Brand Architecture Strategy of Knitwears: An Exploratory Study of the Ludhiana Cluster

Dr. Sanjeev Sharma

Abstract

The Ludhiana knitwear industry is one of the biggest clusters of knitwear units in Asia. But it is lacking in consistent high quality image building for both domestic and international markets. An individual company’s brand was just an incidental choice without any loyalty attached to it. The conventional insight is that the traditional branding is wounded and dying at the feet of innovative modern branding concepts because of competitive advantages and consistently changing customer needs. The basic branding strategy has revolved around researching consumer attitudes, requests and identifying un-met needs. They are able to come up with modifications to existing products that appeal to different segments or market niches. Finally, they have come through the progression of a new product development, packaging, logo, design, positioning and promoting their product with the help of brand architecture strategy. The present study is an attempt to visualize the various brand architecture strategies followed by knitwear manufacturers of the Ludhiana cluster.

Keywords: Brand Strategy, Cluster, Brand Orientation and Brand Architecture
Introduction

The knitwear industry all over the world is at the threshold of far-reaching institutional changes. Over the past three to four decades, trade dynamics, especially price and quantitative restrictions have come to play a major role in the patterns of the sector's development. The removal of quantitative restrictions has brought major changes. It has thrown open both the opportunities and threats, especially for the low-income economies seeking to industrialize through promotion of the garment sector. Approximately 95 per cent of the woollen needs of the country are met by the Ludhiana cluster. The sector contributes about 14 per cent to industrial production, 4 per cent to the gross domestic product (GDP), and 11 per cent to the country's total export earnings of which 45 per cent comes through the share of knitted garments.

There is a common feeling in the cluster that a shared vision is missing within the cluster. The existing infrastructure available in the cluster is being mainly used for non-industrial purposes to earn revenue and sustain it. A large number of units produce quality knitwear but they have not yet branded their products. Many of these companies undertake fabrication for other brands. A year-on-year growth rate of the branded knitwear market projected a growth rate of 25 per cent in the next five years.

Robert Pringle established Pringle of Scotland in 1815 in the Scottish border. It is the first known brand in the history of knitwear. Competition is very fierce with import causing knitwear prices to fall and forcing the knitwear manufacturer to look at new ways to differentiate their products. Thus the focus is shifted to promote brands, pioneer designs and new manufacturing techniques. The essence of garment branding is to develop a plan of action that will make a product the only solution to its targeted customers. The brand should amplify the image of Ludhiana as suppliers of quality, eco-green and a reasonable deal of knitwear products. This strategy will enable the knitwear units to come out of the shackles of contractual producers and provide them with an opportunity to promote their own business. It will help to project this industry in a positive sense.

Review of Literature

Branding has been extensively studied and a plethora of literature is available, analyzing it from various perspectives. Fisher (2005) has illustrated five key factors such as creating, managing, differentiating, creating added perception for the service market and maintaining a client base while attracting new clients. Narang (2006) has suggested that majority of the buyers get to know about the brand through print, broadcast or outdoor media. Sadeed and Vinayek (2008) have studied rebrand as an emerging marketing strategy. Baltas and Saridakis (2009) have made insights into the effects of brand name, segment differences and product characteristics and its implications on determining the price structure of the product. Ramesh (2011) examined consumer loyalty programmes and marketing strategies. Merabet and Benhabib (2012) have analyzed that the understanding of branding, advertisement, processing and buying decision making is necessary for the definition of consumer oriented branding strategy. Mohan and Sequeira (2013) examined the relationship between brand equity and business performance in fast moving consumer goods industry. Forbes (2014) advocates that social media, content marketing, second screening, thought leadership and the demographic shift are just some of the many things that are challenging brands to think differently and brand strategy must be focused in this area. Srinivasan
& Susan (2015) studied the impact of brand strategy on stock risk as all stakeholders’ interest is to maximize returns. For this purpose, the role of the brand becomes more significant as it contributes to the market discipline by framing brand decision in risk management terms.

Objective of the Study
The knitwear industry in Ludhiana is characterized by diversities in terms of size, nature of products, technology and the type of management. The object of the study is to study the brand architecture strategies being followed by the knitwear manufacturers of Ludhiana.

Research Methodology
Keeping in view the objectives of the study, exploratory research designs have been used for the study. In order to collect primary data for the study, a comprehensive questionnaire on various aspects of brand management, branding practices and strategies and other objects of study were developed by identifying variables from the literature reviewed. Statements in the questionnaire were finalized after conducting a pilot survey on the 11 knitwear units in Ludhiana. The universe of the study is the knitwear manufacturers located in the Ludhiana knitwear cluster. Knitwear Club is the oldest recognized industry association of the knitwear units located in the Ludhiana knitwear cluster. There are 700 direct members of Knitwear Club, varying in size, technology, products and the nature of management. The members could be categorized on the basis of their manufacturing and sale of their own brands, or working for some other buyer. Further, these brands were domestic as well as international. They are classified into the following categories; Firms working on own brands (domestic and international market) named as Category-1. Firms working on own brands and for other domestic brands (domestic market) named as Category-2. Firms working on own brands and for other international brands (domestic and international market) named as Category-3. Firms exclusively working for international brands (international market) named as Category-4. The category-wise response rate is shown in Table 1.

Table: 1
Sample Size and Response Rate of the Respondents

<table>
<thead>
<tr>
<th>Category</th>
<th>Category 1</th>
<th>Category 2</th>
<th>Category 3</th>
<th>Category 4</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total No. of Firms</td>
<td>280</td>
<td>70</td>
<td>210</td>
<td>140</td>
<td>700</td>
</tr>
<tr>
<td>Sample Chosen</td>
<td>43</td>
<td>17</td>
<td>32</td>
<td>23</td>
<td>115</td>
</tr>
<tr>
<td>Responses</td>
<td>40</td>
<td>10</td>
<td>30</td>
<td>20</td>
<td>100</td>
</tr>
<tr>
<td>Response Rate</td>
<td>93.0%</td>
<td>58.9%</td>
<td>93.8%</td>
<td>86.9%</td>
<td>86.95%</td>
</tr>
</tbody>
</table>

(Source: Primary Data)
Limitation of the Study
The scope of the study was confined to the knitwear industry located in Ludhiana (Punjab) only. Therefore, general inferences cannot be drawn for the whole of India. As the industry under study is very old and highly unorganized, the secondary data specifically pertaining to information regarding accounting was not available.

Approaches to Branding Strategies
Analysis of company strategies revealed six models in the management of brand-product relationship.

1. The Product Brand Strategy
   It involves the assignment of a particular name to one, and only one, product as well as one exclusive positioning. The result of the model is that each product receives its own brand name that belongs only to it as shown in Exhibit 1.

   **Exhibit 1**

   The Product- Brand Strategy

   \[ \text{Firm ABC} \]
   \[ \text{Brand X} \]
   \[ \text{Brand Y} \]
   \[ \text{Brand Z} \]
   \[ \text{Product A} \]
   \[ \text{Product B} \]
   \[ \text{Product C} \]

   \[ \text{Positioning A} \]
   \[ \text{Positioning B} \]
   \[ \text{Positioning C} \]

   \[ \text{Table 2} \]

<table>
<thead>
<tr>
<th>Name of the Firm</th>
<th>Brand Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Polka Knitwears</td>
<td>Additions, Skyways</td>
</tr>
<tr>
<td>Tudor Knitting Pvt. Ltd.</td>
<td>Tom &amp; Jerry, T 2 1Sports, Winterline</td>
</tr>
<tr>
<td>Amir Apparels &amp; Fashions.</td>
<td>Pandoga, Khatoon</td>
</tr>
<tr>
<td>Venus Cotsyn (India) Ltd.</td>
<td>Venus, Versovia</td>
</tr>
<tr>
<td>Universal Sports Apparel</td>
<td>USA , Le Carlo</td>
</tr>
<tr>
<td>R.N. Oswal Hosiery Factory</td>
<td>Marrinder, CYN, Canvon</td>
</tr>
<tr>
<td>Jay Kay Wears Pvt. Ltd</td>
<td>JayKay, Casanova</td>
</tr>
</tbody>
</table>

   (Source: Primary Data)

2. The Line Brand Strategy
   This strategy involves the exploitation of a successful concept by extending it by staying very close to the initial product. This strategy reinforces the selling power of the brand and creates a strong brand image; examples are listed in Table 3.
**Table 3**

<table>
<thead>
<tr>
<th>Name of the Firm</th>
<th>Brand Name</th>
<th>Specialization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anuradha Woollen Mills</td>
<td>Jay Jay Classic</td>
<td>Men Women &amp; Kids</td>
</tr>
<tr>
<td>Barclays Hosiery</td>
<td>Barclay</td>
<td>Men &amp; Women</td>
</tr>
<tr>
<td>Laveena Hosiery (P) Ltd.</td>
<td>Kings Cross</td>
<td>Men &amp; Women</td>
</tr>
<tr>
<td>Pahawa Hosiery (P) Ltd.</td>
<td>Dalsun</td>
<td>Men Women &amp; Kids</td>
</tr>
<tr>
<td>Ziama Fashion (P) Ltd.</td>
<td>Ziama</td>
<td>Men Women &amp; Kids</td>
</tr>
</tbody>
</table>

(Source: Primary Data)

3. **Range-Brand Strategy:**

This branding strategy covers a range of different products under a single brand name and promotes through a single promise of a range of products belonging to the same area of competence. In the range-brand architecture, products guard their common name. The brand can easily distribute new products that are consistent with its mission and fall within the same category. The cost of a new launch is very low. This is shown in Exhibit: 2.

![Range Brand Formation](image)

Exhibit: 2

The Duke Fashion (India) Ltd brand is run on the basis of range-brand strategy with its focus target audience being today’s youth aspiring to be trendy and stylish. With the same brand name, the company sells men’s, women’s and kids’ collections.

4. **Umbrella Brand Strategy**

Under this strategy, the same brand supports several products in different markets. Each product retains its own generic name. Even an occasional setback can add to public awareness of the brand. This is shown in Exhibit: 3.

**Umbrella Brand Strategy**

![Exhibit 3](image)

An umbrella brand strategy allows the core brand to be nurtured by association with products with which it was not previously associated. Brand “Neva” owned by Neva Garments Ltd. is managed on the umbrella brand strategy basis. This brand name supports the company’s knitwear products for men, women and kids. The knitwear products include blankets, quilts, track suits, night suits and inners for all age groups.

5. **Source Brand Strategy**

This branding strategy is identical to the umbrella brand strategy except for one key point i.e. products are now directly named. The limit of the source brand lies in the necessity to respect the core, the spirit and identity of the parent brand as shown in Exhibit: 4.
In the Ludhiana knitwear cluster, the Nahar Group of Companies followed the source-brand strategy. For the domestic market, the company launched the “Monte Carlo” brand, the first truly international range of designer knitwear followed by another prestigious brand “Canterbury”. Both these brands have exclusive positioning but are strongly supported by the parent brand “Oswal”.

6. **Endorsing brand Strategy**

The endorsing brand gives its approval to a diverse range of products grouped under product brand, line brand or range brands. Under this strategy, the endorsing brand is placed lower down because it acts as a base guarantor as shown in Exhibits: 5.

**Implications of Brand Architecture Strategy**

Branding consists of transformation of the product category. It is a direct consequence of strategy of market segmentation and product differentiation. It precisely defines what attributes are adopted and what competitive advantages are created. This cluster is the largest contributor to meet nation’s demand of knitted garments. So it is critical to re-look at the consumer and refresh understanding to fine tune the marketing strategies. Therefore, this industry is now switching over to a professional approach in building and managing branding strategy.

**Conclusion**

The choice of brand policy is not a stylistic exercise, but more a strategic decision aimed at promoting individual products and ranges, as well as capitalizing the brand in the long term. Knitwear is an emerging and a fast growing segment of Indian garment export as compared to other segments. Conscious strategy to work with brands both intrinsically and extrinsically is needed due to fast growing pace of globalization. The superiority of a product is no longer a competitive advantage to capture market share; instead, an increasing interest in branding and e-branding has taken its place to some extent. Thus branding strategy should be based on product performance, delivery performance, support service performance and customers’ satisfaction in terms of meeting their trust.
and commitment. It will help them to form a brand strategy based on product performance, customer behaviour and the firm’s competitive position.

**Scope for further Research**

The present study is restricted to knitwear manufacturers based in Ludhiana only. A further study can also be conducted for other knitwear centres in the country, the area which has been left out of the scope of the present study. An extended geographical coverage, particularly outside the country, shall help in identifying the inadequacies and sources of gaining competitive advantage for the knitwear manufacturers in Ludhiana. There is ample scope for extending the study to other stakeholders as well.

---

**References**

8. www.texmin.nic/sector

---

**Dr. Sanjeev Sharma** is Associate Professor in Commerce at DAV College Jalandhar since 1989. He is a PhD from Kurukshetra University, Kurukshetra in the area of marketing. This article is from his PhD study. He can be reached at sanjeesharma@davjalandhar.com