



A MARKETING STUDY ON TAIWAN POMELOS INDUSTRY: TAKE XIHU POMELOS AS AN EXAMPLE

Chien-Chin Su*, Department of Industrial Management, I-Shou University, Taiwan
Department of Mechanical Engineering, Air Force Institute of Technology

*Corresponding Author: e999fun0111@gmail.com

Hsiang-Chen Hsu, Department of Industrial Management, I-Shou University, Taiwan
hchsu@isu.edu.tw

Shu-Ya Chang, Department of Industrial Management, I-Shou University, Taiwan
r969@ms76.hinet.net

Abstract

In Taiwan's consumption patterns, pomelo is inseparable from the festive needs of the Mid-Autumn Festival. Besides, this fruit is in round shape, which symbolizes reunion in Chinese tradition, so pomelo is also considered as the best occasional fruit for the Mid-Autumn Festival. As the legend goes, during the Jiaqing period of the Qing Dynasty, Taiwanese pomelos were regarded as a tribute, and praised by the Jiaqing Emperor. Not only the emperors of the Qing Dynasty liked pomelos from Taiwan, but also the emperors of Japan. In the era of Japanese Occupation Period in Taiwan, there was a type of pomelo named "Imperial Pomelo". In general, most of the well-known pomelos in Taiwan are Madou Pomelo, Douliu Pomelo and so on. Xihu pomelo is known for its unique honey aroma as well as its rich and delicate pulp. Additionally, the planting area of pomelos in Xihu ranks third in Taiwan, and Xihu enjoys the reputation of "Hometown of Pomelos". Even so, Xihu pomelos are not as famous as the previous cases, and it might be that the farmers (mainly are Hakka people) are not versed at promotion and marketing. This is the reason why Xihu pomelos are little known among Taiwanese, but are widely loved by locales. Consequently, this study attempts to reveal the features of Xihu Pomelos, and gain in-depth insights into how relationship marketing and brand imagery strategies can be employed to raise the awareness of Xihu Pomelos. The study adopted SWOT and marketing 4Ps analysis to probe into relationship marketing and brand imagery strategies, identify the optimal business model for Xihu Pomelo promotion, and serve as a reference for the industry.

Keywords: Xihu pomelos, cause-related marketing, brand imagery, SWOT analysis, 4Ps of marketing

Introduction

According to the Annual Report from Council of Agriculture (ROC), there are dozens of fruit trees in Taiwan, with a planting area of 185,296 hectares and a yield of 2,705,268 metric tons. The planting area of citrus trees in Taiwan is 25,716 hectares (25,324 hectares harvested), accounting for 13.88% of the total planting area of fruit trees. Moreover, the output of citrus is 542,787 metric tons, accounting for 20.06% of the total output of fruit trees, and it occupies an extremely important position in domestic fruit trees.

The planting area of Taiwanese pomelos is about 4,200 hectares, and the main production areas include Madou District in Tainan, Ruisui Township and Yushi Area in Hualien County, Bali District in New Taipei City, Douliu City in Yunlin County, Xihu Township in Miaoli County, and Dongshan Township in Yilan County and other areas. Its primary production areas can be divided into three regions (including Central and Southern Taiwan, Eastern Taiwan, and Northern Taiwan), and the pomelos produced in different regions have their own flavors and characteristics. Compared with other regions, pomelo has the longest history of cultivation in Central and Southern Taiwan. This region is the birthplace of "Madou Pomelo", with delicate pulp and excellent aftertaste. Pomelo farmers in the Eastern regions have adopted natural farming methods to produce fruits, so their pomelos are juicy, sweet and of high quality. The northern regions are adjacent to metropolitan areas, and the pomelos produced in north-

ern regions are short and plump with a strong aroma. Taiwan's pomelos are rich in Vitamins A, B1, B2, C and dietary fiber, pectin, organic acids, minerals, etc. Having a sweet pomelo after a meal not only provides you with balanced nutrition but also has the effect of breaking up grease and oil (Council of Agriculture, Executive Yuan of Taiwan, 2019). As demonstrated Chi-Hsin Clinic (2019), pomelos are nutritious and their pulp is rich in protein and vitamin C (the highest of all fruits, 3 times higher than lemons, and 7 times higher than apples).

Xihu Township is the third largest planting area of pomelos, and the sweetness of the local pomelos reaches 12-13 degrees. The Xihu Township Office will hold the Xihu Pomelo Flowers Festival every year from the end of March to the beginning of April. It is hoped that tourists can adopt pomelo trees via this event. Adopters can see the whole growth process of pomelo trees, from care, watering, fertilizing, weeding, flowering, and fruiting. They can learn about the growing process of pomelos and experience the joy of picking fruits with friends during the harvest. Also, the Xihu Township Office applied to the Soil and Water Conservation Bureau to hold activities such as "Having Fun with Pomelos in Mid-Autumn Festival" and other activities to bring popularity and drive purchase interests. This research aims to bring positive impacts on the development of the pomelos industry in Xihu Township, Miaoli County, based on the results of marketing analysis.

Literature Review

Xihu Pomelos from Miaoli

The total planting area of pomelos in Miaoli County (ROC) is nearly 600 hectares, of which Xihu Township ranks first (about 167 hectares). Xihu boasts fertile soil, special climate, proper geographical environment, and suitable cultivation and management techniques. Therefore, the pomelos produced here are juicy, sweet, and delicious, with special light honey aroma and thin skin. Additionally, the Xihu Farmers Association organizes Pomelo Awards every year to increase the quality and competitiveness of pomelos. The pomelos will be evaluated based on their appearance, meat quality, sugar content, acidity, flavor, sugar-acid ratio, etc. The Pomelo Award not only can raise the awareness of the winning farmers, but also symbolizes remarkable quality. For the sustainable development of the pomelo industry, a complete workflow (from fruit selection, fruit washing, fruit grading to packaging) has been developed to cultivate farmers with brand concepts and brand images (Yang et al., 2018). As demonstrated by Xihu Township Office, Xihu Pomelos are thin-skin, juicy, sweet, seedless, and has a special honey aroma, and the reasons are summarized below:

1. Xihu has fertile soil, hilly terrain, and an altitude of 50-250 meters. This area belongs to the subtropical monsoon climate zone, and the monsoon phenomenon is obvious; it is cool in winter, hot and rainy in summer, suitable for growing crops.
2. Organic farming: Xihu organic pomelos are cultivated with natural farming methods and proper organic

fertilizer cultivation and management techniques.

3. The Xihu stream and its tributaries are very clear. Fish and shrimp can be seen at the mouth of the stream.
4. Xihu is famous for environmental protection. With beautiful mountains and fresh water, it has ranked among the best eco-friendly hometown in Taiwan for 14 consecutive years.
5. Xihu pomelos will be divided into different grades based on their size and quality after using fruit washing machines and weight-based fruit sorting machines.
6. Xihu Farmers' Association is the convening unit of the Pomelo Alliance in Miaoli County. The total planting area of pomelos in Miaoli County exceeds 800 hectares, and the planting area in Xihu is nearly 200 hectares. Each hectare is planted with 200 to 250 trees, and each tree produces about 180 kg of pomelos.

Brand Imagery

Brand imagery is a key factor to enhance people's willingness to consume. For the products and services provided by familiar and well-known brands, consumers' satisfaction and loyalty are usually high, thereby increasing consumers' purchase intentions (Zhu et al., 2020). Brand imagery represents consumers' associations with commodities, and can be divided into external images (impressions of enterprises, products, and services) and internal self-images. Moreover, brand imagery can be divided into soft images (enterprises and self-image) and rigid images (products and services),

and all these images will drive consumers' respect and loyalty (Yang, 2007).

Definition of Brand Image

Wilson & Liu (2011) considered that brand imagery is the brand perception generated by consumers after their rational or emotional interpretation. Rahi (2016) indicated that brand imagery is the customer's perception of the brand. Mitra & Jenamani (2020) emphasized that brand imagery is built based on customer's preferences and how they associate uniqueness, type, and intensity with the brand. Furthermore, Jasmani & Sunarsi (2020) pointed out that customers will make purchasing decisions based on brand imagery.

Based on Ramesh, Saha, Goswami & Dahiya (2019), an outstanding brand imagery can help companies differentiate their products from similar products and improve their competitiveness. Consumers have higher brand confidence in products sold by brands with better brand imagery, thus affecting their purchase intention. Zhong and Xie (2021) discovered that "small farmers" are prevalent in Taiwanese agricultural. Therefore, only by establishing a product grading system, the co-selection and co-pricing marketing strategies, and brand recognition, can they continue to maintain advantages and make profits in the competition of foreign products.

Relationship Marketing

Qiu and He (2019) stated that the concept of relationship marketing originated from industrial marketing in the

Nordic countries in the 1960s. The focus of relationship marketing is to explore how to reach industrial product transactions in the relationship between manufacturers. In the industrial and commercial market, the number of buyers and sellers is small, the transaction amount is large, and both parties are relatively familiar with product information (Wang, 2021). Therefore, both parties usually sign a contract to maintain a long-term relationship and coexistence. The main key to this relationship lies in the interaction between them.

Definition of Relationship Marketing

According to Van Tonder & Petzer (2018), relationship marketing is a strategy used to attract and retain customers and to enhance customer relationships. Solimun & Fernandes (2018) proposed a high-touch, high-commitment, and high-quality approach that integrate marketing, customer retention, and customer service quality. As demonstrated by Lin and Wu (2019), marketers can establish different mix of commodity models to meet the needs of different stages based on diversified relationship marketing levels (commodity level, customer demand level, customer-centric marketing level, and even family level). Today, due to the prevalence of social media, the adoption of community-oriented communication channels has become an indispensable marketing strategy for businesses to build brand awareness and connect with potential customers (Poturak & Softic, 2019). Based on the definition of Ji (2014), "relationship marketing" refers to establishing long-term and positive relationships with important stake

holders (such as customers, suppliers, distributors, etc.), so that all parties can benefit from a win-win situation. Consequently, as long as accompany can build good relationships with key members, it can continue to tap into new opportunities and earn profits.

keting mix based on their target consumer groups. Moreover, brands and products need to adopt a marketing mix at their point of sale to stand out from their competitors. Table 2 below shows the 4P analysis of Xihu pomelos in Miaoli County (ROC).

Research Method

Conclusions

SWOT Analysis

The Marketing of Xihu Pomelo

SWOT analysis is a powerful operation strategy and management method adopted by individuals or organizations to identify and analyze internal/organizational factors (strengths and weaknesses) and external/ environmental factors (opportunities and threats) for better decision-making (Protor, 1997). The external factors originate from economy, society, culture, demographics, environments, politics, laws, technology and competition trends, and these factors may have significant positive or negative impacts on organizations. The internal factors refer to the strategic resources and experiences available for organizations to perform operations, including financial resources, physical resources, human resources and so on. The SWOT analysis of Xihu pomelos in Miaoli County (ROC) is shown in Table 1.

Every year, the Miaoli government organizes a series of events for Xihu Pomelo Flowers Festival during the pomelo blooming period. DIY pomelo products are launched and displayed at the Xihu Pamelos Flowers Festival and sales events in metropolitan areas. This diversified marketing strategy of pomelo products has successfully attracted customers' attention and boosted sales performance. Compared with other pomelos, Xihu pomelo has a unique honey scent that distinguishes it from other competitors when getting advertised. Additionally, relationship marketing and brand imagery can be employed to enhance consumer awareness.

4P Analysis

Results of SWOP and 4P Analysis

When organizations attempt to promote products or search for target markets, they usually incorporate the 4Ps of marketing (i.e. place, marketing price, product, and promotion) into their marketing strategy to develop different mar-

SWOT analysis indicates that most people will purchase online. Therefore, opening an online marketplace can increase revenues. With the assistance of pomelo strategic alliance, we adopted integrated marketing to strengthen differentiated packaging for pomelos at all levels and distribute pomelo products at home and aboard. Meanwhile, it is also recommended to seek help from cross-industry alliance or transform into

Table 1. SWOT analysis of Xihu pomelos from Miaoli

<div style="text-align: center;"> External Factors </div> <div style="text-align: center;"> Internal Factors </div>	Opportunities	Threats
		<ol style="list-style-type: none"> 1. With the development of the Internet, people can get informed via more channels. 2. Diversified usage. Pomelo is the first choice for Chinese Mid-Autumn Festival gifts.
Strengths	SO (Incremental Strategy)	ST (Diversified Strategy)
<ol style="list-style-type: none"> 1. Unique honey scent 2. Promote the experience economy 3. Longer shelf life 4. Advanced cultivation technology 5. Eco-friendly 	<p>By forming cross-industry alliance, relevant pomelo products can be produced. For example, pomelo farmers can either work with bakeries to produce "pomelo crackers", or work with essential oil manufacturers to make "pomelo essential oil", and all of these products can be made into gift boxes.</p>	<p>The fallen fruits or unsalable pomelos can be processed into practical products, including pomelo cleanser, shampoo, etc. Integrate fruit farms with other recreational activities can attract repeat customers and naturally drive circular economic benefits. Thus, the typical farming-based agriculture can be transformed, bringing vitality to farm villages.</p>
Weaknesses	WO (Transitional Strategy)	WT (Defensive Strategy)
<ol style="list-style-type: none"> 1. Low brand awareness 2. Overproduction 3. Pomelo farmers are not good at promotion 4. No branding concept before 5. Few younger generation are willing to take over 	<p>Cause-related marketing strategies can be adopted to deal with overproduction. The news of surplus of Xihu pomelos can be spread via the Internet, driving customers' purchase interests and brands' awareness.</p>	<p>Increase consumers' willingness to adopt pomelo trees, so as to diversify business risks and reduce overproduction. Fruit farmers can lay a solid foundation for all aspects of fruit production, transportation and sales by establishing fruit promotion and marketing teams and strategic alliance for Taiwanese pomelos.</p>

recreational agriculture in order to correspond to market demand. As shown in the 4 principles of marketing, a full set of differentiated packaging and shipping workflows have been established for Xihu pomelos, and the pricing is determined by demand and supply and rele-

vant costs. Nonetheless, most farmers are devoted to growing pomelos but pay little attention to the marketing of their pomelo products via other channels.

Table 2. The 4P analysis of Xihu pomelos from Miaoli

Product	Core Implications	The pronunciation of pomelos is similar to "blessing" in Chinese, and it has the connotation of being blessed by the moon. The Mid-Autumn Festival coincides with the pomelo production period, so people typically will buy pomelos to celebrate Mid-Autumn Festival.
	Tangible Products	Pomelo
	Other Benefits	Pomelos have a variety of health benefits: It is rich in vitamin C, and has the effects of strengthening stomach and beautifying face, etc.
Price	The pomelos can be divided into 3kg of top products, 6kg of top products, and 6kg of special products. The prices are NTD 350, NTD 600, and NTD 500 respectively.	
Promotion	Distribute by Xihu Township Farmers' Association	
Place	The distribution channels include the farmers' associations in all towns, wholesalers, and local fruit farmers. Besides, consumers can also order by phone, or internet, etc.	

References

- Annual Report from Council of Agriculture, Executive Yuan, R.O.C. Retrieved from <https://www.coa.gov.tw/> (May 15, 2019)
- Chu, Y.H., Liu, C.C., Wang, R. J. (2020). The Influence of Excessive Service on Customer Emotion and Satisfaction: Mediating Effect of Difficult Customer. *Journal of Tourism Industry and Aviation Management*, 3(1), 20 - 40. DOI: 10.6862/JTIAM.202007_3(1).0002
- Chung T. Y., & Shieh, G. S. (2021). The Dynamics of Agriculture: Market Exchange, Redistribution and Reciprocity in Rural Taiwan. *Taiwanese Sociology*, 41, 1-50.
- Huang, C.J., Chen, K. H. (2018). Relationships among Experiential Marketing, Customer Satisfaction and Customer Loyalty of Physical Channel in Direct Selling Companies. *Direct Selling Management Review*, 2(4), 33-56.
- Jasmani, J., & Sunarsi, D. (2020). The Influence of Product Mix, Promotion Mix and Brand Image on Consumer Purchasing Decisions of Sari Roti Products in South Tangerang. *PINISI Discretion Review*, 1(1), 165-174. DOI:10.26858/pdr.v1i1.13409
- Ji, Y.R. (2014). An Empirical Study on Relationship marketing, Service Quality, Customer Satisfaction, and Customer Loyalty- A Teaching Hospital Rehabilitation Medicine in Central Taiwan to be the

- Example. (Unpublished Master's Thesis) Department of Marketing and Logistics Management, Yu Da University of Science and Technology, ROC.
- Lin N. H. and Wu C. L. (2019). The Effect of Perceived Value and After-Sale Service on Satisfaction, Commitment, and Customer Relationship Performance - Evidence from the Air Conditioning Industry. *Journal of National Taipei College of Business*, 36, 41-68.
- Mitra, S., & Jenamani, M. (2020). OBIM: A Computational Model to Estimate Brand Imagery from Online Consumer Review. *Journal of Business Research*, 114, 213-226.
DOI: 0.1016/j.jbusres.2020.04.003.
- Poturak, M., & Softic, S. (2019). Influence of Social Media Content on Consumer Purchase Intention: Mediation Effect of Brand Equity. *Eurasian Journal of Business and Economics*, 12(23), 17-43.
DOI:10.17015/ejbe.2019.023.02
- Proctor, T. (1997). Establishing a strategic direction: a review. *Management Decision*, 35(2), 143-155. DOI: 10.1108/00251749710160304
- Qiu J. T. and He J. L. (2019). The Effect of Experiential Marketing on Customer Satisfaction and Customer Loyalty: The Case of Service Centers in Life Insurance Company. *Insurance Monograph*, 35(1): 71-105.
- Rahi, S. (2016). Impact of Customer Perceived Value and Customers Perception of Public Relation on Customer Loyalty With Moderating Role of Brand Imagery. *The Journal of Internet Banking and Commerce*, 21(2), 1-14.
- Ramesh, K., Saha, R., Goswami, S., & Dahiya, R. (2019). Consumer's Response to CSR Activities: Mediating Role of Brand Imagery and Brand Attitude. *Corporate Social Responsibility and Environmental Management*, 26(2), 377-387. DOI:10.1002/csr.1689
- Solimun, S., & Fernandes, A. A. R. (2018). The Mediation Effect of Customer Satisfaction in the Relationship Between Service Quality, Service Orientation, and Marketing Mix Strategy to Customer Loyalty. *Journal of Management Development*, 37(4). DOI: 10.1108/JMD-12-2016-0315.
- The official website of Chi-Hsin Clinic, Taipei City. Retrieved from <https://www.ch.com.tw/> (May 15, 2019)
- The official website of Xihu Township. Retrieved from <https://www.xihu.gov.tw/> (May 15, 2019)
- Van Tonder, E., & Petzer, D. J. (2018). The interrelationships Between Relationship Marketing Constructs

- and Customer Engagement Dimensions. *The Service Industries Journal*, 38(13-14), 948-973. DOI: 10.1080/02642069.2018.1425398
- Wang Y.X. (2021). Living in the Economy. Taipei: Qingwen Huaquan.
- Wilson, J. A., & Liu, J. (2011). The Challenges of Islamic Branding: Navigating Emotions and Halal. *Journal of Islamic Marketing*, 2(1), 28-42. DOI:10.1108/17590831111115222
- Yang H.R., Cai H.W., Zhang S.F., Chen Q.N., Tang J.H., Guan Q.S., & Huang S.H. (2018). The 100-Year Research Results of Chiayi Agricultural Experiment Station (1918-2018). Special Issue of Agricultural Experiment Station, 208, 1-205. Agricultural Research Institute Council of Agriculture, Executive Yuan, R.O.C. Retrieved from <https://scholars.tari.gov.tw/handle/123456789/9937> (May 15, 2019)
- Yang, S. M. (2007). The Impact of the Mode and Interactivity of Online Promotion on Advertising Effect. (Unpublished Master's Thesis) Institute of Marketing Communication, National Sun Yat-sen University, ROC.