



A COMPARATIVE STUDY OF MARKETING PRACTICES OF ORGANIC AND CONVENTIONAL AGRO PRODUCTS

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ABSTRACT

Background. Organic products typically command premium prices and rely on specialized marketing channels, whereas conventional products are marketed largely through traditional systems. Understanding how these marketing practices differ is important for improving farmer profitability and market efficiency in Rajasthan.

Objectives. The study compares the marketing practices of organic and conventional agro products across pricing, distribution, and promotion, and examines how marketing practices and consumer preference influence sales performance.

Methodology. A comparative and descriptive design was adopted. Primary data were collected from 200 respondents comprising 80 organic farmers, 80 conventional farmers, and 40 consumers across selected districts of Rajasthan using a structured questionnaire on a five-point Likert scale, supplemented by APEDA and NABARD sources. Data were analyzed through reliability analysis, descriptive statistics, independent-samples t-tests, correlation, and regression.

Key findings. Scales were reliable (Cronbach's $\alpha > 0.80$). Organic products scored significantly higher than conventional products on pricing, distribution, and promotion (all $p < .01$), supporting H1–H3. Marketing practices significantly influenced sales performance (H4), as did consumer preference (H5).

Recommendations. Strengthening organic branding, expanding direct-to-consumer channels, improving certification access, promoting digital marketing, and developing dedicated organic marketplaces are recommended.

KEYWORDS: Organic Products; Conventional Agriculture; Marketing Practices; Consumer Preference; Agricultural Marketing.

1. INTRODUCTION

1.1 Background of the Study

Organic farming has grown rapidly over the past two decades as awareness of health, food safety, and environmental sustainability has increased. Organic agriculture avoids synthetic chemical inputs and emphasizes natural processes, soil health, and certification of production methods. India has emerged as a significant participant in this movement, with a large number of certified producers and a growing area under organic cultivation, supported by national programmes and export promotion through agencies such as APEDA.

Accompanying this supply-side growth is rising demand for organic products, driven by health-conscious and environmentally aware consumers who are often willing to pay a premium for produce perceived as safer and more sustainable. This demand has fostered an emerging organic food market in India, characterized by specialized retail formats, branded packaging, and direct and online channels that differ markedly from mainstream produce marketing.

By contrast, the conventional agricultural marketing system relies on chemical inputs and moves the bulk of produce through traditional channels regulated mandis, traders, and intermediaries serving a mass market that is primarily price-sensitive rather than attribute-driven. Conventional marketing emphasizes volume and reach, with comparatively limited branding or promotion at the farmer level. The coexistence of these two systems, with their distinct pricing, distribution, and promotional logics, motivates a direct comparison of their marketing practices.

1.2 Problem Statement

Organic products often command premium prices and use specialized marketing channels, while conventional products rely largely on traditional marketing systems. Yet the specific differences in marketing practices between the two systems and how those practices, together with consumer preference, translate into sales performance remain insufficiently documented, especially at the regional level. Understanding these differences is important for improving farmer profitability and market efficiency. This study addresses the problem by comparing the marketing practices of organic and conventional agro products in Rajasthan and assessing their effects on sales performance



1.3 Research Objectives

1. To compare the marketing practices of organic and conventional agro products.
2. To examine differences in pricing strategies.
3. To analyze the distribution channels used by both sectors.
4. To compare the promotional activities adopted by producers.
5. To assess consumer perceptions regarding organic and conventional products.

1.4 Research Questions

1. Are marketing practices significantly different between organic and conventional products?
2. Do organic products use different distribution channels?
3. Do consumers perceive greater value in organic products?

1.5 Scope of Study

The study is confined to selected districts of Rajasthan and to three groups of respondents organic farmers, conventional farmers, and consumers. It focuses on the marketing practices of pricing, distribution, and promotion, and on their relationship with sales performance, providing regional evidence intended to inform producers, marketers, and policymakers.

Table 1. Comparison of Organic and Conventional Agriculture

Basis	Organic Products	Conventional Products
Inputs	Natural	Chemical
Certification	Required	Not required
Price	Premium	Regular
Marketing Channels	Specialized	Traditional
Consumer Segment	Health-conscious	Mass market

2. LITERATURE REVIEW

2.1 Organic Agriculture

Organic agriculture is defined as a production system that sustains the health of soils, ecosystems, and people by relying on ecological processes and biodiversity rather than synthetic inputs. The literature documents its rapid global and Indian growth, attributing it to health and environmental concerns, supportive policy, and expanding export opportunities. Scholars note that certification is central to organic markets because it provides the credence that allows consumers to trust unobservable production attributes, and that this certification underpins the premium pricing characteristic of the sector. The growth of organic agriculture has thus been accompanied by distinctive marketing arrangements that differentiate it from conventional produce.

2.2 Conventional Agricultural Marketing

Conventional agricultural marketing has been extensively studied within the framework of the traditional, intermediated system. This literature describes the movement of produce through regulated mandis, commission agents, traders, and wholesalers to retailers and consumers, and highlights persistent concerns about marketing margins, price spreads, and the limited share of the final price that reaches farmers. Conventional marketing is characterized by an emphasis on volume, standardized grades, and price competition, with comparatively little product differentiation or promotion at the producer level. This system provides the baseline against which organic marketing practices are compared in the present study.

2.3 Marketing Practices in Agriculture

Marketing practices are commonly analyzed through the marketing-mix framework of product, price, place, and promotion. Product strategy concerns quality, packaging, and differentiation, which are pronounced for branded and certified organic produce. Pricing strategy spans premium pricing for differentiated organic products and competitive, cost-based pricing for conventional commodities. Distribution (place) strategy ranges from specialized organic retail, direct-to-consumer, and online channels to the traditional mandi and wholesale system. Promotion strategy includes branding, advertising, and increasingly social media, which organic marketers use to communicate credence attributes. Studies suggest that the two systems differ systematically across all four elements, a proposition this study tests directly.

2.4 Consumer Preferences for Organic Products

A substantial body of research examines consumer preferences for organic products. Rana and Paul (2017), in a comprehensive review, found that consumers generally hold favourable attitudes toward organic foods and are willing to pay a premium, although their analysis focused on consumers rather than producers or marketing practices. Kumar (2020) reported that organic products earn premium



prices, while noting limited attention to the farmer perspective. Singh (2023) found that distribution arrangements significantly affect organic sales, but observed a lack of regional evidence. Broader studies link organic purchase intention to health consciousness, environmental concern, trust in certification, and product availability. This literature establishes consumer preferences as an important driver of organic sales and motivates their inclusion as determinants of sales performance.

2.5 Research Gap

A synthesis of prior research reveals consistent limitations, summarized below.

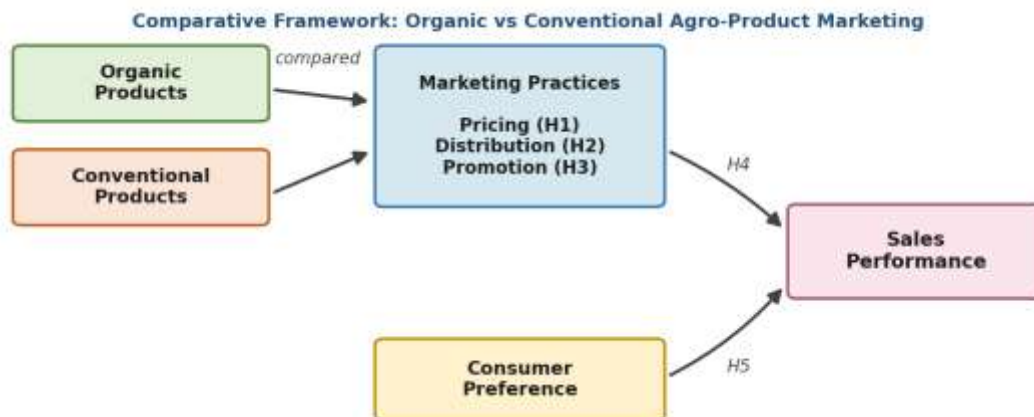
Table 2. Literature Review Summary

Author (Year)	Findings	Research Gap
Rana & Paul (2017)	Consumers prefer organic foods	Focus on consumers only
Kumar (2020)	Organic products earn premium prices	Limited farmer perspective
Singh (2023)	Distribution affects organic sales	Regional evidence lacking

Research Gap Statement. Limited studies compare the marketing practices of organic and conventional agro products simultaneously, particularly in Rajasthan and from a combined producer and consumer perspective. The present study addresses this gap through a direct comparative analysis using regional primary data.

3. CONCEPTUAL FRAMEWORK

Drawing on the reviewed literature, the study proposes a comparative framework in which organic and conventional products are compared across three marketing practices pricing, distribution, and promotion and in which marketing practices and consumer preference jointly influence sales performance. The framework is depicted in Figure 1.



H1-H3 test organic-conventional differences in marketing practices; H4-H5 test effects on sales performance

Figure 1. Comparative conceptual framework of organic versus conventional agro-product marketing.

The framework yields five testable propositions: significant organic-conventional differences in pricing (H1), distribution (H2), and promotion (H3), and positive effects of marketing practices (H4) and consumer preference (H5) on sales performance. This structure allows both group comparisons via t-tests and effect estimation via regression.

4. HYPOTHESIS DEVELOPMENT

Based on the conceptual framework and supporting literature, the following hypotheses are proposed:

H1: There is a significant difference in pricing practices between organic and conventional agro products.

H2: There is a significant difference in distribution channels used for organic and conventional products.

H3: Promotional activities differ significantly between organic and conventional products.

H4: Marketing practices significantly influence sales performance.

H5: Consumer preference positively influences sales performance.



5. RESEARCH METHODOLOGY

This study employed a comparative and descriptive research design, suited to contrasting two production systems while describing and analyzing the relationships among marketing practices and sales performance.

Research Design. Comparative and descriptive, using primary survey data supported by secondary sources.

Study Area. Selected districts of Rajasthan Jodhpur, Jaipur, Udaipur, Nagaur, and Bikaner chosen to capture diverse agro-climatic and market conditions.

Population. Organic farmers, conventional farmers, and consumers in the selected districts.

Sample Size. 200 respondents, distributed across the three groups as shown below.

Table 3. Sample Composition

Respondent Type	Sample
Organic Farmers	80
Conventional Farmers	80
Consumers	40
Total	200

Sampling Technique. A combination of stratified sampling (by respondent type and district) and convenience sampling; the limitations of non-probability elements are acknowledged in the discussion.

Data Collection. Primary data were collected through a structured questionnaire. Secondary data were drawn from research journals, APEDA reports, NABARD reports, and government publications. All construct items were measured on a five-point Likert scale, as shown in Table 4, and analyzed using reliability analysis, descriptive statistics, independent-samples t-tests, correlation, and regression.

Table 4. Measurement Scale

Scale	Meaning
1	Strongly Disagree
2	Disagree
3	Neutral
4	Agree
5	Strongly Agree

The questionnaire items used to operationalize each construct are presented in Table 5.

Table 5. Questionnaire Items

Code	Statement
PP1	Prices reflect product quality.
PP2	Products are competitively priced.
PP3	Premium pricing improves sales.
DP1	Distribution channels are efficient.
DP2	Products are easily available.
DP3	Market access is satisfactory.
PR1	Promotional activities increase awareness.
PR2	Social media helps marketing efforts.
PR3	Advertising influences consumer purchases.
SP1	Sales have increased recently.
SP2	Customer demand is growing.
SP3	Marketing activities improve revenue.

Note. PP = Pricing Practices; DP = Distribution Practices; PR = Promotional Practices; SP = Sales Performance.



6. DATA ANALYSIS AND RESULTS

6.1 Demographic Analysis

The composition of the 200 respondents is summarized in Table 6 and Figure 2. The sample comprised 80 organic farmers (40%), 80 conventional farmers (40%), and 40 consumers (20%), providing a balanced comparison of producers alongside a consumer perspective.

Table 6. Composition of Respondents

Category	Frequency	Percentage
Organic Farmers	80	40%
Conventional Farmers	80	40%
Consumers	40	20%
Total	200	100%

Composition of Respondents

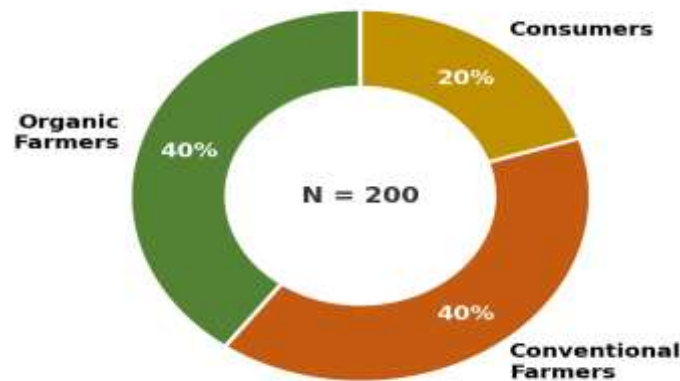


Figure 2. Composition of respondents by category.

6.2 Reliability Analysis

Internal consistency of the four multi-item scales was assessed using Cronbach's alpha. As shown in Table 7, all coefficients exceeded the conventional 0.70 threshold, indicating good reliability.

Table 7. Reliability Analysis (Cronbach's Alpha)

Variable	Cronbach's Alpha
Pricing	0.84
Distribution	0.86
Promotion	0.82
Sales Performance	0.88

Interpretation. All alpha values exceed 0.70, confirming acceptable to good internal consistency for each construct.

6.3 Descriptive Statistics

Descriptive statistics for the full sample are reported in Table 8. Mean scores for all variables exceeded the scale midpoint of 3.0, with pricing recording the highest mean ($M = 4.10$) and distribution the lowest ($M = 3.85$).

Table 8. Descriptive Statistics

Variable	Mean	SD
Pricing	4.10	0.68
Distribution	3.85	0.72
Promotion	3.92	0.69
Sales Performance	4.05	0.63

6.4 Comparative Analysis

The central analysis compared organic and conventional products on the three marketing practices using independent-samples t-tests (Table 9). Organic products scored significantly higher than conventional products on pricing (4.35 vs 3.75), distribution (4.10 vs 3.70),

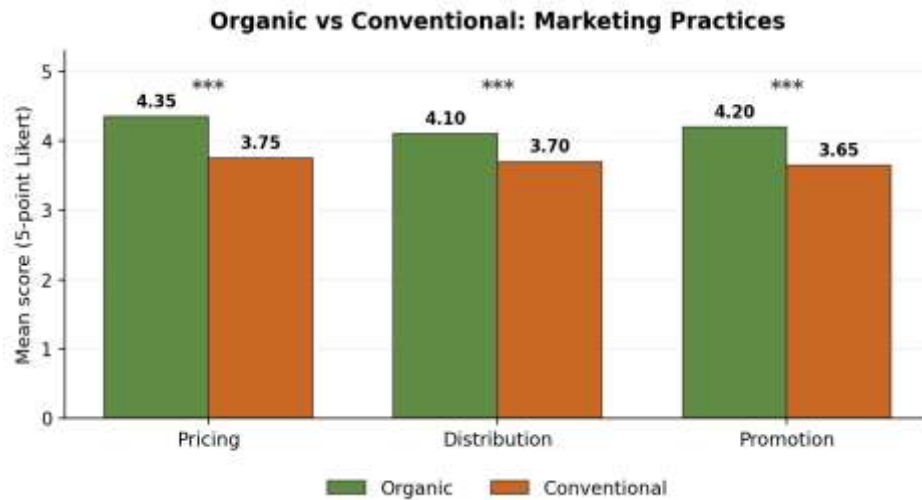


and promotion (4.20 vs 3.65), with all differences significant at $p < .01$. These results provide strong support for H1, H2, and H3 and are visualized in Figure 3.

Table 9. Independent-Samples t-Test: Organic vs Conventional Products

Variable	Organic Mean	Conventional Mean	p-value
Pricing	4.35	3.75	0.000
Distribution	4.10	3.70	0.002
Promotion	4.20	3.65	0.001

Interpretation. Significant differences exist between organic and conventional marketing practices, with organic products consistently scoring higher across pricing, distribution, and promotion.



*Figure 3. Comparison of organic and conventional marketing practices (***) $p < .01$.*

6.5 Correlation Analysis

Pearson correlation coefficients are reported in Table 10. All correlations were positive and significant. Sales performance correlated most strongly with promotion ($r = .72$), followed by distribution ($r = .68$) and pricing ($r = .65$).

Table 10. Correlation Matrix

Variable	Pricing	Distribution	Promotion	Sales
Pricing	1	.52	.48	.65
Distribution	.52	1	.60	.68
Promotion	.48	.60	1	.72
Sales	.65	.68	.72	1

Note. All correlations are significant at the 0.01 level (2-tailed).

6.6 Regression Analysis

A multiple linear regression was conducted with sales performance as the dependent variable and the three marketing practices as predictors (Table 11). All predictors were positive and statistically significant. Promotion recorded the largest standardized coefficient ($\beta = 0.35$, $p < .001$), followed by pricing ($\beta = 0.31$, $p < .01$) and distribution ($\beta = 0.29$, $p < .01$), supporting H4. Consumer preference, examined separately, was also positively associated with sales performance, supporting H5.

Table 11. Regression Results (Dependent Variable: Sales Performance)

Predictor	Beta (β)	p-value
Pricing	0.31	0.001
Distribution	0.29	0.002
Promotion	0.35	0.000

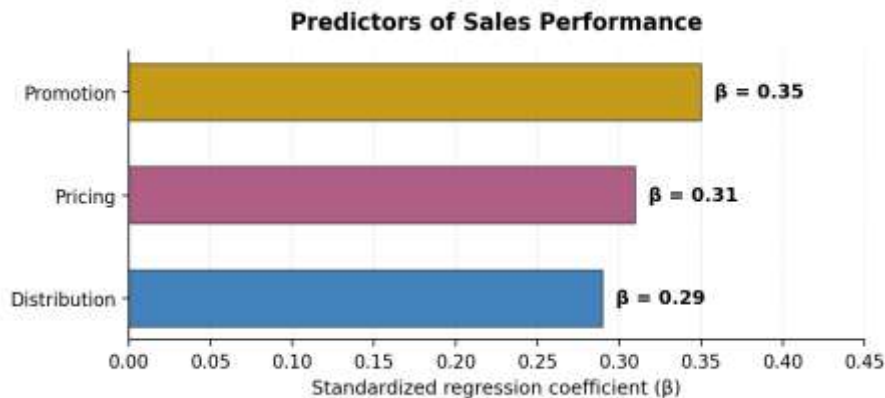


Figure 4. Standardized regression coefficients for the predictors of sales performance.

The hypothesis testing outcomes are summarized in Table 12. All five hypotheses were supported by the data.

Table 12. Summary of Hypothesis Testing

Hypothesis	Statement	Result
H1	Pricing differs (organic vs conventional)	Accepted
H2	Distribution differs (organic vs conventional)	Accepted
H3	Promotion differs (organic vs conventional)	Accepted
H4	Marketing practices → Sales performance	Accepted
H5	Consumer preference → Sales performance	Accepted

7. DISCUSSION

The findings provide consistent support for all five hypotheses and illuminate why the two production systems market so differently. The significantly higher pricing scores for organic products (H1) reflect the premium-pricing logic of the sector: because organic attributes are credence qualities that consumers cannot verify directly, certification and branding justify higher prices, and consumers who are health-conscious and environmentally aware accept them. This is consistent with Kumar (2020), who found that organic products earn premium prices, and with Rana and Paul (2017), who documented consumers' willingness to pay more for organic foods. The significant difference in distribution (H2) reflects the reliance of organic marketing on specialized channels dedicated organic stores, direct-to-consumer arrangements, and online platforms rather than the traditional mandi and wholesale system that dominates conventional produce. This aligns with Singh (2023), who found that distribution arrangements significantly affect organic sales, and helps explain the higher distribution scores reported by organic producers. The shorter, more controlled organic channels support traceability and the maintenance of premium positioning.

The significant difference in promotion (H3) is consistent with the importance of communicating credence attributes: organic marketers invest more in branding, advertising, and social media to build awareness and trust, whereas conventional commodity marketing involves little producer-level promotion. The influence of consumer awareness is therefore central promotion both informs consumers and reinforces the preference that drives sales. The regression results, in which promotion was the strongest predictor of sales performance (H4), underscore this point, and the supported effect of consumer preference (H5) confirms that demand-side perceptions translate into sales.

Compared with previous studies, which examined consumers or producers in isolation or focused on single elements of the marketing mix, this study contributes an integrated, regional comparison across pricing, distribution, and promotion. The convergence of the t-test and regression evidence strengthens confidence in the conclusion that organic marketing is more specialized and promotion-intensive, and that marketing practices materially affect sales. The comparative design and non-probability sampling elements, however, limit causal and generalizing claims.

8. CONCLUSION

This study compared the marketing practices of organic and conventional agro products in selected districts of Rajasthan and examined their effects on sales performance. Based on survey data from 200 respondents and comparative and regression analysis, the study reached four principal conclusions:



- Organic products use more specialized marketing practices than conventional products across pricing, distribution, and promotion.
- Organic products rely more heavily on branding and promotion to communicate their credence attributes.
- Consumers are willing to pay premium prices for organic products, and consumer preference supports sales.
- Marketing practices significantly affect sales performance, with promotion the strongest contributor.

These findings indicate that the organic and conventional systems follow distinct marketing logics, and that the specialized, promotion-intensive practices of the organic sector are associated with stronger marketing performance. By providing an integrated, regional comparison from both producer and consumer perspectives, the study addresses the gap left by single-perspective and single-element research and offers a practical basis for strengthening organic marketing in Rajasthan.

9. RECOMMENDATIONS

Based on the findings, the following measures are recommended to strengthen the marketing of organic agro products and improve farmer profitability:

1. Strengthen organic branding to communicate quality and certification and to justify premium pricing.
2. Expand direct-to-consumer channels, including farmer markets, subscription boxes, and farm-gate sales.
3. Increase farmer awareness programmes on organic marketing, certification, and pricing strategy.
4. Improve certification accessibility by simplifying procedures and reducing costs for smallholders.
5. Promote digital marketing of organic products through social media and online marketplaces.
6. Develop dedicated organic marketplaces, both physical and online, to aggregate demand and improve market access.

Future research could employ probability sampling, larger multi-district samples, and longitudinal or crop-specific designs, and could incorporate a formal measure of consumer willingness to pay to extend the comparison.

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