



**MEASURING EFFICACY OF MARKETING ACTIVITIES THROUGH  
CONFIRMATORY FACTOR ANALYSIS  
– A STUDY ON COCONUT RETAIL MARKETS IN TUMKUR**

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**ABSTRACT:**

Since the marketing of coconuts in Tumkur is experiencing a steady decline, the purpose of this study is to assess the current marketing activities of coconut retailers, measure how effective those activities are, and advise those retailers on how to implement the most effective marketing strategies for future gains. The connection between the two criteria, marketing activity and marketing efficacy, is currently the subject of research that is being conducted. The merchants of the Tumkur market are the source of the primary data. The research covers the Taluks of Gubbi, Tiptur, Thruvekere, and Chicknayakanahalli. According to the data from the Coconut Development Board for 2015-16, these are the five Taluks that generate the most coconuts (Latest available). The researchers are interested in coconut product manufacturers and sellers located in the Taluks that have been designated for Tumkur. The number of stores in the sample is 125, and it was calculated using the Cochran Formula with a confidence level of 95% and an error margin of 10%. The questionnaire was constructed with consideration given to the findings of the study review. The retail shop data, marketing activity, and marketing effectiveness sections make up the three parts of the questionnaire. The SPSS Version 25 and AMOS R Version 23 software packages are utilized in the data analysis process. It is not possible to generalize the findings of this study to other goods or services because it is limited to coconut retail establishments in Tumkur's four Taluks. According to the data, there is a correlation between a one percent increase in marketing activity and a 0.69 percent increase in marketing effectiveness. The retention of customers should be the primary focus of the marketing plan employed by a retail business in order to be successful.

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In order for marketing to be successful, it needs to be incorporated into the overall business plan. This strategy dictates how the store may effectively engage customers, prospects, and other businesses operating in the same market. According to the conclusions of the research, there are a number of essential elements that contribute to the success of retail outlets in the Coconut market. These factors include product policy, price strategy, delivery, advertising, and physical evidence plan.

Keywords: Coconut Products, marketing efficacy, marketing activities

## **INTRODUCTION**

Indian agriculture must deal with various difficulties and challenges. For all parties involved, these concerns, which range from low competitiveness to high expenses and low price realisation, have emerged as a key source of worry (**Singh, 2016**). For agricultural growth to be inclusive, farmers must be assisted in decreasing production costs, creating a remunerative market, and/or increasing yields, among other things. Similarly, in Tumkur, where the agriculture business is in a state of disarray, farmers' predicament is not any different.

Coconut is the most widely grown horticultural crop in Tumkur. In common parlance, the region is referred to as Kalpatharu Nadu, which is a term that might be related with coconut. Gubbi, Tiptur, Thruvekere, and Chicknayakanahalli are the taluks that are responsible for eighty percent of the district's total land dedicated to coconut agriculture. Tumkur's coconut growers have been struck many blows in recent years, because of the changing times. (**The Hindu, August 20, 2010**) When considered in this perspective, the creation of a profitable market and the operation of the distribution channel for coconut goods are both critical factors. New marketing methods for coconut products are urgently required, since traditional channels have struggled to realise their full potential in the face of increasing consumer demand.

Customers are becoming increasingly interested in coconut goods that have been enhanced in some way. It is necessary, as a result, to diversify commodities and make better use of by-products through value addition. Other coconut value-added products include Neera (Coconut Flower Sap), packaged Tender coconut water in pouches, Coconut Palm Jaggery, Coconut Palm Sugar, Coconut oil, coconut cream, and other coconut-derived products. Building a consumer base for these coconut products is essential, and this may be accomplished by establishing a suitable distribution network, supply chains, and logistical centres to assist the flow of food.

There are varieties of government organisations, cooperative producers societies and producers federations, producing companies, and so on, that are involved in the production and marketing of these commodities in the state of Tumkur. These distribution networks are essential in bridging the gap between producers and ultimate customers. These networks are made up of a collection of interconnected organisations that are all involved in the process of making these inputs available for usage to other organisations (**Kotler, 2003**). However, it is necessary to assess the efficiency and viability of the new model.

Products made from coconut are supplied through a variety of channels, including oil mills, commission officers, cooperative federations, and cooperative production organisations. Manufacturers and wholesalers get the information, which is subsequently sent on to the end client. In order to enhance the sales chain for value-added commodities, the Coconut Producers Federation and Manufacturer Companies have developed a variety of strategies. Additionally, coconut Neera (Coconut Flower Sap), packaged Tender coconut water in pouches, Coconut Palm Jaggery, Coconut Palm Sugar, Coconut oil and Coconut cream, as well as other value-added goods, are also available. Neera merchandise and associated items are available for purchase at Neera stores and coconut points.

With the exception of coconut oil, these products, both within and outside of Tumkur, have failed to have a significant effect. Coconut products from nations such as Thailand are more easily available in northern India's luxury market than in other parts of the country. Within the state, the ability to innovate in the distribution channel is limited - that is, it is distributed and handled autonomously by producer companies. A significant portion of the potential of e-commerce and mobile commerce is being underutilised. To ensure that producers receive a higher return on their investments and that buyers receive greater value for their money, the culture of innovation must be entrenched throughout the system.

The coconut is a fruit that grows on trees. Future coconut farmers would need to keep altering habits in mind as they engage in the business of coconut farming. Planting material, value addition, demand trend, and a variety of other considerations must all be taken into account. Before the advent of genetically modified crops, farmers developed and maintained coconut tree types in order to satisfy the demands of a time when the primary products of the coconut were simply copra and coconut oil. As a consequence of shifting client preferences, new technologies have been developed, as have modifications to marketing strategies. New technologies are being created, and new and flexible applications for coconut products are beginning to emerge as a result of these developments. Coconut Development Board, Koch, according to Dr. K Muralidharan, the board's director and Jayashree.A, a senior technical officer, consumes more than half of the country's 15.84 billion nuts each year as raw nuts for culinary and religious purposes, despite the fact that India is the world's largest producer of coconut. Three-fifths of the crop is utilised for copra conversion, elevenths for tender nuts, two percent for seed production, and less than two percent for value-added and industrial applications. In order to ensure that coconut farmers obtain an equitable, acceptable, and constant price, it is necessary to enhance the value-added commodities that will affect the movement of the coconut market.

The development of a client base is a key barrier to the successful sale of coconut products in the United States. It may be made simpler, though, by establishing a suitable network, supply chains, and transportation hubs to facilitate the movement of commodities. With the exception of the southern states of Kerala, Karanataka, Tamil Nadu, and Andhra Pradesh and the coastal areas of Maharashtra, Goa, Gujarat, Orissa, and West Bengal where coconut is grown in large quantities, marketing efforts for these products must be directed to non-traditional markets such as the Middle East and North Africa. Marketers must be ahead of the game and ahead of the curve when it comes

to developing unique marketing strategies in order to penetrate these unexplored territories. Traditional marketing channels would not yield the best results in this case. When looking for proven best examples in all areas of marketing, it is necessary to go outside the four walls of the organisation. As these new models are refined, they will aid in the expansion of these companies' market share while also providing them with the greatest possible position to reject store requests for price reductions.

## **REVIEW OF LITERATURE**

**Elangovan and Mohanraj (2020)**, Implementing electronic commerce-related concepts, standards, and technologies, led by a systematic and rigorous methodology, may help achieve the strategic goal and success of agricultural marketing. Farmers may sell perishable agricultural products online with the help of this website, which also provides recommendations for best-practice farming methods. In addition, it provides them with the opportunity to expand their customer base outside of the country. Produce from a wider number of growers is available to wholesalers and retailers because of this. Distributors and retailers might expand their operations because of it. Agriculture-related products such as fertilisers, insecticides, and machinery are available for purchase online through this website. A virtual calendar, forecasts, and other tools help farmers keep track of their performance. It also enables them to engage labourers, who in turn help farm labourers find modest employment through a work profile on the website, which is accessible to anybody with a computer and an internet connection.

**Dabbara, Rekha, and colleagues (2019)**, All resources involved in moving a farm product from the farm to the end consumer are presumed to be included in the definition of agricultural promotion. Over the last 60 years, the agricultural marketing system has undergone numerous transformations because of increased sold surplus, increased urbanisation and income levels, and the resulting improvements in the trend of demand for marketing services; increased linkages with distant and international markets. The fundamental objective of agricultural marketing is to reduce the costs of production and distribution of agricultural products. E-Agriculture, also known as e-Agribusiness, is the application of information and communication technology (ICT) in the agricultural industry. Agrifood chain digitization will have an impact on all aspects of the supply chain, but it will require substantial changes in planting, rural economics, and produce marketing in order to be effective and efficient. It is advantageous for farmers to employ information and communications technology (ICT) in agriculture since it helps them to get access to consumer knowledge while also marketing their products. In the contemporary world, we will digitally transform the whole agriculture business, from seed to harvest. Small farmers can find numerous consumers for their products through information and communications technology (ICT). Typically, small company operators bargain with a limited number of clients who either pick up their goods from their location or pay them directly. Using a smartphone application that gives farmers with pricing information can help to lessen the effects of market distortions. For many years, farmers in China's agricultural business have planned their harvest in response to sales from the preceding

season. Using Alibaba's 'Juhuasuan' flash selling and marketing platform, farmers may access customer sales data to better prepare crops based on current consumer trends. The virtual farming feature 'Jutudi' allows farmers to better prepare crops based on existing consumer patterns. Clients can order agricultural products well in advance of harvesting season. It works directly with cooperatives and producers in order to eliminate the use of intermediaries. As one of the services it provides, the Tamilnadu government supplies the Uzhavan app for marketing products, as well as a slew of other digital applications from other state governments to inform farmers about timely and accurate agricultural production and market figures.

**Sakthi Balaa and Kalimuthu Kalidas and Raghavi Md Balaa (2019)** Amounting to about 15,000 crore rupees in GDP, coconut provides 72 percent of the world's total output, with India having the highest productivity. While Tamil Nadu has the greatest coconut productivity in India, Karnataka and Tumkur are also extremely prolific. Cuddalore district in Tamil Nadu has the highest coconut productivity, followed by Krishnagiri and Theni Taluks. Output is mostly concentrated in Tiruppur and Thanjavur. A versatile crop, coconut is utilised for a number of applications in India, where it accounts for around 70% of total consumption.

The research conducted by **Jagadeesh K Mannekote and Satish V Kailas (2016)** centered on the opportunities and challenges associated with adding value to products made from coconut. The majority of India's coconut industry is centered on the production of fresh coconut. More than forty percent of the total amount of nuts consumed are taken in as fresh or tender nuts, as well as in the forms of coconut flour and coconut oil. This accounts for the majority of the consumption of nuts. Approximately half of the nuts that are gathered are used to make copra. When compared to other products based on coconut, the consumption of this particular coconut-based good is extremely low. The outcomes of the study indicate that it is vital to disconnect this reliance and build fresh initiatives with added value.

According to **Gigi Elias (2014)**, price fluctuations in the Alappuzha, Kochi, and Kozhikode marketplaces for coconut goods like as copra, coconut oil, and coconut oil cake were investigated to see whether they were related to the season. It also looked at current changes in coconut exports, imports, and the goods that are made from coconuts, according to the paper. A discussion has also taken place on the major issues confronting the coconut product export industry, as well as the possibilities for increasing value and diversifying coconut goods. Pre- and post-liberalization eras were distinguished in the study, which spanned a 34-year span from 1974-75 to 2007-08. At all levels of India, the study found that the post-liberalization period had a slower rate of development in the coconut region as well as in output and productivity than the pre-liberalization period. During the time preceding the liberalisation of trade, imports grew at a negative rate. Trade in goods has shown a positive tendency since liberalisation began. There were no significant differences between the prices of coconut products in the various marketplaces studied.

## **OBJECTIVES**

- To investigate the effect that the characteristics of retail stores have on marketing activities and the effectiveness of marketing coconut products.



- To investigate the impact that marketing efforts have on the degree to which coconut goods are marketed successfully.

## **RESEARCH METHODS**

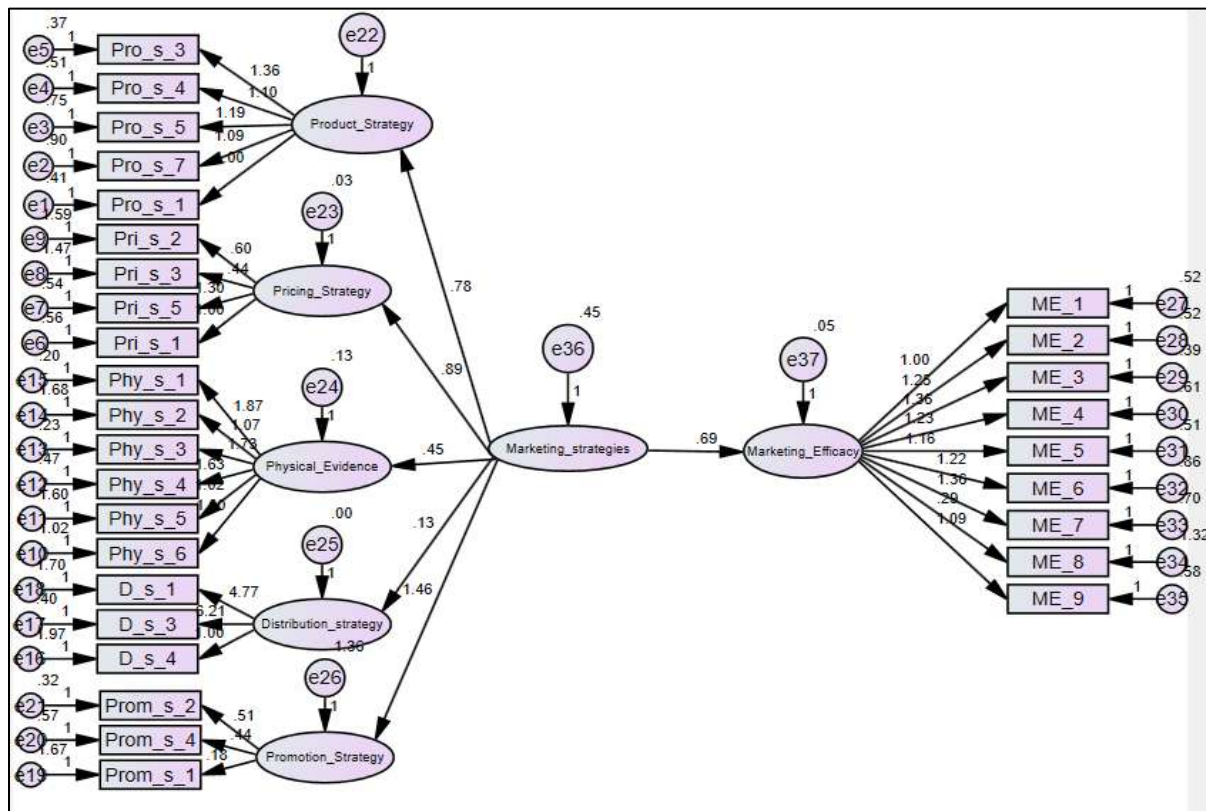
The current research is of a descriptive nature, and its primary objective is to investigate the nature of the link that exists between two variables: marketing activities and marketing effectiveness. The retailers in the Tumkur marketplaces are interviewed to obtain the primary data. The study is centered on the Taluks of Gubbi, Tiptur, Thruvekere, and Chicknayakanahalli, all of which are located in the city of Tumkur. These are the four Taluks that, according to the statistics compiled by the Coconut Development Board for the 2015-16 agricultural year, have the most area of land dedicated to the production of coconuts as well as the highest annual output of coconuts (Latest available). In the context of this research project, the universe of interest is made up of coconut product makers and merchants located in the Taluks that have been selected in the state of Tumkur. Using the Cochran Formula to estimate an unknowable population with a 99% confidence level and a 10% margin of error, a sample size of 125 stores was determined to be appropriate for the study. The variables that were found in the literature study were used as a basis for the construction of the questionnaire. The retail store information, marketing activities, and marketing efficacy of the retailers are all covered in the three sections of the questionnaire that are separated by a dividing line. Questions on the Ranking scale and the Likert scale are used to form the basis of the questionnaire. The convergent-divergent validity of the questionnaire is also examined, and the results of the statistical analysis fall within acceptable ranges. The variables that are the focus of this research are broken down into two categories: dependent variables, which indicate how successful a marketing campaign is, and independent variables, which include aspects of the campaign such as the product, price, physical evidence, distribution, and promotion. Using SPSS Version 25 and AMOS R Version 23 Software, the data analysis is carried out by first illustrating the descriptive statistics and then testing the Hypothesis. The retail outlets in Tumkur's four Taluks are the only places that are included in the study's geographical scope. The focus of the research is on the marketing efforts associated with coconut-related products, so the findings cannot be applied to any other kinds of goods or services.

## **DISCUSSION**

### **Confirmatory Factor Analysis**

Since the Chi-Square value of 6837.521 is statistically significant at 690 degrees of freedom and the p value is 0.00, the model does a good job of fitting the results from the CFA Performance analysis. This is because the value of Chi-Square is statistically significant. The Fitness Index (GFI) was found to be 0.8611, which is lower than the anticipated fitness criteria. The Root Mean Square Error Approximation (RMSEA) was found to be 0.0507, which demonstrates that the model is getting closer to the desired fitness criteria of the nice. The subsequent model demonstrates, via graphical representations, the demonstration that the model has been successfully applied, and it also includes representations of formal relationships between entities.

**Fig-1 Confirmatory Factor Analysis**



According to the information presented in the figure above, the marketing effectiveness rises by a factor of 69% for every one increase in the number of marketing activities. The standardized estimates go up by 0.90, which indicates that there is an increase in marketing effectiveness equal to one unit standard deviation.

Pricing strategy has an impact on marketing strategy by a percentage equal to 89 percent, distribution strategy has an impact on marketing strategy by a percentage equal to 13 percent, and product strategies have an impact on marketing strategy by a percentage equal to 78 percent. The promotion strategy is the most important factor in determining the marketing approaches that are used, accounting for 145 percent of the whole effect.

## RESULTS AND CONCLUSION

The coconut industry is widely recognized as one of the most important agricultural companies on a global scale. in light of the fact that the industry may turn any form of coconut commodity into a product that derives from coconut through processing and transformation. After the products have been made, they are offered for sale to customers who are located in other states. Both the importation and exportation of copra are done often in the states of Maharashtra and Andhra Pradesh. The coconut business employs a significant number of people and, as a result, provides additional opportunities for workers to cooperate within the same sector. Coconut is a key economic commodity, and in the region under investigation, traditional methods are still utilized for

cultivation, refining, and marketing of the commodity, despite the fact that these methods have been there for centuries. In order to increase production and obtain more favorable pricing, it is necessary to make use of both high-tech manufacturing techniques and traditional ways of propagation and formation. It is imperative to improve coconut processing and scientific storage methods in addition to constructing agricultural marketing networks in the coconut sector in Tumkur and the study area if a higher price is to be obtained for coconut. This is because it is necessary to achieve a higher price for coconut. In order to receive direction on their crop, coconut farmers need to seek advice from the horticulture department on both the taluk and sub-center levels. Coconut is a crop that can be utilized not only as a fruit, beverage, and oil seed crop, but also as a source of a sustainable supply of raw materials for a wide range of applications. Supply Chain Management should be used to link together small and marginal manufacturers of coconut products in order to ease the process of producing and selling coconut. In addition, it is vital to establish the backward and forward links between the coconut industry and other industries in the research sector. These connections include the study sector. The area needs to see the establishment of a bigger number of industrial enterprises if it is to play a role in assisting farmers in improving their economic situation. There is an immediate and compelling need in the research domain to build regulated markets that are on par with the megamarkets that are now in place.

Customer satisfaction should be the primary focus of every retail enterprise's marketing initiatives, as this should also be the establishment's primary objective. They employ these techniques to guarantee that they will have a successful experience in the retail setting. The ability of an organization to provide consistently high-quality goods and services while also remaining responsive to growing customer needs and expectations is becoming increasingly important to the success of the institution as a whole as a result of the changing demands and preferences of customers. This is accomplished by carrying out marketing operations with the goal of satisfying the desires of customers in a manner that is superior to that of one's competitors in that regard. As a consequence of this, one can draw the conclusion that retail outlets in the coconut product sector have implemented the marketing mix in order to raise their level of productivity and get a larger portion of the market in the coconut product sector. Businesses should work toward increasing their income and market share by exporting coconut products in an appropriate manner and promoting related products to the general public, respectively. This will allow the businesses to increase their market share.

The retention of customers should be the primary focus of the marketing plan employed by a retail business in order to be successful. In order for marketing to be successful, it needs to be incorporated into the overall business plan. This strategy dictates how the store may effectively engage customers, prospects, and other businesses operating in the same market. According to the conclusions of the research, there are a number of essential elements that contribute to the success of retail outlets in the Coconut market. These factors include product policy, price strategy, delivery, advertising, and physical evidence plan.



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