

# Marketing Strategy of Agricultural Products in Remote Districts— a Case Study of Mudan Township, Taiwan

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**Abstract**—Mudan Township is a remote mountainous area in Taiwan. In recent years, due to the migration of the population, inconvenient transportation, digital divide, and low production, agricultural products marketing have become a major issue. This research aims to develop the marketing strategy suitable for the agricultural products of the rural areas. The main objective of this work is to conduct in-depth interviews with scholars and experts in the marketing field, combined with the marketing 4P combination, to analyze and summarize the possible marketing strategies for agricultural products for remote districts. The interviews consist of seven experts from industry who have practical experience in producing, marketing, and selling agricultural products and three professors that have experience in teaching marketing management. The in-depth interviews are conducted for about an hour using a pre-drafted interview outline. The results of the interviews are summarized by semantic analysis and presented in a marketing 4P combination. The results indicate that in terms of products, high-quality products with original characteristics can be added through the implementation of production history, organic certification, and cultural packaging. In the place part, we found that the use of emerging communities, the emphasis on cross-industry alliances, the improvement of information application capabilities of rural households, production and marketing group, and contractual farming system are the development priorities. In terms of promotion, it should be an emphasis on the management of internet social media and word-of-mouth marketing. Mudan Township may consider promoting agricultural products through special festivals such as farmer's market, wild ginger flower season and hot spring season. This research also proposes relevant recommendations for the government's public sector and related industry reference for the promotion of agricultural products for remote area.

**Keywords**—Marketing strategy, Remote Districts, Agricultural products, In-depth interviews

## **1. Background / Objectives and Goals**

Mudan Township is located in the southeast of Pingtung County, Taiwan, connecting the end of the Central Mountain Range, east to the Pacific Ocean. The township covers an area of 182 square kilometers and is the southernmost aboriginal town in Taiwan. The Major agricultural products of Mudan Township are Edible corn, sweet potato, Sangsu, red quinoa, pumpkin, beans, red dragon fruit, watermelon, cut-log mushrooms, and coffee. In recent years, due to the migration of the population, inconvenient transportation, digital divide, and low production, agricultural products marketing have become a major issue. The main objective of this work is to conduct in-depth interviews with scholars and experts in marketing field, combined with the 4P marketing mix, to analyze and summarize the possible marketing strategies for agricultural products for remote districts. This research aims to propose relevant recommendations for the government's public sector and related industry reference for promotion of agricultural products for remote area.

## **2. Literature Review**

In terms of marketing, word-of mouth communication plays an important role in rural parts of Africa. This type of information flow is influenced by the volume of traffic and movement of people, which in turn is a function of road infrastructure, availability of means of transportation, etc. Markets and other centers of social gathering are places of high turnover of word-of-mouth information. Consumers used regional branding cues, information and images in their assessment and valuation of comparative wine labels. The addition of regional information on a wine label may increase consumer confidence in the quality of the product. Customer's trust in eco-label and eco-brand and their perception of eco-brand show positive and significant impact on their actual purchase behavior. Ma studies the local characteristic industry in Sandimen Township Pingtung, from the successful experiences of OTOP, by examining the strengths, weaknesses, opportunities, and threats in the environment and the 5Ps marketing mix, it finds the prospect, the marketing positioning, the industry problem, and proper marketing strategy in terms of the product/positioning, place, promotion, policy, and partnership. On the other hand, by enhancing the industry orientation of academicians and adopting systematic processes of review and dissemination, practitioners can experiment and learn to apply theoretical knowledge. Chen proposes a cloud technology platform, it may reduce community barriers to small farmers producing direct marketing; through sample testing mechanisms to ensure that consumers can buy safety products; profit margin between selling price and cost, intended for use as a community development funds, which to improve the quality of life for residents and create more local jobs and income.

## **3. Methodology / Approach**

This research uses in-depth interview qualitative research method to collect views of seven experts from industry that have practical experience in producing, marketing, and selling agricultural products

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#### 4. Results and Discussion

Followings are representative opinions of some respondents.

「From the successful marketing strategies of Shansu and red quinoa, the key success factor is the healthy, non-toxic production mode. ..」 [#A-1-1]

「When planting Shansu in remote mountainous areas, pesticides are usually not used, so in principle, they are introduced in a healthy concept...」 [#A-3-2]

「The efforts in Marketing are all directed at this block; therefore, in addition to the organic planting end and the environment-friendly approach, we are also adhering to the quality improvement of fine coffee.」 [#B-1-4]

「In the remote township, the cultural characteristics of the land can be weaved the cultural relics or products in the original township into a story...」 [#A-2-4]

「The efforts in Marketing are all directed at this block; therefore, in addition to the organic planting end and the environment-friendly approach, we are also adhering to the quality improvement of fine coffee.」 [#B-1-4]

「The quality should be internationally renowned. To be the highest quality, brand is the key to me. Such as Taiwu coffee, Pingtung coffee, the brand is valuable. One problem that our aborigines have is that they don't establish brands.」 [#B-1-7]

「The policy of one township / one special product is to feature positioning and brand image, and then create derivative products, in order to derive your marketing strategy....」 [#A-3-5]

「In addition to the general channel, I also use FB and line. I will invite my customers or friends to enter the group of line and FB. If there is any information about tea, I will post it to everyone. Some old customers will take the initiative to order with us, so more people in the group transfer and share, more people know that new customers naturally increase a lot.」 [#B-2-2]

「The scientific data and medical reports on the Internet have greatly enhanced the popularity of red quinoa. This promotion is the faster and more effective...」 [#B-4-5]

「In particular, the eco-tourism we plan to have has the advantage that you will know a lot of people and will have different cooperation alliances, so the channel will increase. Secondly, the package travel marketing is more advantageous in the local township...」 [#B-6-6]

「Any industry needs to be seen to accept and be touched, your product must give it a story, we empathetically, if I buy this thing just because it's beautiful but I don't know the story behind, I may be only moved for a short time, but I know its value, its meaning, I will try my best to have it, because of its story....」 [#B-5-8]

The results of interviews are summarized by semantic analysis and presented in a 4P marketing

mix as Figure 1.

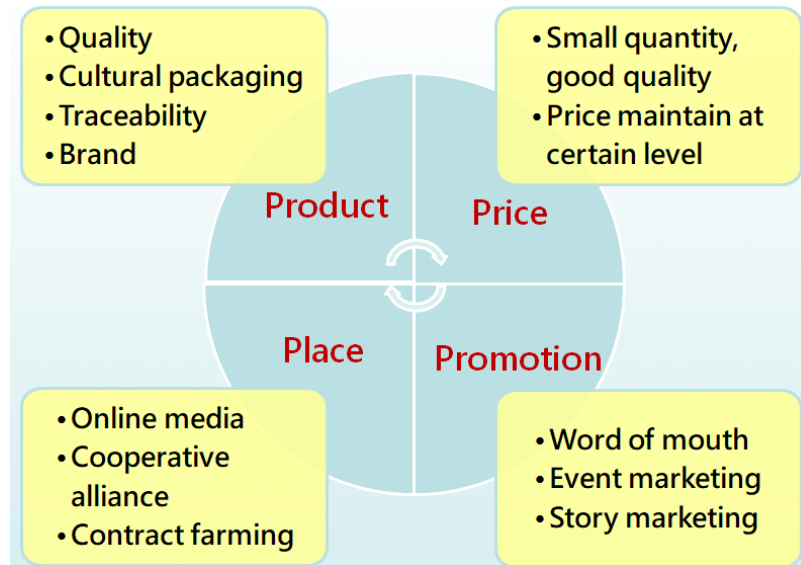


Figure 1: The Marketing Mix

## 5. Conclusions / Contributions

Some important conclusions can be drawn from this study. First, characteristics for agricultural products of the rural areas can be identified as high quality, cultural features, food traceability and certification; brand is important, small amount and uniqueness. For product part, quality is the most important key. High-quality products with original characteristics can be added through the implementation of cultural packaging, organic certification, and food traceability. As for the brand, although the brand awareness and recognition of a certain product is more likely to generate customer loyalty, and continue consuming, but the establishment of the brand requires considerable resources, which is a big challenge for remote area. For the second factor, place, we found the use of emerging social communities and different alliances are important for agricultural products marketing.

On the other hand, contract farming may help to maintain the price and quality of agricultural products. For promotion, respondents consistently stated that “word of mouth” is the most important key. Marketers should make good use of social media such as FB and Line, and implement word-of-mouth marketing through personal witness sharing. Event marketing and story marketing are also important options. The last factor, price, some respondents believe that because of the low quality and good quality of remote area agricultural products, the price can be maintained at a certain level. If we can make good use of the advantages of native species and non-GMO, higher selling prices or Odd Pricing strategies are better option for marketing. Finally, it is found that post offices can play more important role. Although local farmers' associations should be one of the important marketing and sales channels for agricultural products in rural areas, due to remoteness and limited resources, it is difficult for associations to meet the production and sales needs of the rural areas farmers. Due to the prevalence of post offices in Taiwan, with their dense network of access, it should be a good way to market and sell agricultural products for remote areas. For example, 27 Nov. 2018,

Yunlin Post Office and Shuilin Township Small Farmers Association started selling "support farmers for public welfare event. 200 boxes of golden potatoes were sold out in 10 minutes. On April 2019, Post Office and Fangshan Township Pingtung started selling "Green onion "event caring for agricultural marketing. You may get a free onion when mail package at the designated post office. During the event, you may also go to the Facebook fan page to participate in a lucky draw event. These are all successful agricultural marketing by local post offices. Another important research result found is that online media is becoming more and more important today. How to integrate resources for online marketing has become one of the important strategies for promoting agricultural products for remote area.

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