

COCONUT HUSK GROWING MEDIUM IN INDONESIA: MARKET STRUCTURE, BUSINESS OPPORTUNITIES AND ENTRY BARRIERS

by



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ABSTRACT

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This research study assesses the market structure and business opportunities of global coco husk growing medium industry. This research also analyzes the entry barriers for Indonesian entrants who may faces when enter this industry. The research overviews and updates the development of the product lines, main suppliers, buyers, distribution structure, price, terms of delivery and several tariffs and customs of the coco husk growing medium industry; presents and analyzes the prospect market and environmentalist pressure which be as a pull factor for this industry and assesses the potential for Indonesia to enter this industry, which Indonesia is the biggest country in coconut plantation and production in the world.

1.1 Background

Analytical framework which is based on the practicing environment of coco husk manufacturing industry and judgment approach is developed to conduct such assessment.

1.4 Objective of the Study

The research revealed that Indonesia has the necessary comparative advantage that it needs to grow as prominent coco husk growing medium industry in the world, especially, the Pacific Rim countries, such as East Asia, Australia and United States. In addition the facts that this product is just emerging and there is globally emerging of environmental awareness which will pull this industry to grow further.

1.6.1 Scope of the Study

Since there are entry barriers which are related to the industry, new entrants should evaluate and select entry mode that suit their objectives. Research also shows that barriers in term of switching cost of the former peat users to the new products coco husk based, channel distribution and marketing are significant. Entrants should go to the garden and nursery industries with using advertising through garden magazines and publications, the former peat distribution channels, provide product literature and attractive packaging as marketing strategy to penetrate the market.

2.1.2.1: Chemical and Microbiological Properties

2.1.2.2 Physical Factors

2.1.2.3 Resistance to Shrinkage and Surface Damage

2.1.2.4 Rewetting

2.2 The Industry Structure: Theoretical Approach

2.2.1 The Threat of New Entrants

2.2.2 Entry Barriers

2.2.2.1 Economies of Scale

2.2.2.2 Capital Requirement

2.2.2.3 Switching Cost

2.2.2.4 Access to Distribution Channel

2.2.2.5 Government Policy