

**Term Major Project On**

**SALES STRATEGY OF TOMMY HILFIGER IN**

**INDIA**

**Submitted By:**  
**Chaitanya Mahaprabhu Seth,**  
**2K16/EMBA/509**

**Under Guidance of**  
**Mr. Udit Sharma**  
**DSM Faculty**  
**Delhi School of Management (DSM)**  
**Delhi Technological University**



**Delhi School of Management**  
**Delhi Technological University**  
**Bawana Road, Delhi-110042**

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## **DECLARATION**

The views expressed in this project are personal and not of the organization and this project is done as a detailed study under the course from strategy perspective only.

## **CERTIFICATE**

This is to certify that the project entitled 'Sales Strategies of Tommy Hilfiger in India' has been successfully completed by Chaitanya Mahaprabhu Seth – 2K16/EMBA/509

This is further certified that this project work is a record of bonafide work done by him under my guidance. The matter embodied in this report has not been submitted for award of any degree.

Chaitanya Mahaprabhu Seth  
2K16/EMBA/509

Mr. Udit Sharma  
DSM Faculty  
Delhi School of Management (DSM)  
Delhi Technological University

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Chaitanya Mahaprabhu Seth

2K16/EMBA/509

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## **EXECUTIVE SUMMARY**

Sales and Distribution Management is a concept that has been around now for the last two decades and while there has been a great deal written on the benefits that can be accrued from adopting such a management approach there are very few companies outside the retail sector that can genuinely say that they manage the Distribution Network. Textile manufacturing companies wish to influence consumers' buying behaviour, and thus they launch strong sales promotional campaigns or introduce changes in their price policies, among other actions.

This project aims at looking at the sales strategy of Tommy Hilfiger in India. Tommy Hilfiger is a recognised premium fashion brand, offering customers a range of high-quality product lines including men's, women's and children's casual apparel, denim, accessories and a variety of licensed products such as fragrances. Secondary sources have been used to look into the apparel sector of India. Moreover, the study further seems into the branded T-shirt/Jeans market through an initial survey conducted in Delhi and NCR region. The study tried to study and understand the ideologies of the sales strategies with regards to the textile sector of Tommy Hilfiger and further how much interaction is there, how much feedback is there, how much success is the companies in utilising distribution network in boosting the sales and establishing its brand equity.

# CHAPTER -1

## INTRODUCTION

### 1.1 ABOUT THE INDUSTRY

India's materials part is one of the most seasoned businesses in Indian economy going back a few centuries. Indeed, even today, materials segment is one of the most significant contributors to India's exports with approximately 11 percent of overall exports. The materials business additionally works severe and is one of the most prominent managers. The material business has two broad sections. To start with, the disorderly segment comprises of handloom, handiworks and sericulture, which are worked on a little scale and through conventional instruments and techniques. The second is the organised sector containing turning, clothing and articles of clothing portion which apply present day apparatus and strategies, for example, economies of scale.

The textile industry employs about 40 million workers and 60 million indirectly. India's overall textile exports during FY 2015-16 stood at US\$ 40 billion.

The Indian textiles industry is hugely varied, with the hand-spun and handwoven textiles sectors at one end of the spectrum, during the capital-intensive sophisticated mills' trade at the other end of the spectrum. The decentralised power looms/ hosiery and knitting sector form the most significant component of the textiles sector. The nearby linkage of the material business to horticulture (for crude materials, for example, cotton) and the old culture and customs of the nation concerning elements make the Indian materials area novel in contrast with the ventures of different countries. The Indian textile industry can produce a wide variety of products suitable to different market segments, both within India and across the world.

- Market Size

The Indian textiles industry, currently estimated at around US\$ 108 billion, is expected to reach US\$ 223 billion by 2021. The industry is the second largest employer after agriculture,

employing over 45 million people directly and 60 million people indirectly. The Indian Textile Industry contributes approximately 5 percent to India's Gross Domestic Product (GDP), and 14 percent to overall Index of Industrial Production (IIP).

The Indian material industry can reach US\$ 500 billion in size according to a study by Wazir Advisors and PCI Xylenes & Polyester. The growth implies domestic sales to rise to US\$ 315 billion from currently US\$ 68 billion. At the same time, exports are meant to increase to US\$ 185 billion from approximately US\$ 41 billion now.

- Building on recent advances

Just a decade back, the Indian textile and clothing sector was almost closed; in fact, it was pejoratively called a sunset sector. The erstwhile ugly duckling now looks very attractive. Indeed the last two years have been a dream run for the Indian textile sector. It has witnessed tremendous growth in raw material, especially cotton: fabric production is growing at around 10 percent on an already high base, and the all-around investment in the sector has been unprecedented.

Any study of the prospects of the textile sector in the years to come necessarily engenders three patient questions. First, what growth target in the Indian industry envisaging in the next five years; second, can the industry achieve and sustain this growth, and third, what will be the new trends and risk factors in the coming years. Let us first examine the performance of the industry in the last few years.

- Firm raw material base

The raw material situation has been highly encouraging especially in cotton against a low of 101.5 lakh bales (170kg) in 1984-85. The crop in 2016-17 was 470 lakh bales. There are reasonable price stability and no more uncertainty related to imports. The position has improved even in human-made fibres. A reduction of excise duty from 19 percent to 8 percent in the 2006 budget has boosted domestic demand for MMF yarn and fabric. Further rationalisation of duty will undoubtedly work wonders. The growth in fabric production,



which is an indicator of the country's textile prowess, has been very encouraging in recent years. It was 10 percent in 2016-17 and the expectation for the current year is 25 percent.

The sector has witnessed unprecedented investment trend in the last few years so much so that for the previous five years, the CAGR of investment has been around 100 percent. What is more encouraging, even the erstwhile laggard sectors like processing where India has traditionally been very weak, have drawn significant investments in the last few years.

- Growth drivers

In the domestic sector, disposable incomes of families are on the rise. There is also the 'demographic dividend'—a sharp increase in the percentage of younger and employable persons till 2025. Above all, the penetration of organised retail (the rate is expected to increase from 10 percent to 16 percent by 2015) will increase the availability and hence the purchase of textile and clothing.

In the export sector, the end of the Multi-Fibre Arrangement has given a boost to Indian textile entrepreneurs, which is aided by the progressive dismantling of spinning and weaving in the developed world. And the quota limit on China till 2008 is another incentive for the Indian industry to strengthen itself in the meantime.

In the present scenario of optimism and the country's overall high growth trajectory, the targets are undoubtedly achievable. At the macro level, the objectives have some implications concerning requirements for investment, machinery, infrastructure and workforce.

The investment required during 2007-12 will be Rs.1.5 lakh cross (undoubtedly achievable when compared to the investment in 2006-07), the trained manpower requirement will be 6.5 million; there will have to be massive influx of machinery, which will mean practically doubling of the existing capacity of 29.59 million spindles in spinning, adding over one lakh shuttle-less looms in weaving, and a substantial investment in processing, to cover at least 50 percent of the projected fabric under continuous power processing. The industry will have to

add 38.48 billion sq.mt capacity of such plant to the existing capacity of 7.62 billion sq.mt of continuous power processing.

Are these investments possible domestically? According to informed industry and government estimates, the continuance of the Technology Up-gradation Fund will ensure at least two-thirds to three-fourths of the required investments to come from the domestic textile industry.

- Foreign capital

For the remaining 25 to 35 percent investment, India will have to depend on foreign direct investment or even private equity coming in a big way. One may not compare India with relatively smaller economies, but also in China (which like India straddles the full range of textile and apparel value chain), out of its overall exports of textile and clothing, foreign-investment enterprises accounted for about one-third in 2004. In fact, official statistics confirm the presence of over 20,000 foreign-invested enterprises, with an FDI inflow of \$ 15.3 billion in 2011.

In India's case, The requirement of the hour is FDI for high-quality fabric manufacturing especially in processing, synthetic fibres, technical textiles as also in widening the base of the machinery sector. Clothing and textile sector is showing new trends, which will strengthen the industry. There is a significant scaling up by way of horizontal consolidation and vertical integration. The majority of the investment under TUFs has come not from new entrants but the existing players. As the restrictions on capacity additions were removed since the mid-1980s, the low investment per firm in plant and machinery has significantly increased. The trend has dramatically accelerated in the last two years, Bigger players such as Arvind, Indian Rayon, Vardhaman, Welspun and Alok have planned investments of over Rs.10,000 crore in the previous few years (Source—Office of the Textile Commissioner).

Second, there has been significant forward integration by yarn makers, spinners and notable weavers into garments—examples, Arvind Mills and Vardhman. Interestingly, the

considerable member of ginners is forward integrating into spinning as can be seen in the cotton areas of Andhra Pradesh and Punjab.

Third, significant backward integration by small and medium knitwear exporters into yarn making is being witnessed in the Coimbatore-Tripura area.

Finally, textile producers are adopting IT-driven production process control systems as also productivity enhancing energy audits. In fact, there was a massive response to the seminar organised by SIMA and SITRA on the usage of IT in small and medium enterprises in the textile and clothing sectors in early 2006. Some of the best examples of full integration are exemplified by Alok, Eslspun Industries and Vardhman Industries, who straddle the entire range from spinning to branded garments and home textiles. With the increased purchasing power of households, demand for textiles has been buoyant. Healthy development of this context has been the rapid rise of domestic brands. Practically all the top 20-30 textile and apparel firms have introduced their local brands and are aggressively positioning themselves within segments of the domestic market. This trend had started with Zodiac and Monte Carlo brands some decades ago, but the market size for branded wear has now overgrown along with extreme competition. Many of them have purchased international brands to penetrate the First World market and also supply to the domestic market under foreign brand names. For instance, in the home material market, Welspun has purchased Christy, GHCL has bought Dan River and Roseby's, and Creative acquired Portico brands to facilitate their entry into U.S. and EU markets. Thus, the earlier difference between domestic manufacturer and exporter is slowly whittling away. The successful textile player has to continually look at opportunities both in the local and export markets.

- Role of big retails buyers

More than any other factor, the entry of the big retailers such as Reliance, Bharti-Walmart, Aditya Birla Group. Tata-Trent will have a significant impact on the future direction of the textile and clothing industry. Through organised retailers' penetration is only 3 percent.

As clothing forms an essential aspect of organised retail, sale through arranged retail chain stores can go up to 15-20 percent of total sales in coming years. This will still be much less than in the U.S., where the 24 biggest retailers account for 98 percent of apparel sales. The position in the EU is similar. International experience suggests that the high-volume retail chains, because of their extensive distribution networks and considerable buying power can influence prices and dictate quality terms.

The retail phenomenon has two other features as well. First is 'lean retailing' which allows retailers to maintain a lean inventory but will coerce supplies for 'rapid replenishment' of goods. Second is the concept of 'full packaging' in that the retailer will not buy fabric from different sources and get it converted into apparels again from different sources, but will prefer a 'full package' solution from a limited member of sources.

Thus, the increasing presence of major retailers will lead to even greater formal and informal vertical integration and horizontal consolidation in the sector, while enhancing quality trends.

The pressure on margins will serve to reduce inefficiencies in the system by way of further modernisation, consolidation and integration. The best outcome, however, will be increased demand and faster growth.

Any significant downturn in the Indian economy and, to a lesser extent, a decline in the global economy can hit consumer spending including clothing purchases. To that extent, they can affect the growth and progress of this sector.

The conclusion of free-trade agreements especially with Asian countries (which are otherwise India's strong competitors in this field, though not the high technology areas), can have a deleterious effect on the domestic industry if the Rules of Origin clause it not wholly and firmly adhered.

- Revamp vitally

The entire esteem chain of the material business needs modernisation technology up-gradation, expansion to produce cost-effective products to meet the stiff competition. The country has a strong multi-fibre raw material base, plenty of labour but is faced with limited / non-availability of finance for modernisation/expansion of production capacities. Foreseeing the great opportunities and the inherent strength of the industry, the Government had launched various schemes (TMC – Technology Mission on Cotton; TUFS—Technology Up-gradation Fund Scheme; SITP—Scheme for Integrated Textile Parks) to help it equip itself to face the competition.

- Value addition

A simple textile value chain consists of fibre, grey yarn, grey fabric, processed fabric, and final product. The garments sector converts the prepared tissue into the final product. The value added by this sector to the final product depends on the end-product. The different percentage of value addition in garments is shown below.

Value added by converting—

- Processed cotton knitwear fabric made of 30s cotton grey combed yarn into garments is 290 percent;
- Treated cotton bottom weight fabric made of the 20s carded wool into trousers is 212 percent;
- Processed cotton shirting fabric made of 2/60s singed, mercerised, dyed yarn into garments is 102 percent;
- Prepared cotton shirting fabric made of the 60s combed yarn into shirts is 78 percent;  
and
- Processed cotton sheeting fabric made of the 40s combed yarn into made-ups is 45 percent.

- Survey findings

The National Household Survey on the market for textiles and clothing conducted by the Textiles Committee reported that the size of the domestic market of all textiles increased to 21.784 million meters in 2004 from 17,969 million meters in 2000 registering an increase of about 21 percent (Table II). In value terms, the rise of about 29 percent over these years. The per capita purchase of all textiles was 20.14, an increase of 13 percent over 2000.

- Export performances

On the export front also, there is enormous potential due to the scaling down of production and outsourcing practices adopted by developed countries, but India has to face stiff competition from cost-effective producers such as China, Pakistan, Bangladesh and Sri Lanka. Also, it has to overcome the different kinds of trade barriers generated by the formation of trade blocs and a large number of agreements between trade blocs and preferential trade agreements (PTAs). India too is entering into many trade agreements.

The recent one progress is the trade agreement with European Union consisting of 25 countries.

While exports of all commodities increased by 125 percent between 2000-01 and 2005-06, exports of textiles & clothing rose by 32 percent over the same period.

Global exports of textiles and clothing were \$ 452.80 billion in 2004, registering a growth of 27 percent from

- Bonanza from the textile boom

TEXTILE MACHINERY is one of the most significant capital right segments in India. Over the last five and half decades, the industry has built Rs.3,050 crore worth of whole machinery and other equipment in the entire range from opening up of fibres to the production of finished fabrics. Small and medium enterprises well support it for critical components, parts

and accessories, monitoring and testing equipment, and auxiliaries. Many firms have attained global standards regarding product design, capability and processed technology.

Over 250 units are producing complete textile machinery and about 500 units producing parts and accessories.

- Profile of the industry

The accompanying graphs give trends in production, capacity utilisation, demand, exports and imports of textile machinery, parts and accessories during the last six years.

Production of textile machinery in 2004-05 was Rs.1,648.81 crore during 2004-05 and rose sharply by 28 percent to Rs.2,148.60 crore (estimated).

Annual exports of textile machinery and components have reached Rs.500 crore.

The industry exports over 25 percent of its annual production to more than 50 countries, including advanced economies. About 55 percent of the exports are from the spares and accessories sector.

- End of recessionary phase

In the past, the industry had primarily depended on foreign technical/technical-cum-financial collaborations, and indigenous development was not taken up seriously. This was due to the encouragement was given by the Government and the easy access to such partnerships. Second, specific policies of the Government had restricted machinery manufacturers, especially in the weaving sector, to bring in sophisticated machines resulting in low demand and the high cost of such devices.

With the growing economy and trade since 1991-92, the industry was hamstrung due to the reluctance of foreign manufacturers to provide technology, and Foreign partners preferred to establish their manufacturing bases in India for components and parts of captive use and deliver the machines to third countries. At the same time, massive imports of new and

second-hand textile machinery were taking place encouraged by duty concessions given by the Government. As a result, Indian textile engineering units were in a distinctly disadvantageous situation to find customers for their products. The industry stagnated until 3003-04 due to acute demand recession.



## **1.2 ABOUT THE COMPANY PROFILE**

The Tommy Hilfiger mark was propelled in 1985. Tommy is a scope of attire intended to bring 'American works of art with a turn' to customers. Today, those buyers speak to individuals from all races and foundations and can be found in every practical sense every country around the world. As a genuinely worldwide brand, Tommy's favoured providers are the individuals who can completely value each marketplace, and in Europe, nobody understands the retail market like Anker.



### **TOMMY HILFIGER – HISTORY**

Tommy Hilfiger was born in 1952 and grew up in Elmira, New York. Tommy Hilfiger started as a fashion designer by driving to NYC, purchasing jeans, and selling them where they were not available in the rural area of Elmira, NY. Eventually, he made enough money to open his clothing stores throughout upstate New York.

In time, he found himself considered one of the "4 Great American Designers for Men" from a very successful ad campaign. (Ralph Lauren, Calvin Klein, Perry Ellis, and Tommy Hilfiger)

His clothing was getting very popular and was surprisingly being worn by many different people of all ages & races. Tommy Hilfiger reacted to the decent variety of his clients by the change up his attire line. Tommy Hilfiger has succeeded in making clothing that many people enjoy wearing. His fragrances have been a huge success as well. The clothing line has

expanded by including home products, eyewear, footwear, swimwear, jewellery, and divisions such as Tommy Hilfiger Athletics. Tommy Hilfiger is a real American Designer.

Tommy Hilfiger's clothing company, TOM Inc., has been amongst the leading exponents in this intensified process of mass customisation over the last few years. Indeed Hilfiger clothing can be seen as an extreme case of how the idea of mass designer fashion operates. Collective designing which is still somewhat outside the circuits of globalising capital that nurture the mass clothing industry); nor is mass designer fashion equivalent to standard garment production (which relies on reordering of staple and relatively stable goods season after season). Collective designer fashion is that peculiar form which occurs within this nexus of the globalising economy and the concomitant expansion of the means of consumption, almost by definition, it needs to maintain standards of product differentiation and capture broad segments.

### **TOMMY HILFIGER IN INDIA**

Hilfiger was in India to disclose the first arrangement of stores in New Delhi, Mumbai and Bangalore, and recharge his ties with the nation which go back to 1978. Tommy Hilfiger was brought to India through a joint venture between the Murjani Group and the Lalbhai Group, which owns the 'Arvind' brand. Called Arvind Murjani Brands Private Limited, the joint venture had entered into a licensing agreement for marketing and distribution of Tommy Hilfiger apparel in India.

AMB introduced the Tommy Hilfiger men's sportswear, men's jeanswear and juniors' jeanswear collections in freestanding speciality stores across the country in spring 2004. Tommy Hilfiger Inc., through its subsidiaries, designs, sources and markets men's and women's sportswear, jeanswear and childrenswear under the Tommy Hilfiger trademarks. Its products can be found in leading department and speciality stores throughout the United States, Canada, Europe, Mexico, Central and South America, Japan, Hong Kong, Australia, and other countries in the Far East.



## **HILFIGER - RIVALS**

While older companies like Levi-Strauss, Timberland or even Ralph Lauren have been slow in entering the mass designer fashion stakes--some being particularly wary of attempting to enter ethnically or racially identified areas of consumer culture—and while many other companies have been content with their long-established market niches and hierarchies of market segmentation, the story of Hilfiger's company is just the opposite.

Beginning with clean-cut and conservative sportswear--similar to that offered by The GAP, but somewhat more expensive--Hilfiger set out in the early 1990s to compete against department stores staple lines like Ralph Lauren and Liz Claiborne with essentially Young range. In few years this primarily khaki, crew and button-down WASP style, while remaining a constant theme in Hilfiger collections, has been submitted to variations which were intended to bring the product closer to Hip-Hop style—bolder colors, bigger and baggier styles, more hoods and cords, and more prominence for logos and the Hilfiger name.

But at the same time, that market has been only one focus for Hilfiger's ambitions, set on maintaining and expanding markets among non- black consumers, and continually

multiplying the range of products offered. In addition to hip-hop styles, Hilfiger now sells golf wear, casual sportswear, jeans, sleepwear, underwear, spectacles, fragrances, and even telephone beepers. Tommy has recently moved into women wear and offers a women's cologne to go with the famous men's line. Not content with crossing all these areas of the mass market, Hilfiger seems currently to be conducting a foray into more classic designer markets with high-fashion shows marked by his appearance at the British fashion shows in 1996 and by the introduction of a line of brightly colored menswear that was apparently his attempt to become more of a haute-couture designer.

Hilfiger's success has been quite astounding since the initial public offering of TOM in 1992. The company now has over 850 in-store sales points in the US. Also, there are now almost 50 Hilfiger speciality stores across the country--a figure that has nearly doubled in two years. The company's annual report in early 1996 showed that revenue in the last quarter of 1995 was over \$130 million, a 47% increase over the previous year. The company's cost for goods sold was less than \$72 million, leaving more than \$58 million in gross profits--a rate of total earnings of more than 80%. The sound financial health of the company ensures its regular appearance on stockbrokers' to-buy lists, even though share prices keep rising. Early in 1995, the small consortium of TOM's original investors-- which had bought the company from Mohan Murjani in the late 1980s--sold their remaining TOM stock for over \$50 million, after a year in which the value of the stock had increased by 106%. Hilfiger himself was one of this small group, of course, and after his profit-taking, he remained as an employee of the company drawing more than \$6 million a year in salary.

The economic success of TOM is mainly explicable because the company has led the way in many of the aspects of mass customisation. Even though Hilfiger still does not have (so far as I'm aware) a Web site, or other of the mechanisms that apparel companies now routinely use, TOM's corporate strategies have been ahead of those of many of its competitors, and TOM have always stressed the acceleration of product delivery, new forms of retailing partnership, innovative EDI usage for inventories and customer tracking--and of course, the speedy and timely introduction of new lines and redesigned goods, assuring consumers a wide range of

product choices (something which Hilfiger himself sees as crucial in provoking and expanding demand).

TOM has been unusually willing--again, leading the field—to engage in what is now a standard industry practice of licensing.

TOM has licensing agreements with some of the world's major clothing companies. This network of links has been methodically and aggressively built up in just the last few years: Pepe plc for jeans, Stride Rite for shoes, Liberty Optical for eyewear, Estee Lauder for fragrance, Russell Newman for shirts, Jockey for underwear, and so on. While licensing agreements probably have little impact on consumer consciousness, one advantage they have for a company like TOM is that they offer the borrowed cachet of known and respected manufacturers. This is all important in negotiating sales points with department stores and generally in testifying to the quality of TOM products. Most of TOM's retailing partnerships are with department stores, and in 1995 about 70% of Hilfiger's products were sold at those venues. Added to TOM's strategies for speeding up product design, delivery, and turnover, licensing helps ensure access to what is still the principal channel for clothing sales in the US where only 35 companies sell 65% of all clothing, the majority of which are chain retailers with department stores in malls and urban spaces all across the country.

Tommy Hilfiger aims at 250 outlets in India by 2019.

New Delhi, Oct 12 (IANS) Riding on a prospering white collar class with deep pockets, global mould mark Tommy Hilfiger intends to increase its outlets in India to 40 by one year from now - up from the 30 it has opened in a long time since it propelled in the country. “We are at a stage where we comprehend Indian customers and their needs. We have our essence in such huge numbers of Indian urban areas, and we don't feel that our rivals will figure out how to grow their business in a brief period to achieve our levels”, Tommy Hilfiger Apparel India CEO Shailesh Chaturvedi told IANS.

Today the brand has a nearness in 12 noteworthy urban communities - Ahmedabad, Bangalore, Chandigarh, Chennai, Delhi, Gurgaon, Hyderabad, Jalandhar, Kolkata, Lucknow, Mumbai and Pune - with 14 remain only stores and 16 shop-in-shop stores.

Tommy Hilfiger has been appraised as the No.1 mark by Women's Wear Daily in its WWD100 review of the most perceived brands in the US. In September, in a particular arrangement, the brand's entire gathering of people's destroy and adornments have come in 550 Macy's outlets in the US. In November, the organisation intends to open a vast 20,000 sq ft flagship store on the prestigious Fifth Avenue in Manhattan spread over four floors.

The brand propelled in India in April 2004 through Arvind Murjani Brands Pvt Ltd, a 50:50 joint wander between the Murjani gathering, a 77-year-old worldwide meeting with a demonstrated reputation in global and Indian markets and the Ahmedabad-based Arvind Mills.

As per Chaturvedi, the brand has effectively crossed its objective of Rs.1 billion (\$21 million) in deals every year.

“We get our work done before propelling a store. We know where our market lies. Fastidious arranging and a logical approach is the purpose of our 100 percent development”, he kept up.

Towards this end, the brand picked the wash Khan Market in focal Delhi to dispatch its 30th store in a shopping complex as opposed to in a shopping centre, which generally is the favoured goal of most universal and local upmarket brands.

"Khan Market with its premium and the fresh outlook is at a fascinating stage of growth - humming with speciality boutiques, diners and way of life stores. With the dispatch of this store, shoppers will approach a universal scope of attire and embellishments," Chaturvedi said.

"Khan Market caters to many foreigners and diplomats, who will be our target consumers," he added.

For the mark's extension designs, Chaturvedi said second outlets would be opened in urban communities like Ahmedabad, Bangalore and Pune, as additionally in a portion of other urban areas where it as of now has a nearness. An outlet is furthermore arranged in India's precious stone capital of Surat.

All Tommy Hilfiger stores showcase the best of international trends that are very youthful, stylish and energetic.

"Mould patterns are merging all over, and on account of the media, individuals comprehend what is in and what is out. Our plan group in the US builds up the line in light of global patterns. We have a group that spotlights essentially on style patterns and estimates," Chaturvedi explained.

"We source all our products from the US but keep the Indian fit and size in mind. Our colour palette, trends, pricing and quality, remain the same worldwide.

"What we offer is an international collection at an international price," Chaturvedi said.

Thus, the apparel range starts at Rs.2,000 for a shirt to Rs.40,000 for a jacket. The accessories ranged from 2500-7500.

"In case you are hunting down good quality, you tend to get used to a brand. Our faithful clients will dependably return to us," Chaturvedi maintained.

## **PROBLEMS ORGANIZATION OF THE COMPANY**

The foundations of the Indian textile trade with other countries began as early as the second century BC. The silk fabric was a favourite item of Indian exports to Indonesia around the 13th century, where these were used as barter for spices. Towards the end of the 17th century, the British East India Company had begun exports of Indian silks and various other cotton fabrics to other countries. These included the famous fine Muslin cloth of Bengal, Bihar and Orissa. The trade in painted and printed cotton or chintz, a favourite in the European market

at that time, was extensively practised between India, China, Java and the Philippines, long before the arrival of the Europeans.

Together with the allied agricultural sector, it employs over 82 million people by the end of the tenth plan period. The contribution of this industry to the gross export earnings is over 23 percent while it adds only three percent to the total import bill of the country. It has been estimated that India has approximately 30,000 readymade garment manufacturing units in the country. The textile industry is self-reliant from raw material to the highest value added products viz. garments/ made-ups. Cotton accounts for more than 73 percent of the total fibre consumption in the spinning mills and more than 58 percent of the total fibre consumption in the textile sector. The Indian textile industry contributes substantially to India's export earnings. The 1996 Indian textile exports approximately amounted to Rs.35,000 crores of which apparel occupied over Rs14,000 crores. At present, the exports of textiles account for about 24.46 percent of total exports from India and are the most significant net foreign exchange earner for the country as the import content in textile goods is very little as compared to other major export products.

The clothing sector is both a labour-intensive, low wage industry and a dynamic, innovative industry, depending on which market segments one focuses upon. Another significant market segment is mass production of lower-quality and standard products such as t-shirts, uniforms, white underwear etc. Manufacturers for this market segment are primarily found in developing countries, often in export processing zones and under outward processing agreements with significant importers.<sup>6</sup> they employ mainly female workers – semi-skilled and unskilled – and outsourcing to household production is quite common in the low end of the market. In the flat to middle-priced market, the role of the retailer has become increasingly prominent in the organisation scm setup. The market has become more concentrated, leaving more market power to multinational retailers.

Globalization has put forth India's business community in the international market. Various foreign trade policies and investment policies have been framed to facilitate foreign trade and increase the profitability of the Indian garment manufacturers. The advent of liberal trade



policies in textile and garments sector has made it possible of usage of modern technologies and general methods of manufacturing clothes. This sector of garments is one of the most successful and influential concerning foreign exchange generation and employment generating the field. It employs lakhs of people and is the most sort out and booming industry of India.

It is essential that the textile engineering industry is assured of substantial and sustained demand from the textile industry to enable it to turn out sophisticated and latest generation machines. Frequent interactions between the users and the manufacturing industries should take place to understand and mitigate each other's problems.

## **COMPETITOR'S INFORMATION**

### **PROFILES OF COMPETITORS**

- Duke

Duke, reportedly rated by ORG-MARG as the top T-shirt maker in the country, prices its T-shirts in the Rs 199-699 range. It also makes trousers, shirts, jackets, sweaters and will begin making thermal underwear this year. T-shirts account for 60-65 percent of the company's total revenues. Domestic sales account for 80 percent. Its overseas buyers include Gap, Wal-Mart and Target.

Today, Duke embraces a complete vertically integrated garment manufacturing plant, with knitting, dyeing, processing, finishing, mercerising, compacting, embroidery and printing under one roof. Production facilities are located in India and Nepal.

Duke Fashion (India) Ltd pioneered the T-shirt culture, and gradually established several new trends in knitted garments and fabric research. In 1998, thermal wear was introduced in India, under the brand name of Neva. Two other group constituents, Venus Garments (India) Limited and Deekay Export are also there. The group also consists of Duke Fabrics and Glaze Garments.

Duke is acknowledged today as the undisputed leader, with a turnover of Rs 1,250 million. Over 5,00,000 garment units are produced every month by over 2000

- Benetton

With television serials like 'Friends' and 'Ally McBeal' making waves on the small screen, people began to feel that it is okay to be wearing trousers and jackets, evening clothes and party wear. Benetton now sells 1,500 styles as compared to the 400 they started the shop with. The €1.7 billion Italian fashion company had entered India through a joint venture with DCM, but now Benetton India is a wholly owned subsidiary after they broke up about a year back.

- Levis

Levi's is a future brand in the Indian context. Levis has an excellent brand architecture in place, and it is performing well. The market for denim, especially at the premium end, is growing between 15 and 20 percent annually. (The overall domestic denim market in the top six metros is estimated at 12 million pieces annually. The mass-priced segment of Rs 300-500 accounts for six million parts. The mid-priced market — up to Rs 1,000 — chips in with three million pieces, while the premium end of above Rs 1,000 accounts for another three million, which include 0.4 million over the price point of Rs 1,400.)

The four sub-brands are pretty well straddled. We have 30 percent of the premium denim market in the country, and about 10 percent of the overall market across price segments.

- REEBOK

Entering India in 1995, Reebok has captured a market share of 50 percent followed by Nike. As a marketing tactic, the MNC promotes fitness through aerobics. The girls are trained for six months by an expert from the USA.

## **TOMMY HILFIGER SUBSIDIARIES**

- ← Hilfiger Stores BV
- ← Hilfiger Stores GmbH
- ← Hilfiger Stores Ltd
- ← Hilfiger Stores SAS
- ← Hilfiger Stores SL
- ← New Bauhinia Limited
- ← T.H. International N.V.
- ← TH Belgium NV
- ← TH Danmark AS
- ← TH Deutschland GmbH
- ← TH France SAS
- ← TH Italia SRL
- ← TH Retail, LLC
- ← TH UK Ltd
- ← THHK Childrenswear Limited
- ← THHK Jeanswear Limited
- ← THHK Junior Sportswear Limited
- ← THHK Menswear Limited
- ← THHK Womenswear Limited
- ← Tomcan Investments Inc.
- ← Tommy Hilfiger (Eastern Hemisphere) Limited
- ← Tommy Hilfiger (HK) Limited
- ← Tommy Hilfiger (India) Limited
- ← Tommy Hilfiger 485 Fifth, Inc.

- ← Tommy Hilfiger Canada Inc.
- ← Tommy Hilfiger Canada Retail Inc.
- ← Tommy Hilfiger Canada Sales Inc.
- ← Tommy Hilfiger E-Services, Inc.
- ← Tommy Hilfiger Europe B.V.
- ← Tommy Hilfiger Hungary Ltd.
- ← Tommy Hilfiger Licensing, Inc.
- ← Tommy Hilfiger Retail (UK) Company
- ← Tommy Hilfiger Retail, LLC
- ← Tommy Hilfiger U.S.A., Inc.
- ← Tommy Hilfiger Wholesale, Inc.
- ← Tommy.com, Inc.

## **SWOT ANALYSIS OF ORGANIZATION**

- **STRENGTHS**

Strong Cotton Base – India has a solid cotton base. The country has one of the most significant areas under cultivation in the world today placed at over 7.5 million, and this area is increasing. Cotton also accounts for 75% of the fabric used in this country, and cotton garments are about 65 percent of our total trade in garment assortments. The world demand for cotton fabrics and clothing is expected to be reasonably stable.

Abundant and Low-cost workforce resources – Indian labour is plentiful, and it is also reported to be one of the cheaper in the world today. This fact needs no reiteration.

A large and Diversified Textiles Industry:- Indian is perhaps the openly nation in the world where all the three textile sectors namely handloom, power loom and the mill industry co-exists. The fact does provide the country with some advantage in producing a wider variety of designs and colour combinations in its textiles to satisfy the more discerning foreign buyers.

The creativity of Indian artisans/weavers and entrepreneurs – the creativity of India weaves particularity in the handloom and decentralised power loom sectors has obtained the admiration of detailed specifications. Many of the larger departmental stores abroad are known to have got some of their garment fabrication done in India although they may ultimately give their labels to the clothing so manufactured.

Ability to Cater to Small Orders. It is the ability and flexible structure of this industry which enables it to secure the smaller order from overseas importers for varied assortments and designs – a proposition which many of the large-scale units find unviable.

Liberalized policies of the Government of India:- Having realised the case export potential of this sector the government has improved the imports of the full range of modern garment manufacturing machinery including speed machine.

- WEAKNESS

The industry suffers from specific inherent weaknesses which have been responsible for its apparent inability to capitalise on many of its advantages. These are as following:

Decentralized Structure of Industry – The industry is highly decentralised. At the top of the exporting chain is the merchant-exporter who canvasses for and finally executes the import orders. The production operations, however, are carried out by independent & individual fabricating units which are sometimes assisted by button-holing in its and other small processing units. Although this factor gives the industry some degree of operational flexibility. It can cause hardships if the merchant-exporter has not control or little control over the fabricators leading to delayed shipments and needless trade disputes.

Shortage of trained workforce – Although labour in India is plentiful, the garment sector has been experiencing a lack of skilled labour force – like expert cutters, machine-operator, designers and so on in the different manufacturing centres. The is also a problem of the

migrant labour force which has limited stakes in the industry particularly in a place like New Delhi which has often posed a challenge to entrepreneurs.

Restricted fabric base – While acknowledging the fact that Indian has big and varied textile industry, and it has been observed that the production of specialised and more massive varieties of fabrics like drills twills, gabardines corduroys velvets and denim etc. is generally of the inferior quality of grossly inadequate for the requirements of the Indian garment sector. This has precluded the garment sector from producing heavier garments for winter wear or the more excellent varieties for sportswear and so-so.

Restricted export ranges – the limitations experienced by the Indian garment sector concerning fabrics has impacted the export sector also. Currently, India's apparel exports are more or less confined to lightweight cotton garments made from the power loom sector mainly for summer wear. These items are also used for casual wear. There is enormous international demand for regular clothes like formal wear shirts & trousers besides children's garments made out of polyester/cotton blends besides children's garments made out of polyesters cotton blends besides clothing and industrial clothing in which India has currently little or no representation.

From the analysis of India's strengths and weakness in the garment industry, it emerges that on balance the advantages of the industry are more pronounced. Also, many of the weakness mentioned are now being suitably addressed by the Government of Indian. For instance, the establishment of the Institute of Fashion Technology by the Ministry of Textiles should overcome the problem of obtaining skilled technicians and designers for the industry. The industry on its part has also resulted in the induction of modern and update machines into this sector which will improve its productivity. The industry is also going in for marketing tie-ups with some of the reputed international brand leaders of specific varieties of garments like jeans and sportswear which augurs well for quality and variety of apparel to be manufactured in the country in the future.

- OPPORTUNITIES

With each product, category opportunities exist because products in which Indian exports have minimal share have been showing a substantial growth rate. India needs to expand its potential in these markets. Indian also has to sustain its product categories were to demand imports as are showing a declining trend. Opportunities also exist in product diversification into new products categories of formal knitwear which fashion forecasts predict as a booming industry all over the world.

Indian exporters should improve their manufacturing system quality speed and efficiency to effectively enter markets which will yield excellent value realisation and more value-added profit margins.

India's exports readymade garment's mill it badly most of the world wants to import trade sanction against the country for conducting their nuclear consent had come at a time when India's garments exports hence started picking of the period of stagnation which determined at for India's garment export back.

- THREAT

There is little evident that the average Indian garment exports have fully grasped the full implication of the phasing out of the quota regime for textiles and garments in the foreseeable future under the historic Uruguay Round Accord signed in December 1994 when the protected market access provided by the cocoon of quotas disappear entirely in the not too distant future there will be vitally a free for all situation and only those countries with established market reputations for quality diversified range and prompt delivery will be able to survive the acid test of competitions.

Indian exporters have to refurbish their image in the interim period of evolving from being branded as the supplier of the low budget item who often lags behind in adhering to delivery schedules to high profile suppliers of quality garments.

Another factor of considerable significance is the emergence of new garment supplier to world markets, which included countries like China Thailand. Sri Lanka, Bangladesh and Pakistan etc. some of these nations have not only a viable cotton base but also have low-cost labour, which could pose a more significant threat to Indian interest as compared to the earlier competitors like Hong Kong and Korea who were supplying a different assortment of the item. Fresh competitors threaten India from US and EU other of which have resolved to source fabric supplies from nearby countries and covering them into readymade garments.



## **CHAPTER-2**

### **LITERATURE REVIEW**

A strategy procedure is a long haul intends to accomplish particular targets. A promoting system is, hence, an advertising design designed to achieve showcasing objectives. For instance, advertising goal may identify with turning into the market pioneer by charming clients. The key arrangement, in this way, is the definite arranging including promoting exploration and after that building up a showcasing blend to charm clients. Each association needs clear promoting destinations, and the required course to accomplishing hierarchical objectives will rely upon procedure. It is fundamental, along these lines, to be clear about the distinction amongst system and strategies. These terms begin from military utilise (the military technique previously and amid an army organisation crusade is the general arrangement diagram of how to defeat the adversary). Building up an arrangement includes setting up clear points and targets around which the system for a strategy is made. Having set its procedure, an association would then be able to work out its everyday devices and plans to meet the goals (Ramaswamy And Namakumari, 2013).

As Marketing is often misinterpreted as just advertising or sales, Chris Newton, in what is marketing? Defined marketing as every strategy and decision made in the following twelve areas:

- ❖ Identifying and quantifying the need in the marketplace
- ❖ Detecting and quantifying the target markets
- ❖ Determining the optimum cost-effective media – online and offline - to reach the target markets
- ❖ Reviewing the priorities of the product offering in your overall product mix 'matrix.'
- ❖ Identifying and developing the most effective distribution channels, be they wholesaler networks, partnering alliances, franchising, or any number of conduits to the market.
- ❖ Testing different ways of packaging the concepts or products to find their most 'easy-to-sell' form
- ❖ Testing to see the optimum pricing strategies
- ❖ Developing effective promotional strategies and effective advertising and supporting collateral, offers, and launch strategies
- ❖ Developing and documenting the sales process

- ❖ Finding the optimum execution of the sales process – through testing of selling scripts, people selection, supporting collateral, skills and attitudinal training, tracking, measuring and refining
- ❖ Ensuring that sales projections reflect realistic production capacities
- ❖ Developing nurture programs to optimise the lifetime value of the customer

The objective of marketing (sales) is to constructively build and maintain a preference for a company and its products within the target markets. The purpose of any business is to build mutually profitable and sustainable relationships with its customers. While all business domains are responsible for accomplishing this goal, the marketing domain bears a significant share of the responsibility. Within the broader scope of its definition, marketing is performed through the actions of three coordinated disciplines named: "Product Marketing", "Corporate Marketing", and "Marketing Communications

### Sales Management

The sales manager is the typical title of someone whose role is sales management. The position usually involves sales planning, human resources, talent development, leadership and control of resources such as organisational assets (Lobo, 2014).

It should identify what activities are deemed as being vital to the success of the company. Any person associated with the sales organisation or the human resources department could carry out the analysis as well as an outside specialist.

This job analysis is then written explicitly as a job description. The general information consists of:

1. Title of job
2. Organizational relationship
3. Types of products and services sold
4. Types of customers called on
5. Duties and responsibilities related to the position

## 6. Job demands

## 7. Hiring specifications

An adequate expected set of responsibilities will recognise pay designs, size of workload, and the salesmen's obligations. It is likewise fundamentally in charge of enlisting devices, for example, application shapes and mental tests.

The most challenging process of this whole aspect would be the determination of job qualifications. An explanation behind this trouble is because contracting influences an organisation's upper hand in the market and additionally the measure of revenue.[6] Furthermore, there ought to be an arrangement of procuring qualities that are related to every deal work that is inside an organisation are linked with each sales prospect that is prevailing within the organisation. If the individual exceeds expectations in their allocated an area, it could be because of external components identifying with that individual's condition.

Let it be noted that a company should be careful not to submit to discrimination in regards to employment. Many qualifications (ethnic background, age, etc.) cannot be used in the selection process of hiring.

## Sales reporting

The sales reporting includes the key performance indicators of the sales force.

The Key Performance Indicators demonstrate regardless of whether the business procedure is being worked adequately and accomplishes the outcomes as laid out in deals arranging. It should empower the business supervisors to make the opportune remedial move go astray from anticipated qualities. It additionally enables the senior administration to assess the business administrator.

More "results related" than "process-related" are data concerning the business channel and the hit rate.

Sales reporting can provide metrics for sales management. Deals detailing can give measurements to deals administration pay. Compensating the best supervisors without precise and dependable deals reports isn't objective.

Additionally, deals reports are made for interior use for top administration. On the off chance that other divisions' remuneration design relies upon conclusive outcomes, it is expected to show aftereffects of offers office's work to different offices.

At last, deals reports are required for financial specialists, accomplices and government, so the business administration framework ought to have propelled detailing capacities to fulfil the necessities of various partners compensation. Rewarding the best managers without accurate and reliable sales reports is not objective.

Also, sales reports are made for internal use for top management. If other divisions' compensation plan depends on final results, it is needed to present results of sales department's work to other departments.

Finally, sales reports are required for investors, partners and government, so the sales management system should have advanced reporting capabilities to satisfy the needs of different stakeholders.

How Tommy Hilfiger capitalises on its most profitable customers

The global fashion industry is characterised by intense rivalry, which implies that securing client devotion is a prize worth putting resources into. Tommy Hilfiger has done quite recently that. The organisation's showcasing group has concentrated on mark faithfulness and building a direct association with clients. They have done this by building up a client relationship administration (CRM) procedure, which consolidates a faithfulness program.

The Ernst & Young project team was initially brought in to help provide some CRM guiding principles, but it quickly became apparent that a broader view was needed. The fundamental question was, "how does a company build sustainable and profitable customer relationships?"

The answer is very much around segmentation. Segmentation is a strategic process by which companies can subdivide the market as well as customers into relevant, unique groups that share similar characteristics. With strategic market segmentation, companies can capitalise on deep customer insight by realigning their strategies around their most profitable customers. It allows companies to identify customers with the highest present and potential value and also build operating models that can further drive growth.

The deployment of segmentation across its commercial operation enables Tommy Hilfiger to optimise its allocation of total marketing spend and increase average revenue per customer.

So in a market characterised by intense competition, with trends such as retailer consolidation, growing numbers of private label brands and unpredictable customers spending less of their income on clothing, it is no surprise that companies are struggling to build sustainable and profitable customer relationships. By segmentation, companies may increase their investments in product development, channel management and marketing communications. It allows companies to establish a method to select the most profitable customers and target their marketing specifically toward them.

One significant advantage of market segmentation is that companies can now streamline their strategy around a customer-centric approach rather than the previous product-centric approach. This will enable them to increase their market expenditure on tailored CRM activities resulting in increased sales and revenue figures. Improved sales margin and revenues from a strengthened brand will help companies achieve sustainable and profitable growth. Segmentation also provides other opportunities such as direct selling to customers via online single brand stores and brand loyalty programs which rely on the structural improvement of CRM activities.

Deals advancements go about as a quickening instrument, intended to accelerate the offering procedure and to expand deals in volume. The bold idea of the local part has opened up the utilisation of offers unique instruments. It is very much reported that over the top usage of offers advancements, especially value advancements, can harm mark value.

## **CHAPTER -3**

### **RESEARCH METHODOLOGY**

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#### **OBJECTIVES OF THE STUDY**

- To review the present status of the Tommy Hilfiger.
- To find out the manner in which consumers like to participate in sales promotions.
- To study the influence of various sales strategies on the buying behaviour of the customers.
- To understand company motivations and considerations while undertaking sales and marketing strategies.

#### **METHODOLOGY**

Research methodology is a way to solve the research problems systematically. It may be understood as a science of studying how research is done scientifically. Thus it is the various steps that are generally adopted by a researcher in examining the research problem with the logic behind them. It has many dimensions and methods which constitute a part of the research and widens the scope of the study.

**RESEARCH DESIGN:** Descriptive research

#### **DATA SOURCES**

- **Primary Data:**

Primary data consist of original information collected for the specific purpose. The primary data for this study was obtained through a direct survey of the respondents through a structured questionnaire.

- Secondary Data:

Secondary data consist of information that already exists somewhere, which has been collected for a specific purpose in this study. The secondary data for this study were obtained from various books and websites

### **DATA COLLECTION METHOD:**

Data for this study was collected using Survey Method

### **RESEARCH INSTRUMENT**

Questionnaire

A questionnaire consists of a certain number of questions printed or typed in a definite order. An inquiry is framed from the parameters and overall view of the objectives of the study.

### **SAMPLE SIZE:**

The number of sampling units selected from the population for the study was 50

**SAMPLING AREA:** Delhi and NCR Region

### **DATA ANALYSIS TOOLS**

The collected data were tabulated and analysed using Percentage analysis.

Percentage Analysis:

Percentage analysis refers to a particular kind of ratio; percentages are used in making a comparison between two or more series of data percentages are used to describe the relationships.

The percentage is calculated as follows:

$$= d / n * 100$$

Where 'd' is the number of respondents

Where 'n' is the base of the figure of the sample group

### **LIMITATIONS**

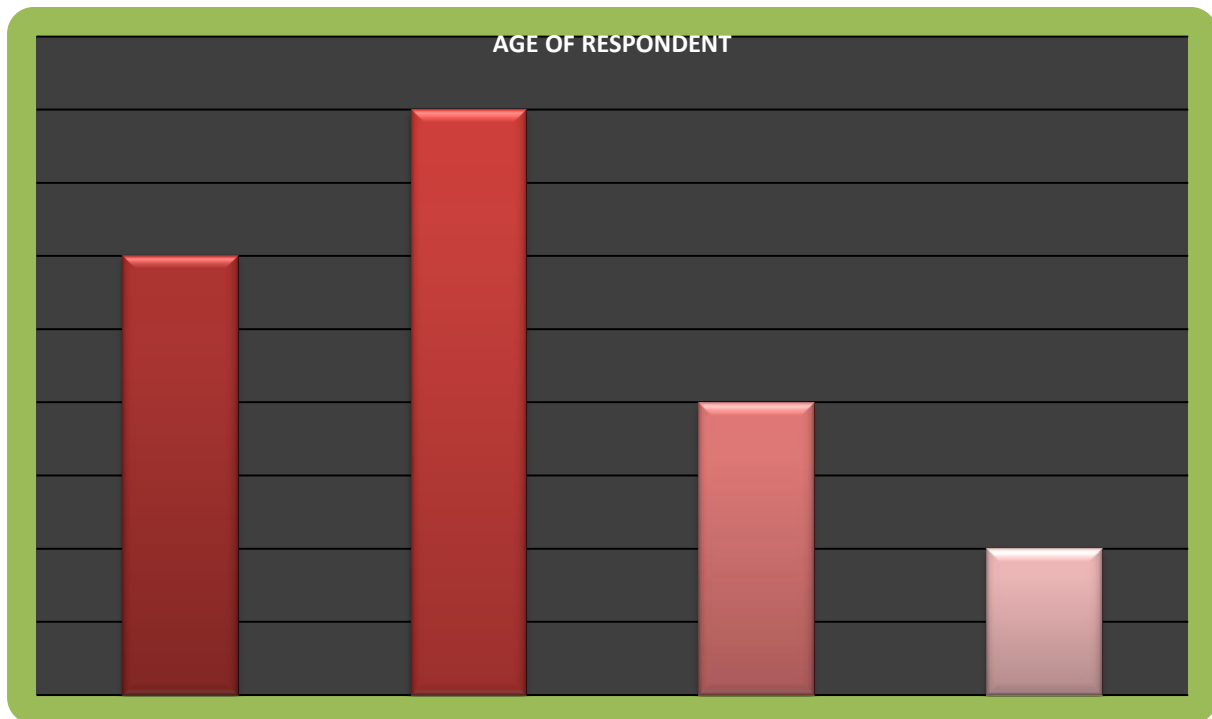
- The survey was restricted to a sample size of 50
- Some of the respondents were reluctant to answer due to their busy schedule.
- This was conducted only for the customers who came to the company that we selected
- There is a possibility of bias information from the respondents



## CHAPTER -4 ANALYSIS AND INTERPRETATION

### AGE OF RESPONDENTS:

AGE	NO OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
20-30	15	30%
31-40	20	40%
41-50	10	20%
51-60	5	10%
<b>TOTAL</b>	<b>50</b>	<b>100%</b>

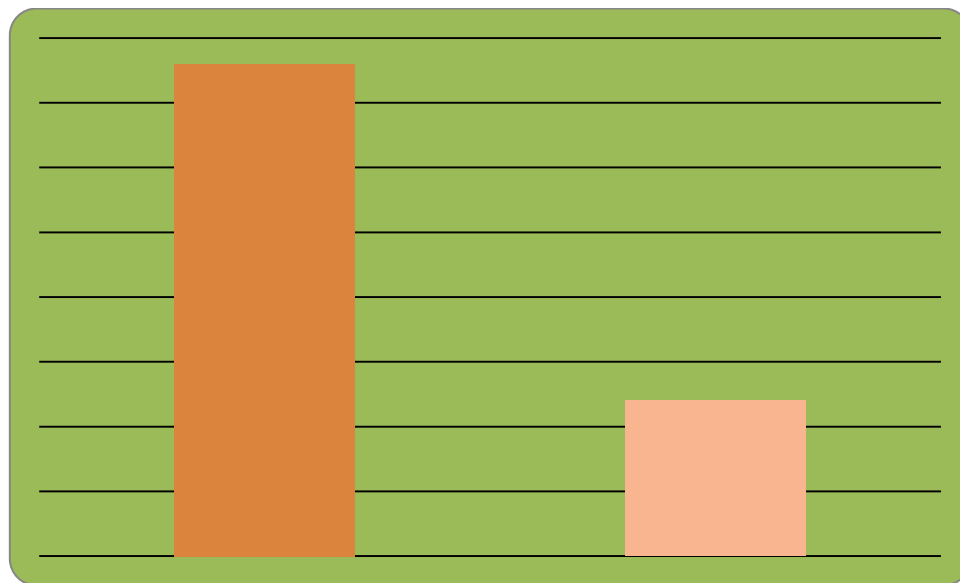


### INFERENCE:

From the above tables shows that 30% respondents were below the age of 30, 40% were below the age of 40, and 10% were below the age of 50, and 20% were below the age of 60.

**GENDER OF RESPONDENTS:**

<b>GENDER</b>	<b>NO OF RESPONDENTS</b>	<b>PERCENTAGE OF RESPONDENTS</b>
<b>MALE</b>	38	76%
<b>FEMALE</b>	12	24%
<b>TOTAL</b>	50	100%

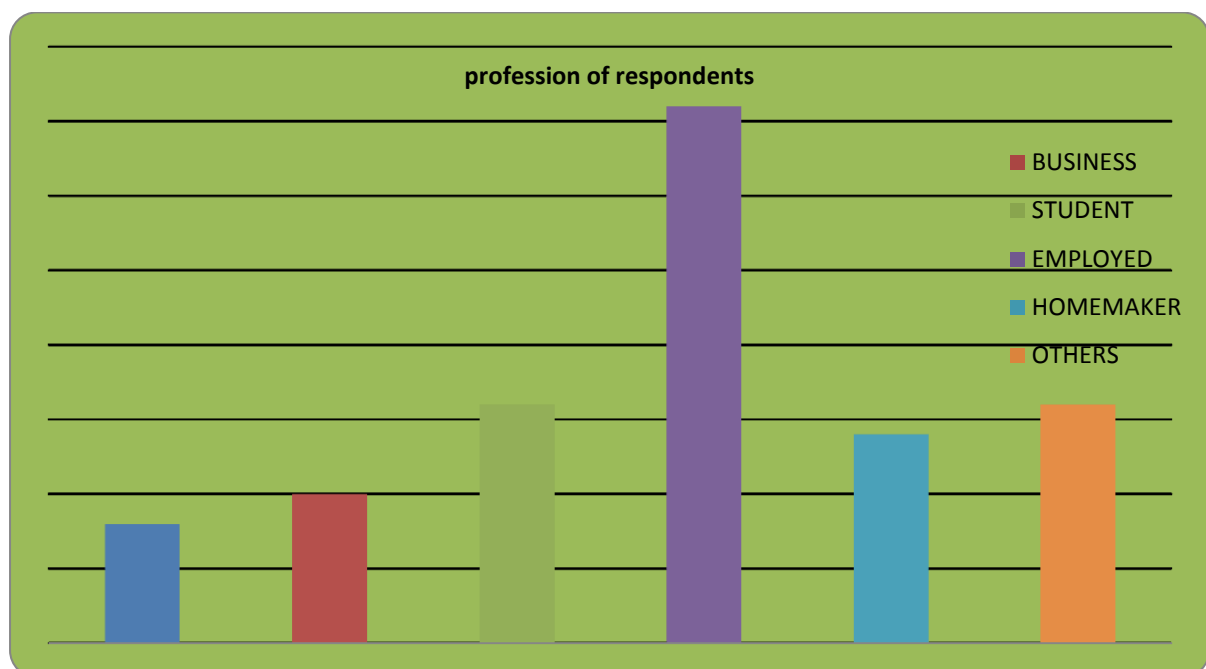


**INFERENCE:**

From the above table shows 76% of respondents were male and 24% were the female salesperson.

### PROFESSION OF RESPONDENTS:

PROFESSION	NO OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
PROFESSIONAL	4	8%
BUSINESS	5	10%
STUDENT	8	16%
EMPLOYED	18	36%
HOMEMAKER	7	14%
OTHERS	8	16%
TOTAL	50	100%

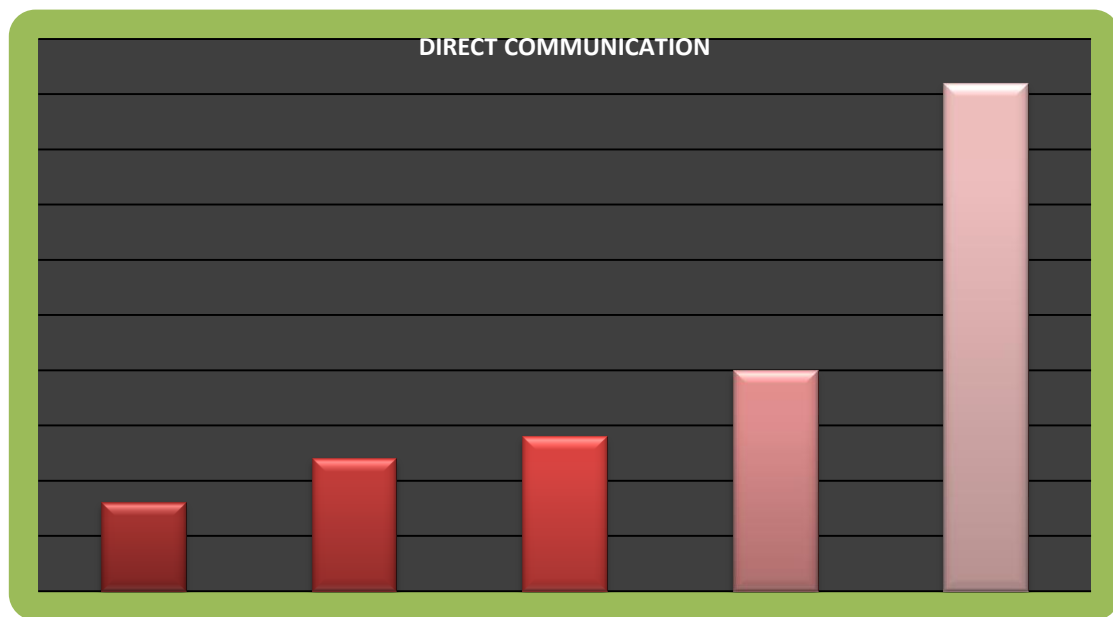


### INFERENCE:

From the above table shows 36% of the respondents were self-employed, and 16% were students, 16% were others and 10% were doing business, and 8% of them are homemakers, and 8% were professionals.

**DIRECT COMMUNICATION:**

<b>DIRECT COMMUNICATION</b>	<b>NO OF RESPONDENTS</b>	<b>PERCENTAGE OF RESPONDENTS</b>
<b>ALWAYS</b>	4	8%
<b>OFTEN</b>	6	12%
<b>SOMETIMES</b>	7	14%
<b>OCCASIONALLY</b>	10	20%
<b>NEVER</b>	23	46%
<b>TOTAL</b>	50	100%



**INFERENCE:**

From the above table shows that 46% of the respondents were saying that salespersons never identify their needs without direct communication. And 20% were, and 12% of the respondents were saying that sometimes the salesperson can identify their needs. And 8% of them were saying like the salesperson always identifies their needs.

**QUALITY OF SALESPERSON:**

QUALITY OF SALESPERSON	NO OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
PLEASANT EXPRESSION	9	18%
POSITIVE VOICE TONE	5	10%
SMILE	5	10%
HANDSHAKING	2	4%
GOOD BODY MOVEMENT	4	8%
DRESSING STYLE	5	10%
APPEARANCE	3	6%
BODY MOVEMENT	5	10%
FACIAL EXPRESSION	7	14%
GESTURES & POSTURES	5	10%
<b>TOTAL</b>	<b>50</b>	<b>100%</b>

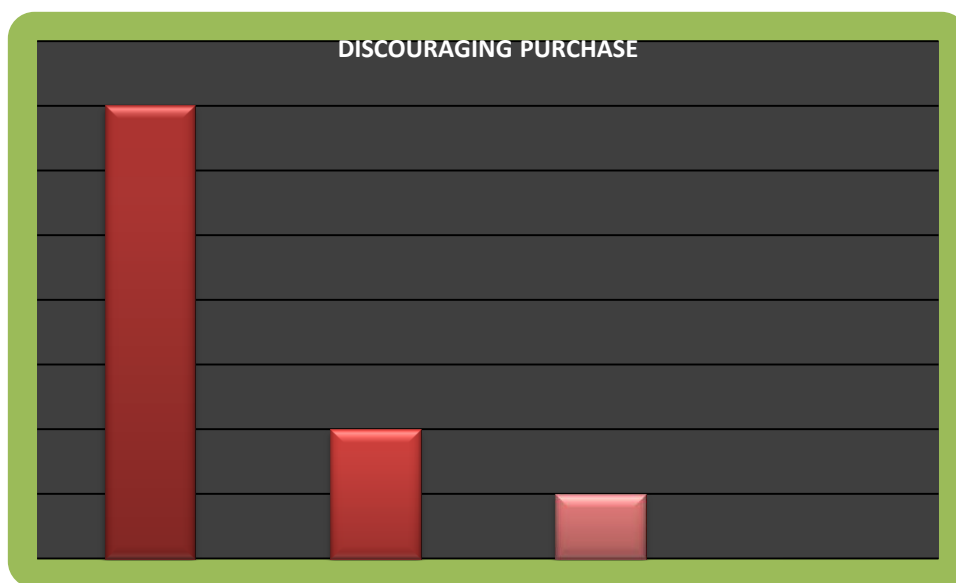


**INFERENCE:**

From the above table shows that 18% of the respondents were ranked pleasant expression is highly essential for satisfying the customer needs, that is the crucial quality that the respondents were expecting from a salesperson.14% of them were given for facial expression.10% of the people were given positive voice tone, smile, dressing style and body movement are highly preferred by them and the remaining 4% of the respondents are given for handshaking.

**DISCOURAGING PURCHASE:**

<b>DISCOURAGING PURCHASE</b>	<b>NO OF RESPONDENTS</b>	<b>PERCENTAGE OF RESPONDENTS</b>
<b>STRONGLY AGREE</b>	35	70%
<b>AGREE</b>	10	20%
<b>DISAGREE</b>	5	10%
<b>STRONGLY DISAGREE</b>	0	0%
<b>TOTAL</b>	50	100%



**INFERENCE:**

From the above table shows 70% of the respondents were strongly agreed that poor posture and non-energetic salespersons are discouraging their purchase activities from that particular person or from that shop likewise, 20% were agreeing to it, and 10% of the respondents disagreed to that point.

### DELIVERING MESSAGE TO SELLER:

DELIVERING MESSAGE TO SELLER	NO OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
ALWAYS	12	24%
OFTEN	8	16%
SOMETIMES	14	28%
OCCASIONALLY	11	22%
NEVER	5	10%
TOTAL	50	100%



### INFERENCE:

From the above table shows that, 28% of the respondents were saying that sometimes their hand movements help to deliver message to the seller. 24% were saying it always helps to pass their word, 22% were saying that it occasionally provides the signal to the customer and 10% of them responded to hand movements never helps to deliver their message to their customers.

### DRESSING STYLE OF SALESPERSON:

DRESSING STYLE OF SALESPERSON	NO OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
STRONGLY AGREE	5	10%
AGREE	19	38%
DISAGREE	23	46%
STRONGLY DISAGREE	3	6%
TOTAL	50	100%



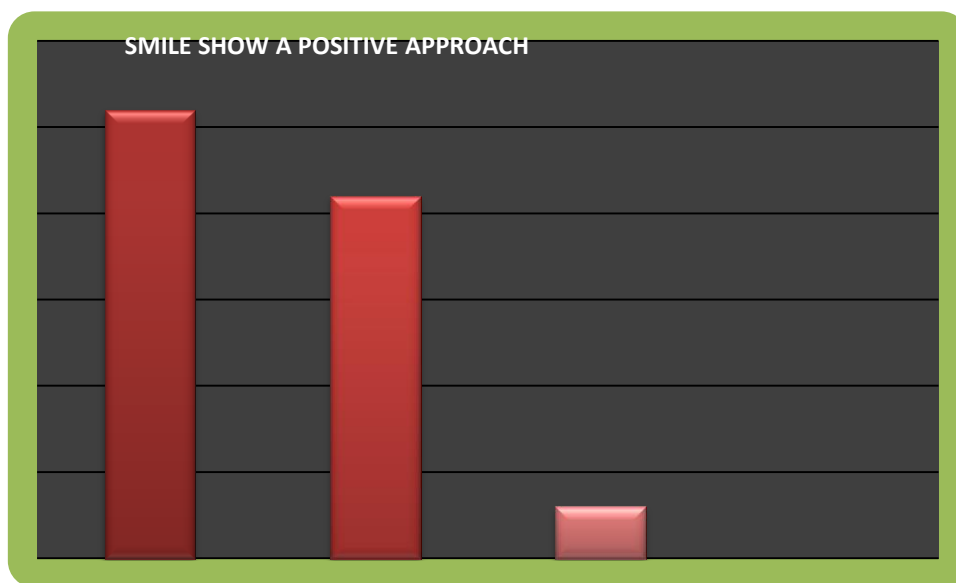
### INFERENCE:

From the above table shows like 46% of the customers were disagreeing that the dressing style of the respondent will not attract the customers and at the same time 38% were agreeing to that. 10% of the customers are strongly agreeing to that, and 6% of them were strongly disagreeing to that point.



### SMILE SHOW A POSITIVE APPROACH:

'SMILE'	NO OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
STRONGLY AGREE	26	52%
AGREE	21	42%
DISAGREE	3	6%
STRONGLY DISAGREE	0	0%
TOTAL	50	100%

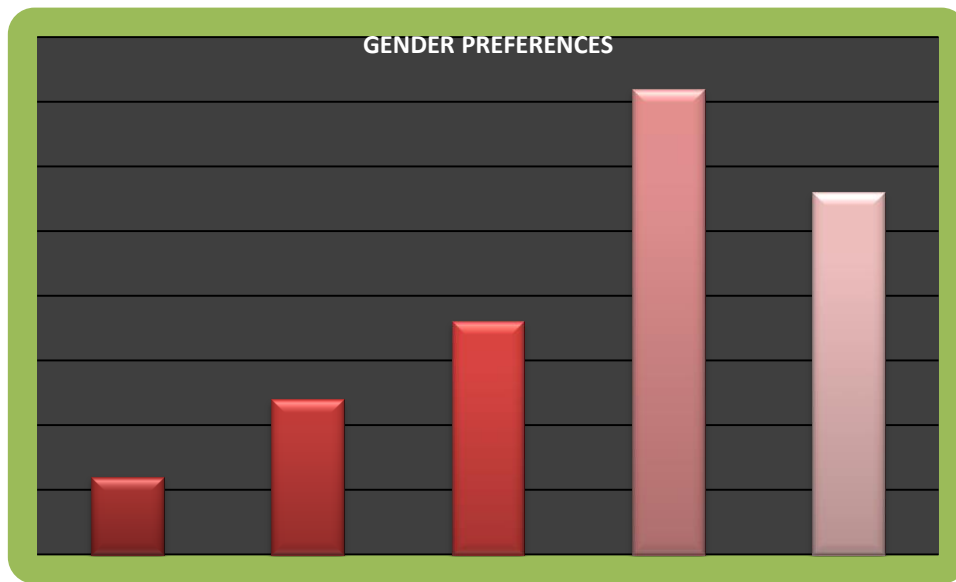


### INFERENCE:

From the above table shows that 52% of the respondents were strongly agreeing that smile shows a positive approach to the customer and 42% were agreeing to that, at the same time 6% of them disagreed to that it will not make the customer have a smooth or a positive relationship among them.

**GENDER PREFERENCES:**

<b>GENDER PREFERENCES</b>	<b>NO OF RESPONDENTS</b>	<b>PERCENTAGE OF RESPONDENTS</b>
<b>ALWAYS</b>	3	6%
<b>OFTEN</b>	6	12%
<b>SOMETIMES</b>	9	18%
<b>OCCASIONALLY</b>	18	36%
<b>NEVER</b>	14	28%
<b>TOTAL</b>	50	100%

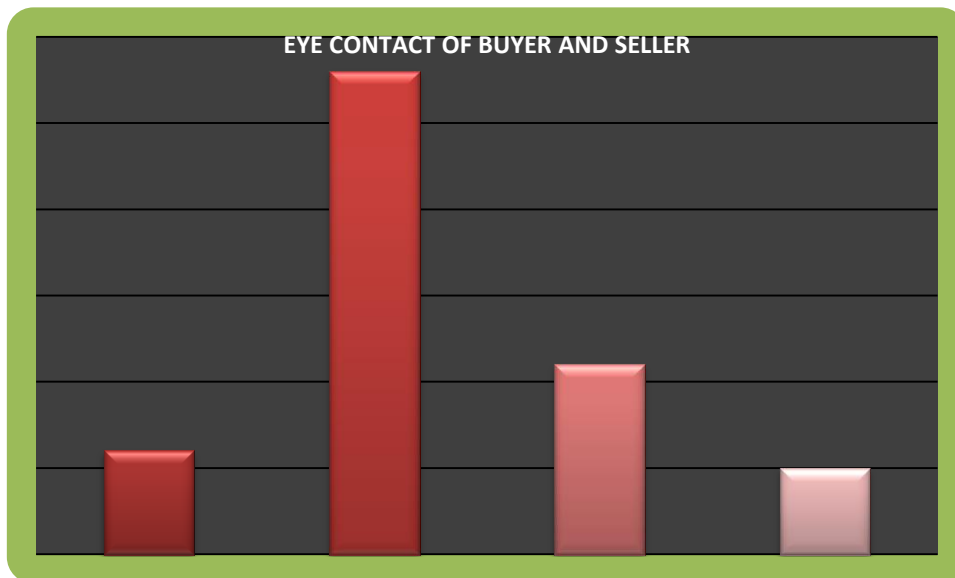


**INFERENCE:**

From the above table shows that 36% of the respondents will occasionally prefer same gender salesperson when they go for their purchase. And 28% of them were saying will never prefer same gender seller, and 18% of them were saying like they sometimes prefer it, 12% will often refer to it and 6% of the customers will always prefer to the same gender for their purchase.

### EYE CONTACT OF BUYER AND SELLER:

EYE CONTACT	NO OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
STRONGLY AGREE	6	12%
AGREE	28	56%
DISAGREE	11	22%
STRONGLY DISAGREE	5	10%
TOTAL	50	100%

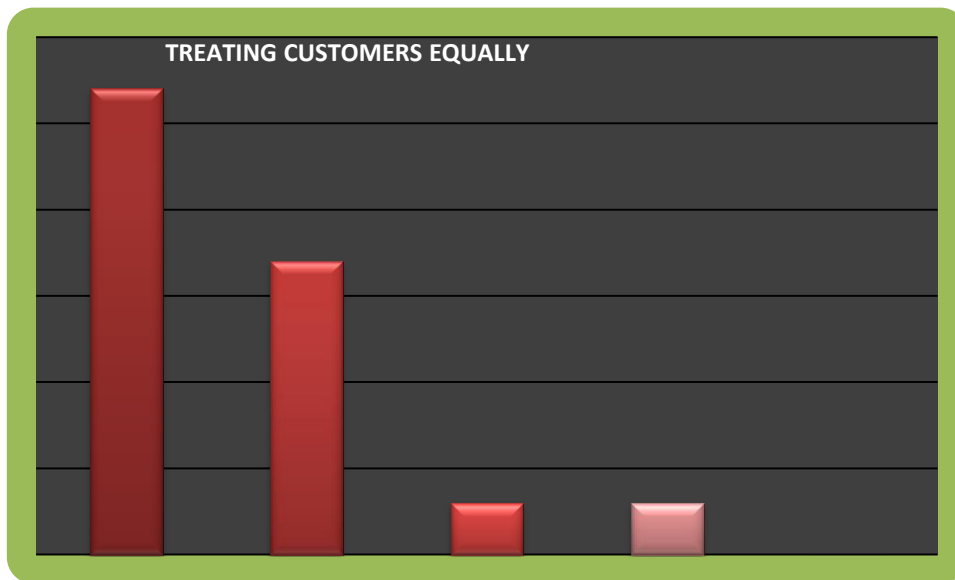


### INFERENCE:

The above table shows that 56% of the respondents agreed that eye contact helps to deliver and receive the message between buyer and seller it is an easy way to do their work easily by mutual understanding. And 22% of them disagreed with it. And 10% of the respondents were strongly disagreeing to that point.

### TREATING CUSTOMERS EQUALLY:

TREATING CUSTOMERS EQUALLY	NO OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
ALWAYS	27	54%
OFTEN	17	34%
SOMETIMES	3	6%
OCCASIONALLY	3	6%
NEVER	0	0%
TOTAL	50	100%

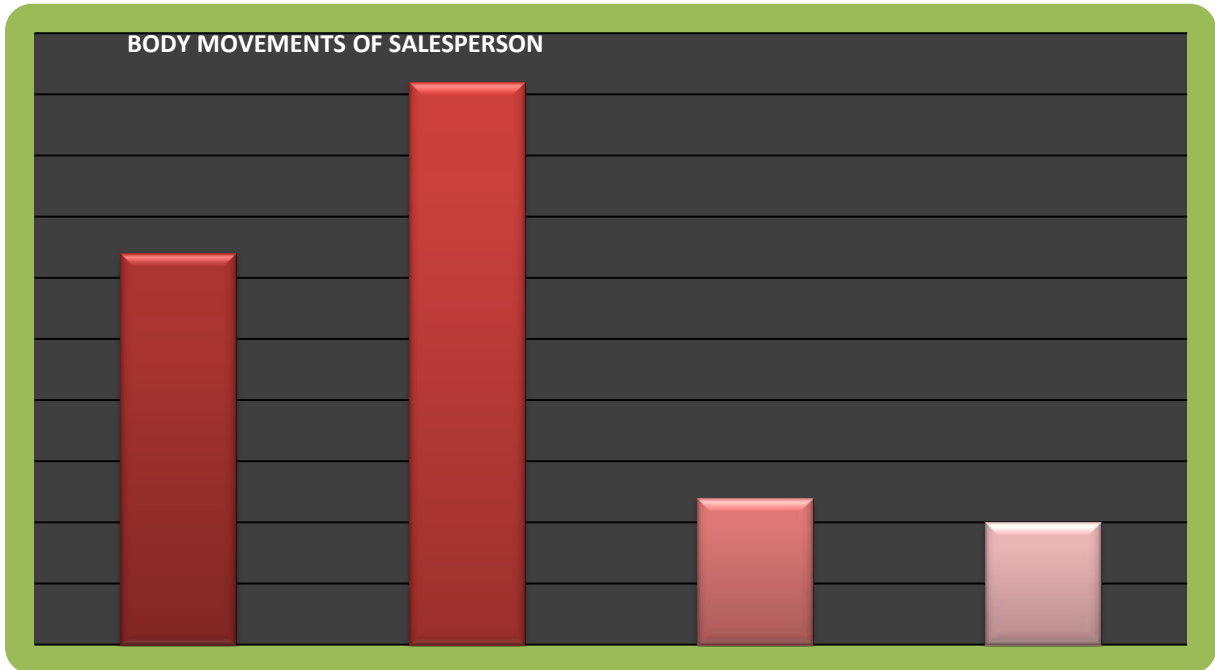


### INFERENCE:

The above table shows that 54% were saying that the salespersons will always be treating them equally like any other customer, and 34% of them saying that they often treat them alike. And 6% of them saying that salespersons occasionally and sometimes treat as customers equally like any other customer.

**BODY MOVEMENTS OF SALESPERSON:**

<b>BODY MOVEMENTS OF SALESPERSON</b>	<b>NO OF RESPONDENTS</b>	<b>PERCENTAGE OF RESPONDENTS</b>	<b>OF</b>
<b>STRONGLY AGREE</b>	16	32%	
<b>AGREE</b>	23	46%	
<b>DISAGREE</b>	6	12%	
<b>STRONGLY DISAGREE</b>	5	10%	
<b>TOTAL</b>	50	100%	

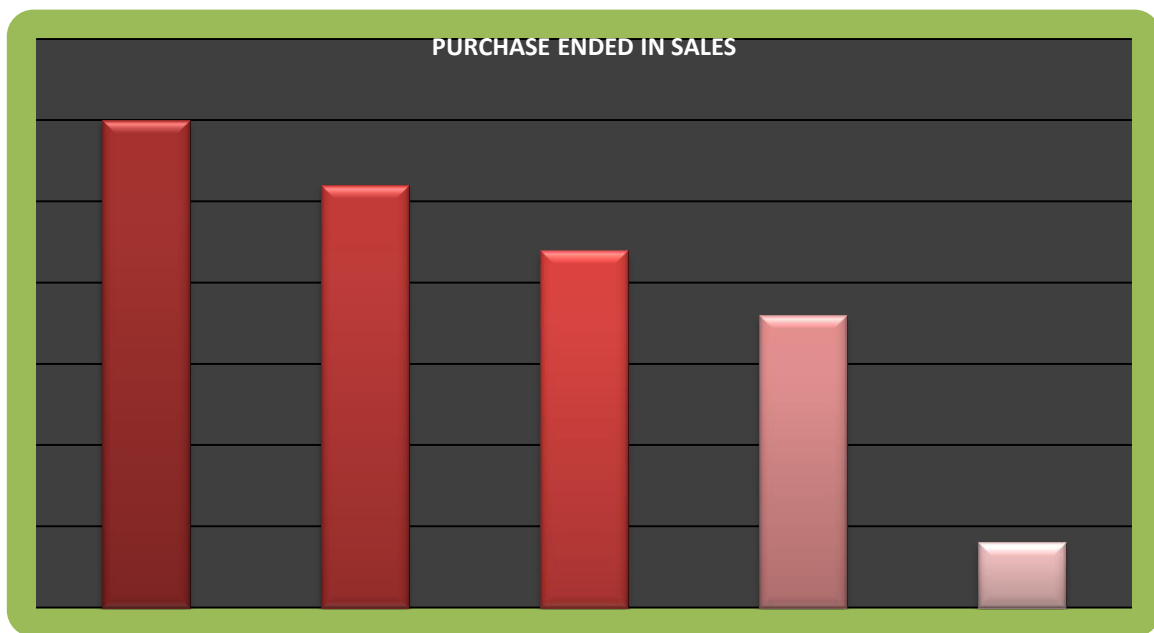


**INFERENCE:**

The above table shows like 46% of respondents agreed that the body movements of the salesperson are an essential factor to attract the customers. 32% of them strongly agreed to that. 12% disagree, and 10% of them were strongly disagreeing to that point.

### **PURCHASE ENDED IN SALES:**

<b>PURCHASE</b>	<b>NO OF RESPONDENTS</b>	<b>PERCENTAGE OF RESPONDENTS</b>
<b>ALWAYS</b>	15	30%
<b>OFTEN</b>	13	26%
<b>SOMETIMES</b>	11	22%
<b>OCCASIONALLY</b>	9	18%
<b>NEVER</b>	2	4%
<b>TOTAL</b>	50	100%



### **INFERENCE:**

The table shows like 30% of the respondents were saying that purchase will always end in sales. And 22% of them were saying like sometimes it will stop in sales, and 18% of customers were saying it only on occasion, and 8% of the respondents were saying as it will never end in sales.

**SALESPERSON'S REACTION:**

<b>SALESPERSON'S REACTION</b>	<b>NO OF RESPONDENTS</b>	<b>PERCENTAGE OF RESPONDENTS</b>
<b>PLEASANTLY</b>	12	24%
<b>FAIR</b>	16	32%
<b>UNPLEASANTLY</b>	8	16%
<b>IMPATIENTLY</b>	4	8%
<b>IRRITATED</b>	10	20%
<b>TOTAL</b>	50	100%



**INFERENCE:**

The above table shows that, 24% of the respondent were saying that salesperson will react as pleasantly when the purchase prolong for a long time, and 32% were saying it is fair and 20% were saying like salesperson will get irritated when it takes a long time.8% of them saying like they will show unpleasant in their work.

**SALESPERSONS IN TOMMY HILFIGER:**

SALESPERSONS	NO OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
LESS THAN 20%	5	10%
20%-40%	9	18%
40%-60%	20	40%
60%-80%	14	28%
MORE THAN 80%	2	4%
<b>TOTAL</b>	<b>50</b>	<b>100%</b>



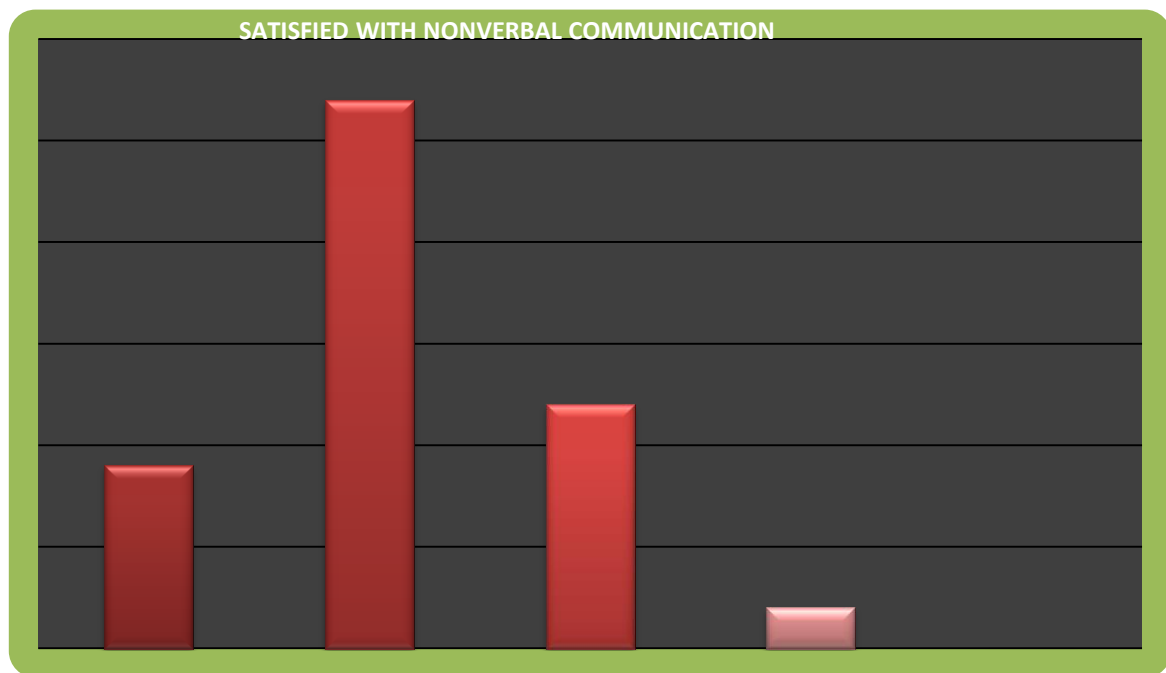
**INFERENCE:**

From the above table shows like, 40% of the customers are saying like 40-60 percentage of the sellers in Tommy Hilfiger follows effective and good approach with the customers. And 28% of them were saying like 60-80 portion of the customers were following it correctly. And 4% of them responded like more than 80 percentages of the sellers were following right approach to the customers.



### SATISFIED WITH NON-VERBAL COMMUNICATION:

SATISFACTION	NO OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
VERY SATISFIED	9	18%
SATISFIED	27	54%
NEUTRAL	12	24%
UNSATISFIED	2	4%
VERY UNSATISFIED	0	0%
TOTAL	50	100%



### INFERENCE:

The above table shows that 54% of the respondents are satisfied with the nonverbal communication that practice in textiles. 24% were responded like neutral.18% of them was very satisfied and 4% of them were unsatisfied with the notion verbal communication in textiles.

## **CHAPTER -5**

### **FINDINGS AND SUGGESTIONS**

#### **FINDINGS**

The number of the people surveyed for this project was 50 which include the sufficient mix of people from different backgrounds. The survey was done on 40% - students, 20 % - working professionals, 20% - self employed, 20% - others. Half of the respondents said that they prefer shirts over jeans.

Nearly twenty percent of the respondents said that they prefer to wear the T-Shirts twice a week.

Nearly 31% of the respondents said that they spend around 3000 – 4000 INR annually on buying T-shirts.

Brand Name is significant to consumers when it comes to buying as 34% of the respondents said that they hire only branded products only. 20% of the people said that the price is the most critical parameter in their buying decisions.

The luxury brand, which launched its children wear recently, has not budged from its top-end positioning even in Tier 2 cities

A couple of years back, Mohan Murjani surrendered the establishments of Gucci and Jimmy Choo in India as deals neglected to coordinate the common interest for extravagance merchandise in India. In any case, things have changed from that point forward

Murjani, who brought Tommy Hilfiger to India in 2004 in collaboration with Arvind Brands, seems to have struck gold finally, as the premium fashion brand's sales have been rising 50 percent annually. Reason: increasing incomes even in Tier 2 cities and Murjani's refusal to dilute the brand's premium image, unlike some of his competitors.

Company officials say the positioning for all its products is clear: if any global brand wants to be successful in India, it will have to provide a genuinely international offer to consumers –

same price, same collections, same-store interiors and same international service standards. In short, global luxury brands have to deliver the global brand promise to Indian consumers consistently, without any local dilution.

That's the positioning Tommy Hilfiger is clinging to even in its latest foray into children wear – no wonder, all clothes have the brand's "Classic, American Cool" signature.

The objective purchaser is clear: general clients of Tommy Hilfiger who were purchasing garments for their youngsters from abroad as they are not content with contributions from nearby brands. In the second stage, the organisation would target buyers overhauling from neighbourhood brands to worldwide quality contributions.

The estimated children wear market in India is Rs 3,000 crore and is growing at 30 percent annually. "The segment has finally reached a threshold opportunity," says Shailesh Chaturvedi, CEO and Director of Tommy Hilfiger (India). After doing its research on the segment, the company saw a large gap at the premium end of the kids' section, Chaturvedi adds.

Tommy Hilfiger wants to open 100 shops in the youngsters wear section, which would be a blend of selective brand outlets and shop-in-shop over the best 24 urban communities in the following two years.

"We were obvious from the earliest starting point that our stores would offer imported youngsters wear. The reaction to our items and our development in the class reaffirms our procedure and the lively interest for this portion," Rao says.

The top-notch situating doesn't mean the form brand will limit its quality just to the best urban communities. For instance, the organisation is now present even in spots, for example, Benaras, Indore, Nagpur and Dehradun where it is developing at 50 to 60 percent year-on-year. "The obtaining power in the littler markets has enhanced essentially," Rao says.

That belief has led the company to bet big on its accessories business as well. Tommy Hilfiger plans to set up over 500 accessories stores (clothes, perfume, watches) in the next five years.

For apparels, the plan to is to almost double the number of stores from the current 1,000 in 98 cities as a McKinsey study suggested that revenues of apparel companies in India will more than double to \$55 billion.

Tommy Hilfiger was launched in April 2004 and has a turnover in the range of Rs 160 crore. The company is now looking at a 60 percent growth for the current year. Going forward, the company expects its children's range to contribute as much as 10-12 percent to the overall business while footwear could contribute about eight percent. The balance will come from apparel and accessories.

## **SUGGESTIONS**

Once the principles and analytics are in place, a retailer should institutionalise smart pricing and promotional planning through private education and a comprehensive plan. The most effective promotions for each target segment and product category should be communicated to the organisation. By combining the strategy, principles and analytics, retailers can build a proper pricing and promotion plan, outlining the promotion tactics (i.e. the type of promotion, depth, frequency and time of season) and communication methods for each category and channel by customer segment. Frequent check-ins (e.g. weekly meetings) between the owners of different marketing and promotion initiatives can avoid too frequent price communication with customers and prevent promotion fatigue.

Tommy Hilfiger should establish procedures for tracking the effectiveness of the promotion plan and have contingency plans in place as needed. Commonly followed KPIs include week-over-week unit sales comparisons, incremental revenue, margins, store traffic, etc. However, a best-in-class measure of promotion effectiveness will also consider the impact of the promotion on other product categories (both unrelated and complementary) not directly included in the development. By looking at the effect a promotion had on an overall portfolio, a retailer can ensure that an advertisement is successfully achieving objectives and use the learnings to influence future promotion plans.

By applying these four promotion steps, retailers can effectively design their promotional strategies to attract customers in today's challenging competitive environment while maintaining long-run profitability. An effective promotion strategy is especially important for retailers today, considering the importance customers place on promotions and affordable prices when making apparel purchase decisions. By understanding their customer segments and providing a clear structure and communication for promotions, retailers can rise above the clutter and strengthen their business with healthier, more sustainable margins.

## **CHAPTER-6 CONCLUSION**

It was found that the current cost unique system in Tommy Hilfiger had enlarged the objective purchaser statistic enabling the brand to be more open to the delicate esteem buyer. This has to some degree debilitated the brand's extravagance picture and seemingly desensitized shoppers to brands hedonic advantages and may have brought about the loss of brand faithfulness. It was additionally revealed that current deals advancement strategies had no immediate effect in harming shopper's interior reference cost or general value desires. This additionally added to the brand keeping up its clear, great picture all through.

Promotion is an essential element in the sector of kids wear. Kids are influenced more by the creative and catchy promotion techniques more than anything else. The primary contributor to the promotion is advertisements. Companies spend 100s of billions every year on ads across the globe, persuading and manipulating people into a consumer lifestyle that has been set by the organisation. Advertising is an excellent way of exploiting individual insecurities and creating false needs by offering solutions. This, in turn, cultivates dissatisfaction that leads to people ending up buying. Children are widely targeted.

Non-verbal communication is playing a significant role in textiles. From the labour to the top management every one communicates with a lot of symbols, gestures and signs developed explicitly for this environment. Every level of the hierarchy has specific body posture, the handshake and even smile. However, this communication is entirely dependent on personal skills. There is no proper training of non-verbal communication for workers and management. Poor listening some time results in huge misunderstandings causing a delay in work, but the administration does not take appropriate actions for it. Workers never feel comfortable with top management because of lack of interpersonal communication of control with lower grade staff.

In today's competitive global fashion market in which Tommy Hilfiger operates, companies struggle with building sustainable and profitable customer relationships. In this environment, segmentation becomes the key to effective customer profitability management. It helps to optimise investments in product development, channel management and marketing communications. A fact-based segmentation establishes a method to select the most profitable customers and with their underlying profiles helps to build targeted marketing strategies around them. This segmentation method enabled Tommy Hilfiger to stimulate the change of its mindset from traditional product-centric thinking to more customer-centric thinking. As a result, Tommy Hilfiger will optimise the allocation of the total marketing spend, launch tailored CRM activities and effectively increase its sales margins and revenue.

Future research could be focused on changing sales strategies in a recession concerning company size and sector in which the Tommy Hilfiger operates. Also, this type of analysis can be conducted only on a sample of sales executives of Tommy Hilfiger and can be compared due to the impact of the recession on marketing strategies in textile companies.

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## ANNEXURE

### QUESTIONNAIRE

1) Age :         20-30     31- 40     41 50     51-60

2) Gender:      Male     Female

3) Profession:  Professional    Business    Student

Employed    Homemaker    If other specify,-----

4) Do you think that the salesperson can identify your needs without direct communication?

Always    Often    Sometimes    Occasionally    Never

5) Rank the most important quality you think the salesperson should possess. (1 being first and 10 being least rank)

a) Pleasant expression        ----

b) Positive voice tone        ----

c) Smile        ----

d) Handshaking        ----

e) Good body movement        ----

f) Dressing style        ----

g) Appearance        ----

h) Body movement        ----

i) Facial expression        ----

j) Gestures & Postures        ----

6) Poor posture and non-energetic salesperson discourage your purchase?

a) Strongly agree

b) Agree

c) Disagree

d) Strongly disagree

7) Do you think that your hand movements help to deliver your message to the seller?

Always  Often  Sometimes  Occasionally  Never

8) The dressing style of a salesperson is an important factor to attract a customer to a clothing retail shop?

a) Strongly agree

b) Agree

c) Disagree

d) Strongly disagree

9) Do you think 'smile' is an important factor that would show a positive approach to a customer?

a) Strongly agree

b) Agree

c) Disagree

d) Strongly disagree

10) Do you prefer same gender sale person when you go for purchase in clothing retail shop?

Always  Often  Sometimes  Occasionally  Never

11) The eye contact helps to deliver and receive message between buyer and seller?

a) Strongly agree

b) Agree

c) Disagree

d) Strongly disagree

12) Does the salesperson treat you equally like any other customer?

Always  Often  Sometimes  Occasionally  Never

13) Do you think the body movements of the salesperson is an important factor to attract a customer?

a) Strongly agree

b) Agree

c) Disagree

d) Strongly disagree

14) Whether the purchase ended in sales or not?

Always  Often  Sometimes  Occasionally  Never

15) How does the salesperson react if the purchase prolongs for a longer time?

- a) Pleasantly
- b) Fair
- c) Unpleasantly
- d) Impatiently
- e) Irritated

16) From your point of view how many percentages of Tommy Hilfiger is following effective and good approach to the customers?

- a) less than 20%
- b) 20% -40%
- c) 40%-60%
- d) 60%-80%
- e) more than 80%

17) Are you satisfied with the nonverbal communication of salesperson in Tommy Hilfiger?

- a) Very satisfied
- b) happy
- c) neutral
- d) unsatisfied
- e) very unsatisfied