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## **SWOT ANALYSIS OF HANDLOOM INDUSTRIES**

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# Swot Analysis of Handloom Industries

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**Abstract – From the very beginning Handloom products held a stable position in Indian economy which provided economically sound living standard as well as employment to the rural and semi urban Indian inhabitants especially. The year 1991 marked the emergence of different names in this arena which led to a tough marketing of handloom products in exports and an easy way to get into the domestic markets. There is a large customer base in India, where it becomes necessary to take immediate steps to tap the domestic market as well as exports. While the market is very competitive at the low end of the value chain, firms are not taking advantage of the large domestic market in generating economies of scale to deliver cost advantage in export markets. Hence, this study make the SWOT analysis of Handloom Industry.**

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## INTRODUCTION

SWOT analysis helps managers to craft a business model that will allow a company to gain a competitive advantage in its firm. Competitive advantage leads to increased profitability and this maximizes a company's chances of surviving in the fast changing global competitive environment.

Faced with a constantly changing environment, each handloom business unit needs to develop a marketing information system to teach trends and developments, which can be categorized as an opportunity or a threat. The unit has to review its strength and weakness in the background of environment's opportunities and threat an organization's SWOT analysis. In the present study the research make the SWOT analysis of the Handloom Industry in India.

### The Strength of Handloom Industry Are:

- Strong financial condition
- Strong brand name
- A widely recognized market and an attractive customer base.
- Cost advantages
- Strong advertising and promotion strategy
- Product innovation skills
- Sophisticated use of e-commerce technologies and processes.

- Beller Product quality and a good reputation for customer service.
- Strong global distribution capability and wide geographical coverage.

### The Weaknesses of Handloom Industry Are:

- No clean strategies direction
- Obsolete facilities
- Higher overall unit cost relative to key completers
- Subpar profitability, no cost control measures
- Falling behind rivals in putting e-commerce capabilities and strategies in place.
- Weak brand image or reputation.
- Weaker dealer network than key rivals
- Lack of adequate global distribution capability
- Short on Financial resources to fund promising strategic interactive.
- Lots of underutilized plant capacity.
- Low product quality

- Not attracting new customers as rapidly as rivals.

Having understood its strengths and weaknesses, one should look at its opportunities and threats that are being posed on accelerated pace by the era of globalization and liberalization.

#### The Opportunities of Handloom Industry Are :

- Serving additional customer groups.
- Expanding its product line to meet the broader range of customer needs.
- Using the internet and e-commerce technologies to dramatically cut costs.
- Opening to take market share away from rivals.
- Acquisition of rival firms with attractive technological expertise.

#### The Threats of Handloom Industry Are :

- Entry of the new competitors.
- Loss of sales to substitute products.
- Increasing intensity of competitors among industry rivals may cause squeeze on profit margins.
- Slowdown in market growth
- Adverse shifts in foreign exchange rates and trade policies of foreign governments.
- Costly new regulatory requirements.
- Growing bargaining power of customers/suppliers.
- A shift in buyers needs and tastes away from the industry product etc.

### CONCLUSION

It is observed that most firms have recognized these opportunities in the handloom industry. New treats and challenges are thrown up in the form of competition with high quality of products produced at economic scale and sold at a lower prices. Thus a clear understanding of SWOT analysis will enable the industry, how to develop strategy clearly and in order to implement the strategy, one would have to develop specific action plan.

The Handloom Industry is the most ancient Cottage Industry of India. Research & Development is an essential ingredient for any Industry to keep pace with

the fast changing developments on account of the increasing global interest in Indian Handlooms.

Looking at the different marketing strategies and practices adopted by the units of handloom industry, it is interesting to mention that the strategy of certain export units, committed to artisan's mode of production, in negotiating these markets. The answer lies in balancing the market led design interventions in such a way that they make the minimum damage to the traditional mode of production.

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