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MARKETING OF ORGANIC PRODUCTS: A CASE STUDY OF SAMPRAN MODEL

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Abstract

Green products commonly offer potential benefits to the environment and human health, which consumer preferences in sustainability at the present are continuously increasing. This study investigated the organic or green product distribution channels and marketing strategies of

organic vegetable farmers. Survey research with a simple random sampling technique was conducted using 120 Sampran Model Project farmers in Nakhon Pathom province, Thailand. The data were processed and analyzed using a statistical package for the social sciences. The results revealed: 1) 3.50% of the farmers sold organic products via each channel at a high level; and 2) 43.30% of the farmers had no promotion marketing strategy for selling organic products, while 27.50% used a price reduction strategy, and 9.00% used a price reduction strategy with a bonus product/gift, 7.00% applied a price reduction strategy when customers purchased in large quantities, and 7.00% applied a price reduction strategy when customers purchased a specified amount with free shipping, 3.00% used a promotion strategy, such as a sale, exchange, distribution, and giveaway; and 4) the rest of the strategies consisted of reward points collection (0.80%), 10% discount when customers purchased in bulk (0.80%), if customers purchased a specified amount they could visit the farm (0.80%), and a free trial (0.80%).

Keywords:

1. Introduction

Green products can be recycled (Ying-Ching and Chang, 2012), which the demands for green products have been exponential growth (Bhardwaj *et al.,* 2020) . As a consequence, green products also have created a new market known as green market.

That's a comprehensive definition of organic agriculture! It highlights the core principles of this farming approach: emphasizing ecosystem health, biodiversity, and sustainable practices while minimizing the use of synthetic inputs. By focusing on natural and locally adapted methods, organic agriculture aims to create a balanced and sustainable system that works in harmony with nature rather than against it (FAO, 1999).

Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and values with others (Kotler *et al*., 2007). Absolutely, the growing concern for the environment and personal health has significantly influenced consumer behavior. People are more conscious of the impact of pesticides and synthetic chemicals used in conventional agriculture on both the environment and their own well-being. This increased awareness has led to a rising demand for organic products,

as they're perceived as safer alternatives that promote environmental sustainability and potentially offer health benefits by reducing exposure to certain chemicals. The willingness of consumers to pay a premium for organic products reflects a broader shift in values, where people prioritize not just the immediate benefits of a product but also its impact on the environment and their health in the long run. This trend has encouraged the growth of the organic food market and further incentivized producers to adopt more sustainable and eco-friendly agricultural practices. (The Center for Green Industries and Sustainable Business Growth, 2014).

The Sampran Model is a project to motivate Thai farmers to become involved in a sustainable business model based on the sufficiency economy policy regarding 3 aspects of sustainable development:1) stimulating farmers to leave their comfort zone and become independent farmers; 2) fostering collective leadership for change to be inter-independent, involving empowerment to become entrepreneurs, where middlemen are encouraged to embrace inclusive business principles and consumers are engaged to be more active (Navaraj, n.d.); and 3) building a network based on a public-private-partnership (PPP). Therefore, this research aimed to study the organic or green product distribution channels and marketing strategies of organic vegetable farmers regarding the future of organic agriculture is considered to be not only promising by extensionist, but it also requires support in structured marketing (Papadaki-Klavdianou *et al*., 2003).

2. Materials and methods

2.1 The study area

The study was conducted in Samphran District, Nakhon Pathom Province, Central Thailand.

2.2 Data collection procedure

In total, 170 farmers joined in applying the Sampran Model for the distribution of organic agricultural products during 2021 in Nakhon Pathom province.

The sample size at the 95% confidence level with a degree of variability of 5% was determined to represent a true population based on equation 1:

$$n \quad = \quad \frac{N}{1 + N\,(e^2)} \tag{1}$$

Where; n is Sample size, N is Population size and e is Allowable error (e = 0.05).

The resulting sample size of 120, based on equation (1), should be representative of the population in Nakhon Pathom province regarding the intensity of organic production. This sample size allows for a reasonable level of confidence in drawing conclusions about the broader population based on the collected data according to Yamane (1967).

2.3 Method of data analysis

Conducting a study based on primary data from Nakhon Pathom province, Thailand, focusing on organic production metrics such as total farming area and family involvement in organic production is a great starting point for understanding the local dynamics of organic agriculture. Using a structured questionnaire to gather primary data allows for a systematic approach to collecting information directly from those involved in organic farming. This method typically ensures a consistent set of data across responses, making it easier to analyze and draw conclusions.

However, it's important to recognize the potential limitations of this approach. The findings may primarily reflect the specific conditions, practices, and opinions within Nakhon Pathom province, which might not necessarily represent the entirety of Thailand's organic farming landscape. Additionally, while structured questionnaires provide focused data, they might not capture more nuanced or qualitative aspects of organic production that could be gleaned from open-ended interviews or observations. Overall, leveraging primary data collection through a structured questionnaire offers valuable insights into the local organic farming scenario in Nakhon Pathom province, forming a foundation for understanding the dynamics and potentially identifying areas for improvement or further research.

3. Results

3.1 Socio-economic characteristics of organic production farmers

The socio-economic characteristics of organic production farmers in the study area consisted of gender, age, years of schooling, experience in organic production, and number of family members that were analyzed using descriptive statistics. The results are presented in Table 1.

Of the respondents, 37.50% were male organic production farmers in the Sampran Model project, while 62.50% were female, similar to the figures reported by Katepan *et al.*

(2020).

Based on age classification, 38.30% were aged 40–49 years, while 11.70% of the respondents were older than 60 years. This reflects a young farming population, in contrast to Idowu (1989), who reported the farming population was ageing.

Regarding the period of education for the organic production farmers, 27.50% of the respondents had 16 years of schooling, while about 20.00% had 6 years. Thus, 31.70% of the respondents had one form of formal education, indicating that the organic production farmers in Nakhon Pathom province had a similar level of education as reported by Gabriel *et al.* (2006).

For 81.00% of the respondents, their monthly income was in the range THB 10,001–50,000, with 10.00% having less than THB 10,000, 6.00% had THB 50,001–90,000, and 3.00% had more than THB 90,000. The farmer who received the highest income had the largest organic farming area (8.00 rai).

The number of family members of respondents was in the range 1–9, with a mean of 4.50.

The number of family members of respondents who were engaged in organic production was 1–8, with a mean of 2.10

Table 1. *Socio-Economic Characteristics of Organic Production Farmers in Sampran Model Project*

Characteristics	%	Mean	Min	Max
Gender				
Male	37.50	n.a.	n.a.	n.a.
Female	62.50	n.a.	n.a.	n.a.
Age (years)				
< 30	5.80	n.a.	n.a.	n.a.
30 - 39	15.80	n.a.	n.a.	n.a.
40 - 49	38.30	n.a.	n.a.	n.a.
50 - 59	26.70	n.a.	n.a.	n.a.
> 60	11.70	n.a.	n.a.	n.a.
No. of schooling year (years)				

Characteristics	%	Mean	Min	Max
0 - 6	20.00	n.a.	n.a.	n.a.

<center>**Table 1.** *(Continued)*</center>

Characteristics	%	Mean	Min	Max
No. of schooling year (years) *(Continued)*				
7 - 9	11.70	n.a.	n.a.	n.a.
10 - 12	19.20	n.a.	n.a.	n.a.
14	7.50	n.a.	n.a.	n.a.
15	10.00	n.a.	n.a.	n.a.
16	27.50	n.a.	n.a.	n.a.
> 16	4.10	n.a.	n.a.	n.a.
Total of organic farming area (rai)	n.a.	1.30	0.25	8.00
Income (THB. /month)				
< 10,0000	10.00	n.a.	n.a.	n.a.
10,001-50,000	81.00	n.a.	n.a.	n.a.
50,001-90,000	6.00	n.a.	n.a.	n.a.
> 90,000	3.00	n.a.	n.a.	n.a.
Number of family members (Person/household)	n.a.	4.50	1.00	9.00
Number of family members per household engaged in production	n.a.	2.10	1.00	8.00

<center>(Source: *Computed by the Authors from Field Survey Data, 2021*)</center>

n.a. = not applicable; 1 rai = 0.16 ha

3.2 Opinions and marketing strategy of organic production farmers regarding distribution channels for organic products

Table 2 shows the opinions of organic production farmers in the Sampran Model Project regarding the distribution channels of organic products. Considering each item separately, 3.90% of the respondents concluded that Fanpage Facebook was an appropriate channel for selling organic products to consumers, 3.90% agreed that various applications (especially the Thai Organic Platform application) were suitable channels for selling organic

products to consumers. 3.30% concluded that Line OA was a suitable channel for stores that want customers to easily inquire about the products and can chat with the shop immediately, 3.30% agreed that the store website was an appropriate channel for selling organic products to consumers, and finally, 3.10% agreed that Instagram was an appropriate channel for selling products to consumers, because Thai consumers like to see product details in pictures. Overall, the organic production farmers concluded that each channel was important for selling organic products at a high level, with a total average of 3.50%.

Table 2. *Opinions of Organic Production Farmers in Sampran Model Project Regarding Distribution Channels for Organic Products*

Topics	Min	Max	Mean	Priority
1. Fanpage on Facebook is an appropriate channel for selling organic products to consumers.	2	5	3.90	High
2. Instagram is an appropriate channel for selling products to consumers, regarding Thai people like to see product details through pictures.	0	5	3.10	Medium
3. Line OA is a suitable channel for stores that want customers to easily inquire about the products, regarding can chat with the shop immediately.	0	5	3.30	Medium
4. The store website is an appropriate channel for selling organic products to consumers. The dealer has its own website.	0	5	3.30	Medium
5. Various applications, especially the Thai Organic Platform application, are suitable channels for selling organic products to consumers.	0	5	3.90	High
Total			**3.50**	**High**

(Source: *Computed by the Authors from Field Survey Data, 2021*)

The survey of marketing strategies for selling organic products of farmers in the Sampran Model Project showed that 50.80% of the respondents had knowledge about organic products at the moderate level, with 42.50% being knowledgeable enough to answer questions about organic products, and 6.70% had no knowledge of organic products at all (Table 3).

Table 3. *Knowledge of Selling Organic Products*

Topics	Frequency	%
1. Knowledgeable enough to answer questions about organic products.	51	42.50
2. Moderate knowledge of organic products.	61	50.80
3. No knowledge of organic products at all.	8	6.70
Total	**120**	**100.00**

(Source: *Computed by the Authors from Field Survey Data, 2021*)

Table 4 shows the promotion strategies adopted for selling organic products, with 43.30% of respondents having no promotion strategy, 27.50% used a price reduction strategy, and 9.00% used a price reduction strategy with bonus product/gift. Furthermore, 7.00% used a price reduction strategy for customers purchasing large quantities, 7.00% applied a price reduction strategy for customers purchasing a specified amount with free shipping. In addition, 3.0% of the farmers used a promotion strategy, such as sale, exchange, distribution, and giveaway. The remaining strategies consisted of a 10% discount for customers purchasing in bulk (0.80%), using a reward points system (0.80%), customers purchasing a specified amount could visit the farmer's farm (0.8%), and a free trial (0.8%).

Table 4. *Promotion Strategies for Selling Organic Products*

Topics	Frequency	%
1. 10% discount when customers purchased in bulk.	1	0.80
2. Price reduction strategy.	33	27.50
3. No promotion strategy.	52	43.30
4. Price reduction strategy with bonus product/gift.	11	9.00
5. Promotion strategy, such as a sale, exchange, distribution, or giveaway.	4	3.00
6. Price reduction strategy for customers purchasing large quantities.	8	7.00
7. Price reduction strategy for customers purchasing a specified amount with free shipping.	8	7.00
8. Reward points collection.	1	0.80
9. Customers purchasing a specified amount can visit the farmer's farm.	1	0.80

Table 4. *(Continued)*

Topics	Frequency	%
10. Free trial strategy.	1	0.80
Total	**120**	**100.00**

(Source: *Computed by the Authors from Field Survey Data, 2021*)

4. Discussion

Expanding marketing efforts to TikTok seems like a smart move given its increasing popularity and its evolution into a platform for promoting and selling products. The Sampran Model Project could leverage TikTok's wide reach among Thai users to showcase their story, products, and farming practices in an engaging and visually appealing way.

TikTok's format allows for creative storytelling, which could be used to highlight the organic farming methods, introduce farmers, showcase behind-the-scenes glimpses, and present the journey of their products from farm to table. By tapping into TikTok's interactive and viral nature, the project could potentially reach a new audience segment, especially among younger demographics, who are active on the platform and may be interested in sustainable and organic products. Integrating TikTok alongside other established social media channels like Facebook, Instagram, and others can create a comprehensive and diverse online presence. It's important to tailor the content to suit TikTok's style and trends while maintaining the core message of promoting organic products and sustainable farming practices, as was reported by Settachan (2021).

5. Conclusions and recommendations

This study on the distribution channels and marketing strategies of organic vegetable farmers regarding organic or green products found that 3.50% of farmers sold organic products via each channel at a high level. The organic products of the Sampran Model Project were very popular because their quality met the market demand. The study results indicated that most organic production farmers (43.30%) could sell their organic products with no promotion similar with Ferraz *et al.* (2017). The most popular marketing strategies were a price reduction (27.50%) and applying a price reduction strategy with a bonus product/gift (9.00%), respectively.

Absolutely, understanding the demographics of potential customers is crucial in crafting an effective marketing strategy. Age and gender play significant roles in shaping consumer preferences, behaviors, and purchase decisions. For instance, different age groups might have varying interests and priorities when it comes to organic products. Younger consumers might be more inclined toward sustainability and health benefits, while older demographics might value traditional farming practices and product quality. Similarly, gender can influence preferences in product choices, packaging, messaging, and even the channels used for marketing. Tailoring marketing strategies to resonate with specific age groups and genders can enhance the effectiveness of the campaign. This might involve using different tones, visuals, and content styles that appeal to the targeted demographics. Understanding the unique needs, values, and interests of these groups can help in creating more personalized and compelling marketing messages that drive higher engagement and conversion rates.

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