

Marketing strategy for coconut value added products



Objective

- Promote diversification to the multitude of value added products in coconut and promotion of processing units
- Introduce premium quality value added products of coconut to the consumers in major cities at affordable cost
- Develop a stable market for the products with steady demand
- Develop a strong supply chain linking the processing units and the retail points
- Ensure a steady supply of products based on consumer demand

Consumption pattern

- **Raw coconut for culinary purposes**
- **Copra for edible purposes and milling**
- **Coconut oil for edible purpose**
- **Coconut oil for non edible purpose**
- **Tender coconut**
- **Temple coconut**
- **Limited extent of processing – packed tender coconut water, desiccated coconut, coconut milk, milk powder , industrial uses for toiletries**

The way about

1. Identification of product basket
2. Selection of target markets
3. Assessment of market demand
4. Backward linkage to processing unit
5. Consortium of processors
6. Collaboration with Cooperative Marketing Federations
7. Use of Potentials of advances in Information Technology
8. Common outlets for products promoted by Commodity Boards
9. Product promotion

1. Identification of Product basket



- Packed tender coconut water
- **Coconut chips**
- **Virgin coconut oil**
- **Desiccated coconut powder**
- **Coconut milk/milk powder/milk cream**
- **Ball copra**
- **Purified coconut oil for edible purpose**
- **Purified coconut oil for edible purpose**
- **Natural vinegar**
- **Natural coconut ice cream**

2. Selection of Target markets

Urban areas with population

- more than 10 million
- 5-10 million
- >1 million
- < 1 million



Why urban areas?

- *High potential due to growing urban population*
- *Urban people experiment with new products*
- *Ever growing middle class and upper class sectors*
- *Willing to pay premium price for quality products*
- *Established retails chains for increased market penetration*

Cities as per Census 2011

Population	No. of cities
More than 10 million	3
5-10 million	5
2-5 million	11
1-2 million	34
Total	53
0.5-1 million	43
1 – 5 lakh	372
Total	468

JnNURM Cities

Sl. No.	City	State	Population (in lakhs)
a)	Mega cities/UAs		
1.	Delhi	Delhi	128.77
2.	Greater Mumbai	Maharashtra	164.34
3.	Ahmedabad	Gujarat	45.25
4.	Bangalore	Karnataka	57.01
5.	Chennai	Tamil Nadu	65.60
6.	Kolkata	West Bengal	132.06
7.	Hyderabad	Andhra Pradesh	57.42
b)	Million-plus cities/UAs		
1.	Patna	Bihar	16.98
2.	Faridabad	Haryana	10.56
3.	Bhopal	Madhya Pradesh	14.58
4.	Ludhiana	Punjab	13.98
5.	Jaipur	Rajasthan	23.27
6.	Lucknow	Uttar Pradesh	22.46
7.	Madurai	Tamil Nadu	12.03
8.	Nashik	Maharashtra	11.52
9.	Pune	Maharashtra	37.60
10.	Cochin	Kerala	13.55
11.	Varanasi	Uttar Pradesh	12.04
12.	Agra	Uttar Pradesh	13.31
13.	Amritsar	Punjab	10.03
14.	Visakhapatnam	Andhra Pradesh	13.45
15.	Vadodara	Gujarat	14.91
16.	Surat	Gujarat	28.11
17.	Kanpur	Uttar Pradesh	27.15
18.	Nagpur	Maharashtra	21.29
19.	Coimbatore	Tamil Nadu	14.61
20.	Meerut	Uttar Pradesh	11.61
21.	Jabalpur	Madhya Pradesh	10.98
22.	Jamshedpur	Jharkhand	11.04
23.	Asansol	West Bengal	10.67
24.	Allahabad	Uttar Pradesh	10.42
25.	Vijayawada	Andhra Pradesh	10.39
26.	Rajkot	Gujarat	10.03
27.	Dhanbad	Jharkhand	10.65
28.	Indore	Madhya Pradesh	16.4

c)	Cities with less than one million population*		
1.	Guwahati	Assam	8.19
2.	Itanagar	Arunachal Pradesh	0.35
3.	Jammu	Jammu & Kashmir	6.12
4.	Raipur	Chhattisgarh	7.00
5.	Panaji	Goa	0.99
6.	Shimla	Himachal Pradesh	1.45
7.	Ranchi	Jharkhand	8.63
8.	Thiruvananthapuram	Kerala	8.90
9.	Imphal	Manipur	2.50
10.	Shillong	Meghalaya	2.68
11.	Aizawl	Mizoram	2.28
12.	Kohima	Nagaland	0.77
13.	Bhubaneswar	Orissa	6.58
14.	Gangtok	Sikkim	0.29
15.	Agartala	Tripura	1.90
16.	Dehradun	Uttaranchal	5.30
17.	Bodh Gaya	Bihar	3.94
18.	Ujjain	Madhya Pradesh	4.31
19.	Puri	Orissa	1.57
20.	Ajmer-Pushkar	Rajasthan	5.04
21.	Nainital	Uttaranchal	2.20
22.	Mysore	Karnataka	7.99
23.	Pondicherry	Pondicherry	5.05
24.	Chandigarh	Punjab & Haryana	8.08
25.	Srinagar	Jammu & Kashmir	9.88
26.	Mathura	Uttar Pradesh	3.23
27.	Haridwar	Uttaranchal	2.21
28.	Nanded	Maharashtra	4.31



Cities with population above 45 lakhs

Sl No.	Name of city	State	Population
1	Greater Mumbai	Maharashtra	18,414,288
2	Delhi UA	NCT of Delhi	16,314,838
3	Kolkata UA	West Bengal	14,112,536
4	Chennai UA	Tamilnadu	8,696,010
5	Bangalore UA	Karnataka	8,499,399
6	Hyderabad UA	Andhra Pradesh	7,749,334
7	Ahmedabad UA	Gujarat	6,352,254
8	Pune UA	Maharashtra	5,049,968
9	Surat UA	Gujarat	4,585,367

3. Assessment of market demand

Market study in collaboration with

- **Management institutions**
- **Training institutions**
- **Marketing organisations**



Objective is

Study on key drivers of market – production (supply), consumption(demand), substitution, export

Assess demand for products already in market

Consumer acceptance study for new products

Estimated demand for packed tender coconut water and the requirement of infrastructure for processing.

Mega Cities	Population (in lakhs)	Estimated consumers (in lakhs)	Estimated market (in KL)	Manufacturing units required (in Nos.)	Quantity of coconuts required for processing (no's in crores)
Greater Mumbai	184.14	18.41	17677.44	20	5.89
Delhi	163.15	16.32	15662.40	17	5.22
Kolkata	141.13	14.11	13548	15	4.52
Chennai	86.96	8.70	8348.16	9	2.78
Bangalore	84.99	8.50	8159.04	9	2.72
Hyderabad	77.49	7.75	7439.04	8	2.48
Ahmadabad	63.52	6.35	6097.92	7	2.03
Pune	50.50	5.05	4848.00	5	1.62
Surat	45.85	4.59	4401.60	5	1.47
Total	897.73	89.77	86182.08	96	28.73

Estimated demand for coconut chips and the requirement of infrastructure for processing.

Mega Cities	Population (in lakhs)	Estimated consumers (in lakhs)	Estimated market (in MT)	Manufacturing units required (in Nos.)	Quantity of coconuts required for processing (nos. in crores)
Greater Mumbai	184.14	46.04	4419.36	368	5.52
Delhi	163.15	40.79	3915.60	326	4.89
Kolkata	141.13	35.28	3387.12	282	4.23
Chennai	86.96	21.74	2087.04	174	2.61
Bangalore	84.99	21.25	2039.76	170	2.55
Hyderabad	77.49	19.37	1859.76	155	2.32
Ahmadabad	63.52	15.88	1524.48	127	1.91
Pune	50.50	12.63	1212.00	101	1.52
Surat	45.85	11.46	1100.40	92	1.38
Total	897.73	224.43	21545.52	1795	26.93

4. Backward linkage to processing units

- **Backward linkage with processing units , Producer Companies**
- **Better supply chain management ensuring the farmers a better Producers share of Consumer rupee.**
- **Improved logistics**
- **Quality products as per Food law**
- **Product certification – IS**
- **Quality systems certification (ISO 9001)**
- **Environmental Management systems certification (ISO 14001)**
- **Food safety Management systems certification (ISO 22000:2005)**
- **HACCP certification for food safety (ISO 15000)**



5. Consortium of processors

- Organise Consortium of processors
- Demand estimation and supply schedules catered to by Consortium
- Efficient resource mobilisation and logistics
- Increased strength of bargaining and market presence
- Integrated action for favourable policy initiatives

6. Collaboration with Cooperative Marketing Federations

- *Identification of Cooperative Marketing Federations, NAFED, retail chains, other marketing networks in the area*
- *Vendor registration of processing unit/Consortium with established networks*
- *Utilisation of existing infrastructure*
- *Added advantage of established customer base*

Major cooperative Marketing Federations in Kerala

- **The Kerala State Cooperative Marketing Federation Limited (MARKETFED)**
- **The Kerala State Cooperative Consumers Federation Limited (CONSUMERFED)**
- **The Kerala State Civil Supplies Corporation (SUPPLYCO)**
- **Kerala State Horticultural Products Development Corporation Limited (HORTICORP)**
- **Employees Cooperative Societies etc**

Other retail chains – Reliance, More, Big Bazar, Margin Free, Spencer etc

7. Use of Potentials of advances in Information Technology

- *Facilitate e marketing by processing units/Consortium*
- *Registration in e- trading portals*
- *Posting of product availability*
- *Regular updation*
- *Promote e trading*

8. Common outlets for products promoted by Commodity Boards

- **Retail points for Commodity Boards – Coconut Development Board, Tea Board, Coffee Board, Spices Board etc**
- **Quality certified products**
- **Common brand kiosks of Commodity boards**
- **Common investment in infrastructure**

9. Product promotion

- *Generic promotion of coconut and its products*
nutritive attributes
health attributes
Quality of product
Natural product
Organic product
- *Brand promotion of individual brands of coconut products manufactured by units*
- *Development and promotion of a common umbrella brand for products of Producer Companies*

Plan proposed

Population	Time frame
> 4 million population – 9 cities	2012-13
> 1 million	2013-14
Remaining JNNRUM cities	2014-15
50% cities with > 1 lakh population	2015-16
Remaining 50% cities with > 1 lakh population	2016-17



THANK YOU