

THE NEED FOR MARKET INTELLIGENCE AND COCONUT PRODUCT DEVELOPMENT

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Business intelligence and new product development are critical factors in determining the viability and profitability of the coconut sector in producing countries and also in answering the needs of consumers worldwide.

By definition, business intelligence is the collection and analysis of information that can be used for improving business decision-making and gaining sustainable competitive advantages. Business intelligence includes two aspects i.e. Market intelligence and Competitive intelligence. Market Intelligence is collection and analysis of relevant information on markets for the purpose of accurate decision-making in determining market opportunities, market penetration strategies and market development. On the other hand, competitive intelligence is collection and analysis of legal information on the capabilities, weaknesses and intentions of business competitors for the purpose of maintaining or developing competitive advantages.

The benefits of business intelligence are:

- Increasing competitive strength
- Enhancing adaptability and productivity of business activities
- Enabling companies to respond rapidly to changes on market and financial situations and enabling companies to adapt products to new customer demands.

Market Promotion

One of the major constraints in the development of the coconut

sector is the lack of sound market intelligence and market promotion. The possible solutions to this issue is by improving the business and market intelligence network in the APCC region, designing and starting up a system for market intelligence management and a Market Intelligence Portal (IBM technology) to collect daily market information from various sources.

Product development

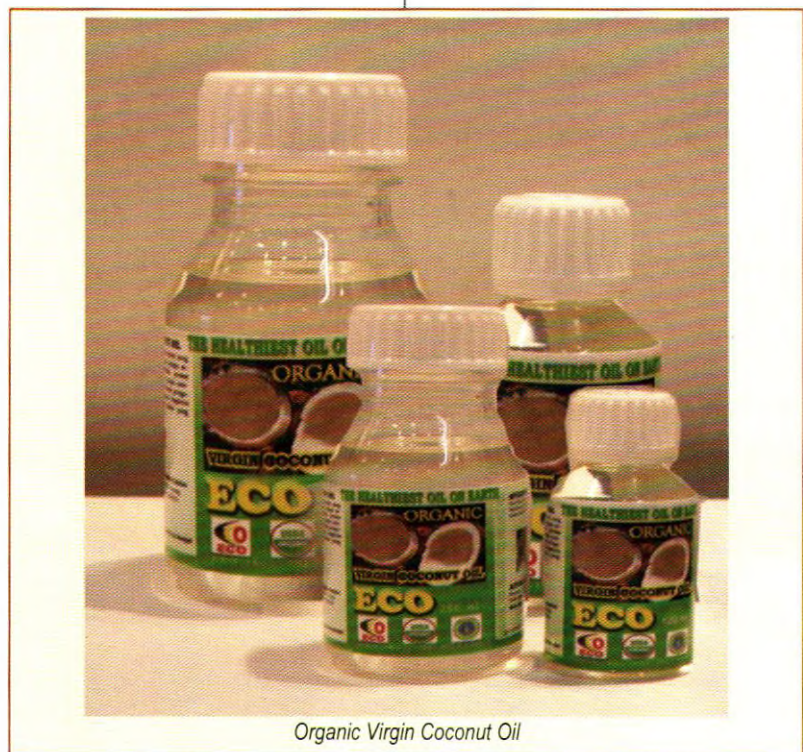
Another important thing to do is product development which means the overall process of strategy design; concept generation; product adaptation or creation of new product; its evaluation; its marketing and commercialization. **Innovative products** are the fuel for the most powerful growth engine. The objectives of product

development are:

- To maintain market shares when demand tends to decline over time,
- To respond to new technology developments, and
- To adapt to changing market conditions and new customer demands.

How do you know when you need new products or technologies? There are several critical symptoms including:

- a) When there is slow growth or no growth over an extended period. If it isn't the economy or outside force beyond your control, if competitors are no better, if you are confident in your sales force, if there are no major problems with suppliers: examine own product lines and products.
- b) When your competitors increase their market shares **then your** product may be the



Organic Virgin Coconut Oil



Environmentally Friendly Coco Fiber Geotextile

- culprit. The product should be improved in order to meet your customers' needs.
- c) When big competitors are leaving the market
 - d) When you start competing with companies which you have never heard of. They have found ways to enter markets with new products and technologies
 - e) When you are pressed to lower prices which mean lower profit margins
 - f) When competitors meet product changes asked by customers, for example: environmentally friendly, fairly traded, organic, good health-supportive, ethically produced, well adapted and user-friendly products.

There are two types of product development. The first one is traditional product development which means predictable improvement of existing products in order to adapt to opportunities afforded by the market and to obtain higher added values. For example, coconut oil is developed into cosmetic derivatives (perfumed soaps, body and hair oils), formulation of salad dressings, dish wash bars, dish wash powder. The second example is desiccated coconut which is consumer packed,

sweetened, toasted, or turned into creamed derivatives. The third example is coconut milk which is turned into coconut milk powders, coconut milk creams, white soft cheese, coconut yoghurts, and coconut ice-creams. The fourth example is coconut water which is turned to coconut vinegar or packaged in consumer sachet or tin packed preservation.

The second type of product development is non-traditional product development which is based on understanding changing customer's needs in order to turn new market opportunities into products. The following are examples of new product development:

- Certified organic virgin coconut oil and small scale processing technologies for its commercial production,
- High-quality wine from tender coconuts
Desiccated coconut premixes for speedy cooking and for the food industry (bakery, meat) and the method for the manufacture of desiccated premixes based on a source of fat rich in C6-C12 fatty acids,
- Coconut fibre-cement boards as "environmentally-friendly" construction material,

- "Environmentally friendly" **Cocona™ Fibers and Yarns** based on coconut shell activated carbon,
- "Smokonut" – compressed organic coconut material used as smoking medium and fuel in food applications (smoking, grilling, and cooking), as insect repellent and as alternative fuel (boilers, kilns),
- Tetra Pak branded "energy", "exotic" coconut water-fruit blended soft drinks, and "organic" coconut sugar for diabetics,
- Formulations and processes for the manufacture of coconut oil-based infant milk,
- Coconut husk-based biodegradable raw materials for packaging bags, containers,
- Production of flooring material from senile coconut stems,
- "Green Building Supplies" – Durapalm flooring.

The ITC Mandate

International Trade Centre (ITC) has mandates and technical assistance activities in business intelligence and market promotion of new coconut products which include:

- Creation and maintenance of database on trade and market access conditions and market analysis tools,
- Training in data collection and analysis,
- Trade promotion missions, participation in fairs and international events,
- Issues of technical publications and dissemination seminars,
- Trade promotion programmes for specific products,
- Institutional support and networking.

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