

## **CHAPTER V**

### **CONCLUSION AND IMPLICATIONS**

#### **A. Conclusion**

Based on the research and analysis of coconut coir business data in Cilacap and Purbalingga Regencies, the following conclusions were drawn:

1. Technology has a significant positive effect on the economic efficiency of coconut coir enterprises in Cilacap and Purbalingga Regencies.
2. Product variation has a significant negative effect on the economic efficiency of coconut coir enterprises in Cilacap and Purbalingga Regencies.
3. Distribution channels do not have a significant effect on the economic efficiency of coconut coir enterprises in Cilacap and Purbalingga Regencies.
4. The variable that has the most effect on the economic efficiency of coconut coir enterprises in Cilacap and Purbalingga Regencies is technology.

#### **B. Implications**

1. To further improve the efficiency of the coconut coir business, it is necessary to pay attention to the use of appropriate production technology. A routine evaluation of production technology needs to be performed. This will ensure that machinery is monitored

effectively, minimizing the risk of damage. If a machine is damaged, the costs associated with purchasing production technology and repairing the machine can become significantly higher. Examples of routine checks for coconut coir production technology include inspecting the coir peeling machine, coir crushing machine, coir pressing machine, and supporting equipment. The frequency of these checks can be adjusted based on the type of machine, workload, and environmental conditions. Inspections can be conducted daily (to assess the general condition of the machine, oil leaks, and engine temperature), weekly (to examine more detailed components such as knives, filters, and lubrication systems), or monthly (for a comprehensive check of all machine components). By implementing these measures, the coconut coir enterprises can avoid incurring losses.

2. Additional manpower from PT Uba Uhad Internasional is needed for quality control (QC). With a solid QC team, product quality standards can be consistently set and maintained throughout the production process. The QC team can conduct regular inspections to detect defects or nonconformities at an early stage, thereby preventing defective products from entering the market. To meet the increasing market demand for quality products, strict quality control is essential. High-quality products can be sold at higher prices, allowing companies to achieve profits more quickly. This process

also ensures that payments to enterprises are received on time, benefiting all parties involved and enhancing economic efficiency.

3. The government, particularly local governments, must consistently provide support and knowledge, allocate a special budget for research into coconut coir processing, and offer incubation programs and technical assistance for coconut coir enterprises. The examples of incubators provide shared access to equipment, business development support, marketing assistance, and training on improving coir production techniques, including fiber extraction, product diversification (e.g., coco peat and coir-based mats), and quality control. This will enable them to continue developing their businesses and access new technologies.
4. Based on observations and approaches in research, coconut coir business in Cilacap has bright prospects. By utilizing the potential of natural resources, the right technology, and effective marketing strategies, this business can significantly contribute to the regional economy and improve community welfare.
5. Based on observations and approaches in research, coconut coir business in Purbalingga has great potential, considering the abundant availability of raw materials and growing market demand. However, to develop this business optimally, several aspects need to be considered. Increasing product diversification is essential, not only limited to traditional products, innovation is necessary to create

coconut coir derivative products such as organic plant pots, environmentally friendly product packaging, or even coconut coir furniture. Additionally, adopting more modern machines and equipment could increase production efficiency and reduce operational costs. For distribution, building a stronger network with various related parties, such as the government, banking institutions, and non-governmental organizations, may be beneficial.

6. Based on the measured results, the best suggestions and recommendations from researchers for technolog, consider using more modern machines and equipment to enhance production efficiency and reduce operational costs. For product variations, explore innovations such as flower vases, tissue holders, wall hangings, and other crafts. Additionally, to make your products more appealing, collaborate with designers to create attractive packaging and product designs that align with market trends. In terms of marketing, intensifying online sales through e-commerce platforms, marketplaces, or your website is essential. Establishing a strong brand presence on social media, utilizing SEO, and implementing email marketing strategies will help increase brand visibility.

For distribution channels, enterprises should aim to sell to multiple companies to maximize profits and consider joining cooperatives to access a wider market and gain marketing support. Additionally, actively participating in exhibitions and events at regional, national,

and international levels will help introduce products to potential buyers. Once you have obtained certification and met other requirements, consider exploring the export market, particularly targeting countries with high demand for coconut coir based products.

For internal operations, training programs can be organized for workers to enhance their skills and knowledge. Furthermore, for PT Uba Uhad Internasional, adding additional manpower for quality control can help ensure that the production process, from upstream to downstream, becomes more efficient and profitable for all parties involved.

### **C. Research Limitations**

The author acknowledges several shortcomings in writing this thesis. First, while numerous areas in Cilacap and Purbalingga Regencies produce derivative products from coconut coir, the author has limited the research to coconut coir businesses in Sidareja and Kedungreja Districts (Cilacap Regency) and Kutasari District (Purbalingga Regency) due to constraints of time, cost, and energy.

Second, this study focuses on a limited number of variables: technology, product variations, and distribution channels, as it was originally restricted to these three factors. Third, coconut coir SMEs do not have bookkeeping, so their responses to the questionnaire are based solely

on estimates. Therefore, further research is encouraged to include additional variables related to the current coconut coir business. This will help provide a broader understanding of the factors affecting the economic efficiency of coconut coir businesses in Cilacap and Purbalingga Regencies each year, beyond those variables examined in this research.

