Medicinal and Aromatic Plants: The market research and strategic planning for a successful promotion

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Introduction

Medicinal and Aromatic Plants – MAPs have been used by human beings since antiquity for healing various illnesses. Nowadays, MAPs are largely used in pharmacy, cosmetology, perfumery as well as the food industry. The global resurgence of interest in MAPs provides opportunities in Greece and in other countries to derive economic benefits. Over the last decade in Western Europe, there has been a two–fold increase in the MAPs consumption. The global production of MAPs is distributed in the following sectors: Food and beverage market uses almost 50 %, cosmetics market uses almost 25 % and pharmaceutical market covers almost 20 % of total production. The rest amount is used for other purposes such as insecticides production.
The purpose of this research is to examine market prospects and create a strategic plan to promote MAPs, both in Greece and abroad.

Methodology

In order to determine the perspectives of MAPs market, the authors used Porter's Model of Five Competitive Forces and the PEST–DG analysis. Consumer interest in MAPs products was recorded, distributing a structured questionnaire to a sample of 100 participants.

Porter's Five Forces
- Tool for analyzing competition of a business.
- Tool for identifying your strategy's potential profitability.

PEST – DG analysis
- A framework of macro-environmental factors of enterprise.

Structured questionnaire
- The questionnaire was shared via email.

Results

Porter's Five Forces

•Buyer power
→MAPs market could be more effective and profitable, clustering and combining plants with other dynamic agricultural products, such as Mediterranean olive oils and Greek national cheese-feta.

•Supplier power
→Propagating material of MAPs is crucial to be certified, in order to achieve entrepreneurial success for the high qualitative traits of Greek MAPs.

•Threat of substitution
→Nowadays, a significant amount of consumers prefer to buy natural products. Consequently, the threat of substitution will be reduced.

•Threat of new entry
→Greek state subsidizes the cultivation of MAPs. As a result, several young people have entered into this sector.

•Competitive rivalry
→MAPs's products need to be continuously updated to maintain competitiveness, since the target - markets are in high demand.

PEST – DG analysis

Political Factor: the development of MAPs's products, should follow European Pharmacopoeia, EUROPAM and World Health Organization regulation.

Economic Factor: The cultivation of MAPs can be involved in the green economy.

Social Factor: Production of specific species → For example Safran, Kozani

Technology Factor: The equipment of tobacco is the same for the aromatic plants.

Demographic factor: **Urbanization** is a significant **phenomenon in Greece.**

Global factor: The power of the Asian markets has changed the terms of world trade.

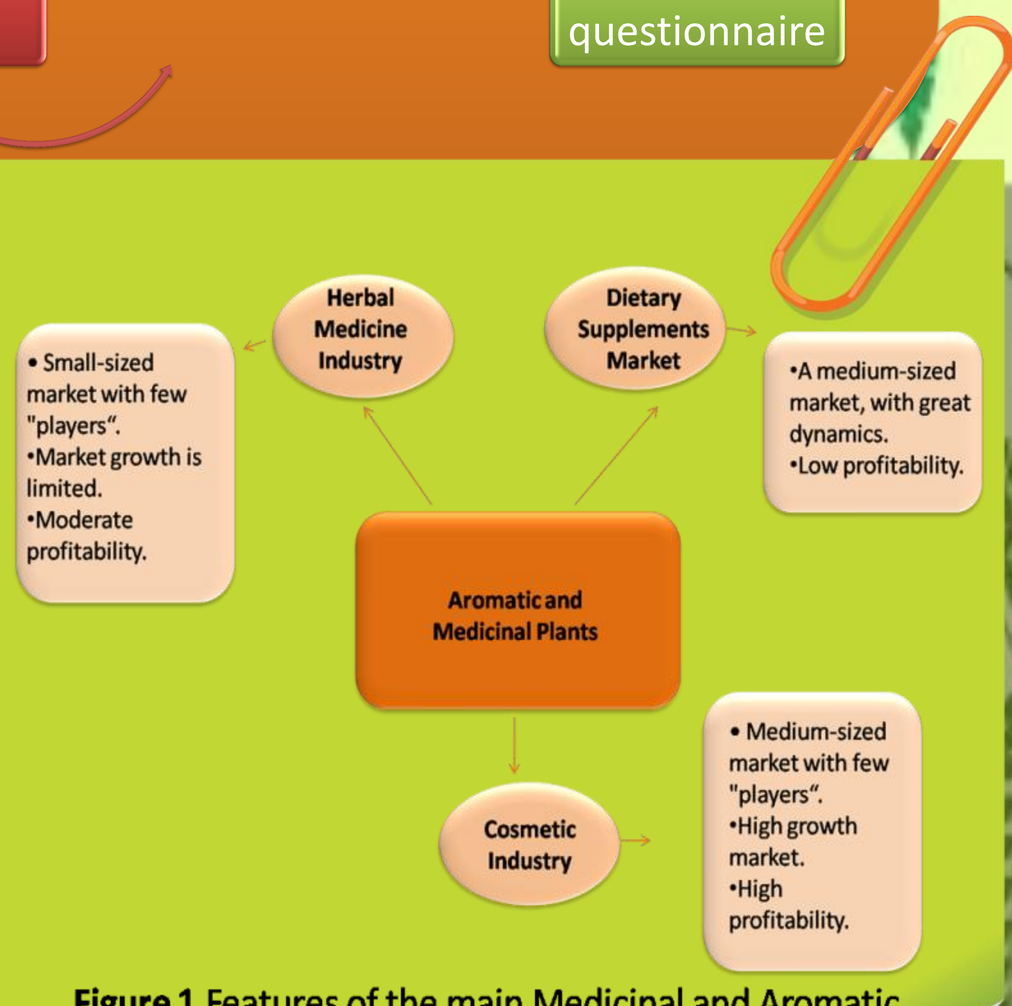


Figure 1 Features of the main Medicinal and Aromatic Plants markets



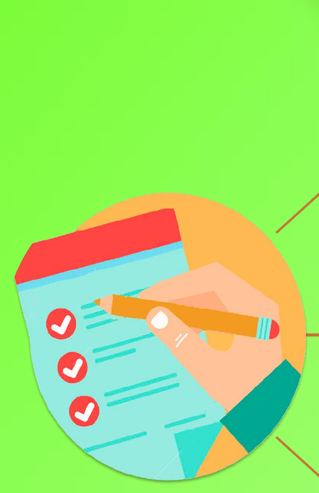


Figure 2 Main results of questionnaire

Conclusions

This sector has huge profit margins. It is recommended that existing farmers be organized into producer groups and economies of scale. Partnerships between farmers and universities in Greece help farmers improve their products. The processing of aromatic and medicinal plants is expected to increase the price of final products and therefore the agricultural income.

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