

# A STUDY ON MARKETING PROBLEMS FACED BY COCONUT PRODUCERS WITH SPECIAL REFERENCE TO POLLACHI

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## ABSTRACT

This research investigates the prevalent marketing challenges encountered by coconut producers, focusing specifically on the Pollachi region of Tamil Nadu. Agriculture is a critical component of the Indian economy, supporting approximately one-third of the population directly or indirectly. Coconut cultivation is particularly vital, sustaining 60% of farmers in Tamil Nadu, which exhibits the highest coconut productivity among major Indian states. However, the increasing trend in production has introduced new challenges regarding market access for the resulting surplus. The study utilized primary data collected via a structured questionnaire from 150 respondents in Pollachi using convenience sampling over five months (March to October 2025). Key objectives included analysing cultivation and marketing problems, studying marketing practices, and exploring returns realized by growers. The analysis, utilizing Simple Percentage and the Chi-Square method, revealed that **limited market information** (36% of respondents) and the **lack of organized marketing channels** (41% of respondents) are the most significant problems. These challenges frequently lead to **financial instability** for 41% of the farmers interviewed. The study concludes that interventions such as implementing a price guarantee scheme and strengthening farmer associations are necessary to mitigate unexpected losses and price fluctuations caused by intermediaries. The analysis found no significant relationship between either Gender or Area and the stated marketing problems or preferred stakeholders, respectively.

**Keywords:** Coconut marketing, Pollachi, Price fluctuation, financial instability, Farmer cooperatives, Marketing channels.

## 1. INTRODUCTION

Agriculture serves as the fundamental underpinning of the Indian economy. The coconut crop plays a profound role, influencing the social and cultural lives of cultivators, with its marketability and pricing directly impacting farmers' economic welfare. India stands as the world's third largest coconut producer, behind Indonesia and the Philippines. Production is primarily concentrated in Southern states, including Kerala, Tamil Nadu, Karnataka, and Andhra Pradesh. Tamil Nadu specifically cultivates approximately 5,365 million nuts across 389,900 hectares and holds the distinction of having the highest productivity among major coconut-producing states. The Pollachi Taluk is identified as a critical cultivation area within Tamil Nadu.

Despite decades of research and development attention that has successfully increased area, production, and productivity, the sector faces the growing challenge of accommodating the surplus production and effectively leveraging global market opportunities presented by the liberalized trade regime. The economic viability of coconut cultivation is significantly determined by the market conditions, making an efficient marketing system as crucial as production itself.

### Statement of the Problem

While the coconut sector is crucial to the Indian economy, the rising trend in coconut production demands finding consistent markets for the surplus. Previous studies have indicated that market issues, such as cheaper imports and the extensive presence of intermediaries, depress local prices and limit returns for producers. The primary problems faced by growers often revolve around the lack of price stability and unexpected losses. Therefore, this study was undertaken to appraise the production and marketing dynamics within the changing scenario of the coconut sector, specifically focusing on the challenges encountered by growers in Pollachi.

### Objectives of the Study

The research objectives were formulated to:

1. Examine the awareness of respondents regarding coconut marketing.
2. Analyze the specific problems encountered in coconut cultivation and marketing.
3. Explore the returns realized by growers in the study area.
4. Understand the marketing practices currently employed by coconut producers.
5. Study the marketing problems faced by coconut producers.

### REVIEW OF LITERATURE

Historical studies highlight persistent issues in coconut marketing. Mittaine JF and Mielke T (2018) noted that cheaper imports of substitutes, such as palm oil, depressed local coconut oil prices, while the presence of intermediaries led to low price realization for producers. Dr. G. Bhoopathy (2019) emphasized the profitability and employment opportunities offered by coconut, despite the fluctuating nut price and high initial investment, underscoring the necessity for policy makers to mitigate problems faced by growers.

Dr. S.M. Yamuna and Ms. R. Ramya (2019) reiterated that coconut cultivation supports 60% of Tamil Nadu farmers and is important for rural income generation, yet the increasing production volume mandates finding solutions for the surplus. Furthermore, Dale Hamilton (2020) highlighted the increased global demand for high-value coconut products (like packaged coconut water) driven by health and wellness trends, positioning this sector as a lucrative retail industry.

Dr. M. Aravindakshan (2021) observed that the Indian coconut industry centers heavily on coconut oil, consuming about 60% of total production, leaving little surplus for export. He argued that intensive efforts in product diversification and by-product utilization are immediately necessary to make the industry globally competitive, a need currently hampered by a lack of proper technologies for product development. The importance of strategic marketing, including product diversification, market intelligence, and cooperation among organizations to penetrate and widen the market base, was emphasized by R.H. Barin Banu and Dr. S. Palanivel (2021). Finally, Dr. M. Kalimuthu (2023) concluded that, while production initiates development, an efficient marketing system creates value and pays revenue, noting that **lack of price stability, less government intervention, and price fluctuation due to retailers** are key problems faced by cultivators.

## RESEARCH METHODOLOGY

The research design employed a survey-based approach to study the marketing problems of coconut producers in Pollachi. Pollachi was chosen as the **Area of Study** due to its significance and suitable climate for coconut cultivation.

**Sampling:** Convenience sampling was used, selecting a **Sample Size** of 150 respondents (coconut farmers/producers).

**Period of Study:** The data collection spanned five months, from March to October 2025.

**Data Sources and Tools:** Primary data was gathered using a structured questionnaire. Secondary data was referenced from journals, articles, magazines, and websites. Data analysis utilized the **Simple Percentage** method and the **Chi-Square method ( $\chi^2$ )**. The Chi-Square test was specifically used for hypothesis testing to measure discrepancies between observed and expected frequencies.

## ANALYSIS AND INTERPRETATION OF DATA

The analysis covered the demographic profile of the 150 respondents and interpretations related to the 25 marketing variables studied.

### Demographic Profile

Demographic characteristics show that the majority of respondents are actively engaged individuals connected to the sector: **69% are male, 86% are aged between 18 and 50 years, and 55% reside in a rural area.** Financial data indicates that **42% earn below Rs. 10,000 per month.** Educationally, **75% completed UG (Undergraduate)** studies. A significant finding is that **76% of the respondents identified as students**, while **80% were unmarried**, suggesting a sample heavily populated by students involved in the study.

**Table 1: Key Demographic Profile Summary (Percentage Analysis)**

Characteristic	Category	Percentage	Source Table
Gender	Male	69%	
Age	18 - 50 Years	86%	
Residence	Rural	55%	
Monthly Income	Below Rs. 10,000	42%	
Occupation	Student	76%	
Family Size	4 Members	53%	

## Marketing Problems and Solutions

The survey targeted specific marketing issues in Pollachi:

**Table 2: Most Prevalent Marketing Problems in Pollachi (Table No. 4.1.10)**

Marketing Problems	Percentage
Limited market information	<b>36%</b>
Lack of market access	29%
Price fluctuations	23%
Poor infrastructure for transportation and storage	12%

**Limited market information** (36%) was identified as the most prevalent marketing problem by the coconut producers.

**Table 3: Main Reasons for Marketing Problems (Table No. 4.1.11)**

Reasons for Marketing Problems	Percentage
Lack of organized marketing channels	<b>41%</b>
Inadequate government support	27%
Competition from other coconut-producing regions	21%

A substantial **41%** of respondents believe the primary reason for these challenges is the **lack of organized marketing channels**.

**Table 4: Impact of Marketing Problems on Livelihoods (Table No. 4.1.12)**

Impact of Marketing Problems	Percentage
Financial instability	<b>41%</b>
Decreased income	27%
Dependency on middlemen	17%
All of the above	15%

The most significant impact felt by coconut producers is **financial instability** (41%).

**Table 5: Most Effective Marketing Strategies (Table No. 4.1.13)**

Effective Marketing Strategies	Percentage
Strengthening farmer cooperatives	35%
Improving market infrastructure	29%
Providing training on marketing techniques	23%
Enhancing market linkages with retailers and consumers	13%

**Strengthening farmer cooperatives** was ranked as the most effective strategy by 35% of respondents. Correspondingly, **Farmer associations** were identified as the main stakeholder group that should lead the effort to address marketing problems (35% of respondents).

### Role of Technology and Market Access

Technology is seen primarily as a tool for information dissemination. **38%** of producers believe technology's key role is **providing market information through mobile apps**. Other suggestions included improving market access via e-commerce (26%) and enhancing traceability through blockchain (25%).

Regarding market access, 47% of producers believe that certification schemes and quality standards primarily play the role of **facilitating access to premium markets**. Only 18% thought they helped in differentiating products from competitors.

Producers noted that certain marketing channels remain underutilized. **Direct sales to consumers** and **Export markets** were equally cited by 27% of respondents as underutilized channels. Specialty stores followed at 23%.

### External Factors and Research

In examining external pressures, **increased frequency of natural disasters disrupting production and transportation** was cited by 40% of producers as the greatest impact of climate and environmental change.

During the COVID-19 pandemic, **41%** noted the most significant impact was the **shift in consumer behaviour towards online shopping**. Disruption of supply chains was cited by 38%.

In terms of organizational support, **43%** of respondents believe educational institutions and research organizations should focus on **conducting market research and analysis** to find solutions.

On branding and cultural factors:

- **41%** believe packaging improvement should focus on **designing attractive and informative packaging**.
- **41%** also felt that the cultural significance of coconut could be leveraged by **promoting cultural festivals and events**.

Finally, international trade enhancement was seen as reliant on **facilitating tariff reductions and market access** (35%) and **providing export incentives and subsidies** (35%).

### Chi-Square Analysis

Two hypotheses were tested to determine if demographic factors influenced key marketing variables:

**Hypothesis 1: Relationship Between Gender and Marketing Problems**

Metric	Value
Calculated Value $\chi^2$	<b>0.52</b>
Table Value (df=3, 5% significance)	<b>7.81</b>
<b>Interpretation</b>	Since the calculated value (0.52) is less than the table value (7.81), the null hypothesis ( $H_0$ : There is no significant relationship between Gender and Marketing Problems) is <b>accepted</b> .

**Hypothesis 2: Relationship Between Area and Stakeholder**

Metric	Value
Calculated Value $\chi^2$	<b>0.472</b>
Table Value (df=8, 5% significance)	<b>15.51</b>
<b>Interpretation</b>	Since the calculated value (0.472) is less than the table value (15.51), the null hypothesis ( $H_0$ : There is no significant relationship between Area and Stakeholder) is <b>accepted</b> .

Both statistical tests concluded that there is no significant relationship between the demographic variables tested and the perceptions of marketing problems or the identification of lead stakeholders.

**FINDINGS, SUGGESTIONS, AND CONCLUSION****Key Findings**

Based on the analysis of 150 coconut producers, the major findings are:

- A majority of respondents are male (69%), young (86% between 18-50 years), and live in rural areas (55%).
- **Limited market information** (36%) is the most cited marketing problem.
- The primary reason for marketing problems is the **lack of organized marketing channels** (41%).
- The overall impact is felt most severely as **financial instability** (41%).
- **Strengthening farmer cooperatives** (35%) is seen as the most effective strategy.
- **Farmer associations** (35%) are identified as the stakeholders who should take the lead role in addressing these problems.
- Technology is most useful for **providing market information through mobile apps** (38%).
- Climate change impacts are most keenly observed through **increased frequency of natural disasters disrupting production and transportation** (40%).

- A plurality of respondents (51%) feels that marketing problems in Pollachi are **about the same** everywhere compared to other regions.
- Underutilized channels include **Direct sales to consumers** and **Export markets** (both 27%).
- Certification primarily helps in **Facilitating access to premium markets** (47%).
- The COVID-19 pandemic primarily caused a **Shift in consumer behavior towards online shopping** (41%).
- Research organizations should focus on **Conducting market research and analysis** (43%).
- Branding should prioritize **Designing attractive and informative packaging** (41%).
- There is **no significant relationship** found between **Gender and Marketing Problems** or **Area and Stakeholder** in the Pollachi region.

### Suggestions

To mitigate the major challenges identified in the marketing of coconut products, the study proposes the following steps:

1. **Avoid Intermediaries:** The heavy price fluctuation caused by middlemen and retailers leads to unexpected income loss, suggesting that these intermediaries should be avoided.
2. **Price Guarantee Scheme:** The government must implement a **price guarantee scheme** to stabilize the price of coconut and its products, protecting producers from unexpected losses.
3. **Farmer Associations:** The **development of Farmers associations** dedicated to coconut marketing should be promoted for further improvement in market access and stability.
4. **Infrastructure and Subsidies:** The government should **provide warehouse facilities** near the cultivation areas for storage and offer **subsidies** to farmers to cover unexpected losses.
5. **Comparative Advantage:** The study suggests that coconut cultivation is generally a better option than cultivating other crops.

### Conclusion

The research confirms that while the majority of coconut producers are inclined to expand their cultivation efforts, they are significantly constrained by operational drawbacks such as **unexpected losses** and a **lack of price stability**. The pervasive influence of intermediaries contributes heavily to volatile prices, undermining the economic stability of the growers. Successfully resolving the marketing problems faced by coconut producers in Pollachi necessitates enhanced **government intervention** and robust **farmer associations** to ensure market efficiency and fairer returns.

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