



SNS B-SPINE

Coimbatore-35  
An Autonomous Institution

DEPARTMENT OF MANAGEMENT STUDIES

19BAE752 - AGRICULTURE MARKETING MANAGEMENT  
II YEAR III SEM

UNIT 1 - INTRODUCTION TO AGRICULTURE MARKETING

TOPIC 6 – AGRIBUSINESS MARKETING ENVIRONMENT



# Definition of Market Structure

- The agribusiness marketing environment refers to the various external factors and forces that influence the marketing activities and strategies of businesses operating in the agricultural and food industries.
- Understanding the agribusiness marketing environment is crucial for organizations in this sector as it helps them make informed decisions and develop effective marketing plans.
- Components : **Macro and Micro environmental factors**



# Macro Environment



# Macro Environment

- The macro environment refers to the broader external factors and forces that affect an entire industry or market, rather than a specific organization.
- It involves the larger societal, economic, political, technological, environmental, and cultural factors that shape the business landscape.



# Economic Factors

- The overall economic conditions of a region or country can significantly affect agribusiness marketing.
- Factors such as income levels, inflation rates, and currency exchange rates can impact consumer spending on agricultural products.



# Socio-Cultural Factors

- Cultural preferences, dietary habits, and lifestyle choices of consumers play a vital role in agribusiness marketing.
- Understanding these factors is essential for tailoring products and marketing messages to specific target markets.

# Demographics

- Factors like population size, age distribution, and urbanization rates can influence the demand for different agricultural products.
- Businesses need to adapt their marketing strategies to meet the needs of specific demographic groups.

# Technological Factors

- Advances in technology can transform the agribusiness sector.
- Innovations in farming techniques, machinery, and digital tools can impact production, distribution, and marketing processes.





# Environmental Factors

- Concerns related to sustainability, climate change, and environmental regulations have become increasingly important in agribusiness.
- Companies must consider these factors in their marketing strategies to meet consumer expectations and regulatory requirements.



# Political and Legal Factors

- Government policies, regulations, and trade agreements can have a significant impact on agribusiness operations and marketing.
- Changes in legislation related to agriculture, food safety, and trade can create opportunities or challenges for businesses.



# Competitive Factors

- The competitive landscape within the agribusiness industry is a critical aspect of the marketing environment.
- Understanding the strengths and weaknesses of competitors, as well as market dynamics, is essential for formulating effective marketing strategies.



# Microenvironment



# Micro Environment

- The microenvironment focuses on the specific external factors and actors that directly affect an individual organization or company.
- It includes entities and elements that are in close proximity to the company and have a more immediate impact.

# Suppliers

- Agribusinesses rely on suppliers for raw materials, seeds, fertilizers, equipment, and other inputs.
- The relationship with suppliers and the availability of these resources can affect marketing decisions.



# Customers

- Understanding the needs, preferences, and buying behavior of consumers, wholesalers, retailers, and foodservice providers is fundamental to agribusiness marketing.
- Customer segmentation and market research are essential tools in this regard.

# Intermediaries

- Distribution channels, such as wholesalers and retailers, play a critical role in agribusiness marketing.
- Building effective partnerships with intermediaries is essential for reaching the end consumer.



# Competitors

- Monitoring and analyzing the strategies and actions of competitors is crucial for staying competitive in the agribusiness market.
- Businesses must differentiate themselves and identify unique selling points.



# Stakeholders

- Beyond customers and competitors, agribusinesses must consider other stakeholders, including government agencies, advocacy groups, and the media, which can influence public perception and policies related to agriculture and food.



# Case Study

