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TO ANALYSE THE EFFCIENCY OF THE DISTRIBUTION CHANNEL OF COCONUT OIL WHOLESALERS AT KAADAIESWARA OIL INDUSTRIES

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ABSTRACT

This study focuses on analyzing the efficiency of the distribution channel adopted by Kaadaieswara Oil Industries in the coconut oil wholesale market. The research examines the existing distribution structure, delivery performance, cost efficiency, and operational challenges faced by wholesalers and channel partners. Primary data was collected through a structured questionnaire targeting wholesalers, retailers, and distributors. The study identifies key factors such as transportation, inventory management, communication, and service reliability that influence distribution performance. Based on the findings, the research suggests practical measures to enhance operational efficiency, improve coordination among channel members, and strengthen the overall distribution system. The study aims to contribute to better decision-making for improving supply chain effectiveness in the coconut oil industry.

INTRODUCTION

Distribution channel efficiency plays a crucial role in ensuring that products reach customers at the right time, cost, and condition. In the fast-moving consumer goods sector, particularly in edible oil markets, an effective distribution system directly impacts customer satisfaction, operational profitability, and market competitiveness. Coconut oil wholesalers act as a vital link between manufacturers and retailers, making their efficiency essential for smooth supply chain operations. This study explores the distribution practices followed by Kaadaieswara Oil Industries and evaluates how effectively products move through the channel.

The research examines aspects such as order processing, delivery timelines, transportation cost, inventory availability, and communication effectiveness. Understanding these factors helps identify operational strengths and areas needing improvement. The study also highlights how efficient distribution contributes to improved retailer relationships, reduced operational costs, and enhanced customer satisfaction.

STATEMENT OF THE PROBLEM

In a competitive edible oil market, inefficiencies in distribution channels can lead to delivery delays, stock shortages, increased logistics costs, and reduced customer satisfaction. Despite having an established distribution network, wholesalers may face challenges related to inventory management, transportation coordination, communication gaps, and service consistency. These issues can affect overall operational performance and business growth. Therefore, there is a need to systematically evaluate the distribution channel efficiency of Kaadaieswara Oil Industries to understand the existing structure, identify operational bottlenecks, and measure performance in terms of cost, time, and service quality. The study aims to determine key factors affecting efficiency and provide recommendations to improve the effectiveness of the distribution system.

RESEARCH METHODOLOGY

The study adopts a descriptive research design to examine the distribution channel efficiency of Kaadaieswara Oil Industries by analyzing current practices, performance levels, and influencing factors. Primary data was collected through a structured questionnaire administered to wholesalers, retailers, distributors, and channel partners, covering aspects such as delivery performance, inventory availability, cost efficiency, and overall satisfaction, while secondary data was obtained from company records, industry reports, websites, and relevant literature. Convenience sampling, a non-probability technique, was used due to time constraints and easy accessibility of respondents. The sample size consists of 100 channel partners associated with the company's distribution network. Data was collected from partners operating in the selected study area of Tamil Nadu. The collected data will be analyzed using percentage analysis, tables, charts, and simple statistical interpretation to evaluate distribution efficiency. The study was conducted during the academic year 2025–2026.

OBJECTIVES

- To examine the effectiveness of supply chain operations.
- To evaluate delivery time and logistics performance.
- To assess stock availability and inventory management practices.
- To measure the satisfaction level of wholesalers and retailers regarding distribution services.
- To identify major challenges faced in the distribution process.
- To suggest improvements for enhancing distribution efficiency.

REVIEW OF LITERATURE

2016 — Regional Food Supply Chain Efficiency (ICT-Enabled Models) Research on regional food supply chains emphasized that information and communication technologies improve coordination between producers, distributors, and retailers, thereby reducing transaction costs and improving distribution efficiency. Digital platforms enhance market access and transparency, which are critical for agricultural products moving through multiple intermediaries. Though not coconut-specific, the findings highlight how technology can streamline wholesaler-based distribution systems.

2020 — Coconut Marketing Channels in India Studies on coconut marketing in India identified multiple intermediaries—copra makers, oil millers, wholesalers, and retailers—within the distribution channel. Four major channels were observed, with wholesaler-based channels being the most common. However, longer channels reduced producer margins and increased costs due to multiple handling stages, affecting overall efficiency.

2021 — Supply Chain Traceability and Oil Distribution Systems Research on oil supply chains (including edible oils) highlighted issues such as lack of transparency, counterfeit risks, and poor tracking across intermediaries. Advanced systems like blockchain and IoT were proposed to improve traceability, accountability, and operational efficiency across distribution networks involving wholesalers and retailers.

2022 — Global Coconut Oil Market Distribution Patterns Market studies noted that wholesalers play a key role in bulk distribution to retailers and smaller businesses, enabling economies of scale and price stabilization. However, inefficiencies arise from inventory costs, transportation challenges, and fragmented supply networks, particularly in developing countries.

2023 — Coconut Value Chain Systematic Review A comprehensive review of coconut value chains found that fragmented supply chains and weak coordination among actors reduce marketing efficiency. The study emphasized the need for integrated value chains, improved logistics, and stronger institutional support to enhance performance from producers to final consumers.

2024 — Marketing Efficiency of Coconut Value Chain in Tamil Nadu Empirical research in Western Tamil Nadu evaluated multiple coconut marketing channels using efficiency indices.
Channels involving organized groups (e.g., farmer producer companies) were found to be more efficient than traditional wholesaler-dominated channels due to lower marketing costs and reduced intermediary margins.

2024 — Constraints in Coconut Marketing Channels Studies reported that the presence of numerous intermediaries, price fluctuations, inadequate storage, and credit constraints significantly reduce marketing efficiency. Direct sales channels were more profitable but less utilized, while wholesaler-based channels dominated despite lower efficiency.

2025 — Distribution Channels in Coconut Oil Market Recent market analyses indicate that supermarkets and organized retail dominate coconut oil distribution, with wholesalers acting as critical intermediaries supplying these outlets. The growth of convenience stores and modern retail formats has increased demand for efficient bulk distribution systems.

2025 — Organic Virgin Coconut Oil Distribution Trends Emerging channels such as online retail and specialty stores are reshaping traditional wholesaler networks. While supermarkets remain dominant, digital platforms are reducing dependence on intermediaries and improving supply responsiveness, thereby influencing overall channel efficiency.

RESEARCH METHODOLOGY

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TABLE 1. DESCRIPTIVE STATISTICS BETWEEN PRICE SATISFACTION AND VALUE FOR MONEY

	Price Satisfaction	Value of money
N Valid	100	100
Missing	0	0
Mean	2.60	2.47
Mode	2	2
Std. Deviation	0.98	0.87
Variance	0.96	0.75
Skewness	0.42	0.35
Range	4	4
Minimum	1	1
Maximum	5	5
sum	260	247

INTERPRETATION

There are 100 valid respondents with no missing data. The mean value for price satisfaction (2.60) indicates that most respondents perceive the price as affordable to reasonable. The mean value for value for money (2.47) shows that respondents generally feel the product offers good value. The standard deviation values indicate low variability in responses. Overall, respondents have a positive perception of pricing and value.

TABLE 2. FREQUENCY DISTRIBUTION – PRODUCT AVAILABILITY

Availability	Frequency	Percent	Valid Percent	Cumulative Percent
Always available	36	30.0	30.0	30.0
Usually available	36	36.0	36.0	66.0
Sometimes available	20	20.0	20.0	86.0
Rarely available	9	9.0	9.0	95.0
Never available	5	5.0	5.0	100.0
Total	100	100.0	100.0	

INTERPRETATION

The table shows that 66% of respondents state the product is always or usually available. Only a small percentage (14%) reported low availability.
This indicates that the distribution system ensures consistent product supply.

TABLE 3. MAIN FACTOR INFLUENCING PURCHASE – HEALTH BENEFITS

Health Influence	Frequency	Percent	Valid Percent	Cumulative Percent
Always considered	35	35.0	35.0	35.0
Often considered	30	30.0	30.0	65.0
Sometimes considered	20	20.0	20.0	85.0
Rarely considered	10	10.0	10.0	95.0
Never considered	5	5.0	5.0	100.0
Total	100	100.0	100.0	

INTERPRETATION

The majority of respondents (65%) always or often consider health benefits while purchasing. Only 15% rarely or never consider health factors.
This indicates that health awareness strongly influences purchase behaviour.

TABLE 4. CORRELATION BETWEEN PRICE SATISFACTION AND PURCHASE DECISION

	Price Satisfaction	Purchase Decision
Price Satisfaction	1	0.58
Purchase Decision	0.58	1
Sig. (2-tailed		0.000
n	100	100

INTERPRETATION

The correlation coefficient (r = 0.58) indicates a moderate positive relationship. The significance value (0.000) is less than 0.05, showing statistical significance. This suggests that price satisfaction positively influences purchase decisions.

TABLE 5. ANOVA – EFFECT OF ADVERTISEMENT INFLUENCE ON PURCHASE DECISION

Model	Sum of Squares	df	Mean Square	F	Sig
Regression	9.12	1	9.12	6.45	0.013
Residual	138.38	98	1.41		
Total	147.50	99			

INTERPRETATION

The significance value (0.013) is less than 0.05, indicating statistical significance. Advertisement influence significantly affects purchase decisions.
This means promotional activities play an important role in influencing consumer behaviour.

SUGGESTIONS

- Implement real-time delivery tracking systems.
- Improve demand forecasting techniques.
- Enhance communication with channel partners.
- Optimize transportation routes to reduce costs.
- Provide regular training for logistics staff.

CONCLUSION

The study concludes that the distribution system of Kaadaieswara Oil Industries is efficient and reliable. High satisfaction levels among respondents indicate strong operational performance. With minor improvements in forecasting and coordination, the company can further strengthen its distribution network and maintain competitive advantage.

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