

Pro Apparel: Towards a Leader in Apparel Innovation

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Abstract: Pro Apparel Asia Sdn. Bhd. as a one stop shop for all cycling needs requires additional funding from government agency to expand its business capabilities. While the demand for sports apparel especially for cycling activity increases tremendously, Pro Apparel requires latest machine and technology to be utilised in its production line to increase the products output. A quantitative study conducted through disseminating online survey questions to the people to learn about their attitude towards sports apparel products and determining the elements that influence their purchasing decisions. Based on the results from the online survey, majority of the respondents comes from younger generation who prefer to wear sports apparel in their daily lives without compromising the quality of the apparel that they can purchase in reasonable price. High quality and affordable sports apparel are the attractive factors that lead to the purchasing decision made by the customers. Hence, the additional funding that requested by Pro Apparel can be a major milestone to meet the needs and desire by its customers through fully utilising the current retail technology and innovation.

Keywords: Sports Apparel, Retail Technology, Innovation

1. Introduction

Pro Apparel Asia has been involved in the sports apparel segment since the company's inception. Pro Apparel is an expert in making sports apparel, particularly for cycling, and it uses Pro Apparel as a brand name for all of the things it offers to the clients. Because this area generates the most revenue, a new strategy to increase sales of sports gear becomes the company's primary priority. This product has been favorably received by the local market, and has managed to infiltrate the worldwide market.

Textile and apparel industry contributes significantly to Malaysia's economic growth as one of the fastest expanding industries in the country (Ali & Haseeb, 2019). This sector is supported by expanding prosperity and client trust in the potential of the industry (Ali & Haseeb, 2019). Besides, the growth of the industry is owed to the consistent supply chain and market demand of apparel (Lifestyle, 2021).

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According to Euromonitor (2018), the value of retail clothes and accessory sales in Malaysia is expected to expand by 6 percent annually between 2019 to 2020, reaching RM53 billion (US\$12.4 billion). Based on another statistic from Statista (2020), income in the sports and outdoor areas is expected to reach US\$250 million in 2021. The revenue growth rate for this segment is predicted to be 12.87 percent per year (CAGR 2021-2025), with revenue growth of 19.2 percent in 2021 alone. It is expected to achieve a market volume of US\$406 million by the end of 2025.

Industrial master plans continue to emphasize the importance of the textile and apparels industry, naming industrial and technical textiles, functional fabrics, high-end fabrics, and ethnic fabrics as growth categories. As a result, the fact that the apparel industry's potential is promising may position Pro Apparel as one of the industry's important participants in the near future. If Pro Apparel's plea for more financial assistance is approved, it will undoubtedly increase its sales in this category by incorporating current technologies into its production line.

1.1 Company

Pro Apparel is a sportswear brand that specialises in cycling apparel and has been well established since 2016. It has opened its physical store in Bayan Bay, Penang which also serves as the company's headquarter. Throughout the year, Pro Apparel has a few branches in Setia Alam, Selangor as well as one overseas physical store in South Korea.

Pro Apparel is exclusively distributing sports apparel from other brands during the first few months of its existence. The company then begins to manufacture its own products, receiving positive feedback from clients, particularly those in the same field. The company is now a huge success in the local market, and it has expanded its operations to Indonesia, Brunei, South Korea and China. Through its other business segment, the company provides repair and sales of a variety of bicycles, particularly for daily cycling.

Pro Apparel has also succeeded in establishing confidence with its clients by giving only high quality items and services to meet their needs. The company has been able to construct specialized strategies and plans for all of its sportswear products thanks to the formation of the Pro Apparel brand. The choice of sportswear as the topic for the business plan is ultimately appropriate given the current rising demand for this type of product among customers.

Therefore, the application of financial assistance from Teraju Superb becomes the starting point for Pro Apparel to increase the capacity of sportswear supply and stock to meet the rising demand. In addition, the experience and passion may bring the products from Pro Apparel to be among the top in the products line up purchased by the customers.

1.2 Business and Legal Structure

Pro Apparel has been registered with Malaysian Company Commission (SSM) in order to operate legally and certified by laws to perform contracts. It chooses Pro Apparel Asia Sdn. Bhd. as the company's name as it was formed as a private limited company.

1.3 Mission and Objectives of the Company

Mission of Pro Apparel is "To be a sportswear specialist that provides affordable and comfortable sportswear while promoting healthy and active life style". This mission highlights two major indicators that are affordability and life style. It is to inspire people who are interested in cycling to begin practicing a healthy life style without being concerned too much about the cost of the products.

Meanwhile, its objectives lie on few strategies such as to be a leading cycling wear specialist producer, to offer affordable and comfortable cycling wear, to increase high performance life style in a

way of improving quality of life and unleashing true potentials and to offer best value products to fulfil the needs of different customer's ability and interest.

1.4 Respond to Opportunities

The opportunities towards textile and apparel industry are open widely, supported by government commitment to add more textile related programs. Pro Apparel is now in the effort to be a market leader despite the fact that it has been in the industry for five years and has already penetrated the international market. Pro Apparel analyzes its competitors' strengths and weaknesses that can be means for it to outshine ever since beginning of the effort to be among the industry's major players.

1.5 Marketing and Sales Activities

Pro Apparel offers three primary products to its customers; cycling equipment and accessories, sportswear and cycling related products. Brand of Pro Apparel has become well known as a result of free word-of-mouth advertising from existing customers and industry competitors.

Then, Pro Apparel evaluates its marketing strategies by comparing the scorecard to the money generated from product sales. Customer satisfaction becomes one of the metrics used to assess the efficiency of company's marketing strategies. Aside from that, Pro Apparel sets aside a portion of its budget for marketing, keeping in mind the influence on revenue and, in particular, on the customers.

Another strategy is by letting the customers to select the right platform to purchase products from Pro Apparel. Customers are able to do so either through online platform or visit the store. Pro Apparel ensures that the customers who visit the store to have an outstanding experience in terms of facilities, service and surrounding. Therefore, it can be an unforgettable experience to the customers, then encourage them to return to the shop to make the next purchase in the future. Pro Apparel acknowledges the cost of marketing is within its budget.

2. Literature Review

2.1 Industry and Market Overview

Malaysia has always relied on agriculture industry to contribute to the country's development since independence. Following the development road map provided by former Prime Minister, Tun Abdul Razak, with the implementation of the New Economic Policy (NEP) in 1971, the manufacturing industry began to thrive. This industry makes substantial contribution to Malaysia's economic growth, as well as enhancing exports of local products to the foreign markets and providing job opportunities for Malaysians (Abdul-Rashid *et al.*, 2017; Hooi & Leong, 2017). Obviously, manufacturing industry has proven that it plays a vital role in the global economy by ensuring the ongoing supply of goods and services in response to client demand globally (Abdul-Rashid *et al.*, 2017).

Manufacturing industry in Malaysia contributes to the highest increase in Malaysia's Industrial Production Index (IPI) by four percent, causing the IPI to rise to 2.4 percent in September 2021 (Department of Statistics Malaysia, 2021). Key industrial businesses in Malaysia include textile, apparel, petroleum, chemical, rubber and plastic products. Malaysia gains a strong position through exporting these types of products to other countries because they have a direct impact on the value of the Gross Domestic Products (GDP) (Rehman, Yong & Choong, 2021).

For Pro Apparel, it specializes in high quality cycling attire by focusing to supply the products mostly to the local market. Local market generates the highest revenue along with the sale of sportswear products. It contributes about 55 percent from the total of earnings of the products offered to the customers. Pro Apparel intends to spend more in sportswear subcategories other than cycling because

it already has experience in the sportswear market. It is now steadily developing its business after removal of restrictions in MCO by allowing economic sector to operate.

2.2 Competition

(a) *Internal Factor Evaluation (IFE) Matrix*

The IFE Matrix is a method to evaluate the major strengths and weaknesses of businesses in particular factors (Capps, III & Glissmeyer, 2012). This matrix will be the benchmark for Pro Apparel to compare its strengths and weaknesses with other competitors. The factors considered for the evaluation include brand reputation, services, distribution channels, quality of products and price competitiveness.

(b) *Market Share*

Cooper & Nakanishi (1989) define market share as “shares of the actual sales for a product in a given period in a geographical area” (p. 17). Pro Apparel has almost the same of market share with its competitors as all brands have devoted customers to contribute to the increase of sales. Pro Apparel has selected the emphasis of its company based on its objective to be a leader in cycling apparel production.

(c) *International Links*

Pro Apparel has agents in a number of countries to help to promote the brand and to attract new customers in respective countries. Pro Apparel creates relationship with other agencies and corporations outside of Malaysia since it sponsored bicycle competitions and events in other countries. Active participation of Pro Apparel in such events is to raise the public awareness about the presence of the brand.

Considering its competitors have also promoted their products in international market, it may take some times for Pro Apparel to catch them, given that the brand of Pro Apparel is still relatively young. As a result, Pro Apparel must aggressively pursue any opportunities to maintain and to boost trustworthiness among its current customers by maintaining or even improving the quality of products.

(d) *Innovation and Technology*

Sportswear products from Pro Apparel are made in accordance with the most recent trends in the market as well as its target customers which are the younger generation. It offers the products that are comfortable and effective in addressing the frequent issues faced by the wearers. By having innovative talents in Pro Apparel, it aids in the development of the company to offer the best products to the customers.

Technology is the key to corporate growth because it leads to innovation. The use of technology in business has become a necessity as company concepts and models have progresses. Business player such as Pro Apparel must employ technology to be relevant and efficient in this technological era as it is being applied in all business transactions. It has been demonstrated that using technology to do business is faster, more convenient and efficient in addition to offering security and assistance (Jain & Yadav, 2017).

2.3 Target Market

Target market must be defined to determine the possible customers that will purchase the products. Appropriate target market selection, according to Unaldi and Soydemir (2021), will prevent any market program from being thrown out and producing no business income. Geographic, demographic, sociographic, psychographic and behavioral characteristics are among the most common target market characteristics (Ferrell, Hartline & Hochstein, 2021).

Under demographic force, Pro Apparel identifies the segmentation variables to be age, gender and income of the customers. With an estimated Malaysia population of 32.7 million in 2021, young and middle aged group making up the majority of the population. This age group is the target market for Pro Apparel to sell its products.

Talking about gender, male and female have different taste in fashion preference. It is a major problem for the business player to cater the needs of both male and female customers. Considering women have more purchasing power compared to men, this can be an opportunity for Pro Apparel to offer products that design specifically for women. Higher purchasing power by women contributed from more number of Malaysian women engage in the labor market that lead to financial independence (Ma, 2020). Therefore, instead of producing only unisex sportswear products, Pro Apparel produces also the sports apparel that focus on women style of fashion.

The products offered to the customers are sold in affordable price to cater different range of incomes of the customers. Pro Apparel evaluates the ability of the customers to buy the products by forecasting the income range and looking into the trend of purchasing. Pro Apparel also manages to apply behavioral forces to persuade the customers to buy the products especially sportswear. Some forces that have been identified the purchasing behavior of the customers are through occasion and timing as well as customers' loyalty. More customers buy the products during offer or special events and the loyalty of the customers who buy the products from Pro Apparel repeatedly due to their willingness and trust towards the products.

2.4 Product Life Cycle

A typical product life cycle has a few stages throughout its journey. At first, products from Pro Apparel go through an introductory period. A few approaches are applied such as creating awareness and interest among the customers to buy the products. A lot of engagement with customers, such as follow up activities, may help the company to be known.

The next stage of the cycle is the growth process. Here, businesses face a lot of challenges to sustain in the industry, especially competition from competitors. The business shifts its strategy from attaining new customers to retaining existing customers through brand loyalty, despite the fact that, new customers are still required for the company's revenues. The growth stage normally will be extended to be longer to gain as much recognition as it can.

Product life cycle continues with maturity stage. It indicated no other companies can penetrate the market. However, there is a potential that new product features and variations will steal some of the spotlight mostly for the market share. Business typically rename the products, incorporate new technology into the products and launch new products to the market in maturity stage.

The last cycle is the declining stage. This stage can be delayed by directing the efforts towards repositioning and introducing new features as added values to the products. For apparel industry, it does not immune to this stage despite the fact that, its cycle is based on client preferences for trends and styles.

2.5 Market Research

Market research has been used to evaluate the customers' perception towards sports apparel industry and determine the elements that influence their purchasing decision. The results from this research determines the right methods for marketing strategies of Pro Apparel.

2.6 Population of Sample

People who live in Malaysia, whether citizens or non-citizens, will be the target respondent. People under the age of 15 are being excluded from this poll as specified in the survey questions. This age

group is not the target group for Pro Apparel as their purchasing power is limited and not as strong as the company’s target market. (Department of Statistics Malaysia, 2021). In 2021, the percentage of the population aged 0-14 years is expected to be at 23% (Department of Statistics Malaysia, 2021). Hence, only 25.2 million people out of 32.7 million total populations are eligible for the poll. From this eligible population, they are being grouped as the target market for Pro Apparel to purchase the sportswear products. Size of sample for the survey is determined through the application of Cochran’s Formula (Cochran, 1977). Considering margin error at 10% and confidence level of 90%, required sample size is at least 68 respondents.

2.7 Questionnaires and Results

The instrument of survey conducted through the distribution of questionnaires via Google Form. The questionnaires consist of three main components and three sub-sections. Three main components are demographic, purchasing sports apparel and factors influencing sportswear purchasing decisions. Section of factors influencing sportswear purchasing decisions is further divided into three sub sections (brand awareness, product quality and price). The poll garners a total of 93 responses. Results for demographic studies are illustrated in the following figures.

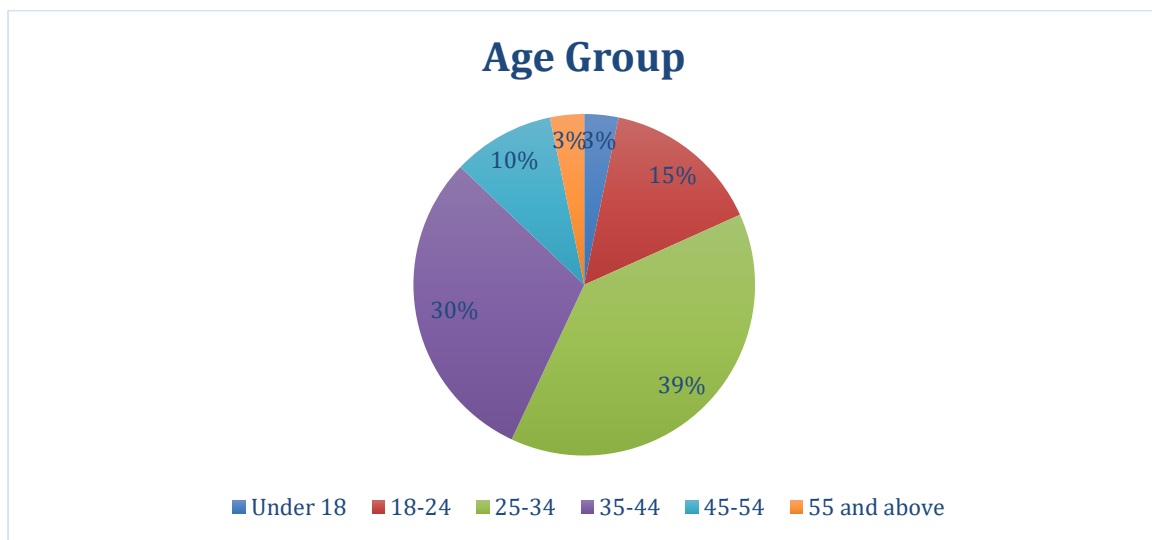


Figure 1: Age Group of Respondents

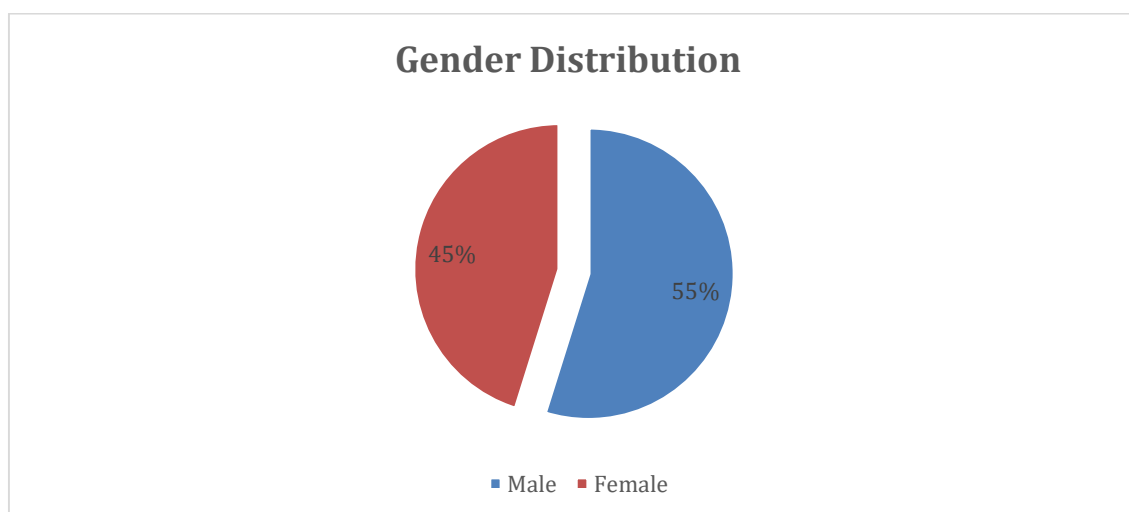


Figure 2: Gender Distribution of Respondents

The following table show the questions asked to the respondents which respect to their purchasing sports apparel attitude and factors influencing sportswear purchasing decision.

Table 1: Purchasing Sports Apparel Section Response

Purchasing Sports Apparel	Selection of answer	Percentage, %
Do you purchase sports apparel?	Yes	87
	No	13
Frequency of purchasing sports apparel?	Several times per week	0
	Several times per month	6
	Several times per year	64
	Less often	23
Methods of purchasing sports apparel?	Purchase at store	57
	Online purchase, e.g.: Facebook, Instagram, website	43
Reason/s of purchasing sports apparel	As a gift	21
	Replace old clothes	63
	To enrich wardrobe	9

This component of the poll is intended to measure people's proclivity for purchasing sports apparel. The majority of respondents indicated they have purchased sports apparel, with over 68 percent indicating they do it numerous times per year. 57 percent of respondents said they would rather buy sports apparel in a store than on an online platform. This could be attributed to the time it takes to find the correct sportswear size, as well as the shopping experience people get while buying in person. There must be some motive for people to prefer to acquire sports apparel, as 63 percent of them state the main purpose is to replace their old clothes.

Table 2: Factors Affecting Sportswear Purchasing Decision Response

Factors Affecting Decision	Selection of answer	Percentage, %
1. Brand awareness		
I choose well-known brands of sports apparel	Yes	21
	No	79
I usually choose expensive brands of sports apparel	Yes	21
	No	79
I think the higher price of sportswear, the better the quality	Yes	59
	No	41
I prefer to buy the best-selling sports apparel product	Yes	61
	No	39
2. Product quality		
I try to get the highest quality when purchasing sports apparel	Yes	77
	No	23

Table 2: Factors Affecting Sportswear Purchasing Decision Response (continued)

Factors Affecting Decision	Selection of answer	Percentage, %
I usually try to buy the best quality of sports apparel	Yes	67
	No	33
My expectation towards sports apparel I buy are very high	Yes	81
	No	19
3. Price		
I buy as much sports apparel as possible at sales price	Yes	12
	No	88
I save money as much as I can when purchasing sports apparel	Yes	69
	No	31
I prefer to buy sports apparel at reasonable price	Yes	92
	No	8

There are three key aspects that can impact customers' purchasing decisions when it comes to sports apparel. The first element, brand awareness, does not appear to affect shoppers when purchasing sportswear. The majority of buyers do not feel that brand awareness, whether it is a well-known or premium brand, is a top priority when purchasing sportswear. However, 59 percent of respondents believe that the higher price of sports apparel products reflects the higher quality of the products. They believe that a well-known brand will provide them with the highest-quality products.

Another factor to think about is the product's quality. 77 percent of all respondents want the best possible sports apparel before purchasing it for themselves. Almost everyone has high expectations for the sports apparel they buy. In terms of cost, the poll clearly shows that all respondents will seek for sports apparel at a reasonable price, in addition to purchasing products during sales promotions to save as much money as possible. Nevertheless, the majority of the respondents will not buy too much products at the same time.

2.8 Market Analysis

Pro Apparel selects SWOT Analysis to examine significant concerns that arise both internally and externally. This analysis provides Pro Apparel with a framework for evaluating its strengths, weaknesses, opportunities and threats.

Table 3: SWOT Analysis for Pro Apparel

Strengths	Weaknesses
1. Trusted and well known-brand.	1. Lack of experts.
2. Vast distribution networks.	2. Lack of capital.
3. High product quality.	3. Absence of professional employees.
4. International presence.	4. Lack of training programs.
5. Opportunities	5. Threats
1. Rising of sportswear demand.	1. Covid-19 pandemic.
2. Growth of cycling business industry.	2. Supply chain problem.
3. Change of lifestyle.	3. Economic recession.
4. Potential for business expansion to other countries.	4. Utilisation of advanced manufacturing technology.
5. Business to business collaboration.	

2.9 Marketing Mix

According to Išoraitė (2016), marketing mix is “the product, distribution, promotion and pricing strategies to produce and carry out exchanges and achieve the target markets” (p. 2). These four groups are referred to as the "4P" key marketing elements. 4P is required to meet the needs of customers based on the problems identified by the seller in the earlier stages of marketing strategies.

3. Operations

Operations is one of the key areas in business management. It covers supply chain, production flow and business support system of a business. Detailed business operations assist the company to ensure seamless management of the company, reduce errors and acts as guidelines.

3.1 Operational Plan

(a) Production Process

Normal manufacturing process of apparel products begins with receiving order from customers. This process is to ensure products manufactured follow the right process flow. All the processes depict in Figure 3 shows the typical flow of manufacturing of sportswear products. Pro Apparel adopts this process flow in manufacturing its sports apparel.

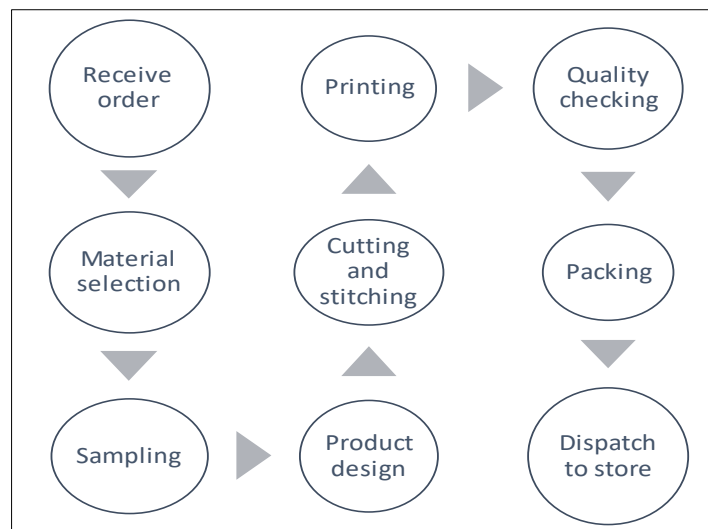


Figure 3: Process Flow for Manufacturing Sports Apparel

3.2 End-to-end Supply Chain

In supply chain management, there are components that make the process to be integrative. The components are plan, source, make, deliver and return (Lambert & Enz, 2017). It can be further expanded into after sales service and reverse logistics to optimize the supply chain management.

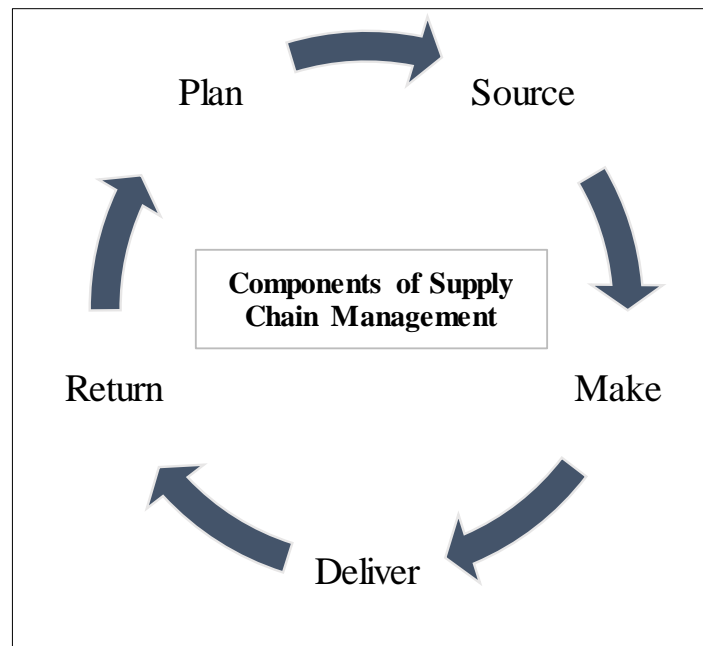


Figure 4: Components of Supply Chain Management

3.3 Business Support System

Business support system (BSS) is a system that aids in the management of business. Each business has different support system depends on its business nature and necessities. The team in this system ensures daily operations of business to run accordingly. Among the teams that can be included in the BSS of apparel business are planning, design and creative, sales and marketing, and financial.

4. Conclusion

This business plan will provide understanding and aids the government agency that Pro Apparel applies for financial assistance to know the plan of the company. Overall, it is a proof of what the company has achieved and the strategies that will be taken to achieve the goals. Apparel industry promises a good future due to warm acceptance from customers as well as quick trend change in the industry.

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