



An Empirical Study on the Value Chain Analysis of Juki Pvt Ltd

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Abstract:

The study aims to understand the internal activities and the Value Chain Analysis of JUKI Pvt Ltd. JUKI is the world's leading sewing machine manufacturer. JUKI was founded in 1938 and ever since its inception, Quality Standards and Brand Value has always been their first priority. This is the how they were able to satisfy their customers over the years. The study was conducted by analysing the employee's perception about the organization, understanding their work process and work culture, the software that they use, turnover, present stage of the firm, analysing the quality of their resources and understanding the various factors that have contributed to their success in the market. JUKI has been doing well in the market and it is important to analyse the various factors that led to its success. Value chain analysis helps to understand the internal activities of the organization and how has it helped the firm perform better than its competitors. Value chain Analysis has been used in various fields of Research Study. Several frameworks have emerged and have been used to study individual firms, industries as well as global production systems. Thus, Value Chain Analysis should be implemented by every organization in order to understand their value and where they rank in the market. This will also help firms to stay in the market at a good position for a long time.

I. INTRODUCTION

A value chain is a set of activities that a firm operating in a specific industry performs in order to deliver a valuable product or service for the market. The concept comes through business management and was first described by Michael Porter in his 1985 best-seller, *Competitive Advantage: Creating and Sustaining Superior Performance*. A Value Chain Analysis is involved with a number of internal activities in the organization. These activities are mainly divided into, a) Primary activities, b) Secondary activities. Primary Activities is the key processes and systems that a business makes use of to produce its product or service. They include, Inbound Logistics, Outbound Logistics, Marketing and Sales, Services, Operations or Process. Secondary Activities help the primary activities in creating an advantage over its competitors. They include, Firms Infrastructure, Human Resource Management, Technology Development and Procurement. Within the whole value system, there is only a certain value of profit margin available. This is the difference of the final price the customer pays and the sum of all costs incurred with the production and delivery of the product/service (e.g. raw material, energy etc.). It depends on the structure of the value system, how this margin spreads across the suppliers, producers, distributors, customers, and other elements of the value system. Each member of the system will use its market position and negotiating power to get a higher proportion of this margin. Nevertheless, members of a value system can cooperate to improve their efficiency and to reduce their costs in order to achieve a higher total margin to the benefit of all of them (e.g. by reducing stocks in a Just-In-Time system).

II. REVIEW OF LITERATURE

(Hellin and Meijer, 2006) "The concept of "value chain" was introduced by Porter (1985) to describe the full range of activities, which are required to bring a product or service from conception, through the different phases of production, distribution to consumers, and final disposal after use. As the product moves from one player in the chain to another, it is assumed to gain value" (Brown, 1997) "The value chain can

be used as a tool to disaggregate a business into major activities, thereby allowing the identification of sources of competitive advantage" Mowen and Hansen (2011) "Internal value chains exist which also need to be managed" (Ireland et al. 2009, Mowen and Hansen 2011) "Primary activities are those involved with a product's physical creation, sales and distribution, and after-sales service. In detail, this involves the product interrelations inbound logistic and operations and the market interrelations outbound logistic, marketing, sales and after-sales service" (Normann 1993) "This system of mapping out and categorizing activities helps the firm to link its competencies to competitive advantage" (Ireland et al. 2009, Mowen and Hansen 2011) "Support activities provide the assistance necessary for primary activities. In detail, this involves the infrastructure interrelations firm's infrastructure and human resource management, technological interrelations (technology development) and procurement interrelations (procurement)" (Macmilan and Tampoe 2000) "The total value is referred to as the price a customer is willing to pay." (Lynch 2003) "The target of a well-planned and organized value chain is to maximize value creation while minimizing costs, where all activities of a company link efficiently together."

III. STATEMENT OF THE PROBLEM

Value chain represents the internal activities a firm engages in when transforming inputs into outputs. There are many competitors in the industry of sewing machines and JUKI being a full-fledged company has been ranked as a top brand in manufacturing sewing machines. Thus, there is a need to study the factors and techniques that influence the performance of JUKI Sewing Machines.

OBJECTIVES

1. To analyse the internal capabilities of JUKI
2. To understand the distribution pattern of JUKI products
3. To identify the factors influencing JUKI and its products success that has gained value over the years.

IV. RESEARCH METHODOLOGY

Sample Design

Sampling Unit: Employees of the company

Sampling Method: Simple Random Sampling

Method of data collection: Primary data was collected online and Questionnaire was collected from 60 respondents.

Secondary data was collected from books, journals and websites.

Method of data analysis: The collected data was processed with the help of excel software and SPSS software and Mean and Percentage Analysis.

V. ANALYSIS AND INTERPRETATION MEAN

Table 1

How strong is the market for your products at present?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Very Strong	13	21.7	21.7	21.7
Good	42	70.0	70.0	91.7
Average	5	8.3	8.3	100.0
Total	60	100.0	100.0	

Interpretation

The above table shows that 70% of respondents have rated that the market for JUKI products are Good at present. 21.7%

respondents have rated that the market for JUKI products are Very Strong and only 8.3% of respondents have rated the market for JUKI products are Average.

Table 2

Who are your main purchasers?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Firms	15	25.0	25.0	25.0
Wholesalers and Dealers	24	40.0	40.0	65.0
Retailers	18	30.0	30.0	95.0
Direct Consumers	3	5.0	5.0	100.0
Total	60	100.0	100.0	

Interpretation:

The above table represents that 40 % have rated that their purchasers are Wholesalers and Dealers. 30 % have responded

that their purchasers were Retailers, 25% of the respondents responded that their purchasers are Firms and only 5% rated Direct Consumers as their purchasers.

Table 3

What are your marketing strategies for product promotion?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Exhibitions	21	35.0	35.0	35.0
Seminars	24	40.0	40.0	75.0
Product Launch Events	11	18.3	18.3	93.3
Advertisements	4	6.7	6.7	100.0
Total	60	100.0	100.0	

Interpretation: The above table represents that 40% have responded that marketing strategies used are Seminars and 35% respondents have responded that Exhibitions are used to

promote the products. Only 18.3% have rated that Product Launch Events are used and 6.7% of respondents responded that Advertisements strategies are used.

Table 4

Do you collaborate with other firms to promote your products?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	43	71.7	71.7	71.7
No	17	28.3	28.3	100.0
Total	60	100.0	100.0	

Interpretation: The above table represents that 71.7% have responded that JUKI collaborates with other firms to promote

their products and 28.3% respondents responded that JUKI does not collaborate with other firms to promote their products.

Table 5
How have your customers rated your products?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	24	40.0	40.0	40.0
	Good	33	55.0	55.0	95.0
	Average	3	5.0	5.0	100.0
	Total	60	100.0	100.0	

Interpretation:

The above table represents that 40% have responded that customers rated JUKI products as Excellent and 55%

responded that customers rated their products as Good and only 5% have responded that the products were rated Average.

PERCENTAGE ANALYSIS

Table 6
At present which stage is your company at?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Flourished	26	43.3	43.3	43.3
	Maturity	31	51.7	51.7	95.0
	Declining	3	5.0	5.0	100.0
	Total	60	100.0	100.0	

Interpretation:

The above table represents that 43.3 % have responded that the company is Flourished and 51.7% have

responded that the company is at Maturity. Only 5% have responded that the company is at Declining Stage.

Table 7

What is the approximate turnover of your company since last 5 years?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	More than 100 Billion	44	73.3	73.3	73.3
	Less than 100 Billion	16	26.7	26.7	100.0
	Total	60	100.0	100.0	

Interpretation:

The above table represents that 73.3 % of respondents responded that the company turnover for last 5 years was more

than 100 Billion. Only 26.7% respondents have responded that the company turnover was less than 100 Billion.

Table 8
How do you rate the availability of JUKI products to your customers?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	21	35.0	35.0	35.0
	Good	36	60.0	60.0	95.0
	Average	3	5.0	5.0	100.0
	Total	60	100.0	100.0	

Interpretation:

The above table represents that 60% of respondents replied that the availability of JUKI products was Good and 35%

responded that availability of products was Excellent. Only 5% have responded that the product availability was Average

Table 9
How do you rate the Supply Chain management practices of JUKI?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	26	43.3	43.3	43.3
	Good	29	48.3	48.3	91.7
	Average	5	8.3	8.3	100.0
	Total	60	100.0	100.0	

Interpretation:

The above table represents that 48.3 % respondents responded that the Supply Chain Management practices of JUKI was Excellent and 43.3% have responded

that the Supply Chain Management practices of JUKI was Good. Only 8.3% responded that the Supply Chain Management practices were Average.

Table 10

What factors do you think, have increased the competitiveness of JUKI in the market?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Modernisation of existing technology	26	43.3	43.3	43.3
Launch of new facilities	25	41.7	41.7	85.0
Labour cost reduction	7	11.7	11.7	96.7
Advanced Softwares	2	3.3	3.3	100.0
Total	60	100.0	100.0	

Interpretation

The above table represents that 43.3 % respondents rated Modernisation of Technology, 41.7% rated Launch of New facilities and 11.7% rated Labour cost reduction. Only 3.3 % respondents rated Advanced Software as a factor for increased competitiveness in the market.

VI. FINDINGS

- From this study, it can be found that Juki products have a Good market at present, whereas 21.7% responded that the JUKI products had a Very Strong market and only 8.3% responded that the market for JUKI was Average.
- It is found that that 40 % have rated that their purchasers are Wholesalers and Dealers. 30 % have responded that their purchasers were Retailers, 25% of the respondents responded that their purchasers are Firms and only 5% rated Direct Consumers as their purchasers.
- It can be found that 40% have responded that marketing strategies used are Seminars and 35% respondents have responded that Exhibitions are used to promote the products. Only 18.3% have rated that Product Launch Events are used and 6.7% of respondents responded that Advertisements strategies are used.
- 71.7% have responded that JUKI collaborates with other firms to promote their products and 28.3% respondents responded that JUKI does not collaborate with other firms to promote their products.
- 40% have responded that customers rated JUKI products as Excellent and 55% responded that customers rated their products as Good and only 5% have responded that the products were rated Average.
- It can be found that 43.3 % have responded that the company is Flourished and 51.7% have responded that the company is at Maturity. Only 5% have responded that the company is at Declining Stage.
- 73.3 % of respondents responded that the company turnover for last 5 years was more than 100 Billion. Only 26.7% respondents have responded that the company turnover was less than 100 Billion. This means that the company is doing well.
- 60% of respondents replied that the availability of JUKI products was Good and 35% responded that availability of products was Excellent. Only 5% have responded that the product availability was Average
- It is found that that 48.3 % respondents responded that the Supply Chain Management practices of JUKI was Excellent and 43.3% have responded that the Supply Chain Management practices of JUKI was Good. Only 8.3% responded that the Supply Chain Management practices were Average.
- It can be found that 43.3 % respondents rated Modernisation of Technology, 41.7% rated Launch of New facilities and 11.7% rated Labour cost reduction. Only 3.3 %

respondents rated Advanced Software as a factor for increased competitiveness in the market.

VII. SUGGESTIONS

- The firm has to have a strong website. This will help to gather more information about the products and services.
- The flexible work time can be modified according to the employees flexibilities which will better the working conditions among employees.
- The organization can improve its internship facilities and also visit various educational institutions. This will help students understand various manufacturing techniques and it will also benefit the fresh graduates.

VIII. CONCLUSIONS

The study was conducted based on the questionnaire that was filled by the employees. The respondents were very free to give their feedback and reviews about working at JUKI. The organization has been motivating its employees by improving working conditions and also adding Bonus and other Increments. The company has been doing well in the market and it will definitely stay strong in the market in the long run.

IX. REFERENCES

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