



## USE OF DIRECT MARKETING STRATEGIES BY FARMERS IN IZMIR, TURKEY: A CASE STUDY OF ARTICHOKE GROWERS

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### Abstract

This study was carried out in Balıkkliova-Urla, Izmir Province of Turkey to determine artichoke growers' direct farm marketing options, future plans, and challenges.

The most common direct marketing strategy employed by growers was roadside stands. Roadside stands and community supported agriculture were emerged as the most drawn attention among possible direct marketing strategies. As farm size and gross farm income increased, average direct marketing revenues per farm also increased. However, there was no statistically significant difference found between the farms, in terms of both direct sales as a share of gross farm income and direct marketing share of total artichokes sales. Reaching consumers directly was identified as the most significant challenge by growers.

### Keywords

direct marketing, artichoke, growers, direct marketing strategies

### 1. Introduction

Most producers devote their time to what they know best, planting, growing and harvesting food, leaving the processing and marketing to agri-business. However, selling directly to consumers is growing in popularity with some producers. Several reasons account for the increased interest in farm direct marketing. One is dissatisfaction with farm commodity prices. The farm price is often only a fraction of the retail food price. Prices for produce sold directly to consumers can be substantially higher than typical wholesale prices. Another reason is that producers value the relationships they form with the consumers, as well as the opportunity to receive immediate feedback on their products. Consumers value the fresh, quality products along with the opportunity to support local producers [1].

Farmer-to-consumer marketing is of growing importance, not only in providing many farmers with greater net returns but also in retaining food traditions. The direct contact between farmers and consumers enables both sides to boost special qualities like traditional agricultural products, organic food, denomination of origin etc. Consumer studies have revealed that purchasing at farms is typically connected with high involvement [2].

Direct marketing includes any marketing method whereby farmers sell their products directly to consumers [3]. A direct

marketing strategy (DMS) applies to both crop and livestock products/commodities. Examples of DMS employed by farmers included use of farmers markets, you-pick operations, consumer cooperatives, and locally branded meats [4].

Specifically, growers can sell their products directly to consumers through market channels such as farmers markets, U-Pick or pick-your-own (PYO) operations, seasonal roadside stands or farm stands, Internet sales, and Community Supported Agriculture (CSA) [5]. The roadside stand is usually located on the farm and sells farm fresh products directly to consumers. In u-pick operations, the customer comes to the farm, does the harvesting, pays cash for the produce harvested and transports it home. Community supported agriculture consists of a partnership between consumers and producers in which consumers contract or buy shares in farm products in advance and producers commit to supply a range of products over the entire season. Often, consumers have the option to participate in planting, cultivation and harvest. The arrangement can be initiated by the producer or by a group of consumers [1].

The studies related to direct farm marketing in Turkey is one of the most neglected areas. There have been only a few studies deal with direct farm marketing. Adanacioglu [6] identified factors that affect cherry farmers' decision to participate in direct marketing in Kemalpaşa District, Izmir. Using data from a survey of artichoke growers in Izmir, Adanacioglu [7] also investigated efficiency of both direct-to-consumer marketing and intermediated channels. Using data from a survey of artichoke growers engaged in direct marketing in Balıkkliova which is a small village in the Urla district, Izmir Province of Turkey, this paper explores what options of direct farm marketing are being used by growers and their future plans for direct marketing strategies. This paper also examines the challenges faced by artichoke growers in direct marketing.

Artichoke (*Cynara scolymus* L.) is an ancient perennial plant species native to the Mediterranean Basin and known since the first century AD. Artichoke is particularly widespread in the Mediterranean Basin, where the climate is characterized by warm summers and mild winters. According to the latest available data, the world surface area of artichoke cultivation in 2012 amounted to 125351 ha, yielding 1634219 t. Over the last decade (2003–2012), there has been an increase in world production (+27.8%), while the total surface has remained substantially unchanged (+1.6%) [8]. Egypt, Italy, Spain, Peru and Argentina are top five countries of the world production in 2012. Turkey is ranked 11th

in the world with 32173 tons. In Turkey, artichoke production areas were located in western parts of Turkey, mainly in Aegean and Eastern Marmara regions [9].

## 2. Materials and methods

The data were collected from artichoke growers engaged in direct marketing between April and May 2014 via personal interviews, obtaining a total of 25 surveys. The survey was conducted in Balikliova which is a small village in the Urla district, Izmir Province of Turkey. Artichoke production in the Izmir was about 11330 tons in 2014, according to the Izmir Directorate of Provincial Food Agriculture and Livestock [10]. Urla provides 26% of Izmir's artichoke production.

A five-point Likert-scale was used to measure artichoke growers' attitudes towards direct farm marketing. Data were compared using Mann-Whitney-U-test.

## 3. Results and discussion

### *The Socio-Economic Characteristics of Artichoke Farms*

Table 1 summarizes the survey results on socio-economic characteristics of the artichoke farms. The average age of farm household operators was about 54 years old. The experience of farmers in artichoke production was on an average 33.82 years. The average number of years in school of the household operators in the sample was about 7 years. The average size of holding in different size classes varies from 0.3 to 7 hectares with average of 1.72 hectares. On average, 25 percent area of the total land holding was under artichoke orchards. The average area of artichoke grown was 0.43 hectares. 92 percent of artichoke farms were smaller than one hectare. Only 8 percent of the remaining farms were larger than one hectare. The average farm household had an annual net income of nearly €5937. The average household size was about four.

Table 1. Socio-economic characteristics of artichoke farms [11]

	Min	Max	Mean	Std dev.
Age of farm operator (yrs)	27.00	78.00	54.00	15.036
Farming experience of farm operator (yrs)	1.50	63.00	33.82	16.362
Artichoke farming experience of farm operator (yrs)	1.50	30.00	15.66	8.896
Year of education of farm operator (yrs)	2.00	15.00	7.00	3.532
Farm size (hectares)	0.30	7.00	1.72	1.742
Size of the artichoke orchard (hectares)	0.10	1.50	0.43	0.331
Annual farm income (€)*	516.10	14450.87	5937.10	3567.666
Household size (person)	1.00	8.00	3.80	1.633

\*The average exchange rates between Turkish Lira (TRY) and the Euro (€) for April and May 2014 is 1 EUR = 2.9064 TRY.

Most of the farmers who were producing artichokes produced two or three crops. They produce not only artichokes but also other products such as olives, tomatoes, fresh broad beans, mandarin, pomegranates, and flowers. Most farmers were engaged in animal husbandry, especially sheep and goat breeding.

### *Marketing Channels Used by Farms*

The surveyed artichoke growers used an average of 1.5 marketing channels to sell their products. Three marketing channels were

identified in this survey: "direct marketing to consumers", "wholesale to traders", and "wholesale to exporters".

Direct marketing channel was the common channel used by growers. 56% of the growers used only direct marketing channels and 44% of them used both intermediate and direct marketing channels simultaneously when selling their products (Table 2). "Wholesale to traders" was the most commonly used channel by the growers in intermediated marketing channels. "Wholesale to exporters" was used the least, by only 4 percent of the growers.

Table 2. Marketing channels used by direct marketing artichoke growers

Sales channels	Number of farms	Percent
Direct-to-consumer channels only	14	56.00
Direct-to-consumer and intermediated marketing channels	11	44.00
Total	25	100.00

Table 3. Direct sales by farm size, area of land under artichokes production, and gross farm income

\* denotes significance at the 5% level

	n	Average direct sales per farm(€)	Mann-Whitney U test results (2-tailed P value)	Direct sales as a share of gross farm income (%)	Mann-Whitney U test results (2-tailed P value)	Direct marketing share of total artichokes sales (%)	Mann-Whitney U test results (2-tailed P value)
by farm size							
Less than 1 hectare	11	710.03		27.50		72.22	
1 hectare and over	14	2154.11	0.014*	36.09	0.180	80.62	0.567
by area of land under artichokes production							
Less than 0.5 hectare	19	1194.28		32.93		81.02	
0.5 hectare and over	6	2546.11	0.018*	30.36	0.525	63.94	0.195
by gross farm income							
less than 5000 euro	9	646.08		42.91		83.70	
5000 euro or more	16	2009.57	0.020*	26.35	0.396	73.11	0.383
All farms	25	1518.72		32.31		76.92	

### Direct Sales by Farm Size and Gross Farm Income

The average value of direct consumer sales per farm was €1518.72. For all sizes of farms, direct sales accounted for 32 percent of gross farm income, on average. The average percentage of artichokes sales from direct sales to consumers was approximately 77 percent.

As farm size and gross farm income increased, average direct sales per farm increased. Mann-Whitney U test showed that there was a statistically significant difference between the growers who owned less than one hectare of land and one hectare and over of land in terms of direct sales. As regards the area of land under artichokes production, Mann-Whitney U test showed that there was statistically significant difference between the growers who produced artichokes less than 0.5 hectare and 0.5 hectare and over. According to the Mann-Whitney U test, there was statistically significant difference between the growers who earned less than €5000 and €5000 and more annually from farm work. However, Mann-Whitney U tests indicated no statistically significant difference between the farms, in terms of both direct sales as a share of gross farm income and direct marketing share of total artichokes sales (Table 3).

### Use of Direct Marketing Strategies by Artichoke Growers

Seven common forms of farm direct marketing for fresh produce are: u-pick, roadside stands and markets, farmers' markets, internet and mail order, direct to restaurants and institutions, community supported agriculture, and participation in agritourism. When selecting one or more methods, consider personal preference, farm location, and the volume and nature of the products and services to be sold. Targeting the consumer is important. In some cases, more than one method may fit your marketing plan [12]. New York direct marketing vegetable farms usually used multiple methods to retail their products [13].

Direct marketing methods identified in this study include roadside stands, selling direct to neighbours and acquaintances, peddling, mail order, community supported agriculture, internet, district markets, and farmers' markets (Table 4). The most common direct marketing strategy employed by artichoke growers was roadside stands. Roadside stands are used most often, because of near the farm or orchard, lower transport costs, strong demand for local artichokes, and high prices. Roadside stands were also one of the most commonly used direct marketing strategies by New York direct marketing vegetable farms. Roadside stands were used by 77 percent of the farms [13]. The other direct marketing strategies employed by artichoke growers were somewhat less popular in general.

Table 4. Direct marketing strategies employed by the artichoke growers

Strategy	$\bar{x}$
Roadside stands	4.36
Selling direct to neighbours and acquaintances	1.92
Peddling	1.56
Mail order	1.36
Community Supported Agriculture	1.36
Local vegetable and fruit markets in Urla district, Izmir	1.28
Farmers markets in Urla district, Izmir	1.20
Local vegetable and fruit markets in Izmir province	1.16
Internet	1.12
Farmers markets in Izmir province	1.00

$\bar{x}$  the mean score of 5-point Likert scale (1 = absolutely not, 2 = preferably not, 3 = neutral, 4 = possibly, or 5 = definitively)

<sup>1</sup>Peddling is a direct marketing option in which producers sell and deliver to retail stores, institutions, restaurants, etc. Operators might also sell from the backs of their trucks, take orders, and deliver or sell door-to-door where permissible [14].

### Planning Strategies for Future Direct Marketing Initiatives

The surveyed direct marketing artichoke growers were asked to identify changes they foresee for different direct marketing strategies in their operation in the next years. In examining the possible direct marketing strategies which the artichoke growers plan to use in the future in case of selling directly to consumers, roadside stands and community supported agriculture were emerged as the most drawn attention (Table 5). Most of the artichoke growers were most likely to focus on expanding in roadside stands and community supported agriculture in the near future.

The least preferred direct marketing strategies for artichoke growers in planning strategies for future direct marketing initiatives were mail order, farmers' markets, internet, selling direct to neighbours and acquaintances, peddling, and district markets.

Table 5. Future plans for direct marketing artichoke growers

Strategy	$\bar{x}$
Roadside stands	4.08
Community Supported Agriculture	4.04
Mail order	2.84
Farmers markets in Urla district, Izmir	2.32
Internet	2.20
Selling direct to neighbours and acquaintances	2.16
Farmers markets in Izmir province	2.12
Peddling	2.04
Local vegetable and fruit markets in Urla district, Izmir	1.92
Local vegetable and fruit markets in Izmir province	1.72

$\bar{x}$  the mean score of 5-point Likert scale (1 = absolutely not, 2 = preferably not, 3 = neutral, 4 = possibly, or 5 = definitively)

### The Challenges Faced by Artichoke Growers in Direct Marketing.

Farmers marketing products directly to consumers face many challenges. In a survey conducted with New York direct marketing vegetable farms, respondents were asked the top barriers or problems facing their direct marketing operations. The survey results showed that competition in a saturated market and labor related challenges were the top barriers to success in many direct marketing operators' minds. Concerns include competition from supermarkets, discount stores, import goods, and other farm markets, and labor related challenges including lack of labor pool and hard-to-find seasonal help, difficulty in finding good labor and keeping qualified labor, and high costs of labor. Other top barriers were location, limited resources (capital, land and products), changing market and consumer demand (one-stop shopping and year-round supply), and regulations and community development pressure [13].

According to the results of a survey that was conducted in California, growers were asked if there was anything preventing them from being even more successful in their direct marketing efforts. Generally, smaller farms reported the largest barrier to be a lack of access to land. Larger farms perceived a lack of marketing outlets, long distance to markets, and a lack of time [15].

The results from this study provide also insight about challenges faced by direct marketing artichoke growers. The findings showed that reaching consumers directly was identified as the most significant challenge facing artichoke growers in their direct marketing operations. The other major challenges facing growers were lack of a farmers' market in their locality; having a general concern about selling all of their crop through direct marketing channels; and lack of knowledge in using direct-marketing techniques (Table 6).

Table 6. Challenges facing direct marketing artichoke farms

Challenges	$\bar{x}$
Challenge of reaching consumers	3.72
Lack of a farmers' market in their locality	3.28
Having a general concern about selling all of their crop through direct marketing channels	3.24
Lack of knowledge in using direct-marketing techniques	3.24
Lower selling prices	2.28
General absence of refrigerated transport	2.16
Lack of cold storage to keep artichokes fresh	2.04
Inability to meet consumer expectations for high quality and standard products.	1.48

$\bar{x}$  the mean score of 5-point Likert scale (1 = "Not at all effective" and 5 = "Highly effective").

#### 4. Conclusions

Using data from a survey of artichoke growers engaged in direct marketing in Balikliova which is a small village in the Urla district, Izmir Province of Turkey, this paper explores what options of direct farm marketing are being used by growers and their future plans for direct marketing strategies. This paper also examines the challenges faced by artichoke growers in direct marketing.

Direct marketing channel was the common channel used by growers. As farm size and gross farm income increased, average direct marketing revenues per farm also increased. However, the results indicated that there was no statistically significant difference between the farms, in terms of both direct sales as a share of gross farm income and direct marketing share of total artichokes sales. This means that tendency to direct marketing channel is not related with artichoke farm size or gross farm income.

The most common direct marketing strategy employed by artichoke growers was roadside stands. In examining the possible direct marketing strategies which the artichoke growers plan to use in the future in case of selling directly to consumers, roadside stands and community supported agriculture were emerged as the most drawn attention.

The findings showed that reaching consumers directly was identified as the most significant challenge facing artichoke growers in their direct marketing operations. In order to serve growers' needs, organizations such as producers' associations, cooperatives, local administrations, voluntary consumer groups around business and family, civil society organizations and etc., should be created. With these organizations, the growers who willing to sell their products by direct marketing channels may be equipped with information for being more successful in their direct marketing efforts.

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