



Consumer profile, awareness and consumption pattern of virgin coconut oil in Kerala

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ABSTRACT

A study on the consumer profile, their awareness and the consumption pattern of Virgin coconut oil (VCO) in Kerala was conducted confining to the three districts of Kerala viz., Trivandrum, Ernakulam and Kozhikode which are placed almost equidistantly along the length of Kerala and representing southern, central and northern zones. The respondents selected were from elite class in the urban centres. Out of 376 consumers interacted 82 and 78 per cent of them were found to be aware, and purchasing and using VCO, respectively. Out of those who were aware 90 per cent were purchasing/using it. Ninety six per cent of the respondents were graduates or post graduates. Twenty one per cent of the total respondents were professionals, 13 per cent each were NRIs and housewives and 21 per cent were government or private employees. Monthly income, of 83 per cent of the total respondents ranged from Rs. 0.75 to 1.5 lakhs. The monthly expenditure for VCO was found to be Rs. 325 corresponding to 5.1 and 2.1 percentage to food and food plus non-food expenditure, respectively. The consumption pattern of consumers revealed high market potential for VCO and the marketers may try to take advantage of this situation. Regional differences observed in the awareness and preference of brands may be due to the inappropriate and inadequate distribution of the products to which the marketers should give more attention. Frequency of purchase of VCO varied from fortnightly to half yearly intervals which suggested that the stock and supply should be regulated for continuous supply of products to the consumers. Even among the elite classes of respondents only 82 per cent was aware and 78 per cent was using VCO. Since VCO is an upcoming product in the market irrespective of rural and urban areas appropriate awareness and promotional activities should be conducted by the marketers.

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INTRODUCTION

Majority of agricultural products are marketed in their raw form, value addition may result in higher income to the farmers, generation of rural employment, checking

of price collapse of crops at the time of glut and increasing shelf-life of the produce. Coconut is the principal cash crop occupying 41 per cent of the net cultivated area and supporting lakhs of marginal and small farmers of Kerala. Despite the multitude opportunities for product

diversification, value of coconut is regarded mostly in terms of copra or coconut oil and it is necessary to delink its dependency by means of developing and popularizing other value added products.

Virgin coconut oil (VCO) is the most popular and important value added product and is gaining fast acceptance in the market. While positioning a new product, marketers need to analyse the awareness and consumption pattern of the prospective consumers about the product in order to effectively plan their marketing strategies. VCO is produced from fresh coconut milk or meat. The oil is extracted using a screw press after wet milling. Producing VCO from coconut milk involves grating the coconut, grinding it with water, and then squeezing out the oil. Several health benefits are attributed to VCO (Anuradha, 2016).

Kerala is fast moving towards urbanization. Those who can afford prefer to have 'better things in life' and to reside in 'better side of town' and ultimately to have a 'better living'. They mainly include middle class and upper middle class comprised of professionals, independent business persons, corporate managers and average pay white and pink collar workers. The social classification proposed by Kotler and Armstrong (2012), seems valid for Kerala too. Coconut, at present, having four times more area than the staple food rice, is an integral part of Kerala's life. Around 50 per cent of coconut production is used for culinary and religious purpose, 35 per cent is converted to copra, 11 per cent for tender nuts, two per cent for seed purpose and hardly two per cent for oil production (Veerakumaran *et al.*, 2015). The access and use of raw coconut products is being limited to the new urban population and hence, the value added coconut products have vast market potential among them. Under this circumstances the study on the consumer profile, awareness and the consumption pattern of virgin coconut oil in Kerala is undertaken, the results of which may be helpful for the marketers to plan their marketing strategies.

MATERIAL AND METHODS

The study area:

The study was confined to three districts of Kerala *viz.*, Trivandrum, Ernakulam and Kozhikode. These districts were selected since, in Gross Value Output (GVO) of Kerala, coconut crop holds first position in Kozhikode

and second position in both Ernakulam and Trivandrum (CDB, 2013). Also, these districts are placed almost equidistantly along the length of Kerala and representing southern, central and northern zones of the state. Purposive sampling was implemented for selecting the urban centres which are fixed entities and having known description.

Selection of sample respondents:

As the selected products are having a niche market at present, the sample respondents were selected from the urban centres of Kerala focusing on the elite class consumers. Sixty consumers were selected randomly from each urban centre from samples selected by snowball sampling, who were found to be aware of using VCO, for the purpose of collecting primary data.

Data collection and analysis:

Data collection was made during the year December 2017- April 2018. Data was collected using pretested structured interview schedule. Descriptive statistics was used as tool for analysis.

OBSERVATIONS AND ANALYSIS

The results obtained from the present investigation as well as relevant discussion have been summarized under following heads :

Profile of consumers:

The survey on the study project was purposively concentrated towards elite class of people living in urban centres on which natural compulsions for the use of value added products may normally be imposed. This elite group is expected to have higher education, likewise higher professional status and higher income.

Data given in Table 1 revealed that 78 per cent of the total respondents were between 31 and 50 age group, who are in active family life. As high as 92 per cent belonged to this age group in Trivandrum. The majority of the total respondents (66%) were male, whereas a higher per cent of 78 was observed in Trivandrum against a lower per cent of 53 in Ernakulam. All selected respondents were married. The family size is a crucial factor in deciding the purchase behaviour, particularly the quantity. Fifty one and thirty three per cent of the respondents were having four and three members each in the family, respectively with almost even distribution

in different urban centres. Notwithstanding the above factors, education, occupation and income level which invariably decide the social class are having a more significant role in deciding the consumption pattern. A family's position in the social structure creates certain orientations which are undoubtedly reflected in spending pattern.

From the Table 1 it could be estimated that 96 per cent of the total respondents were graduates and post

graduates, this was cent per cent in Trivandrum. Occupation wise classification revealed that the largest group was business people with 29 per cent of the total respondents. Among the different regions it was highest in Ernakulam with 40 per cent. Twenty one per cent of the total respondents were professionals, the highest being in Trivandrum with 25 per cent. NRIs and housewives who were having no regular employment constituted 13 per cent each of the total respondents.

Particulars	Table 1: Profile of the consumers of virgin coconut oil (n=180)			
	Trivandrum (n=60)	Ernakulam (n=60)	Kozhikode (n=60)	Overall
Age				
<30	2 (3)	7 (12)	3 (5)	12 (7)
31-50	55 (92)	42 (70)	43 (72)	140 (78)
>50	3 (5)	11 (18)	14 (23)	28 (16)
Gender				
Male	47 (78)	32 (53)	40 (67)	119 (66)
Female	13 (22)	28 (47)	20 (33)	61 (34)
Marital status				
Married	60 (100)	60 (100)	60 (100)	180 (100)
Unmarried	--	--	--	--
Family size				
3 members	21 (35)	18 (30)	21 (35)	60 (33)
4 members	32 (53)	28 (47)	31 (52)	91 (51)
5 members	3 (5)	6 (10)	3 (5)	12 (7)
6 members	4 (7)	7 (12)	4 (7)	15 (8)
7 members	--	1 (2)	1 (2)	2 (1)
Education				
High School	--	1 (2)	--	1 (1)
Higher secondary	--	3 (5)	2 (3)	5 (3)
Graduate	47 (78)	31 (52)	37 (62)	115 (64)
Post graduate	13 (22)	25 (42)	21 (31)	59 (32)
Occupation				
Farmer	3 (6)	--	3 (5)	6 (3)
Govt. employee	5 (8)	6 (10)	8(13)	19 (11)
NRI	12 (20)	5 (8)	6(10)	23 (13)
Business	15 (25)	19 (40)	19 (32)	53 (29)
Housewife	3 (5)	14 (23)	6 (10)	23 (13)
Private employees	7(12)	5 (8)	6(10)	18 (10)
Professional	15 (25)	11 (18)	12 (20)	38 (21)
Monthly income (Rs.)				
<=75000	4 (7)	11 (18)	5 (8)	20 (11)
75001-150000	53 (88)	42 (70)	55 (92)	150 (83)
>=150001	3 (5)	7 (12)	--	10 (6)

Employees in the government and private sector together constituted 21 per cent. Three per cent were farmers, infact they were planters moved to urban centresto have a more comfortable life and facilities for higher education and employment for their children, and good medical and recreation facilities.

It is self-evident that the consumption pattern of the poor and rich households is markedly different. The income level of the people has direct impact on the consumers' off take of products' inventory levels, consumption pattern, frequency of purchase etc. It is important for the marketers to identify appropriate consumer segments with different levels of income while evolving marketing strategies. The data revealed that monthly income of majority of the respondents were high, for 83 per cent of the total respondents it ranged from rupees 0.75 to 1.5 lakhs and for six per cent it was more than 1.5 lakhs. An overall analysis of the consumer profile pointed out that this elite class of respondents might have an attitude towards spending more on consumer goods and services.

Awareness and usage of VCO :

Having awareness about a product among the consumers is the prerequisite for the successful marketing. The levels of awareness may vary with the product type and consumer characteristics, regional difference, social class, income level, education level, occupation, personal characteristics of the consumers etc. can influence the awareness level. Conventional and non-conventional sources of information, distribution outlets of the products, promotional activities by the marketers etc. can influence the awareness creation among the consumers. VACP are relatively a recent entry in the market and the study on the awareness level among the consumers about the products will help the marketers to plan their modus operandi on the marketing of the products.

Out of 376 consumers interacted eighty two and

seventy eight per cent of them were found to be aware, and purchasing and using VCO. All those who were aware were not purchasing and using it but only 90 per cent (Table 2). Among the rest a few get the traditionally made VCO from their native villages and the rest were not using it at all. While comparing different regions, in the central region (Ernakulam) though the consumers interacted (only 116) were low compared to other regions the percentage who were aware of, and who were purchasing and using among those having awareness were noticeably higher.

The awareness level of different classes of people about the same products may vary. Padma and Andal (2016) studied the awareness of value added coconut products among the rural coconut farmers with an intention of attracting the farmers towards initiating agripreneurships on those products and thereby increasing their income. They reported low to moderate level of awareness about ten different products among the farmers. However, they observed significant relationship between the age, education, marital status and the awareness on the products, but no association between the income and the awareness. In this study about 61 to cent per cent of the respondents expressed the awareness about different value added coconut products, but the respondents selected were from elite class who were in need of value added products partially due to the reduced access and availability of raw coconut.

Monthly consumption expenditure on VCO:

It is important to know the monthly family expenditure details of VCO consumers because it helps to know the proportion of income spend on the product selected. Food, food plus non-food and the per cent expenditure of VCO to food and food plus non-food expenditure are presented in the Table 3.

In the overall analysis themonthly family expenditure for VCO as represented by the mean of the three urban centres was Rs.325, whereas for food it was

Particulars	Number of consumers interacted	Number of consumers aware of VCO	Number of purchasers/users of VCO among the consumers interacted	Percentage of purchasers /users who were aware
Trivandrum	132	114 (86)	98 (74)	86
Ernakulam	116	110 (95)	102 (88)	93
Kozhikode	128	104 (81)	92 (72)	88
Total	376	328 (82)	292 (78)	90

Rs. 6426 and for food plus non-food it was Rs. 15679. The corresponding per cent expenditure of VCO to food was 5.1 and to food plus non- food was 2.1.

Among the different regions, the central region (Ernakulam) was much ahead than others in the consumption expenditure for VCO with Rs.364 per month. However, the present expenditure for VCO towards food or food plus non-food expenditure were relatively lower in Ernakulam compared to other centres (4.5 and 1.9, respectively), since the consumption expenditure was noticeably higher with Rs.8163 and Rs.19286 for food and food plus non-food. In southern and northern region (Trivandrum and Kozhikode) the family expenditure for various items were more or less similar.

Monthly consumption of VCO:

Information on quantity as well as frequency of purchase of a product has got a major role in framing the marketing strategies by the marketers. Since VCO is relatively a new comer in the market, this type of information is very important in forming market promotion plans for their products for specific regions.

Data presented in the Table 4 revealed that out of the total 180 consumers from Trivandrum, Ernakulam and Kozhikode, 66 per cent of the households were having a monthly consumption of 250-500 ml VCO. Fifteen per cent had used a lower quantity of less than 250 ml, 12 per cent used 501-1000 ml and 7 per cent more than 1000 ml. Among different regions, almost similar consumption pattern was observed in Trivandrum and Kozhikode. Those who have used 250 to 500 ml of VCO per month was as high as 74 per cent in Ernakulam and nobody was found to be using a quantity less than 250 ml, but 18 per cent were using 500 to 1000 ml.

VCO is used for several purposes, as massaging oil particularly for babies, as a medicine by certain people and even for cooking by a few people (Jnandevan, 2018). Since it is costly (5-6 times as that of coconut oil) certain people use it only as a medicine. Those respondents use it for babies only opted for lower quantity.

Purchase frequency of VCO:

How often a consumer make purchase is an important aspect in studying the consumer behaviour particularly purchase behaviour. The information on this

Particulars	Expenditure (Rs.)			Percentage expenditure of VCO to	
	Food	Food plus non-food	VCO	Food	Food plus non-food
Trivandrum	5351	13248	302	5.6	2.9
Ernakulam	8163	19286	364	4.5	1.9
Kozhikode	5763	14503	308	5.3	2.1
Overall	6426	15679	325	5.1	2.1

Quantity	Number and percentage (in parenthesis) of respondents			
	<=250 ml	251-500 ml	501-1000 ml	>1000 ml
Trivandrum	14 (23)	38 (63)	4 (7)	4 (7)
Ernakulam	-	44 (74)	11 (18)	5 (8)
Kozhikode	13 (22)	37 (61)	6(10)	4(7)
Overall	27(15)	119(66)	21(12)	13(7)

Particulars	Number and percentage (in parenthesis) of respondents				
	Weekly	Fortnightly	Monthly	Half yearly	No specific time
Trivandrum	-	15 (25)	16 (27)	17 (28)	12 (20)
Ernakulam	2 (3)	8 (13)	26 (43)	10 (17)	14 (23)
Kozhikode	-	15 (25)	18 (30)	13 (22)	14 (23)
Total	2 (1)	38 (21)	60 (33)	40 (22)	40 (22)

will help the marketers and retailers to manage the stock of goods, whether the stock position should be high during a particular period or there is equal distribution throughout the period.

VCO is having everyday use particularly for babies and the consumers were aware of the need for its assured stock and 33 per cent of the consumers went for monthly purchase (Table 5). Thirteen to 22 per cent of the consumers made fortnightly and half yearly purchases. In Ernakulam as high as 43 per cent consumers went for monthly purchase. Since VCO was not easily perishable compared to other value added products of coconut such as Neera, coconut milk powder or desiccated coconut, purchase and keeping for long period was not a problem to the consumers. However, 22 per cent of the respondents were not keeping specific intervals for the purchase of VCO.

Preference towards the size of package for a particular item can influence the purchase behaviour of a consumer. Consumers based on their income, social class, quantity requirement, shelf life and availability of the product, accessibility and nearness to the shop,

frequency of purchase, type of consumers etc., prefer different package size of products. Hence, it is important for the marketers to know how much quantity of different products the consumers demand at a time and thereby decide the package size of the product. Eventhough, they consider economy in packaging, while deciding a package size the consumers' requirement should be the base of such decision. The package size preferred for VCO by the respondents of different centres are presented in the Table 6.

Out of 180 respondents 48 per cent preferred a size one fourth to half a litre and another 49 per cent preferred half to one litre pack. Only a small per cent (13%) preferred small packs less than 200 ml. The preference for large packs (501 to 1000 ml) were more in Ernakulam (49%) and kozhikode (42%), whereas in Trivandrum (48%) majority preferred medium sized (251 to 500ml) pack.

Usage pattern of VCO by consumers:

The respondents were interacted to know the usage pattern of VCO. The usage pattern is the act or a manner

Particulars	Number and percentage (in parenthesis) of respondents			
	<=250 ml	251-500 ml	501-1000 ml	>1000 ml
Trivandrum	10 (17)	29 (48)	21 (35)	7 (12)
Ernakulam	11 (18)	19 (32)	30 (50)	-
Kozhikode	13 (22)	22 (36)	25 (42)	-
Overall	24 (13)	89 (48)	90 (49)	-

Particulars	Number and percentage (in parenthesis) of respondents			
	Trivandrum	Ernakulam	Kozhikode	Overall
Cash only	15 (25)	22 (37)	20 (33)	57 (32)
Debit card only	8 (13)	9 (15)	8 (13)	25 (14)
Cash or debit card	36 (60)	27 (45)	30 (50)	93 (52)
Cash or credit card	1 (2)	2 (3)	2 (3)	5 (3)

Particulars	Number and percentage (in parenthesis) of respondents			
	Trivandrum	Ernakulam	Kozhikode	Overall
Direct marketing	3 (5)	2 (3)	4 (7)	9 (5)
Only retailers	3 (5)	1 (2)	-	4 (2)
Only supermarket	34 (57)	37 (62)	35 (58)	106 (59)
Retailers and super market	20 (33)	20 (33)	21 (35)	61 (34)

of using goods and services. It brings out whether the goods are used constantly, or used as a custom or habit.

The VCO qualified as the mother of oil was traditionally being prepared in rural households, however, the traditional method is modified to manufacture VCO in bulk as a commercial product. The traditional use of it as a baby care oil, supplement as a medicine etc. is still continued with the branded VCO available in the market for constant use or as a habit by the respondents in all the centres. In rare cases it's a substitute for ordinary coconut oil in case of high social class who can afford to buy large quantity of VCO at higher prices.

Mode of purchase of VCO consumers:

In the present marketing structure, mode of payment is also very important since other means of transaction such as e-payment other than cash purchase is becoming common.

From the Table 7 it could be seen that on the mode of purchase of VCO, relatively a lesser number of respondents between 25 and 37 per cent use cash as the only mode of purchase, 13 to 15 per cent use debit card and 45 to 60 per cent use both cash and debit card. Since the respondents were from urban centres and belonging to elite class they depended more on debit card for their daily purchase. Credit card exclusively was used by none of the respondents, and only a negligible per cent used both cash or credit card.

Source of purchase of VCO consumers:

Source of purchase is an important factor influencing the decision making process of the consumer and the purchase behaviour. The choice of the source of purchase depend on several factors such as availability of the quality products at reasonable price, convenience of the consumer to shop, proximity of the source, availability of credit and flexibility in cash transaction, reliability etc. Information on source of purchase will

help the marketers to arrive at appropriate distribution outlets according to the nature of the product and type of consumers.

There was no noticeable difference among the different regions with regard to the source of purchase (Table 8). Out of the total 180 respondents 59 per cent preferred to buy VCO only from super market and 34 per cent both from super market and retailers. The preference towards super market over other sources of purchase is evident from the data. Super markets provide variety of brands of products and displayed in a way that facilitates easy selection. Those who are having exclusive preference of certain branded item are also available in super markets. The customer could verify the quality details, date of manufacture, price etc. of different brands before purchase. The respondents were belonging to elite class and residing near about the heart of the towns. Many number of super markets available in the proximity provided the respondents an easy access to the markets. Only a few percentage preferred retail shops or direct marketing. Direct marketing was in the form of traditional make by certain small holders and selling directly.

Currently used brands:

A brand is a name, term, symbol, design or a combination of items which intended to identify the goods and services of one seller or a group of sellers and to differentiate them from different competitors. The information regarding the awareness and use among the consumers about the number of brands for each product will help the marketing men to evaluate their strategies to create awareness among the consumers and to identify their weaknesses.

The usage of brand depends on the image of the brand that are created by the manufacturers, the consumers' loyalty towards it that is derived from their satisfaction and the favourable attitude towards the brand. Information on the currently used brands are furnished

Brands	Number and percentage (in parenthesis) of respondents							
	Trivandrum		Ernakulam		Kozhikode		Overall	
Nirmal	6 (10)	16 (27)	5 (8)	30 (50)	6 (10)	16 (27)	17 (9)	62 (34)
Organic India	11 (18)	17 (28)	13 (22)	31 (52)	11 (18)	17 (28)	35 (19)	65 (36)
Virgin plus	5 (8)	12 (20)	5 (8)	23 (38)	5 (8)	17 (28)	15 (8)	52 (29)
Elements	5 (8)	9 (15)	6 (10)	6 (10)	5 (8)	11 (18)	16 (9)	26 (14)
Rubco	19 (32)	19 (32)	6 (10)	6 (10)	17 (28)	17 (28)	42 (23)	42 (23)

in Table 9 for VCO in different urban centres.

There were five brands viz., Nirmal, Organic India, Virgin Plus, Elements and Rubco for VCO in use by the respondents in all the three urban centres. More than 30 per cent of the respondents were using the brands Organic India (36 %) and Nirmal (34 %) alone. The brand Rubco was used only by 23 per cent of the respondents and the Rubco users used only Rubco, not any other brand. For all other brands the per cent of respondents who used more than one brand in combination with others were much more than the single brand users.

Regional difference was observed in the use of brands. Nirmal, Organic India and Virgin Plus were more noticeably used by the respondents at Ernakulam than Trivandrum and Kozhikode.

Conclusion:

The consumption pattern of consumers revealed high market potential for VCO and the marketers may try to take advantage of this situation. Regional differences observed in the awareness and preference of brands may be due to the inappropriate and inadequate distribution of the products to which the marketers should give more attention, Frequency of purchase of VCO varied from fortnightly to half yearly intervals which suggest that the stock and supply should be regulated for continuous supply of products to the consumers. Even among the elite classes of respondents only 82 per cent

is aware and 78 per cent is using VCO. Since VCO is an upcoming product in the market irrespective of rural and urban areas appropriate awareness and promotional activities should be conducted by the marketers.

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