INTERNATIONAL MARKETING CHANNELS ADOPTED BY SMALL AND MEDIUM TEXTILE MANUFACTURING UNITS IN PUNJAB

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ABSTRACT

The study focused on identifying the important factors affecting the international market entry decision of small and medium textile manufacturing units in Punjab. 22 variables were selected after going through existing theory, literature, consultation with industry experts and owners/ export managers working in the textile units catering to international markets. The study is based on 250 Textiles exporters dealing in Readymade Garments, Cotton Yarn, Wool and Woolen product exporters including miscellaneous and multi product category exporters. Data collected through a structured questionnaire was entered into SPSS software and Factor analysis was applied to identify important factors affecting international market entry decision of small and medium textile manufacturing units in Punjab. The study concluded with identification of 8 factors considered important while determining entry mode by textile exporters from Punjab.

KEYWORDS: Entry Mode, Channel Decision, International Market Entry, Small and Medium Enterprises.
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Introduction

The increasingly competitive environment of today's business world has compelled a large number of firms to target international markets (Wood and Robertson, 2000). Removal of trade barriers and increasing globalization has further accelerated the number of firms entering new markets/countries. More and more managers today are faced with the decision of which foreign markets to target. This decision is one of the most critical decisions for firms in their internationalization process (Sakarya et al., 2007; Whitelock and Jobber, 2004), as it represents the first step in their objective to go international. The second equally important decision is to determine the entry mode and accordingly channel decision. Channel decision is one of the most important decisions of the marketing mix. Out of the 4 P's it comes under Place. It includes decisions regarding number of channel members, channel alignment, channel leadership, distribution density, distribution logistics etc. Channel length – No. intermediaries required in bringing product from firm to consumer. Channel alignment and leadership – Alignment is the structure of the chosen channel members to achieve a unified strategy and leadership is who dictates the terms – company or channel member. Distribution Density – density is the amount of exposure or coverage desired for a product, e.g. no. of sales outlets necessary to cover the entire market. Distribution logistics – involves the physical flow of products as they move through the channel. So channel decision becomes more so important in case of International Marketing. One needs to analyze the national channels in various global markets. Host country marketing and other related laws, Local management and partners – understanding with them, Training of distribution channel members, monitoring of channel members are all important factors affecting the entry mode to be selected while exporting.

The textile industry or apparel industry is primarily concerned with the production of yarn, and cloth and the subsequent design or manufacture of clothing and their distribution. The raw material may be natural or synthetic

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