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Agribusiness marketing in transition: Current trends and strategic implementation in Azerbaijan

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Agricultural marketing, digital technologies, agro-parks, branding, value chains

ABSTRACT

This paper investigates the shift from traditional marketing channels to digital, brand and coordinated market systems in the agribusiness marketing of Azerbaijan. It is a descriptive-analytical design, which includes a thematic review of relevant literature and policy documents, followed by secondary analysis of the official agricultural indicators and a strategic assessment of logistics, certification, digitalization, agro-parks and cooperative frameworks. The indicators compiled indicate that total agricultural output was about AZN 14.19 billion, wherein the share of crop output was 47.6 per cent, and the share of the livestock sector amounted to 52.4 per cent and agricultural exports were found to be about USD 936 million, among which the share of fruits and vegetables was significant. It was identified that digital platforms, direct-to-consumer linkages, regional branding, certification, agropark integration and co-logistics can bolster market linkages and value appropriation. Fragmented structures in agricultural production, as well as differences in digital skills, marketing capacity and storage and transport capacity also continue to hinder competitiveness. Proposals for regional value-chain orientation based on geographical identity, digital traceability and a logistics-sharing cooperation. The results clearly indicate that market support through better coordination of market institutions, infrastructure, quality assurance, finance, and digital tools play a pivotal role in boosting the competitiveness of Azerbaijan's agribusiness sector in the domestic and export markets.

INTRODUCTION

Despite the relative significance of agriculture as a part of non-oil sector of the Azerbaijani economy, the competitiveness of agribusiness is now dependent not only on increase in volumes of production but also on a range of additional factors. The effectiveness of the transformation of agricultural output into income depends on market access, product differentiation, logistics, quality assurance and the ability to adjust when there are changes in the consumers' demand. The production environment has been bolstered by government support measures, export promotion, and the development of agro-parks, while new channels of communication among producers and buyers have emerged with the digitalization of production, which makes it easier for producers to reach markets (Ministry of Agriculture of the Republic of Azerbaijan, 2024; World Bank, 2023).

Therefore, in the modern times agricultural marketing has not only happened when products are physically transported from the farm to the consumer but before that as well. It entails market research, e-commerce, branding, certification, digital communication, value-chain coordination. Seasonality, perishability, and the variability in quality make these functions especially significant for agricultural commodities, as timely information on the market is important and efficient distribution is essential (Food and Agriculture Organization of the United Nations [FAO], 2023; International Food Policy Research Institute [IFPRI], 2023). Producers may have limited control over their product if these functions are insufficient and this can lead to increased post harvest losses and reduced final market share.

The level of introducing modern marketing tools is not uniform in Azerbaijan. The use of digital platforms and social media has become apparent, however, small producers continue to have difficulties in marketing knowledge, storage, transport, certification, and access to coordinated sales system. While some previous research and policy reports focus on one or more specific aspects of development (e.g., digital agriculture, food security, or cooperatives), less is written about the interaction between different aspects when it comes to export development in an agribusiness marketing system (Huseynov & Guliyeva, 2022; Mammadova & Mammadov, 2025). This calls for a formal and systematic evaluation that links market trends to institutional and infrastructural situations.

In this regard, the current trends of agribusiness marketing in Azerbaijan and the necessary strategic conditions to provide effective implementation will be assessed. The analysis will answer the following questions: (1) What are the structural factors that affect the marketing opportunities and constraints in the agricultural sector, (2) What are the marketing effects and the possibilities of digital marketing together with branding, certification, agro-parks and the cooperative principle, and (3) How can these be put together in a cohesive framework of regional value-chains. Secondary information is used and thematically synthesized to yield strategic implications but not causal estimates.

LITERATURE REVIEW

Agricultural marketing/ value chain coordination

Agricultural marketing involves functions like aggregation, transportation, storage, processing, pricing, promotion and selling that link production to final demand. It plays a particularly important role in the case of perishable products and where supply is seasonally and/or climatically influenced. In such situations, market information and coordinated logistics can help to mitigate uncertainty and ensure production decisions align with market demand (FAO; 2023; World Bank; 2023). Efficient marketing systems thus play a part not only in sales but also in the organization of the market chain in general.

Traditional market systems (local markets and middlemen) can function as a direct path for producers to market, but can also give consumers the upper hand and exclude producers from information. Some of these constraints can be overcome by adopting ICTs, producer-to-consumer marketing and cooperative marketing, which expand the knowledge base and provides alternative marketing avenues (Organisation for Economic Co-operation and Development [OECD], 2021). But whether these alternatives are effective requires supporting infrastructure such as storage, transport and fulfillment.

Digitalization, branding and quality assurance.

Social media, online marketplaces and even communication through the use of data make it a low transaction cost for connecting the producer with the consumer which has made digital marketing an important part of the contemporary agribusiness. The information on origin, quality and availability of products is also communicated more directly via digital platforms. At the same time, branding can be used to distinguish agricultural products, which are often subject to competition predominantly based on price, and certification can mitigate information gaps by certifying adherence to established quality and/or safety standards (European Commission, 2022; OECD, 2021).

The relationship of branding and quality assurance is especially relevant with the exportoriented agribusiness. Although regional branding can boost product awareness, it is equally vital to ensure equal standards, traceability and delivery. Therefore, branding should not only be regarded as a purely promotional exercise, but backed up by production discipline, through certification and logistics. This integrated perspective aligns with the research that highlights the significance of regional value chains and market institutions in emerging markets (European Bank for Reconstruction and Development [EBRD], 2023).

Institutions, clubbing, cooperative and financing

Marketing can be reinforced through the creation of agro-parks, clusters (groups) of agricultural operations and cooperatives, so that the activities that are more difficult to coordinate at the individual small farm level would be brought together. The integration of production, processing, packaging, storage and selling can enhance the standardization of interlinkages and minimize transaction costs, and synergized infrastructure can provide for bigger and more stable volumes of the markets (FAO, 2023; Ministry of Agriculture of the Republic of Azerbaijan, 2024). The key to facilitating access to logistics and market information is also through cooperative arrangements, which, however, requires good governance, trust and unambiguous economic incentives (United Nations Development Programme [UNDP]; 2022).

Financing is also pertinent to the transition towards technology-driven and resource-saving agribusiness. Using green finance instruments to advance solar energy development in Azerbaijan, Sadiqov et al. (2026) show the importance and function of targeted financial mechanisms in providing capital-intensive investment opportunities for low-carbon energy. In fact, some financial concepts can be generalised to renewed-energy-based irrigation, cooling in the agribusiness field, and processing and logistics, but are not tested here.

Collectively, the literature implies that a relationship between market information, digital market, infrastructure, quality assurance, institutional coordination and finance is crucial for effective agribusiness marketing. The core analytical gap filled in this paper will not be the usefulness of these instruments per se, but rather how they may be integrated into an implementation framework that is appropriate for the agricultural structure of Azerbaijan.

MATERIALS AND METHODS

Research design and analytical framework.Research design and analytical framework.

The type of research used in the study is descriptive-analytical using secondary evidence. It involves a qualitative, thematic synthesis analysis and a descriptive analysis of agricultural production and agricultural export indicators. No primary survey, experiment nor causal econometric model is applied. The goal is to find structural marketing patterns and to make strategic interpretations based on the available evidence, not to make causal estimates.

The data sources and the analytical procedure are reported.

The empirical base is comprised of secondary information provided by the State Statistical Committee of the Republic of Azerbaijan, INSTC of Azerbaijan, the Ministry of Agriculture of the Republic of Azerbaijan as well as international organizations such as FAO, OECD, EBRD, the World Bank, UNDP, the European Commission and IFPRI. The literature and policy materials were analysed under five main themes: Digital marketing, branding and certification, logistics, institutional coordination, and market access. The structure of agricultural output and exports was described by means of quantitative indicators.

The analytical procedure has been done in three phases. Initially literature was synthesized and main functions and constraints of modern agriculture marketing was emerged. Secondly, the available indicators of the different sectors were classified as to the relative importance of crop production, livestock production and export-oriented production. Third, the evidence was considered with a strategic perspective and an analysis was carried out regarding the potential flexibility of the agrarian context in efficiently overcoming the identified constraints through the use of digital tools, regional branding, local agro-parks, cooperation, and shared logistics. Since some of the figures have been given as an approximation, and the sources are also diverse as secondary indicators, so the results have to be taken as evidence of the prevailing situation and not a continuous statistical series.

RESULTS AND DISCUSSION

Structural profile and marketing implications

This study's sectoral indicators reveal a significant level of agricultural output with reasonably even split between crop and livestock farming. At overall agriculture output is approximately AZN 14.19 billion, out of which agriculture (crop) production is roughly 47.6% and livestock production 52.4%. Exports, mainly in agricultural products, are valued at USD 936 million, among which fruits and vegetables have a significant role. Such patterns suggest that marketing success is hinged on the coordination between domestic supply-chain and on the capacity to fulfill the demands of export market.

Table 1. Key indicators of agricultural production and marketing relevance in Azerbaijan

Indicator	Approximate value and marketing interpretation
Total agricultural output	AZN 14.19 billion. Indicates a sizeable production base and continued need for coordinated market infrastructure.
Crop production	About AZN 6.75 billion (47.6%). Perishable and seasonal products increase the importance of storage, cold-chain capacity, and timely market access.
Livestock production	About AZN 7.44 billion (52.4%). Market performance depends on feed supply chains, processing, quality control, and domestic distribution.
Agricultural exports	About USD 936 million. Fruits and vegetables account for a substantial share, reinforcing the importance of export branding, certification, and logistics.

Note. Values are approximate indicators compiled from the State Statistical Committee of the Republic of Azerbaijan (2024) as presented in the study materials.

This is particularly significant in relation to marketing since value chains in fruits and vegetables are sensitive to the value and packaging of produce and time to market. Poor storage or transport can lead to a rapid decline in quality, and reduced prices realized. Processing and cold chain management and quality standardization are also demanded, due to the livestock production scale. In this context, production growth by itself is not enough to make production more competitive; marketing infrastructure plays a crucial role in retaining how much value is retained and transferred along the value chain (EBRD, 2023).

State support has been growing, contributing to the institutional basis for the modernization of agriculture through providing subsidies, preferential financing, infrastructure and the development of agro-parks (Ministry of Agriculture of the Republic of Azerbaijan, 2024). The strategic significance of agricultural marketing has also grown with the export promotion initiatives and overall focus of non-oil diversification. These measures provide potential opportunities, however, if producers are able to ensure regular product quality, supply and market linkages from the support measures, they will impact the market.

Direct to consumer channels and digital marketing

Certain communication barriers that exist between producers and consumers have decreased through use of digital platforms/social media. It allows farmers and agribusiness to advertise for products, get orders, to provide origin details and respond faster to market demands, through online sources. Direct sales may also lessen reliance on middlemen and potentially boost producers' share of the final value, (OECD, 2021). The benefits are especially applicable to niche, premium and area differentiated products.

Digital marketing isn't a replacement for physical distribution, however. Online orders also need something that is securely packaged, stored, conveyed, paid and delivered. The advantages of digital are thus constricted when the logistics are not strong, and/or when producers do not have the knowledge and skills needed to create the digital content, handle the customer interactions and deliveries. This is what makes the digital transformation a process that should be planned as a marketing-logistics process, and not only social media or e-commerce application acquisition process (Huseynov & Guliyeva, 2022).

Branding, certification and competitiveness of exports.

Branding could be a way to differentiate Azerbaijani agricultural products from those based on their physical characteristics. Geo-positioning, quality, and authenticity can be used as positioning products associated with a particular region or production tradition. Hazelnuts, pomegranates, grapes and apples are all listed in the manuscript as products with regional branding potential. Product associating with its place of origin can be helpful for differentiation both in local and global markets (Karimli, 2024).

But brand value cannot be sustained without quality support. International standards and certification will help build consumer and buyer confidence, especially in export markets where food-safety and documentation requirements are formalized (European Commission, 2022). Digital traceability can serve as an additional tool for certification and provide more information on origin, handling and movement of products. Strategically, there is two models that are therefore effective: the combination of the regional identity with a Quality Assurance model and the presence of traceability, and, at the same time, dependable logistics.

Agro-parks, clusters and cooperative marketing

An institutional mechanism for integrating production, processing, packaging, storage, and sales is offered by agro-parks and clusters. This sort of integration could benefit standardization, and break down volumes when bigger buyers require it. Furthermore, it can help establish a unified segment of the value chain (FAO, 2023; Ministry of Agriculture of the Republic of Azerbaijan, 2024) by adopting the methods and technology of quality-control systems. These functions are critical for export-oriented production activities since the international buyers would demand regular volume, quality and delivery schedule.

Smaller farms can achieve similar benefits from cooperative marketing, but marketing cooperatives need to be formed around practical shared resources. However, cooperatives are not restricted to only collective production or negotiation, but could also share cold storage facilities, transportation, packaging, certification and market information. This will help to minimize duplication of fixed costs and connect buyers (Aliyev, 2023; UNDP, 2022). This is the organizational sustainability: A shared system needs an open governance and for the membership to have incentives to continue participating to make it economically rational to do so.

Major constraints and development opportunities

Four constraints are at the core, even though more and more support measures and digital possibilities are created. First, it is difficult for farmers to standardize and market in large volumes due to farm fragmentation. Secondly, lack of warehousing, cold storage and transport facilities can diminish the quality and position of the Perishables market. Third, producers don't all have the same ability when it comes to marketing and digital skills. Fourth, concerted action among producers, processors, logistics suppliers and public institutions is needed with regards to certification, traceability and brand development. These constraints compound each other and can only be addressed effectively by addressing more than one constraint in isolation.

The development perspective is good as there is clear scope for specific development based on the same constraints. Value chains can be strengthened through investment in shared logistics, training of producers, digital platforms, regional branding and quality systems. Agro-parks and clusters can offer organisational structures that allow such a coordination to happen, and export-oriented brand can offer incentives for this. The central policy implication is to create a marketing modernization as a system, in which the upgradings and

developments of infrastructure, skills, standards, digital tools and financing support each other.

Strategic implications and proposed contribution In what ways could the content help people make decisions related to strategic business issues?

Based on the study, the researchers have suggested three strategic modifications to the traditional agribusiness marketing methods. First, the aim of branding should be related to its origin and product identity and not used as a generic promotion. Second, certification should be backed up by digital traceability and logistics, so quality statements can be backed up along the way. Third is the need to give greater priority to cooperative marketing for shared logistics and cold chain infrastructure as it has direct impact on the quality of post harvest and market access.

The regional value-chain integration model is represented by these propositions and can be applied in the regions where agricultural market systems are in the organizing process such as Karabakh and East Zangezur. Within this kind of environment the regional identities symbols can be linked to digital traceability and logistics coordination, and gradually change the way of dealing with commodity sales into a value-added market positioning. The framework is conceptual and should be viewed as a strategic proposition, based on the synthesis, and not one that has been tested for causes.

Table 2. Strategic interpretation and proposed contribution

Conventional view

Conventional view	Strategic proposition of this study
Branding increases product value.	Link branding to regional origin and product identity to strengthen differentiation.
Certification builds consumer confidence.	Reinforce certification with digital traceability and reliable logistics across the value chain.
Cooperatives strengthen bargaining power.	Use logistics-sharing, cold storage, packaging, and market information as practical foundations for collective market power.

The conceptual contribution in the table should not be interpreted to mean that the proposed relationships have been confirmed by experiment. Further firm-level and farm-level studies could evaluate the impact of these integrated arrangements on hard metrics for gains in price, market access, post harvest losses or export performance.

CONCLUSIONS

As it was revealed in the results of the study, the production structure, digitalization, logistics, branding, certification, institutional coordination and finance are the indicators of the transition of agribusiness marketing in Azerbaijan. Available evidence shows that there is a significant agricultural base and export potential, though the ability to add value to the product of the farms is limited by the poor marketing competences of farmers, fragmented farm sizes, as well as inadequate storage and transport facilities. Digital platforms and direct sales do provide opportunities to access the market but need robust physical distribution and producers' capacities.

The analysis also indicates that "regional branding", "quality assurance", "digital traceability", "agro-parks" and "shared logistics" should be considered as complementary strategies and not different interventions. A value chain model based on a product identity, traceability and cooperative logistics is a workable approach for boosting competitiveness. Priorities for policies and investments should accordingly focus on the development of cold-chain infrastructure, marketing and digital training, certification capacity based on cold-chain infrastructure development, coordinated export branding, and access to the right financing for cold-chain infrastructure and technology.

The study has drawbacks in using sources secondary to the primary sources, sectoral indicators approximate, and the non-existence of primary data for even the farms and the firms. Does not measure causal effects or the effectiveness of particular marketing actions. Future research ought to validate the proposed framework by means of producer-surveys, data from buyers, value-chain cost analysis and longitudinal indicators, so as to calculate the economic impact of digital marketing, regional branding, traceability as well as logistics-shares.

AUTHOR CONTRIBUTIONS

Conceptualization, methodology, investigation, data curation, formal analysis, and writing—original draft, L.Z.H. and M.J.H.; writing—review and editing, L.Z.H. and M.J.H. Both authors have read and approved the final version of the manuscript.

CONFLICTS OF INTEREST

The authors declare no conflict of interest.

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DATA AVAILABILITY

The study is based on secondary data and institutional reports cited in the manuscript. No original primary dataset was generated for this study.

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