of reference groups in the children's clothing market, it also explored some children's purchasing characteristics, like shopping decision age.

This study offered some academic results on consumer behaviour and preferences in the children's clothing market: There is no set shopping period; consumers prefer shopping from independent shops; in the selection of retailers, consumers consider payment conditions, pricing, and range of merchandise; in the family the parents mostly make the buying decisions for their children's clothes; the age of children making their own clothing decisions varies between six and ten; the most important factors affecting consumers' decisions towards shopping for children's clothing are the price, quality, convenience, payment conditions, and size of the clothing. Kilduff (2007) carried out a research on the topic " Analysis of comparative

advantage in the textile complex: A study of Eastern European and former Soviet Union nations” This research aimed to present an exploratory investigation into ten-year (1995-2004) patterns of trade specialization among Eastern European and former Soviet Union Nations, assessing patterns of comparative advantage across the textile machinery, man-made fiber, textile, and apparel sectors of the textile complex to determine whether these conform with both trade specialization and industry evolution theories.

A revealed symmetric comparative advantage index was employed to evaluate international competitiveness for 27 Eastern European and former Soviet Union Nations over a ten-year period. A repeated measure ANOVA was used to determine the significance of the observed patterns across four income-defined groups of nations. Overall, the pattern of export development and RSCA generally reflected expectations regarding factor proportions theory and industry evolution models. The RMANOVA partially confirmed the observations. The analysis indicated that income group did not independently affect comparative advantage; however, the nature of products was the significant factor influencing national comparative advantage.

According to the researchers, the established models may be better at understanding those nations which have established relatively stable political and economic environment, and been experiencing earlier stages of industry development, but appear less useful in predicting development patterns for those nations experiencing dramatic transitions from regulated

to de-regulated markets. The patterns of national comparative advantage in a vertical textile complex are identified for Eastern European and former Soviet Union Nations. The dynamics of change over a ten-year period following economic reforms are revealed. Karpova et al (2007) looked at the topic " Making sense of the market: An exploration of apparel consumption practices of the Russian consumer". The purpose of this study was to examine and interpret post-socialist consumer experiences in relation to clothing consumption practices when consumers shop, acquire, and wear clothing and other fashion-related products. The in-depth interview was the primary data collection tool. Data collection was conducted during summer 2004 in St Petersburg, Russia. College students formed the sample for the study. In total, 17 students (four males and 13 females) were interviewed. The hermeneutic approach was used to interpret the meanings of the participant life experiences. In comparison to consumers in an established market-based economy, consumers in this post-socialist market have unique perceptions of clothing attributes (quality, brand name, country of origin, retail channel) critical for buying decisions.

Overall, appearance and clothing play a special role in the emerging Russian market as they help construct and communicate new identities more than any other product category. Identified challenges of the Russian apparel market indicate opportunities for domestic and foreign apparel businesses. The meanings Russian consumers attach to clothing attributes can be used to develop product positioning and promotional strategies. Discussed implications of the research findings can be extended to other post-socialist emerging markets. This study explored how Russian consumers have

adjusted to the new economic reality after almost fifteen years of transition from a socialist to a capitalist society from the perspective of the consumer.

Whereas previous research findings were confirmed, the present study provides rationale for perceived importance of quality and unimportance of brand name in the Russian apparel market. Curran (2007) studied the topic “clothing's big bang: the impact of the end of the ATC on developing country clothing suppliers”. Prior to the liberalization of the clothing and textiles sector under the Agreement on Textiles and Clothing (ATC) fears had been expressed about the potential impact on developing country suppliers. This study sought to establish the actual impact of the liberalization of the EU and US clothing markets. Comparison of trade figures pre and post liberalization. Was the basis for the research design

The research revealed that, as forecast, significant changes occurred in sourcing patterns in the EU almost overnight. The big winners were India and China. Almost all other developing countries lost market share, although often not as much as had been feared. The impact of the liberalization was mitigated somewhat by the new quantitative restrictions negotiated with China half way through the year, which resulted in a redistribution of market share to other developing countries. Comparisons with the USA indicated that trends are rather similar, although on that market more developing countries saw increases in their exports, partly canceling out losses in the EU.

Johnson (2007) carried out a survey on “The role of focal suppliers in strategic networks for internationalization: Perspectives from small and

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medium-sized Italian and Thai silk suppliers” The purpose of this research was to examine the role of focal suppliers in strategic networks for internationalization from the perspectives of small and medium-sized Italian and Thai silk suppliers. Multiple case studies of small and medium-sized suppliers within the silk industries of Italy and Thailand were undertaken. In total, seventeen interviews and three observations were conducted with directors or managers of silk suppliers and a range of government agencies, associations and institutes involved with the silk industry, to identify significant current issues within the sector. Conceptually clustered and role ordered matrices were used as coding frameworks to reduce, structure and analyze the data. The research showed that Silk suppliers' networks may be co-ordinated by a focal supplier that assumes the role of strategic leader.

The involvement of a focal and strategically-focused supplier may strengthen and integrate the resources and capabilities of silk suppliers in their networks and enable them to improve their international network development and position. Further investigation is needed on the details of specific roles of focal suppliers in strategic networks. In the view of the researchers, Silk suppliers, their customers and government agencies involved with silk suppliers should: advocate and actively support the development of focal suppliers in their networks to enhance the effectiveness of their internationalization process and strategy. The researchers also indicated that there tends to be a consensus in the literature about the influence of focal customers and larger organizations in strategic networks.

This study highlighted how small and medium-sized silk suppliers adopt the roles attributed to focal firms and gain positioning advantages for themselves and other suppliers in their network. Karmenidou (2007) carried out an exploratory study on the reasons for purchasing imported high fashion apparels: The case of Greece. The purpose of the study was to examine the reasons that Greek consumers purchase imported high fashion apparel over Greek designers high fashion apparel. The specific objective of the research was to detect the underlying factors that affect their purchasing behaviour. Qualitative research was conducted through discussions with consumer focus groups, all purchasers of imported high fashion apparel.

Quantitative research was undertaken by means of a questionnaire with 28 items referring to the reasons for purchasing imported high fashion apparel. The sample consisted of 200 high fashion consumers from the city of Larissa, Greece. Data analysis includes descriptive statistics, reliability, as well as factor analysis by principal component analysis with Varimax rotation. This research was exploratory in nature and employed a non-probability sampling method. Results indicated that the consumers perceive that the imported high fashion apparel have better aesthetics, a better line and are produced from quality textiles, compared to the domestic high fashion apparel.

Four factors derived underpinned the purchasing reasons of imported high fashion apparel: “ status and image”, “ quality of the product”, “ marketing reasons” and “ in fashion”. This study provided a useful source of information, which can be used by Greek high fashion apparel designers regarding the reasons why Greek customers of high fashion apparel

purchase imported over domestic ones. The study suggests which elements Greek designers of high fashion apparel should focus upon in order to gain a larger market share. This study was important in terms that it was the first one to explore the reasons for purchasing imported high fashion apparel over domestic ones in Greece.

It highlighted 28 reasons (items) derived from qualitative research. In addition it suggested appropriate quality and marketing actions to be undertaken by Greek high fashion apparel designers. Baker (2006) looked at the topic " Fashion industry facing challenges". According to him, the Australia's fashion industry faces many challenges including the rise of low-cost goods from Asia, a slowdown in consumer spending and the need to respond quickly to changes in trends. crippling household debt and low-cost Chinese imports increasingly will dominate the local fashion scene. " With house prices stagnant and the ongoing threat of an interest rate rise, people are readjusting their spending habits.

Having spent beyond their means for many years, the debt to income gaps need to diminish, which means shrinking the value of goods bought on credit. According to him, the clothing industry is set to bear the brunt of a consumer slowdown in spending which would spell disaster for some local manufacturers. The ability of local production to respond quickly to changes in fashion trends is also crucial for survival. In his view, manufacturers will need to build closer relationships with retailers to help them respond more appropriately to consumer demand. Another challenge came from rapidly

rising imports, particularly from China which accounts for 59 per cent of industry imports.

Smaller, independent operators should always be on the lookout to increase efficiencies, develop effective branding and market strategies and attack key niche segments to make financial gains. One growth area for smaller players was on line selling, or e-tail, with its low set-up costs. Online sales currently account for just two to five per cent of retail sales in Australia but predicted that figure will increase with rising levels of broadband penetration. Revenue is leaking from our fashion industry as retailers who have been slow to catch on to building an online presence are losing out to overseas labels that are selling direct to the Australian public online. A survey undertaken by logistics group DHL found that the trend for local designers to go offshore could have a negative effect on the Australian fashion industry.

The Business of Fashion survey showed that 90 per cent of respondents, which included designers and manufacturers, believe more garment manufacturing is headed offshore. The survey found that the industry needs better business training and more help to export if it is to remain competitive. Kalman (1999) wrote an article on how globalization has affected the fashion industry in the West Coast. While the West Coast sewn products industry is not exempt from downward domestic production trends faced by the rest of the United States, the region continues to stay one step ahead of the game thanks to its strengths in quick-turn fashion and flexible production.

Suppliers to the market are focusing on these strengths as well as the challenges facing West Coast producers - namely the lure of low-cost sourcing south of the border - as they prepare to participate in the 1999 Sewn Products Expo - Los Angeles, which takes place April 22-24 at the Los Angeles Convention Center. Looking at the factors that have driven the West Coast industry's growth, Lectra Systems Inc. vice president of marketing Rick Ludolph observes, " As West Coast firms have always been more fashion-driven, they have adapted better than more traditional manufacturing regions of the country to the need for fast, flexible production. ... Southern California, in particular, maintains a favorable value proposition with good labor availability at relatively low labor costs when compared to other U. S. regions. " Likewise, Mike Grogan, vice president of Apparel Machinery & Supply Co. notes that despite the migration of production offshore, the West Coast apparel industry " still [has] a good core of smaller manufacturers, particularly in the Asian community, which can offer quick response to sudden fashion trends and short production runs. " The source of most West Coast production is California, which continues to lead U. S. apparel industry employment with a 1998 work force of approximately 168, 700. The state is home to some 7, 400 fashion-related companies that account for \$47. 7 billion in annual wholesale sales, the California Fashion Association reports. Yet the growth of manufacturing activity in Mexico has had deleterious effects on apparel jobs, even in California. " This is particularly true in the most basic product line.

People on the lower-priced budget end are almost completely forced out of the U. S. It's very difficult for them to make the high-volume, low-cost

products here anymore. Moreover, From anywhere in Mexico you can be anywhere in the United States on the ground in four days, so transportation issues aren't really a problem anymore either. " Tight retail margins also are driving more production to Mexico. As Byte Systems director of sales and marketing Brad Mikes asserts: Retail price points are still the defining issue. Sewn products will continue to move to Mexico because of its proximity to the U. S. , the industry growth in Mexico, and because of the labor cost reduction [associated with] manufacturing there.

Still, California has assets, such as its highly skilled work force and quick-turn manufacturing capacity that Mexico has yet to match. With regard to the state's growing apparel work force, Ludolph emphasizes: " This is a result of the strong demand for skilled labor, which is required to produce much of the women's wear and sportswear that is dominant in the region. ...

[Subsequently] the availability of skilled, efficient labor is key to maintaining the apparel industry on the West Coast. " As the region's labor pool is fueled by an influx of Latin American immigrants, it promises to have a positive impact on maintaining jobs that might have otherwise moved to Mexico.

With regard to flexible manufacturing, Robison-Anton Textile Co. president Bruce Anton notes that streamlined logistics and just-in-time production are playing an increasingly important role in the success of California's apparel industry, whereas " Mexican manufacturers have not adjusted to this yet. " Isenberg adds that with fashion-oriented orders, California contractors can maintain an edge over those of Mexico, which has very few " fashion factories," as well as Asia, which requires long lead times. While " the days of

having big runs come into domestic factories are all but over," he says, California firms can still win if they are willing to run many different styles and small cuts.

Indeed, without the security of big runs, many West Coast companies have had to become more acutely attuned to the caprices of the marketplace. As Joe Hollander, president of AC/Automated Components observes: " We have noticed that some factories are downsizing their operations and gearing themselves toward smaller production runs with an emphasis on quality and quick turnaround. We also see an emphasis on the ability to make subtle changes in the product to customize it for specific stores, chains, etc. " From a financial perspective, JBA International's Joe Facenda, senior consultant for apparel and footwear, concludes: " Our region is more influenced [than others] by the constant flow of new companies. Our designers and supplier network make us the Silicon Valley of the apparel industry," he emphasizes, and this status breeds " a great need for more capitalization" so that start-ups and established companies alike don't " stay behind the capital curve. "

AHRC (2007) IN THE STUD OF Key Challenges in Adapting to New Models in the fashion industry ASSERTED THAT While companies are managing to adapt to offshore sourcing, they are slow to become world class in other parts of the value chain. Challenges are both company specific and general to the industry. The Study indicated that most participants had " operating basics" right, including being able to produce a value formoneyproduct that meets the end consumer needs at the right quality level, delivered on-time, with the proper service that retailers demand. However, the same study noted several weaknesses.

A startling 58 percent of companies did not have the financial acumen, information or general expertise to identify the true profit drivers in their company. Without this information, these companies have been unable to distinguish profitable versus unprofitable segments of their business, and thus often unable to identify the most profitable niches to grow; 58 percent of companies did not have a strong management team, implying that their own internal management competencies may be preventing them from reinventing themselves; While 67 percent of apparel companies operate within a niche, 62 percent do not offer the customer anything that differentiates them from the competition.

Contractors were specifically noted to have even greater internal challenges, including: Extremely weak sales and marketing capabilities: Many companies tend to be dependent on relatively few longterm customers; These companies do not have an owner or key employees with significant sales capabilities; Weak financial and costing which impede their abilities to determine profitable contracts from unprofitable ones; Poor workforce cross-training capabilities / flexibility. A World-Class Focus of Excellence Key challenges per company will also vary based on the model being pursued. In general, the following table illustrates the key challenges depending on whether a company intends to maintain an element of the value chain in-house and make it a core focus or whether it intends to outsource it:

Beyond specific business model challenges as noted above, certain general challenges will impact industry players as well: Decreasing Domestic Supply Chain As manufacturing continues to move offshore, domestic apparel

manufacturer suppliers (textile companies, label producers, thread companies, etc.) will face greater challenges; In all likelihood, these suppliers will continue to face consolidation and closures; As the supply chain erodes, it will become increasingly difficult for those apparel companies wishing to manufacture domestically to do so. The 2003 AHRC LMU noted that while most industry executives were aware of the coming industry restructuring, 87 percent did not have a strategic plan to deal with the issues. The 2007 AHRC Study confirmed this still to be the cases at the onset of the program, some three years later.

While the 2007 AHRC Study provided assistance to 130 apparel companies, presumably there continues to be many apparel companies without well-rounded management teams. Beyond specific value chain shortcomings, key weaknesses tend to be in the areas of strategic and financial management. Of all participants in the 2007 AHRC Study, 27 percent will face a succession issue within the next 5 years; 42 percent within the next 10 years: Most of these companies do not have succession plans; There is a strong correlation between companies that have succession plans and strategic plans; i. e. , if a company does not have a winning strategy in place, it likely does not have a succession plan; Without succession plans, many of these companies will face business continuity issues in the short to mid-term.

The issue of access to capital for the apparel industry is not new. For years, apparel companies have indicated that they feel there is a lack of support for their industry from the banking community. While there may be some truth to this, it may be for good reason. As previously noted, consider that of the

2007 AHRC Study participants: 56 percent did not have a strong management team in place; 58 percent were not able to determine the true profit drivers of their business; 87 percent did not have a strategic plan that could be acted upon; 61 percent were not willing to reinvest in their businesses. Under these circumstances, it is not a surprise that many companies could not / cannot secure financing.

Nevertheless as a result of banking formula-based lending practices, we believe that financing remains a challenge to many well-run apparel companies and small businesses in general. SMEs at times, also have difficulty securing financing from other lenders. For example, asset based lenders often require substantial premium interest rates. Other larger non-traditional lending institutions and professionals that can assist prefer working with larger companies where greater fees and returns can be earned. The traditional financing problems will likely become further exacerbated as companies implement new models that do not generate assets that can be collateralized. Consider: Soft cost expenditures are often required to implement new models (i. e. esigners, marketers, sales and service personnel, increased travel, training and marketing costs, These expenditures offer no collateral security to lending institutions and as a result, are difficult to finance; Inventory financing costs are increasing, often as a result of shifts to imports; Requirements to fund export receivables are increasing. To further exacerbate the issues, many executives appear to often strip equity from their companies as opposed to maintaining this capital for future reinvestment. Employment will shift from predominantly production jobs to balanced or predominantly white collar positions. New

models will require companies to hire world-class talents in areas such as design, marketing and logistics.

According to the 2007 AHRC Study, positions to be most in demand include: Sales professionals (sales managers, brand managers, sales representatives); Marketing professionals (marketing managers, marketing analysts, merchandising technicians); Designers (product developers and design technicians); Import / export specialists; This talent appears to be in short supply and in demand by other industries as well. Apparel companies will be challenged to recruit, train and retain these key personnel. Financing such salaries will also be a challenge to companies. According to the 2003 AHRC LMU, 87 percent of Canadian apparel companies had less than 50 employees. Less than 7 percent of companies employed more than 100 personnel.

This SME industry structure partly explains the lack of management sophistication in the industry. In order to reinvent themselves, many companies will need to increase their size in order to support greater white collar needs. We believe that this will lead to: Further industry consolidation; Continued merger and acquisition activity (for companies that have established a niche but need greater volume to expand and operate on a larger scale); Partnering / allying / creating joint ventures with world class specialists in order to remain competitive. Such partnerships are likely across the entire value chain in the areas of design, marketing, manufacturing, sales, logistics and distribution.

As in the banking sector, much of the professional expertise in this area (business brokers for example) may be out of reach to many SMEs.

Professionals in these areas prefer to work with large organizations whereby they can generate substantial fees as opposed to the SME marketplace.

There are relatively few barriers to entry in launching an apparel company.

As a result, the industry is constantly regenerating. Consider that nearly one third of all participating companies in the 2007 AHRC Study were established within the last ten years. Many of these companies are being founded by new designers graduating from colleges or individuals who have identified an underserved niche.

Unhindered with the baggage of yesteryear, many of these companies have viable new business models. In these cases, the challenge is often to secure adequate industry specific managerial talent and financial resources to grow the company. CHAPTER THREE METHODOLOGY 3. 1 RESEARCH DESIGN The research used the survey design. Independent variables which were assessed cultural, globalization, pricing, product design and promotion challenges in the clothing sub sector of the fashion industry. Assessment was made to see their effect on the industry. Both qualitative and quantitative tools were used for the research. The design factored in large scale fashion designers, medium scale designers and tailors/seamstresses.

The stratified and simple random sampling methods were used. 3. 2 POPULATION AND SAMPLING 3. 21 Population and Sample The research targeted large scale cloth designers, medium scale designers and tailors/seamstresses in Accra. The large scale designers are those who

produce on large scale for the Ghanaian market and still export some. The medium scale are those who produce for the Accra market and a few for other regions. The tailors selected were those imitate and create designs based on the specifications of others. A sample of 120 was chosen. It was made of 10 large scale, 50 medium scale and 60 tailors/seamstresses. 3. 22 Sampling Strategy

The research stratified the population into 3: large scale designers, medium scale designers and tailors/seamstresses. Simple random sampling was then used to select the sample in each stratum. A List was obtained from the Association of Fashion Designer and the Association of Tailors and Seamstresses. They then given codes and put in a basket. The sample was then selected randomly through the lottery approach. 3. 3 RESEARCH PROCEDURE A letter of introduction was taken from the Methodist University College. Copies were made and addressed to the leaders of Associations to seek approval for preliminary interview to have insight into the challenges of the industry.

The leaders of the associations gave out the list of members, location and telephone numbers. With the help of the leaders, 120 respondents were selected. The researcher upon meeting the respondents explained the topic under study, stated the purposes, relevance and benefits of the research. Upon the approval of the Heads, the respondents were given the questionnaires. The researcher and his research assistants used a period of four (4) weeks to collect the questionnaires from the respondents. Out of the 120 individuals identified and given the questionnaires, 108 responded to

the questionnaires, representing a response rate of 90%. 3. 4 RESEARCH INSTRUMENT

The primary data was collected through the administration of questionnaires based on our aims and research questions. The questions were in The questions used in this research were two types: open-ended and closed-ended questions. The reason for the open-ended questions was to allow respondents to express their views in the way they desired. The closed-ended ones were used to ascertain specific answers. 3. 5 STATISTICAL ANALYSIS Qualitative and quantitative methods were used in this research. These two methods complement each other. Qualitative research can be used in all disciplines and subject matters and its main aim is to gather an in-depth understanding of reasons and human behaviour.

It investigates the why, what, how, where and when of decisions making and human behaviour. The research used bar graphs and frequency tables to analyse the data. The researchers also used the Statistical Package for the Social Sciences (SPSS) for the analysis. REFERENCES APPENDIX 1

METHODIST UNIVERSITY COLLEGE DEPARTMENT OF MARKETING

QUESTIONNAIRE INTRODUCTION I am a student of the Methodist University College, Department of Marketing, pursuing Bachelor of Business Administration. I am carrying out a research on the topic “ Marketing challenges of fashion industry in Ghana: perspectives of clothing sector. in partial fulfillment for the award of the degree.

It is the aim of this research to find out the challenges of the fashion industry in relation to globalization, cultural influence, product development, pricing,

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distribution and promotion. The information you provide would be treated with the confidentiality and anonymity it deserves. You are assured that the information would be used for purely academic purposes and nothing else. I would be grateful if you respond to this questionnaire as objectively and honestly as possible.

SECTION A : Demographic Data

- Age..... 2.
- Gender: Male..... Female.....
- Educational background: BasicEducation.....Secondary education..... Tertiary education.....
- How long have you been in the fashion industry.....
- 5.

Industry classification: Seamstresses/Tailors..... Medium scale..... Large scale.....

SECTION B: Cultural Challenges

- Clients like European designs Yes..... No.....
- American designs have adulterated indigenous Ghanaian designs Yes..... No.....
- Women mostly like western clothes that expose their bodies Yes..... No.....
- Cheap foreign clothes are collapsing the Ghanaian fashion industry. Yes... No.....

SECTION C: Challenges of Globalization

- Unfair global trade affects the fashion industry in Ghana. Yes... No.....
- The fashion industry in Ghana uses very little IT in its operation. Yes..... No.....
- Designs on the net has a lot of influence in the choice of clothes. Yes..... No.....
- 8.

Globalisation has changed the taste and preferences of consumers in the fashion industry in Ghana. Yes..... No

SECTION D: Product development Challenges

- the industry has innovative designers with a sense of originality. Yes.... No.....
- The clothes designed are of high quality. Yes..... No.....
- Clothing brands do not have trademarks. Yes.....

No..... 12. Designs and clothes are durable. Yes..... No.....

SECTION E: Pricing Challenges 13. Consumers complain about the prices of clothes. Yes..... No..... 14. Prices of Ghanaian clothing designs are higher than that from the west. Yes.... No..... 15. Chinese clothes of the same quality are less expensive than Ghanaian clothes. Yes.... No..... 16.

Designs do not have standard prices. Yes..... No..... SECTION F: Promotion Challenges 17. Industry players cannot afford to advertise clothes on TV. Yes..... No..... 18. Medium scale clothing producers do not take part in trade exhibition. Yes..... No..... 19. Most clothing designers are not known. Yes..... No..... 20. Stakeholders do radio advert to advertise new designs. Yes..... No..... SECTION G: Distribution Challenges 21. Cloth designer do not have many sales outlet. Yes..... No..... 22. There are not many retailers who deal in made Ghana clothes. Yes..... No.... 23. Made in Ghana clothing designs are not easily accessible on the local market. Yes..... No.....