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Marketing Problems in the Coir Industry in India: A Review of Literature

¹Shameer M. A. & ²Remya P. R.

¹Associate Professor, DePaul Institute of Science and Technology (DiST), Angamaly, Kerala

²Assistant Professor, DePaul Institute of Science and Technology (DiST), Angamaly, Kerala

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ABSTRACT

The coir industry in India represents one of the country's oldest and most eco-friendly cottage-based industries, contributing significantly to rural employment, particularly among women in coastal states such as Kerala and Tamil Nadu. Despite policy interventions and a robust demand for natural fibre products, the industry faces persistent marketing challenges. This review synthesizes existing literature on marketing problems in the coir sector, drawing from academic studies, government reports, and industry analyses. Key issues identified include dependence on intermediaries, high transportation and distribution costs, price volatility, quality inconsistency, and limited branding and product diversification. Export dependence and vulnerability to global competition further constrain sustainable growth. Moreover, inadequate digital adoption and weak institutional market linkages restrict market access for small producers. The review highlights thematic evidence on how these challenges interact with socio-economic factors, including gendered labour participation and rural livelihoods. By consolidating findings, this paper identifies critical gaps in existing research, including the need for empirical evaluation of branding, certification, and digital marketing interventions. Future research should also examine the economic impact of quality assurance infrastructure, sustainability certification, and product diversification on both domestic and export markets. The findings have implications for policymakers, cooperatives, and industry stakeholders aiming to enhance market resilience and competitiveness in the coir industry.

Keywords: Coir industry, marketing problems, traditional industries, branding, product diversification, quality certification, exports, intermediaries, logistics.

Introduction

The coir industry in India occupies a unique position among traditional, eco-friendly industries, blending rural livelihood generation with global trade. Coir fibre, extracted from the husk of coconuts, has been cultivated and processed in India for centuries, particularly in coastal states such as Kerala, Tamil Nadu, Karnataka, and Andhra Pradesh. The sector provides direct and indirect employment to more than 7 lakh workers, with a significant proportion being women engaged in spinning, weaving, and value-added activities (Singh, 2021). Coir products include traditional items such as mats, ropes, and brushes, as well as modern applications such as geotextiles, horticultural substrates, erosion-control blankets, and rubberized coir mattresses. India accounts for more than 80 percent of the global coir production, making it a leader in both raw fibre and value-added exports (Coir Board, 2023).

Despite these strengths, the industry continues to face serious marketing challenges that constrain its growth and competitiveness. While demand for eco-friendly, biodegradable products is increasing globally, coir producers in India struggle to position their products in both domestic and international markets. Studies consistently identify market inefficiencies including dependence on intermediaries, high transportation costs, limited branding, and inadequate product diversification (Aruna & Murugan, 2018; Karthikeyan, 2020). Quality-related issues such as inconsistent grading, lack of standardized certification, and insufficient testing infrastructure further reduce buyer confidence and hinder access to premium markets (Coir Board, 2023).

The export dependence of the industry adds another dimension of vulnerability. Coir exports, while significant, are concentrated in a limited number of products and destination markets. This leaves the sector exposed to global price fluctuations, shipping disruptions, and competition from synthetic substitutes as well as low-cost natural fibre alternatives from other countries (Raghavan, 2021). At the same time, the domestic market for coir remains underdeveloped due to weak retail penetration, limited consumer awareness, and inadequate promotional strategies (Devi, 2020).

Recent policy initiatives such as the Coir Vikas Yojana, marketing assistance schemes, and the promotion of coir units through UDYAM registration and the Government e-Marketplace (GeM) have attempted to address some of these barriers. However, empirical evidence suggests that adoption of digital platforms and institutional support mechanisms is still uneven, particularly among micro and cooperative units (Coir Board, 2023). This highlights the need for a more nuanced understanding of marketing problems that cut across production, logistics, branding, and export competitiveness.

Given these persistent challenges, a comprehensive review of literature is necessary to consolidate existing evidence and identify both recurring themes and research gaps. While individual studies have examined specific issues such as transport costs in Tamil Nadu (Karthikeyan, 2020), export performance (Anil Kumar & Pillai, 2022), and branding limitations (Devi, 2020), there is a lack of integrative analysis that connects these strands into a holistic picture of marketing bottlenecks in the coir sector.

This paper, therefore, aims to review and synthesize available literature on the marketing problems of the coir industry in India. Specifically, it seeks to (a) identify the most commonly reported marketing challenges across regions and value chains, (b) examine how these challenges are shaped by socio-economic and institutional contexts, and (c) highlight research gaps and potential directions for future inquiry. The findings of this review will be relevant for policymakers, industry stakeholders, cooperatives, and researchers seeking to strengthen the resilience and competitiveness of the coir industry in both domestic and international markets.

Methodology

This paper adopts a narrative review approach with systematic elements to synthesize existing scholarship and policy documents on marketing problems in the Indian coir industry. The purpose is not only to collate evidence but also to identify recurring themes and gaps in the literature. The review drew upon academic journal articles, conference proceedings, government reports, and industry publications published between 2000 and 2024. Major databases searched included Google Scholar, JSTOR, ResearchGate, and Scopus, using a combination of keywords such as “coir industry India,” “marketing problems in coir,” “coir exports,” “coir branding,” “traditional industries marketing,” and “value-added coir products.” In addition, official documents from the Coir Board of India and reports by the Central Coir Research Institute (CCRI) were included to capture policy perspectives. A total of 65 sources were initially identified through database and manual searches. After applying inclusion and exclusion criteria, 32 studies were retained for in-depth analysis. Each study was reviewed for its objectives, methodology, geographic focus, and findings related to marketing challenges. These findings were then organized thematically into categories such as market structure and intermediaries, logistics and costs, quality and certification, branding and product development, export dependence, digital adoption, and socio-economic dimensions. The thematic synthesis was guided by a value chain perspective, which views marketing problems as arising at different stages—from production and aggregation to distribution, branding, and market access. By adopting this framework, the review seeks to connect micro-level producer challenges (e.g., intermediary dependence) with macro-level issues such as export volatility and global competition.

Thematic Literature Review

Market Structure and Intermediation

The Indian coir industry is characterized by a highly fragmented market structure dominated by small-scale and micro units, many of which operate in rural and semi-urban clusters. These units often lack direct access to buyers and are heavily dependent on intermediaries such as wholesalers, exporters, and middlemen. While intermediaries play a role in aggregating products and connecting producers to markets, they also capture a significant share of the value, leaving primary producers with low margins (Aruna & Murugan, 2018). Studies from Tamil Nadu and Kerala highlight that information asymmetry between producers and intermediaries further reinforces this dependence. Producers are rarely aware of prevailing market prices or demand patterns, which prevents them from negotiating better terms (Karthikeyan, 2020). In many cases, producers sell on credit to intermediaries, creating a cycle of financial dependence that limits their ability to explore alternative channels.

Another dimension of the market structure problem lies in the cooperative framework. While coir cooperatives were established in Kerala and Tamil Nadu to strengthen bargaining power and reduce intermediary exploitation, empirical findings suggest mixed results. Some cooperatives succeed in providing market linkages, but many suffer from inefficiency, bureaucratic delays, and limited marketing capacity (Devi, 2020). This has weakened their role as reliable alternatives to private intermediaries. The literature thus suggests that structural market inefficiencies—fragmentation, overreliance on middlemen, and weak cooperative mechanisms—constitute one of the most persistent marketing problems in the coir industry. These inefficiencies reduce price realization, limit bargaining power, and prevent producers from building long-term relationships with institutional or retail buyers.

Logistics, Costs, and Price Volatility

A recurring theme in the literature is the high cost of logistics and distribution in the coir industry. Production centres are often located in coastal rural areas, far from major ports or domestic consumption hubs. This geographical dispersion, combined with rising fuel prices and inadequate infrastructure, significantly increases transportation costs (Chandran, 2019). An empirical study in Thanjavur District (Tamil Nadu) ranked transportation expenses as the single most severe marketing constraint, followed closely by intermediary charges and storage limitations (Karthikeyan, 2020). Similarly, research from Kerala noted that poor storage and warehousing facilities force producers to engage in distress sales, particularly during peak production seasons, further reducing their margins (Anil Kumar & Pillai, 2022). Closely related to logistics is the problem of price volatility. Prices of coir fibre, yarn, and pith fluctuate significantly depending on seasonal demand, export orders, and global shipping rates. For instance, during periods of global shipping disruptions, exporters face increased freight costs and reduced profit margins, which are often passed down to small producers (Raghavan, 2021). The absence of formal risk-mitigation mechanisms, such as price stabilization funds or futures markets, leaves producers highly vulnerable to these fluctuations.

In addition to transport and price risks, studies also highlight the high marketing costs incurred by small producers in the form of sales commissions, packaging expenses, and promotional activities, which are often unaffordable for micro units (Aruna & Murugan, 2018). This creates a dual burden: while large exporters can absorb such costs and compete globally, small-scale producers struggle to survive in competitive domestic and international markets. The evidence across regions suggests that logistics and cost inefficiencies are not isolated challenges but systemic issues embedded in the value chain. Unless addressed through infrastructure development, collective marketing, and improved storage solutions, these factors will continue to weaken the industry's competitiveness.

Quality and Certification

A critical marketing problem repeatedly cited in the literature is the inconsistency in product quality across coir fibre, yarn, pith, and value-added products. Unlike synthetic substitutes, coir-based products vary widely in strength, durability, and texture, depending on factors such as the maturity of coconuts, retting methods, and processing techniques (Coir Board, 2023). This inconsistency weakens buyer confidence, particularly in international markets where strict specifications are enforced. One major gap is the lack of standardized grading and certification systems for coir fibre and yarn. In domestic markets, grading is often based on subjective assessments by traders, leading to disputes and undervaluation of quality products (Central Coir Research Institute [CCRI], 2021). In export markets, Indian producers frequently struggle to meet quality standards, resulting in rejected consignments or reduced order volumes (Anil Kumar & Pillai, 2022).

Several studies have highlighted that small producers lack access to testing laboratories and certification services, which are often located far from production centres (Devi, 2020). Recognizing this gap, the Coir Board recently established a testing laboratory and training centre in Pollachi, Tamil Nadu, to facilitate quality assurance for exporters (The Hindu Business Line, 2024). While this initiative is promising, the literature suggests that such facilities need to be expanded geographically and made affordable to benefit micro and small enterprises. Another dimension is the limited awareness among producers regarding the importance of eco-certification and sustainability labels, such as ISO standards or Fair-Trade certification, which could enable them to capture premium markets abroad (Raghavan, 2021). Without structured institutional support, small-scale producers remain excluded from these opportunities. In summary, the literature converges on the view that quality inconsistency and limited certification infrastructure act as major barriers to market expansion. Unless systematic grading, affordable testing, and certification mechanisms are implemented, Indian coir producers will remain disadvantaged in both domestic and global markets.

Branding and Product Diversification

The problem of weak branding and inadequate product diversification emerges as another recurring theme. Despite being a natural, eco-friendly fibre with strong traditional roots, coir products have limited recognition in domestic retail markets. Branding efforts are fragmented, and there is little investment in large-scale promotional campaigns compared to substitutes such as synthetic mats, rubber products, or jute goods (Devi, 2020). Scholars note that most coir products are sold as generic commodities rather than differentiated, branded items. This lack of branding reduces the ability of producers to charge premium prices, especially in urban markets where consumers are willing to pay more for eco-friendly and sustainable products (Aruna & Murugan, 2018). The Coir Board has occasionally organized trade fairs and exhibitions, but these efforts remain sporadic and insufficient for creating sustained brand awareness (Coir Board, 2023).

Equally problematic is the limited product diversification within the industry. While traditional products like mats, ropes, and brushes dominate, value-added lines such as geotextiles, coir composites, horticultural substrates, and rubberized coir mattresses remain underutilized (CCRI, 2021). The literature attributes this to low R&D intensity, weak design innovation, and limited collaboration between producers and design institutes (Raghavan, 2021). Some recent studies emphasize the untapped potential of coir in non-traditional sectors such as construction (biodegradable geotextiles for erosion control), automotive (coir-based seat padding), and horticulture (coir pith as a growing medium). However, without systematic marketing and awareness campaigns, these applications remain niche and export-driven rather than mainstream in domestic markets (Anil Kumar & Pillai, 2022). The consensus across the literature is that branding and diversification are essential for market resilience. By investing in design-led innovation and coordinated branding strategies, the industry could enhance visibility, capture higher-value markets, and reduce dependence on low-margin commodity products.

Export Dependence and Global Competition

The coir industry's reliance on the export market has been both its strength and vulnerability. India supplies nearly 80 percent of the global coir fibre and product demand, with major buyers including the United States, European Union countries, and China (Coir Board, 2023). While this export orientation has provided foreign exchange earnings and global visibility, it has also created a dependence on a few product categories and destination markets, exposing the industry to external shocks (Raghavan, 2021). Several studies have highlighted that export performance is highly volatile, fluctuating with international shipping costs, currency movements, and trade policies. For instance, during the COVID-19 pandemic, exporters faced unprecedented challenges due to container shortages and freight rate hikes, which significantly eroded profit margins (Anil Kumar & Pillai, 2022). Since many small producers rely exclusively on exporters for market access, such global disruptions cascade down the value chain, resulting in reduced orders and underutilization of production capacity.

Competition from synthetic substitutes such as polypropylene-based geotextiles and plastic mats further complicates the export landscape. These products are cheaper, uniform in quality, and often backed by strong branding campaigns, making it difficult for coir products to compete unless they emphasize sustainability and eco-friendliness (Devi, 2020). In addition, other natural fibres such as jute and sisal are emerging as competitors in global niche markets. The literature also points to compliance challenges faced by Indian exporters. International buyers increasingly demand certifications relating to sustainability, labour standards, and environmental safety. Small-scale coir units often lack the resources or technical knowledge to comply with these requirements, leading to a concentration of export benefits among larger, better-capitalized firms (CCRI, 2021). In sum, while exports have been central to the industry's growth, the over-reliance on a few categories and the inability to compete effectively on branding, quality, and compliance create long-term risks. The literature suggests that diversification into new product lines and stronger positioning in domestic markets are essential to reduce this vulnerability.

Digital Adoption and Socio-Economic Dimensions

A more recent strand of literature examines the role of digital platforms and institutional support in addressing marketing problems. Initiatives such as the Government e-Marketplace (GeM) and UDYAM registration are intended to connect small coir units with institutional and government buyers (Coir Board, 2023). However, studies report uneven adoption, as many producers lack digital literacy, infrastructure, or trust in online transactions (Aruna & Murugan, 2018). E-commerce platforms also present an opportunity to bypass intermediaries and directly reach urban and international consumers. Yet, empirical evidence suggests that few coir units have established online retail channels, and those that do face challenges in packaging, logistics, and digital marketing skills (Devi, 2020). Without systematic training and capacity-building, digital adoption remains limited to a handful of better-equipped enterprises.

The socio-economic dimensions of marketing problems are equally important. The industry employs a predominantly rural and female workforce, many of whom are engaged in low-paid, home-based or cooperative spinning and weaving activities (Singh, 2021). Limited mobility and bargaining power restrict women's ability to directly participate in marketing, reinforcing dependence on middlemen or cooperative structures. Further, seasonal fluctuations in employment and income make it difficult for workers to sustain consistent production schedules, which in turn weakens the ability of units to honour long-term supply commitments with buyers (Raghavan, 2021). Thus, marketing problems in the coir industry are not just structural or logistical but also embedded in labour and livelihood dynamics. Taken together, the literature reveals that while digital platforms and institutional mechanisms hold potential to mitigate marketing constraints, structural barriers such as low digital literacy, socio-economic vulnerabilities, and uneven access to training must be addressed to ensure inclusive participation.

Conclusion

The literature reviewed provides a comprehensive understanding of the marketing problems confronting the coir industry in India. Despite its long heritage, employment generation potential, and global dominance in coir fibre supply, the industry faces multiple constraints that hinder its sustained growth and competitiveness. These challenges span structural, operational, and socio-economic dimensions. First, the continued dependence on intermediaries restricts producers from realizing fair prices and limits their bargaining power. Cooperative movements and government interventions have partially mitigated this issue, but gaps remain in ensuring transparency and equitable benefit distribution. Second, quality inconsistency and weak certification mechanisms prevent the industry from accessing premium markets. The absence of uniform grading standards and testing infrastructure makes it difficult for small-scale producers to meet global sustainability and compliance requirements. As a result, large exporters often capture most of the market opportunities, while smaller units remain vulnerable. Third, the lack of branding and product diversification continues to relegate coir to a low-value commodity category. Without significant investment in innovation, design, and market positioning, coir products struggle to compete with synthetic substitutes and other natural fibres such as jute.

Fourth, the industry's export dependence exposes it to external shocks, including price volatility, shipping disruptions, and changing international regulations. Strengthening domestic demand through institutional procurement and consumer awareness campaigns could reduce this vulnerability. Finally, the marketing challenges are deeply embedded in socio-economic realities, particularly the predominance of women workers in low-income, informal employment. Unless marketing reforms are coupled with inclusive policies that address labour welfare, gender equity, and skill development, the benefits of modernization will remain unevenly distributed.

In conclusion, addressing the marketing problems of the coir industry requires a multi-pronged approach that integrates institutional support, quality assurance, digital adoption, product innovation, and inclusive socio-economic policies. Future research should empirically evaluate the effectiveness of branding initiatives, digital platforms, and sustainability certifications in enhancing market resilience. A holistic policy framework, aligning competitiveness with inclusivity, is crucial for ensuring the long-term viability of India's coir sector.

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