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ABSTRACT

The study was conducted at the BSU organic market and at La Trinidad Organic Practitioners (LaTOP) organic market from January to February 2013 to identify the market segment of organic vegetables' consumer market and the relationship of the different variables such as demographic, psychographic, geographic and behavioural.

Majority of the respondents are old, female, college graduate and with monthly income of 5,000 and below. The consumers' perception on organic vegetables is clean and safe, it's their decision to consume organic vegetables since it is free of chemicals, and most of the consumers are Cordilleran. Accordingly, organic vegetables have many health benefits and it is clean and safe. About majority of the respondents buy organic vegetables in LaTOP and they consume it once a week.

The following shows significant relationship: age, educational attainment, occupation and region are significant to consumer's perception, factors that influence them to buy organic vegetables, loyalty status and frequency of consumption and benefits of organic vegetables. On the other hand, age to the factors that influences consumers in



buying organic vegetables, loyalty status on the source of organic vegetables; educational attainment and occupation to loyalty status and region; income to the factors that influence consumers in buying organic vegetables and benefits of organic vegetables; loyalty status and frequency of consumption to region.



INTRODUCTION

Rationale

La Trinidad is well known as the “Salad Bowl of the Philippines” because of the many varieties of vegetables grown in its land. It is one of the municipalities of Benguet that promotes the production and sale of organic food.

Every Filipino knows that vegetables are one of the most important products in the Philippines. It could hardly be overestimated because majority produce and eat vegetables for they are informed that vegetables are rich in vitamins and nutrients. Organic farming is becoming a popular response to health and environmental issues. It is imperative that massive people know the existence of chemical free vegetables. The bulk of markets for organic produce belong to consumers who are well informed and aware of organic food.

According to Kotler (2000), a market segment consists of a large identifiable group within a market with similar wants, purchasing power, geographical location, buying attitudes or buying habit.

In this modern world, people nowadays are more conscious of their health, and businesses segment its market so that it can respond more effectively to the wants of the buyers or the prospective buyers, thus, increase its sales and profit. Segmentation is important to know the different characteristics of different consumers as to their age, gender, personality, motives, occupation, and their perceptions towards organic vegetables.

This study aimed to identify the market segment of organic vegetables consumer in terms of demographic, psychographic, geographic and behavioural characteristics, and to



identify the relationship among the different consumer characteristics as to demographic, psychographic, geographic and behavioural.

REVIEW OF LITERATURE

Market Segment Defined

A market segment is the process of dividing the market into groups of similar consumers and selecting the most appropriate groups for the organization to serve. Markets are selected on the basis of their size, their profit potential, and how well they can be defined and served by the organization (Certo and Paul Peter, 1988)

It is a group of present or potential customers with some common characteristics which is relevant in explaining (and predicting) their response to a supplier's marketing stimuli. Since virtually every market that is made up of more than one potential buying organization could conceivably be divided or segmented, the industrial marketer must understand the requirements for successful segmentation (Hutt and Speh, 1992).

Market

It is a group of buyers and sellers bargaining the terms of exchange for goods and services. This can be done face-to-face at some physical location, or it can be done indirectly through a complex network of middlemen who link buyers and sellers' who are far apart. It is a geographic region in which things may be sold (McCarthy, 1982).



Organic

In agriculture it is relating to or employing agricultural practices that avoid the use of synthetic chemicals in favour of naturally occurring pesticides, fertilizers, and other growing aids. Produced, grown or reared without the use of synthetic chemicals (Microsoft Encarta, 2009).

Vegetables

It is a plant with edible parts, especially leafy or fleshy parts that are used mainly for soups or salads, or to accompany main courses. It is a leafy plant usually without woody tissue grown for an edible part that is usually eaten as part of the meal (Microsoft Encarta, 2009).

Segmentation Variables

Demographic segmentation. In demographic segmentation, the market is divided into groups on the basis of variables such as age, family size, family life cycle, gender, income, occupation, education, religion, and ethnicity. Demographic variables are the most popular bases of variables for distinguishing customer groups. One reason is that consumer wants, preferences, and usage rates are often associated with demographic variables. Another is that demographic variables are easier to measure. Even when the target market is described in non-demographic terms (say, a personality type), the link back to demographic characteristics is needed in order to estimate the size of the target market and the media that should be used to reach it efficiently (Kotler, 2000).



Age is an important segmentation variable for many products because consumer wants change as people grow older. The use of age as the segmentation variable should be preceded by marketing research that demonstrates that age is a meaningful variable for the product under consideration (Schoell and Guiltinan, 1995).

METHODOLOGY

Locale and Time of the Study

The study was conducted in La Trinidad, Benguet where the respondents buy organic vegetables specifically at the BSU organic market and at the La Trinidad Organic Practitioners (LaTOP) market. The study was conducted from January to February 2013.

Respondents of the Study

The respondents of the study were the consumers of organic vegetables in La Trinidad, Benguet. There were a total of 100 respondents selected randomly.

Data Collection

A survey questionnaire was used as a tool in data gathering. This was given personally to the respondents by the researcher. Personal interview was also done to gather other information needed.



Data Gathered

The data gathered included the market segments for organic vegetables in terms of demographic, psychographic, geographic, and behavioural.

Data Analysis

The data and information gathered were tabulated using simple statistical tools such as frequency counts and percentage. Respondents were grouped according to demographic, psychographic, geographic, and behavioural characteristics. Pearson chi square was also used in correlation.



RESULTS AND DISCUSSION

Demographic Segmentation

Table 1 presents the demographic segmentation of consumer of organic vegetables in La Trinidad, Benguet. The market is divided into groups on the basis of several variables such as age, gender, family size, educational attainment, occupation, and income. It is the popular bases for distinguishing customer groups (Kotler, 2000).

Age. According to Schoell and Gultinan, age is an important segmentation variable for many products because consumer wants change as people grow older. Table 1 implies that majority of the consumers of organic vegetables are the old people (61%) since they tend to be more conscious and that they are more likely prone to sickness and that their body needs more nutritious and clean food that helps in keeping them strong.

Gender. Table 1 shows that majority of the consumers (67%) of organic vegetables are female. The data indicates that females are more health conscious than males.

Educational attainment. As shown in Table 1, seventy four percent of the consumers have attained college education. This result associates educated people with higher income who prefer more quality products. In addition, 16% of the consumers have finished high school, 3% finished elementary, 6% took vocational and only 1% has no formal education.

Occupation. Consumer's spending pattern may be affected by their occupation; it is one factor that measures a person's social class. People with better occupation can spend more money than the others who have work with least income. It can be observed from



Table 1 that about majority are working as self-employed (42%), 9% are private employee, 23% are government employee and 26% are students.

Monthly income. Table 1 also presents the monthly income of the respondents, those earning from 6,000-10,000 have 18%, 11,000-15,000 have 10% and those with 16,000 and above monthly income have 25%. However, a great number (47%) of those who are earning 5,000 and below are also observed as being consumers of organic vegetables which may imply that the level of income does not necessarily determine the buyer of organic vegetables. They consumed such product as this is clean, safe and more nutritious.

Family size. Table 1 further shows the family size of the consumers, majority (58%) have 4-6 members, 24% have 1-3 members, 13% have one to nine members and 5% have ten members and above.



SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary

The study was conducted at BSU organic market and at La Trinidad Organic Practitioners (LaTOP) market, to identify the market segment of organic vegetables' consumer market in terms of demographic, psychographic, geographic and behavioural characteristics and to identify the relationship among the different consumer characteristics as to demographic, psychographic, geographic, and behavioural.

Demographic segmentation includes the personal profile of the respondents as to their age, gender, educational attainment, monthly income and occupation. Psychographic segmentation involves the perception of consumers on organic vegetables and the factors that influence them in buying organic vegetables. Geographic segmentation includes the region while behavioural segmentation contains the benefits of organic vegetables, loyalty status of consumers to the source of organic vegetables and the frequency of consumption.

Results revealed that most of the respondents are old, college, self-employed, consumers with monthly income ranging from 5,000 and below and with less family members. Majority of the consumer's perception is clean and safe; it's their decision to consume organic vegetables since it is free of chemicals. As to the geographic profile of the respondents, most of them are from Cordillera. According to the result, organic vegetables have many health benefits, it is clean and safe and about majority of them have no loyalty to the source of organic vegetables. They consume organic vegetables once a week.



Demographic has no relationship to psychographic specifically age to the factors that influence them in buying organic vegetables and to the loyalty status of consumers to the source of organic vegetables. There is no relationship between demographic to behavioural and geographic specifically educational attainment, occupation, loyalty status and region. Monthly income is also not significantly associated to the factors that influence consumers in buying organic vegetables, benefits of organic vegetables, loyalty status and to geographic segmentation. However age, educational attainment and occupation are significantly associated to consumer's perception, factors that influence them in buying, and benefits and to region. Moreover geographic is not correlated to psychographic and behavioural which include the perception, the factors that influence them to buy organic vegetables, their loyalty status and their frequency of consumption. However, only the benefits have correlation to region.

Conclusions

Based from the results and discussion, the following conclusions were derived:

1. Majority of the consumers of organic vegetables are the old, females, those who attained college education, self-employed, with monthly income ranging from 5,000 and below and those with 4-6 family members;
2. Majority of the consumer's perception towards organic vegetables are clean and safe, they are being influenced by their own decisions and they claimed that organic vegetables are free of chemicals;
3. The respondents consume organic vegetables once a week since according to them, it has health benefits and they trust the producers;



4. Age, educational attainment, occupation and region are significant to consumer's perception, factors that influence them to buy organic vegetables, loyalty status, frequency of consumption and the benefits of organic vegetables; and,

5. The following has no significant relationship: demographic (age, educational attainment, occupation, income) to psychographic (perception, influence), geographic and behavioural (loyalty status). In addition, the region to psychographic and behavioural (loyalty status and frequency of consumption) have no correlation.

Recommendations

Based from the results and discussion, the following recommendations were derived:

1. The respondents should continue to consume organic vegetables to maintain their body healthy and strong since organically grown vegetables are free of chemicals, clean and safe and more nutritious as compared to conventionally produced vegetables;

2. The marketers of organic vegetables should consider the consumer's market segment of the product to effectively and efficiently provides the needs and wants of this particular segment specifically the demographic (age, gender, educational attainment, occupation and monthly income), psychographic specifically consumer's perception on organic vegetables, influence, and the factors that influence them to buy organic vegetables), region and behavioural (benefits of organic vegetables, loyalty status on the source of organic vegetables, and frequency of consumption); and,

3. The organic producers should continue to produce organic vegetables to provide the needs of consumers for a safe and clean, more nutritious and chemical free vegetables.



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