

Feasibility Assessment of Direct Marketing Strategies: The Case of Vegetable Farmer Clusters in Marilog, Davao City, Philippines

Vladimir A. Shuck*, **Kestrel Ve F. Florentino**, **Roxanne T. Aguinaldo**,
Luis Antonio T. Hualda, and **Nikko L. Laorden**

University of the Philippines Mindanao

*Correspondence

School of Management,
University of the Philippines
Mindanao, Mintal, Tugbok District,
Davao City 8022, Philippines

T +62 83 295 2188
E vashuck@up.edu.ph

Keywords

- direct marketing
- farmer clusters
- farmers' market
- institutional markets
- vegetables

Abstract

In the Philippines, majority of the vegetable farmers are categorized as small and are often disconnected from markets, which lessen their opportunities to sell at a profit. This study focused on the feasibility assessment of direct marketing strategies, specifically the farmers' market and direct sales to institutional users. A random survey was conducted on 110 residents of the first district of Davao City where consumers' willingness to shop at farmers' markets was analyzed using Probit regression. On the other hand, case study analyses were conducted to assess the farmers' market event in a university and the direct sales strategy to institutional user, the food service provider of a government agency. Costs and benefits of each direct marketing channel were also determined. The farmer groups PAFA and SAFE are the producers and sellers of vegetables for this research. The study revealed that majority of the respondents are willing to participate in a farmers' market if one exists and they perceived it as a source of fresh yet affordable vegetables. Moreover, most of them believed that participating in a farmers' market is a form of social responsibility. The institutional buyer mainly benefited through significant reduction in marketing costs. Alternatively, the farmers perceived direct marketing as opportunities for learning and maximizing economic gains through diversifying its market portfolio and securing a market for their produce. The results of the study indicate the feasibility of direct marketing strategies to be carried out by the vegetable farmer clusters, which are PAFA and SAFE.