

Enhancing the Competitiveness of Agricultural Produce Businesses by Enabling Farmers to Sell Their Own Products Through Online Marketing Channels

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ABSTRACT: This study on enhancing the competitiveness of agricultural product direct sales businesses through online marketing aims to investigate the fundamental business information, production factors, and marketing mix factors that influence the competitiveness of these online agricultural product businesses. It also seeks to propose a model for developing this competitiveness. The population for this study consisted of 100 successful online agricultural product distributors, selected using purposive selection. Data was collected via a four-part questionnaire: Part 1: Fundamental business information factors; Part 2: Production factors; Part 3: Marketing mix factors; and Part 4: Competitiveness of agricultural product direct sales businesses. Data analysis was performed using statistical software for social science research. Descriptive and inferential statistics were employed to describe the study results. The expected outcomes include understanding the potential and readiness for competitiveness in Thailand's agricultural produce distribution business, where farmers sell their own produce through online channels; identifying production and marketing mix factors to develop this online agricultural produce distribution business; and presenting a model for enhancing the competitiveness of this online agricultural produce distribution business.

KEYWORDS: Online marketing, marketing mix factors, and competition in the agricultural produce retail business.

I. INTRODUCTION

From the past to the present, in the rice market, capitalists and/or middlemen have been known for their influence in controlling the market mechanism from upstream to downstream. Farmers, meanwhile, have virtually no bargaining power, selling their produce at low prices so that middlemen can resell it at high prices. This problem of middlemen control is not merely an unsubstantiated idea. Research by Abebe GK et al. (2013), published in the international academic journal *Journal of Rural Studies* in 2016, showed that a study of 345 Ethiopian farmers indicated that their income would have increased by 225% if they had not used middlemen. International research is increasingly highlighting how ordinary citizens, often small-scale producers, are becoming increasingly vulnerable, leading to the overall market being dominated by capitalists and middlemen, resulting in negative long-term consequences.

One of the key factors driving farmers' dependence on middlemen for agricultural produce is their lack of skills and knowledge to sell their products independently. Government agencies, specifically the Ministry of Agriculture and Cooperatives, are addressing this issue through policies promoting "market-led production" and "Agriculture 4.0," aiming for modern agricultural practices. This not only promotes the use of technology to improve both quality and quantity of produce but also fosters the development of farmer entrepreneurs capable of managing integrated agricultural businesses. Farmers receive training in marketing, accounting, and agricultural logistics, enabling them to plan production to meet market demand. This includes expanding into potential offline markets such as farmers' markets, modern trade markets, HORECA markets, and agricultural wholesale markets, as well as online sales platforms like Thailand Postmart, DGT Farm, Lazada, and Shopee. In 2020, the Department of Agricultural Extension launched the website "FarmersOnlineMarket.com" to collect and promote online sales, generating revenue of 176 million baht. Importantly, this platform connects high-quality, certified produce from large-scale farming projects, the New Theory of Agriculture, and farmer organizations. Community enterprises, Young Smart Farmers, and Smart Farmers require integrated collaboration between the government, private sector, entrepreneurs, and farmers to create unique agricultural product markets, expand comprehensive distribution channels, and upgrade to high-potential agricultural product markets. This aims to add value to goods and products, and assist farmers in strengthening and securing their marketing capabilities, enabling them to be self-reliant sustainably (Farmer Promotion and Development Group, Ministry of Agriculture and Cooperatives, 2021).

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Despite the Ministry of Agriculture and Cooperatives' efforts to empower farmers, most farmers still rely on middlemen to sell their produce. Therefore, this study focuses on "Enhancing the Competitiveness of Agricultural Produce Sales through Online Marketing Channels by Farmers Directly Selling Their Own Products." Direct sales by farmers are considered a type of SME. This study aims to strengthen farmers' ability to market their produce online, eliminating middlemen. Online channels allow farmers to reduce their initial investment, requiring only knowledge and skills in using various online platforms. Currently, online media generates significant market value, as evidenced by a Thai Chamber of Commerce report on the digital economy in 2023, which showed sales through online platforms reaching 894,564 million baht, a 17.91% increase, with Gen Y and Gen Z being the most active users. Furthermore, LINE is the most widely used social media platform at 95.9%.

Therefore, this study investigates the enhancement of competitiveness in agricultural product sales businesses through online marketing channels, enabling farmers to sell their own produce. The aim is to provide useful information for government agencies to use as a guideline in formulating policies and developing projects to promote competitiveness in online agricultural product sales. The focus is on empowering farmers to be both producers and sellers, reducing price monopolies by middlemen, and increasing farmers' income to achieve financial stability and household economic prosperity.

II. OBJECTIVES OF THE STUDY

1. To study the fundamental information factors of online business that affect the competitiveness of agricultural product businesses where farmers sell their own produce through online marketing channels.
2. To study the production factors that affect the competitiveness of agricultural product sales businesses where farmers sell their own produce through online marketing channels.
3. To study the marketing mix factors that affect the competitiveness of agricultural produce businesses where farmers sell their own produce through online marketing channels.
4. To present a model for developing the competitiveness of agricultural product sales businesses where farmers sell their own produce through online marketing channels. Based on the four objectives of the study, they can be summarized in a diagram for easier understanding, as shown in Figure 1.

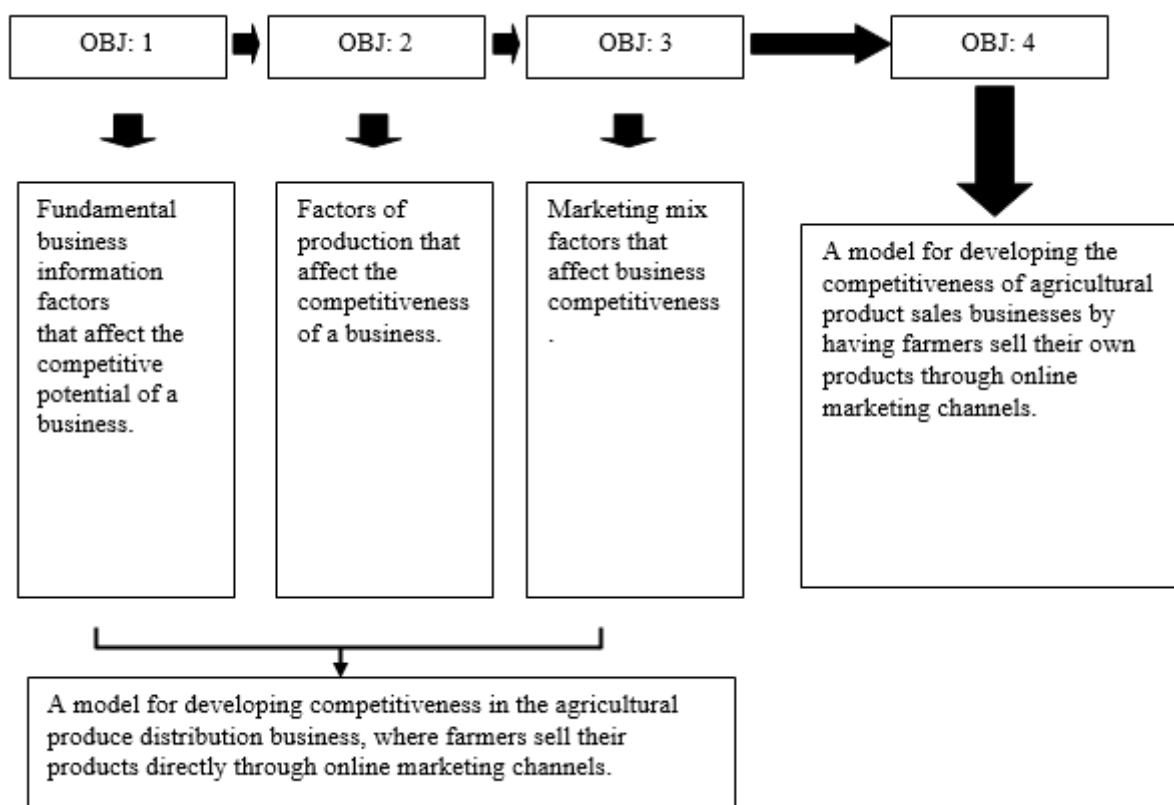


Figure 1: The research findings were conducted in accordance with the objectives of the study.

III. CONCEPTS AND THEORIES USED IN THE RESEARCH.

In this study on enhancing the competitiveness of agricultural product sales businesses where farmers sell their own produce through online marketing channels, the researchers reviewed the concepts and theories used in research to guide the development of the research framework as follows:

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1. Concepts related to online marketing communication.
2. Concepts related to marketing mix factors.1. Consumers' personal factors, including gender, age, education, occupation, and average monthly income, differ and influence their consumption behaviours and purchasing decisions.

IV. RESEARCH CONCEPTUAL FRAMEWORK

In this study on enhancing the competitiveness of agricultural product sales businesses where farmers sell their own produce through online marketing channels, the researchers reviewed the concepts and theories used in research to guide the development of the research framework as follows:

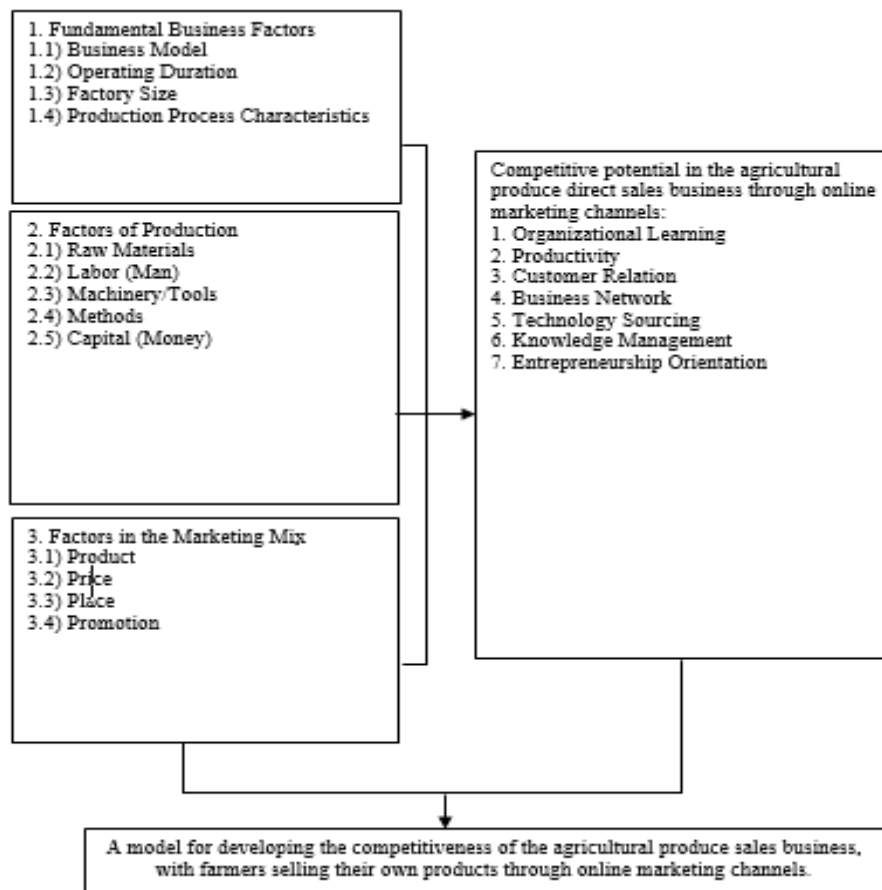


Figure 2: The research conceptual framework

V. RESEARCH METHODOLOGY

1. Data Collection Methodology

The researcher collected data using the following steps and methods:

- 1) Data was gathered from the population used in this study, which consisted of 100 successful entrepreneurs who manufacture and sell their own products online. Purposive selection was used to select these key informants.
- 2) The researcher contacted the 100 successful entrepreneurs at least 1-2 weeks in advance.
- 3) The researcher sent questionnaires, along with letters requesting their cooperation, to the decision-makers in the businesses to be surveyed.
- 4) Data was collected, and questionnaires were followed up. If a response via email or letter was not received, the researcher contacted the entrepreneur by phone to request their return. If a questionnaire was lost or incomplete, it was resent.
- 5) The returned questionnaires were checked for accuracy and completeness.

2. Research Tools

The data collection tool was a questionnaire, created from research conducted using relevant books, documents, and research, based on the objectives of this research. The questionnaire was divided into four sections as follows:

Section 1: Questionnaire on basic business information factors, divided into four areas: business model, operating duration, factory size, and production process characteristics. The questions on production process characteristics were multiple-choice.

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Section 2: Questionnaire on production factors, divided into five areas: raw materials, workers, machinery/tools, methods, and capital. This was a 5-level rating scale questionnaire, with scores assigned to each level as follows:

5	The level of readiness is at the highest level.
4	The level of readiness is highly prepared.
3	The level of preparedness is moderate.
2	The level of preparedness is low.
1	The level of preparedness is the lowest.

Section 3 : of the marketing mix factors questionnaire is divided into four areas: Product, Price, Place, and Promotion. It uses a 5-level rating scale, with scores assigned to each level as follows:

5	The level of readiness is at the highest level.
4	The level of readiness is highly prepared.
3	The level of preparedness is moderate.
2	The level of preparedness is low.
1	The level of preparedness is the lowest.

Section 4 : of the questionnaire assesses the competitive potential of agricultural product businesses directly sold by farmers through online marketing channels. It comprises seven areas: 1) Organizational Learning, 2) Productivity, 3) Customer Relation, 4) Business Network, 5) Technology Sourcing, 6) Knowledge Management, and 7) Entrepreneurship Orientation. This is a 5-level rating scale questionnaire, with scores assigned to each level as follows:

5	It has the greatest potential.
4	It has great potential.
3	It has moderate potential.
2	It has limited potential.
1	Its potential is at its lowest level.

3. Data Analysis

After collecting the research data, the researcher checked the accuracy of all 100 questionnaires. The data was then processed using a computer and used in statistical software was used to analysed the statistics. The confidence level was set at 95%, with a significance level of 0.05.

The statistics this study included descriptive statistics and inferential statistics, as detailed below:

Descriptive Statistics

- 1) Percentage : This calculates the proportion of data to the total data, taking the total data as a percentage.
- 2) Mean : The mean is a central value used with interval and ratio scale data and can be calculated in two ways: finding the mean from raw data that is not in the form of a frequency distribution table, and finding the mean from grouped data that is in the form of a frequency distribution table.
- 3) The standard deviation (SD) is the square root of the sum of the differences between the raw data and the mean squared, divided by the total number of data points.

Inferential Statistics

1) F-test Analysis of variance (ANOVA) is used to compare means of data from three or more groups. It includes tests for within-group ANOVA, between-group ANOVA, and both one-way and two-way ANOVA.

2) Multiple regression analysis is used to test the influence of independent variables on the dependent variable.

After summarizing the findings from questionnaires collected from 100 entrepreneurs, the researchers used the data as a guideline to design a "model for developing the competitiveness of agricultural product sales businesses where farmers sell their own produce through online marketing channels."

The suitability of the "Model for Developing Competitiveness in Agricultural Product Sales Businesses through Online Marketing Channels, where farmers sell their own produce" was then evaluated by three experts: two experts in business management and one expert in online marketing. The experts were selected using purposive selection (Boonchom Srisaad, 2007).

The evaluation tool used was an assessment form for the suitability of the "Model for Developing Competitiveness in Agricultural Product Sales Businesses Where Farmers Sell Directly Through Online Marketing Channels," created by the researcher in the first phase of the study. This assessment form is a 5-level rating scale with the following scoring criteria:

5	It is the most suitable.
4	It is very suitable.
3	It is moderately suitable.
2	It is less suitable.
1	is highly unsuitable.

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After receiving evaluation forms from three experts, the researchers analyzed the data using statistical methods, including the mean and standard deviation (S.D.), both overall and for each aspect. Subsequently, the additional feedback from the experts was incorporated to refine the model, resulting in the final version of the "Model for Developing Competitive Potential in Agricultural Product Sales Businesses Where Farmers Sell Directly Through Online Marketing Channels."

VI. RESEARCH BENEFITS

1. To understand the potential and readiness for competitiveness in Thailand's agricultural product distribution business, where farmers sell their own produce through online marketing channels.
2. To identify various factors, including production factors and marketing mix factors, for developing agricultural product distribution businesses where farmers sell their own produce through online marketing channels.
3. To present a model for developing the competitive potential of agricultural product distribution businesses where farmers sell their own produce through online marketing channels.

CONCLUSION

This study focuses on enhancing the competitiveness of agricultural product sales businesses through online marketing channels, enabling farmers to sell their own produce. The aim is to provide useful information for government agencies to use as a guideline for policy formulation and the development of projects that promote the competitiveness of online agricultural product sales. The focus is on empowering farmers to be both producers and sellers, reducing price monopolies by middlemen, and increasing farmers' income to achieve greater financial stability and household economic well-being.

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