

A Study on the Challenges Faced by Homemade Chocolate Entrepreneurs in Ooty

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ABSTRACT

Homemade chocolate entrepreneurship has emerged as a promising small-scale business opportunity, especially among women and home-based entrepreneurs. This study aims to analyze the key challenges faced by homemade chocolate entrepreneurs and to understand the factors influencing their business sustainability and growth. The research is based on primary data collected from 60 respondents through a structured questionnaire. Analytical tools such as percentage analysis, ranking method, and chi-square test were used to interpret the data. The findings reveal that entrepreneurs face multiple challenges including limited access to finance, high cost of raw materials, lack of proper marketing strategies, and intense competition from branded products. In addition, issues such as inadequate technical knowledge, limited distribution channels, and difficulty in maintaining product shelf life also affect business performance. The study also highlights that customer preferences, quality maintenance, and pricing strategies play a crucial role in sustaining the business. Despite these challenges, many entrepreneurs continue their ventures due to personal interest, flexibility in work, and income generation opportunities. The study suggests that providing financial support, training programs, and better marketing platforms can help overcome these barriers and promote the growth of homemade chocolate businesses. Overall, the research contributes to understanding the real-time problems of small-scale food entrepreneurs and offers practical suggestions for improvement.

Keywords: Homemade chocolate, entrepreneurs, challenges, small-scale business, marketing, finance, consumer preference, business sustainability.

INTRODUCTION

In the present business environment, entrepreneurship in the food processing sector has gained significant importance in recent years, especially in the area of homemade and artisanal food products. Among these, homemade chocolate production has emerged as a popular small-scale business due to increasing consumer preference for natural, handmade, and customized chocolates. Ooty (Udhagamandalam), a well-known hill station in Tamil Nadu, is famous for its homemade chocolates, which attract both tourists and local consumers. The pleasant climate and steady tourist inflow provide a favorable environment for the growth of homemade chocolate enterprises in this region.

With regard to the nature of the businesses, homemade chocolate entrepreneurs in Ooty are mostly small-scale producers who rely on traditional methods, limited capital, and local labor. These entrepreneurs play an important role in generating employment, promoting local products, and contributing to the regional economy. However, despite the growing demand, they face several challenges that affect their sustainability and growth. These challenges include fluctuation in raw material prices, lack of modern technology, inadequate marketing strategies, intense competition, storage and transportation issues, and limited access to financial support.

In the context of the growing importance of small scale entrepreneurship, homemade chocolate production has become a popular small-scale entrepreneurial activity in Ooty due to high tourist demand and favorable climatic conditions. These entrepreneurs play an important role in promoting local products and generating employment. However, despite increasing demand, homemade chocolate entrepreneurs face several challenges such as high raw material costs, financial constraints, lack of modern technology, marketing difficulties, seasonal demand, and competition from branded chocolates. Understanding these challenges is essential to support the sustainable growth and development of homemade chocolate enterprises in Ooty.

Statement of Problem

Homemade chocolate production has become a popular entrepreneurial activity in Ooty due to high tourist demand and favorable climatic conditions. Many small-scale entrepreneurs have entered this field with the aim of earning income and promoting locally made products. However, despite the growing market for homemade chocolates, these entrepreneurs face numerous problems that hinder their growth and long-term sustainability.

The major issues faced by homemade chocolate entrepreneurs in Ooty include rising costs of raw materials, lack of adequate financial support, limited access to modern production technology, and insufficient knowledge of marketing and branding. In addition, challenges such as seasonal fluctuations in tourist demand, stiff competition from branded chocolate companies, storage and transportation difficulties, and compliance with food safety regulations further affect their business performance.

Due to these problems, many homemade chocolate entrepreneurs are unable to expand their operations, improve product quality, or achieve consistent profitability. There is a lack of systematic studies focusing on identifying and analyzing the specific challenges faced by homemade chocolate entrepreneurs in Ooty. Therefore, the present study attempts to examine the various problems encountered by these entrepreneurs and to suggest suitable measures to overcome the challenges and support the sustainable development of homemade chocolate enterprises in Ooty.

Objectives of the Study

1. To study the difficulties faced in sourcing raw materials and maintaining product quality.
2. To analyze the problems related to production, finance, marketing, and distribution of homemade chocolates.
3. To examine the impact of competition on homemade chocolate enterprises in Ooty.

Scope of the Study

The scope of the present study is limited to homemade chocolate entrepreneurs operating in Ooty (Udhagamandalam), Tamil Nadu. The study focuses on small-scale and home-based chocolate producers who are engaged in the manufacturing and sale of homemade chocolates to local consumers and tourists.

The study covers various aspects such as production processes, availability and cost of raw materials, financial constraints, marketing practices, distribution methods, storage facilities, and competitive challenges faced by these entrepreneurs. It also examines issues related to seasonal demand, customer preferences, and compliance with food safety and quality standards.

RESEARCH METHODOLOGY

Research methodology refers to the systematic way of collecting, analyzing, and interpreting data to achieve the objectives of the study. The present study adopts a descriptive research design to examine the challenges faced by homemade chocolate entrepreneurs with special reference to Ooty.

Research Design:

The study is descriptive in nature, as it aims to describe and analyze the various problems faced by homemade

chocolate entrepreneurs in Ooty.

Area of the Study:

The study is confined to Ooty (Udhagamandalam), Tamil Nadu.

Sources of Data:

The study is based on both primary and secondary data.

Primary Data: Primary data are collected directly from homemade chocolate entrepreneurs using a structured questionnaire and personal interviews.

Secondary Data: Secondary data are collected from books, journals, research articles, websites, government reports, and previous studies related to small-scale industries and food entrepreneurship.

Sampling Method:

Convenience sampling method is adopted for selecting the respondents due to time and accessibility constraints.

Sample Size:

The sample size for the study consists of a selected number of homemade chocolate entrepreneurs in Ooty (for example, 60 respondents).

Tools for Data Collection:

A structured questionnaire is used as the main tool for collecting primary data.

Tools for Data Analysis:

The collected data are analyzed using simple statistical tools such as percentages, tables, and charts for easy interpretation.

Period of the Study:

The study is conducted over a specific period (for example, three months).

This methodology helps in systematically identifying and analyzing the challenges faced by homemade chocolate entrepreneurs in Ooty.

Limitations of the Study

1. The study is confined only to homemade chocolate entrepreneurs in Ooty; therefore, the findings may not be applicable to other regions.
 2. The sample size selected for the study is limited, which may affect the generalization of the results.
 3. The study is based mainly on primary data collected through questionnaires, and the accuracy of the results depends on the honesty and cooperation of the respondents.
 4. Time constraints restricted an in-depth analysis of all aspects related to the business.
 5. Some respondents may have been reluctant to disclose exact financial details.
 6. Seasonal variations in demand could influence the responses and findings of the study.
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REVIEW OF LITERATURE

Studies by the Ministry of Micro, Small and Medium Enterprises (2023) highlight that limited access to finance is one of the most significant challenges faced by small-scale entrepreneurs. Many homemade chocolate producers rely on personal savings or informal borrowing due to difficulties in accessing formal credit. This financial limitation restricts their ability to invest in modern equipment, quality raw materials, and effective marketing strategies, thereby affecting business growth and sustainability.

Research by the Food Safety and Standards Authority of India (2022) emphasizes the importance of maintaining hygiene and quality standards in food-based businesses. For homemade chocolate entrepreneurs, failure to comply with food safety standards can result in reduced consumer trust and limited access to formal markets.

The Statista (2023) reports that pricing strategies play a crucial role in influencing consumer purchasing decisions. Improper pricing can lead to reduced profitability or loss of customers.

The World Bank (2020) states that small businesses face multiple operational challenges, including business registration, regulatory compliance, and access to finance. These barriers create an unfavorable environment for entrepreneurs, especially in developing countries, limiting their ability to compete effectively in the market.

ANALYSIS AND INTERPRETATION OF DATA

Analysis and interpretation of data is the process of assigning meaning to collected information and determining the conclusion, significance, and implication of the findings. It is an important and exciting step in the process of research studies, analysis follows data collection.

The statistical tools are:

➤ Percentage Analysis

PERCENTAGE ANALYSIS

A Percentage is a statistical measure used to express a number as a part of 100. It helps in comparing different values in a simple and clear manner. In research studies, percentage is used to show the proportion of respondents who selected a particular option. It makes data easy to understand and interpret.

Percentage helps in identifying majority opinions, trends, and patterns in the collected data. It is widely used in survey-based studies for clear presentation of results.

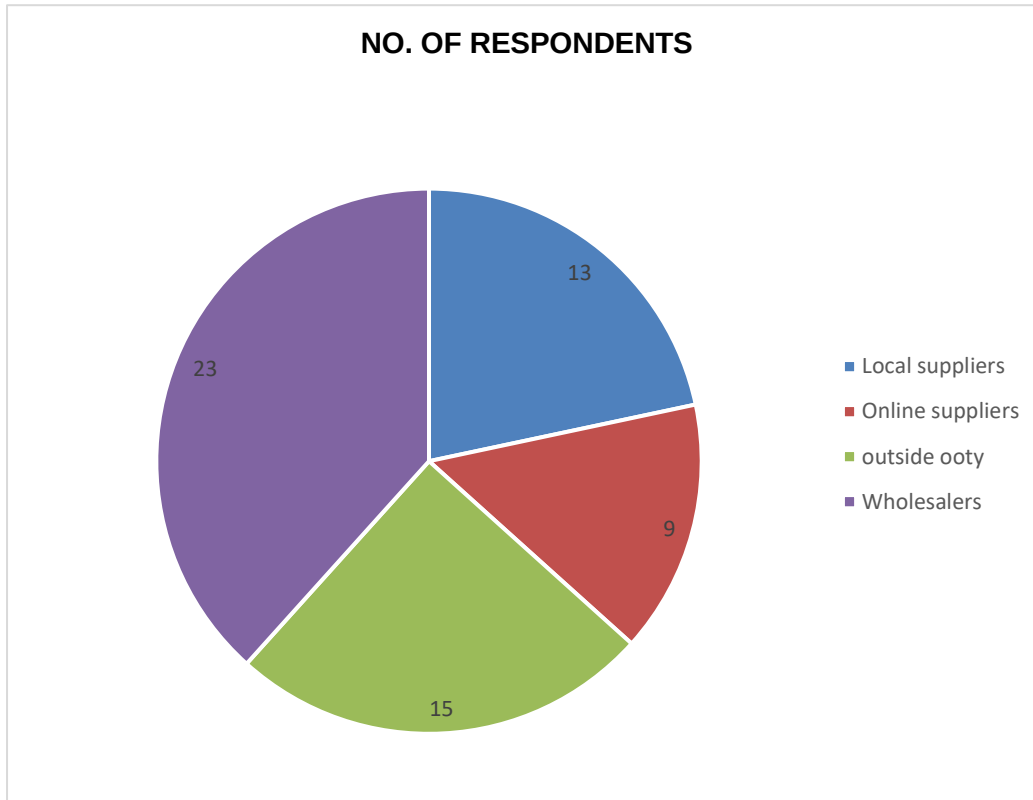
TABLE NO 1.1.1 SHOWING SOURCE OF RAW MATERIALS

S.NO.	SOURCE OF RAW MATERIALS	NO.OF RESPONDENTS	PERCENTAGE
1	Local Suppliers	13	21.6
2	Outside Ooty	15	25
3	Online Suppliers	9	15
4	Wholesalers	23	38.4
TOTAL		60	100

SOURCE: Primary data

INTERPRETATION: From the above table indicates that 21.6% of respondents get raw material from local suppliers, 25% of respondents get raw materials from outside Ooty, 15% of respondents get raw materials from online suppliers and 38.4% of respondents get raw materials from wholesalers.

INFERENCE: Most of the respondents(38.4%) get raw materials from wholesalers.

CHART NO 1.1.1 SHOWING SOURCE OF RAW MATERIALS

TABLE NO 1.1.2 SHOWING STEPS TO MAINTAIN QUALITY

S.NO.	STEPS TO MAINTAIN QUALITY	NO. OF RESPONDENTS	PERCENTAGE
1	Proper Storage	4	6.6
2	Proper Storage, Quality Checking	6	10
3	Proper Storage, Quality Checking, Standard Packaging	16	26.6
4	Proper Storage, Quality Checking, Standard Packaging, Use Of Premium Ingredients	13	21.6
5	Proper Storage, Quality Checking, Standard Packaging, Use Of Premium Ingredients, Training Workers	18	30
6	Proper Storage, Standard Packaging	1	1.6
7	Proper Storage, Standard Packaging, Training Workers	1	1.6
8	Quality Checking	1	1.6
TOTAL		60	100

SOURCE: Primary data

INTERPRETATION: From the above table indicates that 6.6 % of respondents stated that they maintain quality through proper storage, 10% of respondents maintain quality through proper storage and quality checking, 26.6% maintain quality through proper storage, quality checking, and standard packaging, 21.6% maintain quality by proper storage, quality checking, standard packaging, and use of premium ingredients, 30% maintain quality through proper storage, quality checking, standard packaging, use of premium products and training workers, 1.6% uses proper storage, standard packaging and training workers, and 1.6% maintains quality only through quality checking.

INFERENCE: Most of the respondents(30%) stated that proper storage, quality checking, standard packaging, use of premium products and training workers are their main steps to followed to maintain the quality of homemade chocolates.

TABLE NO 1.1.3 SHOWING PRODUCTION PROBLEM (CLIMATE AFFECTING CHOCOLATE PREPARATION)

S.NO	RESPONSE	NO.OF RESPONDENTS	PERCENTAGE
1	Strongly Agree	24	40
2	Agree	27	45
3	Neutral	6	10
4	Strongly Disagree	3	5
TOTAL		60	100

SOURCE: Primary data

INTERPRETATION: The above table shows the respondents' opinion regarding the production problems of climate affecting the chocolate preparations. Out of 60 respondents, 27 respondents (45%) agree that climate affecting the chocolate preparations creates production problems. 6 respondents (10%) remain neutral. 3 respondents (5%) strongly disagree, and 24 respondents (40%) strongly agree that climate affecting the chocolate preparations creates production problems.

INFERENCE: Most of the respondents(45%) agree that climate affecting the chocolate preparations creates production problems in business operations.

TABLE NO 1.1.4 SHOWING MARKETING METHODS

S.NO.	MARKETING METHODS	NO.OF RESPONDENTS	PERCENTAGE
1	Retail Shop	9	15
2	Retail Shop, Tourists Outlets	2	3.3
3	Social Media	13	21.6
4	Social Media, Exhibitions	1	1.6
5	Social Media, Retail Shop	22	36.6
6	Social Media, Retail Shop, Exhibitions	1	1.6
7	Social Media, Retail Shop, Exhibition, Tourists Outlets	2	3.3
8	Social Media, Retail Shop, Tourists Outlets	9	1.5
9	Social Media, Tourists Outlets	1	1.6
TOTAL		60	100

SOURCE: Primary data

INTERPRETATION: The table shows that most respondents (36.6%) prefer social media and retail shop as their marketing method, making it the most popular strategy. About 21.6% use only social media, showing its strong importance. Other methods like retail shops alone (15%) and combined approaches have moderate usage, while exhibition-related methods have very low preference.

INFERENCE: Majority 36.6% of respondents prefer social media and retail shop as their marketing methods.

TABLE NO 1.1.5 SHOWING STRATEGY TO ADOPT TO FACE

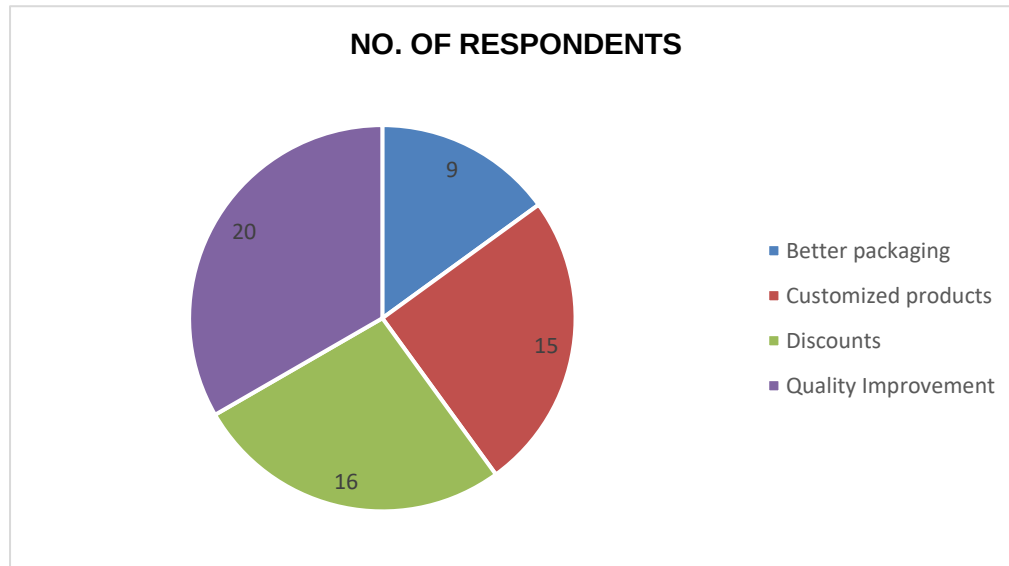
S.NO.	RESPONSE	NO.OF RESPONDENTS	PERCENTAGE
1	Better Packaging	9	16
2	Customized Products	15	25
3	Discounts	16	26.6
4	Quality Improvement	20	33.3
TOTAL		60	100

SOURCE: Primary data

INTERPRETATION: The table shows respondents' competitive strategies: quality improvement (33.3%) is the top priority, followed by discounts (26.6%), customized products (25%), and better packaging (16%). This indicates consumers value superior quality most, with price and personalization also important.

INFERENCE: Most of the respondents(33.3%) consider quality improvement as their primary strategy to face competition.

CHART NO 1.1.2 SHOWING STRATEGY TO ADOPT TO FACE



FINDINGS

PERCENTAGE ANALYSIS

- Most of the respondents(38.4%) get raw materials from wholesalers.
- Most of the respondents(30%) stated that proper storage, quality checking, standard packaging, use of premium products and training workers are their main steps to followed to maintain the quality of homemade chocolates.
- Most of the respondents(45%) agree that climate affecting the chocolate preparations creates production problems in business operations.
- Majority 36.6% of respondents prefer social media and retail shop as their marketing methods.
- Most of the respondents(33.3%) consider quality improvement as their primary strategy to face competition.

SUGGESTIONS

Based on the findings of the study on challenges faced by homemade chocolate entrepreneurs in Ooty, the following suggestions are provided:

1. Adoption of Digital Marketing

Using platforms like Instagram and WhatsApp can help increase brand awareness and reach more customers.

2. Expansion of Market Reach

Collaborating with local shops, hotels, and tourist centers can improve sales and visibility.

3. Product Innovation

Introducing new flavors and customized chocolates can attract more customers and increase demand.

4. Proper Storage Facilities

Maintaining refrigeration and temperature control is important to preserve chocolate quality.

5. Branding and Promotion

Strong branding and attractive packaging can help compete with big brands like Cadbury and Nestlé.

6. Managing Seasonal Demand

Providing offers and diversifying products can help maintain income during off-seasons.

CONCLUSION

The study on challenges faced by homemade chocolate entrepreneurs reveals that while this business offers significant opportunities for creativity and income generation, entrepreneurs encounter several obstacles in their operations. The major challenges identified include high transportation costs, product damage due to melting, limited market reach, packaging issues, and intense competition from established brands. Despite these difficulties, many entrepreneurs continue to sustain their businesses through innovation, quality maintenance, and customer relationships. However, lack of proper infrastructure, marketing knowledge, and financial support restricts their growth potential.

The study concludes that with improved logistics facilities, better packaging solutions, digital marketing awareness, and institutional support, homemade chocolate entrepreneurs can overcome these challenges and expand their businesses successfully. Encouraging small-scale entrepreneurs through training and financial assistance will not only enhance their performance but also contribute to local economic development.

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